

Niche Market in Professional Office Space

By JUDY E. LOOMIS

What started out as an idea scribbled on a cocktail napkin inspired a fusion of business growth unlike any downtown Fort Wayne has realized before. Disenchanted with the space he had been renting, Doug Adelsperger, a Fort Wayne attorney, decided he and his father Reed should literally take a walk around the proverbial downtown block and see firsthand what type of office space was available. What Doug and his father discovered was a plethora of available office space that needed new life blown into it and astronomical start-up costs that would be required to create a legal firm.

As a result, Adelsperger decided to venture down an entirely different avenue. He contemplated developing a complex of professional offices and services that would not only feed off of each other, but result in far less start-up costs for professionals like him, who wanted to create an address without investing heavily in ancillary items and services like copy machines, telephone systems and support staff.

"I told my dad about this concept I had with regard to creating an 'Executive Suite,'" Adelsperger says. "It's not a new idea; it's just an idea that back in 2000 and 2001 was not big in Fort Wayne. In fact there was only one group doing it and at the time they were in the basement of the Metro Building. What I had in mind, and what I think people will see when they tour Midtowne Professional Center and the Harrison Professional Center, is a finished product. It is quality

professional office space for lawyers, accountants and high-end sales and insurance reps. If you take a look at that original cocktail napkin you will see a drawing that is 95-percent accurate to how Midtowne looks today."

Adelsperger's concept has worked wonderfully well. Currently, Midtowne Professional Center and the Harrison Professional Center offer 20 office spaces collectively, with four full-time staff people who work both facilities by way of the reception area and what Adelsperger refers to as "runners" and file clerks. It is virtually "ready-made" professional office space that can be acquired at almost a moments notice.

"Let's take the example of a 'day in the life' of a lawyer," says Adelsperger. "A person walks in and I supply them with a distinguished mailing address, Internet access, postage and mailing, and someone who answers their telephone line with their company name. When they come in all of their mail is sorted, and let's say they have 57 letters that need to go out in one particular day. They put them in their particular mailing box, my employees run them through the postage meter and at the end of the month I send them a bill for their postal usage. Phone service and copy service is billed the same way. When they get their bill at the end of the month it has three entries on it, the rent, copies that they used and postage that they used. Remember that the renting of the postage meter and all of the rest of the amenities here are

rolled into their rent, which means the cost per square footage here can be misleading. If someone out there is looking for a \$14 per square foot facility they are getting a lot more than just square footage. If we rented by square footage we would be off on the charge because we have to break it out into all of the extras."

David Nugent, a partner in BND Commercial who had been Adelsperger's agent for years, was also one of Adelsperger's first tenants. Nugent and his partners needed an immediate presence in downtown Fort Wayne when they launched their new commercial brokerage firm. Nugent defines selling this concept as "out of the box" because it is new to a market.

"What Doug has done here is fill a void which secondary markets badly need," Nugent says. "He has found a niche for Fort Wayne even though the concept has been around for a long time in larger markets. It's a great tool for spinning off or creating satellite offices. We have people in Indianapolis who want a presence here, they want an office, but they don't need to spend a lot of money. This is a perfect situation. There are national companies where all they do when they enter new markets is rent an executive suite and are given a one or two year time frame to meet their goals. Then they transition into a more permanent, long-term type of lease arrangement. Across the country it is a very well-known type of office arrangement and the common term for it is "executive suites."

Nugent goes on to explain that selling the concept of executive suites is getting much easier as the public understands it and the savings involved. According to Nugent there is a learning curve.

"Right out of the gate we knew we had to find a more refined way of marketing this concept," adds Nugent. "We had a tendency to think in-the-box in terms of marketing. We would put our entries onto the website listing service and there you simply filled in the fields and the price per square foot. Well, that's difficult to define when the price per square foot also includes all of the other amenities like postage, a receptionist, a runner, copy machines, etc. As a result, we would plug in a 14' x 16' office space for "X" amount of dollars, and that's all the website would allow you to do. There was no ability within that framework to explain and to sell what an executive suite of offices really consists of. Now we are approaching the marketing of executive suites quite differently, with flyers and brochures that thoroughly explain to professionals looking for temporary or long-term space, what is included."

Adelsperger is confident that his concept will flourish. He anticipates that in the near future there will be other executive suites on both the north and south sides of the city.

"We are learning a lot as we go," Adelsperger says. "We are learning to adapt and evolve. We have a presence in downtown Fort Wayne and that's desirable for a lot of out-of-town companies as well. They can have an address and a phone number here and they may only be here one or two days a month. Our premise is to put people in business fast. Literally, we can have someone in full operation out of either one of our suite locations within two hours!"