

THE FUTURE OF REAL ESTATE



The Commercial Real Estate landscape is changing quickly, and technology is playing a central part. We're going to show you our vision for the future of physical spaces, and how we think forward-thinking organizations will take advantage of a shifting ecosystem.



STARTUPS ARE THE NEW TENANTS, AND THEY FOLLOW A DIFFERENT SET OF RULES.

Startups were just young and promising a decade ago, but they've quickly taken over global markets in the last two decades. In 2018, the top 5 companies in the world by market capitalization are all technology companies, but they began as tiny startups. You already know that Facebook and Google run their offices differently than most: but they're only part of the equation. There are thousands of well capitalized mid-to-late stage companies, and they're looking for space.

These new entrants aren't cash strapped small teams: they're fast growing, efficient, and backed by more capital than the ecosystem has ever seen. Funds are on track to funnel more than \$100B into U.S. startups this year, well on top of last year's already impressive \$84B. These companies have cash to spend and need space, but they operate very unlike traditional corporations and expect their values to be reflected in their spaces.

HOW THIS SEISMIC CHANGE INFLUENCES REAL ESTATE



STAY

Startups can't sign 10-year leases when they've only got 2 years of cash. Expect higher turnover, and look towards fragmenting real estate leases to cater to this new business model.



SPACE

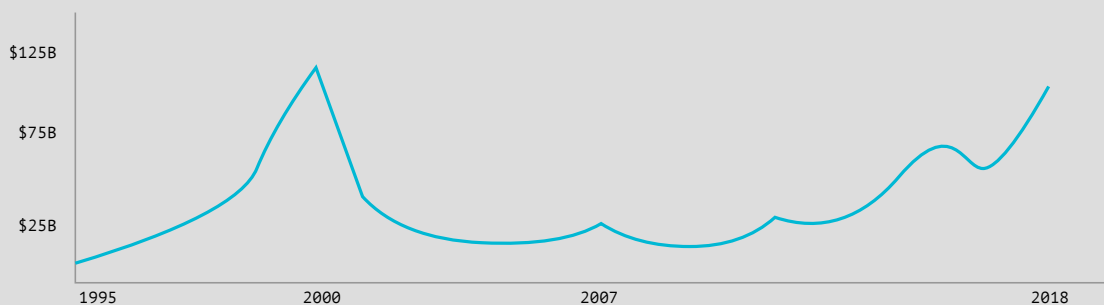
Startup culture – agility, transparency, and collaboration – needs to be reflected in their spaces. Expect more elaborate, open floor plan requirements that change from tenant to tenant.



SYSTEM

Startups are values driven and expect spaces to convey that. Amenities like coffee and matcha are only a start: networks and communities are what drive startup demand.

VC DOLLARS INVESTED OVER TIME (U.S.)



NETWORKS AND COMMUNITIES ARE THE NEW LOCATION.

We're used to location determining price, but communities and networks are starting to do the same. For new tenants, value is dependent on access to these networks.

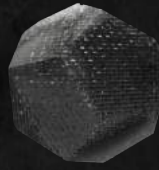
As our economy shifts more and more towards knowledge work, social capital is becoming noticeably powerful. Building companies and businesses is now a social endeavor: founders want to share difficult experiences with others who are also going through them. Startup accelerators have built businesses off of providing these as a service, and they're going to start being a key part of physical spaces going forward.

Networks are just like location: they'll add orders of magnitude in value to your physical spaces.

Community isn't just something you can build quickly: it requires a deep understanding of the entrepreneurial journey and an empathy for the process. Technology relies on insider knowledge and culture, and developers are going to need to partner with different ecosystems to build new ones. This isn't new: real estate titans know that not all square feet are created equal, and that location is one of the largest drivers of price and demand. Leading companies are going to need to adjust to communities being a driver too.

UNLOCKING NETWORK BASED REAL ESTATE VALUE





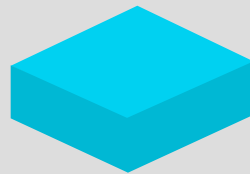
THE NEW CORPORATION IS MODULAR AND NEEDS A REWRITTEN BUSINESS MODEL.

Companies today are growing through experimentation and failure instead of central planning. An iterative process requires integrated services in physical spaces.

Instead of developing a concrete business plan and building something to completion before release, entrepreneurs today build out parts of their business as they're ready, and would prefer to fail correctly than succeed too late. All of this translates into a "pay as you go" mindset that applies to hiring, infrastructure, and of course office space. It also means new requirements for physical space.

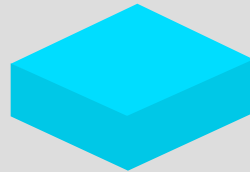
These modular startups need help building out their businesses: they can't create world class legal and accounting teams up front, but they need them to succeed. Physical space is the natural place to provide these building blocks as integrated services. Spanning from back office to mentorship, leases are going to shift towards memberships and access to high quality, meaningful perks.

INTEGRATED SERVICES IN PHYSICAL SPACES



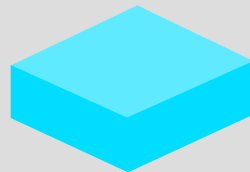
MEMBERSHIP AND COMMUNITY

Introducing companies and establishing meaningful connections



CORPORATE PARTNERS

Identifying mutual objectives to develop company growth



EXPERTS IN RESIDENCE

Deliver value with in-house expertise from those who have done it before



RESEARCH AND ACADEMIA

Create engagement between developments in theory and industry



WE'RE CARBYN

The Commercial Real Estate landscape is changing quickly, and technology is playing a central part. Carbyn forges meaningful relationships between inventors and leading companies in the world to help get ahead of this curve. We install product studios, STEM parks, and entrepreneurial environments into legacy titans to optimize a non-zero sum outcome for all parties.

Contact us to learn more about how Carbyn can help you reinvent space.