

BIG CARIBBEAN BUSINESS PROFILES

CONSTRUCTION & REAL ESTATE

CHRISTIANSEN & PORTELA

helps companies find the right office facilities for their needs



From left: Gerald J. Christiansen, Jr.; Rafael Portela; Gerald J. Christiansen, and Ryan Christiansen.

BY CB STAFF

Companies eyeing Puerto Rico as a new market opportunity or looking to expand on what is already here can rely on the experts at Christiansen & Portela to help them find the most suitable office space or property for their operation. “We are ready to meet the needs of both local and multinational corporations doing business in Puerto Rico,” said principal Rafael Portela. “We are one of the few, if not the only company of our kind here that works exclusively with the commercial and industrial sectors and we like to see ourselves as a niche player in a very specific market.”

Portela pointed out that these days, because many companies are looking for more efficient office space, they are moving from older buildings

to those that can be more easily wired for high technology and communications capabilities, as well as accommodate more people per square foot. “It used to be that a typical service company would occupy 250 square feet per employee,” he said. “That model has since been adjusted to 175-150 square feet.” He added that because of this higher density, more parking is needed as well. “When we started out in this business, we talked about 2 parking spaces per 1,000 square feet of space,” he said. “Today, companies want 5 or 6 parking spaces for that same amount.”

Within the San Juan metro area, which generally includes downtown Hato Rey, Guaynabo, Santurce, Old San Juan, and Río Piedras, there are approximately 8 million square feet of office space (excluding government offices and inferior quality Class C buildings). According to principal

Gerald Christiansen, the local market moves in cyclical periods. “Once vacancies start increasing, increases in rent begin to slow down and this typically precludes the construction of new office buildings,” he said. “During new construction, which we call the expansionary period, you’ll see the absorption of office space.” He explained that the absorption rate is the amount of additional space that is occupied on a yearly basis. “That does not include a tenant moving from one building to another,” he said. “That is only considered to be a location shift, with very little or no additional space being occupied.”

While he pointed out that the average absorption rate has historically been between 150,000 and 200,000 square feet per year, this number is shrinking as the result of a number of factors. “Given the trends towards modular furniture, cubicles, and more efficient designs, office space is shrinking,” said Portela. “The other thing affecting the absorption rate is the tendency of many major stateside companies to maintain their back-offices outside Puerto Rico.” He also said that advanced communications technology, the growing popularity of outsourcing, as well as changes in the local government’s policy for use of privately-owned office space have also contributed to the decrease in the absorption rate. “We are probably at about 125,000 square feet per year, and that is optimistic at best,” he said.

Given that more companies, from local businesses to large Fortune 500 corporations are looking to either start afresh or move from outdated facilities into modern high-end space-efficient offices, Christiansen & Portela is in the process of meeting those needs with a number of projects. This includes the DASE building, which is located in the Los Frailes sector of Guaynabo and is nearing completion this year. A 5-level office building consisting of 124,426 square feet of rentable space (25,603 sq. ft per floor), Portela said that pharmaceutical giant Johnson & Johnson is already slated as DASE’s major tenant, with the

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