

12 Ways a Unique Work Space Can Improve your Business

Provided by PW Development



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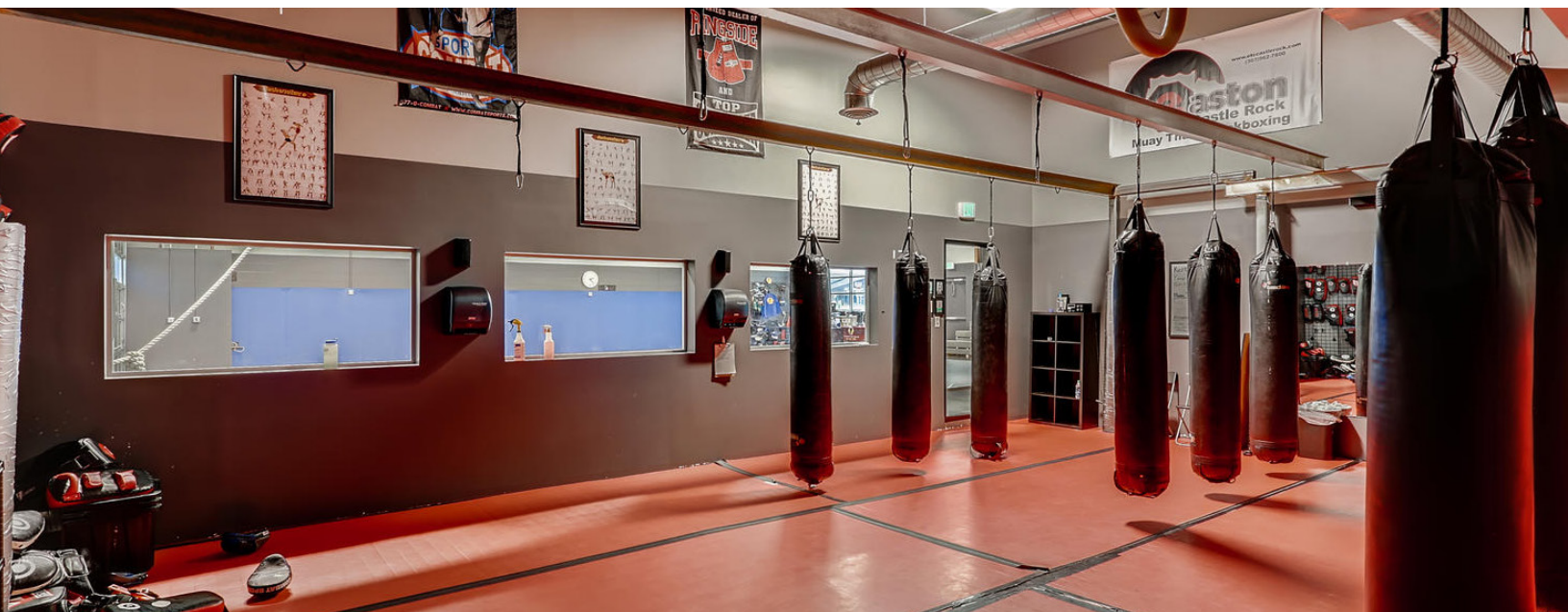
Statistically, you spend more time at work than at your home - unless, of course, you work from home or have a home-based business, and in that case, you technically never get away from work! Isn't it important to spend the bulk of your waking hours in a place that stimulates you, meets your needs, and makes your life better? Utilizing a Personal Warehouse™ for your company can set a professional tone that connects with your brand's unique identity. Ramp up productivity with a workspace that combines industrial elements with imaginative quirks in a highly functional and flexible environment.

1. SPACE YOU NEED AT A PRICE YOU CAN AFFORD

It can be a challenge for any business to find **affordable, flexible space** with the size you need. Too little space and you can't grow; too much space and essential capital is wasted. **Personal Warehouse™** makes it simple to implement your business plans using the smallest possible expenditure of resources. Sized to fit your needs with options from 600 square feet up to several thousand square feet, and featuring the **best aspects of office, flex, warehouse and self-storage**, a **Personal Warehouse™** is the right solution for your business.

2. FLEXIBILITY - DO WHAT YOU NEED TO DO!

Just as having the right tool for the job is essential, having the **right workspace is critical to productivity**. Flexible space makes it possible for companies to implement versatile space solutions. Unlike traditional offices or warehouses, the space allocation of a **Personal Warehouse™** is not fixed, so businesses can customize the ideal solution to meet their needs. The ability to incorporate **creative office spaces, meeting rooms, inventory and warehousing, and custom storage solutions** all in one central spot is a true benefit. The tall, clear ceiling heights are perfect for mezzanines and pallet racks, too. The only limit to growing and organizing your business is your imagination!



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3. GET OUT OF THE BASEMENT OR GARAGE

If a small business, hobby or side job now dominates your basement or garage, the time is right to explore a **Personal Warehouse™**. Making that next step in **growing a business** can be scary, but done correctly, can be incredibly rewarding and profitable. The biggest complaints that most home-based business owners make are:

- Difficulty in attracting new clients or customers
- Family or friends interrupting my workday
- Limited resources
- Scaling the business
- No time or space for my personal life and interests
- Time management

By moving out of your home and into a Personal Warehouse, you are moving up in the business world, and can improve most, if not all, of the most common limitations of home-based businesses. **Take advantage of our unique sizes and features to customize your space** and truly enjoy your hobby. Not only will you get your home back, but your neighbors and home-owners association may thank you for it!

4. CONVERT AN EXPENSE INTO AN ASSET

Expenses are costs related to running a business, and are deducted from revenue to determine the profitability of a company. **Reducing expenses are essential** to all business owners. The trick is to turn an expense into an asset. An asset is an item owned by a company, and includes buildings, land, vehicles, and manufacturing equipment. Leasing space is an expense, but owning your location is an asset, which adds to the company's balance sheet. The long-term tax impacts and potential for appreciation can add tremendous value to the company, **lighten your expenses, and increase your company's borrowing power** – positive impacts for any company.



5. AN ADDRESS YOU CAN BE PROUD OF

The first impression that a business's space makes is a clue to its **stature and unique proposition**. Everything from financial health to values and business philosophy can be expressed in the walls of a company's physical space. Creating a unique space in an industrial-style warehouse can go hand-in-hand with your company's selling proposition. Attracting talent and customers is easy when your business has an **original and memorable appearance**. Employees want to see how appealing and comfortable the physical space will be, while **customers will be impressed by the industrial architecture and custom interior**.

Typically, trendy spaces are priced well above the market, but not with a **Personal Warehouse™**. You can get the space you need at a price you can afford, without sacrificing form, function or style.

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6. COST EFFECTIVE

On average, you **can save 15-25% per month** if you own your space versus rent, for several reasons. Nationally, **rental rates on industrial properties have increased by 5.4% year** on year since 2015. Comparatively, office rents have increased by 4.1%, with an average expectation of an annual 3% increase. **Rising rents have made ownership more attractive** and much more affordable.

For example, in most of our markets, small industrial/office space rental ranges between \$15 and \$28 NNN. If you were to lease 1,000 square feet, your average monthly base rental rate would be between \$1,250 and \$2,500 NNN per month. Assuming a purchase of this same space at \$300,000 (\$300 psf) with 25% down payment (\$75,000) and a 25-year fixed rate loan at 4.0%, your monthly payment will be approximately \$1,183 per month (principal and interest only). **Savings can range be up to 40% - not to mention the tax benefits, and the fact that your payment won't go up.**

7. DIVERSITY

In every industry, exposure to **different viewpoints, expertise, and personal histories** can be a great way to break out of a rut. A typical **Personal Warehouse™** project has a **diverse tenant mix**, so your neighbors could be other small businesses, retail, collectors, hobbyists, and people utilizing the space for personal enjoyment. Socializing with different people and a **broader range of viewpoints can expand creativity**, and potentially your business.

8. FIXED RATE

When you purchase commercial real estate with a **fixed rate loan**, the long-term impacts are exponential. A fixed rate loan will ensure your **monthly repayment stays the same**, while rental rates may dramatically increase over the term of the lease. It is common for **rental rates to increase by 3-5% per year**, compounding the effective cost to lease. When you own, you're protected from market swings and have locked in your cost of ownership. As warehouses and flex space becomes increasingly popular, you won't be stuck with a huge rent increase. Instead, watch your investment rise in value with the peace of mind of a **fixed monthly payment**.

For example, if you entered into a 5-year lease on a 1000-square foot warehouse for \$1000 per month, and assume a 5% annual rent increase, the new monthly lease rate would be \$1215 per month, and the total rent increase over the term would be \$6307 paid to the landlord. In comparison, by owning that same space with a fixed rate loan, not only would your payments be lower than the rental rate, but you would **keep the \$6307 in your pocket**.

9. BUILD EQUITY - FORCED SAVINGS

If you own your warehouse, you will generally **gain equity each month**. After all, a portion of your monthly loan payment goes towards the principal. When you rent, your monthly payments are pure expenses, rather than **building into your portfolio**. Owning a **Personal Warehouse™** not only builds equity, but adds to your assets. Many service-based companies find it difficult to borrow and build credit if they don't own any assets. A **Personal Warehouse™** is the perfect addition to your balance sheet to help you **build and expand your borrowing abilities** and build your business. Plus, if you decide to sell the **Personal Warehouse™**, you get to keep the proceeds of the sale. Who doesn't like getting cash back?



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10. TAX BENEFITS

Taking advantage of available **tax write-offs on your property** can make a big difference to your profitability. Whether for investment, business, or even personal use, the deductions and savings can really add up.

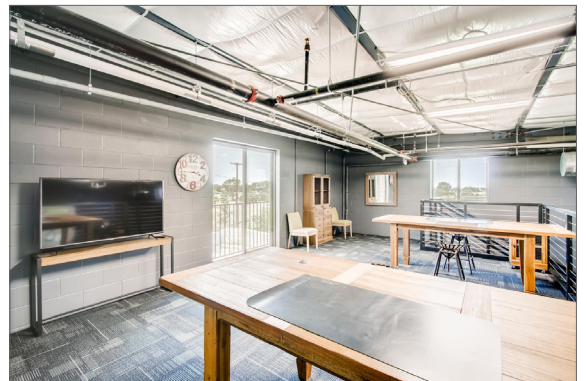
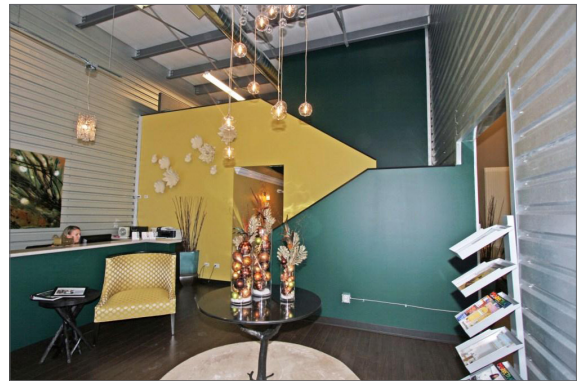
Owner-user tax deductions for business uses

Points, closing costs, and interest paid on a loan are all tax deductible.

Deductible closing costs include obtaining an appraisal or inspection required by the lender, loan insurance premiums, title fees, loan origination fees, recording fees, and abstract fees. These points and fees, paid on the loan, are **deductible over the lifetime of the loan**. This means that if you secure a 20-year loan, you can deduct one-twentieth, or 5%, each year. If you sell the property and pay off the loan, you can write off the remaining fees and points in the year the property is sold.

Rental tax deductions

Thinking of renting your space or partially leasing it? If rental income is \$12,000 and your allowable deductions total \$9000, you would only owe taxes on the remaining \$3000. If your deductions totaled \$14,000, you could use the excess \$2000 against other income, or carry it over to the following year.



11. 24/7 ACCESS

Modern businesses operate at night, at weekends and during holidays, and you should be able to determine your own business hours. All **Personal Warehouse™** units have **24/7 access** to help you get business done. Many **traditional projects shut down their heating and air conditioning**, and limit services at off peak times – but not us. **All units are individually metered and controlled** so you dictate the temperature and only pay for what you use. Deliveries? No problem. The drive aisles average 65' allowing for van to semi deliveries any time of the day.

12. OPEN CONCEPT

Open concept space is a hallmark of entrepreneurship because having visual and physical access to colleagues can foster innovation and collaboration. A fast-moving company may want to consider an open concept to **enhance the speed of information transfer**. It's faster to talk than it is to send an email! With a Personal Warehouse we provide the box, and you create your space.

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