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# New Denver company is hungry for 'zombie buildings' across the country



Koelbel and Company celebrates the under-construction Catalyst building in Omaha, Nebraska.

COURTESY KOELBEL AND COMPANY



By **Kate Tracy** – Reporter , Denver Business Journal  
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Denver real estate veterans are partnering with a longtime coworking operator to buy and revitalize older office buildings in suburbs across the country. And the Mile High City is in their scope.

Mark Hemmeter, who started the coworking and shared office company [Office Evolution](#) in 2003, has teamed up with Koelbel and Company to create a new venture called Work Simple. The new company is currently under contract to buy its first suburban office building and expects to close on it this fall, but did not disclose the location.

“We call them ‘zombie buildings.’ They're just there. They're holding on and they need to be changed into something else because they're old, class B buildings built in the ‘80s and they just don't work anymore. They have to be changed into something, and we think we've got a great solution,” Hemmeter said.

Following the sale of Office Evolution a year ago, Hemmeter knew he wanted to stay in the coworking and flex office industry, but he knew that owning the real estate would be paramount. After talking to Koelbel president and CEO Buz Koelbel, whom Hemmeter has known for at least 25 years, they formed a partnership that became effective in March of this year.

The concept of Work Simple is not complicated: buy up distressed suburban office buildings around the country and convert them into flexible workspaces.

Koelbel's Chief Operating Officer Carl Koelbel said the plan is to target suburban locales in order to attract entrepreneurs, independent contractors and other workers who can't or don't want to work from home but want to work near home.

“One of the things that the pandemic created that I think is really going to stay is folks just don't want the commute anymore. I think folks still need office space, but they want to try to limit the commute. And folks want to be flexible,” Carl Koelbel said.

At Work Simple, future tenants and members will sign month-to-month or other short-term agreements to work from the space; one-year agreements will be the longest a member can commit to, Hemmeter said. Tenants will have access to conference rooms and other amenities on-site, with the help of support staff.

Within five years, Work Simple aims to buy and renovate 50 buildings. In addition to Colorado and the Front Range, Hemmeter said he's interested in expanding into “pro-business” states

such as Florida, Georgia, Indiana, Oklahoma and Utah.

While Work Simple is flexible about states it's planning to enter, Hemmeter is very clear about one place he does not want to go: downtown.

“The people that we're targeting started their businesses because they wanted to go to their kids' t-ball game and ballet practice and they'll pick them up after school. And the last thing they want to do is go downtown. They want to stay close to home,” he said.

The typical size for a Work Simple building will be between 20,000 and 50,000 square feet and two (sometimes three) stories in height. Hemmeter and Koelbel plan to spend between \$100 and \$250 per square foot to completely scrape the inside of the buildings upon acquisition and build new small offices, in addition to conference rooms, kitchens, reception areas and other shared building spaces.

Koelbel plans to raise at least \$20 million in equity to fund Work Simple's operations. While the company has developed residential communities after more than 70 years in business, Koelbel is still a big believer in offices as an asset class. Lately, the company has expanded its Catalyst building brand to Nebraska, and is in development in Aurora on a new building catering to the defense industry.

“You can't train people over Zoom, you can't ensure their productivity over Zoom, and you certainly can't build culture over Zoom.... Office is not dead and it's coming back,” Koelbel said.