

## ***My office space is shrinking and more efficient than yours!***

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The 80's brought us the cube farm, the 90's welcomed in the concept of the virtual office and today many companies are designing office suites with architects who use terms like benching, crush zones and hoteling. The design and environment of the office suite is as important as ever in the eyes of executives and employees alike. The following trends have become the catalyst for change in the office market:

- Shift to a standardized work space
- Sharing Non-dedicated office space
- Demand for more on-site amenities
- Growing acceptance of telecommuting
- More communal work spaces

### **Convergence of cultural and economic trends**

Culturally the new generation of employees is requiring a more flexible and open environment. The trends driven by the economy and its slow recovery find that both startups and corporations continue to lower their burn rate and conserve cash, something that can easily be done by restructuring the way they view their office space.

### **Collaboration, Not Telecommuting, Is the Goal**

In my view, cost cutting is likely to go away as the economy continues to improve. However, the open floor plate will become the norm as it provides for tremendous productivity and creativity. With this in mind, I question the longevity of full-time telecommuters. Open floor plate coupled with an increased amount of common space appears to be the antithesis of telecommuting. A communal workspace model continues to be adopted by not only technology focused firms but non-tech users as well. Some tech firms have achieved higher worker densities of up to seven workers per 1,000 square feet. This is a significant increase when compared to the four per 1,000 square feet often seen in 2000.

### **Help, their footprint is shrinking! What should a landlord do?**

Most of the downsizing is coming from decreased square footage for an employees' "work space" and not in the amount of public and shared space. Instead of going from say 250 square feet to 125 square feet they end up at 150 or 175 square feet, and firms targeting to go down to 100 square feet will probably end up at 125 to 130.

To be competitive in the future, landlords must incorporate the following strategic plan:

- Offer natural light, better temperature controls, improved ventilation and options for more flexible reconfiguration.
- Be designed to minimize interruptions and provide flexible work space.

- Position the building to sell productivity. This approach is likely to command and achieve higher rents per square foot.

### ***Just a Fad?***

Downsizing is here to stay. The new generation of workers will continue to require more collaborative, flexible and social work environments. Increased density and mobility will likely diminish the need for huge corner offices and suites designed with an abundance of closed door environments.

Companies will likely add employees back to their roster as the economy continues to improve; however, the numbers are unlikely to return pre-recession levels. Companies continue to learn of ways to achieve more with fewer personnel. Technological improvements will continue to support this trend. Landlords must take the time to adapt and plan for this continued trend in order to ensure their buildings remain fully-leased.