

The Future of Office Space Design

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By Steve Lewis

One might think that the rapid evolution of technology and the ability of brokers to work from home would have a universal impact on the future of office design by creating less space per employee. And one would be wrong—at least according to some SIORs interviewed for this article. And while they do observe the impact of

technology, other considerations, such as the trend toward co-working, will hold equal weight, they predict.

“Technology is playing a part in how brokerages are determining the amount of square feet per employee, but I suggest that rental rates are a bigger factor when it comes to brokerages

looking to reduce their footprint,” says **Chad Boddez, SIOR, CCIM**, senior vice president with Jones Lang LaSalle in Edmonton, Alberta. “Our JLL office is moving towards 175 square feet per person due to rents, technology, and the need to collaborate.”



What's more, he adds, "although brokerages may speak in 'square feet per employee,' my experience with the vast majority of companies is that they state what they need (number of offices, employees, meeting rooms, etc.) and then a total square footage is arrived at after the 'programming' stage is complete. We are seeing most downtown companies today in my market in the 200-225 square feet per employee range."

"While today's technology certainly enables the brokerage practitioner to spend more time out of their office, studies indicate their office environment has a lot to do with their productivity," says **Thomas F. Davenport III, SIOR**, president of Atlanta-based Lavista Associates, Inc. in Atlanta, Ga. "Current standards per square foot may range from 225-250 square feet, and with some movements from private offices to workstations, the ratio could drop closer to 200 square feet per employee in five years." He adds, however, "future planning trends will incorporate more collaboration areas which will inhibit the ratios per employee from dropping too far."

Bill Langhoff, SIOR, CCIM, senior vice president at Industrial Properties Group, Colliers International in Milwaukee, Wis., agrees. "We are much more in tune with how people are using workspace," he says. "The 'math of use' of private offices is staggering—for an active commercial broker, it is estimated that a private office gets used only 30 percent to 35 percent of the time. What we are seeing is a combination of shrinking the square footage of private offices (and cubicles) and a trend toward co-shared private offices (or 'hoteling'). For example, five brokers will share three offices (this is very progressive and may take a while for acceptance—especially in smaller markets). In addition to smaller individual workspaces, we are also seeing an increase of 'huddle areas' sprinkled throughout an office plan. Whether you are in a smaller private office or a cubicle, you have access to ample small or large meeting rooms for private calls or meetings. 'Huddle areas' can be either enclosed for privacy or open for more collaboration. Nationally, there has been a decrease of 25 percent to 30 percent in 'employee per square foot use.'"

But **Garry Holmes, SIOR**, president of R.W. Holmes Realty Co., Inc. in Wayland, Mass., is much more assertive about the significance of technology.

"Cloud computing provides complete mobility and access to shared files, contact management, and a multitude of software applications. The brokers will be in the office less frequently, and slowly adapt to the reduced square footage per employee," he predicts. "Regardless of the industry type, the trend will continue to be less square feet per employee. Office sizes

contributing SIORs



CHAD BODDEZ,
SIOR, CCIM



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**THOMAS F. DAVENPORT
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As for how offices may look in five to 10 years when some of these younger brokers become senior, he says it's "hard to tell."

WHAT THE FUTURE WILL LOOK LIKE

Larsen adds that technology will "continually" affect office design. "Now that we're on the 32nd floor, we have to make sure we have cell service, and Wi-Fi spots for clients in the entire space," he says.

"The business of brokerage is evolving," says Boddez. "More and more people are working in closely knit teams, and traditional office space with large individual offices, and closed doors do not foster the collaboration needed to succeed in a team environment. Small meeting rooms are ideal for this. These small rooms also serve a purpose for those needing to make personal or confidential calls. Lunch areas are also becoming secondary meeting rooms."

"IT rooms, wireless networks, and database management will dictate whether specific attention is paid to the MEP details in construction documents," adds Davenport. "Projected design trends for collaborative, open, and connected environments will reflect the need to draw younger workers lost for the past six years into our industry."

"Big producers will always demand their own larger, private office space, however the balance of the workplace is becoming more open with smaller cubicles, offices, and ample collaboration areas," says Langhoff. "Walls are being reduced and in the case of cubicles, the walls are being lowered creating more interaction and collaboration amongst the team. Modular walls are being used to an extent but modular walls systems still tend to be more expensive (but more flexible) than traditional drywall construction."

"Brokerage firms will go from 80 percent private offices and 20 percent cubicles to the complete reversal," Holmes predicts. "The walled offices will be primarily internal to provide natural light and visual connectivity. The focus will be on employee engagement and co-working concepts. If there are private

will decrease, as will the size of cubicles. For the real estate industry, look to see private offices (that exist in the future) of 100 square feet or less and cubicles under 50 square feet."

However, for **Jonathan J. Larsen, SIOR**, principal and managing director with Avison Young in Los Angeles, the answer lies in the needs of the employee. "My thinking is the future is in constant flux," he says. "Our office has a combination of three designs. The younger group has open areas, an exposed ceiling, and workbenches; they love the interaction. But senior brokers need some private offices, with outside open areas for their support staff, because they do a lot of mergers and acquisitions, and may meet with attorneys or corporate executives. Then the accounting group has traditional ceilings but open areas."

Overall, however, Larsen sees putting more people in less space.



offices, there will be much more glass and transparency.”

Computers and other technology will definitely affect design considerations, he continues. “The floor will be under-laid with networking/electrical components and HVAC that will allow maximum flexibility and the opportunity to reconfigure the space instantly,” Holmes predicts. “Sound masking and other features will improve tremendously. This design concept will allow anyone to reconfigure the space and be operational immediately.”

“As the amount of square feet per person drops, the need to have more power outlets increases due to higher density,” adds Boddez. “All brokers at JLL have laptops; most workstations are designed to accommodate a docking station for

the laptop along with one or two large monitors. All JLL offices have Wi-Fi and employees are automatically connected to the Wi-Fi network in any JLL office simply by logging into your computer.”

“Connectivity to the company’s server, software, and internet (Wi-Fi) continues to be critical,” says Langhoff. “What is increasing is the need for flexibility in how we get access to this. Due to the increased collaboration of the sales force, group meetings have moved out of conference rooms and private offices into huddle areas, break rooms, and coffee shops. Wireless access to the company’s systems is expected and it is expected with little-to-no delays.”

SUSTAINABILITY PLAYING KEY ROLE

SIORs note that in addition to the

mentioned issues, sustainability will also have an impact on the future design of brokerage office space. “We will see use of reclaimed materials and a major focus on energy efficiencies,” says Holmes. “Stand-up and treadmill desks will be quite prevalent. There will be a major focus on ‘wellness.’”

Larsen adds that we will see “continually more energy efficient space” in the future. “As costs become more in line you can build LEED versus traditional, like reusable dry wall, energy efficient lighting, and things that turn off when not in use,” he says.

“Sustainability continues to be a common topic in commercial real estate and it will be for a long time,” notes Boddez. “Brokerages that are looking to take a leadership role in sustainability

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may be inclined to choose LEED (or equivalent) properties for their own offices and to work at reducing their environmental impact by incorporating sustainable design concepts.”

“Certainly, employees and brokers are more focused on what the company, building, and space are doing to limit waste of energy and reduce our carbon footprint,” Langhoff adds. “These are all factors companies are weighing as they budget for new space. It is necessary to incorporate some of these initiatives into the space, as this is what the younger generations begin to analyze as they make their employment decisions. Natural light, energy efficiency, collaboration areas, and flexible work areas are the trend.”

WHAT WOULD YOU DO?

If you were planning new space for your firm, what would it look like? “Personally, it would be a combination—even if the younger brokers take over we will still need some more private space,” says Larsen. “We’d put groups into areas that are more productive for them.”

“The older work force still expects formal offices and these offices can often be seen as a privilege,” says Boddez. “Younger workers grew up in an online environment where they are not as concerned about individual privacy but relate more to teamwork with others. An open layout fosters this. As older workers retire, I believe we will see more and more companies that are willing to embrace a primarily open layout.” He notes, however, that such an approach does not always reduce one’s ‘footprint.’

“I toured a large corporation’s office recently and no employee has an assigned desk,” he continues. “One must book their workstation daily. The observation I made was that the environment was quite cold. Staff loses the opportunity to personalize their own workspace—which is essentially their second home. There was also little interaction among the staff except in private meeting rooms.

“Regarding the open concept within brokerages, this only works if there are no competitors within the office,” he continues. “Brokerages that have a number of teams competing in the same environment (such as four office leasing teams) will have brokers that are very cautious of others in the office listening to their conversations, and most will refuse to work in an open space plan.”

“Future design for CRE brokerage offices will reflect the ideals and missions of any organization and how they intend to operate,” Davenport predicts. “While our firm’s producers request private offices, I would look to design an office where all offices/workstations are congregated in proximity to each other to further foster communication, broker cooperation, and idea sharing.”

Holmes notes that his primary design would focus on a “team” concept and collaboration, “rather than the old ‘hierarchical’ approach where the officers and executives get the bigger window office as they move up the corporate ladder.”

“Our company, Colliers International | Wisconsin, is currently planning our new office for a March 2016 move date in a new high-rise office tower in downtown Milwaukee (www.833east.com),” Langhoff shares. “Many of the initiatives above are being incorporated into our new office design. We took the approach with our design team to have a ‘visioning session’ with a large pool of our employees and brokers to understand what is important to each of them in our (their) new space. We are incorporating many of the ideas that came out of this visioning session. It is important that the employees and brokers feel like they ‘own’ the space and had a part in its design. A progressive look and feel for both clients and employees will be incorporated. It will truly be a space design that will take us into the future.” ■

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