

Five Workspace Trends That Will Impact Our Return To The Office



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While workspace in the U.S. has been upended by the pandemic, not all markets and office types were impacted equally. In May 2021, we [took a look](#) at office demand and rates in cities around the U.S. and Canada, surveyed 186 occupiers and took a deep dive with global workspace design firm M Moser. What's clear is that the future of work will evolve for both businesses and employees. Here are the five most

interesting takeaways and what they mean for real estate, human resources, information technology and other executives focused on return to office.

1. “Lifestyle cities” — those with warmer weather, relative affordability and a growing opportunity for employment — saw outsized demand and increase in the cost-per-desk for flexible workspace. Cost-per-desk is the agile/flexible workspace standard for measuring pricing and rates, while traditional office space is measured by price-per-square-foot. This manifested differently in each city, from Phoenix (with the biggest gains in the U.S.) to Nashville, Denver and Austin. On the flip side, Washington, D.C.; Boston; New York; San Francisco; Chicago and Los Angeles saw the biggest drops. In Canada, cost-per-desk was relatively high despite a slight cost-per-desk drop in Vancouver.

As the rise of these secondary, or lifestyle, cities has taken shape, the changes in flexible workspace demand are quite evident. We can expect many companies to adopt hub-and-spoke office strategies, meaning central business district “hub” offices that are used for purpose-driven collaboration, combined with “spoke” offices in areas closer to where employees live, and where employees can work on days they are not working from home or in a hub office.

2. Size matters, and offices are getting smaller. Despite demand increasing between the first two halves of 2020, flexible workspace transaction sizes dropped 29% throughout the year. As companies move to more dynamic workplace strategies, incorporating work-from-home, work-near-home and overall hub-and-spoke mentalities, their square footage needs are not quite as vast for each individual location.

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Despite the best-laid plans, most companies realize that now is a time to be flexible, and the fall will be a time to test, measure, learn and adapt. Employees have become

the consumer, and they will vote with their feet. The most successful return-to-work models will be agile enough to respond to the needs of their staff.

3. The suburbs are in, though the jury is out on for how long. There has been a suburban migration in workspace, as evidenced in [data](#) we analyzed in New York City and its surrounding suburbs. While New York City demand dropped in 2020 over 2019, commuter-town areas in Westchester, Connecticut and New Jersey saw substantial increases in demand.

Time will tell how these changes endure — if they are in fact people moving out of the city center, if they are suburban workers who typically come into New York City but are now empowered to work near home, and if those workers will stay put in the suburbs, come back to the city or adopt a hub-and-spoke model where both are needed.

Companies and their executives would be wise to consider the human-physical-digital trifecta. Where are people working? How are they working? What is the target operating model for the business considering these three aspects in tandem with sustainability? This is what companies will need for long-term success and future-proofing.

They will also need to listen and measure employee behavior. The spectrum of measurement strategies will range from surveys and polling to badge-swipes and beyond. Advanced analysis will include app-based reservation systems and the full array of IoT, with sensors measuring activity.

4. The tectonic shift in work brought on by the pandemic shifted the balance of power from property to people. Employees are now consumers and space is a service. Agility and scalability became essential this past year for companies, whether they were upsizing or downsizing. As companies now consider their own employees as consumers, there is a new need for human resources, information technology and real estate functions to collaborate as never before. As companies look to the future, they will need to embrace synergy over silos.

5. We are in the hospitality game now. It's no longer about handing out key fobs and pointing to the bathroom location. Office must-haves are changing. Future-proofing our office spaces will take new ideals into account. They will be agile, healthy

environments that are designed for interaction, inclusivity and collaboration, and their success will be measured by utilization. People will vote with their feet, and office spaces and locations will be scaled accordingly.

We can expect to see an increase in collaborative workspaces and a decrease in individual work areas. Employees will demand more from the office beyond free snack bars. Many believe that “onsite will be the new offsite” and purposeful presence in the office will stop passive attendance. As employees stay remote to work on individual projects, the office will be for collaborative and social aspects. Maintaining continuous feedback loops and remembering, again, to test, measure, learn and adapt will be critical as new norms take root.

Looking Ahead

Agility, defined as the ability to move quickly and easily, will be paramount in the post-pandemic world. Agility is antithetical to the old way of doing corporate real estate. The days of the 10-year lease are limited to smaller and smaller portions of corporate real estate portfolios. Tomorrow’s occupiers will want more from office space in terms of adaptability and the services provided. The flexible workspace industry, which is renowned for being customer-focused, is ideally placed to capture this changing demand and help align commercial real estate with changing business needs.

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