OFFICE DEVELOPMENT

What's Next?

WGI

The office development market is undergoing steady change. In recent years, the emergence of telecommuting — allowing people to work from home, at least part of the time — continues altering the way company leaders view their office needs.

Do companies really need as much space as in the past if a large proportion of their staff works from home? Why spend so much money on rent and the utilities required to keep the office running if significant space goes unused?

The crisis surrounding the Coronavirus (COVID-19) merely sped up that change. Many companies that previously resisted the telecommuting trend discovered their employees are *just as productive* working from home. Some are even *more productive* because they're removed from the usual office distractions. So, rethinking telecommuting policies is coming into clearer focus — because when the COVID-19 crisis abates, do we need every employee to return to the office?

The short answer is yes. Most will still need offices to provide the structure and resources that companies — and the employees who make up those companies — need to succeed. But the demand for office space is likely forever altered. Knowing that many employees can thrive when working from home, businesses are going to permit more telecommuting, at least some of the time. Consequently, their office requirements will change.

In this new environment, space requirements will likely change, too. Example — a company institutes staggered telecommuting schedules

whereby 40% of employees are working from home on any given day. Clearly, the company's required amount of office space would shrink. In this scenario, the business is likely to institute a shared-space model where employees have designated office days and multiple staff members use the same office, desk, and furniture on their assigned day. This approach allows full utilization of the company's space, meeting its needs within fewer square feet than previously utilized.

This isn't just an issue of how much space companies require, either. They will also be rethinking how they'll lay out that space. Will the open-concept offices promoting teamwork and comradery over the past 20 years survive? Probably not. Employers will start to redesign their space to provide more barriers to protect staff. This will mean the introduction of more offices into the floorplan, and cubicles with higher partitions to minimize the risk of sick employees infecting colleagues.

Similarly, facilities managers will need to rethink their offices' airflow and how they use HVAC technology to provide a safer environment. For instance, office HVAC systems should be equipped with more powerful filters to handle contaminants. Also, like many viruses, COVID-19 seems to thrive in dry areas, so companies need to be more diligent about assuring that office air is sufficiently humid.

HVAC IN THE POST COVID-19 WORLD

HVAC systems are at the forefront of health and well being, and play a vital role in your building's operations. But in the post-COVID 19 world it's more important than ever.

Developers and building owners have an opportunity to leverage a better HVAC system as a competitive advantage. Whereas in the past, the primary concern was tenant comfort, now it is just as important to provide the healthiest environment possible.

Discover how WGI's HVAC experts can help you assure that your system is properly doing its job. **Click here to download.**

Centro West Mixed-Use Office Project, Austin, TX

PREPARING FOR THIS NEW FUTURE

How do you prepare for the future when there's so much uncertainty?

Experts predict widescale demographic shifts from large densely developed cities to smaller cities with room to expand outwards. As a result, there won't be any cookie-cutter solutions to preparing for the future. Success will be a matter of each community, each developer and building owner, and each development recognizing new opportunities and knowing how to meet new challenges. WGI's experts are the partners you need to recognize both, and develop strategies for meeting each unique situation.

Adaptability is the key to coming out of this crisis strong — and building and complex owners able to modify their current properties hold the advantage. Current and prospective tenants' needs will likely change as more employees work from home, at least part of the time. Some owners will find a shrinking market for their commercial space and may benefit from adding retail or residential space. Some retail landlords will need to pivot and find a new use for some properties, such as converting to warehouse and e-commerce fulfillment. There are no set rules.

With new properties, developers are already building flexibility and creativity into their investment, and the safety minded changes demanded in new construction design. The "new normal" is that prospective tenants — commercial, residential, retail, and more — are looking for a healthier building that increases physical distancing and decreases shared contact surfaces. Opportunities for traditional office space development continue, but it may not always be the best choice. Changes happening before the

crisis, combined with those wrought by COVID-19, have developers exploring things like touchless technology from the entry door and garage lobby door, to touchless elevators and restrooms, all controlled though mobile devices. This level of "protective" technology is highly marketable across the board.

Other adaptations are happening at the outset to cater to prospective tenants' changing needs. This could mean developing flexible mixed-use complexes offering different combinations of commercial, residential, retail, entertainment, or space for other uses.

We may even see a call for micro mixed-use development where individual units combine residential and office space. If telecommuting becomes the predominant norm, are bedrooms converted to offices sufficient? Perhaps space within residential units specifically designed for use as an office, with more electrical and utility connections and better lighting, become the order of the day. Again, creativity

is required to reimagine how to best serve the tenant of tomorrow, and WGI's design experts are here to help you anticipate their needs and find innovative ways to meet them. Helping intelligently design spaces where people aggregate — to work, to live, to shop, to eat — that the developer/owner knows can be reconfigured to meet the vagaries of the market, is invaluable in a world that is still unpredictable.

As a developer or building owner, you will have to look at parking through a new lens, too. How will the shift to telecommuting impact your property's parking demand? What are the short-term implications of COVID-19, with people initially avoiding public transit and commuting in their personal vehicles? How will these trends affect your approach to your parking assets, both in the near- and long-term? As with building development, every situation is unique and requires a customized solution. These are the kinds of questions WGI's parking planning experts can help answer.

Music Lane Mixed-Use Project, Austin, TX
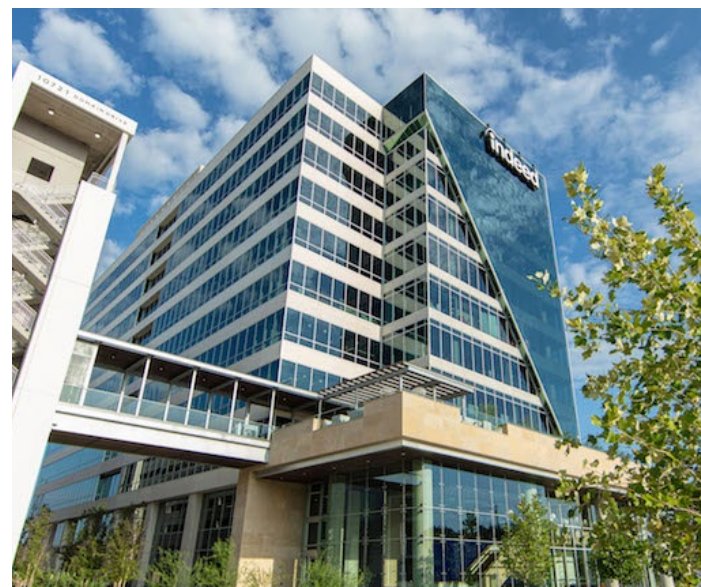
Domain Tower, Austin, TX

CERTAINTY IN AN UNCERTAIN WORLD

These are uncertain times for developers and the owners of commercial buildings and complexes, as well as mixed-use projects that must consider the combined commercial and residential needs. Our communities are undergoing dramatic change, and that change accelerated because of the COVID-19 crisis.

WGI can help. Developers and building owners must be able to adapt, and our planners, building designers, and parking experts help anticipate your needs, and the needs of current and prospective tenants. They can then help you create buildings and complexes that meet those requirements now, and in the future.

WGI can provide some certainty in an uncertain world.

WGI.

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LET'S TALK.

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