

The Evolving Role of Office Space

Experts Consider the Future of People in the Office



COVID-19: An Opportunity to Further Evolve the Workspace

We just experienced one of the most sudden, vast and unprecedented disruptions of workplace routines in modern society. As COVID-19 swept the globe in early 2020, office-based organizations around the world scrambled to expand remote work to nearly all employees. Overnight, we saw the adoption and implementation of tools, technologies and protocols that many companies had previously been slow to adopt or even rejected.

Employees began working from home and were productive. Zoom became the new office. The work from home “trial by fire” was a logical solution to stopping the spread of a virus, but would it also serve to kill the office as we knew it just a few months back? Some headlines pronounced the demise of the office assuming employees will live happily ever after working from home.

Not so fast.

The traditional office has evolved gradually over the last few decades. COVID-19 accelerated that evolution. Offices will remain but they will be reimaged. Hines will continue to be at the forefront of what the built environment can provide occupiers and their employees. We gathered insights from our own real estate experts around the globe and spoke to some of our most trusted authorities in real estate planning, design and office tenant brokerage. They shared their own research and insights into the importance of the office for an organization’s future.

“ We need to be in the place that our organizations have created for us to remind us, ‘Ah, yes, this is why I work here. This is why I do the work that I do.’ We need that connection. Offices are going to remain that place for human and organizational connection and be the hub for community and culture.”

– LAURI GOODMAN LAMPSON, PDR

“ We have been talking to our clients about headquarters that are less about being a vessel for 100% of a company and more of a corporate compass and recharging station that supports teams, their collaborative work and corporate culture.”

– DAG FOLGER, A+I

“ We are social creatures, so the office needs to support social encounters, learning and mentoring and a sense of connection with colleagues and corporate culture sorely missed when working remotely.”

– DESPINA KATSIKAKIS, CUSHMAN & WAKEFIELD

“ There must be a physical space that nudges people to interact with others outside of their immediate teams. The office presents collaborative space for problem-solving and brainstorming the next great idea.”

– STEPHANIE BIERNBAUM, HINES

“ We’ve learned that the best ideas happen when human beings come together. In an office, we are creating and guiding those kinds of social collisions or interactions.”

– JON PICKARD, PICKARD CHILTON

“ Actually, I believe the net difference will be companies leasing more space going forward, even with the inevitable component of some employees working from home.”

– TIM RELYEA, CUSHMAN & WAKEFIELD

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Reconnecting Physically in the Near-term

“You’ve got the **biggest catalyst ever** to completely throw out all the old assumptions informing decision-making, overcome organizational inertia and **pivot into the future**. The first day your people come back into the work environment is the **first day of your new future** as an organization.”

– LAURI GOODMAN LAMPSON
PRESIDENT AND CEO OF PDR

While policies, protocols and personal distancing dominate task force conversations, a people-centered approach is key to a successful return-to-workplace plan. Employers around the world are staggering their returns to the workplace which presents another unique challenge as leaders are facing a bifurcated workforce. “There’s an array of circumstances employees are facing, like homeschooling and caring for their kids, living with individuals in a high-risk category, experiencing their own illness and recovery, or having lost loved ones to this virus. A good leader has to create an inclusive platform for all those people to have an effective way to contribute,” explained Hines’ Chief People Officer, Stephanie Biernbaum.

As we’ve seen in Asia and parts of Europe, employees who were among the first to return to the workplace were met with a new experience. Measures to help them take appropriate actions (such as social distancing and reduced queuing and elevator occupancy guidelines) are in place to support better health for all during this period. “There will be a number of behavior changes that will be asked of employees,” added Biernbaum. “Wearing masks will be a huge one for people, especially in our U.S. offices, but as a global company many of our employees are already used to such measures. Not shaking hands will be another big one.”

Biernbaum predicts employees will be initially diligent about these new habits. “I think we’ll have good compliance at the outset because people want to do the right thing. But over time, people may wear down and tire of the routine.” Submitting to repeated health screenings is another potential behavior stumbling block. “From an employee perspective, daily compliance may seem intrusive and inconvenient. We worked with application developers to automate this process and make it as streamlined as possible.”

To counter fatigue and resistance, Hines also developed reboarding programs for employees. “Helping them appreciate the rationale and enabling them to plan ahead and know we’re all in it together is really important,” continues Biernbaum.

PDR’s Lauri Goodman Lampson believes the way organizations return to their workplace should be in tune with their desired culture. The workplace must be a place of both physical and psychological safety. Employers should look for ways to encourage helpful behaviors that neither frighten nor demean employees. “If we have employees return to a workplace that is covered in labels and arrows and caution tape and ropes and stanchions it will prove offensive to the adult working population. And as an employee, if I have to sit in my chair being fearful that I might walk the wrong direction because we’ve made up a new rule that says everybody needs to walk clockwise, it’s just not going to be healthy for people and what organizations need from them—their best thinking, creativity, innovation and problem solving.”

Employers will also need to take into account the range of employee perceptions about workplace safety. “Some employees will find it really comforting to see all the precautions that are being taken, while some will find it scary or unnecessary,” says Biernbaum. “For the employees who are within or responsible for those in a higher risk category, it’s probably going to be better to keep them working from home for a longer period of time because they’ll feel safer and be more engaged.”

At the end of the day, there are a lot of unknowns as employers reconnect their workforces to the workplace. A word that stood out in conversations with the experts was “pivot”. Many of those interviewed said the ability to pivot and remain nimble during this time is essential for employers to navigate this uncharted territory.

Importance of Property Management

In its [Building Return to Occupancy \(RTO\)](#) Guide released to owners, tenants, vendors and other key building stakeholders, Hines stresses the importance of quickly beginning an individualized plan and counsels those planners to expect a great degree of fluidity.

Best practices for minimizing viral spread are handled by a skilled property management team. Responsibility for wellness screening may be handled at the building entrance or within tenant spaces and determined on a case-by-case basis in concert with local requirements. Enhanced disinfection, especially of high-frequency touchpoints, elevator procedures for limiting rider capacity, enforcement of building ingress and egress to maintain distancing protocols, and building-wide case reporting will all require expanded property management duties.

Now more than ever, strong relationships and tenant communications will be essential in welcoming employees and employers back to the workplace. “Most tenants do not have clear plans for space usage, and the best way to manage against this condition is to be a trusted resource,” explained Charlie Kuntz of Hines.

“A visible property management component is just so important in making people feel safe,” says Hines’ Claire Thielke. “The aptitude and staffing model of our property management arm and engineering services have always been a differentiator for Hines, particularly in moments like this,” continued Thielke.

“Looking forward, I think you will not be a **successful building operator** unless you have that **true high-touch** level of property management.”

- CLAIRE THIELKE
MANAGING DIRECTOR FOR HINES



Workplace Trends Through the COVID-19 Lens

Before the crisis set off by COVID-19, office-based workplaces were already undergoing shifts that altered the density, functionality and appearance of the physical space. Employers were considering ways environments could support focus work and collaboration, mentorship and management, training and team building, and talent attraction and retention. Here are three office megatrends, with a look before COVID-19, and how they may amplify or pivot now.

Flexibility

Well before the pandemic forced large-scale adoption, many employers began providing or piloting limited work-from-home flexibility. Expect this trend to continue to evolve in the long term. We now know work from home has proven effective. However, employees that are ready and wanting to return may interact with office space differently than before.

BEFORE

“Even though there wasn’t an ordained flexible working policy for many of our clients, utilization of space was on average about 57%, across sectors and geographies,” said Cushman & Wakefield’s Despina Katsikakis. “We found interesting generational differences in their perceptions of flexible work arrangements. The baby boomer population resisted remote working the most while millennials demanded that flexibility the most.”

Peter Knutson of A+I added, “The trend that we were seeing had to do with technology and the incremental dematerialization of workplace boundaries. Technology allowed us to access tools and information, allowing for fluidity in how and where we work.”

NOW

“The thing that often held flexible working back had been management trust. We have now validated, almost without exception, that people feel they are now trusted to work from home,” added Katsikakis. “And, resistant baby boomers adapted the best and found it easier to work remotely, while younger people are struggling more. We found that younger people tend to have younger kids at home or live with roommates or are in smaller accommodations. They’re finding it difficult to manage distractions when they’re working or switch off from work.”

“If I would have asked my clients in January to voluntarily send their entire workforce into a work-from-home experiment to see how it works, their answer would have been 100%, no,” said Lauri Goodman Lampson of PDR. “We were forced into this experiment and we are learning that people are having varying degrees of success in this new environment and they will demand some flexibility when we go back to a normalized work environment. A blended environment of both work from home and in-office work will win in the end—giving people the choice where they do their best work and with what tools and what access to resources and people.”

“Everyone is surprised at how productive this has been, especially in light of the fact we made this huge shift over a 24- to 48-hour period. But while we’re finding there are a lot of workstreams that are very well-suited to a work-from-home environment, there are also tasks not well-suited to working independently or on Zoom grids,” said A+I’s co-founder Dag Folger.



Health and Wellness

Expecting the workplace to promote health was a pre-pandemic trend that takes on an entirely new meaning now as employers look to keep their workforce healthy by avoiding viral transmission. For architect Jon Pickard, one of the few bright spots in an otherwise tragic event is the impetus to rethink what constitutes a safe, healthy and productive workspace. “COVID-19 is incentivizing all of us to do better. It is causing us to further scrutinize how to make a well building. The concentrated focus we’re bringing to this challenge wouldn’t have happened without this turn of events. Perhaps, by making the kinds of changes that are being considered, it will help prevent something we cannot predict but might have occurred in another 10 or 15 years, just by making even healthier environments today. Ultimately, that will be a good thing.”

BEFORE

“The focus was on going home healthier, so that coming to work actually gave you access to natural light, fresh air, healthier foods and fitness activities—whether it was walking up and down a monumental staircase instead of taking the elevator or using an actual physical fitness facility,” explains Lauri Goodman Lampson, PDR. “Just being in the office environment gave you the opportunity to improve your health so that by the end of the day, you were in better shape and healthier than you were when you arrived.”

“Achieving a work-life balance has been a challenge and a goal for many employees. Self-help books and reference materials are plentiful regarding this topic and experienced a resurgence in the last decade as technology evolved and the delineation of work and home blurred. Unplugging was a thing and there were health benefits associated with doing so,” says Stephanie Biernbaum, Hines.



A return to the workplace will necessitate a renewed focus on the very essence of health and well-being in light of COVID-19.

NOW

Although there is very limited evidence that COVID-19 can spread via a building’s HVAC systems, Tim Relyea of Cushman & Wakefield expects to see a heightened interest in advanced HVAC systems in the wake of this pandemic. “The building systems have always been closely reviewed by prospects, but now HVAC is under the microscope. It always was but now it has become a much more important checklist item for all of our clients.”

“Underfloor air is actually one of the safest ways to get rid of all the noxious stuff in our environment,” says Pickard. “Even if we get a vaccine, we need enhanced air quality.”

“The exclusivity of working from home created the ultimate intrusion of work into employees’ personal lives. We’ve heard that some feel a pressure to be on-call 24/7. While the quantity of family time may increase for a certain cohort of employees, it’s really the quality of time that seems to be the challenge. We have seen instances where employees living alone are particularly struggling, and are looking to work as a source of comfort. This won’t be sustainable long-term for the health of our employees,” added Biernbaum.



“As a mechanical engineer, our founder Gerald Hines drove **systems innovation** and the firm was among the first to adopt its own **stringent Indoor Air Quality** programs.”

– CHARLIE KUNTZ
INNOVATION OFFICER FOR HINES

Amenities

As employees increasingly chose to spend at least part of their workday away from their desks, hotel-like lobbies with more breakout spaces became popular in office buildings while many tenant spaces offered retail-like food and beverage amenities. Leasing and management experts at Hines expect that amenities like collaboration spaces, community spaces, outdoor spaces and well-managed flex spaces will be more important than ever and need to be well-appointed and serviced.

BEFORE

“Over the last few years we were seeing a convergence of hospitality and office adopted by commercial building owners to create more attractive places for the growing mobile workforce, especially in lobbies and public amenity spaces. And, what we were finding is often the tenants in the building had access to similar spaces in their own suite, but they chose to be in the lobby just because it was a different setting,” explained Dag Folger of A+I.

“We were part of conducting a tenant survey prior to the pandemic and of note was the feedback that tenants were planning to almost double their square footage of flex office in the next few years. This was an interesting kind of reality as flex space was poised to increase in demand, while tenants were looking at the densification of conventional office space,” said Charlie Kuntz of Hines.

“In many of our global cities we were writing off parking garages in our newer developments given the proliferation of the ride-share industry, increase in mass transit and the future of autonomous vehicles. We still accounted for having parking but we were mindful of how we could retrofit into other leasable space in the future,” explained Hines’ Claire Thielke.

NOW

“Achieving lower density for workspaces should not mean doing away with amenity spaces,” says A+I’s Peter Knutson. “The balanced and long-term approach is to subtly adjust the density of an organization without major modifications,” continues Knutson. “We’re not suggesting putting work desks into places that would seem out of place, but instead integrating work into amenity spaces that can switch over and function as individual workspace. I see spaces for social connectivity and areas for specific tasks at the workplace becoming more important than the individual desk.”

“An emerging amenity in a post-COVID return to workplace will likely be flexibility in commute options with a near-term focus on parking. As employees venture to work they may opt to drive to their destination versus take the mass transit option given social distancing guidelines. It will be interesting to see how this trend plays out in the long-term,” added Kuntz.



Workplace Innovations

Some new and existing technologies offer the potential to increase health and safety. “As we see an increased emphasis on cleaning and sanitation, we will also see a rapid development of touch-free technologies,” says Cushman & Wakefield’s Despina Katsikakis. “While this was a big trend before the pandemic, it will accelerate significantly.”

For Pickard Chilton’s Jon Pickard, while the pace of new building hasn’t slowed since the COVID-19 crisis, the importance of touch-free technologies has rocketed to the forefront. “We are working on four or five major corporate built-to-suits right now, and the pace is very much, go-go-go—there’s literally no pause,” says Pickard. “However, for the buildings that are in the schematic phase, there is a complete rethinking of what those buildings will become. We’re reevaluating the entire project and trying to eliminate all touch points in the building.”

In the U.S., Pickard sees the most likely change among new projects to be related to a building’s entrance, with American buildings moving from the standard revolving or swing door to a common feature of buildings in Asia. “In Japan and throughout most of Asia, what’s more frequent is a vestibule with electronic sliders,” says Pickard. “It’s a slight premium over swing doors, but my suspicion is that will become the new norm. I was on a call literally yesterday about a project in which the entry vestibules had committed swing doors, and they’ve now been eliminated. We’re going to oversize electronic sliders as a way to eliminate touch points.”

Innovations in Office Technology

Hines’ Research and Development teams alongside venture capital partners and tech firms were already going down the path of investigating new technologies to further propel office space into the future before the pandemic hit. Now, the importance of this work has amplified. “We’re all trying to think about a world where you are touching fewer things, whether it is doors, elevators or just your access card,” says Hines’ Charlie Kuntz.

In order to widely adopt, technologies must prove to be effective and pass a cost/benefit analysis. The following are just a few examples of advancements being explored by Hines.

1. Management of airflow to increase air ventilation, including outside air and exhaust
2. Touchless visitor registration, door activation and elevator destination dispatch
3. Elevator in-cab ionization technology for directional airflow to deactivate allergens and inactivate certain RNA viruses
4. Live tracking of conference room utilization versus allowed occupancy
5. Conference rooms to enable touchless video conference capabilities
6. Digital wall mounts indicating conference room sanitization
7. Sensor-activated fixtures
8. Hands-free light and temperature controls
9. Touchless access to restrooms
10. Density sensors monitoring real-time utilization of rooms and amenity spaces linked to cleaning schedule

SECTION FIVE

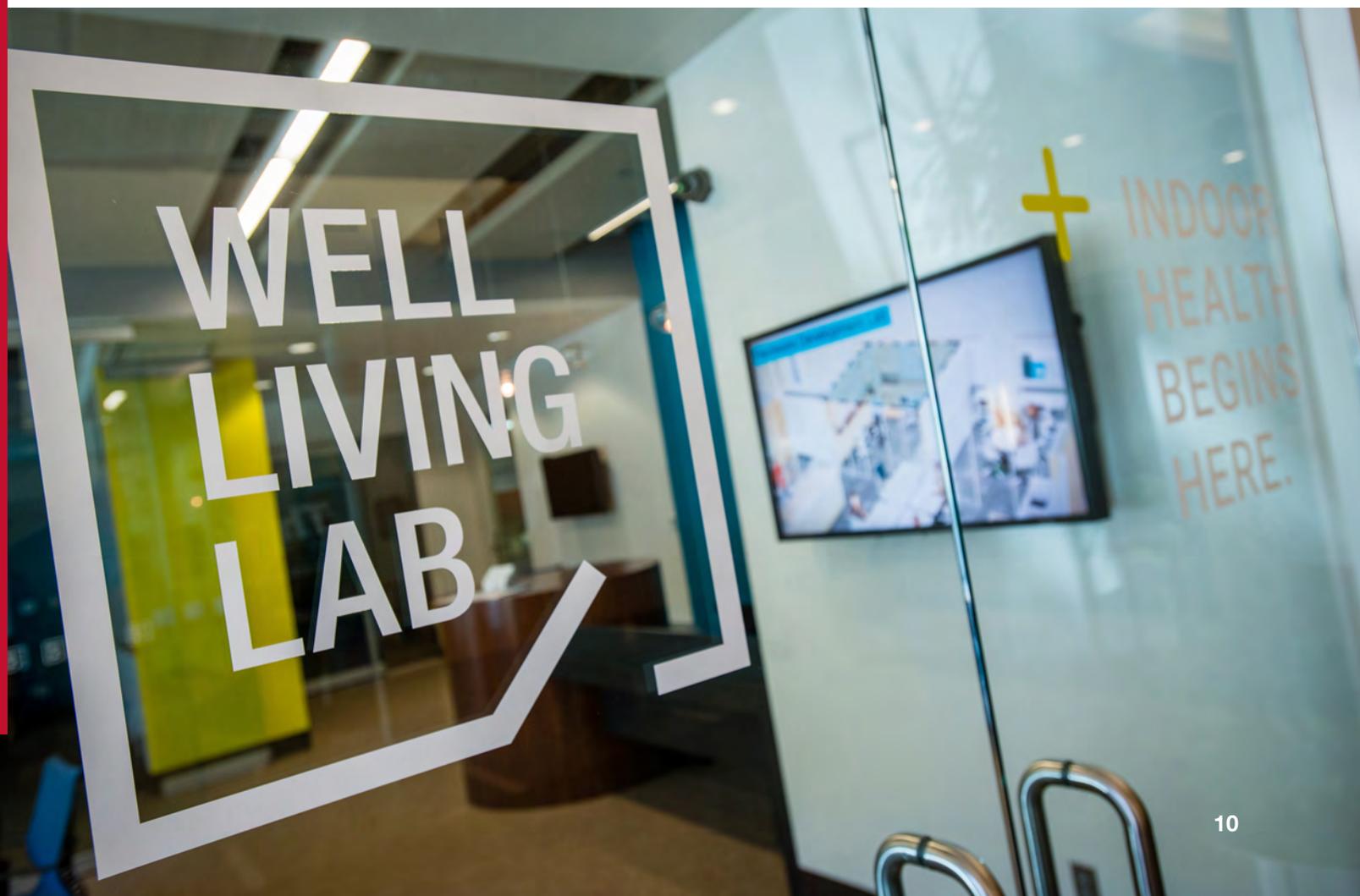
Well Living Lab Partnership

In 2017, [Hines partnered](#) with indoor wellness research company Delos and the Mayo Clinic on the Well Living Lab, a 5,000-square-foot mock office space that allows researchers to study the impacts of air quality, natural light, noise, space configurations and daily activities on workers' health and wellness. "We had been delivering millions of square feet of space to the world over the years and wanted to elevate our product for our clients and their evolving needs," says Hines' Charlie Kuntz. "We knew it was the right thing to do but we didn't have the comprehensive scientific data to prove how our spaces could positively affect occupant health. For a company committed to innovation, it was really exciting to be on the ground floor of this research."

In addition to providing funding support, Hines is working with the Mayo Clinic to identify areas for study. Findings from the Well Living Lab will inform updates to the International WELL Building Institute's certification and registration program for standards related to health and well-being in the built environment. Currently, Hines has 21.8 million square feet of WELL-certified or -registered office space across 29 projects.

[Research related to COVID-19](#) is currently underway with a sense of urgency and findings are expected to roll out over the coming months.

WELL certifications are expected to become increasingly more important in tenants' leasing decisions. A survey of leasing and management experts at Hines found that they anticipate tenants will now value WELL-certified buildings more than LEED®-certified buildings when looking to lease space. This is counter to what they expected pre-COVID-19.





“There are three main focal points of the Well Living Lab’s Coronavirus research. One is **indoor air quality** and understanding whether there is a potential of transmission through HVAC. The second is **surfaces**—keeping them cleaner and researching how modern antimicrobial materials and products could play a role in the fight. And the third area is understanding **human behavior** and finding successful ways to modify it for a safer work environment.”

– CHARLIE KUNTZ
INNOVATION OFFICER FOR HINES

Implications on Office Demand

Whether the office-built space will see permanent and substantial alterations or temporary ones will be determined by factors still currently unknown—chief among them, the rollout of a vaccine.

“If you told me there will never be a vaccine, then we will absolutely need to change everything permanently,” says architect Jon Pickard. However, temporary measures that adapt current building systems are more likely to take place.

Employers are assessing their office configurations, occupancy levels and space needs as they look toward their future in the workplace in order to maintain physical distance recommendations between individuals—generally six feet or two meters. In most cases, this represents a reversal of pre-crisis space planning trends.

“In recent years we have seen a move toward densification of office space to achieve cost savings or to upgrade to a higher-quality or newer building. We are now living in a new world where densification will be perceived

as a health-safety issue and may negatively impact recruiting and retention,” says Cushman & Wakefield’s Tim Relyea. “We are currently representing one of the largest companies in the world and prior to COVID-19 they had a space standard of one person for every 180 square feet. Now they are modifying that standard to one person for every 350 square feet.”

As employers synthesize remote work and densification trends, the notion of a massive reduction in office demand is highly unlikely in the long term. “We are having open conversations with our tenants as they look to have 25-30% of their workforce work from home in the long term. But the interesting thing is that we are not discussing a reduction in their demand of square footage. They anticipate simply utilizing the square footage that’s already on hand to create a slightly less dense environment, which is a kind of de-densification of the trend we saw prior to the pandemic,” said Hines’ Charlie Kuntz.



Meet the Experts



Stephanie Biernbaum

CHIEF PEOPLE OFFICER FOR HINES

In this pivotal role, Steph oversees all Human Resource activities and responsibilities worldwide, leading the firm's people strategies and fostering career development, diversity and inclusion, analytics and other areas changing the traditional landscape of HR. She is on the frontlines of identifying return-to-work plans for Hines employees across 24 countries.



Dag Folger

CO-FOUNDER OF A+I

Based in New York, Dag is one of the most influential workplace design architects practicing today. For over 20 years, his firm's work has been at the forefront of innovative design—spanning workplace, retail and mixed-use development across the U.S. In addition to working with some of the most important brand names in luxury, financial services and technology, he is providing counsel to the team at A+I working with Hines on the development of their new headquarters space in Houston, which comes online in 2022.



Lauri Goodman Lampson

PRESIDENT AND CEO OF PDR

Lauri changes the way organizations act on work and place. She works with executives to “future-cast,” challenging them to redefine the purpose of bringing people together at work. She is a strategic and space-planning advisor to Hines and many key occupiers, offering thoughtful placemaking concepts to unleash the human potential across the globe.



Despina Katsikakis

HEAD OF OCCUPIER BUSINESS PERFORMANCE
FOR CUSHMAN & WAKEFIELD

Leading from London, Despina provides input across the firm's global business on the rapidly changing context of work and its impact on employee engagement, productivity and well-being. She collaborates with Hines through the Well Living Lab partnership to study the design and operation of workspaces to help prevent the spread of respiratory viruses.



Peter Knutson

DIRECTOR OF STRATEGY FOR A+I

Peter brings a unique blend of health, human development and architecture to A+I, where he guides client groups and design teams through deep explorations of program and client needs. He is part of the team at A+I working with Hines on the development of their new headquarters space in Houston.

Meet the Experts (continued)



Charlie Kuntz

INNOVATION OFFICER FOR HINES

Charlie and his team track and examine the viability of the most innovative real estate technologies, working with the firm's leadership and Conceptual Construction team, implementing the newest ideas and thinking on every Hines engagement. He has also pioneered the firm's signature co-working product, The Square. His insight into returning to the workplace has been cited in the press as Hines helps tenants and employers alike navigate this new normal.



Jon Pickard

PRINCIPAL OF PICKARD CHILTON

Jon has been recognized internationally for his achievements in architecture, specifically for his expertise in the design of large, complex and often high-profile buildings including corporate headquarters, high-rise commercial office towers, hotels, and academic and health care facilities. He has designed or collaborated in the design of some of the world's most recognized buildings, including working with Hines to enhance the skylines of Houston, Atlanta, Chicago and Oklahoma City.



Tim Relyea

EXECUTIVE VICE CHAIRMAN FOR CUSHMAN & WAKEFIELD

Tim is one of the top tenant representative brokers in the U.S. His real estate career began in 1978, and since that time he has completed in excess of 60 million square feet of transactions for a total aggregate rental of more than \$47 billion. Tim has worked with Hines on numerous lead tenant deals over three decades and is a trusted advisor to the firm on where real estate users find value.



Claire Thielke

MANAGING DIRECTOR – ASIA PACIFIC FOR HINES

Claire is responsible for acquisitions, development and new business generation in Hong Kong and the Asia Pacific Region. Prior to joining the Asia Pacific team, Claire served as Chief Operating Officer of Investment Management for Hines, overseeing new product development and fund operations.

When You're Ready, We're Ready.

As the process of reopening workplaces around the world continues, Hines will continue to bring data-driven insights and solutions to its clients, tenants and investors.

Updated guidelines for Return to Occupancy along with a message from Hines President and CEO Jeff Hines may be viewed at hines.com/ready.

DISCLAIMER

The information contained in this article serves as a general overview of considerations and should only be used for informational purposes.

