

# The Future of the Office:

## A Business Owners Guide For Office Design Strategies

By Michael Brush  
June, 2023



### Just over three years ago

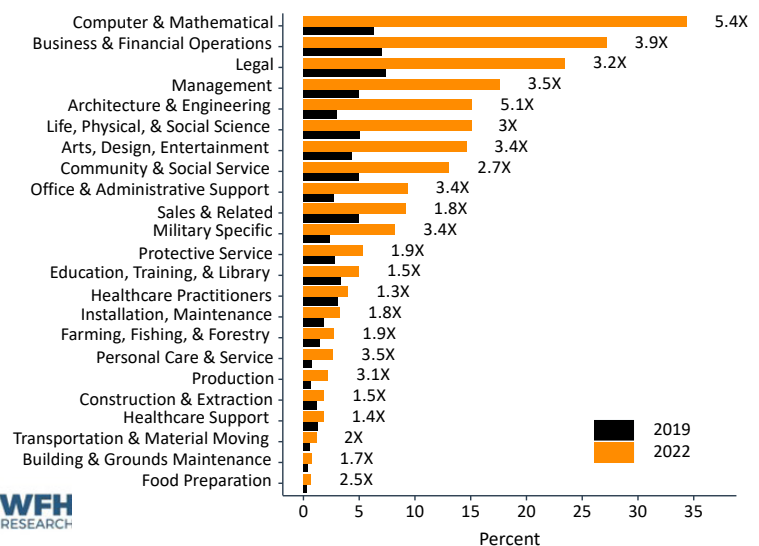
the world woke up to what came to be known as a “new normal.” The COVID-19 pandemic changed life as we knew it in ways too numerous to recount, filling hospitals with the sick and dying and emptying city streets around the world. The world had never seen anything like it since the Spanish Flu of 1918. As we now emerge cautiously into what is being called a “post-pandemic” world, we are discovering what the new world looks like, including the future of work and office design. One certainty is that everything is harder to obtain – consumer products, construction materials, affordable housing, good help, a restaurant reservation – everything, it seems, except office space.

As we begin our fourth year since the start of the pandemic in the U.S., most businesses that are so, with close to 40% implementing a hybrid Work From Home (WFH) policy. Of course, the type of job affects who has the ability to Work From Home, as the chart to the right demonstrates.

But for those businesses offering WFH, the effects on their offices can be dramatic. Offices in the U.S. are averaging 50.1%

### WFH LEVELS VARY HEAVILY ACROSS OCCUPATIONS

Percent of job-postings offering hybrid or remote work



From research paper “Remote Work across jobs, companies, and space” by Stephen Hansen, Peter Lambert, Nicholas Bloom, Steven Davis, Raffaella Sadun, and Bledi Taska. Data from wfhmap.com

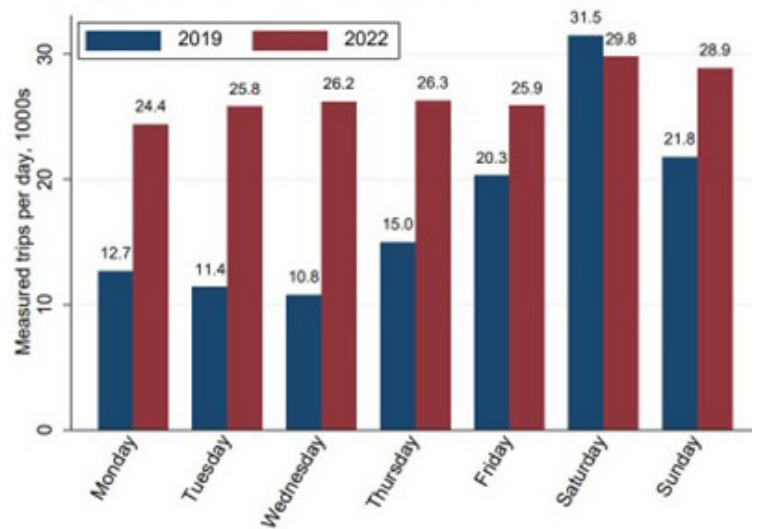
occupancy, with some offices occupied as low as 26.3% of the time in Chicago to as high as 76% in Austin (Kastle, 2023). The size of the city matters, with employers in smaller cities less likely to implement WFH policies than those in bigger cities (Barreo, Bloom and Davis, 2021).

These empty office spaces are currently under lease, so the low occupancy rates are most severely affecting the businesses that used to cater to the workers in these buildings. But the empty space is also causing business owners who are paying the rent to reconsider their real estate holdings, and building owners to staunch the bleeding of existing tenants and scramble to find new ones.

Business leaders pondering their next move can find the situation confusing; offices can feel close to full Tuesday through Thursday, and completely empty on Fridays. Even in mid-week, a recent study showed people are also spending time golfing far more frequently than they did before the pandemic (Finan and Bloom, 2023). Accommodating the ebb and flow of personnel can require scheduling and desking solutions companies have never considered before.

To further complicate the choices, the available stock of office space is changing radically. As leases expire, many tenants are electing to vacate their current space and move to other buildings. Class B and C buildings are bearing the brunt of this exodus, experiencing a net loss of 246 million square feet of tenant space between April of 2020 and April 2022, while Class A buildings built after 2010 experienced a net gain of 87 million square feet of tenant space during the same period (JLL Research, 2022). This is becoming known in real estate circles as the “Flight to Quality”, defined by the trend to vacate older, outdated properties in

## The Golf increase has been powered by mid-week golfing, which rose by an incredible 83% vs 2019



**Note:** Date August 2019 and 2022 for a sample of trips in the INRIX database, which includes trips in vehicles with GPS and phones with location tracking turned-on. The trip needs to be to one of the 3,400 satellite identified gold courses and to have lasted more than two hours. We estimate we sample about 5% of total golf trips



35-story 100 East Wisconsin Building

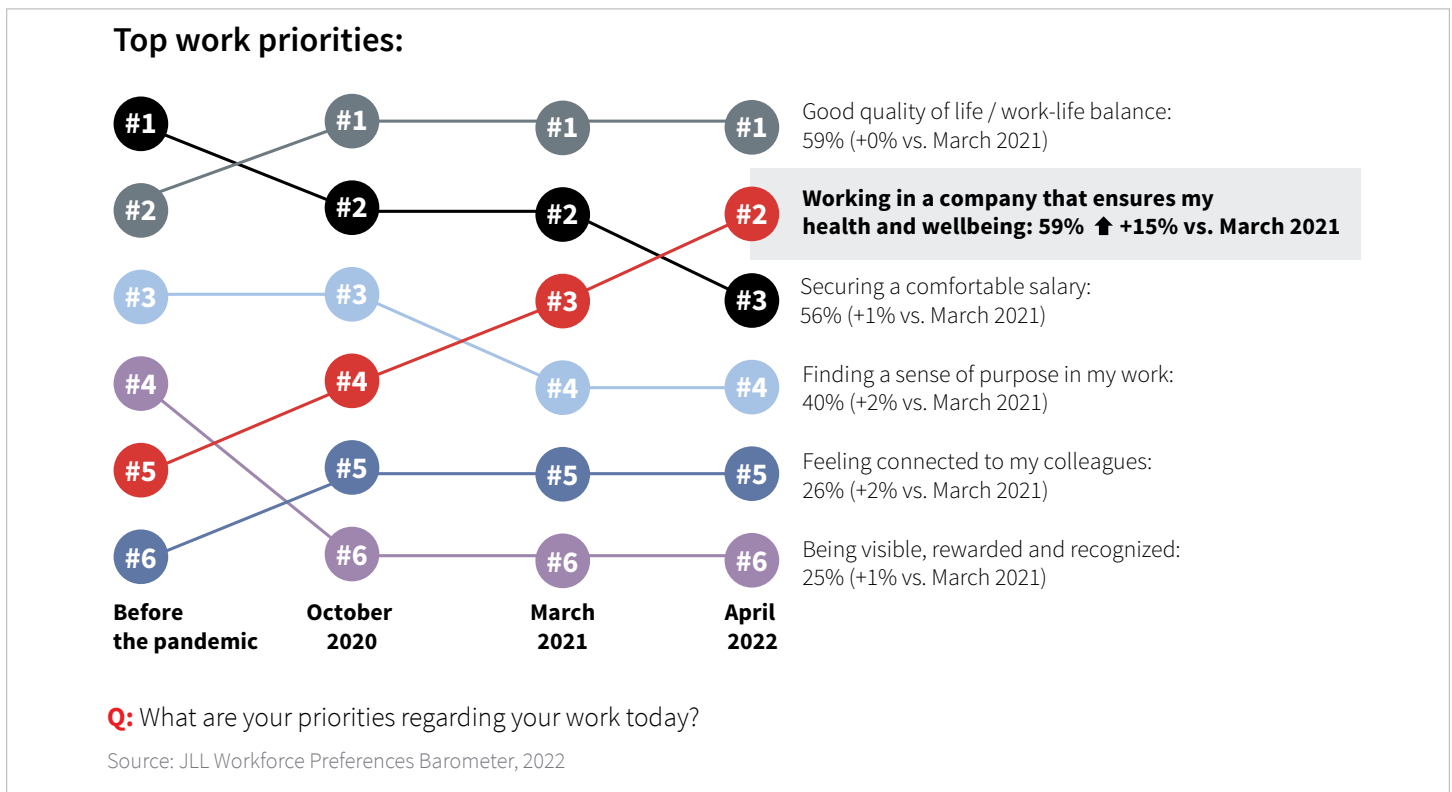
less desirable areas and move to premier properties suddenly made affordable by vacancies and consequent lower rents.

Yet here in Milwaukee, WI, it was recently announced that the 35-story 100 East Wisconsin Building built in 1989 will be converted to apartments. This is a building that, prior to the pandemic, was considered one of the top 5 Class A office buildings in Downtown Milwaukee! The final blow for the building was the move of the major tenant to the brand-new BMO Harris Tower just down the street in 2021. If nothing else can be gleaned from this, the fact that Working From Home has profoundly changed the office landscape is inescapable.

## THE ATTRACTION TO WORK FROM HOME

Much has been written about the pros and cons of Working From Home, but no one is predicting we will ever return to pre-pandemic levels when only 6% of office-based workers worked from home. By February of 2023, that number changed to 12%, with an additional 28% working from home at least part-time (Barreo, Bloom and Davis, 2021). The reasons for this are many, beginning with the reorganization of employee priorities, which now favor work/life balance and personal well-being and fitness over any other factors (Pradère, 2022).

The graph to the below demonstrates how the pandemic changed employee priorities from “how am I doing at work” to “how am I living my life?” Working From Home begins to address this by giving employees the time they previously spent commuting to do things they enjoy, like working out, walking the dog, or even getting in a round of golf on a Wednesday afternoon. The desire to reduce commuting time coincides with the rapid rise in housing costs, which in turn can encourage workers to seek affordable housing wherever it can be found, often



driving them farther from the office. But WFH also allows people to reconsider their prep time in the morning, juggle their hours to fit more non-work-related activities into their day and generally wrestle their lives away from the rigidity of the 8-5 schedule.

These are strong incentives to Work From Home, but more importantly for employers, the historically low unemployment rate of 3.4% reached in January of 2023 has emboldened workers to dictate where and even when they will work. Employers who currently mandate or prefer a return to synchronous, co-located work are

being told they risk losing the employees they have, and even more difficulty recruiting employees they need.

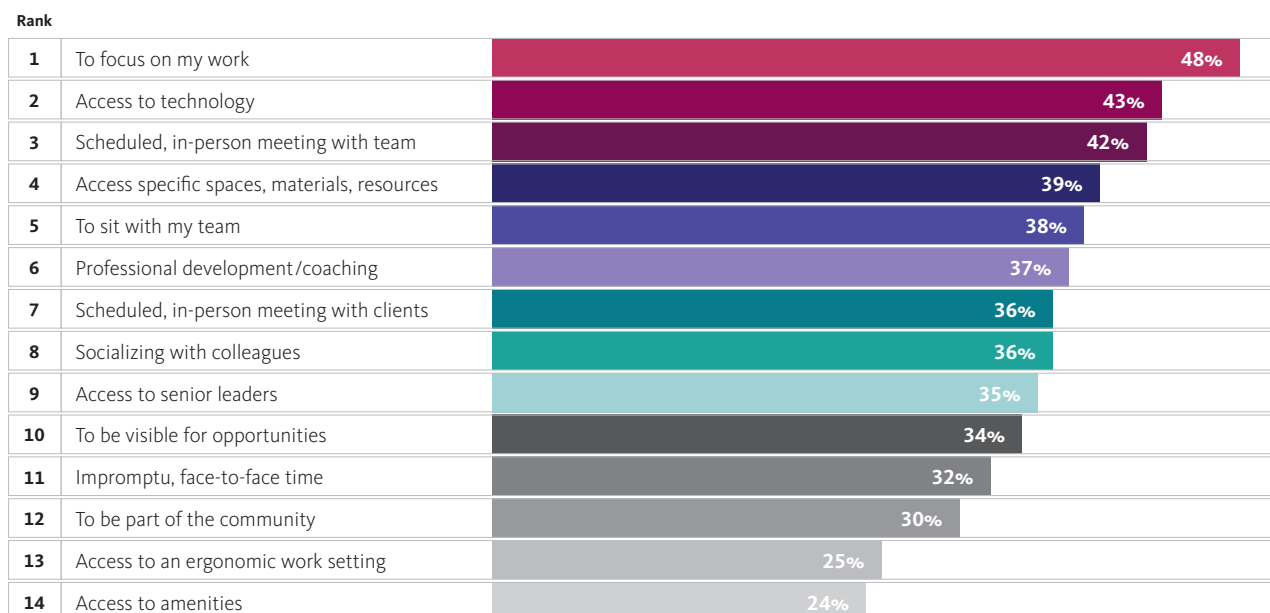
But none of this could have happened so quickly without one of the more astounding reactions to the pandemic: how quickly we all adapted to Teams and Zoom Meetings. Before the pandemic, video conferencing for most of us was a cumbersome, mysterious concept that took place in conference rooms specially designed for that purpose. Now, we're doing it from our cars! It has become so easy and acceptable that it is difficult to argue if physical presence in the office is necessary.

## THE GOOD NEWS FOR THE OFFICE

All of the above would seem to foretell the imminent demise of the office. But to paraphrase an often misquoted Mark Twain quip, the death of the office is an exaggeration. In fact, major corporations are beginning to mandate Return To Office (RTO) policies, such as Disney, who announced a mandatory Monday through Thursday policy beginning March 1st of this year. In 2022 Apple, Alphabet and Warner Brothers and Peloton announced mandatory 3 day RTO policies. Even companies who at one time planned to implement a permanent virtual or hybrid model have changed their minds. Marc Benioff, the CEO of Salesforce who announced in February of 2021 that workers could “work from anywhere” and famously declared that the “9-5 workday is dead”, now requires some sales employees to be in the office Tuesday through Thursday in response to a perceived drop in productivity (Ford, 2022).

### The top reason employees say they come to the office is to focus on their work.

What is the most important reason to come to the office? (Percentage of respondents who selected each option in their top 5)

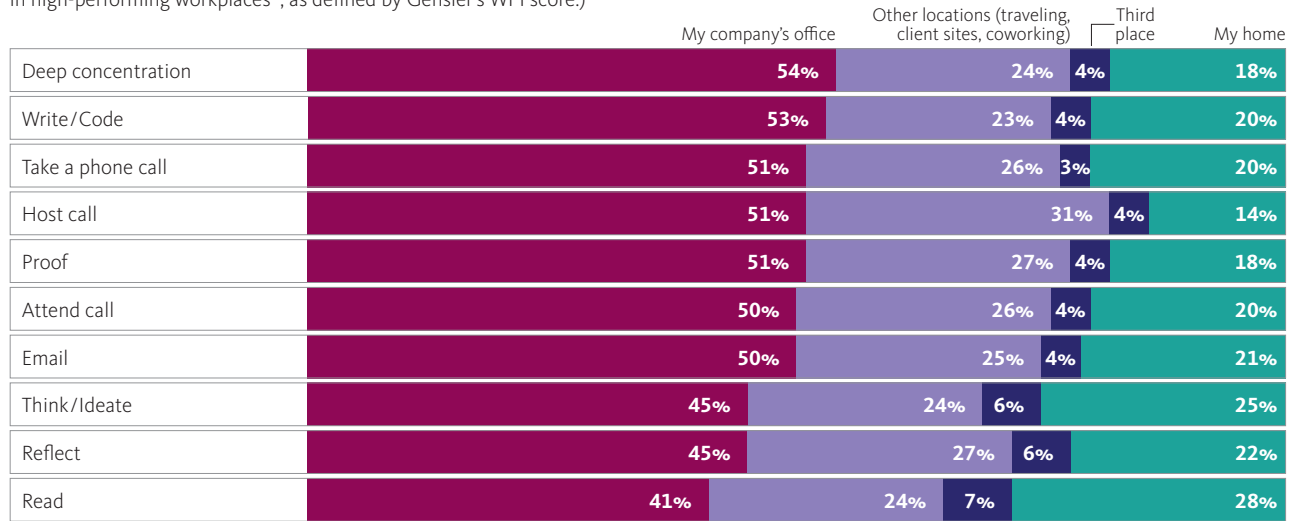


0%

“U.S Workplace Survey”, Gensler, 2022 50%

## Employees with high-performing workplaces prefer to work in the office.

Where is your preferred location for each activity? (Reflects only respondents working in high-performing workplaces\*, as defined by Gensler's WPI score.)



*"U.S. Workplace Survey", Gensler, 2022*

Even employees themselves are finding the office can provide things they can't get at home, and it is not just social contact. The annual Gensler U.S. Workplace Survey 2022 of 2000 U.S. office workers found that 48% of all respondents said the most important reason to come to an office is to "focus on my work" (Gensler, 2022). That is a shift from previous iterations of the same study that found that working in-person with colleagues was the most cited reason. That fact coupled with the number two reason of, "access to technology" indicates that the freedom that Working From Home allows may also create distractions, and that the technology workers have at home is limiting their effectiveness.

The survey went on to find that in well-designed, "High Performance Workplaces", employees prefer to perform 10 common high concentration tasks at the office by a wide margin over the home.

This data provides opportunities for business leaders hoping to lure workers back to the office, for designers who must ensure heads down work is possible, and for building owners who might see a stabilization in occupancy rates. The following pages will examine the three most common strategies to accommodate the needs of employees and employers in these uncertain times as the future of the office changes.





## STRATEGY NUMBER ONE - WAIT AND SEE

In times of uncertainty, it is human nature to let a situation progress until it becomes more predictable. For business leaders attempting to determine the amount of square footage they need and how to use it, a “wait and see” approach is understandable, especially at the beginning of a long lease. These companies have the luxury of determining how their Work From Home policies are affecting their business, workers, and ability to recruit before making major real estate decisions. They also have a chance to see whether the 2023 Recession ever materializes, and if it does, how it affects their business, their employees’ ability to dictate Work From Home policies, and the cost of construction. Unfortunately, for those with less than two years on an existing lease, time is not a luxury they have nor can afford. Decisions about space will need to be made very soon so the design and construction of a new space can be finished in time. Waiting too long risks limiting the options, and possibly forcing some to stay in place.

But even those with time face significant risks in waiting to adapt their offices to the new realities. If the recession does not happen and unemployment remains low, the risk of losing employees to companies with more attractive locations, more progressive offices and/or more liberal Work From Home policies is real.

### Businesses in the U.S. are generally taking one of three approaches to Work from Home:

**The Mandate** – Organizational leaders dictate the days and times everyone needs to be in the office.

**The Deferral** – Department leaders decide when their direct reports must be in the office.

**The Choice** – There are no official policies from leadership. Employees are allowed to decide when or if they come into the office based on client and team needs.

For business leaders looking to reduce space, **The Mandate** is the only way to know exactly how much space will be required. The other two have too much uncertainty and other challenges. For example, a large corporation in Minneapolis tried The Deferral and found that employees working for departments with limited WFH policies wanted to transfer to departments with more liberal policies. The Choice could result in nobody coming

Burrows, B. (2023)



# 2

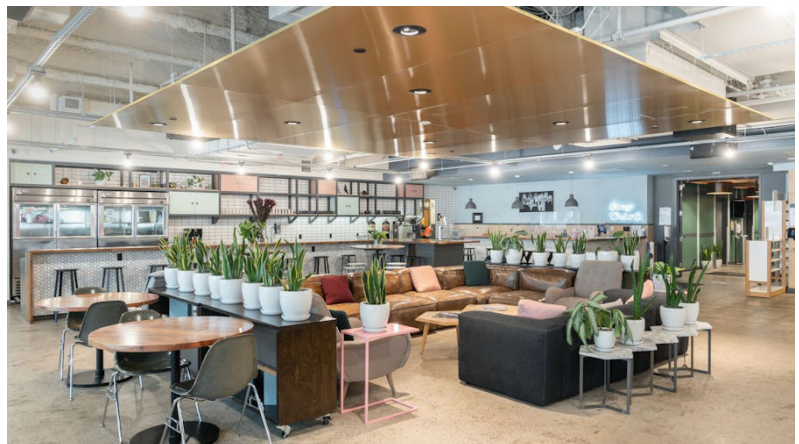
## STRATEGY NUMBER TWO - REDUCE SQUARE FOOTAGE

For many business leaders looking out over their empty office floors, the solution may seem simple – they need to reduce the amount of space they lease. But this is not as simple as it may seem, unless their lease is about to expire. If it is, they can simply shop for less space, possibly in a building they couldn't previously afford, and build it out to suit their particular needs. This can be extremely enticing, but it might require a Work From Home policy that ensures an even distribution of empty desks throughout the week, not just on Fridays. And even if that is possible, desking strategies to accommodate the workers that come in each day must be considered:

- *Do you switch to an “open address” strategy where workers sit wherever they can find an open seat?*
- *Do you employ a “hoteling” or “hot desk” concept where employees reserve a spot for a day or more?*
- *Do you assign shared desks? And what if a team needs to come in on a day they wouldn't typically be there?*
- *Do you find a building with a co-working facility that could accommodate any overflows that might occur?*



Example of an “open address” space. Ernst & Young, Chicago



Example of a co-working space. <https://wework.com/>

There are also challenges to overcome if you want to bring the office together on-site for a monthly meeting or a special event. Do you rent space somewhere else, or do you find a building that has a shared conference center or other space that could be used?

For businesses with longer term leases, down-sizing is considerably more difficult. Since most landlords are unwilling to take space back, often the easiest option for tenants is to sublet part of their space to another business, preferably one that is complimentary to their own.

All of these changes could reinvigorate an organization while also positively affecting operational costs. Yet we believe businesses that see Work from Home simply as an opportunity to reduce real estate holdings may face unintentional changes to their company culture and the long-term engagement of their employees. They might also be missing the opportunity hidden in the Gensler survey: that perhaps the novelty of WFH is beginning to wear off. If that is the case, employees who find they don't have a viable choice at their current employer might look for it elsewhere.

A well-planned response to the future of the office and post-pandemic opportunities and challenges requires the balancing of:



It is our opinion that the best course for business leaders is a carrot and carrot approach; provide some degree of the flexibility workers are asking for, including WFH, and provide an office that offers experiences and environments workers can't get at home. The Gensler survey found that **83% of workers** said they would be willing to go to the office more often if it had the right mix of experiences. The key therefore, is to follow a strategy that seeks the maximum benefit to both the bottom line and the workers who can positively affect it.

*People want to go somewhere for work!*

*- Richard Florida, Best-selling Author and Futurist*





## STRATEGY NUMBER THREE- RE-DEFINE THE WORKPLACE

Richard Florida is a Professor at the Rotman School of Management at The University of Toronto perhaps best known for his book, "The Rise of the Creative Class" (2002). The book argues cities with a high "creative class" population, a highly skilled, educated, and motivated workforce, see higher economic development than those without. Florida also argues that retaining and attracting high-quality talent is crucial to a city's success. His research over the last 37 years taught him that the "creative class" want to be a part of a thriving community. They want choices for their leisure and recreational time and choices for when and where to work, including but not limited to the ability to work from home.

To reach these workers, we believe the office needs to be re-defined. Note that we said, "**re-defined**", and **not**, "**re-designed**". The term "re-defined" implies an acceptance that co-synchronous, co-located work is not always required, and that productive work is possible in non-traditional settings in and outside of the office. We believe that companies who focus on the future of work and create dynamic, employee-focused offices and support a degree of flexibility around where work is performed can reap the rewards of higher employee engagement and reduced operational costs.

Today's top performing workplaces are "destinations" for employees to experience things like indoor/outdoor work

environments, flexible "Living Room" spaces, high-end fitness facilities, premium food and beverage options, and areas where they can retreat for focused work. The

### Redefining the Workplace as a **DESTINATION**

- 1 Offer indoor/outdoor work environments
- 2 Integrate flexible "Living Room" Spaces
- 3 Provide high-end fitness facilities
- 4 Supply premium food and beverage options
- 5 Create areas where employees can retreat for focused work

workplaces can feel more like a boutique hotel than an office, offering employees experiences that are worth commuting to.

But “Boutique Hotel” is only one “vibe” top talent is looking for in an office. The Gensler survey asked respondents to rank eight different alternative office concepts, including:

- Clubhouse
- Coffee Shop/Work Cafe
- Library
- Creative Lab
- Boutique Hotel
- Residential
- Conference Center
- Corporate



Entrance to Bader Rutter - Milwaukee – Plunkett Raysich Architects

Interestingly, the responses varied by age. While “Coffee Shop” ranked high among all age groups, “Corporate” rose to the top for Baby Boomers, who also added Library and Conference Center to their top five, clearly valuing traditional spaces for independent and group work. Gen Z and Millennial workers picked “Boutique Hotel” and “Clubhouse” as their second and third choices, reinforcing their preference for communal, collaborative space. Also interesting is that “Residential,” defined as “More like home,” cracked the top three only for Boomers, suggesting that most workers want the office to offer things they can’t get at home.

All of this tells us that a re-defined office needs to be many things to affectively provide choices to meet the varying needs of those who use it. For business leaders who are thinking about the future of the office and want to re-imagine their office design, the following pages outline strategies to become an employer of choice:

- Location
- Social Settings
- Areas of Focused Work
- Working Neighborhoods
- Health and Wellness

### The mix of experiences vary by generation.

Ranking of ideal office experiences from most preferred to least, by generation.

Younger generations prefer a coffee shop/hospitality mix of experiences while older generations prefer a more corporate experience.

Rank	Gen Z	Millennial	Gen X	Baby Boomer
1	Coffee shop	Coffee shop	Coffee shop	Corporate
2	Boutique hotel	Boutique hotel	Corporate	Coffee shop
3	Clubhouse	Clubhouse	Boutique hotel	Residential
4	Corporate	Residential	Residential	Library
5	Residential	Corporate	Clubhouse	Conference center

\*This question was only asked of respondents who were working from the office less than 80% of the time.

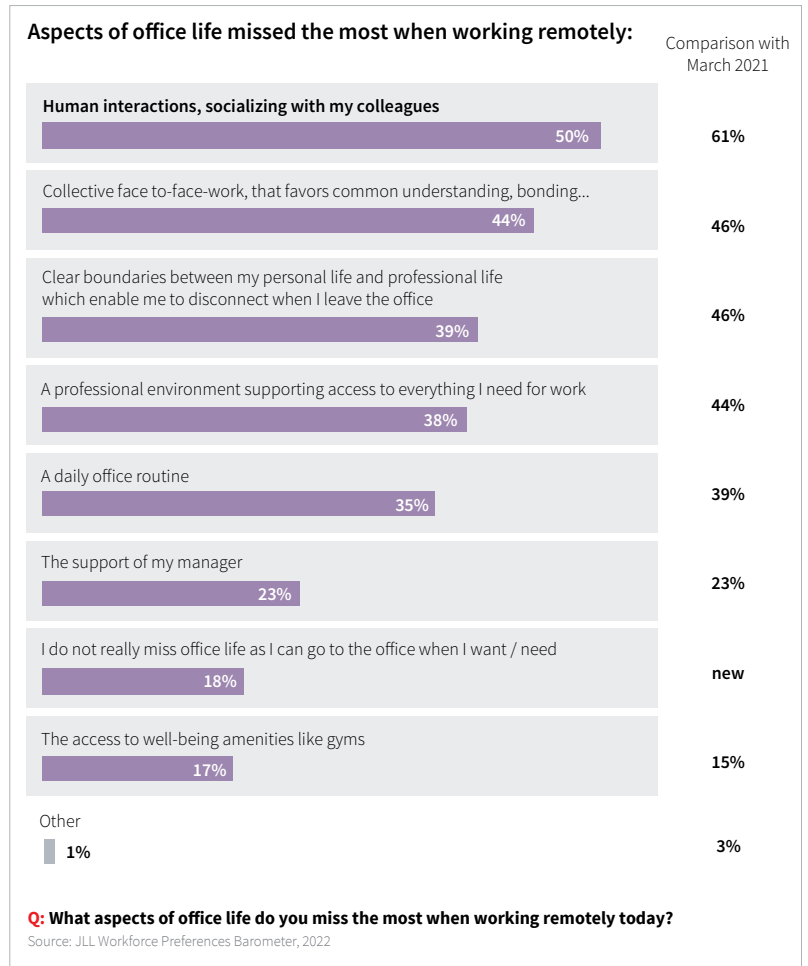
“U.S Workplace Survey”, Gensler, 2022

## 1. Location, Location...

We've all heard the line about the three most important attributes of real estate, (location, location and location). The easiest decision a business leader can make to improve their office environment is to take advantage of high vacancy rates and relocate to a building with access to high quality local or building amenities. These include amenities employees value like coffee shops, restaurants, and grocery stores. Buildings with access to outdoor space, like roof decks, patios and parks can also attract employees, as can a state-of-the-art fitness center located within walking distance of the office.

## 2. Double Down on Social Settings

The graph to the right from JLL demonstrates what most of us already knew intuitively – the office provides valued social and face-to-face interactions that can't be replicated when working from home. Some would argue that these experiences are just a click away on Teams or Zoom, but most would admit that these are similar to calling someone on the phone and are significantly more formal than a chance encounter

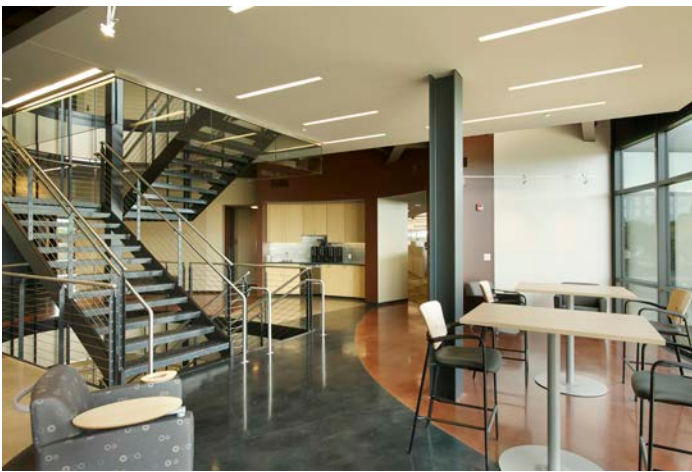


Company Social Settings Designed by PRA

in a Work Café or sharing a humorous comment over the partition at work.

We believe designing an office around informal social and collaboration spaces can significantly improve employee perception of the workplace and foster collaboration and innovation. Erich Anicich, a Professor at the University of Southern California specializing in the study of forms and functions of social hierarchy within groups, recommends designing spaces to force workers who might be going

to the restroom to pass through or by a communal space where work isn't meant to be done, like a patio, kitchen, or creative engagement space. This creation of "chance encounters" was the driving force behind placing the interconnecting stair at the [Plexus Headquarters](#), next to the restrooms and coffee bar. It was also the reason the open Work Café at [MRA Headquarters](#) in Pewaukee, Wisconsin was placed in the center of the 25,000 sf. single story building.



*Plexus Global Headquarters. The stairs are purposely placed next to the coffee bar and restrooms to promote impromptu employee interactions – PRA*

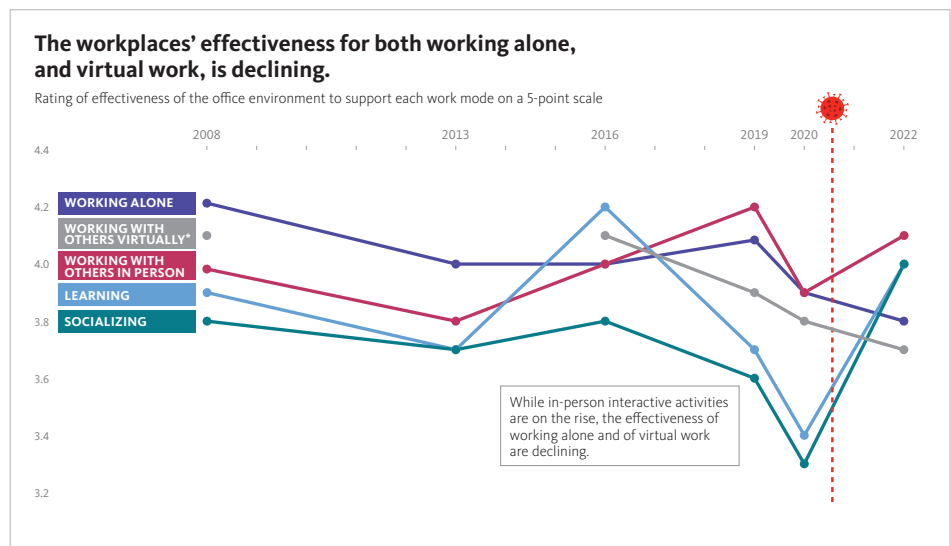


*The Work Café at MRA – PRA*

### 3. Triple Down on Areas for Focused Work

Ironically, as much as workers value the office for its social and collaboration advantages, they also long for environments that enhance concentration. Unfortunately, the graph to the right shows that workers' perception of the effectiveness of "Working Alone" in the office has fallen from first to fourth out of five modes of work since 2008. Only "Working with Others Virtually" ranks lower.

This is a significant problem, since U.S. office workers spend between 30%-44% of their time working alone, depending on their job (Gensler, 2022).



*"U.S. Workplace Survey", Gensler, 2022*

But working from home fares no better as the graph on Page 5 demonstrates; the office outscores the home in every major high concentration task by at least 2 to 1. This inability to concentrate at home can extend the workday and blur the line between work and home life. The office can be a place of refuge, where workers can be their most efficient and productive if the proper environments are provided.

One popular component of the modern office design to address this issue is the “Focus Room” a very small room (approx. 50 sf), for one or two people to use for varying lengths of time, depending on the task to be performed. These can be equipped to accommodate remote video conferences and provided with a variety of furniture.

Another option is the creation of small, remote seating areas like the booths at E&Y – Chicago shown below, or the remote, semi-private “pods” also at E&Y - Chicago.



*Remote Booths, E&Y – Chicago*



*Remote Pods, E&Y – Chicago*



*Focus Rooms, Bader Rutter – PRA*



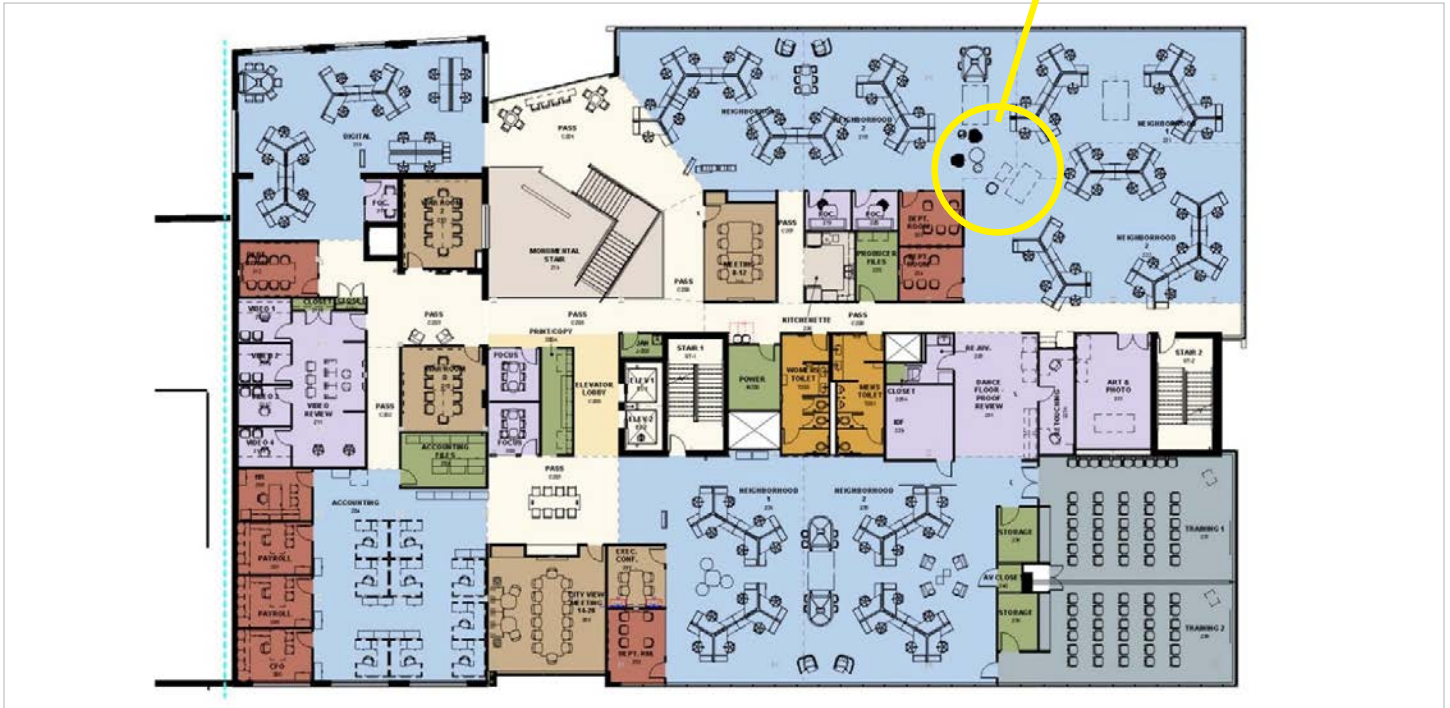
*Remote Booths + Individual or Collaboration Space, Bader Rutter– PRA*

## 4. Create Working Neighborhoods

Socializing and focusing are two extremes of the working day. But most workers also want a middle space, a “home base,” where they can collaborate and socialize among their colleagues while still getting work done. These spaces should eliminate high-walled, semi-private “cubes” and allow for visual connection with others while working. They should also provide nearby places for quick group meetings and alternative work environments to sit and catch up with a friend or check emails. Ideally, as the plan below from [Bader Rutter](#) in Milwaukee demonstrates, these amenities should be grouped in small enclaves with visual barriers and distance between them to minimize visual and audio clutter. White noise can also help with the latter.



*Working Neighborhoods, Bader Rutter– PRA*



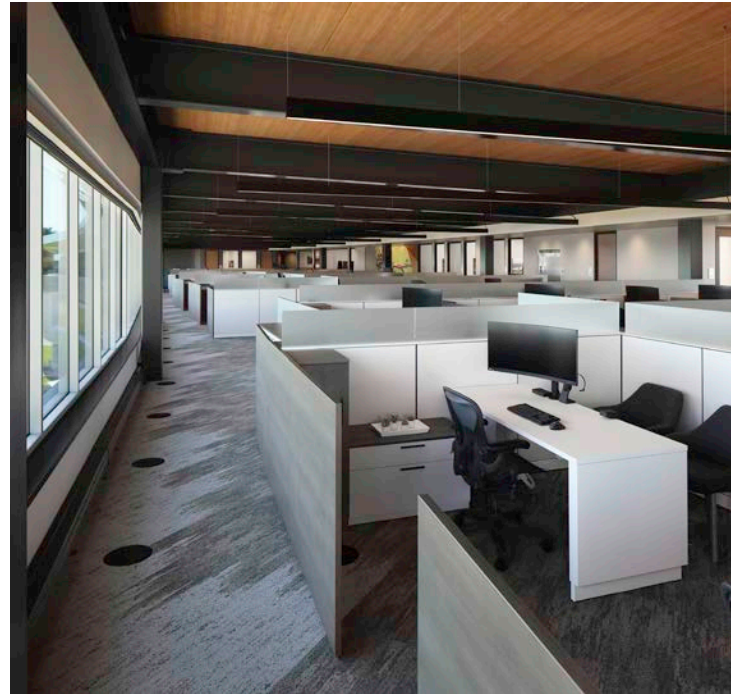
## 5. Emphasize Health and Wellness

The graph on Page 3 from JLL shows that the second most important criteria for employees is, “Working for an employer who values my health and well-being”, rising one whole place in each of the past 3 years. Simply allowing employees to work from home can go a long way toward satisfying this goal, but in many ways, the office can be designed to outperform the home office in many key health and wellness categories, including ergonomics, quick and healthy food choices, access to daylight and views, indoor air quality, and access to outdoor spaces where work can still easily be performed. If a fitness center is nearby, amenities such as fitness training and classes can be an added benefit.

But the means for providing each of these things varies; Ergonomics and food availability can be addressed with furniture

and operational investments. Daylight, views, and access to outdoor spaces are reliant on the location and configuration of the building. Indoor air quality and employee comfort are more easily addressed with new construction. For example, the image to the right shows an office design with a raised floor air distribution system. The black circles on the floor are manually changeable diffusers, allowing occupants to personalize the temperature and airflow in and around their work area.

But indoor air quality and employee comfort can also be enhanced in existing workplaces by investing in in-line air purification strategies and operable windows, and by increasing the number of thermal zones in the office for enhanced employee control of the environment.



Confidential Corporate Client – PRA

## CONCLUSION

While the post-pandemic transformation of rentable office space in the U. S. is only just beginning, work itself and office design is experiencing the most dramatic changes since the demise of manufacturing and the subsequent rise in service, educational, and health sector jobs that began in the late 70's. Business leaders cannot be blamed for being cautious in such uncertain times, but for those who feel the urgency or the need to make decisions about where and how their employees will do their jobs, there are opportunities to enhance productivity and innovation while simultaneously improving profitability and employee engagement and retention.

To understand how the strategies above can be tailored to your goals, budget and culture, please contact me for a complimentary consultation.



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## ABOUT PLUNKETT RAYSICH ARCHITECTS, LLP.

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The firm consists of 85 staff led by 10 principals, with design offices in [Milwaukee, WI](#), [Madison, WI](#), [Sarasota, FL](#), and [Austin, TX](#). Our staff is organized into a studio/team format to focus resources, experience and creative synergy on client projects. We work together in teams across offices and studios to deliver excellent results for our clients.

## ABOUT THE AUTHOR



### MICHAEL BRUSH AIA | Design, Corporate

[Michael Brush](#) is a Senior Designer and Partner in the [Corporate Design Studio](#). With over 30 years of national and international design experience, Michael has a rare breadth of knowledge. He has specialized in building and space design for a variety of clients throughout his career, always bringing a unique blend of creativity and expertise to the needs of each client he serves.