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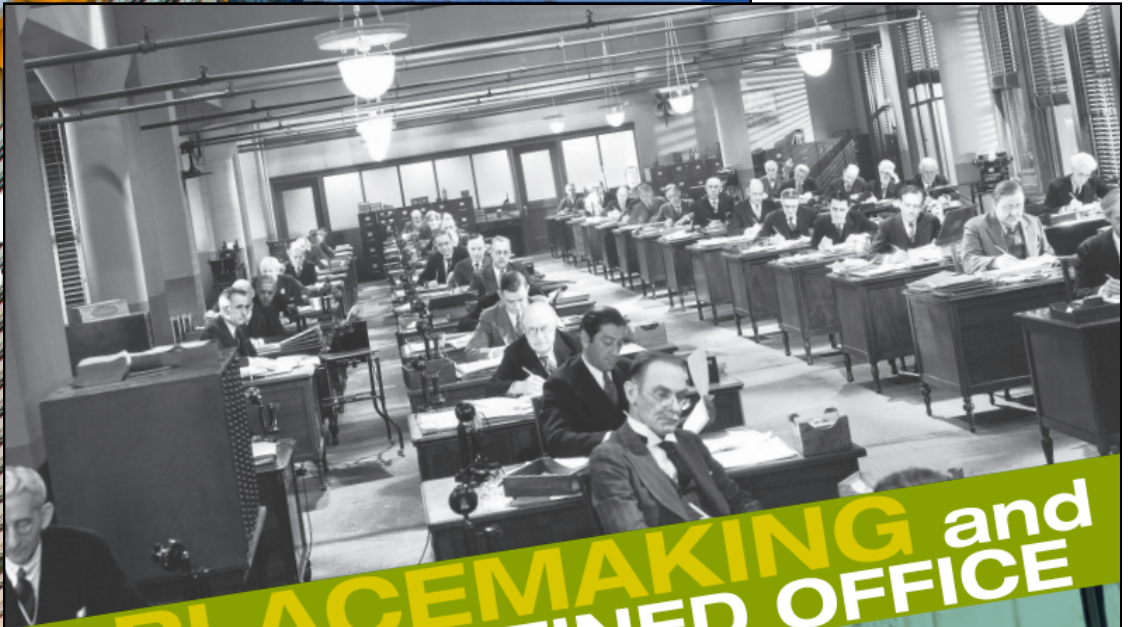
Magazine

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PLACEMAKING and the REDEFINED OFFICE ENVIRONMENT

BY JOHN SALUSTRI



“It’s a sign of the changing times.”

In a nutshell, that’s how Corwin Holland, RPA, CPM, CCIM, senior property manager of Market Square for Columbia Property Trust in Washington, D.C., sums up the new role of the corporate office.

There was a time, not too long past, when the shape and look of an office figured little in someone’s job hunt. And while nothing ever trumps salary and benefits, job candidates increasingly are factoring into their selection process how the office environment supports a full range of wants and needs.

Due, at least in part, to that trend, corporate occupiers are using their spaces as a metaphor for much more—namely, their brand and culture. Landlords, too, are getting on the bandwagon, updating common spaces with amenities ranging from fitness centers to dry cleaning and extending what has become known as the “workplace experience.” Today, having a class A building, devoid of such creature comforts, is simply not enough.

But there’s more to the elevation of the workplace than just its traditional role of providing people a place to sit. Beyond attracting and retaining top talent, companies are finally acknowledging that lines are blurring between the workday and the rest of an employee’s never-unplugged life. Amenities that can help workers be more effective (such as a choice of where to sit), assist with personal chores (think shoe shines or grocery shopping) or encourage interaction (like in a café or well-stocked lunchroom) aid employee and occupier alike. Landlord support of those wants and needs, therefore, only makes good business sense.

Such offerings, no matter how expansive or budget constrained, “introduce elements of hospitality to the workplace,” says Matt Gammel, a senior associate at architecture and design firm Gensler. “That solid division between what is work and what isn’t work is breaking down. So, we need to provide places where people can enjoy their work.”

It’s happening at the BOMA 360-designated Market Square, for instance, where Holland reports a multimillion-dollar renovation of what was once a staid and traditional lobby. The fitness center is already in place, and a conference center is currently in the works, with plans set “for a few other things,” adds Holland. More on Market Square shortly.

A SENSE OF PLACE

The elevation of the office also can be described as placemaking, a term usually applied to cities looking to humanize urban acreage with gathering spots for its inhabitants, be it a pocket park or bike path. But the private-sector version isn’t just a marketing tool to attract and retain talent. It is a reflection of the way work is evolving into a largely collaborative concept with people moving from space to space depending on the nature of their work that day encouraging the chance encounters that foster ideas and providing ample space and flexibility for heads-down or team work.

“Placemaking is a nice metaphor for how we want the office to function,” says Georgia Collins, co-lead of CBRE’s Workplace Strategy practice. “In cities, we have places where people gather and the community comes together, such as parks or civic spaces. In offices, café spaces or hubs serve a similar purpose. There are a lot of great parallels to be drawn between what makes great cities and the creation of purpose-built office spaces.”

The concept also goes by another name: the “Google-ization” of the office, referring, of course, to the tech giant’s workspaces, complete with nap rooms and foosball tables. That’s probably the least accurate of all the names for two reasons. First, not every company has a Google-sized budget and, second, not every company has the culture.

Placemaking risks a quick death if it’s merely a shallow copycat effort.

“The culture piece and how the workplace is designed and provisioned need to be connected,” explains Collins. “That’s the difference between organizations that get their workplace right and those that don’t. If we, as an organization, value people getting work done effectively, then our workspace needs to say we’re going to give you choice because you can’t get everything done in one space. We will give you the environment and the technology to optimize your performance.” CBRE, with its Workplace360 program, is just one of the providers interviewed for this article that practices what it preaches.

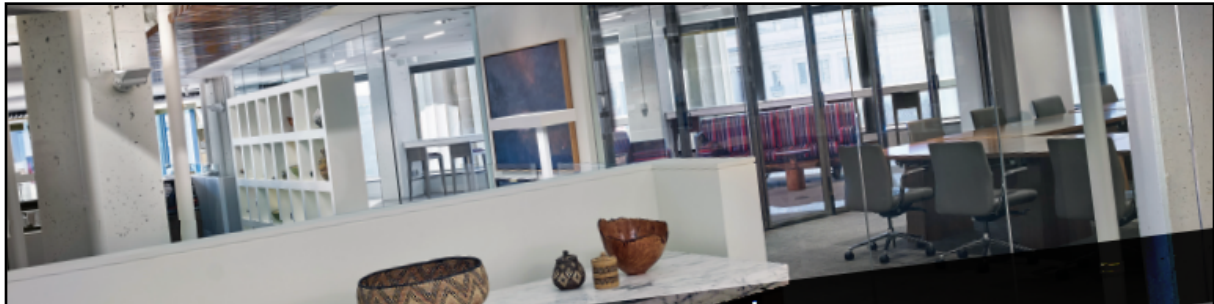
Columbia Property Trust’s Holland lays much of the impetus behind the current rethinking of the office at the doorstep of a new generation of worker. And, indeed, millennials care about such things as wellness, a sense of socialization at work and amenities that help support a better work-life balance. The relatively youthful demographic of Google—and the tech industry in general—certainly helps couch the conversation in millennial tones.

But other generations care as well. “I’m an Xer, and I care,” notes Collins. The movement “coincides roughly with the millennial ascendancy, but it’s not exclusively that. It’s what we all expect from the work environment.”

Josh Hildreth, a principal with DMG Interiors in Reston, Virginia, agrees. He sees the trend in virtually every client meeting. “We’re going



DMG Interiors



Following its upgrade, the CIAB office in Market Square (on this and opposite page) has become a more collaborative, out-of-the-box space.

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into buildings and finding people who want to change the way work feels, and they want to incorporate new kinds of amenities," he says.

THE SPACE RACE

Whatever the origin, the office of today is competing for workers' attention, and competing not only with other employers, but also with Starbucks and coworking spaces and even home—anywhere an employee can plug in and be productive. As a result, building owners, managers and occupiers are trying to get the same message across: "There's still value in the office, in the interaction and the ability of different groups to work together, cooperating and sharing experiences and ideas," says John Scott, BOMA Fellow, RPA, managing director of Real Estate Management Services in Florida for Colliers International.

In addition, offices are competing with themselves. There's been a more-with-less ethic that occupiers have embraced since the Great Recession, resulting in tighter spaces, less square footage and a densification of the workplace. In fact, according to 2013 CoreNet Global projections, the square footage per office worker will shrink from 225 in 2010 to 150 or less by the end of 2017. Understanding how people work can help occupiers better manage those spaces.

Colliers also recently turned the tables on itself and upgraded its Tampa, Orlando and Clearwater, Florida, offices. Scott shares that they used a consultant, Gensler, to study usage patterns that resulted in a practical, efficient design.

To that point, Scott says the space search for professional services companies once took about six months. "Today you need to start a year in advance because you need a

consultant to analyze your business," explains Scott. "You don't know what you don't know, like where productivity actually occurs. And it doesn't necessarily come from an office or workstation. It can come from open-air meetings or chance encounters. It's the idea that creates the value."

One of the things Colliers didn't know was that "our people sit at their desks less than 60 percent of the time," he says. Shared space is one obvious solution, one that extends to all levels of the hierarchy. "The president, the chief marketing officer and I share one office because each of us is in the space less than 30 percent of the time," Scott continues. "In two years, we've probably conflicted 10 times. Based on our movement models, we realized we needed only one office."

Interestingly, Gensler itself also looked inward when, in 2011, it relocated its Santa Monica office to downtown Los Angeles, and much like Colliers on the East Coast, found similar results in the West. Gammel says the firm uses its own spaces as a sort of laboratory. "For our relocation, we did a survey of butts in conference room seats. We found we were using them only 38 percent of the time. That's a lot of unused real estate to be paying for in Santa Monica.

"When we moved downtown," he continues, "we thought carefully about how to redesign space to improve utilization. We reduced the footprint and increased the usability of the environment." The new office has spaces that encourage four essential work modes—focus, learning, socializing and collaboration. "When you get it right, you've designed an experience-driven workplace."

The Gensler space now actually exists in two adjacent buildings, made effective by a bridge that, according to a blog post the firm put out at the time of its redesign, transformed

"two floors into flexible, connective and 95,000-square-foot creative office space for our teams."

DENSIFICATION'S UPSIDE

Densification gets a rather bad rap these days, calling up visions of people shoehorned into cubbies for the sake of cost cutting. But, done right, it can feed the placemaking concept.

"Just as cities are vibrant places because of their density, offices are also more exciting places to be when they have some level of density," says CBRE's Collins. They become more vibrant when you're more likely to run into people, have spontaneous hallway conversations and get help solving a problem. "When we ask our clients to define what success looks like, almost everyone at some point says, 'I want a sense of buzz, a sense that there is something taking place there.' That won't happen when there are empty cubes between you and the next person. Density is getting value for the money and leveraging the mobility and activity of people to greater effect in the environment."

Take Ken Crerar, president and CEO of the Counsel of Insurance Agents and Brokers (CIAB). Earlier this year, Crerar upgraded his association's space at Market Square, working hand-in-hand with Corwin Holland, Josh Hildreth and Mitra Noorbakhsh, formerly of ZGF Architects, to achieve his vision of a more collaborative, out-of-the-box space that also worked within the parameters of the CIAB culture and the building's operational parameters.

CIAB had roughly 18,000 square feet, of which 3,500 was sublet. By taking that space back and trimming the number of conference rooms and private offices—only two people of the 12-person management team have offices, and Crerar isn't one of them—they were not only able to create a modern, open space, but also increase the number of people populating that space from 38 to 55.

That number can balloon up to a comfortably seated 80 during special events.

As mentioned, not everyone can follow the Google model. Nor should they. “We wanted our space to look attractive and enhance our brand,” Crerar says. “We wanted to create a space we could use for luncheons, dinners and events for the different stakeholders we influence in D.C., whether it’s political people or policy people. I didn’t want it to be Romper Room,” he states frankly, a reference to the iconic kid’s television program.

But adults like to have fun, too—even if foosball isn’t their thing. Again, good design reflects culture. “What we did want was something professional that would fit within the context of Market Square, which is a high-end trophy asset,” explains Crerar. Fun in a grown-up context means a barista ready to serve guests and staff as they enter—there is no receptionist at CIAB—and views of the National Mall, from the White House to the Washington Monument, visible from virtually everywhere in the environment.

And clouds. “Crerar wanted clouds,” says Hildreth. That sounds like pure whimsy, but there was practicality behind it. The space has very low ceiling heights. Pyrok clouds that appear throughout the space, while visually attractive, serve the dual purpose of distracting people from the low ceilings and absorbing sound, a must in an open office.

For the property management team, those clouds presented some of the redesign’s biggest challenges. “On receiving the design, we had to make sure it worked for the operation of the property,” says Holland. “The ceilings were a challenge, especially for the HVAC. We had to make sure it could operate appropriately and keep the occupants happy. They took our comments in stride and we made sure it all came out properly. That’s a testament to teamwork throughout.”

How successful was it? “Market Square was built almost 30 years ago, and the overall feel of CIAB’s previous office was that of an older law firm,” explains Holland. “Crerar broke the mold with this concept. We welcomed it with open arms, worked closely with him to make it happen and, today, we tour their space all the time with prospective tenants. It’s become a snapshot of what you can do here.”

Holland adds that the timing of upgrades being made in the lobby and the tenant space are pure coincidence. But together, they tell a consistent and compelling story to those prospects.

PLACEMAKING ON A BUDGET

Designer Hildreth and occupier Crerar both discuss the high-end finishes and curated artwork that, along with those clouds, help give the CIAB space its unique look. There’s even a conference table made from trees that fell on the nearby Mount Vernon estate, trees probably planted by George Washington himself. But these design features are less a function of deep pockets than they are careful shopping.

“I didn’t pay any less or any more than anyone else,” Crerar explains. “We didn’t pay any more because I carefully spec’d out fabrics and finishes. The coffee area, for instance, was made by a restaurant company and was no more

expensive than any standard office supplier. We did a lot of custom stuff, but we looked carefully at what we put in.”

“You can have a great workplace without an amazing budget,” notes CBRE’s Collins. “You can provide every amenity under the sun and at considerable cost or pick and choose those that are meaningful to your organization and people.” Sometimes it can be as easy—and economical—as making certain services or vendors accessible to employees, “even if it’s at their personal cost.”

It also can be as easy—and cost effective—as opening a door. “The space we leased in Tampa has a balcony that opens up to an atrium,” says Collier’s Scott. “But the previous occupants didn’t utilize their balcony. They kept the door shut. We incorporated it into the space, so now people can sit out there, listen to the fountains and see the greenery. It makes the environment much more relaxed, like a living room.”

Obviously, budgets are equally important to property management teams and ownership, especially when the conversation turns to smaller or class B buildings. “We’re seeing a lot of landlords struggling with this idea because not everyone is a Google,” says Gammel.

Collins agrees. A few common-area amenities can be a great equalizer between buildings, she explains. “You don’t have to have a class A asset. Rather, it’s about curating the experience for tenants. You can have a smaller class B building and still provide a really great suite of services.”

It’s an equalizer, as well, for smaller tenants. “If ownership, for instance, installs a coffee kiosk,” says Gammel, “even a 5,000-square-foot tenant can take advantage of these amenities. For landlords, it’s about servicing your tenancy. For occupiers, it’s about servicing your mission by servicing your employees.”

Whatever the age of those employees, he says, we’re dealing today with an increasingly “purpose-driven workforce.” Whether it’s building management or the occupier itself, “when you can nail what your purpose is through analytics and then design a space with those parameters in mind, you can have a high-performance workplace. And you can do so cost effectively.”

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