



## The Incredible Shrinking Work Station

Potential for cost savings accelerates trend toward smaller employee workspaces.

By **Jessica Saunders**

**W**hile workspaces have been shrinking for years, brokers and architects who specialize in alternative workplace strategies say the worst economic downturn in generations is spurring more and more corporations to operate with less and less space.

Real estate is usually a company's biggest expense after payroll and benefits. As more people are working one or more days a week from home or another remote location, corporate real estate planners have discovered they have more empty desks than ever before. Finding new ways to allocate and shrink the space needed for each employee can reduce the size of an office and produce significant savings.

"This is a long-term trend that has been accelerated" by the economic times, said Jason Szeman, senior vice president at Jones Lang LaSalle Inc. in San Francisco. Now that the economy has taken a turn, it's not all about collaboration. It's not just about productivity and [employee] retention; now CFOs see the cost-savings alternative. "It is something we are definitely talking a lot about."

The cost savings of such concise per-person office layouts can be significant. For instance, if a company moved

The cost savings of such concise per-person office layouts can be significant.

from a space layout that averaged 250 square feet per person to a layout that averaged 175 square feet, its annual rent per worker would decrease approximately by a third, from \$7,500 to \$5,000, based on average office rental rates for Northern California, said Joe Hamilton, a senior vice president of strategic planning and advisory services for regional brokerage Cornish & Carey Commercial/Oncor International.

Over the last 20 years, average office allocations per worker have been cut by more than 50 percent, according to industry experts and analyses. The typical executive office was 291 square feet in 1987. By 2007, it had shrunk to 241 square feet, according to a report by the International Facilities Management Association. The average senior professional gets about 98 square feet, while call center employees might get 50, the IFMA's Space and Project Management Benchmarks survey found. The majority of workers, 59 percent, work in cubicles, 34 percent have private offices and 7 percent work in open areas with no partitions.

At the same time, even as the square footage per worker is going down, the terrain given over to collaborative space and amenities—conference rooms, breakout areas, cafeterias, fitness facilities—increased by more than 17 percent between 2002 and 2007, the IFMA report found.

The proliferation of personal technology is obviously helping to drive and lubricate the trend. The number of mobile U.S. workers reached 4.2 million in 2000. The count has grown annually since then to an estimated 103

million in 2008, according to a study by office-furniture maker Herman Miller Inc. The global mobile-worker population is forecast to reach 878.2 million this year, according to market-research and advisory firm IDC.

Mobile workers, which one analyst described as someone who spends at least 10 hours a week away from the office, includes both office-based and non-office-based employees as well as home-based workers, also known as telecommuters. Office-based mobile workers spend most of their time in a company-provided space but sometimes work from home or a third place, according to IDC. Third places are between the formal office and home, such as coffee shops or hotel lobbies. Non-office-based mobile workers are in the field, such as salespeople, or work across buildings on a corporate campus, such as information-technology professionals.

Work's new portability not only reduces the need for space but changes the way it looks. Seas of desks and cubicles have given way in some companies to informal seating groups that can be used for collaboration or impromptu meetings, touchdown space for drop-in workers and more small conference rooms, often with glass walls. The aim is a free-floating, open atmosphere rather than a static series of individual work stations.

Companies that have gone to a very open plan with a high percentage of mobile workers may not even make desk assignments. In one alternative work place strategy known as hotelling, employees use space on an as-needed or reservation basis. Other companies give employees lockers for personal items and rolling carts for work materials and laptops, which they set up at plug-in stations around the building, Szeman said.

Work portability has led designers and architects to rethink the size and structure of restaurants, coffee shops and other locations that may attract mobile workers, not to mention the home itself. MIT architecture professor William Mitchell thinks buildings adapted for semi-public use will have much more varied shapes in the years ahead, such as curvier walls with nooks to maximize inner walls' surface area, so laptop users can sit with their backs to the wall, as they typically prefer.

More flexible work schedules also are driving the trend toward telecommuting and open offices. Today's employees tend to start work later and stay longer in the evening than they had traditionally, and they often take work home, Cornish & Carey's Hamilton said. Strategic real estate services firm HOK Advance Strategies has seen more clients over the last six months seeking to save money by reducing their office footprint, said Steve Hargis, senior vice president.

"We still get a lot of requests from folks who want a better work environment, to update their facilities and support their employees," he said.

But in today's hard economic times, he said, they're also shrinking their real estate platform ever more to enhance their bottom line. ■