

## ULI Chicago's Front Stoop Series "Office: Reimagining the Workplace"

### A Conversation With:

Sheryl Schulze, *Repositioning & Landlord Services Leader, Studio Director, Principal*, Gensler  
Brian Atkinson, *Managing Director – Leasing*, Hines  
Kyle Kamin, *Vice Chairman*, CBRE

On November 19<sup>th</sup>, ULI Chicago members convened virtually for the Front Stoop Series to discuss "Office: Reimagining the Workplace". The discussion was led by Sheryl Schulze, *Repositioning & Landlord Services Leader, Studio Director, Principal*, Gensler; Brian Atkinson, *Managing Director – Leasing*, Hines; and Kyle Kamin, *Vice Chairman*, CBRE. Highlights from the conversation are presented below.

### What are tenants looking for now?

Overall, the panel agreed that tenants are looking for office space that supports a hybrid model of work-from-home and in-office work. They are looking for space that can be flexible in its use, with less use of hard wall construction, and more thought given to use of space and 'furnitechture'. There was mixed feedback on whether tenants are centralizing offices to hubs, or decentralizing their models, but in Chicago specifically it seems tenants aren't yet pulling the trigger on suburban office. Instead, if pursuing decentralization, it is more so in opening small offices in other up-and-coming cities where the cost of living is lower. In addition to the office space itself, tenants are very focused on amenities and layout of the building itself. Can the layout support a dedicated entry or visitor lobby? Can employees get to elevators and to their floor efficiently? Does the building offer outdoor spaces and easy access to local retail and lunch options? The focus is not on more amenities so much as it is on the right ones.

### What are the challenges for office space near term and long term?

The panel cited office occupancy at 5-10%, with many tenants indicating a current return-to-office plan of sometime summer/fall of 2021. The challenge therefore is to keep those tenants in place until then, and to have ongoing dialogue with as to what organizations need their space to look like when they do reopen, as well as what it will take to attract their employees to come back into the office, after having worked from home for well over a year. It was noted that this has to be a wholistic approach, as the desires and concerns of a millennial employee might be very different from a boomer employee. And here again, amenities are important. For example, while the City of Chicago is doing quite a bit to ensure the safety of public transit, availability of parking is clearly an increased focus for tenants, at least near term.

### How will this change the landscape of office space going forward?

While it is clear that the tenants' priorities for space are modifying as a result of the pandemic, the discussion pointed out that there is no one-size-fits-all solution. In general, cleanliness and safety of buildings has moved to a top priority for office property owners, and flexibility in space and layout is going to be critical. But beyond that, it seems that office owners are going to double down on focusing on their relationships with tenants, and reacting to individual organizations' needs in order to retain tenants and keep office portfolios occupied.

*Summary written by Kate Davis, Strategic Advisor, Access Group Capital*