What comes next: Covid-19 will lead to changes in office market, but whether it shrinks or grows is up to debate

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At some point, life will regain some semblance of normalcy. Just don’t expect the American office to return to business as usual.

Covid-19 has changed the way people think about office space as stay-at-home orders have forced millions to do their jobs from home. It’s also forcing the companies they work for to rethink their needs. Can video calls replace conference rooms? Will the typical cubicle be enough to stop the spread of germs? Do executives really need that spacious corner office?

“Undoubtedly, there will be changes to the operations of the office,” said Jeff Kaiser, managing director of commercial real estate firm CBRE’s St. Louis office.

Real estate firms such as CBRE, architects, designers and others are strategizing what work environments will look like in a post-pandemic world. Kaiser sees two scenarios:

Companies discover that their employees are just as productive working from home as in the office, which means they won’t need to lease as much square footage in the future

Businesses believe they will need the same amount of space or more to accommodate social distancing

“The overall design of the space, with open office collaboration, you can’t get away from that. People need interaction and collaboration, but it will be done with the subtext of social distancing,” Kaiser said. “We’ll have to watch to see how it plays out.”

For Bob Clark, chairman and CEO of construction firm Clayco, video meetings and phone calls cannot replace the collaboration, productivity and efficiency that takes place in the workplace. The idea that business leaders will make work from home a permanent strategy is “all poppycock ... there will be a spike in the divorce rate like nothing seen before,” he said.

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Instead, Clark imagines a post-Covid office building will be larger — with cafes on every floor to replace a crowded cafeteria, and escalators instead of elevators — because companies will want to restore employee confidence in the safety of a workplace. It will be more expensive to build, and therefore command higher lease rates.

“I’m personally very bullish on office product now,” Clark said.

Joel Fuoss, principal of downtown St. Louis architecture firm Trivers, said Covid-19 underscores how much people need a healthy environment just as much as human interaction.

Things like sophisticated ventilation systems for an enclosed environment, touchless water faucets, motion sensor lights, and possibly even winding vestibules to replace entrances to restrooms could be mandatory in office buildings instead of just perks, he said.

Fuoss, too, is rethinking how changes to the workplace could lead to changes to how people live.

He’s realized that working from home five days a week isn’t suitable for him, but he has enjoyed the extra hour in his day that typically would have been spent commuting. It’s likely others like that extra time, too, and Trivers is already contemplating what that could do to demand.

Maybe the future will require fewer office buildings due to the need to lease less space. Maybe that will lead to shifts in thinking of the highest and best use for buildings and space in a city, he said.

Regardless, Covid-19 provides a chance to redefine how a city is designed, something Fuoss described as a “once in a generation” opportunity.

“The biggest travesty would be to go back to business as usual,” Fuoss said. “We can’t afford to do that for ourselves.”

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