



# nerej

## **We will continue to plan for the future and adapt housing, retail and office to suit the people's needs - by David O'Sullivan**

July 31, 2020 - Spotlights

David O'Sullivan

What a year it has been so far. As we entered 2020 we were looking carefully for signs of a potential recession and feeling optimistic that it would be a good year for our industry. Sure there were some areas of concern with a stock market 2019 year end dip and talk of overpriced stocks. There was fear that we were having a housing affordability crisis and many were getting priced out of the market. Job growth was strong and wages were rising so we thought we could work and address housing affordability if we put our best efforts into the problem. Wow what a difference six months makes.

As we sit here in July we have endured drastic changes in our lives with this pandemic upending everything. We have learned to work from home remotely with mixed results. We have learned new ways to shop and feed ourselves. We have experienced shortages of items the United States had never known before. We feared to leave our homes as the COVID-19 virus spread across the globe. Information, much of it conflicting, bombarded us from news and social media platforms and even friends and family. The economy was stopped almost overnight, millions became unemployed and we all were told to stay home. We recognized the importance of many workers we had taken for granted.

Now we are into the second half of the year and there is still so much uncertainty. We find builder confidence has rallied to pre-pandemic levels in July. We have our construction projects back on track with new safety protocols, but now see issues with products sourced from overseas being unavailable. This new world is giving us challenges every day.

And how does all this affect the real estate industry? Where will we see things head in the rest of 2020? Commercial real estate will see the most impacts as things shake out from the pandemic. There will be increased vacant retail space which will need to be repurposed. Warehouse space for delivery services will become scarcer as people stick with online shopping which most found to be easier and more convenient than they believed it could be during the pandemic. Office space is

probably the biggest unknown as we found working from home did not impact worker productivity and many companies are considering keeping some employees working from home, lessening the need for office space. Conversely the new concept of hoteling and shared desk space becomes a problem with the pandemic and need for physical distancing. This means an increase in square footage per employee for future offices. We may see the expansion of satellite offices as working remotely has matured and not everyone wants long commutes into the city. Companies could have smaller branch offices where workers can minimize their travel distance from their homes.

Speaking of homes, we are going to see a shift in what people want in a home and potentially where they want to live. New York City has had lots of people breaking their leases and relocating to Long Island, New Jersey and Connecticut. They found being inside in a small New York apartment was not the life they wanted and if allowed to work from home, maybe there are better places that offer more space, private yards and less density. Will the same thing happen in Boston? There is an uptick in listings for sale in the city and a lack of inventory in the suburbs at present but will this be a sustained trend or is it a kneejerk reaction to the pandemic? Certainly empty nesters in the suburbs are staying put for the short term until the dust settles and we know the long term effects of this pandemic and what develops with a vaccine.

As we enter the second half of 2020 we hope there are no more big changes that effect our lifestyles and needs. We will continue to work and adapt to this strange new world we have been thrust into. The real estate industry will continue with pockets of change and as architects we will continue to plan for the future and adapt housing, retail and office to suit the needs of people.

David O'Sullivan, AIA, is the president of O'Sullivan Architects, Inc., Reading, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540