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The business world is changing. Is commercial real estate keeping up? - by Brett Pelletier

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I am a professor of Business and Economics at Salve Regina University in Newport and on the first day of each new semester, and for each new class or lecture, I posit the following question. What is a business for? What are companies, and organizations, and businesses supposed to do? The answer to that question is not the same as it was 20 years ago, and it is very quickly evolving. There is a robust conversation happening at every business school in the country...or at least there should be. This question, by necessity, bleeds into commercial real estate and the built environment more generally. What is a business for? What is a building, neighborhood, or community for? And as important, are we doing it well? My students often do not know how to answer that question. Aren't businesses supposed to seek profits and efficiencies? Of course, but not at any cost. There are plenty of examples of household names that chased short-term profits into insolvency or worse, extinction. That does not seem to be a very good result for anyone.

We have been talking about the triple bottom line for years. Doing well by doing good is not a new concept but people are thinking harder about what it means. Not just a platitude to increase productivity and feel-goodness around the office. More and more, employees want to make a real difference and work for companies with impact. They also want to work in places that are sensitive to their needs, environmental considerations, sustainability platforms, and equity principles. The way we design and deliver spaces needs to be flexible and considerate of these issues. Nearly every conversation I have today is had through the lens of diversity, equity, and inclusivity. Once you see it, it's hard to push it aside. That's good. More diverse participation and more voices being heard is very quickly having very real impacts on communities and organizations. How we design spaces and craft the built environment really does need to reflect diverse participation.

While many people will be working remotely permanently, others will be on a hybrid schedule, and some people will be back in the office five days a week, so should our workspaces and living spaces be adaptive and reflective of how we want to work. Ultimately, buildings house people, who are diverse and varied and should reflect their unique styles and preferences. The pandemic has brought front and center conversations about how people work and their priorities, both professional

and personal. Working from home is not what it once was.

So, what IS a business for, and by default, what is the real estate that supports it for? That is a really important and impactful question for us all to ponder. If we lose sight of what stakeholders view as important and value, we lose our grip on value altogether. And if the existing business community does not provide the answers people are looking for, there is a renewed spirit of entrepreneurialism and drive that can fill the gaps and create opportunities for a more just and equitable environment. Commercial real estate is sometimes slow to react and sometimes quick to adapt, but always derivative of the larger business environment, which makes me hopeful that whatever change and evolution comes next will be responsive to the market participants. Those participants now include, or should include a much wider set of stakeholders and groups. Only good things come from a more inclusive and dynamic reflection of reality with a representative voice. I'm excited for what's next and how the built environment can react and reflect a changing business and social context.

I will remind you that as stewards of the built environment we constantly communicate and engage with constituents, and we have many opportunities to balance the scales of equity, inclusion, dignity, respect, and kindness. I challenge you to take action and pay attention to your surroundings.

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