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How can businesses consolidate space and still maintain productivity?

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Whether the economy is in a period of growth or contraction, Perkins Eastman is called upon by both regional and global companies to help them think strategically about how to leverage their office space to attract and retain talented staff and enhance productivity.

In today's economic environment, businesses are considering how to best shed space while maintaining morale and a competitive edge. Across industries, today's knowledge workers thrive in a sustainable work environment that fosters community interaction, state of the art technology, and provides flexibility.

As businesses contract, some look to sublet their existing space or consider relocation to a new location. Business leaders must carefully compare the financial impact of each alternative: rent, potential construction costs, furniture, etc. They must also look beyond the short-term financial savings and determine how the space will continue to support the core operations of their business - including brand and culture - while remaining flexible enough to support the expansion and growth that will occur when the market rebounds.

If you are considering giving space back to the landlord or subletting an area within your office, you have to first determine the amount of space you want to shed and determine if that square footage can work in the building you occupy. If you are a full-floor tenant, you have to understand the impact that subletting a portion of your floor will have on your operations as well as on your current built space, and the amount of renovation that will be required to create a multi-tenant floor. Each tenant on a floor requires access to both exit stairs and toilet facilities, and there are building codes that dictate how this is done. You should also ask: Will the sublet require your reception area to move? What will the impact be on IT? Will the sublet space need to have direct elevator access or the best views on the floor? Also, is the space you want to sublet large enough to attract a potential tenant and /or interest the landlord? What length of term is left on your lease?

To determine your best options, work with a qualified, experienced architectural team so that you understand all of the implications when it comes time to negotiate with your landlord. Many times when a company is nearing the end of its lease, Perkins Eastman has advised that relocation to a new or renovated space works better for several reasons:

- * After a 10-year lease, many of your business operations have changed and your current work environment no longer supports your work processes and business culture.
- * New technologies may be available to help improve and enhance productivity that can be designed into the new space and that may help to reduce the required footprint.
- * Currently there are great real estate deals. Landlords will be aggressive when they look at your requirements and offer concessions you may not have anticipated.

If you are currently leasing space on a multi-tenant floor, you will have to work through the same

steps as a full-floor tenant, but you may have less control in your ability to sublet a portion of your current space. There will be a minimum amount of square footage that a potential tenant will need and a cost associated with the creation of separate demised space for that intended use. In addition you may have to provide a work letter or cash to help a potential sub-tenant with modifications they may need to make in order to function.

Consider the need to reduce space as an opportunity to review and re-align your business operations. This is the time to develop a new workplace strategy that is a better fit for your current organization, and you may be able to support the same number of staff in less space while adding support spaces and maintaining morale and productivity.

Your architect will take you through this process and make you aware of where your industry is headed in terms of workplace design and technology. New products, technologies, and design strategies will not only provide you with the tools to consolidate space or headcount, but will also create an environment that supports innovative thought that will help you maintain your competitive edge.

Perkins Eastman is among the top architecture and design firms in the world. The firm prides itself on progressive and inventive design that meets client goals and enhances the human experience.

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