

COMMERCIAL OBSERVER

Finding An Office With All the Trimmings

COVID has made planning office amenities more important — and difficult — than ever. Consider the three Cs, for starters.

BY [DAVID M. LEVITT](#) NOVEMBER 24, 2020 8:00 AM



THE GROUND FLOOR OF ZERO IRVING. RENDERING: DAVIS BRODY BOND

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A food hall with a diversity of upscale vendors was a major selling point for Zero Irving, a 21-story, 240,000-square-foot project with 176,000 square feet of offices in Union Square. When RAL Development Services, the developers, signed a vendor to run it, it was a special day.

But in the current COVID-dominated environment, with its restrictions on indoor dining, a food court was a not-so-strong selling point. Fortunately for RAL and financial partner Junius Real Estate Partners, the food court was designed to be indoor-outdoor with a courtyard in the rear, where people can eat in an environment less conducive to passing the virus.

And each vendor had access to food delivery, so people could also eat in their offices. This particular amenity in the Zero Irving project could carry on.

“Clearly, it’s been a challenging environment, but we’ve done pretty well,” said Ben Bass, a managing director at JLL, and the broker in charge of leasing the office space. The builders are currently weighing competing offers for office tenants, he said. It’s supposed to open next year.

COVID-19 has thrown a [huge curveball at the office leasing](#) market, which was already adjusting to some radical new realities. Leases are shorter, users want more flexibility, and amenities often drive deals. The better the food options, the conference space, the opportunities for recreation and fitness, accommodations for pets and bicycle riders, the more likely the lease.

Toss in coronavirus, and the world becomes an even more radically different place. Now, landlords have to figure out whether demand for six feet between bodies is a secular or cyclical development, likely to be forgotten in a couple of years when COVID is a memory. And, they have to figure out what amenities will appeal to tenants in a post-COVID world. A lot of people remember how, post-9/11, companies didn’t want to be on a high floor, but years later, high floors were in demand.

“It’s too early for most occupiers to know what their future looks like,” said David Smith, Americas head of occupier insights for Cushman & Wakefield. “I would say that the layout of spaces is likely to change. There’ll be less emphasis on individual workspaces, and more emphasis on collaborative spaces. [But,] it’s too early to know if footprints are going to grow or shrink.”

Even pre-COVID, the workplace was rapidly becoming a place where workers had to want to be, rather than needed to be.

Hence, the proliferation of hospitality-like amenities, such as gyms, showers, and other things to enhance fitness; a diversity of food and terraces offering an opportunity to go outside during the work day, or even to work outside, with Wi-Fi extending to outdoor areas; even a concierge to help workers enhance their office experience. Brokers say landlords were taking their cues from high-end hotels, which compete over how to make their guests ever more comfortable.

They also say that the COVID months have only enhanced and sped up that trend. Workers, if they hadn’t figured that out already, now know [they can be sufficiently productive](#) at home, thus avoiding the time and the potential virus exposure of commuting. Almost by definition, public transportation requires less than six feet of separation between commuters.

“You don’t have to go through the trouble of going into the office to respond to emails, as an example,” Smith said.

Networking or collaboration might be a different story. Smith said he expects executives to require that their workers be in the office on certain days, but, on the whole, “it’s clear that employees are expecting to have more flexibility post-COVID than pre[-COVID]. Most companies are on board with that, but that doesn’t mean they’re not going to want people to be in the office pretty regularly for some balance.”

After many years of taking it on the chin, suburban office might finally have a leg up on their central business brethren, brokers say, at least until there’s a vaccine. Commuting to work in private automobiles is healthier than mass transit, since drivers can keep their germs to themselves. Suburban offices almost invariably come with abundant parking.

In the cities, accommodating bicycles is only the beginning, said Evan Haskell, an executive vice president in CBRE Group’s New York office.

“It’s a lot more than just bike storage,” he said. “We’ve started to refer to it as personal mobility centers. People are looking to diversify how they commute. Access to mass transit is still going to be an important thing. But, even beyond that, people are going to want to have alternative means of commuting. A lot of people [have] scooters, or they’re looking at skateboards, you name it, or even car parking. The idea that you’re able to accommodate tenants with personal forms of transit is really important. Most buildings weren’t designed with this in mind.”

One fortunate thing for urban offices is that landlords have been thinking, for years now, about air filtration systems as they [compete for top LEED environmental designations](#), finding that tenants are willing to pay for

sophisticated filtration as a means of keeping employees healthier. Those systems are more important than ever. So are building-based fitness centers, where people have a chance to work out with coworkers, instead of perfect strangers, as they would at a commercial gym, Haskell added.

Still, if employees choose to work from home more, one of the things they might do with the time they save is go to a gym near their home, said Sarah Gibbons-Scheets, leader of CBRE's workplace strategies team for the Northeast, which studies how people work on behalf of their companies.

"It comes down to what we've been calling the three Cs: culture, community, collaboration," she said. "The most valued things are going to be the things that enhance people wanting to come into the office more."