

## Flexible Office and Its Implications on Office Demand

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Recently, the author has paid a visit to the office of a multi-national corporation operating in Hong Kong. They have adopted a flexible office work arrangement, which means **the staff members, or at least some of them, do not have 'their own desks'**. Instead, these staff members need to 'book' in advance should they wish to use an office desk, though they can do that anywhere in the world via a computer and they can also specify which desks are wanted. It operates much like a hotel-booking system. The executives also mentioned that since the flexible office arrangement was used, they had saved several millions of US dollars presumably on rents, fittings and furniture. They also mentioned an ideal 'staff to desk ratio' would be somewhere between 1.30 and 1.50.

Based on the above observations, it may be beneficial to business operations with the following characteristics:

- a) **A Sizeable Operation** = in terms of number of staff members. If an operation only has 3 or 4 people, it is unlikely to benefit much and actually may even lose out.
- b) **A Significant Portion of Staff Members Involved in Field or Out-of-Office Work** = such as marketing and sales, technical support and maintenance, business development and so on as they (should) spend quite a substantial amount of time out of the office. On the other hand, staff members of internal accounting, personnel, office administration departments etc are assigned the 'usual' desks and would not be able to utilize the flexible office arrangement.
- c) **A Computer Network System** = this is a must and is actually the business the above mentioned company is in. With a computer network system, a staff member who is on the flexible office arrangement can use any computer (on any desk booked) and is still able to retrieve his / her computer files (stored in network servers). Without such a system, a staff member's files would then be saved in one of the individual personal desktop computers thus he / she has to have that particular desk / computer in order to retrieve his / her files etc. This would obviously defeat the purpose of the flexible office arrangement.
- d) **A Willingness on the Part of Management and Staff to Use the Flexible Office Arrangement** = staff members involved are given storage space (fixed or mobile such as a drawer on wheels) and have to take their office items to the booked desks to start work. When the time is up, they have to 'clear' the desks. Except for some senior staff, the desks do not come with any 'lockable' shelves or cabinets (and even the desks of these senior staff can also be booked for use by co-workers and subordinates when they are away). Personal items such as family photos, favorite books etc cannot be 'displayed' on one's assigned desk (as there is none). This relates to the business culture of individual operations.

The flexible office arrangement has actually been used for some time in North America and Hong Kong is likely to see more of it. This arrangement is particularly **attractive to**

**businesses such as insurance companies, top market real estate agencies, high-brow financial advisory services, and the like** that need to lease relatively large amount of grade A office space to accommodate a huge proportion of field / out-of-office work staff members yet would like to find ways to reduce the rental expenses. Here' s an example = suppose an operation requires 60,000 ft<sup>2</sup> of office floor space and that half the staff members can use the flexible office arrangement. Assuming equal office desk requirements for all staff and a ratio of 1.50 (staff to desk) JUST for the half portion of staff on the flexible office arrangement, 10,000 ft<sup>2</sup> (60,000 ft<sup>2</sup> x 50% x 1/3) of floor space could be reduced. Say an average rental cost of HK\$50 / ft<sup>2</sup> per month, this would translate into HK\$500,000 per month or HK\$6M per year (and this does not include the extra interior decoration and fitting out for the 10,000 ft<sup>2</sup>!). Analysis of office demand may need to take this into account.

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