



COLORADO REAL ESTATE JOURNAL

THE COMMUNICATION CHANNEL OF THE COMMERCIAL REAL ESTATE COMMUNITY

JULY 21-AUGUST 3, 2004

Focus Office

Working remotely changes traditional office needs

After leasing 1,600 square feet of office space in downtown Denver for five years, personal injury attorney David Furtado abruptly laid off his five-person support staff and moved his office into his home in May. He hired a local firm that provides executive suites, receptionist and mailbox services to replace his staffers, and has been reaping the rewards ever since.

By moving out of his physical office space, this owner became one of many remote workers who have discovered that having a traditional office doesn't equate to business success. Furtado says his decision to leave the \$2,250-a-month office was driven largely by a desire for higher profits.

"Another attorney I knew was working from home and handling fewer clients, yet he was much more profitable," says Furtado. "My overhead was killing me." Without a full-time support staff, Furtado has been able to take on fewer personal injury clients, but says he's now making more money as a result. "I'm more profitable than I have ever been," says Furtado, who pays our company on an a la carte basis for work performed. "Not only is it much less expensive than hav-

ing full-time employees, it has also simplified my life massively."

Furtado isn't alone in his epiphany that working without strings can be beneficial for companies and their workers. In a May 2004 "Corporate Real Estate 2010: Enabling Work in a Networked World" report, Atlanta-based CoreNet found that major changes are occurring in how and where work is done, as well as the nature of work itself. Corporate executives are thinking more strategically about the role of place, says CoreNet, and the type of space required to support the needs of a networked work force.

When asked what percentage of their knowledge workers (white-collar employees in technical and administrative roles) already work remotely or will work remotely, nearly 40 percent of the corporate real estate managers surveyed believe that 25 percent or more of those workers in their companies will do so by 2010. The companies estimated that 50

Ralph Gregory

President and founder, The Intelligent Office, Boulder

percent or more of their work forces already comprise knowledge workers, or will by 2010.

Since a lot of this work can be digitized, CoreNet says, many past assumptions about how and where work must be done are no longer valid. An increasing number of knowledge workers are conducting their work in their homes or at drop-in offices, customer or supplier sites or other remote locations.

While revealing, this study is merely the tip of a much larger iceberg. Once word gets out that choices are not limited to home or office, and that they also include pulling out a laptop and doing work at a local Starbucks or using occasional office space at a company like The Intelligent Office, the impact on the commercial office market will be significant.

The growth of telecommuting, home-based businesses, cell phones, laptops and other mobile means is mute testimony to the idea that more and more people are leaving the traditional office behind. A 2003 AT&T Telework White Paper, for example, found that "a significant increase in remote working is taking place." John Challenger, chief executive officer of Challenger, Gray &

Christmas Inc., an international outplacement consulting firm, predicts "telecommuting will be the predominant workplace trend in the next 20 years."

Greg Venn, president of Denver-based NexCore Group, the development division of Neenan Integrated Real Estate, says that while he has seen more employees working remotely over the last five years, the trend hasn't affected demand for office space. Three of his own firm's 21-employee staff currently work from home, he says, but still maintain an office at company headquarters. "When our clients come to us to renew their office leases," says Venn, "they're not requesting less space to accommodate workers who are working from home or remotely."

Stay tuned. Individuals and businesses alike are embracing the idea of working remotely at an ever-quickening pace, and the implications for the office market will be significant. Change causes stress, but the only constant in our free enterprise system is change. Business at every level will be dramatically affected by these changes and, as always, those who recognize and embrace positive change will win the race.▲