



Hines

Flex-sizing the modern office building.

The term flex space has historically been used to describe a wide range of office types providing broad functionality and agreement terms, reduced costs, and improved collaboration. This model has always been closely associated with coworking, but it's much bigger than that. In fact, today's flex is not a single space at all—it's a full set of services and experiences that are integrated throughout the entire building.

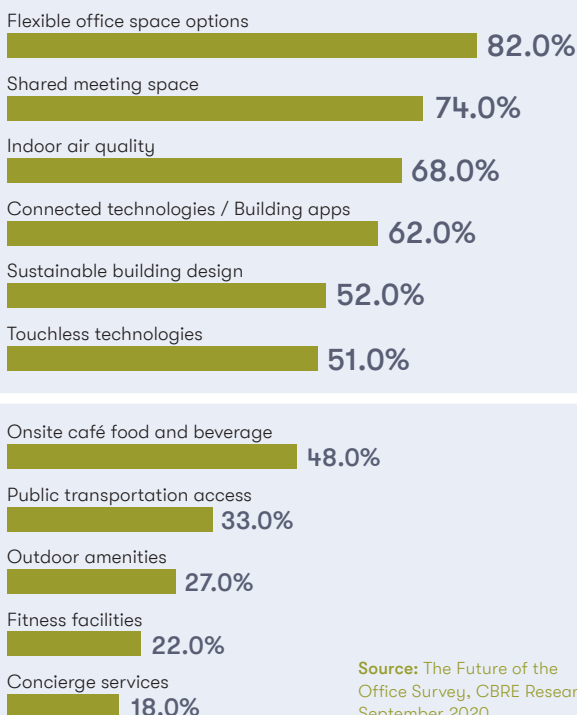
This new way of thinking about flex is the culmination of the amenities arms race that was transforming buildings even before the pandemic. In offices across the country, the percentage of space allocated to lounges, dining halls, gyms, wellness rooms, and common areas has continued to increase,¹ while full-time leased spaces are becoming smaller, with a recent CBRE survey indicating that 52 percent of office-using companies will reduce space over the next three years.²

The key to success in this market is managing your amenities as monetizable space available on-demand.

This approach perfectly complements modern flex, which is designed to provide teams with different ways to work depending on their shifting requirements—whether that's individuals looking for a private office for a few days each month or enterprise teams seeking a dedicated space separate from their long-term lease that can support their business priorities.

Leasing and—more importantly—renewals will depend on a space's utility, and in this new economy that means world-class amenities, collaborative spaces, and experience-driven design. ■

Most in-demand building attributes in future



Source: The Future of the Office Survey, CBRE Research, September 2020.

¹ "Amenities Packages Drive Occupancy and Employee Retention While Capturing the Third Space," Newmark Research (January 2018). The paper explains that developers have historically allocated between two and four percent of their portfolio space to amenities, but that percentage has shot up by 200 percent in many properties, with the quality and variety of amenities also increasing. ² "Spring 2022 U.S. Office Occupier Sentiment Survey," CBRE (April 2022).



Flex supports and facilitates innovation and professional growth.

Employees accustomed to remote work aren't excited about returning to drab cubicles and hour-long commutes. That's why companies seeking to attract and retain top talent offer hybrid work arrangements supported by access to strategically located flex spaces. These modern office facilities provide full-service amenities, campus-style workplace experiences, and customizable leases.

Flex space not only makes a transition to hybrid easier to execute but can also:

- Serve as an attractive recruitment tool
- Incentivize existing employees to get back to the office with amenities and other workplace perks
- Expose your business to new customers and influencers
- Help your entire operation run smoothly and cost-efficiently
- Create more efficient space planning across locations
- Provide in-person collaborative space for team building and project coordination

The truth is that the pre-pandemic "normal" of offices operating near capacity is never returning—and that's a good thing.

Hines has partnered with Alidade, a data-driven workplace strategy consultant, to refine how tenants can incorporate

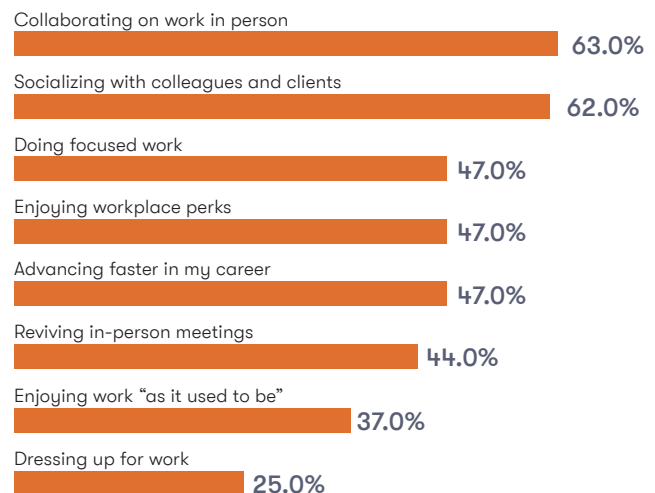
flex space into their workplace strategy and thus significantly reduce their real-estate costs. In a recent simulation conducted for a financial services firm, Hines was able to devise a strategy for a multi-floor lease that would reduce the company's real estate footprint by 18%, resulting in a 16% decrease in occupancy costs (meaning more than \$10 million over 10 years).

But flex is about more than cutting costs.

Flex offers a greenhouse that helps employees thrive and ideas grow.

Companies built on creativity and ingenuity don't need dead offices filled with flickering fluorescent lights. They need vibrant workspaces where ideas are freely shared in the spirit of mutual growth. It's not just coworking— it's co-thinking. And flex can help bring the biggest and best ideas produced by these rich connections to life. ■

Reasons to return to workplace*



*% of respondents who say these factors encourage them to go to a physical workplace. Source: [LinkedIn Workforce Confidence Index research](#)



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How to flex.

The transition to flex should be done proactively with an eye toward the future, not reactively in response to lingering COVID hesitation and other transitory concerns. With regard to both personnel and other physical resources, there is clearly a divergence between what companies need right now (as employees trickle back into the office) and what they'll need in several years when and if the pandemic situation stabilizes.

That's the great thing about flex, though: it flexes with you, providing much-needed capacity to make adjustments as circumstances change. Here are some considerations that will help you maximize the space's many benefits.

Employers:

- Establish flex standards and eligibility criteria
 - Take a fresh look at which employees can succeed with a hybrid work schedule and how many will require access to flex space.
- Reassess real estate footprint
 - Consider how much space is ultimately required to support this workforce, where this space can be located or relocated, and how it fosters desired outcomes for collaboration, productivity, and culture.

Property Managers:

- Help businesses implement hybrid leasing strategies
 - Access to flex space can be offered in addition to long-term leases.
- Identify the amenities critical to full flex support
 - For some teams, access to on-site facilities (like gyms and wellness facilities) will be critical, but others may be more focused on technology and transportation concerns.

Succeeding with flex is about more than winning the amenities arms race. It's about creating a customizable environment that responds to business needs and helps employees maintain harmony between work, life, and everything else. ■

Team objective	Flex Support
Group work	<ul style="list-style-type: none"> ■ Open areas for small teams and coworking. ■ Dedicated event spaces for larger groups ■ Outdoor workspaces
Private sessions	<ul style="list-style-type: none"> ■ Meeting rooms for small gatherings and huddles ■ Phone booths for video calls ■ Quiet rooms
Customizable design	<ul style="list-style-type: none"> ■ Company branding that mimics HQ ■ Space design that aligns with other offices
Tech support	<ul style="list-style-type: none"> ■ Fast internet and secure WiFi ■ Unlimited printing
Health & Wellness	<ul style="list-style-type: none"> ■ Wellness rooms ■ Fitness centers ■ Mother's room
Food & beverage	<ul style="list-style-type: none"> ■ Daily breakfast, snacks, and local coffee ■ On-site restaurant
Logistical support	<ul style="list-style-type: none"> ■ Mail and package services ■ On-site support team ■ Furniture ■ Enhanced cleaning services ■ Enhanced HVAC standards
Transportation	<ul style="list-style-type: none"> ■ Bike storage ■ Parking