

**HOW BAD OFFICE
MAKES GREAT
RESIDENTIAL**

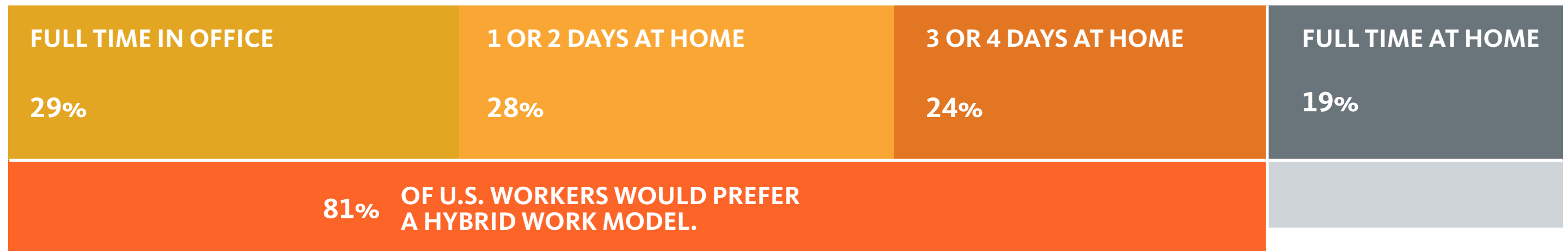
KEVIN KATIGBAK
MARCH 4 2021

Gensler

**WHAT ARE WE LEARNING
ABOUT THE PANDEMIC**

OVER HALF OF SURVEYED WORKERS WOULD PREFER A HYBRID WORK MODEL

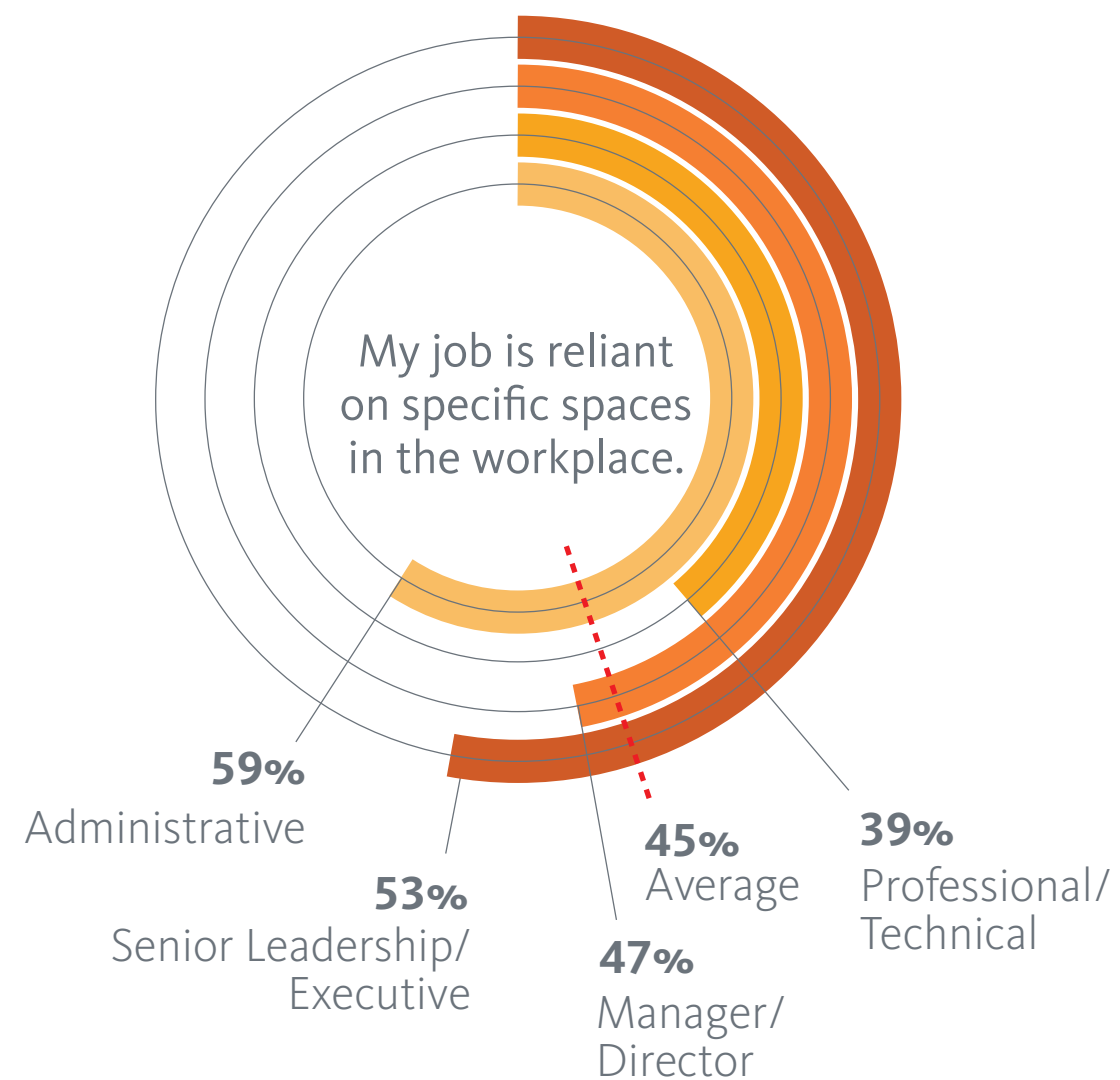
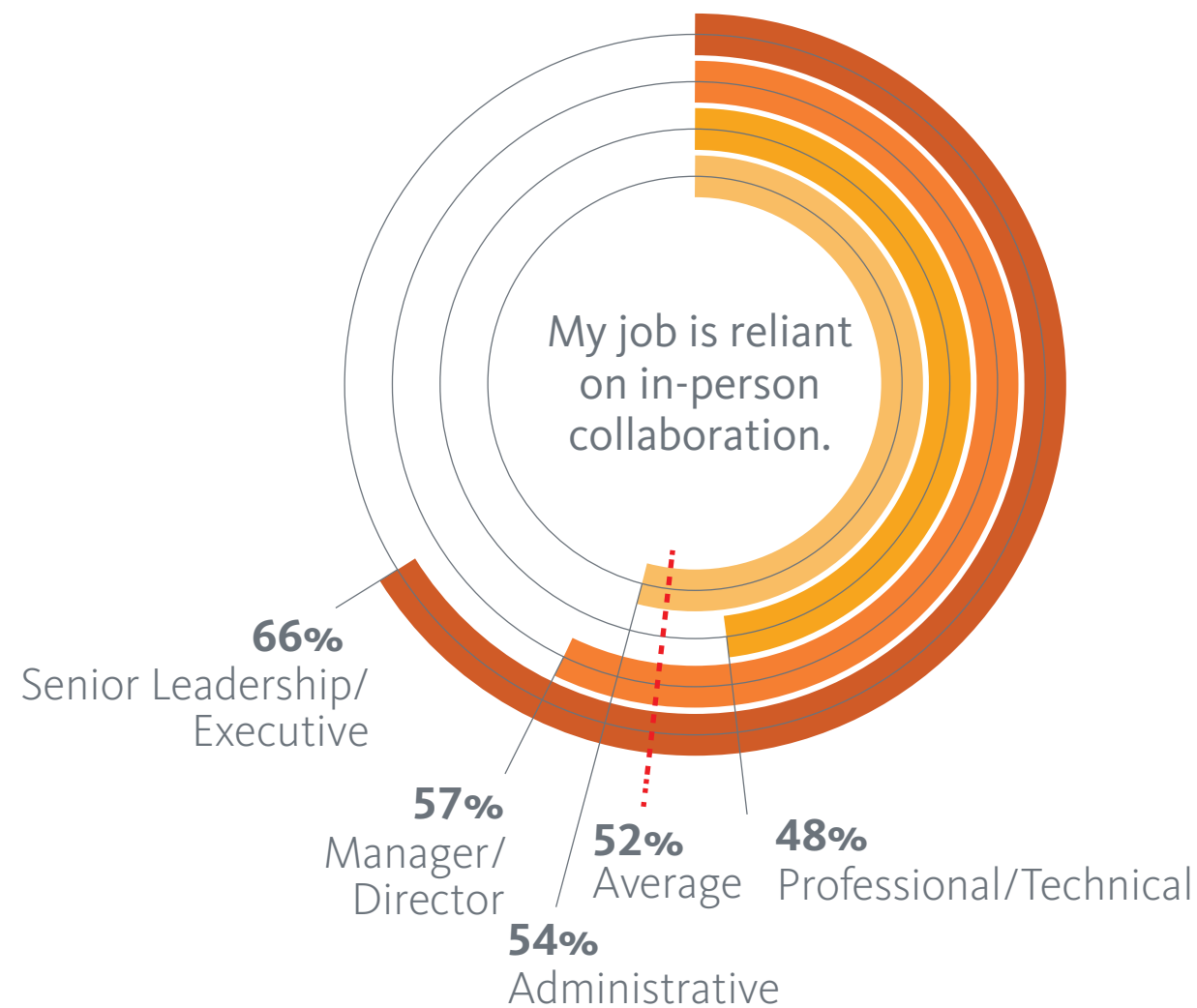
HOW MANY DAYS WOULD YOU PREFER TO WORK FROM THE OFFICE VS. FROM HOME?



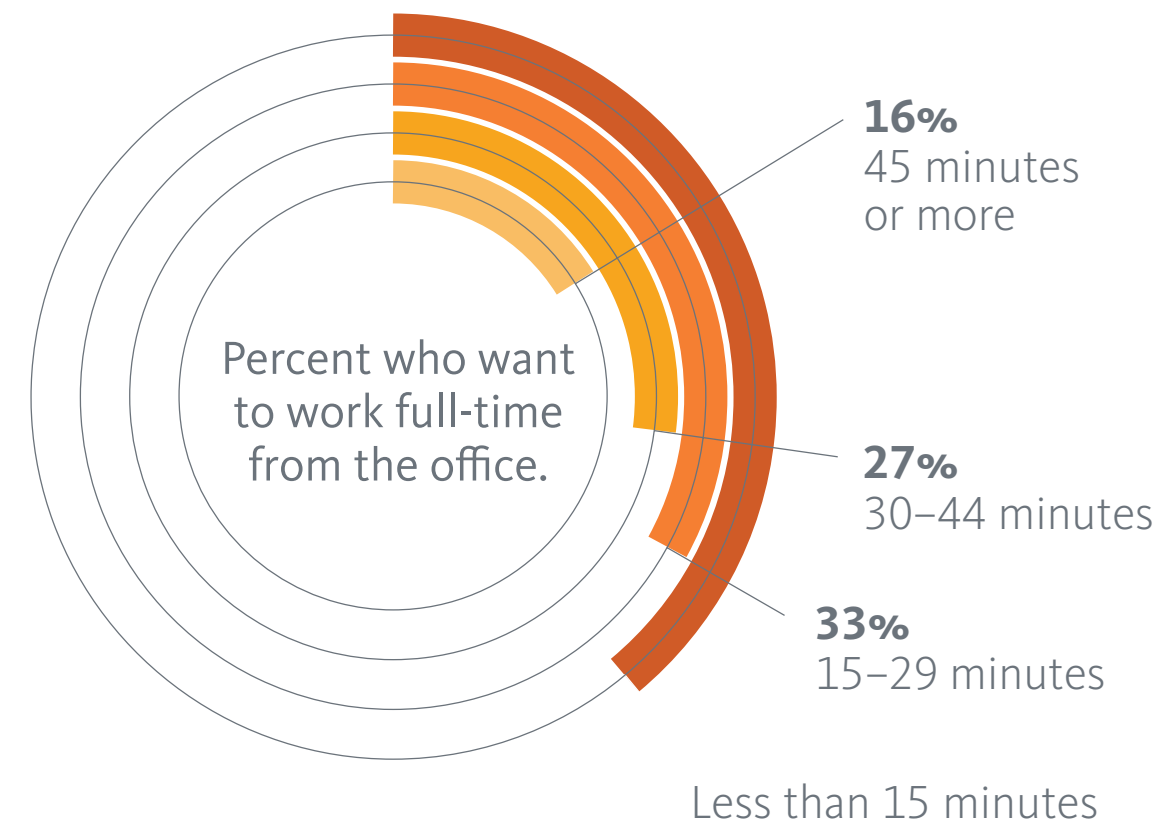
Source: Gensler U.S. Workplace Survey | Summer/Fall 2020

**MOST JOBS CONTINUE TO
BE RELIANT ON IN-PERSON
COLLABORATION AND THE
PHYSICAL WORKPLACE.**

THE MAJORITY OF WORKERS STILL SAY THEIR JOBS ARE RELIANT ON IN-PERSON COLLABORATION, DESPITE WORKING REMOTELY FOR NEARLY HALF A YEAR.



LONG COMMUTES ARE A DETERRENT TO RETURNING FULL TIME.



**PEOPLE WANT TO BE
BACK IN THE OFFICE**
IN SOME WAY

A blurred office scene at night with warm lighting and people working at computers. The text "BUT NOT THIS OFFICE" is overlaid in the center. "BUT NOT" is in white, "THIS" is in orange with a white underline, and "OFFICE" is in white.

BUT NOT THIS OFFICE

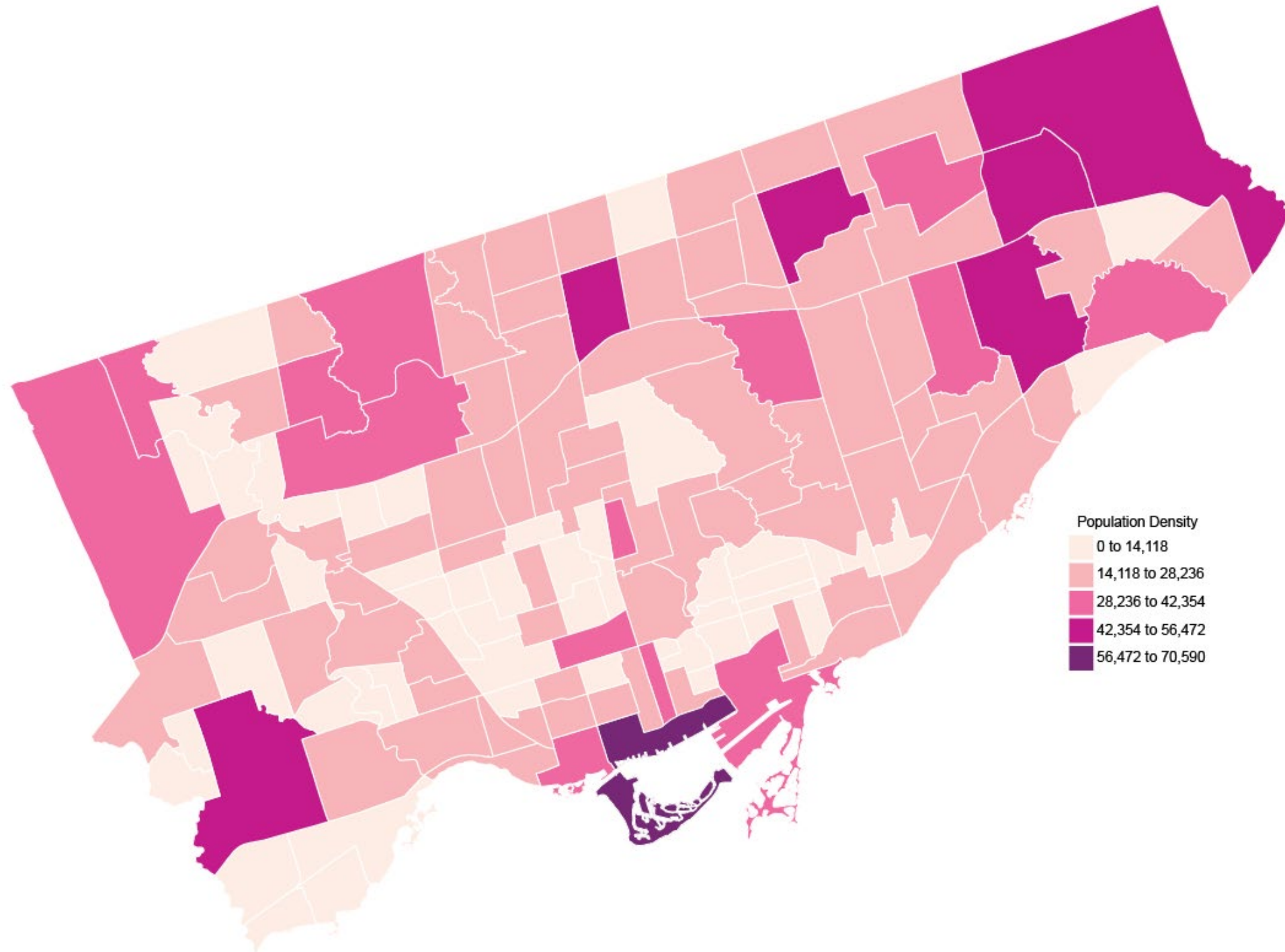
**HOW
DO WE
KNOW?**

**VACANCIES
IN SUB PRIME
OFFICE ROSE
6-12%**

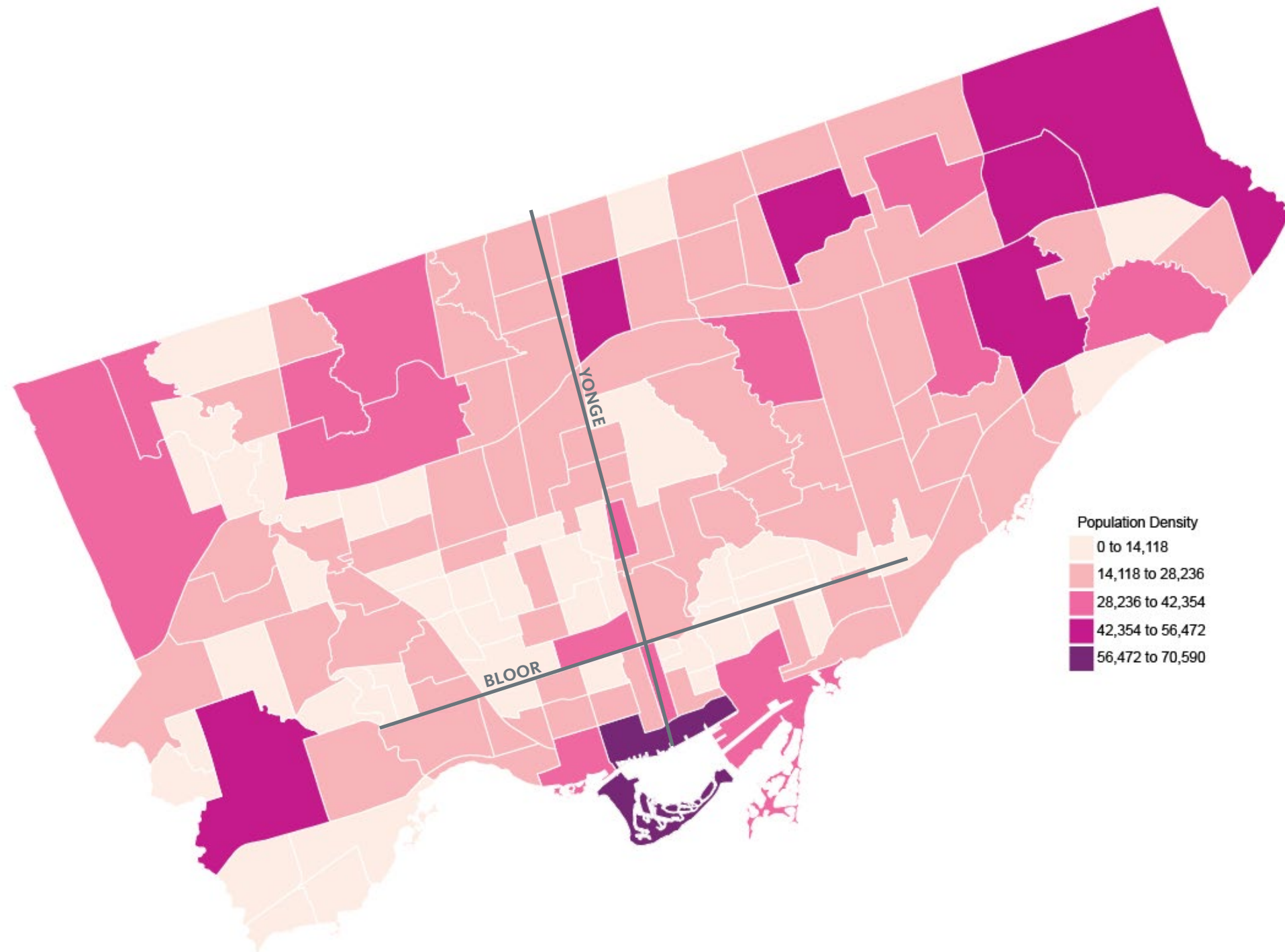
**HOW
DO WE
KNOW?**

**BUT THAT
NUMBER WAS
HALVED IN
PRIME OFFICE—
IT PERFORMED
BETTER**

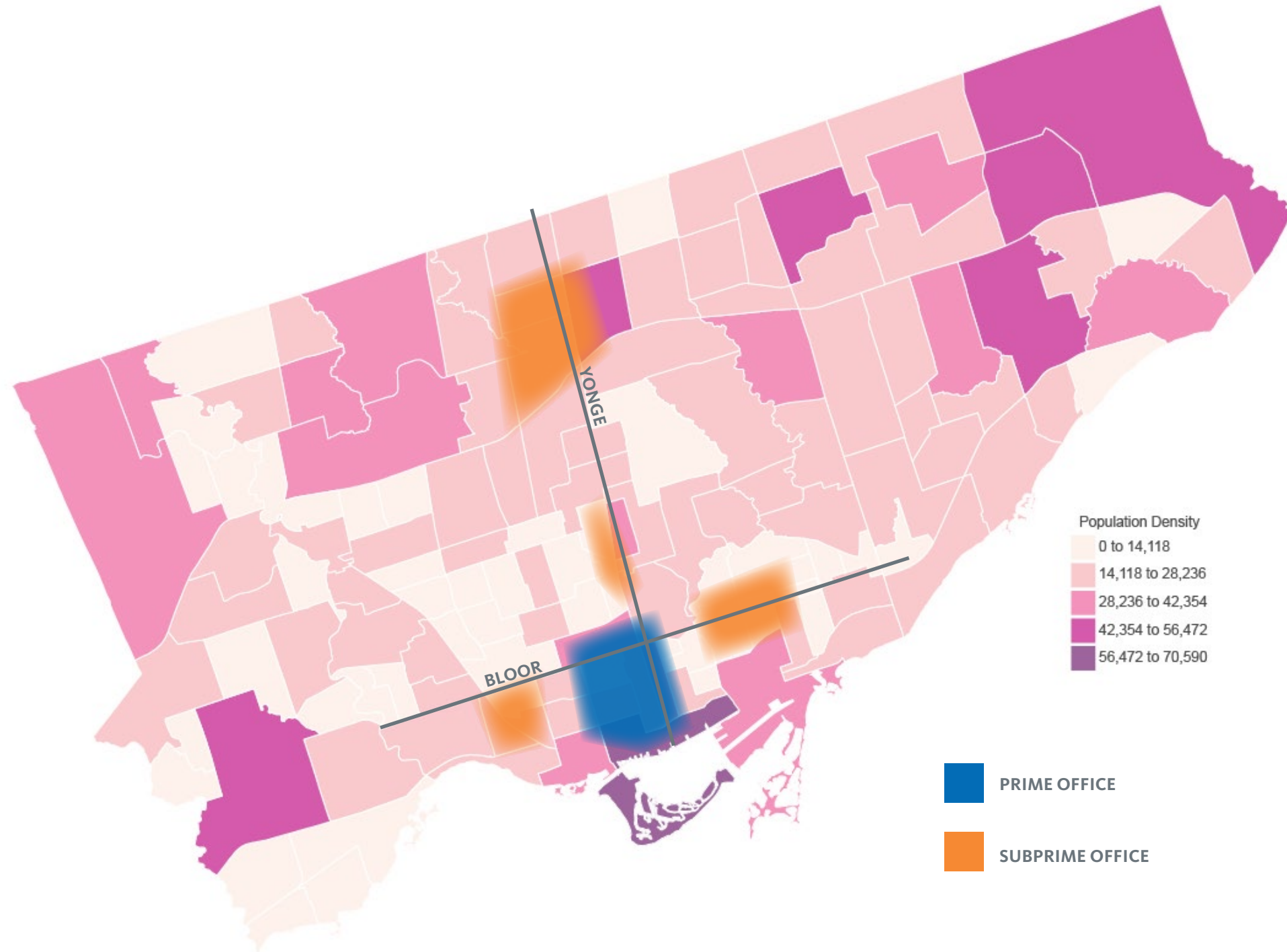
HERE'S WHY THAT'S BAD



HERE'S WHY THAT'S BAD



HERE'S WHY THAT'S BAD



THIS TELLS US 3 THINGS.



GOOD OFFICE IS
DOING OKAY



NEW OFFICE MUST
BE EVEN MORE
PEOPLE FOCUSED



BAD OFFICE IS
IN TROUBLE

THESE ARE EASY.



GOOD OFFICE IS
DOING OKAY



NEW OFFICE MUST
BE EVEN MORE
PEOPLE FOCUSED



BAD OFFICE IS
IN TROUBLE

THIS ONE IS HARD.



GOOD OFFICE IS
DOING OKAY



NEW OFFICE MUST
BE EVEN MORE
PEOPLE FOCUSED



BAD OFFICE IS
IN TROUBLE

PROPERTY OWNERS HAVE FOUR POSSIBLE STRATEGIES TO DEAL WITH UNDER-PERFORMING OFFICE BUILDINGS

CONSOLIDATION

- Search for new tenants and wait for a better time for more tenants
- Selling is not an option since the sell price would be lower than book value

RENOVATION & UPGRADES

- Usually every five years for small renovations and major upgrades in between
- In markets with high vacancy levels, there is a risk that the benefits of adaptation will be less than the intervention costs
- The renovation could easily be outdated and overshadowed by the next new office building with better amenities

DEMOLITION & NEW BUILD

- Demolition and new build create suitable custom uses for current and future possibilities
- Additional height or density may be available for residential redevelopment, but redevelopment is arduous, takes time, and causes income and profit delay

CONVERSION TO NEW FUNCTION

- Conversion sustains beneficial and durable use of location and building
- Implies less income disruption than redevelopment

**CAN BAD OFFICES
SUPPORT BETTER
URBAN EXPERIENCES?**

A modern living room with large arched windows, a sofa, a coffee table, and a dining table with fruit.

YES

**BECAUSE BAD OFFICE MAKES
GOOD RESIDENTIAL**

"When we get beyond the single-use space that has traditionally dominated our neighborhoods, and by allowing for flexibility based on the scale of the built environment, we can identify what's missing, what's needed, what's in demand in a particular neighborhood."

— Andre Brumfield, head of cities and urban design at architecture firm Gensler



PAST

The perception of revitalization of the correct site or building can assist in driving up the value of the end product and even the neighborhood

- To determine if the site has any cultural significance within the neighborhood
- How the neighborhood views the property?
- Is it considered heritage or elements within the building is worth preserving?



PRESENT

Mapping a network of residential nodes, where development could generate new interconnected community to replace current office-only landscape:

Proximity to:

- Residential areas
- Retail area
- Green spaces
- Community spaces
- Transit lines



FUTURE

It is imperative to reprogram downtown areas for greater property type diversity, benefits include:

- Heterogeneity has the potential to relieve stress on infrastructure and resources
- Neighborhoods can attract the commercial amenities that create more active street life, and ultimately support our shared goal of live-work-play sustainable lifestyle district.
- Segregated office and residential environments risks having outdated programming of buildings in the future, the increase use of cars and traffic congestion due to user groups live far away from destinations, and fewer intimate social relationships

WHAT CAN WE ACHIEVE?



ALLOWS FOR
NEIGHBOURHOOD
REVITALIZATION



OPPORTUNITY FOR
MORE AND NEW
TYPES OF HOUSING



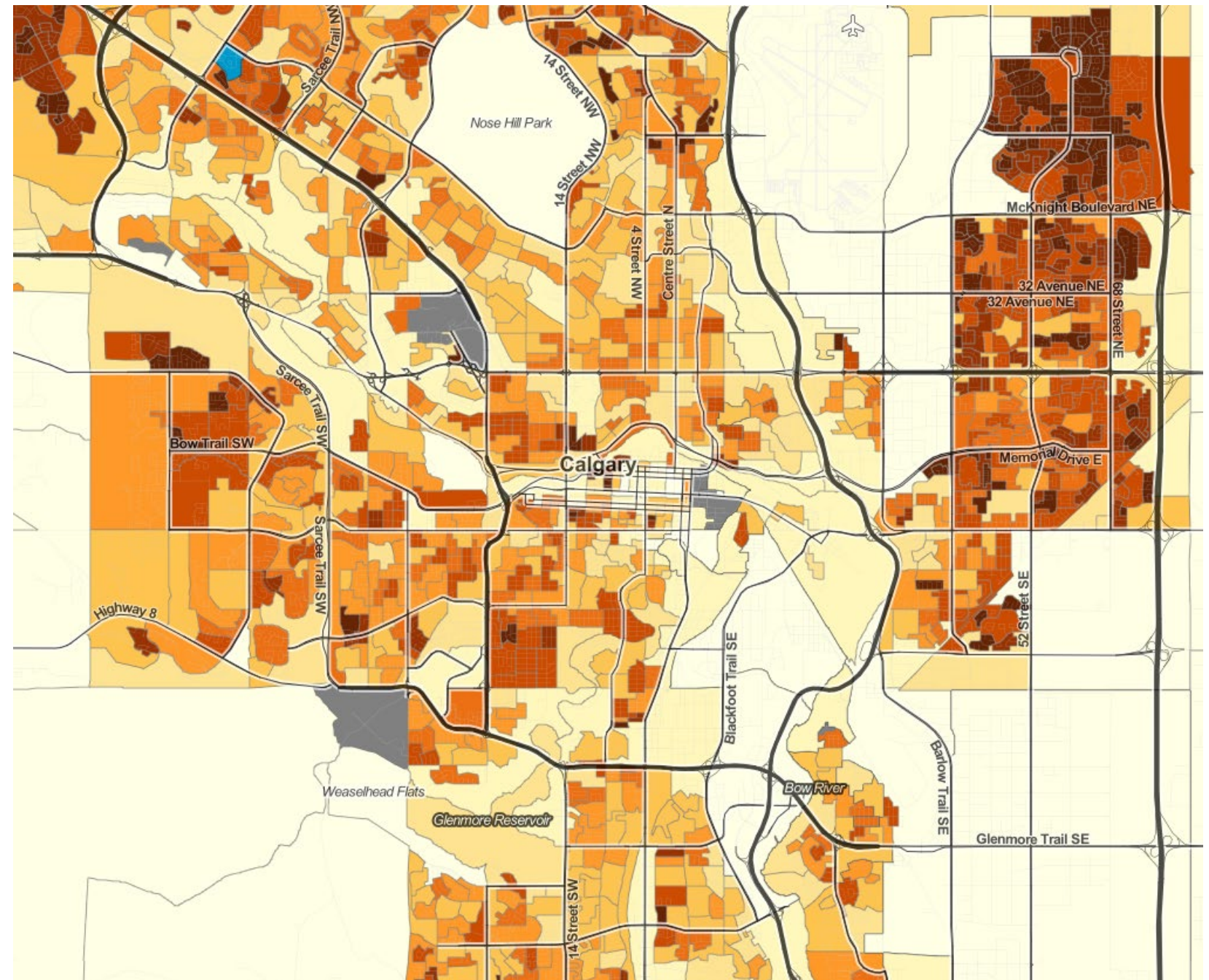
IMPROVE URBAN
DENSITY &
VIBRANCY



HIT NEW
SUSTAINABILITY
GOALS

TAKE CALGARY

THEIR OFFICE VACANCY IS 27%
THAT'S DOUBLE DETROIT'S WHEN
THEY DECLARED BANKRUPTCY



Number of Residing Children by Census Tract, 2016, <https://censusmapper.ca/>

BUT DETROIT SHOWS PROMISE



<https://www.statista.com/>

PEOPLE RETURNING
TO THE CORE

**WE HAVE THE
CHANCE TO USE
BAD OFFICE,
LET'S TAKE IT.**