

# HOW TO RIGHT-SIZE YOUR PORTFOLIO

In a World of Inconsistent Occupancy





INTRO

IF YOU'RE READING THIS, YOU'RE PROBABLY IN THE PROCESS OF EVALUATING YOUR OFFICE FOOTPRINT AS REMOTE WORK HAS LED TO LOWER OCCUPANCY RATES.

Remote work became the new normal during the pandemic. However, the post-pandemic world saw a shift towards hybrid work as companies encouraged a return to office while ensuring a safe and healthy environment for their employees. Despite this push, occupancy rates are nowhere near their pre-pandemic levels and they probably never will be again.

In this guide, we've outlined the ways to right-size your portfolio using sophisticated tools to help you evaluate your office footprint, all while keeping in mind financial aspects and the well-being of your employees.

WHAT YOU'LL LEARN

- How hybrid work impacts leases
- Choosing between traditional, flexible and coworking models
- How transaction management software can help you optimize your office footprint





## HOW DOES HYBRID WORK IMPACT LEASES?

Hybrid work has changed the way employees view the need for in-office attendance, forcing companies to consider this aspect when signing new office leases.

Remote work remains a vital requirement for employees, as flexibility has become an essential request for both employees and jobseekers. However, the lack of human interaction and collaboration has led to the belief that in-office attendance is necessary for a healthy work environment and productivity. As the hybrid working model is still relatively new to many companies, finding the best office solution to support such flexibility can be challenging. With most employees not likely to work from an office for more than three days per week, companies need to evaluate their office space needs to still provide employees with the proper working conditions while also being worth the monthly investment.

### THINGS TO KEEP IN MIND WHEN SIGNING LEASES

- Shorter lease terms allow you to test out different office solutions before choosing the one that best fits your needs
- A smaller office footprint can be more profitable while ensuring higher occupancy rates, despite a smaller share of employees working from the office
- With hybrid work, companies should ensure that office spaces provide their employees with all the necessary features and amenities to make coming into the office “worth it” when compared to working remotely OR
- Special office requests and requirements are likely to exist in a hybrid work model, as companies should focus on providing their employees with a workplace that makes it worth it to come into the office as opposed to working remotely







## MANAGING LEASES AND COMPARING OPTIONS

Proper management of current leases is essential to tracking important terms, changes, documentation and critical dates. The data in the leases is essential to help determine in advance what you should do with your office spaces when the time comes to renew or sign a new lease. Staying on top of this information can be accomplished with a lease management solution, like Yardi Corom, which provides the data necessary to support side-by-side comparisons of proposals and lease terms. Looking at everything from costs, occupancy rates, periods and terms is imperative when determining which option is best for accommodating a company's needs.





# CHOOSING BETWEEN TRADITIONAL AND FLEXIBLE MODELS

When it comes to office spaces, there is no one model that fits all companies. Depending on what field each company specializes in, different office space models are required to accommodate both the company and its employees' needs. With hybrid work becoming the new normal, many companies are faced with having to evaluate their lease portfolios and business needs to determine whether to make the switch to flexible or coworking options for their workplaces.

## WHAT ARE FLEXIBLE OFFICE SPACES?

Flex spaces ensure productivity and efficiency for employees wanting to work from an office, as they can have access to a workplace when and where they need it. They come in the form of hot desks, coworking spaces, open spaces or dedicated desks. Hot desks allow users to book a workspace whenever they need it, while dedicated desks provide consistency to users who prefer the same workspace whenever they choose to come to the office. Open spaces provide users with a common area to work from, while coworking spaces provide desk spaces, conference rooms and private offices to be reserved as needed.

## DID YOU KNOW

70% of businesses indicated that they plan on reassessing their office space needs

*(BOMA International COVID-19 Commercial Real Estate Impact Study)*







# HOW CAN TRANSACTION MANAGEMENT SOFTWARE HELP OPTIMIZE YOUR OFFICE FOOTPRINT?

Hybrid work is shaking up how corporate office tenants use and evaluate their office space needs.

Reevaluating every space and lease requires having the right tools to ensure a company makes data-driven decisions about space optimization. Ideally, you will maintain sufficient square footage to maximize productivity and support company culture without carrying the burden of vacant, unused space. Lease transaction management software allows you to compare all options for new leases and renewals against each other and against your current leasing requirements. These side-by-side comparisons provide a comprehensive view of your portfolio for a clear and accurate picture of the leasing lifecycle.

## ESSENTIAL BENEFITS OF LEASE TRANSACTION MANAGEMENT SOFTWARE INCLUDE

- Cost savings opportunity from deciding on a new lease or renewing an existing one with reduced square footage
- Deciding on traditional or flex office space solutions based on data-driven decisions enabled by easy analysis of all lease-related aspects
- A single system of record that encompasses lease administration and the transaction management process for easy access to data on all leases
- Notifications that trigger the right people about changes, updates or important actions required for each lease
- Easy sharing of documents within the platform with all stakeholders, allowing for time efficiency and cost savings







# Still not sure how to go about right-sizing your portfolio?

We can help you figure it out. Just request a personal consultation with one of our experts.

Call us at **(800) 866-1144** or email [sales@yardi.com](mailto:sales@yardi.com)



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