

# The New York Times

September 20, 2019

## Seven Ways Telecommuting Has Changed Real Estate

*As more people are able to work from home, housing priorities have changed, and different places and types of housing have become more popular.*



*Mark Matcho*

As wireless technology changes how and where people do their jobs, giving many the freedom to work remotely at least part of the time, so too is it changing their thinking about real estate.

Remote workers still represent a minority of the work force. According to the Bureau of Labor Statistics, as of last year about 24 percent of employed persons worked at least part of the time at home; among those with advanced degrees, it was 42 percent. In a survey last year of 23,000 new home shoppers, John Burns Real Estate Consulting, a firm with offices across the country, found that roughly 30 percent worked at home between one and four days a week; 13 percent worked at home full time.

Nevertheless, as the numbers have grown, some in the real estate industry are wondering about the long-term impact, said Zach Aarons, a co-founder of MetaProp, a New York City venture capital firm focused on real estate technology. Some investors in New York real estate see a potential threat if remote workers start to exit the city for less expensive locations, he said. The looming question is: “Do people live in the city because they like the community, or just because it’s convenient to their job?”



*The Java Love cafe in Montclair, N.J., has helped the suburban town develop a reputation as a place where remote workers can find community. Credit Andrea Mohin/The New York Times*

Brad Hargreaves, the founder and chief executive of Common, which operates co-living communities in urban markets, said that while he believed the trend away from daily in-office work would continue, he didn’t believe it would result in an exodus out of major cities.

“I still think there’s a lot of benefit for people living in an urban center, both personally and professionally,” he said. “What will be needed is more flexibility for residential spaces.” The rise in remote work is already changing people’s preferences in single-family home and apartment design, and affording them greater freedom in choosing where and how to live. Here are seven ways in which the trend is changing the housing market.

## **Office Space**

“The importance of home offices has almost begun to rival the attention that buyers give to kitchens,” said Robin Kencel, an associate broker with Compass in Greenwich, Conn. “Where they will work is on nearly every buyer’s mind.”

While some buyers just want a comfortable space to plop down with their laptops, others want a dedicated room where they can shut the door and take calls without interruption. “Back in the day you’d have the mahogany-paneled library, but we’re not living in a formal world now,” Ms. Kencel said. “Now, people are looking for more of a textured, comfortable feeling — natural light, doors to a private terrace, and great wall and floor finishes.”



*A survey of new home shoppers found that roughly 30 percent worked remotely one to four days a week. Eagle Rock Coffee cafe in Montclair has a variety of co-working spaces. Credit Andrea Mohin/The New York Times*

Alison Bernstein, the president of the Suburban Jungle real estate agency, based in New York City, also finds that buyers are “highly focused on, how do we functionally work at home?” And that focus extends to work space for their children. “Dedicated homework areas are very, very popular,” Ms. Bernstein said.

### **Media Rooms Are So Yesterday**

Now that people can stream whatever they want to watch on their smartphones, laptops or tablets anywhere in the house, spaces designed solely for that purpose are increasingly viewed as superfluous, Ms. Bernstein said.

New home sizes are trending downward, and buyers are looking for spaces that can serve more than one purpose, said Robert Dietz, the chief economist for the National Association of Home Builders. Dedicating space for a media room has “fallen out of favor,” he said.

---



*Photo by Andrea Mohin/The New York Times*

### **Melissa Weil, 37**

**Home** A five-bedroom home in Glen Ridge, N.J.

**Occupation** Vice president of sales, Pop-Up Magazine Productions, based in San Francisco.

**Work life** Works primarily from home.

**On having a home office** Ms. Weil moved to New Jersey from Midtown East in New York City in 2016 with her husband and two young children.

“I’ve always worked at home at least one day a week since I had my son, who just turned 6. When we lived in the city it was atrocious — I worked in my bedroom, from coffee shops. Here, we converted one of the third-floor bedrooms into a real office. What’s nice is there is a door to the stairs to the third floor, plus the door to my office, so I can close both and hear nothing from downstairs. I get more done now, but I still have a really easy commute into the city when I need to get to meetings there.”

---

The shift also ties in with the rise in remote work: People who spend a lot of time working at home frequently don’t want to spend most of their leisure hours there as well, especially in the city, said Martin Eiden, an associate broker with Compass in New York.

“They are usually dying to go out and meet people,” he said. “The home entertainment factor has gone down.”

### **A Shift in Apartment Design**

Lounge spaces set up as shared work areas for residents are common now in newer residential towers in New York. But developers are also tweaking apartment layouts to make it easier for residents to set up a home office.



*The Avora condominium in Weehawken, N.J., has units with an “alcove bonus space” that easily accommodates a home office.  
Credit Frank J Galasso*

At Avora, a new 184-unit condominium on the Hudson River in Weehawken, N.J., buyers can choose from floor plans that include an “alcove bonus space.” The spaces, which measure 11 feet square, “provide a dedicated space for work at home, but they’ve also been used as an art studio for a child or a place to display an art collection,” said Jill Preschel, the vice president of sales and marketing for the New York Metro Division of Landsea Homes, the California-based developer.

At Rose Hill, a new 45-story luxury condominium tower in the NoMad neighborhood of Manhattan, about half of the 123 units come with small “flex rooms” that can be closed off with sliding glass doors. The designs provide buyers with the extra work space they may need without requiring them to pay for an additional bedroom, said Meg Brod, a senior vice president and a regional development officer for the Rockefeller Group.

“You’re only paying for what you need, but it’s extra room you can really appreciate,” she said.

### **The Rise of Co-living**

Co-living developments now account for more than 3,000 beds in cities across the country, with at least another 9,000 in the pipeline, according to a recent report from Cushman & Wakefield. The communities offer tenants private bedrooms in suites with shared living areas. Generally more affordable than standard rentals, and with more flexible lease terms, the developments also offer shared common areas for socializing and working.

“The trend toward co-living is very closely correlated with the rise in remote work — it’s that desire for flexibility, and to be able to move from job to job, city to city, without there being huge ramifications in getting out of leases,” said Susan Tjarksen, a managing director at Cushman.

---



**Misti Schindele, 38**

**Home** A room in a four-bedroom suite in a Common co-living house in Crown Heights, Brooklyn.

**Occupation** Senior online ad operations manager for a company based in SoHo and a blogger.

**Work life** Works remotely at least four days a week.

**On co-living** Ms. Schindele moved to Brooklyn from Chelsea in 2017.

“One of the cons about working remotely is you don’t get that human interaction. Here at Common, you can get that. Our house has a really good lounge space on the first floor with a nice setup for working. If other people are down there, great. If I’m down there by myself, I can blast Taylor Swift.”

---

Common operates about 30 co-living developments in six cities, including about 20 in New York. Mr. Hargreaves said a “double-digit percentage” of the company’s tenants work remotely. Tenants can transfer within the Common network at any time, which is a perk for independent contractors.

“If they’re working in New York, but they get a gig in San Francisco or Chicago, members can transfer without breaking their lease,” Mr. Hargreaves said.

**Lower Mobility Rates**

Americans are moving less often. The average household moves every nine years, compared to every six years in the 1980s, according to data provided by John Burns Real Estate Consulting.

That’s primarily because of an aging population. “You’ve got more people who’ve moved up to their final house on the ladder,” said Mr. Dietz, of the National Association of Home

Builders. On top of that, he said, many people who bought or refinanced their mortgages when interest rates reached historic lows have chosen not to move and risk paying a higher rate.

But Rick Palacios Jr., the director of research at John Burns, theorizes that the falling mobility rate may also be connected to the increase in telecommuting. “If you work at home, you don’t necessarily have to move if your job moves,” he said. “And many companies, ours included, view e-commuting as a competitive advantage that allows us to attract the best and the brightest, regardless of geography.”

### **Some Suburbs Are Better for Remote Workers**

Ms. Bernstein, of Suburban Jungle, said almost all her clients have the ability to work at home at least one day a week. But when choosing a town to live in, they emphasize that they don’t want to feel isolated.



*Alison Bernstein, of Suburban Jungle real estate, said that remote workers in the New York area have gravitated to towns like Montclair, N.J., and Pleasantville, N.Y. Credit Andrea Mohin/The New York Times*

“They want coffee shops and cafes with free Wi-Fi, co-working spaces, places to find community,” she said. “And some towns are developing real personalities for that.”

Her short list of places where remote workers in the New York region are congregating in greater numbers includes Montclair, N.J., Pleasantville and White Plains, N.Y., and Greenwich and Westport, Conn.

### **Moving Away From Major Job Centers**

New Yorkers made up the largest share of new residents to Florida in 2017, at almost 64,000 people, compared with 53,000 in 2012, according to census data. Changes in federal tax laws that sharply limit deductions for state and local income taxes created new

incentives for New Yorkers to move to the lower-tax Sunshine State. And people who can work remotely are feeling especially free to do so, said Jay Phillip Parker, chief executive of Douglas Elliman's Florida brokerage.

---



*Photo by Matthew Cavanaugh for The New York Times*

### **Teddy Martin, 30**

**Home** A two-bedroom apartment in Brattleboro, Vt.

**Occupation** Software engineer for Plex, in Los Gatos, Calif.

**Work life** Works remotely full-time, either at home or in a nearby co-working space.

**On leaving New York City** Martin and his wife took advantage of Vermont's remote worker incentive program to move from their Harlem home in New York City to a 1,000-square-foot apartment in Brattleboro last January.

"I started this remote job a few months before we moved — it was the steppingstone to getting out of the city. We have a pretty large apartment — at least twice the square footage of what we had in New York. There's a great local community. You see the same people around and that's a nice change compared to the anonymous city life we were used to. It suits us well."

---

There are people that might have delayed their relocation to Florida, but because they can work remotely, it's enhanced their ability to move sooner," he said. "And it's easy for them to fly in and out of New York City — there seems to be so many people hopping back and forth."

Derrick Buckspan, a co-owner of Re/Max Shoreline, in Portland, Me., said the housing market there had been "tremendously impacted" by remote work, with more buyers coming in from Boston and New York. Telecommuters can easily get to meetings in either city without driving — Amtrak trains travel direct to Boston, and Concord Coach Lines runs two buses daily to Manhattan.



In Vermont, a program that offers to cover up to \$10,000 in moving and some other expenses for remote workers who relocate to the state is luring urban refugees from all over. Since January, the state has approved 56 applicants to the program, nine of whom were from the New York metropolitan area, according to Nate Formalarie, the director of communications for the state's Agency of Commerce and Community Development. The other applicants were primarily from other major city centers, including Chicago, Denver, Los Angeles and Boston.

"Most are in their 30s, and are bringing a spouse and/or kids with them," Mr. Formalarie said. "Altogether, we've got about 140 new residents."