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15 Entrepreneurs Share Their Thoughts on the Future of Traditional Office Spaces

There was a time not too long ago where going to the office literally meant going to the office – that boring building with gray walls and little inspiration. These days the idea of going to the office is something much different. The office is no longer that boring place you spent so many days in. Your office can be driving in your car, sitting on a park bench, having a quick meeting overlook the ocean during your vacation, or sitting on the couch at home catching up on emails. As technology advances and the ability to communicate with clients and co-workers becomes easier and easier it begs the question: is the traditional office dead?

#10 – Rising Cost

The largest lessors of office space nationally over the last 3 years have been shared office space firms like WeWork and Regus. Shared office spaces (commonly calling co-working) combine flexibility (including the ability of their members to easily grow or shrink occupancy without capital investment in space build-out, furniture, wiring, etc.) with free drinks and snacks and often a zeitgeist of collaboration, community and innovation. Co-working firms that sublease their spaces to new and growing businesses typically lease space in older and loftier buildings and employ organic finishes and an overall chic industrial aesthetic that contrasts with the typical slickness and monotony of most traditional corporate office space. These facets have particular appeal to millennial staff who have much less of a corporate mindset than their predecessors and want to work in environments consistent with their lifestyle taste (i.e. that look more like the places in which they want to live and play). Surveys of satisfaction rates with occupiers of co-working spaces are off the charts – typically rating their satisfaction with the work environment at a 4 or 5 in a scale of 1-5. Starting in 2017, shared space under occupancy commitments of less than 12 months, may also qualify as a business expense for tax purposes, rather than as a lease liability on company balance sheets. New GAAP accounting standards for public company reporting to go into effect in 2017 will require typical office leases to be capitalized on balance sheets. Lease commitments of less than 12 months will be excluded from this liability treatment. This is expected to curtail traditional long -term traditional office leases among publics. I'm available to discuss further.

Thanks to Alex Cohen, CORE