



U.S. Chamber of Commerce

Future of the Office Survey



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Executive Summary

The future of the office is here. The U.S. Chamber of Commerce Future of the Office Survey has found that the new office will be more flexible, open, and health-conscious than the old. As many look to repurpose existing commercial spaces, the professionals surveyed said government red tape is a key barrier to office space conversion. The survey also found that some commercial real estate professionals think offices will be converted to other commercial uses—but few anticipate they will be transformed into residential properties.

The commercial real estate professionals surveyed say that government regulation is a primary barrier to office space conversion, but that existing office footprints and environmental rules are also contributing challenges. Almost half (46%) of commercial real estate professionals indicate zoning/permitting is impacting their ability to convert current office space into other types of real estate with nearly one in four (23%) saying it is the most important factor. In addition, 47% of those surveyed indicate building layouts are impacting their ability to convert office space into other types of real estate, while more than two in five professionals (44%) indicate environmental regulations.

Architects (54%) are more likely than builders (35%) or owner/managers (24%) to say that converting office spaces into other commercial uses will be a trend in the coming year. However, real estate professionals are more skeptical that conversion from commercial to residential space will be a big trend this year. Among the different specialties, builders are more likely to believe converting office space into housing will be a big trend. One in five builders (20%) believe converting office spaces into residential housing units will be the most influential trend in office design in the next year. This is compared to just 6% of both property owners/managers and architects saying so.

The findings from the survey show that a majority of commercial real estate professionals believe that improving office air quality (58%), spaces that accommodate social distancing (52%), and spaces which allow for co-working (52%) will be influential trends in office design over the next year.

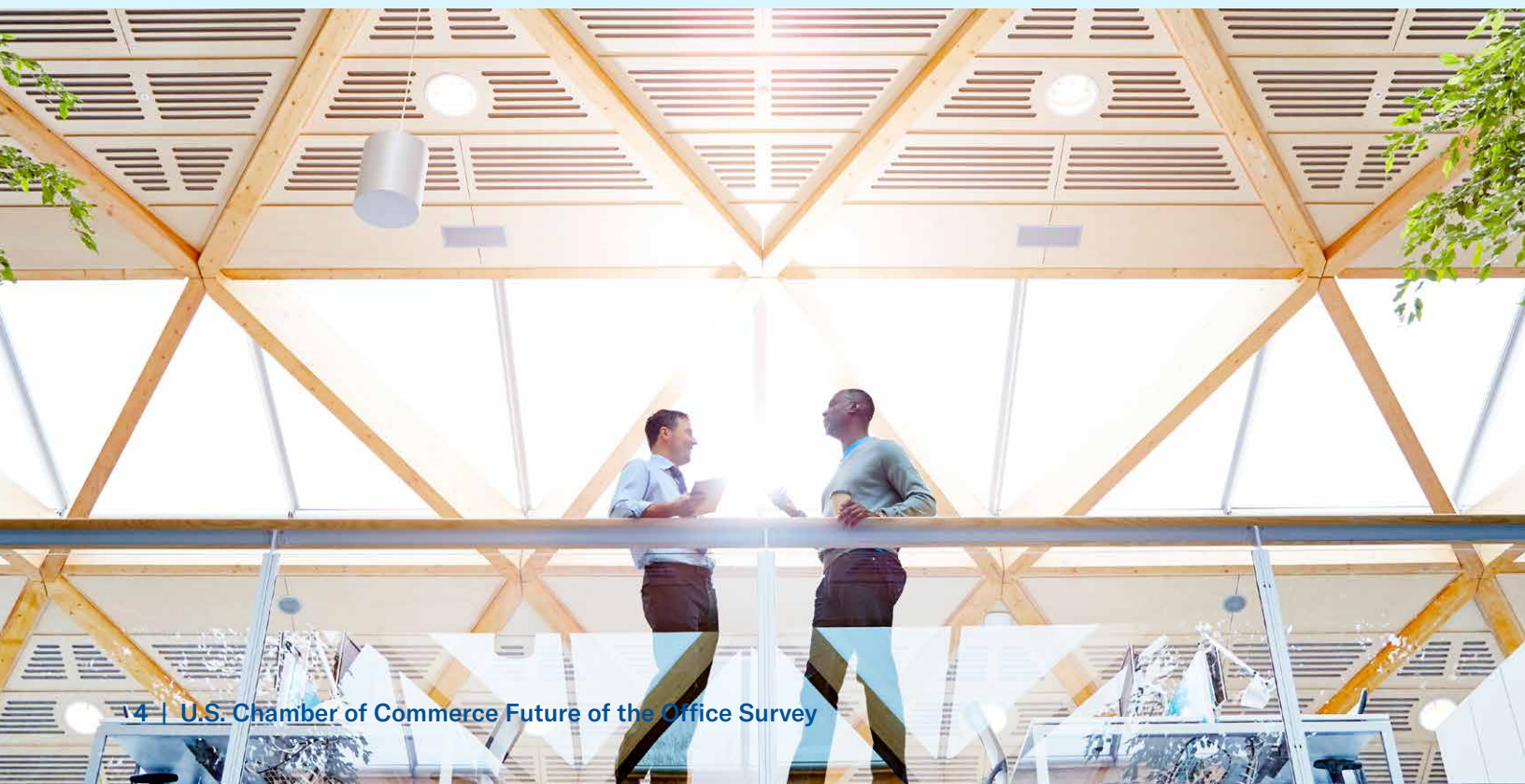
Most of the professionals surveyed foresee a significant change in long-term trends. A majority of those surveyed say flexible workspaces (65%), improved ventilation (63%), and work-from-home/hybrid spaces (61%) will be hot trends in office space design over the next five years.

The purpose of this study—which was conducted in late 2022—was to identify trends in office space conversion, design, and usage among commercial real estate professionals (architects, builders, and owners/managers).

The specific research objectives of this study are to:

- Identify the most influential office space trends in the near and long term.
- Determine expected changes in office design.
- Measure the frequency of office space conversion requests.
- Determine the most frequent types of office conversions being requested.
- Identify where office space conversions are most likely to occur in the future.
- Determine the primary factors impacting the ability to convert office space.

The Chamber plans to conduct future, similar surveys to document evolving trends in the commercial real estate market and office environment.



Detailed Findings

Real estate professionals say layout, safety, and worker flexibility are the most important office trends this year.

- Nearly two in five professionals (38%) name a layout-related trend as most influential for the coming year, including more open/collaborative workspaces (13%) and flexible spaces (7%).
- Nearly one in five professionals (18%) name a safety-related trend as most influential for the coming year, including the accommodation of social distancing (11%) and improving air quality/safety (5%).
- One in ten professionals (11%) name remote work/hybrid work situations as the most influential trend for the coming year.

Most Influential Office Trends

	Total	Architects	Builders	Owners/ Managers
	%	%	%	%
Office Design	68	70	65	68
Organization/Layout	38	34	35	44
Making workspace more open/ meeting collaborative instead of individual work desk environments	13	14	14	12
Flexibility/flexible spaces	7	6	4	12
Smaller office workplaces	3	2	6	-
Interior Design/Décor	17	14	16	20
Plants/green design	5	4	4	8
Miscellaneous Office Design Mentions				
Automation/integrated tools	6	8	6	4
Minimalist design/simple design	5	8	4	2
Modern design	4	6	2	4
Safety/Health Precautions	18	22	14	18
Maximize meeting and office space to accommodate social distancing	11	16	6	10
Improving office air quality/safety	5	6	2	6
Environmental Impact	9	4	16	6
Environmentally friendly/going green	7	4	10	6
Miscellaneous Mentions				
Working from home/working remote/ hybrid workplace	11	4	20	10

Safety, collaboration, co-working, and flexibility are the leading office trends of the moment.

- Nearly three in five professionals (58%) believe improving office air quality/safety will be an influential trend in office design in the next year.
- A slight majority of professionals (52%) believe making workspaces more open/meeting collaborative will be an influential trend in office design in the next year.
- A slight majority of professionals (52%) believe designing workspaces to accommodate co-working will be an influential trend in office design in the next year.
- A slight majority of professionals (52%) believe maximizing meeting and office spaces to accommodate social distancing will be an influential trend in office design in the next year.
- Nearly one-half of professionals (46%) believe designing workspaces so companies can rent out space/sublet will be an influential trend in office design in the next year.

Influential Office Trends



Architects are more likely than other professionals to foresee offices being converted into other commercial spaces.

- More than one-half of architects (54%) believe converting office spaces into other forms of commercial business will be an influential trend in office design in the next year.
- More than two in five architects (44%) believe combining more retail/office units together will be an influential trend in office design in the next year.
- Less than one in five architects (18%) believe converting office spaces into residential housing units will be an influential trend in office design in the next year. This is compared to 37% of builders and 24% of property owners/managers.

Influential Office Trends

	Architects	Builders	Owners/ Managers
	%	%	%
Improving office air quality/safety	52	67	56
Making workspaces more open/meeting collaborative instead of having individual work desk environments	48	63	46
Designing workspaces to accommodate co-working	60	49	46
Maximizing meeting and office spaces to accommodate social distancing	48	55	52
Designing workspaces so companies can rent out space/sublet	46	49	42
Minimizing high touch surfaces	34	39	44
Converting office spaces into other forms of commercial business (e.g., retail)	54	35	24
Combining more retail/office units together (e.g., utilizing more space for retail while retaining office space in the building)	44	35	22
Converting office spaces into residential housing units	18	37	24

The influential office trends of the next year most focus on safety, followed by fostering collaboration.

- One in six professionals (17%) believe maximizing meeting and office spaces to accommodate social distancing will be the most influential trend in office design in the next year.
- One in six professionals (17%) believe improving office air quality/safety will be the most influential trend in office design in the next year.
- One in seven professionals (15%) believe making workspaces more open/meeting collaborative will be the most influential trend in office design in the next year.
- One in eight professionals (13%) believe designing workspaces to accommodate co-working will be the most influential trend in office design in the next year.

Most Influential Office Trends



Architects are more likely than others to believe commercial conversions will be a key trend.

- More than one in five architects (22%) believe designing workspaces to accommodate co-working will be the most influential trend in office design in the next year. This is compared to 10% of property owners/managers and 6% of builders.
- One in seven architects (14%) believe converting office spaces into other forms of retail will be the most influential trend in office design in the next year. This is compared to 4% of property owners/managers and 2% of builders.
- One in five builders (20%) believe converting office spaces into residential housing units will be the most influential trend in office design in the next year. This is compared to 6% of property owners/managers and 6% of architects.

Most Influential Office Trends

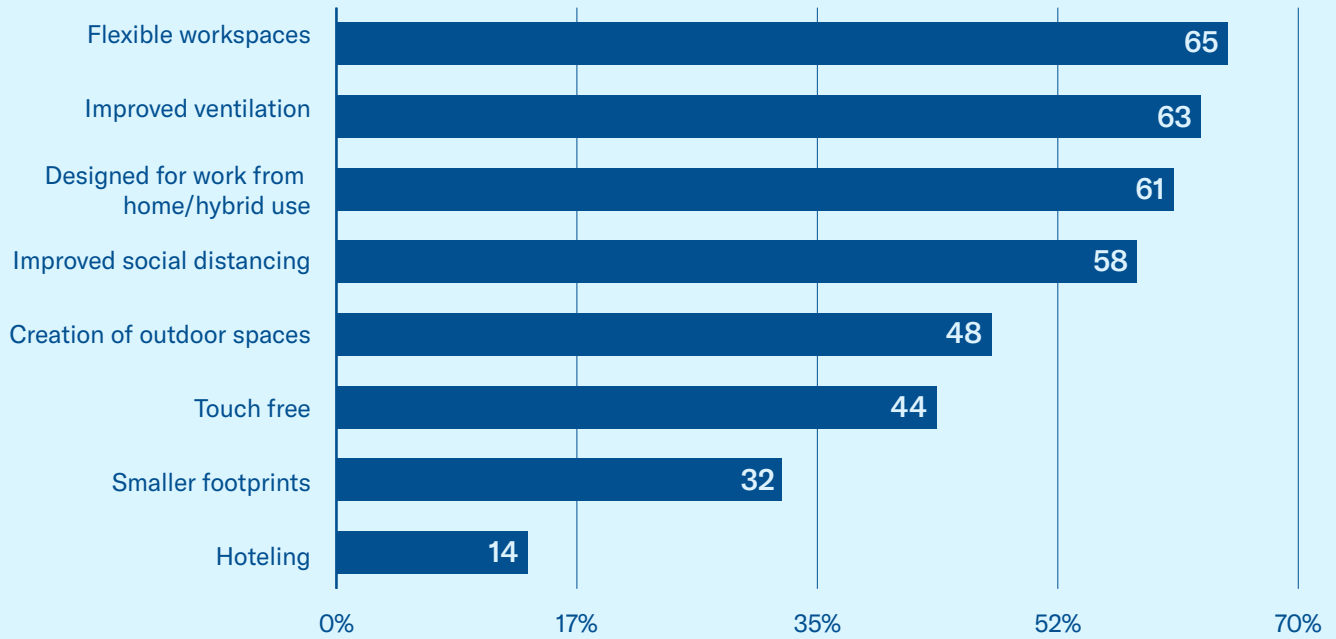
	Architects	Builders	Owners/ Managers
	%	%	%
Maximizing meeting and office spaces to accommodate social distancing	18	16	18
Improving office air quality/safety	8	22	20
Making workspaces more open/meeting collaborative instead of having individual work desk environments	14	10	20
Designing workspaces to accommodate co-working	22	6	10
Converting office spaces into residential housing units	6	20	6
Designing workspaces so companies can rent out space/sublet	4	12	10
Combining more retail/office units together (e.g., utilizing more space for retail while retaining office space in the building)	8	10	4
Converting office spaces into other forms of commercial business (e.g., retail)	14	2	4
Minimizing high touch surfaces	6	4	6

COVID-19 has resulted in a long-term expectation of office updates being focused on flexibility and safety.

- Two in three professionals (65%) expect to see flexible workspaces in office building design over the next five years in response to the COVID-19 pandemic.
- Three in four property owners/managers (76%) expect to see flexible workspaces in office building design over the next five years in response to the COVID-19 pandemic.
- More than three in five professionals (63%) expect to see improved ventilation in office building design over the next five years in response to the COVID-19 pandemic.
- Nearly four in five builders (78%) expect to see improved ventilation in office building design over the next five years in response to the COVID-19 pandemic.
- Three in five professionals (61%) expect to see office buildings designed for work from home/hybrid use over the next five years in response to the COVID-19 pandemic.
- Nearly three in five professionals (58%) expect to see improved social distancing in office building design over the next five years in response to the COVID-19 pandemic.



Changes Expected In Office Building Design



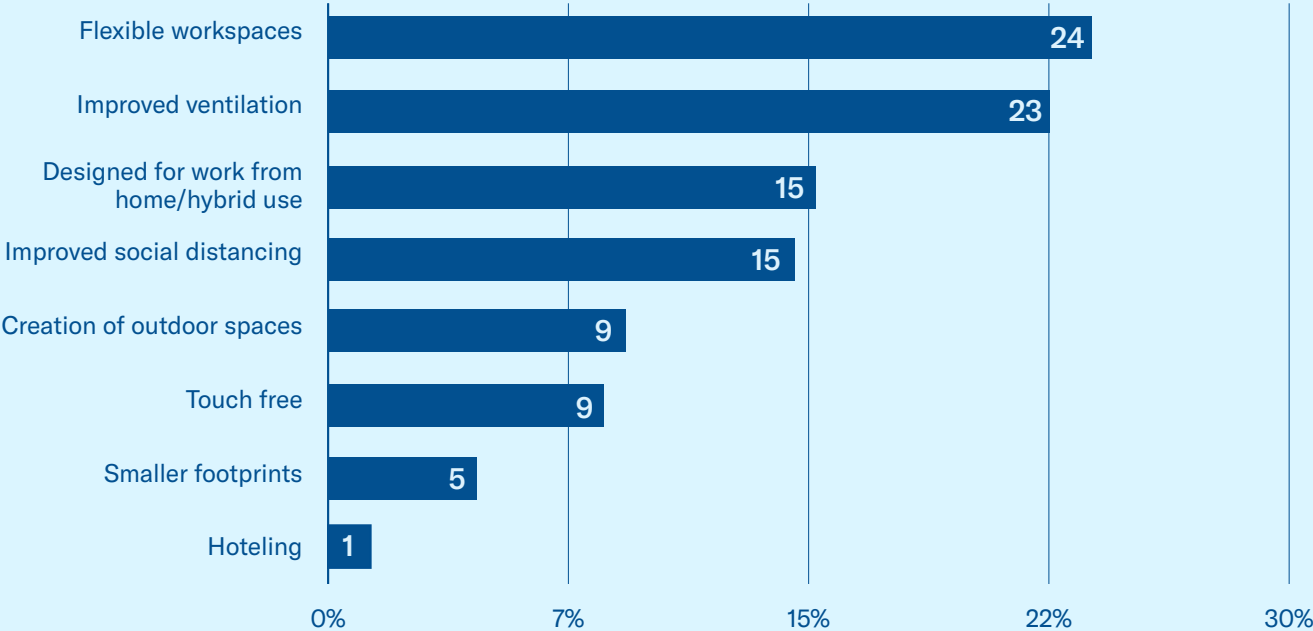
	Architects	Builders	Owners/ Managers
	%	%	%
Flexible workspaces	50	69	76
Improved ventilation	56	78	54
Designed for work from home/hybrid use	56	59	68
Improved social distancing	64	57	54
Creation of outdoor spaces	56	49	38
Touch free	40	47	44
Smaller footprints	32	39	26
Hoteling	12	12	18
Minimizing high touch surfaces	6	4	6

Flexibility is viewed as the biggest change in office design over the next five years.

- One in four professionals (24%) expect to see flexible workspaces as the biggest change in office building design over the next five years in response to the COVID-19 pandemic.
- Nearly one in four professionals (23%) expect to see office buildings designed for work from home/hybrid use as the biggest change in office building design over the next five years in response to the COVID-19 pandemic.
- One in three property owners/managers (32%) expect to see office buildings designed for work-from-home/hybrid use as the biggest change in office building design over the next five years in response to the COVID-19 pandemic.
- One in seven professionals (15%) expect to see improved social distancing as the biggest change in office building design over the next five years in response to the COVID-19 pandemic.
- Nearly three in ten architects (28%) expect to see improved social distancing as the biggest change in office building design over the next five years in response to the COVID-19 pandemic.



Biggest Changes Expected In Office Building Design



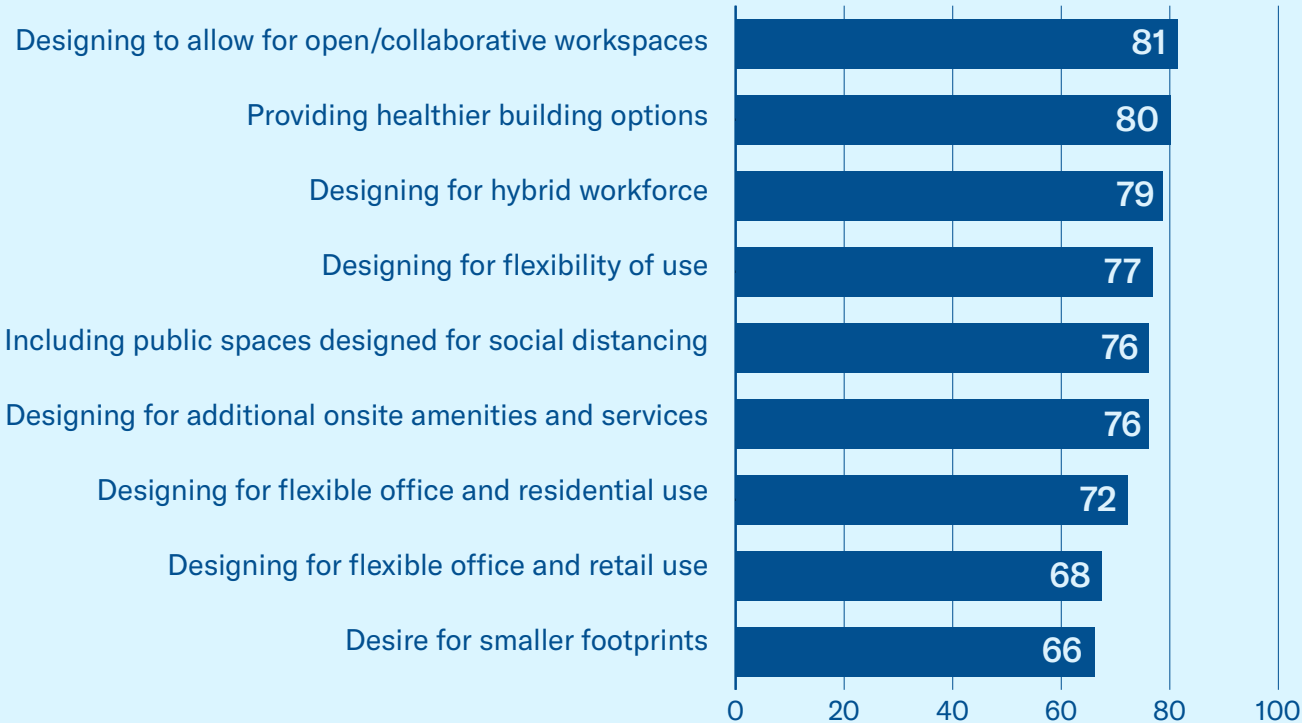
	Architects	Builders	Owners/ Managers
	%	%	%
Flexible workspaces	24	22	26
Designed for work from home/hybrid use	14	22	32
Improved social distancing	28	12	6
Improved ventilation	8	18	18
Creation of outdoor spaces	10	10	8
Touch free	10	10	6
Smaller footprints	2	8	4
Hoteling	4	-	-
Minimizing high touch surfaces	6	4	6

Industry professionals are influenced by a range of factors which will impact future office building design.

- Four in five professionals (81%) indicate allowing open/collaborative workspaces is extremely or very influential to them when designing/building offices.
- Four in five professionals (80%) indicate providing healthier building options is extremely or very influential to them when designing/building offices.
- Four in five professionals (79%) indicate designing for hybrid workforce is extremely or very influential to them when designing/building offices.
- More than three in four professionals (77%) indicate designing for flexibility of use is extremely or very influential to them when designing/building offices.
- Three in four professionals (76%) indicate including public spaces designed for social distancing is extremely or very influential to them when designing/building offices.
- Three in four professionals (76%) indicate designing for additional onsite amenities and services is extremely or very influential to them when designing/building offices.

Office Building Design Influences

(% Extremely/Very Influential)



Architects are more likely to be influenced by the potential of multi-use commercial properties.

- Nearly four in five architects (78%) indicate designing for flexible office and retail use is extremely or very influential to them when designing/building offices. This is compared to 67% of builders and 58% of property owners/managers who find it influential.

Office Building Design Influences

(% Extremely/Very Influential)

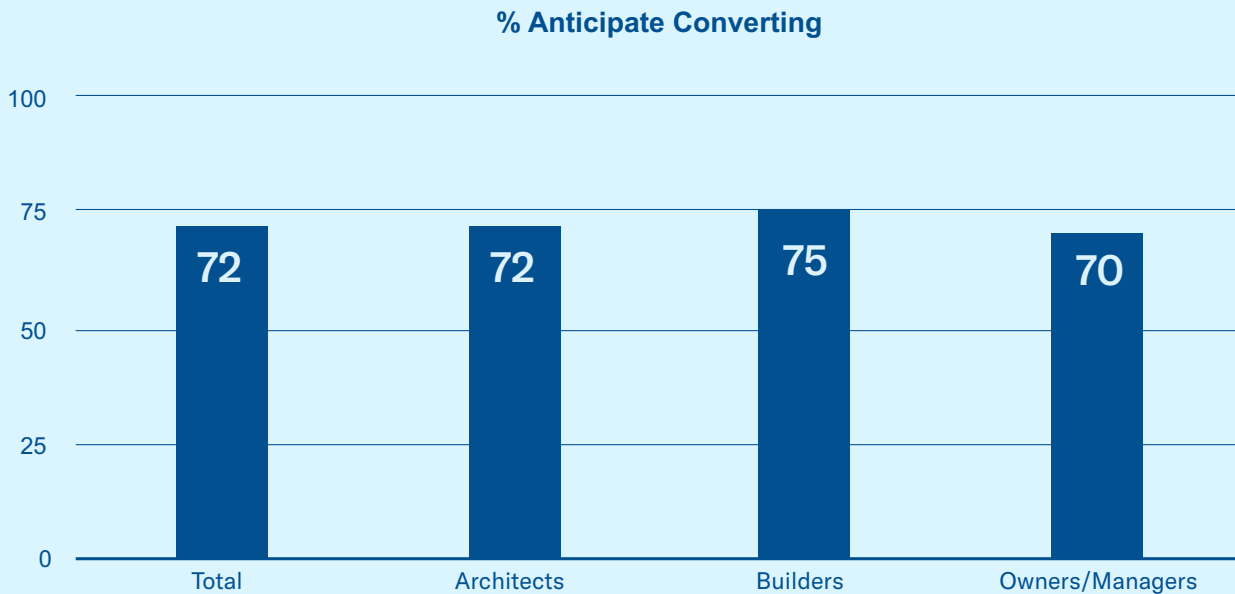
	Architects	Builders	Owners/ Managers
	%	%	%
Designing to allow for open/collaborative workspaces	86	82	76
Providing healthier building options	84	82	74
Designing for hybrid workforce	80	80	76
Designing for flexibility of use	76	78	76
Including public spaces designed for social distancing	74	75	80
Designing for additional onsite amenities and services	80	67	82
Designing for flexible office and residential use	78	71	68
Designing for flexible office and retail use	78	67	58
Desire for smaller footprints	76	63	60

42% of U.S. properties/projects have included requests for converting existing office space. Most professionals believe at least some of these properties will result in conversion.

- Two in five professionals (40%) indicate 50% or more of their U.S. properties/projects have included requests for converting existing office space.
- Two in five professionals (41%) indicate between 25% - 49% of their U.S. properties/projects have included requests for converting existing office space.
- More than seven in ten professionals (72%) anticipate eventually converting some percentage of their U.S. properties/projects from office space into something else.

Requests for Office Space Conversion

(% anticipating requests)

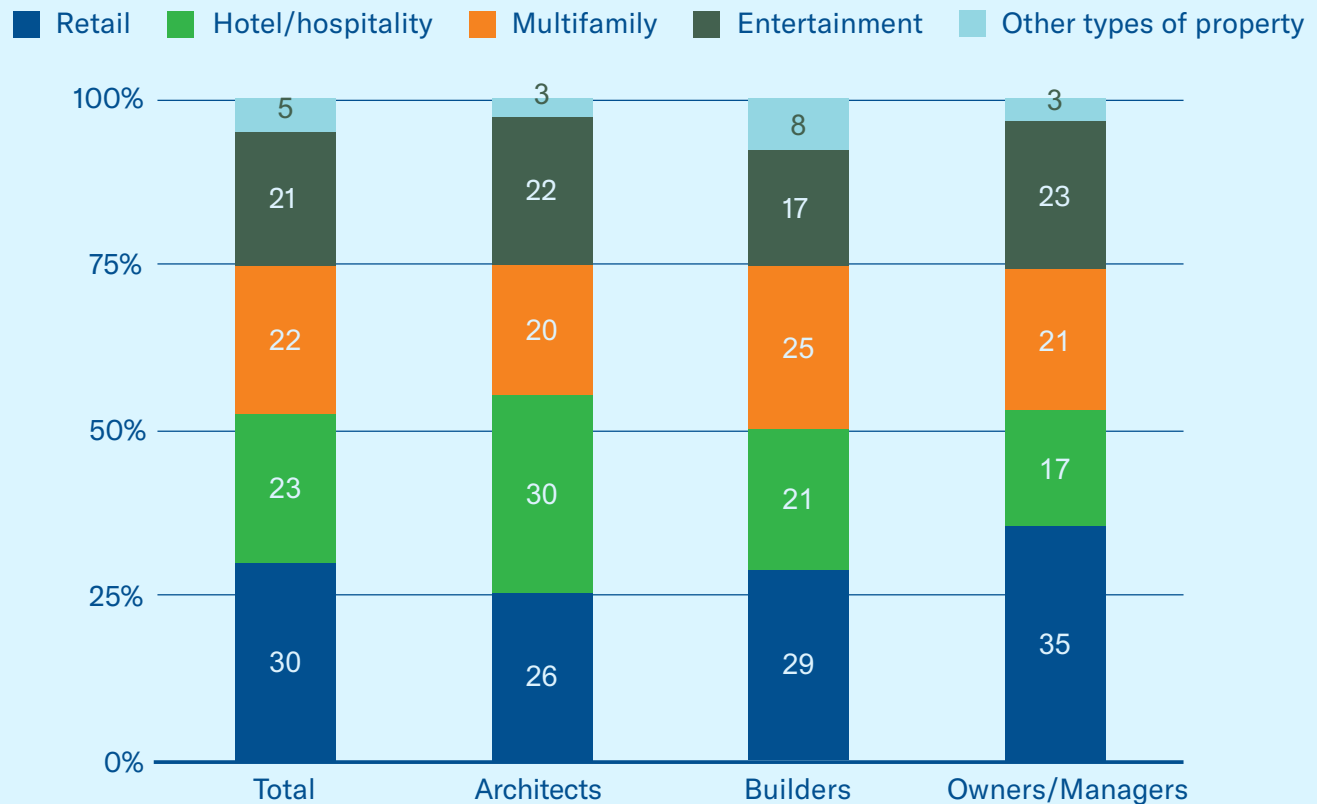


There is a near equal distribution of the types of properties in which existing office space will be converted to in the future.

- Overall, professionals anticipate that 30% of existing office space conversions will become retail space.
- Overall, property owners/managers anticipate that 35% of existing office space conversions will become retail space.
- Overall, professionals anticipate that 23% of existing office space conversions will become hotel/hospitality space.
- Overall, architects anticipate that 30% of existing office space conversions will become hotel/hospitality space.
- Overall, professionals anticipate that 22% of existing office space conversions will become multifamily property.
- Overall, professionals anticipate that 21% of existing office space conversions will become entertainment space.

Requests for Office Space Conversion

(% anticipating requests)

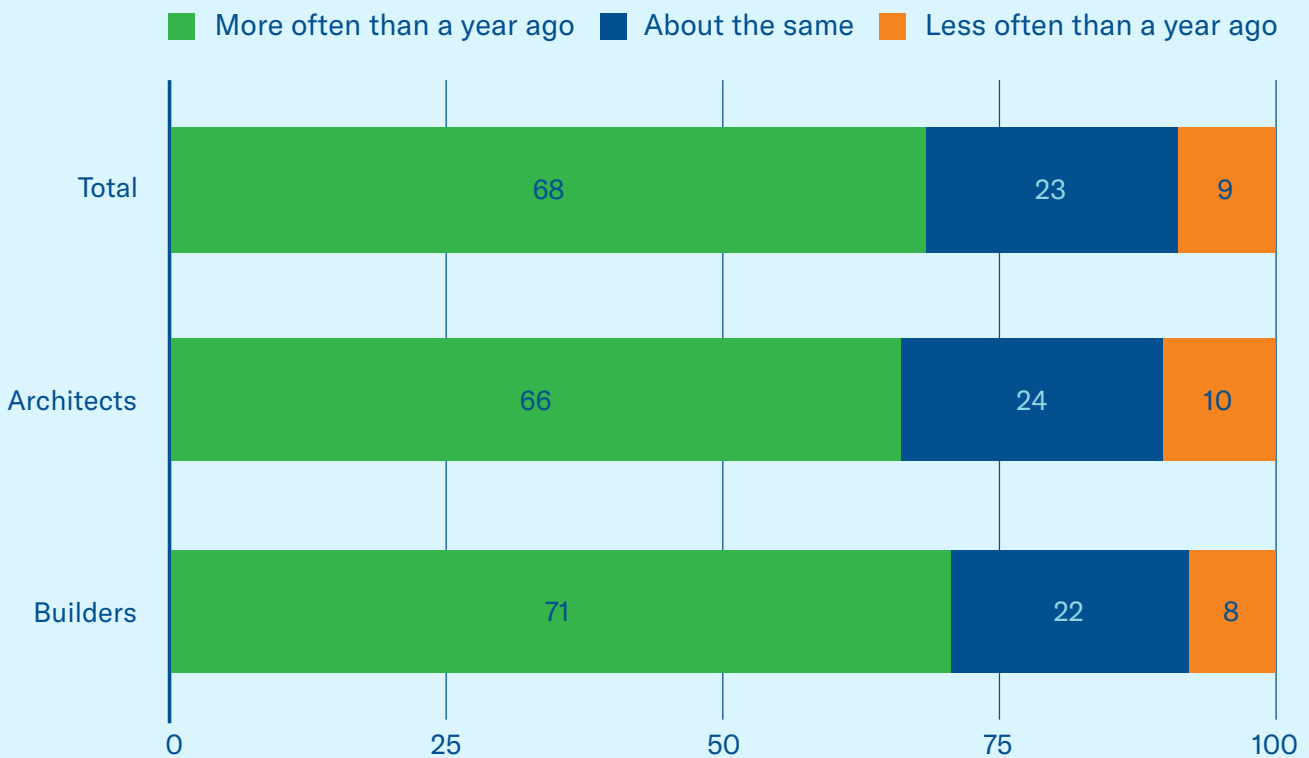


A majority of architects and builders have seen an increased number of office space conversion requests in the past year.

- More than two in three architects/builders (68%) indicate they are receiving more frequent requests to convert existing office space for a different type of use when compared to one year ago.
- Two in three architects (66%) indicate they are receiving more frequent requests to convert existing office space for a different type of use when compared to one year ago.
- Seven in ten builders (71%) indicate they are receiving more frequent requests to convert existing office space for a different type of use when compared to one year ago.
- 9% of architects/builders indicate they are receiving less frequent requests to convert existing office space for a different type of use when compared to one year ago.

Frequency of Office Space Conversion Requests

(% anticipating requests)

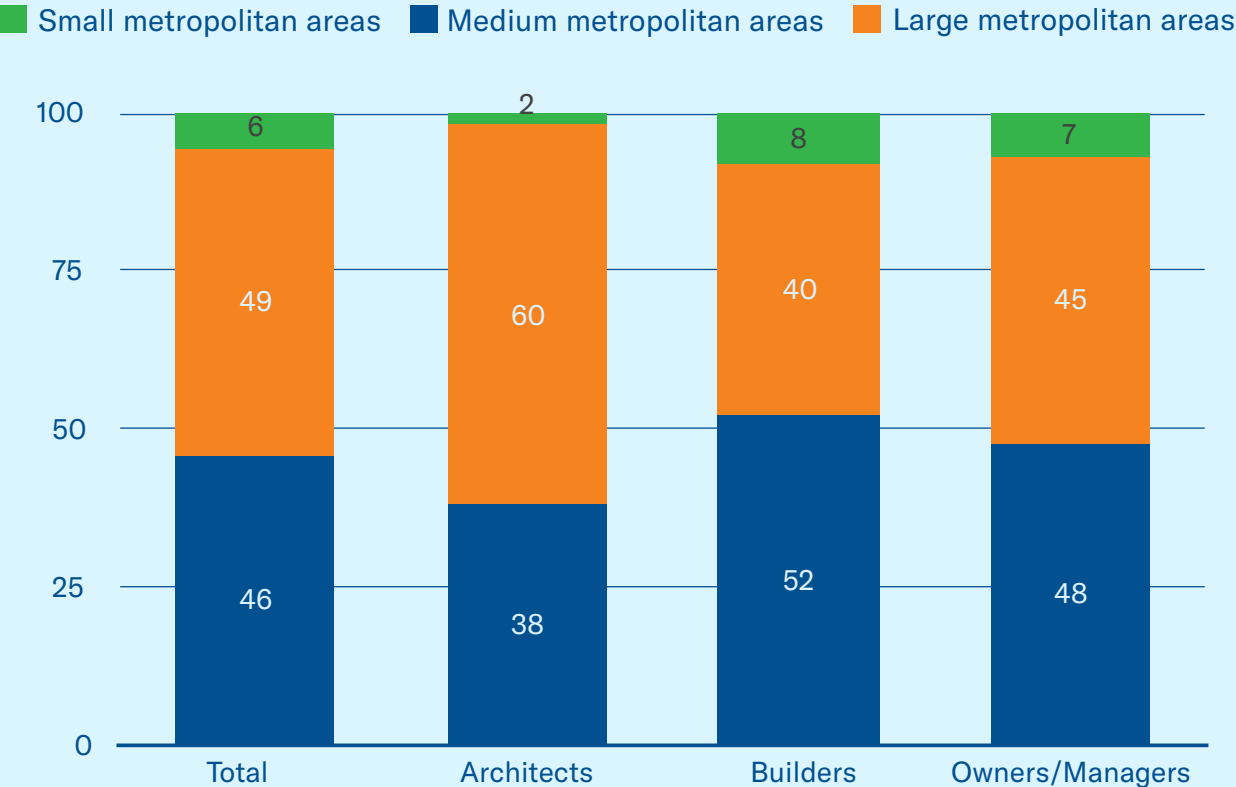


Most office space conversion requests are occurring in large and medium metropolitan areas.

- One-half of professionals (49%) indicate they are seeing/receiving the most requests for office development/office conversions to other types of property in medium-sized metropolitan areas.
- Three in five architects (60%) indicate they are seeing/receiving the most requests for office development/office conversions to other types of property in medium-sized metropolitan areas.
- Nearly one-half of professionals (46%) indicate they are seeing/receiving the most requests for office development/office conversions to other types of property in large-sized metropolitan areas.

Primary Location of Requests

(% anticipating requests)

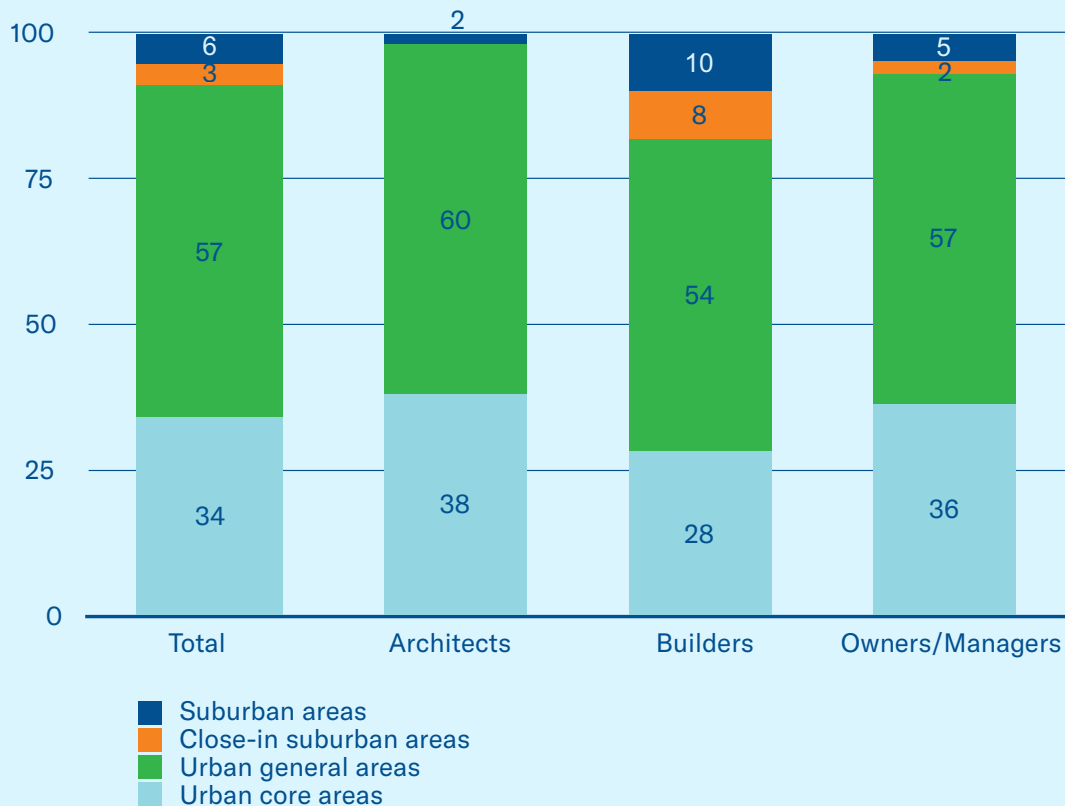


Office space conversions are primarily happening in urban areas.

- Nine in ten professionals (91%) are seeing/receiving the most requests for office development/office conversions to other types of property in urban areas.
- Specifically, nearly three in five professionals (57%) are seeing/receiving the most requests for office development/office conversions to other types of property in urban general areas.
- One in three professionals (34%) are seeing/receiving the most requests for office development/office conversions to other types of property in urban core areas.

Primary Geographic Area of Requests

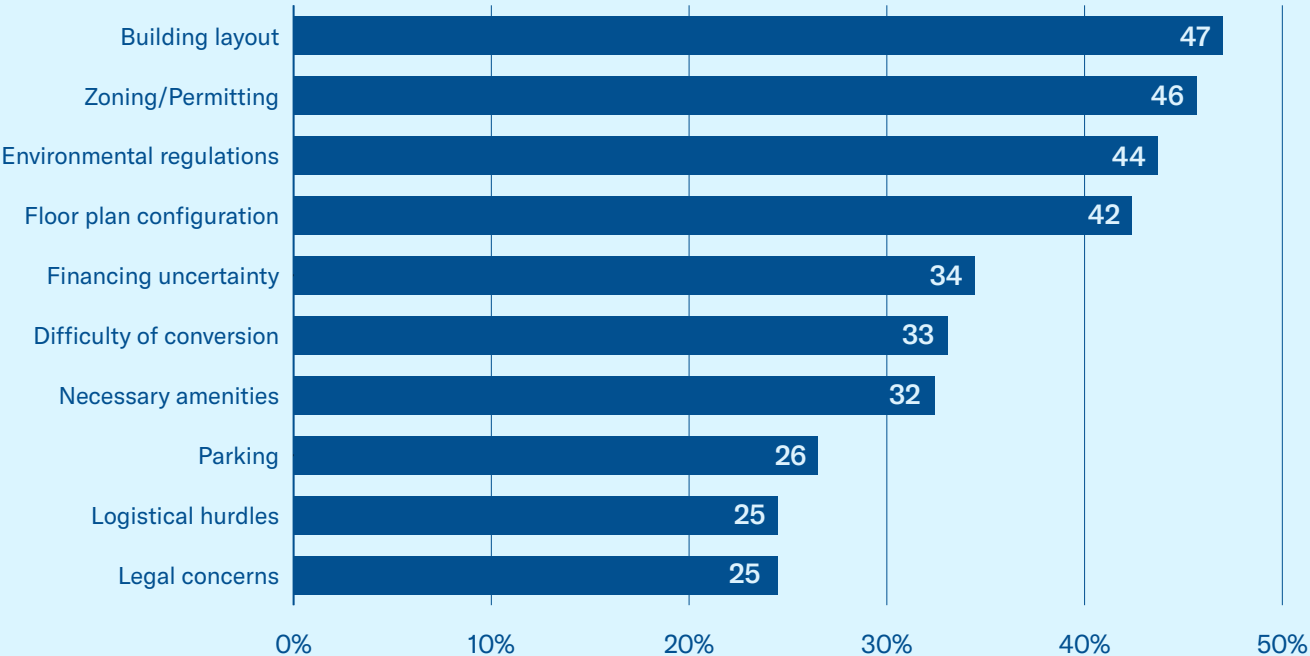
(% anticipating requests)



Existing layouts and governmental regulation are the primary barriers to office space conversions.

- Nearly one-half of professionals (47%) indicate building layouts are impacting their ability to convert current office space into other types of real estate.
- Nearly one-half of professionals (46%) indicate zoning/permitting is impacting their ability to convert current office space into other types of real estate.
- More than two in five professionals (44%) indicate environmental regulations are impacting their ability to convert current office space into other types of real estate.
- More than two in five professionals (42%) indicate floor plan configurations are impacting their ability to convert current office space into other types of real estate.

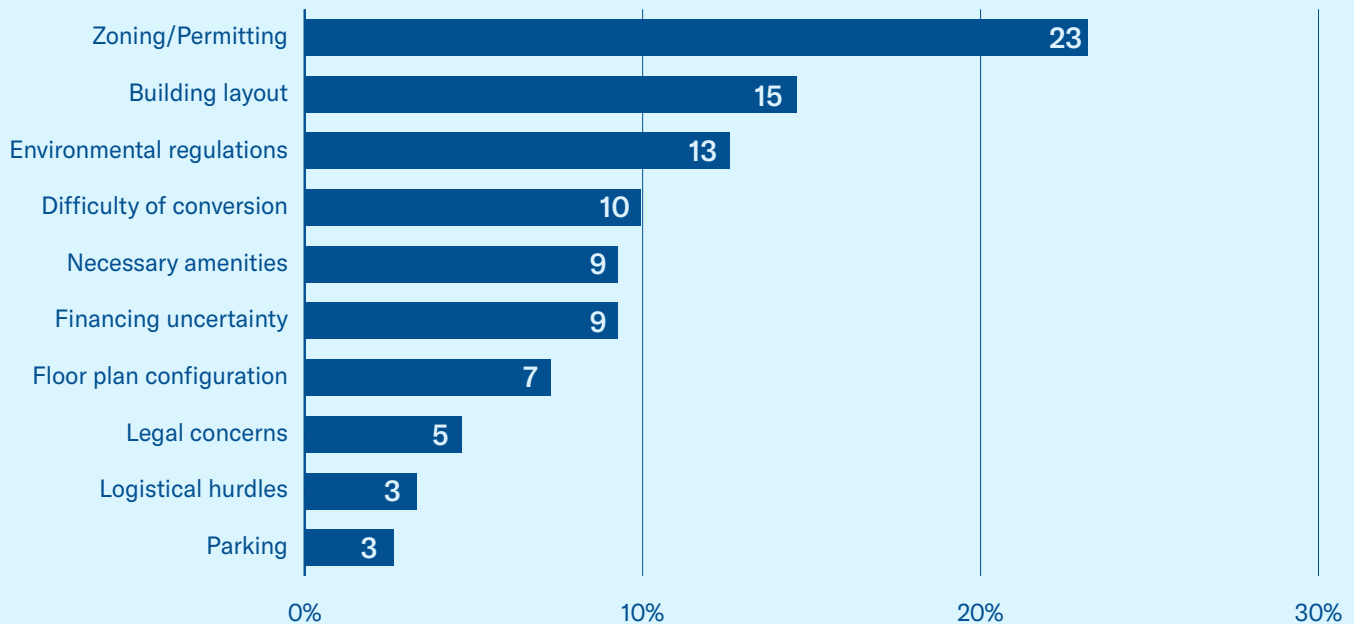
Factors Impacting Ability to Convert Office Space



“Red Tape” is the most cited factor impacting the ability to convert existing office space.

- Nearly one in four professionals (23%) indicate zoning/permitting is the top factor impacting their ability to convert current office space into other types of real estate.
- One in seven professionals (15%) indicate building layouts are a top factor impacting their ability to convert current office space into other types of real estate.
- Nearly one in seven professionals (13%) indicate environmental regulations are a top factor impacting their ability to convert current office space into other types of real estate.
- One in ten professionals (10%) indicate the difficulty of conversion is a top factor impacting their ability to convert current office space into other types of real estate.

Top Factors Impacting Ability to Convert Office Space



Zoning/permitting is the primary barrier to converting existing office space.

- Three in ten builders (31%) indicate zoning/permitting is the most impactful factor determining their ability to convert current office space into other types of real estate and one in four (24%) indicate building layouts most impact their ability.
- One in five property owners/managers (20%) indicate zoning/permitting is the biggest factor impacting their ability to convert current office space into other types of real estate and nearly one in five (18%) indicate financial uncertainty most impacts their ability.
- Nearly one in five architects (18%) indicate zoning/permitting is the biggest factor impacting their ability to convert current office space into other types of real estate and one in six (16%) indicate having the necessary amenities most impacts their ability.

Top Factors Impacting Ability to Convert Office Space

	Architects	Builders	Owners/ Managers
	%	%	%
Zoning/Permitting	18	31	20
Building layout	12	24	8
Environmental regulations	12	12	14
Difficulty of conversion	8	12	10
Necessary amenities	16	4	8
Financing uncertainty	10	-	18
Floor plan configuration	8	8	6
Legal concerns	2	4	8
Logistical hurdles	6	4	-
Parking	4	2	2

Methodology

The purpose of this study was to identify trends in office space design, usage, and conversion among professionals involved in the design, construction, and management of these spaces.

Russell Research, an independent survey research firm, conducted an online study with 151 interviews among the following audiences:

- Commercial Architects: 50 interviews
- Commercial Builders: 51 interviews
- Commercial Property Owners/Managers: 50 interviews

In order to qualify for study inclusion, respondents were screened to meet the following criteria:

- Age 25-65
- Businesses located within qualifying urban markets (Atlanta, Austin, Boston, Charlotte, Chicago, Dallas, Denver, Houston, Los Angeles, Miami, Minneapolis, Nashville, New York, Phoenix, Sacramento, Salt Lake City, San Francisco, Seattle, Washington, D.C.)
- Employed full-time
- Do not work in a competitive industry
- Architects:
 - Licensed for 3 or more years
 - 30% or more of projects are commercial and include office buildings
- Builders:
 - 3 or more years in the industry, currently a Principal/Partner, Vice President, Director, Senior Manager, Superintendent, or Engineer
 - 25% or more of projects are commercial and include office buildings
- Property Owners/Managers:
 - Owner/manage a commercial property, including office buildings
 - 1 or more buildings are located in an urban market

The overall margin error was +/- 8.0 percent overall and 13.8 percent per profession at a 95% confidence level. The sample for the study was provided by leading online business-to-business research panels/databases.

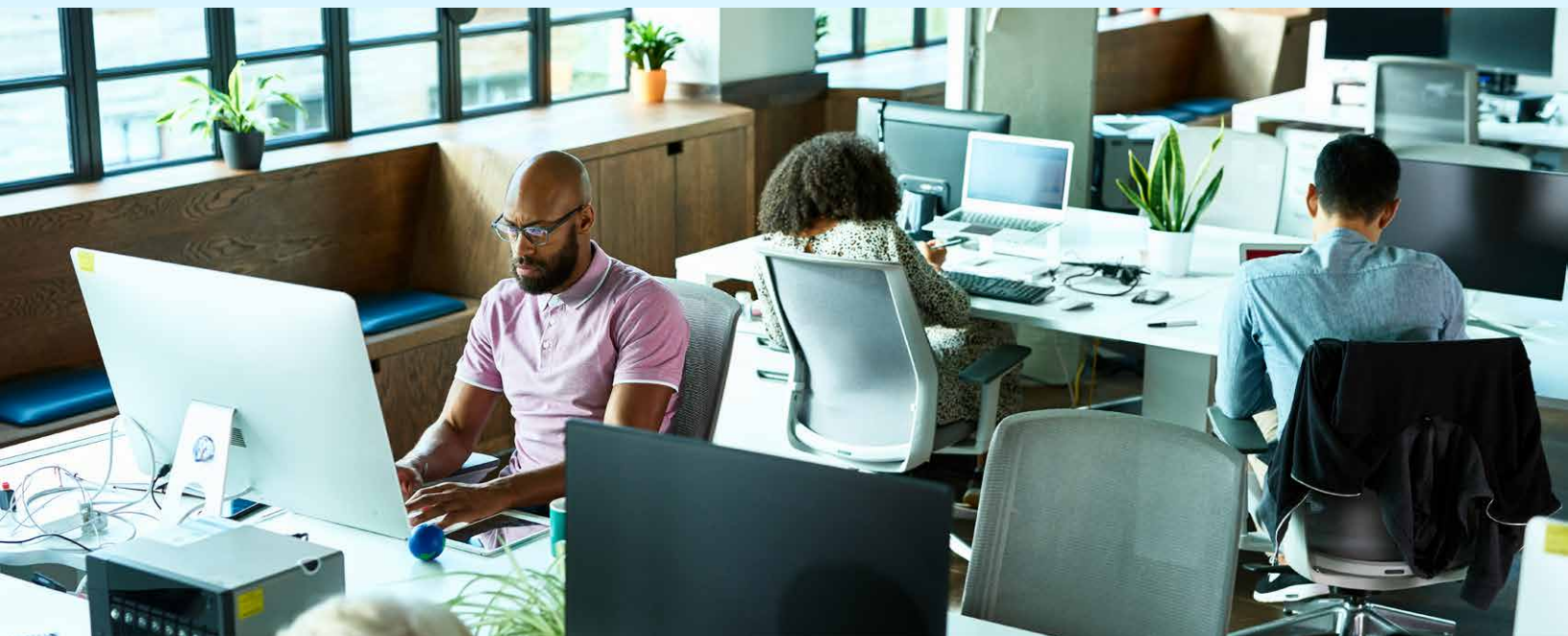
All research was carried out in compliance with all relevant legal and ethical requirements within the United States and was carried out in compliance with ISO 20252:2019.

Statistical Notation

The statistical significance of a result in this survey is the probability that the observed relationship (e.g., between variables) or a difference (e.g., between means) in a sample occurred by pure chance, and that in the population from which the sample was drawn, no such relationship or differences exist. Using less technical terms, one could say that the statistical significance of a result tells us something about the degree to which the result is "true". More technically, the value of the p-value represents a decreasing index of the reliability of a result. The higher the p-value, the less we can believe that the observed relation between variables in the sample is a reliable indicator of the relation between the respective variables in the population. Specifically, the p-value represents the probability of error that is involved in accepting our observed result as valid, that is, as "representative of the population." For example, a p-value of .05 (i.e., 1/20) indicates that there is a 5% probability that the relation between the variables found in our sample is a "fluke."

The following statistical notations are used throughout the report:

= Indicates figure is significantly higher than sub-group at a 95% confidence level (i.e., p-value of .05 or less).



Appendix

Demographics

A = Architect B = Builder C = Owner/Manager

Total Respondents		Total 151%	A 50%	B 51%	C 50%
Gender	Male	74	74	84	64
	Female	26	26	16	36
Age	25 To 39	52	44	51	60
	40 To 65	48	56	49	40
	Mean	41.0	40.7	42.1	40.4
MSA	Atlanta	5	10	2	4
	Austin	1	-	2	-
	Boston	5	10	2	2
	Charlotte	2	-	4	2
	Chicago	6	8	2	8
	Dallas	9	16 ▲C	8	2
	Denver	5	-	10 ▲A	6
	Houston	6	2	12	4
	Los Angeles	14	8	16	18
	Miami	6	10	2	6
	Minneapolis	1	-	2	-
	Nashville	2	2	2	2
	New York	21	16	22	26
	Phoenix	3	2	2	4
	Sacramento	1	-	-	2
	Salt Lake City	1	-	2	-
	San Francisco	2	2	-	4
Seattle	4	4	4	4	
Washington, DC	8	10	8	6	

Firmographics

A = Architect B = Builder C = Owner/Manager

Total Respondents		Total 151%	A 50%	B 51%	C 50%
Company Size	Less than 10	5	-	10 ▲A	4
	10–19	4	2	4	6
	20–49	5	8	6	2
	50–99	13	14	16 ▲C	10
	100–499	32	34	43	18
	500–999	28	36 ▲B	10	40 ▲B
	1,000–2,499	6	-	6	12 ▲A
	2,500–4,999	3	4	4	2
	5,000 or more	3	2	2	6
	Mean	748.7	655.6	585.5	1008.3
Annual Revenue	Less than \$1 million	5	-	8 ▲A	6
	\$1 million to less than \$5 million	7	2	16 ▲AC	4
	\$5 million to less than \$10 million	7	2	2	16 ▲AB
	\$10 million to less than \$25 million	10	12	8	10
	\$25 million to less than \$50 million	13	16	12	12
	\$50 million to less than \$100 million	23	36 ▲C	25 ▲C	8
	\$100 million to less than \$250 million	14	16	14	12
	\$250 million to less than \$500 million	11	12	12	10
	\$500 million to less than \$1 billion	6	2	4	12
	\$1 billion or more	2	-	-	6
	Don't know/rather not answer	2	2	-	4
	Mean	169.3	125.8	123.1	262.6 ▲AB
Number Of Years Firm Has Been In Business	5–9 years	28	28	31	24
	10–19 years	44	54 ▲C	43	34
	20–49 years	21	18	16	28
	50 or more years	8	-	10 ▲A	14 ▲A
	Mean	21.8	16.5	21.7	27.2 ▲A

Industry-Specific Firmographics

Total Respondents 50%		Architects
Job Title—Architecture	Owner/President	4
	Vice President	10
	Department Head/Manager	68
	Project Manager	8
	Senior Architect/Designer	6
	Architect/Designer	4
Years As Licensed Architect	3-9 Years (net)	50
	10 Years Or More (net)	50
	Mean	10.3
Percentage Of Work Commercial Vs Residential	Commercial	64
	Residential	36
Commercial Property Types Involved In Design	Office buildings	100
	Hotels/hospitality	70
	Industrial	68
	Retail	58
	Mixed use	48
	Multifamily	30

Total Respondents 51%		Builders
Job Title—Construction	Principal/Partner	16
	Vice President	14
	Director	39
	Senior Manager	25
	Superintendent	6
Years In Construction	3-9 Years (net)	29
	10 Years Or More (net)	71
	Mean	14.5
Percentage Of Work Commercial Vs Residential	Commercial	55
	Residential	45
Commercial Property Types Involved In Construction	Office buildings	100
	Industrial	69
	Multifamily	65
	Retail	61
	Hotels/hospitality	61
	Mixed use	53

Industry-Specific Firmographics

Total Respondents 50%		Owners/ Managers
Job Title—Real Estate	Building/Property Owner	10
	Building/Property Management	90
Property Types Own/Manage	Commercial property only	38
	Both commercial and residential properties	62
Number Of Commercial Properties In Market	1-15 Properties (net)	52
	16 Properties Or More (net)	48
	Mean	22.4
Commercial Property Types Own/Manage	Office buildings	100
	Retail	62
	Mixed use	50
	Industrial	48
	Multifamily	42
	Hotels/hospitality	20
	Other	4

