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Your 2022 office space should be an asset, not an expense | Opinion

As companies fundamentally restructure their businesses, office spaces in 2022 and beyond need to reflect this shift and be customizable and adaptable.

Meg Epstein Guest Columnist

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Key Points

Meg Epstein is the Founder and CEO of CA South, a real estate development and investment management firm located in Nashville, TN.

Mask mandates have been lifted in nearly every state. People are beginning to travel and live life outside of their homes again.

Places that have sat bare are seeing life: schools, movie theatres, concerts and sports arena are filling. Unfortunately, offices have not seen the same resurgence.

During the pandemic, companies across the country abandoned their leases to prepare for extended periods of remote work.

Recent data from Kastle Systems— a firm that tracks building access across the U.S.— notes that office attendance has only returned to one-third of pre-pandemic levels with many companies adopting a work from anywhere policy.

The likelihood that return-to-office will ever reach pre-pandemic levels is low, but many workers want the opportunity to occasionally gather with their colleagues. According to the Harvard Business Review, that may mean redesigning a space that makes workers want to come back.

The answer to jump-starting your firm's return-to-office may be buying, rather than leasing, your next office. Buying office space has a number of benefits that seem tailor made for post-pandemic work.

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Leasable offices are often rigid and generic; laid out in ways that do not necessarily fit the needs of their workforce. Tenants are now looking for offices that can be reconfigured and customized to their specific needs of the moment.

Adaptable post-pandemic work spaces

As companies fundamentally restructure how they do business, the office spaces of 2022 and beyond need to reflect this fault shift and be customizable and adaptable.

Office rent is also a big expense. The pandemic-era cuts in rent and government forgiveness programs are gone. It's understandable that companies may be trigger shy of adding an office rental property back onto their balance sheet.

Renting office space is often one of the top line items on a company's budget. It can create financial burdens for companies in which they see no return and are wary to do so again given pandemic-induced workforce changes.

However, if you buy your office space, you can fix both problems at once.

Buying office condos allows companies to turn their expense into an asset, while gaining a fully customizable space they can design and use to incentivize employees to return, reflect the brand, and create a value-add when searching for new, top talent.

Ownership allows control of costs. Often a lease will dictate provisions that include operating expenses, assignments and subletting, force majeure, alterations, and rent abatement clauses, to name a few.

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As CEO and Founder of CA South— my real estate development and investment management firm headquartered right here in Nashville— we are acutely attuned to just how far the trends in office space have swung over the past few years.

We know that office condos couple the design flexibility desired by post-pandemic tenants with attractive financing. Our recently completed office condo project, Allston Office Condos, offer a 7% yield over renting, according to CBRE estimates.

These are not just numbers on paper – these are actionable savings, future financial gains and fully customizable properties that enable owners to generate an asset for themselves that will ripple through their business for years.

An office is an extension of a company's brand and immediately communicates a lot about your business to your clients, employees, guests, and investors. Buying your office space rather than leasing allows for that ultimate freedom, both of your design and finances.

Meg Epstein is the Founder and CEO of CA South, a real estate development and investment management firm located in Nashville, TN. Her recently completed project, Allston Office Condos, is located in Franklin, TN, and is available now for interested buyers.