

Technology, Finances Have Effect on Office Space

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With the exception of our society's supersized waists, downsizing has become the order of the day for much of the past decade with little to no prospect of ever returning to the world of "big." Prompted by the prospect of \$5-per-gallon gas, seniors, soccer moms and most anybody with a budget these days are shunning Crown Victorias, Suburbans, and other gas guzzlers in favor of compact four-cylinder SUVs, hybrids and even the Tonka-like Smart Car. Turns out people don't need as big a vehicle as they once thought.

With record-high water rates and other soaring property maintenance costs, graying Baby Boomers are stuffing themselves into condos, patio homes and smaller detached homes, leaving their quarter- and half-acre suburban estates to a more affluent set.

Downsizing holds true in the business world – and even in government which faces soaring costs for pensions and other entitlements and plummeted tax revenues. When laying off employees, businesses explain it as the need to "re-organize" or "restructure" – to "rethink our mission and how we need to do things differently." Not sure how government agencies explain layoffs to civil servants, but even they're starting to have to do so these days.

A recent Wall Street Journal article cited several examples in which local, state and federal government agencies have shrunk their office space needs. In one example, the Securities and Exchange Commission cut two thirds of its 900,000 square feet of offices to a cozy 300,000 square feet because the agency didn't receive the funding it anticipated.

Plans on Hold

Here in San Diego, the State of California recently put plans for 150,000 square feet in new space on hold, given existing and anticipated budget cuts. Some highly placed bureaucrat rightly concluded that when push came to shove, state workers in the seismically challenged Front Street office structure could tough it out a while longer since the state doesn't have the money to build a shiny new building and relocate the workforce. Imagine, the state government making a decision based on financial constraints.

Outsourcing is becoming a viable option in housing bureaucracies. New York City has vacated 380,000 square feet of government office building space thus far as part of Mayor Michael Bloomberg's plan to contract out 1.2 million square feet of space to non-government buildings by 2014.

While it's been the economy that has stimulated government's interest in downsizing, there are far better reasons. Technology has reduced the need for secretaries to type and file and large storage rooms to house paperwork and other data resources. With digital storage, smarter workspace design, communications advances, and better behavioral management practices, all work-driven organizations, government and private, can become much more efficient in how they manage their work space needs.

I recently re-evaluated a company's space requirements and found that it could reduce what they really needed by 42 percent, through resizing offices and other employee workspaces, converting storage files to digital copies – which not only saves space but time and personnel in sorting and retrieving data – and applying some behavioral research findings to how common spaces can be better designed.

To be fair, companies undergoing significant growth do have expanded needs, regardless of how much space technology can save. But these companies are in the minority in today's economy where a substantial number of office users are either in decline or are doing well but have reached their maximum needs for space.

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The same holds true – or should – for government agencies that are facing years of revenue shortfalls as well as a growing public sentiment to focus on core services and even to outsource some functions to the private sector or non-profit organizations. I'm wondering if there isn't some kind of nexus between an increased use of technology and a decreased need for space.

Time to Pare Down

That we're seeing federal and state government agencies pare down their space requirements and outsourcing much of what they need leads me to nudge the City of San Diego to do more of the same. I won't belabor the continuing nonsense about their collective obsession to erect a new city hall. But, I will say local politicians seem fixated on transferring the city's 50-year-old workspace models into a gleaming 21st Century edifice.

If there is resistance, it tends to center on money or the lack thereof. However, the city's \$56 million budget deficit and the fact that the city is cash poor are not the most compelling reasons Mayor Jerry Sanders and crew should rethink more taxpayer-built office space. Technology and common sense are.

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