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# The New Office is a Community Center

**This week marked the beginning of school for our two teenage daughters. That statement just two years ago would have been**

fairly pedestrian. But we live in anything but ordinary times in 2021 and getting an in-person school year off the ground is a stress-filled and yet miraculous moment for all involved. Our daughters are so thankful to be back in their community where they are learning, growing and developing. Later this year, my mom will move halfway across the country and into a 55 and over community. She remains very healthy and active thankfully, but one of the deciding factors for her in making this profound move away from all that is familiar at this key juncture in her personal journey is the community center and the very intentional attention to curating meaningful interactions amongst that population. It stands to reason that as human beings, built around the need for community, we have exactly the same cravings for face-to-face interaction our entire lives and would thus approach work and work environments with the same level of attention to community development.





**Leverage Flexible to Build and Accelerate community:** I remember years ago walking into Neuhouse in NYC. I wasn't nearly cool enough to belong and it was uniquely positioned for a specific audience. The energy level was compelling and nearly impossible to recreate for that customer elsewhere. Flexible offerings draw in that optimistic entrepreneurial spirit: both from startups and all the way up through large corporations testing a market or project. My strong bias is that this offering is a critical part of office community, and thus always try to present these spaces inside of office assets on the ground floor with interconnecting stairwells going up, with supporting amenities like coffee, food and other things sprinkled cohesively around in a way that activates and enriches. Yes, that has the very practical asset management purpose of not overcrowding things like elevators, but it also has the added benefit of setting the tone for the rest of the asset (which has and will still have a sizeable amount of long term occupiers) of the kind of community center you're entering. It has that small but meaningful psychological effect as employees enter of setting the tone for the day: "it was a tough start to the morning, but this is the place that level sets me, excites and inspires me, and where my best work and ideas are birthed. I may now enjoy the freedom to work a little from home or elsewhere, but the fuel for my tank resides here where relationships form, grow and flourish."



**Without community, office is just a commodity:** By definition, a commodity is an undifferentiated product that gets the pleasure of getting whipsawed wildly up and down with changing market conditions. It is a fixed and static product, a tough business, and a race to the bottom with expense cutting becoming the primary tool of choice... sounds fun! If you don't believe this, just look around at everything in and around office trying to attach "as a service" to their name to de-commoditize themselves. But the truth is community building is very unnatural for many owners and

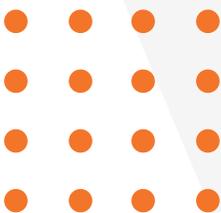




operators to get their heads around. It moves smart, analyst and number type managers away from the comfort of 1 and 2 dimensional spreadsheet management and into the third and even fourth dimension where management teams guide ownership through a much trickier maze that requires leveraging human capital and talent on the ground in the asset to build and evolve physical environments around the fluid needs of companies by assembling active communities and not just physical improvements. Community is birthed from what we have in common and nurtured by environment programmed to render experience, service and convenience that enriches.



**Need to find the right groups for your community:** Not all customers are created equal. I talked to a successful founder of a flexible operator recently and he acknowledged that some of their current success was coming from eliminating certain clients and growing others. I think the same will be true of the office asset and the need to be more selective in pairing with occupiers that are contributors to and not just consumers of this community. Not all companies will process the last two years the same and thus place the same value on this new community center. They will grudgingly keep racing to the bottom in and out of commoditized and stagnant office environments. But for owners and occupiers aligning around community-centric environments, they will quickly be able to find common ground to rally around. Those assets will garner impressive pricing and value premiums and those paying rent will be more than ok with that because they will be receiving even bigger value in terms of employee attraction/retention and productivity. But this also hints at one of my other observations and that is the need sooner than later for the sales apparatus (brokerage) to come along and be prepared to articulate in a clear but compelling way these distinctions.



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I remember walking in one particular building we owned and always being so invigorated by seeing the security guard there and being welcomed by his contagious smile – it was hospitality delivered authentically. I never thought I would miss smiles so much as I did for a year or so. But that represents just the tip of the iceberg of what being part of a healthy community does for my soul. We all crave the nurturing of that community and office owners and operators need to be doing all they can in this moment to create something meaningful and impactful for human beings to start walking back into as we hopefully see the end of this tough season soon.



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