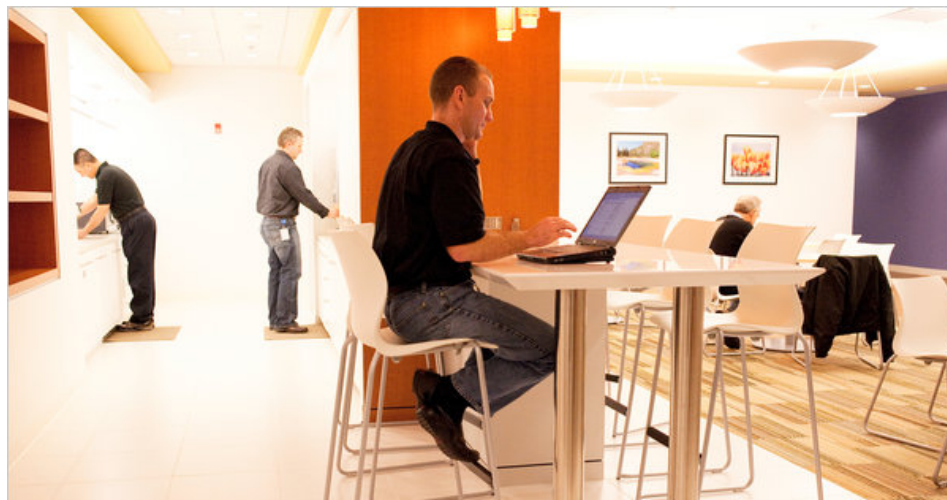


SQUARE FEET

# Office Work Space Is Shrinking, but That's Not All Bad



Brian Lee for The New York Times

The new interior design in Intel's Hillsboro, Ore., offices includes comfortable, open areas for collaboration.

By KRISTINA SHEVORY  
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HILLSBORO, Ore. — [Intel](#) was never one of those technology companies where employees had beanbag chairs, designer desks and pinball machines. Its offices were known for their endless rows of gray cubicles, low ceilings and fluorescent lighting. For decades it resisted any changes to its office environment.

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Brian Lee for The New York Times

The old model was a warren of gray cubicles.

In the last two years, however, Intel has quietly been trying to inject a little more fun into its offices and make them places where employees can be more collaborative. The company has remade one million square feet of office space thus far in a sweeping redesign.

At its campus here outside of Portland, where it designs computer chips, gray walls have been repainted yellow, purple and white, cubicle walls are lower so employees can be seen, and lounges have been outfitted with flat-screen TVs, armchairs and sleek kitchens that would not look out of place in a design magazine.

The changes are being made for more than cosmetic reasons. To promote innovation, Intel wanted to create plenty of space where people could work in groups, rather than be isolated at their desks.

Neil Tunmore, the director of corporate services at Intel, who oversees the company's 30 million square feet of office space, said, "We realized that we were inefficient and not as collaborative as we would have liked."

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As employees become more mobile and less tied to their desks, the average amount of space per employee nationwide, in all industries, has dropped to 250 square feet from 400 square feet in 1985, according to [Jones Lang LaSalle](#), a commercial brokerage and property manager. Within 10 years, that is expected to drop further, to 150 square feet.

“The office status symbol seems not to be as important. People are living for more flexibility in their lives,” said Peter Miscovich, a managing director for corporate solutions at Jones Lang LaSalle.

By allotting less space per person, companies can squeeze more employees — sometimes double or triple as many — onto a floor. One newly redesigned floor of Intel’s campus can now accommodate 1,000 people, up from 600. In some departments where employees are often on the road, two people may be assigned to a desk.

Of course, sometimes the downsizing in office space is not voluntary. Companies that went through rounds of layoffs are renegotiating leases, moving into smaller offices and mothballing large real estate projects to save money. In the last three years, companies have given up 137.8 million square feet nationwide, according to the real estate research firm Reis, and would most likely put more on the market if they could. Other companies are reducing their real estate expenses, which are generally the second-largest cost after employees.

Many companies are redesigning the workplaces that remain, opening them up to make them flexible for multiple uses. Even tradition-bound firms in accounting and banking are embracing open-plan offices and other changes. They have shut sections of floors to save money on utilities, squeezed remaining employees closer together, torn down walls and downsized cubicles or gotten rid of them entirely.

“Companies that were dragging their feet changed their minds with the bottom line,” said Richard Kadzis, a spokesman for CoreNet Global, an association of real estate executives in Atlanta. “Now that we’re on the other side of the recession, companies are asking themselves, ‘How do we be smarter?’ Cost has driven traditional companies to free the reins.”

The accounting and consulting company [Deloitte](#) is trimming real estate costs at its San Francisco offices. Deloitte terminated a lease there five years early even though it carried a \$12 million penalty and required a move. Its new landlord is paying part of the fee, according to the [CoStar Group](#), a commercial real estate firm.

At its new San Francisco office, at 555 Mission Street, which opens this year, employees have less personal space and there are more community areas where accountants can meet clients. At nearly 182,000 square feet, the office is about 100,000 square feet smaller than the previous one.

Saving money, though, is not the only reason to downsize. Opening up an office makes people interact more and, the thinking goes, be more productive. It also makes it possible to eliminate some seldom-used desks or turn them into shared work spaces. Around 60 percent of a company’s desks are vacant at one time, according to CoreNet Global, because workers are either on the road or in meetings.

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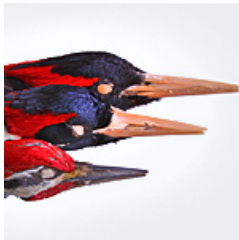
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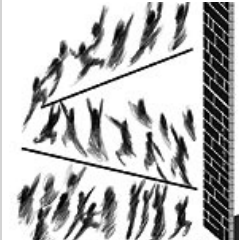
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