

Flexibility in corporate office real estate

A leasehold occupier's perspective

Imagine a new organization in the market



Coffee-related products

We can call it...



ESPRESSO

We can call it...



ESPRESSO

Core Business

How is this organization related to
the **built environment**?

From Core Business to Corporate Real Estate (CRE)



Corporate Real Estate Management

BUSINESS NEEDS

ESPRESSO[®]



SUPPORTED BY

OFFICE SPACE



Corporate Real Estate Management



Business Needs Change Rapidly



Geopolitical Context



Economic Downturns



AI

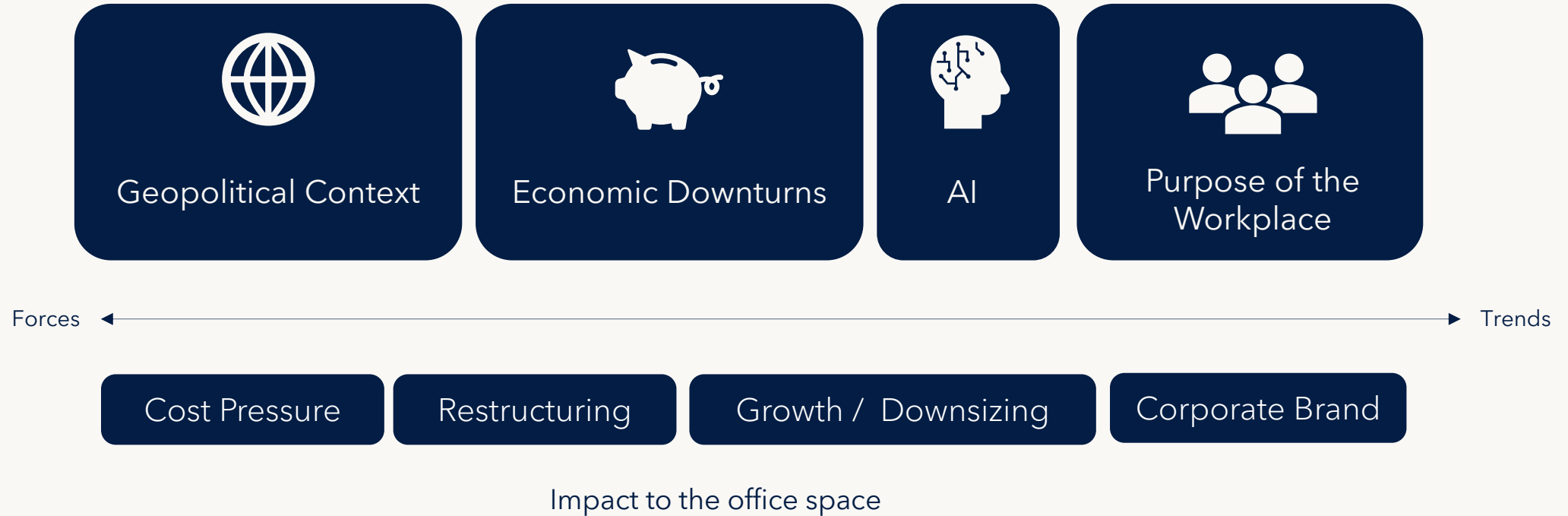


Purpose of the
Workplace

Forces ←

→ Trends

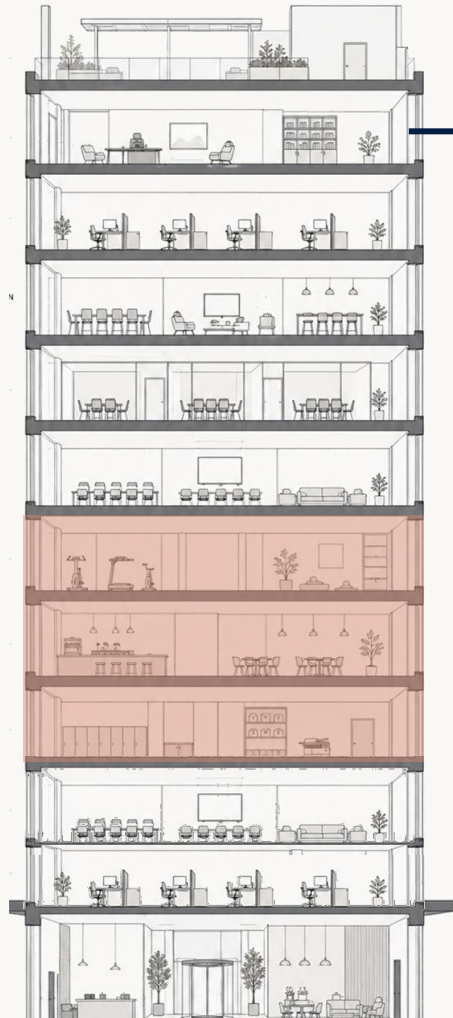
Business Needs Change Rapidly



The Office Space is Slower to Adapt



This mismatch is further intensified when talking about multi-tenant office buildings.



Existing Building

- Physical and technical characteristics
- Amenities
- Landlord Strategy

ESPRESSO

- Limited control over physical space
- Multi-year commitment

POV Occupier

Changing Business Needs

What levers are available to remain flexible when leasing office space in a multi-tenant office building?

Research Question

How do corporate office occupiers under conventional leaseholds understand flexibility within their Corporate Real Estate Management context?

Why is flexibility important?

Which mechanisms are used to achieve it?

How do organizational and building characteristics shape flexibility mechanisms?

Presentation Roadmap

Why
Introduction

How
Methodology

**Findings
and
Discussions**

Conclusion

How this was studied

14 stakeholders across three empirical phases



output: working definition + flexibility framework across the occupier-building lifecycle

Findings & Discussions

**Flexibility is a strategic
response to uncertainty,
understood through
five different dimensions**

Flexibility Dimensions

Legal

Adaptation of lease commitments through contractual rights

Length of the lease
Break option
Sublease or Assignment

Financial

Reducing or redistributing the financial burden of office commitments

Rent-free period
Fit-out contribution

Physical

Reconfiguring or adapting physical aspects of the leased space

Layout & Space Division
Modular & Adaptable
Furniture

Organizational

Managing how the office space is used by employees

Hybrid policy
Desk-sharing ratio
Anchor days

Building offering

Using building-level amenities beyond leased space

Meeting Rooms
Event spaces
Serviced office operator

Framework



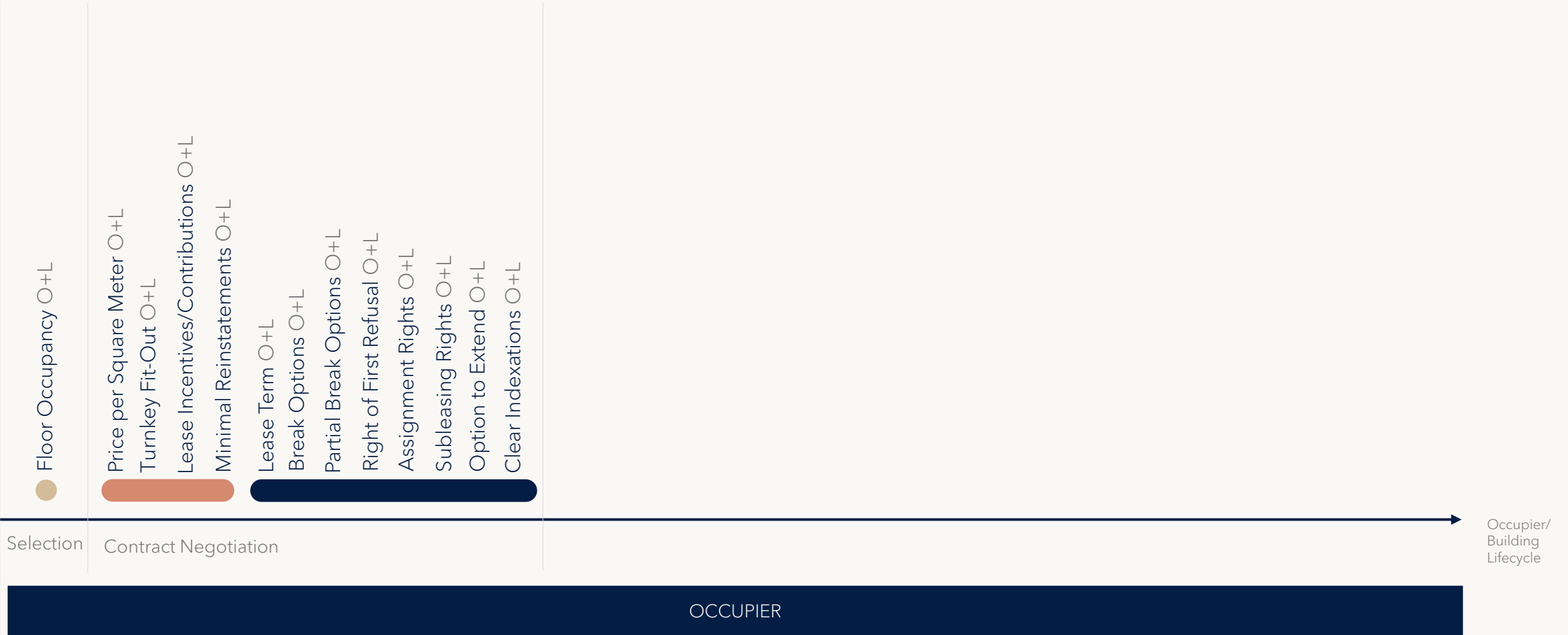
Flexibility Dimentions

- Physical Flexibility
- Organizational Flexibility
- Financial Flexibility
- Legal Flexibility
- Building Offering Flexibility

Stakeholders

- L - Landlord
- O -Occupiers
- E - Experts
- R - Regulations

Framework



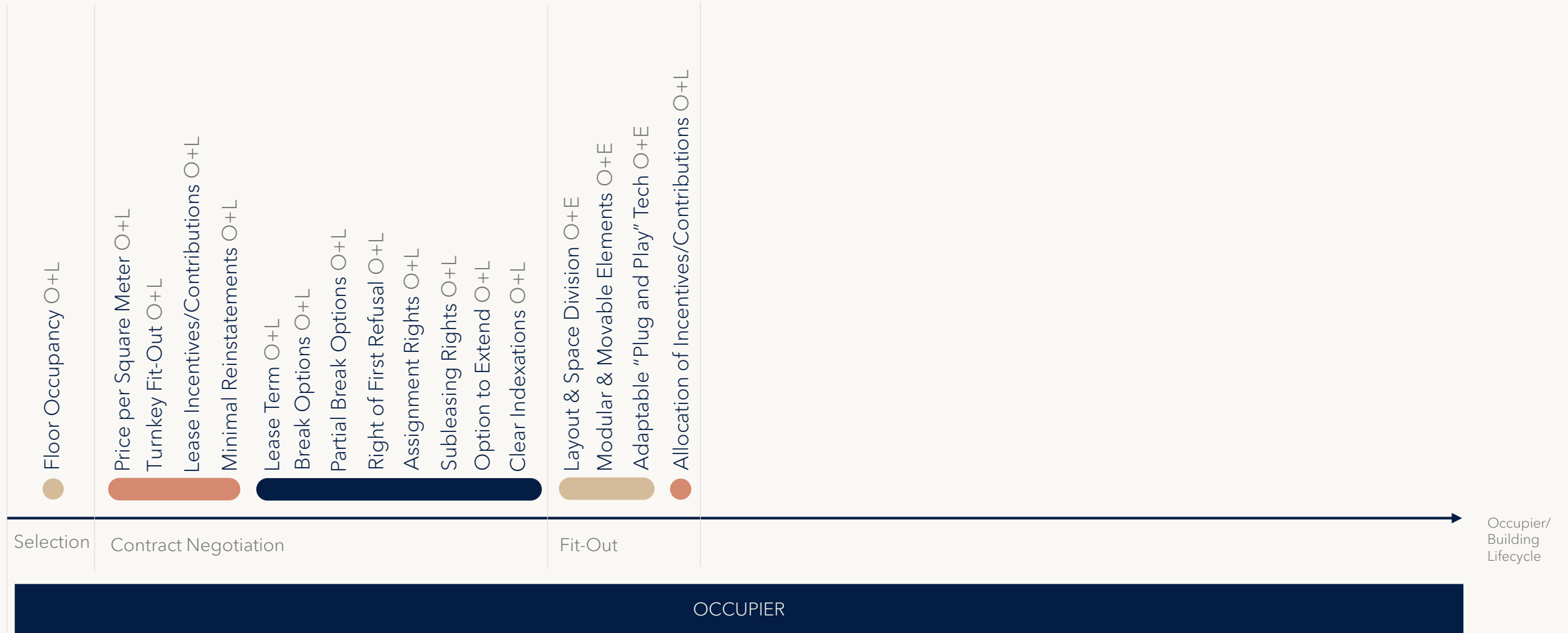
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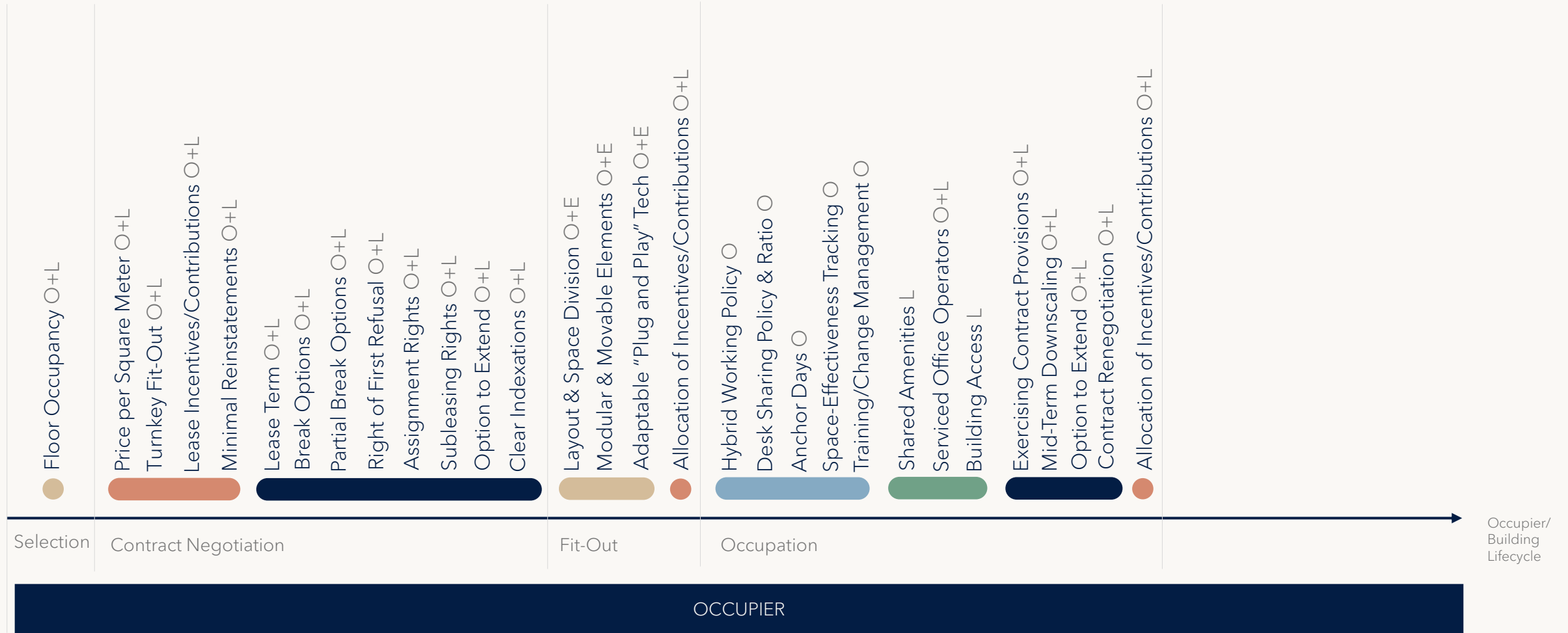
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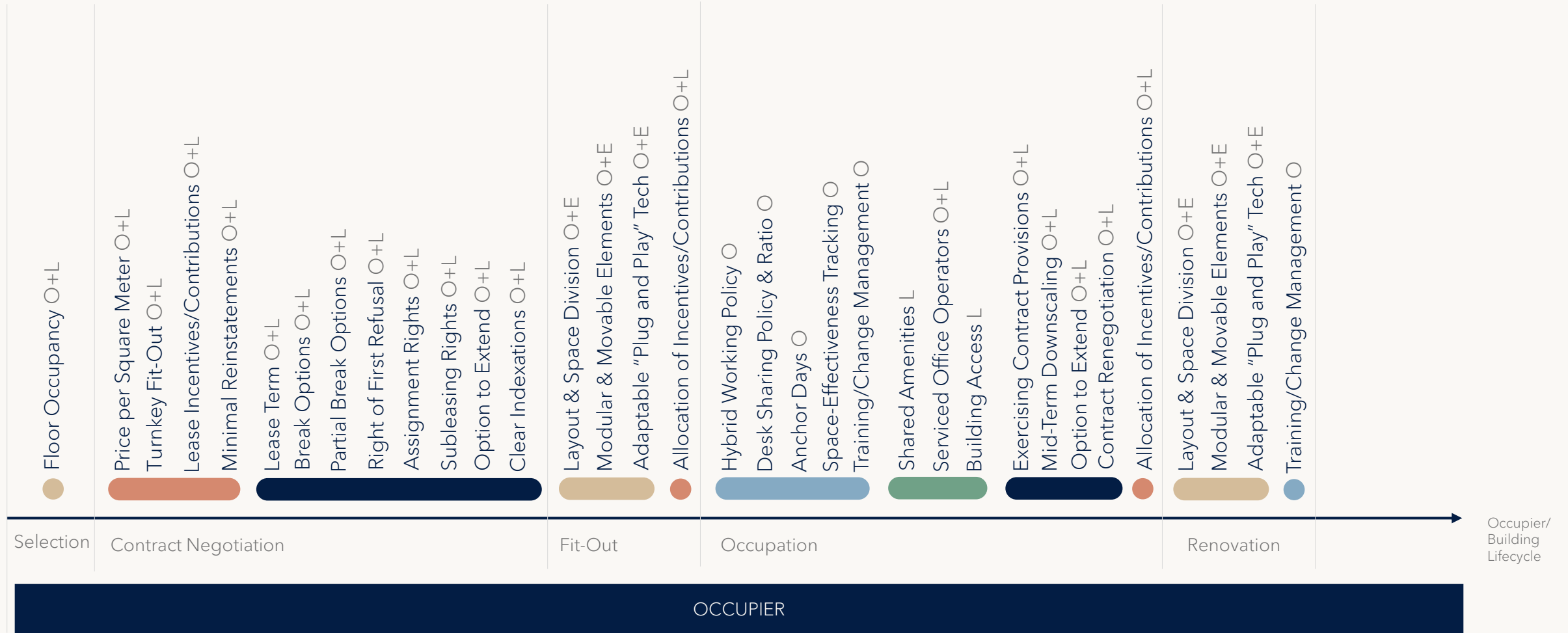
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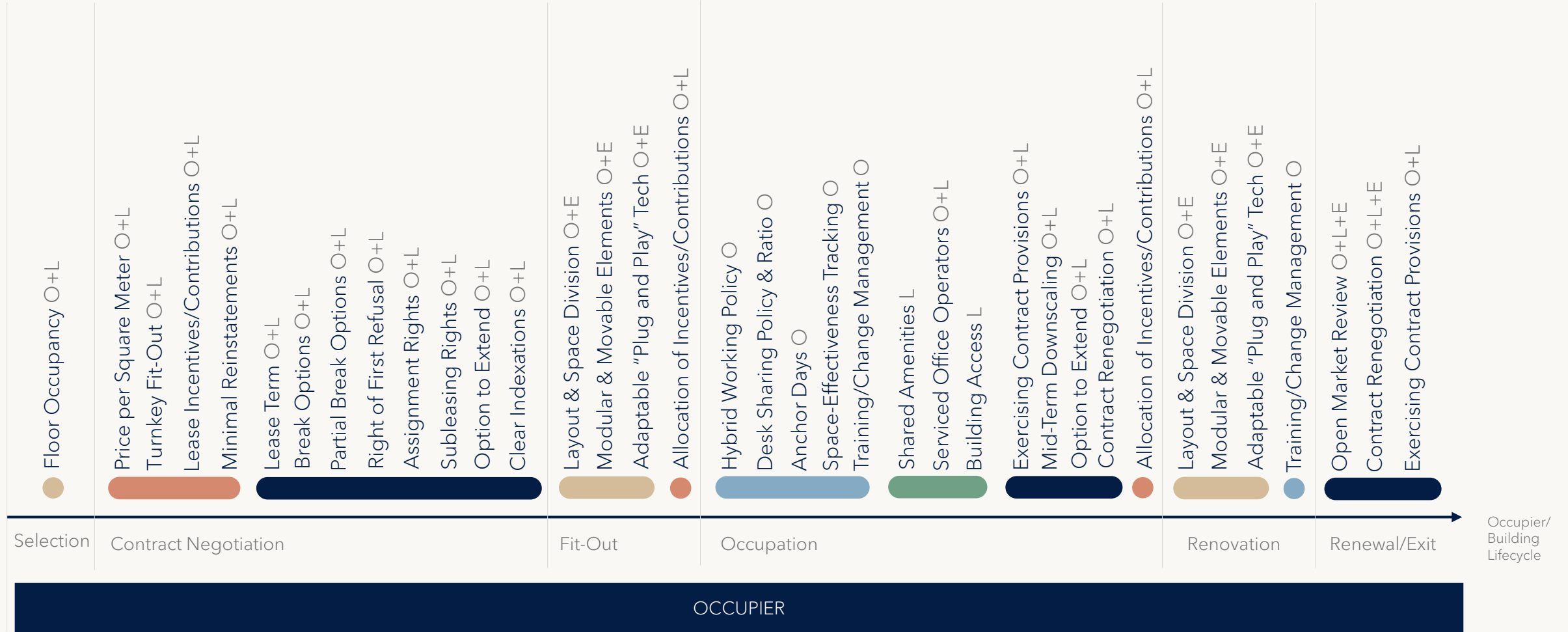
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Flexibility is
prioritized,
not maximized

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Adaptation of lease commitments through contractual rights

Length of the lease
Break option
Sublease or Assignment
Right of first refusal

Financial

Reducing or redistributing the financial burden of office commitments

Rent-free period
Fit-out contribution

Physical

Reconfiguring or adapting physical aspects of the leased space

Organization of the space
Modular Furniture
Activity-Based Working (ABW)

Organizational

Managing how the office space is used by employees

hybrid policy
desk-sharing ratio
anchor days

Building offering

Using building-level amenities beyond leased space

meeting center
café and event space
serviced office operator

Flexibility is prioritized, not maximized

ESPRESSO (Occupier A)

Consumer Goods
Multiple Floors
Becoming Profitable

- Did not foster collaboration
- Better reflect the corporate brand
Renovation

Cost Pressure

Prioritization

Financial

Max Fit out contribution

Legal

Longer Lease Term



Flexibility is prioritized, not maximized

Occupier D

Fast-Growing Tech Company
Main Occupier

Predicted need
for expansion

Growth

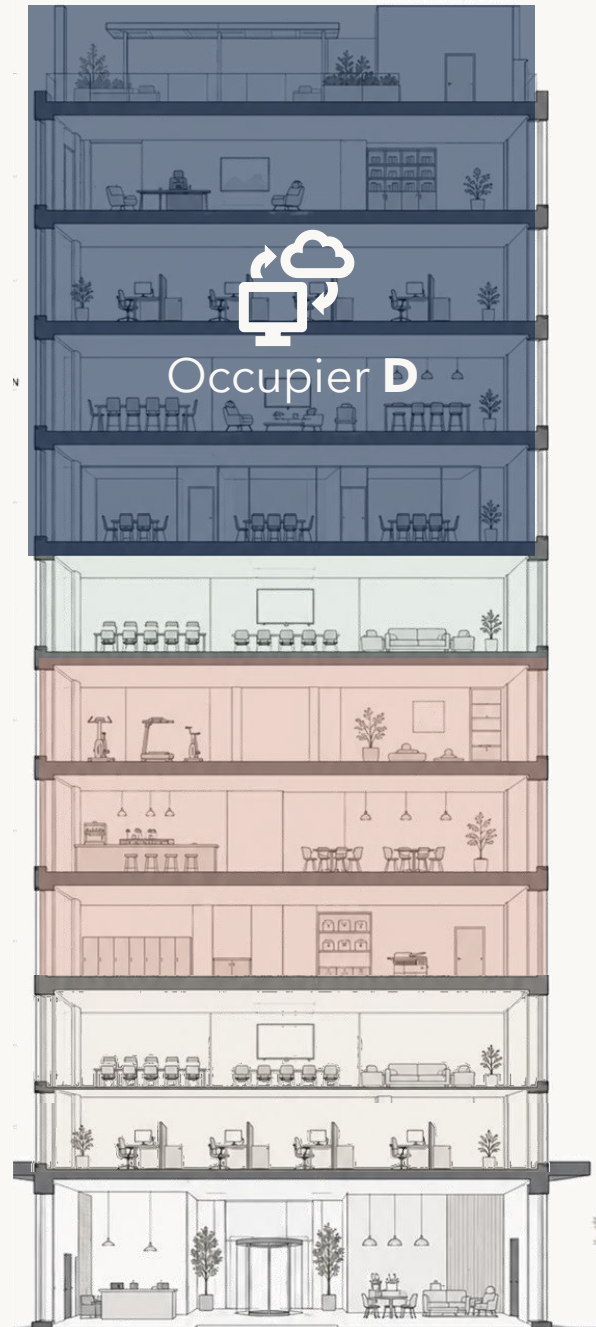
Prioritization

Legal

Right of first refusal on
future vacant floors

Physical

Day 2 layout scenarios
for growth



Flexibility is
extremely
context dependent

Do certain types of companies always prioritize the same dimensions of flexibility?



No single industry category or growth stage consistently corresponded to one flexibility dimension. No overarching patterns were identified.

Building as an ecosystem

Multi-tenant office building as an ecosystem

Each occupier's position within the building is constantly dependent on the other occupiers

Occupier D

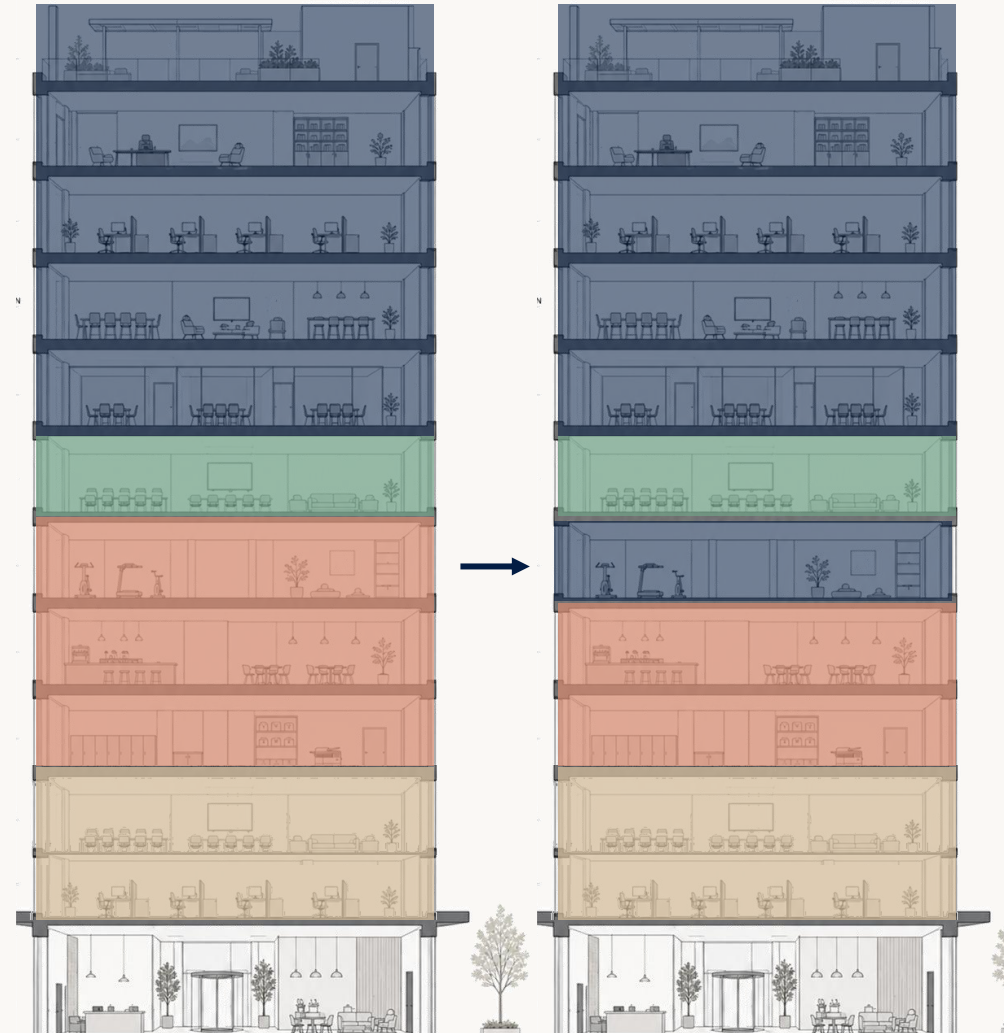
Future Expansions

ESPRESSO

Subleasing or assignment

LANDLORD POV

OCCUPIER POV



Absence of new mechanisms

The need of flexibility has increased - Mechanisms remain similar



- Lease Term
- Break Options
- Assigning/Subleasing
- Rent-Free Periods
- Fitout Contributions
- Layout & Space Division
- Modular & Movable Elements

Building Offering

Flexibility is an occupier's strategic response to the recurring mismatch between changing organizational demand and fixed office supply

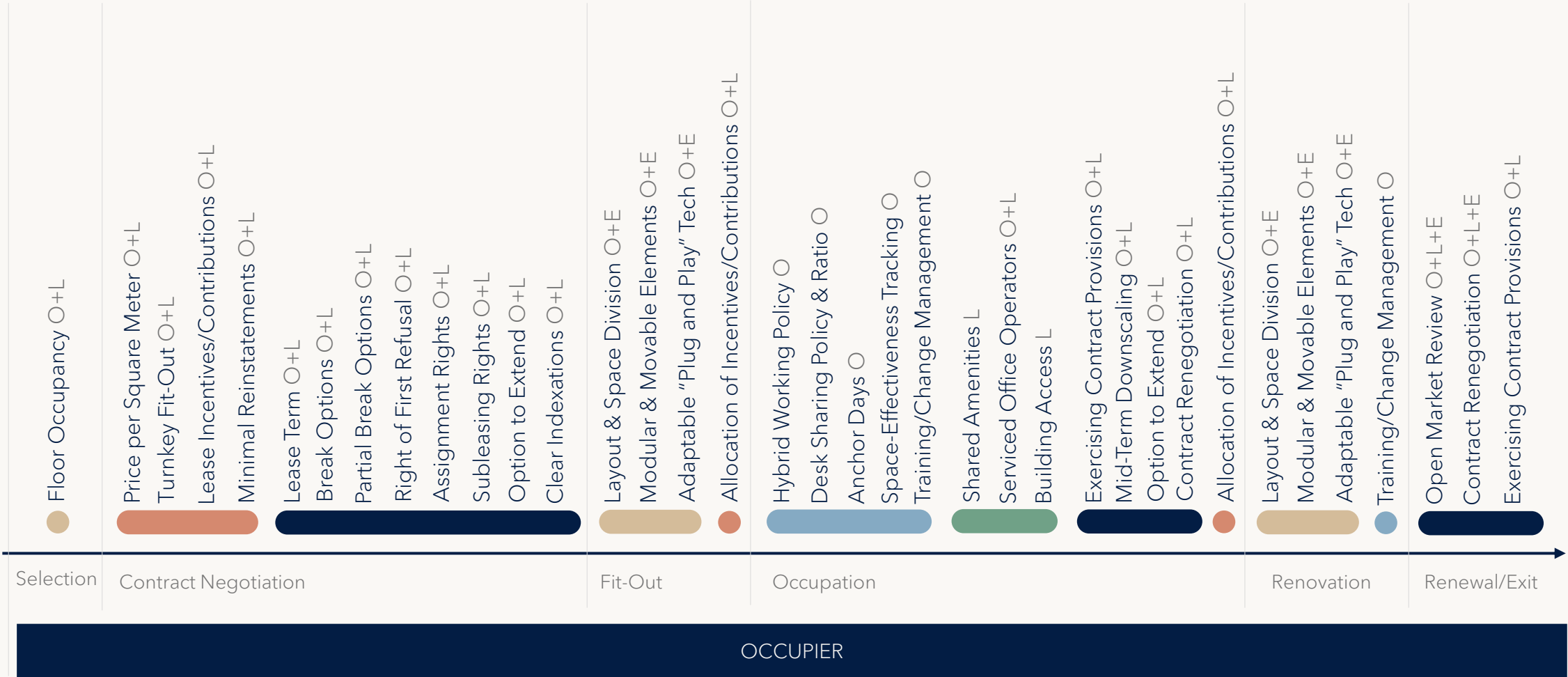
Uncertainty makes flexibility necessary

Five dimensions make flexibility operational

Prioritization and trade-offs make it achievable

The contribution is an **occupier-centered, asset-level framework** for understanding and visualizing flexibility across the occupier-building lifecycle.

Framework



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Occupier/
Building
Lifecycle

Framework

1. Diagnose

What is the specific mismatch? Growth? Attendance? Corporate Brand?

2. Prioritize

Which dimension and mechanism responds best to that mismatch in the specific context?

3. Trade-offs

What is gained, what is sacrificed?

Practical value: By visualizing flexibility across the building-occupier lifecycle, opportunities and patterns become easily recognizable.

When can possibilities for flexibility be increased? Where are they concentrated?
Is there support in every phase?

This supports occupiers, consultants and landlords in clearer decision-making

Thank you!

Questions?