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### [Reduce spacing, the federal workforce and CRE in Ottawa](#)

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The federal government is transforming its workplaces in ways it says will benefit employees and lessen its environmental footprint, but its plans could ultimately mean headaches for Ottawa's commercial real estate sector.

BOMEX, the annual conference for the Canadian division of the Building Managers and Owners Association (BOMA) held in Ottawa last week, featured a presentation from Public Works and Government Services Canada on what's called Workplace 2.0.

Workplace 2.0 is the government's plan for rejuvenating its workspaces in ways it says will better engage employees, be better for the environment and use the best technology available to meet those objectives.

The presentation from Maureen Farrington, a policy analyst with Public Works, showed how the government is looking to reduce the amount of space it uses on a per-employee basis.

"Space is going to be allocated more toward need," she said. "Workspaces will be allocated according to the worker profiles we've developed."

#### **Worker profiles to determine space requirements**

Farrington outlined four general categories of employees that would each require different amounts of space to

work: leadership workers who need a degree of privacy; fixed workers who are at government offices more than 60 per cent of the time; flexible workers who are at the office about 40 per cent at the time; and free address workers who are rarely at the office.

“A lot of people are not at their desks all the time, so the whole idea is assigning space that works for the organization for type of work that they do, for the amount of time that they’re in the office,” Farrington said.

However, she also talked about adding space to enhance the workplace such as “quiet rooms” but not requiring so much space to be devoted to things like file storage.

“Do we need all of those filing cabinets?” she said, noting how information can now be safely stored digitally.

Farrington also said government is looking at how technology can allow people to work from a variety of locations, including home.

“Work is what you do, it’s not where you do it, and employees need to be able to work from any location at any time and have the flexibility to do it on a variety of devices,” she said.

### **Federal government reduces average space per worker**

Public Works owns or manages, on behalf of various government departments, more than 70 million square feet of property, 87 per cent of which is office space, with a market value of \$5.9 billion, Farrington said.

A Public Works manual entitled Workplace 2.0 Fit-up Standards, released this year, shows the government has reduced the standard average amount of office space for new buildings and renovations to about 150 square feet per full-time worker equivalent from more than 170 square feet.

When one considers Public Works has about 270,000 people working in its facilities across the country, according to Farrington’s presentation, that represents about five million square feet of space the government doesn’t need any more. And that’s before taking into account employee cutbacks.

The last budget outlined a target to reduce the size of the federal government workforce by about 19,000 people over three years. The implications of less space per government worker would likely be felt by Ottawa’s commercial real estate sector.

### **Will government space allocation impact Ottawa commercial real estate?**

“When you think about a city and how its leading industry, being the federal government, is going through some fundamental changes on how they approach the workplace, I think you’re naive to think that it’s not going to have an impact,” said James McNeil, vice-president of commercial leasing and sales for Cushman & Wakefield Ottawa.

McNeil said the government has plans into move into more than 7.3 million square of newly built or renovated office space in the national capital in the coming years, most of which is outside the downtown core. When one considers staff cuts and the goal of using up less space on a proportional basis, he said there could be as much as 11 million square feet that is left behind, much of it downtown, as it moves into new accommodations.

“Potentially, we could have a hollowing out of our downtown core,” he said. On the other, McNeil said — as he has previously — there could be an opportunity to “redefine” downtown Ottawa if building owners and managers renovated less efficient properties that the government leaves vacant and the city helps market such properties to world-class companies.

“Sustainability in business is huge now, so how do you start to make this city more sustainable to be able to attract those leading industries,” he said.

### **A growing public service is likely over the long run**

Brett Miller, president of Jones Lang LaSalle in Toronto, said the trend of operating with less space per worker is something the private sector has been moving toward for years. While the government’s moves will likely affect

Ottawa’s real estate market, he said it is unlikely to suffer significantly. He said despite the current cutbacks happening with the number of government employees, he said a return to growing the public service is likely over the longer term.

“The demand for government services continues to increase, the Canadian population continues to grow, running Canada is more and more complex, so I would be surprised to see the government of Canada having less employees in 10 years than it does today,” he said.

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