

## A Hybrid Model of Work has Arrived

As companies focus on a return to the office it appears a hybrid work model is here to stay...for now.

Historically low unemployment (1.8% in MN) has given employees more clout. Workers have grown accustomed to remote work and more flexibility. Working remote means working anywhere. This means time spent commuting or riding on public transportation can be spent on increasing productivity or used for leisure and many home offices are popping up in vacation or lake home environments.

This trend is transforming the way we use office space and will impact demand for years to come! Many office workers have gone to a hybrid schedule of in-office and remote to 100% remote in some instances. A hybrid approach may have a dramatic impact on demand if businesses begin to limit office visits to 2 or 3 days per week and implement a hoteling model. Vacancy rates, which are already at historical highs, could increase even further. With leases having staggered expirations over the next 12 to 60 months it will take time for the full impact of this shift to be felt.

In response to this trend many companies are pursuing higher quality space with an increased focus on amenities. The goal is to entice employees back into an office environment that

promotes collaboration, synergy and a culture that will help attract and retain talent. Club rooms, on site cafés, fitness centers, conference areas, outdoor patios and lounges are just a few amenities that are becoming more common.

Recent trends in space design include a renewed focus on collaborative areas such as breakrooms that can be used for multipurpose events both large and small. Private office or self-enclosed pods are increasing in popularity where privacy and focus are important. Even open area plan areas may be isolated into smaller groups for increased privacy noise reduction and separation from other staff. Upgrades to HVAC systems are also including MERV 13 filters and UV light treatment to improve air quality and reduce worker health concerns. Below is a sample fit plan for a tenant reducing their footprint from 7,000 RSF to 3,925 RSF while still being able to accommodate all staff at once utilizing hoteling and flexible work spaces.

There are a number of jobs that benefit from the transfer of knowledge from one's peers or through a more collaborative in-person experience. A hybrid model is likely here to stay, though if we enter our next recession or unemployment edges us beyond 5% it will be interesting to see if the leverage the labor force now holds will stand as the hybrid office evolves.

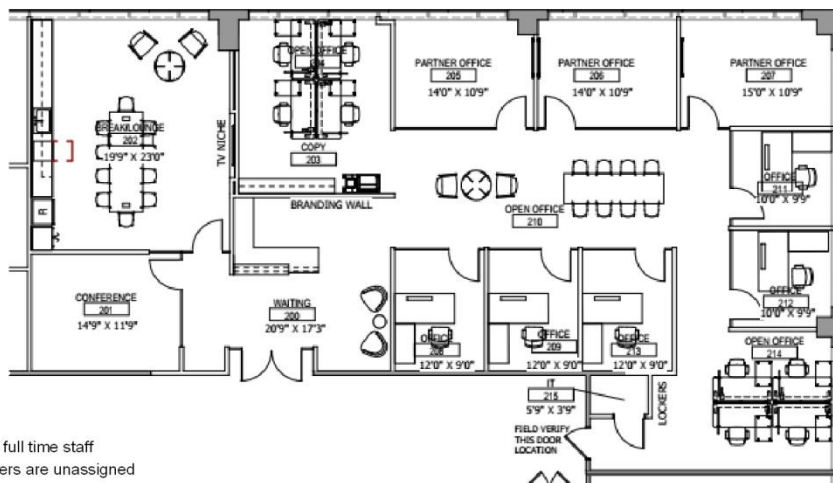
### Example "Hybrid" Space Plan

- INDIVIDUAL SPACES**
- 2 Private Offices (small)
  - 3 Private Offices (medium)
  - 3 Partner Offices
  - 8 Workstations

- SHARED SPACES**
- 1 Conference
  - 1 Break/Lounge
  - 1 Reception

- SUPPORT**
- 1 IT/Data Room
  - 1 Print/Copy Area

Building Rentable SF: 3,925 RSF



**Notes:**

- Larger offices are reserved for full time staff
- Smaller offices for hybrid workers are unassigned
- Open plan areas are separated for privacy
- Breakroom serves as a conference center, as well as touchdown areas for hybrid staff and a lounge
- Open seating / collaborative areas can be used for meetings and hoteling overflow staff

# Recent Transactions

## OFFICE



New Lease  
8300 Tower  
Bloomington, MN



New Lease  
Plymouth, MN



Lease Renewal  
Riverplace  
Minneapolis, MN

LAW OFFICE OF  
JEFFREY A. JONES, PA

New Lease  
Golden Hills Office Center  
Golden Valley, MN

SOUTHWEST METRO  
INTERMEDIATE DISTRICT 288

Office Building Purchase  
Shakopee, MN



New Lease  
Eagan, MN



New Lease  
Minneapolis, MN

**CSC Gold**

New Lease  
Minneapolis, MN

## RETAIL



Lease  
North Loop  
Minneapolis, MN



Restaurant  
New Lease  
Roseville, MN

## LAND

**Hollydale Golf Course**  
Residential Development Sale  
Plymouth, MN

**8012 Old Cedar Ave S**  
Sale for Affordable Housing  
Development  
Bloomington, MN

## INVESTMENT

**1050 Larpenteur Ave**  
Medical Building Sale  
St. Paul, MN

**Lakeville Professional Plaza**  
Sale  
Lakeville, MN

**Everbrook Academy**  
Sale  
Minnetonka, MN

## INDUSTRIAL



New Lease  
Roseville, MN



New Lease  
Bloomington, MN



New Lease  
New Brighton, MN



Build-to-Suit  
West Jefferson, OH



New Lease  
St. Paul Midway Area, MN



Industrial Sale  
63 St. Anthony Pkwy  
Minneapolis, MN

Industrial Purchase  
6601 Shingle Creek Pkwy  
Brooklyn Center, MN

## MEDICAL



New Lease  
Eden Prairie, MN



Silver Lake Dental  
The focus is on you

Building Purchase  
New Brighton, MN



New Lease  
Plymouth, MN



New Lease  
Arden Hills, MN



New Lease  
Minneapolis, MN



New Lease  
Buffalo, MN

# TaTonka



TaTonka is a team of commercial real estate advisors focused on providing custom solutions for tenants and buyers. We help clients lease, buy and build commercial space. Our approach saves clients money and turns the workplace into an asset.

Experienced. Respected. Trusted.

## Services

- Site Search and Selection
- Lease Negotiation
- Building Acquisition
- Build-to-Suit Representation
- Strategic Planning
- Advisory and Consulting Services
- Valuation & Appraisal Services
- Disposition of Excess Real Estate

## TaTonka Team



**Anne Tuccitto**  
612-466-7300  
alt@tatonkare.com



**Andrew Chirhart**  
612-466-7311 (o)  
651-492-2289 (c)  
achirhart@tatonkare.com



**Brad Mateer**  
612-466-7313 (o)  
612-807-0592 (c)  
bmateer@tatonkare.com



**Corey Whitbeck**  
612-466-7303 (o)  
612-735-1983 (c)  
cmw@tatonkare.com



**Darryle Henry**  
612-466-7308 (o)  
612-384-2492 (c)  
djh@tatonkare.com



**Mike Koehler**  
612-466-7310 (o)  
612-741-2424 (c)  
mkoehler@tatonkare.com



**Ron Moss**  
612-466-7307 (o)  
612-702-3943 (c)  
rkm@tatonkare.com



**Rodger Skare, MAI**  
612-466-7312 (o)  
612-819-0529 (c)  
rls@tatonkare.com



**Steve Chirhart**  
612-466-7302 (o)  
651-260-4444 (c)  
svc@tatonkare.com



**Tim Stewart**  
612-466-7304 (o)  
612-508-8637 (c)  
tcs@tatonkare.com

## TaTonka's National and International Connections

TaTonka's membership in Exis Global and continued involvement with SIOR (Society of Industrial and Office Realtors) provides best in class service to our clients with a multi-market presence.

Through our vast network we're able to serve your national requirements and provide quality real estate solutions customized to meet your objectives.



## Areas of Specialization

- Office
- Industrial
- Medical
- Retail
- Land
- Investment

We believe tenants deserve exclusive representation with an advocate fighting for them. TaTonka can help you navigate the real estate process to achieve the flexibility and terms your business needs. Contact us today to start the conversation!

For more information contact:

[Info@tatonkare.com](mailto:Info@tatonkare.com) or 612.466.7300