

FEATURED

# What This Tech Firm Did With Its Headquarters Would Have Been Unthinkable Before the Pandemic

Human Resources Software Firm Decisely Sublet its Space and Went to Pure Work-From-Home Model



Human resources technology firm Decisely sublet its entire headquarters at Mansell One north of Atlanta as a result of the pandemic. (CoStar)

By **Tony Wilbert**

CoStar News

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Like most companies, software provider Decisely had to figure out what to do with its empty offices at the peak of the pandemic. What it ended up doing with its real estate from Georgia to Northern California would have been out of the question just months

earlier, but now provides a case study in how corporate America has navigated the coronavirus.

The pandemic struck as the company, whose benefits software helps small businesses, was renting a building in Atlanta's northern suburbs for its headquarters, with amenities including areas for collaboration, space for breaks and even a storage room for bicycles. But after the pandemic shut the office for three months, Decisely decided to sublease its entire space at the [Mansell One office building](#) in Alpharetta, Georgia.

"We realized this wasn't going to be a two-month or three-month pandemic," Decisely CEO Kevin Dunn said in an interview. "I asked myself, 'Why am I going to continue to pay this expense?'"

Thursday marks the one-year anniversary of the World Health Organization declaring the coronavirus a global pandemic. While there has been a massive shift across various sectors of the U.S. commercial real estate industry in that time, large portions of the U.S. workforce are still working remotely.

Now, with coronavirus vaccines being distributed and new case numbers starting to slow, companies are employing different office space strategies. Some companies are going 100% remote, others are downsizing their overall office footprints or reconfiguring their floors to socially distance workers or even moving to low-rise buildings in the suburbs.

Decisely decided to completely vacate its headquarters in Atlanta and an office in the greater Sacramento area of California. In June, the company tapped the Transwestern team of Bradley Fulkerson and Austin Hibbard to list its space at Mansell One for sublease. "We wanted to get in front of the line" of potential companies that might flood the market with excess office space, Dunn said, which is exactly what happened nationwide.

The amount of U.S. office space available for sublease spiked last year as many companies gave up office space and reduced their headcounts to mitigate costs during the pandemic. The pandemic has shaken up real estate needs for all types of office tenants, and commercial real estate brokers are scrambling to help their clients.

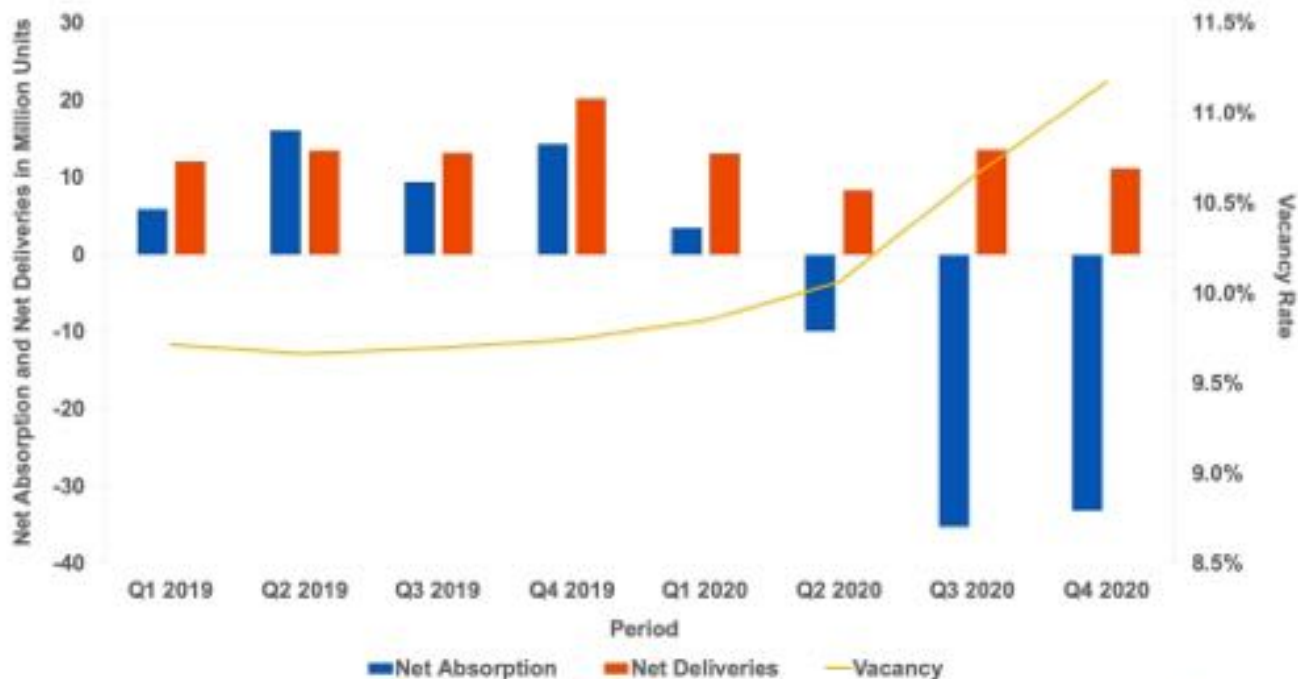
# Subleasing Its Home

By October, Decisely executed an agreement to sublease for 37 months its 23,325-square-foot space in Georgia to Stryten Manufacturing, which makes batteries for energy storage, according to [CoStar data](#). The Simpson Organization, which bought Mansell One in January 2020, approved the deal, and Decisely moved out Dec. 1. Terms of the deal were not disclosed.

Dunn said Decisely's move to a purely remote workforce instantly paid off. "I'm saving hundreds of thousands of dollars a year," he said. "It fundamentally changes our cost structure."

Decisely's leadership and board determined a stipend to pay employees to cover some cellphone and internet costs associated with working remotely. And the company leased five desks at [WeWork's location at Halcyon](#) in the Atlanta area, about 10 miles northeast of Mansell One, to offer company leaders a place to meet and employees somewhere to work outside their homes from time to time.

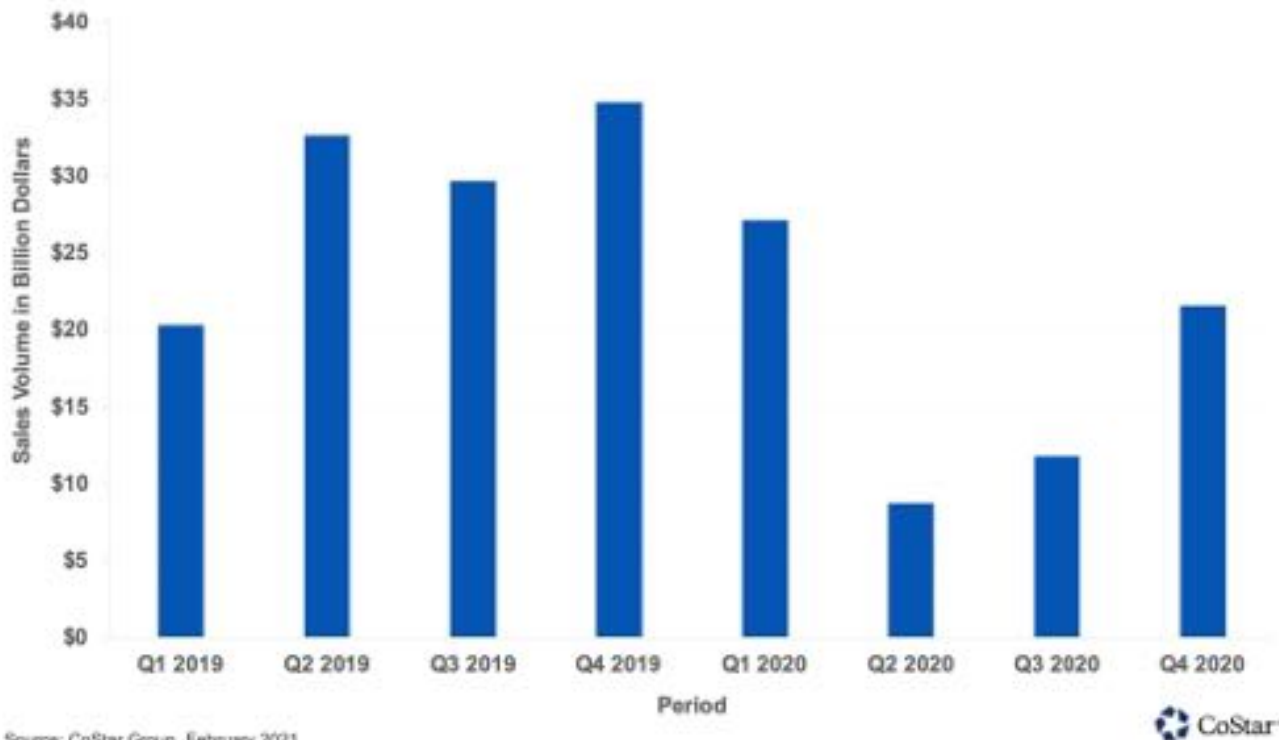
## Office Vacancies Rose and Leasing Fell Through 2020



Source: CoStar Group, February 2021



## Office Sales Dropped in 2020 During the Pandemic's Peak



Fulkerson and Hibbard are working with Jack Blackmon of Newmark in Sacramento to sublease Decisely's 4,302 square feet of office [space in Folsom](#), California.

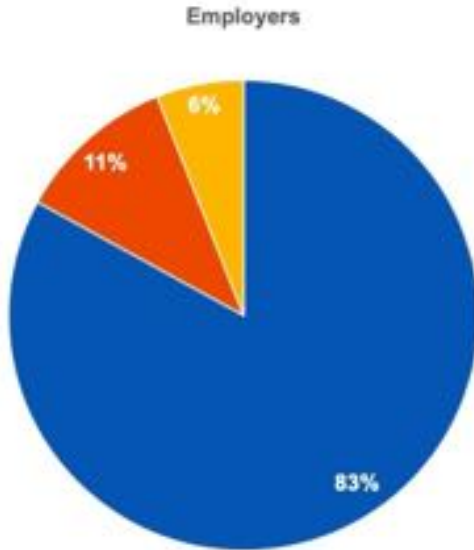
The Transwestern team is helping Decisely figure out its future space needs. Dunn said the firm plans to eventually return to occupying some office space. Decisely workers "could see themselves coming back once or twice a week," according to a survey of its employees, Dunn said.

Decisely's internal survey results align with those of a remote-work survey conducted by accounting firm PwC. In its survey of 1,200 U.S. office workers conducted in November and December, 55% said they would prefer to be remote at least three days a week once pandemic concerns ease, down slightly from the 59% who said the same in PwC's June remote working survey.

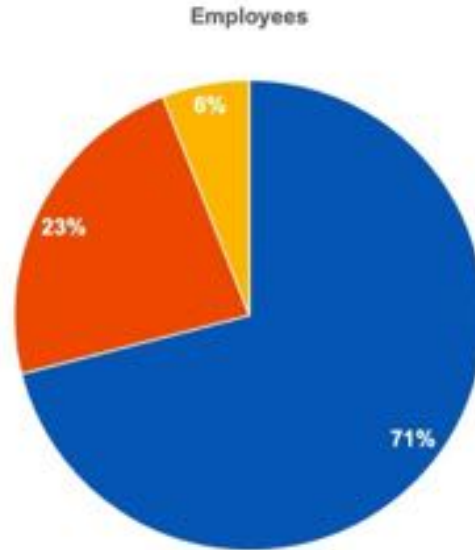
Of the employees surveyed, 71% said working remotely has been successful. Of the 133 U.S. executives PwC surveyed in January, 83% of them said remote work had been successful.

Less than 1 in 5 executives surveyed by PwC said they wanted to return to the office as it was before the pandemic hit a year ago.

## Most Find Success With Work From Home



■ Successful ■ Mixed results ■ Unsuccessful

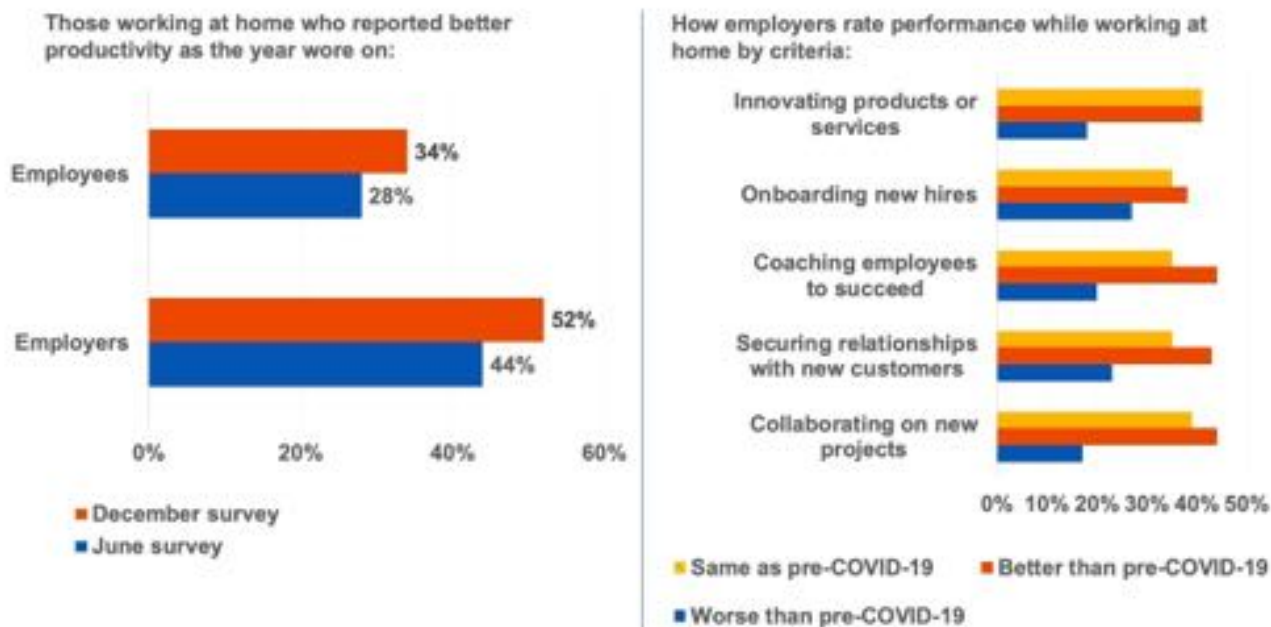


■ Successful ■ Mixed results ■ Unsuccessful

Source: PwC US Remote Work Survey, February 2021



## Remote Work Productivity Improves With Time



Source: PwC US Remote Work Survey, February 2021



## Isolation Concerns

While most of the executives surveyed said they expect to offer employees options for remote work moving forward, they also expressed concern about the impact of working from home, with 68% saying "a typical employee should be in the office at least three days a week to maintain a distinct company culture," according to the survey.

Cultivating the company's corporate culture is critical to Decisely, and Dunn said some of the money the company saves on office costs will be reallocated to doing just that.

"I can afford to really build a company culture" by investing the money in monthly staff meetings at a hotel, hosting a catered dinner for employees or renting event spaces for outings with workers and their families, Dunn said.

Decisely's culture was on display at its space at Mansell One, and that helped sell the space to the new tenant, which got it fully furnished, Fulkerson said.

"These guys really loved their space, and it showed when you walked into it," Fulkerson said. The subleasee, Stryten Manufacturing, "could really picture themselves being there," Dunn said. "That helped make the transaction work for both parties."

There's no broad brush to apply to the process of deciding what to do with office space as employers begin executing their back-to-the-office strategies, Fulkerson said. While Decisely gave up its headquarters and is beginning to consider potential new office and coworking spaces, another of Fulkerson's clients recently renewed its lease for 11 years, he said.

"We're talking to a lot of companies about a sublease strategy," Fulkerson said. "Of course the other strategy is to restructure your lease for immediate savings now since landlords are looking for some certainly that tenants will be staying at the end of lease expirations coming up in the next 12 to 24 months."

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