STATE OF MICHIGAN
GRETCHEN WHITMER
GOVERNOR
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING
MICHELLE LANGE
DIRECTOR

At the outset of Governor Whitmer's administration in 2019, the Department of Technology, Management & Budget prioritized leveraging modern workplace strategies to maximize the efficiency of the State of Michigan's real estate portfolio. As part of our responsibility to provide and maintain facilities for state agencies, we have focused on implementing office space standards that are more in-line with private industry, allowing us to better utilize our existing space and shrinking our footprint to save taxpayer money, when possible, through consolidation of operations into state-owned buildings.

These efforts have yielded significant results. Since 2019, the state's lease portfolio has decreased from 461 to 407 properties, reducing the overall lease footprint by 500,000 square feet and avoiding more than $21.6 million in cumulative lease costs. Through close collaboration with state agencies, we have worked to align real estate needs with evolving operational priorities, successfully transitioning many offices to a space-sharing model.

Further efficiencies have been gained through the revision of space allocation standards from a high of 250 square feet per employee to the current standard of 150 square feet. This maximized the footprint in current buildings and resulted in a reduction in the average usable square footage per employee to 209 square feet from the 2017 average of 235.

The COVID-19 pandemic required DTMB to rapidly adapt to shifting building occupancy and management needs. In the years that followed, public and private organizations alike faced continued uncertainty in defining their space requirements. Now, with a more stable landscape, it is essential to take a comprehensive approach, ensuring that our strategies not only meet current demands but also position the state for long-term efficiency and sustainability.

To build on our progress, DTMB engaged an industry expert through a competitive bid process to conduct a thorough review of the state's real estate portfolio. CBRE was selected based on their expertise and ability to provide valuable insights into further optimization opportunities.

The following report represents more than eight months of in-depth analysis, including site visits, interviews, surveys, and data reviews conducted by CBRE. This assessment is the next step as we further develop our roadmap to build upon the work that has been done over the past six years, ensuring that taxpayer resources are utilized as effectively as possible.

Michelle Lange

Michelle Lange
Director, Department of Technology, Management & Budget

APRIL 2025

State of Michigan

DTMB Building Occupancy Study

Findings

CBRE

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DTMB Building Occupancy Study

1 Executive Summary

Building on Results

Since 2019, the Michigan Department of Technology, Management & Budget (DTMB) has collaborated with agencies to optimize workspaces, balancing operational needs with efficient space utilization and an improved customer experience. While agencies determine what best fits their business models within state space standards, DTMB has guided numerous efficiency-driven outcomes.

DTMB continuously streamlines operations by prioritizing state-owned space, consolidating groups, reducing individual and team footprints, and through introducing structured office-sharing models. The COVID-19 pandemic quickly shifted operations leading to new, efficient workforce management and a more flexible customer service experience.

To build upon these efforts, DTMB engaged CBRE to perform consulting services and develop a real estate comprehensive analysis and recommendations study (Building Occupancy Study or Study). The purpose of this Study is to recommend a portfolio roadmap that remains steadfast to the State of Michigan's programmatic focused fiduciary responsibility.

Project Introduction

The Study highlights opportunities to build on existing strategies that help agencies further optimize space while enhancing both workforce and customer experience. The State can drive greater cost savings while meeting the public need in new and improved ways for the future.

DTMB goals include:

Creating adaptable workspace and flexible programming for the future	Continuing approach to optimize use of State-owned real estate assets	Utilizing data to ensure portfolio optimization	Portfolio and programmatic roadmap that remains steadfast to the State's fiduciary responsibility

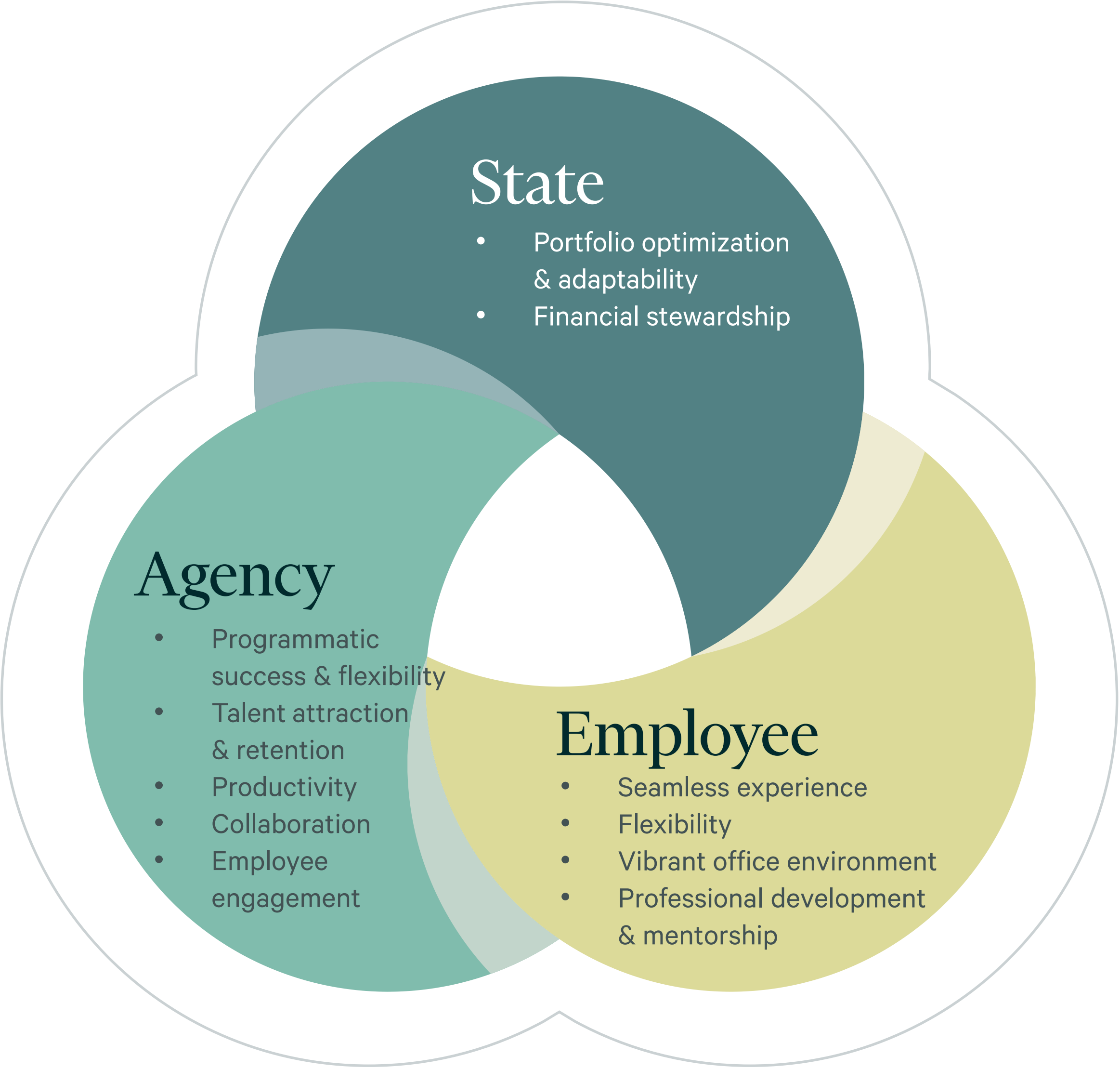
Research Activities

From March to September 2024, the CBRE Workplace team conducted the following qualitative and quantitative research activities to inform the State of Michigan's space requirements and optimal occupancy scenarios for the future workplace.

Facility Tours	Space Analysis	Building Utilization	Interviews	Survey	Visioning Session
12 Buildings	**~535k** USF	**29** Buildings	**32** Agency Leaders	**26** Space Planners	**4** DTMB Leaders
Conducted a site observation to add further context and due diligence to the workplace analysis	Analyzed select floors in 11 buildings to build a baseline comparison for all future scenarios to be evaluated against.	Reviewed badge data to identify trends in building utilization.	Conducted 14 individual and group interviews with Agency leaders to learn about their teams' workflows and workplace needs	Surveyed key agency space planning contacts to understand space use, team flexibility and mobility and overall workplace experience.	Facilitated workshops to align with DTMB and gather insight on project deliverables and implementation

Balancing Stakeholder Priorities

The various major stakeholder groups within the State of Michigan see the workplace experience through the lens of their own experiences and priorities.



Source: Stakeholder priorities identified in Visioning Session, September 2024.

Research Scope

For the purposes of this study, CBRE reviewed various subsets of the State-owned portfolio with a focus on office space.

CBRE also provided portfolio analysis throughout the greater leased portfolio, described in more detail in Section 3 of this report.

Capitol Complex (State-owned)	Facility Tour	Space Analysis	Badge Data	Survey
* **Austin**			X	X
* **Constitution Hall**	X	X	X	X
* **Elliott-Larsen**		X	X	X
* **Grand Tower**	X	X	X	X
* **Hannah**			X	X
Hall of Justice			X	
Joint Operations			X	
Joint Lab				
* **Lottery**				X
* **Mason**	X	X	X	X
MLHC			X	
* **Ottawa**		X	X	X
Record Center	X			
* **Romney**	X	X	X	X
SOM Warehouse Complex	X		X	X
* **South Grand**			X	X
* **Van Wagoner**	X	X	X	X
* **Williams**			X	

Secondary Complex (State-owned)	Facility Tour	Space Analysis	Badge Data	Survey
C&T			X	
Energy Center				
Forensics				
GSB	X			
MDOT Warehouse				
MSP Annex			X	
MSP 1^{st} District			X	
* **MSP Headquarters**	X	X	X	X
MSP SEOC				
* **Operations Center**	X	X	X	X
PTA-MSP				
SMEC				
* **SOS**			X	X
VTS				

OutState (State-owned)	Facility Tour	Space Analysis	Badge Data	Survey
* **Cadillac Place**	X	X	X	X
* **Escanaba**			X	X
* **Flint**			X	X
* **Grand Rapids**			X	X
* **Jackson**			X	
* **One Division**			X	
* **Saginaw**			X	X
* **Traverse City**			X	X

* *Note: Buildings with an Asterisk were included in the current seat supply total (In-Scope). The other buildings were excluded due to asset type or if the current space use is not going to change.*

Portfolio Optimization & Adaptability

Optimizing the State of Michigan's real estate footprint to be able to flex up and flex down, increase efficiency, reduce costs, and improve service delivery.

The State of Michigan currently owns more than 4,900 buildings consisting of 48.7 million square feet, only 4% of which is utilized as office space. DTMB is responsible for managing 12.6 million gross square feet of the overall portfolio. In addition, DTMB manages approximately 407 leases totaling 4.6 million rentable square feet.

CBRE understands the State's commitment to continuing to optimize its real estate footprint. Based on a thorough analysis, CBRE has identified densification measures, which are detailed within the Survey.

DTMB can capture savings in operating expenses and rent by working towards densification goals in stages. This includes factoring existing furniture inventories and floor layouts into planning. New design efficiencies can be incorporated over time when re-use is no longer viable.

SOM Workstyle Assumptions

SOM customized a set of questions to send to key space contacts via survey.

Therefore, the following worker personas were determined using the space contact responses on the Agency’s workstyle.

In-Office Sample Profile

Office Home Third Space

An individual who requires access to spaces and tools found only in the office. They also prefer to be in office as they find it more productive (e.g. they share their home office space with a partner).

4+ days/week in office

24% of SOM employees

Recommended sharing: N/A

Hybrid Sample Profile

Office Home Third Space

An individual who spends most of their time collaborating with their team but prefers to do individual focus work at home. Enjoys meeting with team members at the office on coordinated team days and coming in for other planned meetings and events.

2-3 days/week in office

62% of SOM employees

Recommended Sharing: 1.5 : 1

Remote Sample Profile

Office Home Third Space

An individual who spends most of their time working individually. Has a great ergonomic set-up at home and finds they are most productive there. Likes to come into the office for socializing during scheduled team and company-wide events.

< 1 day/week in office

14% of SOM employees

Recommended Sharing: > 2.5 : 1

EXECUTIVE SUMMARY

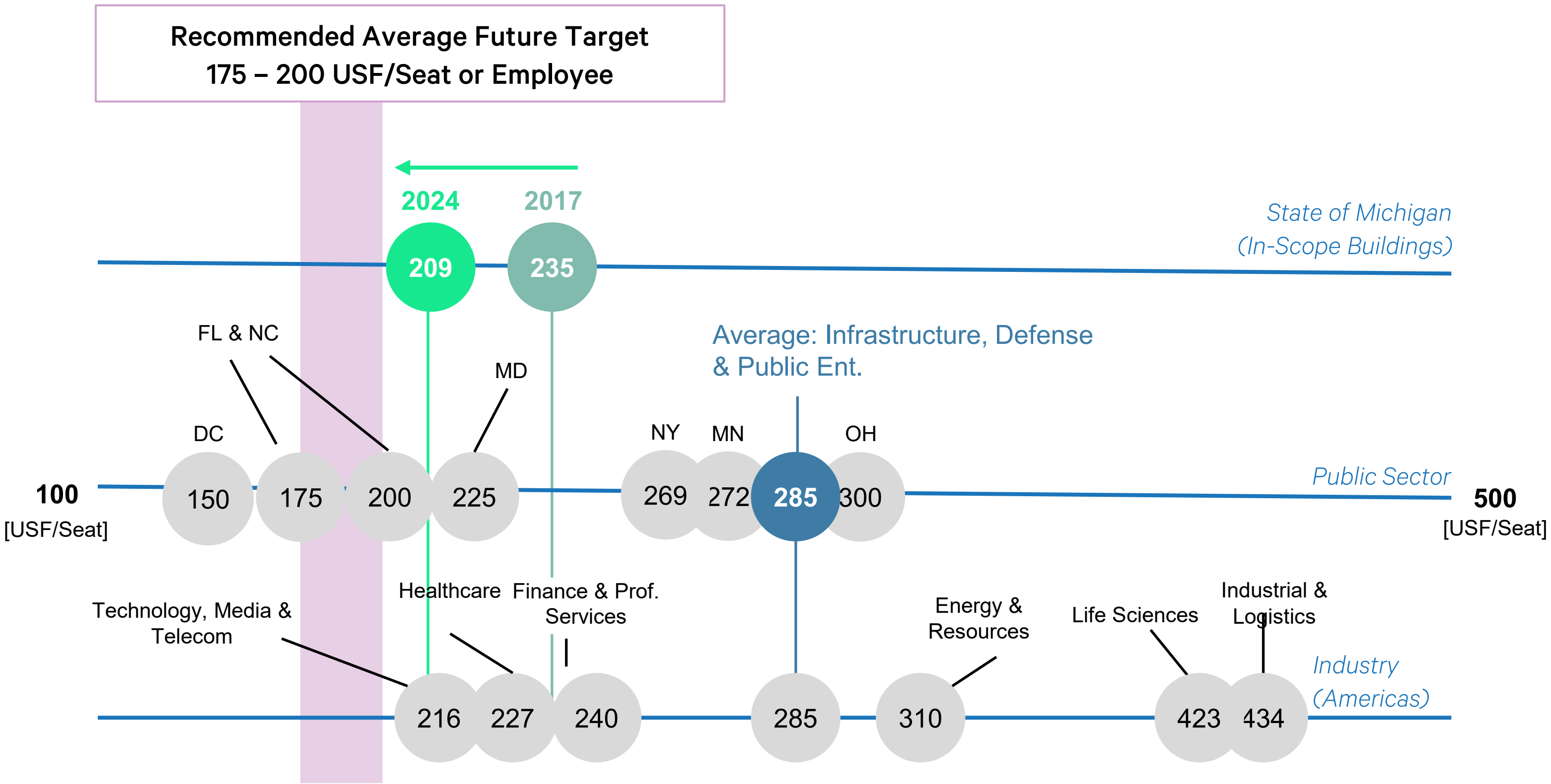
Michigan performs favorably when compared with public and private sector peers

- Since 2020, DTMB has initiated or completed 25 significant space optimization projects. Highlights include optimizing 459,000 USF including reduction of 191,000 USF/ 29.4% across projects while also creating new collaborative and amenity spaces
- There is room for further optimization; a space analysis of representative floors of State-owned buildings at a specific point in time (as of July 2024) showed that SOM's USF per seat or person was higher than best practice targets for the public sector
- DTMB can continue to balance densification modifications with costs for new furniture and configurations

Generally, the Public sector has a higher square footage per seat relative to best practice targets.

~5-20%

SOM in-scope buildings are ~5%-20% higher than recommended target metrics.



Source: Various State Government Workplace Utilization Studies and CBRE Benchmarking. Reflects point in time data and sample data sets, not necessarily complete portfolios

DTMB Building Occupancy Study

2 Detailed Findings

Seat Supply & Headcount Assumptions

Currently, there are 18,491 seats available across this office portion of the State-owned portfolio totaling 24 properties (in-scope).

Only 11,955 of those seats are currently assigned which equals a 65% assignment (= seats assigned divided by seat capacity).

Source: DTMB

Private sector vacancy targets vary by industry but range from <10% to 20% for the majority of clients surveyed.

Source: CBRE Occupancy Management Survey 2024

Current seat supply includes the following buildings within the office portion of the State-owned portfolio. Select buildings were *excluded* due to asset type or if the current space use is not likely to change.

Capitol Complex*	Seat Capacity	Assigned	% Assigned
Austin	698	532	77%
Constitution Hall	1,768	1,328	75%
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Hannah	1,037	515	50%
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Capitol Complex Total	**10,095**	**6,356**	**63% (Avg)**

**Buildings excluded: Hall of Justice, JOC, Joint Lab, MLHC, Record Center, SOM Warehouse Complex*

Secondary Complex*	Seat Capacity	Assigned	% Assigned
MSP Headquarters	845	778	92%
Operations Center	2,007	1,132	56%
Secretary of State	520	278	53%
Secondary Complex Total	**3,372**	**2,188**	**65% (Avg)**

**Buildings excluded: C&T, Energy Center, Forensics, GSB, MDOT Warehouse, MSP Annex, MSP 1st District, MSP SEOC, PTA-MSP, SMEC, VTS.*

OutState	Seat Capacity	Assigned	% Assigned
Cadillac Place	3,053	1,784	58%
Escanaba	70	57	81%
Flint	480	384	80%
Grand Rapids	242	221	91%
Jackson	330	256	78%
One Division	235	183	78%
Saginaw	460	391	85%
Traverse City	154	135	88%
OutState Total	**5,024**	**3,411**	**68% (Avg)**

In-Scope Building Information: Capitol Complex

Building	Con Hall	Mason	Austin	Williams	Romney	Ottawa	Van Wagoner	Hannah	SOM Complex	Elliott-Larsen	Lottery	South Grand	Grand Tower	TOTAL
Address (Lansing)	525 W. Allegan St	530 W. Allegan St	430 W. Allegan St	525 W. Ottaway St	111 S. Capitol Ave	611 W. Ottawa St	425 W. Ottawa St	608 W. Allegan St	3111 W. St	320 W. Walnut St	101 E. Hillsdale St	333 S. Grand Ave	235 S. Grand Ave	
Total USF	335,070	166,258	154,591	110,399	170,256	158,156	203,894	161,026	48,193	146,877	68,823	101,095	213,759	**2,038,397**
Total RSF	473,750	204,392	180,907	132,581	234,776	196,635	235,092	182,435	67,973	196,373	86,644	140,540	277,944	**2,610,040**
Seat Capacity	1,768	773	698	436	673	688	1104	1037	143	840	201	541	1,336	**10,238**
Building Headcount	1,328	580	532	360	416	249	957	515	119	497	151	303	468	**6,475**
% Assigned	75%	75%	76%	83%	62%	36%	87%	50%	83%	59%	75%	56%	35%	**63%**
USF per Employee	252	287	291	307	409	635	213	313	405	296	456	334	457	**315 (avg)**
Major Tenants	EGLE DNR	DTMB DIFS	TREAS MDOS	AG	DTMB	LARA	MDOT	MDE DHHS	DTMB	LEO DTMB	LOTTERY	DHHS	DHHS	
Annual OPEX FY24	$7,642,342	$3,717,302	$3,083,703	$2,282,359	$4,415,129	$4,446,584	$3,825,059	$3,784,005	$751,487	$2,945,222	$1,375,467	$3,125,375	$6,205,461	**$47,599,495**
Bond Debt Service	$9,377,130	$1,548,000	$-	$-	$-	$-	$-	$-	$-	$-	$-	$4,115,000	$-	**$15,040,130**
Total Annual Costs	$17,019,472	$5,265,302	$3,083,703	$2,282,359	$4,415,129	$4,446,584	$3,825,059	$3,784,005	$751,487	$2,945,222	$1,375,467	$7,240,375	$6,205,461	**$62,639,625**
Outstanding Bond Balance	$149,674,409	$16,701,436	$-	$-	$-	$-	$-	$-	$-	$-	$-	$89,346,233	$-	**$255,722,078**
Annual OPEX/ Employee FY24	$12,816	$9,078	$5,796	$6,340	$10,613	$17,858	$3,997	$7,348	$6,315	$5,926	$9,109	$23,896	$13,260	**$9,674**
Annual OPEX/ USF FY24	$50.79	$31.67	$19.95	$20.67	$25.93	$28.12	$18.76	$23.50	$15.59	$20.05	$19.99	$71.62	$29.03	**$23.35**
Total Costs/RSF	$35.93	$25.76	$17.05	$17.21	$18.81	$22.61	$16.27	$20.74	$11.06	$15.00	$15.88	$51.52	$22.33	**$18.24**

Denotes highest in category

Denotes lowest in category

In-Scope Building Information: Secondary Complex

Denotes highest in category

Denotes lowest in category

Building Name	MSP HQ	Operations Center	SOS	TOTAL
Address	7150 Harris Dr, Dimondale	7285 Parsons Dr, Dimondale	7064 Crowner Dr, Dimondale	
Total USF	188,314	274,009	102,516	**564,840**
Total RSF	259,249	357,590	124,765	**741,604**
Seat Capacity	845	2,007	520	**3,372**
Building Headcount	778	1,132	278	**2,188**
% Assigned	92%	56%	53%	**65%**
USF per Employee	242	242	369	**258 (avg)**
Major Tenants	MSP	TREAS DTMB	MDOS	
Annual OPEX FY24	$3,962,870	$6,661,571	$2,623,387	**$13,247,828**
Bond Debt Service	$-	$3,990,000	$-	**$3,990,000**
Total Annual Costs	$3,962,870	$10,651,571	$2,623,387	**$17,237,828**
Outstanding Bond Balance	$-	$52,372,849	$-	**$52,372,849**
Annual OPEX/ Employee FY24	$5,094	$9,410	$9,437	**$7,878**
Annual OPEX/ USF FY24	$21.04	$24.31	$25.59	**$23.45**
Total Costs/RSF	$15.29	$18.63	$21.03	**$17.86**

DETAILED FINDINGS

In-Scope Building Information: OutState

Building Name	Cadillac Place	Grand Rapids State Office	One Division	Flint Office	Saginaw Office	Jackson Office	Traverse City Office	Escanaba Office	TOTAL
Address	3044 W. Grand Blvd, Detroit	350 Ottawa Ave, Grand Rapids	One Division Ave, Grand Rapids	125 E. Union St, Flint	411 E. Genesee, Sa ginaw	301 E. Louis Glick, Jackson	701 S. Elmwood, Traverse City	305 Ludington St, Escanaba	
Total USF	866,344	68,548	105,428	76,114	85,494	56,745	31,195	13,627	**1,303,494**
Total RSF	1,284,865	103,354	127,653	110,480	114,787	73,896	52,408	24,376	**1,891,819**
Seat Capacity	3,053	242	235	480	460	330	154	70	**5,024**
Building Headcount	1,784	221	183	384	391	256	135	57	**3,411**
% Assigned	58%	91%	78%	80%	85%	78%	88%	81%	**68%**
USF per Employee	486	310	576	198	219	222	231	239	**382 (avg)**
Major Tenants	GAMING/ LEO DHHS	JUD EGLE	LEO PRIVATE	DHHS	DHHS	DHHS	DHHS	DHHS	
Annual OPEX FY24	$20,843,981	$1,682,350	$4,064,756	$2,860,754	$2,131,993	$2,171,533	$755,938	$458,592	**$34,969,897**
Bond Debt Service	$11,831,133	$-	$-	$1,175,000	$-	$-	$-	$-	**$13,006,133**
Total Annual Costs	$32,675,114	$1,682,350	$4,064,756	$4,035,754	$2,131,993	$2,171,533	$755,938	$458,592	**$47,976,030**
Outstanding Bond Balance	$59,810,000	$-	$-	$13,855,342	$-	$-	$-	$-	**$73,665,342**
Annual OPEX/ Employee FY24	$18,316	$7,612	$22,212	$10,510	$5,453	$8,483	$5,600	$8,045	**$14,065**
Annual OPEX/ USF FY24	$24.06	$24.54	$38.55	$53.02	$24.94	$38.27	$24.23	$33.65	**$26.83**
Total Costs/RSF	$16.22	$16.28	$31.84	$36.53	$18.57	$29.39	$14.42	$18.81	**$18.48**

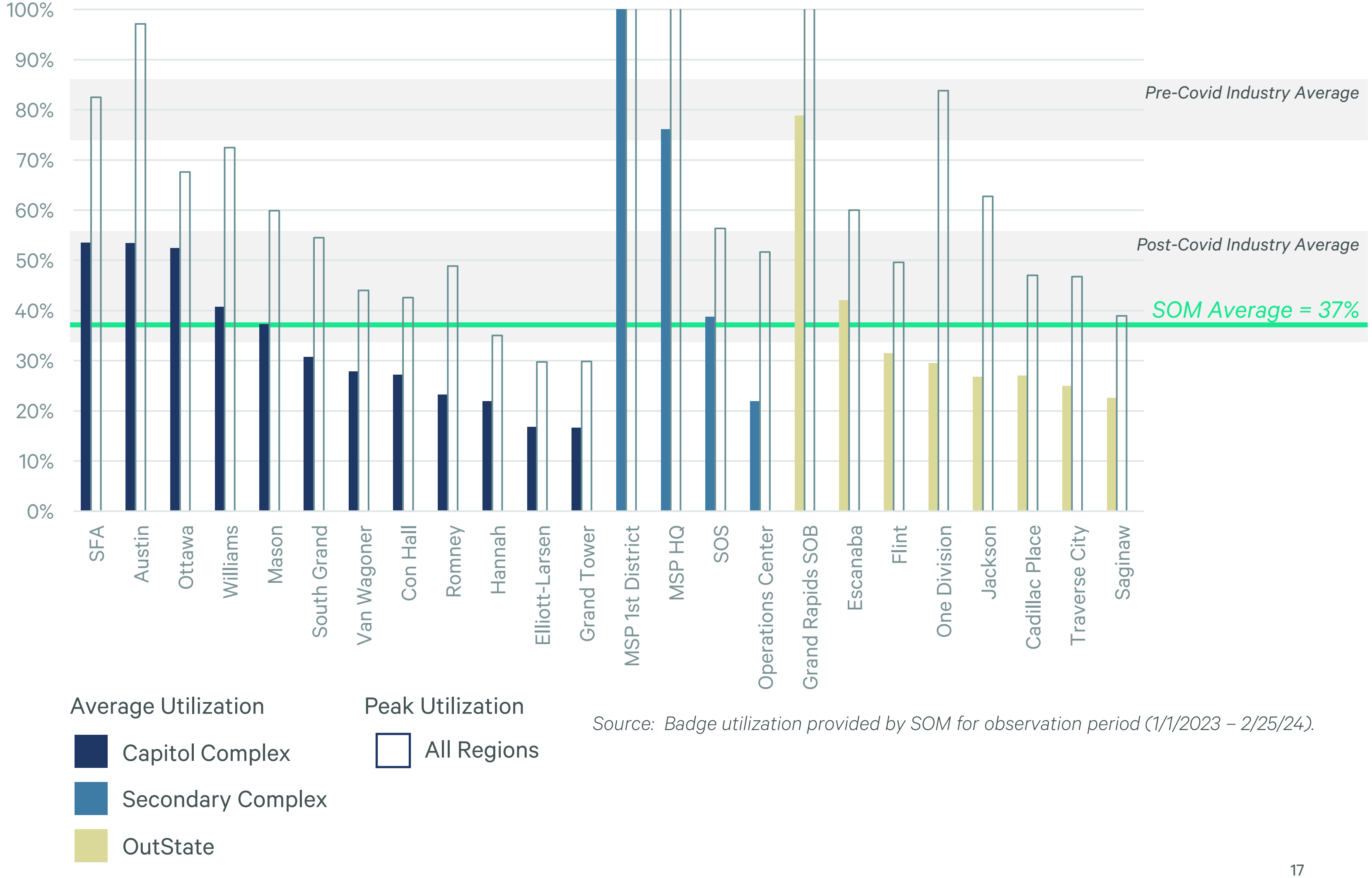
Denotes highest in category

Denotes lowest in category

DETAILED FINDINGS

Flexibility is a permanent fixture of the employee value proposition

- Employees and leaders alike value the flexibility of State of Michigan's hybrid working model and view is as a key differentiator for the State as an employer. This benefit also allows the State to compete with the private sector for talent.
- The transition to a hybrid work model has led to a decrease in overall building utilization (see right) with variation in how and to what extent some agencies are exploring shared space.

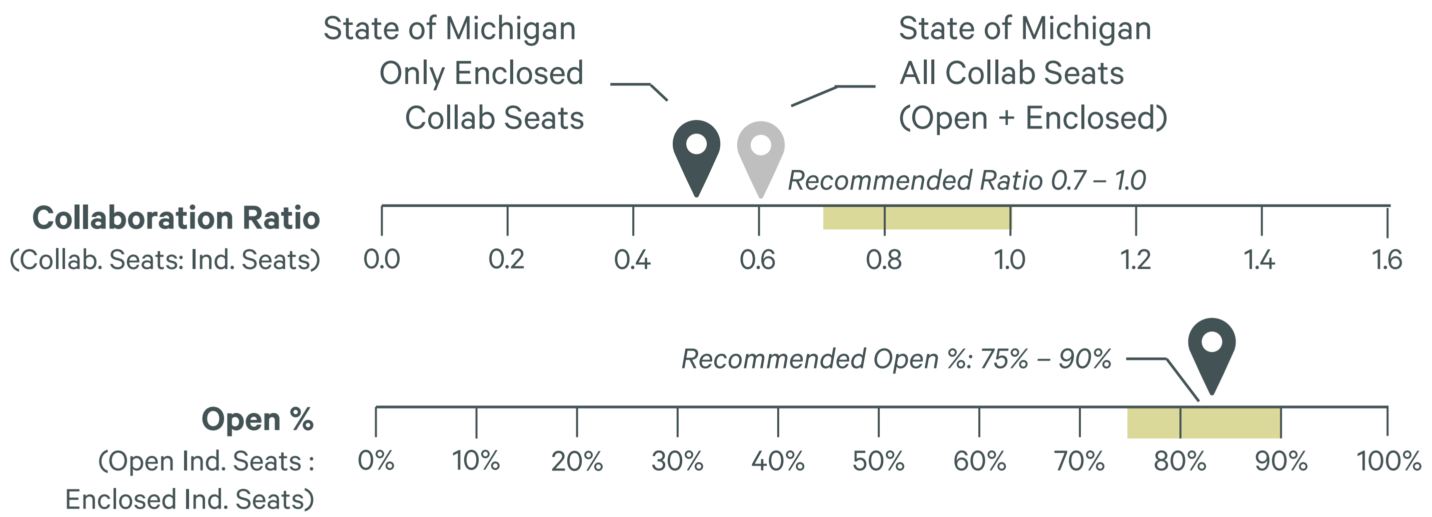


Source: Badge utilization provided by SOM for observation period (1/1/2023 – 2/25/24).

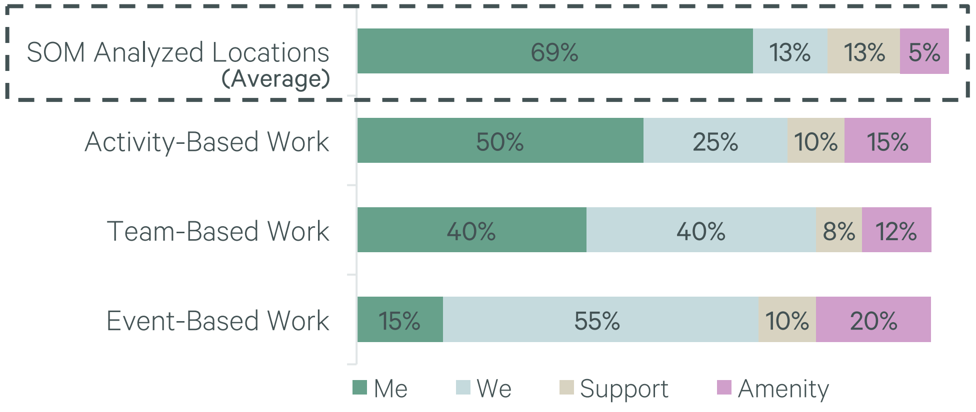
DETAILED FINDINGS

Collaboration space does not adequately meet need

- Collaboration ratio compares the amount of team-oriented “we” spaces (i.e. conference rooms) to individual “me” spaces (i.e. workstations).
- In-person collaboration is one of the main drivers to the office across all Agencies, but only 13% of total space is dedicated to it
- There is opportunity to optimize collaboration space to align with intended in-office behaviors



Source:: State of Michigan Space Analysis



Source: State of Michigan Space Analysis

“The biggest in-office amenity is the opportunity to ***work in-person with your coworkers***.”

- Leadership Interview

“We are evolving to have more collaboration space to maximize the days when in the office. ***We want teams to engage with each other. Collaboration is the purpose of the office***.”

- Leadership Interview

wide and Agency culture

- Agencies view the office as a venue for relationship building, fostering belonging, and strengthening connections
- Only 5% of analyzed space across the State of Michigan portfolio is dedicated to amenity space

Which of the following professional development needs and opportunities are most important for employees to be in the office for?

#1 New employee integration meetings

#2 Developing relationships with colleagues within my team

#3 Professional development trainings

Source: Key Space Contact Survey

Which of the following challenges related to remote working days impact employees in your agency regularly?

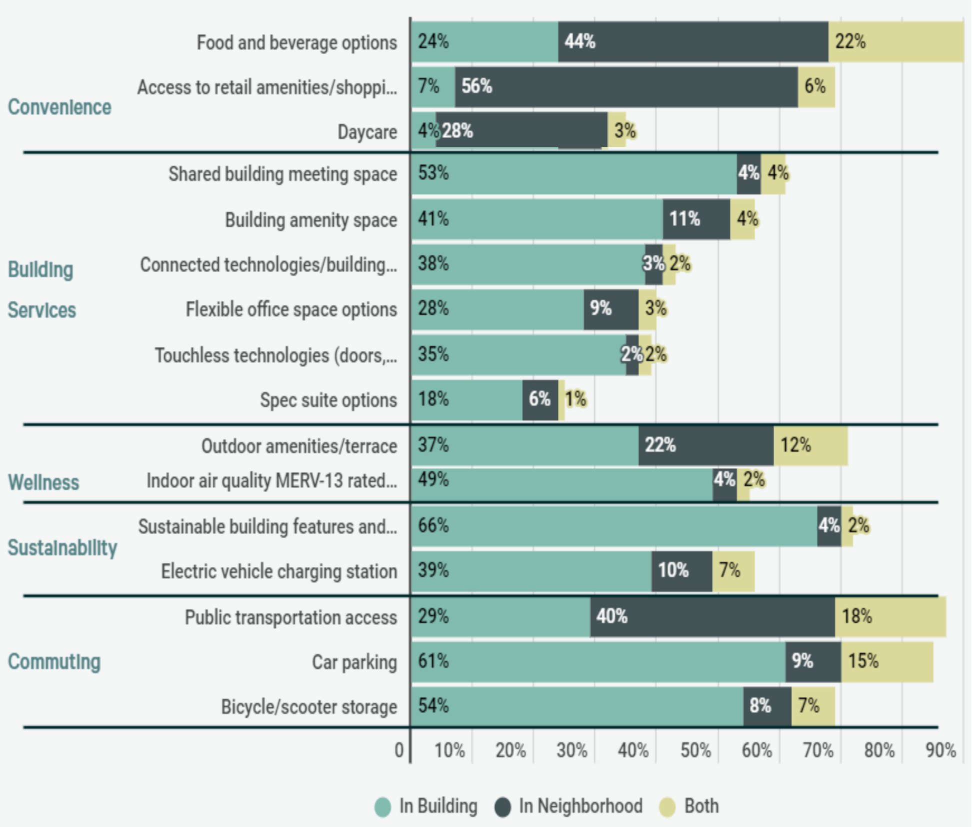
#1 Face-to-face interaction with manager

#2 Connection to colleagues and/or manager

#3 Social isolation

Source: Key Space Contact Survey

Benchmarked Amenity Preferences



Source: CBRE Research, May 2024

DTMB Building Occupancy Study - Appendix

Workplace Research Analysis

Appendix A:

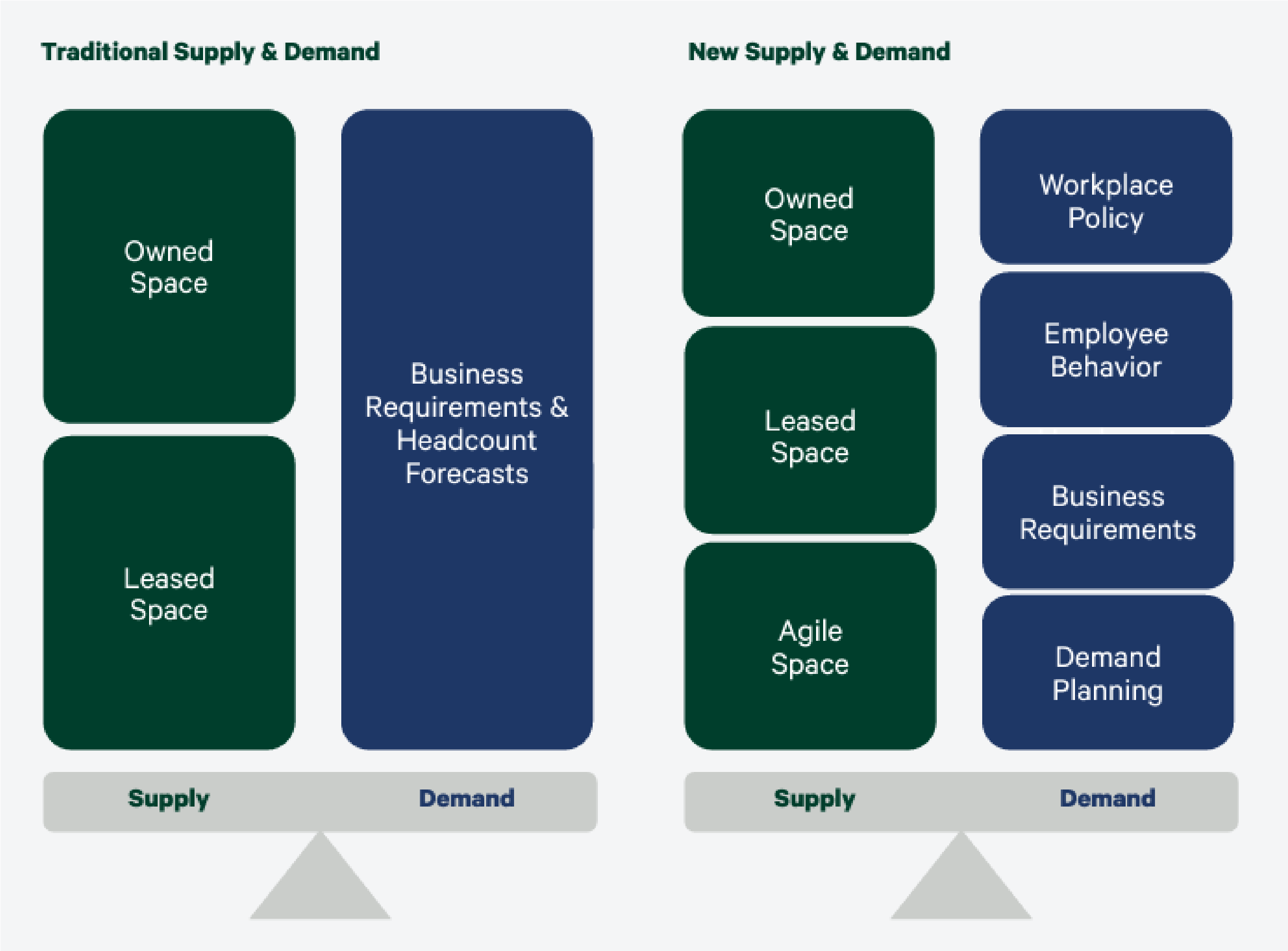
Workstyle Development

Hybrid work has changed the way office space requirements are being approached

Widespread adoption of hybrid work has led to a **30% increase in space sharing since 2021.**

This means that today's demand for office space is no longer driven by headcount but by a combination of business requirements, workplace policy and employee behaviors, which can be understood by space use patterns.

Supply = Desks (Offices and Workstations)
Demand = Number of Space Users



Source: CBRE Workplace & Occupancy Management, 2023.

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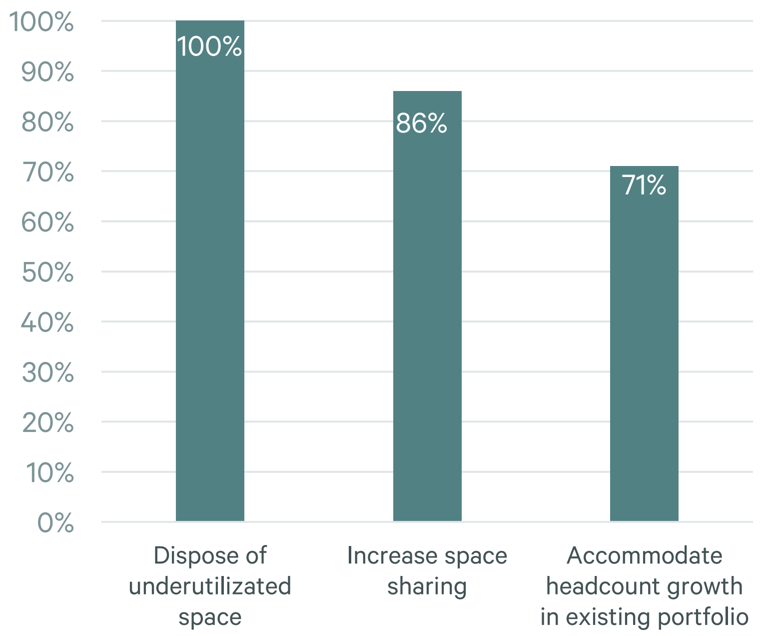
Traverse City	154	135	88%
OutState Total	**5,024**	**3,411**	**68% (Avg)**

Appendix B:

Workplace Scenarios

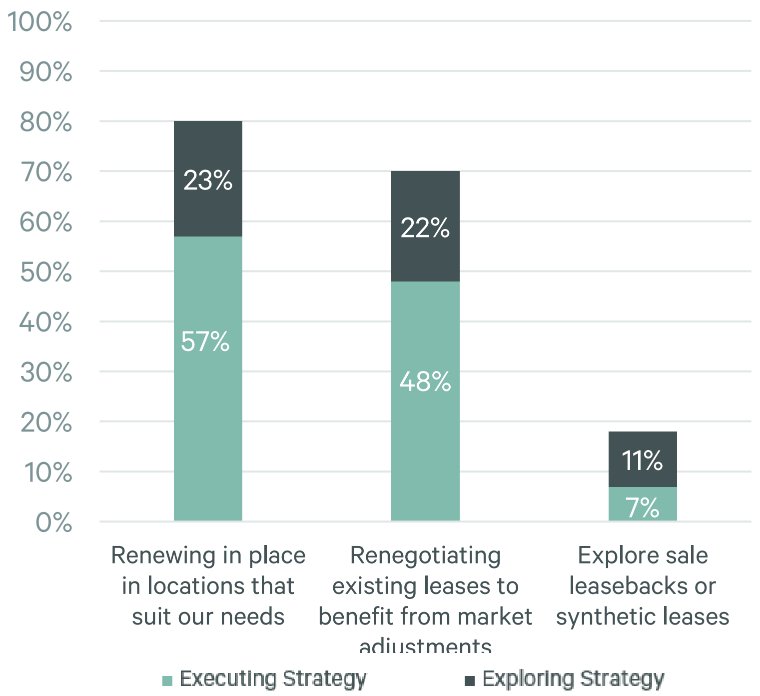
Strategies for Portfolio Optimization

In 2023, 100% of CBRE clients with large portfolios (12+< SF) planned to dispose of underutilized space.



Source: CBRE Workplace & Occupancy Management, 2023.

In 2024, CBRE clients were executing on lease renewals in select locations and lease renegotiations.



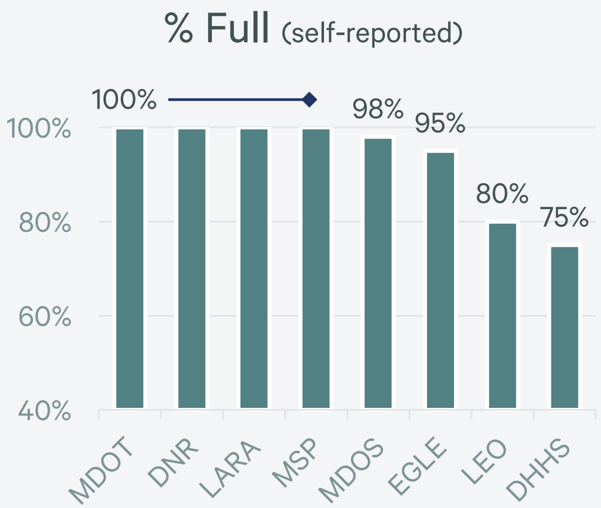
Source: CBRE Research, May 2024.

Appendix C:

Warehousing Analysis

Warehousing Overview

The owned portion of SOM's warehouse portfolio is heavily utilized at 94% on average, indicating a strong demand for storage and potential opportunities to enhance efficiency and optimize space usage.



257k SF (67%)

of owned warehouse square footage is in the

Capitol Complex

129k SF (33%)

of owned warehouse square footage is in the

Secondary Complex

85% of Agencies report requiring some level of storage

No Warehousing

Agencies that indicated that they do not have warehousing or storage needs include:

- AG
- CSC
- Treasury

Appendix D:

Industry Benchmarking

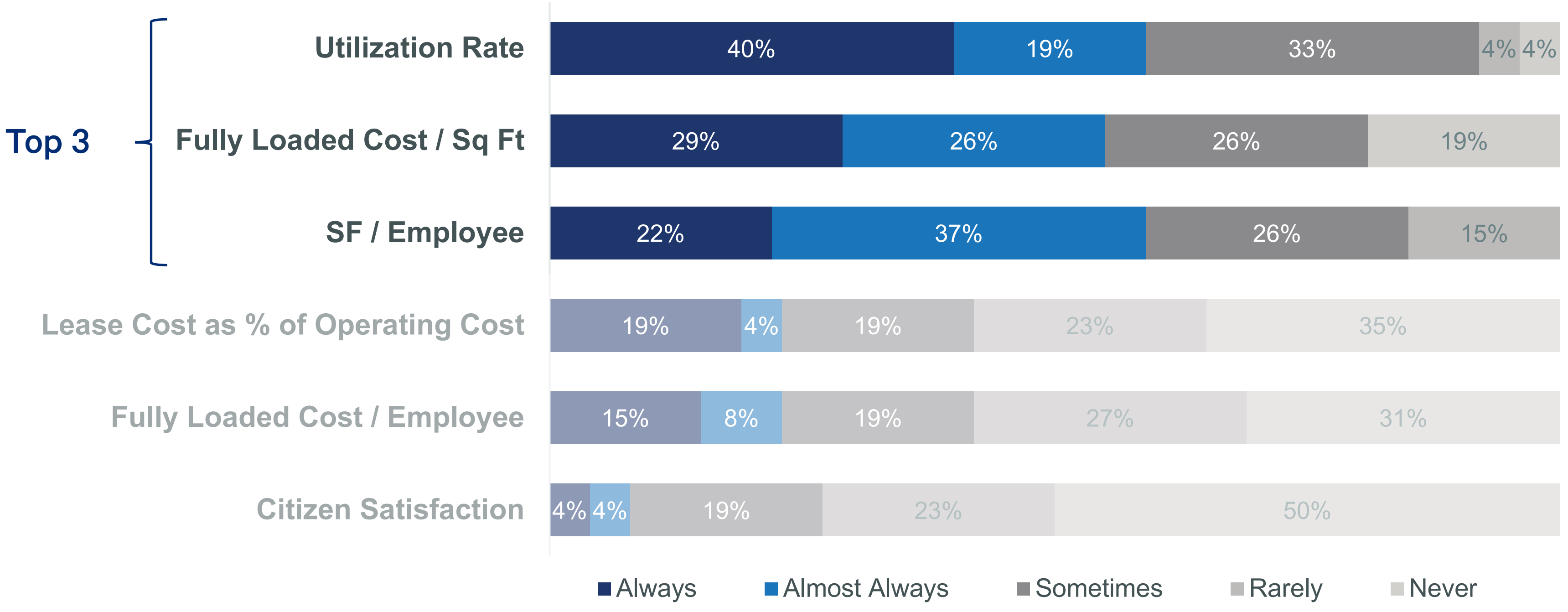
Benchmarking Methodology & Glossary of Terms

CBRE created this benchmarking presentation by utilizing its own research, expertise, and insights from previous public sector client engagements and publicly available reports and information. The goal is to provide the State of Michigan with the latest information on metrics, policy, and planning related to real estate planning relevant to the public sector.

SF / Employee	SF / Seat	Dedicated Seat	Shared Seat	Office Utilization Rate
The total square footage divided by full-time employees.	The total square footage divided by the number of seats on the property/floor.	Seating assignment tied to a specific employee.	A seating assignment that is not directly connected to a particular employee but rather shared among many.	A method of comparing space demand and supply to determine if space is being effectively used.
Example: 25,000 USF / 150 Employees = 166 USF / Employee	Example: 25,000 USF / 200 Seats = 125 USF / Seat			Example: 78 employees in the office (OA) / 150 individual seats = 52% office utilization rate

Public Sector Real Estate Metrics

From a study of 27 state governments, space utilization rate, cost/square foot and square footage/employee, are the most important real estate portfolio metrics.



Source: 2019 McKinsey NASCA "The business of running state government operations"

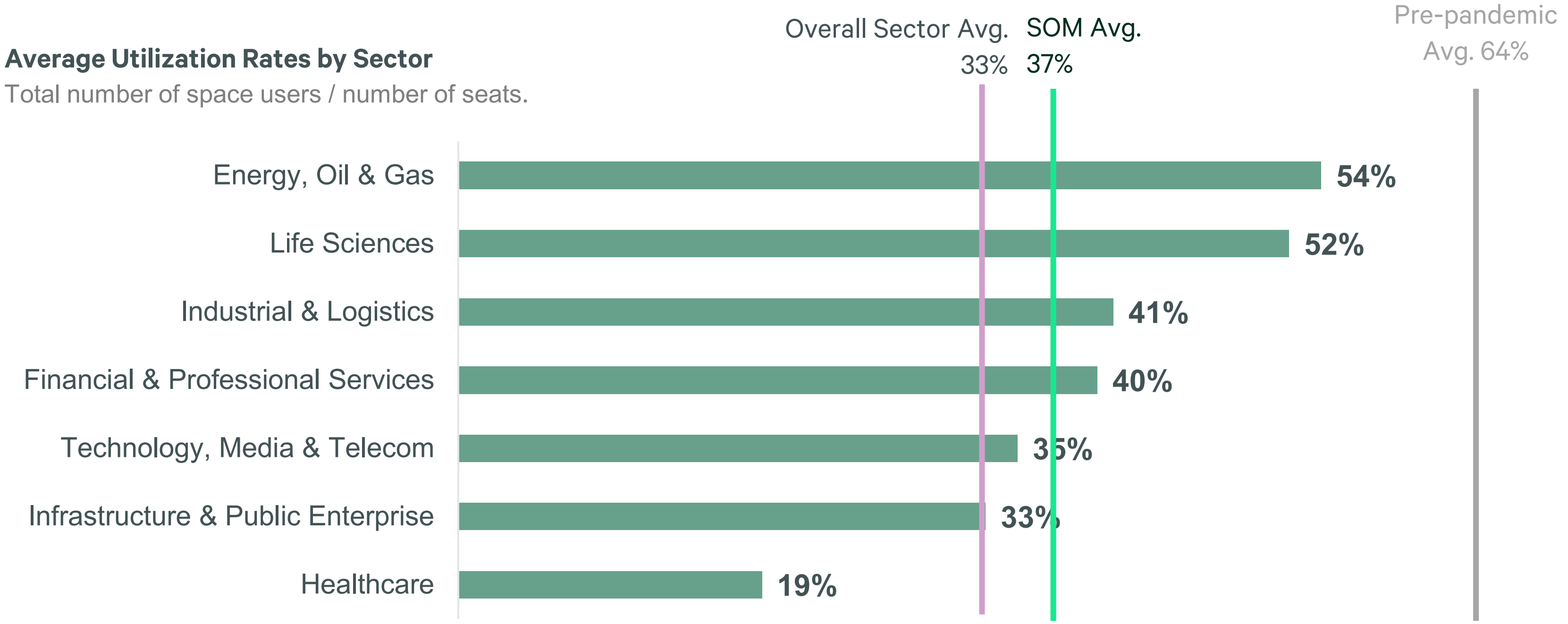
Office Utilization

Industry Observations

–The Infrastructure & Public Enterprise sector has a low office utilization rate compared to other sectors. All sectors are below the pre-pandemic average, which was 64%.

Average Utilization Rates by Sector

Total number of space users / number of seats.

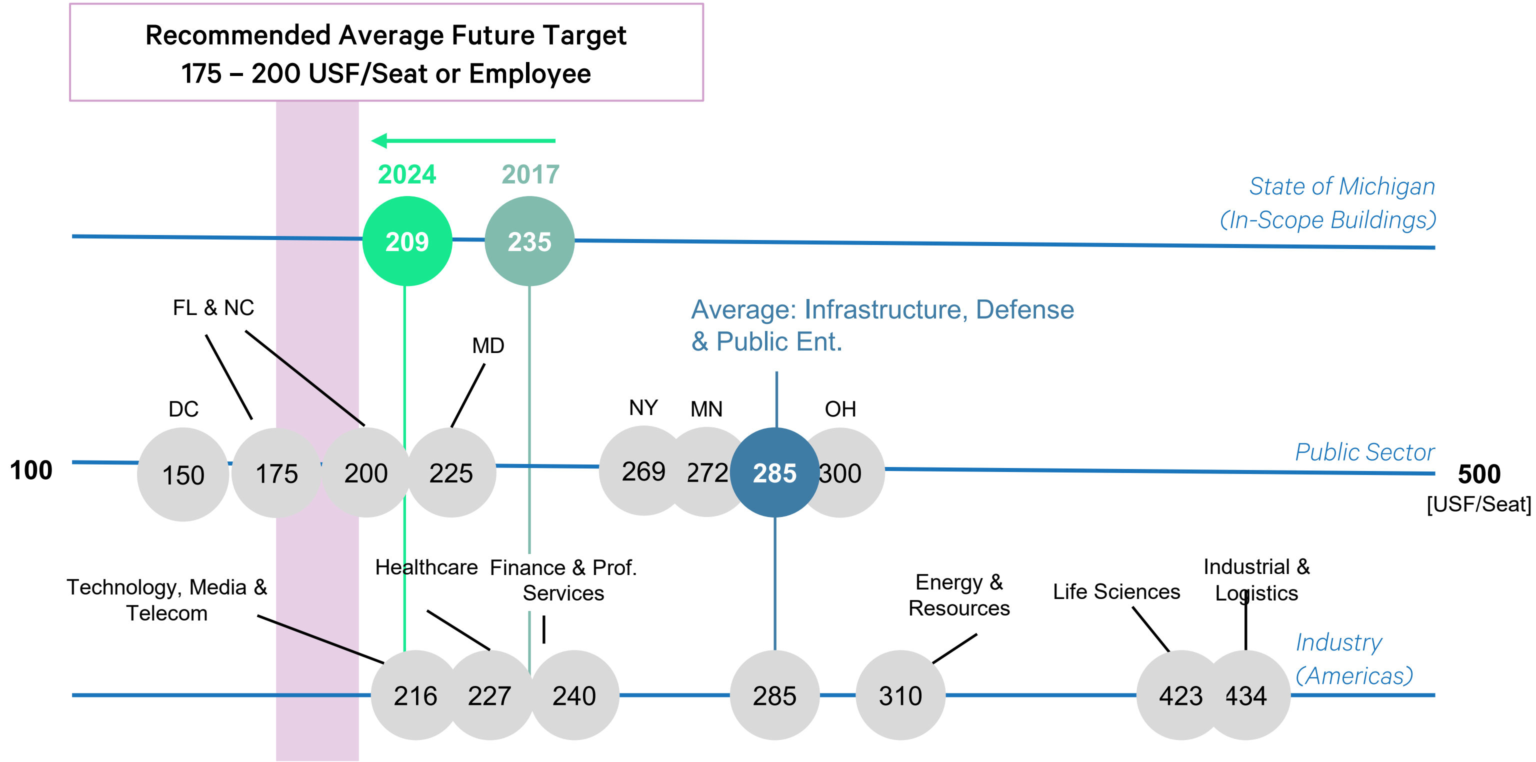


Source: 2024-2025 CBRE Global Workplace & Occupancy Insights report. The report examines global data from select CBRE clients representing 350 million sq ft..

Square Feet/Seat Space Allocation

Benchmarks by Industry

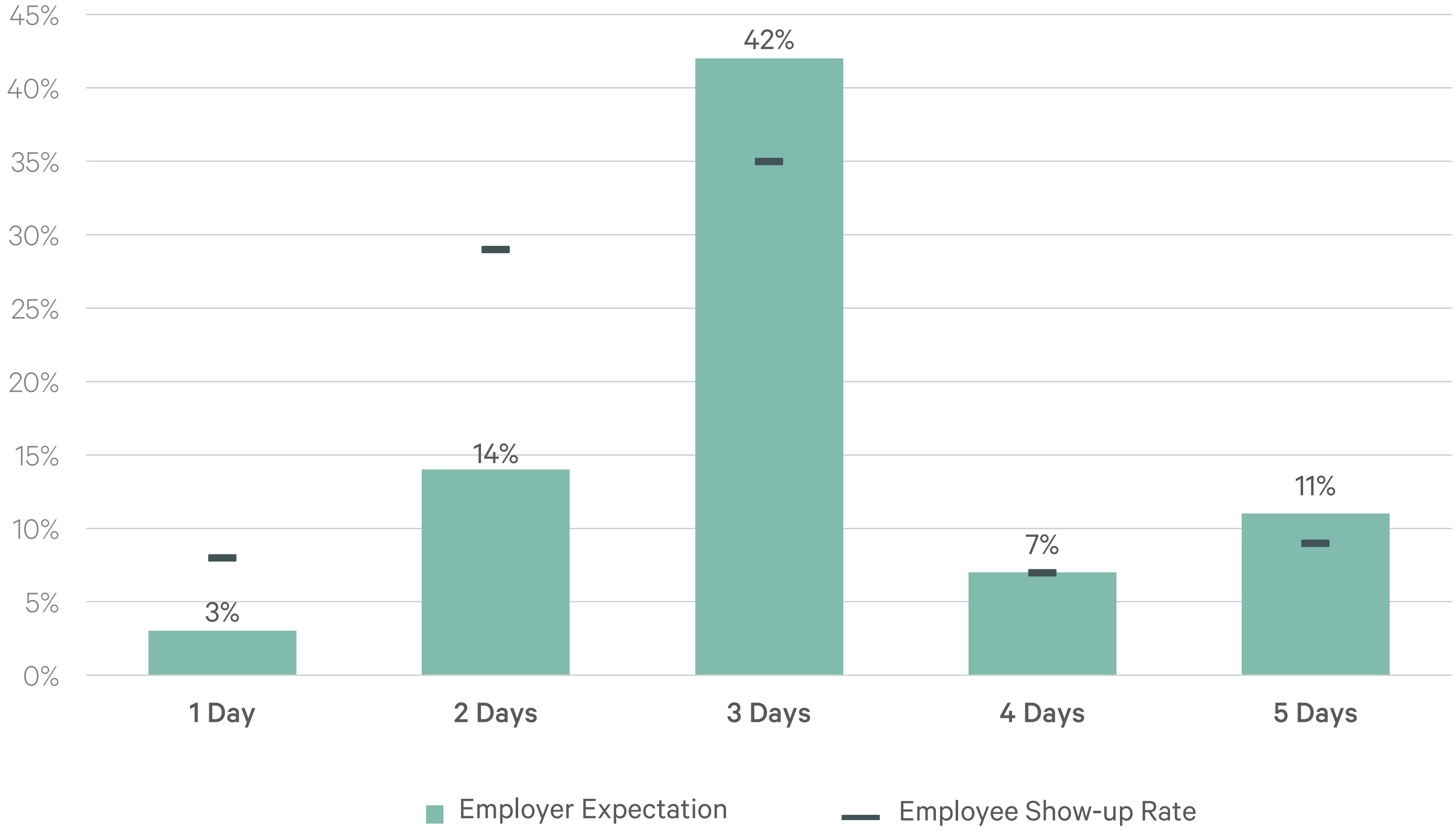
–More than half of industry peers currently allocate more than 200 square feet/seat or employee. The projected future range and optimization goals are set between 175-200 USF/seat.



Source: 2023-2024 CBRE Global Workplace & Occupancy Insights report. The report examines global data from select CBRE clients representing 350 million sq.
Source: Various State Government Workplace Utilization Studies and CBRE Benchmarking. Reflects point in time data and sample data sets, not necessarily complete portfolios

Expectations for Office Attendance vs Actual Show-up

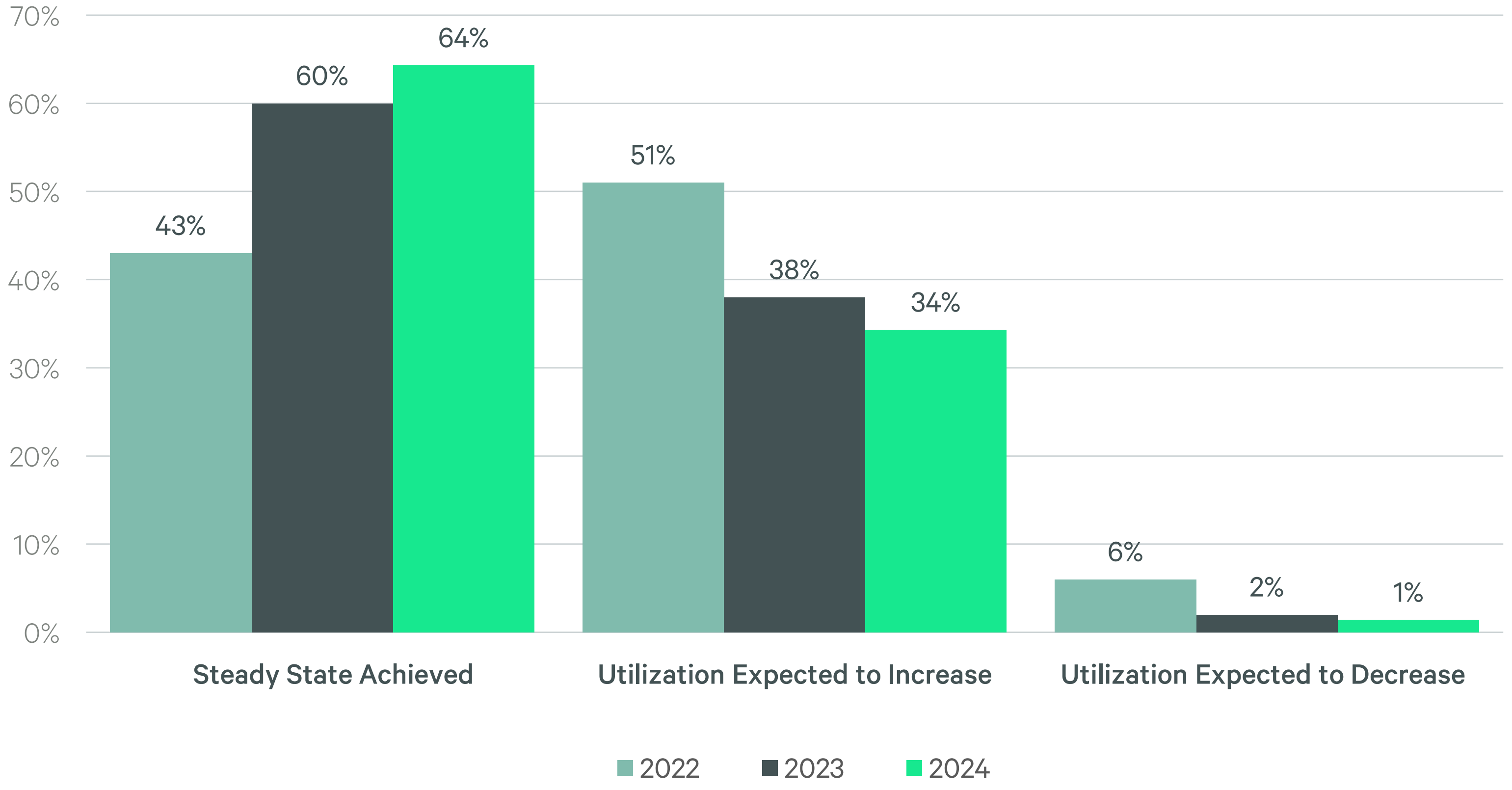
Industry Observations



Source: CBRE Research, May 2024.
Figures do not total to 100% due to omission of those with no expectation/not reporting show-up rate.

Expectations About Office Utilization Patterns

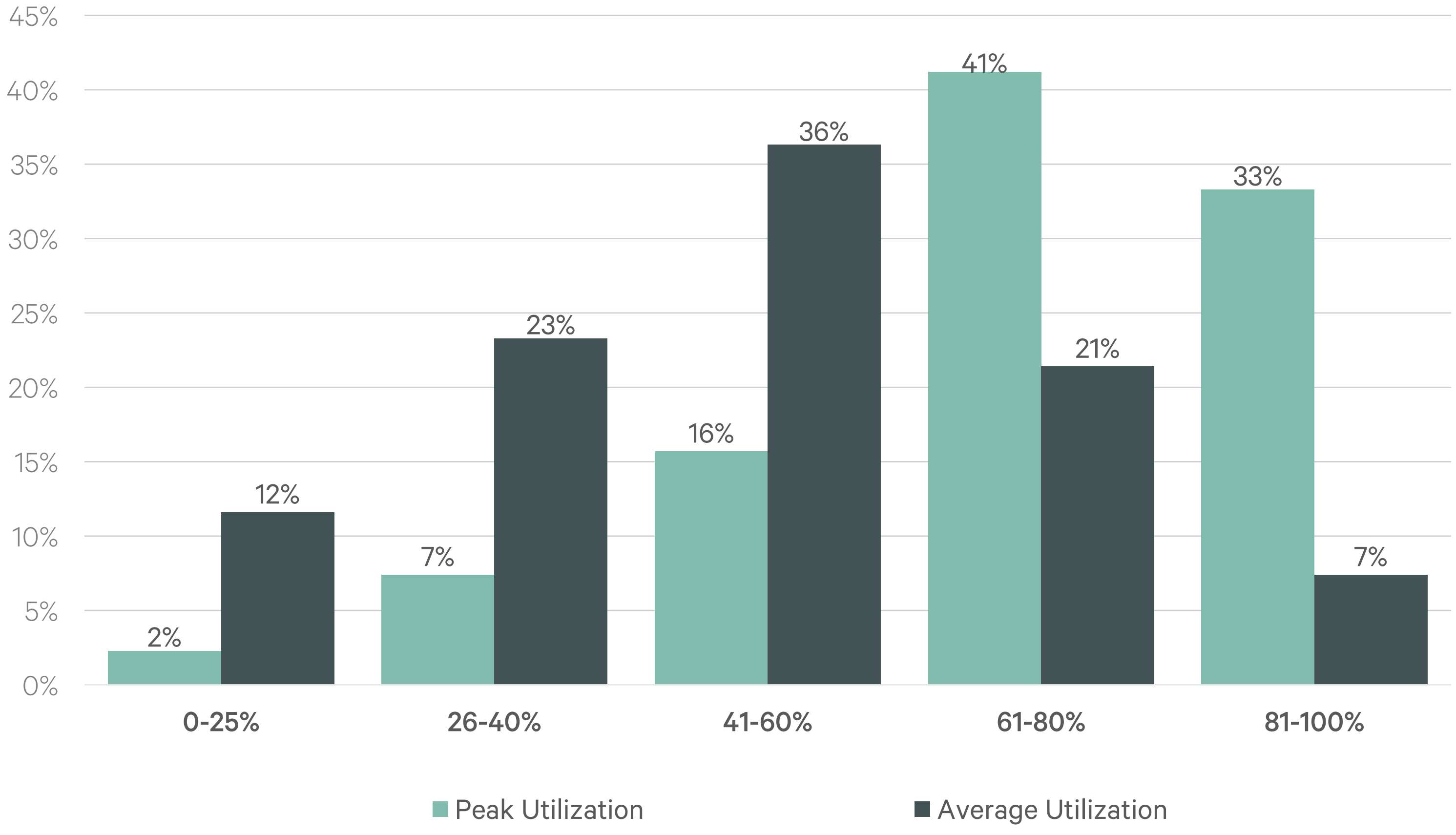
Industry Observations



Source: CBRE Research, May 2024.

Peak vs Average Weekly Utilization

Industry Observations



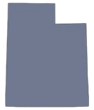
Source: CBRE Research, May 2024.

State Governments are Taking Action

Through implementation of hybrid work, telecommuting, and updated space standards, various public sector and state government real estate departments are witnessing real outcomes for their portfolios.

WASHINGTON

Washington aims to reduce office SF by 30%



UTAH

Utah's Hybrid Policies save up to $13.6M annually

TENNESSEE

Remote work policies that yield office downsizing aim to save Tennessee $156M over 10 years

MINNESOTA

Minnesota's adoption of a desk sharing model will yield a 36% decrease in overall space demand

MASSACHUSETTS

Massachusetts plans to vacate 50% of it's 900K SF of leased SF by 2024

WISCONSIN

Wisconsin aims to reduce office space by 10% (400K SF) by 2030 through flexible work policies

OHIO

Ohio looks to reduce office space requirements by 32% through updated space standards and remote work policy implementation

Example State Office Attendance Policies

Office attendance policies constantly shift, but they lean more towards in-person work. Employee productivity, sentiment, and the desire for flexibility can be drivers for change.

NORTH CAROLINA

Dept of Public Instruction, 90% of employees are working hybrid or remote. Dept of Commerce, 63%; Dept of Corrections 4%; Dept of Health 20%.

“General Assembly’s Legislative Services Office is reaching well beyond the walls of legislative building. Lawmakers are ordering agencies to pay for efficiency studies. DOI’s cost $100,000.

"The signal it’s sending to us was send people home, you know, get more people to work from home," Causey said of the study results.”

MINNESOTA

Minnesota allows for a combination of in-office and remote work arrangements which varies by agency and is influenced by specific job duties and operational needs.

PENNSYLVANIA

Approximately 2,300 state government employees are reporting to the office approximately three days a week under the Shapiro administration policy.

DC

Employees of the district will be shifting from two telework days/week to one.

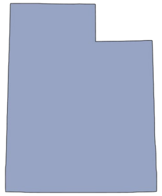
Dedicated vs Shared Seat Parameters

For many state governments, office policies reflect that the threshold for gaining a dedicated office is in-office attendance at least 60% of the time, except for staff who conduct highly confidential meetings.

WASHINGTON

>3 Days a week = dedicated seat

<3 Days a week = shared space



UTAH

If 60% of day consists of confidential meetings or conversations = private office

Anything else = shared open space

Weighted average target desk sharing ratio 1.5:1.

MINNESOTA

>60% in office during two-week period= dedicated seat

<60% in office during two-week period= shared space

Weighted average target desk sharing ratio 1.3:1.

GSA

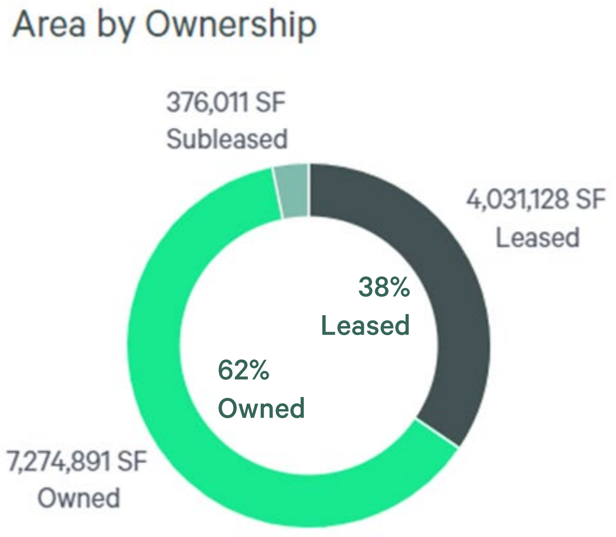
Certain executives and individuals with access to specified security information= private office

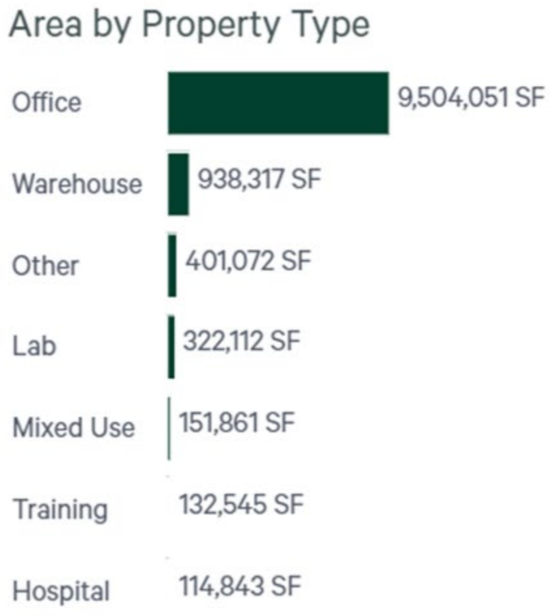
All others= shared space

Source: Various State Government and Federal Government Workplace Utilization Studies

DTMB Managed Owned & Leased Portfolio based on Rentable Square Feet

The DTMB's proportion of owned (62%) versus leased (38%) space is in line with peers such as State of Texas, State of Illinois, State of New York, State of Florida, State of Ohio and State of Maryland.





Source:

Owned: DTMB BOD Building Inventory, last updated 07/15/2022

Leased: Active Lease Report dated 10/25/2024. Excluded leases expired prior to 10/25/2024.

State	Owned vs. Leased	Insights
Texas	70%/30%	Prioritizes ownership for cost savings and stability
Florida	60%/40%	Leases for flexibility, tracks utilization rigorously
California	55%/45%	Leases in high-cost areas, implements green leasing initiatives
New York	50%/50%	Heavy urban leasing, focuses on consolidation and efficiency
Illinois	65%/35%	Optimizes portfolios, reduces vacancies, renegotiates leases
Minnesota	40%/60%	Exiting leased space upon expirations, consolidating into owned.

APRIL 2025

State of Michigan

DTMB Building Occupancy Study

Thank you.

CBRE