

# Sustainable Cowork Design For Austin–Round Rock MSA



STRATEGIC OFFICE NETWORKS, LLC  
Creating a Better Way to Work



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## Congestion, Housing and Labor Market Inefficiencies of Austin

The explosive population growth in Austin has manifested itself in a variety of ways, including an increase in the inefficient spatial mismatch between job opportunities and housing. This mismatch leads to three primary problems:

- **Driving & Congestion Related Costs:** Congestion causes lost productivity and the annual worldwide cost of economic losses due to congestion is estimated to be as high as \$126 billion ([INRIX](#)). In Austin, the average commuter loses 104 hours a year costing every driver an average of \$1,452. The transportation sector is also the largest contributor to CO2 emissions in the US economy, and congestion is a significant contributor to climate change. Each additional mile driven corresponds to \$0.14 increase in public health expenditures.
- **Labor Market Inefficiencies:** Longer commutes make it much more difficult for employers to locate employees with the correct skill sets and vice versa ([City Lab](#)). Increased efficiency of the spatial match between job opportunities and housing can lead to higher retention: employees who commute less than five miles a day work for their employers 20 percent longer ([Austin Business Journal](#)).
- **Housing Market Inefficiencies:** Rapid population growth has fostered geographic expansion and created a high demand for housing. “More than 50% of the people who work in Austin live outside the city limits and many of them would like to live in Austin but cannot afford to do so.” The city estimates that construction of a minimum of 135,000 additional housing units is necessary in the City of Austin before 2024 ([Austin Strategic Housing Blueprint](#)).

## Solution: Sustainable Cowork Design

We offer an alternative urban design approach to reduce driving times and congestion and increase the efficiency of the labor and housing markets within the Austin - Round Rock MSA. The proposed solution involves *Optimal Design and Implementation of Sustainable Cowork Centers* (“SCCs”) within the target area of this proposal. This solution uniquely leverages distributed technologies and infrastructure to achieve specific objectives. In particular:

- Sustainable Cowork Centers are large, multi-tenant, satellite office spaces configured with next-generation IT infrastructures for connectivity of communications, and will be designed to inhabit similar groups of employees (*w.r.t. job description and home location*) from multiple public and private sector employers who reside within identified high-density labor clusters.
- The location of each SCC will be optimally chosen based on Austin’s traffic congestion routes and high-density labor clusters, to efficiently reduce driving and congestion-related costs<sup>1</sup> within the MSA, while providing incentives to firms to participate.
- Target industries and relevant job segments will be identified by conveying a local survey of employers and employees, along with analyzing national trends in teleworking. The development and integration of SCCs will help employers reduce costs (lower real estate and reduced pressure on wages) by being able to offer more desirable office locations closer to employees’ homes.

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<sup>1</sup> Our preliminary calculations estimate the City of Austin could save as much as \$300 Million annually in congestion costs with a 10% opt-in to the program.

Furthermore, employers will be able to attract, hire and retain talent in more local communities while improving the work-life balance for their employees.

- The implementation of SCCs will help local housing markets operate more efficiently and equitably, by eliminating artificial excess demand on areas where major employers are located. Making more jobs accessible from more local communities will temper the rapid pace of price increases for real estate properties (*ceteris paribus*).

<< Sustainable Cowork Design Model Illustrated: 3 Center Example >>

