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Transforming Class B and C buildings for the workplaces of tomorrow: A new era begins

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The future of city-building hinges on a critical design challenge: reimagining office infrastructure in urban cores shaped by post-pandemic realities.

The global health crisis triggered a dramatic urban exodus, leaving once-vibrant central business districts with empty towers and shuttered storefronts. By 2022, the tide began to turn as residents returned, but the commercial real estate landscape had already evolved. Modern Class A office buildings, rich in amenities and designed for flexibility, have emerged as the new standard. Meanwhile, older Class B and C buildings continue to lag behind, hindered by the outdated systems and environments that no longer reflect the needs of the contemporary workforce.

Yet these underutilized structures offer potential. With targeted investment and intentional design, even the most overlooked spaces can be transformed into dynamic, human-centered workplaces. This is more than a commercial imperative. It's a design opportunity to redefine how people interact with the built environment in a revitalized urban core.

In the evolving urban real estate landscape, Class B office buildings have carved out a niche by balancing quality with affordability. These buildings have demonstrated resilience in occupancy rates during the recovery of urban areas.¹ However, this strength is most pronounced in suburban and exurban markets, where lower occupancy costs offer a competitive advantage. From 2020 through 2024, Class B availability rates consistently outperformed those of Class A buildings, with the gap widening as new Class A developments entered the market. While this trend highlights steady demand for Class B spaces, it is important to note that the appeal is largely driven by affordability, not by amenities or experiential features that have become essential in central business districts. Affordable office space, a defining characteristic of Class B properties, continues attracting sectors such as government, education, and healthcare. These industries, while stable, are not typically

linked with aggressive talent recruitment strategies, and their real estate needs prioritize cost-efficiency over employee-driven amenities or premium design features.

Class C office buildings, often overlooked in today's competitive real estate market, are quietly becoming prime targets for strategic redevelopment.² Typically older and offering few amenities, these buildings are less desirable than Class B spaces and largely insignificant compared to amenity-rich Class A properties. Although tenant demand for Class C office buildings remains low, they are increasingly attractive to commercial real estate investors seeking redevelopment opportunities. Most repositioning projects for Class C buildings involve converting the entire structure into multi-family housing or mixed-use developments. However, in some cases, Class C properties undergo targeted renovations to elevate them to Class B status. While it is rare for a Class C building to fully transform into Class A, thoughtful design interventions, such as enhancing natural light, integrating smart building technologies, and adding comfort-focused amenities, can significantly reposition these properties within the market. These strategies improve the competitiveness of Class C buildings and demonstrate how similar environments can further elevate Class B properties into the coveted Class A category.

Built when fluorescent lighting reigned supreme in office design, many Class B and C buildings fail to harness the power of natural daylight. Instead, these workplaces heavily depend on artificial lighting, leading to increased rates of UV-related eye strain and significantly heightening the risk of vision-related health issues among their occupants.³ Research underscores the vital importance of natural light for workplace wellness. A groundbreaking study by the National Institutes of Health (NIH) in 2022 revealed that exposure to daylight in office settings not only boosts alertness and visual comfort but also dramatically enhances overall employee satisfaction. The physical and cognitive benefits linked to natural lighting translate into heightened creativity and productivity. Moreover, a separate NIH study from 2021 identified windows allowing abundant sunlight and fresh air as the single most powerful design feature for elevating employee mood and mental well-being.⁴ Building owners are presented with a remarkable opportunity to transform their environments by replacing outdated fluorescent lighting with strategies that prioritize daylight. Such changes can profoundly improve occupant health, satisfaction, and performance, creating a vibrant and thriving workplace atmosphere.

Originally a hallmark of Class A developments, smart-building systems can now be efficiently retrofitted into existing Class B and Class C properties, delivering substantial operational benefits. Technologies such as automated energy management systems and AI-based monitoring platforms are among today's most cost-effective improvements, offering immediate and long-term payoffs. The component parts of these systems are straightforward to install and integrate. Sensors track foot traffic, air flow, and environmental conditions throughout the day, using established patterns to make proactive adjustments to heating, cooling, ventilation, and lighting. As a result, automated smart systems can deliver up to a 20% improvement in total energy savings, enhancing both building performance and occupant comfort.⁵

Creating a more competitive office environment does not always require major structural overhauls. Comfort-driven amenities offer some of the most accessible upgrades for Class B and Class C buildings. While natural lighting and smart technology remain some of the most impactful design strategies, comfort-of-the-home amenities provide some of the lowest-lift methods for elevating a building's appeal and classification. Features such as cozy lounge spaces that mimic residential living rooms, quiet zones for relaxation and focused work, and rooftop terraces are relatively easy enhancements that immediately improve tenant experience. High-end kitchens and dining areas, with coffee bars, grab-and-go options, and luxury kitchen appliances, can also be seamlessly retrofitted into existing commercial spaces. In addition, concierge and lifestyle services, such as on-site childcare, fitness centers, and dry cleaning or laundry drop off, are closely associated with modern Class A office buildings and can help reposition older properties to better meet evolving tenant expectations.

The future of commercial real estate will be shaped by those willing to reimagine it. As employees return to offices, they have higher expectations for amenities, comfort, and workplace experiences. With the demand for urban real estate stabilizing, this is a crucial time for building owners to invest in upgrading Class B and Class C properties. Thoughtful improvements not only enhance tenant satisfaction but also enable these buildings to compete more effectively in a transformed market. Strategic upgrades can justify higher rents, reduce vacancy periods between leases, and generate greater long-term revenue, transforming yesterday's overlooked assets into tomorrow's high-performing spaces.

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