

Not a Beige Area

The mega trends impacting on office destinations?



“How we hated our coffee mugs! our mouse pads, our desk clocks, our daily calendars, the contents of our desk drawers. [...] But when we got a new office, a bigger office, and we brought everything with us into the new office, how we loved everything all over again, and thought hard about where to place things, and looked with satisfaction at the end of the day at how well our old things looked in this new, improved, important space.”

And Then We Came to the End, by Joshua Ferris

Increasingly destinations for live, work and play and the place where many spend most of their time outside of home, it's not surprising that offices inspire strong emotions amongst many of us. In this article Nick Ridley, President of the British Council of Offices, outlines to his colleagues at Locum Consulting what he thinks are some of the keys to designing, developing and delivering successful workspace destinations now and in the future. The demographic shift: flexibility is imperative

Nick believes that any office developer now needs to factor in personal longevity and the change in societal roles, needs, wants and desires. There are many issues to face, but flexibility will be key. People of greater age will begin to occupy offices – if companies are smart, they will begin to harness the value of older people. We may also see the emergence of local community “office” hubs, where those wishing to start a family can be supported by the amenities to hand on site. In an increasingly expensive world and one where provisions for retirement and elderly care are inadequate, whole households will need to work. As we all get older, the responsibility for looking after elderly relatives will become more acute and this will bring significant pressure on society. (I haven't seen any charts for this so have deleted as per my original edit)

War for Talent: what are we to do?

Nick points out that discussions about how to attract talent have been taken up by every consultancy, recruitment firm and management practice worth its salt. “We are seeing key changes in recruitment patterns and there will be a battle for those with knowledge and ability.” Following the retirement of the post-war baby boomers, and the introduction of graduates with far less experience into the workplace, this skills gap will be stark.

We discuss how lessons can be learnt from those demonstrating good practice in terms of recruitment and retention. Best Companies™ creates the Sunday Times's 'Top 100 Companies to Work For'. Companies are judged according to eight clearly-defined factors, strength in each of which is essential to be considered a winner.

The eight factors are:

- **Leadership:** how employees feel about the head of the company and senior managers.
- **Well-being:** how staff feel about stress, pressure and the balance between their work and home duties.
- **My Manager:** people's feelings towards their immediate boss and their day-to-day managers.
- **My Team:** people's feelings about their immediate colleagues.
- **Fair Deal:** how happy the workforce is with its pay and benefits.
- **Giving Something Back:** how much companies are thought by their staff to put back into society in general and the local community in particular.
- **My Company:** feelings about the company people work for as opposed to the people they work with.
- **Personal Growth:** whether staff feel challenged by their job, their skills are being used and if there is scope for advancement.

Nick argues that "employees are the most crucial part of any business. In future, businesses will want to locate where there is a good and sustainable supply of attractive labour skills. It takes above average staff for a company to grow in a competitive world. Averagely qualified staff have to work in an inspiring company and be brilliantly managed to enable growth ahead of that of rivals."

As Nick sees it, we will need to offer more support for other aspects of life, both practical and pleasurable. Policies implemented through HR and other legislation need to be married to a logical strategy in destination design. Only a limited amount of help is currently being given to older people within mixed-use developments. New schools and educational facilities will need to sit alongside places where access to relevant shopping is readily available. For those without children, cultural and entertainment facilities close by can achieve gratification of needs and optimise working time. City centre environments will need to be attractive and safe for the groups that will use them.

"There may be a tendency to live very close to the workplace with more eclectic residential accommodation – accommodating the heat pump maintenance technician right up to the chief executive. The vision at Kings Cross provided by Argent is a contemporary case study of this changed paradigm"

As developers face the challenge of combining very different and perhaps opposing target groups, Nick advises clarity at all stages of development. There is a need to be clear about the market and its imperatives – bigger schemes carried out correctly change more. This speaks to Locum's idea of the destination development journey that is described in the Editorial.

Sustainability and carbon neutrality are major drivers

Sustainability in a property sense is consideration for non-wasteful development processes, leading to the long-term minimisation of waste (materials and energy). Nick believes that "this should be our primary focus, but do we really know how to monitor and implement new standards? This raises all sorts of other questions about being green. All modern corporate social responsibility statements already have regard to minimisation of carbon and of energy utilisation – for example, HSBC, News International, and Marks & Spencer are all making energetic efforts to be carbon neutral by certain dates not far hence."

One of the shift accelerators on the map is the requirements of the Energy Performance Certificate. This EU requirement has been implemented in the UK since April 2008, starting with government buildings of 10,000 sq m and is now being applied to all buildings over the course of this year. Although quite well advertised, it has taken many in the property industry too long to react and, in consequence, there is a lack of people qualified to issue the necessary compliance certificates. "Beyond this how many agents, architects, contractors, engineers know enough about the entire development process and implementation of green property management routines to achieve the relevant standards?" There is an urgent need to implement training programmes to stay ahead.



The process of procurement is now deeply sophisticated and has a highly responsible dimension to it that is now unavoidable. When specifying concrete, marble, and so on we now need to look at



sustainability in the round, for example how far the building materials have travelled, what energy was used in their sourcing and transport etc. The objective is to provide an environment that takes full account of the sustainability agenda and which delivers work space that enhances the business processes undertaken in the space. Nick emphasises that "good design does not happen by accident; it requires passion, enthusiasm, commitment and energy."

Institutional investment finance is critical in the multi-tier market for commercial property and a building with a good energy performance certificate and low carbon footprint will, by definition, become a better performing long term investment. This is particularly important as the impact of the credit crunch is felt and there is greater scrutiny of investment risks. As Nick says "The responsible use of money must be demonstrated to the institutions' customers to ensure trust. We are already seeing investors like Hermes, for example, setting aside large scale funds for investment in sustainable product. They will require that the buildings are occupied in an optimally sustainable way".

Staying ahead

We discuss what large scale changes will take shape. Nick suggests that the traditional global office hubs of London, New York, Paris, Tokyo will be joined by others from the emerging markets of the world. Beijing, Dubai, Mumbai, Moscow, Johannesburg, Sao Paulo, Mexico City are all likely to increase competition for the top four. Conversely, the major growth in these markets will, in all likelihood, benefit the traditional big four, as demand will increase for consumer goods, financial services, travel and so on. New or emerging cities need to start taking market share. These may include a range of cities that have strong functional economies: perhaps Almaty in Kazakhstan as the business capital of the resource rich central Asian region, or Cape Town as a great lifestyle city on the same time zone as western and Eastern Europe. Moscow, for example, is poised for considerable international influence as wider recognition of the Russia's massive trade wealth becomes apparent. Nevertheless optimisation of the opportunities for these cities depends on a deepening of business friendly attitudes. To ensure that they attract the right kind of talent, these cities need to ensure their future office districts make a step-change in their offer, and provide a range of lifestyle opportunities. The risk is that commercial property remains unoccupied if it fails to meet appropriate standards. "Successful integration of all elements including retail, high quality food and beverage, arts and culture, leisure and residential is paramount. In our home city of London, the Kings Cross development will offer a markedly different office environment from Canary Wharf."

What makes a place successful? It is not about making office ghettos, it is about creating neighbourhoods. These neighbourhoods create a better socio-economic, cultural and community mix. Kings Cross is likely to be all about lifestyle experiences offering a rich tapestry of uses that will appeal to an increasingly savvy, demanding and well-educated pool of talent, young and old. The Locum recipe for a successful destination –based on the core ingredients of attractors, services, infrastructure, brand and management within the context of the market and sustainability – applies just as much to the new office destinations that we are seeing emerging as it does to a visitor attraction project.

Nick feels that office development has changed a great deal. "Office development has become a very different science, a domain where amateurs and merchants can not easily survive. There is a deliberate and correct way of going about it. Regulations, bureaucracy and an increasing number of private and public bodies need to be satisfied. Technology in building design and construction is moving rapidly and few developers have the depth of resources available to capture the benefits of these fully. These demands can not be met if you are anything other than truly professional."

After a career at the top in UK offices, Nick is now applying his expertise in large scale international office destinations with Locum.



Nick's Top Tips about Office Destinations

For Sustainability

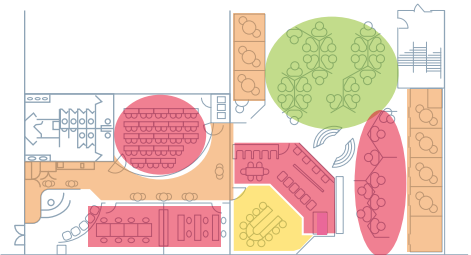
- Set very high standard of methods of addressing sustainability in property management
- Ensure sustainable procurement and construction
- Use effective on-site renewable energy sources where possible
- Give close consideration to the precise nature of air-conditioning and efficient systems capable of high levels of cooling
- Place more emphasis on passive systems – radiation rather than fan-based
- Use effective lighting controls and make buildings intelligent through the installation of top quality computerised building management systems
- Create unlit perimeter zones during sunlit periods – essential rather than optional
- Ensure outstanding thermal efficiency of a durable cladding system

For Comfort

- Good market intelligence about what people will need to carry out their job function and for flexibility of the workplace
- Ensure good site orientation and outlook
- Prioritise ease of travelling to and from the office and easy accessibility to the space
- Create an aesthetically pleasing and welcoming combination of good entrance, reception facilities and security before access to office space
- Deliver excellent levels of fresh air supply – 12-16 litres per person per second
- Pay attention to cooling levels and review whether year round "21 degrees plus or minus 2 degrees" is entirely essential – most can work effectively in slightly warmer offices in particular where sunlight is shaded and fresh air is in abundance.
- Provide consistent internal lighting provision at 300-400 lux
- Design for potential occupancy at 1 person per 7-8 sqm with a base build of one person per 10 sqm, design all features (fire escape provision and toilets) with this in mind.
- Provide a strong, durable and quiet raised-flooring system
- Provide good quality toilets – including disabled provision

Technical requirements

- Trading floors depth of floorplate: 18-24m, 12m in other schemes#
- Floor to ceiling heights of at least 2.75m.
- Good floorplates relevant to the business being carried out there (these could be deep planned; shallow; unusual; or regular in shape) and a good planning grid of 1.5m typically and a column grid of 7.5-9m
- Ease of cable management and good amounts of riser space for additional cabling future-proofing the lifecycle of the building
- Well-finished common parts utilising durable materials
- Smooth running and well designed lifts with good quality call buttons (hall call destination controls?) goods lift to avoid bulky equipment being carried in passenger lifts and through common parts
- Floor-loading capacities of 3.5kn per sqm (plus enhanced areas for file stores)
- Appropriate Standby generation (UPS)
- Good well sized plant and equipment rooms, well laid out and easy to maintain and retro-fit additional plant as required
- Comprehensive fire safety provisions



New Office , New Destinations

As our work patterns have changed, so too have our working environments. Below are examples of how some leading organisations tackle their office environments.

Cisco, Field Sales Office , Charlotte USA

A number of lessons can be learnt from this example.

- Electrical power is the last tether to the desk. By de-coupling data and telephony from the desktop, people are more mobile, but power is still a necessity.
- These types of environment need to be actively managed. The environment must include a very well thought out blend of services and support.
- Etiquette and protocols are critical to the success of a project. Additionally, continued reinforcement of the etiquettes in a variety of ways on an on-going basis is required.
- Smaller offices are more difficult in a mobile environment because of economies of scale.
- Providing variety is useful but more challenging when the footprint is smaller.

Marks & Spencer, Grand Union – Vision Statement

Marks & Spencer have developed a vision statement for their new head office development.

'Grand Union will deliver an inspirational head office environment which energises the way we work, contributes to improved business performance and increases our pride in Marks & Spencer. Externally it positions us as a modern and forward looking company.'

We agree that this is clearly more than just a change of location. The key aims of the new building are:

- a more flexible head office operation that is simply more efficient
- an environment to attract and develop talented and capable people
- an image that enhances the external brand and grows the customer base
- an opportunity to innovate and secure new paths for growth

'Googleplex' Google Headquarters, Mountainview, California USA

With a heavy emphasis on the notion that work and play can co-exist, Google has expanded its operations to include Bangalore and Zurich. Some interesting aspects we have identified are as follows:

- No one is more than 100m from food;
- Free breakfast, lunch and dinner;
- Slide to restaurant;
- Mini environments and break-out spaces;
- Space to get creative, e.g. a recycled ski gondola;
- Fire pole between floors (though you are not allowed to use it if you have your laptop with you);
- Water lounge with massage chairs;
- 20% time offer: this allows engineers the chance to take that amount of time from their key objectives to 'do something new'.



Nick Ridley

President of the British Council of Offices