

Spotlight

What Workers Want

The property implications

2013



Telefonica Digital, 20 Air Street, London. Courtesy of tp bennett, One America Street, London

SUMMARY

■ Corporates increasing engagement with staff prior to an office move highlights the growing importance of staff preferences in property decisions.

■ Understanding these preferences provides insight into what occupiers want from their office space and how landlords/developers can fulfil these.

■ This led Savills and the BCO to investigate what employees rate as important in their workplace with 1,168 office employees surveyed by YouGov.

■ The easy wins for both occupiers and landlords is ensuring that offices are comfortable.

■ Providing kitchen facilities and WiFi will also have a significant impact on staff happiness without the need to incur significant capex.

■ You do not necessarily need to 'wow' staff or prospective occupiers for space to be attractive.

■ Funky fit-outs are not just the preserve of the TMT sector. Just over half of respondents noted a preference for a 'Google-type' fit-out.

■ Generation Y employees have different workplace preferences, being more demanding regarding location and fit-out than their older colleagues.

■ They also differ in terms of where they would like to work, favouring a dedicated workstation as opposed to homeworking - the ideal for older respondents. Fulfilling these preferences will have implications on space requirements.

➔ To move or not to move?

■ There are a number of issues that determine an organisations decision to relocate/refurbish. An upcoming lease event, brand and image enhancement, and in some cases property cost savings are all important drivers, as are staff concerns.

■ Savills 2009 occupier survey found that staff availability/retention issues were the third ranking concern when selecting new space. The increasing consultation of staff pre and post an office move, such as through the use of the Leesman index, highlights the rise of staff concerns in board room decisions.

■ It was this that led us to investigate what employees rate as important in their workplace.

■ An office relocation is often mooted as one way to attract/retain talent and this is supported by survey respondents. Two-thirds of respondents said that workplace location would strongly influence their decision to take a new job (subject to the same financial package).

■ However, the benefits of an office move on productivity look less straightforward based on this survey. Just over half of those surveyed reported no productivity gains following a previous office move, with a higher number reporting no gains following a refurbishment. This begs the question, is there any point? There is an increasing body of evidence however, supporting improvements in productivity when a high quality

environment is provided and in these cases this may not have been the case.

■ There are, however, a number of business benefits following a move or refurbishment. Even if an enhancement in staff productivity is not one of them, providing a space where people want to work will help to retain and attract talent, ultimately boosting the bottom line.

Moving - things to consider

■ Location, location, location. Features related to location such as length of commute and public transport connections figured heavily in the ideal workplace preferences of respondents.

■ But regardless of these locational preferences, what can employers do to enhance their workspace? Graph 2 ranks the top 10 non-locational features that make up the ideal workplace.

■ Getting the basics right in regards to comfort, temperature, lighting and noise are key. Providing adequate kitchen facilities and WiFi are also important. Car parking also featured, but for those in London it ranked below bicycle storage with only 22% rating it as important.

■ WiFi's appearance in the top 10 highlights the increasing use of wireless technology in the workplace. The fact that it can be provided relatively easily without any extensive refurbishment implications means that

it can be an easy win for occupiers and landlords wanting to improve the attractiveness of the workplace/property.

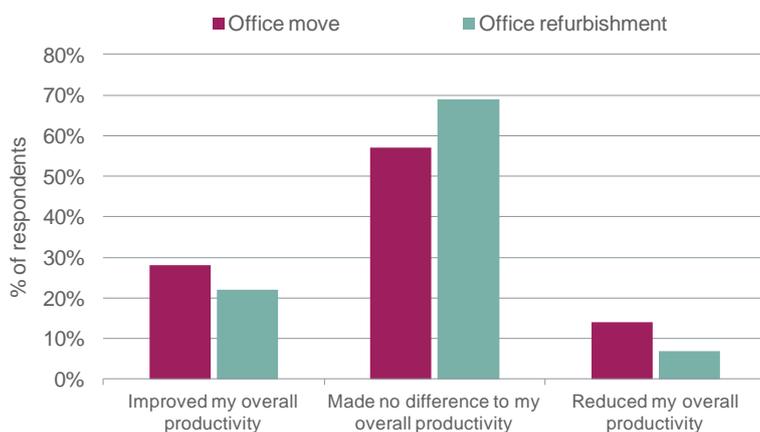
■ For landlords/developers the importance placed on WiFi is worth bearing in mind in terms of construction and building design as this can sometimes impede the quality of the wireless connection.

■ What makes the importance placed on WiFi more interesting is that it is older not younger employees that rate it. Close to half (45%) of over 55 year olds rated it as important in their ideal workplace vs the 36% of 18-24 year olds. This is probably down to the increasing adoption of iPads by corporates, particularly those in senior management positions. As iPads and other tablet technology becomes increasingly common in the workplace we expect the importance placed on wireless quality will increase.

■ Beyond the top 10 identified in graph 2, there are a number of other features, particularly in terms of facilities, that could improve the quality of the workplace. These are identified in graph 3 and ranked based on their likelihood to have a positive impact. Beyond those already featured in the top 10, fit-out design and meeting room availability topped the bill.

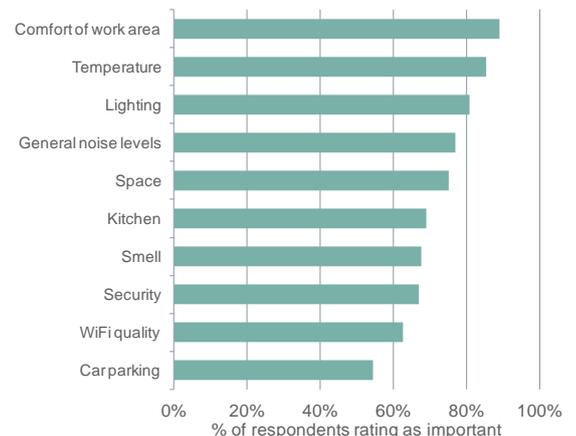
■ Unlike comfort concerns, which were widely rated as important by respondents, workplace facilities and features did not garner the same universal rating. For example, beyond meeting room availability, less than a

GRAPH 1 Productivity impact of office moves & refurbishment



Graph source: YouGov; Savills Research; BCO

GRAPH 2 The ideal workplace - the top 10



Graph source: YouGov; Savills Research; BCO

third of respondents rated the lower ranked features as important in their ideal workplace.

Funky fit outs

■ The much talked about TMT (Technology, Media and Telecomms) sector has been distinguished as having very specific demands in regards to workplace design and facility provision.

■ Yet, when it came to fit-out there was a marginal preference for a funky fit-out, similar to that seen at Google's London HQ, across all respondents and not just those in TMT.

■ Based on those who noted a preference, media/creative sector respondents showed the greatest inclination (72%), but were followed by those from business services (56%). Technology and telecommunication sector respondents, the other two-thirds of the TMT group, did not have the same level of inclination as their media counterparts with 51% of respondents noting a preference for a funky fit-out.

■ The survey results suggested that there may be potential productivity gains associated with a funky fit-out. Sixty percent of respondents who currently work in an office with a funky fit-out said that it enhanced their productivity, suggesting that a move away from a relatively traditional design for some occupiers may be beneficial.

Does everyone want to work from home?

■ There is no doubt that alternative

working strategies, such as hot desking and homeworking, have been hugely beneficial to organisations looking to reduce property costs through consolidation and/or moving to new, smaller premises.

■ Yet, there are a growing number of cases where corporates are moving away from this. Instead they believe there is greater value in having employees in the workplace in order to improve collaboration. Yahoo is probably the most recent example of this following their decision to limit home working in order to improve "communication and collaboration". Google also operates a 1:1 desk to employee ratio for the same reasons.

■ For a large number of staff a 1:1 ratio may be attractive. When asked where they would most like to spend their time working 41% of respondents stated their own dedicated/fixed desk space. This came a close second to home-working (45% of respondents stated this is as how they would most like to work).

■ Clearly working from home is popular but is not for everyone. It is more popular within certain business sectors and age categories such as the over 35's and those in the technology & telecoms sector.

■ Hot desking, which is increasingly being adopted by corporates wanting to maximise space utilisation, was the lowest ranking preference. Only 1% of respondents stated it would be how they would most like to spend their time working. Furthermore, those

Meeting current and future property needs

Savills new Global HQ, London

Savills will move into its new Global HQ in June bringing together 750 employees across three locations into a single 95,600 sq ft BREEAM Excellent building on Margaret Street, just off Cavendish Square. The primary driver for the move was that the business had outgrown its existing offices and needed a larger space to consolidate operations, with the added benefits this would bring in terms of cross selling and better serving clients.

While there were overarching business needs driving the move, employee preferences were also taken into account. This was to determine what workplace activities are important and how these could be better supported.

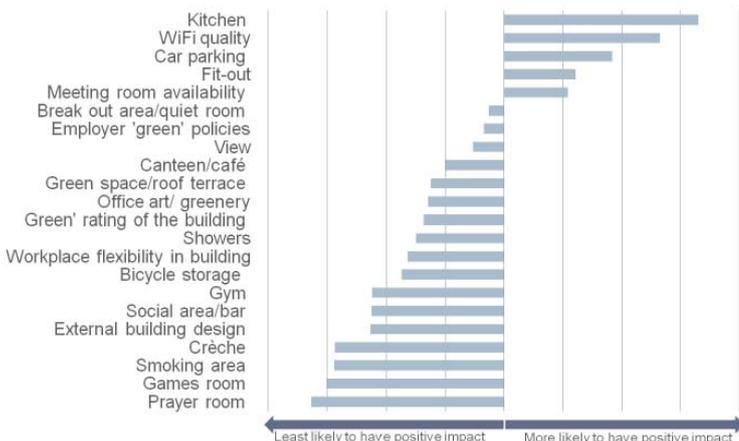
The responses from the Leesman Workplace Effectiveness Survey of staff highlighted that on the whole, current space was not adequately supporting business activities. As with the findings of the YouGov survey, it is the basics around comfort that were considered the most important.

No doubt the move to larger, newer space should remedy some previous frustrations. For example, provision of acoustically treated quiet rooms to better support reading and business confidential discussions, both highlighted as important activities. Including these quiet rooms, there will be a total of 24 dedicated internal meeting rooms, a marked increase considering existing offices had none. In addition there will be a dedicated suite of client meeting rooms.

To encourage more interaction, particularly as a number of business streams will be coming together into a single building for the first time in over 10 years, there will be social hubs on every floor. On the third floor, the heart of the building, will be a larger social area that will pull in people from across the building. Likewise, the business cafe will provide an attractive and informal space for clients.

This move will also see the introduction of new working practices that allow for future expansion, such as more flexible working practices. In order to support this a 'clear desk' policy will be introduced as will personal lockers. Improved wireless technology will also help staff to be more mobile. Margaret Street has also been envisaged as a place employees from across the global business can work with the introduction of 'plug and play' capabilities. These measures should ensure that Margaret Street meets Savills business needs for many years to come.

GRAPH 3 Workplace facilities and features



Graph source: YouGov; Savills Research; BCO

respondents who currently hotdesk tended to note a negative impact on productivity, suggesting its execution needs to be carefully considered.

What do the business leaders of tomorrow want

■ Attracting and retaining talent, or rather future talent, is high on the agenda for some businesses, and an attractive workplace can be one way of achieving this.

■ But what do these future business leaders want from their workplace?

■ Our survey indicates that younger employees are more demanding about the location and fit-out of their workplace than their older colleagues. Generation Y respondents (18-34 year olds) in particular rated location as a far bigger influencer on employment decision than older respondents (73% vs 64%).

■ Fit-out preferences for Gen Y'ers lean towards 'funky'. This is even more pronounced for those aged 18-24 years with 43% preferring a funky fit out as opposed to the 28% who rated a standard corporate design.

■ Considering that 69% of Generation Y respondents who work in an office with a funky fit-out noted a positive impact on productivity, suggests that delivering an office design employees want and therefore a place people want to work, may help boost the bottom line.

Easy Wins

How occupiers and landlords can improve workplace attractiveness

■ Using responses from our survey we have identified those workplace features that can be enhanced relatively easily to improve workplace attractiveness, particularly in those cases where the location may be less than ideal.

■ Based on a multi-let building scenario we have noted which features would typically fall under the remit of the tenant/occupier and those which would rely on landlord implementation. These features have been ranked based on the number of respondents who rated them as important in their ideal workplace.

■ While these features are about making a workplace attractive to staff, landlords should also bear them in mind as they could prove beneficial in marketing a property to current and prospective occupiers.

■ The easy wins for both parties are ensuring that space is comfortable through adequate temperature control, lighting and space. Providing adequate kitchen facilities and WiFi could also have a significant impact on staff happiness without the need to incur significant capex.

■ What is clear is that you do not necessarily have to 'wow' staff or prospective occupiers for space to be attractive. It is getting the basics right that is most important.

Rank	Top 15 feature	Landlord control	Occupier control
1	Improve comfort (temp;light;noise;smell)	●	●
2	Kitchen facilities		●
3	Improve security	●	●
4	Improve WiFi quality		●
5	Provide funky fit-out		●
6	More/better meeting rooms		●
7	Better break-out areas/ increased provision		●
8	Improve/advertise 'green' policies	●	●
9	Onsite cafe	●	●
10	Enhance/have more colour	●	●
11	Green space/roof terrace	●	
12	Office art/greenery		●
13	Better/more shower & changing facilities	●	
14	Better internal work-place flexibility	●	●
15	Bicycle storage	●	●

Graph source: YouGov; Savills Research; BCO
 Note: the above division of responsibility (landlord vs occupier) is based on a situation where the occupier is in a multi-let building.

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Savills plc

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