

# MAKING PLACES

**BEYOND THE  
WORKPLACE**



**BNP PARIBAS  
REAL ESTATE**



**WHAT'S THE NEXT  
CHAPTER FOR OFFICES?**

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**MAKING WORKPLACE BETTER**

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# FOREWORD

**M**aking Places is BNP Paribas Real Estate's Commercial Placemaking insights lab – seeking to create a new wave of creative, pragmatic cross-industry dialogue between users, landlords, developers and sector specialists. Increasing complexity within the built environment means that original insight, collaboration and debate are absolutely essential.

This time round we're talking about the places in which we work – 'Beyond the Workplace' will explore our changing relationship with the physical workplace, which will be key to understanding its role within dynamic mixed-use environments. Many of the shifts we have felt have the potential to permanently alter physical and virtual requirements for the workplace.

Escaping banal conversation points around which days we plan to go into the office or how a slow internet connection disrupts a Teams calls is essential for avoiding short term thinking around the topic. Unless we plan on creating a Black Mirror'esq reality, living through screens in our own homes, we are going to require physical places that amaze and stimulate our imagination.

Within this magazine, we have brought together a raft of experts who offer an insights led approach which is essential to create meaning around the concept of 'place' and understanding the interrelationships between every facet of the urban environment.



NICK ROBINSON  
COMMERCIAL PLACEMAKING



HARVEY JAMES  
CENTRAL LONDON LEASING



# INTRODUCTION

**W**here we choose to work and live will determine the future of our cities.

We've already seen the rhythms of cities change monumentally. No longer do the suburbs empty in the morning and fill up again at night. Indeed, many people chose to move out of cities in 2020, seeking larger houses and more outdoor space to escape the monotony of lockdowns and restrictions.

Counter-urbanisation is nothing new. We've seen it before across Europe and North America between the 1960's and 1980's as people left cities to improve their quality of life. Indeed it's also not the first time that it's happened as a result of a shock event. Following 9-11, New Yorkers left Manhattan for the suburbs, but quickly returned when the perceived threat of terrorism reduced. Similarly, following the 2011 Sovereign Debt Crisis and resulting economic depression in Greece, there was an exodus of people from Athens, yet people returned when jobs and prosperity returned.

The ability of cities to change and react rapidly in the face of these events means that they will remain culturally and socially significant in the long term.

So where does that leave the future of work? 2020 will be looked back upon as a pivotal moment for workplace culture. Aside from the obvious

changes we have experienced, longer term issues, such as diversity, sustainability, autonomy and mobility to name a few, have all rightly come to the forefront of discussion.

Why we believed for so long that the workplace was immune to an increasingly virtual world is unclear. With so much of our work being online, there is a question mark over the established concept of travelling for hours each day to a purpose built office building, to use technology which is available in your own home. We must create a narrative within the workplace which is above and beyond the functional.

There are obvious comparisons to be made against the retail sector. Whilst retail's rude technological awakening a decade ago triggered the demise of many treasured but antiquated retailers, we have subsequently seen the rise of increasingly creative and innovative brands. Could we see a similar phenomenon within the workplace? Could this shock nudge companies into setting up their operations towards being more innovative, proactive and collaborative?

The real estate implications for the future are striking and numerous, but we will have to wait for the post vaccine society to gauge how the new patterns of work play out. It has been a year where focussing on the negative has been easy, but there will certainly be positive consequences that emerge for both consumers and businesses alike.

Wellness within the workplace is regularly discussed but remains a fairly nebulous concept. However, our time at home has in several ways made the concept more clandestine, reducing stressful commutes and allowing more time to be spent with our families. An objectively healthier workforce can only be a good thing for companies and the broader economy.

There is no denying that this remains a worrying time for landlords of office portfolios. However, as was the case before, well-located stock in vibrant or well-connected locations will continue to attract the right occupiers. A retraction in demand for space could see peripheral space becoming increasingly obsolete, but this in turn could create significant opportunity for repurposing and value creation.

Most importantly, if the long lasting effect of the virus on workplace culture is a healthier work life balance alongside greater trust and autonomy between bosses and workers, then these will be positive outcomes. The Austrian economist, Joseph Schumpeter, described modern capitalism as "the perennial gale of creative destruction". The idea that something old must be destroyed for something new to evolve. For better or worse, 2020 was a year of creative destruction for workplaces around the world. Hopefully, 2021 and beyond will start to provide a little more certainty when it comes to our ways of working and make it a healthier, more inclusive and innovative environment for everyone.

## 1960s

The desire to shift the uninspired nature of Taylorist efficiencies drove the creation of the 'Action Office' and the personal employee cubicle. This allowed office workers the ability to create their own workstations for privacy and flexibility.

Electronic typewriters first entered the office in the late 1960's and were eventually found in most workplaces.

## 1980s

Whilst technology dramatically changed the workplace, office design now fully embraced the Cubicle Farm. When combined with modular walls and advancing technology, it meant the workplace became a processing warehouse.

Personal computers became part of the workplace and towards the end of the decade, companies realised they could increase productivity and efficiency through utilisation. By the mid 1980s portable mobile phones were creeping into the working environment, albeit only for a select few due to the high cost.

# OFFICE EVOLUTION

## 1950s

The manufacturing and automotive sector in the early 20th Century shaped the office of the 1950s. The design of the office was driven by efficiency and order through rows of desks, similar to production lines, and was known as the Taylorist office layout. Hierarchical structures within the workplace, meant that those at the top of the organisation would enjoy private offices with natural light that hugged the perimeter.

Telephones began to enter the workplace and manual typewriters were commonplace for administrative roles.

## 1970s

The Cubicle heavily influenced office design with occupiers, either opting for what is now known as, 'Cubicle Farms' or sticking to their Taylorist roots with rows of desks within the workplace.

The early shift from the typewriter to the personal computer (PC) word processor began and computers started to shrink from the size of large rooms to desk sized, albeit with quite limited functionality. Fax machines allowed documents to be sent instantly and physical document storage was slowly being replaced through the introduction of the floppy disk.

## 1990s

Office design began to stagnate and cubicles were still the norm, however, the introduction of the internet and shifts in company culture were set to change the way we worked forever.

The mainstay of the office, the fax machine, was gradually being phased out towards the end of the decade thanks to the World Wide Web. Computers remained bulky compared to the modern day equivalent and email began to replace the physical sending of mail.

## 2000s

The early 2000s saw the death of the cubicle office, giving way to more open plan or 'casual offices' that were aimed at being playful, attracting talent and creating a more free moving environment. As Wi-Fi enabled roaming within offices, it also meant you could work in coffee shops or even the home. The earliest 'co-working' spaces opened in San Francisco and London in 2005, which allowed for likeminded individuals from different sectors to work in the same environment.

Skype came onto the scene in 2003 and began to alter the way we communicate in a virtual sense. The launch of the iPhone in 2007 would change both the communications industry and office environment forever.

**Office evolution when considering its use, its design and densification is nothing new.**

**External events, behavioural changes and cultural shifts have, and will, continue to expedite and drive change.**

**The pandemic is, however, causing a once in a generation opportunity to rethink how the workplace will be used and curated for the future.**

## 2010s

Flex is the word. Agile working and flexible desk spaces influenced the rise of the co-working companies of today. Remote working and hot-desking became the norm in corporate culture, as technological advances meant the fixed desk began to be phased out. Office design sought to promote company culture, making employees feel part of their brand, whilst driving engagement and creating a 'place' to attract the workplace and new talent. The cloud allowed for online storage and access to data without the need to be connected to a physical environment. Alongside this, workplace tools for communication and productivity gained momentum as key parts of the digital workplace ecosystem.

## 2020s - WHAT'S THE NEXT CHAPTER?

2020 saw the largest working from home experiment thanks to the impact of COVID-19. The virtual world invaded the physical world, resulting in the wide scale use of telecommunication tools such as Zoom & Teams. These tools were not new, however, their rate of adoption was staggering.

What happens next is still unknown but as working habits have changed, it's highly likely that the office workforce will be demanding the best parts of their home working experience be retained. Previous metrics around cost or design will remain relevant in the short term. However, the transition back into the workplace must be underpinned by a more sustainable and data driven approach if we wish to create enhanced human-centric and experiential-led working environments for the future.

Whilst change may not be as rapid or dramatic as seen across 2020, there will be a continuous evolution. Keeping ahead of new and evolving trends will be essential for those investing in, occupying or developing new workspaces.

# HOW TO MAKE YOUR WORKPLACE BETTER



Sukhdeep Dhillon is BNP Paribas Real Estate's UK Economist. She specialises in forecasting economic and real estate markets in the UK and Europe and also provides insights across all asset types.

**To make our workplaces better, we need to use both data and insights effectively in order to understand the change needed. However, sometimes the solution will lie outside of the four walls of our physical offices. Whether developing new space, or trying to improve existing, we need to change our metrics and look at other areas within both the urban and rural environments for data or anecdotes. These metrics will demonstrate how our spaces relate to the people who use them and the environments in which they sit.**

1

## INCLUSION IS KEY

Diverse businesses reap 'diversity dividends' – the UK economy loses £127bn in output each year due to discriminatory pay practices (£123bn gender, £2.6bn ethnic minorities, £2bn sexual orientation).

2

## ADOPTING AGILE

Recent roundtable discussions with a range of BNPPRE corporate clients found that, anecdotally, occupiers were looking to reduce their office footprint by 10%-50%. Whilst clearly a large range, it was found that occupiers who had already adopted agile working expected the reduction in floorspace to be smaller than those who hadn't.

3

## IS THE FUTURE FLEX?

The % of total take up of flexible space fell from 18% to 4% in the first 9 months of 2020 compared to 2019.

4

## CONSIDER WASTED SPEND

The average workstation in Central London costs £17.5k per annum, yet the average desk utilisation rate stands at only 45%. For a typical London office containing 500 workstations, that represents as much as £5m per annum wasted on rent alone.

5

## BUILD BACK BETTER

38% of all energy-related CO2 emissions come from buildings and construction emissions.

6

## THINK ABOUT "E"

51% of institutional investors globally now expect higher long-term returns on real estate where environmental criteria have been taken into account.

7

## BUT DON'T FORGET ABOUT "S"

The UK social impact investment market is worth more than £5bn annually. Social property funds account for 42% of the total market.

8

**STAY CONNECTED**

London offices that are WiredScore Certified command 4.7% more in rent than in similar buildings that do not have the connectivity accreditation.

9

**TECH WILL REMAIN THE MAIN AGENT OF CHANGE**

The UK PropTech market is worth a potential £6bn, and already receives 10% of global PropTech investment.

10

**PROMOTE WELLNESS TO DRIVE PERFORMANCE**

Productivity and cognitive ability can increase by up to 50% in a healthy building environment. Employees have fewer sick days and enjoy a better working environment that provides them with the comfort of clean indoor air and thermal, lighting, and ventilation controls.

11

**THE CYCLE REVOLUTION IS HERE (TO STAY)**

More than €1bn (£907m) has been spent on cycling-related infrastructure and 2,300km (1,400 miles) of new bike lanes have been rolled out across Europe since the pandemic began.

12

**FREE UP THE CITY**

Parking spaces currently occupy 16% of London streets, or the equivalent of nearly 8,000 hectares, with traditional vehicles typically remaining parked 96% of the time.

13

**COLLABORATE MORE**

There are 205 incubators and 163 accelerators in the UK. An estimated 3,660 new businesses per year are supported by accelerators in the UK.

14

**CREATE A HALO**

Government research found that within 5 years of accelerator formation in a given region, an additional £48m was invested in the high-tech industry, relative to the non-high tech industry. Corresponding to an estimated increase of 243%.

15

**THE RURAL PROSPECT**

Huge economic opportunities lie in rural economies: rural areas make up 90% of England's land, house 17% of the population (9.5 million people live in rural areas compared to 46.2 million people in urban areas) and generate 15.8% of England's GDP.

16

**MORE THAN JUST FARMING**

Once dominated only by farming, rural areas are now home to a wide range of businesses – services, manufacturing and the public sector are drivers of rural economies. 24% of all registered businesses in England are in rural areas.

17

**THE HIGH STREET ISN'T DEAD (IF WE ENCOURAGE CHANGE)**

1 in 10 high-street stores are now empty in the UK, the highest vacancy rate since 2014.

18

**EMBRACE THE "15 MINUTE CITY"**

London has more than 600 high streets and 90% of Londoners live within 10 minutes of their high street.

19

**TAP INTO COMMUNITY SPIRIT**

COVID-19 has changed the way that people feel about their local area, with over 63% saying they have changed how they engage with their neighbours and local community. This indicates that there is a public desire for the '15 Minute City' concept and a strong opportunity for planners to rebuild local High Streets.

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STREETSCAPE - ARMSGROVE

# REPURPOSE THE HIGH STREET

## INTEGRATING WORKSPACE AND BUILDING COMMUNITIES

**T**hese days the workplace feels almost as outmoded as the high street. Have both outlived their usefulness, or can we take lessons from the success of social media to rejuvenate both? Social media marries experience with transaction, story with data, narrative with knowledge. It is immediate. It is personal. And it adapts at the drop of a hashtag. The 'StreetScaper' – think horizontal skyscraper combining workplace, high street and social media buzz – is a concept which puts the plot back into the plot.

Gen Z have redefined our priorities. A new generation of influencers, content creators and story makers, learning from social media by weaving together different industries that can easily collaborate and communicate with each other. What they sell or promote is experience-led and locally sourced, championing co-working, independent business and pop-up culture. Users no longer buy things; they buy into stories.

This distinction between buying and 'buying into' is driving a seismic shift in the way we use our digital and built environments, with the clinical process of buying moving to the more efficient online landscapes, whilst experiential offerings take precedence in our physical space.

Like many other trends, the global pandemic has accelerated the pace of change – magnifying emerging cracks into irreversible fissures. The growing rift between our digital and physical landscapes is demonstrating that the notion of workplace and commercial space is dated, harking to a more siloed era when a story was something you chose to read or see, rather than a constantly updating stream of consciousness from around the globe.

The workplace and high street have both suffered from the same trivialisation of their base offering. Remote working has left companies wondering what their central offices are for, whilst online shopping (plus a healthy dose of lockdown) has pushed all but the most robust high streets into near

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**WORKSPACE WILL PLAY AN IMPORTANT PART IN ENCOURAGING PEOPLE TO CONTINUE TO USE THEIR LOCAL CENTRES FOLLOWING THE PANDEMIC, CREATING AN INTERMEDIATE OPTION WHICH WILL SUPPORT, RATHER THAN REPLACE THE HEAD OFFICE.**  
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collapse. Their focus on productivity and ease of access has ironically been their own undoing – creating spaces devoid of personality which could never match the 'click jump' efficiency of the online world. However, this dual decline may not spell the death sentence that some predict. Indeed, it is entirely possible that the combination of these elements will pen a far more exciting comeback than they could individually.

ROVEI

MAKE.IT

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**Olivia is an architect and leading figure within the asset and workplace sector at HLM Architects. Working predominantly with Local Councils she is focused on delivering innovative solutions which make asset portfolios deliver value for community and client.**

**She is passionate about the re-generation of our towns to support the emerging localism agenda and most recently has co-founded the #bettertowns roadmap; an innovative initiative launched to lead the way towards better, healthier and more successful towns. The decision to create #bettertowns was driven by a desire to champion a logical, evidence-led approach focussing on truly understanding a locality and its challenges before offering deliverable, achievable solutions through collaboration with the multi-disciplinary consortium.**

The StreetScaper proposes an intermediate workplace which harnesses the advantages of remote working without the isolation or backache which our kitchen tables have provided over the past year. It envisages a new use for vacant retail spaces on our local high streets, providing easily accessible co-working hubs as part of a wider network of local businesses and multi-functional spaces. It is both a physical concept – using design to stitch together multiple different uses with the ability to adapt easily over the course of the year, month or even day – and a community narrative, which creates a sense of collective ownership and support in the centre of our towns.

The partnership has many obvious advantages – and I am by no means the first to point them out. Local high streets would gain a new variety of user, ones who consistently activate the space and who would likely contribute regularly to both a day and night-time economy. Workers would enjoy a reduced commute, an ergonomic and digitally enabled remote workspace and a new community of local workers whose diversity could prove beneficial and stimulating.

But to be truly successful, this collaboration must extend further than the workplace and the high street, recognising the network of demographics, industries, history, education, and governance which create a locality. Every town has a character borne through decades of evolution and this should be reflected in their streetscape. Solutions will take many forms creating a variety of flexible, multi-tenancy spaces and more permanent units which will vary from public sector organisations to co-working hubs and successful retail. The goal should be to establish a core offering which responds to the backbone of local industry, around which the more flexible spaces can adapt to and support the changing ideas of its community; fostering local entrepreneurs and supporting pop-up events which prevent the place from stagnating.

There are hurdles to overcome to create this level of diversity and local government must take a more active role in their town centres – starting with creating a true understanding of the characters and plot lines which define their locality. Once this gap is bridged the challenges of ownership, business rates

and operation must be overcome – no mean feat, but nor is it insurmountable if local authorities are assisted in creating a business case which can demonstrate financial reward in conjunction with economic and social value.

The StreetScaper must become a space which not only has its own narrative, but also supports the narratives of others – both physical and digital. It must be recognisable yet customisable and, crucially, representative. Workspace will play an important part in encouraging people to continue to use their local centres following the pandemic, creating an intermediate option which will support, rather than replace the head office. Whilst they are only part of the story, these hubs have the potential to be one of the central, more permanent, protagonists tethered not to the idea of efficiency but to wellbeing, flexibility and connectivity. This shift will offer something different to our online sphere, allowing both worlds to take charge of what they are good at – finding a way to co-exist without undermining each other.



# 02 MICROMOBILITY

THE FUTURE OF MOBILITY AND THE IMPACT ON THE CITY





Calvin Thigpen is the Director of Policy Research at Lime, where he conducts Lime's internal research and oversees external collaborations, with the aim to better understand who uses micromobility, how and why they ride, and the impacts on the environment, equity, and other topics. Lime's mission is to foster people-first cities by empowering residents with more affordable, reliable, and sustainable transportation options. As the global leader in micromobility, Lime partners with cities to deploy electric bikes and scooters enabled with GPS and self-activating locks. Lime has powered more than 200 million rides in more than 120 cities across five continents, spurring a new generation of clean alternatives to car ownership.

**BNPPRE: What is the future of mobility within cities? And why is it important?**

**Calvin Thigpen (CT):** I think it comes down to the two key concepts of space and time. Geometry is the key constraint on mobility. You can only fit so many large rectangular boxes in that finite street space. You can fit 10-15 bikes or scooters within the same space that you might allocate a parked car. COVID-19 is a blip on the long trajectory of people heading to cities. All of the projections continue to suggest that that is where people are going to live, which only makes the geometry problem more challenging. As we continue to see this influx, this migration towards cities over a long time period, it makes putting people first and thinking about space efficiently even more important.

The 15-Minute City has been another big talking point lately. The concept is really about having everyday necessities within walking, cycling or scooter distance. That is where real estate and urban planning comes into play. Transportation allows us to think about cities holistically rather than in silos. It sounds simple in theory but in reality is quite challenging.

**BNPPRE: Are scooters a more accessible method of transport than bikes? Could they lead to greater use of bikes in the medium to long term?**

**CT:** City planners and officials love bikes. For the public, though, there's a preconceived notion about who a cyclist is which they don't have in the same way with a scooter. And once people feel comfortable on a scooter, they are going to be more likely to use a bike - one can be a gateway to the other.

Our research shows that people strongly support separated bicycle infrastructure. Over half of our riders said a protected bike lane was their number one infrastructure preference. A painted bike lane was their second preference and then an off-street path. People really want safety first.

I'll use Paris as an example, which has done a really good job instituting "slow streets" - reallocating space from cars to people. Between February and July 2020, where slow streets were introduced, ridership went up around 110%. If you provide the right infrastructure, people will use it. People love these slow streets and they want to keep them. This will be a key city policy if we want to continue to see the gains we've seen in sustainable mobility.

**BNPPRE: Could micromobility democratise where we choose to live? Could micromobility open up new areas of cities and make healthier communities where people actually want to live and work?**

**CT:** A scooter alone isn't going to change where people live, although I think the transport mode opens up opportunities. There's the concept of the first and last mile of a public transport trip: people walk to the station, get on a train, and then they walk to their final destination. However, if that walk becomes a scooter ride, then all of a sudden that "walkshed" area really broadens. There's a great analysis by a firm called Conveyal that looked at job accessibility in Seattle. Just by allowing scooters to operate in the city, the number of jobs that somebody could access within 40 minutes dramatically increased. I think micromobility really can enable the 15-Minute City in a strong way.

**BNPPRE: If you're decentralising your city, could micromobility have a big effect on public transport? How do you think it might affect the sustainability credentials of cities?**

**CT:** I think we've seen the immediate short term detrimental effect of COVID-19 on public transport. In many global cities, many people have abandoned public transport, although transit is still essential for many workers. There are encouraging signs, though. If you look at Southeast Asia, where several countries have previously experienced epidemics, public transport has come back as strongly if not stronger than before. We're clearly witnessing a dip in use of public transport at the moment but as long as cities and governments continue to support them, it will come back.

COVID-19 has forced people to re-evaluate their attitudes, their behaviour and their needs. The rise of shared and personal micromobility really will have a long term effect on mobility and the environment generally within cities. If you're planning to give up your car, you would want to have multiple different options available which is exactly what micromobility offers. Cities have an ability and opportunity to adapt well to change.

**BNPPRE: Finally, could micro transportation have positive effects on our mental health?**

**CT:** The one question I ask in almost all my surveys is: "Why do people use Lime?" One of the top answers is always "it is enjoyable". It's not something you can always say about driving a car, as much as adverts would like to convince you otherwise. You're not speeding towards a lovely destination on a country road. Instead you tend to be stuck waiting for the traffic light to change, or in gridlock. There's lots of evidence that people love being outdoors on a bike or scooter feeling the wind in their face, being more connected to nature, which you don't get in the same way in a car.

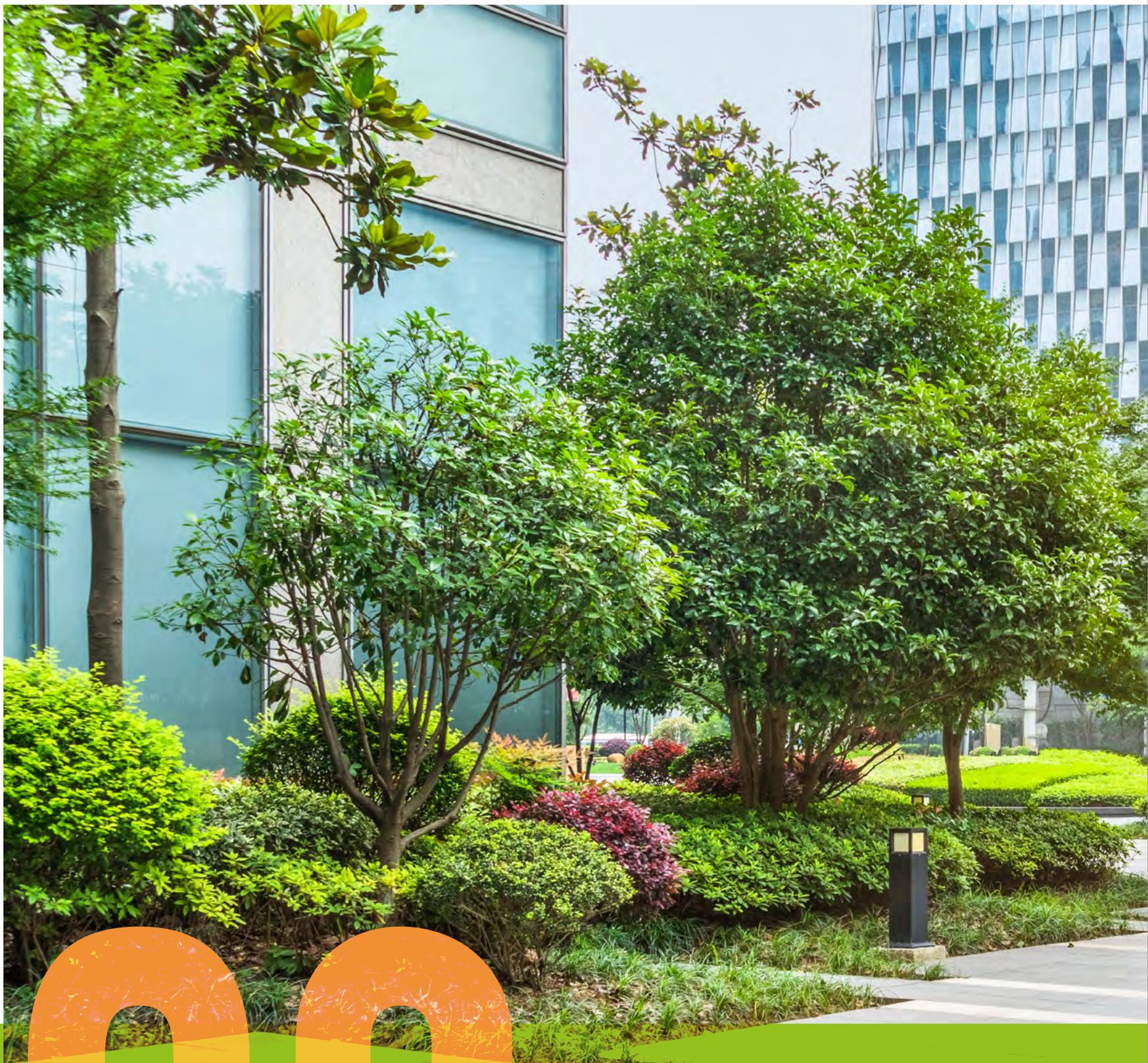
Plenty of research shows that cycling is the top mode of transport for subjective wellbeing, which is an academic term for mental health and happiness. It's a less stressful way of getting around and you have a sense of control, which researchers have found is really important. On the other hand, on public transport, your train might be delayed or you might get stuck in the tunnel. With both bicycles and scooters, there is less risk of delays and in addition, they are great for your mental health too!

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**GEOMETRY IS THE KEY CONSTRAINT ON MOBILITY. YOU CAN ONLY FIT SO MANY LARGE RECTANGULAR BOXES IN THAT FINITE STREET SPACE.**

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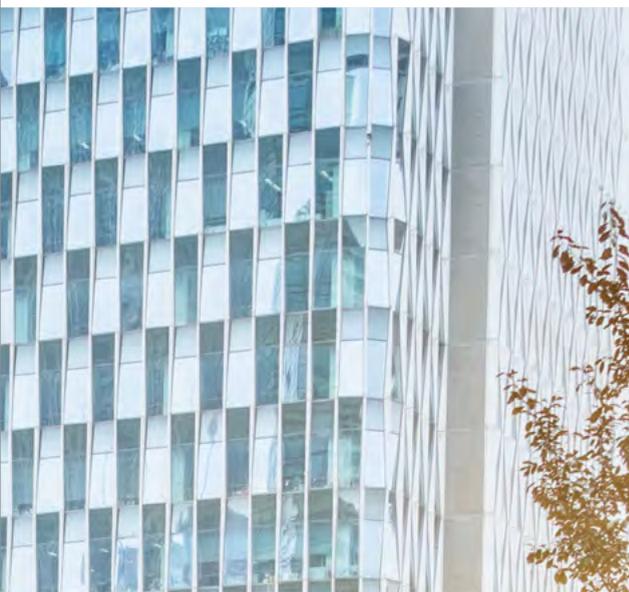




03

# THE RISE AND RISE OF ESG

SUSTAINABILITY WITHIN THE BUILT ENVIRONMENT



BY SARAH RATCLIFFE

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**BBP** | BETTER BUILDINGS PARTNERSHIP

**Sarah has over 20 years' experience working in the property sector on sustainability issues. She is CEO of the Better Buildings Partnership, a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock, aim to deliver market transformation through sustainability leadership and knowledge sharing across the property industry. The BBP has 40 members with combined Assets Under Management (AUM) of over £250bn.**

**Sarah is a visiting lecturer at The Business School (formerly Cass), a Board Director of the Sustainable Development Foundation and has contributed to numerous industry steering groups and committees.**

f 2020 will be remembered for something other than COVID-19, it will undoubtedly be the year in which environmental, social and governance (ESG) issues came of age. Having committed the UK economy to becoming net zero by 2050, the UK Government announced that it plans to make reporting on climate related risks mandatory in line with the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD) and launched their first sovereign green bond. The Bank of England said that it will stress test the exposure of Britain's commercial lenders to climate change risk, whilst the Net Zero Asset Owners Alliance (representing 30 of the world's largest investors with over \$5trillion AUM) collectively agreed on portfolio decarbonisation targets that follow the Intergovernmental Panel on Climate Change (IPCC) 1.5 °C scenario for the next five years.

Numerous businesses are also committing to climate change targets, the like of which we have never seen before, whether its Microsoft committing to become carbon positive by 2030, KPMG committing to be a net zero carbon neutral organisation by 2030 or the 63 retailers supporting the BRC Climate Action Roadmap to bring the retail industry and its supply chains to net zero by 2040. Climate change has become a competitive issue.

Whilst somewhat esoteric, these commitments are of critical importance to the real estate sector as these stakeholders regulate, invest in and occupy the buildings that the sector develops, owns and manages. The real estate sector has responded with its own commitments, including the BBP Climate Commitment for property owners which has 26 signatories, representing over £300bn AUM and spanning UK, European & global portfolios.

This year the Climate Change Commitment signatories will be publishing their net zero carbon pathways, providing a transparent commentary on the scope of their targets and providing details of their delivery plans. Last year the Commitment signatories published their net zero carbon pathways, providing a transparent commentary on the scope of their targets and providing details of their delivery plans.

The impact of the COVID-19 pandemic on ESG issues has been fascinating to observe and far from relegating ESG to an 'also ran', the pandemic has thrust ESG to the forefront of the response, making it a critical component of the narrative on 'building back better'. The pandemic has also enabled us to exercise the incredible power of collective action and human ingenuity when faced with a global crisis, and the parallels to the climate crisis (from which we cannot isolate) should not be lost on us.

Where we work and how we work will undoubtedly be changed as a result of the COVID-19 pandemic. The purpose of the long commute into the office to sit at a desk has been brought into sharp focus, but perhaps the novelty of working from home and in isolation has begun to lose its appeal, with many people yearning for human contact and the benefits that collaborating with colleagues can bring.

The future of the workplace will certainly become driven by a different set of choices and ESG has a critical role to play in these shifting demands. We know we can work from home, but we need places in local towns and villages for when we need to be with other people (or when the small rooms in which we work become unproductive). We need regional hubs that enable us to work with colleagues without the long commute and its inherent risks. We need city centre locations to be accessible by cycling and walking so that we can choose how we get to work. And finally, we need buildings that are more responsive to occupiers' patterns of work and that provide a healthy working environment that makes a positive contribution to tackling climate change.

It is clear that environmental, social and governance issues are here to stay, but much more than that, they are set to be a driving force behind decision making in the real estate sector. It's a big ask and a big leap for an industry that is slow to change and fragmented, but it is clear that the real estate businesses that respond to these challenges and seize the opportunities that this presents will attract the investors and occupiers upon which they survive and thrive.



# 04 INCLUDE TO GROW

REBUILDING INCLUSION AND WORKPLACE CULTURE IN A POST PANDEMIC WORLD



**Sasha Scott is the Founder and CEO of Inclusive Group and is an expert in diversity, bias, inclusivity and managing psychological health. In 2020 she was ranked in the Top 10 Global Diversity List – described as a global pioneer. She understands the commercial drivers behind reducing bias within the workplace and the critical need to promote and sustain inclusive workplace cultures, in order to attract and retain talent.**

## INCLUSION MATTERS

Inclusion or a lack of it typified 2020. As we embrace 2021 it's essential to place inclusivity at the beating heart of your future strategy around diversity at work.

What questions should we be asking when we focus on diversity? Let's start with authenticity and one angle-race.

The impact of Black Lives Matter is quite rightly both profound and its repercussions will be judged by history. In 2020 following the murder of George Floyd and many Black people before him, we saw organisations small and large, globally express solidarity and vocalise the need to address racism in all its forms.

## YOU CAN'T FAKE AUTHENTICITY

Some workplace cultures have perceptively shifted, others have not. We witnessed more listening and more learning as Black people shared their stories and people in some places, became better listeners. The burning question is what now, what next? In 2021 workplace culture will be the theatre where this plays out for us all. If organisations are not authentic they will be called out. The fallout will affect brand, culture, productivity, attraction and shareholder value. The costs of being inauthentic will affect the bottom line.

## THE COVID-19 EFFECT IS A COMPLETE GAME CHANGER FOR WORKPLACE CULTURE AND INCLUSION

As we attempt to heal the COVID-19 splintered rifts of the year just gone, how do people want to work, where do they want to work from and what will that do when we build workplaces for tomorrow?

Culture is borne of behavior. Its not difficult to define corporate values and many of them have respect as one. We can print mouse-mats and carve words into the walls of our plush office reception, but what about behaviours? Do workplace values and behaviours unite or divide us in a world of diversity?

This is why we need to align our new workplaces on the value of inclusion – it's a unique human need to belong. When we get inclusion right within a company then not only does diversity knock on the door, it stays and thrives.

This is not easy and there is never a silver bullet that enables inclusivity. It is work in progress for us all, but it starts with inclusive leadership. Leaders need to fully understand the why behind a diversity strategy. The moral case and the complex business case that now encompasses ESG and purpose driven investment.

## LISTEN TO UNDERSTAND

They then have to lead by example and be inclusive in their words and deeds, inclusive language is a minefield with up to five generations working together. Fear around diversity at work often leads to paralysis. This is not helpful, which is why many organisations have learnt how to listen in 2020. We value listening as a key skill to embed inclusion.

## DIVERSITY IS INTERSECTIONAL

Finally, think broad and deep when you address representation. Much diversity in us is not immediately visible – think cognitive, social mobility, education, LGBTQ and mental health.

To activate an innovative high performing culture, it is important to harness the intersectionality of broad diversity and adopt a consciously inclusive holistic people and culture strategy. There is so much opportunity to be had – it's a question of knowing how to turn the right keys to unlock.

The workplaces of tomorrow will be built with an inclusive lens; culture, brand and openness will all be reflected in build, as we build back better. The architecture of tomorrow will have more social spaces, less hierarchy (that's so yesterday), will use authentic materials and sustainability will govern everything. The future is exciting – inclusion is innovative.

“ “ **WHEN WE GET INCLUSION RIGHT WITHIN A COMPANY THEN NOT ONLY DOES DIVERSITY KNOCK ON THE DOOR, IT STAYS AND THRIVES.** ” ”



# 05 PURPOSEFUL DEVELOPMENT

## DRIVING SOCIAL CHANGE WITH THE WORKPLACE

**BNPPRE:** What does the office building of the future encompass?

**Basil Demeroutis (BD):** The last 12 months has been a period of transformation for the office, but I think that has been a long time coming; the nature of the office has been in constant change.

It's something to embrace, and make sure that we tackle it head on. Everyone talks about the office of the future being a place for collaboration and for activities that you can't do in your own home and of course, that's true. However, that's a little shallow as an answer - what does collaboration mean? How does a physical space, foster creativity and collaboration? That's a much more challenging and deeper question that no one is really answering.



**Basil is Managing Partner of FORE Partnership, the purpose-driven property fund that believes in driving social and environmental innovation in the built environment. Prior to founding FORE, Basil was a partner at Capricorn Investment Group, the family office of Jeff Skoll (eBay), overseeing global real estate and serving on the firm's investment committee. Previously he was Managing Partner at property fund Jargonant Partners and spent the early part of his career in investment banking.**

If we think back to the 1950s, the office was a convenient aggregator of infrastructure. You go there to have a desk and a telephone. More recently, a fax machine, computer and a printer. All of this infrastructure, only the office could provide. Now, we don't need any of that in an office as we have it in our pockets.

So what if the office isn't providing infrastructure? What is this elusive concept of collaboration? I think that for sure part of the answer is that it is a primary vector for transmitting the company's brand, and its core values. And so, above all else it has to be authentic. If you can't authentically communicate your brand and your values then you're dead in the water. And in addition, the office will become all about connecting people with people, as that's why we're going back to work. That's the direction that architecture is going to have to take – re-connecting people with people as opposed to people with place.

**BNPPRE: Is it possible for real estate owners and developers to make a genuine social impact?**

**BD:** It's not only possible, it's an absolute requirement. It's imperative. If you think of real estate as being the stage on which life's dramas play out, it has a huge influence.

First and foremost, property is directly responsible for 40% of carbon output. Equally, we as building owners directly influence how people commute, what they do in their leisure time, how they meet, how they have friendships, how they learn or how they're inspired. Everything comes back to real estate and I say that with a degree of humility. So in a way, all real estate has an impact, it's really a question of whether it is positive or negative.

**BNPPRE: Has the "S" of ESG been neglected by the real estate community in recent years or generally? And this is perhaps because of its difficulties around how you measure such an impact?**

**BD:** I think the "S" has been the understudy of the "E" but it's time is here.

We've always considered the "E" & "S", not only of equal merit, but actually as being deeply intertwined. We always have an eye towards how we can leverage the same bit of infrastructure to create positive social outcomes as well as positive environmental outcomes.

The social impact is a lot harder to identify and quantify than the environmental impact. We can measure kilowatt hours, but how do you measure the changes that you make to someone's life through creating better literacy or reducing gender inequality? These are difficult questions.

The interventions that we make need to be well thought through. The social value that we're generating is not just some theoretical concept calculated on the spreadsheet, but is actually a positive impact on a real person's life.

**BNPPRE: What are the benefits to embedding social value and can you generate returns from it?**

**BD:** There are huge benefits to creating social value. This is true both for our buildings in isolation, but also for the wider urban systems in which our buildings sit. Of course, you must create a place that people want to come to. If I've got tenants who are engaged in our social programs, they're more likely to feel connected to one another and to the building. This could translate to a positive view of their experience in our buildings

which will in turn mean that they're going to want to stay longer. For investors, this results in longer, more secure income streams with better quality occupiers.

**BNPPRE: Are there any examples of this within Fore's portfolio?**

**BD:** Firstly, Cadworks in Glasgow. It's going to be an all-electric net zero carbon building which will be delivered in October 2021. We've done a huge amount of work there around cycling infrastructure, removing the car park and creating Scotland's first cycle-in, cycle-out ramp. At the same time, we've partnered with a social enterprise called 'Soul Riders' who work with disadvantaged families in the community to help them access bicycles and cycling as a way to keep healthy and get to and from work.

Windmill Green in Manchester, the city's first BREEAM Outstanding office building which includes a whole host of environmental and social innovations. We've hosted a number of local social enterprises and charities in the building – one of which was Wood Street Mission for a program tackling literacy issues amongst disadvantaged members of our community. And finally Tower Bridge Court in London where we're about to start on-site. In many ways it will be our best vision of the future of the office. It will be net zero carbon, and will push the very latest thinking on several key areas of design, whilst at the same time integrating social impact. It will include what we're calling an urban village hall, which is a 3,500 sq ft space that will be free to use for anyone in the community that needs space. We'll co-curate that space with local community groups to make sure that the social value can be maximised.



# BUILT FOR THE FUTURE

**EMBEDDING TECHNOLOGY: ADAPTABILITY,  
THE WAR ON TALENT AND THE ENVIRONMENT**



Fons is an Executive Commercial Director at EDGE, responsible for the companies' expansion into the UK market.

EDGE is a technology real estate company that aims to reinvent the modern workplace as a driver for health, sustainability, and innovation. Founded in 1997, the company combines decades of experience in real estate with proven innovation, big data analytics, smart technology, and smart systems.

**BNPPRE: Do you believe the office sector will fundamentally change through the adoption of workplace enabled technology?**

**Fons van Dorst (FVD):** No, not really, the most important function will still be that the office is a place for people to meet, interact and to be inspired. We think that productivity and creativity generally thrive on interaction in all workplaces.

Technology can help an occupier make more efficient use of their office space and one of the applications that is really relevant at the moment is that it can also help expedite the safe return to the office. For instance by measuring air quality, cleaning maintenance or providing access to a dedicated desk. Simple stuff can make a huge difference.

**BNPPRE: Does technology alone make a better building? Who benefits the most from that – developer / owner, occupier or the user?**

**FVD:** We see technology as an enabler, something that helps us to drive higher levels of sustainability and wellbeing. We can help build and make more efficient use of its resources, so it's better for the environment and that should also translate into savings for the tenant.

If we take our redevelopment of the Unilever building in the United States, we reduced energy consumption of the building by approximately 70% with the help of smart technology.

This is also recognised by our occupiers who rate our buildings within the top 5% best buildings in the world to work in, as measured by Leesman.

So if tenants like it, investors like it. And if investors like it, then developers like it. So it's good for everyone.

**BNPPRE: Do tenants and users want a smart or tech enabled building?**

**FVD:** There's a lot of demand for tenants to be part of buildings such as ours. Tenants are actually looking for ways to strengthen their brand or corporate identity. This is something that we help them with, by offering them buildings that operate on the highest levels of health, sustainability and wellbeing – which in turn will help them to secure, attract and retain talent.

Although this has now become a horrible cliché, the war on talent is very real. This is why tenants really value a tech enabled office building that really drives performance to a whole new level.

At the present moment, technology is also key for our occupiers returning to their offices. An example of this is how we measure CO<sub>2</sub>, air humidity and particulate levels. It's key to monitor air quality, so that we reduce the opportunity for harmful viruses to float around in the air. So measuring and knowing your environment is only going to become more and more relevant.

**BNPPRE: What is driving this? What is the return on investment? Or is it a more human centric decision?**

**FVD:** Financials are always part of every equation and what we show is that the costs are not necessarily higher or lower. Whatever you might save on energy, you may end up spending on interiors or how you use the building, and that goes hand in hand with making optimal use of the space.

**BNPPRE: How are you addressing the environmental impact of the real estate sector within your developments?**

**FVD:** Everybody is aware of the fact that we need to think about the environment and our carbon footprint. We can show occupiers that our technology helps us reduce that, which is a great win for tenants. This translates into cost savings, and most importantly, is the right thing to do.

All of our developments have a strong focus on operational and embedded carbon. This requires us to work with best in class partners throughout the whole development process and the supply chain. This starts at the first brief with the architect, through to the selection of the general contractor.

For our embedded carbon usage, the use of cross laminated timber or recycled concrete can help us achieve our targets. We have the same approach to operational carbon, driving it down by working together with market leading energy consultants and using our own technology. We also think that it is part of our responsibility to help our tenants to set up their offices in a sustainable way from an operational carbon perspective, so the overall consumption of energy is as low as possible.

There's no silver bullet that instantly creates a sustainable building. It's all these little measurements that help drive down your use of carbon. If you don't make use of every opportunity, you won't be able to drive your environmental impact down to the levels that we aspire.

**BNPPRE:** With the recent rise of ESG linked products, the issue of “greenwashing” has come to the fore. Do you think that “tech washing” is an issue?

**FVD:** When you talk about tech, you need to make sure that we are talking about the same thing as there are different levels. If you just want to measure and learn about the environment you’re working in, that’s one thing, but the sort of tech that we are now focused on is tech which is built into the backbone of the building to ensure that it’s enabled for the future. Everything is smart and connected to the internet. If we want to upgrade our systems, it’s a software update and not a physical hardware upgrade. You just need to make sure that the infrastructure is right for future adaptability.

**BNPPRE:** Where does the next innovation within a ‘better’ building lie?

**FVD:** I think it’s changing the office offering from a product to more of a service, where landlords and tenants work together to operate in a more sustainable way. For example, in the tower we’ll be delivering at London Bridge, we’ll be able to help our tenants occupy the space in a Paris (Paris Climate Agreement) proof way. By working together with our occupiers, we can help them meet their ESG targets and also strengthen their brand. That’s what they’re really interested in.



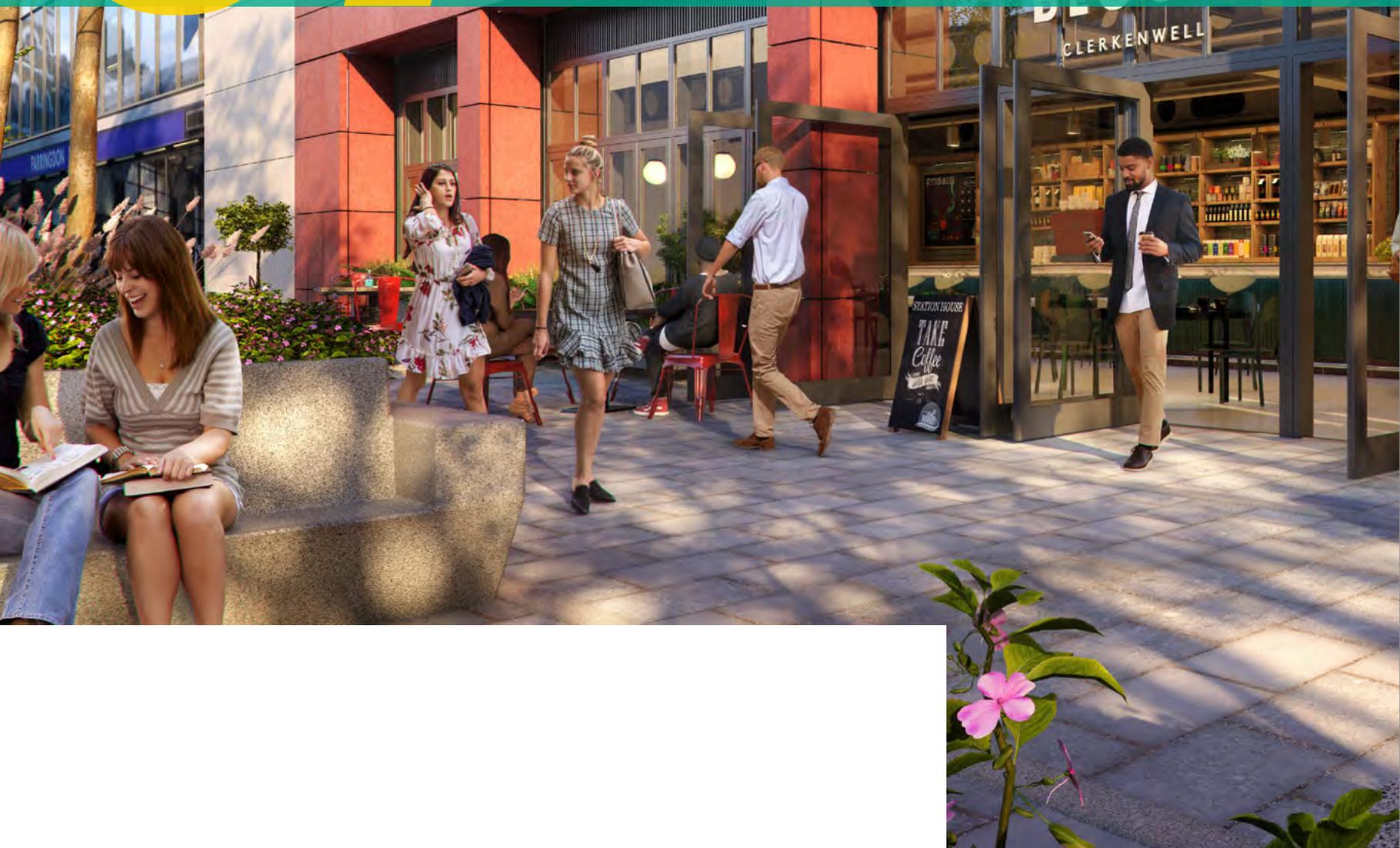


“ WE THINK THAT  
PRODUCTIVITY  
AND CREATIVITY  
GENERALLY THRIVE  
ON INTERACTION IN  
ALL WORKPLACES. ”



# 07 SENSING CHANGE

WHO NEEDS TO BE BACK IN THE OFFICE  
VS WHO WANTS TO BE BACK?





We spoke to Gilbert Lennox-King about the future and importance of tech within the workplace. Gilbert joined HB Reavis in 2020 as Sales Director in the UK, leading activities for HB Reavis' own technology platform, Symbiosy. Symbiosy is designed to enable excellent workspace management, boost cooperation and productivity. He has spent most of his career leading energy and technology implementation programmes in commercial buildings in Asia and the UK.

### CAN TECHNOLOGY PLAY A ROLE IN THE OVER-ALL WORKPLACE STRATEGY OF A BUSINESS?

Over the past year, we've learnt the value of good technology platforms and how they could impact on our ability to work and collaborate in order to achieve what we want to as organisations. The challenge now is how, as workplace professionals, do we demonstrate the tangible value of the workplace and how we can bring the digital and physical worlds together to generate more business value.

### HOW HAS THIS CHANGED SINCE THE FIRST LOCKDOWN PERIOD / COVID-19 IN THE UK AND WIDER EUROPE?

At a strategic information level, what we saw was an increased silo effect, where teams liaised with their normal connections and not outside of their traditional connections. We managed to 'see' this through a combination of our integrations with Microsoft workplace analytics and indoor positioning data (see graphic, page 27).

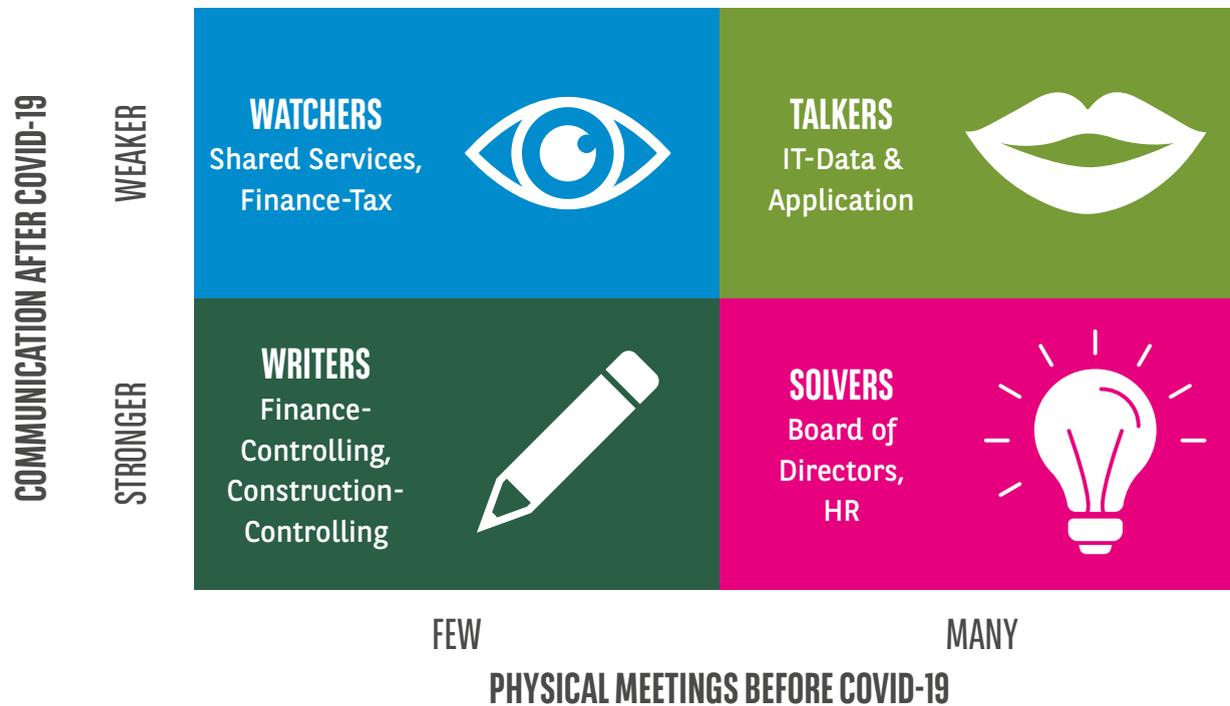
### WHAT IMPLICATIONS COULD THIS HAVE FOR A CENTRALISED OFFICE AND DECENTRALISED/ WFH OFFICES FOR DIFFERENT TEAMS?

Businesses could rethink their workspace strategy according to the desired business outcomes they may want to encourage. For example, businesses may elect to take a more central office with a smaller footprint and have it designed almost exclusively for meetings in a 'hub and club' type model, managed carefully with some type of desk booking app to avoid overcrowding and supplemented with other satellite offices closer to a majority of teams. They may elect to use machine learning algorithms to nudge or encourage certain office visits for certain purposes, like reinforcing strategic connections.



“ THE OFFICE IS A POWERFUL TOOL IN THE ARSENAL TO ACHIEVING CERTAIN BUSINESS OUTCOMES. CERTAIN TEAMS NEED DIFFERENT TYPES OF SPACE. ”

## WE CONSTRUCTED A SIMPLE MATRIX WHICH HELPS US TO ANALYSE THE IMPORTANCE OF PHYSICAL SPACE



### HOW CAN BUSINESSES USE LIVE DATA TO SUPPORT THE PHYSICAL LAYOUT OF WORKPLACE?

Businesses can use live data to make the most out of their workspace investment. Doing this enables you to achieve 24/7 transparency into how your space requirements are changing according to new ways of working. Software tools, for example desk booking apps, can enable your organisation to manage a safer return to work by supporting social distancing and ensuring maximum density levels are not breached.

### CAN BUSINESSES MANAGE THE WORKPLACE EXPERIENCE USING TECHNOLOGY?

It is no longer a 'nice to have'. Transparency on air quality, cleanliness, touchless technologies, mobile apps for entry, monitoring and desk booking are all fast becoming necessities – due to safety concerns, people want control, they want to see how densely populated the office will be, they want to book spaces beside colleagues if they are only coming in a couple of days a week.

The intentionality and choice of whether team members make office visits will mean that technology will be required to make the most of those experiences.

The past year has been unusual for all. Are there certain personality types which have thrived or suffered with the current “norm”?

In other words, who should really be in the office? We looked at two important things: Firstly, which team held many physical meetings in the past? This is a good determinant of demand for physical space. Secondly, which departments decreased their communication the most after the lockdown? Decreasing numbers of conversations might be a sign of losing track of the organisation.

Some teams with few previous meetings responded to COVID-19 with increased e-mail communication (Writers) while others found more time to focus (Watchers). Teams with many previous meetings also faced the pandemic differently. Some of them intensified digital interactions (Solvers), while others were involved in fewer e-mail interactions than before – perhaps a preference for physical communication (Talkers).

We can argue that Talkers are a vulnerable group. Their daily routines might have been adversely affected by the pandemic or they might have become less involved in com-

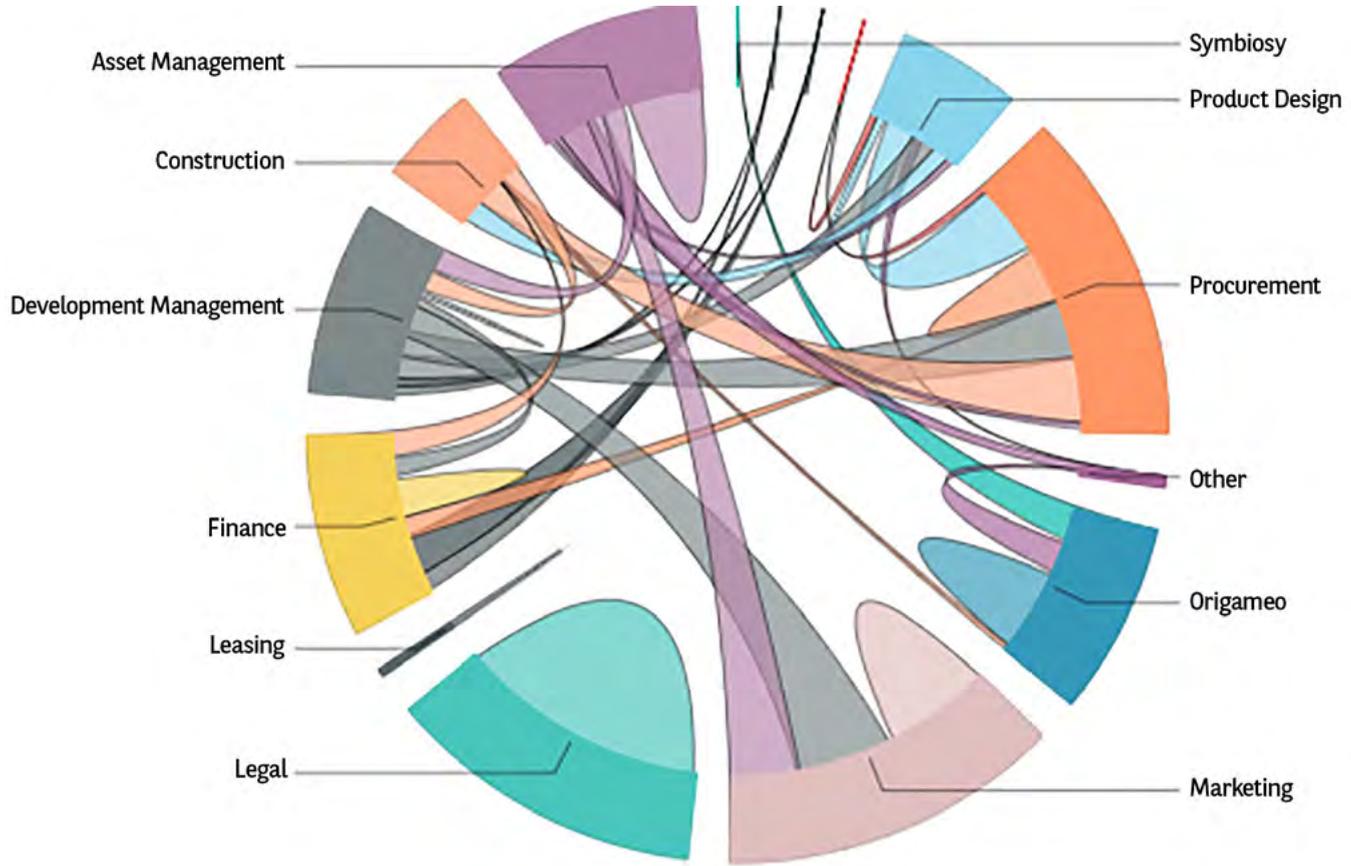
pany developments. Therefore, it is advisable for the IT-Data & Application team to have a prioritised place in the office for their work and for other colleagues who might need them.

### ARE THESE SYSTEMS JUST 'NICE TO HAVES' OR DO THEY GENERATE A RETURN ON INVESTMENT?

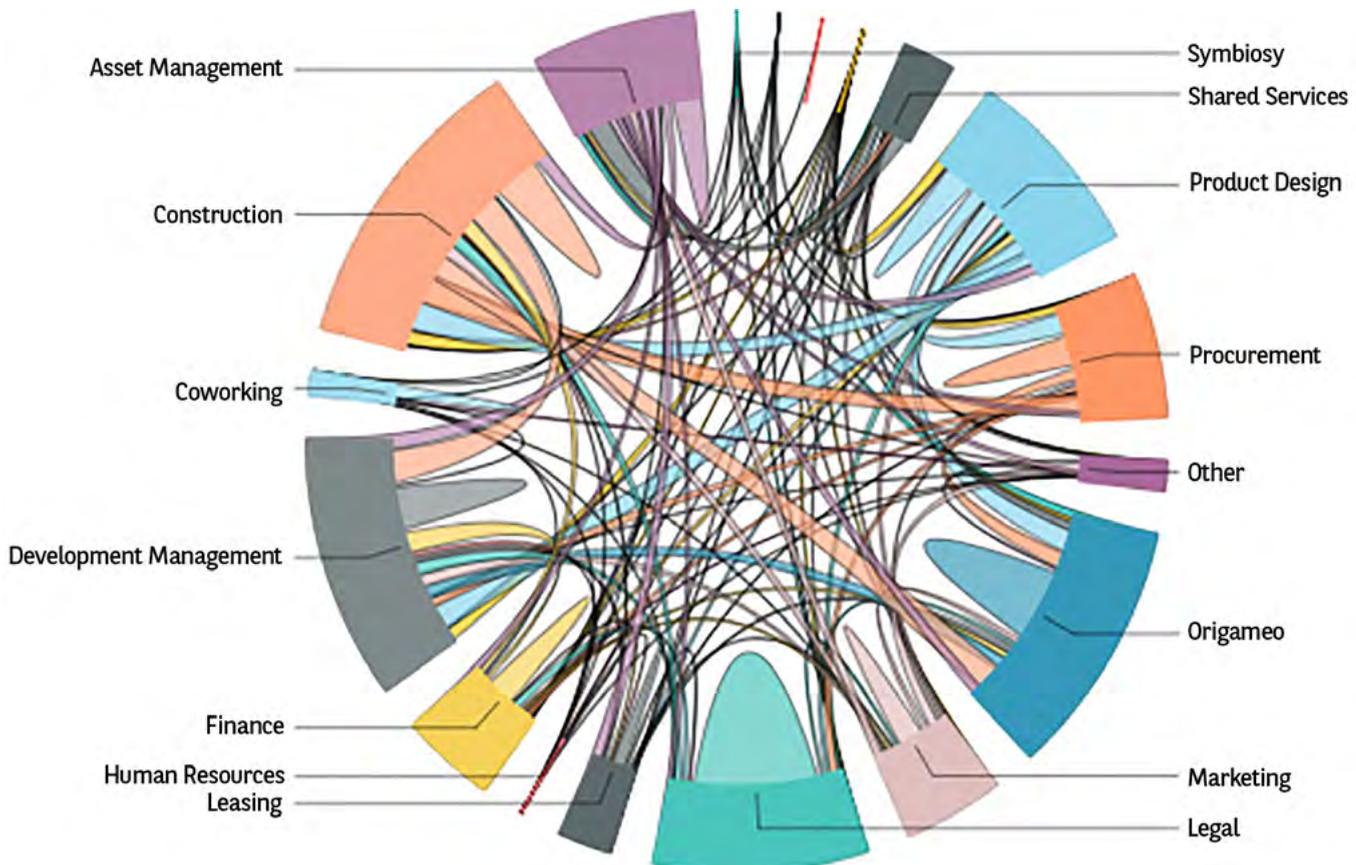
Not having any type of workplace technology in place right now opens up occupiers to a myriad of risks in relation to their workspace; questions such as: How do I know that the air we breathe isn't making my employees ill? How can I guarantee that social distancing measures are going to be achievable without a real time density booking and forecasting tool? How can I ensure that the space is being cleaned? How do I make the most out of my real estate investment to achieve the right business outcomes?

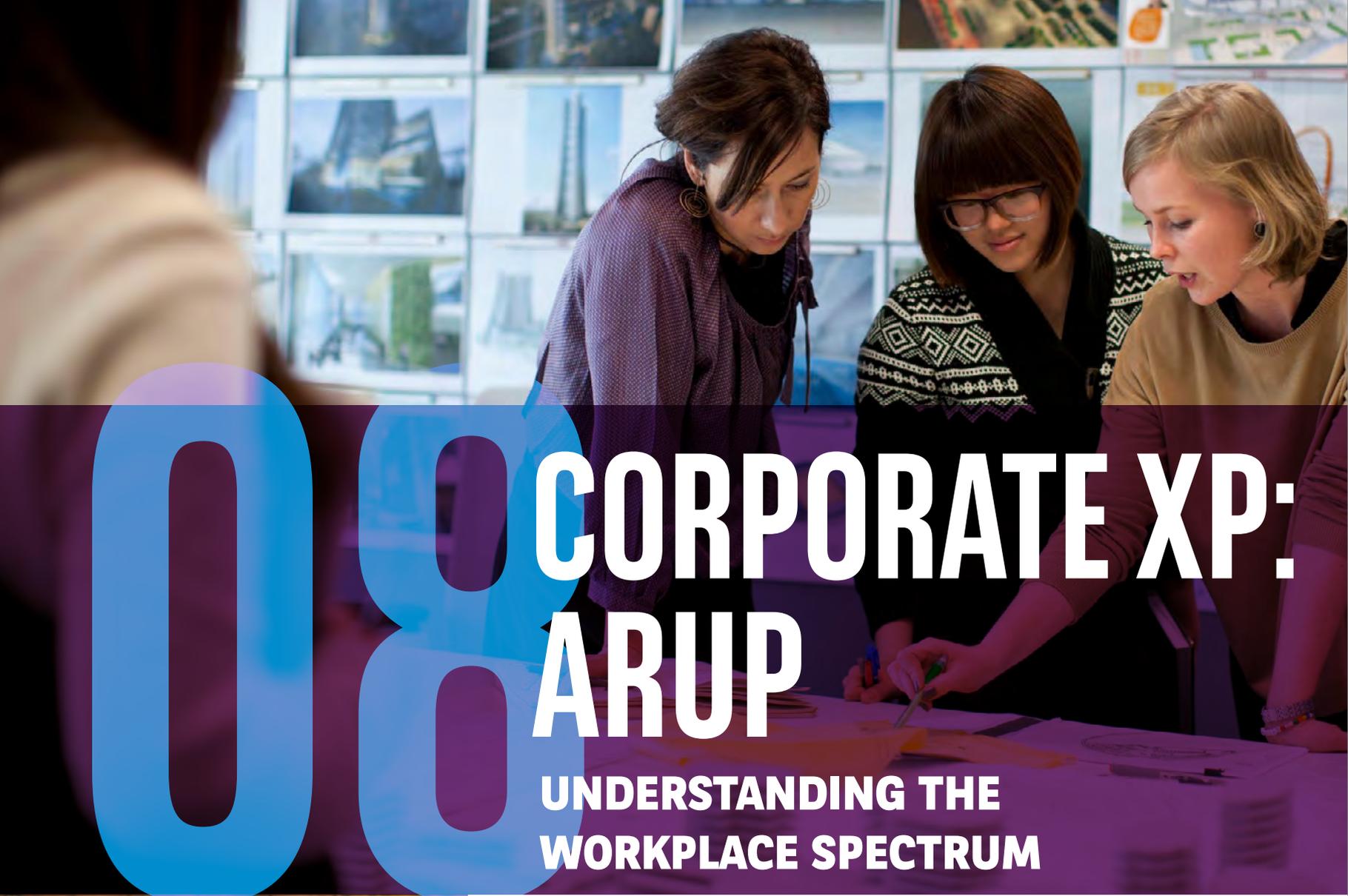
Providing a return on investment figure on a physically connected company is like asking the question of what is the value of a good internet connected company? We all know the value of a good one, and a lack of connection... well now more than ever, we know it's bad for business.

## DURING LOCKDOWN - INCREASED SILOS



## PHYSICAL DEPARTMENTAL CONNECTIONS PRE COVID-19





# 08 CORPORATE XP: ARUP

## UNDERSTANDING THE WORKPLACE SPECTRUM



**ARE THE NEW WORKING PATTERNS WHICH WE'VE OBSERVED OVER THE PAST YEAR A GOOD OPPORTUNITY FOR LARGE CORPORATIONS TO REDUCE THEIR OFFICE FLOORPLATES?**

I think it really depends on a corporation's business model and its culture but potentially yes. There is certainly an appetite from a financial perspective and for companies such as Arup. Any reduction in our carbon footprint is attractive, so that is another big driver.

However, I think it is still too early to be projecting with any great certainty the long-term reductions across the wider market. The situation is still very fluid and I do believe that it is important to take a step back, take stock and consider what will be the purpose of the core office and the wider workplace spectrum going forward. For Arup, that spectrum will include home, people's core offices, our network of offices across our portfolio, client/partner spaces and other more focused flex spaces. I think it is important to also consider lease terms. Many developers/landlords now realise the need to offer more flexible terms. This flexibility is something we have already embedded in our property strategy.

**WILL ARUP CHANGE ITS STRATEGY FOR PHYSICAL SPACE IN LIGHT OF THE CHANGES WHICH WE SAW THROUGHOUT 2020? DO YOU VIEW SPACE AS ABSOLUTELY ESSENTIAL FOR A LARGE ORGANISATION?**

I believe space requirements need to be considered in the context of the culture and business model of any organisation. But for those, like Arup, who do believe physical space to be an important element of their property strategy, I believe the 'purpose' of the core office becomes more relevant than ever. Why do we require space, what do we require the space for and how will we use the space?

In doing exactly this kind of thinking we came up with our 6Cs: Culture/Core Values, Coaching, Connection, Creativity, Clients and Capability, which is how we showcase our capability/brand. These we believe, will be the reasons we as a company will need and want to come together. We are also looking at personas, days in the life of different types of Arup people, whether it be a designer, a grad, an accountant or an engineer. Therefore, we are not just looking to understand how much space we need but to ensure our spaces reflect our people's and business needs.



This thinking will also incorporate the need to consider the home working element of our workplace spectrum. Many companies report a vision to shift toward a standard two to three day working week away from the core office. Again, this hybrid blend of working requires an understanding of how space, people and business will blend to continue to be productive and successful. This element is still unclear, as we are still living and trying to plan in an uncertain world. Those thinking ahead will already be looking at technology to help manage space to ensure it is being both effectively and efficiently managed. Unsurprisingly, Arup has already developed our own wayfinding and space monitoring software to optimise our use of our space, and initial use by staff has provided us with valuable insights. We have also developed a data service insight platform to better understand our buildings to inform short and longer term decisions about energy performance, utilisation and planning.

### **HAS 2020 PROVIDED A BIT OF A WAKEUP CALL FOR LARGE OCCUPIERS WHEN IT COMES TO SOME OF THE LARGER TRENDS WITHIN REAL ESTATE AT THE MOMENT, NAMELY TECH AND THE ENVIRONMENTAL AGENDA?**

As I am sure you would expect, Arup is just as passionate about looking to reflect our core business values and services internally as much as externally. As such, we look to work with developers and landlords to ensure the buildings we occupy are sustainable, drive the carbon agenda forward and ensure smart enablement. We also look to address such issues within our own fitouts and workplace strategy. In relation to tech, the digital agenda is one that has been a winner within this challenging year with a lot of investment needing to be injected quickly to ensure continued connectivity. Whilst I am sure I am not alone feeling a little bit of 'Teams burnout', it has also given us a great way to stay connected. It is an area I believe many will need to focus on further, if not already doing so, as we start to look to the future and what I believe will



## ARUP

**Debbie is an accomplished property and workplace professional with over 20 years of experience. She is responsible for Arup's real estate transactions, including property acquisitions and disposals, lease negotiations and portfolio management. She also advises Arup's board members in the UK, India, Middle East and Africa on property strategy and the future of the workplace. Debbie is passionate about delivering forward thinking workspaces set around an eco-system which focuses on people, agility, equality, wellness, smart and sustainability.**

be a more hybrid working environment. It is, therefore, going to be so essential to continue to invest and develop technology to support this blend of varied working across our workplace spectrum. However, what we must be very careful of is that we do not underestimate the need to consider the emotional and wellbeing impacts of a hybrid working model.

### **WILL BIG COMPANIES HAVE TO ENSURE THAT COMPANY CULTURE, INCLUSIVITY AND DIVERSITY IS BUILT IN AT THE CORE OF THEIR SPACES?**

I am always surprised how many times I attend various forums and seminars where inclusivity and diversity are still not as far up the agenda as they should be. I do believe those companies that are not ensuring these are core to their property and workplace strategies will be negatively impacted. One of the many things that I am proud of is Arup's drive to ensure we consider equality, diversity and inclusion in our everyday working practices. In my role leading property and workplace, it is important to ensure we work closely with our EDI and accessibility leaderships as well as our members. This helps us create inspirational, vibrant and flexible environments, maximising the effectiveness and wellbeing of our members, whilst reflecting the diversity of our people.

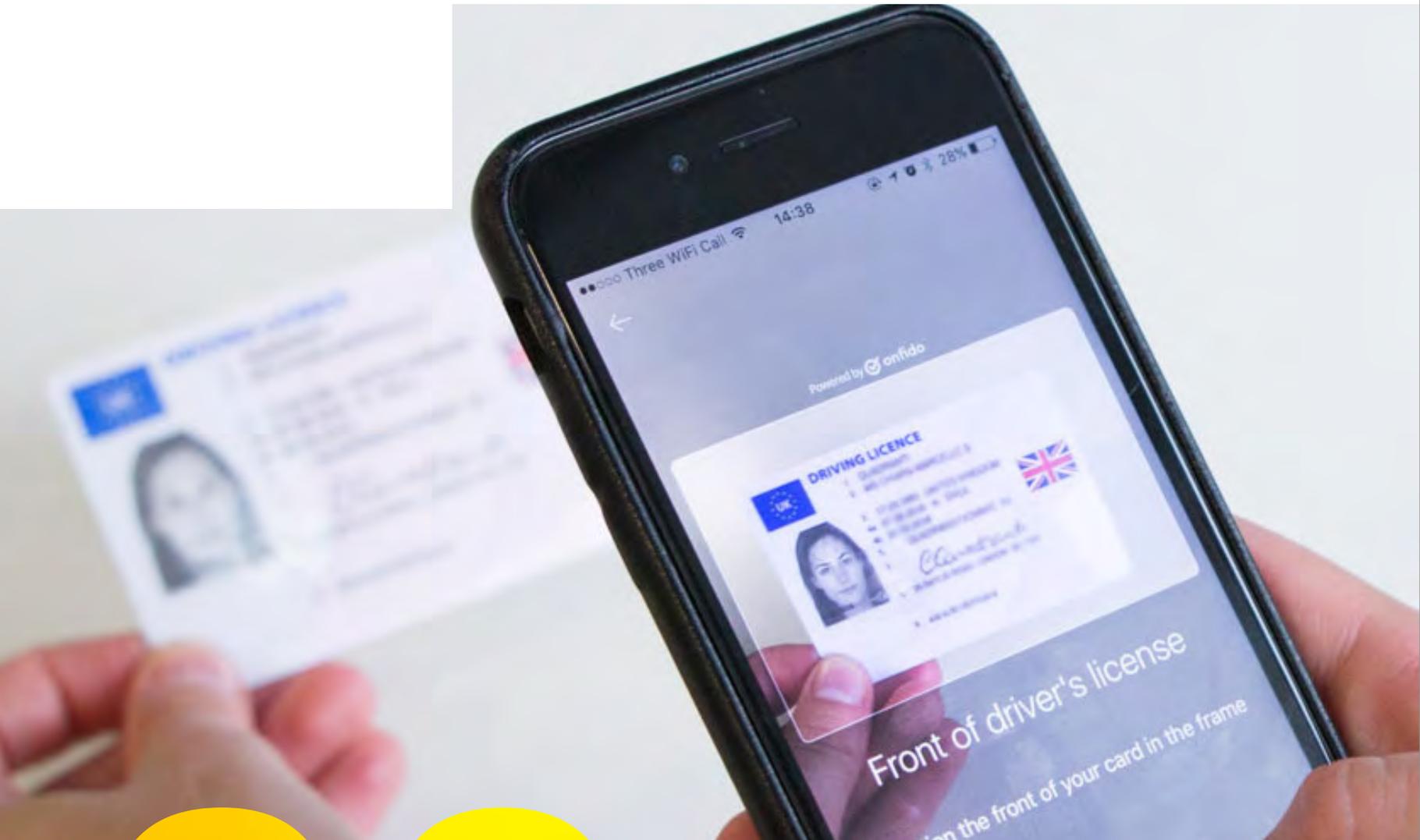


**WE ARE NOT JUST LOOKING TO UNDERSTAND HOW MUCH SPACE WE NEED BUT TO ENSURE OUR SPACES REFLECT OUR PEOPLE'S AND BUSINESS NEEDS.**



### **DO YOU THINK THAT THE AMENITY RICH WORKPLACE WILL BE REDUCED GOING FORWARDS? BECAUSE OF THE WAY IN WHICH THE HEAD OFFICE COULD BECOME MORE FUNCTIONAL? AS COMPANIES LOOK TO CUT BACK ON UNNECESSARY EXPENSES?**

No not at all. I believe the reason to come together, certainly for Arup, will be to be social, to connect, collaborate and create. In fact, one of the offices we have been looking at recently is of interest because the developer thinks along the same lines as Arup in relation to the future of what an office needs to offer. It isn't about long leases with little or no facilities. Many companies, like Arup, will have a rich and varied demographic. As such, we need to be aware of what is important to anyone attending one of our core offices. We, therefore, see value in a variety of amenities, such as on-site cafes and breakout/flex spaces, rooftop bars, gyms and being able to cycle into the office with good refresh facilities. I do believe developers/landlords combining such amenities with high levels of environmental standards, smart enabled buildings and flexible terms will be those who will be attractive to companies looking to remain agile in a fast-changing world.



09

# CORPORATE XP: ONFIDO

ADVERSITY INTO OPPORTUNITY



Gemma has been an Office Manager at Onfido for the past three years, seeing the company more than double in size. After two office fit-outs and an office move, Gemma is now focusing her attention on supporting the team working remotely.

Onfido is recognised as a global leader in AI for identity verification and authentication and is backed by TPG Growth, Idinvest Partners, Crane Venture Partners, Salesforce Ventures, M12 – Microsoft’s venture fund, and others. Onfido has raised \$200m in funding, and with approximately 400 team members across seven countries, is enabling digital access for some of the largest companies around the world.

As an Office Manager, hearing the words “everyone must work from home for at least six months” is pretty scary. So much of my role focuses on improving the experience in our physical office environments for the Onfido team and our customers – how can we make these four walls provide a productive and engaging workplace? We had also just spent the best part of a year planning and building our UK office expansion which was now going to be vacant.

When the national lockdown and physical restrictions came into force due to the COVID-19 pandemic, my challenge was to keep our offices safe, making sure the Onfido employees felt guided and supported whilst working from home. As a company, we created a dedicated team to help facilitate a seamless transition. Members included the Chief Financial Officer, Chief of Staff, representatives from Internal Communications and Human Resources teams, as well as the Office Management team.

We sent out a global survey to uncover people’s experiences and opinions of working environments, both at the office and at home. It became clear that whilst most employees transitioned well to remote working, many missed collaborating in a physical space such as our whiteboard room, lightbulb moments at the coffee machine, sharing a beer with friends at our weekly “All-Hands” meeting.

In response to the survey feedback, we gave all employees an allowance to spend

on office equipment and supplies they may need to get set up safely and comfortably at home. We shared tips on creating work zones, getting into a routine, and packing workstations away, to help everyone transition smoothly to remote working environments and to encourage a healthy work and personal life balance.

We had record quarters in Q2 and Q3 of 2020 and people responded in the survey saying they enjoyed spending time with others in their home rather than being squashed on a tube. Would we ever see 300 bums on the 300 chairs in our London office again? Probably not. Could we use some of that desk space, maybe even reducing our square footage, to create studios and workshop rooms? Most likely. The on-site is the new off-site.

Working as a 100% remote team means we don’t have one person dialling in and feeling like they’re sat outside the room. Our capacity for digital interaction with clients has allowed increased productivity and income in many areas. Start-ups and scale-ups tend to be more agile than long established businesses, so suddenly working remotely is

not much of an impacting shift. Our weekly global “All-Hands” meeting has become more engaging than ever. Anyone can ask a question that can be answered live, we cheer each other on, welcome new joiners globally, celebrate company news and milestones – everyone has a voice in the web-conference chat.

We’re working on a remote-first working playbook that can be used and developed as we scale. Next time we open an office anywhere in the world, we’ll know exactly what our requirements are, and what we need to do to meet them.

We’re now working from home into 2021, and my next challenge is planning a smooth transition back to the office when the time is right. We want it to be easy for the team to use an office space, but in a way that keeps the team safe – tricky to plan when restrictions vary around the world and are changing every month. Finding the right technology will be key.

In the meantime, I’m going to figure out how we’ll get to share that “All-Hands” beer again!



**IT BECAME CLEAR THAT WHILST MOST EMPLOYEES TRANSITIONED WELL TO REMOTE WORKING, MANY MISSED COLLABORATING IN A PHYSICAL SPACE.**





# 10 INCUBATE TO INNOVATE

**THE ROLE OF ACCELERATOR HUBS  
WITHIN MIXED-USE COMMUNITIES**



## STATION F

We spoke to Gregoire Martinez, Head of Community and Communications at STATION F about how accelerators and start-up campus' could become the future anchor for mixed-use.

STATION F is the biggest start-up campus in the world. Located in central Paris and backed by entrepreneur-investor Xavier Niel, the 34,000 sq meter building hosts an entire start-up ecosystem under one roof.

**BNPPRE:** People hear the terms incubator, innovation hub, start-up accelerator and don't really know the difference. How would you describe STATION F?

**Gregoire Martinez (GM):** We usually describe ourselves as a start-up campus and not an incubator, for the main reason that at STATION F you will find a wide range of services that are needed by entrepreneurs. Services range from an investor community with 150+ funds, to workshops, but most importantly, acceleration and incubation programs for start-ups. We have programs from Microsoft, Ubisoft, Thales, BNP Paribas, HEC, EDHEC and more. We offer 30 different acceleration and incubation programmes, which focus on their specific vertical. For example, BNP Paribas is working with FinTech start-ups and Microsoft is working with AI start-ups. We also host more than 30 public administrations that are based at STATION F who meet with entrepreneurs.

Additionally, we host mentorship offices from Apple, Google, AWS and OVH and the biggest restaurant in Europe, which is open to the public. That is why we see ourselves as more than just an incubator.

**BNPPRE:** We think that accelerators or start-up campuses could be an effective anchor for activating and making mixed-use developments more exciting. Does the concept only work in a city or could it be successful in a regional or rural location?

**GM:** Start-up campuses and incubators definitely have a role to play within mixed-use. In terms of where it could work, I think it depends on the scale. You need to have enough start-ups to fill the space. You need to have services around to ensure you can attract people. If you want to draw in the best people from overseas, you need to ensure that your scheme is really attractive. Where you're located is important, because people are happy to leave their country to live in places like Paris because it's a global city. It's possible to achieve the same outside a city, providing that the place where you are located is really attractive and has the right amenities.

**BNPPRE:** Living costs in major global cities can be prohibitively expensive. You recently launched your co-living offer, 'Flatmates'. Have you had good take up so far?

**GM:** Housing in Paris can be tricky, it is very expensive, and there are many criteria you have to meet. One third of our entrepreneurs come from overseas – when they arrive in Paris, they don't meet any of these criteria so are not able to find a place. We even saw people living and sleeping at STATION F. Therefore, we thought it was important to do something and that's why we decided to create Flatmates in 2019.

Rent starts at €399 per month which includes everything – Wi-Fi, bills, cleaning, so it is much cheaper than a normal place in Paris. It also offers services and communal spaces. There's a grocery store, a bar, a lounge where you can watch movies and play games and a kitchen where you can cook. We have an event space, a laundry and a gym for residents. Everything is there to make life as easy as possible.

**BNPPRE:** Moving away from the physical real estate of STATION F, how do companies perform within these kinds of environments? Are there any kind of formal metrics which you can use to measure the success of companies that go through a start-up campus, as opposed to in isolated offices?

**GM:** It's not easy to measure as we have companies with different values and from different sectors, so they don't use the same metrics for success. The thing that we monitor very carefully is the number of start-ups that fail. What's great is that only 3% of our companies have ceased to exist since we launched STATION F three years ago – a much lower level than for start-ups within

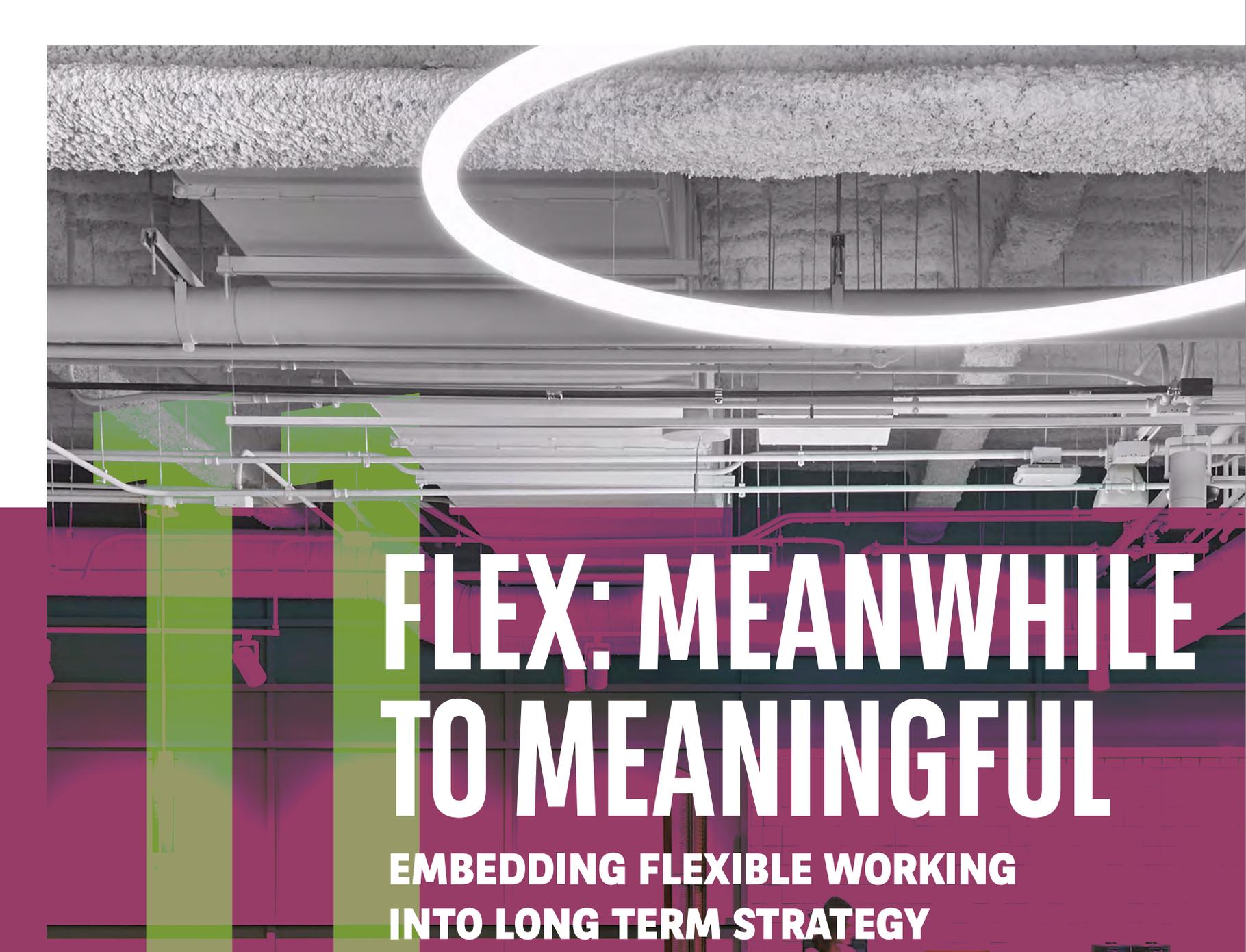
France. This is because we're selective about the start-ups who join. We only select around 9% of the companies who apply. It's not like co-working, where you can just enter and say, "Hi, I want to rent five desks for six months". You have to be selected after applying to a specific programme.

**BNPPRE:** Do corporates and start-ups pay different rents within the space? Is that a discounted rate compared with the broader Paris market?

**GM:** Everyone's pays the same price of €205 per desk per month. For a desk in a co-working space in Paris, it costs €600-€800 per month without all the services and all the incubator acceleration programmes. Because of the way in which Xavier created STATION F, we're able to charge really low prices for start-ups.

**BNPPRE:** Are there things to be learnt for corporates at STATION F in terms of the way in which teams are set up and sit alongside each other, maybe by skill set rather than by sector?

**GM:** What's important and it's not really in terms of space, but it's really in terms of animation, is that you need to ensure that people are meeting each other, even if they are divided spatially inside the building. If you want innovation to work, you really need to ensure that people are meeting people working on other projects, with other backgrounds. For example, a marketing individual will meet with someone in technology, even if they're not in the same company. If people are only meeting other entrepreneurs or people with the same background and professions, it's going to be much more difficult to create great projects.



# FLEX: MEANWHILE TO MEANINGFUL

EMBEDDING FLEXIBLE WORKING  
INTO LONG TERM STRATEGY





BY ELLIOTT SPARSIS  
CONVENE.COM



## convene

We spoke to Elliott Sparsis (Head of UK) of Convene, to get his view on the future of flex. Convene is a premium work experience platform that includes a network of 25+ meeting, event, and office locations, digital meeting technology, and solutions to reimagine the use of commercial real estate.

### WHAT ARE THE BIGGEST OBSTACLES FOR THE SUCCESS OF THE FLEXIBLE OFFICE SECTOR?

Like everyone else, the flex sector is having to weather the deep shock that was triggered by COVID-19 with the accompanying re-negotiations with both tenants and landlords. For some players, this has caused difficulties with maintaining portfolios, balance sheets and staff levels.

At Convene we have used this time to recalibrate the business and we have evolved to offer a new suite of digital and physical products and solutions that span workplace, meetings and events, amenities, and remote work.

### WHAT TRENDS IN THE SECTOR HAVE ACCELERATED DUE TO COVID-19?

Changing management styles and hierarchies have been accelerated. Line-of-sight management isn't currently possible, which has demonstrated that it is not an absolute

necessity. This style of management has always been the biggest barrier to alternative workplace strategies and COVID-19 has forced its removal. We predict a new-found acceptance of outcome-based management styles and this will be the real catalyst for fundamental office changes, not employees preferring to work from home.

Our focus at Convene is very much on the future of work and we see that as hybrid working, with about a third of the workforce working from the office, a third working from home and a third working in a third space, at any given time.

COVID-19 is fuelling the consumerisation of real estate, where choice and flexibility and empowering the individual is prioritised. This has broad implications for the office sector when employees become the customers of companies that need to nurture brand loyalty and engagement in the workplace.

### WHAT ARE THE MAIN ATTRACTIONS FOR OCCUPIERS ENTERING INTO THE SECTOR?

Companies know they need to meet new demands for flexibility from their workforce in order to remain competitive in the war for talent. In the short term, delivering a safe and healthy working environment is a priority, and delivering an amenity-rich offering in the long-term are key, both of which premium flex operators such as Convene excel at.

London and the UK need to remain competitive on the global stage and while it's a hugely challenging time for so many, it is also a time of opportunity. We see it less about returning to the office, as we've known it, and rather an exciting time for the real estate industry to evolve.

### CAN FLEXIBLE OFFICES BECOME AN INTEGRAL PART OF A CORPORATE'S REAL ESTATE PORTFOLIO, AND IF SO, HOW? WILL OPERATORS CAPITALISE IN THE REGIONS ACROSS THE UK?

We believe there will be three places to work, the traditional central HQ, home and a third space, with all three operating seamlessly with technology being at the forefront of this transition, ensuring that firms can blend in-person and digital working.

We see workforces becoming more geographically distributed, opening new and lower cost talent acquisition opportunities, and giving more personal freedom to when and where work is completed. There will be a shift towards goal-related outcomes, as opposed to hours worked.

We know that demand for flex space is on the rise in core suburban markets, which are also incidentally home to a proliferation of freelancers, so there will undoubtedly be some level of shift outside of big city centres.

### ARE LANDLORDS BECOMING INCREASINGLY OPEN TO DISCUSS JOINT VENTURE AGREEMENTS? WHAT IS STOPPING THEM?

Landlords want a partner who can help re-define how their properties can best serve all building tenants and the surrounding business community, whilst bringing greater long-term value to the asset. Rather than being just a tenant, flex space operators can act as a preferred partner to property owners by achieving these objectives.

### WHAT DO YOU MEAN BY "PARTNERSHIP" WITH OWNERS/LANDLORDS? ISN'T THAT JUST A LEASE?

Every Convene Meetings and WorkPlace location is structured as a partnership, beyond just a traditional lease structure. Depending on the deal, owners can both benefit from Convene's core products and share in the financial upsides. We've seen that Convene can be an amenity to all the building tenants and therefore is helpful in lease-up. In fact, in many of the properties we're currently in, Convene was brought in as part of the building's repositioning.

### IS THERE DEMAND FOR FLEXIBLE OFFICES TO BE MADE AVAILABLE FOR SHORTER CONTRACTS?

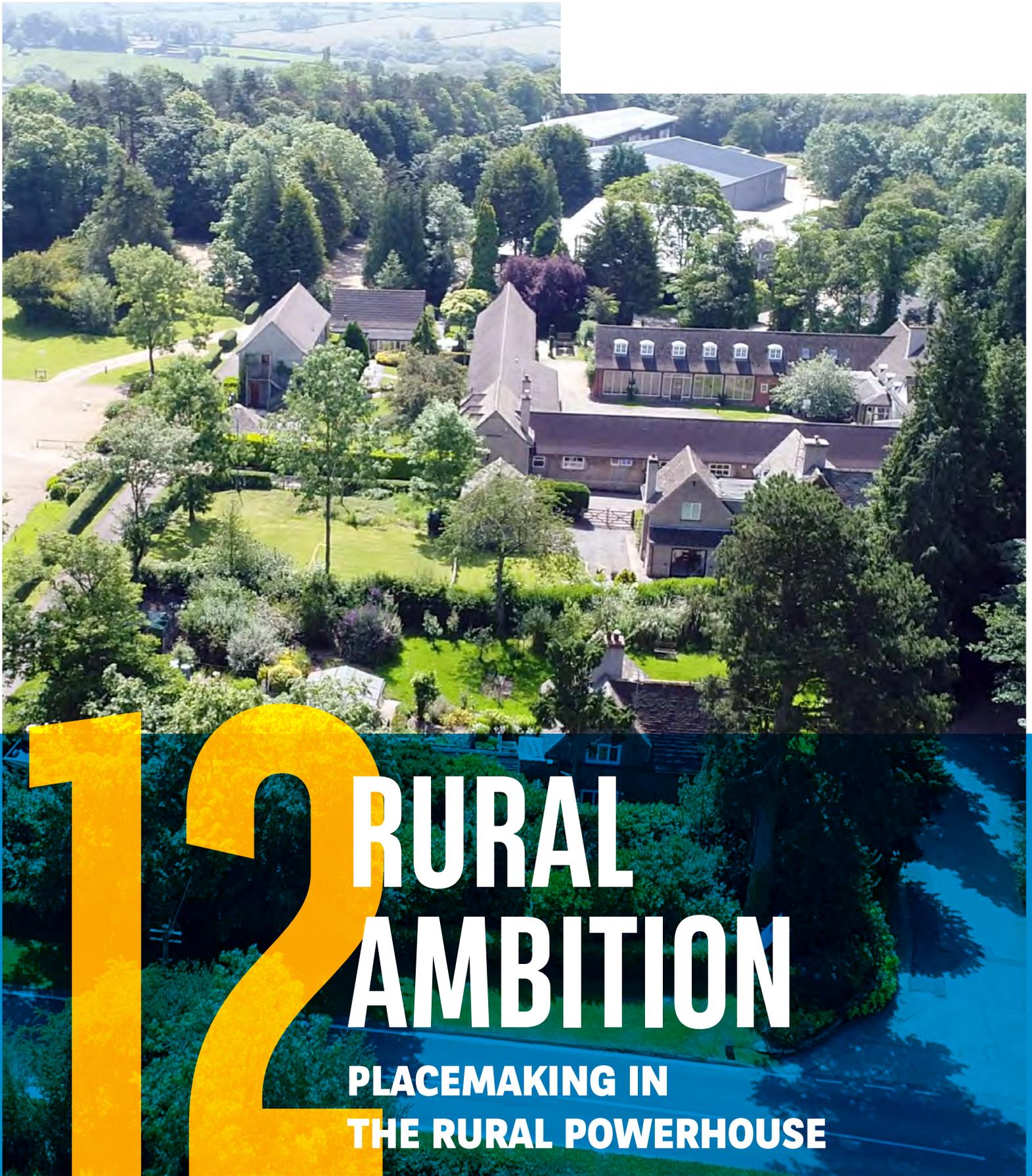
The key to understanding how companies might use flex space is in the name itself, meaning with complete flexibility. The beauty of flex is that companies can quickly change their footprint as and when needed to support their new agile workforce and this, of course, means a range of contractual arrangements with workspace providers.

Moving forward, companies will give employees additional flexibility to access third spaces and co-working spaces near their homes – likely through membership to a network of spaces, perhaps including more than one brand.





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Rural economies have a vast amount to gain from embracing modern and flexible concepts of workplace. As in urban spaces, workspace is one of the key elements of rural placemaking and mixed-use environments, providing a rhythm of consumer which no other use creates – a predominantly captive daytime user who is loyal, regular and predictable. Workspace can be the anchor for sustainable ecosystems which can support a rich variety of commercial and cultural activities.

Because there is less stress on space in the countryside, ideas which have become popular in cities have largely been ignored. Built environment in the UK countryside tends to be aimed at single uses, missing the benefits of certain uses sitting side by side. If workplace becomes a mixed-use anchor, that scheme can in turn support a crèche, which, in turn can support a café and so on. Clustering uses and achieving critical mass is essential to success.

Our time at home over the past year has taught us many things. One of the main learnings has been that despite rural homes being arguably better spatially suited to working from home than their urban counterparts, the risk of isolation and lack of human contact is higher. With homes full of distractions, inadequate furniture and sub-standard technology, some people within rural areas would almost certainly be better off using purpose built workspaces. The 15-Minute City is a concept which has gained traction recently, where communities have access to all the amenities and services which they need within a short walk. The environmental benefits to this concept are clear, with urban residents relying less on polluting motorised private transport. Could the same idea be enacted in rural communities? Where walking, cycling or public transport could replace the car or hours spent every day on a cramped commuter train? This might be a little optimistic with some rural communities being extremely dispersed, but certainly key elements such as workspace could be embedded within a wide range of communities.

We recently spoke with Burrough Court, a thriving rural office complex located on a Leicestershire farm. In an often homogenous market focused on rent per square foot, Burrough Court is an outlier, differentiated by its focus on wellness and premium quality.



**BURROUGH COURT**  
OFFICES • MEETING ROOMS • BUSINESS UNITS

**Ed Mansel Lewis, Head of Rural Ambition at Strutt & Parker, shares his thoughts on the value of embedding workspace within the countryside ecosystem. Ed recently chatted with Fred and Becky Wilson of Burrough Court to hear their views on the rapidly shifting workspace market and their first hand experiences at Burrough Court.**

**Fred started his career in commercial property before shifting to residential development and then most recently to creating Burrough Court at the family farm in Leicestershire. Becky began her career in the sports sponsorship and events industry. In 2019, she moved back to Burrough Court to manage the marketing and wellbeing offering within the farm. Burrough Court is a family run 22-acre business park near Melton Mowbray, Leicestershire and is home to over 30 businesses and their 350 employees.**

The mixed-use scheme was started in 2000 by the Wilson family, who have transformed surplus farm buildings and courtyards into high quality workspace.

Hopefully, their core beliefs could in turn inspire others to embed workspace into beautiful natural settings and create sustainable, resilient communities.



#### ON CHANGE

Any brand has to evolve, to reflect the needs of the moment and make a best guess at what to invest in. Things that we're doing now would have seemed utterly daft 10 years ago. Having people walking up a corridor carrying a yoga mat whilst others are working away in their offices would have seemed completely at odds with office life back then.

#### ON CAPITALISING ON THE NATURAL ENVIRONMENT

We're really trying to create new business in areas where it leverages the innate qualities of the farm that we've got here. Why? Because quite frankly, it's difficult for other people to compete. That's why we've planted 75 acres of trees, as we recognise that the natural capital side is increasingly going to tie in to the value set of our customers.

#### ON EMBEDDING WELLNESS

There were no offices in the rural area that really offered the wellness benefits we do here. We thought, why not put walking routes through the estate? People have walking meetings, which is great. We took the same approach with the pilates and yoga studios. They're in the centre of the courtyard in what was previously an office, so we did have to sacrifice that rent. But it's a way for us to get members of the public to come in too, whereas previously you only came to work here. So it's creating that community and another way of drawing in local residents to Burrough Court and making more awareness, which also adds to the income stream.



**WE'RE HERE FOR  
THE NEXT CHAPTER**



**BNP PARIBAS  
REAL ESTATE**