

Impact of workstyle transformation on Central London's commercial office buildings

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Agenda

1. Research Rationale
2. Research Question
3. Research Objectives
4. Methodology & Data Analysis
5. Main Challenges
6. Findings and implications



Research Rationale

1. Alignment of Corporate Real Estate Strategy (Office Design) with Business Objectives (Hayes, Nunnington & Eccles, 2017)
2. Role of Knowledge Economy (Powell & Snellman, 2004)
Implications for commercial office space
3. Changing Workstyles. Evidence from existing research and changing working practise
4. Challenges and Employers' attitudes towards office space design



Research Question

How do commercial office buildings in Central London need to adapt to the changing working styles to address the impact of a growing knowledge economy during the past ten years?

Research Aim

To propose improvements required for “base build” specification of commercial office buildings to meet the needs of modern occupiers in London

Research Objectives

1. To analyse the impact of changing commercial office workstyles on Central London office space during the past 10 years
2. To assess the features required for achieving modern and innovative workplaces that would enhance office buildings' competitiveness
3. To determine how these features help aligning CRES with occupiers' Business Strategy Objectives



Methodology

Mixed method approach

Mix of qualitative and quantitative primary data.

1. Multiple case study approach including selected commercial office buildings in Central London
2. Questionnaire survey with stakeholders involved in developing commercial office buildings:
 - Architects
 - Corporate design consultants
 - Cost consultants
 - Developers



Case Study 1

22 Bishopsgate, London

- Tallest / large building in the City of London
- Multi-let efficient, innovative floorplates (stack-up floor plate design)
- 1.275 million sq ft of flexible workspace for all sizes and scales of businesses to work in.
- Designed to respond to the major shifts in the way people work and live, brought about by cultural, demographic and technological advances in the world of work
- The 62-storey tower will house a fresh food market, innovation hub, gym, wellbeing retreat and spa, curated 'art walk', business club, cycle hub, destination restaurant, as well as the London's highest free public viewing gallery. 100,000 sq ft of integrated amenity and social spaces
- Twentytwo is designed to increase wellness, engagement and productivity of 12,000 people
- the first UK core and shell building to apply for the WELL Building Standard™ (WELL)



Case Study 2

White Collar Factory, London

- **Medium size / tech hub centre** for enterprise occupiers and support surrounding start ups
- designed to attract companies of all shapes and sizes for a diverse business community, flexible workspace, enabling start-ups and small businesses to establish themselves in London's technology hub, by building a like-minded community of ambitious young businesses and established players, Old Street Yard will act as a breeding ground for innovation, collaboration and creativity.
- opening windows, optional reduced mechanical air ventilation, while cooling in summer and heating in winter is provided by water pipes set in exposed concrete slabs – **concrete passive cooling**
- The combination of high ceilings and open spaces enables tenants to introduce self-contained pod-style structures for the effective sub-division of space. By plugging into the existing cooling system, these freestanding and flexible units can sit against the perimeter of the floorplate or exist independently in the middle of the workspace, allowing for an individual office layout
- Amenities: Cafes, restaurant, rooftop terrace with running track
- BREEAM Excellent / LEED Platinum



Case Study 3

Havas Kings Cross, London

- Small size / creative community type of office space including large meeting space areas
- 167,000 sf the 'vertical village' is home to over 25 different agencies and a creative community bringing together over 1,700 people under one roof
- the developer, Argent, MCM implemented an extensive series of tenant requested modifications to the base-build to facilitate, amongst other changes, 14 additional flights of stairs. These staircases create intersections throughout the whole building, natural in-between spaces for chance encounters deliberately causing conflict and disruption to enhance interaction, creativity and collaboration between brands
- destination spaces were created throughout building to enhance interaction and collaboration between brands
- Amenities: creative café, civic spaces, various 'secret' meeting rooms and the Forum, a double-height, 200-person auditorium,
- The building has become a showcase for Havas to demonstrate and support their creativity, whether clients, collaborators or colleagues



Data Analysis | 01

Impact of changing working styles on Central London office space

1. Increase in occupancy density ratio impacting mechanical and engineering, core capacity and fire escape requirements. A drastic reduction of the occupation ratio from 12 sqm /person (10 years ago) down to approx. 6 sqm / person
2. Offices start occupying smaller spaces hence structural design including more alternative solutions (frame structures for smaller spans) and use of sustainable materials like (timber structures for tall building suitable for smaller spans)
3. Built-in technology that allows new tenants to simply plug & play into the building management systems (also use of data centres).
4. Flexible, interactive, event spaces and communal areas to enhance interaction and connectivity between workers.
5. Building Management Systems to manage building efficiency and smart systems to control traffic (e.g. lifts efficiency and general access restrictions)

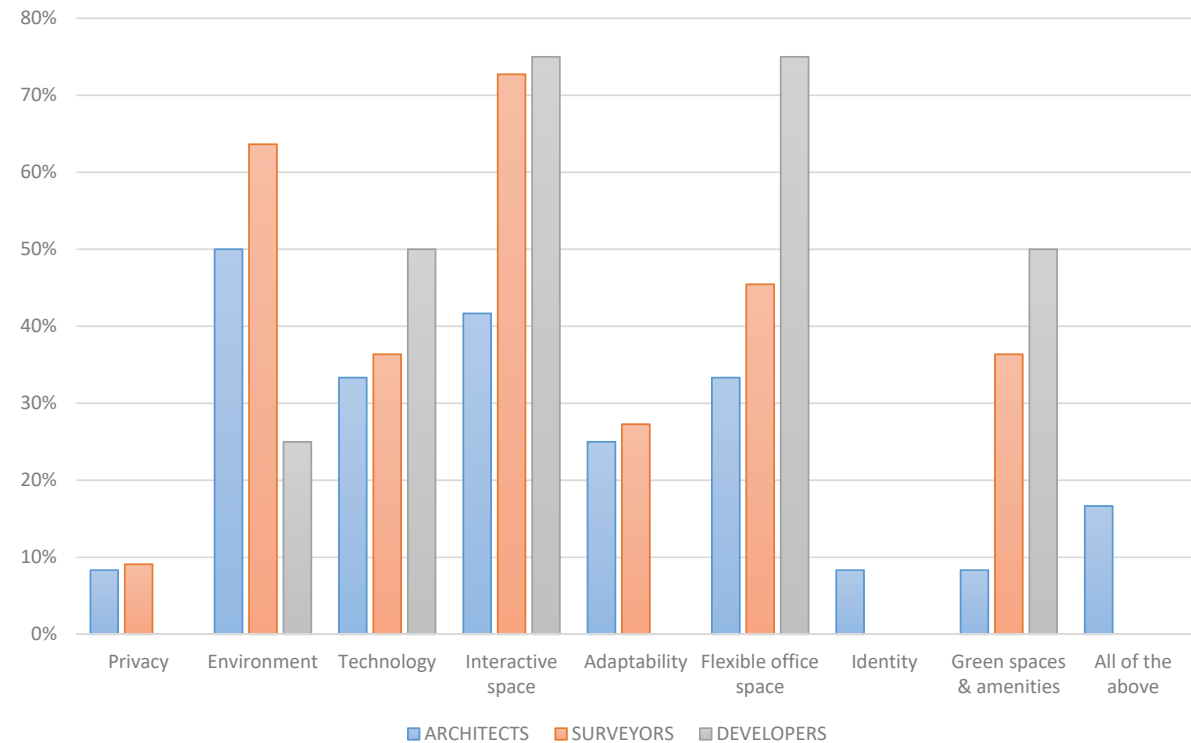


Data Analysis | 02

Essential features attracting occupiers

1. Quality of air, light and noise control.
2. Variety of work modes including interactive areas, flexible office space to adapt to higher density of use.
3. Availability of technology infrastructure
4. Green spaces and amenities (gyms, roof gardens etc)

What is the most important feature of a modern, innovative workplace?



Data Analysis | 02

Solutions for achieving modern and innovative workplaces

- **Technology (Core capacity)**

Technological approach which supports changes into multi-let buildings, additional amenities, mix of uses, increased occupational density with big daily fluctuations, number of lift shafts, M&E risers, fire strategy and building's structural capability.

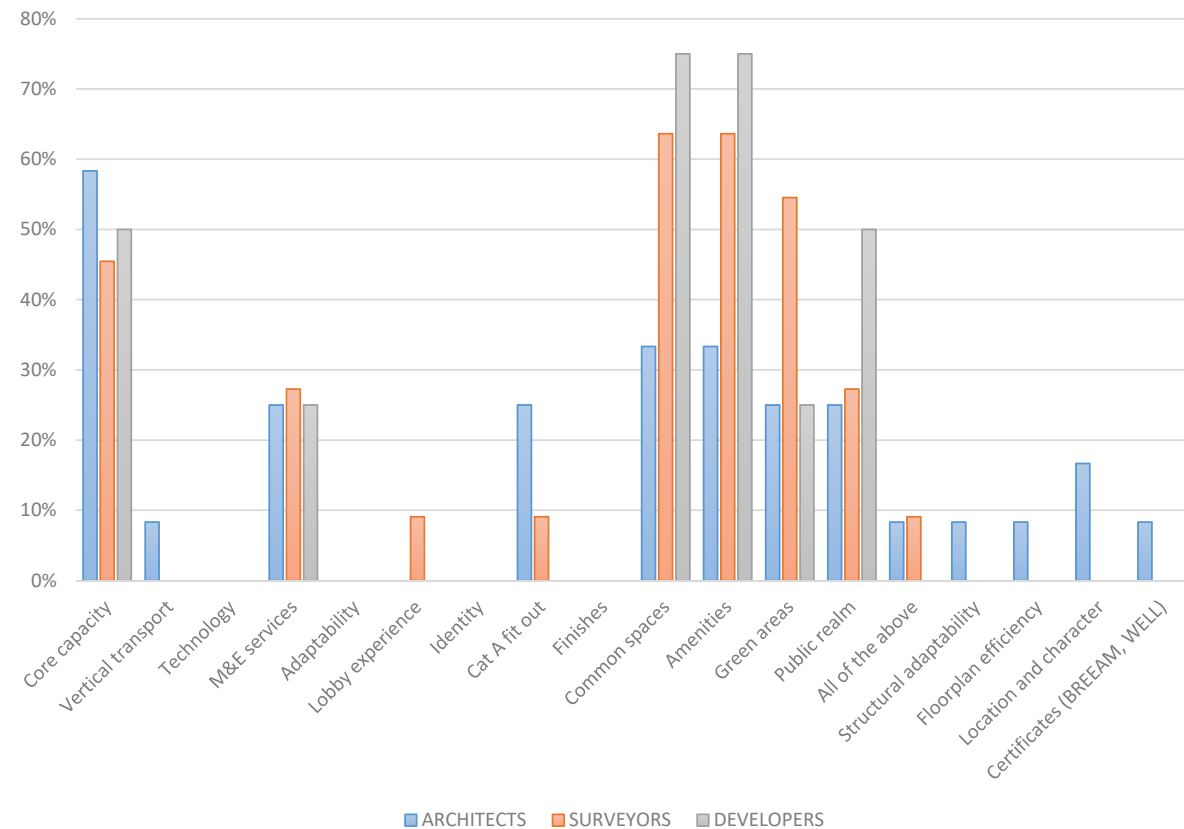
- **Environmental (M&E services)**

Environmental approach which influences the office environment conditions and technological requirements.

- **Well-being (Amenities and quality of the Public Realm)**

Wellbeing approach which influences health and productivity of the knowledge workers.

What are the parameters that future proof the market competitiveness of an office building in central London?

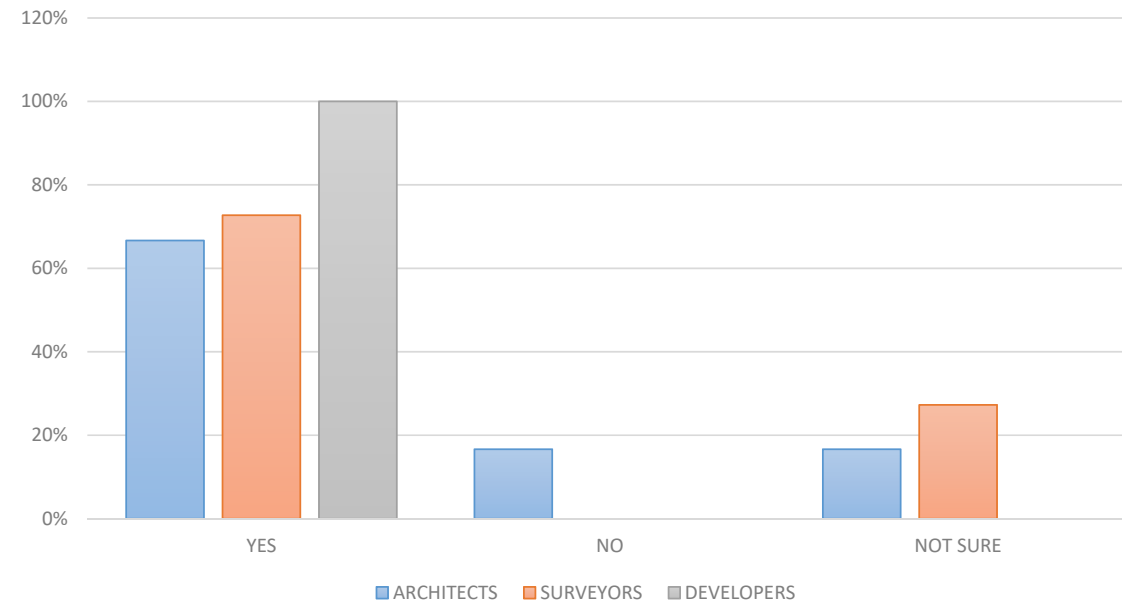


Data Analysis | 03

Why should design of Corporate Office Buildings align with Occupiers' Business Strategy Objectives?

1. To achieve higher revenue and longevity of the tenants
2. To maximize efficiency of the building to reduce cost in times of moving away from the long lease liabilities
3. To increase development's reputation, desirability and marketability
4. To create alternative office types to meet market demand (serviced, hotel-style and co-working office space)
5. To enhance the adaptability to change of use depending on the property market conditions

Do you think real estate strategy should align and support its occupiers' business strategy?



Main Challenges for Office Providers

1. Obsolete design.

Adopting an “always in beta” mindset, recognizing that the workplace must allow constant experimentation and evolution.

2. Spaceless growth.

New working styles reduce office space requirements.

3. Knowledge workers productivity.

Knowledge sharing and information exchange are essential for productivity and innovation

4. War for talent.

Challenge for attracting best talent and role of office space to entice highly skilled workers

5. Addressing enhanced market risks



Findings and Implications

1. Office should be a destination point

The better the public realm the higher the demand to locate the business.

2. Need for additional shared amenities

Large auditoriums, conference rooms, ground floor retail with the access from the lobby) and green spaces.

3. Flexibility of office space

To allow for variations of occupational densities.

4. Technology infrastructure

Should be embedded into the building including additional IT support.

5. Flexible leases

To help businesses respond to the market fluctuations and increase or decrease the office space in line with property cycles.



Improvements for the „base build“ specs to meet the needs of modern occupiers

1. Improved space quality

Natural daylight, natural ventilation, visual connectivity throughout the building with the use of common staircases or slab openings by introducing ‚soft spots‘.

2. Provision of amenities

Shared spaces, accessible green roof and terraces, high quality public realm.

3. Efficiency of floorplates

Structural improvements to reduce the number of columns to increase

4. Quality of Core Capacity

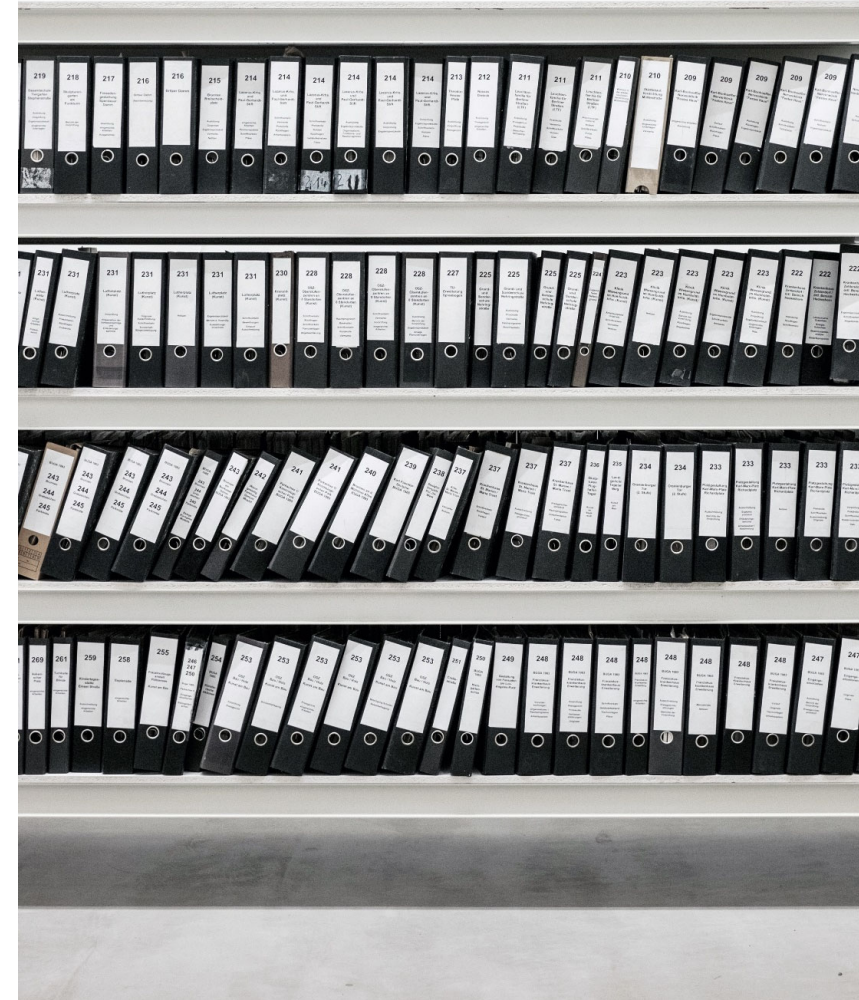
Fire escapes to accommodate the density of 1:6.

5. Technology solutions

included in the base-build to provide tenants with seamless integration with the building.
Reduction or optimisation of the plant area

6. Enhanced M&E infrastructure

Increased floor to floor height to enlarge floor and ceiling voids to allow more space for services thus better thermal strategy and reduction of heating and cooling cost.



Thank you

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