The day started with a panel between the Roundtable moderators. The topic was around the flexible work space and how each of the participants viewed its evolution. It was mentioned that the expectations of the office space are changing. Occupants now require better hygiene standards and more efficient layout, and this would inevitably lead to changes in intercompany relationship between employees, there will be a huge focus on the human element, how employees adapt to the new environment. Leila Zreik, Head of Pan- EMEA Accounts at WeWork, shared some key findings of WeWork research: employees value the opportunity to choose if they should go back to the office or not, employers on the other hand could attract staff members back to the office by improving the office space design to serve a purpose and resonate with the words "networking", "efficiency", "career development". Andy Poppink, Chief Executive Officer JLL, added that in his opinion the decision whether to work from home or not, should be taken collectively as a firm, rather than on individual team basis. For him the word "elastic" instead of "flexible" better depicts how working from home should be defined going forward. Miguel Nigorra, Partner at Fifth Wall, added that productivity should be the new measurement matrix when thinking about evaluating the efficiency and value of office space, not number of desks or cost per sqm/per tenant. He also added that the office space is evolving to any physical building (to the hotel lobby, the local cafe) rather than staying at one location. The common understanding between all participants at the end was that we don't have yet all the answers and we should go through a testing phase, before knowing what the future of office space is.

Evaluating the advantages of flexible workspaces

Operational and financial flexibility, agility and speed to unlock and maintain value in unpredictable economic times

The discussion started with the wide consensus that the idea of flexible workspace is here to stay. All delegates agreed that during the Covid lockdown, the mindset of the employees towards the office has gradually changed. At first, they were scared, confused, but now they are adjusted to the "new norm" of flexible work space and going back to the "old" norm, is not an option.

The group has taken a dual approach to tackle the topic by analysing both the employee and the employer point of view on the matter. The first step however towards understanding both viewpoints, was to define what the purpose of an office is.

For some the purpose of an office is to keep the company culture alive. If the employees work constantly from home, it would be hard for them to develop a feeling of belonging, which they would get from the atmosphere in the office. For others the purpose of the office was to separate the work from personal space, which is closely linked to the leisure time a human being needs to recharge. The latter point led to one of the most important points of discussion around the table- the mental health of the employees and the

"duty of care" an employer has towards the well-being of the staff members.

Before considering any cost related reasons as to where the employees should work, the employer has to foremost take into account the mental state of the staff members in each of the situations. As the employees' family situation, health situation and work preferences vary, the group reached to the consensus that having the freedom of choice

On one hand, some employers shared that they would prefer if people work mostly from the office because they either don't trust them to do the work properly if not supervised, or the employees simply work with vast amount of confidential information, which should be kept away from 3rd parties such as flatmates, partners, other family members. On the other hand, paying leases for smaller offices improves bottom line expenses.

From an employees' point of view, working from home gives them the opportunity to save time in traveling, save on transportation costs and allow them to have a flexible working schedule. However, this isolation, prevents the employees from interacting with each other and exchange ideas, which widens the gap in knowledge between junior and more senior staff members, depriving the next generation professionals from the opportunity to learn from the more experienced ones. Furthermore, those with large families, who might be forced to work in loud and chaotic environment, welcome the option to escape to a quiet and isolated office.

The participants agreed that the right solution will vary from a company to a company, however whichever path their organization decides to take, there are a few good ideas to implement such as:

• **If organizations would like to attract staff back to the office, it might be a good solution to allow employees to bring something back** with them from home. This suggestion was made, after discussing how people bought dogs during the pandemic and now there is no one at home to take care of them. Therefore, bringing the dog to the office might be a good incentive for an employee to come back

• **Implement a technology which allows staff members to check who from their team will be in the office that day to encourage interaction**

• **Employers to start looking for new qualities in the future employees when hiring. Perhaps qualities such as self-motivated and independent, will have more weight when selecting candidates**

• **If a company has multiple offices across cities and countries, it is advised that it allows employees to work from various locations, not just one office**

Tech Innovation

Latest trends, developments and challenges post pandemic. What tech and sustainable requirements are there for offices?

The pace of innovation and technological advancement is so fast that it is helpful to frame the start of the discussion in three questions:

• **What are the things really being implemented in offices?**

• **What are the challenges of implementing it?**

• **Is any of this driving ROI?**

In answering the first question, we think about what tenants expect from their office. These include engagement, security, air
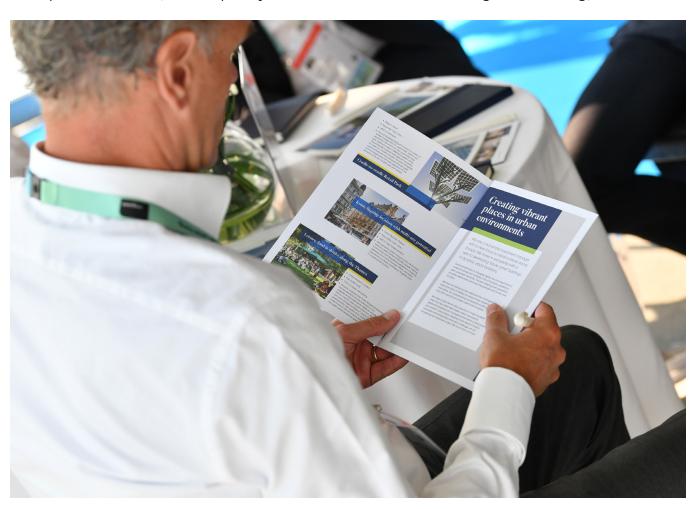

quality, amenities, digital access, amongst many others. These things will help tenants distinguish a 'good' building form a 'bad' one but also should help with productivity of those working within the building and, less tangibly, help a company with building its culture.

There is broadly a preference for technology that is invisible with the hope that it will all work so well no one will think about it being

there. These include facial recognition so that you don't have to swipe in or out, lifts that know where you're going so you don't have to press buttons, meeting rooms that adjust to your favoured temperature and ambience, and buildings that can call all internal meeting participants when an external person arrives. There are significant implementation challenges. Firstly, what is the lifecycle of technical equipment and how easy is it to replace but also, how quickly will still

functioning equipment be obsolete. ==It is common for tenants and landlords to enormously underestimate the cost and complexity of implementation.==

This begs the question of what are the value drivers of technology for landlords, for occupiers, and for asset managers? They are very different across the three groups. Typically, asset managers love to drive adoption of technology that makes it cheaper for them to manage the building; tenants want

technology as outlined above but that desire is not always met with a willingness to pay for it, indeed it is possible that reduced office sizes we are seeing post-pandemic will impair occupiers ability to pay for it even where the willingness is there; and for landlords, whilst technology may help lease a building, we are still not seeing high-tech buildings being sold at a premium though you are seeing buildings that are highly redundant going at a discount. They do see positive returns on the added efficiency and ability to carry out predictive maintenance but there is not much evidence of being able to charge higher rents for a well-equipped building thus the benefit cannot yet be capitalised.

==Ethical considerations are never far away from conversations about technology.== There are three key questions if we are collecting data: how do we collect it, what do we do with it, and who owns it? This is particularly relevant when digital access to buildings that ease the flow in and out can also be used to track where employees are and potentially what they are doing.

It is regulation that is largely driving the evolution of efficiency of buildings and technology will have to play a large part in meeting those standards. By 2030, European buildings need to reduce energy consumption by 40%. This standard is the responsibility of both tenants and landlords. However, as it stands, we cannot reliably measure what current consumption is, so we have not universally made the first step in addressing the issue.

There are physical design elements that will have a much larger effect than technology in

addressing energy consumption, but these elements are enhanced with efficient use of technology. So low-tech solutions will in fact get us further to our goal than high tech but there is significant value in combining them. For example, we can measure air quality, temperature, and humidity and use that data to adjust air conditioning, blinds, or vents accordingly.

We were given an example of a building in Paris, that has been designed to incorporate natural air flow with automatically pivoting vents that can guarantee an internal temperature between 22C and 26C. This does not require air conditioning, but it does require design changes such as setting windows back from the edge of walls to reduce the impact of heat from the sun.

It was generally accepted that in the wider universe of technology, the most useful and impactful solutions for real estate are decidedly low tech. The challenge lies in implementation and deriving a return on the investment. Whilst there is not much incentive to push landlords to be on the leading edge of technology, there is increasingly a minimum standard that is naturally enforced by the significant discounts applied to technologically redundant buildings.

The Return to the Office
Cost effectively managing a transition to a new hybrid model that meets the expectations of occupiers post Covid 19

Are we back to the Office?
Participants discussed that it is ambiguous whether we are back to the office or if we are still working from home. There are significant differences between the size of the company (large corporates versus SMEs), the nature of work (blue collar versus white collar), and the region (In many parts of China, people are now working in office five days a week as normal. In France, it is one or two days a week.)

~~Expectations of the Occupier Post Covid-19~~
Participants discussed that expectations of the occupier post Covid-19 for coming back to office will be high. After a full year of self-reflection at their home, people will be back with renewed motivations. Younger generations are reconsidering their career purpose. They are less willing to go through heavy morning traffic in the city centre to merely work, but they want a clear purpose of going to the office. Previously, we go to the office to work and socialise with colleagues during refreshment breaks in the kitchen or at the water cooler. Now the rhythm has changed. The way employees interact and socialise are different. As such, participants expressed concerns of having a second wave of disappointment (after the first wave of disappointment from work from home.)

Effective Ways to Manage the Transition to a New Hybrid Model

Some participants shared that prior to Covid-19, employees in large corporates (with thousands of employees) do not have many chances to meet their team in person in the office unless you set up a meeting, so there is not much difference between working in the office and from home for these employees to begin with.

However, all participants agreed that it is not about how many days employees need to be in the office, but it is about how will they work in the future. The challenges would involve around how to design the work and the space that would be better than before. Participants proposed following solutions:

- **Companies could create a culture that promotes efficiency. For example, companies could issue policy that discourages too many meetings and encourages employees to prepare meetings in advance**

- **Companies should work closely and carefully with interior designers to design the work space to optimise employees work interaction, not just designing an open-plan office where it would be too loud for employees to focus on their works. Moreover, each function and nature of work require different use of space.**
For example, the layout for the marketing floor should not be the same as the layout for the accounting floor if considering space utilisation. An articulated variation of social and personal space in the office is recommended.

- **Management could also consider forgoing large management rooms for more meeting rooms**