

## GROWING FLEXIBILITY

New technologies are changing the working environment and are modifying the design of workplaces. That means office and residential real estate have to change, too.

It is well known that laptops, tablets and smartphones have contributed to a significant change of communication behaviour. "What used to fit in an office now fits in our pocket", Steve Jobs, founder of Apple, put it in a nutshell. Since the office equipment fits in a pocket more and more people are working from home or en route. Catchwords like 'desk sharing', 'flexible workplaces' and 'home office' have become popular. However, less well known is the impact of these new workplace concepts on real estate. In fact, especially office real estate is—strictly speaking—hardly more than the accumulation of workplaces, linked by infrastructure and completed by different service points. Furthermore there is to ask how to measure these changes, or in other words: how to formulate useful assumptions for analysis.

This year's Industry Seminar of ERES European Real Estate Society tried to put things right. Themed "How can workplace management add value to business?" real estate scientists and practitioners met in Paris to discuss how layout and design of workspace can add value to the business. Although the topic "Office of the future—the future of the office" is deemed to be a boring theme meanwhile, the event in Paris offered some—partly surprising—insights, not at least because ADI Association des Directeurs Immobiliers with its multitude of members from big French holdings has been supporting the ERES Industry Seminar.

One of these ADI members is Cécile de Guillebon, Vice President Real Estate & Facility Management at Renault.



*Modern office areas have to be flexible and to offer open views.*

At the car manufacturing company with 122,000 employees and 37 industrial sites worldwide Corporate Real Estate Management (CREM) is a comprehensive task. About 1,800 employees, 300 of them only in France, are occupied with Real Estate & Facility Management. Core activities are the establishment of new locations and the optimisation of existing property stock. Regarding the latter the point is often to adapt the space to changed conditions and requirements. Cécile de Guillebon characterised the Corporate Real Estate Management as an organisational department based on two axes, business and regions, and emphasized that each activity "has to be judged and measured by a cost-benefit ratio".

However, she admitted that not only business management points of view are decisive. There are also to add influencing factors from outside. One of the consequences of the 'digital revolution' is the home office that today is quite different from what in former times meant 'home-working', although it comprises just the

possibility to work at home instead of in the office.

Already in 2007 Renault has offered its employees the possibility of homeworking. The offer comprises all levels—from management and administration to technical staff. It is linked with an obligation on staff to be present in the company workplace at least one day a week. Consequently the tripartite agreements between employees, managers and human resources departments are important to the proper functioning of the home-working relationship. Each side can quit the agreement, Cécile de Guillebon points out. And of course there are certain requirements regarding technical equipment and internet connections.

Since its introduction homeworking at Renault has seen continuous and sustainable growth. In January 2008 the number of homeworkers constituted 171 employees whereas by December 2013 some 1,408 employees worked from home in the Paris region. Most of them



*Although the number of students and employees is growing the burnt-down Faculty of Architecture in Delft has been relocated to a building with less floor space.*

belonged to the management and the administration departments, and more of half of employees prefer to work at least one day a week at home.

According to Cécile de Guillebon the advantages of homeworking are not only a better 'work-life balance'; but also include the benefits of working in chosen locations, conditions and places; transport savings regarding time and costs; the reduction of accident risks; and minimising possible fatigue in journeys to and from the workplace. All these benefits suit both the employees and the company. The decrease in the company's carbon footprint was considered to be a further significant contribution for the company.

However, homeworking is causing new challenges for companies. The traditional office layout is becoming obsolete. Demand for individual workplaces in a cellular office is rather limited since 'work anywhere at any time' is technically possible, states Han Paemen of AOS Studley, a consulting company specialized in Corporate Real Estate Management. One of the effects: the ratio of persons and required area is changing significantly. Meanwhile more and more companies and organisation have "less workplaces than employees", Han Paemen points out.

Her statement has been proved by Hilde Remøy, Assistant Professor at the Department of Real Estate and Housing of Delft University of Technology. In her presentation about "New ways of working – Does it work?" she referred to the fact that at

her faculty the number of students and employees is continuously growing relative to the space needed to accommodate them which is declining. Currently there are 544 workplaces for 961 employees giving a ratio of 1 to 0.57. After relocating into another building the space was reduced by 25 percent from 42,000 square metres down to 32,000 square metres.

Hilde Remøy is combining theory and practical experience in person. As Assistant Professor she is not only working in the Department of Real Estate and Housing of Delft University of Technology, but also doing research about the change of workspace. Therefore she is aware of the fact that there are not only quantitative changes, but qualitative ones as well.

No longer in demand are cellular offices with low flexibility and boring corridors. "Openness and transparency" are core objectives in addition to "flexible and temporary" configurations that allow different uses of the existing space. Further needs are Wi-Fi, smaller units for concentrated working, conference rooms, service areas and an attractive interior design. But as well external criteria as good access by public transport and an attractive environment with cafés, restaurants and shopping possibilities are gaining importance. However, at the same time the researcher is asking: "New ways of working! Does it work?" To assess that it does frequent surveys among employees and reviews are necessary. And of course the commitment to implement the consequences of the results.

"Cost reduction and increasing flexibility" was the topic raised by Rianne Appel-Meulenbroek regarding the added value with workplace management focused on efficiency. Rianne Appel-Meulenbroek who is an academic in the Real Estate Management & Development Group at the University of Technology in Eindhoven defined the methods of "quantification" in relation to workplaces. The simple number or the size in square metres should be determined by other criteria. For example, "conceptual models for layout purposes are helpful and can be measured in visibility graphs or by isovists".

ERES President Neil Dunse from Herriot Watt University in Edinburgh was pleased that, in addition to discussions about properties, this ERES Industry Seminar placed the focus on what happens inside the properties. He added that with all the changes created by the new information and communication technologies, these developments are having an enormous impact on the structure of the office real estate". As well as on the structure of residential property one might add. Because working at home is not only a question of internet connections, but as well of the design of residential real estate.

Jim Berry, Executive Director of ERES and Professor in Real Estate at the University of Ulster commented that this year's Industry Seminar in Paris has been a major success in "combining theory and practice and by engaging with prominent speakers drawn from academia and the real estate industry. The various presentations illustrated the importance of the key stakeholders talking to each other on topics of international significance such as value added work place environments." In addition, he underlined the significance of having high profile real estate practitioners from the global corporations of L'Oreal and Renault address the ERES Industry Seminar. | **Andreas Schiller**

*ERES Industry presentations can be downloaded at [www.eres.org](http://www.eres.org) for free.*