

## Is your office working — and what will we see in 2023?

Covid changed everything — but now businesses have settled into post-pandemic working, what have we learned, how will people want to work in 6, 12 or 24 months' time, and what are the real estate decisions businesses need to make now?

Our Directors Richard Hutchinson, Ben Taylor and John Avery assess the impact of the pandemic on working and the workplace, what we're seeing now in terms of working patterns and practices, and how physical workplaces need to adapt.



# Flexibility is fundamental



**Richard Hutchinson** on occupier appetite for maximum flexibility with 100 per cent functionality

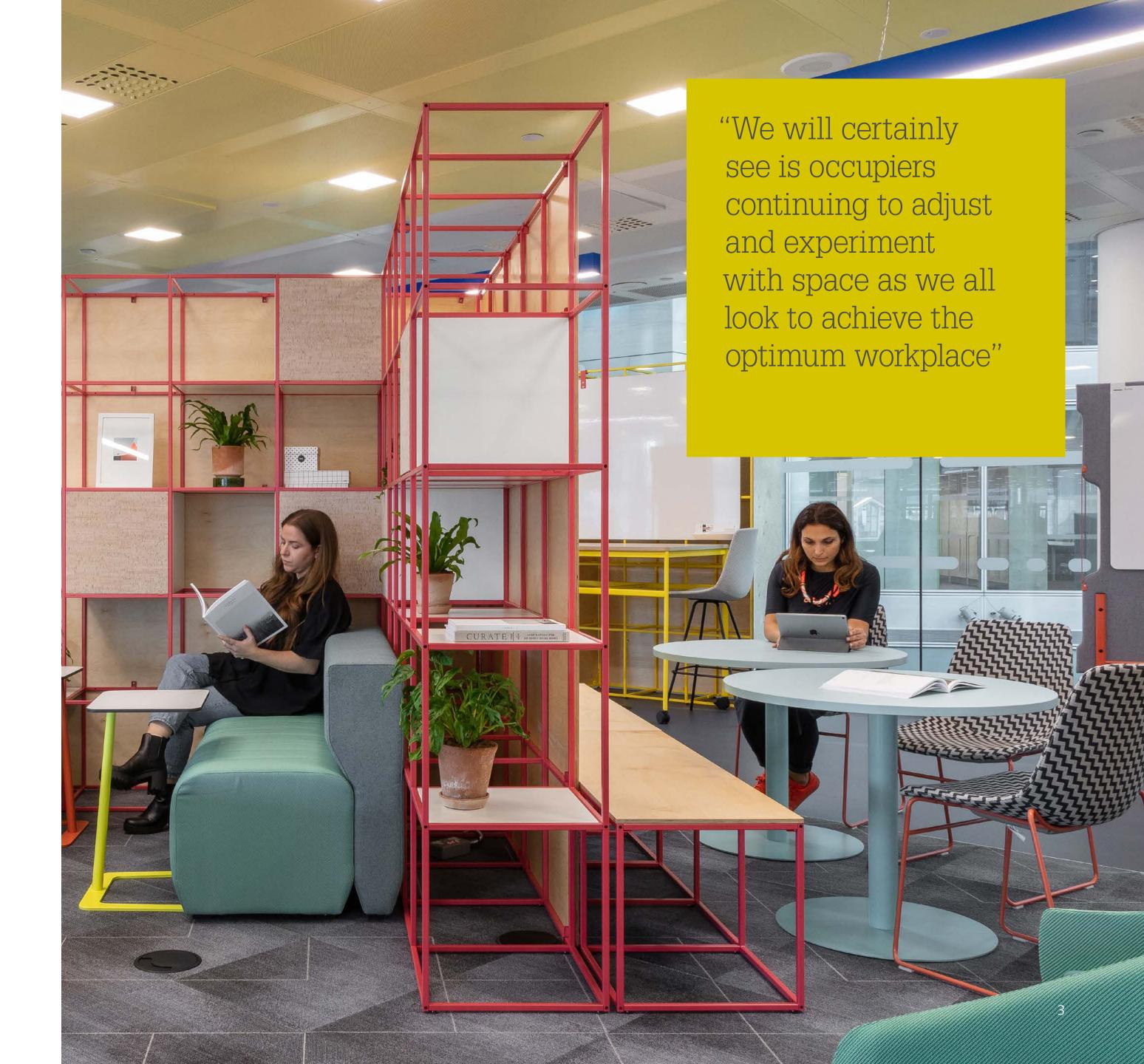
When Covid came to the UK and the lockdowns started, flexibility was about where you worked more than how you worked. It was all about enabling people to stay healthy, to work from home and about sustaining business and organisational continuity.

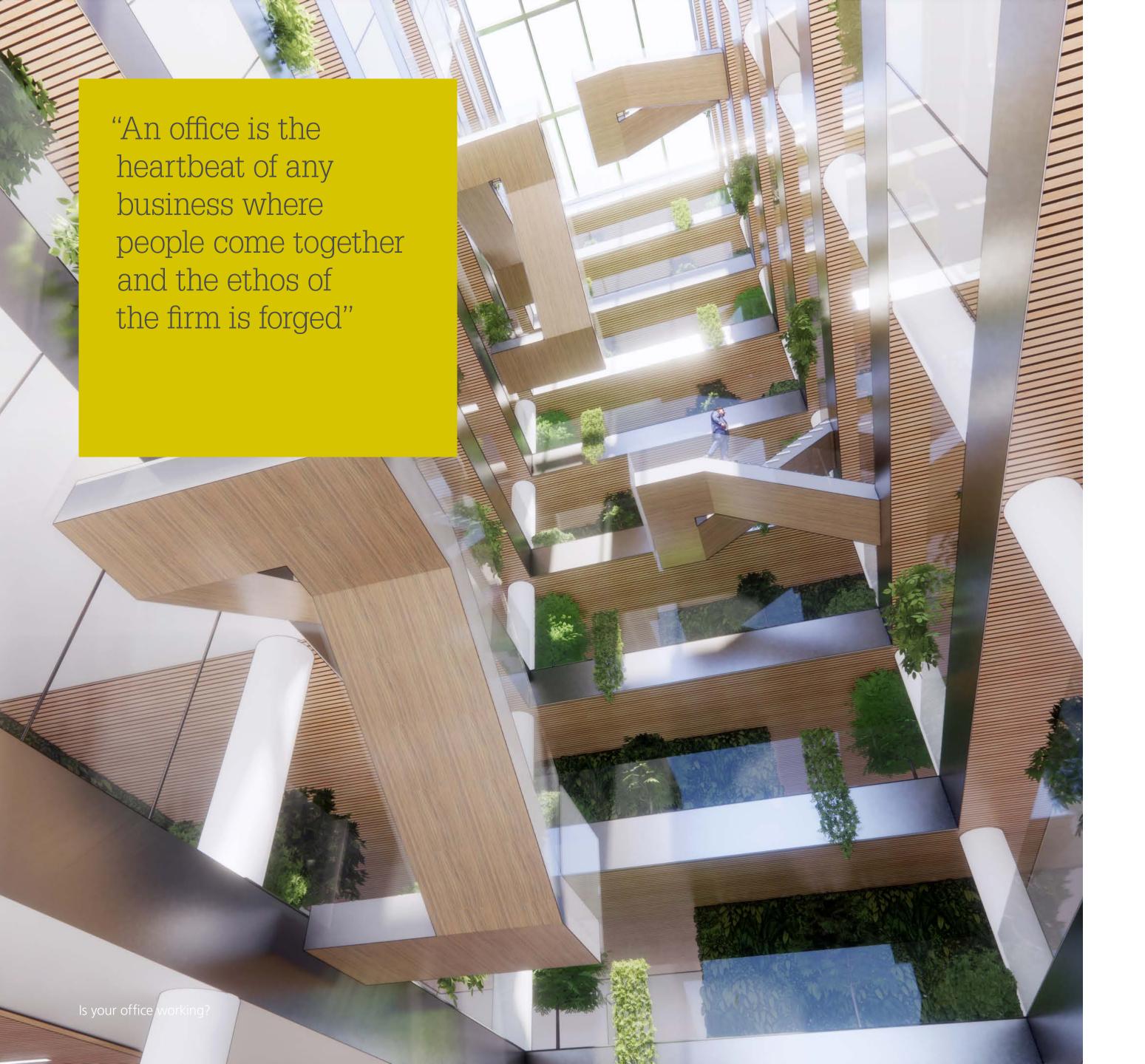
As everyone has found a way through the challenge, now flexibility really is about how you work and how you blend different workplaces and spaces with the different responsibilities and actions we all need to get done in our jobs. There's been a massive upheaval to the world of work and, at times, some fairly existential questioning about what work is and where it needs to happen.

As I reflect on what my clients are seeing and doing — and how we're helping them to navigate that journey — what I'm seeing more than anything else is a desire for occupiers to have maximum flexibility with 100 per cent functionality. I think this will be one of the big issues for all real estate professionals in 2023. Namely how to feed the occupier appetite for adaptability and variety in the workplace versus making those spaces genuinely fit for purpose and supportive of the activities that need to happen there.

That's a balance of course. Flexibility can be the enemy of specificity. There are times when a highly bespoke setting is needed. So a major challenge — and opportunity — is for architects and designers like us to bring the best of our creativity and design buildings and interiors that hit both objectives.

One of my major projects is a corporate HQ building for Santander where part of the solution has been to see the building as a sandwich with workspace and amenity wrapping around a co-working space filling. In this example, the bank achieves floorplates for its people which are specified to suit and, to give it





additional flexibility, has the potential to use the co-working space for overspill and other activity. The co-working space operates as an enabler of additional flexibility because people can move into and use it as and when it offers the better solution to the configured floorplates in the rest of the building. I like that and I think we'll see more of it as occupiers seek to build in safety valves and different ways to manage expansion and contraction of teams.

Talking about floorplates, the other step change we're seeing is in how floors — and to an extent buildings — are increasingly seen as 'stages' upon which the job of work plays out.

This means viewing a workspace more like a stage set and thinking about how it could and should change when the action changes. So changing the fixtures around the actors/occupiers as the story of what they need to do moves on. In a workspace, this can mean re-configuring furniture, re-zoning areas for particular uses, or more subtle adjustments to give spaces a different atmosphere through lighting for example. In all of these, one needs to balance the extent to which spaces are a blank canvas with everything moveable. Or how certain anchors are in fact needed and better for enabling the main function a particular floor or space has.

This is a real conundrum and not easy to solve. But what I think we will certainly see is occupiers continuing to adjust and experiment with space as we all look to achieve the optimum workplace — and that means spaces that are flexible and adaptable.

What do I expect to see more of in 2023? I'm sure it will be the continuation of really scrutinising what the office is for so that it works for organisations and occupiers alike. For me, an office is the heartbeat of any business where people come together and the ethos of the firm is forged.

I expect to see demanding occupiers driving continual experimentation and adjustment. The pandemic may be over in the UK but the implications for change in UK real estate are still very much alive.

Flexibility is and will remain fundamental.

## Mind the gap



**John Avery** on home versus the office, expectations and the challenge of 'having it all'

Work is what we do not a place we go — I think we're all agreed on that. But Covid caused home and work worlds to collide and that's given rise to a great many questions we're all grappling with.

One of the biggest has been the reason to return to the office. Some businesses saw it as a natural and normal thing to do post pandemic — 'we'll just go back to how and what we were doing before'. Others have assessed the mood and seen that things for their business and their sector have changed. They know work needs to be and to feel different. Especially in industries where the battle to retain and recruit is fierce.

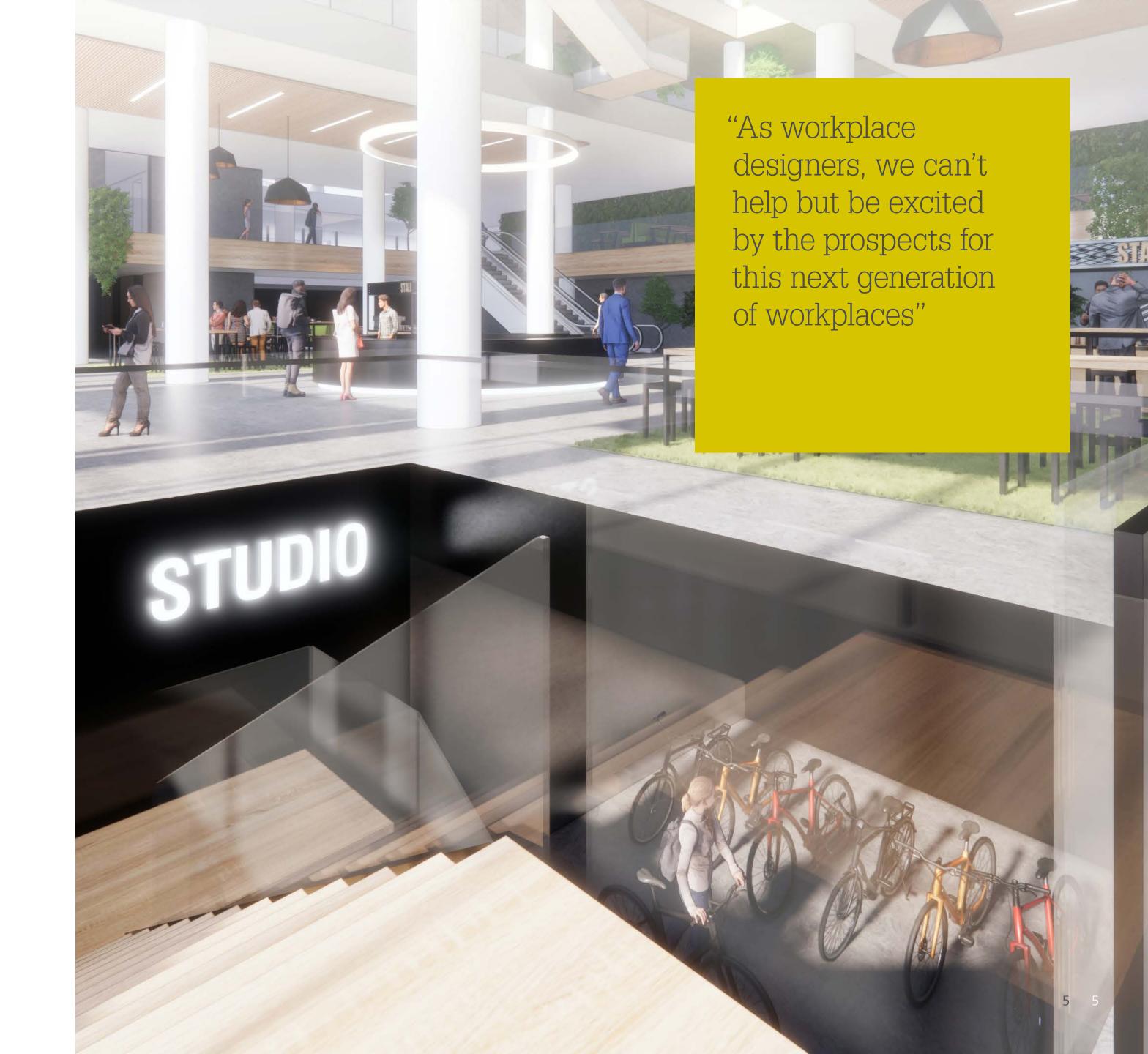
What I'm seeing with my clients is the challenge of giving end-users what they want — or what they think they want.

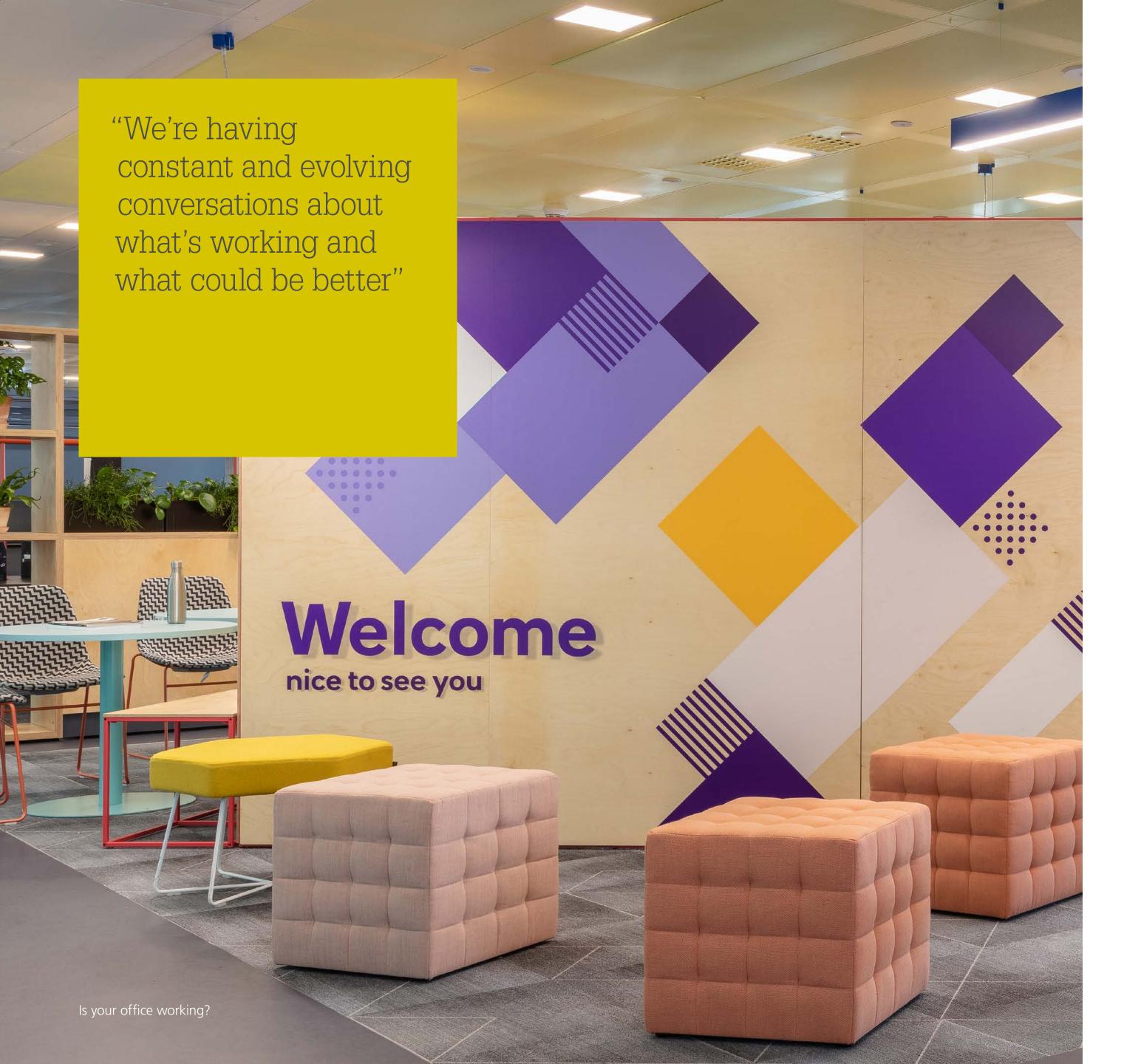
Covid broke down conventions in the workplace. We all went home to work and we got used to having our space the way we wanted it — it was our space and we could set it up as best we could to suit our individual workstyles (everyone's domestic accommodation situation applying).

Now, as people are back or partially back in the office and we're adjusting to hybrid ways of working, I think the biggest single issue for businesses is how to give colleagues what they want when they aren't entirely sure themselves.

What this leads to is an appetite for the office to provide the best of everything — a personal workstation, quiet space for Teams or Zoom calls, busy collaborative spaces for energy and creativity, traditional meeting rooms and café space with great food. That's quite a check list for the Group Property Director and quite a tally of sq ft to add up!

I see our job as helping clients to find their way through this maze and to focus in on the solutions that are ultimately right for — and deliverable for — each business. It won't be possible to have it all. Budgets simply won't allow it in any commercial context.





So we need to design to close the gap between employee expectation and a realistically deliverable solution — all without ending up with what's perceived as a compromised workspace solution when in fact it can be massively enhancing.

To unpack that a bit more, I'm talking about designers like us working with corporate property, HR and leadership teams to hone in on what's genuinely important to the outcomes and success of their business and their people. By understanding those organisational goals, we can use our expertise to design and configure the right mix of space. That will then enable the occupier and employees.

We can draw our own experience here of course. Like everyone else, LOM went home for lockdown and our Shoreditch office fell quiet. But now it's vibrant again and we have switched up the spaces to create different but complementary areas for working. People are back in and we're having constant and evolving conversations about what's working and what could be better — recognising that we can't magic a solution to every single desire.

As for 2023, I think the most important thing will be sustaining the conversations and the levels of employee engagement we all needed to have during Covid. In that period, most management teams stepped up their dialogue with their teams. The result has been far greater interaction and knowledge of how people are feeling — and what's working or not working for them. Plus greater vocalising from staff as to what they want.

What I'd like to see is that level of engagement evolve so that it becomes even more effective for future workspace design, operation and satisfaction.

As designers and architects, we can create all manner of workspace to help people do their jobs well and in comfort. But we also need the pragmatism that comes from open conversations with clients and their staff about what they want and what their priorities are.

Employee expectations of their employer and their office have changed forever and will only grow. I want to be part of the solution to help employers build the best relationships with their staff and I want to use our design skills to provide the workplace experience that fosters future success.

## The alignment of values



**Ben Taylor** on how corporate and personal values need to meet for the most productive workplaces

We all want to work somewhere we feel valued. That's a given. But I think the contract between employer and employee has shifted during the pandemic and there's now a different definition of value for all of us who work in corporate real estate to get our heads around.

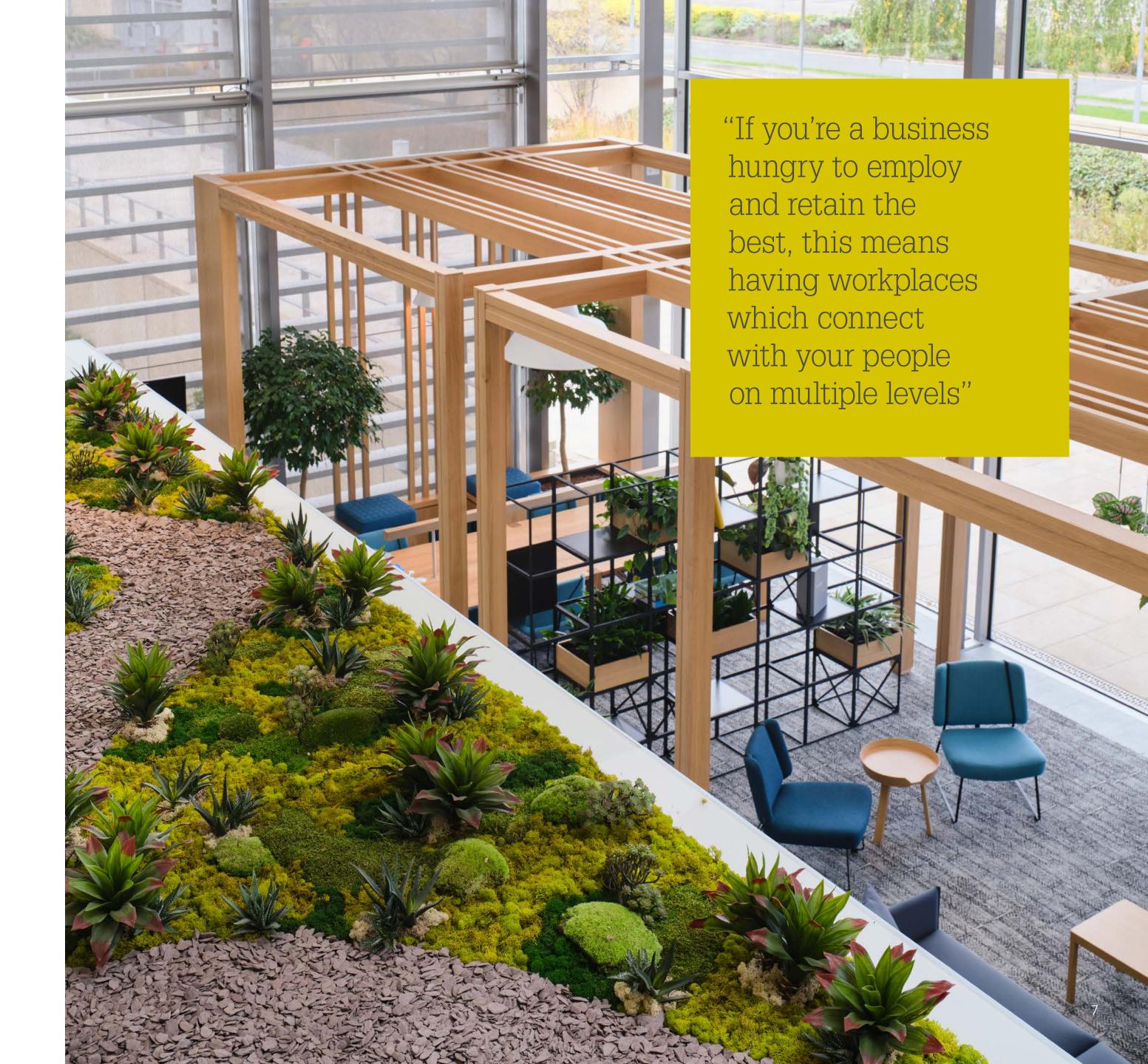
Individuals want to be valued for who they are and what they bring to a business. They also want to feel the organisation reflects their priorities and cares about what's important to them.

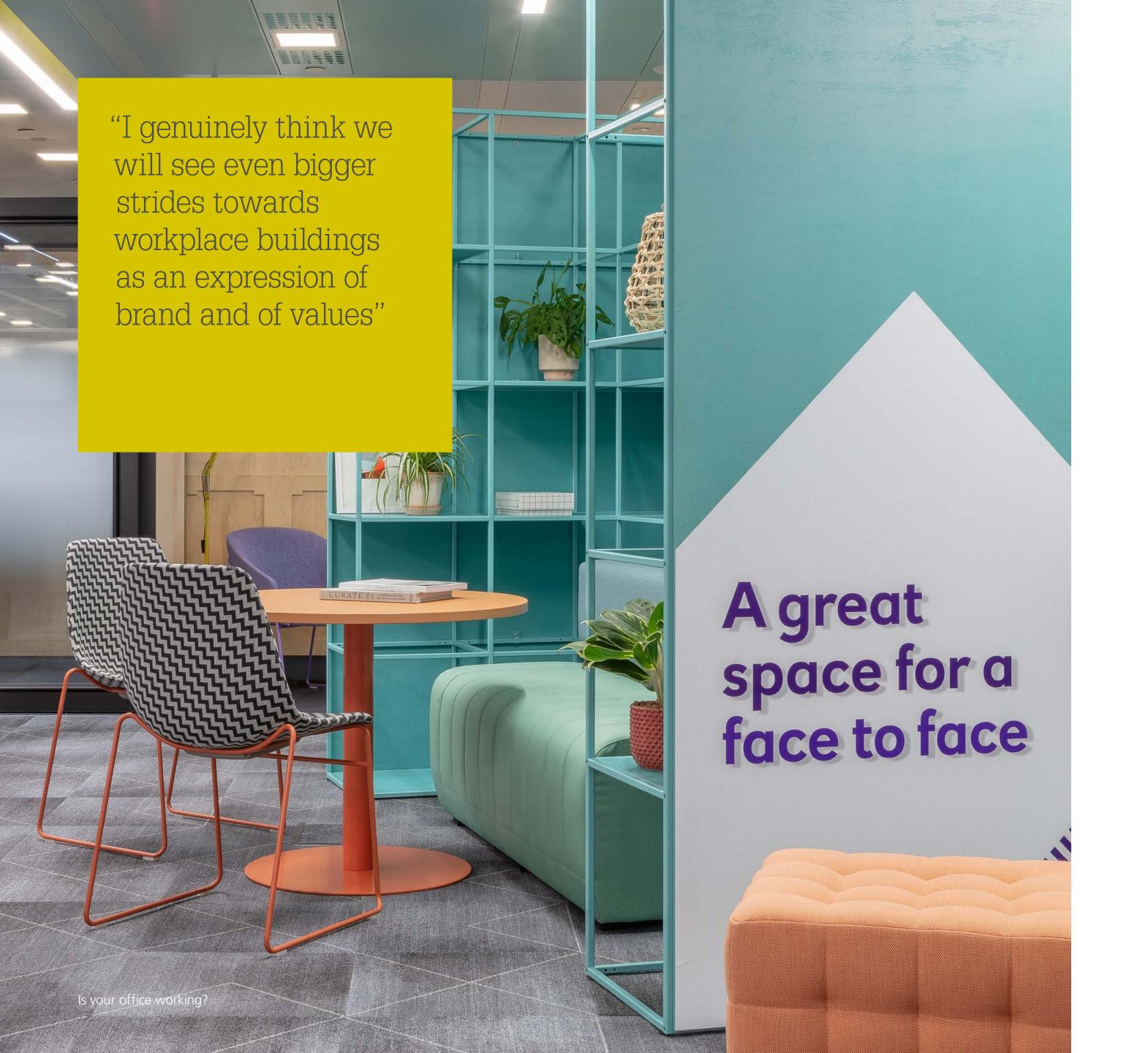
So beyond the function and fit out of the offices, yes I'm talking about ESG.

In the great re-evaluation that came with Covid, many people assessed whether they were happy doing what they were doing in work and in the businesses they were doing it for. We've seen a lot of movement in the labour market and, in some sectors, a spike in employees and applicants calling the shots.

So if you're a business hungry to employ and retain the best, this means having workplaces which connect with your people on multiple levels — and that will include purpose, sustainability and brand.

Increasingly I'm working with clients where the brief is to optimise the quality of the workspace and to do that while minimising energy and maximising natural materials. Everyone wants to decarbonise their buildings so they can show their staff that the business is serious about doing the right thing. This is really interesting because it cuts to the heart of the architecture profession and how we design for new-build or for retrofit. I'm not going to dive deep into everything that's involved in this short piece but safe to say we're being pushed by clients and we're pushing all the time ourselves to find new and effective ways to achieve this aim.





Part of the ability and the opportunity to decarbonise is obviously shrinking space — that's a simple and not especially innovative or demanding solution. But it will be right for many businesses as they adjust to decreased demand for office space and consider a more consolidated option.

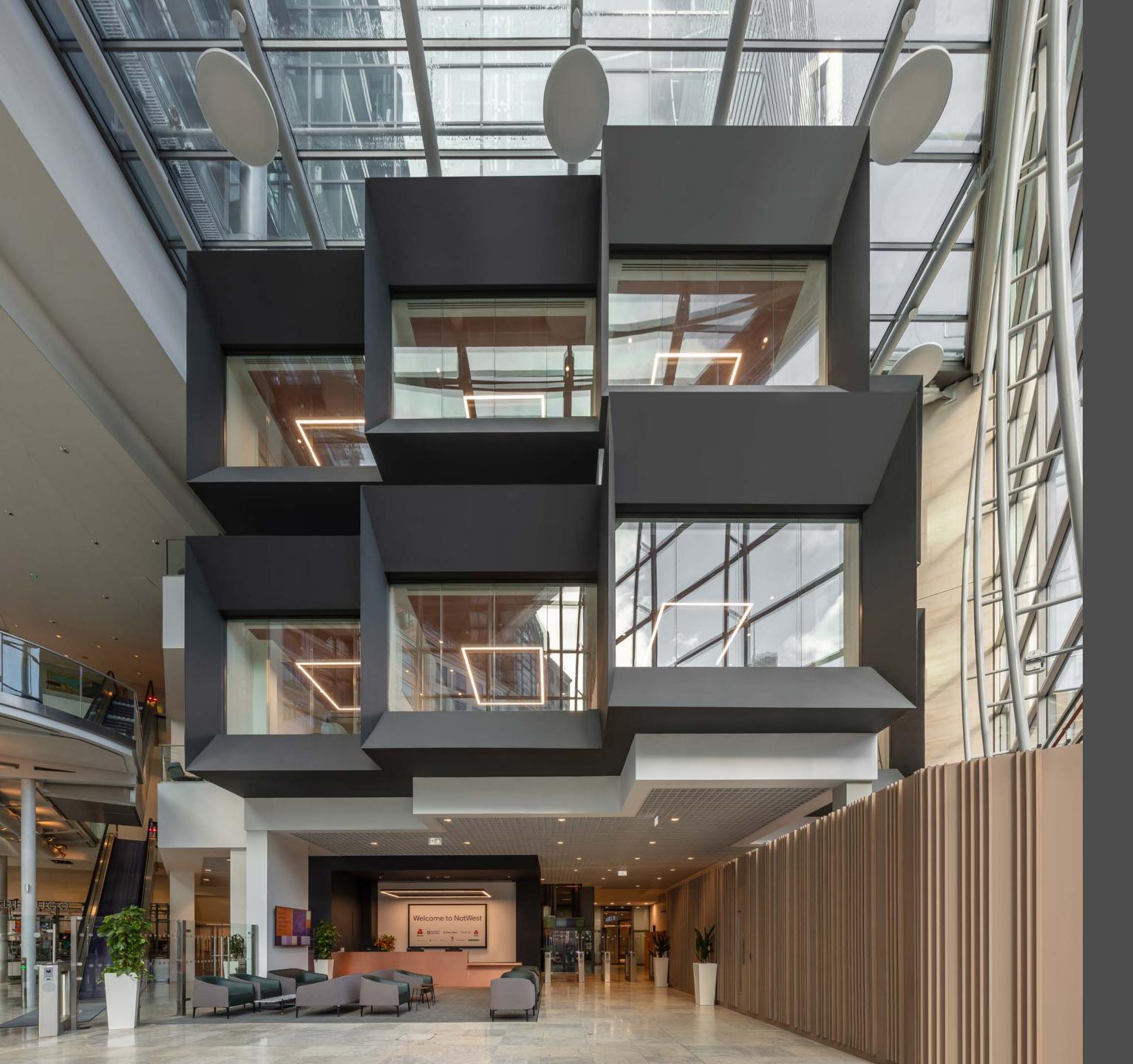
As I look into 2023 I'm therefore expecting to see a continuation of the trend for businesses to have three-part workplace strategies which include a smaller office HQ hub, working at home, and a local/regional satellite space in the form of some sort of co-working space. We've seen a fair bit of this already and I expect to see more as the local co-working space becomes a more established and valued part of the mix — it's key attractiveness being it counters the 'isolation' of home while giving people a reasonably local location for a working community without the need for a commute to HQ.

There's also a practical side to the attractiveness of co-working spaces. As occupiers typically push landlords for more flexibility and shorter-term leases, they can be part of the armoury that delivers that for the Group Property Director. There's a hedge there between a committed lease on a high-quality HQ which you know you'll need and then the dial up/dial down aspects of using co-working space and the enhanced flexibility that comes with that. It's certainly going to be interesting to see how things evolve and, with a potential contraction in the economy heading our way too, for us to help clients with the very best and most cost-effective solutions.

Going back to my main point, I genuinely think we will see even bigger strides towards workplace buildings as an expression of brand and of values — especially on sustainability. Regulation will drive things so far (and we know more regulation is coming on office energy efficiency for example) but, more than that, businesses are competing for people, market position and on purpose.

I think 2023 will involve not just designing great places where people can perform in their jobs but also telling great stories about the quality, specification and sustainability of that space.

As architects, we've often let the designs and the visuals do the talking. In 2023, I think we'll all be working harder with our clients to share the full story of the spaces we're providing and what makes them sustainable and special.



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