



Profits all 'round! How (and why) to apply placemaking principles to commercial assets

By Andrew Hoyne, Principal, Hoyne

Today more people are realising that, in order to make any place truly successful, they need to do more. This sentiment applies to the workplace as much as anywhere else. With that in mind, we welcome you to a new era in the design and management of the places where we spend our working days.





01 PAGE 1
THE EDGE,
HEADQUARTERS
OF DELOITTE
IN AMSTERDAM
(ARCHITECTURE BY
PLP ARCHITECTURE).
02
THE PERTH STUDIO
OF ARCHITECTS,
WOODS BAGOT.

At the Property Council of Australia (PCA) office market outlook in 2017, a panel of senior executives declared “the new theme of placemaking was an integral part of an office lease today”. Ideas and expectations around the workplace are changing dramatically; evolving technology, demographic shifts, globalisation, a desire for greater flexibility, the importance of health and wellbeing have all had their impact. Research shows we are also spending more time at work and, as a result, seeking more from employers. Today’s workforce looks for blurred boundaries between work and leisure, expecting things like end-of-trip facilities so time can be used more efficiently, along with human experiences that enrich social connections.

All of this has changed how we think about the workplace and now the workplace needs to respond. But how and why has placemaking become intrinsic to commercial assets?

Recent reports identified that less than 20 per cent of people love their work¹, 70 per cent of people find their offices

depressing and only a half of employees say their workplace enables them to work productively². This is compounded with other findings such as 75 per cent of people feeling detached from their employer and only doing the bare minimum³. Nobel Prize winning economist Paul Krugman noted that “productivity isn’t everything, but in the long run it is almost everything”. Even small rises in productivity can have a profound economic impact. For instance, a mere one per cent productivity rise in the UK would result in a 20-billion-pound increase to the national output⁴.

There is also a lot of research that clearly shows the link between happy and contented employees and increased productivity. A study carried out by the universities of Warwick in the UK and IZA Bonn in Germany found happy workers experienced a massive 12 per cent increase in productivity, while unhappy workers experienced a 10 per cent drop. A study by Harvard Business Review found “the key metric that companies use to measure space, cost per square foot, is focused on efficiency”⁵, however,

few companies measured whether a space’s design help or hurts performance. This is where the focus should lie if companies want to increase productivity and innovation. In this ultra-competitive world, the work environment is intrinsic to an organisation’s ability to be economically productive and profitable.

The economic benefits of better placemaking in work environments also are significant for asset owners. By successfully creating environments that foster collaboration and innovation, they have the opportunity to achieve higher asset valuations, making it easier to attract tenants and, importantly, keep them.

The social benefits are also significant, leading to increased health and wellbeing and greater engagement and motivation. Indeed, mental health problems are currently one of the biggest contributors to employee absenteeism⁶. However, community and a sense of purpose have been found to help prevent issues such as depression and burnout, keeping employees more mindful and engaged⁷ and, crucially, present.

Placemaking can also help build a culture of pride, inspiring people to be their best; something we may be in dire need of when you read statistics such as just 50 per cent of workers in the UK and Ireland seeing their workplace as somewhere they would be proud to bring visitors⁸.

Applying the principles of quality placemaking to the workplace, the creation of a true community, supported in order to thrive, just makes sense. So, what can and are developers doing to apply placemaking?

You can break down the factors that define a successful workplace in to three categories: people, technology and spaces. Get these right, and expect beneficial effects on the commercial competitiveness, productivity, economic and social behaviours of your company or asset. ➤

“This is not about an inspirational quote or a logo on the wall; that doesn’t create a culture.”

PEOPLE

When it comes to people we need to think health, wellbeing and happiness. It’s thinking about the whole person – mind and body. While many companies look to achieve sustainable goals with regard to energy and environmental impact, considerations need to go much further. If we are healthier, more focused and can make our day more effective, the knock-on corporate benefits are immense. Likewise, if we create a place that is enjoyable, creating social cohesion and happiness, thus enabling employees to do their best work, we see further positive impacts on productivity.

A recent project that Hoyne has been working on with Investa is Barrack Place in the Sydney CBD which has been awarded WELL Precertification by the International WELL Building Institute™ (IWBI™).

In order to qualify as a WELL building you are assessed across seven key areas, including air, water, nourishment, light, fitness, comfort and mind interventions.

The benefit of WELL buildings to companies include higher productivity levels, reduced sick days, increased employee engagement, plus attraction and retention of staff.⁹ These benefits provide a pretty compelling argument for both asset developers and owners to start to create buildings that are worthy of WELL.

Arup, which is moving its Sydney headquarters into Barrack Place, also has created its own wellbeing app, Occusense. The app collects real-time feedback from building occupants to better understand how they are using the space. The analytics from this inform the management of the workspace and are a catalyst for constant improvement.

Lendlease has gone one step further and is using advanced technology to track employee health. The company can measure how much time employees spend sitting down at desks versus getting up and moving around. Employees wear heart rate monitors that track when people go into the ‘fight or flight’ mode, which allows Lendlease to understand how often staff are undergoing a stress response

at work. This information is then used to create initiatives that encourage increased physical activity in the workspace and behavioural changes to manage stress more effectively. One such initiative is the company’s Wellness Hub, located in Lendlease’s global headquarters in Sydney’s Barangaroo. This is a designated space for preventative care and comprises dedicated rooms and adjoining spaces for training, as well as for activities such as yoga, Pilates, boot camps and guest speakers, who lecture on everything from stress management to nutrition.

Staffing agency Pasona Group in Tokyo has taken a back-to-nature approach to employee health by using greenery to improve their workplace environment. Pasona’s building is filled with plants, including 200 types of fruits and vegetables, which are harvested and turned into meals for workers. This initiative has improved productivity, mental health, social interaction between employees and engagement with the wider community.

Developers today really need to work with their tenants to implement their own corporate strategies and company values into workplaces and must understand how a space will be used. This is not about an inspirational quote or a logo on the wall; that doesn’t create a culture. This is about considering how the place can encourage and enhance desired behaviours, support people ➤



TECHNOLOGY

Technology is a key driver of innovation and allows companies to better develop workplace solutions focused on the end users. The internet of things will be instrumental in developing these solutions, as we can see at The Edge, headquarters of Deloitte in Amsterdam.

The Edge is a smart building that measures absolutely everything. Every light is an internet connected data hub that collects information and The Edge has its own building app, which recognises when you arrive and assigns your car parking space and then your work space, depending on your schedule and what you need to achieve that day. This allows more efficient use of space (Deloitte reports huge savings by only having 1,000 desks to 2,500 employees) and higher levels of productivity. The app even records your preferences for light and temperature and ensures wherever you are working in the building the environment is set accordingly.

In Australia we have Rialto, a pioneering development in Melbourne by Grollo Group Australia and St Martin's

Properties, which is the first digital hyper local community in Australia. This is a tech-based placemaking innovation that provides Rialto's 3,000-plus workers with an exclusive concierge service, social networking and knowledge-sharing interactions across a virtual business community.

Technology also has freed us from the shackles of a static office and facilitated new ways of remote working; co-working is one example. Co-working offices are spaces which are perfectly designed to foster the exploration and knowledge sharing that is known to increase creativity. The unprecedented success of co-working spaces and start-up accelerators has led to large corporations creating shared spaces where their employees can work with partners, researchers and customers to speed up innovation.

Both Amazon and Airbnb have created co-working spaces within their headquarters. Telecommunications giant AT&T has created Foundry, a network of research centres where engineers, handpicked start-ups, corporate partners,

“Asset owners can create an environment that supports their tenants, while companies can create workplaces that support their people.”

and third-party developers work side-by-side in order to innovate, share ideas and bring new products to market faster. Their offices were designed on three core principles: firstly, they wanted to create a sense of equality among all the workers so there are no cubicles or

private offices; secondly, every piece of equipment they have is multifunctional and multipurpose; and thirdly, they put everything – from desks to conference phones – on wheels so equipment can be easily moved and adapted to the needs of a team and its collaborators. This method enables AT&T to go from concept phase through to commercialisation in a third of the time it would normally take. They now have six Foundry hubs across the globe, have launched over 500 projects and deployed dozens of new products to market.

When discussing technology, people often talk about future-proofing. Today this is impossible as innovation happens faster than ever before. We need to think of our workplaces as being in constant beta-testing mode, continually refining, improving and evolving as new research and technology comes to the floor.

This is where the internet of things and smart buildings come in – guiding us towards the innovation we need for a specific building or company to ensure they're thriving. We need to provide enough flexibility in our



05



06



07

03 AND 04
1 BLIGH STREET
BY DEXUS
(ARCHITECTURE
BY ARCHITECTUS)
IS ONE OF SYDNEY'S
MOST ADVANCED
WORKPLACES. THE
BUILDING FEATURES
A SPECTACULAR
TOP FLOOR TERRACE
AND A STRIKING,
NATURALLY
VENTILATED FULL
HEIGHT ATRIUM.
THE CASCADING
STAIRCASE AT THE
BUILDING'S ENTRANCE
ISA POPULAR
GATHERING PLACE FOR
CITY WORKERS.

05
HOME OF *THE PLACE*
ECONOMY. THE
KITCHEN-INFORMAL
MEETING AREA, HOYNE
SYDNEY.

06
RECEPTION AND BOARD
ROOM,
HOYNE SYDNEY.

07
OPEN PLAN,
HOYNE SYDNEY.

SPACES

We need to be creating places where people want to be; places that create a sense of belonging and motivate productivity and wellness. We must ask ourselves, “How can the place vision be brought to life to create a memorable experience that makes people want to return?” From building amenity to the surrounding businesses, access to nature or social connections – all of this can contribute to the workplace in a positive and meaningful way.

In a knowledge-based economy that is no longer rooted in a physical space, we are witnessing a diversification of working styles and patterns. Research by the Harvard Business Review found that increased engagement is typically accomplished with tight, walled-off workstations and adjacent spaces for small-group collaboration and interaction. However, if a company wants to increase innovation then open and flexible spaces that increase exploration and facilitate knowledge sharing between different teams

are the answer¹⁰. This is reflected in an increasing demand for workplaces that allow employees to choose the best setting based on their task or project. Employees are now “1.5 times more likely to work in an environment comprising both shared and private spaces, where they also report higher scores across performance indicators”¹¹. So, if you give employees the choice to work where it suits them best, their satisfaction and performance will improve.

This is something Arup has taken on board. Prior to an office move in 2018, Arup’s Sydney office ran an in-house experiment with new models of working. The project aimed to cater for individual needs rather than rolling out generic options; it provided employees with a diverse range of working spaces from which to choose depending on what they had to accomplish that day. The Zurich workplace of Skullcandy International (marketers of headphones, earphones, hands-free and other audio devices) takes this approach a step further and employees can decide how to configure their desks depending on whether they need to work

individually or collaboratively.

Something as simple as how many face-to-face interactions and chance encounters employees have each day can have a dramatic effect on performance. A US-based pharmaceutical company that wanted to increase sales but didn’t know what behaviours would help conducted a study; it revealed that when a salesperson increased their interactions with co-workers from other teams by 10 per cent, his or her sales also grew by 10 per cent¹². To increase how often sales staff bumped into colleagues from other teams, the company tore down its small coffee stations, each of which serviced about six employees, and built larger stations, each servicing around 120 employees. The company also created a large communal cafeteria. It wasn’t a revolutionary move, but in the quarter after making these changes, sales rose by 20 per cent (US\$200 million)¹³, showing just how vital small changes to space configuration can be.

End-of-trip facilities are fast becoming the norm. Developers and asset owners need to use services and amenities to

set them apart. James Cooksey, who manages the Crown Estate (a vast collection of land and property in the United Kingdom, owned by the British royal family) has commented that there is now a “need for a radical change in philosophy: to think more like a hotelier than a real estate company”¹⁴.

Aurora Place in Sydney improved its market competitiveness in attracting tenants through its end-of-trip facilities. The building now offers comprehensive concierge services, 165 bike spaces, showers, towels, hair dryers and straighteners, irons and ironing boards, phone-charging stations, an in-house dry-cleaning service and car wash service. There is even a vending machine for essential spare bike parts. Companies such as South Korean beauty and cosmetics conglomerate Amorepacific has taken this one step further. In its Seoul headquarters employees have access to a curated range of shops and an art gallery in the basement. ➤

08
DEVELOPED BY INVESTA, WITH ARCHITECTURE BY ARCHITECTUS, HOYNE NAMED THIS PROJECT, CREATED THE LEASING CAMPAIGN AND ALL ASSOCIATED MARKETING MATERIAL. ALL MESSAGING AND IMAGERY EMPHASISES THE FACT THIS IS A CENTRAL LOCATION, A PLACE WHERE EVERYTHING COMES TOGETHER.

09
TO ASSIST IN SECURING PRE-COMMITMENT FOR BARRACK PLACE, HOYNE CREATED A LEASING CAMPAIGN TO REFLECT THE CHANGING CBD LANDSCAPE.

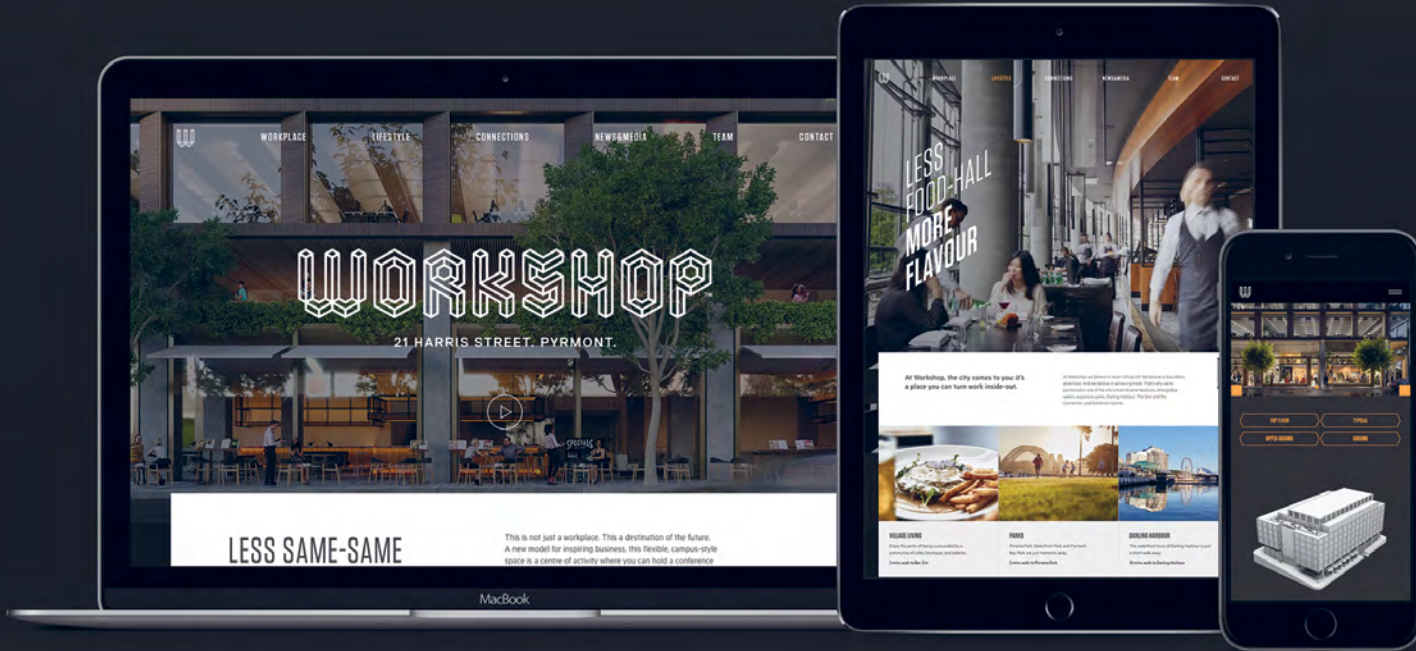
10 AND 11
SUCCESSFULLY BRANDING A NEW WORKPLACE LIKE BARRACK PLACE MEANS CONNECTING THE BUILDING AND THE USERS IN AN ENGAGING WAY, SHOWCASING THE ENERGY, ACTIVITY AND LIFE THAT WILL ULTIMATELY EMANATE FROM THIS LOCATION.

12
FOR WORKSHOP (DEVELOPED BY MILLIGAN GROUP, WITH ARCHITECTURE BY BATES SMART), HOYNE NAMED THE PROJECT, CREATED THE LEASING CAMPAIGN AND ALL ASSOCIATED MARKETING MATERIAL. THIS WILL BE A NEW BUSINESS HUB IN SYDNEY'S PYRMONT.

13
HOYNE'S CGI TEAM CREATED VIGNETTE IMAGES TO ILLUSTRATE A SERIES OF BENEFITS ASSOCIATED WITH THE LOCATION, MESSAGING CONTRASTED WITH 'USUAL EXPECTATIONS' AND CLARIFIED THE MANY ADVANTAGES DELIVERED BY THIS DEVELOPMENT.

14
THE WAY AHEAD: CAMPUS-STYLE SPACES WHERE YOU CAN HOLD A CONFERENCE IN THE CAFÉ AND BRAINSTORM AT THE BAR.

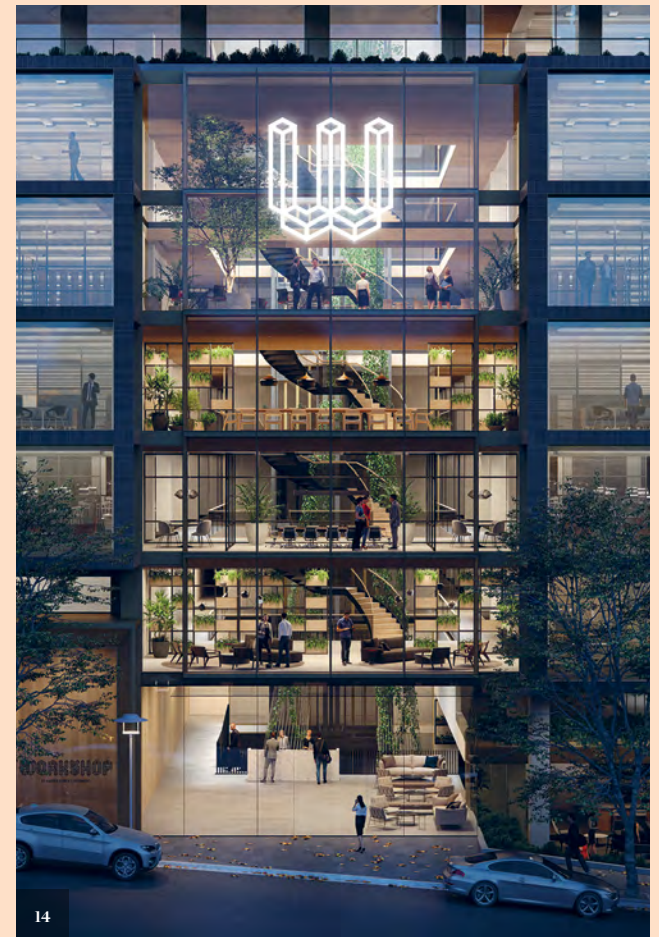




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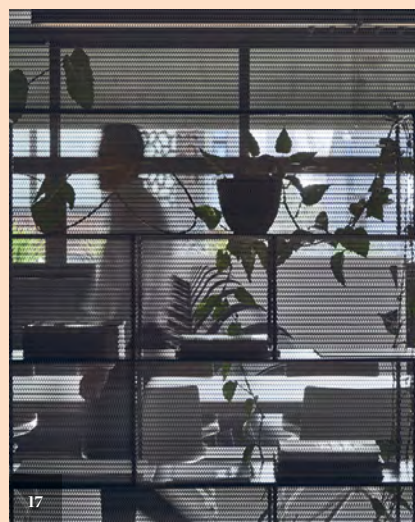
The next step for end-of-trip is the Wellness Centre, rather like an in-house spa-come-gym that hosts a timetable of weekly classes and offers employees access to physiotherapists, masseurs, nutritionists and other health experts.

A vibrant mix of retail, residential, educational and commercial spaces acts as a magnet and creates a strong sense of community. Furthermore, a concierge team available to deal with occupants' day-to-day issues can significantly improve your tenants' experience; you can work with them to finesse the space to suit their needs.

Finally, I've long spoken about the need for a CCO: Chief Curation Officer. This is someone responsible for continually creating a sense of place and connecting the workforce to their environment. This person ensures that amenity, events and activities will enhance a workplace, ensuring its contribution to effectiveness and productivity. It is someone who understands the goals and objectives of the corporation, and the aspirations, preferences and habits of its workforce.

CONCLUSION

None of the above are one-off activities. They are daily requirements for a healthy, profitable and happy business. A great place won't be created by one discipline. You need to break down silos and come together with a common focus – people. You need to create a vision and constantly review it and reinvest in it. To stay ahead of the competition, you need to find new ways to differentiate and engage people. Apply placemaking principles in the workplace and you will make people more effective. Their lives will be easier, their work better; they can do more in a shorter time, so they can live their lives to the full. And the economic benefits from even a one per cent rise in productivity will be amazing. — ●



15 AND 18
WOODS BAGOT'S
PERTH STUDIO.

16 AND 19
BUILDING NO.2,
WOLVERIDGE
ARCHITECTS'
WAREHOUSE-TO-
OFFICE CONVERSION
IN COLLINGWOOD.

17
CONRAD ARCHITECTS'
STUDIO SPACE.

20
PTW ARCHITECTS'
SYDNEY OFFICE.
FIT-OUT.



- 1 JLL's 'The future of work and workplace report' October 2016
- 2 www.leesmanindex.com/250k_Report.pdf
- 3 JLL's 'The future of work and workplace report' October 2016
- 4 The Stoddart Report (2017), The Workplace Advantage
- 5 Waber, Magnolfi & Lindsay. (2014) Workspaces That Move People, Harvard Business Review
- 6 Unum (2014). The Future Workplace – Key trends that will affect employee wellbeing and how to prepare for them today.
- 7 Living Workplace, Arup, 2017
- 8 The Leesman Index
- 9 "Workspace Exceptions for the Future", Knight Frank
- 10 Waber, Magnolfi & Lindsay. (2014) Workspaces That Move People, Harvard Business Review
- 11 Gensler (2016). Asia Workplace Survey & Telsyte. (2015). From Hot Desks to the Connected Office, Activity-Based Working is Driving Business Outcomes
- 12 Waber, Magnolfi & Lindsay. (2014) Workspaces That Move People, Harvard Business Review
- 13 Waber, Magnolfi & Lindsay. (2014) Workspaces That Move People, Harvard Business Review
- 14 Hurst, W. (2016). Future Office charrette: Will we keep choosing the office as a workplace? Architects Journal

THE GREAT EIGHT WORKPLACE PLANNING ESSENTIALS

1.

Measure the value of space based on whether it helps or hurts human performance.

2.

Create flexible spaces to cater for different ways of working.

3.

Include space for collaborators to come into offices and work with clients to speed up innovation.

4.

Tailor spaces for the outcomes you want to achieve (innovation, increased productivity etc.).

5.

Create spaces to encourage interactions and knowledge sharing between different teams and silos.

6.

Offering end-of-trip facilities, showers, well-equipped changing rooms and bike storage, is the absolute minimum standard today.

7.

Consider health and include stress management facilities for things like meditation and yoga.

8.

Build in smart technology that allows you to measure how employees use the building, then use the data to refine the space.

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