OFFICE OCCUPIERS’ PREFERENCES AND NEEDS IN A CHANGING BUSINESS ENVIRONMENT
- Research project

Usability day 11.11.2010

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Content

- Introduction to the PREFE project

- Results
  - Employees’ preferences
  - Organisations’ preferences
  - International preferences

- User preferences tools

- Next steps & homepage
Background

• What does preferences mean? What about need? Or requirement?

• What does different kind of organizations prefer? What is the most dominant factor for them when choosing the offices? Location? Building? Image?

• What does different kind of users’ prefer? Are there differences regarding to their age, gender or working style?

• How to evaluate the preferences? How to know what organizations prefer, it they don’t know it by themselves?

• How to better match building characteristics and organization's space preferences?
What does an office look like?
What does a law firm office look like?

dSign Vertti Kivi & Co / Hannes Snellman
What do governmental offices look like?
What do THEY prefer concerning their work environment?
Objectives

**To identify occupiers’ preferences**
- To identify organisation and employee level preferences concerning location, building and workplace
- To create user profiles based on the preferences

**To develop tools and methods based on the preferences**
- To develop method and tool for evaluating the occupier’s preferences
- To develop rating tool, which can be used for evaluating the building stock based on the preferences
Research resources

• Three research partners
  – Aalto Real Estate Business -REB
  – Aalto Built Environment Services -BES
  – KTI –Property Information Ltd.

• International research partners
  – Georgia State University, US
  – Sheffield Hallam University, UK
  – Center for People and Buildings, TU Delft, NL
Company collaboration
What we have done

• Occupier survey in Finland
  – Aim was to identify office users’ needs and preferences concerning location, building and workplace
  – Analyse the differences and similarities, form clusters (profiles)
  – Two questionnaires: for the decision makers and employees

• International survey for corporate real estate managers

• Tool development
  – KTI rating tool
  – Preferences tool
RESULTS
-OCCUPIER SURVEY
Occupier survey in Finland

- Internet based survey in the summer 2009

- Questions
  - Background information
  - Location and area
  - Building
  - Workplace and work processes

- Data
  - Employee survey: 1113 employees
  - Organisation survey: 89 decision makers
Employee level results

Peggie Rothe
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## Preferences in general

<table>
<thead>
<tr>
<th>Employees, top 10</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>The workspace supports well-being and enjoying work</td>
<td>Workspace</td>
</tr>
<tr>
<td>The workspace supports completion of tasks that require concentration and privacy</td>
<td>Workspace</td>
</tr>
<tr>
<td>The possibility to adjust office furniture</td>
<td>Workspace</td>
</tr>
<tr>
<td>Cleanliness of the area</td>
<td>Location</td>
</tr>
<tr>
<td>Adjustability of lighting</td>
<td>Building</td>
</tr>
<tr>
<td>Safety of the area</td>
<td>Location</td>
</tr>
<tr>
<td>Bookable meeting rooms</td>
<td>Building</td>
</tr>
<tr>
<td>Adjustability of air conditioning</td>
<td>Building</td>
</tr>
<tr>
<td>Adjustability of room temperature</td>
<td>Building</td>
</tr>
<tr>
<td>Possibility to influence the workplace design</td>
<td>Workspace</td>
</tr>
</tbody>
</table>
## Preference differences of employees

<table>
<thead>
<tr>
<th>Services</th>
<th>Virtual</th>
<th>Collaboration</th>
<th>Privacy</th>
<th>Image</th>
<th>Impact</th>
<th>Sustainability</th>
<th>Commuting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work private</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

| Age groups       | □       | □             | □       | □     | □      | □              | □         |
| Gender           |         |               | □       | □     | □      | □              | □         |

| Time spent at the office | □ | □ | □ | □ | □ | □ | □ |
| Individual/collaborative work | □ | □ | □ | □ | □ | □ | □ |
Profile 1: Service and green value driven users

• In general more demanding than others
• Values services more than the other groups
• Rates attributes that affect the environmental impact of the building higher than others
• Higher demands on the virtual work environment
• Appreciates the possibility to be able to network with clients and other interest groups in the office building
Results of profiling employees

Profile 2: Individual driven users
- Does not value issues that support interaction with others inside the organisation
- Does not rate the possibility to network with other interest groups in the building as important
- Prefer to move around by own car
- Values attributes that affect the environmental impact of the building lower than others
Results of profiling employees

Profile 3: Collaboration driven users that wish to influence their work environment

• Ranks the possibilities to influence their environment more important than the other groups
• More important than to the other groups that the workplace supports team work, social interaction and innovations
• Appreciates public transport more than the others
So now we know that....

**Personal services do not seem that important**
In fact, all bottom 10 attributes were service attributes, such as day care, car rental, beauty services, and dry cleaning.

**It seems that employees are prepared to spend a bit more time on commute if it means they get to work in a comfortable, pleasant, clean, safe and healthy environment**
Only two location attributes made it to the top 10: safety and cleanliness of the area. Accessibility factors, such as location near home, accessibility by public transport, and location near city centre were not even close to top 10.

**Employees wish to be able to influence their work environment.**
50% of the top 10 attributes related to the possibility to influence the surrounding...
Environmental sustainability has an effect on preferences
  Certain attributes were ranked higher when they were directly linked to the environmental impact of the work environment

Office users’ work environment preferences vary both based on demographic issues such as age and gender as well as based on how they work

Differences between “generations@work” might not be so big after all!

Experiences influence preferences
  Example:
  • 94 % of respondent who have their own room prefer a private room
  • only 42 % of the respondents working in an open office prefer a private room
PREFE
Preference findings – organisational questionnaire

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Background

- Office organisations were asked how they prefer different kind of real estate attributes
  - Five attribute categories
    1. Tenancy attributes
    2. Locational attributes
    3. Building attributes
    4. Service attributes
    5. Workspace attributes
  - Over 110 real estate attributes
### Results

<table>
<thead>
<tr>
<th>Group</th>
<th>Total amount of attributes</th>
<th>Number of important attributes</th>
<th>Number of unimportant attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenancy attributes</td>
<td>10</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Locational attributes</td>
<td>18</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>Service attributes</td>
<td>30</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Building attributes</td>
<td>26</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>Workspace attributes</td>
<td>30</td>
<td>26</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>114</strong></td>
<td><strong>85</strong></td>
<td><strong>29</strong></td>
</tr>
</tbody>
</table>

Most of the attributes were identified important
Results – The 10 highest scoring attributes

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Group</th>
<th>Balance figure (%)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustability of temperature</td>
<td>Building</td>
<td>96.6</td>
<td>1.</td>
</tr>
<tr>
<td>Adjustability of air conditioning</td>
<td>Building</td>
<td>96.6</td>
<td></td>
</tr>
<tr>
<td>Small meeting room</td>
<td>Workspace</td>
<td>94.3</td>
<td>3.</td>
</tr>
<tr>
<td>The amount of lease (Euros / sq m / month)</td>
<td>Tenancy</td>
<td>91.8</td>
<td>4.</td>
</tr>
<tr>
<td>To locate near public transportation</td>
<td>Location</td>
<td>91.0</td>
<td>5.</td>
</tr>
<tr>
<td>Adequacy of parking spaces near the office</td>
<td>Location</td>
<td>89.9</td>
<td>6.</td>
</tr>
<tr>
<td>The possibility to archive and storage documents digitally</td>
<td>Workspace</td>
<td>88.8</td>
<td>7.</td>
</tr>
<tr>
<td>Large meeting room</td>
<td>Workspace</td>
<td>88.6</td>
<td>8.</td>
</tr>
<tr>
<td>Safety of the area</td>
<td>Location</td>
<td>86.5</td>
<td>9.</td>
</tr>
<tr>
<td>Adjustability of lighting</td>
<td>Building</td>
<td>86.5</td>
<td></td>
</tr>
</tbody>
</table>
## Results – The 10 lowest scoring attributes

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Group</th>
<th>Balance figure (%)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural services within walking distance</td>
<td>Service</td>
<td>-60.7</td>
<td>-1.</td>
</tr>
<tr>
<td>Day care in the office building</td>
<td>Service</td>
<td>-59.6</td>
<td>-2.</td>
</tr>
<tr>
<td>Car rental services within walking distance</td>
<td>Service</td>
<td>-56.2</td>
<td>-3.</td>
</tr>
<tr>
<td>To locate near competitors</td>
<td>Location</td>
<td>-56.2</td>
<td></td>
</tr>
<tr>
<td>Day care within walking distance</td>
<td>Service</td>
<td>-53.9</td>
<td>-5.</td>
</tr>
<tr>
<td>Cultural history of the area</td>
<td>Location</td>
<td>-52.8</td>
<td>-6.</td>
</tr>
<tr>
<td>Landlord offers workplace consultation</td>
<td>Tenancy</td>
<td>-50.0</td>
<td>-7.</td>
</tr>
<tr>
<td>Dry cleaning services in the office building</td>
<td>Service</td>
<td>-49.4</td>
<td>-8.</td>
</tr>
<tr>
<td>Beauty care services in the office building</td>
<td>Service</td>
<td>-47.2</td>
<td>-9.</td>
</tr>
<tr>
<td>Landlord advices in environmental issues</td>
<td>Tenancy</td>
<td>-45.9</td>
<td>-10.</td>
</tr>
</tbody>
</table>
General results

• Some real estate attributes are highly valued in all organisations
  – such as adjustability of temperature and air conditioning, proximity to public transportation, adequate parking spaces, and meeting rooms

• Most of the least preferred attributes are part of the service group.

• There were more dissenting opinions among the least preferred attributes than among the most preferred attributes. services have a major role in profiling the organisations
Organisation profiles

- Profiles are based on the preferences – not on the background such as industry or size of the organisations

- Four profiles
  1. Neutrals demand less
  2. Modest demand more
  3. Environmentally aware and service oriented
  4. Mobile and flexible working space solutions
Neutral group (1) and modest group (2)
- In general, both are moderate with their preferences
  ➔ prefer less than groups 3 and 4
- Both prefer less services than groups 3 and 4
- Differences with their preferences
  - E.g. Neutral group prefers more flexibility of office space than modest group
  - E.g. Modest group prefers less to locate near the Helsinki city centre, but neutral group did not have as strong a preference

➔ Both moderate, but the weightings of important and unimportant attributes differ.
Results – Profiles 3 & 4

(3) Group that is aware of the environment and appreciating services

- Prefer the most
  - environmental issues
  - personal services for the employees
  - business services for organisation

- Prefer traditional office layout to for example hot desking

(4) Group that prefers mobile and flexible working space solutions

- Prefer the most
  - mobile and flexible working possibilities
  - open space solutions

- Prefer less services than Group 3

► Both demanding, but the weightings of important and unimportant attributes differ.
International preferences

Karen Gibler
Office Occupier’s Preferences and Corporate Strategy

Karen M. Gibler
Georgia State University
and
Anna-Liisa Lindholm
Aalto University
Reasons for this survey

This survey was performed in order to:

1. Gain knowledge regarding office users’ real estate and space needs and requirements
2. Understand occupiers’ values, needs, and preferences
3. Determine how services, products, and opportunities can be tailored to suit occupiers’ preferences
4. Examine whether office space decisions are aligned with corporate real estate strategies
Survey Statistics

- Launched February 2010
- 273 corporate real estate (CRE) practitioners completed the survey
  - Wide range of organization sizes
  - Wide range of locations; 87% with offices in North America
Participants’ Role in Office Space Decisions

- 24% Senior decision maker for company
- 17% Participate in decisions for region or company
- 11% Senior decision maker for local
- 9% Participate in local decisions
- 2% Do not participate in decisions
- 2% Other
Office Locations

Percentage

<table>
<thead>
<tr>
<th>Continent</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>30%</td>
</tr>
<tr>
<td>Asia</td>
<td>50%</td>
</tr>
<tr>
<td>Australia or New Zealand</td>
<td>40%</td>
</tr>
<tr>
<td>Europe</td>
<td>60%</td>
</tr>
<tr>
<td>Middle East</td>
<td>40%</td>
</tr>
<tr>
<td>North America</td>
<td>80%</td>
</tr>
<tr>
<td>South America</td>
<td>30%</td>
</tr>
</tbody>
</table>
Number of Office Locations

- 58%: 1 location
- 20%: 2-10 locations
- 17%: 11-40 locations
- 4%: More than 40 locations
- 1%: Missing
We can map the ways that real estate strategies and operating decisions can contribute to the value of the firm.
Business Strategy: Revenue Growth or Profitability

• Real estate strategies that support revenue growth:
  – increase the value of assets
  – promote marketing and sales
  – increase innovation
  – increase employee satisfaction
  – support environmental sustainability
• Real estate strategies that support profitability:
  – reduce costs
  – increase flexibility
  – increase productivity
Successful implementation of corporate strategy requires:

- Clearly identified corporate strategy
- Real estate strategies that are in alignment with the corporate strategy
- Real estate operating decisions that support the real estate strategy
Research will help with:

- Understanding occupiers’ preferences
- Designing space that meets users’ needs
- Estimating demand for office space by location and design
Survey Results:

Real Estate Strategies
Key Findings

• Most firms have a formal real estate strategy

• Firms are focusing on increasing profitability in the current economic climate

• Cost reduction, efficiency and flexibility dominate office strategies

• Environmental and social responsibility are lower priorities
### Real Estate Strategies in Order of Importance

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Rank</th>
<th>Average Score</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing real estate related costs</td>
<td>1</td>
<td>2.22</td>
<td>213</td>
</tr>
<tr>
<td>Increasing employee efficiency and productivity</td>
<td>2</td>
<td>2.98</td>
<td>191</td>
</tr>
<tr>
<td>Enabling flexibility</td>
<td>3</td>
<td>3.30</td>
<td>194</td>
</tr>
<tr>
<td>Encouraging and supporting employee innovation and creativity</td>
<td>4</td>
<td>3.80</td>
<td>179</td>
</tr>
<tr>
<td>Enhancing employee wellbeing and satisfaction</td>
<td>5</td>
<td>3.86</td>
<td>185</td>
</tr>
<tr>
<td>Supporting environmental sustainability</td>
<td>6</td>
<td>4.02</td>
<td>203</td>
</tr>
<tr>
<td>Promoting marketing, sales and organizational brand</td>
<td>7</td>
<td>4.41</td>
<td>201</td>
</tr>
<tr>
<td>Increasing the value of the organization’s real estate assets</td>
<td>8</td>
<td>4.51</td>
<td>179</td>
</tr>
</tbody>
</table>
Key Findings

• Strategies differ based on the size of the firm

• Smaller firms with less office space are less likely to focus on cost reduction and more likely to focus on encouraging employee innovation and creativity
Comments

• “First and foremost is cost and space efficiency with the ability to provide flexibility to meet employee needs in a variety of space settings (open and closed offices, collaboration areas, etc.).”

• “A balance of financials, operational efficiency/productivity, HR (attractiveness etc), sustainability/environment and brand/image”
Workplace standards and alternative workspaces are important
• “Managing flexibility with cost containment requires choices and prioritization.”
Key findings

Most important office selection criteria

• Equipment to allow mobile work
• Minimizing operating expenses
• Floorplate that allows efficient space utilization
• Space that accommodates team work
• Teleconference facilities
Comments

“Cost reduction is the major drive. Mobility technology (notebooks, VoIP, wireless,...) are a major component on that goal”
Key findings

Least important office selection criteria:

1. On-site or proximity to restaurants that offer locally produced or organic food
2. Technology to support virtual cooperation
3. Access to reports that document the environmental impact of the building
4. Adjustable workspace temperature
5. Unassigned desks/workstations
Good transportation access is essential in choosing a neighborhood.
Key findings

• Lower energy cost and operating expenses are important

• Environmentally friendly operations are desirable, but certification not essential

• Firms still want office space that presents the company’s image well
Lower energy cost, not certification is important.
Key findings

• Emphasis on flexibility drives preferences for physical space and layout

• Firms must have wireless and mobile technology

• Virtual cooperation is low priority
Firms must have wireless and mobile technology
Emphasis on flexibility

- Floorplate that allows efficient team work
- Space designed for openness and social interaction
- Floorplate that allows a range of layouts
- Multipurpose space
- Space for possible expansion within
- Space designed for concentration and focus
- Unassigned desks/workstations
- Adjustable workspace temperature

More Important
Concluding Thoughts

• In today’s challenging economic conditions, firms are focusing on real estate strategies that support profitability
• Reducing operating costs, choosing efficient workspace, and leasing improve the firm’s current financial situation while allowing flexibility as economic conditions change.
• Environmental and social responsibility are being pushed into the background as firms struggle to show a profit.
Concluding Thoughts

- Financial, physical, and virtual office workspace elements are more important in making workspace choices than social elements.
- Technology that supports mobile work and teleconferencing is being used to reduce space needs.
Concluding Thoughts

• Will these office preferences be sustained through the economic recovery?
  • As firms recover, many will shift their strategies from an emphasis on profitability to a pursuit of revenue growth.
  • The shift in strategy should result in less focus on reducing cost and greater focus on providing office workspaces that support innovation and sales.
  • Firms may innovative with technology to increase collaboration across workspaces rather than reduce space needs.
  • The basics are likely to remain the same, with financial and physical factors dominating social and environmental concerns in office workspace decisions amongst all but the most financially successful firms.
Next steps

Short term:

visit www.prefeproject.com !!

Long term:

Looking at the organizational relocation process – how are these preferences taken in to consideration in practice?

Hopefully new project coming up!