



Trends

in the
office market

2018

INTRODUCTION

The reality we are living in is undergoing constant change. Progress in new technologies, social and demographic changes, rising pressure to live sustainable lives and care for the environment – these factors affect all aspects of our lives.

Nowadays, advanced technologies, access to data and social media networks have an immense impact on how people communicate and collaborate. The modern business environment is volatile, uncertain, complex and ambiguous - (VUCA for short), and the only real constant is change. Workplaces and office properties need to adapt to this fast-paced reality.

At Knight Frank, a real estate consultancy present on the Polish office market for over 20 years, we have taken up the challenge to point out the factors significantly influencing the office sector. Simultaneously, we have presented the trends and changes in direction we currently see in designing and using office spaces.

Changes can be seen first and foremost in the approach towards arranging the workplace, to enhance creativity, effectiveness and the well-being of employees. The office is becoming a place for meeting and teamwork, rather than for individual labour. Thanks to attractive space arrangement and modern interior design, contemporary workplaces are turning into a strategic tool which helps to retain valuable, engaged and creative employees in the company.

Attracting and retaining employees is a major challenge – that’s why it’s the individual and their needs which are at centre of attention today. Office properties focus on offering a growing range of services and amenities tailored to best fit the users’ needs. What’s more, the space is designed to be available after hours and open to the local population. Office buildings often open themselves to the local community, while property owners and property managers try to engage users in the decision-making process with regard to events held there or amenities offered in the direct vicinity.

The influence of new technologies is also not to be underestimated. Discussion topics more and more often include IoT (Internet of Things) solutions, AI or Big Data in the context of property management and effective



Monika A. Dębska-Pastakia
Partner, Chairman of the Board
Knight Frank

use of office spaces. The rising concern about ecology is reflected in how properties and their surroundings are designed to give building users access to a friendlier environment, closer to nature. In our view, the next trend

to expect in the office sector will be the popularization of the WELL Building Standard, which focuses on the workplace quality and human comfort.

Many companies want to go a step further in the competition to attract the most valuable workforce, and create the optimal workplace. This entails arranging the office in a way for it to be beneficial for the employee's health and quality of life.

Please, read on!



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CHANGES IN THE WORKPLACE

Factors



AVAILABILITY OF COLLABORATION SUPPORT TECHNOLOGY

Using technology tools to communicate, store and manage data for remote work isn't anything new. What is new, however, is the access to those solutions through cheap and generally accessible devices. In order to access work materials and interact with colleagues 24/7, an employee needs only a device connected to the internet. This truly changes the way we perceive a workplace.



THE PRESSURE FOR SUSTAINABLE DEVELOPMENT AND ECO-SOLUTIONS

Society's awareness of humankind's impact on climate change keeps growing. As a result, social factors and environmental regulations affect organizations, which become more focused on sustainable development with every year. Many corporations reacted to sustainable development problems by reducing energy consumption, recycling and re-using materials. At the same time, they demand that property owners increase the buildings' energy efficiency and reduce the negative influence on the environment.



THE OFFICE AS AN HR TOOL

Due to growing lack of qualified specialists, employers have to accept the differing work styles and expectations of young people. Organizations will have to offer less traditional ways of working, the possibility to work in alternative locations, unconventional office solutions and greater flexibility to attract and retain their most valuable employees. One of the trends observed on the market in human resources is making use of office space potential to motivate employees.

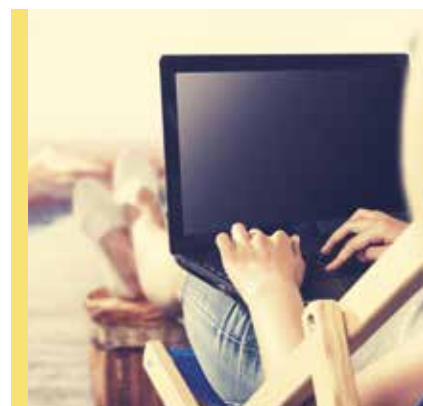
GROWING ORGANIZATION DISPERSION

Companies are becoming dispersed, both in terms of space and structure. This is a result of the growing network of locations through services outsourcing and full-time workforce reduction. In consequence, the organization becomes a network of employees, freelancers, clients and contractors located all over the world. Although the majority of employees still commute to the office to work with their team, a growing number are able to work from different places: starting from co-working spaces, satellite offices, home offices, or the client's office. Numerous organizations formalize programmes introducing alternative places and ways of working that combine new practices, innovative configurations and locations.



SOCIAL PARTICIPATION

Social participation means sharing responsibility for the space with the users, treating it as a common good owned both by the property owner and the clients, as well as bi-laterally consulting with them with regard to events/changes taking place in that space. Trends observed in this matter tend to reflect what's happening in cities or society in general.



INNOVATION AS THE DRIVING FORCE OF LIFE AND WORK

Modern organizations need to stay innovative. This means new products, services, structure, ways of working and thinking. When employees work in established teams on the same solutions, it is easy to create 'best practices' although a tendency towards stagnation might evolve. Creating workplaces and programmes for people from various teams to exchange thoughts and discuss, may change the way of thinking. Brilliant ideas and innovative solutions appear when people with different skillsets and experience start to collaborate.



SHARING ECONOMY

This is an economical model in which people have the option to lease or rent objects owned by other people. The popularity of this idea lead to its incorporation into various sectors of the economy. We can now encounter sharing/leasing space, products, vehicles or accommodation. In practice, for the office sector, the sharing economy means an influx of freelancers, co-working spaces or sharing office equipment. It's a solution which enables organizations and employees to react quickly to change.



THE CHANGING NATURE OF WORK

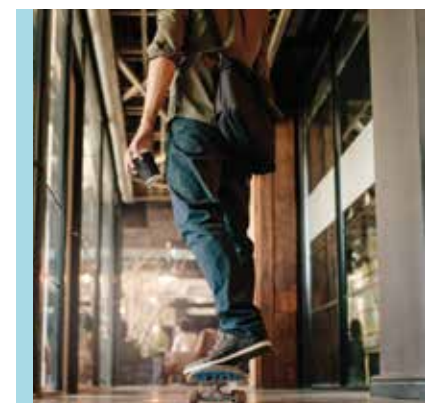
The changing nature of work directly influences the workplace as the physical workplace is much more than just the desk and furniture. What matters is how long employees have to work, how they are managed, and which technologies they can access. According to research, the younger generation treats the office as a tool for work and not symbol of hierarchy. As a result, the general preferences regarding the character and location of the workplace have changed. Amongst the key factors are flexibility and collaboration with the team to include modern technologies instead of using the traditional model of desktop-based work. The office, which formerly used to offer a desk for individual work to all employees, is gradually evolving into a space for cooperation and sharing information.

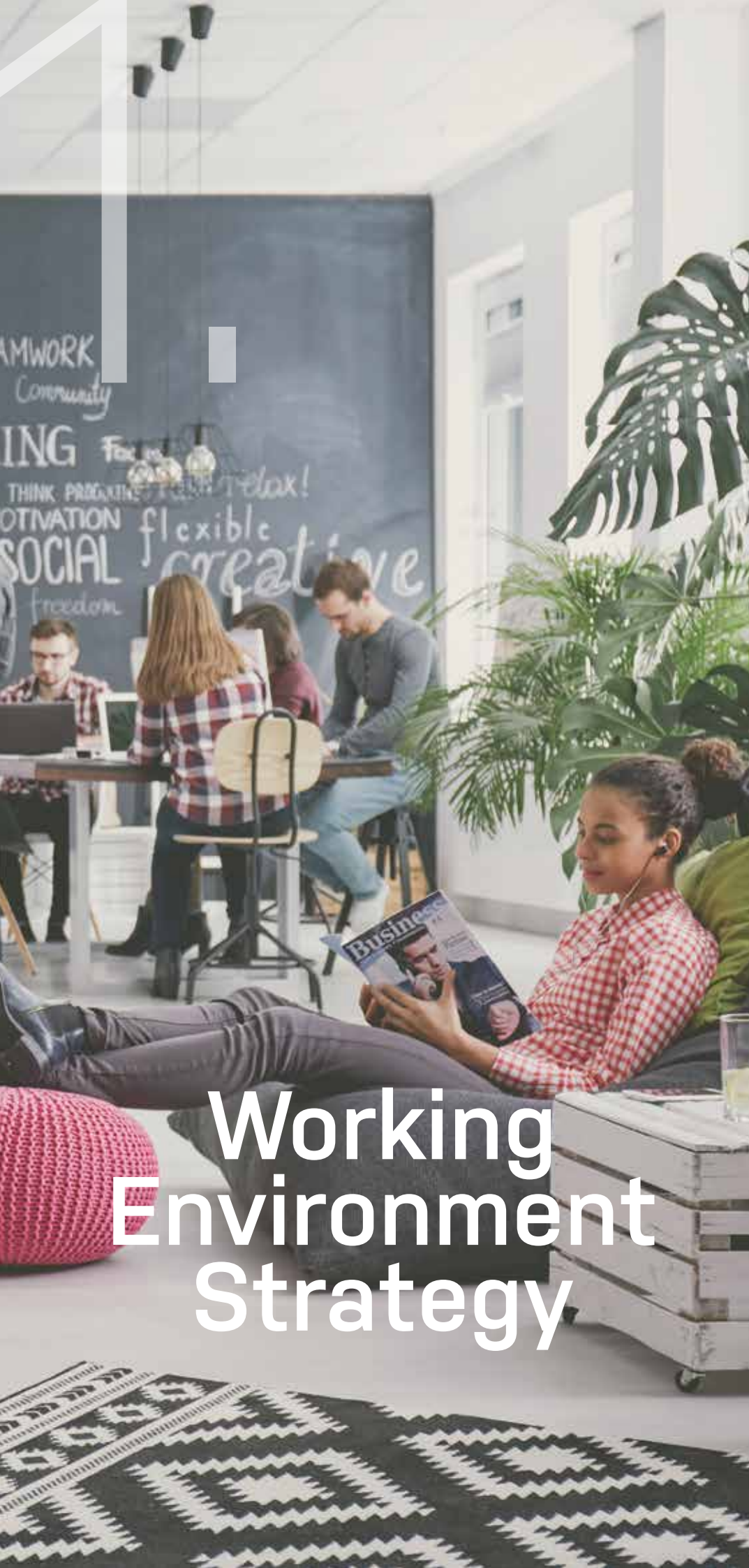
VUCA

which stands for Volatility, Uncertainty, Complexity, and Ambiguity, is the perfect reflection of the ever-changing conditions which organizations have had to cope with in recent years. Ever-greater amounts of data and information from around the world are generated and exchanged at a pace never seen before. This leads to an acceleration of changes in almost all business areas. VUCA presents the context in which organizations have to function, and relates to how people perceive conditions for decision making, problem solving and future planning.

AGILE

Agile is a flexible way of working first implemented by IT companies which are aware of the fact that innovation and the quick creation of tailor-made client solutions are key qualities on the market. This approach embraces a number of flexible ways of managing workload which require strong cooperation with the client. The idea was born in IT companies as a way to create IT solutions. Yet, its success was so vast that organizations from other sectors soon followed. As a result, this approach has become one of the most popular ways of project management in the world.





Working Environment Strategy

Never before have we seen breakthrough technologies emerge at such a pace and on such a scale. As companies introduce changes to their strategies and operating models, they also have to re-consider how they engage employees in their ecosystem. Every organization is composed of its people, and their ability to collaborate and introduce innovation will prove decisive in how far a company can actually change. In reality, the company's strategy regarding the workplace might be the key factor enabling or blocking a generally understood transformation.

The paradigm in which the office plays the role of one of an organization's key assets is changing. More often, the office is yet another tool and communication platform. It's nothing new that not only tech companies and start-ups use offices to raise their market attractiveness and attract the best, most experienced specialists, whose availability is constantly dropping. Nowadays, the office management strategy lies partly within the competences of the HR department, which has to consider many factors: the generation shift and changing employee expectations, the rising importance of work-life balance, employer branding, remote work and a number of other issues, as in the very end, they all contribute to finances.

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Jaromir Sejud, Strategic Consulting EMEA Knight Frank

Luca Nicolosi, Strategic Consulting EMEA Knight Frank

Back in the day, offices were designed with the assumption that employees fulfill the majority of their tasks from their desktops and actually spend most of their time at the workstation. However, that was 20 or 30 years ago. Back then, the proportion of space taken up by workplaces to the meeting spaces was 4:1, and now it should be 1:1. With the evolution of company management models from the traditional to the so-called 'Agile'/'Lean', the role and competencies of employees are also changing. As a result, the type of work and how it is performed has changed. The same can be said for the needs of employees. Nowadays, desktops remain in use for about 43% of time. The rest of the day is spent on meeting with colleagues or outside of the office. In some organizations, the type of work results in 15% of the total workstations remaining unused, as employees spend time on activities in conference rooms, project rooms or phone booths. By guaranteeing a suitable number of conference rooms, silent work areas, networking zones, phone booths and other necessary places, we create an optimally arranged space. Additionally, everything is improved by appropriate technologies: from messengers and electronic documents flow, via reservation systems and office resource management, to AI aggregating data from various platforms to forecast business needs.



The new HQ of OLX

The headquarters was designed by the Trzop Architekci architect studio in the Maraton building in Poznan. An attractive location and the picturesque view of Poznan's cityscape made it possible to arrange the office in a way that enabled the property's surrounding to penetrate the office interior and create comfortable conditions for effective work. The initial idea was to create a blue ribbon on the ceiling which would symbolize the flow of the Warta river, and underline the communication route in the office. The carpeting is a reflection of that as well – it writhes as a path throughout the entire office. The area is divided into three companies: OLX Group, Otodom and Otomoto. Each department has a dedicated space with its own characteristic to reflect the specifics of the business in a clear manner. The OLX Group floor welcomes its guests with surprising conference rooms in oval form which references the OLX logo. The Otodom zone makes you feel like a tourist walking the pavements of a town when on your way to the house-shaped conference rooms. In the Otomoto area, traditional conference rooms were replaced by special automotive-styled furniture. Additionally, the office space features many places reserved for silent work, game rooms, sport zones, telephone booths, theme conference rooms and event spaces for the employees. The implemented solutions, made to measure the needs of a dynamic company, were based on an analysis of employee needs and gave the desired effect which was appreciated not only by the users, but also in business competitions. All of that to create one of the most functional spaces which helps effective multi-tasking.

In Leeseman's latest 'The Next 250k' report, some 90% of office employees declared workplace design a factor which is important to them. A modern and well-arranged office not only projects the company's image but also truly affects the work effectiveness of the employees. One of the latest and most fascinating office trends is the so-called 'Workplace Experience' (an offspring of the User Experience domain, UX), which places experience at the heart of the working environment. All aspects of work: physical, emotional, intellectual, virtual, motivational and aspirational are carefully planned and arranged in order to inspire employees and visitors. Organizations which start from changing the way the company functions by focusing on how their employees perceive the workplace, save a lot more money than companies focusing solely on efficiency cost-cutting. Greater profits can be achieved through the team's higher productivity, and not only by limiting or not using wasted or unused space.

Allegro - At home in the office

Allegro's Warsaw office was designed by the Workplace Solutions architecture studio to resemble a living space where employees can feel comfortable and free, and turn that into an effective work style. The interior design features warm colors, lots of greenery and wood which positively influence the well-being of everyone present. Additionally, the space has been divided into functional zones – the entrance area and reception resemble a 'yard': fast, informal meetings can be held at the carpet beater, conference rooms were replaced by a salon, the creative project zone looks like a garage, while the social and networking area is a veranda and winter garden. On top of that, particular programmer teams have dedicated work zones which consist of semi-open rooms adapted for creative collaboration, quick and spontaneous meet-ups, or work in silence and video conferences. What matters is that all of the implemented solutions are unique and tailor-made to meet the need of this particular tenant. They are based on research conducted amongst the employees and take into consideration their needs and work specifics. All of that to create the best functional space possible which caters for effectiveness in completing various tasks.





People are paramount

It's not only the location and technical standard that decide about the attractiveness of an office property. Nowadays, it's also about how the building's surrounding are arranged, and the variety of amenities and services offered in the building and its vicinity. The number and diversity of amenities offered to tenants keeps growing. What's more, office employees have stopped being a passive audience of the property owner's proposals. More often, they have the possibility to co-decide about what will actually be there. Engaging the audience in the decision-making process is the best way to fulfill their expectations.

The growing plethora of amenities offered in office buildings stems from the changing approach towards the users. With increasing tenant expectations, architects have to redefine anew the workplace strategy and plan it in such a way to fulfill the employee's expectations in the first place. Design thinking has become one of most popular solutions in this regard. It places people in the centre of focus – instead of expecting the employee to conform to the environment, the environment is adapted to the needs and customs of the user. The approach's effect is an effective strategy which helps to attract and retain employees, and therefore tenants, in the office building.

The option to use numerous services available in or right next to the office is a commodity and saves a lot of time. More and more often, we find offices with direct access to medical centres, kindergartens or laundries. The culinary offer is also growing with infinite lunch, café or restaurant options to choose from. Some properties even feature car washes, electric car battery stations or free bike rentals.

To meet the growing demand of tenants, some office property owners now offer concierge services. The concierge will help reserve tickets, organize a meeting or find child care. This embodies the popular philosophy of treating the office project as a hotel, which offers employees working in the building services similar to those available to hotel guests.

Fitness and healthy lifestyle amenities are becoming more and more popular. The proximity of sports facilities helps to maintain regular physical activity, and reduce the negative effects of stress and a sedentary workstyle. Green areas and parks around the property can also positively influence well-being.

It has to be said there are no universal solutions which will work in every property. Geographic conditions, the size of the company, the tenant's business, or the age of the employees – these are only some of the factors we have to take into consideration when planning the amenities and surroundings of a building. Creating an appropriate strategy is a process in which defining the user is the starting point. Secondly, we have to establish their needs and expectations, and, on that basis, introduce the best solutions which include the broader context and perspective. Engaging the users in the decision-making process gives them the feeling of participation in the life of the local community and being able to shape their direct surroundings.

Face2Face, Katowice

Echo Investment, the developer, aimed at creating a scheme, the DNA of which would help to cut the distance between people. Such a definition of DNA was translated into innovative project solutions: from the name itself, through planned amenities, to common areas. The project's centerpiece is a sports field located in the inner patio. The playing field, or rather group sports, symbolize cutting the distance and taking down barriers between people. Almost each element designed in 'Face2Face' is made to inspire meetings and enable free flow of thought between employees.

Warsaw Trade Tower, Warsaw

All changes in the property were consulted with tenants and aimed at making the employees feel they could truly shape their working environment. As a result, the building underwent a complete transformation thanks to introducing solutions which were revolutionary at that time e.g.. electric cars available to tenants, new common areas where employees could have packed lunches, or an outstanding conference room on the 35th floor open to both tenants and external clients. The changes led to a complete change of how the office building was perceived by potential clients, and, more importantly, by existing tenants.

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Michał Nowakowski, Head of operations, Bueller & Frye Property Branding Agency (www.buellerfrye.com)
At Bueller & Frye we create office property branding and communication on a daily basis. The foundation of effective marketing communication is, of course, a good product. That is why a large portion of our work consists of user experience consulting. User experience is a term which comes from the world of computer interfaces, and means product or system design that provides positive experience by interacting with the user. Designing user experience is becoming more popular and used, consciously or not, by top players on the real estate market. It's a result of answering the needs of the clients who treat the office as their major asset in the recruitment process. That is why they are searching for spaces which rise to their expectations regarding the working style and lifestyle of the generation of new employees. Designing user experience places human needs in the middle and requires a lot of knowledge about our own kind. Whenever we advise our customers, we always recommend performing a needs analysis of future or existing tenants at the very beginning. Thanks to that we are able to make decisions which lead to satisfying end results without using the budget for ineffective solutions. One of the most interesting projects on the market, we had the chance to work on, is the 'Face2Face' in Katowice (more details below), developed by Echo Investment. Design which includes the user's needs plays an even greater role when revitalizing office properties. It may, in fact, decide on how an older property will compete against newer, more modern and technologically advanced 'friends'. Warsaw Trade Tower serves as a great example (more details below). The property was revitalized a couple of years ago, and became the pioneer in user-oriented design. A successful definition of the user's needs and designing good user experience will always lead to tenants identifying with their workplace. Thanks to that, a community will be born in the property and employees will become emotionally attached to the project. This, in turn, becomes one of the most valuable things in commercializing office properties – the retention of happy tenants.





Community building

Work models and the function of the office change together with the development of new technologies and remote work. The modern office ceases to be a place for individual work, while its social role gradually increases. It is to function as a meeting place for employees and a space that encourages interaction, collaboration and creativity. Fulfilling these tasks is made possible by arranging the space according to the Activity Base Working model. Simultaneously, the role of the community manager is becoming more important, together with actions aimed at building and growing the community within one co-working space, office building or business park.

A basic human need is to interact with other people and to feel part of a group. With remote work becoming more and more common, co-working spaces are on the rise and are developing dynamically throughout the world.

Co-working spaces have multiple functions. On the one hand, they offer short-term workplace rental – even for a few hours, with their office infrastructure being complete at the same time. On the other hand, they serve as places uniting creative entrepreneurs where they can exchange knowledge and experience. The co-working space is made up of people of various professions, start-ups and freelancers. In contrast to other kinds of flexible office areas, co-working spaces are actively managed to promote collaboration between their members i.e. through organizing meetings and activities to foster community learning and exchange of knowledge. The community manager acts as the person dedicated to organizing activities which build relationships and promote user collaboration.

The rising popularity of co-working spaces is not only the result of flexible workplace rental in an interestingly arranged space. According to Deskmag's 'Global Coworking Survey 2017', the major advantages of this solution noticed by the tenants included social aspects such as collaborative atmosphere, being part of a community, the feeling of belonging, meeting new people, learning from others, professional knowledge exchange or participating in networking events.

An interesting fact is that community building and having a community manager isn't reserved for co-working spaces. Single buildings and office complexes also employ their own community managers who support the activities of the property owner and property manager. They are responsible for building and maintaining tenant relations, organizing cultural events, charity, workshops, creating and implementing the social media strategy, or consulting and conducting employee surveys. All of these actions are aimed at creating a community to which the employees of a company in a particular office building belong. A unique atmosphere and cohesive strategy will enhance the social aspect of the office. It's not an easy goal to achieve, but one which brings long-term benefits for all.

Google Campus

Warsaw is one of the few cities around the globe (together with London, Madrid, Seoul, Tel Aviv, Sao Paulo and Berlin) where Google, the global giant, decided to open its centre for supporting innovation. Located in the site of the Warsaw's former 'Koneser' Vodka Distillery, Campus Warsaw offers spaces for CEE start-ups to grow. The heart of the campus is the Campus Café. The area also features conference rooms and a co-working space arranged in a modern way. The building itself is not the most important part. It's the community which gathers around the Google Campus. Campus Warsaw membership allows entrepreneurs to exchange experiences, deepen their knowledge, participate in free training events, gain access to mentor support or help in financing. The Google Campus in Warsaw organizes over 400 events annually: debates, conferences and lectures on, inter alia, programming, setting up start-ups, or online promotion.

Description based on press releases.

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Sebastian Zimmermann, Managing Partner, Konzept 4

Some time ago, building and maintaining tenant relations was one of the responsibilities of the property manager. However, the role of the first point of contact is being gradually taken over by the community manager. The community manager's role is associated first and foremost with co-working spaces. Yet, it appears also in the context of traditional office properties in which the community managers serves as go-to link between tenants and the property owner. The community manager does not substitute the property manager, but rather supports them in their everyday duties. The role does not focus on the technical aspects of the property. Rather, the community managers have their eyes on keeping the relationship with the tenants alive. We have observed that tenants are very pleased with the property owner going the extra mile to meet their needs. The community manager is involved in planning and developing new services, checking their quality, and engaging tenants in planning additional solutions which may actually be implemented or are desired by the tenants. Often, the community manager collaborates not only with the administrative department, but also with the CSR, HR and PR teams. This role is an answer to the ever-changing workplace demands of the employees who value not only technical amenities, but also user experience (the user's perception). The story of Business Garden show that tenants accept this kind of solutions and are eager to make use of a person dedicated to perform such tasks.

Business Garden

The community manager in Business Garden accompanies tenants whilst moving locations and is a guide at the new office location within the first days after the employees move into the complex. Their task is to introduce new amenities and check the quality of available services. They regularly survey public opinion and co-organize events. The main goal is to build a community. We care about a familiar atmosphere at the workplace and try to blur the strict division between work, fun and family life. – explains Agata Jankowska, Community Manager at Vastint Poland.





Life enters the office

Office properties have not only made the life of employees more attractive. They have also opened up to people from outside the property. In the last couple of years, we have witnessed a great rise in office property owner and tenant engagement in various kinds of events ranging through charity, health promotion to culture. Employees want to engage in more than helping. They want to actively support and do it together, even after regular working hours. Organizing these kinds of events has become an integral part of office life, and an element of a sustainable strategy which allows a particular property to fit into the urban landscape naturally.

An active lifestyle and the will to integrate became the force behind organizing more frequent runs of sports events for all. The most popular events include the charity 'Poland Business Run' in Warsaw organized on the grounds of the EMPARK Mokotów Business Park in Warsaw, 'Run to the Top' in the Rondo 1 building in Warsaw, and the triathlon held at Sportstacja in the Alchemia complex in Gdańsk. An initiative worth mentioning is the football training for children organized by the Diamonds Academy at the football field of Royal Wilanów in Warsaw, or tennis training with a coach held in the MyHive office buildings owned by IMMOFINANZ.

Office properties stopped being a cultural desert long ago. Music events include piano concerts at the Warsaw Trade Tower or a series of concerts ('Four Seasons') organized as part of the Olivia Camerata series in Olivia Star in Gdańsk. Office properties began opening to city dwellers during Museum Night. This year in Warsaw, one could visit, amongst others, Warsaw Spire with its European Square, famous for organizing numerous events, or Bobrowiecka 6 where the Spectra Art Space operates (read more on page 15).

Property owners and tenants don't forget about charity. That is why they organize the 'Light It Blue for Autism' event, together with the SYNOPSIS Foundation, on Global Autism Awareness Day. Additionally, the life of office properties include regular blood donation events organized by property owners, companies and the Regional Blood Donating and Medicine Centre.

Office buildings also hold many occasional events. Tenants and property owners organize games and competitions on Children's Day. During the Christmas season, fairs and markets are extremely popular. This year on Earth Day, an electronic waste collection in office properties was held for the sixth consecutive time. Sports events aren't omitted. In June, during the 2018 World Cup, the European Square next to Warsaw Spire and the square near Royal Wilanów turned into football fan zones.

It's worth mentioning that office buildings and their surroundings are gradually opening up to city dwellers and becoming a part of the urban landscape. A good example of that is Warsaw Spire which houses an open ice-skating rink or Royal Wilanów with its Snow Park for snowboarding enthusiasts in the winter, or trampolines in the summer. Another interesting initiative is the BioBazar, an eco-food market, located in EMPARK Mokotów Business Park. BioBazar is open on Wednesdays, Fridays and Saturdays thanks to which healthy food lovers can spend more time there and participate in various events organized on the complex' grounds.

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Beata Patuszyńska, Marketing Manager, Property Management, Knight Frank

Marketing activities in office properties have become the standard expected by tenants. The office building isn't only square meters, but a place in which a particular community resides. That is why property owners and managers offer tenants a number of initiatives to make time spent at the office much more attractive and reinforce community building by e.g. bike days, occasional markets or sports lessons. Property owners want buildings to live also after working hours which is why they open them to city dwellers. They intend to create a friendly space around the property, and let restaurants and service and retail tenants inside, organize art exhibitions, concerts or enjoying impressive panoramas from the top floor. They support local communities and others by supporting social and charity actions e.g.. they participate in 'Lose Your Kilowatts', 'Light It Up Blue', blood donations, charity runs or collections for people in need. Developers are beginning to think of the office property in terms of place making, and invite experts in brand creation already at the a very early stage of design to accompany architects and technicians. However, it's not always possible and very often marketing strategies are created for locations already existing. The key to preparing a successful strategy is gaining understanding of a particular property – its assets and drawbacks, the history, tenant profile, and address. It's good to ask employees, neighbours and opinion makers about their perception of the building. The condition of the market and competition also need to be taken into account. Only then can we establish the tools we want to use to make our dream come true. A well-crafted communication strategy with the local environs helps to highlight the property's assets and unique features, and minimize the drawbacks. This can serve as support for management, leasing and selling the property.

Summer Cinema in EMPARK Mokotów Business Park

For the third year in a row, IMMOFINANZ, the owner of EMPARK Mokotów Business Park, decided to entertain the employees of its tenants and launched a summer outdoor cinema project with screenings held at the summer area of the complex. The event is co-organized by the 'Logo' and 'Avanti' magazines. Films will be screened until the end of August, every Thursday at 9.00 p.m. The audience has access to sunloungers, free popcorn and food trucks serving delicious street-food.



myhive

Myhive is an office brand created by IMMOFINANZ. It includes 15 office properties in five countries, six of which are located in Warsaw. The consistent vision encompasses a comfortably designed lobby with centrally located meeting areas. Myhive offers professional tenant services and a rich infrastructure (i.e. amenities for cyclists, an independent bike rental system, and an electric cars charging station). The brand is distinguished by the tenant community, looked after by the community manager. Ongoing events serve as a networking platform for the tenants and provide a great opportunity to grow their business.

The above examples, even though constituting only a small number of all events, show to what extent the way office space is used has changed and how it is perceived by the property owners. The workplace stopped being dedicated solely to business, and has become a space which reinforces integration, fulfilling common goals, social support and having fun.



Art in the office

The attractiveness of a workplace can significantly influence current and potential employees. As a result, property owners and tenants focus more on creating interesting and unique designer spaces. Apart from numerous amenities for the employees which have revolutionized the workplace over the last few years, aesthetics and art have become a more important factor recently. This is a consequence of the general assumption that contact with art reinforces creativity and helps people to find new solutions. Art in the office space inspires and helps to build the brand of the company and the property.

We can observe a new trend in the office market which shows a completely different approach to space arrangement, both inside and outside the building. Art introduced into office properties includes both paintings in the representative parts of the property as well as common areas, or sculptures in the lobby or outside the building. There are numerous projects on the office market in Poland which have such unique centerpieces i.a. the sculpture 'Gymnast' by Jerzy Kędziora in the main hall of Warsaw's Q22, the moving installation 'You&Me' by Eran Skakine standing in front of the Cosmopolitan (also in Warsaw), wooden sculptures by Paweł Sasin which adorn the Łużycka Office Park in Gdynia, the installation 'Bios' by Anna Bujak presented in front of the Dominikański office property in Wrocław, or Monika Szpener's sculpture in Technopark in Szczecin.

Furthermore, art galleries are joining the ranks of tenants in office properties. Thanks to exhibition openings or themed events, office properties remain alive after working hours. The Galeria Tymczasowa (Temporary Gallery) located in the Business Garden complex owned by Vastint Poland is a great example, aimed at showcasing different art forms. It's also worth mentioning the gallery in Ethos which is curated by the property owner, Kulczyk Silverstein Properties.

The new space on the map of artistic locations in Warsaw features cultural events, sculpture, painting, and photography and illustration exhibitions. Another example is the Spectra Art Space located in the Bobrowiecka 6 complex, created by the Starak Family Foundation, which showcases modern art. However, art can live in an office property not only in dedicated spaces. Property owners have started using common areas and vacant offices to house exhibitions or art events. Good examples of this approach are Grand Press Photo 2018, held in Warsaw Spire in mid-June, a painting exhibition in Wisniowy Business Park, or photo exhibitions in WTT, Kolmet and North Gate.

Property owners began noticing the benefits coming from the combination of art and business. They give a location's unique character and become its signature, positively influencing a company's and the property owner's image. Additionally, art events can help property owners to promote and support local artists and combine that with charity.

White & Case, Q22, Warsaw

Photographs by Tadeusz Rolke, Tymek Borowski and Nicolas Groszpiere amongst others, right next to impressive maps and engravings. Such art can be seen on the office walls of White & Case legal advisors in Q22. Art in the office of an international legal advisory combines two levels or the organization's culture – tradition (expressed by exposing the old maps collection which adorned the walls of the former offices) and great knowledge of current and local trends (reflected by introducing works of young, outstanding Polish artists to the office). Both works create a cohesive visual tale, embedded into the office design.

Ergo Hestia – Park, Sopot

The headquarters of Ergo Hestia in Sopot are surrounded by an open park where pieces of art can be admired. Among them are a mural by Jarosław Fliciński and the laureates of the Hestia Art Journey competitions. The space and actions are part of Ergo Hestia's consequent CSR strategy as an art patron.

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Anna Theiss, Partner, Aurabilia:

Art in the office space and its immediate surroundings has become a reliable tool in creating the brand of a property. In order for art located in an office to truly distinguish itself and help build a company's competitive advantage, we need a non-standard selection and art pieces of highest quality.

Beata Niemczuk, Partner, Aurabilia:

Nowadays, art is being introduced in a very fine manner to office interiors open to clients and employees, common areas, and the urban landscape around the property. Investors reach out to various media – paintings, illustration, photography or sculpture. Video installations are not that popular.

RECOMMENDATIONS

1. Art should be present in the office space in different forms – it does not have to be placed permanently. Art installations should be placed only for a limited amount of time.
2. Well-chosen art tells a story which relates to the location or subject which exposes it. This means: it communicates similar values, relates to similar client segments, and speaks of the company history.
3. Art adds value to the office space, only if it has value itself. An in-depth expertise is necessary to determine what we place in a property – what symbolic capital and cultural and investment potential a particular art piece presents.

Spectra Art Space, Spectra Development, Warsaw

The bronze cast of 'Grande Toscano' by Igor Mitoraj, placed right next to the entrance to the office building, is a centerpiece which from afar announces the incredible way Spectra Development treats the office space on which it presents the private collection of Anna and Jerzy Starak, a collection of outstanding post-war Polish art. The walls in the property's common areas feature works by Henryk Stażewski, Jan Berdyszak, Wojciech Fangor, and Ryszard Winiarski – names that attract collectors and investors. The space closest to the building's entrance houses the Spectra Art Space, a gallery where temporary exhibitions prepared by the curators are held. Once a month, the Starak Family Foundation opens to everyone, not only employees, and invites to a curator's tours of the collection.

"Gimnastyczka" Q22, Warsaw

The 'Gymnast', a sculpture by Jerzy Kędziora, was placed in the main hall of Q22 in April this year. The piece was chosen by the tenants who could vote for one out of three sculpture miniatures.





New technologies

The digital revolution is entering all domains of life and significantly influences the way we work and communicate. Their symbols are the development of automation, IoT (Internet of Things), AI (Artificial Intelligence) and robotics. Modern offices also gain new, previously unknown functionalities thanks to implementing advanced technologies and big data knowledge, developed by IoT technologies. According to Moore's law, the pace of technological progress doubles every two years that is why changes will become even faster than we appreciate. As a result, the question how our workplaces will look like in the future remains open.

An increasing number of developers and consulting companies from the office sector are collaborating with start-ups to develop innovative solutions for commercial properties. One of the effects of collaboration are the growing possibilities to personalize the workplace by using so-called smart solutions, IoT technologies and mobile apps. The latter can also have control over building access or parking lot management. However, we can surely expect a lot more advanced functionalities. Mobile apps for properties are on the rise. They enable the users to quickly check what is going on in the property, lunch offers, what the local shop has in stock, and allow for defect raising as well as supporting community building in the property.

Modern office buildings have various solutions in place which are aimed at improving the comfort of the user as well as at reducing the operational costs of a property. These include sensors which influence indoor lighting and room temperature, shades which position themselves according to the direction of the sun, or CCTV cameras which combined with image analysis and automation allow for more effective use of resources. A true revolution, however, will be combining all these systems into one, which will improve safety, effectiveness, and the functionality of modern office buildings.

Technologies introduced to the office sector offer a range of new collaboration possibilities, communication and information exchange, and change the way we perceive the workplace. We should expect a significant increase in using big data in the coming years. This will enable an analysis of user behavior and how they use the office space. In periods with the lowest expected occupancy, spaces may be flexibly adjusted to the needs of the tenant and used optimally. Consultancies such as the Centre of Excellence and Data Science at Knight Frank analyze data in order to advise tenants on how to use their office space effectively.

Office tenants also initiate such changes. The changing expectations of tenants improve the safety of the property and the IT infrastructure, cost effectiveness of the buildings and their impact on the environment. This requires property owners to focus more on new technological solutions in energy effectiveness which also improves work comfort and safety.

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Adam Penkala, Chief Operating Officer, Velis

Thanks to advanced technologies such as IoT (Internet of Things) solutions, using modern software for tenants, or implementing big data analysis, it's possible to provide optimal working conditions by changing the office property according to tenants' needs. Growing tenant expectations imply the necessity to use modern solutions in office properties e.g. sensors and mobility measurements such as QR codes, beacons, NFC tags, air quality sensors or desktop or room presence sensors. These solutions support property and facility management as well as space management which results in a friendly workplace that supports employee effectiveness. The market is developing towards highest quality services while simultaneously reducing costs. Such changes are facilitated by CAFM (Computer-aided facility management) systems connected with sensors (i.e. Beacon technology) which allow the routes walked by security or technical staff to be visualised. These solutions reduce administrative costs of services and increase their quality through transparency. With the use of their smartphone, tenants can also raise a technical defect, invite guests to their office by providing them entry with a QR code, and receive a real-time notification upon their arrival, or reserve a parking space for them. NFC technology is implemented in most high-end smartphones and can be used to perform inspections, register work time or to control access for tenants. Additional technologies used in buildings include RFID sensors and LPR plate recognition, which enables the integration of tenant and guest car traffic automation systems and improving safety. The wide range of modern solutions used in office properties provides optimal working conditions for everyone. The above-mentioned technologies are constantly developed and improved. They make the property more intelligent, improve its efficiency, or even forecast the building's needs helping fulfill the expectations of the tenants.

Spark, Warsaw

Completed by Skanska Property Poland, Spark is one of the most technologically advanced buildings that offers a row of innovative solutions. Connected by Skanska is a system which consists of a smart phone app, manager and tenant platform, and data stored in the cloud. The system integrates all building functionalities; that is the car park, reception, building access, or defect raising. Connected Fit-out is a package of additional functionalities for workspace management which allows the control of lighting and temperature in the user's locations, or to find and locate the nearest conference room. Thanks to beacons – sensors using Bluetooth Low Energy, the phone verifies its location within the office space. Later this year, the investor plans to install a half-transparent photovoltaic battery of perovskite on the building's façade. Thanks to the collaboration between Skanska and Saule Technologies, Spark will be the first property in the world to test the technology invented by the Polish physicist, Olga Malinkiewicz.



Mennica Legacy Tower - mobile building app

The completion of construction of the project by Golub GetHouse and Mennica Polska S.A. is planned for autumn 2019. The property will have a dedicated mobile app thanks to which smartphones will serve as office and parking access cards. This will raise the level of security. Every user will be able to adjust the workplace conditions on their phone: from controlling the lighting, air-conditioning or shades to booking a meeting room. The complex solution will enable management of all building functionalities by the user from the moment they walk in and call the right elevator until the moment they leave the building.

Closer to nature

The current pace of living and fascination with life in the city have limited people's access to nature. Increasingly in our everyday life we refer to ecological psychology (eco-psychology) concepts which address the suppressed ecological subconscious. This means that the human living in concrete cities or homes may not be healthy and happy. As a consequence, we search for contact with nature in the world that surrounds us – also in our offices and around commercial properties.

Biophilia is a hypothesis put forward by Edward O. Wilson, a scientist from Harvard University, who speaks of the need of community between living organisms. His theory proves that living beings have an innate longing for connection with the natural world, which is necessary for proper functioning.

Focusing on people, their needs and health in aspects related to commercial properties has drawn attention to 'love of nature' – the human fascination with it and its processes. A new direction in architecture has even emerged – biophilic design. It focuses on using natural elements and processes which affect the design of products we use every day at work and at home. Research conducted for a few decades confirms that advantages flowing from implementing such models include stress reduction, improved productivity, creativity and well-being, and decreasing absence from work.

Biophilic design is characterized by a number of criteria:

- **Direct contact with nature** – real nature forms such as trees, plants, natural light, water, the changing of seasons, or the movement of air. Many offices have tree trunks, green walls and terraces or photo wallpapers with forest, mountain or sea views.
- **Indirect contact with nature** – Indirect contact with nature – natural materials, textures, colors and shapes stemming from nature. They are supposed to be linked to nature through using our senses of sight, hearing, smell or touch. We are speaking of using sounds (the sound of water, the singing of birds), smells (plants, forest), and the aforementioned textures (water, wood, stone).
- **Interiors for the people** – or influencing human reactions – excitement, motivation and human creativity, concentration and regeneration by interacting with appropriate models. They have direct influence on improving psychic health and reducing falling to illnesses.

Sustainable construction, which has become popular within recent years, does not focus only on technical aspects. New sustainable properties place human needs in the centre, and designers, architects, developers, property owners and users began appreciating biophilic design.

Regularly published research shows that surveyed office users pay real attention to the quality of air and ventilation, thermal comfort, the space arrangement of an office, access to daylight and the quality of lighting, acoustics, location and access to nature. Many people value the view from their window and the property surroundings – that is why companies decide to place offices in complexes with green areas where you can go for walk, sit on a bench, or have lunch with nature.

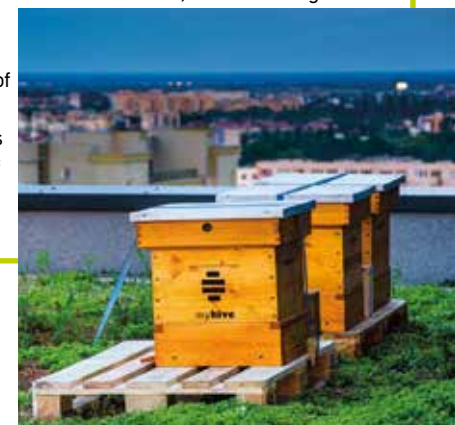
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Magdalena Oksańska, Head of Property Management Compliance, Knight Frank

According to research by the Polish Green Building Council entitled 'Healthy, green offices', over a half of respondents considered their office workplace to be lacking plants. The analysis has also shown that in older properties (constructed before 2007), employees were significantly unhappier. It seems that we are sensitive to nature's presence in our homes rather than in the workplace. With time, however, we started to miss that which accompanies us on the evenings and weekends also during the workday. As research shows, a good well-being affects the productivity and creativity of the employee. Elements of biophilic design are beginning to appear and with time they will become universal in office property interiors and when designing green areas. Those who work in newly designed gardens belonging to office complexes surely noticed the careful selection of plants. This is supposed to create natural colorful meadows with the use of particular meadow perennials and to attract given insects – colorful butterflies, bumblebees and/or bees for which the city builds beehives.

myhive Nimbus

Myhive Nimbus is an office building belonging to the IMMOFINANZ portfolio. The property owner is focused on making the employees of the building have closer contact with nature. The reception features two walls covered with plants. The building's façade are not only glass and aluminum elements. Specially prepared terraces serve as growing platforms for natural sized trees which give the impression of a forest on many levels. For two years, the property's rooftop has served as a home for around 250,000 bees living in five beehives. The ground floor features a garden created as an initiative of the employees from one tenant who look after its image and the quality of plants.



A pumpkin as big as the sun here, a cabbage over there

In times of man's growing need for contact with nature, we can observe a new trend - a common initiative of office property employees who want to influence the way the surroundings of their workplace are designed. That is why gardens are created next to office buildings and it is the employees who look after them, and the competition how to do that is often fierce. The yard in front of the Park Rozwoju complex serves as an example. Tenants have their own vegetable garden there with radishes, cocktail tomatoes and herbs planted. Also myhive Nimbus employees decided to do the same to the ground in front of their workplace. All in the spirit of biophilia, or the need to have contact with other living organisms.





Ecology

The last few years have seen a significant rise in the value of green certificates obtained for commercial real estate. Both certificates obtained at the design and construction stage as well as those obtained by already existing buildings have a major impact on how tenants and investors seeking new real estate market investment opportunities perceive a property. In case of newly designed schemes the categories subject to grade are i.e. location, design phase, construction management, implemented technological systems and property characteristics. The property has to fulfill the requirement for energy efficiency and comfort of use.

Using regional and recycled materials is also important. During the certification phase for a property, they are subject to optimizing media consumption and grading their functioning. Procedures and the effectiveness of a property are verified. Certifying properties has become the standard on the commercial real estate market. That is why we should expect every new building to have a green certificate at the time of hand over for use, as well as the majority of existing properties having to be subject to the certification process. The solutions behind a certificate help optimize operating costs and attract tenants. Low-energy lighting, using rainwater, limiting water consumption by re-using it (grey water), are solutions which have become more widely used in new properties as well as in those being modernized.

Optimizing and reducing media consumption in office properties has become an important element of protecting the environment. The design quality of particular office areas also plays an important role. Currently, we are becoming more aware of using natural light in order to limit the use of artificial lighting. Simultaneously limiting the access of sunlight by using appropriate glass or external shades may lead to reducing the consumption of electricity in order to cool an area. The trend is also to limit the consumption of electric energy by minimizing office areas which are lit solely with artificial light. Thus, a well-rounded project of an entire property as well as of the offices themselves is key to effective protection of the environment. Many environmentally aware tenants expect a good design of the office area, educate their employees and engage in pro-environmental events. Segregating waste already at the level of an office reduces the costs and positively influences the environment. When discussing environmental protection, it's impossible not to mention ecological transport. The constantly growing number of electric car charging stations in office properties as well as promoting the use of bikes contributes to fighting air pollution. Showers for cyclists as well as safe parking lots for bikes are being designed in numerous new properties. An important element of propagating an eco-friendly lifestyle are for sure many cycling events such as 'bike day' or 'cycle to work in your suit'.

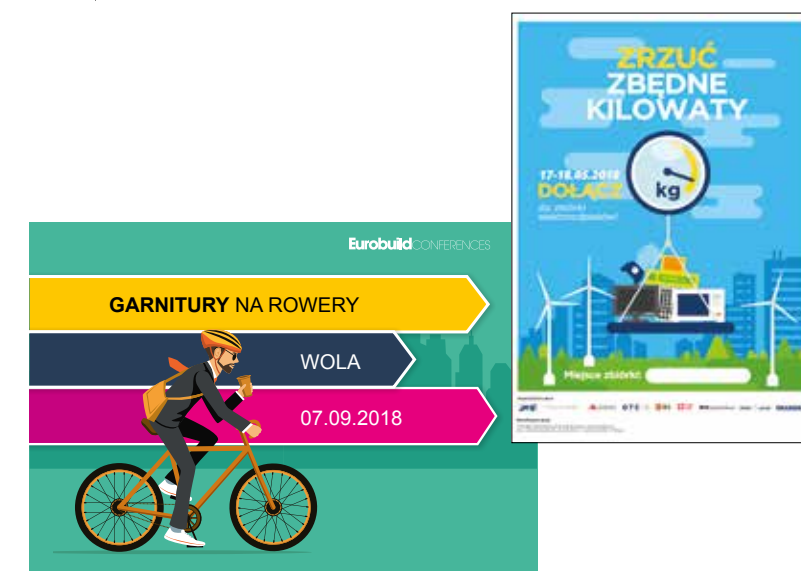
The main areas in multi-criteria certification are:

- Energy effectiveness
- Water management effectiveness
- Internal building environment quality
- Waste reduction and maximization of recycling
- Property construction materials
- Transport and location



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Alicja Kuczera, CEO, Polish Green Building Council
Green, or to be more concrete, sustainable properties are more cost-effective (economy), comfortable (people), and designed with respect to the natural environment (ecology). The combination of these three aspects of sustainable development in the context of properties is extremely important for companies which lease premises there. A sustainable (green) building is energy efficient, needs less natural resources, and generates less waste than a traditional property, influences the natural environment only to a minimal degree, makes it easier to save water, guarantees the users with a high quality of internal environment which consists of e.g.. acoustic and warmth comfort, access to daylight, perfect ventilation and a low level of air pollution. An office in such a building may contribute to more effective work which will lead to better results for the company. The last few years have been a period of dynamic growth of sustainable construction in Poland. Green buildings are filling the map of our country with greater intensity. When designing, constructing and using green buildings, we simultaneously fulfil our needs and also ensure that future generations will be able to fulfill their own needs. That is why sustainable constructions are the direction thanks to which Europe and the world may significantly limit carbon dioxide emission, use of non-renewable resources, contribute to improving quality of air and the economic situation, and the health and well-being of people. The construction sector, one of the main producers of carbon dioxide, has been introducing tools aimed at hastening changes in the industry towards green construction in the last couple of years. These changes include multi-criteria certifications. The number which best sums up Polish sustainable construction is the total usable area of certified properties: it has reached almost 12 million square meters. On the other hand, when we take a closer look at commercial property market, we can surely say that certification in this sector has become the standard. At the end of 2017, some 9.7 millions of square meters of modern office space was available in Poland. 62% of that was constituted by certified space.



The next step – WELL, WELL, WELL....

The border between private life and work is becoming more blurred. Employees believe that the workplace should not be a source of stress anymore, but a well-rounded and well-designed place which will improve the quality of their life. As a result, employees increasingly search for a new approach from their employers which relates to health and well-being. They expect the workplace to be optimized and have amenities and health programs. The new approach brings benefits not only to the employees but also to employers who begin to clearly see the link between their employees' well-being and the financial results of the company.

An employer has many tools through which they can shape the workplace. One of them is the office. The physical surroundings and social interactions in the workplace are becoming increasingly decisive in the way we measure our well-being at work. Various research shows that companies which concentrate on the well-being and safety of employees are more effective than the other organizations. Employers who want to place employees' health on the first place are supported by the WELL building standard which promotes designing office spaces or property in a way that focuses on people.

The WELL building standard (WELL), created by the International WELL Building Institute, is a system to measure, certify and monitor the effectiveness of how a building functions and how it affects health and well-being. This system is based on the idea that we spend the majority of our time in buildings which have a significant impact on the well-being of their users. Aspects which influence people who remain in the building, as well its internal environment are measured and monitored. The WELL certificate sets the requirements for efficiency in seven areas important for the health of the property's users: water, air, food, light, physical health, comfort and mind.

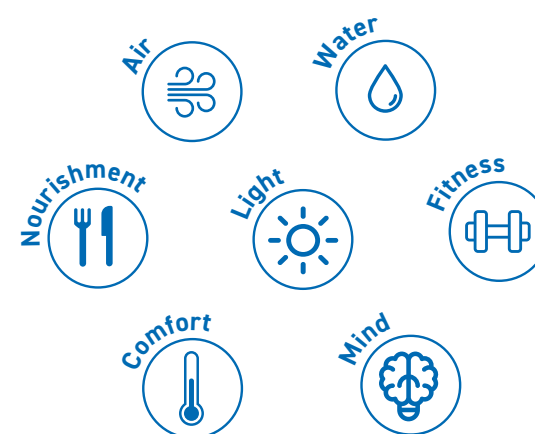
The first pre-certified office project in Poland will be Spark in Warsaw, developed by Skanska Property Poland. The Varso building, completed by HB Reavis, will be handed over for use in the year 2020, and has already received the WELL Core & Shell pre-certificate. The B14 office project has also been pre-certified, and will be completed by the same developer between 2019 and 2021.



Spark

Spark is the first office in Poland that will receive WELLcertificate. It focuses on the well-being and the health of the property's users. Thanks to that, the building will include lighting which adapts its color to the time of day. When a part of the office space is shaded, the system adapts to light it to the same extent as the other, brighter areas. The building was designed according to principles set out by the Integracja Foundation and fulfills the requirements of the 'Property without barriers' certificate. The 'Na Miejsce' Foundation and the Project For Public Spaces foundations, specializing in planning friendly urban space, were invited to collaborate on the project design. Thanks to that the completed project will feature an amphitheater open to employees and nearby residents.

The Well Building Standard



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Monika A. Dębska-Pastakia, Partner, Chairman of the Board, Knight Frank

The new work models and the changing approach to the well-being of employees, as well the growing range of amenities offered to tenants are severely impacting the working environment. In consequence, the role of office properties is changing. It is very important for space design to support a healthy lifestyle as we are spending about 80% of time indoors. It is to be expected that office properties which offer generally understood amenities and services aimed at improving well-being will be valued significantly more by tenants. As a result, WELL certificates will become the future of the office sector. They rely on the quality of the workplace and measure the comfort of a person staying in a particular building. The expectations of tenants are currently changing, and that is why this should become a natural element of the strategy of office property owners. It is a confirmation of the workplace being designed to promote the health of its users. The WELL certificate system includes solutions which enable protecting natural environment and improving well-being. This way we can create a place which forms part of the well-being trend, which is becoming increasingly popular. When competing for the most valuable employees, many organizations want to go a step further and try to create the optimal working conditions. That entails arranging the office in a way it can be beneficial for health and improve the quality of life. Properties with this certificate make it much easier to offer tenants with an environment in which employees will want to stay in everyday and in which they will be able to work effectively.

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