

A WELL-CONNECTED WORKPLACE IS A WIN-WIN

Like so many elements of our lives, digital technology has transformed, disrupted and enabled us in our place of work. It has become the key to unlocking greater efficiencies, streamlining processes and ensuring we can go about our daily business anywhere, anytime, explains Darren Zitren, head of network estate management, Cluttons.

Despite its huge impact, there are still challenges when it comes to providing universally good connectivity in our workplaces.

As a leading real estate adviser, we wanted to understand the key drivers of connectivity in the workplace – how landlords are responding, and the value placed on it by occupiers.

What is immediately very clear is that digital connectivity has very quickly become a more important factor than transport links when it comes to the office space we choose. Our research shows that landlords are now recognising that they can improve asset performance by improving connectivity in workspaces and offices. Crucially, from an occupier's perspective, it also highlights the importance of strong connectivity in the workplace as an enabler of overall business performance.

Increasing market appeal

The pace of change has been rapid with the

majority of landlords we surveyed having undertaken work to improve the digital connectivity of their buildings. The key driver has been to increase market appeal - an indication that landlords are beginning to recognise the importance of connectivity as a primary utility. As a result, many have enjoyed improved asset performance thanks to increased rents and a reduction in the amount of time an office incurs void periods.

Better connectivity makes business sense

Our study also shows a clear link between good connectivity, business performance and employee satisfaction. For most tenants questioned, a well-connected office means a better performing business and employees who are more satisfied in their roles when an office is well-connected. This in turn leads to increased productivity and enables more flexible working practices.

There's also a view that the professional reputation of a business is directly linked to how well connected it is because partners want systems that work and robust communication channels. This is reflected



Darren Zitren

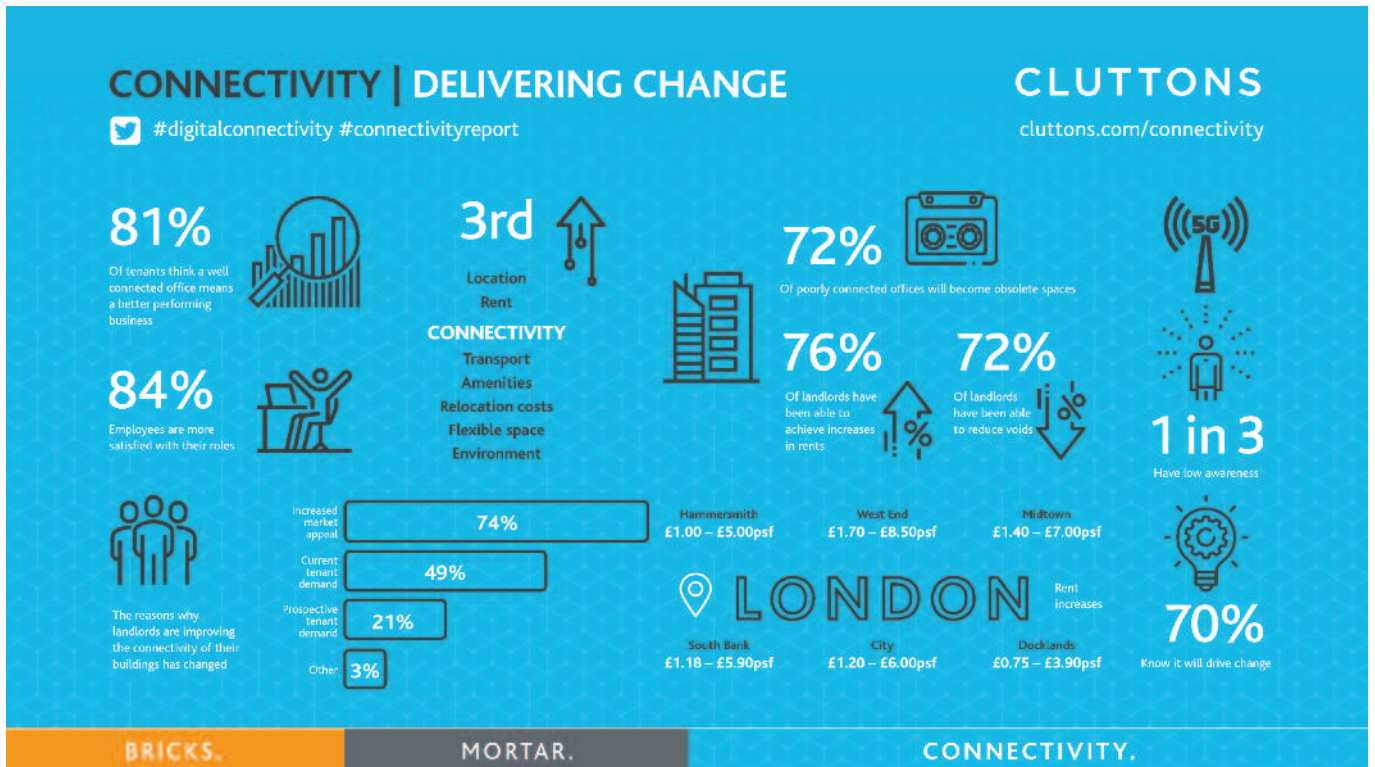
in the premium value occupiers place on good connectivity. From an occupier perspective, connectivity is now a key factor in decision-making processes when choosing new spaces or renewing leases and that most tenants believed that offices which are not well connected will become obsolete spaces – a dramatic demonstration of how much more important digital connectivity has become.

Meeting the connectivity challenge

Whilst building owners have recognised that

“ Over the past three years we have seen the property industry wake up to the importance of digital connectivity for tenants. Businesses rely on digital connectivity, meaning that there is substantial demand for well-connected and future-proofed buildings. Those landlords that are delivering this are being rewarded with strong returns on their investment – we have seen an average of 4.7% rental value premium for Wired Certified buildings in London. ”

William Newton, President and EMEA managing director, WiredScore



there's a strong commercial argument for greater investment in connectivity in buildings and are taking greater responsibility for improving connectivity, we need to acknowledge that improving our often-outdated digital infrastructure, whether mobile or fixed line, is a complex task and a significant investment.

There also needs to be much better collaboration between landlords and infrastructure providers, just as we do with existing utility providers. With the imminent arrival of 5G, all parties need to recognise that achieving widespread access to 5G networks and signals requires considerable infrastructure in terms of towers, antennae, boosters and small cell installations. This is both a technical challenge and one which will require consensual negotiation between infrastructure providers and landlords in the built environment.

The real estate sector and infrastructure market need to work much more closely if they are to develop the best in-building solutions and ensure properties are future-proofed and fit for purpose as digital technology continues to develop apace.

“ People using our properties expect robust connectivity as standard, whether it is for business or leisure. Failure to provide this service would have a severe impact on occupancy in the long-term as well as existing customer retention. ”

Alex Cocking, Director of property, Cola Hotels Group

Landlords need to think creatively about arrangements that can be made with fixed line and mobile operators to provide improved or free connectivity to ensure our personal demands for agility are met.

At the end of the day, good connectivity is a win-win for landlords, occupiers and infrastructure providers. There needs to be a constructive approach to overcoming the challenges and embracing the next generation of technology if we are to transform our buildings and our businesses to the benefit of all.

To read the Cluttons' Connectivity Commercial Impact Report, visit www.cluttons.com/connectivity

“ The foundation of any successful business lies way beyond its bricks and mortar. Where? In its building's connectivity. Not only does it bring to life culture, connectivity makes the business dynamic and future proof too. ”

Darren Zitren, Head of Network Estate Management, Cluttons.

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