

ULI UK Sustainability Council Day

23 May 2016

Kindly hosted by: **wework**

The ULI UK Sustainability Council held its inaugural Council Day on the 23 May. In true ULI fashion the day was a truly multi-disciplinary, thought provoking and educational forum that journeyed through the complex dynamics of the changing environment and knowledge around workplaces and the implications of densification.

Workplaces and their functionality for people, business and society are changing around the world due to an evolution driven by technology, data, new business processes with an increasing understanding of the relationship between occupier satisfaction and productivity. John Alker, Campaign and Policy Director at the UKGBC led a dynamic discussion that journeyed through generational implications, global indexes, delivery of innovative workspaces through to the principles of best practice.

Attending Organisations

Argent, CallisonRTKL, Capital & Counties Properties, Circle Economy, DECC, Demand Logic, DLA Piper, Ekistics Capital Advisors, EnergyDeck, Europa Capital, Floodline Developments, Gensler, Grosvenor, Hillbreak, JLL, Land Securities PLC, Leesman, Linklaters, Portfolio Mechanics, Schroder Real Estate Investment Management, Shared Assets, Sturgis Carbon Profiling, The Crown Estate, UCL, UK Green Building Council, University of Reading, Waugh Thistleton, WeWork, Willis Towers Watson, World Women in Real Estate



Cubicles in the Zappos Headquarters



Employees in Cubicle Farm

... in Japan and many other cities where people are less integrated in society as a result of people interacting more with technology than with wider society.

Mobile technology and availability of data is influencing how businesses, cities, people and society utilise buildings as shared by Lucy Barratt, Sustainability Project Assistant, Grosvenor. Interestingly these factors are likely to drive change for the long-term as the newest generation (Generation Z) have not known a world without the web.

Lucy highlighted that as the world adapts to a more advanced technological era, societal implications of technology should be better managed as there are already examples in Japan and many other cities where people are less integrated in society as a result of people interacting more with technology than with wider society. To address this challenge it was suggested that buildings can play a greater role to provide spaces that allow for people integrate into a community with greater consideration given to the spaces surrounding a building to facilitate this process.

Measuring occupier satisfaction and performance is a complex and often subjective process but when applied over a large data set it can be achieved as indicated by the Leesman Index. Chris Moriarty,

Leesman's Development Director, shared how the Leesman Index has assessed over 180,000 globally revealing the following insights:

- Variety in the workplace is the greatest booster to workplace effectiveness; noise is the biggest negative force.
- Open plan environments must support the former whilst trying to reduce the latter; not always easy.
- Top 15 locations have fully unallocated workspaces
- Key factor that sets the top locations apart is spaces that bring people together
- Desks and chairs are regarded as a hygiene factor and it is more important to have an office that can bring people together
- Happiest workers are under 25yrs but this result should also consider the job role and wider complexity of activity profile of this age group
- High choice, flexibility environments see a 74% agreement with Leesman's productivity question which is higher than the average of 56%
- Tea and coffee are seen as a fundamental social matter

- When applying flexible working environments, it is 'all in or nothing' as open plan, flexible environments without the right level of choice and variety are among the worst performing workplaces in the Index
- Buildings are often not shaped around people.

Collaborative and flexible workplaces allow for buildings to be utilised more intensely with demand for such space growing rapidly in the last 5 years. Mary Finnigan, WeWork's Head of Legal Counsel, provided the Council with insights into how the organisation is leading the market demand for collaborative spaces but also serving a need to address individual access to an 'office' across flexible working environments. Insight into WeWork's occupiers (members) and approach:

- A lack of politics as often associated with large organisations
- Encourage collaboration - 70% of members collaborate
- Interior design plays an important role with 85% satisfaction of the space
- Social programmes further support the flexible work 'movement' with a summer camp planned for 2016
- An App further facilitates the connection between members and allows for tailored and global collaboration to take place.



Wild West End, <http://www.wildwestend.london/>

Designing for occupier satisfaction and higher workplace productivity requires a multi-faceted approach. Philip Tidd, Principle, Gensler provided a thought-provoking insight into the principles and insights he has gained from over 20 years of workplace consultancy. Philip shared that the most satisfied workers within the EMEA are the Nordic countries where work-life balance, accessibility and less intense working hours are all cited as key influencing factors. Insights from Philip's discussion included:

Workplaces

- Most buildings only actively utilise 40% of their space
- Average occupancy of senior people is 15%
- The most successful organisations go beyond certification
- Intense change of use of overtime and the new way of working provides an opportunity to build in optimisation.

Challenges

- Real Estate is currently measured on asset value not building functionality or occupier satisfaction
- Legal barriers such as floor plate specification limit workplace satisfaction in the UK while in Germany and other countries there is an allowance for much closer working spaces
- People are hardwired to connect with nature and the BCO UK office standards do not address this issue
- New buildings are often let from 'specification' and the reality is the space does not always meet the needs of the users
- 'Holy grail' of office productivity and satisfaction is delivering the right mix of open space yet allowing for diversity and adaptability.

Principles

- No one-size fits all approach – what works for Google doesn't always work for others
- Consideration should be given to cultures on both a local and organisation level
- Design a workspace to meet the needs of a range of personality types and not just extroverts
- Include sustainability practices that consider people's health and wellbeing.

Transforming workplaces to open plan with flexible workspaces often have unintended consequences that influence the personalisation of the workplace. An example of where unintended consequences of a workplace refurbishment had a negative impact is Rabobank in the Netherlands. The refurbishment was led by the financial teams and the resulting design lacked a sense of place resulting in a significant reduction in satisfaction across their 3,500 employees.

Employee satisfaction of a workplace is strongly linked to employee retention but should consider factors such as flexible working hours, organisational culture and the facilitation of engaging and connecting employees. The Bank of America realised that its employees lacked a social connection and introduced standard break times, resulting in increased staff communication, satisfaction and ultimately staff retention. Further highlights from the discussion around the theme of changing workplaces included:

- Optimal number of workdays in the office are considered to be 3, not 5, per week and this is largely driven by workplace

mobility where people often work outside of the office and in more flexible conditions

- The UK may work longer work weeks but there are other EU countries who work less with an equal or greater level of productivity, indicating that the optimum number of work days for productivity would be less than the traditional 5 days
- As buildings are adapted for more flexible use, consideration should be given to retaining a sense of place, especially for non-autonomous workers who require a regular space to deliver core operational needs
- Workplace flexibility has significant sustainability benefits, where a greater

utilisation of space could lead to buildings being utilised for 18hrs p/day rather than the traditional 9-10hrs

- The sharing economy is poised to make use of the flexible workplace opportunity and it is anticipated that real estate will radically change within the next 5 years
- Shaping workplaces for ultimate productivity and employee satisfaction is a complex field that should also consider the interrelationship between the public and private sector, healthy lifestyle choices and good density within the context of an evolving urban area.

The Council discussed the complexity of the changing workplace and highlighted that this challenge is strongly interlinked with wider societal health and wellbeing. Some organisations are addressing this challenge but there is a need for a more collaborative or even policy-driven approaches.

Key considerations included:

- Physiological wellbeing is especially important where air quality in large cities such as London and New York are killing people faster than the normal ageing process
- Delivery of solutions is a macro challenge and requires the joining up of private and public sectors to deliver land use for the betterment of the wider society
- There is an opportunity to re-think green spaces and solutions this are already being implemented, such as the Wild West End initiative with its green roofs across west London and bringing green spaces into a building delivered in the Pasona H.Q. in Tokyo.
- Business improvement districts provide an opportunity for organisations to work together on these matters
- "Liveable cities" are emerging as an indicator of quality working environments with walkability and cycling forming key principles
- Better Places for People was highlighted as global campaign addressing this challenge

<http://betterplacesforpeople.org/>.



Pasona H.Q. in Tokyo – garden in middle of office



Urban Land Institute Robert de Jong

Urban Density: resilience and resource efficiency

We are in a period of rapid urbanisation with over half the world's population living in urban areas and this increase will see around 5 billion people living in cities by 2030. Increased urbanisation will place greater demand for land-use putting strain on resource, lifestyle and health, both of people and the ecosystems that support urban areas. The Council set out to answer how do forms of density influence the environmental capacity, productivity and liveability of our cities? A cross-sector panel led by Simon Sturgis, Director, Sturgis Carbon explored this topic through the eyes of the urban planning, the circular economy, urban realm and large scale urban regeneration schemes.

Planning

Prof. Yvonne Rydin, Bartlett School of Planning, UCL spoke about the principles influencing the planning and densification of urban areas, highlighting that planning needs to be seen in the 'reality' of interlinking cycles, where not all aspects of densification occur at the same time yet their influences to the overall delivery of an urban area need to be considered. Improved primary transport was a key example that illustrates how increases in capacity will influence an area's ability to densify but as urban areas become more developed, transport is often operating at over-capacity and subsequently a limiting factor to further growth.

Delivering sustainable urban growth and density therefore requires a holistic view that goes beyond the building realm. Current

government resource and fiscal approaches are limiting the UK to adopt a holistic approach, however attendees felt that the Greater London Authority and, subsequently, new devolved regions in the UK could lead on a more coordinated approach to densification and planning.

Circular Economy

Resources are often viewed within a linear context of 'cradle to grave' but a relatively new approach is to view resources within a 'Circular Economy' where waste is seen as a resource and the cycle of products can be utilised in a more sustaining way. Klaske Kruk, Director of Programmes at Circle Economy, shared an insightful presentation into the procedures, research and facilitation her organisation is conducting with industry sectors and cities to provide a level of coordination and planning within this field.



Klaske Kruk, Circle Economy Sustainability Council Day Presentation (click on image to view presentation)

Going beyond single resource use and a single organisation, Klaske shared how Circle Economy mapped the resources and waste for cities such as Glasgow and Amsterdam, resulting in the valuable resource re-use and collaboration between hitherto un-connected industries.

As cities densify the circular economy will have increasing importance to provide a mechanism to limit resource waste but also consider the long-term sustainability consequences of the resources we all use, supported by long-term leadership.

Urban Realm

How buildings, urban areas and cities are planned has far reaching consequences for the health and well-being of citizens. Claudine Blamey, Head of Sustainability and Stewardship at The Crown Estate, provided an inspiring presentation into how improvement to the public realm in areas of London have brought far reaching benefits both in terms of footfall (walking) and business uplift. Changing small lanes traditionally used for deliveries and back of house services into public realm, has resulted in a greater utilisation of buildings for street level amenities and increase the walkable regions of the city.

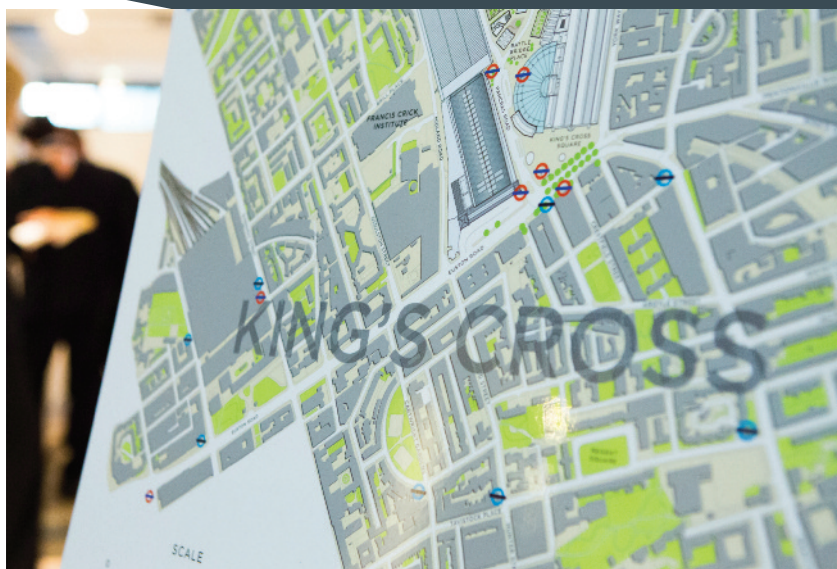
Urban realm improvements by The Crown Estate may increase footfall but also consider the increasing challenge of air quality and the importance of biodiversity in these parts of the London. The Crown is working with leading businesses and land owners through the 'Wild West End' initiative that aims to improve the streetscape with more plants and install green roofs to increase biodiversity and create important linkages between Regent's Park and St James' Park. <http://www.wildwestend.london/>



Urban Regeneration

Delivering a large scale regeneration scheme that meets the needs of densification but also considers longer-term sustainability is a significant challenge and one that Argent has been striving to achieve at King's Cross. Peter Runacres, Senior Project Director, at Argent shared how the King's Cross development is continuing to evolve but where consideration for higher density needs for the area and wider London were a main influence for the sites development. Highlights from the presentation and subsequent discussion included:

- Argent's 10 principles guide for the master plan coupled with a longer-term commitment to the growth of the site and connection with London and beyond
- High density and management of congestion are a main influence for Kings Cross with plot ratios of 4:1 creating a sense of openness to a relatively densely developed area
- Density is tailored across the area with flexibility of use built in across the scheme
- The scheme also has a Master Strategy which takes into consideration the broader reach of the development, factoring in neighbouring communities and the repurpose of historic buildings
- Sustainability has been planned from the onset with cooling networks integrated across the site that connect all buildings
- Engagement with the community before construction and also throughout the development of the scheme with continual public access to areas of the site to embed the community in the development process
- Much of the scheme has mid rise buildings; building heights should not exceed 9-11 stories.



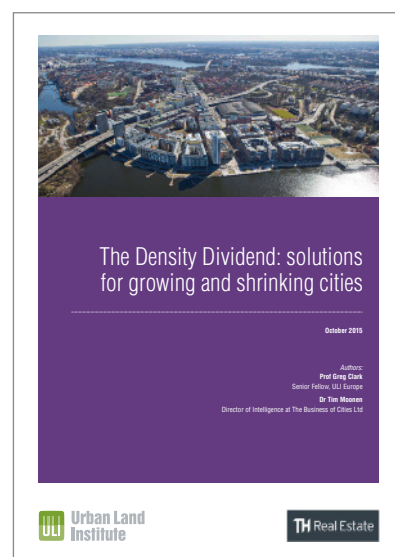
The Council discussed the complexity of density and its implications of delivering 'best practice'. It was considered that density can reach a tipping point and that current policy is not equipped to manage this process. Policy should include a range of stakeholder perspectives, and include long-term planning, foresight and multi-stakeholder parameters that are reflected across urban areas to control balance. There is also a need for visionary people at the planning level to ensure successful density is achieved that values long-term resource and society qualities.

Further details:

- King's Cross Development Forum – InfoBurst ([click on image to view](#))
- ULI Density Report ([click on image to view](#))

Upcoming Sustainability Council Forums:

- Passive House Site Tour – Mayfair London. 11th August 2016
- Further 2016 programme details will be announced shortly.





8665 Hayden Place Cunningham Group

What is the Urban Land Institute?

The Urban Land Institute (ULI) is an influential global organisation with a mission to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Established in 1936, the ULI now has a membership of around 38,000 internationally. With this broad sector membership, the ULI facilitates invaluable opportunities for members to engage and learn from different disciplines and to deepen existing relationships with professionals from around the world.

ULI is a neutral, non-lobbying and not-for-profit research and education Institute. ULI Councils are formed to share best practice and experience and their meetings are run under 'Chatham House rules' to allow for stimulating and thought-provoking discussions.

What is the ULI UK Sustainability Council?

The Sustainability Council is a passionate and influential group that wants to accelerate the rapid uptake of sustainability across the UK real estate industry. The Council provides a safe harbor for honest and insightful debate on the key issues facing the industry, and provides many opportunities for learning from real projects and peer experiences, including by drawing from international examples and networks.

This Council presents its members with a unique opportunity to connect with a group of high caliber individuals who are focused on a proactive, forward looking and urban-scale response to sustainability.

Areas of focus include: Resource efficiency in existing buildings (health, well-being, occupant productivity and density), social cohesion and climate resilience. The Council ensures that its agenda complement ULI's wider agenda areas of interest, which currently include topics such as density and healthy cities.

If you would like further information about the UK Sustainability Council please visit: <http://uk.uli.org/councils-and-forums/sustainability-council/> or contact Robert de Jong robert.dejong@uli.org for further details

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