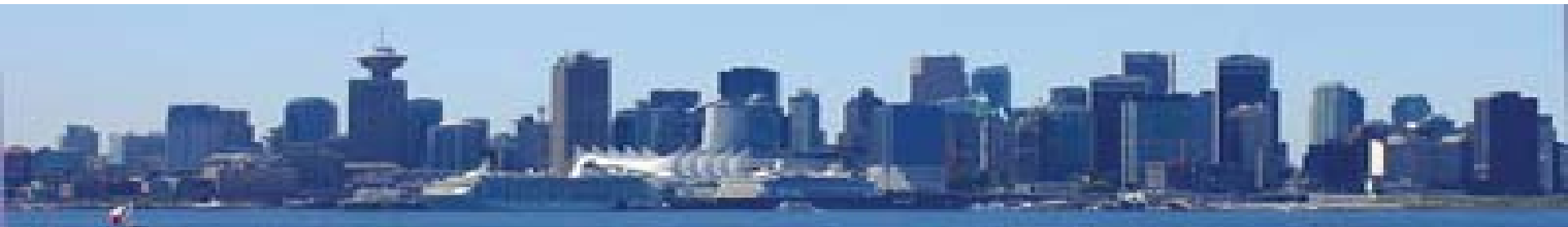


Attracting office-based businesses Downtown

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Introduction

- Interest 1: Business location decisions:
 - The city chosen, downtown or suburb, the building chosen – why?
 - How it is changing?
- Interest 2: Forecast demand for office space, downtown and suburb
 - Amount of space, type space

Research in progress:

Background

- Downtown building owner: what will help us attract tenants?
- Research revealed office tenants throughout North America have lists of problems and complaints – few solutions
 - Air quality & temperature
 - Poor lighting options
 - Lack of amenities nearby (cafes, fitness, culture, shopping, banks, etc.)

Why complaints now?

- Office buildings around a long time

Why so many problems now?

- Nature of office work has changed
 - Information technology revolution
 - Knowledge economy rise
- One more change to come: skilled labor shortage
- To attract businesses to downtown offices, need to accommodate “new office work”

Old downtown businesses' work

- Old office work:
 - ❑ Collecting, counting, copying,
 - (repetitive, often lower skill).
 - ❑ Involved paper, pens and typewriters – not computers.
 - ❑ Traditional businesses:
 - natural resource company
 - head office of a manufacturer;
 - lots of collecting, counting, copying.

Today's office work

- Information technology revolution automated collecting, counting, copying.
- Now: Analyzing, innovating, creating (“Knowledge economy”)
- Knowledge and skill based
 - 1998 Study found only 18% office workers unskilled; predicted 11% by 2000;
 - 2003 Knoll Study reported 2/3 of office workers defined roles as “problem solving,” “information analysis” or “idea generating”

New office-based business

- New Types of Businesses
 - ❑ video game producers
 - ❑ computer software developers
 - ❑ consultants – outsourced analysts i.e. Info-tech, financial, engineering, lawyers, etc.
- Work today is creative and collaborative.
 - ❑ Software engineers: 70% collaborative, 30% indiv.
 - ❑ Team work in many industries, less hierarchy.
- Both old and new types, staff not doing the same types of work as in the 1960s or 70s. Yet working environment has not changed much.
 - Flight to the suburbs an attempt to solve problem.

Office environment importance

- Business locations – their offices and surroundings – are places for collaboration and places for innovation.
 - Makes physical and cultural environment more important
 - evidenced by lists of problems and complaints emerging today.
 - Air, lighting, amenities...

Business environment problem - Air Quality

- 1998 BOMA study, air quality a top concern of 1800 people surveyed at 53 companies (other studies similar results)
- Avison Young survey – temperature and quality of the air number one complaint of local office tenants.
- Former US-based bank real estate exec – measured air quality, and it correlated to office productivity.
- Causes: Computers and peripherals & maybe more people per square foot

Environment problem lighting challenges

- 2003 Survey by Steelcase:
 - ❑ 86% of workers experience eyestrain and headaches believed caused by lighting.
 - ❑ 86% Improved, appropriate lighting would give them more energy
 - ❑ 75% Believed their productivity would increase with improved lighting
 - ❑ 66% Stated light changes would improve creativity
- Cause: Reading computer screens
 - ❑ best in very low, indirect, natural light.
- Productivity impediment growing concern.

Future: Employees' market in more industries

- Pending skilled worker shortage North America of 6-20 million people (depending upon study/demographer)
 - ❑ Baby boomer retirement
 - ❑ new skills required generally younger people have.
- Shortage means:
 - ❑ Need more productivity per person
 - ❑ Improved attraction and retention rates
 - ❑ Employees will have greater say in business location decisions

Where the skilled people are

“Keep your tax incentives and highway interchanges; we will go where the skilled people are.”

» Carly Fiorina, CEO Hewlett Packard

- ❑ People want to work where they can do their best.
 - air quality and temperature good; light appropriate.
- ❑ People want to work in interesting, inspiring places with amenities nearby: Fitness, recreation, restaurants, cafes, banks, music, movies, shopping, etc.
- ❑ Could be good news for downtowns.

Future preview

- Case Study – Vancouver software/animation industry
 - ❑ Face labor shortage now
 - ❑ Experimenting with location and design, very aware of productivity impediments.
 - ❑ High performance work places are somewhat dark.
 - (Paperless office found – all screen reading)
 - ❑ Suburban choice: customize space better, including open windows and access to outside, fresh air.
 - Electronic Arts' campus (eg.)
 - ❑ Downtown choice: amenities to attract employees.

What Downtowns can do

- Promote advantages in terms of amenities already there for businesses needing to attract employees
 - ❑ Higher real estate costs downtown insignificant compared to employee turn over costs, especially in worker shortages.
- Encourage office developers/owners to consider “new office work” in their designs or renovations.
 - Improved HVAC, raised floors, more natural light
- Discussion..

Attract office workers downtown

Handout and additional information available:

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Comments, Criticisms, Ideas welcome



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A panoramic view of the Vancouver skyline, showing various skyscrapers and buildings along the waterfront under a clear blue sky.

Downtowns and New Business Needs