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Business Space

Thames Valley Office Market Insight

The return to the office where are we?

We hear regularly in the news that employers are hardening their policies in requiring their staff back in the office - but what are we seeing 'on the ground' in the local market?

There have been numerous headlines about 'big brand' employers calling their staff back to the office. Even those firms who were at the forefront of the 'homeworking' revolution, during the pandemic (like Google, Zoom, Meta and Apple) have publicly mandated their staff should be in the office a minimum of 3 days a week.

With the easing of Covid restrictions, and typically more confidence over public health, most business leaders now agree that their colleagues should be back in the office. Often reporting that this prompts greater collaboration, re-instills unity within teams, and a stronger sense of cultural ethos across a firm.

In some industries it has also been reported that sustained remote working has led to their talent pipeline drying up. This is perhaps more evident in the younger workforce, who may have proven they could still be trained in technical aspects of their work remotely, during the pandemic, but have since struggled to develop communication and negotiation skills more readily learnt in-person from more experienced colleagues in the office. In some instances, younger workers simply haven't yet had the benefit of 'learning by osmosis' in the office that their colleagues benefitted from in the past.

Recent research highlights that UK businesses have been slower to bring back staff to the office than their counterparts in Europe and the U.S.A. People still like working from home, and forcing them to return can have repercussions. For instance, research in the UK by the CIPD, the association of HR professionals, found that about 4 million people- 12% of the workforce- had changed careers due to a lack of flexible working.

Is hybrid the new normal?

Clearly it appears hybrid working is here to stay. UK employers have undoubtedly already responded to this challenge. The CIPD reports that 80% of UK organisations have some sort of hybrid working policy, and over 70% of workers view flexible working as important when considering a new role. Many firms are now used to this being an 'up front question' from candidates during interviews.

It seems evident that there is no 'one size fits all' solution to this issue; employer policy still varies widely, between a 'carrot' or 'stick' approach, and for many businesses this is an evolving process. For example, reportedly one well regarded international law firm initially told their staff that they must attend the office 3 days a week if they wanted to qualify for a performance bonus, but then later clarified some staff may have 'valid reasons' for not doing so.

At Hicks Baker we are witnessing a mixed picture over this issue on the ground, whilst dealing with business space disposals and acquisitions, as well as retail and leisure space, across the Thames Valley and wider regions.

There are undoubtedly signs that people are coming into the office more often. Commuter trains are typically busier than in the immediate wake of the pandemic. Cafes, shops, bars and restaurants often appear busier, and car parks seem fuller during the working week.

However, many businesses still have 'quieter days' in the office, although this often varies from firm to firm, and thus differs from one building to another.

The view from Hicks Baker

We continue to work with many office occupiers who wish to change their existing office space in response to this issue, by addressing; scale, configuration and footprint, location, access to amenities, or design. The desire for change is often prompted by internal staff feedback that their current space doesn't support new ways of working, encourage collaboration, or simply isn't appealing enough to entice staff back to the office- thus compounding the issue.

Many landlords have already taken steps to try and attract people back to the office, by improving their building offering. In some cases, larger building floor plates have been more readily split, to appeal to those occupiers seeking to downsize. More landlords are also now proactively offering fitted solutions, investing in greater in-house amenities, and spending more on design to ensure receptions and common areas are presented as more 'homely' or 'hotel like' in their look and feel.

We are already seeing evidence that many office occupiers now recognize the appeal of buildings with these benefits and often explicitly requesting the same when confirming their requirements. Typically, those best-in-class buildings, offering fitted space solutions and amenity-rich working environments, have proven more popular with occupiers willing to pay for these benefits, often resulting in increasing letting activity.

Hicks Baker remain optimistic that office utilisation will continue to increase over oncoming months. We would be delighted to discuss and assist you with your future office needs on this basis.

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