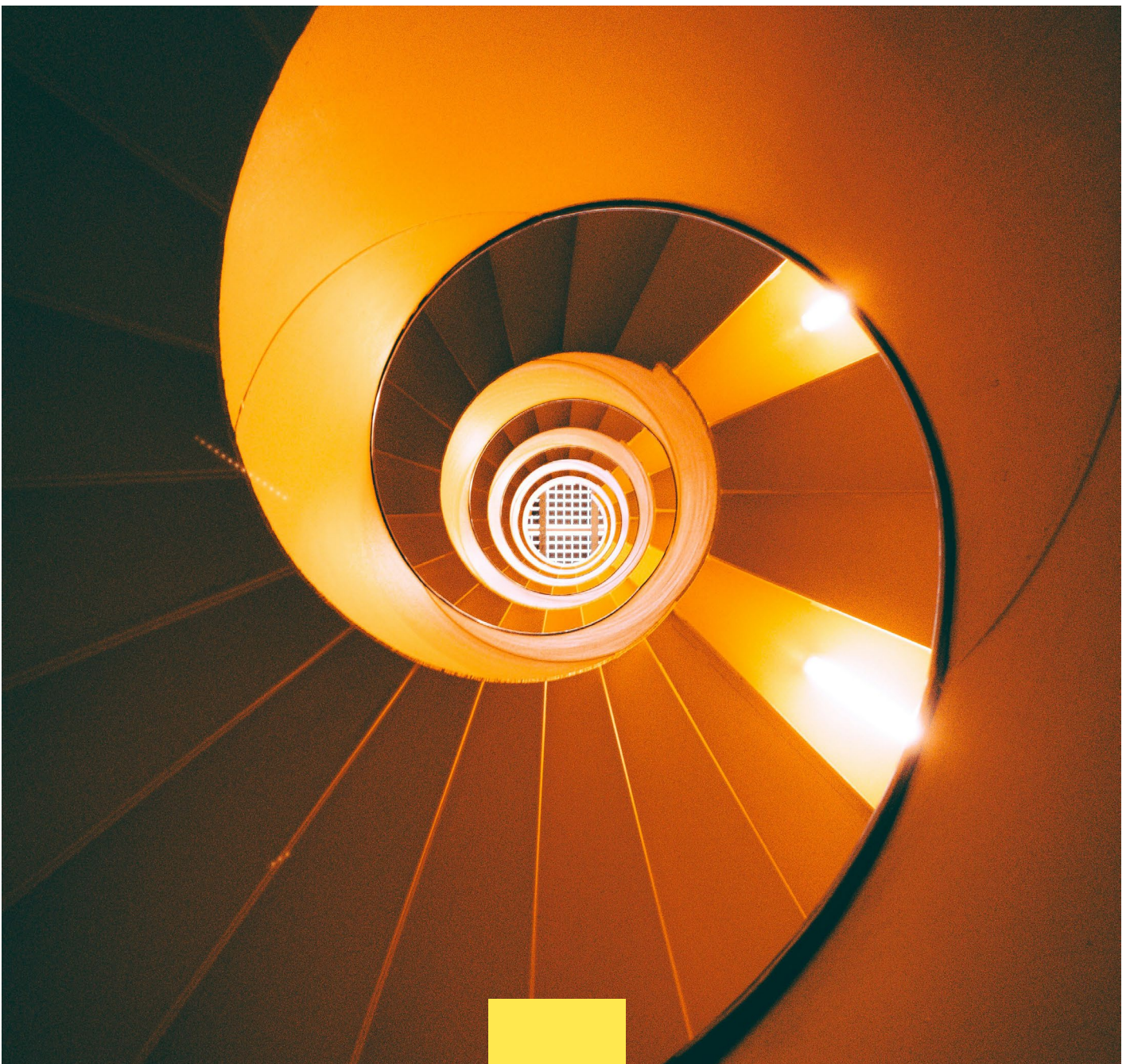


THE EVOLVING ROLE OF HR IN REAL ESTATE DECISION-MAKING

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In an era where real estate decisions are increasingly people-centric, the role of HR teams in selecting office spaces has become a hot topic. At Savills and Personnel Today, we sought to delve deeper into this subject by surveying HR professionals across various sectors, representing over 150,000 employees. Our goal was to understand the impact of HR involvement in real estate decisions on organisational objectives.

In the survey, over 90% of HR professionals said that real estate plays an important role in attracting and retaining talent with nearly three-quarters saying it is crucial, highlighting the significant impact that real estate can have on a company's ability to attract and retain talent. By prioritising the design and maintenance of high-quality workspaces, companies can enhance their talent management strategies, ultimately contributing to their overall success.

Charles Mirisola, director of real estate and workplace transformation at Checkout.com, underscores the transformative potential of HR, stating that it has the ability to become "the voice of employees, assuming a more prominent role in shaping the corporate conversation and, by extension, real estate choices." By involving HR in decisions about office spaces and locations, companies can better align their strategies with the evolving expectations of their workforce, ultimately enhancing employee satisfaction and retention."

The survey results support these insights with nearly 60% of respondents believing that "greater HR participation in office relocations could enhance staff retention". Key factors such as the type of office space (43%) and the size of office space (42%) were highlighted as areas where HR's input is particularly influential. While the location itself did not emerge as a top priority factor where HR departments are seen to have a significant influence, over a third believe their input would be beneficial when considering office moves in the future.

As we navigate a post-Covid world of hybrid working, businesses are re-evaluating the role of their offices. By designing spaces that reflect company values and promote collaboration, innovation, and employee wellbeing, organisations can create environments that foster a positive workplace experience. Essentially, employee needs are changing, and HR can act as the conduit of change between employees and management.

Our unique position at Savills has given first-hand experience in how HR teams enable the bridging of satisfaction gaps through employee engagement, targeted policies and fostering transparent communication, ultimately enhancing work-life balance, productivity, health & wellbeing, and ESG practices - all important in real estate decision-making.

When looking at future preferences, the survey highlighted several critical areas where current satisfaction ratings lag behind their perceived importance, underscoring where corporates will look to improve in future office moves or upgrades.

Notably, the survey found employee productivity stands out with a lower satisfaction (28%) rating against high importance (60%). Interestingly, many of these gaps are in areas where HR are most influential in their impact, with amenity and facilities having a lower satisfaction (16%) rating against high importance (44%) and Health and Wellbeing having a lower satisfaction (21%) rating against high importance (44%).

ESG performance of the building, surprisingly, ranked the lowest. Only 13% of respondents were satisfied with the ESG credentials in their building, however 36% say it is very important to achieve them.

The evolving role of HR in shaping these decisions is crucial for aligning company strategies with the needs and expectations of their employees, ultimately leading to enhanced employee satisfaction and retention.

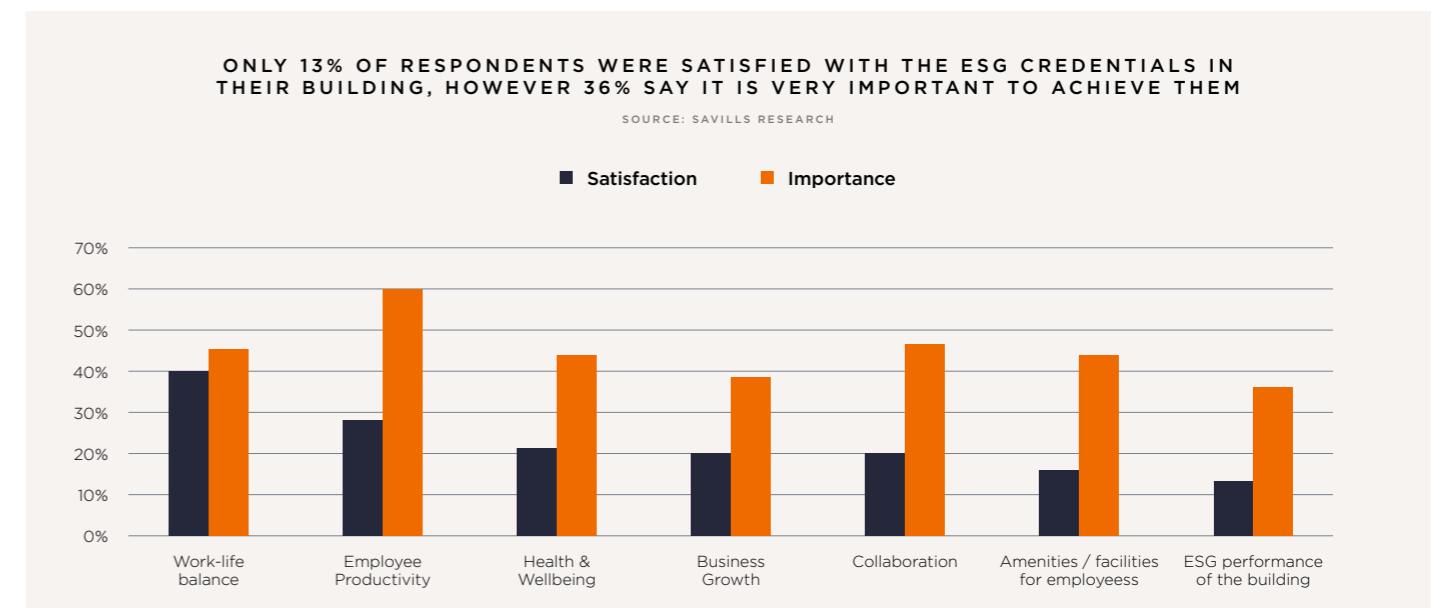
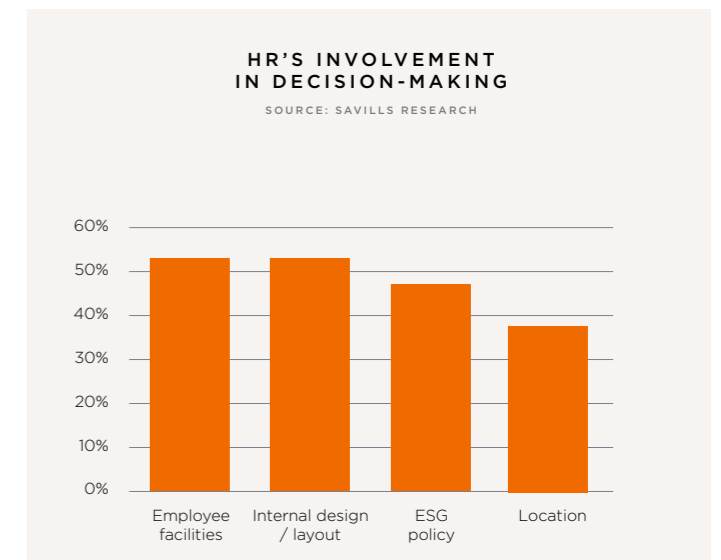
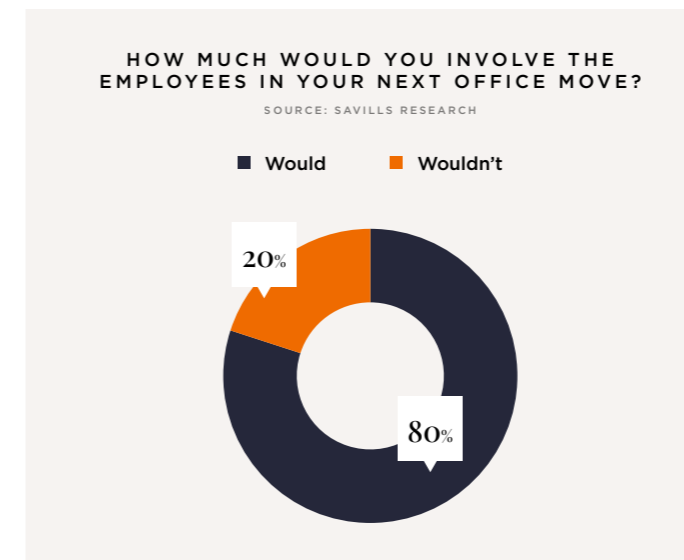
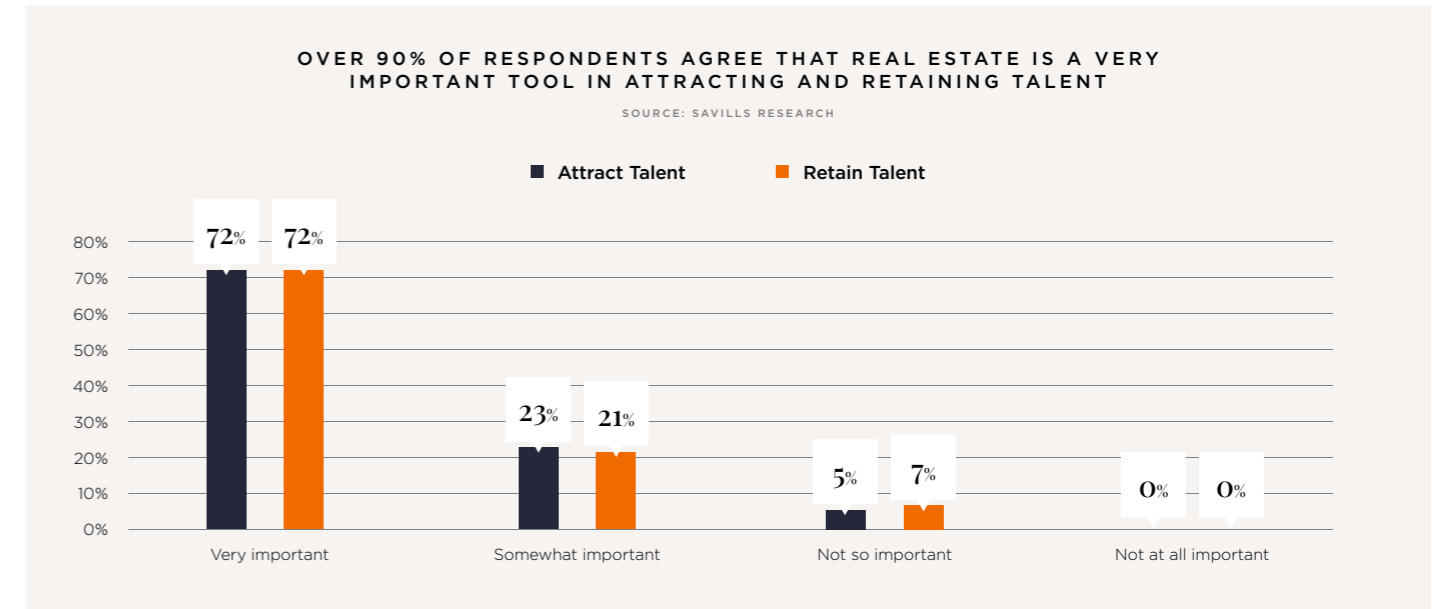
Research consistently underscores the positive impact of providing employees with greater autonomy and control over their workspace. Successful buildings empower their users, allowing them to tailor space to personal needs.

HR is the conduit of the workforce and plays a pivotal role in gathering and analysing information relating to how space is used, employee preferences, workplace satisfaction and performance metrics.

The survey asked '...to what extent will you engage with your workforce prior to future office moves?' with 80% saying they would engage with their employees when looking at office moves.

There are several projects Savills are advising on where this is being put into practice. Savills recently worked with a global engineering consultancy on a stay vs. go project. The HR function was pivotal in assisting with the commuting study to determine the ideal location for this office and identify significant commuting disruption to the proposed relocation option. Discussions were also progressed with the current landlord on required upgrades to HVAC systems and around ESG credentials to ensure the other priority areas could be addressed if the client was to stay. The two options were put to staff and they overwhelmingly wanted to remain.

By nurturing a workplace culture that prioritises wellbeing, inclusivity and shared values, companies can create an environment where employees are not just retained but thrive, contributing their best to the organisation's success. As one survey respondent commented "...the three most important aspects of the Real Estate strategy is 'Location, amenities and modernisation'." This is a challenge for all involved but presents an exciting prospect if successfully delivered.



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