



RETURN REVITALISE TRANSFORM

UNLOCKING YOUR FUTURE
REAL ESTATE STRATEGY

DeVonocresa 
COMMERCIAL PROPERTY CONSULTANTS

TIME TO ACT

The disruption and uncertainty caused by the pandemic has created conditions that could have a long term impact on commercial real estate.

Genuine workforce agility has been enabled and promoted through a combination of technology solutions and workplace design advancements. Coupled with the ongoing optimisation of both fixed and variable office costs, real estate is under the spotlight.

Every organisation should seize this moment to implement the learnings from the COVID-19 pandemic, analyse their present and future business objectives, and set about building and delivering a real estate strategy that supports, rather than inhibits their goals.



Return: In the immediate short-term, developing a strategy for the well-planned and safe return to the office in conjunction with effective communication and support, could make or break staff confidence and morale.



Revitalise: In the medium-term, aligning stakeholder needs and expectations with those of your workforce on core metrics such as productivity, efficiency and flexibility, will help to draw the roadmap for your future office model.



Transform: In the long-term, the office continues to play a vital role, with an inevitable evolution of its purpose and place. The scope and extent of that evolution will rest with each individual business. The 'new normal' for real estate is for you to decide, based on what is right for your business. The pandemic has torn up the rule book.



REIMAGINE YOUR OFFICE

It's time to take a fresh look at your real estate, leveraging the learnings and experience of real estate consultancies like DeVono Cresa to reimagine the office so that it:



Enhances employee productivity and retention in a world where new levels of permitted agility will become a major differentiator between employers



Encourages collaboration and provides the best environment for those serendipitous moments that bring about innovation and change



Facilitates workforce safety and both physical & mental wellbeing, and not just in the short-term



Contributes to business performance recovery

DeVono Cresa is an insights-led real estate advisory practice. We offer advice on how you can adapt, adopt and improve from the changes that this pandemic has compelled every business to make. The following pages outline our three-phase perspective – **Return, Revitalise and Transform** – and how we are working with clients to improve their unique workplace journeys.

WHAT'S YOUR NEW NORMAL

In this handbook, we outline the ways in which business leaders should approach commercial real estate decisions based on a short, medium and long-term strategy using our **'Return, Revitalise and Transform'** model.

The COVID-19 pandemic has challenged the long-held beliefs about the purpose and function of workplaces, and forced businesses to adapt to new ways of working. A well-considered commercial real estate strategy that heeds a 'COVID-19 secure' re-entry to the office, while prioritising employee safety, productivity and wellbeing, will be key to adjusting to the 'new normal'.

Throughout the pandemic, DeVono Cresa have helped clients overcome certain challenges – be it advising them on short term rent mitigations, carrying out 'Return-to-the-Office' risk assessments, or crafting their holistic real estate strategies.

For most businesses, **commercial real estate costs are the most significant financial commitment after the workforce**. The next 24 months represent a unique opportunity for businesses to re-evaluate their business model and, accordingly, their workplace footprint. A poorly considered real estate strategy can derail workforce transformations. We believe that **our years of experience in advising and supporting businesses on critical real estate decisions can help manage this transformation to your advantage**.

A MODEL TO SUCCEED

RETURN

REVITALISE

TRANSFORM

NOW

Q1/Q2 2021

MID 2022

END 2022

”

“The coronavirus, and its economic and social fallout, is a time machine to the future.

Changes that many of us predicted would happen over decades are instead taking place in the span of weeks.”

Anne-Marie Slaughter, lawyer, analyst and political commentator

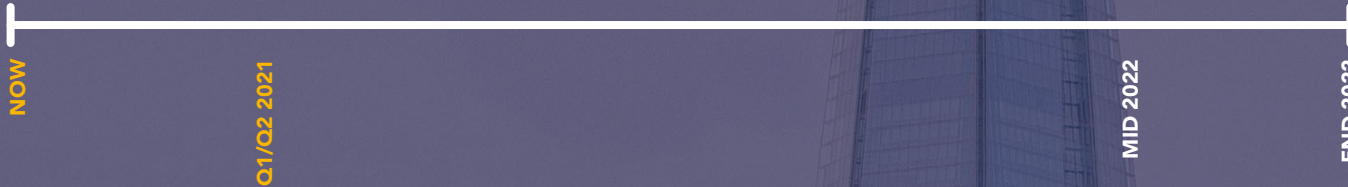
PHASE 1: RETURN

ADJUSTING TO THE NEW REALITY

TRANSFORM

REVITALISE

RETURN



PERIOD: IMMEDIATE / SHORT-TERM (0-6 MONTHS)

Businesses planning their re-entry to the office will need to communicate effectively, whilst keeping both employee wellbeing and cash management at the forefront of their decisions. This includes taking account of workplace requirements, as well as allowing for any future lease events or immediate shifts in required space.

ANTICIPATED SUPPORTIVE SERVICES



OCCUPIER
ADVISORY



FLEXIBLE
OFFICE SOLUTIONS



LEASE
DISPOSALS



DILAPIDATIONS



DESIGN &
BUILD



WORKPLACE
CONSULTANCY

RETURN-TO-THE-OFFICE ASSESSMENT

For a well-planned and safe return, businesses should conduct a Return-to-the-Office (RTO) risk assessment. Having conducted a large number of these assessments, our advice to firms is to communicate openly with employees as they plan for their return. Whilst the majority of firms maintain frequent communications with their employees, 37%* did not. A consequence of which is misinformation becoming widespread amongst staff. Areas of concern will need to be addressed and mitigated in accordance with government guidelines to ensure confidence amongst your people.

PORTFOLIO ASSESSMENT AND RECONCILIATION

We recommend that firms with one or multiple locations, assess their existing commercial real estate portfolio as a priority before returning to the office. Portfolio assessment can save crucial cash flow and better align real estate with the immediate needs of the business.

BRIDGING THE LEASING GAP

If your business has a lease event during this first phase, it is crucial to conduct a cost-benefit analysis to understand the most effective next steps, including the size of space and leasing model (traditional or flexible).



"We have worked with DeVono Cresa for a number of years, with their team supporting us through the various stages of our evolution. Like many businesses, we have had to meet the challenges resulting from COVID-19 head on and part of that has meant adjusting our real estate strategy. When we needed to understand our options and how best to progress we once again turned to DeVono Cresa."

Habito

*Source DeVono Cresa RTO Assessments

PHASE 2: REVITALISE

ALIGNING YOUR FUTURE OFFICE AND BUSINESS STRATEGIES

RETURN

REVITALISE

TRANSFORM

NOW

Q1/Q2 2021

MID 2022

END 2022

PERIOD: MEDIUM-TERM (6-18 MONTHS DEPENDING ON THE BUSINESS)

In this phase, firms should assess the impact and learnings of the pandemic on their business structure and operating practises, feeding these insights into a forward looking real estate strategy that is better equipped to handle future unforeseen events. Although market fundamentals are constantly evolving, businesses should also seek advice on how their strategy in the previous phase aligns with future anticipated working practices and the size of the workforce. Businesses should also focus on evolving their workforce strategy and adapt to new technologies.

ANTICIPATED SUPPORTIVE SERVICES



OCCUPIER
ADVISORY



LEASE
DISPOSALS



DILAPIDATIONS



WORKPLACE
CONSULTANCY



INSIGHTS

ALIGN BUSINESS GOALS WITH OFFICE DECISIONS

In this phase, a firm's management should be in a position to understand the business benefit (or not) of a 'hybrid workforce', where a combination of office based and remote working co-exist. The size of an office should fit the current needs of the business, whilst taking into consideration future headcount expectations. Firms should also pay close attention to the needs of their workforce and invest in complementary technology as required.

REVIEW THE LEASE

Upcoming options to break a lease, rent reviews and expiries, all present a business with an opportunity to enter into dialogue with their landlord, and revisit lease terms to their advantage. If such a 'lease event' is impending, businesses should bring a commercial property advisor on-board at the earliest opportunity and ensure that the event is prioritised as an opportunity to effect positive leasing changes.

DEVELOPING DEEPER INSIGHTS

In this phase, businesses planning their long-term real estate strategy should seek out deep sector insights and look for support from real estate consultancies capable of tracking industry shifts and trends, as well as wider market fundamentals. Location preferences, technology platforms, workplace design, client engagement and preferences, through to evolving working practices will all influence business decisions. The workforce is the most important asset to any company and the workplace should support this.

63% OF EMPLOYERS HAVE BEEN IMPACTED BY WFH OUR RTO ASSESSMENTS SHOW

24% TWO YEAR DECLINE IN OCCUPIER DEMAND DURING DOT.COM & GFC CRASH*

13% AVERAGE DECLINE IN PRIME RENTS DURING THE GFC

Source: DeVono Cresa Insights. *DOT.COM crash 2000, GFC crash 2007.

PHASE 3: **TRANSFORM**

Thriving in your 'new normal' and business strategies

TRANSFORM

REVITALISE

RETURN



PERIOD: LONG-TERM (18+ MONTHS)

By now your firm's business and the global economic landscape will likely be significantly different than at time of writing (Q4 2020). Your firm will have learned from the earlier two phases, surviving and recovering from the worst aspects of the COVID-19 crisis. Firms will also have renewed their business and operational model, formed a robust talent and workforce strategy, recovered losses or broken-even, and formed a view on the medium to long-term risks most likely to affect them. By understanding these fundamentals, businesses will be able to define the purpose and form of a workplace best able to support them.

ANTICIPATED SUPPORTIVE SERVICES



**OCCUPIER
ADVISORY**



**FLEXIBLE
LEASING**



**DESIGN &
BUILD**



**PORTFOLIO
SOLUTIONS**

DEFINING A LONG-TERM STRATEGY

In this phase, organisations should be aligning their long term business strategy with their real estate goals. They should have a good understanding of the evolving nature of their sector and their place within it. They should incorporate in to their real estate strategy an element of insurance against future uncertainty and risk, comparable to COVID-19. Firms should factor in a degree of flexibility in order to accommodate unforeseen business changes and opportunities. In the event of a merger or acquisition, special attention will have to be paid to amalgamate not just the physical space, but diverse workplace cultures and working practices.

UNDERSTANDING THE PURPOSE OF THE OFFICE

Though for some the 'hybrid workplace' model may work well, others will continue to see their requirement for a physical workspace influenced by business culture, technology adoption, agile working and business profitability. It is important for firms to be curious and introspective when seeking to define the purpose and value of the office, as a part of their overall business strategy.

FOCUSING ON THE LOCATION OF YOUR OFFICE

Though COVID-19 has called in to question the future of Central Business Districts (CBDs), firms should sustain their efforts to understand the importance of their office location for stakeholders, staff and their customers, and should periodically review and challenge these assumptions. Firms also need to analyse the need for one, or multiple locations (hub & spoke), and the use of the office as a part of their wider business strategy.

**UK GDP TOOK
5 YEARS
TO RECOVER POST GFC**
**EMPLOYMENT LEVELS TOOK
2 YEARS
TO RISE AFTER START OF GFC***

*Employment levels took 3 years to recover to pre-GFC levels.



**OCCUPIER
ADVISORY**



**FLEXIBLE
OFFICE SOLUTIONS**



**DESIGN &
BUILD**



**PORTFOLIO
SOLUTIONS**



INSIGHTS



**WORKPLACE
CONSULTANCY**



**LEASE
DISPOSALS**



**RENT
REVIEWS**



DILAPIDATIONS



**BUILDING
SURVEYS**



We offer independent, no-nonsense strategic and tactical real estate advice to businesses of all sizes and sectors, helping you to adapt, overcome, and prosper from the challenges you will inevitably face as your business grows.

ABOUT **DEVONO CRESA**

DeVono Cresa is the UK's leading tenant-only corporate real estate advisory firm. Our varied suite of services and expertise are designed exclusively to support 'occupiers'. Our core expertise is in corporate real estate leasing, and in the internal design-and-build of workplaces. It is through these lenses that we provide support and deliver our services.

We are unapologetic about our ability to provide the strategic and tactical support that our position as a 'tenant-only' advisory practice affords us – delivering genuinely independent and conflict-free advice. Every client of DeVono Cresa can expect and receives this from us.

DEVONO CRESA'S 2019 TRACK RECORD



DELIVERED OVER

£41M

OF PROPERTY-RELATED SAVINGS
TO OUR OCCUPIER CLIENTS



DELIVERED

256

PROJECTS FOR
OCCUPIERS



ADVISED

166

CLIENTS ACROSS
MULTIPLE SECTORS



TRANSCATED OVER

1.07M

SQ FT OF OFFICE SPACE
FOR OCCUPIERS



ACQUIRED

3,141

FLEXIBLE WORKSTATIONS
FOR CLIENTS



MORE THAN

200K

SQ FT OFFICES DESIGNED
& BUILT BY OUR TEAM

"DeVono Cresa provided us with strategic lease advice at an important time for the company. Their direct assistance and level of service has saved us both time and money while enabling us to continue supporting our clients through the crisis."

Walker Hamill

"Over the past few months Square One Resources have partnered with and worked continuously with DeVono Cresa. Their strategic advice and support has helped us shift to a more agile and flexible lease arrangement. Our workplace strategy is directly linked to our future health as a company."

Square One Resources

To find out more about how we can support your business, click [here](#)



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