

NEWS FROM THE MARKETPLACE

Sandton Central office space usage adapts

Much has been said in recent months about the dearth of office space use as we knew it pre-COVID.

Paragon Group



Owners need to work with tenants while having the flexibility to adjust spaces for relevance, with an offering underpinned by on-demand services.



Humans are social creatures who become more creative when they are together. Over time, companies may downscale their office footprints somewhat, but they will most certainly retain their office as a meeting point where staff, suppliers and customers can congregate to create, motivate and influence one another. This is the view of Barry van Wyk, a property specialist and chair of the Sandton Central Management District (SCMD) Marketing Committee.

Since the first building developed exclusively for offices arose some 300 years ago in London in 1720's, the office concept rapidly swept around the world. Over the centuries, the densities and the privacy that offices have afforded has altered in line with trends and tasks. They have shifted from dense rows of desks to open-plan spaces and from cubicle farms to today's more modern, agile and activity-based working designs.

"Is the rise in work-from-home the death of the office as we know it? Absolutely not," counters Van Wyk.

Van Wyk's view is echoed by Ridwaan Loonat, Property Analyst at Nedbank CIB, which has its head office in Sandton Central. "Office space is here to stay in our opinion as it preserves company culture, helps to attract talent, supports mentorship and encourages collaboration," he says.

Loonat notes the office segment was the property sector facing the most pressure going into COVID-19 but, in terms of rental collections during the lockdown and the months following, the sector has proven surprisingly defensive.

Some things will change, however. "In a post-COVID-19 world, we expect to see organisations adopting a hybrid model, combining working from home with local and head offices. They will re-look at office designs, ensuring physical distancing, and improving bathrooms, air conditioning and high-traffic touchpoints," Loonat points out.

Change is nothing new for offices

Offices have adapted throughout history, starting with their origins in ancient Rome.



Elaine Jack-CID Manager of Sandton Central

For centuries, people have been waking up and commuting to work or retreating to quiet workrooms.

Offices have been used by governments, trading companies and religious orders. It was not unusual for medieval monks, for example, to work in quiet spaces at a workstation comprising a desk, chair and storage shelves.

"While already emerging as a trend before lockdown, tailoring space to its use is going to be a big part of the office of the future. There will be spaces to meet and collaborate, to do admin tasks or to concentrate, rather than a staff member having one dedicated desk to do everything," notes Paul Kollenberg, Growthpoint Properties Head of Asset Management: Office.

Darryl Mayers, joint CEO of Investec Property Fund, suggests that owners need to work with tenants while having the flexibility to adjust spaces for relevance, with an offering underpinned by on-demand services.

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Amelia Beattie, Chief Executive of Liberty Two Degrees, believes that remote working brings new opportunities for innovation and doing things differently. "New formats and ways of working more efficiently will be top of mind for the leadership of businesses. As the world settles into different perspectives, so will the new demand and supply cycle emerge," Beattie says. Her company is exploring innovative solutions and new uses for space.

Larger determining factors

The biggest challenge for the office sector in South Africa, however, is a weak economy, which means fewer business opportunities, fewer jobs and lower demand for office space for now at least. The impacts of the work work-from-home trend are insignificant

For several years now, technology has enabled many employees to effectively and efficiently work from home. Before the pandemic, 15% of American office workers were already working from home and commuting to their offices intermittently.

on the sector, in comparison. But they cannot be discounted entirely.

And is Sandton ready to meet the challenge?

A preference for offices in amenity-rich environments was evident before the COVID-19 pandemic but has now been amplified. Sandton Central, which positions itself as South Africa's financial capital, is truly amenity-rich, argue the experts.

"Sandton Central benefits from a compelling and a well-managed infrastructure. It provides an exceptional experience for employees, clients and all business stakeholders. We have more offices than anywhere else in the country, many of them truly magnificent, modern and environmentally innovative," says Elaine Jack, City Improvement District Manager of SCMD. [†]