



# Office search efficiencies

*“Be prepared” sums up the mindset required for finding, securing, funding and moving to new office premises.*

A recent sentiment survey of Bayleys’ commercial leasing agents highlighted two key challenges in the current market. One is finding suitable premises that mesh with occupiers’ needs and wants, and the second is slow decision-making which is seeing many miss out on preferred space.

Bayleys’ head of insights, data and consulting Chris Farhi says there’s a lot of combined knowledge and market intel within the wider Auckland leasing team for occupiers to tap into.

“The team is well-connected, has up-to-date data available and is at the office leasing coal face every day talking to landlords and tenants.

“Occupiers should seek advice from agents about the likely timeframe required to source a property because lead-in times are critical, particularly for space in prime locations and for large premises.

“Start the process as early as possible, involve key stakeholders to confirm budgets and sizing requirements, and have a strategy or discussion paper that provides an early ‘in principle’ decision to help speed up subsequent decisions which often need to be made under time pressure.”

Farhi also suggests getting advice on fitout costs – even if these are rough estimates – as construction and material costs have the ability to surprise.

“These projections might influence or consolidate the type of options an occupier ultimately looks for, with turn-key premises complete with fitout proving attractive for those wanting an upfront figure to work from.”

## LOCATION CONSIDERATIONS

On the subject of fitout costs, Steve Rendall, Bayleys’ national head of occupier strategy and solutions says businesses should make provision for capital expenditure to complete any fitout, and communicate and obtain budget approvals internally.

“While many lease transactions can remove tenant fitout capital costs through landlord incentives or landlord completion of fitout, it is best for tenants to be prepared to invest in fitout, so they can consider all options equally.”

As with most real estate decisions, location remains a paramount driver when considering office space.

“Think about where key stakeholders and staff are coming from within the city, in order to prioritise certain locations,” says Rendall.

“For example, with all other things considered, employees living in the east of the city generally prefer options on the eastern side of the CBD and in Newmarket or Parnell. Conversely, employees living in the west and coming from the North Shore prefer options on the western side of the CBD and in Ponsonby or Freemans Bay.

“Transiting across Queen Street from either direction remains challenging, which also brings public transport options into play. Early thinking around proximity to bus, rail and ferry links makes the prioritisation of location options easier and faster.

## ALIGNING WITH CORPORATE GOALS

From a property management perspective, Tiana Warren, Bayleys’ head of corporate and occupier services says clients have a discerning checklist of priorities and preferences when it comes to workplace needs.

“The attraction and retention of staff, meeting productivity goals, and alignment with ESG strategies means well-located premises with easy access to transport hubs is crucial.

“Quality premises that include premium end-of-trip facilities for health and wellness commitments and active commuters, have high seismic credentials, and that embrace building sustainability initiatives like Green-Star or NABERSNZ are highly sought-after and actively competed for.

“Occupiers are taking a pragmatic view of how their workplace fits within their wider business outlook and are prepared to change things up when required.”

## PLUG AND PLAY CONVENIENCE

Businesses of all sizes are continuing to right-size their physical office space commitments. Bayleys’ leasing broker, Charlie Anderson says small to medium size enterprises (SMEs) are increasingly turning to “plug and play” executive suites – an office model that has gained traction in recent years and which takes upfront fitout costs away from the decision-making process.

“These suites tend to be within large, high-quality corporate office towers that have historically only accommodated large corporates across full or half floor plates. It’s giving SMEs the opportunity to occupy high-quality work space in well-located buildings that they otherwise may not get a chance to work from.

“Often landlords will build suites into their buildings with a view that smaller businesses could grow and later relocate into larger spaces within their portfolios.”

These turn-key suites are well-specified with soft fitout and furniture, include open plan work space and meeting room space, and often benefit from high levels of client-facing amenity with the likes of cafes at lobby level.

“There’s also additional flexibility in some buildings with shared space that can be accessed when required via a booking system which works well for times when additional staff are brought on to help with a project, for example.

“Another benefit of these executive suites is a more flexible lease term structure, and more simplified binding heads of agreement.”

