



# BUSINESS

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# Reports of office's death are 'greatly exaggerated'

A survey by D2 Real Estate has backed office working

REPORTS of the office's death have been 'greatly exaggerated', according to new research by Channel Islands commercial property experts D2 Real Estate.

That showed that the average rating of the importance of the office by 145 of the Channel Islands' leading companies had actually gone up since its previous survey on the future of the office a year ago.

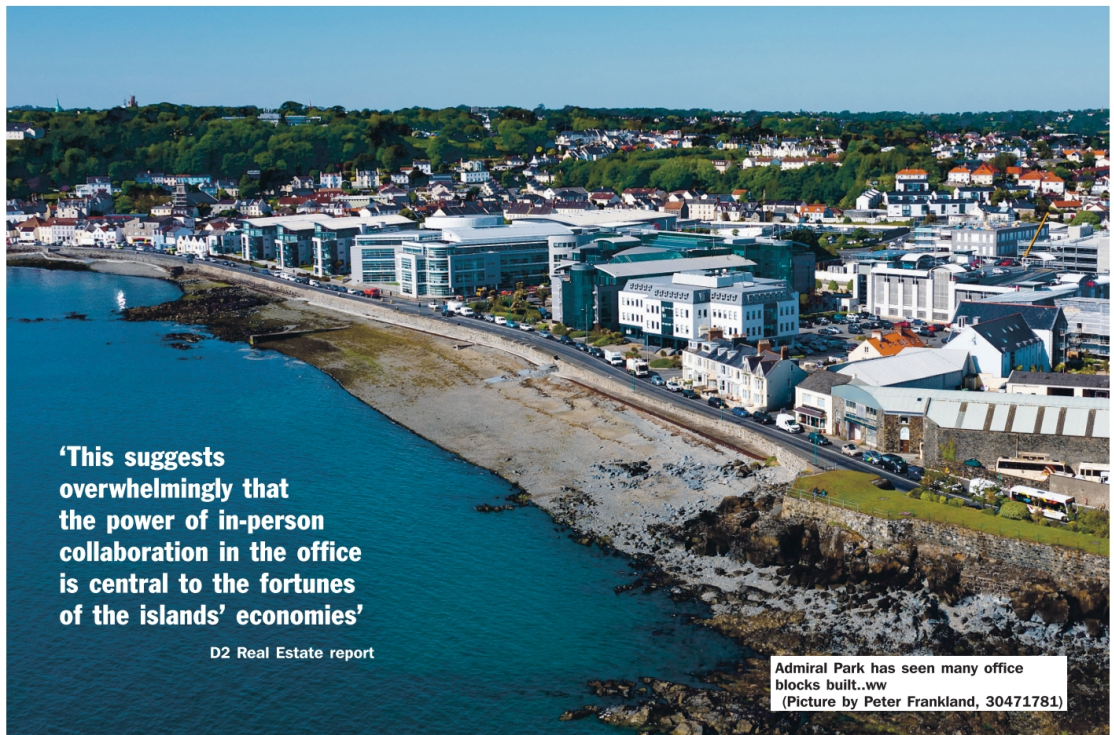
Asked to score the role of the office from one being 'not at all important' to five being 'essential', the average score in the firm's latest survey had gone from 4.31 to 4.63. Not one response gave a score of either one or two.

'Reports of the office's death have been greatly exaggerated. The office remains highly relevant to occupiers,' said the D2 Real Estate report. 'This suggests overwhelmingly that the power of in-person collaboration in the office is central to the fortunes of the islands' economies.'

On the issue of floor space requirements within the next five years, the latest findings from surveyed firms were broadly in line with the previous year.

The most popular response in the new survey was that it was likely remain unchanged at a little over 45%.

But one in five expected their floor space requirement to rise by more than 10%. Just under 15% said it would rise by up to 10%, while 15% said it would fall by more than 10%. A handful said it would fall by up to 10% over five years.



**'This suggests overwhelmingly that the power of in-person collaboration in the office is central to the fortunes of the islands' economies'**

D2 Real Estate report

Admiral Park has seen many office blocks built..ww  
(Picture by Peter Frankland, 30471781)

The report also noted that other shifts had been seen, especially around the importance of staff wellbeing, with occupiers investing in premises or relocating to better quality workplaces.

'As our survey reveals, many key functions are considered better suited to the office but to attract and retain talent, which

is critical due to the Channel Islands' limited labour pool, businesses are keen to make the workplace attractive and welcoming,' said D2 Real Estate.

This in turn had filtered through into the occupational market, with a flurry of new enquiries in late 2021. Occupiers were still entering into long-term lease com-

mitments and rents were stable.

'Long-term lease commitments and strong covenants are attracting a variety of investors, particularly from overseas, with the first US REIT [Real Estate Investment Trust] entering the market. Liquidity is improving as new funds are being created and the local HNWs [high net worths] are mak-

ing investments up to £50m. with no debt.'

Environmental, social and governance concerns were also gaining momentum - with 25% of respondents naming it as their second priority in taking/retaining office accommodation behind staff wellbeing at just over 50%.

## Three in 10 firms offering 100% flexibility - survey

THREE in 10 firms are offering 100% flexibility for staff on working from home. That compares to just over 10% offering no flexibility, according to a survey of 145 leading firms in the Channel Islands by D2 Real Estate.

A quarter of those firms sur-

veyed were flexible depending on the task. Just over 5% offered one day a week, while 20% offered two days a week with 5% offering three days a week work-from-home flexibility.

'The responses to this question reveal the importance of a de-

gree of flexibility between office and home working,' said the report. 'Our own experience tells us that situational judgement plays an important part here, and on occasion working from home to deal with a specific task can be more efficient without typical

office distractions.

'Since companies were obliged to work from home everyone now has suitable IT capability and has worked out a home-working approach that suits them. It is therefore not surprising that flexibility is now offered in the majority

of cases.'

The research also found that just over 25% of firms wanted 90 to 100% of their employees working in the office to achieve optimum performance compared to fewer than 5% who were content to have 0 to 25% in the office.

## Firms taking opportunity to upgrade and relocate

Alex Titheridge, managing director of D2 Real Estate, Guernsey, reflects on the way the traditional office has bounced back

EARLY in the pandemic the need for office space was questioned, as occupiers could work from home. By late 2020 we began to see this thinking challenged, and this year's results make clear reading. Quite simply, businesses believe many of their core functions require an office. Most businesses are now set up to offer the option of home working, and a degree of flexibility is allowed, particularly given the high priority cited for staff wellbeing. This has filtered through into the market with many occupiers refurbishing

their premises, and creating collaborative spaces. For many reasons, not exclusive to home working, some space is being released, but we are also seeing a high level of new enquiries, with some occupiers taking the opportunity to upgrade and relocate to prime locations. Our survey reveals the Channel Islands' unique occupational market dynamics compared to other jurisdictions, with several distinctions, such as shorter commutes and minimal office supply, which is reflected in rents and pricing.

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Alex Titheridge, pictured

