



suburbanalliance.com.au

Distributed Workplace Study

Commissioned by the Suburban Alliance

Study & Report delivered by AB Plus - November 2020

abplus.com.au

Gold Sponsor



Silver Sponsors

**SPRINGFIELD
CITY GROUP**



AB+

Findings Snapshot

This independent market review undertaken by **AB Plus** was commissioned by the **Suburban Alliance** a not-for-profit collaboration of people and businesses who believe that opportunities for greater suburban quality of life, business opportunity and economic expansion could receive more attention and support than they currently do - suburbanalliance.com.au

Suburban Alliance and AB Plus gratefully acknowledge project sponsorship from Moreton Bay Regional Council, Logan City Council and Springfield City Group to enable this review to be undertaken.

Through this study, the Suburban Alliance sought to understand to what extent major CBD corporate tenants are considering distributed workplaces, what models (including hub and spoke models) were they considering or planning, and to what extent Brisbane suburban and other South East Queensland commercial centres were likely to be impacted.

AB Plus undertook in-depth interviews and conversations with over 30 key organisations (representing a broad set of industries) and reviewed media as well as public and private reports. This research engaged a broad cross-section of corporate tenants of various industries and sizes, commercial agents/advisors and major building owners.

KEY FINDINGS

Intention to change existing workplace arrangements

- **88% of all participants** reported that they are currently considering / their customers are considering changes to their workplace or have already begun making changes, including relocation, contraction / expansion of floor space and/or reconfiguration of existing spaces.
- **83% of all participants** planning to make workplace relocate regard cost savings and increased flexibility for lease arrangements as the two most important change benefits tenants seek.

Distributed Workplace Intentions

- A number of workplace models are being considered by tenants, all with some element of a distributed workforce. **The predominant model reported was a CBD-based office + working from home arrangement.** The second most common model included a suburban office + working from home arrangement.
- **100% of all participants** reported that tenants having a portion of their staff working part-time from home will be part of normal workplace arrangements moving forward, with **employees on average spending 1-2 days per week working from home** the most common response.

Suburban Locations – Opportunities and Challenges

- For some types of businesses and some business functions such as **back of house and call centre-type functions**, suburban locations clearly have potential appeal.
- **19% of tenants** reported that they are either already adopting or are considering a suburban location as part of their future strategy.

Other Insights

- Participants expressed a strong **focus on both talent and wellness** moving forward, related to both retaining existing workers and attracting new workers.
- Where possible, **tenants have either paused decision making, or deferred timing by extending leases for a short term. Building owners are now offering 'Core + Flex' spaces** within a leasing package that provides for tenants' changing needs.

Key Findings (continued)

Top Distributed Model Benefits Identified
1. Cost savings
2. Business & workplace flexibility
3. Staff retention
4. Increase employee engagement
5. Reduce ongoing business risks associated with workplace leases.

Hub & Spoke Model Challenges
1. Staff Connectedness – Perception that staff located in suburban spokes will find it harder to connect with and learn from colleagues.
2. Maintaining Existing Culture – Perception it will be more difficult to build and maintain organisational and team culture.
3. CBD Visibility – Concern staff moved to suburban locations may see relocation as less visible in the market or their business.

Perceived Suburban Benefits
1. Lower cost than CBD / CBD fringe
2. Good access to road networks (dependent on location)
3. Access to parking for employees and clients
4. Accessibility to clients (dependent on type of business)
5. Lifestyle opportunities for workers to support talent attraction.



Examples of suburban locations identified

We hope the insights provided in this *Distributed Workplace Study* snapshot are useful to your organisation.

Should you wish to understand the more detailed study findings, please contact:

Alex Blauensteiner

0466 502 053

alex@abplus.com.au