

Grade A office stock in Birmingham city centre is being absorbed at such a rate that property experts are predicting a supply crisis from 2013. Due to the lack of alternatives, many occupiers will be forced to remain in their current premises. For existing landlords prepared to invest in and upgrade their office stock, the changing supply market means there is a real opportunity to add value to their investments and secure longer-term commitments from existing tenants. **Nick Gibb**, Midlands' preconstruction director at contractor Willmott Dixon, explains

Despite the recession, the availability of Grade A office stock in Birmingham city centre has fallen for three years in succession. Less than five per cent of available stock is currently vacant.

What's more, the lack of speculative development – there is just one scheme with a speculative element on site, Hines' and Ballymore's Two Snowhill – means the pipeline will not be supplemented any time soon.

This is significant, not least because office agents are currently predicting a record number of lease events between now and 2016. During this time, some 1.1m sq ft of space will come under review.

For the city's indigenous occupiers, the choice of new space will be extremely limited.

However, while many tenants aspire to occupy new Grade A accommodation, the reality is that second hand space need not necessarily mean second best.

Refurbishment offers the opportunity not just for cosmetic improvements, but also achieving significant cost savings: a compelling argument for any tenant in these challenging economic times.

Whilst new buildings are increasingly environmentally friendly – no new building worth its salt would be complete without its BREEAM rating – in contrast, just two per cent of existing stock is less than five years old.

The emissions from this stock are becoming a real challenge, not just on a macro level as the country seeks to reduce its carbon emissions by 50 per cent by 2025, but also for landlords whose tenants are seeking to wrestle service charge savings, reduce their operating costs against a backdrop of rising fuel prices, and enhance their corporate reputation.

Delivering solutions in the low energy retrofit market depends on an understanding of the life plan of any given building. Bespoke solutions are built around plans that factor in a building's tenure, planned and preventative maintenance and legislative requirements as



Above: Willmott Dixon Interiors recently worked with the Birmingham and London offices of accountancy firm Mazars introducing large open plan spaces, hot desking areas and 'hot' offices for visiting clients and staff. Right: Nick Gibb

Staying put does not have to be Plan B

well as the owner's aspirations for the premises.

Before they can embark on any improvements, landlords need to establish how their buildings are currently performing. This will require a technical investigation, starting with a structural examination, an assessment of performance standards, review of equipment and feedback from occupiers.

Willmott Dixon recently undertook an in-depth energy and building fabric survey at Birmingham City Council's College Road offices. The survey identified a wide range of measures for improving the 1970s building, including heating system upgrades, wall insulation and improvements to lighting systems. Measures were also identified to improve service controls and energy management within the building, providing a total package of measures that would deliver a 35 per cent reduction in building carbon emissions. The invest-

ment required to achieve this would be returned in less than three-and-a-half years.

In most cases, a guaranteed level of annual energy savings can be achieved. A full range of energy conservation measures will be assessed and from these an optimised solution can be developed.

Implementing agreed solutions, whether that's retrofit or major refurbishment, needs to be planned to ensure minimum disruption for existing occupiers. It can also be done as part of a diverse works package and co-ordinated with on-going maintenance plans.

Once installed, it is important that energy performance is continually verified. Savings are best monitored by certified engineers, working to the International Performance Measurement and Verification Protocol (IPMVP). Working with both landlords and tenants to implement robust energy management and

behavioural plans can help extract even more savings.

Ska ratings are another means of measuring non-domestic sustainable fit-outs. This is essentially a BREEAM-type assessment system, but specifically tailored for fit-outs, and recently adopted by the Royal Institution of Chartered Surveyors.

Of course, it isn't just about meeting green standards. A new office – whether that involves a move or transforming existing space – is also an opportunity to change the way people view their workplace, boost productivity and encourage a more dynamic attitude to work.

Interior design needs to start with a workplace consultancy. This can involve one-to-one interviews with key personnel and staff workshops, head count, storage and technical audits, and new business appraisals. Creativity and design need to be combined with a practical approach. The project also has to be



tightly managed, so it comes in on set budget and time constraints, and with minimum disruption to the running of the business.

Willmott Dixon Interiors recently worked with the Birmingham and London offices of accountancy firm Mazars. The firm's high profile move of 130 staff from two offices in the Midlands to 45 Church Street in Birmingham gave them the opportunity to reassess their working style, introducing large open plan spaces, hot desking areas and 'hot' offices for visiting clients and staff.

The looming office supply crisis will undoubtedly prove challenging for the city, particularly in its bid to attract inward investors. However, for indigenous landlords, it will be an opportunity to rethink existing office buildings. While for occupiers, staying put need not be a Plan B.