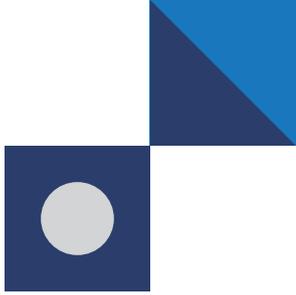


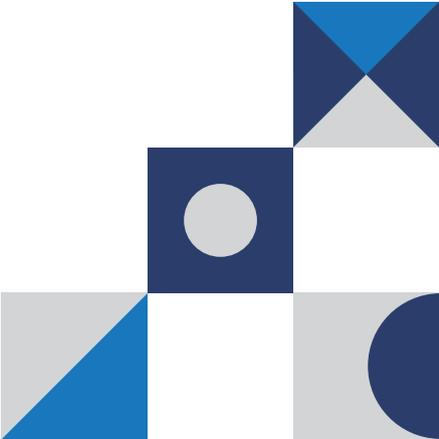
business — link

Workplace  
**Flexibility**  
Vademecum



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# Introduction

We have decided to publish this material for two reasons. First, the past year was challenging, during which a number of concerns regarding the future of the office market arose, as did expert opinions in response to them. We wanted to collate and present them to the reader in the form of a vademecum in order to let readers decide for themselves what appear to be the current key trends. Second, April marks four years since flex space operator Business Link joined the Skanska Group. This is probably the best time to share flexible workplace practices. Conversations about managing uncertainty and achieving agility in workplace organization haven't been this critical in many years, and we have excellent know-how in this particular area. After all, we were the first developer to invest in a flex operator.

2020 can undoubtedly be viewed as having been a breakthrough year. Within days, sometimes hours, we were forced to rethink our habits and rearrange our plans for the future - near and distant all to remain safe and limit the spread of the virus. Uncertainty became a permanent part of our everyday lives. As a result, our workplaces - the second most crucial environment in which we had spent time up till then - had to adjust. From the perspective of the experience of the past months, we know that the pandemic constitutes **rather a substantial evolution than the catalyst for a revolution**, accelerating the ongoing changes in real estate strategies that would have otherwise taken years to implement.

Furthermore, we know already that **the traditional office will not disappear** as it is crucial in building both a sense of belonging and the culture of an organization, and the office is absolutely irreplaceable as somewhere employees can come

up with creative solutions during face-to-face meetings, inspire each other, and build relationships. These aspects are invaluable from the point of view of the company's long-term development, yet are difficult to accomplish online.

Other critical trend we have observed include the **search for the perfect balance between** the traditional office, home, and flex spaces - the latter being given increasing attention due to global uncertainty and the desire to sustain this new way of working. The pandemic has visibly accelerated **the shift towards flexible workplaces management strategies. And we are to help.**



**Katarzyna Zawodna-Bijoch**

President and CEO

Skanska Commercial Development Europe



# Corporate perspective

When setting up the Kraków branch of our Frankfurt-based company, we knew we wanted our office to be located in a prestigious and well-connected location in the center of Kraków. We are a highly specialized and boutique organization with a wide variety of roles, so we needed to ensure that we have a space that caters to various needs: focus/deep work, team work, brainstorming sessions, and then, of course, a rest area in which to relax. The design, furniture, and materials used - soft, welcoming, and calming - are all part of a carefully chosen fit-out. Our space reflects company culture and fulfills internal safety and security requirements.

Until we were able to move into our dream core office, for a good couple of months we swung Business Link's flex space.

Flex space happened to be an ideal solution. It entirely focuses on strategic planning and business decisions without needing to think about having a place to work. When changes happen fast and often, it is possible to adjust office capacity regularly. Flex space grows with the business. In our case, we started with two workstations and ended up with almost 90. The icing on the cake was that Business Link was adjacent to the building in which our office was located. Coordinating the fit-out and preparation was much more convenient and quicker for us.

In the time of the pandemic, we are struggling to make any future plans. However, we can observe emerging trends in how the office will be used. We can expect that our experts can work effectively and efficiently from home, but they want to have face-to-face interaction and socialize with colleagues. No one knows what the future will bring and how we will work. If we are given the choice, for sure the vast number of us will not choose to return to working at the office from Monday to Friday. We have had a lot of time to learn how to work efficiently from home. When the pandemic is over, we will all be rediscovering the office and our reasons for using it.

Will all of these things impact how our offices are arranged and planned? Perhaps yes, because our expectations will change. We will want to ensure that employees can do regular and focused work, with maximal environmental comfort - in terms of temperature, humidity, and lighting etc. - and provide them with decent-sized spaces for interaction and collaboration between colleagues who don't know each other. Technology enables multiple modes of working. Extra entertainment (games and music) and relaxation space (for yoga etc.) would probably bring more people into the office. By the same token, we will be fine with having smaller office spaces.



**Sylwia Kwinta**  
Office Manager  
Universal Investment



# Key market findings

Skanska is an experience-based company that has been on the market for more than 130 years and has faced many challenges and downturns. We operate multinationally, which is a great advantage in times of crisis as we are able to draw experience from very mature markets, such as the United States and Scandinavian countries. International cooperation makes it easier to solve complex problems, such as operating in times of a pandemic. Skanska was also the first in Poland to make a move to invest in a flex space operator, Business Link, almost four years ago. The experience we have garnered over the years has led us to a strong belief in the future of flexible workplace strategies.

Nevertheless, the vademecum would not be complete if we did not take the trouble to gather and analyze other market participants' predictions for the office real estate market. These confirm, among other things, that our observations can be summarized in five key findings:

1) there's a **70/30 rule**; 2) that **those who wrote off physical offices were wrong**; 3) that **for flex, it was just a pitstop**; 4) that there's an **unavoidable clash of expectations**; and 5) that geographical **dispersion is once again an ideal choice** for the corporate world.



**Maciej K. Król**  
Chief Operating Officer  
Business Link





## 70/30 rule.

Companies will search for a combination of long and short-term workplace engagements, leveraging even more widely distributed and fluid spaces such as flex space, thus introducing strategies for a well-thought-out workstation pool division. 30% will serve as a „third space“: physical workspace between the office and home but without the distractions of either. On the one hand, this will be possible thanks to the trust gained almost overnight in the „working from everywhere“ approach or due to using new digital tools. On the other hand, corporations working more and with greater flexibility while looking for business resilience and continuity will see a financial advantage in incorporating flex spaces into the workstation pool. Designed practically for times of uncertainty, they offer reduced risk associated with long-term lease agreements or a pay-per-use approach. They are thus acting as a perfect buffer for everything unforeseen.<sup>1 2 3</sup>

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<sup>1</sup> JLL; *COVID-19 IMPACT: offices will find a new purpose. Workforce insights on human performance. Global*; July 2020

<sup>2</sup> Savills; *Time to transform. Workplace Post-Covid 19: Trends, Predictions, Facts*; July 2020

<sup>3</sup> CBRE; *The Future of the office survey*; September 2020



## Those who wrote off physical offices were wrong.

Despite the initial assumptions that a lockdown and forced home-office environment would almost completely deprive the company's physical headquarters of its meaning, reality and employees' feelings of well-being measured during the pandemic showed a slightly different picture of the future of traditional offices. The traditional office is not about to vanish, but its purpose will be redefined. Research has shown that workers have missed their offices, claiming that they find the in-office ergonomics more satisfying. Corporate HQs have proven to fulfill the broader dimensions of work by providing an opportunity for staff to collaborate, connect, and be inspired. Therefore, the office will remain the primary place of work, leveraging its hospitality, and being somewhere we will certainly not spend as much time as before, yet still a significant amount.<sup>4567</sup>

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<sup>4</sup> Cushman & Wakefield; *The Future of Workplace. How will COVID-19 and data shape the new workplace ecosystem?*; 2020

<sup>5</sup> Savills; *OFFICE FIT SURVEY RESULTS. The office is vital, but needs to change*; 2020

<sup>6</sup> JLL; *When home is the new office*; May 2020

<sup>7</sup> JLL; *COVID-19 IMPACT: offices will find a new purpose. Workforce insights on human performance. Global*; July 2020



## For flex, it was just a pitstop

Offering access service in a flexible formula has its price. Flex space operators were on the front lines of quick termination of contracts and temporary suspension of decision-making. Strong players, those with a good funding reserve and cash-flow that allowed them to survive this most challenging time, will come away unscathed. The recovering demand will gain in strength. Corporate clients, who are critical to building a healthy tenant portfolio and have experienced unpredictable and sudden changes, will look for better business sustainability and be less willing to commit to large and long leases, opting for more flexible workplace solutions to reduce costs. Be assured that the flex approach will be rediscovered in mixed-solution real estate strategies.<sup>8 9 10 11 12 13</sup>

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<sup>8</sup> JLL; *COVID-19 IMPACT: offices will find a new purpose. Workforce insights on human performance. Global*; July 2020

<sup>9</sup> JLL; *The impact of COVID-19 on flexible space. What the future holds in a fast-paced world affected by the pandemic*; July 2020

<sup>10</sup> Colliers; *FLEX FORWARD. The Flexible Workspace Report (EMEA), 2020*

<sup>11</sup> Knight Frank; *12 dynamics of the post-COVID-19 workplace*; July 2020

<sup>12</sup> Cushman & Wakefield; *Do amenities still matter in a post-COVID-19 world?*; November 2020

<sup>13</sup> EY – ULI; *Future of Work. A global real estate player's point of view on the Future of Work and its impact on real estate*; October 2020



## The clash of expectations.

Developers of commercial office property will increasingly be on the spot. Basing their model of efficient leasing while the project is at the development stage or under construction and then selling the building even more efficiently, developers will be caught between two strong expectations. On the one hand, tenants will push for shorter leases for smaller spaces. On the other, investors interested in buying the building will still require well-secured, long-term leases. The solution to being between a rock and a hard place seems to be flex, which can be an ideal complementary solution to an extended lease agreement. For example, certain corporate functions requiring permanent employees will continue to exist subject to traditional contracts. On the other hand, creative tasks that are variable in terms of the number of FTEs required and the type of tasks performed will be able to nestle into flex space. Thus, both in the building or close by, core & flex will be quite in the investor's favor.<sup>14 15 16</sup>

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<sup>14</sup> JLL, Skanska; *FLEXcellent Working*, November 2020

<sup>15</sup> Colliers; *FLEX FORWARD. The Flexible Workspace Report (EMEA)*, 2020

<sup>16</sup> EY – ULI; *Future of Work. A global real estate player's point of view on the Future of Work and its impact on real estate*, October 2020



## Dispersion as an ideal choice for the corporate world

In the search of the golden mean, employers have come to terms with the fact that the corporate HQs are not the only stronghold that guarantees digital safety and efficient work. This paradigm shift has reopened the option to source employees from regional talent pools and recalibrate real estate strategies by including smaller cities in the workstation footprint. Thus, regional spokes-satellites will be back in favor. Additionally, the drive for non-core office locations within cities, so present in the „15-minute city“ concept, underpinned mostly by employees’ desire for shorter commuting times, could result in the development of smaller offices on the outskirts of cities. Regardless of the scale of dispersion, we are bound to hear about hub-spoke/satellite strategies with traditional, core offices in the hub role and flex spaces in the satellite or spoke.<sup>17 18 19</sup>

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<sup>17</sup> JLL; *The impact of COVID-19 on flexible space. What the future holds in a fast-paced world affected by the pandemic*, July 2020

<sup>18</sup> Savills; *OFFICE FIT SURVEY RESULTS. The office is vital, but needs to change*, 2020

<sup>19</sup> Bain; *Flex for Success: Five Practices That Build a Flexible Workforce*, August 2020

# Key flexible workplace strategies

At Skanska, we are convinced that the pandemic, which has brought about a global and urgent need to make workplace commitments more flexible, will undoubtedly propel flex forward. It has highlighted the advantages of the flex sector, which we started to focus on four years ago. We were the first developer to invest in the then-largest operator in the CEE region - Business Link. We have witnessed a tremendous change in this company, which was initially focused on acquiring and servicing start-ups and freelancers, and is now hosting employees of the largest international corporations in its workspaces. Having chosen a corporate segment, we decided to buy the remaining shares in the venture to further strengthen the way our companies work together. We are focused on the five best and most dynamically operating locations, based on which we are currently building our joint flexible workplace offer.

We would like to summarize our experience and share our best practices of how traditional offices and flex spaces complement each other. Let us present you with four specific use cases that we have been consistently offering to our clients for nearly four years now, and which may become even more popular in the not-so-distant future: 1) **core&flex**; 2) **satellites (hub&spoke)**; 3) **growth**; and 4) **swing**.



**Arkadiusz Rudzki**

Executive Vice President Leasing & Sales  
Skanska Commercial Development Europe

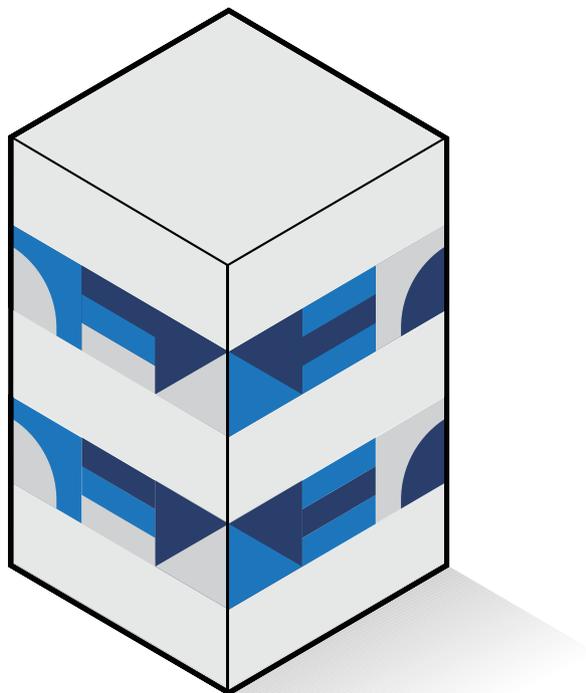


# Core&Flex

**Strategic: deliberate, resulting from workplace strategy, a combination of traditional (core) and flex space. Already envisaged at the time of searching for and contracting target office space.**

**Temporary (occasional): resulting from current needs, expansion of traditional (core) space by additional office resources in flex space, available optimal conditions within or near to an office complex already used by the company. Flex space in the corporate workspace inventory was not considered in the initially contracted workspace.**

**Whether strategic or temporary, core&flex use case means that both types of workplaces are incorporated into the corporate workstation pool at the same time.**



## Key decision drivers

- Seeking office strategies that guarantee business resilience and continuity
- Restructuring long-term liabilities
- Reducing costs when increasing/decreasing business operations
- Looking for office strategies with optimal environmental impact – as even empty workspaces generate costs.

## Use case

One of the world's largest producers of insulation materials, due to lack of space within its core office, included flex space in its workstation pool which was available within the same office complex. **Thus having a temporary core&flex workplace strategy** in Business Link Maraton (Poznań).



## Did you know that?

**75% of employees**, when asked whether working from a shared space would be an option acceptable to them, said that it would be, at least for a short period (Source: CBRE)<sup>20</sup>

**66% of real estate players** think that flexible lease contracts will become the new normal (Source: EY)<sup>21</sup>.

**32% of office workers** currently work according to a hybrid model, from undefined days (from time to time) up to shifts (on specified days or during certain weeks) (Source: Skanska)<sup>22</sup>.

<sup>20</sup> CBRE, *Work From Home Survey*, 2020

<sup>21</sup> EY – ULI; *Future of Work. A global real estate player's point of view on the Future of Work and its impact on real estate*, October 2020

<sup>22</sup> Skanska, *Attitudes of office workers to work from home vs working in the office*, 2021

# Satellites (hub&spoke)

A strategy for when a single, central HQ and employees' own homes are not enough. A „third place“ is added. The network interconnects HQs, homes, and smaller offices within a city (hub in core & spokes in flex spaces) or between numerous cities (satellites in flex) with one central hub (in core).

## Key decision drivers

Strengthening the corporate physical presence in regional markets (e.g. sales reps dealing f2f with clients)

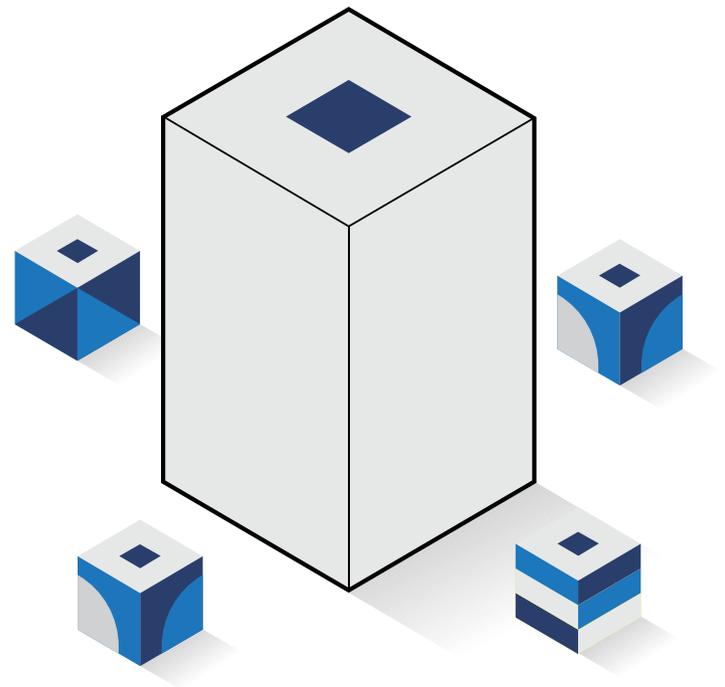
Having access to local talents pools

Providing a uniform standard for regional offices based on a particular flex operator's network

Employees having a strong desire to shorten their commuting times and be provided with a proper standard of offices when travelling on business

## Use case

One of Europe's leading **bicycle manufacturers** opened a **satellite office** in Business Link Astoria (Warsaw), mainly for two reasons: the decision not to keep on stand-by desks that are not currently in use, and staff from the creative departments (marketing and customer satisfaction etc.) pushing to work at a location away from the factory.



## Did you know that?

**Almost half of employees** go to the office every day, despite over 60% of respondents claiming that they do have comfortable working conditions at home. (Source: Skanska)<sup>23</sup>

**Over 5,000** co-working spaces, including Business Link venues, are already available in Colliers Mobility Pass – an innovative tool that facilitates the hub & spoke model.

A **minimum of 10%** of companies' office space portfolios are expected to be flexible within three years, according to almost half of respondents surveyed by Colliers<sup>24</sup>.

<sup>23</sup> Skanska, *Attitudes of office workers to work from home vs working in the office*, 2021

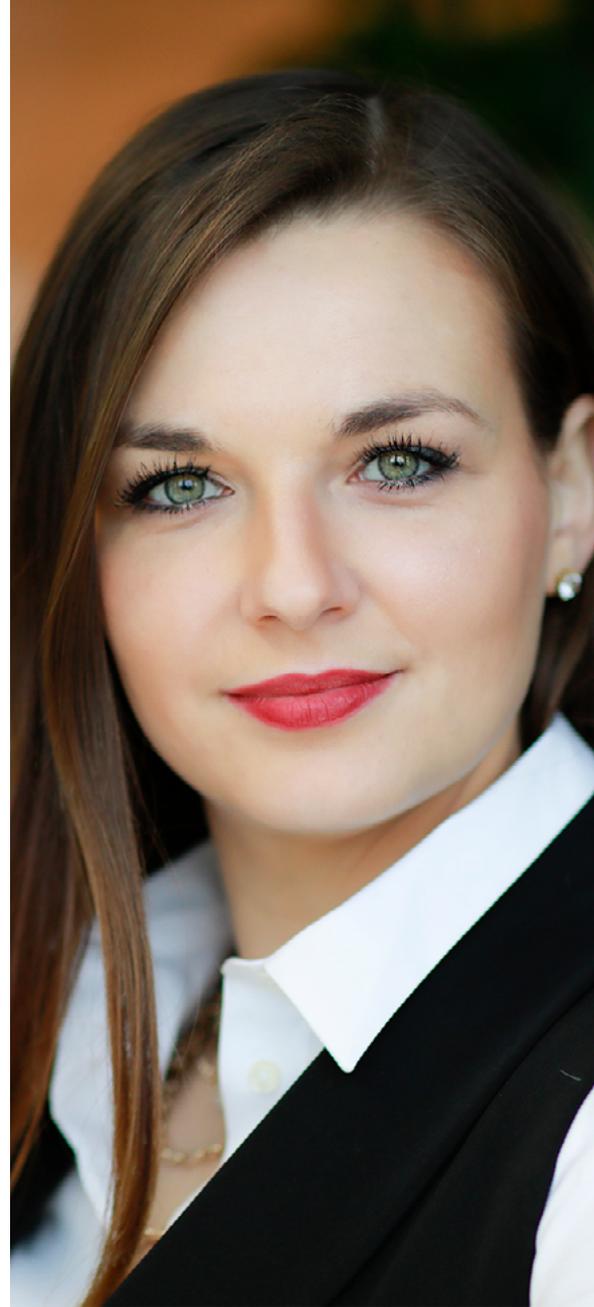
<sup>24</sup> Colliers; *FLEX FORWARD. The Flexible Workspace Report (EMEA)*, 2020

# Adviser's perspective

**More and more companies re-evaluating their real estate strategy want to add more flexibility and allow their employees to work not only from home, but actually from anywhere.** The choice of space available from which to work will get ever greater, resting mainly with employees. This is a very interesting aspect as commercial real estate decisions previously made by top level management will now be made by the end-user. **An individual will be able to decide whether to work from the company headquarters, a hub, home, or check in to a nearby flex space.** These decisions may vary over the course of days, weeks and months, depending on the business situation.

To give a broader context to the growing popularity of flexibility in general, it is worth bearing in mind the concept of the 15-minute city, which is being widely promoted by urban planners. The idea is based on a simple rule of urban living – whereby all types of space that humans need to live and thrive should be reached within 15 minutes. Carlos Moreno, a professor at The Sorbonne, shows in his research that the concept of the 15-minute city can be one of the most impactful ideas for the sustainable development of our planet. Not only does it bring CO2 emissions down, it can also significantly improve well-being. The six essential social functions of an urban area namely living, working, supplying, caring, learning, and enjoying, need to be brought together within the neighborhood.

Before the outbreak of the Covid-19 pandemic, it may have seemed that the concept would require a lot of time to be implemented and that we might not be ready for such a big change yet. Currently, with remote work happening all over the world, individuals can not only see great benefit in reducing commuting times and having more flexibility in the way they work, but finally, organizations have also understood that one centralized office is not future-proof. **Therefore, we expect that all core & flex workspace strategies, especially the hub & spoke model, seem to have a great chance to grow in the coming years,** not only to deliver a better employee experience, but also savings and risk management to tenants.



**Renata Hartle**

Flex Office Strategy & Technology Solutions  
Colliers



# Growth

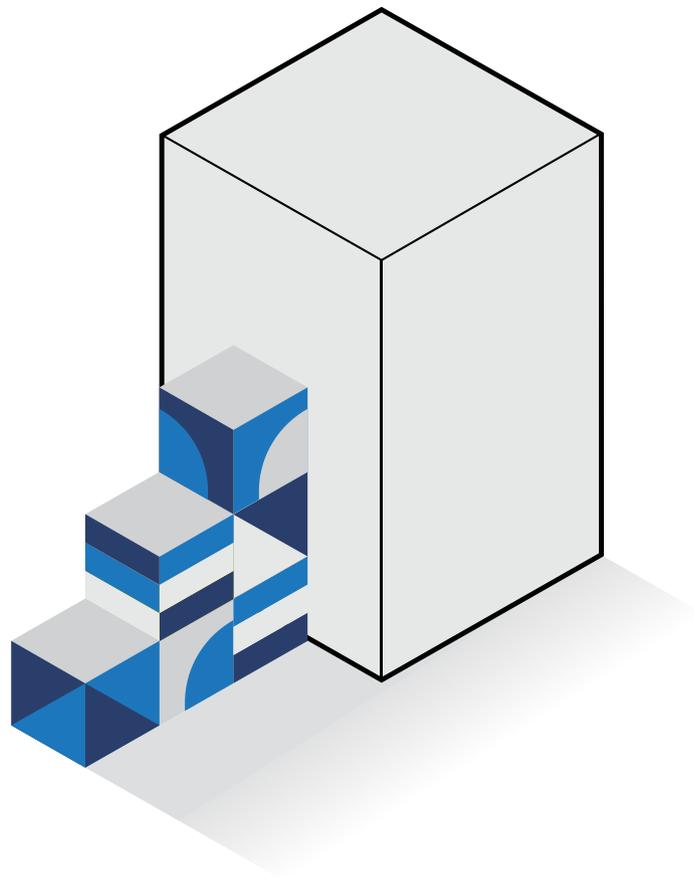
A strategy for providing maximum flexible workspace in the critical early months of the company's growing operations, most often implemented intentionally before or during the search for targeted traditional (core) space.

## Key decision drivers

- Looking for the most flexible solution for organizing the workspace (in terms of duration and scope of the contract) e.g. while building a new team
- Having a high CAPEX-averse approach - looking for a plug-in solution - workspaces serviced and ready almost overnight

## Use case

One of the largest foreign investment companies chose Business Link High5ive for its business growth space while building its presence in the Polish market and growing its workforce. **The number of FTEs had almost doubled** by the time it finally moved to traditional (core) space in the same office complex.



## Did you know that?

### A ca. 10-fold increase in the number of workstations

used by one of the tenants in Business Link Maraton was observed by us while it incubated its business in the region. This was one of the largest increases in staff numbers that we have ever seen among our corporate clients.

**2/3 of office workers** (in Poland, the Czech Republic, Hungary, and Romania) still consider the office as a safe place to work (Source: Skanska)<sup>25</sup>.

<sup>25</sup> Skanska, *Attitudes of office workers to work from home vs working in the office, 2021*

# Swing

**One of the most common models to date of flexible workplace strategy, involving the temporary use of flex space as entirely alternative to core space, not available at a specific time.**

## Key decision drivers

Seeking a combined solution - within a single office space provider, both temporary and permanent

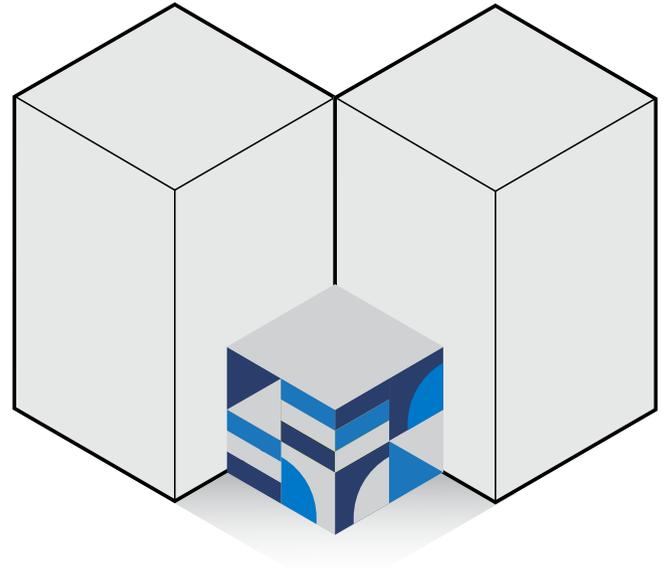
Moving company's headquarters to the target complex sooner than according to the construction schedule – as flex space is usually ready sooner than core space

Having flexibility in the flex contract to accommodate any changes to the schedule for releasing the target space

Finding buffer space for the period of searching for new headquarters after the previous lease ends, or for prolonged strategic decisions about relocating to core space

## Use case

One of the biggest technology companies in Poland was exclusively provided with an entire sector in Business Link HighFive, consisting of over 90 workstations, before moving to a new target location in traditional (core) space. The company chose flex space as a temporary location because it offers a high standard of finish in the very center of the city, and at the same time provides **the flexibility required at the stage of dynamic growth and moving from the current to the target office.**



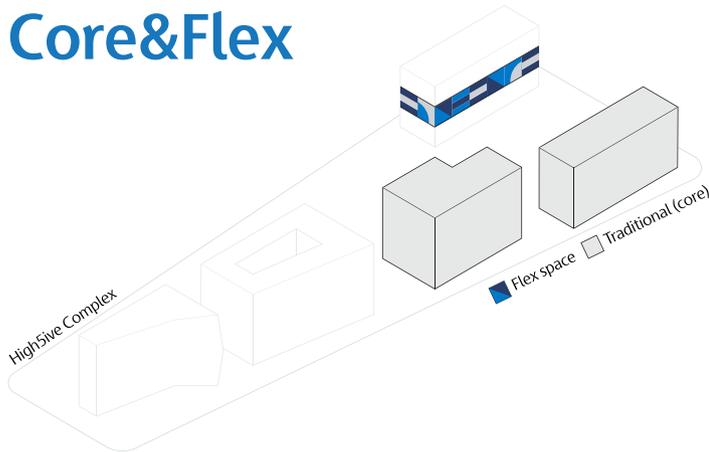
## ? Did you know that?

**From 92 to 187 workstations was the growth of a company** from the financial sector that chose swing space in Business Link HighFive, expanding twice while it waited to move to core space in the same office campus.

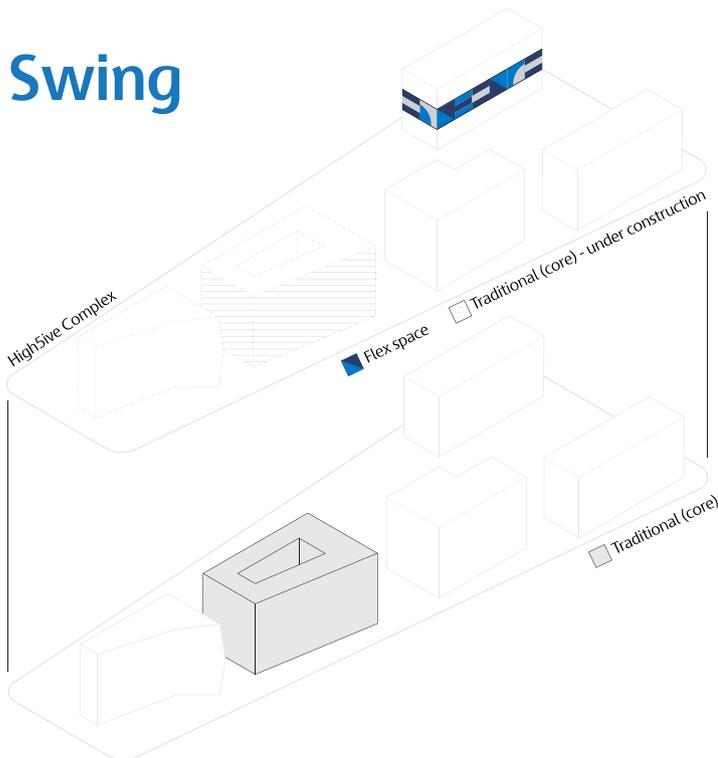
**Ca. 9 months is the average swing contract** length of our corporate clients while they wait in flex space for target traditional (core) space.

# Flexibility in the investor's eye

## Core&Flex



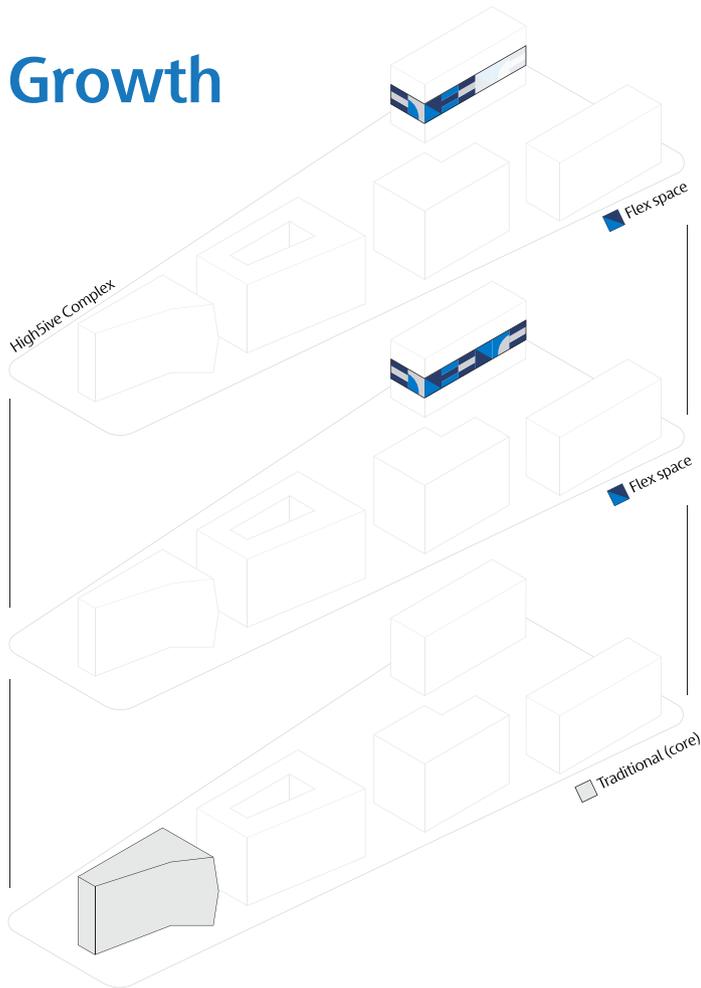
## Swing



What flex space is now and what role it plays in a building or even an entire office complex is entirely different from a few years ago. The flexibility of such spaces is no longer only a "cool" marketing attribute, attracting just start-ups and freelancers. **It has also become a practical way of executing the planned office strategies of serious corporate players – who consider the flexible workplace strategy to be the "new normal"** (and will consider it to be even more so, according to numerous market predictions).

This is why buildings or complexes with flex spaces are becoming an essential asset in investors' portfolios. Such core & flex combinations enable a more expansive reach group of potential tenants and secure a higher occupancy rate. Thanks to the flexibility inherent in the building's business model, **the investor can attract tenants earlier using the swing model** - allowing for an earlier move-in than the target date for delivery of the core space. The evolution of flex space and its increasing presence in workplace strategies has also resulted in **major corporate players signing contracts for bigger spaces and more lease extensions** – contracts for one or two months are slowly becoming a thing of the past, giving way to lease contracts for several months or even a couple of years. **Flex space operator is, on the one hand, an increasingly well-protected renter.** On the other hand, it is an attractive platform, a "vestibule" attracting serious corporate players to a building or a complex.

# Growth



The most prominent example that we can boast of is the High5ive complex in Kraków. Since its construction, it has been equipped with a flex space operator from the Skanska Group - Business Link. The complex filled up faster and became a more attractive office proposal on the map of Małopolska's capital city. **To this day, more than 500 workplaces in Business Link High5ive have been a stop-over to the core space's target workplaces within the High5ive complex, hosting such brands as ABB, Allegro, and Universal Investment.**

The models of cooperation presented on this and previous page illustrate the potential of the High5ive complex and may serve as good practice in designing similar investments.

# One-stop-shop within Skanska

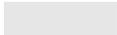
We invite you to contact us if you are interested in a workstation pool diversification strategy - our leasing experts will prepare a tailor-made flexible workplace offer. No matter which of our experts listed you contact, we work together every time, including when it comes to advising on the right kind of workplace strategy for your business.

Currently, the combined offer of the Skanska can be obtained in five cities: Warsaw, Kraków, Poznań, Wrocław, and Prague – perfect for the **core&flex, growth, and swing** models of combining office requirements.

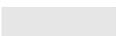
However, the entire investment portfolio of the Skanska is at your disposal should you need to implement **satellite** locations.

We are present in four CEE countries: Poland, the Czech Republic, Hungary, and Romania, and are proud to be delivering the best quality office spaces in:

## Joint offer within same city

	Traditional (core) 	Flex space 
<b>Poznań</b>	Nowy Rynek Małgorzata Wojtoń	<b>Business Link Maraton</b> Jacek Bednorz Olga Zielazna
<b>Warsaw</b>	P180 Spark B Tomasz Subocz Hanna Marszałek	<b>Business Link Astoria</b> Tomasz Pater Ewelina Chojnowska
<b>Wrocław</b>	Centrum Południe Karolina Jamróż	<b>Business Link Green2Day</b> Jacek Bednorz
<b>Kraków</b>	High5ive Monika Tkacz Eliza Jamrozik	<b>Business Link High5ive</b> Tomasz Pater Justyna Mytych
<b>Prague</b>	Parkview Port 7 Jana Prokopová Iva Janoušková	<b>Business Link Visionary</b> Helena Pilnáčková

## Other Skanska's investments

	Traditional (core) 
<b>Łódź</b>	Brama Miasta Paulina Strutyńska
<b>Gdańsk</b>	Wave Eliza Jamrozik
<b>Budapest</b>	H2Offices Amarilla Cseke
<b>Bucharest</b>	Equilibrium Roxana Ilie

**Our workplace  
strategy experts  
are at your  
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Click name or surname to reach us  
with your request.



Combined Skanska's & Business Link offer within same cities ■  
 Other investments of Skanska ■



[www.skanska.pl](http://www.skanska.pl)  
[www.business.link](http://www.business.link)

