

# A dilemma or two ..

April 2021

ESG and WFH are persistently hot topics which we have previously written about ([see here](#)). They're difficult subjects to get away from, and so in our Q1 Resources section we continue with similar themes. Russell Crowe (well, sort of .. ) tells us why we all will be going back to the office. And Dror Poleg counters, using the same decision analysis paradox, to argue why we all will be WFH. We end this article with our house view.

This whole WFH debate has for the most part consisted of competing opinion, and lots of it from everyone and everywhere, but understandably there hasn't been much real academic research, until now.

A collaboration of academics from the universities of Reading, London and Cambridge have taken on the subject, commencing a longitudinal study entitled [The COVID Crisis and The Office Sector](#), which "*.. investigated the views and experiences of UK-based corporate office occupiers regarding their operation and occupation of office space during the ongoing pandemic and their expectations of how this could change as the short-term impacts of the pandemic subsided.*" Their initial findings are reported [here](#).

Staying on the academic theme Albert Saiz from MIT, writing in the JPIF, takes a look at PropTech, and how digital and information technologies are "*becoming silently pervasive in old-fashioned real estate markets [ and .. ] their likely impact on established players in the commercial real estate arena*" The research includes good news for the commercial agencies.

Looking back to the period of bootleggers, jazz bands and general exuberance in the major cities Nuveen's global researchers explore what parallels there might be, other than the Spanish Flu, between the 20's of today and those of 100yrs ago - will they roar or groan?

Finally, last week we attended a global real estate conference and were very pleased to find common ground with other investors about the years ahead. Two concerns in particular resonated with our own thoughts - the first was a need for change in the mentality of capital, in terms of how it approaches real estate. The second was the need to embark on a decarbonisation pathway to address carbon emissions in the real estate sector, in particular that of the existing building stock.

Finally, finally .. our view on WFH - the phrase "earn the commute" underpins our view, but it follows reams of similar comments which talk of the fundamental changes required for CBD's to thrive and survive. Two points are raised - flexibility and the working experience.

Yes, employees want flexibility but not within a prescriptive 3.657149 days per week, rather it's the ability to be allowed to manage your own time, be trusted to get the job done, amply

demonstrated by the lock-down, and allocate your time between office/other places as you please which frees the mind.

On the work experience front, whilst a well-designed and ventilated office has proven benefits, “coolness” or amenity related productivity has yet to be measured. The more exhaustive CBD wish-lists are diversions, and are typically already present in developed CBD’s.

The truly unique experience craved is that of meeting other people, meeting colleagues, clients and friends, new and old, and setting off down the serendipitous pathways that benefit business and personal life alike. If you want proof just look at any CBD on the day lock-down is lifted.

We are hard-wired to mingle, and that's the compelling reason we will all be getting out of our pyjamas.

\*Thanks to Andy Saull for highlighting the Daniel Davies article.

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