

Bad space management costs occupiers dear

from RICS Business - September 2005

Companies are under-managing their property assets, keeping running costs higher, asset values lower and staff productivity lower than they could be, according to a survey by Haywards workplace consultancy.

The majority of the 120 executives interviewed over 18 months have too much space, with 27% saying that their surplus space problem was urgent and needed board attention, 35% facing restrictions on releasing spare space and only 26% feeling their lease is flexible enough to meet business needs. Fewer than half were confident that they had the right location, and only 26% were satisfied that their workplaces optimised staff productivity.

According to Haywards, the findings highlight the need for occupiers to consider the strategic implications of good property management in improving operating margins and shareholder value. Haywards says that a lot of the problems come from the divide between what the property industry delivers and what the corporate occupier really needs. The industry needs to focus on the role of property in achieving corporate objectives and to remember that the costs of occupation are more important than purely the rent. On the other hand, occupiers need to be more aggressive in optimising assets and minimising liabilities, and appreciate the correlation between the workplace environment, stakeholder attitude and business performance.

The above is an extract from an article published in the September 2005 issue of RICS Business, the official publication of the Royal Institution of Chartered Surveyors, 12 Great George Street, London SW1P 3AD.

The publication is ABC audited with a circulation in excess of 91,000. To subscribe please contact Emma-Jane Slack ejslack@rics.org

T: +44 (0)1494 488 493 | F: +44 (0)1494 488 793 | www.haywardsltd.co.uk | E: info@haywardsltd.co.uk

