Understanding Placemaking
PLACEMAKING IN GREEN BUILDINGS

PLACEMAKING ON DIFFERENT SCALES

What kind of places do we want to live, work and play in? Only by helping people connect to the place they occupy, can they want to care for and shape their surroundings.

Placemaking is essentially a people-centered approach to improve the everyday experience of users in any given space. Some of the thinking behind this concept started back in the 1960s, when ideas about designing cities for people gained traction, focusing on the social and cultural importance of lively neighborhoods and inviting public spaces.

In cities, there are public spaces like parks and civic spaces where communities gather; in buildings, there are shared spaces like atriums and cafés where people come together, and at workplaces there are pantries and common areas that serve a similar purpose. In fact, there are many parallels that can be drawn between what makes great cities and great building spaces.

Today, the term ‘Placemaking’ is used in many settings on different scales, extending beyond cities and districts to buildings and even at the workplace (Figure 1). At the building level, placemaking is often an iterative process between the building owner/manager and occupants, with the aim to establish the building as an attractive destination. For the landlord, the goal is often to increase occupancy, occupier’s sense of ownership and probability of retention within the building when their lease is up for renewal. For the corporate occupiers, it would often be from the employer branding perspective, to attract and retain talent.
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**Figure 1: Placemaking on different scales**

**Drivers for Placemaking in Buildings**

Organisations are facing tremendous pressure to improve efficiencies and cut costs, which will have a key impact on their physical footprint. Firms need to do more with less, including real estate, which often represents the second highest expense for a company after staff costs. Hence, beyond location, corporate occupiers are increasingly looking for flexible and productive spaces that meet changing business needs and also retain talent in the face of a highly mobile workforce. As a result, landlords now compete to offer tenants not just bricks and mortar spaces in good locations, but attractive and adaptable places that help corporate organisations deliver on their dynamic needs.

**Advancement in building technologies** is also a key driver, where data collection combined with advanced analytics and dashboards support continuous building optimisation. Highly sophisticated building management systems, tenant management platforms, and sensors are already enabling spaces with a high degree of usability and capacity for customisation. In addition, the data collected from these sensors have provided us with much more insights about the factors that affect occupant perception and performance within buildings. For example, the impact of various environmental attributes and workplace design on employee productivity, engagement and overall satisfaction. Utilising this growing body of knowledge will lead to a much deeper understanding of the relationship between people, spaces and technology, guiding the integrative concept of placemaking in buildings.
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Key Components of Placemaking in Buildings

**Hardware**
- Green Building
- Efficient operations & maintenance
- Amenities

**Workplace Design**
- Fit-out
- Activity-based workplaces

**Health & Wellbeing**
- Indoor environmental quality
- Access to nature
- Ergonomics

**People Engagement**
- Community activation
- Curated Events

**Branding**
- Differentiation
- Talent retention & attraction

![Alignment with Business Strategy](image)

*Figure 2: Key components of Placemaking in Buildings*

In order to enhance user experience in a building and brand a building as an attractive destination, we propose five key components—starting with the physical asset itself and extending to the softer aspects of engaging with stakeholders and outward communications. All these components should be closely tied to the building owner’s or corporate occupier’s business strategy in order to leverage on the desired outcomes from placemaking.

**HARDWARE**

For building owners, the **placemaking process often begins with the decision to own and lease green buildings, and for occupier organisations, in choosing to locate in a green building/space.** Not only is a green building more resource-efficient, has sustainable environmental management processes in place and generally sets a certain standard of indoor environmental quality, they are a critical foundation because of the increasing business value of sustainability.

**More organisations are seeking to be sustainable, to demonstrate their commitment towards resource efficiency to their employees and customers, many of whom are increasingly discerning in this aspect.** The motivation goes beyond utility cost savings, but increasingly towards how sustainability commitments support organisational branding, employee engagement and corporate social responsibility objectives. Especially with the signing of the Paris Climate Accord in 2015, setting ‘science-based targets’ (to reduce enterprise carbon emissions to meet the two-degree global maximum) has become a growing effort in corporate sustainability programs to demonstrate leadership. Two-thirds of the executives in the CoreNet Global Corporate Real Estate 2020 End-User Survey either agreed or strongly agreed that all states and competitive organisations will have green sustainable agendas, policies and strategies to compete for investment and talent.

**Efficient operation and maintenance of a building over time is also crucial to ensure that the building continues to perform optimally and provides a smooth experience for occupiers.** This is especially crucial as occupier expectations are increasing for such services to be factored: think advance fault detection and repairs for HVAC and elevators, lighting and other equipment in shared spaces, as well as quality cleaning, security and landscaping services. On this front, outcome-based services and performance contracting in the building sector is increasing (see Box 1 for examples), to ensure performance during the operational phase level meets the design intent.
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What is Energy Performance Contracting (EPC)?

- A method for retrofitting existing facilities by using guaranteed operational energy savings to pay for the upgrades.
- Building owners are assured that the retrofits are effective and generate enough cost savings from use reduction in electricity to pay for itself.
- For EPC projects with a Zero-Capital Partnership (ZCP), there can be no capital outlay by the building owner, as the EPC firm will arrange for and bear the financing needed.

What is Continuous Commissioning?

- Commissioning is an approach to ensure that operational efficiency in buildings meets the design intention and occupier needs, through checks at specified points in a building’s lifecycle.
- Continuous commissioning ensures persistent high performance, through fault detection and diagnostics tied into a building’s management system, where data is continuously collected and alerts are sent out when buildings operate outside their intended parameters.
- A barrier to adoption is the lack of intelligent controls and sensors especially in existing buildings today, which forms the basis of any continuous commissioning system.

In addition, the provision of shared amenities can be a huge plus point for potential tenants/employees, especially by adding versatility to a building to host events and other recreational activities that enable greater human interactions and convenience. These include end-of-trip facilities like showers and bike racks, auditoriums and seminar rooms for events and workshops, F&B options, open green spaces and relaxation spaces. The key is in providing the right mix of amenities that serves the needs of the building’s particular tenant profile, while taking into consideration the availability (or lack of) of similar options in the vicinity.
WORKPLACE DESIGN

Workplace design extends the building core and shell into the tenant space, and the design and fit-out of an office space is often a one-time investment that is critical to ‘do-it-right’ from the start, due to its far-reaching impacts and strong inertia for change later on. Fit-outs can greatly influence the resource efficiency of a workplace, the indoor air quality, the type of work configurations, flexibility to shrink/expand etc (see Box 2 for examples of flexible workplace fitout solutions). These factors will in turn affect employee performance, and ultimately the bottom line for businesses. With millennials to account for about 35 percent of the working population in APAC by 2020 based on UN forecasts, workplace design also plays a key role to attract and retain talents.

In today’s business environment of constant change and disruptions by technology, Activity-Based Workplaces (ABWs) are being explored actively, as an agile multi-use space utilisation approach that can reduce the overall office real estate footprint of an organisation, yet provide for sufficient work and community spaces. The agility of ABW allows the operational flexibility of scaling a workforce up or down without incurring the cost of disposing, acquiring or re-configuring space. Such futureproofing of the workplace is increasingly valuable to organisations.

There is a common misconception that ABWs are hot-desking or remote-based working spaces inspired by a ‘café-culture’- bringing to mind the open-concept offices of Google, Apple etc. Rather, there is no one-size fits all; successful ABWs thoughtfully consider the range of office activities and provide the right kind of spaces to support these unique needs. The aim is to create an intuitive workplace that, by design, empowers employees to work effectively, by providing them the choice of inhabiting the ideal work setting within the office.

Examples of flexible workplace fitout solutions:

- Workplace solutions to track occupancy and utilization patterns
- High acoustic performance products
- Task lights/zone lighting controls
- Movable walls/partition systems
- Personal lockers, sit-stand desks etc

However, just as important is helping existing employees understand why they might need to change their workstyles, with senior management walking the talk. Change management at the workplace is no small endeavour, including the need for user surveys, focus group dialogues, internal change ambassadors and accessible feedback channels. Consistent messaging of ‘what will change’, ‘why and when the change will take place’, ‘who will be part of the change’ and ‘how the change will be effected’ are essential, and can be of great comfort to users in accepting change.
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HEALTH & WELLBEING

While cost savings from low-hanging EE projects are probably still the most easily valued by organisations, there has been increasing evidence and frameworks developed for valuing improvements in the built environments with respect to health & wellbeing, organisational productivity and brand value to employees. For example, the recently published Playbook for Sustainably Healthy Workplaces by Sustainability Roundtable, Inc. and Delos explores the close alignment between real estate and operations management strategies and employee health & wellness, while the latest compilation of case studies under the World Green Building Council (WorldGBC)’s global Better Places for People project highlights the tangible economic benefits and the improved occupant satisfaction that resulted from companies implementing new health, wellbeing and productivity features.

Given that 90 percent of the costs associated with running a building come from employee salaries and benefits, it is not surprising that organisations are increasingly prioritising employee wellbeing. As such, building owners are shifting away from analysing Return on Investments (ROI) solely based upon property-limited inputs (e.g. costs benefits analysis using project capital costs and building operating expenses), to respond to occupiers whose occupancy decisions are affected by how the space impacts their staff in financial terms (i.e. reductions in health costs, turnover, absences and increases in productivity).

As mentioned, out-fitting of a building space at the onset is a major determinant of whether a space will be greener and healthier, and to ensure that the maximum benefits are achieved. Specifically, interior fit-out features of concern include the use of low-Volatile Organic Compound (VOC) paints, carpets and furniture, ergonomic workstations, maintenance of good indoor air quality (IAQ) and thermal comfort, and provision of access to daylighting and greenery.

One example is the use of such materials and fixtures in Paya Lebar Quarter, a mixed-use development that is a prime example of a building with a strong placemaking concept. It integrates flexibly designed workplaces, amenities and lifestyle options to promote occupant health and wellbeing.

PEOPLE ENGAGEMENT

Moving beyond the physical environment and static amenities, the communications layer between landlord and tenant and even amongst tenants is a crucial and challenging part of the placemaking process in buildings. Often, building committees are formed to work on achieving common goals that improve occupants’ overall experience of the building. For instance, under the Green Mark Scheme, building owners and tenants are encouraged to come together in a Green Building Committee to promote sustainability-related initiatives for the building.
However, there remains a large gap from having such committees to achieving community activation over time, where genuine interest is fostered between building stakeholders who then begin to interact independently and informally to act. In reality, a key barrier is the time and effort required to bring together different corporate cultures, values and commercial objectives of diverse tenants. Fortunately, what building managers used to spend a large amount of time and effort on, such as attending to maintenance calls, collecting rent payments, organising events and engaging tenants individually are now increasingly disrupted by digital technologies.

Terms such as ‘Proptech’, ‘Fintech’ and ‘Googling’ probably did not exist 10 years ago but are now commonplace. Top players in the Proptech industry (e.g. Equiem, HqO, Bixby, hOM) and commercial real estate management firms are now creating platforms not only to ease workflows in building management but also to revitalise the community experience for each and every tenant. These soft aspects that used to be ‘nice-to-have’ are increasingly becoming a necessity as building owners compete on people engagement.

For example, there are now managed digital platforms complemented with mobile apps designed to increase tenant satisfaction, improve communication, profile retailers, support leasing and other concierge initiatives. Each tenant can create an online account storing their profile and preferences and gain access to on-demand services, such as being able to report building faults, book amenities like a shared event space or time in a nap room, register to attend events such as lunch time talks, and order in food from nearby vendors. Tenants are also incentivised with weekly discounts or promotions and can converse and connect with other tenants on a community board. In turn, building managers benefit by leveraging on tenants’ preferences to curate events, as well as value-add to on-site retailers to drive awareness and offer targeted products.

Engaged and satisfied tenants are likely to be more loyal tenants, and landlords are already noticing the huge advantage of retaining tenants: each renewal saves up to $5,000 to $7,000 in turnover costs, and long-staying tenants also help to build up a strong community within the building.

**BRANDING**

Last but not least, branding threads through and connects many aspects of placemaking, and is fundamental to achieve the desired end outcomes of the placemaking process. Successful placemaking can change the perceived value of a building by giving it a sense of place and unique identity that people want to experience. These differentiated spaces may rent faster and for more money, create higher tenant/ employee satisfaction and retention, and command a higher occupancy rate. Branding is key to help deliver a cohesive storyline to the target market audience, so as to reap the benefits of placemaking efforts for the building.
In fact, **branding strategies sometimes serve as the overarching vision to drive ideas and themes at the start of the placemaking process.** One example is the focus on the brand value of sustainability and occupant health & wellbeing, which are two key areas for real estate investors to demonstrate leadership. This branding proposition is further enhanced by market developments, where Green Building certifications are increasingly viewed as a necessary ‘Class A attribute’ for real estate. Also, the Global Real Estate Sustainability Benchmark (GRESB), a global benchmark for real assets, now includes voluntary data from 66,000 assets, with about half also participating in the Health & Wellbeing benchmarking module.

Hence, this brings us full circle to how organisations often demonstrate their commitment to sustainability and occupant health & wellbeing through the decision to own/ lease green buildings. Starting a placemaking process with a clear branding direction in mind would thus allow better prioritization of efforts and increase the cohesiveness of the entire experience for the target audience.

**MAKING THE FIRST MOVE**

So how and where do we start? While the concept of placemaking has become mainstream at the city and district scale, it remains relatively new when applied on a building scale. Many large placemaking projects today still do not include plans to measure progress, as highlighted in a white paper by the Massachusetts Institute of Technology (MIT) on Places in the Making. This could be a grave mistake in a society that values tangible rewards, and fortunately at the building scale quantifying impact is much more manageable.

We propose a 3-steps approach:

1. Identify desired placemaking outcomes and overall branding strategy that are aligned with business goals, with a simple performance metric for measuring progress.

2. Understand the current work scopes of your organisation’s Corporate Real Estate (CRE), Human Resources (HR), Facilities Management (FM) and Information Technology (IT) functions, as well as their potential to cross-collaborate.

3. Target specific short-term projects e.g promoting green and healthy workplaces, undertaking building retrofit projects, or even implementing activity-based workplaces (ABW), while keeping in mind how these would fit into the overall placemaking process.

For corporate occupiers, office managers in close collaboration with HR and FM teams play an important role in articulating a placemaking strategy and in undertaking projects to improve the user experience in a building/workplace. Many office managers overseeing an organisation’s CRE are already engaged in day-to-day activities that require interactions with other support functions. As they are increasingly challenged to look beyond location decisions to address strategies on how the physical work space can be designed to make workers more efficient and productive, these professionals will expand their key areas of focus to include company culture, attraction and retention of employees and business unit efficiency, beyond the traditional asset management and operational leasing roles.

Building on SGBC’s work in promoting green building design, practices and technologies for the last decade as well as our recent Better Places for People programme to engage occupants on health & wellbeing features, SGBC recognises the potential for placemaking in buildings as the next frontier. To support organisations’ placemaking journeys, SGBC will be working with the relevant authorities for new placemaking programmes. The focus will be on translating the pre-requisites into simpler actions that can be easily interpreted and acted upon by corporate occupiers, as well as providing an online resource portal and peer sharing platforms to exchange best practices.