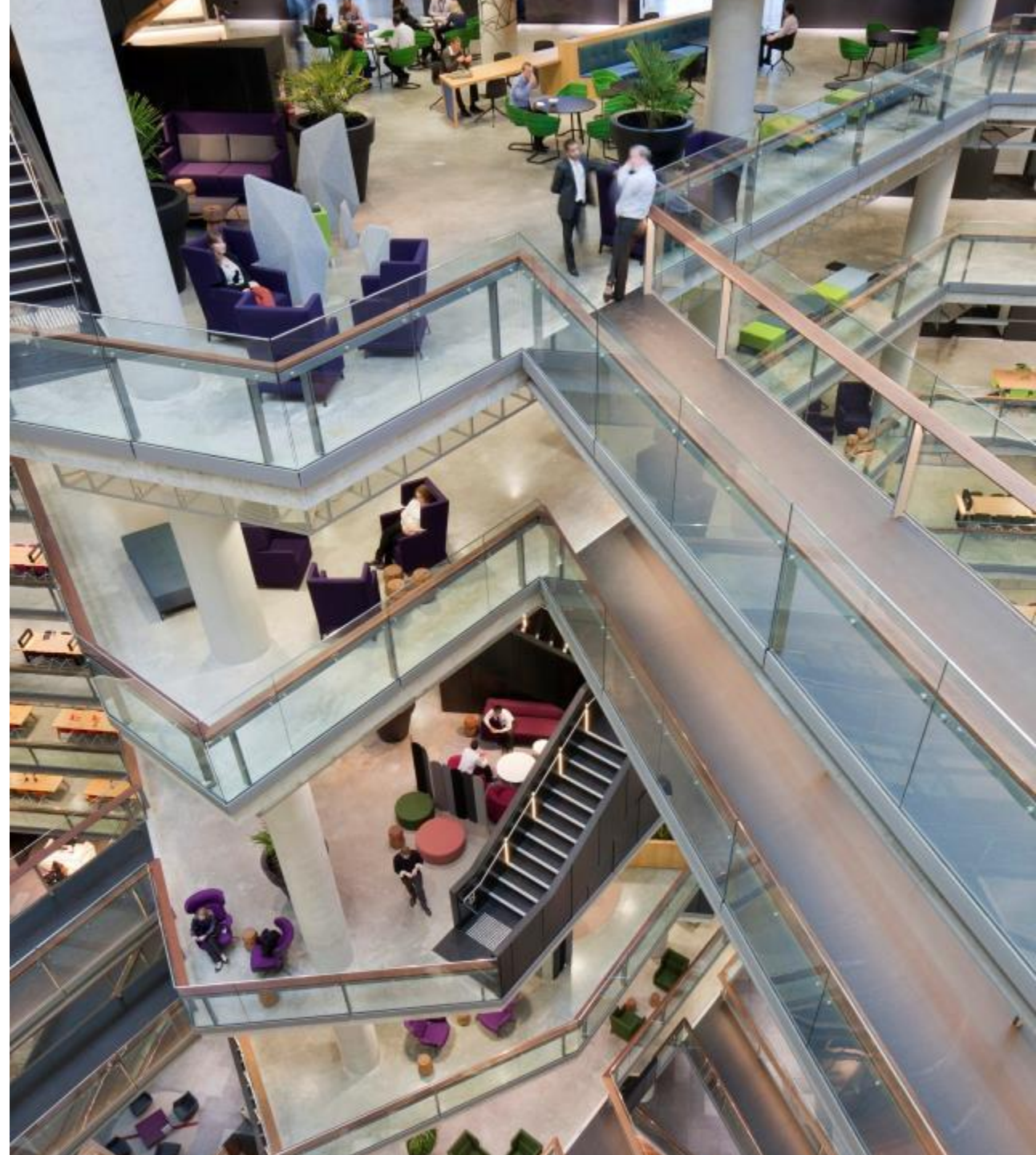


Changing Tenant Demands and the New Shape of Office Buildings

Future Forward

ULI Fall 2015 Meeting
San Francisco, CA

Wednesday, October 7 from 3:00pm to 4:15pm



Kay Sargent

Lendlease

Director of Workplace



Todd Sklar

Shorenstein Properties

Senior Vice President,
Head of Development,



Peter Weingarten

Gensler

Commercial Office Building
Practice Area Leader, Principal



Don Davis

Visa

Head of Global Real Estate



Jeremy Neuner

NextSpace

Founder

Agenda

What are tenants looking for today

Corp Regen Designer/Strategist: Kay Sargent

What are companies looking for and doing today

Tech/Office Tenant: Donald Davis

How does that impact the way we develop

CRE *Real Estate Owner/Developer: Todd Sklar*

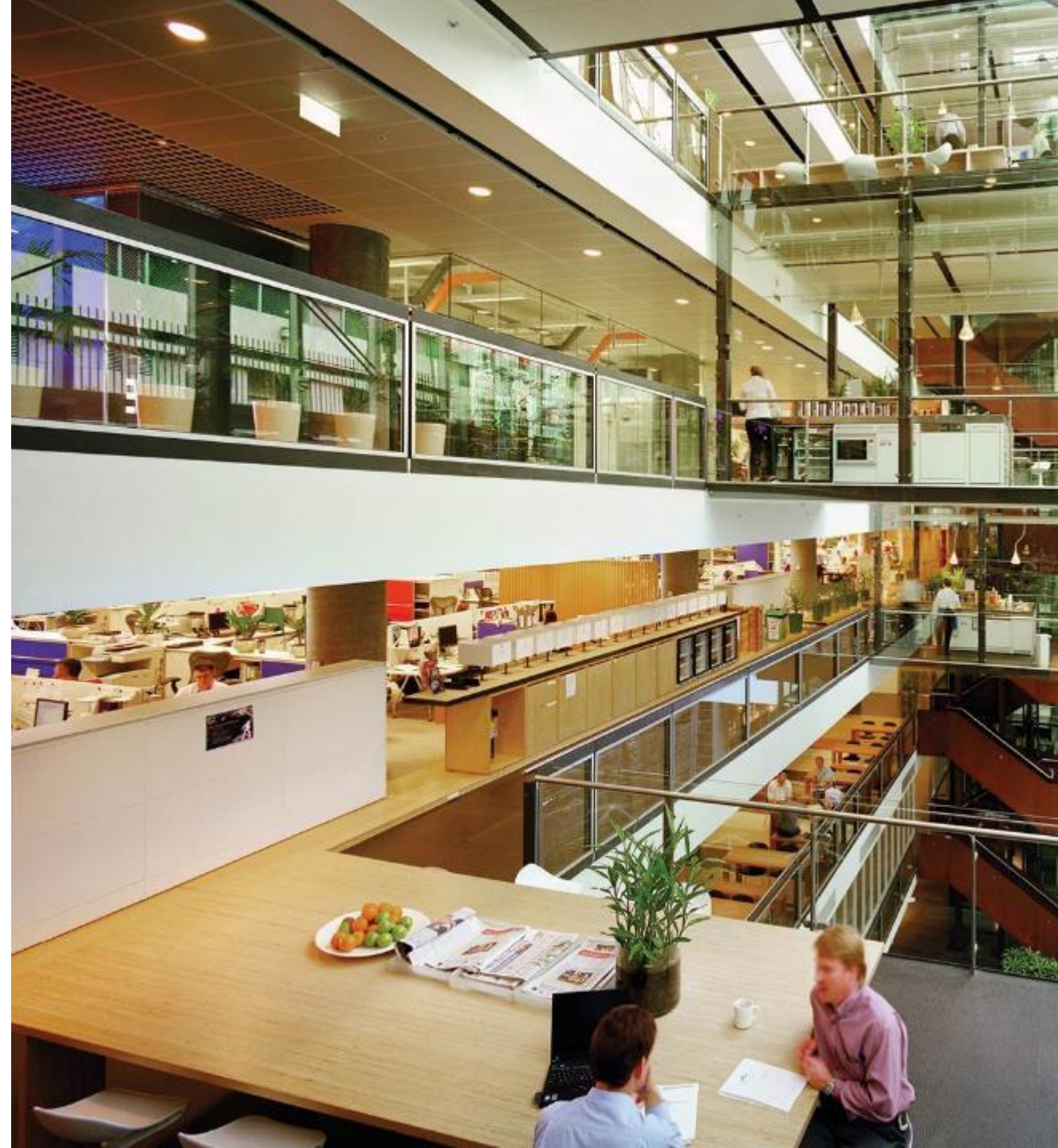
How does that impact the way we design buildings

Architect: Peter Weingarten

How is the traditional model changing

Co-working Space Operator: Jeremy Neuner

Panel Discussion



What are tenants looking for today?

TECHNOLOGY
INNOVATION
COLLABORATION
CREATIVITY
WAR FOR TALENT
FOSTER NEW WAYS OF WORK
FLEXIBILITY & AGILITY
ENGAGEMENT
WELL-BEING
RESILIENCY
COMMUNITY



% of world's population
living in urban areas:

54% *today*
66% *by 2050*



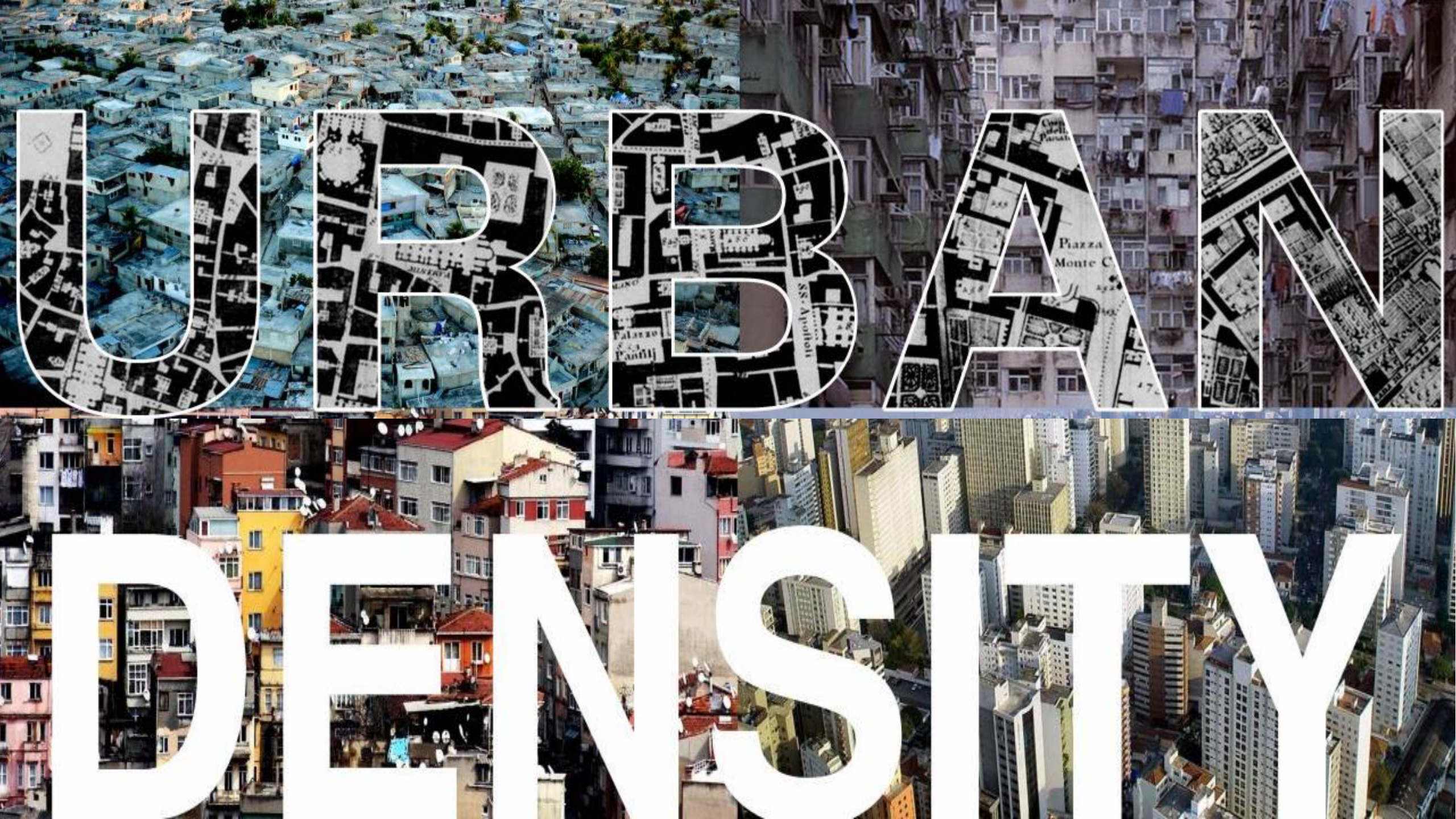
Regeneration

There are 5.6 million commercial buildings in the US that comprise 87.4 billion SF of space.

New Cities

India needs to build a city the size of Chicago every year for the next 10 years to keep up with the demand.





URBAN



DENSITY

Experience

Walkable

Vibrancy

Adequate transportation

Social + professional experiences

Culturally rich

Authenticity

Transform work – Optimize place – Enhance experience

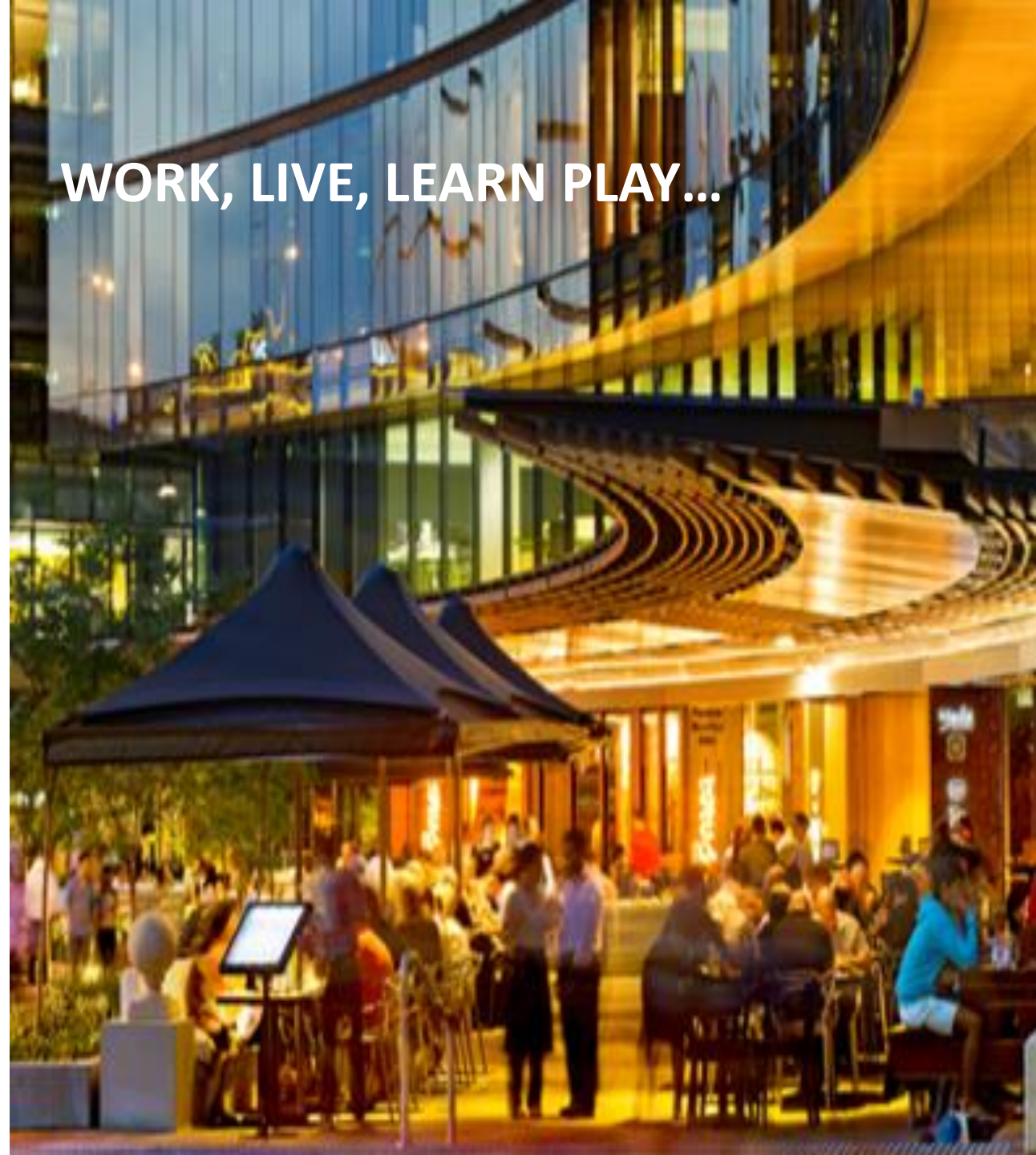


Mixed Use

‘Next-use’ communities
accommodate:

- Housing
- Retail
- Dining
- Walk-to-work offices
- Community across zones
- Sense of place

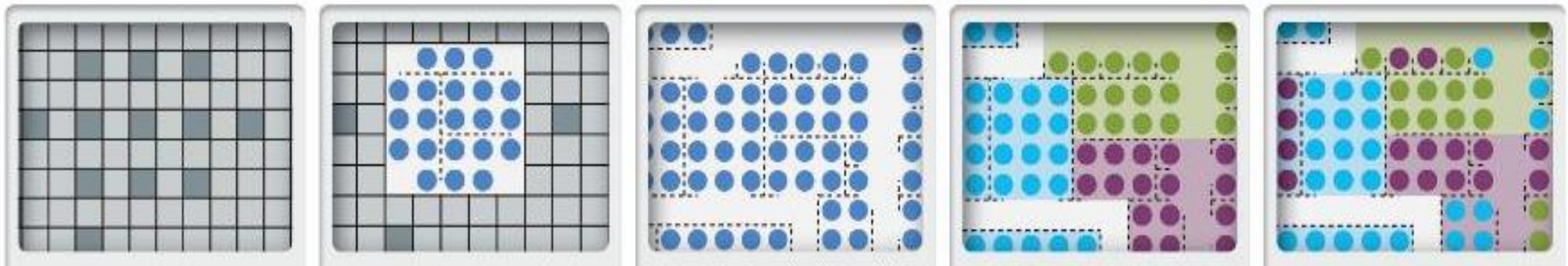
WORK, LIVE, LEARN PLAY...



One Size Misfits All



Workplace Evolution



MODULAR



MODULAR/OPEN



OPEN



ACTIVITY-BASED



CHOICE

DNA



Ideal Workplace

Comfortable

Flexible & agile

Creative & innovative

Efficient & effective

Sustainable, healthy & well

Connected as a community

Engaging

Fun





Don Davis

Visa

Head of Global Real Estate

New Urban
Workplace:
Visa One
Market



Society has changed

Visa has changed

ONE MARKET, SAN FRANCISCO

What matters to Visa now

Attract and retain top talent

Increase collaboration and innovation / speed to market



Increase collaboration, innovation

- Fewer private offices
- Bench style seating
- More informal collaboration spaces
- Central social gathering spaces
- Greater densities

Location

- Proximity to public transit and amenities
- Proximity to talent pools

Larger floor plates

- Increase chance encounters
- Interconnecting stairs

Access to natural light

- Full height / wide windows
- Good slab to slab height

Views

Emphasis on branding

LEED

- Healthy work space
- Sustainability / Corporate responsibility

Workplace Ratios

@ Visa

| | Foster City - Pre 2009 Refresh | Foster City - Post 2009 Refresh | One Market | |
|---|--------------------------------|--|--|--|
| Workstation Summary¹ | | | | |
| Square Feet | 943,535 | 943,535 | 113,398 | |
| Workstations | 3,677 | 5,060 | 661 | |
| # Offices | 1,369 | 689 | 29 | |
| # Cubes | 2,308 | 4,371 | 632 | |
| Office : Workstation Ratio | 1:2 | 1:6 | 1:22 | ← reduced offices |
| Workstation Size | | | | |
| Square Feet / Workstation | 257 | 186 | 172 | |
| Workstation Type | Large Cube | Small Cube | Bench Style | |
| Office - Standard Size (Sq. Ft.) | 120 | 120 | 120 | |
| Cube Size (Sq. Ft.) | 64 | 49 | 38 | |
| Workstation Height | 65" | 57" | 42" | ← reduced workstation size |
| Conference Room Summary | | | | |
| Conference Rooms ² | 82 | 127 | 15 | |
| Seats in Conference Rooms | 928 | 1,434 | 132 | |
| Conf room seats : Workstations | 1:4 | 1:4 | 1:5 | ← reduced conference |
| Informal Collaboration Summary | | | | |
| Informal Collaboration Areas ³ | 0 | 123 | 73 | |
| Informal Collaboration Seats ⁴ | 0 | 645 | 302 | |
| Informal Collab Seats : Workstations | 0 | 1:8 | 1:2 | ← increased COLLABORATION and INNOVATION |
| Objectives: | | Densify Modernize Increase Conference | Increase Collaboration & Innovation | |



Capturing views of SF landmarks



Social gathering space



Open collaborative work space



Variety of spaces for group focus

Our Vision

The best way
to pay and be paid for
everyone, everywhere

Expression of brand in the space



Todd Sklar

Shorenstein Properties

Senior Vice President,
Head of Development,

ULI – 2015 FALL MEETING TENANT DEMANDS & THE NEW SHAPE OF OFFICE BUILDINGS



MARKET SQUARE

LOCATION



ULI – 2015 FALL MEETING
TENANT DEMANDS &
THE NEW SHAPE OF
OFFICE BUILDINGS



MARKET SQUARE

TECH ORIENTATION



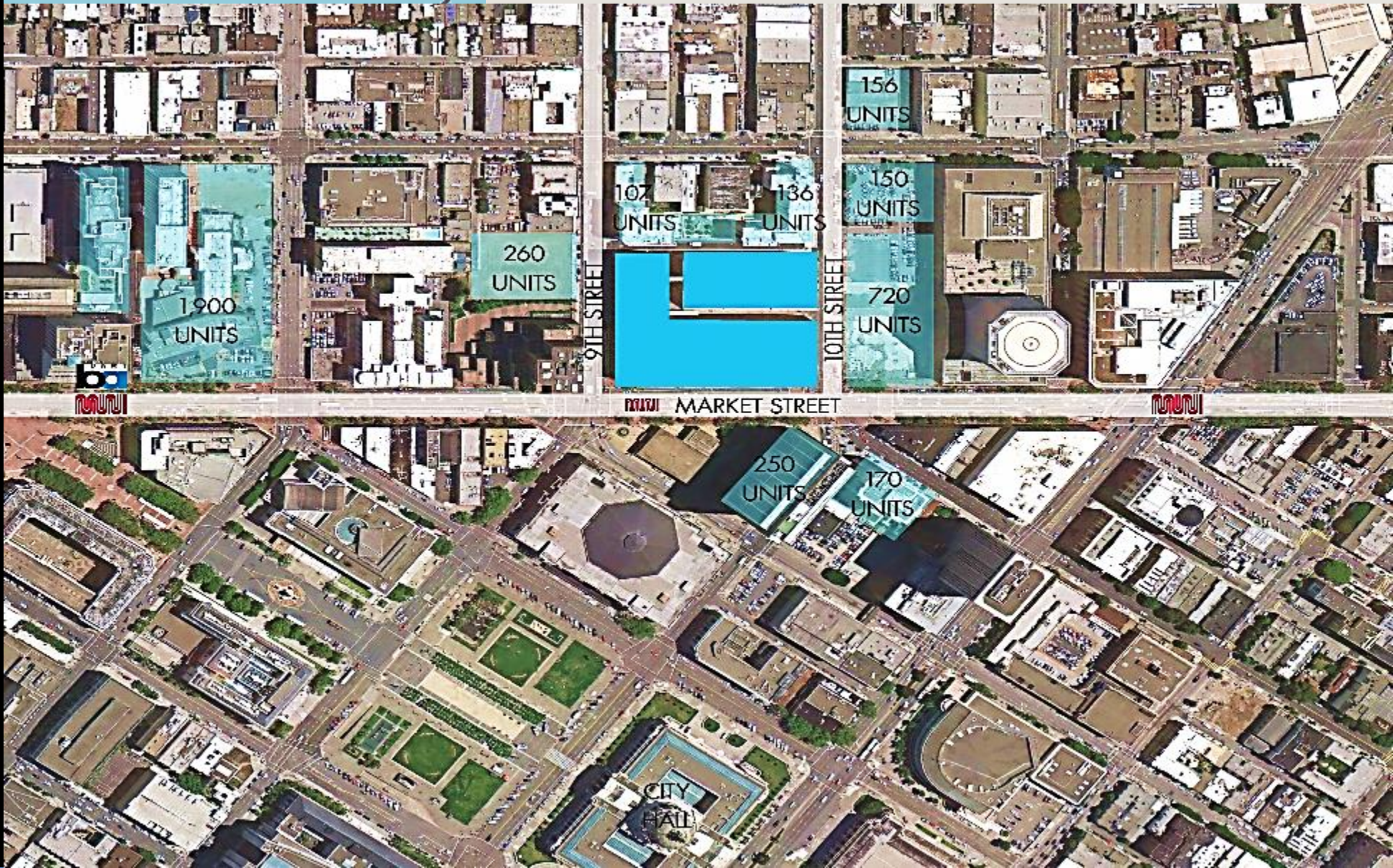
ULI – 2015 FALL MEETING
TENANT DEMANDS &
THE NEW SHAPE OF
OFFICE BUILDINGS

DEMOGRAPHIC SHIFT





1



ULI – 2015 FALL MEETING
TENANT DEMANDS &
THE NEW SHAPE OF
OFFICE BUILDINGS

MARKET SQUARE

SOW'S EAR



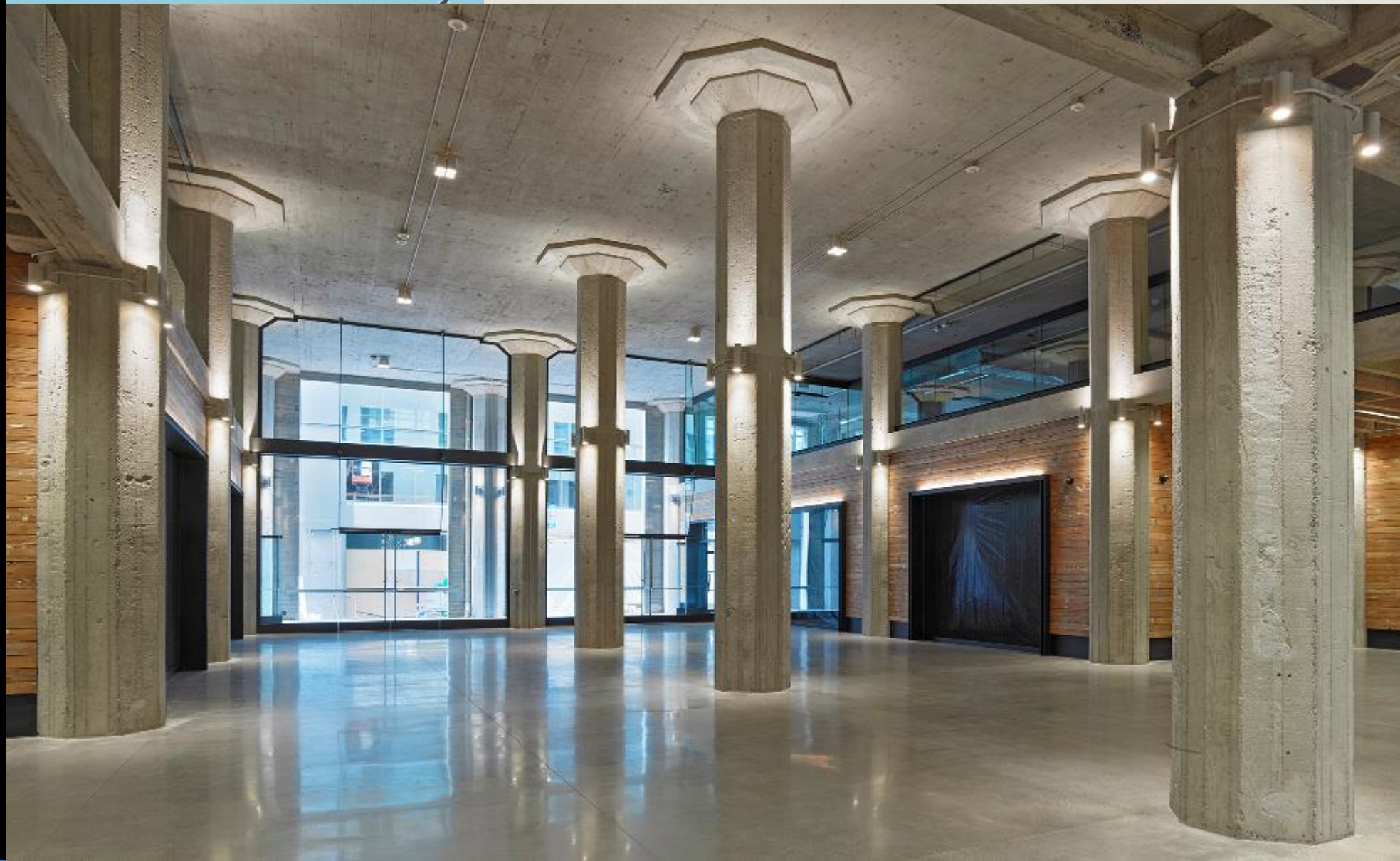
ULI – 2015 FALL MEETING
TENANT DEMANDS &
THE NEW SHAPE OF
OFFICE BUILDINGS

MARKET SQUARE

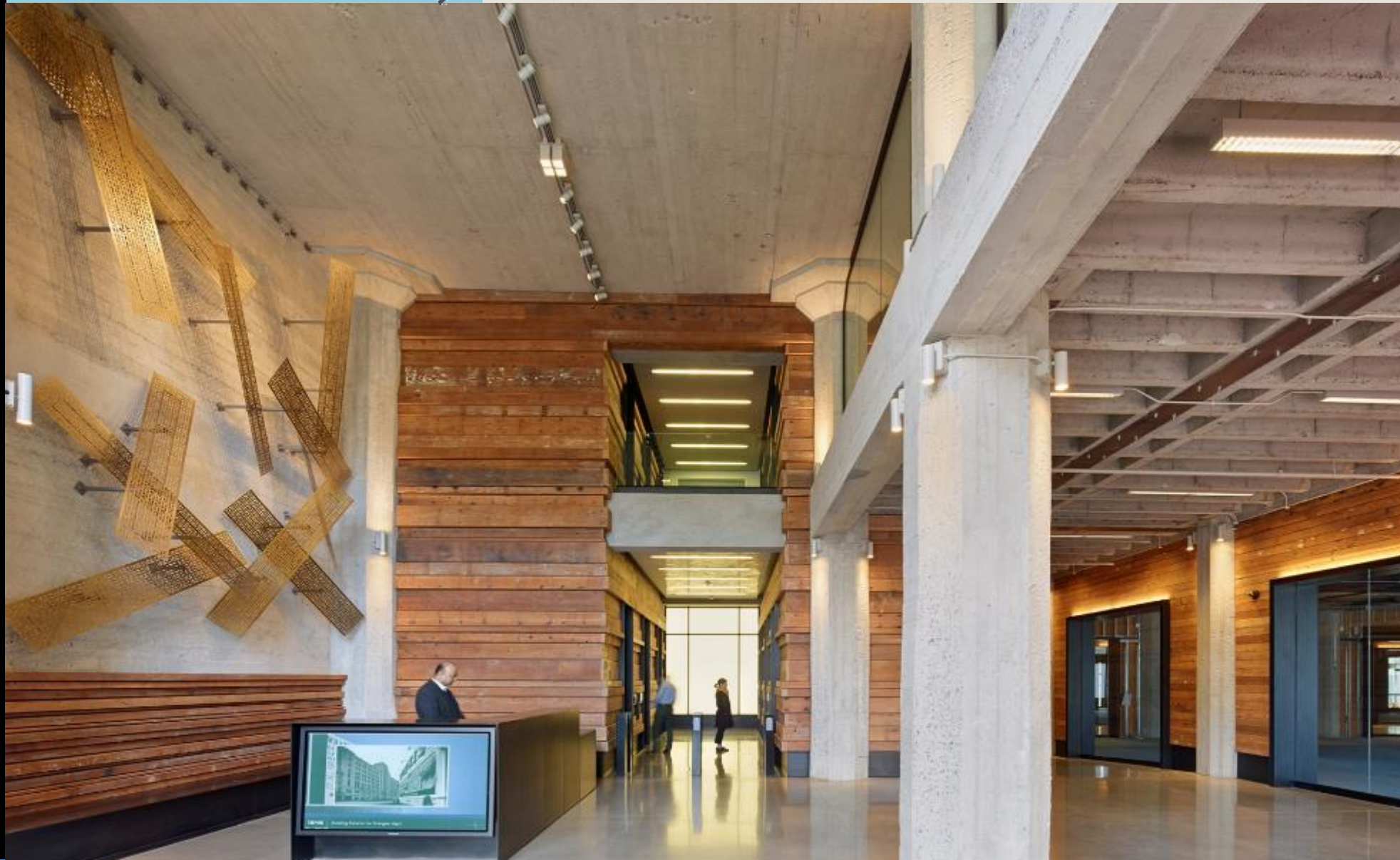
SILK PURSE













ULI – 2015 FALL MEETING
TENANT DEMANDS &
THE NEW SHAPE OF
OFFICE BUILDINGS



MARKET SQUARE

EXTERIOR AMENITIES



ULI – 2015 FALL MEETING
TENANT DEMANDS &
THE NEW SHAPE OF
OFFICE BUILDINGS

MARKET SQUARE

EXTERIOR AMENITIES



ULI – 2015 FALL MEETING
TENANT DEMANDS &
THE NEW SHAPE OF
OFFICE BUILDINGS

MARKET SQUARE

SHARED AMENITIES





Peter Weingarten

Gensler

Commercial Office Building
Practice Area Leader, Principal



**How has the
conversation *changed?***

THEN

NOW

HIERARCHY



COMMUNITY

COMMANDING



COACHING

INSTRUCTION



DIALOGUE

CONTROL



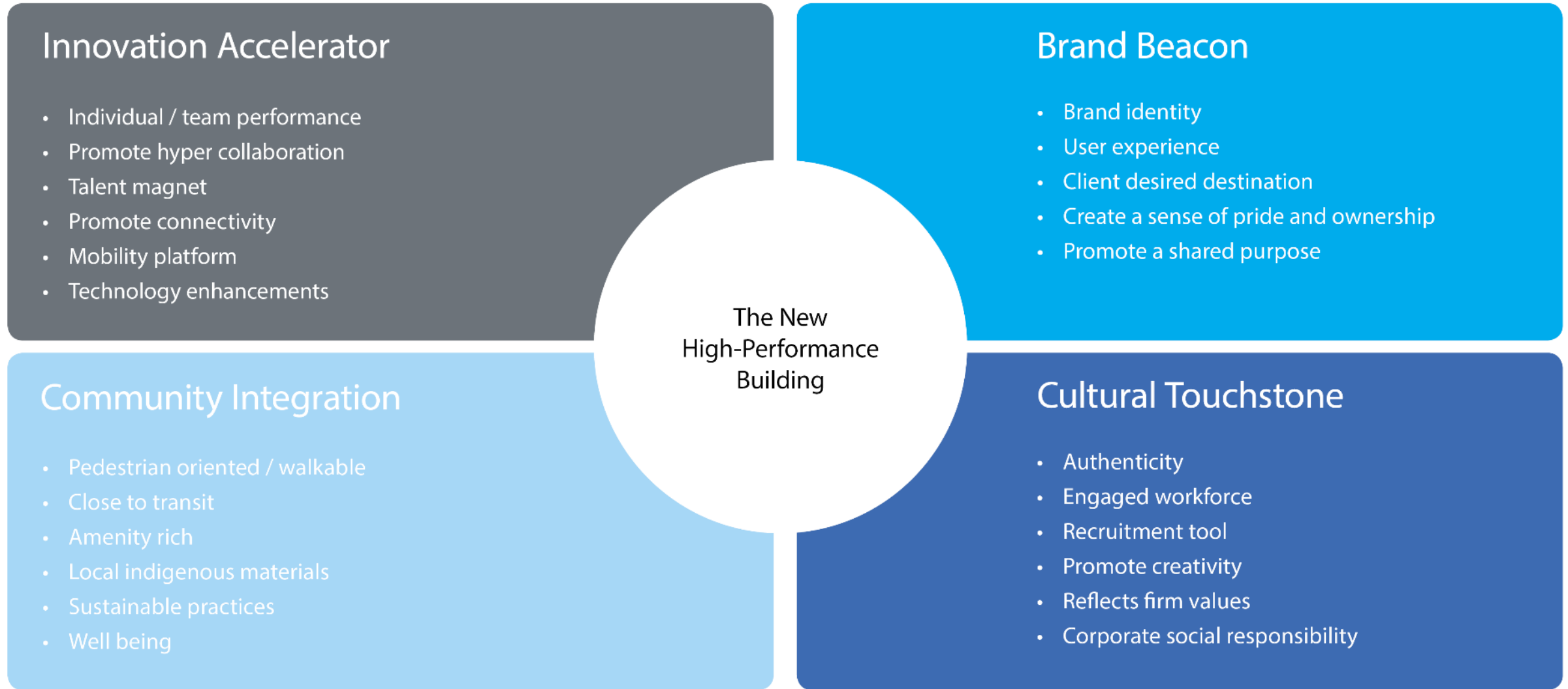
EMPOWER

EMPLOYEE



ENTREPRENEUR

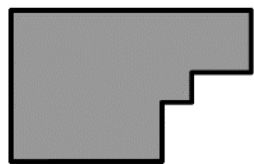
Office Building of the Future



New Paradigm in Office Buildings

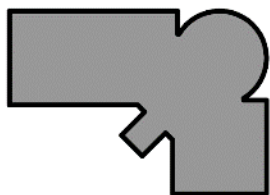
| | PRE RECESSION | POST RECESSION |
|-----------------|--|--|
| FLOOR PLATE | 20-25 ksf | Up to 60 ksf |
| AMENITIES | Tenant provided and dispersed Central business districts, suburbs | More amenities in walkable amenity-rich setting Mixed-use urban districts near transit |
| CEILING HEIGHTS | 8' - 9' throughout all workspace | 9' - 12' typical, varying based on use |
| SF / PERSON | 250-350 sf / person Stacked office floor without openings and interconnecting stairs are the norm 10% chance of unplanned encounters Center core | 150-250 sf / person 2-3 story opening interconnecting stairs more common 90% chance of unplanned encounter Offset core in some markets |

Dolby
San Francisco, CA



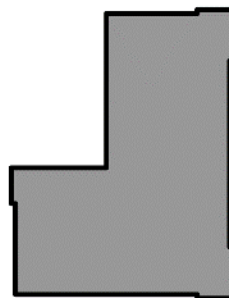
29,900 sf

Google
Mountain View, CA



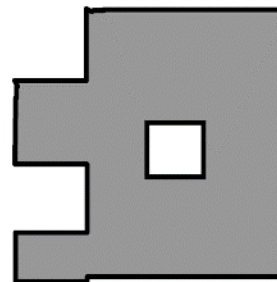
33,800 sf

Facebook Bldg 12
Menlo Park, CA



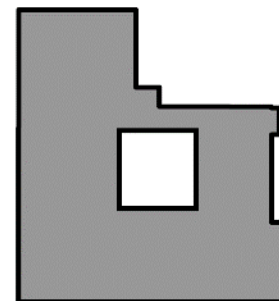
47,900 sf

Foundry Square 1
San Francisco, CA



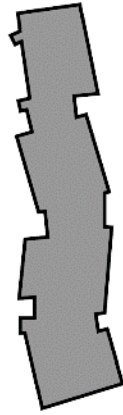
53,000 sf

888 Brannan
San Francisco, CA



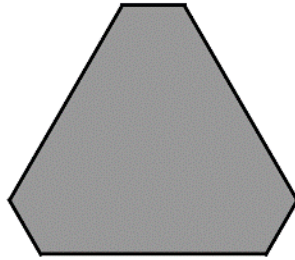
55,000 sf

**Facebook
Campus**
Menlo Park, CA



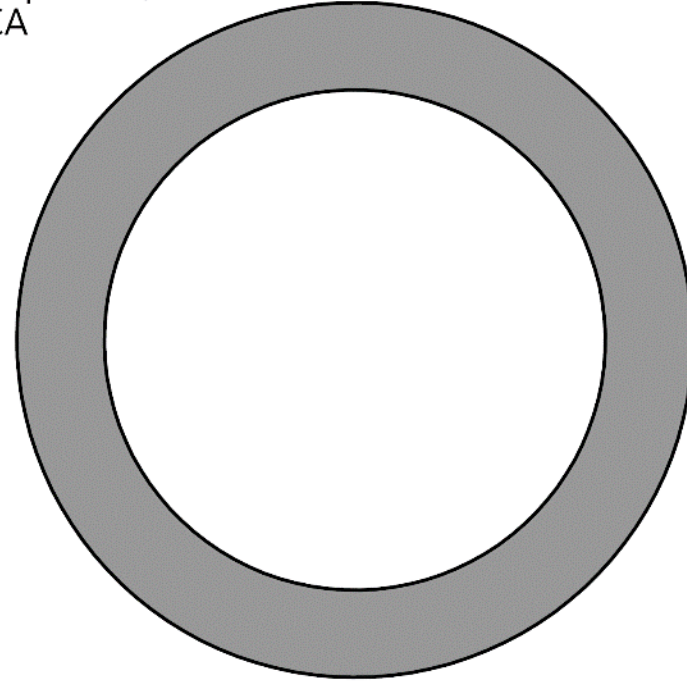
202,500 sf

NVIDIA
Santa Clara,
CA



249,000 sf

Apple
Cupertino,
CA

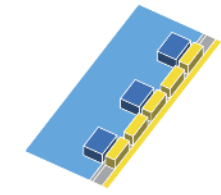


840,000 SF

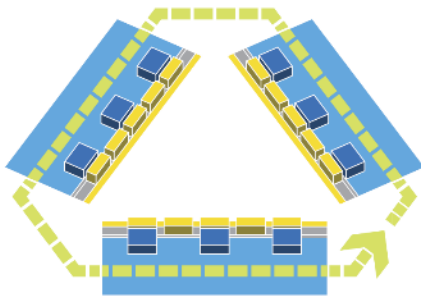
HOW DO WE GET
2,500 PEOPLE TO
COLLABORATE?

HOW DO WE CAPTURE
THE SOUL OF OUR
COMPANY?

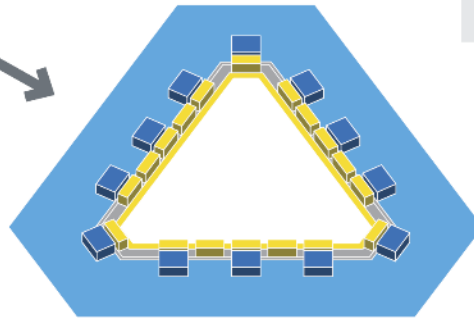




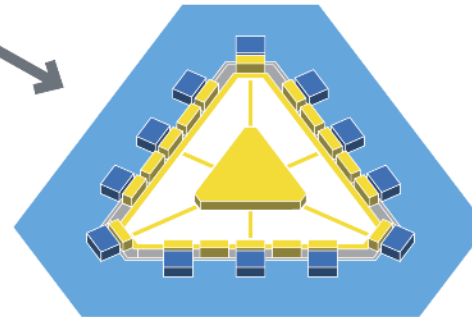
TYPICAL FLOORPLATE



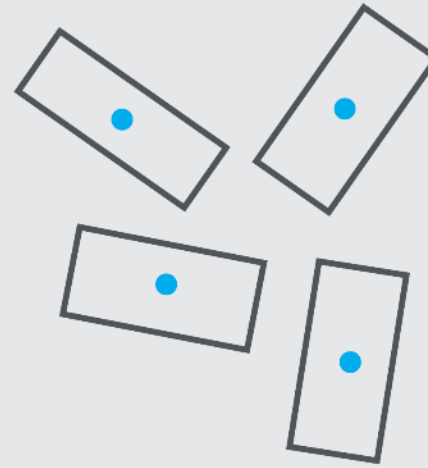
THREE TYPICAL FLOORPLATES



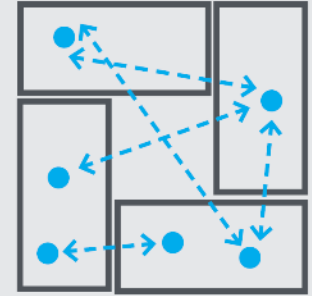
ONE LARGE CONNECTED FLOORPLATE WITH CENTRAL ATRIUM



CONNECTIONS ACROSS ATRIUM GENERATE A COLLABORATIVE CENTRAL HEART



TEAMS IN SEPARATE BUILDINGS BECOME ISOLATED



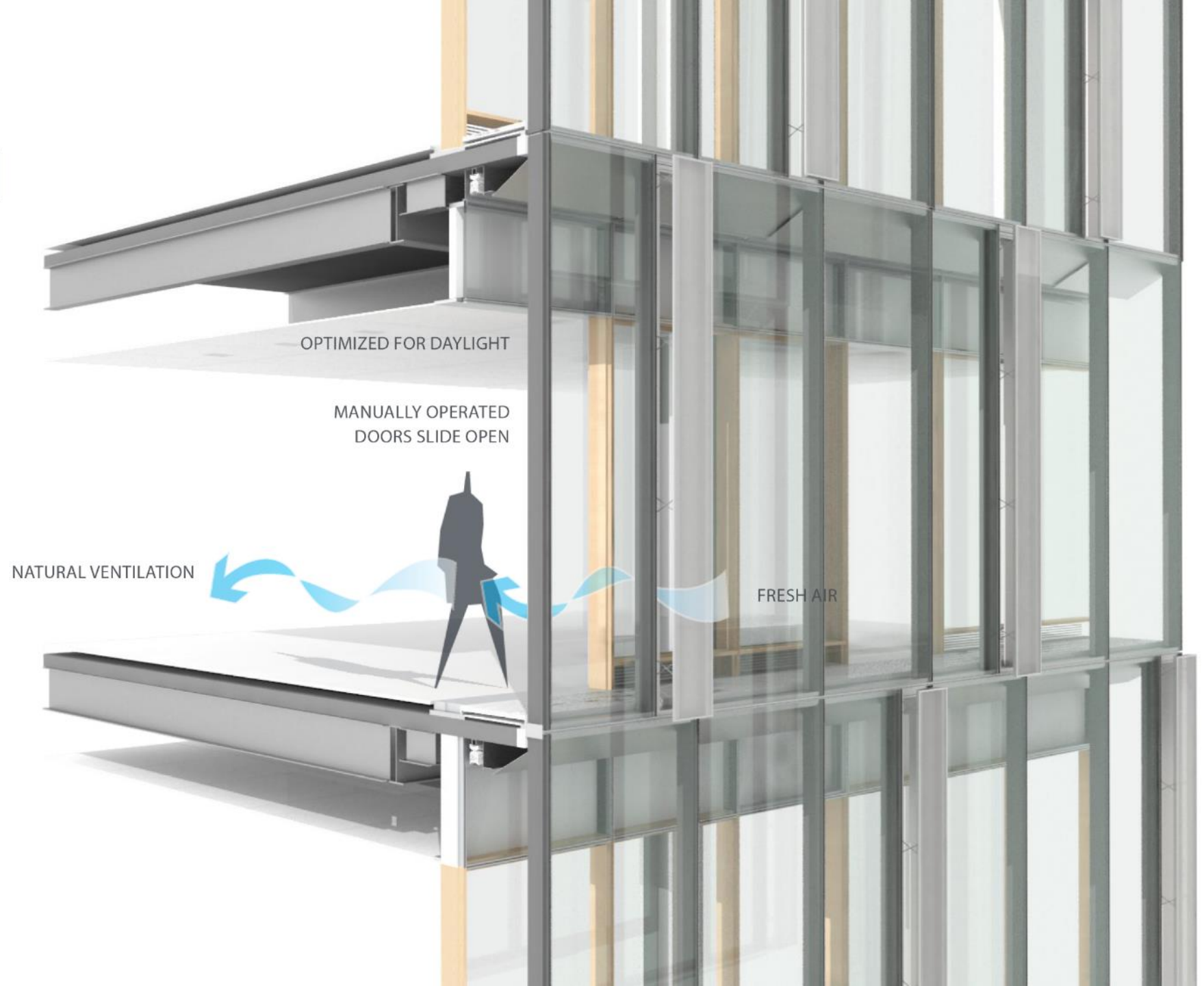
CONNECTED BUILDINGS ENCOURAGE INTERACTION BETWEEN TEAMS

WHAT IF A BUILDING
COULD BREATHE?





DOUBLE-SKIN FACADE





HOW DO WE STAY
TRUE TO OUR
START-UP ROOTS?

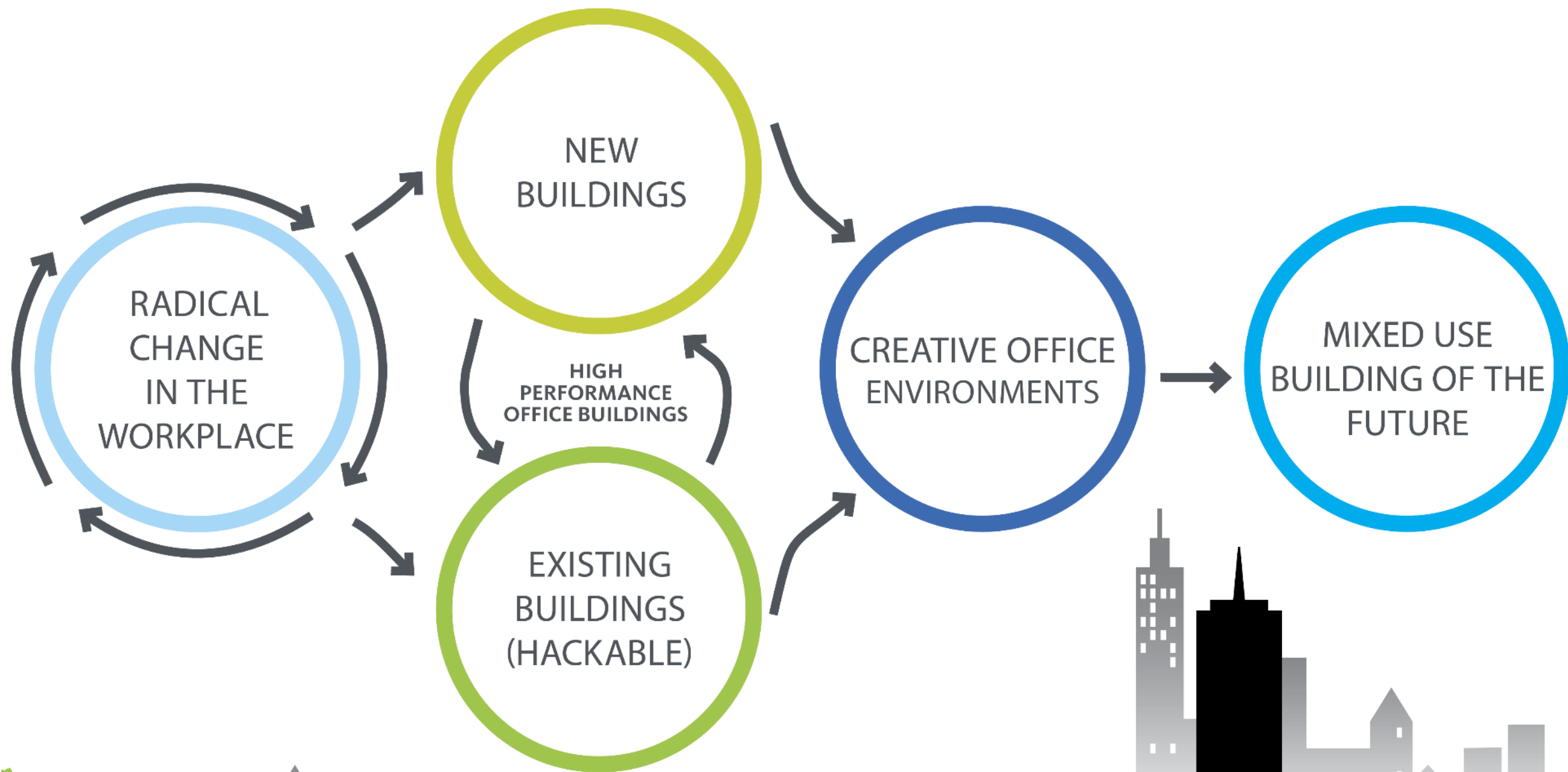
HOW DO WE BRING
WHAT WE LOVE ABOUT
PALO ALTO TO OUR
NEW PLACE?

facebook



Java Java
Executive







Jeremy Neuner

NextSpace
Founder

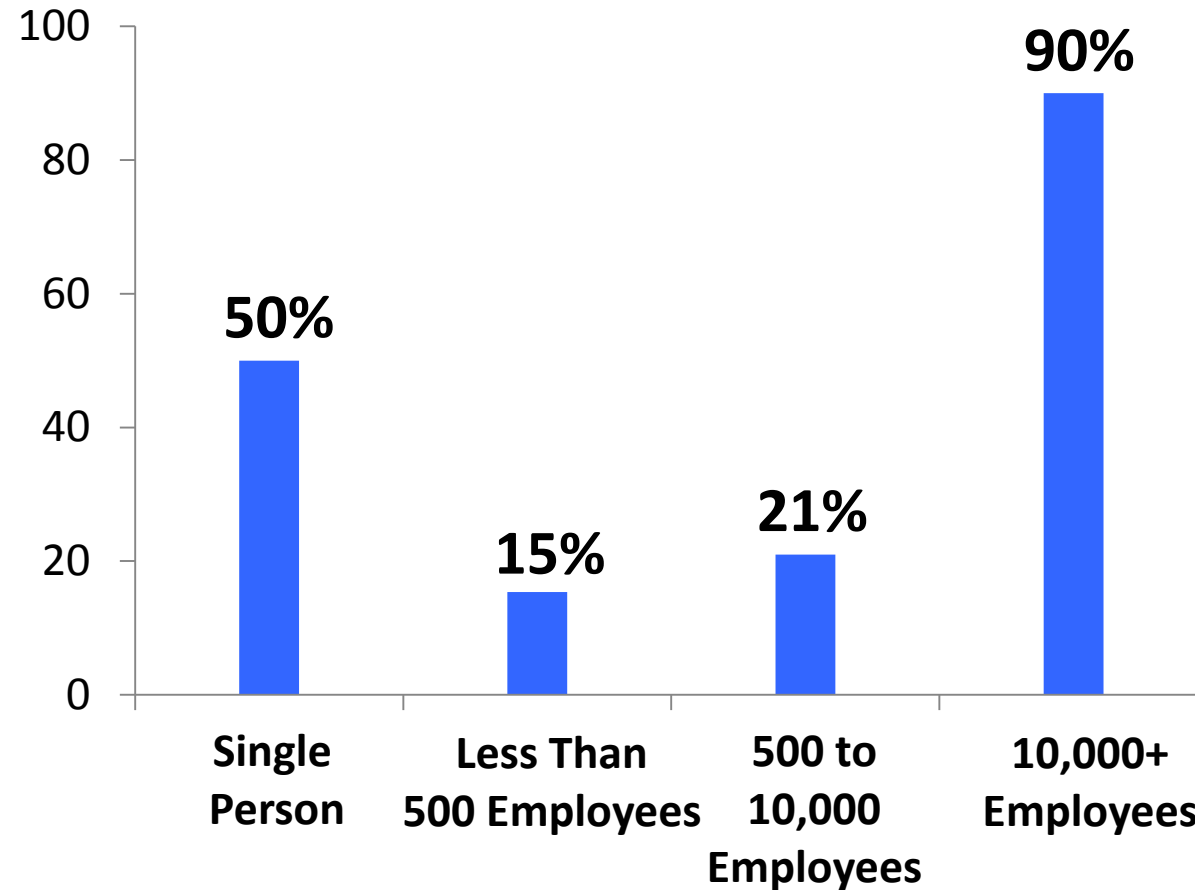
50,000,000

People are hungry for ways
to make a living and make a
life on their own terms.

-Ryan & Jeremy

The Rise of the Naked Economy

Growth in Employer and Single Person Firms Percentage Change – 1992 to 2012



Source: Small Business Administration



We can work anywhere, but
not everywhere works.

-Mark Greiner
Chief Experience Officer
Steelcase

Today, for perhaps the first time in human history, we have the opportunity to align our economy with our humanity.

-Richard Florida

Thank you.

