IFMA's World Workplace®
Your Facility Conference & Expo

Oct. 16-18, 2019
Phoenix, Arizona
Phoenix Convention Center

# WORKPLACE QUALITY ASSESSMENT

## A Guide to Office Building Quality, 3rd edition

Session 5.04, N124A, 9:15am, October 18

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## Presenter Introduction

In-Touch Advisory
PROPERTY COUNCIL of Australia

### Stephen Ballesty, FRICS, FAIQS, IFMA Fellow, ICECA, CQS, CFM

- Stephen's Sydney based consulting firm In-Touch Advisory connects stakeholders with solutions for the Built Environment across the property–construction–facilities life cycle.
- Stephen is currently an Australian delegate for the ISO international FM standards initiative (ISO 41000 since 2012), ISO/TC-267's global liaison to ISO/TC-251 (ISO 55000 asset management). He is also the Chairman of the Property Council of Australia's Office Building Quality Steering Committee since 2004.
- Stephen is a former member of the IFMA Board of Directors and Past Chairman of both the IFMA Foundation; and FMA Australia.
- Stephen.Ballesty@in-touchadvisory.com

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## WORKPLACE QUALITY ASSESSMENT

### A Guide to Office Building Quality, 3rd edition

1: Review of office quality and standards

2: Background and development of the PCA's "*a Guide to Office Building Quality*", its global significance, and review the latest edition

3: Sustainability, quality of life and the role of FM

4: Review of the strategic FM impact of Quality, quantitative modelling and useful links

**SESSION GOAL:** Translating modern office quality expectations via grading assessment for performance benchmarking and strategic FM impact.

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## Property Council of Australia

PROPERTY COUNCIL of Australia

| 2018/19 vital statistics | |
|---|---|
| Corporate Members | 2,267 |
| National Events | 466 |
| Event Attendees | 66,934 |
| No. of Committees | 116 |
| No. of Volunteers | 1,594 |
| Advocacy submissions | 202 |

Source: Property Council 2019 Membership Directory

propertycouncil.com.au

Australia's property industry
Creating for Generations

## Workplace Quality Assessment … does it matter?

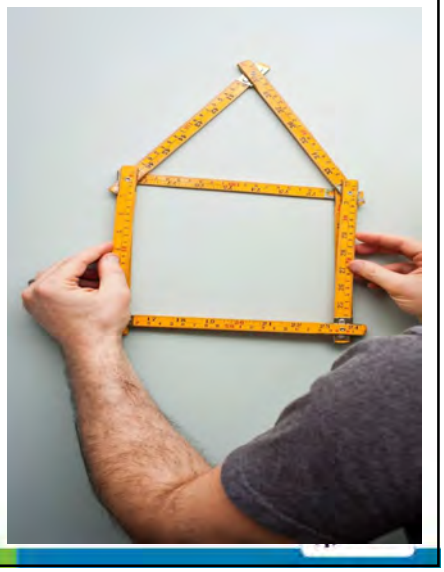
… and how things have changed!!



## You can't manage what you don't measure

- Metric: "*A standard of measurement*"
- Measurement: noun, "*the extent, or amount obtained by measuring*"
- Benchmark: "*A standard by which others may be measured*"

So we collect data (measurements), determine how those will be expressed as a standard (metric), and compare the measurement to the benchmark to evaluate progress…



## Standards matter

Standards are fundamental to operating in a truly sustainable global environment, and offer:

- a common language
- consistent reporting
- greater transparency
- increased confidence through reduced risk
- ability to performance benchmark
- measure, cost, analyse and forecast

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## History & Background

**"Where is the Quality Grade Matrix?"** * *Property Council*

1992 ? … 1998 … one-pager …

*"…the Quality Grade Matrix was withdrawn from public circulation in July 2003" **

By 2006 *"The Guide provides a design specification for new office buildings and an easy to use matrix for existing buildings for classifying office building quality" **

Quality

Sustainability

**"What is the Matrix?"** ** *Neo*

Innovation

Australia's property industry
**Creating for Generations**

*"I didn't say it would be easy. I said it would be the truth"* ** Morpheus

**Sources:** * Property Council research, Office Benchmarks Demo, ** The Matrix (1999), a Warner Bros movie production, directed by The Wachowskis

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## 3rd Edition Deliberations, Drafting & Consultation

- **April 2017** — New Steering Committee meetings begin
- June 2017 — Sub Groups formed (elevators, IEQ, occupancy density)
- November 2017 — Public consultation available on website
- February 2018 — National Sustainability Roundtable consultation begins
- September 2018 — Board Representative Committee formed for review
- April 2019 — Property Council Board of Directors approval achieved
- **May 2019**

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## 3rd Edition Deliberations, Drafting & Consultation

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**Majority** of comments

- Amenities
- Tenant & lift services
- Environment
- Occupancy density

**Dialogue** required

- Workplace strategy
- Integrated technology
- Climate change
- Indoor environment quality

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## 3rd Edition Deliberations, Drafting & Consultation

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past → 2012 2nd Ed. Guide

- New building calculations based on **10m²** per person
- Existing building and evevator parameters calculations based on **12m²** per person
- Other revised criteria

Occupation Density

Compliance

Challenges

Further Additions

- Workplace strategy
- Integrated technology
- Climate change
- Indoor environment quality
- User amenities

- New: '**Emerging Quality Issues**' added to explore further considerations that may be needed for future designs and upgrades to meet expectations

New 3rd Ed. Guide

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## 3rd Edition Contents

07 Using These Building Quality Guidelines

"This Guide is voluntary"

08 Office Quality Grade Matrix – New Buildings and Existing Buildings

Explanatory Notes

36 Emerging Quality Issues

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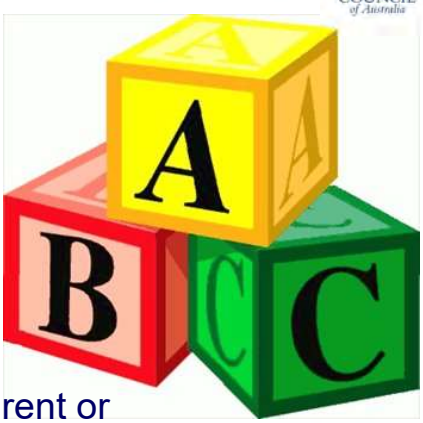
## Office Quality across defined 5 Grades

- ❑ **Premium** – landmark and prestige
- ❑ **Grade A** – high quality
- ❑ **Grade B** – good quality
- ❑ **Grade C** – average quality
- ❑ **Grade D** – poor quality




"The *ultimate measure* of office quality is the rent or financial value an occupant is *willing to pay* in return for the amenity and services delivered by the building"

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## Office Quality Benchmarking, a global issue

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**When you check into an office, you need to know if it's five-star**

■ **Sir Stuart Lipton** calls for a hotel-style benchmarking system for offices

**Sir Stuart Lipton** calls for a 'hotel-style' benchmarking system for offices.

British Council for Offices (BCO)

*"The Property Council of Australia has produced a quality grade matrix*
- Premium – landmark office building
- Grade A – high-quality space
- Grade B – good-quality space
- Grade C – older-style space
- Grade D – poor-quality space

*Taken with parameters of endorsement, floorplate and specification, this could allow us to gradually start the benchmarking process"*

This would enable **cost savings** and **product improvement**

"BCO Guide to Specification" published in 2004, 2009, 2014 & 2019

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## Office Quality Benchmarking, a global issue

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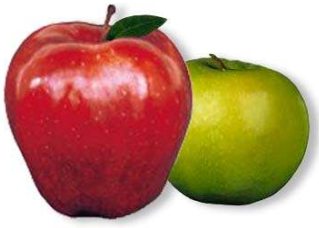
According to the **Building Owners and Managers Association (BOMA)** of whom the Property Council of Australia is an international member, metropolitan office space is classified as: Class A, Class B, and Class C.

- ❑ BOMA **Class A** facilities have "*high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence*" *



- ❑ "*The lack of specifics allows considerable room for "fudging" the boundaries of the categories*" *

* **Source**: https://en.wikipedia.org/wiki/Office

BOMA International base definitions:
- ❑ Investment
- ❑ Institutional
- ❑ Speculative

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## Office Quality Criteria & Metrics

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A. Descriptor
B. Environmental
C. Configuration
D. Mechanical
E. Tenant Services
F. Lifts / Elevators
G. Electrical
H. Standby Power
I. Building Management
J. Communications
K. Hydraulics
L. Security
M. Amenities
N. Parking

*62 parameters across 14 assessment categories applied equally to* **New** *and* **Existing** *offices*

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## Using these Building Quality Guidelines

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1. This Guide applies to office buildings and office space.
2. This Guide is voluntary.
3. This Guide is not a rating tool and the Property Council of Australia does not publicly classify building quality or provide advice on the use of the tool in individual circumstances.
4. The New Buildings matrix applies to buildings for which a development application is submitted after 1 July 2019.
5. The Existing Building matrix relates to all other office buildings.
6. The quality matrices should only be used in conjunction with their relevant explanatory notes.
7. Compliance with statutory requirements is assumed throughout.
8. The quality matrices provide a guide to the typical features of different quality grades of office space. It is not necessary to achieve every parameter nominated in this Guide, however, to qualify for a quality grade, it is anticipated a building will **overwhelmingly meet** the stated criteria of that grade.
9. This Guide describes the optimal mix of features that differentiate building performance. It is an integrated package. Users of this Guide are cautioned against ramping up the standards recommended in this Guide. Higher, bigger and larger is not necessarily better.
10. Users of this Guide are encouraged to exercise their judgement rather than rely on absolute rules or a 'tick the box' approach. Should criteria not be included against a specific parameter this does not preclude its inclusion in a building of that quality.
11. The ultimate measure of office quality is the rent or financial value an occupant is willing to pay or attribute in return for the amenity and services delivered by the building.
12. Perceptions of quality change over time. Acknowledging this, the Guide will be reviewed not less than every three years.

> It is anticipated a building will **overwhelmingly meet** the stated criteria.

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## 3rd Edition Matrix Structure

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OFFICE QUALITY GRADE MATRIX – SECURITY

### New Buildings

| Code | Parameter | Unit | Premium Buildings | Grade A Buildings | Grade B Buildings |
|---|---|---|---|---|---|
| K1 | Access system | Type | Proximity | Proximity | Proximity |
| K2 | Control room / security desk | Location / availability | Onsite 24/7 | Onsite 24/7 for buildings >= 30,000 sqm | Off site 24/7 |
| K3 | CCTV | Extent of coverage | Main public areas/ lobbies, car parks, loading docks, goods lifts and all points of entry and exit. | Main public areas/ lobbies, loading docks, goods lifts and all points of entry and exit. | Main public areas, main points of entry and exit. |
| K4 | CCTV archive footage storage | Days | 60 | 30 | 15 |
| K5 | Inter-floor fire stair access | Yes / No | Yes, minimum of two | Yes, minimum of one, with conduits for future expansion in other fire stairs | – |

### Existing Buildings

| Code | Parameter | Unit | Premium Buildings | Grade A Buildings | Grade B Buildings | Grade C Buildings |
|---|---|---|---|---|---|---|
| K1 | Access system | Type | Proximity | Proximity | Yes | Yes |
| K2 | Control room / security desk | Location / availability | Onsite 24/7 | Onsite 24/7 for buildings >= 30,000 sqm | Off site 24/7 | Periodic patrol |
| K3 | CCTV | Extent of coverage | Main public areas/ lobbies, car parks, | Main public areas/ lobbies, loading docks, | Main points of entry and exit | – |

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EXPLANATORY NOTES – SECURITY

**K1 ACCESS SYSTEM**
Identifies the type of access system incorporated into the base building, including entry/exit, lift cars, tenant floors and the like (as applicable).

**K2 CONTROL ROOM / SECURITY DESK**
Identifies the minimum level of security provided by the base building.
EXAMPLE: A building with an onsite security control room or lobby security desk staffed 24 hours a day, seven days a week meets Premium Grade requirements.

**K3 CCTV**
Identifies the minimum level of colour and digital CCTV coverage provided by the base building.

**K4 CCTV ARCHIVE FOOTAGE STORAGE**
Identifies the number of days full archival storage of all CCTV images must be maintained.

**K5 INTER-FLOOR FIRE STAIR ACCESS**
Identifies the security access system (including door strikers and card readers) that is to be provided to the fire stairs to enable fire stair access between floors.
EXAMPLE: An existing building in which the access system is provided to at least one set of fire stairs, to enable access between floors, meets Premium Grade requirements.

New, Existing and Explanatory Notes retained and integrated for ease of use

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## The Matrix (3rd edition, 2019)

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OFFICE QUALITY GRADE MATRIX – BUILDING MANAGEMENT

### New Buildings

| Code | Parameter | Unit | Premium Buildings | Grade A Buildings | Grade B Buildings |
|---|---|---|---|---|---|
| H1 | Management personnel | Level of service | Full management and operational onsite team, regular building management committee meetings, active environmental education, adoption of software-based facility management systems, including integration with building information management (BIM) where utilised. | Full management and operational onsite team for buildings greater than 30,000 sqm. Regular building management committee meetings, online tenant service request system, active environmental education, building user guides and risk management systems. | Remote monitoring with daily site attendance |
| H2 | Courier coordination | Yes / No | Yes with space provided | Yes | Yes |
| H3 | Life cycle maintenance | Years | >= 15 | >= 10 | >= 5 |
| H4 | Energy and water submetering | Yes / No | Yes | Yes | Yes |
| H5 | IEQ monitoring | Yes / No | Yes – utilising IEQ monitors / loggers | Yes | No |

**H2 Life Cycle / Maintenance**

Identifies the term of management plan that must be in place for the long term maintenance of the building services and structural components in order to maintain its current quality grade.

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## Emerging Quality Issues (3rd edition, 2019)

- ❑ Quality Indoor Environments & Wellness Factors
- ❑ Carbon Neutrality
- ❑ Sustainability
- ❑ Urban Resilience
- ❑ Workplace Strategy
- ❑ Integrated Technology

The Guide recognises there will be limitations on the current parameters, definitions and referencing tools used in this publication. This section provides a snapshot of some factors that may be considered when designing or upgrading an office building in the next few years.

QUALITY INDOOR ENVIRONMENTS AND WELLNESS FACTORS

The provision of quality indoor environments and the overall impact of building design on health and wellness of occupants, while always important, will likely come under more scrutiny in the coming years. These issues include, but are not limited to, air quality, lighting and daylighting levels, thermal performance, and acoustic and water trends that will impact building performance. There is also an increasing need to consider lifestyle issues such as access to amenity, fitness and healthy foods. Building designers should also consider the impacts of external environments such as heat island effects, acoustics and air pollution. Tools and rating schemes continue to evolve to provide guidance in relation to these trends and should be considered. These include Green Star Performance, NABERS IE, Wellness, Living Building Challenge and the broader impact of a range of existing and new standards such as the ISO 41000 series.

… and the broader impact of a range of existing and new standards such as the **ISO 41000 series**.

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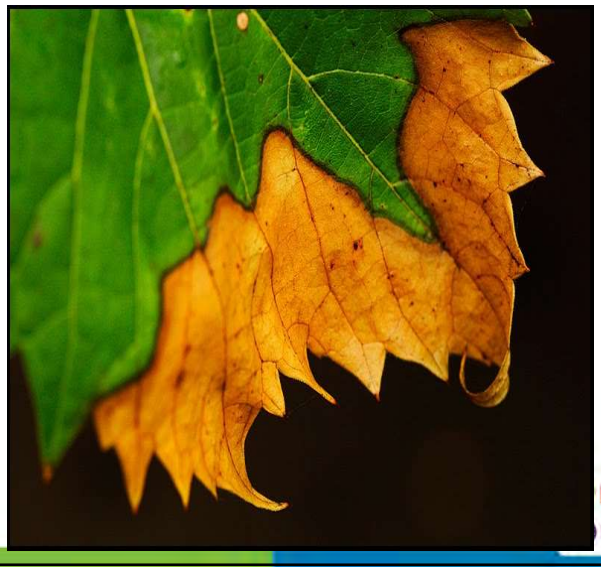
## Sustainability, or *Quality of Life*

❑ "improving the ***quality of*** human ***life*** while living within the carrying capacity of supporting ecosystems"

**Source**: Caring for the Earth, 1991
World Wide Fund for Nature (WWF)
United Nations Environment Programme (UNEP)
International Union for Conservation of Nature (IUCN)



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## ISO/TC267 Facility Management (FM)

### What is FM?

FM is an "*organizational function which integrates people, place and process within the Built Environment with the purpose of improving the quality of life of people and the productivity of the core business*"

**Source**: ISO 41011:2017

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**2019** https://www.ifma.org/about/what-is-facility-management

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ISO 41001: 2018 MSS
PLAN
Context of the Organization
• External & Internal Issues
• Interested Party Requirements
• Establish Scope
• Document Scope
• FM Management System
Leadership
• Leadership & Commitment
• Establish FM Policy
• Communicate FM Policy
• Relevant Roles
• Responsibility & Authority
Planning
• Risks & Opportunities
• Plan/Address Risks
• Requirements of Stakeholders
• FM Objectives
• Implementation Plan
Support
• ID & Secure Resources
• Source & Monitor
• Competencies
• Awareness
• Communications
• Information Required
• Knowledge management
DO
Operation
• Processes
• Change Control
• Control Processes
• Stakeholder Relationships
• Integrate Service Delivery
CHECK
Performance Evaluation
• Scope of Monitoring
• Monitoring Means & Methods
• Documented Results
• Evaluate Performance
• Audits
• Top Management Review
• Communicate/Act on Results
ACT
Improvement
• Nonconformity
• Corrective Actions
• Preventive Measures
• Gap Analysis
• Continually Improve
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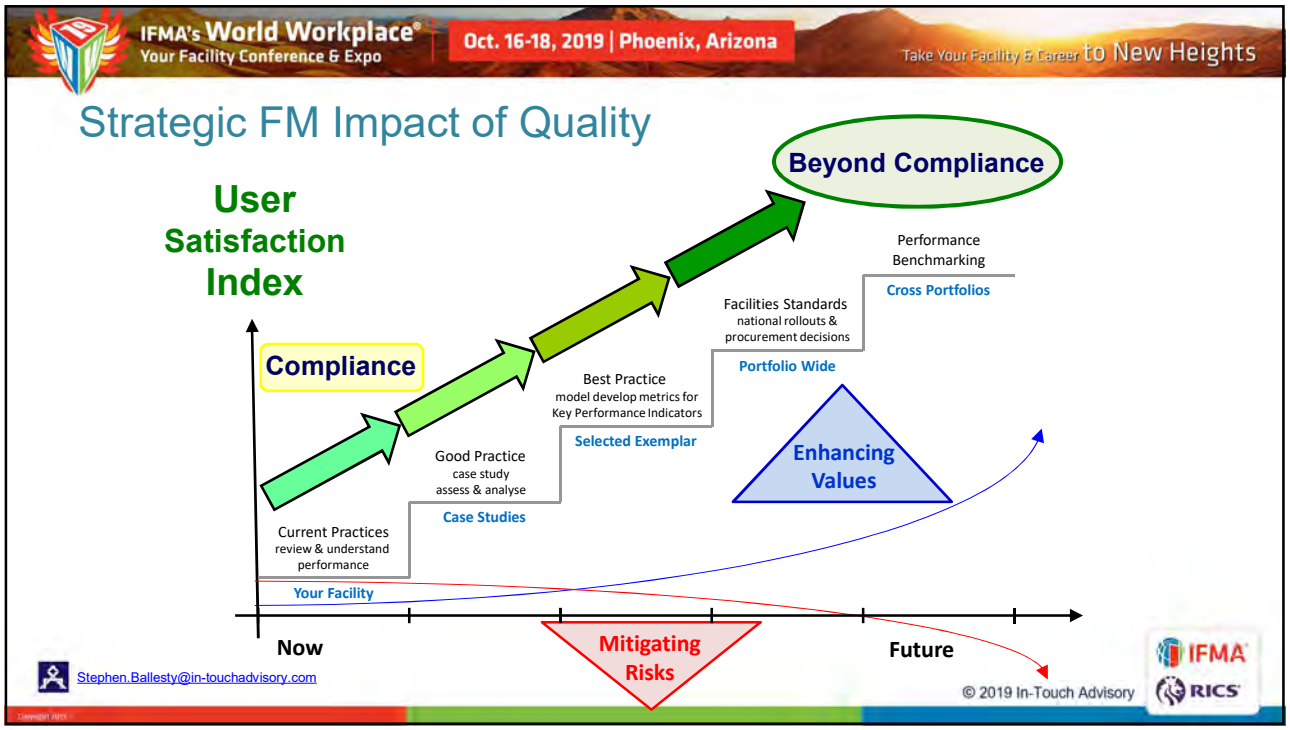
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Strategic FM Impact of Quality
User Satisfaction Index
Beyond Compliance
Compliance
Performance Benchmarking
Cross Portfolios
Facilities Standards
national rollouts & procurement decisions
Portfolio Wide
Best Practice
model develop metrics for Key Performance Indicators
Selected Exemplar
Good Practice
case study assess & analyse
Case Studies
Current Practices
review & understand performance
Your Facility
Enhancing Values
Now
Mitigating Risks
Future
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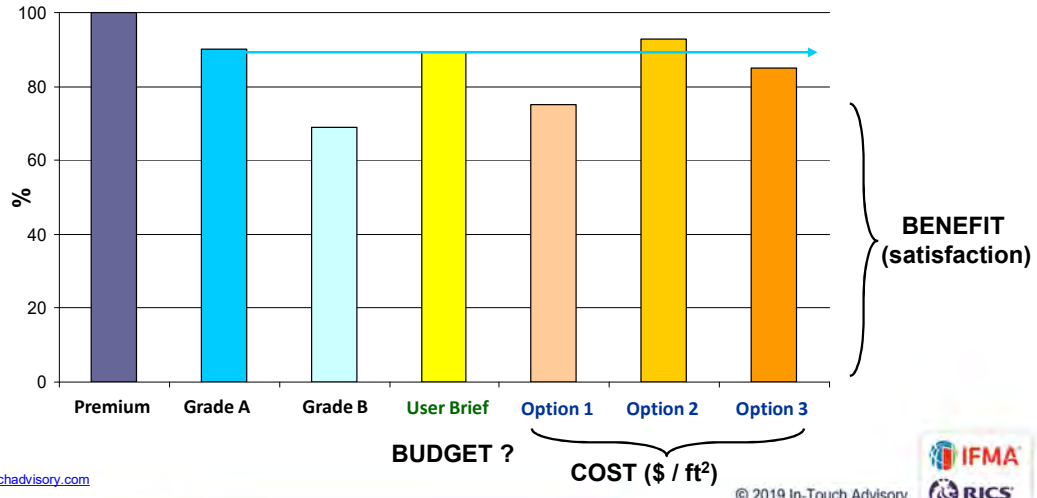
## Benchmarking Quality

### By overall index (100) under Office Quality Grading (OQG)

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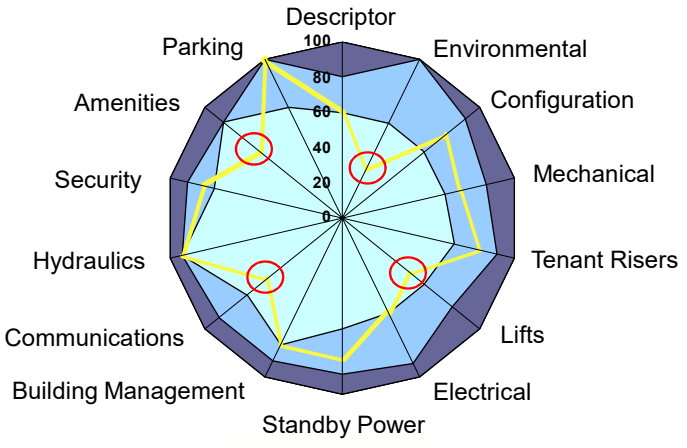
## Benchmarking Quality

### By category performance within Office Quality Grading (OQG)




Quantitative techniques can be applied to benchmarking Quality

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## Workplace Quality Assessment

- Importance of **Standards** and Measurement
- PCA's ***"a Guide to Office Building Quality"*** 3rd edition (2019)
- The relevance of **Quality, Sustainability** and **Innovation** to workplace strategies
- Strategic Impact of Quality in terms of best (or good) practice and **Benchmarking Quality** for new and existing facilities
- Move to '***Beyond Compliance***' and towards re-positioning existing assets to be efficient, innovative, productive and sustainable

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## Useful References

- https://www.propertycouncil.com.au
- https://www.propertycouncil.com.au/Web/Content/News/NSW/2019/A_Guide_to_Office_Building_Quality_Third_Edition.aspx?WebsiteKey=148a29fb-5ee5-48af-954b-a02c118dc5fd
- https://committee.iso.org/home/tc267
- https://www.boma.org
- http://www.in-touchadvisory.com/
- https://www.ifma.org/ & https://www.rics.org

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# Reflections … any questions ...?

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# Presenting at World Workplace

In-Touch Advisory

## Stephen Ballesty, FRICS, FAIQS, IFMA Fellow, ICECA, CQS, CFM

| SESSION CODE | SESSION TITLE | DATE | TIME |
|---|---|---|---|
| 2.02 | Global Cost Prediction in a Post-ICMS world | October 17, 2019 | 3:00 PM - 4:00 PM |
| 5.04 | Workplace Quality Assessment | October 18, 2019 | 9:15 AM - 10:15 AM |
| 6.11 | ISO 41000: Next-gen FM via International Standards | October 18, 2019 | 10:30 AM - 11:30 AM |

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Copies will be available at http://www.in-touchadvisory.com/

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