

# Our strategy

## Our strategy

Our strategy is now well embedded and has been proven to deliver results. The Board reviews it regularly to keep it relevant and we have no reason to believe it will not continue to deliver excellent returns for shareholders.

The Workspace Advantage sits at the heart of the strategy with five strategic pillars that drive value for the business.

This value comes from the two parts of our business – the portfolio, which we are upgrading and expanding, and the platform, which drives income growth and provides valuable customer insights.

## Super connected: Delivering The Workspace Advantage requires all parts of our business to work together

Our five strategic priorities frame and help direct the implementation of The Workspace Advantage.

To help with the assessment and successful delivery of our strategy, the Board regularly invites external advisers, as well as internal Workspace teams, into the Boardroom to share insights and knowledge.

Our Executive Directors and senior management team spend a significant amount of time out and about in the business, visiting centres, talking to centre managers and meeting customers, as well as analysing the competition.

## Our strategic priorities drive Portfolio and Platform value

### Right market

Despite the political uncertainty, we believe that London remains the right market for our business. The opportunity continues to be extremely attractive, with strong demand from all types of businesses for our offer. Where we see value, we will continue to acquire new assets that meet customer demand for our space and will deliver attractive returns to shareholders, and our deep market insight enables us to move quickly when these opportunities arise.

### Right properties

We have a high-quality portfolio of properties in dynamic London locations and we are constantly upgrading our assets. We are delivering capital and income growth by driving rental income growth at our like-for-like properties and letting up the new and upgraded space coming out of our extensive refurbishment and redevelopment pipeline. We remain focused on creating and, opportunistically, acquiring the right properties that will attract our customers.

### Right customers

Our properties are open to all and our customer base is made up of some of London's fastest growing and established businesses from a broad mix of sectors. Our customers range from freelancers, consultants and early-stage businesses right up to well-known brands and established companies.

### Right people

Employing the right people continues to be critical for the success of the business. Workspace's people display deep knowledge of their subjects, have an inquisitive nature and a thirst for innovation, and show genuine care for our customers, our communities and each other.

### Right brand

Workspace has a strong brand, and we work hard to ensure that our offer is highly visible to prospective customers as they embark on their search for office space. Digital marketing, a strong social media presence and employees who live our values are all key to attracting and retaining customers and maintaining high levels of customer satisfaction.

All of this informs our understanding of the market, determines how we create value through our business model and feeds into our risk assessments.



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**China Works, Vauxhall**  
Understanding the property market allows us to deliver value to investors as well as customers.

## Our strategy continued

### Creating value in 2018/19

#### Strategic priority: Right market



##### Description

Our portfolio is exclusively based in London, where we see continued strong customer demand and opportunities to acquire attractive real estate.

##### What we said we would do in 2018/19

Continue to pursue acquisitions in London where we see opportunities to create value.

##### The market trends that influenced our progress Relevant London trends

- With London job openings at a record high, attraction and retention of talent is critical for businesses.
- Uncertainty surrounding the UK's withdrawal from the EU has not affected demand for office space.

##### Relevant flexible office trends

- Continued growth of the flexible office market.

##### What we achieved in 2018/19

- Acquired the remaining Centro Buildings in Camden and our first property in Shepherd's Bush.
- Continued to see strong demand from London-based businesses. Average monthly enquiries were 1,048 during the year.

##### What we aim to do in 2019/20

Continue to grow our footprint in London through expanding existing sites and acquiring new properties that will deliver value for shareholders.

##### Link to relevant principal risks

1, 2, 3, 4, 5, 10

##### Link to relevant KPIs

Financial: 3, 5, 6, 7, 8  
Non-financial: 2, 5

#### Strategic priority: Right properties



##### Description

Creating the right environments for our customers is critical and our rolling programme of asset management, refurbishment and redevelopment projects means our properties remain at the cutting-edge of customer requirements.

##### What we said we would do in 2018/19

Progress our extensive project pipeline to drive income and capital growth.

##### The market trends that influenced our progress Relevant London trends

- Londoners increasingly favour walking or cycling to work.

##### Relevant flexible office trends

- Landlords are putting customers first.

##### Relevant customer trends

- Businesses want their landlords to have strong sustainability credentials.

##### What we achieved in 2018/19

- Completed eight projects delivering a total of 341,000 sq. ft. of new and upgraded space.
- Refurbishment work underway on a further nine properties.

##### What we aim to do in 2019/20

Deliver 263,000 sq. ft. of new and upgraded space from our refurbishment and redevelopment pipeline.

##### Link to relevant principal risks

1, 2, 3, 4, 5, 8, 10

##### Link to relevant KPIs

Financial: 1, 2, 3, 4, 5, 6, 7, 8  
Non-financial: 2, 4, 5, 6

#### Brickfields, Hoxton New building launching in 2019 comprising 57,000 sq. ft.





**Strategic priority:**  
Right customers



**Description**

The Workspace Advantage means we have a customer-first culture and we aim to create communities of businesses in our centres, with regular insight and networking events to encourage further collaboration.

**What we said we would do in 2018/19**

Bring upgraded space to the market for our customers and launch an online benefits platform.

**The market trends that influenced our progress**

**Relevant London trends**

- As London job openings are at a record high, attraction and retention of talent is critical for businesses.

**Relevant customer trends**

- 'Millennials' and 'Generation Z' value workplace culture as much as financial reward.
- Ways of working continue to change as customers become more mobile.
- Customers prioritise connectivity when they are weighing up their office needs.

**What we achieved in 2018/19**

- New space has let up extremely well, proving that our product is capturing customers' imagination.
- Launched the customer benefits platform, connecting businesses across the portfolio.

**What we aim to do in 2019/20**

Continue to roll out the benefits platform, providing more opportunities for customers to collaborate and trade with each other.

**Link to relevant principal risks**  
3, 4, 5, 6, 9, 10, 11

**Link to relevant KPIs**

Financial: 1, 5, 6  
Non-financial: 1, 2, 3, 4, 5, 6, 8

**Strategic priority:**  
Right people



**Description**

Having the right skills and experience within Workspace is critical, but as important is maintaining the right culture to drive behaviours and therefore business performance.

**What we said we would do in 2018/19**

Launch the new Workspace values, enable engagement with all employees and reward successes.

**The market trends that influenced our progress**

**Relevant London trends**

- As London job openings are at a record high, attraction and retention of talent is critical for businesses.

**Relevant flexible office trends**

- Landlords are putting customers first.

**Relevant customer trends**

- 'Millennials' and 'Generation Z' value workplace culture as much as financial reward.

**What we achieved in 2018/19**

- Launched the new company values into the business, which are now well embedded, becoming part of our recruitment and appraisal processes.
- Further strengthened the team with new hires across the business.

**What we aim to do in 2019/20**

Continue to embed the values, highlighting success stories and values champions.

**Link to relevant principal risks**  
3, 4, 6, 7, 8, 9, 11

**Link to relevant KPIs**

Financial: 1, 2, 5, 6  
Non-financial: 1, 5, 6, 7, 8

**Strategic priority:**  
Right brand



**Description**

With an increase in competition, it is becoming more important that our key USPs differentiate us in the crowded marketplace and that they remain strongly linked to our Workspace Advantage brand positioning.

**What we said we would do in 2018/19**

Continue brand tracker survey and drive further engagement with the brand through social media.

**The market trends that influenced our progress**

**Relevant London trends**

- Uncertainty surrounding the UK's withdrawal from the EU has not affected demand for office space.

**Relevant flexible office trends**

- Continued growth of the flexible office market.

**Relevant customer trends**

- Customers prioritise connectivity when weighing up their office needs.
- Businesses want their landlords to have strong sustainability credentials.

**What we achieved in 2018/19**

- 1.3m website hits during the year, up 18% year on year.
- Further execution of The Workspace Advantage brand campaign drove a 33% increase in first-time website visits year on year.

**What we aim to do in 2019/20**

Refine our messaging further and use Pathway to Purchase research to tailor our marketing strategy. Roll out brand messaging across multiple consumer channels.

**Link to relevant principal risks**  
3, 4, 5, 6, 7, 8, 9, 11

**Link to relevant KPIs**

Financial: 1, 2, 5, 6, 9  
Non-financial: 1, 2, 3, 4, 5, 6, 8