

**In the next five years technology will vastly reduce demand for real estate**

Thursday 18 October 2018, The Helicon Building, 2 South Place, London EC2

Facilitator: Russell McMillan, Partner, Real Estate Consulting, Deloitte LLP

Speakers: Tim Field, partner, DLA Piper

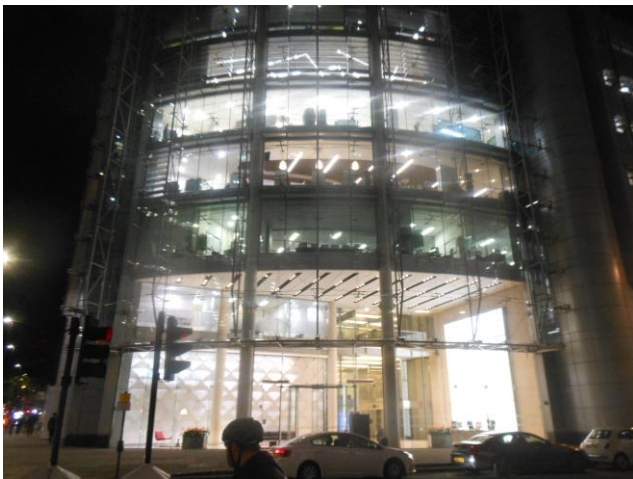
Mark Hughes, CEO, BT Security

Antony Slumbers, co-founder of Prop AI

Neil Usher, consultant and author, The Elemental Workplace



Back to the City again, this time generously hosted by Oracle at the Helicon Building, just off Moorgate. Vanessa Curtis, supported by the Heads of all CoreNet Global UK Chapter Communities had organised a panel of CRE/technical experts to discuss the urgent question of how quickly technology and AI is likely to reduce the demand for real estate.



Welcomed to this stunning venue, Vanessa Curtis, outlined for those non-member attendees the benefits of joining CoreNet and noted a few forthcoming dates for our calendars. Russell McMillan, as facilitator, then took the stand to give us some insights from a recent Deloitte report<sup>1</sup> which highlighted that while 53% of respondents have already started their robotics journey only 3% of those have scaled their digital workforce; roughly half of respondents do not believe their leadership has a clear understanding of AI or how it will impact the

end-to-end enterprise; 28% of senior leaders not confident in their own digital skills; and only 12% of executives believe UK school leavers and graduates have the right digital skills. He listed what he views as seven major disruptors of which the tsunami of data and the difficulty of analysing it all was one. Others were the diversity and generational change in the workplace, the changing nature of careers, the automation of jobs and the explosion of the contingent work force.

He then introduced our panel for the evening: Neil Usher, who had been at Sky and is now a freelance, Antony Slumber, who had run a software development business but no advises corporates, Mark Hughes CEO of BT's security team, and Tim Field, who advises clients of law firm DLA Piper how to make the best of AI.

<sup>1</sup> <https://www2.deloitte.com/uk/en/pages/consulting/articles/the-robots-are-ready-are-you.html>

The question to the panel was: Does Technology mean less space? The same? Or more space?

Mark led off on this one noting that BT has 9,000 buildings globally and provides services in 180 countries, and that ultimately data-carrying fibre optic cables still require physical locations. He also noted that while 30% of BT's staff work flexibly, 70% do not - and that choosing to work collaboratively drives people to more physical locations so that the estate is reforming round physical hubs.

Tim then stated that, front and central, agile working is key for lawyers - that the new Aldersgate offices are almost entirely open-plan and that technology, notably the Kira system for due diligence, described as 'the difference between walking and cycling', frees up staff time for upskilling.

Neil, asked if technology is the only driver, replied not the only - but it is changing the way we work rather than changing the workplace. That everything in the workplace exists in 'some sort of balance', in this case digital and analogue: in high tech-enabled spaces amenities such as cafes are often the most popular spaces.



Antony, asked to give a timescale, was unable to do so - possibly five years he said 'but it's slowly, then quickly' noting changes in everyday life as tech goes from 'useless to utility', such as Alexa or mobile phone cameras. Tasks, he said, not jobs will be automated, so work will become more human and offices become more important now that they are no longer needed.

The first question to the panel from the floor was: Does the office become a social hub - and what about tribalism? Antony took this on, offering the comment that spaces will be small but better, catalysing office activity. Other questions included 'what about junior jobs and learning on the job if tasks are taken over by machines?' which started some controversy, and 'if technology eliminates humans as offices get better how will that increase demand?'.  
  
Finally asked if technology will reduce demand for space in the next five years, the answers from the panellists were mixed. On which note the meeting broke up and we retreated to debate further more informally and to take advantage of Oracle's marvellous hospitality. A stimulating evening.

Alison Sutherland  
October 2018