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SpaceTime in Real Estate

SpaceTime is a concept well known to physicists. It is any mathematical model that combines space and time into a single interwoven continuum. Not surprisingly space has three dimensions and time has one, the fourth dimension. This conceptual conjunction allows physics to handle the workings of the universe from the super-galactic to the subatomic.

Real estate is more prosaic than super-galactic physics but nevertheless SpaceTime *the space you need for the time you need* it is every bit as significant. Thus far space has been the only currency in real estate. Time has stood still and yet time is that of which we have most and we live in it, guess what, all the time!

There exists a tradeable continuum we have not yet touched - SpaceTime.

SpaceTime started in its current form in 1991 with our project for Andersen Consulting in Arundel Street London. A test project of 15,000 square feet launched by Keith Burgess the UK managing partner at the time who could not reconcile the empty desks he saw every day with the performance of his practice.

We were engaged to solve the riddle and our solution still resonates with today's practice. Its 15,000 square feet boasted:

:

- A reservation desk that took and dispensed spaces by telephone. Also responsible for floor maintenance
- A Combination Space for short term individual use and often noisy interactions with visitors
- Long term group and individual work "lagoons" – generally quieter
- Partner Offices inboard available to all when Partner out
- Networked printers and plotters
- Support desks on the perimeter to benefit from light and air for the least peripatetic of the organisation

Arundel Street was hugely successful, contemporaneous with Chiat Day an Advertising Agency in California often given credit as the first non-territorial office in the world. Andersen Consulting was seminal for the serious reservable office world - Chiat Day used Free Address – first come first served – on a series of office settings from which staff could choose.

To this day there are still fundamentally only two ways of operating SpaceTime:

- Reservation
- Free Address

Arundel Street led in time to the seminal project of seminal projects – 55 avenue George V Paris, the main "City" in the SpaceNet® configuration of Andersen Consulting West Europe (hereinafter Accenture West Europe as the company changed its name).



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The fundamental concept of SpaceNet was the creation of a single virtual office spanning the 1,157,315 square kilometres of Accenture West Europe - France Germany Benelux, Netherlands Switzerland

It worked as the driver for change in a focussed professional corporation. How then will SpaceTime work in the more day to day environment of the commercial office market?

SpaceTime is measured as space times time so 3000 square feet is 26,208,000 square foot hours per year on a 24x7x52 basis

Let us imagine a floor of a building at 3000 square feet rented by a company from a landlord. In Central London at Cat A it will cost £150,000 in rent, £45,000 in rates and £30,000 in service charge ie £225,000 per annum. 25 staff will report to it at 120 square feet per person. or £9000 per person.

Looked at as SpaceTime, this tenant today is forced to buy 1,048.320 square foot hours per year for each of his staff when they can only consume 18,400 (46 weeks x 40 hours x 10 square feet) an overprovision of 57 times!

So we must conclude that the traditional landlord/tenant/fixed space/ fixed lease is only in the interest of the Landlord who is forcing the user to pay for that which he does not use – a commercial proposition that would be laughed out of court anywhere else but in the real estate world.

How do we correct this imbalance?

Well first let's look at the two types of office user emerging today:

- Staffers
- Co-workers

Staffers “belong to” and use corporate real estate. Co-workers “belong to” corporations but they share space with staffers from all kinds of other organisations in an interactive networking environment that celebrates change and encourages those casual interactions that lead to business whilst fulfilling the day job.

Now let's look at what a SpaceTime environment looks like. It is composed of a whole series of settings – tables, banquettes, quiet areas, sofas, sit-up, sit down, multi-purpose, meeting rooms, specialist space, restaurant, private space, personal storage – which our users as we said above have one of two ways to access:

- Free Address
- Reservation

Free Address as the name implies is “first come first served” with swipe card access to the FAE (Free Address Environment) and no limitation on when to use it.

Reservation uses the same space but allows users to compose their day in reserved chunks



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Free Address requires a high entry fee and limitation on numbers permitted entry.

Reservation requires a lower entry fee with no limit on entrants as numbers are automatically controlled

A combination of Free Address and Reservation for defined areas is probably the route most will take in the SpaceTime world

So how does this change the property world? Let us imagine a scenario in 2050.

Freeholders will be able to apply for their properties to subten a TIMEHOLD of fixed duration typically 99, 999 or 1999 years. The Government will levy a TIMETAX for this transition which will allow former landlords now TIMELORDS to trade their SPACETIME on a new market.

The TIMELORD will sell SpaceTime to companies and individuals on a single or multiple building basis depending on their estate and its quality. It can also be cut up into TIMELETS.

This sounds fanciful but the property world is moving inexorably in this direction. Much has changed since we pioneered SpaceTime in the project for Andersen Consulting in Arundel Street in 1991.

Respondents to a survey we recently carried out amongst clients illustrated those changes and the relevance of SpaceTime as the concept in the 21st Century.

And how do we make central London affordable to all but the oligarch? We fragment the most expensive buildings into SpaceTime and make them available to everyone.

SpaceTime will, I believe, be the model for all city centre buildings in the 35 year future – all buildings available to all on their Oyster card!!

Andrew Chadwick MA(Cantab) RIBA MCSD
Principal