

Amplifying office recovery (part 1)

By Kevin Jara

METRO MANILA recorded a marginal rise in office vacancy due to the completion of new office buildings and spike in vacated spaces in the third quarter of 2023.

COLLIERS INSIGHTS

Colliers continues to record deals from traditional and outsourcing firms implementing a mix of flight to quality and flight to cost measures.

For the first nine months of the year, office transactions outside Metro Manila recorded flattish growth, with Cebu, Pampanga, and Laguna cornering bulk of closed transactions.

Moving forward, we see greater opportunities for expansion in key areas outside Metro Manila as occupants maximize the second and their tier cities' skilled talent pool and improving infrastructure network.

Colliers encourages occupiers to continue complementing their workplace strategies with flex-

ible workspace options. Landlords should remain flexible in offering commercial terms to capture demand from occupiers considering flight-to-value measures. Landlords should also align with occupiers' environmental, social, and governance (ESG) and diversity, equity, and inclusion (DE&I) goals and continue implementing innovative programs to further support their tenants' return-to-office (RTO) initiatives.

ALIGN WITH ESG AND DE&I GOALS

With the heightened importance on sustainability and inclusivity in the workplace, landlords must align with tenants on their ESG and DE&I goals.

Colliers encourages landlords to be more proactive in implementing and promoting ESG and DE&I elements within building amenities and common areas. This can be in the form of green features and certifications, landscaping, renovation of shared facilities and landlord-initiated events that support the wellness and productivity of employees.

TENANT ENGAGEMENT ACTIVITIES

As companies are now encouraging their employees to return-to-office, landlords have a role to play in rekindling the attractiveness of return-to-office, which can be done through tenant engagement events that promote the well-being of employees.

Landlords may take advantage of creating events around the coming holidays.

AMPLIFY FLIGHT-TO-VALUE STRATEGY

Based on Colliers' third quarter 2023 data, several companies implemented flight to quality/cost strategies.

Among these are traditional and outsourcing firms that took up spaces in Fort Bonifacio, Makati central business district (CBD), and Ortigas CBD. These firms took advantage of a market that remains tenant-leaning and maximized the opportunity to lease new, high quality office spaces in major business districts at lower rents.

Colliers believes that given the prevailing market conditions, oppor-

tunities remain for tenants to implement flight-to-quality strategies at a lower cost due to decreased rents brought about by the pandemic.

In our view, now is an opportune time to secure space in locations with substantial supply of new and quality office spaces. Given the current stock of vacant spaces and new office towers to be completed in the next 12 months, we encourage tenants to consider office spaces in Fort Bonifacio and Ortigas CBD.

Occupiers may also consider flexible workspaces in either their flight-to-value strategy or rationalization of their current office real estate. Colliers encourages occupiers to review their real estate strategies ahead of lease expiry to take advantage of high vacancy in the market, especially with our still elevated forecast for 2023 and 2024.

(To be concluded next week)



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How Philippines can boost recycling efforts

By Miguel Hanz L. Antivola
Reporter

SUPPORTING the recycling value chain in the Philippines takes a whole village, given the lack of infrastructure for sustainable practices.

Collaborations are needed for the country to harness its potential for a circular economy of used beverage cartons (UBCs), Catherine Chua, sustainability manager at processing and packaging solutions firm Tetra Pak Philippines, said in an e-mail interview with *BusinessWorld*.

"To make this efficient, it is essential for all stakeholders to participate in the process," she said.

"These stakeholders include consumers who separate materials at the source, individuals responsible for collection and sorting, and those who promote sustainability and recycling with their respective areas," she added.

A report from the United Nations Environment Programme showed the recycling rates in the Philippines is only 20-33% for paper, 23-42% for plastic, and 30-70% for aluminum — all of which make up UBCs.

"Regional waste management schemes, such as intermunicipal cooperation and public-private partnerships, are amongst the effective measures," the Economic Research Institute for ASEAN and East Asia said in an article last year on increasing recycling rates.

Tetra Pak has partnered with Del Monte Foundation for the Cartons for Communities program where private organizations, local government units (LGUs), schools, private communities, and junk shops can work together to foster environmental and community stewardship in the country.

The initiative covers the implementation of carton collection and recycling programs, development of recycling facilities and technologies, public awareness campaigns, and UBC donations, Ms. Chua noted.

Recycled UBCs are transformed into Poly AI boards and kraft paper products for household items like tables and chairs, she added.

"[I]t seeks to raise awareness among Filipinos about the importance of carton recycling, expand collection infrastructure, reduce the environmental impact of carton waste, inspire businesses to adopt sustainable practices, and promote a circular economy for cartons in the Philippines," Ms. Chua said.

The Cartons for Communities initiative employs a top-down engagement strategy to further its cause, she noted.

This involves working closely with the administrations of schools and private communities to provide information and education communication materials. Specialized collection bins are also placed in designated areas, with competitions and incentive programs running to encourage participation.

For LGUs, it conducts field visits and discusses feasibly in-

tegrating UBCs into its existing waste management system.

Junk shops are also incentivized, with a network being built to ensure UBC profitability and identify opportunities for greater operational efficiency.

To reduce the environmental footprint of its packages, Tetra Pak has used wood fibers, sugarcane, and recycled polymers.

"We are testing a fiber-based barrier as a replacement for the aluminum foil layer in our aseptic packages," Ms. Chua said on the company's food-safe packages.

"Initial test results indicate that packages with this type of barrier have the potential to significantly reduce carbon dioxide emissions compared to traditional aseptic cartons," she added on pushing for carbon-neutral production and distribution.

Beyond environmental responsibility, Ms. Chua noted Tetra Pak also working toward economic feasibility through affordable packaging solutions for brand owners.

Subsidies for most vulnerable need to continue despite easing inflation — NEDA

THE GOVERNMENT should continue with targeted subsidies to protect the most vulnerable even with inflation poised to slow down, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

"Our food stamp programs, we have to strengthen. Our targeted subsidy programs, we also have to strengthen so that we can achieve more with less. That's the objective. Achieve more with less," Mr. Balisacan told reporters on the sidelines of an event last week.

"I think that given the leakages and the problems in earlier

government programs, well, you see a lot of those benefits going to those who don't really need them," he added.

The government is hoping to bring down the poverty rate to single-digit levels by 2028.

The Department of Social Welfare and Development (DSWD) has said it is studying ways to expand the reach of its cash transfer programs.

Some P112.8 billion of the DSWD's proposed P209.9-billion budget for next year is allocated for the Pantawid Pamilyang Pilipino Program (4Ps), a cash transfer scheme for the poorest families.

"I think that if we can change the system so that those who really need assistance will get the assistance. I think so even with limited resources, we can achieve more. That's what we're trying to do," Mr. Balisacan said.

Meanwhile, Mr. Balisacan said inflation is expected to continue on a downtrend this year. "By early next year, we should go back to the 2-4%," he added.

Inflation averaged 6.4% in the first 10 months, still above the Bangko Sentral ng Pilipinas' full year forecast of 6%.

This is also still well above the central bank's 2-4% target range.

"I think that as recent times suggest, there's quite a bit of volatility out there. The world markets are still projected to be not quite as favorable as we wanted," he said.

"(We) have to find ways of addressing these issues. If there is a rise in food prices, then the best we can do is to ensure that the most vulnerable are protected and we have to use the limited resources in ways that reach those people," he added. — **Luisa Maria Jacinta C. Joeson**

PhilMech distributes machinery worth P181M to co-ops

THE Philippine Center for Postharvest Development and Mechanization (PhilMech) said that it has distributed P181 million worth of farm equipment to cooperatives in four provinces.

PhilMech distributed equipment to farmers cooperative and associations (FCAs) in Sultan Kudarat, La Union, Pangasinan, and Occidental Mindoro.

PhilMech handed out four single pass rice mills and six-ton dryers to four FCAs in Sultan Kudarat valued at P16.9 million. — **Adrian H. Halili**

FULL STORY



Read the full story by scanning the QR code < a href="https://tinyurl.com/yux2mg9z" >tinyurl.com/yux2mg9z

Agri dep't to seek out more PPPs to boost farm, fisheries productivity

THE Department of Agriculture (DA) said it will seek out more public-private partnerships (PPPs) to boost the productivity of farms and fisheries.

In a statement, Undersecretary Mercedita A. Sombilla said PPP projects will help the government and agriculturists to move towards industrializing their operations.

She said private partners might be deterred from investing by risks to agriculture like climate change.

"We can develop more and more PPP projects that would really push the agricultural sector further than what we really target," Ms. Sombilla said at a forum last week.

She also urged the DA's regional offices to "make a conscious effort to really look for projects that we can implement through PPP."

The DA issued a special order (SO) last month directing its staff to organize events

to solicit more private-sector investment in agriculture.

The SO said such events aim to promote PPP and forge partnerships with private entities that can bankroll critical projects that will deliver much-needed services to farmers and fisherfolk or bring them in as technical partners.

"*Talagang importante ang mga PPP Forums like this (PPP forums like these are important) because I think this is the way to go to help the government,*" Ms. Sombilla said.

Also pitched to potential investors were PPP opportunities to set up post-harvest facilities, agri-fishery industrial business corridors, and laboratories and testing centers.

President Ferdinand R. Marcos, Jr. has cited the need for government and private sector collaboration to promote agribusinesses and make it more efficient and raise the value of crops. — **Adrian H. Halili**

Can Instagrammable design lure young workers back to office?

INSIDE the "blueberry muffin" conference room, the walls are, naturally, painted blue. Not just any blue: It's the calming color you might find a baby's bedroom, what the paint can refers to as "sea to shining sea." Anchoring the room is a table, red and oblong, adorned with fake succulents in purple pots.

Nearby is the "fruity" conference room, with "razzle dazzle" red walls and vintage chairs upholstered in yellow pineapple-printed cloth. Down the hallway is "maple waffle," the room where the company holds its more serious meetings with investors. There, the walls are a subdued shade of brown.

This is the office of the cereal brand Magic Spoon, introduced in 2019, which last year started calling its roughly 50 employees back to in-person work, at least two days a week. At Magic Spoon's SoHo space, designed around the time of the company's return-to-office push, the conference rooms are meant to feel like cereal boxes.

"One of our core company values is, 'Be a Froot Loop in a world of Cheerios,'" said Greg Sewitz, a Magic Spoon co-founder. "We wanted the office to underline that."

The space also reflects what designers, executives and workers describe as a trend that's not entirely new but is becoming the go-to among certain startups, tech companies and other moneyed employers vying for young talent. It's what might be called the Envy Office — what happens when companies try to combine the comforts of a living room and the glamour of a vacation. These spaces — often characterized by colorful walls, upholstered furniture and carefully curated coffee table books — lure workers with plenty of opportunities to fill their social feeds with photos taken at the workplace.

"It's taking cues from home, from hospitality, from Pinterest," said Jordan Goldstein, a co-managing principal at Gensler, one of the world's largest architecture firms, where clients have lately been asking for greenery and soft seating.

To some employees, though, all the fake plants, accent walls and stylish dog beds sometimes seem designed to mask the inconvenience of space-conserving arrangements like hot desks, where workers no longer have their own assigned workspaces.

Before the rise of remote work, the designers behind Magic Spoon's office, Laetitia Gorra, 41, and Sarah Needleman, 33, were the designers for the women's social club the Wing, a hallmark millennial-pink-drenched palace of throw pillows and color-coded bookshelves, which shut down last year. The duo help executives figure out what an office should look like in a moment when many workers aren't convinced they need to go to one.

"Our pitch is very much about employee retention," Ms. Gorra said. "We came from working on our sofas in yoga pants; what can we do to make your employees want to come back to the office?"

It's a cycle that American workers have seen before: When working norms change, the design of the office goes with them. In fact, in a survey of 14,000 workers around the globe conducted by Gensler last year, nearly 40% said their employers redesigned their offices during the pandemic.

SOCIAL MEDIA AESTHETICS

When Magic Spoon's team moved into the new office ear-

lier this year, Sarah Bourlakas, 26, who was the senior social and community manager, snapped a photo to post on her personal Instagram story with the text "Live from HQ."

That Instagrammability isn't accidental. Brooke Erin Duffy, an associate professor of communication at Cornell University, argues that employers are using social media aesthetics in the same way they're deploying traditional perks like cold brew, or less traditional ones like the Lizzo concert Google put on for its workers. It's all corporate image making. Companies now want their office design to be visible not just to employees but also to everyone on social media, which Duffy said was about "retaining employees by hyping this fun, enjoyable, hypersocial workplace."

Social media is increasingly where people go to romanticize office life — particularly on TikTok, where content creators like "Corporate Natalie" riff on the professional antics that many young people, starting their careers during the pandemic, have yet to experience. More than half of workers said they got a sense of identity from their jobs, according to consistent findings in Gallup polling from 1989 through 2014.

It's no surprise, then, that young people would want to put on their social media profiles what's so central to their sense of self. And the more trendy an office is, the easier it feels for workers to convey that their careers are more thrilling than the cubicle doldrums chronicled in "Office Space."

Touring some of these new Envy Offices, where workers hunch over long desks wearing noise-canceling headphones, there are gaps between what workers are getting and what they say they want. They have wall decals and curated book collections. What they actually need, some say, is privacy.

CRUNCHING AND SNEEZING

A 10-minute walk away from Magic Spoon, the communications agency M&C Saatchi Sport & Entertainment has an office also redesigned by Roarke in 2021. Workers sit at long, communal wooden tables in front of exposed brick and surrounded by a jungle of artificial greenery.

Maddy Franklin, 27, a senior art director there, said there were elements of the new office she loved, like its friendliness to dogs. But because of the hot-desk system, she has no place to store personal items.

It can also be tricky to get a spot with a monitor. When Franklin is working on a big project, to secure a highly coveted seat, "I will aim to get to the office a little earlier," she said.

Robin Clark, 58, who works as a marketing director at a healthcare nonprofit, longs for the days before her office transitioned to an open floor plan. When her company did a full redesign in 2018, executives tried to make the space inviting, creating lounge areas with couches in bright colors like orange, teal and lime. But the lack of barriers between desks means Clark's workday has an incessant, noisy backdrop: apples crunching, colleagues sneezing. When she started working from home during the pandemic, she realized what she wanted was peace and quiet.

As she put it, "With cubicle walls, you have at least the perception that you have some privacy." — **© 2023 The New York Times**