

What Workers Want Portugal

2019 Edition



• Talent Retention • Productivity • Wellness

What Workers Want



1 005 office workers

50%

Lisbon

27%

North

15%

Center



Female 53%



Male 47%

This is the first edition of the “What Workers Want” study developed by Savills Portugal.

We believe in the importance of this study and defend the need to know which trends will motivate the office market in terms of occupation and design of spaces.

The present study consists in randomized survey of 1 005 office workers and aimed to analyze the factors that they consider to be most impactful to their daily work and that contribute to their satisfaction levels, being directly related to their physical and emotional well being at the workplace.

Office spaces are no longer perceived and lived as mere places where workers perform a function for which they receive financial compensation in return.

Office spaces are evolving, along with new generational motivations, the need for stimulating creativity and encouraging collaborative work.

It is now imperative to know the users and understand their behavior, giving rise to new forms of space occupation. Changing various paradigms under the influence of new generations that will in the coming decades exert disruptive

force will increasingly affect all real estate decisions.

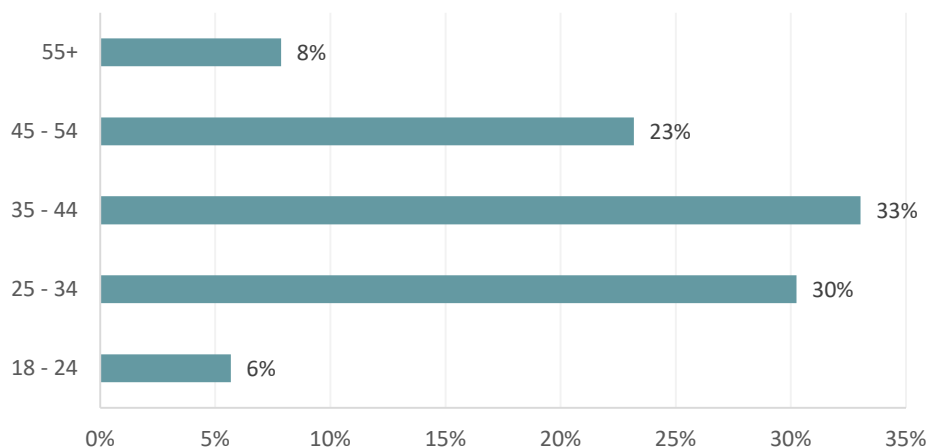
Topics such as talent attraction and retention are high on the companies' priority list. For new generations, salary is no longer the number one reason for selecting or staying in a job. Their motivations are different from previous generations (baby boomers and generation X) linked to more emotional aspects and the factors they value in their workplace completely change the "way of living" the office.

Through the analysis of various elements such as location, organization and space dynamics and operational aspects, Savills intends this study to be a guide that will enable companies, as well as investors and developers to access a listing of factors affecting organizations and its employees, and that act as positive or negative points in the success and productivity of companies.

We also challenged all surveyed workers to describe what their ideal office would look like and to list which factors they consider important to be assured.

2019

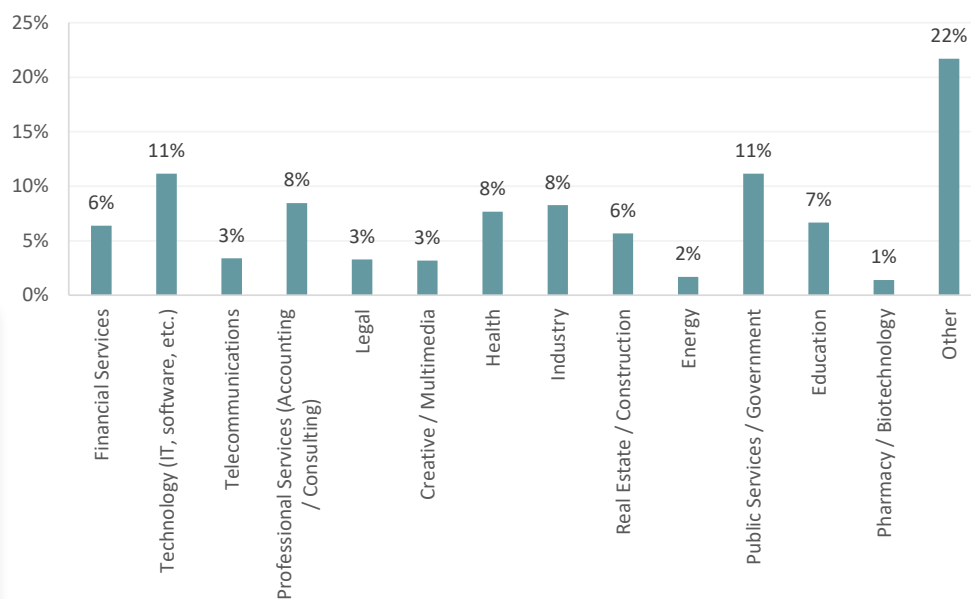
Distribution By Age Group



G1

The random sample consisted of 1 005 office workers from north to south of Portugal, inserted in various sectors of activity. 63% of the sample belongs to the age group between 25 - 34 years old and 35 - 44 years old.

What Sector Do You Currently Work In?



G2

The sectors of activity with the largest weight in the sample are Other Sectors, Technology Sector (informatics, software) and Public Services / Government. These three sectors represent 44% of the total sample in this study.

59%

City Centre

20%

City Surroundings

14%

Business Park

Open-Space



Advantages

- Spaces optimization;
- Cost reduction;
- Facilitated communication;
- Encourages teamwork;
- Stimulate creativity / brainstorming;
- Greater flexibility for layout changes;
- Easier team coordination.

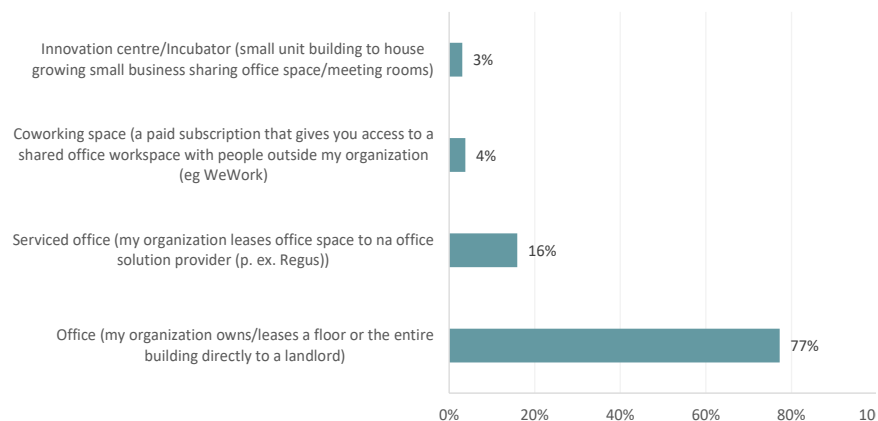


Disadvantages

- More movement;
- More noise (difficulty concentrating);
- Less privacy;
- Increased risk of discontent with several factors: lighting; temperature; etc.

Where Do They Work?

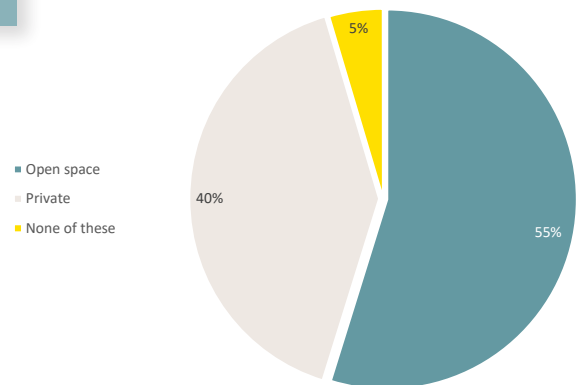
Place Where Most Of Your Work Time Is Spent



G3

G4

Which Of The Following Best Describes Your Workplace?



55% of workers surveyed work in an open space and 40% in closed rooms / offices. It was also found that the noise factor does not have a significant negative impact on open spaces compared to enclosed spaces.

Although open-space spaces are a fully implemented and consolidated layout option in most companies, there are still sectors of activity that, due to the nature of their work, choose to work in enclosed spaces, divided into offices.

In this study, we can see that activities related to Public Services / Government and the Health sector occupy enclosed spaces, divided by offices due to the nature of their work activity and their needs for privacy and professional confidentiality.

By contrast, we have the creative areas linked to the technology sector that opt for open-space distribution that create collaborative workspaces, facilitating communication among their employees and encouraging the exchange and sharing of ideas.

But regardless of the area of

activity or nature of the tasks they perform, all workers have different work rates, needs, tasks, behaviors and reactions. The correct formula is not to decide if the office should be an open space or a space divided into several offices and closed rooms.

"The winning formula will always be one that can harmoniously and efficiently meet and respond to a diverse set of needs that are important to workers and make a very positive contribution to their satisfaction, well-being and productivity levels."

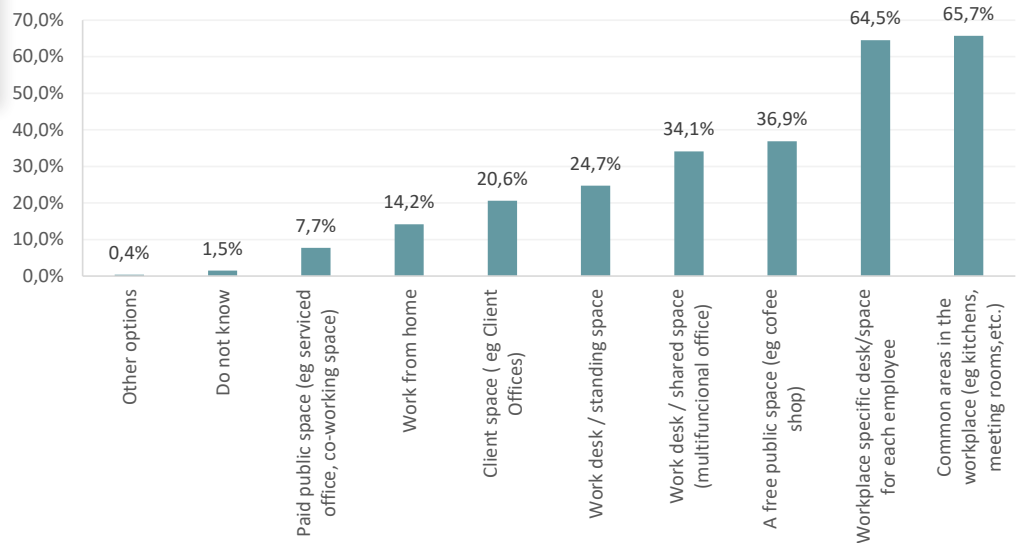
Where Do They Spend Most Of Their Time?

G5

We continue to work very individually, with each employee occupying the space that has been specifically designated for them.

Meeting rooms, phone booths, huddle rooms, quiet rooms for collaboration, quiet rooms or outdoor spaces are all options to choose from, but they are still little used in regular day-to-day work to the detriment of the own desk assigned to each employee.

What Work Options Spaces Area Available In Your Current Work?



“56% of respondents spend between 70% and 100% of their work time at their desk, using very little other corporate workspace options.”

Meeting Rooms

51%
use up to 10%
of working time

32%
do not use

Collaborative Workspaces

44%
use up to 10%
of working time

38%
do not use

Quiet Area Designed for Individual and Concentrated Work

31%
use up to 10%
of working time

59%
do not use

Outdoors (Terrace, Garden)

44%
use up to 10%
of working time

46%
do not use



What Do Employees Want?

If you could choose, where and what would your ideal office look like?

43% of workers would like to work in the city centre and 22% in the outskirts of the city. These results support the decision of investors and developers to develop projects in the city centre, where the largest percentage of skilled labor is also concentrated, facilitating companies' recruitment processes.

Location is the most important aspect of selecting a job offer. 50% of workers surveyed placed the location factor at the top of the list, it's the most important thing

to consider when deciding to accept or leave a job.

Interestingly, the city center did not gather more than 50% of the responses, demonstrating a new spatial dynamic that should be considered and which may be a sign of new office location trends and new forms of work organization.

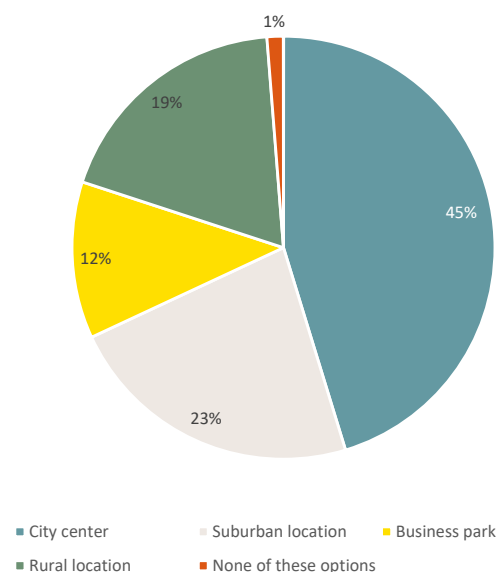
If working in the city center has advantages such as proximity to a complete network of services and commerce, served by a vast public transport network, working around urban centers is also beginning to appeal to some workers.

“Getting closer to home, saving time and money on commuting, having more family time are some of the reasons why workers can start choosing workplaces located in more suburban areas and close to their homes.”

“Still, companies relocating should carefully consider the impact this decision will have on their staff and their recruitment processes and talent retention policies.”

G6

In Which Of The Following Places Would You Rather Spend Most Of Your Work Time?



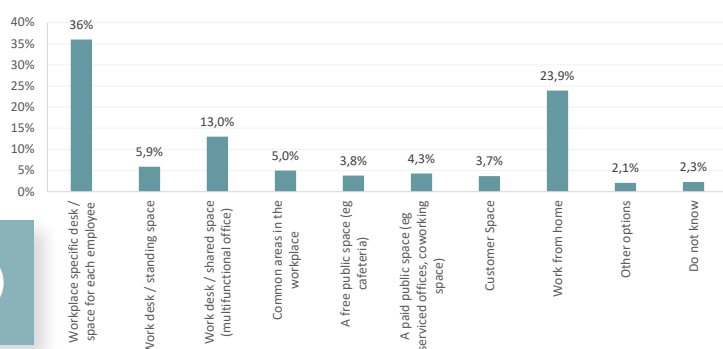
This is a trend that could gain momentum and pave the way for the emergence of new office spaces that allow, by their location near residential areas, to function as satellite hubs and to receive workers from various companies.

It should be noted that rising prices in prime office areas in the city center will pave the way for the emergence of these short-term satellite offices.

It should also be noted that few workers prefer business parks (12%).

In the Lisbon office market, Business Parks are located in secondary areas, which have fewer public transport options and a nearby service network. While there are successful stories that have attracted major international occupants (eg Google in Lagoas Park) for the quality of the infrastructure and support services they offer, Business Parks should be targeted by homeowners with the ultimate goal of providing a more attractive environment.

Where Would You Rather Spend Most Of Your Work Time?



G7

When asked where they would prefer to spend most of their working time, 36% of respondents prefer to occupy their own desk or space designated for each employee and only 13% would like to work in a hotdesk.

The Hotdesk option generates some mixed feelings in the contributors. 34% of respondents have this option

for shared space in their current office, 46% believe it can increase productivity and 29% say it has no impact.

It is undeniable that Hotdesk assists the exploitation of underused office spaces, but it can also provoke a sense of non-belonging and affect productivity.

“When integrated into a flexible workspace, which offers a variety of job placement options tailored to the nature of each work area, hotdesk is an effective and innovative solution, especially appealing to younger generations.”

Bring The Office Home

One of the big trends is the preference for working from home. About 23.9% of respondents would like to be able to work from home, and this is more of a preference in the 35-44 age group (30%) and less in the 18-24 age group (14%).

According to the survey, only 14% of workers have the opportunity to work from home, with 55% being women.

The technology sector is the one that has more this option at its disposal.

The age of digitization, the constant introduction of new technologies that

have narrowed the world of virtual communications, has created conditions for new forms of work to come to life.

In Portugal, working from home is not yet a reality for most workers. According to Eurofund data (year 2017), only 2% of national professionals are enrolled in this scheme on a regular basis.

But it may still be considered unattractive for some activities where a more traditional management models apply, requiring direct control.

“Flexibility, whether hourly or from the workplace, is a tool that will be used to retain talent and increase productivity, but it will certainly be a big challenge for the office leasing market, which will have to be reinvent.”

The ability to work remotely or have greater time flexibility is an option that will be increasingly expected and touted as a preference of employees. Generation Y or Millennial generation (born 1981 - 1994) and Generation Z (born 1995-2012) are examples of this.

Generation Y will be the most significant working group from the year 2025, making it essential to understand their ambitions,

motivations and fears. Permanently connected to new technologies, they prefer to work in companies that make the latest technological trends available to employees.

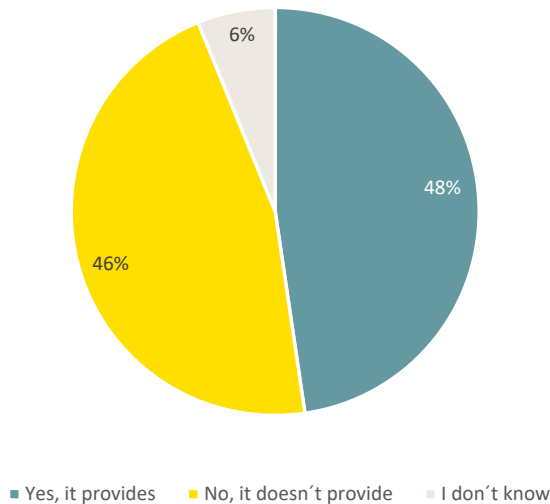
Generation Z, which within 20 years will be the largest workforce and the one that will work for more years, values working from home and flexible working hours.

Flexible Work

We also asked if they feel that the culture of their current workplace encourages flexible working and if they have access to technology that enables them to work flexibly.

A Work Culture That Encourages Me To Work Flexibly

G8



About 48% of respondents say that the culture of their current company encourages flexible working, in particular the 25-34 age group (161 respondents) and the 35-44 age group (156 respondents) and the Technology & Services sectors, Professionals (consulting, accounting).

Nevertheless, the answers to this question in the survey were evenly divided, suggesting a strong indication that flexible working is becoming a reality

in many companies.

According to a study developed by Regus until the year 2030, the anticipated increase in flexible working will contribute more than \$ 10 billion to the global economy, enabling companies to reduce costs and increase productivity.

In Portugal, the cultural issue still overlaps the new work trends. Being present, even if it is not synonymous with productivity, is essential and non-negotiable for many companies.

“Increasing flexible working is a further challenge for investors and office building owners who will have to bet on more flexible solutions in order to be able to compete with the new occupation models that are succeeding with new generations.”

Valued factors in flexible working



Advantages

- Greater balance between work / family life;
- Adapt work hours to the highest productivity rate;
- Time saving while commute;
- Leisure time and practice of sports / cultural activities;
- Work with less noise.



Disadvantages

- Sensation of isolation;
- Greatest obligation of organization and time management;
- Family distractions;
- Increased working hours;
- Lack of interaction with management and co-workers.



Connectivity

90% of workers surveyed consider the quality of technology to be a very important factor but only 68% are satisfied with the technology available at their current workplace.

“We have technology that allows us to adopt more flexible ways of working, but in general, face-to-face work continues to gain.”

Technology plays a central role in everyday life and is also a very important tool for professional development and essential for the efficient and prompt delivery of products and services.

The results showed a clear disconnection between occupants, who see technology as very important in terms of connectivity, and the conditions to which they actually have access and which influence their “technological experience”.

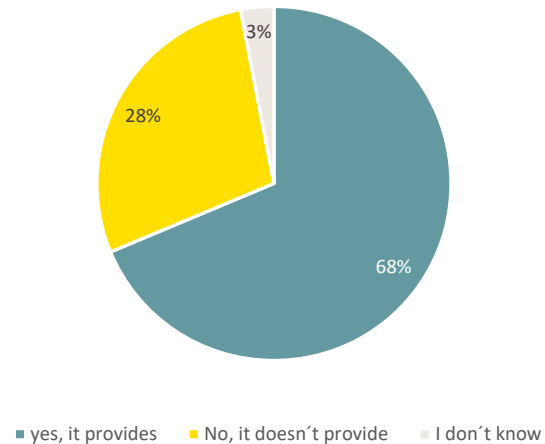
If in the past a failure of the internet only meant that it was impossible to send emails, switching management information to networked platforms implies file prohibition or basic tasks.

The need for access to a quality digital network is a basic necessity! As intelligent buildings designs grows, so does the quality of digital connections.



G9

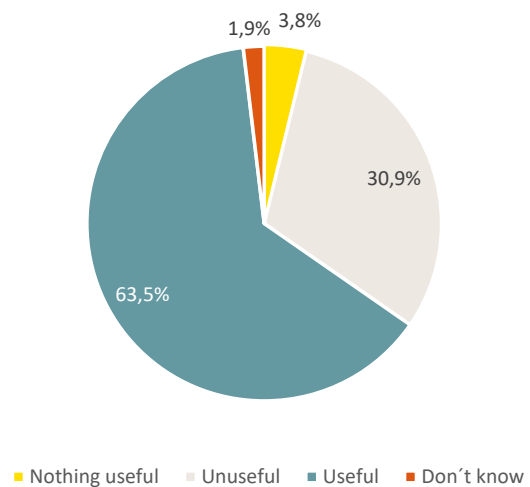
Relevant Technology That Allows Me To Work More Flexibly



“Building owners need to think beyond just installing electronic appliances that serve basic building functions. Proof of this is that about 63,5% of the surveyed workers found a building app that had access to various services useful.”

G10

How Useful Would You Find A Workplace Smartphone App?



Intelligent buildings will always be judged on their ability to meet users' expectations efficiently.



How Is Flexible Work Changing The Real Estate Market?

Value Creation at Time of Flexibility

Flexible working is transforming the real estate market, influencing the traditional relationship between owners and occupiers.

Co-working spaces have provided companies with a more flexible and affordable option - allowing startups to lease offices for short periods of time while allowing established companies to expand their business to new locations in a short time.

“While this reality may cause obstacles and present challenges to current so-called traditional office owners, it is a trend that is closing a gap in the current occupancy models, also paving the way for new sources of revenue for building owners.”

Building owners can capitalize on the flexibility trend by choosing their own space options. More than ever, building owners need to rethink how they can innovatively increase the value of their assets and their revenues.

Flexible spaces are an important driver of value for building owners and the current market dynamics are very favorable to this growth.

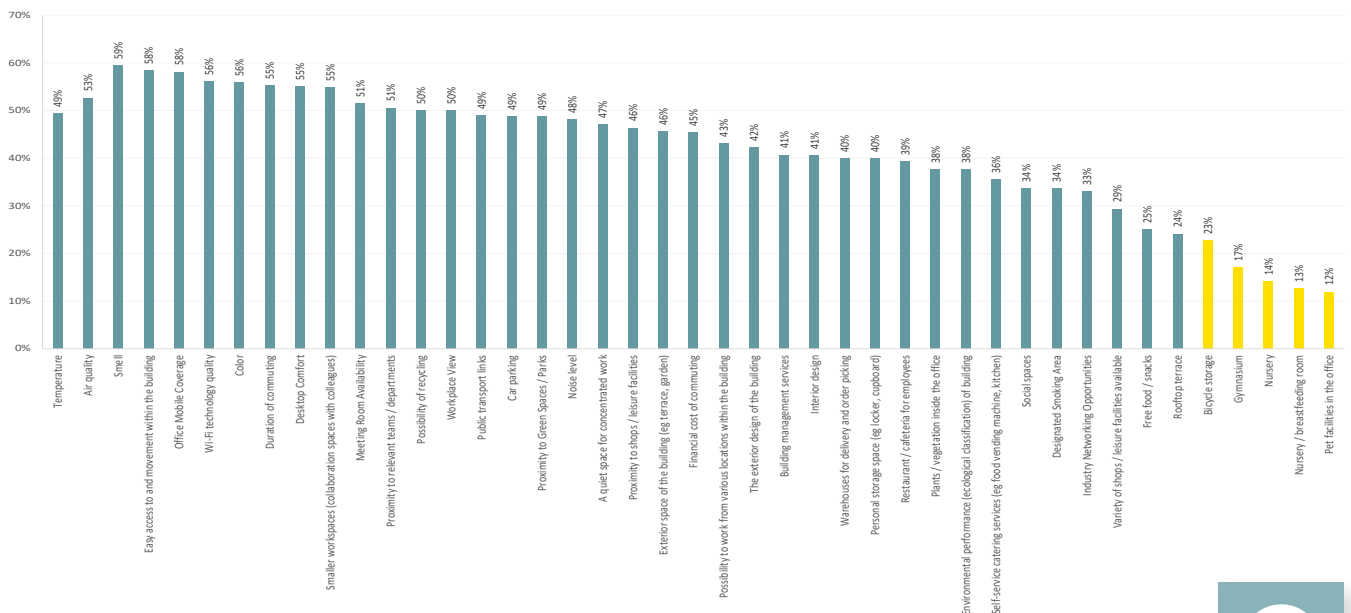
This is very important for owners not only from the point of view of offering a product with market demand, but also ensuring the satisfaction of their occupants' needs and a return on their investments.

The creation of flexible spaces within existing buildings will respond to the occupants' needs to expand or shrink rapidly, and the physical space needs to be designed to allow all of this to happen at optimal cost and construction time.

Factors That Workers Are Most Satisfied With



Factors Workers Are Less Satisfied With



G11

If I could, I would change...

We posed the question: If you could, what would you most like to change in your current workplace? 19.5% of workers would like to change their personal workspace, 14.8% their line manager and 13.1% the duration of commuting.

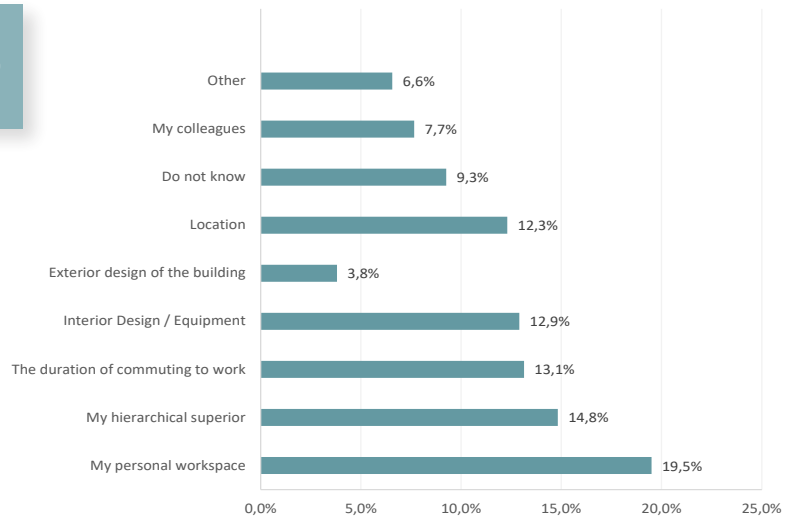
Proper planning of office space will contribute to the success of the organization to its internal

audience. 28.7% of respondents say they have no control over the layout of their workspace and 33.9% have a neutral stance on this topic.

The survey also revealed that 53.5% would like to have control over their workspace and 50.2% say that their current employer has never asked him for an opinion on the office layout.

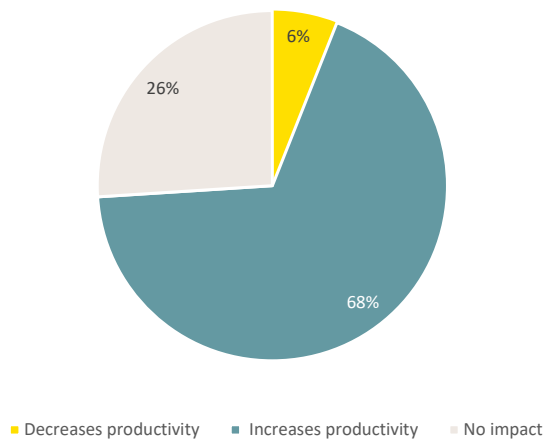
G12

If You Could, What Would You Most Like To Change In Your Current Workplace?



“70% of the workers that are most satisfied with their current workspace are precisely those whose employer has already questioned their opinion about the office layout / environment.”

Imagine That Your Current Workplace Corresponded To Your Ideal Office. What Impact Would It Have On Your Productivity?



G13

“68% of workers believe that if their current workspace design matched their ideal workplace, it would increase their productivity.”

Before deciding to relocate, companies should consider conducting an in-house survey to find out from their employees which workplaces might be most positive for their productivity levels and ensure that their chosen design will contribute to outstanding performance of the employees layout.

“The ideal space simply begins by effectively meeting and ensuring the basic comfort needs of employees. It makes no sense to think out-of-the-box and bet on creative solutions if the basic requirements are not met.”

What Is Most Important?

- Back to Basics



93%
Cleaning of
Workplace



93%
Comfort of
Workplace



92%
Air Quality



92%
Lighting



91%
A Quiet Space
for Focused
Work



90%
Safety



90%
Temperature



90%
Wi-Fi
Technology
Quality



89%
Length of
Commute



89%
Smell



89%
Noise Level



89%
Mobile
coverage in
the office



89%
Financial Cost
of Commuting

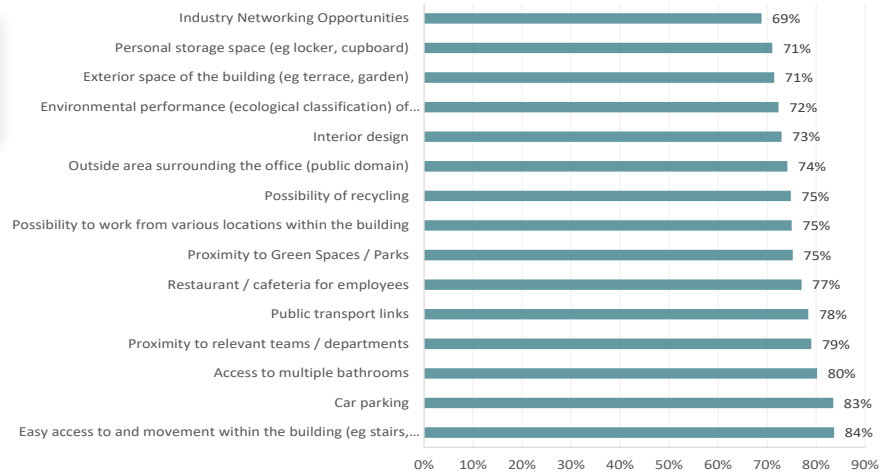
Cleanliness, work area comfort, air quality and lighting were the factors pointed out as the most important by the workers.

Ensuring that workers have satisfactory basic levels of comfort is a prime obligation. Interestingly, the cleanliness factor comes first (93%) as the most important factor for workers, and only 65% of respondents said they were satisfied with the cleanliness of their office.

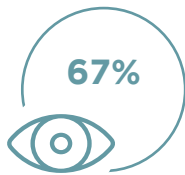
The factors pointed out as being the most important would be expected to be currently unquestionably standard quality factors, giving importance to other factors that have been relegated to the background.

What Are The Most Important Factors In Your Ideal Workspace?

G14



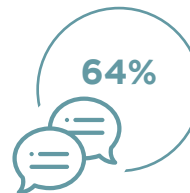
Less Important Factors



Workplace View



Collaborative Work Areas



Social Spaces



Plants Within the Office



Office Spaces Should:

- Promote creative thinking;
- Make available new technologies;
- Facilitate elements for communication between managers and teams;
- Promote communication;
- Mirror the organizational culture of the company;
- Improve productivity and collaboration between teams.

Mobility

“Access to skilled and talented labor is a major concern for many employers. To capture and retain talent, employers need to be aware of transportation options more than ever.”

34% of respondents would be willing to add less than 15 minutes to their daily commute each way and 29% would add up to 15 minutes to work in their ideal office. Only the 18-24 age group (28%) would be willing to add 30 minutes to work in the ideal office.

11% claim they are unwilling to add any time to their daily commute, even if it were to work in their ideal office.

The percentages show that there is not much room for maneuver regarding the location factor.

The Lisbon office market currently has near-zero availability rates in the city center, which significantly narrows the choice of companies, which currently choose to renegotiate contracts to not compromise the company's location.

However, the market has witnessed some movements of business migration to other market areas, which also stems from the fact that Lisbon is a small city linked by a complete transport network that facilitates mobility.

Lisbon - City of Mobility

The Lisbon City Council has advocated more sustainable urban mobility. An example of this was the construction of bike paths that connect the main axes of the city. However, Lisbon remains a city of cars! According to the answers obtained, **69% of workers surveyed use the car to get to their current workplace and only 3% use another type of transport, such as shared cars, Uber service or shared bicycles.**

Mobility planning is therefore one of the biggest challenges for environmental and urban policies.

“Lisbon was the winner of the European Mobility Week Award - SEM 2018.”

“We have a commitment to future generations to make them a better world. Our environmental goals are clear and ambitious but for that we need a revolution in mobility” Miguel Gaspar, Councilor of Lisbon City Council in eco-online.”

Make Lisbon a city more:

- Accessible
- Sustainable
- Innovative
- Modern
- Competitive

Lisbon has several shared transport systems:



Car Sharing



Bike Sharing



Scooter Sharing



Scooters



Attract And Hold Tallent - A Powerful Weapon

About 33% of workers expect to remain in their current job for more than 10 years, especially workers aged 45 - 54. The sectors with the highest level of retention are the Public services / Government sector (58%), Healthcare (38%) and the Legal Sector (36%).

Note that 44% of respondents working in the Creative and Multimedia Sector expect to stay up to 2 years at their current job.

Retaining workforce is

undoubtedly one of the biggest challenges that companies are facing and is their best weapon to excel in a highly competitive business world.

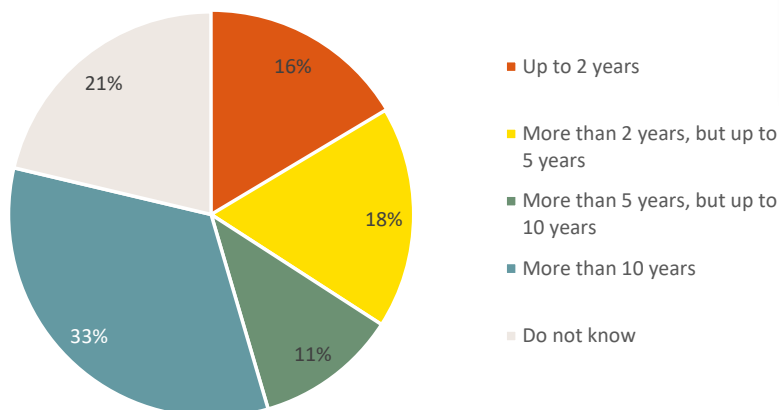
The decision to change is related to a variety of causes, ranging from lack of recognition, lack of growth prospects or low pay.

Promoting an organizational environment that encourages collaboration, knowledge and sharing of information and demonstrates

concern for the well-being of employees is no longer a choice.

According to data from the recruiting multinational Randstad, for the Millennials Generation the work environment is the most important criteria in the employment decision. They are undoubtedly the generation that has most incentive for companies to rethink their management and talent retention model.

Approximately How Long Do You Expect To Stay At Your Current Job?

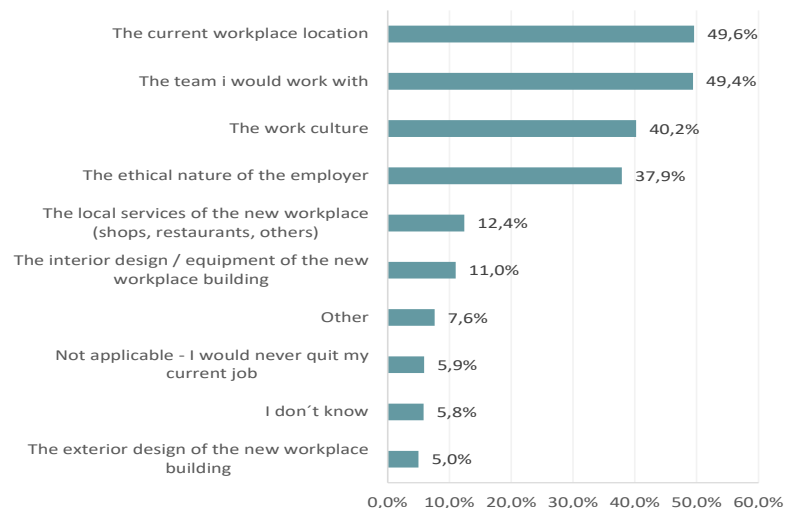


G15

Putting aside the salary and professional growth issues, the company location is the leading factor in a job change process, followed by the work team to be integrated and the organizational culture.

Assuming That You Would Earn The Same Salary And Have The Same Career Opportunities, What Factors Would Determine Your Decision To Quit Your Current Job?

G16





Business Challenges

- Turnover;
- Time flexibility;
- New forms of work organization;
- Balance between work and family life;
- International mobility.

Invest in Happiness

“New generations are transforming the notion of well-being in business, forcing companies to broaden their horizons and care about their employees.”

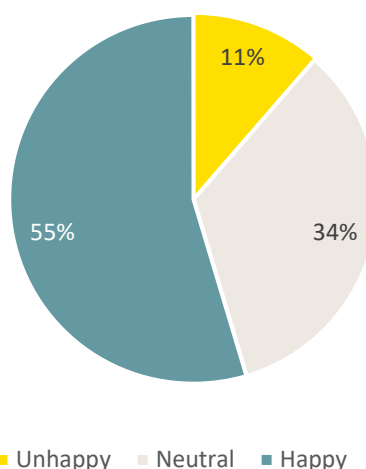
The impact of workers' happiness in companies is a theme that is increasingly present in organizations' agendas and concerns. Undoubtedly, corporate productivity is intrinsically linked to employee well-being and satisfaction levels, their feedback, ideas and suggestions should be heard by management in order to increase happiness.

55% of workers surveyed are satisfied with their place of work, 34% have a neutral opinion on this issue and 11% are not

satisfied.

These are encouraging results, although the percentage of neutral responses reveals that there are still many improvements that need to be made. **The way environments are designed should be able to increase a user interaction with the space and positively influence their emotional state, creativity, interaction with colleagues and manifest in their level of productivity.**

What Is Your Degree Of Satisfaction Regarding Your Current Workplace?



G17

The happiest workers are...





Happy Workers Profile



Work between 2 - 5 years with current employer (57.2%)



Executive Officers (92%) vs Intermediate Staff (47%)



Work in Innovation Centers / Incubators (68%) or Coworking spaces (63%)



Technology (65%) and Energy (65%) workers



Have the option of working from home (67.8%) or working in a coworking space (64.9%) or in a free public space (63.1%) such as a cafeteria



Go cycling to work (71%) or use shared transport (e.g. Uber): 68%



They spend lunch time in rooms for employees on the premises of buildings (60.8%) or have lunch outside the office (56.5%)



It takes up to 30 minutes to reach the workplace



They expect to spend another 10 years with their current employer (66.5%)

Retention Strategies



Involve workers more in defining the layout for the future space. Conduct surveys, listen to opinions, ideas and suggestions.



Providing varied environments for performing different types of tasks and encouraging workers to use them.



Promote social spaces for employees, including dining areas within the office or building.

Savills Portugal Workers



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