



REFITTING VACANCY FOR THE CREATIVE INDUSTRY

A strategy to create and maintain a creative community

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November 2016

Master Thesis
Technical University of Delft

“Old ideas can sometimes use new buildings. New ideas must use old buildings.”

Jane Jacobs (1916-2006)

Colophon

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Preface

Presented here is the final result of my graduation research which concludes my master Real Estate & Housing at the Faculty of Architecture at the Technical University of Delft. The research project is part of the third and fourth semester of the master and is divided into five partial exams. This report is written for the last poll and concern the final results of this research.

This report presents the results of the research on office vacancy and the user preferences of the creative industry. The final product of this thesis outlines a strategy that bridges the gap between the supply of vacant offices and the demand of the creative industry and aims at attracting and retaining the creative business services in vacant property. I certainly do hope that this report offers new insights into the ways in which tenants can be attracted, but especially about the ways in which they should be managed.

Just over a year ago I started this graduation research and I look back on a very intensive, educative but mostly fun period. You do not graduate alone and this thesis would not have been possible without the help and support from a group of people.

To begin with I would like to thank my graduation mentors Hilde Remøy and Rob Geraedts. Thanks for your time, good feedback and motivation during this year.

A special word of thanks goes to all the people who I have spoken to this last year and have provided me with all the information and inspiration I needed to come to this result, and especially Maarten Hendriks and Michon van der Salm, who, at the very last moment, provided me with feedback on my strategy.

Finally, I want to thank my parents for their support and confidence during my years of study. I also wish to thank my fellow students for the not always productive, but fun study moments and my friends for all the very welcome distractions.

Anniek van der Hoek

Delft, November 2016

Management Summary

Introduction

In the last decade, vacancy has been more of a problem than ever before as vacancy in the office market lays around 16% (DTZ, 2015b; NVM, 2015). Currently there is both a quantitative and a qualitative mismatch in the office market. The high vacancy is mainly explained by an oversupply in relation to demand for office space. The demand is expected to decrease further due to aging of the population, a changing economy and the lower need for space because of the 'New Way of Working'. The qualitative mismatch is explained by vacant property that is too old, of insufficient quality and on the wrong location. That new offices are still being constructed is not the result of a quantitative question but because of a replacement market (Van der Voordt, Remøy, & Hendrikx, 2012).

A possible end-user is the creative industry. The different working standards of this industry lead to a different use of office space than the large-scale offices of the production economy. A more flexible lay out is required to accommodate the industry, which is different than the designs of most of the vacant property, causing the functional obsolescence (Van Meijel & Bouma, 2013). This results in a gap between the static and obsolete supply of vacant office buildings and the market demand for flexibility of the creative industry in the Netherlands.

Adaptive reuse can form a solution for the need of new developments in the office market. By redeveloping an office building, the vacant stock can be adapted to the current standards. If the supply of vacant buildings can be adapted in such a way that it meets the demands of the growing and progressive creative sector, this could partly solve the vacancy problem cities encounter nowadays. In order to solve this problem a strategy will be developed that tells which characteristics the property must meet, which facilities it must offer and how tenants should be selected and managed. To find out what kind of research is required the following research question is formulated:

“In which way can property owners adapt their vacant offices in order to attract and retain the creative industry?”

Methodology

The aim of this research is to come up with a solution for the mismatch between supply and demand. The research design (Figure 1) shows how the research is set up and what subjects will be studied in both theoretical and empirical research.

The supply of vacant property does not match the demand of the creative industry. The current supply is insufficient on different levels. What problems the property owners encounter during vacancy will be examined on the operational levels of property, facility and community management by means of literature research, case studies and interviews.

To find out where exactly the mismatch in the market is, the user preferences of the creative industries are examined and categorised under the same three levels, by means of interviews that are based on previously investigated office user preferences. This way, supply and demand can easily be compared and will show where the problems lie and what level needs most attention.

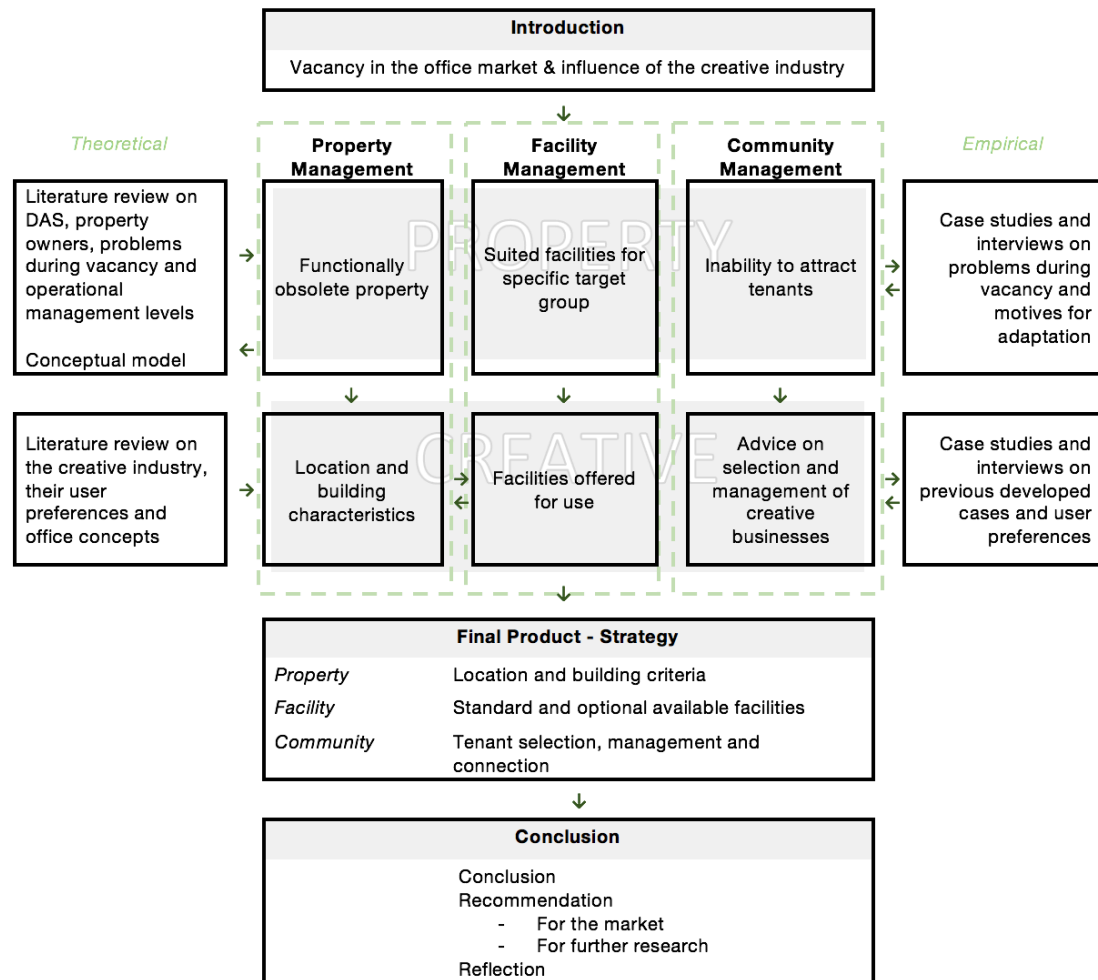


Figure 1. Research design (own ill.)

To structure the research, the DAS frame is used as input. In case of a mismatch between supply and demand, the framework can help structuring the strategy design process (Arkesteijn, Bankers, & Van de Schootbrugge, 2010). Alternatives are weighted and selected to come to a new or adapted supply and accordingly a step-by-step plan is designed. The conceptual model derives from this framework and shows that both demand and supply deliver input for the strategy, the final product of this thesis (Figure 2). The strategy focuses on those points that are crucial to create a match between supply and demand and will therefore again be structured under the three management levels. Property and facility management are static levels that result in a checklist of requirements. Community management is a more dynamic level and results in an advice.

This thesis ends with a conclusion, recommendations for both practice and further research, and a reflection on the study.

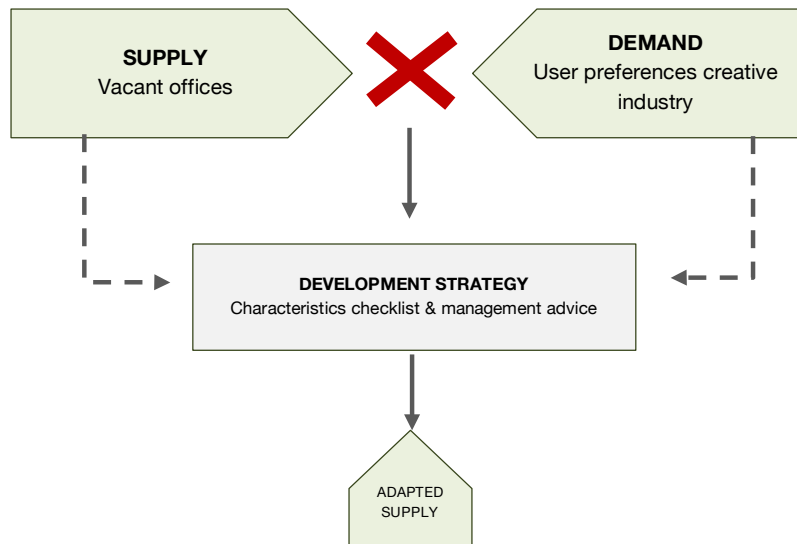


Figure 2. Conceptual model (own ill.)

Literature research

Real estate owners

A real estate owner has three main types of objectives (Van Gool, Brounen, Jager, & Weisx, 2007). These are the direct and indirect return on investment, risk, and non-financial objectives. Logically, vacancy has a negative influence on the portfolio of an owner. Vacancy generates no income and therefore no return on investment. The increasing vacancy rates lower prices and owners must be willing to upgrade the quality of the building in exchange for new leases (CoreNet, 2013). Since vacancy reached a peak of 16% in 2015, the tenant has a strong negotiation power. Lower rents are asked and more services need to be included in the rental price. On the other hand, owners still aim for a higher rent to generate as much income as possible and to increase the value of the property (French & Jones, 2010). This causes a conflict between the owner and the tenant.

Within real estate two types of owners are distinguished; investors and owner users. In this research this distinction is made as their different objectives may result in different motives and priorities in developing office space for the creative industry. When it comes to vacancy, the consequences in general are higher for the owner-occupier due to the large amount of own invested capital. The investors often have limited amount capital invested in the property; the remaining funds are financed by other parties such as banks. Also, vacancy of one building may lead to a negative cash flow for that particular building, but this can often be compensated by other properties in the investor's portfolio (Van Winden & Verpalen, 2011). Vacancy however does not only result in financial problems. It reduces the vitality and value of neighbourhoods, and may aggravate social problems. Vacancy, impoverishment, insecurity and poor image reinforce each other, so the problems continue to increase. The area is in a tailspin and the longer the vacancy lasts, the greater the problems eventually become (Patti & Polyak, 2015; Schalekamp, 2009).

Management levels

Property that is being redeveloped, can be managed on three levels, namely; property management, facility management and community management. Property management and facility management are very static levels that are applicable to every office location. The main objective of property management is to generate an income and preserve or increase the financial value of the investment property (Kyle, Bird, & Spodek, 2000). The aim of facility

management is to provide services at a competitive cost and with a high quality, in such a way that it improves the value of an organisation. Hereby it is crucial that the work environment enhances communication and cooperation which in return lead to a higher productivity (Bijering & Hoogh, 2010).

The third level of community management is added specifically for the purpose of developing for the creative industry and to differentiate from office types that are now commonly available. Other than large corporate businesses that fulfil several functions within one company, businesses within the creative industry are small companies that focus on their core business only and often have limited knowledge about other fields of work. A network of businesses within the creative industry creates physical and social connections between the businesses that will help enlarge their network, improve knowledge and increase productivity. The community manager will create, maintain and enlarge this network and provides tenants with services that go one step further than 'normal' multi-tenant office.

The inability to meet the requirements that are placed on one or more of these layers of management leads to a negative appreciation of the building by its users, with vacancy as a possible result. To prevent this, the strategy that will be developed covers all three layers, but specifically focuses on community management since this level exceeds the offering of standard office space, of which there apparently is too much.

Creative industry

The creative industry is the fastest growing sector in the Netherlands and therefore chosen as end user. The past has shown that the industry is a pioneer for working standards which are later often picked up by more conventional companies and new generations of workers. This makes that developing for the creative industry now, could mean that in the future developed offices are suitable for different sectors. Also, accommodating the creative industry has a positive effect on the surrounding area and therefore the social value of a property.

To gain access to skilled labour and to share services and amenities, creative businesses tend to cluster. Clustering takes place on various scale levels and clustering on building level will help reducing costs, forming connections and increasing knowledge.

The creative business services are chosen as specific sub-sector since it is the largest sub-sector, but also since it is expected that the preferences of this group best suit accommodation in more standard office concepts.

Workspace preferences

The preferences of office users keep changing, due to different working standards. Traditional office concepts like the office garden have been invented many years ago and the cellular office or group office are nowadays still frequently used. Along with the New Way of Working comes the need for more innovative concepts. The CoCon office and flexible workspaces are a response to this. The individual workspace is disappearing and workspaces and facilities are more frequently shared. To see what kind of concept is best suited for the creative business services, their user preferences have to be studied. Throughout the years, many researches have been conducted on the preferences of office users and the creative industry in general. However, almost no research is done on the user preferences of the creative industry specifically.

When only looking at the preferences conducted from literature research, it appears that the preferences of the creative business services are broadly similar to those of the 'general' office user, which confirms the assumption that this group is suitable for accommodation in vacant offices. The research of Remøy and van der Voordt (2014) confirms this statement. Traditional factors like accessibility by car, extension possibilities, and location and building image are

important factors for both larger organisations and the creative industry. Environmental issues are increasingly being high ranked. Factors that are found to be far more important by the creative industry than the 'general' office user are accessibility by public transportation and bike, multi-tenant buildings and ICT and meeting facilities.

Empirical research

Case studies

Before developing the strategy, three cases are studied to learn from successful redevelopments for the creative industry. The cases that are selected are Strijp-S in Eindhoven, the Schieblock in Rotterdam and the Volkskrant building in Amsterdam. Although the cases seem very similar, there are many differences which offer a good insight in aspects that make or break a project. The tenants of Strijp-S, and to a lesser extend those of the Schieblock, have been selected based on various selection criteria. This creates a community of tenants with complementing expertise. Skills and knowledge can be shared, ensuring that companies can engage in bigger and more complex projects. The Volkskrant building does not have specific selection criteria, other than being creative. This makes that the Volkskrant building is just a multi-tenant building for creative companies and does not offer what makes the other cases stand out; a network of companies that reinforces each other. The case of Rotterdam shows the importance of an appointed manager that can be approached for all sorts of matters. Since the arrival of the manager, the trust of tenants has returned, the appreciation towards the building increased and tenants showing initiatives again to enliven the building and its surroundings. Both these aspects are crucial for creating a functioning community, and it is the community that ensures that the strategy adds value for the creative businesses, compared to regular multi-tenant buildings.

Another aspect that becomes clear from the case studies is that the physical aspects of the office are relatively unimportant. Being able to reflect the organisation's identity onto the office or being able to grow or shrink within the building is found significantly more important than high ceilings or the building shape. For the facilities, the rule applies that all facilities are desired, unless they affect the rental price. This means that the facilities offered should support the companies in their daily activities and enhance communication and cooperation. However, what these facilities are remains an ongoing discussion and all interviewed tenants gave different answers on this question.



Figure 3. Klokgebouw, Schieblock and Volkshotel (own ill., Schieblock.com, Volkshotel.nl)

User preferences

Since the literature study shows that only limited research is done on the user preferences of the creative industry, this study interviews creative companies about their preferences. The creatives are asked to score the preferences Arkenbout (2012) has listed in his study on a scale from one to ten.

Location

The location characteristics shown in Figure 4 are ranked between one and ten. According to the interviewees, accessibility and the proximity of restaurants or cafes are the aspects they value most when choosing an office location. Therefore, these factors are of decisive importance for the strategy. Safety, parking, quality of the public space and the proximity of shops, activity and cultural facilities are scored between six and eight and are therefore of average importance when considering a location. As proximity of housing is scored below six, this aspect is not taken into consideration in the choice.



Figure 4. Location preferences (own ill.)

Building

Characteristics that are of decisive importance when considering a new office are interior representativeness and layout flexibility. These factors are ranked higher than an eight by the interviewees (see Figure 5). Characteristics that are of average importance are small lettable work units, a multi-tenant building, comfort, technical status, recognisability and exterior representativeness. Characteristics that are not taken into consideration are building shape and floor height.

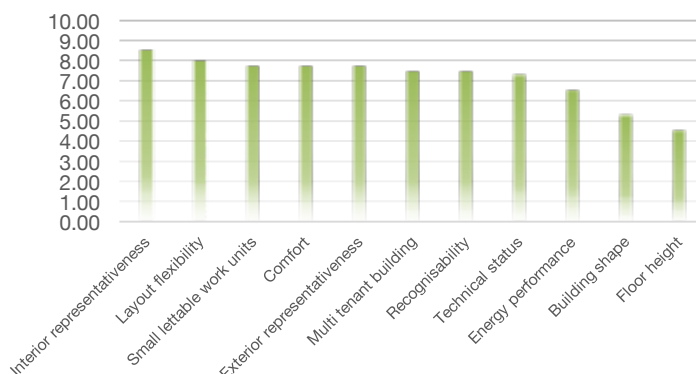


Figure 5. Building preferences (own ill.)

Facilities

The facility preferences concern the facilities that should or should not be offered at the office and if they should or should not be included in the rent. Figure 6 shows the facilities of which literature indicates that they are most appreciated. The interviewees value internet, monthly terminable contracts, security and cleaning services most. Therefore, these facilities are standard available and will be included in the rent. Facilities that are found unnecessary or

superfluous are a reception, vending machines and textile care. The other facilities are of average importance and should therefore be optionally available.

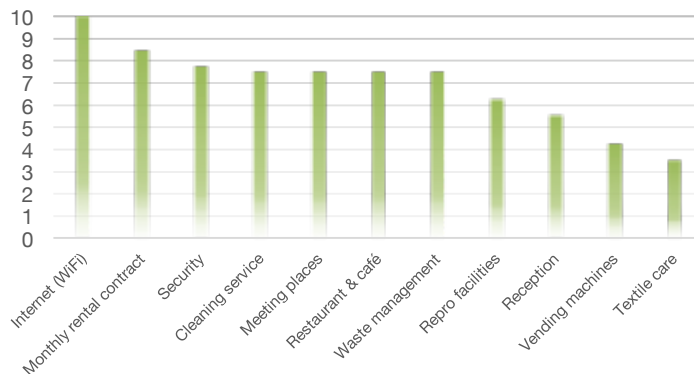


Figure 6. Facility preferences (own ill.)

Community

During the interviews with the users, the interviewees were asked how they think tenants should be selected, managed and treated and what a thriving community would mean to them. This section discusses the most important statements given by the creative businesses.

Tenant selection

“If people with different expertise, but within one sector are put together, they will focus on their own development, but they can easily, quickly and often make use of each other’s strengths. This way, people themselves are getting better and as a whole you will create better projects” (Hendriks, 2016a).

The above ensures support instead of competition. Companies can engage in larger and more complex projects or simply ask for tips or feedback. Apart from helping each other by means of services, each other’s presence is also appreciated. Moral support and exchanging experiences helps building up the confidence that is needed for small companies to complete projects. Placing multiple smaller organisations within one building or one floor makes it easier to establish these contacts and to possibly enter into (temporarily) partnerships.

Support system

Creatives are nomads. As mentioned before, the rental price is the most important decision criterion and companies will move when cheaper offices are available nearby. In order to retain the tenants, they state that something ‘special’ should be offered. By making tenants part of a community that helps them grow as an organisation and supports them in their day to day activities, they not only attach to the physical work environment but also to the other tenants that are part of that environment. This way the community becomes more valuable than the lowest rental price.

Sharing

Besides sharing knowledge and expertise, office space and facilities can also be shared. Especially for smaller companies, sharing offices and facilities helps reducing costs. Especially one-man businesses indicate that they feel comfortable working at shared work floors.

Tenant's freedom

Tenants want to have the freedom to establish new ideas and to make adjustments to their work environment. It is hard to design or 'plan' a certain atmosphere. By letting tenants leave their mark on the office, there will naturally arise an atmosphere that matches the behaviour and image of the tenants.

Community manager

If a manager is present, it is important that this is one familiar person that often shows his face. This way tenants know who to address when issues arise. It is important for the manager to keep tenants informed on any ongoing developments that might concern the tenant and his residency in the building. Moreover, tenants should be able to give their opinion about or have a saying in any new developments. This way the manager gains more trust and minor issues sooner will be accepted.

Result

Strategy – Accommodating the creative business services

The final result of this thesis is a strategy that aims at accommodating the creative business services within the vacant office stock and to create a community of creative businesses that reinforces and motivates one another to become smarter, better and bigger. The strategy is designed for owners of (partly) vacant offices and explains according to three levels of management what location and building characteristics the property must meet, what facilities have to be provided to support businesses in their daily activities, and how a creative community can be created and managed.

With this final step the strategy attempts to go beyond developing yet another multi-tenant office building and is the accommodation of the creative industry used as a permanent solution for vacancy, where it is nowadays often seen as a temporary solution until initial commercial plans can be resumed.

Management levels

Since the current supply of offices is inadequate on three different levels of management, the strategy tackles these three levels of property management, facility management and community management. With each level the strategy scales down and becomes more abstract. The property level concerns a checklist, the facility level is a combination of a checklist and an advice and the community level is an advice only. An overview of the levels and the steps to follow is shown in Table 1. Each level will then be described individually.

Property management

The level of property management will determine the development potential for both the location and the building itself. By filling in two checklists, one for the location in question and one for the building in question, a score will be determined that will tell if the office has a high potential for a successful development, an average potential or a low potential. Both checklists consist of multiple characteristics that are found to be important by creative companies when considering a new office. For these characteristics, a division is made between decisive important characteristics and average important characteristics. This distinction is made as the decisive important characteristics are found more important than the characteristics listed under average importance and therefore weigh more heavily.

	<i>What</i>	<i>When</i>	<i>Who</i>	<i>How</i>
Level 1.	Property management			
<i>Goal</i>	<i>Determine development potential based on location and building characteristics</i>			
Step 1	Rate location characteristics	Initiative phase	Owner	Fill in checklist for the location in question (see page 80)
Step 2	Rate building characteristics	Initiative phase	Owner	Fill in checklist for the building in question (see page 82)
Step 3	Determine potential	Initiative phase	Owner	Checklist determines score automatically for both location and building
Level 2.	Facility management			
<i>Goal</i>	<i>Offering facilities that support tenants in their daily activities and increases their value</i>			
Step 4	Offer facilities	Development phase	Owner	Provide the facilities that are listed in the strategy (see page 84)
Step 5	Determine regulations for optionally available facilities	Start operational phase	Manager, tenants	Let tenants, in collaboration with the manager, decide the regulations for the use of the optionally available facilities mutually
Level 3.	Community management			
<i>Goal</i>	<i>Advising the manager on how to create and manage the community</i>			
Step 6	Assign manager	End development phase/ Start operational phase	Owner	The owner can decide to take on the role of the manager, he can engage an external party or assign a willing tenant
Step 7	Set up management plan (based on advice)	End development phase/ Start operational phase	Owner, manager	The manager, in collaboration with the owner, has to set up a management plan that is based on the advice given in the strategy (see page 86). All the aspects mentioned should therein be addressed.
Step 8	Follow up management plan	Operational phase	Manager, tenants	The manager should consistently follow up his management plan throughout the entire operational phase of the office

Table 1. Overview of levels, goals and steps (own table)

Facility management

The facility management level is about facilities that should be offered to enlarge the productivity and profitability of the businesses, to add value to the business, and to increase the user satisfaction. Distinction is made between facilities that are standardly available and optionally available. The standardly available facilities should be available to all tenants and therefore be included in the rent. The optionally available facilities concern facilities that should be available at the office, but its use will be at additional costs or services. The owner, manager and tenants can mutually decide on the agreements with regards to these facilities. In the strategy, each facility will be explained what it entails and for the optionally available facilities proposals for use are given.

Community management

An important aspect of adding value is the 'people' value. Community management focusses on the relation between the tenants and the building, but mainly on the establishment of relations between tenants mutually. The advice given for the community management is built up in four sections. The first section concerns the manager. Who should be the manager and what are his tasks within creating and maintaining the community? The tenant section is about selection criteria, and the tenant's freedom to express its own identity and participation in the management of the community. The third section is about the community itself and explains how to establish physical and social connections between the tenants. The final section is about the rental price and the financial model for which some options are given.

Conditions

To establish whether the building in question is suitable for attracting tenants within the creative business service-sector;

- The property score must at least be average and preferably high.

To achieve the best results in attracting and retaining creative businesses, the following points should be taken into account as accurate as possible;

- There is a mandatory set of facilities to be offered.
- Other (additional) facilities have to be brought in relation to the rent level, which should remain as low as possible.
- The offered facilities should support tenants in their daily activities and increase their productivity and profitability.
- Management plans should be executed consistently by the designated manager during the operational period.

Conclusion

Final conclusion

There currently is a mismatch whereby the supply of vacant offices does not match the demand of the creative industry. This mismatch exists on three levels; on property level the offices are functionally obsolete, on facility level there is an abundance of the right facilities or the facilities are unsuitable, and on community level there is the inability to attract the creative industry due to a lack of tenant selection and management. The strategy that is designed in this thesis attacks the problems on these three levels and tries to solve the mismatch. The goal of the strategy is to accommodate the creative business services within the vacant office stock and create a community of creative businesses that reinforces and motivates each other to become smarter, better and bigger. The strategy is designed for owners of (partly) empty offices and tells, based on these three scale levels, whether the location and the building itself meet the preferences of the industry, which facilities have to be provided to support the businesses in their daily activities, and how a creative community can be created and maintained in order for the tenants to support and reinforce each other. With this last step the strategy attempts to go beyond yet another multi-tenant office building and uses the accommodation of the creative industry as a permanent solution for vacancy, where it is nowadays often seen as a temporary solution until old plans can be resumed.

The strategy is a combination between a checklist and an advice based on the most important findings from literature and empirical research. Despite the fact that every case is different, this strategy sets frameworks in which the preferences of creative business services have been implemented. It tries to find the right balance between fixed guidelines and space for freedom and personal interpretations.

Recommendations

Based on this research a number of recommendations can be made. On the one hand, these are recommendations for the adaptation of vacant offices for the creative industry and on the other recommendations for future research. Both recommendations are discussed below.

Practice

This section contains recommendations for the owners of vacant properties on the use of the strategy, partly based on recommendations by professionals in the field.

- According to Van der Salm (2016b) it is important to set demarcations as an owner/manager for the input of tenants in order to avoid endless discussions. When 'hard' subjects can be

solidified by means of numbers, numbers of people or amounts of money, a reasoned decision can be made. 'Soft' subjects like emotional issues are personal and therefore poor arguable. As a manager, do not go into discussions on such matters and keep in mind that the manager makes the final decisions.

- The owner must try not to regulate too much. By giving the tenants responsibility, a community will be created in which everyone contributes equally. This will allow tenants to participate more actively, be less critical and at the same time leave their mark on the building, which will increase the appreciation.
- Make sure that the strategy is not only applied at the start of the operational phase, but throughout the entire operational lifetime of the office. Only when the strategy, and especially the community advice, is implemented consistently, a community will arise instead of just a multi-tenant building.

Research

There are aspects within this research which can be examined more thoroughly and/or have not yet been included in this study. Following are the recommendations for further research, which arise from the knowledge gained.

- Where the location and building characteristics are quantified, this is to a lesser extent or not the case for the facility and community preferences. To ensure that the strategy can be applied and tested more easily these preferences will have to be quantified. A way has to be found to give parameters to aspects such as communication and identity.
- The strategy now is specifically designed for the creative business services. It can be expected that the strategy will also be applicable for other industries. Further research can show which aspects of the strategy are general and which are industry-specific. By knowing this the strategy can be generalised and applied for any other sector, when the industry-specific information is known for the industry in question.
- The input of the strategy is based on literature research, but mainly on interviews with creative companies. To validate the strategy 1) more interviews can be held to be more certain of the results, and 2) cases can be selected whereby the strategy can be implemented. By observing the implementation of the strategy, there can be concluded whether or not the strategy works.

Table of Content

Colophon	3
Preface	5
Management Summary	6
Figures and Tables	19
Reading Guide	20
1. Introduction	22
1.1 Choice of subject	22
1.2 Problem analysis	22
1.3 Problem statement	25
1.4 Final result and target group	26
1.5 Research scope.....	26
1.6 Research questions.....	26
1.7 Relevance.....	27
2. Research Methodology	30
2.1 Research design.....	30
2.2 Research methods	31
2.3 Development strategy	34
2.4 Conclusion.....	35
3. Real Estate Owners	38
3.1 Types of owners	38
3.2 Problems during vacancy.....	38
3.3 Management levels	40
3.4 Conclusion.....	44
4. Creative Industry	45
4.1 Defining the creative industry	45
4.2 Creative clusters.....	46
4.3 Creative business services.....	47
4.4 Conclusion.....	48
5. Workspace Preferences	49
5.1 Office concepts	49
5.2 Preferences of office users.....	50
5.3 User preferences of the creative business services.....	50
5.4 Conclusion.....	51
6. Redevelopment for the Creative Industry	54
6.1 Strijp-S.....	54
6.2 Schieblock.....	57
6.3 Volkskrant building	59
6.4 Office preferences of the creative business service users	61
6.5 Conclusion.....	67
7. Strategy Input	70
7.1 Property management.....	70
7.2 Facility management	71
7.3 Community management	71

8. Strategy	74
8.1 Accommodating the creative business services	74
8.2 Management levels	74
8.3 Conditions	78
9. Conclusions	88
9.1 Conclusion.....	88
9.2 Recommendations	90
9.3 Reflection.....	91
References	94
Appendix 1 – Delineation Creative Industry	100
Appendix 2 – Interview protocols	101
Appendix 3 – Preferences of office users	106
Appendix 4 – Property score calculation	110
Appendix 5 – Practice validation.....	111

Figures and Tables

Figures

Figure 1. Research design (own ill.)	7
Figure 2. Conceptual model (own ill.)	8
Figure 3. Klokgebouw, Schieblock and Volkshotel (own ill., Schieblock.com, Volkshotel.nl).....	10
Figure 4. Location preferences (own ill.)	11
Figure 5. Building preferences (own ill.)	11
Figure 6. Facility preferences (own ill.)	12
Figure 7. Stock in use (DTZ, 2015a)	23
Figure 8. Functional lifespan of real estate (Vijverberg, 2003)	24
Figure 9. Research design (own ill.)	30
Figure 10. Research structure incorporated in DAS-Frame (own ill.)	31
Figure 11. Conceptual model (own ill.)	31
Figure 12. Office user perspective (own ill.)	34
Figure 13. Office owner perspective (own ill.)	35
Figure 14. Possible partnerships within the creative business services sector (own ill.)	43
Figure 15. Cluster levels related to case studies (own ill.)	47
Figure 16. Sub-division creative industry (own ill.)	48
Figure 17. Klokgebouw and Founded by All (own. ill and Founded by All (2016))	54
Figure 18. Payment model FBA (own ill.)	55
Figure 19. Entrance, Mangrove and SchieblockDESK (Schieblock, 2016)	57
Figure 20. Impression Urban Resorts in the Volkshotel (Volkshotel, 2016)	59
Figure 21. Location preferences (own ill.)	62
Figure 22. Building preferences (own ill.)	63
Figure 23. Facility preferences (own ill.)	64
Figure 24. Location characteristics FBA (own ill.)	77
Figure 25. Score location characteristics FBA (own ill.)	77
Figure 26. Example of Strijp-S (own ill.)	77

Tables

Table 1. Overview of levels, goals and steps (own table)	14
Table 2. Facility Management Value map, added value parameters (Jensen et al., 2012)	42
Table 3. Active labour force in the creative industry (CBS, 2012)	46
Table 4. User preferences of the creative business services (Arkenbout, 2012)	51
Table 5. Overview strategy (own table)	75
Table 6. Property management – location characteristics (own table)	81
Table 7. Property management – building characteristics (own table)	82
Table 8. Facility management (own table)	84
Table 9. Community management (own table)	87
Table 10. Research results location and building scale (Korteweg, 2002)	106
Table 11. Research results location and building scale (NVB, 2009)	107
Table 12. Office preferences Edinburg (Leishman et al., 2003)	107
Table 13. Research results location and building (Remøy & Koppels, 2007)	108
Table 14. Push factors to move and pull factors to attract new tenants (Hendriks, 2012)	108
Table 15. Location preferences Edinburg (Leishman et al., 2003)	109

Reading Guide

This research is built up in six parts. It starts with the introduction and the methodology, followed by theoretical and empirical research, which lead to the results and the conclusion. The contents of each chapter will be described shortly.

Chapter 1. Introduction

In the introduction the choice of subject is explained, followed by the problem analysis and problem statement. The main research question and sub-questions are formulated and the chapter concludes with the societal and scientific relevance of this research.

Chapter 2. Research Methodology

This chapter describes the research design and the research methods, and gives a description of the intended result.

Chapter 3. Real Estate Owners

By means of literature study, research has been done with regards to property owners and the problems they encounter during vacancy. Accordingly, a description is given of the three management levels at which real estate can be managed operationally.

Chapter 4. Creative Industry

In this chapter a definition of the creative industry is given and a choice for a sub-sector is made. The creative industry shows a strong clustering pattern and this chapter gives the reasons behind this.

Chapter 5. Workspace Preferences

This chapter describes different office concepts and the user preferences of the general office user and the creative industry.

Chapter 6. Redevelopment for the Creative Industry

In the chapter redevelopment for the creative industry a description is given of the three case studies and the most important findings are listed. Subsequently, the user preferences of the creative industry, that are being derived from the interviews, are given.

Chapter 7. Strategy Input

In this chapter the literature research and case studies are compared and the most important findings are listed as input for the strategy and together form the programme of requirement.

Chapter 8. Strategy

The final product of this research is presented in this chapter, the strategy. The goal of the strategy is given and each level and step of the strategy is described individually.

Chapter 9. Conclusion

In the final chapter of this thesis the main question will be answered in the conclusion and recommendations are given for both practice and further research. The reflection looks back on the process and the project.



INTRODUCTION

Problem analysis, problem statement and research questions

1. Introduction

This chapter describes the choice of subject, the problem analysis and statement, followed by the main research question of this thesis. It concludes with the societal and scientific relevance of the subject.

1.1 Choice of subject

In the last decade, vacancy has been more of a problem than ever before as vacancy in the office market lays around 16% (DTZ, 2015b; NVM, 2015). An important reason for the office vacancy is the shift from a supply driven market towards a more demand driven replacement market. New buildings are preferred over older buildings and therefore vacancy concentrates in the older building stock. This is caused by changing user preferences. The mismatch between office buildings' functional lifespan and their technical lifespan causes structural vacancy and eventually the end of an office buildings' economic lifespan (Remøy, 2010).

A group of office users with different user preferences compared to the large scale organisations of the production industry is the creative industry. The creative industry is an example of a network organisation; small organisations working together to integrate knowledge from different disciplines (Remøy & van der Voordt, 2014). Although the accommodation of the creative industry is often used as a temporary solution until a new use is found, the industry is a pioneer for working standards which are later often picked up by more conventional companies and new generations of workers (Remøy & van der Voordt, 2014). This makes the accommodation of the creative industry a perfect permanent solution to vacancy. Furthermore, the industry grows every year (CBS, 2012). To give an example, by late 2011, the most commonly used word on LinkedIn to describes oneself is creative.

Accommodating the creative industry in the vacant stock can form a solution for the vacancy problem. However, the stock needs to be adapted to make it suitable for these businesses. With this graduation research I seek to find a strategy for owners of vacant property to successfully adapt their real estate for the creative industry.

1.2 Problem analysis

The problem analysis is built up in two sections. First vacancy is analysed for the office stock. Subsequently, the creative industry is chosen as the potential end-user of the adaptive reuse of vacant offices.

1.2.1 Vacancy in the office market

In the Netherlands, about 16% of the offices are vacant (DTZ, 2015b). Figure 7 shows that the supply increases, while the demand drops. The demand for office space is expected to decrease further in the next couple of years due to the aging of population, a changing market in which there are more freelancers and flexible contracts, and the new way of working (Van der Voordt, 2006; Van Leersum & Stousbury, 2013).

The new way of working

The New Way of Working is seen as a combination between the development of new management skills (dynamic management), the handling of innovative organisation principles (flexible organising) and the realisation of high quality forms of employment (smart working) to increase the productivity and the competitiveness (Broere, 2013). Especially the innovative organisation principle of flexible working has its influences on the vacancy of the office market.

In 2011, half of the active labour force has the possibility to work time and place independent and of these employees a quarter works at least one day a week at home (Jochems, 2010; Kluwer, 2011). Together with new work concepts like desk sharing, this changes the demand for office space. With traditional work concepts about 22 to 28 sqm GFA/employee is required relative to 13 to 20 sqm when the new way of working is implemented (Lokhorst, 2013; Van 't Spijker & Van den Meer, 2010). Organisations that implement the new working concepts require less square meters per employee and thus less office space in total.

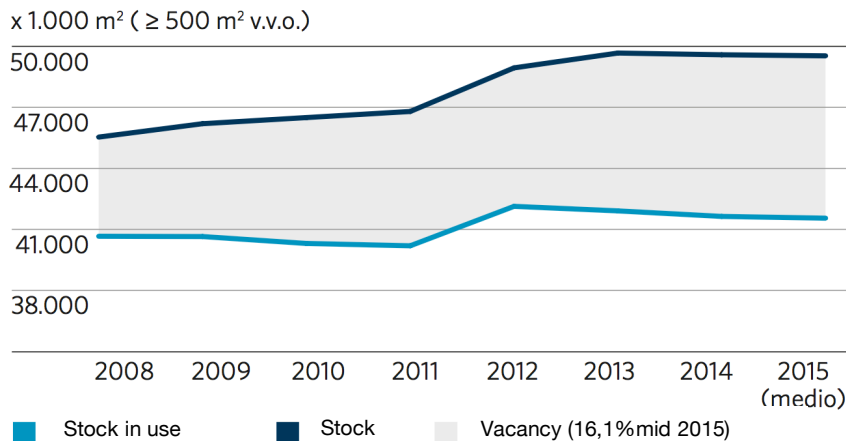


Figure 7. Stock in use (DTZ, 2015a)

Overproduction, pork cycle and replacement market

Issuance of land for offices is an important source of income for municipalities, but also investors and property owners make much money on large scale new built projects. For this reason, many offices have been built causing an over production of office. A part of these offices becomes immediate vacant, as most offices are built before a tenant is found (Janssen-Jansen, 2010, p. 58).

In periods with a high employment rate and/or when capital is cheap, as was the case after 2002, the demand for new offices strongly increases and even more construction projects are initiated. However, due to the pork cycle principle (i.e. supply is added to the market in a lagged manner) demand might have already diminished when office developments are completed. This is caused by the lengthy development periods. The completed project might be subject to immediate vacancy (Geraedts & Van der Voordt, 2003; Klein, 2013). Ideally, and in healthy markets (and growing demand), this will be resolved by office space seeking companies.

In addition, in the Netherlands, the office market is a replacement market. A new office often means a saving on rental expenses due to more efficient housing possibilities (i.e. tailor-made) and thus lower operational expenses. From the developer's point of view, constructing a pre-let office is riskless and thus very attractive (Lokhorst, 2013). Other factors incentivising the replacement market (for companies) are locational advantages and reputational purposes. Often, when such developments are initiated, the former office building is abandoned, returning the office space to the market. Because the incentives behind the replacement market are not necessarily bound to macro-economic market conditions, the abandoned space is not immediately taken up by other parties, leaving an excess of office supply.

It is the combination of new working trends, an oversupply of offices and the change into a replacement market, that increases the vacancy in the office stock. Of all vacant offices in 2015,

a third is structural vacant as it is vacant for at least three years consecutive and has no perspective on future tenants (DTZ, 2015b; Sprakel & Vink, 2007).

Functional obsolescence

The before mentioned reasons for vacancy indicate that a substantial amount of vacancy is caused by the changing demand for office space and the way offices are used. For example, flex working requires a different use of space than the traditional working concept, on which most layouts of today's vacant office stock is based (Van Meijel & Bouma, 2013). Due to the replacement market, the functional life of office buildings is becoming increasingly shorter. Users exchange dated offices for new buildings that better meet their functional requirements. With the ever changing demand of organisations, offices become functionally obsolete (Remøy, 2010).

The functional lifespan is the period when a building meets the functional requirements of the user (Figure 8). That is, so to say, that the building is of such a level that the activities of the user are supported spatially adequately. The functional lifetime of an object is finished when it limits the user of the building in the pursuit of its activities. The functional lifetime is related to the type of use, and is therefore dependent on the specific user (Vijverberg, 2003).

Technical and economic lifespan

However, the end of the functional lifetime of an object does not automatically indicate the end of the technical lifetime. Maintenance and renovations make that the technical lifetime of a property can be extended to a certain extent. The acceptance level of the technical quality is determined by both the owner, the user and regulations (Den Heijer & Vijverberg, 2004). The gap between the technical and functional lifetime creates a mismatch that will lead to vacancy if the functional lifetime cannot be renewed. In that case the property will come to the end of its economic lifetime. The economic lifespan refers to the time when the building simply generates more income than expenses. As long as the building produces a net cash flow, the economical lifespan is not over. Revenues depend on the price, quality and competition in the market, while the costs depend on what is needed to maintain the building (Den Heijer & Vijverberg, 2004; Vijverberg, 2003). The economic life is related to both the technical and functional lifespan. The economic life is thus the comprehensive balance between demand (the functional life) and supply (technical lifespan) (Blakstad, 2001).

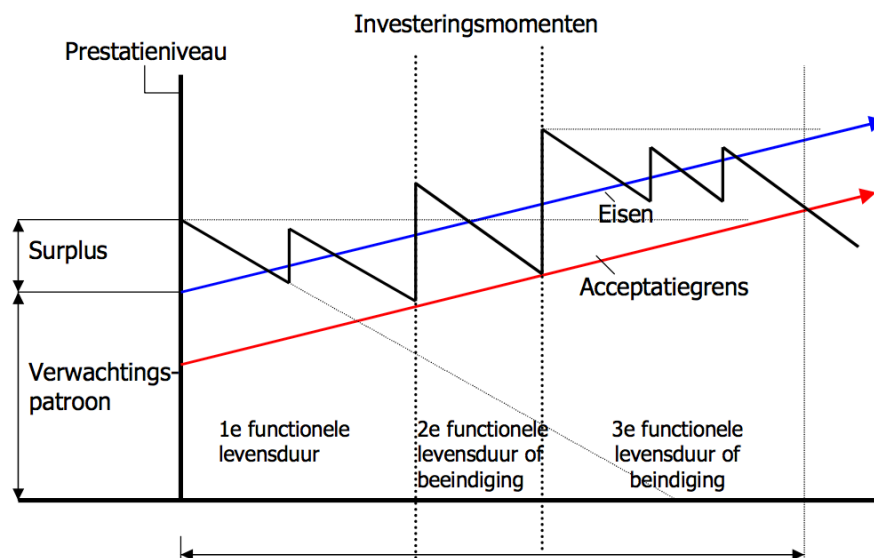


Figure 8. Functional lifespan of real estate (Vijverberg, 2003)

1.2.2 Creative industry

The creative industry is a combination of sectors whereby initial creation is central. It is about creating form, significance or symbolic value. The way activities and the creative innovation process are formed also plays an important role. The companies within the creative industry find their reason for existence in creativity, innovation and entrepreneurship (CBS, 2014).

The industry grew fast in popularity after Richard Florida mentioned the creative class in 2002 in his book 'The Rise of the Creative Class'. Florida states that the creative industry is ahead of working trends, which are later picked up by other sectors. Where traditional organisations often have a clear top-down hierarchy, this has never really been the case for organisations within the creative class. Due to the specialised nature of the creative class there is more of a horizontal division of labour that leads to a different lay out of the work floor. More open floor plans facilitate this division, other than the floor plans of a vertical hierarchy where workers are clustered in office cubicles and where their superiors have their own large office. Today, more and more organisations adopt this organisational structure and with that adopt this changed use of office space (Florida, 2014, p. 96); (Remøy & van der Voordt, 2014).

In the Netherlands, the creative industry is one of the fastest growing sectors in the economy. Since 2000 the industry grew three times as fast as the total labour force (CBS, 2012). The creative industry uses a working principle whereby smaller organisations work together to combine specific strengths, competencies and knowledge to join insights and solutions (De Man, 2004; Laglas, 2011). These organisations collaborate to strive for innovation, establish partnerships and utilise each other's strong points.

The creative industry is roughly divided into three sub-sectors, e.g. creative business services, arts, and media & entertainment (CBS, 2014). The creative business services consist of architects, designers and advertisement. The user preferences of the creative business services, which are researched by Arkenbout (2012), best suit accommodation in office buildings. For this reason, along with the fact that the creative industry is one of the fastest growing sectors in the Netherlands, and it has been proven that working trends used today by this sector are later often adopted by other sectors, the creative industry is chosen as target group for the adaptive reuse of vacant offices (CBS, 2014; Florida, 2014, p. 96; Remøy, 2014, p. 144).

1.3 Problem statement

Currently there is both a quantitative and a qualitative mismatch in the office market. The high vacancy is mainly explained by an oversupply in relation to demand for office space. The demand is expected to decrease further due to aging of the population, a changing economy and the lower need for space because of the 'New Way of Working'. The qualitative mismatch is explained by vacant property that is too old, of insufficient quality and on the wrong location. That new offices are still being constructed is not the result of a quantitative question but because of a replacement market (Van der Voordt et al., 2012).

A possible end-user is the creative industry. The different working standards of this industry lead to a different use of office space than the large-scale offices of the production economy. A more flexible lay out is required to accommodate the industry, which is different than the designs of most of the vacant property, causing the functional obsolescence (Van Meijel & Bouma, 2013). This results in a gap between the static and obsolete supply of vacant office buildings and the market demand for flexibility of the creative industry in the Netherlands.

1.4 Final result and target group

Adaptive reuse can form a solution for the need of new developments in the office market. By redeveloping an office building, the vacant stock can be adapted to the current standards. If the supply of vacant buildings can be adapted in such a way that it meets the demands of the growing and progressive creative sector, this could partly solve the vacancy problem cities encounter nowadays. In order to achieve this a strategy will be developed that tells which characteristics the property must meet, which facilities it must offer and how tenants should be selected and managed. The strategy can be applied by owners of vacant offices or any interested developer or organisation.

1.5 Research scope

Since the creative industry is a large sector consisting of different sub-sectors the focus of this research will be on the largest sub-sector, the creative business services. It furthermore focuses on the Netherlands since user preferences of the creative industry might differ in other countries.

1.6 Research questions

1.6.1 Main question

In order to solve the main problem, the following research question has been formulated:

“In which way can property owners adapt their vacant offices in order to attract and retain the creative industry?”

1.6.2 Sub questions

In order to answer the main question five sub-questions are formulated that need to be answered first.

1. What problems do property owners encounter during vacancy? What are their motives for adaptation for the creative industry?
2. What are the user preferences of the creative sector and in particular the creative business services? What are their wishes, demands, (financial) possibilities and requirements?
3. What strategies have successfully been used for the adaptation of buildings for the creative industry? Why do these strategies work and to what extent is the end-user involved in the adaptation process?
4. When is a building suitable for the creative industry and what are the determining factors for this?
5. How can a property be redeveloped for the creative industry and what interventions are therefore needed?

Sub-question one can, like most other questions, be divided in a theoretical and empirical part. Vacancy problems for real estate owners are discussed in chapter 3.2 and their motives for adaptation in chapter 6. The user preferences are mentioned in chapter 5.3 and 6.4 (sub-question two) and previous applied strategies are discussed in chapter 6 (sub-question three). Sub-question four is answered in the case studies in chapter 6 and sub-question five is answered in chapter 8, the chapter in which the strategy is described.

1.7 Relevance

This section describes the societal and scientific relevance of the subject.

1.7.1 Societal relevance

Office vacancy these days is of high societal relevance since the vacancy rose significantly after the recession started in 2008, and many solutions have already been conceived such as transformation into residential property. Vacant property may result in a negative cash flow and has a negative influence on the rental price of nearby offices (El Messlaki, Koppels, & Remøy, 2011). Besides financial problems for the property owner, vacancy also negatively influences its surroundings. If no money is invested in a vacant office not only the attractiveness of the building itself decreases, but also that of the surrounding properties. The decrease in revenue for owners causes overdue maintenance of both offices and public space, which creates the risk of deterioration and stagnation in the value development of the whole area. The accumulation of problems ensures that the social insecurity in the area increases and worsens the image. Vacancy rates, impoverishment, insecurity and poor image reinforce each other, increasing the problems even further (Schalekamp, 2009).

On the other hand, there is the creative industry, of which Richard Florida (2014) states that it has a positive effect on the neighbourhood quality. Adding value is the main focus of property owners but it no longer only concerns the economic value; social, spatial and environmental value are also important these days, since sustainability and corporate social responsibility have become increasingly popular trends (Jensen, Van der Voordt, & Coenen, 2012). Accommodating the creative sector in former vacant property will not only have a positive effect on the economic value but also on the social and spatial value of both the office building and its surroundings.

The creative industry is a growing and popular sector that uses different modern working standards which will later be adopted by other industries (Remøy & van der Voordt, 2014). Adaptive reuse of vacant offices for the creative industry will not only form a direct solution for vacancy, but is also a more long-term solution since it will most likely be suitable for other industries in the future.

1.7.2 Scientific relevance

A lot has already been written on vacancy and how to possibly solve this problem (Geraedts, 2007; Ketting, 2014; Remøy, 2010). Arkenbout (2012) proposes the accommodation of the creative industry as one solution for the vacancy problem. He researched the user preferences of this industry, but was not fully able to translate them into actual building characteristics, which are needed to adapt a building. According to CoreNet, that investigates the preferences of office users, more research is needed since distinction by type is still largely missing. Particularly in terms of preferences of different types of users at various levels, there has been done relatively little empirical research (CoreNet, 2013). Remøy and van der Voordt (2014) also address the need for more research. Accommodation preferences of the creative industry are rarely described and are up to now limited to issues describing flexibility of contracts, need for meeting places and facilities stimulating cooperation.

There are many examples of buildings that have been redeveloped for the creative industry. The Schieblock, Strijp-S and Volkskrant building have proven to be successful projects. However, it has not been documented yet on how this can best be done. Every project uses its own strategy or method, and the aim of this research is to find one strategy that is suitable for every case.



METHODOLOGY

Research design and methods

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2. Research Methodology

This chapter describes the research methodology for this thesis. First the research design is explained and three cases will be selected to research what has been done to successfully redevelop for the creative industry. The chapter ends with a description of the final product; the strategy.

2.1 Research design

The aim of this research is to come up with a solution for the mismatch between supply and demand that is described in the previous chapter. The research design (Figure 9) shows how the research is set up and what subjects will be studied in both theoretical and empirical research.

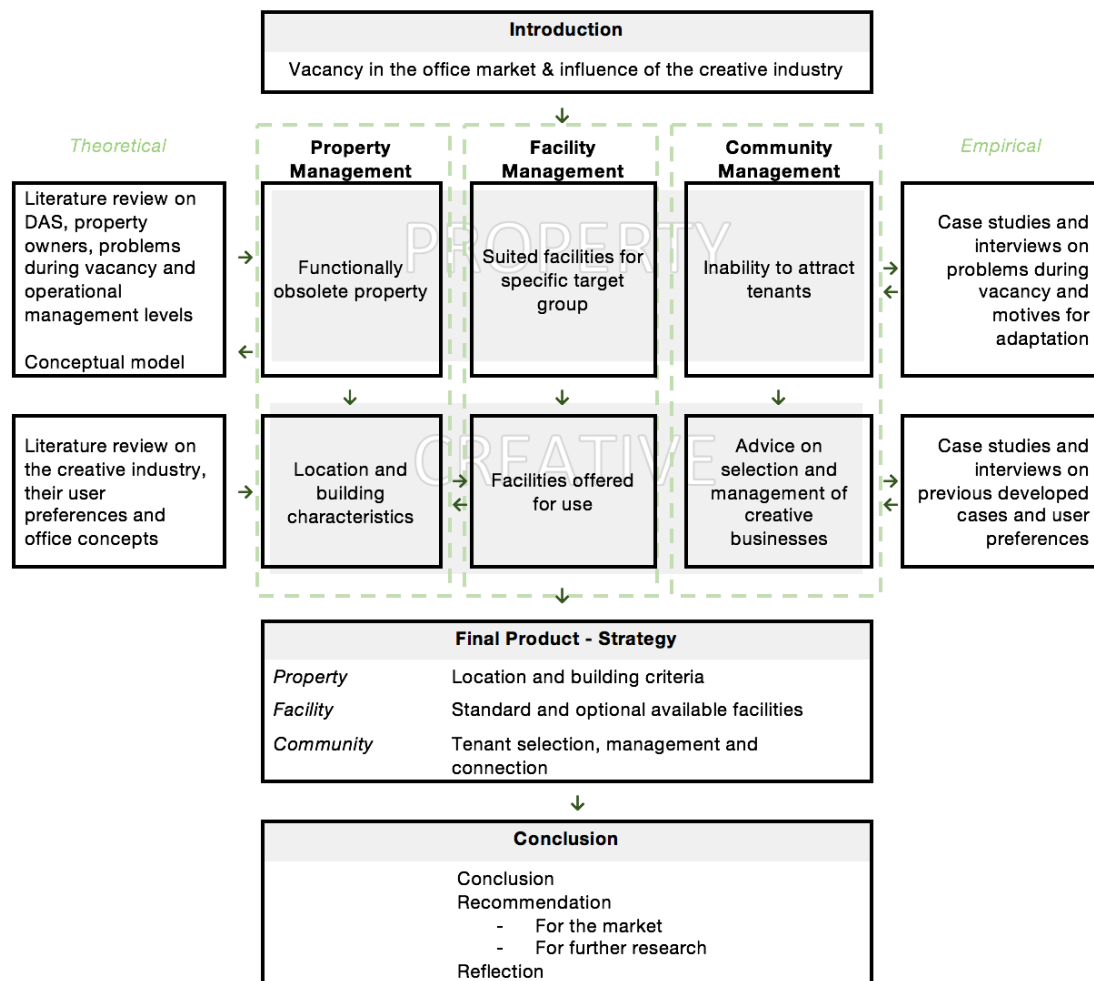


Figure 9. Research design (own ill.)

The supply of vacant property does not match the demand of the creative industry. The current supply is insufficient on different levels. What problems the property owners encounter during vacancy will be examined on the operational levels of property, facility and community management by means of literature research, case studies and interviews.

To find out where exactly the mismatch in the market is, the user preferences of the creative industries are examined and categorised under the same three levels, by means of interviews that are based on previously investigated office user preferences. This way, supply and

demand can easily be compared and will show where the problems lie and what level needs most attention.

To structure the research, the DAS frame is used as input. In case of a mismatch between supply and demand, the framework can help structuring the strategy design process (Arkesteijn et al., 2010). Alternatives are weighted and selected to come to a new or adapted supply and accordingly a step-by-step plan is designed (see Figure 10). The conceptual model derives from this framework and shows that both demand and supply deliver input for the strategy, the final product of this thesis (Figure 11). The strategy focuses on those points that are crucial to create a match between supply and demand and will therefore again be structured under the three management levels. Property and facility management are static levels that result in a checklist of requirements. Community management is a more dynamic level and results in an advice (the strategy will be further explained in chapter 2.3).

This thesis ends with a conclusion, recommendations for both practice and further research, and a reflection on the study.

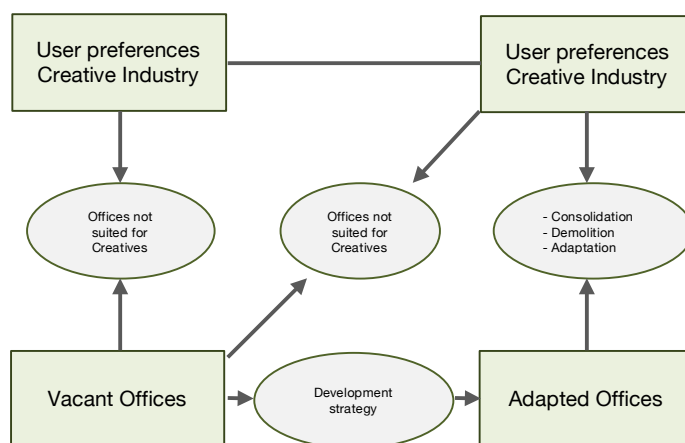


Figure 10. Research structure incorporated in DAS-Frame (own ill.)

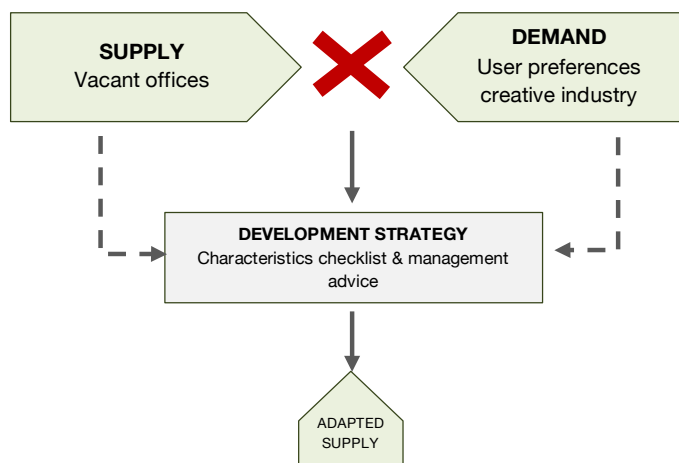


Figure 11. Conceptual model (own ill.)

2.2 Research methods

The research components mentioned in the previous paragraph have been derived through various research methods, which are discussed below.

2.2.1 Literature research

Literature research as a method is used to learn about vacancy, the problems it entails, and the ways in which offices can be managed, and to study the creative industry and what the user preferences of this sector and those of office users in general are. The user preferences researched are the starting point for more empirical research and form the input for the interview questions and survey.

2.2.2 Case studies

Three cases are selected to learn about why redevelopment specifically for the creative industry is chosen, what is done to make these buildings suitable for the industry, what facilities are offered and how the organisations are managed. The cases are used to gain knowledge of the building status before development and why redevelopment was necessary in order to attract new tenants. All knowledge gained from the cases is used, in combination with the literature research, to form the strategy. To select the cases, the following criteria are set;

1. The property was vacant before redevelopment, this to ensure a conscious redevelopment for the creative industry.
2. The property is redeveloped for the creative industry, and for the major part creative business services.
3. The project is a success in terms of occupation, meaning that the building has hardly any vacancy. This way it can be assumed that the measures taken are well appreciated and thus applicable in other cases.
4. All three cases are located in a different city in order to get a more general picture for the whole country, since it is expected that circumstances and preferences in one city may differ from those in another city.
5. All three cases are of a different scale level giving a better understanding of the various measures that can be taken and the scale on which this happens.

Summarised, it concerns three cases on different locations and of a different scale and origin, that had the same common goal to be redeveloped for the creative industry. By selecting three very different cases, it will give a broader and more general view on what is and can be done to reach the goal of attracting the creative industry.

Strijp-S

The first case selected is Strijp-S in Eindhoven. The project concerns multiple buildings of which the greater part is redeveloped specifically for the creative industry. Strijp-S is known as a design cluster, consisting of graphical design (including advertisement), web design and industrial design, meaning that most tenants belong to the creative business services, making it a very suitable case for this thesis (Van Winden, Braun, Otgaar, & Witte, 2014). Each building is differently approached for redevelopment. Therefore, different interventions were needed for the adaptation for the same type of user. This gives a good insight in different kind of measures that can be taken to come to the same desired result.

Schieblock

The second case is the Schieblock in Rotterdam. The Schieblock houses many architectural firms and design companies, but also companies within the media & entertainment sector and public functions, divided over seven floors. The renovations of the building were done with a budget of only €1.5 million showing that large investments are not always needed in order to successfully redevelop a vacant office. The project has proven to be a huge success that enlivened the whole area and triggered all sorts of new projects to start in the vicinity.

Volkskrant building

The third case selected is the Volkskrant building in Amsterdam. This former newspaper office currently houses a hotel, restaurant facilities, flex work spaces and a 'Broedplaats', an incubator for the creative industry. The Broedplaats is an initiative of Urban Resort, who's aim is to accommodate 'lower segment' sectors. The building houses various types of creative organisations like marketing companies, designers and architects, but also music studios and artists. The Volkskrant building is selected due to its former function as head office of the national newspaper and the fact that Urban Resort redeveloped the building bottom-up and specifically for the creative industry.

2.2.3 Interviews

Interviews are held with three types of actors that are involved with the three cases.

First, the (current and former) owners of the buildings are interviewed about problems they encounter during vacancy and how they deal with these problems, and what their motives were for redevelopment for the creative industry. They are asked how the building incorporates flexibility and if the project has a positive effect on the financial, spatial and social value of the building itself and its surroundings.

Interviewed owners are Heimans (2016) of Magnificent 8, P. Kramer (2016) of Stadgenoot, E. Kramer (2016) of LSI and Kooijman (2016) of the municipality of Rotterdam.

Secondly, the developers or operators are interviewed about the more technical aspects of the redevelopment, such as the interventions that have been done to the building, what facilities are offered and how companies are selected and managed.

Interviewed developers are Sieswerda (2015) of ZUS, Van der Salm (2016a) of CODUM, De Wit (2016) of FMT, Van Eijkeren (2015) of Park Strijp Beheer, Hendriks (2016a) of Founded by All and Van Wijk (2016) of Urban Resorts.

Thirdly, the users of the projects are interviewed. These users are asked about their office preferences on the levels of location and building, facilities and community management. They are asked to rate certain preferences on a scale of one to ten and define why they value these preferences or not. The preferences chosen derive from the literature and correspond for the larger part with the list of preferences Arkenbout (2012) compiled.

The interviews with Sieswerda and Van Eijkeren took place before the actual interviews are held and give more insight in what type of information is needed to get a good overview of the projects. It is best to structure the interview according the three management levels to give a clearer image on the measures taken. Furthermore, the questions should be overall the same for the different cases in order to be able to compare the answers, and the given preferences must be quantifiable for the strategy. It is useful to look at the user preferences given in the literature and try to verify them.

The interview protocols for the three actors are given in appendix 2.

2.2.4 Survey

The survey is an addition to the interviews and consist of the same questions as the interview questions on property and facility management for the user (see appendix 2). These closed questions are suitable for a survey and will be sent to all tenants of the three cases as a quick way to receive more information on the user preferences. The survey has been sent to a total of 121 companies, of which 23 companies responded.

2.3 Development strategy

There are many definitions of the term strategy of which the simplest is ‘the way in which and the resources with which an objective is achieved’ (De Jonge et al., 2009). However, the complexity of a strategy does not allow for one particular description and literature on organisation management is debating for decades on which definition of a strategy is the right one. The definition of Chandler (1962) comes closest to the ‘dictionary’ definition mentioned before and will be used as the definition for the strategy that will be used in this thesis. Chandler states that *“a strategy determines the long-term objectives of its executer plus the plan of approach and the allocation of resources needed to implement these objectives.”* In this research the main objective is attracting and retaining the creative industry and the strategy describes how this can best be done. For the strategy a plan of action will be designed that tells what characteristics the property must meet, what measures should be taken in order for the building to be appropriate for this particular industry, and how tenants should be attracted and managed.

2.3.1 Adaptation and renovation

There are several strategies to cope with structural vacancy (Remøy, 2010, p. 116). A first strategy is consolidation. Property owners choose to do nothing with their property and wait till better times arrive and search for new tenants. The second strategy is demolition and new construction. This alternative is more attractive in a declining office market but takes a lot of time and therefor delays an income. Transformation is the third strategy. Often offices are being transformed into housing. However, they are both different markets, owners have little knowledge about the other market and they have a general lack of knowledge on transformation processes. The fourth strategy is adaptation or renovation for different market segments. When adapting, one must ensure that the positive effect of renovation must be higher than the costs of renovation (Douglas, 2006). This thesis uses adaptation and renovation as the way to cope with structural vacancy. It is about upgrading a building to make it attractive again for tenants. The strategy will first tell if the vacant property is suitable, and if so, how it should be adapted in order to attract and retain tenants.

2.3.2 Possible perspectives

The strategy consists of two main actors; the office owner and the office user, the creative industry. The strategy can therefore be approached from two perspectives.

From the user perspective, the creative industry is in search of suitable office space (Figure 12). The creative industry here entails one or more creative companies, or an organisation that develops and/or exploits workspace for the creative industry. The strategy will mainly be used as a checklist to see which vacant offices are suitable to accommodate the industry. This perspective is purely derived from the demand side and does therefore not automatically result in a solution for the large amount of vacant office supply, which is the initial motivation for this thesis. Secondly, this approach will be more similar to a meter, of which there are already many examples, like the vacancy risk meter of Geraedts (2007) and the transformation meter of Arkenbout (2012).

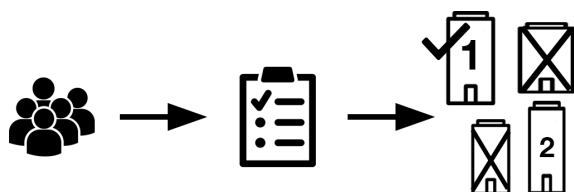


Figure 12. Office user perspective (own ill.)

In the second approach the strategy is designed from the owner's perspective and has the goal of attracting the creative industry (Figure 13). If an office owner has a (partly) vacant office in its portfolio which cannot be rented out or sold in its current state, a solution has to be found in order to make it suitable for the current market. The strategy will tell if the property is adequate and what needs to be adapted in order to attract the creative industry. The strategy will be the same in both cases, but differently approached. Since the second perspective is derived from both supply and demand, it is the better solution for the vacancy problem and will be chosen for this research.

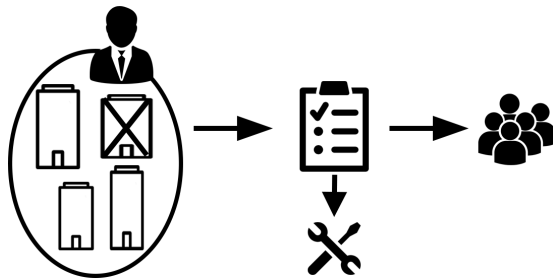


Figure 13. Office owner perspective (own ill.)

2.4 Conclusion

This research consists of a dichotomy between supply and demand. The aim is to correct the mismatch by means of a strategy that can be applied by office owners. To determine how a match can be obtained, both supply and demand will be examined on three management levels. This will be done through literature research and three case studies for which interviews are conducted. When all information is gathered, supply and demand are compared to find out where the mismatch is located and what needs to be changed in order to solve this mismatch. The findings from both theoretical and empirical research will be compared and the findings will form the input and programme of requirements for the strategy. Finally, the programme of requirements will be translated into the strategy, which will be the final product of this thesis.



THEORETICAL RESEARCH

Real estate owners, creative industry and workspace preferences



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3. Real Estate Owners

A real estate owner has three main types of objectives (Van Gool et al., 2007). These are the direct and indirect return on investment, risk, and non-financial objectives. Logically, vacancy has a negative influence on the portfolio of an owner. Vacancy generates no income and therefore no return on investment. The increasing vacancy rates lower prices and owners must be willing to upgrade the quality of the building in exchange for new leases (CoreNet, 2013). A solution is to adapt the office supply in order to meet the current changing demand and again generate an income.

Since vacancy reached a peak of 16% in 2015, the tenant has a strong negotiation power. Lower rents are asked and more services need to be included in the rental price. On the other hand, owners still aim for a higher rent to generate as much income as possible and to increase the value of the property (French & Jones, 2010). This causes a conflict between the owner and the tenant.

This chapter describes the two main types of real estate owners, their objectives and the problems they encounter during vacancy. A description will be given of the three levels on which a property can operationally be managed in order for the owner to achieve his objectives.

3.1 Types of owners

There are two main types of real estate owners, namely the owner-occupier and the investor. In the Netherlands about 40% is owner-occupier. These owners use the building themselves, either completely or partly, in which case they rent out one or multiple parts to other parties. The main objective of the owner-occupier is that the building must support their day to day activities and contributes to a positive cash flow. Vacancy arises when the organisations need less office space (Van Winden & Verpalen, 2011). The investors cover about 60% of the market. The investors can be sub-divided into real estate funds (31%), institutional investors like pension funds, insurance companies and banks (46%), and other parties like private investors (23%) (Cuppen, 2011). These investors all have different objectives. The institutional investors have to ensure the capability to meet their long-term objectives and real estate funds aim for a positive return on investment of their portfolio (Borst, 2014).

In general, the consequences of vacancy are higher for the owner-occupier due to the large amount of own invested capital. The investors often have limited amount capital invested in the property; the remaining funds are financed by other parties such as banks. Also, vacancy of one building may lead to a negative cash flow for that particular building, but this can often be compensated by other properties in the investor's portfolio (Van Winden & Verpalen, 2011). Knowing this distinction is important since it brings about different problems and risk during vacancy. What these problems are will be discussed next.

3.2 Problems during vacancy

The problems real estate owners encounter during vacancy can be divided under financial and societal problems, which include social, cultural and environmental impairments.

Financial problems

The most obvious problem of vacancy is the lack of income. No tenants means no incoming rent, while at the same time expenses are still made. In real estate, there are different types of costs that affect the cash flow. When a building is vacant, there are no (or very little) operational costs like electricity, water or staff, but rent or mortgage still need to be paid. Also, the building keeps deteriorating, presumably even faster than when occupied. In order to keep

the building suitable for future use, maintenance costs will have to be made. This together results in a negative cash flow during vacancy. As explained before, this will affect the owner-occupier more than the investor.

Besides the lack of income, another problem is the new 'Squatting and Vacancy Act' about the inclusion of rental values on the balance sheet (Patti & Polyak, 2015; Van Winden & Verpalen, 2011). Property owners are often unaware of the automatically decreasing covering of insurance if a property is vacant for more than three months. In this case, the policy coverage of a comprehensive hazard insurance reduces to the effects of fire, explosion, aircraft and storm damage. Frost and water damage, burglary, vandalism or collision are for example no longer assured. In addition, some insurers reserve the right to adjust the premium and policy conditions, if the vacancy is not reported within two to three months. The policy cover can even be terminated without compensation (Klein, 2013; Leegstandloket, n.d.). Vacant offices often receive less attention. For example, unheated pipes can break in a frost period and due to less social control burglars and vandals are less likely to be noticed. In combination with the new act, this can lead to tremendous expenses on the maintenance of a vacant property, which cannot be covered by an income.

Societal problems

From the perspective of all types of owners, the financial feasibility is one of the main criteria determining the real estate strategy. The total rate of return and internal rate of return required are distinctive for their portfolio (Van Driel, 2010). However, environmental and social issues are crucial for the feasibility of the investment (Buitelaar, 2014). Societal problems may arise when there are negative effects of vacancy that translate onto the area, the rest of the city or parts thereof. A vacant property means less social control which makes the property more susceptible to vandalism and squatters. The accumulation of these problems ensures that social insecurity increases in and worsens the image of the area (Roberts, Rowley, & Henneberry, 2012; Schalekamp, 2009). If a building becomes vacant this also effects the surrounding properties. An increase of 10.000 m² structural vacancy leads to a 1,6% decrease in rent price of surrounding offices in a radius of 500 m. This can create a negative spiral in which an area becomes less attractive as a business location (El Messlaki et al., 2011). A lower book value of one office may thus lower the book value of the surrounding properties. The problem of vacancy for one owner becomes a problem for his neighbours, making it a societal issue.

The disruption of the office market will also decrease the attractiveness of public spaces. The decrease in revenue for the owners causes deferred maintenance at both offices and public spaces. This creates the risk of deterioration and stagnation in the value development of the whole area. Both the building itself and the location affect the housing demand, and with a strong decline of the location, the office will no longer align with the requirements of tenants. The problems caused by vacancy reinforce each other and it is likely that the remaining offices, in time, become vacant too. However, this will more strongly apply to mono functional areas than more rural areas where other functions offer a counterbalance (Schalekamp, 2009).

In short, vacant property represents significant burdens: it brings about increased maintenance costs for owners while no income is generated, often resulting in a negative cash flow. It reduces the vitality and value of neighbourhoods, and may aggravate social problems. Vacancy, impoverishment, insecurity and poor image reinforce each other, so the problems continue to increase. The area is in a tailspin and the longer the vacancy lasts, the greater the problems eventually become (Patti & Polyak, 2015; Schalekamp, 2009).

Solving vacancy

A solution to these problems can be to lower the book value of vacant property, which up to now is kept artificially high. This creates room for lower rents and investments in the property. If the properties receive a fair value, more possibilities arise. If offices can be rented out against a lower sqm price, companies will start to take up space more easily (Buitelaar, 2014). However, lowering the rent does not affect the functional problems of a building which, as mentioned in chapter one, are often the reason behind vacancy. A new or improved functioning of the property can bridge the gap between what the building has to offer and what the market demands. Adaptation is therefor often chosen to deal with vacancy. Yet it appears that vacant property tells about the lack of transparency and flexibility of real estate management by the owners. Adaptation for the creative industry requires open-minded owners who see the potential in redevelopment not simply with the goal of earning the highest rate of return as possible, but who also feel responsible for society and increasing the value of the property's surroundings. It is about owners recognising the importance of the maintenance and marketing activities creatives can provide in relation to their property (Patti & Polyak, 2015). In making this mind set lies the challenge for real estate owners, which could be eased by applying the development strategy that will result from this research. The strategy tackles the three layers on which real estate can be managed. Those three levels will be explained next.

3.3 Management levels

The way real estate is managed is crucial for a vital business model. Proper management helps achieving the objectives of the owner and increases the value of the property. On an operational level, real estate can be managed on three levels, namely; property management, which oversees the whole property, facility management, which is about adding value through facilities, and community management, which is about the internal management of businesses located within the building. These three levels are discussed below.

3.3.1 Property management

Property management is, as mentioned, real estate management on an operational level. Real estate management on strategic level is called portfolio management and on tactical level asset management. The main objective of property management is to generate an income and preserve or increase the financial value of the investment property (Kyle et al., 2000). The goal of the owner is to generate the highest possible net income over the lifetime of that property. For optimal property management there must be a comprehensive understanding of the economic forces at work in the real estate market. The property must be evaluated in terms of operating income, forecast the future potential and construct a management plan that reflects these forecasts. Nowadays objectives must remain flexible in order to cope with fast changes in the market.

Within the real estate market there is a distinction between investment assets and operational assets, also called corporate property. Where the aim of the former is indeed to secure the highest possible capital value, the aim of the latter is that the property supports the activities of the business occupying the property. Hereby flexibility of the property, the technical state and the impact of the property on the local environment are of high importance (Ellison & Edwards, 2009). The property must be able to facilitate changing occupier needs and the state of the property should be of an adequate level, to not hinder the occupiers in doing their job.

The objectives of property management consist of administrative, technical and commercial tasks (Van Driel, 2010). The administrative tasks broadly involve the capturing, classifying and processing of incoming and outgoing cash flows and the technical tasks include the planned maintenance, maintenance contracts and commercial maintenance. The commercial tasks

involve the advising and coordinating of operational duties in such a way that the total return of the object is optimised. Herein lies the objective of property management.

3.3.2 Facility management

Facilities are physical features that enable organisations to conduct their day to day activities. These features include installations, equipment and other related services. Facility management can therefore be described as the management and realisation of housing and accommodation, the services related to this and other means in order to enable the organisation to realise its mission (Van der Woude, 2007). Facility management provides services at a competitive cost and with a high quality, in such a way that it improves the value of an organisation. Hereby it is crucial that the work environment enhances communication and cooperation which in return lead to a higher productivity (Bijering & Hoogh, 2010). The main difference between property management and facility management is that the latter focusses on maximising the value obtained from the specific use of facilities, rather than adopting a strategic perspective on property occupation overall (Ellison & Edwards, 2009).

Facility management is established around the 1980's in the UK and was aimed at controlling and reducing costs by new ways of organising and managing a number of disparate activities, which before did not receive much attention. New management tools were introduced that often led to tremendous cost savings. Centralisation, internal markets, benchmarking, outsourcing and Key Performance Indicators are some examples of this (Jensen, Sarajosa, Van der Voordt, & Coenen, 2013). Around 2000 controlling costs was no longer sufficient for facility managers. This period of expansions and a strong demand for new generations of highly skilled professionals from the creative class, led to more focus on attracting and retaining employees. The new focus of facility management shifted to providing attractive workplaces with high standard services. Facility management now has to focus on managing facilities in such a way that it adds value to the core business (Mooij, 2011). Since the financial crisis the focus shifted somewhat back to reducing costs but the core business remains adding value. Sustainability and corporate social responsibility are newer trends that facility management focusses on to add value.

Facility management (FM) knows multiple definitions that originate from different disciplines and a variety in focus. Roughly there are four main focusses (Van der Voordt, 2012);

- *Prudential*: contribution of FM to productivity, profitability and distinctive ability of an organisation.
- *Socio-economic*: to increase the satisfaction of clients, customers and end users.
- *Relational perspective*, focusing on the process side and relationship: trust, reliable agreements and short delivery times.
- *Sustainability perspective*: contribution of FM to reducing energy consumption, careful use of scarce materials and avoiding products that harm people and the environment.

The common sense in these definitions are the revenues of facility management in relation to the sacrifices needed to generate returns for all stakeholders.

Jensen (2012) designed a FM Value Map that names the added value parameters on which facility managers should focus. The map provides a conceptual model that shows the different values that can be created through facility management for the core business of an organisation and its surroundings. The added values are sorted under the core business of an organisation, which is divided into people, process and economy, and the surroundings. These parameters are shown in Table 2.

Core business			Surroundings
People	Process	Economy	
Satisfaction	Productivity	Cost	Economical
Culture	Reliability		Social
	Adaptability		Spatial
			Environmental

Table 2. Facility Management Value map, added value parameters (Jensen et al., 2012)

3.3.3 Community management

In most researches, facility management focusses on improving processes to reduce costs and raise the revenues. The FM Value Map of Jensen shows that besides process and economy, 'people' also is an important parameter to increase the value of a company. Establishing long-term relationships between providers and customers can be considered essential to facility management (Jensen, 2010). However, managing customer relationships requires different skills and knowledge than managing processes and costs. Since the tenant these days has strong negotiation power and is more and more involved in the decision making process, the managing of people and organisations in this thesis will be considered as a self-contained management level called community management. Community management as it will be used in this thesis, is not a common form of management in real estate. In the Netherlands, community management is defined as the structural and substantiated building and expansion of the online network of an organisation, often accomplished with the use of social media (De Jong, 2009).

Hospitality management

Hospitality management, or relationship management, is a term that is already used in literature and is in essence more or less the same as community management. The relation described here is between customers and suppliers of goods and services, but can be projected onto the relation between tenant and lesser. To suppliers, value often relates to customer organisations that are loyal and profitable meaning that ongoing relationships are valuable for the supplier. To customers, value also has a perceptual dimension, for example trust, commitment and attraction (Doyle, 2000; Grönroos, 2011, p. 242). While the management of facilities is focused on very tangible property, the management of relationships tries to capture the character of an intangible relationship with internal and/or external suppliers and customers (Coenen, Von Felten, & Waldburger, 2012).

The quality of a relationship is considered to be dependent on three components, namely; customer satisfaction, relationship trust and relationship commitment. Here, customer satisfaction can be defined as the customer's response to the evaluation of the perceived discrepancy between some comparison standard and the perceived performance. Trust is seen as one party's "*belief that its needs will be fulfilled in the future by actions taken by the other party*" and commitment has been defined as "*an enduring desire to maintain a valued relationship*" (Coenen et al., 2012, pp. 113-115). In order to establish a high quality relationship, communication is the key to success. Good communication is indicated as being the most important quality of a letter, but at the same time this aspect is mentioned most when tenants are asked about needed improvements (Sanderson & Edwards, 2016, p. 12). Given suggestions to improve the communication between the lessor and the tenants are "*build relationships with tenants*", "*to have a single point of contact so that occupiers know who to speak to*", "*closer liaison with tenants*", and "*a better understanding of tenants' business needs*".

Another important aspect of the relation between supplier and customer is added value. “As product and price become less important differentiators, suppliers of routinely purchased products are searching for new ways to differentiate themselves in a buyer–seller relationship” (Uлага & Eggert, 2006, p. 119). Customer organisations need to understand how to build and manage supplier relationships to increase the overall return on relationships (Jensen et al., 2012). This also applies to offices. With the current oversupply in office space, office owners need to differentiate themselves to attract new tenants. Offering ‘people’-value through personal interaction, access to know-how, and services that meet the needs and expectations of customers will make a difference compared to standard suppliers (Coenen et al., 2012).

Community management

In this thesis not only the relationship between the owner and the tenant is important, but also between the tenants themselves. This goes one step further than relationship management and is therefore called community management. Besides building up a good relation with the tenants in order to not only attract them, but also to retain them, it is just as important tenants have a good relationship mutually.

When developing for the creative industry, it is most likely that multiple businesses are located within the building; the property will function as a multi-tenant building focusing on one particular target group. To create a functioning community, it is important that tenants are selected that work within the same sector, but have different expertise, and are willing to contribute actively to the community. Companies within the creative industry are often smaller companies that focus on their core business. If multiple companies with different expertise are located within one building, they can engage each other’s help and knowledge to complete larger and more complex projects, when the skills or knowledge of one business are insufficient. If this is done on a larger scale, a network of creative businesses is created who can consult each other when needed. This improves each business’ expertise and productivity. An example of possible partnerships is shown in figure 15.

The connections can also be made physically by means of sharing space. Similar businesses can be put together to share work space and facilities, to reduce costs.

The task of the community manager, who might be the owner himself, an external party or a designated tenant, is thus to create physical and social connections between creative organisations in order to enlarge their network, improve knowledge and increase productivity.

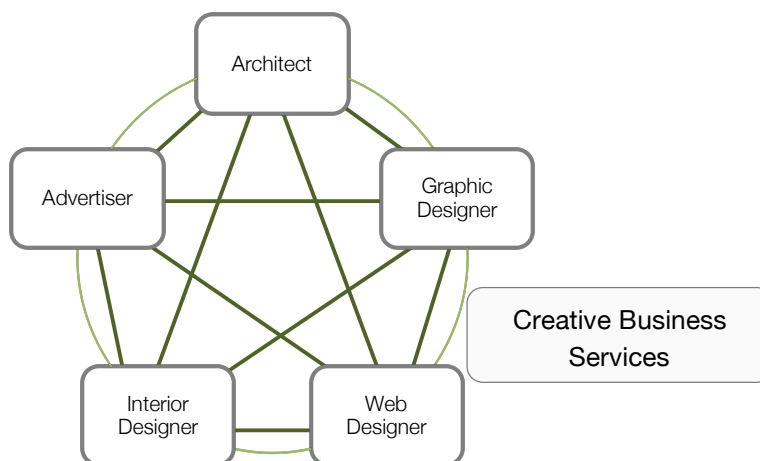


Figure 14. Possible partnerships within the creative business services sector (own ill.)

3.4 Conclusion

The distinction between investors and owner-occupiers as the two main type of owners is made as their different objectives may result in different motives and priorities in developing office space for the creative industry.

Property that is being redeveloped, can be managed on three levels. Property management and facility management are very static levels that are applicable to every office. The third level of community management is added specifically for the purpose of developing for the creative industry and to differentiate from office types that are now commonly available. Other than large corporate businesses that fulfil several functions within one company, businesses within the creative industry are small companies that focus on their core business only and often have limited knowledge about other fields of work. A network of businesses within the creative industry creates physical and social connections between the businesses that will help enlarge their network, improve knowledge and increase productivity. A community manager will create, maintain and enlarge this network and provides tenants with services that go one step further than 'normal' multi-tenant office.

The inability to meet the requirements that are placed on one or more of these layers of management leads to a negative appreciation of the building by its users, with vacancy as a possible result. To prevent this, the strategy that will be developed covers all three layers, but specifically focuses on community management since this level exceeds the offering of standard office space, of which there apparently is too much.

4. Creative Industry

Over the last couple of years there has been a shift from a technology led society to a more socially led society, which is about the desire of users to be more involved in the decision making process (Langlas, 2011). This fits the social trend in which man occupies an increasingly central position. Within the socially led society smaller organisations often work together to integrate knowledge from different disciplines. This working principle is referred to as a network society. A network society is a network of organisations which revolves around the merger of forces of these organisations. The different organisations combine specific strengths, competencies and knowledge to join insights and solutions (De Man, 2004). A sector that works according these principles is the creative industry.

This chapter gives a definition of the creative industry and delineates the sector. The aim is to get a clear understanding of what the creative industry entails and what their characteristics are. The fact that the creative industry has a strong relation with the gentrification of the area in which they operate is inevitable to address, but will not be the main objective of this chapter.

4.1 Defining the creative industry

The creative industry was acknowledged for the first time in 1961 in the book 'The Death and Life of Great American Cities' by Jane Jacobs (1961). After this publication the creative industry was for a long time not spoken of until Richard Florida again spoke of the creative class in his book 'The Rise of the Creative Class' (Florida, 2002). He defines the core of the creative class *"to include people in science and engineering, architecture and design, education, arts, music, and entertainment whose economic function is to create new ideas, new technology, and new creative content."* (Florida, 2002). Different than the members of the working class and the service class, who are mainly paid to do routine work, members of the creative class are paid to use their minds. Although the creative class in Florida's terms remains somewhat smaller than the service class, it has a crucial economic role which makes it the most influential class. This is reflected by the fact that in America one third of all population belongs to the creative class (Florida, 2014).

After the publication of Florida's book the term 'creative industry' grew fast in popularity. In the Netherlands, the creative industry is defined as a combination of sectors whereby initial creation is key. It is about creating form, significance or symbolic value. The way activities and the creative innovation process are formed plays an important role. The companies within the creative industry find their reason for being in creativity, innovation and entrepreneurship (CBS, 2014).

Still, not all researchers agree on this definition. Some argue the absence of the software industry is unjust and there is also the question whether or not 'Arts' should belong to the creative industry (Berger, 2015). Anyway, the common denominator of all the different definitions is 'creativity', an understanding that has to do with the creation of original objects and ideas. The most important fundament is knowledge or information, but also innovation is often mentioned as an important characteristic. The latter is not only about innovative products but also about innovative production processes and revenue models. The main difference with other industries is that what is being produced in the creative industry also has a symbolic value besides 'utility'. The added value of human work therefore moved to what a machine cannot do: be creative, invent new things, and innovate.

For years, the creative industry is one of the fastest growing sectors of the Dutch economy. Over the past ten years, the labour force of the industry grew three times as much as the total labour force in the country (see Table 3). The total revenue in 2012 amounts 32,8 billion euro

which equals 2,9% of the total gross national product. This makes the creative industry a humble player, but one that grows faster than any other sector (CBS, 2012). For this reason, the creative industry is one of the nine top sectors on which the Dutch government wants to excel at internationally. Through the top sector policy, the government wants to work with businesses and targeted investments in science prerequisites for knowledge, innovation, export, financing and human capital.

The growth of the creative industry is closely linked to technological developments, meaning the digitisation. Much of the work being done in the creative industries was unthinkable twenty years ago, e.g. game development, interaction design or online newspapers.

	Arts	Media & Entertainment	Creative Business Services	Total creative labour force	Total Dutch labour force
2003	48.000	38.000	67.000	153.000	6.909.000
2004	53.000	38.000	71.000	162.000	6.907.000
2005	54.000	39.000	74.000	167.000	6.894.000
2006	54.000	40.000	72.000	166.000	6.932.000
2007	55.000	40.000	69.000	164.000	7.053.000
2008	56.000	43.000	71.000	170.000	7.229.000
2009	59.000	44.000	74.000	177.000	7.357.000
2010	58.000	45.000	76.000	179.000	7.386.000
2011	59.000	45.000	77.000	181.000	7.349.000
Growth Factor	1,23	1,18	1,15	1,18	1,06
Growth Percentage	23%	18%	15%	18%	6%

Table 3. Active labour force in the creative industry (CBS, 2012)

4.2 Creative clusters

It has proven to be a fact that the creative industry shows a strong pattern of clustering. Recent research in the United Kingdom demonstrates this aptly (Chapain, Cooke, De Dopriss, ManNeill, & Mateos-Garcia, 2010). By clustering, companies gain access to skilled labour and can share services and amenities. They also have the opportunity to redeem the value of knowledge spill overs. The most famous example is probably Hollywood. Other examples are the Media Park in Hilversum and design cluster in Eindhoven. In other cases, the presence of creative companies leads to an urban buzz which attracts highly skilled and competent employees and encourages collaboration.

The clustering of creatives dates back to the 1980s when in Soho and Tribeca regulative alterations made it possible for artists to establish themselves in lofts using these as combined living and work spaces. The central idea was that the use of these vacant spaces by the creative community would set in motion a chain of developments that would make the rundown quarters attractive again for middle class residents and consumers (Mommaas, 2009). Later on, creatives also took over unused inner city spaces as a form of protest against real estate speculations and the disuse of existing properties. In the course of events, these inner city spaces were turned into centres of a new urban vibrancy and the urban social movements brought public life back onto the inner city streets. When this reaction was noted by developers and municipalities, the creative component was taken up in a much broader, multi-functional way, in a mix of public and private functions (Hannigan, 1998). The term creative was used to attract public money to lower the investment costs for developers, but also to strengthen the image of a property or area and thereby attract more possible users.

In the Netherlands, the creative industry is not evenly spread around the country but clusters mainly in larger cities like Amsterdam, Utrecht, The Hague and Rotterdam. Creatives cluster at places where companies and people are closer together, where there is a better improved infrastructure and where there are more cultural and social facilities than in more rural areas (Berger, 2015). New enterprises tend to start their business at a location where already many relevant expertise is clustered. The scale upon which a creative cluster arises can be different. Clusters may operate at the level of building complexes, within quarters or districts, or may cover entire cities or regions (see Figure 15). Either way, creatives seem to profit from specific spatial forms of proximity; cultural inspiration, enthusiasm, learning and reputation seem to thrive on spatial context, particularly in developing markets and careers. Especially at the beginning of an organisation's existence, such qualities can only be obtained by positioning oneself in the right place and being in touch with the right people. This is due to the fact that cultural qualities, other than economic and technological qualities, are dependent on personal taste and experiences instead of functional performances (Currid, 2007; Markussen, 2006; Mommaas, 2009).

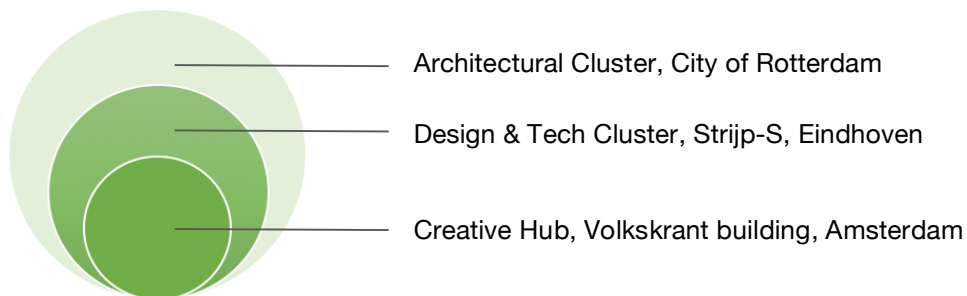


Figure 15. Cluster levels related to case studies (own ill.)

4.3 Creative business services

The creative industry has been sub divided into four sub sectors, namely arts, cultural heritage, media & entertainment, and creative business services (see Figure 16). The sub-sector cultural heritage is often combined with arts since it concerns a very small sector with a limited number of jobs. For this thesis the focus will be on the largest sub sector, which is the creative business services. This sub sector can be further divided into three categories, namely architecture, design and advertisement. Architecture hereby concerns all forms of architecture and design concerns graphic, industrial, web and fashion design (CBS, 2014; Rutten, Marlet, & Van Oort, 2011). A complete list of the delimitation of the creative industry can be found in Appendix 1 – Delineation Creative Industry.

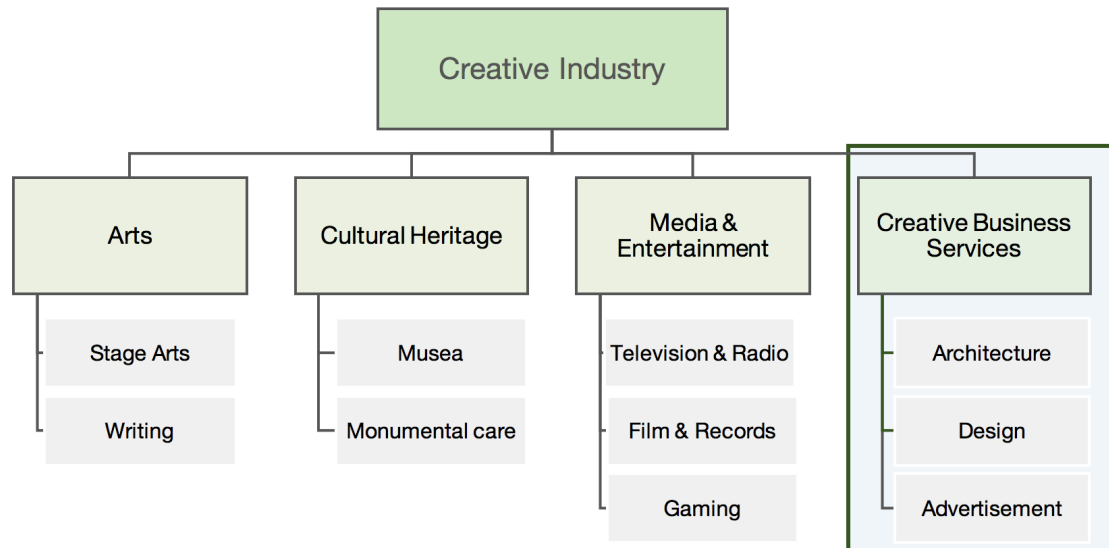


Figure 16. Sub-division creative industry (own ill.)

4.4 Conclusion

The creative industry is the fastest growing sector in the Netherlands and therefore chosen as end user. The past has shown that the industry is a pioneer for working standards which are later often picked up by more conventional companies and new generations of workers. This makes that developing for the creative industry now, could mean that in the future developed offices are suitable for other sectors. Also, accommodating the creative industry has a positive effect on the surrounding area and therefore the social value of a property.

To gain access to skilled labour and to share services and amenities, creative businesses tend to cluster. Clustering takes place on various scale levels and will help reducing costs, forming connections and increasing knowledge.

The creative business services are chosen as specific target group since it is the largest sub-sector, but also since it is expected that the preferences of this group best suit accommodation in more standard office concepts. Whether or not this presumption is right, the following chapter will tell.

5. Workspace Preferences

About a hundred years ago people first started working at offices as we know them nowadays. Throughout the years the shapes and layouts of offices have changed many times due to changing work principles. New ways of working, new generations of employees and new lifestyles will put new demands on office design (Van Meel & Vos, 2001). In order to adapt a vacant office that is suitable for a particular end user, it is important to get a clear image of their workspace preferences. This chapter first discusses various types of office concepts before it narrows down and researches the preferences of office users and in particular those of the creative industry.

5.1 Office concepts

Traditional concepts

The very first offices had large halls with rows of tables and chairs and were very similar to the idea of a factory. This slowly changed into the traditional office we still often see nowadays, the cellular office. In this concept the offices are orientated towards the windows for daylight access. This creates a long hall with on both side offices with a standard office size of 5.4 x 1.8 x 5.4 m. The offices are suitable for one or two employees. This type of office has a very closed character and communication between employees is minimal (Van Meel, 2000, p. 29). Having a private office, like with the cellular office, is to date still a status symbol. This concept is based on status and comfort and has no flexible layout options. Today, most offices are still cellular offices.

Completely opposite of the cellular office is the office garden. This concept has a complete open structure with maximum layout flexibility. The concept is based on efficiency and an open communication within the organisation. It originates from American and British offices and is characterised by a central core with around it a large free-plan space. Despite the open structure, this concept is very hierarchical and is the reaction to the monotone cellular office. Along the windows larger offices are made for senior staff. The mid-zone was designated to the junior staff and the least attractive space around the core was for the new personnel that just started its career. During his career path the employee moves ever closer to the window. The most important principles of this concept are communication patterns, the forming of teams and work relations. Both in organisational and financial terms this concept proved to be very attractive. However, this principle was abolished by the resistance of individual employees. This was mainly due to noise pollution, climate problems and the lack of privacy (Koomen, 2010; Van Meel, 2000, p. 33).

The group office can be seen as a reaction to the office garden, where the desire for more privacy is met. The group office or team office has middle-large rooms for four to ten employees. This concept is suitable for groups of people conducting the same type of work. Attention is paid to both work relations and the social connections between employees within the group (Van Meel, 2000, p. 136).

Modern concepts

With the shift towards a socially led society, come different working principles (Laglas, 2011). The new way of working makes working less place and time dependent and requires less office space. More organisations specialise to their core business which results in smaller firms. These new working principles require different office concepts to cope with the changing preferences of the office user. A concept that is an answer to these changes is the 'CoCon' office, which stands for communication and concentration. This concept is based on the idea of separated workspaces around a shared centre area. Both elements of communication and

concentration form the core of office activity and seek to find a balance between the need for openness and collaboration on one hand and the need for peace and quiet working on the other hand. The CoCon concept is based on an open atmosphere with room for spontaneous and informal meetings (Appel-Meulenbroek, Groenen, & Janssen, 2011; CoreNet, 2013, p. 14). The most progressive concept, which has been implemented for the first time several years ago, and which goes one step further than the CoCon concept is the flexible workspace. With this principle the individual workplace disappears completely and sharing becomes the main principle. The employee no longer has his own office. The concept forms a dynamic whole of different spaces, each with its own character, e.g. a communication room, project room, concentration room, and so on. Each room provides the opportunity to plug in one's own laptop and at the end of each workday, the desk needs to be clean (the so-called clean desk policy). By letting go of the fixed workplace there is a gain in space and for the employee a certain degree of time gain (Brinkø, Nielsen, & Van Meel, 2015; De Groot, 2012, p. 55).

An office concept that is completely separated from the organisation itself is called the hotel office. It concerns office buildings of which the owner offers individual workplaces and meeting rooms including facilities and services per unit of time, starting from one hour. This concept is particularly interesting for freelancers, small organisations and project groups that need a meeting space for a short period of time. A provider of this concept is NSI, the modern successor of Regus, who offers multiple locations across the country under the name of 'The New Office' (in Dutch: Het Nieuwe Kantoor). The tenants can choose between various office types with various degrees of privacy. The concept is growing fast in popularity and new locations and providers are being established at high-speed (NSI, 2016).

5.2 Preferences of office users

The fact that office concepts have changed throughout the years is due to changing work structures that are accompanied with different preferences. To create an office that satisfies the users, it is important to know their preferences. Over the years, many researchers have tried to map the preferences of office users on various scale levels, although most researches limit themselves to location and building preferences. Appendix 3 – Preferences of office users, gives an overview of some of these researches. It appears that most researches show the same results. For the general office user, if one could speak of that, accessibility is the most important criterion for the choice of an office location. The office must be easy to reach by car and sufficient parking space is essential. The representativeness of both the building and its surroundings contribute to a positive image and identity of the organisation and are therefore highly valued. Most researches address the need for flexibility to cope with growth or other organisational changes, but without having to make any structural adjustments. Comfort of the work environment is another characteristic that is often addressed by the office users as important.

5.3 User preferences of the creative business services

The above mentioned office preferences apply to the general user. However, there is no such thing as 'the' office user. There are many different segments and almost every situation is unique. The type of office desired differs strongly per organisation (CoreNet, 2013). In order to design a strategy that can be used to redevelop vacant offices, a user profile needs to be created for the creative business services specifically, to match the supply with the market demand. The study of Arkenbout (2012) researched the user preferences of the creative industry, wherein he distinguishes the three sub-groups. In his research he sub-divides the preferences on the scale of location, building and use. The result for the sub-sector creative business services on the three scale levels can be found in Table 4.

Location	Building	Use
1. Accessibility by public transportation	1. Multi-tenant building	1. Internet (WiFi)
2. Accessibility by car	2. Comfort	2. Meeting places
3. Restaurant & café in proximity	3. Interior representativeness	3. Security
4. Parking	4. Small lettable work units	4. Monthly rental contract
5. Safety	5. Layout flexibility	5. Restaurant & café
6. Accessibility by bicycle	6. Recognisability	6. Reception
7. Activity in proximity	7. Exterior representativeness	7. Repro facilities
8. Quality of public space	8. Floor height	8. Cleaning service
9. Shops in proximity	9. Building shape	9. Waste management
10. Cultural facilities in proximity	10. Energy performance	10. Vending machines
11. Housing in proximity	11. Technical status	11. Textile care

Table 4. User preferences of the creative business services (Arkenbout, 2012)

For the creative business services accessibility by public transportation is the most important factor of location. The presence of restaurants and cafés is also of interest. For these reasons city centres are a good location to house the creative industry. City centres are suitable, but so are office parks which are often located on the outskirts of the city along the highway. Office parks are still in demand, but are losing ground to city centres. In 2007 23% of all office space was located in the centres, in 2011 this increased to 27%. Structural vacancy is mainly seen on the outskirts of cities (CoreNet, 2013; Macke & Bertens, 2014).

For the building itself, tenants prefer a multi-tenant building. This is beneficial for the companies located in the building in order to make use of each other's services and share office facilities, which aligns with the fact that the creative industry is seen as a network society. For the use of the building tenants find it important that WiFi, security and meeting places are available. This corresponds with the building preferences since multi-tenant buildings often incorporate the before mentioned services in the rental price.

5.4 Conclusion

The preferences of office users keep changing, due to different working standards. Traditional office concepts like the office garden have been invented many years ago and the cellular office or group office are nowadays still frequently used. Along with the New Way of Working comes the need for more innovative concepts. The CoCon office and flexible workspaces are a response to this. The individual workspace is disappearing and workspaces and facilities are more frequently shared. To see what kind of concept is best suited for the creative business services, their user preferences have to be studied. Throughout the years, many researches have been conducted on the creative industry and the preferences of the general office user. However, almost no research is done on the user preferences of the creative industry specifically.

When only looking at the preferences conducted from literature research, this chapter shows that the preferences of the creative business services are broadly similar to those of the 'general' office user, which confirms the assumption that this group is suitable for accommodation in vacant offices. The research of Remøy and van der Voordt (2014) confirms this statement. Traditional factors like accessibility by car, extension possibilities, and location and building image are important factors for both larger organisations and the creative industry. Environmental issues are increasingly being high ranked. Factors that are found to be far more important by the creative industry than the 'general' office user are accessibility by public transportation and bike, multi-tenant buildings and ICT and meeting facilities.

Aspects for further research

The preferences found in literature form the basis for further research into the preferences of creative business services in specific. In order to validate and complement the user preferences, interviews will be conducted with creative companies. To create a functional list of preferences for the strategy, the preferences will be divided under the management levels described in chapter 3.3. Most researches focus on building and location characteristics, which can be categorised under property level, and to a lesser extent on user characteristics, which fall under the facility level. Preferences that are still missing from literature concern community management.

The preferences Arkenbout (2012) categorised under the level of use are very general and should be made more specific. Another important notion is that the user preferences derived from literature are often unquantifiable and therefore difficult to incorporate in the strategy as criteria. This should be taken into account during the interviews.



EMPERICAL RESEARCH

Redevelopment for the creative industry and office preferences

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6. Redevelopment for the Creative Industry

Before developing a strategy, it is useful to look at successful projects and to learn from previous developments. This chapter discusses redevelopment for creative businesses. It addresses the most important findings from three case studies in which vacant property is redeveloped for the creative industry. Interviews are held to find out what measures have been taken to make the building itself suitable for its tenants, what facilities are offered and how the businesses are managed.

Accordingly, a user profile is created for the creative business services sector that is needed to develop the strategy. This is done by questioning creative companies about their office preferences.

6.1 Strijp-S

Address	Beukenlaan, Eindhoven
Users	Creative business services
Accommodation criteria	Design & Tech sector, “dedicated” and “eager to learn”
Rental price	€175, €350, €650 per month (FBA)
Service costs	€30 per meter per month
Membership	€50 per month
Lettable units	Single desk (10m ²), 25m ² , 50m ²
# Businesses	21 (FBA)
Interviewees	Joep Van Eijkeren (2015), Maarten Hendriks (2016a), FBA members

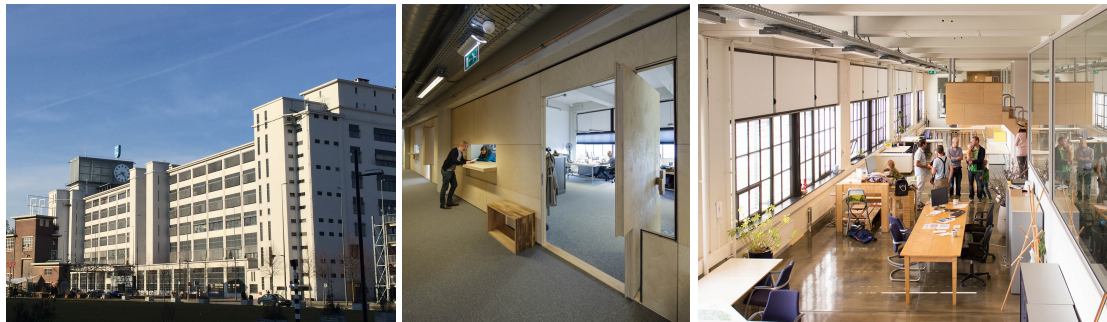


Figure 17. Klokgebouw and Founded by All (own. ill and Founded by All (2016))

6.1.1 Case description

Strijp-S concerns the former Phillips area and contains a mix of dwellings, offices and other functions. The redevelopment started in 2006 and focusses on the Design & Tech sector. Trudo owns the ‘Klokgebouw’ and the ‘Apparatenfabriek’, the first two buildings to be redeveloped. The intention of Trudo was to use the Klokgebouw as place maker for the rest of the area. For this reason, he chose to develop for the creative industry. During the developments creative entrepreneurs in search of affordable workspace showed great interest in this inspiring environment. On the 7th floor of the Klokgebouw, Founded by All (FBA) is located. FBA is a corporation started by Maarten Hendriks and facilitates office space in vacant real estate. What Hendriks does, Trudo basically does on a larger scale. Hendriks (2016a) states:

“The power of our business model is that the building itself is subordinate to the way it is being used.” The model works with a triangular relation between Trudo, FBA and the tenants (Figure

18). Being a member of FBA provides many facilities like cleaning, printers and coffee, but also services and support and access to the network and communication.

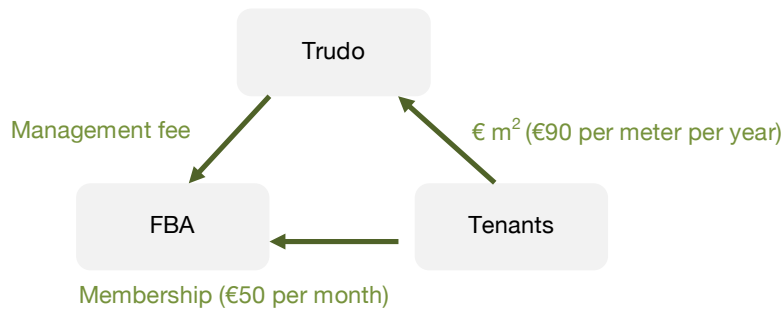


Figure 18. Payment model FBA (own ill.)

FBA recognises the need for a support system for creative entrepreneurs. Tenants are not only selected for working in the Design & Tech sector, but also for being 'dedicated' and 'eager to learn'. Tenants are selected for working within the same sector, but with different expertise. This creates a community of businesses with complementing skills and services, that can engage each other's help to take on more complex projects.

The rental price is €90 per meter per year, but a single desk is only €175 per month. This is done to provide starting companies the opportunity to rent office space in an inspiring environment that will give them a kick start in their careers.

The workspace itself is presupposed to the business model, but nonetheless thought over thoroughly. FBA facilitates and supports growth by offering different size workspaces. Multiple businesses have outgrown the offices and moved to other floors or buildings. This way the FBA network slowly grows and spreads out over Strijp-S and beyond. Flexibility however is not only provided through different types of workspaces. As Aussems (2010) states; *"The structural characteristics of the important historic buildings in Strijp-S (concrete structure, columns, units 7.20 x 7.20 m, 5.5 m high) provide enormous flexibility. The old factories allow for almost any function, on almost every scale. That presupposes substantial investment, but the life of the buildings is therefore virtually unlimited. This way we ensure that the Klokgebouw and the Apparatenfabriek compliance in all technical aspects with the requirements to live and work."* When offices are no longer in demand, the building can easily be transformed into apartments.

Another building that consist for the larger part of creative companies is the Videolab. The concrete structure is ideal, but the installations were deteriorated and a substantial amount of the budget went into repairing these installations. The first and seventh floor were the first to be developed, for two reasons. The first is to offer bespoke offices and the second to prevent unnecessary redevelopment. All offices are rented out for €90 per meter per year and the rent is on an all-in basis.

Similar to FBA, Videolab stands out on the field of organisation management. There is a clustering of companies, done by the community manager. When new tenants start using the office space, a meeting is held in which the goals, drivers and expectations of the company are discussed. Videolab aims at making the workplace a bit less important, and the network around it all the more important for you as an entrepreneur. It is proven that this increases the tenants' appreciation towards the building and makes them stay for a longer period of time (Van Eijkeren, 2015).

6.1.2 Most important findings

The interviews show that there are three distinctive themes for all three cases; the initiative, the flexibility and the management. These themes include the most important and noteworthy findings and the lessons that can be drawn from these findings.

Initiative

- *Permanent development*
Where most creative offices are developed to temporarily fill up vacancy, Strijp-S is developed specifically for the creative industry as a permanent solution. This makes larger investments possible, that can be depreciated over a longer period of time. This way low prices can still be ensured.
- *Public plinth*
The plinth of most buildings in Strijp-S contains public functions. This is done to attract more people to the area and to create a lively atmosphere on street level.

Flexibility

- *Concrete structure*
All buildings in Strijp-S have a concrete structure with a regular grid. This ensures great layout flexibility.
- *Function flexibility*
The installations of the Klokgebouw are suitable for apartments as well. This increased the investment, but as mentioned, can be depreciated over a longer period of time.
- *Different types of offices*
The Klokgebouw and Videolab offer different types and size offices. Companies can be retained longer within the building as it facilitates both growth and shrinkage.
- *Step-by-step development*
The Videolab is developed floor by floor. This prevents unnecessary developments and provides tailor made offices.

Management

- *Membership*
Being a member of the FBA community grants access to a network that provides support and knowledge. This membership does not limit itself to the building. As companies grow out of the building, so does FBA. This way the network slowly spreads and grows.
- *Tenant responsibility*
Most responsibility lies with the tenants, what makes them feel more obliged to be an active part of the community. If any problems occur or issues arise, this has to be solved mutually. Therefore, every member contributes equally to the community and is unable to shift the blame on FBA.

6.2 Schieblock

Address	Schiekade 189, Rotterdam
Users	Creative business services, Media & Entertainment
Accommodation criteria	Creative sector, willing to invest in surroundings (city lab)
Rental price	€130 per meter per year (service included)
Lettable units	Single desk (10m ²), other offices vary greatly
# Businesses	68
Interviewees	Ernst E. Kramer (2016), Joachim Kooijman (2016), Jouke Sieswerda (2015), Michon Van der Salm (2016a), Bas De Wit (2016), Marcel Bolten (2016)



Figure 19. Entrance, Mangrove and SchieblockDESK (Schieblock, 2016)

6.2.1 Case description

The Schieblock as it is known nowadays is an initiative of architect ZUS and project developer CODUM. ZUS squatted the building since 2001 and CODUM was for some time working on a plan to develop vacant property for the creative industry. In 2008, the two parties bundled their strengths, set up a vital business case for five years and approached the owner LSI. LSI approved the plans under the condition that 70% of the building had to be rented out before development, which was accomplished in only a few weeks. CODUM and ZUS started Schieblock B.V. and were able to invest €1.5 million, obtained by loans from various banks and a small investment by LSI.

The initial plan of Schieblock B.V. was to develop a city lab for a period of five years. A business case was made with a rental price of €90 per sqm. The concept's most important aspect is that companies are sought that have an involvement with the surrounding area. In 2009, the Dependence was the first function to open in the plinth of the building in order to familiarise the public with the Schieblock. At that same time, the rest of the building was renovated. The renovation of the building was done very basic. The biggest investment was for new electricity, plumbing and internet.

After the renovation was completed, space-dates were organised. Similar companies were placed together to share office space and facilities. Hereafter, organisations were allowed to literally draw their desired office space on the floors, within a grid of 1,2 meters. Over the years the function of CODUM shifted from developer to operator up to the point that their only business left was administering the tenants.

Facilities that are offered within the rental price are very limited and concern meeting places and kitchenettes, and basic cleaning and security. Smaller offices share facilities and some larger companies have their own. Flexibility in the Schieblock expresses itself in the form of different types of workspaces which facilitate growth.

By selecting tenants that operate in the creative sector and have an interest in the city, a community is created. Companies not only share facilities and office space, but also share knowledge and expertise. Just like Strijp-S, the businesses in the Schieblock are selected within a different range of expertise to create an amplifying effect. Instead of creating competition, people reach out to each other for collaborations.

In October 2015, the municipality took over ownership of Schieblock from LSI and appointed FMT as the commercial manager of the building. During the last period of LSI's ownership maintenance fell behind and several tenants have therefore ended the lease. The community manager of FMT is the contact person for tenants and intermediary between the tenants and the municipality. To regain the tenant's trust, a maintenance plan is being set up in collaboration with the tenants and 'Club Schieblock' is founded to put forward the tenant's wishes each month. For now, the lease is extended till 2019, but a new area vision is currently being developed that will most likely extend the lease again. The municipality is aware of the fact that large investments are needed to keep the building operational. However, when and how this will be done is still unknown.

6.2.2 Most important findings

The interviews show that there are three distinctive themes for all three cases; the initiative, the flexibility and the management. These themes include the most important and noteworthy findings and the lessons that can be drawn from these findings.

Initiative

- *Public Plinth*
The first part of the Schieblock to open was the plinth with (semi-)public functions. Similar to Strijp-S, this was done to familiarise the public with the building and the area.
- *Five-year plan*
The initial plan was to develop the building for five years. For this reasons no big investments were made and the offices were kept very basic.
- *Space dates*
Space dates were organised to bring new tenants in contact and place similar or matching companies together to share space and reduce costs. Costs are reduced for both the tenants and the owner, since tenants can share facilities and less walls needs to be placed which reduces construction costs.

Flexibility

- *Tailor made offices*
Tenants were able to 'draw' their own offices on the floors within a grid to give every tenant the exact amount of space it needed. However, this is only made available to the first group of tenants. Offices now have a set size that is less easy to adjust.
- *Flexibility*
Within the building different type of workspaces are offered to ensure flexibility. Growth or shrinkage is hereby facilitated and enables tenants to stay within the building for a longer period of time.

Management

- *Strategic matching*
Besides coupling tenants that are similar or connected on a personal level, tenants are also coupled strategically. It was examined whether the expertise of the companies could

complement each other, allowing these companies to use each other's knowledge in order to engage larger or more complex projects.

- *Community manager*

An important lesson that can be learned from this case is the importance of a designated manager. When ownership was changing no manager was present. Trust and appreciation towards the building rapidly decreased at that time. This was regained when FMT was appointed as manager.

- *City laboratory*

A requirement that new tenants have to meet is a willingness to invest in the surroundings of the Schieblock. This way not only the building is revitalised, but the whole area, which at time of development was an unpleasant place to be.

- *Club Schieblock*

FMT set up Club Schieblock. Monthly meetings are held where the commercial manager listens to tenants' wishes, complaints and comments. Tenants indicate that they feel appreciated and listened to again, since one familiar manager can be approached for all matters.

6.3 Volkskrant building

Address	Wibaustraat 150, Amsterdam
Users	Creative business services, Media & entertainment, Arts
Accommodation criteria	Creative industry
Rental price	€104, €74, €64 per meter per year
Service costs	€30 per meter per month
Lettable units	average of 25 m ²
# Businesses	± 80
Interviewees	Peter P. Kramer (2016), Job Heimans (2016), Hilde Van Wijk (2016)



Figure 20. Impression Urban Resorts in the Volkshotel (Volkshotel, 2016)

6.3.1 Case description

The Volkskrant building has been the office of the newspaper the 'Volkskrant' from 1965 till 2007. Stadgenoot then bought the building as a part of a large scale urban redevelopment of the Parool triangle. Due to the crisis, multiple parties withdrew and the plans were postponed. That same year Urban Resort (UR) was founded, an organisation that offers creative people affordable workspace, and started with the Volkskrant building developing their first project. In 2008 UR settled in the main part of the Volkskrant building with approximately 180 tenants. This particular building was chosen due to an optimal dimensioning and non-popular location, which ensured low prices. Tenants were heavily involved in the development. Groups were selected and appointed a floor. These groups then mutually decided how to rearrange the

space. This however led to walls being placed in front of windows and a very inefficient use of space.

However, when the area development was permanently cancelled the building was put up for sale and sold to Job Heimans (Magnificent 8) who had plans to create a hotel, after being inspired by a hotel he often visited in Berlin. The Volkshotel would be located at the floors where UR was accommodated, but the building was too big for the hotel only and for the backside of the building there were no plans. Heimans decided, in cooperation with UR, that UR could move to the back side of the building since UR fitted in the vision of Heimans to create a place for all sorts of people to meet in a casual atmosphere.

This time UR did the renovations themselves in order to create a more optimum use of space. The average size of an office now is about 25 m². There is a square meter price distributed over three rates. There is a standard rate of €104 per meter per year, a basement rate of €74 and a special rate of €64 that is only available for tenants with an income below the deregulation limit. Almost all offices are shared by multiple businesses. Tenants make the couplings themselves, but UR helps if desired. The offices are delivered hull and the facilities offered are very limited and include internet, a kitchen per floor and some basic cleaning. Flexibility currently is very difficult since demand is very high and there is hardly any mutation. The ultimate goal is to create a group of organisations within a wide range of specialties in the creative sector. New tenants are selected if they fit the goal description and contribute to this goal.

Besides sharing offices, tenants however hardly work together. It has been noted that, although all companies are creative, the range of businesses is so wide that their skills do not complement each other. For example, a fashion designer has nothing to do with a painter. Van Wijk (2016) states that *“people do not necessarily work together but they get a lot of support from one another’s presence.”*

6.3.2 Most important findings

The interviews show that there are three distinctive themes for all three cases; the initiative, the flexibility and the management. These themes include the most important and noteworthy findings and the lessons that can be drawn from these findings. Where initially the Volkskrant building seemed like a very suitable case, the lessons learned from this case turned out to be more about what *not* to do. It concerns a multi-tenant building for creative companies, but lacks any form of community, where the creation of a community is precisely one of the main goals of the strategy.

Initiative

- *Ownership*
Similar to the Schieblock, the previous owner of the Volkskrant building was an investor that allowed temporary development until the original plans could be executed. The new owner of the property is a private owner that made UR a permanent part of the plan as they fitted the ‘building vision’. This shows that motives for developing for the creative industry vary greatly and are often depended on the type of owner.
- *Little facilities*
UR chooses to offer very limited services and facilities, in order to keep the rental price as low as possible. They furthermore offer three price levels, of which one is specifically for companies with a below average income.

Flexibility

- *Optimal use of space*

Where initially the floorplans were made by the tenants, the division of offices after the move (to the backside of the building) was made by Urban Resorts. This creates a much more efficient use of space. This is proven by the fact that after the move 60% of the tenants moved to 40% of the space they had before. However, this makes that there is little flexibility and that growing and expanding businesses are forced to move out.

Management

- *Tenant coupling*

Most offices are shared by multiple businesses, to reduce costs. The coupling is made between the tenants themselves and when requested with assistance of UR.

- *Partnerships*

Since the range of creative companies is so wide, tenants hardly engage in partnerships. Selecting a specific sub-sector is important if the aim is to establish (temporarily) partnerships. This is an important aspect to take into account when developing the strategy. If establishing partnerships is a goal of the strategy, it is important to set up specific selection criteria.

- *Unclear contract*

Tenants indicate that the present contracts are somewhat unclear, which makes that they are unaware of the facilities in and excluded in the rent. This results in complaints and shows that a clear contract is essential.

6.4 Office preferences of the creative business service users

Literature study shows that only limited research is done on the user preferences of the creative industry. Only Arkenbout (2012) has studied their preferences on the levels of location, building and use. The three lists that Arkenbout has composed will be used in this thesis to interview creative businesses about their office preferences on property and facility level. The tenants are asked to score the preferences on a scale from one to ten and give their own definition of the concepts. For the community level a list of open questions is composed. A total of seven creative companies and organisations are interviewed. Another 23 people responded to the survey about the property and facility preferences only. This survey was sent to all tenants of the cases.

6.4.1 Property preferences

The property preferences are subdivided under location and building characteristics.

Location

The location characteristics shown in Figure 21 are ranked between one and ten. According to the interviewees, accessibility and the proximity of restaurants or cafes are the aspects they value most when choosing an office location. Therefore, these factors are of decisive importance. Safety, parking, quality of the public space and the proximity of shops, activity and cultural facilities are scored between six and eight and are therefore of average importance when considering a location. As proximity of housing is scored below six, this aspect is not taken into consideration in the choice. The definition of each characteristics is given, based on the personal definitions given by the interviewees.

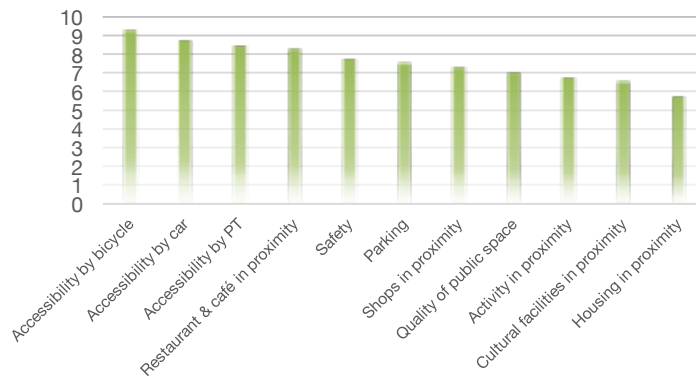


Figure 21. Location preferences (own ill.)

Accessibility

- Accessibility remains one of the most important aspects when considering an office location. Although accessibility by car is no longer the most important factor, it still remains very important. Good *accessibility by car* means that the building is close to main roads and that cars can access the building.
- *Parking* is another highly valued aspect. Tenants find it important that parking is available, especially for visiting clients. Tenants are willing to walk a maximum of 5 minutes from their car to their office.
- *Accessibility by bike* is the most important factor since most tenants live close to their office. Good accessibility means that the building is accessible by means of slow traffic roads or bicycle paths and that the office can be reached safely.
- *Accessibility by public transportation* becomes increasingly more important. Good accessibility means that train, subway or tram, and to a lesser extend busses, are within a 5 to 10-minute walk. Research shows that car use in inner cities decreases and that public transportation is more commonly used. Therefore, this aspect is of high importance.

Mixed function area

- A mix of functions ensures liveliness and a feeling of safety and is therefore preferred over monotone office locations. Creatives indicate that office hours are flexible and errands are often run during office hours. *Shops in close proximity* of the office location are therefore preferred.
- *Restaurants and cafés* nearby are also desired. Business meetings are often held in these places, partly for an informal atmosphere but also since many businesses state that suitable meeting places are unavailable at their office.
- *Cultural functions* are valued less. Most indicate that cultural functions enliven the area and are therefore preferred. The facilities themselves are used minimally.
- *Housing in proximity* is not necessarily preferred. As long as accessibility is good, one is willing to travel for some time. It is stated though that housing in proximity ensures more liveability, during day *and* night.

Safety

- *Safety* is often associated with liveliness. When there are people on the streets, people feel safe. The wish for an office in a mixed function area will therefore contribute to a sense of security, because a 24-hour economy will be realised.

The entrance of the building should be located on an open and public spot.

Quality of public space

- A high *quality public space* is indicated as clean and green and this aspect is directly linked to the feeling of safety. Grey and concrete spaces are lower valued than areas where trees or grass is present.

Building

Characteristics that are of decisive importance when considering a new office are interior representativeness and layout flexibility. These factors are ranked higher than an eight by the interviewees (see Figure 22). Characteristics that are of average importance are small lettable work units, a multi-tenant building, comfort, technical status, recognisability and exterior representativeness. Characteristics that are not taken into consideration are building shape and floor height. The definition of each characteristics is given, based on the personal definitions given by the interviewees.

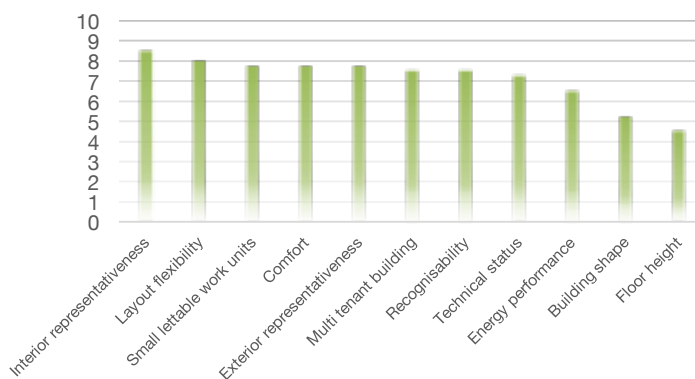


Figure 22. Building preferences (own ill.)

Multi-tenant building

- A *multi-tenant building* is much preferred. Sharing a building with other companies provides the ability to share facilities and workspaces to reduce costs, to engage in (temporarily) partnerships and to simply enjoy each other's presence.
- *Lay-out flexibility* is preferred as it provides the ability to facilitate growth or shrinkage or other managerial changes. A building retains its tenants longer when an organisation can grow within the building. This could either be provided by offering different types of workspaces or the ability to take on more square meters.
- *Small lettable units* are related to a multi-tenant building. Creative companies are often small companies that prefer small offices.

Representativeness

- *Interior representativeness*, and to a lesser extend *exterior representativeness*, are highly valued as they contribute to the organisation's image. A representative building will be associated with a representative company. It is a difficult feature though, since 'good' representativeness is a personal opinion. In general, it means that the building is clean, undamaged and that floorplans are clear.
- *Recognisability* of a building contributes to a company's association. It is easier for clients to find the company, and when a company is accommodated within a recognisable building this will also contribute to a positive image.

Comfort

- *Comfort* is a very broad concept and all respondents gave different answers to the question what comfort means to them. The most given answer is related to the climate system. Tenants indicate that a comfortable climate is most likely to be achieved if the system can be regulated by the tenants themselves. Windows that can be opened are appreciated.

Technical features

- *Floor height* as a user preference is irrelevant for the creative business services. This aspect is more important for the arts-sector of the creative industry and was therefore included in the list.
- The *building shape* is also indicated as irrelevant and again more important for other sub-sectors.
- *Energy performance* is directly related to the rental price and therefore found relevant. The higher the performance, the lower the service costs. Very sustainable buildings are not specifically desired, only by companies with a more sustainable approach.
- *Technical status* of the building should be adequate by means of supporting tenants in their day to day activities. If there are no major defects, the building can be somewhat deteriorated as long as it is safe and clean.

6.4.2 Facility preferences

The facility preferences concern the facilities that should or should not be offered at the office and if they should or should not be included in the rent. Figure 23 shows the facilities of which literature indicates that they are most appreciated. The interviewees value internet, monthly terminable contracts, security and cleaning services most. Therefore, these facilities are standard available and included in the rent. Facilities that are found unnecessary or superfluous are a reception, vending machines and textile care. The other facilities are of average importance and should therefore be optionally available. The definition of each characteristics is given, based on the personal definitions given by the interviewees.

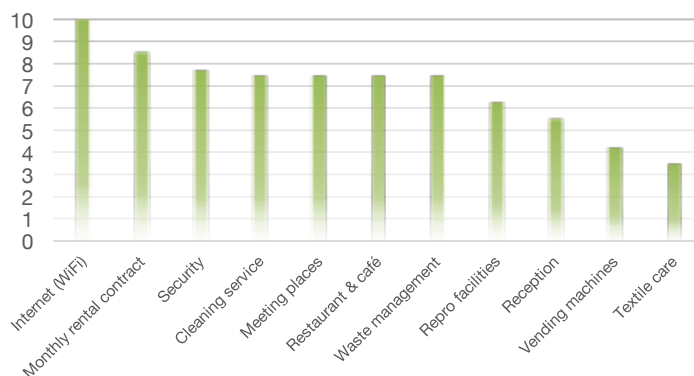


Figure 23. Facility preferences (own ill.)

Contract

- Organisations that are part of the creative business services are often smaller companies that have little money to spend. *Rental price*, for this reason, remains the most important aspect when considering a new office. There is not one specific square meter price that is preferred, but the price should be significantly lower than the average office price of a city.

For the three cases described this would mean that an average of €90 per meter per year ex. service costs is a reasonable price.

- Short lease *contracts* are preferred. The existence of creative companies is often uncertain. Organisations grow, shrink, or move along with important projects. For this reason, companies do not want to be bound to a long lasting contract and prefer the possibility to terminate the contract on a monthly basis.

Furthermore, it is important that a clear contract is drafted. This avoids confusion about services that are offered and what is expected from the owner or lessor and the tenants.

Facilities

- *Internet* (WiFi) these days is considered a standard service and should be included in the rent. Being connected anywhere is part of the flexible work standard.
- *Repro* facilities are more preferred by small companies with one to five employees. Larger companies often have their own facilities. It is indicated that shared printers are preferred but that the use of it should be against a small payment.
- *Vending* machines are not much desired. People bring their own snacks or take a break in a nearby coffee shop. Coffee corners on the other hand are highly appreciated. It is a spot where people take breaks and socialise with fellow tenants. If a coffee corner is shared with a few tenants, the tenants indicate that agreements on sharing coffee and tea are often made mutually.

Services

- *Security* comes in many types and degrees from security cameras to security guards. The more extensive the security becomes, the higher the rental price. Therefore, most tenants indicate that simple security is preferred (cameras and alarms).
- *Waste* management concerns the processing of waste. Tenants are willing to dispose their own garbage if containers are nearby.
- Basic *cleaning* of hallways and sanitary is a prerequisite. Tenants clean their own office/desk. A cleaning cabinet is in this case desired.
- A clear entrance with name tags and/or an intercom make a *reception* an unnecessary facility that only increases the rent.

Spaces

- Meeting rooms are preferred but generally provide for a higher square meter price. For the use of the meeting rooms special agreements should be made.
- If a restaurant or café is located within the building, this is much appreciated. However, it is not a requirement. The restaurant should be an independent operating business that is open to the public. Canteens are undesired.

For the facilities in general the rule applies that they are all appreciated *unless* they affect the rental price. It has to be well considered what facilities are required and should be included in the rent, what facilities should be offered optionally against a fee and what facilities are unnecessary.

6.4.3 Community preferences

During the interviews with the users, the interviewees were asked if they are familiar with the concept of 'community management'. They were asked how they think tenants should be selected, managed and treated and what a thriving community would mean to them. This section discusses the most important statements given by the creative businesses.

Tenant selection

“If people with different expertise, but within one sector are put together, they will focus on their own development, but they can easily, quickly and often make use of each other’s strengths. This way, people themselves are getting better and as a whole you will create better projects” (Hendriks, 2016a).

The above ensures support instead of competition. Companies can engage in larger and more complex projects or simply ask for tips or feedback. Apart from helping each other by means of services, each other’s presence is also appreciated. Moral support and exchanging experiences helps building up the confidence that is needed for small companies to complete projects. Placing multiple smaller organisations within one building or one floor makes it easier to establish these contacts and to possibly enter into (temporarily) partnerships.

Support system

“Within the property we have several communities in which we bundle independent entrepreneurs. Everyone brings in his own expertise and together larger projects can be entered. So engaging in partnerships is more interesting than renting a workspace. That’s the power of what we do here in Strijp-S. We try to make the workplace a little less important, but the network around it all the more for you as an entrepreneur, and therefore the risk of tenants leaving becomes smaller” (Van Eijkeren, 2015).

Creatives are nomads. As mentioned before, the rental price is the most important decision criterion and companies will move when cheaper offices are available nearby. In order to retain the tenants, they state that something ‘special’ should be offered. By making tenants part of a community that helps them grow as an organisation and supports them in their day to day activities, they not only attach to the physical work environment but also to the other tenants that are part of that environment. This way the community becomes more valuable than the lowest rental price.

Sharing

“After the move we were forced to place multiple tenants together. Ultimately, this proved a great success. This way tenants could reduce costs and share facilities with each other that are normally too expensive to buy for single use” (Van Wijk, 2016).

Besides sharing knowledge and expertise, office space and facilities can also be shared. Especially for smaller companies, sharing offices and facilities helps reducing costs. Especially one-man businesses indicate that they feel comfortable working at shared work floors.

Tenant’s freedom

“I think you have to give tenants the freedom to do a lot themselves and to let them create an atmosphere. You have offices where everything is already planned, but often creatives show much initiative themselves. Try not to plan everything and give tenants the opportunity to help develop the building” (Bolten, 2016).

Tenants want to have the freedom to establish new ideas and to make adjustments to their work environment. It is hard to design or ‘plan’ a certain atmosphere. By letting tenants leave their mark on the office, there will naturally arise an atmosphere that matches the behaviour and image of the tenants.

Community manager

“The tenants indicate that they are glad that they can turn to one person for all matters. I often show my face and keep tenants informed of everything I’m doing. This way the lost confidence has already largely recovered, as appears from a tenant survey” (De Wit, 2016).

If a manager is present, it is important that this is one familiar person that often shows his face. This way tenants know who to address when issues arise. It is important for the manager to keep tenants informed on any ongoing developments that might concern the tenant and his residency in the building. Moreover, tenants should be able to give their opinion about or have a saying in any new developments. This way the manager gains more trust and minor issues sooner will be accepted.

6.5 Conclusion

The result of the interviews on property and facility management show many similarities to the results of Arkenbout’s study. Both the cases studies and user preferences show that the physical aspects of the office are relatively unimportant. Being able to reflect the organisation’s identity onto the office or being able to grow or shrink within the building is found significantly more important than high ceilings or the building shape. The most important factors for considering an office location remain, however, accessibility and rental price. What should be included in the rental price remains an ongoing discussion. Many facilities like meeting spaces, security, coffee corners and cleaning are demanded, but whether or not these should be included in the rent is unclear since the answers of the interviewees are very divergent.

In order to create a harmonious community that is willing to invest in the building and in each other, tenants should be selected with different expertise, but within the same sector, to create a support system instead of competition. Once again it is important to note that a good functioning community creates connections between creative organisations, that helps enlarge their network, improve their knowledge and increases productivity.



RESULTS

Accommodating the creative business services

7. Strategy Input

The literature research and case studies have provided insight into the vacancy problems and the preferences of the creative industry. When comparing the theoretical and empirical research, the findings show many similarities, but also some contradictions. In literature much has been written on the property and facility preferences of office users and to some extent those of the creative industry specifically. These findings are compared to the preference of the interviewees. Community preferences, however, are (almost) not spoken of in literature, except for the research of CoreNet (2013). The input for community management therefore concerns the findings from the case studies mainly. All these findings together form the programme of requirement for the strategy and are listed below.

7.1 Property management

- The building has to support the activities of the businesses that occupy the property. It is important that the property is able to facilitate the rapidly changing occupier needs (Ellison & Edwards, 2009).
- Flexibility is an important aspect that can be expressed in a variety of ways (Brinkø et al., 2015; De Groot, 2012; Van Eijkeren, 2015).
 - For lay out flexibility a concrete structure is highly preferable (Aussems, 2010).
 - To facilitate the changing nature of creative companies, it is important that different size offices are available and that monthly terminable contracts are offered (Hendriks, 2016a; Sieswerda, 2015).
- According to the literature research accessibility is the most important factor for choosing an office location (Arkenbout, 2012). This is confirmed by the cases that show that accessibility by bike is the most important followed by accessibility by car and public transportation.
- Both literature and cases recognise the importance of a variety of functions in the proximity of the office (Hendriks, 2016a). According to the survey, a mix of functions ensures more liveliness and contributes to a high quality public space and a feeling of safety.
- CoreNet (2013) states that 'hard' factors like size, technical state and shape are often found less important than 'soft' factors like identity (belonging to something), representativeness and fellow humans.
- Where literature focusses mainly on the 'hard' factors, the case studies show that the 'soft' factors are higher valued.
 - Identity can be expressed if tenants are allowed to make adjustments to their offices. Therefore, the offices should be delivered hull. Furthermore, tenants should be given the freedom to come up with own initiatives to upgrade the office building. This way an ambiance will emerge that matches and expresses the identity of the tenants (Bolten, 2016; Hendrikx, 2012).
 - Representativeness of the building contributes to a positive image of a company (CoreNet, 2013). According to the cases, a good representative building is clean, undamaged and recognisable.

Translation into the checklist

Previous studies on the user preferences of office users have given many characteristics a location and building should meet. Two lists are then compiled with the most common preferences for both the location and the building. During the interviews, these two lists are submitted to creative businesses. They are asked to give preferences a score between one and ten, where one is highly undesirable and ten highly desirable. Accordingly, they are asked to give their own definition for each characteristic. When all the reviews are collected, these are

added together and the average grade for each characteristic is determined. In the checklist, a division is made between decisive important characteristics and average important characteristics. The decisive important characteristics are the preferences that are found most important when considering an office location or building and are the preferences that scored between eight and ten. The characteristics listed under average importance are the preferences that scored between six and eight. The characteristics that scored lower than six are found unimportant and are therefore excluded from the checklist. The parameters associated with each characteristic are a combination of parameters given in the Real Estate Norm and of the definitions given by the interviewees.

7.2 Facility management

- Both literature and empirical research show that the rental price is the most important factor when considering an office building (Arkenbout, 2012; Bolten, 2016).
- Facility management focusses on adding value to the core business (Mooij, 2011). It is important that all offered facilities are weighed up against the rental price. If facilities do not support the businesses (added value), they should not be offered as they only increase the rental price.
- The office should support collaboration and communication, in both a formal and informal way (CoreNet, 2013). Meeting rooms should be available for exclusive use and coffee corners are an often used facility for informal meetings.
- Agreements on the use of facilities should be made between the community manager and the tenants mutually (Hendriks, 2016a).

Translation into facility advice

Similar to the property management level, many studies have been done on the office preferences concerning facilities and the use of the building. Again, a list has been drawn up with the most reoccurring facilities and creative businesses are asked to score the preferences between one and ten. The four facilities that score best should be standard available to all tenants and can therefore be included in the rent.

The interviews show very clearly that a low rent is found most important. For this reason, all facilities should be weighed against the cost. In principle, every facility offered leads to an increase in the rent. When the goal is to keep the rent as low as possible, only the facilities should be provided that support tenants in their daily activities in order to increase their productivity and profitability. This consideration should be made by the office owners.

Four other facilities that are often named are meeting rooms, a café or restaurant, a coffee corner and repro facilities. Because tenants answer very differently to the question whether these facilities should be included in the rent or not, and because the rent is a very important aspect, these facilities should be optionally available. This means that the facilities should be presented in the office, but the use of it is entirely optional. These facilities can be used for additional payments or services. Agreements on the use should be made between the manager and the tenants themselves.

7.3 Community management

Although the right location and building characteristics and facilities are important to attract the creative industry, adding 'people' value through personal interaction, access to know-how and offering services that meet the needs and expectations of tenants, will make a difference compared to other office suppliers and will help retain the tenants (Coenen et al., 2012; De Man, 2004).

- The strengths of the creative industry lie in the principle of the network society. Companies cluster to combine specific strengths, competencies and knowledge to join insights and solutions (De Man, 2004). It will give the companies access to skilled labour and they can share services and amenities (Chapain et al., 2010).
- By combining their competencies, creative businesses can form (temporary) partnerships to complete larger and more complex projects. Therefore, complementary expertise is required. New tenants should be selected on the criteria of working within the same sector, but with a varying range of expertise (Bolten, 2016; Hendriks, 2016a).
- Other than forming partnerships, exchanging experiences and moral support helps building up confidence for starting businesses that is needed to complete projects (Van Wijk, 2016).
- Besides sharing knowledge, tenants can share work space and facilities to reduce costs. Shared work floors where single desks can be rented are a good solution (Appel-Meulenbroek et al., 2011).
- Good communication is indicated as the most important quality of the lessor, but at the same time this aspect needs most improvement (Sanderson & Edwards, 2016). The Schieblock case supports this statement as the tenants' appreciation towards the building decreased drastically when communication and maintenance fell behind when ownership was changed (Bolten, 2016).
- To facilitate a close relation between the tenants and owner, a community manager can be appointed as an intermediary. The manager can be the owner, an external party or a designated tenant. The cases show that it is important that the manager is one familiar person that can be approached for all matters (De Wit, 2016; Van Eijkeren, 2015).
- The manager should have a passive-active role, meaning that he is available for all kind of matters, but that the responsibility lies with the tenants themselves. It is important that the manager sets clear boundaries for his tasks (Hendriks, 2016a; Van der Salm, 2016a).
- Tenants indicate they feel more appreciated when they are involved in the decision making process and are kept informed about any ongoing developments that concern their residency in the building (Bolten, 2016; Van Wijk, 2016). In both the Eindhoven and Rotterdam case, periodic meetings are held to exchange information between tenants and the community manager, new tenants can be introduced and new partnerships can be established.

Financial model

- All three the cases show that the rent of a creative office should be significantly below city average. For the case studies this means an average of €90 per meter per year. According to Van der Salm (2016b), the rental price for creative businesses should be at least 10% below the average rental price within a city.
- A triangular relation between owner, tenants and community manager provides a clear financial model without unnecessary intermediaries. The model of Founded by All is an example whereby the owner receives rent + basic service costs (gas, water light) from the tenants, the manager ensures a good functioning community and therefore receives a fee of the owner, and tenants pay the manager for additional facilities and services (Hendriks, 2016a).

Translation into advice

Since there is hardly any research done on community management for tenants, the advice regarding community management is a translation of the statements made during the interviews. Creative companies were asked about the way they think tenants should be selected and managed and to what extent they see an interest in creating a community. This resulted in the statements that are mentioned above. Subsequently, the statements are divided

into four topics, namely the manager, the tenants, the community and the financial model. The essence is then abstracted from all statements made and then converted into an advice on these four important topics, which together will ensure that a creative community can be created.

8. Strategy

Vacancy has become a common problem in the office stock and a substantial amount is vacant due to a qualitative mismatch whereby offices are at the end of their functional lifespan. A possible solution is adaptation for a different market segments. An industry that becomes increasingly more popular as office user is the creative industry. This industry is a rapidly growing sector and a pioneer in terms of working standards, meaning that developing for the creatives now means that the developed office will be suitable for other industries in the future. The Creative Business Services is part of the creative industry and consists of architects, designers and marketing companies. This group is suitable for accommodation in offices, but to meet their demand for flexibility the current supply needs to be adapted. This strategy aims to build a bridge between office vacancy and the progressive creative industry.

8.1 Accommodating the creative business services

Goal

The goal of the strategy is to accommodate the creative business services within the vacant office stock and to create a community of creative businesses that reinforces and motivates one another to become smarter, better and bigger. The strategy is designed for owners of (partly) vacant offices and explains according to three levels of management what location and building characteristics the property must meet, what facilities have to be provided to support businesses in their daily activities, and how a creative community can be created and managed. With this final step the strategy attempts to go beyond developing yet another multi-tenant office building and is the accommodation of the creative industry used as a permanent solution for vacancy, where it is nowadays often seen as a temporary solution until initial commercial plans can be resumed.

Structure

Since the current supply of offices is inadequate on three different levels of management, the strategy tackles these three levels of property management, facility management and community management. With each level the strategy scales down and becomes more abstract. The property level concerns a checklist, the facility level is a combination of a checklist and an advice and the community level is an advice only. An overview of the levels and the steps to follow is shown in Table 5. Each level will then be described individually.

8.2 Management levels

This paragraph will explain for each management level what the goal of that strategy level is and what steps need to be followed and who is responsible for the execution of these steps. The strategy itself can be found on page 80.

Property management

Goal

The level of property management will determine the development potential for both the location and the building itself. By filling in two checklists, one for the location in question and one for the building in question, a score will be determined that will tell if the office has a high potential for a successful development, an average potential or a low potential. Both checklists consist of multiple characteristics that are found to be important by creative companies when considering a new office. For these characteristics, a division is made between decisive important characteristics and average important characteristics. This distinction is made as the

	What	When	Who	How
Level 1.	Property management			
Goal	<i>Determine development potential based on location and building characteristics</i>			
Step 1	Rate location characteristics	Initiative phase	Owner	Fill in checklist for the location in question (see page 80*)
Step 2	Rate building characteristics	Initiative phase	Owner	Fill in checklist for the building in question (see page 82*)
Step 3	Determine potential	Initiative phase	Owner	Checklist determines score automatically for both location and building
Level 2.	Facility management			
Goal	<i>Offering facilities that support tenants in their daily activities and increases their value</i>			
Step 4	Offer facilities	Development phase	Owner	Provide the facilities that are listed in the strategy (see page 84)
Step 5	Determine regulations for optionally available facilities	Start operational phase	Manager, tenants	Let tenants, in collaboration with the manager, decide the regulations for the use of the optionally available facilities mutually
Level 3.	Community management			
Goal	<i>Advising the manager on how to create and manage the community</i>			
Step 6	Assign manager	End development phase/ start operational phase	Owner	The owner can decide to take on the role of the manager, he can engage an external party or assign a willing tenant
Step 7	Set up management plan (based on advice)	End development phase/ start operational phase	Owner, manager	The manager, in collaboration with the owner, has to set up a management plan that is based on the advice given in the strategy (see page 86). All the aspects mentioned should therein be addressed
Step 8	Follow up management plan	Operational phase	Manager, tenants	The manager should consistently follow up his management plan throughout the entire operational phase of the office

Table 5. Overview strategy (own table)

* The checklists are also available in digital version

decisive important characteristics are found more important than the characteristics listed under average importance and therefore weigh more heavily.

Steps

This level consists of three steps that need to be followed;

- Step 1.* Each location characteristic consists of one or multiple parameters that define the respective characteristic. Each parameter consists of three possible answers, or a yes or no answer. For each parameter, the answer must be checked that is applicable for the respective location.
- Step 2.* For the building characteristics, the same applies. Each building characteristic consists of one or multiple parameters that define the respective characteristic. Each parameter consists of three possible answers, or a yes or no answer. For each parameter, the answer must be checked that is applicable for the respective building.
- Step 3.* When both checklists have been completed, the score will be determined automatically and will tell how much potential the property has for a successful development.

The owner of the property is responsible for completing the checklists during the initiative phase. Depending on the score he can then determine to proceed or terminate the development for the creative business services.

Score determination

The score for the location and the building are determined as follow;

- The green boxes score one point (high potential), the orange boxes two points (average potential) and the red boxes three points (low potential).
- Every other characteristic has the same weight, regardless of the number of parameters. This means that if a characteristic has just one parameter, the weight of this parameter is one. If the characteristic has three parameters, each parameter weights 1/3.
- The characteristics under decisive importance weigh three times as much as the average important characteristics as they are found more important when considering a new office.
- When the checklist is completed the score will be calculated and the lower the score, the higher the potential for successful accommodating the creative business services. Appendix 4 – Property score calculation, contains the excel format that calculates the score.

If the building or location score low potential, this means that the chance of a successful development is low. The advice is to NOT develop for the creative industry, unless some of the characteristics are expected to change for the better in the near future, ensuring that the score will change to average or high potential.

Example Strijp-S

An example of a completed checklist is given here. Hendriks (2016b) of Founded by All has completed the checklist for Strijp-S. Figure 24 shows some location characteristics and the corresponding scores for FBA. After the entire checklist is completed the score bar will automatically reveal the development potential. In this case the score showed a High Potential, which seems to be right looking at the success of the Strijp-S case.

Parking	<i>Parking lots</i>	<i>Bicycle storage</i>	
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Safety	<i>Liveliness of area</i>		
	<input type="checkbox"/> Vibrant public space <input checked="" type="checkbox"/> Overlapping functions working & living <input type="checkbox"/> Lighting		
Quality of public space	<i>Social environment</i>	<i>Distance to public square</i>	<i>Lighting</i>
	a. Is vandalism present?	<input checked="" type="checkbox"/> < 500m	<input checked="" type="checkbox"/> Yes
	b. Facades with graffiti?	<input type="checkbox"/> 500m - 1000m	<input type="checkbox"/> No
	c. Is much litter present?	<input type="checkbox"/> > 1000m	
	<i>Degree in 500m radius</i>		
	<input type="checkbox"/> 0x yes <input type="checkbox"/> 1x yes <input checked="" type="checkbox"/> 2 or 3x yes		

Figure 24. Location characteristics FBA (own ill.)

Score	High Potential
--------------	-----------------------

Figure 25. Score location characteristics FBA (own ill.)

Figure 26. Example of Strijp-S (own ill.)

Facility management**Goal**

The facility management level is about facilities that should be offered to enlarge the productivity and profitability of the businesses, to add value to the business, and to increase the user satisfaction. Distinction is made between facilities that are standardly available and optionally available. The standardly available facilities should be available to all tenants and therefore be included in the rent. The optionally available facilities concern facilities that should be available at the office, but its use will be at additional costs or services. The owner, manager and tenants can mutually decide on the agreements with regards to these facilities. In the strategy, each facility will be explained what it entails and for the optionally available facilities proposals for use are given.

Steps

The following two steps need to be followed for the level of facility management;

- Step 4.* The facilities that are listed in the strategy should be provided at the office. Other unlisted facilities the owner wants to provide, have to be brought in relation to the rental price. The rent should remain as low as possible and the facilities offered are to support the community. If they

do not so, they may be omitted. The property owner is responsible for the provision of facilities during the development phase.

- Step 5.* The tenants, in collaboration with the manager, should decide the regulations for the use of the optionally available facilities mutually. For the meeting rooms for example, all tenants can freely use the rooms, but have to reserve the room against a fee (e.g. €5 per hour) when exclusive use at a specific time is required. The agreements should be made at the beginning of the operational phase.

Community management

Goal

An important aspect of adding value is the ‘people’ value. Community management focusses on the relation between the tenants and the building, but mainly on the establishment of relations between tenants mutually. The advice given for the community management is built up in four sections. The first section concerns the manager. Who should be the manager and what are his tasks within creating and maintaining the community? The tenant section is about selection criteria, and the tenant’s freedom to express its own identity and participation in the management of the community. The third section is about the community itself and explains how to establish physical and social connections between the tenants. The final section is about the rental price and the financial model for which some options are given.

Steps

For this management level three steps need to be followed;

- Step 6.* For the community it is important that there is one appointed manager that is responsible for the creation and maintenance of the community. The manager can either be the owner himself or the owner can appoint an external party or a willing tenant as the manager. The owner is responsible for appointing a manager. This should be done before or right at the beginning of the operational phase.
- Step 7.* Accordingly, the manager, in collaboration with the owner, has to set up a management plan for the community, based on the advice given in the strategy. Each section of the strategy consists of an advice concerning the respective subject. The interpretation of these advices is up to the owner to decide. The plan should be set up as quickly as possible in order for the manager to follow up the plan consistently, together with the tenants.
- Step 8.* For the sake of a vivid community, it is important that the management plan is not only implemented during the start-up phase but throughout the entire operating lifespan of the office. Although most responsibility has to lie with the tenants, the manager is responsible for the supervision of the community and has to act up when the plan is not carried out as meant.

8.3 Conditions

To establish whether the building in question is suitable for attracting tenants within the creative business service-sector;

- The property score must at least be average and preferably high.

To achieve the best results in attracting and retaining creative businesses, the following points should be taken into account as accurate as possible;

- There is a mandatory set of facilities to be offered.
- Other (additional) facilities have to be brought in relation to the rent level, which should remain as low as possible.
- The offered facilities should support tenants in their daily activities and increase their productivity and profitability.

-
- Management plans should be executed consistently by the designated manager during the operational period.

Property Management – Location

The list of location characteristics below is the result of research into the location preferences of creative business services. The checklist must be completed for the respective office location. The final score will tell if the location has a high, average or low potential for successful accommodating the creative industry. The characteristics under decisive importance weigh more than the average important characteristics as they are decisive in the choice for an office location.

Score

Characteristics

Parameter

Decisive importance

Accessibility

By bike




Cycling paths present

-  Yes
-  No

By car

Proximity of highway




Distance to nearest exit

-  < 1000m
-  1000m - 5000m
-  > 5000m

By public transportation




Proximity of bus, tram or subway

Distance to nearest stop

-  < 500m
-  500m - 1000m
-  > 1000m




Proximity of train

Distance to nearest stop

-  < 500m
-  500m - 1000m
-  > 1000m

Restaurant or café in proximity




Distance to restaurant or café

-  < 500m
-  500m - 1500m
-  > 1500m




Average importance

Shops in proximity

Distance to daily amenities




-  < 500m
-  500m - 1500m
-  > 1500m

Distance to retail

-  < 500m
-  500m - 1500m
-  > 1500m

Activity in proximity

Distance to creative companies

-  < 500m
-  500m - 1500m
-  > 1500m



















Cultural functions in proximity	<i>Distance to cultural functions</i>			
		< 500m		
		500m - 1500m		
		> 1500m		
Parking	<i>Parking lots</i>		<i>Bicycle storage</i>	
		Yes		Yes
		No		No
Safety	<i>Liveliness of area</i>			
		Vibrant public space		
		Overlapping functions working & living		
		Lighting		
Quality of public space	<i>Social environment</i>		<i>Distance to public square</i>	
	a. Is vandalism present?			< 500m
	b. Facades with graffiti?			500m - 1000m
	c. Is much litter present?			> 1000m
	<i>Degree in 500m radius</i>			
		0x yes		
		1x yes		
		2 or 3x yes		
				Yes
				No

Table 6. Property management – location characteristics (own table)

Property Management – Building

The list of building characteristics below is the result of research into the building preferences of creative business services. The checklist must be completed for the respective office building. The final score will tell if the building has a high, average or low potential for successful accommodating the creative industry. The characteristics under decisive importance weigh more than the average important characteristics as they are decisive in the choice for an office building.

Score

Characteristics	Parameter		
Decisive importance			
Interior representativeness	Condition interior	Clarity floorplan	
	<div><div></div>Good</div> <div><div></div>Average</div> <div><div></div>Bad</div>	<div><div></div>Very clear</div> <div><div></div>Clear</div> <div><div></div>Unclear</div>	
Lay out flexibility	Floor surface	Distance columns	Interior walls
	<div><div></div>< 500m2</div> <div><div></div>500m2 - 2500m2</div> <div><div></div>> 2500m2</div>	<div><div></div>None (column-free floor)</div> <div><div></div>> 7,2m</div> <div><div></div>< 7,2m</div>	<div><div></div>Flexible</div> <div><div></div>Bearing</div>
Average importance			
Multi-tenant building	Communal entrance	Communal space	
	<div><div></div>Intercom with waiting room</div> <div><div></div>Intercom</div> <div><div></div>Own entrance with bell</div>	<div><div></div>Yes</div> <div><div></div>No</div>	
Small lettable units	LFA m2 Size of smallest offices	Closable offices	Different size offices
	<div><div></div>< 50m2</div> <div><div></div>50m2 - 250m2</div> <div><div></div>> 250m2</div>	<div><div></div>Yes</div> <div><div></div>No</div>	<div><div></div>Yes</div> <div><div></div>No</div>
Exterior representativeness	Visibility entrance	Technical state facade	
	<div><div></div>From public road</div> <div><div></div>From access road</div> <div><div></div>Not visible</div>	<div><div></div>High</div> <div><div></div>Average</div> <div><div></div>Low</div>	
Recognisability	Building with specific original function	Building is a landmark	Logo or icon on facade
	<div><div></div>Yes</div> <div><div></div>No</div>	<div><div></div>Yes</div> <div><div></div>No</div>	<div><div></div>Yes</div> <div><div></div>No</div>

Table 7. Property management – building characteristics (own table)

Facility management

The facilities are divided into two groups. The first group of facilities should be standard available and are therefore included in the rent. The second group of facilities should be optional available. This means that the facilities themselves should be offered, but their use will be at additional costs or services. In most cases, tenants, manager and owner can mutually determine the rules for use.

Standard available

These facilities should be standard available and be included in the rental price (service costs)

Internet (WiFi)	WiFi should be available to all tenants. Being able to connect to the internet at any place or time is an important aspect for the creative industry.
Monthly terminable contract	Contracts can be terminated with a one-month notice. This form of flexibility supports the changing nature of creative businesses.
Basic security	This concerns security cams and alarms. Any additional security can be used but may lead to an increase of the rental price.
Basic cleaning	This includes cleaning of sanitary, common spaces and available kitchenettes. Tenants are responsible for the cleaning of their office space.

Optional available

These facilities are available against extra costs or services

Restaurant or café Creative companies prefer a restaurant of café in or nearby the office. If a restaurant or café is located within the building this should be an independent operating business, that is separated from the office and open to the public. Therefore, this feature is preferably located in the plinth. Tenants are free to choose if they'll make use of this facility.

Photo: 'Op Het Dak' Schieblock (Schieblock, 2016)



Coffee corner Per floor at least one coffee corner should be available. Tenants and manager can make agreements mutually on the use and purchase of coffee, tea and other goods.

Photo: Kitchen and coffee corner FBA (agendastrijp.nl)



Repro facilities Printers should be provided on shared floors and potentially on floors with small offices. Tenants can make agreements mutually on the purchase of paper or any other accessories

Meeting places

At least one meeting room should be available, depending on the size of the office building. The room(s) should be available to all tenants, with the use of a registration system. There are several possibilities for the use.

Example: tenants are free to use the meeting room, but have to reserve the room against a fee (e.g. €5 per hour) when exclusive use at a specific time is required.



Photo: Meeting rooms Volkshotel (Volkshotel, 2016)

Note

All facilities offered have to be brought in relation to the rental price. The rent should remain as low as possible. The facilities offered are to support the community. If they do not so, they may be omitted.

Traditional offices often contain facilities like a reception, one or more canteens and large conference rooms. These facilities take up many square meters that cannot be rented out and are therefore very expensive. Such facilities are redundant within a creative community and should be transformed into offices or other, more desired facilities

Table 8. Facility management (own table)

Community Management

This section of the strategy concerns an advice on the management of the creative community. The advice is built up in four sections. The first section tells who should be the manager and for which tasks he is responsible. The second section is about tenant selection and management and the third sections is about the physical and social connections within the community. The fourth section concerns the financial model and the rental price. The advice should be followed as accurate as possible to achieve the best result.

Manager

Who

<i>Owner</i>	The manager of the creative community can be the owner, an external party or a designated tenant. It is important that the manager is one familiar person that is approachable for all matters and is regularly present at the office.
<i>External party</i>	
<i>Designated tenant</i>	

What

The manager is responsible for the supervision of the following matters.

<i>Tenant selection</i>	The manager is responsible for the tenant selection. The opinion of current tenants can be requested for the approval of new tenants, when the manager is unsure of a new tenant's suitability.
<i>Contacts person</i>	The manager is the contact person for the tenants. He can be approached for any complaints, questions and suggestions. The manager, when not the owner, is the intermediary between the owner and tenants.
<i>Management</i>	The manager is best aware of all ongoing matters, due to his role as contact person. When not the owner, the manager will inform the owner on any required or desired maintenance and repairs. The manager is responsible for the contracts of the tenants.
<i>Community</i>	The manager has a passive-active role in building and maintaining the community. This means that he is available for the contacting of tenants when this is desired, but the initiative must lie with the tenants themselves. Periodic meetings can facilitate these contact moments.

Tenants

Who

<i>Selection criteria</i>	In order to create a working community, it is important to select a specific range of tenants. All tenants should be working in the same sector, which in this case is the creative business services. Their range of expertise should be as wide as possible. Various businesses with a single profession creates competition, whereas various professions can reinforce each other.
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Example: An architect and an interior designer can design and deliver a complete furnished house. A web-designer can bring their work online and a marketing company can help with the promotion of their collaboration. Companies can (temporarily) engage each other's help to complete bigger and more complex projects.

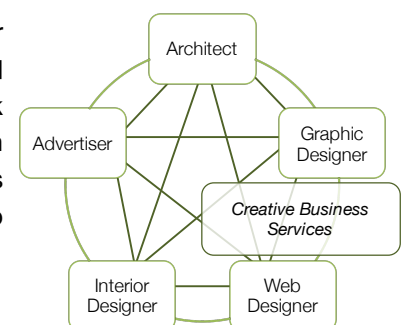


Figure: Range of expertise (own ill.)

What

Identity A thriving community cannot be planned. It is important that there is room for a natural course of developments where tenants are given the opportunity to express their own identity. Tenants must have the freedom to leave their mark on the office by allowing them to make adjustments (if reversible).

Furthermore, tenants should be stimulated to come up with initiatives to improve and enliven the building. Think of initiatives to upgrade the common space, to organise lectures or to host events. The manager is responsible for approving such initiatives.

Participation in management Within a community, every member has an equal share of responsibility. For this reason, it is important to keep tenants informed on any ongoing developments that concern their accommodation, and to include their opinion in the process. The most convenient way to keep tenants informed is by organising periodic meetings, once every week, month or quarter. During these meetings matters concerning the building itself can be discussed, new tenants can be introduced, current tenants can get to know each other and new partnerships can be established. The manager is responsible for organising and leading these meetings.

Community

Physical connections

Sharing spaces One type of office that should be offered is the shared work floor; an open floor that contains multiple work spaces that freelancers or start-ups can rent. This type of workspace is the most affordable type of office, since the investment costs are low.



Photo: Shared work floor FBA (Founded by All, 2016)

Sharing facilities Besides sharing space, facilities can also be shared. Small businesses often cannot afford private facilities, or they are not cost-effective for single use. Facilities can be shared on the shared work floors and between smaller offices, to reduce costs.

Social connections

Partnerships Creative companies often limit their expertise to their core business. By placing companies with different expertise together, they can make use of each other's knowledge, skills and expertise. These (temporary) partnerships can help tenants to take on bigger and more complex projects. These partnerships can be made during the periodic meetings or among tenants themselves. If help is requested, the manager can be consulted.

Support system The social connections made are not only to engage in partnerships. The community provides a support system that will help tenants to build up the trust that is needed to grow. Tenants find support and motivation amongst each other and can share experiences.

Financial

Price There is not one appropriate rental price. The rule is that the rental price should be at least 10% below the market rent level of a city.
The price of a single desk at a shared floor should be a set price regardless the number of square meters occupied.

Model There are many possible financial models, depending on who fulfils the roll of manager.

- At any time, the tenants pay a square meter price to the owner.
- If the manager is not the owner, he receives a management fee of the owner for his tasks.
- The manager is in charge of the optional facilities that are not included in the rent. Depending on the agreements that have been made, tenants will pay the manager for the use of these services.

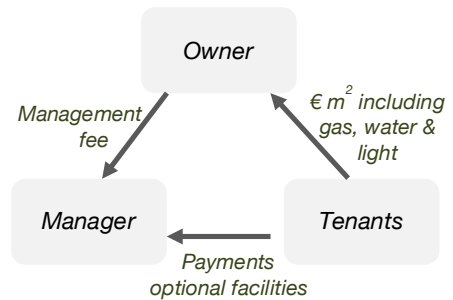


Figure: Example financial model (own ill.)

Table 9. Community management (own table)

9. Conclusions

In this final chapter of the thesis the main research question is answered in the conclusion, by first answering the sub questions. Recommendations are given for both the practice and for possible further research and finally the reflection will look back on both the process and the project.

9.1 Conclusion

There are many examples of vacant real estate that has been adapted for the creative industry. However, every case is approached differently and it is almost never documented how the process is handled. This thesis tries to develop one strategy that is applicable to all cases. The research examined the characteristics of vacant offices and the creative industry through literature research and three case studies and herewith answers the main question:

“In which way can property owners adapt their vacant offices in order to attract and retain the creative industry?”

This chapter gives an answer to this question by first answering the sub questions that focus on the four main subjects of the research, namely (1) property owners and their motives for adaptation, (2) the creative industry and their user preferences, (3) successful cases and (4) strategy determinants.

Property owners

For the real estate owners, the distinction is made between investors and owner-occupiers. This distinction is made since these owners have different objectives and therefore different motives for redeveloping their vacant offices for the creative industry. Investors simply look for the highest return on their investment. Offices that are owned by investors but are redeveloped for the creative industry, almost always concern temporary developments until the initial commercial plans can be executed. Private owners and owner-occupiers on the other hand, are more involved with the building and its surroundings and therefore not only look to increase the financial value but also the social and environmental value of the property. It has been proven that the creative industry has a positive effect on the surrounding area of a property. Also, the creative industry is a pioneer for working standards that are later picked up by more conventional companies and new generations of workers. This makes that developing for the industry now, means that in the future developed offices are suitable for other sectors as well. For these reasons the creative industry is a suitable target group to accommodate in vacant offices. It is expected that private owners are more likely to redevelop their vacancy for the creative industry and are actively involved in bringing about the establishment and maintenance of a creative community.

Creative industry

The user preferences of the creative industry are divided into property, facility and community preferences and are researched by means of literature study and interviews with creative companies. The property preferences concern the location and building characteristics and show that the static and physical aspects of the office are relatively unimportant. Being able to reflect the organisation's identity onto the office or being able to grow or shrink within the building is found significantly more important than high ceilings or the building shape. The most important factors for considering an office location remain, however, accessibility and rental price. For the facilities, the rule applies that all facilities are desired, unless they affect the rental price. In principle, every facility offered leads to an increase in the rent. When the goal is to

keep the rent as low as possible, only the facilities should be provided that support tenants in their daily activities in order to increase their productivity and profitability. The facilities that do not support the tenants are an unnecessary luxury and should therefore not be offered. The community preferences concern the selection and management of tenants and the freedom and responsibility they are given. In order to create a harmonious community that is willing to invest in the building and in each other, tenants should be selected with different expertise, but within the same sector, to create a support system instead of competition. A good functioning community creates connections between creative companies, that helps enlarge their network, improve their knowledge and increase productivity.

Successful cases

Three cases have been studied in which former vacant property is successfully adapted for the creative industry. Although the cases seem very similar, there are many differences which offer a good insight in aspects that make or break a project. The tenants of Strijp-S, and to a lesser extend those of the Schieblock, have been selected using selection criteria. This creates a community of tenants with complementing expertise. Skills and knowledge can be shared, ensuring that companies can engage in bigger and more complex projects. The case of Rotterdam shows the importance of an appointed manager that can be approached for all sorts of matters. Since the arrival of the manager, the trust of tenants has returned, the appreciation towards the building increased and tenants showing initiatives again to enliven the building and its surroundings. The Volkskrant building case turned out to be a case that showed more 'how to not do so's'. Due to a lack of selection criteria the Volkskrant building is just a multi-tenant building for creative companies and does not offer what makes the other cases stand out; a network of companies that reinforces each other. Furthermore, do tenants indicate that the contract is unclear which causes complaints. Tenants are unaware of the large amount of own responsibility and do not know for which facilities they do and do not pay. These aspects are crucial for creating a functioning community, and it is the community that ensures that the strategy adds value for the creative businesses, compared to regular multi-tenant buildings.

Strategy determinants

The strategy focusses on both attracting and retaining tenants. The first part of the strategy concerns two checklists with characteristics the location and building must meet in order to attract the tenants in the first place. The score will tell the potential for the development. In order for the development to be successful the score must at least be 'Average Potential' and preferably 'High Potential'. The second part concerns the facilities that should be offered. Here the distinction is made between standard available facilities and optionally available facilities. This distinction is the result of the balance between the lowest possible rental price and the provision of value-adding facilities. For the optionally available facilities agreements must be made. Here, the responsibility is placed on the tenants. The advice with regards to the community concerns the tasks of the manager, the responsibility and the freedom of the tenants, and the physical and social connections which are an important part of the community. It is crucial that the management of the community, by both the manager and the tenants, is performed consistently throughout the operational phase of the office.

Final conclusion

There currently is a mismatch whereby the supply of vacant offices does not match the demand of the creative industry. This mismatch exists on three levels; on property level the offices are functionally obsolete, on facility level there is an abundance of the right facilities or the facilities are unsuitable, and on community level there is the inability to attract the creative

industry due to a lack of tenant selection and management. The strategy that is designed in this thesis attacks the problems on these three levels and tries to solve the mismatch. The goal of the strategy is to accommodate the creative business services within the vacant office stock and create a community of creative businesses that reinforces and motivates each other to become smarter, better and bigger. The strategy is designed for owners of (partly) empty offices and tells, based on these three scale levels, whether the location and the building itself meet the preferences of the industry, which facilities have to be provided to support the businesses in their daily activities, and how a creative community can be created and maintained in order for the tenants to support and reinforce each other. With this last step the strategy attempts to go beyond yet another multi-tenant office building and uses the accommodation of the creative industry as a permanent solution for vacancy, where it is nowadays often seen as a temporary solution until old plans can be resumed.

The strategy is a combination between a checklist and an advice based on the most important findings from literature and empirical research. Despite the fact that every case is different, this strategy sets frameworks in which the preferences of creative business services have been implemented. It tries to find the right balance between fixed guidelines and space for freedom and personal interpretations.

9.2 Recommendations

Based on this research a number of recommendations can be made. On the one hand, these are recommendations for the adaptation of vacant offices for the creative industry and on the other recommendations for future research. Both recommendations are discussed below.

Practice

This section contains recommendations for the owners of vacant properties on the use of the strategy, partly based on recommendations by professionals in the field.

- According to Van der Salm (2016b) it is important to set demarcations as an owner/manager for the input of tenants in order to avoid endless discussions. When 'hard' subjects can be solidified by means of numbers, numbers of people or amounts of money, a reasoned decision can be made. 'Soft' subjects like emotional issues are personal and therefore poor arguable. As a manager, do not go into discussions on such matters and keep in mind that the manager makes the final decisions.
- The owner must try not to regulate too much. By giving the tenants responsibility, a community will be created in which everyone contributes equally. This will allow tenants to participate more actively, be less critical and at the same time leave their mark on the building, which will increase the appreciation.
- Make sure that the strategy is not only applied at the start of the operational phase, but throughout the entire operational lifetime of the office. Only when the strategy, and especially the community advice, is implemented consistently, a community will arise instead of just a multi-tenant building.

Research

There are aspects within this research which can be examined more thoroughly and/or have not yet been included in this study. Following are the recommendations for further research, which arise from the knowledge gained.

- Where the location and building characteristics are quantified, this is to a lesser extent or not the case for the facility and community preferences. To ensure that the strategy can be applied and tested more easily these preferences will have to be quantified. A way has to be found to give parameters to aspects such as communication and identity.
- The strategy now is specifically designed for the creative business services. It can be expected that the strategy will also be applicable for other industries. Further research can show which aspects of the strategy are general and which are industry-specific. By knowing this the strategy can be generalised and applied for any other sector, when the industry-specific information is known for the industry in question.
- The input of the strategy is based on literature research, but mainly on interviews with creative companies. To validate the strategy 1) more interviews can be held to be more certain of the results, and 2) cases can be selected whereby the strategy can be implemented. By observing the implementation of the strategy, there can be concluded whether or not the strategy works.

9.3 Reflection

This research on the best way to accommodate the creative industry in vacant offices has led to a strategy that gives an advice on how to attract and retain the creative industry. The final product is a result of literature research and case studies on previous developed projects. Looking back on this research, this section gives a final comment on the graduation process, the research methodology and the result.

Starting this graduation project, the choice for redevelopment and office vacancy was quickly made. However, transformation into housing is already researched many times, so I wanted to find another solution for vacancy. During my minor I did an internship at a company that was part of the redevelopment of the Schieblock, and at that time my interest in redevelopment and the creative industry started. For this reason, and the fact that there are many examples of buildings adapted for the creative industry, but only with limited research into their user preferences, the creative industry was chosen as target group for office adaptation. In the beginning of the research two orientating interviews were held. Both showed that with developing for the creative industry the focus lies way more on the management of these businesses than on the building itself. After these interviews I started focussing more on the aspect of community management. After the P2 presentation many interviews were conducted with different actors of the different cases. From the orientating interviews I learned that it is important to structure the interviews for more clarity and to compare the interviews more easily. Setting up the interviews, however, took much more time than expected, and since the interviews are one of the most important parts of the research and I did not want to rush anything, I decided to postpone my P3 presentation a quarter. Another aspect I struggled with was the definition of my final product, the strategy. If I would have been able to define the strategy earlier, the research could have been more structured and important decisions could have been made sooner.

According to the practice validation (appendix 5), the strategy, and in particular the property characteristics, describe the perfect situation that meets the preferences of the creative industry, but probably also those of the more corporate businesses. The creative industry is known for their accommodation in more downgraded areas and in more deteriorated buildings. With the presence and initiatives of the creatives, many of these locations turn into urban hot spots, which is also clearly evident in the selected cases. The question that can be asked here,

is whether the strategy does not pursue a *too* perfect situation and that the focus should be more on a situation that can be improved.

The most difficult part of this thesis for me to formulate were the community preferences. The literature on the creative industry, but especially the case studies, show that this should be the most important part of the strategy, but because all these topics are broadly interpretable and hard to quantify it is difficult to formulate them in such a way that they can be understood immediately and are thus easy to implement. My advice for further investigation is therefore to investigate these topics and preferences more thoroughly and make them measurable.

With this research I tried to design one strategy that is applicable for every case. The user preferences are researched on different scale levels and translated into a strategy. The challenge now lies in the consistent implementation of the management to create a well-functioning community. Following the strategy mainly leads to the creation of the community and an advice for the management. The responsibility for the successful maintenance, however, lies with the community itself.

A black and white photograph of a tall, modern building with a clock tower. The building has a grid-like facade with many windows. A semi-transparent rectangular box is overlaid on the right side of the image, containing the word 'REFERENCES' in bold, black, sans-serif capital letters. The sky is cloudy, and there are some trees and a street in the foreground.

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APPENDICES

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Appendix 1 – Delineation Creative Industry

Kunsten en cultureel erfgoed
7990 Reisinformatie- en reserveerbureaus
90011 Beoefening van podiumkunst
90012 Producenten van podiumkunst
9002 Diensten voor uitvoerende kunst
9003 Scheppende kunst
90041 Theaters, schouwburgen en concertgebouwen
91011 Openbare bibliotheken
91012 Kunsttielecentra
91019 Openbare archieven
91021 Musea
91022 Kunstgalerieën en expositieruimten
9103 Monumentenzorg
94993 Fondsen (niet voor welzijnszorg)
94994 Vriendenkringen van cultuur
Media en entertainment industrie
5811 Uitgeverijen van boeken
5813 Uitgeverijen van kranten
5814 Uitgeverijen van tijdschriften
5819 Overige uitgeverijen, geen software
5821 Uitgeverijen van computergames
5829 Software-uitgeverijen, geen games
59111 Filmproductie, geen televisiefilms
59112 Productie van televisieprogramma's
5912 Facilitaire diensten voor film, tv
5913 Distributie films en tv-producties
5914 Bioscopen
5920 Maken en uitgeven geluidsopnamen
6010 Radio-omroepen
6020 Televisieomroepen
6321 Pers- en nieuwsbureaus
6329 Overige informatievoorziening
74201 Fotografie
90013 Circus en variété
93211 Pret- en clusterparken
93212 Kermisattracties
Creatieve zakelijke dienstverlening
7021 Public relationsbureaus
7111 Architectenbureaus
7311 Reclamebureaus
7312 Handel in advertentieruimte
7410 Industrieel design
8230 Organisatie van congressen, beurzen

(CBS, 2014)

Appendix 2 – Interview protocols

Interview protocols for owners, developers and users of the cases. Since the interviews have been conducted in Dutch, the protocols will also be in Dutch.

Eigenaren

De eigenaren zullen worden gevraagd over de problemen die ze tijdens de leegstand tegenkwamen, hoe ze hier mee zijn omgegaan en of ze deze oplossingen in de toekomst weer zouden toepassen. Er wordt gevraagd naar wat de motieven zijn geweest voor herontwikkeling voor de creatieve industrie. De eigenaren zullen ook worden gevraagd of het project een positief effect heeft op de financiële, ruimtelijke en maatschappelijke waarde van het gebouw zelf en zijn omgeving.

Algemeen

1. Wat voor type eigenaar zijn jullie? (Investerder, gebruiker, beheer)
 - a. In welke mate zijn jullie betrokken bij het pand?
2. Waren jullie ook de eigenaar van dit pand voordat het herontwikkeld werd?
 - a. Waarom is het pand destijds leeg komen te staan?
 - b. Welke problemen hebben jullie ondervonden tijdens leegstand?

Initiatief

3. Wanneer en waarom hebben jullie besloten te gaan herontwikkelen?
 - a. Is het jullie eigen initiatief geweest?
 - b. Wat is jullie rol geweest hierbij? En die van de ontwikkelaar en de gebruikers?
 - c. Hebben jullie zelf geïnvesteerd in het pand? En de ontwikkelaar en de gebruikers?
 - d. In hoeverre zijn jullie betrokken geweest bij het beslissingsproces?
 - e. In hoeverre zijn jullie nu nog betrokken bij het pand?
4. Hebben bewust gekozen voor de creatieve industrie als doelgroep of is dat meer 'toevallig' zo gekomen? Waar ligt dat dan aan?
 - a. Hebben jullie van tevoren onderzoek gedaan naar de gebruikersvoorkeuren en de wensen van de creatieve industrie? Zo ja, hoe hebben jullie dit dan gedaan?
 - b. Is er een specifieke tak van de creatieve industrie waar jullie je op focussen?
 - c. Hoe wordt er geprobeerd de creatieve industrie aan te trekken?
5. Is het project voor onbepaalde tijd ontwikkeld of tijdelijk?
 - a. Indien tijdelijk; voor hoe lang en waarom?
6. Flexibiliteit
 - a. Is het mogelijk om in een later stadium meer of minder vierkante meters te huren?
 - b. Is het gebouw gemakkelijk aan te passen met het veranderen van de gebruikerswensen?
 - c. Is het gebouw geschikt voor andere doelgroepen?
 - d. Hoe kan het gebouw omgaan met veranderende marktomstandigheden en de marktvraag?
 - e. Welke maatregelen zijn er genomen om op het bovenstaande in te spelen?

Terugblik

7. Zien jullie dat met de herontwikkeling van dit pand (en zijn omgeving) de waarde is verhoogd?
 - a. Van het gebouw zelf en de omgeving (financiële, ruimtelijke en sociale en culturele)

- b. Waaraan is dat te zien?
8. Beschouwen jullie het project als een succes?
- a. Wat zouden jullie de volgende keer anders doen?
 - b. Komt wat de huurders vragen en wat het pand aanbiedt overeen [match]?
 - c. Zijn er punten waarvan huurders hebben aangegeven deze liever anders te zien?
9. Heeft u nog tips voor mij wat betreft herontwikkeling voor de creatieve industrie?

Projectontwikkelaar

De ontwikkelaar zal worden gevraagd naar de meer technische aspecten van de herontwikkeling, zoals de interventies die zijn gedaan om het gebouw gereed te maken, welke faciliteiten worden aangeboden en of bedrijven worden geselecteerd en hoe ze worden beheerd, en in hoeverre deze beslissingen bewust zijn gemaakt met het oog op de creatieve industrie. Deze vragen zijn in overeenstemming met de drie managementniveaus die genoemd worden in de onderzoeksopzet.

Proces

1. Jullie zijn de ontwikkelaar van dit pand, waarin zagen jullie de potentie van dit pand?
2. In hoeverre zijn de eigenaar van het pand en de gebruikers betrokken geweest bij de ontwikkelingen?
 - a. Hebben jullie de eigenaar of gebruikers benaderd of zijn jullie benaderd?
 - b. Heeft de eigenaar of gebruiker meebeslist over het uiteindelijke functie en ontwerp van het pand?
 - c. Waar was de eigenaar toe bereidt om voor te betalen voor de herontwikkeling? Zijn er nog andere financieerders geweest?
3. Wat is de huurprijs en de serviceprijs en zitten hier nog verschillen in?

Property

4. Wat voor ingrepen zijn er gedaan om de ruimtes geschikt te maken voor de huurders?
 - a. Welke van deze ingrepen zijn specifiek voor de creatieve industrie gedaan?
 - b. Doorvragen naar ingrepen
5. Zijn er in een later stadium aanpassingen gemaakt in het ontwerp naar aanleiding van wensen van de huurders?
6. Hoe worden de kantoren opgeleverd?
 - a. In hoeverre is het huurders toegestaan zelf aanpassingen te maken?
7. Flexibiliteit
 - a. Is het mogelijk om in een later stadium meer of minder vierkante meters te huren?
 - b. Is het gebouw gemakkelijk aan te passen met het veranderen van de gebruikerswensen?
 - c. Is het gebouw geschikt voor andere doelgroepen?
 - d. Hoe kan het gebouw omgaan met veranderende marktomstandigheden en de marktvraag?
 - e. Welke maatregelen zijn er genomen om op het bovenstaande in te spelen?

Facility

8. Wat voor faciliteiten worden er aangeboden aan de huurders?
 - a. Welke van deze faciliteiten zitten er inclusief de huurprijs of serviceprijs?
 - b. Waar moeten de huurders extra voor betalen?
 - c. Welke faciliteiten worden het meest gebruikt/gewaardeerd?

9. Ervaart u een overeenkomst of verschil in dat wat huurders vragen qua kantoorruimte en waar zij daadwerkelijk toe in staat zijn om voor te betalen?

Community

10. Moeten huurders aan bepaalde criteria voldoen om hier te mogen huren?
11. Doen jullie nog aan huurders management waarbij jullie bedrijven aan elkaar koppelen?

Terugblik

12. Zien jullie dat met de herontwikkeling van dit pand (en zijn omgeving) de waarde is verhoogd?
a. Van het gebouw zelf en de omgeving (financiële, ruimtelijke en sociale en culturele)
b. Waaraan is dat te zien?
13. Beschouwen jullie het pand als een succes?
a. Wat zouden jullie de volgende keer anders doen?
b. Komt wat de huurders vragen en wat het pand aanbiedt overeen [match]?
c. Zijn er punten waarvan huurders hebben aangegeven deze liever anders te zien?
14. Heeft u nog tips voor mij wat betreft herontwikkeling voor de creatieve industrie?

Gebruiker

De gebruikers wordt gevraagd of het gebouw voldoet aan hun eisen, waarom ze hebben gekozen voor de betreffende locatie, en wat ze graag anders willen zien. Om te weten te komen over hun voorkeuren zal de lijst met gebruikersvoorkeuren van de creatieve zakelijke dienstverlening van Arkenbout (2012) worden gepresenteerd en zullen de gebruikers worden gevraagd om deze voorkeuren te waarderen op een schaal van 1 tot 10. Ze worden ook gevraagd om de locatie- en de bouwvoorkeuren kwantificeren, zodat de voorkeuren kunnen worden vertaald naar criteria voor de strategie.

Algemeen

1. Wat voor soort bedrijf zijn jullie en beschouwen jullie jezelf onderdeel van de creatieve industrie?
2. Waarom hebben jullie gekozen om je te vestigen in dit pand?
a. Hoe lang zitten jullie hier al?
3. Wat betalen jullie aan huur?
a. Vraag mening hierover
4. Hoe worden de kantoren opgeleverd?
a. In hoeverre is het jullie toegestaan zelf aanpassingen te maken?

Ik wil jullie nu wat vragen stellen over jullie gebruikersvoorkeuren ten aanzichten van het pand, en of dit pand daar goed in voorziet. De gebruikersvoorkeuren zijn onderverdeeld onder property, waarmee zowel het gebouw zelfs als de locatie wordt bedoeld, facility en community.

Property

Geef kaartje locatie eigenschappen

5. Welke eigenschappen vindt u belangrijk [laat waarderen]
6. Welke eigenschappen zijn hier goed van toepassing?
7. Welke eigenschappen schieten er hier tekort?

Geef kaartje gebouweigenschappen

8. Welke eigenschappen vindt u belangrijk [laat waarderen]
9. Welke eigenschappen zijn hier goed van toepassing?
10. Welke eigenschappen schieten er hier tekort?

11. Flexibiliteit → creatieve industrie verandert snel in voorkeuren en omvang

- a. Zien jullie de mogelijkheid van het pand om zich aan te passen aan eventuele veranderende gebruikerswensen?
- b. Is het makkelijk om in een later stadium meer ruimte te huren of vierkante meters weer af te staan?

Facility

Geef kaartje faciliteiten

12. Welke eigenschappen vindt u belangrijk [laat waarderen]

13. Welke faciliteiten worden er aangeboden?

- a. Welke van deze faciliteiten zitten er inclusief de huurprijs of serviceprijs?
- b. Waar moeten jullie extra voor betalen?
- c. Welke faciliteiten worden het meest gebruikt/gewaardeerd?
- d. Welke faciliteiten missen jullie?

Community

14. Hebben jullie een selectieprocedure moeten doorlopen om hier te mogen huren?

15. Hebben jullie weleens gehoord van een community manager?

- a. Is er een dergelijk persoon aanwezig in dit gebouw?

16. Zijn er bedrijven binnen dit gebouw van wiens diensten jullie weleens gebruik hebben gemaakt?

- a. Zo ja, welke en op wat voor manier?
- b. Wordt dit op enige manier gefaciliteerd?
- c. Indien nee, zouden jullie dit in de toekomst misschien wel doen?
- d. Op wat voor manieren?

Terugblik

17. Zien jullie dat met de herontwikkeling van dit pand (en zijn omgeving) de waarde is verhoogd?

- a. Van het gebouw zelf en de omgeving (financiële, ruimtelijke en sociale en culturele)
- b. Waaraan is dat te zien?

18. Beschouwen jullie dit pand als een geschikt gebouw voor creatieve organisaties?

- a. Is er een overeenkomst in wat er wordt aangeboden en wat jullie vragen?
- b. Wat zouden jullie anders willen zien?
- c. Zijn jullie van plan hier voorlopig nog te blijven zitten?

19. Heeft u nog tips voor mij wat betreft herontwikkeling voor de creatieve industrie?

Appendix 3 – Preferences of office users

Korteweg (2002)

Korteweg (2002) published his findings on the location and building preferences of office holding organisations in Amsterdam. The list of preferences is a result of two surveys held in 1988 and 1991. The type of organisations that specified their preferences is unknown. Table 10 shows the location and building characteristics. Since the population of 1988 differs from the population in 1991%, the results cannot be compared to one and another and it is therefore hard to tell why there is a difference in results (Korteweg, 2002, p. 93).

Location characteristics	Survey 1988	Survey 1991	Building characteristics	Survey 1988	Survey 1991
<i>Accessibility by car</i>	95%	85%	<i>Size</i>	64%	50%
<i>Near highway</i>	76%	65%	<i>Flexible use of space</i>	57%	43%
<i>Parking</i>	95%	88%	<i>Expandability</i>	39%	40%
<i>Accessibility by PT</i>	68%	69%	<i>Single-tenant building</i>	24%	14%
<i>Proximity of NS station</i>	44%	46%	<i>Recognisability</i>	63%	45%
<i>Proximity of city centre</i>	13%	25%	<i>Representativeness</i>	87%	82%
<i>Proximity of other offices</i>	19%	18%	<i>Appearance</i>	62%	61%
<i>Proximity of shops</i>	20%	16%	<i>Height</i>	11%	-
<i>Proximity of restaurants</i>	21%	17%	<i>Rent or sells price</i>	69%	62%
<i>Proximity of clients</i>	31%	28%	<i>Service and energy costs</i>	44%	42%
<i>Proximity of airport</i>	49%	33%	<i>Facilities automation</i>	50%	39%
<i>Representativeness surroundings</i>	70%	72%	<i>Security</i>	58%	52%
<i>Visibility from highway</i>	20%	12%	<i>Air-conditioning</i>	20%	26%

Table 10. Research results location and building scale (Korteweg, 2002)

Accessibility by car and parking are the most important demands for the office holding organisation regarding location. Other important preferences are accessibility by public transportation and the representativeness of the surroundings. Highway location are significantly more popular than city centre locations, at the time of publication. For the building are representativeness, appearance and recognisability three important aspects in both surveys. This most likely has to do with the identity of the organisations that is to be expressed by means of the architecture of the building. Great importance is attached to flexible use of space and security. The rent or sell price also plays an important role in the consideration for an office building.

NVB (2009)

In 2009, NVB also conducted a research on the user preferences of office holding organisations, again on location and building level. The results of this research are very similar to those of Korteweg (2002), especially on location level. On building level, a very important aspect, that is added since the research of Korteweg, is modern ICT. Again, characteristics related to identity of the organisation are indicated as being important. The more functional characteristics are found to be less important (see Table 11)(NVB, 2009).

Location characteristics	Score	Building characteristics	Score
<i>Accessibility by car</i>	8,2	<i>Modern ICT</i>	7,8
<i>Parking</i>	8,1	<i>Interior appearance</i>	7,5
<i>Acceptable rent level</i>	7,9	<i>Flexible use of space</i>	7,3
<i>Accessibility by PT</i>	7,6	<i>Exterior appearance</i>	7,3
<i>Representativeness surroundings</i>	7,5	<i>Low exploitation costs</i>	6,9
<i>Proximity of employees</i>	6,8	<i>Climate control</i>	6,8
<i>Expandability</i>	6,6	<i>Low energy costs</i>	6,8

<i>Proximity of clients</i>	6,4	<i>Expandability</i>	6,4
<i>Proximity of shops</i>	5,8	<i>Restaurant, reception</i>	6,4
<i>Visibility from highway</i>	5,6		
<i>Proximity of city centre</i>	5,6		

Table 11. Research results location and building scale (NVB, 2009)

Leishman (2003)

Leishman, Dunse, Warren, and Watkins (2003) has investigated the user preference of office holding organisations of various types in Edinburg. The location and building preferences were rated on a scale from one to five, five being the most important. His findings are shown in Table 12. Accessibility to employees here, is the most important characteristic. Flexibility of the building, both for use and growth are the second most important characteristics. Other demands for an office building are modern ICT and a location in the city centre, which is opposite to Korteweg's research which prefers highway locations.

Office characteristics	Score
<i>Proximity of similar organisations</i>	2,22
<i>Location in city centre</i>	3,08
<i>Accessibility to airport</i>	2,11
<i>Accessibility to highway</i>	2,67
<i>Accessibility by public transportation</i>	2,47
<i>Parking</i>	2,97
<i>Accessibility to employees</i>	4,03
<i>Modern ICT</i>	3,58
<i>Flexible use of space</i>	3,50
<i>Expandability</i>	3,72

Table 12. Office preferences Edinburg (Leishman et al., 2003)

Remøy & Koppels (2007)

As a part of their PhD studies, Remøy and Koppels (2007), have investigated the offices user preferences on location and building scale by means of a Delphi study. They let 18 experts rank six location characteristics and fifteen building characteristics. The preferences were divided under three types of office users, namely the urban specialist, the status sensitive professional and the general tenant. The characteristic with the highest rating was given rank one. The least important characteristic was given the lowest rank. Table 13 shows the research results.

Location

Urban specialist		Status sensitive professional		General tenant	
<i>Accessibility by car</i>	1	<i>Accessibility by car</i>	1	<i>Accessibility by car</i>	1
<i>Appearance</i>	2	<i>Appearance</i>	2	<i>Appearance</i>	2
<i>Facilities</i>	3	<i>Accessibility by PT</i>	3	<i>Accessibility by PT</i>	3
<i>Clustering</i>	4	<i>Clustering</i>	4	<i>Facilities</i>	4
<i>Accessibility by PT</i>	5	<i>Facilities</i>	5	<i>Safety</i>	5
<i>Safety</i>	6	<i>Safety</i>	6	<i>Clustering</i>	6

Building

Urban specialist		Status sensitive professional		General tenant	
<i>Parking</i>	1	<i>Parking</i>	1	<i>Parking</i>	1
<i>Exterior representativeness</i>	2	<i>Exterior representativeness</i>	2	<i>Exterior representativeness</i>	2
<i>Recognisability user</i>	3	<i>Recognisability user</i>	3	<i>Efficient use of space</i>	3
<i>Lay out flexibility</i>	4	<i>Efficient use of space</i>	4	<i>Lay out flexibility</i>	4
<i>Efficient use of space</i>	5	<i>Interior representativeness</i>	5	<i>Interior representativeness</i>	5
<i>Interior representativeness</i>	6	<i>Lay out flexibility</i>	6	<i>Comfort</i>	6

<i>Comfort</i>	7	<i>Comfort</i>	7	<i>Recognisability user</i>	7
<i>Facilities</i>	8	<i>Facilities</i>	8	<i>Technical state</i>	8
<i>Technical state</i>	9	<i>Technical state</i>	9	<i>Facilities</i>	9
<i>Year of construction</i>	10	<i>Security</i>	10	<i>Security</i>	10
<i>Security</i>	11	<i>Year of construction</i>	11	<i>Year of construction</i>	11
<i>Routing</i>	12	<i>Routing</i>	12	<i>Energy performance</i>	12
<i>Energy performance</i>	13	<i>Energy performance</i>	13	<i>Routing</i>	13
<i>Bicycle parking</i>	14	<i>Bicycle parking</i>	14	<i>Bicycle parking</i>	14
<i>Goods and trash</i>	15	<i>Goods and trash</i>	15	<i>Goods and trash</i>	15

Table 13. Research results location and building (Remøy & Koppels, 2007)

What is striking is that the preferences for both location and building for all three user groups differ minimal. Only in some cases, a characteristic is reversed one or two places. For location accessibility by car is most important. The appearance of the location and the accessibility by public transportation are two other important characteristics. On building level, parking is the most important characteristic, which is to be expected in regards to the most important location aspect. Features that support the image and identity of the organisation are highly valued. This concerns the exterior and interior representativeness, and the recognisability of the users. Flexibility is also found to be very important. Just like the research of NVB, this research shows that more functional characteristics like year of construction, technical state and energy performance are valued less.

Hendrikx (2012)

The master thesis of Hendrikx (2012) approaches the office user demand from a different perspective. He researched the motives of office users to move to a new office or to stay at the current location. The reasons to move, the 'push' factors, have to do with the representativeness of the building, organisational considerations and environmental reasons (Table 14). The 'pull' factors concern again the representativeness of the building, but also that of its surroundings, expansion possibilities and a convenient traffic location. Many of the factors relate to the image of the organisation. A poor state and environmentally unfriendly office can damage the image of the organisations and are therefore motives to move to a new office. A good representative office on the other hand will attract the user. The emotional attachment to an office is an important 'keep' factor, together with the fact that an office building is often associated to the organisation itself. The office is in this case part of the branding of an organisation.

Push	Pull
<ul style="list-style-type: none"> • Growth • Accessibility (especially by public transportation) • Representativeness • Environmental aspects • Expansion possibilities 	Same aspects as push, plus: <ul style="list-style-type: none"> • Central location • Low land price
Keep	Objection
<ul style="list-style-type: none"> • Positive image • Emotional attachment • Tradition ("The company has always been here") 	<ul style="list-style-type: none"> • High investment costs • Moving costs • Personal considerations (further from home, need for new housing) • Owning a property • Dread for a less productive period

Table 14. Push factors to move and pull factors to attract new tenants (Hendrikx, 2012)

CoreNet (2013)

A publication that not only focusses on the location and building preferences of the office user, but also addresses the way an office should be used and how to deal with its users, is the publication

of CoreNet (2013), 'What does the end user want?'. In this research, two points stand out very clear. The first aspect is flexibility. The dynamics of organisations have increased enormously. This brings along the need for more adaptive capacity of the physical and virtual environment. Adaptive here means the ability to adjust, without any structural renovations. The office has to be flexible in various ways. It needs to cope with growth and shrinkage, with changing activity patterns, changes in the organisational structure, different work hours and changes in available means, but also by means of flexible contracts (CoreNet, 2013, p. 15). The second aspect is identity. With the increasing degree of flexible working, the number of multi-tenant buildings is growing. These concepts are much desired, unless the tenant can apply some degree of identity. Among the users, there is a strong desire for 'belonging'. Employees come to office for a feeling of identity and social cohesion. Offices contribute to the identification of employees with the company throughout corporate branding. Many end users indicate that the willingness to involve space of a particular provider for a longer time is strongly reinforced when the provider has really studied the preferences of the user. The user wants to be able to have a saying in the finishing of the office space, in order to create an own identity. This concept is referred to as co-creation and pleas for dialogue between the owner and the user.

The report also studied the preferred office characteristics. This shows that large open floor areas are desired, but with a good balance between communication and concentration spaces (Table 15). The ability to temporarily rent smaller units is also preferred. Accessibility of the building remains the most important factor for choosing a particular location.

Workplace aspects	Satisfaction indicator
<i>Accessibility of building</i>	78%
<i>Comfort of workspace</i>	56%
<i>Interior representativeness</i>	50%
<i>Exterior representativeness</i>	55%
<i>Privacy</i>	37%
<i>Concentration possibilities</i>	39%
<i>Communication possibilities</i>	71%
<i>ICT facilities</i>	53%
<i>Offered facilities</i>	53%

Table 15. Location preferences Edinburg (Leishman et al., 2003)

Appendix 4 – Property score calculation

Assessment form Location

Location Score

Decisive	Check_High	Check_Average	Check_Low	Score	Average	Weight	Total
AccessibilityBike	0		0	0	1,00	3	0,0
AccessibilityCar	0	0	0	0	1,00	3	0,0
AccessibilityPT_bus	0	0	0	0	1,00	3	0,0
AccessibilityPT_train	0	0	0	0	1,00	3	0,0
DistanceRestaurant	0	0	0	0	1,00	3	0,0

Average	Check_High	Check_Average	Check_Low	Score	Average	Weight	Total
Shops_DailyAmenities	0	0	0	0	0,50	1	0,0
Shops_Retail	0	0	0	0	0,50	1	0,0
DistanceCreatives	0	0	0	0	1,00	1	0,0
CulturalFunctions	0	0	0	0	1,00	1	0,0
Parking_Cars	0		0	0	0,50	1	0,0
Parking_Bicycle	0		0	0	0,50	1	0,0
Safety_LivelinessArea	0	0	0	0	1,00	1	0,0
PublicSpace_SocialEnvironment	0	0	0	0	0,33	1	0,0
PublicSpace_PublicSquare	0	0	0	0	0,33	1	0,0
PublicSpace_Lighting	0		0	0	0,33	1	0,0

Total_Location_Score 0

Total

= Score*Average*Weight

All_High	18
All_Average_High	33
All_Average_Low	39
All_Low	54

High potential	18	30
Average potential	31	40
Low potential	41	54

Assessment form Building

Building Score

Decisive	Check_High	Check_Average	Check_Low	Score	Average	Weight	Total
InteriorRepr_Interior	0	0	0	0	0,50	3	0,0
InteriorRepr_Floorplan	0	0	0	0	0,50	3	0,0
LayoutFlex_Surface	0	0	0	0	0,33	3	0,0
LayoutFlex_Columns	0	0	0	0	0,33	3	0,0
LayoutFlex_Walls	0		0	0	0,33	3	0,0

Average	Check_High	Check_Average	Check_Low	Score	Average	Weight	Total
MultiTenant_CommunalEntrance	0	0	0	0	0,50	1	0,0
MultiTenant_CommunalSpace	0		0	0	0,50	1	0,0
SmallUnits_LFA	0	0	0	0	0,33	1	0,0
SmallUnits_Closable	0		0	0	0,33	1	0,0
SmallUnits_DifferentSize	0		0	0	0,33	1	0,0
ExteriorRepr_VisibilityEntrance	0	0	0	0	0,50	1	0,0
ExteriorRepr_TechnicalState	0	0	0	0	0,50	1	0,0
Recognisability_OriginalFunction	0		0	0	0,33	1	0,0
Recognisability_Landmark	0		0	0	0,33	1	0,0
Recognisability_Logo	0		0	0	0,33	1	0,0
Comfort_Daylight	0	0	0	0	0,25	1	0,0
Comfort_SunProtection	0	0	0	0	0,25	1	0,0
Comfort_ManualWindows	0		0	0	0,25	1	0,0
Comfort_ManualClimate	0		0	0	0,25	1	0,0
TechnicalState_Quality	0	0	0	0	0,50	1	0,0
TechnicalState_Renovation	0	0	0	0	0,50	1	0,0
EnergyPerformance	0	0	0	0	1,00	1	0,0

Total_Building_Score 0

Total

= Score*Average*weight

All_High	13
All_Average_High	22
All_Average_Low	30
All_Low	39

High potential	13	21
Average potential	22	29
Low potential	30	39

Appendix 5 – Practice validation

After the strategy was completed, two interviews were held with professionals from practice. Hendriks and Van der Salm have both been interviewed during the research and have now given their feedback on the final result. Their recommendations and reflection is given below.

Maarten Hendriks, Founded by All

Location

Characteristics that need attention:

- Safety: Average → more a mix between working and living and the fact that the area does not become abandoned after 7 pm. Social control is an important part.
- Quality public space: creatives often improve the environment. The look for a location that requires improvement. So do you really need a location is all good and safe and meets all the location preferences given?
- The location checklist now is the perfect situation. Creative often look for an interesting location. They work as a catalyst. Often lower building prices, which need higher investments, but the revenues are not only financial but also social.

Building

- Flexible interior walls → question now a little unclear
 - o Flexible
 - o Baring
- Architecture: many vacant properties used to be modern but now very deteriorated. Although these offices are often the more suitable offices for the creatives. It is more about character instead of a particular architectural style.
- Lay out flexibility: I think floor depth is more important than the floor surface. Long small floors are more easy to develop than large square floors.

Facilities

Make the tenants entrepreneur of the building. Each tenant is responsible for a facility. E.g. Chef toilet asks € 0.50 for each toilet visit and then he cleans them and may keep the money.

Link property and facility characteristics. If something is missing, search for tenants that can offer them.

Service fee per m2 or per person? Number of people is variable, not square meters. So if anyone has one desk and always works alone he will drink a lot less coffee than someone who has one desk but receives many clients.

Community

Make-ability of a community is much harder than the make-ability of a building.
My thesis approaches from the real estate perspective, FBA from the creatives.

General

There is a good nuance between fixed lines and room for freedom.

FBA began with a blank canvas and has gone to great lengths to get where it is today. Many things that are stated in this strategy would have been useful in the early stages of FBA. If you keep everything vague it is hard to develop as a manager. Characteristics such as flexibility and monthly leases are examples of good guidelines.

Michon van der Salm, OfficeR

Location

With the property characteristics it is important to keep in mind the difference between developing for the creative industry and developing an AA-location. Creatives don't mind a little deterioration or an old-fashion building. Especially in upgrading these lesser buildings lies their strength.

Building

Another important aspect to keep in mind for the building is the net/gross ratio. The smaller the difference, the lower the rent can be. An unfavourable ratio can be disguised by offering an all-in price.

A characteristics building is just a matter of marketing. The way you sell the building makes if a building is found characteristic or not.

A guide line for the amount of square meters that should at least be rented out to cover the investment costs is three thousand for a period of three years. This means that for a period of two years at least four thousand square meters should be rented and for four years two thousand.

Facilities

For the facilities, try to outsource as much as possible. An example is to put a catering service in a former canteen/kitchen.

Meeting rooms can be rented to external parties at a higher price

Community

Set demarcations as an owner/ manager for the input of tenants in order to avoid endless discussions. When 'hard' subjects can be solidified by means of numbers, numbers of people, amounts of money, a reasoned decision can be made. 'Soft' subjects like emotive issues are personal and therefore poor arguable. As a manager, do not go into discussions on such matters, the manager determines.

Let tenants organise different kind of meetings or drinks. Meetings for updates on the building or maintenance, meetings to set up new partnerships, or social and informal drinks.

The rental price should be at least 10% below market rent level.

REFITTING VACANCY FOR THE CREATIVE INDUSTRY

A strategy to create and maintain a creative community

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