

Asset

Issue 89 | February 2021



Carrick



Carrick Property
Accelerating growth offshore
and in SA

Bradd Bendall and Craig Featherby

The first monthly column dedicated to the exploration and understanding of the history, trends and forecasts in the world of shared spaces and smart working.

By Stefano Migliore, executive director at Sisebenza and Office Hub



What happened to my cheese?

While paging through a decade of financial data on the property sector and trying to make sense of the profound fluctuations in fortunes this asset class has experienced, my eyes diverted to a worn and thin little book on my shelf – Spencer Johnson’s “Who Moved My Cheese?” – a story of mice and people, a maze and some cheese. It’s an old story, but I couldn’t resist the urge to connect it to present circumstances and wonder just how many asset owners are out there wondering where the heck their cheese has moved to.

The story follows the people and the mice, and their discovery of a pile of cheese – cheese which presented itself daily for them to consume to their heart’s delight. The cheese, reliable and abundant in that corner of the maze – always there ... until it wasn’t. And on the day it wasn’t, the clever little mice set out, instinctively and immediately, into the maze to find some - confident in their ability to find new cheese.

The little people (ostensibly gifted with human traits) stayed glued to the spot where the cheese had always been. They analysed their predicament from all different angles, lamenting the situation and complaining of the unfairness of it all. It was decided that going out into the maze to look for more would be far too risky and that it would be best to stay put and wait for more cheese to appear.

Meanwhile, the adventures of the mice had proved fruitful – they had found an even larger mound of cheese, on which they happily feasted. The story ends with the reunion of the mice and people, the people eventually driven by hunger and desperation into the expanse of the maze

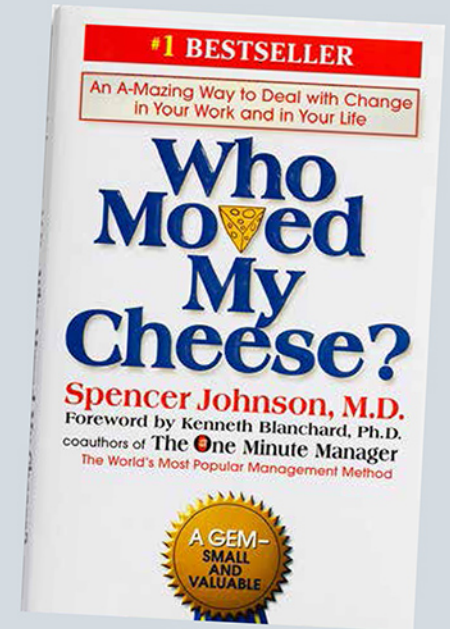
This book has, for over two decades, been hinting at the fact that sooner or later, the “cheese” will move. Perhaps imperceptibly so at first, but then suddenly. I write of this story today because of the deeper reality it exposes, applicable to everyone and their proverbial cheese.

The sustenance that has supported jobs and businesses for decades may well not be there the next time we look. The business opportunities of 10 years ago may have disappeared or the expensive education that you had invested your time and money in so heavily may well not gain you the meaningful employment it had once promised to.

Whilst this metaphor is true for so many sectors, in many ways the property sector, - and in particular the commercial property sector - acts as this little old book’s poster child. In only a decade, the listed property sector has fallen from its pedestal as the best performing asset class right into last place. The worst. And that’s on pre-pandemic data. I suspect the next reporting cycle will only make it a certainty for the wooden spoon award.

How do we fail to spot moving cheese? When your performance is stellar it’s easy to be lulled into believing your business model is fail-proof and time enduring. But the cheese has been moving, and the pandemic has just given it one big almighty shove into the next dimension.

Technology has moved the world along faster and further than we have realised, cheese in tow, into a world of remote access. From a fax delivered to your desk, to an email receivable literally from anywhere. From an office landline to a myriad of ways to connect whatever and wherever. But somehow we find ourselves in the same corner of the maze, tied to the same desks that first sustained us, raised to believe that work is a place you go to rather than something you do.



And then one day a pandemic came along and we were all sent home to perform the functions we always have. That’s not to say that working from home is an everlasting or ideal solution, because it’s not, but rather that we have become unmoored from the bindings of the office culture.

The permutations of what life may be without strict adherence to that convention are endless and are being explored every day. Announcements of abandonment of office space, or an overhaul of how offices are to be used, are ringing out daily from enterprises large and small.

The question of whether the office is dead or alive is simplistic because the answer is not binary. It’s a complex and multifaceted exploration, a renewed awareness of consumer wants and needs coupled with a revised ability to meet what is being asked for.

The cheese has moved. It’s time to venture out into the maze. **A+**