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Office 2035 roundtable report

Shared insights

The future of regional office development

February 2026

Office 2035
Roundtable insights

Introduction

At the end of 2025, AHR, Ramboll and Sterling Properties jointly convened an invitation-only roundtable in Birmingham to explore the future of regional office development.

Bringing together perspectives from architecture, engineering, property development and advisory roles, the session focused on a pressing shared question.

Held under Chatham House Rules, the discussion was candid and wide-ranging. Participants drew on recent projects, stalled schemes, operational experience and market evidence to examine not just what is happening in the market, but why.

While the conversation was grounded in Birmingham, the themes explored reflect challenges being felt across many UK regional cities. The following report distils the key issues, examples and opportunities discussed, offering practical insight for developers, consultants, occupiers and public-sector stakeholders.

Construction cost:
A structural, not cyclical, challenge

A central theme was the widespread acceptance that construction costs are unlikely to return to pre-2020 levels. While inflation has moderated, participants agreed that the industry is now operating within a fundamentally different cost environment.

Examples were discussed where schemes had been paused or reworked multiple times as cost plans continued to rise, despite minimal changes in scope. In some cases, this resulted in otherwise viable projects becoming undeliverable.

KEY INSIGHT:

Cost pressure is no longer a short-term market distortion. Viability strategies based on waiting for costs to fall are increasingly misaligned with reality.

Several contributing factors were explored:

Labour shortages in specialist trades and engineering disciplines were repeatedly cited. Participants noted that output has broadly recovered to pre-pandemic levels, but with a materially smaller workforce, driving sustained upward pressure on labour costs.

Increased regulatory and compliance requirements, particularly around fire safety, energy performance and building control, were recognised as necessary but costly.

Specification creep over the past decade has layered complexity into base-build designs, often without equivalent long-term value.

Risk, procurement and the price of uncertainty

Participants spent considerable time discussing risk allocation and its impact on cost and deliverability.

A recurring observation was that risk is often pushed down the supply chain in an attempt to protect client and developer positions.

However, this frequently leads to:

- **Inflated tender prices**
- **Reduced contractor appetite**
- **Increased contingency allowances**
- **Adversarial behaviours later in the project lifecycle**

Examples were shared where highly risk-averse procurement strategies resulted in fewer bidders and less competitive pricing, despite strong market interest in principle.

In contrast, projects that engaged contractors and specialist suppliers earlier, particularly on complex services packages, were cited as achieving greater cost certainty and smoother delivery.

KEY INSIGHT:

Risk does not disappear when transferred - it is priced. Earlier collaboration and clearer allocation can reduce overall project cost and programme risk.

Specification, certification and diminishing returns

While sustainability and performance were universally recognised as essential, participants questioned whether the industry's reliance on multiple certification frameworks is always delivering proportional value.

Several examples were discussed where:

- Buildings were designed to achieve high certification ratings, yet systems were underutilised in operation
- Occupiers valued comfort, reliability and adaptability more than the presence of specific badges
- Certification requirements drove complexity into systems that increased capital cost and commissioning risk.

This led to discussion around whether performance-led outcomes, such as measured energy use, thermal comfort, resilience and user satisfaction, could provide a more meaningful benchmark than prescriptive compliance alone.

KEY INSIGHT:

Certification remains important, but an over-reliance on multiple frameworks risks diverting focus from real-world performance and occupier experience.

The emergence of the “minimum viable office”

One of the most strongly resonant ideas to emerge was the concept of the minimum viable office. This was not framed as a reduction in quality, but as a re-prioritisation of fundamentals, focusing investment on elements that support long-term adaptability, usability and value.

Characteristics repeatedly identified as critical included:

- Generous floor-to-ceiling heights
- Good access to daylight
- Flexible structural grids
- Simple, legible servicing strategies
- Adaptable plant and riser space
- Robust fabric performance
- A disciplined approach to amenity spaces, avoiding excessive or low-utilisation features (such as over-scaled roof terraces or non-rentable space) that add cost without clear long-term return.

Participants contrasted this with highly optimised buildings that perform well at completion but prove difficult or costly to adapt across multiple leasing cycles.

Examples were shared of older office buildings with strong underlying structure continuing to attract occupiers following refurbishment, while some newer, highly specified buildings faced challenges responding to changing working patterns, fit-out requirements and technological demands.

KEY INSIGHT:

Longevity, adaptability and structural quality are increasingly more valuable than peak specification at completion.

Occupiers, hybrid working and evolving demand

The roundtable confirmed that hybrid working is now embedded, but that offices remain essential. However, their role has changed.

Rather than spaces for routine desk-based work, offices are increasingly expected to support:

- **Collaboration and social connection**
- **Learning, mentoring and progression**
- **Wellbeing and choice**
- **Inclusive environments that support neurodiversity**

Participants noted that many of these qualities are now delivered primarily through fit-out, rather than base-build.

This reinforced the importance of providing a flexible, well-considered base building that enables occupiers to tailor space without excessive cost.

Early occupier engagement was highlighted as a major risk mitigator. Examples were discussed where pre-lets or early tenant involvement significantly improved fundability, reduced exit risk and informed more appropriate design decisions.

KEY INSIGHT:

Buildings designed with occupiers, rather than for an assumed market, are more resilient and commercially robust.

Refurbishment versus new build: a false dichotomy?

Refurbishment featured prominently as a current route to market, particularly given lower capital exposure and shorter delivery times. However, participants cautioned against viewing refurbishment as a universal solution.

While refurbishment can extend the life of existing stock, it cannot always:

- Meet future capacity requirements
- Deliver the spatial qualities needed for long-term adaptability
- Support wider urban regeneration objectives.

Several attendees stressed that new build remains essential for city growth, but that it must be approached differently, with greater discipline around specification, risk and long-term value.

KEY INSIGHT:

Refurbishment and new build are complementary, not competing, strategies — both must be part of a balanced city-wide approach.

Place, public realm and investor confidence

The discussion repeatedly returned to the idea that office buildings do not succeed in isolation. Participants emphasised that wider place-based factors place a decisive role in shaping both investor appetite and occupier demand.

Key influences identified included:

- Public realm quality and maintenance
- Safety, cleanliness and perception
- Transport connectivity and accessibility
- Amenity provision at a neighbourhood scale
- Civic presence, leadership and long-term vision.

In a city centre context, several participants noted that the requirement for amenity within individual office buildings can be reduced where high-quality amentiies are provided in the surrounding area. Investment in streets, public spaces, food and leisure uses can therefore enable more efficient, flexible office buildings by avoiding duplication of facilities within each asset.

Examples were shared of locations where sustained public-sector investment and visible civic leadership had improved confidence, accelerated decision-making and helped unlock private-sector development, even in challenging market conditions.

KEY INSIGHT:

Office viability is inseparable from place-making. Coordinated public and private investment is critical to long-term confidence and delivery.

Conclusion:
towards a more resilient Office 2035

The Office 2035 roundtable demonstrated a shared willingness across disciplines to challenge established models of office delivery.

While the barriers to development are real and significant, the discussion highlighted clear opportunities:

- Simplifying base-build design
- Focusing on fundamentals and adaptability
- Rebalancing risk and procurement
- Engaging occupiers earlier
- Aligning buildings with wider city ambitions

The future regional office is unlikely to be defined by a single typology or specification.

Instead, it will emerge from collaboration, realism and a renewed focus on long-term value, for investors, occupiers and cities alike.

Thank you

We extend our sincere thanks to every participant in this year's roundtable event.

AHR

AHR is a collaborative, multi-disciplinary practice bringing together architecture, building consultancy, masterplanning, geomatics, interiors and landscape design.

Our integrated model supports the full lifecycle of the built environment, from strategy and design to delivery, retrofit and long-term asset management.

Working from nine UK offices, we combine national expertise with strong regional relationships, offering dependable, transparent advice that reduces risk and delivers lasting value.

www.ahr.co.uk

Ramboll

Ramboll is a global architecture, engineering and consultancy company founded in Denmark in 1945.

Our 18,000+ experts create sustainable solutions across Buildings, Transport, Energy, Environment & Health, Water, Management Consulting and Architecture & Landscape.

Across the world, Ramboll combines local experience with a global knowledge base to create sustainable cities and societies. We combine insights with the power to drive positive change for our clients, in the form of ideas that can be realised and implemented.

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Sterling Property Ventures

Founded in 2013, Sterling Property Ventures has operated with numerous counterparties on both development and asset management and has continued to focus on major regional investments including office, industrial, hotel, retail & leisure, PRS and residential land assembly.

Our strength is in our ability to work tirelessly with our partners to deliver investment value. The business is asset focused, and our extensive experience, underpins working creatively with our partners to strategically and commercially analyse and manage short or long-term real estate plays; through to development, construction and delivery.

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