

Service oriented real estate business

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Abstract

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One way to develop existing office building is to improve it as a service platform instead of just renovating as such it. When seeing the real estate from a service-oriented point of view it becomes evident that in addition to the physical elements there are many service elements too. This has been noticed both by building owners and tenants for quite a long time now and the existing service elements additionally to workplace as such are quite constant, at least in Finland. However the variety of services is relatively small – it could be used more as a competitive edge among real estate rental business. Because of this phenomenon Finnish real estate owners are considering new ways of competing and differentiating with service elements in ever more fierce competition.

The aim of this article is to present business premises as a service oriented product and to envision some new potential service elements to high-end business premises. To reach this aim, representatives from real estate sector organizations were invited to two workshops held during the year 2005. The results from these workshops were complemented by thematic interviews. These empirical findings were then backed up by a literature review. As key conclusion four potential new service-oriented elements of real estate product were found. 1. Employers increasing interest in the well-being and wellness of employees 2. Increasing amount of service offerings in the early stage of the customer relationship 3. Increasing service demands and 4. Need for improving the interaction in the workplace network.

The literature about real estates as products exist, but still understanding the significance of services helps both real estate owners and real estate related service providers in understanding the tenants. New elements that are introduced could be used to add value to the tenants and through that increase business performance of the real estate owners. It also helps them in finding new business potential and in differentiation. To knowledge the Finnish situation may also help real estate actors in other countries to see their business from a new angle. Theoretically this work contributes by bringing new ideas from business literature to facilities management field.