

PROPERTY REPORT

# Telus shores up city core

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Telus's new building towers over the roof of the train shed behind Toronto's Union Station. Easy access to public transit will help to cut staff commute times, the firm says.

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Trish Clarry is only half joking when she says people who've toured the new Telus office tower in downtown Toronto usually want to hand her their résumés. A few minutes walk to public transit, spectacular city views and on-site massage therapy make it an appealing place to spend the workweek.

The 30-story glass tower, at 25 York Street, has a lot of pizzazz. But it's pizzazz with a purpose. The building was carefully and strategically crafted to communicate the Telus brand to corporate and institutional clients. It's also meant to attract talented people. Think of this office building as a very large human resources recruitment and retention tool.

Ms. Clarry's responsibilities reflect this marriage of corporate real estate and human resources strategy. As executive director, real estate and enterprise services, she oversees corporate real estate, human resources and the Telus national health and wellness program.

It's all about valuing an employee's contribution, Ms. Clarry explains. "A more engaged employee is a more productive employee, and that's really what we're trying to create."

The Telus building - the last of three new office towers to come on stream in Toronto this year - was designed to Leadership in Energy and Environmental Design (LEED) core and shell gold standards. And while construction is mostly complete, the interior still needs finishing touches; furniture will be delivered and many of the key public areas will be decorated with the signature flora and fauna of Telus's brand images. Employees are just starting to move in, and by the end of April, the Vancouver-based telecommunications giant will have consolidated 1,600 people from 15 offices across the Greater Toronto Area.

Telus has signed a 15-year lease for about 450,000 square feet with landlord Menkes Union Tower Ltd., a joint venture partnership between Menkes Developments Ltd., Hospitals of Ontario Pension Plan and Halcyon Real Estate Partners Fund. Other tenants in the building include Kinross Gold Corp., ACE INA Insurance and the Society of Management Accountants of Ontario. The building is 85 per cent leased.

Joe Nestic, senior vice-president of Menkes Developments, says that, back in 2005 before responding to Telus's proposal for new office space, it interviewed corporate tenants, architects and engineers about the future of office building design. "We asked them, 'What do you want?' and then came up with a Top 10 list," Mr. Nestic says. "It was all tenant-focused. It had nothing to do with development."

One of the biggest drivers behind new office building design is human comfort, explains Dermot Sweeny, whose firm, Sweeny Sterling Finlayson & Co. Architects Inc., worked with lead architect Adamson Associates Architects.

At 25 York Street, human comfort translates into features such as 11-foot, floor-to-ceiling glass windows that offer better access to natural light, and individual workstation airflow and temperature controls. There is also a Telus Wellness Centre featuring an aerobics studio, and massage and physiotherapy treatment rooms. A gourmet kitchen on the "Team Telus" floor is where staff will participate in team-building sessions and nutrition classes. An adjacent relaxation space features a fireplace and comfy chairs, and a walk-out to a spacious outdoor patio. Some of the roof spaces will be greened with plants, and an herb garden will supply the team kitchen.

Even the elevators are designed to make people feel good: 10-foot-high cab ceilings (compared with seven- to nine-foot heights in older buildings) make people feel more comfortable, Mr. Nestic says. The elevators are programmed to reduce annoying wait times and to save electricity.

Highly mobile staff, armed with smart phones and laptops, have the option of working at home as well as almost anywhere in the building. "We really try to create very experiential spaces for our team members. When they come to the office we want them to engage with their teammates ... have fun and really engage with the Telus brand," Ms. Clarry explains.

When corporate and institutional clients visit they will get what was once known as the red carpet treatment, but these days it might be called a Telus brand experience.

The third-floor reception area is a spectacular open space that runs the entire north-south length of the building and is deliberately impressive. "We really wanted to play off the Telus brand - clean, simple, very elegant and timeless. We created it as our customers' first view of our space," Ms. Clarry explains.

The brand experience continues as VIPs are guided to the executive boardroom where they can enjoy panoramic views of the city. Next, they will glide down to the second floor level in a private, glass-walled elevator, for a tour of the Innovation Centre.

This is where customers from sectors such as finance, oil and gas, health care and government will see Telus technologies and solutions in action via a series of "vignettes," Ms. Clarry says. For example, there will be a conference room to showcase video-conferencing technology and a hospital room or nursing station to demonstrate Telus Health Solutions products and services.

Why did Telus choose downtown when it could have leased anywhere in the Greater Toronto Area? Ms. Clarry says Telus wanted highly visible building signage that trumpets its presence in the market "in a big way." Easy access to public transit was a way to help reduce staff commute times and "we really wanted to make a commitment to the downtown," she says.

Mr. Sweeny describes 25 York as "the most public of all the buildings built [in downtown Toronto] in a long time. It's all about an interface with the city." The building, estimated to cost \$250-million in 2006, is situated on land that had sat idle for years.

The main lobby, with its soaring, 30-foot ceiling, is a grand public space very much in the spirit of New York architectural icons such as Rockefeller Center, Mr. Sweeny says. In fact, the lobby will see heavy pedestrian traffic because it's part of Toronto's PATH labyrinth of sheltered and underground walkways. The building is adjacent to the Air Canada Centre and Maple Leaf Square; and Union Station - the hub for Via Rail, GO Transit and the city subway system - is less than five minutes away.

The idea now percolating within the corporate executive suite is that companies must invest in the city core if it is to remain vibrant and viable, Mr. Sweeny says. "I think this building ... is starting to take back ownership of employment and financial growth in the core."

## **COST CUTTERS**

The gross annual cost of occupancy at 25 York Street is about \$55 a square foot, Mr. Nestic says. This reflects operating and other costs such as rent, tax and employee benefit programs, as well as such things as lower staff turnover, lower absenteeism, improved productivity and the ability to attract and retain top talent. The comparative figure for some older downtown office buildings is more than \$60 a square foot, he says.

Other cost-saving features at Telus's new building:

## **RAISED FLOOR**

An 18-inch raised floor that houses heating, ventilation and cooling systems as well as voice, data and power cables means lower leasehold setup and later reconfiguration costs. It also eliminated the need for a 3.5-foot drop ceiling, which meant Menkes was able to save about a foot in height per floor of construction. "If you can save one foot per floor ... that's a lot of money that gets reinvested in better and smarter systems in the building," Mr. Sweeny explains.

## **LAKE COOLING**

A 20-year contract with the Enwave Deep Lake Water Cooling system features locked-in terms, so the cost of cooling the building will not be affected by fluctuating commodity prices.

## **AIR FLOW**

The building's return-air system follows a natural flow, which requires only one fan per floor to assist circulation, compared with as many as 40 fans per floor in older buildings.

## **DIMMED LIGHTS**

Auto-dimming reduces the need for artificial light during the day, and occupancy sensors turn lights on and off as cleaning crews move through the building at night.