

(Y)OUR SPACE

Investigating the future of work, workplace, and corporate real estate





The (Y)OUR SPACE survey includes 640 corporate real estate professionals from around the globe. The increasing complexity of the business environment and the critical role of real estate has come under focus as workstyles are undergoing a generational shift due to the global pandemic.

The following summary highlights the trends we're seeing in corporate real estate. Global disruptions and change are not uncommon, but preparing for those changes and understanding others in the CRE space helps frame the issues and provides perspectives for complexities in our own organizations.

Transformation Leads to Disruption

Complexities

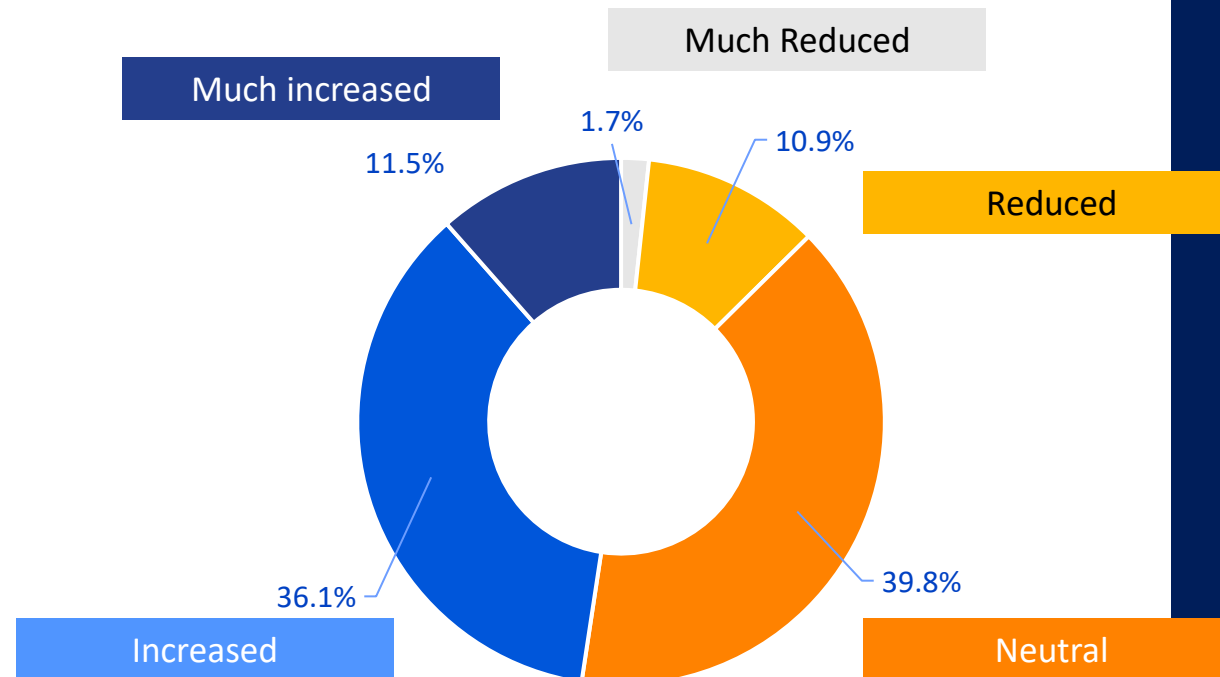
There's no question that the operating environment for business is more challenging. The role corporate real estate is playing in that change is taking a front seat as work styles have never been disrupted in the same fashion over the past 50 years as impact from the global pandemic. We asked (Y)OUR SPACE survey respondents to assess the perceived future complexity.

Perceived Complexity in Real Estate Decision-making Capability

47.6%

Increased or much increased

How and where we work is driven by corporate real estate, highlighting the 47.6 percent of respondents that believe the complexity in real estate decision-making has increased.

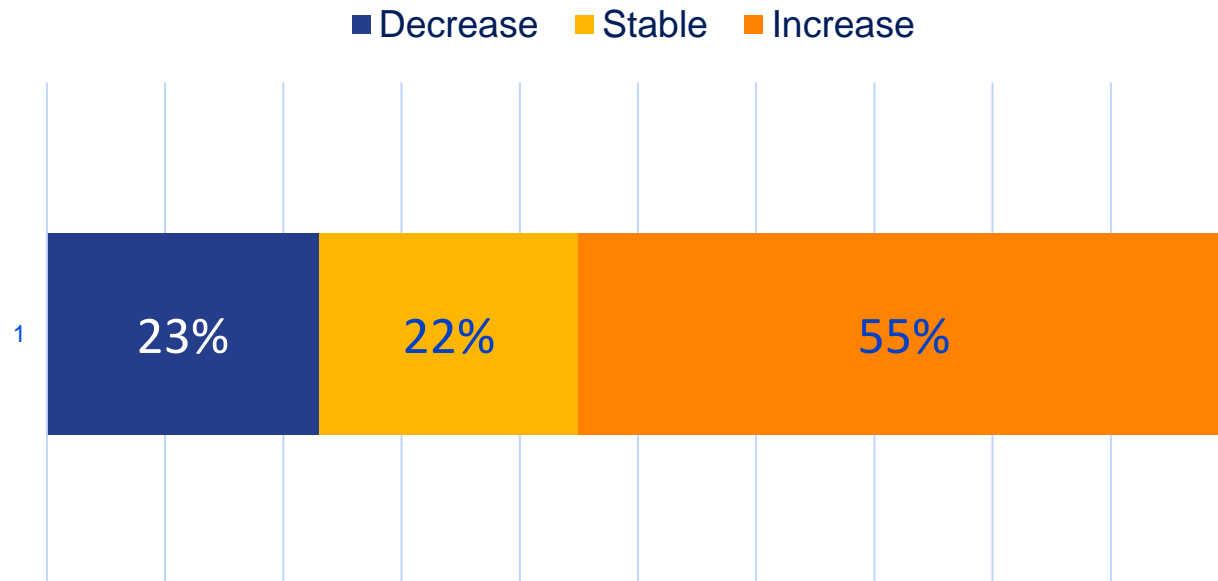


Who We Are

Future Portfolio Dynamics

The future state of real estate portfolios depends on the growth stage of the company. Almost half of the largest companies responding to the survey – those over 50,000 people – expect a reduction in total portfolio growth. However, one-third are also expecting portfolio growth. Conversely, smaller companies are expecting portfolio size to grow.

Question: How do you expect your real estate portfolio to change over the next three years?



55%

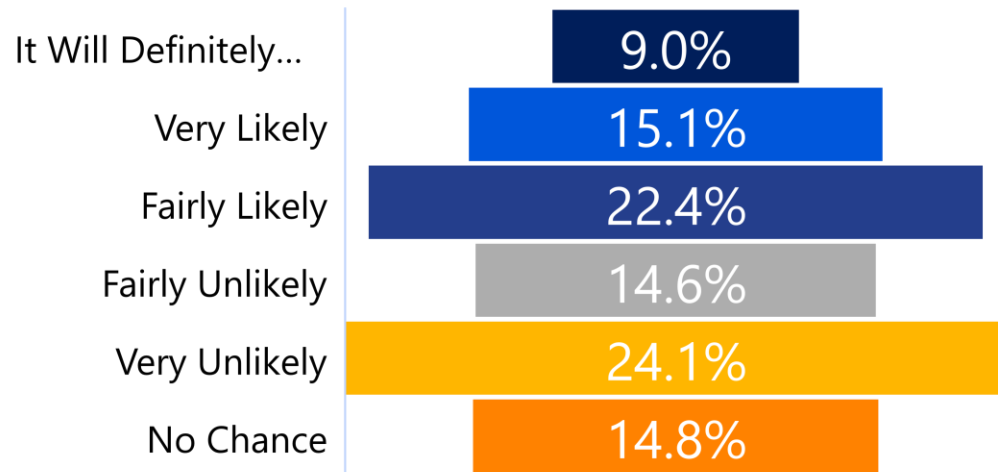
Perhaps surprisingly, over half of the survey respondents expect their portfolio to increase over the next three years.

Driving Change

Future Portfolio Dynamics

As businesses look to squeeze margins and right-size their real estate portfolios, many are subject to relocation pressures for their core and HQ facilities. The reasons for relocating core and HQ facilities vary, but making the decision is based on several factors. The biggest driver is attached to cost savings, but close behind the change of workstyle that is informing these decisions.

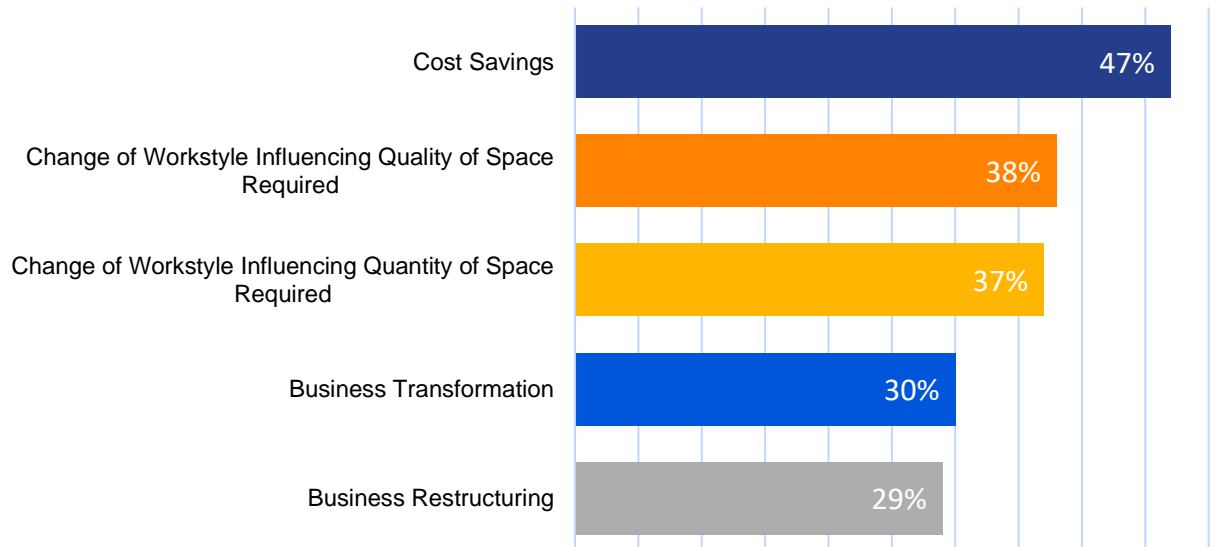
Question: How likely will your business relocate core and HQ facilities in the next three years?



46.5%

Nearly half of the respondents interviewed believed they will move their HQ and core facilities in the next 3 years.

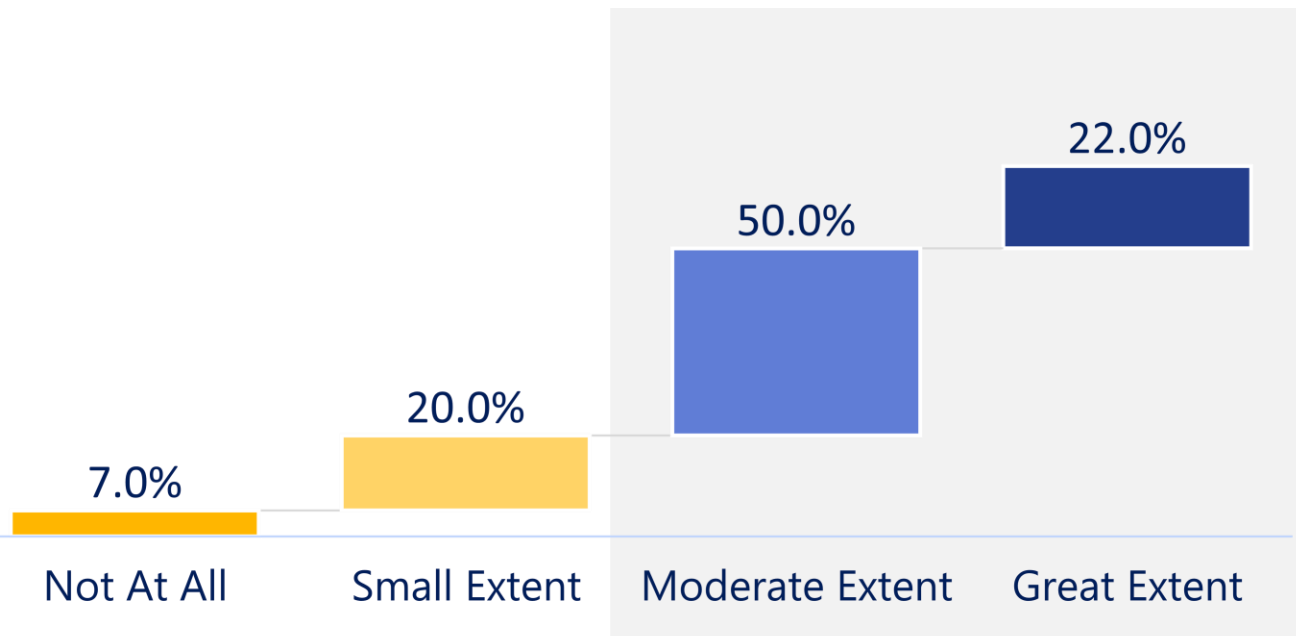
Question: What are the main drivers in deciding to relocate core and HQ facilities in the next three years?



Driving Change

Future Portfolio Dynamics

Question: To what extent will ESG influence business decisions over the next three years?



72%

"In today's rapidly evolving business landscape, the integration of ESG considerations into portfolio planning is no longer a choice but a strategic imperative. As regulations tighten and stakeholders demand greater transparency, embracing ESG becomes not only a smart business move but an essential one."

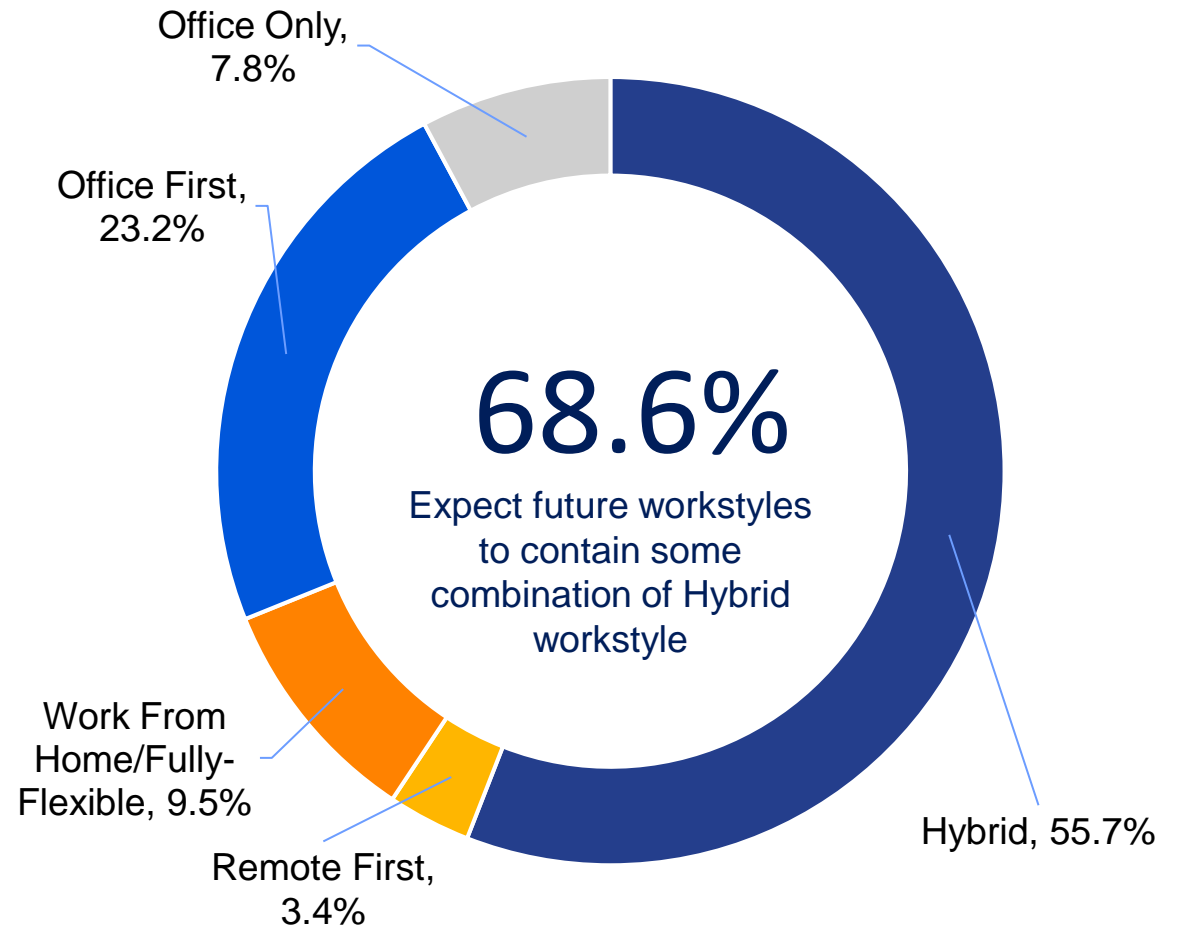
Driving Change

Future Portfolio Dynamics

“There’s no question that there are real, tangible benefits from working in the office and face-to-face collaborating, but there is also no question that people enjoy the freedom of making their own decisions and controlling where and when they work. Perhaps more important than changing edicts about how we work, is the culture that has been cultivated at companies and the ability to lead a successful organization through support and consistent messaging, whether that is at the office, remote, hybrid or everything in between.”

Craig Van Pelt
Head of Research

Question: How do you anticipate workstyles at your organization over the next three years?



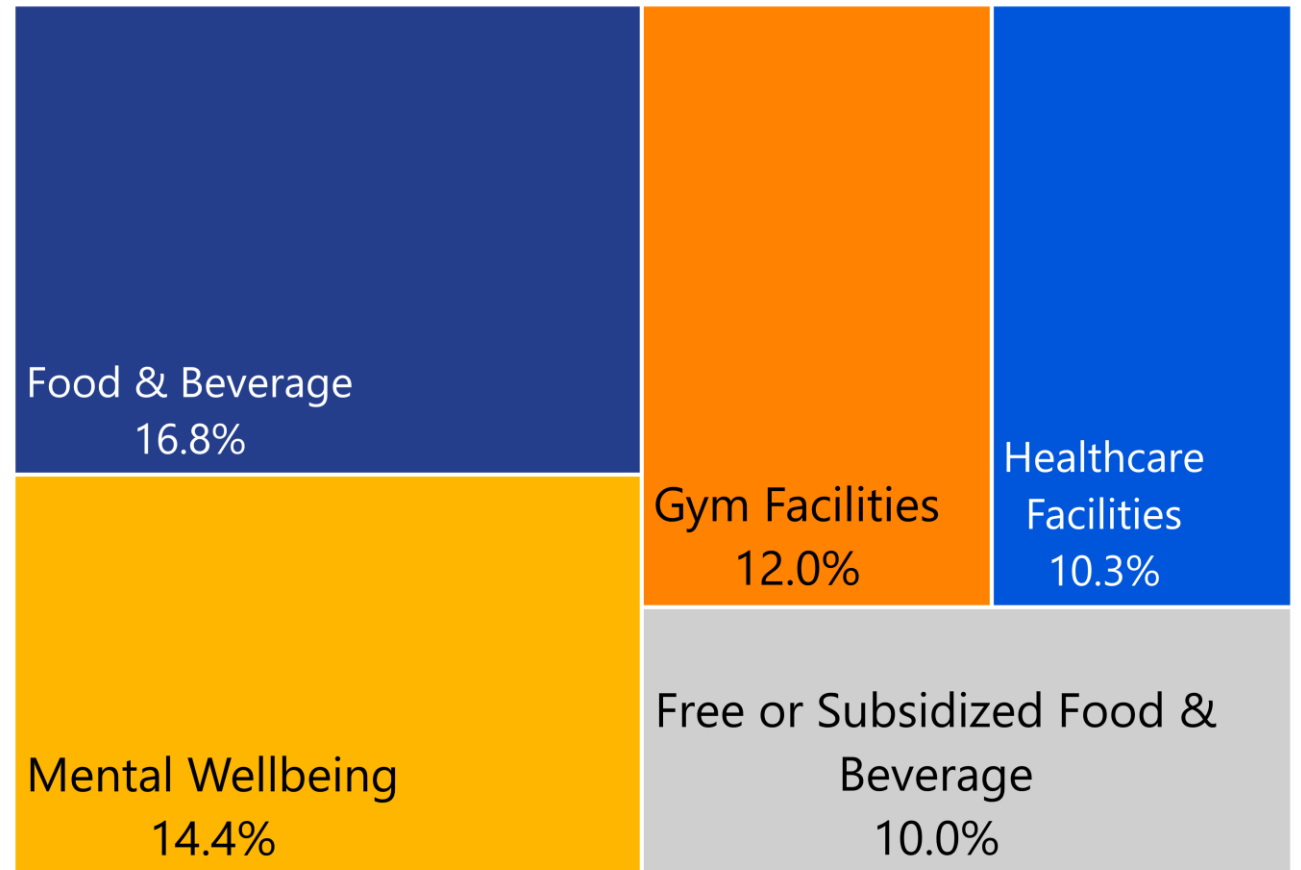
Driving Change

Future Portfolio Dynamics

Attracting and retaining talent will always be a top priority of any organization. The recent flight-to-quality for many companies is an effort to entice workers back to the office. Providing the appropriate amenities that employees want can drive that change.

The relationship between quality and amenities continues as 45 percent of respondents expect an increase in amenity provision in and around their workplace.

Question: What are the amenities that you expect your organization to include over the next three years?





(Y)OUR SPACE

Whether taking on more or less office space, organizations are planning to move into higher-quality spaces and going through a period of drastic transformation. This is leading to increased demand for higher quality and more sustainable office space around the world.

There is no one-size-fits-all approach to acclimating to a post-Covid world. The culture that has been built and continues within individual organizations will ultimately lead to business decisions. Complexity is part of how and where we conduct work, meet with clients, and collaborate with our teams. Thoughtful and intentional decisions will likely be more successful as complexities will not go away, but adapting and learning from past successes and failures will inform future decisions.

Business cycles are **more important** than lease cycles.