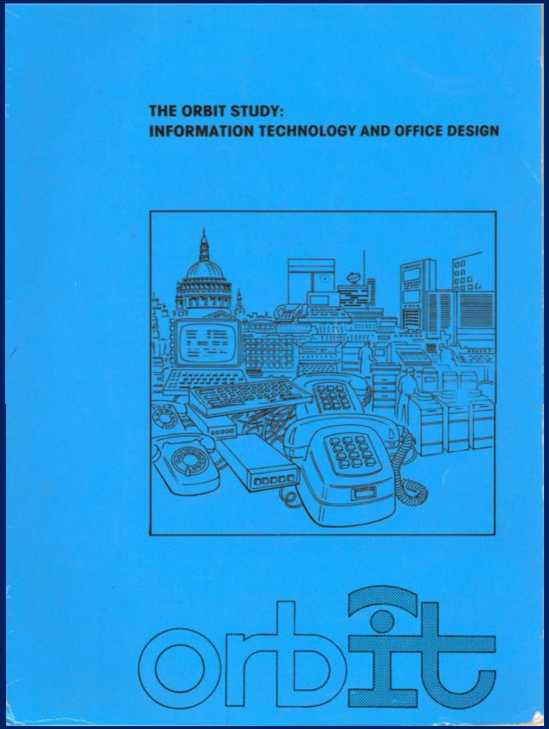
TOTAL WORKPLACE
IT'S NOT AN OFFICE. IT'S AN ECOSYSTEM.

Hybrid working: the ‘new normal’

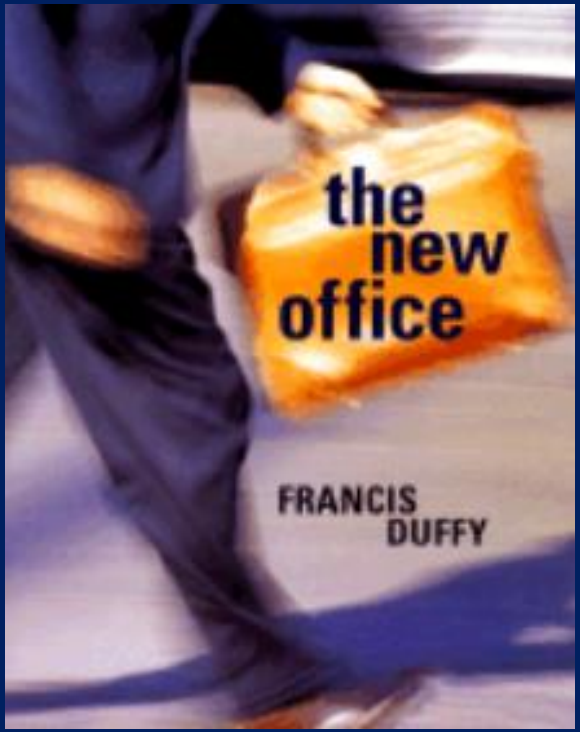
July 21

CUSHMAN & WAKEFIELD

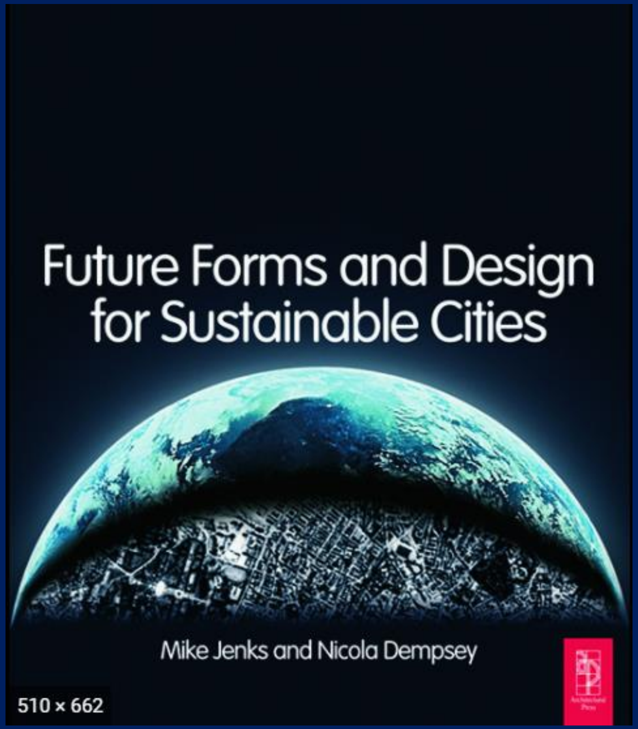
How ‘new’ is this?



1983



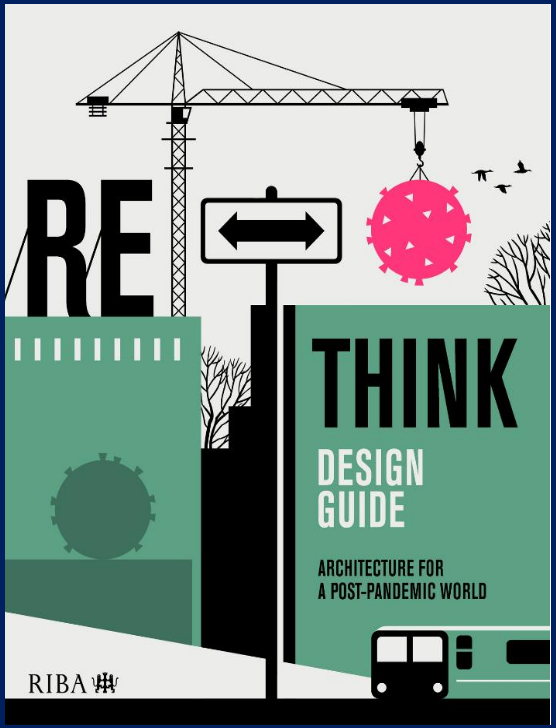
1997



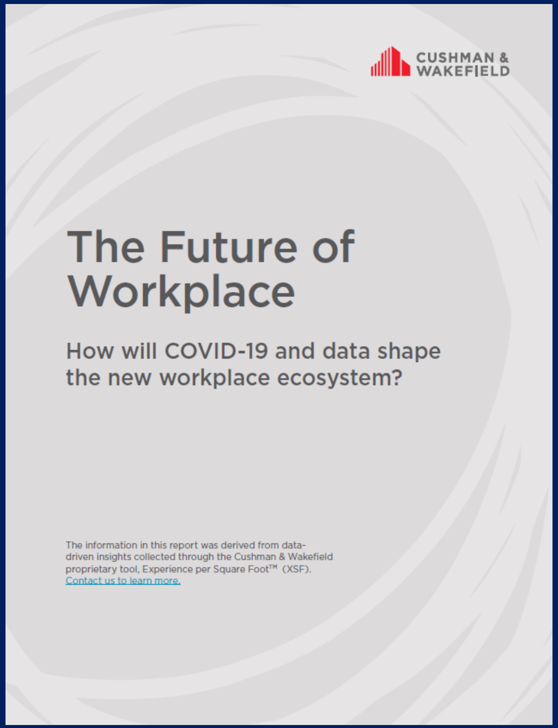
2002

2003

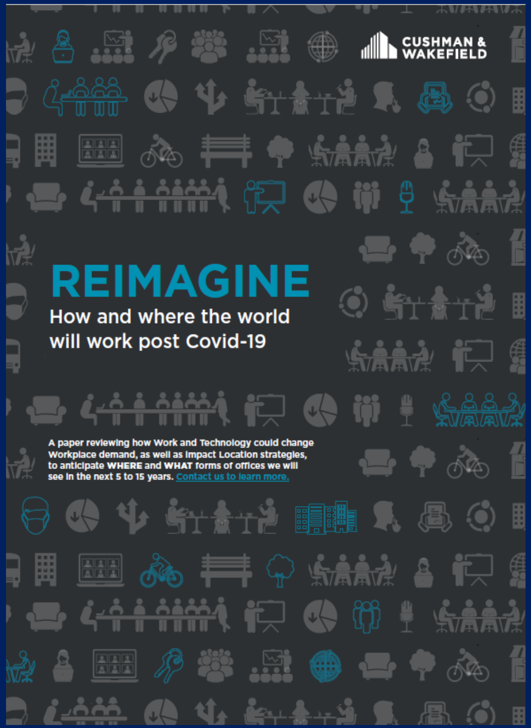
What’s changed?



2021



2020



2020

Key Changes

COVID was a catalyst not the cause

- Change has been coming for years, enforced WFH is bypassing the inertia
- Retail is ahead, future design of space to reflect consumer demand and behaviour

Increased focus on community

- COVID19 has blurred the boundaries between work and life, community and commerce
- Opportunity to create places, physically and virtually, for communities to connect and belong

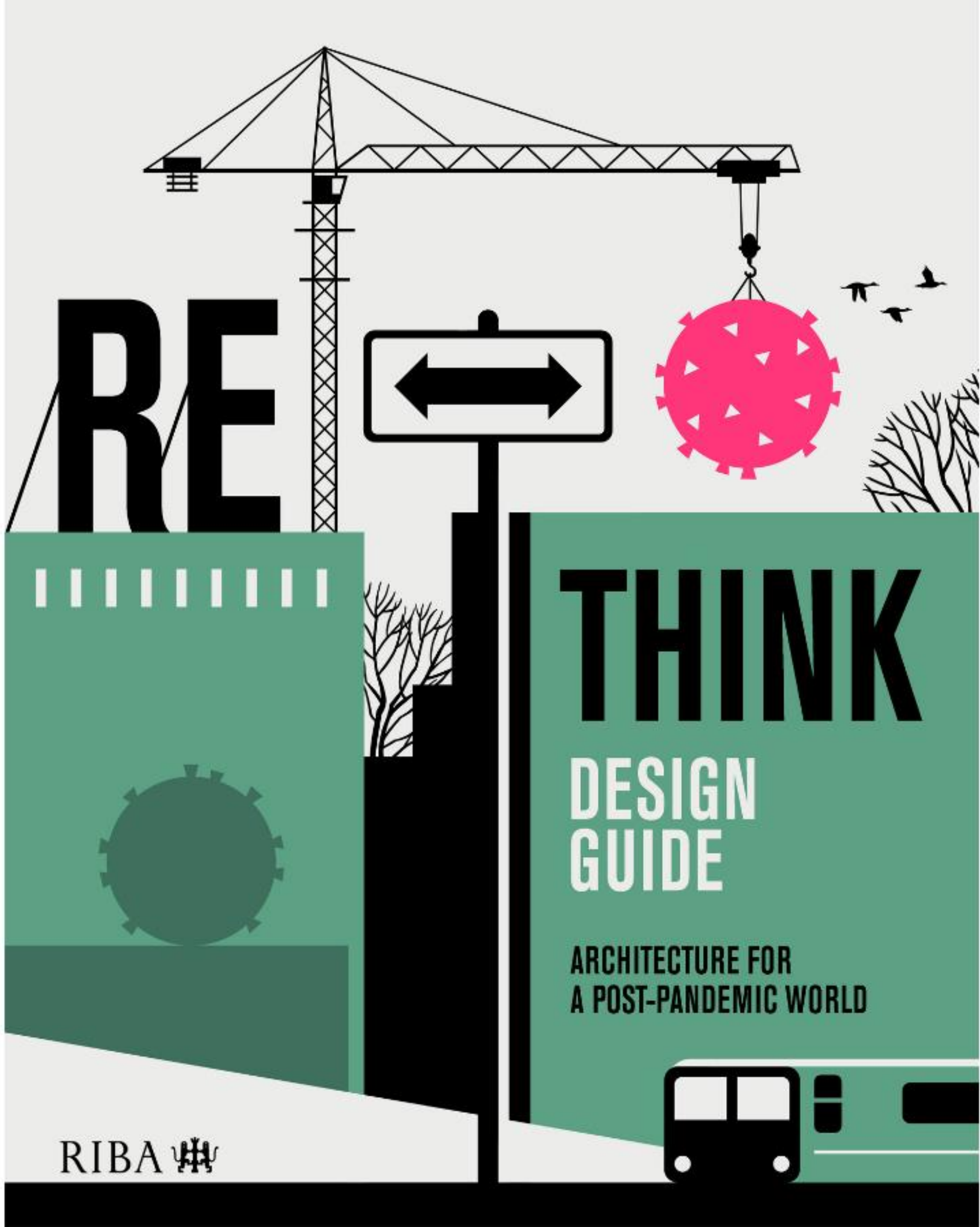
Green is mainstream

- Carbon footprint of buildings (embodied and operations) facing more scrutiny than ever
- Circular economy is key
- Health benefits and outdoor space will be key drivers across building typologies in future

Thriving ecosystems

- Place has become more holistic, no longer a collection of individual buildings, particularly for workplace and retail.

C-Suite are listening and HR is engaged

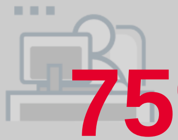


What the data tells us

What the Data Tells Us

REIMAGINING THE FUTURE WORKPLACE THROUGH AN EVIDENCE-BASED EVALUATION OF REMOTE WORK:

We Are Still Working



75%

Feel they effectively focus and collaborate

Productivity has remained consistent and strong.

Personal Connections & Learning are Suffering

50%

Struggle to connect to company culture

Colleague bonding is down and only half of respondents feel personally connected to their company culture.

People Don't Feel "Well"

55%

Have a sense of wellbeing

Employees report low levels of energy, wellbeing and are not taking enough time away from work.

Younger Generations Struggle More

70%

Of younger generations have WFH Challenges

Millennials & Gen Z struggle with caregiver responsibilities and inadequate workspace.

A TOTAL WORKPLACE ECOSYSTEM

78%

Want remote working policies expanded and shift to balancing office, home and third places.

The office will remain a critical driver of culture, learning, & personal connections.

Experience per Square Foot™ @home Survey Scope:
Learn, Bond, Team, Focus, Renew

3 million data points

64,000 people

99 countries

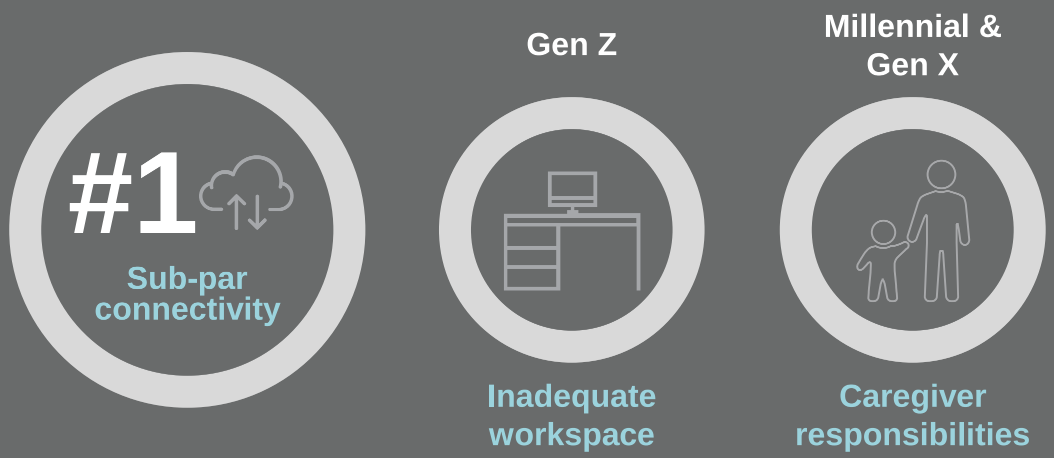
38 companies

The Challenges: Younger Generations Struggle More

- **70%** of Gen Z and **69%** of Millennials report challenges working from home compared to only **55%** of baby
- Stage in life plays a role:
    - Gen Z – **26%** report inadequate home workspace
    - Millennials/Gen X – **26-29%** reported caregiver responsibilities

Top challenges working from home

Additional generational challenges



Percentage of XSF@home respondents reporting challenges by generation

Gen Z	70%
Millennial	69%
Gen X	63%
Baby Boomer	55%
Total	**64%**

Source: Cushman & Wakefield

n= 38,516 employees

Source: C&W 2020 XSF@home survey

Data to Support WFH and Return to Office

Drivers to work remotely

90% Feel trusted to carry out their work

+

82% Feel informed

+

75% Feel they effectively focus and collaborate

78% Think remote working policies should be expanded

Drivers to return to the office

55% Feel a sense of wellbeing

+

64% Feel they are learning*

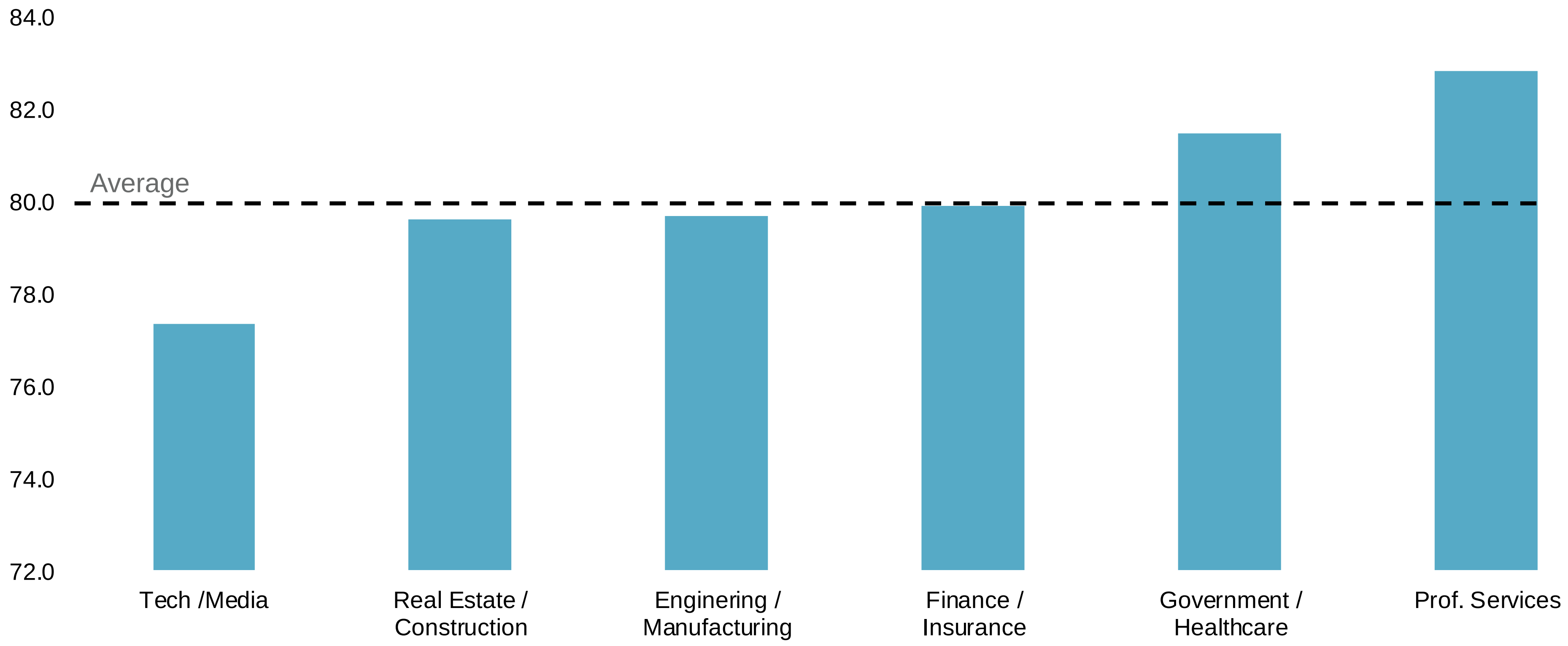
+

56% Feel connected to colleagues

→

50% Feel connected to company culture

Experience Data by Sector



What this means for how and where we work

Key Questions

How we work?

Who comes back and how often?

How do we manage remote communities?

How do we keep people engaged?

How do we create a great employee experience?

Where

Where do we recruit talent and base our operations?

What Real Estate?

How much and what kind of space do I need?

How do I manage my footprint and flexibility?

Tech transforms work, place & community – face to face & virtual

Choice to meet in person or online

(for work, learning, leisure and health)

XSF@home:

- **90% feel trusted to work remotely**
- **75%** collaborate effectively with colleagues & can remain productive when they need to focus

Managing in person and remote communities

- Need to adjust behaviours and protocols for working with others online

New digital equality

- Enabling greater diversity of voices heard across locations

Leverage core office hubs

- Focus on learning – curated events, corporate academies
- Create opportunities for creative collaboration and innovation
- Communities of interest & mentoring

Source: C&W 2020 XSF@home survey

Cities with affordable quality of life win ground

Global talent sourcing – presence everywhere

- A more distributed talent strategy
- Giving access to untapped sources of talent

Regional cities winning ground

- People choose where to live first with proximity to work becoming less important
- Smaller cities e.g. with good universities accessing talent, quality of life and affordability

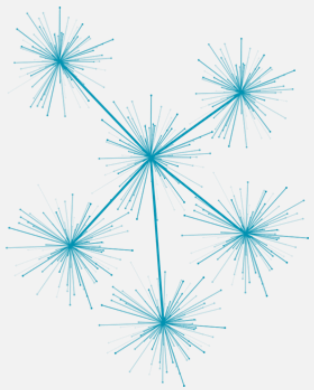
A radical shift on city selection criteria

Increasing importance of:

- Employment law compatibility
- Air/ground connectivity for geographically dispersed workforce
- Broadband connectivity

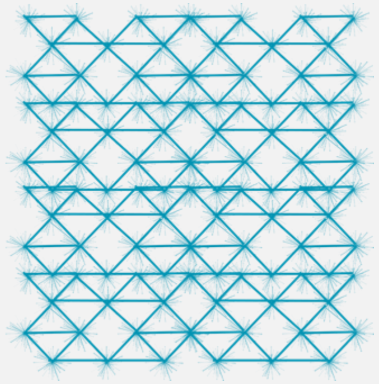
CENTRALISED

E.g. London, New York, Shanghai



DECENTRALISED

E.g. Leeds UK, Eastern Europe, Cluj, Romania, Wuhan & Chengdu, China, Nashville, Austin, Raleigh/Durham and Salt Lake City, USA.

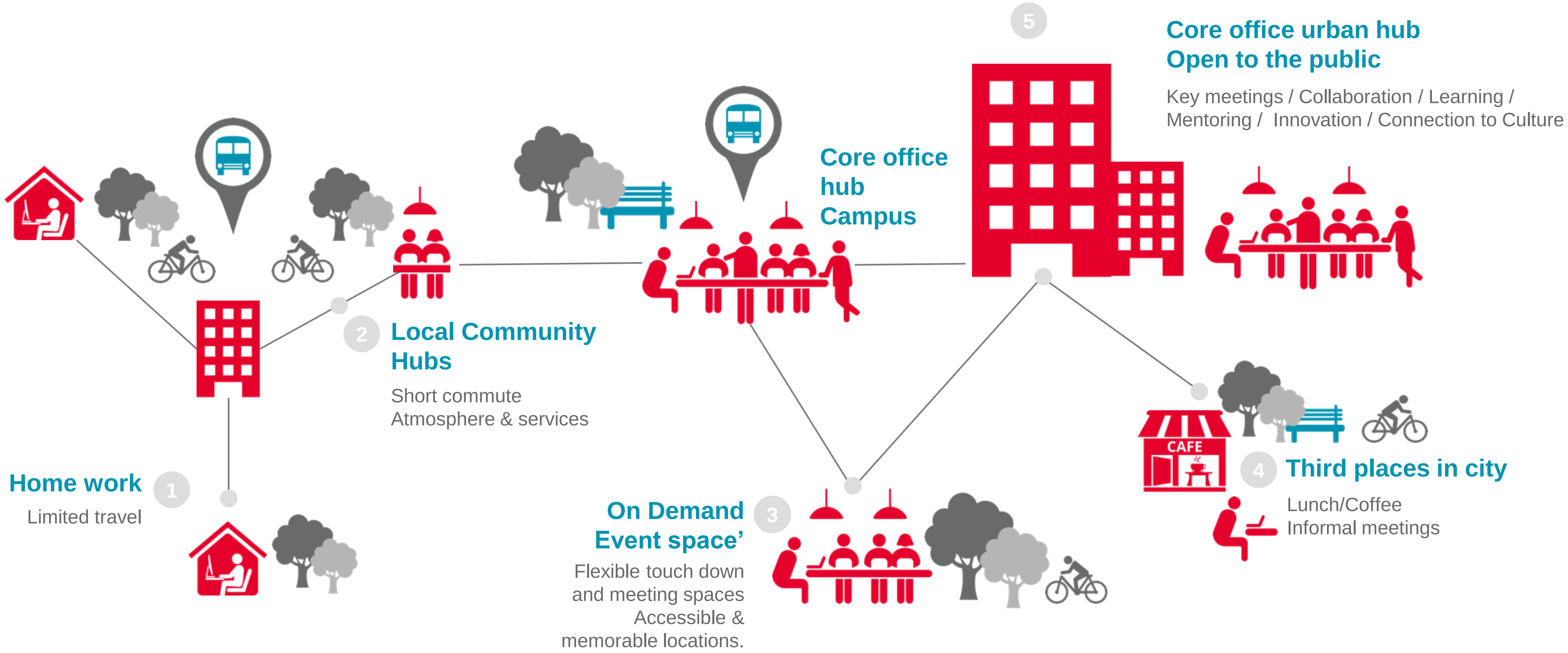


DISTRIBUTED

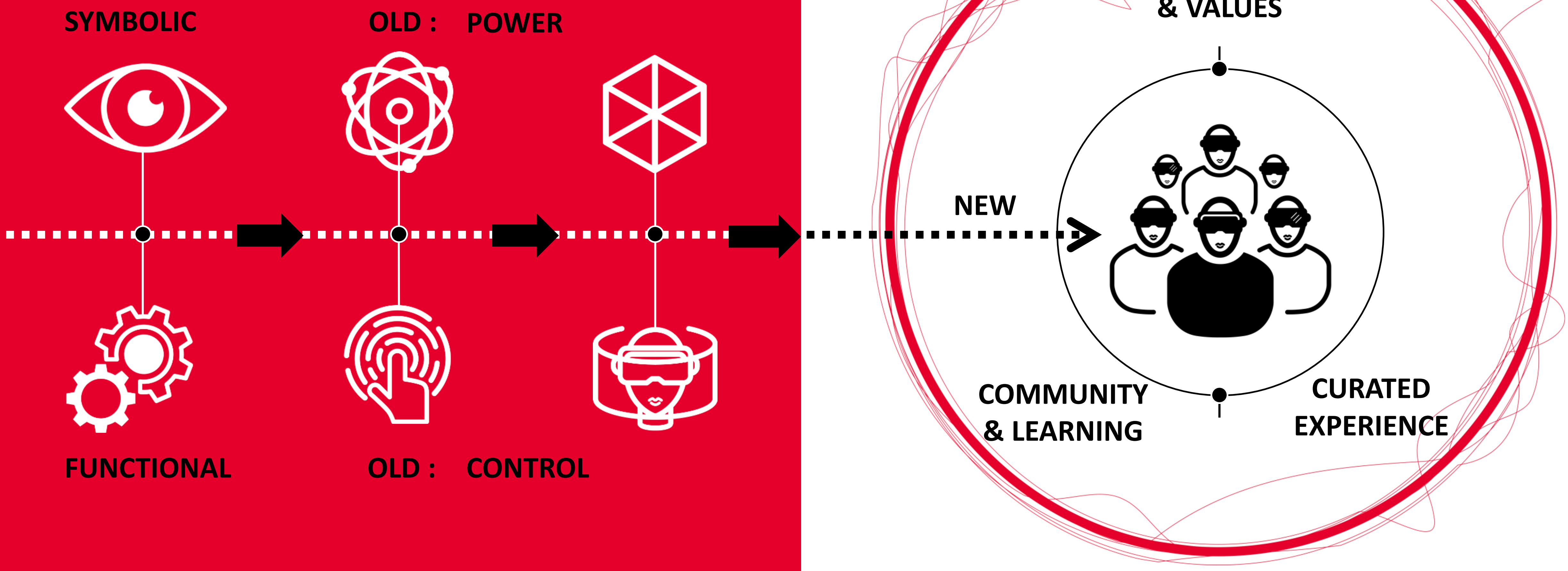
Where ever people are

Workplace Ecosystem

A variety of locations and experiences to support convenience, functionality and wellbeing



Role of workplace in virtual world



How we get there

Change and Experience Management are Key

PAST

Hot desking


Static Working Practices


Agile Working Practices

Activity based working


Traditional Office Design


Activity Based Working

Collaboration


Low collaboration levels


Enhanced social and work-related collaboration

+

PRESENT

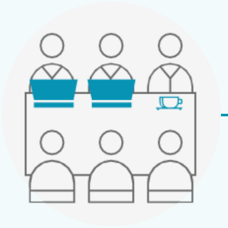
Experience

Office



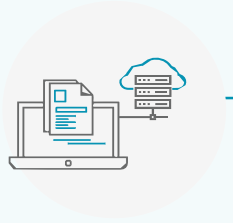
Ecosystem of places

People management

In-person



Virtual

Technology

Digitalization drive


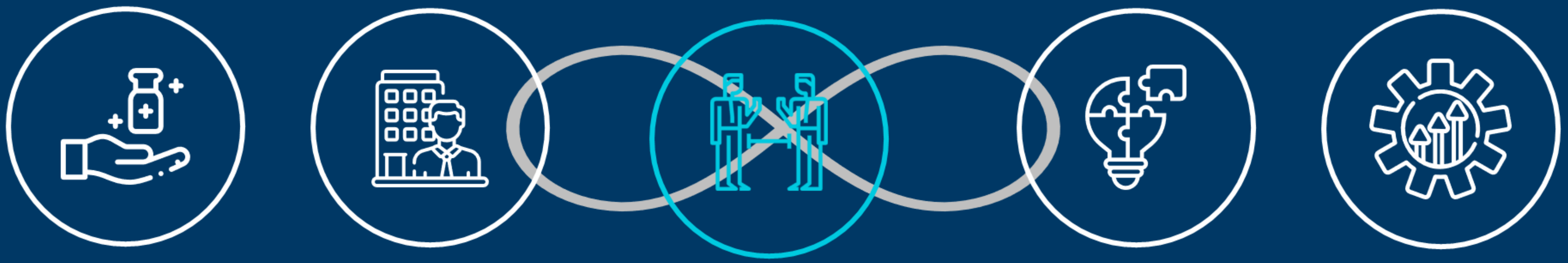

Virtual collaboration tools

An Iterative Process Towards the Hybrid Workplace

Short term vs **Long term**
ENTERPRISE GOALS

Hybrid settings vs **static bricks & mortar**

Employer vs **Employee**
EXPECTATIONS



- Vaccine distribution confidence
- On-ramp back to the office
- Hybrid working "pilots"
- New workplace norms
- Best practices at scale

Conclusions

The metrics are changing from cost to value

- Role of physical place to meet, socialise and learn is more important than ever
- Value is increasingly on experience rather than efficiency metrics such as density, occupancy and footfall

Focus on community

- Place to connect and provide a sense of belonging
- People and wellbeing at the heart of development
- Less desking and more community spaces

Flight to quality

- Less real estate but higher quality and in better locations

Green is mainstream

- Occupiers/workplace will seek to maximise office experience without compromising Net Zero Carbon targets
- ESG will dictate building selection. Focus on Energy and CO2 emissions. Social element very important, especially health and wellbeing
- Futureproofing and 3rd party certification in high demand

Thriving ecosystems

- Future is about ecosystems of occupiers and spaces, creating value in cities, suburban and regional locations

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Thank you

CUSHMAN & WAKEFIELD