

A modern office interior with a high ceiling, exposed wooden beams, and large windows. Several people are working in the space: one person is seated at a long wooden table, another is standing near a large potted plant, and others are walking in the foreground. The room is furnished with dark blue armchairs and a light-colored rug. The floor is made of polished wood. The overall atmosphere is bright and professional.

Future of The Workplace

CBRE Workplace

September 30, 2021

CBRE

Meet the CBRE Team



MANNY FITZGERALD

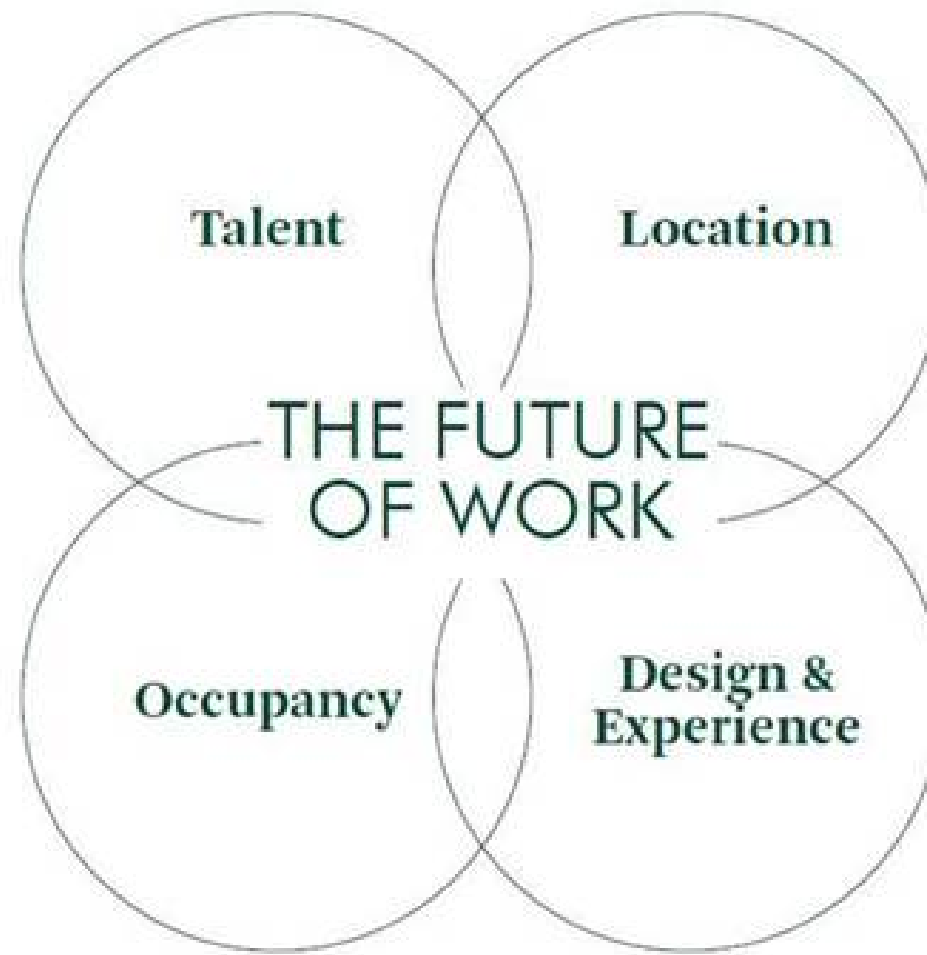
Executive Vice President
CBRE, Advisory &
Transactions



BRAD WILNER

Executive Vice President
CBRE, Advisory &
Transactions

Throughout these remarkably disruptive times, we've been listening to and learning from our clients.



The pandemic is accelerating changes in how work is performed, workforce expectations, and the role of the workplace.



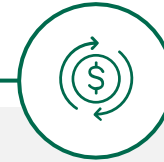
How will we
work in the
future?



How will this
impact my
workforce?



What does this
mean for my
workplace?



What is the
impact to my
real estate
portfolio?

There's No One-Size-Fits All Approach

Some companies are requiring employees to spend a certain amount of their work week in the office. Others are taking a team-by-team approach, asking certain groups to spend more time in the office than others.



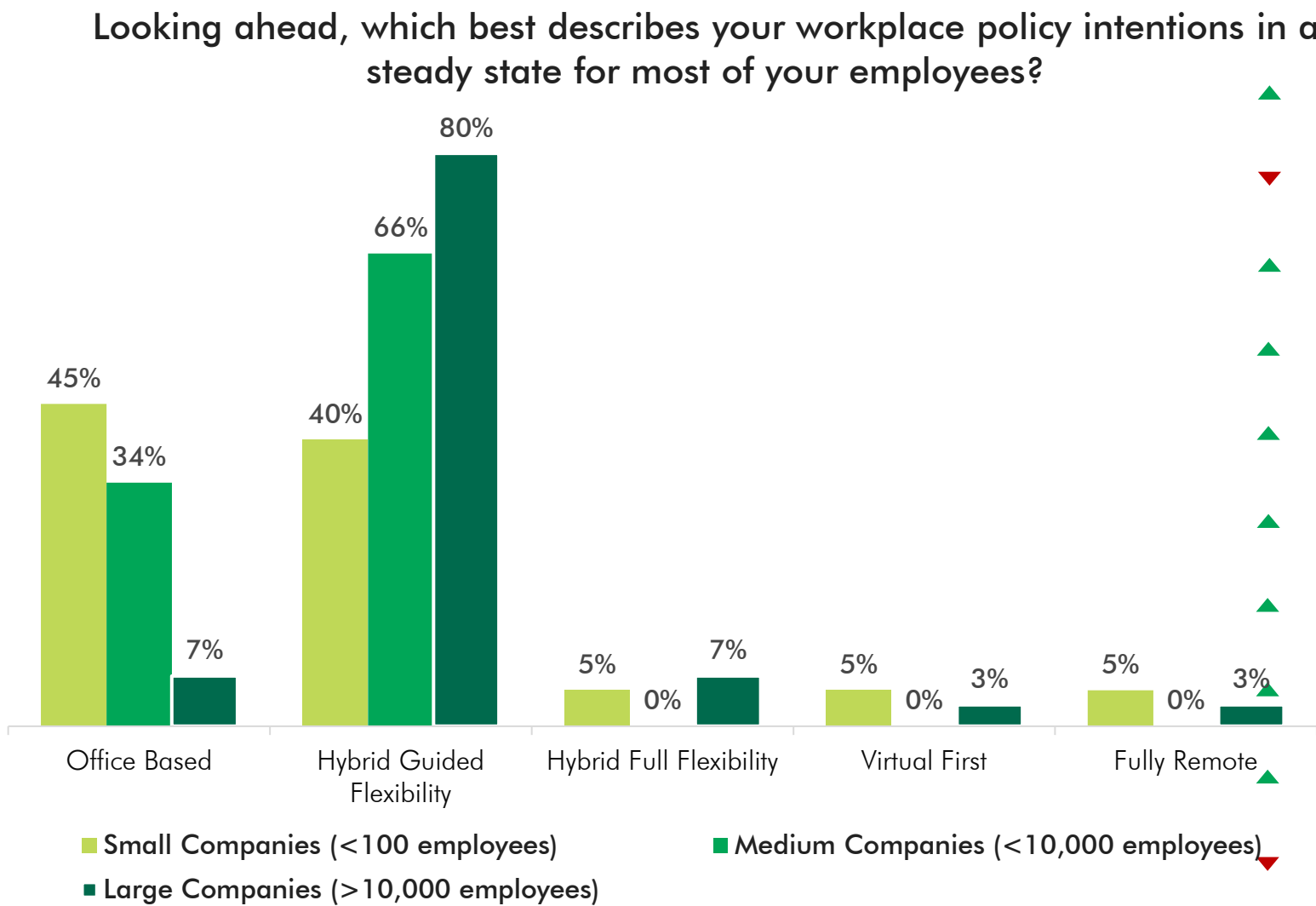
Source: CBRE US Occupier Sentiment Survey, April 2021

Workforce Flexibility is Driving Change

Hybrid workplace emerging as the preferred alternative as workforce expectations for more flexibility remain

87% of large employers believe a hybrid work policy is the new normal.

44% of employers believed “Employees would work more fluidly in the future” Pre-COVID.



Source: CBRE US Occupier Sentiment Survey, April 2021

Spectrum of Hybrid Work Models



OFFICE FIRST

Office as the primary workplace. Office attendance “most of the time” is critical to culture.

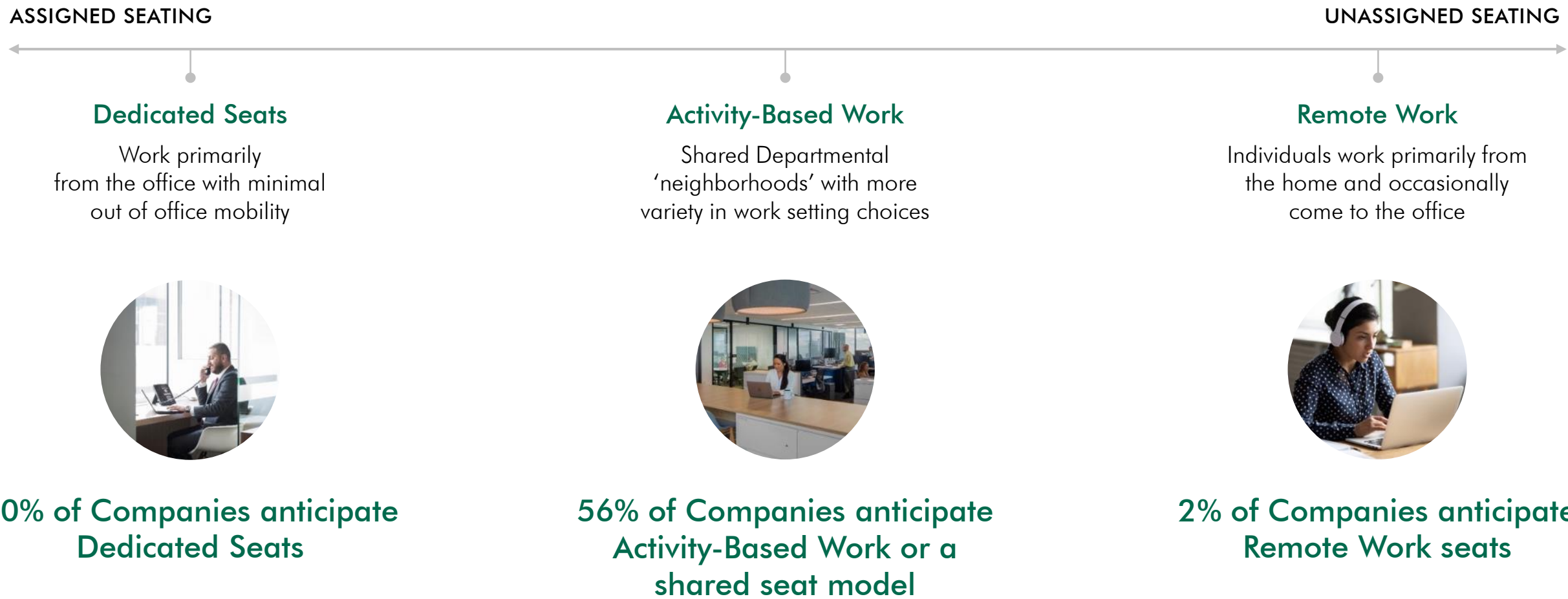
BLENDED

Offer employees the flexibility to work outside the office but expect a balance of time spent in the office to engage in collaborative activities.

VIRTUAL FIRST

A virtual work culture or “work from home” most of the time, with some office space where employees can collaborate and work on an as-needed basis.

Shift Toward Hybrid Working



Source: CBRE US Occupier Sentiment Survey, April 2021

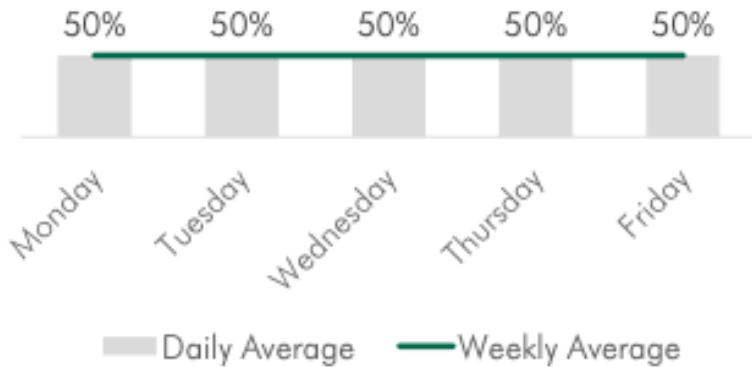
Remote Policies

MORE RIGID

Shift Schedules for Teams/ Departments

Company assigns different teams to different assigned days in order to share space. For example, Marketing and Finance sit in the same area but come in on alternating days.

Regulated



Assigned Days for Teams/ Departments

Company defines assigned days for teams or departments without needing to coordinate seating with other teams.

Company Core and/or Flex Days

Core days are established for the entire company or Flex days are established for the entire company.

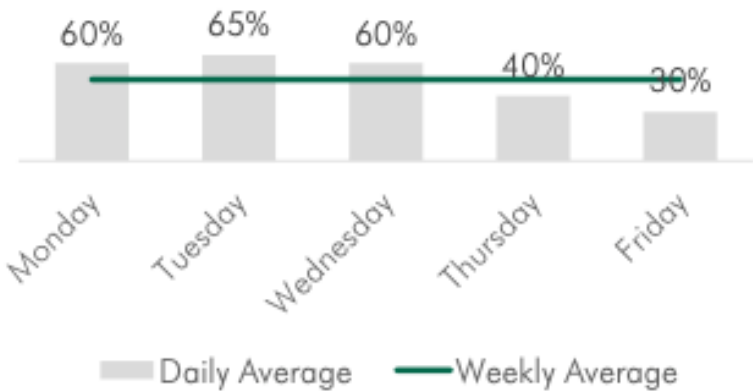
Core Days chosen by Team or Department

Core days are established but chosen at the team or manager level.

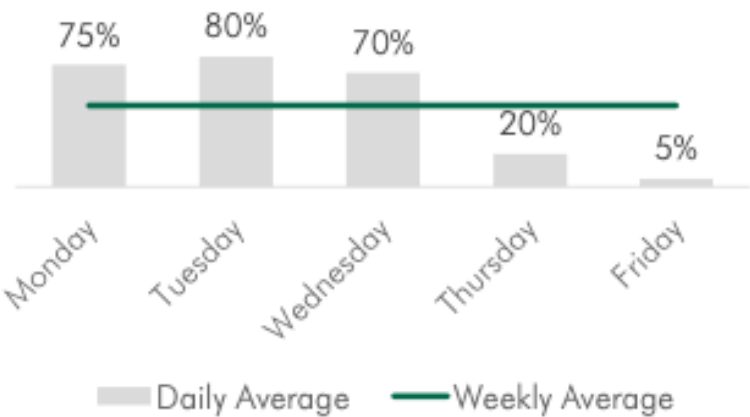
Team / Individual Choice & Coordination

No core days are established, and teams and individuals come in as needed for their day or schedule.

"Guardrails"



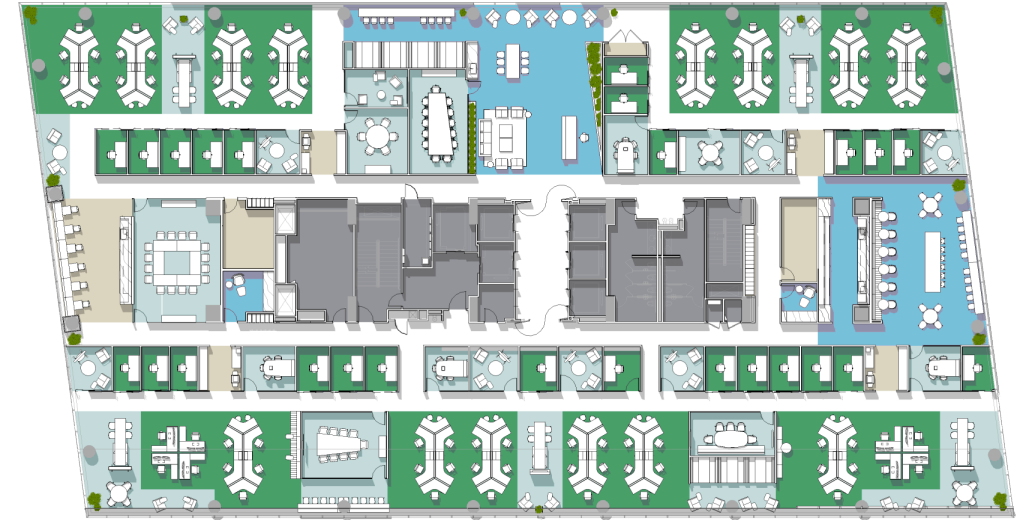
Free Choice



The Hybrid Workplace: Activity-based Work

Employees split time between home and office and engage in both individual and collaborative activities when there.

They report to a neighborhood shared with their function (or related functions).



50% ME

25% WE

10% Support

15% Amenity

Source: Survey of 38 CBRE managed accounts totaling 285M SF, April 2021

CBRE WORKPLACE, DESIGN, OCCUPANCY

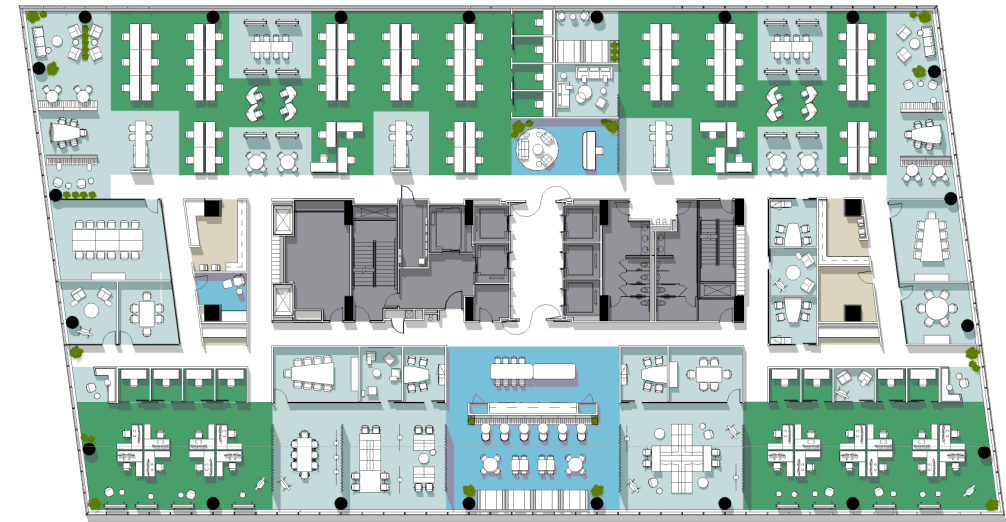
Source: Microsoft MyAnalytics, CBRE Host App, Humanyze Data Process

CONFIDENTIAL & PROPRIETARY | © 2021 CBRE, INC.

The Hybrid Workplace: Team-based Work

Employees split time between home and office but come to the office primarily to collaborate with their team on a specific task or project.

They report to a “camp site” shared with their project team, with additional collaborative and social venues nearby.



40% ME

40% WE

8% Support

12% Amenity

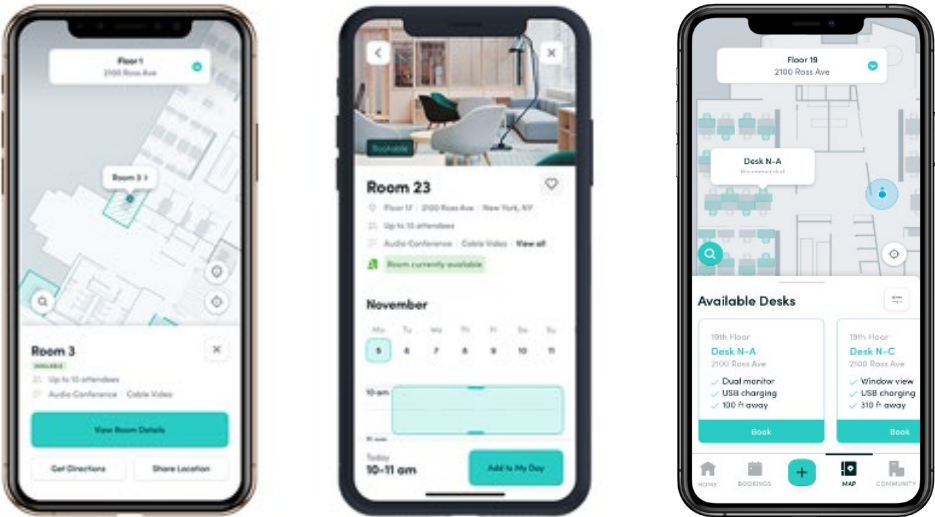
Adoption of Reservation and Employee Experience Tools

53%

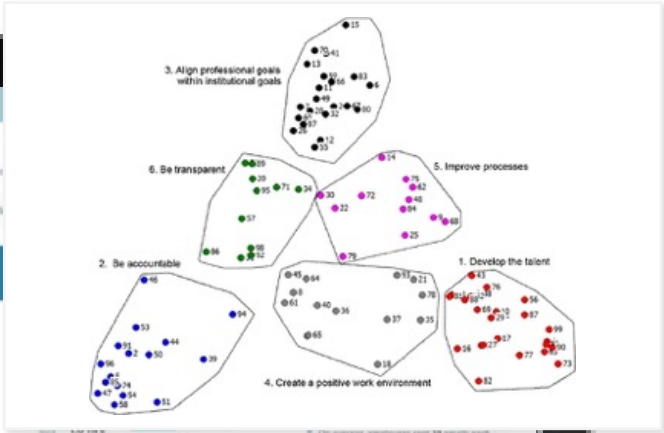
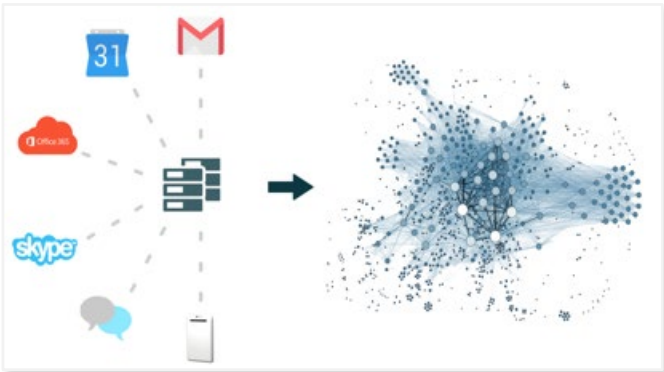
of firms plan to deploy a room/desk booking reservation system in the future

33%

plan to deploy an employee experience application in the future



Source: Survey of 38 CBRE managed accounts totaling 285M SF, April 2021



Source: Microsoft MyAnalytics, CBRE Host App, Humanyze Data Process

Client #1 - 15,000 SF



Client #2 - 87,000 SF



Telework Data Comparison

	CLIENT #1	CLIENT #2
Total projected staff count	88	362
Total count 100% remote staff	7	25
Telework policy	2 days/week	3 days/week
# Of in office days required for assigned seat	4 days/week	3 days/week
Total % telework participation	50%*	40%
Assigned seats	34*	215
Unassigned seats	22*	123
Office : workstation	0 : 100	43 : 57
Focus : community	1 : 1.8	1 : 1
Total work seats + 50% collaboration seats for full occupancy days	106	535

*Estimate

Post-Pandemic Design Drivers



What we are NOT seeing

- The office going away
- More private offices being added
- Elimination of benching
- Significant De-densification
- One size fits all solutions
- Everyone buying screens for their workstations



What we ARE seeing

- 70%+ our surveyed clients want to come into the office several days a week
- Some degree of teleworking becoming the new norm
- Average around 3 days office presence/week
- The office re-imagined
 - Increase in unassigned seating (hoteling & hotdesking)
 - 10% + increase in meeting space
 - Office as a destination/hub
 - Focus on space & building amenities
 - Creative reconfiguration/new function for existing space

LOGISTICS SPACE REQUIREMENTS GLOBAL FORECAST

ESTIMATED 5 YEAR SPACE REQUIREMENTS DUE TO THE GROWTH OF E-COMMERCE



GLOBAL

2020-25
Change



E-COMMERCE SALES

+\$ 1.5 Trillion

- \$3.9 Trillion in 2025
- \$2.4 Trillion in 2020



LOGISTICS SPACE

**Additional
138 million sq. m.**
to support
e-commerce growth
over five years

Source: Euromonitor, CBRE Research. Aggregated estimates of the 43 markets included in the analysis. List of all markets included in the Appendix.
E-commerce sales forecast is based on our forecast of e-commerce penetration rate per different market, using 2020 data from Euromonitor as the base year.
Our calculation assumes an estimate of \$1 billion of additional e-commerce sales requiring an additional 1million sq. ft. or 92,903 sq. m. of logistics space.

\$1 billion of additional e-commerce sales
requires an additional **1 million sq. ft. or 92,903**
sq. m. of logistics space

**Over the next
five years,
138 million sq. m.**

**of additional
e-commerce-dedicated
logistics space will be
required worldwide to
support the growth of
internet sales.**

QUESTIONS?

MANNY FITZGERALD

Executive Vice President

Advisory & Transactions

Manny.fitzgerald@cbre.com

202-669-5155

BRAD WILNER

Executive Vice President

Advisory & Transactions

Brad.wilner@cbre.com

240-643-0779

CBRE's services are not intended to address COVID-19 risk mitigation.

All of CBRE's COVID-19 related materials have been developed with information from the World Health Organization, the Centers for Disease Control & Prevention (and similar global organizations), public health experts, industrial hygienists, and global subject matter experts across CBRE and our strategic suppliers. Guidance and requirements from public health and governmental organizations vary by geography and should inform decisions in specific locations. Our materials may not be suitable for application to all facilities or situations. CBRE does not endorse or guaranty the efficacy of any particular brand or type of products. Product information from the manufacturer is shared by CBRE in order to assist clients in their selection of the right products for their particular situations. These products may contain manufacturer representations or warranties, but CBRE makes none. CBRE further disclaims any warranty express or implied, of any nature, including but not limited to the implied warranties of merchantability, noninfringement and/or fitness for a particular purposes.

Ultimately, occupiers and landlords must make and implement their own reopening decisions for their individual stakeholders and facilities. CBRE's guidance is intended to help facilitate those discussions and expedite the implementation of those decisions once made by the client. We make no representations or warranties regarding the accuracy or completeness of these materials. CBRE cannot ensure safety and disclaims all liability arising from use of these materials.

