

CoreNet Global Report | August 2022

Hybrid Work: A Look Forward

Insights from Corporate Real Estate Thought Leaders

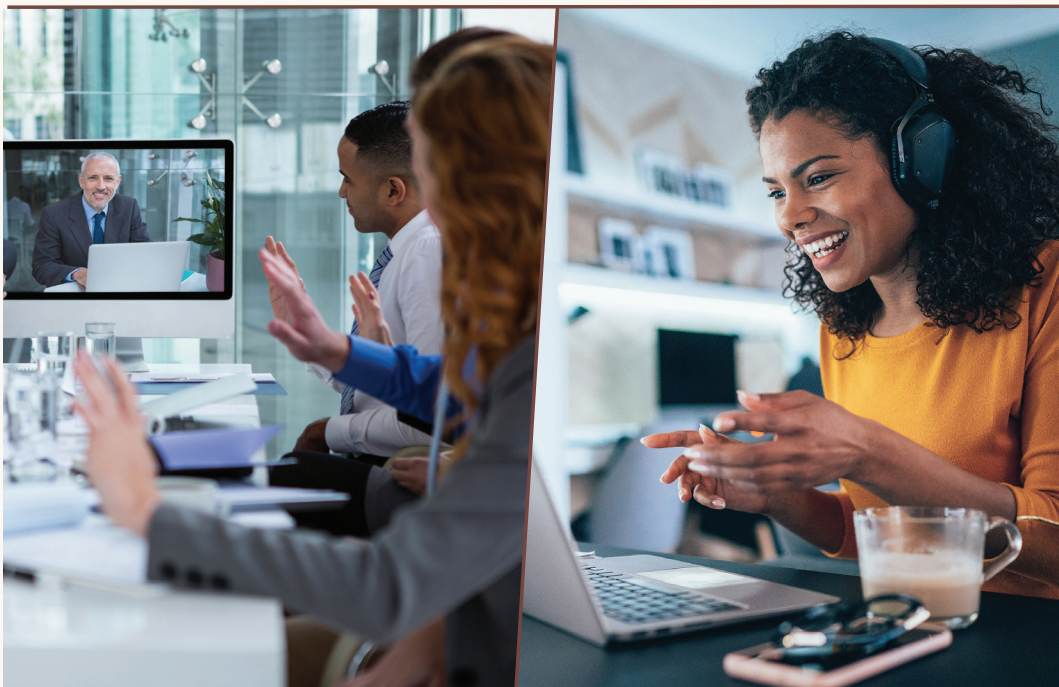


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Executive Summary

Since the COVID-19 pandemic began in late 2019, CoreNet Global has been tracking the changes that have rocked the global workplace. We have conducted surveys of our membership at regular intervals throughout the course of the pandemic, and the results have been insightful and forward-looking.

In May of 2020, CoreNet Global held a Hackathon, a “COVID-19 Virtual Ideation Experience,” with participants from all over the world piecing together a picture of what the future would look like when the dust had settled.

The traditional “nine-to-five” pattern of work and the daily commute were deemed a thing of the past very early on and those predictions have proven accurate. Underscoring the massive impact of the pandemic on workplace strategy and the rise of hybrid working, 85 percent of end users responding to our May 2022 survey reported that they were currently using less space than in March 2020.

The initial challenge for corporate real estate (CRE) was to respond quickly – almost overnight – with work-from-home (WFH) plans and strategies to support business continuity. Over time, as the pandemic waxed and waned, the conversation shifted to return to office (RTO).

Companies’ RTO plans fall along a wide spectrum or continuum and have seen mixed results. At one end of the scale, some companies have announced that their employees can work remotely for as long as they wish. Others have stated that employees must return to the office or lose their jobs.

To be sure, most companies will still need offices. But the purpose of the office is changing, requiring corporations to revisit longstanding workplace strategies and policies.

So where are we, and what’s next?

To help further support its membership through this period of change, CoreNet Global held a special hybrid work roundtable in June of 2022, convening thought leaders from the association’s 11 Gold Strategic Partners to discuss the current and anticipated future state of hybrid work.

“There is no current state of hybrid work,” asserted Roy Abernathy, Executive Vice President, Practice Leader Global Consulting and Workplace Strategy, Newmark. “There’s a current landscape, but not one RTO. There are as many RTO approaches as there are individual locations. It’s easy to manage across a few locations, but if you have a global portfolio, it’s different.”

The majority of companies are “struggling with finding the right approach,” said Chris Zlocki, Head of Client Experience, Colliers. “The office is now competing with your home office. If you think the office of 2019 is going to solve your current problems, it won’t. The one-size-fits-all mentality won’t work. The edict, the proclamation, won’t work.”



This report details the current state of affairs, which as it turns out is as varied as company size, location, sector, and product offerings, and offers insights on how leading corporate real estate professionals see all of this evolving even more over the long term.

A Global Pandemic

As with many cataclysmic shifts in the ways that we live and work, a linchpin in this most recent transformation began as something of a fluke.

In 1991, a group of researchers in the computer science department of Cambridge University wanted to know whether the coffee pot that was located in a different room was empty or full so they wouldn't have to make a wasted trip. They trained a camera on the pot and wired it to the computers back at their desks. Then, they uploaded the images to the internet, and in so doing they created the first webcam.

Fast forward to 2020 and webcams were practically standard equipment on laptops, tablets, and phones. Prior to the pandemic, they were something of a novelty. Video calls connected grandparents with grandchildren and "road warriors" with their families back at home.

Companies had begun flirting with video conferences, but these were often clunky affairs, and with poor video and sound they failed to replicate the true meeting experience. The technology to fully enable remote meetings seemed largely reserved for the White House Situation Room, or large companies with advanced technologies and significant budgets to support them.

And then – COVID-19.

Almost immediately, something called Zoom eclipsed Skype and the other remote meeting platforms, and with no other choice, people all over the world became rather expert at setting up and participating in meetings with others who were also at home in the same city or at some other spot halfway across the world.

Our workplace vernacular quickly expanded to include "share screen," "send me the meeting link," and "you are muted."

And you know what? It worked.

Companies continued to function, the work got done, and at light speed we adapted to a new model of work that without the pandemic would have taken much longer to settle in.

It has not been without loss, of course. As of this writing, some two and a half years later, millions of lives have been lost to COVID-19. Beyond the devastating human toll, the pandemic ushered in enduring, if not permanent, changes to practically every aspect of life, including the built environment.

"This will be the biggest tectonic shift in corporate real estate and the workplace in 20-plus years," noted roundtable facilitator Martha A. O'Mara, PhD., Principal, Place Strategy Partners, LLC. "The pandemic was the underground earthquake; the tsunami has yet to hit."

Alex Anel, President, GWS Enterprise Sales & Solutions, CBRE, put it this way: "It will never be the same again. We'll never put the genie back in the bottle."

The majority of companies are struggling with finding the right approach... "The office is now competing with your home office. If you think the office of 2019 is going to solve your current problems, it won't. The one-size-fits-all mentality won't work. The edict, the proclamation, won't work."

Chris Zlocki, Head of Client Experience, Colliers

“Some employees at client companies are saying, ‘If you’re not going to give me agency and flexibility to get my work done, I’ll go find somewhere else that will,’” stated Colliers’ Chris Zlocki.

If there is a silver lining in all this for corporate real estate leaders, the pandemic has provided CRE with perhaps an unprecedented level of access and visibility to the C-Suite and strategic discussions with HR, IT, and other key support functions.

“We have a window of opportunity now to have a conversation,” noted Myriam Locher, Chief Revenue Officer at Locatee. “We can fix some of these longstanding issues and challenges.”

Colliers’ Chris Zlocki put it a bit more dramatically: “It’s a Darwin moment for CRE. It’s adapt or die.”

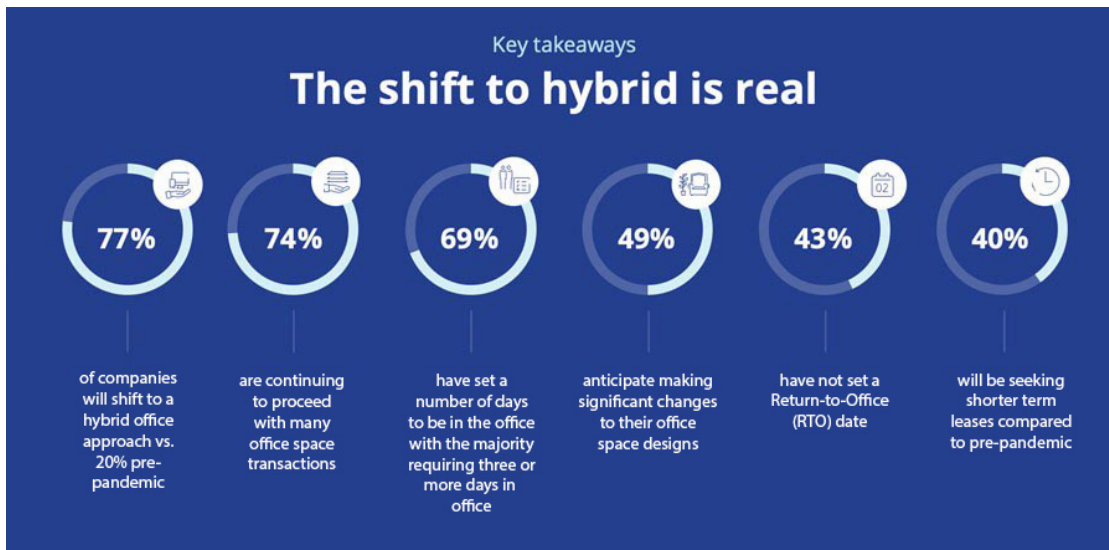
Return to Office and Hybrid Work: The Current State

The panelists assembled by CoreNet Global generally agree that corporate real estate can’t (and shouldn’t) go back to whatever normal was prior to the pandemic. They also agree that there is currently no consensus on how and when the return to office should happen. For some companies, notably in the tech sector, there may never be a return.

Observed Chely Wright, Chief Diversity Officer at Unispace, “It’s really important to point out that things in the workplace were broken before COVID.”

Jessica R. Pernicone, MCR, Principal, Solutions Development, JLL Work Dynamics added: “Companies need to be honest with themselves about how things were before the pandemic. Office utilization was a challenge before COVID-19.”

“Before the pandemic, we were allocating such a high percentage of (real estate) to Desking/ Stations and offices that people weren’t really using,” added Natalie Engels, Principal, Global Work Sector Leader at Gensler.



Source: Colliers

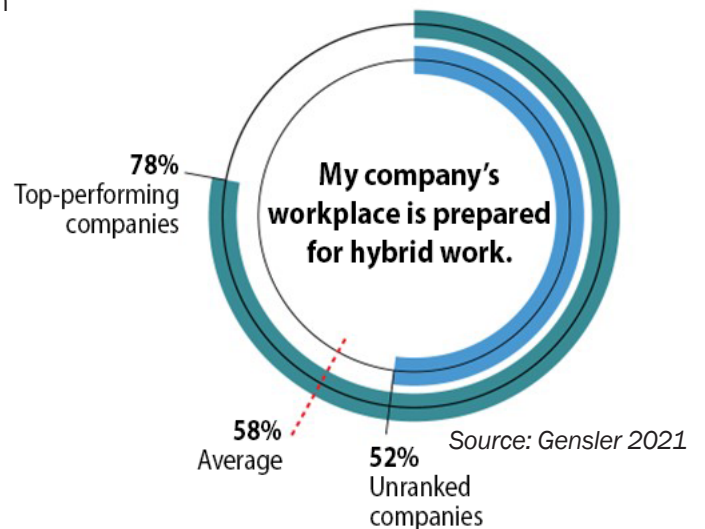
“It’s still the wild, wild west out there. People are still figuring out their strategies. People have been kicking the can down the road. But now it is time to make the hard decisions about how much real estate to have and where it should be, and what the workplace strategy moving forward will become,” said O’Mara.

According to Colliers’ June 2022, Return to Office survey, 43 percent of the companies that responded have not set a return to office date, and 40 percent will be seeking shorter term leases, compared to pre-pandemic. And, 77 percent of companies will shift to a hybrid office approach, vs. 20 percent pre-pandemic.

CoreNet Global’s tracking surveys during the pandemic also reveal a wide disparity of days per week that workers were required to be in the office:

In May 2021, respondents replied as follows when asked how often employees are required to be in the office on a weekly basis:

- Not required on a weekly basis: 29 percent
- At least one day per week: 5.6 percent
- At least two days per week: 19.4 percent
- At least three days per week: 28.4 percent
- At least four days per week: 6.3 percent
- Five days per week: 11.2 percent



Today’s Successful Companies Are Listening To Their Employees

The concept of companies issuing rules or mandates about the number of days in the office without employee input is becoming as old fashioned as gray metal desk chairs with green cushions. And yet it’s still hard to shake.

Gensler’s Natalie Engels said that “the companies that listened to their employees and took time and invested in a solution – even small moves – are reaping dividends. A key question is ‘Will our policies match the practice we want?’ Companies have missed the whole mark of getting people to come back in if they only focused on number of days in the office.”

In a winter 2021 blog post, Gensler noted that “most companies have announced initial return plans: Two-thirds are flexible policies, but only 9% give workers total control.

“As this period of experimentation plays out over the course of 2022 and beyond, understanding the perspectives of both companies, and individual workers, in relation to hybrid and remote work is crucial. Our data shows that while companies are increasingly making their plans clear, there still exists a gulf between company and individual worker expectations—but also a series of policy and workplace changes that might encourage employees to return to in-person work.”

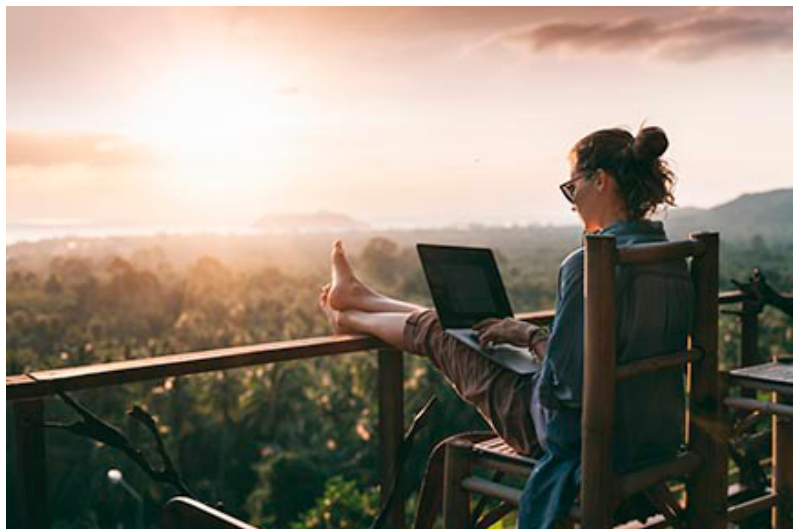
“Many companies are not going to ask employees what they want, because they’re afraid of the answer,” said Wendy J. Heller, Senior Manager, Real Estate & Location Strategy, Deloitte Consulting, LLP.

Locatee’s Myriam Locher added, “*Your employees* should be the guiding force of your strategy, not what other companies are doing.”

“Companies and their employees are still trying to figure out how to know when people will be where and when, asking ‘How do I know when I go into the office that I’ll be exposed to the right people,’” says JLL Work Dynamics’ Jessica R. Pernicone, MCR.

What do Workers Want?

According to Gensler: “Workers are split on how they want to structure their time at the office. Nearly half of workers would prefer to spend full days in the office, while a significant portion of workers want to spend only partial days, leveraging the workplace for specific tasks. Younger workers are most likely to have variable preferences and interest in a partial-day structure, in line with prior research noting that younger workers are also more interested in flexible, anywhere-work relationships in and out of the office. One thing is certain, you must make your office a destination and an experience multiplier.”



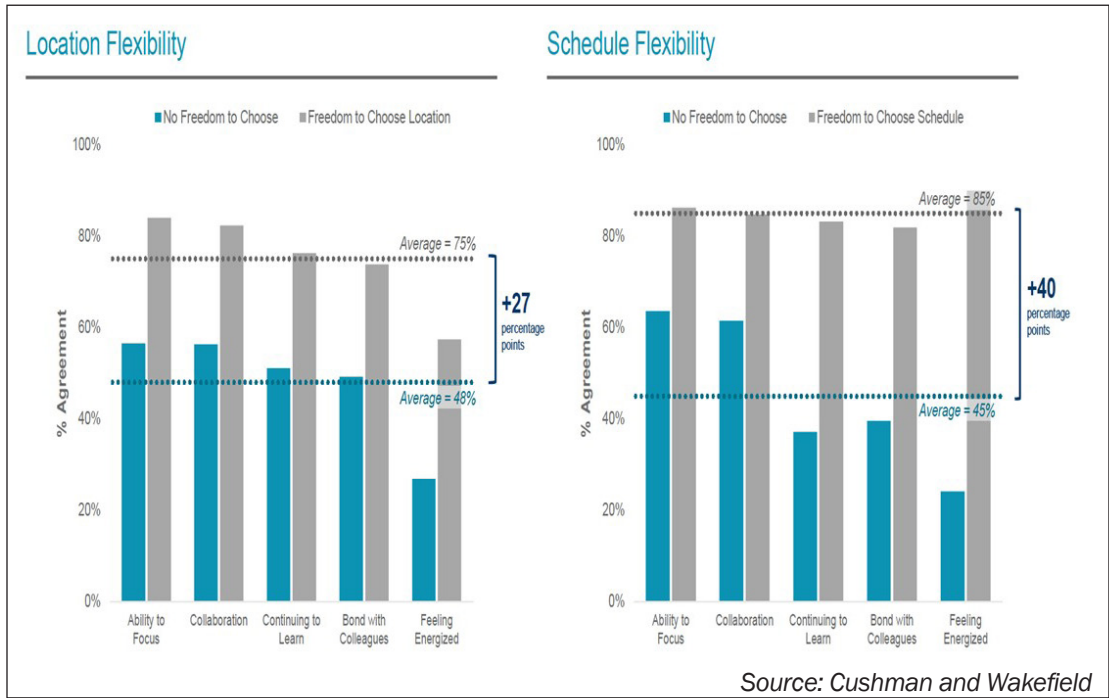
Antonia Cardone, MCR.w, Americas Total Workplace Leader at Cushman and Wakefield, said that “We have seen two record years of business success, and now when corporates are saying (to employees) ‘You have to come back into the office,’ our data shows us instead that employees are saying ‘We need choice and flexibility about where and when we work.’”

Ultimately, it may come down to flexibility. A May 2022 Cushman and Wakefield study found that employees with choice and control over where or when they work report better experiences than those without choice, but choice in work schedule leads to the best outcomes.

In addition to flexibility, sustaining a healthy workforce in the office will depend on a new set of amenities that are being demanded by today’s workers.

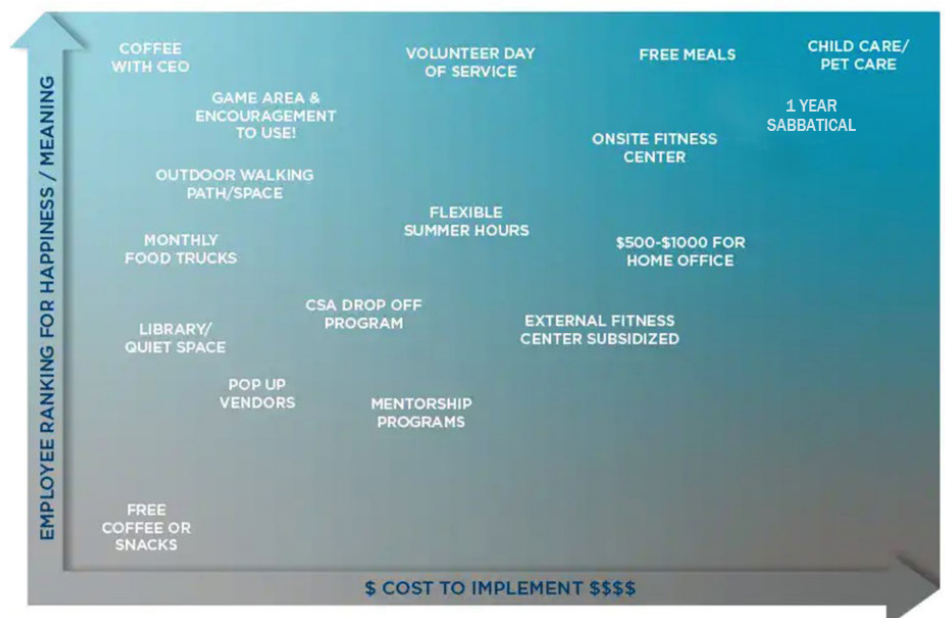
According to a Cushman and Wakefield November 2021 report, *Amenities That Matter: What Brings Employees Back to the Office*, “the purpose of place is evolving, and if amenities and perks mattered prior to COVID-19, they’ve become even more important today. That’s because

today's employees are not only expecting them, but they're also demanding them. With a reported 10.4 million job openings up for grabs across the U.S., employees have the upper hand in today's tight labor market. In other words, they have more choices in how and where they work. So, in this critical time when attracting and retaining top talent is key, it's imperative that employers give their employees the office and workplace experiences they truly want and value.



“After all, if they don’t get it from your organization, they can easily take their needs and skills elsewhere. According to a recent Gallup survey, 63% of employees believe it is “very likely” or “somewhat likely” that they can find a job as good as the one they have. And 51% of currently employed workers say they are actively looking for a new job or watching for openings.

“From the flexibility to come into the office to participate in fireside chats with their CEO to pet daycare for their pandemic pups with separation anxiety to onsite massages, employees want amenities and perks that demonstrate they are seen, valued, and appreciated. . . in the office.”

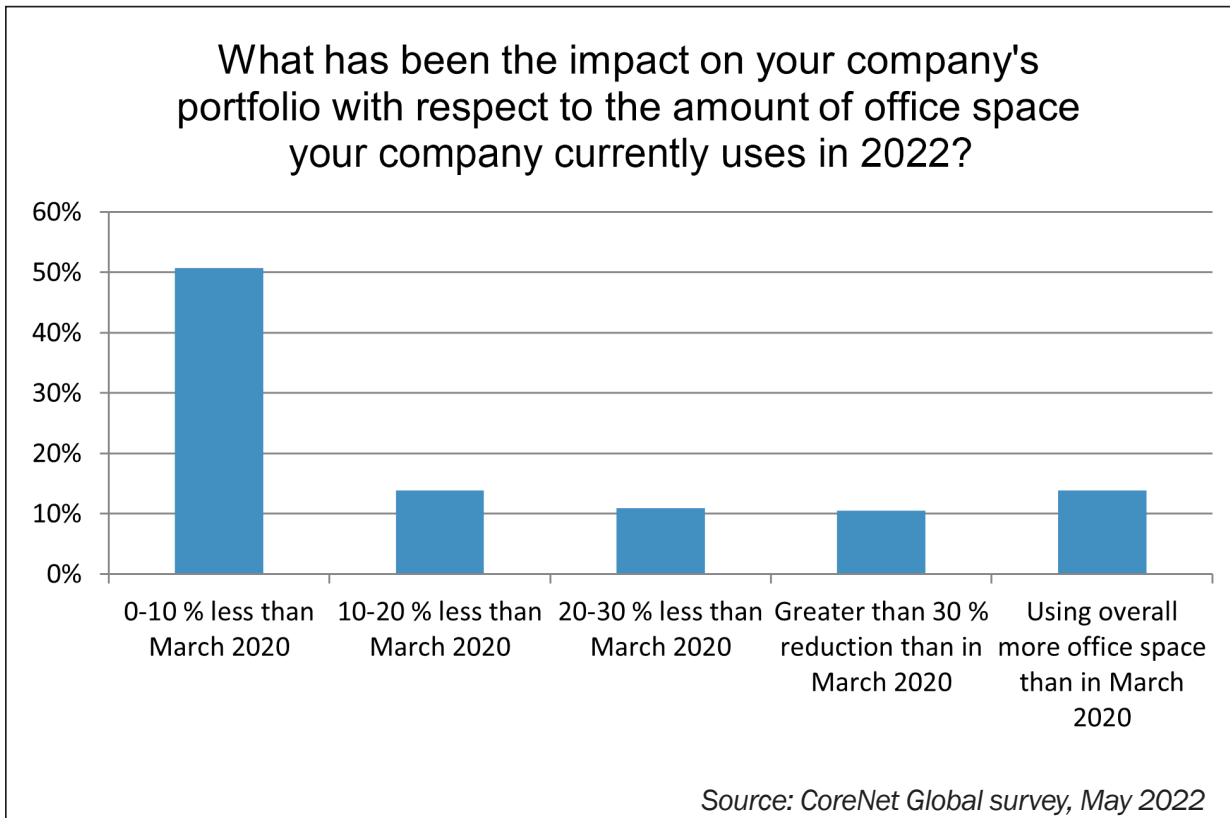


Source: Cushman and Wakefield

There is a place for... a place.

Another consistent theme in the discussions is that there is still a need and purpose for a physical place to work, but companies need to do the work to determine how it is best utilized.

In CoreNet Global's most recent tracking survey, from May 2022, there has been a notable reduction in the amount of space occupied, but for nearly half of those, the reductions have been 0-10 percent; and more than 10 percent are now using more space than they were before the pandemic.



What's more, just over a quarter of respondents do plan to reduce their overall portfolios by 1-10 percent over the next five years, and smaller percentages will reduce by 10 to 30 percent. However, only seven percent say that they will reduce their footprints by more than 30 percent. And, roughly a third say that they will increase their portfolios over the next five years.

But the purpose of the office is of course changing. Deloitte Consulting's Wendy Heller said: "Why people want to come into the office today is very different from the reasons from 20 years ago. But working at home all the time is not necessarily awesome."

"Yes!," said Colliers' Chris Zlocki, "at the end of the day working in a virtual environment with 12 Zoom calls, you are spent. The office can provide a new energy and is inherently viewed positively when it is used to promote choreographed business and social events."

CRE Gets its Seat at the Table

How are companies meeting all the disparate needs of employees and matching them to the goals of the organization? Perhaps for just as long as CRE professionals have been trying to conceptualize the ideal workplace, they have been clamoring for the so-called “seat at the table,” the opportunity to influence broad corporate strategy by working on an equal basis with other corporate functions such as IT, HR, and Finance.

The pandemic may have thrust CRE right into that seat. A CoreNet Global survey from April 2020 revealed that CRE was represented in 77 percent of corporations’ COVID-19 business continuity task forces, exceeded only by HR (84 percent).

Now that opportunity needs to be leveraged, and not squandered.

Colliers’ Chris Zlocki said “Now you have HR, IT, Finance, Real Estate. A more holistic view has taken hold. This takes pressure off CRE leaders who, working alone, might have been more focused on ‘This is great, but how can I, alone, pay for this?’”

Craig Gillespie, Managing Director, Occupier Solutions at MRI Software confirmed that, “When it comes to choosing technology solutions to help support organizations returning to the office, these decisions are no longer considered back-office real estate fulfillment functions. The whole process is far more involved with folks from HR now in almost every [sales] meeting we have, not to mention C-Suite’s keen interest in the employee experience. . . In the past, this was not true.”

Corporate real estate executives “need to be reminded that they can’t just go back to their tribe,” said Place Strategy Partners’ O’Mara. “They must partner with other functions moving forward.”

CBRE’s Alex Andel acknowledged that Real Estate is now involved in discussions about driving business outcomes.

CRE organizations themselves need to evolve, said Colliers’ Chris Zlocki: “CRE organizations now need talent in areas that go way beyond space alone, such as the employee experience and technology.”

Technology has become much more important because it’s how CRE can access and deliver the data that C-Suite leaders will insist on having, attendees agreed.

Newmark’s Roy Abernathy said that “CRE has always been about housing people. Now the charge is to honor or create the experience for the employees – a holistic experience across space, time and technology.”

Unispace’s Chely Wright put CRE’s challenge this way: “The profession is pushing square footage. CRE is like the cobbler who made shoes for people who wore shoes seven days a week. Then, people started to only want to wear shoes two days a week. Now it’s ‘When you wear shoes those two days, we want you to wear our shoes.’”

“It comes down to understanding what people really need,” said Locatee’s Myriam Locher. And I don’t think we’re there yet.”

“CRE has always been about housing people. Now the charge is to honor or create the experience for the employees -- a holistic experience across space, time and technology.”

*Roy Abernathy,
Executive Vice President,
Practice Leader Global
Consulting and
Workplace Strategy,
Newmark*

New Performance Indicators for Corporate Real Estate

Colliers points to a new set of key performance indicators for corporate real estate:

Talent Attraction & Retention

How does the business improve by implementing people, place, and space solutions? Measure the pre and post implications of these metrics by analyzing the ability to attract and retain more diverse employee populations.

Innovation

It is proven that organizations with increased diversity enjoy higher degrees of collaboration, develop more innovative solutions, and succeed in greater overall growth. Develop measures that illustrate how real estate and facilities are driving more innovation through place and space changes.

Knowledge Transfer

With the advent of more distributed workforces, it is critical to ensure that the collaboration and transfer of organizational knowledge in business units improves and remains seamless. Develop a strategy to measure how real estate plans enable smooth transfer of information in remote and onsite work.

Workflow Improvement

With the advent of increased machine learning and automated task workflows, work with operations, HR, and IT to measure the impacts of improved adjacencies. Ensure remote workers have the guidance and resources needed to be connected and productive.

Collaboration

Enabling collaboration is critical to decision speed and achieving business success. Measure how work strategy, technology and space design enable employees to focus when they need to and collaborate for the generation of new ideas, information transfer and evaluation.

Belonging

Employees will want to understand how they fit within the organization and align with the collective culture. It is important to measure the value the office and facilities foster which creates a sense of belonging and inclusion. Social interaction will be a key driver in engaging employees in the office.

Recommendations for Hybrid Work

What does the future hold for the workplace? While it may seem as unpredictable as the next COVID-19 variant, some rules of the road are beginning to emerge. We begin with the 10 top strategies put forth by our panel:

1. First, find the “why” in your office. Workplace must follow the work. The “why” employees come back to the office has changed.
2. Be realistic about where you started in terms of occupancy pre-pandemic and manage expectations accordingly. Occupancy has always been an issue.
3. Aim to create an egalitarian experience for employees no matter where they work.
4. Show as much empathy during RTO as was shown when employees were sent home at the beginning of the pandemic.
5. Foster a sense of belonging in the office experience. Many companies increased their work force during the pandemic, and many of those employees have never spent meaningful time in the office. As a result, they don't have the cultural trust and understanding of the team. The social dynamic of the office has been lost. The pivot to working from home was successful, but employees were surfing on the social capital of relationships they had before the pandemic. Social capital needs to be rebuilt.
6. Recognize that attendance is not the best or only metric. An attendee reported that one company is starting to study employee performance evaluations of activity-based working to see if performance improved or suffered during the pandemic based upon the evaluation scores. And another attendee cited a study whereby companies saw higher employee output during the pandemic, but the number of errors was also higher, noting that a lack of in-person collaboration appeared to lead to the additional errors.
7. Be a credible source of information in your organization. Having the right data will be of the utmost importance. Understanding what to measure, why to measure and how to interpret results will be pivotal for the corporate real estate professional seeking to rise to the challenge.
8. Build and foster allies within your organization. Form a task force or cross-functional team in your organization (if you don't already have one) that focuses on the challenges of hybrid work. Partnering with HR and IT has never been more important. And the corporate real estate professional has never been under greater scrutiny.

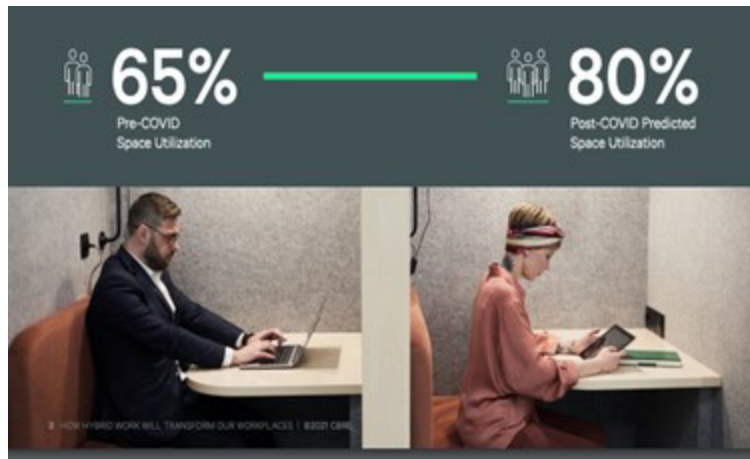
9. Empower local and regional real estate leaders to drive hybrid decisions that work in their particular markets. A global mandate isn't the answer.

10. Help give employees a voice in their work experience. Go beyond the employee satisfaction surveys to seek input and communicate, communicate, communicate. The companies making small moves over time, the ones really listening to their employees are going to get the hybrid answers sooner.

Quality over Quantity

According to Cushman and Wakefield, in the post-COVID-19 era, the quality of office space will become more important. With a more hybrid workforce, companies will increasingly rely on attributes of the office to reinforce other motivations (such as bonding, collaborating, learning and development) for coming into the workplace.

Differentiation with amenities and quality have played into the historic trend of out performance of Class A and specifically newer Class A office assets. This out performance has remained, and in some cases, widened during the pandemic. Two-thirds of employees want more in-person work or collaboration post-pandemic and employee engagement is currently 4-8 percentage points higher among employees frequenting the office during the pandemic. Companies that offer high-quality, well-located, amenities-rich office spaces that excite workers and encourage in-office attendance will have a competitive advantage.

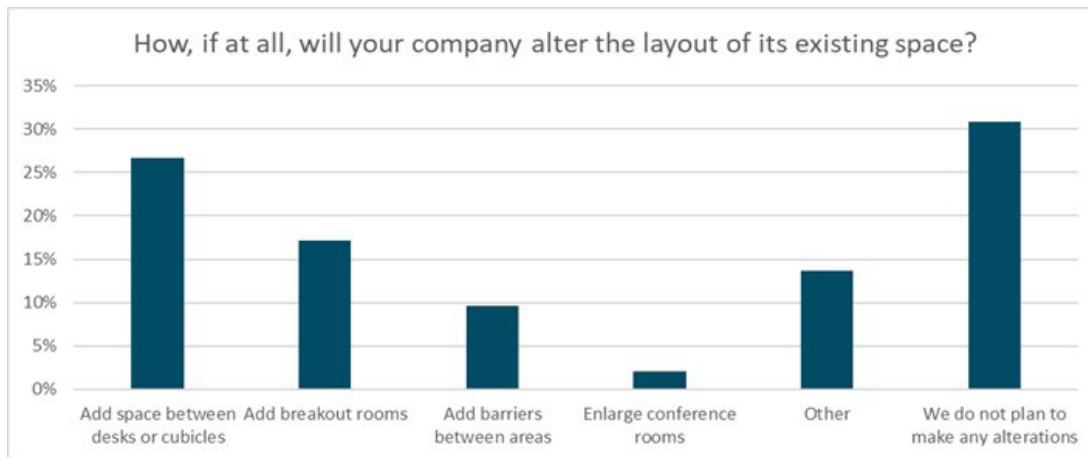


Historically, companies have averaged around 65% in total space utilization. Someone with an assigned space at an office was likely present about two-thirds of the time, accounting for vacation, sick days, business travel and other events, says CBRE. CBRE predicts this number will likely approach 75-80% as companies see more people using shared assets or more people using less directly held space. That dynamic will reduce the need to hold vacant space in reserve.

A June 2021 survey by CoreNet Global and MRI Software found that many companies planned to add space between desks or cubicles and add breakout rooms.

“In short, the challenge is putting in place policies that are equitable and appealing to their workforces while maintaining organizational productivity.”

~ CBRE’s How Hybrid Work Will Transform Our Workplaces



Source: CoreNet Global and MRI Software survey, June 2021

Quantity vs. Quality of The Workday

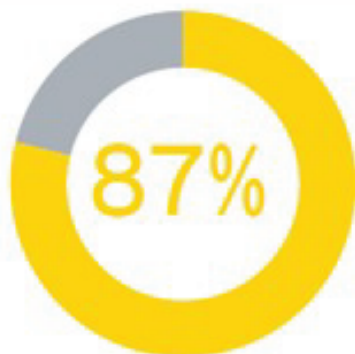
This notion of quantity vs. quality also applies to the hybrid worker’s day. With the 9-5 pattern essentially gone, workers are tapping into the best times of the day for their maximum efficiency, according to a recent report from JLL:

- We discovered that employees’ workdays, either on site or remote (or sometimes both on the same day) often involved regenerative activities that helped them to sustain their energy levels throughout the day.
- We learned that people develop “creative strategies” to define their own rhythms, swaying away from the traditional 9 to 5 working day.
- We were able to highlight a unique opportunity for the employer to understand and accommodate these new working patterns and to support long-term employee resilience.

Data, Data, Data

There is no question that data will play a key role in designing the future of the workplace. Everything will be measured from office utilization to energy usage, to commute times.

However, a recent survey conducted by EY in March 2022 found that collecting data at scale and applying advanced analytics to deliver near-real-time business insights are a significant challenge for the real estate industry.



87% of respondents said they needed to capture and make use of data as a business priority. Furthermore, when survey participants were asked where they most expected to see accelerated investment due to the pandemic, technology was the number one answer. Real estate companies that were early adopters in this area were better able to capture near-real-time data at scale (e.g., deploying smart building technology to predict occupancy patterns and performance needs to reduce costs), which proved to be invaluable in navigating the rapid, unprecedented change.

How to Use the Data You Have

Locatee, in its report, *Are We There Yet? Navigating The New Normal and The Return to Office*, offers three key tips to applying utilization data:

- **Ensure safety compliance:** Booking software doesn't prevent overcrowding and doesn't allow monitoring and reporting on breaches when they happen. This is because it only measures intended behavior, and not actual usage.
- **Smart Cleaning:** Providing clean, healthy, and safe office spaces is a key part of creating a positive employee experience in the office. Excess cleaning tours in the office environment potentially leads to disruptions of the employee experience and may as well result in an overuse of resources. Optimizing cleaning services can lead to a number of positive outcomes: better employee experience in the office (clean, safe, and undisrupted working environment), no waste of resources (thus representing an interest for sustainability managers), and financial savings.
- **Identify under and over utilization:** With hybrid working patterns, employee value the office for different reasons, and also use the office in various ways. Previously, design decisions have been backed by benchmarking or based on employee feedback. But to inform more agile space planning and configuration, space planners, site managers, and workplace strategists need to consider the truly relevant success measurements for different space types.

Floor and space type utilization data can be transformed into insights around employee and team preferences, informing workplace planning to cater user demand. With space planning based on real demand instead of only using either benchmarks or perceived demand, employee experience is increased with positive influence on productivity, retention, and recruitment.

“The kinds of questions we have about the benefits of office-based work on creativity, productivity and career development can't be answered with the type of occupancy data we typically collected before the pandemic,” said Place Strategy Partners' O'Mara.



Leadership Based on Listening to Employees' Needs

The panelists at the CoreNet Global roundtable shared a view that leadership on the part of corporate real estate professionals will be essential to the success of the return to office.

“This whole topic is really about good and bad leadership,” observed Colliers’ Chris Zlocki. “Good companies are focused on hybrid leadership training and not solely hybrid tactics.”

Added Locatee’s Myriam Locher: “We have a window of opportunity now to have a conversation. Do we really know what different people with children, disabilities, long commutes, etc. want from the workplace? Now we have opportunity to let these people truly have a voice. We can fix some of these longstanding issues and challenges.”

Differentiation and customization now are a must have, not a nice to have, urged Unispace’s Chely Wright: “Decisions are being made by straight white men, and they’re saying, ‘Wasn’t it great when we were all in the office and we went out for a drink after work?’ This muscle memory is really hard to break.”

If the workplace can help increase a sense of purpose and a sense of belonging, it will encourage more people to come into the office, noted Deloitte Consulting’s Wendy Heller.

The Big Unknown: The Economy

The notion that employees are in the driver’s seat could change if the economy cools off. “(Employee control) could shift in the next year if there’s a recession. Now, employees are in a stronger position. A year from now, it could be different. It could change overnight. I’m already seeing it,” said Colliers’ Chris Zlocki.

In a recent interview with **Bloomberg**, real estate billionaire Stephen Ross says companies struggling to get workers to return to offices could see a flood of employees heading back.

According to the article, “Employers have been somewhat hesitant because they didn’t want to lose their employees, but I think as you go into a recession and people fear that they might not have a job, that will bring people back to the office,” Ross said in a phone interview. “The employees will recognize as we go into a recession, or as things get a little tighter, that you have to do what it takes to keep your job and to earn a living.”

“Every executive recognizes that people need to work together,” Ross said. “You have to train your workforce and educate them, and you work as a team. You don’t work as individuals.”

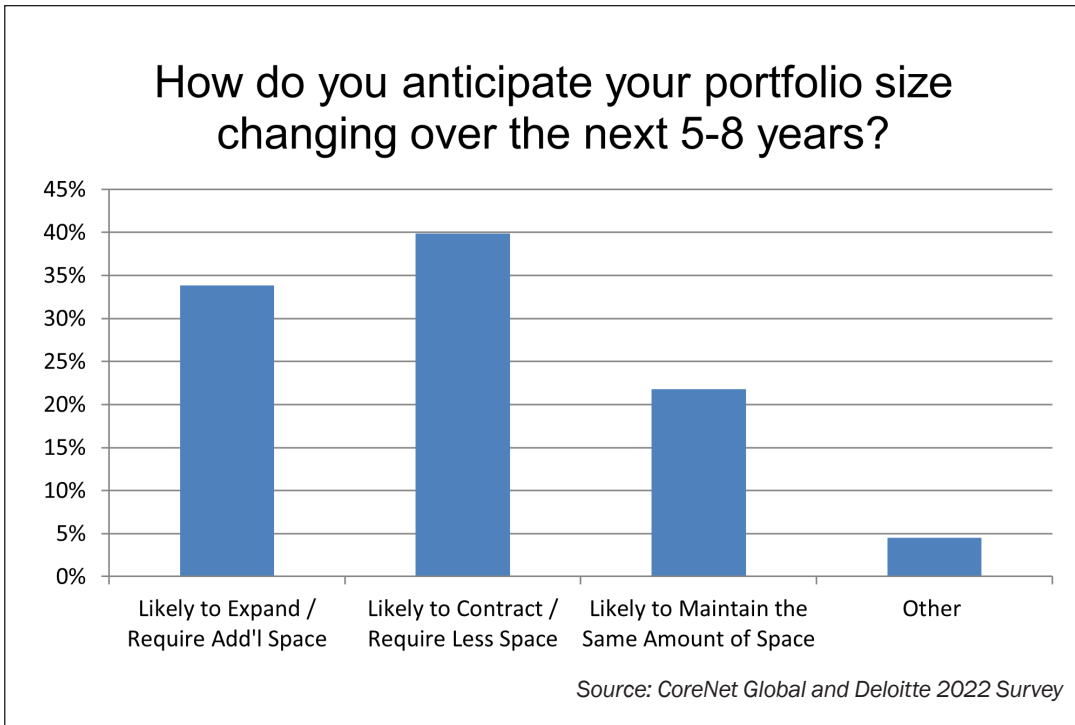
Also according to **Bloomberg**, “Elon Musk’s recent **demand** that all **Tesla Inc.** employees get back to their desks or find work elsewhere has made him the latest figurehead of the return-to-office movement and his salvo against remote work could embolden others to act. Half of business owners expect to be operating in-person all the time a year from now, according to a new **survey** from insurer Nationwide. The developments highlight debates raging in boardrooms around the globe about how this new era of hybrid work will play out and raise concerns that some firms might use the economic jitters as an excuse to jettison those workers who refuse to trudge back to the office.”

“Workers have had the balance of power over the course of the pandemic,” Andrew Challenger, senior vice president of Challenger, Gray & Christmas, an outplacement, and executive coaching firm, told Bloomberg. “Companies are still holding tight to workers, but we’re starting to see an uptick in layoff movement. The demand to be in the office could certainly be a way of cutting those workers voluntarily. Even if a recession does not occur, employers may start making similar demands as Musk.”

A Look Ahead: Where Do We Go from Here?

While we know, as one participant said, that we won’t go back to normal, or “put the genie back in the bottle,” there may be less of a consensus about what a “new normal” looks like, if there even is one.

To be sure, two central themes will be ever-present in the coming years, attendees agreed: Diversity, Equity and Inclusion (DEI) and Environmental, Social and Governance (ESG).



Diversity, Equity and Inclusion

According to Unispace’s Chely Wright, “COVID-19 cast an all-new and extremely bright light on the urgency of going beyond diversity to address equity and inclusion in the spaces where we work.”

It’s never been more critical, she urges, for organizations to create welcoming environments employees can bring their authentic selves to. “This supports the growing importance for providing professionals from different backgrounds and minority groups like women more opportunities to excel, and can help companies attract and retain top talent.”

As DEI continues to become a focal point for attracting and retaining talent and for motivating and supporting employees, she explains, companies are rethinking their DEI strategies to “foster people-focused experiences in workspaces where diverse workforces can thrive.”

Environmental, Social and Governance

A recent article written for CoreNet Global by Stok, a leader in sustainability for the built environment, points out that a confluence of circumstances over recent years has catapulted ESG to become a strategic business imperative for the C-suite.

Global acceptance of climate science and the material risks it poses for business operations, and humanity at large, has accelerated corporate climate targets and environmental data reporting, according to the article. The COVID-19 pandemic highlighted the critical need for prioritizing human health and instilling new levels of resilience into global operations. The rise of the Black Lives Matter movement catalyzed international action toward social equity and justice, and reinvigorated diversity, inclusion, and belonging in the corporate agenda.

According to Stok, CRE professionals “hold a vital role in assessing and improving a company’s ESG performance.” Opportunities for impact lie primarily in the “E” and “S” realms, so real estate strategy should focus on environmental and social factors.

The growing trend toward hybrid work, of course, can support ESG goals in a variety of ways, including reduced carbon emissions because of less frequent employee commutes into a traditional office.

A Future of Constant Change

Companies are going to be consistently re-evaluating their workplace strategy, predicted Colliers’ Chris Zlocki. “It won’t be a once and done. The dynamic we’ll be seeing is one of constant change.”

Where once the commercial approach was top-down, it must now accommodate a fresh focus on teams and individuals. Your physical environment should be a place where employees see clear value from showing up in-person.

A recent report from Unispace offers this closing thought: “The office shouldn’t be a place which people are forced to attend but rather a space where they go to make great things happen.”

Five Key Themes

In a recent report, Newmark identified five themes impacting corporate real estate in 2022 and beyond:

1. OPTIMAL TIMING

For corporate occupiers of office space, portfolio changes will likely be linked to lease expiration dates, rather than accelerating change with resultant write-offs of existing obligations.

2. SPACE PROVISION

Companies will need to evaluate how much space is required and how to utilize the space most effectively, which is inextricably linked to how often people come to the workplace.

3. OPTIONALITY

As companies re-assess their portfolios, business leaders will likely become more interested in “optionality” – the ability to make rapid adjustments as their needs and those of employees shift.

4. FLEX SPACE

Optimizing flex space has been a challenge for large corporations. With the advent of flex space technologies, businesses can now efficiently transact and manage diversified workspace options with one process and one transaction.

5. FIDUCIARY RELATIONSHIPS

Given the shift of supply chain availability, the need increases for fiduciary partnerships with key, strategic service providers, and decreases for historic box-standard service models.

Additional Resources

For more information on return to office (RTO), hybrid work and the impact of the COVID-19 pandemic on the workplace and the corporate real estate portfolio, visit the [CoreNet Global Knowledge Center](#). It contains a wide range of articles, research reports, survey data, podcasts, videos, and Summit sessions on these and related topics.

You may find the following Gold Strategic Partner resources (all available on the Knowledge Center) particularly insightful (click the links for detailed information):

[How Hybrid Work Will Transform Our Workplaces](#) (CBRE)

[Mixed-Presence Collaboration Key to Successful Hybrid Work](#) (CBRE)

[Defining a Work Revolution: Looking Beyond the Return to the Office](#) (Colliers)

[Real Estate and the Metaverse](#) (Colliers)

[Office of the Future Revisited: Three New Realities Shaping Hybrid Work Strategies](#)
(Cushman and Wakefield)

[The Safe Six - Workplace Readiness Essentials](#) (Cushman and Wakefield)

[Success Factors for Corporate Real Estate Technology and Data Strategy](#) (Deloitte)

[How Tech Strategies are Driving the Future of Real Estate](#) (EY)

[Emerging New Workplace Realities](#) (Gensler)

[Hybrid Is Here to Stay: 5 Considerations for Creating a Better Hybrid Experience](#) (Gensler)

[Bringing the Regenerative Workplace Back to Life](#) (JLL)

[Creating Great Workplaces in Today's Hybrid Environment](#) (JLL)

[Are We There Yet? Navigating the New Normal and the Return to Office](#) (Locatee)

[Views from Real Estate Occupiers and Landlords on the Return to Work](#) (MRI Software)

[Five Key Themes Impacting Corporate Real Estate Leaders in 2022 and Beyond](#) (Newmark)

[Hybrid Workplace Models: Establishing a New Standard for the Office](#) (Newmark)

[Top Five Trends for Improved Employee Experience in a Post-COVID Workplace](#) (Unispace)

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