



PRESENT



A COVID-19 Virtual Ideation Experience

Team Topic and Number: Space Utilization & Metrics

Team sponsor/chapter (if applicable): Hong Kong Chapter

Team Lead: Emily Gray

Team Members:

Input your submission below. Please remember that you have 1500 words to share your insights.

The HK Chapter Hackers believe that Covid19 is a game changer and will bring transformational change in companies leasing strategies. The CRE industry has two things to contend with, firstly supporting an immediate 'return to the office' and secondly a 'rebalancing of the portfolio'. Our team's views:

BIG PICTURE FORECAST:

- The traditional CRE strategy was, broadly, to consolidate a portfolio within a market for the benefits of economics of scale, proximity & collaboration, reduced commute time between sites etc. To enable this there was typically densification of overall space with increased choice and flexibility of workspace with industry benchmark (normally 80-120 sq ft).
- The shift towards densification is over and the expectation of working from home will become a norm.
- We forecast a shift away from consolidation within a market wide portfolio to multiple smaller sites including 'home'.
- As a result, there will be a subsequent shift in the purpose of workspace with emphasis on collaboration and 'watercooler' moments rather than independent work. Layouts of office space will

change – more collaboration and interaction space. Historically 80:20 me space to we space – we forecast the ‘we:me workplace ratio’ being inversed.

- Emphasis will remain on the choice of space, supporting existing CRE industry best practice of ‘flexibility’ within the workplace - Shift will be to include non-office locations, i.e. home.

FORECASTS FOR SPACE UTILIZATION & METRICS:

- Sq ft/employee is easy for a business to understand and is unlikely to be removed as a primary metric. We need a logical and straight forward metric to allocate costs and converse with stakeholders. We expect this traditional metric to be complemented by additional more holistic and people centric metrics, many of which will be developed over the next few years.

- ‘Home’ becomes a significant component of corporate real estate portfolio and we will include a sq ft/pp to support a sustained shift to include ‘home’ as a workplace.

- Much more emphasis will need to be placed on scales to measure:

- ☒ Ergonomic set up of employee workspace
- ☒ Technology support
- ☒ Wellbeing & management effectiveness

- CRE will need much greater collaboration with People/HR professionals to determine optimum home vs. work balance – our assumption is that not everyone will work from home all the time but determining this ratio cannot be done in isolation.

- Job Families likely to emerge grouping people together.

- Emphasis on HR metrics (if any) triangulated with CRE and IT metrics to create a “complete” picture of the workplace set up in real time basis – acknowledgement that sentiment and business measures will both be relevant.

RETURN TO OFFICE - IMMEDIATE PRIORITIES FOR SPACE UTILIZATION & METRICS:

- Using data and target metrics by site/market/portfolio to support strategies for ‘containment’ and ‘path to normality’, likely to differ within a regional/global portfolio at any one time and recognition that there will need to be adjustments in the coming months/year(s).

- Space Utilization & Density metrics at individual sites levels will be far more prominent and visible along with HS&E factors, such as increasing cleaning or removal of workspaces to force distancing.
- Expectation to increase sq ft/pp to account for social distancing and/or cross reference other OHS standards.
- Management effectiveness - training for people who are now working from home that have not done so before – i.e. managing remotely, practicalities of using new technologies etc.

Metrics to support this will be highly nuanced pending the organisation.

-Incorporating ‘home’ into a managed portfolio, even when this is not visible bricks & mortar from HS&E perspective.

REBALANCING THE PORTFOLIO - LONGER TERM EXPECTATIONS FOR SPACE UTILIZATION & METRICS:

- Technology supporting density & space utilization metrics & consequences on a ‘real time’ basis, i.e. if density ratios are exceeded in a space, individuals receive an alert.

- When there are workplaces emphasis on ‘neighborhoods’ i.e. smaller/local clusters of people and anchor point – commute times may become more important.

- Development of metrics to measure % of employee flexibility, promoting the tracking of employee choice and interactions.
 - Gathering data to support analysis of where/what type of space would best support the role and how to measure effectiveness of that role. Likely to be very nuanced by industry, business line, role, seniority etc.
 - Overlay the employee preferences; introvert or extrovert, willingness/ability to work from home or not, established in their career or starting out.
 - This two-dimensional approach will ultimately create groups of people with varying expectations of how much time they will spend in the workplace and what they will do there.
 - Crucial to partner with HR/People to achieve this.
 - Subsequent rebalancing of portfolio to address changed dynamics.

- Flexibility and choice remain at the crux of a good CRE strategy, but CRE must find a way to make 'home' realistic and compelling as an option:
 - Company IT/Technology department to also be innovative in supporting for example subsidies or offering equipment rental/on loan system of screens/monitors, and remote support.
 - Partnering with HR to support wellness policies - For example measuring offline/downtime – observation that working from home yields longer hours and does not support work/life balance at present.
 - Understanding corporate culture and finding appropriate substitutes for relationship building, social interactions, mentoring etc. that historically takes place in an office. An employee cannot forego career progression by being out of a physical workplace.

- Metrics to track impact of rebalancing the traditional portfolio in complementary functions inc. sustainability e.g. carbon reduction due to reduction in commutes & business travel.

KEY RECOMMENDATIONS:

1. Alignment with HR/People – develop understanding of needs of roles with respect to space
2. Understand density ratios – be prepared to flex at short notice, incorporate technology to assist
3. Include 'home' in the CRE managed portfolio – HS&E, cost allocation, management effectiveness