

Top 10 Global CRE Trends

2018



Top 10 Global CRE Trends in 2018

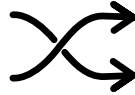


Dynamic workforce



Liquid and contingent workforce is driving a radical transformation of corporate real estate

Flexspace



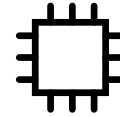
The proportion of flexspace within CRE portfolios will continue to grow in 2018

Innovation culture



New collaboration imperatives are changing corporate innovation infrastructure

Digital drive



Integrated technology and ecosystems will drive new levels of enterprise performance

Smart real estate



Smart real estate technology is transforming the real estate life cycle

Adaptive organization



Nurture an agile culture and workplace against the backdrop of market and digital transformation

Future skilling



Adapting team competencies to meet future CRE challenges

Wellness



Support mental and physical health at work by aligning workplace and HR strategy

Humanization



Create workplaces that are people orientated, experiential and personalized

Community



Buildings to become an epicentre for communities to share passions, experiences and ideas

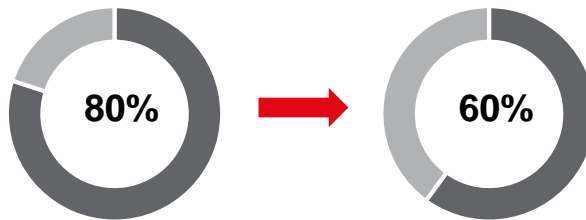


Dynamic workforce

Rapidly changing workforce environment

Liquid and contingent workforce is driving a radical transformation of corporate real estate.

Portfolio Career



of all employees during the 1980's worked for the same employer for **upwards of 15 years.**

of the workforce nowadays switches employers after **only four.**

Source: Accenture, M. Smit (2017) Trends in the Workforce: Changing Attitudes, New Opportunities

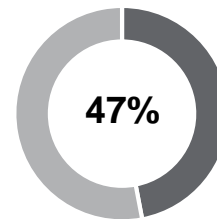
Liquid workforce

Between **20% and 30%** of the working population is already working in the on-demand or gig economy.

Source: McKinsey (2016) Independent Work: Choice, Necessity and the Gig Economy

Coworking

of <35 year old work in third places compared to 27% of employees aged 35 years or more.



Source: JLL (2017) Workplace Powered by Human Experience



Adopt a user-centric approach to respond to a dynamic workforce

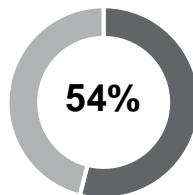


Flexspace

Coworking and flexible workspaces

The proportion of flexspace within CRE portfolios will continue to grow in 2018.

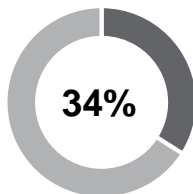
Flexible working



of employees work from home at least once a month.



of employees say access to external coworking spaces has a positive or a very positive impact on their engagement and productivity at work.



of employees work at least once a month from third places such as internet cafes, public libraries or coworking spaces.

Source: JLL (2017) Workplace Powered by Human Experience

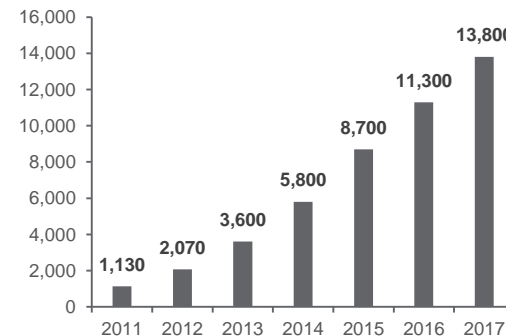
Workplace utilization

About **30-40%** of space is under-utilized of a typical workday.

Source: JLL (2017) Occupancy Planning Annual Report

Supply side growth

No. of coworking spaces worldwide



Source: Deskmag (2017) Coworking Survey



Incorporate flexspace as a core part of workplace and portfolio strategy

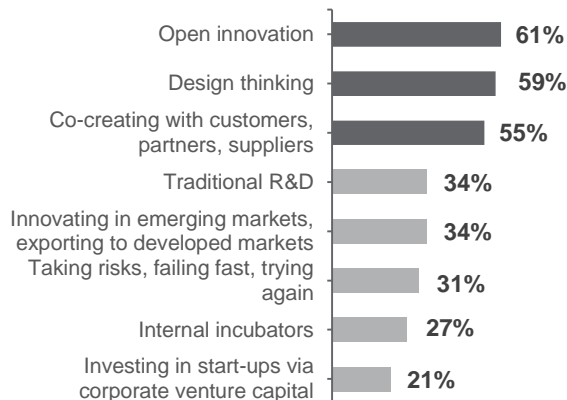


Innovation culture

A work environment supporting creativity, cross-collaboration and innovation

New collaboration imperatives are changing corporate innovation infrastructure.

Operating models for innovation

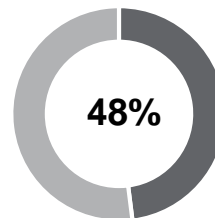


Q: What operating models does your organization currently use to drive innovation? (% denotes the number of companies using these innovation models)

Base: 1,222

Source: PwC (2017) Innovation Benchmark

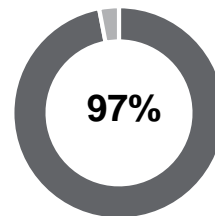
Cross-collaboration



of CEOs plan to enter new strategic alliance or joint venture.

Source: PwC (2017) 20th Annual CEO Survey

Open Innovation

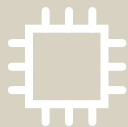


of large companies stated that open innovation is important or critical to higher levels of future business performance.

Source: Accenture (2017) Building a Digital Ecosystem: Collaborate for Growth



Review innovation infrastructure to foster hyper-collaboration within and outside the organization

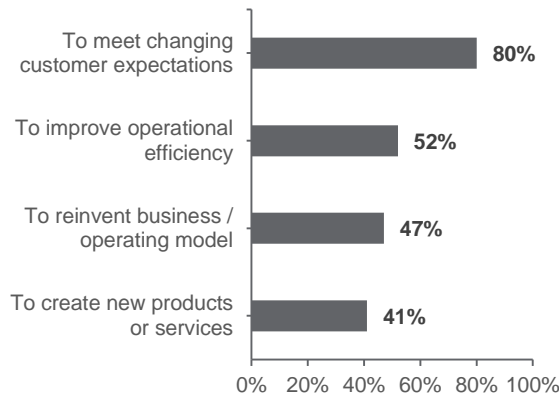


Digital drive

Harness digitization and rich data

Integrated technology and ecosystems will drive new levels of enterprise performance.

Digital drivers

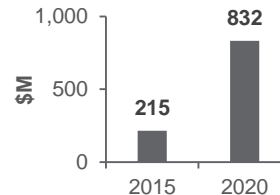


Why companies feel the need for digital transformation?

(Survey of leaders responsible for digital transformation initiatives).

Source: Nimbus Ninety (2017) Digital Trends Report

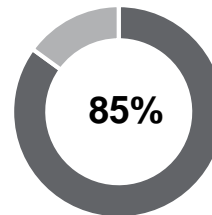
IoT investment



IoT investments by businesses are projected to grow dramatically over the next few years.

Source: PwC (2017) Leveraging the Upcoming Disruptions From AI and IoT

AI Investment



of executives report they will invest extensively in AI-related technologies over the next three years.

Source: Accenture (2017) Technology Vision



Align CRE strategy with enterprise-wide digital transformation

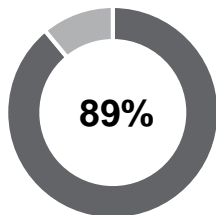


Smart real estate

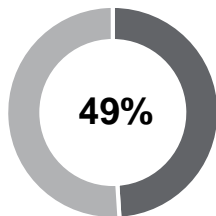
Digitally enabled
real estate

*Smart real estate
technology is transforming
the real estate life cycle.*

Technology partnerships



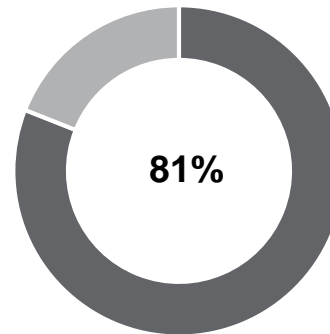
of real estate decision makers agree with the statement "Traditional real estate organizations need to engage with PropTech companies in order to adapt to the changing global environment."



of real estate decision makers expect to collaborate with an existing or new supplier to develop their technological innovation capability.

Source: KPMG (2017) Bridging the gap, Global PropTech Survey

Return on investment



of occupants report that smart buildings improve employee retention.

Source: BPIE (2017) Smart Buildings Decoded



*Deploy emerging smart real estate solutions to optimize user-experience
and enhance enterprise performance*



Adaptive organization

Responsiveness to a rapidly changing operating environment

Nurture an agile culture and workplace against the backdrop of market and digital transformation.

Drivers

Why businesses should improve agility?

Management-level executives rated the top reasons for improving agility.

84%

believe the capability to **respond more quickly** to new opportunities will give them a distinct advantage.

65%

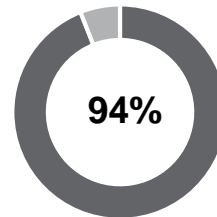
expect higher **customer satisfaction** and **retention**.

58%

expect higher **employee productivity** and **retention**.

Source: CA Technologies (2017) The State of Business Agility

Agility



of companies report that “agility and collaboration” are critical to their organization’s success, yet only 6% say that they are “highly agile” today.

Source: Deloitte (2017) Global Human Capital Trends

Key obstacles to digital transformation



What's stalling digital transformation efforts?

Source: PwC (2017) Global Digital IQ Survey



Embed agility in the organization to seize new opportunities and respond to a volatile operating environment

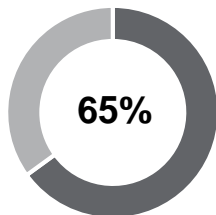


Future skilling

Rethinking skills base and profiles

Adapting team competencies to meet future CRE challenges.

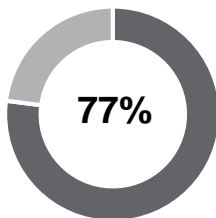
Changing profiles



of HR professionals say that **skills** needed for jobs in their organization are **changing**.

Source: CIPD / Hays (2017) Resourcing and Talent Planning Survey

Retrain or redesign

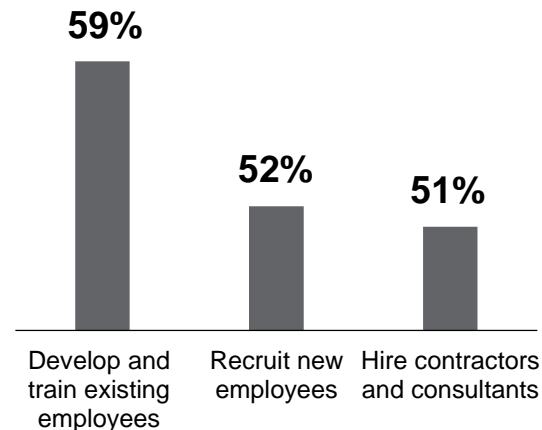


of companies will either retrain people to use technology or will redesign jobs to better take advantage of human skills.

Source: Deloitte (2017) Global Human Capital Trends

Talent strategy

Top approaches to get sufficient talent to support business strategy:



Source: Deloitte (2017) Digital Business Global Executive Study



Consider new and atypical profiles to drive the future of your organization and enhance CRE performance



Wellness

Being in good health as an actively pursued goal

Support mental and physical health at work by aligning workplace and HR strategy.

Current state

Only about **9.5%** of today's workforce is covered by any kind of workplace wellness programs or services.

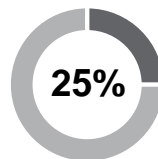
Source: Global Wellness Economy Monitor, GWI, 2017

According to WHO, by 2030 the largest health risk on earth will be depression. The global economic impact of mental health is estimated at US\$ 1 trillion per year in lost productivity.

Source: WHO (2017) Global Wellness Summit

Desired state

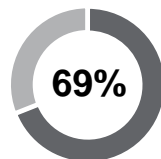
Switching off and meditation



What criteria would give you the feeling of having a unique experience of work?

Source: JLL (2017) Workplace Powered by Human Experience

Happiness at work



Wellness Architecture



Indoor air quality and ventilation



Thermal comfort



Daylighting and lighting



Noise and acoustics



International layout and active design



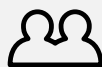
Biophilia and views



Look and feel



Location and access to amenities



Employee engagement

Source: WGBC (2016) Building The Business Case: Health, Wellbeing and Productivity in Green Offices



Create a new wellness architecture to activate and sustain human experience



Humanization

Reintroducing the human factor
at the core of the enterprise

*Create workplaces that
are people orientated,
experiential and
personalized.*



Automation

In the period **2018-2020** the expected
annual growth rate of sales in service
robots for professional use is expected to
be between **20% and 25%.**

Source: International Federation of Robotics (2017)
World Robotics

vs



Humanization

Only **22%** of executives reported that their
companies were excellent at building a
differentiated employee experience.

Source: Deloitte (2017) Digital Mobility | Talent 2017 Trends



*Enhance human experience while building on the potential of
automation and digitization*

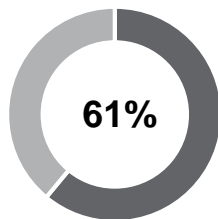


Community

A network of interdependent individuals

Buildings to become an epicentre for communities to share passions, experiences and ideas.

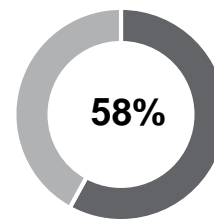
Building trust



of CEOs say building greater trust among external stakeholders and customers is a top three priority for their organization today.

Source: KPMG (2017) Global CEO Survey

Impact on employees



report a positive impact on engagement and productivity.

Does access to spaces for shared community interests (vegetable gardens, spaces for artistic expression, spaces for leaving pets, etc.) have an impact on your engagement with the company and productivity?

Source: JLL (2017) Workplace Powered by Human Experience



Meet community aspirations by seamlessly connecting people and creating comfortable spaces

Summary

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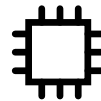
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Community



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Thank you

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