



CoreNet Global Report Series

FUTURE OF CORPORATE REAL ESTATE - POST COVID-19 (Part 3)



Developing Strategies for Remote and Hybrid Work Models

Corporate Real Estate as a Remote Work Service

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Organizations across industries are still trying to figure out what this disruption means for the future workplace, but many agree that remote working and hybrid work models are likely to remain permanent fixtures.

Corporate real estate (CRE) professionals and workplace teams have long been tasked with supporting the needs of people working remotely, whether that person was working from home, an airport lounge or on-site at a client's facility. The pandemic shifted remote working into hyperdrive with business shutdowns that sent people to their homes en masse. Organizations across industries are still trying to figure out what this disruption means for the future workplace, but many agree that remote working and hybrid work models are likely to remain permanent fixtures.

"People have a perception that workplaces were full prior to the Pandemic, and that people were in the office all of the time. If we look at pre-pandemic data, what we see is that workspaces were not at 100% occupancy, and in many cases not even at 80%," says Wendy J. Heller, of the Real Estate & Location Strategy at Deloitte Consulting LLP. Prior to the pandemic, many companies were already shifting strategies to account for reduced demand. "If an organization plans for head count, they will always be running out of space. However, if an organization plans for occupancy demand, which can be measured by capturing access badge swipes or by using sensor data, then they can truly start to plan for their reality," she says.

The ongoing challenge for workplace teams is how to support people and work when the "where" that work is taking place is still in flux. There is still significant uncertainty, and frankly unknowns, as to when companies will initiate return to the office plans, what percentage of workers will return to the office full- or part-time, and what changes have occurred in workplace behavior. For those people that choose hybrid schedules, how will workplace teams need to support remote work, and how do they accommodate demand for space when the in-office headcount is ever-changing?

There is a lot of consultation with workplace advisory firms and much listening going on, notes Roberta G. Sydney, a board member at Locatee and former founder and CEO of Sydney Associates Inc., a U.S.-based real estate development firm. People are now being asked by CRE professionals and workplace teams: what works for you, and what problems can we help solve? "It's going to require a partnership where we take the pulse of what employees really need along with what makes sense. That's how to find the path forward," says Sydney.



Most CRE professionals agree that there are still more questions than there are answers. However, there are some common themes emerging as organizations prepare for new hybrid working models. Some of the themes shaping workplace strategies are:

1. **Equitable experiences:** Companies are focusing on delivering an equitable experience for all employees regardless of where they choose to work.
2. **Diverse options:** When workers choose to come to the office, they need a variety of options that helps them to be productive, whether that is access to collaborative space, a huddle room or a private workspace.
3. **Flexibility & agility:** Companies are still figuring out changes in workplace behavior, which requires flexible solutions that can change and adapt to new demands.
4. **Connectivity:** Supporting remote and hybrid work is going to rely heavily on technology. Workplace teams need to make sure that their facilities, meeting rooms and individual workspaces are equipped with the necessary technology to connect remote workers.
5. **Listening to what people want:** People are more comfortable voicing their own needs and preferences, and those preferences are focused on their own well-being.
6. **No cookie cutter solutions:** Each company has to figure out what hybrid work and the workplace of the future is going to look like for their individual organization. Key variables to consider are the type of work being done, company culture and characteristics of their workforce.

Supporting a hybrid workplace

As businesses continue to reopen, workers globally are embracing hybrid working. China is one leading example as Chinese workers have returned to the office faster than the rest of the world. According to Gensler's China Workplace Survey 2021 that polled over 3,000 full-time office workers, nearly 9 out of 10 workers said they are now hybrid workers, splitting their time between the workplace and various alternative locations.¹

Although phased reopening of offices has been delayed in the U.S. due to the Delta Variant, early survey data suggests that hybrid working will be a bigger part of the future workplace. Prior to COVID-19, U.S. workers who had a choice in where to work overwhelmingly chose the office as their preferred place to work. According to Gensler's U.S. Work from Home Survey 2020, 72% of people surveyed spent the average

1 [China Workplace Survey 2021](#). Gensler Research Institute.

work week in the office. The survey shows a significant shift in post-pandemic sentiment. Forty four percent of respondents said they want to return to the office with no days at home, while an equal amount prefer a hybrid model. Specifically, 26% said they want to spend 1-2 days working from home and 18% said they prefer 3-4 days working from home. Those who want to remain working at home every day are in the minority at 12%.² A survey conducted by McKinsey & Company in December 2020 and January 2021 also noted a significant shift in preference towards hybrid working. Fifty two percent of the 5,000 full-time employees surveyed said they prefer to have hybrid/flexible work schedules post pandemic compared to 37% who want to work on-site full time and 11% who want to work remote full time.³

“Ever since the fax machine, people have been saying ‘No one’s going to come to the office anymore. Everyone is going to work from home,’ says Sydney. Clearly, that has not been the case. “However, COVID-19 greatly accelerated changes that we saw coming,” she says. Companies aren’t going to go back to the way things were in 2019 in terms of how and where people work. People are going forward in new ways. Therefore, companies and workplace teams need to figure out how to support hybrid work and be more remote friendly.

The slow return to the workplace is making it difficult to plan for changes that have yet to be identified and measured. Major corporations such as Google, Amazon and Apple are among those that have delayed plans to return to the office until 2022. According to Kastle Systems’ Workplace Barometer, occupancies in multi-tenant office buildings across 10 major metros in the U.S. served by Kastle access systems were averaging one-third occupancy (33.6%) as of mid-September.⁴

Transforming the workplace

In addition to figuring out the amount of people in the office, companies need to design for how people are working when they do go to the workplace. A common view is that there will be less heads-down work, which can be done from home, and more demand for spaces that bring people together for group activities such as collaboration, innovation, mentoring and team meetings. One of the key reasons why people will want or need to come to the office in the future will be those connections. “People will want or need to build their networks, collaborate with colleagues and perhaps get to know people they have not yet met in person,” says Heller. At the same time, the need for individual assigned workstations for each person is diminishing. “There are many places people can find to do individual work. When there is really a need to connect and collaborate, you need the right types of space to support that,” she says.

Importantly, people need to be at the forefront of new workplace strategies. If companies aren’t willing to empower their people to make the choices they need to in order to do their work, then it’s possible people will choose employers who will provide this type of empowerment, and talent attrition will become an even bigger challenge for employers, notes Heller. “So, the need to empower and enable people to make choices that align to company strategy is pretty critical as part of the workplace strategy of the future,” she says.



People have proven during COVID-19 that they can be productive and work successfully at home. “So, if people are coming into the office, it is no longer about me space and the heads-down focus space,” agrees Hannah Hackathorn, North America Regional Principal – Design at Unispace. The question that companies are grappling with is what is the purpose of the office, and the answer is not the same at every company.

Desks and workstations won’t be completely removed, but rather they are being reconfigured to provide workspace that might be in the vicinity of collaboration space, or workspace that is more private. Companies also are putting more emphasis on enclosed and semi-enclosed meeting spaces, notes Hackathorn. For example, even law firms, typically traditional workplace configurations with dedicated perimeter offices for attorneys and partners, are considering new ideas, such as sharing an office between two partners with scheduling capabilities and office furniture configuration suitable for small huddles, available for all instead of sitting empty, she says.

Technology will play a significant role in the future office. Companies need tech-enabled space to facilitate connections with people who are in the office and working remotely. Companies need to incorporate systems that make it easy to reserve workspaces whether it is a personal workstation or a group meeting space. Those meeting spaces also need to support essential technology, such as video conferencing and

2 [U.S. Work from Home Survey 2020](#). Gensler Research Institute.

3 [What employees are saying about the future of remote work](#). April 1, 2021. By Andrea Alexander, Aaron De Smet, Meredith Langstaff and Dan Ravid. McKinsey & Company.

4 [Kastle Systems Workplace Occupancy Barometer](#). Sept. 20, 2021.

shared content. “You need to make sure that technology is incorporated into the overall space design and is not an add-on. For it to be a successful model, it needs to be baked in,” says Hackathorn.

Companies also are working to offer diversity so that when people are coming into the office for a day or two days, they can choose the workplace where they can do their best work. That diversity also is important as people’s needs change throughout the day. For example, a worker may start out working in a collaborative area so they can connect with people or members of their team. Later in the day, they may need a private workspace in order to focus on completing a project or responding to phone calls or emails. “Throughout the day, the type of space that individuals will require to do their best work is going to change,” says Hackathorn. “So, when we’re looking at the workplace and the make-up of the space type we need to be very cognizant in positioning of it, the quantity of it and accessibility of it as well.”

Supporting remote workers

At the start of the pandemic, people were armed with a laptop and a cell phone and were often left to figure out the rest. People set up workstations in basements, bedrooms, and kitchen tables, in some cases while also having to figure out how to work around a spouse and children who were remote learning and working. Going forward, what role do organizations want and need to play in supporting those remote workers?

The answer depends on the organization. If a company’s ultimate strategy is to bring everyone back to the workplace, they may look at supporting remote working as counter-productive to what they are trying to accomplish. If a company culture emphasizes choice, some firm may look beyond flexible

workplaces to flexible work packages, such as providing a stipend to create a home workspace. “Ultimately, it comes down to what an organization’s aspiration is. If a company’s aspiration is to develop a long-term, flexible hybrid model, then they will be more engaged in helping to support remote working whether that is taking place at home or on the road. If a company is not interested in that long-term, flexible strategy, then they are not going to prioritize that focus or investment,” says Heller.

Relying more heavily on digital technology will require companies to create a new set of standards and rules around using digital tools that are essential for connecting remote workers. For example, when do we use Slack versus email versus phone versus Zoom? What is a company’s response time expectation for their remote workers? Is it 2 hours, 4 hours or next day? People also must be mindful about how easy it is to be misunderstood when communicating through digital media. A team that is conducting a meeting via Zoom can see some body language, whereas mediums like Slack or text don’t offer that ability to see how a message is being received. “Part of what is happening now is that good companies are figuring out what tools they will use, setting standards for how they’re going to use them, and then also discussing how to incorporate these tools into their culture,” says Sydney.

Going forward, CRE professionals and workplace teams will continue to face many challenges. Chief among them is navigating a path forward for hybrid and remote work amid considerable uncertainty, while also accounting for important change management as workers adapt to the new workplace paradigm. “On the bright side, there is now an opportunity to source talent wherever it is located, and incorporate that talent into your business,” says Sydney. “That’s the opportunity being embraced by companies that will thrive.”

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