



August 2022

Global Research

The Future of Work Survey 2022

Five critical challenges ahead for real estate

Executive summary

Real estate is at a critical decision-making point

The world of work has been turned on its head since JLL published its previous report on *The Future of Work* four years ago. The unprecedented experience of the first two years of this decade has required organizations to adapt fast and pivot quickly to support their workforce through a global public health pandemic.

In the last two years we have witnessed a rapid acceleration of many trends identified in our 2018 report: the large-scale adoption of dynamic and flexible working, the growth of workplace technologies to support CRE (corporate real estate) functions in managing these new workstyles, and increased investment to bolster environmental sustainability goals.

As companies emerge from the crisis created by the pandemic, they now face critical challenges. Among these, the execution of their strategic objectives is more complex and outsourcing services more

sophisticated; the power has shifted from the employer to employees, forcing organizations to reimagine workplace and portfolio strategies; and the greater application of technology is becoming crucial to boosting performance levels on all fronts. At the same time, how do companies embrace new dynamic working to their advantage? And what does this mean for organizations and the shape of their future real estate portfolio?

To provide answers to these questions, JLL has once again taken a deep dive into the issues influencing the thinking of circa 1,100 strategic decision-makers in businesses around the globe. Our research highlights that companies are driving a long-term transformation of their real estate portfolio to succeed in a post-pandemic world. They are pursuing new strategic workforce opportunities and, consequently, are reprioritizing their future spending to align with these goals.



The perspectives of those surveyed in our research have helped to draw out significant conclusions for the real estate industry:

- ✓ Strategic decision-makers cannot ignore the lasting impact of hybrid work on their organization
- ✓ Offering hybrid working options will be critical to attracting and retaining talent
- ✓ Real estate is an essential enabler in the ESG (environmental, social and governance) journey and will simultaneously support both positive social and environmental impacts
- ✓ Without sustained investment in technology and data, it will become more challenging to achieve performance and resilience goals
- ✓ Organizations will seek input from specialists aligned to their priority areas of investment

Our research reveals that the next three years will be a critical phase for CRE strategy. The insights gained from global CRE executives suggest that the period from 2022 to 2025 represents a crucial window of opportunity that will determine how successful companies will be in adapting to rapid changes.

Five key messages emerge from our survey

All of the key messages that we have distilled from our research will require careful consideration and strategic clarity before decisions are made and action taken. Notably, a common finding for every message is that organizations will accelerate strategic investments over the next three years to realize their long-term workforce and workplace priorities.

1 Hybrid working is here to stay and calls for the rejuvenation of the office

2 In the near term, investing in quality space will be a greater priority than expanding total footprint

3 Environmental and social aspirations will shape future portfolio transformation

4 CRE functions need to double down on intelligent technology investments

5 Real estate needs are becoming more sophisticated and complex

The following report summarizes the key findings and provides an overview of the state of the market in real estate.

The Future of Work in numbers

Work

53%

of organizations will make remote working permanently available to all employees by 2025

77%

agree/strongly agree that offering remote/hybrid working will be critical to attracting and retaining talent

75%

say their employees will increasingly expect their workplace to have a positive impact on society

69%

have already introduced, or will introduce this year, technology to boost in-office collaboration

Workforce

45%

of respondents consider the facilitation of collaborative working to be one of the primary purposes of office space

79%

agree their organization is taking actions today to make the workplace more inclusive and diverse for all employees

4-in-10

organizations are looking to outsource more around health & wellbeing and sustainability

43%

will accelerate their investment in new or enhanced health & wellbeing amenities for employees

Workplace

72%

agree that in the long term the office will remain central to their organization's ecosystems

77%

agree that investing in quality is a greater priority than expanding total footprint

73%

have planned or are planning to make all office spaces open and collaborative, with no dedicated desk spaces

43%

expect they will need more outsourcing support for CRE technology solutions over the next three years

Portfolio

77%

of CRE leaders expect their mandate for change to be stronger by 2025. 62% of CRE functions anticipate an increase in budget between now and 2025

75%

of leading CRE functions anticipate more reliance on external partners

74%

say they are likely to pay a premium for green credentials. 56% plan to do so by 2025

13%

say they are collecting data on an ongoing or real-time basis using advanced analytics

Insight #1

Hybrid working is here to stay and calls for the rejuvenation of the office

Organizations need to transform their workplace model to accommodate hybrid work because flexibility is not a passing phase.

Strategic decision-makers should not ignore the lasting impact of hybrid work on their organization. Our research confirms beyond doubt that the hybrid model is now a permanent feature of the working landscape.

The number of employers not offering some form of hybrid working option has dropped from 45% pre-pandemic to only 9% today, which means the vast majority of occupiers in our research recognize that providing hybrid working options is essential to attracting and retaining talent.

As the office becomes a destination for employees as part of their hybrid workstyle, occupiers need to bring it to life and increase their investments in places and people to guarantee long-term growth.



Key results

77% agree/strongly agree that offering remote/hybrid working will be critical to attracting and retaining talent

53% of organizations will make remote working permanently available to all employees by 2025

45% consider collaborative working to be one of the primary purposes of office space

73% have planned or are planning to make all office spaces open and collaborative, with no dedicated desk spaces

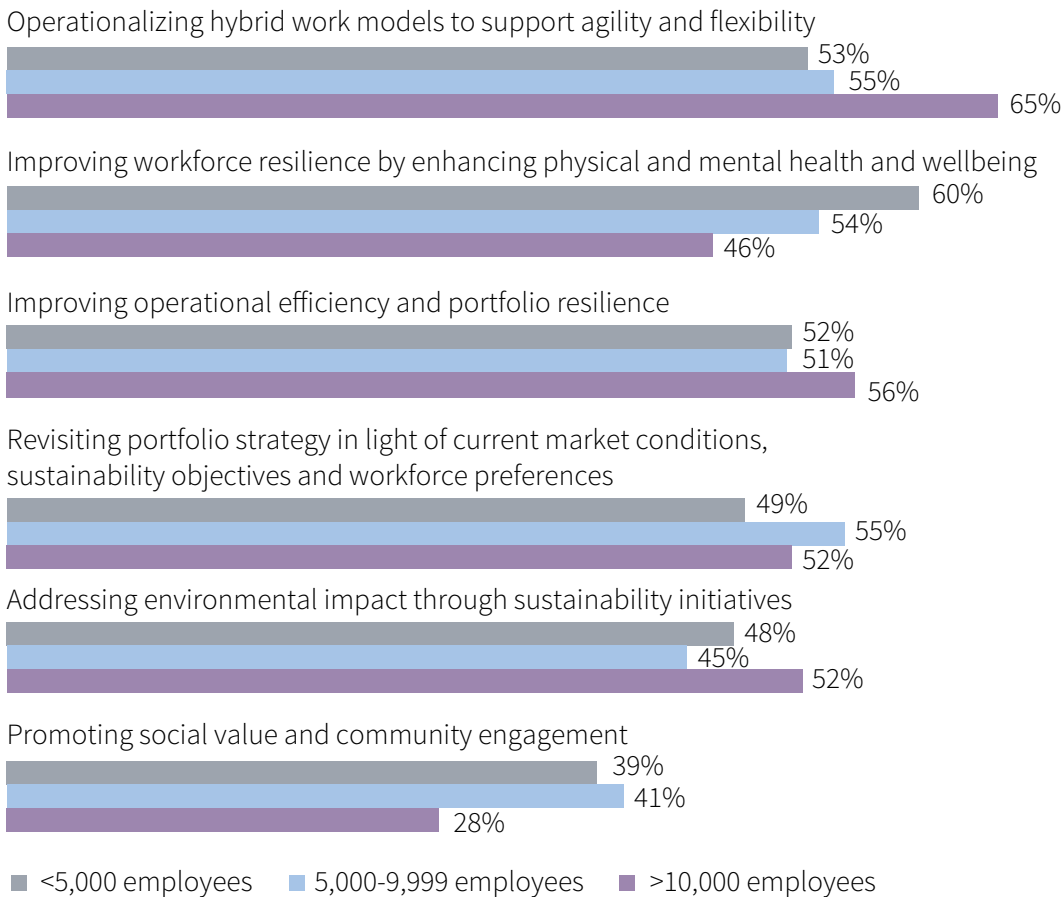
Balancing short and long-term thinking

What are the strategic priorities shaping decision-makers' thinking? The rapid shift towards flexible working has come about far faster than we predicted in our previous Future of Work survey back in 2018. Since 2020, working patterns in many companies have dramatically changed from a model where most employees spent most of their time on-site or in the office to a more dynamic model where employees have more freedom and control over when and where they work, including a mix of office and home-based work.

These dynamic working patterns have profound implications for real estate strategy. Our research reveals that the most important strategic priority for CRE executives over the next three years will be to successfully operationalize hybrid working to enable their organization to remain agile and flexible.

This focus is even more pronounced among the largest corporate occupiers (those with more than 10,000 employees) where two-thirds (65%) place operationalizing hybrid working among their top three strategic priorities (see Figure 1).

Figure 1: Which three of the following strategic objectives are most important for your CRE function between now and 2025?



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Alongside navigating the challenge of hybrid working, other strategic areas of focus will significantly move up the corporate agenda over the next three years. **Improving workforce resilience by enhancing health and wellbeing** is the second most frequently cited area overall and the most common priority for organizations with fewer than 5,000 employees (60% say it's among their top three priorities).

The third most important strategic objective is to **improve operational efficiency and portfolio resilience** (mentioned by 53% among their top three priorities). The pandemic has served as a powerful reminder of the fragility of our real estate

ecosystem and the risks to which organizations are exposed. Larger corporations (more than 10,000 employees) name this as their second most important strategic priority.

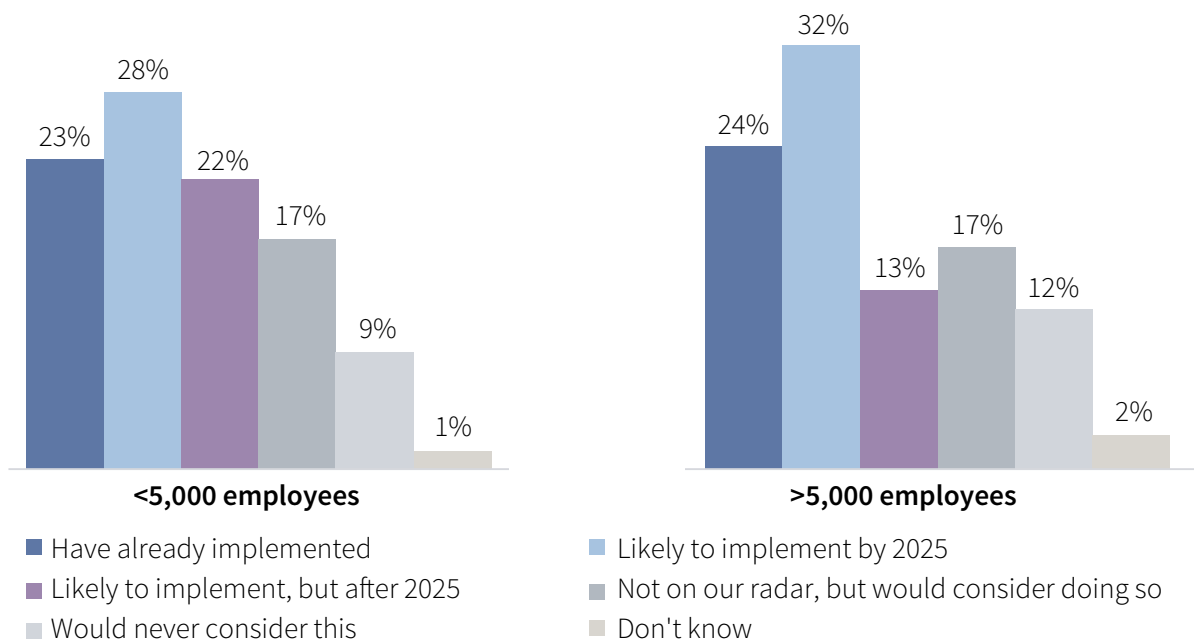
Other strategic priorities are also competing for the attention of decision-makers. **As well as the short-term challenges of operational agility, resilience and efficiency, organizations are planning ahead for longer-term workplace changes.** They are using this moment to reassess whether their portfolio is fit for purpose in light of market conditions and are pushing forward initiatives designed to address collaboration, performance and human experience for a dispersed workforce.



Empowering employees for a hybrid future

Will the trend towards hybrid working endure over the long term or will we see organizations revert to pre-pandemic working patterns? Our research suggests the former will be true for a large majority of organizations. Hybrid work will have a durable presence. A quarter of organizations (24%) say they have already made remote working permanently available to all employees who want it, with a further 30% expecting to do so by 2025. Companies with more than 5,000 employees are even more likely to consider this.

Figure 2: How open is your organization to considering making remote working permanently available to all employees who want it?

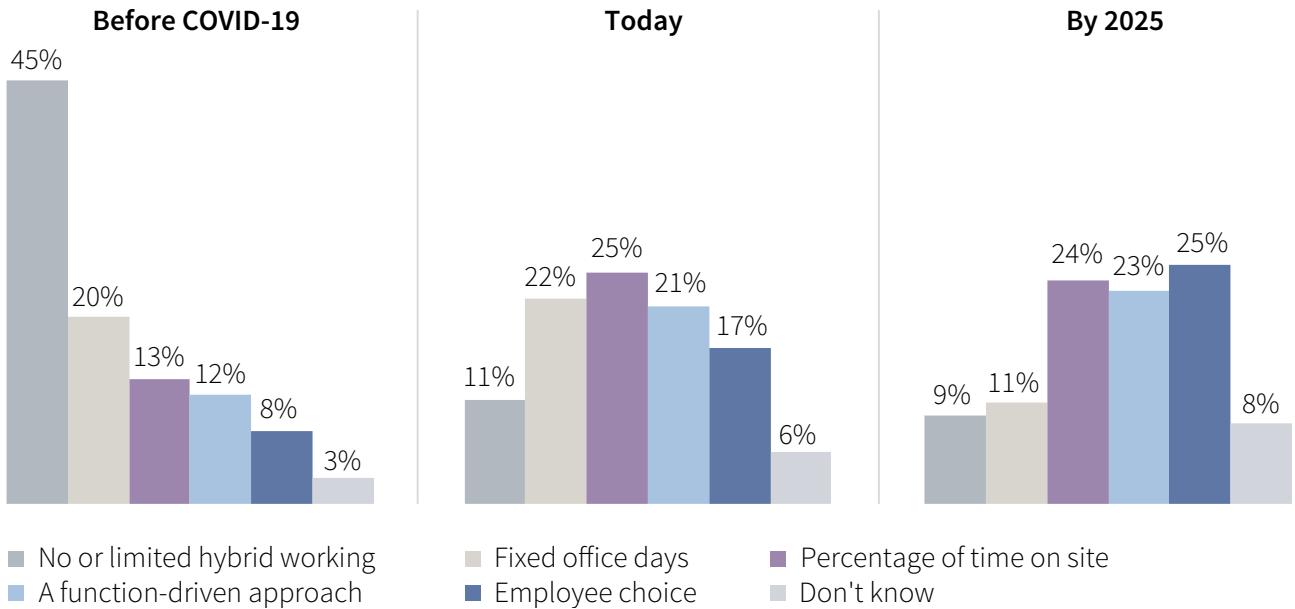


Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

The consequence of this shift towards hybrid working is clear: in future, employees will be more empowered to manage their relationship with their workspace, with more control over how and when they work. Figure 2 shows that by 2025, more than

half (54%) of organizations will have moved to an employee choice model where employees have greater authority to orchestrate their working patterns. This is up from just 8% before the pandemic.

Figure 3: Which of the following best describes hybrid working in your organization?



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Companies recognize that to remain competitive and draw the best talent they need to plan for a future in which dynamic working is at the heart of their workforce model. More than three-quarters (77%) of organizations surveyed agree that offering remote or hybrid working options will be critical to attracting and retaining talent.



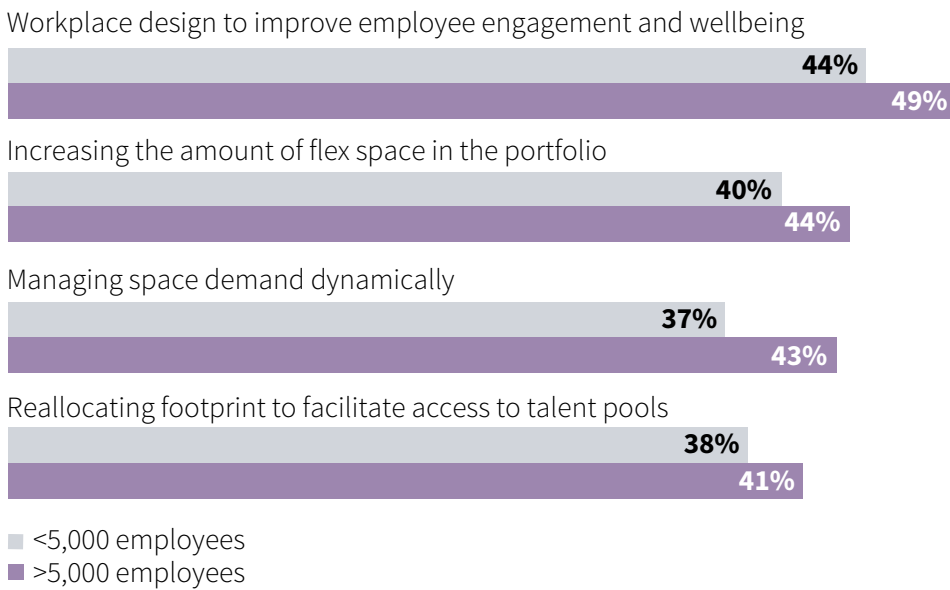
Flexible space on the rise



Where are the opportunities to embrace flexibility?

With dynamic working set to remain the norm, corporates will need to think through the size and shape of their real estate portfolio so that it can be managed in a way that best supports workforce agility.

Figure 4: Does your CRE function plan to reduce or accelerate investment in each of the following areas between now and 2025? (% planning to accelerate investment)



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Our research indicates that one route to achieving greater agility is through investment in flexible space options such as serviced offices or co-working spaces. 43% of organizations surveyed by JLL say they plan to accelerate investment in flexible space over the next three years. 51% say they will lease flexible space through a third-party provider.

Hybrid work has a durable presence and organizations must embrace it at scale, adapting and transforming their portfolio to empower a dispersed workforce anywhere they work. Dynamic occupancy management will be crucial to enabling maximum flexibility and elasticity across the portfolio.



Challenge 1:

How do you adapt to dynamic working patterns?

- Embrace dynamic and flexible working patterns
- Drive the transformation around the hybrid model as flexibility is not a passing phase
- Plan for a future in which dynamic working is at the heart of your workforce model
- Reassess whether your portfolio is fit for purpose
- Identify new locations to increase the quality of the space offered to employees and reallocate your footprint to meet a new demand around hybrid working
- Increase flexible space allocation to respond to dynamic working patterns
- Think through the size and shape of your real estate portfolio
- Deploy a hybrid model at scale and fine-tune it in accordance with local constraints and demand
- Operationalize hybrid working to support agility and flexibility
- Manage a flexible, resilient and fit-for-purpose portfolio incorporating the highest experiential spaces
- Enable optimal human performance in an evolving and hybrid work environment

Insight #2

In the near term, investing in quality space will be a greater priority than expanding total footprint

Organizations must prioritize access to high-quality spaces as the office will remain central to the work ecosystem.

While decision-makers acknowledge that offering hybrid working options will be critical to attracting and retaining talent, they also need to make sure the space their organization occupies now and in the future is optimized to encourage employees – both new and existing – to spend time in the office. In particular, this will enable organizations to support their broader employee health and wellbeing goals. Our survey participants tell us they want their future office to be a collaborative, creative space that fosters employee wellbeing and maximizes productivity.

As employees' expectations will play a leading role in driving future workplace strategies, the provision of quality space will be a top priority. Many companies are already well down the path of rethinking the purpose of their portfolio and investing to create spaces that are brand differentiating and attractive to future talent.



Key results

72% of organizations agree that in the long term the office will remain central to their work ecosystem

77% agree that investing in quality office space is a greater priority than expanding total footprint

45% consider collaborative working to be one of the primary purposes of office space

73% have planned or are planning to make all office spaces open and collaborative, with no dedicated desk spaces

69% have already introduced or will introduce technology this year to boost in-office collaboration

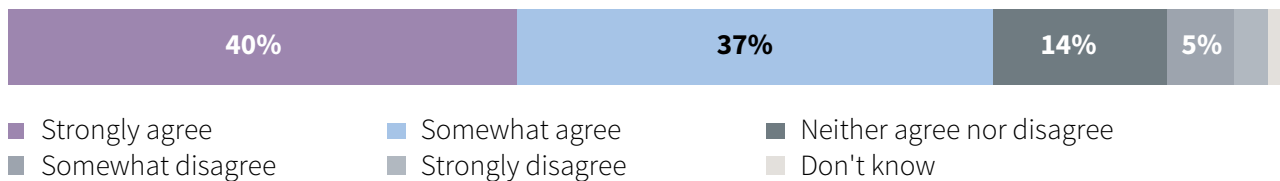
The flight to quality space



What is the value of the workplace?

One of the biggest drivers shaping the future of real estate over the next three years will be the flight towards quality office space. When asked about their attitudes towards space, 77% of those surveyed stated that investing in quality space is a more significant priority for their company than expanding the total occupied footprint (see Figure 5).

Figure 5: To what extent do you agree or disagree with the following statement? ‘Investing in quality space is a greater priority than increasing total space occupied.’

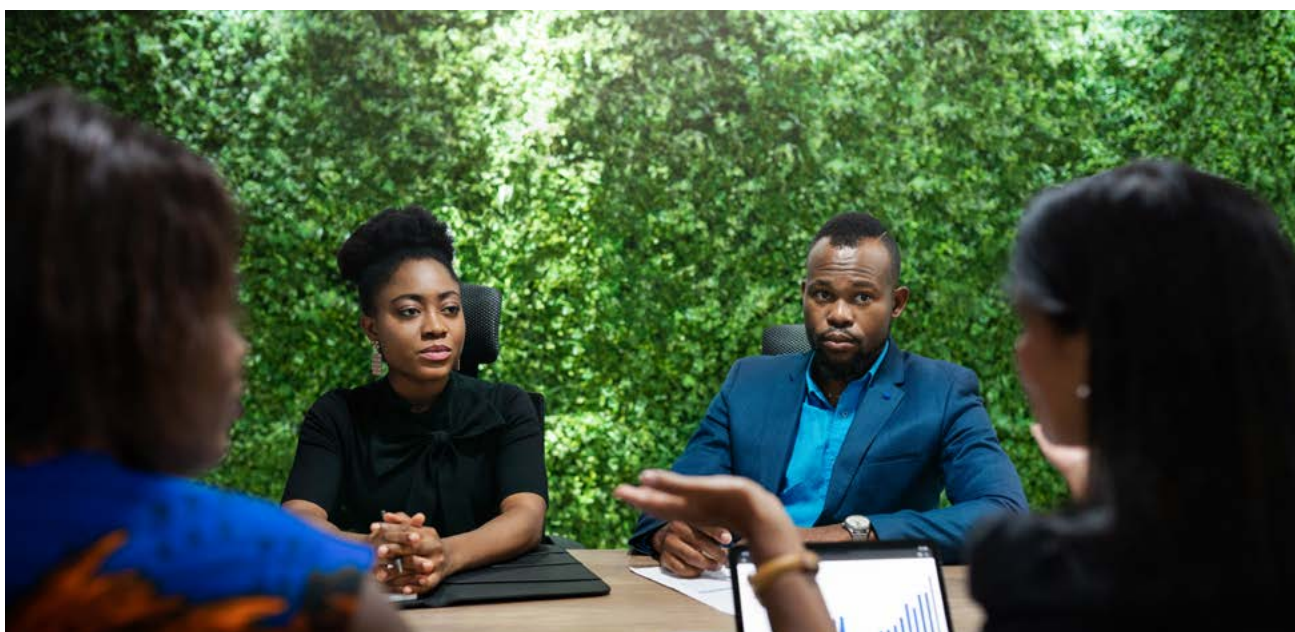


Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

This finding reflects concerns among corporates that not only do they need to have the best space available to encourage their workforce to spend time working from the office, but they also need the best space available to set themselves apart from their peers.

Embedded in their thinking is a recognition that office space will remain central to the future work ecosystem. This mirrors how employees think about their own working patterns. In JLL's latest workforce survey¹, 60% of office workers consider that the office will remain central to their working life in the future.

The future office – a collaborative and creative space

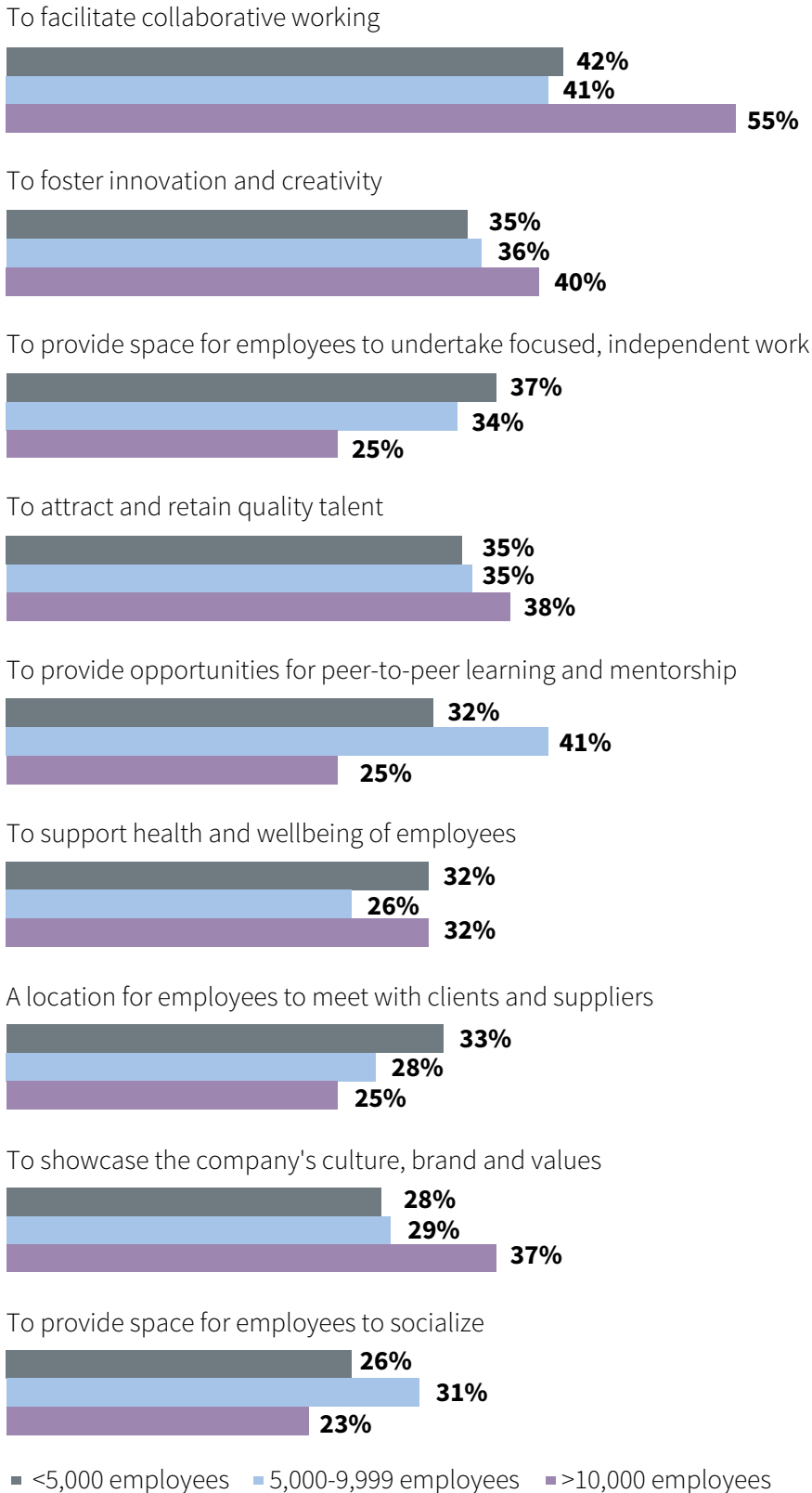


What will be the role of the office in the future? Our research reveals that organizations now prioritize collaboration as the primary purpose of their office space. 45% rank facilitating collaboration among their top three objectives for their workplace, and this rises to 55% among corporations with more than 10,000 employees (see Figure 6). This reflects the growing challenge of promoting effective collaboration among a large, often geographically dispersed workforce.

The office of the future will also be a place to encourage greater innovation and creativity and to provide opportunities for peer-to-peer learning, cited by 36% and 32% respectively across JLL's research. These priorities highlight the challenges of replicating spontaneous idea-sharing and fostering on-the-job learning experiences when employees are working away from the office. Decision-makers believe the office is the most effective place to achieve these outcomes consistently.

As well as planning and delivering office spaces that enhance staff productivity, organizations want to create spaces that are welcoming and which promote employee health and wellbeing. The most forward-thinking occupiers view their workplace as a space that can create unique, positive experiences for their people through improved amenities and best-in-class fit-outs, hence the flight towards quality space.

Figure 6: Between now and 2025, what will be the primary purpose of office space for your organization?



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Translating intent into investment priorities



What level of investment is required to achieve these goals?

Our research shows that decision-makers have clear aspirations for the future of their space to enhance the employee experience, and in close to one-half of organizations these ambitions are being supported by increased investment over the next three years.

When CRE executives were asked about their budget allocation to support workplace resilience and portfolio strategy, the following priorities emerged:



Workplace design and fit-out: 46% plan to accelerate investment in workplace design projects that are intended to improve employee engagement and wellbeing.



New amenities: 43% expect to push forward investment in new or enhanced health and wellbeing amenities.



Air quality: 42% will increase investment to improve indoor air quality.



Access to new talent pools: 39% plan to accelerate investment in the reallocation of occupied real estate to new locations, thereby widening their access to new talent pools.



Rest and recharge spaces: 35% intend to expand investment in dedicated spaces for employees to rest and recharge, such as outdoor spaces and/or roof gardens.

The office has a new purpose and a new role to play in the work ecosystem. “Quality space” is the employees’ clarion call for employers to take action. For the office to be the best place to work and provide outstanding human experience, the workplace needs to be reimagined to meet talent preferences and aspirations.



Challenge 2:

How do you use space to attract talent and enhance the employee experience?

- Put people first and genuinely take care of their health and wellbeing to achieve sustainable performance
- Listen to the workforce's preferences to match the workplace with the right offering
- Create office environments that support people's workflow
- Embrace the flight to quality and prioritize access to high-quality spaces, as the office remains central to the work ecosystem
- Create exceptional workplaces that offer sustainable, inclusive, collaborative spaces with wellbeing embedded at the core of their design
- Match the workplace offering against increased workforce needs and aspirations
- Capitalize on workforce resilience to be better armed to cope with disruptions
- Maximize the comfort of users, create experiential environments and deliver healthy buildings

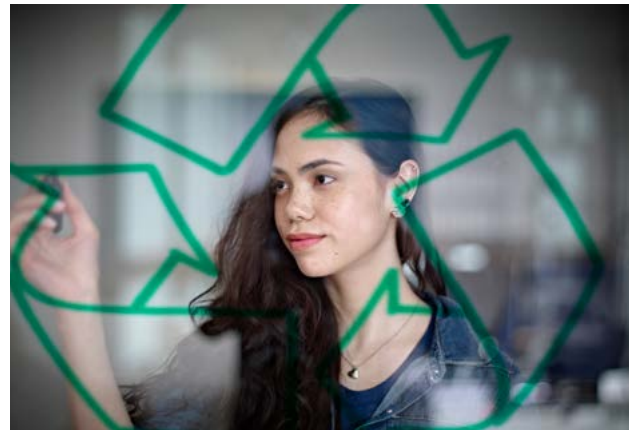
Insight #3

Environmental and social aspirations will shape future portfolio transformation

Organizations must increase investment in ESG solutions as environmental and social aspirations are now mainstream.

As stakeholder expectations around ESG (environmental, social and governance) outcomes increase, decision-makers tell us they have sharpened their focus on achieving positive environmental and social impacts through their real estate. They are now facing ever-increasing levels of pressure and scrutiny to deliver clear environmental and social outcomes over shortening time frames. One strong example is that companies are now acting with greater rigor to make the workplace more inclusive and diverse for all employees. A large majority of organizations in our research say their employees will increasingly expect the workplace to have a positive impact on the environment. As a result, green credentials are now highly important to future portfolios, and environmental commitments and decarbonization roadmaps are at the forefront of decision-makers' thinking.

However, ESG motivations are not only environmental. Nearly 8 out of 10 companies say their employees expect their workplace to have a positive impact on society. Ramping up investment in social considerations has therefore become as important as funding environmental objectives. Diversity, inclusion and wellbeing are now high on the agenda, with employee expectations strongly driving decisions and actions. Nearly half of those participating in our survey say they will accelerate investments to 2025 that are intended to improve diversity and inclusion outcomes.



Key results

- 77%** say their employees will increasingly expect the workplace to have a positive impact on the environment
- 75%** say their employees will increasingly expect their workplace to have a positive impact on society
- 74%** are likely to pay a premium for green credentials, with 56% planning to do so by 2025
- 79%** agree their organization is acting today to make the workplace more inclusive and diverse for all employees
- 46%** will push forward investments through to 2025 that are intended to improve diversity and inclusion outcomes

Occupiers are open to paying a green premium



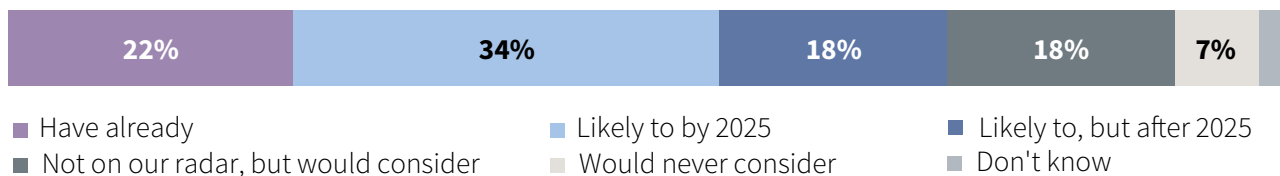
How are ESG strategies being addressed through real estate?

In JLL's 2021 research

², occupiers told us that they were strengthening their focus on decarbonization, putting in place clearly defined goals such as net zero or Science Based Targets, and turning their attention towards developing an action plan to achieve these goals through their real estate.

In this survey we see the evolution of this thinking, with green strategies having a direct impact on real estate decisions. More than half of occupiers (56%) say their organization has already paid, or by 2025 will pay, a premium to occupy space that has leading sustainability and green credentials (see Figure 7). Only a very small proportion of respondents, just 7%, say they would never consider paying a green premium to occupy space.

Figure 7: How open is your organization to paying a premium to occupy space with leading sustainability and green credentials?



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Besides occupying green certified buildings, there are other common strategies that corporates are starting to prioritize in order to significantly boost their progress towards net zero targets **over the next three years**. These include:



Operating facilities in a more carbon-efficient manner: 46% of occupiers in our research plan to accelerate investment to improve the carbon efficiency of their buildings.



Influencing new location selection: 43% will increase their focus on embedding net zero carbon requirements into new location selection processes.



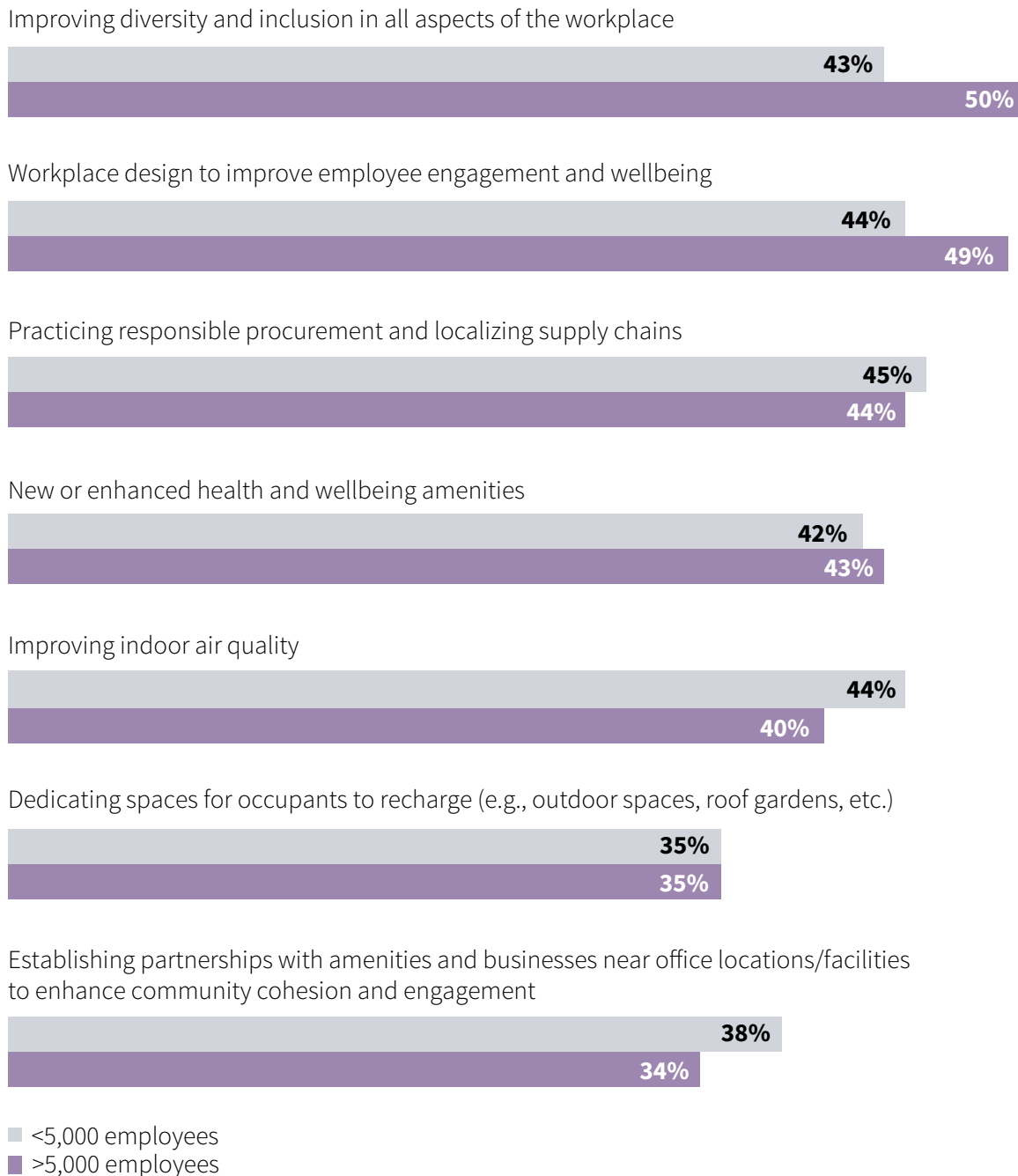
Embracing circular design principles: 37% plan to push forward investment which ensures that fit-outs and refurbishments are underpinned by circular design principles.



Exiting less carbon-efficient space: 36% will be particularly focused on exiting less carbon-efficient space.



Figure 8: Does your CRE function plan to reduce or accelerate investment in each of the following areas between now and 2025? – % planning to accelerate investment



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Delivering social impact through real estate



How is social value addressed through real estate? Improved diversity and inclusion and health and wellness are now high on the corporate agenda, and our research shows that companies are underpinning these objectives with further investment and resources. 79% agree that their organization is acting today to make the workplace more inclusive and diverse for all employees.

Occupiers now firmly believe that their real estate can have very tangible, positive impacts on people, placemaking and the community at large. As such, corporates are allocating increased investment to space fit-out and design initiatives to improve employee engagement, diversity and wellbeing outcomes, and also towards developing greater community engagement. This is being translated into focused action and investment that includes:

Improving diversity, equity and inclusion

46% of occupiers plan to accelerate investment to improve diversity and inclusion in all aspects of the workplace between now and 2025.

Adopting responsible procurement

44% are increasing their focus on practicing responsible procurement, including localizing their supply chains where possible.

Establishing community partnerships

More than **1-in-3** (36%) will do more to establish partnerships with amenities and businesses near their office locations to enhance community cohesion and engagement.

A new social deal needs to be offered through real estate that goes beyond addressing the ‘E’ of ESG. It is also about tackling the ‘S’, the social value of real estate, and ramping up investments to deploy solutions beyond the traditional sphere of real estate. Organizations need to foster partnerships with local authorities and communities, charities and NGOs, and local and responsible suppliers to maximize their social impact.



Challenge 3:

How do you accelerate positive environmental and social impacts through real estate?

- Put ESG at the top of the corporate agenda
- Develop a social value strategy
- Increase investment in ESG solutions as environmental and social aspirations are now mainstream and stakeholder expectations are increasing
- Improve diversity, equity and inclusion through your portfolio operations
- Follow a responsible procurement path
- Establish community partnerships to have a broader social impact
- Transform portfolios for sustainable value creation and reduce the environmental impact of your investments
- Maximize the comfort of users, create experiential environments and deliver healthy buildings
- Invest in future technologies to support sustainability and wellbeing goals

Insight #4

CRE functions need to double down on intelligent technology investments

Sustained investment in smart technologies and data analytics is necessary to propel operational performance and resilience.

As corporates look to elevate the performance of every aspect of their organization, it follows that improved access to technology and greater visibility of data leads to better decision-making. In particular, access to high-quality CRE data and the use of more sophisticated technology and systems will provide CRE executives with greater real-time insight to support improved portfolio and workplace resilience and agility.

Deeper investment in intelligent technology will be key to unlocking new opportunities to boost performance and productivity, and there is clear evidence that this is accelerating. In comparison terms, the widespread investment in and use of data currently lags behind.

Data will be as vital as technology to companies though, and a systematic approach to data collection and analysis will be necessary to meet the complex operational models being designed to improve the performance of people, portfolios and assets. However, it should be understood that digital transformation does not happen overnight, as leveraging technologies to accommodate the emerging demands for hybrid work is a step-by-step process that requires vision, commitment and strategies.



Key results

59% say they either do not regularly capture/report real estate data or that they do so only intermittently

13% are collecting data on an ongoing or real-time basis using advanced analytics

55% plan to bring in immersive technologies and virtual reality by 2025

52% expect to introduce smart contracts or agreements secured via blockchain by 2025

51% plan to start using industrial robots for cleaning, maintenance or security by 2025

45% aim to accelerate investment in technologies to optimize their workplace

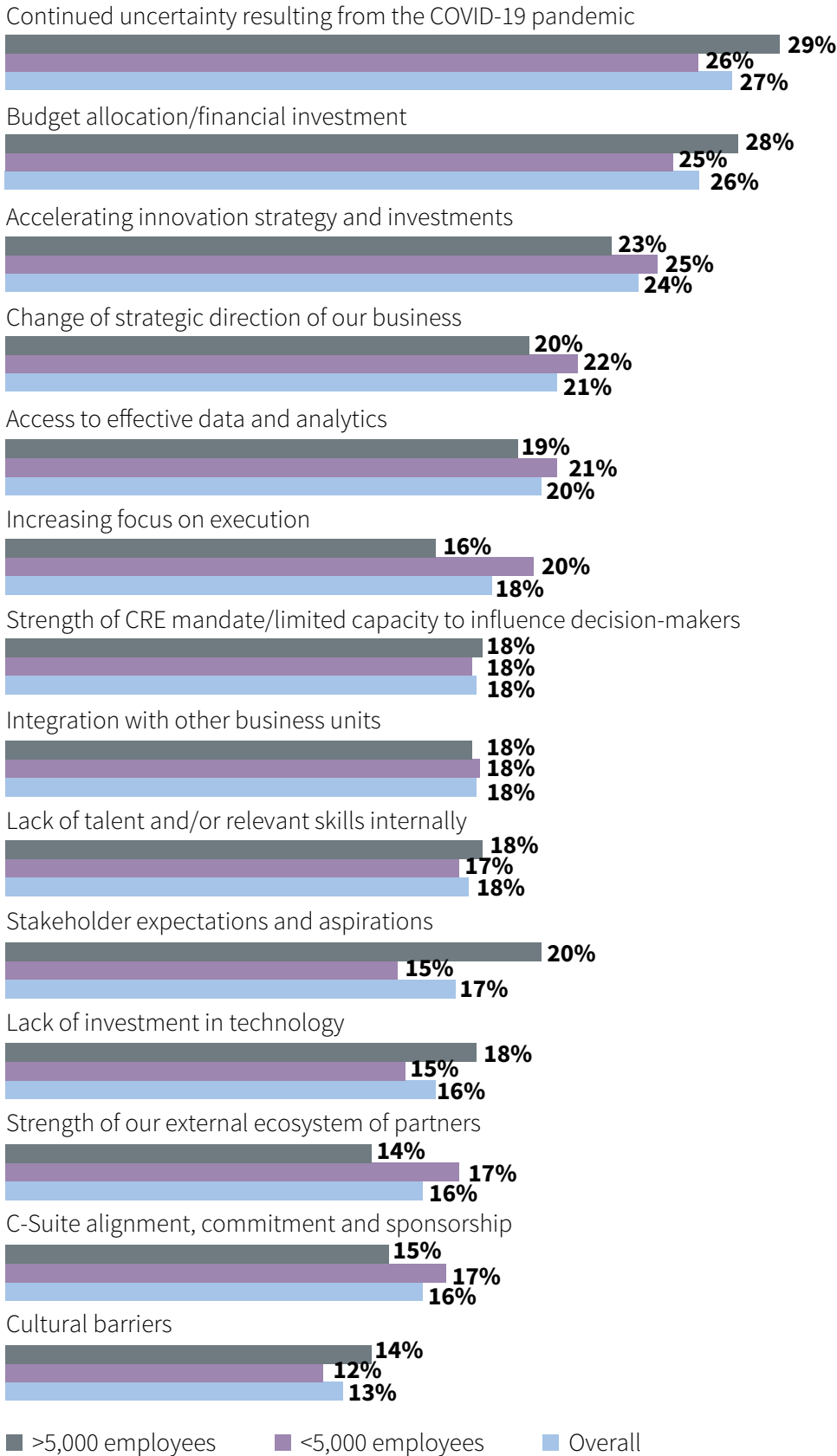
Our survey reveals that most organizations today are still at an early stage in their CRE technology and data journey and shows that the majority of future technology investment will be targeted at tools to support sustainability and wellbeing goals. Without this sustained investment in technology and data, it will become decidedly more challenging to achieve clear operational goals and to support the delivery of strategic workforce and workplace goals.

Current data and technology capability



What is the level of maturity of CRE functions around technology and data today? Leveraging the transformative potential of big data for strategic planning and decision-making represents a huge opportunity for CRE functions. However, limited data and technology maturity is currently slowing the pace of change. In JLL's survey of CRE executives, the lack of access to effective data and analytics was cited as the fifth most significant barrier to CRE's ability to add strategic value to their organization.

Figure 9: In your opinion, what will be the top constraints that limit CRE's ability to add strategic value in your organization between now and 2025?

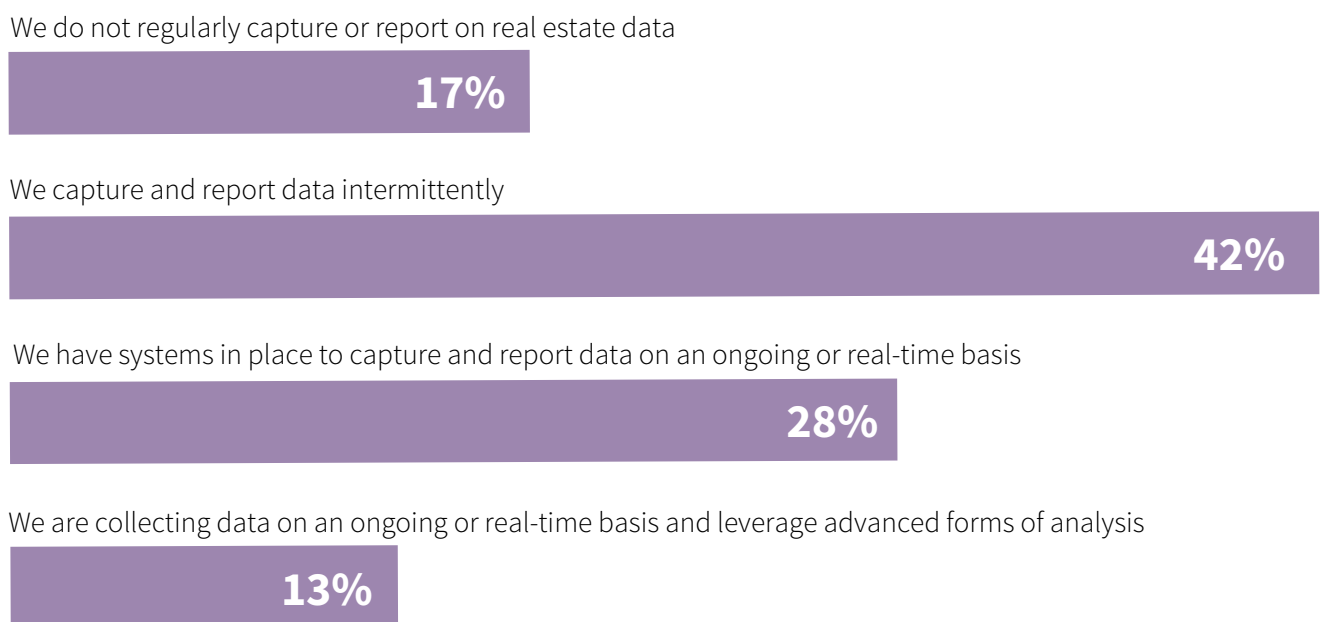


Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

According to our survey, only 13% of organizations consider themselves to have market-leading capabilities, whereby they are collecting data on an ongoing or real-time basis and leveraging advanced forms of analysis (see Figure 10).

- 59%** say they either do not regularly capture/report real estate data or that they do so only intermittently.
- 17%** do not regularly capture or report on real estate data.
- 28%** consider themselves to be advancing their capability, with the systems in place to regularly capture and report data, often in real time.

Figure 10: Which of the following best describes your function’s ability to collect and report on real estate data such as space utilization, operating costs or energy consumption?



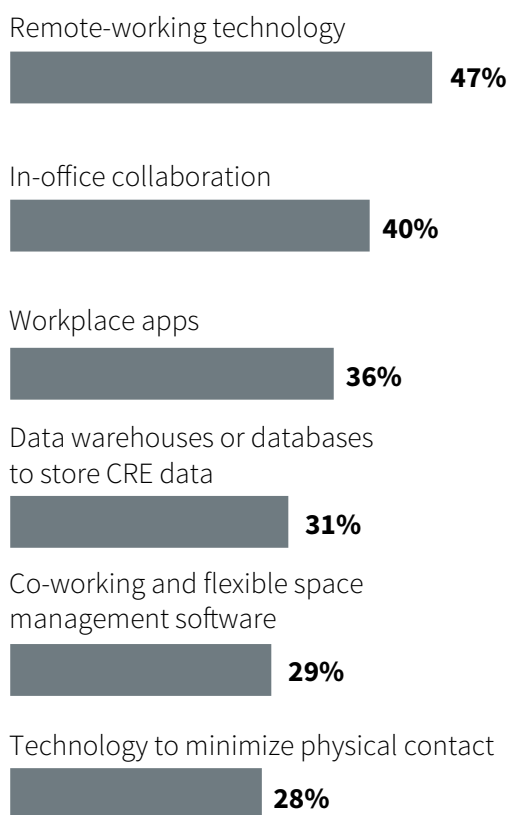
Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

The technology roadmap

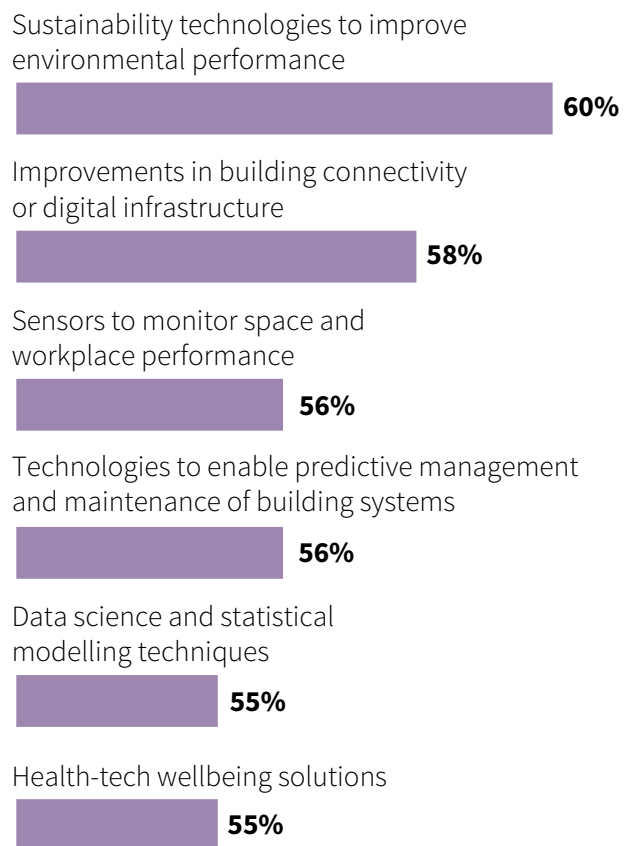
How will future technology and data investment be allocated?

The transformative power of technology to accelerate changes in a dynamic-working model has been very evident over the last two years. In response to the pandemic, organizations tell us they have made recent investments focused on providing the tools that will facilitate remote working and collaboration across a dispersed workforce, and there is a consensus among them that technology will be one of the most powerful drivers of work efficiency, workforce satisfaction and workplace experience.

Top technologies in place (amongst 15 anchor technologies)



Top technologies to adopt (amongst 15 anchor technologies)



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Our research reveals a clear roadmap for CRE technology investment shaped around 15 anchor technologies which we identified, and that organizations' future technology investments will be aligned to achieve wider strategic goals such as sustainability and employee wellbeing.

Compared to the moderate level of current adoption, the magnitude of ambition is significant among companies. Figure 11 shows the anticipated level of adoption of these anchor technologies between now and 2025. By 2025, most companies (78%) plan to have incorporated over 10 of the anchor technologies in their operations, with 40% planning to implement all 15.

Figure 11: Which of the following technologies does your organization plan to introduce between now and 2025?

Sustainability technologies to improve environmental performance	60%
Improvements in building connectivity or digital infrastructure	58%
Sensors to monitor space and workplace performance	56%
Technologies to enable predictive management and maintenance of building systems	56%
Data science and statistical modelling techniques	55%
Health-tech wellbeing solutions	55%
Immersive technologies/virtual reality	55%
Co-working and flexible space management software	54%
Data warehouses or databases to store CRE data	52%
Smart contracts or agreements secured via blockchain	52%
Industrial robots for cleaning, maintenance or security	51%
Workplace apps	51%
Technology to minimize physical contact	50%
In-office collaboration technology	49%
Remote-working technology	44%

Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Areas where adoption is anticipated to increase significantly are smart technologies - such as those that will monitor space and workplace performance and provide real-time data about occupancy - and predictive technologies that will automate facilities management and maintenance decision-making. Across both areas, 56% of organizations surveyed by JLL anticipate implementing them over the next three years.

Real estate without a robust technology and data investment strategy will not be competitive, resilient and forward-thinking. Thus, technology and data will be critical foundations in the future of real estate operations. The gap to fill is immense and will require significant investment, particularly over the next three years.



Challenge 4:

How do you harness better CRE technology and data capabilities?

- Double down on your technology investment to propel your operational performance and resilience
- Define a clear roadmap for CRE technology investment by 2025 and by 2030
- Reinforce your technology and data platform to accelerate your performance capabilities
- Pull in real-time data continuously
- Leverage the transformative potential of big data for strategic planning and decision-making
- Boost your capacity to invest in innovative solutions to deliver better solutions across a distributed network
- Invest, improve and maintain a technology platform to facilitate work from anywhere
- Build advanced digital platforms to enable business continuity on and off-site

Insight #5

Real estate needs are becoming more sophisticated and complex

Organizations are not equipped to tackle the new challenges of the future of work alone and will need to rely more on alliances and partnerships.

Companies realize that to respond successfully to the complex range of challenges, risks and opportunities on their radar, they cannot act on their own. As their own mandate increases, CRE leaders will not be equipped to tackle the new and varied tasks that the future of work demands. Instead, they will rely more and more on alliances and partnerships.

Organizations will increasingly seek input from specialists aligned to their priority areas of investments, and our research reveals that decision-makers are looking to augment their internal capabilities through working with external partners. They are already building a diverse ecosystem of partners that includes stakeholders within other functional areas of their own company (HR, strategy, operations, finance, IT) and specialist partners outside their organization.



Key results

44% anticipate they will require more outsourcing support for sustainability and for health and wellbeing services strategy over the next three years

43% predict that they will require more outsourcing support for renewable energy supply and sourcing over the next three years

43% expect they will need more outsourcing support for CRE technology solutions over the next three years

42% anticipate they will require more outsourcing support for sustainability program management over the next three years

Acceleration of outsourcing between now and 2025



How is the CRE outsourcing strategy evolving? A majority of CRE decision-makers are planning to increase their level of outsourcing over the next three years: 58% at a global level, 59% at a regional level and 54% at a local level. A quarter of CRE executives expect this increase to be significant, while the biggest growth in outsourcing is anticipated for the financial services and technology sectors (see Figure 12).

Outsourcing priorities

Large organizations:

Renewable energy supply and sourcing: **45%**

CRE technology solutions: **44%**

Health and wellbeing services: **43%**

Sustainability program management: **42%**

Sustainable assets: **41%**

1

2

3

4

5

Mid-size organizations:

Sustainability strategy: **47%**

Health and wellbeing services: **45%**

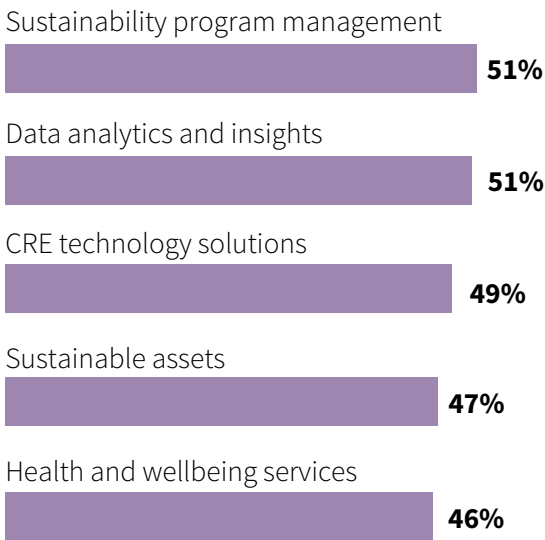
Sustainability program management: **43%**

CRE technology solutions: **43%**

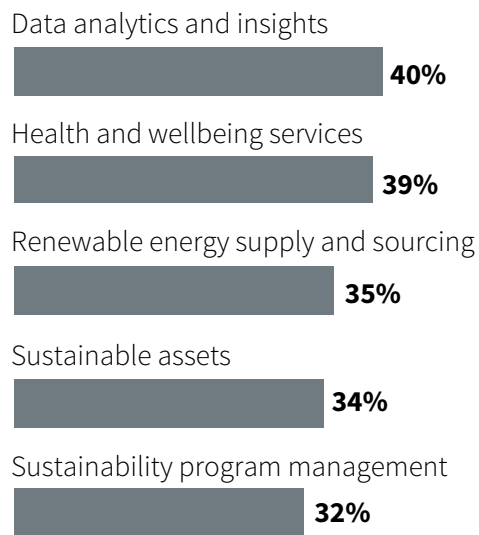
Data analytics and insights: **41%**

Figure 12: Between now and 2025 do you expect these activities to be performed more through outsourcing, less through outsourcing or no change? - % expecting more outsourcing

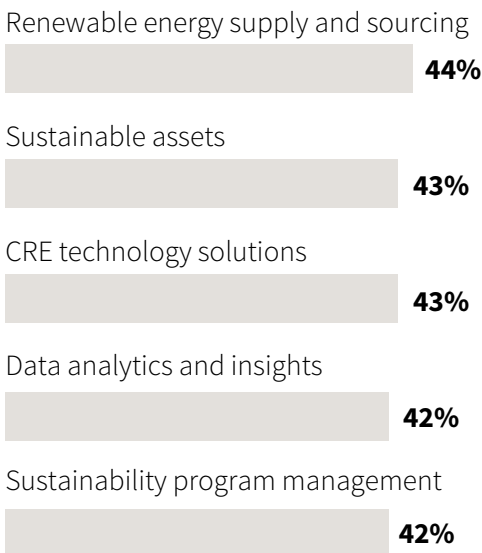
Banking, Insurance and other FS



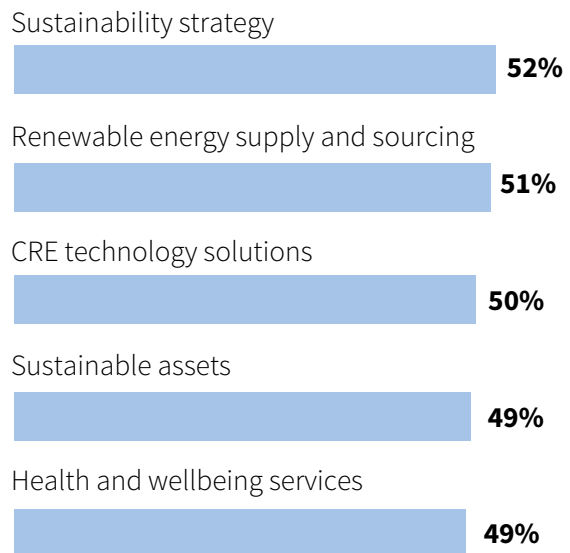
Healthcare & Life Sciences



Retail & Consumer



Tech, Tech Manufacturing & Digital



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Addressing ESG needs through partnering

What is the role of partnerships in outsourcing strategies? CRE decision-makers are increasingly open to outsourcing as the most effective way to harness specialist skills and expertise to achieve their strategic objectives.

When asked about where external partners will be able to contribute most value to their CRE function in the future, CRE executives say they are looking to access specialist knowledge and expertise around employee experience, the environment and technology.



The two areas in which the greatest growth in working with external partners is expected over the next three years are health and wellbeing services (44% foresee an increase in outsourcing in this area for their organization) and sustainability strategy (44%) (see Figure 13).

Figure 13: Between now and 2025 do you expect these activities to be performed more through outsourcing, less through outsourcing or no change? - % expecting more outsourcing

Health and wellbeing services	44%
Sustainability strategy	44%
Renewable energy supply and sourcing	43%
CRE technology solutions	43%
Sustainability program management	42%
Sustainable assets (building assessments, ratings and certifications)	41%
Data analytics and insights	41%
Hybrid employee experience services	39%
Workplace strategy	37%
Design	37%
Project and construction management	37%
Occupancy planning and management	36%
Life-cycle asset management (engineering)	36%
Transaction management	35%
Portfolio strategy	35%
Facilities and property management	35%
Lease administration	29%

Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets

Our research shows that organizations clearly see the benefits of accessing the specialist knowledge and experience of external partners to support their environmental goals. Alongside sustainability strategy, other areas that represent significant demand for external support include renewable energy supply and sourcing (43% anticipate an increase in the use of external partners), sustainability program management (42%) and sustainable assets, such as building assessments, rating and certifications (41%).

However, it is not just the 'E' of ESG where companies believe that external partners can play a crucial role: they are looking for input around the 'S' too. Managing the hybrid employee experience will be another area where external partners can add value or address internal knowledge or resource gaps: 39% of CRE decision-makers surveyed by JLL anticipate seeking more support from external partners to address this issue between now and 2025.

An ecosystem of partnerships will be crucial to meet future needs across all real estate operations, with outsourcing playing a critical role in the shift towards specialist offerings across the board. Cross-functional disciplines can only be acquired by boosting partnering and intensifying collaboration outside the traditional real estate pool of talent and across the value chain.





Challenge 5:

How do you partner with specialists to fill internal skills gaps?

- Build on your ecosystem of partnerships to reinforce your resilience model and mitigate disruptions
- Outsource to harness specialist skills and expertise to achieve your strategic objectives
- Boost your capacity to invest in innovative solutions to deliver better solutions across a distributed network
- Enable the organization to cope with sudden disruption by relying on a distributed and interconnected network (people, assets, services, systems)

Conclusion

The decision pathways to 2025 and beyond

What is next for CRE decision-makers?

After a period of rapid change comes an opportunity to pause and to think strategically about the future. CRE leaders are now at that moment. They face a series of critical challenges over the next three years and have crucial decisions to make now, the outcome of which will have a lasting impact on how their organization operates across the rest of this decade and beyond.

There are exciting opportunities ahead. However, successfully embracing these opportunities will require connected thinking about work, the workforce, the workplace and the portfolio to understand how real estate can best align with future corporate priorities.

Being a future-fit organization will necessitate significant investment to drive the transformation potential of CRE to deliver enhanced enterprise outcomes.

Our research shows that decision-makers need to:

- ✓ Plan for a future where flexible and dynamic working patterns are the norm
- ✓ Unlock the potential of workspaces to enhance employee creativity, productivity and wellbeing
- ✓ Take a responsible approach that promotes positive environmental and social outcomes
- ✓ Deploy technologies at scale to harness the power of data
- ✓ Build new alliances with an ecosystem of partners to implement complex and expert solutions

As CRE leaders plot their future path, they know they cannot pursue it alone. Partnering with experienced specialists will add complementary skills and fill internal knowledge gaps. At the same time, investing in enhanced technology and data capabilities will power the pace of change. Now is the time to think strategically about the future of work.

JLL believes there is a window of opportunity between now and 2025 for decision-makers to bring their action plans to life and to meet the expectations of diverse stakeholders such as employees, executive leaders, shareholders and local communities.

In our view there are some crucial steps that all organizations can take to elevate their approach:

Hybrid model: Drive the transformation around the hybrid model as **flexibility is not a passing phase**

Flight to quality: Prioritize access to **high-quality spaces** as the office remains central to the work ecosystem

Workforce preferences: Listen to the workforce's preferences to match the workplace with the **right offering**

Sustainability agenda: Increase investment in ESG solutions as **environmental and social aspirations are now mainstream**

Digital drive: Double down on your **technology investment** to propel your operational performance and resilience

Ecosystem of partners: Outsource to **harness specialist skills and expertise** to achieve your strategic objectives



To find out about other publications and insights on the **Future of Work**, visit this page:

About the JLL Future of Work Survey 2022

JLL conducted research among 1,095 senior CRE (corporate real estate) decision-makers through online research during April and May 2022. All respondents have responsibility for making or influencing decisions regarding corporate real estate within their organization.

Research respondents are mostly based within 13 markets globally: Australia, Brazil, Canada, China and Hong Kong SAR, France, Germany, India, Japan, the Middle East, Singapore, Spain, the UK

and the USA (see Figure 14). Over 40% of organizations surveyed employ more than 5,000 people globally and a quarter (24%) employ more than 10,000 globally (see Figure 15).

The 1,095 research respondents represent a range of industry sectors (see Figure 16). Nearly three-quarters of research participants (72%) occupy office space (see Figure 17). Other commonly occupied property assets include warehouses (37%), data centers (37%), manufacturing sites (33%) and retail property (29%).

Figure 14: Location of respondents

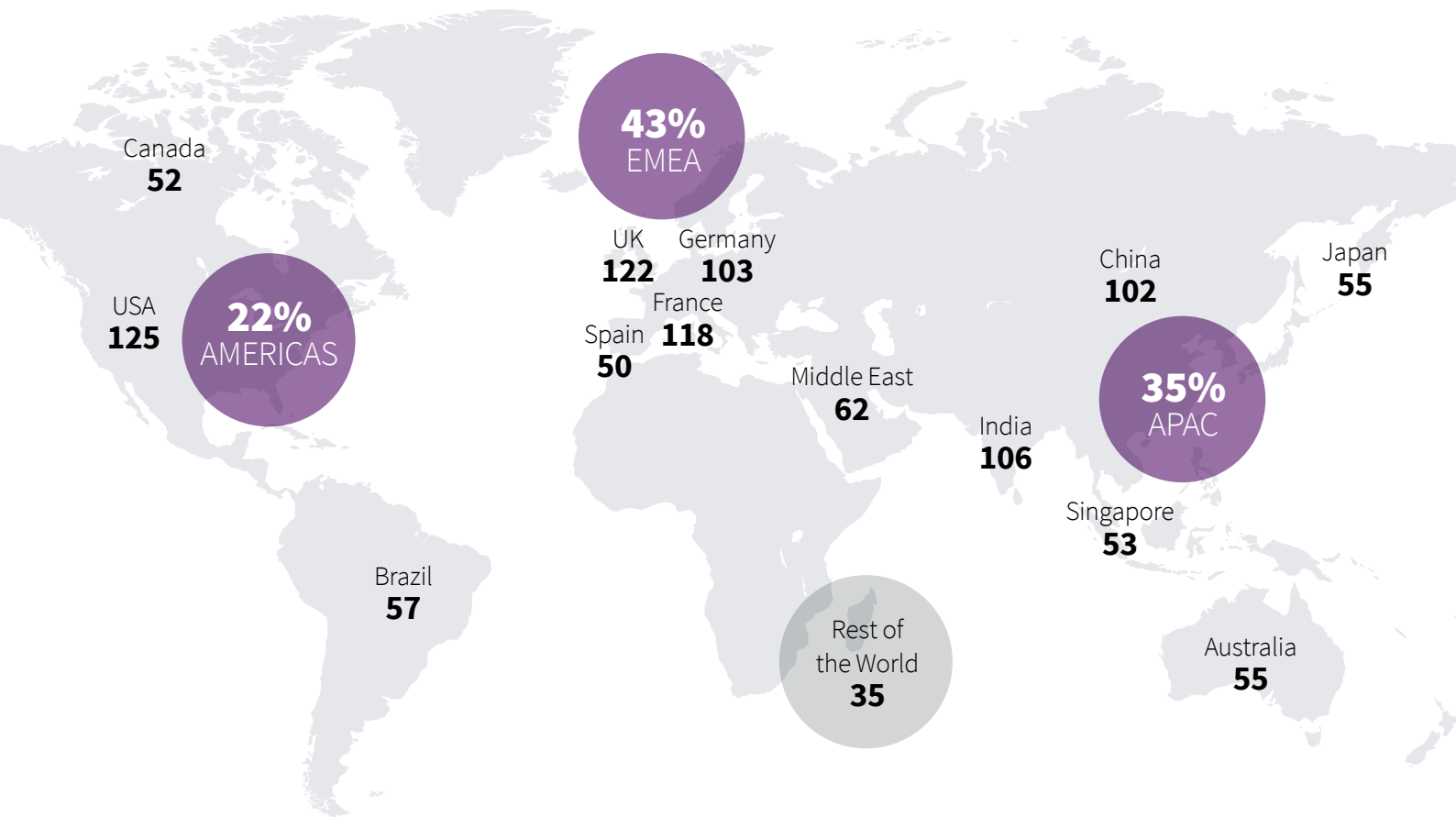


Figure 15: Size of organizations by number of employees

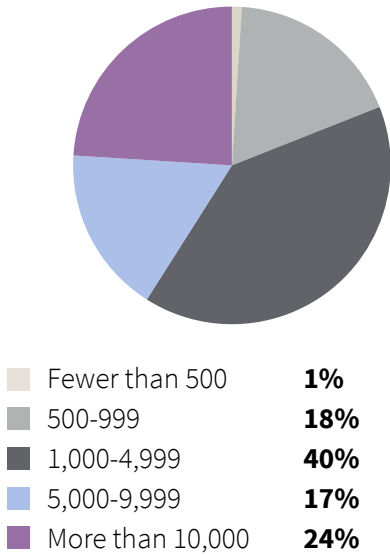


Figure 17: Types of property occupied

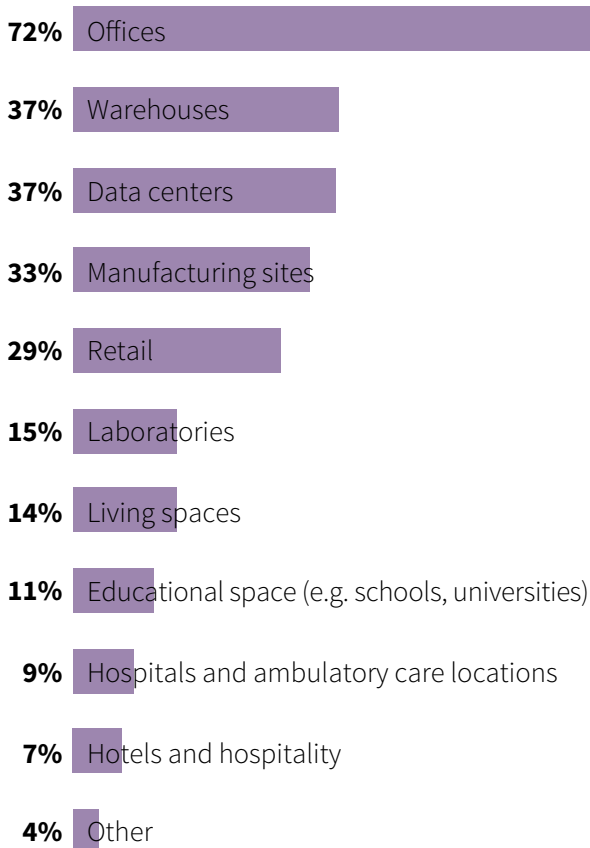
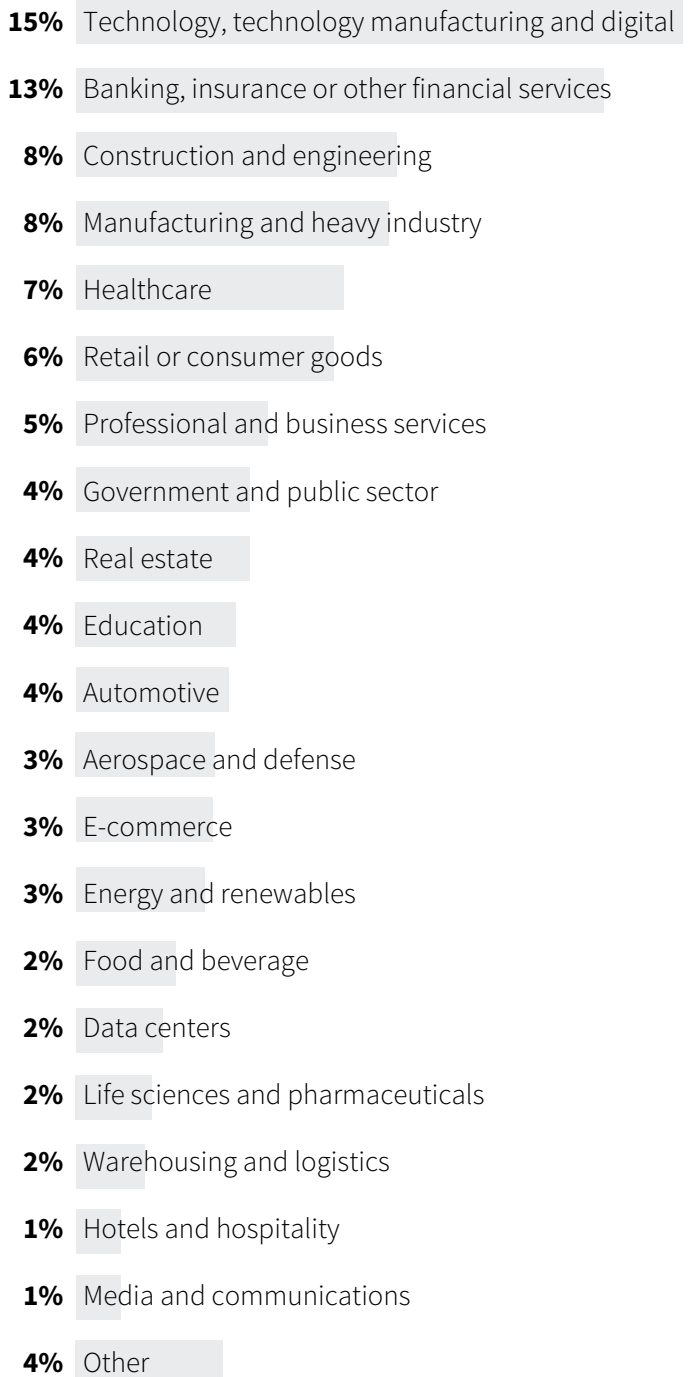


Figure 16: Survey respondents by industry sector



Source: The Future of Work Survey 2022, July 2022. 1,095 decision-makers across 13 markets



Global Research Team

Dr. Marie Puybaraud

Global Head of Research
JLL Work Dynamics
marie.puybaraud@eu.jll.com

Richa Walia

Director of Research, EMEA
JLL Work Dynamics
richa.walia@eu.jll.com

Flore Pradère

Research Director, Global
JLL Work Dynamics
flore.pradere@eu.jll.com

This survey was carried out in collaboration with Alastair Beddow and Bertie Heppel from Meridian West.

Tom Carroll

Head of Research & Strategy, EMEA
JLL
tom.carroll@eu.jll.com

Amber Schiada

Head of Research, Americas
JLL Work Dynamics
amber.schiada@am.jll.com

James Taylor

Head of Research, Asia Pacific
JLL Work Dynamics
james.taylor@ap.jll.com

Christian Beaudoin

Head of Global Research Advisory
JLL
christian.beaudoin@am.jll.com

About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$19.4 billion, operations in over 80 countries and a global workforce of more than 100,000 as of March 31, 2022. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.

About JLL Research

JLL's research team delivers intelligence, analysis and insight through market-leading reports and services that illuminate today's commercial real estate dynamics and identify tomorrow's challenges and opportunities. Our more than 500 global research professionals track and analyze economic and property trends and forecast future conditions in over 60 countries, producing unrivalled local and global perspectives. Our research and expertise, fueled by real-time information and innovative thinking around the world, creates a competitive advantage for our clients and drives successful strategies and optimal real estate decisions.

About JLL Work Dynamics

JLL Work Dynamics partners with leading organizations across industry sectors, creating environments that achieve a more human-centric, resilient and responsible approach to shaping a better world of work. With more than 45,000 local and global specialists, the team enables clients to enhance the performance of their portfolios and people to realize their ambitions of a more sustainable built environment. Through technology enabled solutions, JLL Work Dynamics creates safe and inspiring spaces around the world for people to collaborate, innovate and drive meaningful change anywhere that work is performed. JLL Work Dynamics manages over 1.6 billion square feet of real estate and has averted more than 112,700 metric tons of CO₂e by advising clients on renewable energy projects. For more information visit jll.com/FutureofWork

COPYRIGHT © JONES LANG LASALLE IP, INC. 2022

This report has been prepared solely for information purposes and does not necessarily purport to be a complete analysis of the topics discussed, which are inherently unpredictable. It has been based on sources we believe to be reliable, but we have not independently verified those sources and we do not guarantee that the information in the report is accurate or complete. Any views expressed in the report reflect our judgment at this date and are subject to change without notice. Statements that are forward-looking involve known and unknown risks and uncertainties that may cause future realities to be materially different from those implied by such forward-looking statements. Advice we give to clients in particular situations may differ from the views expressed in this report. No investment or other business decisions should be made based solely on the views expressed in this report