



What's working for the workplace now?

How 4 organizations put their office space to work in the hybrid era

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Introduction

The widespread adoption of hybrid work, combined with an increased need to right-size their office real estate footprint, has caused organizations to re-evaluate the role of offices and real estate within their business models.

Companies are moving on from a “wait and see” approach and are ready to act—redefining the size, purpose and investment in their portfolios and physical spaces. Many are now approaching real estate as a competitive edge rather than a balance sheet line item. It’s time to fully leverage your real estate to meet financial targets, enhance employee satisfaction and position your organization to thrive in the future.

The question is: How?

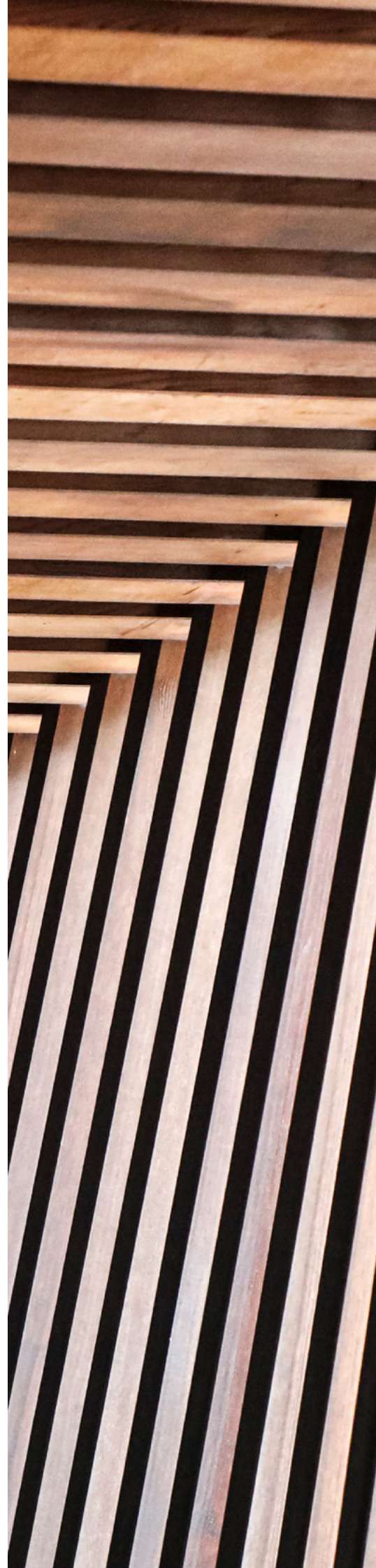
We've collected examples of what four organizations are doing to leverage their real estate—saving them money and creating workplaces that attract and retain talent.

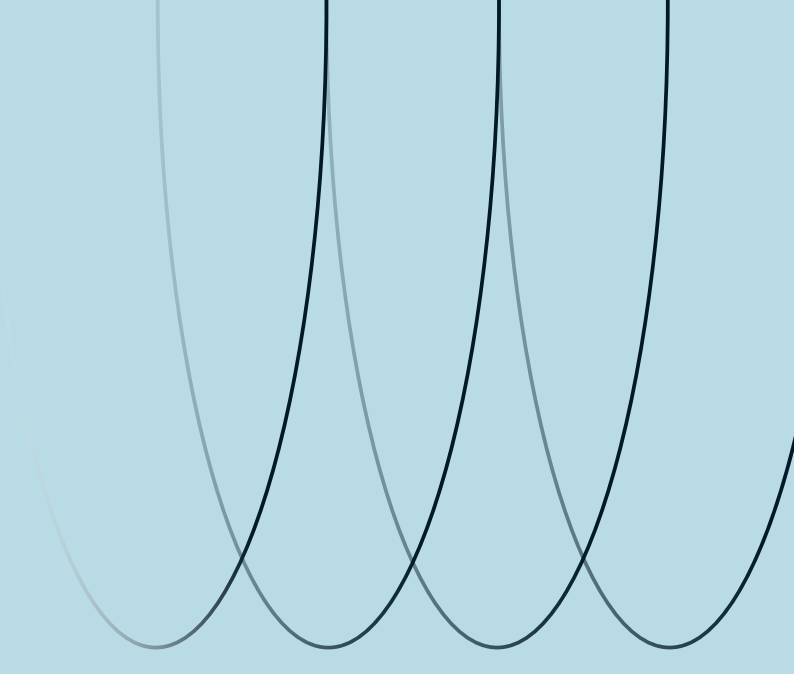
Each had specific challenges:

- 1 One global technology client was going through a wholesale portfolio transformation and needed to significantly reduce its real estate costs.
- 2 A U.S.-based healthcare company needed liquidity to expand its mission.
- 3 A fast-growing non-profit needed a new workplace strategy to continue to attract top talent.
- 4 And a gaming company with several leases set to expire created a new headquarters to fit its culture and support a new hybrid-work model for its offices around the world.

These examples demonstrate the spectrum of possibilities for reinvention when companies embrace portfolio-wide real estate strategies that use space more effectively and better fit the current needs of their business and their people.

Following their lead and customizing the approach for your business and your employees can go a long way toward helping you achieve similar results.





Global tech giant reduces real estate costs by 40%

Challenge

A large tech company in the middle of a major business transformation with nearly \$1 billion in cost restructuring needed to reduce its real estate costs by 40%. Facing an uphill battle bringing people back to the office full-time, they saw an opportunity to right-size their real estate footprint and reimagine their workplaces to fit the changing expectations of employees in the hybrid world.

The approach

First order of business: gaining consensus from leadership to replace its longtime “one person/one desk” model with a flexible, co-working strategy.

To help this technology giant match their space needs with their new hybrid work approach (and meet their CFO’s cost savings goals), JLL employed a series of portfolio optimization strategies, including write-offs, deal restructurings and site consolidations. Through these efforts, the tech firm closed more than 25 excess sites and moved more than 7,500 employees to new locations across more than 175 total workplaces.

Bringing it to life

In six cities around the globe, JLL helped the company realize **\$13M in savings and a 14% reduction in its real estate in just 12 weeks.** But the project focused on more than portfolio optimization. It reconfigured office spaces to better fit its newly hybrid workforce, increasing collaboration space and introducing new social hubs. Under JLL’s guidance, the tech firm also brought in its first Workplace Experience leader and commissioned a benchmark study to better understand the type of foodservice and other amenities that would appeal to its employees.

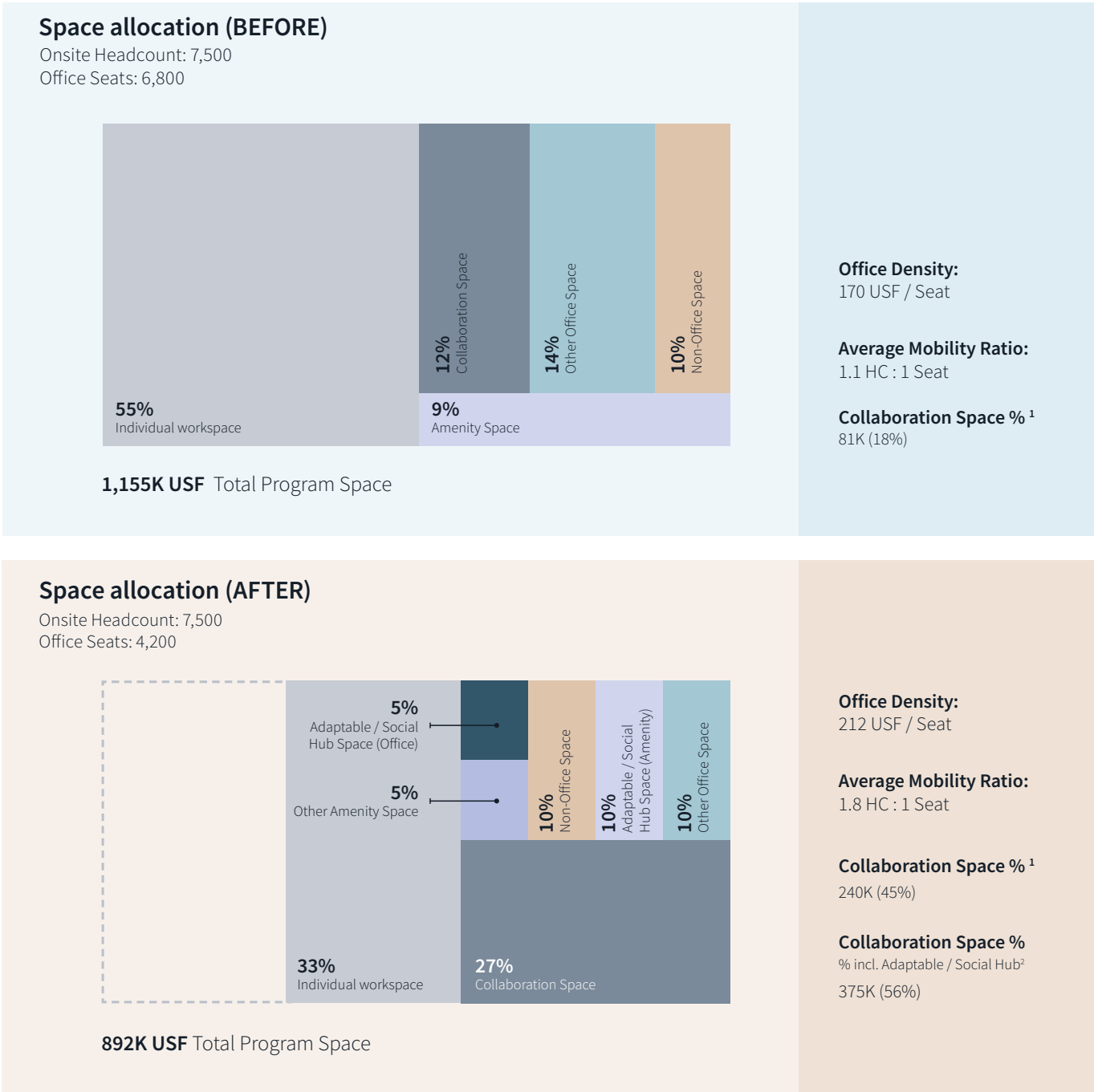


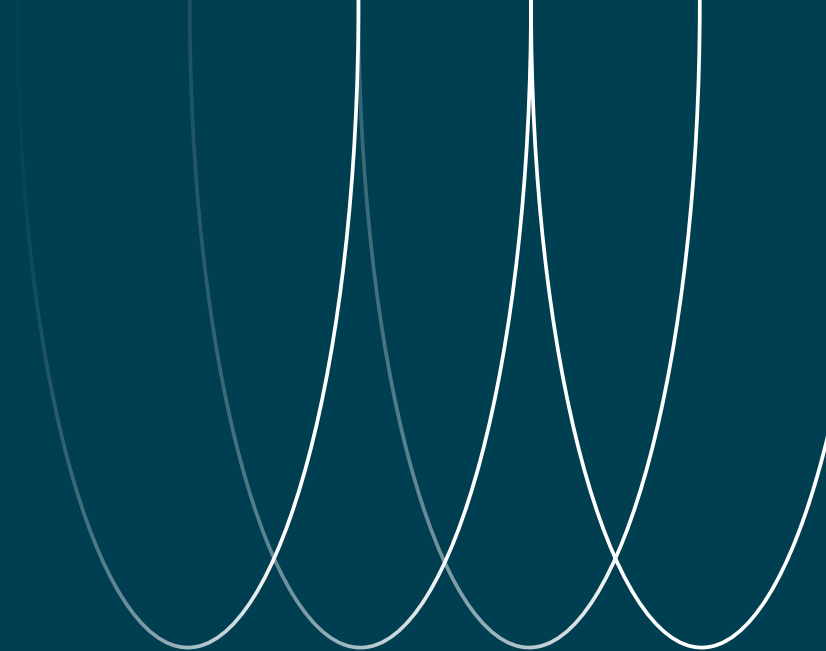
“Much of our work is around optimizing the real estate portfolio,” says Katie Rodrigues, Managing Director, Consulting, JLL. “But it’s also about bringing in the right amenities to stay competitive for talent. Sometimes, it’s smart to cut costs in one area to reinvest in another.”



How to reconfigure your workplace

Example below shows how to increase collaboration space from 20% to 45-55%





Health system captures \$250M+ from strategic real estate assets

Challenge

As it reevaluated a series of post-pandemic operational and portfolio decisions, a U.S.-based non-profit health system decided the time was right to monetize some real estate assets to reinvest capital back into its business. But before the organization could determine how much liquidity it could realistically pull from its real estate, its leaders needed to be certain its financial goals aligned with its business objectives.

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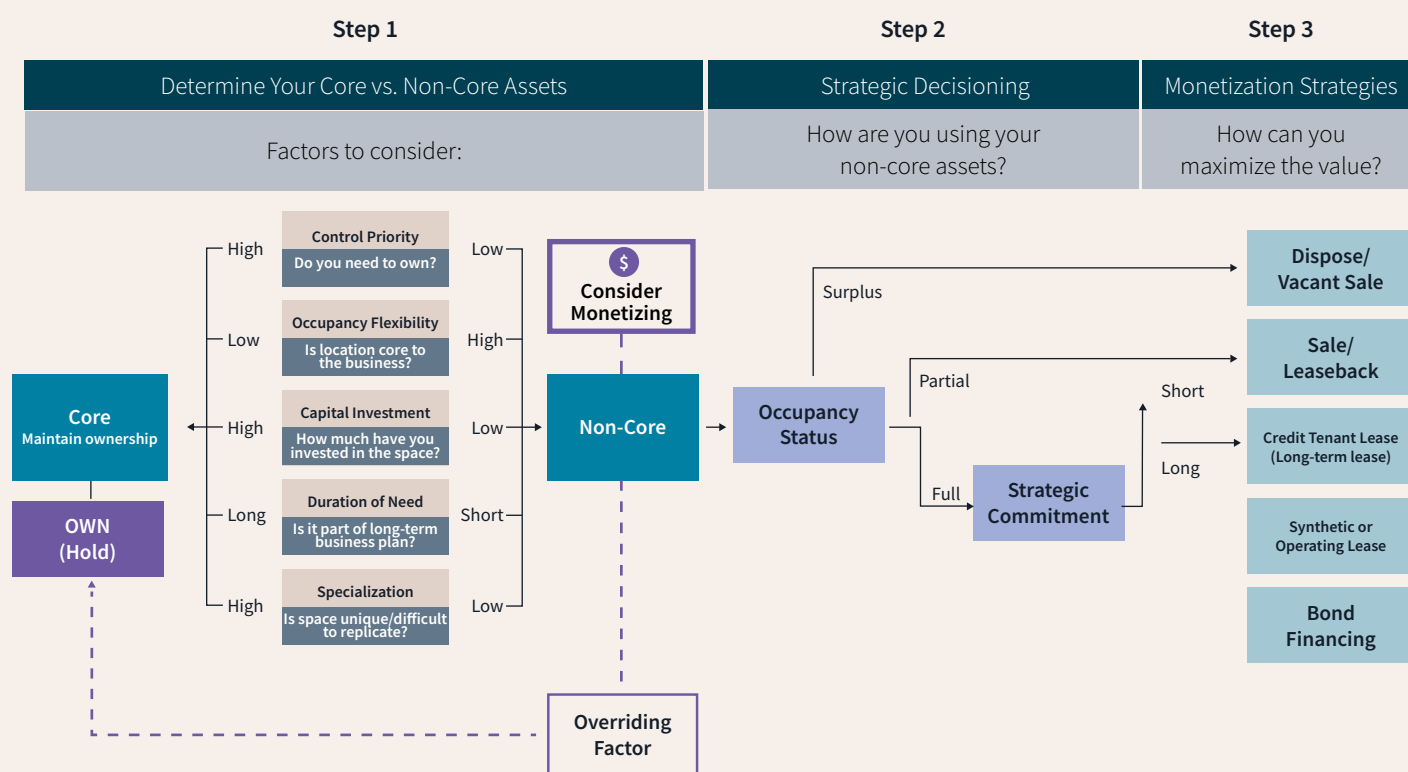
“We needed a clear picture of the buildings where ownership was essential to our business, and the buildings that we wanted to continue occupying but didn’t need to own,” says the health system’s CRE lead.

The approach

JLL parsed through the health system's assets to establish clear-cut asset class definitions across the portfolio, and then used complex cash-flow and P&L modeling to develop potential monetization and reinvestment scenarios. Bringing consistency was key to helping various business lines balance their operational needs against each property's value, clearing the path for more informed decisions. Once the real estate was properly categorized, numbers were put against each holding, comparing costs associated with continued operating of the space against the potential reinvestment value.

How to monetize your CRE assets

Example decision framework



Framework Methodology

Once a decision has been made on Core vs. Non-Core assets, the client's level of occupancy at the asset and desired duration of control will dictate the strategic options for monetization. After a monetization strategy has been determined, there are key considerations to evaluate leading to execution (e.g. size, location, buyer pool).

Bringing it to life

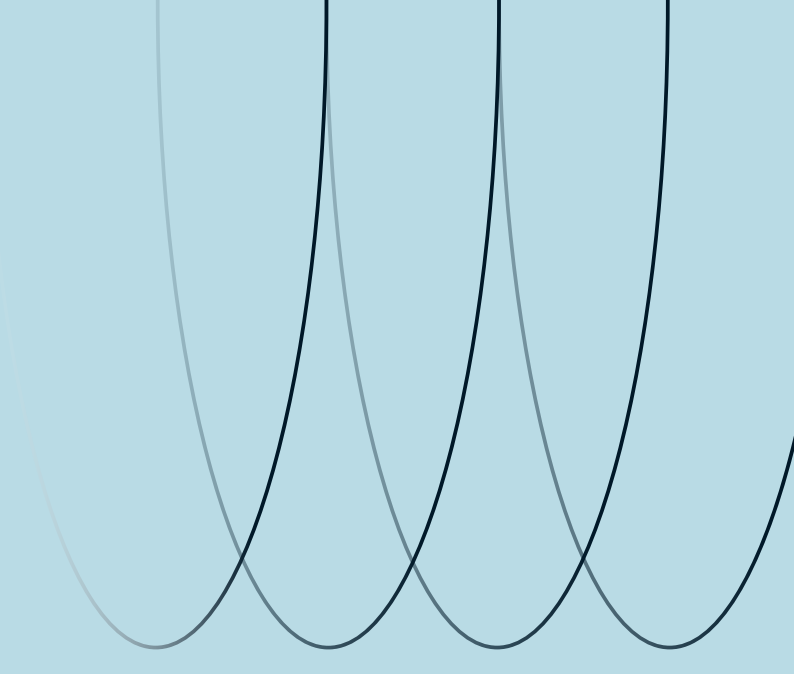
“The real key was how we partnered with our Capital Markets group,” says Sam Franklin, Senior Director, Consulting, JLL. “They knew the assets we were dealing with, and they knew the market values and investor appetite. Together, we developed a decision framework and portfolio reinvestment model that defined and assessed the financial opportunity. **Then, we translated a complex financial picture into terms the entire board could appreciate.**”

See a brighter way...

Working alongside the client’s executive team, JLL devised custom solutions for increasing liquidity, diversifying debt/capital and optimizing the client’s overall balance sheet. The result:

More than \$250M in capital was generated for reinvestment back into the business through property sales and leasebacks.





Non-profit redefines the office to attract and retain talent

Challenge

A major national non-profit wanted to implement a new way of working, but its leadership was concerned about how the changes would be received by current and future employees. Faced with a tight talent market and exponential growth pre- and post-pandemic, the organization needed to ensure that its return-to-office strategy would maintain its core principles and culture—and that its entire organization had a voice in shaping its Future of Work program.

The approach

The non-profit's leadership wanted to truly understand the workplace needs of its growing employee base—many of whom had been hired during the pandemic and had never stepped foot in their offices.

“In the beginning, a few key leaders seemed to be leaning towards returning to daily in-office presence,” says Katie Crepeau, JLL Consulting Director, who led the project. “But there was a large percentage of new and existing employees who preferred to stay fully remote, so it was critical to redefine the purpose of the office.”

“

Like many organizations, they couldn't seem to get aligned,” adds JLL Consulting Managing Director, Vijay Jesrani, who provided executive oversight. “That's where we came in. We were there to help them bridge those gaps and balance the needs of the organization with the preferences of their workforce.”

After rallying the organization around a vision and goals, JLL conducted a series of interviews, surveys and focus groups to identify the work preferences of its 200-plus employees. Given the focus on employees and the organization's mission and values, JLL met with every employee through this process. The results from these assessments steered the direction of the entire Future of Work program.



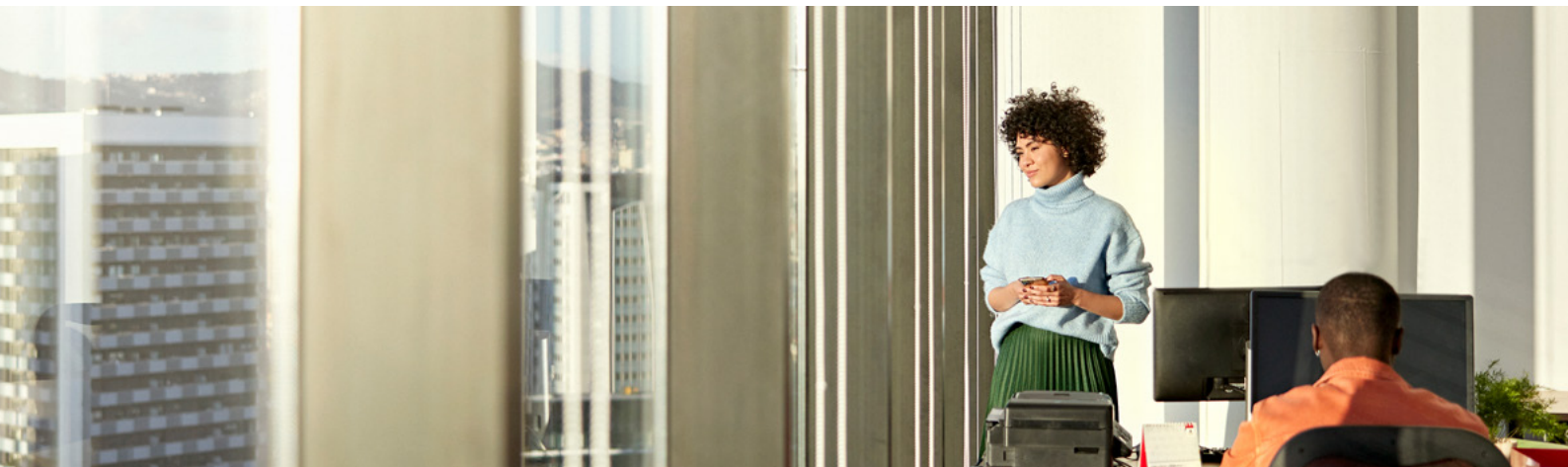
Bringing it to life

JLL identified key points of agreement between executives and staff on the core purposes for the office, as well as the primary in-person activities that would help further the organization’s mission, specifically: team brainstorms and strategy development, training and onboarding to develop their employees, and events to celebrate campaign wins.

Together, JLL and the non-profit identified a hybrid model and workstyle that appealed to the majority of staff and developed workspace program and pilot opportunities in existing offices. When workers returned to the non-profit’s three office locations, JLL’s design team helped create areas for increased collaboration and sketched out plans based on future space needs.

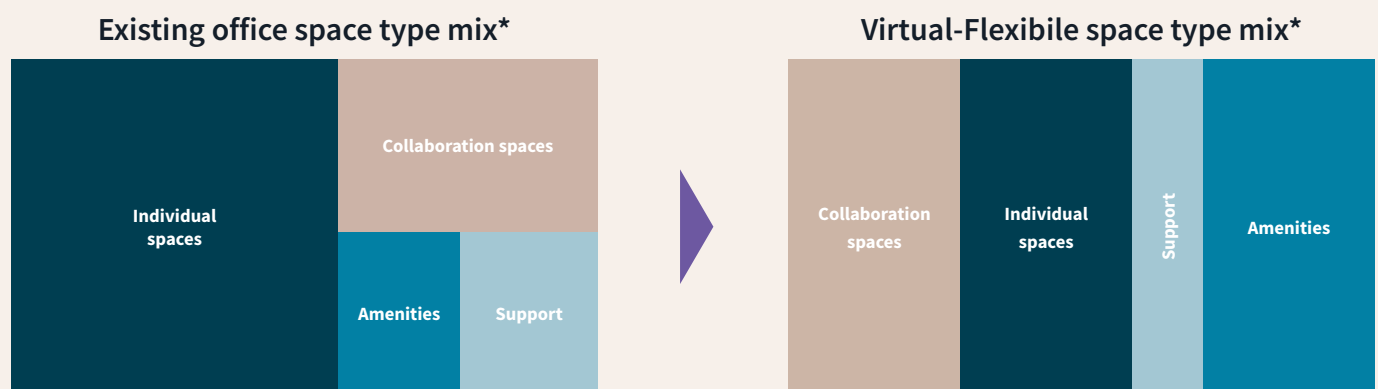
Hybrid work style “day-in-the-life”





The new space mix for changing demand

In order to support the team collaboration and group celebration activities, the mix of space types need to adapt. In particular, the variety of collaboration spaces needs to increase, while individual spaces can decrease.

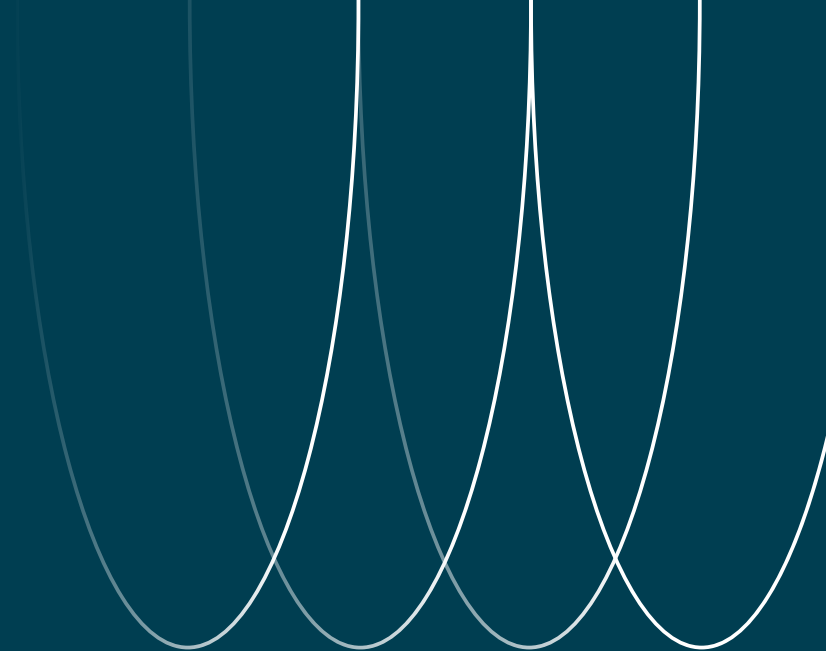


*Illustrative diagrams based on overall space categories

See a brighter way...

Like many start-ups in high-growth modes, this organization lacked a fully formed talent strategy. **With JLL's help, the non-profit aligned its talent and HR programs to shape the way new employees are recruited and developed.** These efforts are set to pay dividends as the non-profit's leadership drives ambitious organizational and fundraising goals.





Gaming technology company achieves \$200M in savings and cost avoidance with new employee-centric offices

Challenge

After a period of rapid business growth before the pandemic, a top gaming technology company made a bold decision: Rather than push pause, they set their vision for the future and decided to fully embrace a more employee-centric, hybrid workstyle. But they needed guidance to steer their company through big changes during uncertain and unprecedented times—and their new way of working needed to quickly translate across its global portfolio as leases for several locations were set to expire.

The approach

JLL used a multi-phased approach to help its client create a workplace strategy that was ultra-customized to their needs. First step: after analyzing employee usage and other data, the JLL team forecast future office headcounts in a hybrid model and developed individual workspace profiles based on team preferences and predicted time in the office. **Partnering closely with C-suite leaders, JLL helped bridge priority gaps among HR, CRE, Finance and IT** and ensured every aspect fit the corporate culture and allowed for day-to-day flexibility.

Bringing it to life






The next step: roll out the new way of working at the company's West Coast headquarters. The JLL team recommended a variety of reconfigurable workspaces that could expand and contract as their business changed. Highlights of the space include a barista bar, all-hands meeting space and flexible project areas. An extensive connected workplace strategy ensured both in-office and remote workers had the tools to collaborate seamlessly, no matter where they worked. And close partnership with HR leaders helped the new ways of working flourish, thanks to virtual and in-person training.



The flexible workplace in action

Give your employees space to meet and collaborate

Example decision framework

	Employee demand	Meeting area seats					
							
Typical day	100 <small>Average daily population 100% onsite + 50% connected</small>	20 Focus room seats <small>(full capacity)</small>	25 Small room seats <small>(full capacity)</small>	35 Medium room seats <small>(full capacity)</small>	12 Large room seats <small>(full capacity)</small>	16 Boardroom seats <small>(full capacity)</small>	= 108 Enclosed room seats
Very busy day	150 <small>Programmable headcount 100% onsite + 100% connected</small>	100 Enclosed room seats <small>(full capacity)</small>	+	15 Communal table seats <small>(full capacity)</small>	40 Project area seats <small>(full capacity)</small>	=	155 Enclosed room & open collab seats
Everyone is in	200 <small>Total headcount 100% Onsite + 100% Connected + 100% Offsite</small>	170 Enclosed room seats and open collab seats <small>(full capacity)</small>	+	40 Work café seats <small>(full capacity)</small>	=		210 Enclosed, open & café seats

See a brighter way...

Using its headquarters as a template for other offices around the globe, the tech firm achieved **\$200M in cost avoidance and construction savings by rightsizing its workplaces and overall portfolio.** In addition, the flexibility of its new workplace strategy brings much-needed resilience to its real estate, including the ability to seamlessly absorb new employees from recently acquired companies.



Visit our **website** to learn more about how JLL can help you reimagine your real estate to better fit the changing needs of your business and your people.

About JLL

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