The Future of The Office

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THE FUTURE OF OFFICE

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One day Alice came to a fork in the road and saw a Cheshire cat in a tree.

"Which road do I take?" she asked.

"Where do you want to go?" was his response.

"I don't know," Alice answered.

"Then," said the cat, "it doesn't matter."
THEMES

WHAT IS THE FUTURE OF OFFICE?

WHAT CAN WE DO TODAY?
IS YOUR REAL ESTATE STILL SUPPORTING YOUR MISSION?

MISSION

MEMBERS

FINANCIAL

OPERATIONS

TALENT RECRUITMENT & RETENTION

CULTURE
WHAT IS THE FUTURE OF OFFICE?
WE ARE STILL WORKING

- **75%** feel they effectively focus and collaborate.
- **50%** struggle to connect to company culture.
- **54%** have a sense of wellbeing.
- **70%** of younger generations have WFH challenges.
- **78%** want remote working policies expanded to balance office, home and third places.

PEOPLE DON’T FEEL “WELL”

- **Productivity** has remained consistent and strong & **90%** feel trusted to work remotely.
- **Colleague bonding** is down and only half of respondents feel personally connected to their company culture.
- **Employees** report low levels of energy, wellbeing and are not taking enough time away from work.
- **Millennials & Gen Z** struggle with caregiver responsibilities and inadequate workspace.

A TOTAL WORKPLACE ECOSYSTEM

- The **office** will remain a critical driver of culture, learning, & personal connections.
- **Experience per Square Foot™ @home**
- **Survey Scope:**
  - **3 million** data points
  - **60k** respondents
  - **100** countries
  - **40** companies

Experience per Square Foot™ @home Survey Scope:
CHANGING PERSPECTIVES OVER TIME
WITH CLIENTS REPEATING XSF@HOME SEVERAL MONTHS LATER, WE ARE BEGINNING TO SEE THE LONG-TERM IMPACTS OF WORKING FROM HOME.

5% REDUCTION
REPORTING CHALLENGES IN WORKING FROM HOME

7% IMPROVEMENT
IN PEOPLE FEELING THEY ARE DOING THEIR BEST WORK

4% INCREASE IN PEOPLE WANTING TO SEE EXPANDED WFH POLICIES

-18% FURTHER DROP IN FEELING CONNECTED TO COMPANY CULTURE

-20% FURTHER DECREASE IN ABILITY TO BOND WITH COLLEAGUES

-10% FURTHER DROP IN LEARNING
WHICH FUNCTIONS STRUGGLE THE MOST AT HOME?

Maybe They Should Return to the Office?
More downside for those requiring face-to-face interaction and creative collaboration

Maybe They Can Stay Remote?
Less downside for those with greater emphasis on process tasks

Interpretation
The larger the gap (i.e., line) between the diamond and circle, the more downside for those who were previously office-based.

Average business function experience
Previously office-based

Source: C&W 2020 XSF@home survey n= 43,924 employees
THE FUTURE IS NOT BINARY

WE SHOULD NEITHER BE AT HOME ALL THE TIME, NOR IN THE OFFICE ALL THE TIME, BUT MOVE TOWARDS AN ECOSYSTEM OF PLACES

EITHER EXTREME IS UNDESIRABLE
Employee engagement by percent time working remotely

- Engaged
  - 42%
  - 36%
  - 37%
  - 37%
  - 41%
  - 32%
  - 30%

Source: Gallup

MOVING TOWARD ECOSYSTEMS
Which most closely matches your company’s approach to work?

- Office-First
- Office-First Hybrid
- Remote-First Hybrid
- Remote First

Pre-COVID
- 59% Office-First
- 12% Office-First Hybrid
- 22% Remote-First Hybrid
- 10% Remote First

Post-COVID
- 58% Office-First
- 10% Office-First Hybrid
- 23% Remote-First Hybrid
- 10% Remote First

Source: CoreNet Global; Cushman & Wakefield Research
FLEXIBILITY REQUIRES ACTIVE MANAGEMENT

HQ-X: OFFICE CASE STUDY
Chance of Two Employees Both Being in the Office

Source: George Washington University; Cushman & Wakefield Research
SO, WHY KEEP THE OFFICE?

1. PRODUCTIVE COLLABORATION

2. INNOVATION & CREATIVITY

3. CONNECTION TO CORPORATE CULTURE

4. EMPLOYEE BONDING & ENGAGEMENT
THE IMPACTS ON OFFICE PLANNING
Future Office Changes

SHARING
A shift in focus of the office: less about the individual seat, and more about convening the workforce

TECHNOLOGY
There is a renewed focus on advancing workplace technologies to enhance working from anywhere

SERVICES
The emerging focus is on hospitality services in the office to optimize the worker experience across the total workplace ecosystem
GROWING SUPPORT FOR HOTELING

WITH COLLABORATION AS THE PRIMARY DRIVER FOR COMING TO THE OFFICE, THERE IS AN OPENNESS TO SHARING SEATS FOR OCCASIONAL USE COMBINED WITH WFH FLEXIBILITY.

THE SHIFT MIX

Office 65% → 25%
Hybrid 25% → 50%
WFH 10% → 25%

Space Metrics

SF/Seats 175 → 215
SF/FTE 230 → 115
Sharing 1:1 → 3:2

<table>
<thead>
<tr>
<th>Seat Share Ratio</th>
<th>Frequency</th>
<th>%</th>
<th>Hdct</th>
</tr>
</thead>
<tbody>
<tr>
<td>1:1</td>
<td>Every day</td>
<td>12.5%</td>
<td>125</td>
</tr>
<tr>
<td>6:5</td>
<td>4 days a week</td>
<td>12.5%</td>
<td>125</td>
</tr>
<tr>
<td>4:3</td>
<td>3 days a week</td>
<td>25.0%</td>
<td>250</td>
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<tr>
<td>3:2</td>
<td>2 days a week</td>
<td>25.0%</td>
<td>250</td>
</tr>
<tr>
<td>3:1</td>
<td>1 day a week</td>
<td>12.5%</td>
<td>125</td>
</tr>
<tr>
<td>10:1</td>
<td>Less than once a week</td>
<td>12.5%</td>
<td>125</td>
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</tbody>
</table>

3:2 Average Sharing Ratio

1,000
TECHNOLOGY SUITE

WE WILL LEVERAGE WORKPLACE TECHNOLOGIES TO ENABLE THE SHIFT BETWEEN REMOTE AND IN-PERSON WORK WITHOUT FRICTION AND TO OPTIMIZE THE IN-OFFICE EXPERIENCE.

<table>
<thead>
<tr>
<th>USER TECHNOLOGY</th>
<th>CORPORATE OFFICE</th>
<th>LANDLORD BUILDING</th>
<th>HOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility</td>
<td>Lighting</td>
<td>Access</td>
<td>Mobile Device</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Projection Displays</td>
<td>BAS / HVAC</td>
<td></td>
</tr>
<tr>
<td>Wayfinding</td>
<td>Monitor(s)</td>
<td>Connectivity</td>
<td>Connectivity</td>
</tr>
<tr>
<td>Reservations</td>
<td>Connectivity</td>
<td>Meters</td>
<td></td>
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<tr>
<td>Engagement App</td>
<td>Wireless Charging</td>
<td>Flex Amenities</td>
<td>Monitor(s)</td>
</tr>
<tr>
<td></td>
<td>Sensors (IAQ/OCC)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SPECTRUM OF CONTROL
WHAT CAN WE DO TODAY?
WHAT ARE PEOPLE TALKING ABOUT?

TECHNOLOGY

WORK ENVIRONMENTS

PRODUCTIVITY

EMPLOYEE SENTIMENT

CULTURE

WELL-BEING

COLLABORATION

WORK STATIONS

HR POLICIES

PRIVATE OFFICE

HOTELING

DAILY SCHEDULES

WORK FROM HOME

FLEX SPACE

TELECOMMUTING

CHOOSE YOUR DESTINATION BEFORE PICKING A ROUTE
COST MANAGEMENT OPTIONS

- OPERATING EXPENSES
- RENT RELIEF
- SUBLEASE OPTIONS
- RENEGOTIATE/RECAST YOUR LEASE

DOES THE END JUSTIFY THE MEANS?
DO YOU **KNOW YOUR LEASE?**

- Expiration Date
- Term Options
- Termination Rights
- Landlord’s Situation & Leverage
- Force Majeure
- The Market
ONE SIZE DOES NOT FIT ALL
REAL WORLD EXAMPLES

UNCERTAIN FUTURE
WAIT AND SEE APPROACH
GOING VIRTUAL
SEIZING MARKET OPPORTUNITIES
RELOCATING
RADICAL CHANGE
RECONFIGURING
RESTRUCTURING
RECASTING LEASE
DOWNSIZING
HEZITATING
CALL TO ACTION

PEOPLE
Understand Employee Expectations

WORKPLACE
Define Purpose of Office

REAL ESTATE
Determine Lease Obligations & Opportunities
Q&A

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