



The State of Workplace Experience

Commercial real estate's workplace
and proptech industry outlook.



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A Note from the Research Team

This report examines the changing landscape of office portfolios and tenant demands in commercial real estate, from the perspective of landlords who own — and, in many cases, operate — those spaces, following the COVID-19 pandemic. This report also incorporates the perspectives of the corporate tenants and employers in those spaces to create a holistic, fully comprehensive view of the modern workplace.

To gain up-to-date insights from landlords, HqO commissioned leading analyst firm Verdantix to undertake independent, anonymized phone interviews with 25 executives operating as asset, portfolio, property, or tenant experience managers based

in the USA, Canada, Europe, the Middle East, and Africa (EMEA). All respondents held senior roles and work for firms that own at least 1 million square feet of office space. Verdantix also conducted independent, anonymized phone interviews with 50 executives in corporate real estate, workplace, facilities management, and leading HR roles based across the same designated regions. All corporate respondents held senior positions and work for firms with more than 1,000 employees.

Verdantix asked participants questions about their current office spaces, the key stakeholders involved with managing their engagement programs, communications with landlords and tenants, demands for technology and hybrid work, technology investment plans, and more.

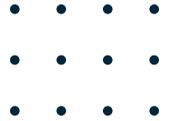


Chapter 1

New Ways to Work



Reviewing the Landscape



Only a few years ago, commercial real estate (CRE) was all about tradition.

The industry depended on long-term, sometimes decades-long leases. Property demand was measured by location and physical amenities, meaning that owners and operators would invest in buildings in or around central business districts. If the buildings weren't located in a city center, they would offer accessible commutes and/or flashy features like onsite gyms or cafes. Likewise, corporate employers would pay top dollar to move into these prized spaces to run their businesses during their five-day, nine-to-five work week.

Since employees were expected to work in the physical office regardless of where they lived or what their role was, many employers and landlords didn't place a heavy focus on the experiences within their office spaces. Employees showed up to work because they had to, a common practice that remained unchallenged on a global scale. Only leading companies like Google or Apple offered more for their employees at the time, setting a precedent for what was to come in the CRE landscape.

That was until late 2019, when everything changed due to the COVID-19 pandemic. Corporate employees were suddenly given a choice over where they preferred to work for the first time in many of their careers; they no longer needed to work in the office five days a week, or even at all. Instead, they could work from home part-time or full-time, enjoy flexible workspaces that weren't necessarily in their main office building, or, quite literally, work from *anywhere*.

Once employees adjusted to this newer, more flexible way of working, they began to demand it as a workplace standard. The [Great Resignation](#), which is still ongoing today, proves that employees are willing to place their personal values and preferences above physical office space — and are quitting their jobs in pursuit of [more supportive](#) work environments.

Because of this, landlords, property teams, and employers are all asking themselves the same question as they navigate the market in 2022: How can we, as an industry, create better workplaces to keep employees happy and productive — and consequently, help our businesses thrive in the long-term?

To answer this question, we need to thoroughly understand the trends and happenings impacting real estate today. In the next chapter, we start by examining how the physical workplace is being used by tenants and employees.



Opportunities for the Office

Modern employee expectations for the workplace have, unsurprisingly, impacted commercial real estate occupancy.

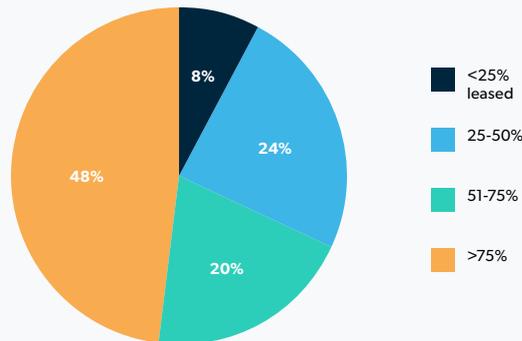
Landlord respondents revealed that while companies still have leases, buildings are not always full. Only 48% of landlords operate buildings with more than 75% occupancy, and an additional 20% operate buildings with just 51-75% occupancy.

Furthermore, from their perspective, those occupied spaces remain heavily underutilized. Only 24% of landlords see more than 75% daily utilization for their properties. The majority of landlords (36%) see just 51-75% daily utilization for their properties.

Some of this data correlates with what corporate employers revealed in our [Office Insights 2022 Report](#). For example, 34% of employers indicated that they had already downsized their real estate portfolios, and an additional 42% are planning to downsize in the next two years.

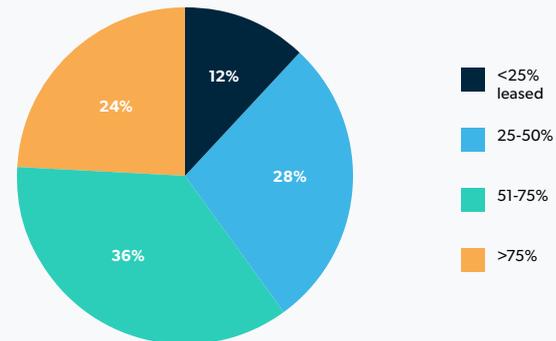
What percentage of your office real estate is currently leased?

LANDLORD RESPONDENTS

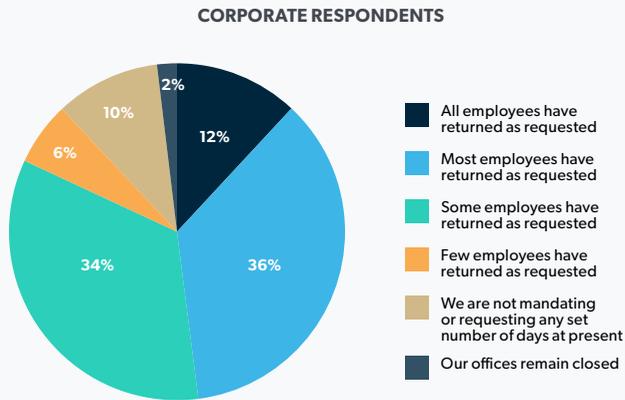


What percentage of your leased office space is utilized on a daily basis?

LANDLORD RESPONDENTS



Where your offices have re-opened, to what extent have you been successful in bringing employees back to the office?

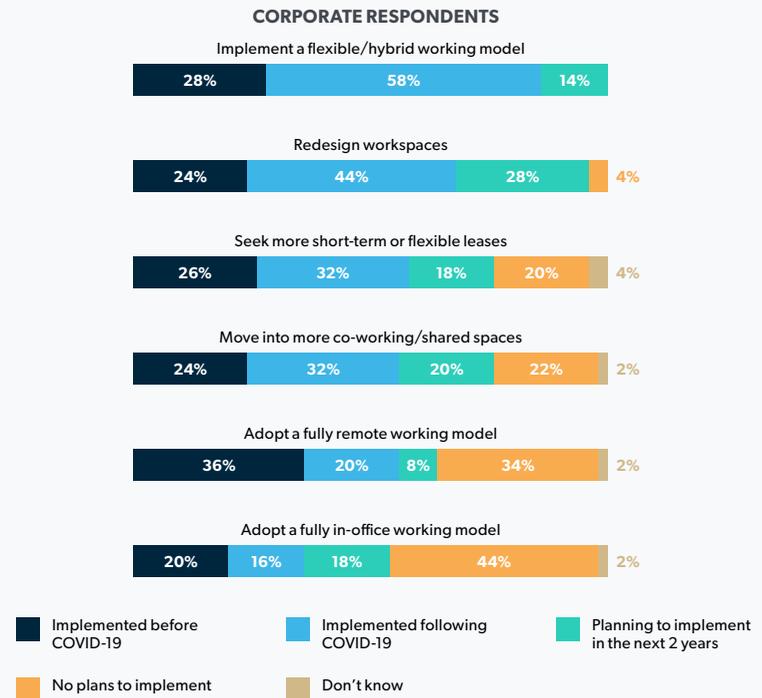


However, landlord assumptions about office occupancy may be partially incorrect. Despite downsizing, corporate employers report that occupancy levels are on the mend. 48% of employers indicate that most or all of their employees are already back in the office, and 40% indicate that some or few employees have returned back to the office.

Because of this, corporate employers are focused on supporting both workers in the office and at home by taking advantage of hybrid work models: a significant 86% of employers have already implemented a flexible or hybrid working model since the beginning of the pandemic, and an additional 14% plan to implement these models in the next two years. Similarly, 68% of employers have redesigned their physical workspaces to support modern employee needs, while 28% plan to implement redesigned spaces in the next two years.

The key takeaway? **Office space isn't being used less, just differently.**

Which of the following strategies will you look to implement as part of your post-COVID working model?



With the rise of hybrid work models, the physical workplace needs to be transformed into a more flexible and collaborative environment that tenants and their employees can truly benefit from, no matter where they work. Having a purpose-built environment also serves the various work types within the hybrid model to enhance employee productivity and yield better business results.

The data indicates that landlords and property teams have an opportunity to help employers create more meaningful workplaces for the people across their office locations. Inevitably, the ways they go about doing this will vary on a case-by-case basis. In the next section, we asked respondents about specific pain points to reveal how companies can achieve these goals.

Staging Workplace Experiences



by B. Joseph Pine II
Management Advisor, Speaker, and Author

It's axiomatic: if you want to stage great experiences for your customers, you have to stage great experiences for your employees. They must have the wherewithal to engage your customers, whether consumers or businesses. That means you must offer your workforce experiences that are — as my partner Jim Gilmore and I put in the new Preview to the 2020 re-release of *The Experience Economy: Competing for Customer Time, Attention, and Money* — robust, cohesive, personal, dramatic, and even transformative.

The Five Elements of Workplace Experiences

Robust experiences hit the sweet spot between entertainment, educational, escapist, and esthetic experiences. Learning & Development's primary role is to educate the workforce, but does it do it in an entertaining way to hold employee attention? Does L&D bring learning into the actual arena of work, escaping the classroom, and the screen? And in today's increasingly remote and hybrid work environment, does your company provide employees the proper technology, tools, and home office equipment to work effectively from wherever they happen to be — while simultaneously maintaining the culture of the organization and its capacity for innovation?

Cohesive experiences start with a theme that brings together the design of every experience into one unified whole. Do you theme your employee experiences? Theming sometimes gets a bad name because we equate it with the fantasy surroundings of theme parks or the in-your-face aspects of theme restaurants. But the theme is simply the *organizing principle* of the experience, a two-edged sword that enables you to decide what is in the experience, and what is out. Theming needs to be applied to workplace experiences just as much as to experience places for customers.

Whirlpool Corporation, for example, themed its sales training after the MTV reality show *The Real World*, only they spell it Real Whirled. The company houses its fresh-out-of-college recruits in a condominium where they stay together for the whole program, making their own meals with Whirlpool appliances, washing their own clothes (again using Whirlpool appliances), and getting their training in the building's common room. Since embracing this theme, retention rates have gone up 50%.

Personal experiences involve mass customizing to each individual employee. For, like customers, all employees are unique and need to be regarded as such. Do you treat different employees differently, or force them all into the same mold? Do you mass customize benefits? Do you let them use their own devices for work (usually called “consumerization”), which they have already mass customized to be unremittingly personal to their needs, or force them to use antiquated equipment and software?

Mid-Columbia Medical Center in The Dalles, Oregon, puts the personal into its very theme — *Personalize. Humanize. Demystify.* — that over three decades it has become its meaningful purpose. It doesn't apply solely to patients, but to its employees as well; not just to its onstage medical facilities but to its backstage workplace environments. Employees, as just one example, choose the individual charities the hospital gives to (if and only if it makes a profit that year).

This creates a virtuous cycle where employees volunteer for organizations they individually care about, which creates the incentive for people in the community to get their healthcare at MCMC.

Dramatic experiences recognize the principle that when you stage experiences, your work IS theater. It's not a metaphor – work “as” theater; it's a model – work is theater. So first, you must direct your workers to act in a way that engages customers, the audience of your experience. And that means you must prepare them for their roles to play. Think, therefore, of Human Resources as a talent agency and of L&D incorporating an acting school.

Further, embrace dramatic structure in all your experiences. A simple way to do so is to design every experience in five stages: enticing, entering, engaging, exiting, and extending. You can apply this as well to the entire working experience. How do you entice prospective employees to want to work with you? What is your onboarding experience as they enter into employment, and how does it set them up for success — both for you, and for them? How do you engage them throughout their employment? In what ways can you even make exiting employment an experience that creates a great reputation — and perhaps a future customer? And how do you extend the relationship so that past employees recommend you, both as employer and supplier?

Finally, **transformative experiences** recognize that employees themselves have goals, aims, and aspirations. While you hire them for work, they hire you to gain knowledge, skills, capabilities, a career path, and so forth, with every individual employee having his or her own set of aspirations. You must guide them throughout their careers, helping them achieve their work aspirations all the way along, while simultaneously achieving your own aspirations for their work output.

Mid-Columbia, for example, understands that its long-term success fully depends on its ongoing investment in qualified people (whether medical, professional, or otherwise) and their development over time. It therefore re-recruits employees every six months to ensure that management understands their individual goals and knows they are progressing on the path they individually chose. MCMC must continually meet their needs as an employer just as much as employees must meet the needs of the hospital.

The Rise of Experience Platforms

Creating and staging robust, cohesive, personal, dramatic, and transformative experiences proves no easy task, of course, whether to customers or employees. But something that can help tremendously, particularly on the personal element, is an experience platform.

Platforms — places where buyers and sellers come together to exchange money for offerings — are not a new phenomenon, and have long existed in the physical world. Think of farmers' markets (for commodities), shopping centers (for goods), strip malls (for services), even theme parks (for experiences). Digital technology amps up the power and network effects of such transactional platforms, enabling millions and potentially billions of buyers to connect with a boundless number of sellers. Royal FloraHolland switched its commodity flower auctions to digital decades ago. Amazon and eBay were early pioneers of goods platforms on the Internet. Digital service platforms proliferate across industries, from Uber to Fiverr to Grubhub, Bumble, Venmo, and on and on the list grows.

And, increasingly, digital platforms offer experiences. Think of Airbnb, which originally sold access to a sofa, a room, a house, but in 2016 created Airbnb experiences to enable those staying in Airbnb host properties to connect with local experience stagers, particularly those that made guests feel like a local in their visited locale. And of course, in 2020 the platform pivoted to digital experiences, enabling Airbnb to continue garnering income while saving the businesses of many companies that would have gone under without visitors, and saving the sanity of many consumers that would not give up their experiences.

Operational Experience Platforms

Many platforms are not transactional — connecting experience guests to experience stagers — as in all the cases above. There are also operational platforms that enhance the experience of a particular place. The Walt Disney Company offered one of the first such platforms with MyMagic+ in 2013, enabling visitors to connect to, buy, and operate experiences (as well as many services on which the experiences were built, such as park admission and hotel room entry). Guests particularly interacted with it through the IoT device the company created, MagicBand.

John Padgett, one of the original five members on the project, eventually left for the greenfield of Carnival Corp., where he created the [Ocean Medallion](#). This operational experience platform set a new bar for its incredible degree of customization, enabling every crew member to greet and interact with every guest by name and act on their preferences. The platform creates a mass customized itinerary for each guest and party, and as it learns more and more — creating what Carnival calls a “guest genome” — can send out Personal Experience Invitations to enhance that itinerary. The Ocean Medallion can even learn things such as when a guest is on the pool deck with his kids his favorite drink is an iced tea with no lemon; when in the bar with his buddies it’s a mojito; and when in the restaurant with his spouse it’s a glass of Shiraz.



Workplace Experience Platforms

Workplace experiences can likewise be discovered, booked, customized, and delivered via experience platforms such as that provided by HqO. They can combine the best of both transactional and operational platforms to offer tenants, their employees, and even visitors physical and digital experiences (as well as services and goods).

At the core of any workplace experience platform is the mobile app that connects tenants, employees (including those remote or hybrid), and others (including visitors) to all that a place has to offer. It becomes a one-stop-shop building amenities, perks, programming, news, retail outlets, content, health and wellness opportunities, and on and on the list could go. It enables a connection between building users and owners that bypasses tenant “gatekeepers” and engages employees beyond what posters, newsletters, emails, or any other method of communication can do. It can be opened up to third parties that can enhance workplace experiences by providing access to outside experiences, such as virtual classes, fitness centers, coaching, nearby amenities, and on and on that list could go. And as with all such transactional platforms, there’s nothing wrong with getting a piece of every transaction!

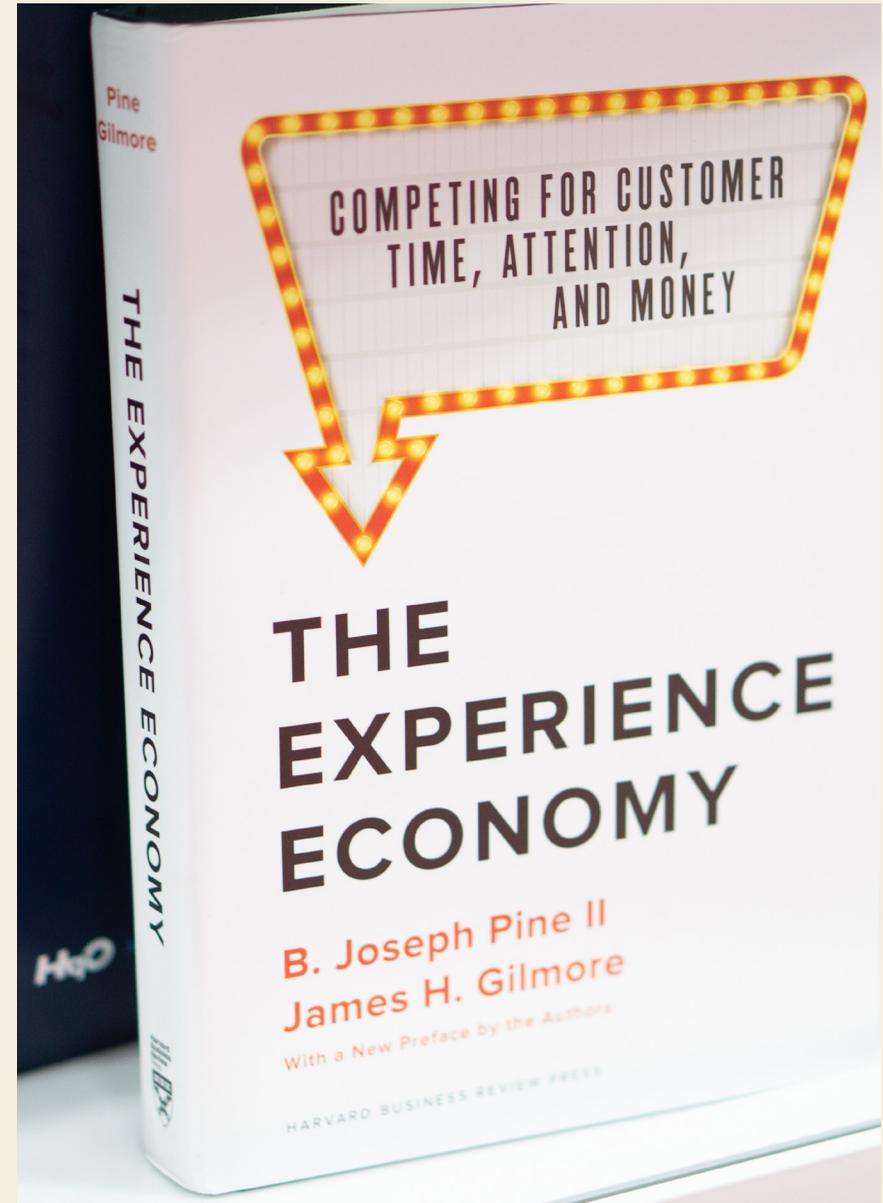
Moreover, like operational platforms such as the Ocean Medallion, a workplace experience platform can (and should) become a two-way communications hub so that the building owner can learn about its tenants, and those tenants can learn more about each individual employee. Anything you can digitize you can customize, so such digital learning should open avenues to better customize to each individual. For the more you learn from every interaction, the better you can customize. The better you customize the more your tenants and their employees benefit. The more they benefit the more they are willing to interact with you again. And every interaction is an opportunity to learn!

Post-Pandemic Life at Work

Despite the fact that governments shut down the physical part of the Experience Economy *because* of the COVID-19 crisis, it is now back in full force and is set to grow even more because of the pandemic. For the one thing we learned for sure is that, at least in the developed world, we do not need more stuff. What gives life meaning is the shared experiences we have with our family, our loved ones, our friends, and, yes, our colleagues.

Experience platforms can connect us to these meaningful experiences, and power, enhance, and customize them to our individual wants, needs, and desires. The time is ripe for taking advantage of them.

B. Joseph Pine II is an internationally acclaimed author, speaker, and management advisor to Fortune 500 companies and entrepreneurial start-ups alike. He is cofounder of [Strategic Horizons LLP](#), a thinking studio dedicated to helping businesses conceive and design new ways of adding value to their economic offerings. In 2020 Mr. Pine and his partner James H. Gilmore re-released in hardcover [The Experience Economy: Competing for Customer Time, Attention, and Money](#) featuring an all-new Preview to their best-selling 1999 book introducing this concept. He and Peter C. Evans of The Platform Strategy Institute created the [Experience Platform Strategy Toolkit](#) to help companies determine their role in the growing arena of experience platforms.





Chapter 2

Formulating Successful Strategies



Aligning Pain Points

In order for landlords and employers to make the right investments, they first need to align on the most prominent challenges in the workplace. Our research reveals several discrepancies in workplace priorities between landlords and corporate employers.

Landlords, for instance, commonly cite key challenges around building maintenance, sustainability, energy efficiency, and high turnover. Almost none of their responses, notably, consider the challenges associated with hybrid work:

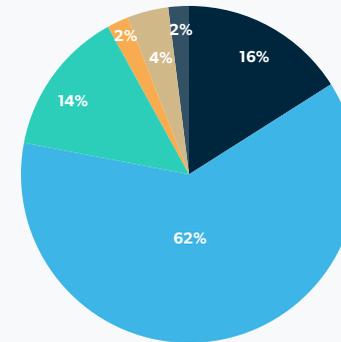
- » *“Frequent maintenance and property damage are two of the top three challenges.”*
- » *“Energy consumption and changes in regulations are two of our biggest challenges.”*
- » *“Turnover rates, rent payment, and legal issues are our top three issues.”*
- » *“The first challenge is sustainability/ESG and the technical risk to maintain and keep properties up-to-date for the longer term.”*



How significant are the following practical challenges in achieving an effective hybrid working model?

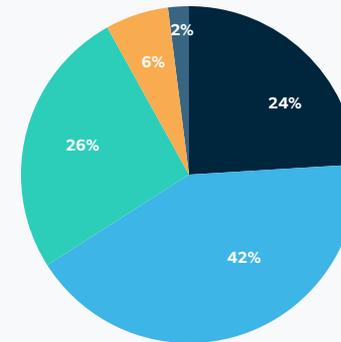
CORPORATE RESPONDENTS

Too many different or disconnected tools to manage the in-office experience



CORPORATE RESPONDENTS

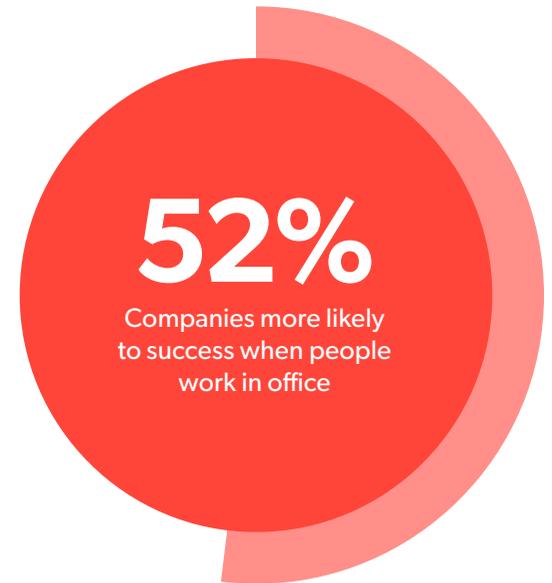
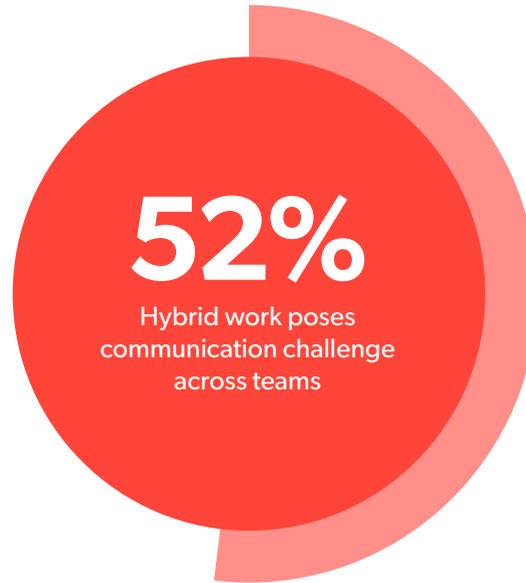
Employees' lack of awareness of available tools and services



On the other hand, corporate employers are most concerned about connecting a dispersed workforce and keeping them engaged and productive:

- » 52% of employers claim that dispersed working poses a very significant or significant challenge in establishing efficient communication channels across their teams.
- » 78% see too many disconnected tools as a very significant or significant challenge to achieving an effective hybrid working model.
- » 66% say that the general lack of awareness of available tools and services is also a very significant or significant hindrance with hybrid work environments.
- » 52% of employers either strongly agree or agree with the sentiment that companies are more likely to succeed when employees spend more time in the office.

The differences in responses indicate that landlords should be adjusting their maintenance strategies to also incorporate the people in their buildings — and to go beyond standard building upkeep. They also need to invest in the services and technologies that attract tenants and employees to their buildings and offices.



Returning to the Office

Some landlords have already begun to make changes to differentiate their properties and aid in the return to office. Though maintenance remains at the top of their list, they're also focusing on enhanced technology offerings, better lease prices, and relationship management:

- » *“We manage our buildings quite well and we have a good responsive team for the maintenance work.”*
- » *“Traditionally, we could offer physical amenities. Now, it’s digital amenities such as experience apps which provide much more than the basics about what’s going on in the building, mobile access, promotional things, and retail offerings.”*
- » *“We offer a lower occupancy cost than competitors.”*
- » *“We are creating a good relationship with the tenants by maintaining communication in order to avoid any misunderstandings.”*

Corporate employers, on the other hand, are focused on relationship building and unique engagement initiatives to bring employees back to the office:

- » *“We are organizing different activities and creating an entertaining working atmosphere to create less stress among our employees.”*
- » *“We are creating a digital workplace that makes employees productive. It’s a key success factor to any business.”*
- » *“We organize different kinds of events and programs such as health awareness events with free lunch, talk shows where we invite our employees to come and discuss certain topics, and more.”*

The mutual acknowledgment for digital tools to increase communications and strengthen relationships reveals that the shift towards a more hospitable, people-first workplace is already underway.



Modern Value Drivers

To achieve people-first workplaces, both landlords and employers are making investments into specific amenities and services. This not only helps companies attract and retain talent, but also improves tenant and employee satisfaction and productivity.

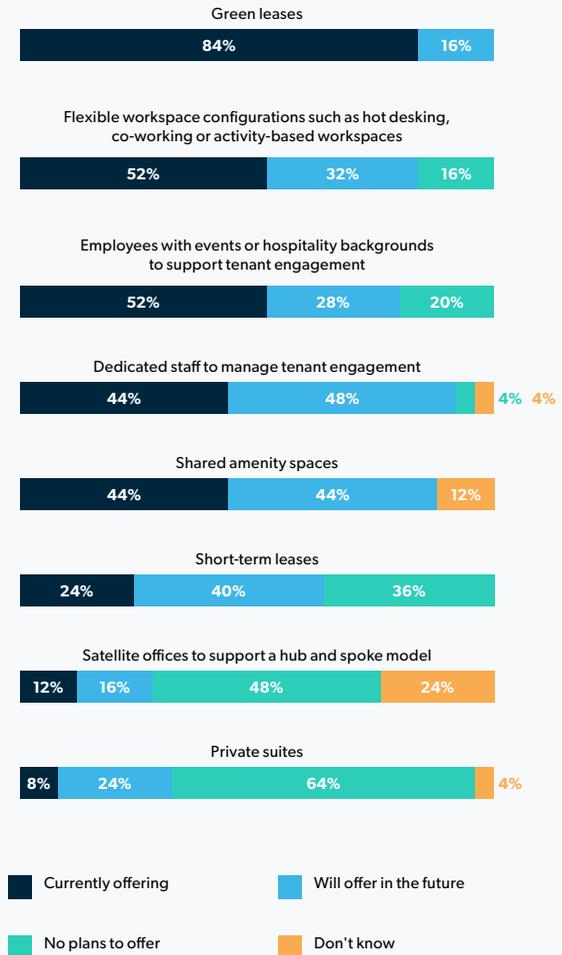
For Landlords

On the landlord side, the future looks **green and flexible**. 84% of landlords currently offer green leases (leases that incorporate ESG initiatives in their terms and conditions), and 16% plan to offer them in the future. Additionally, 52% are offering flexible workspace configurations such as hot-desking, co-working, or activities-based workspaces, and 32% plan to implement these configurations in the next few years.



Do you offer the following to your tenants?

LANDLORD RESPONDENTS



Based on an HqO [client survey](#) from earlier this year, landlords and property teams are also increasing tenant events and amenities initiatives.

82% of property teams are planning to host on-site events in 2022 to increase tenant engagement with their property. The breakdown is as follows: 29% plan to host between 6-11 on-site events at their properties, 27% plan to host 12 or more on-site events at their properties, 21% plan to host between 3-5 on-site events at their properties, and 23% plan to host at least one on-site event at their properties.

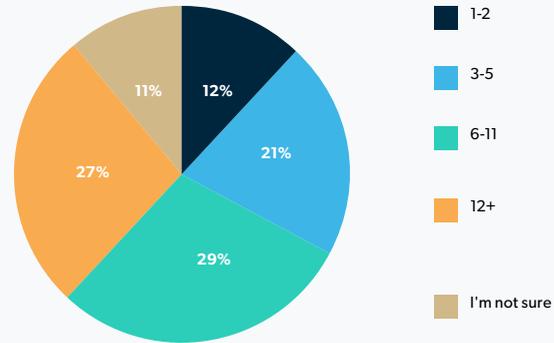


Property teams believe that the following features or amenities are also valuable to the workforce: collaboration and events space (32%), on-site fitness or activity centers (27%), and access control and visitor management technologies (20%), and access control and visitor management technologies (20%).



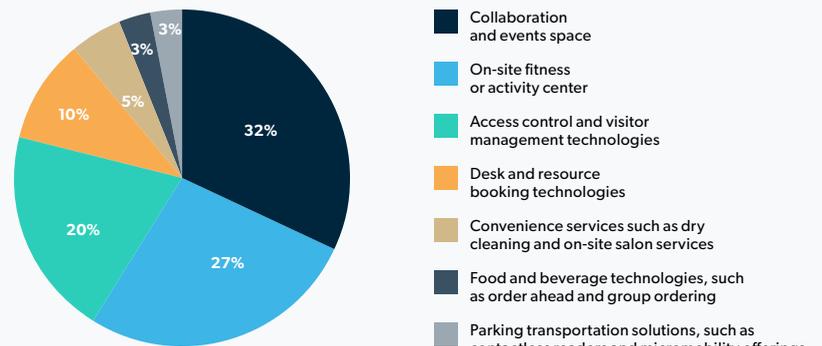
On average how many on-site events do you plan to host per property in 2022?

LANDLORD RESPONDENTS



Which features or amenities are the most important for your property?

LANDLORD RESPONDENTS



For Employers and Employees

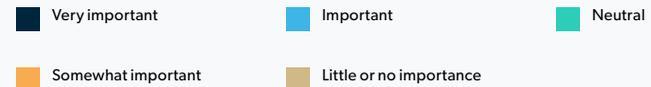
When it comes to the most important goals for employers, it's all about **productivity and enhancing the overall workplace experience**. 92% of employers state that maximizing productivity is very important or important, 90% state that improving employee satisfaction is very important or important, and 88% state that encouraging collaboration is very important or important.

Additionally, 76% of employers believe that workspaces that accommodate a variety of activities — such as collaboration — are very significant or significant factors in attracting and retaining talent in the workforce. 76% of employers also believe that flexible working models that give employees the ability to choose how, when, and where they work are very significant or significant in achieving the same outcomes.



How important are the following initiatives to your business when retaining office spaces?

CORPORATE RESPONDENTS



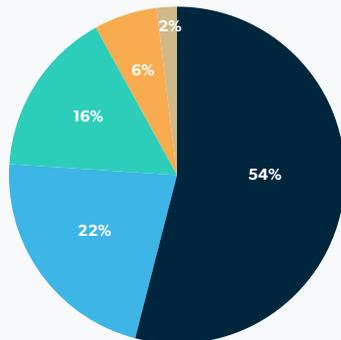
From an employee perspective, 82% of employers reported that company benefits such as private healthcare, dental plans, pensions, and commuter benefits are either very significant or significant to attracting and retaining their workforce. Similarly, 78% reported that offering a dedicated employee wellness program is very significant or significant.

Though we see some similarities between the data that support flexible workspaces and enhancing productivity, we still see some disparity between landlords and employers. While landlords are also prioritizing events, ESG initiatives, and tenant engagement staff to match tenant needs, tenant companies are looking for environments that increase work-life balance and collaboration in the workplace.

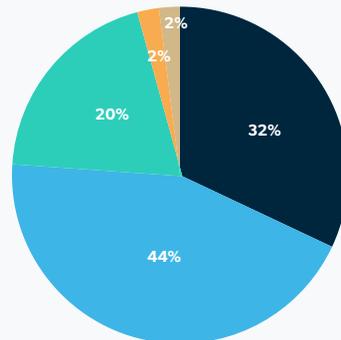
How significant are the following factors in helping your business attract and retain talent in the workforce?

CORPORATE RESPONDENTS

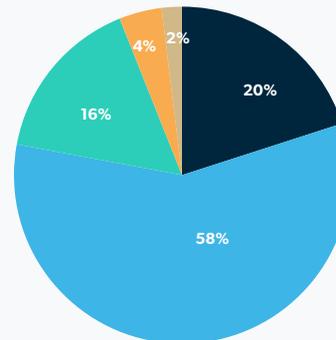
A flexible working model which gives employees to choose how, when and where they work



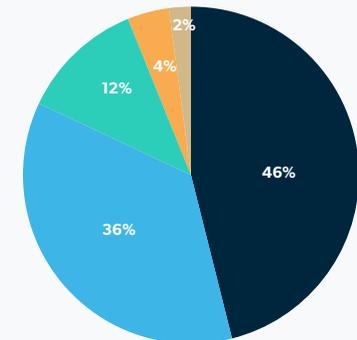
Workspaces that can accommodate a variety of activities (e.g., collaboration, conference rooms, etc.)



Offering a dedicated employee wellness program



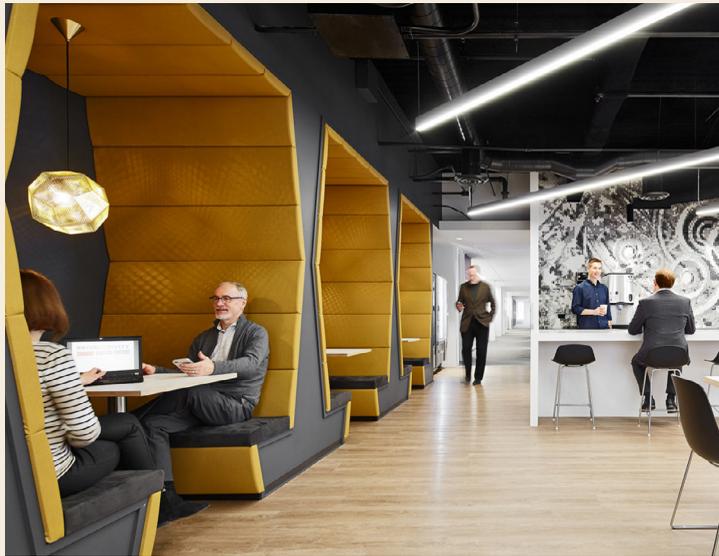
Company benefits such as private healthcare, dental plans, pensions and commuter benefits



Very important
 Important
 Neutral
 Somewhat important
 Little or no importance
 Don't know

Insights from JLL

[JLL](#) is a world leader in real estate services, powered by an entrepreneurial spirit. The company builds, occupies, and provides the full range of commercial real estate services for investors and occupiers for a variety of assets, including: industrial, commercial, retail, residential, and hotel real estate. To get their take on the trends impacting the workplace, we sat down with Kristin Mueller, JLL's COO of Property Management, for an exclusive perspective on the future of work.



“Thank you for joining us! JLL is – without a doubt – one of the largest, global commercial real estate service providers in the industry. Can you tell me a little bit more about the company and its core businesses?”

Of course. We provide real estate services for commercial properties, and we do this largely in two areas. The first is where we work for the occupiers of space, and the second is where we work with the actual investors of commercial real estate. The occupiers of space may be consumer products companies or banks that have a core business that they're conducting. That's their main mission, and they use their real estate as a tool to fulfill their businesses, among other things. They might do this work in-house, or outsource that work to JLL. It's work that includes strategy, real estate transactions, facilities management — it's a host of things that the occupier needs to accomplish with regards to its real estate.

The other large bucket of business for JLL is working for investors in commercial real estate. That means that instead of banking institutions or consumer product companies, the real estate is what's intended to make money. It is the business. Our clients for that type of work range from institutional investors, to high net-worth individuals, and everybody and everything in-between. That type of real estate can be broken down into four types of properties: office buildings, multi-tenant shopping centers or malls, industrial buildings, and multi-housing. For these asset types, we do leasing, property management, investment sales, debt and equity placement, asset management, and related work. In addition to that, we also do some work with hotels and hospitality businesses, primarily capital markets services and asset management.



What is your role within the company?

I'm the COO of Property Management for JLL, and that business is made up of nine lines of business. Five of them are property-oriented. We've got very robust office, industrial, and retail property management businesses. This year, we started up multi-housing property management. That's a new business line for us, which inevitably is taking us to mixed-use properties — which is the combination of any three or more of office, hospitality, multi-housing, and retail. Those are the five that are property-focused.

We also provide service in four areas that are agnostic to property type. This includes our experience management business, and HqO is a very important piece of that. This is the side that very much brings us to where we see the future of the evolution of real estate. Closely related to that, we are now also operating flex sites around the globe which go hand-in-hand with our experience management services. They're very complimentary of each other.

What prompted JLL to create so many different lines of services?

When Mark Zettl, JLL's President of Property Management, joined, he came from a hospitality and multi-housing background. He has that mindset and training. And I came into this role with a retail background. Because of this, we both very much understand that the same human beings who are shopping in our malls, using hospitality properties, and living in multi-housing, are the same human beings who are seeking similar experiences in our office buildings and working in the industrial properties that we manage.

The retail industry taught us a lot, specifically. It was the one business that had a true B2C function. An important job of the management team at a retail property is to attract people to their shopping centers, and to keep them coming back. Thus, they spend a lot of time understanding their customers. We realized that other aspects of commercial real estate, like the office, also

share this opportunity. By focusing on the people and users of space, we have an opportunity to think about and solve for what those people are seeking in their everyday lives. That's why JLL invests in services to anticipate and address people's needs on an individual level. We can literally transform office buildings and industrial properties to better fulfill what people are looking for in life.



How do you approach trying to solve these needs?

We do a lot of learning. To create people-centric spaces, you need to understand the people of a given space or building population. There are two types of data you can look at. The first, of course, is demographics. Demographics are the quantitative metrics that measure a population, like income levels, age, ethnicity, education levels. Those details can tell you a lot about a group of people, but it can't stop there. There are also psychographics, which further delve into the more qualitative aspects of a person. These can mean things like the types of magazines people like to read, or what vehicles they drive (if they drive at all). Psychographics dive into a person's lifestyle and tell you more about what they might be looking for to improve that lifestyle.

What does JLL do with this type of information?

It's best to understand both sets of metrics to make the physical environment as appealing as possible. Very measurable demographics help to establish a baseline, but it's just as important to understand more qualitative psychographics, too. We use this information to personalize our solutions and make sure we are giving people what they are actually seeking. It helps us, in a way, be more offensive (as opposed to defensive) when it comes to getting closer to our end-users.

How would you encourage property teams and other leaders in real estate to start collecting these types of insights from their customers?

That's a good question. As an industry, we often survey our customers in large efforts, maybe a few times a year. However, the more that we can understand the people who are coming through our spaces and using our buildings, the more we can fulfill what they are looking for and even attract more like-minded people.

Every building is already built with an anticipation of the target audience for the building — but no building can be everything for everybody. What I'd suggest for property managers is to make sure the learning doesn't stop there. We can spend just as much time after the fact to surveying people, or make an effort and spend time learning about fulfilling people's needs further. This will not only meet the needs of your building's audience, but allow you to evolve your property and offerings on an ongoing basis. People's needs and wants are constantly changing, so we need the ability to spot those trends.

And, that's through technology, right?



What role does technology play in your company's goals?

We understand there's a war for talent. So, we look for technology to enhance our workforce. It's there to empower people with the ability to do more throughout their work day, as well as to reduce the common everyday stressors that take time away from what they were hired to do. Technology can free people up to do the more enriching and interesting things they want to do. It can also help us keep ahead of trends through direct feedback and other insights. In short: it's the most efficient, useful way to find out what's going on with people, and then to design and deliver solutions that really push the lever and make a difference.

From the perspective of our workforce, technology also permits us to make the building simply more interesting, or more fun. We can introduce hundreds of people to programs we are running, and deliver them engaging activities and events. And, because it's presented digitally, it reaches everyone. The bottom line is that we're seeking efficiency, and that's exactly what makes for a better experience.

How do these tools and strategies also aid in the return to office?

The return to office is definitely a global phenomenon that's still happening. Employees have more choice than ever, and hybrid work models are becoming the norm. At JLL, we're balancing the inconvenience of returning to the office with investments into things like benefits, collaboration tools, events, and perks — without compromising health, safety, and wellness. We also use technology for these initiatives, encouraging people to come in because it's a place they want to be instead of a place they have to be.

To wrap things up, what is JLL's vision for the future of the workplace?

From my perspective, we are really expecting buildings to blend. What I mean by this is that we want people to be able to walk into the building and flow — they may spend some time doing their work inside, they're probably going to look for food and beverage opportunities in the building, and they might eventually even look for the chance to go outdoors for a few minutes. Buildings should be these fully connected, fairly-free flowing experiences that account for all of those multi-use needs. People should be able to go to work and get more than one activity fulfilled in their lives.

And, of course, this will be done through technology; whether it's digital signage, accessing certain areas, or even just creating awareness for a building's offerings. All buildings are part of a larger community or neighborhood, and there is value in connecting buildings to that community. We want to help people where they live, where they work, where they shop, and more. The goal is to merge all these different experiences and create a real destination.

To learn more about JLL, visit them at <https://www.us.jll.com/>.



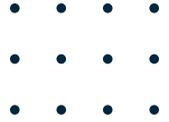


Chapter 3

The Consumerization of the Workplace



Matching Employee Lifestyles



To truly add value to the physical workplace, landlords and employers need to match the consumer habits of the workforce by bringing those experiences directly into their buildings. With the vast majority of the working population owning a smartphone, it comes as no surprise that the digital conveniences associated with mobile apps and technologies are finding their way into modern offices.

In fact, landlords are extremely aware of technology's role in their tenants' and employees' everyday lives. In the next two years, most landlords expect tenant demand for technology to increase significantly. Some statements include:

- » *“Demand for technology is going to increase, as everyone is looking forward to smart building technology.”*
- » *“There will be an increase in demand for useful apps to present services, increased need for digital applications, and flexible spaces.”*
- » *“There will be more usage of technology to work efficiently.”*
- » *“I expect more demand for digital software to capture data for analysis.”*



Landlords will struggle, however, when it comes to identifying other key demands from tenants and employees due to a lack of ongoing communications. Only 12% of landlords work closely and collaborate with tenants on their long-term workplace strategies, indicating that the landlord-tenant relationship is not established enough to keep ahead of industry trends and evolving needs.

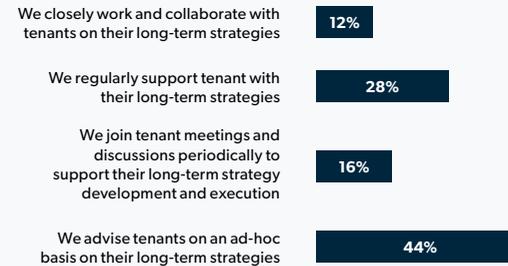
With 72% of employees now valuing hybrid work as being equally as important as salary, landlords will need to partner with tenants and employees to achieve their flexible work models and create experiences that bridge the gap between hybrid and in-office workers.

To do this, 72% of employers agree or strongly agree that workplace experience and engagement tools will be a critical element of successful offices in the future. This reinforces the notion that technology in the workplace is more than just a short-lived demand. It has now become an expectation for the workplace — a familiar one that can solve an array of tenant and employee pain points.



Which of the following best describes your relationship with your tenants and their long-term strategies?

LANDLORD RESPONDENTS



To what extent do you agree with the following statements?

CORPORATE RESPONDENTS

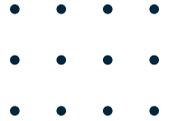
Workplace experience and engagement tools will be a critical element of successful offices in the future



Employees now value a hybrid working as being equally important to salary



Upgrading Office Technology



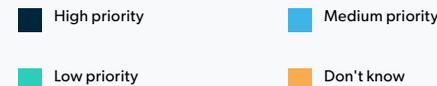
Since every stakeholder in the workplace has different technology needs, it's more important than ever to make sure landlords are investing in the things their tenants want, and that tenants are investing in the things their employees want.

According to our research, 64% of landlord respondents say it is a high priority for their tenants to have access control and visitor management. Only 40% think it's a high priority to invest in work order and operations technology, and another 40% think it's a high priority to invest in food ordering or catering tools. This has led to 64% of landlords increasing their investments in access control and visitor management technology, and 44% increasing their investments in work order and operations technology.



What level of priority are tenants placing on the following workplace technologies in their workspaces?

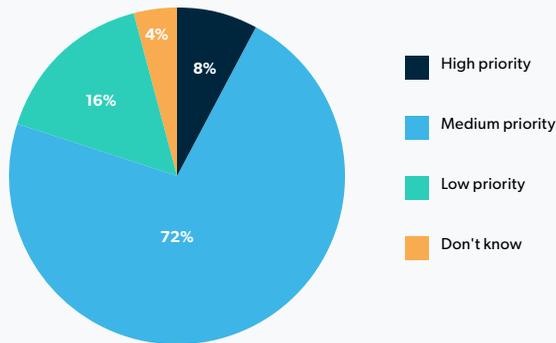
LANDLORD RESPONDENTS



Notably, 80% of landlords also cite that a comprehensive building mobile application is a high or medium priority for the workplace — suggesting that tenants want an easier user experience while streamlining specific technology capabilities.

How much of a priority is a comprehensive building mobile application for your workplace?

LANDLORD RESPONDENTS



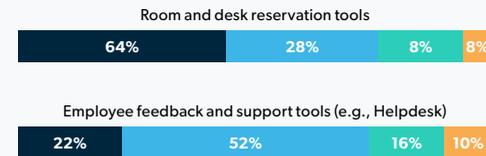
Some of their responses conflict with tenant company investments and demands. 76% of employers have already invested in room and desk reservation tools, 74% have already invested in a dedicated employee experience mobile app, and 74% have already invested in employee feedback and support tools. 44% of respondents plan to invest further into room and desk reservation tools, and 34% plan to invest further into location services, such as wayfinding and occupancy details.

However, landlords and employees are aligned on workplace experience technology. 68% of employers believe that investing in dedicated employee and workplace experience tools is very significant or significant to attracting and retaining talent.

Overall, landlords are prioritizing digital capabilities like mobile access, food ordering, and work order solutions. This leaves room for improvement, as tenants are leaning more into workplace engagement tools, room booking tools, and employee feedback tools that can create flexible and engaging workplace experiences.

What are your investment plans regarding the following workplace tools?

CORPORATE RESPONDENTS



Purpose-Built Staffing

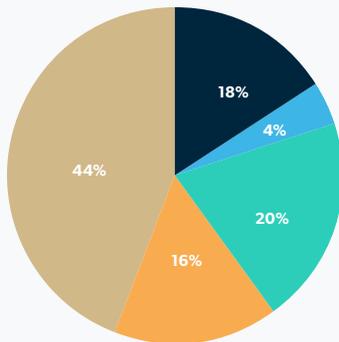
As discussed, there are several focus areas where landlord priorities don't align with employer priorities, and vice versa. To bridge the gap between landlord and employer needs, companies must focus on hiring dedicated experience managers that can work towards aligning these initiatives.

This is critical for several reasons, but largely due to the fact that landlords are not communicating often enough with tenant employees, regardless of the medium. When that happens, tenant employees can end up with a disjointed experience — leading to a lack of knowledge around on-site amenities and important happenings in and around the workplace.

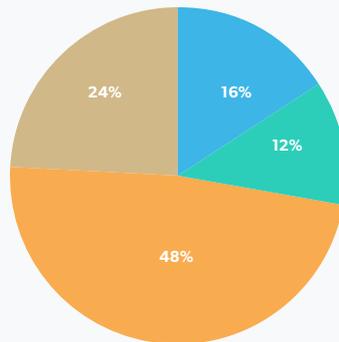
How often and through what means do you communicate with your tenants?

LANDLORD RESPONDENTS

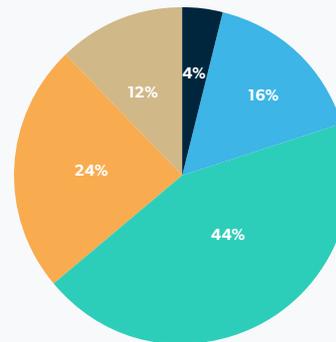
Directly emailing tenants such as employees



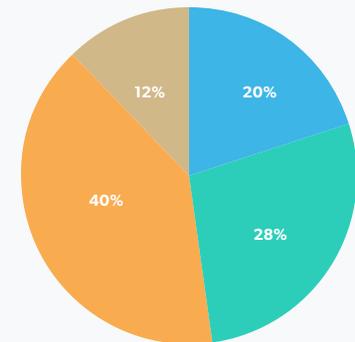
Emailing the tenant point-of-contact (tenant HR or office manager)



Through physical signage



Building mobile application



■ Daily

■ Weekly

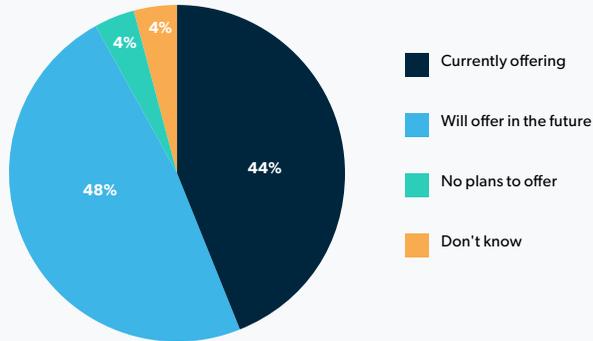
■ Monthly

■ Occasionally

■ Not at all

Do you dedicate staff to manage tenant engagement?

LANDLORD RESPONDENTS



Currently, 44% of landlords don't directly email tenants at all, 48% of landlords only email tenant point-of-contacts on occasion, 44% of landlords use physical signage on a monthly basis to communicate with tenants, and 40% use a building mobile application to communicate with tenants on an infrequent basis.

This is supplemented by the fact that only 44% of landlords currently offer dedicated staff to manage tenant engagement, and only 48% plan to offer dedicated staff to support workplace engagement in the future.

Though critical for landlords, experience managers are just as important for employers. For employers, experience manager roles have very specific purposes and functions. They are focused on achieving the following three goals for their company:

- » Elevating workplace experiences
- » Attracting and retaining talent
- » Optimizing workplace spend

Traditionally, workplace experiences and investments have been managed on the landlord and property team level. In those scenarios, facilities management would work with building owners to improve amenities, such as on-site fitness centers, and differentiate the workplace.

To achieve their many responsibilities, workplace experience managers are stewards of workplace experience technology. In fact, buildings that leverage a dedicated workplace experience manager role alongside HqO's technology can see the following results:

- » Workplaces with either HqO sponsored programming, custom programming, or both see (on average) a 225% increase in Weekly Active Users (WAUs) compared to customers with only static content and no digital programming.
- » Workplaces with HqO-sponsored programming see a 34% increase in WAUs compared to customers that don't opt in.
- » Workplaces that run custom programming in addition to HqO-sponsored programming see an 8% increase in WAUs compared to HqO-sponsored programming only.

Combining a dedicated experience role and a purpose-built product allows companies to enhance both the employee and workplace experiences at scale. Technology allows these roles to tap into important resources and committees across the company, and then translate those back to the physical workplace to establish fully connected experiences.

Access to experiences that employers never had before — such as digital programming and office analytics — also helps companies build closer connections to their people and remain agile as employee needs evolve over time. Insights about amenity and program engagement and usage can then be communicated up to landlords and property teams, thus closing the communication loop, to work towards an improved workplace at every level.



Chapter 4

Moving Forward



Leaning into Data

Not only are there ample opportunities for landlords to better communicate with tenants and employees, but there are also ample opportunities for landlords to collect valuable data and insights about their building users' preferences and habits.

76% of landlords collect annual surveys to keep in touch with tenants. With the industry changing so fast — and tenant and employee needs following suit — annual data collection is not frequent enough to keep pace.

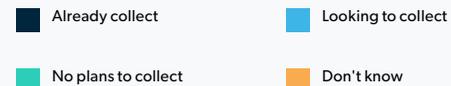
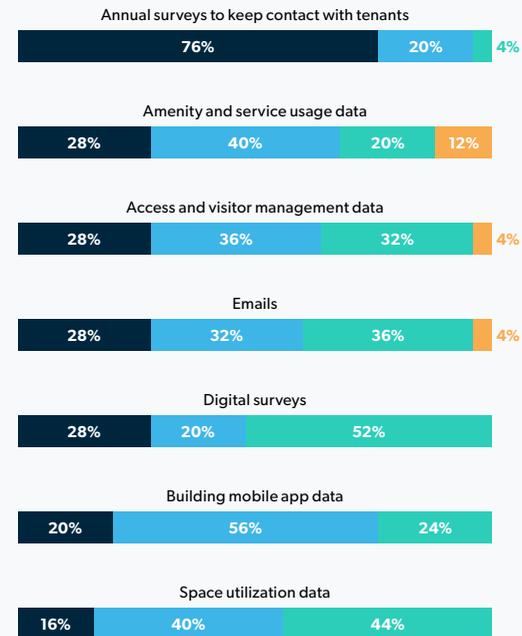
Additionally, only 28% of landlords leverage the following to inform their workplace decisions: amenity and services usage data, access control and visitor management data, and digital surveys to collect feedback and information on tenants.

However, many landlords are on the right path: 56% are looking to collect data via building mobile apps in the future, 52% consider tenant sentiment a high priority, and 76% consider data on the most utilized spaces for tenants and teams as a medium priority. These responses slightly vary from what is happening behind the doors of tenant suites.



Do you collect data on your tenants using the following methodologies?

LANDLORD RESPONDENTS

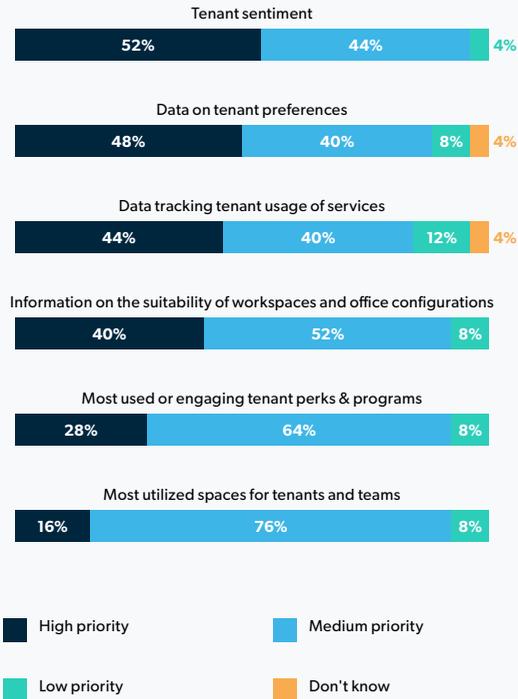


Employers believe the following metrics are valuable to the success of their businesses: 58% think it's very valuable to have information on the suitability of workspaces and office configuration, 58% think it is valuable to track the most utilized spaces for employees and their team, and 48% think it's valuable to track employee usage of services and employee sentiments.

Overall, current data trends reveal gaps of information from the landlord side, as well as misalignment on priorities between landlords and employers. The discrepancy is likely related to the larger issue the research reveals: landlords are more focused on tenant sentiment and preferences, whereas tenants are more focused on adapting their spaces to support employee needs in a rapidly changing environment that includes the return to office and hybrid work models.

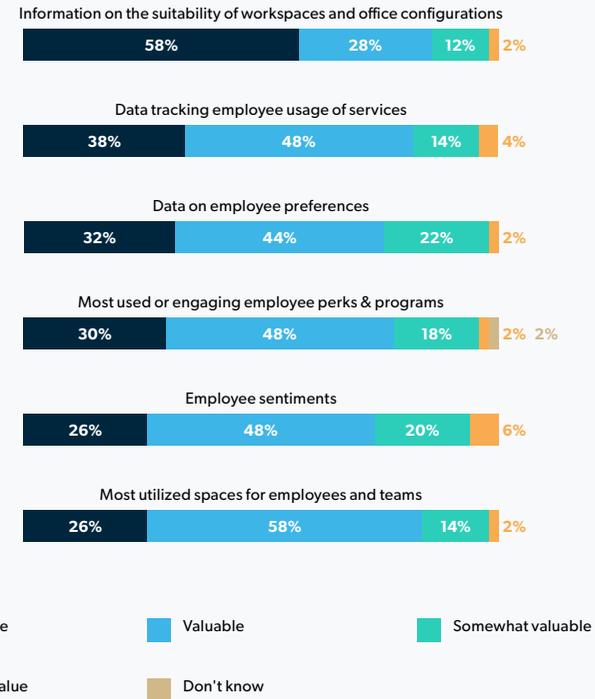
What level of priority do you place on the collections of the following datasets about your tenants?

LANDLORD RESPONDENTS



How valuable would the collection of the following metrics be to your business success?

CORPORATE RESPONDENTS



Key Takeaways

These insights reveal a common theme between landlords and employers in 2022: a need for more alignment and communication between both parties in order to successfully address the problems of the modern workforce.

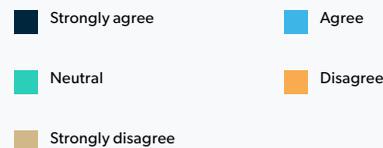
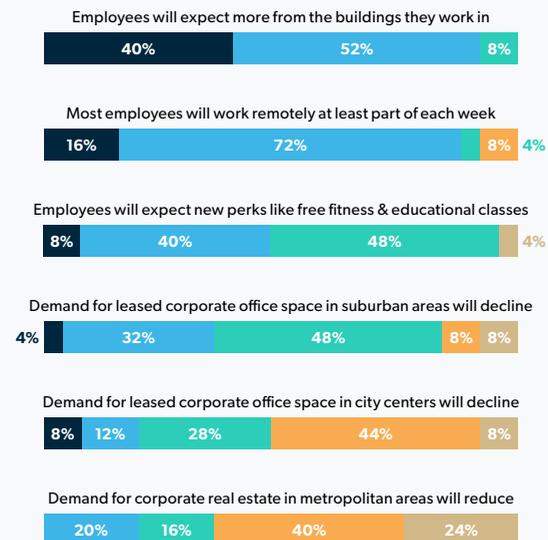
However, landlords and employers do agree on one thing: the future look and feel of the workplace.

92% of landlords strongly agree or agree that employees will expect more from the buildings they work in, with 48% strongly agreeing or agreeing that employees will expect new perks like free fitness and educational classes. When it comes to hybrid work, 88% of landlords strongly agree or agree that most employees will work remotely at least part of each week moving forward.



To what extent do you agree with the following statements?

LANDLORD RESPONDENTS



Corporate employers, in large part, echo these sentiments — particularly about the flexibility needed in the office. 58% of respondents agree or strongly that in the next five years, a more flexible, four-day work model will become the norm. An additional 72% of employers agree or strongly agree that hybrid work environments are as equally as important to employees as other workplace benefits such as annual leave and healthcare.

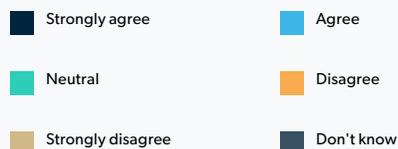
To what extent do you agree with the following statements?

CORPORATE RESPONDENTS

Employees now value hybrid working as being equally important to other benefits such as annual leave and healthcare



In the next five years, a four-day working week will become the norm



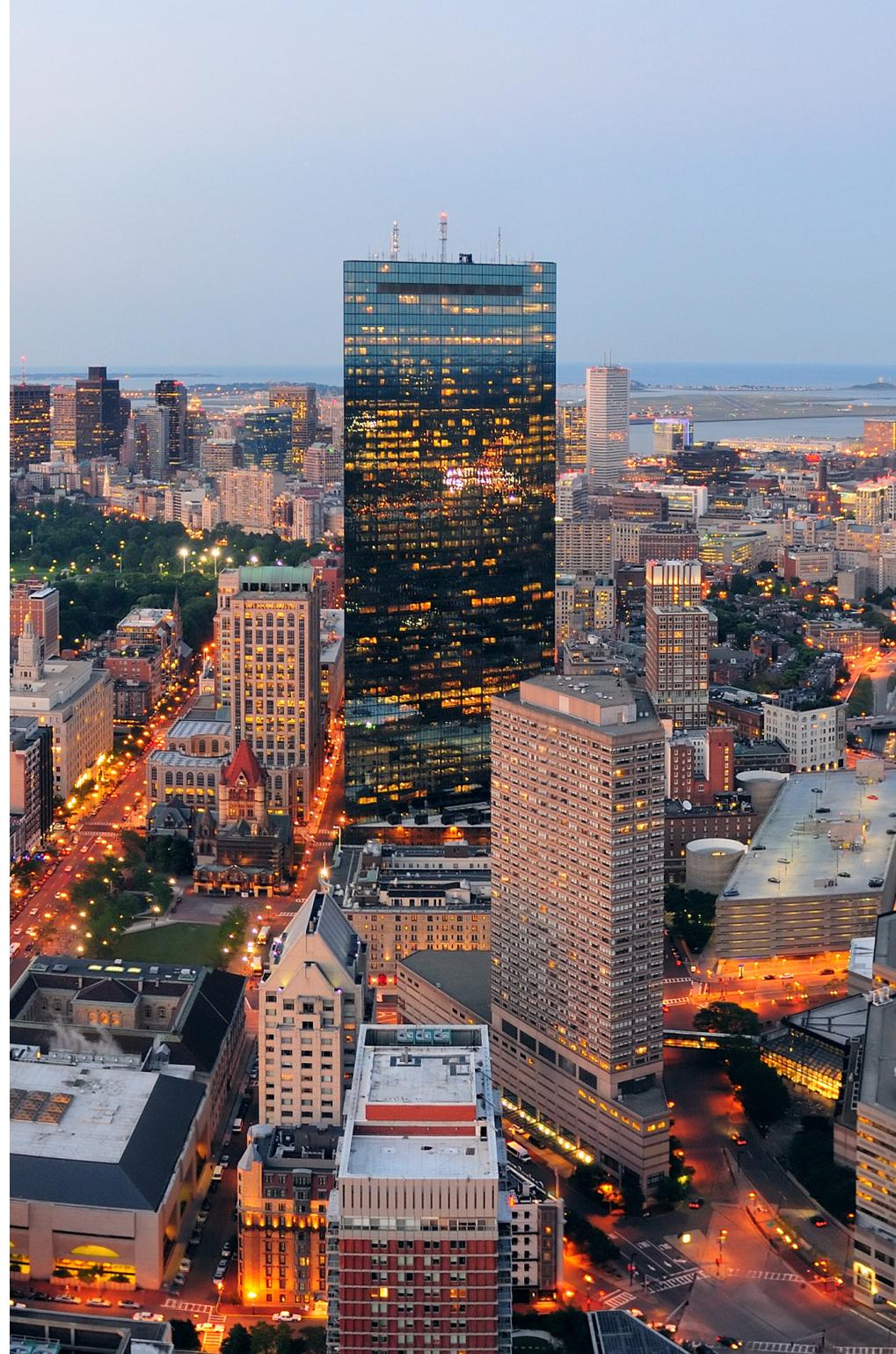
At a scale we've never seen before, the workforce now has the ability to sway trends in the market and impact landlord and employer decision-making about the workplace. Based on our research, the following will be the keys behind success in 2022 for landlords and employers:

- » Supporting flexible or hybrid workplaces
- » Ensuring that the hybrid workforce can stay connected and still work productively, no matter where they choose to work
- » Focusing on engaging and memorable events, benefits, and perks in the workplace to keep employees coming back to the office and loyal to their company's brand
- » Investing in digital tools and capabilities that can streamline all of these workplace elements into an easy-to-use platform or mobile app
- » Hiring dedicated workplace (or tenant) experience managers that can bring hospitality into the workplace and facilitate the strategies needed to increase tenant or employee retention, attraction, and satisfaction
- » Increasing communication between landlords, employers, and employees to build a stronger building community and open up pathways for learning
- » Leveraging data and insights to make more informed decisions about workplace investments, as well as to keep ahead of trends in the market to differentiate the workplace

Want to learn more about the data in this report, or interested in taking your workplace experience to the next level? [Schedule a consultation](#) with HqO today.

About HqO

HqO is transforming how people connect with each other and the places they work. The HqO Workplace Experience Platform makes it easy for companies and commercial property teams to create modern workplaces through world-class amenities and services that allow people to thrive and produce the best results. Active in over 250 million square feet in 25 countries, 57% of the Fortune 100 rely on HqO to enhance their workplace experiences, improve employee satisfaction, and drive operational excellence. For more information, visit <https://www.hqo.com/>.





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