



Corporate Solutions

# Top CRE Trends 2021



# Top 10 global CRE trends in 2021



**01**



## Hybrid future

Work from anywhere will drive footprint dispersion and portfolio transformation

**02**



## Humanizing workplace

Next-gen workplaces will create environments where people thrive and performance flourishes

**03**



## Health imperative

Employee health and wellbeing will be central to future CRE strategy and investment

**04**



## Digital first

Technology enables everything. Develop digital capabilities to drive value for employees and customers using technology as the enabler

**05**



## Race to net zero

CRE will be critical in achieving enterprise net zero targets

**06**



## Responsible real estate

Commitment to bring a positive change through real estate will be at the forefront of CRE strategy in 2021

**07**



## Distributed urbanization

Demand for a more sustainable and resilient urban model will result in the changing spatial logic of cities

**08**



## Flex transformation

Flex space will be a key strategic tool to drive portfolio agility post-Covid

**09**



## Future of metrics

New metrics and insights will enhance data driven portfolio and enable the future of work

**10**



## Resilience

Always-on transformation will require an always-on resiliency

# Hybrid future

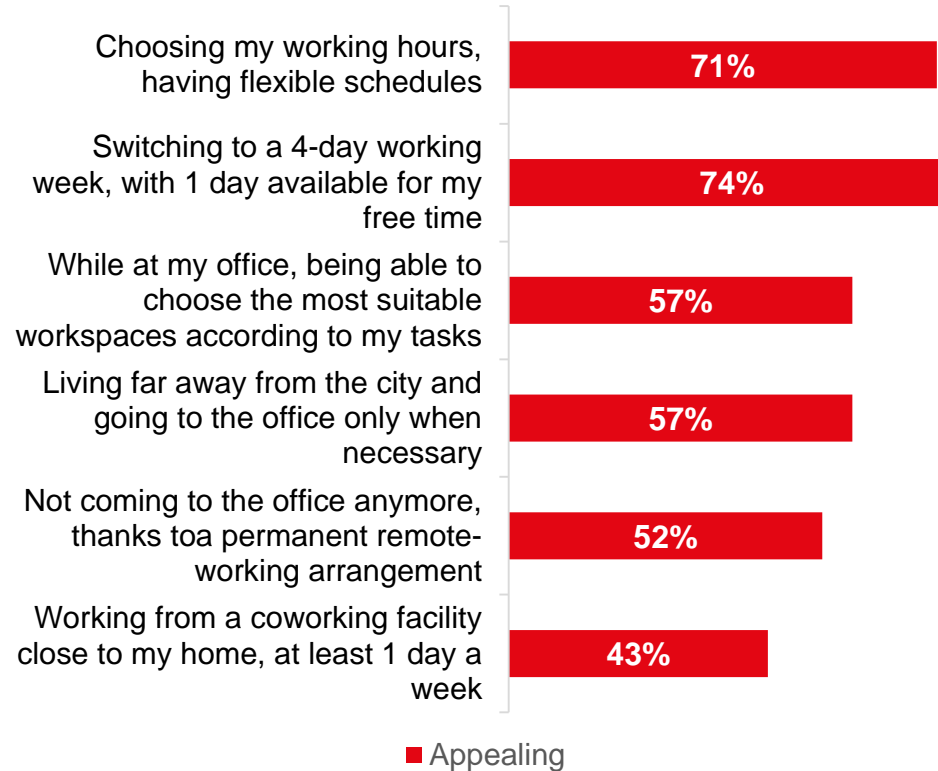
Distributed and digitally enabled workplace model



*Work from anywhere will drive footprint dispersion and portfolio transformation*

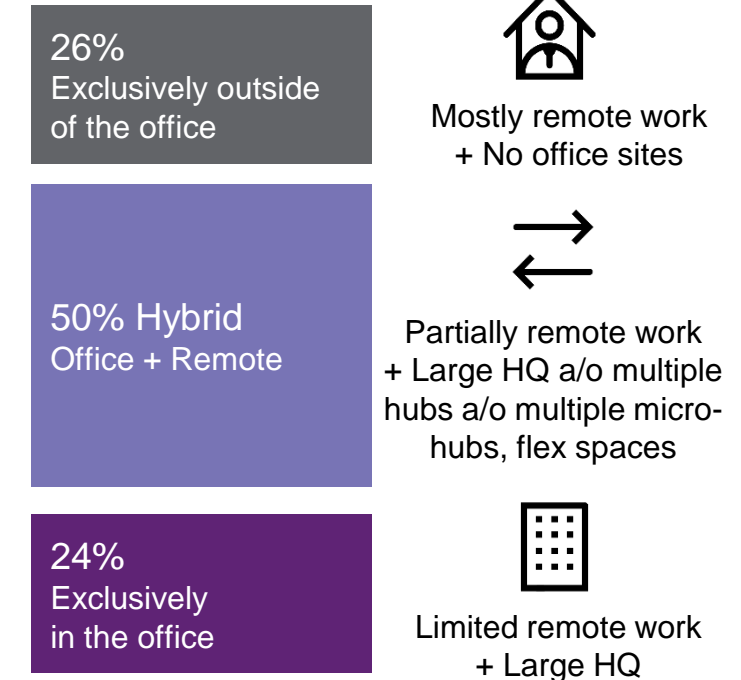


## Workers are eager for more flexibility



Q: Some companies are providing new flexibility options to their employees. How appealing are they to you? Sample : All respondents n= 2033  
Source: JLL, Human Experience, 2020

## Remote work frequency after COVID-19: 2.4 days a week on average



Q: How many days a week would you like to work remotely from home after COVID-19? Sample : All respondents n= 2033  
Source: JLL, Human Experience, 2020



Explore hybrid workplace mobility for greater future resiliency

# Humanizing workplace

Creating a worker-centric workplace



*Next-gen workplaces will create environments where people thrive and performance flourishes*

## The office is the preferred location for some crucial activities

To learn and grow



To socialize



To solve work-related issues



To collaborate and run meetings



To manage or be supported by your management



■ Better in the office ■ Better at home ■ Better in a third-party place

Q: After your recent homeworking experience, where would you prefer to do the following tasks in the future? At home, in the office or in a third-party place? Sample: All respondents n=2033  
Source: JLL Human Experience (2020)

## Performance enablers\*

### Spaces

- #1 Creative spaces
- #2 Learning & Development spaces
- #3 Coworking spaces
- #4 Outdoor spaces
- #5 Privacy spaces

### Tech

- #1 Social networks
- #2 Learning & Development tools
- #3 CRM tools
- #4 Business Intelligence tools
- #5 Project Management tools

\*Spaces & technologies which have the greatest impact on performance among High Performers compared to other groups

Source: JLL Human Performance (2020)



Enable human performance by reimagining your workplace and creating positive environments in partnership with HR and IT

# Health imperative

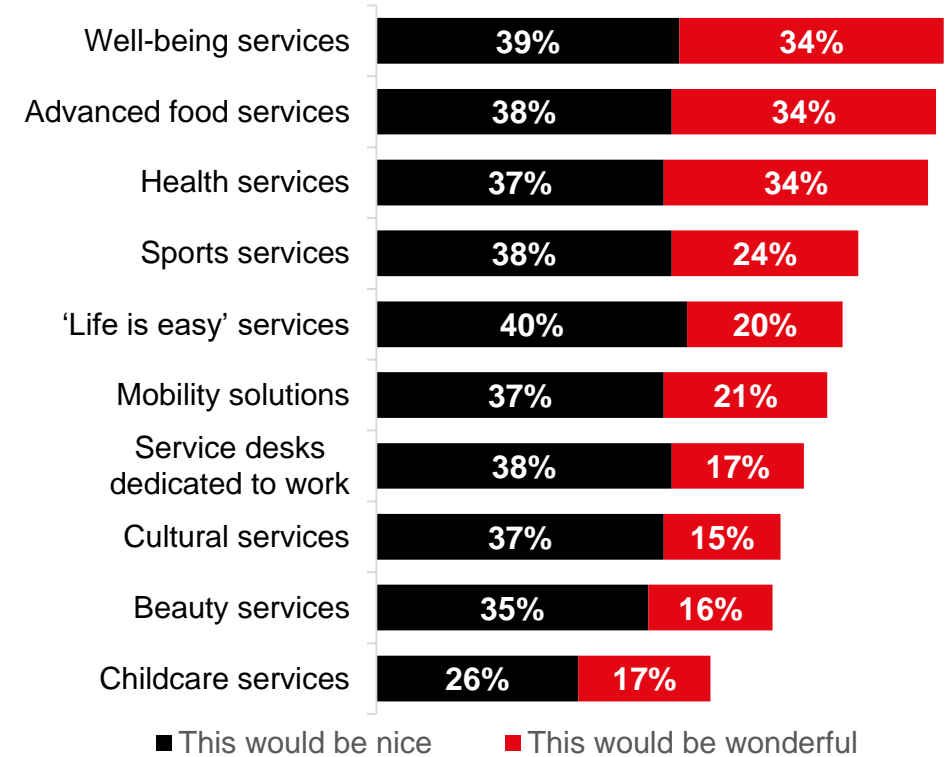
Renewed focus on employee health and wellbeing



*Employee health and wellbeing will be central to future CRE strategy and investment*



## Top 5 services expected by employees post pandemic



Q: What kind of services would you delight in having access to?

Sample : All respondents n= 2033

Source: JLL, Human Experience (2020)

# 49%

of employees are unable to switch off after a demanding task at the office

Source: JLL, Human Performance (2020)

# 58%

of employees prioritize working in a company that ensures their *physical* and *mental well-being*

Source: JLL, Human Experience (2020)



Develop a robust health and wellness program to care for the workforce and address the impact on mental health and fatigue and support employee health



# Digital first

Dynamic, interconnected ecosystem of partners and technologies



*Technology enables everything. Develop digital capabilities to drive value for employees and customers using technology as the enabler*

**59%** of executives say COVID-19 has accelerated digital transformation at their organizations

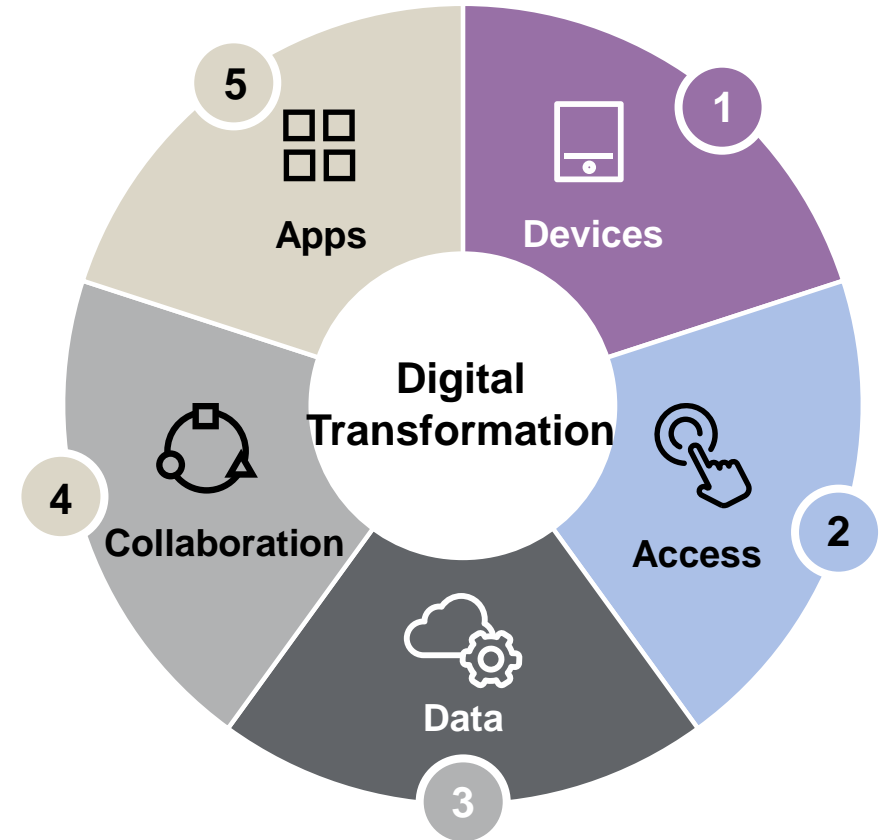
Source: IBM, COVID-19 and the future of business (2020)

**68%** of corporates cite forging innovation partnerships as a core priority for the next 12 months.

Source: EY, Tech Horizon: Six habits of digital transformation leaders (2020)

**40%** of CEOs said their CIO or tech leader will be the key driver of business strategy—more than the CFO, COO, and CMO combined.

Source: Deloitte, The new CIO: Business-savvy technologist (2020)



Any Device – Any App – Any Data  
**Anywhere – Anytime**

Source: JLL Research (2020)



Harness the power of digital ecosystems to accelerate transformation of work, your workforce and the workplace

# Race to net zero

Decarbonization of real estate



*CRE will be critical in achieving enterprise net zero targets*



## Global commitments to net zero double in less than a year

Cities and regions with a carbon footprint greater than the emissions of the US and companies with a combined revenue of more than \$11.4tn are now pursuing net zero goals.

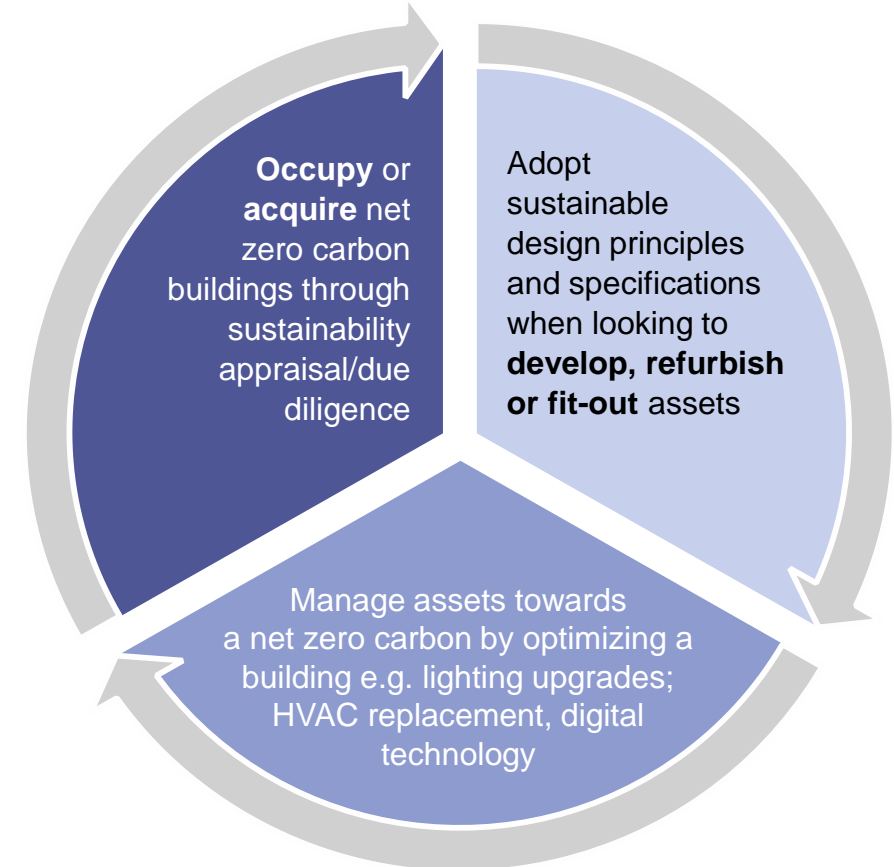
This now includes 22 regions, 452 cities, 1,101 businesses, 549 universities and 45 of the biggest investors.

Source: Data-Driven EnviroLab & New Climate Institute, Accelerating Net Zero (2020)

**40%** of global greenhouse gas emissions come from buildings and, if left unchecked, they're **set to double by 2050**. Buildings account for **a third of global energy consumption**

Source: theclimategroup.org;

Every CRE decision within the property lifecycle should consider net zero carbon



Source: JLL Research (2020)



Accelerate adoption of net-zero strategies across CRE portfolios and full real estate life cycle

# Responsible Real Estate

Reimagining a better world through the built environment



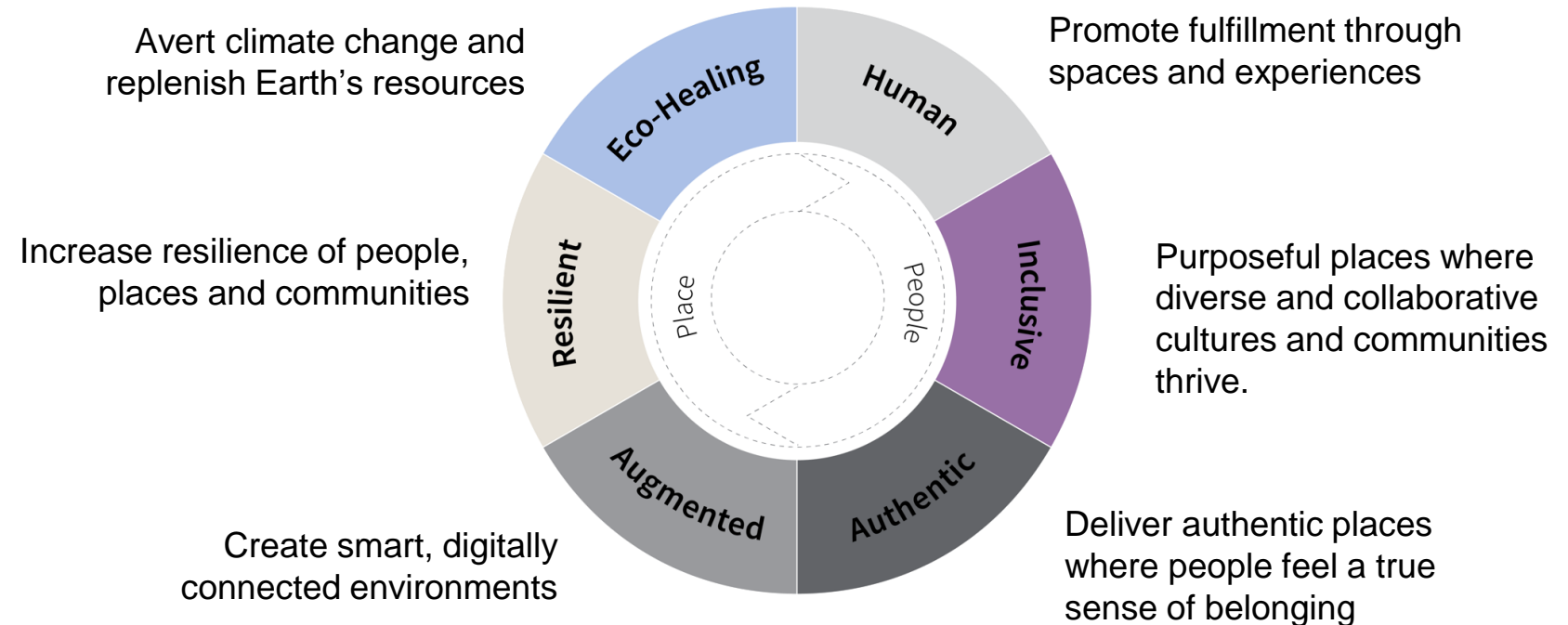
*Commitment to bring a positive change through real estate will be at the forefront of CRE strategy in 2021*



*“Responsible real estate calls for a systemic change driven by a holistic view of the industry and its approach to the development and management of real estate.”*

Source: Bloomberg Green, JLL (2020)

## JLL’s Responsible Real Estate Framework



Source: JLL Research, 2020

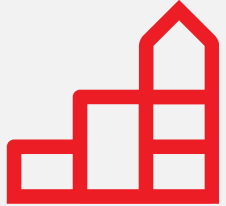


Leverage built environment to bring positive and sustainable change that fosters health and prosperity of people and planet



# Distributed Urbanization

The rise of polycentric city



*Demand for a more sustainable and resilient urban model will result in the changing spatial logic of cities*

*"The cores of our cities will be reimagined to reflect their changing role in the urban ecosystem. They will re-emerge as hubs of innovation, collaboration and interaction"*

Source: JLL Global Cities Research (2021)

**72%** of employees prioritize having a great work-life balance, spending more time with their families

Source: JLL, Human Experience (2020)

**57%** of employees prioritize commuting less, working and living locally and consciously

Source: JLL, Human Experience (2020)

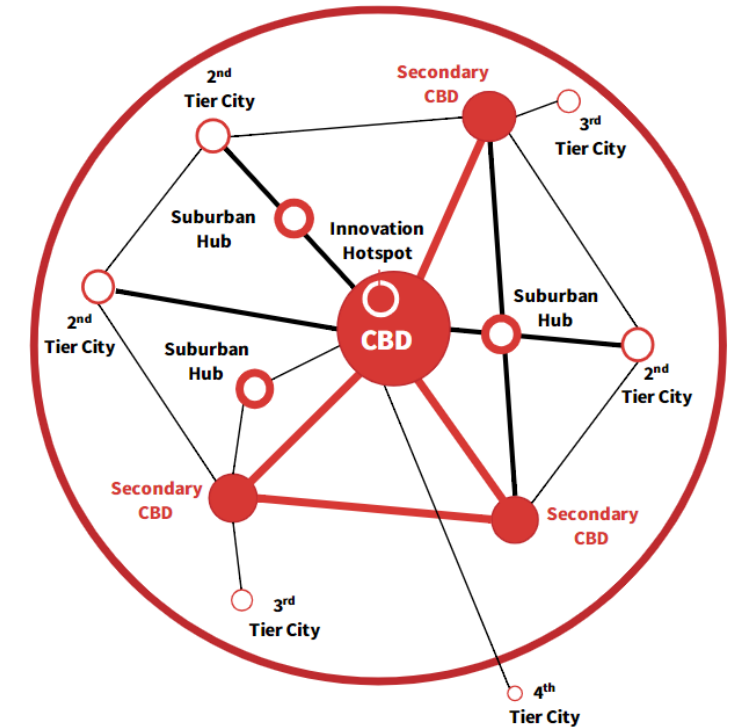
Demand for urban last-mile delivery is expected to grow by **78%** by 2030

Source: WEF, The Future of the Last-Mile Ecosystem (2020)

Due to value chain disruptions, companies can expect losses equal to almost **45%** of one year's profits over the course of a decade.

Source: McKinsey, Risk, resilience, and rebalancing in global value chains (2020)

## The hyperconnected city region



Source: JLL, The Business of Cities (2020)



Align location strategy with the evolving spatial logic of cities and build sustainability and resilience into your property portfolio

# Flex transformation



Evolution of flex



*Flex space will be a key strategic tool to drive portfolio agility post-Covid*

## Future corporate demand

**33%** of CRE directors globally say the use of coworking / flex space will increase post-Covid.

Source: JLL, Reimagination Pulse Survey (2020)

## Flex operator consolidation

2020 leasing by flex operators was down - 82% y-o-y.

2021 will see market consolidation on the back of ongoing business failure, locations closures and M&A activity.

Source: JLL Research (2020)

## Product innovation



On-demand space, corporate memberships and spec suites/ plug & play models will rise in importance as corporate demand flexibility and little capital expenditure.

Source: JLL Research (2020)



Incorporate flexspace into your portfolio in response to shifting work preferences.

# Future-proof metrics

Forward-looking, transformation-oriented metrics



*New metrics and insights will enhance data driven portfolio and enable the future of work*

**70%** of metrics that companies adopt in the next three years will be non-traditional

Source: JLL, Metrics that Matter (2019)

**Future state metrics will focus on:**

**Human Performance**



**Portfolio**



**Responsible real estate**



**Attributes of future state metrics:**

- ✓ Continuous, real time data collection
- ✓ A mix of past, present and future measures. Including forward-looking, anticipatory, predictive ones.
- ✓ Responsive, agile, adaptable
- ✓ Metrics harness varied data and advanced analytics
- ✓ Encompasses a broad range of financial and non-financial measures
- ✓ Aligned with strategic aims and objectives
- ✓ Metrics based on the needs of employees and other stakeholders as well shareholders
- ✓ Consistencies achieved with standardized metrics and clear data governance practices



Build a metric-driven culture to empower data driven decision making in real time

# Resilience

Being adaptive, agile and responsible



*Always-on transformation will require an always-on resiliency*



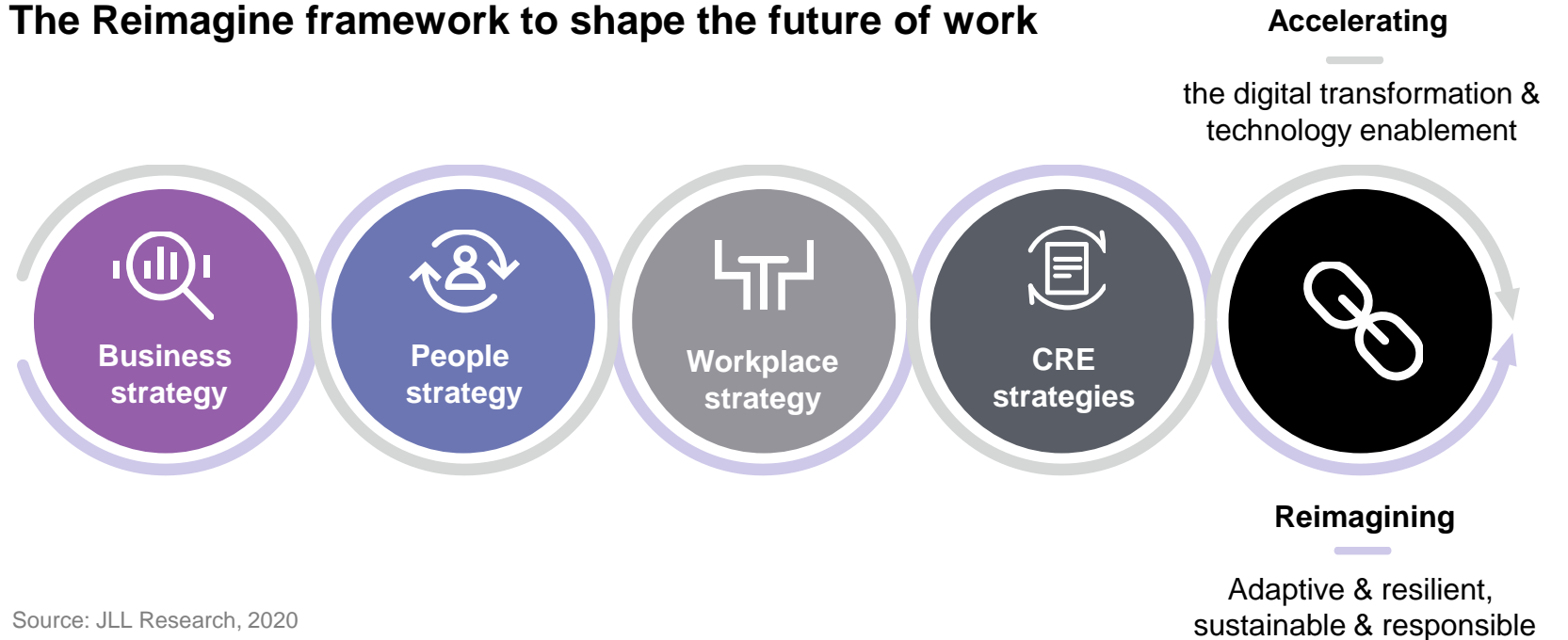
**42%** of employees report their company wants to promote a resilient enterprise – *able to innovate and adapt to future crises*

Source: JLL, Human Experience (2020)

**87%** of executives will prioritize enterprise agility over the next two years

Source: IBM, COVID-19 and the future of business (2020)

## The Reimagine framework to shape the future of work



Source: JLL Research, 2020



Build a high level of elasticity into your CRE strategy to adapt to continuous shifts in demand



# Thank you

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