



CORPORATE SOLUTIONS

Top 10 Global CRE Trends

2019



Top 10 global CRE trends in 2019



Future Fit enterprise

Future Fit enterprises engage CRE as a lever to drive broader business goals.



Digital imperative

Technology will be the number one investment priority over the next three years.



Inclusive workplace

Inclusive workplace culture drives innovation, creativity and results.



Human performance

Confluence of technology and improved experience in workplace can boost employee performance.



Flex

Need for agility and flexibility is driving exponential increase in demand for flexspace.



Urban futures

Cities are constantly evolving as new drivers emerge and competitive positions change.



Responsible enterprise

Mounting pressure on enterprises to be more responsible and accountable.



Collaborative ecosystem

Reinvention and new ways to innovate are core enterprise priorities.



Metrics that matter

Performance measurement will extend to new areas, traditional metrics will continue to evolve.



Space activation

Expectations for improved 'hospitality-style' amenities on the rise.



Future Fit enterprise

Enterprises leading the future of work

Future Fit enterprises engage CRE as a lever to drive broader business goals

CHARACTERISTICS OF FUTURE FIT ENTERPRISE



Strong levels of collaboration with other business units



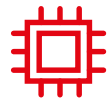
Usage of a broad range of metrics



Pilots of open innovation approaches



Experimentation with new technologies



Proactive attitude toward digital, data and other technologies



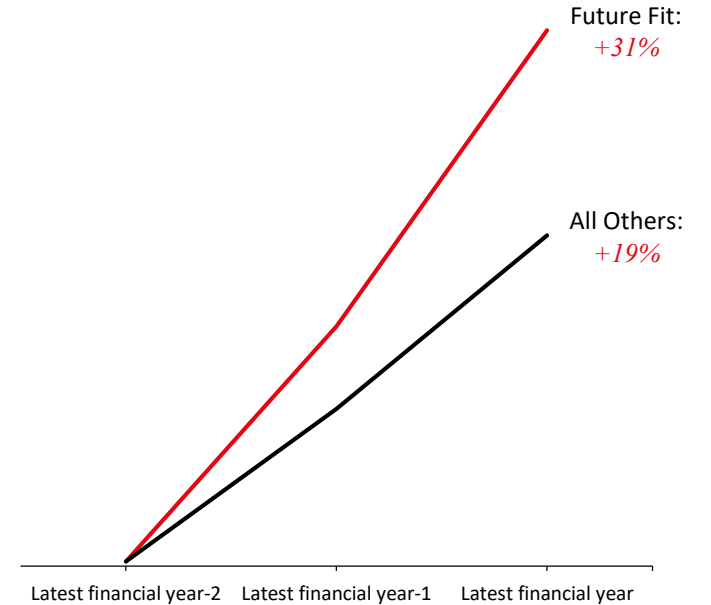
Use of a broad outsourcing strategy



Focus on integration with HR

AVERAGE PROFIT GROWTH OVER THREE YEARS

Future Fit vs. all others



Source: JLL (2018) Global Future of Work Survey



Transform CRE skills, processes and business collaboration to become a Future Fit enterprise.



Digital imperative

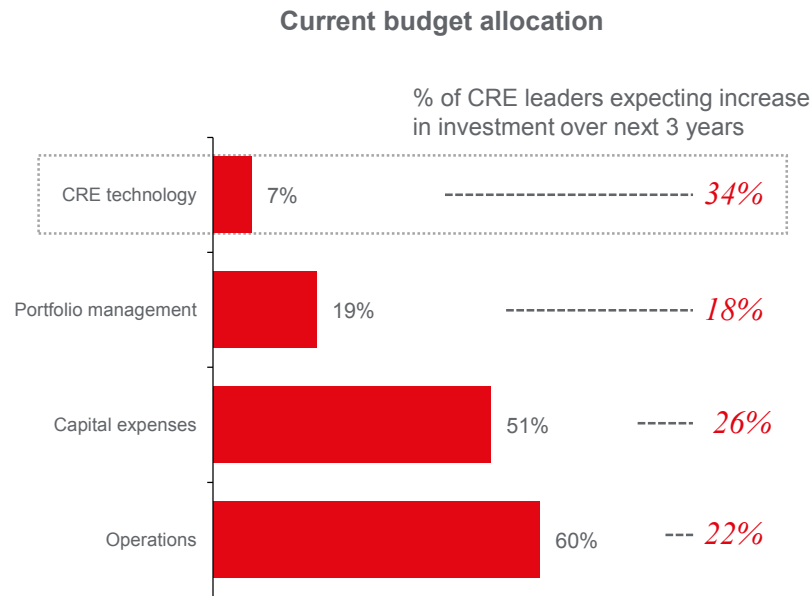
Increasing urgency of digital investment and adoption

Technology will be the number one investment priority over the next 3 years

TECHNOLOGY ADOPTION

In 2018, over \$1.2 trillion was estimated to be spent by companies on digital transformation efforts.

Source: WEF, 2018

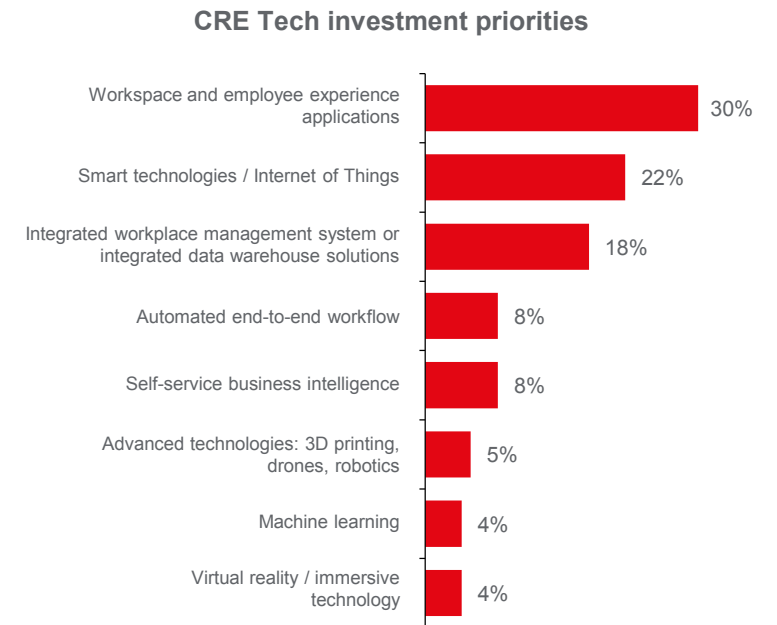


Proportion of CRE budget – % of organisations that spend >25% of budget on each service (%)

Source: JLL (2018) Global Future of Work Survey

IT COLLABORATION

Only 21% of CRE teams are fully integrated with their IT business unit.



Source: JLL (2018) Global Future of Work Survey



Define priorities and critical investment areas / paths to sustain digital transformation.

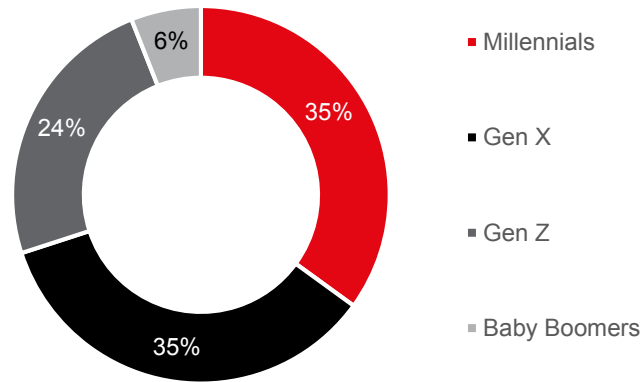


Inclusive workplace

A workplace that embraces, respects and celebrates diversity

Inclusive workplace culture drives innovation, creativity and results

MULTIPLE GENERATIONS IN WORKFORCE BY 2020



Source: ManpowerGroup (2016) Millennial Careers: 2020 Vision



ETHNICALLY DIVERSE companies are more likely to perform **35%** better.

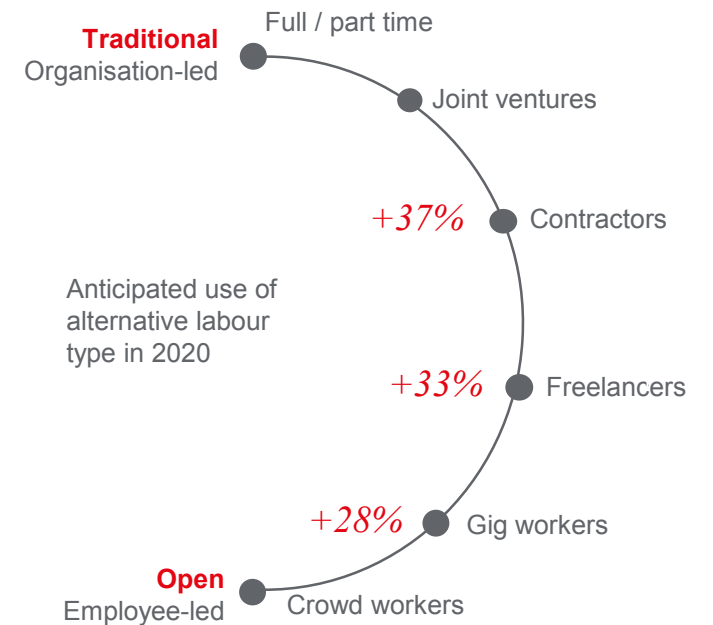
Source: AnalyticsHR (2017)



GENDER DIVERSE companies are more likely to perform **15%** better.

Source: AnalyticsHR (2017)

ALTERNATIVE WORK ARRANGEMENTS ON THE RISE



Source: Deloitte (2018) Global Human Capital Trends



Create a workplace that is welcoming, caters to needs of diverse teams and offers a personalised experience.



Human performance

Creating an environment for people to thrive

Confluence of technology and improved experience in workplace can boost employee performance

Place



Innovative spaces impact employee engagement

55%

of employees agree that spaces dedicated to health and well-being have a positive or a very positive impact on their engagement.

Source: JLL (2017) HX

People



53%

of employees with access to spaces for collaborative working and project teams report a positive or a very positive impact on engagement.

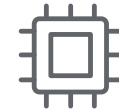
Source: JLL (2017) HX

55%

believe access to the latest workplace technology would make them more productive.

Source: Econocom (2018) The Hidden Value of Workplace Technology

Technology



AI will augment human capabilities

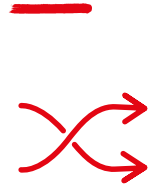
81%

of executives believe within the next two years, AI will work next to humans as a co-worker, collaborator and trusted advisor.

Source: Accenture (2018)



Maximise human performance by establishing an optimal relationship between people, place and technology.



Flex



Agility and flexible space

Need for agility and flexibility is driving exponential increase in demand for flexspace



28%
of employees currently working flexibly.

Source: JLL (2018) Global Future of Work Survey

51%
of employees want their company to offer more flexible work options.

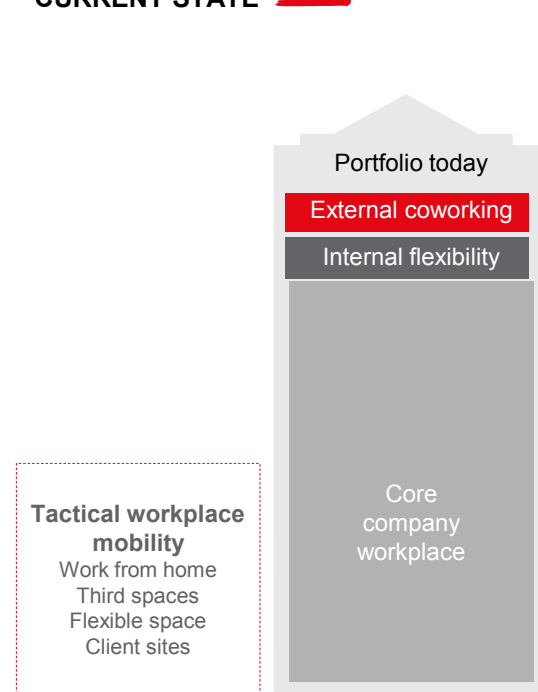
Source: Mercer (2018) Global Talent Trends Study

Flexible space stock growth

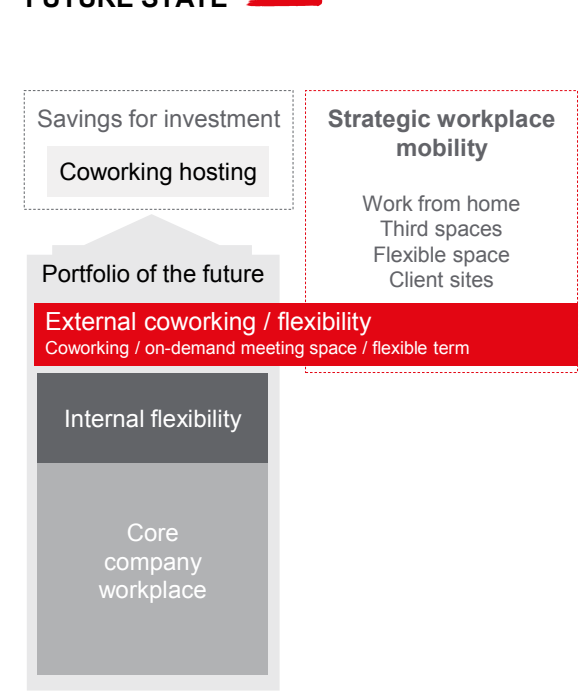
+35.7% APAC⁽¹⁾ **+23%** USA⁽²⁾ **+23%** Europe⁽³⁾

Source: ⁽¹⁾ CAGR (2014-2017), JLL (2018) Spotting the opportunities: Flexible space in Asia Pacific, ⁽²⁾ Average annual growth rate since 2010, JLL (2018), ⁽³⁾ Average annual growth (2013-H1 2018), JLL (2018) Disruption or Distraction

CURRENT STATE



FUTURE STATE



Incorporate flexspace to respond to the needs of a dynamic workforce and optimise your corporate real estate.

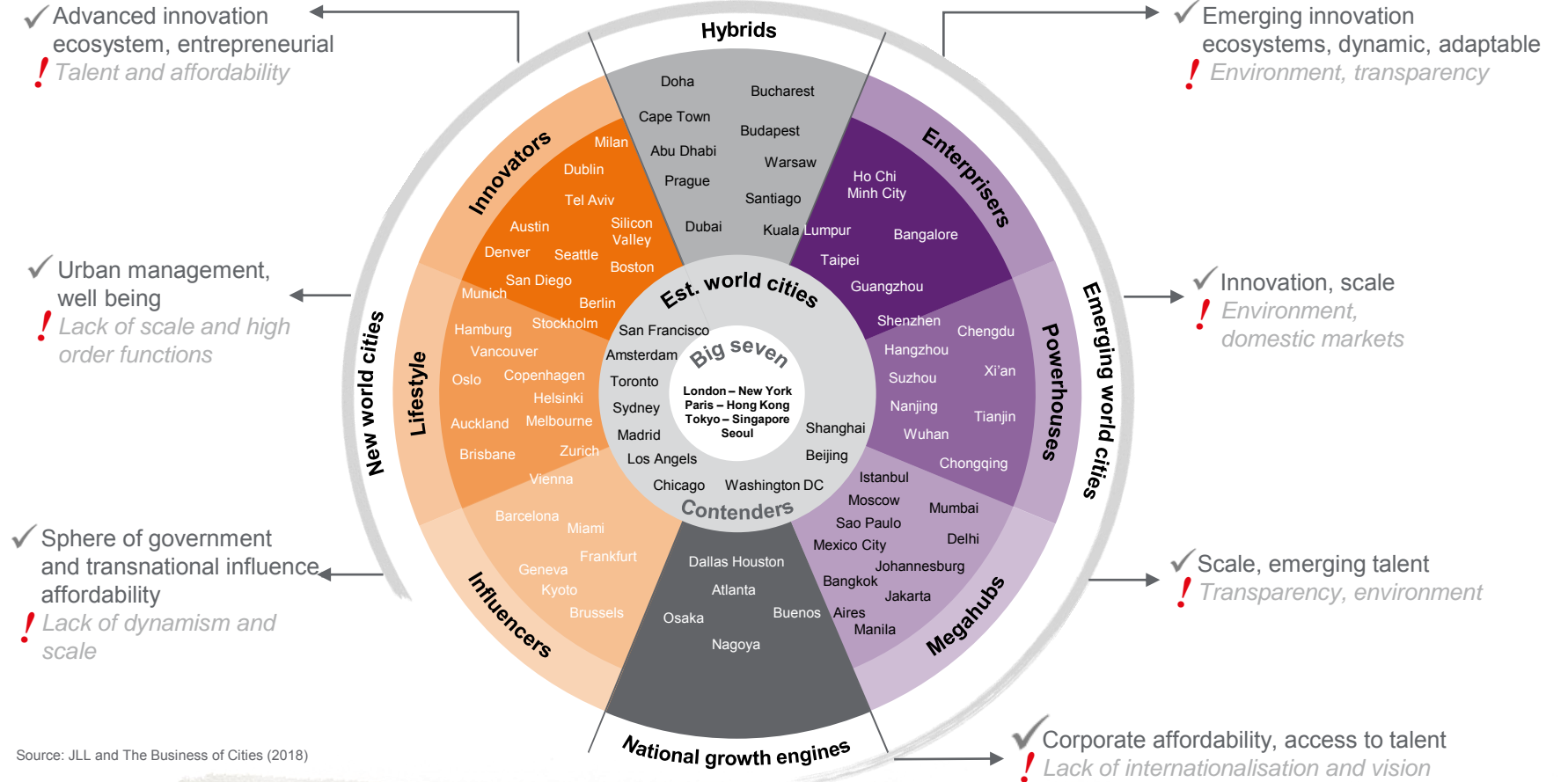


Urban futures

New typology of world cities

Cities are constantly evolving as new drivers emerge and competitive positions change

JLL typology of world cities



Understand the dynamics of next-gen cities to assess the impact on location and portfolio strategy and access to the right talent.



Responsible enterprise

An enterprise built on mutual trust and transparency

Mounting pressure on enterprises to be more responsible and accountable

KEY ATTRIBUTES OF A RESPONSIBLE ENTERPRISE



Responsible procurement



Data privacy and ownership



Health and wellbeing



Environmental impact



Transparency and social impact



Diversity and inclusion



Ethical sourcing
53%

of companies claim that ensuring responsible supply chains is for them higher priority now than it used to be 5 years ago.

Source: The Economist Intelligence Unit (2017)



The trust gap
Only **35%**

of employees place a high level of trust in the way their organisation uses different types of analytics.

Source: KPMG (2017)



Embed transparency across the company's operations to build a responsible brand, trusted by stakeholders, clients and wider community.



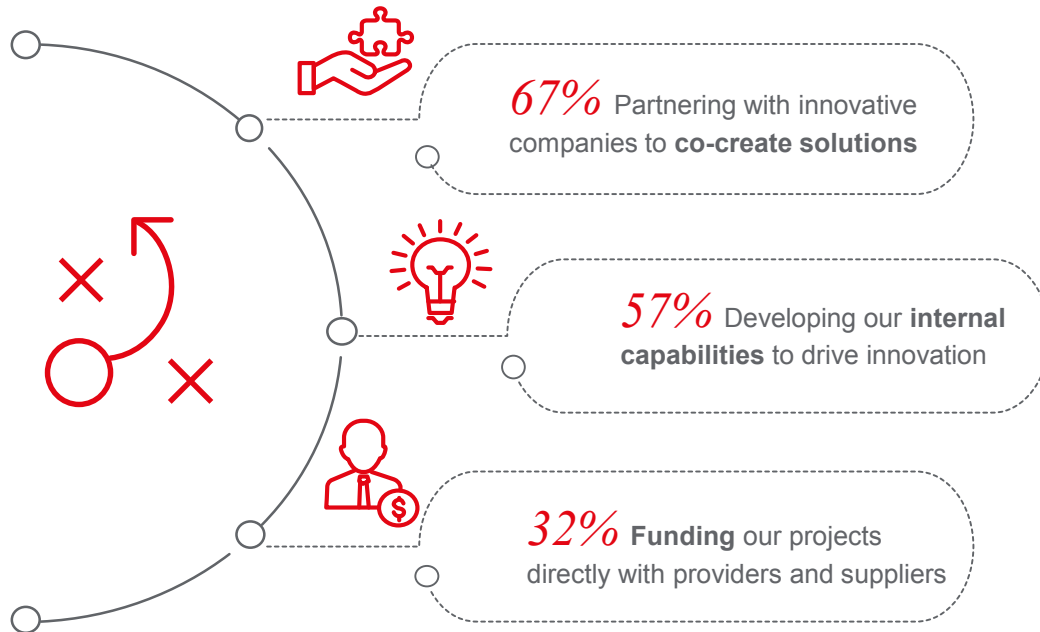
Collaborative ecosystem

A network of collaborators to drive continuous innovation

Reinvention and new ways to innovate are core enterprise priorities

TOP 3 STRATEGIES WITH THE BIGGEST IMPACT ON CRE INNOVATION

Which if these approaches do you believe would have the biggest impact on CRE innovation?



Source: JLL (2018) Global Future of Work Survey

“Companies that collaborate deeply with their suppliers on innovation tend to grow *twice as quickly* as peers with no collaborative projects”

Source: McKinsey, 2018



Leverage a diverse network of collaborators to co-create an innovation roadmap.



Metrics that matter

Next generations metrics

Performance measurement will extend to new areas, traditional metrics will continue to evolve

CURRENT STATE

30% of CRE leaders acknowledge that *lack of access to effective data and analytics* is one of the top three *constraints* in their ability to add value to their organisation.



FUTURE STATE

An average of *7 metrics* across the board* *Top 5* metrics currently used include, total occupancy cost, continuous user satisfaction, human resources metrics, real estate return on investment and environment indicators.

7 out of top 10 metrics adopted by 2020 will be non traditional



Traditional

- #1 Real time space utilisation
- #6 Predictive vs. reactive maintenance ratio
- #7 Operational agility



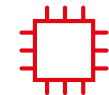
Innovation

- #3 Utilisation of innovation spaces
- #8 Proportion of portfolio dedicated to innovation spaces
- #9 ROI of CRE innovation



Human experience

- #4 Employee fulfillment
- #5 Health and wellbeing



Digital / Technology

- #2 Digital intensity of CRE activities
- #10 Digital share of CRE budget



Select metrics that will enable you to demonstrate CRE value to enterprise performance through people, technology and place.



Space activation

Curating human experience

Expectations for improved “hospitality-style” amenities on the rise

WHY OCCUPIERS WANT MORE VIBRANT OFFICE SETTINGS

(landlords’ perspective)

91%
Attract and retain employees

78%
Have happy and productive employees


65%
Encourage socialisation and collaboration among employees


Source: NAIOP (2017)


AMENITIES AND EXPERIENCES RATED MOST IMPORTANT





72% of occupiers wish their office building had better or more amenities


62%
 Fitness and wellness offerings (onsite gyms, visiting nutritionists, spin and yoga classes)

62%
 Food deals, such as discounts to local lunch spots

38%
 Networking opportunities, i.e. expert panels, free classes

38%
 Convenience services, i.e. dry cleaning, pet / childcare

21%
 Beer and wine experiences

14%
 Beauty

Tenants were given the option to **choose up to three** amenities and experiences most important to them.
Source: HqO (2018)



Create vibrant spaces and communities through improved amenities and a curated human experience.

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Leverage a diverse network of collaborators to co-create an innovation roadmap.

Select metrics that will enable you to demonstrate CRE value to enterprise performance through people, technology and place.

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Thank You

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