




The Future of Work

NCREIF Summer Conference Chicago

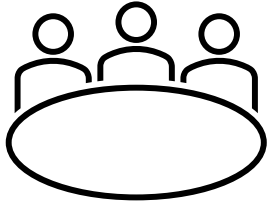
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Global Consulting | Place Practice Global Leader

July 11, 2023

 **JLL** SEE A BRIGHTER WAY

Occupiers Want To Define The Future of Work

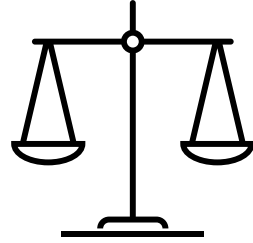
Questions we're hearing



ATTENDANCE

How do we increase office attendance (without a mandate)?

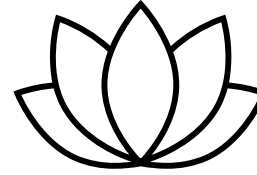
What are the risks or consequences to an RTO mandate?



CONSISTENCY

How does the office transformation vary by business function?

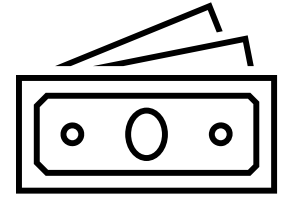
Should leaders, teams or individuals decide when and why to come in?



EXPERIENCE

What will the experience be when people come to the office?

How does employee experience impact retention and connectivity to company culture?



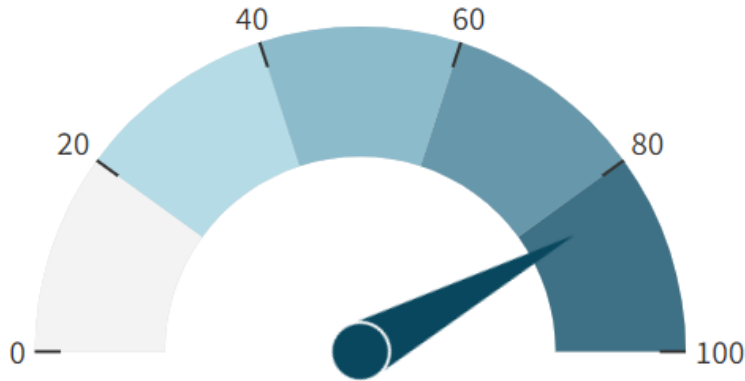
EFFICIENCY/COST

How do we prioritize / justify investment across our portfolio?

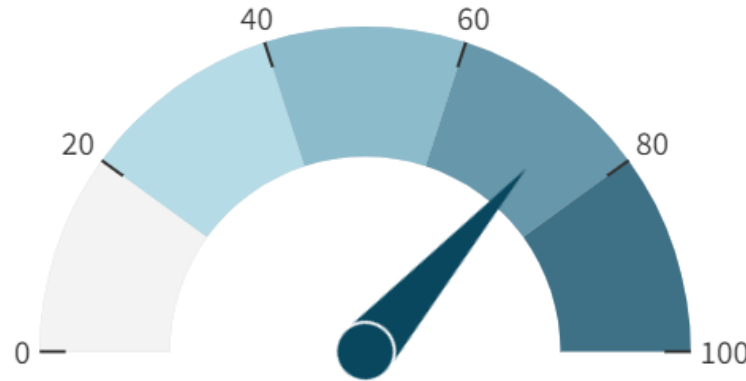
How do we optimize our footprint during a period of extreme uncertainty?

The Future of the Central Business District

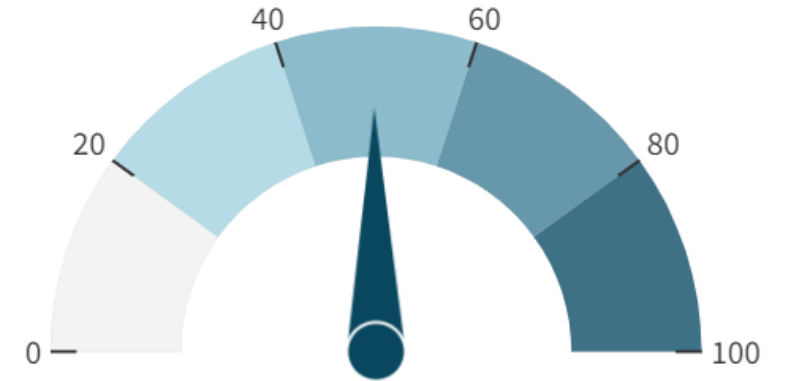
Office re-entry levels, May 2023 | 100% defined as typical weekday office entries 2019



84%
Asia-Pacific



73%
Europe



50%
United States

88%

of office space in major CBDs was built before 2015

2.3

is the average number of days people work remotely

27%

below pre-pandemic levels - lagging leisure travel remains a concern

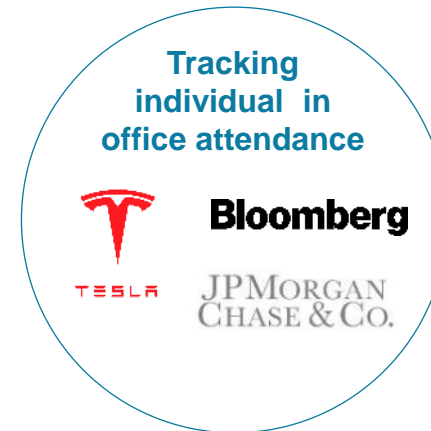
Return to Office: Realities of Implementation

Challenges continue to grow between expectations, investments / experiments, and actual behaviors

Current Challenges

- **Mandates / standards are not followed** at all levels
- Workplace **norms** and expectations **not demonstrated by Leadership**
- **Perceived productivity impacts** &/or perception that in-office presence = performance
- **Talent Attraction and Retention impacts**
- **Unfulfilled Workplace Value Proposition** (i.e., expectations or incentives not met)
- **Lack of individual sense of belonging** within the organization
- **Lack of change management** to manage new ways of working
- **Disconnect** to workplace culture

Corporate Examples



Pandemic has accelerated migration trends

Drivers of Migration

Business Environment



Taxes & Governance



Entertainment / Quality of life



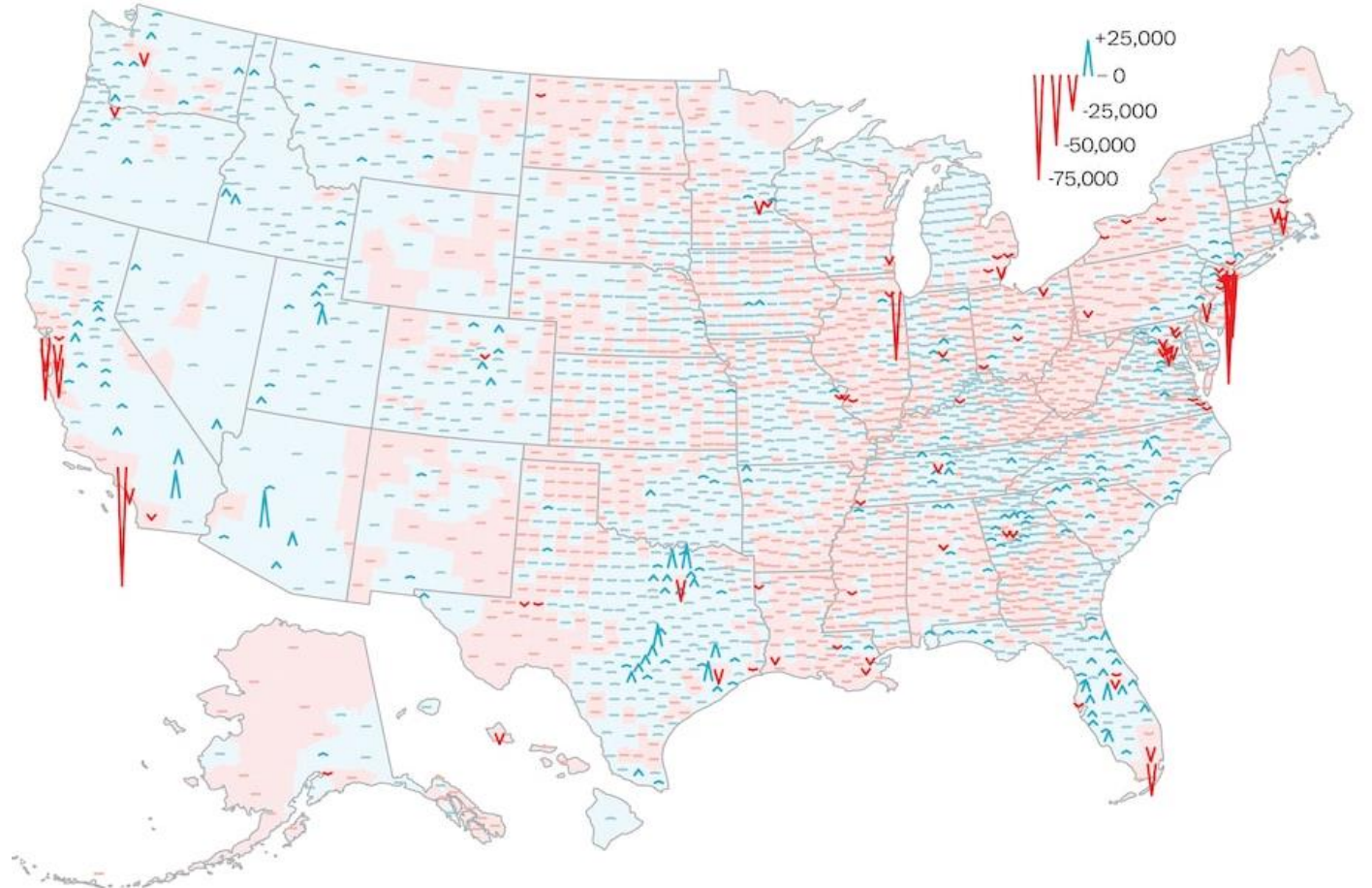
Affordability



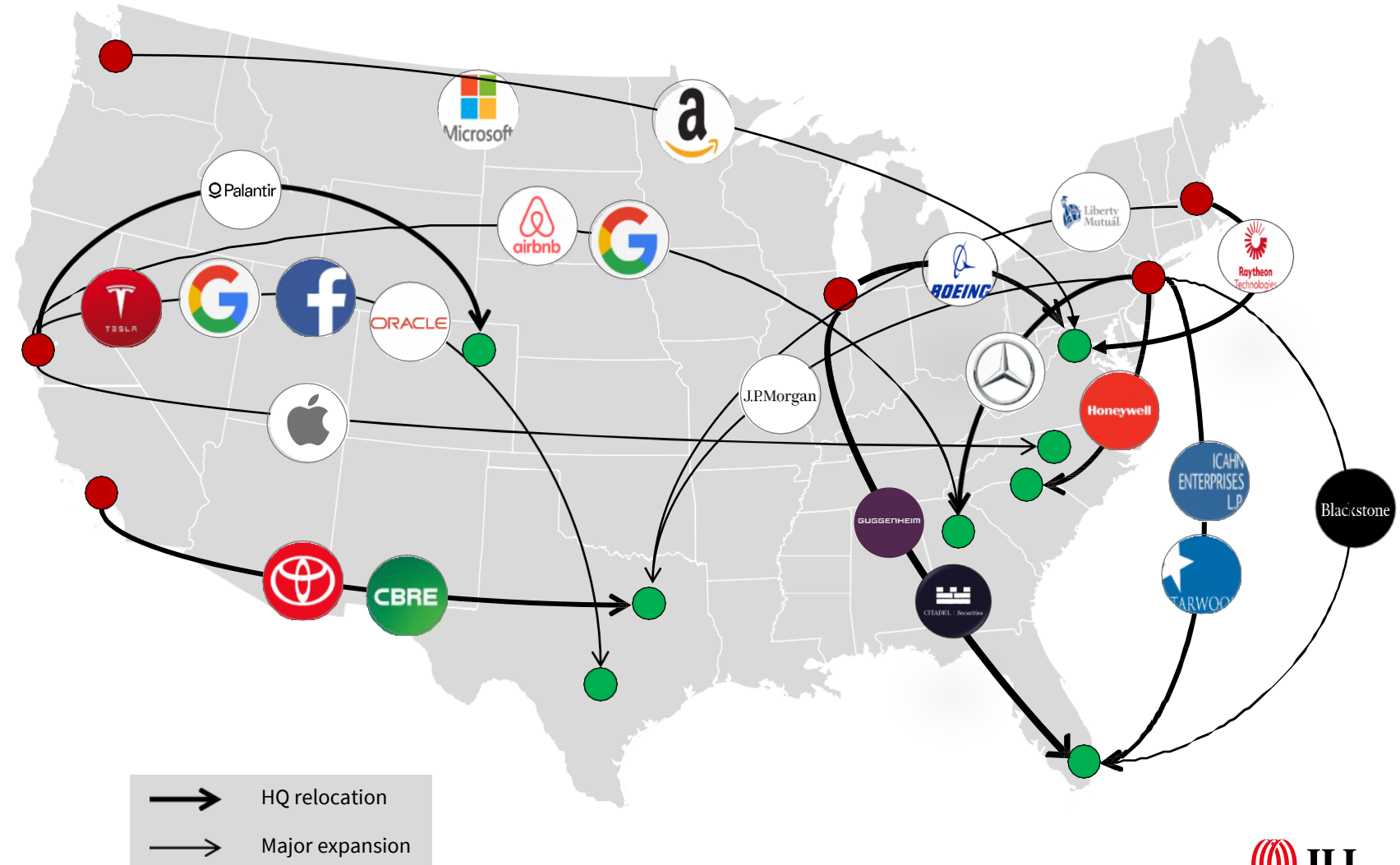
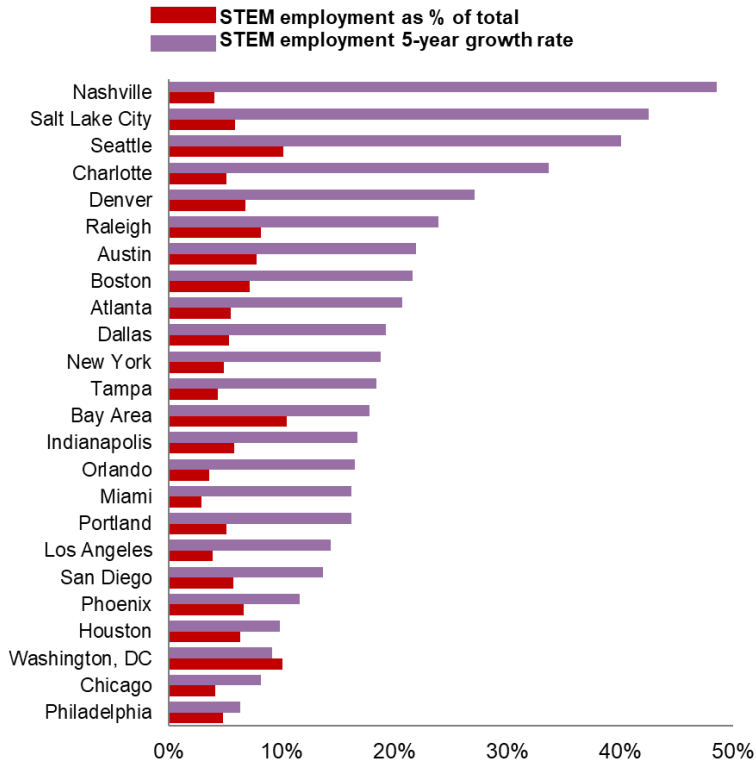
Talent base



County change in prime working-age (25-54) population from 2020 to 2021



Driving and accelerating this movement are numerous high-profile tech, financial and services corporations



Experience Strategy is Changing

People

Quality-of-life expectations are rising, and employees now expect their employers to support their aspirations to relocate

Employees expect their employer to promote self-care and support a healthy work-life balance

Spaces

Employees are demanding customer-grade workplace experiences

Employers will optimize and disperse spaces to meet new and complex employees demand

Technology

Employers need to consider greater human-machine partnership and AI co-pilots

Hybrid work is inherently tech-enabled. Technology adoption is pivoting from reactive to forward-looking implementation



8x

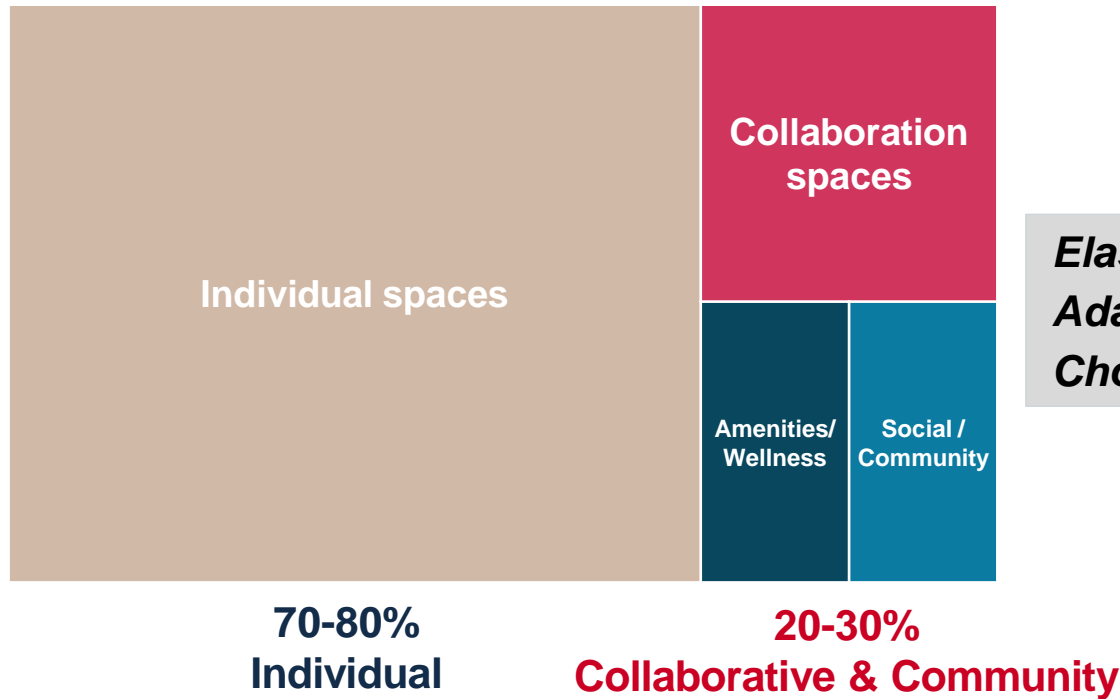
Increase in people wanting to stay at a company that delivers positive experiences.

McKinsey

Footprints will change and can fund the transformation

The workplace evolves as a collaboration hub

Historical Office / Workplace Allocation



Largest allocation for individual spaces such as offices and workstations. Limited variety of space types.

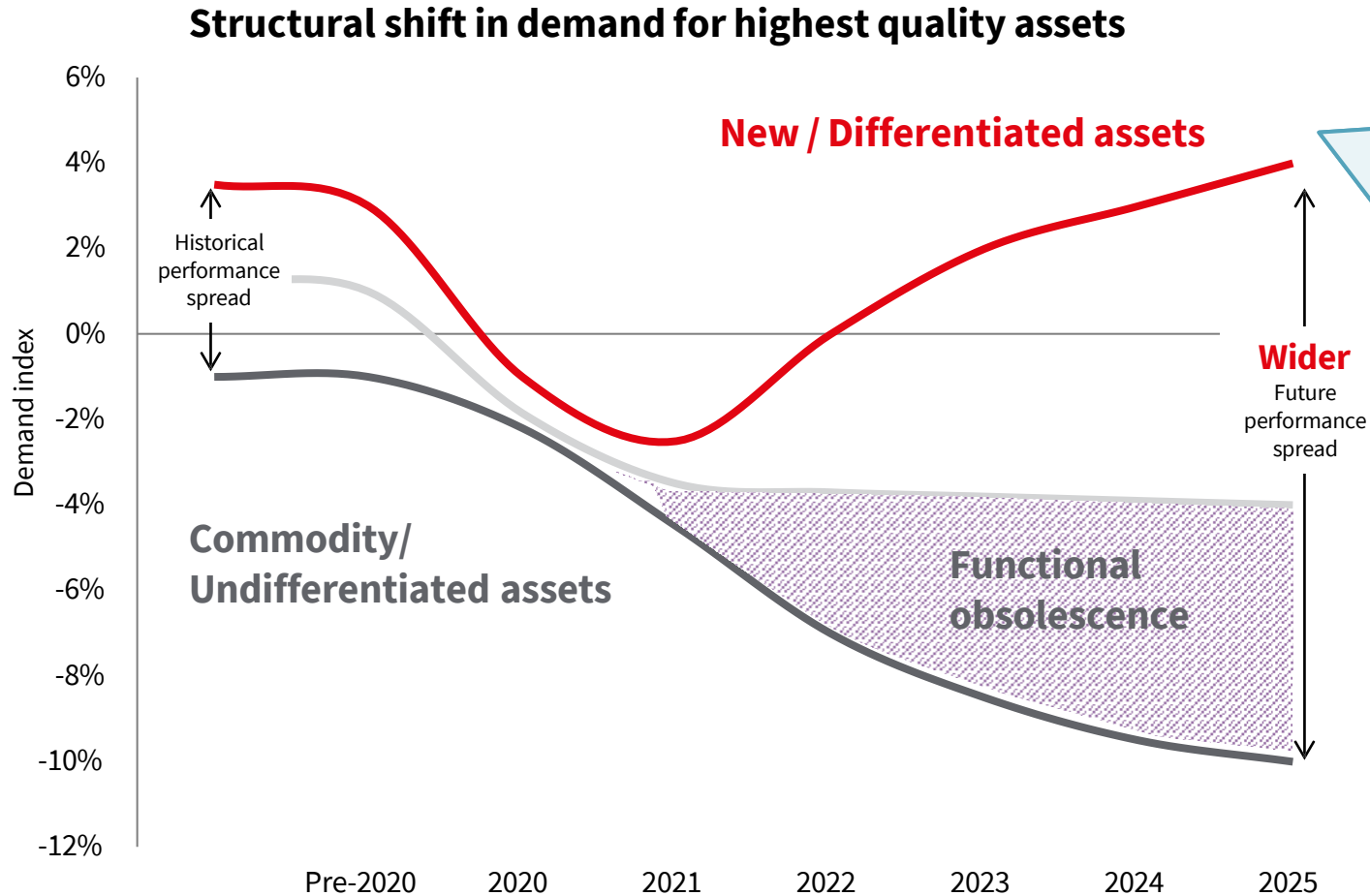
*Elasticity
Adaptation
Choice*

Future Office / Workplace Allocation The Work from Anywhere Ecosystem



The Office is a **Cultural & Community Hub** and a place for Collaboration

Flight to quality creating bifurcation in office performance



What's differentiating?

Food & beverage



Quality architecture



Outdoor spaces

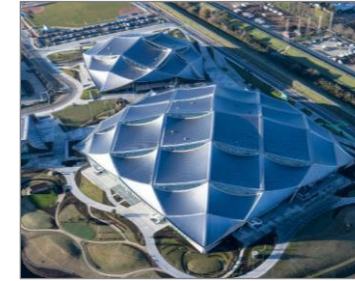
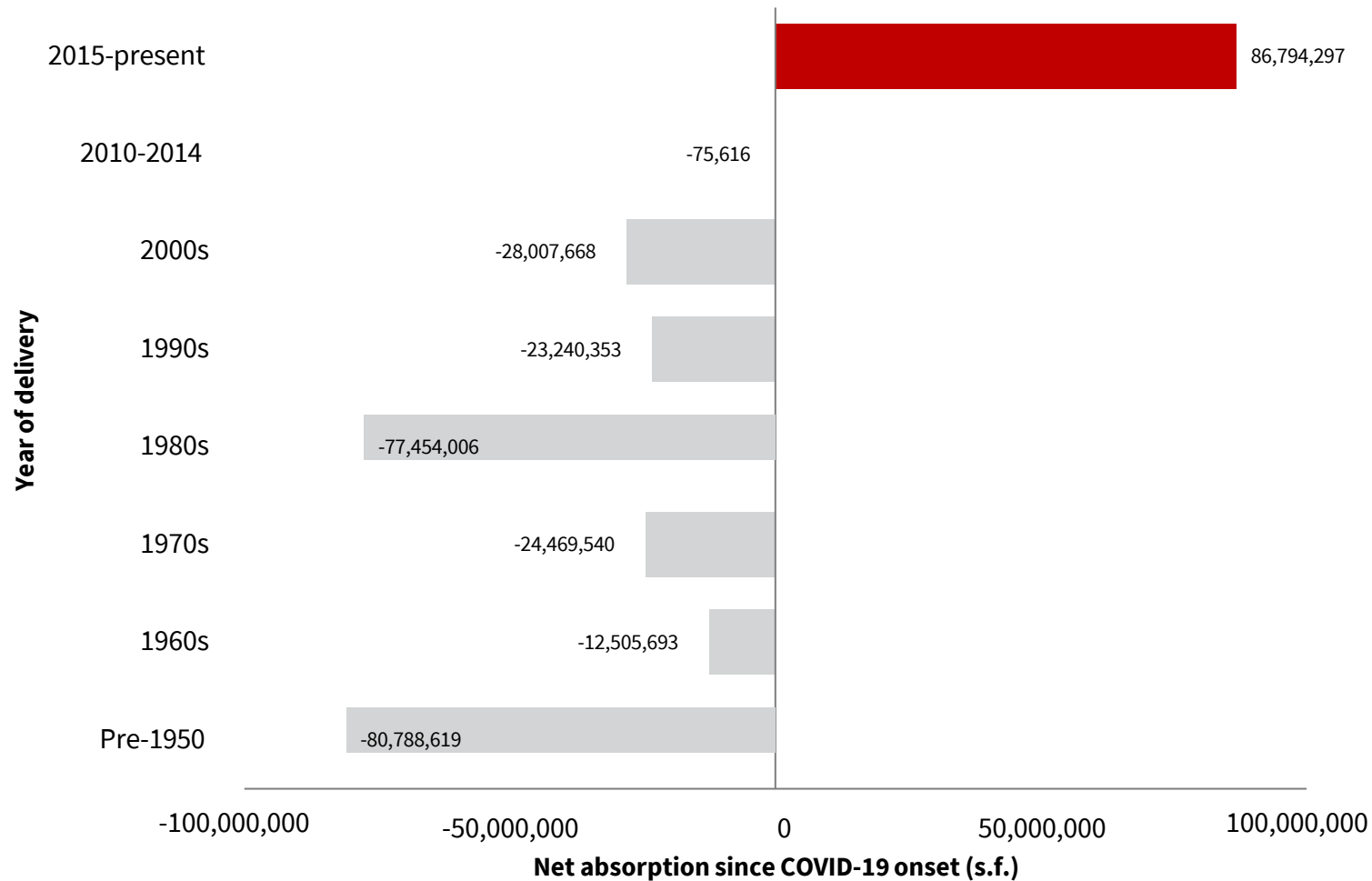


Tenant lounges

“What we’ve got today is good old-fashioned oversupply. We have an enormous amount of obsolete office space.” – Sam Zell

Best-in-class office product is capturing outsized demand, which is widening the performance disparity between new/amenitized and second-generation/undifferentiated assets

Intense demand for quality space has led to nearly 87 m.s.f. of net occupancy growth in new supply



Bay View Campus
Silicon Valley
Google
1,100,000 s.f.



RTC Next (Phase 2)
Northern Virginia
Volkswagen
418,000 s.f.



888 N Douglas Street
Los Angeles
Beyond Meat, L'Oreal
391,000 s.f.



Block 38
Seattle
Google
322,000 s.f.

Thank you

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