

A Forrester Consulting
Thought Leadership Paper
Commissioned By JLL

May 2021

Return To Office Sparks The Need For Corporate Real Estate Technology, Data, And Insights



Table Of Contents

- 3** Executive Summary
- 4** Technology Is Empowering The Return To Office
- 5** Inflated Confidence In Data Capabilities Could Impede Progress
- 7** Firms Are Investing Now And Experiencing The Benefits
- 9** Key Recommendations
- 10** Appendix

Project Director:

Vanessa Fabrizio,
Market Impact Consultant

Contributing Research:

Forrester's Infrastructure &
Operations research group

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2021, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com. [E-50958]

Executive Summary

The COVID-19 pandemic flipped the commercial real estate industry upside down, forcing infrastructure and operations (I&O) leaders to reassess their office buildings and develop a comprehensive strategy to enable employees to work on-premises safely and productively. This was uncharted territory and involved new technologies, processes, and policies.

Today, as firms across the world emerge from the global pandemic lockdowns, there is a strong desire and expectation to return to the office. Firms are reassessing the strategic role of their on-premises offices and are carefully considering commercial real estate investments, as well as their technology initiatives, to enable operational processes and employee experiences to maximize post-pandemic activities. We are outgrowing the “2020 normal,” but companies can’t simply go back to a “2019 normal.” Commercial real estate, once again, must rethink its strategy.

JLL commissioned Forrester Consulting to evaluate the corporate real estate market. Forrester conducted an online survey of 336 facilities and/or corporate real estate decision-makers to explore this topic. We found that firms are prioritizing their employees as they plan to return to offices. To create a safe and productive workplace, leaders are increasing workplace investments.

KEY FINDINGS

- › **The workplace is making a comeback.** It’s nearly unanimous: 99% of respondents expect their companies to have employees in the office by 2022. Workplace leaders are prioritizing employee health and productivity as they plan for the return to work.
- › **Firms depend on technology to empower their return to work.** Respondents have invested in technologies to help meet their main priority: creating a productive in-office work environment for their employees. Companies will continue to invest in tools to accomplish this goal over the next year.
- › **Firms are overconfident in their data capabilities.** Respondents feel confident in their ability to collect, report, and leverage data. Yet 62% of respondents say they lack the technology needed to analyze data, and another 65% of respondents say that collecting real-time data is challenging.
- › **Respondents are not waiting to get the help they need.** Almost all respondents (99%) report they will need third-party support in the next year. They plan to invest in tools such as occupancy sensors and analytics, space-planning management, wayfinding, touchless technologies, and air quality within the next six months.

99% of respondents expect their companies to have employees in the office by 2022.



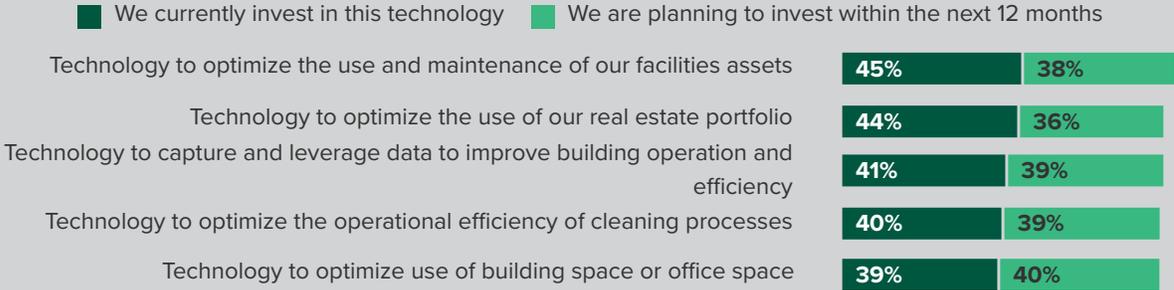
99% of respondents indicate that they’ll need third-party support in the next year.

Technology Is Empowering The Return To Office

The workplace is not dead. Nearly all respondents expect their companies to have employees in the office by 2022. Workplace decision-makers are planning for another new normal with their employees at the center of their strategy. To realize these goals, firms are reevaluating their tech stack and investing in new tools. Forrester found:

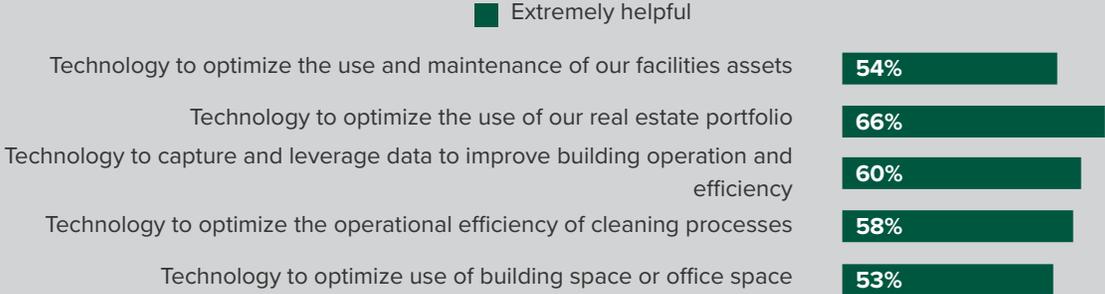
- > **Employees are the top priority.** Creating a workplace experience that drives employee productivity is respondents' number one corporate real estate priority, followed by meeting sustainability objectives and ensuring the health and safety of employees and visitors. All three of these center on EX, health, and/or social responsibility aspirations, indicating that the employee is the most important factor in corporate real estate strategy this year.
- > **Technology will power the safe and productive return to work.** Firms are depending on technology to empower their return to work and are investing to make this happen. Close to 80% of respondents say their firms have invested or are currently investing in technology to optimize facility management; the same is true for real estate portfolio and data management technology investments (see Figure 1). Respondents whose firms have already invested in optimization technology report a positive ROI; most indicate the technology has helped them realize their real estate priorities (see Figure 2).

Figure 1
“What are your plans to invest in the following technologies?”



Base: 336 decision-makers who influence facilities and/or corporate real estate decisions within their organizations
 Source: A commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Figure 2
“How helpful have the following investments been in achieving your facilities and/or real estate priorities?”



Base: 336 decision-makers who influence facilities and/or corporate real estate decisions within their organizations
 Source: A commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Inflated Confidence In Data Capabilities Could Impede Progress

Firms are investing to create a safe and productive work environment, focusing on operational efficiency and employee experience (EX) tools. This is necessary to accomplish their goals, but firms are missing a big piece of the puzzle: data.

Corporate real estate technology solutions go beyond realigning office space configurations, enhancing employee productivity, and enabling efficient operational processes. In fact, technology is key to track, manage, and integrate data that empowers firms to build the most efficient and effective workplaces. Businesses must reassess their data capabilities to meet their goals. Forrester found:

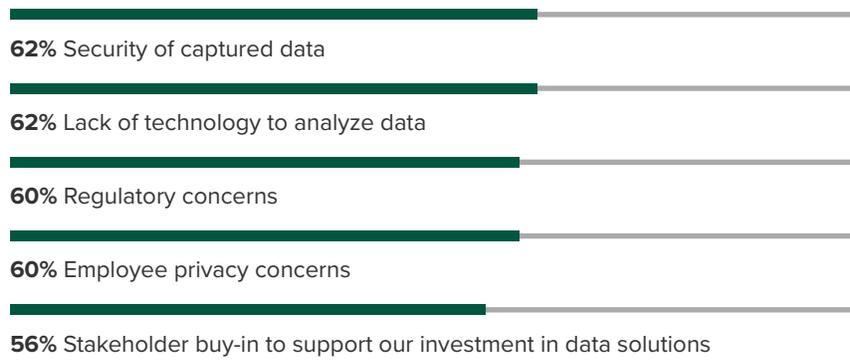
- › **Real estate respondents are concerned about data security.** As they collect, manage, and report data, the top challenge respondents face is securing captured data. Six out of 10 respondents are concerned with regulatory and employee privacy regulations (see Figure 3).
- › **Firms don't have the right tools.** Sixty-two percent of respondents say their firms lack the technology they need to analyze data (see Figure 3). This is a huge disadvantage, as data analysis is central to creating a safe and productive employee experience. Considering the lack of technical support, it's no surprise that 65% of respondents say collecting real-time data is challenging.
- › **Real estate respondents are overconfident in their data capabilities.** Firms face real challenges with data management; however, respondents indicate a high level of confidence in their ability to collect, report, and leverage both real estate and EX data. As we move to a hybrid workforce, data management is evolving, and firms' current tech stacks are insufficient. Real estate professionals need to reevaluate their data capabilities to stay ahead of the curve.

Data management is a pivotal challenge firms face to meet their workplace priorities, but it is not the only challenge. Respondents report difficulty with scaling and implementing solutions (see Figure 4). Sixty-two percent of respondents say they have 15 or more facilities to manage, which makes scalability and implementation critical to success.

62% of respondents indicate that they lack the technology they need to analyze data.

Figure 3

“What are the biggest challenges with collecting, managing, and reporting data at your organization?”

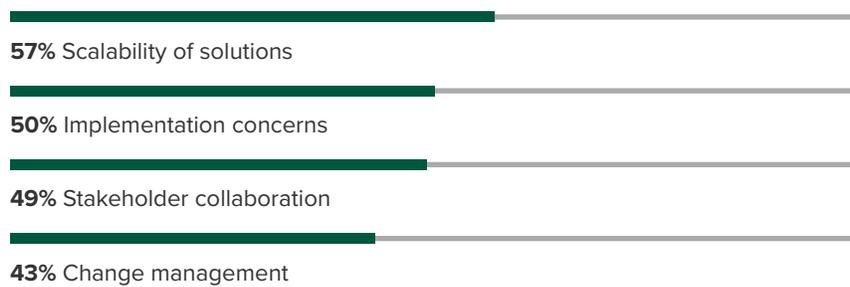


Base: 336 decision-makers who influence facilities and/or corporate real estate decisions within their organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Figure 4

“What are the overall challenges your firm faces in deploying the technologies to manage your workspace real estate?”



Base: 336 decision-makers who influence facilities and/or corporate real estate decisions within their organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Firms Are Investing Now And Experiencing The Benefits

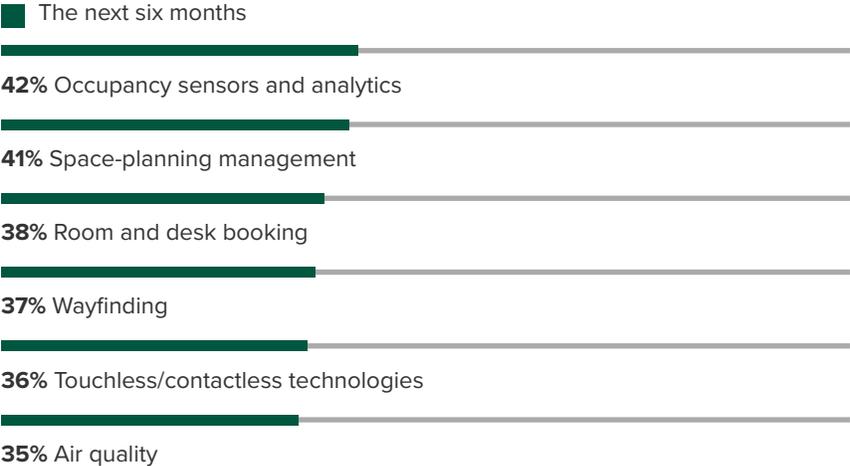
Data management, scalability, and technology implementation are top of mind as real estate respondents create a new workplace focused on employee productivity and health. Decision-makers understand that they can't do this alone: 99% acknowledge they will need third-party support in the next year. Forrester found:

- > **Firms are investing now.** Respondents are not waiting to get the help they need. They plan to invest in tools such as occupancy sensors and analytics, space-planning management, wayfinding, touchless technologies, and air quality within the next six months (see Figure 5).
- > **Firms expect investments to yield high benefits.** Improved efficiency of facility operations, increased employee productivity, and increased employee satisfaction are the top benefits respondents expect from investments in workplace management (see Figure 6).



Figure 5

“When do you plan to invest in the following workplace technologies?”



98% of respondents say they'll need additional budget to accomplish workplace goals.

Base: 336 decision-makers who influence facilities and/or corporate real estate decisions within their organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Figure 6

“What benefits do you expect from increased investments in workplace technologies?”



Base: 331 decision-makers who influence facilities and/or corporate real estate decisions within their organizations and whose firms have already invested in workplace technologies or plan to in the next six months

Source: A commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Key Recommendations

As enterprises emerge from the global pandemic, they are investing in real estate technologies and data insight solutions to enhance efficiencies and transform the employee experience. Successful deployment requires firms to take the following actions:



Ensure relevant stakeholders and technology leaders participate in workplace strategy initiatives. Seamless workplace transformation typically involves stakeholders across a broad spectrum of roles and departments working together to choose technologies to enable safe and productive returns to on-premises offices. A cross-functional team, including commercial real estate executives, facility managers, IT, HR, operations execs, and sustainability managers, is responsible for defining and delivering the corporate technology strategy. CIO teams often have critical roles in driving these technology efforts, supported by close partnerships with mobile service, software, and hardware providers.



Align your workplace technology and productivity efforts with strategic business objectives. Firms must reassess technology investments in light of their strategic objectives and their return-to-work initiatives (e.g., redesigning office spaces, investing in technologies to ensure safe and healthy office environments, facilitating employee productivity, and enabling efficient operations and maintenance processes). These objectives guide technology and data insight initiatives to enable critical processes, identify metrics to evaluate employee productivity and operational enhancements, and enable emerging applications such as contactless entry. This will prompt in-office technology teams to work closely with facilities teams to redesign spaces and invest in new technologies to maximize the benefits of in-person interaction.



Leverage data insights to identify tenant profiles and worker needs. Smart building environments give building stakeholders a wide array of data into aspects, such as occupancy levels, space usage, air quality, and asset usage (e.g., conference rooms, desks). Data and insights come from many sources, including sensor-enabled security systems, building management systems, and IT networks, which provide stakeholders with data and insight to identify worker occupancy patterns, evaluate space usage, and improve the accuracy of tenant energy invoices. Corporate real estate managers and facility managers can also use this information to make dynamic changes and decisions to optimize office space, proactively address maintenance issues, enhance resource efficiency, and address sustainability goals.

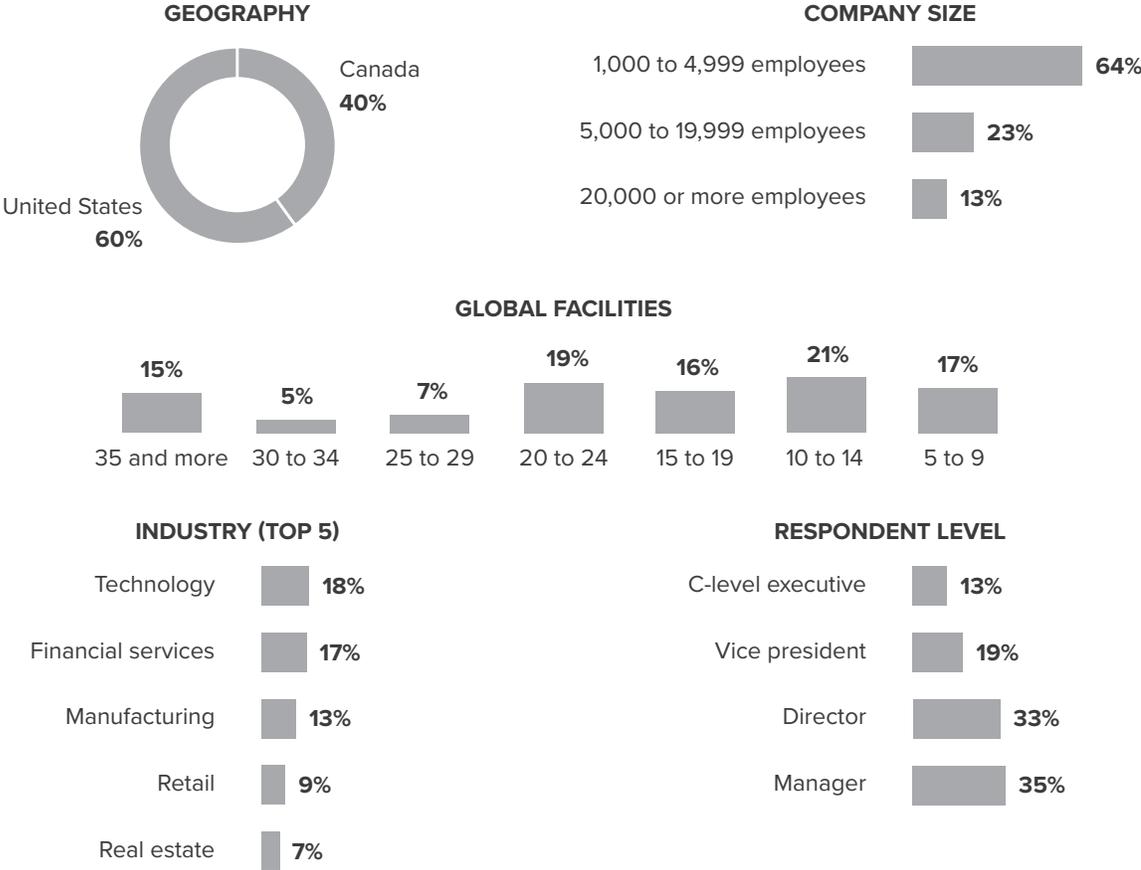


Seek partner assistance to enable seamless, scalable solutions and relevant data insight. Many firms are investing in analytics tools and solutions to transform their office environment, enhance critical operations, and enable employee productivity. However, firms are often challenged with limited analytics skills and expertise to seamlessly scale their technology deployments and translate captured office environment data into dynamic, relevant, actionable insights. Assess your firm's internal skills and technical expertise to identify gaps. Seek partners to help you fill those gaps, assist with seamless real estate technology deployment, and identify relevant opportunities to integrate captured insights into operational processes and EX initiatives.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 336 facilities and/or corporate real estate decision-makers in the United States and Canada to evaluate the state of the corporate real estate market. Survey participants included decision-makers in facilities management, IT, finance, HR, real estate, and workplace. Respondents were offered a small monetary benefit as a thank you for time spent on the survey. The study began in March 2021 and was completed in April 2021.

Appendix B: Demographics



Base: 336 decision-makers who influence facilities and/or corporate real estate decisions within their organizations
 Source: A commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Appendix C: Endnotes

¹ Source: "Rethink Your Smart Office Strategy," Forrester Research, Inc., September 28, 2020.
² Source: "The Opportunity, The Unknowns, And The Risks Of Vaccine Passports In The Workplace," Forrester Research, Inc., March 16, 2021.