

AMERICAS

OCCUPIER SURVEY REPORT 2017

BUILDING
ADVANTAGE
IN UNCERTAIN
TERRITORY

CBRE RESEARCH



THE CBRE INSTITUTE

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2017 marks the second year that CBRE has surveyed senior corporate real estate executives around the world. This report is part of a suite of regional publications identifying trends, priorities and actions of corporations in the Americas, EMEA and APAC regions. CBRE will release a global report summarizing the three regional findings later this year.

RESPONDENT PROFILE



176
RESPONDENTS

95%
Headquartered
in the U.S.

INDUSTRY BREAKDOWN



27%
BANKING &
FINANCE



20%
TECH & TELECOM



14%
HEALTHCARE &
LIFE SCIENCES



7%
MANUFACTURING



6%
PROFESSIONAL
SERVICES



5%
INSURANCE



21%
OTHER

SPAN OF CONTROL

53%
Regional
Americas

36%
Global

11%
Individual Country

Source: CBRE Americas Occupier Survey, 2017.

BUILDING ADVANTAGE IN UNCERTAIN TERRITORY

What are corporate real estate executives focused on in 2017?

PREPARING FOR UNCERTAINTY

52%

VIEW ECONOMIC
UNCERTAINTY
AS A TOP
THREE CHALLENGE



87%

ARE OPTIMIZING
THEIR REAL ESTATE
FOOTPRINTS
TO PREPARE
FOR THE FUTURE

83%

ARE FOCUSING
ON TALENT-DRIVEN
MARKET SELECTION



BUILDING A WORKPLACE EXPERIENCE

86%

ARE REINVENTING
OR ADAPTING
THEIR WORKPLACE
STANDARDS



64%

ARE FOCUSING
ON AMENITIES
AND SERVICES
INCLUDING HEALTH
AND WELLNESS

51%

ANTICIPATE
UTILIZING A SHARED
WORKPLACE MODEL
IN THE YEAR AHEAD



TRANSFORMING THEIR ROLE

62%

REPORT TO
A C-LEVEL
EXECUTIVE



48%

SEEK BETTER
DATA THROUGH
TECHNOLOGY
TO ACHIEVE
SUCCESS

76%

ARE INTEGRATING
FACILITIES
MANAGEMENT
TO AID IN
TRANSFORMATION



Source: CBRE Americas Occupier Survey, 2017.

WHAT ARE CORPORATE OCCUPIERS FOCUSING ON IN 2017?

The 176 corporate real estate executives participating in the 2017 Americas Occupier Survey shared similar yet more committed responses to those in our 2016 report, which heavily cited the focus on talent, disciplined cost management and influence of the CRE organization. The results of this year's survey underscore the like-minded actions at play among CRE leaders.

PREPARING FOR UNCERTAINTY

Managing for economic uncertainty

More than half of respondents now report "economic uncertainty" as a top-three challenge for 2017. This is a significant increase from 2016.

Prudently rightsizing the footprint

A clear majority (87%) of respondents are disposing of surplus space and/or implementing more efficient workplace design to prepare their portfolios for the future.

Anticipating select market contraction

Expectations of sector stability abound, but those for contraction grew from 2016. Technology and financial services in North America were cited as the most likely to contract, while healthcare was the lone expansion outlier.

Leading with labor

83% report a "laser focus" on talent-driven portfolio strategies, keeping labor cost and availability top of mind when selecting markets.

BUILDING A WORKPLACE EXPERIENCE

Differentiating the workplace

86% are reinventing or adapting their workplace standards with employee collaboration and expense savings in mind.

Focusing on amenities and services

64% identify "amenities" as most important to their workforce. Cutting-edge occupiers are increasing service offerings such as hospitality and concierge services.

Creating a network of agile space

51% anticipate utilizing a shared-workplace model at least moderately, if not substantially, in the year ahead.

Promoting a healthy environment

76% manage a wellness program and 47% favor WELL-certified buildings during their site selection process.

TRANSFORMING THEIR ROLE

Linking to the C-Suite

62% report to a c-level executive, reflecting the increasingly elevated and influential role of CRE in many corporations.

Repositioning cost as investment

A majority of executives seek to reinvest potential portfolio savings into people-focused initiatives, creating a return on investment for the corporation.

Learning about "Real-Tech"

Real estate technology is growing exponentially; executives acknowledge their focus on traditional technology while seeking to better understand an expanding array of new offerings.

Integrating hard and soft services

76% are integrating facilities management, gaining efficiencies and access to industry experts as they pave the way toward strategic transformation.

PREPARING FOR UNCERTAINTY



CBRE's 2017 Occupier Survey results highlight the challenges facing corporations, with labor considerations and economic uncertainty among top concerns by a larger margin from the prior year's survey results.

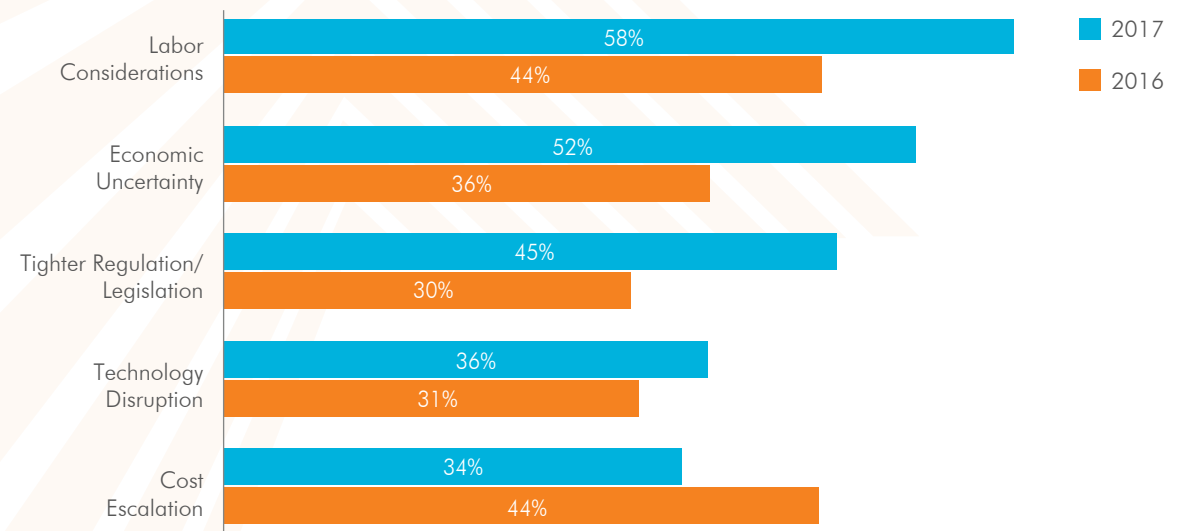
NEAR-TERM OUTLOOK

The Trump administration has promised certain stimulus actions—such as infrastructure spending, tax cuts and regulatory reform—that could benefit corporate occupiers; however, there is concern about other potential policy initiatives involving immigration and global trade.

CBRE's 2017 Occupier Survey results highlight the challenges facing corporations in this environment, with labor considerations and economic uncertainty among top concerns by a larger margin from the prior year. The fact that more corporations also cited regulation as a challenge underscores the urgent need for regulatory reform. This result may give insight into the uncertainty that corporations have today, given existing regulatory challenges and the unknown legislative actions that lie ahead.

FIGURE 1: WHAT ARE THE MOST SIGNIFICANT CHALLENGES FACING YOUR CORPORATION?

% OF RESPONDENTS THAT PLACED RESPONSE IN TOP THREE



ALTHOUGH LABOR CONSIDERATIONS WERE TOP OF MIND ACROSS ALL INDUSTRY RESPONDENTS OTHER PRIMARY CONCERNS WERE INDUSTRY SPECIFIC:

Banking & Finance
Tighter Regulation/Legislation

Tech & Telecom
Technology Disruption

Healthcare
Cost Escalation

Source: CBRE Americas Occupier Survey, 2017.

PREPARING FOR THE NEXT HORIZON

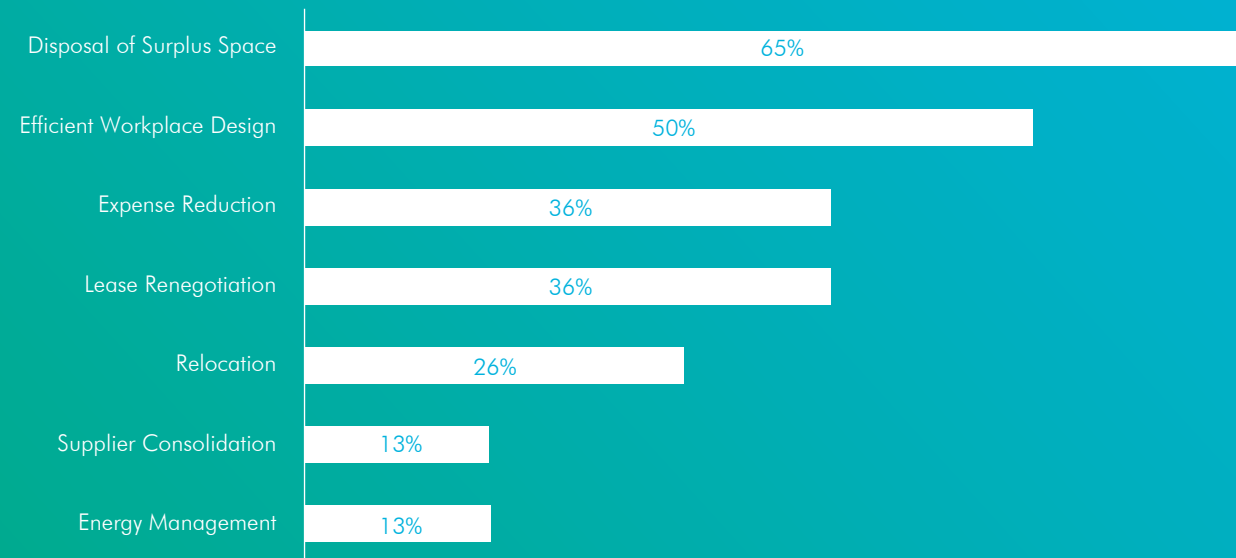
Most corporate real estate executives across all industries are disposing of surplus space and implementing efficient workplace designs that foster productivity. These two initiatives were prevalent in the 2016 Occupier Survey and remain mainstays in helping corporations achieve cost-reduction targets in 2017.

This strategic play toward optimization and efficiency at this stage in the economic cycle is prudent. Real estate supply is tight and demand is steadily growing. Portfolio efficiency achieved today strengthens the position of occupiers—especially those in cyclical industries—during an inevitable down cycle.

Given these strong fundamentals favoring landlords, it is no surprise that lease renegotiations fell in rank from last year's survey as a cost-reduction initiative. Although in select markets renegotiation may be warranted, most large occupiers are more likely paying for flexibility in their lease agreements today versus restructuring for cost savings.

FIGURE 2: WHAT COST-REDUCTION INITIATIVES HAVE HAD THE MOST IMPACT IN THE PAST YEAR?

% OF RESPONDENTS THAT PLACED RESPONSE IN TOP THREE



WHY IS IT THE RIGHT TIME TO DISPOSE OF SURPLUS SPACE?

Q4 2016 national office market vacancy – 12.9% (lowest since 2008)

U.S. office completions below 20-year average

Office-using job growth robust (426,000 jobs in 2016)

Source: CBRE Americas Occupier Survey, 2017.

Expectations of sector stability abound, but those for contraction grew significantly from 2016.

EXPANSION PLANS MUTED IN CURRENT CLIMATE

Although shedding excess space is a key cost-savings strategy, there is sentiment for expansion in certain business sectors. However, the gap between 2016 survey respondents expecting to either expand or contract their portfolios (38% vs. 14%, respectively) narrowed significantly in 2017's survey (26% expansion vs. 23% contraction). Approximately half of 2017's survey respondents indicated that the size of their portfolios would remain the same as last year's level.

Source: CBRE Americas Occupier Survey, 2017.

FIGURE 3: HOW DO YOU EXPECT YOUR PORTFOLIO TO CHANGE IN THE NEXT TWO YEARS?

AVERAGE RESPONSE ACROSS REGIONS

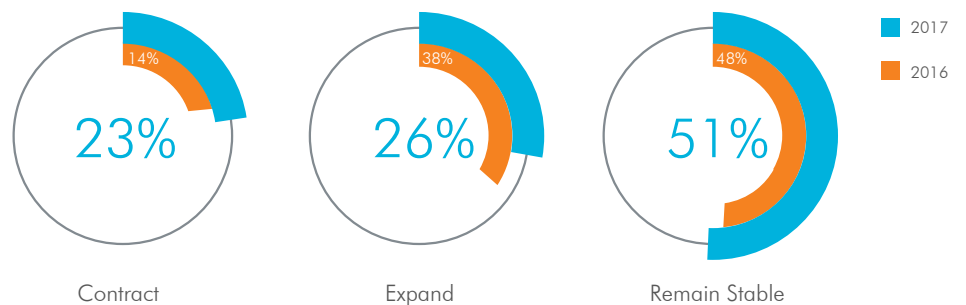
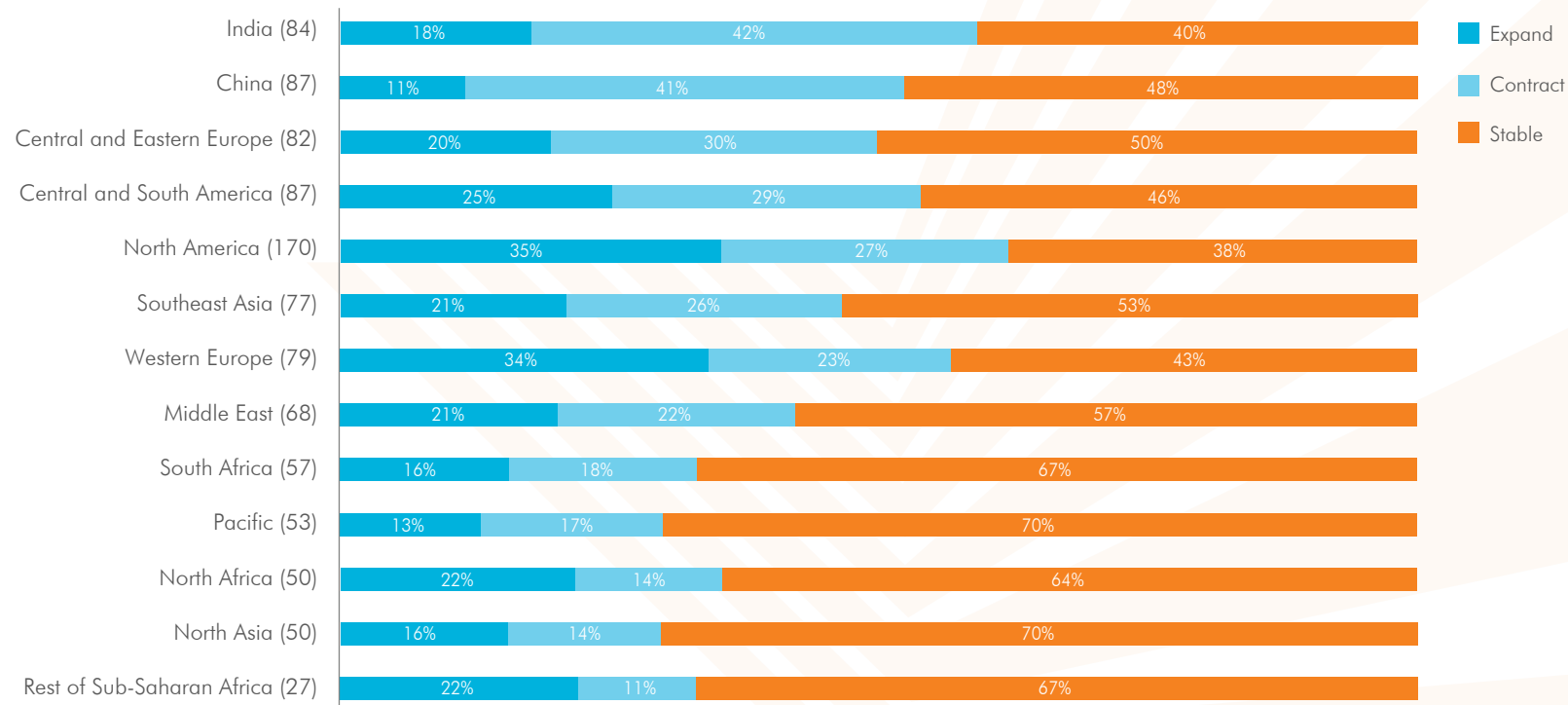


FIGURE 4: IN WHAT SPECIFIC REGION DO YOU EXPECT THIS ACTIVITY TO TAKE PLACE?

OF RESPONDENTS LISTED AFTER COUNTRY NAME



Source: CBRE Americas Occupier Survey, 2017.

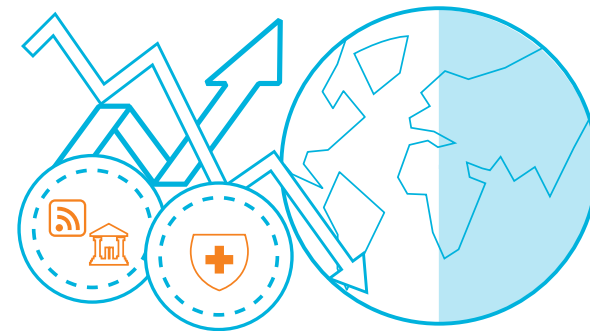
**FINANCIAL FIRMS
REPORTED** THE MOST
CONCENTRATED **EXPANSION ACTIVITY**
IN NEXT TWO YEARS IN **INDIA** AND
CENTRAL & EASTERN EUROPE.

TECHNOLOGY FIRMS
ON AVERAGE REPORTED **MORE CONTRACTION**
(27%) AND **LESS EXPANSION** (20%) THAN
OTHER INDUSTRIES, ALTHOUGH NOT
CONCENTRATED IN ANY ONE GEOGRAPHY.

Source: CBRE Americas Occupier Survey, 2017.

AMERICAS OCCUPIER SURVEY REPORT 2017

ANTICIPATED PORTFOLIO ACTIVITY IN
NORTH AMERICA BY INDUSTRY:



TECHNOLOGY & FINANCIAL FIRMS

50% vs. **20%**
Contraction Expansion



HEALTHCARE FIRMS

52% vs. **14%**
Expansion Contraction

Note: Percentages reflect number of respondents indicating contraction or expansion sentiment.

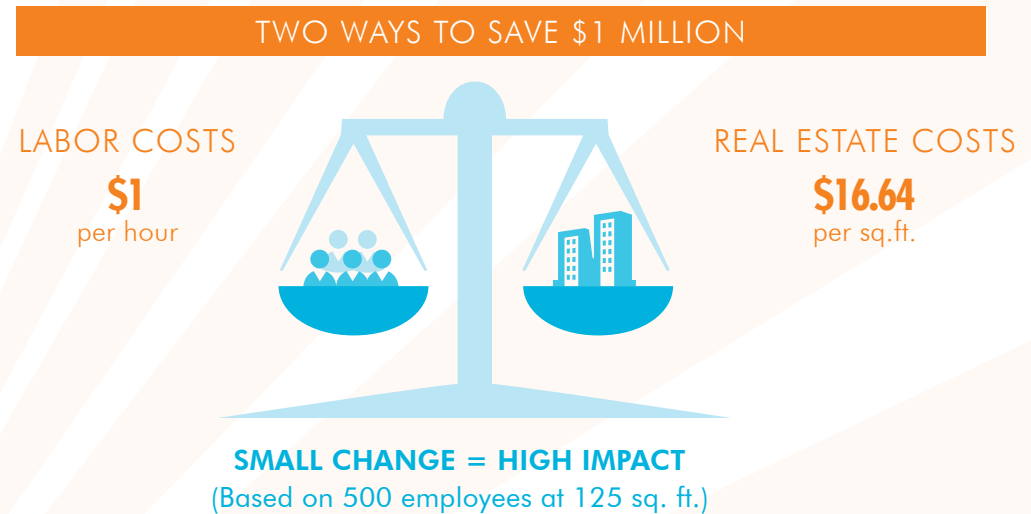
CRE LEADERS CONTINUE TO LEAD WITH LABOR, AND USE LOCATION TO ATTRACT TALENT

Corporate occupiers identified labor, real estate and business needs as considerations when choosing to expand or to relocate to other markets. This is evidence that smart labor strategies continue to drive decisions to leverage offshore, secondary or tertiary markets. These smart labor strategies not only give corporations access to highly qualified workers, but also allow them to benefit from dramatically reduced labor and real estate costs. If job growth and immigration policy further tighten the labor market, employers may need to identify markets with the skilled labor they require regardless of cost. Real estate cost and availability are also critical in making market decisions today due to the limited supply that is available for large requirements.

Real estate cost, quality of location and efficiency are leading factors in building selection. The increasingly tight and expensive labor market is likely the reason why real estate cost and quality of location jumped in importance over efficiency from last year's survey. In order to attract and retain top talent in this competitive environment, tenants will continue favoring high-quality, efficient buildings that offer transit access and ample parking in amenity-rich locations.

Source: CBRE Americas Occupier Survey, 2017.

FIGURE 5: STRATEGIC IMPACT OF LABOR



Source: CBRE Labor Analytics Group, 2017.

FIGURE 6: WHAT DRIVES YOUR MARKET SELECTION?

% OF RESPONDENTS THAT PLACED ANSWER IN TOP THREE

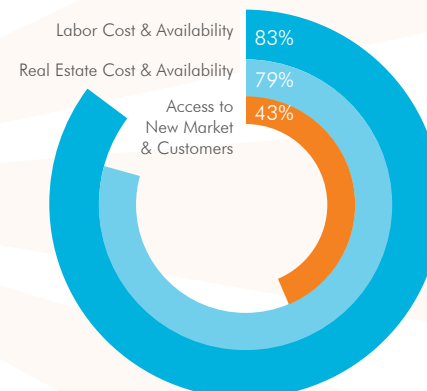
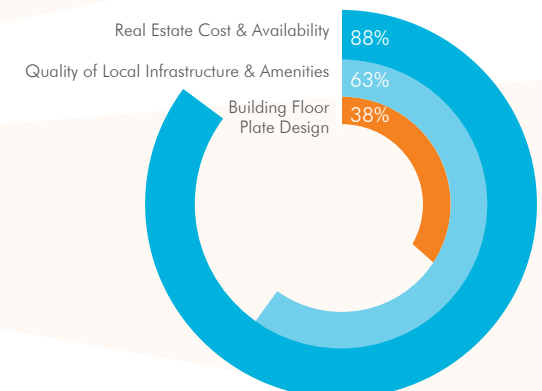


FIGURE 7: WHAT DRIVES YOUR BUILDING SELECTION?

% OF RESPONDENTS THAT PLACED ANSWER IN TOP THREE



BUILDING A WORKPLACE EXPERIENCE

Work-life balance is difficult to achieve;
instead, it is being replaced by the
concept of work-life integration.

PUTTING PEOPLE AT THE HEART OF WORKPLACE SOLUTIONS

Employees must be drawn to the workplace through a positive emotional connection.

Planning amidst uncertainty is challenging, and organizations must be flexible. However, respondents to the 2017 Occupier Survey consistently place workers at the forefront of their workplace strategy. Work-life balance is difficult to achieve; instead, it is being replaced by the concept of work-life integration. Mobile and cloud technology make it efficient to work from anywhere, so the office is becoming an optional place. Employees must be drawn to the workplace through a positive emotional connection. In turn, employers benefit from a collaborative and cohesive culture because both formal and informal communication are more powerful when face-to-face.

FIGURE 8: WHAT ARE THE MAIN DRIVERS OF YOUR ORGANIZATION'S APPROACH TO WORKPLACE STRATEGY?

% OF RESPONDENTS THAT PLACED ANSWER IN TOP THREE

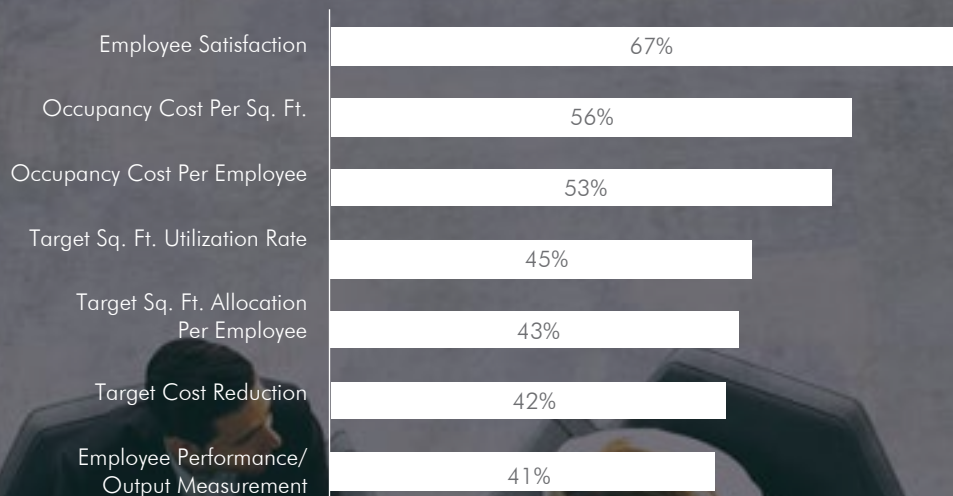


Source: CBRE Americas Occupier Survey, 2017.

FIGURE 9: HOW DO YOU MEASURE THE SUCCESS OF YOUR WORKPLACE STRATEGY PROGRAM?



The prominence of employee satisfaction as a measurement of success demonstrates the consistent focus on PEOPLE



Source: CBRE Americas Occupier Survey, 2017.

Tech & Telecom and Banking & Finance are more likely to prioritize talent attraction and retention in their workplace strategy efforts. 60% are reinventing their standards as a result.



WHAT DO WORKERS VALUE?

Creating a work environment that supports how people actually work involves more than design and technology. It also involves supporting services. Respondents indicate that the most important factors to their labor force are amenity offerings that support the integration of the workplace into both their personal and professional lives. Amenities range from food offerings, which are most prevalent, to hospitality services, which are on the cutting edge. According to Gallup, 87% of employees worldwide are not engaged with their work, but companies with highly engaged workforces outperform their peers by 147% in earnings per share. Although many of these offerings are additional expenses, they also make the office a more attractive destination and foster a sense of place.

FIGURE 10: WHAT IS MOST IMPORTANT TO YOUR LABOR FORCE?

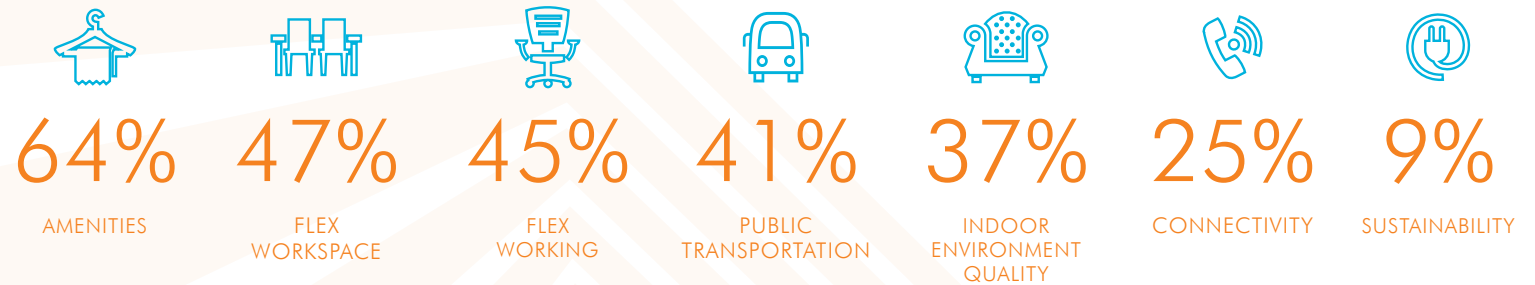
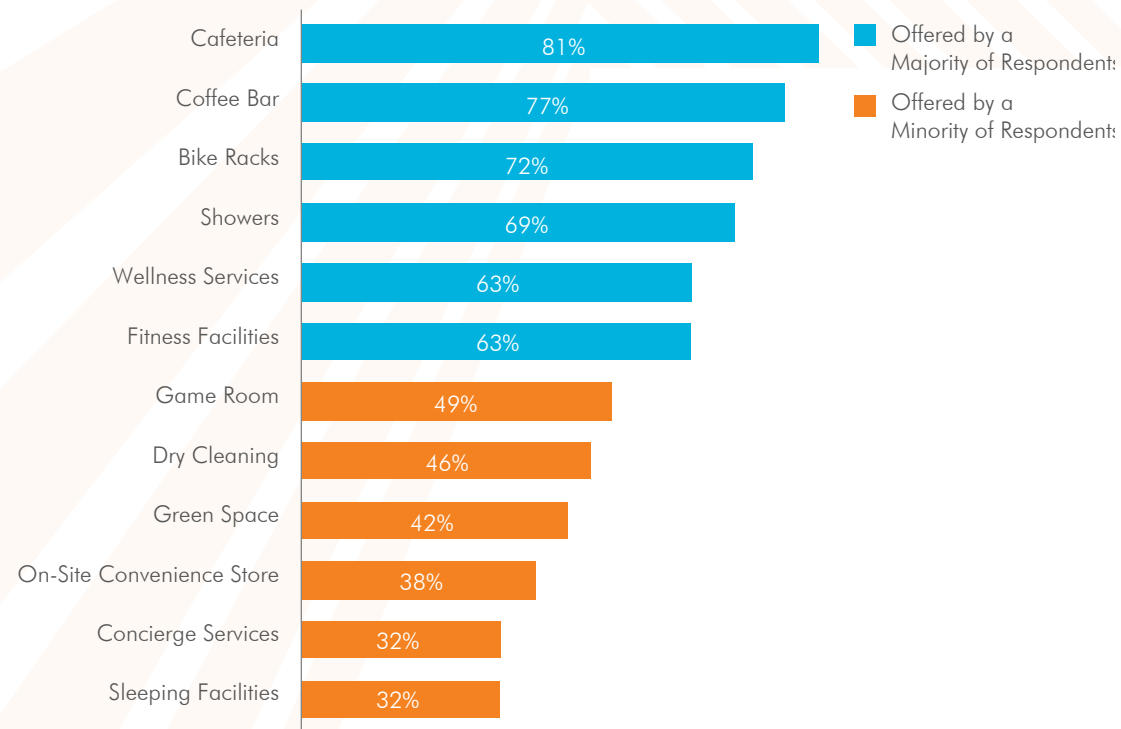
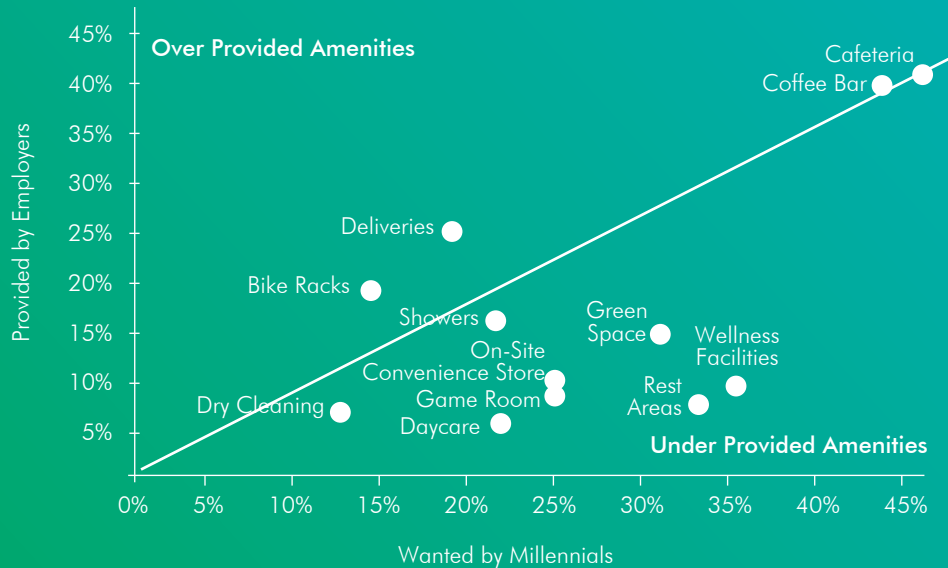


FIGURE 11: WHICH AMENITIES DO YOU PROVIDE IN YOUR WORKPLACE?



Source: CBRE Americas Occupier Survey, 2017.

FIGURE 12: CURRENT VS. DESIRED AMENITIES IN WORKPLACE



Source: CBRE Live-Work-Play Survey, 2016.

A recent CBRE survey of 2,000 millennials in the Americas produced insightful results about amenities in the workplace. Working millennials were asked what amenities they currently receive in the workplace versus what amenities would be influential to them when choosing a new job. Amenities such as cafeterias and coffee bars rank equally high by employees and employers. However, amenities such as access to green space, rest areas and wellness facilities are of increasing importance to the millennial generation and clearly ones that employers are starting to add.

Although many of these offerings are additional expenses, they also make the office a more attractive destination and foster a sense of place.

THE GROWING APPEAL OF SPACE AS A SERVICE

Increasingly, the workplace is being viewed as a network of locations rather than a single place. As a result, corporate real estate executives are realizing that their job transcends the boundaries of the leased or owned asset.

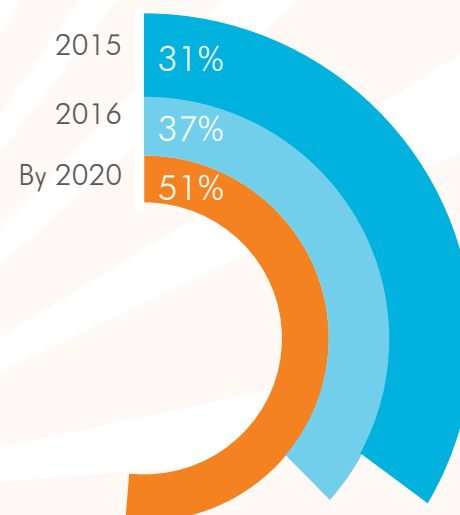
By 2020, 51% of our respondents hope to implement a shared-workplace model at least moderately, if not substantially, as a part of their portfolio offering. This growing demand for shared workspace is tangible evidence that employers realize a flexible work environment can satisfy both portfolio efficiency and employee productivity.

By 2020, 51% of our respondents hope to implement a shared-workplace

model at least moderately, if not substantially, as a part of their portfolio offering.

FIGURE 13: DO YOU USE THE SHARED-WORKPLACE MODEL AS AN ACTIVE PORTFOLIO STRATEGY?

% OF RESPONDENTS THAT ANSWERED YES TO MODERATELY OR SUBSTANTIALLY



Source: CBRE Americas Occupier Survey, 2017.

The shared workplace can take many forms, from traditional serviced offices with a broad range of tenants to business-incubator facilities focused on developing start-up companies. The version of the shared workplace with the most momentum today is coworking, which is a more curated version of a traditional serviced office. By 2020, 65% of respondents expect moderate to substantial use of coworking spaces surpassing the use of serviced offices.

All of this interest and expansion in the shared-workplace market is intriguing, but occupiers should add this offering to their portfolio strategy carefully. Many of these operators have only been in existence since the economic recovery began, and the market will likely consolidate and rightsize when this economic cycle ends.



BUSINESS INCUBATORS AND INNOVATION CENTERS ARE RISING IN IMPORTANCE AS INDUSTRY LEADERS CREATE STRATEGIES TO MAINTAIN AND ACCELERATE THEIR POSITION IN THE MARKET:

HEALTHCARE

- ✓ 14% report use of these facilities today
- ✓ 37% anticipate need for these facilities in the future

BANKING & FINANCE

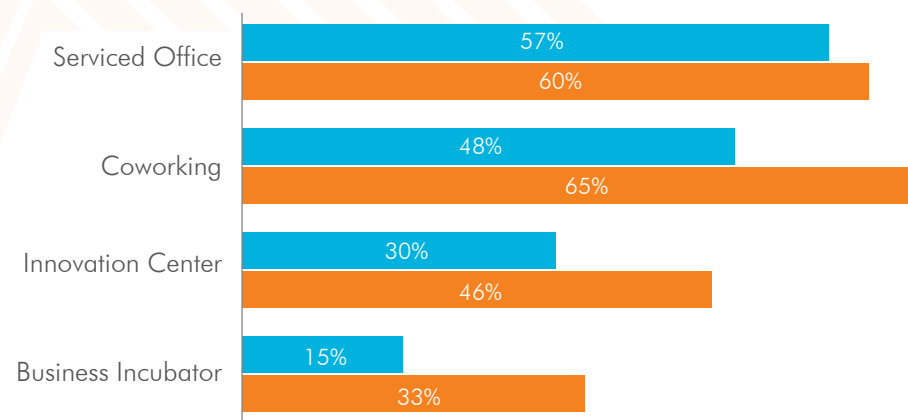
- ✓ 34% report use of these facilities today
- ✓ 48% anticipate need for these facilities in the future

Source: CBRE Americas Occupier Survey, 2017.

The version of the shared workplace with the most momentum today is coworking, which is a more curated version of a traditional serviced office.

FIGURE 14: WHAT TYPE OF SHARED WORKPLACE DO YOU USE TODAY? BY 2020?

% OF RESPONDENTS USING VARIOUS SHARED WORKPLACE (TODAY AND IN 2020)





LARGEST COWORKING MARKET: MANHATTAN

**6.7 MILLION
SQ. FT. OF
COWORKING
SPACE**

**2% OF THE
TOTAL MARKET**

**2.8 MILLION SQ. FT.
LEASED IN PAST
THREE YEARS**

Source: CBRE Americas Occupier Survey, 2017.

The top-two reasons for respondents implementing a shared-workplace strategy were cost and flexibility, although attracting and retaining talent was in the top five. Cost and flexibility are top concerns likely because many tenants with leases expiring in the next 18 to 24 months last negotiated lease terms in a much more tenant-friendly environment than exists today. Until economic growth becomes more predictable, tenants do not want to lock themselves into expensive and restrictive terms, especially in major markets.

The top-two reasons for respondents implementing a shared-workplace strategy were cost and flexibility, although attracting and retaining talent was in the top five.

FIGURE 15: WHAT IS DRIVING YOUR DECISION TO IMPLEMENT A SHARED-WORKPLACE STRATEGY?

% OF RESPONDENTS THAT PLACED ANSWER IN TOP THREE



54%

REDUCE OPERATING
AND CAPITAL COSTS



45%

INCREASE FLEXIBILITY IN
LEASING TERMS



43%

NEED A SHORT-TERM
SPACE SOLUTION



34%

ATTRACT &
RETAIN TALENT



33%

ACQUIRE SATELLITE/
REMOTE OFFICE SPACE

HEALTH & WELLNESS IN THE SPOTLIGHT

Employers increasingly place importance on developing a workplace culture that enhances employees' health.

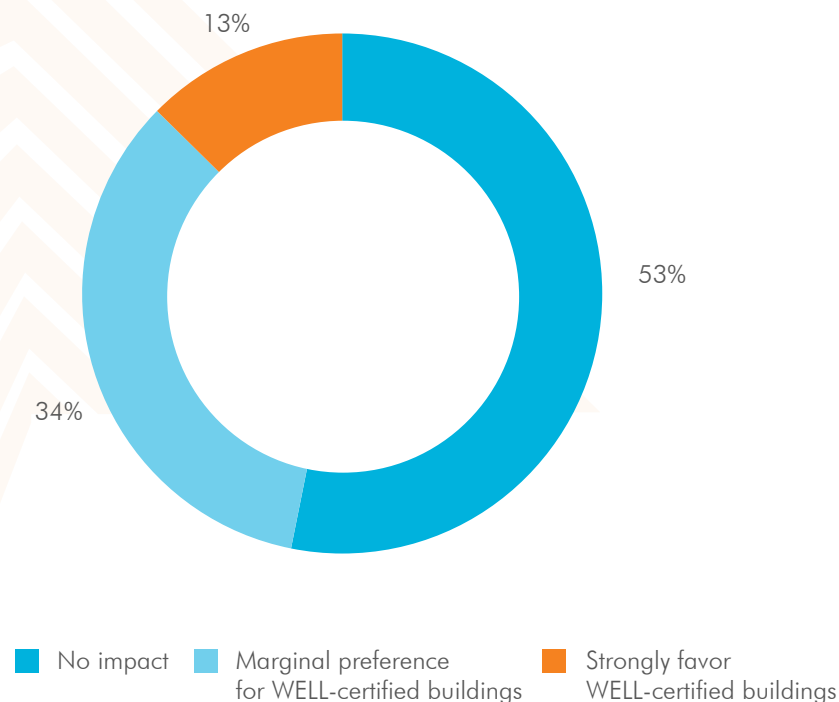
More employees are working longer hours doing sedentary activities with high levels of stress. These factors take a toll on the health of individuals, often increasing healthcare costs for the employee and the employer. In response, employers increasingly place importance on developing a workplace culture that enhances employees' health. The work environment is increasingly viewed not only as a place to drive business performance but also as a place that improves the quality of life for employees.

The WELL Building Standard™, devised by the International WELL Building Institute,

is currently the recognized standard for measuring health and wellbeing in the built environment by addressing behavior, operations and design. There are seven components to the WELL standard: air, water, nourishment, light, fitness, comfort and mind. Various levels of implementation in the workplace can achieve silver, gold or platinum levels. Some 47% of respondents to the 2017 Americas Occupier Survey report favoring WELL-certified buildings to some degree, demonstrating the importance that CRE executives place on health and wellness in the workplace.

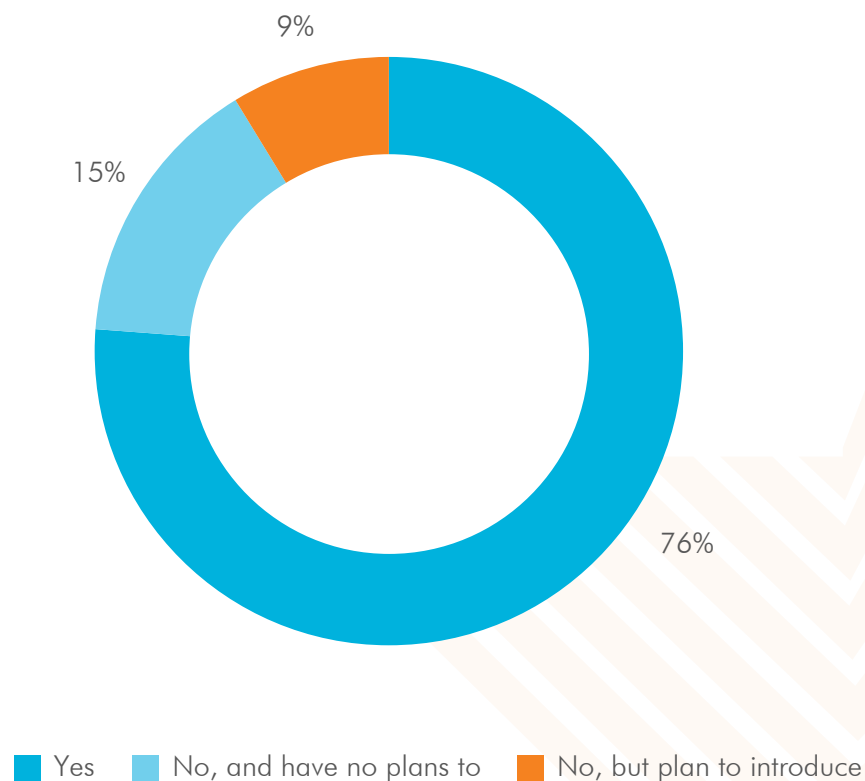
Regardless of favoring formal WELL certification, 76% of respondents reported running some kind of employee wellness program. This response supports findings from our 2015 *Health and Wellness Survey*, which found that although the majority of wellness programs are run by human resources departments, more than 90% of corporate real estate executives saw their role in these initiatives increasing in the near future.

FIGURE 16: DO YOU FAVOR WELL-CERTIFIED BUILDINGS DURING SITE SELECTION?



Source: CBRE Americas Occupier Survey, 2017.

FIGURE 17: DO YOU RUN AN EMPLOYEE WELLNESS PROGRAM?



Source: CBRE Americas Occupier Survey, 2017.

47% of respondents report an increase in employee engagement results when health and wellness programs are a focus of workplace strategy.

– CBRE Health and Wellness Survey, 2015.

EXAMPLES OF EMPLOYEE WELLNESS PROGRAMS

OPERATING GYMS, HEALTH CLUBS AND WELLNESS CLINICS.



Offering fitness challenges, yoga classes, mental relaxation and group meditation.

IMPLEMENTING GREEN CLEANING STANDARDS



Changing food options and vendors



MANAGING A BIKE SHARE PROGRAM

Providing nutrition consultation

APPLYING CALORIE INFORMATION ON ALL FOOD SERVED



ENSURING ADEQUATE ACCESS TO LIGHT, CLEAN WATER AND AIR



IMPLEMENTING NON-SMOKING CAMPUSES

FIGURE 18: SEVEN CONCEPTS OF THE WELL BUILDING STANDARD

CONCEPT	 Air	GOAL	
	 Water	Creating optimal indoor air quality to support the health and wellbeing of building occupants.	Fresh-air louvres penetrate building facade to facilitate fresh-air intake. Base building air handling units are equipped with MERV 13 filters to increase particle filtration.
	 Nourishment	Ensuring safe and clean water through adequate filtration and other methods, requiring a higher standard of water quality for various uses.	Water bottle filling stations treated with carbon filters are located within 100 feet of all regularly occupied areas to promote hydration.
	 Light	Standard requires fresh, wholesome foods to be readily available, limits ingredients, and encourages better eating habits.	Dishware provided encourages appropriate serving sizes (i.e., plates no larger than 9.5 inches in diameter).
	 Fitness	Guidelines that increase productivity and alertness, enhance occupant experience by providing appropriate visual acuity.	75% of desks (regularly occupied seats) are within 25 feet of an atrium or window with views to the exterior. LED light harvesting fixtures automatically adjust based on exterior conditions.
	 Comfort	Standard aims to integrate exercise and fitness into everyday life by providing supporting features to an active and healthy lifestyle.	100% of workstations feature an adjustment option to allow employees to stand while working.
	 Mind	Designed to create a distraction-free, productive and comfortable indoor environment.	Sound masking and ceiling tile upgrades in open workstation areas ensure employee comfort and minimize noise distraction. Acoustic felt walls and full-height partitions in meeting rooms block sound transfer.
		Requires design, technology and treatment strategies to optimize cognitive and emotional health.	Integration of artwork, sculptures and biophilia to interior spaces in entrances and lobbies.

Source: CBRE Americas Occupier Survey, 2017.

TRANSFORMING THEIR ROLE

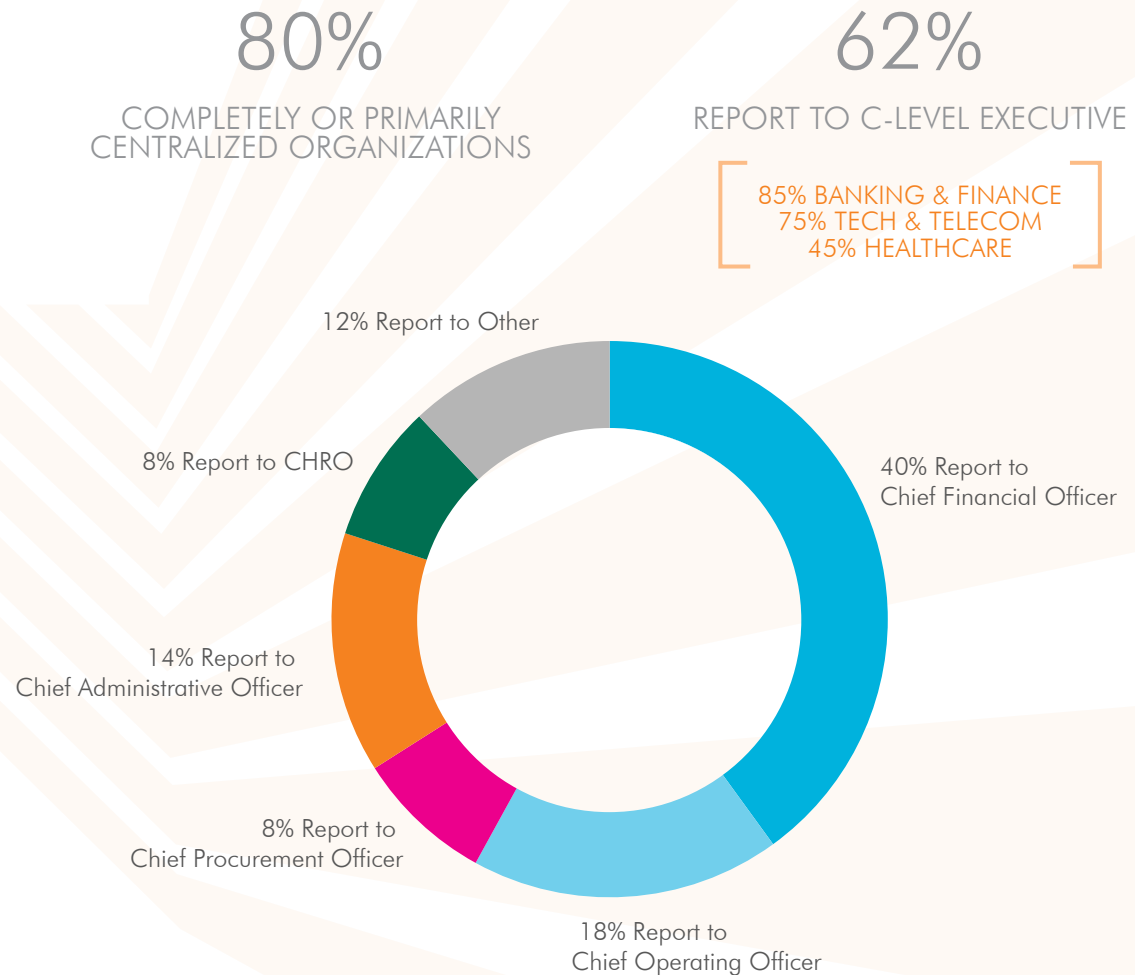
A full-page background image showing two business women walking through a modern, brightly lit office hallway. The woman on the left is wearing a light blue button-down shirt and light-colored trousers, holding a tablet. The woman on the right is wearing a white button-down shirt and a light pink skirt, also holding a tablet. They are walking towards the left. The hallway features large white columns, a glass railing on the right, and a ceiling with a grid of recessed lights.

From planning and transacting to building and managing, outsource providers bring industry expertise to create economies of scale and push innovation for the client.

CENTRALIZE, ELEVATE & CALCULATE

The management and operations of corporate real estate departments are continuing to become more centralized and elevated within the corporation. Although there is clear recognition of the impact corporate real estate has on employees, the prevalent organizational structure remains cost-centric with 66% of respondents reporting to either finance, operations or procurement departments. This frames the continued importance of expense management within corporations.

FIGURE 19: CRE REPORTING LINES REFLECT ORGANIZATIONS' FOCUS



Source: CBRE Americas Occupier Survey, 2017.

A NECESSARY COST OR A PROFITABLE TOOL?

Our 2017 responses show an industry focused on reducing portfolio costs and optimizing footprints, largely through a growing acceptance of modern, tech-aided work styles and workplaces. This shift demonstrates the balancing act executives must perform as they seek to meet the competing goals of maximizing “costs saved” and “people served.”

The key challenge has become shifting the traditional view of the physical asset as a mandatory cost and toward a customizable, revenue-enhancing tool. While it is generally accepted that the office enhances employee collaboration, productivity, engagement and health—and therefore the profitability of the company—the ability to empirically prove this can be difficult.

It is no surprise that almost half of executives reported the need for improved data and strategic talent to help influence their enterprise discussions. Yet accessing this data and talent is challenging.

FIGURE 20: WHERE WILL YOUR FOCUS BE IN THE NEXT 12 MONTHS?

% OF RESPONDENTS WHO PLACED ANSWER IN TOP THREE

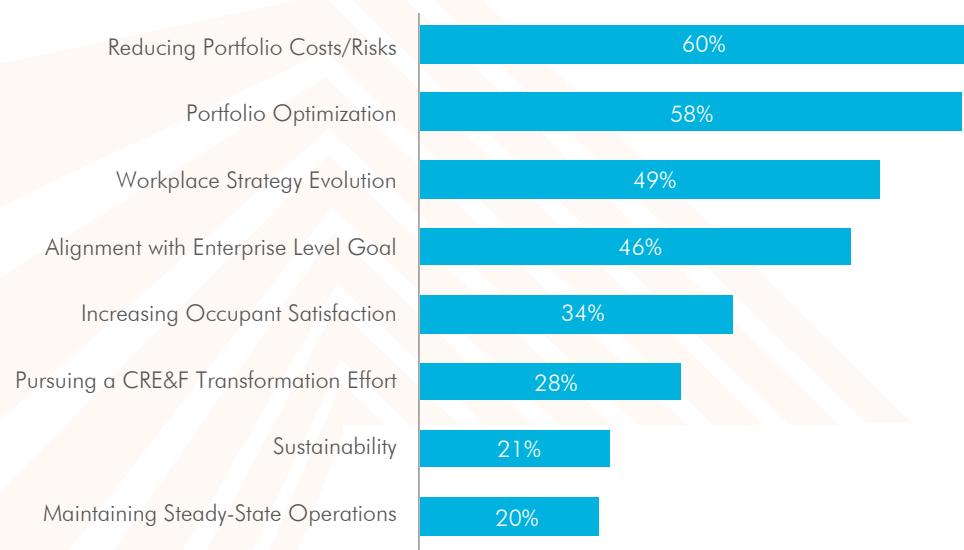
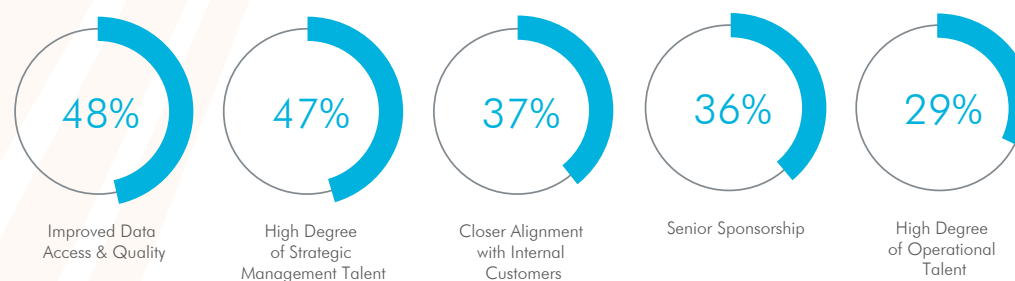


FIGURE 21: WHAT DO CRE EXECUTIVES NEED TO ACHIEVE SUCCESS?

% OF RESPONDENTS THAT PLACED ANSWER IN TOP THREE



Source: CBRE Americas Occupier Survey, 2017.

“REAL-TECH” BOOM

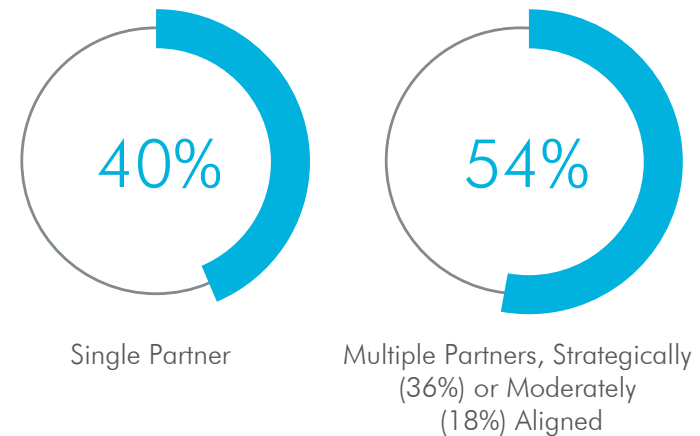
The real estate technology industry is experiencing a boom of exponential proportions. Deal activity is nearing all-time highs, and although recording a slowed growth rate in 2016, the industry continues to impress investors. The industry buzz is quite clear: CRE tech is finally coming of age. Simultaneously, however, a majority of respondents report their continued propensity for investment in traditional technologies for lease administration, project management, CMMS, transaction management and accounting. While critically important functions, each are often internal and largely operational tools. The new breed of technology provides previously unfathomed abilities to efficiently monitor buildings, optimize space utilization and engage employees. The budget requirement to implement and maintain this new technology is quite large, yet this “next horizon” will turn the operational task into a transformational gain and is top of mind for occupier executives and investors alike.

CREATING TIME FOR TRUE STRATEGIC PLANNING

The inherent operational and reactive nature of running a real estate portfolio often leaves transformational strategic planning behind. Corporations continue to leverage outsourcing either with one single partner or with multiple partners that are strategically aligned to manage their portfolio needs. Those respondents with a global span of control were more likely to partner with multiple suppliers that are strategically aligned (49%), while those with a more regional role were more likely to partner with a single supplier (42%). Corporations that spend time and effort creating an integrated approach to each stage of the occupier life cycle stand to benefit from the efficiencies that are ultimately gained, leaving time and money for the more strategic transformation. From planning and transacting to building and managing, outsource providers bring industry expertise to create economies of scale and push innovation for the client.

Corporations that spend time and effort creating an integrated approach to each stage of the occupier life cycle stand to benefit from the efficiencies that are ultimately gained, leaving time and money for the more strategic transformation.

FIGURE 22: HOW WOULD YOU DESCRIBE YOUR CRE&F OUTSOURCING RELATIONSHIP?



Source: CBRE Americas Occupier Survey, 2017.

CONCLUSION

The insight of our 176 Americas-based respondents offer further proof that corporate real estate executive are savvy, creative and acting in the best interest of their employees and organizations. Their management style reflects an industry operating under the principles of prudence and innovation, keeping market growth and occupancy in check—even through a multi-year period of continual job growth. While once cutting-edge, many of today's leading strategies have quickly become business as usual. Occupiers are taking an iterative approach to new workplace solutions, enabling them to keep pace with space and talent trends in an era of rapid change.

Some key takeaways from the 2017 report include:

- ✓ **Prepare for the future**
Use today's tight real estate market to your advantage; seek out excess and underutilized space that can be shed or shared in preparation for the next down cycle.
- ✓ **Engage talent leaders**
Educate yourself on trends like today's tightening employment market and immigration reform; see how each guides the selection of markets that mix the right talent, cost and competition for your industry.
- ✓ **Curate an experience**
Create an environment that will voluntarily bring employees back into the office because they are receiving an experience they can't get elsewhere.
- ✓ **Build flexibility**
Assess shared-workplace concepts to build flexibility into your portfolio. Many landlords and operators of shared space are open to creative ideas that achieve a win-win relationship.
- ✓ **Measure the return on investment**
Gauge your wins beyond traditional metrics; base project success on enterprise measures like employee engagement and occupant productivity.
- ✓ **Integrate facilities management**
Utilizing specialized providers can help you create a deep expertise to link, leverage and reduce your tactical and strategic requirements.

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