

# SPOTLIGHT ON TECHNOLOGY SECTOR

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CBRE Workplace, 2018

**CBRE**

## INTRODUCTION

In the recent '**Flexible Revolution**' and '**European Occupier Survey**' research reports, CBRE looked at the increase in the use of flexible co-working spaces, key factors driving decision making, and how the trend might affect, and be adopted by, corporate occupiers. **CBRE Workplace's** Rise of the Workplace Consumer' research puts the spotlight on the technology sector, gathering insights from professional, middle management and executive survey responders and interviewees.



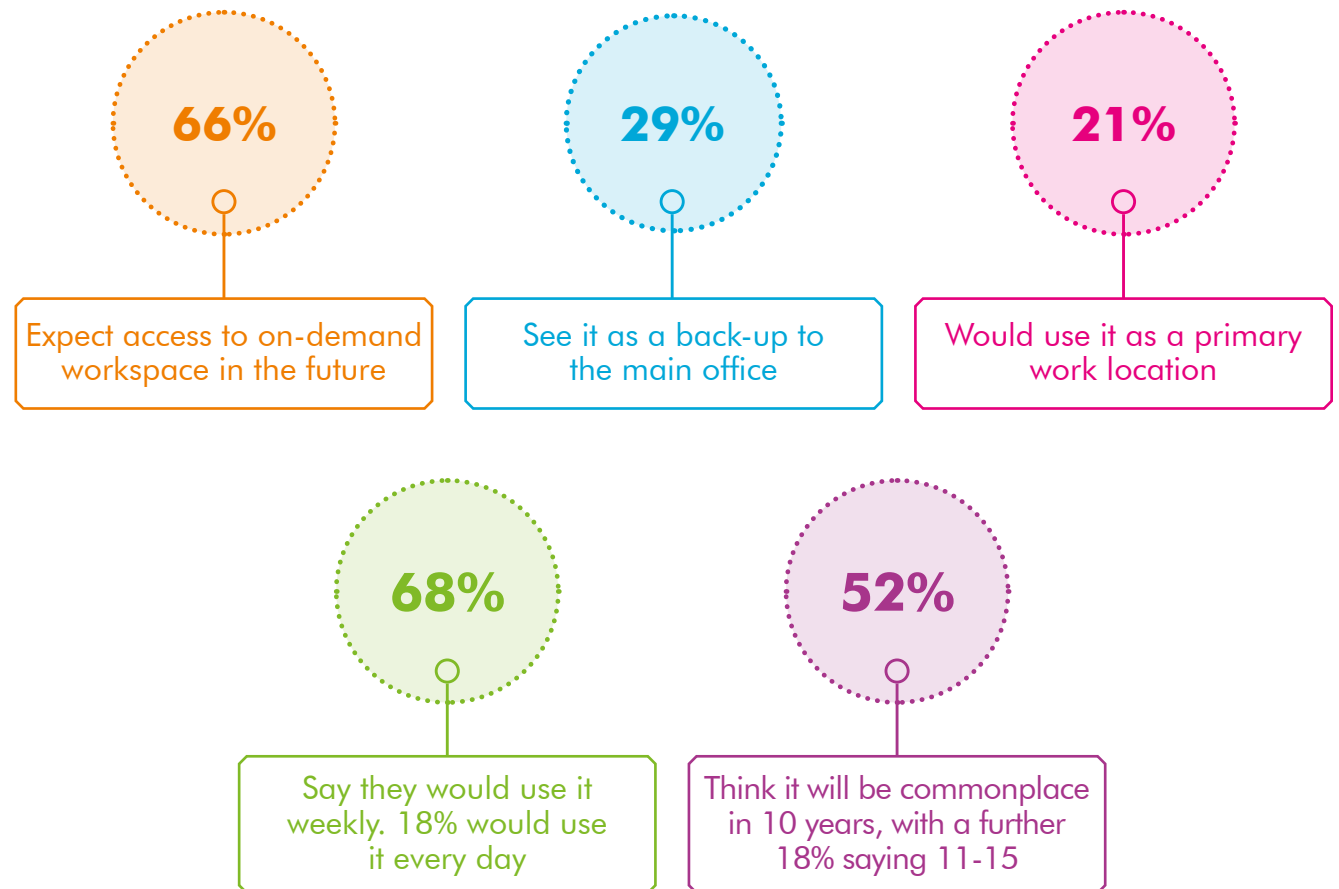
# TECHNOLOGY SECTOR

A key consideration in embracing co-working space is ensuring employees are on board and both employees and business objectives will benefit. Do staff want to work away from the office? In the case of our technology sector responders, there was a notable expectation for on-demand space becoming a significant part of their future working life.

Responders were open to working in these spaces very regularly. Perhaps unsurprisingly, they see the levels of technology support and upkeep of the buildings as important features, and cite choice of well-designed and well-placed space as a key benefit to attracting talent.

Where the goal of co-working space is to cater to the exact requirements of a business and its end users, could technology companies ever truly take advantage of this new way of working?

Figure 1: End user expectations



Source: 'Rise of the Workplace Consumer' UK survey. CBRE Workplace

# PERSPECTIVES

## PROFESSIONALS

Professionals responders currently spend 64% of their time in the main office, 12% in co-working space and 13% from home. 75% would expect to use it at least once per week. 36% see it as a back-up to their main office, 19% as a place to meet clients and 17% as a primary place of work.

The most important features for responders were attractive and convenient locations, well-designed workspace and well-equipped breakout spaces, giving the opportunity to choose a setting to suit the task they need to complete. The most important services were technology support, upkeep and maintenance of buildings and facilities and mobile apps to simplify access and engagement in the spaces.

They see the biggest benefits to the wider business as financial gains, attracting new talent and strategic benefit to being near clients and competition. Perceived risks to themselves are reduced visibility of work output, reduced career prospects, feeling pressure not to use office facilities to keep costs down and having fewer interactions with other employees. The risks they see to the wider business reflect this – with 45% identifying employee engagement as a significant risk.

## MIDDLE MANAGERS

The middle managers surveyed currently spend 55% of their time in the main office, with the remainder predominantly spent working from home and travelling. 76% expect access to co-working space in future and 28% would use it as their primary work location - the highest proportion of any group surveyed, indicating that they see these facilities as more important to their daily work than a centralised office.

Responders see the primary use of on-demand workspace being for meetings and collaboration. 85% would use it 1-5 days a week – the highest level of expected use from all sectors surveyed. Reflecting professional responders, the most important features were identified as functional, well designed and equipped workspaces and convenient locations. Important services were identified as tech support, mobile apps to simplify access and engagement in the office and the upkeep and maintenance of buildings.

They see the main benefits to themselves as choosing a space to suit the work activity (90%) collaboration with partners from other organisations, and being near clients and competition in more locations. They see the benefits to the wider business as increased opportunities for external collaboration (84%) and a strategic benefit to being near clients and competition. They also see potential for attracting talent to the business.

## EXECUTIVES

Executive responders spend 43% of their time in the main office. Of the remainder, 20% is working from home, 16% from a client site and 10% in co-working space. 74% expect to have access to co-working space in future and 22% see it as a primary location of work.

The most important features were identified as functional, well-equipped breakout spaces and a range of work settings within attractive well-designed space. Tech support services and upkeep of facilities are paramount to responders, along with concierge services and mobile apps to simplify access and engagements. They see the main benefits to themselves as proximity to clients, and potential benefit from frequent user bonuses. For the wider business, 79% anticipate financial gains and 84% see environmental benefits of sharing resources. A more dispersed portfolio would allow the company to co-locate near new businesses, attracting and retaining talent drawn to start-up hubs, and providing opportunities to choose their workplace.

Responders are concerned about reduced career prospects due to lack of exposure in the business (26% see this as a very significant risk) and loss of corporate belonging. For the wider business, 58% see lack of corporate identity as a significant risk (21% of which think it is very significant) along with loss of employee engagement. They also have concerns about loss of intellectual property when using co-working spaces.

Source: 'Rise of the Workplace Consumer' UK survey. CBRE Workplace

# DRIVERS AND BLOCKERS

## DRIVERS



Attracting talent to the business.



Attractive, well-designed workplaces and breakout space, in strategic locations close to clients and competition



Choice of workspaces to suit the work activity – quiet spaces to do focussed work, or open spaces for collaboration

## BLOCKERS



Technology support services and infrastructure and quality and upkeep of facilities



Potential leaks in intellectual property.



Loss of employee engagement, fewer interactions with others and lack of corporate identity.

Source: 'Rise of the Workplace Consumer' UK research. CBRE Workplace

# KEY CONSIDERATIONS



**Loss of employee engagement, corporate belonging and career prospects is a big concern**

Possible use of mobile apps and tech to enable greater connectivity and engagement for employees and addressing cultural issues around presenteeism.



**Choice, convenience and well-designed space is key**

A range of activity-based working and breakout environments in key locations close to clients and competition will encourage adoption of co-working spaces. On-demand workspace is already a key component to the real estate strategy of tech companies. A dispersed portfolio and high-end facilities are key to attracting talent and reacting to the moving tech hubs that go with start-up trends, providing agility and flexibility to complement an attractive campus or HQ.



**Technology support services and upkeep of facilities is paramount in this sector**

Having the right support in place may reassure employees that the space can work for them efficiently and in the long term.

## WHAT OUR CLIENTS ARE SAYING

41% of tech European Occupier Survey responders cite promoting innovation as their main reason for using shared space (higher than any other sector).

Co-location with similar business is a key driver for this sector, and strongly influences building selection, which might partly explain their willingness to accept the flex space model.

Quality of workplace technology tools is seen as disproportionately important to tech sector workers.

Technology occupiers are heavily focussed on cap-ex/op-ex reduction initiatives (44%).

Source: European Occupier Survey 2018. CBRE Research. [Click here for more](#)

**“Greater range of flexible workspace is massively interesting. It’s about matching the business objective with the CRE objective, and flex space can solve that.”**

Source: Flexible Revolution, CBRE Research. [Click here for more](#)

## CONCLUSION

In conclusion, the technology sector seems very ready to incorporate co-working space as part of their business as usual. All levels of employees see benefits of this way of working and expect it to be a continuing trend in coming years, although middle management and executives may be more advanced in their readiness to adopt. On-demand workspace is a key strategic enabler, giving organisations the flexibility to adjust to location trends set by talent, customers and competition. A combined HQ and on-demand portfolio matches the fast-paced and everchanging nature of the market.

Factors affecting the speed and spread of adoption include navigating the impact on employee engagement and a change in culture around career prospects and visibility within the business. The level of tech support available in each location will be key, as will protecting client’s and companies’ own intellectual property in a competitive environment.

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