PHY-GITALNO-MADS
58% of US companies plan to use more temporary labor at all hierarchy levels in the future. 80% of global corporations are planning to significantly increase their use of freelancers, consultants, temporary employees and independent contractors. 64% of corporate real estate leaders noted growing interest in driving flexibility through the real estate portfolio. 66% are being charged with increasing portfolio flexibility. 79% of corporate real estate leaders report pressure from senior management to reduce real estate and related costs. In Belgium we spend 51 hours per person per year in traffic jams. That means a monetary cost of €82.8 million. 30 minutes is the longest tolerable commute for most Millennials. Rise in global office rents: 2010: 3% and 2014: 9%. 72% of corporate real estate leaders report pressure from senior management to challenge their presumed space needs. 78% of large companies believe it is important to collaborate with entrepreneurs to drive innovation. 42% of companies expect collaboration with entrepreneurs to accelerate disruptive innovation. 63% of companies say the main reason for using shared office space is the ability to collaborate. How freelancers felt after switching to co-working spaces: 68% and improved focus, 64% reporting that it became easier to meet deadlines, 62% claimed it and improved their standard of work, 71% experienced increased creativity, 81% of the people who previously worked from home reported increased productivity and 33% of Millennials prefer collaborative workplace environments. Remote working increases employee engagement. Particularly for those who telework one to three days a week. Nearly 80% of executives rated employee experience very important (42%) or important (38%). Integrating social, community, and corporate programs is part of the employee experience. 70% of Millennials might reject traditional employment/business and choose to work independently. Growth in co-working market (in number of worldwide members) 2015: 71%, 2016: 83% and 2017: 41%. 76% of Millennials see workplace quality as important when choosing an employer. 69% will trade other benefits for better workplace. 70% of growth in the interest expressed for substantial usage of shared space over the next three years. Co-working space is emerging as the most popular form of shared space.
Phygital Nomads

A CHANGING WORK LANDSCAPE, TRENDS IN THE WORKFORCE AND ITS IMPACT ON THE WORKSPACE
INTRO

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Towards an agile management of companies’ real estate

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Rethinking commuting time and undervused space

Cross-pollination ideation
and innovation
Creating an in-house environment to connect with new ideas

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All rights reserved. No part of this report may be reproduced in any form by any electronic or mechanical means without prior permission in writing from the publishers.
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The relationships between organisations and the people they serve, employ and partner with are evolving, and technological innovations are reshaping how and where work gets done. Working on laptops, internet coverage all around the world and all kinds of new communication tools and platforms, make it possible to work from anywhere.

The technomads, developing IT from the comfort of a hammock, brought the concept to our attention in the beginning of the century, but they were still lone rangers at that time. A few years later, digital nomads of all kind followed their example. Initially it was about working remotely and having the possibility to combine travel with work, but the actual benefits of this way of working became clear very soon.

In the meantime, the traditional work environment is also changing. Economic instability is causing insecurity, and pushing the labour market towards flexibility, making disruption the standard. At the same time problems of mobility disturb the traditional 9 to 5 working day. On the one hand traffic jams in and around urban areas make arriving by car difficult. On the other hand commuting by public transport is very time consuming. As a result, both employees and freelancers are attracted by the idea of working from where they want.

This flexible workforce is manifesting new needs: flexible workspace. Inspired by the accelerators and incubators, influenced by new innovation and collaboration models, and stirred by the youngest generation on the workfloor, shared office spaces started popping up all around the globe.

You never know how the future will unfold, but when an innovator's trend and a changing mainstream merge, the outcome will be something exciting. We’ve named this evolution the one of the ‘phygital nomads’: a workforce that thanks to digital connection works from varying places, and chooses for the physical space where they work best.

This report explains what these phygital nomads are all about and how they are changing the idea about the workspace and work in general. But first we dive into the bigger evolutions that are shaping the changing view on the workspace: the high pace of change, competitive pressure, the tension between corporates and startups, digitalization, sharing economy and sustainability issues are shaping the future workspace market. At the same time, the ongoing digitalization together with the flexibilisation of the workspace have lead to a lot of unused office space.

Luckily, the real estate sector has some interesting answers for all these matters...
MACRO TRENDS LEADING TO OFFICE SHARING

THE BIGGER PICTURE
Corporate agility

TOWARDS AN AGILE MANAGEMENT OF COMPANIES’ REAL ESTATE

Due to a number of reasons, corporations today are forced to be much more flexible than they used to. Circumstances of geopolitical uncertainty, market and economic volatility, and an increasing focus on environmental and security risks, make a traditional approach to strategy, decision making and operations insufficient. Executives have to focus more on flexibility, diversification, resilience and finding real-time metrics so they can knowledgeably act and adapt as soon as opportunities and risks are identified. The technological developments in automation, robotics and artificial intelligence will push this change even more in the future.

The hypercompetitive environment, converging industries and short product life cycles are factors forcing organizations to innovate, but there is often no internal system to unleash ideas. Building organizations and spaces with a maximum adaptability and creating structures that push agility make it possible to anticipate trends and react proactively. Organizations are increasingly attracted to temporary labor to fill the need for project-based talent, alleviate skills gaps, reduce cost and to increase diversity and agility.

Managing a constantly changing workforce is more imperative than ever before. Also, the optimal use of enterprise resources and service delivery are crucial in increasing productivity. Cost management and workplace investments play an important role, but the modern workforce also desires a flexible workspace, which calls for an agile management of companies’ real estate portfolio.

58% of US companies plan to use more temporary labor at all hierarchy levels in the future.1 80% of global corporations are planning to significantly increase their use of freelancers, consultants, temporary employees and independent contractors.2

64% OF CORPORATE REAL ESTATE LEADERS NOTED GROWING INTEREST IN DRIVING FLEXIBILITY THROUGH THE REAL ESTATE PORTFOLIO.3

66% ARE BEING CHARGED WITH INCREASING PORTFOLIO FLEXIBILITY.4

64% OF CORPORATE REAL ESTATE LEADERS NOTED GROWING INTEREST IN DRIVING FLEXIBILITY THROUGH THE REAL ESTATE PORTFOLIO.3

CASE: HBSC HONG KONG

In Hong Kong, banking corporation HSBC has moved 350 staff members into a co-working space in Causeway Bay. The bank says they placed their digital and transformation teams in the WeWork “hot-desking site” to collaborate in an agile working environment filled with other, like-minded teams. But the co-working space also offers a solution for managing fluctuating staff numbers and a flexible space for short-term projects. It is also a cost saving exercise. Compared to a traditional office space, experts suggest the move allows the company to save about HK$ 23,640 (about €2,710) annually per person.

CASE SILICON VALLEY BANK

Silicon Valley Bank, a 30-year-old bank that provides funding to startups and their investors, rents about 200 desks in WeWork offices. They signed a multi-year lease at WeWork’s South Station location. “We felt pressure to move into the city for some of our clients to be closer,” said Mark Gallagher, a senior market manager at SVB. Besides being closer to clients in the tech startup scene, Gallagher said the move has given SVB a better work culture, and has increased the company’s access to the most talented workers Boston has to offer.

1 McKinsey, 2011; An economy that works: Job creation and America’s future
2 JLL, 2015; Global Corporate Real Estate Trend 2015
3 JLL, 2015; Global Corporate Real Estate Trend 2015
4 Jones Lang LaSalle, 2015; Elevate to excellence: Global corporate real estate trends 2015
Sustainable space & time use

RETHinking COMMUTING TIME AND UNDERUSED SPACE

Financial and operational optimisation are key factors to survive the fluid environment. Minimising costs and maximizing efficiency, both from a company perspective as from the workforce’s, is key here. Simultaneously, sustainability issues are gaining ground within the organisation of companies. A sustainable attitude is a condition for future success.

77% OF CORPORATE REAL ESTATE LEADERS REPORT PRESSURE FROM SENIOR MANAGEMENT TO REDUCE REAL ESTATE AND RELATED COSTS.1

In light of these trends, commuting is considered a loss of precious time as well as an environmentally unfriendly act. According to Jeremy Neuner, co-founder and former ceo of Nextspace and currently with the Workplaces Group at Google, 30 billion hours are lost in commutes every year in the USA. Next to the social and emotional prize of commuting, this comes down to a cost of $65 billion every year. Flexible working hours can be a solution to avoid traffic hours, but working from or close to home is another solution.

In the meanwhile, space is becoming more expensive. This is especially true for cities. Since many companies have a surplus of properties due to digitalization or flexible workers, this creates a situation where they are sitting on a lot of underused, yet valuable space. And they are very interested in getting revenue out of this office space.

30 MINUTES is the longest tolerable commute for most Millennials.3

In Belgium we spend 51 HOURS per person per year in traffic jams.

That means a monetary cost of €628 MILLION.

Rise in global office rents4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rent (€/sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>X</td>
</tr>
<tr>
<td>2014</td>
<td>X +7%</td>
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By 2030, 30% of corporate portfolios will comprise flexible space, including co-working and incubator and accelerator space.7

Where real estate used to be about acquiring, managing and building, properties have now become a strategic lever for transformation, enabling organizations to achieve broader business agendas. Everybody with excess space is starting to realize this. Even hotel chains, retailers, libraries and restaurants are getting in on the action. For owners, investors and landlords, coworking can help reduce financial risk by adding diversity to the size and nature of a building’s occupants. For corporate real estate groups, coworking spaces offer a solution for underutilized space, monetize space that is being held for future expansion or make it possible to hold onto space during cyclical downturns.

CASE COLRUYT

An interesting case, is the ‘Office On Wheels’-project by Belgian retailer Colruyt Group. The company lets employees commute from Ghent to their offices in Halle in a special bus, that is fully equipped and functions as an office. Their time on the bus counts as working hours, so the workforce avoids losing time in traffic. There is also the environmental factor: after 6 months, Colruyt had already cut the emission of 32,2 tons of carbon dioxide. Understandably, the retailer decided to prolong the test project for another two years.

CASE MAKRO

In the Netherlands, retailing company Makro is faced with unused square meters of store space following a scaling down of their non-food activities. In an attempt not to let this space go to waste, the company has joined forces with co-working tool Seats2Meet. Part of the 17 Dutch Makro stores is now open for entrepreneurs, freelancers and other professionals to come work and do business with each other. Makro hopes to revive these unused spaces and create extra traction to their stores.

1 Jones Lang LaSalle, 2015; Elevate to excellence: Global corporate real estate trends 2015
2 Inrix 2013
3 CBRE, 2016; How Millennials work and live
4 Cushman & Wakefield, 2015; Office Space Across The World
5 HOK & Corenet Global, 2016; Coworking Report: A CRE Perspective
6 Jones Lang LaSalle, 2015; Elevate to excellence: Global corporate real estate trends 2015
7 JLL Research, 2017
Cross-pollination ideation and innovation

CREATING AN IN-HOUSE ENVIRONMENT TO CONNECT WITH NEW IDEAS

The days where experts locked themselves up in a monastery with stacks of literature are well past us. The lone genius has officially become a myth that has outlived its usefulness. Nowadays, it’s key to participate in discussions built around specific themes. Coming to new innovative ideas happens through brain augmentation by connecting and exchanging ideas. In order to nourish new forms of thinking, solutions and processes that drive value creation and accelerate transformation, having an environment that can foster creativity and progress is vital. Contact with others sparks new ideas and possibilities.

Engaging effectively with innovators has become critical. To stay on top, multinationals are competing to build their own innovation ecosystems, for example by creating an incubator or co-working space for startups and innovators. This enables them to tap into exciting innovations as a large company. On the other hand startup companies know that working in the proximity of a big company will provide them access to resources, legitimacy, and the scope they need to catapult them into greater visibility and help them obtain new business opportunities.

CASE AT&T
Telecom giant AT&T operates six FoundryTM Innovation Centers whose aim, according to the Foundry’s website, is to “connect with cutting-edge innovators and technologies that will deliver new valuable products and services to our customers.” AT&T is positioning its Foundry Centers as places for developers to test their products on its network as well as for its researchers to develop some potentially groundbreaking solutions.

CASE GOOGLE
Google offers community hubs in Seoul, Tel Aviv, Madrid, Sao Paulo, Warsaw and London. The “Campuses” are membership-based accelerators with event and classroom spaces where entrepreneurs come to learn, share ideas, and launch startups. “We ourselves began in a garage nearly two decades ago and today we celebrate our entrepreneurial roots,” Google writes on the Campus website. “Google for Entrepreneurs partners with startup communities and builds Campuses where entrepreneurs can learn, connect, and create companies that will change the world.

CASE ALLEN & OVERY
International law firm Allen & Overy will free office space to legal tech startups from September 2017 onwards. Fuse, the specially designed space, can accommodate around 60 entrepreneurs and will allow early-stage and mature tech companies to work together with some of Allen & Overy’s top legal minds. Of course they have a special interest from businesses that specialize in legaltech (technology which supports legal advice), regtech (technology which supports regulatory compliance), dealtech (technology which transforms how companies transact and negotiate deals).

“Corporate coworking is part of the new way of working. Offering a space for coworkers in your company, brings in new ideas and a new dynamic.”

Caroline Van Keymeulen, founder & owner Agency C, coach, consultant, event manager, fulltime nomad for 2 years

OF LARGE COMPANIES BELIEVE IT IS IMPORTANT TO COLLABORATE WITH ENTREPRENEURS TO DRIVE INNOVATION.

OF COMPANIES EXPECT COLLABORATION WITH ENTREPRENEURS TO ACCELERATE DISRUPTIVE INNOVATION.

78% 42%
Collaborative co-created future

BENEFITTING OF PEER-TO-PEER AND NETWORKING THROUGH THE WORKPLACE

In the past years, we have seen the increasing rise of peer-to-peer platforms and the sharing economy, a system based on access to assets rather than ownership. This utilization of underused assets is not to be confused with platforms like Airbnb or Uber, that coordinate supply and demand of products and service, and allow renting out personal assets or providing services in order to make money outside of the traditional venues.

At the same time, the collaborative approach is also taking over the workplace, where networks are becoming more important. The most effective organizations are already using networks of teams. Organizations that recognize the power of networks are more likely to lead in innovation, as collaboration drives networked solutions and innovative thinking. The open and flexible locations bring together different professions and disciplines, that more easily converge. This way, co-working offers big businesses a new way of networking: it gives them the opportunity to mingle with startups and early stage entrepreneurs within their own space.

Shared office space becomes an extension of the company and gathers a community of young and passionate talent around it. These shared offices connect needs, not unlike what happens in the sharing economy: they allow to utilize underused space, split costs and exchange knowledge. The open and flexible locations bring together different professions and disciplines, that more easily converge. This way, co-working offers big businesses a new way of networking: it gives them the opportunity to mingle with startups and early stage entrepreneurs within their own space.

Microsoft has already been partnering up with startups for the past ten years. In 2008, the company launched an initiative called BizSpark, a program that offered free software tools for a period of three years to startups that were less than five years old and had less than $1 million in revenue. Within a couple of years, thousands of startups from around the world had signed up for BizSpark. This way, Microsoft built up long-lasting relationships with new and exciting companies from their very beginning.

In 2012, the software company went even further and started an accelerator program for startups that physically located them in a Microsoft facility. More recently, Microsoft established Microsoft Ventures, which provides an additional channel focused on making equity based investment in startups. So now Microsoft is providing shared office spaces, technical and business support and connecting startups to prospective customers, partners and collaborators. The idea is that if the starting company becomes a success, both parties will benefit from it. And this has happened already. Take StorSimple, the cloud storage company Microsoft acquired in 2012 after it was named BizSpark partner of the Year.

HOW FREELANCERS FELT AFTER SWITCHING TO COWORKING SPACES

68% had improved focus
64% reporting that it became easier to meet deadlines
62% claimed it had improved their standard of work
71% experienced increased creativity
81% of people who previously worked from home reported increased productivity

CASE MICROSOFT

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1 HOK & CoreNet Global; 2016; Coworking Report: A CRE Perspective
2 Deloitte University study; 2017; Global Human Capital Trends
3 CBRE; 2016; How Millennials work and live
4 Deskmag; 2012; Global Coworking Survey
Purpose economy

SOCIETAL IMPACT THROUGH SHARED OFFICES

Keeping your relevance in 2017 is about far more than just offering a good product or service. Excelling in terms of profit and sustainability is not enough, your company is expected to be innovative and outright virtuous. Aside from offering solutions to individual consumers, companies should also address societal issues. A relevant company has to be able to add value to both consumers and the world at large. Companies that refuse to take part in this simply have no future.

The concept of the triple bottom line demands that a company’s responsibility lies with stakeholders (anyone who is influenced (in)directly by the actions of the firm) rather than shareholders. It implies that the business entity should be used as a vehicle for coordinating the stakeholder’s interest, instead of maximizing shareholder profit. An important stakeholder is the employee. The flexibility of the workplace is a differentiator to drive high performance productivity and experience. Work is no longer a noun. It is a verb that defines people’s identity. In an era of talent wars and skills shortages, employers must do all they can to create appealing work practices, work policies and workplaces.

Innovation spaces are the physical manifestation of these economic demographic and cultural forces. Communal spaces help elevate what matters in today’s economy. Not only do they stir innovation, they also offer affordable space to (young) entrepreneurs and solve mobility issues. But the positive influence of shared office space can go even further. It is already being used as a tool to breathe new life into overlooked parts of cities, reshaping them.

REMOTE WORKING INCREASES EMPLOYEE ENGAGEMENT, PARTICULARLY FOR THOSE WHO TELEWORK ONE TO THREE DAYS A WEEK.

CASE: THE BASE IN HARLEM

A striking example is that of Startupmound, a company that provides an online tool and real-life events to connect startups with investors. Founder Ike Echebiri plans to launch a co-working and event space in Harlem, with the specific aim to revitalize the area. “The more innovation that comes from these overlooked neighborhoods, the more businesses it will attract. Also as more and more businesses work from a space the more foot traffic the neighborhood receives raising incentives to keep that area clean and safe”, he says.3

CASE ZAPPOS

Zappos invites the public to share its corporate offices and other spaces to make its employees smarter, happier, more productive and more creative. Recently Zappos debuted with a co-working lounge inside Las Vegas congress center, The Venetian. “Co-working encourages the sharing of ideas and what better place to do that than in the middle of the largest meeting space in Las Vegas,” said Maggie Hsu, an advisor at Zappos. “Our team members will be staffing the lounge and will share the Zappos service philosophy of ‘delivering happiness’ with every ‘collision’ they make with a guest.” Facilitating co-working spaces became a fresh way of marketing.

“SPACES WHERE DIFFERENT RELATIONSHIPS GET ESTABLISHED, ARE PLACES WHERE ORGANIZATIONAL AND SOCIETAL INNOVATION ORIGINATES.”

Geert Van Hootegem, Professor labor sociology at KU Leuven and Co-Founder at Prepared Mind

NEARLY

80% OF EXECUTIVES RATED EMPLOYEE EXPERIENCE VERY IMPORTANT (62%) OR IMPORTANT (38%), INTEGRATING SOCIAL, COMMUNITY, AND CORPORATE PROGRAMS, IS PART OF THE EMPLOYEE EXPERIENCE.1

OF EXECUTIVES RATED EMPLOYEE EXPERIENCE VERY IMPORTANT (42%) OR IMPORTANT (38%). INTEGRATING SOCIAL, COMMUNITY, AND CORPORATE PROGRAMS, IS PART OF THE EMPLOYEE EXPERIENCE.2

1 Gallup, 2017 State of the American Workplace
2 Deloitte University study, 2017; Global Human Capital Trends
3 Coworking Europe, 2016; Startupmound aims to revitalize neighborhoods in Harlem with co-working
The next generation's co-work preference

COWORKING SPACES HELP ATTRACT YOUNGER WORKERS

Today's young people are taking their lives into their own hands. They are hackers, finding ways to shape their lives to their needs, interested in driving incremental change. Business wise, they are becoming entrepreneurs by building and joining startups, which is starting to shape how and where we work. The number of co-workers is rising year after year. The younger generations often opts for shared office space, because they fit their needs more properly for different reasons.

Firstly, they are less expensive to rent than their full-office counterparts. This makes shared office spaces ideal for young businesses and startups with an entrepreneurial drive but a small budget. These spaces also imply less commitment: shared office space can be used monthly, but also weekly, daily and even hourly. This is a must when your needs change often, as they do with this generation. Lastly, shared spaces also imply fewer responsibilities towards the property. Cleaning and maintenance for example are usually taken care of by the building's owners.

GROWTH IN CO-WORKING MARKET (IN NUMBER OF WORLDWIDE MEMBERS)²

- 2015: 71%
- 2016: 63%
- 2017: 41%

COWORKING IS ONE OF THE FASTEST-GROWING SECTORS OF THE COMMERCIAL REAL ESTATE MARKET. THE TOTAL CO-WORKING MARKET CURRENTLY STANDS AT AROUND £15.75 BILLION. IN THE FEW YEARS SINCE THE CONCEPT BEGAN TO TAKE HOLD, THE INDUSTRY HAS GROWN TO INCLUDE MORE THAN 11,000 SHARED WORKSPACES AROUND THE GLOBE. THE NUMBER OF CO-WORKING CENTERS IS PROJECTED TO TOTAL MORE THAN 26,000 BY 2020.³

OF GROWTH IN THE INTEREST EXPRESSED FOR SUBSTANTIAL USAGE OF SHARED SPACE OVER THE NEXT THREE YEARS. CO-WORKING SPACE IS EMERGING AS THE MOST POPULAR FORM OF SHARED SPACE.⁵

OF MILLENNIALS MIGHT REJECT TRADITIONAL EMPLOYMENT/ BUSINESS AND CHOOSE TO WORK INDEPENDENTLY¹

71% 70% 63% 41%

78% OF MILLENNIALS SEE WORKPLACE QUALITY AS IMPORTANT WHEN CHOOSING AN EMPLOYER

69% WILL TRADE OTHER BENEFITS FOR BETTER WORKSPACE⁶

70% OF GROWTH IN THE INTEREST EXPRESSED FOR SUBSTANTIAL USAGE OF SHARED SPACE OVER THE NEXT THREE YEARS. CO-WORKING SPACE IS EMERGING AS THE MOST POPULAR FORM OF SHARED SPACE.⁵

Asides from the solutions shared offices provide to co-workers and startups alike, the added value of shared office spaces is also being recognized more. For one thing, these spaces offer huge networking opportunities. They are a perfect place to meet new and exciting people from the professional field, allowing this generation to expand their network - what they value more than any older generation.

Furthermore, shared office spaces offer opportunities for individual expression and a counterpoint to traditional office culture. The new generation does not comply with the old fashioned office structures. They are leaving behind everything from corporate hierarchies and the traditional working hours to social norms in business interactions.

So for occupiers and corporate real estate groups, coworking spaces help attract younger workers. More than three-fourths of coworking centers are located in urban and mixed-use submarkets that cater to today’s millennial workforce.⁶

¹ Cushman & Wakefield, 2017; The Occupier Edge
² Courting Europe’s 2017 Global Coworking Survey
³ CBRE, 2016; Coworking: A CRE Perspective
⁴ CBRE, 2016; How Millennials work and live
⁵ CBRE, 2017; EMEO Occupier Survey Report
⁶ CBRE, 2015; Elevate to excellence: Global corporate real estate trends 2015
CHANGING VALUES IN FAVOR OF OFFICE SHARING
Nowadays, employees expect an employer to offer more than just a stable income. They are looking at the values a company carries across, the office culture and the meaning the work offers them as employees. They want to be part of an organization that matches their personality, which in turn impacts the company, as it is influenced by the values of the workforce. This way, the notions of what a team can be, how an employer should behave and what a workplace can be, are changing. The power of co-working spaces is the unique alchemy that is the result of bringing together different people in one space.
The future workforce wants to be able to look for a job based on values, culture and goals. Jobsite WorkDifferent meets this demand, by only showing openings with companies that treat their employees fairly. CareerLabs takes it one step further and filters job listings based on criteria such as work-life balance, culture, staff satisfaction and even political preference.

"I work to have fun and to be a part of something. Making money is a pleasant outcome, but certainly not a goal in itself."

Freek Gille, Nerd Communications

Being motivated and fitting in with a company’s culture is crucial in HR. That’s why the American online retailer Zappos offers all new recruits a bonus of $2,000 to quit and leave the company after one week of training. The goal is to weed out those who are only there for a paycheck, and be left with people who really want to work for the company.

At MailChimp, company mascot Freddie represents all the values of the company. The monkey stands for contentment, joy, creativity and independence, things every employee at MailChimp identifies with.
In a review culture, employee engagement is a driver for brand reputation. A company that clearly takes this at heart is Google, who are also famous for creating incredible office places. Their Zurich offices have different themed Gondolas, including fake ski cabin design. There is also room to play sports, sing and dance, get a massage, an aquarium where employees can relax in a bath, a sky lounge, jungle and movie rooms, slides, fireman’s poles and much more.

The ability to have fun and relax are crucial in stimulating office culture. At LinkedIn’s headquarters, employees can blow off steam together by jamming in a special music room equipped with musical instruments.

The interior design of a working space is also a physical expression of the office culture. Brooklyn Boulders Somerville is a combination of a climbing gym and a shared office space. Taking a break here means having some exercise, not having that fifth cup of coffee.

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Work and life become intertwined

The traditional boundaries between work and personal life, between colleagues and friends and between the office and the rest of the world are fading fast. People started working from home, and then went on to co-working spaces, but now they can work from literally anywhere in the world. This has changed the notion of what a workspace can be. It is not just a building or a property, it is an environment that can help individuals and organizations achieve their life working ambitions. Careers are built in a more intuitive way, and inspiration from the outside world (possibly through shared office spaces) is more than welcome.
“When you give your employees temporal and spatial autonomy, their innovative behavior will increase.”

Geert Van Hootegem, Professor Labor Sociology at KULeuven and co-founder at Prepared Mind

9 IN 10 EMPLOYEES SAY THE FLEXIBILITY TO BALANCE WORK AND LIFE ISSUES IS IMPORTANT (36%) OR VERY IMPORTANT (55%) TO THEIR JOB SATISFACTION.¹

EMPLOYEES WITH THE OPTION TO WORK REMOTELY WORKED AN AVERAGE OF 19 MORE HOURS EACH WEEK BEFORE EXPERIENCING WORK-LIFE CONFLICT THAN THOSE WITHOUT THE OPTION.²

70% OF EMPLOYEES WHO ARE ALLOWED TO WORK AWAY FROM THE OFFICE SOMETIMES OR ALWAYS ARE HIGHLY ENGAGED AND HIGHLY SATISFIED, COMPARED TO JUST 30% WHO ARE NOT GIVEN THE OPTION.³

NEARLY 80% OF GLOBAL KNOWLEDGE WORKERS REPORT WORKING REMOTELY AT LEAST ONE DAY A WEEK.⁴

54% OF PEOPLE WORK AT HOME MORE THAN FIVE DAYS A MONTH.⁵

REMOTE WORKING ONE TO TWO DAYS A WEEK IS THE MOST POPULAR CHOICE ACROSS GENERATIONS.⁶

33.6% WORK REGULARLY FROM OTHER PLACES SUCH AS INTERNET CAFES, PUBLIC LIBRARIES AND CO-WORKING SPACES.⁷

¹ Society for Human Resource Management, 2015; Employee job satisfaction and engagement
² 36 Erickson, J. J., Ferris, M., Hill, J. E., & Holmes, E. K., 2010; Workplace flexibility, work hours, and work-life conflict: Finding an extra day or two
³ Steelcase, 2016; Steelcase global report: Engagement and the global workplace.
⁴ PGi Global Telework Survey, 2015
⁵ EYGM Limited., 2015; Global generations: A global study on work-life challenges across generations
⁶ JLL Research, 2017
⁷ EYGM Limited, 2015; Global generations: A global study on work-life challenges across generations
When it comes to where people want to work, the office is competing with off-site workplaces. Work Hard Anywhere is an app that allows flex workers to look for libraries, coffee shops or shared offices in their proximity, anywhere in the world.

Creative agency 25 & 30 proves both that work and personal life are intertwined and that location has become irrelevant. They are a Danish duo that works for their clients, while traveling around the world without any fixed address or business hours.

For digital nomads like them, there are tons of tools being developed to help pick their next destination. Nomad List, for example, lets users pick a city based on criteria such as ‘fast internet’, ‘warm’, ‘female safe’ and rent prices.

Nomad List allows you to move to a co-working and living space for a whole month. You can even bring your kids along! Call it a workation, a refreshing and inspiring combination of work and vacation.

Co-workations are a whole new approach to freelancing. They can also be taken as a team. Surf Office offers a sunny office space in Spain or Portugal where you can go with a whole team. You can have meetings at the beach, but also do hikes and beach games as a form of team building.
Jealous of well-to-do friends who do their “working from home” at a beach house in the Hamptons? SecondHouse lets members share a vacation home without the hassle of upkeep or mortgage.

The hospitality sector is also getting in on the action, offering new services aimed at the traveling professional. Hotel chain Marriott’s started the new Element Hotels, which offers the essentials of balanced travel for today’s standard and longer-stay traveler with blocks of private rooms built around a communal kitchen and living room.

For retailers, co-working spaces can be a new way to attract new people to their offline stores. Office supply shop Staples for example has partnered with co-working company Workbar to incorporate shared office space into select stores.

Even though self-driving cars and autonomous public vehicles will arrive in Columbus in 2019, they are not here yet. But while we wait, working on-the-go is already possible in traditional public transportation or on the office bus.
The continuous search for efficiency and productivity

The future workforce is constantly looking for a more efficient way of working. They want to customize the work sphere to their individual preferences in order to increase productivity. This may cause the working week (and day) to look very different from person to person, as “what is best” can differ a lot depending on preferences, sector, context,... To accommodate these specific needs as much as possible, the workplace itself also becomes a more flexible space. Where you are getting your work done, or how an office is designed depends on the wants of the employees and the employer. For some projects, it might be best to join the rest of your team at the office, but for other assignments, like creative projects, a more dynamic space may be more suited.
"Employees of all generations are prioritizing flexibility in their jobs, whether that be in the form of scheduling, location of even office setup. For many employees, flexibility in a job is more important than compensation and promotion."

PwC, 2015

In order to fully make use of available space, Dutch advertising agency Heldergroen has designed their workspace as a multifunctional flex office. The desks vanish after working hours so that employees can relax or go home. After 6 pm, there is space for recreational activities.

The office of design job site Coroflot is even more flexible. It is a mobile work unit built on a truck chassis that is made to be moved around. Furthermore, it is also modular on the inside: furniture can be arranged in an endless number of ways as tables can turn into shelves, benches into desks, and kitchenettes can pop up and disappear. This way, the same space can be used for different occasions.
Versatile and changeable furniture systems are necessary for the workspace of lean mindsets. German designer Konstantin Grcic has created a utilitarian flat-pack office system for Vitra featuring desks that can be turned into sofas.

Dutch brand Prooff made a range of office furniture named Office that aims to break free from existing furniture categories. The upholstered plush leaning posts are designed to encourage workers to have impromptu meetings or recline with their laptops.

Note Design created an office divider that can be easily rolled up and stored in a backpack for nomadic office workers who need more privacy.

A combination of design thinking and data can help fulfill the individual needs of employees. The new Deloitte office building THE EDGE in Amsterdam is a fully equipped smart office that recognizes your car when you pull up in the morning and automatically opens the gate to guide you to a free parking spot. The office app assigns you a desk based on your schedule for the day and whether you are in the mood for a standing desk or a place to concentrate. Once you start working, you can tweak the lighting or heat until it’s just right. The on-site gym tracks your progress through the app, that also remembers how you like your coffee.

The workplace needs to be more agile to embrace a liquid workforce, one that is highly flexible, mobile, commands work-life balance and promotes wellness. HubSpot’s new Dublin office has more than 270 desks that can switch between sitting and standing modes at the touch of a button along with conference rooms, collaboration spaces and “nomad desks” that give employees flexibility in where they work.
Wellbeing attention enters the workspace

The attention for healthy living and wellness has increased enormously in the last few years. At the same time, modern technology like wearables makes it possible to measure your own health, and you can find a lot of (pseudo-) scientific content on the internet guiding you to a healthy lifestyle. This obsession with wellness is increasingly playing a role at the workspace as well, as the awareness surrounding burnouts has grown. A healthy mind in a healthy body is considered the new basis for success. The take on wellness is more and more holistic, meaning that nature and sustainability are also included in this vision of healthy living. And in order to feel good, doing good helps too.
15% of employers are providing wellness facilities, yet only 36% of millennial employees want them.¹

The design of the workspace is approached holistically, with an increased attention for good lighting, temperature control, air quality and acoustics. RBC WaterPark Place, the new Canadian headquarters of Cisco, is a smart building that adjusts a.o. lighting and heat to the individual preferences of their employees.

WorkFlow is a shared working space in Washington D.C. with ergonomic furniture, natural light and on-site yoga and meditation classes.

HeadSpace, a guided meditation app with more than five million users, partnered up with Oyler Wu to make a nature-inspired, semi-enclosed personal space for meditation moments.

¹ CBRE, 2016: How Millennials work and live
A unique research project led to the design of LinkedIn offices that engage the five senses in order to boost employee wellbeing. The research helped determine what fosters different states in the brain, specifically, attention, focus, learning, evocative, simplicity and calm, which helps people work better. At the Milan LinkedIn office, for example, the company used different rooms to represent five typical locations in Italy: a theater, a restaurant, a tailor’s shop, a cellar and a garden.

Two hundred species of edible greens occupy a quarter of the office space at Pasona in Tokyo, where thousands of workers can consume harvested fruits, vegetables and rice right in the building’s cafeteria. A direct farm-to-table connection at work! Since IKEA launched the urban farm pavilion, this has become doable for everyone.

Whether or not allowing pets in the office boosts or hinders productivity is an often-debated topic. But there are lots of companies out there that allow folks to bring their pets to work, and they have a lot of good things to say about it. It is said to improve the work-life balance, serve as a social catalyst and help people de-stress.
Networks are more appreciated than they used to be. Companies are increasingly realizing that human contact and real-life meetings create value and knowledge. Therefore, it is interesting for them to make use of their internal network as much as possible, to not let any human capital go to waste. On the other hand, they also value the networks of their employees more. Places where different types of workers come together, are also gatherings of networks creating meaningful synergies. They spark innovation and are ideal for business development.
“In 5 to 10 years, one third of the people at your workplace will be students, jobseekers, or other people from outside the company. The workspace will be more open and have broader functions.”

Bert Boone, Werkplekarchitecten

Co-working founders have creatively started to target niche communities, specific sectors and professional groups. One Roof in Melbourne, for example, is a shared office space for female entrepreneurs, while Impact Bazaar is a co-working for social businesses that encourages collaboration between innovators and entrepreneurs by giving them access to premium resources to accelerate their ideas and impact.

While home remains the most common location for remote work, nearly four in 10 remote workers choose shared workspaces, coffee shops and other on-the-go locations.1

1 PGi., 2015; PGi global telework survey
In New York, shaving company Harry’s had its offices built as “a living office”, a hybrid workplace with different spaces for specific use. In some rooms, colleagues can have a chat, in others they can retreat to work on their own or organize meetings.

Hubba wants to boost the creative industry in Thailand. It is a co-working space for creatives with seven fully equipped artisan workshops: a darkroom for photography, a wearable arts room for fashion designers, a ceramic room for pottery, a woodworking room, a screening room for film and photography as well as lectures and seminars, and a “maker space” fully equipped with digital tools such as laser-cutting machines and 3D-printers.

The Corporate Campus of Dutch insurance company Centraal Beheer in Apeldoorn was also designed to ensure interaction between employees: the company had natural landscapes where colleagues can meet up integrated in the building.

How can we redesign the workplace to be more digital in nature, open and collaborative yet providing opportunities for development, growth and focus time? Much research now proves that the highest performing teams (and leaders) are those that are the most connected within and across the company. This is one of the reasons Zappos specifically picked a smaller office for their headquarters, as a way to maximize the number of encounters per day.
We have seen in this report that the modern workforce is changing, and that the mere concept of the working environment is evolving simultaneously.

The innovators trend of phygital nomads and the mainstream flexibilization of work and the workplace are converging, causing a huge shift in the workspace market.

In today’s world, corporations are forced to be more agile in their operations. This higher degree of flexibility also provides a means to make better use of the time and space at hand.

Modern companies want to avoid time wasting commutes and underused real estate properties. They have also realized the value of networking and collaboration, within the company as well as with external workers. These trends have lead corporations to embrace co-working spaces as a new way of working that fits the needs of young people.

These youngsters work at anytime from anywhere, since they do not draw a clear line between work and life. They are not interested in a 9 to 5 job in a traditional office space, but are looking for places and employers where they can work on their own terms, surrounded by like-minded professionals. Furthermore, they are increasingly open to collaborating with others and appreciative of real-life meetings with their peers.

Workers are offered the flexibility and freedom of multiple work locations, where they can work amid their peers with whom they form a community. As a member of this community, they can get fast and easy access to knowledge from their co-workers, and propose or exchange services.

For companies, the service replaces empty desks with a vibrant office space filled with innovative minds.

The tool turns underused office space into revenue, making it a place of knowledge exchange and acting as a real-time solution to the daily mobility challenges. It attracts new business, enhances their visibility on the market and positions themselves as a company embracing innovation. Last but not least, the service would give access to the most secure and reliable knowledge network in Belgium.

Imagine a phygital world where corporate office space and knowledge are connected....
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