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Real Estate Predictions 2021

The virtual office for Corporate Real Estate

**Where right sized workforce meets
best fit workplace**





The widespread adoption of remote working in 2020 has greatly shifted the role of the workplace within organizations. All indications point to a future where hybrid working is here to stay, as employees reap the benefits of greater choice in their working week and employers re-examine their real estate requirements. So how do real estate owners respond as the virtual office becomes a key component of working in the "new normal"?

Remote working is nothing new

Although the transition into remote working during 2020 has been tough for individuals, teams and organizations, it's nothing new. Since at least the peak oil crises of the 1970s organizations have been grappling with the idea of both geographically distributed and remote working. Advancements in personal computing and the internet have meant there have been few technological barriers to this phenomenon. COVID-19 has ultimately been the trigger for a widespread shift to take place, as an enforced critical mass of remote working to prioritize worker safety has forced us to overcome the perceived cultural barriers towards it. Now that remote working has become largely normalized, the traditional notion of a workplace could be changed forever.

Reimagining the role of the office

Mass adoption of remote working offers organizations the chance to reimagine the role of the office in a new real estate operating model. 2020 has witnessed the rise of the local community: a trend which looks set to stay, as people enjoy shorter commuting times and the chance to spend more time connected to their local area and its people and businesses. Organizations will look to a distributed real estate model, diversifying their office space mix across both a central CBD hub and co-working spaces or smaller offices in suburban and regional areas. This will allow staff to leave their homes to experience a greater separation between home and work life and connect socially with colleagues, while avoiding long commutes. This makes a lot of sense as people also

become increasingly aware of climate change and make conscious decisions to reduce their carbon footprint. Office spaces must be smart and flexible enough to facilitate these changes, as data becomes a critical component of workplace innovation.

Data is crucial

Data has a crucial role to play in the emerging workplace, driving the success of spaces, just as it does for the digital world. Workers will need to be equipped to seamlessly transfer between physical and virtual settings to work effectively with colleagues regardless of whether or not they're physically co-located. Smart building spaces equipped with a multitude of sensors are providing organizations with increasingly large volumes of real-time data on their workspaces. The more data-rich our spaces become, the greater value we can extract from them, driving up the cost per square meter of premium smart offices. Organizations will need strategies to effectively utilize this data to extract maximum value, resulting in a shift from a 'set and forget' approach to workplace design of the past to make spaces hyper-flexible and responsive to real-time needs. Concurrently, cyber will play an increasingly important role in organizational data security across the virtual office, enabling an efficient, hybrid workforce to work securely.

Best practice: Australia's Virtual Office

Our own thinking in this space comes as a result of the success of Deloitte Australia's Virtual Office. A small, dedicated team was created during mid-2019 with a human-centered approach to first understand and then deliver solutions for the remote

working needs of the firm's staff. Providing greater optionality to the staff was a key driver for the team's work, providing key resources, training and information to uplift our staff's remote working experience, regardless of where they choose to work from, including the new Melbourne and Pyrmont office spaces.

The time to embrace change is now

As the dust settles on a tumultuous year, the one factor that's emerging loud and clear is the groundswell of support for hybrid working to continue into a post-pandemic future. With remote working experience under the belts of nearly every organization globally, the time to embrace change is now. Real Estate operators can get ahead of the curve, adapting traditional approaches by reimagining the role of the office and their operating models by keeping employee choice, community and data front of mind. Hybrid working is here to stay, and those that embrace the resulting changes will reap the rewards.

Authors

Robbie Robertson
Partner | Customer Strategy & Experience Design | AU
rrobertson@deloitte.com.au

Rowan Muller
Partner | Customer Strategy & Experience Design | AU
romuller@deloitte.com.au

Contact

Alex Collinson
Partner | Assurance & Advisory | AU
acollinson@deloitte.com.au

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