



CUSHMAN &
WAKEFIELD



GLOBAL OCCUPIER PERSPECTIVE: FLEXIBLE OFFICE IS A POWERFUL PART OF YOUR WORKPLACE STRATEGY

In partnership with

wework





WeWork Salesforce Tower, San Francisco



Flexible Office's Role in a New Era of Work

Accelerated by the pandemic, companies and employees have reached an inflection point in redefining our world of work. Disappearing are the days when companies required their office employees to gather in a central place five days a week. As we navigate the adoption of hybrid work models, it's inarguable that the needs and expectations of both employers and employees are changing rapidly. These demands, amplified by tight labor markets, are forcing employers to act urgently. At the same time, as they quickly assess new hybrid models, organizations want to retain the inherent business value a traditional office environment provides: the chance to be creative, collaborate, mentor, learn, to build culture together and more.

Leaders are now asking, how can the flexible office space fit into a portfolio strategy? How does it compare to traditional offices and at home workplaces from an experience perspective? From a productivity and performance perspective? An engagement perspective?

A key question has become, "Can embedding flexible office space into the workplace ecosystem help companies and their employees find the right balance?"

To explore these questions and others, Cushman & Wakefield partnered with WeWork to develop a global workplace experience report, surveying 800 people working in WeWork spaces in London, Singapore, and New York. The survey is an extension of Cushman & Wakefield's Experience per Square Foot™ (XSF) survey, which gathered more than 6 million data points from 125,000 people on their workplace experience over the past five years. In the latest response from WeWork members, 94% of respondents are similar to the larger XSF sample – while they're working in a WeWork space, they're part of a large organization and are working alongside other colleagues.

Key Takeaways

While every company's office workplace and portfolio strategies will be unique, most leaders are confident their strategy will involve a combination of traditional offices, home offices and third places. **Our research with WeWork shows flexible offices are clearly a prominent, viable and proven option** in such an ecosystem. They have many of the same benefits of the traditional company office, and in some categories, can offer additional benefits that match the new hybrid approach employers are testing and employees are seeking.

There are good reasons to consider flexible office solutions, like WeWork, as a key part of the workplace ecosystem. It turns out that employees likely want to increase their current time in flexible office spaces and reduce remote time, whether at home or in third places such as libraries or coffee shops.

While people choose to work in flexible offices and traditional company office spaces for similar reasons, including the chance to collaborate, socialize and connect with others, three factors can drive a preference for flexible office spaces. The top three reasons employees will recommend flexible office space are that 1) the space feels like an extension of the employee's traditional office and culture 2) the space supports the employee's wellbeing and 3) the location offers both the right technology and right spaces for collaboration.

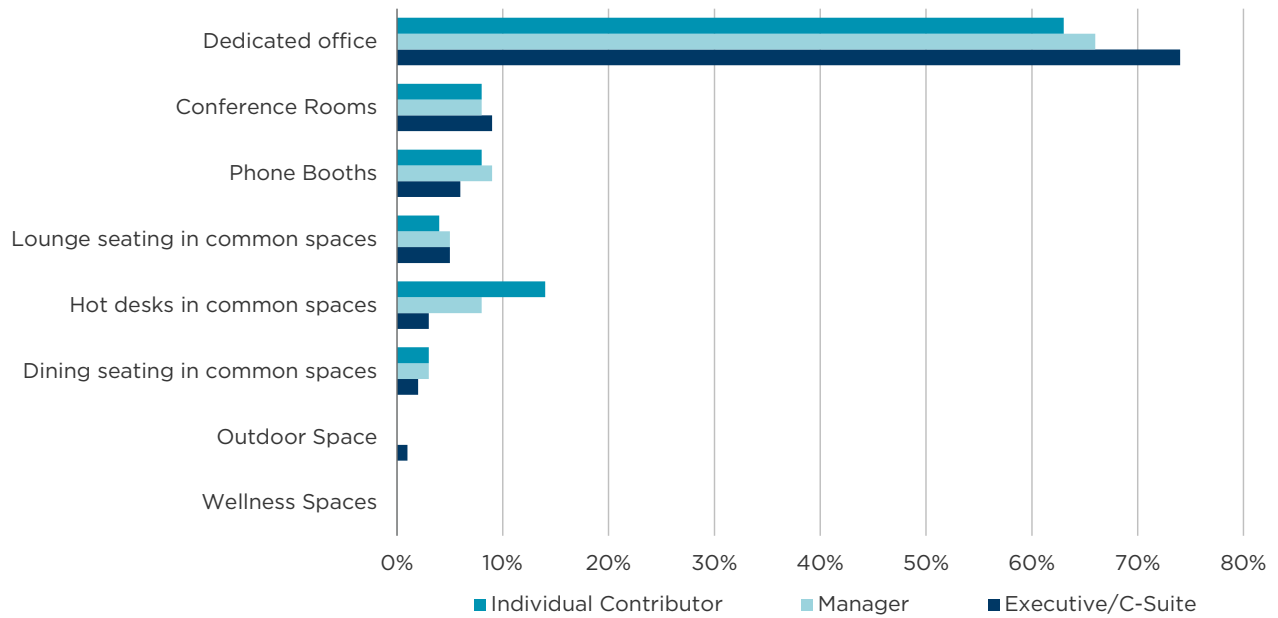
- + Both flexible offices and traditional offices provide an environment that allows for focused work.
- + Flexible office space is seen as preferable over the traditional office for enabling productive collaboration and supporting energy levels. The traditional office is ranked as preferable by employees for providing the kind of space they need, and to feel most motivated.
- + People who use flexible office spaces want to increase their usage up to half of their work week, increasing by 19% from current levels while decreasing their remote working time by the same percentage.
- + Executives, managers, and individual contributors view the benefits of flexible office spaces differently. Individual contributors value the opportunity to connect with people and socialize. Executives value flexible office spaces as a serious place to do work, and managers are somewhat in the middle, valuing some of what both executive leaders and individual contributors value.
- + In our sample of WeWork members, employees spent most of their time in company-dedicated spaces within the flexible office space. We anticipate that this practice would allow companies with like approaches to be similarly successful in building company culture in flexible office space locations.
- + The data shows that employees across various industries can work successfully in flexible office space. Organizations should feel confident in making investments in flexible office locations as part of a diverse office ecosystem.



WeWork Redstone Building, Newport Beach



What percentage of your working hours do you spend in the following areas in your flexible office?



Source: WeWork + C&W Workplace Experience Survey (n=808)



Office Workers Prefer a Choice in Work Locations

Traditional and Flexible Office Share Some Appealing Attributes...

Survey respondents in WeWork spaces indicate that flexible office space appeals to them for the same kinds of reasons as a traditional office does.

Nearly 50% of survey respondents indicate that the traditional office is the best place to get to know and socialize with colleagues; 32% indicate socialization is the primary reason to choose flexible office space.

The ability to easily socialize ranks as the top reason people choose both types of workplaces over working from home, though it is notable that respondents are one and a half times more likely to indicate a traditional company office is the place to go to socialize versus flexible office space options.

Survey respondents feel being in an office makes collaboration easier, selected by 34% for traditional and 31% for flexible office spaces. Connectivity is a third primary reason people choose to work in both traditional and flexible office spaces, as respondents note they feel more connected to their organizations, their colleagues and to the outside world relative to working at home (94% of survey respondents work at a company in WeWork space and work with colleagues from their respective organizations in the spaces).



People choose to work in flexible office and traditional company office spaces for similar reasons—largely *to socialize, collaborate and feel connected*. They choose remote work for very different reasons.

...While the Appeal of Remote Work is Distinct



Work-life balance is the only common factor highly cited as a reason to work in all three categories — traditional office, office, flexible office and remote work.

While the reasons people choose flexible office space and traditional office options are largely similar, the reasons they choose remote work are almost entirely different.

Survey respondents cite the chance to avoid commuting as the top reason to work from home. Chosen by the wide margin of respondents (61%), avoiding a commute is the number 1 reason to choose one of the three locations—traditional office, flexible office space and remote. That's likely because commuting can create lost time and productivity, negative impact on wellbeing via increased stress and energy erosion, and in many cases, a significant cost to employees.

The second most common reason (48%) respondents cite to choose remote is to enjoy greater flexibility. That's followed by the ability to experience a **better work-life balance** (chosen by 47% of respondents) and the **ability to focus** (noted by 40%).

Interestingly, work-life balance is the only common factor cited for traditional office, flexible office space, and remote/home, suggesting that each part of a diverse office ecosystem can support work-life balance.



How Flexible Office Space and the Traditional Company Office Compare

Top Reasons People Choose Each Location	Traditional Office	Flex	Remote/Home		
Easier to socialize	48%	Easier to socialize	32%	Avoid the commute	61%
Better work-life balance	40%	Easier to collaborate	31%	Greater flexibility	48%
Easier to collaborate	34%	I feel more connected to the outside world	28%	Better work-life balance	47%
Access to tools	27%	Better work-life balance	27%	Easier to focus	40%
I feel more connected to what's happening in the business	20%	I prefer a business environment	26%	I prefer a casual environment	27%

When we look at the self-reported performance of employees who work in flexible office locations versus at their company office, we see some key differences.

- + Both space types support employees' ability to do their best work, to focus and connect with others.
- + Traditional office is the preferred place to access the kind of space employees need to do their jobs. It's the place where employees feel most motivated and where they largely have the fewest distractions compared to flexible office space.
- + Flexible office space, on the other hand, rates higher than traditional offices do as the go-to place for productive collaboration and to support energy levels.

Collectively, this data suggests that having a flexible office space as part of a workplace ecosystem can better support a hybrid work model than one that solely utilizes remote work and traditional offices. With flexible offices, organizations can see enhanced employee collaboration and energy, while having levels of self-reported employee productivity, connection and focus that are largely on par with that in traditional offices. Additionally, flexible office space options may offer some employees the opportunity to avoid long and costly commutes, a major disincentive to returning to the traditional office.

How Flex Stacks Up to the Company Office



Source: WeWork + C&W Workplace Experience Survey (n=808), C&W Experience Per Square Foot™ Survey (n=26,570)

* Statistically significant at the p<.05 level; **Values are not statistically significant at the P<.05 level

Employees Who Use Flexible Office Space Want to Use It More

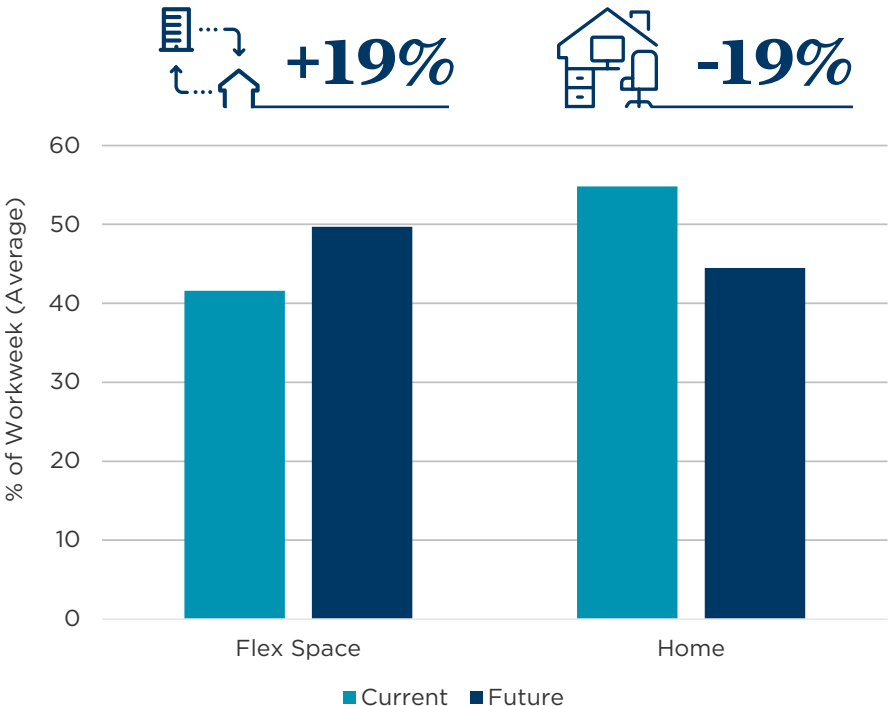
People who use flexible office space want to increase their utilization up to half of their workday while decreasing their remote working time. When asked where they currently spend their work week, users of WeWork spaces said they spend on average about 40% of their week in flexible office space (a WeWork space), about 55% of their time at home, and the rest of their time in other places.

When asked where they would like to spend their time in the future, respondents say they want to be in flexible office space about 50% of the week, and reduce their time at home to about 45%, a reduction of 19% of their time.

The desire to spend more time in flexible office spaces may be because it offers employees what remote work doesn't—the ability to make human connections, to more easily socialize and collaborate, and to feel more connected to their organizations.



What percentage of your workweek do you currently spend in the flexible office and what do you want to do in the future?



Source: WeWork + C&W Workplace Experience Survey (n=808)

How Different Organizational Roles Value Flexible Office Spaces

As one might expect, the flexible office space workers in our sample have different opinions about the value of flexible office space when viewed by role. One key benefit that individual contributors, executive leaders, and managers all recognize and agree on is that flexible office space supports collaboration. From there, opinions diverge.


Individual contributors most value the opportunity to connect with people and socialize in a flexible office space. Given that many individual contributor roles often require heads down work, both flexible office space and traditional space may give people in these roles needed connection they don't get when working remotely.

Conversely, most executive leaders and managers are likely doing less heads down work and are more active in projects, tasks and meetings that offer frequent opportunities for socialization and collaboration. As a result, they may place less value on having opportunities to socialize in a flexible office space.

Executive leaders value the flexible office space as a place to do work. In fact, the number one reason executives choose a flexible office space is because it provides a business environment that the home workplace can't deliver. They rank feeling more productive second. While avoiding commutes is the number one reason overall that survey respondents say they prefer to work at home, executive leaders have a somewhat different point of view. About 27% of them indicate that they like commuting and thus like that flexible office locations give them an opportunity to commute. It's the number three reason executives prefer going to a flexible office space.


Managers' opinions on the value of flexible office space span the perspectives of both executive leaders and individual contributors. Like individual contributors, managers value how flexible office space provides a chance to connect and collaborate with people, and to help balance their personal and professional lives. And like executive leaders, managers also appreciate the business environment inherent in flexible office locations.

Top Reasons Employees Choose Flexible Office, By Role



Executives/C-Suite

I prefer a business environment	36%
I am more productive	32%
I like the commute	27%
Easier collaboration	24%
Better workspace setup	22%



Managers


Better work-life balance	28%
Easier to socialize with others	27%
Easier collaboration	27%
I feel more connected to the outside world	26%
I prefer a business environment	25%



Individual Contributors

Easier to socialize with others	38%
Easier collaboration	32%
I feel more connected to the outside world	28%
Better workspace setup	25%
Better work-life balance	24%

Source: WeWork + C&W Workplace Experience Survey; only includes responses for those who say their company does not mandate working in flexible office (n=385)



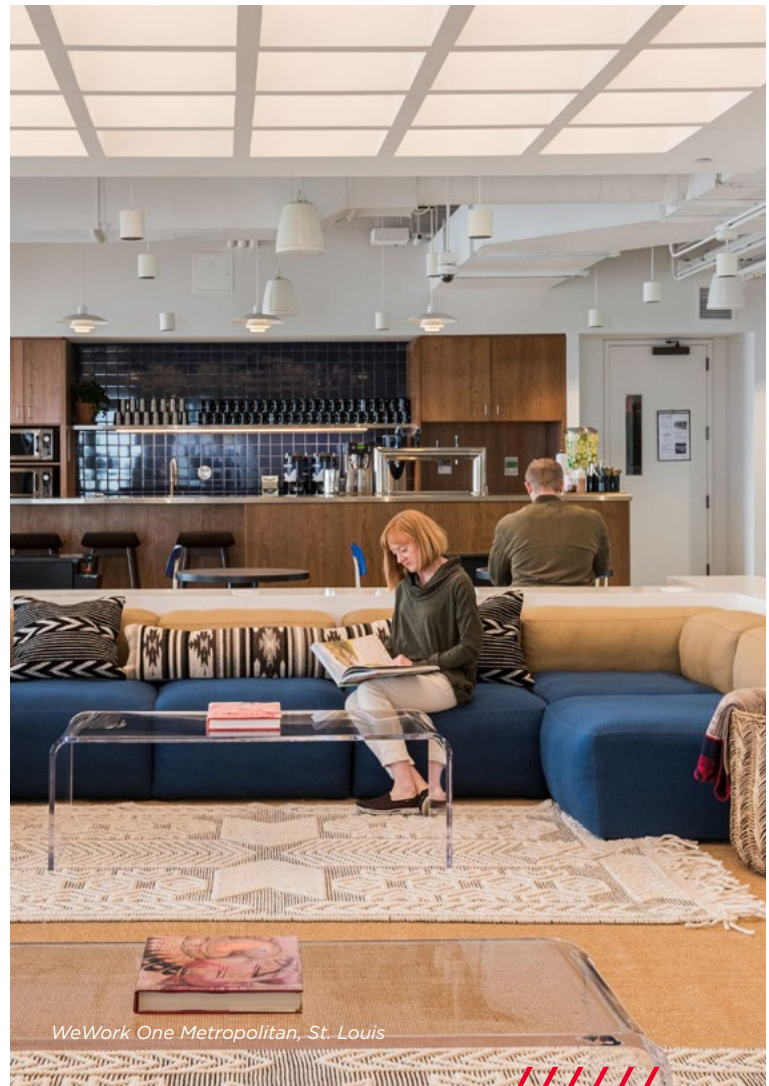
Why Employees are Likely to Recommend Flexible Office Space

The primary reasons people say they work in flexible office space are to socialize and connect with others. But what if we take a deeper look? We used regression analysis—a statistical method to determine which variables have the greatest impact on an outcome of interest—to uncover what aspects of flexible office space (a WeWork space, in this case) have the greatest influence on member loyalty and satisfaction. Regression analysis helps us understand what about a flexible office space makes employees more or less likely to come back to flexible office space and, importantly, recommend it to others.

The outcome we analyzed was the likelihood to recommend flexible office space—an industry-standard measure of customer satisfaction and loyalty. Below we outline the top factors that influence a member’s likelihood to recommend. These factors are critical for occupiers to consider as they select a flexible office space provider and for flexible office providers to consider to attract clients.

- + Employees who say that their flexible office space feels like an extension of their company office culture are more likely to recommend flexible office space to others. This suggests that if an organization can bring its culture to life within a flexible office location, a flexible office space can be a vital component of a total office ecosystem.
- + Additionally, employees who feel like flexible office space offers both the right technology and spaces for collaboration are more likely to recommend flexible office space. This echoes other survey feedback that indicates employees see the flexible office space as an important collaboration destination.
- + Importantly, it’s not just about collaboration. Employees who say they have the right spaces for heads-down, focused work are also more likely to recommend flexible office space.
- + Finally, employees who feel like flexible office space supports their wellbeing and inspires them are more likely to recommend it.

From this data, we surmise that companies who choose flex providers that meet some or all these criteria are likely to see a high level of loyalty and satisfaction among their employees who frequent the space. As such, any workplace planning for these kinds of spaces should assess these criteria upfront and measure their health frequently to ensure the flexible office space is meeting the needs and expectations of employees.



Regardless of Industry, Flex Office Space Enables Best Work

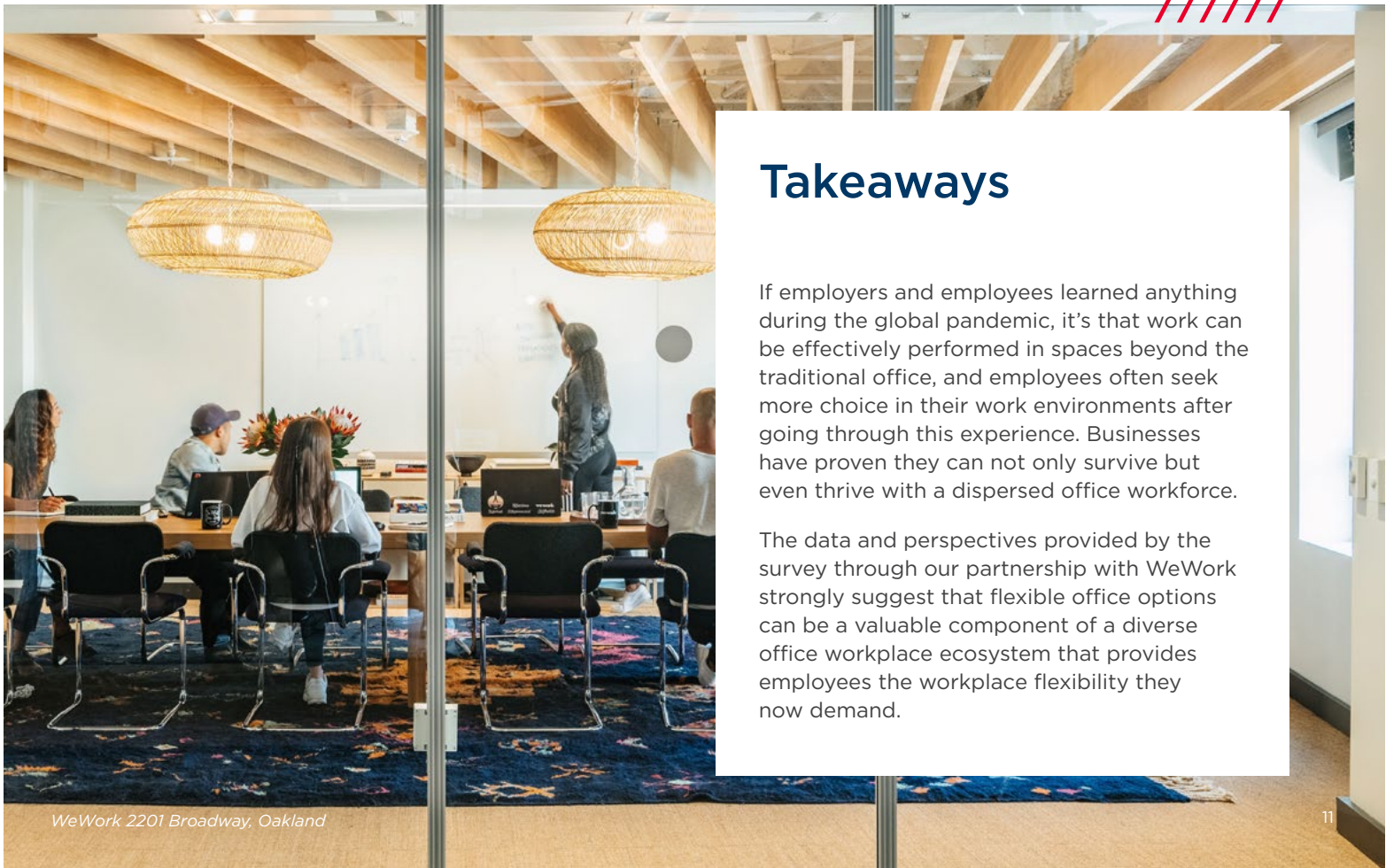
By and large, across most industry types, the vast majority of survey respondents agree that a flexible office space allows them to do their best work. Most industry categories reflect at least 70% agreement, and a strong majority of employees (76%) in the business and professional services industries agree with the sentiment that a flexible office space enables great work.

With this data, organizations regardless of industry should feel confident that flexible office locations can be part of a diverse office ecosystem that supports employee flexibility and strong employee performance.

% Agreement: “In flexible office, I am able to do my best work”

Business and Professional Services	76%
Finance, Insurance, Real Estate	71%
Marketing / Media	63%
Technology	70%
Other	83%

Source: WeWork + C&W Workplace Experience Survey (n=808)



Takeaways

If employers and employees learned anything during the global pandemic, it's that work can be effectively performed in spaces beyond the traditional office, and employees often seek more choice in their work environments after going through this experience. Businesses have proven they can not only survive but even thrive with a dispersed office workforce.

The data and perspectives provided by the survey through our partnership with WeWork strongly suggest that flexible office options can be a valuable component of a diverse office workplace ecosystem that provides employees the workplace flexibility they now demand.



ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and approximately 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.



ABOUT WEWORK

WeWork Inc. (NYSE: WE) was founded in 2010 with the vision to create environments where people and companies come together and do their best work. Since then, we've become the leading global flexible space provider committed to delivering technology-driven turnkey solutions, flexible spaces, and community experiences. For more information about WeWork, please visit us at wework.com.

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