

Colliers launches Global Occupier Outlook 2023: Navigating the Future of Change

APAC occupiers challenged by complex, inconsistent hybrid work models

Most aiming to redesign workspaces to align with new work environments

Flex space at the forefront of hybrid working models

SYDNEY|SINGAPORE, Monday 3 July 2023 – Colliers' ***Global Occupier Outlook 2023*** report has found APAC office occupiers are grappling with the complexities of the hybrid work model as they attempt to strike a balance between providing employees with desired flexibility and realigning their portfolios for the next evolution of the workplace.

The new report features insights from clients, surveys, and Colliers experts to zero-in on the fundamental forces reshaping workplaces, workforces and property portfolios, and to serve as a definitive guide for occupiers aiming to construct resilient real estate strategies for a highly uncertain future. It reveals that the hybrid work model presents an ongoing challenge for APAC occupiers, as it remains inconsistent across markets and industries.

A lack of clarity and macroeconomic uncertainty are posing challenges for businesses in projecting their space requirements and, according to Colliers' experts, many businesses are approaching their decisions on office take up and investment more cautiously.

Additional report findings include:

- Across industries, occupiers are in the process of reassessing their current office footprint to determine the most optimal mix for their employees.
- Employees want the best of both worlds. While more than 65% of workers are seeking more in-person time with their teams, 70% of workers want flexible work options to continue.
- 66% of business decision-makers are considering redesigning physical spaces to better accommodate hybrid work environments.

- The growing urgency to attract and retain talent is prompting companies to consider alternative workplace solutions and new locations.
- Flex space has been brought to the forefront by the hybrid working model and has helped occupiers optimize costs and ensure employee flexibility.
- Integration of smart technology, digital infrastructure and smart facilities can help attract tenants and achieve greater operational efficiency, reduce energy consumption and higher customer retention.
- Companies across the globe are investing in ESG and DEI initiatives, including green design, tech-enabled features that promote higher health & safety, wellbeing amenities, and inclusive workplace environments.
- Demand for green certified buildings will continue to rise as occupiers continue to seek eco-friendly buildings that meet environmental, energy, and health standards in their design, construction, and performance.

"The APAC region is undergoing a significant transformation in the way workspaces are perceived and utilised," said **Sam Harvey-Jones, Colliers Chief Operating Officer, Asia Pacific**.

"While challenges persist, this period of change presents unprecedented opportunities to reimagine the role of space and explore new approaches that cater to evolving employee needs. Our new research finds APAC occupiers are shifting from an 'inward' business view of what's important in an office or location, to an 'external' view of what locations give their employees access to in terms of culture, lifestyle and wellness," he added.

Mike Davis, Colliers Managing Director, Occupier Services, Asia Pacific said: "Adopting technology solutions such as digital tools and dashboards is critical for addressing the challenges posed by the hybrid workforce. These tools enable occupiers to optimize space utilization, implement safety measures, and make data-driven decisions. Colliers itself has developed several tools that integrate various data sources to provide a comprehensive view and facilitate informed decision-making."

The **Global Occupier Outlook 2023** report features insights from, and resilient strategies being adopted by, real estate decision makers to prepare for an uncertain future, adapt to emerging market trends and overcome unprecedented challenges. It highlights efforts being made by

leading global companies to strengthen processes, build resilience, and meet complex needs, with the aim to enrich the workplace experience.

Shining a spotlight on the ESG framework and the adoption of pioneering technology, the importance of a sustainable workplace is highlighted. Since more than 65% of workers are seeking more in-person time with their teams, companies across the globe are investing in green design, tech-enabled features that promote higher health & safety, and wellbeing amenities, among others. Other crucial factors occupiers are focused on include the right location, DEI initiatives, digital tools, and a precise portfolio mix.

Across the APAC region, occupiers are keen on realigning their office portfolios to meet business needs while providing the flexibility employees' desire. The right portfolio is key to keeping culture intact, attracting and retaining the best talent, and controlling operational costs.

In a survey by Colliers, in partnership with CoreNet Global at its 2023 APAC Summit, 66.6% of the 206 real estate industry leaders polled predicted that over the next five years up to 20% of their lease portfolios will be converting from traditional to flex leases. Some 30% of the APAC occupiers in the survey expected 20-30% reduction in required space for their businesses.

"While the challenges can't be understated, there's every sign that with the ongoing transformation of work and the workplaces come new chances for organizations to reduce dependency on certain locations or old, at times destructive, ways of working," said **Mr Harvey-Jones**. "The field is wide open for the complete reinvention of approaches to sourcing talent, design and using spaces, and measuring performance. From better building materials to new platforms for virtual interaction, a host of exciting solutions and practices are coming to the fore that promise to help occupiers break new ground, whether in boosting the performance of buildings, or developing more integrated hybrid teams."

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