



Embracing the reimagined workplace

Remaining competitive by fostering connectivity

This study was conducted by Wakefield Research amongst 1,000 U.S nationally represented office workers.



Competition for building owners is at an all-time high

The commercial office industry is in a state of transformation. Converging macro trends are impacting offices across their lifecycle from how they are used by occupiers, through to investment strategies and valuations.

As landlords and flex workspace operators continue to assess how they remain competitive and deliver compelling propositions in an evolving environment, the topic of in-building technology and its potential impact, has become central.

What the future of the office looks like is still being debated. However, it is largely accepted that occupier demands are playing an even bigger part in the conversation. They are demanding better, more consistent and seamless experiences, that enhance their environment and productivity. The impact of not adapting and delivering more modern office assets in line with changing occupier demands could have a detrimental long-term impact.



Occupiers are more alert to the benefits of in-office technology, and as such are actively seeking those locations that can enhance their workplace experience, rather than ones that create daily frustrations. When implemented correctly, in-building technology and the provision of digital services should be seamless and invisible to the occupier. When this doesn't happen there can be negative impacts – which is why it is so important for landlords and flex workspace operators to have a holistic approach to their tech stack, building from a strong foundation.

Some believe that in order to bring a building up to the standards occupiers are demanding, that millions (or more) in investment will have to be made. However, by investing in the right type of technology delivering assets that are flexible and digital-first is achievable

without a full retrofit and can generate outside returns on the investment.

By implementing the right software and technology across buildings, spaces and portfolios cost effective changes can be made for immediate, and longer-term benefits such as time to value, increased operational efficiency and the ability to deliver the seamless and consistent experiences occupiers demand – which has a direct knock-on effect to tenant acquisition and retention.

With this research, we have aimed to understand the needs of occupiers, and the answer is clear: flexibility and digitalization. By understanding more about the needs of occupiers the importance of investment into technology becomes clear.

Working from home is great, but the office is human

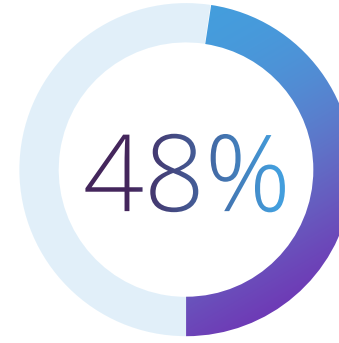


You simply can't replicate the human element of being in the office.



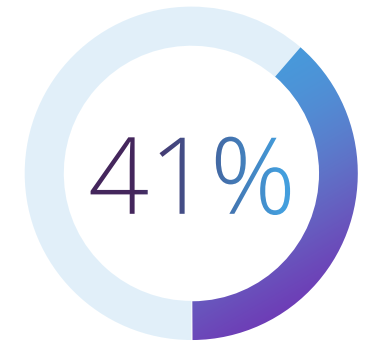
50% said, "Keeps me in a structured routine"

Structured routines not only help encourage healthy habits like lower stress levels and better sleep, but they also help to maximize efficiency with time.



48% said, "More collaboration with colleagues"

While working in a remote setting has various perks, it's difficult to replicate the many positive impacts that working together in person provides like building teamwork and better problem solving.



41% said, "Ability to meet with my boss or supervisor"

With easier accessibility to a manager, there are more opportunities to establish rapport, build comfort and develop an overall better relationship.

Flexible working: it's not you, it's your office space

Having the right technology, as well as the amenity space, is critical.

81%

Findings show that 81% of office workers are frustrated with their current office experiences.

50%



But office workers said, on average, **only half (50%)** of the technology in their offices has been upgraded for flexible work.

2023 U.S. Office Occupier Sentiment Survey | essensys



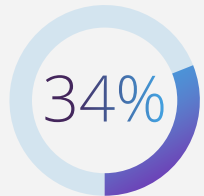
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Amenities only go so far

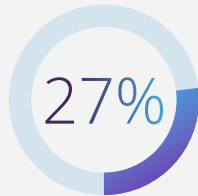
Only 1 in 5 office workers admit that amenities are what bring them back to the office.



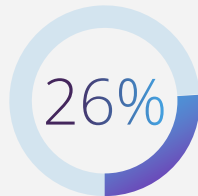
63% of office workers claim that technology and flexible workspaces are the reason they come to the office, substantiating the importance of a tech-forward workplace. Of those office workers:



34% like the convenience of the space and layout

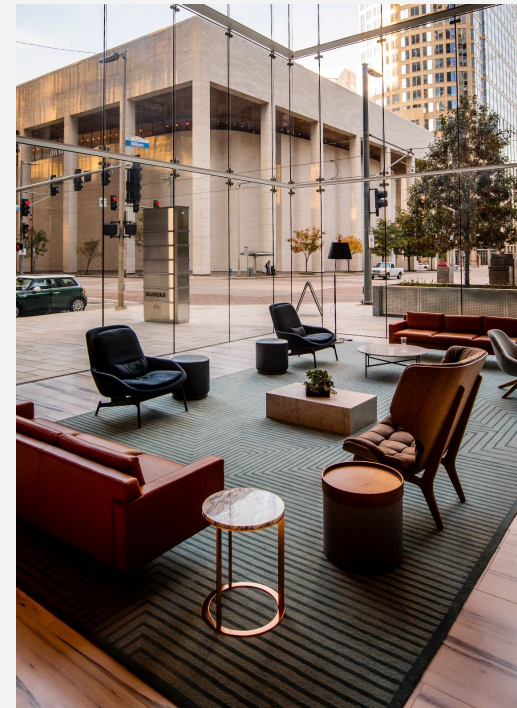


27% like having access to multiple workstations



26% value more reliable WiFi

“Many of the conversations we have had on the return to the office have been around investment into top-of-the-line amenity space. While creating an attractive physical space fit for purpose is important, it’s only one part of the puzzle. Our research revealed that the real driver is access to in-office tech.”



“With so much to compete against, technology can’t be overlooked as a tool in shaping the future of the office. We’re seeing a correlation between frustration with the office experience and the ability of smart technology in a building to attract office workers. Against today’s backdrop of decreasing vacancy rates and economic uncertainty, this can’t be, nor should it be ignored. The modern office is completely changing – embracing flexibility and digitalization; if real estate strategies don’t evolve quickly and support today’s occupiers, there will be even tougher roads ahead in the fight to remain competitive and relevant.”

Daniel Brown
Chief Revenue Officer | essensys

Does investing in office tech truly make a difference?



James Shannon
Chief Product & Technology
Officer | essensys

Investment into technology has the ability to have a profound effect on the office environment. However, it is not just about implementing technology it is about implementing the right technology.

Occupiers are demanding office experiences that are seamless, consistent and mitigate friction to them interacting with their environment, therefore increasing productivity. Technology that is impactful will be invisible – it is only when something goes wrong that it becomes evident as friction is felt.

As such it is important that a holistic approach to a building's tech stack is taken, instead of looking for single-point solutions that only solve isolated problems. Taking an ad hoc approach can lead to inconsistencies and breaks in a seamless experience.

Investing in the right technology can not only have an immediate positive impact, but it will also have a lasting impact for the future as technologies continue to evolve. Taking a strategic approach to tech investment will mean that efficiencies can be built on, cost savings at scale realized, and buildings adapted to occupier demands and changing market dynamics.

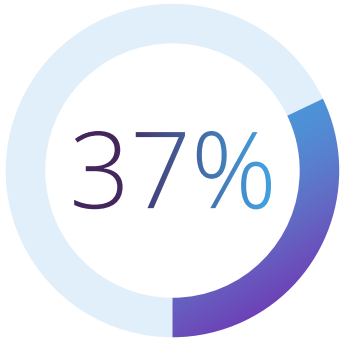
As the world becomes more flexible and digital technology is the key to unlocking the potential across buildings, spaces and portfolios – and importantly enhancing experiences. Conversely without technology, workspaces are more likely to become outdated and incapable of transforming in-line with customer expectations. This could have a detrimental knock-on effect not only impacting the value of a building, but the workforces' decision to utilize office space.



56%

56% of workers said that the technology in their office building enhances their ability to work.

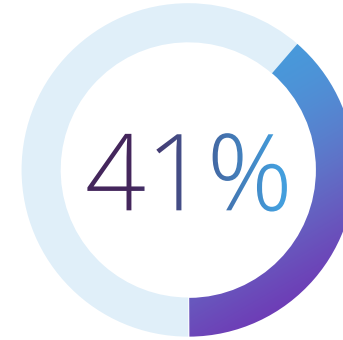
Inadequate tech can actually be a deterrent



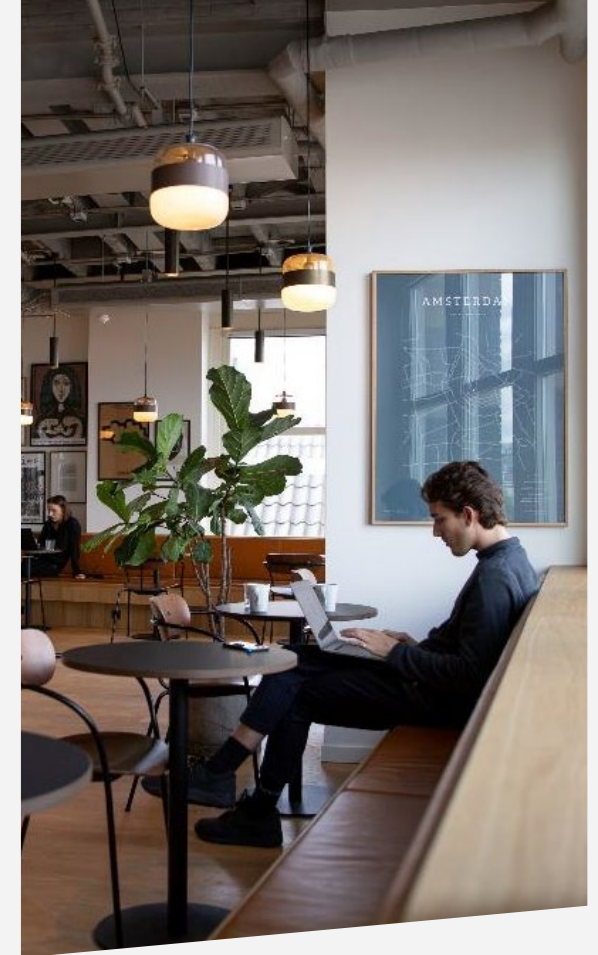
More than 1/3 of office workers said they get frustrated with the tech in their office.



Only 26% of U.S. office workers prefer to come to the office for a stronger internet connection, showing that other places of work are out-performing the office for connectivity.



Almost half of office workers find that simple tasks take too long when working in the office due to the standard of in-office technology.



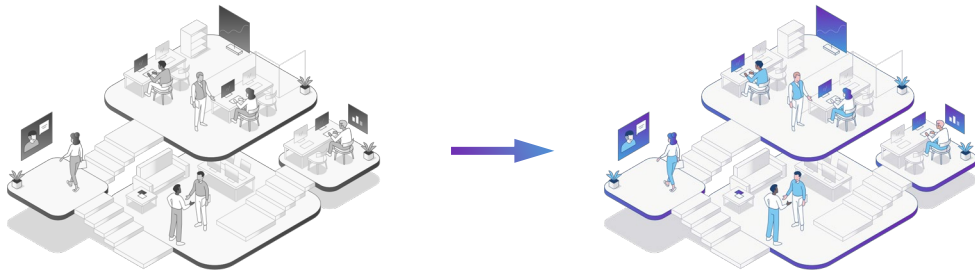
Workers' expectations are growing more and more



76%



76% of workers said there is a gap between the technology currently offered in their office and the technology they believe can enable the office experiences they need to do their job effectively.

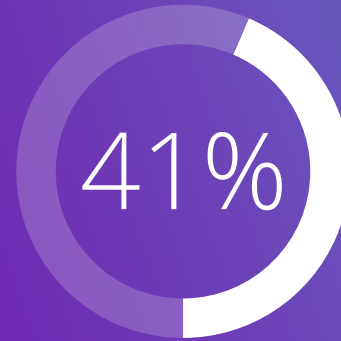


This tech gap is significant.

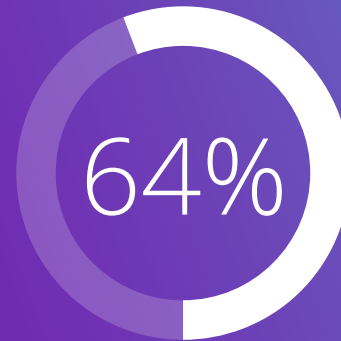
Of those that identified a gap, 2 in 5 (49%) said that this gap is moderate to massive.



Communication is key and it starts with the landlord



41% of office workers believe that the technology their company believes is 'good enough' does not provide the office experience they need to do their job effectively.



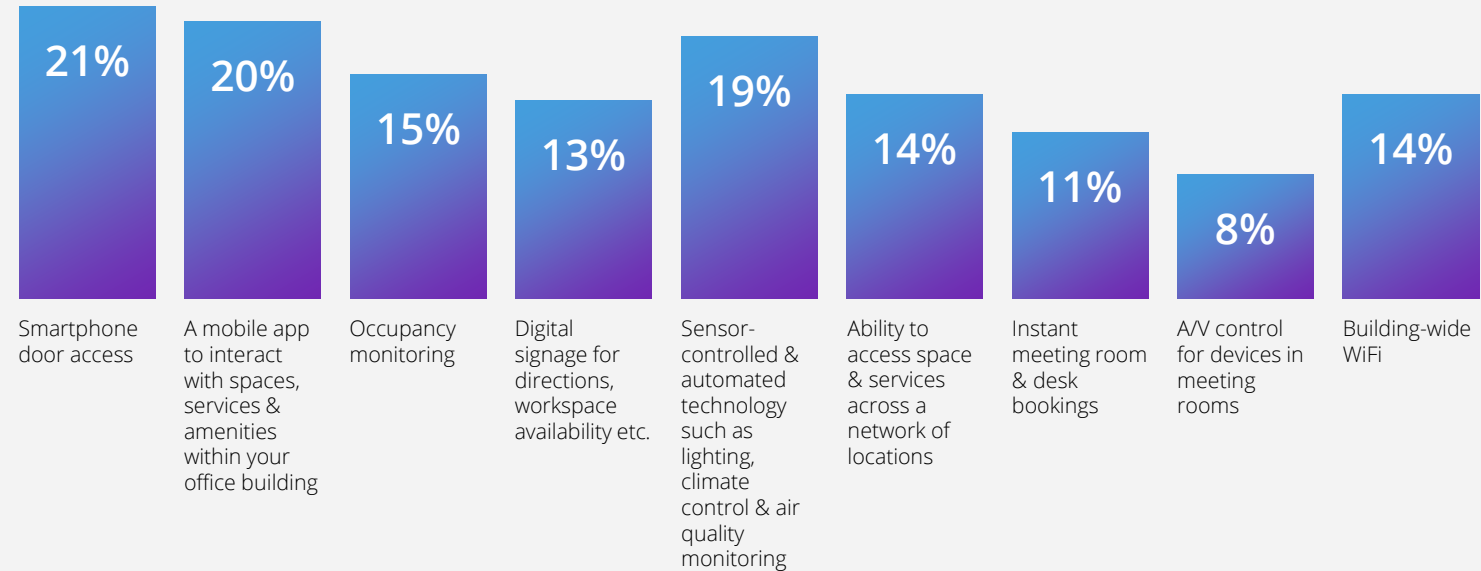
This is especially high (64%) where there is a gap between the current technology provided and the desired technology, and where technology has not been upgraded for flex (48%).

What's going to help move the needle?

83% of office workers said that if their office building had these technologies, they would be more productive.



Types of technology that workers said would entice them to go into their office building more:

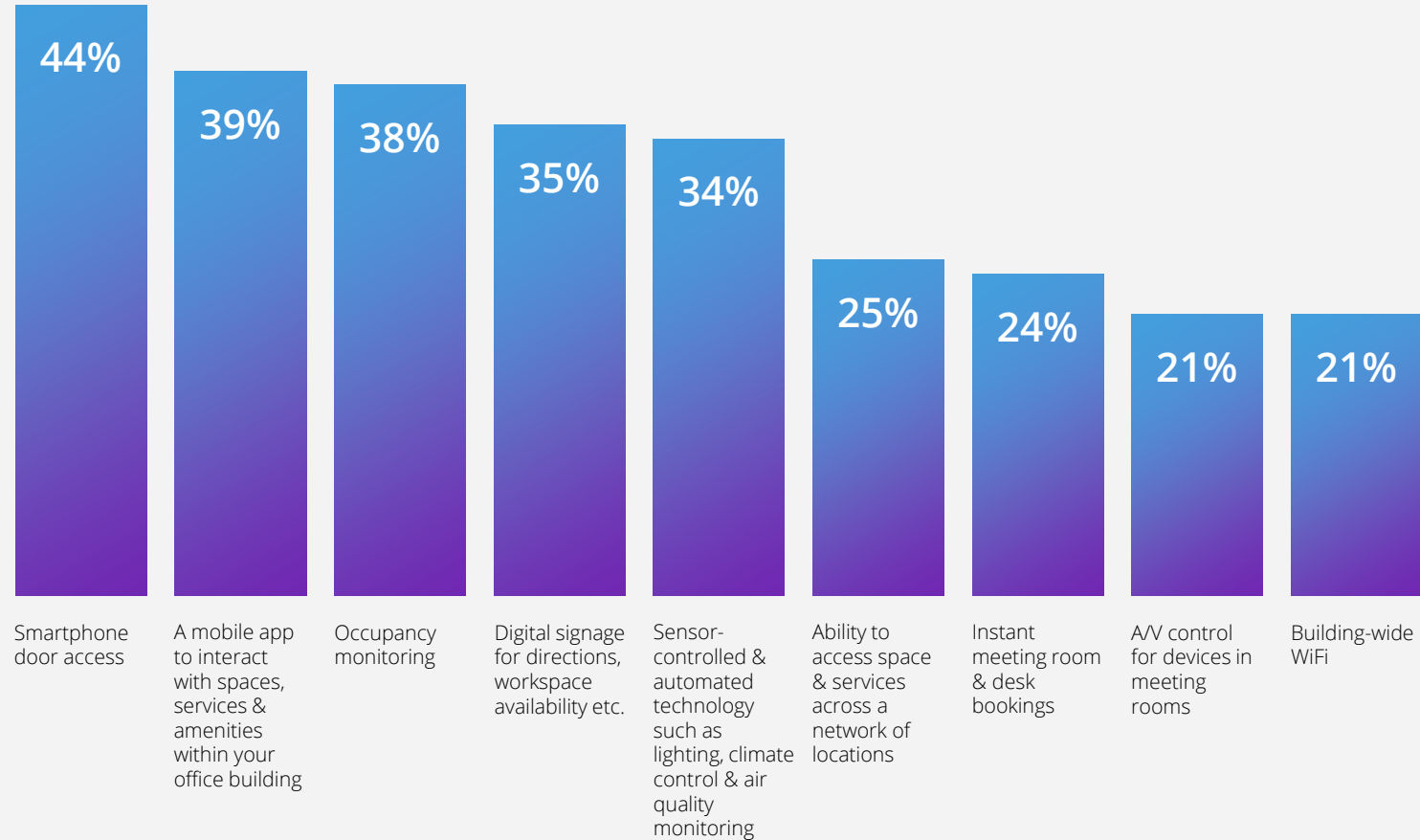


There is still plenty of room for improvement

Despite all of the heightened expectations and demands around occupier experience, 85% of today's office workers report that their office doesn't provide prolific tech from room booking to sensor lights.



Types of technologies not available in their office:



All signs are pointing to a digital-first strategy



69%



69% of workers said that technologies would entice them to come into the building.

This is also very true of hybrid workers at 74%.



52%



Over half (52%) wish that they had/were envious of the smart office technology in their buildings that they have heard about or experienced in other buildings.



The impact of the Gen Z and Millennial workforce

92% & 89%
Gen Z Millennials

said that if their office building had technology, they would be more productive.

89% & 82%
Gen Z Millennials

said there is a gap between the technology currently offered in their office and the technology they believe can enable the office experiences they need to do their job effectively.

61% & 65%
Gen Z Millennials

wish that they had/were envious of the smart office technology in their buildings that they have heard about or experienced in other buildings.

80% & 78%
Gen Z Millennials

said that technologies would entice them to come into the building.

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With many Baby Boomers nearing retirement, younger generations are having a significant impact on the workplace landscape. The growing Gen Z and Millennial workforce are both highly digital with lifestyles that revolve around using technology day-to-day. Both of these generations desire flexibility in their working habits, including how they work and also where they work.

Without office technology, consequences could be significant



Kally Kang-Kersey
Chief People Officer | essensys

Post-pandemic and with the current economic climate attracting and retaining talent has becoming increasingly complex. With working trends changing the office is becoming one of the battle grounds for talent, the landscape is not only increasingly competitive, but workers are becoming more attuned to what they should expect from their work environment.

Technology is becoming an increasingly important tool in the reshaping of the workplace. Workers have now come to expect not only access to the digital tools that they need to do their job, but the seamless and consistent experiences that in-building technology can deliver to enable the frictionless use of a space.

As the office industry faces continued upheaval, it is important that landlords and flexible workspace providers utilize technology to remain competitive. Office workers' demands are here to stay, with millennials and Gen Z the most awake to what good looks like, and therefore most vocal in their demands, and the most likely to want to look elsewhere for companies situated in office environments that enhance their workplace experiences.

The decisions that workspace providers and operators make today when it comes to in-building technology, will have a profound impact on not only the future of the physical workspace, but how younger generations decide where and how they work.



59% of workers said that they would be likely to leave their current company for a new company that offers a better tech-enabled office experience to do their job effectively.

This number increases to 80% where there is a perceived tech gap.

While most workers would bail on their current employer for one with better tools, **this feeling is more significant in younger groups:**

72%
Gen Z

71%
Millennials

Conclusion

Today's office workers have different demands and expectations of their workspace, driven by the need for more flexibility. Technology is key for meeting these expectations and ultimately helps to shape their in-office experience. Yet, there still seems to be a gap between what landlords are offering and what tenants actually need to attract workers back to the office.

Physical amenities come with a heavy cost, which is especially true for an older building that needs to be re-outfitted to accommodate the new amenities. While they are important, they may not be enough to solve the high trending vacancy rates. Offering leading in-office technology can be a differentiator and help to create the desired, seamless journey that occupiers of the workspace are after. Being able to deliver this type of experience to tenants can truly set landlords apart from their competitors.

This study was conducted by Wakefield Research amongst 1,000 U.S nationally represented office workers, defined as professionals working in an office environment at least once per week (excluding home offices), captured between August 4th and August 10th, 2022.



Want to hear more?

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essensys is a leading global software and technology company designed to deliver digitally enabled spaces, buildings and portfolios.

Founded in 2006, and listed on the AIM market of the London Stock Exchange since 2019, essensys is active in North America, UK, Europe and APAC, serving customers across 270+ cities.

The essensys Platform connects, controls, and automates digital services, enabling our customers to create seamless in-building experiences.

