

The Weekly Take

Where It's At: Experts takes on creating the ideal office experience

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Spencer Levy

If you've tuned in for any of The Weekly Take's total of more than a million listens – yes, we proudly passed the one-million mark on our last episode – you've heard many guests talk about amenities and experience. They're a huge part of our ongoing discussion of the state of office and attracting talent in a hybrid world. But it's also important to remember that workplaces are actually larger than the four walls where the work itself takes place. On this episode, we continue towards our next million listens with a roundtable of leaders on workplace strategy and flexible space, who expand our ideas about office and the new ways that companies are adapting and utilizing their real estate.

Lenny Beaudoin

What really is changing in placemaking is this mindset of thinking less about employees as somebody that you transactionally provide accommodation to, but rather thinking about them as a consumer of an experience that you host and curate for them on site.

Spencer Levy

That's Lenny Beaudoin, CBRE's Global Head of Workplace and Design, a leader with more than 20 years of experience in the field of workplace consulting and strategic facility planning.

John Stephens

There are three legs to the stool. There's the premises within the four walls. There's the building. And then there's the neighborhood.

Spencer Levy

And that's John Stephens, a CBRE director of Americas Consulting, and part of the team that specializes in hybrid work. To complement their perspectives, we're also joined by a flex-space entrepreneur who deals with big questions about the state and future of office on a daily basis.

Jamie Hodari

Is it about amenities and a great physical workspace that's beautiful, or is it about relationships?

Spencer scratch

That's Jamie Hodari, the co-founder and CEO of Industrious, one of the world's largest providers of flexible and co-working space. Coming up, we think outside the box – or outside the building, that is. Hybrid, flex and the future of cities. I'm Spencer Levy and that's right now on the Weekly Take.

Spencer Levy

Welcome to The Weekly Take, and this week we are delighted to revisit the topic of hybrid and the future of cities. Jamie Hodari, CEO of Industrious, Jamie, welcome back to the show.

Jamie Hodari

Thank you for having me.

Spencer Levy

Lenny Beaudoin. Lenny, thank you.

Lenny Beaudoin

Great to be here, Spencer.

Spencer Levy

And a new guest, John Stephens. John, welcome.

John Stephens

Thanks, Spencer. Glad to be here.

Spencer Levy

Great. Well, thanks, John. So, Jamie, I think most folks are familiar with Industrious, but give us a little bit more insight into your business model. How's it going?

Jamie Hodari

The company is about 11, 12-years-old. I would say, on the customer-facing side of things, the thing we're known for, very focused on: Can we deliver a workplace to customers that's as good as if they did it themselves? And then on the supply side of the business, on the landlord-facing side, that's actually probably the even more different side of it. We only do management agreements with landlords. So we basically do a partnership with them and we turn a portion of their building into flex space and that's obviously a bit less swingy, a little bit less risky business model than what people traditionally associate the flex business with. So in general, that did help in the depths of 2020, which was a tough time for flex providers. I think what a lot of people don't know is since 2021, it's been a roaring time in general for flex providers. For a lot of companies, what happened is either they're getting out of large headquarters type space or they have employees that moved all around the country and it's, Oh my god, I need a 20-person space in Denver and a 51-person space in Dallas and a three-person space in Boulder, and I'm not going to necessarily build that out myself and run that. So it's been a period of a lot of growth for the business. I guess I would finish by saying, and I think this is definitely going to be relevant to the conversation today, the only dark cloud, the only thing that I have really seen kind of hang over the business, is that the difference between a high performing and low performing unit is much higher than pre-COVID. And in particular, all of our units that are in neighborhoods where people can walk or bike to work are doing really well. And all of our units that are in vibrant CBDs are doing well, but our units that are in sleepy CBDs that are empty after 6 p.m. on the 40th floor of an office tower, those ones are struggling a bit more. So as we grow our network, we're having to be responsive to that pattern of customer demand.

Spencer Levy

Well Lenny, I think it's a great segue to the question I was going to ask you, because while there's some great success within Industrious in certain of their locations, maybe some of them in the suburbs seem to be outperforming the CBDs. What are you seeing, Lenny?

Lenny Beaudoin

Well, a couple of things in that, Spencer. One, it depends on the size of the occupier. So smaller companies or smaller tenancies are seeing a much greater return to office, right? Because they're just used to working together and being together. But those large tenancies, those large organizations are lagging in utilization. It's interesting, in reporting from Kastle Systems last week, it eclipsed with their measurement. 50% occupancy for the first time since 2020. And that still is significantly off of where we were pre-pandemic. And so what we're seeing, as Jamie said, those spaces, those occupiers in the sleepy CBDs, those are challenged. Those are places that are generally longer commutes, harder to get to, less things to do after work, places people want to be less. I think people making the choice to come into the office, they're choosing to be in places where there's vibrancy or when I come in, make the commute, the reason for being there is greater than working remote for that day. So we see utilization still off of where it was pre-pandemic with the largest occupiers. That varies in different submarkets, and I know John will probably have a really strong opinion about that. But I think those places where there's a better reason for people to come into the office, there's a more vibrant experience, those are seeing utilization in excess of those that don't have those attributes.

Spencer Levy

So John, Lenny invited you to dig in on submarkets. And so what's your point of view?

John Stephens

Yeah, so this concept of the CBD has come up a few times already and I think it's important to recognize areas that were commercial or corporate, even pre-COVID, they had really down periods. Try getting a salad in midtown New York on a Saturday before the pandemic. It's hard. A lot of places were closed. It was sleepy on the weekend only because the dominant use there was office. We're seeing this submarket, a really micro market story emerge where when there are high class trophy premium office buildings intermingling with a balanced residential community, some retail, etc. That's what people are gravitating towards versus a district that is strictly commercial. And of that commercial space, none of it might be top of market. We're able to map that out within cities to turn a submarket like downtown Washington, D.C. or downtown Denver into a patchwork of micro markets that all have different attributes along those dimensions to help pick out (a) where the hotspots are now, but also (b) where certain interventions might be helpful in turning the tide in some of these areas that are a bit sleepier at the moment.

Jamie Hodari

And for what it's worth from my end, that just seems like the most extraordinary development because as a person in my lived experience, it's so block by block. There are parts of midtown I go to once a year and there are parts of Midtown I go to every week. And when we talk about cities or even submarkets, in that broad sense, it just feels at odds with the way we all live our lives. So actually having a map that says this northwest corner of downtown Denver is hot, hot, hot. And this one – that actually feels very real to me. One day I would love to see that map.

John Stephens

Totally. We think about like a five minute walk and, in a micro market, or say you're going to the office, there's a set of places you could potentially become a regular at. The coffee

shop, the lunch spot, the happy hour bar. That's your micro market. It's probably not more than five minutes away in either direction. You might share those places with the three or four office buildings near you, but several blocks over is a different micro market. And if there's a different mix, there's not a big apartment building in that one, it'll be less vibrant.

Spencer Levy

But is that one of the fundamental post-COVID changes in that the focus on a micro market within a mega market like New York, where we're sitting right now, seems to have accelerated. What do you think, Jamie?

Jamie Hodari

I absolutely think that. To me, the defining underlying principle there, the fundament, is that pre-COVID, landlords were able to be, I mean, employers were able to be coercive and say, you got to come in. And if I tell you your job requires you to go to 10th and 37th, you got to go to 10th and 37th. And now that employees have the choice of when to go in and if they want to go in at all, it magnifies the distinctions between places people want to be or don't want to be. So maybe those micro market distinctions were always there, and maybe to the individual, they were always just as pronounced. But certainly now that people get to vote with their feet, all of a sudden you see it play out in a grand way in terms of pricing and utilization where people actually show up.

Lenny Beaudoin

And I think those really matter. I mean, this notion of being told or the employer being able to be coercive, we're seeing so many organizations drive mandates in their organizations. But the reality is, mandates aren't really working, and I'll give one example. In New York, two large financial institutions. One with a declared policy towards hybrid and one with a we're going to be back in the office five days a week. Two headquarters locations – they have exactly the same through the turnstile utilization – hovering at about 40%. So while the organizations have chosen a mandate around their future policy, their employees are deciding how they're going to work. And the reality is, until that employee value proposition is going to attract them back, until that micro market is meaningful and it's worth the commute, employees just aren't going to come back to a lackluster, ill-equipped solution of going to an office building that's not fit for their purpose and doesn't have the vibrancy to really attract them in.

John Stephens

I think the most powerful kind of incentive to go back to the office is a personal relationship with somebody else in the company. If you're a younger person, it's for learning, mentorship, apprenticeship, development. We come into the office to be with other people. And if you're showing up and you're doing the same things you do when you're working at home, but in the office, it'll feel like a bad idea. You had to get out of bed earlier, you had to commute, you had to pay money for lunch versus making it at home. I think there are several areas that you can kind of provide a return on that cost of coming in. But the most powerful one, I think, is between a manager and an employee interacting face to face, within the margins. It doesn't even have to be for a specific meeting. But just the exposure aspect is a powerful thing.

Spencer Levy

So on that point, Lenny, getting the senior people back in the office. Not saying first, but get them back there in mass, which will draw the more junior people back. Sounds good in concept, but you need to have this trust or apprentice type of relationship. What do you think, Lenny?

Lenny Beaudoin

Well, I think getting influencers back in the office. I mean, we've said this from the beginning. The biggest amenity in the office to employees are other employees, people. Nobody likes to go eat in an empty restaurant and nobody wants to go into an office where there's not lots of people and lots of activity. And so how do you manage that in terms of creating a real draw to others? The people who generally are more senior in the organization, as John mentioned, are the ones you have the most to share and the most others have to learn from. So creating a glide path or a path of least resistance for those people coming back varies in different organizations, and in a financial investment bank, it might be entitlement of space to the senior most producers and some flexibility of space around that to attract others back into the office. I think that's going to vary organizationally, but I do think organizations are being really attuned to, how do I attract people back and make the choice of coming back their decision?

Jamie Hodari

I think the concept you're describing makes sense to me. I will say I don't see them as intentional. To me it's not, is it about amenities and a great physical workspace that's beautiful, or is it about relationships? I really believe that the first can power the second. I just, if you're at a Days Inn, you're probably not going to meet the other guests. And if you're at a gorgeous resort where you're having the time of your life and you feel taken care of, you're so much more likely to develop relationships. When you go to a kind of bad wedding, for lack of a better term, where the lights are too bright and the acoustics are bad, oftentimes you're looking at your watch, you're ready to go home. And when you're at an amazing wedding where the music's great and it's comfortable and the acoustics work so you can hear everyone else at the table, you know, you can get to the end of the weekend and you wish it was two days longer than that and you leave with new friends. So I think you are right that the absolute bedrock is the power of the interpersonal relationships at work, the level of trust and the degree to which being in person is more interesting and vibrant and powers that, which I do think is true. But I think companies that have poorly designed, uninspiring, sometimes very cold workplaces, are not doing themselves any favors. And the ones that have been able to figure out how to make them inviting, it becomes a virtuous cycle. People develop more relationships. They like being around their colleagues, then they get closer, then they want to see each other, then they go out after work and now things are humming.

Spencer Levy

So let's go back to that, Lenny. Let's go back to the physical space. I think we're all in agreement that relationships, mentoring, are the bedrock of any great organization, but we're in the space and business, both in Industrious and generally in leasing. So talk to me about how the space itself can lead to the kind of outcomes that Jamie is talking about, about forming better relationships, being more creative, and what changes, if any, you have considered post-COVID.

Lenny Beaudoin

I think Jamie, it's such a great narrative, too, about the idea of creating an experience that people want to be a part of and stay in that experience. Most offices don't meet that criteria. If I think about what really is changing in placemaking, it's this mindset of thinking less about employees as somebody that you transactionally provide accommodation to, but rather thinking about them as a consumer of an experience that you host and curate for them onsite. And if you do that, like any good retail or any good hospitality destination, it's apparent to employees and it attracts them back for the various reasons Jamie

described. How that manifests itself in terms of space design are flexibility and choice in the office – not one desk that I go to, but a network or a venue of spaces, which I can choose – that creates a lot of comfort and choice and optionality for employees. Certainly superior technology and connectivity better than I would have in my home office, but also a sense of wellness and support in thoughtful places where I intersect and engage other employees. All of the amenities are important from the standpoint of, it creates the occasion for me to bump into somebody and have a conversation in a comfortable setting, which isn't me just doing my work in my desk. So things like wellness, natural light, good coffee, curated experiences, great technology. All of these things really matter, and in aggregate, they just have to be better. They have to be superior to what I would have outside of the office, and when they are, employees generally will make the right decision for their most productive and where they're happiest, and they'll make the choice to be in those spaces. But if you look at most offices, most offices fell pretty short of that bar. Most were designed more for efficiency than for experience, and I think when you lean to efficiency, you tend to pack more people into less space, tend to provide less space for these other things that actually create meaningful connection. It tends to give employees the feeling of being more of a cog in a wheel rather than a consumer of experience you're trying to really create for them.

Spencer Levy

So, John, let's dig into this for a moment. Back to the original concept we talked about, which was micro market. I often have this argument: Is it better to have the best office in a second tier area or an okay office in a great submarket? What's your point of view?

John Stephens

It's a great question. There are three legs to the stool. There's the premises within the four walls. There's the building. And then there's the neighborhood. And following along these themes of the purpose for going into the office becoming a bit more social, more team oriented, I think it is more likely on the days you come in, especially in a hybrid schedule, to maybe bleed past business hours for a more social occasion, whether it's grabbing a drink after work or coffee before work. And for that, most of the time, you need the neighborhood, or it's harder to do that if you go to a nice office in a bad location. It can be done, but it's more operationally intensive for the occupier, and it's also more likely to become monotonous as it's just you're in your own space versus in a vibrant place where you interact with other people. I would say most of the clients we're talking to now are choosing maybe a slightly lesser than building in a better location and utilizing the neighborhood as the amenity, A, so they don't have to build and operate it themselves, but B, just because it feels so much more authentic. So I take the submarket, a slightly worse building, although it's way better if you can get all three.

Jamie Hodari

It's a great question and I feel like Jamie, the CEO of a workspace company, would love to say that, like, you can come up with a workspace so compelling that it can obviate the need to think about the neighborhood it's in. But I think John is absolutely right. In real life, looking at the way our customers behave, I think a slightly less than office on an amazing, vibrant corner would do better than an excellent, perfectly designed office in a slightly less appealing micro market.

John Stephens

And if you're a big enough occupier, you can kind of tip the scales with this question. Let's say you employ 10,000 people or something and make a big headquarters decision. If you're investing in a place that might be sleepy today, but you're investing for the long

term, you can make decisions like, let's not put a cafeteria up on that fourth floor. Let's find a retail partner. Let's do some public-private partnership to pedestrianize the area in front of our space. You can do things that kind of, can change a district over sort of a medium time scale that I think are important. And I think there are some areas that could really benefit from that proactive action like that.

Jamie Hodari

I heard Google, I think has talked about them, for example, themselves that way. That it's like, you want to go on vacation somewhere sunny but when you're there you can make your own weather. And they really have done that with the deep West side in Manhattan, for example. So I totally agree there is a scale where you can make it vibrant because you're delivering so many people and so many of those experiences yourself.

Spencer Levy

Jamie, that's such a great example because I've been in the New York City real estate business for 30 years, and I can tell you that the far West side 30 years ago ain't what it is today. And they created what it is today. The Meatpacking District was created, the Fulton Market was created, and then there were some things that were created out of whole cloth. What do you think, Lenny?

Lenny Beaudoin

No, absolutely. I think this notion of coming back to the office, what's lost in this and I agree, Spencer, with the comment of employer versus employee coercion. But the reality is, during the pandemic, organizations had to give their employees agency to perform, and they did. They can't take that trust they had given their employees back. They need to leverage it by having a more thoughtful way of creating vibrant experiences. The examples you give, the things that we're talking about. These experiences matter, and they matter from a standpoint of being intentional actually drives real productivity organizationally. If employees are making a choice to be deliberate about their experience, whether it's going to an Industrious office, whether it's coming into a CBD, whether it's working remote for the day, if they feel like they're being intentional in what they're being asked to do, they feel empowered to do great things. And I think organizations have to recognize they can shape these circumstances.

Spencer Levy

So I've been speaking to every occupier I know, and one of them that I met with a couple of weeks ago said we're giving all senior executives an office with their name on the door if they agree to come in three to four days a week. John, what's your point of view?

John Stephens

I think it's an interesting idea. I think it's a reflection maybe of where in workplace design – Lenny mentioned this about most offices not being, you know, the beacons of good experience in the past – where things may have gone too far from an efficiency, from an open-plan standpoint. Even if they're not assigning private spaces to individuals, we are seeing a lot of our clients introduce more private space than they would have in their last generation of planning. And so I think it's reflecting a true need for that type of work space. But it's also recognizing that a lot of organizations are in a “anything it takes” moment. And if assignment is the way to get there, they probably will see the dominoes fall on senior leaders in, and middle management's in the whole crop of people who joined the company during the pandemic remotely is now coming in, and they may see some long term benefits to that. I think it's easy to make those types of allocation decisions as well when

you feel like you have an entire portfolio to fill. It's going to be interesting to see how this plays out when scarcity of space becomes an issue again over the next few years.

Lenny Beaudoin

Yep. And Spencer, I'm going to respond and say this. Biggest challenge in returning to the office really isn't about the office at all. It's about flow. And what I mean by flow is, managers and their employees have to work in sequence, recognizing working in the office is different than working outside of the office. And I think smart organizations are empowering their managers to find ways to create flow with their teams. And what I mean by that is, most are coming into the office right now. And because it's haphazard, because managers haven't really created flow on their teams, employees are coming back to the office and they're working remotely together in the office for no benefit. Nobody likes that. The difference is when you create an experience and you create flow in your team and you recognize the days that you're in the office, that you manage your time differently, you find the space in between meetings, that you take time out to socialize. Those are all the things that make the proximity worth it, makes the connection meaningful. And then I can work remote some days and have a different flow in that. But I think the thing that organizations are failing to do is really enable that conversation around how we create flow to exist. Good managers pre-pandemic created flow in their teams. What the pandemic did is expose the fact that managers who did not create flow are struggling to do that with a more distributed workforce today.

Spencer Levy

Jamie, turning back to you for a moment. What is Industrious doing because we are in a new world today than where we were three... or maybe we're not!

Jamie Hodari

What is Industrious doing to get people in? So I think it's a few things. The first is, if you can afford it, hub and spoke models really work. The customers we see that have a midsize space or a HQ space in midtown Manhattan, but have an outpost in Soho, an outpost in Jersey City or Short Hills and an outpost in Brooklyn have people going in more like three or four or even five days a week. And that reveals that commuting is the thing people really don't want to do. So that can be a pain in the neck. But if you can pull off a hub and spoke model, people who want their employees in more like four or five days a week, the majority will. The second is the redesigns of the physical space that Lenny and John have described. There are things like more private spaces, creating more space for collisions, that I do think are at this point very clear ways to pull people into the office. But the thing I would add that I think a lot of companies don't do is it's a mix of physical design, which the architects are all over, and your service program, which there is not much of right now. There's not an industry around that, there's not a good language around that. But if I go to Disney, Disney is very well designed. But the reason it goes so well is because there's also a ton of Disney employees making sure you're navigating the space right, making sure you're meeting other families, making sure you're taken care of. And I think if I got on a well-designed Delta Airlines airplane and it was unstaffed, it would be a free for all. And in the same way, one of the big things I notice is Industrious is obviously for many years has been very highly staffed and they're trained in hospitality. And I think that makes a big, big, big difference. So people who want workplaces with very high utilization that people love need to staff it the way you would staff a hospitality product and train the people you would train hospitality employees and make it feel like the most inviting, welcoming place on earth.

Spencer Levy

Think about what you just said there, Jamie. Training of your employees. Heavily staffed. Putting aside the cost element of that, that is not physical space design. And so to Lenny, who is a trained architect, maybe this was blasphemy from Jamie. See, we're not the only blasphemy department here. I think what Jamie is saying is that having the service element mastered through great training of your staff that provides that experience. Maybe, I'm not gonna say more important, but at least as important as the physical space. What do you think?

Lenny Beaudoin

At least as important, for certain. And also other aspects. I mean, you can't reasonably predict all of the things people are going to need through physical space and technology solution alone. Somebody there to connect the dots, to unlock the investment in the space and all of those other things to make that meaningful and to make the connection between the people on site real and felt. I absolutely agree with Jamie. You come to the office because it's an experience you can't have somewhere else. Experiences are hosted, and so having the host who can actually make that meaningful, I think differentiates a great workplace experience from one that people may not want to come to.

Spencer Levy

John, you're in the consulting group. You consult with some of the largest occupiers out there in the world and they're dealing with this question and they have a fixed budget. It's X dollars. Do I spend it on the materials I use for the lobby or do I hire an extra employee or two to help you navigate the space that we've built? How do you handle that question?

John Stephens

Well I think traditionally layers like technology, or any OpEx related item, is easier to turn on, easier to turn off, it's easier to experiment with things like that. But really, I think the other problem that hybrid work and more flexible use of space introduces is one of coordination among employees, among teams, when they're going in, what they're doing, when they're there, how to provision the space to be appropriate for that use. And that's where I think the connection between a hospitality chain, but also a team with high operational acumen that can set a space up, provide a good guest welcoming experience, deliver the catering for the day, but have that all be coordinated with the needs of what the meeting is or what the purpose for the actual people in their trying to work is going to be is a huge area of, I would say, high return on investment for fairly low cost.

Lenny Beaudoin

Spencer, I'll just add to this. Preceding the pandemic, we looked at ten years of occupancy information in New York, and what we found is year over year, people who put people in offices in New York were putting people in less square footage year over year; 2 to 3%. It was getting more efficient every year, meaning more people were getting put into less space. Now, if you accept that, that means less space to build out, less space to rent, more efficient. So you would think these organizations are lowering the cost of occupancy for each of those employees. But what was interesting during that same time, when we looked at the occupancy expense, meaning the cost per seat, it was going up year over year at the same time. So what was happening pre-pandemic is, organizations were shifting investment from more space they were building out to better quality space, better services, better amenities and appointed solutions for their employees. So this isn't new thinking. This is the pandemic accelerating that reality, because now you have a consumer base of employees who demand better. And so I think that's what's accelerating all the things Jamie talked about. This investment, this reinvestment of taking things out of a lot of extra physical space we might not need and focusing in that the things that people really

want, which is a really rich and dynamic experience, again, was happening before the pandemic, but we think is going to happen with increased emphasis going forward.

Spencer Levy

Well, it was a lot of things that Jamie said to unpack there. But if you can deliver a individualized experience in what is a general space, I think that's where the magic is. I know that I visit offices at CBRE's network around the world, and a lot of times they'll have, at the main screen, "Welcome, Spencer Levy". Not that I'm special. It's just. it's me, right? It made me feel good, right? It made me feel better when they brought it with Dunkin Donuts coffee. But – and some of them actually do! – but the point is, if you can individualize that experience within the general office design, is that the magic, John?

John Stephens

I think it is. You know, we've had several ideas come up just now, like things companies could try either to personalize or to kind of make that experience of going in more impactful. But it's hard to know how far to go in that spectrum when you don't have a metric to measure it by. We've been exploring this idea of cost per visit with occupier clients, trying to understand the combination of real estate expense, rent, which is an OpEx category, with traditional office management things, consumables, coffee, etc. But dividing that by the number of visits you're achieving to understand, okay, is lunch one more day a week expensive or not? Is hiring a new hospitality trained office manager expensive or not? If we get more visits because of it, and that metric trends in the right direction, you now have a measuring stick of what worked, what didn't. That concept has proven to be really powerful because it aligns the incentives of managing costs, which is always going to be important, especially in times of economic uncertainty, but also increasing visits and understanding the interventions and the impacts they're having.

Spencer Levy

I think that the micro focus on real estate and the cost per visit, the cost of the space, is in some ways misdirected because the purpose of the organization is to be productive and to grow revenues. As an advisor to some of the largest occupiers in the world, how do you advise them on the efficiency versus the okay, maybe you want to spend this extra dollar because it will make you more revenue?

Lenny Beaudoin

Well if you look at just the dollar an organization spends, maybe 10 to 15% of that dollar's on real estate, and 70 to 80% of that is on their people. So just the math is firstly, focus on the big number, not the small number. The small number can unlock the big number, meaning if you make the right investments in that, you can enable your people. I do want to get back to this notion of just how we're thinking about anticipating and making people productive in the office. And there is one other aspect to this, which is metrics driven by data are informed by technology, and smart building technology today makes it so much easier to anticipate who's coming into the office, what they're doing when they're there, and what they value in terms of the spaces they use. In terms of looking at those things, there's inferences organizations can draw. If I'm trying to better integrate my organization, which is historically siloed, I can look at the nature of interactions that happened inside my office because I can measure what that actually is, what's happening in that space. I can draw inferences whether I'm being more or less successful in meeting that requirement. If I'm trying to create purpose and identity for a group of people who are working together, the frequency in which they come together in the office is a measurement that I can know. So I think smart building technology is creating a framework for really understanding experience. And I think from experience, organizations can draw out their conclusions of,

are my strategic initiatives reflected in the way that my people are actually using the experience, the workplace that I'm providing them. And I think they draw conclusions, whether they're being productive in that regard or not.

Jamie Hodari

I really agree with Lenny on this. He's mentioned technology a few times, and this is something I would say to listeners. On your point about post-pandemic, what are things that are different? I think there are a lot of customers, a lot of companies that started using workplace apps in 2017, 2018, and they felt like it wasn't that important or building apps or sensors, and that has changed a lot. And unfortunately there are companies that still think, oh, this is a strange accoutrement that no one really cares about. But the reality is that people are going to come in a few days a week and sometimes they're going to work out of your main office space and sometimes they're going to work out of the building common meeting area downstairs, and sometimes they're going to work from a spoke office in Brooklyn. That is impossible to manage without a digital infrastructure that sits on top of it. So a lot of these digital things that some customers still think of as, hey, I am being sold on something that's a little bit ancillary or unnecessary. In the last years, it has become an absolutely fundamental part of navigating a modern workplace experience for your employees.

Spencer Levy

So Jamie, we're just about out of time, so any final thoughts before you leave?

Jamie Hodari

One is, I don't want this to sound, you know, I've really enjoyed being on this. I've really enjoyed what you've said, what Lenny has said, what John has said. It has highlighted for me that I think the types of things that you guys do are really essential for companies and they save companies' money because, I don't want to knock architecture firms and there are some great ones, but the incentives are a little strange. They want you to spend as much as possible on building out an amazing show space, and then they move on to their next project and they don't have to sit around and see, how do people vote with their feet, what do they actually do? And I think it's people who are in workplace and have to sit with the client and come back to the client a year later and say, did this work? Did this not work? Can we try something new? What I hear you talk about is stuff that's so close to what companies actually want. And I learned a lot from you even in the course of the last hour.

Spencer Levy

So, Lenny, final thoughts? You come from an architectural background. We're talking workspace design. But I think Jamie's final comments really summed it up, is that we're dealing with a balancing act here of architecture and people that are in the space, employees. But, Lenny, you're an architect, too. How do you respond to what Jamie said, and any final thoughts?

Lenny Beaudoin

I'm going to take a deep check here because I would say what's most exciting about right now connects to the reason I'm in this business. I've always thought about my job as much as a vocation as a profession. Meaning if we do what we do right, if we really think intentionally about the experience employees have, we make the world a better place. We make these people more connected, more supported. Workplace as a conversation inside organizations has never been more relevant than it is now, and it's with great responsibility in that that vocation of being able to meet this moment and create a better world for people

to go to work and be productive and be closer to their families and be successful in all the things that we would hope would come out of meeting this moment with a redefinition of how real estate actually supports a better world to live in.

Spencer Levy

So, John, final thoughts, and again, any additional thoughts on this?

John Stephens

Two things. First on Micro-markets, a lot of the examples of this we cited during the show were built outside of the traditional CBD. Sometimes they required new subway lines to get to them. And now looking forward, we have really an infill opportunity to create these in what have historically been vibrant places, some of our most culturally relevant cities around the country and around the world. Really, really exciting. And second, we talked a lot about office today, but this is going to become a housing story before long, it kind of already is, and it may be something for a different episode. But the pandemic exposed a long running tension and constraint in our economy, which is that everybody had to live close to their job, close enough to commute every day. And not only did the houses have to be close to work, but each job needed a lot of office square footage. It led to intense concentration of jobs, intense concentrated housing, a lot of waiting in traffic, a lot of rising housing costs, both really significant economically. With this constraint eased somewhat, plus the sort of monopoly of office on CBD being eased, it kind of upends everything about economic development, urban planning, and it's definitely uncertain, but it's an exciting time and one I hope you'll look back on as central to creating a better future.

Spencer Levy

So on behalf of The Weekly Take, I want to thank Lenny Beaudoin, Global Head of Workplace and Design, CBRE. Lenny, thank you for coming back to the show, again. Great job.

Lenny Beaudoin

Great pleasure. Thank you, Spencer.

Spencer Levy

Jamie Hodari, CEO of Industrious. Jamie, terrific job today. Thanks for joining the show, again.

Jamie Hodari

Thanks.

Spencer Levy

And John Stephens, the Senior Director at Americas Consulting, CBRE. John, first time on the show. Well done.

John Stephens

Appreciate it.

Spencer Levy

For more, please visit our website, [CBRE.com/TheWeeklyTake](https://www.cbre.com/TheWeeklyTake). You can share this episode and reach out to us with the "Talk to Us" button on our home page – a simple click to send your thoughts or questions that we might follow up on in a future episode. And don't forget to subscribe rate and review us wherever you listen. We're taking off next week to celebrate July 4th, but we'll be back after the fireworks with episodes including

expert insights on the capital markets at a crucial time of uncertainty, and lots more. So enjoy your holiday. Hope to see you then. For now, thanks for joining us. I'm Spencer Levy. Be smart. Be safe. Be well.