

Dexus research white paper

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Unprecedented connectivity

What will it mean for office users?

The world that we know is changing rapidly due to developments in technology and globalisation. Businesses and people are changing the way they use property. So how do we plan for the future in this changing world?

Dexus Research has been investigating responses to this question as part of its 'Customer of the Future' series.

The combined effect of mobile technology with an ever-present internet will have a major influence on the way occupiers of office buildings operate over the next 20 years.

We see signs of this change around us every day: executives with laptops open on café tables; people using apps to hire a car and driver; or jobseekers Skyping in for a job interview. This snapshot highlights the wider changes which are transforming the corporate sector.

Advancements in technology are affecting where people work, how they work and how they connect with each other. Office buildings are central to how and where people work. As such there are implications for owners of property and they will need to adapt.

Where will people work in the future?

Traditionally, businesses have required staff to be centrally located – enabling staff to talk to each other, store files and use the company's computer and telecommunications technology. However, this is changing. Smaller mobile devices, combined with cloud data storage allow people the agility to move around more than ever before.

In an office context, there are now less ties binding workers to a physical location and this trend will continue.

This fundamental shift enables 'work' to happen from a variety of locations, not only from head office but also from home and third spaces like cafés or trains.

The dispersion of workers to a wider range of locations is unlikely to make a central head office



redundant. Most workers will still value the face to face interaction and the vibrant experience offered by a central location. In addition, companies are better able to develop a positive culture among staff who are physically present. At the same time, a greater level of mobility allows workers flexibility to combine work and life in a manner which suits them.

In short, people in the future will work from a variety of locations.

Australia is approaching peak smartphone penetration with 84% of Australians owning a smartphone (2016). This puts Australia 4th in the world.

Source: Deloitte

How will people work?

Mobile connectivity will change the way organisations are structured. We have seen the birth of the 'gig' economy where software connects customers with networked freelancers who may have underutilised skills or assets. Airbnb and Uber are two well-known examples.

More people are realising that simple white-collar services can be handled the same way. Air-tasker is a network designed to connect customers with service providers allowing them to outsource services such as accounting and web page design.

At a corporate level, companies are better placed to outsource services to specialist providers – whether these be to smaller companies, project teams at partner companies or freelance workers. Technology allows companies to more easily 'plug in' service providers on an ad-hoc basis. And so, organisational structures are likely to evolve

to a smaller 'core' workforce, with responsibility for implementing the corporate strategy, and complemented by an array of outsourced or freelance workers.

This approach will keep overheads low, encourage specialisation and provide flexibility in a climate where change makes the future uncertain.

The growth in freelance and outsourced work is already strong and is only likely to continue. 35% of the US workforce are freelance workers in some capacity (including part-time) ... this is projected to grow to 50% in the next few years.

Source: Freelancers Union and UpWork



How will people connect?

Another consequence of mobile connectivity and cloud technology will be a blending of the physical and virtual worlds in the form of powerful technology networks.

In the future the physical office building, corporate services and surrounding functions such as gyms, childcare and retailers will be seamlessly interconnected. Using mobile devices, guests and employees will be able to easily communicate, access, navigate and transact with a range of functions in their network, regardless of location.

Within the building, workers will have more influence over building systems like security access and climate control.

The customer of the future will increasingly value frictionless, pain-free services and seamless networks in and around their building.

The ultimate outcome will be the ability of customers to link with each other, to the building eco-system and the community, both within and around the building.

Mobile connectivity will lead to a more flexible and diversified world of work for companies and employees, giving them the power to choose where, when and how they work. Work will happen in a variety of locations, at any time and by employees as well as freelancers. Workers will come to expect great technology networks around their working environment.

It will be up to property owners and managers to ensure that they are agile enough to adapt to the rapidly changing connectivity needs of the customer.

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