

CBRE RESEARCH

PORTFOLIO 2040

PREPARING FOR A RADICALLY
DIFFERENT REAL ESTATE FUTURE

EMEA, JUNE 2018



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THE WORLD IN 2040

World population exceeds **9.2 billion**, roughly 20% above today. India is the most populous country at over 1.6 billion.

Two thirds of the world's population live in urban areas, compared with less than 50% at the beginning of this century.

50 cities are home to more than 10 million people, compared with 16 at the beginning of this century.

Climate change targets have **been missed**, and some parts of the planet have become uninhabitable due to pollution.

Artificial intelligence permeates everyday life. AI as sophisticated as a human is a realistic prospect.

33 million autonomous vehicles will be sold globally, up from 51,000 in 2021.

Aircraft movements will be **50% higher** than in 2016.

Cryptocurrency will be a standard payment method alongside regular currency.

Energy demand is a third higher, reflecting efficiency gains in all major uses. Renewables are the fastest growing source, accounting for 40% of the increase.

We will be using in excess of **170 billion internet connected personal devices**.

Five trillion sensors will be in use, with trillions of data points connected to the Internet of Things.

Constant authentication and personalisation of workplaces, enabled by technology, are the norm.

For details on methodology and sources [see page 18](#).



INTRODUCTION

We live in a period of rapid change, driven by a whole range of economic, social and technological influences.

Some commentators argue that the entire economic system has seen a paradigm shift since the global financial crisis, and that more or less continuous disruption is now the norm.

For instance, some estimates suggest the amount of data that IoT (Internet of Things) devices generate each day is doubling every forty weeks.

Many CBRE clients are increasingly highlighting a range of major and long-lasting influences on their corporate real estate portfolios, including technology, skills, risk and flexibility, some of which are already starting to affect operational and real estate decision making.

Our earlier *Smart Workplace 2040 research* explored what the workplace might look like in the coming decades.

We predicted radically different working patterns, 'hub' and 'hive' workplaces enabling collaboration and creativity, and technology so pervasive it warranted 'cut-off zones' to give workers a chance to escape from it when necessary.

But what if we approach 2040 from a portfolio perspective, asking how business, buildings and perhaps even cities themselves, might look in 20 years' time? Instead of simply looking at near-term decisions, or even the current cycle, we wanted to peer even further over the horizon, to ask:

- **What could all this mean for a company's real estate portfolio**—not just today, or next year, but much further into the future?
- **What are the main considerations in this process** and how should corporates approach it?
- **What are the implications for today's CRE professionals** who are running facilities, buying and fitting out buildings, and developing real estate strategies?

The answers reflect complex and interlinked corporate decisions, using different levers to optimise portfolios and assets. These will need to capture, indeed anticipate, a range of influences that vary in importance across different industries, locations and even functions.

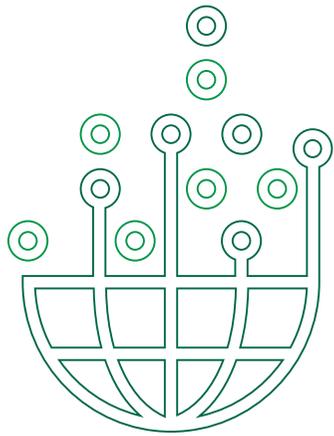
The drivers of portfolio strategy are undergoing major changes and the footprint, scale, mix and function of corporate property portfolios could look radically different in 2040. It won't be linear, dull or easily predictable; it will be dynamic, fluctuating and will demand more innovative thinking.

“Change is the law of life. And those who look only to the past or present are certain to miss the future.”

JOHN F. KENNEDY



EXECUTIVE SUMMARY | THE PORTFOLIO OF 2040



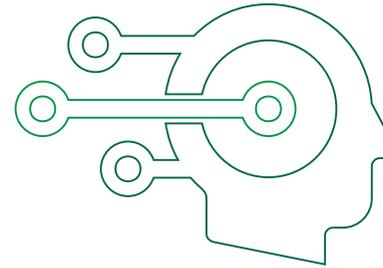
PERMANENT DISRUPTION

Fixed has become fluid. 2040 is an age of permanent and frictionless change. Data has transformed how businesses interact with their clients, employees, and the rest of the world. Everything—talent, buildings, services, goods—is available on demand, with supply anticipating and mirroring demand and smart buildings creating and adjusting spaces themselves.



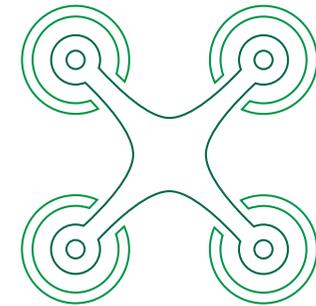
THE RISE OF THE SHARING ECOSYSTEM

The age of ownership is over, with companies adopting an asset-light approach and outsourcing all non-core business activities. Core assets remain, often manifesting as 'trophy' workplaces, luxury spaces, but these are smaller and on longer-term leases. Everything else is shared, partnered and outsourced.



DIGITISED TALENT

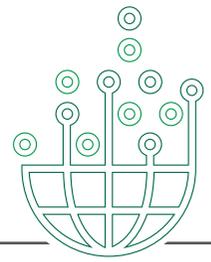
There have been radical changes in demographics, and organisational culture. More than 50% of employees are contingent workers, and many job descriptions no longer specify location. Holograms and avatars have helped solve the skills crisis. But while technology is pervasive, people and human interaction remain critical.



PLACES OF THE FUTURE, SPACES OF THE PAST

Drones, hyperloops and autonomous vehicles have transformed commutes and restructured cities. While virtual working is commonplace, people still crave experience, provided by the mega-cities that have emerged. Green space and urban farms put sustainability at the forefront, and renewable energy has long been the norm, with buildings generating and sharing among themselves.

PERMANENT DISRUPTION



What is rigid today will become fluid, and everything—goods, services, employees and buildings—will be provided on demand.

2040 will see continuous change. Stability and consistency will be a luxury for a small number of cash-rich companies; the rest will behave similarly to today's start-ups, with speed and flexibility at their core. We are already seeing competitive advantage timeframes shrinking, and barriers to entry dropping across many industries—this will only accelerate in the coming years.

MORE FRICTIONLESS BUSINESS ENVIRONMENTS

Data will fundamentally transform how businesses interact with stakeholders; today's gap between supply and demand will close drastically. Artificial intelligence (AI), 3D printing and other digital technologies will enhance the manufacturing process, delivering more customised, personalised solutions based on customer data.

Because excess stock is nearly eliminated, storage warehouses will be repurposed to store more 3D printing materials than stock.

Today's rigid business processes will be completely fluid, with companies adapting instantly to changes in consumer behaviour. This is mostly enabled by the widespread use of AI on a foundation of more and better data. This leads to a more frictionless business environment, but also drastically disrupts how businesses operate. We are already seeing this emerging across industries:

- **Banking & Finance:** AI, Blockchain and other technologies are rapidly streamlining back-office work
- **Industrial:** robots are transforming customer fulfilment centres and manufacturing plants
- **Legal:** AI is changing how firms use analogue case history data
- **Life Sciences:** new ways of collecting, combining and analysing patient data are transforming R&D, and enabling individually tailored drugs.

“Lower barriers to entry, new sources of competition, price-sensitive consumers and relentless automation will keep pressure on margins.”

BANKING & FINANCE CLIENT

“The model will move towards greater specialisation in specific products, alongside pooling of R&D costs and facilities.”

LIFE SCIENCES CLIENT

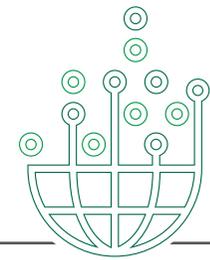
“Any service that can be delivered online is at risk from any 15-year old with a laptop.”

STEPHEN FLEETWOOD,
HEAD OF LOCATION ADVISORY, CBRE EMEA

“2040 will see further integration of innovation and tech into the production process, and better streamlining of experiment records and documentation. The benefit will mostly be in the early/R&D phase... and at the other end of the chain, the distribution of product; a closer relationship with patients.”

LIFE SCIENCES CLIENT





PERMANENT DISRUPTION

WHAT DOES THIS MEAN FOR REAL ESTATE?

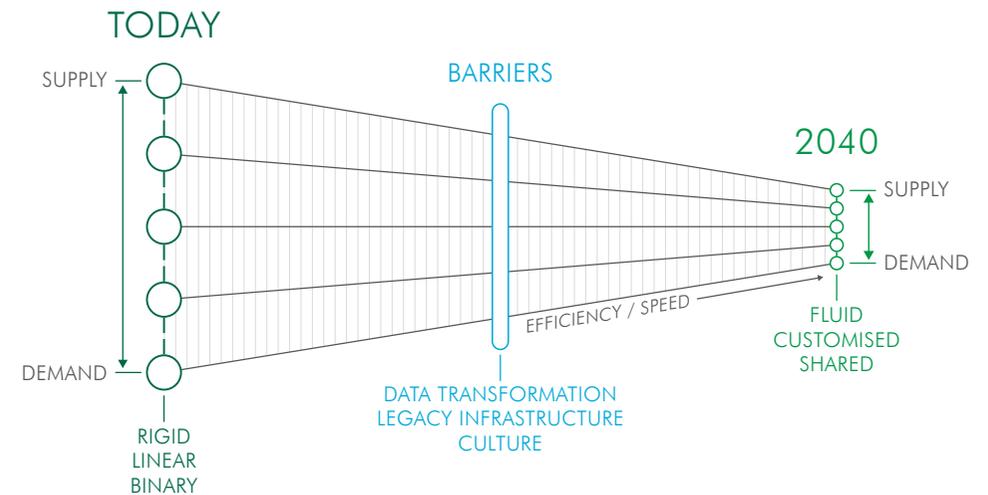
Companies, and CRE professionals, should prepare for a new era of agility and flexibility, driven by an ever-changing workforce and corporate focus. Portfolio planning cycles will become shorter, with a stronger focus on implementing flexibility in terms of space and leases.

While change by its very nature is hard to predict, the ability for built assets to adapt at the last minute will be increasingly critical.

The C-Suite will inevitably frame operational decisions around three key factors: people, place and property (although the concept of 'property' will drastically change). The fundamental question will be how can senior executives, in an age of permanent disruption, attract, retain and keep their people productive? And how can they create places which provide great experiences, in properties that adapt to a rapidly changing environment?



FIGURE 1: SUPPLY AND DEMAND WILL GET CLOSER TOGETHER



SOURCE: CBRE RESEARCH 2018

“In an era of rapid technological change, the shapers of the future will be those prepared to take the bold leap of faith even when the investment case is still unproven.”

TECHNOLOGY CLIENT

“Buildings will need to be: flexible, modular, multi-purpose and easily reconfigured.”

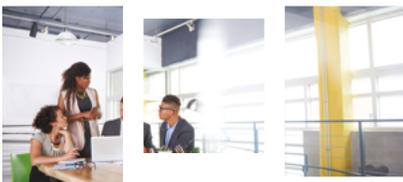
PHARMACEUTICALS CLIENT

THE RISE OF THE SHARING ECOSYSTEM



In 2040 the age of ownership will be over. Unless owning is unavoidable, companies will access everything—buildings, people, equipment, services—on demand. This asset-light approach will enable rapid adaptation. A relentless focus on core activities will lead to the outsourcing of everything else.

Leases will be shorter and more flexible. There will be a much more open attitude towards sharing campuses, even among competitors. Flexible assets could account for as much as 50% of the portfolio. Core assets will still have a place, but are the 'trophy' buildings predicted in Smart Workplace 2040: a luxury and reward which provide an outstanding user experience—after all, contingent workers will choose the most engaging experience over others.



SMART SHARING AND SELF-ADJUSTING SPACE

Fluid in form, buildings will mirror the ease with which occupiers enter and leave markets. The connected buildings and 'collaboratories' we are beginning to see will have advanced and become the norm. Today, some companies are experimenting with plywood partitioning, allowing new spaces to be created and dismantled in a matter of days. In 2040 smart buildings will make these adjustments themselves; AI will predict user requirements and create a space tailored for them, in line with company culture and branding, accommodating an ever-changing user base.

This new form of smart building will lead to multi-use, multi-purpose shared assets. We may even see the birth of the corporate university; companies from the same or different industries will co-locate in university style campuses, not just to retain the best talent, but to create a sense of community. Efficiency gains are obvious, but the experience gains may be even greater.

Office environments will be quick to adopt sharing, and manufacturing and logistics will soon catch up, overcoming the challenges of legacy portfolios. These sites will transform into digitised, shared facilities, housing 3D printed equipment and miniaturised machinery. One week, the next new tailored drug may be manufactured at an agile factory; the next, the latest cosmetic product. They may even be made at exactly the same time by two competing firms, in the same building.

WHAT ABOUT THE HOME OFFICE?

This fluid approach will also apply to the home office. Homes will be built with flexible working spaces, and workers will have the ability to 'plug in' to a virtual office, which not only reflects the brand, but also adjusts the room (lighting, temperature and so on) to the task at hand. The corporations that will attract the best talent will be those that can best offer a dynamic, flexible office-at-home working experience.



“Smaller footprints and shared facilities mean that city cores are no longer cost-prohibitive for R&D or laboratory space. Hybrid, multi-functional, communal assets mixing office, research, think-tank and production space will comprise urban campuses.”

MANUFACTURING CLIENT

“There won't be any nice-to-haves. You either need to incur a cost, or you don't. And it will become easier to tell the difference.”

PHARMACEUTICALS CLIENT

THE RISE OF THE SHARING ECOSYSTEM



ECOSYSTEM OF PLACES

WHAT DOES THE PORTFOLIO LOOK LIKE IN 2040 ACROSS MULTIPLE ASSET TYPES?

With smart sharing the norm, corporate real estate will be less a fixed long-term portfolio, and more an interconnected, fluid ecosystem of places.

Gone will be the days of large, clunky core assets and reactive use of flexible space. Headquarters will be significantly smaller, but of the highest quality, reflecting the company's brand and desire to maintain a sense of purpose. These core HQs may still be occupied on relatively conventional terms, because companies will invest to make them the best possible places—driving the productivity and experience of users.

What is lost in HQ space will be gained in flexible, multi-use assets which will be used truly on-demand.

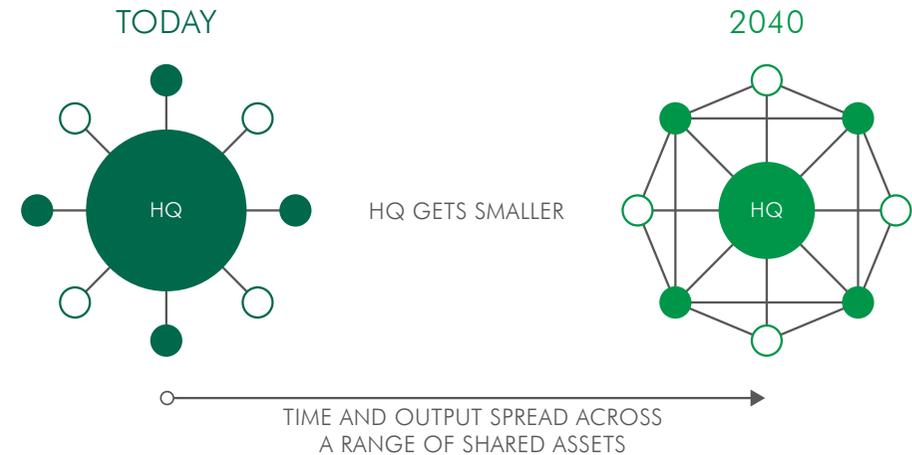
While the HQ is a reward for employees when they do go there, the majority will spend more time in shared workspace environments because technology enables them to drive the same business value in a completely different location.

Across the ecosystem of places, companies can drive superior value for reduced cost. For manufacturers, shared facilities will talk to each other through AI. Companies immediately allocate resources to the right place, be it a shared factory facility or distribution node, automatically.

WHAT DOES THIS MEAN FOR THE REAL ESTATE INDUSTRY?

Portfolio-level procurement will emerge. Rather than acquire specific buildings, companies will secure capacity across multiple buildings. This could see landlords creating cooperative communities who bundle portfolio capacity, in order to attract this new breed of occupier.

FIGURE 2: NEW ECOSYSTEM OF PLACES WILL EMERGE



SOURCE: CBRE RESEARCH 2018

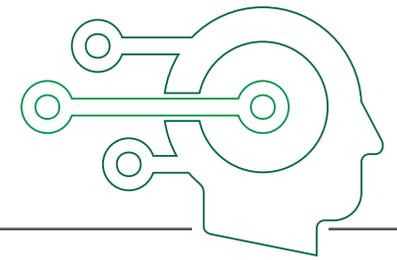
“We’ll need to get used to thinking in processes not point solutions. Every decision, even around long-term assets like real estate, will need to be reviewable, adaptable, even reversible. And quickly.”

INDUSTRIAL CLIENT

“Portfolios will consist of a small fixed core, and a proliferation of highly-flexible, locationally-dispersed, multi-purpose 24/7 satellites.”

LIFE SCIENCES CLIENT

DIGITISED TALENT



The workforce we know today will no longer exist, with the next 20 years bringing radical changes in demographics, labour procurement and organisational culture.

Companies will buy talent on-demand globally, as required—many job descriptions won't even reference a location. The agile teams emerging today will be replaced by mobile project teams assembled globally, with the focus on talent, connected by technology supported increasingly by AI enabled chatbots, 'co-bots', and autonomous assistants.

More than 50% of the workforce will be contingent workers, unattached to a single company. Skill sets will have evolved to meet a new, digital age, and companies have on-tap access to pools of labour which suit their needs.

VIRTUAL AND PHYSICAL TALENT, VIRTUAL AND PHYSICAL PLACE

While holograms and avatars will help solve the talent crisis, virtual is not a panacea—people crave authenticity and experience. Real estate will provide this.

The space a company occupies will be a physical manifestation of its brand—even more so than today—and will offer a consistent experience across place and time. Real estate will be a service, not a physical asset where work is done.

For employers of more permanent labour, providing a branded experience through technology platforms becomes more important, so regardless of where the individual is located, they feel part of the virtual corporate workplace.

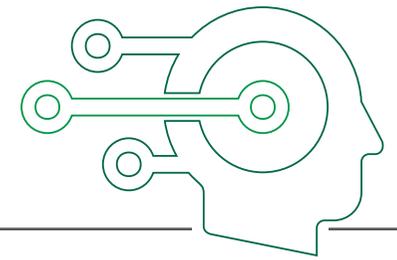
“Flexible working policies, contingent workers, remote and portfolio working is a powerful combination, as the contract between employee and employer has already changed. It’s become more individualistic.”

BANKING & FINANCE CLIENT

“Not everyone has embarked on the digitised, flexible tech-enabled working but they will, when cultural objections subside. And there are some easy wins in the early stages.”

BANKING & FINANCE CLIENT





DIGITISED TALENT

BROADENING HORIZONS: A LEVEL PLAYING FIELD FOR TALENT

Digitisation of labour and a truly physical/virtual working practice has implications for where and how businesses source labour. Locations which currently provide cheaper sources of labour will become increasingly attractive, as business no longer have to anchor hiring practices around the same handful of high-cost gateway cities. Talent won't have to move there because the employer will come—physically or virtually—to them, moving higher-value parts of their businesses to lower-cost but skill-abundant locations.

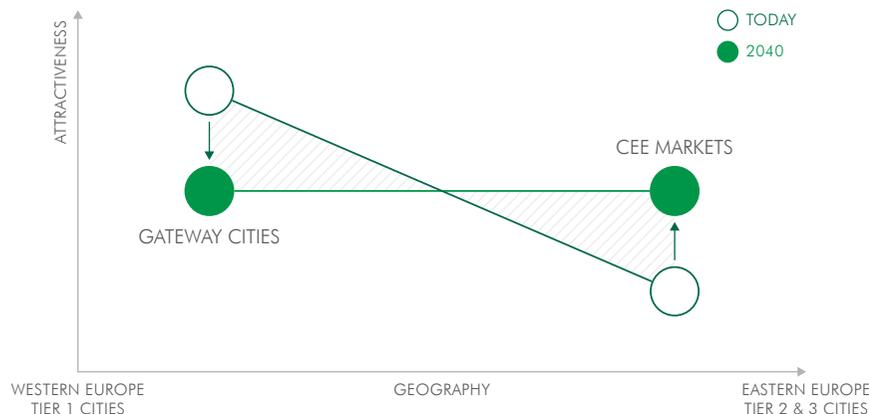
This will have geographical consequences. CEE markets will become as attractive as Western Europe as the cost differential of labour flattens out. As growth markets shift focus to the east (Russia, China and India) and south (developing markets in Africa) the CRE footprint will adapt.

“The C-Suite won't be displaced in 2040, but senior functions may well be more spread out across geographies.”

BANKING AND FINANCE CLIENT



FIGURE 3: LOW AND HIGH COST LOCATIONS WILL BALANCE OUT



SOURCE: CBRE RESEARCH 2018

PORTFOLIO 2040

“In 2040, corporate relocation means the gap between places like Warsaw and London or New York will close.”

BANKING AND FINANCE CLIENT

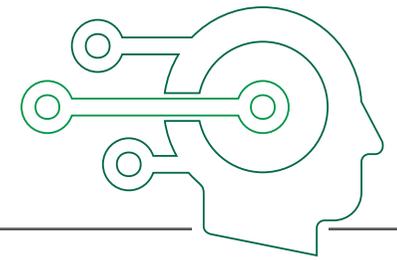
“Emerging markets will mature more quickly, as they absorb innovations and new practices. So lead times will shorten and information gaps between markets erode.”

BANKING & FINANCE CLIENT

“Proximity will still be important, but for a much smaller portion of a company's activities and possibly for limited time periods. The future will be a mix of permanent presence in key markets close to key customers; and a much more diffuse pattern for everything else.”

TECHNOLOGY CLIENT

DIGITISED TALENT



DATA IS THE NEW OIL, TALENT IS THE NEW TANKER

In an age of permanent disruption, data will transform businesses. As data is increasingly shared within and between industries, and businesses are more connected to consumers, data becomes the new oil—powering business. But talent will not be obsolete. It will become the tanker through which companies turn data insight into real advantage.

“Companies will reinvent themselves as data analytics and information houses.”

INSURANCE CLIENT

The balance between technicians and professionals will shift. Due to their ability to handle complex data and work across different industries, data scientists and generalists will eclipse specialists. Insurance companies and banks will employ more data scientists than insurance brokers and bankers, respectively.

WHAT IS THE ROLE OF A BUILDING IN THIS NEW WORLD?

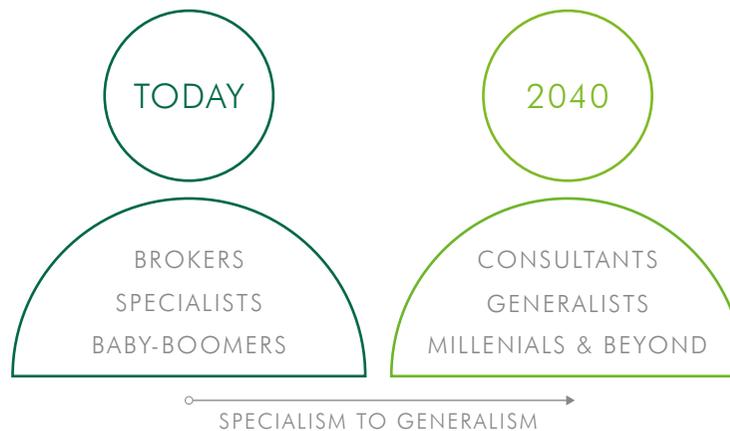
The key will be finding both practical and cultural solutions to these changes. How do you provide the infrastructure for data scientists to process this volume of information but also collaborate? And how do you attract and retain talent with a virtual and physical workplace in a hyper-competitive global job market?

The successful companies will be those that balance curated, authentic and human workplace experiences and coherent culture with fine-tuned, tech-enabled flexible working. When contingent workers represent more than half of a company’s labour force, striking this balance will be critical.

“There will be an increase in freelancers in the company, which ties to workplace strategy... how do you create culture in such a flexible, transient environment?”

BANKING & FINANCE CLIENT.

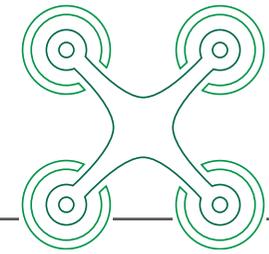
FIGURE 4: LABOUR DEMOGRAPHICS AND EXPECTATIONS WILL CHANGE



SOURCE: CBRE RESEARCH 2018



PLACES OF THE FUTURE, SPACES OF THE PAST



While labour becomes more dispersed, the paradox will be that great places to live, work and play, will matter more.

Technology—hyperloops, autonomous cars, drones and AR/VR infrastructure—will change the distance game. In a world of frictionless geography corporations will promote their brand through great experiences across their flexible ecosystem of assets.

Smart infrastructure will connect places across space. An individual's location preferences won't be driven by where they work, because they can work anywhere. Instead, they will be driven by the quality and authenticity of experience. With a commute from Edinburgh to London taking just 40 minutes via hyperloop, a relaxed home life in the Scottish Highlands and the buzz of a career in a mega-city like London is a realistic prospect.

The key will be for companies take a more proactive approach to HQs, flexible space and home working environments and a keener interest and participation in smart infrastructure and cities.

“How do you develop an agile plan that adapts to constant changes in workforce expectations, and that harmonises people, technology, services and place? This is the challenge for corporates as ‘experience’ becomes part of a broader mix of workplace considerations.”

KEN RAISBECK, HEAD OF ADVISORY, CBRE EMEA

“Location conveys brand, and brand is becoming more important not less. So quality of place will never be irrelevant.”

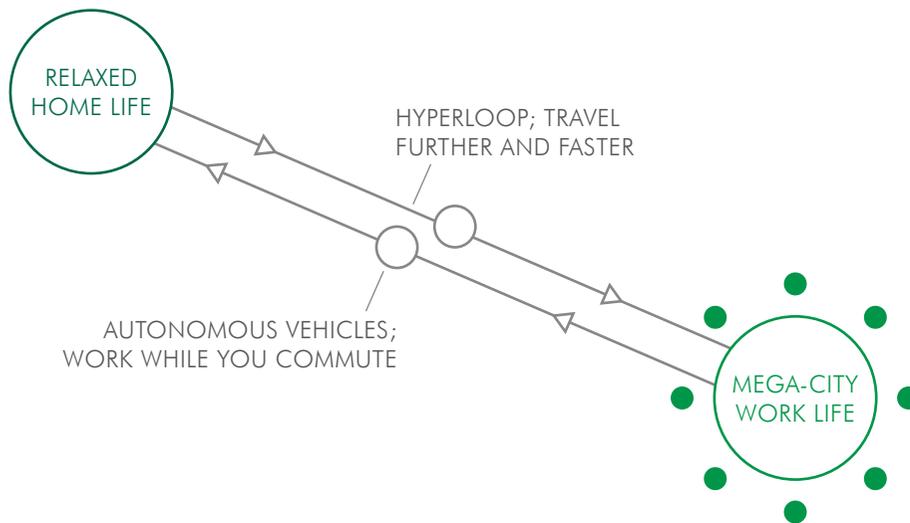
TECHNOLOGY CLIENT



“To whom will the word ‘community’ matter, and what will it look like? As workforces become scattered and contingent, elements of brand, culture and loyalty will need rethinking. A high-quality experience in state-of-the-art buildings is a table stake.”

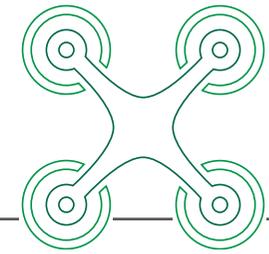
TECHNOLOGY CLIENT

FIGURE 5: NEW INFRASTRUCTURE WILL RESHAPE CITIES AND COMMUTES



SOURCE: CBRE RESEARCH 2018

PLACES OF THE FUTURE, SPACES OF THE PAST



A SUSTAINABLE FUTURE

Environmental concerns will put sustainability front and centre. Companies will realise that sustainable use of assets and energy, while reducing costs and preserving the environment, will also optimise user wellbeing.

Specific references to ‘wellbeing’ will disappear as it becomes fully integrated with the workplace, and sustainable use of the built environment will be the norm. Every lease will become a “green” lease, whereby landlords and occupiers commit to using built assets as sustainably as possible. Most buildings will generate their own power, with energy companies having shifted focus to developing and installing renewable energy systems. Just as companies will share assets, they will increasingly create and share energy locally in order to optimise cost and satisfy sustainability goals.

“Faster urbanisation means the sustainability agenda will be all-encompassing: cities will compete to be greener than their neighbours; accreditation will be simpler and more transparent; sustainable due diligence will be commonplace as will shared management of energy usage across the grid.”

JOE GOMEZ, HEAD OF ENERGY & SUSTAINABILITY, CBRE EMEA

WHAT’S THE IMPACT ON REAL ESTATE?

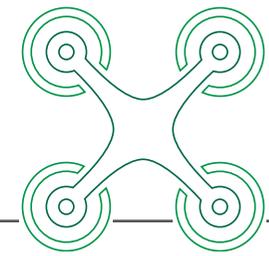
Sustainability will directly influence and enable employee wellbeing, as part of the wider experience agenda; the greener the building, the healthier the employee. Urban farms will become more prevalent across rooftops, basements, former car parks (made redundant by autonomous vehicles and enhanced public transport) and even on the side of buildings. Buildings that provide this green infrastructure will be more popular: in 2040 “green” will mean authenticity.

Developers will need to be acutely aware of the demand for sustainable use of assets, and build them this way from the outset, considering how they integrate with the wider urban ecosystem.

“Tech enabled monitoring usage of buildings will be the norm. Traditional build outs will be retired, though we might see a clawing back of open environments.”

BANKING & FINANCE CLIENT





PLACES OF THE FUTURE, SPACES OF THE PAST

THE URBAN ENVIRONMENT 2.0

All this change creates a new urban environment. The challenge and ultimate success will be when companies achieve consistent experiences across their entire ecosystem of places.

The emergence of ‘people, place and property’ as the governing CRE principle, and the development of corporate universities, will contribute to more polarised and dynamic cities. As more flexible office segmentation occurs due to fierce competition, specialist zones and industrial clusters will develop. We will see themed ‘Life Science’ or ‘Banking and Finance’ zones of cities becoming more permanent features; cities will thrive by specialising. Diversification will no longer be an advantage, and new forms of competition between cities will emerge, where they no longer compete solely on cost and labour, but on their renowned specialism, level of connectivity and quality of human experience.

“Authenticity, personalisation and choice will be lifestyle staples in western economies.

How can legacy assets be revitalised and re-purposed in this light?”

MIKE GEDYE, EXECUTIVE DIRECTOR,
STRATEGIC CONSULTING, CBRE EMEA

WHAT DOES THIS ALL MEAN FOR THE BUILT ENVIRONMENT?

Physical space will remain the best way to deliver great experiences, and technology platforms will bridge the physical and virtual gap. Trends towards authenticity and experience will drive companies to reflect these aims in their choices of place, design and proximity. High quality places will be at a premium; micro-clusters of complementary and collaborating uses will evolve; and new urban hubs will emerge.

Buildings and urban quarters will be more adaptable and support a wider range of uses and asset types. In turn, there will be opportunities for niche providers of specialist asset types.



CONCLUSIONS AND IMPLICATIONS

2040 WILL BRING PROFOUND AND FAR-REACHING DIFFERENCES TO PORTFOLIOS:

Pervasive data and the growth of AI underpin an environment of continuous change. **Companies** will need to adapt almost instantaneously to change and offer increasingly personalised **solutions**.

Rapid and fluid specialisation, either temporary or permanent, will characterise most **businesses**; real estate will need to reflect this by being increasingly flexible, multi-purpose and rapidly adaptable.

Portfolios will no longer be viewed as a collection of fixed assets, but a diverse **range** of adaptable capacity which can be shaped and repurposed in response to consumer demand. Spare or “just-in-case” capacity will be eliminated.

With long-term ownership seen as a hindrance, new forms of **sharing**—of assets, people and equipment—will be commonplace.

Core portfolios will be smaller, but smarter and more people-centric. New formats of **assets**, in highly interconnected systems, will emerge.

There will be radical changes in workforce structures, procurement and **organisations** that require companies to support labour in a variety of ways—including through real estate. The challenge will be creating a culture that binds an increasingly transient and dispersed labour force with a growing need for authenticity and experience.

Brand will also be key. As labour resources become more dispersed, the quality and role of place becomes paramount, both as a draw for talent and as a conveyor of brand.

Locational **networks** will need to provide high quality experiences which support the training, brand immersion and collaboration of hyper-networked talent communities.



HOW SHOULD DIFFERENT STAKEHOLDERS PREPARE?

OCCUPIERS

- **Devise labour sourcing and curation strategies.** This is a multi-dimensional challenge spanning diversity, corporate culture and brand, in order to create authentic community experiences and highly productive and adaptable workplaces across a portfolio.
- **Consider virtual omnichannel engagement strategies** for an increasingly dispersed workforce.
- **Assemble network of partners and suppliers** that support flexibility and work across technology, energy, labour, R&D, property and facilities.
- **Recognise the increasing reliance on data** to shape the operation, design and experience of environments will require increasingly sophisticated storage, analytics and autonomous data strategies and partners who can advise on this digital transformation.
- **Plan for shorter portfolio planning cycles**, more frequent “review, reset, adapt” events.
- **Assess optimal core vs. satellite structure** in terms of mix, scale and functions. Consider the importance of proximity for different roles and functions.
- **Review the decision-making architecture, role and connections of CRE**, and implement flexible procurement policies, which might incorporate crowdsourcing of spaces and extensive sharing with peers, extended partnerships and sometimes competitors.
- **Decide how, in an age of permanent disruption, you can attract, retain and keep people productive** through innovative CRE policies, which support health, wellbeing and the personalisation of experiences.

INVESTORS/DEVELOPERS

- **Embrace a change in the design and investment characteristics of real estate** based on occupiers’ permanent need for adaptability and flexibility, with integrated systems and digital architecture to enable this change.
- **Develop and refine new and responsive pricing structures**—perhaps all-inclusive payments for on-demand space or fluid pricing based on real-time and dynamic market capacity.
- **Reimagine the need to provide a more curated user experience** which extends beyond the constraints of the built environment and creates authentic and inter-connected communities as part of a core Space as a Service offering.
- **Reflect the desire for sustainable buildings** and new approaches to energy consumption and management in their schemes, where appropriate as part of a wider Wellness agenda.
- **Consider the need for broader placemaking** and operating in extended supplier ‘communities’ offering rich and diverse capacity to support the live work and leisure needs of the target consumers.
- **Reinvent place:** the changed role of physical place in real estate portfolios, the need for connectivity and adaptable usage, specialist zones in urban areas, smart building and city infrastructure - all offer challenge and opportunity for developers.

CLOSING COMMENTS

We can conclude with some certainty that the Portfolio in 2040 will need to operate in an increasingly dynamic and adaptable environment. Whether delivering tomorrow's stock or driving the occupier agenda, to successfully navigate this complex landscape will require the support of a broad ecosystem of partnerships.

Sustainable competitive advantage will come through developing a better understanding of the 'demand dynamics' that will have the greatest influence on the design, operation and user requirements for tomorrow's workplace. Those who proactively embrace this change will prosper.



METHODOLOGY AND SOURCES

In addition to the possibilities described in The World in 2040 section, this research was based around a series of structured consultations with key decision-makers and thought leaders involved in decision-making around corporate real estate portfolios.

This process included:

- 15 CBRE clients, EMEA and UK based, active in a range of markets and different industries
- CBRE subject matter experts, heads of service line and sector leaders

The predictions made on [page 3](#) come from a variety of sources:

- UN Department of Economic and Social Affairs
- IHS Markit
- Airports Council International
- BP Energy Outlook

You might also be interested in:

- [Smart Workplace 2040](#)
- [Retail 2030](#)
- [The Flexible Revolution](#)
- [EMEA Occupier Survey 2018](#)

CONTACT US



RICHARD HOLBERTON

Head of Occupier Research, EMEA

+44 (0)207 182 3348

richard.holberton@cbre.com



JAMES PEARSON

Research Analyst

+44 (0)207 182 2623

james.pearson2@cbre.com



KEN RAISBECK

Head of Advisory Services

+44 (0)7966 563 166

ken.raisbeck@cbre.com



MIKE GEDYE

Executive Director,
Strategic Consulting

+44 (0)207 182 3325

mike.gedye@cbre.com



AMANDA CLACK

Head of Strategic
Consulting

+44 (0)207 182 8144

amanda.clack@cbre.com

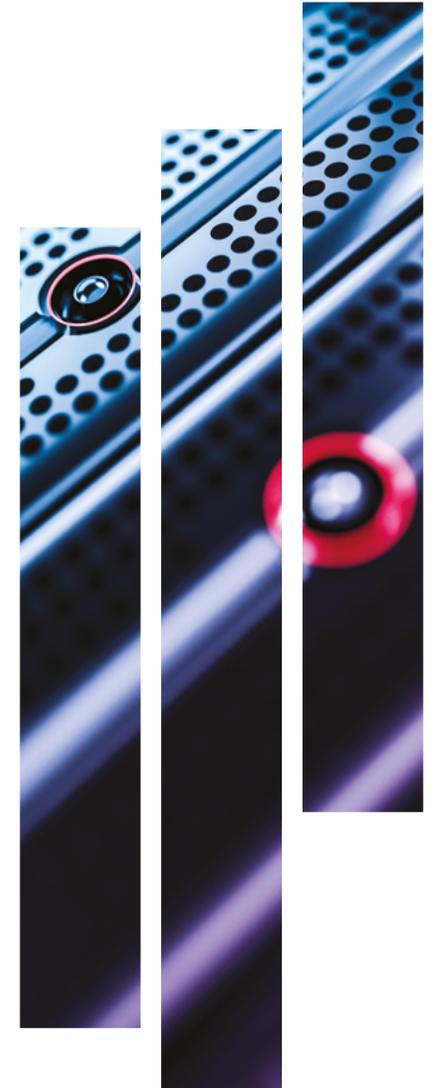


KATE SMITH

Solutions and Product
Development Director

+44 (0)7703 314 922

kate.smith@cbre.com





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