



The Great Reimagining: How PropTech can help us to reimagine the workspace in a post-pandemic world



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Glossary

ICT

An acronym for “Information and Communications Technology”

NWW

An acronym for “New Ways of Working” which broadly refers to *any forms of work that allow workers to choose when and where they work using information and communication technologies (ICT) to be available anywhere, anytime.* (Renard 2021).

PropTech

A contraction of “Property Technology”, refers to *any new business models and technology aimed at real estate markets, most commonly in software and platforms. More specifically, proptech consists of applying software solutions to real estate needs and transactions, from data analysis to automated monitoring to energy consumption usage reviews and more.* (Valley Bank 2022)

4.0

A suffix for any innovations made due to the Fourth Industrial Revolution. E.g. *Real Estate 4.0* (Starr et al. 2020)

Foreword

■ BY KEVIN WILLIAMS

The notion “disrupt yourself or be disrupted” has become somewhat of a truism, particularly during the shapeshifting impacts of the pandemic.

But for organisations like ours, understanding how we can attend to and service the needs of managers of real assets before they emerge is a source of continual focus and effort. While the speed of the pandemic impacts was unprecedented, truthfully, ours is an industry that has already been in the process of recalibration and reinvention, as factors such as an increased appetite for

flexible working were already noted and progressing pre-pandemic.

This is really what this White Paper is all about, the constancy of change, but most importantly, the recalibrations and reconsiderations that occur after a period of significant change.

Here we explore how we can unpack this challenge, to yield areas of opportunity for real asset managers, as well as to air out some of the common anxieties that can get in the way of being truly innovative.



Introduction: The Death of the Office?

The “death of the office” isn’t upon us just yet, though. As we embrace the hybrid working structure, it looks like they’re here to stay.. But the wants and needs of employees are likely to keep evolving which means post pandemic office space will keep shifting too.

■ Thomson (2022) Future Proofing the Post Pandemic Office and Commercial Spaces

The unprecedented lockdown measures of the pandemic forced us to find new ways of working (‘NWW’) and new ways of being.

ICT innovations helped businesses ride the waves of the pandemic, and people adapted to ways of working that better match the demands of their lives. Much has also been said and written about a “Great Resignation”, which saw people make life-changing decisions about where and how people spend their time, particularly in the work sense.

No matter where you stand on how the pandemic made you re-think how you work or why you work, both of these big discussions share a common question that still remains up for debate:

What is the role of the physical workspace in the post-pandemic world?

Given the ructions during the pandemic, with outlandish predictions of the death of the workspace, we’ve all witnessed the more recent embrace of the ‘new normal,

that being widespread acceptance of hybrid working, where and when suitable.

On the one hand, many people have welcomed the ability to work remotely, free of distractions and long commutes. On the other hand, others have expressed feeling alienated from the nourishment that a thriving workspace can bring - revealing a different need for workspaces to meet.

As we solve one challenge, many others will no doubt rise in their place: So far, so (new) normal. But what can we expect next? What factors will impact managers, occupiers and employers? Is this a moment for not just a re-stabilisation of our workplace assets but also reinvention and rejuvenation? What exactly would that look like, and how would you implement it with overall business benefit?

As an asset manager, questioning the very need for the physical workspace might feel a bit daunting. But, instead of seeing this as uncertainty to dread, PropTech can, in fact, help us to realise the full value of real assets like offices in light of the changing shape of the workforce and its demands.

The State of Play: PropTech and NWW after the pandemic

To truly understand the opportunities present for asset managers right now, let's first look at future projections in the proptech market, the NWW movement and how they converge as we move through the final official stages of the pandemic.

a. PropTech

Flexibility was most emphasised by real estate respondents, which bodes even better for proptech adoption, given that increasing digitization eases workflows and improves efficiency.

■ Valley Bank (2022) The Present & Future of PropTech

According to market research by Valley Bank USA, the 2022 projections for the PropTech market are optimistic, as investments in the sector are steadily on the rise, with an a lot of this focussing on established businesses in the space.

We are also still in the process of seeing the transformational effect of technology on the largest asset class in the world – commercial real estate, which some have termed *Real Estate 4.0*.

This 4.0 technology in real estate will be characterised by platforms using artificial intelligence, digitisation and automation, e.g. big data analytics, artificial and virtual

reality, blockchain technology, the internet of things, robotics, and 3D visualisation, to name a few.¹

Property management and transaction solutions will continue to be the leading subsegments of PropTech investment. However, the expectation is that unifying platforms will emerge as category leaders in years to come, i.e. solutions that allow asset managers to manage the holistic needs of their properties. This means an emphasis on technology/ies that can look after digital and physical security, occupier well-being and broader sustainability, in a more integrated fashion.

¹Tahir, M. (2019) *Real Estate 4.0 – A game changer for the real estate market*, Graana. Available at: [Real Estate 4.0 - A game changer for the real estate market](#) (Accessed: 23 September 2022).

b. NWW

Looking at the results of the literature dealing with NWW is rather disappointing because the results are contradictory. Like other HR practices, NWW-related practices may generate positive outcomes like increased motivation, job involvement, task autonomy, and better work-life balance, which in turn positively impact employees' performance. However, these practices may also decrease job motivation by generating a feeling of isolation, lack of social interaction and organizational support, and uncontrolled working time, which can lead to stress and burnout.

■ Renard (2021) The Impact Of New Ways Of Working On Organizations And Employees: A Systematic Review Of Literature

Moving in parallel with rising PropTech is the New Ways of Working (NWW) movement, also a growing area before the pandemic. Originating from the Netherlands in the 1970s, the NWW movement was conceived as a viable answer to incompatibilities between people's professional and personal lives stemming from major societal issues, as we've seen in the pandemic.

However, while many have welcomed the increased flexibility and agency that technology affords, the data is developing on many aspects of NWW, e.g. benefits and disadvantages for employers versus those

for employees, specific practices or general philosophy of practice, and so on.

Even so, while we are still coming to understand the best ways to maximise NWW, trends indicate it is here to stay. The notion of NWW is broader and includes a wider reflection on the future of work and organisations. The trend toward flexible working shows no signs of abating due to a proliferation of co-working rental arrangements, satellite offices and "third space" usage by employees who prefer to work in a location separate from their homes.²

²Saiz, A. (2020) 'Bricks, mortar, and proptech: The economics of IT in brokerage, space utilization and commercial real estate finance', *Journal of Property Investment & Finance*, 38(4), 335.

c. The impact of COVID-19 on these trends

Health, wellness, sustainability and flexibility have been ongoing trends for offices for many years. The coronavirus pandemic has highlighted the importance of these attributes and accelerated the move to implementing these principles. When implementing restrictions, it will always be important to make it easy for building users to adhere to requirements and experiment with ways to improve their user experiences. Central offices will have to compete with working from home and local office hubs, but people will still want to collaborate and work productively if a high quality of space is provided. The commercial property developers and landlords who recognise what their customers need stand to benefit from these emerging trends.

■ Arup (2020) Future Of Offices In A Post Pandemic World - Australasia

The trends in PropTech and in NWW both exist against the background of an even larger societal pattern.

PropTech was already a growing market, no doubt due to the sheer potential it has to unlock the value of real assets. Workplaces were already implementing NWW practices at an increasing rate due to the needs of their workforce.

The true effect of the pandemic was to accelerate the rate at which these things

were happening, which is leaving us to play a bit of catch-up on what the real impact on profit, productivity and purpose has been.

And while both spheres contain facets that exist at odds with one another, this nexus between PropTech and NWW is not one of mutual exclusion. It is a balance between the realities of work and the aspirations of fulfilment that keep workspaces thriving, and we are only at the beginning of exploring what this looks like.

Insights: How PropTech helps us reimagine the post-pandemic workspaces in the APAC

As real asset managers grapple with the challenge of keeping their spaces occupied, it is natural to wonder what the physical workspace could look like in a post-pandemic future.

The answer to this question will be different for everyone, but the starting points are simple. See this as an invitation to bring two core principles of design thinking to the problem-solving table:

1. Instead of starting with “*what’s wrong with my space*”, start with “*what would the best experience in my space look like?*”
2. Talk to and build with the very people for whom you want to make the most of your space.

Which is what we did. To help us answer this question, we took this discussion to a selection of professionals (office managers, architects and interior designers) across Australia, Indonesia, Hong Kong and Singapore.

The insights gleaned from these preliminary conversations have already revealed three key themes in how we can reimagine our relationships with the physical workspace.



a. PropTech can help optimise flexible ways of working that keep offices together

“Spaces are needed less than accommodating digital technologies.”

■ Architect, 36, SG.

“I think a big part of a desirable office is how it accommodates collaboration and innovation. So not only tech-y stuff, but also workshopping spaces. Do you have whiteboards, or accessible post-it notes, or comfy spaces where people can comfortably ideate?”

■ Architect, 33, Perth.

“There’s a shift in how we see office spaces. Back then, it was a place of tools and infrastructure. You have desks, printers, computers, etc. Now, our workspace is Google Drive. Office spaces are more of a community space.”

■ Architect, 32, Melbourne.

The benefits of NWW are not necessarily uniform, but some longing for it has been catalysed since the pandemic. Previously, the workspace was a place of tools and infrastructure, i.e. our desks, printers, and computers. Now, we increasingly rely on cloud technology to access our workspaces from anywhere.

The room created by the Cloud provides the perfect opportunity to reimagine the workspace of the future.

In fact, a dedicated PropTech platform is arguably a must-have in any hybrid-work environment. This is because they can

simultaneously keep people connected to each other when they are not in the office (*“I’m not in the office today, but what is going on there?”*) whilst also encouraging people to establish healthy boundaries around their work by concentrating specific types of communications to specific platforms (e.g., Slack for work, Messenger for play.)

The right PropTech platform is at once adaptable to one’s needs and anchored to the workspace, and indeed, can be a digital plaza for a connected workforce.

b. PropTech can help to prioritise health, security and wellbeing in the workspace

“The obvious one is health, I think. Both mental and physical health. They want something that allows them to nurture communities without the risk of COVID-19.”

■ Architect, 33, SG.

“They usually like more open spaces, like gardens. Not only that it’s good for mental wellbeing but it also gives them less risk to infectious virus.”

■ Building Manager, 42, Melbourne.

Unsurprisingly, health and wellness have become central to an ideal workplace.

New workspaces won’t look like traditional offices anymore, with particular growing popularity in green office spaces.

This presents the room for PropTech to reorganise the space left behind by cloud technology in two major ways:

- Asset Managers want to effortlessly manage the basics - safety, cleanliness and health - before they can optimise their spaces; and
- Occupiers (usually the workforce) want something more than just work at work: community-building means common spaces, kitchens, meditation rooms, and spaces for hobbies have become more valuable.

PropTech can facilitate and ensure safety and security through automated and human security management, maintaining good air quality, surface sanitation and even schedule maintenance of common areas, themselves more accommodating of socially distanced working and or close collaboration as desired.

The room that becomes free that was otherwise taken up by office infrastructure becomes much more customisable for other uses – yoga spaces, meditation spaces, nursery, good-quality ventilation, regular office mini functions - without forgetting the basics of usable spaces.

c. Bonus: PropTech can help create accountability and impact on sustainability

Increasing emphasis on sustainability and alignment with environmental, social, and governance (ESG) principles has also led to substantial investment in research and development (R&D) by proptech companies.

■ Valley Bank (2022) The Present & Future Of Proptech

The concept of “being green” was a frequent, if incidental, point across a majority of the conversations we had about the post-pandemic workspace.

The frequent mention of “green spaces” and “green economies” in our discussions was notable because it reflected so much of the current thinking in the PropTech industry: that sustainability will be one of the defining areas of focus in *PropTech 4.0*.

In addition to the prospects of more green spaces, industries are increasingly focused on developing easy-to-manage ways to track and measure the environmental impacts of our activities in several ways:

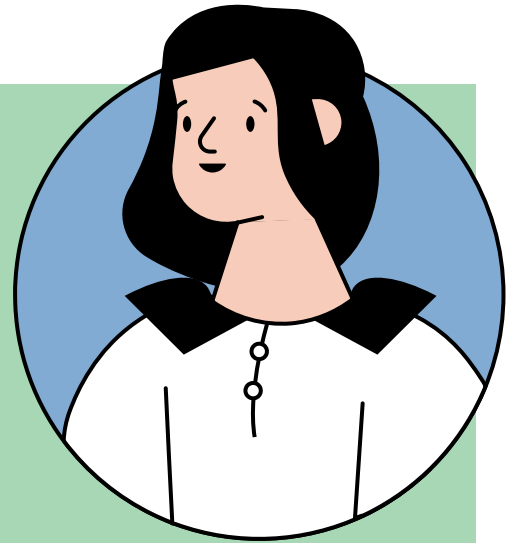
- Developing energy usage monitoring capabilities.
- Increasing use of greener, recycled building materials.
- Increasing use of virtual and augmented reality technology for conferencing and touring - lessening the carbon footprint associated with unnecessary travel.

As much as health and wellness have become priorities in the workspace on an individual level, sustainability has emerged as a community-level concern, seemingly in parallel.



Where to now?

In order to grow, thrive and ultimately survive in this rapidly changing environment, we need to be able to shift gears and embrace the opportunity to innovate and pivot. We need to learn to experiment with emerging and maturing technologies and to adopt agile practices that allow us to deal with uncertainty and complexity, particularly during and post the COVID-19 pandemic. While many of the new technologies are bound to be disruptive to the industry, reskilling and upskilling empowers real estate professionals to become as cutting edge and successful as the technologies evolving within the profession.



■ Starr, Saginor, And Worzala (2020) *The Rise Of PropTech: Emerging Industrial Technologies And Their Impact On Real Estate*

If you happen to be at another location including your home, occupiers can “digitally” enjoy the office by receiving both operational and social communication. If recent comments from industry experts are anything to go by, the existence of platforms are starting to be expected by the large tenants.

While PropTech is by no means a panacea for every issue we encounter in the workspace (especially where the impact of technology is the challenge to solve for), it does present an exciting opportunity for real asset

managers to reconnect with its core value proposition:

...the best PropTech brings new and innovative thinking in how real asset managers solve challenges and promote growth in the properties that they manage.³

With this lens, the challenge we should set ourselves is not so much: *how can we use PropTech to fix our workspace? so much as how can PropTech make the workspace a place for people to thrive in?*

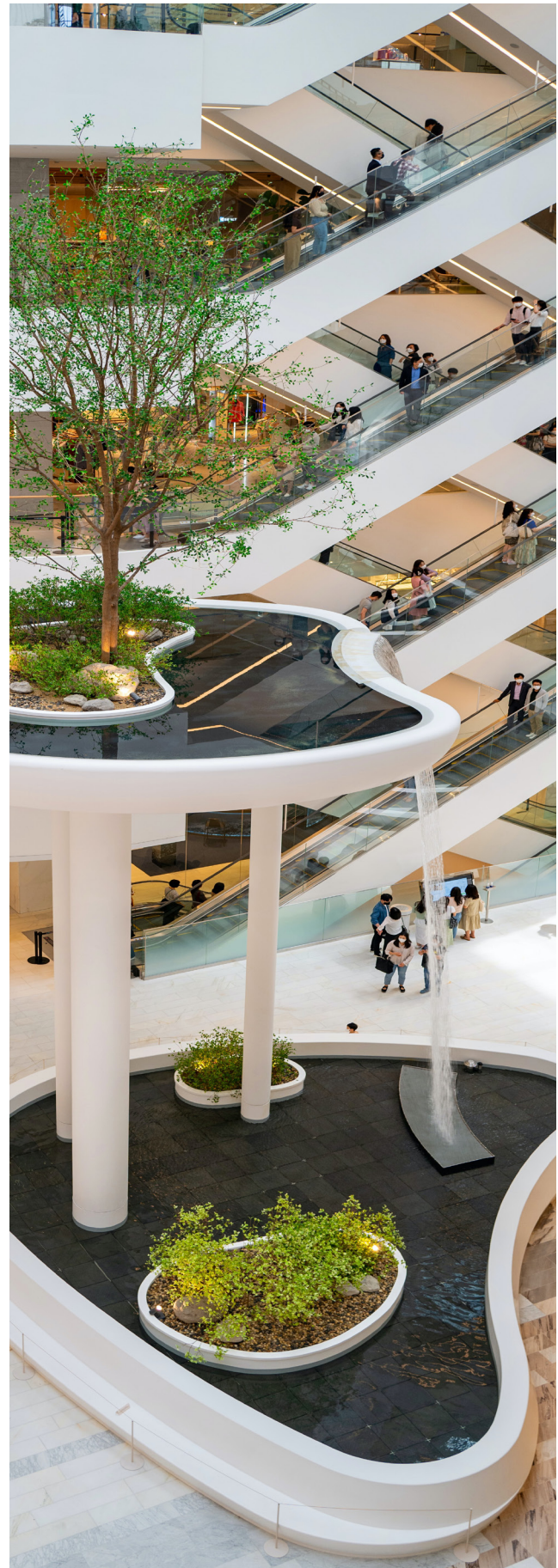
In the case of reimagining the post-pandemic workspace, it is as much about streamlining PropTech to adapt and respond to the holistic needs of occupiers - businesses or otherwise - as it is about taking advantage of the new possibilities for the spaces freed up by PropTech.

At Core Vision, myLocus is one such expression of our aspiration to use PropTech to address the holistic needs of occupiers and managers via a building-specific social media platform. On the one hand, myLocus sits at the epicentre of enabling NWW and it supports the work from anywhere concept. On the other hand myLocus also enables a safe digital community in which an occupier or customer can engage in relevant ways with the building community.

Whether you are onsite and wanting to book facilities, receive information relevant to the spaces you occupy or learn about special offers in and around your office, myLocus enables all of those activities. If you happen to be at another location including your home, occupiers can “digitally” enjoy the office by receiving both operational and social communication.

With myBuildings, Core Vision is enabling real asset managers to ensure that the spaces that are occupied, when they are occupied, are safe and healthy. It also stands to reason that in the New Normal where the “most” has to be made from the investment in these assets, that the investment is well protected and the longevity of those assets is assured. It is PropTech like myBuildings that is being used for this.

In some ways nothing has in fact changed, as occupier wellbeing should always have been a focus and asset value protection should always have been a parallel goal, but again, it is this New Normal that has emphasised these imperatives.



³How to choose the right proptech for you (2021) Proptech Association Australia. Available at: [How to choose the right proptech for you.](#)

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