

WELLNESS & WELLBEING

REAL ESTATE'S NEW FRONTIER

By Amanda Marsh

During the post-2008 recessionary period, corporations focused on keeping operating costs down and densifying. All that changed in 2011, when the market began to experience the demographic shift of Millennials coming into the workplace.

"They are picky in choosing who to work for," noted Bernice Boucher, a JLL managing director who leads the firm's Workplace Strategy Practice in the Americas. "They align themselves with

organizations that fit their social and psychological needs."

Additionally, 10,000 Baby Boomers are retiring daily, she continued. "We need more Millennials in our business for succession planning, and these companies want to do a knowledge transfer. So it's critical we create environments that are both magnets for keeping Boomers and attracting Millennials. People are not a dime a dozen, so you need an environment that's a great place to work."

As part of creating great workplace, organizations look at two factors: wellness and wellbeing. Wellness focuses on physical health, while wellbeing is the holistic, whole-body experience.

A 2015 study conducted by non-profit human resources association WorldatWork shows 96 percent of organizations support employee wellbeing programs, and nearly three-quarters plan to increase wellbeing offerings or activities in the next two years.



Boucher noted some questions to ask: “How do you introduce ways to improve peak performance? Are employees getting enough sleep? Are they exposed to greenery, daylight, and views?”

“There’s a method to the madness around mindfulness, as well,” she continued. “It helps with the whole person and a work-life balance, and companies are looking to create a mindset around that. Even the big banks recognize there’s a benefit to a more engaged, satisfied, and focused workforce.”

Real Estate’s Role

Real estate professionals are critical in creating a great user experience, Boucher noted. The best workplaces are all about connecting, choice, and autonomy, a desire among all generations, she said.

Companies have to look at what amenities and services are competitive and wanted by employees. “And as we see companies shift back to cities, they also have to make sure they’re in locations where talent wants to live, work, and play.”

When companies ask architectural firm HLW International how much space should be dedicated to wellness, “We throw out a 10 percent metric, which we estimated from measuring how much space the most forward-thinking companies have set aside,” said Liz Burow, the firm’s director of Strategy and Discovery. Its clients include Google, Twitter, Sesame Workshop, Weight Watchers, and YouTube.

And as real estate changes the way companies use space, it changes the way people interact, noted CBRE Global Director of Corporate Responsibility David Pogue.

“I may work at a desk today and you may use the same desk tomorrow,” he said. “All of this raises concerns about hygiene and cleanliness. As we were contemplating changing our space, this concern encouraged us to begin thinking about such matters more closely and consider health and wellness broadly in our spaces.”

It is one element that attracted CBRE to the WELL Building Standard, which sets performance requirements in seven categories—air, water, nourishment, light, fitness, comfort, and mind. Buildings and offices that achieve a passing score in each category receives a Silver, Gold, or Platinum certification.

In 2013, CBRE was the first company to achieve WELL Certification for a commercial office space in its Los Angeles corporate headquarters. Then in February, CBRE and WELL founder Delos Living entered into a strategic alliance in which CBRE will pursue WELL Certification for at least 100 buildings, sites, and offices managed by or associated with CBRE globally.

The headquarters also highlights CBRE’s global Workplace360 initiative being implemented in more than 30 offices worldwide, which features a balance of private and collaborate workspaces designed to support the way employees work through enhanced flexibility, mobility, technology, productivity, and wellness.

“We started to consider other ways to keep our employees healthier, including ergonomic offerings, such as standing desks, while also focusing on mobility in our spaces—like encouraging the use of stairs over elevators and encouraging more physical activity,” Pogue said. “The WELL Building Standard also encourages improved hydration, relaxation and

spaces for breaks and for employees to feel restful during the day.”

There’s a lot to be said about active design, a movement that has picked up over the past few years, Burow added. It gets people up and out of their seats, moving around in intuitive ways that don’t feel disruptive to the workday. Making such micro-movements throughout the day is healthier, she said—for instance, it encourages workers to walk to a printer hub or use stairs instead of an elevator.

Weight Watchers, for one, installed circulation paths with signs marking the number of miles people can walk throughout the day. HLW is also looking how to incorporate exterior pathways for employees to use during breaks, walking meetings or as part of a fitness program.

Most employees should have access to natural lighting, she adds. “You want the most light to the most percentage of people, or a ‘right to light.’ Even if you still have those perimeter offices, you should provide glass fronts that allow the light to reach everyone.”

Also important: the food experience. One trend Burow sees is decentralized pantries being consolidated into one or a few big café areas, driving everyone together for “casual collisions.” They can be multi-functional and not only display health and wellness initiatives, but host town halls, fitness classes, and events, as well as serve as meeting and work settings.

CBRE has integrated many of these aspects into its Workplace360 program, “which is a good combination of what employees want, what health science is telling us is important and how work is being done today,” Pogue said. A year after moving into the L.A. office, 92 percent of CBRE employees said the space

had a positive effect on their health and wellbeing, while 90 percent said they would not go back to a traditional way of working.

JLL is undertaking a similar initiative at its Chicago headquarters, where it will revamp 200,000 square feet over six floors by next year to incorporate the latest strategies in workplace design. Its goal: using workspace and technology to further connect employees, improving their ability to work productively and attain higher levels of job satisfaction.

conference rooms, empty storefronts and even loading docks.

The model works for companies that might not have a large enough employee base or the money to justify the cost of a fitness amenity within its space, noted Freed, the company's COO. Instead, it can subscribe to a membership with other tenants in the building and partake in a shared wellness amenity.

"In this scenario, landlords are able to offer a fitness amenity where they didn't think possible," he said—thus creating

higher earnings per share compared to peers.

And getting on the Fortune 100 "Best Companies to Work For" list has shown a 500 percent-plus greater return over the average of the Russell 3000 or S&P 500 indexes, Boucher noted. "The c-suite is making the connection between being a best place to work, engaged employees, and their bottom lines."

But it's difficult to track how wellness and wellbeing programs impact overall health, sick days and insurance costs, as those statistics are difficult to access or take a long time to develop, Pogue added. "However, fitness and wellness boils down to this: If you're at work and healthy, you're working at a higher level."

The lingering question, Boucher noted, is what will happen to this trend if there is another economic downturn. "Will this focus on talent and programs continue?" she asked. ▾

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When Space is an Issue

Even if a landlord or company doesn't have the space to host permanent wellness amenities, there are options that can bring healthy alternatives to a building—for instance, a food truck offering nutritious bites or a company that holds mobile fitness classes.

For instance, hOM is a New York-based wellness provider co-founded by Ryan Freed, Francesca Loftus, and Corey Loftus. It works with hospitality, commercial and residential landlords and property managers to provide yoga, core, and meditation classes in underutilized spaces. (All equipment must fit in a rolling trunk so classes can be portable.) Classes have been held in spaces like vacant office units,

happy tenants and attracting new tenants because it keeps employers on-site and productive by creating a healthy work environment and culture. Other benefits: community bonding within companies and with fellow tenants, and a potential new profit center for landlords.

Wellness, Wellbeing, and the Bottom Line

Overall, creating a workplace that hits both wellness and wellbeing impacts the bottom line, the experts said. For one, Gallup's "State of the American Workplace" study shows that companies that successfully connect and engage employees yield almost 150 percent