THE TRUTH ABOUT CORPORATE REAL ESTATE DATA AND INSIGHTS

Research reveals how CRE leaders plan to use business intelligence to optimize portfolios, operations, and workplaces

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Introduction

In a 2021 Forrester Consulting thought leadership study[1] commissioned by JLL, Forrester conducted an online survey of 336 facilities management and corporate real estate (CRE) decision-makers to explore how the global pandemic has affected the industry and companies' plans to return to the office by 2022. The research also yielded telling results around CRE leaders' plans to use data and insights from business intelligence (BI) platforms to optimize their portfolios, operations, and workplaces, which is the focus of this piece.

Many organizations face challenges that preclude them from effectively using their data to make more informed decisions, most notably:

62%

of respondents say they lack the technology they need to analyze data

65%

report that collecting real-time data is challenging

Nearly all CRE respondents are planning to invest in a BI platform in the next two years. Forty-eight percent of respondents say they have already invested in one, 33% plan to within the next six months, and 15% say they will in the next one to two years. Firms that aren't investing in CRE BI solutions now or in the near future risk being left behind.

This white paper examines:

- Challenges around leveraging portfolio data to optimize real estate investments

- Challenges of addressing operational processes with data and insights

- Plans to invest in technology to improve building operations and efficiency

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1   "Return to Office Sparks the Need for Corporate Real Estate Technology, Data, and Insights," a commissioned study conducted by Forrester Consulting on behalf of JLL, April 2021

Portfolio optimization

When CRE teams attempt to leverage data to optimize their real estate portfolios, they often face insurmountable challenges—mainly because they try to build their own BI solutions. These are tough and expensive projects to implement without specialized expertise, and they often fail over time. Modeling and extracting data is challenging, and there are many variables to consider, like what metrics companies are using and how they're interpreting them.

86% of respondents feel it's important or extremely important to leverage portfolio data to optimize real estate investments

According to the Forrester survey, 86% of respondents feel it's important or extremely important to leverage portfolio data to optimize real estate investments. But 81% of respondents say it's challenging or extremely challenging to do so. What's missing? *Technology*. To do this, CRE organizations need to invest in technologies that enable data-driven decision-making.

Eighty-eight percent of those surveyed report that technology is important or extremely important to analyze investment opportunities and identify risks—perhaps when purchasing a new property or entering into a new lease. Market data helps identify what a given property is worth, while lease-cost benchmarking helps determine whether it makes sense to renew or exit a lease—and if you're under- or overpaying based on the market rate for the property. But 85% indicate it's challenging or extremely challenging to accomplish this priority. Many companies make uninformed investments because they don't have access to market data.

Operations and facilities management

Data and insights are valuable for addressing operational processes, such as emergency work orders, but many systems don't make it easy to extract the necessary information to do so.

80% of those surveyed say it is challenging or extremely challenging to address operational processes with data

In fact, 80% of those surveyed say it is challenging or extremely challenging to address operational processes with data. In most cases, this is because their computerized maintenance management system (CMMS) is built for putting data in, but it's hard to get data out in a meaningful way. A facilities manager should be able to quickly and easily review the status of their emergency work orders every morning (or at least understand the effectiveness of their asset maintenance programs). Instead, they're expected to query a system that isn't designed for their needs, which wastes time and effort. The best solutions offer dashboards with real-time data and insights that are easy to access and help businesses make data-driven decisions.

82% of respondents say an investment in technology is important or extremely important to expand their ability to use data and insights to address operational processes

The right technologies help organizations improve their ability to address operational processes. In fact, 82% of respondents say an investment in technology is important or extremely important to expand their ability to use data and insights to address operational processes. As more and more people return to the office, facilities managers need data to ensure that things are running smoothly. Is the space well maintained? Is the plumbing working? Is the coffee machine malfunctioning? Is the lighting suitable? Knowing the answers to these questions ensures people have high-quality office experiences and can book desks and meeting spaces as needed.

86% of respondents say it's important or extremely important to invest in technologies that can capture real-time sensor data to improve efficiency and operations, but 83% say it is challenging or extremely challenging to accomplish this

In addition, 86% of respondents say it's important or extremely important to invest in technologies that can capture real-time sensor data to improve efficiency and operations. This can be automated, so facilities managers can quickly and easily see if rooms are occupied and optimize if required. Depending on the data, they may want to upsize or downsize their space. However, 83% say it is challenging or extremely challenging to accomplish this. Either they're not getting the relevant data and insights to do so, or the information is hard to access.

The right data and insights enable firms to be more predictive and proactive. Historically, companies tend to be reactive. For example, when there is a plumbing leak, they call someone to fix it. But with the right data and insights, they can proactively identify trends (e.g., recurring leaks) and determine if they need a plumbing upgrade or need to move to a new property. Business intelligence also helps teams understand the effectiveness of their asset maintenance programs and whether assets need to be replaced or if preventative maintenance programs need to be adjusted.

Ninety-six percent of those surveyed have plans to invest in technology to capture and leverage data to improve building operations and efficiency. Forty-one percent said their organizations are already doing it, while 39% plan to implement a solution in the next 12 months—and 16% plan to in the next 12 to 24 months. Businesses that don't have a solution are going to get left behind, because their competitors are already using technology to outperform them.

Ninety-one percent of respondents who have already implemented technology to capture and leverage data to improve building operations and efficiency said it is helpful or extremely helpful. Access to real-time data and insights makes it easier for organizations to achieve their facilities and CRE priorities.

Space and workplace

85% percent of those asked say investing in technology is important or extremely important

A data and insights platform is a game-changer for measuring real-time space and workplace utilization. Eighty-five percent of those asked say investing in technology to achieve this priority is important or extremely important. This has become particularly relevant in the past two years, with the prevalence of remote working and plans to return to the office in the near future. Companies need to understand how their offices are being used, so they can optimize their portfolios based on utilization data. For example, many are considering adjustments to their portfolios to reflect occupancy and spacing requirements—and that requires data.

84% of respondents say it is challenging or extremely challenging to measure real-time space and portfolio utilization

Conversely, 84% of respondents say it is challenging or extremely challenging to measure real-time space and portfolio utilization. This is where a purpose-built CRE data and insights solution can help. By bringing occupancy and utilization data to light, users can understand the trends and adapt.

Data and insights can also help CRE teams achieve other space and workplace goals. For example, 83% of those surveyed share that it is challenging or extremely challenging to improve energy efficiency to meet sustainability objectives. However, many businesses are implementing sustainability programs and need data and insights to assess outcomes. With the right technology, organizations can measure energy usage in their spaces and identify areas for improvement.
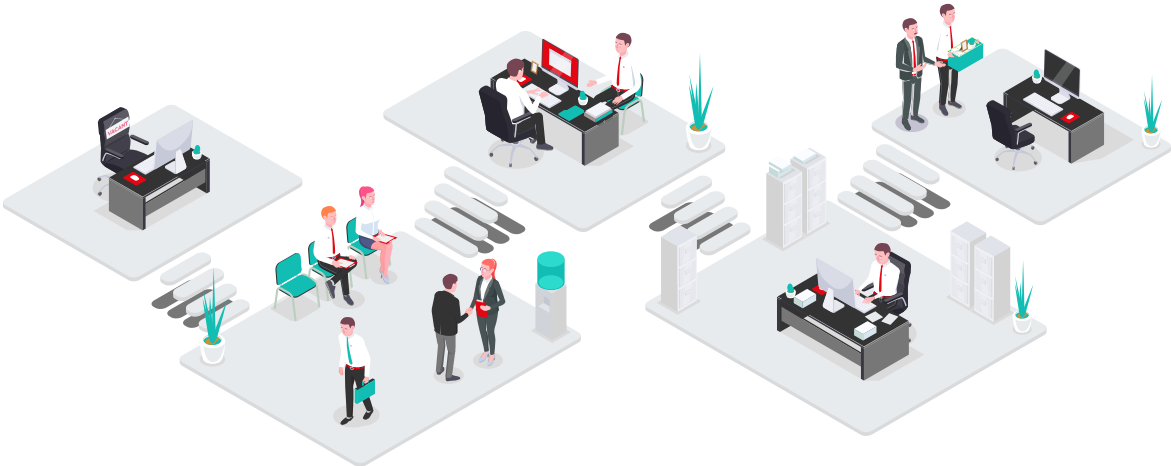
Conclusion

This extensive survey of hundreds of facilities managers and CRE decision-makers shows that almost every CRE organization sees the need for data and insights, but they also recognize how hard it is to capture and analyze valuable business intelligence without the right tools. Many have already invested (or plan to in the near future) in technologies to ensure they have the data and insights they need—and can easily access—to make the best data-driven decisions for their businesses.

Nearly half of respondents (47%) will need third-party support for data and analytics in the next year. Building a custom BI solution is complicated, costly, and time-consuming, and as noted above, they often fail over time.

Sixty-five percent estimate they'll need additional budget of $400K to $600K or more to accomplish their workplace objectives in 2022. It's an investment CRE professionals think is worth making. Those that don't will be left behind.

JLL/Technologies

About JLL Technologies (JLLT)

JLLT is a division of JLL, a world leader in real estate services, that helps organizations transform the way they acquire, operate, manage, and experience space. A first-of-its-kind team combining builders of high-growth tech companies and commercial real estate experts, JLLT delivers a comprehensive technology portfolio of purpose-built solutions and leading edge, venture-backed companies to meet and exceed the industry's demands for better business intelligence, workplace experience, and smart building platforms. Learn more at www.jllt.com.