

INDUSTRY INSIGHTS

May-2022



HYBRID MODEL – THE NEW WORKPLACE PARADIGM

Pandemic has brought in many changes in our world. One of the areas which experienced a massive shift is how we work. From holding mundane 9 to 6 jobs, we rapidly adopted to a remote work model in the pandemic world. It forced most of us to go through a period of uncertainty regarding sustainability of remote working to finally realising that it is a viable option and emerged the concept of **Hybridisation of workplace**

The hybrid work-culture is a location-flexible arrangement, allowing employees to combine onsite and offsite work as they and their employers see fit.

In a hybrid work setup, limited people work from offices at any given point of time. For some companies, this may mean judicious investment of capex on costly real estate investments. Additionally, by rethinking workplace strategy, companies through optimal mix of office space and work options like satellite offices and smaller co-working spaces, might lower cost of real estate by 30 percent. Following the lifting of pandemic lockdowns worldwide, a wide range of hybrid arrangements have emerged, granting employees flexibility that was seldom offered before.

The pandemic served to dispel some myths around reduced productivity and/or quality of work when done from home. A study by Boston Consulting Group of over 12,000 employees reveals that many employees feel their productivity has stayed the same or even increased since they've been able to work from home. Teams reported similar or even better results than pre-pandemic years and many people adapted positively to working from home. Many large corporations such as Microsoft, Google, Facebook, and Twitter have announced Work From Home (WFH) options for employees.

Even though WFH is increasingly becoming an acceptable mode of working, the downside of this are lack of organisation culture, team building activities, collaboration, interactions and motivation leading to employee burnout, loneliness and mental health issues. This has led to exploring new models for hybrid and collaborative working environment that strikes the right balance between working place and time as well as fosters healthy interpersonal relationships between employee and employers. As we all reimagine the future of work, the paradigms of remote and hybrid work for employees and employers are being explored – **Work Near Home is turning into reality**



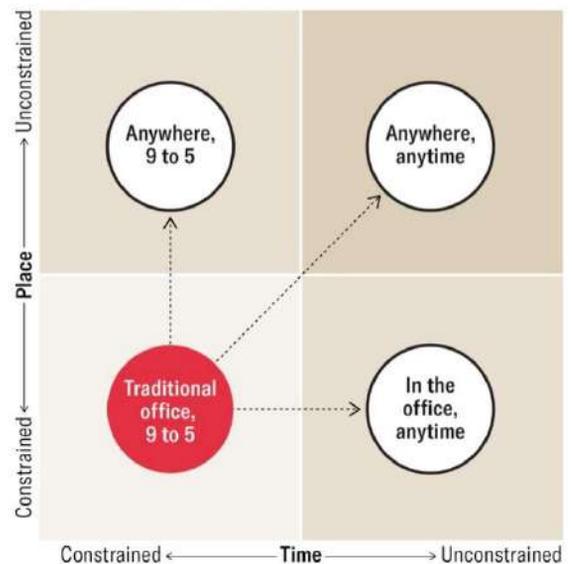
'OFFICE + ANYWHERE' HYBRID WORK STRATEGY

Traditionally, IT & ITeS sectors have been the first movers in experimenting with hybrid models a decade back and since then have created a robust policy framework to support workforce.

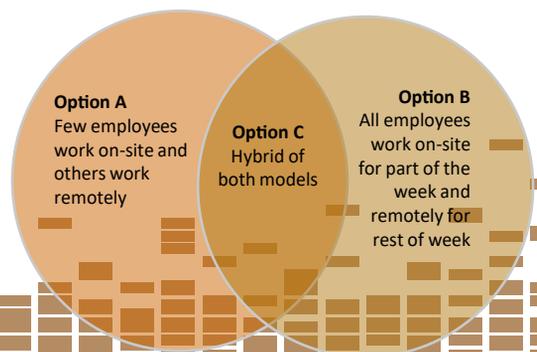
Other sectors are gradually adopting to newer working of hybrid models as a post pandemic strategy. For most organizations, hybrid work will be the way forward as it drives many direct and indirect benefits, from employee experience and to business needs. The models are evolving and there is no best fit as it is based on their capabilities, key verticals and needs. Figuring out how to do this is far from straightforward. For most players, it involves two axes: place and time. A balanced approach becomes vital to ensure optimal output and efficiency.

Indian companies are still in evolving stage of adopting hybrid model as a way of working at government policy level. One of the key enablers of hybrid model is communication infrastructure grounded to technology. It needs impetus by the government in terms of conducive policy enablers to upgrade infrastructure to create a sustainable eco-system for workforce in the country. However, many companies have firmly set their sights on flexible working arrangements that can significantly boost productivity and employee satisfaction. **Future is all about Hybrid – Flexibility**

In a recent study published in Harvard Business Review, (May-June 2021), 'How to do Hybrid right' by Linda Gratton, it is proposed that to design hybrid work arrangements, companies need design with individual human concerns in mind, not just institutional ones. It requires companies to approach the problem from four different perspectives: (1) jobs and tasks; (2) employee preferences; (3) projects and workflows; (4) inclusion and fairness.



Further, Office - Anywhere hybrid working can offer long-term value for employers and employees alike, driving a variety of benefits for any organization. At present, most companies are focussing on combining both work from office and work from home on a weekly basis to optimise the hybrid model.



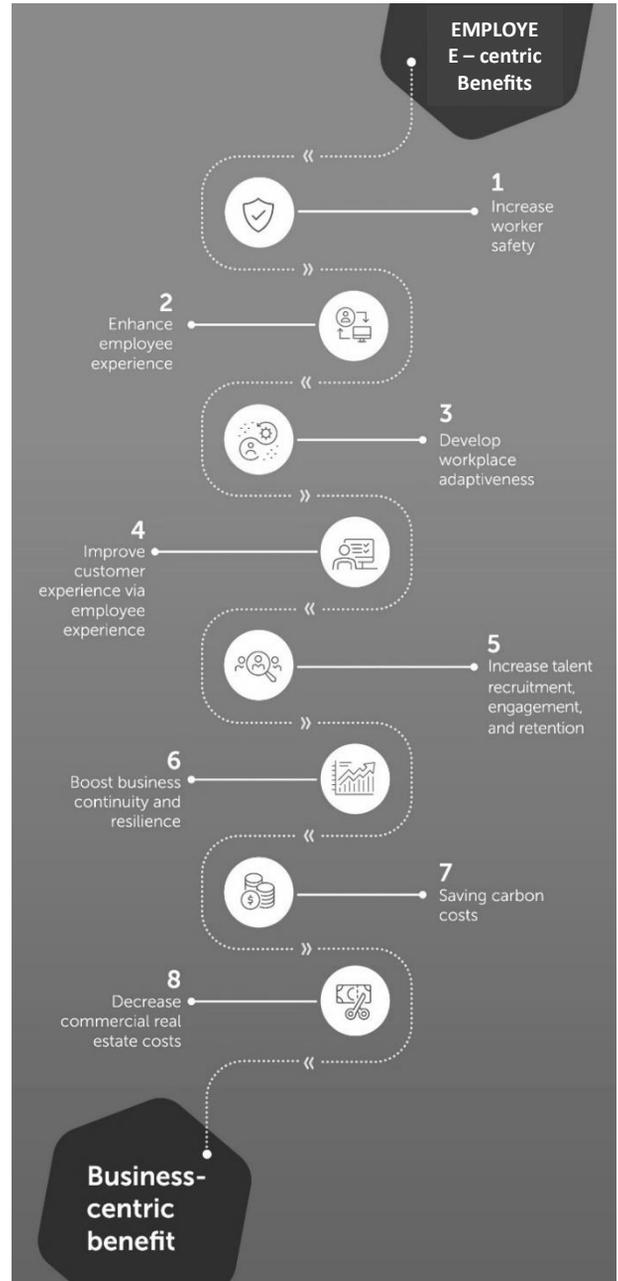
HYBRID WORKCULTURE - ADVANTAGES

ADVANTAGE EMPLOYEES – EMPLOYEE-CENTRIC BENEFITS

- Worker's safety is ensured with reduced number of people in the office at any given point of time, creating more personal space.
- Provides greater flexibility in tasks scheduling and workplace adaptiveness.
- Work – Life Balance: Reduces stress level, decreases travel costs, increases psychological comfort of working from both home and office whenever desired.
- Reduced absenteeism in the work place as it allows operational modalities from anywhere – anytime.
- Enhances employee experience, increases motivation and prevents work burnout by allowing employees to reap the benefits of working from home as well as offering the chance to see and socialize with co-workers.

ADVANTAGE ORGANISATION – BUSINESS CENTRIC BENEFITS

- Reduces the cost of business activity: A successful hybrid office will incorporate shared spaces and take better advantage of occupancy levels. This will allow employers to cut down on rent, office supplies and other business expenses.
- Optimize the amount of common office overheads with service oriented workplace.
- Increases employee satisfaction.
- Allows employment of huge group of professionals - Increase talent recruitment, engagement and retention.
- Strengthens the brand image – boosting business continuity and resilience.
- Working in collaborative and innovative knowledge sharing environment for better productivity.
- Saving carbon costs have been one on the most valued advantages of hybrid model.



Source: Key Note by J.P. Gownder (VP & Principal Analyst, Forrester) at the Work From Anywhere conference in March 2021

HYBRID WORKCULTURE – DISADVANTAGES

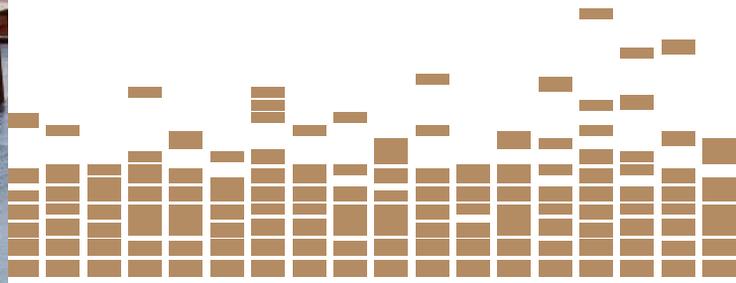
Though we believe the positives of the hybrid work model far outweigh the negatives, the hybrid work model isn't without its challenges. The most glaring of which, we have outlined below.

DISADVANTAGE EMPLOYEES –

- **Isolation and loneliness:** In absence of benefit from the positive elements of co-location and in-person collaboration, organisation culture and social cohesion for the virtual workforce languish. Remote workers can soon feel isolated, disenfranchised and unhappy, the victims of unintentional behaviour in an organization.
- **Lack of motivation:** Organisation culture and performance suffers if employees don't identify the sense of belonging, common purpose and shared identity that inspires all of us to do our best work.
- **Potential Burnout:** Remote workers may work longer hours and take fewer breaks than their in-office counterparts. When left unchecked, this can lead to burnout. In addition, some employees may even be overwhelmed by the need to toggle between two different sets of work routines, at home and in the office.

DISADVANTAGE ORGANISATION –

- **Loss of Organisation common culture and value** through ways of working, as well as standards of behaviour and interaction, organisations help create a common culture, generate social cohesion and build shared trust. To lose sight of them during a significant shift to virtual-working arrangements is to risk an erosion over the long term of the very trust, cohesion and shared culture that often helps remote working and virtual collaboration to be effective in the short term.
- **Heightened Cyber Risk and technological concerns:** When employees work from home, employers have less control over the devices they use to login to their systems. Employees using self-provided tools means a potential for more shadow IT and risks of IT systems, devices, software, applications, and services without explicit IT department approval. Moreover unreliable internet access, relying on slow or outdated tools, accessing and maintaining files in multiple places and relying on too many applications in order to get work done are some pain points for organisation.
- **It may be hard for employees and leaders to know who is on-site and when.** It is harder to scale workplace strategies when workplaces have unique setups. Proper reporting system have to be in-place for success of hybrid model.
- **Effective employee appraisals are critical to long-term hybrid success.** Clear communication and expectations are very important to ensure effective output and success of the organisation.
- **Hybrid model is very sector specific and may not work for traditional production houses, construction industries, healthcare sector and services.**



HYBRID WORKCULTURE RESHAPING REAL ESTATE

Real estate is one sector which is poised to experience paradigm shift with hybridisation of workplace. Being deeply involved and invested in the physical workplace, real estate is witnessing change in everything, starting from the type of physical spaces that employees prefer to work in, to the square footage that is needed to accommodate the on-site workforce is changing, to even the residential accommodation that the new work culture is demanding. The distribution of spaces, size and amenities within a building is quickly being adapted to meet post-pandemic needs and hybrid work culture.

COMMERCIAL REAL ESTATE

Businesses are now focused on the need for state-of-the-art technology to ensure efficiency and faster connectivity to consumer. This has led to increased demand for an advanced format of office spaces that provide contractual flexibility, freedom of growing and relocating particularly co-working spaces and smaller format office space with conferencing facilities. This has led commercial real estate developers to make a paradigm shift towards providing smarter offerings.

The new workspaces are being designed with a larger voice-command-based boardroom, storage units, automated visitor management system and digital flipcharts in meeting rooms to allow connectivity with other businesses and enhance the overall productivity. The newly built commercial properties with all these requisites are seeing a higher demand from IT giants, corporates and financial service providers.

In last one year, occupancy in offices and co-working spaces are improving due to the factors like data security, firewall, administration etc. It allows businesses to reduce unused space and gain optimum financial benefits. Further, to attract new tenants, property developers are ensuring the health authority's guidelines remain intact to keep the workspace safer and healthier.

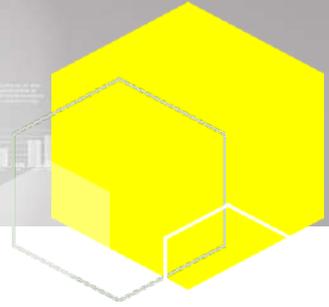
. Co-working space has emerged as most suitable format for hybrid model particularly for corporates wanting offices in both remote and prime locations with less capital and operational expenditure.

Major Markets in India

- **Fast Mover Markets:** Mumbai and Delhi NCR have emerged as most adoptive markets for hybrid model of working. With unaffordable Real estate price and huge workforce to accommodate, many companies are implementing hybrid model.
- **Growing Markets:** Bengaluru, Hyderabad and Chennai markets are gradually shifting to hybrid model. Bengaluru with its strong IT/ ITeS base is front runner in terms of commercial real estate absorption particularly in co-working spaces.
- **Emerging Markets:** Going forward Tier 2 & Tier 3 cities like Ahmedabad, Jaipur, Coimbatore, Indore, Lucknow, Chandigarh, Nagpur will also be the emerging markets for commercial real estate.



HYBRID WORKCULTURE RESHAPING REAL ESTATE



WORK NEAR HOME

Work Near Home is another model that has potential to turn around commercial Real Estate markets particularly in Tier II and Tier III Cities. With employers viewing the office as a place for collaboration and meaningful employee connection, the role of the workplace is shifting towards a more intentional work setting defined by its ability to bring people and teams together. As more and more people have started working from home or partly from home, it become imperative that smaller working space at different affordable locations becomes a place of personal as well as professional reckoning that will drive the new model of Hybrid model.

There has been a rise in enquiry by big corporate houses for such space to establish small offices at multiple locations. Since WFH has become a reality and is here to stay, there is an increased demand for functional, flexible spaces that accommodate workspace conveniently located at urban centre for easy access of employees working remotely.

The **Work Near Home** model of Hybrid work option has potential to create appropriate demand for commercial office space in smaller cities in future. With office shifting to more affordable and remote locations, residential real estate is set to get a facelift in coming years.

FUTURE OF REALTY

It's not just businesses that are looking for more resiliency through flexible forms of real estate, property developers and landlords are seeking a sustained model of creating a need based ecosystem for future of work where hybrid models of working is becoming the acceptable norm. With the prospect of more workforce and office workers taking up remote or flexible work practices, building occupancy rates may decrease in short term but few segments such as co-working and flexi spaces are going to be the main demand driver in commercial real estate segment.

Technology driven flexi-leasing options, ready-to-use facilities with furnished office spaces offering various services like concierge, meeting rooms, private workstations and IT support are going to be demand segment in future of real estate driven by hybrid model.

Developers as well as corporates have to work in tandem to address the needs of hybrid work culture through augmentation of existing infrastructure. Smaller cities are becoming an attractive investment option for both customers and investors. There is a huge potential in infrastructure development and real estate sector particularly in Tier II and Tier III cities. ***Future of Realty is all about flexible hybridisation!***



Our Reach

CIRIL Pan India



Office Services

Retail Services



Warehousing Services

Land Services

Investment Services



Our Services



City Estate Management

F/F,101, Sankalp Square, Drive-In-Road,
Memnagar, Ahmedabad-380052

Raheja Associates

Woodhead Centre, 1st Floor,
No :23/6, Siva Ganga Road,
Nungambakkam, Chennai - 600034

Anchit Space Solutions

74/75, P.P, chambers, Shahid Bhagat
Singh Road, Nr.KDMC office,
Dombivili(E) Navi Mumbai - 421201

Asha Realty,

121,First Floor, D.M.Tower,
Racecourse Road,Indore-452001

Sure Shot Suggestions

No. 2A, Gomes Society,
Ground Floor, 4th Lane, T.P.S III,
Santacruz (E), Mumbai 400 055

Synergy Realtors

108, Renga Villas,
New Damu Nagar,
Coimbatore - 641037

Silverline Realty

201, Barton Centre,
84, M.G .Road, Bengaluru - 560001

AB Realtors

1st Floor, Gold Coin Complex,
Kalwad Main Road, Rajkot - 360001

Guptasons

209 B, Pal Mohan Plaza
11/56, D.B. Gupta Road,
Karol Bagh, New Delhi - 110005

Property Terminus

Mezzanine Floor, A Wing,
MCCIA Tower, Senapati
Bapat Road, Pune 411016

CLICK4FLATS.com

406, Lakshmi Complex,
M.I.Road, Jaipur - 302019

Samruddhi Realtors

304, Anupam Arcade, Canal - BRTS
Road, Opp. Amazia Water Park,
Surat - 395010

Shakti Property

67, Alkapuri, Ratu Road,
Ranchi, Jharkhand - 834001

Orimark Properties

Plot -2,Saheed Nagar, Odhisa
Bhubaneswar-751007

Sidvin Realty Network

206, Shankar Complex, 2nd Road
Christian Basthi, Guwahati - 781005

Tanvi Real Advisory

Ground Floor, Plot No. 276,
Behind IDBI Bank, Wardhman, Nagar
Nagpur - 440008

Trinity Partners

3rd Floor , Oyster Plaza, Somajiguda
Circle, Hyderabad, 500016

NK Realtors

DN-52,PS Srijan Tech Park 9
th Floor, Sec- V, Salt Lake,
Kolkata - 700 091

V Realty

3rd floor, Manan Complex, Opp.
IndusInd Bank , Nr. Natubhai Center,
Gotri Road, Vadodara-390015

Prop Solutions

CC 29/254 B, 52/878 A,
Near Tiny Club, Lane no 36,
Vytila Janatha road,
Vytila Kochi - 682019

GFS Realtors Pvt Ltd

Sanat Trade Centre, Sevoke Road,
Siliguri - 734001

Corporate Properties

3rd Floor , Vasanth Plaza,
Benz Circle, MG Road,
Vijayawada- 520010

- Reach Us -

Email: info@ciril.in | Website: www.ciril.in

CIRIL makes every effort to ensure the correctness of the information. The information in this report is provided on an "as is" basis without warranties of any kind, either expressed or implied. CIRIL disclaims any and all liability that could arise directly or indirectly from the reference, use, or application of information contained in this report. CIRIL specifically disclaims any liability, whether based in contract, strict liability, or otherwise, for any direct, indirect, incidental, consequential, punitive or special damages arising out of or in any way connected with access to or use of the information in this report.