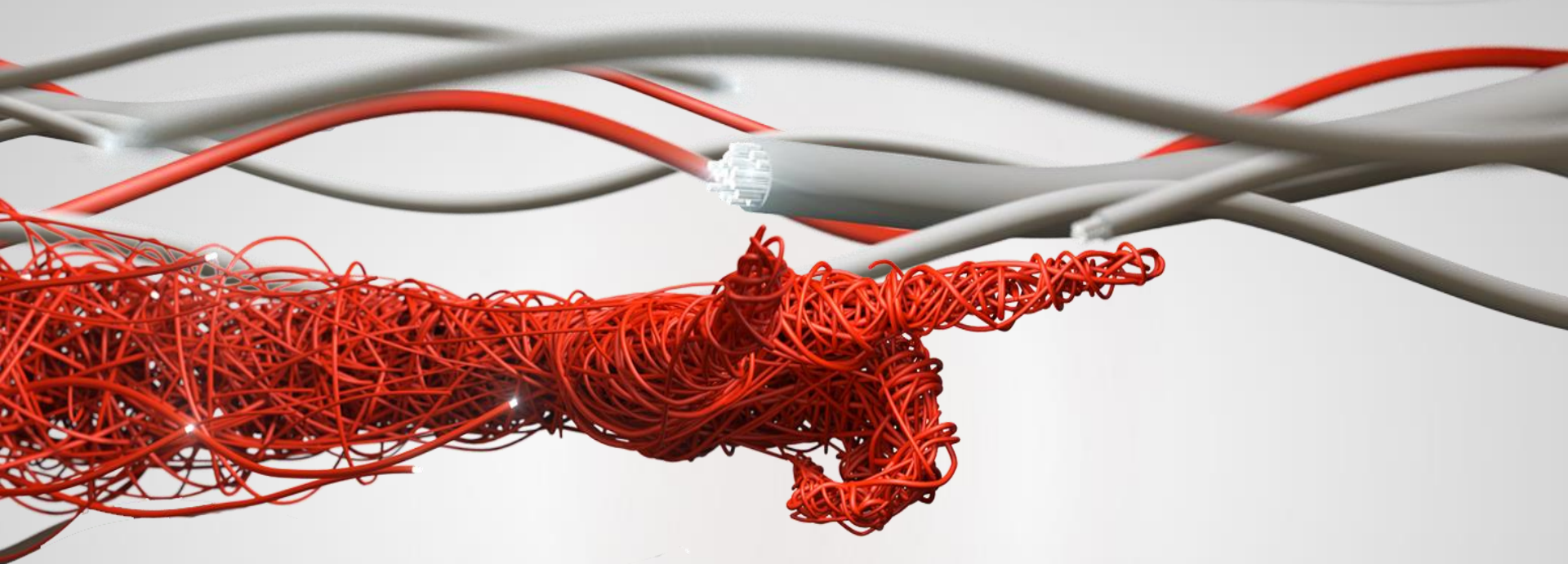




WORKSPACE, REWORKED

Impact on Cairo
Real Estate Market





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8 00AM
TUESDAY 9TH AUGUST

18°C
EPWORTH, UK

0%
CAFFEINE

90%
TIRED
MOOD



ATTENTION!
PAY THE ELECTRIC BILL
£231.42



ATTENTION!
DON'T FORGET TO CALL MUM AND WISH
HER HAPPY BIRTHDAY



ATTENTION!
TAKE OUT THE WASHING BEFORE
LEAVING FOR WORK



9.00AM
TAKE KIDS TO SCHOOL
SHOW ON MAP
GRETTON RD, WINCHOMBE

9.45AM
INVESTMENT MEETING
SHOW ON MAP
B. MADOFF, CAFE 12 NORTH

11.00AM
BANK MEETING
SHOW ON MAP
LLOYDS, ABBY TERRACE, CH

1.00PM
LUNCH WITH KATIE
SHOW ON MAP
NANDO'S, THE BREWERY, ST

LATER



TIME FOR WORK
8:00AM

SNOOZE



DAUGHTER
MUUUUUUMMMM! CAN YOU MAKE ME
SOME BREAKFAST? I'LL BE DOWN IN A



DONALD
DO YOU REALLY THINK MY HANDS
LOOK SMALL?

MAX MURPHY
WAREHOUSE PARTY
WIP OUT SOME OF THE GANG FROM OCP UNIT!
GOING TO A WAREHOUSE PARTY THIS WEEKEND.

SAM BECKETT
GOVERNMENT FUNDING
MORNING. GREAT NEWS! WE'VE HEARD BACK IN
US TO PROJECT QUANTUM LEAP AND IT'S GREEN.

PT. DALLAS
EVENT!
LETTER COME TO THE DECK ASAP. OFFICER
HAS REALLY TAKEN A TURN FOR THE WORSE.

K BURTON
BIG TROUBLE
KNOW WHAT'S GOING ON? THERE'S LIGHTENING.
APPEARING FROM NOWHERE. IT'S ALL FUBAR.

LATER



STRENGTH 0
DAILY TA
CALORIE CC



HEY BUDDY!
LOOKS LIKE YOU HAVE
SOME MESSAGES.





CRAIG PLUMB

HEAD OF RESEARCH. MENA

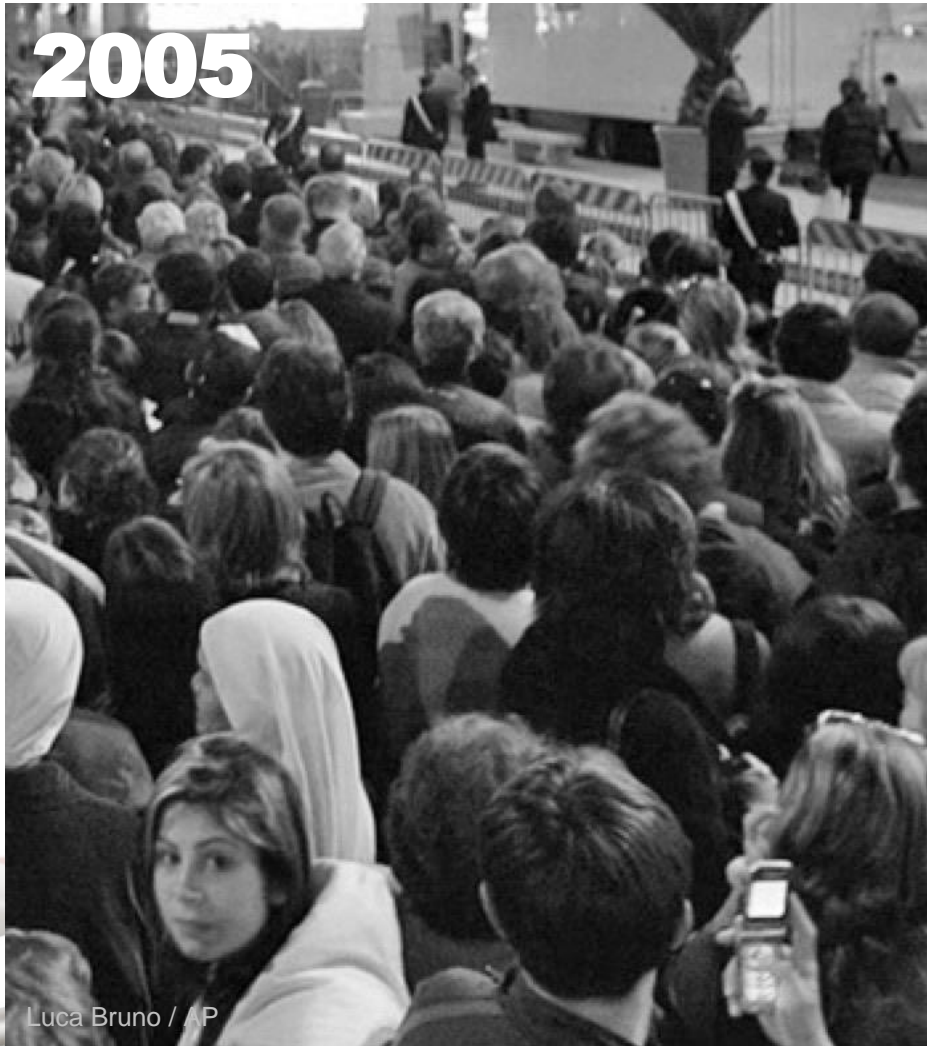


“We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten.

Don't let yourself be lulled into inaction.”

Bill Gates

2005



Luca Bruno / AP

2013



Michael Sohn / AP

This is the future... **no it's here already today**



The digital ecosystem

Exponential advances in computational power

Exponentially faster processing speeds and new forms of computer architecture are powering technologies previously written off as impossible



Internet of things

Billions of smartphones, wearables and Internet of Things sensors that are transforming business models and ways of working



Ubiquitous connectivity

Faster and near ubiquitous connectivity is connecting more devices and people to the Internet



The data revolution

Data production is expanding at an exponential pace, giving businesses new insights into their customers and their operations



Software disrupts the world



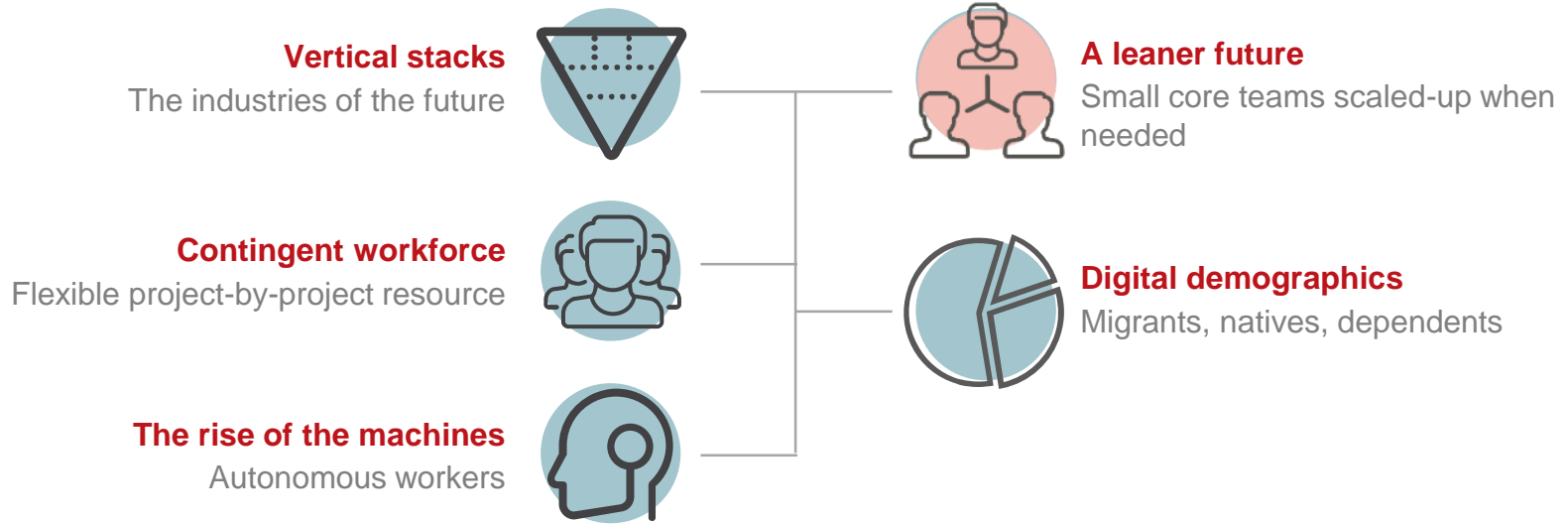
UBER

amazon

NETFLIX

 **Spotify**

The organisation re-organised



A leaner future



Employees

A company's core workforce



Contingent workers

Freelance and specialist providers sourced via talent platforms



Autonomous workers

Algorithms and robots automate and augment tasks

With the growth of outsourcing and automation, companies will become leaner and more dispersed, summoning the expertise of outsiders when required regardless of where these workers might be based



How business is already changing....



Digital Disruption

Scale and market share is no defence



Accelerated business cycle

1 in 10 companies now fail



Collaboration and Incubation

Responding to disruption with innovation



Portfolio optimisation

Core and spoke models



Change in action | Workforce



Legal



Management consulting



Finance



10EQS



KENSHO



Change in action | Barclays

Rise

- Co-working and accelerator spaces in FinTech hubs
- Run in association with Techstars
- Fintech firms leverage Barclays' network and systems
- DoPay – platform for the unbanked



rise
manchester

In partnership with
 **BARCLAYS**



Change in action | New types of space



- FirstBuild – crowdsource ideas
- GE Garages – startups access to machines, advice and partnerships

BOSCH

- Start-up accelerator

Allianz 

- Start-up accelerator
- Co-sponsored by Google



- Foundry Innovation Centres – consumer and enterprise applications
- Drive Studio – ‘connected’ car solutions



- HanaHaus – co-working and event space



- 31 Ventures – 31 locations by 2020

SWIRE PROPERTIES

- Blueprint – co-working and accelerator



- 170 start-ups
- Alibaba moved into main Canary Wharf Estate

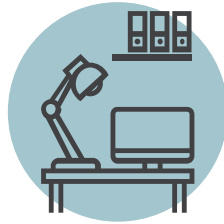
How the workplace is already changing....

Internet of Things, ubiquitous data and connectivity
An opportunity for developers and investors...



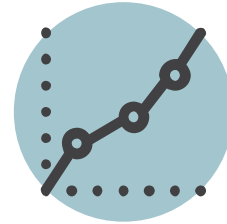
Smart cities

Rise of
innovation
districts



Workplace as a service for staff

Personalisation;
Activity-based working;
Health & well-being



Workplace as a tool for employers

Productivity and
innovation



Technology × (Organisation reorganised) =

Dramatic real estate change





WORKSPACE, REWORKED

Developers Response



Workplace as a service



Experience-led workplace

The workplaces of tomorrow will focus on user experience to attract and retain talent



Diversification and choice

A network of liquid spaces will develop around core space, serving corporates, startups, microbusinesses and freelancers



Growth of Coworking and flex space

Continued growth in Co-working provision



Change in action | Smarter workplaces

Steelcase

- Gesture chair – monitors usage, heart rate, sitting habits and stress levels

Hitachi

- Wearable badge – measure happiness via physical activity

Gartner

- 10,000 companies offered employees fitness trackers

EY

- Jawbone wristband trial – track employees' health habits

Bank of America

- Sociometric badges to monitor call centre employees
- When bank rescheduled breaks – productivity increased by 10%



Change in action | Smart buildings



The Edge

Deloitte's Amsterdam HQ

- 30,000 sensors
- 6,800 LED lights powered through low-voltage Ethernet cables with sensors
- BMS uses sensors' data to adjust lighting and heating
- One of world's most sustainable office buildings
- Staff locate colleagues via an app



Majunga Tower

La Defense, Paris

- Lighting and temperature controlled by users via mobile app
- Building occupancy tracked in real time through staff badges
- Information used to track empty meeting rooms



WORKSPACE, REWORKED

Investors Response



The future of real estate | by 2030



Offices will become locations for employees, contingent workers and partners and outside experts to collaborate



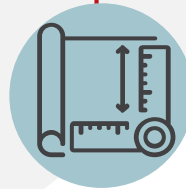
Portfolios will be streamlined into core locations



Accelerator, incubator and innovation spaces will be a core component of real estate and innovation strategy



Virtual and augmented reality will become mainstream



The design of office environments will be guided by user experience

Polarisation of office assets

Platinum prime

Core assets
Bond-like
Very Low Yield

New asset class for dynamic businesses

Intermediate lease lengths
Semi-flexible
Host fast growing
companies

Super-dynamic assets

Hyper flexible
Equity-like
Intensively managed
Business insight
High Yields





WORKSPACE, REWORKED

Implications for Cairo



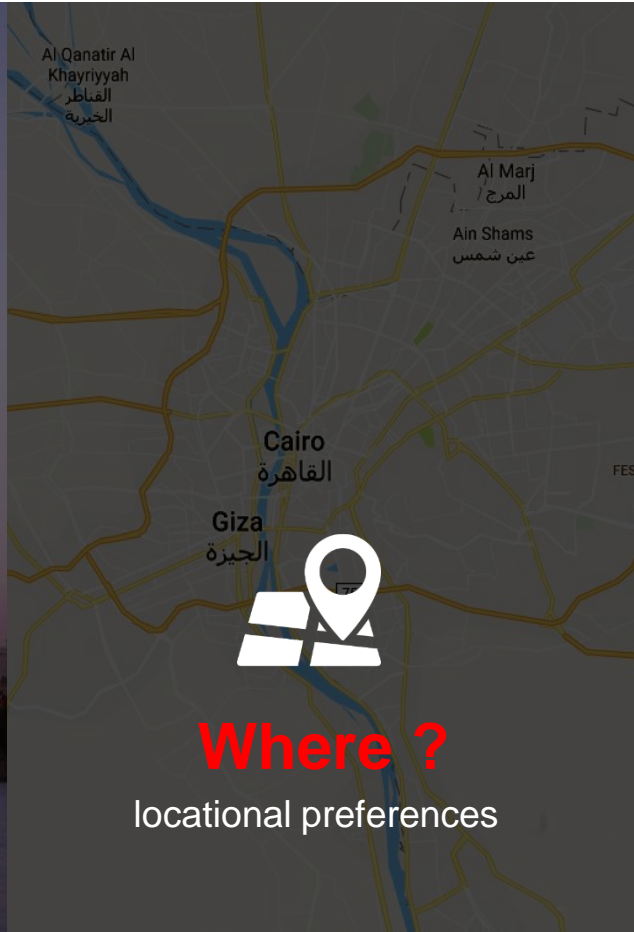
www.psbox.com

What does this mean for office space in Cairo



How much ?

quantum of real estate required



Where ?

locational preferences



What ?

design of workspace

Cairo Office Supply



Cairo has **less than 1 million sqm** of office space – relatively small for a city of its size



Despite challenging conditions – quality office stock has **increased by 21%** over past 5 years

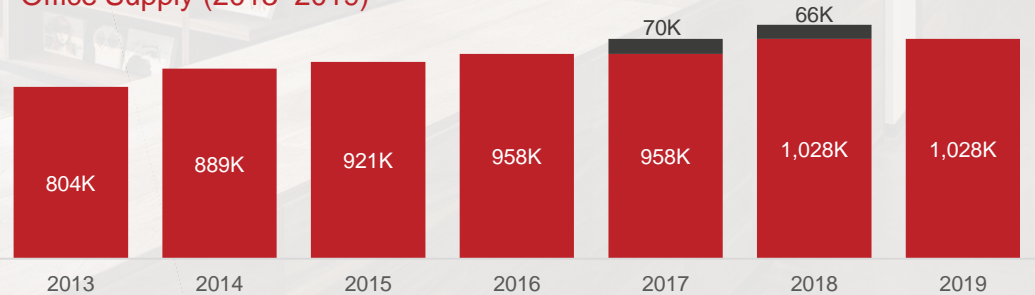


Most office activities still undertaken from older or secondary quality space

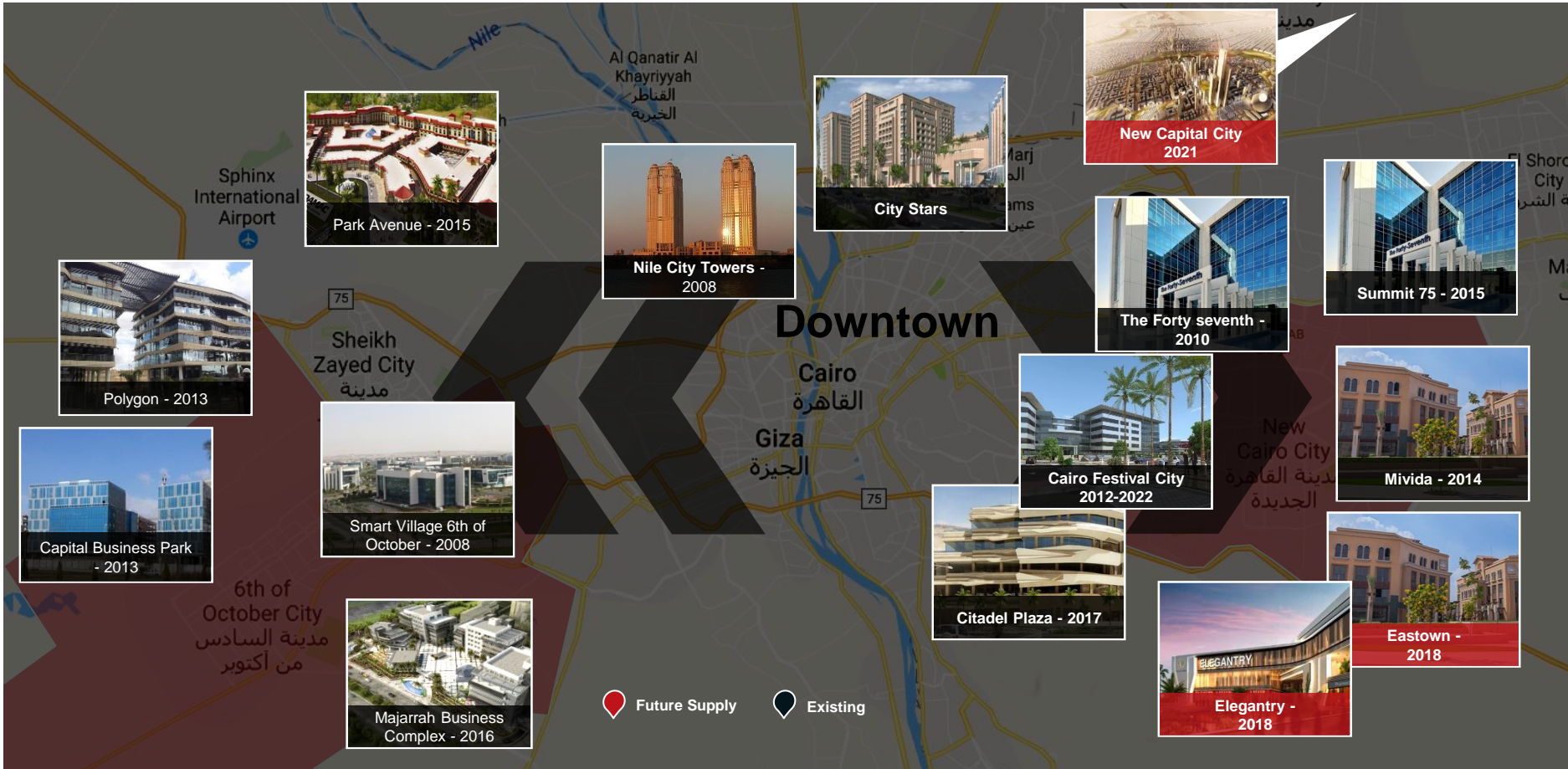


Potential for BTS projects and further upgrading as new supply is delivered over next 2 years

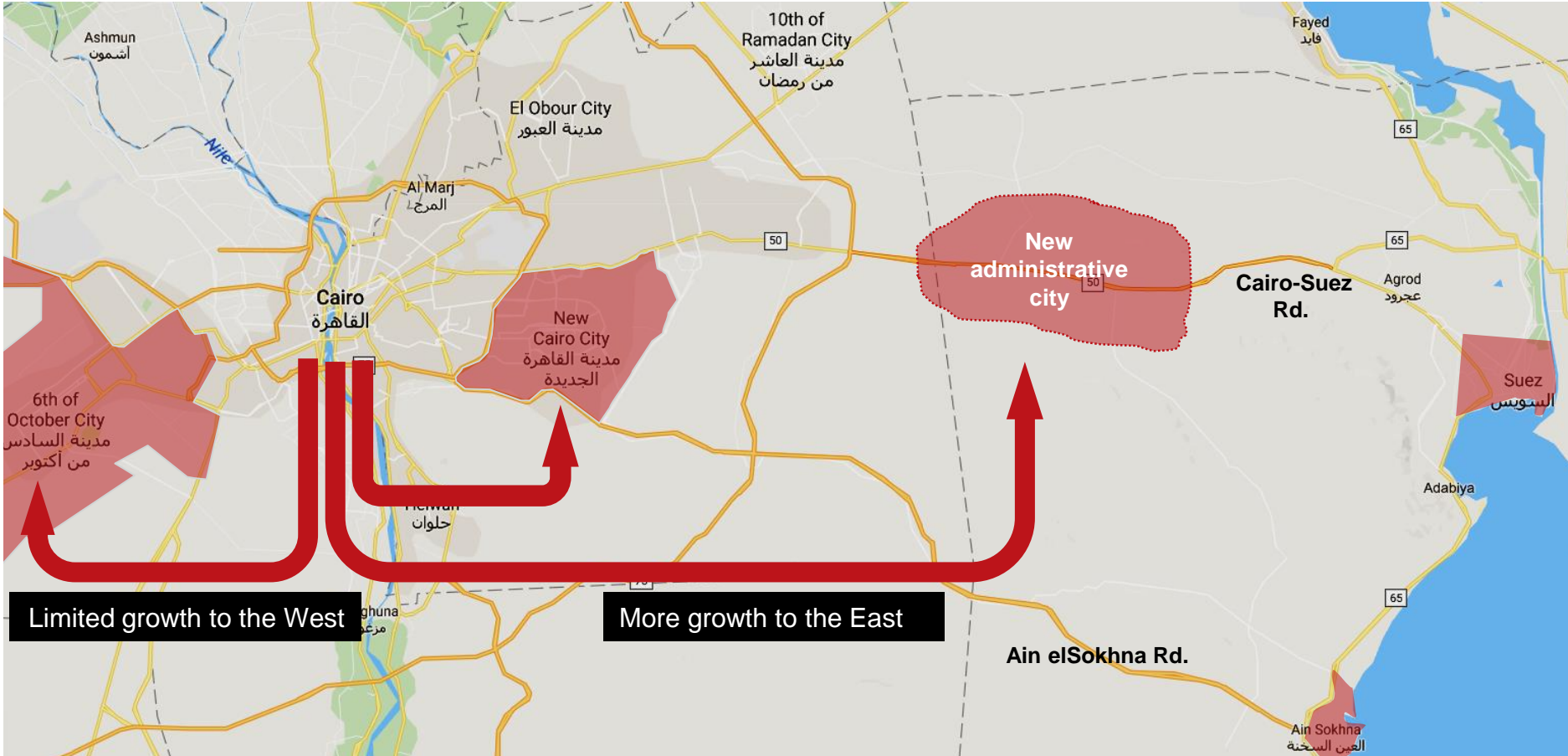
Office Supply (2013–2019)



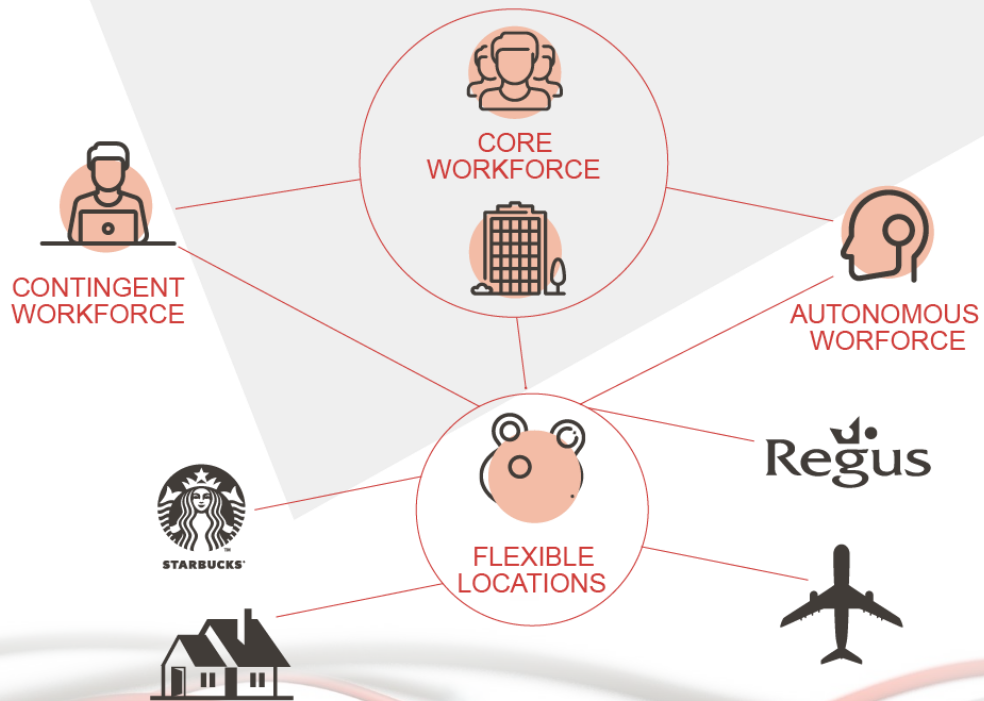
Major Office Projects | Greater Cairo



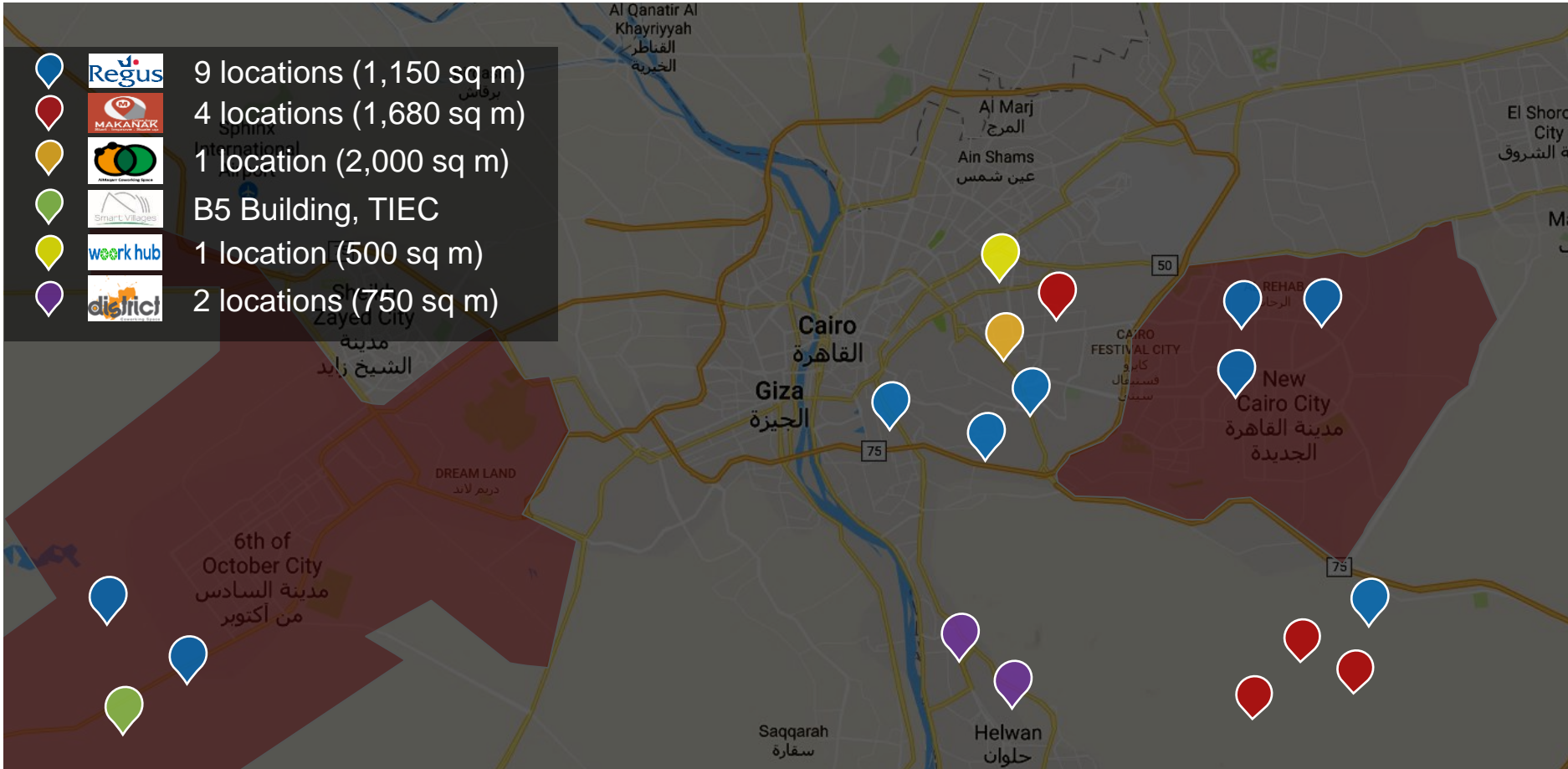
Future Expansion of Cairo



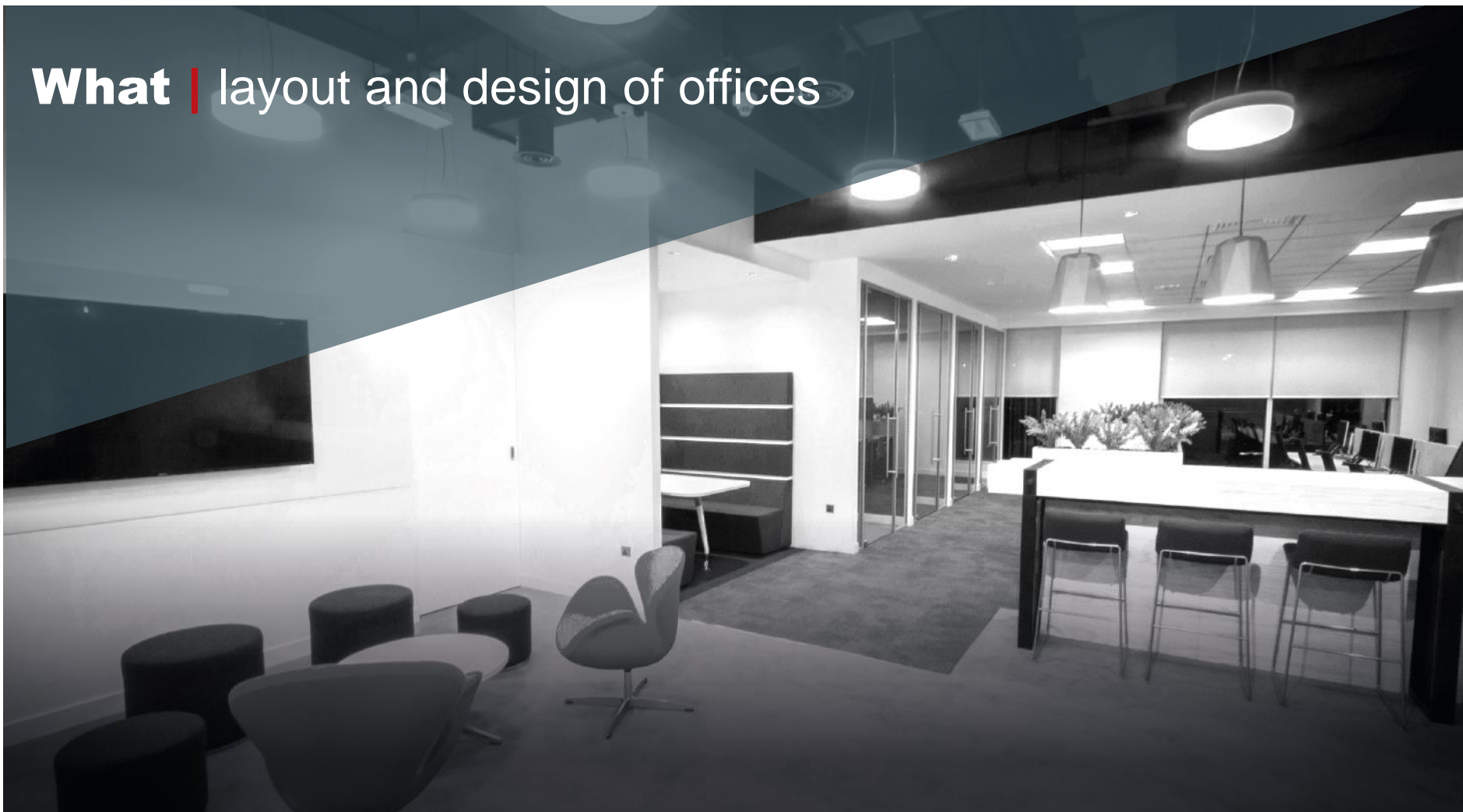
Locating the New Workforce



Change in action | Co-working facilities in Cairo



What | layout and design of offices



Change in action



Change in action | Smart buildings



Smart Village, Cairo, Egypt

- Back-up power buildings
- Fibre optic cables network management staff
- Self-handling security system
- 24/7 dispatching emergency services.
- Natural gas and stacking cooling
- Remote control systems electricity & gas
- Integrated security systems.
- Place making & community – events, public open space, members club, health & fitness, F&B, retail. Cairo, Egypt

Lessons | from retail market

Globally

- 2012 – JLL predicted 25% of retail sales would migrate online
- Today – major retail landlords offer more flexible contracts and smaller store sizes
- Flexibility has enabled next generation of retail and leisure to take off
- Prime has been redefined
- More dynamic asset management
- Responsive place-making



Lessons | from retail market

Cairo

- Malls as showrooms
(with more purchases on line)
- Malls as entertainment centres
(beyond shopping)
- Importance of F&B



Hotels | Responding to Digital Disruption

Revenue growth from online sources



2013

10% online booking



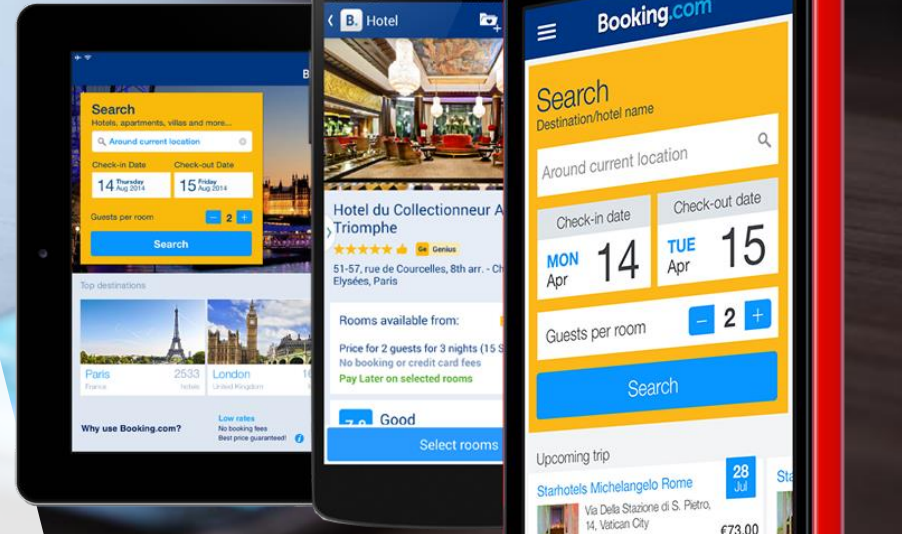
2015

30% online booking



2017

60% online booking



Cairo Hotel Market

Already in use

- On line reservation systems
- Wireless wi fi
- Smart TV's in rooms

Still to come

- Mobile devices for all guests



Smart homes

The power of smart homes...
and its only the beginning



Challenges and constraints



Occupiers

- Cost burden
- Turbulent market conditions
- Increase in price sensitivity
- Time & resources required to Infuse innovation into the operational framework



Investors

- Lack of demand on behalf of occupiers facing troubled market conditions
- Import Bans/high costs
- Lack of local input substitutes
- The time needed to Infuse new technology into a resisting market
- Lack of regulatory agencies' support

REMOTE HOME CONTROL
ONLINE HOME AUTOMATION

ECO MODE
NORMAL
OFF

22°C

How far can technology take us?

Once there were three monkeys...

Now they are five.



**HEAR
NO EVIL**

**SEE NO
EVIL**

**SPEAK
NO EVIL**

**WHATSAPP
NO EVIL**

#ridethewave



www.ridethewave.jll.com/
www.jll-mena.com

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