

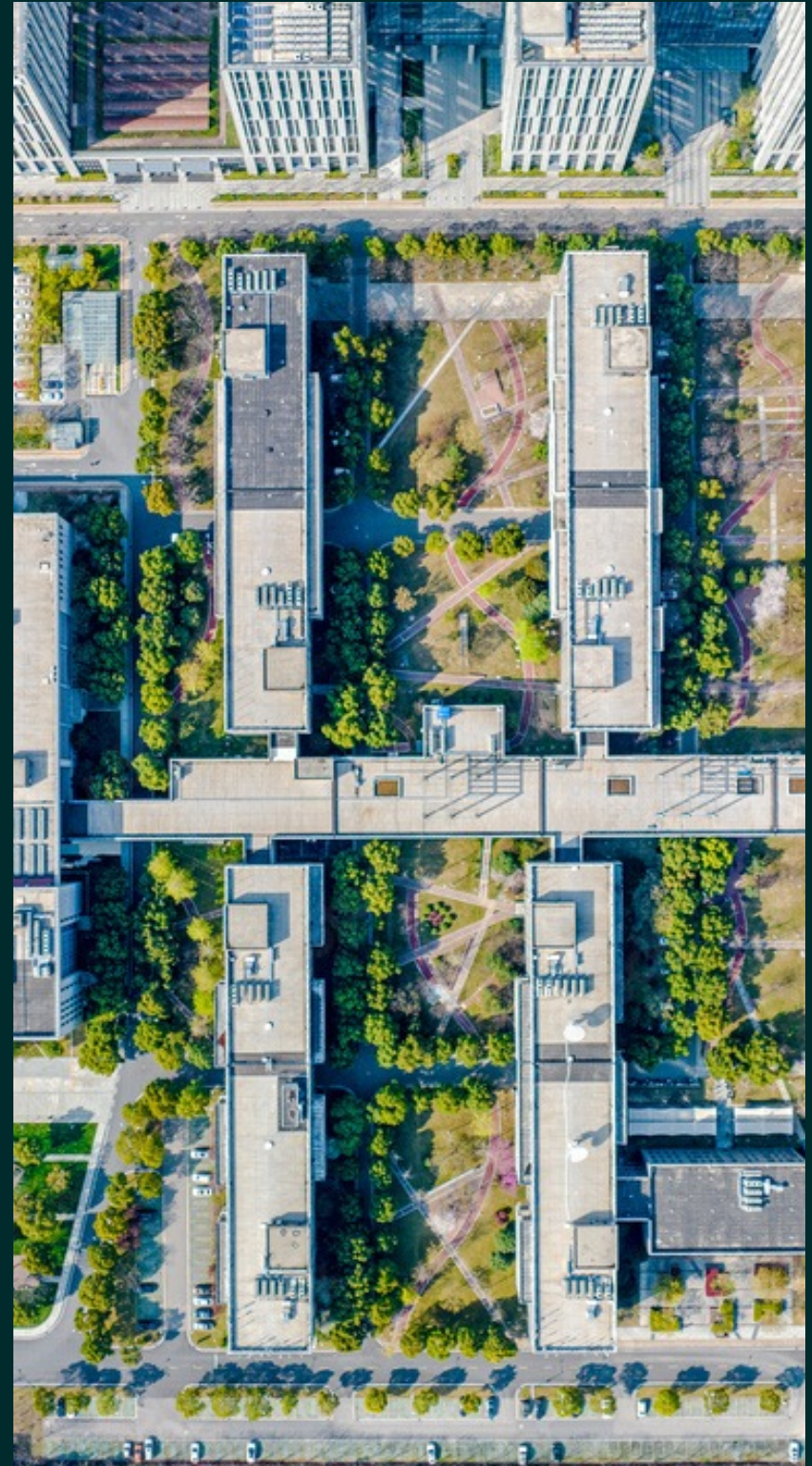
Creating Resilience

10 High-Impact Moves to Reduce Total Cost of Occupancy

SUMMARY

CBRE INSTITUTE
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CBRE



10 High-Impact Moves to Reduce Total Cost of Occupancy—Version 2.0

Given ongoing economic volatility, corporations continue to have a laser focus on cost—and since real estate occupancy is generally one of the largest expenses on a company's income statement, C-suite leaders will continue to look to Corporate Real Estate & Facilities (CRE&F) to help achieve their financial targets.

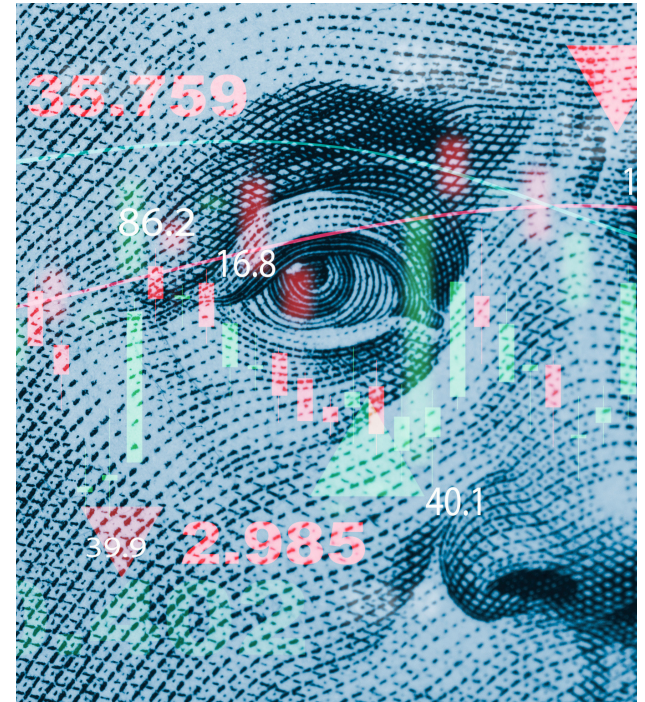
This particular economic cycle is proving quite interesting, with C-suites requiring expense reductions to enable profitability, while also making strategic M&A and organic investments. This unique focus on growth during a down cycle makes securing the needed **capital, operating funds, and positive cashflow a lingering challenge.**

With this focus in mind, CRE&F can continue to have that “seat at the table,” offering multiple financial levers within the real estate portfolio to help their companies attain their needed financial positions.

Unveiling CBRE Institute's Fall 2023 High-Impact Moves to Reduce Total Cost of Occupancy (TCO)

When economists began sharing concerns about enduring uncertainty in early 2022, CBRE Institute was on the forefront in developing strategies to support CRE&F leaders with high-impact initiatives to reduce total cost of occupancy. In our 2022 publication, we offered 10 initiatives to drive impactful change and mitigate risk to the corporation.

Since 2022, we have worked with numerous clients to implement the initiatives spotlighted in our first report. Based on that experience, our Version 2.0 publication provides lessons learned and updates to strategies that have evolved, while reinforcing several “tried and true” transformational initiatives.



Given the current market state juxtaposing **cost reduction and strategic growth**, the latest report also highlights which initiatives can have the greatest impact on areas such as access to capital and improved cash management.

Of note, 2023 has led us to the firm conclusion that cost reduction initiatives do not need to be exclusive from other CRE&F objectives (e.g., carbon reduction, workplace experience). For instance, sustainability initiatives will reduce utility costs, and portfolio optimization often results in shedding square footage in exchange for greener space with better amenities.

10 High-Impact Moves to Reduce TCO: What's New for 2023?

1. Transforming Your Approach to Space

Reimagining the workplace cannot be successful without first understanding current office utilization and the projected steady state of hybrid work's impact on the workplace.

2. Developing Space Consolidation Strategies

The last year has taught us that a company's talent strategy should infuse the company's portfolio optimization strategy.

3. Unlocking Trapped Capital

In a time when strategic capital investments can be game-changers for companies, accessing trapped capital from owned assets can be transformational.

4. Relocating To More Favorable Markets

Labor analytics can impact everything from talent, to cost, to risk (e.g., climate implications).

5. Leveraging Business Analytics to Lower Total Cost of Occupancy

With the use of Artificial Intelligence, predictive analytics is enabling smarter, faster decision making.

6. Prioritizing Capital for CRE Projects

With today's scarcity of capital, CRE&F leaders must carefully align their capital funding requests with business outcomes.

7. Investing in EV Charging and Onsite Renewables

From amenities to draw employees back to the office, to charging logistics for fleet conversions, EV charging is becoming one of the top capital projects for many clients.

8. Developing a Comprehensive Decarbonization Strategy

While the economic cycle challenges companies that have made carbon-reduction commitments, increased regulations and geopolitical tensions ensure that sustainability measures are at the forefront of CRE&F priorities.

9. Using Technology to Manage Your Facilities in a Smarter Way

Now with 1 billion square feet of [SmartFM](#) under management, CBRE is leveraging the latest in technology to drive efficiencies for our client base.

10. Transforming Real Estate Delivery Models for a New Era

CRE&F teams are continually reviewing their internal team structures and asking themselves, "Am I fit for purpose?" With changing portfolios and evolving corporate priorities, roles and responsibilities are being elevated.

● Updated strategies and lessons learned since publication of the 2022 report

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