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# From strategy to spaces: How executive decisions drive smarter design and higher returns

by [Thomas McCarthy](#)

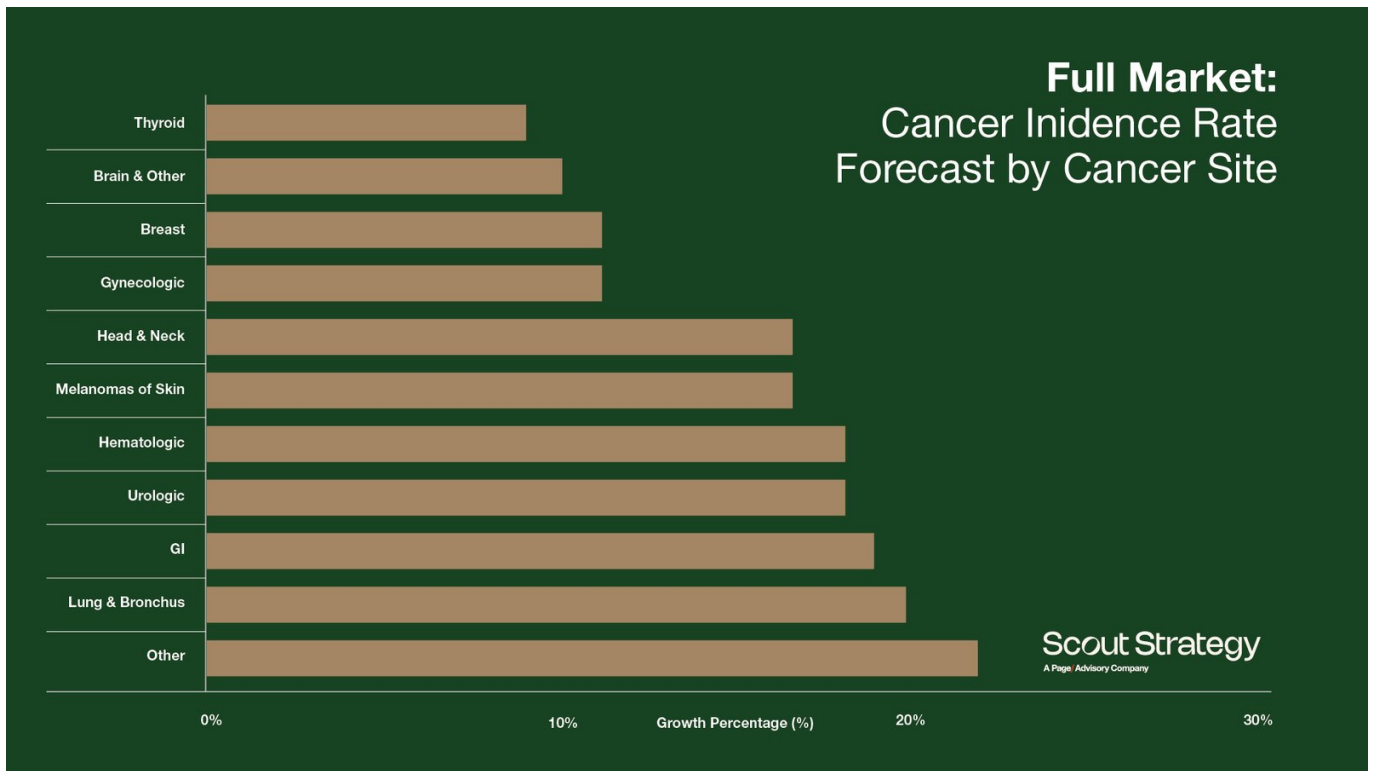
Something has changed in today's commercial real estate marketplace. We are in the era where the traditional approach to real estate development—where design and strategic decision-making operate in silos—is disappearing. Companies now recognize the physical environment's impact on productivity, operational success, and innovative thinking, blurring the lines between building design and business decisions.

This is a significant shift in thinking. Companies and developers are wisely learning to be more efficient with their decisions, leveraging their real estate as a strategic asset to drive performance, capital returns, and market positioning.

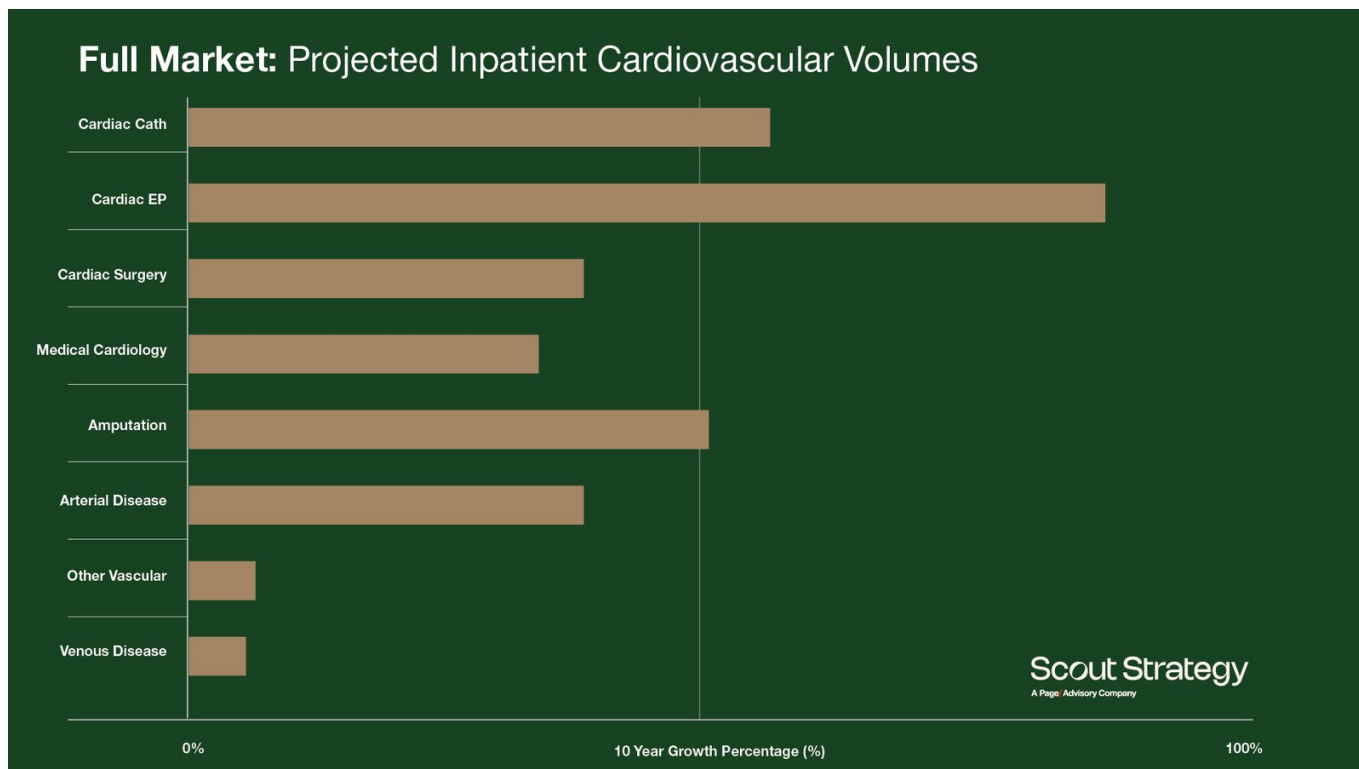
## A new paradigm for real estate development

At the center of this shift is a synchronized approach in which strategic advisors work closely with architectural firms to ensure that the built environment reflects a company's mission, culture, and future needs. While in the past, design focused on functionality and aesthetics, while executives drove business strategy, such an approach ignores the significant overlap between both processes. Early collaboration between strategic advisors and design teams improves the chances that a new space is operationally functional while flexibly supporting the end user's larger business goals.

For instance, healthcare facilities often face the challenge of optimizing patient flow, staff efficiency, and technology integration. Moreover, they often adapt to these challenges only within their outdated facility portfolio. Numerous studies<sup>1</sup> highlight that when design and business strategy are coordinated early in the planning process, hospitals achieve better patient outcomes, improved staff productivity, and more efficient use of space. In industries like healthcare, where operational demands are high, the integration of strategy and design is essential for meeting business objectives.



By forecasting ahead 5-10 years, building owners, end users, and designers can work together to see how usage will change. In the charts above and below, Scout Strategy mapped out the growth in cancer incidents by site and the volume of cardiovascular inpatient needs. This preparation protects against costly redesigns in the near future and futureproofs the project for years to come.



A CBRE report<sup>2</sup> highlights how aligning corporate real estate strategies with business objectives improves flexibility<sup>3</sup> and space utilization. Every architectural decision about a space’s design is informed by the C-suite’s larger strategy, turning physical space into a business performance asset rather than just a functional necessity.

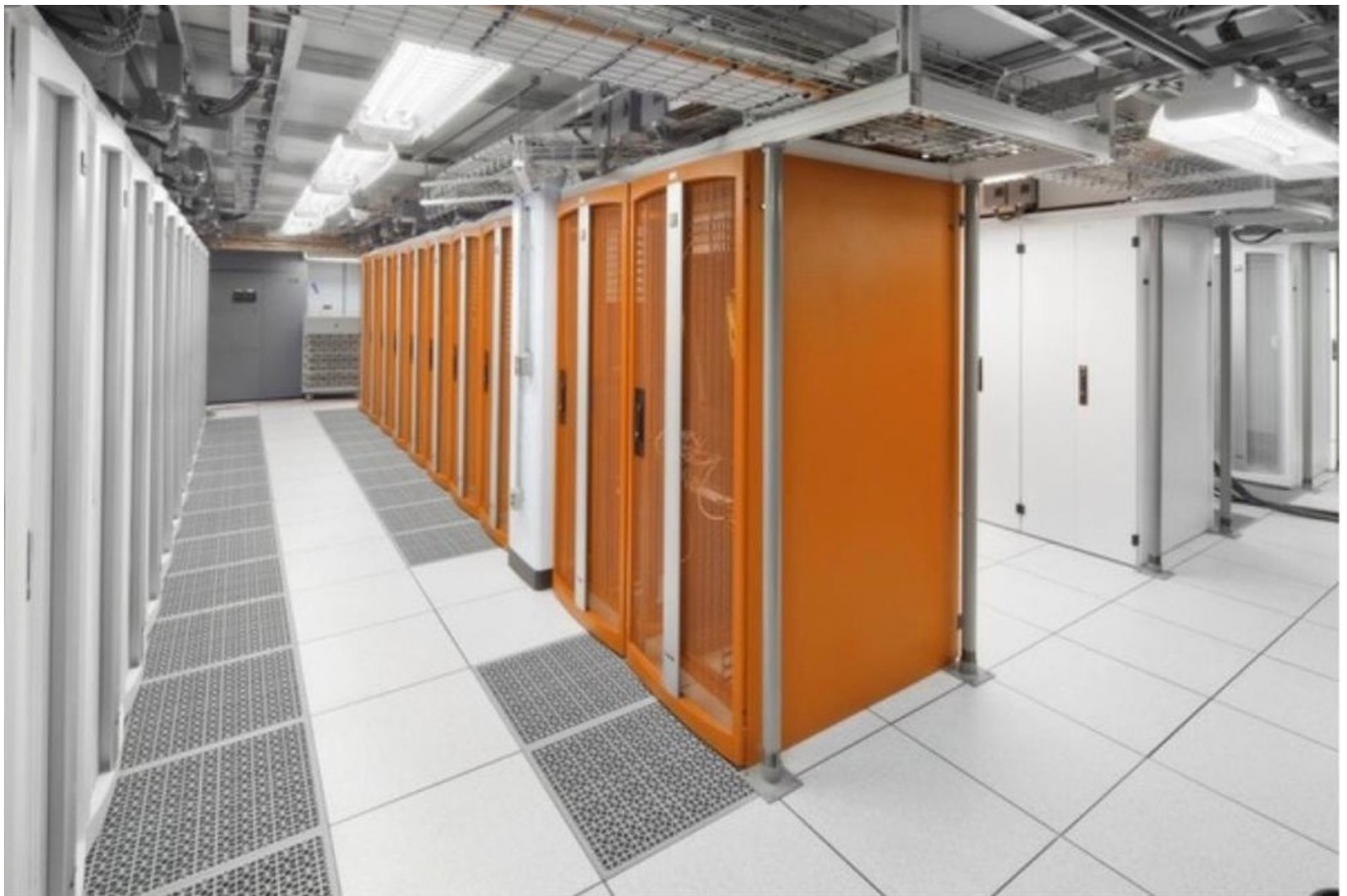
### Uniting strategy and design

In response to this trend, Page created [Scout Strategy](#) to help clients integrate business objectives with design from the start, ensuring that any space maximizes its investment. Scout Strategy’s premise is simple: when strategic advisors and design experts are brought together early in the project lifecycle, it ensures that all stakeholders, including corporate tenants, healthcare providers, and commercial real estate developers, make informed decisions that support their long-term goals. By merging strategic business objectives with design, Scout Strategy helps companies maximize their potential real estate investments and creates high-performing spaces that excel operationally and financially.

### Enhancing operational performance

One of the most compelling benefits of synchronizing business strategy and design is its impact on operational efficiency. Savvy corporate real estate portfolio managers understand how a building’s layout, design, and functionality directly correlate with a company’s day-to-day operations. By engaging strategic advisors early in the design process, companies ensure that their space is tailored

to meet their specific needs.



Data centers, like this one here at the University of Texas at Austin, rely on efficient cooling systems, server layouts, and energy management that scales with the needs of the system, balancing latency with operational requirements. Photo/Thomas McConnell.

For example, data centers rely on efficient cooling systems, server layouts, and energy management to function effectively. Furthermore, they balance latency with utility infrastructure planning and alternative fuel considerations as cornerstones of their facilities plans. When strategic advisors collaborate early with the C-suite and designers, they design in light of these considerations, reducing downtime, increasing energy efficiency, and ultimately maximizing long-term value.

The same principles apply to commercial office buildings. For corporate tenants, aligning strategic business goals with design translates to workspaces with greater appeal, higher productivity levels, collaboration, and employee well-being. This is particularly important in today's post-pandemic landscape, where flexible working arrangements and hybrid office models require spaces that adapt to changing needs. Aligning strategy and design in tandem allows a space to adapt as business needs evolve, minimizing the need for costly retrofits or expansions.

### **Improving corporate tenants' business performance**

The benefits of integrating strategy and design go beyond operational efficiency—they also drive business performance. A well-designed space can significantly impact employee engagement, talent retention, and even brand expression. Workspaces that reflect their office culture and business goals see higher levels of collaboration, a prerequisite for boosting productivity and innovation.

Tech giants like Google and Apple have long understood the connection between workspace design and business success. By creating environments that foster creativity, collaboration, and employee well-being, these companies have maintained their positions as leaders in innovation. The flexibility and scalability of these spaces allow them to adapt to market changes quickly, without incurring significant real estate costs.

### **The effect on valuation and portfolio performance**

Research from both the Urban Land Institute<sup>4</sup> and JLL<sup>5</sup> shows that adopting a synchronized approach to building design and strategic decision-making improves owners' operational performance and positively affects real estate finance and valuation. When developers align their design objectives with broader business strategies early enough, they create spaces that are better suited to attract corporate tenants, reduce long-term operating costs, and meet market demands—all of which will drive higher property valuations. When buildings are designed with sustainability and energy efficiency in mind, such as those achieving LEED certification or WELL Building standards, owners can command premium lease rates due to their appeal to environmentally conscious tenants and lower energy expenses. Studies show that these buildings tend to maintain higher occupancy rates and increase property resale values.<sup>6</sup>

For capital markets, this alignment enables commercial real estate investors to secure long-term leases with high-quality tenants, such as government agencies or Fortune 500 companies, a choice approach to derisking the investment. For federal agencies, the General Services Administration (GSA) has stringent security and sustainability requirements for the space it leases, and developers who align their design strategies with these requirements are more likely to win long-term government contracts.

This direct link between smart design and financial performance is reflected in market data. Industry reports<sup>7</sup> find that properties designed with adaptability and future-proofing in mind perform better

regarding long-term returns. By integrating strategy with design from the outset, investors and developers can create properties that not only reduce tenant turnover but also yield higher capital returns, making the asset more valuable over time.

### **Bringing it all together**

The trend toward integrating executive decision-making with building design marks a new paradigm in commercial real estate development. Corporate tenants now recognize that implementing this alignment early can boost performance, productivity, and innovation. At the same time, commercial real estate investors and building owners can leverage this coordination to improve portfolio performance and market positioning. Scout Strategy is at the forefront of this transformation, helping clients optimize for functionality and financial success.

As the commercial real estate landscape continues to evolve, those who partner with Page and Scout Strategy will be well-positioned to unlock the full potential of their real estate investments, maximizing returns while adapting to the future of workspaces and business needs. As the commercial real estate landscape continues to evolve, those who embrace this cohesive approach will unlock the full potential of their real estate investments.

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