(Y)OURSPACE ANTHOLOGY

Knight Frank

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INSIGHTS FOR AN OFFICE REIMAGINED

Contents

Foreword

Welcome to the first edition of the (Y)OUR SPACE Office Anthology. This publication builds on the global findings of the 4th Edition of (Y)OUR SPACE, but sharpens the focus, zeroing in on the changing face of office work and the corporate real estate strategies evolving around it.

DR. LEE ELLIOTT

Head of Global Occupier Research
Knight Frank

Across eight original insights (initially published between January and April 2025), we examine how political intervention, sectoral disruption, technological ambition, and demographic pressure are reshaping the office as both a concept and a capability.

If the past five years have taught us anything, it's that the office is no longer just a space - it's a signal. A signal of corporate culture, of strategy, of employee priorities. And increasingly, it's a signal of change.

Across these articles, three interwoven dynamics emerge.

The first is the struggle for control. Employers are asserting mandates. Governments are modelling new behaviours. Sectors like banking and government are recalibrating in real time, experimenting with office-centric models that challenge the hybrid consensus. At the same time, employees are pushing back or opting out altogether. The balance between flexibility and structure is not settled. It's contested. It's variable.

The second is the redistribution of work. This isn't just about hybrid schedules; it's about where work is done globally. Offshoring has returned with strategic intent - not simply to cut costs, but to access global talent pools and build capability. Cities like Hyderabad, Manila, and Kraków are becoming anchors for high-skill functions. But this redistribution is no longer one-directional. In an era shaped by tariffs, trade wars, and geopolitical friction, many firms are reassessing exposure and rebalancing risk. Reshoring and nearshoring are re-emerging as viable strategies, placing new emphasis on regionalisation, resilience, and regulatory alignment. The modern CRE footprint must navigate all of this - supporting distributed teams while remaining agile to political, economic, and operational shifts.

The third is the reframing of value. AI is accelerating change at the task level, but its true impact is existential. Workers fear not being excluded but becoming obsolete. The shift from FOMO to FOBO is real, and it's driving demand for lifelong learning, workplace experience, and office design that supports relevance, not just presence. Meanwhile, the greying of the workforce adds another layer: how to make office environments more inclusive, adaptable, and age-literate.

Together, these forces point to a workplace model that is less about real estate and more about real advantage. The office has become a strategic platform, used to attract talent, build culture, accelerate transformation, and express purpose. Its value lies not in occupancy rates, but in its contribution to performance.

This anthology doesn't attempt to predict the future. Instead, it surfaces the real-time recalibrations already underway. What links them is not geography or industry but urgency.

We hope these perspectives equip you to think differently, act decisively, and challenge convention - because the office isn't going away. But it is going somewhere new.

OFFICE INSIGHT 1[1]

A Meme or a Movement? Musk, DOGE and the Workplace of Tomorrow

President Donald Trump recently appointed Elon Musk to lead the newly established Department of Government Efficiency (DOGE) in a move that has left both Washington insiders and Silicon Valley spectators buzzing. While the acronym might evoke images of Shiba Inu memes and cryptocurrency, the implications for the American (and potentially global) workplace are profound and multifaceted.

From Silicon Valley Maverick to Government Overlord

Elon Musk, the visionary behind Tesla and SpaceX, is renowned for his relentless pursuit of innovation and efficiency. His leadership style, often pitched as being transformational, is characterised by a hands-on approach, demanding long hours, and an unwavering commitment to ambitious goals.[2] Now, as the head of DOGE, Musk aims to transplant this ethos into the federal government.

According to a report by *Wired*, Musk has been immersing himself in his new role, even going so far as to sleep at the DOGE offices in Washington, D.C. This mirrors his practices at Tesla and Twitter (now X), where he was known to work and rest on-site during critical periods. Such 'dedication' sends a clear message: the pursuit of efficiency knows no bounds, not even those of a traditional workday.[3]

The End of Telework?

One of the immediate changes federal employees might face is a shift away from remote work. Drawing from

his experience at Tesla, where he mandated at least 40 hours per week in the office, Musk appears poised to implement similar policies within federal agencies. As reported by *The Guardian*, a recent executive order mandates all federal employees to return to in-person work by February 6 or resign, offering a buyout option. This move has sparked concerns among federal workers who have become accustomed to the flexibility of remote work.[4]

A Leaner Federal Workforce

Beyond changes to work location, there's speculation about potential reductions in the federal workforce. Musk's reputation for streamlining operations - often through significant layoffs - suggests that federal employees might face a similar fate. *Vox* highlights that the Department of Government Efficiency pledges to "send shockwaves" through the U.S. government, hinting at substantial restructuring efforts. The administration is offering federal employees a "fork in the road" ultimatum: resign by September 30 and receive full pay while being exempt from return-to-office requirements or continue with higher expectations and no job security guarantee. This strategy aims to encourage voluntary resignations and bypass legal protections against firing.[5]

The Tech Industry's Playbook

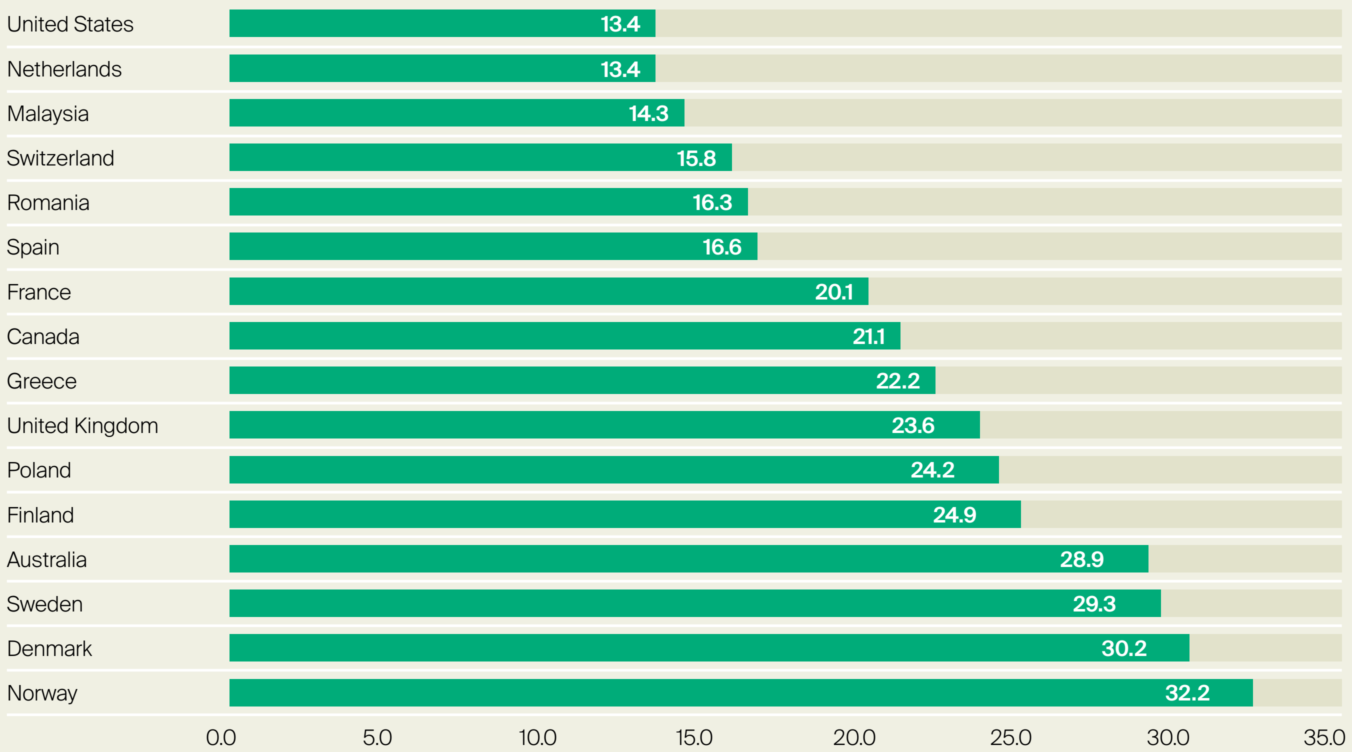
Musk's appointment also signals a broader trend of tech industry practices permeating government operations. The emphasis on data-driven decision-making, rapid iteration, and a culture that often blurs the lines between work and personal life could become more prevalent in federal agencies. While these practices have driven innovation in the private sector, their application in government raises questions about feasibility and appropriateness.

The Global Impact on Work and the Workplace

Elon Musk's appointment to DOGE doesn't just have implications for the U.S. workforce - it could also set a precedent for workplace trends globally. If his efficiency-first, return-to-office, and job-streamlining philosophy proves successful, multinational corporations and even foreign governments may follow suit.

Establishing current data concerning public sector employment at a country level is complex and fraught. The average public sector employment rate in OECD countries was 21.3% in 2013. ILO data from 2020 onwards provides a more helpful lens at a country level. It shows that the U.S. (13.4%) is well below other major economies in proportion to population. Countries with large bureaucracies, such as the Scandinavian countries, Australia, the UK, Canada and France (all above 20%), might consider similar shake-ups in public sector workforces, particularly given the state of public finances, accelerating a shift toward productivity-focused governance (see chart below).

Public sector employment by country (as % of total employment)



(Source: World Population Review, using available ILO data from post-2020)

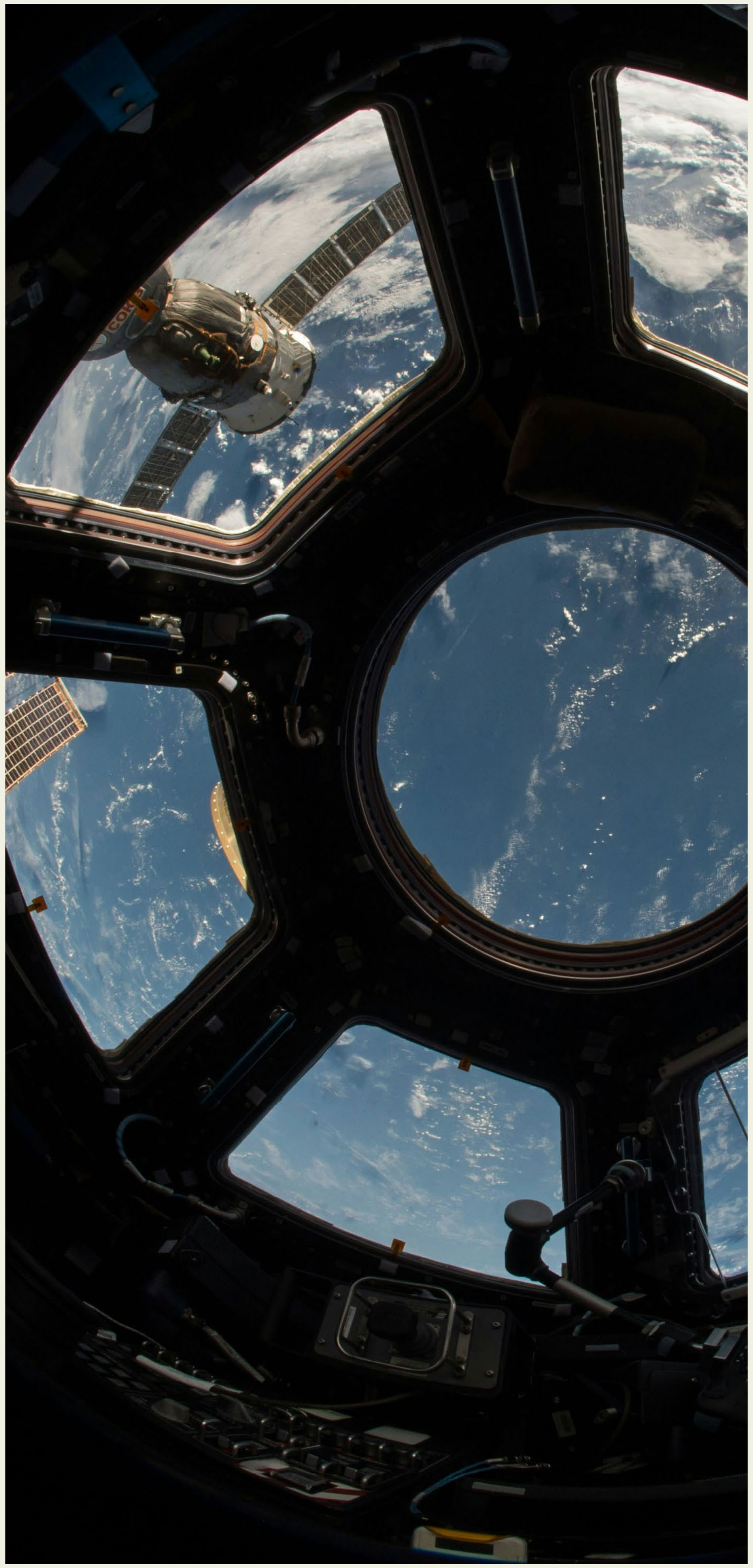
Note: Not all countries are covered; no data for Germany was available, for example, so this is a sample for illustrative purposes only. In addition, collection points, whilst post-2020, do not relate to precisely the same year).

Companies that have hesitated to enforce strict return-to-office mandates in the private sector may feel emboldened to do so, following Musk's example. That could lead to a global reckoning on remote work, automation, and job security. The rise of AI and digital transformation will also likely accelerate, with businesses and governments seeking ways to drive efficiency without massive labour costs. While some view Musk's leadership as a necessary push toward modernisation, others fear it signals a return to an unforgiving, high-pressure work environment that leaves little room for work-life balance. The global future of work may soon hinge on whether Musk's DOGE experiment results in innovation or workplace alienation.

A Serious Undertone Beneath the Humour

While the acronym DOGE might elicit chuckles, the potential consequences for the American workforce are significant. The push for increased efficiency could lead to job insecurity, reduced work-life balance, and a departure from established workplace norms. It's a reminder that behind the humour lies a serious conversation about the future of work in the United States (and beyond).

In conclusion, Elon Musk's appointment to lead the Department of Government Efficiency represents a bold experiment in applying private sector principles to public institutions. As federal employees brace for potential changes, the nation watches closely to see if this fusion of tech culture and government will lead to the promised efficiency - or if it will simply become another meme in the annals of history.



[1] This paper was first produced and published on 27th January 2025

[2] mtdtraining.com

[3] wired.com

[4] theguardian.com

[5] vox.com

OFFICE INSIGHT 2[6]

Big Banks, Bigger Bets: The Workplace and Workforce Shake-up in Finance

The financial world thrives on strategy, precision, and calculated risk. Like a high-stakes chess game, institutions make moves not just for today but to position themselves for the future. As the post-pandemic landscape takes shape, some of the biggest players in finance - Barclays, J.P. Morgan, HSBC, Deutsche Bank, and Citigroup - are making decisive plays that will shape both their business models and work cultures. Barclays is tightening its grip on remote work, J.P. Morgan is expanding its London footprint, HSBC is withdrawing from key parts of investment banking in the West, and Deutsche Bank is signalling that no part of its business is off limits as it battles plunging profits. Citigroup is overhauling its wealth management division. These manoeuvres are not just isolated events but part of a broader reconfiguration of finance's workplace and workforce dynamics.

The Banking Sector's Tactical Retreat from Remote Work

The banking industry was never an eager champion of remote work. While some sectors embraced hybrid models as a long-term strategy, major financial institutions were among the first to call employees back to the office. The experiment in flexibility was short-lived, and now, banks are recalibrating how and where their people work.

The big American investment banks were quickest out of the gate on a full-time return to the office with no genuine attempt to embrace the flexibility forced upon them during Covid. Others have become office-centric over time, steadily shifting the needle towards office attendance. Barclays, for one, is ramping up office attendance requirements, raising the minimum number of in-office days from two to three per week. The reasoning? Senior leaders believe prolonged remote work

[6] This paper was first produced and published on February 10th 2025

dilutes company culture, weakens collaboration, and slows down the apprenticeship-style learning that defines finance.

The shift at Barclays is part of a broader industry-wide crackdown on hybrid work. J.P. Morgan, a long-standing critic of remote arrangements, has reinforced its stance with CEO Jamie Dimon arguing that banking is an apprenticeship business that demands face-to-face interactions. They are building an office portfolio commensurate with this view. As well as a new New York HQ this year, they are in the market in London as a 12,000-strong workforce cannot be adequately accommodated at 25 Bank Street in Canary Wharf. They are rumoured to be taking overflow space in Credit Suisse's former HQ at 1 Cabot Square in Canary Wharf whilst they consider a longer-term solution.

Citigroup's Divergent Path in the Return-to-Office Landscape

Citigroup stands as a notable outlier amid the industry-wide push for increased office presence. Under the leadership of CEO Jane Fraser, Citi has committed to maintaining a hybrid work model, allowing most employees to work remotely at least two days per week. Fraser views this flexibility as a competitive advantage, potentially attracting talent who prefer a less rigid work environment.

However, this flexibility comes with accountability. Citi has implemented measures to ensure compliance with its hybrid policy, such as tracking office attendance through security pass swipes to confirm that employees meet the minimum in-office requirement.

Interestingly, Citi also invests heavily in its physical workspace while promoting a hybrid model. The bank is renovating its 42-story tower in Canary Wharf, with its cost nearing £1.2 billion. This refurbishment underscores Citi's belief in the enduring importance of the office as a space for collaboration and innovation.

HSBC's Strategic Sacrifice, Deutsche Bank's Existential Gamble, and Citi's Wealth Overhaul

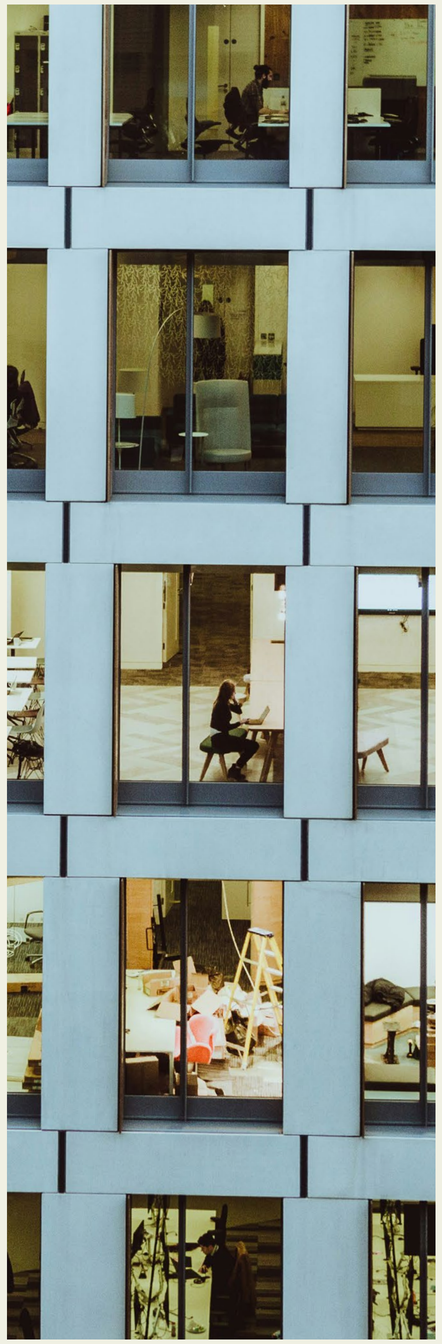
While Barclays and J.P. Morgan reinforce their commitment to physical office spaces, HSBC, Deutsche Bank, and Citigroup are making very different moves that could significantly impact banking jobs in London, New York, and beyond.

HSBC is pulling out of key areas of investment banking in the UK, Europe, and the Americas, closing its mergers and acquisitions advisory and equity capital markets divisions. Meanwhile, Deutsche Bank's CEO has clarified that "nothing is off limits" as the bank faces plunging profits, suggesting deep restructuring and potential layoffs may be on the horizon.

At the same time, Citigroup is undergoing a significant overhaul of its private banking leadership team. The restructuring introduces new geographic heads across EMEA, Latin America, Asia, and North America to streamline reporting structures and strengthen its position in wealth management. This shift underscores a broader financial sector trend: as traditional investment banking faces increasing headwinds, firms are pivoting towards wealth management as a stable and lucrative revenue stream.

These aren't just standalone restructurings. They reflect a larger strategic realignment happening across global banking. Investment banking, once the gold standard of high-flying finance careers, is becoming an increasingly exclusive club where only the most significant players can thrive. The costs of competing are rising, and for HSBC - whose profitability leans more heavily on its Asian markets - the decision to scale back investment banking in the West makes logical sense. For Deutsche Bank, the road ahead looks even more uncertain, with tough choices looming about which parts of its business will survive. Meanwhile, Citi's restructuring signals that banks are exploring new revenue streams that could redefine workforce priorities.

But what does this mean for the workforce? A shrinking investment banking sector means fewer opportunities, career trajectories, and fewer people occupying desks in those iconic financial skyscrapers. It suggests that the finance workplace of the future isn't just about where work gets done - it's about who remains in the industry at all.



The Bigger Picture: How Finance's Workplace Is Evolving

So, what do these moves - Barclays' crackdown on remote work, J.P. Morgan's expansion, HSBC's withdrawal, Deutsche Bank's strategic uncertainty, and Citi's wealth management overhaul - tell us about the future of work in finance?

#1 The Office Remains Key - But Its Role Is Evolving

Barclays' and J.P. Morgan's actions affirm that major financial firms still see immense value in physical offices. These spaces will continue to be essential for business operations, fostering collaboration, decision-making, and professional development.

#2 Hybrid Work Is No Longer a Given

While flexible working arrangements still exist, the freewheeling remote-work era is being reined in. Banks are striking a new balance between flexibility and in-person engagement, meaning employees must adjust work-life integration expectations.

#3 Finance's Workforce Is Becoming More Specialised

HSBC's decision to scale back investment banking, Deutsche Bank's looming restructuring, and Citigroup's strategic pivot toward wealth management signal a shift in the finance industry's structure. As certain divisions shrink, the finance workforce will become more concentrated around specialised, high-value roles rather than broad-based hiring.

#4 Shifts in Commercial Real Estate Strategy

With banks expanding and contracting their office footprints, financial institutions are carefully evaluating their long-term space requirements to align with changing workforce dynamics. While some firms continue to invest in physical spaces, others are reassessing their long-term needs.

The Next Move in Finance's Grand Game

The pandemic forced banks to experiment with new working models. Now, they are refining their strategy, blending remote flexibility with a renewed emphasis on physical presence. However, as HSBC's retreat from investment banking, Deutsche Bank's uncertainty, and Citigroup's wealth-focused transformation show, the industry isn't just deciding *where* work happens and *who* participates in its future.

The chessboard is being rearranged. Some pieces are advancing, others are being sacrificed, and the shape of the financial workforce is shifting. As banks make their next moves, employees must stay adaptable, strategic, and prepared for a landscape that continues to evolve. Because in finance, as in chess, only those who anticipate the next play will stay in the game.

OFFICE INSIGHT 3[7]

The AI Odyssey: Navigating Corporate Adoption Amid Global Currents

Artificial Intelligence (AI) is no longer a distant horizon - it is the ocean corporations must now navigate. Businesses are scrambling to integrate AI into their operations, from boardrooms to factory floors, eager to unlock efficiencies, drive new revenue streams, and future-proof their enterprises. Yet, like any uncharted sea, the AI revolution presents opportunity and peril. Companies must navigate the competing forces of innovation, regulation, and market disruption as they embark on their AI journey.

The recent *AI Action Summit in Paris* (February 10–11, 2025) served as a global gathering point for leaders, CEOs, and policymakers, offering a revealing snapshot of the AI landscape. While optimism about AI's potential was palpable, so was concern about its governance. The summit underscored the growing divergence in how different regions approach AI policy and the critical choices corporations must make to stay ahead.

Charting the Course: The Paris AI Summit and Its Global Significance

In many ways, the Paris summit was a microcosm of the broader AI debate—how to harness AI's potential while mitigating its risks. OpenAI CEO Sam Altman emphasised that if managed correctly, AI could be a transformative force for economic growth, productivity, and job creation. "If we want growth, jobs, and progress, we must allow innovators to innovate, builders to build, and developers to develop," he stated, cautioning against heavy-handed regulations that might stifle creativity and competitiveness.

French President Emmanuel Macron struck a delicate balance, advocating for a flexible regulatory approach within the European Union's AI Act. While he acknowledged the necessity of ethical safeguards, Macron warned that excessive bureaucracy could

[7] This paper was first produced and published on February 17th 2025

slow European AI startups and cede competitive ground to the U.S. and China. His stance resonated with tech executives, notably Capgemini CEO Aiman Ezzat, who remarked, “In Europe, we went too far and too fast on AI regulation,” highlighting the growing concern that Europe’s approach might be more restrictive than adaptive.

Meanwhile, the U.S. is shifting in the opposite direction. Since returning to office, President Donald Trump has been dismantling AI guardrails to ensure America remains at the forefront of AI innovation. His administration’s approach signals a preference for market-driven AI development, allowing tech giants to operate with minimal constraints. While fostering rapid advancements, this strategy raises concerns about ethical lapses, AI safety, and unchecked monopolisation.

Riding the DeepSeek Wave:

A New AI Challenger Emerges

Amid the summit’s discussions on AI governance, one topic dominated the sidelines - the rise of DeepSeek. This Chinese AI firm has thrown a wrench into conventional assumptions about AI’s economic model, proving that state-backed firms can develop cutting-edge AI at a fraction of the cost incurred by Western companies (although it is worth noting that the actual costs of DeepSeek’s development are increasingly contested). By embracing an open-source strategy, DeepSeek has disrupted the balance of power in the AI world, posing a challenge to proprietary AI giants like OpenAI, Google, and Microsoft.

DeepSeek’s efficiency model has forced U.S. tech firms to rethink their strategies, resulting in:

#1 Greater AI Efficiency Investments

Companies are focusing on reducing computational costs without sacrificing model quality.

#2 Intellectual Property Crackdowns

OpenAI and Microsoft are investigating potential data breaches, ensuring DeepSeek hasn’t leveraged proprietary research.

#3 Regulatory Manoeuvring

U.S. firms are lobbying for new AI policies that protect their market dominance while preserving global competitiveness.

#4 Open-Source Adaptation

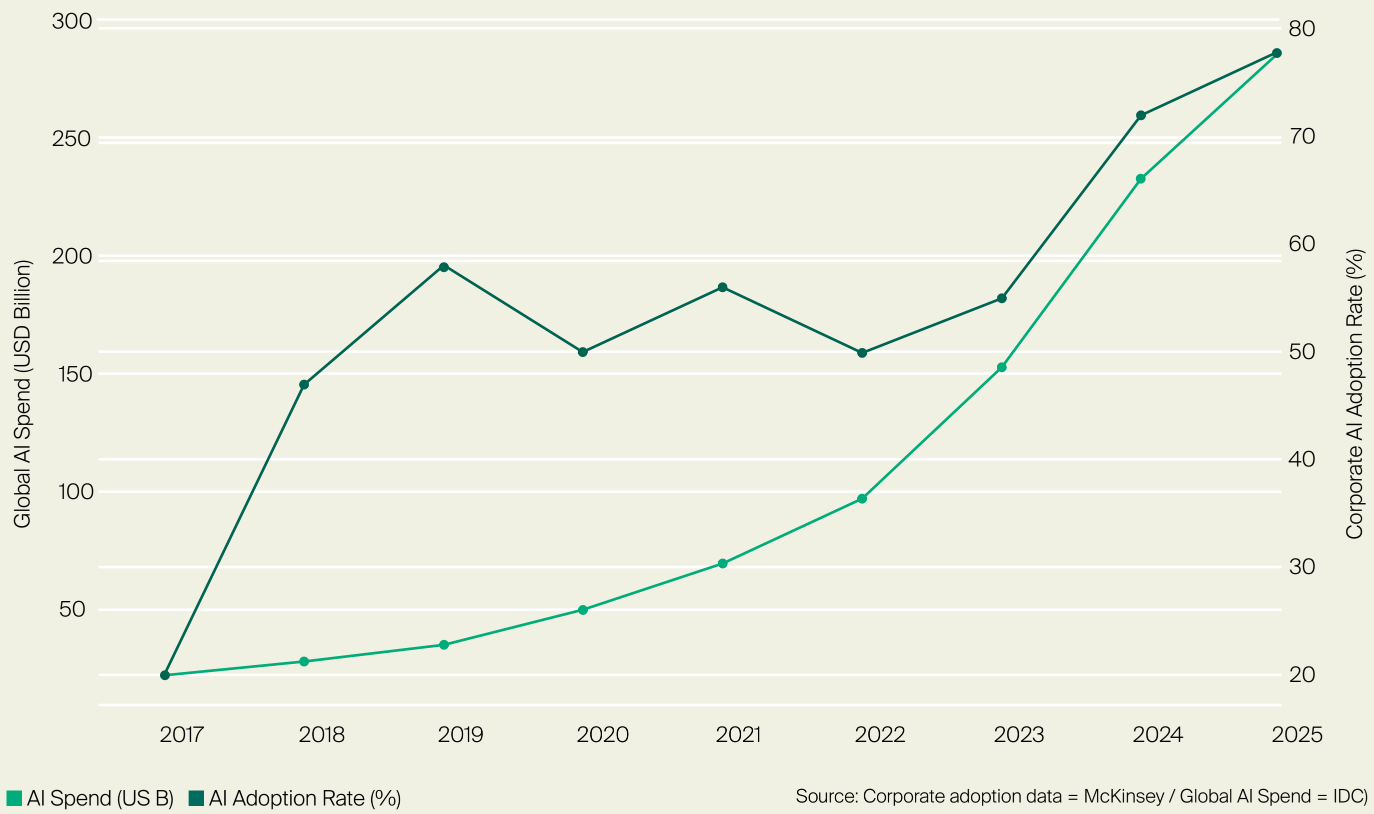
Ironically, some Big Tech firms are now deepening their involvement in open-source AI to control its development rather than being disrupted by it.

#5 Talent Wars

Microsoft’s high-profile poaching of DeepMind researchers is just one example of AI talent becoming the most valuable corporate asset.

Corporate AI Adoption: Between the Gold Rush and Minefield

Corporate AI Adoption vs Global AI Spend (2017-2025)



Source: Corporate adoption data = McKinsey / Global AI Spend = IDC)

AI adoption is no longer a choice for corporations - it is a necessity. Businesses that fail to integrate AI risk falling behind competitors who automate faster, optimise operations, and enhance decision-making through machine learning. Yet, simply jumping on the AI bandwagon without strategic planning can be as dangerous as ignoring it altogether.

Three types of players increasingly define the corporate AI landscape:

#1 The AI Pioneers

Companies embedding AI at their core, making it integral to business strategy rather than just an operational enhancement.

#2 The Cautious Integrators

Businesses adopting AI selectively, often in customer service, supply chain management, or financial modelling, but hesitating to go all in.

#3 The AI Laggards

Firms slow to adapt, either due to cost concerns, talent shortages, or regulatory uncertainty, running the risk of obsolescence.

Talent scarcity, regulatory complexity, and implementation costs are the biggest hurdles to adoption. AI specialists are in short supply, with global demand far exceeding the available talent pool. Even the leading market of the U.S. is forecast to have a shortfall of 250,000 AI specialists by 2030. Meanwhile, the fractured regulatory landscape means businesses must comply with different rules depending on where they operate - balancing Europe’s strict oversight with the U.S.’s looser framework and China’s state-controlled AI policies.

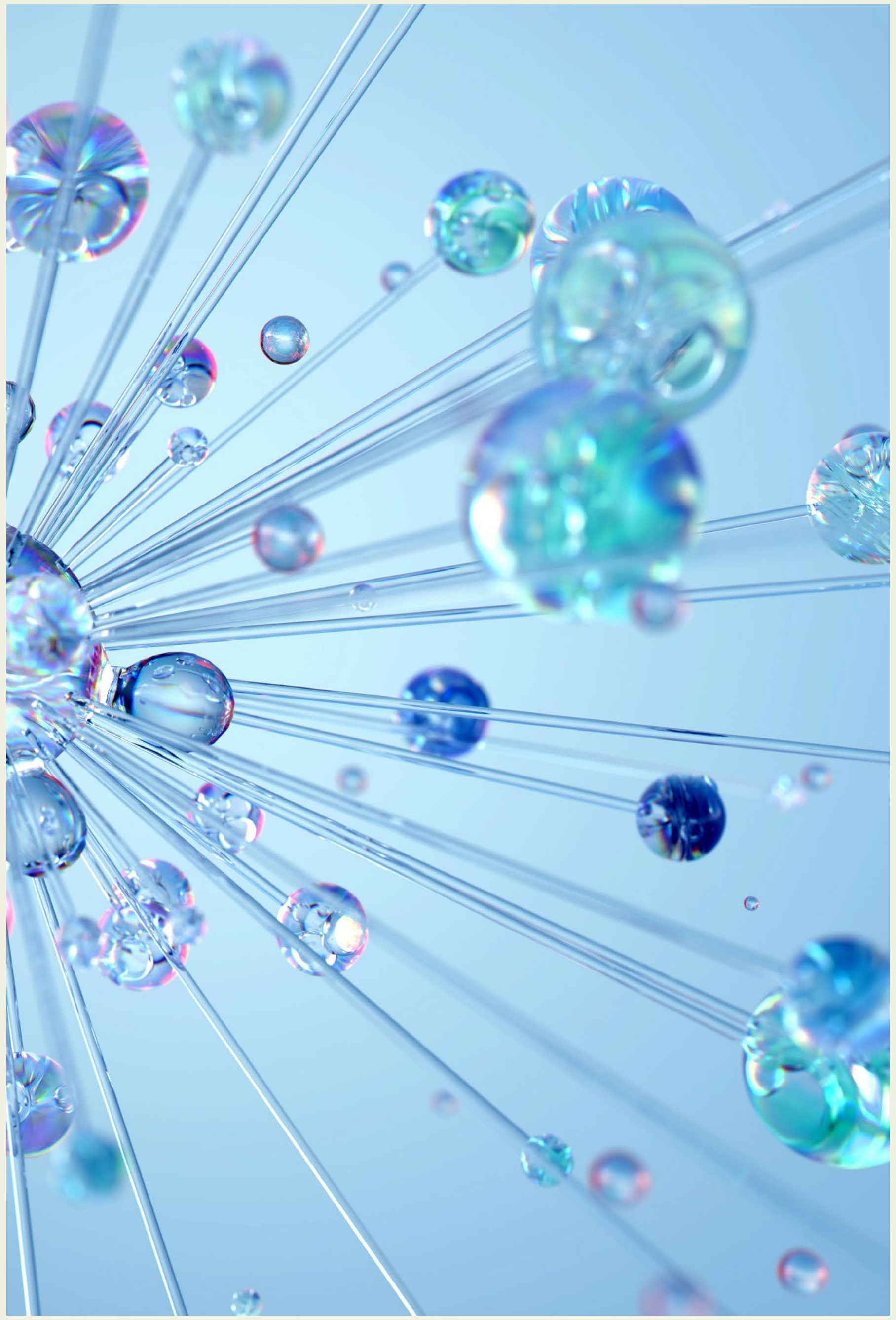
What’s Next? Steering AI Toward a Sustainable Future

The Paris summit made one thing clear - AI’s future is still being written. Companies must be bold and prudent, adopting AI to drive long-term value while remaining compliant with shifting regulatory frameworks.

To successfully navigate this evolving AI seascape, businesses should:

- *Prioritise AI fluency at the executive level,* ensuring leadership understands AI’s potential and limitations.
- *Invest in AI talent and training,* as workforce adaptation will be as critical as technological innovation.
- *Engage with policymakers,* shaping regulations rather than merely reacting to them.
- *Balance proprietary and open-source AI,* leveraging cost-effective solutions while maintaining control over critical assets.

Ultimately, AI is neither a guaranteed treasure nor an inevitable shipwreck – it is a tool that must be wielded wisely. The question is no longer whether corporations will adopt AI, but how well they will navigate its unpredictable waters. Will they master the tides of transformation or be swept away by the currents of change?



OFFICE INSIGHT 4[8]

Forget FOMO; FOBO is the Real Workplace Crisis

In the evolving corporate landscape, the traditional *Fear of Missing Out (FOMO)* - the anxiety that one must be physically present in the office to stay relevant - has given way to a more pressing concern: *Fear of Becoming Obsolete (FOBO)*.

FOBO reflects employees' growing worries that they risk stagnation, irrelevance, or even job loss if they do not actively upskill, engage with new technologies, or remain visible in the workplace (whether in-person or virtually).

From FOMO to FOBO: A Shift in Workplace Priorities

For much of the pre-pandemic era, professionals operated under FOMO, where being physically in the office was critical for career advancement. Employees feared missing out on the following:

- Key networking opportunities with leadership.
- High-profile projects and promotions.
- Watercooler conversations that could lead to new opportunities.
- The perception of being a high performer simply by being visible.

The COVID-19 pandemic disrupted this model, proving that remote work could be effective. However, instead of simply eliminating FOMO, workplace strategy immediately post-pandemic played to it by elevating the workplace experience through amenities, higher levels of service and events programmes. Who can forget the appearance of Lizzo at the Google campus as a means of luring people back in? *(Ed: To be honest, I am not sure that would have had the required effect on me, but perhaps that's why I don't work at Google)*. But five years after the pandemic, there's a new acronym in town, and one that will be highly influential in guiding workplace strategy over the next cycle is FOBO or the fear of becoming obsolete in a rapidly changing work environment.among federal workers who have become accustomed to the flexibility of remote work.

[8] This paper was first produced and published on February 24th 2025

What's Driving FOBO?

Employees today worry less about physical presence and more about staying relevant in a workplace transformed by technology, automation, and shifting skill demands.

FOBO manifests in several ways:

AI and Automation Anxiety:

The rise of generative AI and automation has made many professionals fear that their roles may be replaced or diminished unless they continually reskill.

Hybrid Work's Visibility Problem:

While remote work is valued, many employees fear that those who show up in the office more frequently may have an edge in promotions or leadership considerations. models.

Skills Erosion:

Employees worry that they may become less valuable to their employer if they do not actively seek new skills - especially in digital, AI, and data-driven roles.

Industry Disruption:

Rapid changes across industries (e.g., AI in finance, automation in logistics, and hybrid work in corporate real estate) have made employees nervous about whether their expertise will remain relevant.

The Employer Response: Combating FOBO

Forward-thinking organisations recognise that FOBO is a genuine concern and are addressing it by focusing on:

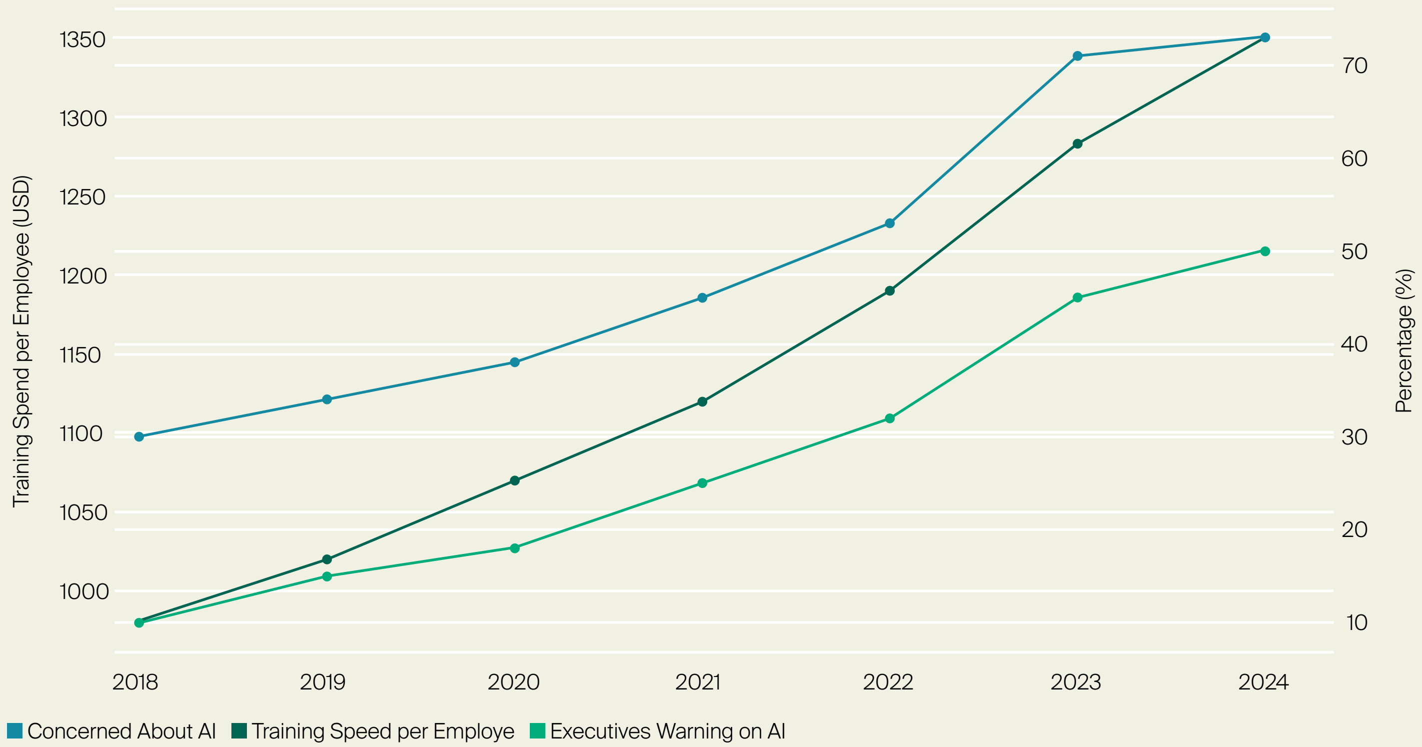
Upskilling and Reskilling Programs:

Companies invest in continuous learning initiatives, offering AI literacy programs, digital transformation training, and leadership development to help employees remain competitive. Amazon committed $700 million to upskill employees by 2025, offering programmes like the Amazon Technical Academy and Machine Learning University to equip workers with in-demand skills. Similarly, Infosys has developed in-house learning platforms incorporating generative AI courses, incentivising completion to ensure employees stay current with technological advancements.

Redefining Career Paths:

Organisations provide more lateral and cross-functional opportunities

FOBO Indicators (2018 - 2024): Training Speed vs Workforce and Leadership Anxiety



Estimates created via multiple data sources and industry

Source: Training Spend: ATD, LinkedIn Learning, Statista.Workforce AI Concern: PwC Hopes & Fears 2023, Edelman Trust 2024, Microsoft Work Trend Index. Executive AI Anxiety: IBM CEO Studt 2023, WEF Future of Jobs 2023, Accenture Tech Vision, Deloitte 2023 than traditional linear promotions, ensuring employees can evolve with industry changes. Standard Chartered has identified roles likely to become obsolete ('sunset roles') and emerging roles ('sunrise roles'), proactively reskilling employees to transition into new positions within the organisation.

Hybrid Work Fairness:

To prevent remote employees from feeling disadvantaged, companies are refining hybrid work policies to ensure visibility and equal career opportunities regardless of location. Salesforce has implemented 'Flex Team Arrangements', allowing teams to decide how and where they work collaboratively, promoting fairness and inclusivity in hybrid work arrangements.

AI as an Enabler, Not a Threat:

The best workplaces are positioning AI and automation as tools that enhance and augment human work rather than replace it, helping employees integrate these technologies into their roles rather than fear them. IBM's SkillsBuild platform offers accessible AI education, enabling professionals to harness AI tools effectively in their roles, thereby viewing AI as an enabler for career advancement.

The Future: Moving from FOBO to a Growth Mindset

FOBO reflects a valid concern but does not have to lead to paralysis. Employees who embrace continuous learning, adaptability, and proactive networking will thrive rather than become obsolete. For organisations, the challenge is clear: rather than allowing FOBO to drive fear, they must transform it into a culture of lifelong learning, innovation, and opportunity. And that, in our view, is an opportunity to reposition the office.

In short, FOMO was about fearing exclusion from the office; FOBO is about fearing irrelevance in the workplace. The winners in this transition will be those who embrace change, continuously evolve, and see disruption as an opportunity rather than a threat.

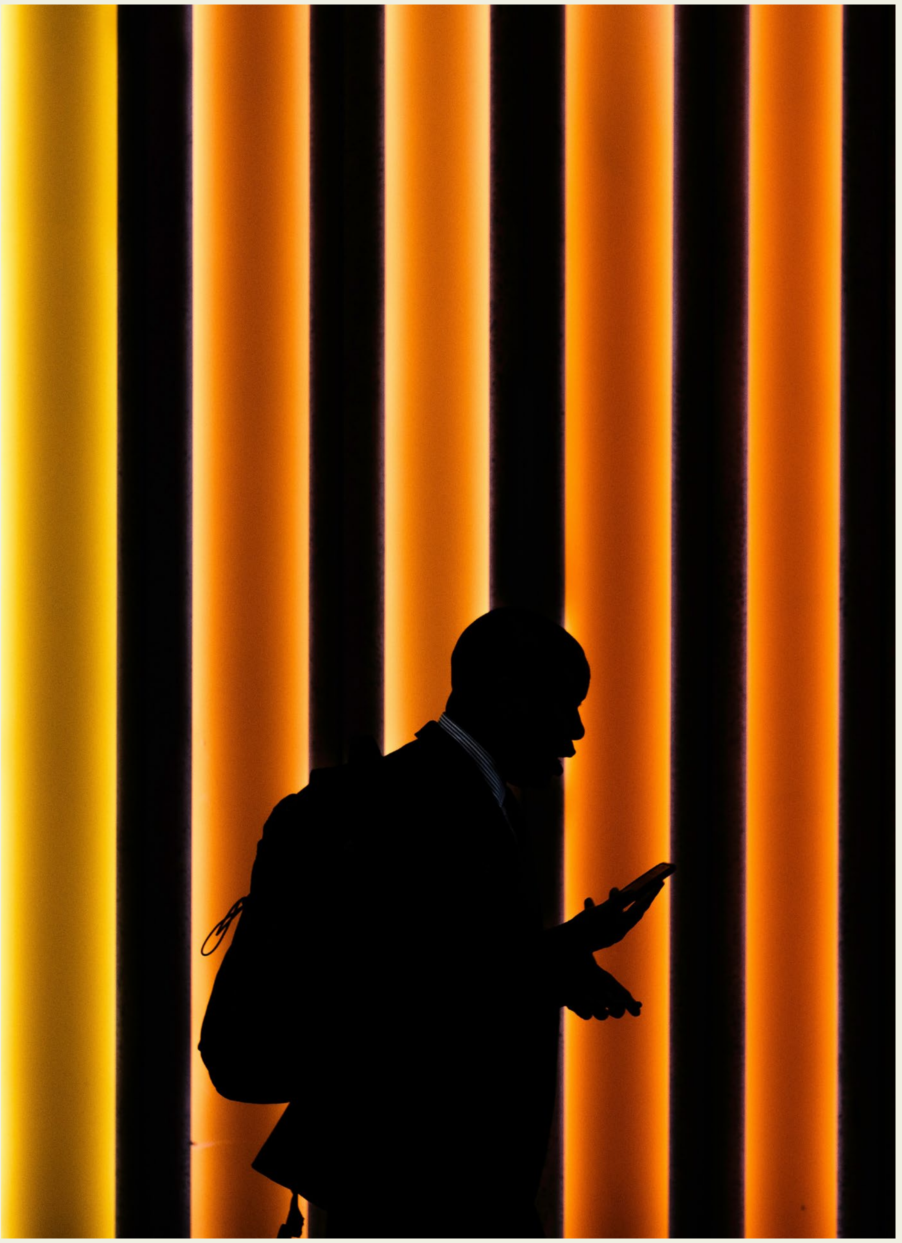
A Word About FOBO

Patrick J. McGinnis, an American venture capitalist and author, is credited with coining the term FOBO, which he originally defined as "Fear of a Better Option."

This concept describes the indecision that arises when individuals face numerous choices and fear committing, lest a superior option becomes available.

Over time, the interpretation of FOBO has evolved in various contexts, with some using it to mean "Fear of Becoming Obsolete," particularly in discussions about technology and the workplace. However, McGinnis has primarily used FOBO to refer to "Fear of a Better Option." In his writings and interviews, he emphasises FOBO as the paralysis that comes from pursuing the optimal choice, leading to decision-making challenges.

McGinnis is also known for coining the term FOMO (Fear of Missing Out) in the early 2000s. He introduced the concept in a 2004 article for *The Harbus*, Harvard Business School's student newspaper, and later expanded on it in his books and public speaking engagements.



OFFICE INSIGHT 5[9]

The Global Shift: Understanding the Offshoring Phenomenon

Lloyds Banking Group's recent decision to offshore IT jobs to India is the latest move in a long-running corporate trend. By the end of 2025, nearly half of Lloyds' technology workforce (4,000 people) will be based in Hyderabad, India, significantly shifting operations away from the UK.[10] This move is not an isolated event but part of a broader, global restructuring of corporate workforces. This strategy has evolved over decades and continues to shape industries, economies, and real estate markets.

The corporate appetite for offshoring seems to be increasing. Knight Frank's Global Corporate Real Estate Index has shown increasingly improving sentiment towards offshoring from respondents since the start of 2023, reflecting a strategic move to enhance financial and operational efficiencies amid challenging economic conditions.

The rationale behind offshoring is multifaceted. Cost reduction is often the most visible driver, but other factors, such as access to talent, scalability, and strategic expansion, have become equally influential. Understanding the motivations, benefits, and challenges of offshoring is crucial for professionals navigating corporate real estate and business services, as these shifts directly impact demand for office space, workforce distribution, and business location strategies.

[9] This paper was first produced and published on March 17th 2025
[10] https://www.ft.com/content/a304cf5a-5d91-4d4d-a41f-16651b59e758

The Evolution of Offshoring: From Factories to Knowledge Work

Offshoring is not a new phenomenon. The first wave, beginning in the late 20th century, was primarily centred around manufacturing. As globalisation accelerated, companies sought to take advantage of lower production costs in emerging markets. The phrase “Made in China” became ubiquitous as the automotive, textiles, and electronics industries relocated factories to countries where labour was cheaper and supply chains could be optimised.

The second wave, starting in the 1990s and continuing through the early 2000s, marked a shift from physical production to services. The rise of the internet and affordable global telecommunications enabled businesses to move customer service, IT support, and financial processing offshore. India, the Philippines, and Eastern Europe emerged as major outsourcing destinations, with cities like Bangalore and Manila becoming synonymous with call centres and back-office operations.

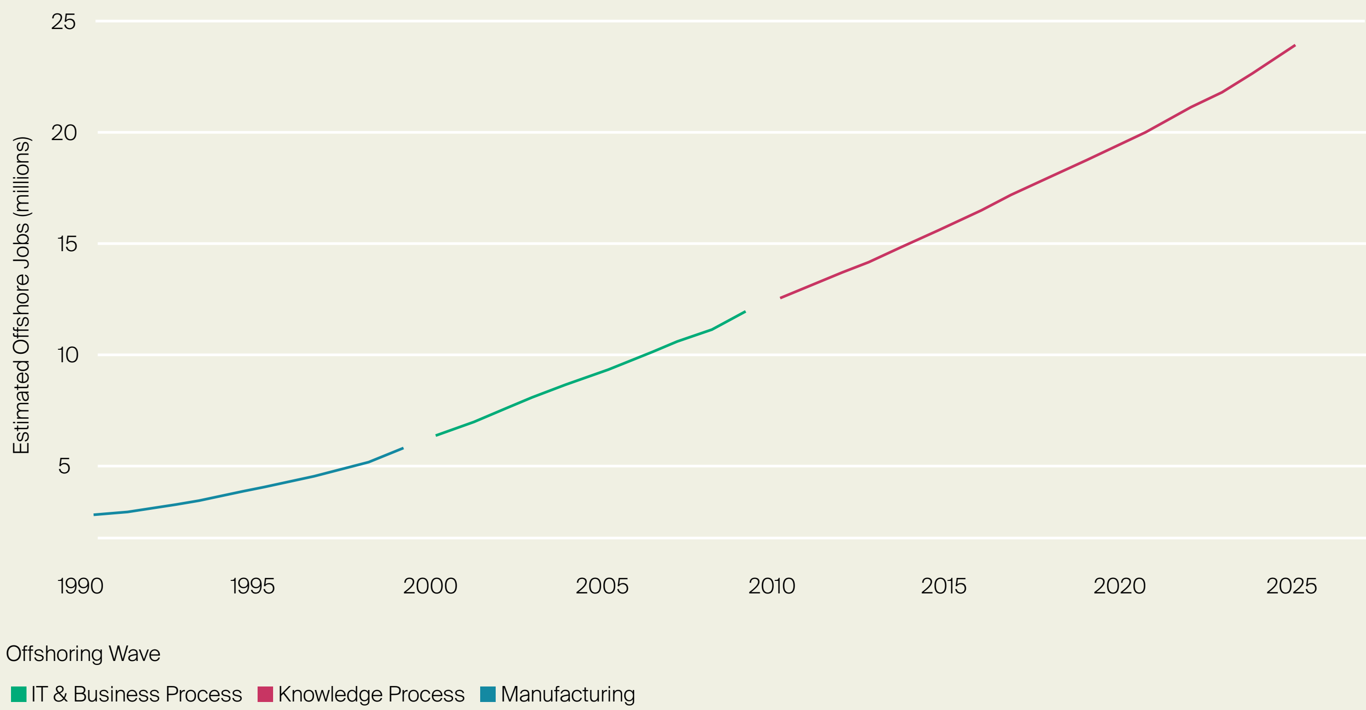
Today, we are in the midst of a third wave - reshaping the very nature of knowledge work. It is no longer just repetitive tasks or routine processes moving offshore. Companies are now establishing offshore hubs for high-skilled functions such as software development, artificial intelligence, and financial analysis. Poland, for example, has become a key location for banking and financial services analytics, while Israel has positioned itself as a leader in cybersecurity and R&D. These offshore locations are no longer seen as cost-saving mechanisms alone but as strategic talent pools that can drive innovation and growth.

Why Companies Offshore: The Driving Forces

While cost reduction remains a significant incentive, broader factors drive offshoring today. Wage disparities between developed and emerging markets are still substantial, with an IT engineer in India earning a fraction of their counterpart’s salary in the UK or the U.S. However, beyond pure labour costs, companies are increasingly motivated by access to specialised skills. India alone produces over 1.5 million engineering graduates annually, making it a crucial hub for technology and data-driven roles.

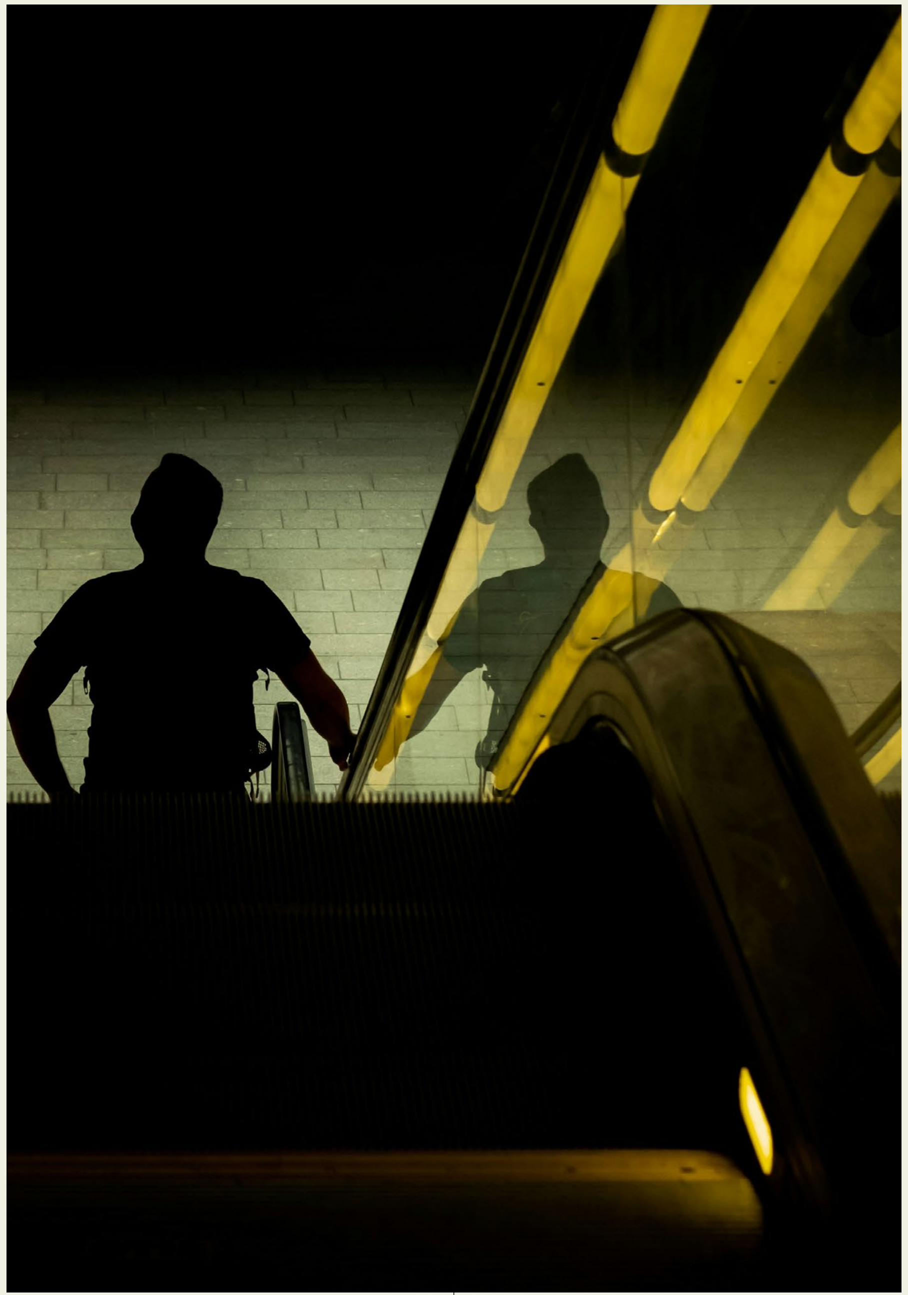
Additionally, companies benefit from operational efficiencies gained through time zone differences. The “follow-the-sun” model allows organisations to maintain 24/7 operations by distributing work across global teams. A software bug discovered in London at the end of the business day can be fixed overnight by a team in Bangalore, ensuring minimal downtime. This workflow optimisation is particularly valuable in industries like finance, technology, and healthcare, where real-time processing and responsiveness are critical.

Estimated Global Offshore Jobs by Wave (1990-2025)



Estimates created via multiple data sources and industry

Source: Nasscom, Everest Group, Deloitte, Gartner, Forrester, Indian Ministry of Labour, Philippines Statistics Authority, Policy Statistical Office, U.S. Bureau of Labour Statistics



Strategic expansion also plays a role. Establishing a presence in high-growth markets allows companies to build brand recognition, understand local consumer behaviour, and navigate regulatory environments more effectively. For example, financial institutions setting up analytics centres in Poland gain cost efficiencies and proximity to the European market. At the same time, tech firms investing in Singapore can tap into the fast-growing Southeast Asian digital economy.

The Trade-Offs: Benefits vs. Challenges

The benefits of offshoring are clear. Companies can lower operational costs, access a broader talent pool, and enhance productivity by leveraging time zone advantages. They can also reduce their real estate footprint in expensive urban centres, opting for a more distributed workforce model.

However, offshoring is not without its challenges. Home market job displacement can create reputational risks, particularly in industries with strong labour unions or public scrutiny. Managing service quality across multiple regions requires robust oversight, and hidden costs -such as training, compliance, and coordination - can sometimes erode initial savings. Additionally, regulatory complexities around data protection and cybersecurity are becoming increasingly important considerations. Companies that handle sensitive financial or personal data must navigate a web of international regulations, ensuring that their offshore operations comply with stringent laws such as GDPR in Europe or the emerging data protection frameworks in India and China.

One of the more nuanced challenges is cultural alignment. While offshore teams are highly skilled, differences in communication styles, business practices, and workplace expectations can sometimes create friction. Many companies now invest heavily in cross-cultural training and team integration strategies to ensure seamless collaboration between onshore and offshore employees.

The Future of Offshoring: What Comes Next?

The future of offshoring will likely be shaped by three trends: automation, nearshoring, and hybrid workforce models.

#1 Automation as an Alternative to Offshoring:

As AI and machine learning become more sophisticated, many roles traditionally offshored - such as customer service and transaction processing - are being automated instead. AI-powered chatbots and robotic process automation (RPA) are replacing human agents for routine inquiries, reducing the need for sizeable offshore call centres. However, rather than eliminating offshoring, automation is expected to focus on more complex, value-added tasks that still require human expertise. Knight Frank’s recent panel at the CoreNet Global Summit in Singapore, led by Christine Li (Head of Research, APAC) and Viral

Desai (Head of Occupier Strategy & Solutions, India), focused on this dynamic.

#2 The Rise of Nearshoring:

Political and economic uncertainties and supply chain disruptions are prompting companies to consider nearshoring - moving operations to countries that are geographically closer to their home markets. For example, some U.S. firms are shifting from India to Mexico, while European companies increasingly favour Eastern European countries over more distant locations in Asia. Nearshoring balances cost savings and operational agility, reducing language barriers and time zone challenges while maintaining cost efficiency.

#3 Hybrid and Remote Workforces:

The COVID-19 pandemic accelerated the adoption of remote work, demonstrating that employees do not need to be in a traditional office setting to be productive. This shift has blurred the lines between offshore, nearshore, and onshore workforces. Instead of large offshore hubs, companies may opt for distributed teams, leveraging a mix of remote employees, onshore staff, and offshore partners to create a more flexible and resilient workforce.

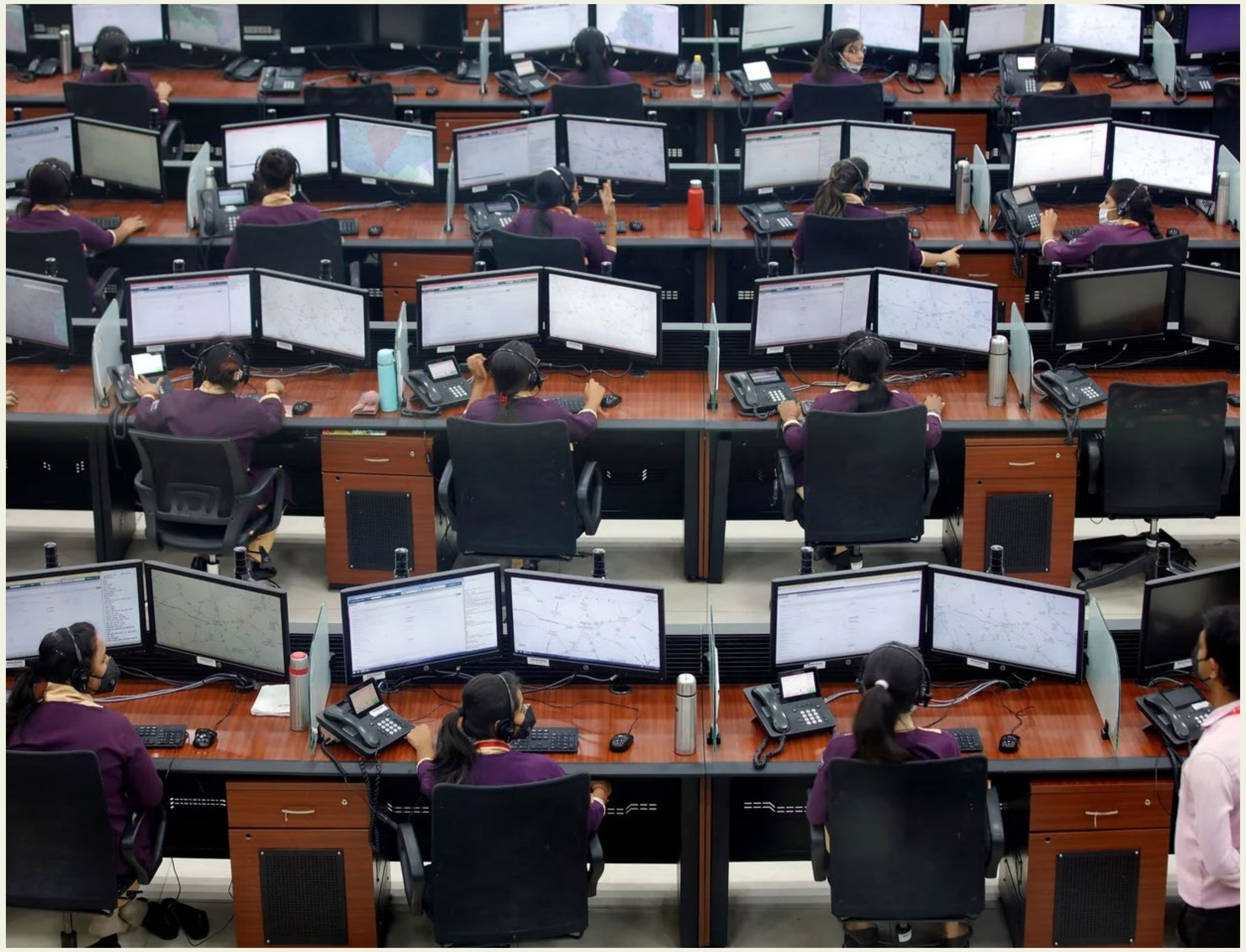
Offshoring is no longer just about cutting costs - it is a strategic tool that enables companies to access talent, enhance operational resilience, and expand into new markets. The model is evolving, with automation, nearshoring, and remote work redefining the landscape. For professionals navigating corporate real estate and business services, staying ahead of these trends will be key to providing informed guidance and capitalising on emerging opportunities.

Illustrating the Offshoring Phenomenon - Some Examples

Offshoring has evolved significantly over the past few decades, transitioning through distinct phases characterised by the types of functions relocated and the destinations chosen. Below are some notable examples of corporate activity through each distinct offshoring wave.

#1 First Wave: Manufacturing Offshoring (1970s-1980s)

During this period, companies began relocating manufacturing operations to countries with lower labour costs to reduce production expenses. China,



Mexico, and Southeast Asian nations became key destinations due to their lower wages, relaxed regulations, and improved infrastructure.

NOTABLE EXAMPLES

General Electric (GE): In the 1980s, GE offshored manufacturing operations to various countries, including China and Mexico, to capitalise on cost advantages. The company used these locations to produce electrical appliances and components at a fraction of U.S. labour costs.

IBM: In 1992, IBM entered into a $5 billion manufacturing outsourcing arrangement with Sanmina-SCI Corporation, marking a significant move in offshoring manufacturing processes. IBM shifted semiconductor and computer hardware production to external suppliers with facilities in Asia and Latin America.

Nike: Beginning in the 1970s and expanding through the 1980s, Nike shifted its footwear and apparel manufacturing to factories in South Korea and Taiwan before later moving large-scale production to China, Vietnam, and Indonesia. This allowed the company to keep costs low while expanding global supply chains.

#2 Second Wave: IT and Business Process Offshoring (1990s-2000s)

Advancements in technology and communications enabled companies to offshore information technology (IT) services and business processes. The rise of fibre-optic internet and affordable telecommunications allowed firms to manage service operations from different continents seamlessly.

NOTABLE EXAMPLES

General Electric (GE): In 1996, GE established GE Capital International Services (GECIS) in India, initially focusing on back-office operations like car loans and credit card transactions. By 2001, GECIS employed around 12,000 people, managing various processes across GE's financial services and manufacturing businesses. GE's move helped pave the way for India's growth as a global outsourcing hub.

HSBC: In the early 2000s, HSBC outsourced IT and back-office operations to India, starting with a small team and expanding to over 9,500 offices in 80 countries. HSBC was among the first major global banks to leverage Indian outsourcing firms for data processing, customer service, and risk analysis.

British Airways: One of the early adopters of offshore call centres, British Airways moved customer service operations to India in the late 1990s. However, the company later faced backlash over service quality issues, partially reversing the offshoring strategy in later years.

Dell: The computer giant established an extensive customer support centre in India in the early 2000s to handle global IT support and warranty claims. However, due to concerns about customer dissatisfaction, Dell later moved some support functions back to the United States while keeping cost-sensitive functions offshore.

#3 Third Wave: Knowledge Process Offshoring (2010s-present)

The focus shifted to offshoring high-value functions like research and development (R&D), analytics, and complex IT services. Companies sought to take advantage of highly educated workforces in emerging markets, particularly in fields such as artificial intelligence, cybersecurity, and financial analysis.

NOTABLE EXAMPLES

IBM: IBM expanded its operations in India, employing more staff there than in the U.S. HQ by 2012, reflecting a significant shift towards offshoring complex IT services. The company leveraged India's growing AI and software development talent pool to

drive innovation.

Genpact: Originally established as GE Capital International Services in 1997, Genpact became independent in 2005 and expanded globally, offering services in finance, accounting, and IT. Today, Genpact provides advanced data analytics and AI-driven solutions to clients worldwide.

Google: Google set up large R&D centres in India, Singapore, and Israel, focusing on AI, cybersecurity, and cloud computing. These centres are crucial in developing machine learning algorithms and cybersecurity defences.

JP Morgan Chase: The financial giant offshored a significant portion of its risk management and data analytics functions to Poland and India, where skilled professionals analyse financial markets and regulatory compliance risks.

Recent Trends and Data

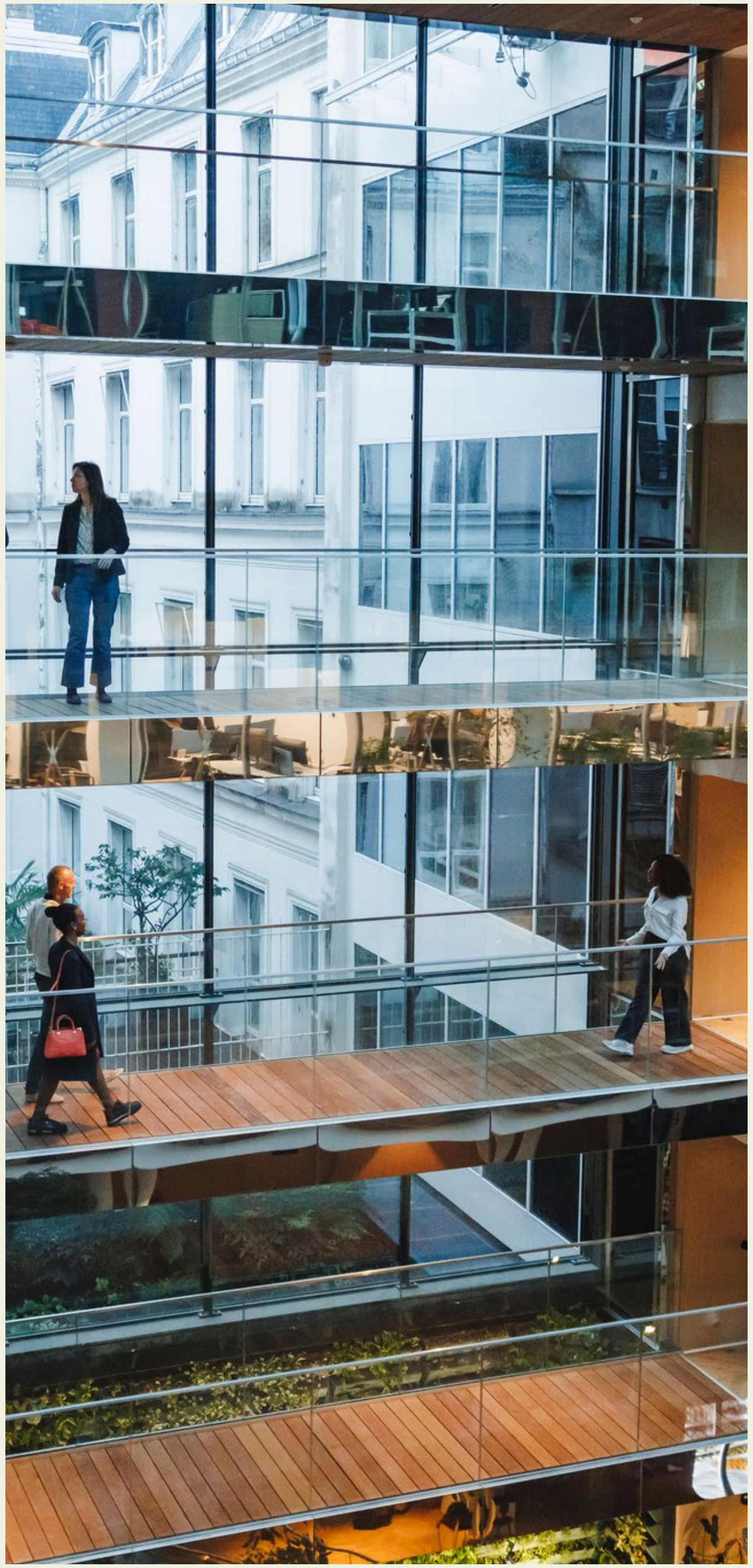
India's Global Capability Centres (GCCs): The Indian GCC market is projected to grow from $64.6 billion in the fiscal year 2024 to between $99 billion and $105 billion by 2030. Companies like Chevron and Sanofi have invested approximately $1.4 billion in their Indian GCCs, demonstrating the growing reliance on India for high-value corporate functions.

Westpac: In 2025, Westpac announced the offshoring of nearly 200 jobs from South Australia and New South Wales to the Philippines, including mortgage operations and institutional banking roles. This move is part of a broader trend in the financial sector, from offshore customer service and processing roles to cost-effective locations in Southeast Asia.

Currys: The UK-based electronics retailer accelerated automation and offshoring processes to mitigate rising costs, employing nearly 1,000 people in India for administrative and IT functions as of January 2025. The company uses offshore teams to support its digital transformation efforts.

Pfizer: The pharmaceutical giant offshored portions of its clinical research and drug development processes to India and China, leveraging cost-effective R&D infrastructure and a strong pipeline of scientific talent.

Tesla: Tesla has outsourced key software development tasks to engineers in India and China, working on autonomous driving algorithms and battery management software to keep pace with the growing electric vehicle market.



6

OFFICE INSIGHT 6[11]

Rebuilding the Firm: How Accountancy and Consulting Giants Are Reshaping Their Structures and Real Estate Footprint

The accountancy and management consultancy sector is undergoing a profound transformation driven by technological disruption, regulatory pressures, shifting talent expectations, and geopolitical developments. Nowhere is this shift more evident than in Saudi Arabia, where consultancy firms have faced an abrupt recalibration of their government relationships.

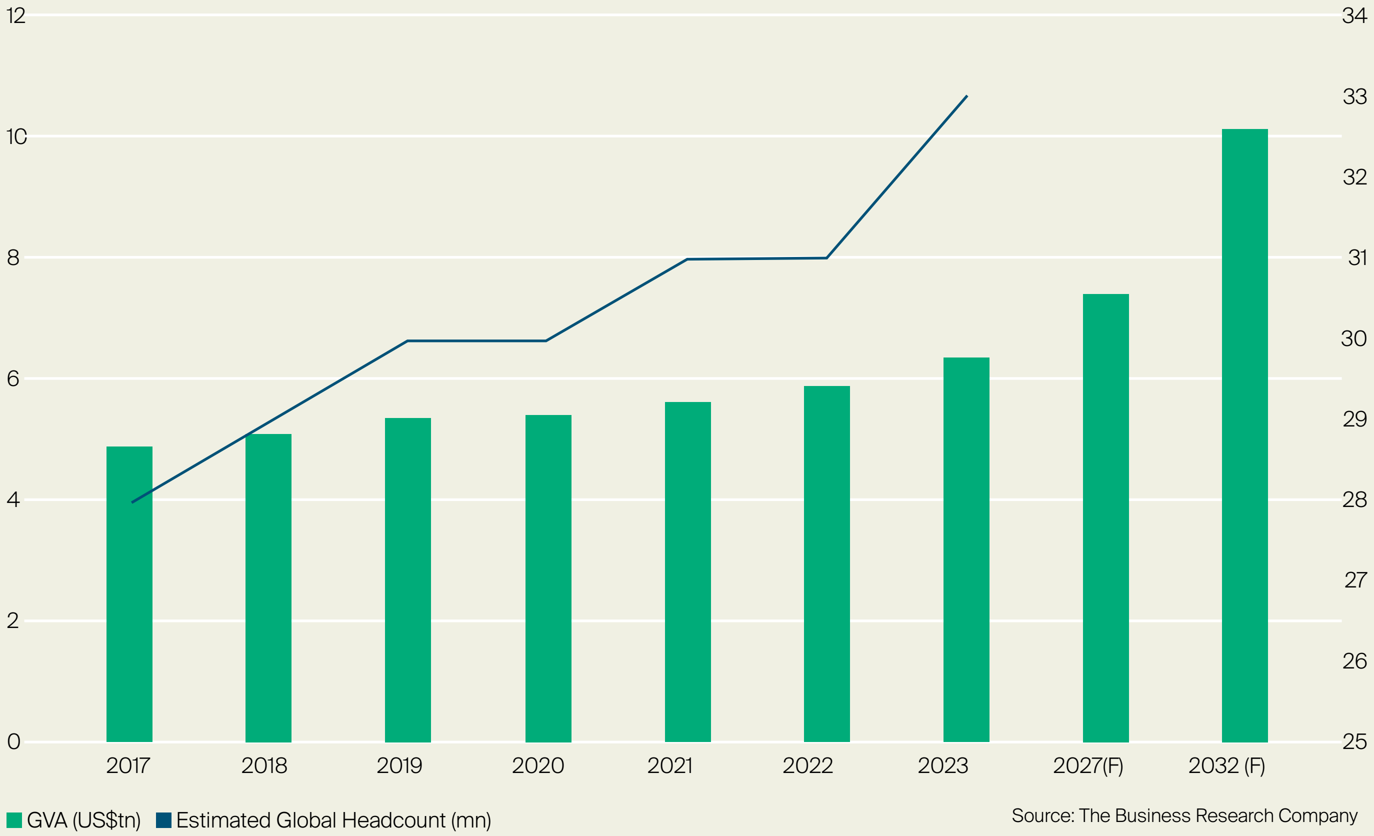
In February 2025, the Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund, imposed a one-year suspension on PwC, barring it from securing new advisory contracts until 2026. The move followed tensions over PwC's attempt to recruit a senior executive from Neom, a high-profile PIF project. Though audit services remain unaffected, the suspension curtails PwC's expansion in a key growth market. Meanwhile, PwC recently cut 66 partners in China after an audit ban stemming from its work with the collapsed property giant Evergrande.

Structural upheaval extends beyond individual firms. In early 2025, KPMG announced a sweeping overhaul of its global network, merging national partnerships into larger economic units. The plan will reduce the number of separately owned entities from over 100 to as few as 32, streamlining governance and financial reporting while bolstering resilience. The move reflects broader industry consolidation as firms seek efficiency, regulatory compliance, and seamless cross-border advisory services.

These developments underscore a more profound shift in how firms manage client relationships, navigate regulatory scrutiny, and structure their workforces. The traditional professional services model—anchored in rigid hierarchies and expansive office footprints—is being dismantled. Real estate strategies adapt in tandem as firms reconsider office needs and geographical presence.

[11] This paper was first produced and published on February 24th 2025

Global Professional Services Sector by GVA & Estimated Global Headcount



Breaking Down Traditional Firm Structures

The classic pyramid structure, once the bedrock of consultancy and accountancy firms, is steadily eroding. Traditionally responsible for labour-intensive tasks, junior professionals are being replaced by automation and AI. Advanced tools now handle audit reconciliation and financial forecasting, reducing demand for large cohorts of entry-level employees. The workforce is shifting from a broad-based pyramid to a sleeker, more specialised model - arguably more of a 'rocket' than a pyramid. This trend has long been evident in the legal sector. Law is a much-mooted area for accountancy practices to diversify into. A further sign of this shift came recently as KPMG won approval in Arizona to provide legal services to corporate clients.

With fewer junior roles, firms are prioritising experienced hires with specialised expertise. Training programs are being redesigned to emphasise technological fluency and high-value consulting rather than basic compliance work. PwC, for instance, recently scrapped its UK technology apprenticeship scheme, while the firm also recorded an exodus of partners as it sought to protect profit margins. Meanwhile, EY trimmed its global workforce for the first time in 15 years, cutting over 2,000 jobs in 2024, and Deloitte removed 250 UK-based staff in late 2024.

Regulatory shifts are further reshaping firm structures. Governments and watchdogs are tightening rules around audit independence, financial oversight, and data security. In the UK, the Financial Reporting Council now requires the major audit firms to operationally separate their consulting and audit divisions - a move that has forced significant internal restructuring. Similar pressures in the EU and U.S. are accelerating governance reforms. EY's ambitious 'Project Everest' - which sought to split the firm's audit and consulting arms - collapsed in April 2023 after failing to secure US leadership approval. The firm has since abandoned the idea, with new global leadership committing to a focus on operational efficiency.

These regulatory shifts compel firms to navigate increasingly complex compliance landscapes while maintaining competitive service offerings. In some cases, firms are carving out independent business units to meet regulatory demands. PwC, for example, recently announced the creation of a standalone AI and technology division within its UK operations.

Firms are also adapting their global footprint. Traditionally anchored in financial centres like London, New York, and Hong Kong, they are expanding into emerging markets. The Middle East, Africa, and Southeast Asia are becoming increasingly attractive, prompting firms to establish regional hubs. While decentralisation offers agility in responding to local regulatory and client demands, KPMG's restructuring signals a counter-trend towards greater global consistency in governance.

Evolving Talent Expectations and Work Models

The post-pandemic workforce is forcing further change. Employees now demand flexibility, work-life balance, and purpose-driven roles - challenging the sector's long-standing culture of long hours and extensive travel. Consulting firms, which once relied on in-person client engagements, are incorporating remote collaboration into their service models, broadening access to global talent while reducing travel burdens.

Yet, the push for flexibility is not universal. KPMG recently halved its travel and entertainment budget, while staff performance appraisals in its US tax division now factor in office attendance.

The sector is also witnessing a shift towards more fluid employment models. The rise of freelancing and gig-based consulting means firms are moving towards project-based hiring, allowing them to scale resources dynamically. While this enhances flexibility, preserving firm culture and institutional knowledge is challenging.

Real Estate Implications: Rethinking Office Space

These structural shifts are having a profound impact on corporate real estate. Though professional services firms have long been pioneers of flexible work arrangements, hybrid work is now firmly entrenched. The days of sprawling office footprints accommodating entire workforces are over. Instead, firms are downsizing, consolidating space in financial centres, and embracing flexible workplace strategies.

Office spaces are no longer merely task-oriented environments; they are evolving into collaboration hubs. Firms are prioritising meeting rooms, innovation spaces, and client engagement areas over rows of individual desks. The shift aligns with efforts to foster in-person interactions for team-building, training, and client workshops while still allowing remote work for routine tasks.

Some firms are also experimenting with alternative space arrangements, including co-working solutions. Firms leverage shared workspaces in smaller locations rather than maintaining permanent offices in every market, reducing long-term lease commitments. Where dedicated office space is still required, firms negotiate shorter, more adaptable leases to align with shifting workforce dynamics.

Conclusion: A Firm Rebuilt for the Future

Accountancy and management consultancy firms are being remade on multiple fronts. AI and automation are reshaping workforce structures. Regulatory scrutiny is demanding new governance models. Market expansion decentralises leadership, and evolving talent expectations redefine work. In response, firms are rethinking how they operate and where - and in what form - they exist in an era of rapid transformation.

Rebuilding in Practice - examples from the real world

This appendix highlights real-world examples illustrating the structural changes in the accountancy and consulting sector.

#1 Artificial Intelligence and Automation Reshaping Workforce Models

Deloitte and AI-Driven Audit Transformation

Deloitte has significantly integrated AI into its auditing processes, using its proprietary Argus AI system to analyse vast amounts of financial data, identify anomalies, and flag risks more efficiently than traditional human auditors. Adopting this technology has led to a shift in hiring practices - Deloitte has reduced its intake of entry-level auditors while increasing recruitment for AI and data science professionals, signalling a move from a broad-based pyramid workforce structure to a more specialised model.

PwC's Investment in AI Training

PwC has committed $1 billion to upskilling its workforce in AI, recognising that many traditional accounting roles will evolve. The firm has reduced its reliance on junior professionals for manual data analysis and instead focuses on training mid-level and senior professionals to interpret AI-driven insights. This investment underscores a broader industry trend of transitioning from labour-intensive work to AI-enhanced advisory services.

#2 Regulatory Pressures Forcing Structural Realignment

EY's Abandoned Split of Audit and Consulting Business

Ernst & Young (EY) made headlines when it announced a plan to separate its audit and consulting businesses in response to global regulatory pressure. The move was designed to eliminate conflicts of interest in financial oversight. However, internal resistance led to the plan's collapse in April 2023, illustrating the complexity of regulatory-driven structural shifts. Despite this, EY has restructured parts of its business to ensure clearer operational separation between audit and advisory services, aligning with UK and EU regulatory mandates.

KPMG's Global Reorganization

In early 2025, KPMG announced a significant overhaul of its global network, consolidating over 100 national partnerships into as few as 32 economic units. This restructuring aims to improve scale, resilience, and compliance by integrating separately owned country-level partnerships, ensuring more efficient governance across jurisdictions. The move reflects a broader trend of large firms consolidating operations to navigate increasingly complex regulatory environments (Financial Times).

#3 Market Expansion and the Multi-Hub Model

McKinsey's Expansion into the Middle East

McKinsey has significantly expanded its presence in the Middle East, opening new regional hubs in Riyadh and Dubai to meet the increasing demand for consulting services related to economic diversification initiatives. The firm's shift from a single-headquarters model to a distributed hub approach demonstrates how firms respond to the need for localised expertise in growing markets.

Mazars' Strategic Growth in Africa

Mazars has expanded its operations in Africa, particularly in Nigeria and Kenya, where financial services regulation is becoming more complex. Mazars has adopted a decentralised governance approach that aligns with local market needs and regulatory frameworks by creating regional leadership teams within Africa rather than directing strategy solely from Europe.

#4 Evolving Talent Expectations and Work Models

Accenture's Flexible Workforce Model

Accenture has been a leader in adopting a flexible workforce, with more than 300,000 employees working remotely or in hybrid arrangements. The company has also embraced project-based hiring, increasingly relying on contract professionals rather than full-time staff for specialised consulting projects. This shift aligns with the growing trend of professionals seeking better work-life balance and flexibility.

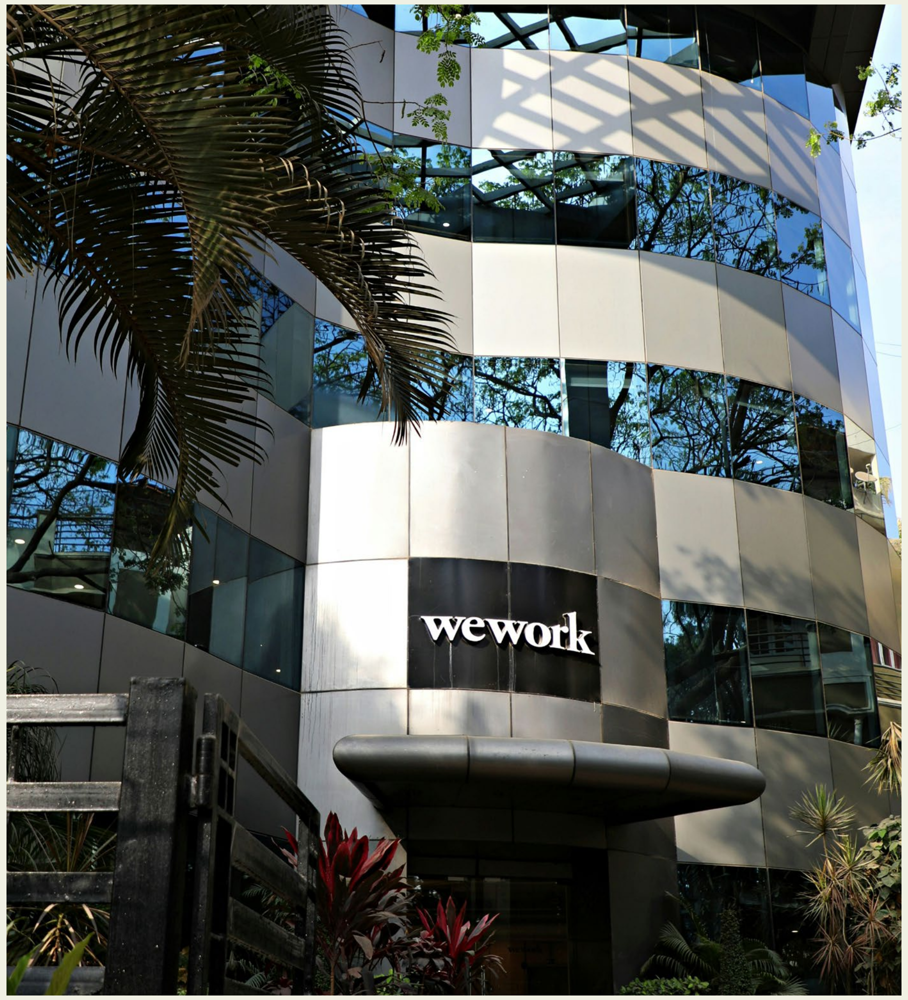
KPMG's Employee-Centric Benefits Strategy

To retain top talent, KPMG has introduced policies such as a four-day workweek pilot in select regions and enhanced remote work options. These initiatives reflect the changing expectations of the workforce and the firm's willingness to adapt its structure to remain competitive in talent acquisition and retention.

#5 Geopolitical Risks Impacting Market Presence

PwC's Suspension from Saudi Arabia's Public Investment Fund (PIF)

In February 2025, Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), imposed a one-year suspension on PwC, preventing the firm from securing new advisory and consulting contracts until 2026. This decision followed tensions surrounding PwC's recruitment of a senior executive from Neom, a key PIF-backed project. The suspension has forced PwC to reevaluate its Middle Eastern operations and client engagement strategies, highlighting how geopolitical shifts can significantly impact consulting firms' regional presence (Financial Times).



#6 Real Estate Implications: A New Approach to Office Space

PwC's Office Downsizing in London and New York

PwC has significantly reduced its office space in key financial hubs, shifting to a hybrid work model prioritising collaboration spaces over individual desks. The firm has redesigned its offices to focus on client meeting areas, training spaces, and innovation labs rather than traditional workstations.

EY's Co-Working Strategy

In response to the rise of remote work, EY has expanded its use of co-working spaces through partnerships with providers like WeWork and Regus. This strategy allows the firm to maintain a flexible real estate footprint while providing employees with accessible workspaces as needed, reflecting the broader industry trend toward adaptive office space solutions.

Deloitte's Investment in Green Buildings

Deloitte has committed to reducing its carbon footprint by investing in LEED-certified office spaces and implementing sustainability measures in its global real estate portfolio. The firm's new headquarters in Sydney features energy-efficient lighting, intelligent climate control systems, and reduced overall office space in response to hybrid work adoption.

OFFICE INSIGHT 7[12]

From Petri Dish to Playbook: What the Great Global Workplace Experiment Taught Us

In early 2020, businesses across the globe became accidental participants in the most sweeping workplace experiment in history. Within weeks, offices emptied, video calls replaced meeting rooms, and managers wrestled with new metrics for productivity from a distance. The setup was far from perfect - think of it as a Petri dish filled with every imaginable variable. But five years on, the fog has cleared, and we're left with something far more actionable: a new playbook for work.

For corporate real estate professionals and advisers, the transition from experiment to strategy has profound implications. Hybrid is no longer a stopgap, it's embedded. Offices haven't disappeared, but they've been redefined. And space itself is no longer just about square footage, it's about performance, purpose, and experience.

So, what did the global workplace experiment actually teach us? What's changed, what's been restored, and what's been rewritten for good?

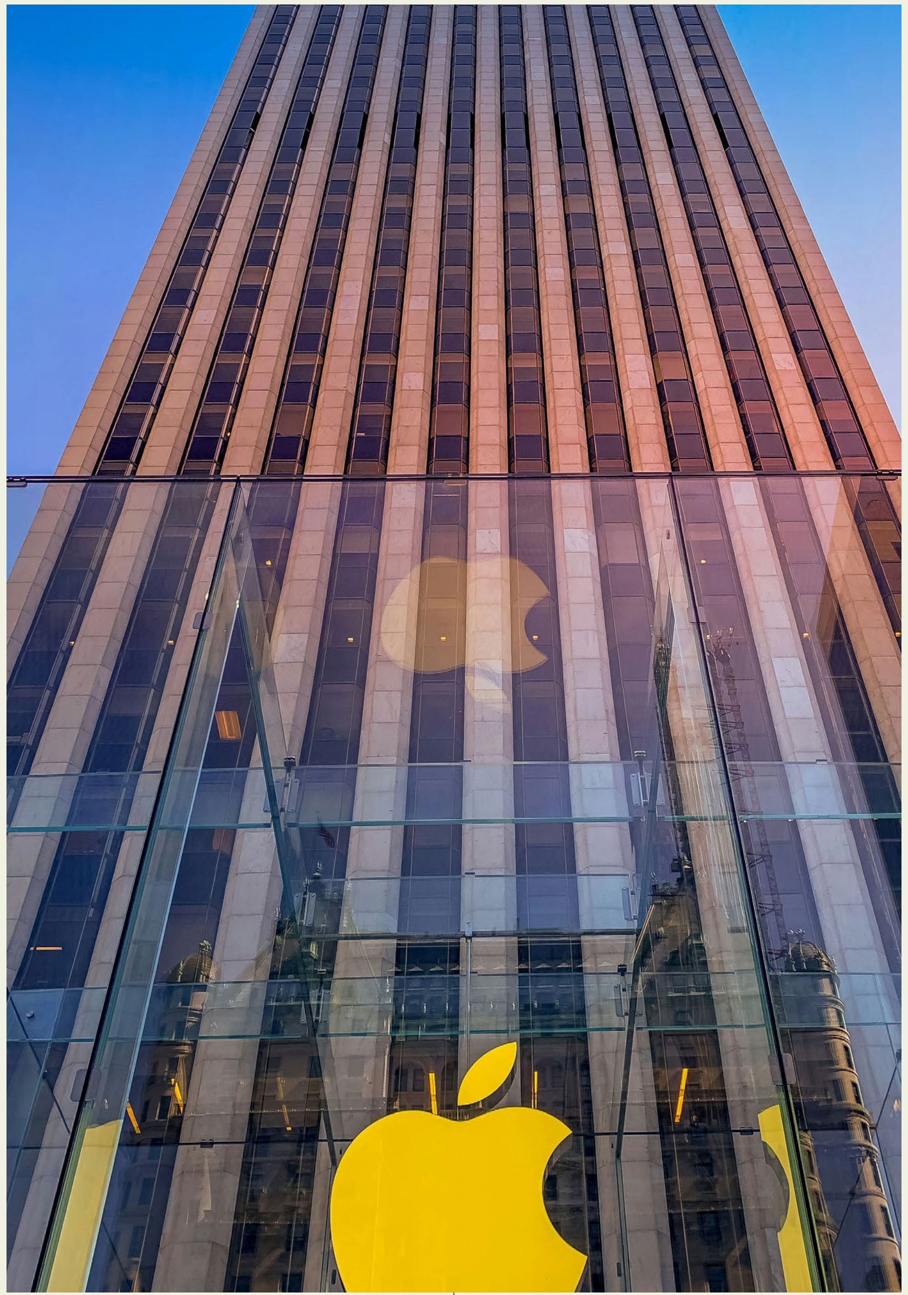
The Great Global Workplace Experiment

Phase 1 (Experimentation):
Lockdown = enforced working from home

Phase 2 (Evaluation):
Re-occupancy but with restrictions

Phase 3 (Evolution):
Restructuring business & reimagining workplace

[12] This paper was first produced and published on March 31st 2025



The Hypotheses That Held: What's Permanently Changed

Hybrid Is the New Default

One of the experiment's most robust findings is this: hybrid works. What began as a forced adaptation is now the global norm. In the U.S., Gallup reports that 55% of remote-capable workers are hybrid; only 20% are fully in-office. European firms have settled into structured schedules, while Asian employers - particularly in Japan, South Korea, and Singapore - have leaned more toward in-office norms, though even there, hybrid is gaining traction.

The early uncertainty - Can teams collaborate without face time? Will productivity drop? - has been largely resolved. The new consensus is clear: flexibility fuels performance, and rigid presenteeism is no longer a default.

The Digital Backbone Is Non-Negotiable

The mass shift to digital platforms - Zoom, Teams, Slack, and collaborative cloud tools - was a survival move in 2020. But today, it's a foundational part of the work OS. Meetings often include remote participants even when people are in the same building. The expectation is now seamless, hybrid-compatible collaboration in software and office space design.

This has profound real estate implications. Conference rooms need the tech to support hybrid meetings. Offices need strong connectivity, quiet zones, and flexible configurations. The physical and digital workspaces are now inextricably linked.

Employee Priorities Are Different

The experiment didn't just test systems - it tested trust. Employees were handed autonomy, and many delivered. In return, they expect more from their employers: meaningful work, well-being, and the freedom to work in ways that suit their lives.

This has carried through into office design. Wellness rooms, natural light, greenery, and casual social spaces are now expected. The shift from a command centre to a collaboration hub is visible across corporate portfolios. It's not about where people *must* work, it's about where they *want* to.

Control Groups Re-emerge: What's Reverted to Pre-Pandemic Norms

The Office Still Matters

Early speculation that the office was dead has proven premature. Many companies - particularly in finance, law, and consulting - now require structured office attendance, often three days a week. Apple, J.P. Morgan, Amazon, and countless others have reinstated in-person expectations, albeit with more flexibility than before.

The role of the office has evolved, but its strategic importance remains. In-person collaboration, spontaneous problem-solving, onboarding, and mentoring all thrive in physical environments. As the experiment showed, fully remote models often lack the informal glue that holds culture together.

Business Travel and Face Time Are Back

While some internal check-ins remain virtual, business travel has largely bounced back. Conferences are buzzing again. Cross-border client meetings are back on the calendar. The data may not yet match 2019 levels, but the trajectory is clear: face-to-face connection still matters, especially when building trust, solving complex issues, or growing relationships.

Unexpected Outcomes: What's New in the Playbook

A Flight to Quality

As companies shed excess space, they're upgrading what remains. Class A buildings with sustainability credentials, wellness features, and great locations outperform the market. In cities like London, Singapore, and New York, demand for top-tier space is strong - even while older stock lags.

This shift mirrors the broader lesson of the experiment: users won't return to clunky, outdated environments. If you want people to commute, the workplace must deliver an experience. Design, sustainability, and amenities are now central to leasing decisions - not just cost per square foot.

Flexible Space Is Gaining Ground

In response to the uncertain variables of hybrid schedules, companies are turning to flexible workspace providers for supplemental space, regional satellites, or touchdown locations. Although genuine "hub-and-spoke" models have not emerged at scale, the flex offering can make them a reality should occupiers choose to head in that direction.

Lease flexibility is increasingly essential. Many occupiers now want shorter terms, expansion options, and the ability to scale up or down quickly. Understanding flex space options and hybrid portfolio strategies is now a core part of the job for corporate real estate leaders.

Technology Is Enabling Smart Real Estate

Real estate has gone from a static asset to a dynamic system. Sensors, usage analytics, and AI-powered planning tools are helping companies right-size portfolios, monitor occupancy trends, and anticipate future needs. This data-first approach turns the physical workplace into a responsive platform that evolves with employee behaviour.

For example, some organisations use real-time data to optimise cleaning schedules, adjust HVAC usage, or fine-tune meeting room availability. Space is becoming smarter, greener, and more accountable.

Variable by Region: The Experiment's Global Results

As with any global trial, outcomes varied by geography:

Asia-Pacific

Asia-Pacific returned to in-office work most rapidly. Cultural expectations, small home environments, and high-quality office infrastructure supported a quicker rebound. Cities like Tokyo and Seoul maintain office occupancy rates near or above pre-pandemic levels.

Europe

Europe leaned into structured hybrid models. Public policy, strong public transit, and more balanced work cultures supported this transition. Office occupancy hovers around 60–70% of pre-COVID levels in major cities like London and Paris.

North America

North America has had the slowest return to office, driven by longer commutes, more decentralised urban models, and high worker leverage. Vacancy in cities like San Francisco remains elevated. Still, the tide is turning: more companies are reintroducing in-office expectations, and office attendance is climbing mid-week.

These regional differences require localised strategies. What works in Hong Kong may not translate to Houston. Global real estate portfolios must now reflect cultural, economic, and behavioural nuance. The days of a standardised, one-size-fits-all, global playbook are numbered.

Implications for Corporate Real Estate

For CRE professionals, the post-Covid environment requires both strategic vision and operational agility:

Portfolios are shrinking—but selectively

Many large firms are reducing space by 10–30% but redirecting investment toward higher-quality environments.

Flexibility is fundamental

Shorter leases, adaptable layouts, and third-party space options are all part of the post-pandemic toolkit.

The workplace is a platform

It's no longer just where work happens. Instead, it is how culture is sustained, talent is attracted, and strategy is expressed physically.

Sustainability and ESG are central

Occupiers want buildings that align with climate goals and support employee well-being. Green building certifications and energy performance data are now part of every serious real estate conversation.

Final Thought: The Experiment Is Over - But Evolution Continues

The Great Global Workplace Experiment was never about finding one way to work, it was about testing many. What's emerged is not a one-size-fits-all model but a more flexible, human-centred approach to business and space.

From the initial chaos of the Petri dish, we now have clearer principles on which to plan. Emergent strategies will be built on trust, powered by technology, and shaped by employee experience. Offices haven't disappeared, they've evolved. Real estate hasn't shrunk, it's become smarter. And work itself is no longer a place, it's a platform.

For those advising or managing corporate real estate, this is the moment to lead - not just by reacting to change but by shaping the next iteration of the workplace. The lab coats may be off, but the experimentation continues.

OFFICE INSIGHT 8[13]

Grey Is the New Gold: Designing Workplaces for the 100-Year Life

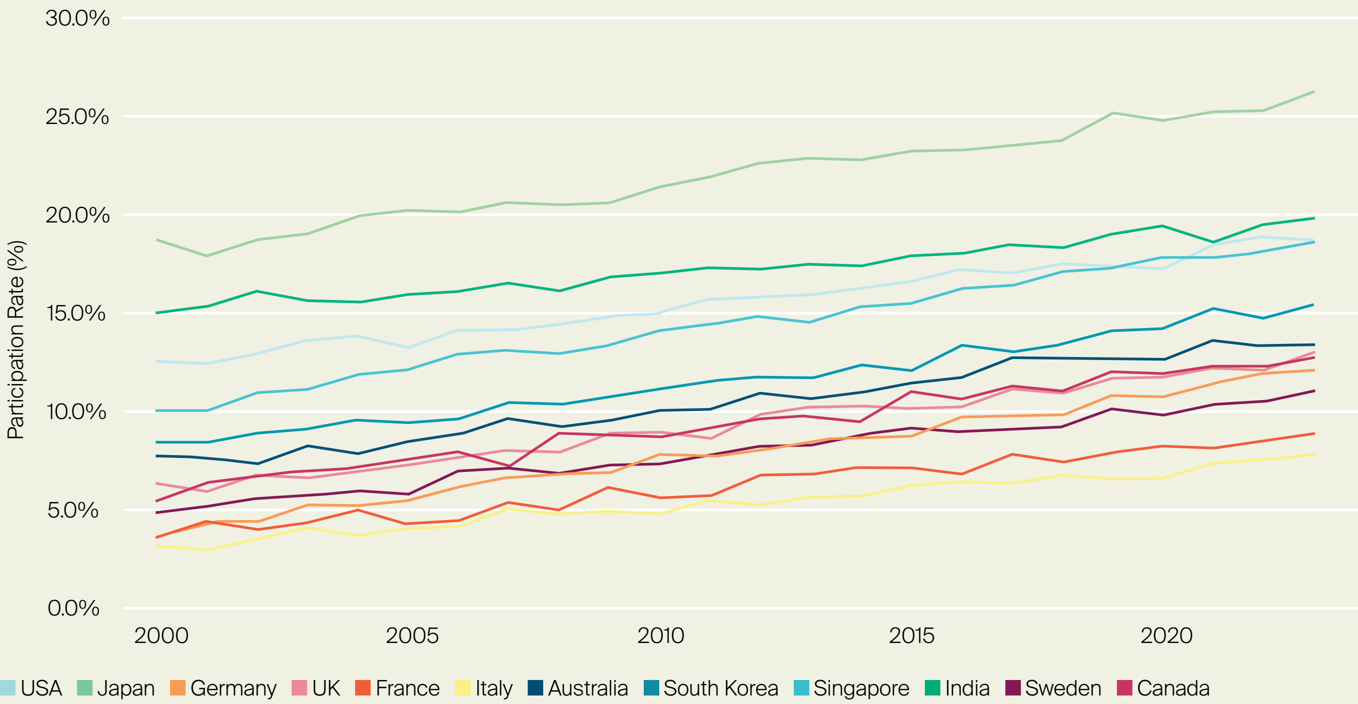
JENNIFER TOWNSEND

Partner, Occupier Research
Knight Frank

What if the future of work isn't younger but older? As life expectancy rises and birth rates fall, societies across the globe are facing a profound demographic shift: the workforce is ageing, and fast. Yet, while this trend is often cast as a looming liability, it may be one of the most potent assets businesses have yet to harness. The latest (Y)OUR SPACE Talking Points explores how longevity is transforming how we work, why age-inclusive design is becoming a competitive differentiator, and how technologies - from exoskeletons to AI - empower older workers rather than replace them. It tackles the paradox of longer lives in an era of automation and calls for a bold reimagination of workplaces fit for 100-year careers. Read on.

The Ageing Advantage

Labour Force Participation Rate (%), Age 65+ (2000-2023) - 12 Countries



(Source: OECD Labour Force Participation - Age 65+)

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A quiet revolution is unfolding in the global workforce, not fuelled by technology or geopolitics, but by time itself. A child born today in a wealthy country may live well past 90. Many of tomorrow's workers will remain in the workforce long after their parents retire. As life expectancy climbs and birth rates tumble, workplaces worldwide turn silver. According to the UN, by 2050, the number of people over 65 will more than double. In Japan, the world's first "super-aged" society, nearly one-third of the population is over 60.

Governments are adjusting accordingly. France is raising its pension age from 62 to 64. Britain will reach 67 by 2028. In the U.S., nearly one in five people over 65 are still working - double the rate of 30 years ago. Some keep going out of passion, others out of financial need. Either way, longevity is rewriting the rules of working life.

From Burden to Dividend

A greying workforce can seem daunting. Older workers may face health issues, skills mismatches, or reduced physical capacity. But there's another side to the coin: experience, reliability, and even enhanced productivity. One 2023 study by AARP and OECD found that firms with greater age diversity reported 21% higher profitability on average. The key is to reframe the challenge. Ageing need not be a burden, it can be a dividend. But only if employers are willing to redesign work for the long game.

Ergonomics Meets Empathy

Some forward-thinking firms already are. At a BMW plant in Germany, management staffed an assembly line entirely with older workers - the average age was 47, mirroring the company's projected future workforce. Then, they asked the team how to make the job easier. The workers responded with 70 tweaks: cushioned shoes, wooden flooring, height-adjustable chairs, and larger screens. The result? Productivity rose by 7%. Absenteeism fell. Defects dropped to zero. When you design with age in mind, everyone wins.

Newer examples are emerging. In 2024, Panasonic announced modifications to its Japanese production lines following consultations with employees over 55. Changes included glare-free LED lighting, voice-activated tools to reduce wrist strain, and repositioned conveyor belts to avoid unnecessary stretching. Early data show a 12% decline in musculoskeletal complaints and a 9% increase in output quality.

The same logic is reaching office spaces. Companies like Salesforce have introduced age-inclusive design standards across global offices, including improved lighting for ageing eyes, acoustic zones to reduce auditory fatigue, and touch-responsive interfaces for those with reduced dexterity. Sit-stand desks and ergonomic seating are becoming standard features. Crucially, flexibility is a core enabler - allowing someone with arthritis to skip a punishing commute or balance energy levels across the day. The truth is that age-friendly design helps everyone. A brighter, quieter, more comfortable workplace benefits all generations.

Tech as a Teammate

Then, there's the rise of assistive tech. Automation is no longer a threat to older workers; it's their ally. Smart machines in factories now act as co-workers rather than replacements. Exoskeletons - once the stuff of science fiction - are today's warehouse essentials, easing strain and extending careers.

Amazon has begun piloting passive exosuits in its U.S. fulfilment centres to support older workers performing repetitive lifting. Meanwhile, Toyota's 2024 plant upgrades in Aichi Prefecture introduced robotic arms that sync with wearable sensors to adapt to each worker's strength and flexibility - effectively turning automation into a personalised support system.

And it's not just on the factory floor. At Deutsche Bahn, Germany's national rail company, back-office AI assistants handle scheduling, billing, and system navigation - allowing older customer service agents to focus on complex or interpersonal tasks that benefit from human nuance.

In this new age of work, technology isn't making people obsolete - it's making them enduring.

Reimagining the Arc of Work

What happens when 100 becomes the new normal? If longevity science delivers on its promise, seventy could soon be the new forty, biologically speaking. Retirement may blur into a continuum of part-time work, retraining, and reinvention. A single career path will feel as outdated as the rotary phone. Workers may cycle through roles as interests evolve or capacities shift.

To thrive in this world, companies must think bigger. Age-inclusivity will shape not just workplace design but workplace culture. Offices and factories may double as wellness hubs, tracking employee health through wearables and offering programmes to keep people fit into their eighth or ninth decade.

Singapore's public sector is leading the way. As of 2024, public agencies offer "career stretch" roles specifically tailored to workers in their 60s and beyond - pairing mentoring duties with reduced hours and targeted upskilling. Similarly, Johnson & Johnson has extended its "Encore" internship programme for older professionals returning after retirement or a career break. It offers project roles with built-in flexibility and reverse mentoring opportunities.

Lifelong learning is becoming a necessity. Tata Consultancy Services, for instance, launched its "Second Sprint" initiative in 2024 to retrain over-50s in cybersecurity and AI operations, recognising the long-term value of reintegrating seasoned professionals into growth sectors.

But What About AI?

Of course, no discussion about the future of work is complete without confronting a profound paradox: just as longevity is extending working lives, technology - especially AI - threatens to shorten the list of available jobs. Won't automation reduce the need for human labour, leaving older workers behind?

Like most things in the future of work, the answer is more nuanced than either dystopia or utopia. Yes, AI and other emerging technologies will displace some jobs - particularly those that are repetitive, rules-based, and easily codified. But it will also create new roles, reshape existing ones, and amplify the value of human capabilities that machines struggle to replicate: judgment, empathy, creativity, and cross-generational leadership.

Older workers often excel in these domains, especially when given the tools and support to keep learning. Moreover, many of the fastest-growing roles - healthcare aides, coaches, mentors, cyber risk consultants, and customer experience leads - are compatible with older workers and well-suited to their strengths.

Crucially, AI isn't just replacing labour; it's becoming a collaborator. Whether it's an older factory worker assisted by an exoskeleton or a goal isn't to sideline experience - it's to free it from routine, enabling people to focus on the work that requires wisdom, not just speed.

So yes, the labour market will change. But longevity and technology are not at odds - they are twin forces demanding the same response: reimagination - of jobs, training, and what it means to contribute.

The Golden Future

The workforce is growing older - faster and more irrevocably than many boardrooms have yet reckoned with. But this demographic shift is not a crisis. It's a strategic inflexion point that forces a fundamental rethink of how we design work, manage talent, and create value. An older workforce doesn't have to mean higher costs and declining output. In fact, with the right moves, it could signal the opposite: increased stability, deeper institutional knowledge, and stronger intergenerational collaboration.

So what? If organisations fail to prepare, they will find themselves structurally out of step with the people they need most. Already, skills shortages are biting in sectors from logistics to healthcare to advanced manufacturing. Meanwhile, a vast pool of experienced, capable workers is at risk of being underutilised or edged out - not because they can't contribute, but because the workplace hasn't evolved to include them. That's not just a social failing. It's a strategic blunder.

But those who act now - those who invest in age-inclusive design, rethink training as a lifelong commitment, and embrace flexibility not as a concession but as a competitive edge - will reap the rewards. They'll build workforces that are more resilient, more loyal, and more balanced. They'll unlock productivity gains that come not just from muscle or memory but from the compound wisdom of decades. They'll create cultures where energy and experience coexist, and innovation doesn't taper off with age - it deepens.

What's at stake here is nothing less than the future shape of work. In a century where lives routinely stretch into their nineties and beyond, the idea of a fixed "retirement age" will seem as antiquated as a punch card. The arc of a career will lengthen and bend, taking on new shapes - punctuated by reinvention, part-time work, portfolio careers, and returns after hiatuses. Smart companies won't just accommodate this reality; they'll design for it.

So, here's the call to action: don't treat longevity as a problem to be solved. Treat it as a potential to be unlocked. The firms that do will not only gain an edge in the war for talent, they'll redefine what it means to be a great employer in the 21st century.

In a world where lifespans are stretching and careers are lengthening, those who master the art of working smarter across generations won't just survive, they'll lead. Grey isn't just the new gold. It's the engine powering the future.

The Last Word: The Office in Flux

The pandemic may have been the catalyst, but the transformation of office life runs deeper than a single crisis. It wasn't just disruption – it was a reveal. A reveal of the frictions already building between people, place, and purpose. What this anthology makes clear is that we are no longer debating whether the office matters. We're debating what it means.

Across the eight insights, the same conclusion echoes: the office is no longer just a container for work. It's a strategic platform – one that reflects how companies are led, how employees grow, and how businesses navigate the tides of change. As AI reshapes the tasks we do, FOBO reframes the fears we hold, and global redistribution challenges our maps, the office must flex to meet new expectations – across time zones, generations and economic cycles.

Power dynamics are shifting. Employers are reinstating in-office expectations. Some sectors are doubling down on presenteeism; others are leaning into flexibility. But control is no longer a one-way street. Employees are pushing back, opting out, or choosing employers who offer autonomy. Meanwhile, work itself is on the move – offshored, reshored, redistributed.

These aren't just cost-saving decisions; they're strategic acts that blur the lines between workforce design and location strategy. Through it all, the office is being redefined – not as a tool of oversight, but as a platform for alignment, adaptability, and advantage.

The articles in this anthology, and indeed the wider (Y)OUR SPACE campaign, doesn't offer a single future. Instead, it surfaces the messy, vital work of recalibration already underway – from the corridors of government to the boardrooms of global banks; from AI summits in Paris to offshore workforce hubs in Hyderabad.

The office isn't going away. But it is being asked to do more – and mean more – than ever before.

Contact Us

Dr. Lee Elliott
Head of Global Occupier Research
+44 7468 729 187
Lee.Elliott@knightfrank.com

Tim Armstrong
Global Head of Occupier
Strategy and Solutions
+65 6429 3531
Tim.Armstrong@asia.knightfrank.com

Philipp Ueberschaer
EMEA Head of Occupier
Strategy and Solutions
+44 7811 771 416
Philipp.Ueberschaer@knightfrank.com

Ross Criddle
COO - Occupier
Strategy and Solutions
+44 7870 379 519
Ross.Criddle@knightfrank.com