

(Y)OURSPACE

A N T H O L O G Y



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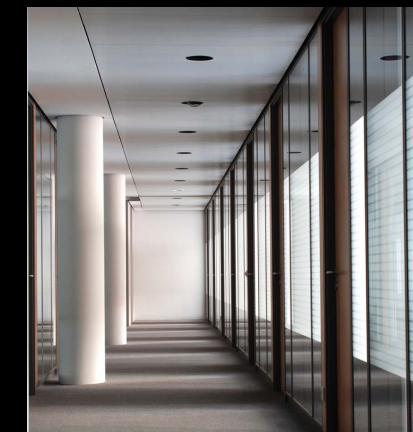
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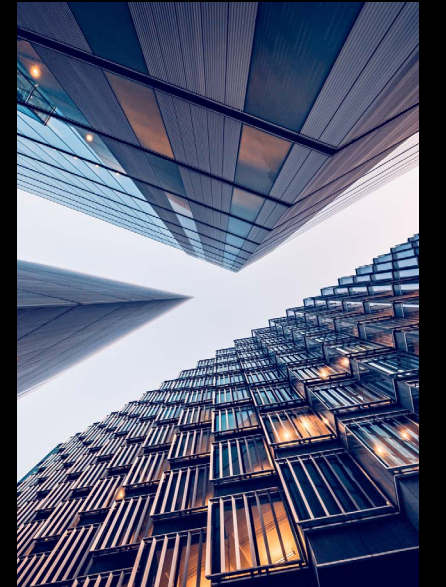
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Foreword



Dr. Lee Elliott

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This Anthology brings together papers written in the second half of 2025, during a period when organisations were already operating under strain rather than recovery. Since then, some specifics have moved on - transactions completed, policies refined, markets repriced. What has not changed is the direction of travel. The structural forces examined here - geopolitical fragmentation, capital discipline, technological acceleration and shifting expectations of work - have intensified rather than resolved. Read together, the pieces form less a snapshot of a moment than a record of how occupiers are learning to operate without the comfort of resolution.

What links these papers is not a shared view on attendance, hybrid policy or portfolio size. It is a shared recognition that drift has ended. Across markets, sectors and functions, organisations are no longer deferring decisions in the hope that conditions will normalise. They are choosing - sometimes decisively, sometimes unevenly - but almost always with greater intent than at any point since the pandemic.

That intent shows up first in geography. From large, long-dated commitments in India to selective confidence plays in Hong Kong to dual-hub strategies across Asia, this collection shows how location is being treated less as a legacy inheritance and more as a deliberate assignment of role. Cities are no longer interchangeable backdrops; they are being paired, differentiated



and rewired according to function, risk and capability. The same logic underpins portfolio consolidation in Europe, flagships in New York, relocation momentum in Australia and node building across emerging markets. Geography has become functional rather than symbolic.

The same shift is visible in how organisations think about presence. Several papers demonstrate that the debate has moved beyond whether people should be in the office to what organisations are trying to achieve when they are. Mandates re-emerge in some markets not as cultural nostalgia, but as instruments of coordination and performance. Elsewhere, flexibility persists - yet with clearer expectations around purpose, timing and value. Hybrid work, once treated as an experiment, now appears as an operational reality with financial, energy and service delivery consequences that must be managed, not wished away.

This reorientation sharpens the demand placed on the workplace

itself. Across the collection, from discussions of learning-centred offices and AI-ready environments to critiques of the “corporate spa” - a consistent message emerges: the office must perform. Spectacle and amenity may attract attention, but they do not justify capital. What earns investment are workplaces that reliably reduce friction, accelerate capability building, support mentoring and collaboration, and make complex organisations work better than they would apart. Fundamentals matter again, not as hygiene, but as an advantage.

The implications for corporate real estate are explicit. Papers on rightsizing, relocation, hybrid rhythms and reporting cycles all point to the same conclusion: the function can no longer sit downstream of strategy. When volatility is structural, and capital is cautious, value comes from scenario planning, option modelling and decision-grade intelligence. Data matters not as

measurement, but as permission to act. The harder truth running through this Anthology is that relevance is now earned through foresight and execution, not stewardship alone.

Threaded through many of the essays is a more human concern: FOMO - the fear of becoming obsolete. It surfaces in compressed skill cycles, in consulting and accounting firms reshaping their pyramids, and in employees navigating AI enabled work. It also reframes the office's role. Increasingly, workplaces are being asked to do what remote systems cannot: transmit culture, accelerate learning, and help organisations and individuals remain relevant under pressure. In that sense, the office is no longer defending its existence against home working, but justifying itself against every other call on capital and leadership attention.

Taken together, these papers suggest that corporate real estate is no longer about stability or symbolism. It has become part of the operating system of the enterprise - a means of imposing coherence in conditions defined by fragmentation. Portfolios are being designed as systems rather than estates. Flexibility is becoming a form of control. Presence is becoming a choice, not an assumption.

This Anthology does not offer a single prescription, and it does not attempt to smooth over uncertainty. Its value lies elsewhere: in showing how diverse organisations are converging on a shared posture - acting with intent, designing for volatility, and treating place as a strategic variable rather than a fixed cost.

The office has not disappeared.

Nor has it returned unchanged.

It has been reabsorbed into the machinery of relevance - as a tool for alignment, learning and execution in a world that no longer waits to stabilise.

That is what ties these pieces together. And that is why they remain relevant now.



Back with Intent: Defining Signals from Office Occupiers 01



Dr. Lee Elliott
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This is our first (Y)OUR SPACE Talking Points paper since the summer break - a 'break' that took (Y)OUR SPACE on the road with client engagements in Berlin, Mumbai, Bengaluru, Hyderabad, Singapore, Sydney, Melbourne, Brisbane, and Perth. Each event, and the conversations that ensued, revealed the scale of change underway in global corporate real estate.

In Berlin, the discussion centred on optimisation: how to use portfolios to unlock transformation, consolidate fragmented teams, and reinforce identity amid rapid organisational change. In Mumbai and Bengaluru, the discussion was dominated by scale, with multinationals laying out ambitious growth pipelines that stretch well beyond the immediate horizon. Singapore confirmed its role as Asia's indispensable hub, where presence is seen as central to resilience and reputation. Sydney and Melbourne revealed the intensity of the competition for talent, with occupiers designing offices as magnets for scarce skills rather than simply places to work. And in Brisbane and Perth, the focus was on sectoral weight: energy and resources companies presented the office not just as a workplace but as a symbol of regional and global influence.

Despite the variety, one message resonated everywhere: occupiers see the coming cycle as a defining moment. After years of drift - blurred attendance patterns, policy reversals, and hesitant

commitments - corporates are moving with clarity. That clarity was borne out in August (2025). The month delivered arguably the strongest set of office signals since the pandemic. Tata Consultancy Services (TCS) signed one of India's largest-ever leases. ANZ Bank tied staff bonuses to office attendance, embedding presence into contracts. HSBC hardened its mandates and recommitted to Canary Wharf. In the U.S., federal workforce attendance surged; in New York, footfall surpassed pre-pandemic levels; and in Canada, politicians reframed office presence as a civic duty.

Individually, each move matters. Collectively, they mark a global pivot: the office is once again a platform for growth, transformation, and identity. Offices are not creeping back by accident - they are back with intent.

So, in the spirit of the (Y)OUR SPACE tour, let's take a quick journey through some key markets to see how market dynamics are

evolving.

India: Locking in for a Generation

The defining office story of August came from India. Tata Consultancy Services (TCS) signed a 15-year lease for 1.4 million sq ft in Bengaluru's Electronic City, among the largest single-occupier deals in Indian history.[1] The tenure alone is remarkable. At a time when most corporates are seeking optionality and flexibility, TCS is locked in for half a generation. The move signals a profound confidence not only in Bengaluru but in India's structural trajectory as a global hub for talent, technology, and strategy.

Electronic City's appeal is clear. It is home to a dense ecosystem of suppliers, clients, and start-ups, creating a network effect that amplifies collaboration and innovation. Its proximity to top-tier universities ensures a continuous pipeline of STEM graduates, making it one of the deepest talent pools in the world. Infrastructure upgrades,



including metro extensions and highway connectivity, are further embedding it in India's expanding urban belt. For a company like TCS, the location delivers scale, skills, and connectivity in equal measure.

But the TCS deal is not an isolated outlier. Mindspace Business Parks REIT reported leasing 1.7 million sq ft in Q2 2025 to tenants in the technology, finance, and professional services sectors.[2] This diversity marks a decisive break from India's earlier dependence on IT outsourcing alone. The market is widening. Pharmaceutical occupiers are expanding in Hyderabad and Pune, where Pfizer and Novartis are building integrated campuses that blend labs with offices. Automotive leaders like Tata Motors and Mercedes-Benz are deepening their presence in Bengaluru through EV and autonomous vehicle R&D centres. Fintech hubs in Gurugram and Pune are thriving as challenger banks and digital payment firms scale rapidly, taking entire floors in premium towers. Even semiconductors are part of the picture: chip design centres are proliferating around Hyderabad, supported by government incentives to position India as a counterweight to East Asia.

The structural backdrop reinforces this. India has overtaken Japan to become the world's fourth-largest economy, and the IMF projects it will surpass Germany before the decade's end. Its median age is just 28, compared with 39 in China and 42 in Europe. This demographic dividend ensures a vast pipeline of young, skilled workers entering the labour force every year. GCCs (Global Capability Centres) have exploded in number, rising to over 1,600. Crucially, they have shifted from back-office processing to centres of strategic leadership - places where global decisions are shaped, not just implemented.

Foreign direct investment is equally strong, buoyed by policy stability, digital adoption, and global friendshoring strategies. Multinationals are increasingly treating India not as a secondary market but as a core hub in global portfolios (as reflected in the

seniority and maturity of the CRE practitioners we engaged with during our recent events). The TCS lease captured this reality with dramatic clarity: long-term, large-scale commitments are no longer the exception but a growing trend.

The August lesson: India has become the anchor of global occupier strategy. For corporates managing international portfolios, India is no longer a supplement. It is central - a place where scale, talent, and confidence converge.

Hong Kong: Confidence Plays Amid Volatility

If India's story is expansion, Hong Kong's is about selective confidence amid volatility. After years of political turbulence and economic uncertainty, FWD signed the city's largest lease of the year at Taikoo Place.[3] Hedge funds, including Jane Street and Point72, also took new offices in Central, despite the citywide vacancy rate remaining elevated.

The timing is telling. Central's office rents remain ~50% below their 2019 peak. For firms with conviction, this is a window to lock in prestige addresses at terms unlikely to be repeated. For hedge funds, insurers, and other financial occupiers, location is not incidental. Presence in Central

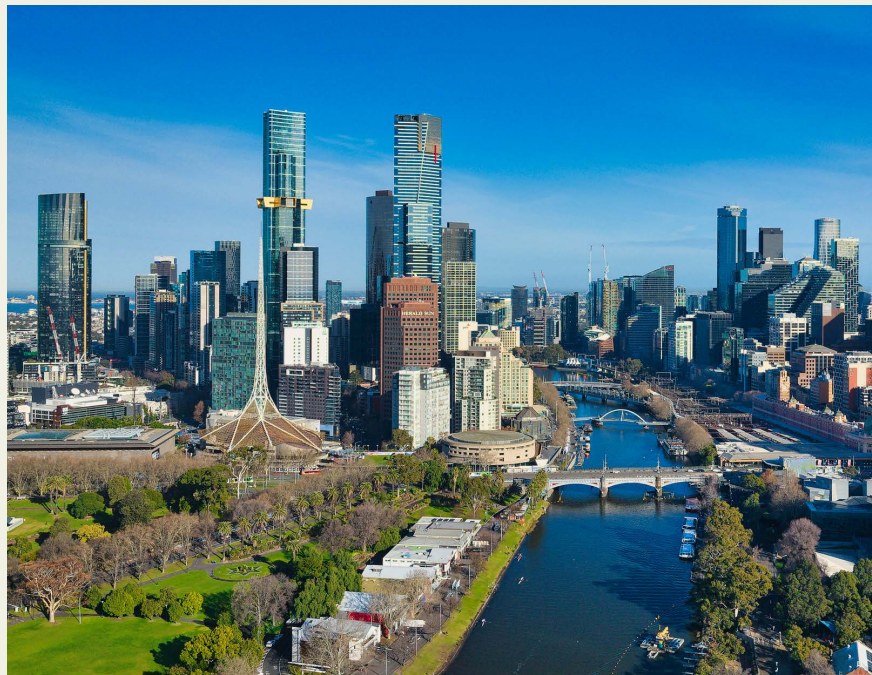
signals credibility to clients and regulators, reinforcing brand and influence.

Taikoo Place illustrates the changing calculus. As part of Swire's integrated community, it offers sustainability credentials, retail and amenity integration, and a high-quality environment that supports talent attraction. For FWD, the lease is a statement of confidence in the future - resilience projected through place.

But Hong Kong's story cannot be read in isolation. Increasingly, firms are pursuing dual-hub strategies: maintaining visibility in Hong Kong while reinforcing resilience in Singapore. Hong Kong remains the gateway to mainland capital; Singapore provides stability, governance, and regional reach. For many, the question is no longer "Hong Kong or Singapore" but "Hong Kong and Singapore."

Vacancy across the city remains high, and uncertainty persists. Yet August showed that premium stock is decoupled from the broader market. For firms confident enough to act, trading up in uncertain times is not a contradiction but a strategy. For corporate occupiers globally, the signal is clear: in volatile markets, quality becomes even more valuable.





Australia: A Nation Divided by Workstyle

Australia's August signals revealed a country divided - by state, by sector, and by workstyle.

The headline came from the private sector. ANZ Bank announced that staff bonuses will be tied to a 50% in-office requirement, one of the strictest mandates anywhere in the world.[4] Attendance moved from policy to contract. For ANZ, culture and performance are inseparable from presence. The move gave other corporates cover to follow, setting a precedent for hardening attendance expectations.

The public sector told a very different story. In Canberra, agencies extended leases but left them half-empty. In New South Wales, ministers pressed harder for attendance, while in Victoria, flexibility remained the default, leaving Melbourne with stubbornly high vacancy. The divergence was not just about markets but about policy and culture.

Leasing activity highlighted the bifurcation. Novartis leased 1,700 sq m at Victoria Cross Tower in North Sydney,[5] attracted by ESG performance and metro integration. OpenAI announced it will open a Sydney office in late 2025, citing local

AI talent and renewable power infrastructure.[6] Brisbane outperformed expectations, buoyed by decentralisation of state government departments and demand from the resources sector. Perth remained strong, supported by BHP and Rio Tinto, whose offices serve as global command centres linking directly into Asian markets. Melbourne, by contrast, lagged, held back by its reliance on public sector tenancy and a cultural preference for hybrid work.

The broader context matters. Brisbane is leveraging the "Brisbane 2032" Olympic agenda to accelerate infrastructure and attract investment, reinforcing its CBD's resilience. Perth's resource economy insulates it from broader volatility, with occupiers using the city as an anchor for global operations. Sydney continues to attract premium demand, particularly from the life sciences, finance, and technology sectors. Melbourne, however, is struggling to shake off pandemic legacies.

The August message: Australia cannot be understood as a single office market. It is a patchwork of divergent states and sectors. For occupiers, national strategies will fail. Success depends on state- by-state precision.

Europe: Mandates Return, Refurbishment Dominates

Europe's August signals revealed two powerful but distinct dynamics shaping the continent's office market: mandates are returning as a cultural lever, while refurbishment is emerging as the default supply strategy. They are not converging into one storyline, but they are unfolding in parallel - together reshaping the expectations of occupiers and landlords alike.

On the cultural front, August confirmed that mandates are back. HSBC announced a four-day in-office requirement from October, one of the strictest policies among global banks, and supported it with a 210,000 sq ft lease at Canary Wharf.[7] Deutsche Bank in Frankfurt is enforcing minimum in-person days across its European operations as part of a broader campus consolidation. BNP Paribas in Paris has introduced tighter attendance rules designed to rebuild cohesion and visibility after years of drift. For all three, the principle is clear: presence is once again being treated as a precondition for culture and performance.

At the same time, supply across Europe is being transformed by a very different driver: the economics and regulation of carbon. Eighty-three per cent of London's pipeline is refurbishment rather than new build.[8] Rising construction costs, tighter financing, and EU taxonomy requirements mean speculative new towers are the exception. Retrofit offers speed, lower embodied carbon, and credibility with investors, regulators, and staff.

Case studies illustrate this shift. British Land's 100 Liverpool Street has become the model of what retrofit can achieve - a 1980s shell re-engineered into premium space, fully leased to global finance and tech occupiers. Landsec's Lucent at Piccadilly Circus delivered flexible space above one of London's busiest hubs while hitting demanding sustainability benchmarks. The Forge in Bankside demonstrated that a low-

carbon build can deliver net-zero performance.

Beyond the UK, the same pattern is visible. In Paris, TotalEnergies recommitted to 75,000 sq m in the Coupole Building after a deep retrofit, while law firms signed early in the Trinity Tower. In Frankfurt, Freshfields Bruckhaus Deringer leased in MarienTurm and PwC expanded its central office, while Deutsche Bank's consolidation showed how mandates and modernisation can go hand in hand. In Amsterdam, ING and ABN Amro have made BREEAM Excellent or LEED Gold the entry ticket for any deal, effectively rendering brown assets unlettable. Philips' HQ in Amsterdam Zuid was retrofitted to those standards, showing that legacy corporations can reinvent their identity through their buildings.

The implications are twofold. First, mandates are back as a cultural instrument: Europe's largest employers are explicitly linking attendance to cohesion, client service, and culture. Second, refurbishment has become a growing occupier strategy: tenants are demanding space that demonstrates ESG credibility, and landlords are responding by reinventing stock rather than building afresh.

The two forces are not causally linked, but they are reinforcing one another in practice. As corporates push for more presence, they are also insisting that the space employees return to be modern, sustainable, and credible. The result is a European market reshaped simultaneously by culture and carbon.



North America: Symbols, Mandates, and Civic Duty

In North America, August confirmed that the office is being reshaped by a potent mix of symbols, mandates, and politics. Nowhere was this clearer than in New York, Washington, Chicago, Dallas, and Montreal - each showing how local dynamics create distinct expressions of intent.

The most visible symbol is JP Morgan Chase's new headquarters at 270 Park Avenue, a \$3bn, 2.5m sq ft tower opening this autumn. [9] Beyond its sheer size, the building is designed to be net-zero ready, with advanced ventilation systems, natural light, and flexible floorplates to support evolving workstyles. Wellness amenities - from fitness centres to mother's rooms - reflect a redefinition of the corporate tower as both workplace and cultural anchor. The project consolidates multiple Midtown sites into one, releasing legacy space back to the market and demonstrating how new investment can ripple across an entire submarket. For corporates everywhere, the lesson is clear: in uncertain times, some leaders will double down with flagship projects that signal permanence and prestige.

Washington, D.C., meanwhile, is being reshaped by federal policy. Attendance among government workers has tripled in a year, with nearly half now in the office. The impact extends beyond government agencies. The city's legal, lobbying, and consulting ecosystem - firms like Covington & Burling, Arnold & Porter, and McKinsey - is seeing renewed demand for high-quality space as client interaction intensifies. What began as a government directive has cascaded into private-sector behaviour, with downtown vibrancy improving as restaurants, retailers, and service providers follow people back.

New York delivered a milestone when office foot traffic surpassed 2019 levels.[10] Midtown East and Hudson Yards have led the way, supported by mandates in finance and professional services. MTA subway ridership also rose above pre-pandemic averages in late August, reinforcing the city's return to density. Retail footfall and hospitality bookings are climbing in tandem, showing how office presence spills over into the wider economy. Leasing has picked up, too: law firms and tech occupiers have secured space in Midtown towers, confirming that for global occupiers, New York is once again non-negotiable.

Other metros highlight nuance. In Chicago, consolidation is the strategy of choice. Kirkland & Ellis moved into Salesforce Tower, while Accenture consolidated operations into a new riverfront site. The trend is fewer addresses but higher quality - proof that occupiers will still invest in premium space even as they rationalise footprints.

In Dallas, the story is relocation and expansion. Texas has become the magnet for corporations seeking lower costs, lighter tax regimes, and pro-business policies. Goldman Sachs's new tower and Charles Schwab's expanded campus in Westlake epitomise the trend. Toyota's earlier HQ move to Plano remains emblematic: Dallas-Fort Worth has positioned itself as the Sun Belt's financial and corporate hub.

At the same time, Montreal is carving out a global niche in AI. Anchored by the MILA Institute, supported by provincial incentives, and fuelled by immigration policy that brings in skilled talent, the city has attracted major investments from Google Brain and Microsoft Research. Office demand in Montreal's Plateau-Mont-Royal and Mile-Ex districts reflects this innovation cluster effect. For occupiers, the city offers not just cost advantages but access to a globally recognised pool of AI researchers.

The North American lesson is that occupiers are no longer drifting. Some are signalling permanence with flagships, others are consolidating, and still others are relocating to new geographies. What unites them is intent: through symbiosis, mandates, or civic duty, presence is being reasserted as default.



Entrenched Hybrid Rhythms

Beneath these headline shifts lies a quieter, but equally transformative, reality: hybrid working patterns are now deeply entrenched and reshaping how offices are operated, serviced, and accounted for. In Europe and North America, occupancy has settled into predictable rhythms. Midweek days see peaks of 75 –80% (akin to pre-pandemic levels), while Fridays collapse to near half that level. In Toronto, Tuesdays and Wednesdays average 78% presence, but Fridays slump to 52%. London and Paris show the same “three-day intensity,” with occupiers now planning meetings, events, and client interactions around this rhythm.

Asia tells a different story. Tokyo and Seoul maintain a five-day presence, sustained by corporate culture and social expectations of junior staff. Presenteeism remains central to progression and cohesion. Singapore sits between models: high midweek presence, but with flexibility tolerated at the edges as firms adapt to younger workforce expectations and international norms. These patterns carry significant operational consequences. Building service contracts are being rewritten. Caterers now scale operations to match midweek peaks and cut back on Fridays, often renegotiating minimum guarantees with landlords. Cleaning and security providers are restructuring staffing levels, with some New York and London landlords agreeing to flexible service schedules.

In Paris, property managers are experimenting with modular catering contracts that reflect daily

headcounts. Unionised labour markets are feeling the strain. In Manhattan, building engineers and janitorial staff unions are renegotiating agreements to align with fluctuating demand. Fewer staff are required on Fridays, but occupiers expect peak coverage midweek. Balancing labour rights with economic efficiency has become a flashpoint in contract negotiations.

Energy consumption patterns are also shifting. LEED and BREEAM-certified buildings exhibit greater energy load volatility than anticipated, spiking midweek and dropping on Fridays. This complicates Scope 2 emissions reporting, as occupiers and landlords struggle to calculate accurate intensity metrics. For multinationals with global ESG commitments, hybrid is increasingly about accounting complexity rather than flexibility.

Hybrid is also forcing a rethink of landlord–occupier relations. Occupiers want service charges to be flexible, reflecting usage rather than fixed baselines. Landlords, facing higher operating costs, are reluctant to concede. Negotiations over who pays for empty Fridays are becoming as important as headline rent.

The broader truth is that hybrid is local in expression but global in impact. Tokyo's five-day model, Singapore's midweek peaks, London's three-day intensity, and Toronto's fluctuating Fridays all look different - yet they all reshape how buildings are serviced, costed, and measured. For occupiers, hybrid is no longer a cultural experiment; it is a structural factor in portfolio and operational strategy.

Decisions, Not Delays

The August signals confirm that occupiers are acting with greater clarity despite volatility and uncertainty. India is scaling, Hong Kong is upgrading, Australia is diverging, Europe is mandating and refurbishing, and North America is blending symbols, mandates and civic duty. Hybrid patterns differ by region, but intent is visible everywhere. For the last six years, debates about the office have been dominated by drift: hesitation, reversals, deferral, and experimentation. August marked a new phase. Across the world, corporations are making deliberate, region-specific choices that will shape their portfolios for the next decade. The office is no longer a tentative proposition. It has regained its place as a platform for culture, strategy, transformation, and growth. Offices are not back by chance; they are back with intent.

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Hard Truths, Smart Moves02



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Six steps to increase the relevance and impact of the CRE function

At the CoreNet Global Summit in Amsterdam last week, I had the privilege of convening and chairing a panel session titled “Hard Truths, Smart Moves.” The aim was simple but ambitious: to cut through the noise and surface the toughest

realities facing corporate real estate leaders today - and, crucially, to identify the moves that will ensure the function retains (if not gains) influence, credibility, and impact in the years ahead.

I was joined by three outstanding panellists: Shelley Frost, Global Head of Real Estate Strategy at DSM - Firmenich; Toby Chapman, Global Workplace Strategy Director at Arcadis; and Philip Cohen, Category Manager for Real Estate Facilities in Europe at Securitas Group. Together, we brought nearly a century of experience

across industries, geographies, and portfolios to the session! The perspectives offered sharpened an agenda that covered much ground: from navigating volatility to managing relocations, from workplace performance to the role of data in CRE decision-making.

The conversation was frank and lively, but also hopeful. Drawing on insights from the 4th edition of (Y)OUR SPACE and our panellists’ real-world experience, we surfaced six hard truths that cannot be ignored and six smart moves that point the way forward.

1. CRE Must Move Upstream into Strategy

Hard Truth: Real estate has long been recognised as more than “a box to put people in.” It shapes culture, attracts talent, and underpins resilience. Yet most CRE functions still sit downstream of strategy. In (Y)OUR SPACE, only 23.8% of leaders said their strategy is fully aligned with business goals, while three-quarters remain in a responsive role.

Smart Move: Break the cycle by becoming a strategic business partner. That means fact-based conversations in the language of the enterprise, showing how portfolios accelerate new market entry, support talent strategies, and deliver on net-zero commitments. The opportunity lies not in claiming a seat at the table but in proving, with evidence, why CRE is already a driver of business ambition and critical to future strategic success.

2. Volatility Demands Action, Not Inertia

Hard Truth: Volatility is no longer episodic - it is the new operating climate. Almost half of CRE leaders say it has pushed them toward conservative cost-control, even as nearly 70% of enterprises pursue bold transformation strategies such as market entry, digital transformation, and business acquisitions. Volatility demands transformation, yet the instinctive response is caution.

Smart Move: Resist the pull of conservatism. Build flexibility as standard, diversify geographically to hedge risk, and reframe cost discipline as fuel for growth. The winners will be those whose CRE leaders act bravely – providing their organisations with the capacity to change when others hesitate.

3. Rightsizing is Alignment, Not Just Cuts

Hard Truth: Rightsizing is too often seen as shorthand for cuts. In reality, (Y)OUR SPACE shows

that more than three-quarters of CRE leaders view it as critical for aligning portfolios with strategy. Cost pressures matter, but so do business transformation and new workstyles.

Smart Move: Treat rightsizing as recalibration, not retreat. Explicitly link changes to the chosen strategy, tailor them to the chosen workstyles, and balance efficiency with agility and performance. Done well, rightsizing is a platform for sharper, more relevant portfolios - not necessarily smaller ones.

4. Relocation Rising – Purpose is Critical

Hard Truth: Relocations are rising: 40% of leaders expect relocation activity in the next cycle, including headquarters and core hubs. But costs, complexity, and employee resistance remain formidable barriers. Without a clear rationale, relocations risk becoming destabilising distractions.

Smart Move: Make purpose explicit. Whether driven by talent, market entry, or sustainability, relocations must be strategic, not reactive. Success rests on extensive due diligence, rigorous preparation, clear communication, and framing relocation as a positive

inflexion point in the organisation’s story.

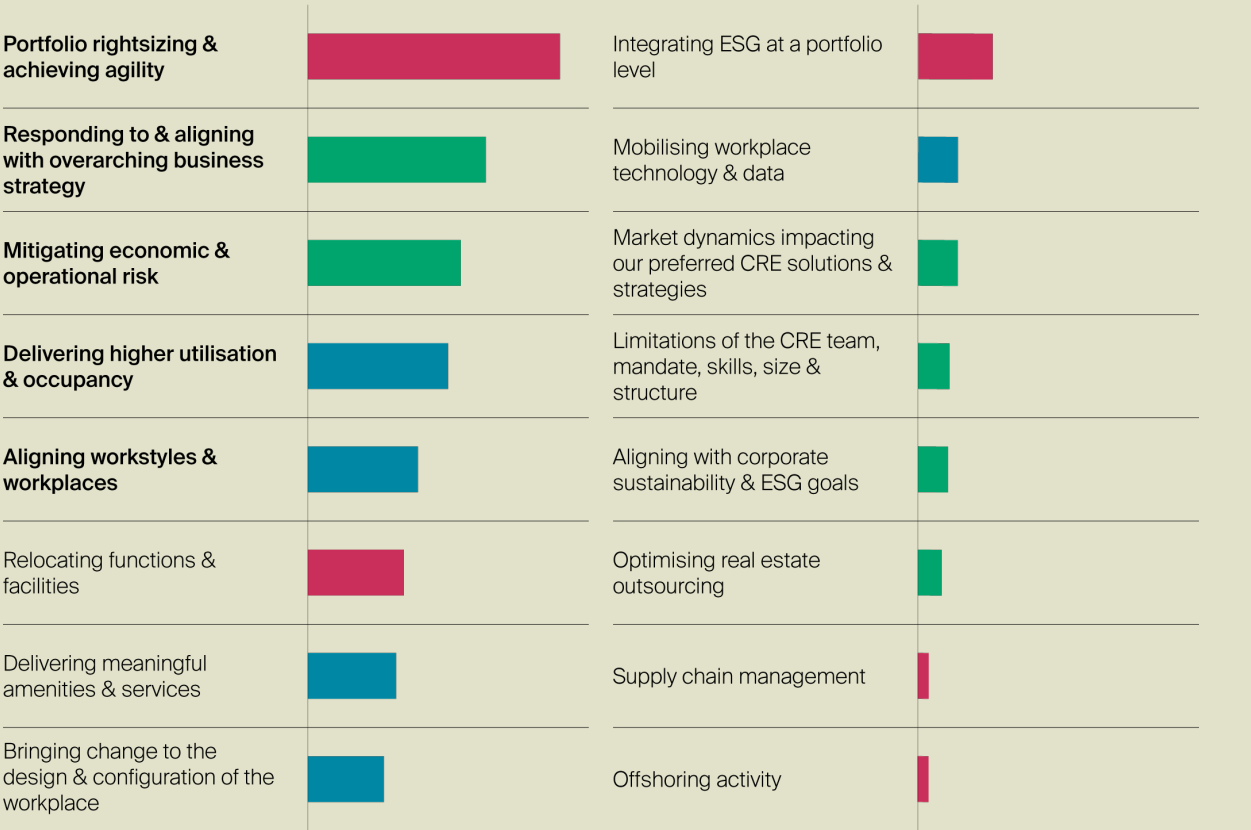
5. Workplace Must Perform, Not Just Exist

Hard Truth: The office is no longer a given – it must earn its place. Nearly half of firms responding to (Y)OUR SPACE expect hybrid workstyles to dominate three years from now, while a further fifth lean towards office-first postures. Such workstyles create volatile occupancy patterns that, in turn, lead to operational and fiscal inefficiency. Only half of the organisations responding to our survey are actively tackling the problem right now, with more to come. To address the problem, the choice is increasingly between ‘planning for the peak’ or ‘reducing the delta’ between peak and trough occupancy rates. Delivering strong efficiency will invariably demand curbing some flexibility by directing attendance.

Smart Move: Redesign the workplace for performance. Smooth occupancy peaks through programming, align space to dedicated workstyles, and measure outcomes such as collaboration and engagement – not just headcounts. Employees will return to offices

The Greatest Challenges Facing Global CRE Leaders

A wide range of challenges, with 6 impacting more than one-fifth of all respondents



The biggest challenges facing CRE professionals, ranked by % of all respondents (n=292)

Portfolio Workplace Growth

The Occupancy Quandary: Plan for Peak or Reduce the Delta?

A wide range of challenges, with 6 impacting more than one-fifth of all respondents

15.9%
Very Actively

38.6%
Somewhat Actively

30.7%
Not Actively

3.4%
Planning to introduce measures in the near future

11.4%
Unsure

Source: Knight Frank, 2025
N=88. Results as a % of respondents.



Q: How actively are you taking steps to reduce the variance in occupancy throughout the working week?

that deliver value, not those that simply exist.

6. Data Needs Action, Not Collection

Hard Truth: For 15 years, there has been the promise that big data would transform the CRE function. Yet too often, dashboards remain unused, while real estate comes under mounting scrutiny on cost, culture, and sustainability. Data without action fuels scepticism.

Smart Move: Close the loop. Use data to drive transformation, not just measurement. Link insight to decisions, build a shared language with business leaders, and model scenarios for change. In a fact-based dialogue, numbers serve as the foundation for credibility, investment, and relevance. The

Hardest Truth of All

These six truths capture the urgency of the moment.

Yet an even harder truth underpins them: without capital approval, even the best strategies remain ideas on a page. CRE leaders must redouble their efforts to reframe real estate from a cost centre to a strategic investment essential to corporate transformation, ambition, and competitiveness.

This is a defining period for corporate real estate – but only if leaders win the battle for resources and deliver at pace. The occupier window will not remain open indefinitely; when markets turn, opportunity will narrow. And that is where execution comes in. As Elon Musk has said, “Ideas are easy. Execution is everything.”



Resetting the Metronome: Trump, Corporate Reporting, and the New Tempo of Global Business

03



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Keeping Time: Why Reporting Rhythms Matter

For over half a century, the quarterly report has functioned as the metronome of American capitalism. Companies pause, gather, and disclose their performance every three months, investors recalibrate portfolios, and analysts update their models. This cadence has been so deeply embedded that it does more than provide data: it sets the rhythm for management behaviour, investment strategies, and the interaction between capital markets and corporate life.

But reporting rhythms ripple far beyond Wall Street. In corporate real estate, the quarterly cycle shapes when budgets are

reviewed, when occupancy costs are scrutinised, and when capital expenditure for new offices, factories, or warehouses is approved. The financial and real estate calendars have been synchronised - both locked into the quarterly beat.

Now, the metronome may be about to slow.

Slowing the Beat: Trump's Call for Semi-Annual Disclosure

President Trump has renewed his call to end mandatory quarterly reporting in the United States, urging the Securities and Exchange Commission (SEC) to adopt a semi-annual reporting cadence. The argument is framed as one of efficiency: companies, particularly smaller ones, spend excessive time and resources preparing quarterly disclosures, when they should focus on creating value and jobs. Trump and his allies argue that

quarterly reporting fuels “short-termism” - the obsession with meeting Wall Street’s expectations every 90 days - at the expense of long-term investment.

The proposal is not entirely new. Trump floated the idea in 2018, but it failed to gain traction. This time, however, it is backed by a deregulatory mood and a sympathetic SEC leadership. Supporters range from Nasdaq’s CEO to business figures such as Warren Buffett and Jamie Dimon, who have long argued that the quarterly treadmill distorts decision-making.

Yet the timing is significant.

The U.S. is simultaneously imposing sweeping tariffs, contesting ESG reporting norms, and retreating from multilateral tax frameworks. A shift in disclosure cadence fits this broader narrative: an assertion of U.S. sovereignty over global rules, even if it risks discord with long-established international expectations.

Europe's Experiment: A Precedent in Slower Time

To understand the implications, it is instructive to look back across the Atlantic. Europe has already experimented with easing the beat. In 2013, amendments to the EU’s Transparency Directive abolished mandatory quarterly reporting for listed companies, arguing that such requirements imposed unnecessary burdens and encouraged short-termism. The UK





followed in 2014, scrapping its own quarterly reporting obligation.

The outcomes were nuanced. On the one hand, companies saved time and resources, and there was anecdotal evidence that some shifted toward a longer-term strategy. On the other hand, investor appetite for information did not vanish. Many firms, particularly larger ones, continued to issue quarterly trading updates voluntarily, recognising that market expectations for regular disclosure remained strong. Research by the UK's Financial Conduct Authority (FCA) suggested that removing quarterly reporting requirements did not significantly alter companies' investment horizons.

In short, Europe slowed the official metronome, but the market kept time by itself. Investors demanded updates, and many companies complied, voluntarily maintaining the tempo without regulatory compulsion.

This precedent matters for corporate real estate leaders. When CRE budgets and portfolio decisions are presented to boards, they are often tied to financial reporting moments. If the statutory rhythm slows, but market expectations persist, CRE leaders may find themselves working to two beats: a formal semi-annual disclosure cycle and an informal quarterly cycle demanded by investors.

The Upside of Silence: Escaping the Tyranny of the Quarter

There is no doubt that quarterly reporting can be suffocating. The constant need to hit short-term earnings targets incentivises cost-cutting over investment, financial engineering over strategic transformation. A semi-annual cadence could free management from this tyranny.

For CRE, that freedom could be significant. Real estate strategies – from consolidating offices to building logistics hubs – are inherently long-term, often requiring multi-year commitments and significant upfront capital outlays. In a quarterly reporting culture, such projects are vulnerable to being deferred or scaled back if they depress earnings in the near term. By slowing the beat, companies may find it easier to commit to transformative real estate programmes without the fear of immediate investor backlash.

Another benefit lies in resource allocation. Preparing quarterly filings consumes management time, legal and audit resources, and the finance department's bandwidth. A semi-annual regime could free up some of this capacity, allowing finance teams and CRE leaders to spend more time on scenario planning, workplace transformation, and aligning real estate portfolios with business strategy, which, as (Y)OUR SPACE shows, are significant challenges presently.

When the Music Stops: The Risks of a Slower Cadence

Yet there are reasons why quarterly reporting became standard. Transparency is the oxygen of markets, and fewer disclosures mean longer intervals without fresh air. Bad news could be concealed for six months; shocks might build unnoticed, only to erupt dramatically when results finally appear.

For CRE leaders, this carries risks. Occupancy costs are often one of the largest line items after labour. If less frequent reporting reduces visibility, real estate may be scrutinised more aggressively when results are eventually disclosed. Worse, slower reporting may increase volatility: investors may overreact to semi-annual numbers precisely because they are starved of interim data. That volatility can drive knee-jerk reactions in corporate spending, including sudden freezes or cutbacks in property commitments.

There is also the risk of asymmetry. Insiders and well-connected institutions may obtain interim information informally, giving them an edge. Retail investors and, by extension, employees whose pensions are tied to markets may be left behind. Such inequities erode trust in the fairness of markets.

Dissonance in the Orchestra: Global Alignment or Fragmentation?

Global investors crave comparability. Today, many Asian markets retain quarterly requirements; Europe has relaxed them; the U.S. may now join the semi-annual camp. The result is a cacophony rather than harmony: different local beats.

For multinational occupiers, this fragmentation complicates portfolio strategy. A U.S.-listed firm operating across Asia and Europe may need to juggle divergent reporting expectations, which can influence how and when real estate decisions are communicated.

Cross-border capital markets, too, may grow wary if U.S. disclosure is perceived as less transparent than Asian norms.

Fragmentation also plays into geopolitics. The EU is pushing for ever more comprehensive sustainability reporting, while the U.S. appears to be pulling back. Asia is split: Singapore and Hong Kong continue quarterly reporting, while India has a hybrid model. The reporting cycle debate thus becomes another axis of divergence in a world already fracturing over tariffs, taxes, and technology.

Boardroom to Building: The Corporate Real Estate Angle

What does all this mean for corporate real estate? The connection may not be obvious, but it is profound.

Real estate decisions are capital-intensive, long-term, and often irreversible in the short term. They sit uneasily with a system that prizes quarterly flexibility. In theory, a slower reporting cycle could give CRE leaders more room to argue for transformational investments - such as headquarters consolidations, green retrofits, and logistics networks - without fear of quarterly backlash.

But there is a flip side. With fewer disclosure moments, CRE budgets may be scrutinised at semi-annual checkpoints. The six-monthly report could become a make-or-break moment for capital approvals, with boards less inclined to sanction spending in between. That could lengthen approval cycles, delay projects, and increase the pressure on CRE leaders to build watertight business cases.

Landlords and developers, too, will feel the rhythm change. Lease negotiations, pre-commitments, and build-to-suit agreements often hinge on quarterly board approvals. If those approvals become semi-annual, the entire pipeline of real estate transactions could slow, introducing new frictions into markets already grappling with uncertainty.

Occupiers in a New Tempo: Practical Implications

For occupiers, the implications are clear.

CRE leaders must adapt their own processes to the new rhythm. That means:

- Sharpening the long-term narrative. With fewer disclosure opportunities, every CRE project must be positioned in terms of its strategic, multi-year contribution - productivity gains, talent attraction, sustainability - rather than short-term cost savings.
- Building flexibility into portfolios. If capital approvals are bunched into semi-annual cycles, occupiers may need more agile leasing structures, modular fit-outs, and flexible space arrangements to bridge the timing gaps.
- Elevating communication. Internal stakeholders, from CFOs to boards, will need convincing narratives that align CRE investment with broader transformation. External stakeholders - landlords, investors, employees - must also understand how real estate strategy supports the long-term business story.

In short, the new tempo does not diminish the importance of CRE; it underscores the need to integrate it into corporate strategy with precision and foresight. Remember, 40% of all respondents to (Y)OUR SPACE currently see their distance from business strategy formulation as their biggest challenge.

Global Order in Flux: From Harmonies to Discord

The debate over reporting cycles is not an isolated technicality. It sits within a broader upending of the global economic order. Tariff wars have redrawn supply chains; ESG norms have fragmented across jurisdictions; global tax reform has stalled. The rhythm of corporate disclosure is another battleground

in this contest between integration and divergence.

If the U.S. slows its metronome, Europe may double down on its sustainability disclosure tempo. Asia may continue to split, with some markets maintaining quarterly rigour while others drift. The risk is a world of discordant beats, where global businesses must dance to multiple tempos simultaneously.

In corporate real estate, that discord will manifest in capital flows, investment approvals, and portfolio strategies. A U.S. company may slow its domestic disclosure but still needs to meet quarterly expectations in Asia; a European company may embrace semi-annual rhythms but find investors demanding more frequent updates in practice. CRE leaders navigating multi-jurisdictional portfolios will need to be adept conductors who maintain harmony amid competing beats.

The Final Note: Reset or Offbeat?

The metronome metaphor brings us back to the central question: will this retuning produce richer harmonies or push markets offbeat?

From an optimistic perspective, semi-annual reporting could encourage long-term investment, free management from short-term distractions, and align corporate strategy with the realities of transformative change. That might mean bolder workplace reinvention, greener portfolios, and more resilient supply chain real estate for CRE.

On the pessimistic view, it risks reducing transparency, delaying recognition of problems, and undermining investor trust. For CRE, that could mean tougher budget scrutiny, longer delays in capital approvals, and sharper volatility in corporate space demand.

As Europe's precedent shows, the truth is likely to be somewhere in between. Formal reporting may

slow, but market expectations may sustain the quarterly beat. Companies may be forced to keep two rhythms in sync: the official semi-annual rhythm and the informal quarterly rhythm demanded by investors.

For CRE leaders, the lesson is clear. Strategy must be both long-term and agile in a world of shifting tempos. The metronome may be reset, but the need to stay in tune has never been greater.

It should be noted that, even if the SEC embraces Trump's proposal, change will not happen overnight. Draft rules, public consultation, commissioner approval, and legal challenges could stretch the process well into 2026, with a further phase-in period likely. That means any semi-annual regime's earliest realistic start date would be 2027, with full adoption more likely by 2028 or beyond. For corporate real estate leaders, this offers a window to prepare - aligning portfolio planning, capital approval processes, and investment narratives to a possible dual-tempo world where statutory cycles slow, but market expectations keep the quarterly beat alive.

Scenario Matrix

While President Trump's push to slow the reporting cycle has reignited debate, the decision to change is far from a given. Regulatory hurdles, investor resistance, and legal challenges make a blanket shift unlikely. A hybrid outcome seems most probable, with formal requirements relaxed while market expectations for quarterly updates are maintained. The table below lists three possible scenarios and their implications for corporate real estate strategy.

Status Quo: Quarterly Beat Continues The SEC rules remain unchanged. Companies keep filing 10 -Q reports every quarter, sustaining the established rhythm.	CRE decisions continue to align with quarterly board approvals and budget cycles. Pressure remains on short-term cost management, making it hard to win support for long-horizon projects such as HQ consolidation, relocations, and sustainability retrofits. Portfolio reviews and optimisation tied to the 90-day cadence persist.
Hybrid Outcome: Semi-annual Officially, Quarterly in Practice SEC abolished mandatory quarterly reporting, but investors demand voluntary updates. Many large firms continue quarterly disclosures, while smaller firms reduce cadence.	CRE leaders must navigate dual tempos: semi-annual statutory cycles vs informal quarterly investor expectations. Larger firms face short-term scrutiny, but smaller firms may have space to commit to bolder, longer-term real estate strategies. Capital approvals may bunch around semi-annual results, lengthening decision timelines.
Full Shift: Semi-annual Replaces Quarterly The SEC requires semiannual reporting with minimal voluntary quarterly updates. Companies formally disclose only twice a year.	CRE leaders must prepare for compressed decision windows: semi-annual results become 'make-or-break' checkpoints for capital spend. Potentially greater freedom to frame real estate as a long-term lever, if boards focus less on short-term earnings. Higher volatility in portfolio strategy: long stretches of limited visibility, punctuated by intense scrutiny at reporting moments. Landlords and developers may face slower deal cycles, as occupiers delay commitments until disclosure windows.

The balance of probabilities suggests this debate will not deliver a clean break from quarterly capitalism. In our current estimation, there is perhaps a one-in-three chance that nothing changes, and a far slimmer one-in-five likelihood of a full semi-annual regime. The most plausible outcome - better than even odds - is a hybrid world, where regulation slows the official beat but investors keep time every 90 days. For corporate real estate leaders, the message is clear: strategy must be composed to work across both tempos, blending long-term vision with the discipline of quarterly scrutiny.

OFFICE INSIGHT 4

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From FOMO to FOBO: A Reprise

04



Dr. Lee Elliott
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In February (2025), we published the fifth in our Talking Points series: From FOMO to FOBO. The piece argued that while the pandemic-era workplace was defined by FOMO - the Fear of Missing Out - a new anxiety was taking hold: FOBO - the Fear of Becoming Obsolete.

The point was simple. Employees had moved from being visible in the office to staying relevant in a world transformed by automation, artificial intelligence, and accelerated disruption. At the same time, corporate real estate (CRE) itself risked a similar fate if it failed to reposition its role.

In the months since publication, this idea has gained traction. At the CoreNet Global EMEA Summit in Amsterdam, FOBO became a reference point in an environment being shaped by volatility, hybrid work, rightsizing, and portfolio disruption. And most recently, at a meeting of the France Chapter of CoreNet in Paris, I presented an extended version of this argument and tested it with senior real estate leaders in the French market.

The conclusion was consistent: FOBO is not just a neat acronym, but a frame that helps us understand the defining moment we face as leaders in real estate.

A Shift in Mindset

To appreciate the weight of FOBO, it is worth remembering how dominant FOMO once was.

Before the pandemic, workplace strategy revolved around presence. Visibility equalled progression. If you were not in the office, you were not in the room where it happened. CRE responded by investing in flagship headquarters, open-plan designs, and hospitality-style environments to underpin and reinforce presence.

During the pandemic and the immediate return, FOMO deepened. Many organisations relied on events, incentives, and amenities to lure people back into offices. We saw everything from celebrity concerts to wellness perks. Utilisation metrics became the test of success. The message was: if you are not here, you are missing out.

But FOBO reflects a more profound shift. In an age where AI can automate tasks, supply chains are being re- engineered, and business models are being disrupted, presence alone is no longer enough. The question has become: how do I stay relevant?

For employees, that means a fear of skill erosion.

For organisations, it means a fear of strategic irrelevance in volatile markets.

And for the CRE function, it means the risk of being sidelined if it cannot demonstrate foresight and strategic value.

Functional Dynamics: From Event Managers to Strategic Enablers

The fourth edition of (Y)OUR SPACE highlighted a sharp statistic: only 24% of CRE teams are viewed as fully aligned with their organisation's business strategy. That alignment gap is FOBO in action - evidence of a function at risk of marginalisation.

In the FOMO era, CRE's mandate was to deliver experience. Offices became arenas for visibility. Leaders invested in premium environments, curated events and services, and measured success through occupancy and activity levels.

But FOBO reframes this entirely. Volatility, trade wars, technological disruption, and demographic pressures have moved resilience and adaptability to the top of the corporate agenda. CRE cannot simply provide and curate space; it must offer strategic options. That means rightsizing portfolios, modularising footprints, relocating to align with talent and transformation, and embedding flexibility as a core design principle.

The CoreNet sessions underlined this point. The message was clear in Amsterdam's discussion of maintaining functional relevance or in Paris's focus on workplace evolution: CRE will not be judged by square footage or fit-out quality alone, but by its contribution to business resilience, agility, and relevance.

The contrast is stark: FOMO-era CRE functions risked becoming event managers; FOBO demands they become resilience architects.

From Hard Truths to Additional Moves: Strengthening Functional Relevance

Our recent Hard Truths, Smart Moves paper (see office insight 2 in this anthology), set out six straightforward steps for CRE leaders to elevate their function:

- 1. Move upstream into strategy – embed CRE as a proactive business partner.
- 2. Act decisively in volatility – resist cost-only responses and embrace flexibility.
- 3. Recast rightsizing as alignment – not a retreat, but a strategic recalibration.
- 4. Frame relocations with purpose – talent, sustainability, or market entry as explicit drivers.
- 5. Redesign workplaces for performance – deliver measurable outcomes, not just space.
- 6. Turn data into action – insights must drive decisions, not just fill dashboards.

These remain the cornerstone of functional reinvention. But FOBO increases the urgency. To avoid obsolescence, CRE leaders should also consider these additional layers of action:

Make alignment visible.

Strategic alignment must be evidenced through co-authored business cases, shared metrics, and board-level reporting.

Anticipate irrelevance.

Proactively identify which services could be automated, outsourced, or marginalised in the next cycle, and reinvent them before others force the change.

Embed a learning culture in CRE.

Just as workplaces must support continuous learning, CRE teams themselves need to upskill in AI, data analytics, and transformation literacy.

Curate portfolios for learning and for working.

Beyond productivity, CRE should enable capability-building by integrating training zones, learning campuses, and event-ready amenity spaces into portfolio design.

The six smart moves and these FOBO-driven considerations are a dual playbook that tackles today’s hard truths while preparing the function for tomorrow’s test of relevance.

CRE Role

FOMO: Fear of Missing Out

Delivering ‘experience’ – hospitality-style offices, premium fit-outs, curated events to attract presence.

FOBO: Fear of Becoming Obsolete

Enabling ‘relevance’: shaping adaptive, tech enabled, learning rich environments that sustain workforce evolution.

Portfolio Strategy

FOMO: Fear of Missing Out

Central hubs as arenas for visibility; location equated with opportunity and access.

FOBO: Fear of Becoming Obsolete

Resilience and adaptability: rightsizing, modularisation, relocations for skills access, aligning with business transformation.

Strategic Alignment

FOMO: Fear of Missing Out

Responding to business needs, downstream of strategy, is often reactive.

FOBO: Fear of Becoming Obsolete

Anticipating change; embedding CRE into transformation conversations to avoid irrelevance.

Metric of Success

FOMO: Fear of Missing Out

Office occupancy, utilisation rates, visible buzz of activity.

FOBO: Fear of Becoming Obsolete

Contribution to business adaptability, skills retention, innovation, and resilience.

Risk

FOMO: Fear of Missing Out

Seen as event managers or cost centres.

FOBO: Fear of Becoming Obsolete

Being sidelined unless demonstrating foresight and strategic value.

Workplace Dynamics: From Visibility Machines to Growth Platforms

The shift from FOMO to FOBO is equally striking when viewed through the lens of the workplace.

FOMO created workplaces designed as visibility machines. Open-plan layouts, centralised hubs, and high-profile events all reinforced presence. Employees feared missing out on conversations, recognition, or progression if they were not in the office.

FOBO changes the question. Employees now fear that skills will expire faster than they can be refreshed. They want workplace environments and experiences that help them stay relevant in a world of constant disruption.

That is why the amenities race has begun to shift decisively. The emphasis is no longer on spectacle but on substance. Food and beverage, wellbeing, childcare, and healthcare all matter. However, perhaps the most significant factor is the rise of educational facilities. Functional trumps flash when it

comes to amenity.

The February paper described this as “a subtle but significant pivot: from spaces that attract, to spaces that sustain.” CoreNet discussions in Amsterdam and Paris reinforced that this is now essential. The workplace must enable learning, upskilling, reskilling, and growth as part of everyday life.

Yuval Noah Harari put it succinctly:

“Traditionally, life has been divided into two main parts: a period of learning followed by a period of working. Very soon, this traditional model will become utterly obsolete, and the only way for humans to stay in the game will be to keep learning throughout their lives and to reinvent themselves repeatedly.”

And Alvin Toffler anticipated this decades ago:

“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.”

The implication is clear: the office must evolve from a place that sustains visibility to one that sustains relevance.

Employee mindset

FOMO: Fear of Missing Out

If I’m not in the office, I’ll miss opportunities.

FOBO: Fear of Becoming Obsolete

If I don’t keep learning and adapting, I’ll become irrelevant.

Workplace focus

FOMO: Fear of Missing Out

Visibility: presenteeism, watercooler conversations, networking with leaders.

FOBO: Fear of Becoming Obsolete

Capability: embedding upskilling, continuous learning, and purpose into workplace design.

Workplace amenities

FOMO: Fear of Missing Out

Perks and spectacle: events, lifestyle amenities, experience arms race (e.g. concerts, themed perks).

FOBO: Fear of Becoming Obsolete

Functional and developmental: food, wellbeing, childcare, and especially educational amenities.

Hybrid work narrative

FOMO: Fear of Missing Out

Anxiety that remote = invisibility; office attendance = advantage.

FOBO: Fear of Becoming Obsolete

Anxiety that skills, not just presence, determine advancement; need fairness and transparency in hybrid models.

Design priorities

FOMO: Fear of Missing Out

Spaces that emphasise open visibility and centrality.

FOBO: Fear of Becoming Obsolete

Spaces that balance ‘me’ and ‘we’, support hybrid equity and enable continuous development.



Real -World Adaptations: Learning-centric Facilities

Several organisations have demonstrated how physical space itself is being rethought to support relevance. These case studies show how leading companies are embedding learning, reskilling, and capability-building into their real estate strategies.



Telefónica – Universitat Campus & 42 Madrid, Madrid

At its Madrid headquarters (Distrito Telefónica), the company has created the Universitat Campus, a ~2,000 m² facility dedicated to employee training and development. Equipped with advanced technology and collaborative learning spaces, it anchors the company's broader Innovation & Talent Hub.

On the same campus, 42 Madrid - a ~5,000 m² peer -to-peer learning centre run by Fundación Telefónica - provides inclusive access to digital and transversal skills development, with creative, collaborative, and open spaces that mirror the ethos of continuous reskilling.

Together, these facilities turn Telefónica's HQ into a learning ecosystem - a workplace designed for daily work and continuous reinvention.



HSBC – Global Training Centres in Guangzhou and Birmingham

HSBC has committed to physical environments that anchor learning at scale. In Guangzhou's Nansha district, the bank is investing around US\$150 million in a Global Training Centre. It is expected to host more than 14,000 employees annually from across Asia-Pacific, including senior executives, and will include lecture halls, classrooms, collaboration spaces, and residential amenities.

In the UK headquarters in Birmingham (1 Centenary Square), HSBC has integrated its "HSBC UK University" into the workplace itself. Two floors are dedicated to training and development, including a 110-seat lecture auditorium, conference facilities, and flexible team-building areas. This embeds learning directly into the flow of daily work, ensuring visibility and accessibility for thousands of staff.

Together, these investments show learning spaces are no longer peripheral or symbolic, but part of the strategic real estate footprint.



Deloitte University, Paris

Deloitte's European leadership campus outside Paris provides a residential-style learning environment for leadership and technical training. It blends classrooms, collaborative zones, and community spaces with sustainability and wellbeing features. The intent is clear: to create an immersive environment where learning is cultural, not transactional.



KPMG Lakehouse, Florida

KPMG's Lakehouse in Florida is one of the most ambitious examples of recent years: a US\$110 million, purpose-built facility with 800 guest rooms, dozens of classrooms, labs, wellness, and social spaces. It is designed for immersive, residential learning experiences that foster cross-disciplinary collaboration and cultural cohesion.



Amenity Spaces in Best-In-Class Buildings

Beyond dedicated campuses, a new trend is emerging. Best-in-class office buildings are integrating learning-oriented amenity spaces into their designs. Where once "amenity" meant food courts, gyms, and lounges, forward-thinking buildings now include flexible classrooms, event zones, auditoria, and workshop studios. These enable occupiers to host reskilling workshops, leadership programmes, and learning events directly within their everyday office environments.

This evolution underscores the FOBO imperative: presence is no longer enough. Offices must be places where relevance is built and sustained. Embedding educational amenities into premium office buildings represents the next stage of workplace reinvention.

Why It Matters

For employees, FOBO demands workplaces that embed continuous learning. For organisations, it demands portfolios designed for volatility and transformation. For CRE, a reinvention of mandate and capabilities is required.

Our February 2025 paper warned that FOBO risked paralysis. Yet the conversations in Amsterdam and Paris suggest opportunity: FOBO can be catalytic. It can spur CRE to reposition itself as a growth engine, a resilience enabler, and a strategic partner at the boardroom table. The journey from February's Talking Points paper to the CoreNet stages in Amsterdam and Paris has confirmed that FOBO is not a passing acronym. It is the defining anxiety of our time.

As Bob Dylan once sang: "He not busy being born is busy dying." That lyric captures FOBO perfectly. The challenge is not just to avoid obsolescence, but to embrace reinvention as a permanent condition.

For employees, that means continuous learning.

For workplaces, it means becoming growth platforms.

For CRE, it means stepping up from visibility managers to strategic enablers.

From FOMO to FOBO. From presence to relevance. From fear to foresight.

These shifts are crucial responses to what is corporate real estate's defining moment.



Office Futures: Adventures Beyond the Corporate Spa

05



Dr. Lee Elliott
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A provocation revisited

When we published the first edition of (Y)OUR SPACE back in 2018, we posed a deliberately playful question: how far are we from the emergence of the corporate spa? It was meant as provocation - a way of testing whether the workplace was evolving into a realm of wellness and lifestyle rather than work and productivity. At the time, it felt fanciful. Yet seven years later, the idea looks less far-fetched. From Helsinki to Singapore, office brochures now feature meditation suites, rooftop pools, yoga studios and, as the Financial Times recently highlighted, even saunas.

But the arrival of such features only sharpens the deeper challenge:

the shallow nature of much of the debate and an unhelpful focus on the glossy and the glamorous – the prevalence of flash over function. This is regrettable and dangerous. Following a prolonged period of existential crisis, offices must evolve in a way that is commensurate with the needs of the end-user, the occupier.

The office of the future cannot - must not - be reduced to a set of perks. It must justify its existence by what it enables. Yes, as in the phraseology of the day, it must earn the commute. It must leave people more effective, more connected, and more aligned with their organisation than if they had stayed away. In essence, it must generate value for both users and payers. The spa might be a reality in some places, but the real question central to a meaningful debate about the future of the office is whether workplaces can consistently create value in a hybrid world.

Hybrid as a global equilibrium

The five-day office week has, in most advanced economies, slipped into history. Hybrid is now the baseline. In the United States, attendance has plateaued at around half of pre-pandemic levels, according to long-running occupancy measures – although the impulse to demand a five-day-a-week presence remains strongest amongst American corporates, particularly American banks. Across the pond and in the European Union, surveys show more than a quarter of employees still alternating between home and office. In Asia Pacific, the patterns vary: Sydney offices average three to four days of use, Melbourne closer to two; in India, long commutes and youthful demographics generate dense mid-week peaks; and in Japan, once synonymous with presenteeism, employers are experimenting with shorter, sharper in-office days.

This stabilisation is notable, but it is not final. Employers continue to seek ways to adjust upwards - often by emphasising the importance of anchor days or linking attendance more closely to career progression (the latest (Y)OUR SPACE findings show an increase in organisations moving to a 4-day-per-week office-first workstyle over the next three years). Employees, meanwhile, continue to defend flexibility as a condition of loyalty. In France, the right to disconnect continues to shape debate, while in the US, candidates scrutinise job postings for hybrid guarantees. The global evidence points to a fragile truce.

What is no longer contested is the legitimacy of hybrid itself – indeed, almost half of those occupiers responding to (Y)OUR

SPACE expect a hybrid workstyle to predominate in their organisation in 2028. The sharper question is not whether people should be in the office, but why. Each day must now be designed with a purpose - whether onboarding, collaboration, upskilling, retraining, innovating, engaging with clients or reinforcing culture and values.

Counting heads or creating meaning

In the pursuit of that purpose, two instincts dominate.

The first is measurement. Around the world, employers are tightening attendance visibility. In London, companies have experimented with traffic-light dashboards. In New York, banks analyse badge-in data. In Shanghai, smart office technologies record occupancy in granular detail. These tools create accountability, but they also risk draining energy if employees feel they are being watched rather than supported. Regulators are increasingly explicit about limits: in the UK, for instance, the Information Commissioner has stressed the need for proportionality and transparency in workplace monitoring.

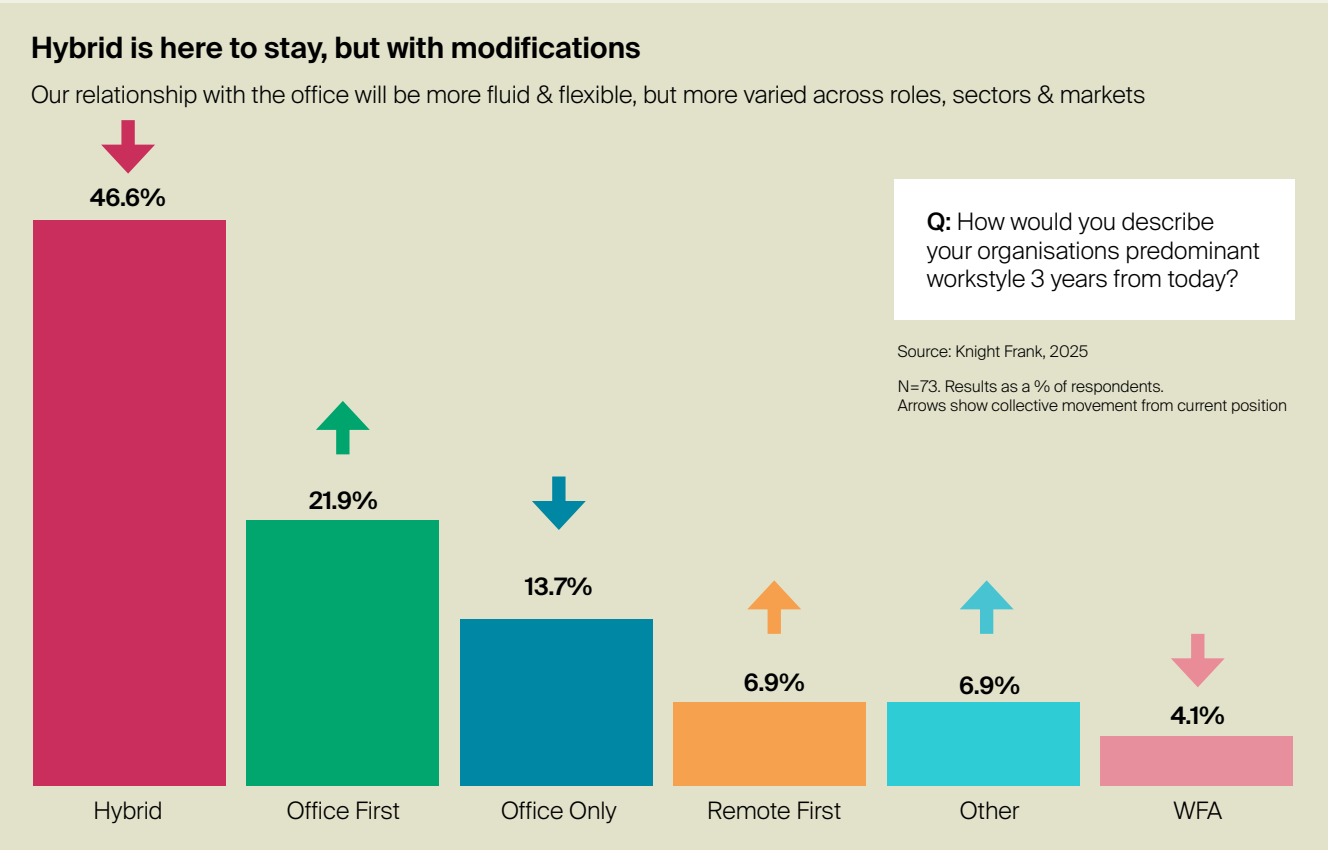
Presence policies are not uniform. In the United States, monitoring badge-ins is accepted. In Germany,

works councils exercise veto powers. In India, scheduling is tolerated, surveillance resented. In France, protections for downtime remain powerful. The message is consistent: trust is the scarce currency. Push too hard with enforcement, and engagement falters; pull back too much, and cohesion frays. Hybrid requires balance, and balance requires trust.

The second instinct is meaning. This emphasises not compliance but making time in the office worthwhile. In Japan, companies are investing in refurbishments to brighten dated workplaces and retain scarce talent. In Singapore, developers weave wellness and service layers into their towers to attract tenants. In New York, mixed-use schemes such as Hudson Yards emphasise the integration of culture, retail and public space. All demonstrate the same principle: people will come, but only if the office adds genuine value to their working day.

Neither instinct is enough alone. Counting heads ensures rules are followed, but does not build culture. Meaning creates culture, but without accountability, it risks uneven participation. The future belongs to organisations that combine the two - measurement that is lawful and proportionate, paired with experiences that genuinely justify the commute.





Data as a feedback loop

Measurement is no longer limited to badge- ins. Workplaces are increasingly instrumented. The spread of sensors, booking platforms and comfort surveys provides a steady flow of feedback. In Singapore, real-time dashboards enable dynamic adjustments. In New York, occupancy heatmaps shape the repurposing of space. In Seoul, AI-driven systems adapt HVAC and lighting to usage.

The most effective occupiers use this data not to police behaviour but to learn quickly and adapt. Layouts, services and programmes can now be iterated at speed, with evidence guiding each move. When employees see transparency in how the data is used, trust rises, and adoption follows. Feedback loops transform the office from a fixed asset into a responsive system.

Wellness features may dominate headlines, but performance rests on fundamentals. Research consistently shows that air quality, light, acoustics, and ergonomics exert a stronger effect on productivity than more eye-

catching perks. High ventilation rates, lower carbon dioxide levels, and access to daylight are proven to improve cognition and wellbeing.

The challenge is that comfort has a carbon cost. The International Energy Agency (IEA) warns that, without efficiency gains, electricity use for cooling could triple by 2050, with demand concentrated in fast-growing, hot cities. That risk puts pressure on occupiers and developers to balance comfort with efficiency. In Scandinavia, adaptive shading and operable windows are common; in the Gulf, district cooling systems reduce grid strain; in North America, demand-controlled ventilation is increasingly used to match supply to occupancy. The underlying lesson is the same across regions: comfort must come first, but it must be delivered with discipline.

It is easy to market a sauna. It is harder, but ultimately more valuable, to guarantee reliable thermal comfort, healthy air, and effective acoustics across every square metre.

Sustainability as a life-cycle

Closely linked to comfort is the sustainability debate, which has matured significantly. Certifications still matter, but the real shift is towards life-cycle performance. In Europe, the renovation wave has prioritised deep retrofits. In the US, incentives are driving electrification and building-envelope upgrades. In Asia, attention is turning to embodied carbon in fit-outs.

Across regions, the conclusion is converging: the premium amenity of the coming decade is efficient comfort – spaces that delight and perform but are delivered with less energy, lighter materials, and lower carbon. Sustainability is no longer an external bad, but an internal discipline inseparable from workplace experience.

The amenity arms race: Supply-side sparkle vs Demand-side function

The last decade has seen an increasingly visible arms race for amenities. Developers, eager to distinguish their buildings, have emphasised hospitality-inspired features: rooftop terraces, concierge desks, gyms, cafés and, more recently, wellness suites. These differentiate stock in a competitive market, and they help tell a story of premium quality.

Occupiers, however, often emphasise a different point. In discussions with corporate real estate leaders, the biggest

recognisable drag on workplace experience is rarely the lack of a café or a lounge. It is the frustration of unreliable IT, patchy connectivity, or video-conferencing systems that break down during critical meetings. These invisible amenities may not feature in marketing materials, but they shape daily experience.

That is why many now argue that IT infrastructure, AV reliability, and digital support must be understood as core amenities in their own right. Without them, the value of more visible perks diminishes quickly. The office of the future will not be judged only by how it looks, but by whether it works.

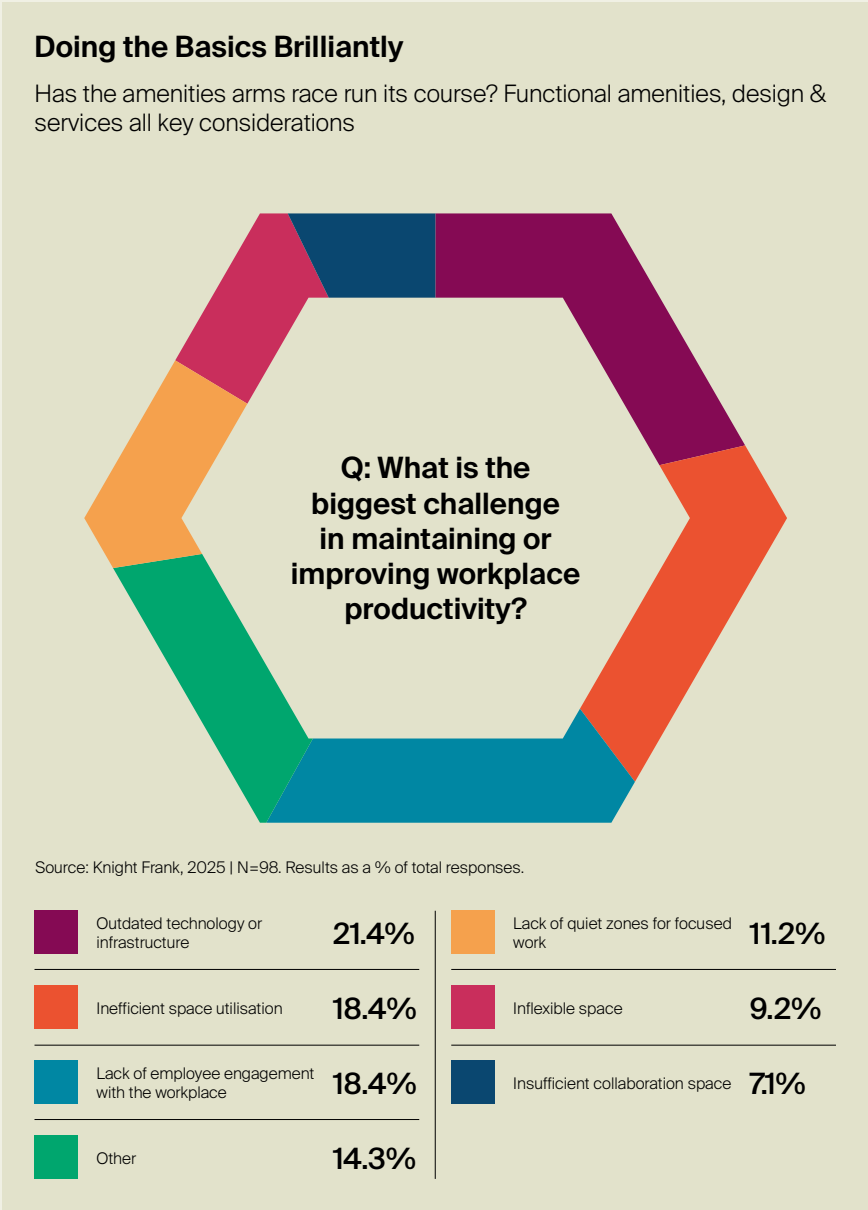
Space as something felt

There is a deeper layer still: space is something felt. Offices are not neutral backdrops. They are sequences of atmospheres, impressions and interactions. The warmth, or even the smell, of a lobby, the energy of a café at mid-morning, the calm of a quiet zone all shape working life as much as square footage or rental cost.

The implication is that the best workplaces are not simply designed; they are curated, managed and serviced. A terrace without programming is just outdoor space. A café without curation is just a room with beans. To animate them requires intent: concierge staff, food offers, seasonal events, and wellness calendars. This is where the logic of real estate begins to merge with the logic of hospitality.

In my experience, Australia is the clearest global exemplar. Over the last ten years, its prime office markets have elevated service to a defining feature. From Sydney to Melbourne, leading buildings combine concierge teams, scheduled wellness programmes, curated food and beverage, and cycling facilities managed to the standard of high-end hotels (indeed, it is no coincidence that many front of house teams are either employed directly by hoteliers operating the space through a management agreement or have been through extensive on-boarding programmes led by hospitality teams). Occupiers in the main Australian office markets consistently highlight how such service ecosystems transform space from tolerated to valued. In a context of long commutes and long hours, they also provide a sense of care and support that strengthens loyalty.

This model is now spreading. In London and New York, the language of hospitality has become commonplace. In Singapore, service is embedded into development models. But Australia remains distinctive in having made it systemic: service as a baseline expectation rather than an optional extra. The broader lesson is simple:



architecture creates possibility, but management and service make it real. Property is no longer simply a physical domain; it has its own psychology, too.

The Flight to Value

The consequence of these shifts is clear in portfolio strategy. Globally, occupiers are consolidating into fewer but better hubs. In New York, firms are leaving secondary stock for Midtown towers. In Frankfurt and Amsterdam, tenants are prioritising ESG-compliant assets. In Singapore, the tilt is towards newer Grade A towers with strong service layers and future-proof specifications, particularly in integrated precincts such as Marina Bay. The underlying story is not about prestige addresses alone. It is about a shift from quality in the old sense - marble lobbies and trophy towers - to value in the new sense: fundamentals, flexibility and efficiency. Occupiers are willing to pay premiums for hubs that act as growth assets, accelerating onboarding, strengthening client relationships, and reducing attrition, while trimming the rest of their portfolios to be lighter, greener, and more adaptable.

What really moves the needle

Amid the noise about perks, global practice points to three constants that matter most.

Predictability:

Clear anchor days are more effective than vague guidelines, as commuting data across major cities shows.

Purpose:

People make the effort when the day is structured around collaboration, client work or community rituals, not remote calls in a different location.

People:

Leadership presence is crucial to making time in the office feel worthwhile.

Perks may soften the edges, but it is predictability, purpose and people that sustain the model.

Beyond the spa

In one sense, the 2018 provocation has come true: the corporate spa is visible in some markets. But in a deeper sense, the question has always been larger. It has been about whether the office could remain purposeful when daily attendance was no longer assumed.

The evidence suggests that it can - but only on new terms. The office of the future will be fewer, better and clearer: fewer locations, better fundamentals, clearer reasons to be there. It will be judged less by its lifestyle features than by the reliability of its systems, the intentionality of its curation, and the clarity of its purpose.

This requires a shift in mindset. Too often, organisations have been distracted by the gloss - the rooftop terraces, the wellness pods, the photogenic lounges. These are fine as accents, but they are not the substance of a workplace strategy or the only features of a best-in-class space. Occupiers tell us repeatedly that what matters most is whether a space works: whether the IT functions, whether the air is clean, whether the building supports collaboration and focus, and whether it also elevates culture. Gloss cannot substitute for guts.

The call to action, then, is simple: occupiers must demand more. More reliability. More intentionality. More evidence that buildings are not simply designed to impress but designed to serve. The future of the office will not be determined by who can create the most extravagant amenity floor, but by who can create the most effective, resilient, and human workplaces.

And this is not only a corporate question. It is an economic and social one. Offices are where trust is built, where younger generations learn by osmosis, and where teams forge the relationships that sustain growth. If we reduce the office to a set of lifestyle features, we risk hollowing out its civic and organisational functions. If, instead, we design it as a platform for performance and connection, then the office remains not just viable but vital.

So, beyond the spa lies the real adventure: the move past gloss to get to great. The great is found in designed days that matter, in spaces that are curated and cared for, in environments that leave people not only more productive but more connected to each other and to their organisation's mission. The challenge for leaders - and for the real estate market more broadly - is to be brave enough to look beyond the gloss and insistent enough to ask for the great.



OFFICE INSIGHT 6

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The Accounting and Consulting Industry's Metamorphosis:

06

How AI, Restructuring and Market Pressures are Redrawing the Landscape



Jennifer Townsend

Partner, Occupier Research

The past year has been a maelstrom for the accounting and management consultancy industry. Once stable pyramids of junior analysts and senior partners have begun to resemble taller, leaner obelisks. Artificial Intelligence (AI), increased competition, changing employee and client needs, and economic and geopolitical headwinds are forcing firms to rewrite the rules of their own business. To understand where the sector is heading, we reviewed the most significant developments across the Big Four and wider accounting and management consulting market between July and September 2025. This article builds on a similar earlier piece found in the first edition of our (Y)OUR SPACE Office Anthology. It integrates fresh evidence from earnings statements, CEO surveys, and analyst commentary.

1. Recalibrating the workforce in the age of AI

AI has moved from being a service offering to becoming the operating system of consulting firms themselves. This is feeding through to workforce realignments, albeit with cost pressures also at play. While strategies are nuanced, the consensus appears to be a balance between job cuts, new hires and substantial investments in reskilling and redeployment.

In August, McKinsey rolled out around 12,000 AI agents to automate tasks such as note-taking and content generation while simultaneously investing in reskilling to blend human insight with technology, signalling a strategic pivot toward hybrid human-AI models. This, in part, has led the firm to reduce its headcount by 5,000. However, the company said it does not intend to cut entry-level roles, at least in North America. The company employs 5,000 to 7,000 workers in North America who aren't partners. In five years, the number of such employees could rise by 15% to 20%, Eric Kutcher, a senior partner and chair of McKinsey North America, told reporters recently. Another firm that isn't changing its entry-level intake is BDO. It recently welcomed over 600 graduates, school-leaver apprenticeships, and industrial placements into its organisation.

However, data from July shows that other UK firms are reducing

the number of entry-level roles. KPMG has implemented the most significant cuts, slashing its recruitment scheme by 29% from 1,399 in 2023 to 942 last year, with around 1,000 expected hires this year. EY trimmed its graduate hiring by 11%, while PwC cut its entry-level scheme by 6%.

Cutting entry-level roles is not without its risks. Critics argue that reducing such roles squeezes the future talent pipeline and stymies a diversity of thought.

Accenture is the latest large consulting firm to announce AI-related job cuts, with at least 11,000 layoffs in the past few months. The company said it is laying off people where AI reskilling isn't viable. Beyond workforce reductions, the company is investing heavily in employee upskilling to enable them to handle advanced AI technologies. Specifically, Accenture is training approximately 70,000 employees in "agentic AI".

The investment in reskilling is reflected in real estate. Deloitte marked the anniversary of Deloitte University EMEA in France in June 2025. The campus continues to act as a regional hub for cross-member firm learning, with curricula now emphasising applied AI, cyber resilience, and net-zero delivery alongside the core consulting craft.

2. Balancing the near -term with the long-term

Accounting and management consulting firms have continued with large-scale restructuring programmes as client needs change, cost pressures remain a key concern, and AI embeds itself further into the operating model. The result is a pivot towards growth areas and geographies alongside reduced exposure in underperforming business lines and locations.

Areas that are attracting advisory dollars and reshaping firm capabilities include infrastructure and capital projects, data, cyber and digital trust, innovation, cost reduction, energy transition and decarbonisation, and broader environmental consulting. That said, AI and technology consulting are primary emphases. The Head of IBM Consulting reinforced this point, stating, “Consultancies must reinvent themselves as software companies if they are to survive in the age of AI.” McKinsey now generates 40% of its revenue from AI and technology consulting, while BCG now derives a fifth of its revenue from AI, up from zero just a couple of years ago.

Deloitte has launched a partnership with Palantir to build an Enterprise Operating System that combines Deloitte’s intellectual property with Palantir’s data platform. The firm has earmarked more than \$3 billion for generative AI through 2030. It has also partnered with Anthropic to deploy Claude to all employees, marking Anthropic’s largest enterprise rollout to date. The agreement includes a Claude centre of excellence to provide specialist support, potentially at a physical site, although this has not been confirmed.

Others are shaking up their organisational structures to drive greater efficiency. In July, EY began consolidating 18 regions into 10 “super regions”. The biggest-ever internal restructuring will also trim mid-level management and shift decision-making to national practices.

PwC has also been reorganising.

Its US advisory business was split into eight divisions in July. This approach is designed to offer more industry-specific solutions to meet client demand.



April 2025 – July 2025

Event

Merging 18 regions into 10 super-regions; cutting mid-level layers, with Julie Boland overseeing the new US-LatAm-Israel region.

Commentary

Designed to streamline decision-making and save costs.



July 2025

Event

Reorganised the US advisory business into 8 divisions, embedding managed services.

Commentary

Aims to align service lines with client demand.



September 2025

Event

Announced \$865m restructuring; cut 11,000+ jobs and launched a programme to train 70,000 employees in agentic AI.

Commentary

Balances workforce reduction with upskilling.

Between July and September 2025, there was a steady flow of office openings and hub expansions. In the UK, some consulting firms are expanding in cities outside of London to tap into diverse talent pools and offer local services. MCA research published earlier in the year found that 40% of firms anticipate expansion outside of London in 2025. Examples include Deloitte, which opened four regional technology delivery centres in June in Cardiff, Manchester, Newcastle, and Belfast. The initiative aims to create hundreds of new technology jobs, with plans to double the initial workforce to 1,500 technologists over the next three years and foster innovation across the regions. In Australia, BDO has expanded its office footprint by nearly 50%, reflecting its ongoing expansion.

It is not only office space filling portfolios; firms are diversifying into other asset classes. Deloitte, for example, opened an innovation centre in the US. The Smart Factory @Wichita at Wichita State University spans 60,000 sq ft and showcases robotics, AI, and renewable energy systems. Deloitte expects to host thousands of visitors and integrate the facility into university curricula, signalling how consulting firms are using real estate investments to attract talent, drive innovation and demonstrate technology in action.

Another example of a consulting firm opening an innovation centre in the past three months is DXC Technology, which opened an innovation hub in Halifax, Canada. Elsewhere, PwC unveiled its new regional headquarters in Laysen Valley, Riyadh, which includes a large experience centre. The Centre offers a community space for innovation and ideation, where clients, government, and partners can co-create solutions, test prototypes, and design transformative experiences.

3. Mid-sized and boutique expansion

Mid-sized and boutique consultancies are growing, helped by lower overheads, sharper specialisms, the ability, in many cases, to be nimbler, and, in some cases, buoyed by private equity backing. An article in Finance Story cited double-digit growth rates among boutique firms, with some clocking 100 -200% growth year-on-year. The summer news flow told a story of acquisitive and organic growth. In August, Chicago’s Huron purchased Wilson Perumal & Company. In September, West Monroe acquired 2050 Partners, a California-based decarbonisation specialist, to ride the growing utility and grid modernisation spend. In October, YPC expanded its service offering through the acquisition of Singaporean firm Renoir Consulting. Grant Thornton advanced its private equity-backed growth by acquiring its member firms in France, Spain, and Belgium. Later that month, London-headquartered Elixirr bought TRC Advisory of Chicago.

On the organic front, Ankura opened a Latin America advisory practice in September, targeting cross-border restructurings and operating model transformation.

In August, Alvarez & Marsal announced plans to triple its India workforce by 2028, with Bengaluru becoming a regional hub for deals and analytics. US-headquartered EisnerAmper also launched in the Middle East.

4. Mandates Settle

Between July and September, news on office attendance mandates was relatively sparse, suggesting many firms have shifted from experimentation and debate to settled policy. One notable exception stood out. Deloitte required India-based employees to be in the office at least 2 days a week, with non-compliance tracked and reflected in performance reviews. Deloitte framed the policy as a balance between client and business needs, teamwork and career development. At the same time, workforce preferences are evolving. Flexible working, at 37%, has overtaken a competitive salary, at 26%, as the leading driver of job satisfaction among consultants for the first time in six years. Yet appetite for in-person connection remains strong. A majority, 56%, say they want more face-to-face engagement, underlining the continuing importance of personal interaction with both clients and colleagues.



The “so what” for CRE decision makers

1. CRE decisions now need to account for AI-driven change.

As roles are reshaped, FOBO (fear of becoming obsolete) is rising among employees who fear being replaced and among executives who fear the accounting and consulting profession itself may become outdated. Offices must become centres of continuous learning and spaces that nurture purpose, belonging and engagement. Portfolios must be adaptable and planned with future shifts in business models, processes, tasks and talent in mind. Examples include dedicated AI hubs near research nodes, partners, clients, and talent pools, as well as offices equipped with the necessary digital and power infrastructure. Workplace design must be ready for digitised workflows and hybrid collaboration. From desks to meeting rooms, every setting should enable seamless interaction between people, teams and AI.

2. The argument over how many days in the office are needed is giving way to measurement.

Firms are using data analytics to quantify attendance, performance and utilisation, then redesigning space accordingly. The metrics used must extend beyond cost and sq ft occupied; they must include people-focused metrics like employee satisfaction and attrition/retention rates. As debate recedes, the focus shifts to extracting the most value from the days people are in. The emphasis has shifted to performance-enhancing amenities, not spectacle, supported by seamless tech and a smooth end-to-end journey from home to office to workstation. This includes straightforward access, a welcoming reception, reliable desk booking with adequate provision, tools that function without fuss, and amenities that aid work-life balance. Wellbeing must be woven into the design, making light, acoustic, and air-quality control foundational, and providing spaces that address physical and mental

health, ergonomic needs, and the requirements of different user groups.

3. CRE decision-making must match the pace and nature of change.

Companies are not following a single strategic direction. Some are expanding, others are contracting, and many are doing both across different business lines and regions. For CRE, the challenge is balancing growth and innovation with cost control and keeping up with the pace of change. In addition, restricted high-quality office supply in certain markets forces early stay-or-go and location decisions, raising the risk of misalignment with future strategy and leaders. Accordingly, execution priorities centre on data-led portfolio intelligence, M&A readiness, and assets beyond offices. Maintain a clear, dynamic view of leases, utilisation, costs, and local market conditions, flagging exit or consolidation opportunities where activity is retreating, while mapping options in growth markets. Where growth is acquisition-led, CRE teams should be brought in from the outset to avoid stranded costs, merge portfolios cleanly, capture synergies, and support culture and brand integration. Finally, plan for non-office assets as business models evolve, with innovation centres, educational spaces, and showcase spaces likely to feature more prominently.



For CRE leaders, this calls for a different posture. Real estate can no longer be a downstream executor; it must be embedded in strategy from the outset, modelling options, surfacing constraints early and showing how the portfolio can flex to deliver the firm’s strategic agenda and the accounting and consulting enterprise of the future.

Accounting and Management Consulting in numbers:

Large Companies	
Based on the headquarters locations of the top 250 large companies ranked by employee count. A large company is defined as having more than 250 employees.	
Top 5 Locations	HQ Count
London	31
New York	15
Chicago	11
Paris	11
Tokyo	6

Mid-Sized Companies	
Based on the headquarters locations of the top 250 mid-sized companies ranked by employee count. A mid-sized company is defined as having between 50-250 employees.	
Top 5 Locations	HQ Count
Paris	11
Mumbai	10
London	8
Chicago	6
New York	6

Small Companies	
Based on the headquarters locations of the top 250 small companies ranked by employee count. A small company is defined as having under 50 employees.	
Top 5 Locations	HQ Count
New York	11
Paris	10
Chicago	8
Berlin Houston Pune San Francisco	4



The Compass and the Crosswinds: Reading the Corporate Weather as 2026 Approaches

07



Matt Hayes
Senior Analyst,
Occupier Research

If corporate sentiment were a navigation instrument, it would be a compass twitching beneath shifting magnetic fields. The needle points forward, but it wavers. After five years of extraordinary turbulence - pandemic shock, inflation surge, monetary tightening, and geopolitical disruption - global business ends 2025 with engines humming but fuel gauges watched closely. Growth continues, but confidence has taken on a cautious tone.

To lead a global business today is to steer through variable pressure. The forces shaping strategy - inflation, energy, technology, politics, talent - rarely move in concert. When one steadies, another flares. Costs fall even as wages climb; demand holds even as supply chains fragment; innovation accelerates even as regulation tightens. Leaders no longer chase stability; they chase equilibrium, aware that perfection is transient.

The psychology of corporate decision-making has evolved accordingly. Gone is the exuberant optimism that followed the reopening of economies; gone, too, is the defensiveness of the rate-hike years. What remains is an alert pragmatism – a willingness to act, tempered by the instinct to hedge. The new corporate virtue is agility wrapped in restraint.

For corporate occupiers, this is not an abstract climate. Real estate is both the instrument panel and the airframe: it registers turbulence first and determines how well the organisation withstands it. Portfolio rationalisation, workplace transformation, and location strategy all reflect the same underlying sentiment pattern. And that sentiment, as the data reveal, is neither euphoric nor despairing. It is a world still moving – what the Knight Frank Insight Team have referred to as “cautious momentum” – but with one hand on the throttle and the other on the brake.

The Global Readings: What the Data Say

If we think of the business world as a sky, the global indices are its altimeters - instruments that executives watch to gauge height, direction, and the onset of turbulence. In Q3 2025, those readings show the global economy still climbing, but the air is thinner, and the instruments flicker more often.

The J.P. Morgan / S&P Global Composite PMI - the most comprehensive measure of global activity across manufacturing and services - registered 52.4 in September 2025, marking a seventeenth consecutive month of expansion yet revealing slower momentum. Manufacturing, at 50.2, sits only fractionally above the neutral line, signalling technical growth but little vigour. Services, which powered the early

-2024 recovery, have flattened: the ISM U.S. Services PMI printed exactly 50.0, the Eurozone composite slipped to 48.7, and the UK’s readings lost altitude after mid-year optimism. Europe’s deceleration reflects familiar pressures - energy costs, wage inflation, and industrial fatigue - but also psychological fatigue: executives tired of operating in contingency mode.

At the national level, the story becomes more intricate. In the United States, the composite PMI eased to 53.9, signalling steady but slower private-sector expansion. France and Germany remain below 50 as industrial order books thin. The Deloitte UK CFO Survey (Q3 2025) mirrors this softer tone: nearly 80 per cent of finance leaders expect operating costs to rise over the next year, and competitiveness has re-emerged as their dominant risk concern. Yet Asia provides lift. India’s PMI has held above 60 for over a year; Japan’s large manufacturer sentiment in the Bank of Japan Tankan turned positive for the first time since 2023; and Southeast Asia continues to benefit from supply-chain realignment, with Thailand and Indonesia posting double-digit new-orders growth.

Composite tracking tools, including Bloomberg’s Global PMI Tracker, underline the uneven pattern: deep red contraction zones in parts of Europe, steady amber in North America, and bright green expansion stretching across India, the Gulf, and ASEAN markets. The world is still

moving forward, but no longer in formation; the engine runs, though not on all cylinders. Beyond output data, sentiment surveys and confidence indices provide the colour behind the numbers. The OECD Business Confidence Index remains marginally below its long-term average, a signal of cautious continuity rather than concern. The Conference Board CEO Confidence Index nudged up to 54 in Q3, suggesting that optimism outweighs pessimism by the slimmest margin. In North America, the Deloitte CFO Signals (Q2 2025) survey recorded risk appetite falling from 6.4 to 5.4 on its ten-point scale — a shift CFOs describe as “defensive readiness.”

Emerging sentiment tools such as the Worldcom Confidence Index, which tracks senior-executive mood across 40 countries, show the same polarity: growing confidence in Asia and the Middle East offset by hesitation in Europe and the Americas.

Taken together, these global and regional measures depict an economy that is still expanding but increasingly managed. Inflation is moderating, employment remains resilient, yet progress depends less on tailwinds and more on pilot skill.

The Contradiction Beneath the Calm

Beneath these steady readings lies a corporate psychology that is anything but settled. The data may show equilibrium, but the emotion beneath it is tension - the muscle strain of holding position in shifting air.

Every major survey reveals the same paradox. Executives are confident in their plans yet sceptical of the environment in which they must deliver them. They acknowledge recovery but behave as though it could vanish overnight. After a decade of shocks, fragility has been internalised.

That fragility now expresses itself less in language than in operating posture. Decision cycles have shortened. Investment committees

demand optionality. Scenario planning has become routine rather than exceptional. The instinct is to stay mobile – to move when conditions allow, to brake early when they do not. Strategy has become a live dashboard rather than a fixed course map, constantly recalibrated in response to new data and shifting risk. Three contradictions are at work:

Growth versus grind.

Revenues expand but margins narrow; productivity gains are pursued but costly. This is a cycle of endurance rather than exuberance - a phase in which effort replaces ease.

Belief versus commitment.

Boards articulate long-term optimism but defer capital expenditure. Confidence surveys rise even as investment slows. The corporate discipline of 2025 is optionality: maintaining the right to move without the obligation to act - the aerial equivalent of a holding pattern while waiting for visibility to improve.

Fragmentation versus dependence.

Asia rises, Europe flags, North America steadies - yet capital, supply chains, and policy shocks bind them together. The supply -chain rewiring that promised independence has, in practice, created new interdependencies.

These contradictions produce the sensation captured by the PMIs: movement without acceleration. The corporate world is gliding. Engines running, instruments live, hands steady on the controls.

Three patterns define the moment:

1. Expansion endures, efficiency governs.

Growth persists across most economies, but it is fuelled by productivity gains and cost discipline rather than demand surges.

2. Regional divergence is structural.

The two-speed pattern — Asia accelerating, Europe recalibrating, the U.S. steady — reflects deeper shifts in demographics, energy, and technology adoption.

3. Sentiment is synchronised in caution.

Across every index and survey, optimism narrows into vigilance. Executives still move forward, but with a lighter hand on the throttle.

The composite picture resembles a barometer under load: the needle still points upward, but the pressure is falling. It tells corporates and occupiers alike that flight remains possible — yet only for those who read their instruments closely and trim their course to match the crosswinds.

The Occupier Lens: What it Means for Corporate Real Estate

For corporate occupiers, these sentiments manifest physically. Real estate sits where confidence meets cost and uncertainty meets commitment.

Across markets, portfolios are being reshaped: secondary offices are being released, flagship hubs are being upgraded. Lease terms shorten; break clauses multiply; managed solutions proliferate. Flexibility has become the architecture of confidence. The “core-and-flex” model - once viewed as provisional - is now a mark of strategic maturity.

Inside the workplace, the question has evolved from how much space to what kind of space. Attendance is no longer the metric; value creation is. Offices are being reengineered for learning, mentoring, and creative exchange. In an age where AI automates routine tasks faster than skills can evolve, the office has become a classroom - a physical manifestation of organisational renewal.

At scale, resilience dominates planning. The disruptions of recent years have made redundancy respectable again. Organisations are developing distributed networks - dual hubs, mirrored logistics, regional service centres - creating systems that can flex without fracture. Efficiency is now measured in recoverability.

Real estate, long treated as a fixed cost, has become an instrument of motion - the gauge by which an organisation reads the weather and its own agility.

Reading the Crosswinds: Regional Notes

North America continues to fly in relatively stable air. The U.S. economy, though cooling, remains the world’s outperformer, supported by strong consumer demand and a resilient labour market. Yet boardrooms are careful. Energy transition costs, tariff

uncertainty, and political volatility ahead of midterm elections make many occupiers defensive. Rightsizing programmes persist, paired with selective reinvestment in technology-rich, energy-efficient assets that promise structural savings rather than cyclical relief.

Europe carries a more subdued tone. Confidence across Germany, France, and Italy has softened as industrial orders slow and energy pressures linger, while the UK’s post-election lift has settled into realism. Yet the mood is one of recalibration, not retreat. Occupiers are pursuing smaller, denser networks of high-quality space in talent-concentrated urban centres, trading breadth for coherence. Europe’s corporates are learning to exchange scale for control - embedding flexibility deep within their footprints.

Across the Asia-Pacific region, sentiment is higher. India’s momentum endures; Vietnam and Indonesia continue to attract manufacturing reinvestment; Japan’s cautious revival is sustained by export resilience. China remains mixed, but multinationals are repositioning toward inland or secondary cities where cost, supply, and regulatory visibility align. The prevailing instinct is to accept unevenness as a feature, not a flaw; to operate through variability, not despite it.

The Middle East and Africa display the most consistent confidence. Energy revenues, infrastructure investment, and diversification agendas have combined to create a dependable corridor for global corporates seeking continuity between Asia and Europe. Riyadh, Dubai, and Doha function as stabilising pivots - reliable mid-points in an otherwise changeable network. Yet their steadiness is all the more notable given the turbulence elsewhere in the region, where conflict and disruptions to trade routes continue to unsettle sentiment. In that context, the Gulf’s capacity to maintain economic visibility and logistical continuity stands out as a competitive advantage – a rare patch of clear air in a crowded and contested sky.

The global sentiment map resembles a patchwork of climates, each revealing a different stage of adaptation.

The variation across these regions is not fragmentation; it is design. Corporate occupiers are beginning to deliberately modularise their operations - building regional clusters of production, service, and decision-making that can flex independently when shocks occur. This distributed architecture allows one region to pause while another accelerates, turning geographic diversification into structural resilience.

Varied sentiment across continents doesn’t undermine that model - it validates it. The uneven readings seen in the global indices are precisely what make modular systems effective: when one region slows under policy or energy strain, another sustains the enterprise. The smartest occupiers are using this asymmetry to their advantage, configuring their portfolios as interlocking regional systems that absorb local pressure and keep the global organisation aloft when geopolitics shifts direction overnight.



The Outlook: Navigating 2026's Weather System

The forecast for 2026 is navigable but complex. The corporate horizon will be shaped by some notable, enduring forces, such as:

Sequencing:

Transformation now unfolds in phases, not leaps. Firms will prioritise modular investment - scalable technology, flexible leasing, phased workplace upgrades - to preserve adaptability (and capital) without paralysis.

AI and energy:

Artificial intelligence promises productivity but consumes power. Energy resilience will increasingly dictate where intelligent systems scale. The next generation of offices, labs, and data centres will be chosen as much for grid stability and kilowatt capacity as for labour or logistics.

Resilience as currency:

In volatile markets, adaptability commands a premium. Shorter lease cycles, re-configurable space, and buildings that maintain uptime through disruption will hold tangible financial value. Real estate strategy becomes operational insurance, not sunk cost.

These currents mean 2026 will reward precision. Successful businesses will treat sentiment not as signal noise but as instrumentation - adjusting altitude when conditions demand, conserving energy when headwinds build and accelerating only when the air clears.

A Subtle Turn Toward Balance

As we approach 2026, the corporate test is a balance between cost and capability, between consolidation and reinvention. For occupiers,

that means designing portfolios that serve both sides of the enterprise psyche: discipline and ambition.

The most successful firms will build estates that breathe – consolidating where efficiency dictates, expanding where talent or technology demands. Flexibility will cease to be defensive and become synonymous with control.

The broader realisation is that stability has ceased to be a resting state. It is now a performance – an ongoing act of calibration. The occupiers who internalise this truth will become the steady hands on the yoke, able to climb where others stall.

The Knight Frank View

“As we move into 2026, corporate sentiment feels less like a forecast and more like a flight plan - detailed, conditional, continuously updated. The world’s leading occupiers understand that turbulence is no longer temporary. Their advantage lies in response: in building portfolios, workplaces, and partnerships that adjust with minimal friction. Corporate real estate has never been closer to the centre of enterprise strategy. It is where financial discipline meets cultural intent – a platform for cost control, capability, and confidence. The challenge ahead is not to eliminate volatility, but to operate elegantly within it. Those who balance restraint and reinvention, flexibility and focus, will not merely weather the crosswinds. They will use them to turn instability into lift and sentiment into direction.”



Tim Armstrong

Global Head of Occupier Strategy and Solutions



OFFICE INSIGHT 8

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From Coffee to Cold Plunge

08



Jennifer Townsend

Partner, Occupier Research

In a workspace in Cologne, executives break up their spreadsheets with sauna sessions and ice baths. Valentyn’s, a member-only office hub, offers occupiers access to a wellness suite that includes breathwork classes, saunas, and cold plunges. It says that members have reported a 30% drop in sick days.

Once upon a time, a flashy lobby and free lattes sufficed to woo office occupiers. Now, the bar for high-end offices has risen to biohacking heights. Around the world, developers and corporate occupiers are increasingly incorporating the latest wellness amenities and design features into workplaces. Dedicated environments scientifically proven to boost employees’ health span, wellbeing and productivity, from circadian lighting to wellness suites, outdoor spaces and spa-like recovery zones.

Wellness as the new workplace must have

Several forces are driving this office makeover. First, employee expectations are changing. The wellness boom that has swept consumer culture, fueling a global wellness industry now worth over \$6 trillion [2], has also raised employees’ demands for healthier workplaces.

Younger generations in particular are prioritising wellbeing. By the mid-2030s, Millennials, Gen Z, and even Gen Alpha will make up the bulk of the workforce, and

they expect their workplaces to support their health and mental wellness. A survey by OneGroup found that over 70% of employees in these generations say they would leave their current employer for an organisation that emphasises their wellbeing.

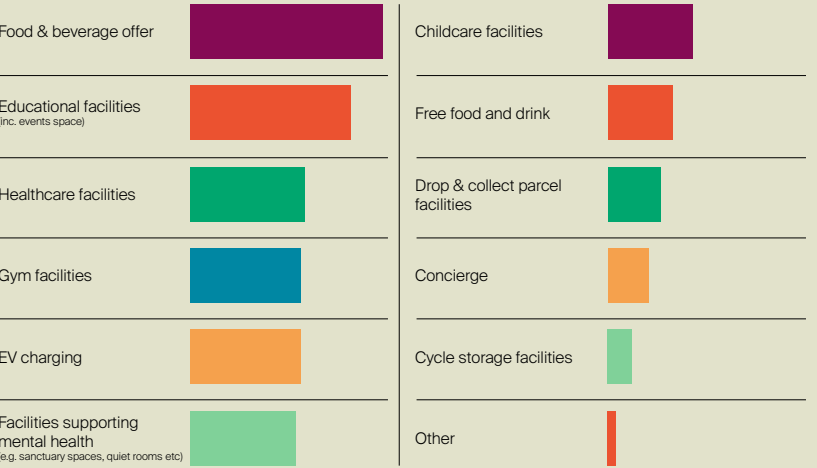
In parallel, the pandemic sharpened focus on health in indoor environments. Employers and employees came to recognise that factors such as air quality, lighting and spatial layout have a direct bearing on productivity and health. Since 2020, there has been a twelvefold increase in office space pursuing WELL Building Standard certification, which assesses features that “advance human health and wellbeing” [4]. The evidence base has strengthened too. One analysis by professors Joseph Allen and John Macomber (authors of Healthy Buildings) found that raising ventilation standards and reducing pollutants

were linked to employees taking fewer sick days, which, in a 40-person firm, translated into nearly a 2% increase in net income. Recent analysis from The International WELL Building Institute found that enhanced indoor environmental quality improves cognitive function by 61-101%, depending on the extent of improvement [5]. In the US and other countries, where many employers bear healthcare costs directly, this is especially salient. Promoting wellness on-site can save millions in insurance and absenteeism. Johnson & Johnson, for example, saved an estimated \$250 million over a decade by investing in employee wellness programmes, representing a \$2.71 return for every \$1 spent [6]. Little wonder that our survey of global real estate executives identifies wellness as the unifying theme shaping future amenity requirements.

Wellbeing At The Heart Of Amenity Needs

Three Phases of wellbeing and office amenity - physical wellbeing, psychological wellbeing, personal growth & development

Q: What services/amenities do you think your staff will demand from their buildings over the next 3-5 years?



Source: Knight Frank, 2025 | N=56. Results as a % of total respondents.

Biophilic oases in corporate landscapes

The Amazon Spheres in Seattle are glass domes that house over 40,000 plants and serve as work and rest spaces for Amazon staff. This striking biophilic environment exemplifies how major firms use nature and natural light to reduce stress and enhance creativity. Research backs it up. One study found a 20% boost in employee performance with ample natural light, while green spaces have been linked to lower stress hormones[7].

Other standouts include Medibank Place in Melbourne, which features vertical gardens, vegetable plots, and a rooftop terrace for meetings and mindfulness. In New York, The Spiral threads a continuous ribbon of planted terraces up its façade. London’s pipeline features Roots in the Sky, set to deliver a 1.4-acre rooftop urban forest, while Google’s forthcoming 11 -storey King’s Cross headquarters effectively turns its roof into a parkland with trees, meadows, lawns, courtyards, walking trails and a 200-metre running track. In Mexico City, BBVA’s headquarters introduces open-air sky gardens on every ninth floor, and in Singapore, Marina One centres two office towers around the Green Heart, a vast, multi-level tropical urban forest.

From circadian desks to cold plunges and soft colours

A cutting-edge cohort of companies is pushing workplace wellness into what once might have been considered the realm of luxury spas, sports science, and neuroscience. Circadian rhythm-aligned lighting is one popular innovation. Dynamic LED systems that adjust colour and intensity to mimic natural daylight patterns. The goal is to keep workers alert during the day and primed for good sleep at night. Trials suggest circadian-lit offices can meaningfully boost mood and productivity, with one analysis tying human-centric lighting to a 12% productivity uptick [8]. GSK’s London HQ exemplifies this, using circadian lighting and biophilic

soundscapes, it has reported a 5-6% Improvement in decision making and a 7% increase in working memory, amongst other benefits [9]. In the US, J. P. Morgan’s new 270 Park Avenue tower features an interior lighting system engineered to replicate workers’ circadian rhythms, automatically adjusting brightness and even shifting colour throughout the day. By aligning light cues with employees’ natural cycles, the bank aims to boost daytime alertness and energy, while supporting better sleep and overall health after work.

Another emerging feature is the wellness room, a versatile sanctuary within the office that shifts with the day’s rhythm. At dawn, it can host yoga; at lunchtime, it becomes a quiet space for meditation or prayer; and in the afternoon, it supports short, restorative naps. These rooms typically use soft lighting and colour palettes, natural materials, greenery and gentle aromatherapy to create a calm refuge in the middle of a demanding workday. In some workplaces, selected areas are explicitly kept free of digital devices. At Salesforce Tower in San Francisco, mindfulness rooms appear on almost every occupied floor. They are intentionally tech-free and quiet, designed for meditation, reading, and reset, and sit within a broader cultural focus on mindfulness and inclusion.

Some offices go further, installing high-tech recovery and longevity gear, including infrared saunas, cryotherapy chambers, hyperbaric oxygen pods, and IV infusion clinics. At 525 Market Street in San Francisco, the retrofitted ‘Cove’ includes cryo-chairs, a gym, an infrared sauna, a pilates studio, and concierge-run wellbeing events, all framed as part of an amenity-rich ecosystem designed to get people excited about coming into the office [10].

At a more subtle level, occupiers and developers are tapping into colour psychology, designing spaces with softer colour palettes and more homely features. The connection between colour and cognition is backed by research. Calm tones like blue and green

have been shown to improve focus and reduce mental fatigue. Soft, earthy tones help regulate emotions and restore mental clarity.

Adding a sense of purpose, connection and addressing everyday stressors

Poor health has roots that go far beyond diet and exercise. A clear sense of purpose and strong human connections are central to mental fitness. A recent Talking Point examined today’s workplace, where many employees are experiencing FOBO, the fear of becoming obsolete, particularly as AI reshapes roles. Globally, about one in five employees reports feeling lonely [11]. In response, firms are prioritising learning spaces that equip staff with the skills needed for the AI era, while also strengthening employees’ sense of purpose. In the UK headquarters in Birmingham, HSBC has integrated its “HSBC UK University” into the workplace itself. Two floors are dedicated to training and development, including a 110-seat lecture auditorium, conference facilities, and flexible team-building areas. Other schemes, such as the upcoming mixed-use Round development in London, are creating spaces and events for connection and community.

Firms are also tackling everyday stressors, from workplace issues like unreliable technology, overcrowding, and a lack of task-appropriate areas to life pressures such as juggling childcare with work. Responses include on-site childcare, digital infrastructure upgrades, parcel drop-off and collection points, and proximity to convenience stores.

A new equilibrium

The infusion of cutting-edge wellness into office life represents a remarkable broadening of what we expect from our workplaces. The corporate office of the 20th century was hard on the human body - all smoky air and bad backs. The emerging “office of the future” aims

to invert that, becoming a place that actively improves your well-being throughout the day.

Naturally, a dose of cynicism is warranted. Some of these wellness perks border on gimmickry, and not every firm can afford a biohacking spa in the boardroom. But the direction of travel is unmistakable. From Manhattan to Melbourne, the world’s top offices are incorporating design cues from health resorts and following the science on what really maximises human health, happiness and productivity. The trend also hints at a subtle but profound shift in the employer-employee social contract. Rather than simply trading a salary for output, companies are increasingly expected to provide an environment that enriches the employee’s life.

If it all sounds a bit utopian, the market metrics suggest otherwise. Wellness real estate is booming (growing at nearly 16% annually), and corporate spending on wellness is projected to reach \$120+ billion in the next few years [12]. And for companies that get it right, the return is tangible: healthier, happier staff, stronger engagement, fewer sick days, and in many cases, a stronger bottom line.

Today’s high-end workplaces come with outdoor space, circadian lighting, and wellness-led amenities. And tomorrow’s? The workplace could understand your individual needs and adapt in real time to keep you within an optimal health and performance zone. Smart offices will be deeply informed by data, drawing on sensors, wearables, and biometric scanners to make predictive, real-time adjustments. This could be at the individual workstation level or within different micro-zones. It could also extend to the fixtures and fittings. For instance, the British Council for Offices has explored embedding sensors directly into furniture, enabling it to interact with the wearer’s physiology. Imagine a sit-stand desk that detects when you have been sedentary for too long or senses strain in your posture, then automatically rises or adjusts to prompt gentle movement. Expect

to see more pilots pushing the envelope.

Taking this even further, and obviously requiring individuals’ consent, smart mirrors in bathrooms could nudge users with personalised health suggestions. At the same time, biometric eye scanners at entry points might flag early signs of fatigue or illness. Dedicated longevity and performance clinics, integrated into larger office campuses, could provide preventive screenings and

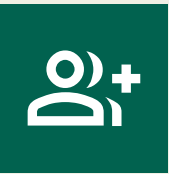
treatments just down the corridor.

For occupiers, this wealth of biometric data is transformative. It provides real-time, objective evidence of how people experience space. This creates a powerful feedback loop: environments can be tested, adapted, and validated for their true impact on human wellbeing.

The office of today, in sum, is evolving into a place not just to work, but to work on oneself.

New KPIs for the wellness age

Measuring whether the office is delivering its intended return on investment in terms of employee wellbeing and productivity will demand the adoption of a broader, and in some cases entirely new, set of KPIs, including:



Employee output

Example Metrics

Increase in number of hours worked/total revenue or profit, increase in total revenue or profit/FTE, increase in percentage of employees achieving targets.



Presenteeism

Example Metrics

Occupancy rates.



Absenteeism

Example Metrics

Number of days of absenteeism due to illness and percentage of long-term vs short-term absences.



Attraction

Example Metrics

Employer Net Promoter Score, percentage increase in job applications.



Satisfaction

Example Metrics

Regular employee surveys capturing employee satisfaction scores.

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OFFICE INSIGHT 9

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Rewired Asia: Hong Kong, Ho Chi Minh City and the New Corporate Map

09



Dr. Lee Elliott

Head Of Global
Occupier Research
Knight Frank

I've just spent two amazing weeks travelling across Hong Kong and Ho Chi Minh City – two places often mentioned in the same breath in discussions about Asia's economic trajectory, but rarely understood in terms of how they work together. A walk through Central's corridors of private capital and then through District 9's new logistics hubs in HCMC reveals that both cities are quietly – and profoundly – reshaping their roles within a changing world order. What they offer isn't dichotomous, but complementary: one is orchestrating capital and confidence; the other is building capability and production scale.

From a corporate real estate perspective, this pairing offers both opportunity and instruction. In an age where supply chains are becoming geographic networks – and capital flows are being strategically recast - the ability to combine functions across distinct markets is emerging as the pivotal differentiator. This is not the story of successor cities and sunset cities. It's about how Hong Kong and Ho Chi Minh City, together, are defining the new choreography of global value.

My five key takeaways from this extraordinary trip are:

1. Hong Kong's role has narrowed but deepened.

It is now a highly specialised centre focused on capital orchestration, Chinese wealth flows, regulated finance, and high-trust digital infrastructure – with premium Grade A assets and strategic occupiers driving recovery.

2. Ho Chi Minh City has moved beyond 'workshop' status.

It is now a regional manufacturing and logistics super-node, with rising office demand from engineering and supply-chain functions, and a capital markets upgrade that puts it on the emerging markets map.

3. The office and industrial markets in both cities are diverging internally.

Prime space in Hong Kong is benefiting from flight-to-quality, while decentralised stock suffers. Industrial parks in HCMC are nearly full, while new office supply needs to align with industrial clustering to sustain absorption.

4. CRE strategy must now follow role, not geography.

Occupiers who treat Hong Kong and HCMC as complementary nodes – rather than either/or bets – will better navigate tariffs, regulations, talent pipelines, and capital positioning.

5. The window for advantage is open but narrowing.

Both markets offer tenant leverage, but only for those who can move now: Hong Kong before valuations harden, and HCMC before capacity narrows and costs realign.





Hong Kong: From ‘Global Financial Centre’ to Strategic Interface

Hong Kong is a city caught between perceptions. To some, its political evolution and pandemic impact have broken the core ingredients of its success. To others – particularly those running regional businesses, managing Chinese wealth, or structuring complex financial flows – Hong Kong remains not only relevant but vital for a very specific set of reasons.

Capital's Conduit is becoming a Trust Machine.

A record HK\$99bn in insurance policies were purchased in Hong Kong by mainland Chinese customers in the first half of 2025. That headline, reported by the Financial Times, tells a bigger story. Wealth isn't fleeing China – it's being realigned, wrapped in US\$-HK\$ assets, and placed in structures that still rely on Hong Kong for legal, regulatory, and market integrity. That's why private banks and asset managers are refitting their Hong Kong offices today – not for headcount growth, but for capital architecture and trusted client interface.

At the same time, the ganglion of global finance is twitching again. After years of retrenchment, banks like Deutsche Bank, JPMorgan Chase, and Standard Chartered have begun rebuilding their Hong Kong teams, driven by rising deal activity, the resurgence of cross-border listings, and a shift toward regulated offshore capital restoration. And while some IPO flows have been lost to New York or Shanghai, Hong Kong has adapted its listing framework to attract new

capital sources – from loss-making biotech firms to China's consumer-tech and AI startups.

This is the microclimate that is now beginning to stabilise Hong Kong's office market. Knight Frank's latest market insights show Grade A vacancy falling modestly to 14.5% in Q3 2025, with several of the city's landmark towers recording positive absorption for the first time since 2019. The big deals are concentrated in prime core assets – not in volume, but in symbolic quality.

The recent multi-floor lease signed by Jane Street for over 220,000 sq ft in Hong Kong's Central district – at over HK\$30m per month – is both a headline and a signpost. It signals that high-trust ecosystems still command a premium in a world where economies are becoming less open, and data connectivity – not just physical occupancy – drives locational decisions.

A market splitting, recovering and retooling

The bifurcation is clear. Premium Grade A buildings in Central, Admiralty and Quarry Bay are stabilising and, in some cases, returning to rental growth. Older, secondary, and decentralised stock is still faltering. Vacancy rates in some of these buildings remain over 20%, and landlords with highly leveraged assets are under pressure as financing costs rise. HSBC's recent warning that 73% of its HK\$32bn commercial property loan book is 'higher risk' or impaired, illustrates what is happening in the shadows of the recovery: a structural passing of the baton from weak assets to resilient ones.

For occupiers, this presents an unusually rare moment – the ability to secure flagship space in a global finance hub with strong incentive alignment from landlords. The strategies are not about square footage, but strategic alignment :

- Consolidating legacy floors into higher spec, technology-enabled suites.
- Equipping new space to host confidential client interactions, regulatory reviews, and secure data applications.
- Structuring flexible lease profiles that allow for hybrid teams, nearshored functions, and internal global mobility.

Hong Kong's industrial and logistics story is equally revealing. Traditional port throughput has stabilised, not rebounded. What has grown instead is the specialised market: metals warehousing associated with global commodities trading; crypto-related custody and storage spaces; resilience infrastructure for data and trading operations; and energy-efficient data centres supporting hybrid finance and AI-linked activity. These assets operate on the economic fringe, but the occupancy logic is central: secure, rule-based, tightly regulated, high-trust capacity. A market splitting, recovering and retooling.

The Knight Frank View

“Hong Kong is sharpening its role as a high-trust hub for capital and global finance. The best opportunities today lie in premium Grade A buildings, where occupiers can upgrade strategically and align space with future business priorities. This is a decisive moment for those ready to act.”



Wendy Lau

Executive Director,
Head of Hong Kong
Office Strategy and
Solutions



Ho Chi Minh City: From Factory Floor to Enterprise Ecosystem

The first thing you notice in HCMC is energy – not metaphorically, but literally, in the sense of a city whose power lines, mobile towers, and urban edges are straining to keep up. The second thing you notice is intentionality: HCMC is not stumbling into a post-China role; it is engineering one.

Factory logic has become industrial strategy.

Vietnam's trade surplus with the United States reached US\$125bn last year – an extraordinary figure for a country that was once peripheral to global manufacturing flows. But that success now comes with exposed risks. Proposed US tariffs of up to 40% on certain Vietnamese exports have triggered a new wave of geopolitical anxiety. The Financial Times warned that Vietnam could become 'the trade war's biggest loser' if it fails to diversify both its output and its destination markets. Vietnam knows this – and is now acting accordingly.

What has changed is not just the volume of industrial activity, but also its nature. The ready-built factories and logistics hubs being developed around Binh Duong, Long An and Dong Nai are not generic; they are fully integrated, ESG-oriented, and increasingly capable of hosting advanced manufacturing. For example, next-generation factories are now including rooftop solar, battery-backed grids, worker dormitories, cold storage, robotics, and connectivity mapping built into their specifications.

Knight Frank's Vietnam Research has highlighted that industrial real estate remains the 'shining light' of Vietnam's property market for 2025 and beyond. Registered FDI in manufacturing and industrial parks in the first half of 2025 reached US\$21.5bn, up over 32% year-on-year. In HCMC alone, the total industrial land inventory across the Southern Economic Region is over 34,000 hectares, with occupancy in established parks still above 85%.

These are prevailing rather than typhoon winds. The post-China value chain is now structurally rooted in Vietnam.

The rise of the multi-asset occupier

The more interesting evolution is the emergence of industrial-plus-office occupiers. Multinationals that built factories in Vietnam in the 2010s are now placing engineering teams, design roles, procurement units, finance management, and even regional leadership in HCMC office space – often in proximity to the industrial nodes themselves. HCMC's CBD is seeing a pattern of leasing activity driven not by banks or insurers, but by logistics firms, IT services, and supply-chain control towers of manufacturing-based organisations. The city's office market absorbed over 100,000 sq m in 2024 and is forecast to absorb around 50,000 sq m in 2025 – still significant, given the surge in new supply. Office specification is improving. Developers are designing hybrid environments – with flexibility, ESG compliance, and a clear pitch to occupiers who want to manage workforce development, not just real estate cost. The emerging talent story is critical here: bilingual management

teams, engineering graduates from local universities, and returning overseas Vietnamese professionals are enabling companies to run head-office functions in HCMC rather than simply supporting factories.

Capital markets: from frontier to emerging status

The most underappreciated change is happening in Vietnam's financial infrastructure. FTSE Russell's decision to upgrade Vietnam to 'secondary emerging market' status – pending confirmation in 2026 – is a breakthrough. This unlocks future index-linked flows, widens market access, supports more transparent trading regimes, and signals a shift in how global capital views Vietnam – no longer just as a production hub, but as a market with its own financial architecture.

For corporate real estate leaders, the consequence is straightforward: longer-term capital investment in physical infrastructure is rationalised once confidence in financial infrastructure is established. The upgrade is a credibility moment. It reinforces that industrial and office commitments in HCMC - whether owned or leased - are now supported by policy intent and market trajectory.

The Knight Frank View

“Ho Chi Minh City is emerging as a full-service ecosystem for global occupiers – not just a manufacturing base. It's industrial, and office markets are evolving in parallel, offering scalable, future-ready platforms for companies rethinking their Asia strategy.”



Alex Crane

Managing Director,
Knight Frank
Vietnam

**Corporate Real Estate
Strategy: It's About the
System, Not the Site**

In a world where fragmentation is accelerating, the smartest occupiers are not doubling down on any one location; they are designing regional portfolios with complementary roles. Hong Kong and Ho Chi Minh City are textbook examples: Hong Kong for capital, risk, connectivity and regulation; HCMC for production, logistics and rising talent pools.

The best CRE strategies will be portfolio strategies, not pipeline strategies. Instead of asking 'Where do we go next?', they ask 'What role does this city play in the system?' The answer for these two markets looks something like this:

Hong Kong:

Anchor legal, financial, data and governance functions; establish interface for capital and risk; enable client and investor confidence through best-grade workplace environments in prime districts; build core+flex models.

HCMC:

Secure scalable industrial land and logistics stock; co-locate engineering, procurement, service and R&D functions; leveraging emerging office markets for integrated talent; match industrial infrastructure to ESG demands and supply-chain audits; prepare for capital market evolution.

When knit together, these roles create durability and resilience: tariff-proof value chains, capital-secure operating models, human capital proximity, and market access on both sides of the China+1 equation.

As ever, the medium-term advantage lies with those who act before the rest of the market catches up.



The Last Word

The Operating System for an Uncertain World

If the papers in this Anthology share a quiet conclusion, it is this: the office debate has moved on from presence. Who comes in, how often, and under what mandate is no longer the central question. What matters now is what the office is being used to do in an environment that refuses to stabilise.

These papers were first written in the second half of 2025. Since then, some details have dated - deals completed, policies adjusted, markets repriced. But the operating conditions behind them have hardened. Capital discipline has tightened, geopolitical exposure has widened, regulation has become more fragmented, and technological change has continued to compress skill cycles and decision timeframes. In that sense, the argument here is less about timing than trajectory. The direction of travel remains intact.

What emerges most clearly is that

the office has shifted category. It is no longer primarily a symbol of stability, nor simply a container for culture. It is becoming part of the enterprise's operating system - one of the mechanisms through which organisations impose coherence when the external environment will not provide it.

That shift has consequences. The office is no longer competing with home working alone. It is competing with every other call on capital and leadership attention: AI investment, energy resilience, supply chain redesign, talent scarcity, and reputational risk. In that context, space must justify itself through outcomes, not habit. What gets funded is not nostalgia for presence, but performance under constraint.

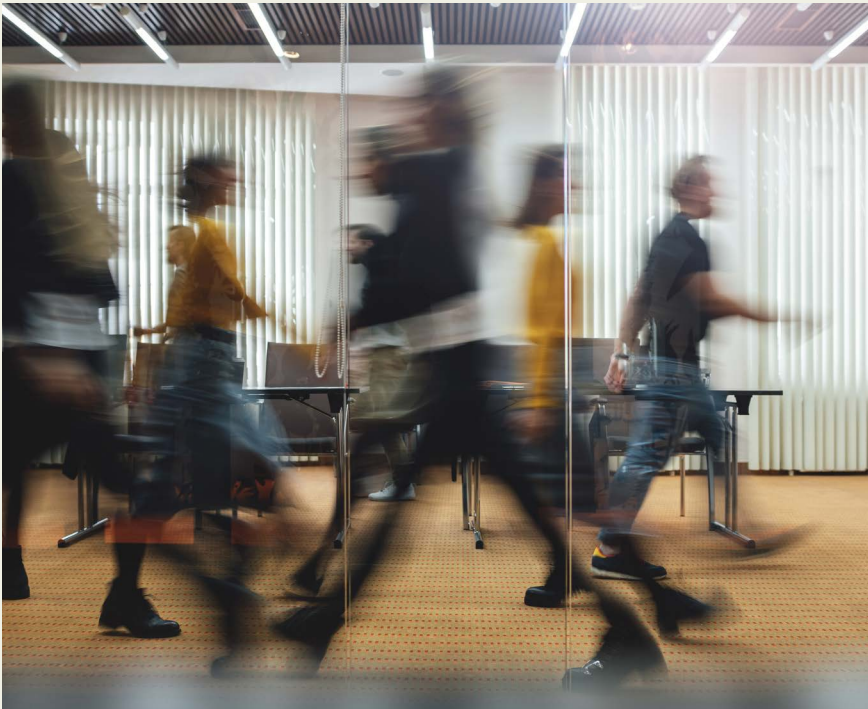
This is why intent matters - but intent is not a slogan. It shows up in uncomfortable decisions: where to consolidate, invest, relocate, or exit. Across the collection,

organisations are becoming more comfortable with asymmetry - expanding in one geography while rationalising in another; hardening expectations in some functions while preserving flexibility elsewhere; committing for the long term in selected markets while demanding optionality in others. Coherence is no longer achieved through uniformity. It is achieved through design.

Design, however, brings accountability. As capital becomes more selective, tolerance for "nice to have" erodes. The workplace brief becomes more demanding, not softer. Offices are expected to reduce friction, accelerate learning, support collaboration that genuinely benefits from co presence, and enable decisions to move faster than the environment around them. This is where a risk runs through several of the papers: flash without function. Amenities and experience can enhance value, but they cannot substitute for it.

The same applies to wellbeing. Its rise as a strategic consideration is real and important — but it shifts the burden of proof. Once wellbeing is framed as an investment rather than a benefit, evidence matters. Outcomes, retention, capability building, productivity proxies, energy performance, and operational efficiency increasingly sit alongside experience in the investment case. In the next phase, experience will still count - but evidence will count more.

These demands bring the corporate real estate function into sharper focus. A hard truth running through this Anthology is that CRE can no longer operate downstream of strategy. When volatility is structural and margins for error narrow, relevance depends on the ability to translate uncertainty into



options, turn data into decisions, and link space directly to enterprise outcomes. Stewardship is no longer enough.

FOBO sharpens the stakes further. The dominant fear is not missing out, but becoming obsolete - as AI reshapes roles, skill cycles shorten, and organisational structures flatten. In that context, the office's renewed value lies less in convening than in transmission: learning, mentoring, judgment building and cultural continuity. If organisations treat the office as a scheduling problem, they risk under investing in what it is increasingly for - capability renewal under pressure.

At the portfolio level, this logic becomes systemic. In a geopolitically fractured world, resilience is no longer delivered by scale or prestige. It is delivered by networks - complementary locations with distinct roles, designed to absorb shocks and preserve optionality. The most effective portfolios will not be monuments. They will be systems.

So the last word is not a conclusion, but a challenge:

- If the office is an operating system, what outcomes is it engineered to produce?
- If presence is a choice, what purpose does each day serve?
- If capital is cautious, what evidence proves space is earning it?
- If volatility is the norm, what options exist before they are needed?

The coming cycle will not forgive ambiguity. Organisations that treat the office as legacy will carry it as a cost. Those who treat it as infrastructure - for learning, alignment, and execution - will use it to their advantage.

The office has not disappeared.

Nor has it returned unchanged.

It has become one of the ways organisations seek coherence - and relevance - in a world that no longer settles down.

And that, increasingly, is the point.



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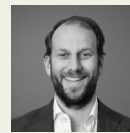
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