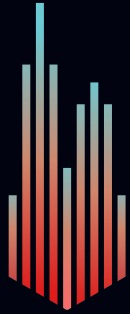


# Global Real Estate Trends: the changing shape of offices and urban space

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 **ASPIRE**  
**LEADERS  
SUMMIT**  
**2023**

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Capita Poland & Bulgaria



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Session in partnership with





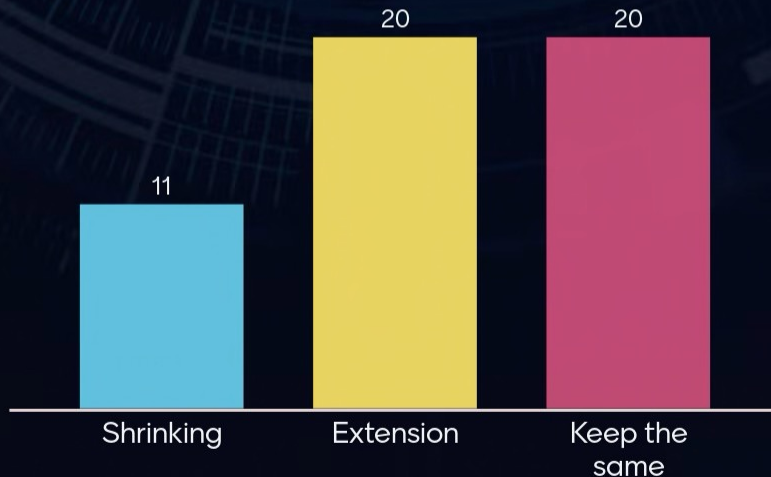
**GLOBAL TRENDS.**

**OFFICES CLOSER TO PEOPLE**

– although far for some

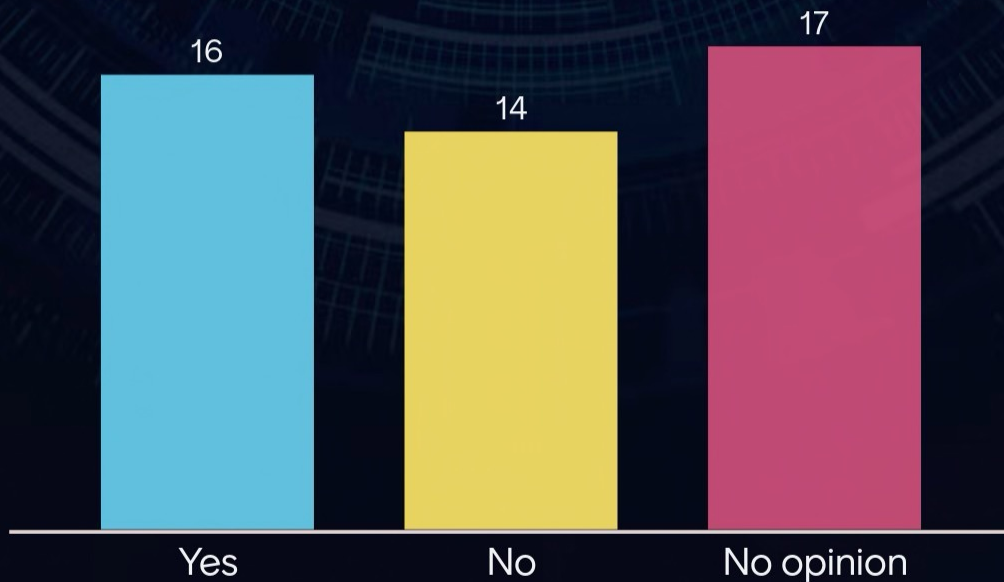


Your 3 years plan includes: shrinking, extension or keep the same office space/amount of locations globally?





# Do you like your signage on the roof?



# CHEAPER LOCATIONS *globally.*

**GLOBALLY, JOBS ARE MOVING FROM BIG CITIES TO SMALLER AND CHEAPER LOCATIONS**

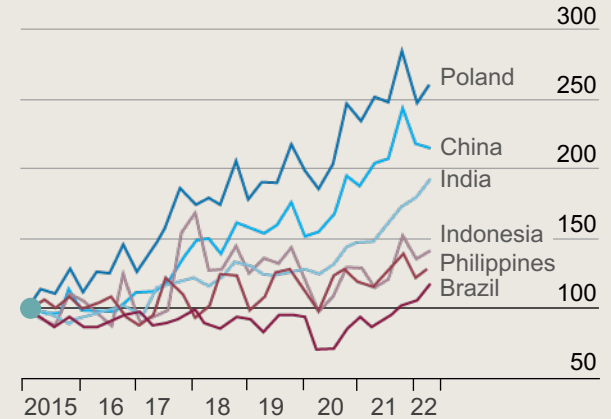


**COMPANIES DELEGATE MORE WORK TO CHEAPER LOCATIONS ABROAD**

**EXPORT OF SERVICES TO SIX LARGE EMERGING MARKETS HAVE BEEN GROWING FASTER SINCE THE PANDEMIC.**

## ► THE GREAT VIRTUAL MIGRATION

Exports of other\* commercial services  
Q1 2015 = 100



Source: WTO \*Services not related to transport, travel or goods

The Economist

# 7 STRATEGIES *for office space.*



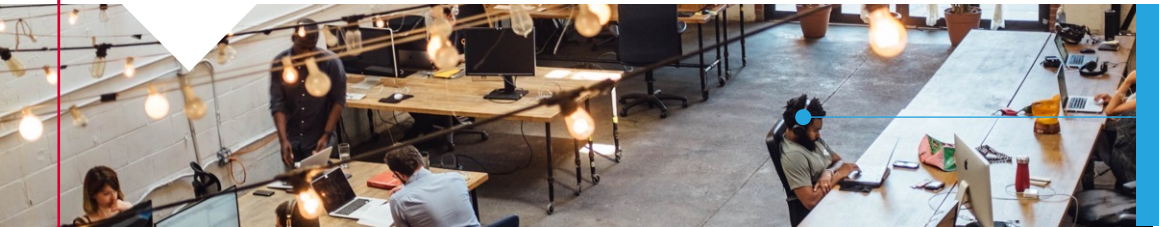
## HUB&SPOKE MODEL / MULTILLOCATION

Satellite office, serviced office/coworking



## REARRANGEMENT OF OFFICE SPACE

Workplace solutions as changes in the functionality of the office/arrangement thanks to the introduction of flexible solutions.



## A MIXED APPROACH TO OFFICE SPACE

- combining an office with a coworking space.





# (Y)OURSPACE

MANAGING COMPLEXITY



(Y)OUR SPACE is Knight Frank | Cresa's flagship thought leadership research bringing you data-led insights about the future direction of travel in corporate real estate. The (Y)OUR SPACE survey, which includes the voices of 640 corporate real estate professionals globally, highlights the increasing complexity of the business environment and the critical role of real estate in shaping business strategies and supporting business transformation agendas over the next three years.

The following summary highlights the global trends we're seeing in corporate real estate, focusing on 357 of the responses with a global or regional remit.



# REAL ESTATE CONTINUES

*to be strategically important.*



Edition 1 2018

# 86%

- Talent attraction & retention
- Corporate brand & image
- Cost management & mitigation
- Increased collaboration
- Employee wellbeing

Edition 2 2020

# 90%

- Corporate brand & image
- Cost management & mitigation
- Employee wellbeing
- Talent attraction & retention
- Increased collaboration

Edition 3 2023

# 94%

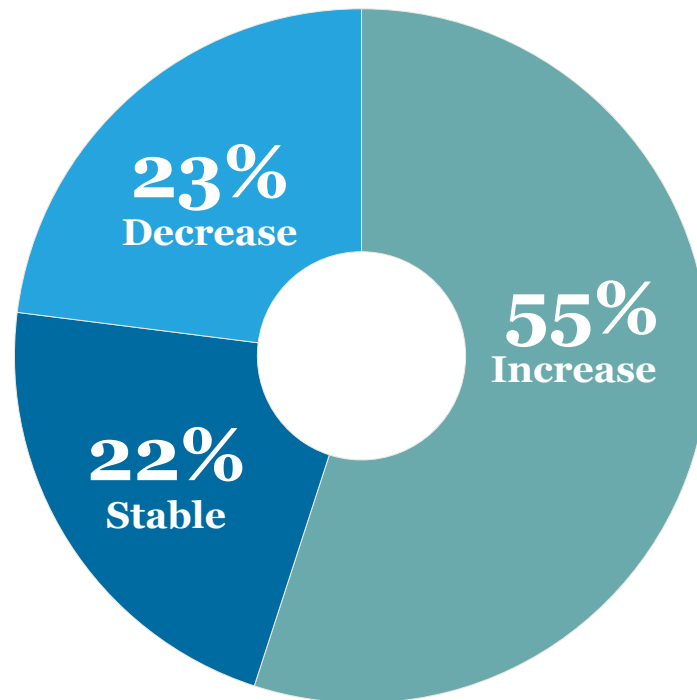
- Talent attraction & retention
- Increased collaboration
- Cost management & mitigation
- Corporate brand & image
- Employee wellbeing

# FUTURE PORTFOLIO *dynamics.*

## Q

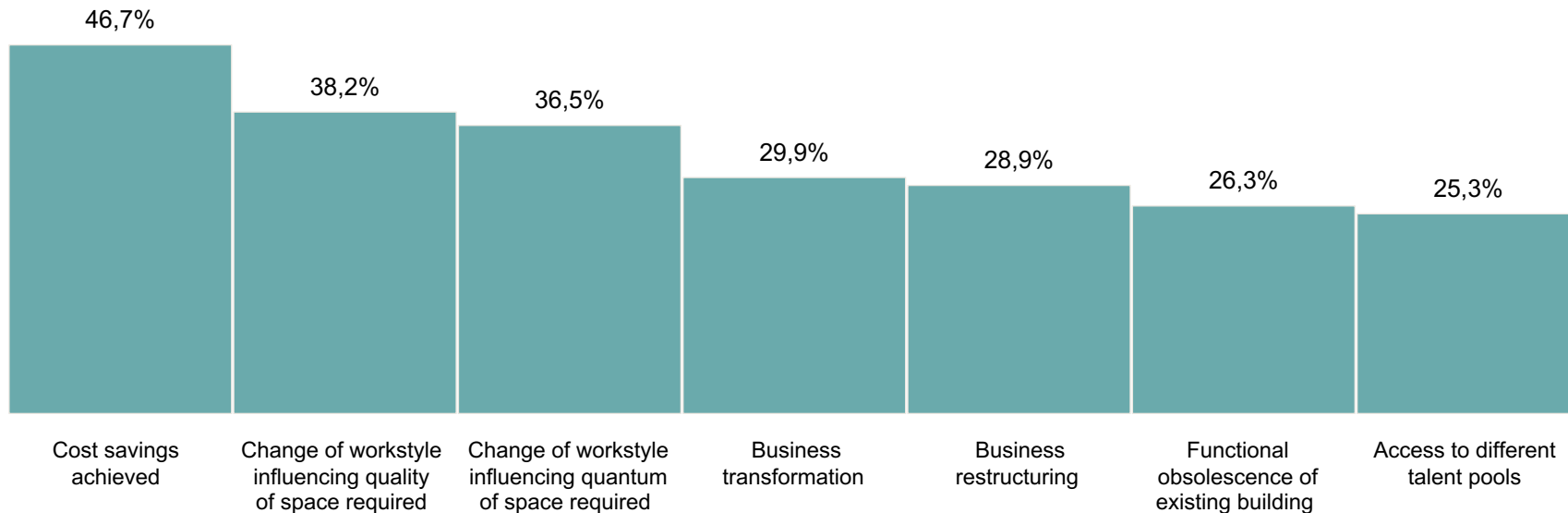
What is the magnitude of change in total floorspace across your portfolio over the next 3 years?

Decrease by 20% or more	<b>5.8%</b>
Decrease by 10-20%	<b>9.2%</b>
Decrease by 1-10%	<b>8.1%</b>
Stable	<b>22.1%</b>
Increase by 1-10%	<b>12.8%</b>
Increase by 10-20%	<b>20.4%</b>
Increase by 20% or more	<b>21.2%</b>



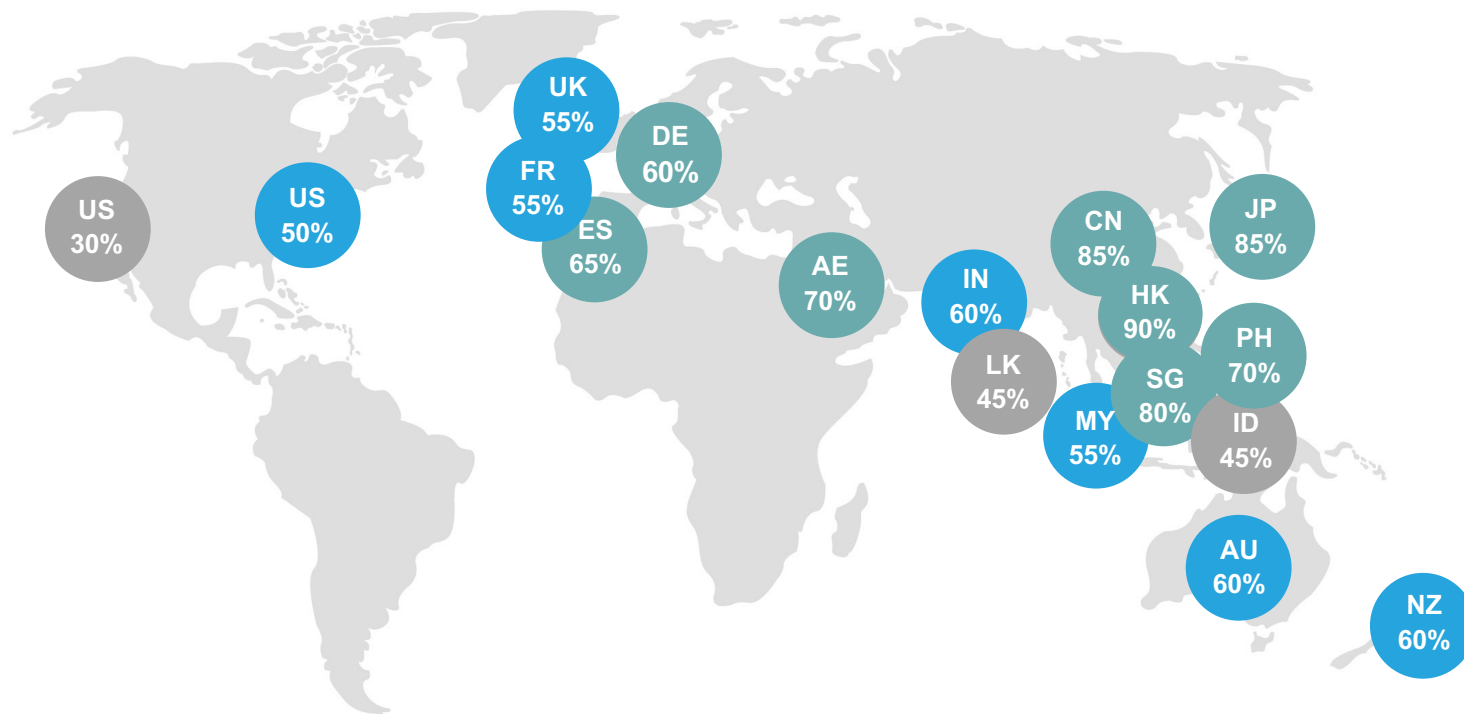
## Q

What will be the key drivers of this relocation activity? (select all that apply)



# GLOBAL OFFICE OCCUPANCY RATES

*- a mixed picture.*



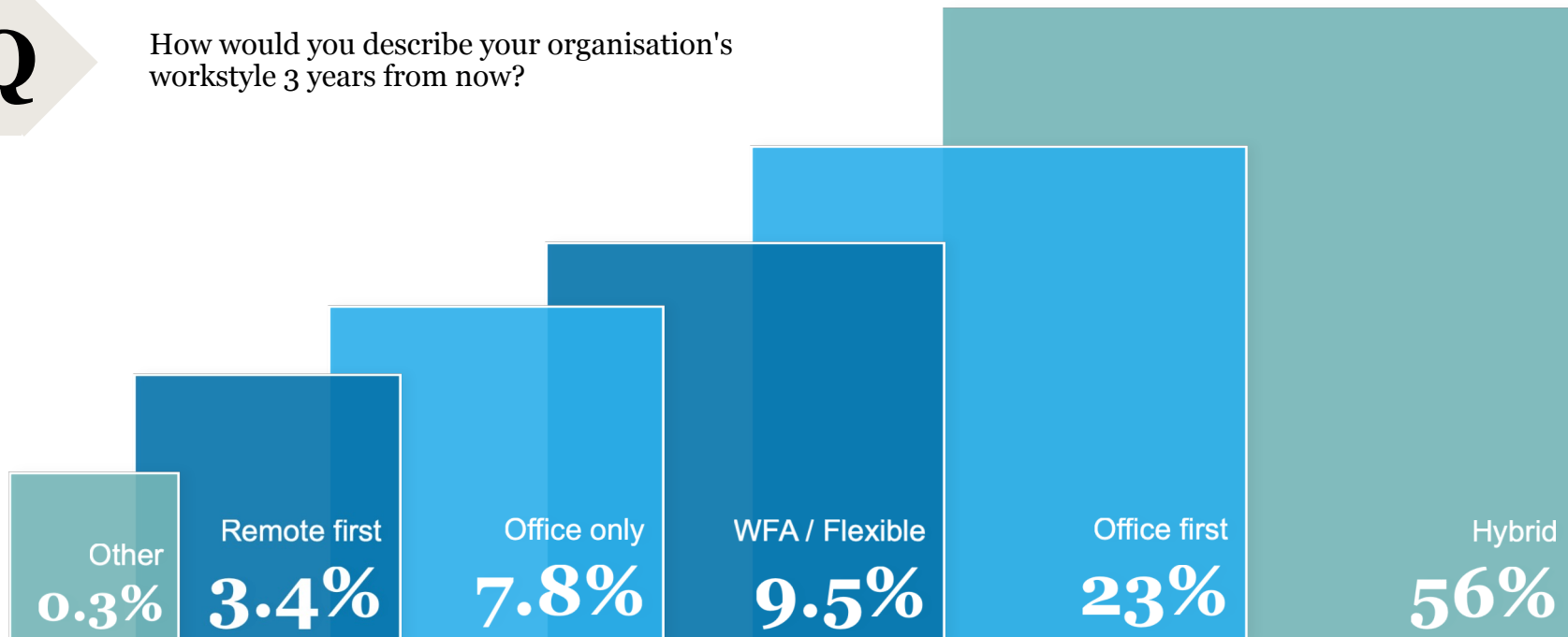


# FUTURE WORKPLACE *dynamics.*

More complex workstyles, but more office-centric

Q

How would you describe your organisation's workstyle 3 years from now?



# BUT THE MOOD MUSIC *is changing.*



Meta



CommonwealthBank

Google

Flexible but with required office presence

HCLTech



IBM

amazon

Stipulating 3 days a week



BNY MELLON



AT&T

J.P.Morgan



BlackRock



Skadden

Weil

Stipulating 4 days a week+

# A TOUGHER TONE AROUND *RTO emerging.*



Allowing managers to terminate employment of those failing to adhere to 3 day a week attendance



Amid 6% reduction of global workforce, also strengthening RTO policy effective 1<sup>st</sup> January 2024



Requires three days a week and everyone to be present every Monday. Linked RTO to capturing market share



3 days a week stipulation, seeking to raise compliance from 1 in 4 to 3 in 4 by end of October – creating dedicated on-site support teams



Hybrid proving difficult to implement - 'Assigned desks means lots of empty chairs. Hotel desks means lots of unfamiliar faces'



Moving to 4 days per week from 1<sup>st</sup> January 2024 citing the power and energy of working together in person

# A TOUGHER TONE AROUND *RTO emerging.*



Rolling back Q1 2023 hybrid policy, staff required in office on Tuesday, Wednesday & Thursday, citing poor virtual workplace experience



Ends hybrid, requiring all employees to return to office from 1<sup>st</sup> October



Pressure to cut costs & improve profitability leading to exec RTO and all staff in November, citing speed in delivery and response to business demands

**8/10**

executives

regret their RTO office plans and would have done differently if they had better workplace data, according to Envoy and Hanover Research

**64%**

of global CEOs

believe their staff will be back working in the office five days a week within the next 3 years according to KMPGs Annual CEO Outlook Survey, and

**90%**

of those CEOs suggest that would link pay, bonuses and promotions to coming into the office more regularly



# OFFICE MARKET *in Cracow.*

Q3 2023

1.78m sq m

Existing stock

18.7%

Vacancy rate

55,100 sq m

Supply under construction

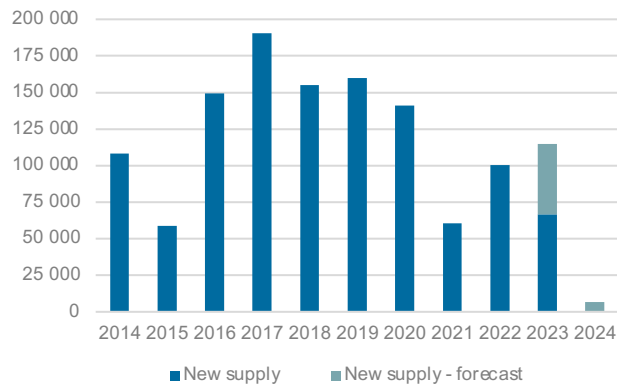
121,100 sq m

Take-up (Q1-Q3)

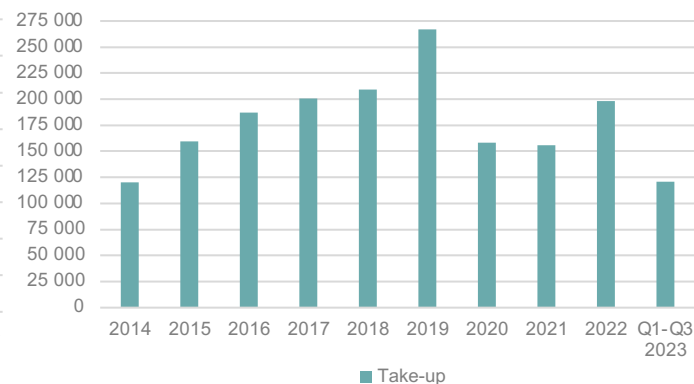
66,600 sq m

New supply (Q1-Q3)

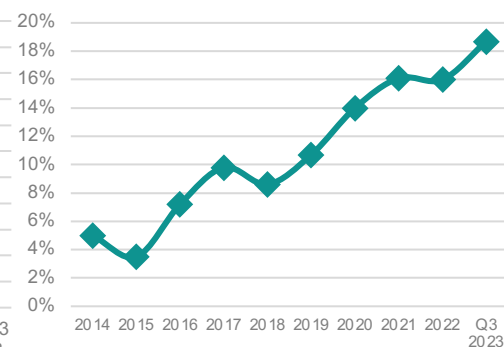
► NEW SUPPLY (sq m)



► TAKE-UP (sq m)



► VACANCY RATE (Q3 2023)



**THANK** *you.*



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