TED MOUDIS ASSOCIATES

2017 Workplace Report

TMA BY THE NUMBERS

TMA

This Workplace Report began in 2016 as a means to build upon an internal database of metrics and provide industry benchmarking by utilizing the abundance of data from the workspaces TMA designs.

We are excited to share with you these evolving numbers as we strive to discover patterns, provide guidance of shifting industry trends, help our clients make educated real estate decisions, and influence future workplaces.

The following 2017 report recaps the changes we have seen over the past calendar year. This is our opportunity to share with you a snapshot in time of what we have provided for our clients as well as make predictions for 2018.

The Big Picture

What's Changed from 2016 to 2017?

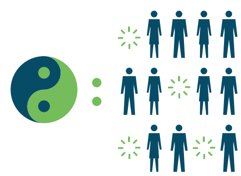
Ted Moudis Associates prides itself on our diversified portfolio of clients and our ability to design boutique environments tailor-made to the end users they support. It is no surprise to us that we have seen a shift in space allocations and an increase in amenity seats. Our clients are asking us to reimagine a workplace to support their current and future needs. In doing so, we realize that a flexible design approach is key, and that creating a kit of parts with work, amenity, and support spaces, serves our clients well. We are designing for the future by giving our clients the opportunity to grow into their space as they need.

USF per seat

The average usable square feet (USF) per seat across all industries has significantly increased from 142 to 165.

Alternative seats

The number of alternative seats has increased and now surpasses work seats provided. This contributes to the overall increase in USF per seat.



Wellness

Today more than ever clients are providing various types of wellness spaces for their employees.

Activity based working

There is a six percent increase in employees who participate in activity based working.

Significant Changes, by Industry

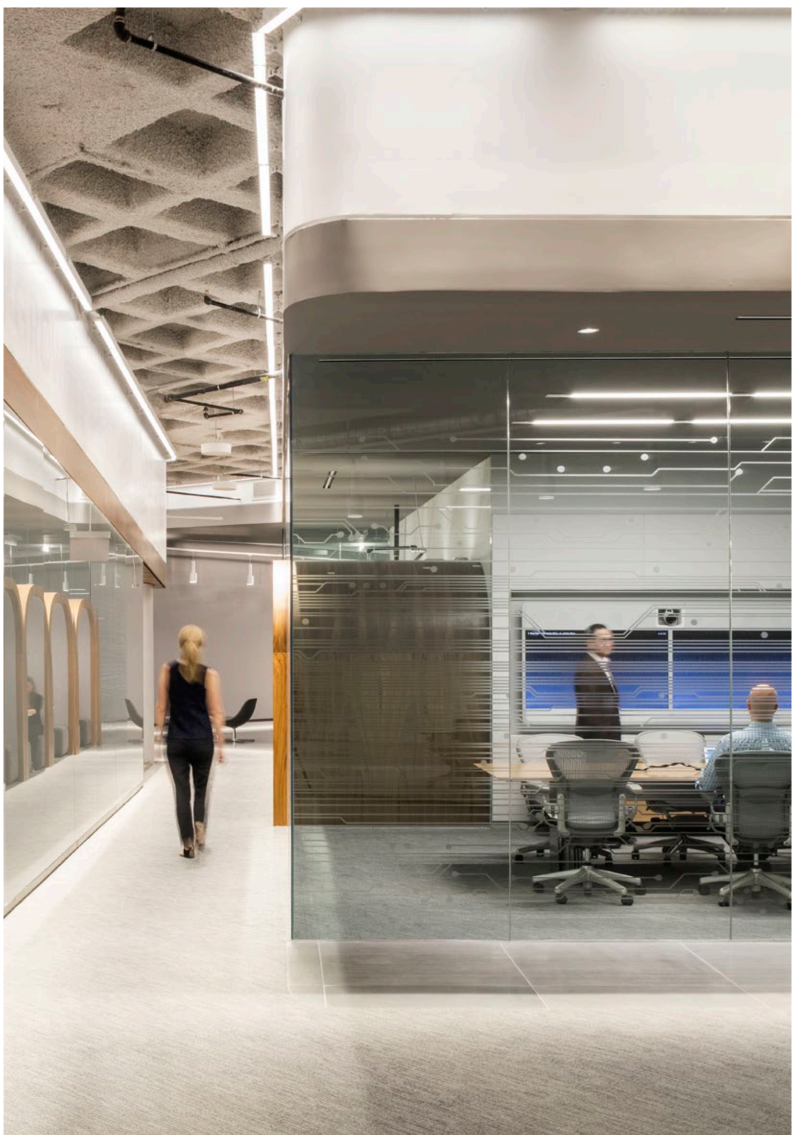
We have seen the Professional Services industry significantly decrease the average USF per seat, with high and low outliers tightening within the range of 170-180, suggesting a possible plateau or 'sweet spot'. This, in conjunction with a significant increase of open workspaces and of alternative seating, suggests an overall densification of the workplace. With more seating options and an increase of visibility the result may bring more opportunity for employees to rapidly share knowledge resulting in an increase in decision making.

The Financial and Digital Media industries saw a significant decrease in open workspaces, suggesting the increased need for enclosed and/or private/confidential spaces. It is important to remember that culture is a significant driver for how people share information within a company and may contribute to the perceived need for enclosed spaces. It is also important to realize that, while we are seeing more private offices, there are other ways to allocate quiet space for employees. Our hope is that instead of the trend reversing, we see more alternative solutions including quiet, huddle, and phone rooms that can serve more than the one person typically allocated to an office.

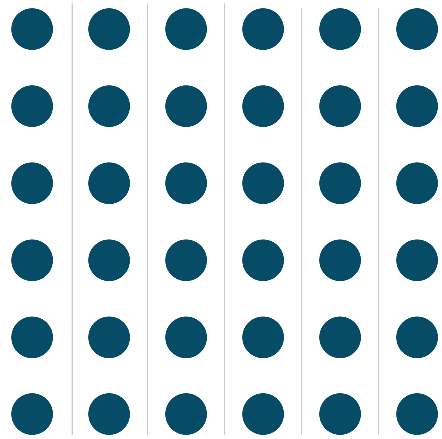
TMA By the Numbers

Benchmarking redefined for a digital age

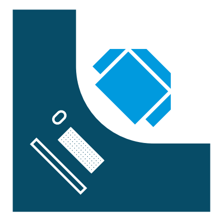
Spanning multiple industries and encompassing over 2.4 million square feet of workspace designed and built during 2015 and 2016, this report provides a comprehensive analysis of our clients' workplace design needs. Work space has become a tool used to attract and retain talent, and our clients look to us to provide metrics to support the real estate decisions they are making.



Domestic Projects: 36



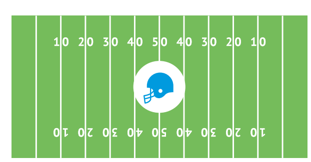
Total workspaces from all projects: 14,575



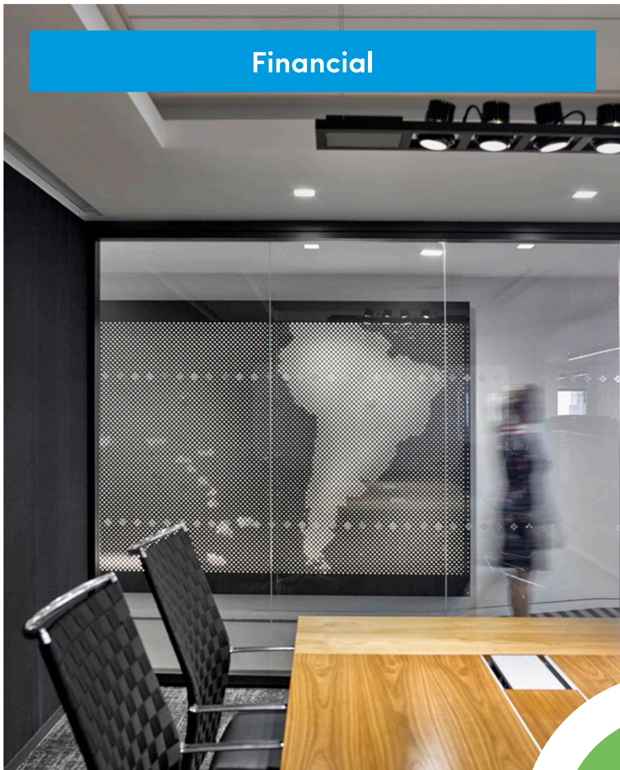
This includes individual workspaces such as offices, open workstations, seats in workrooms, trading areas, etc. That's a lot of places to work!

Total usable square feet (USF) for all projects surveyed:

2.4 million USF



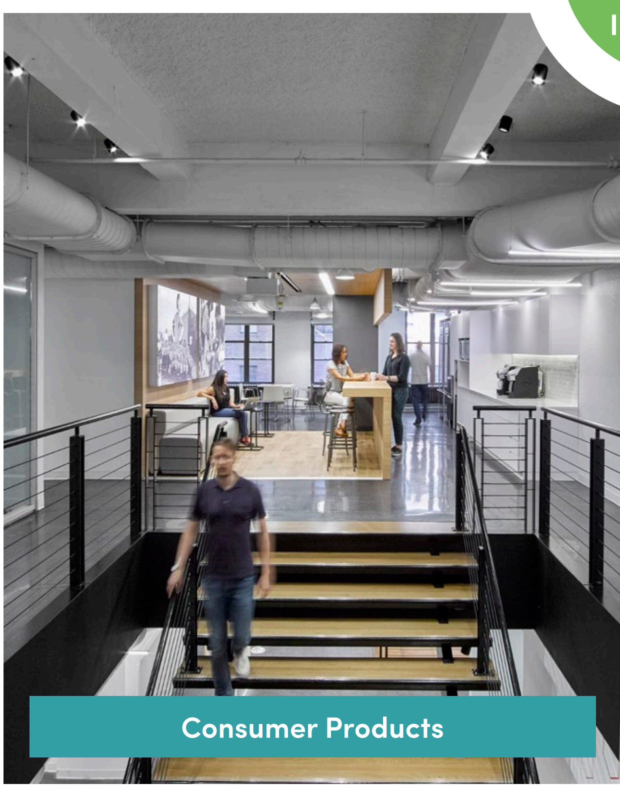
This number is used for benchmarking, as it can be compared consistently across global regions and various building types. It is measured as the area of the building from the finished face of the building to the centerline of demising walls, not including any vertical penetrations. In other words, it's the space you can use!



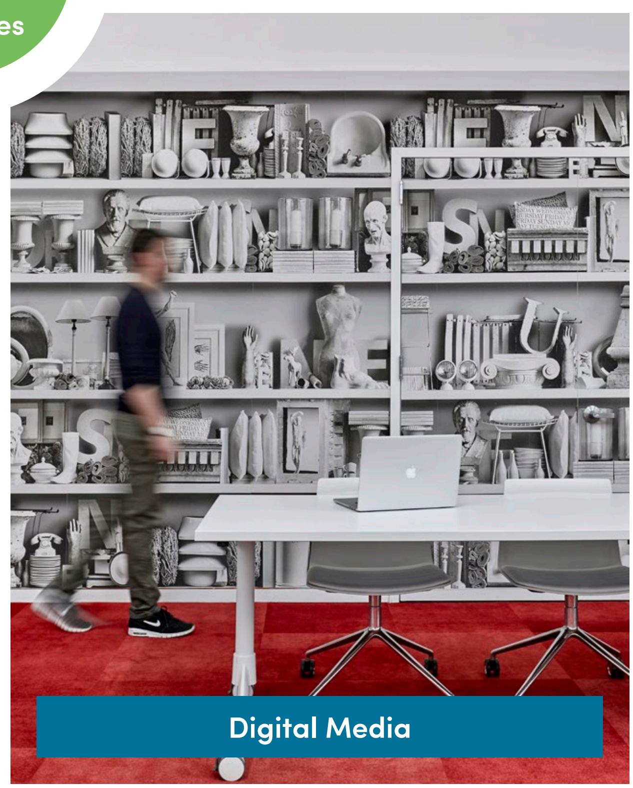
Financial

Professional Services

4 Industries



Consumer Products

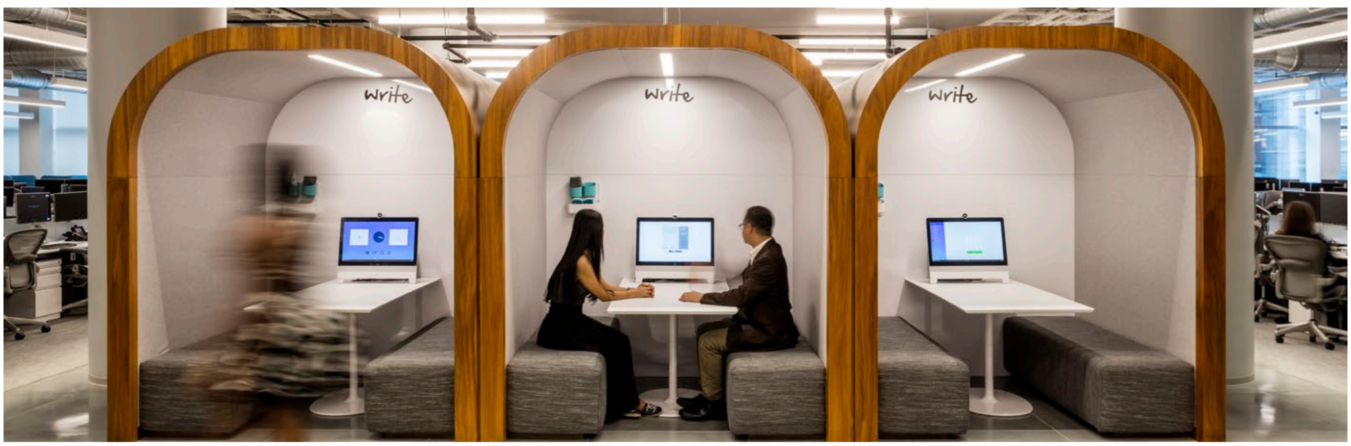


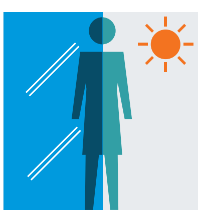
Digital Media

Change Realized

The things we've been talking about... they're happening

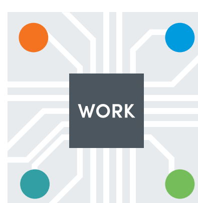
Perhaps the most interesting thing that we've seen happen over the past several years is the widespread adoption of progressive concepts that have existed for some time, but have not necessarily been accepted by many organizations – until now. As technology allows us to be more mobile, and as expectations about where and how work happens continue to change, we are finding that companies across industries are challenging traditional assumptions about the workplace.





Visibility and transparency

Open perimeters, transparent glass walls, and low partitions have become the new norm across most industries.



Technology and mobility

The wireless office has become a reality, and is enabling activity-based work environments to flourish.

Variety and choice

Informal collaboration spaces and alternative settings are finding their way into even the most traditional work cultures. Access to privacy zones reduces the need for private offices.

Wellbeing

Design that supports physical and mental wellbeing by providing opportunities that promote movement and space for rejuvenation and restoration, improving overall morale.

Amenities as destinations

A strong focus on amenities is driving activity in the workplace and encouraging movement between floors and buildings.

Neighborhoods of workspace

Scalable groupings of team workspaces and ancillary spaces are creating spatial diversity in open office landscapes such as cafés and shared quiet spaces.

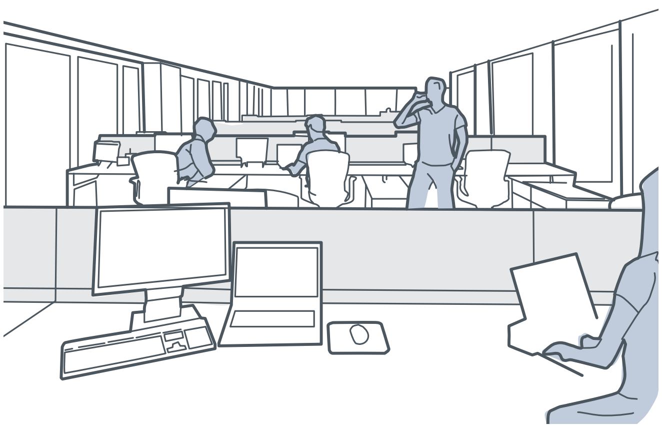
Big Questions we Asked:

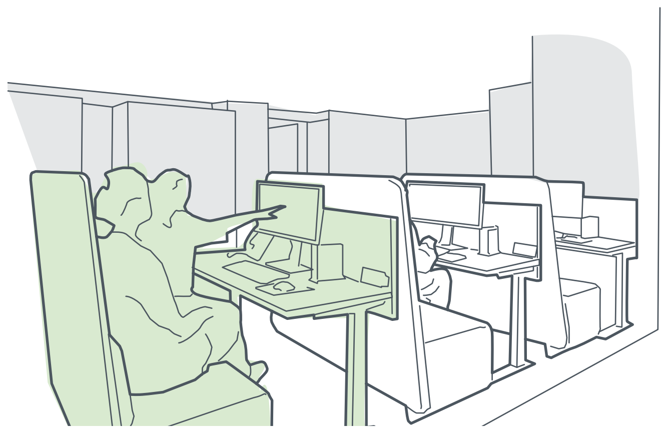
WORKSPACE

Have we reached the limits of open plan and densification?

ALTERNATIVE SETTINGS

How do we find balance between effectiveness and efficiency?



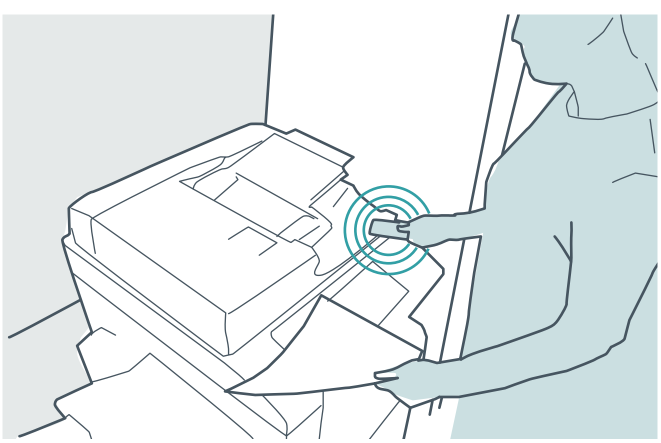


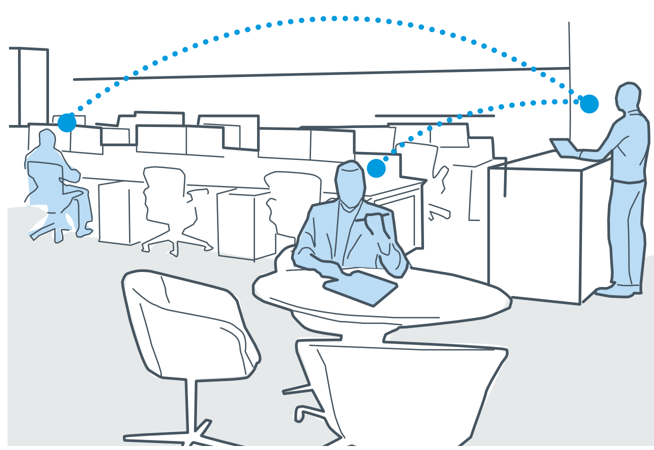
SUPPORT & TECHNOLOGY

What impact is new technology having on equipment needs and storage requirements?

MOBILITY

Can someone come to the office every day and still be a mobile worker within it?





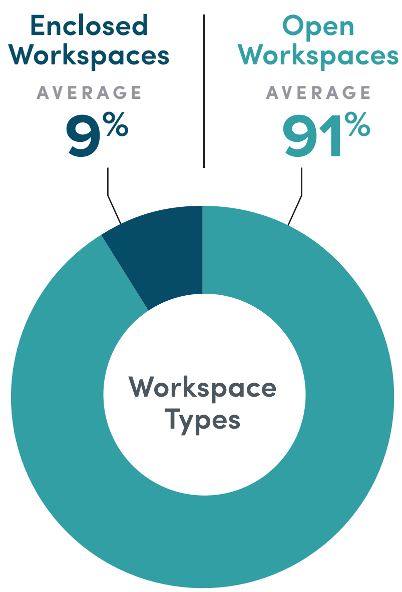
Workspace

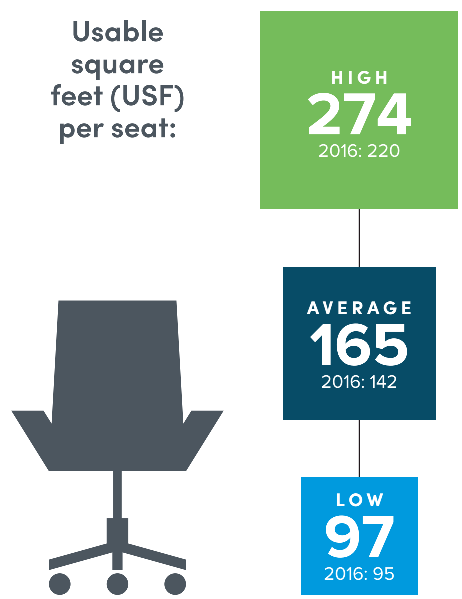
Unprecedented density and application of open plan

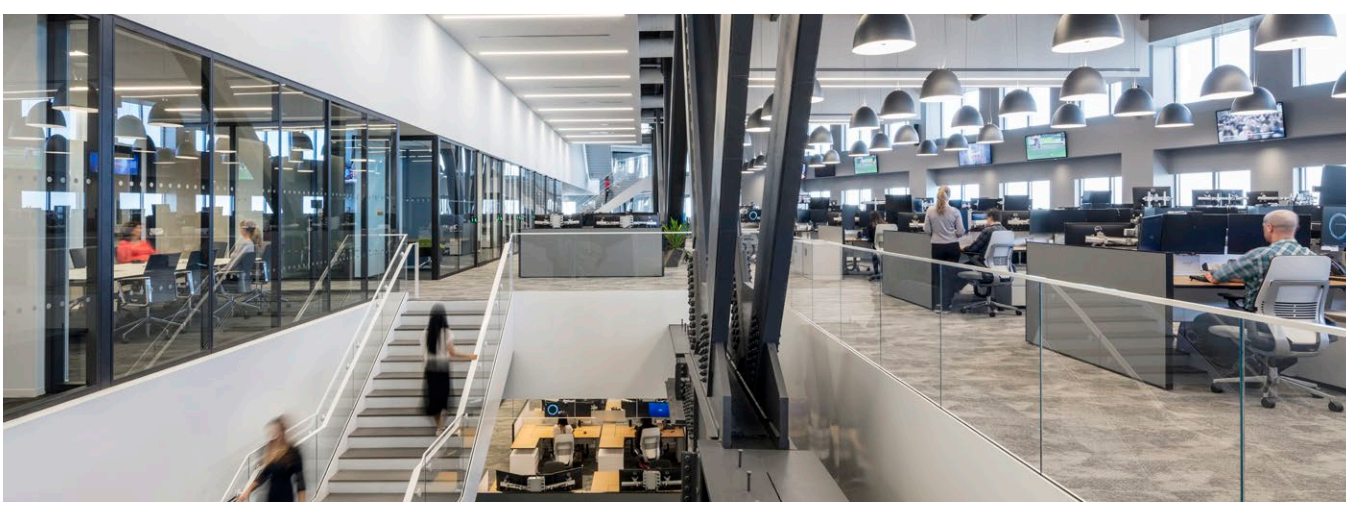
In recent years, as we have seen companies seek to achieve greater efficiency and flexibility in the workplace, the number of private offices allocated across industries in 2017 dropped an additional two percentage points from our 2016 report. An interesting point of note is that while the percentage of private offices is decreasing, the average USF per work seat has increased by sixteen percent. However, it is important to note that this square footage has not been given back to employees in their dedicated workspaces, but is instead allocated to amenities and support spaces. We believe that we have reached the point of maximum densification with regards to individual workspace.

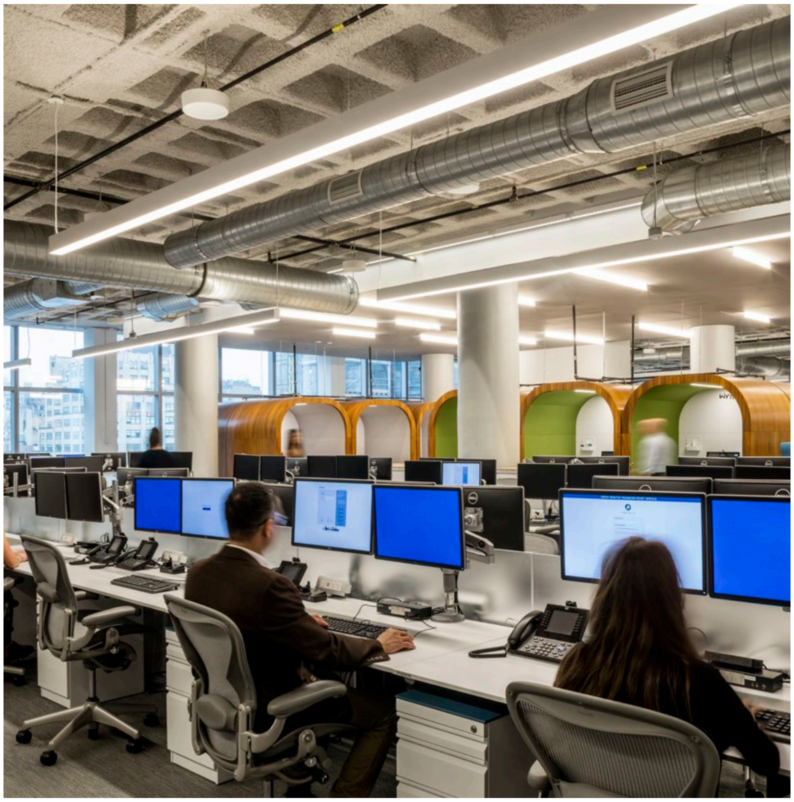
Changing Metrics

Just a few years ago, it was considered "progressive" for a workplace to contain about 20% private offices and be between 175 to 200 USF per seat. Today, while the average is significantly lower, companies are increasing the amount of space allocated to alternative seating and amenities. This has resulted in an increase in USF per seat compared to the 142 USF per seat in 2016.



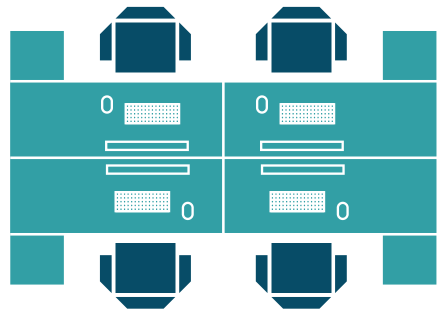






A move towards desking

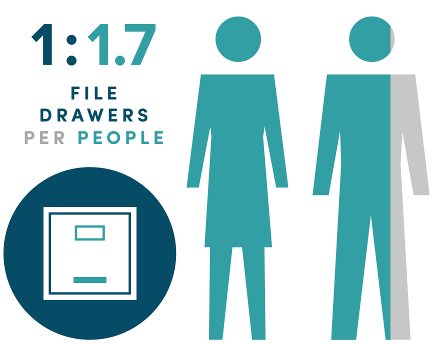
"Benching" may still be a controversial word at many companies, but it continues to gain prevalence as organizations reallocate individual space to shared amenities and alternative workspaces.

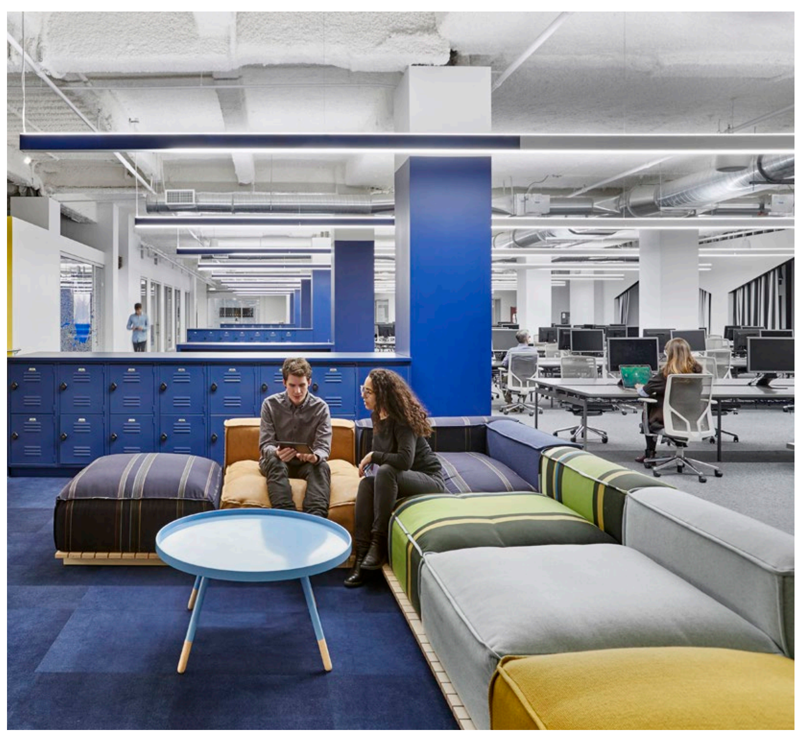


On average
68%
of open workspaces are desking/benching

Paper is finally disappearing

The dream of the "paperless" office still isn't a reality at most organizations, but the "paper-light" office is. With an average of around one file drawer for every two people, companies are able to save significantly on real estate, improve their sustainability, and use space for more human-centered purposes.

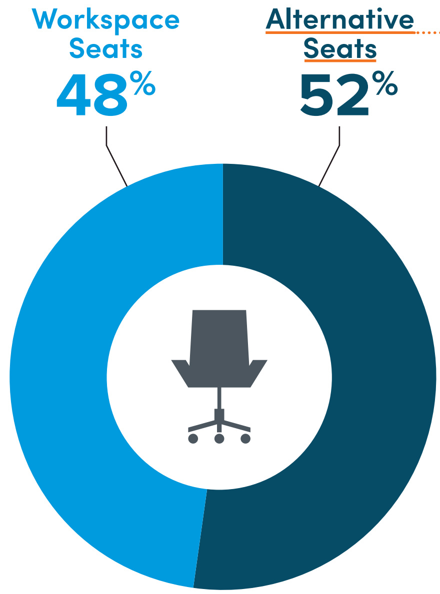




Alternative Spaces

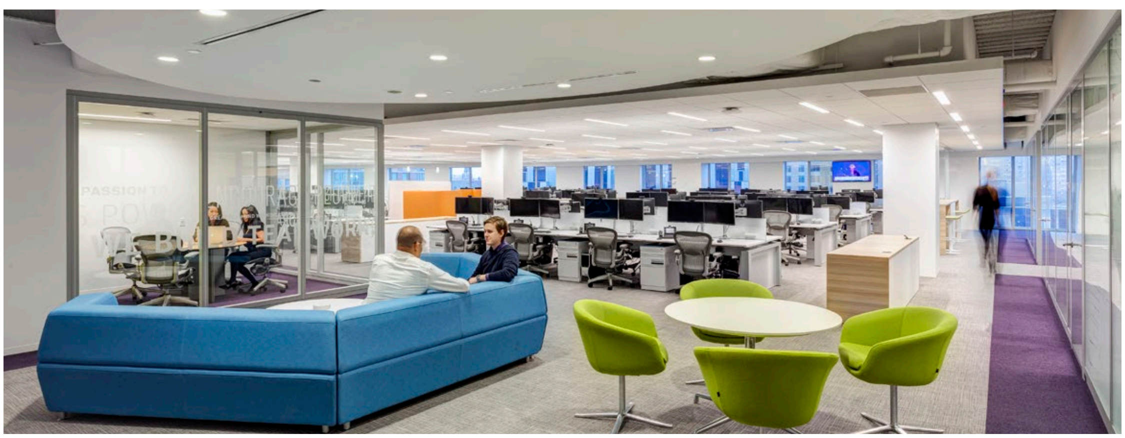
Effective vs. Efficient

As greater emphasis continues to be placed on shared spaces, the number of alternative seats has skyrocketed to surpass workspace seats available for employees to use. This lifestyle oriented approach to work is mirroring the diversity and flexibility of activities that employees find outside of the workplace. Finding the right balance of effective and efficient workspace is dependent on developing a strategy with a deep understanding of how and where people do their best work. There is no one-size-fits-all. To help clarify how we count and track all of these new types of spaces, we have developed three simple categories of alternative seats as follows.



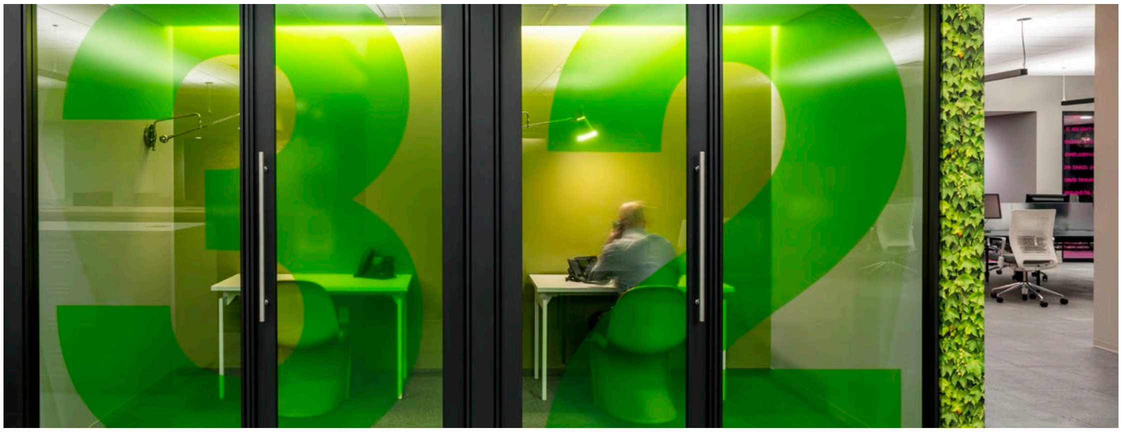
This is defined as a "seat" in the office that isn't assigned to a particular individual, and can be used for a variety of work and non-work related activities. Think of it as the fun stuff that makes your office cooler than your friend's!

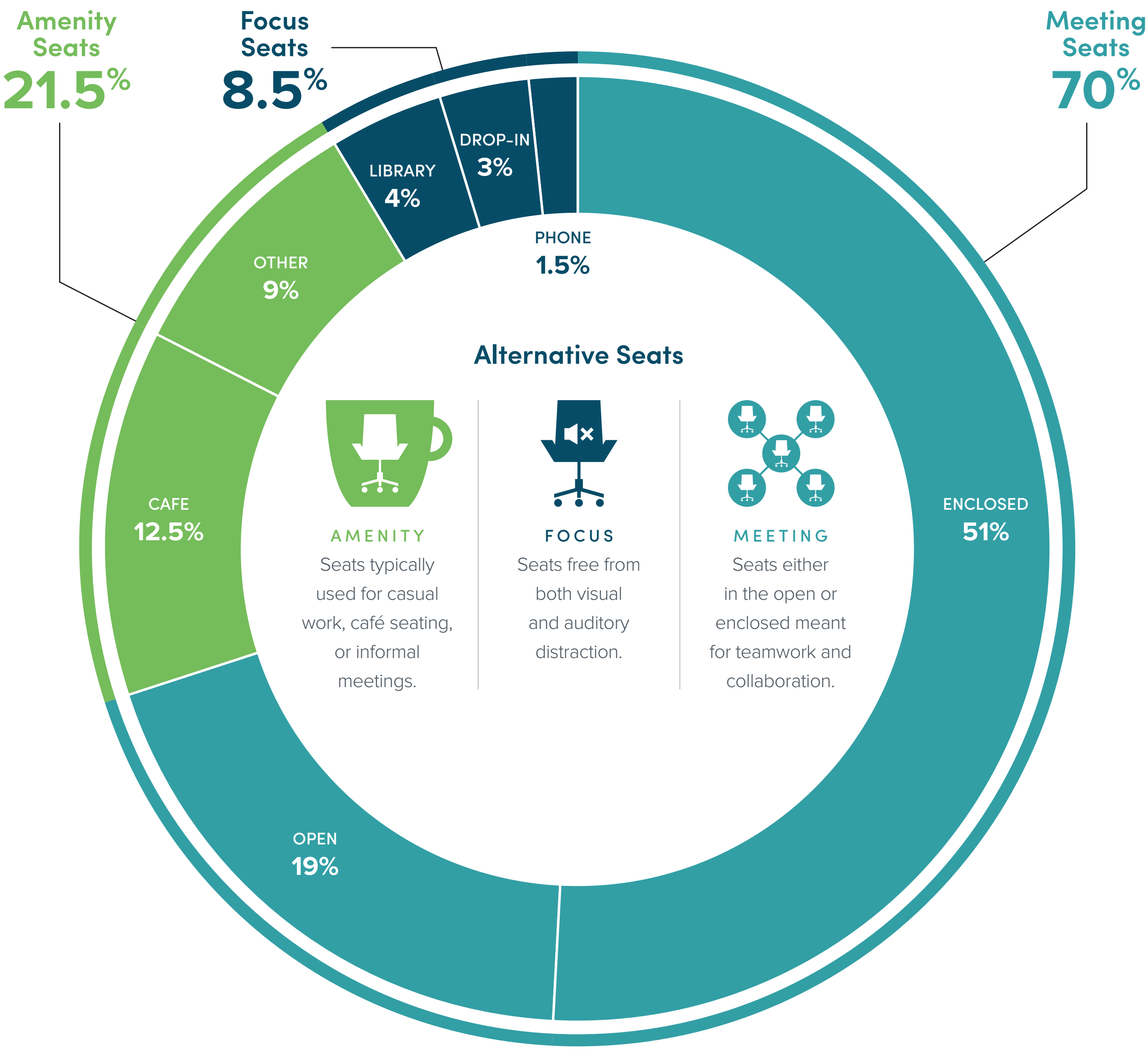
MEETING



AMENITY


FOCUS




Amenity Seats
21.5%
Focus Seats
8.5%
Meeting Seats
70%
LIBRARY
4%
DROP-IN
3%
PHONE
1.5%
OTHER
9%
CAFE
12.5%
OPEN
19%
ENCLOSED
51%
Alternative Seats
AMENITY
Seats typically used for casual work, café seating, or informal meetings.
FOCUS
Seats free from both visual and auditory distraction.
MEETING
Seats either in the open or enclosed meant for teamwork and collaboration.

Support Spaces

Convenience is no longer king

Conventional wisdom in office planning is that “support” (things like supplies, printing, and coffee) should be convenient — mostly so people can do what they need to do quickly and get back to work. That’s changing. With growing emphasis on things like health and wellness, sustainability, and cultural engagement, we’re challenging traditional assumptions about convenience in order to encourage new behaviors. If you had to walk a little further to a printer, could that be a good thing for your health? Would it make you think about what you print?

This year we are seeing that café and pantry spaces are tipping back towards a balance closer to 1 service point for every 100 people. Stay tuned to see whether this shift remains consistent, or tips back towards 1:150. Our clients are still designing only one large café space for their employees, but where design has mandated it they are adding more service points: places for coffee and a quick snack, typically collocated with other services such as copy/print/trash. Wellness rooms are becoming more prevalent as well. We see these traditional support spaces shifting from purely utilitarian to more amenity rich environments used to attract and retain talent.

WHAT’S IN THE RATIO?

1:?

Ratios are a way of measuring the amount of “things” in a workplace by the relative number of people per each one of those “things.” For example, a 1:100 stapler-per-person ratio would mean 100 people are sharing 1 stapler. The humanity!

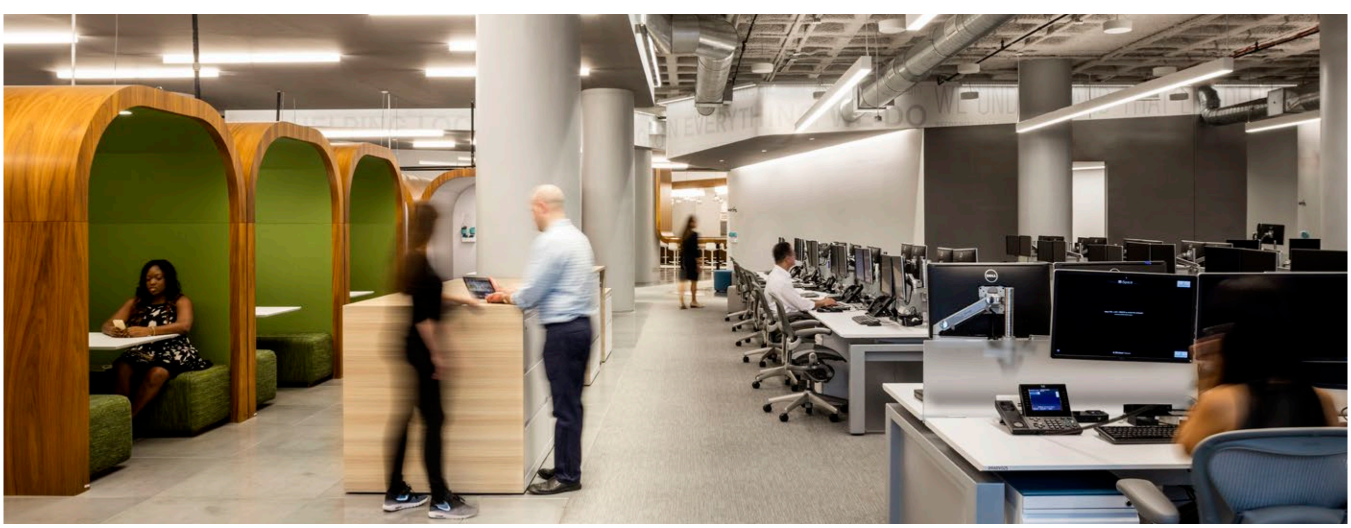
Copy/print areas

Personal printer, what’s that? “Follow-me” printing means larger numbers of people can share copy/print equipment and that confidentiality is no longer a reason to have your own printer.

1:73

PER PEOPLE

2016: **1:72**



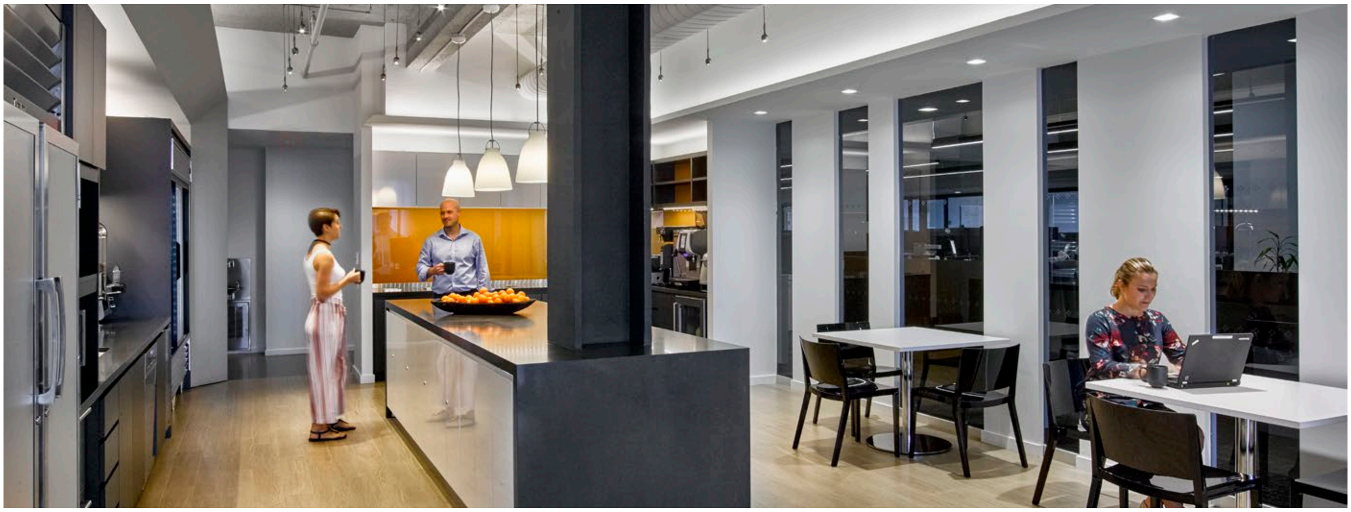
Pantries

Say goodbye to coffee in the closet. Multiple small pantries are being replaced by larger, centralized cafés to drive interaction.

1:112

PER PEOPLE

2016: **1:133**



Wellness

Wellness rooms and fitness & gaming areas continue to gain traction.

1:198

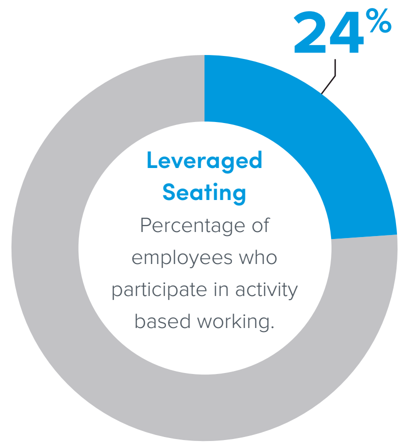
PER PEOPLE

2016: **1:251**

Mobility

Mobility for everyone

100% unassigned “activity-based” models continue to replace more traditional “hoteling” or reservation-based models, and enable even those people who come to work every day to be mobile within the office. This strategy aims to provide new amenities and a broader spectrum of workspace types, while simultaneously reducing total area per occupant. The benefits of a mobile workplace include increased collaboration, improved wellbeing, increase in morale, rapidity of information, and greater flexibility. Companies with the highest success rates in adopting these strategies have placed significant emphasis on change management and pre- and post-occupancy analysis.



A leveraged seating ratio is the number of people per desk in an office. So, 130 people sharing 100 seats would be a ratio of 1.3:1. Did you know that, in pretty much any office, you could leverage seats at that ratio and still have enough seats for everyone who shows up to work on any given day? Cool right?

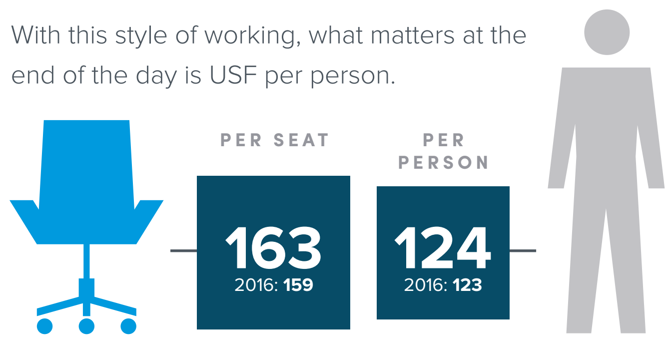
Leveraged seating ratio:

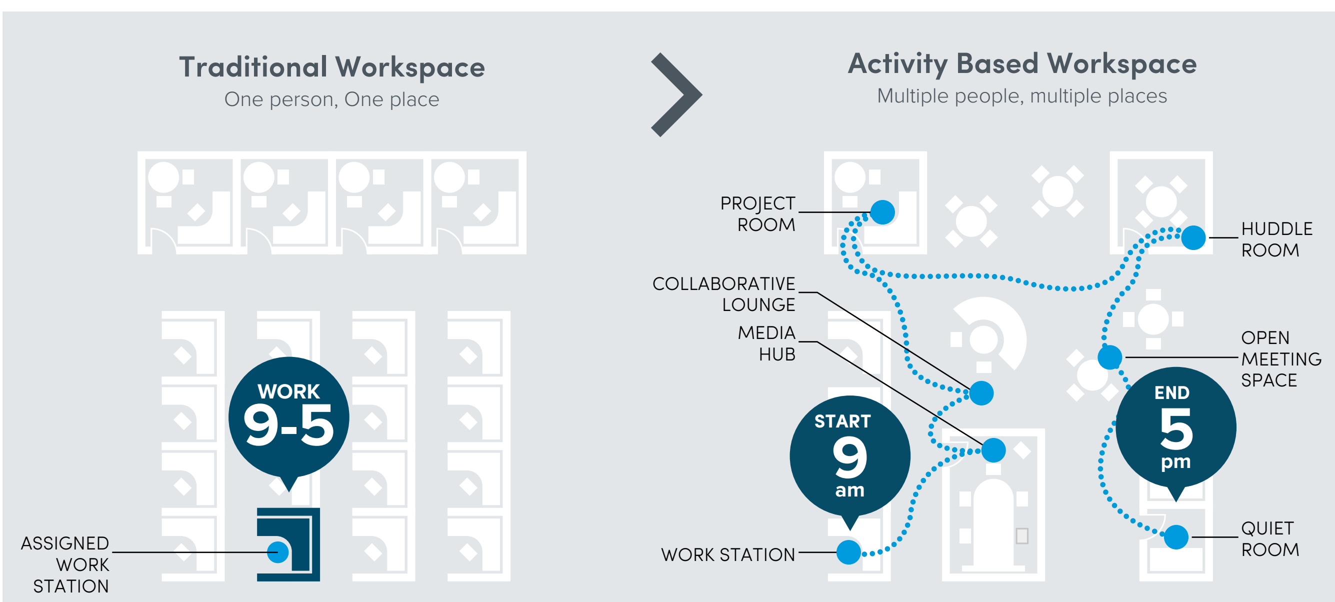
1.3 : 1

PEOPLE PER SEAT

Average usable square feet (USF):

With this style of working, what matters at the end of the day is USF per person.





The Power of Data

Knowing where you are, so you can think about what's next

One of the unique attributes of the TMA Benchmarking database is our ability to segment data by project type, size, and location, amongst others. This allows us to provide insights based on various factors to show where differences exist, and to find commonalities that aren't always obvious.

	Usable square feet (USF) per seat:			Workspace Types		Workspace Seats Vs. Alternative Seats	
INDUSTRY	HIGH	AVERAGE	LOW	ENCLOSED	OPEN	WORKSPACE	ALTERNATIVE
All Industry Average	274	165	97	9%	91%	48%	52%
Financial	258	157	97	15%	85%	52%	48%
Professional Services	178	175	170	6%	94%	45%	55%
Consumer Products	206	181	130	10%	90%	39%	61%
Digital Media	274	190	141	10%	90%	45%	55%

Predictions for 2018

- ↗ An increase in the percentage of focus seats that are free from both visual and auditory distractions.
- ↗ A continued increase in the percentage of employees participating in activity based working.
- ↗ An increased investment in clients providing additional amenity spaces focused on employee wellbeing, which also includes more café seats.
- ↙ A continued decrease in the number of file drawers per people.
- ↗ An increased investment from clients in both change management and brand strategies as clients better understand the return on investment.

LEARN MORE!

This report only scratches the surface. We would love to tell you more about our results and our services. Contact our Workplace Strategy Team:
workplace@tedmoudis.com

About Ted Moudis Associates

Ted Moudis Associates designs workplaces that provide sustainable environments and flexible workplace solutions built for longevity, productivity, and enjoyment. We believe that a built space should not only reflect but also enhance an organization's culture and values.

Businesses today face an unprecedented mix of social, economic, environmental, and technological challenges. Our diverse staff of multi-disciplinary experts in the fields of architecture & interior design, workplace strategy, change management, brand integration, and furniture coordination help our clients to meet these challenges.

Founded in 1990 by Senior Principal Ted Moudis, AIA, and headquartered in New York with an office in Chicago and an alliance in London, we are a recognized Top 30 Design Giants firm by Interior Design Magazine.

Our Expertise

ARCHITECTURE & INTERIOR DESIGN

We believe in the power of space. Your workplace is a key driver for your organization's success and continued growth. Our architecture and interior design experts partner with you to design the perfect solution that provides maximum productivity, flexibility, and innovation for your unique business.

WORKPLACE STRATEGY

The design of your workplace is an opportunity to implement new strategies that reflect your changing business environment and set the stage for how your people will work in the future. We equip your employees with spaces and technology that enhance overall performance, while at the same time driving efficiency.

CHANGE MANAGEMENT

We understand that workplace performance is only as good as the drive of your people. We focus on workplace and workstyle adoption to support your people through the transition to ensure they are utilizing the workplace to its full potential and to reduce the natural dip in productivity that occurs with all change initiatives.

BRAND INTEGRATION

For workplace clients, brand integration into the built environment is a key factor in designing the perfect experience. Partnering with you, we deliver impactful graphics, technology solutions, and branded environments that are seamlessly incorporated into the architectural services we provide.

FURNITURE COORDINATION

The purchase, scheduling, production, delivery, and installation of furniture is one of the most complex aspects of any project. Our in-house experts provide a turnkey furniture solution. We analyze your furniture inventory and requirements and develop purchasing strategies, budgets, and schedules based upon projected quantities and furniture styles.

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