

TED MOUDIS ASSOCIATES

# 2018 Workplace Report

TMA BY THE NUMBERS



**This third issue of the TMA workplace report helps to solidify trends that we have previously identified and are holding firm, while also delving further into the differences between traditional and alternative workplace strategies.**

Beginning in 2016 Ted Moudis Associates started to leverage our internal database of project metrics to track trends and gain a better understanding of how our clients utilize space.

This report tracks the changes we have seen over the past calendar year and shares with you a snapshot in time of how our clients were working in 2017, as well as our predictions for the changes we will see throughout the current year and into the future.



## The Big Picture

### What's Changed from 2017 to 2018?

In the past calendar year we have seen the usable square footage (USF) per seat across all industries and project types remain consistent. Despite seeing little change in the USF per seat, we did see changes in how this square footage is being allocated within the offices we design. The number of enclosed offices has decreased but the number of alternative seats continues to rise. We see this as a result of our clients placing more value in creating alternative space for focus, meeting and amenities for their employees. The largest shift we have seen this year is the increase on space dedicated to mental and physical wellbeing, which highlights the shift in focus to employee wellbeing in the workplace.



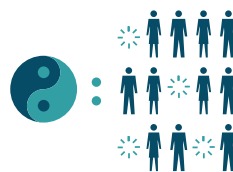
#### USF per seat

It wasn't just a fluke that the usable square footage per seat increased significantly last year. This year it is keeping steady at 165.



#### Alternative seats

The number of alternative seats continues to increase and remain above traditional work seats provided.



#### Wellness

We continue to see an increase in the number and types of wellness spaces clients are providing for their employees.



#### Activity Based Working

The USF per seat in activity based working environments continues to rise and we also saw a jump in the USF per person.

Another significant change the data has shown is that the USF per seat for activity based working projects rose 14 points for a total two year gain of 18. This confirms our previous suggestion that we have reached the limits of office density. Companies are providing more space for their employees to focus, share knowledge and host both internal and external meetings. We made several predictions in last years report. Lets see how we did:

- While we saw the percentage of employees participating in activity based working stay the same, we did see an increase in the number of activity based working projects.
- Clients are continuing to invest in amenity spaces focused on employee wellbeing
- File drawer counts decreased to the point they are no longer worth tracking
- There has been a significant investment in both change management and implementation of brand strategies
- We have seen an increase in semi-enclosed seating and workplace solutions which provide an escape from visual and auditory distraction

# TMA By the Numbers

## Benchmarking Redefined For A Digital Age

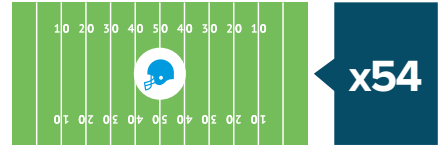
From 2016 through 2017 our clients leased approximately 3.1 million rentable square feet of real estate and allocated approximately 54% of the total seats within that square footage to alternative, collaborative, or amenity seating.

Workspace remains an organization’s largest tool in attracting and retaining talent and our benchmarking continues to show us the value that alternative and wellness spaces bring to the table.



Total rentable square feet (RSF) for all projects surveyed:

**3.1 million**



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

**2.5 million**

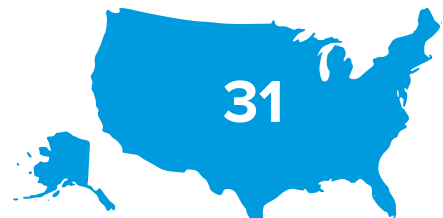
This number is used for benchmarking, as it can be compared consistently across global regions and various building types. It is measured as the area of the building from the finished face of the building to the centerline of demising walls, not including any vertical penetrations. In other words, it’s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

Total workspaces from all projects:

**15,546**



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



### Domestic Projects:

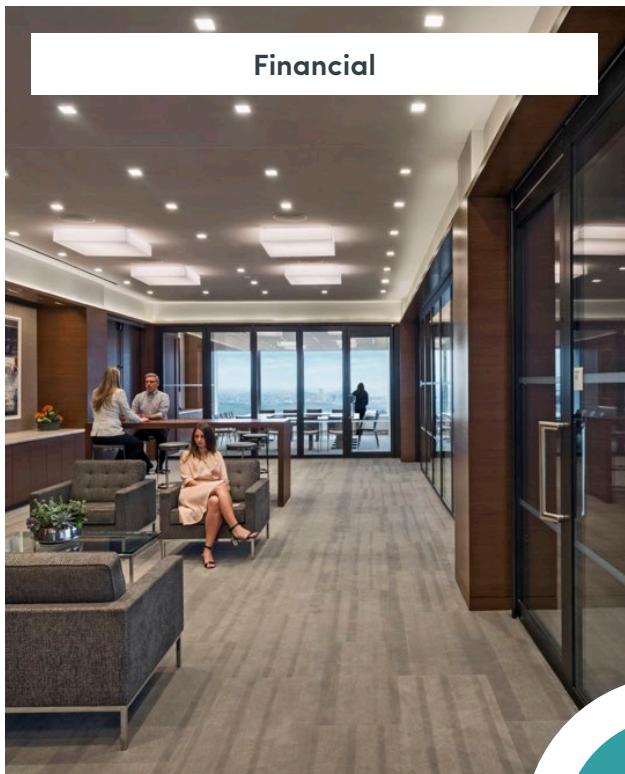
The 31 projects included in this report are a selection of the most relevant from the TMA portfolio.



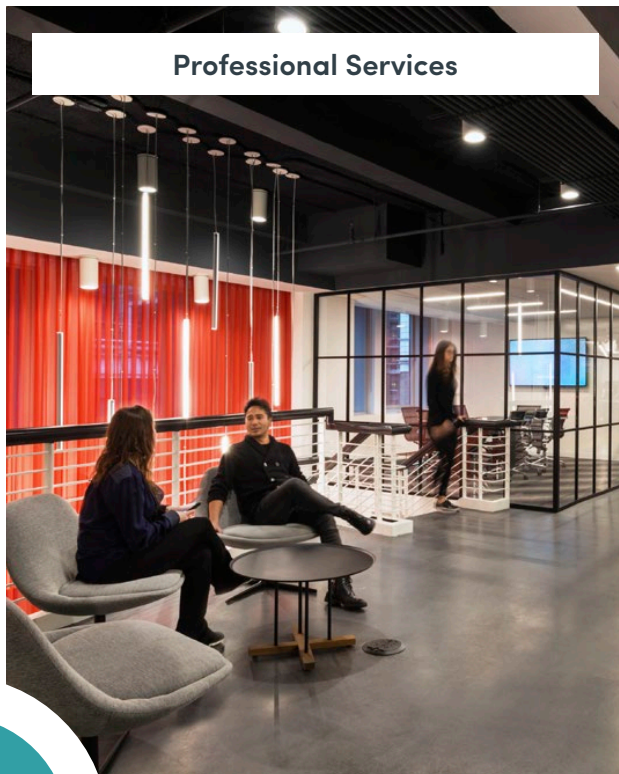




Financial



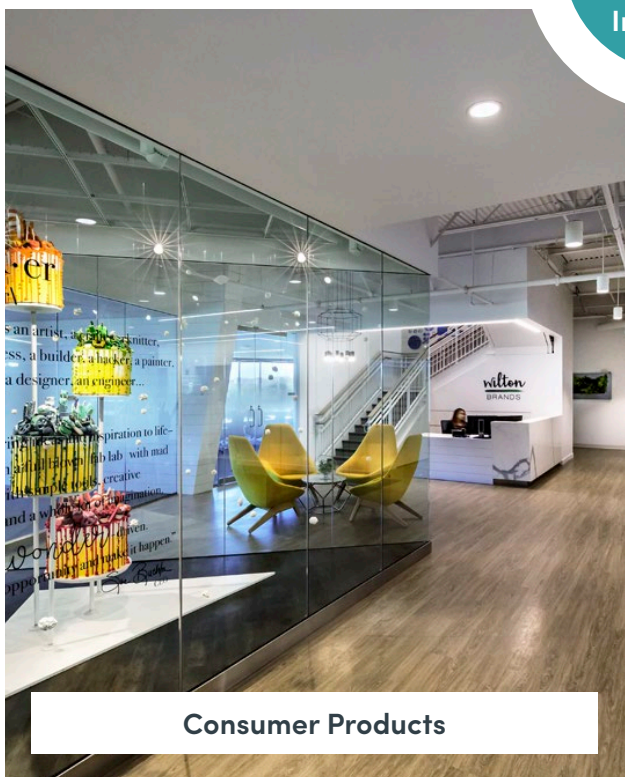
Professional Services



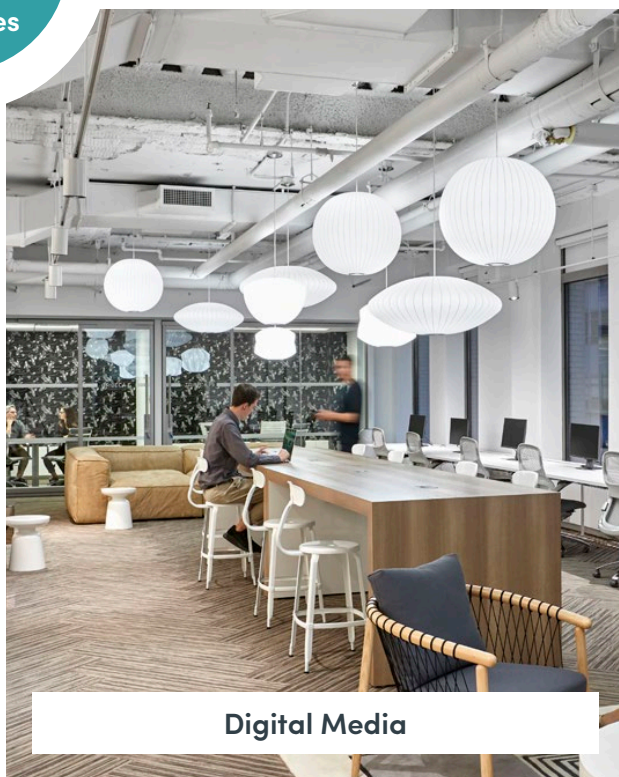
4

Industries

Consumer Products



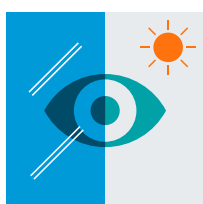
Digital Media



## Are you Ready?

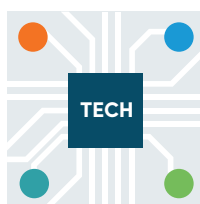
### Great Things are Happening in Workplace

We've been talking about the continued adoption of progressive workplace concepts for years now. The good news is that these concepts have increasingly become best practices and virtually all organizations are implementing some, if not all, of them. Even more good news — great things are continuing to happen as companies across all industries implement mindfulness, brand, and user experience into their space. Technology continues to evolve as well, as the Internet of Things enables businesses to further connect their people with the technology they need to get their work done.



#### Visibility and transparency

Open perimeters, transparent glass walls, and low partitions have become the new norm across most industries. Culturally it provides a more inviting and connected environment.



#### Internet of things (IoT)

Integration and accessibility of technologies across multiple platforms is allowing businesses to become agile and provide a better experience for employees and visitors.



#### 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.



#### Mindfulness

Design that supports mental and physical restorative opportunities for staff throughout their day is improving overall morale and increasing productivity.



#### Amenities as destinations

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



#### Brand and Experience

Creating spaces that reflect the brand of the individual company and curate an experience for both staff and visitors.



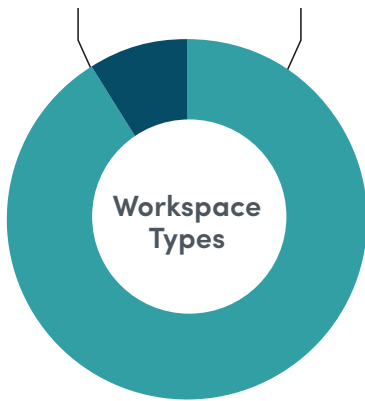
# Workspace

## Out Into the Open

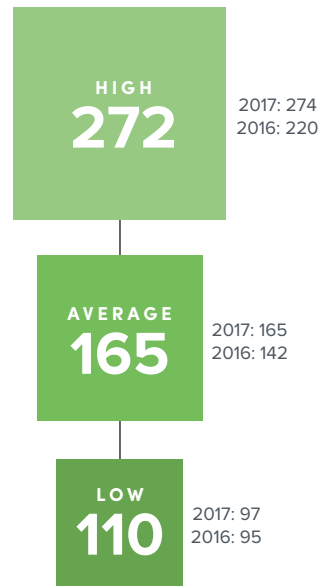
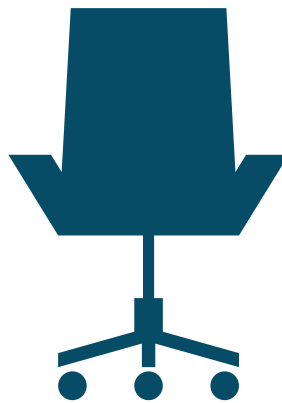
Our data supports the continued shift from the creation of efficient workplaces to that of effective workplaces. Efficiency is still valued, but not at the cost of effectiveness. More employees are sitting in open spaces with greater choices for where and how they get their work done. These alternative spaces tilted the scale significantly last year, and managed to hold steady this year. On page 15 we break this down further to see the difference between a traditional office model and that of an activity based working model. The numbers below combine the two.

**Enclosed Workspaces**  
AVERAGE  
**8%**

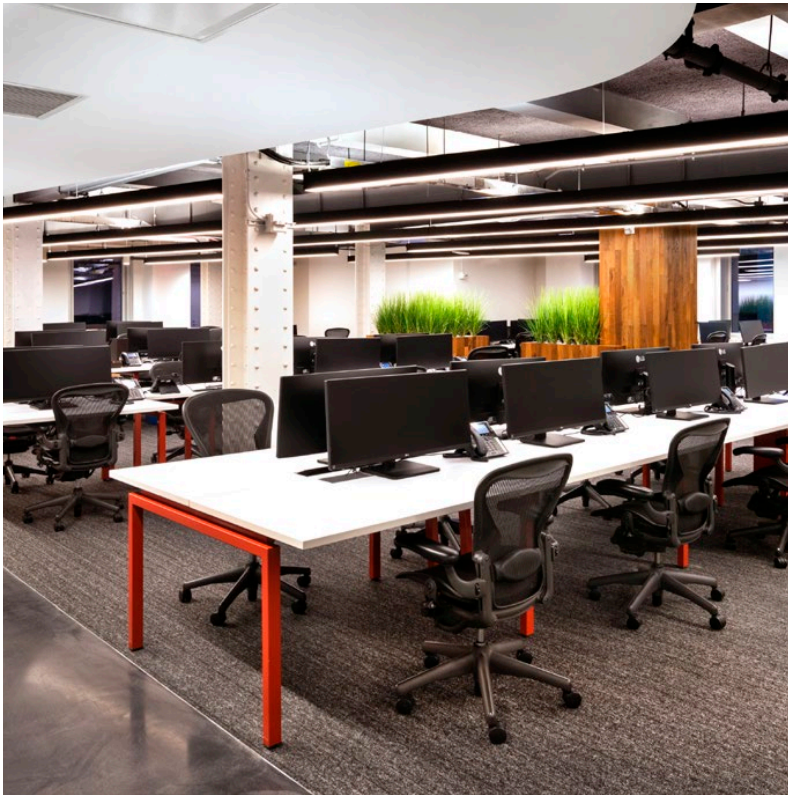
**Open Workspaces**  
AVERAGE  
**92%**



**Usable Square Feet (USF)**  
Per Seat:

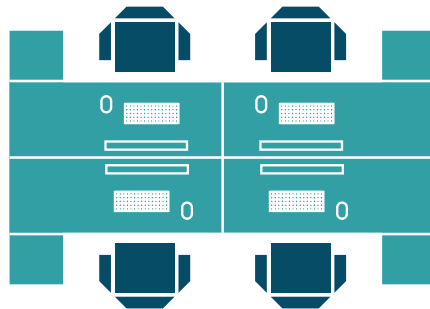






### A move towards desking

Our clients continue to move from more traditional workstations towards the adoption of benching. This year we saw a 7% increase. And many of these are sit-to-stand desks.



**75%**

of open workspaces  
are desking/benching

### Paper is finally disappearing

It finally happened. This year, we provided so few filing banks that it no longer made sense for us to continue tracking this metric. Most of our clients are no longer providing individuals with file drawers, opting instead to provide rooms or banks only where required by compliance. Good-bye paper, hello people space!



MEETING



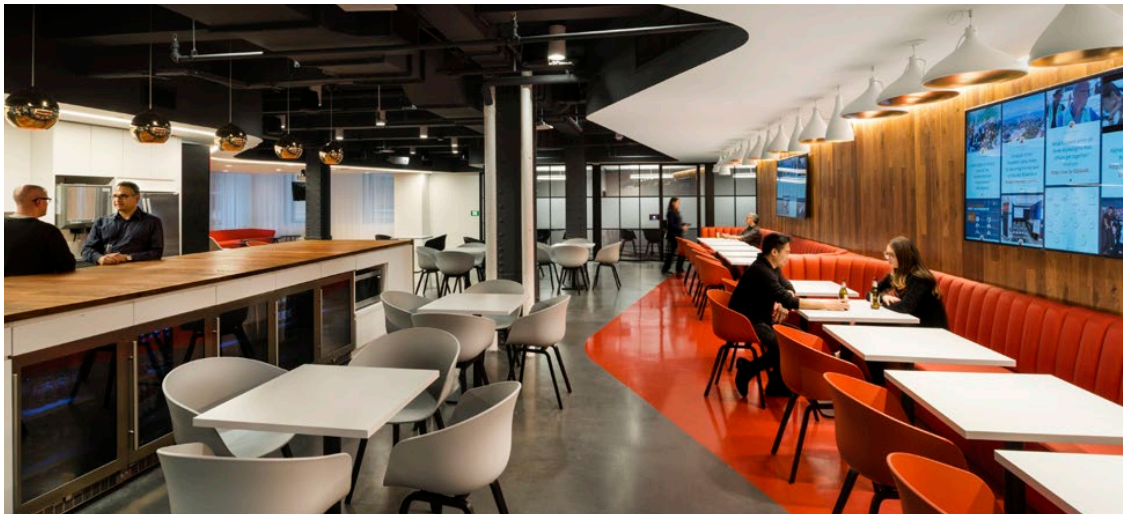
Seats either in the open or enclosed meant for teamwork and collaboration



AMENITY



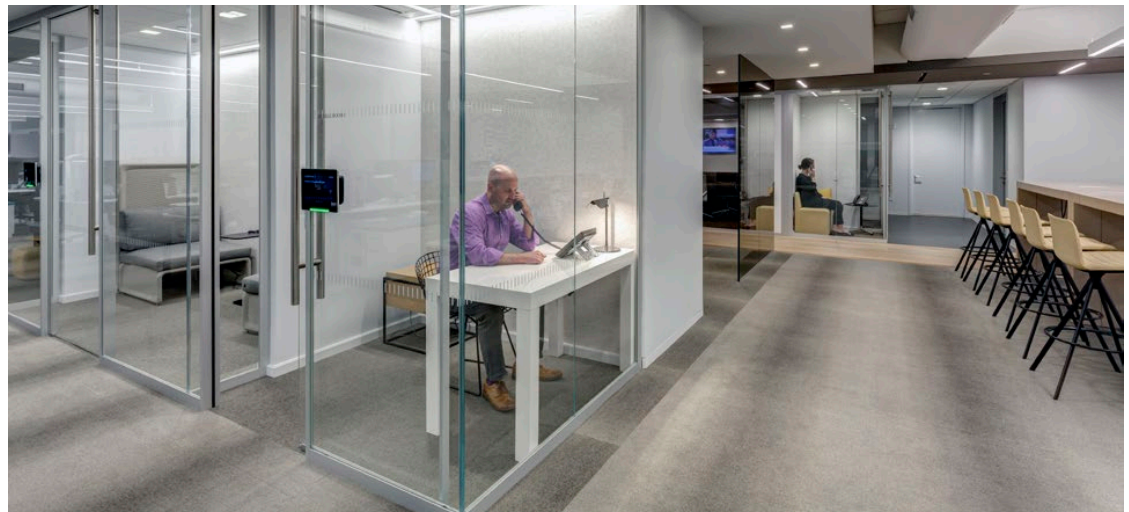
Seats typically used for casual work, café seating or informal meetings.



FOCUS



Seats free from both visual and auditory distraction

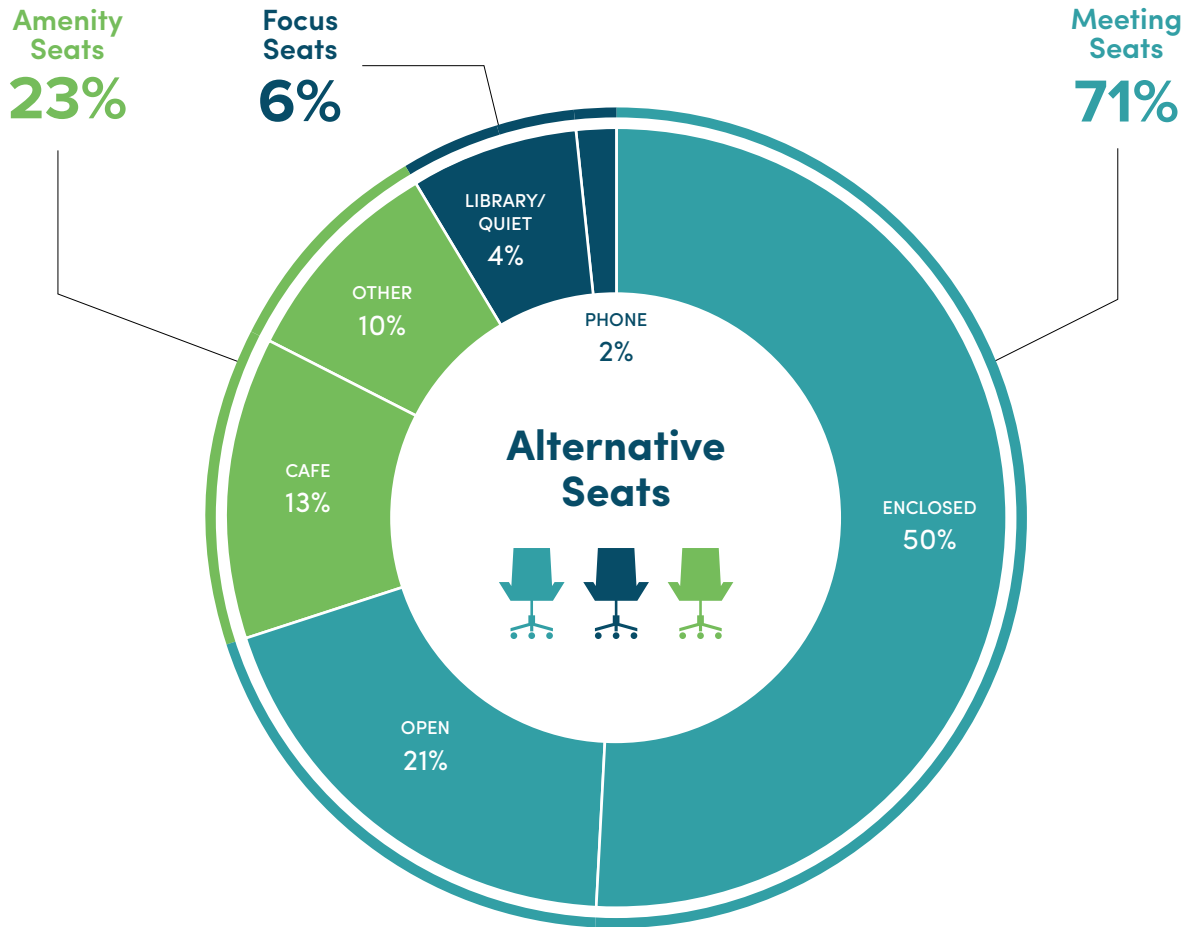
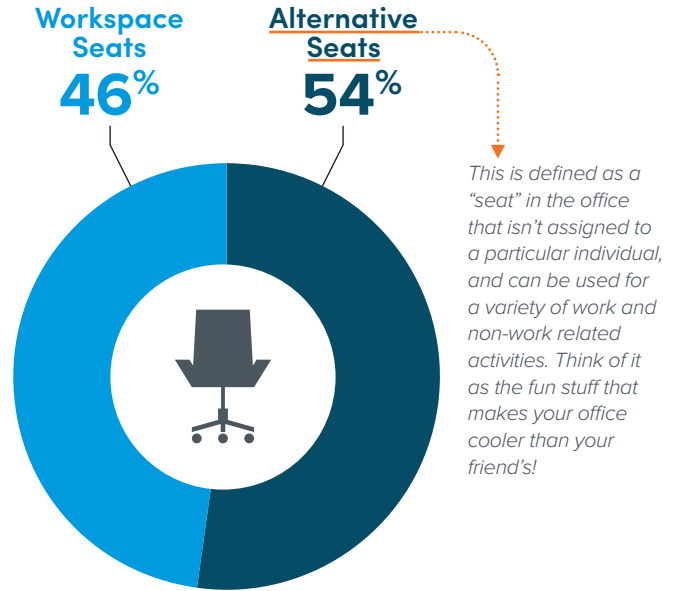




# Alternative Spaces

## Effective vs. Efficient

We have continued to see the shift across all projects from dedicated work seats to alternative seats. While this is not a one size fits all solution, and requires investigation into each specific client, we have found that almost all of our clients expect their employees to move throughout the office on a daily basis, utilizing not only their (in some cases) assigned work space, but also focus, amenity and meeting seats. Although we saw an increase in the number of alternative seats, the breakdown of space type hasn't changed much. What we have seen though is more variety in work settings, such as semi-enclosed spaces, and more investment in change management.



## Support Spaces

### Convenience is No Longer King

In the past, support space was understood to mean supply closets, file storage, printer/copier nooks, and coffee pantries. Since beginning this benchmarking report we have seen support grow to include wellness spaces. This year we have begun to further investigate these social support spaces and how they have helped shape the metrics that build this database.

We have once again seen the consolidation of café spaces, with many of our clients putting more resources into one central location, which includes meeting space within to keep the utilization high throughout the day. The expectation is that employees can plan ahead for these meetings, or perhaps run into colleagues they rarely see, in the hopes of developing new or better business relationships. We have also seen a diversification of wellness spaces. No longer are we seeing just the new mother's room, as required by law. Our clients are investing in their employees with social support amenities such as prayer rooms, nap rooms, game rooms, fitness centers, etc. We anticipate this trend to continue.

**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

As we see more companies moving towards a paperless office, we are naturally seeing a decrease in multifunction printing equipment as well. This goes hand in hand with the reduction of file storage we have seen over the duration of our benchmarking.



**1:83**  
**PER PEOPLE**

2017: **1:73**  
2016: **1:72**





### Pantries

This year we saw many of our clients provide one main cafe style pantry for their employees with seating available to support 15% of their staff at any given time. We see these spaces being utilized flexibly, not simply as points of service.



**1:145**  
PER PEOPLE  
2017: 1:112  
2016: 1:133

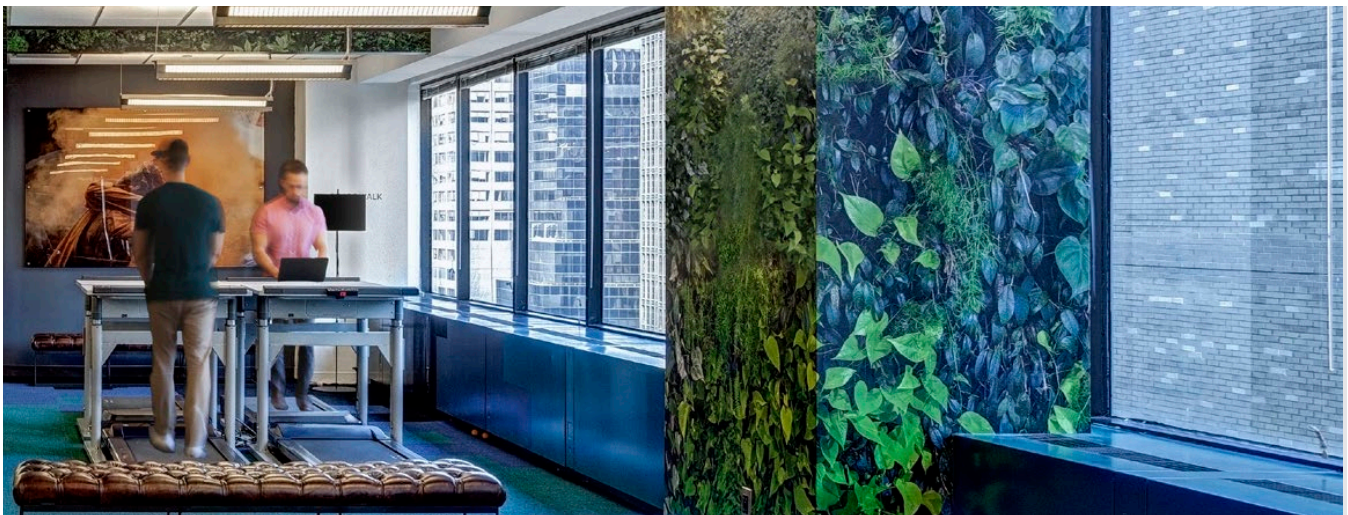


### Wellness

We continue to see clients prioritizing employee health and wellness throughout the entire design process. We are providing a diverse assortment of wellness spaces.



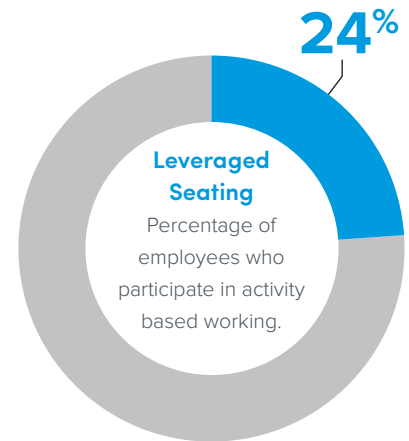
**1:173**  
PER PEOPLE  
2017: 1:198  
2016: 1:251



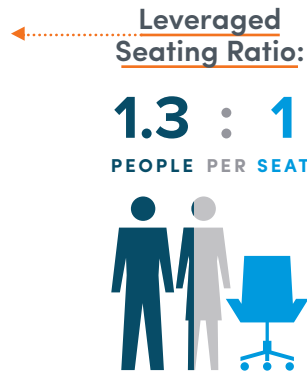
## Activity Based Work Environments

It's not just for startups and media companies anymore

Activity based work environments continue to be the trend. We see these spaces most highly utilized by media companies as well as technology and operations teams within larger organizations. But many other kinds of organizations are moving towards this new way of working as well. This strategy aims to provide new amenities and a wider range of workspace types, while simultaneously reducing total area per occupancy. The benefits of an unassigned workspace are the knowledge sharing between colleagues, access to leadership, improved wellbeing, rapidity of information transfer, and greater flexibility.

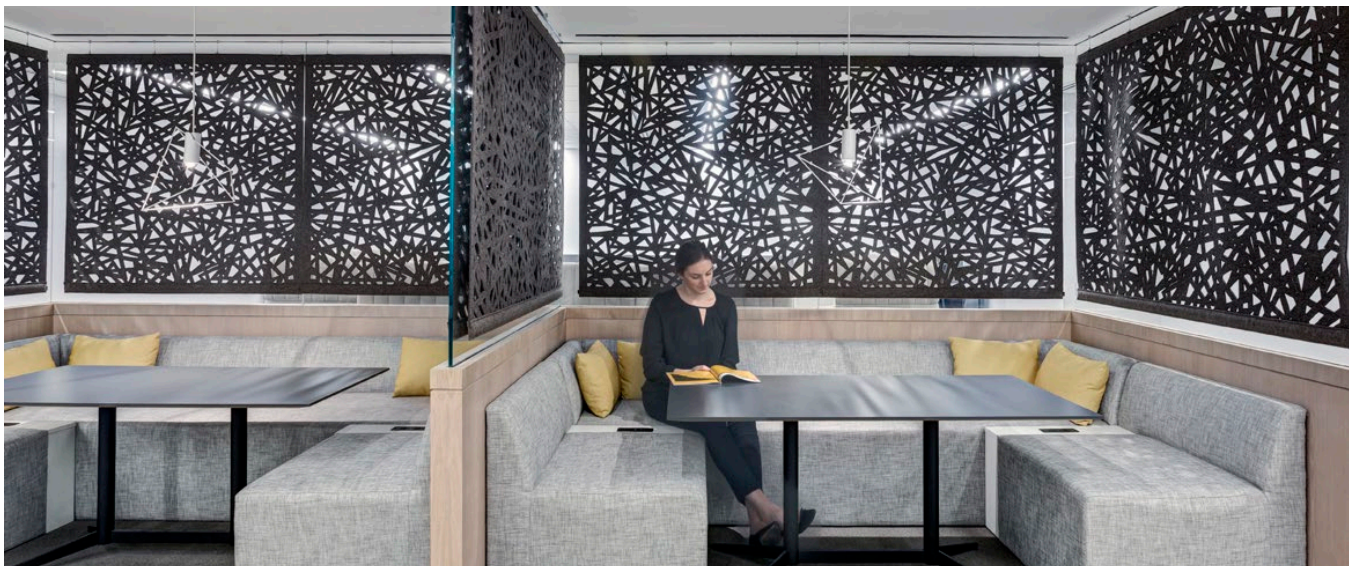
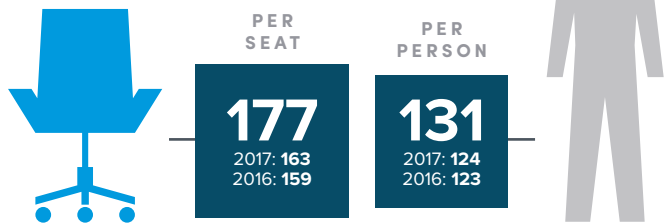


A leveraged seating ratio is the number of people per desk in an office. So, 130 people sharing 100 seats would be a ratio of 1.3:1. Did you know that, in pretty much any office, you could leverage seats at that ratio and still have enough seats for everyone who shows up to work on any given day? Cool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



### Average Usable Square Feet (USF):

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



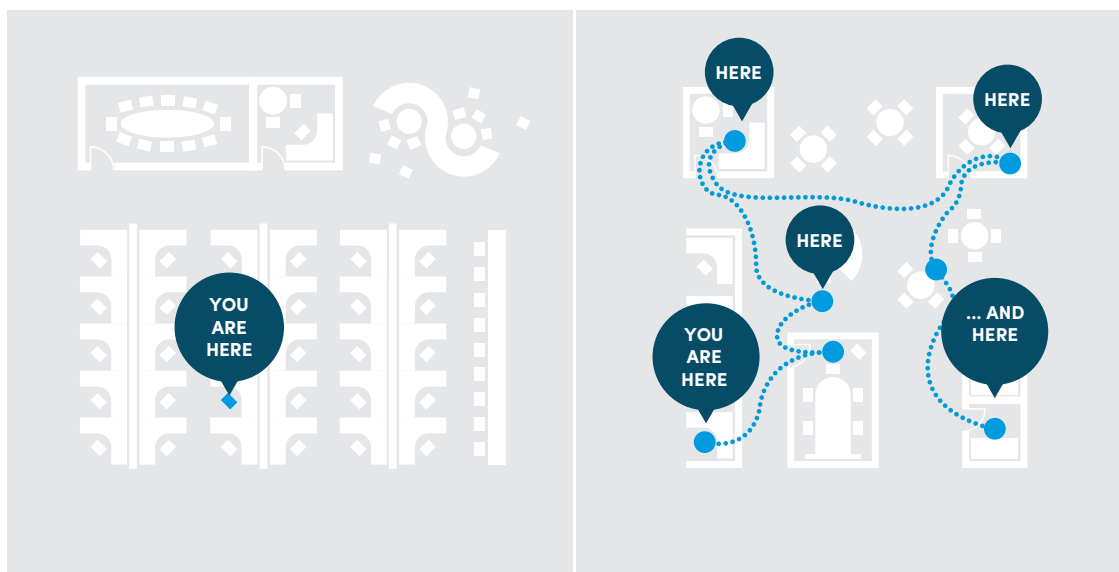


## Office Seating Strategies

### Traditional vs Activity Based Working

As activity based working strategies continue to represent a larger share of our client base, we feel it is important to highlight the key space utilization differences between these projects and traditional work environments. Looking at our benchmarking data in this manner helps to isolate the outliers and inform the programming and design direction we take with each individual client.

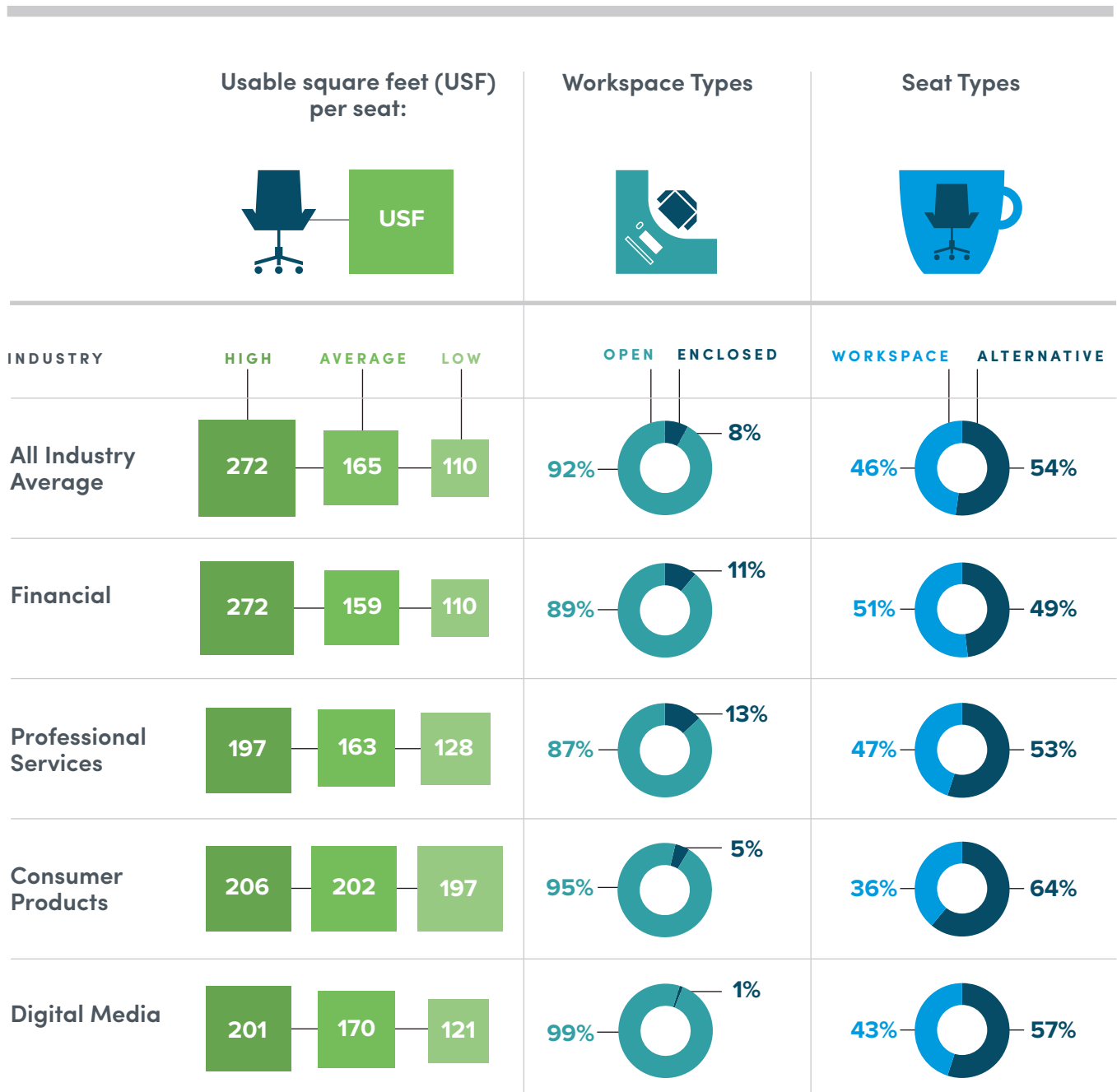
|                | Traditional<br>One person, one place (1:1) | Activity Based Working<br>Multiple people, multiple places (avg. 1.3:1) |
|----------------|--|---|
| USF / Seat     | <b>162</b>                                 | <b>177</b>  |
| USF / Person   | <b>162</b>                                 | <b>131</b>  |
| Workspace Type | <p>10% ENCLOSED<br/>90% OPEN</p>           | <p>1% ENCLOSED<br/>99% OPEN</p>   |
| Seat Types     | <p>48% WORKSPACE<br/>52% ALTERNATIVE</p>   | <p>41% WORKSPACE<br/>59% ALTERNATIVE</p>                                |



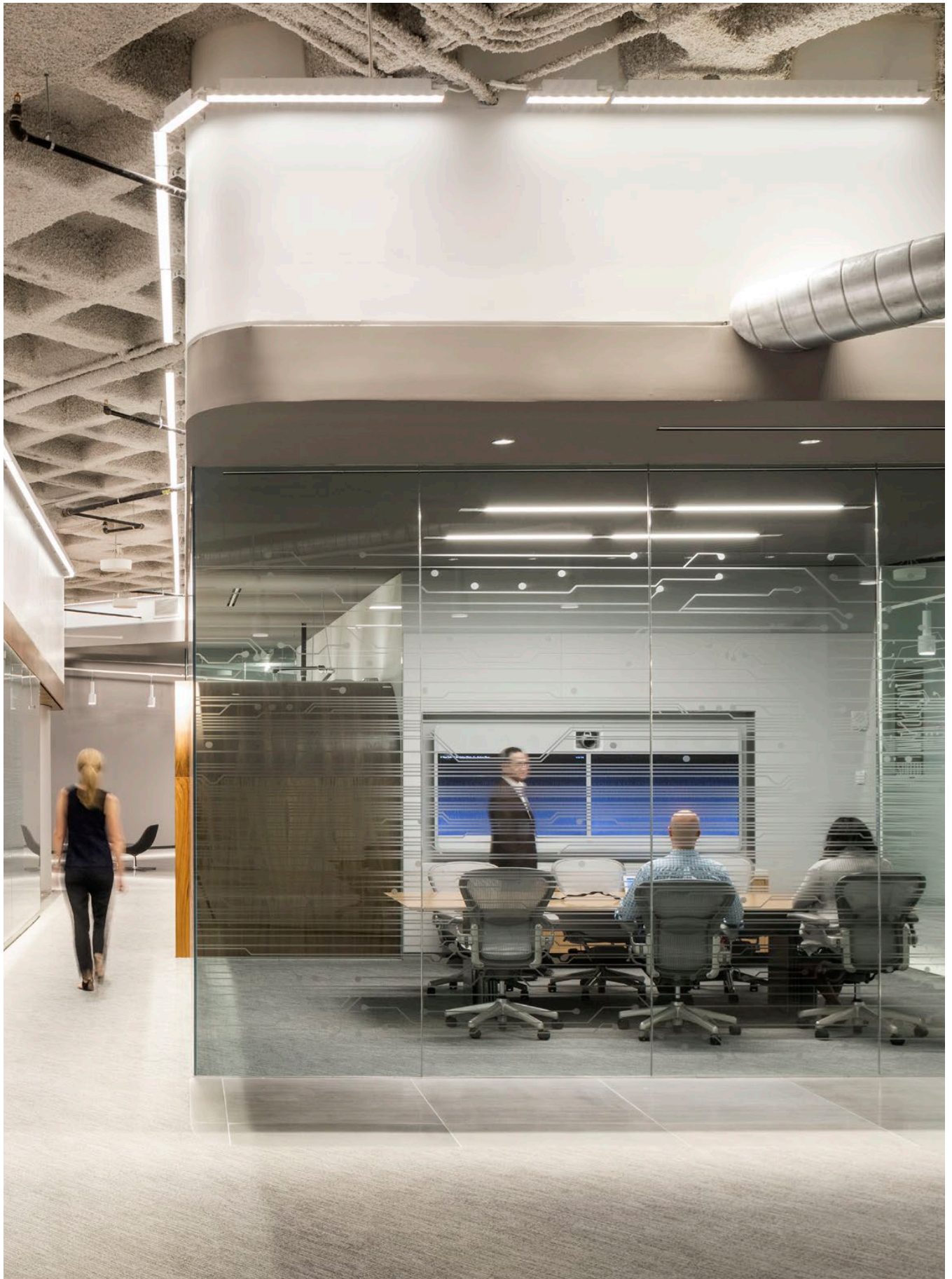
# The Power of Data

## 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.







# TMA's Workplace Predictions

Using our latest data, we will be tracking the predictions below throughout the year. Stay tuned !



An increase in semi-enclosed and small focus rooms for 1-3 occupants



Less executive suites



An increase in USF per work seat in activity based working environments



An increase in both employer and building provided amenity and wellness spaces

## In addition to our trackable predictions...

We believe that this year will lead to an increased partnership between our workplace strategy and change management teams and the human resources leadership of our clients. In the past year a new conversation has begun around the topic of emotional safety. Many employees wish to work in a more egalitarian environment with fewer closed doors. We see this leading our team to design creative ways to support this message and we believe transparency not only in design, but culture as well, will become a frequently discussed client value and mission.



### 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](mailto: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 10 Office Giant by *Interior Design Magazine*.

### Our Expertise



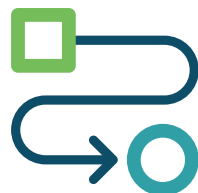
#### ARCHITECTURE & INTERIOR DESIGN

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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