

SPOTLIGHT ON BANKING AND FINANCE

CBRE Workplace, 2018

CBRE

INTRODUCTION

In the recent **'Flexible Revolution'** and **'European Occupier Survey'** research reports, CBRE looked at the increase in the use of flexible co-working spaces, key factors driving decision making, and how the trend might affect, and be adopted by, corporate occupiers. **CBRE Workplace's** **'Rise of the Workplace Consumer'** research puts the spotlight on banking and finance gathering insights from professional, middle management and executive survey responders and interviewees.

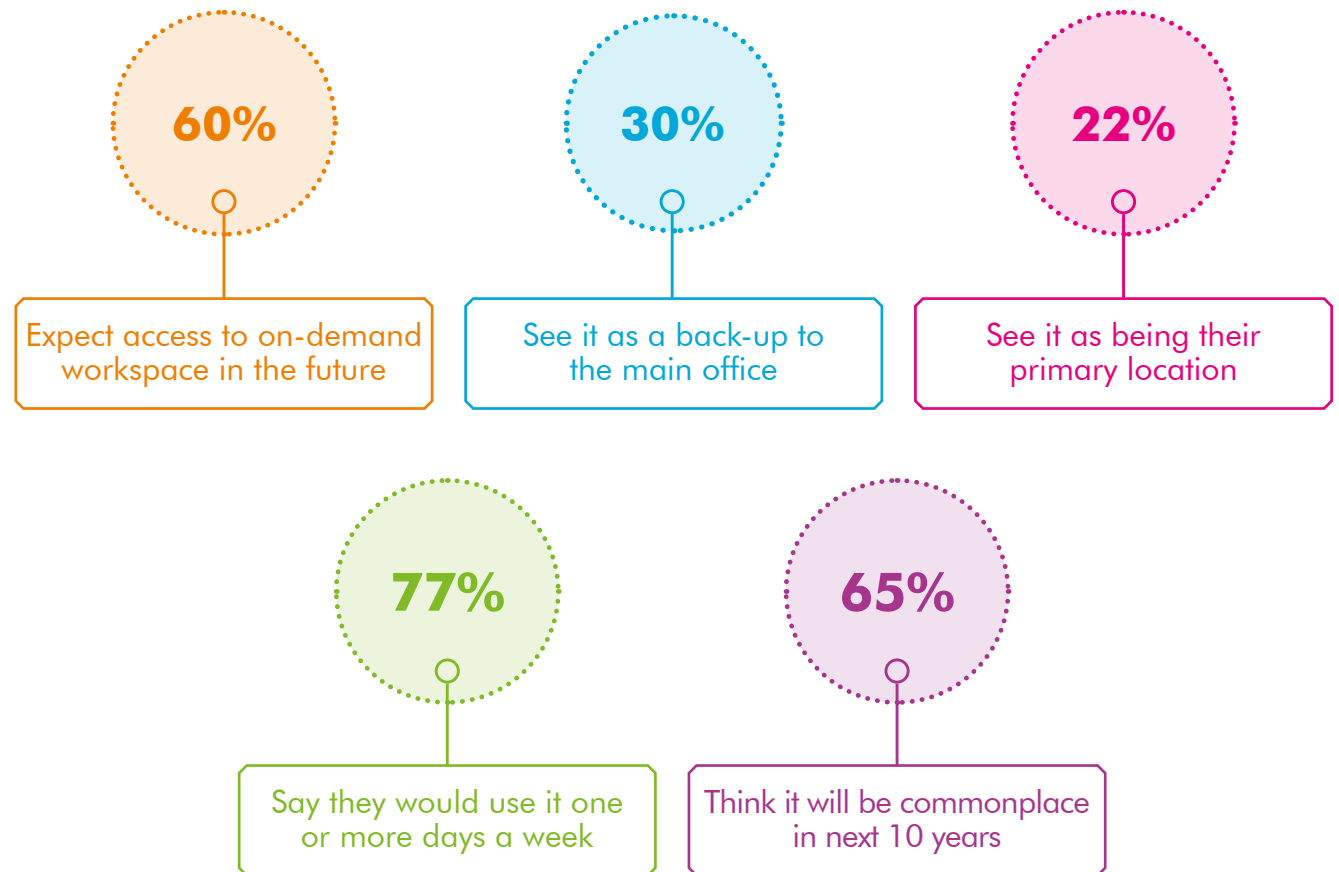


BANKING AND FINANCE

A key consideration in embracing co-working is ensuring employees are on board and will benefit. Do staff want to work away from the office? In the case of our banking and finance survey responders, key themes were a desire to be seen by leadership and an expectation of being in the office, a desire to be closer to clients and working primarily in the 'main' office rather than full-time in a co-working space.

However, respondents were open to working in these spaces occasionally, the way they might already work from home. Where the goal of co-working space is to cater to the exact requirements of a business and its end users, could financial institutions, with all their compliance considerations, ever truly take advantage of this new way of working?

Figure 1: End user expectations



Source: 'Rise of the Workplace Consumer' UK survey. CBRE Workplace

PERSPECTIVES

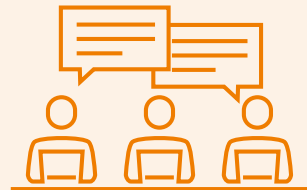
PROFESSIONALS

The most important factors to the professionals surveyed are attractive, convenient locations, and the range and quality of rooms to host formal meetings or do focused work.

This group were the most concerned about the impact on their time and prospects, with 93% seeing some risk of having fewer interactions with other employees and 91% expecting inefficiency in time lost trying to find them. 88% see reduced visibility of work output as a significant risk to their careers.

89% say they would feel pressure not to use office facilities to drive costs down.

KEY CONCERNS



Fewer interactions with other employees and time lost in finding them

MIDDLE MANAGERS

60% of middle manager's time is currently spent in the office and they see co-working space as a back-up. They too highly value location and quality and are interested in well developed, attractive workspaces and open environments to network. The upkeep and maintenance of building facilities and tech support facilities is also a concern for middle managers.

They see being near clients and competition and availability of spaces in more geographies as strategic benefits to both themselves and the wider business. However, they see significant risks and challenges of reduced career prospects from lack of exposure in the business and the potential loss of intellectual property.

KEY CONCERNS



Reduced career prospects due to lack of exposure in the business

EXECUTIVES

75% of executive responders expect using co-working space to be commonplace in 10 years. They already spend 53% of their time outside of the main office, with significant amounts spent working from home or at a client office. Executives share the opinions of middle managers and see the main benefits to themselves as increased collaboration with partners from other companies and the availability of spaces in more locations.

They see the main business benefits as financial, and strategic benefits of being closer to clients and competition and attraction of talent. Their main fears are around fewer interactions with employees and loss of corporate belonging. They are less worried about loss of intellectual property than about enabling remote working.



Would use co-working space 1-5 days per week

DRIVERS AND BLOCKERS

DRIVERS



Desire to work real estate harder and smarter



Option to supplement the main office – rather than as an alternative



Means of catering for seasonal workers and variability in headcount

BLOCKERS



Compliance with company policies



Relevance – co-working spaces designed to foster sharing and innovation may conflict with strict governance



Changing mindsets – financial institutions may need to shift from a more traditional view of the office

Source: 'Rise of the Workplace Consumer' UK research. CBRE Workplace

KEY CONSIDERATIONS



How do I make it work for my business?

Financial institutions may choose to occupy branded private space within a flexible facility, run at a limited footprint. There is potential to treat this as an innovation hub, putting newer teams in for short periods - these teams are unlikely to be business critical. There is a benefit to cost/investment where there's uncertainty around immediate headcount or business direction – providing a short term fix for an evolving business plan and variances in workload.



Is it going to be efficient?

The main benefit to using this type of space is the flexibility it provides; however, these benefits are mitigated by every level of set-up required, for example the amount of IT infrastructure required versus the length of time the space will be used.



How do we protect our intellectual property?

What are the differences between employees using these spaces and working from home? The security challenges are not necessarily new or different. There may be a need to vet each facility for other finance or fintech occupiers, alongside screening facility staff and monitoring access card data. Installation of own IT systems offers control over security and meeting regulatory requirements and occupying branded space with internal meeting rooms rather than communal lounges helps safeguard confidentiality. If landlords and facility managers were to offer the best standards in IT systems, this would further reduce barriers for financial institutions.

WHAT OUR CLIENTS ARE SAYING

Better space utilisation and op-ex savings seen as the main drivers of workplace strategy in the banking & finance sector.

Location, convenience and public transport accessibility are seen as disproportionately important, both as a building selection factor and as an attractor to talent.

Main reason for using co-working space is a pragmatic rather than a cultural one - a need for a short term space solution (57%).

89% expect to have to provide (or their landlord to provide) collaboration/ social spaces in the future.

Source: European Occupier Survey 2018. CBRE Research. [Click here for more](#)

“Colleagues are beginning to understand flexible space. Clearly we would go for flex if the numbers work”

Source: Flexible Revolution, CBRE Research. [Click here for more](#)

CONCLUSION

In conclusion, although the banking and finance sector is considered to be at the early stage of adopting on demand/co-working space, it will continue to be a trend. Factors affecting the speed of adoption will include the cost of space in London or central locations, versus elsewhere.

Culture change also plays a role, as video conferencing and remote working are increasingly becoming the norm in the industry.

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