

Adaptive Spaces

Flexible Office Trends in Tech 2023

REPORT FIGURES

More than a third of
tech companies
planning to double
their use of flex space

CBRE AGILE PRACTICE
FEBRUARY 2023

Introduction

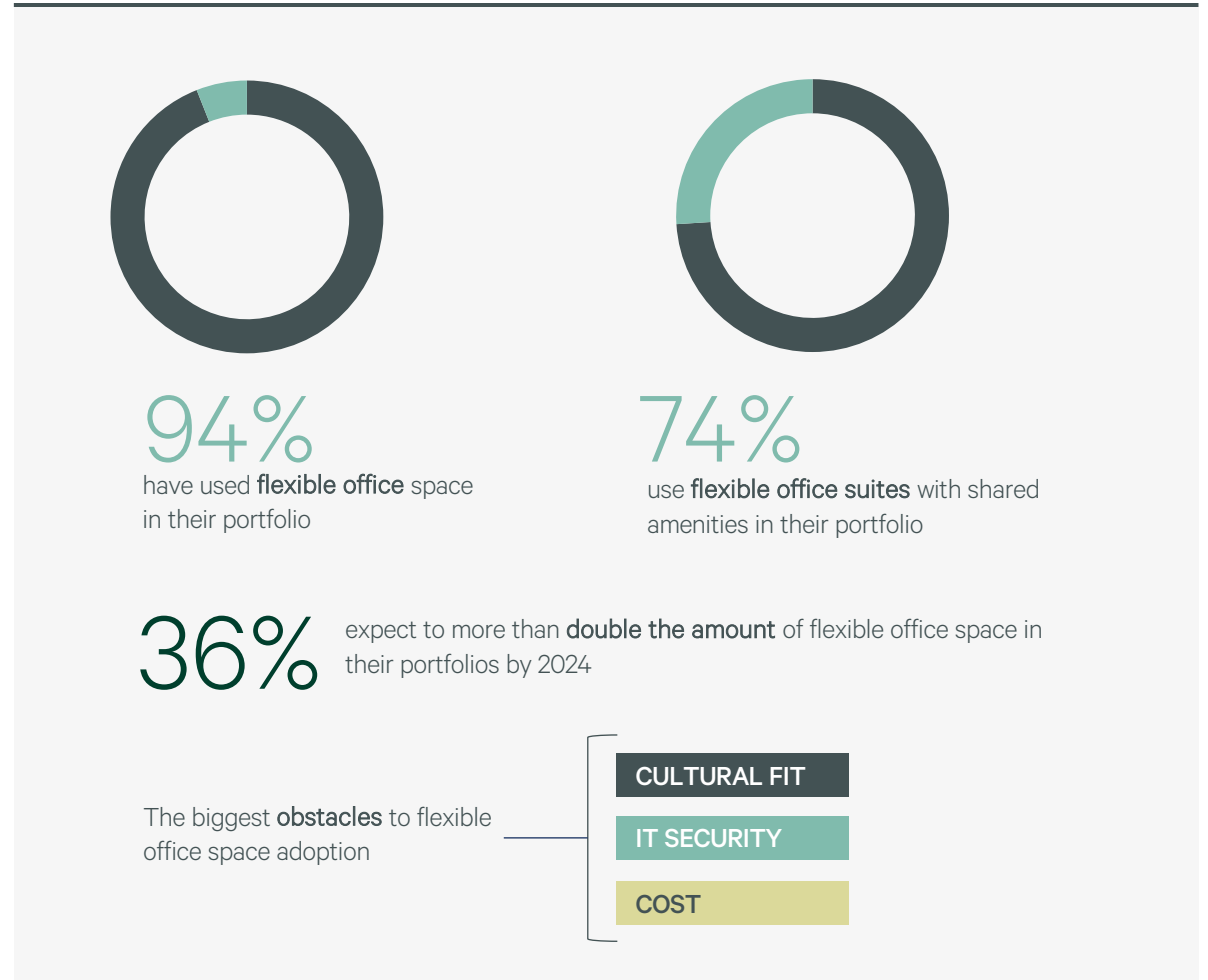
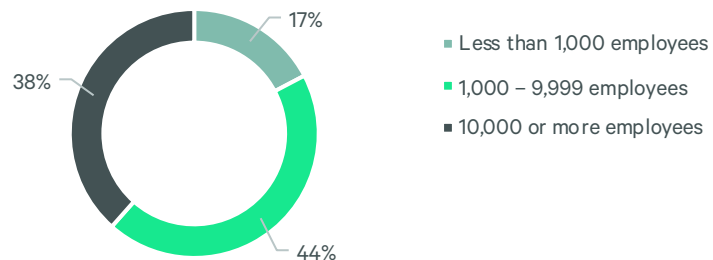
Tech Sector

CBRE Agile Practice surveyed CBRE brokers and account leaders on their Tech clients' adoption of flexible office space

We received 53 responses:

- These companies have significant global footprints, collectively employing more than 2.3 million people worldwide.
- Thirty-five companies are U.S. dominant (the majority of their presence in the region), 11 are EMEA dominant and 7 are Asia-Pacific dominant.
- Eighty-three percent of the companies have at least 20% of their footprint in the Americas, 45% have at least 20% in Asia-Pacific and 20% have at least 20% in EMEA.

BREAKDOWN OF RESPONDENT BY COMPANY SIZE



Source: CBRE Agile Practice, 2022.

Key Takeaways

Tech Sector

Key findings:

- Tech is ahead of other sectors in its adoption of flex space solutions
- Respondents are still increasing their use of flex space, but the pace of adoption is more gradual.
- More than any other sector, tech is using the entire spectrum of flex products to its fullest extent
- Cost is becoming an increased concern among respondents.

PROJECTED INCREASE OF FLEXIBLE OFFICE SPACE



36%

expect to more than **double the amount** of flexible office space in their portfolios by 2024.

USE OF FLEXIBLE OFFICE SPACE

People

Accommodate remote workers (70%)
Mitigate uncertainty of back to office (28%)
Test and pilot new ways of working (15%)

Flexibility

Test new markets (47%)
Accommodate rapid growth (45%)
Point-in-time solution (42%)

Cost

Reduce capex (47%)

CHALLENGES OF FLEXIBLE OFFICE SPACE

Cultural fit (53%)
IT/security Issues (51%)
Cost of traditional vs. flex (49%)
Privacy/regulatory Issues (36%)

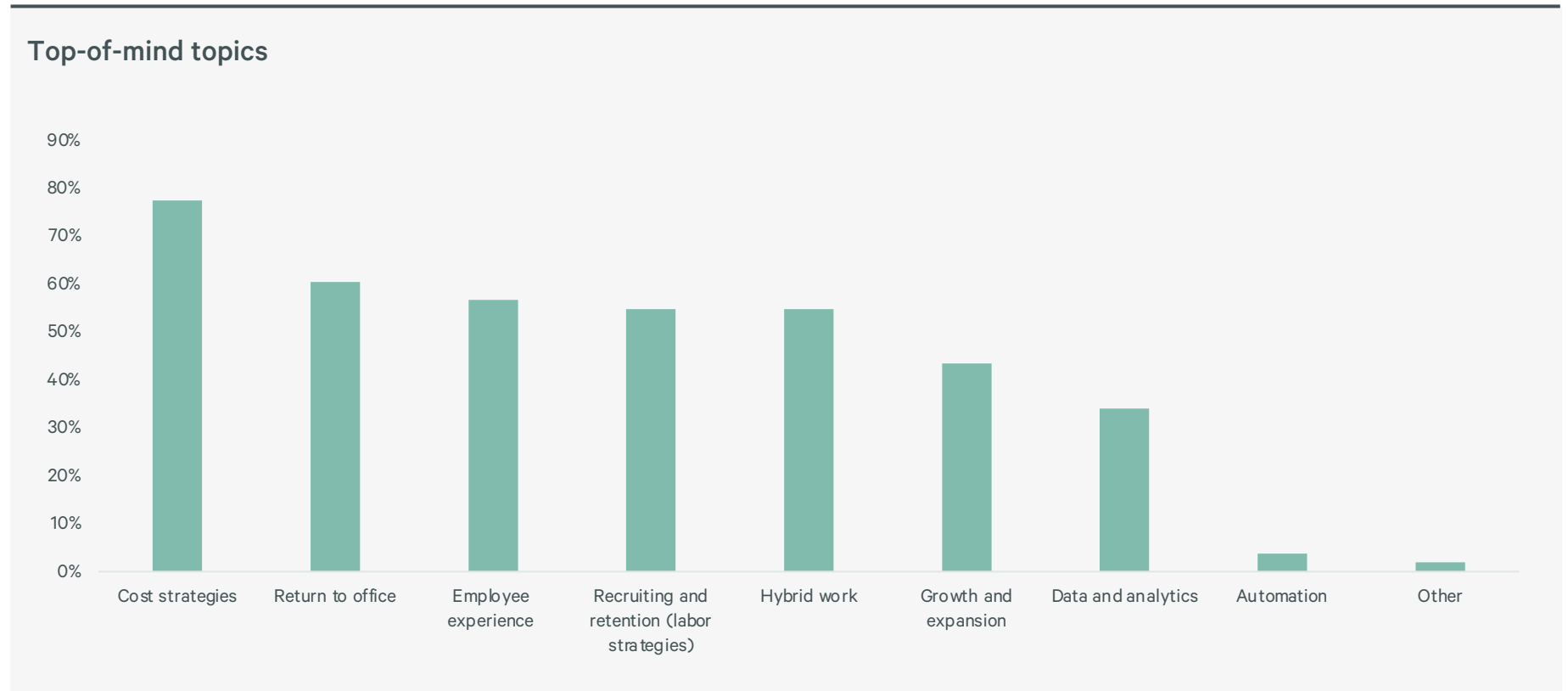
Figure 1

Top Topics

Tech Sector

Cost has replaced recruiting and retention and as the top issue for tech companies.

Other topics top of mind to Tech Sector companies right now are [Return to Office](#), [Employee Experience](#) and [Recruiting and retention](#).



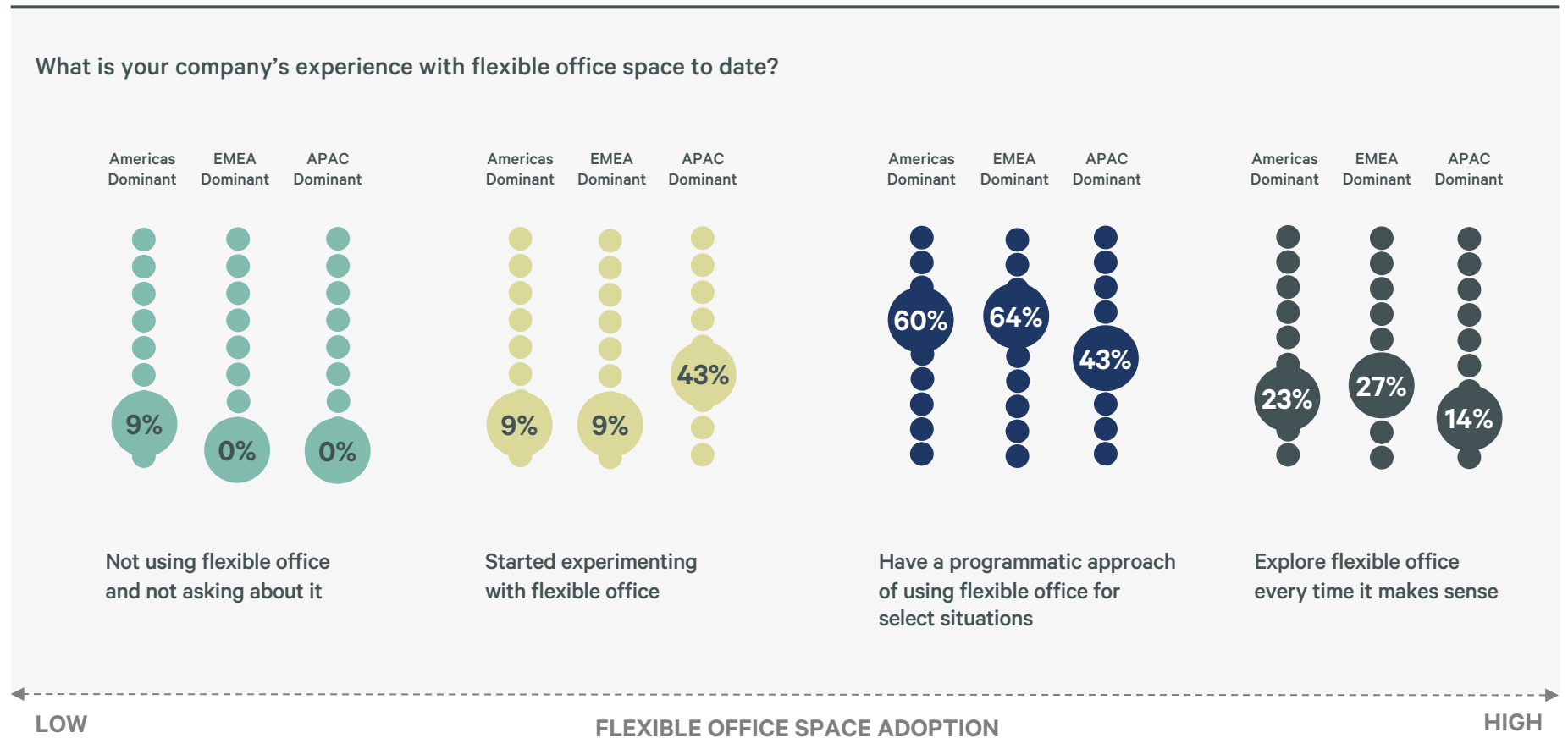
Source: CBRE Agile Practice, 2022.

Figure 2

Flexible Office Adoption Trends

Tech Sector

The tech sector continues to lead in flex adoption



Source: CBRE Agile Practice, 2022.

94%
of respondents have **used flexible office space** in their portfolio

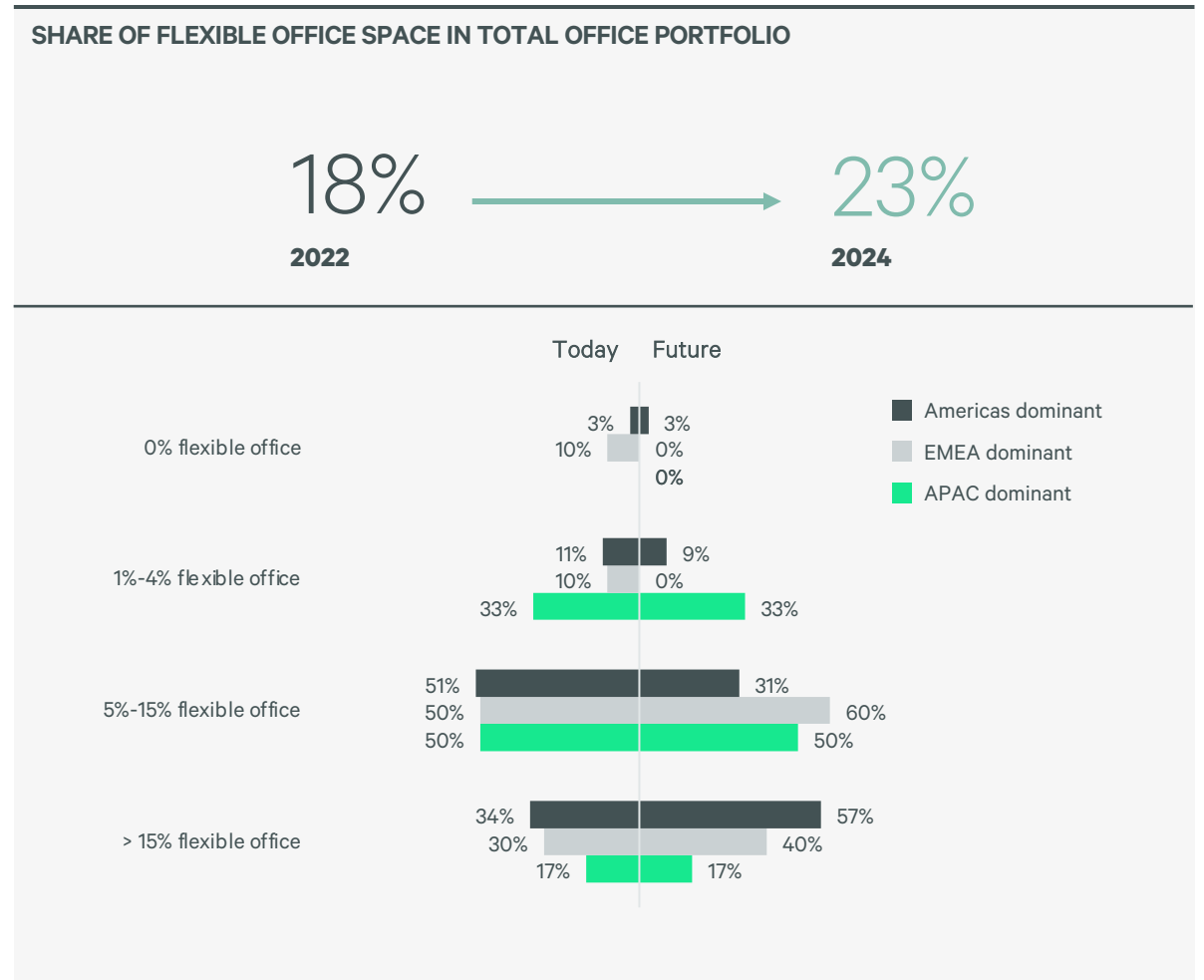
61%
of respondents **prefer** buildings with flexible office space

Figure 3

Expectations for Increased Use of Flexible Office Space

Tech Sector

Thirty-six percent of survey respondents expect to more than double their use of flexible office space by 2024, with the biggest adopters planning a fivefold increase.



Source: CBRE Agile Practice, 2022.

Figure 4

Popular Flexible Office Solutions

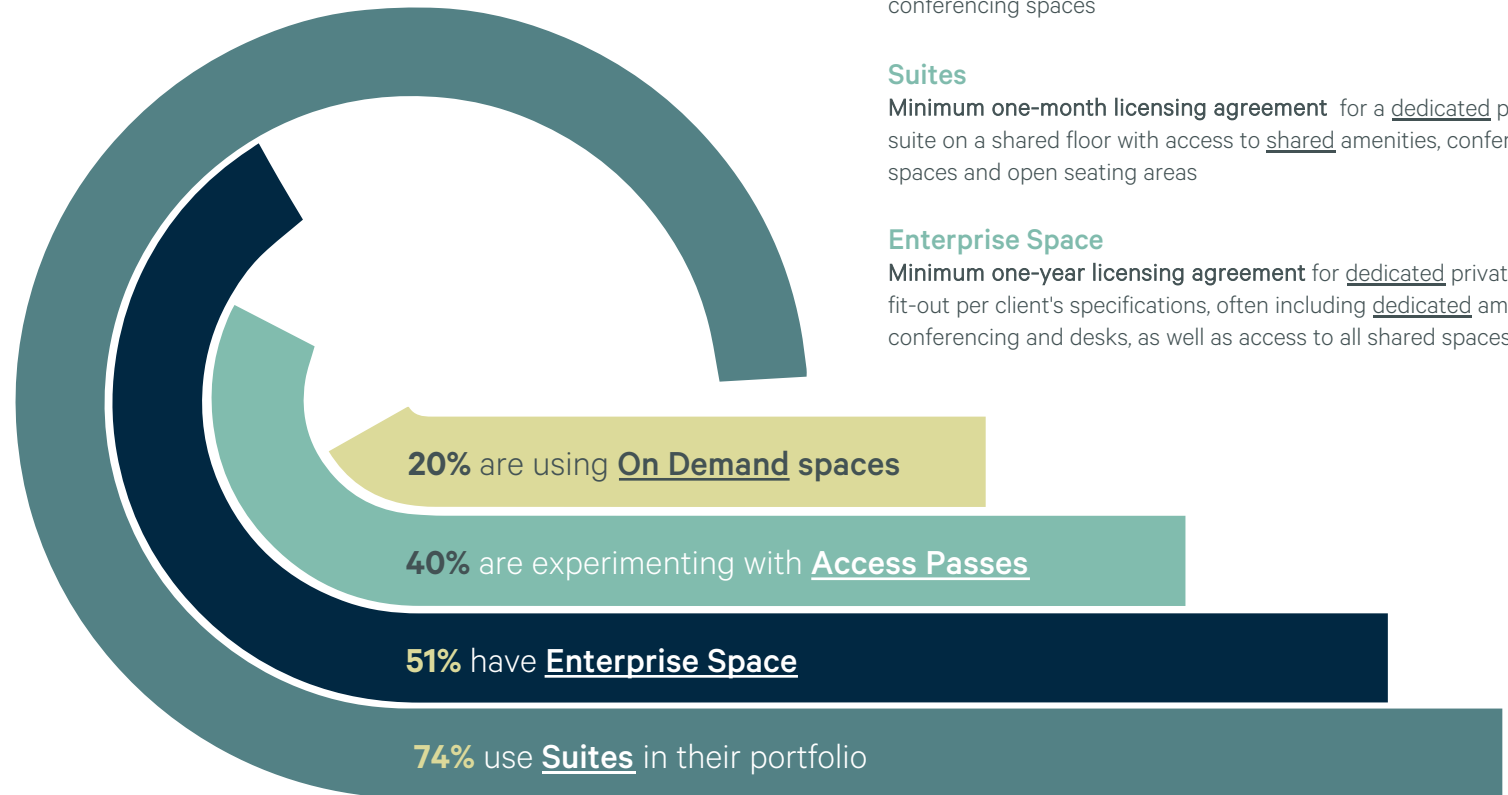
Tech Sector

Suites with shared amenities are the most popular flexible office solution with almost three-fourths of respondents using it.

Most respondents utilized a combination of products to meet their needs, the most common being:

- Suites + Enterprise Space
- Suites + Access Passes
- On Demand + Access Passes

Unlike financial services, which tend to gravitate mainly toward enterprise solutions, tech firms use all types of flex offerings.



On Demand

Pay per use for shared amenities, conferencing spaces, open seating areas or event booking

Access Pass

Monthly membership for shared amenities, open seating areas and conferencing spaces

Suites

Minimum one-month licensing agreement for a dedicated private suite on a shared floor with access to shared amenities, conference spaces and open seating areas

Enterprise Space

Minimum one-year licensing agreement for dedicated private floor(s) fit-out per client's specifications, often including dedicated amenities, conferencing and desks, as well as access to all shared spaces

Figure 5

Purposes of Using Flexible Office Solutions

Tech Sector

Flexible office space primarily is used to add agility into the portfolio and minimize capex spend.

Tech companies largely find the most value in using flexible office space to accommodate remote workers, test new markets, and accommodate rapid growth.

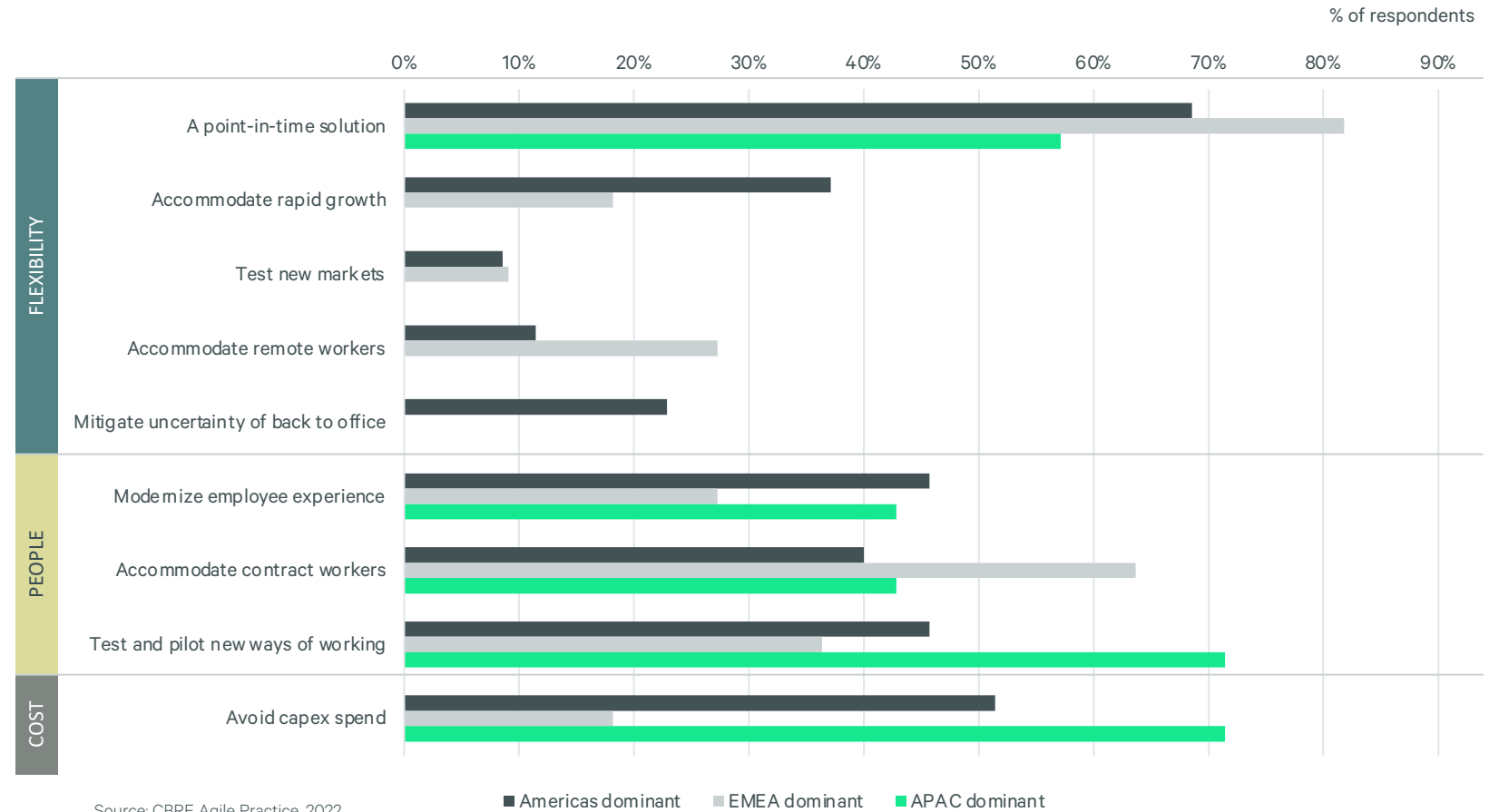


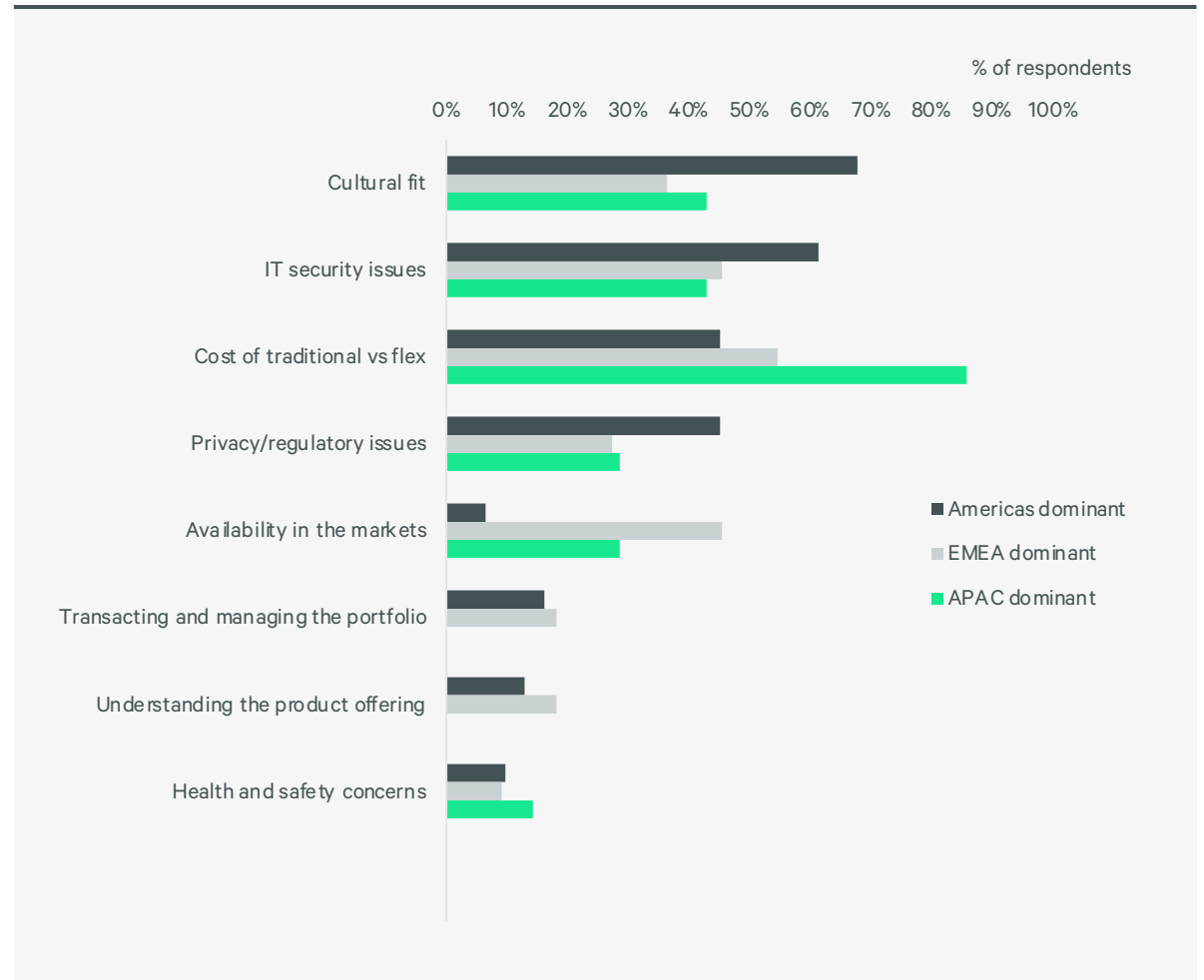
Figure 6

Challenges of Flexible Office Space Adoption

Tech Sector

Cultural fit is the biggest challenge for Tech Sector companies when using flexible office.

IT security and balancing cost of traditional space versus flexible office were cited by a majority of the respondents as **obstacles** to a broader adoption of flexible office space.



Source: CBRE Agile Practice, 2022.

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