



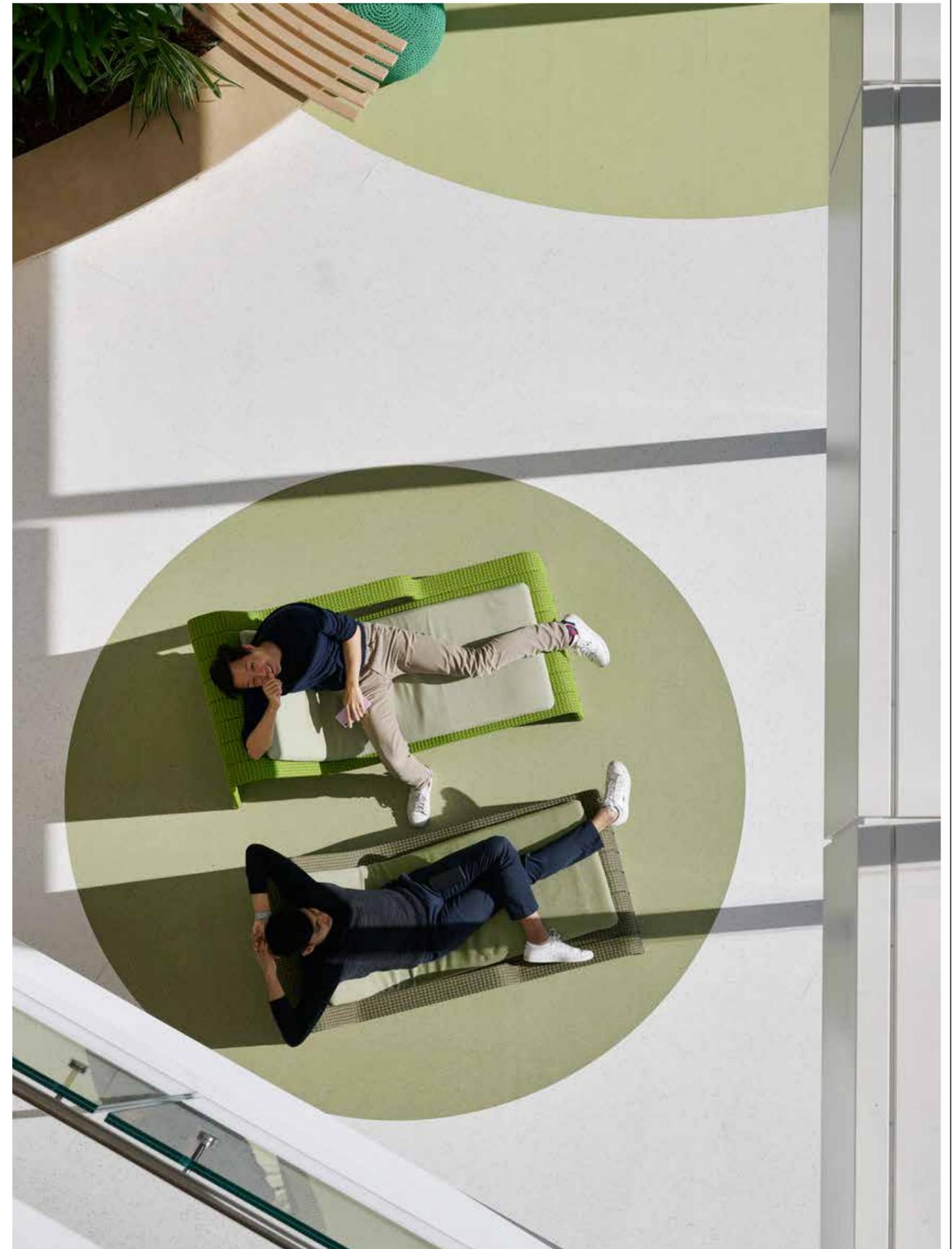
**THE BIG
CALM**

SUMMARY

The workplace has entered a period of global stability. For the first time since our survey began in 2020, we've seen global convergence in the current state of the workplace as office workers double down on working patterns defined by flexibility, freedom and fresh air.

The big swings in the number of people working from home or the office and the significant shifts in workplace policies have settled across global markets. Similarly, people's workplace preferences and priorities have found stability across Australia, Singapore, Hong Kong, the UK, and the US. In this moment of calm, office workers also seek calm - in the form of private meeting spaces and home-like amenities spanning good coffee, green spaces and fresh air.

In 2024, we set out to understand more about what lies ahead, so we examined emerging concerns such as climate change, artificial intelligence (AI), and the adaptive reuse of commercial assets. Our expanded data collection anticipates what's on the horizon. By publishing this report, we hope to give organisations the confidence to be decisive in this moment of calm and to focus on the challenges ahead rather than the turmoil of the past.



Australian Workplace, Sydney, Australia. Photography by Earl Carter.

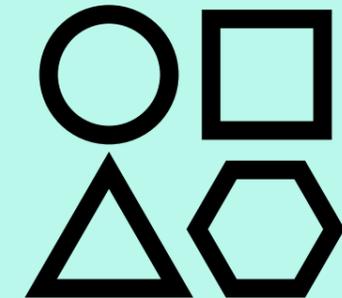
KEY FINDINGS



After several years of disruption and upheaval, workplace patterns are finally stabilising.



The pandemic had a lasting impact on flexible work, space ratios, and workplace amenities – workplaces are still adjusting to this new reality.



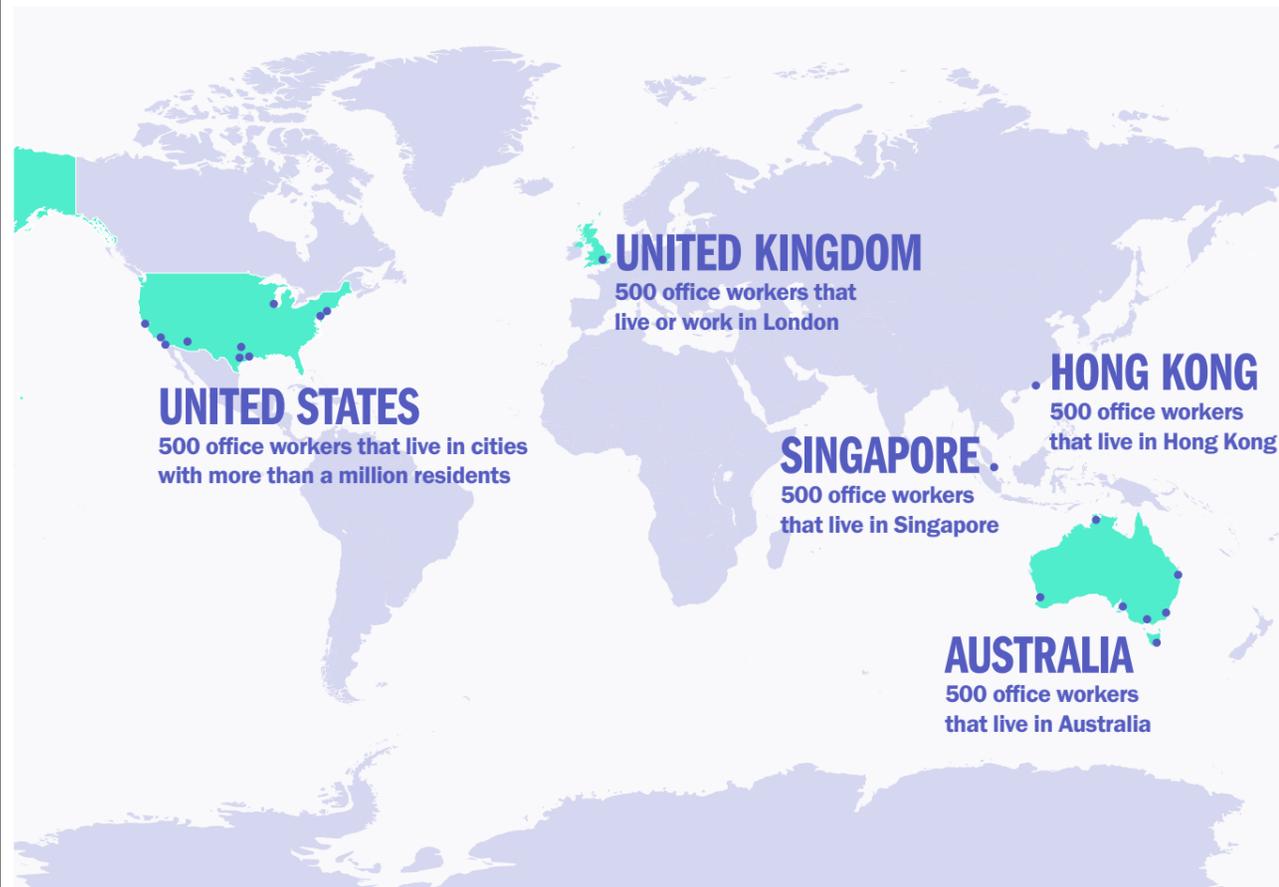
New challenges loom for workplaces including, climate change, AI and, the push to reuse existing assets.

METHODOLOGY

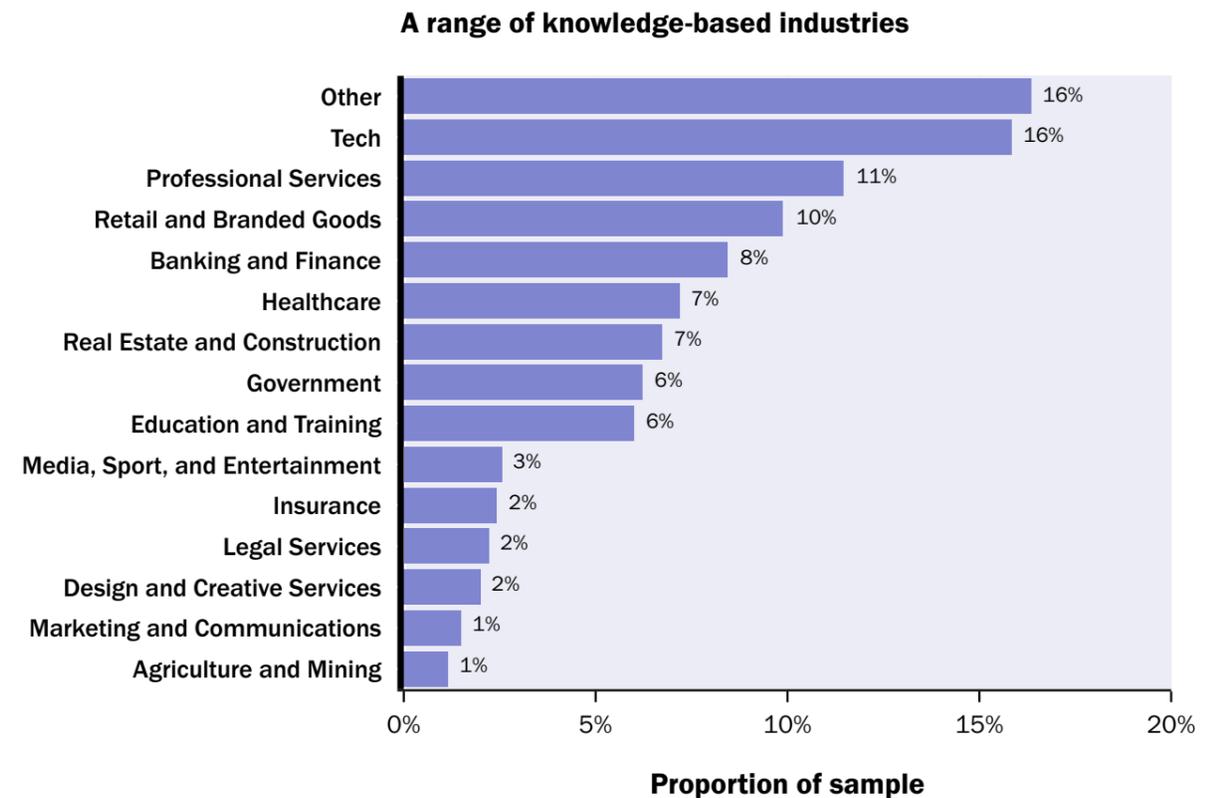
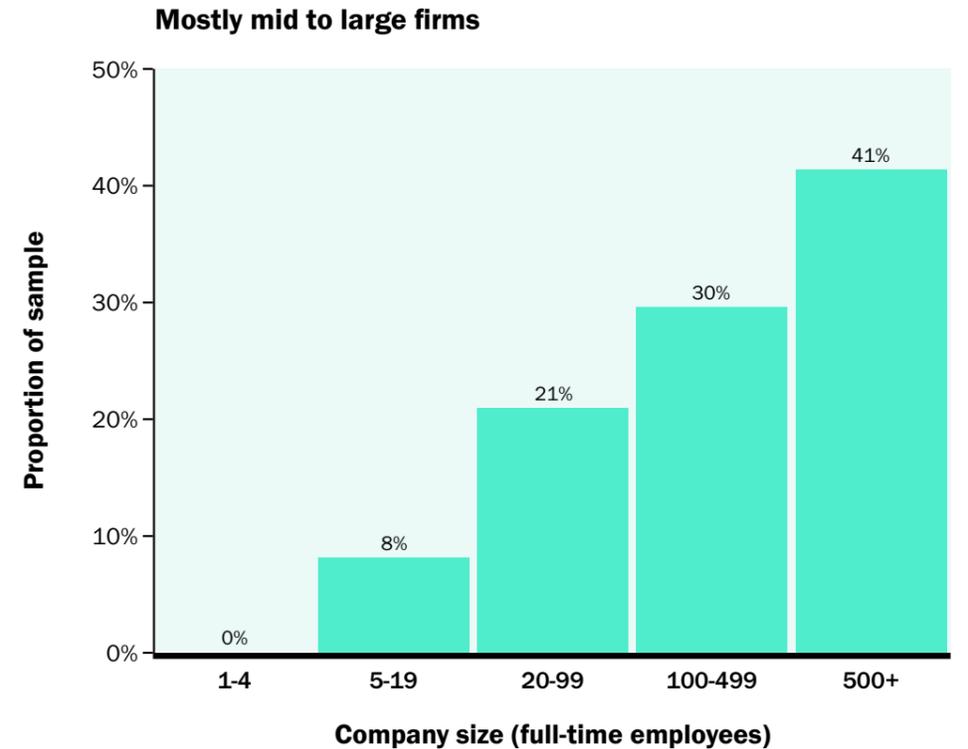
Over five years, we've conducted five surveys with 11,900 office workers and collected over two million data points. This year, we surveyed 2,500 people in Australia, Singapore, Hong Kong, the UK, and the US about their current work lives. We recruited these people using a third-party research firm tasked with ensuring a representative mix of knowledge workers in each region that completed the survey.

For the past couple of years, the pandemic has loomed large and shaped much of the discussion about the workplace. We're still interested in the pandemic and how it has impacted our working lives, but we also wanted to spend time this year looking ahead — what are the next set of challenges that workplaces will face, and how should companies respond?

This year's survey gives a pulse check on attitudes towards the future, which is why we included new topics related to the impacts of climate change, artificial intelligence (AI) and the shift towards the adaptive reuse of office buildings.

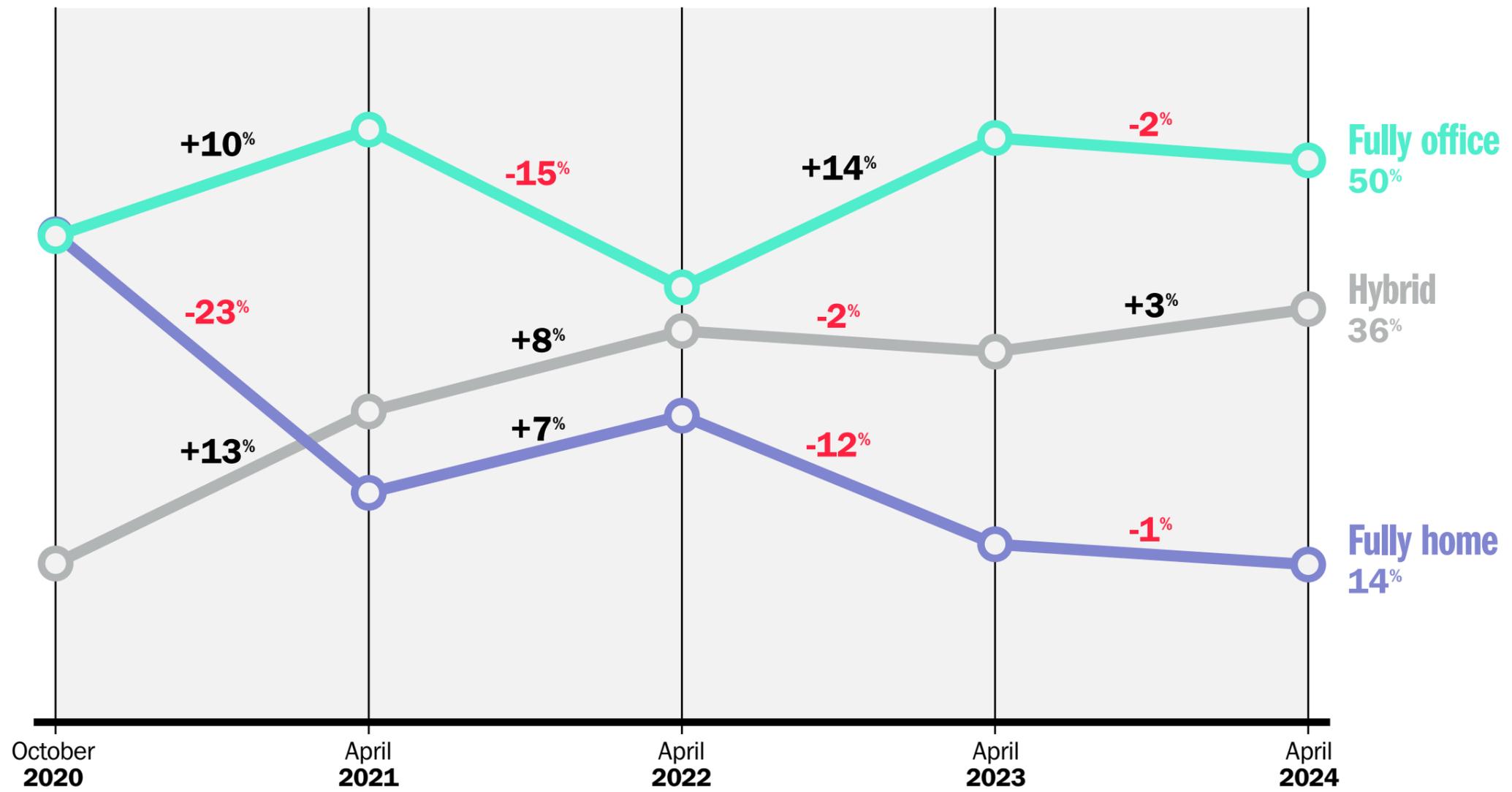


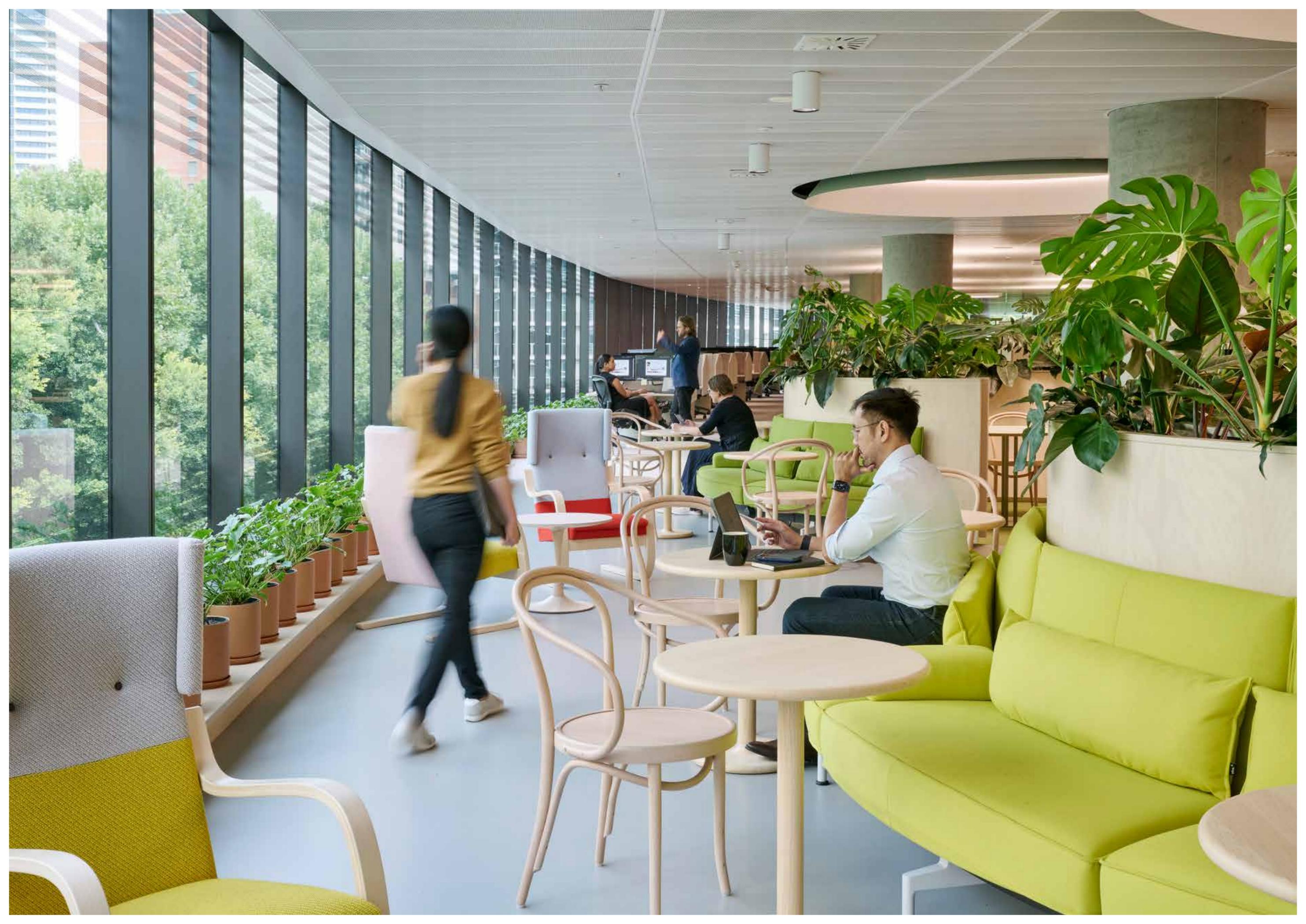
Source: Hassell Workplace Futures Survey 2024. Includes all data globally.



WHERE ARE PEOPLE WORKING

Where are people in Australia working?





WE'RE ENTERING A PERIOD OF STABILITY

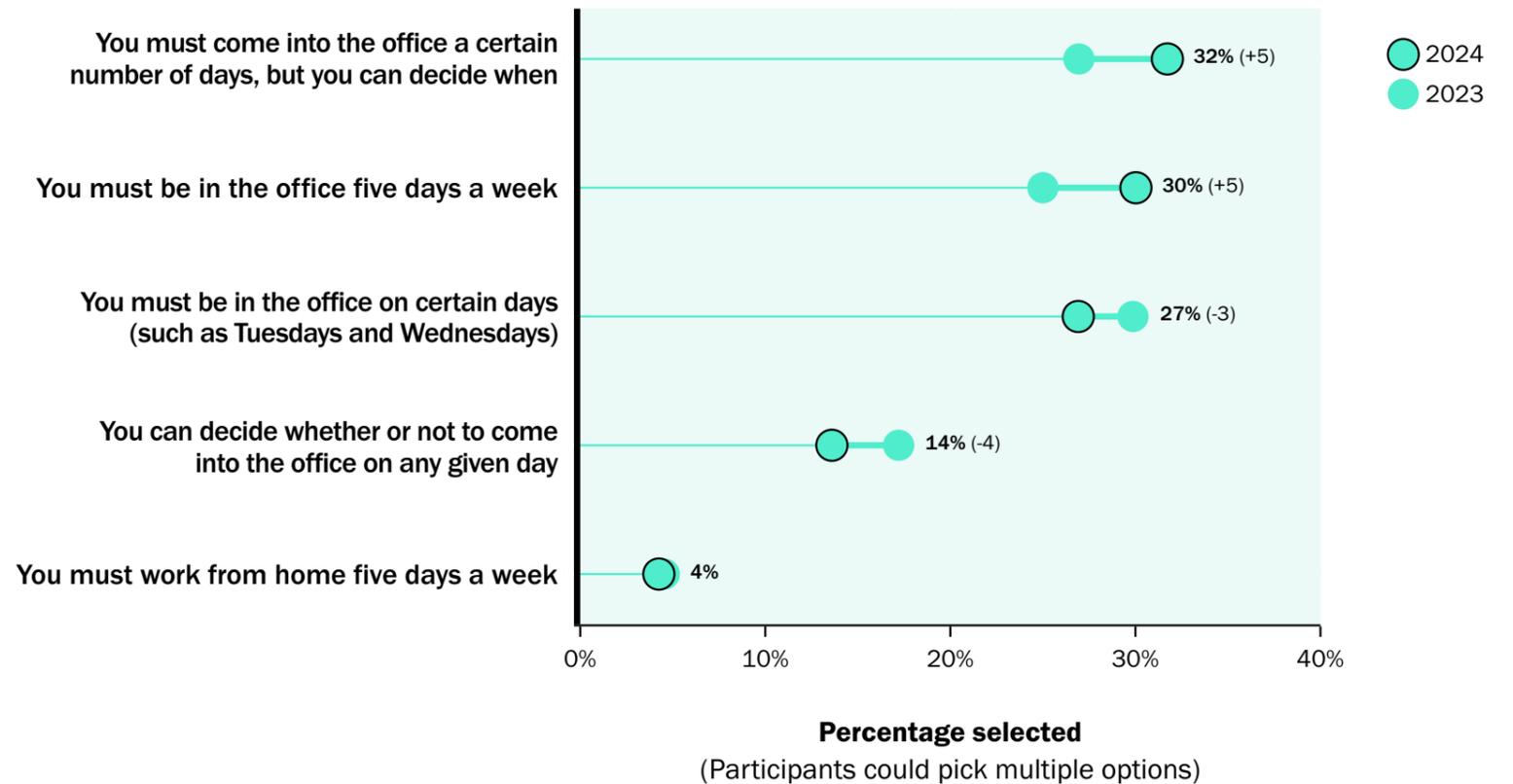
For the first time since the pandemic, we saw something new: stability. In past years, the number of people working from home or the office has gone up and down. But this year, the proportion of people working in an office full time was the same as last year. We saw this in all the markets we studied. We can surmise that after years of uncertainty from the pandemic, office workers have found their rhythm and are sticking to it.

It's not just that work patterns are the same this year. When we ask people why they're coming into the office, the reasons for working there are the same this year. We see a similar pattern when we examine why people work from home.

We see stability in many of the other questions. When we ask people why they work from the home or the office, their answers are much the same this year compared to last. When we ask them what amenities they want in their office or what changes their companies have made to their office, the answers are similarly consistent. All of this signals that we're entering a new era, that we've put the turbulence of the pandemic behind us, and we have a relatively stable foundation to chart the way forward.

Source: Hassell Workplace Futures Survey 2024. Includes all data globally.

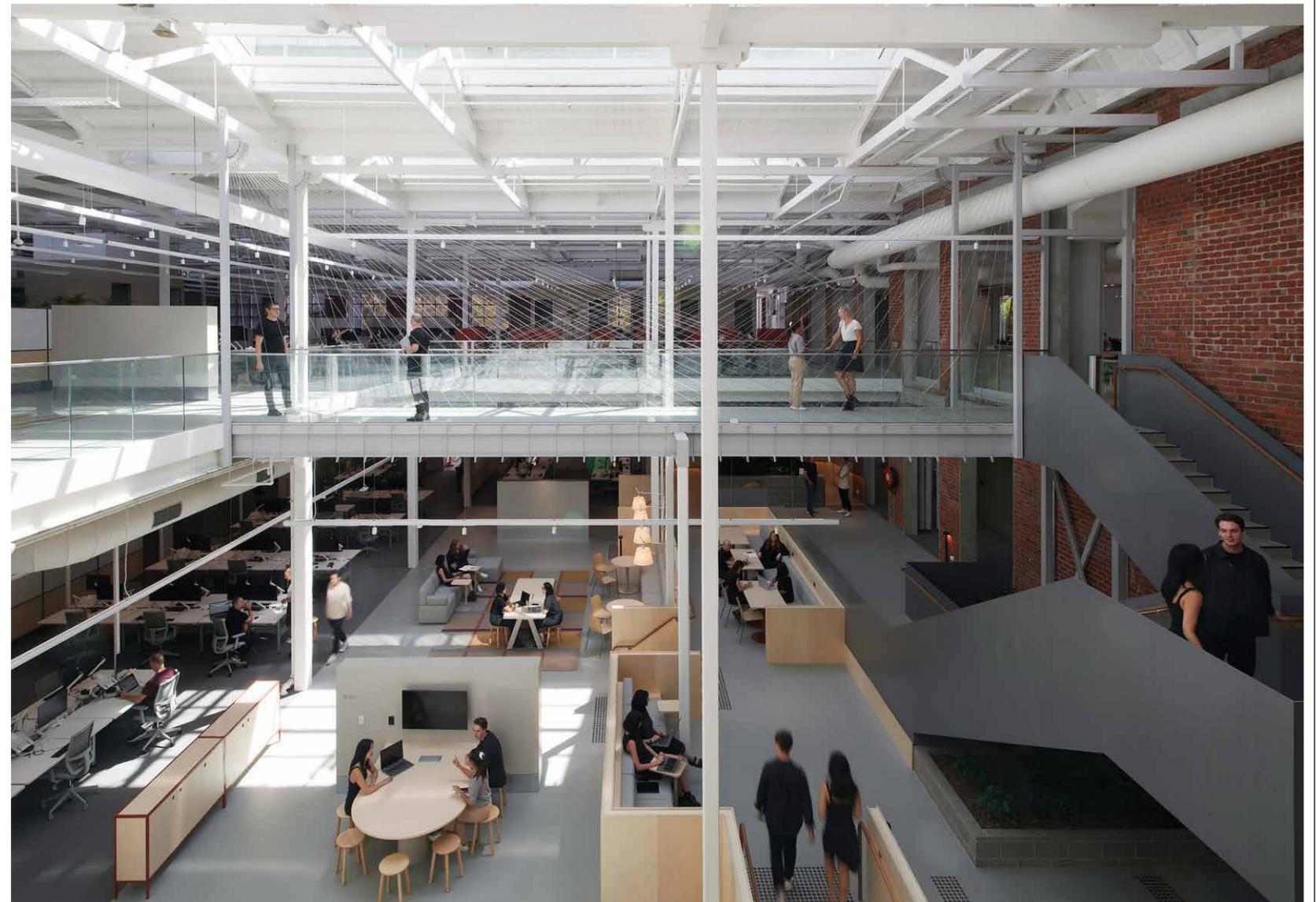
What is your company's current workplace policy as it applies to you?



WHAT STABILITY MEANS?

The turbulent years of the past made it difficult for organisations to make long-term plans, which is why this period of stability brings new opportunities. For companies holding off making any major changes to their workplace, now is the moment to act confidently and cement long-lasting changes.

For landlords it's more challenging because occupancies are settling well below pre-pandemic levels. The silver lining is that tenants are becoming more certain about their workplace needs and more willing to make long-term commitments.



Computershare Workplace, Melbourne, Australia. Photography by Earl Carter.

LASTING IMPACTS: FLEXIBLE & HYBRID WORK

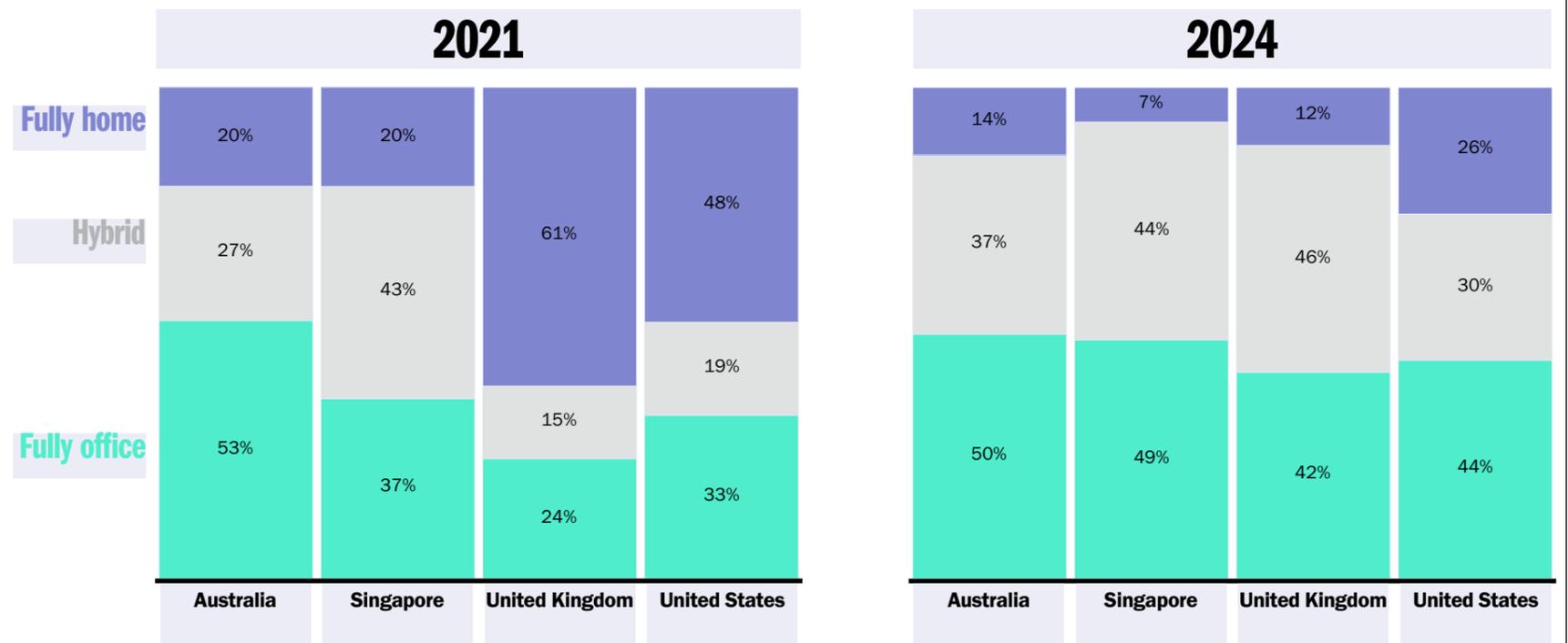
Our findings reveal three lasting changes that define this new workplace era — hybrid work, new space ratios and more domestic design qualities. While none of these are revolutionary, we’re confident they’re here to stay.

In every survey we’ve conducted since 2020, respondents have signalled their support for the flexibility of hybrid work. When people have the agency to decide where they work — at home or in an office — they are happier, more engaged, and more productive.

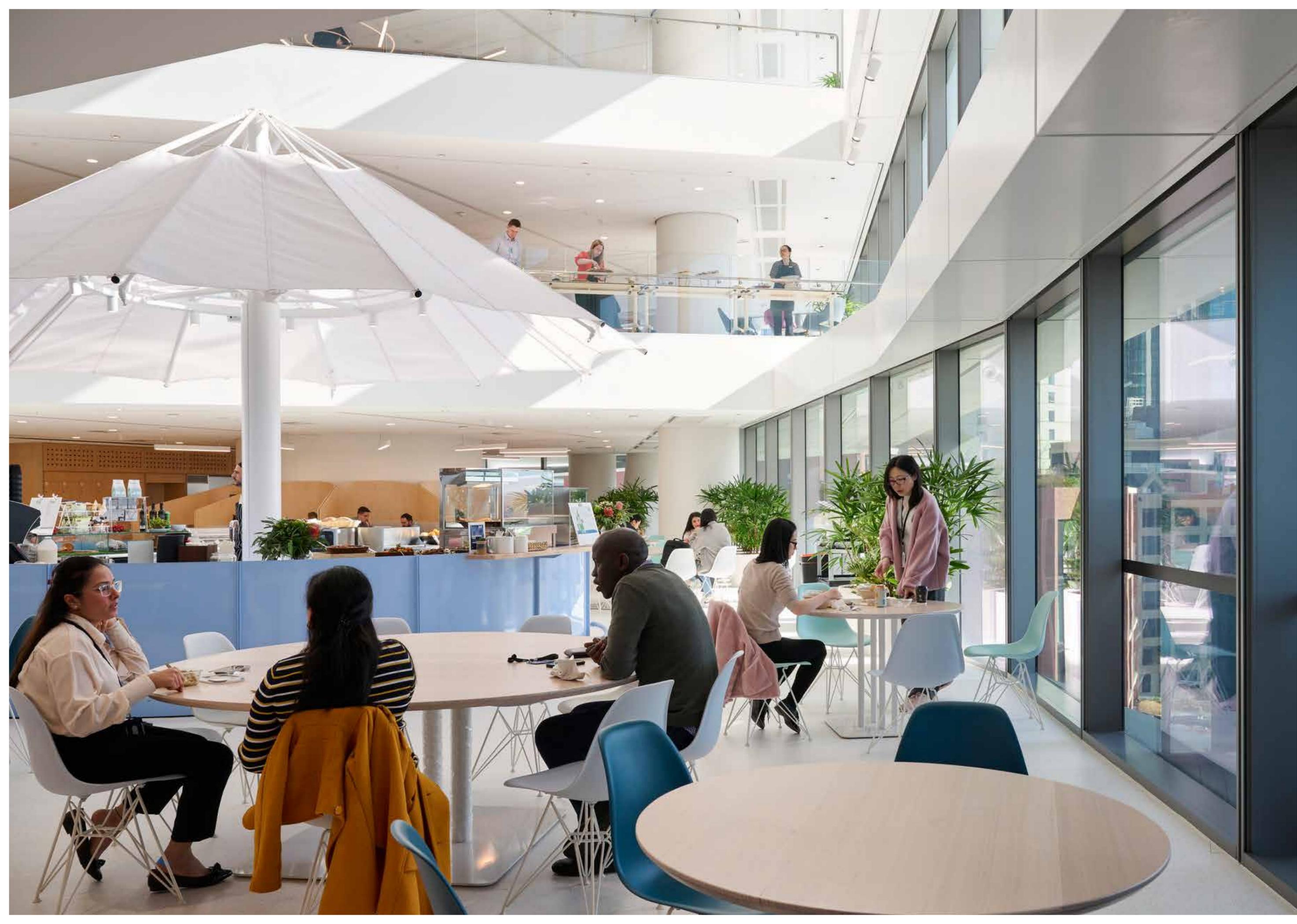
Pre-pandemic, people went into the office five days a week. During the pandemic, work patterns followed lock-down enforcements, which fluctuated dramatically across the globe. Then, as we emerged out of COVID-19, hybrid work became universally supported as a permanent fixture. Five years on, the number of people fully back in the office varies from 50 to 42 percent. Hybrid work is stable at around 30 to 45 percent. While there’s still some regional variation, things appear to converge in a similar range globally.

Some factions of the property community are probably hoping we’ll get everyone back to the office five days a week. In some isolated cases and some industries, this might be true, but if you look at the workforce as a whole, hybrid is part of the new reality.

Where are people working?



Source: Hassell Workplace Futures Survey 2024. Includes all data globally.



LASTING IMPACTS: NEW SPACE RATIOS

In a previous study conducted with Density, a workplace analytics company, we analysed how tech companies in America organised and used their offices. The findings exposed some fascinating shortcomings in the design of workplaces to accommodate a new era of work.

When workplace optimisation in the tech industry was considered, open-plan spaces were underutilised. The data revealed that open-plan areas typically accounted for 39% of the floorplan area, but only 19% was utilised at peak times. In an open-plan area for 100 people, only 19 seats were occupied at the busiest time each day. On the other hand, meeting rooms, which take up a relatively small amount of the floor space, were heavily utilised.

A by-product of hybrid work is that people often prefer individual work at home. When they do work from the office, more seek collaborative work or quiet/focused work, which equates to less demand for open-plan spaces and more demand for meeting rooms. People are seeking out meeting rooms for many reasons — for privacy in a group or online meeting, because they need quiet, or because they need some space to themselves, and they can't find that in their open-plan office.

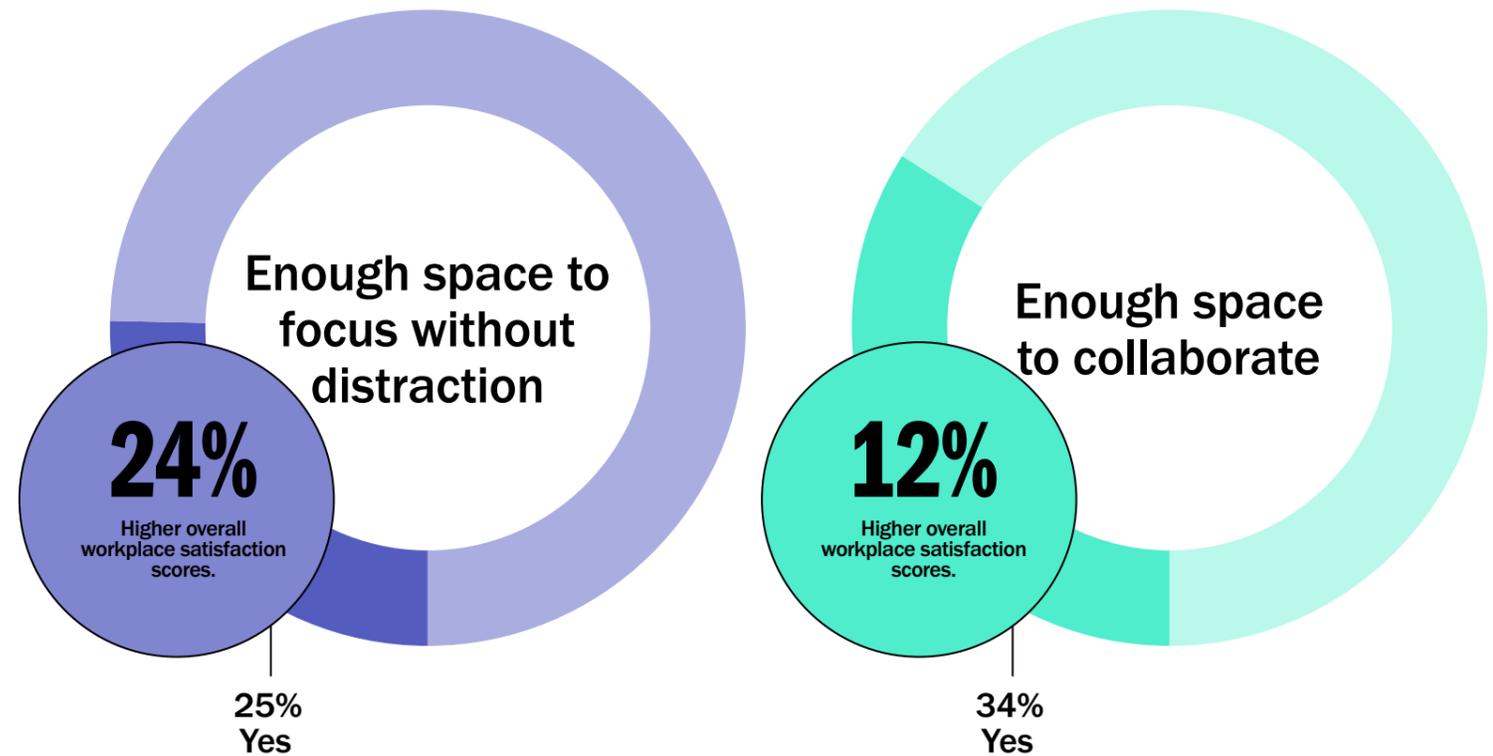
In our survey, we asked people if they had enough space to collaborate and enough space to focus without distraction. Only 23% of people in Australia said they had enough space to focus, and only 35% said they had enough space to collaborate. These are two critical factors to the success of the workplace. Out of all the metrics we study, they're some of the most closely related to people's workplace satisfaction. People with enough space to focus typically have 24% higher satisfaction scores than those who don't. People with enough space to collaborate usually have 12% higher scores.

So, in these critical metrics, many workplaces need to catch up.

Source: Hassell Workplace Futures Survey 2024. Data from all countries.

NOT ENOUGH SPACE

Which of the following are available at your company's office?



LASTING IMPACTS: DOMESTIC AMENITIES

When workers returned to the office post-pandemic, they brought with them new expectations about how the workplace should function—ranging from what it means to be quiet and focused to what you might do on your lunch break.

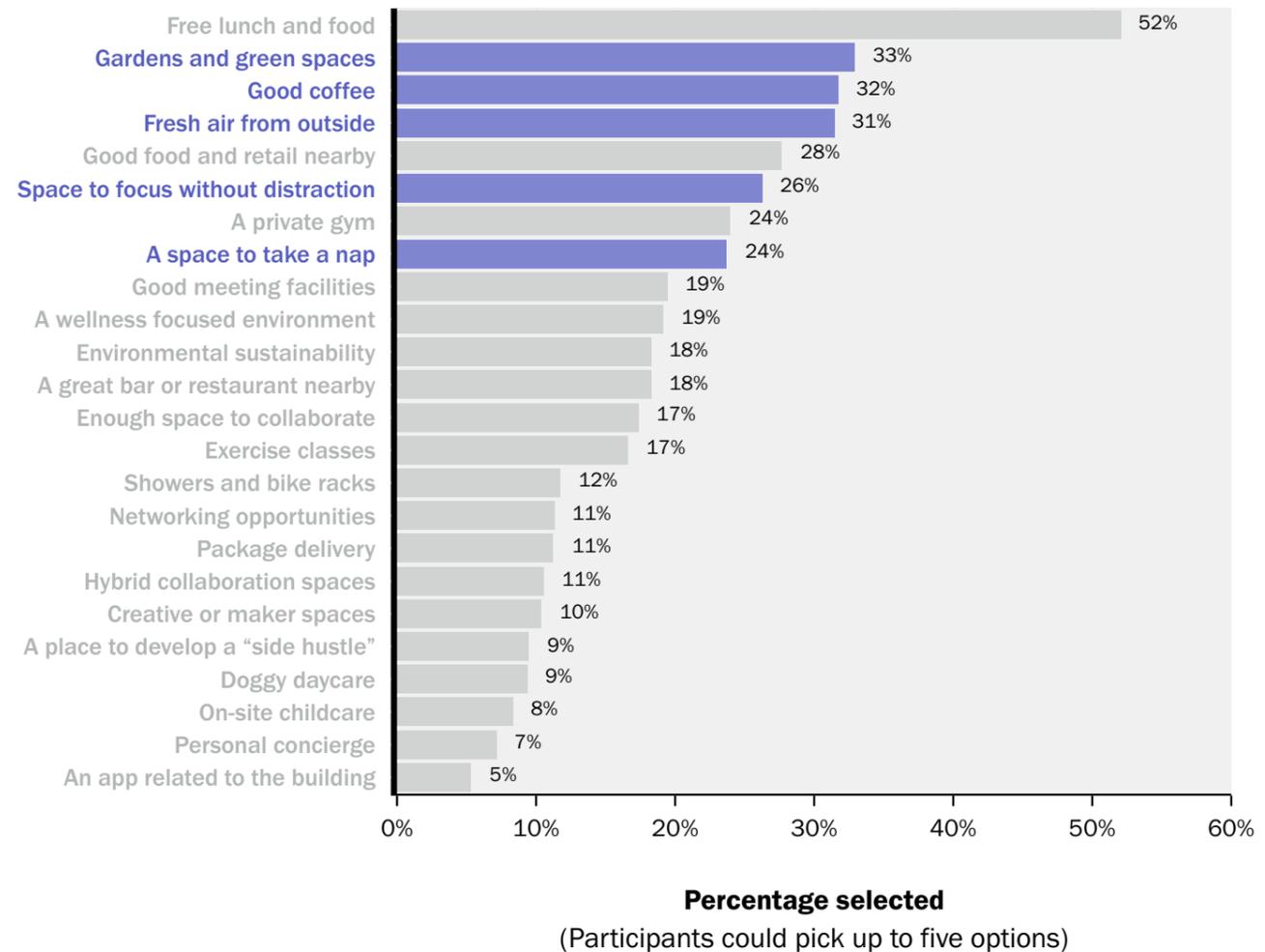
So when we talk about the workplace becoming domestic, we're not saying it should look like someone's kitchen and living room. Instead, we're talking about how the space performs and how that performance can align with what people experience at home.

We ask people which amenities they most want in their company's workplace every year. We also give people a long list of amenities to choose from. Every year, free food tops the list, but right under that, simple pleasures like green space, good coffee, fresh air, space to focus without distraction, and a space to take a nap rate highly. Interestingly, these are accessible when people are working from home.

Conversely, more elaborate amenities like childcare or doggy daycare rate low when it comes to preferences. People could pick anything from this list, and they consistently pick the more domestic amenities.

WANTED IN THE BUILDING

Which features would you most want to see in your company's office?



Source: Hassell Workplace Futures Survey 2024. Includes all data globally.



WHAT'S AHEAD: CLIMATE CHANGE

While evidence suggests we've reached a period of calm, we should not become complacent. Significant changes and challenges lie ahead, and these will inevitably affect the workplace.

The threats of climate change are already impacting the way we work. Extreme weather like flooding, heatwaves, and wildfires are already happening more frequently and impacting people's lives. Recent Canadian wildfires forced millions inside across Canada and the US, and similar events have had massive impacts across Europe and Australia. Heatwaves and flooding have also had catastrophic consequences, as have cyclones and drought.

We asked people whether these events impacted their decision to work in their office. For many people, it wasn't a factor. But for some of these events, people shifted their work patterns and worked five or more days at home. Taken all together, this amounts to about an extra day per year worked at home due to extreme weather. It's safe to say that climate change-related impacts will continue as such events become more common.

As you can imagine, employees are concerned about the impact of climate change. In Australia, around 40% of people say they're very concerned or extremely concerned about climate change. And people also say the issue of climate change is important to them.

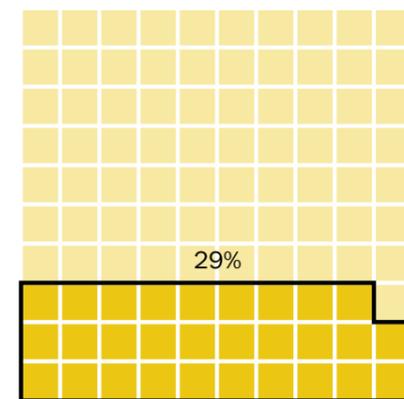
So, as we look ahead at the next 10 or 20 years of commercial workplaces, we must assume that climate change will become a growing concern. We're already seeing signs that climate change is impacting where people work; employees are expressing concerns, and there are some signs that this will affect the cost and valuation of commercial buildings.

We already talk a lot about climate change, but this will become more salient in the future.

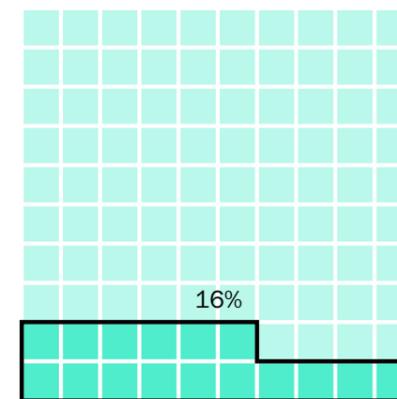
Source: Hassell Workplace Futures Survey 2024. Includes all data globally.

ALREADY HAPPENING

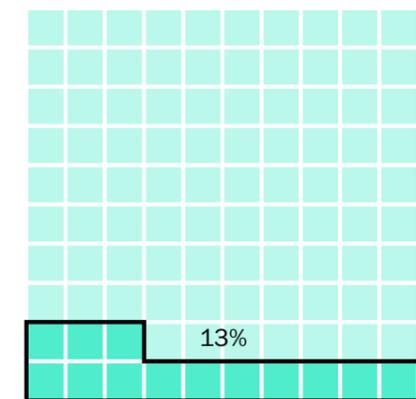
Which of the following have you personally experienced in the past year?



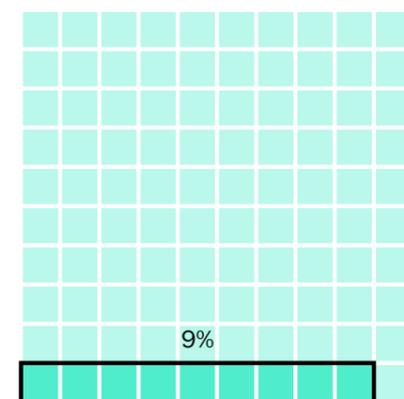
HEATWAVE



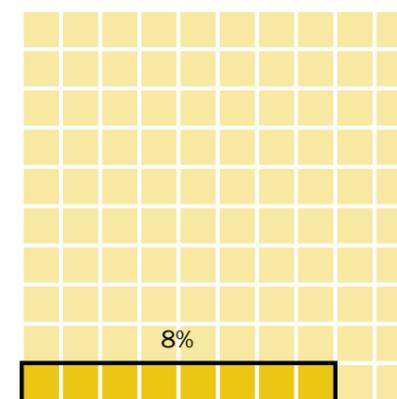
FLOODING



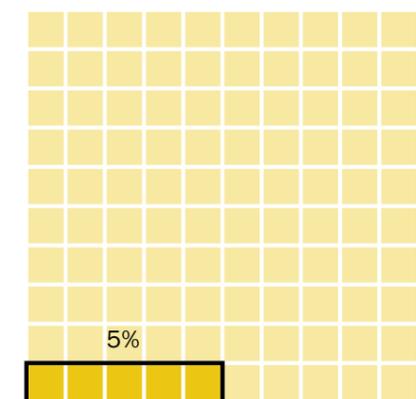
CYCLONE



SNOWSTORM



DROUGHT



WILDFIRE

WHAT'S AHEAD: ARTIFICIAL INTELLIGENCE (AI)

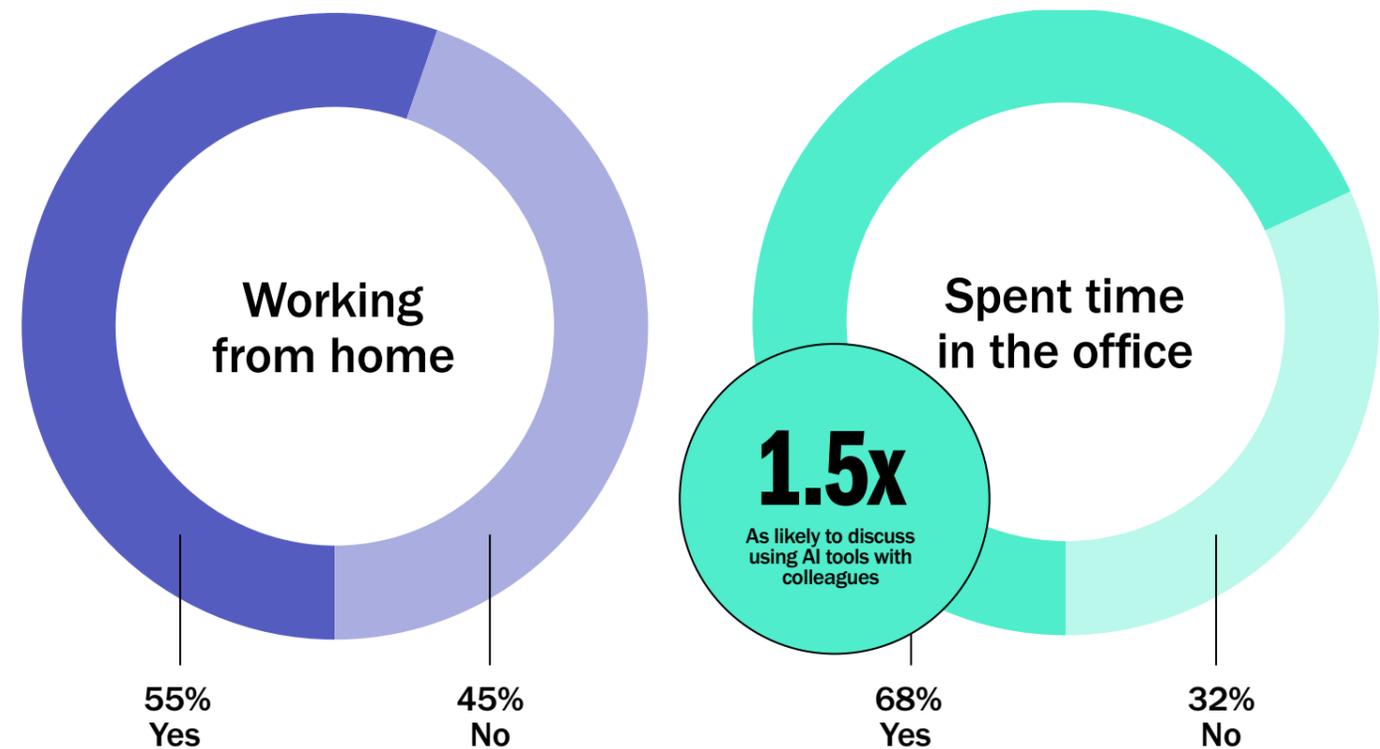
A topic generating a lot of interest right now is Artificial Intelligence (AI), which, as it turns out, is good at automating aspects of white-collar work. Naturally, this has significant ramifications for office workers. This year, we asked people which AI tools they were using and how frequently they used them. Not surprisingly, people in IT and software development were the heaviest users.

The data showed that those most likely to have used AI tools had spent some time in the office. When we investigated why this was happening, it seemed to be because of how people learn about these tools. People who have spent time in the office are one and a half times as likely to have discussed using AI tools with their colleagues as people working from home.

We also see a small group of people who are either 'very concerned' or 'extremely concerned' that AI will lead to job losses in their industry. We didn't ask people directly whether they thought they'd lose their jobs because everyone thinks they're the exception, but when we asked about the industry generally, we saw that people are concerned. And this concern generally aligns with how often people use these tools. So, in industries where people use them a lot, like software engineering, people tend to be the most concerned about job loss.

IMPACTED BY WORK LOCATION

Have you ever used AI tools in your job?



Source: Hassell Workplace Futures Survey 2024. Includes all data globally.

WHAT'S AHEAD: ADAPTIVE REUSE

There are many reasons why adaptive reuse is becoming more prevalent.

The approach breathes new life into underutilised parts of the city while preserving historical or culturally significant buildings. The social and environmental benefits result in a significantly reduced upfront embodied carbon footprint compared to demolishing and reconstructing entirely new structures – about half the amount of a business-as-usual approach.

In specific global contexts, such as New York, the conversion of office buildings into residential apartments has maintained a considerable focus over many years. Australia has also witnessed numerous noteworthy instances of successful adaptive reuse projects. But what are the defining attributes for identifying suitable candidates for such transformation, and how does the adaptive reuse of commercial assets stack up financially?



Shorter office buildings often suit conversions into hotels. The Department of Lands is one of Sydney's best preserved heritage buildings. Hassell's approach considers hotel uses that are more sympathetic to the building's sensitive fabric, creating a destination for both visitors and locals. This is an opportunity to revitalise one of Sydney's most treasured buildings; to leave a legacy for future generations to experience and enjoy.

WHAT SUCCESSFUL ORGANISATIONS ARE DOING RIGHT NOW



Accepting the current reality as the start of a new era.



Moving beyond policy changes to have a lasting impact.



Aligning HR, facilities, technology, and other teams behind a unified way of working.



Clearly define the purpose of the office and rethink the space that is needed.



Keeping an eye on future trends around AI, climate change, and adaptive reuse.

AUSTRALIA

BRISBANE

Yuggera and Turrbal Country
Level 2, The Ice Cream Factory
45 Mollison Street
West End QLD
Australia 4101
T +61 7 3914 4000
E brisbane@hassellstudio.com

MELBOURNE

Wurundjeri Country
61 Little Collins Street
Melbourne VIC
Australia 3000
T +61 3 8102 3000
E melbourne@hassellstudio.com

PERTH

Whadjuk Country
Level 1
Commonwealth Bank Building
242 Murray Street
Perth WA
Australia 6000
T +61 8 6477 6000
E perth@hassellstudio.com

SYDNEY

Gadigal Country
Level 2
Pier 8/9, 23 Hickson Road
Sydney NSW
Australia 2000
T +61 2 9101 2000
E sydney@hassellstudio.com

ASIA

HONG KONG

22F, 169 Electric Road
North Point Hong Kong
T +852 2552 9098
E hongkong@hassellstudio.com

SHANGHAI

12F, 45 Caoxi North Road
Xuhui District
Shanghai 200030 China
T+8621 5456 3666
E shanghai@hassellstudio.com

SINGAPORE

115 Amoy Street
#03-03 Singapore 069935
T +65 6224 4688
E singapore@hassellstudio.com

UNITED KINGDOM

LONDON

Level 1
6-14 Underwood Street
London N1 7JQ
United Kingdom
T +44 20 7490 7669
E london@hassellstudio.com

UNITED STATES

SAN FRANCISCO

650 California Street
Level 7
San Francisco CA 94108
United States of America
T +1 415 860 7067
E sanfrancisco@hassellstudio.com