INTRODUCTION

After several years of market uncertainty, the financial services industry is growing. This year, a survey by the Confederation of British Industry (CBI) revealed that 45% of financial services firms experienced increased employment over the past year. Additionally, 46% of financial services firms expect employment to rise even more sharply throughout 2014.¹

The financial services industry encompasses a broad range of organizations including merchant banks, credit card companies, stock brokerages and insurance companies, many of which suffered during the 2008 financial crisis. With renewed growth, these firms now face different challenges.

Recent growth in personnel has focused on the hiring of technology staff as the industry attempts to establish itself in areas such as mobile and electronic banking. Leading firms in the technology sector continue to branch out and compete in areas occupied by traditional financial services firms, increasing competition between the two industries.

The information in this report reflects design trends over the past three years. It provides a detailed study of key trends and issues, benchmarks and user satisfaction related to new workspace in the financial services industry.

For this report, HOK observed more than 1 million SF of office space from 11 top-tier financial services firms in London, New York and Toronto. These firms and their space represent best-in-class workplaces. This dataset only includes corporate office space and does not cover retail banking space.
The design of workspace for the financial services industry responds to trends affecting that sector and the overall business world. The following trends are transforming traditional business models as well as how customers and professionals in the industry relate to these firms:

**Increased competition, both new and old:** Competition is ramping up as firms from emerging markets with distinct strengths take on longer-established corporations that could take for granted their own hard-won advantages.²

**Focus on the new customer:** Today’s customers are digitally connected and highly informed. Instead of walking into a local bank and sitting down to open an account during banking hours, these customers purchase their banking services much like they buy music, books or other products—online and 24/7.³

**Companies are hiring, but top talent is scarce:** Though there are more jobs available in 2014 than in 2013, landing a new position remains a challenge. Many new jobs are so specialized that they require training in skills that many people haven’t acquired yet.⁴

**The digitization of commerce:** Low-cost, high-speed, seamless exchange of information enables new types of online markets, payment systems and business models.⁵

**The automation of knowledge work:** Using advances in artificial intelligence, deep learning and big data, financial institutions can better understand client patterns. These methods and natural user interfaces will increasingly automate knowledge work tasks.⁶

**The automation of financial tools:** An increasing array of financial services are being made available online and through mobile applications. Financial software connected to the Internet allows for the automation of many common money management activities. This trend toward automation and convenience is expected to continue.⁷

**Remote work is on the rise:** At any given time, about one-third of all professionals are working remotely. Only 30% to 40% of employees with assigned spaces are actually using them. This is largely enabled by remote technology.⁸
INTRODUCTION

USING THIS REPORT

As the nature of work changes within the financial services industry, the workspace must adjust to accommodate these changes. Readers can use this report to help guide management and design decisions about the workplace.

In the short term, the convergence of technology and financial services may result in financial services companies increasingly adopting the culture and workplace design practices of the technology industry. These include providing increased on-site amenities, flexible workspaces, creative office environments and mobility strategies.

ENDNOTES

6. Ibid.
8. The New Federal Workplace, GSA Building Services, June 2009
INTRODUCTION

CIBC, Toronto
**KEY FINDINGS**

**SUMMARY**

1. **GROWTH IS BACK...**

46% of financial services firms expect employment to rise even more strongly throughout 2014. But this growth is accompanied by new challenges related to talent and competition from technology firms.

...BUT, SO IS THE NEED FOR MORE TRAINING.

A much larger percentage of young people are entering the workforce of financial services companies than those in other industries. Given the highly specialized requirements of these positions, businesses will need to invest in more training for their people.

Analyzing our three-city data, Toronto has the most balanced talent pool and New York is most skewed toward members of the Millennial generation.

![Figure 6: Workforce Allocation by Generation - Finance Sector](image)
GROWTH CAN BE ACCOMMODATED THROUGH BETTER PLANNING & UTILIZATION OF EXISTING SPACES.

HOK’s observation of 6,000+ seats revealed that workstations and offices are occupied about half the time.

Typically, conference rooms are not used to their full potential. HOK’s data shows that meeting spaces are used, on average, just 29% of the time.

48% OF SEATS ARE UNOCCUPIED THROUGHOUT THE DAY

75% of financial services professionals work in assigned spaces in the office

29% AVERAGE UTILIZATION OF MEETING ROOMS
MEETING SPACE SHOULD BE APPROPRIATELY SIZED & FLEXIBLE.

Top-tier financial services firms in London, New York and Toronto devote more than half of their meeting and collaboration space to rooms that are medium to extra large in size. Companies can maximize space efficiency by making larger spaces adaptable to smaller meetings.

Based on HOK’s observational data, 73% of meetings occur between 2-4 people. To maximize utilization, meeting spaces should be highly flexible to accommodate large, medium or small groups.
91% OF INDIVIDUALLY ASSIGNED SPACES ARE ‘OPEN OFFICE.’

Individually assigned workspaces include enclosed offices, open workstations and benching areas. The majority of individual workspaces across the three financial services locations are composed of open workstations. Enclosed offices make up 9% of all seats counted, while open workstations and benching comprise 91% of seat count.

Of the time spent in the office, financial services professionals reported working alone 54% of the time. This individual work tends to be focused and primarily done in quiet areas that enable concentration. It also lends itself to be conducted at home or in isolated settings away from the office.
MOBILITY STRATEGIES ARE COMMON, BUT ADOPTION RATE VARIES GREATLY.

The average sharing ratios between London, New York and Toronto range from a high (people observed in seats at peak times) of 1.7 : 1 to a low (people observed in seats during low occupancy) of 1.2 : 1. The lowest value during low occupancy is 1 person per 1 seat in New York, and the highest value at high occupancy is 1.9 people to 1 seat in Toronto.

**Sharing Ratios**

- **1.7 : 1.0** (People to Seats) **HIGH**
- **1.2 : 1.0** (People to Seats) **LOW**

**Collaboration Space Ratio**

Individual workstation-to-collaboration (meeting) space ratios indicate there’s a meeting room seat for about every two workstations.
Efficiency factors (multipliers that reveal how much space increases from assignable to usable to rentable area) are tight across Toronto, New York and London, as real estate costs are at a premium.

Toronto has the highest average Design Efficiency Factor for assignable-to-usable area at 1.50, followed by London at 1.46 and New York at 1.42. New York has the highest average factor for usable-to-rentable area at 1.18, followed by London and Toronto, both at 1.10.

The average floorplate size used to determine these factors was 27,500 SF/2,500 SM.

...AND SO IS THE AVERAGE AREA PER SEAT.

HOK’s data shows an average of 155 RSF per seat for financial services firms observed across London, New York and Toronto.

This metric should be distinguished from area per person, which would be even tighter with mobility strategies in place.
The average open office ranges from 33 SF to 43 SF...

The mean average size of open workstations is 43 SF. Enclosed offices range from an average of 353 SF for an extra-large office accommodating five or more guests to a regular enclosed office, which averages 143 SF and accommodates 1-2 guests.

The chart to the right illustrates the range of sizes for each work environment.

...and the average small meeting room is 148 SF.

The size of meeting rooms varies from small two-person rooms with an average of 51 SF to extra-large meeting and training space that can accommodate more than 21 people. As noted previously, small meeting rooms make up 47% of collaborative space.
According to HOK’s nature of work study, which examined a total of 14 workplace attributes, the seven attributes mentioned below have the smallest gap between what employees deem important and their level of satisfaction, meaning they are delivered at a more acceptable and consistent level of quality.

<table>
<thead>
<tr>
<th>Work Attribute</th>
<th>High Performers</th>
<th>Low Performers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space for focused work</td>
<td>4.74 (4.54)</td>
<td>4.22 (3.41)</td>
</tr>
<tr>
<td>Overall impression</td>
<td>3.87 (3.22)</td>
<td>3.00 (2.50)</td>
</tr>
<tr>
<td>Tools and technology in the workspace</td>
<td>4.39 (3.69)</td>
<td>3.32 (2.80)</td>
</tr>
<tr>
<td>Space for spontaneous meetings</td>
<td>4.03 (3.32)</td>
<td>2.94 (2.60)</td>
</tr>
<tr>
<td>Access to natural light / views</td>
<td>4.94 (4.18)</td>
<td>3.41 (3.00)</td>
</tr>
<tr>
<td>Brand / Community</td>
<td>4.22 (3.41)</td>
<td>3.41 (3.00)</td>
</tr>
<tr>
<td>Space for scheduled meetings</td>
<td>4.30 (3.41)</td>
<td>3.41 (3.00)</td>
</tr>
</tbody>
</table>

The remaining seven attributes listed by respondents have a larger disparity between their importance and satisfaction levels. These attributes represent opportunities for improvement in order to enhance the workplace environment and if left unattended have the potential to hinder productivity.

<table>
<thead>
<tr>
<th>Work Attribute</th>
<th>Importance / Satisfaction Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient task lighting</td>
<td>4.74 (4.54)</td>
</tr>
<tr>
<td>Range of work spaces</td>
<td>3.87 (3.22)</td>
</tr>
<tr>
<td>Tools &amp; technology (in meeting rooms)</td>
<td>4.39 (3.69)</td>
</tr>
<tr>
<td>Space for spontaneous meetings</td>
<td>4.03 (3.32)</td>
</tr>
<tr>
<td>Access to natural light / views</td>
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</tr>
<tr>
<td>Space for scheduled meetings</td>
<td>4.30 (3.41)</td>
</tr>
</tbody>
</table>
METHODOLOGY & TERMINOLOGY

METHODOLOGY

HOK used three main sources of data to triangulate the findings for this report: a space analysis database, a space utilization/observational survey and nature of work survey results. HOK’s space data (as summarized in Figure 1) was compiled from 11 top-tier financial services firms in London, New York and Toronto, encompassing more than 1,160,000 SF (more than 100,000 SM) within 46 floors of office space. The workspaces documented here represent office projects that were completed within the last five years and that embody the latest workplace trends.

Data from London, New York and Toronto locations was extracted from each project’s Building Information Modeling (BIM) system and categorized based on the space classification system established by the Open Standards Consortium for Real Estate (OSCRE). HOK uses BIM software to plan and design buildings in three dimensions while attaching data and attributes to building components. Metrics such as space class types, square footage, cost of materials and occupancy can be recorded in BIM and exported to a database.

Besides space data, HOK’s workplace methodology involves surveying and collecting observational and self-assessment data. In the last three years alone, HOK has conducted a total of 92 space utilization and nature of work surveys for over 11 industries, covering approximately 39,000 observed employee seats for the space utilization surveys and 23,000 survey responses for the nature of work surveys. Within the financial services industry, HOK’s observational and self-assessment dataset included data from 10 clients at 38 locations, mostly in the United States, Canada and the United Kingdom.

To collect space utilization data, HOK observed how people occupy space in a building, and how much time they are observed to spend at their desks versus another location. This observational data was primarily collected through iPads and fed into a proprietary software for analysis and reporting. For the nature of work surveys, HOK collected self-assessment employee data such as demographic information, how much time employees believe they spend in meetings or working from home, and the levels of satisfaction and importance employees place on certain workplace attributes.

<table>
<thead>
<tr>
<th>Location</th>
<th># of Floors</th>
<th>Average SF of Floor</th>
<th>Average SM of Floor</th>
<th>Total SF</th>
<th>Total SM</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>11</td>
<td>38,152</td>
<td>3,544</td>
<td>419,676</td>
<td>38,989</td>
</tr>
<tr>
<td>New York</td>
<td>11</td>
<td>21,305</td>
<td>1,979</td>
<td>234,359</td>
<td>21,773</td>
</tr>
<tr>
<td>Toronto</td>
<td>24</td>
<td>21,235</td>
<td>1,973</td>
<td>509,646</td>
<td>47,348</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>46</td>
<td>26,898</td>
<td>2,499</td>
<td>1,163,682</td>
<td>108,110</td>
</tr>
</tbody>
</table>

FIGURE 1: Location, Size and Number of Floors Observed
**KEY TERMS & DEFINITIONS**

**Building Rentable Area:** This method measures the occupant space occupied by the owner, manager and/or single occupants. It includes space such as computer rooms, copy/mail rooms and lunchrooms that serve office tenant operations. The Rentable Area of a building may vary according to the terms of a specific lease.

**Usable Area:** The Building Owners and Managers Association (BOMA) defines usable area as occupant area plus building amenity areas. Occupants include tenants as well as owner occupants. Usable area does not include building service areas, such as building lobby and corridors; fire control center and equipment; restrooms and janitors’ closets; mechanical, electrical and communications rooms and closets; truck loading, receiving and trash; or building management and maintenance.

**Assignable Area:** The International Facility Management Association (IFMA) defines assignable area as the portion of the plannable area on a floor that can be assigned to occupant groups or functions. It’s calculated by subtracting secondary circulation, restricted areas, interior encroachments and occupant void areas from plannable area (the portion of the floor enclosed within the face of interior encroachments). Assignable area is used to measure space assigned to tenant personnel, furniture, equipment support areas and common support areas.

**Absenteeism:** Frequent or habitual absence from work or school.
**Benching**: Open-plan workstations typically consisting of a long, rectangular desk occupied by multiple people.

**Building Owners and Managers Association International (BOMA)**: An organization that publishes the Office Measurement Standard, which provides a methodology for measuring both individual occupant space and the space that benefits all occupants.

**Building Information Modeling (BIM)**: A software platform that allows for the creation and management of three-dimensional digital representations of physical and functional characteristics of spaces.

**BYOD (bring your own device)**: A policy permitting employees to use personally owned devices in the workplace. Such a policy requires three components: a software application for managing the devices connecting to the network, a written policy outlining the responsibilities of both the employer and the users, and an agreement users must sign, acknowledging that they understand and will comply with the policy.

**Collaborative Workspace**: Open areas for meeting and collaborating in the office. These spaces are part of an open-plan office and may include minimal dividers between seats.

**Efficiency Factor**: Represents the percentage of net rentable square feet devoted to the building’s common areas (lobbies, restrooms, corridors, etc.). This factor can be computed for an entire building or a single floor of a building. Also known as a Core Factor or Building Efficiency Factor, it is calculated by dividing the rentable square footage by the usable square footage. The Design Efficiency Factor is used as a multiplier from assignable area to usable area.

**EMEIA**: A regional designation to indicate the countries in Europe, the Middle East, India and Africa, collectively. Used for government, marketing and business purposes, the term is common among North American companies.

**Enclosed Office**: An office space enclosed by four walls. The space can be assigned to individual workers and can accommodate from one to more than five visitors.

**Exterior Gross Area**: The sum of the floor areas on all levels of a building that are totally enclosed within the building. It is calculated by measuring to the outside face of exterior walls, disregarding canopies, cornices, pilasters, balconies and buttresses that extend beyond the wall face and courtyards that are enclosed by walls but have no roof.

**Financial Services**: Professional sector encompassing a broad range of organizations, including merchant banks, credit card companies, stock brokerages and insurance companies.

**Flexible Work (or mobile work)**: A work style in which a person consistently uses multiple spaces/places in which to accomplish his or her work.

**Huddle Room**: Smaller room, usually assigned to a specific department, to be used for daily team or staff meetings or other quick get-togethers or stand-up meetings.

**International Facility Management Association (IFMA)**: The world’s largest and most widely recognized international association for facility management professionals, supporting more than 24,000 members in 94 countries.

**Meeting Room**: Collaborative space enclosed by four walls and typically able to accommodate from three to more than 20 people.

**Open Standards Consortium for Real Estate (OSCRE)**: A non-profit organization dedicated to the development of industry standards for data exchange. OSCRE has developed space management standards defining property and space attributes, space allocations and other metrics.

**Phone Room**: A small, enclosed space, typically able to accommodate one or two people and often used for private phone conversations.

**Plannable Area**: The portion of a floor enclosed within the face of interior encroachments.

**Presenteeism**: The practice of coming to work despite illness, injury, anxiety, etc., often resulting in reduced productivity.
Rentable Square Feet: Exterior gross area minus exterior walls, major vertical penetrations, interior parking space and void areas.\textsuperscript{12}

Training Room: A space dedicated and equipped for employee learning to support instructor-led courses, individual online instruction, and/or face-to-face and distance learning applications. Training rooms may vary in size and generally include audio-visual equipment to support a variety of educational technology applications.\textsuperscript{13}

Workstation: An individual workspace that can be connected to a series of desks and includes separations in the form of dividers and file storage space.

ENDNOTES

1. OSCRE is a non-profit organization dedicated to the development of industry standards for data exchange.
2. This chart provides a high-level view of OSCRE space standards as they relate to this report.
4. Ibid.
10. Ibid.
INDIVIDUAL WORK

Financial services professionals spend 54% of their time on individual work

HOK’s Nature of Work Study surveyed a range of professionals around the world, asking them to answer the question, “When you are in an office, what percentage of time do you typically spend doing each of the following activities?”

Respondents from the financial services industry reported spending a majority of their time in the office working alone (54%), which exceeded the time reported by professionals in the government and energy sectors, but was less than those in the technology sector (67%).

On average, financial services professionals indicated spending 26% of their time in the office participating in face-to-face meetings, aligning with average benchmarks within the energy industry.

In the area of virtual collaboration, which includes videoconferencing, email, instant messaging and phone conversations, financial services professionals reported spending about 20% of their time in the office communicating with others remotely. This compares with an average of 17% reported by professionals across all four industries.

The table below illustrates a comparison of HOK’s benchmark data for financial services, energy, government and technology sectors. The data was collected over the last three years across global corporate locations.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Average % of Working Alone</th>
<th>Average % of Face-to-Face Collaboration</th>
<th>Average % of Virtual Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL SERVICES</td>
<td>54%</td>
<td>26%</td>
<td>20%</td>
</tr>
<tr>
<td>Energy</td>
<td>51%</td>
<td>26%</td>
<td>23%</td>
</tr>
<tr>
<td>Government</td>
<td>52%</td>
<td>41%</td>
<td>7%</td>
</tr>
<tr>
<td>Technology</td>
<td>67%</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>55%</td>
<td>27%</td>
<td>17%</td>
</tr>
</tbody>
</table>

FIGURE 3: Benchmarks for Office Activities
Most employees conduct individual work in an open-plan workstation

Workstations and benching make up most individually assigned space across London, New York and Toronto, with 68% of individually assigned space composed of average-sized workstations and 23% made up of benching areas.

Offices in Toronto had the highest number of open workstations relative to enclosed offices, at about 93%, revealing a preference for more open, collaborative work in that location.

Open floor plans can offer space savings and greater flexibility for firms and their employees. Unassigned hoteling workstations can easily be integrated into open floor plans, increasing the utilization of existing office space.

One financial institution discovered that 40% of its employees were working remotely on an average day. By shifting its employees from private environments to shared spaces, the company saved on real estate costs and increased the ratio of workers to seats by as much as 2:1.
HOK surveyed a range of professionals about where they did most of their work: in an assigned and enclosed office, in an assigned workstation, in an unassigned workstation or other/telework.

The majority of financial services professionals reported working in assigned space. Just over half (52%) said they worked in assigned open workstations and 23% indicated they worked in assigned enclosed workstations. In total, 75% of financial services professionals reported working in an assigned space, while 23% work in unassigned space and only 1% indicated that they telework or work in a space type not listed.

Compared with the other industries surveyed, a lower percentage of financial services professionals reported working in assigned, enclosed workstations (such as offices). About half of professionals from government, software and technology indicated they worked in enclosed spaces.

However, a higher percentage of financial services professionals reported working in unassigned/vacant spaces when compared to the other industries (23% for financial services vs. 0% to 9% for the other three industries).

All four industries responded with low percentages (0% to 2%) of telework.

Financial services organizations are more likely than other sectors to provide ‘free-address’ or ‘unassigned’ workspaces as part of an alternative workplace strategy.
WORK SPACE UTILIZATION

Unoccupied workstations are common in financial services locations and could be better utilized by creating flexible work environments

HOK’s space utilization study, a survey of more than 6,000 seats, reveals that 48% of employee workstations and offices are unoccupied throughout the day, with about 17% of spaces temporarily occupied throughout the day. The technology sector had the highest percentage of unoccupied space at 72%.

“Internal mobility” within the financial services sector is about 33%, which is in the benchmark range of 25% to 35% for knowledge workers. Internal mobility is a metric calculated by dividing the number of temporarily unoccupied seats by the sum of occupied and temporarily unoccupied seats.

FIGURE 7: Seat Utilization — Observational Study

<table>
<thead>
<tr>
<th>Sector</th>
<th>Average of Assigned Enclosed</th>
<th>Average of Assigned Open Workstations</th>
<th>Average of Unoccupied / Unassigned</th>
<th>Average of Other/Telework</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL SERVICES</td>
<td>23%</td>
<td>52%</td>
<td>23%</td>
<td>2%</td>
</tr>
<tr>
<td>Government</td>
<td>49%</td>
<td>39%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>Software</td>
<td>52%</td>
<td>48%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Technology</td>
<td>53%</td>
<td>40%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>37%</td>
<td>48%</td>
<td>14%</td>
<td>1%</td>
</tr>
</tbody>
</table>

FIGURE 8: Assigned vs. Unassigned Space
WORK STYLES & USE OF SPACE

INDIVIDUAL WORK

When alternative work strategies are in place, the average sharing ratio is 1.3 people per 1 desk

According to HOK’s data for financial services firms, the average sharing ratios between London, New York and Toronto range from a high (people observed in seats at peak times) of 1.7 : 1 to a low (people observed in seats during low occupancy) of 1.2 : 1. The lowest value during low occupancy is 1 person per 1 seat in New York, and the highest value at high occupancy is 1.9 people to 1 seat in Toronto.

<table>
<thead>
<tr>
<th>Location</th>
<th>% of workforce considered mobile</th>
<th>High (people to seats)</th>
<th>Low (people to seats)</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>New York</td>
<td>n/a</td>
<td>1.5 : 1.0</td>
<td>1.0 : 1.0</td>
</tr>
<tr>
<td>Toronto</td>
<td>63%</td>
<td>1.9 : 1.0</td>
<td>1.4 : 1.0</td>
</tr>
<tr>
<td>AVERAGES</td>
<td>63%</td>
<td>1.7 : 1.0</td>
<td>1.2 : 1.0</td>
</tr>
</tbody>
</table>

**FIGURE 9: Workforce Mobility and People to Seats**

FACE TO FACE TIME IN THE OFFICE

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Observed</th>
<th>1:1 Meetings</th>
<th>3-4 Individuals</th>
<th>4+ Individuals</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>39,379</td>
<td>46%</td>
<td>27%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>New York</td>
<td>34,577</td>
<td>40%</td>
<td>30%</td>
<td>23%</td>
<td>3%</td>
</tr>
<tr>
<td>Toronto</td>
<td>4,802</td>
<td>62%</td>
<td>17%</td>
<td>5%</td>
<td>16%</td>
</tr>
</tbody>
</table>

**FIGURE 10: Benchmarks for Face-to-Face Time in the Office**
COLLABORATION

Meeting rooms in financial services firms have an average utilization of 29% throughout the day

HOK’s observational data from the space utilization study reveals that meeting rooms are used, on average, only 29% of the time.

Nearly half of all meetings are between just two people.

Survey respondents from the space utilization study indicated that they typically have meetings with four or fewer attendees. This was in response to the question, “When working with others face-to-face in the office, what percentage of time do you typically spend on a) 1:1 meetings, b) small group meetings (3-4 individuals), c) large group meetings (4+ individuals) or d) training.”

HOK’s global database of observations measures when there is more than one person in a space, providing a comparison to survey responses. Globally, 73% of all observed meetings were with four or fewer attendees. This is slightly higher than the Americas benchmark (70%) and lower than the EMEIA region (79%).

Traditional meeting space is not well utilized.

Typically, conference rooms are not used to their full potential. Based on observations of more than 6,000 conference rooms globally over the last three years, HOK’s data indicates that meeting rooms (including 1:1, 3-4, 4+ and training rooms) are only used 25% of the time, on average, during the work day.

ENDNOTES

1 Difference between OS and SA numbers may be caused due to observational limitations in differentiating computer work from email & IM activities.
2 HOK APAC & HOK financial services-only information not available for this metric.
SPACE MEASUREMENT & EFFICIENCY FACTORS

Are real estate decisions being influenced by building efficiency?

Observed spaces included 11 financial firms in 12 buildings and 45 floors across London, New York and Toronto. The charts below document space measurements as assignable, usable and rentable areas, in SF or SM, and as detailed previously.

Building efficiency factors—multipliers that reveal how much space increases from assignable to usable to rentable area—are noted for each firm and location. Toronto has the highest factor for assignable to usable area at 1.50, followed by London at 1.46 and New York at 1.42. New York has the highest average factor for usable to rentable at 1.18, followed by London at 1.10 and Toronto at 1.10.

The average floor plate size used to determine these factors was 27,500 SF / 2,500 SM.
The building efficiency factors are summarized on Figure 14 along with the total square feet and total square meters associated with firms surveyed in this report. The factors associated with increasing measured space from assignable area to usable area are higher than factors for usable to rentable area. This is because when measuring usable area from assignable area, a significant amount of circulation is added to the total. When measuring rentable area from usable area there are fewer significant components of a building that are added to total the rentable area measurement.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Assignable Area</th>
<th>Usable Area</th>
<th>Rentable Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Square Feet</td>
<td>Total Square Meters</td>
<td>Design Efficiency (Assignable to Usable)</td>
</tr>
<tr>
<td>London</td>
<td>260,183</td>
<td>24,172</td>
<td>1.43</td>
</tr>
<tr>
<td>Firm 1</td>
<td>260,183</td>
<td>24,172</td>
<td>1.43</td>
</tr>
<tr>
<td>New York</td>
<td>170,480</td>
<td>15,838</td>
<td>1.33</td>
</tr>
<tr>
<td>Firm 2</td>
<td>8,448</td>
<td>785</td>
<td>1.35</td>
</tr>
<tr>
<td>Firm 3</td>
<td>86,594</td>
<td>8,045</td>
<td>1.2</td>
</tr>
<tr>
<td>Firm 4</td>
<td>36,763</td>
<td>3,415</td>
<td>1.44</td>
</tr>
<tr>
<td>Firm 5</td>
<td>25,447</td>
<td>2,364</td>
<td>1.43</td>
</tr>
<tr>
<td>Firm 6</td>
<td>13,228</td>
<td>1,229</td>
<td>1.66</td>
</tr>
<tr>
<td>Toronto</td>
<td>353,400</td>
<td>32,832</td>
<td>1.49</td>
</tr>
<tr>
<td>Firm 7</td>
<td>86,361</td>
<td>8,023</td>
<td>1.54</td>
</tr>
<tr>
<td>Firm 8</td>
<td>25,632</td>
<td>2,381</td>
<td>1.55</td>
</tr>
<tr>
<td>Firm 9</td>
<td>133,777</td>
<td>12,428</td>
<td>1.53</td>
</tr>
<tr>
<td>Firm 10</td>
<td>37,824</td>
<td>3,514</td>
<td>1.55</td>
</tr>
<tr>
<td>Firm 11</td>
<td>69,806</td>
<td>6,485</td>
<td>1.3</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>784,063</td>
<td>72,842</td>
<td>1.44</td>
</tr>
</tbody>
</table>

**FIGURE 14:** Area and Efficiency Factor Measurements by Firm and Location
SPACE STANDARDS

OPEN & CLOSED OFFICE SPACE

Top-tier financial services firms devote about 36% of building space to open and closed offices.

Financial services firms employ a large number of people working in individual workstations. These are made up of a range of offices, open workstations and benching areas. In London, New York and Toronto, open workstations range from 86% to 93% of the number of total workstations (which includes enclosed offices).

The majority of individual workstations at top-tier financial services firms are open.

The charts below compare the amount of closed and open office space to the remaining square footage by location. Closed office space includes enclosed offices and open offices include cubicles, average-size workstations and benching areas.

Shared support space makes up an average of 42% of building SF and individual work space makes up an average of 58% of SF.
PROPORTION OF SPACE

Collaborative vs. Individual Seats

The ratio of conference space to total space has been steadily increasing for the last several years. According to HOK’s global benchmark data, financial institutions that have adopted new workplace strategies, such as distributed work and activity-based neighborhoods, are allocating conference spaces at an average ratio of 0.75:1. In other words, for every individual seat, three-fourths of a collaborative seat is dedicated to that space. Conversely, for every one seat of collaborative space, there are about 1.33 individual seats. For financial services locations in London, New York and Toronto, there are about 2.22 individual seats for every collaborative seat. Both the global and location-specific data do not include open collaborative spaces internal to the team (such as a circular table in a bullpen configuration). Collaborative spaces include soft seating, huddle rooms, conference rooms or café areas that are shared across groups and accommodate more than one person. For traditional work environments (where all seats are assigned), the ratio typically ranges from 0.2:1 to 0.4:1 (collaborative:individual seats).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>134</td>
<td>53%</td>
<td>47%</td>
<td>1.80 : 1.00</td>
<td>0.03 : 1.00</td>
<td>0.56 : 1.00</td>
</tr>
<tr>
<td>New York</td>
<td>179</td>
<td>39%</td>
<td>61%</td>
<td>2.67 : 1.00</td>
<td>0.10 : 1.00</td>
<td>0.37 : 1.01</td>
</tr>
<tr>
<td>Toronto</td>
<td>153</td>
<td>34%</td>
<td>66%</td>
<td>2.18 : 1.00</td>
<td>0.17 : 1.00</td>
<td>0.46 : 1.00</td>
</tr>
<tr>
<td>AVERAGE</td>
<td>155</td>
<td>42%</td>
<td>58%</td>
<td>2.22 : 1.00</td>
<td>0.10 : 1.00</td>
<td>0.46 : 1.00</td>
</tr>
</tbody>
</table>

FIGURE 17: Financial Corporation Utilization Metrics
## SPACE STANDARDS

### WORK SPACE

*On average, workstations are smaller within the financial services industry*

The mean average size of open workstations surveyed was **43 SF**, which is smaller than the 64 SF associated with a standard 8’x8’ workstation. Enclosed offices ranged from an average of 353 SF for an extra-large office accommodating five or more guests to a regular enclosed office accommodating one or two guests at an average of **143 SF** per room.

The chart to the right illustrates the range of sizes for regular enclosed offices, average-size workstations and benching. Regular enclosed offices range from 103 SF to 178 SF across all three locations. These exclude large enclosed offices and extra-large enclosed offices, which range from a low of 161 SF to a high of 595 SF.

---

**FIGURE 18: Office & Workstation Sizes**

<table>
<thead>
<tr>
<th>WORKSTATION TYPES</th>
<th>Average SF / Type</th>
<th>Lowest SF / Type</th>
<th>Highest SF / Type</th>
<th>Average SM / Type</th>
<th>Lowest SM / Type</th>
<th>Highest SM / Type</th>
<th>Total Number of Rooms</th>
<th>Capacity / Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>X-Large Enclosed Office</td>
<td>353</td>
<td>286</td>
<td>595</td>
<td>32.84</td>
<td>26.52</td>
<td>55.28</td>
<td>17</td>
<td>5+ guests</td>
</tr>
<tr>
<td>Large Enclosed Office</td>
<td>161</td>
<td>131</td>
<td>305</td>
<td>14.97</td>
<td>12.17</td>
<td>28.34</td>
<td>375</td>
<td>3-4 guests</td>
</tr>
<tr>
<td>Regular Enclosed Office</td>
<td>143</td>
<td>103</td>
<td>178</td>
<td>13.28</td>
<td>9.57</td>
<td>16.54</td>
<td>352</td>
<td>1-2 guests</td>
</tr>
<tr>
<td>Average Size Workstation</td>
<td>43</td>
<td>38</td>
<td>68</td>
<td>3.99</td>
<td>3.53</td>
<td>6.32</td>
<td>5,558</td>
<td>1-2 seats</td>
</tr>
<tr>
<td>Benching</td>
<td>33</td>
<td>26</td>
<td>36</td>
<td>3.11</td>
<td>2.4</td>
<td>3.32</td>
<td>5,932</td>
<td>1 seat</td>
</tr>
</tbody>
</table>

**FIGURE 19: Office Space - Types and Sizes**
MEETING & COLLABORATIVE SPACE

Financial services firms include a lot of highly flexible, small & medium meeting space

Top-tier financial services firms in London, New York and Toronto devote, on average, **47%** of meeting and collaboration space to small conference rooms.

Based on HOK’s observational data, **73%** of meetings actually occur between two to four people. Depending on circumstances unique to individual firm locations, it may be prudent to plan for more small meeting space when designing future workspaces.

Fifty-eight percent of productive space (space that is used for meetings or individual work) consists of open office space. Designating space to accommodate small meetings can help professionals locate appropriate spaces for both scheduled and impromptu gatherings.

Open offices generally promote collaboration but also generate noise. Having a range of meeting room sizes can allow for flexibility in how professionals work.

**FIGURE 20:** Meeting & Training Space by Room Count

**FIGURE 21:** Productive Space Comparison
### SPACE STANDARDS

## MEETING SPACE

*Top-tier financial services firms include collaboration and meeting spaces with a range of sizes*

Across the three cities, meeting room sizes vary from small two-person rooms (on average 51 SF) to extra-large meeting and training space with capacities of greater than 21 people. As noted earlier, small meeting rooms make up the bulk of these spaces at 47% of collaborative space.

The following table illustrates the range of room sizes and capacities per category as well as the average size within each category.

<table>
<thead>
<tr>
<th>WORKSTATION TYPES</th>
<th>Square Feet (SF)</th>
<th>Square Meters (SM)</th>
<th>Total Number of Rooms</th>
<th>Capacity / Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average SF / Type</td>
<td>Lowest SF / Type</td>
<td>Highest SF / Type</td>
<td>Average SM / Type</td>
</tr>
<tr>
<td>X-Large Meeting Room</td>
<td>730</td>
<td>309</td>
<td>1,143</td>
<td>67.84</td>
</tr>
<tr>
<td>Large Meeting Room</td>
<td>507</td>
<td>310</td>
<td>769</td>
<td>47.12</td>
</tr>
<tr>
<td>Medium Meeting Room</td>
<td>305</td>
<td>133</td>
<td>594</td>
<td>28.32</td>
</tr>
<tr>
<td>Small Meeting Room</td>
<td>148</td>
<td>102</td>
<td>191</td>
<td>13.73</td>
</tr>
<tr>
<td>Phone Room</td>
<td>51</td>
<td>38</td>
<td>72</td>
<td>4.69</td>
</tr>
</tbody>
</table>

*FIGURE 23: Meeting Space - Types and Sizes*
Confidential Financial Client, Atlanta
SATISFACTION WITH THE WORKPLACE ENVIRONMENT

For financial services, having sufficient “space for focused work” has the largest gap between importance and satisfaction.

The table on the following page highlights the workplace attributes that survey respondents deemed most important as well as their satisfaction with those attributes in their current workplace. Access to natural light and having sufficient task lighting received high importance and high satisfaction scores by respondents representing financial services firms as well as HOK global benchmarks. Financial services firms also valued adaptable/well laid-out work spaces, space for focused work, space for private calls, and tools and technology in the workspace.

A large delta (or difference) between “importance” and “satisfaction” scores reveals that professionals might have ranked an attribute highly but were dissatisfied with it. Among financial services firms, these large deltas are apparent in the following attributes: adaptable/well-laid out work spaces, ergonomics, space for focused work, space for private calls, sufficient acoustical separation, and tools and technology in the workspace.

Financial services professionals reported similar importance scores as the HOK global benchmark in the following areas: access to natural light/views, adaptable/well laid out work spaces, space for focused work, sufficient task lighting, and tools and technology in the workspace. When compared with the financial services sector, the HOK EMEIA region had higher importance scores for ergonomics and tools and technology in the workspace, while the HOK Americas region placed higher levels of importance on ergonomics.

HOK Americas professionals revealed low deltas between importance and satisfaction for the following attributes: brand/community, space for spontaneous meetings, sufficient task lighting, and tools and technology in the workspace. Of these, financial services professionals shared a low delta in sufficient task lighting.
<table>
<thead>
<tr>
<th>ATTRIBUTES</th>
<th>IMPORTANCE</th>
<th>SATISFACTION</th>
<th>DELTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to natural light/ views</td>
<td>4.94</td>
<td>4.18</td>
<td>0.76</td>
</tr>
<tr>
<td>Adaptable/ well laid-out workspaces</td>
<td>4.49</td>
<td>3.53</td>
<td>0.97</td>
</tr>
<tr>
<td>Brand/ Community</td>
<td>4.22</td>
<td>3.41</td>
<td>0.82</td>
</tr>
<tr>
<td>Ergonomics</td>
<td>4.45</td>
<td>3.40</td>
<td>1.05</td>
</tr>
<tr>
<td>Range of work spaces</td>
<td>3.87</td>
<td>3.22</td>
<td>0.65</td>
</tr>
<tr>
<td>Space for focused work</td>
<td>4.51</td>
<td>3.23</td>
<td>1.28</td>
</tr>
<tr>
<td>Space for private calls</td>
<td>4.48</td>
<td>3.44</td>
<td>1.04</td>
</tr>
<tr>
<td>Space for scheduled meetings</td>
<td>4.30</td>
<td>3.41</td>
<td>0.88</td>
</tr>
<tr>
<td>Space for spontaneous meetings</td>
<td>4.03</td>
<td>3.32</td>
<td>0.72</td>
</tr>
<tr>
<td>Sufficient acoustical separation</td>
<td>4.27</td>
<td>3.37</td>
<td>0.90</td>
</tr>
<tr>
<td>Sufficient Task Lighting</td>
<td>4.74</td>
<td>4.54</td>
<td>0.19</td>
</tr>
<tr>
<td>Tools &amp; Technology (in meeting rooms)</td>
<td>4.39</td>
<td>3.69</td>
<td>0.71</td>
</tr>
<tr>
<td>Tools &amp; Technology (in workspaces)</td>
<td>4.67</td>
<td>3.57</td>
<td>1.10</td>
</tr>
<tr>
<td>Overall impression</td>
<td>4.87</td>
<td>3.66</td>
<td>1.22</td>
</tr>
</tbody>
</table>

**FIGURE 24: Importance and Satisfaction Scores - Global, Americas and Financial Services**

Highlights on the table above call out the highest relative scores that respondents placed on the importance of various workplace attributes and their satisfaction with those attributes in their current workplace. The turquoise highlights represent the six largest values in the “importance” columns and the six largest differences between importance and satisfaction in the “delta” column. The orange highlights represent smallest differences between importance and satisfaction in the “delta” column.
According to HOK’s nature of work study, which examined a total of 14 workplace attributes, the seven attributes listed below (and shown in Figure 25) have the smallest gap between what employees deem important and their level of satisfaction, meaning they are delivered at a more acceptable and consistent level of quality.

### 7 Highest Performing Attributes
- Sufficient task lighting
- Range of work spaces
- Tools & Technology (in meeting rooms)
- Space for spontaneous meetings
- Access to natural light / views
- Brand / community
- Space for scheduled meetings

On the other hand, the remaining seven attributes feature a larger disparity between their importance and satisfaction scores. While employees believe space for focused work, tools and technology in the workspace, ergonomics, space for private calls, and adaptable and well laid-out workspaces are important workplace attributes, they are not satisfied with these attributes in their current work environment. These attributes represent opportunities for improvement in order to enhance the workplace environment and if left unattended have the potential to hinder productivity.

### 7 Lowest Performing Attributes
- Space for focused work
- Overall impression
- Tools and technology in the workspace
- Ergonomics
- Space for private calls
- Adaptable/well laid-out workspaces
- Sufficient acoustical separation

**FIGURE 25: Importance and Satisfaction of Workplace Attributes**
DESIGN
PRINCIPLES

KEY FINDINGS SUMMARY

1. **Growth is back**...but, so is the need for more frequent training.
   
   **Action Item:** Financial services work is increasingly interrelated with information technology and may require more frequent training for a new generation of employees.

2. **Growth can be accommodated through better planning/utilization of the existing spaces.**
   
   **Action Item:** Ensure existing facilities are optimized to make the best use of space. Consider multi-purpose and multi-use environments.

3. **Meeting space should be appropriately sized and flexible.** It’s important to make larger meeting spaces adaptable to smaller meetings.
   
   **Action Item:** Ensure support spaces can easily adapt to user needs.

4. **54% of time is spent working alone.**
   
   **Action Item:** Work on individual tasks can be done on-site or off-site, representing an opportunity for flexible work strategies.
Mobility strategies are common, but adoption rates vary greatly.

**Action Item:** There may be opportunities to implement mobility strategies in offices. Assess and choose appropriate sharing ratios suited to your organization.

Building efficiency is tight...and so is the average area per seat (155 RSF/seat).

**Action Item:** Ensure existing facilities are optimized to make the best use of space. Consider multi-purpose and multi-use environments.

The average office is 143 SF, while workstations are 43 SF, bench seating is 33 SF and meeting space is 148 SF.

**Action Item:** These are averages for top-tier financial services firms in London, New York and Toronto. Use common size planning modules.

The following attributes fall short: space for focused work; overall impression; tools and technology in the workplace; ergonomics; space for private calls; adaptable/well laid out work spaces; sufficient acoustical separation.

**Action Item:** Firms might want to focus on attributes such as these when assessing their space. Investing in your human capital pays off.