FUTURE FORUM

The End of the Office?

Will AI Remake the Workplace?

MAN vs MACHINE

ASPIRE ANNUAL CONFERENCE

Poll #1

Knight Frank

Is AI the end of the office?

- ❑ Yes, offices as we know them are finished
- ❑ No, but there will be far fewer of them
- ❑ No, but they will be used very differently
- ❑ No, this is hype, very little will change

Knight Frank

The End of the Office?

Will AI Remake the workplace?

23rd September 2026

AI is everywhere. Transformation isn't.

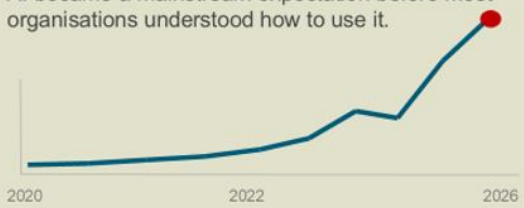
Knight Frank

Attention has accelerated. Expectations have peaked. Integration is just beginning.

1 ATTENTION

Public interest went vertical

AI became a mainstream expectation before most organisations understood how to use it.



2 EXPECTATION

The hype cycle is restarting

GenAI is falling into reality. Agents are climbing into expectation.

3 THE MISDIAGNOSIS

Three different shifts are being treated as one story

TASK AUTOMATION	*is not*	JOB DESTRUCTION
HIRING RESTRAINT	*is not*	MASS REDUNDANCY
AI DEPLOYMENT	*is not*	ORGANISATIONAL REDESIGN

These are not the same thing.

REAL HEADLINES / COMPETING SIGNALS

REUTERS · 6 JUL 2026

Companies cutting jobs as investments shift toward AI

RCNBC · 1 JUL 2026

Employers who laid off workers citing AI are already starting to regret it

REUTERS BREAKINGVIEWS · 10 FEB 2026

AI job angst is everywhere but the corner office

Are We Removing Work, Or Redistributing Value?

For offices, BPOs and GCCs, that is the difference between decline and reinvention.

Source: Knight Frank, 2026

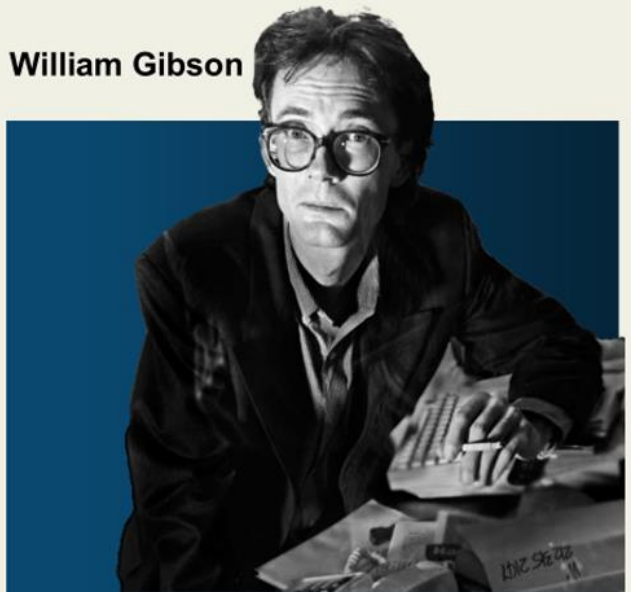
Talking tech, taking stock

Knight Frank

The next technology wave – AI – needs to be carefully considered

"The future is already here – it's just not very evenly distributed."

William Gibson



"Move fast and break things. Unless you are breaking stuff, you are not moving fast enough."

Mark Zuckerberg

"We always overstate the change that will occur in the next two years and underestimate the change that will occur over the next ten."

Bill Gates

The core argument

Knight Frank

AI is not a single shock, but an uneven transition – driving divergence, organisational change, and a recomposition of office demand.

1

Artificial Intelligence (AI) is widely recognised as a transformative technology. Yet, its effects on the corporate world are unfolding in ways that are **more gradual, more uneven and more conditional than the popular (tech-led) narrative suggests.**

2

Rather than producing a single decisive shift in how organisations operate or how labour market's function, **AI is reshaping the distribution of outcomes across the economy.**

3

In the medium term, **differences in the speed and depth of organisational adaptation** begin to produce visible divergence between firms, sectors and cities.

4

Over the longer term, **AI will drive a more fundamental redesign of corporate structures** and the patterns of work they support.

5

Office demand is best understood not through a lens of contraction, but through a more complex and more consequential process of **redistribution and recomposition** – reflecting reflects how organisations evolve in practice when confronted with deep technological change.

Source: Knight Frank, 2026

Knight Frank

What AI does to work

Tasks change fast. Organisations change slowly.

The key dynamic

Knight Frank

AI's impact is organisational before it is spatial

AI CAPABILITY

FAST

What the technology can do. Advancing continuously and largely outside the firm's control.

AI ADOPTION

SCALING

Tools deployed, pilots run, access widened. Rapid, visible and comparatively cheap.

AI INTEGRATION

SLOW

Workflows, governance, data and skills redesigned. This is where the value sits.

Capability is not the constraint. The organisation is.

Source: Knight Frank, 2026

Adoption is racing – but not into space

Knight Frank

Adoption is advancing, but space growth is not the signal

Enterprise AI adoption is already high and accelerating fast, yet occupiers do not expect it to add either people or space.
The story of AI in corporate real estate is productivity, not expansion.

81%

expect 'high' AI adoption within 12 months

+77

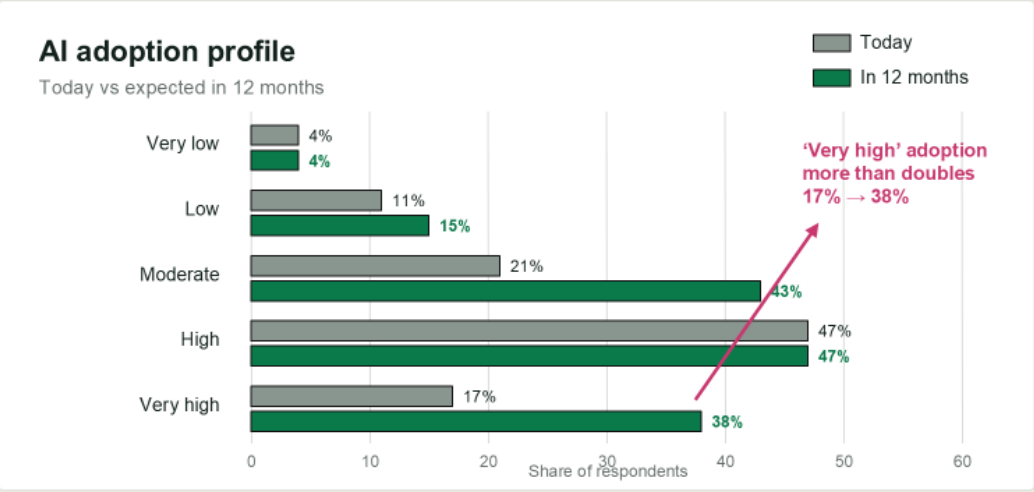
net score for adoption over the next year

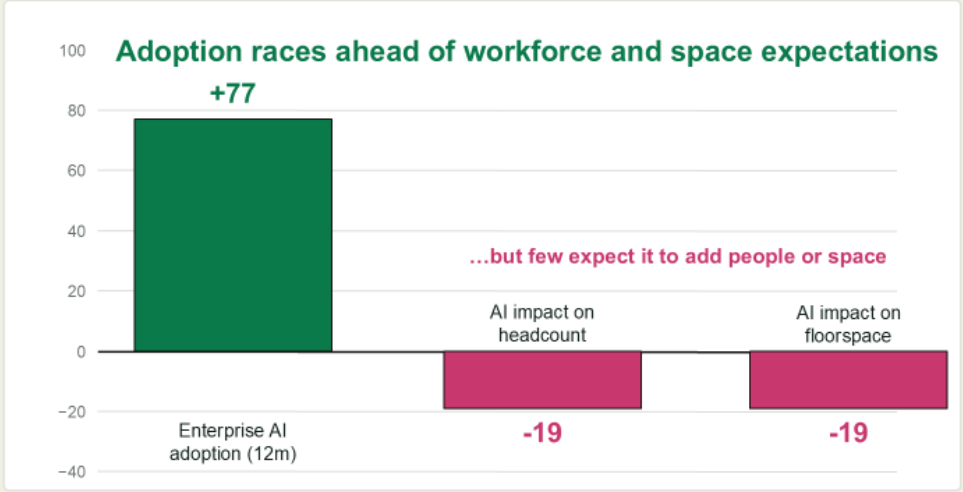
−19

net score for AI's impact on headcount and on floorspace

The productivity signal

Among the strongest AI adopters, expected headcount growth is still only **2.88 / 5** — barely different from the entire sample. AI is being deployed to lift output per person, not to hire.



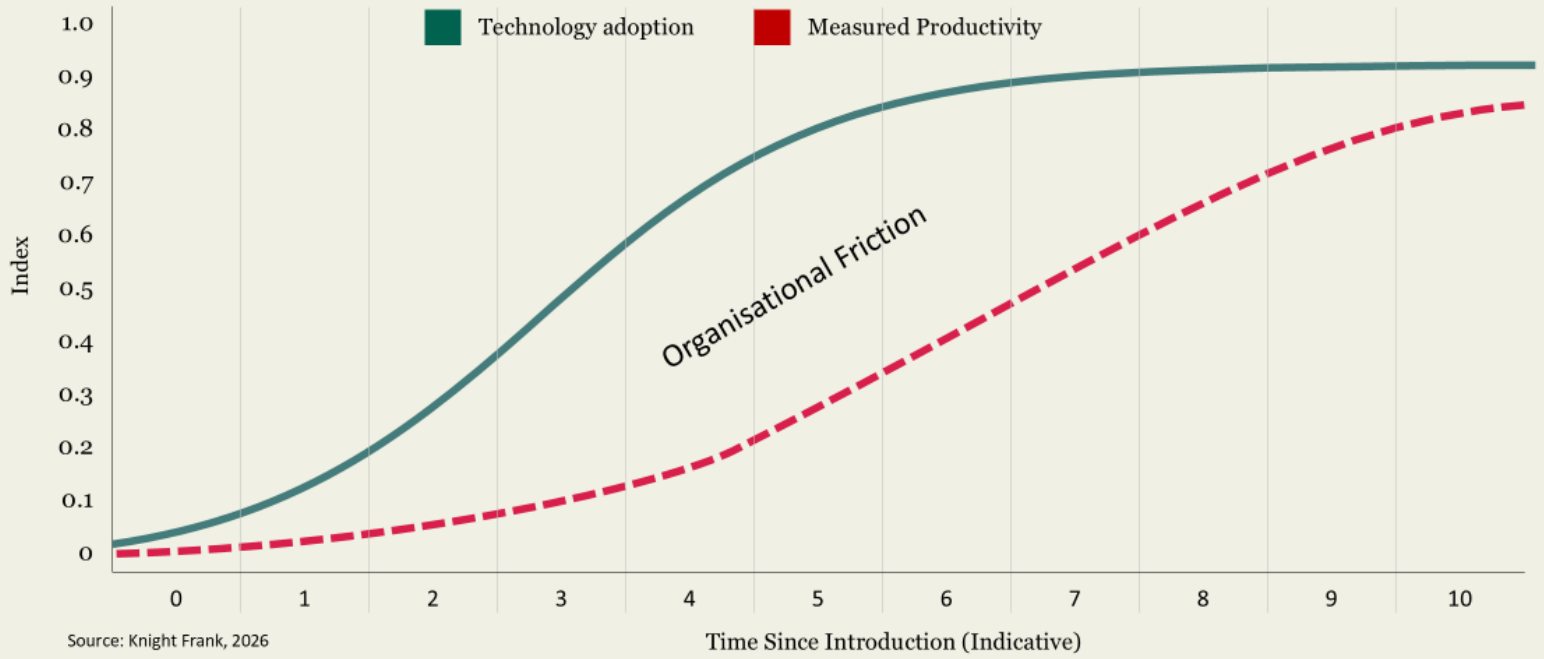


Source: Knight Frank, 2026 (Y)OUR SPACE Horizon Report H2 (N=53, Data collected via pulse survey in July/August 2026

The promise of productivity

Knight Frank

AI is already improving tasks, but enterprise-level productivity gains remain limited



Source: Knight Frank, 2026

Task level
AI delivers strong task-level improvements (drafting, analysis, summarisation)

Limited enterprise level impact
These gains rarely translate into enterprise-wide productivity or cost reduction

High friction
The constraint is not model capability, but organisational friction.

Source: Knight Frank, 2026

Why Integration Lags

Knight Frank

Constraints are structural & multiple

Economics Is the investment viable?	Uncertainty Around Returns		Long Payback Periods
	Cost Of Compute	Energy Costs	Data Costs
	Investment-returns Gap	ROI Visibility	Obsolescence
Capabilities Can the organisation make it work?	Data Quality	Data Fragmentation	Architecture Gaps
	Workflow Redesign Complexity	Undocumented Processes	Skill Gaps
	Gaps In Understanding	Leadership Capability	Talent Scarcity
Risks Can it be deployed safely and at scale?	Reputational Risk		Immature Governance
	Regulatory Uncertainty	Regulatory Fragmentation	Data Privacy
	Public Trust	Public Backlash	Security Exposure

These constraints form a powerful set of constraints on the pace and depth of AI integration. They do not prevent change, but they moderate it, ensuring that the transition unfolds over years not months. They also ensure the transition is uneven because the barriers affect different organisations to varying degrees.

Source: Knight Frank, 2026

AI has yet to deliver on savings

Knight Frank

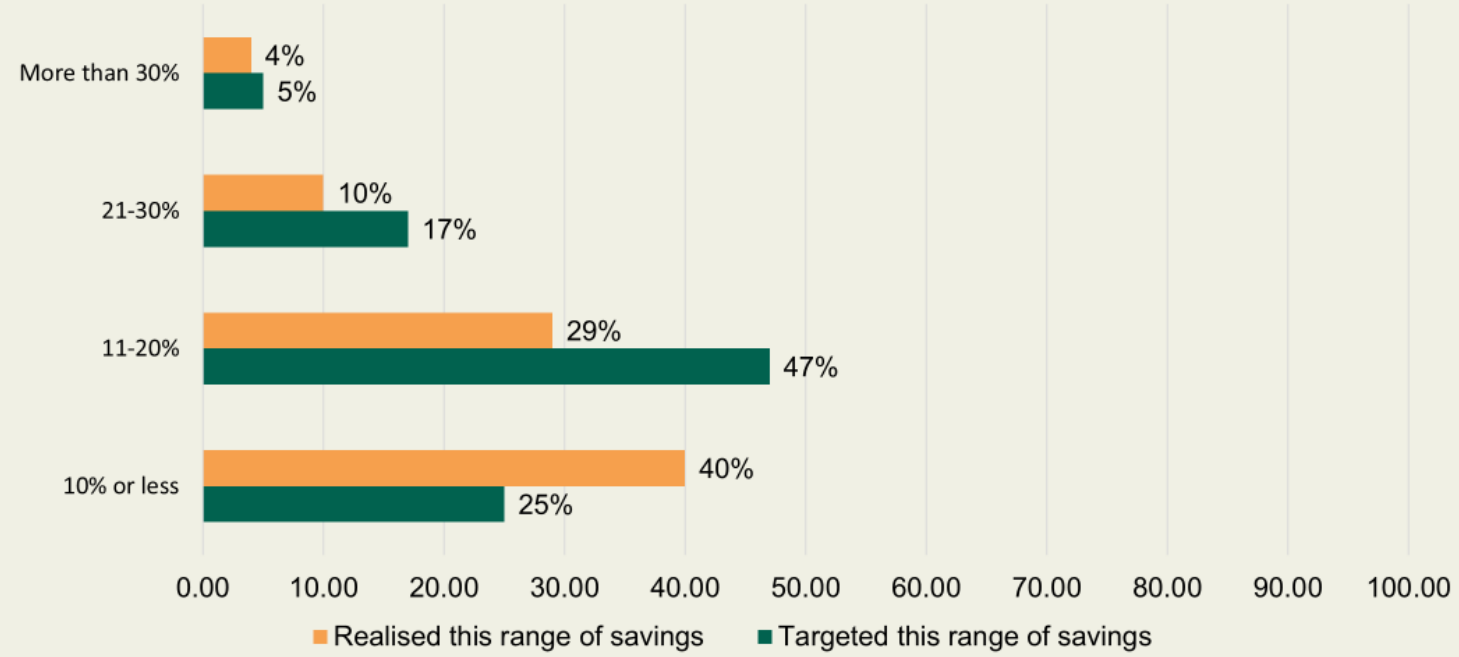
Will current project economics lead to increased inertia?

Cost savings disappoint
Of almost 1,000 companies with more than $100m in revenue, 40% saw cost reductions of 10% of less with only 4% seeing cost reductions of more than 30%

Data shortcomings
Biggest reason for falling short = cannot reliably get access to their own data

Broader investment rationale
Financial only motivations are likely to disappoint. Further investment will require focus on revenue, new markets, new offerings

Most companies that measured AI savings overestimated them



Source: Knight Frank, 2026; Bain Automation and AI Pathfinder Survey, 2026

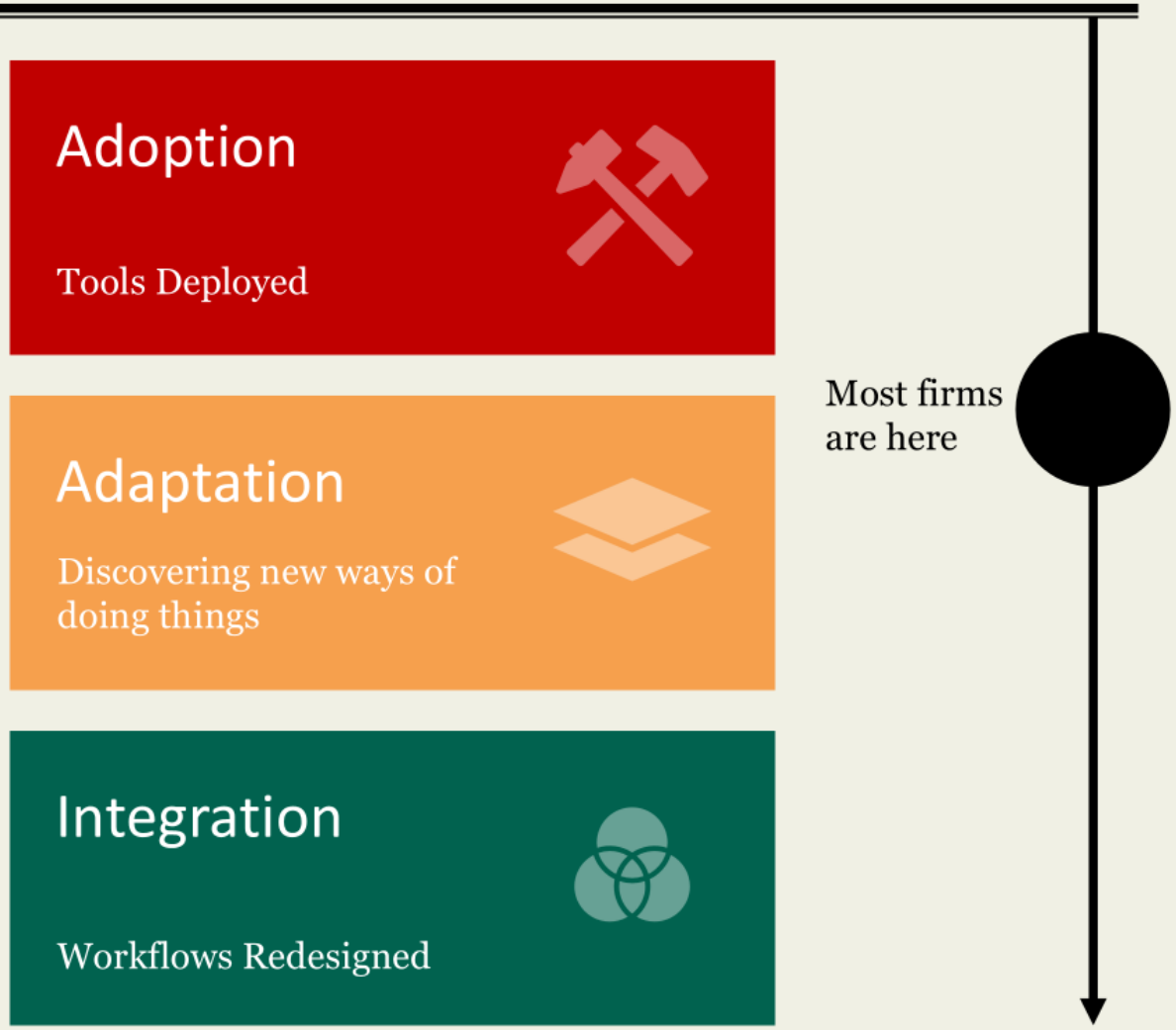
Adoption vs integration

Knight Frank

The system is constrained by integration, not adoption

The distinction between adoption and integration is at the heart of how AI's impact should be understood. The gap between the two determines the character of the transition.

Source: Knight Frank, 2026



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The BPO/GCC Test

Automation eats the cheapest work first.

What automation actually eats

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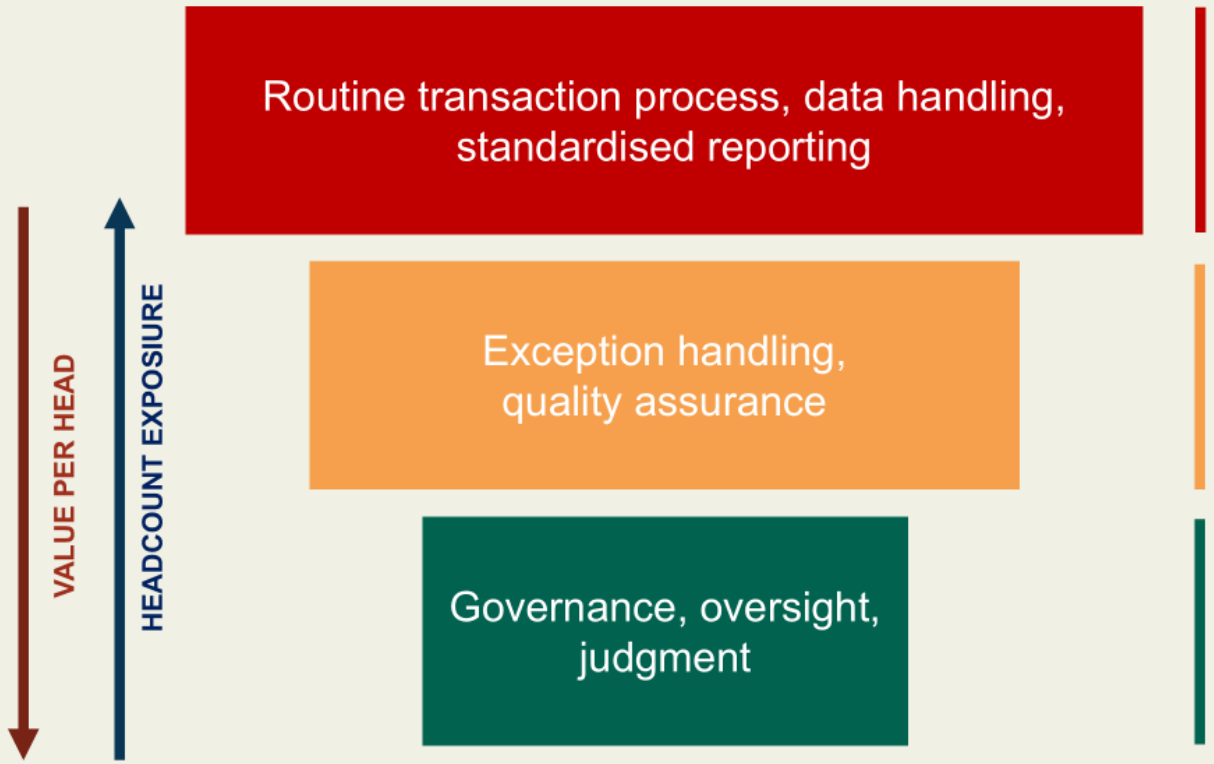
Exposure is greatest where value per head is lowest



Highly exposed

The first work to automate – and already the cheapest work in the centre.

Redesigned, not removed

Process supervision and QA – agentic systems change the shape of this work rather than deleting it.

Highly exposed

Validation, client relationship and domain judgment – hardest to automate and hardest to offshore in the first place.

Source: Knight Frank, 2026

From arbitrage to capability

Knight Frank

Footprint falls more slowly than headcount – because the quality threshold rises as the work climbs

	Cost Centre	Shared Service	Capability Centre	Strategic Hub
THE WORK	Transactional volume	Standardised process	Product and analytics	Innovation and R&D at group level
THE TALENT	Process operators	Process specialists	Engineers, data, domain experts	Scarce, senior, hard to replace
REPORTING LINE	Regional operations	Group functions	Business unit leadership	Executive Committee
THE REAL ESTATE	Commodity floorspace, high density	Better quality, moderate density	Specified space, lower density	Flagship

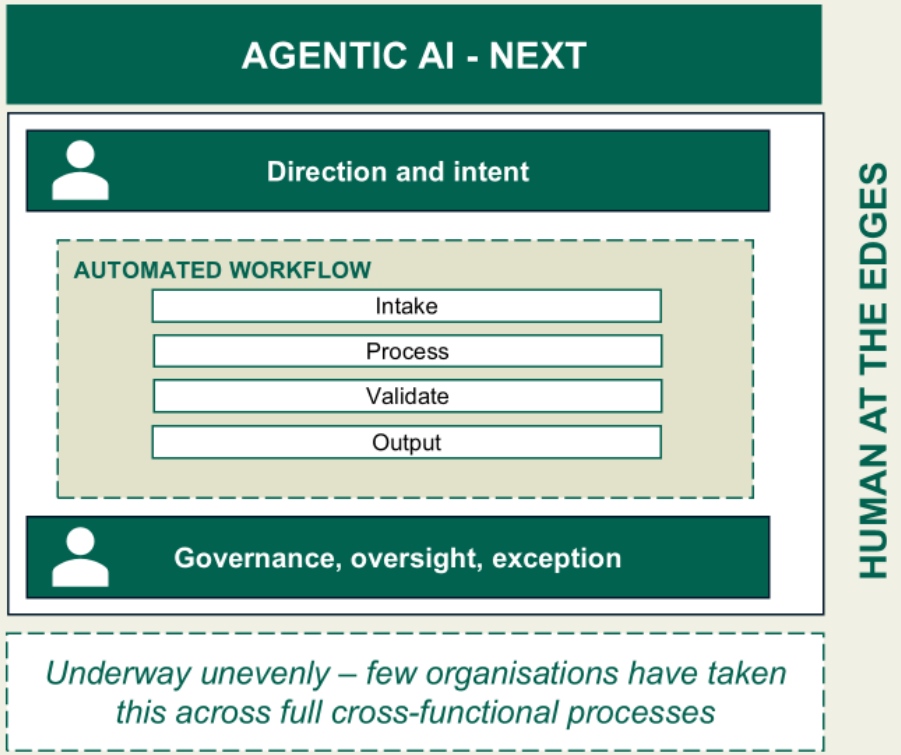
MOST CENTRES ARE HERE

Source: Knight Frank, 2026

The agentic transition

Knight Frank

From assistive AI to agentic AI – the architecture of work changes, not just the toolset



Source: Knight Frank., 2026

The commoditisation trap

Knight Frank

If capability is available to everyone, it cannot be an advantage for anyone

WHAT DIFFUSES

Available to every competitor, on the same terms, almost immediately

Frontier model access	→ *for everyone*
Off-the-shelf copilots	→ *for everyone*
Generic process automation	→ *for everyone*
Published best practice	→ *for everyone*

ADVANTAGE RELOCATES

WHAT STICKS

Accumulated inside the organisation and difficult to buy, copy or transfer

Proprietary data	*Built up over years of operating*
Workflow & process knowledge	*Much undocumented*
Regulatory & domain context	*Sector specific, hard won*
Client relationship & trust	*Earned not licensed*

No advantage accrues

This is where defence is built

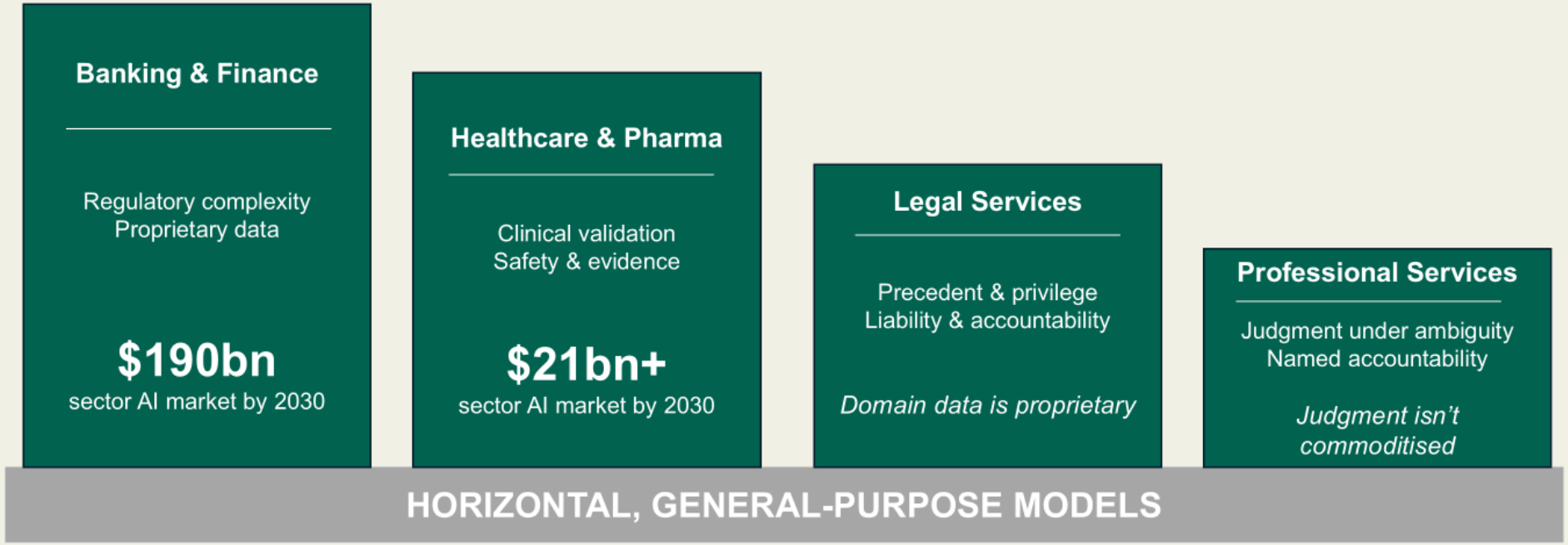
If what you sell is process capability, AI erodes it.
If what you sell is domain judgement built on data nobody else holds, AI extends it.

Source: Knight Frank. 2026

Domain depth is the defence

Knight Frank

AI is fragmenting from horizontal general-purpose platforms into vertical, industry-specific systems



Broad, undifferentiated, price-competitive

Source: Knight Frank, 2026

Knight Frank

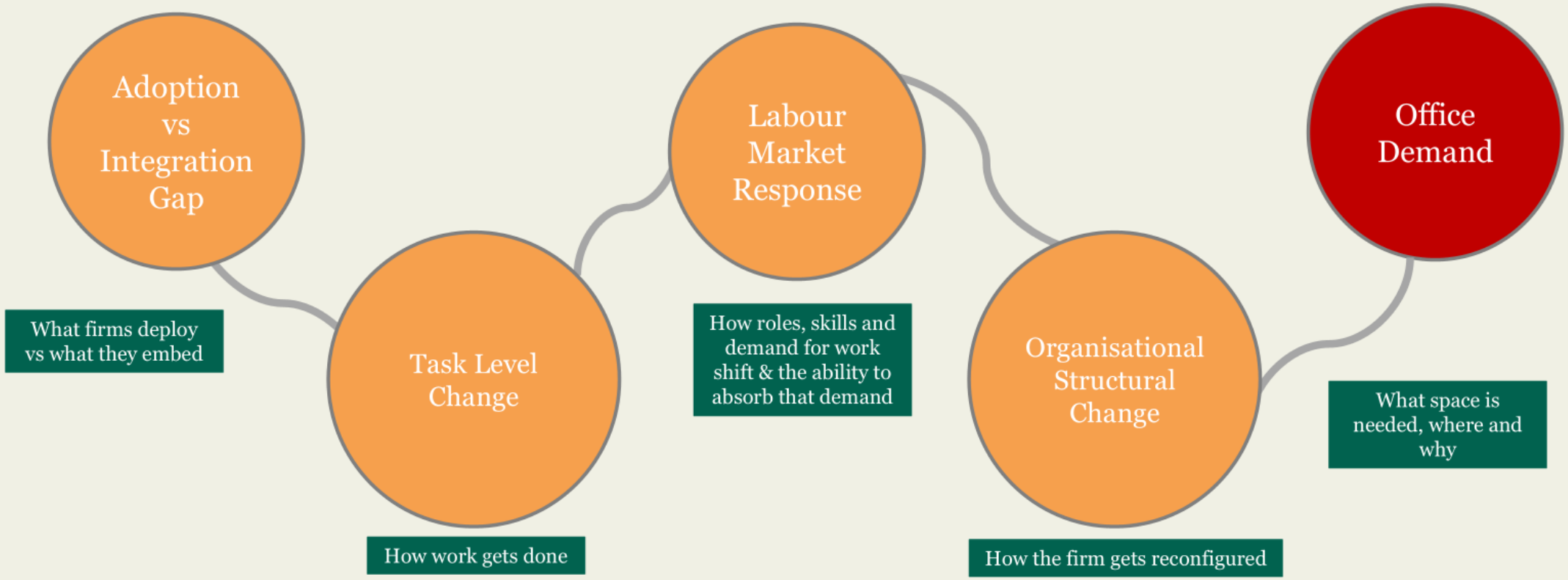
Where work belongs

Fewer places clear the bar. Those who do win more.

How AI will impact real estate

Knight Frank

Significant real estate change sits at the end of the chain



Source: Knight Frank, 2026

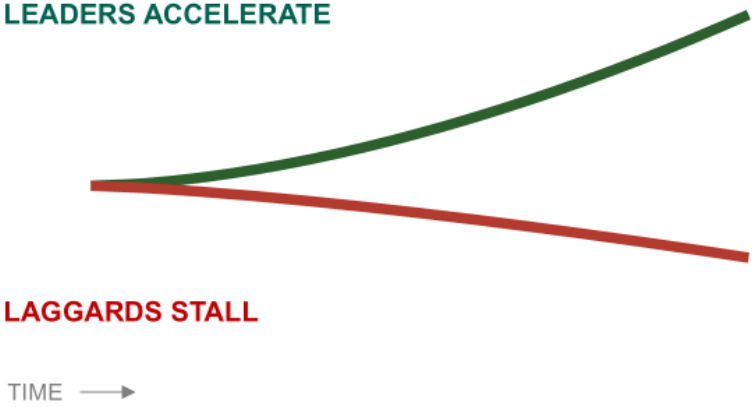
Dispersion, then concentration

Knight Frank

AI produces dispersion, not uniform change – and demand will increasingly concentrate

DISTRIBUTION OF OUTCOMES

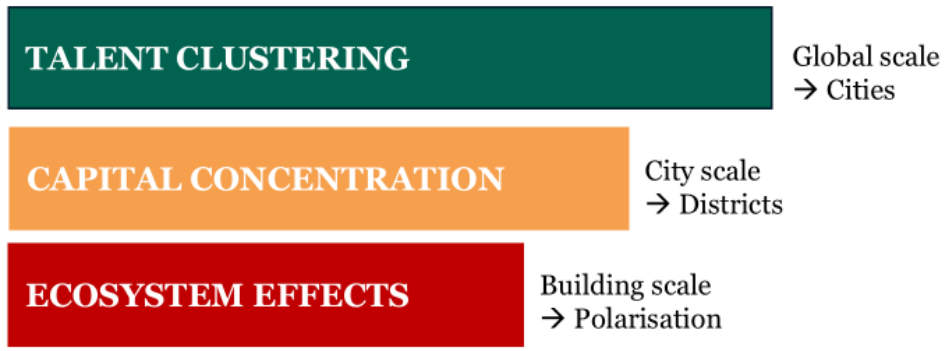
AI creates winners and losers – not a level shift



Outcomes widen over time – the distribution stretches

SPATIAL CONCENTRATION

Demand will increasingly concentrate



Each scale narrows – fewer cities, fewer districts, fewer buildings

Source: Knight Frank, 2026

AI as a selection mechanism

Knight Frank

The market is shifting from location-led to capability-led requirements – building performance is key

LOCATION-LED

What used to decide

- Amenity
- Sustainability
- Flexibility
- Physical Environment

CAPABILITY-LED

What decides now

- **Digital infrastructure**
- **Power resilience**
- **Cyber readiness**
- **Operational performance**
- **Ecosystem strength**
- **Psychological experience**

MARKET IMPLICATIONS

SELECTION, NOT EXPANSION
Raising the threshold for what is investable, leasable & future-ready

FLIGHT TO QUALITY IS NOW STRUCTURAL
Driven by infrastructure capability as much as tenant preference

DIGITAL READINESS IS NO LONGER AN AMENITY
Connectivity, resilience & cyber performance are central to value

POWER HAS BECOME A LOCATION FILTER
Infrastructure constraints shape where AI-led demand can concentrate

CAPITAL CONCENTRATION
Favouring high-quality assets in established innovation ecosytems

Source: Knight Frank, 2026

Home, near and far

Knight Frank

Nearshoring isn't automatically safe. It's conditionally safe – and the conditions are getting harder

HOME	NEAR	FAR
↓ WEAKENED	↑ STRENGTHENED	↓ PRESSURED
Oversight, validation & trust-building intensify – the work AI leaves behind is the work that benefits most from co-presence	Time-zone & cultural proximity assist workflow redesign; collaboration cost stays low while capability rises	Where the proposition rested on pure labour arbitrage, the arbitrage is exactly what automates
Condition: *Depends on how much judgment work you retain*	***Condition:*** *Depends on clearing a rising capability bar*	***Condition****: Depends on climbing the arc faster than costs erode the case*

The Kraków filter

Clearing a rising bar, not topping a league table

- Technical talent depth
- University pipeline
- Time-zone & cultural proximity
- Established multi-lingual base
- Cost position vs western capitals

Source: Knight Frank, 2026

The evidence is in. The argument is not settled

Knight Frank

Three tensions now move from the screen to the room

AI is not simply removing work. It is redistributing where capability sits, how value is created and what workplaces must deliver.

01 WORK

Tasks change before jobs disappear

Automation reaches routine activity first. Human work shifts towards judgement, oversight and exception handling.

02 VALUE

Capability matters more than arbitrage

BPOs and GCCs face a rising value threshold: from processing volume towards expertise, orchestration and innovation.

03 PLACE

Demand recomposes rather than vanishes

The office becomes more selective and more consequential, with quality, talent and ecosystem depth shaping where work belongs.

Source: Knight Frank, 2026

Panelists

OLIWIA CHWAST

Project Lead, Coforge

LION PAAUWE

GSB Hub Hub Leader&EMEA Accounting Director, Huntsman

LEE ELLIOTT

Partner and Global Head of Occupier, Research

Poll #2

Knight Frank

How do you expect AI to impact your own BPO/GCC footprint?

- ❑ Shrink it, automation will remove headcount & space
- ❑ Hold it – same footprint, different work
- ❑ Grow it – AI creates new, higher-value capability
- ❑ It's too early to call

Poll #3

Knight Frank

In five years, your GCC/BPO centre will primarily exist to ..

- ❑ Run processes at scale – efficiency & cost focused
- ❑ Supervise the machines – oversight, governance & exception handling
- ❑ Build capability – innovation, product and group level R&D
- ❑ Hold the talent – the place where the firm goes to source scarce skills

THANK YOU for your time

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Read the report

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