

# GEN-FLEX WORKSPACES

Gen Z and Millennial

Shared Preferences

2023



| awfis

# Message from **Awfis**



**Amit Ramani**

Founder & CEO, Awfis

An incredible transformation is unravelling in the way that we work – from Zoom to AI. The growth of digital technology coincided with the pandemic and is shifting the rules of work. We no longer live in a world where we have to be physically present at the workplace to be productive. This transformation attributed to the pandemic has created a drift between the need for physical workspaces and a growing preference for a hybrid work culture. But there's arguably a more influential change: the rise of a new generation that plans to make its mark on the workplace.

Workplace transformations have come a long way from being a cookie-cutter and strictly utilitarian design to an open setting facilitating employee communication and inclusivity. What were venues built to facilitate company processes are now conceived to leverage human capital effectively. Breaking the barriers of hierarchy these workplaces are now ruled by the two most talked about generations: Millennials and Gen Z. In retrospection of the changing preferences and their characters focused on thinking out of the box not confined by the limitations of the cubicles.

The shifting work preferences of Millennials and Generation Z, the two successive cohorts with a significant presence in today's workforce, have notably impacted the dynamics of modern workplaces. Given their experience of working in the aftermath of the pandemic, Millennials and Gen Z are the driving forces of workplace transformations. To understand this tectonic shift in the workplace landscape and chart a path to a successful future we need to map the dynamics that revolve around their preferences.

In this report we have projected insights that may dispel some of the preconceived notions about the new-age workforce. What we need to comprehend is the quality of our workspaces that adapt to the changing dynamics of the industry and answer the important questions arising from it - what are the hopes and expectations of these generations? And most importantly, do business leaders and HR teams need to revise their current workplace strategies accordingly? We have tried to uncover these answers with this report and dig out some new insights that will be birth of the **"Next Generation Work Environments"**.

# Message from **Savills**



**Anurag Mathur**  
CEO, Savills

In three years since the pandemic brought VUCA back into currency, a radical shift has taken place in the way we understand and connect with workplace.

It had taken substantial reorientation to adopt the previous transformation that replaced orthodox cabin-style offices with the barrierless layout. In a very short time from there, the next round of generational shifts is upon us once again, admittedly, with a greater degree of intensity and vigour. The tectonic shifts at play, profoundly accelerated by the bio-economic upheavals that swept the planet, forced offices through a phase of existential threat, and then, a metaphorical rebirth – between 2020 and now.

The ‘reborn’ workplace of the next gen is now here. It is undoubtedly a subject of discovery, learning, experiment and exploration. Most decision-makers have lived through the orthodox ‘cabinised’ workplace and the open-plan office. The variant that is now rising on the horizon, is wrapped in ‘far greater unknowns’, and incorporates elements that had barely registered earlier. Considerations such as air-quality of workplace, blending of formal and remote work, choice of work-days, etc., are poised to play crucial roles.

Going forward, greater integration of Corporate Real Estate and People functions will become vital to planning and organising, as is seen through multiple evidences in this paper. The Millennials have now been completely absorbed into the workforce and have significantly impacted the anatomy of workplace. More of millennial influence will be felt in times ahead. The induction of Gen-Z is well underway now, which creates opportunities for understanding and repurposing our workplace for the next round of progression.

We have endeavoured to look into the proverbial ‘rabbit-hole’ at this point, and uncovered some very interesting facts. We are delighted that some of these have been hiding in plain view over the years, whereas some others are ridden with complexities. Some pieces of puzzle will require even greater endeavours to complete the jigsaw. Overall, I believe this analysis is a fine start. We will look to present more insights in due course.

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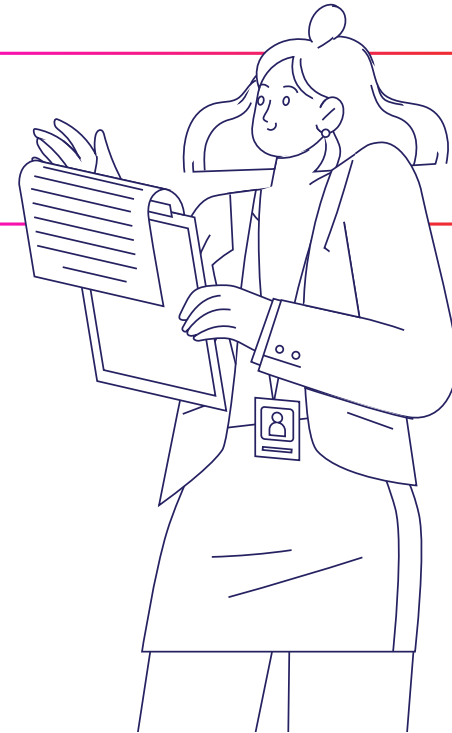
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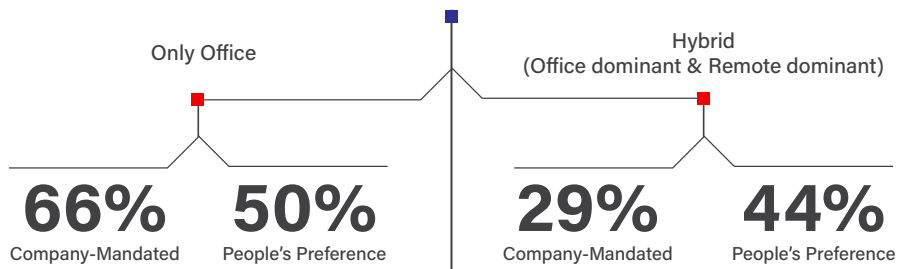
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# Key Findings

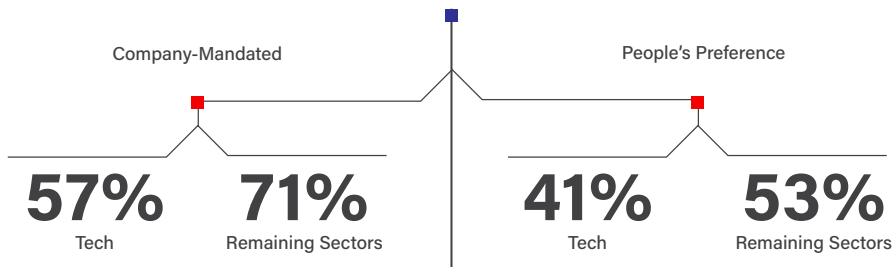
Our survey delved into workplace trends, including 'Return to Office' benefits & challenges, overall workplace experience & tech integration among other key topics with a specific emphasis on gaining insights from the perspective of diverse age groups & Tier I as well as Tier II geographies.

## Office is important, so is hybrid



Source: Awfis & Savills India Research

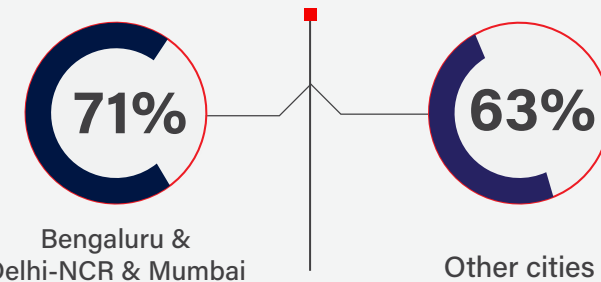
## Tech sector is returning to offices slower than the other sectors



Source: Awfis & Savills India Research

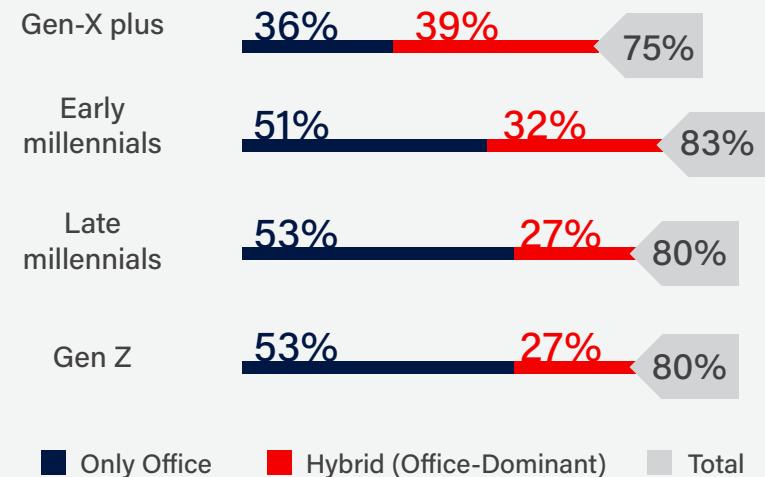
## Top 3 metro cities are high on office, others on hybrid

### Company-mandated Only-office model



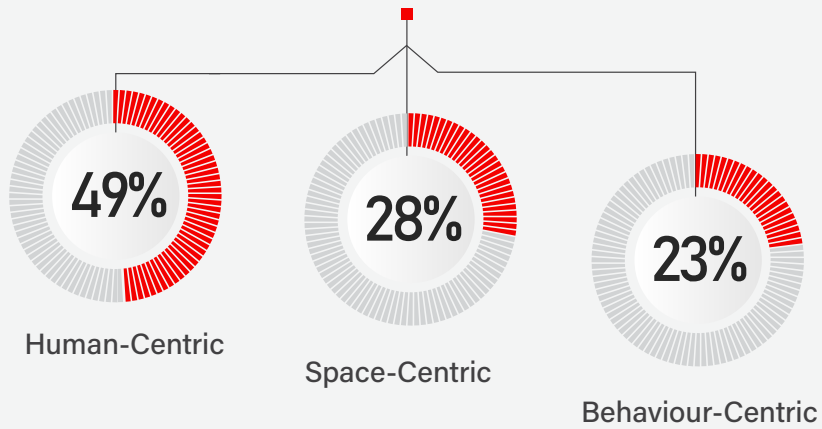
Source: Awfis & Savills India Research

## Reflections on Inclination towards Office: Work model preference



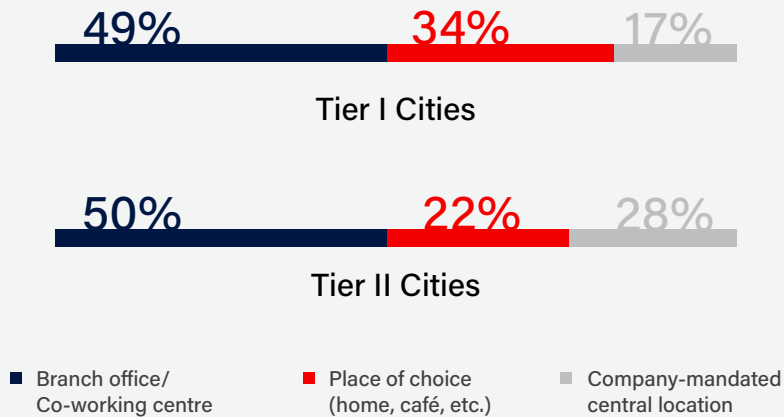
Source: Awfis & Savills India Research

## Reasons to Work from Office



Source: Awfis & Savills India Research

## Diverse Workplace Preferences

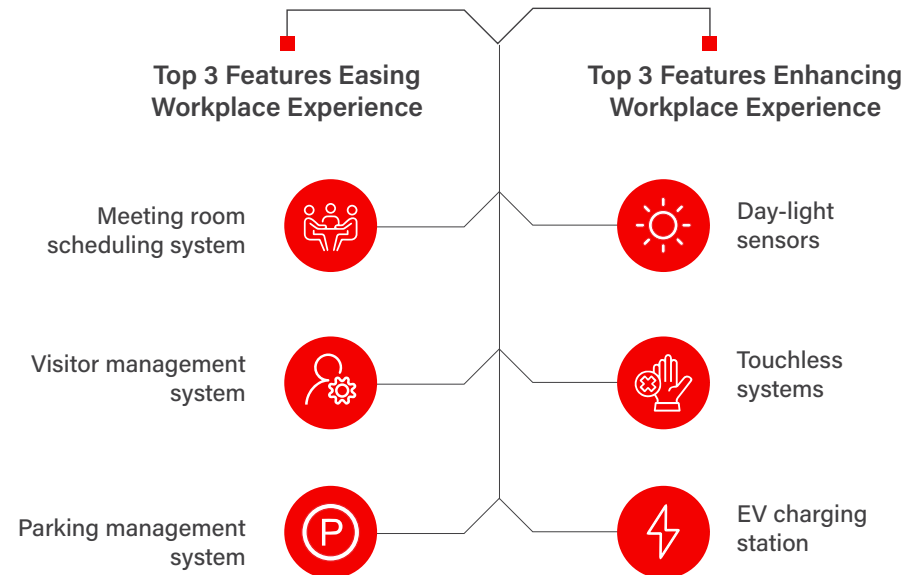


Source: Awfis & Savills India Research

## Workspace Quality Matters



## Tech at Work



# Emergence & Evolution of Co-Working Sector

The concept of shared workspaces in India began to take shape in the late 2000s and quickly gained prominence, especially among freelancers and small businesses due to its affordability and adaptable rental terms. As time passed, and larger corporations embraced the co-working phenomenon, as it grew to occupy a significant portion of the workspace landscape, revolutionizing how people worked and collaborated.

**Co-working centres have evolved beyond being mere workplaces & transformed into self-contained ecosystems that aid individuals in pursuing both their professional and personal objectives.** Guided by the ethos of exchanging ideas for innovation and fostering diversity to cultivate an inclusive work environment, the concept of flexibility now places a greater emphasis on **collaboration and networking**. In addition, facilities such as cafes, eateries, and childcare services, along with wellness initiatives like gyms and meditation/yoga rooms, have not only increased convenience but also inspired occupants to prioritize their **holistic well-being**.

Furthermore, the rise of new practices, such as remote work and the ability to work from anywhere in the post-pandemic era, has led the coworking industry to expand significantly. With talent now dispersed across various cities and even countries, formerly location-bound business centres have **transformed into location-agnostic hubs**, offering convenient access to office spaces anywhere in the world. This offers professionals the flexibility to choose a work location that suits their needs thereby promoting a **healthier work-life balance**.

Among the various factors contributing to the seamless transition toward the adoption of modern workspaces, one critical factor stands out: **the evolution of technology**. Progress in advanced technologies, such as cloud computing, Virtual Private Networks (VPNs), and various collaboration tools, has enabled employees to work remotely. This technological advancement has opened significant opportunities for workspace operators to expand into **Tier II** and **Tier III** markets while addressing data security concerns of various sectors.





In summary, the journey of shared workspaces in India has been nothing short of transformative. Starting as a **cost-effective solution primarily embraced by freelancers and small businesses**, it has evolved into a dynamic ecosystem that caters to the diverse needs of professionals and corporations alike. This evolution has been underpinned by a commitment to innovation, diversity, and inclusivity, as well as a focus on enhancing the overall well-being of workspace occupants. Moreover, the advent of remote work and technology-driven flexibility has propelled the co-working industry into a new era, **transcending geographical boundaries** and empowering professionals to choose their ideal work environment.

However, to remain relevant in contemporary times, it is imperative that the co-working industry aligns itself with the expectations of the current generation, namely, **millennials and Gen Z**. In 2021, these two demographics accounted for **52%**<sup>1</sup> of the total Indian population. Millennials, drawn to **technologically advanced and diverse collaborative workspaces**, have played a pivotal role in propelling the co-working sector forward. However, with the anticipation of an increasing number of Gen Z individuals entering the workforce and becoming the driving force in the office market of the future, it becomes essential to heed their expectations regarding their work environment.

1.NASSCOM Report, December 2022 (Reshaping the future of Workforce).



# Approach to the Exercise

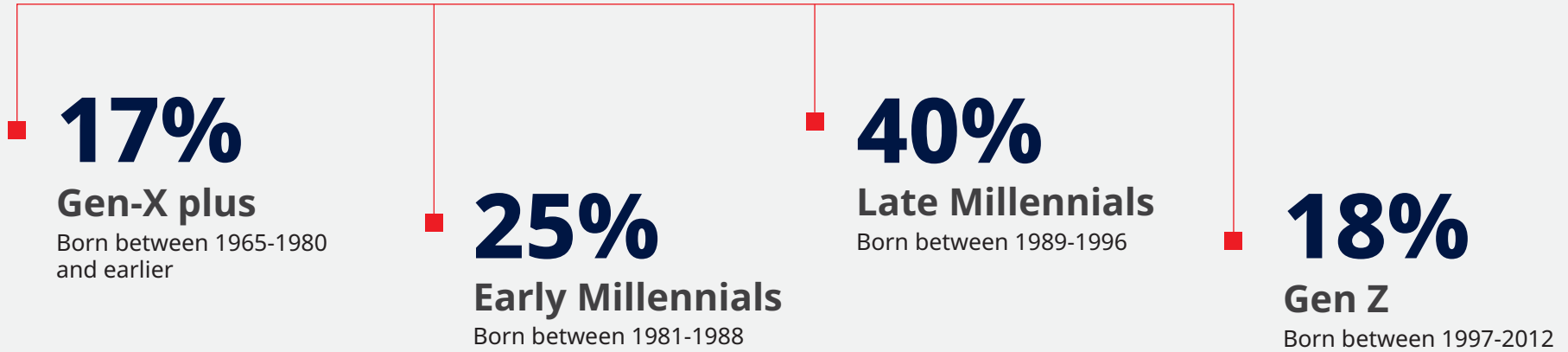
To explore evolving work preferences and the significance of physical workplaces in the context of a hybrid work environment, Savills India & Awfis collaborated to conduct a survey among occupiers. This survey aimed to gain a deeper understanding of key workplace trends, encompassing topics such as the 'Return to Office' and the associated challenges, overall workplace experience, integration of technology, and other related themes. Over a period of one month, responses from more than 550 occupiers representing diverse sectors including IT-BPM (Information Technology & Business Process Management), BFSI (Banking, Financial Services, and Insurance), consulting, e-commerce, healthcare, engineering & manufacturing among others, were solicited.

With a special emphasis of gaining insights from the perspective of the most prevalent segment of employees in today's workforce, i.e., Millennials & Gen Z, our survey encompassed a wide range of age groups & ensured the inclusion of participants from both Tier I and Tier II cities to capture a comprehensive spectrum of insights.

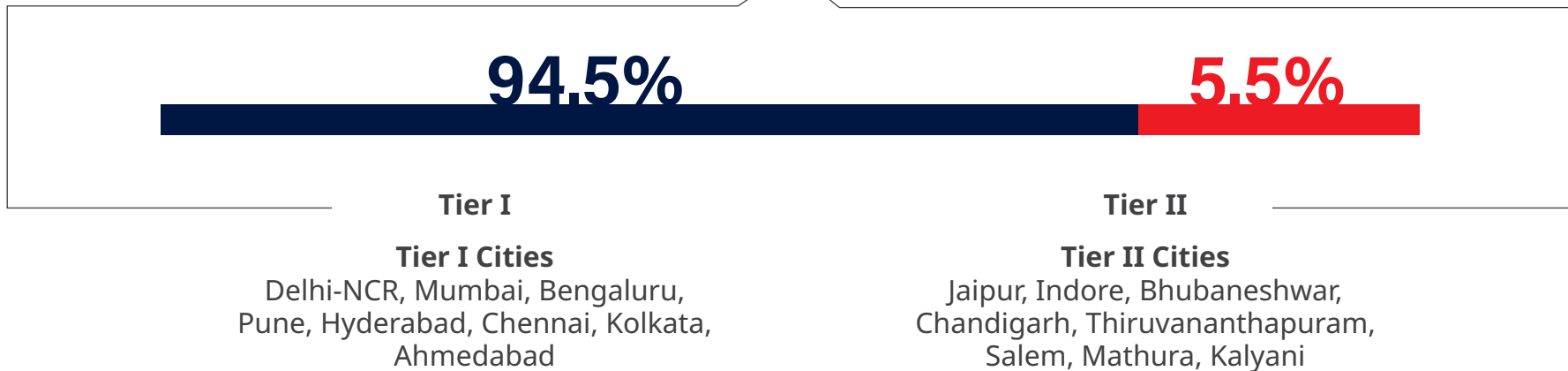
This report is driven by insights from



## Respondent Profile



## Respondent Profile



Source: Awfis & Savills India Research

# Return to Work: Flex it Up

The pandemic shed light on the possibility of individuals enjoying greater flexibility in terms of alternative work setups and approaches. Nevertheless, with year-on-year growth in office leasing and organizations in various sectors actively planning their return to physical office spaces, it appears that the era of pandemic-driven remote work, which left a significant mark on the corporate and office environment, might be receding into the past.

Our survey suggests that



**66%**

of respondents are mandated to **go to office every day.**



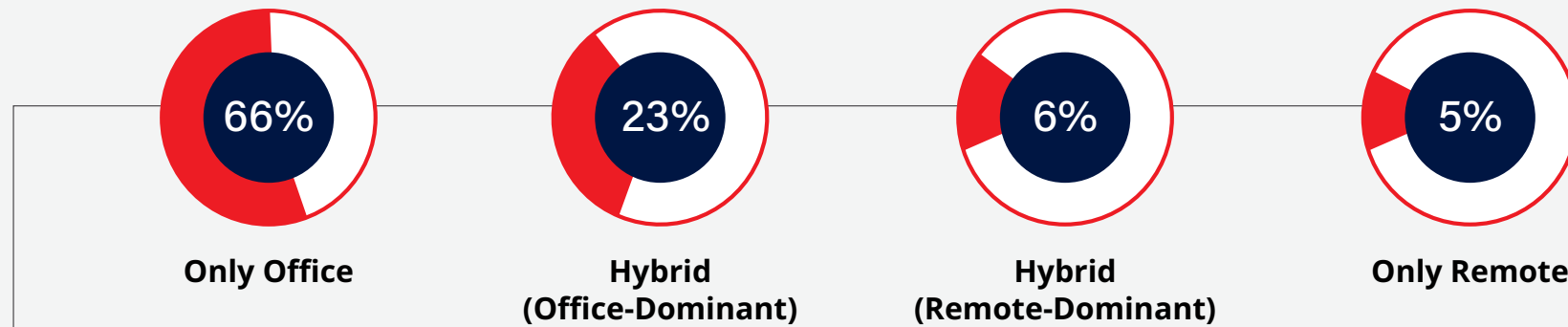
**23%**

of respondents are mandated to **operate in an office-dominant hybrid model** (3 or 4 days in a week in office).

*Source: Awfis & Savills India Research*



# Company-Mandated Model



Source: Awfis & Savills India Research

## Work Models Explained:

- Only Office:**  
All 5 days in a week in the office
- Hybrid (Office-Dominant):**  
3 or 4 days in a week in the office
- Hybrid (Remote-Dominant):**  
3 or 4 days in a week remote
- Only Remote:**  
All 5 days in a week remote

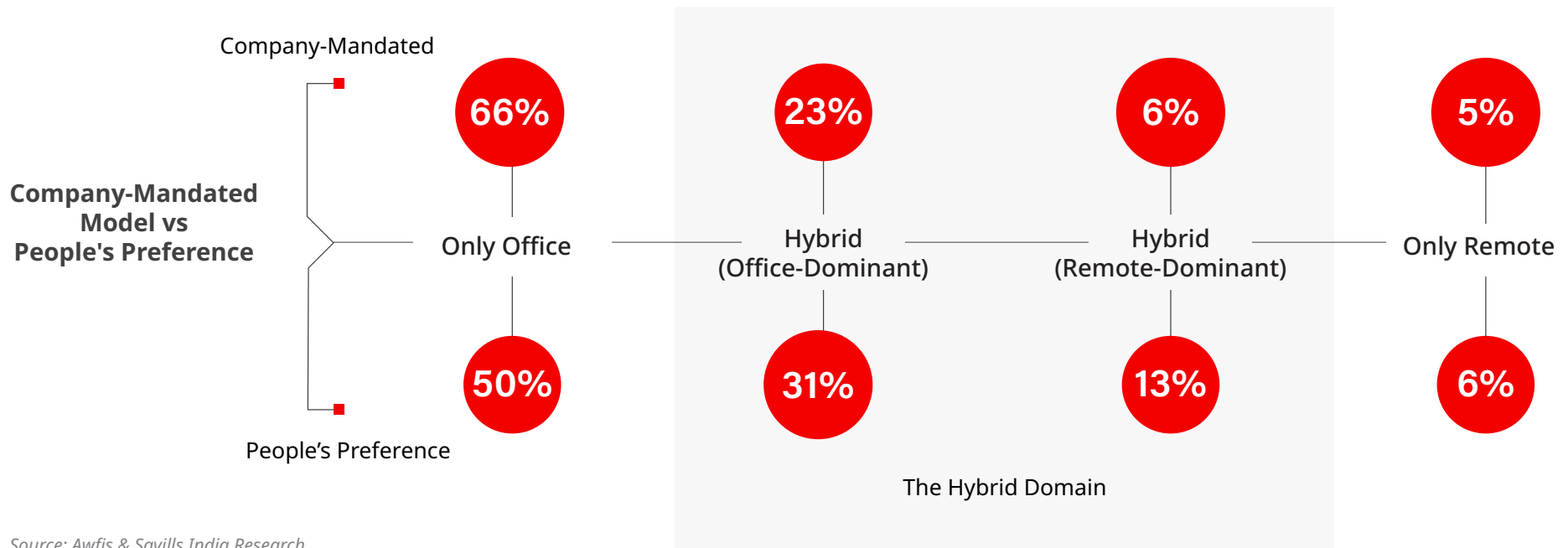
## Key Takeaway

The office holds significance, so does the hybrid model while remote work fatigue has taken hold with **5%** of the respondents being permitted to work remotely full-time.

# Paradigm Asymmetry

It is evident from company mandated model that the majority of the workforce is obligated to work from the office, the personal preferences of employees reveal a similar perspective. The choices of 'Only Office' and 'Hybrid (Office-dominant)' shows a general congruence between the company's approach and work preference of the respondents. While 89% of the respondents are mandated by their organizations to work from the office in one or the other way, a fair 81% prefers it in either of the formats indicating purely remote work fatigue to a certain extent.

However, a closer observation reveals a paradigm asymmetry that begins with the question – What is the appropriate amount of time to spend at the office?

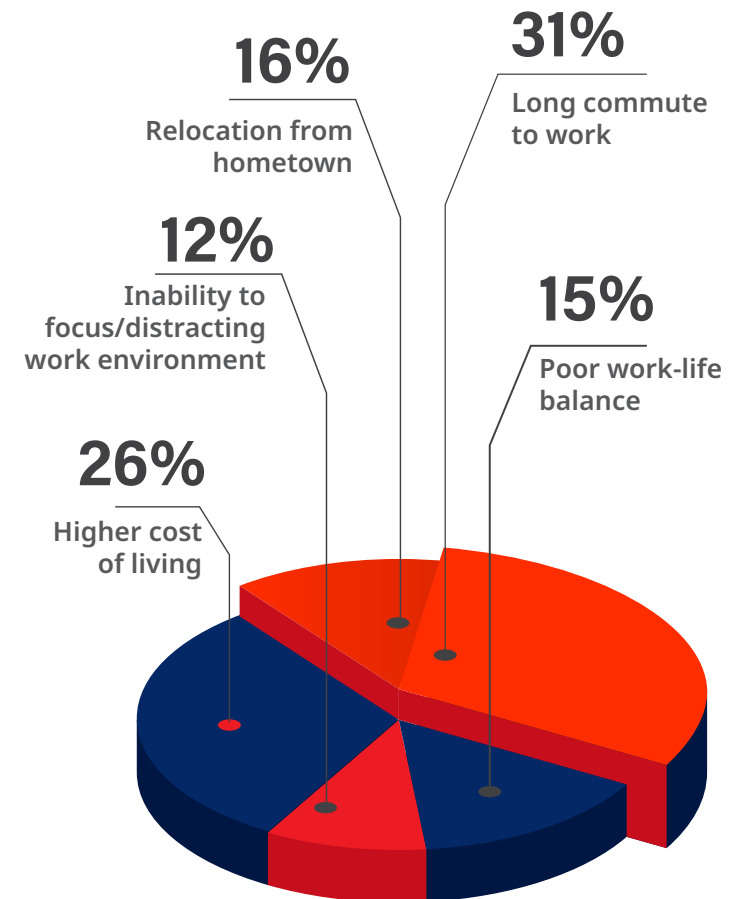


# Paradigm Asymmetry Explained

With remote work gaining precedence due to the pandemic and employees subsequently adapting to the flexibility it offered, the divergence between employees currently mandated to work from office and those who do so willingly underscores the reservations employees harbour about returning to work.

Our survey reveals that the most prominent challenges include the extended commute to work, the elevated cost of living (particularly pronounced in Tier I cities), and the need for relocation from hometowns.

In the case of respondents who were required to work from the office but expressed a preference for a more remote setup (whether full-time or predominantly remote), higher cost of living was identified as a primary challenge when it came to returning to the office, with long commute to work being the subsequent concern.

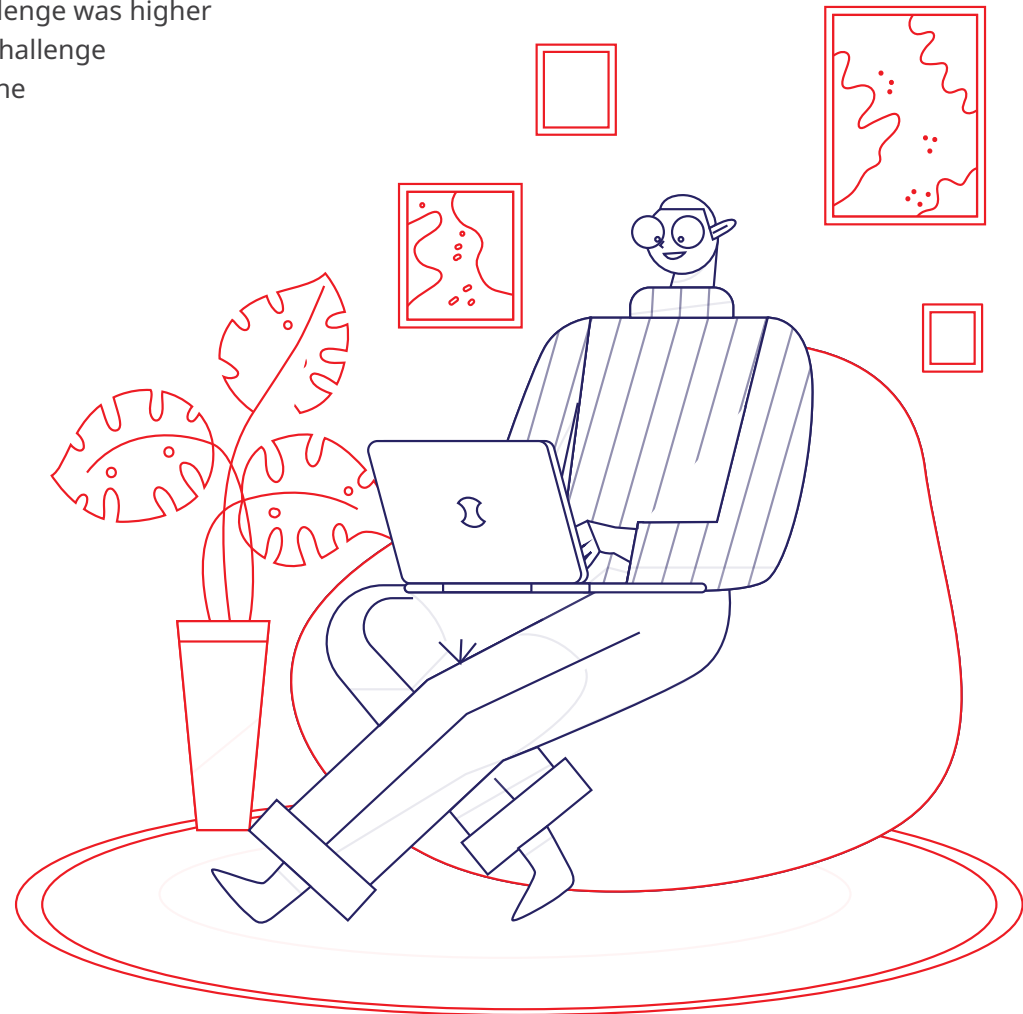


## Challenges to Return to Office

Source: Awfis & Savills India Research

# Age Lens: Challenges to Return to Office

Notably, while these top three challenges remain consistent across different age groups, our findings indicate that Gen Z places a higher significance on the cost of living as a deterrent to returning to the office compared to the lengthy commute to work. Furthermore, the proportion of Gen Z respondents citing relocation from hometown and Higher Cost of Living as a challenge was higher when compared to the proportions that picked the same challenge among other generations, which potentially indicate the after-effects of the turnaround of reverse migration. Similarly, Gen-X plus had a higher concentration of respondents for poor-work life balance while for Early Millennials it was the inability to focus.







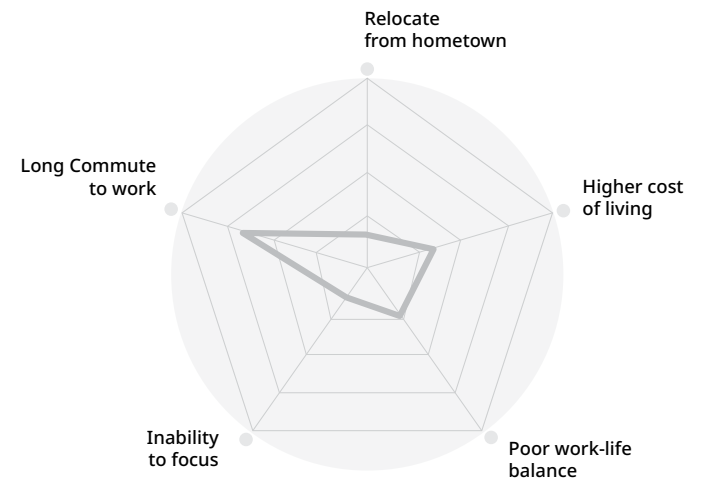
Gen Z



Late Millennials



Early Millennials



Gen X plus

Source: Awfis & Savills India Research

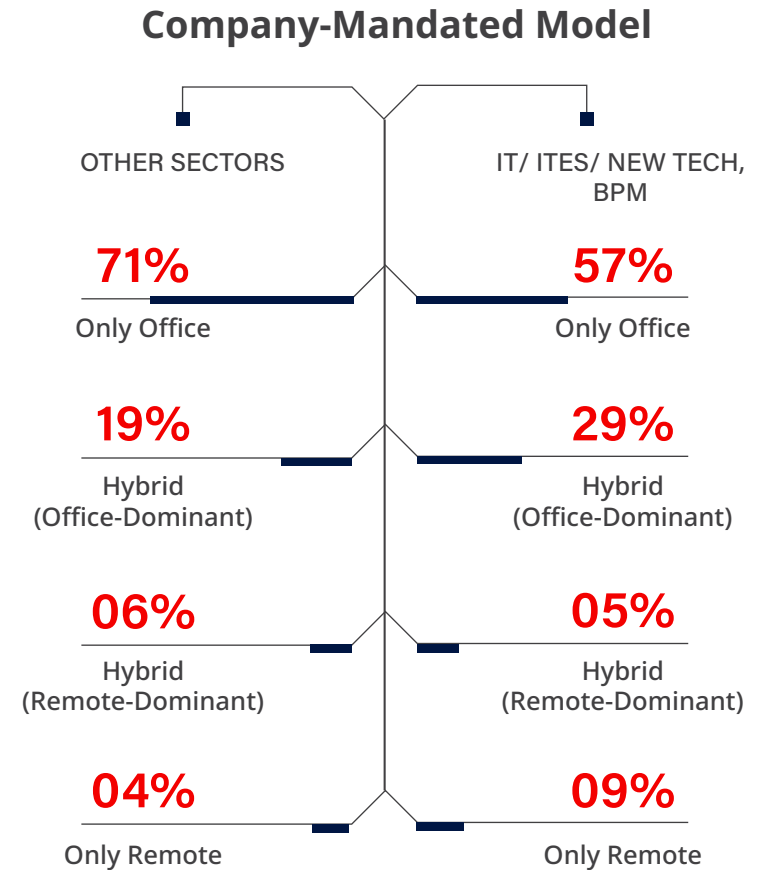
# Paradigm Asymmetry across Industry Sectors

In this section, we go one step deeper and try to uncover how this asymmetry prevails across different industry sectors.

'Return to work' is playing out slower in the technology industry compared to the remaining sectors. Our survey suggests that 57% respondents in the tech industry are mandated to work only out of office as compared to 71% in other sectors.

A further layered dissection gives us interesting facts on asymmetry within certain sectors with respect to the work preference by respondents and companies' mandates.

Within the tech sector, where 57% of respondents are mandated to work exclusively from the office, only 41% prefer this setup. A similar gap exists in other sectors as well. In e-commerce, a certain degree of expectation mismatch prevails as corporates are working with a ratio of 91:9 for 'only office' & hybrid while people's preference denotes a slightly higher willingness for hybrid model with a 73:27 split. In the consulting sector as well, only 44% of the respondents are willing to work in 'only office' model, while 68% are mandated to do so. The huge asymmetry within this sector is visible in hybrid work models too where 51% of the respondents are willing as against merely 27% allowed to do so.

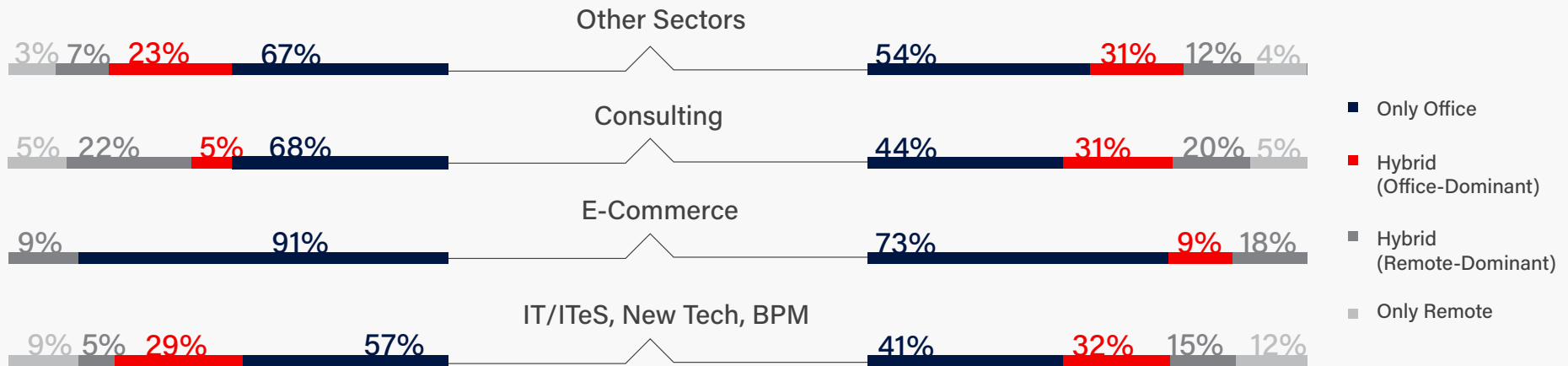


Other sectors: Consulting, E-commerce, Healthcare, Engineering & Manufacturing, BFSI, Real Estate, Telecom, Education, Consumer Goods

Source: Awfis & Savills India Research

## Company-Mandated Model

## People's Preference



Source: Awfis & Savills India Research

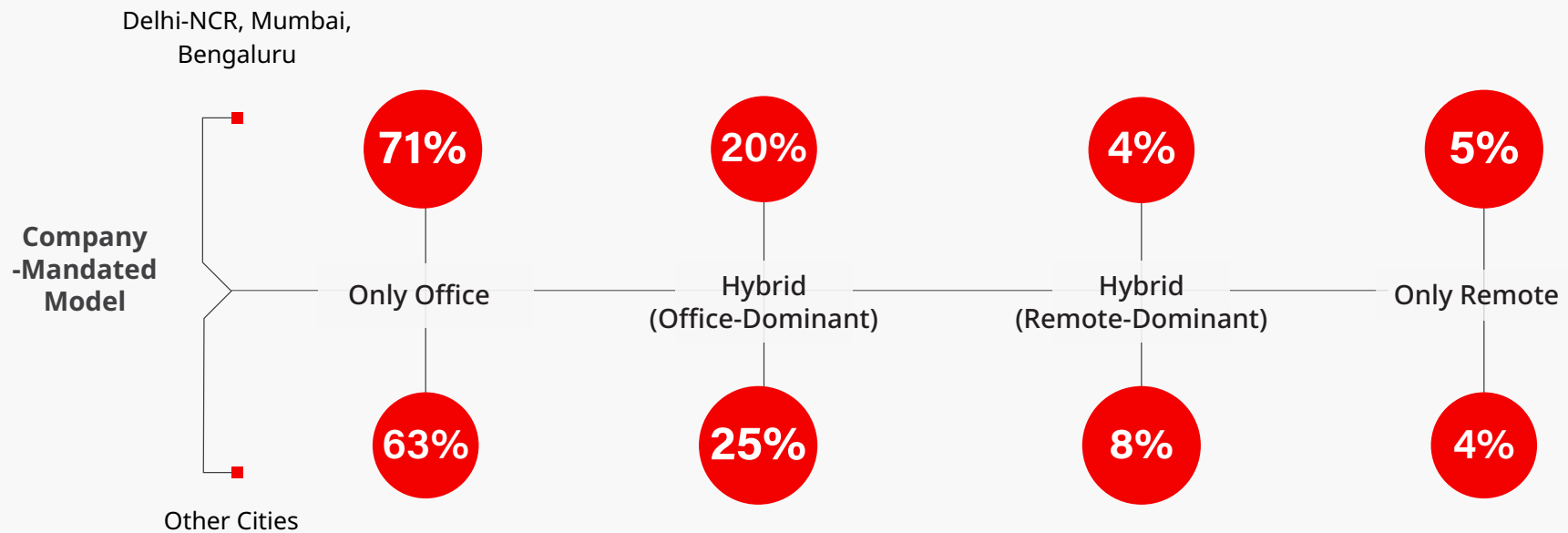
### Key Takeaways

- Asymmetry exists between employers' decisions and employees' preferences. A mere **29%** of the respondents have the flexibility to work in a hybrid format as against **44%** who wish to do so; implying 'lesser number of days in the office' have higher acceptance.
- Return to work' is playing out slower in the technology industry compared to the remaining sectors. Only **57%** of respondents in tech industry are mandated to work exclusively in office as compared to **71%** in other sectors.
- Overall, there is a marked asymmetry within tech, consulting, and e-commerce sectors with respect to the work preference by respondents and companies' mandates. While companies desire more of office, people prefer flexibility and hybrid.

# Paradigm Asymmetry across Cities

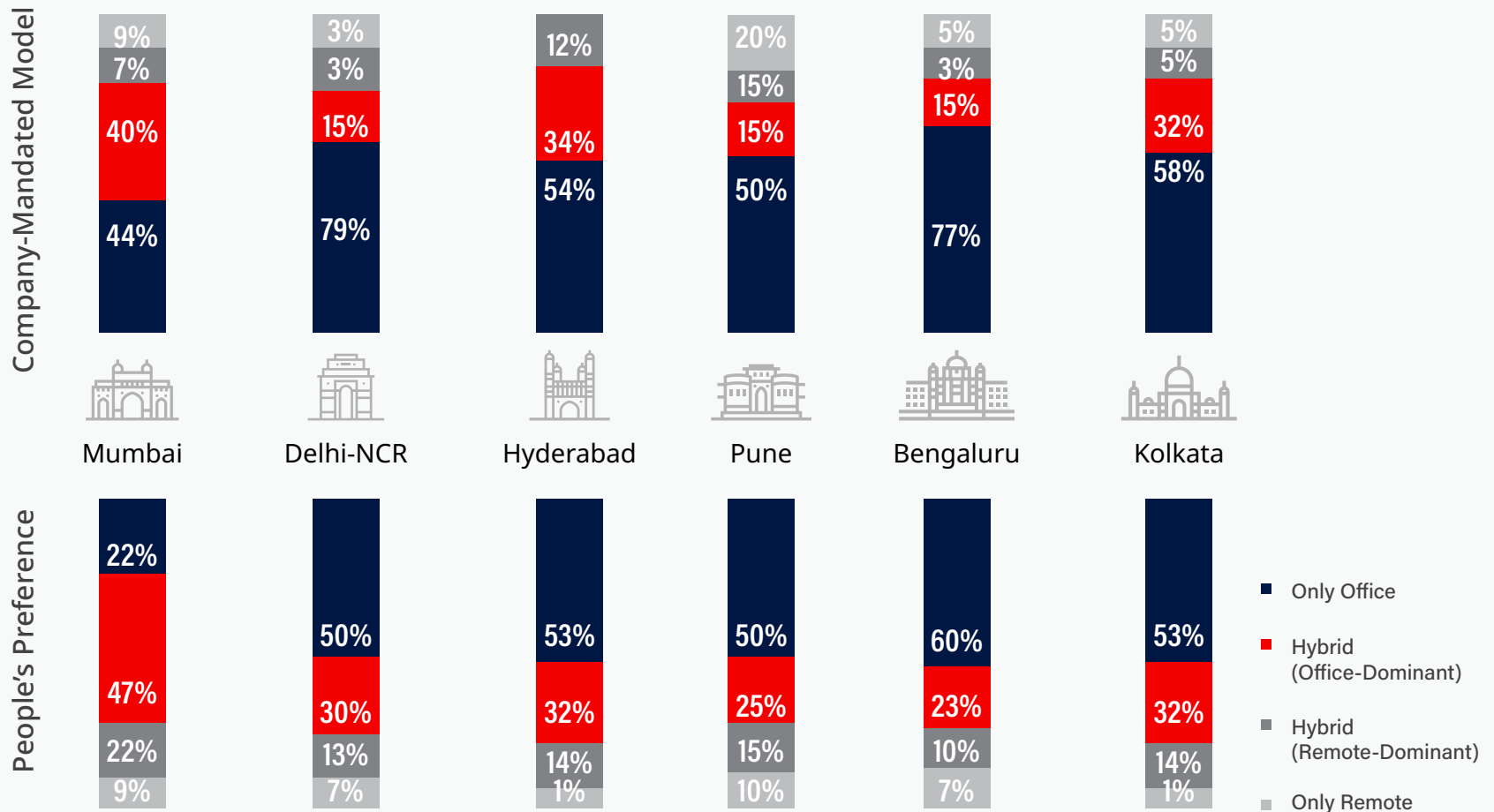
When we examine the 'Return to Office' trends at city level, we observe that a substantial 71% of employees in the top three metropolitan cities of Delhi-NCR, Mumbai, and Bengaluru are required to work exclusively from the office, in contrast to the 63% in the remaining cities. Furthermore, the 'only remote' and remote-dominant hybrid work models are more prevalent in other cities compared to the top three metropolitan cities.

Further, a study of the city-wise work model – mandated and people's preferences - reveals that the Hybrid work model is dominant in Mumbai, Hyderabad, Kolkata, Pune compared to other cities. The gap between the company mandated model and people's preferences highlights the need to reconfigure 'only office' and 'hybrid' approaches across cities and invites strategic thinking about the workplace.

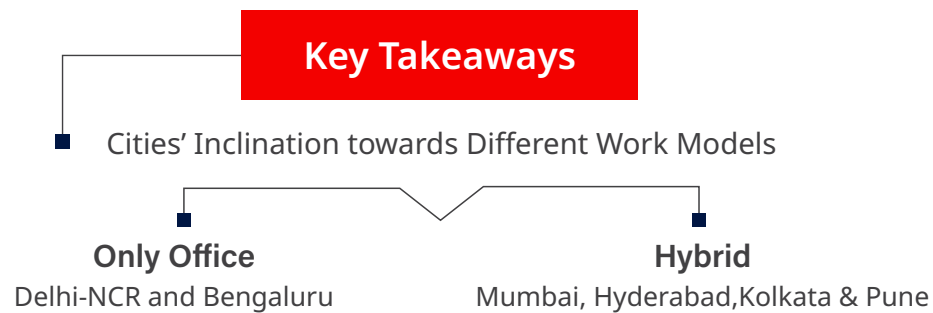


Other cities include Pune, Hyderabad, Chennai, Kolkata, Ahmedabad, Jaipur, Indore, Bhubaneshwar, Chandigarh, Thiruvananthapuram, Salem, Mathura, Kalyani

Source: Awfis & Savills India Research

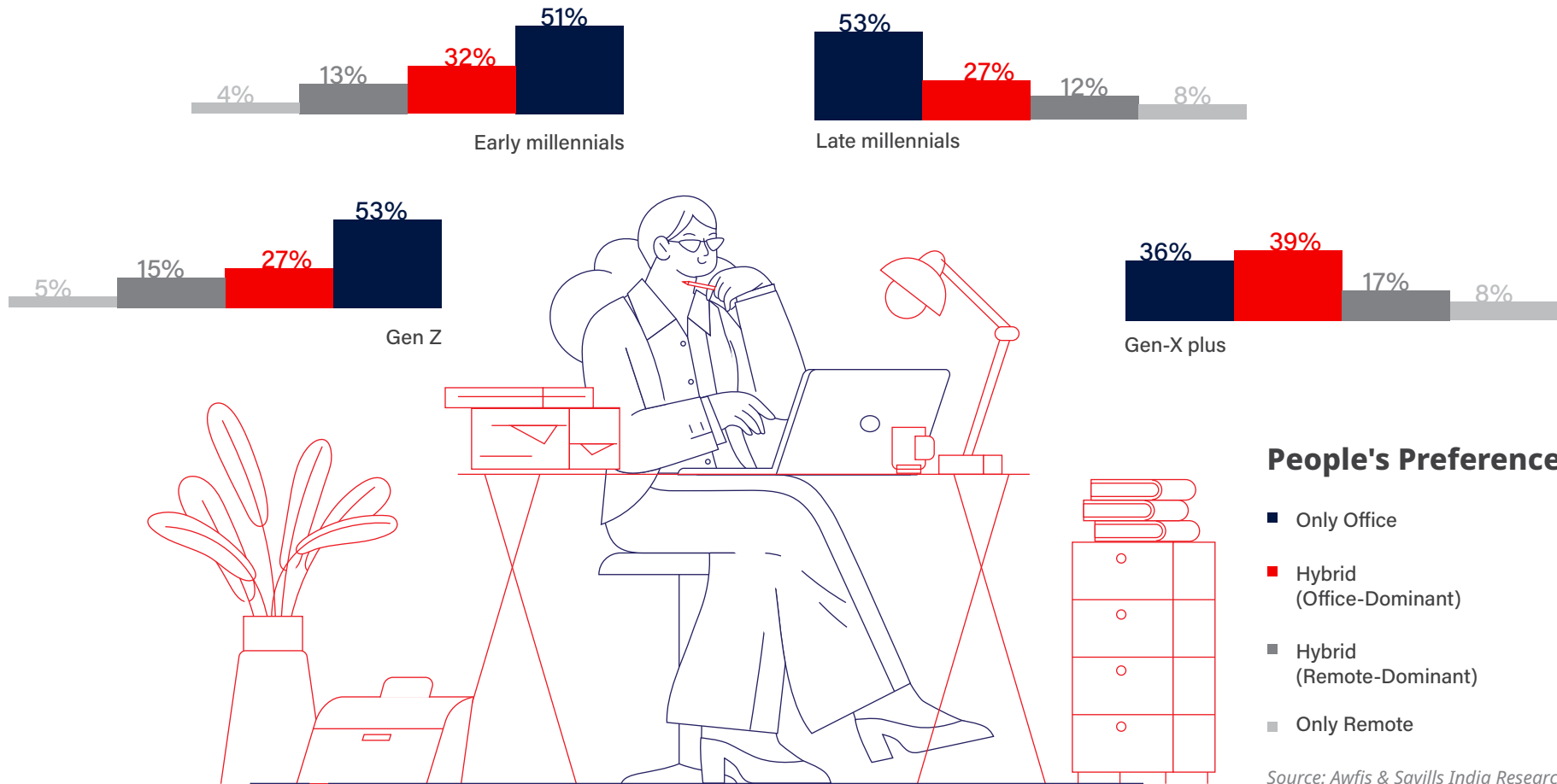


Source: Awfis & Savills India Research



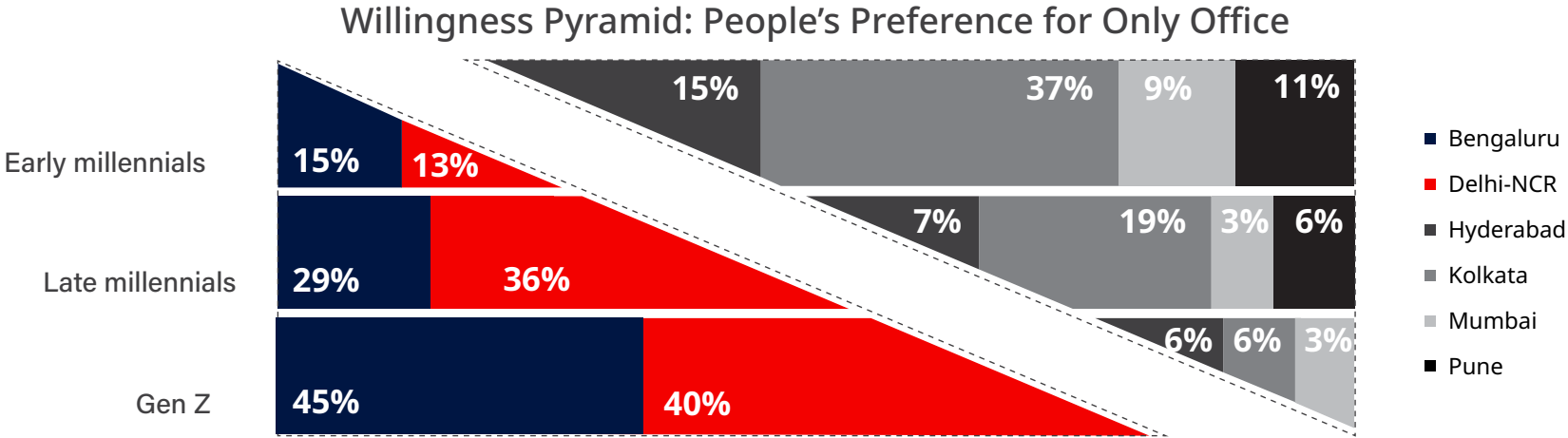
# Understanding Work Models Across Generations

Delving into a cross section of respondents by age, we note a great degree of agreement in terms of 'Return to Office'. Our survey suggests that about 80% of respondents across workforce generations are willing to work in 'only office' or an 'office-dominant' hybrid model. However, the split between these two work model categories presents an interesting insight. Noteworthy, Gen-X plus prefers higher flexibility and are high on hybrid compared to other workforce generations. Gen Z and millennials, on the other hand, place a higher preference for 'Only office' than Gen-X plus. The 'Only office' preference among the younger workforce could be attributed to the importance of 'people' at the workplace, which is elaborated in subsequent



When closely analysing the preferences of two significant workforce generations, namely Millennials, who currently make up most of the workforce, and Gen Z, who represent the future workforce, across various cities, a distinct pattern emerges. This pattern, referred to as the 'Willingness Pyramid', illustrates the inverse preferences for the 'only office' work model among these generations in different urban areas.

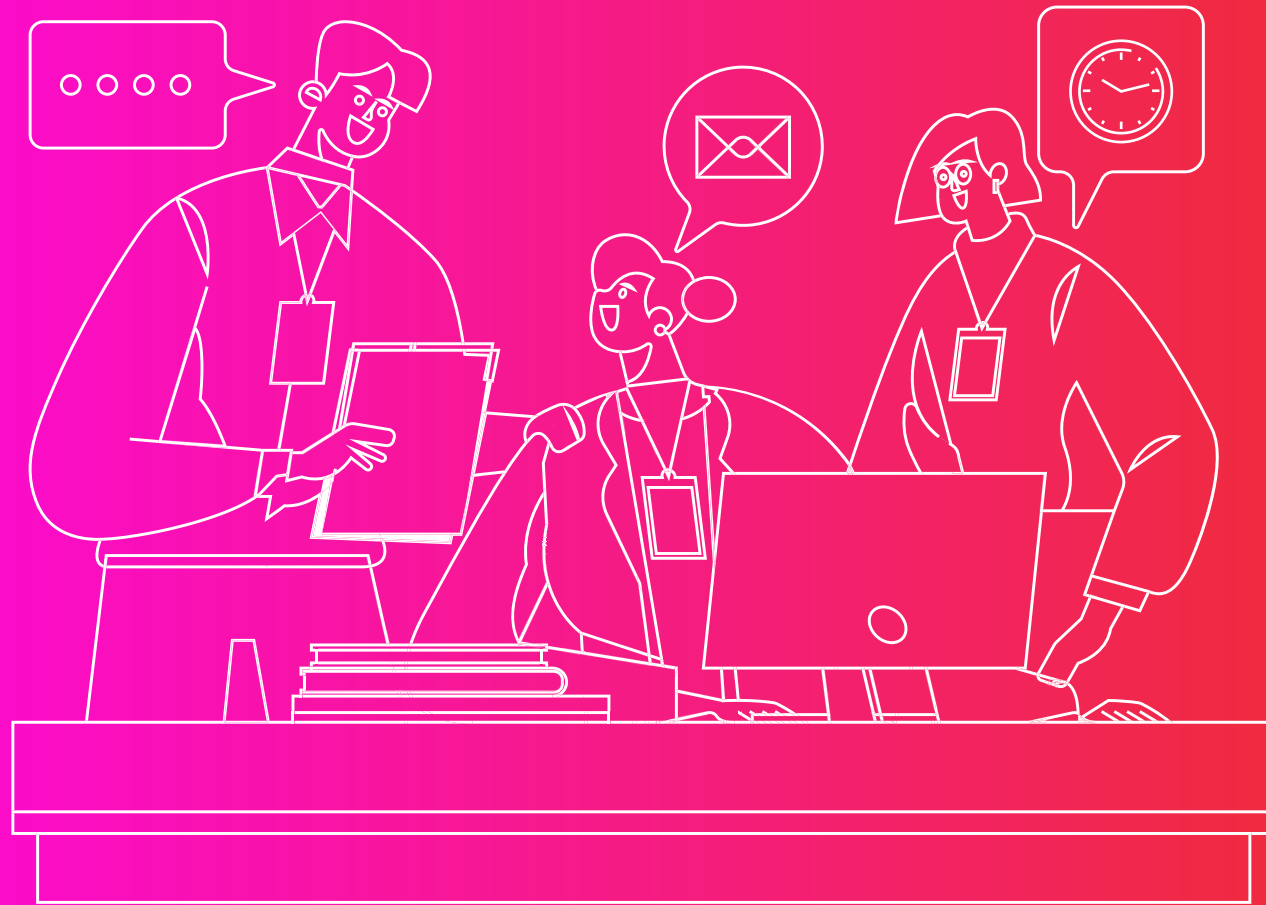
The '**Willingness Pyramid**' reveals a marked inclination for the 'only office' work model dominated by Gen Z and Late millennials in Bengaluru and Delhi-NCR. This preference is observed to progressively diminish in older generations in the same geographies. Notably, a common characteristic shared by these two cities is the substantial presence of a thriving startup ecosystem. Bengaluru and Delhi-NCR, together, are home to about two-thirds of India's startup ventures. On the other hand, the inclination for 'only office' work model is dominated by Early millennials in remaining cities including Hyderabad, Kolkata, Mumbai and Pune. This willingness becomes less pronounced as we move to the younger workforce generations of Late millennials and Gen Z. As depicted in the graph, the 'Willingness Pyramid' is bottom heavy (Gen Z) in Bengaluru & Delhi-NCR, and in contrast, an inverted reflection in the remaining cities of Hyderabad, Kolkata, Mumbai and Pune, where Early Millennials show a higher preference for the 'only office' model.



Source: Awfis & Savills India Research

### Key Takeaways

- Gen Z and millennials prefer '**only office**' more than Gen-X plus who lean towards more flexibility and are high on hybrid than the other workforce generations.
- The '**Willingness Pyramid**' is bottom heavy (Gen Z) in Bengaluru & Delhi-NCR, and in contrast, an inverted reflection in the remaining cities of Hyderabad, Kolkata, Mumbai and Pune, where Early Millennials show a higher preference for the 'only office' model.







## **Contrary to what some might believe, Gen-Z isn't just about remote work and digital nomadism.**

We're eager to plant our feet in the office early in our careers because we understand the value of learning, growing, and building real, lasting connections with our peers and mentors. The office isn't a relic of the past; it's a hub for our future success.

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### **Founder, Early-stage startup**

Age: 26

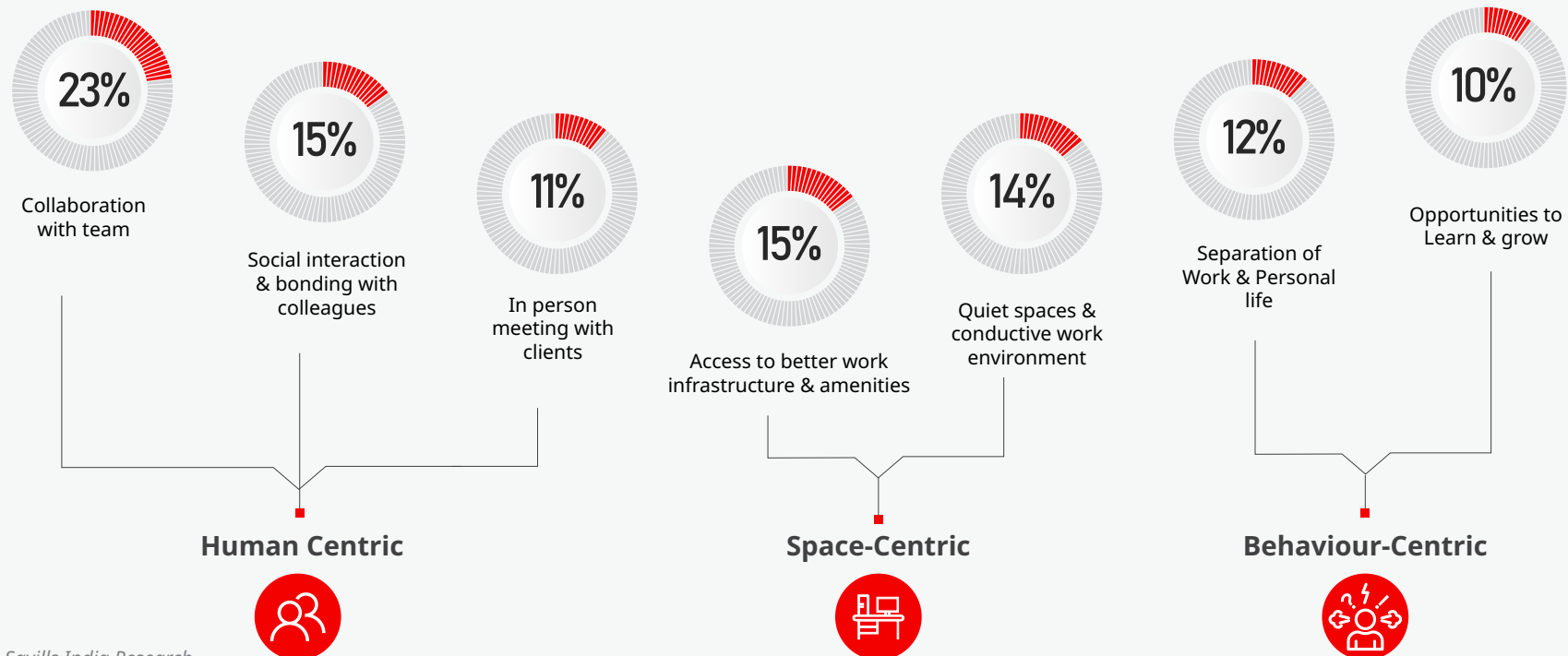
On Gen Z wanting to return to the 5-day work week

# People Matter

Work modes can be classified into distinct categories, encompassing solitary work, in-person collaboration, virtual collaboration, learning and professional development, as well as socializing. One common thread that runs through these work modes is the fundamental importance of "people." Employees place significant value on returning to the office primarily because of the human interactions it facilitates as indicated by our survey findings. According to the results, human-centric aspects such as collaboration with team, social interaction & bonding with colleagues and in-person meetings with clients are the top reasons for employees to return to the office.

Additionally, when it comes to space-related considerations, employees expressed their desire for access to improved work infrastructure and amenities (such as enhanced bandwidth, network, and tech) as well as a quieter and more conducive work environment. Following these space-centric factors, employees also mentioned behaviour-related aspects, including the clear demarcation between work and personal life and opportunities for continued learning and professional development, as reasons motivating their return to the office.

## Reasons Supporting Return to Office



Source: Awfis & Savills India Research



Collaborative with spaces for connection & networking



Professional & quiet corporate setting



Relaxed work cafes



Amenity-rich spaces with concierge services



Cozy home-like atmosphere

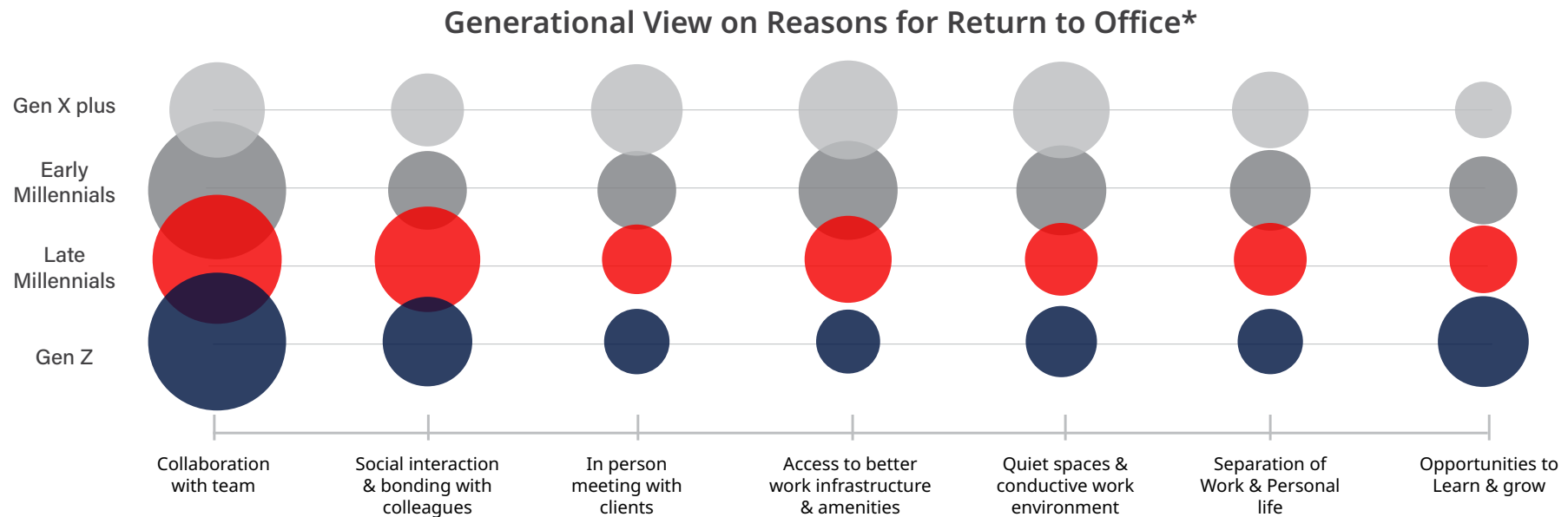
Source: Awfis & Savills India Research

### Preferred Work Environment factors

This trend aligns with our survey's results regarding the most favoured characteristics of the ideal work environment for employees. According to our findings, **29%** of employees expressed a preference for a collaborative work environment that includes areas for connection and networking, often referred to as 'we' spaces. Following closely, **26%** of employees indicated a preference for a professional and tranquil corporate setting, commonly referred to as 'me' spaces.

# Age Lens

Analysing the factors encouraging a return to the office among various age groups reveals that, for Gen Z and Millennials, collaboration with their team holds greater significance. In contrast, better work infrastructure, access to quiet spaces, and improved work-life balance appear to be more compelling reasons for older generations to return to the office.



*Note: The size of the bubble depicts the percentage of respondents within the respective age generations*

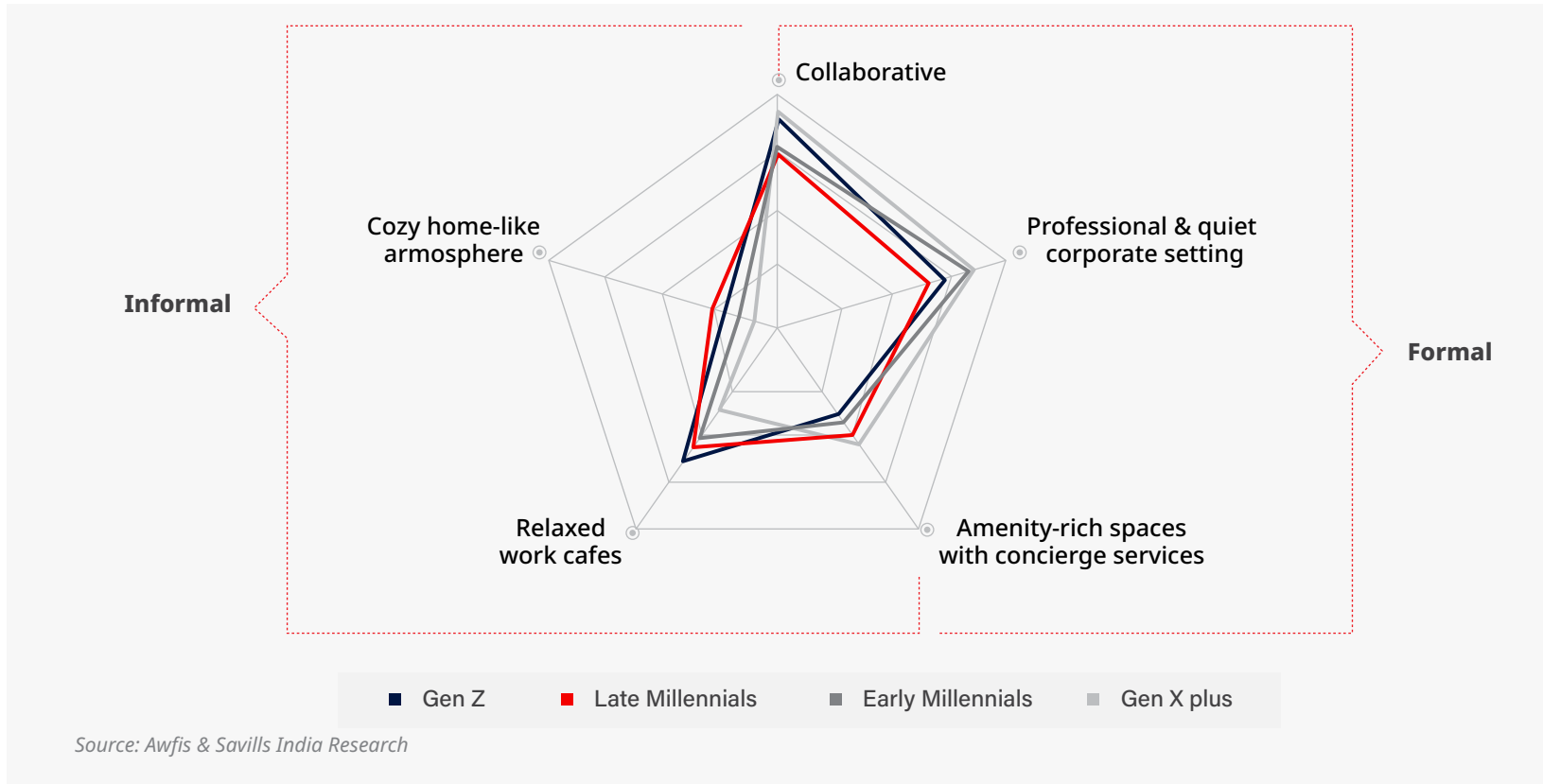
*Source: Awfis & Savills India Research*

## Work Environment Preference & Reasons for Return To Office

A closer examination of age-related preferences reveals an interesting distinction. Unlike Gen Z & Late Millennials, who show a preference for collaborative spaces, Early Millennials lean towards professional and quiet corporate settings. This observation indicates a stronger preference among Early Millennials for concentrated work, which also corresponds to the significant proportion of these respondents who mentioned inability to focus as a challenge when returning to the workplace.

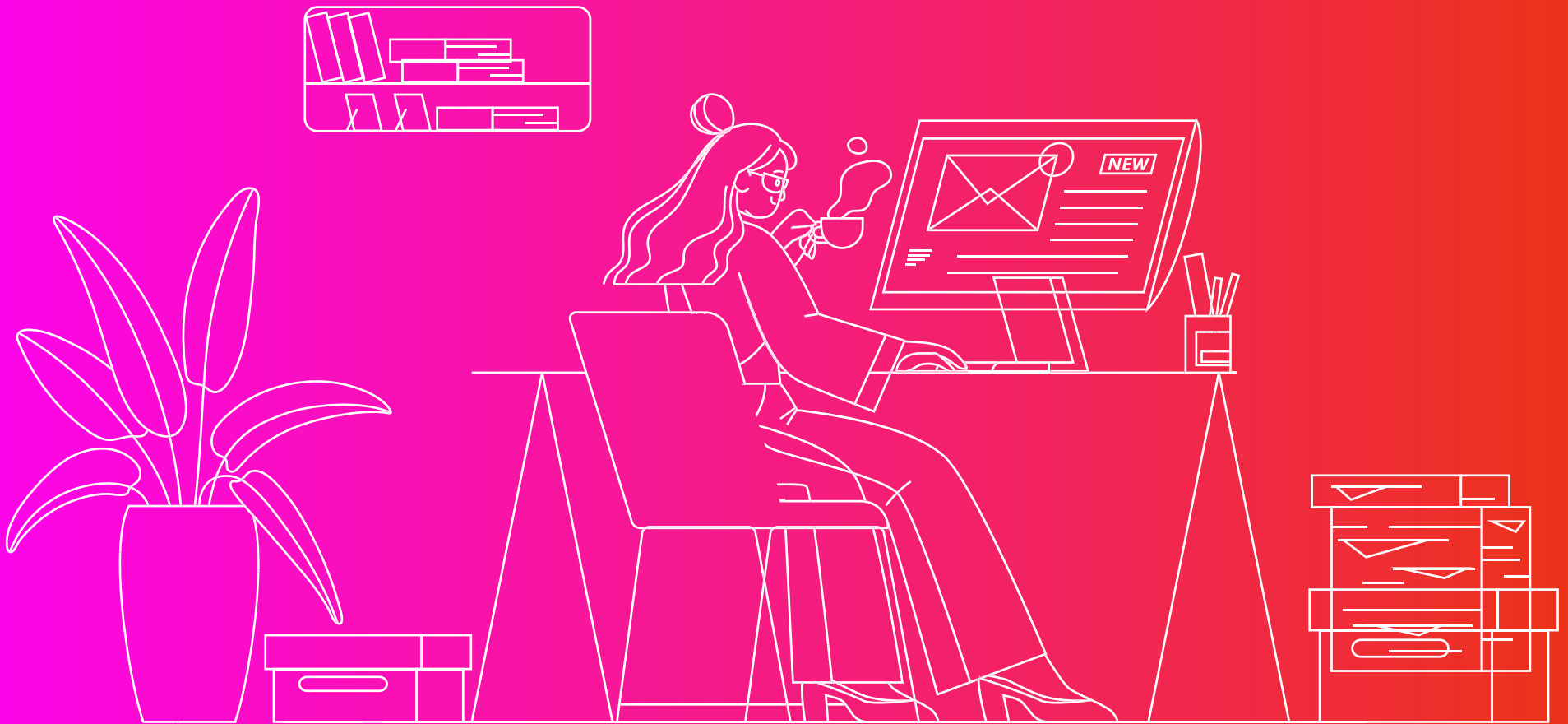
A related observation highlights that Relaxed work cafes secured a place among the top three preferred work environments for Gen Z, Early Millennials & Late Millennials. In contrast, Gen-X plus appeared to be more inclined towards Amenity-rich spaces, characterized by concierge services, and Cozy-home-like atmospheres.

# Age Lens: Work Environment Preference, Formal Informal Continuum



## Key Takeaways

- Human-centric aspects such as collaboration with team, social interaction & bonding with colleagues and in-person meetings with clients are the top reasons for employees to return to the office.
- Unlike Gen Z and Late Millennials, who show a preference for collaborative spaces, Early Millennials lean towards professional and quiet corporate settings.





**I find my motivation to come to the office rooted in the power of collaboration with my amazing team.**

The face-to-face interactions fuel creativity and innovation like no virtual meeting can and let's not forget the importance of a quiet and conducive environment.

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**Mid-management employee, Media agency**

Age: 30

On what drives them to come to work

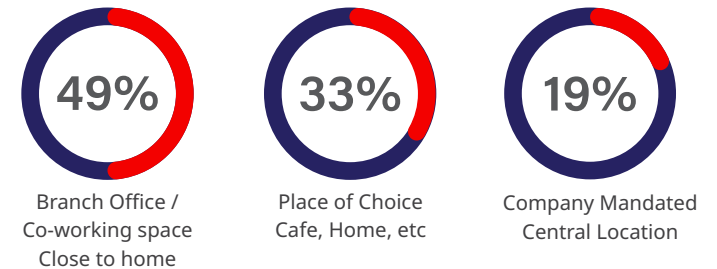


# Integration of **Flexible Workspaces**

In light of the hybrid work model, employers seek flexible workspace solutions to adapt to workforce needs. Concurrently, integrating flexible workspaces into the portfolio is considered a preferred solution for addressing employers' strategic needs of headcount fluctuations and decentralization due to the growing need for optimizing costs amidst rising rental expenses in the central locations.

On an analysis of 'Where' people prefer to work, our survey reveals that 49% of the employees prefer working from a branch office/co-working space closer to home, 19% employees prefer to work from a company-mandated central location, while the remaining 33% employees voted in favour of working from any place of their choice (home, café, etc.).

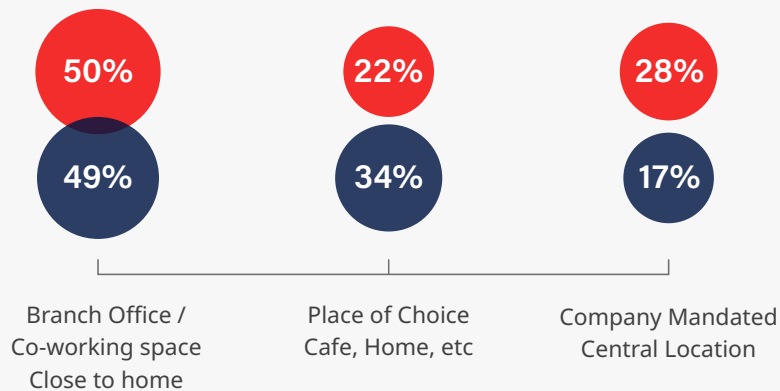
## Workplace Preference (All Cities)



Source: Awfis & Savills India Research

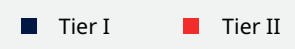
When juxtaposing reasons for returning to office and location preference, the importance of interacting with people is a common thread across respondents who prefer working out of an official location or co-working space. A stark 82% of respondents who prefer working out of a company-mandated central location cited collaboration with team & in-person meetings as major motivators for returning to office. Similarly, those who prefer working from a branch office or co-working space closer to home cited collaboration with team & social interaction & bonding with colleagues.

## Workplace Preference in Tier I & Tier II



Source: Awfis & Savills India Research

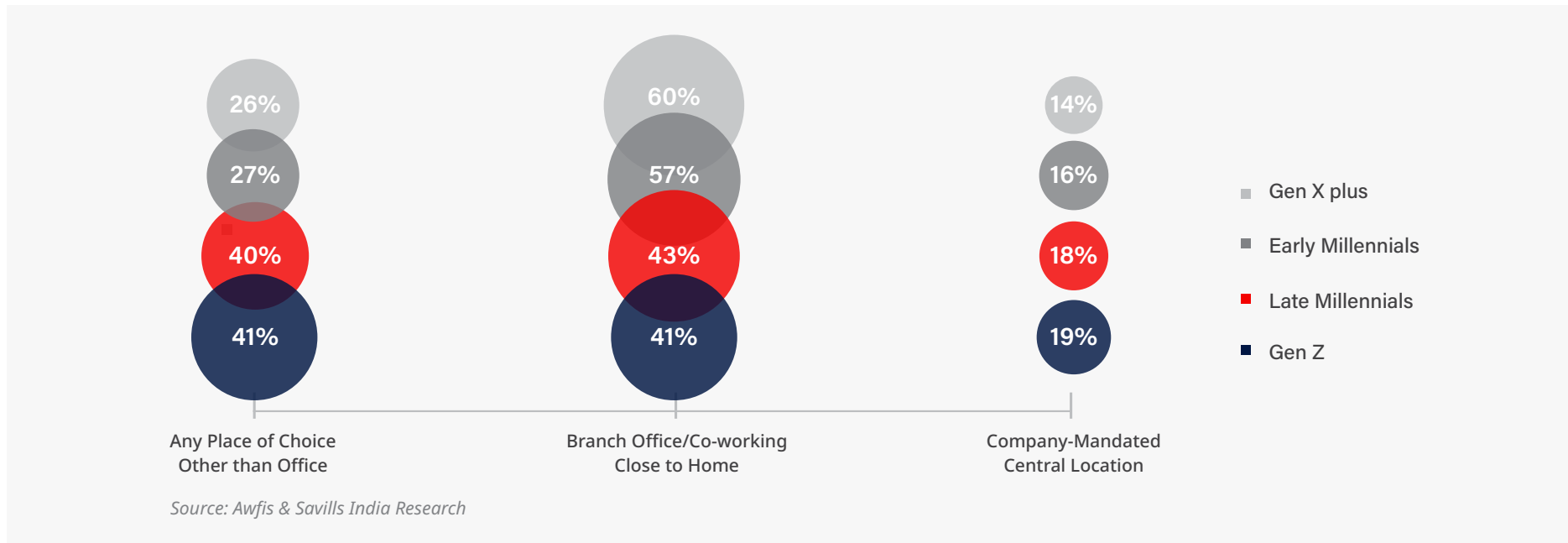
Noteworthy, the preference for working from a branch office/co-working space closer to home is equally valued by employees in Tier I and Tier II cities and across age groups. However, in contrast to the trend in Tier I cities, employees' preference is tilted towards working from a company-mandated central location than working from home/café in Tier II cities. This indicates a higher need by workforce in Tier II cities for a formal work setup, in the backdrop of fewer challenges with respect to commute and traffic as compared to Tier I cities.





# Age Lens

Common among all age groups was a noticeable inclination toward working from a branch office or a co-working space near their residence, with a secondary preference for a location of their choosing outside of the traditional office setting. This trend underscores the increasing demand for a decentralized workplace strategy, emphasizing the importance of flexibility and proximity for today's workforce in an age where tech-enablement has streamlined workflows and ushered in a new era for collaboration.



## Key Takeaways

- About **50%** of the respondents prefer working from a branch office/co-working space closer to home.
- The preference for working from a branch office/co-working space closer to home is equally valued by employees in **Tier I and Tier II cities** and across age groups.
- There is increasing demand for a decentralized workplace strategy, emphasizing the importance of **flexibility and proximity for today's workforce** in an age where tech-enablement has streamlined workflows and ushered in a new era for collaboration.

# Flight to **Quality Workspaces**

Employees desire high quality workspaces that cater not only to their functional workplace requirements but also address their desire for a sense of community and access to amenities. Achieving a harmonious blend of these internal and external factors is the key to creating the perfect workplace.

Basis the results, the top three elements that employees prefer in terms of internal aspects that can enhance office experience, are:

**1** Variety of working environments  
(including focus rooms, collab areas,  
phone booths, meeting pods, etc.)

**2** Recreational &  
wellness spaces

**3** Inclusive spaces (gender-less/unisex  
restrooms, day-care facilities, nursing rooms,  
neurodiverse-friendly design)

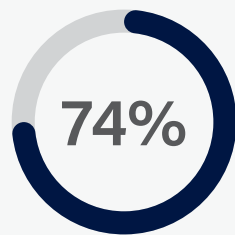
While a variety of working environments is a crucial element in the spectrum of preferences, recreational & wellness spaces as well as inclusive spaces are not far behind and considered 'Highly important'. On the other hand, ample F&B options and concierge services are considered 'good to have' but not accorded the utmost importance. This pattern was observed across respondents irrespective of age highlighting the ubiquitous importance of wellness and acknowledging the need for diversity & inclusion at the workplace.

## Internal Features Enhancing Office Experience



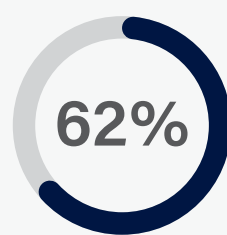
Variety of working  
environments

Crucial



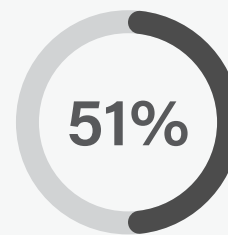
Recreational &  
wellness spaces

Highly Important



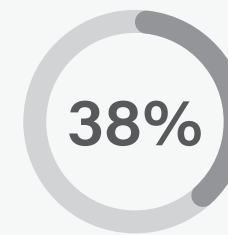
Inclusive spaces

Highly Important



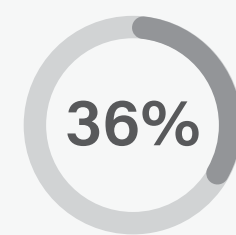
Social/entertainment  
events

Fairly Important



Ample F&B  
options

Good to have



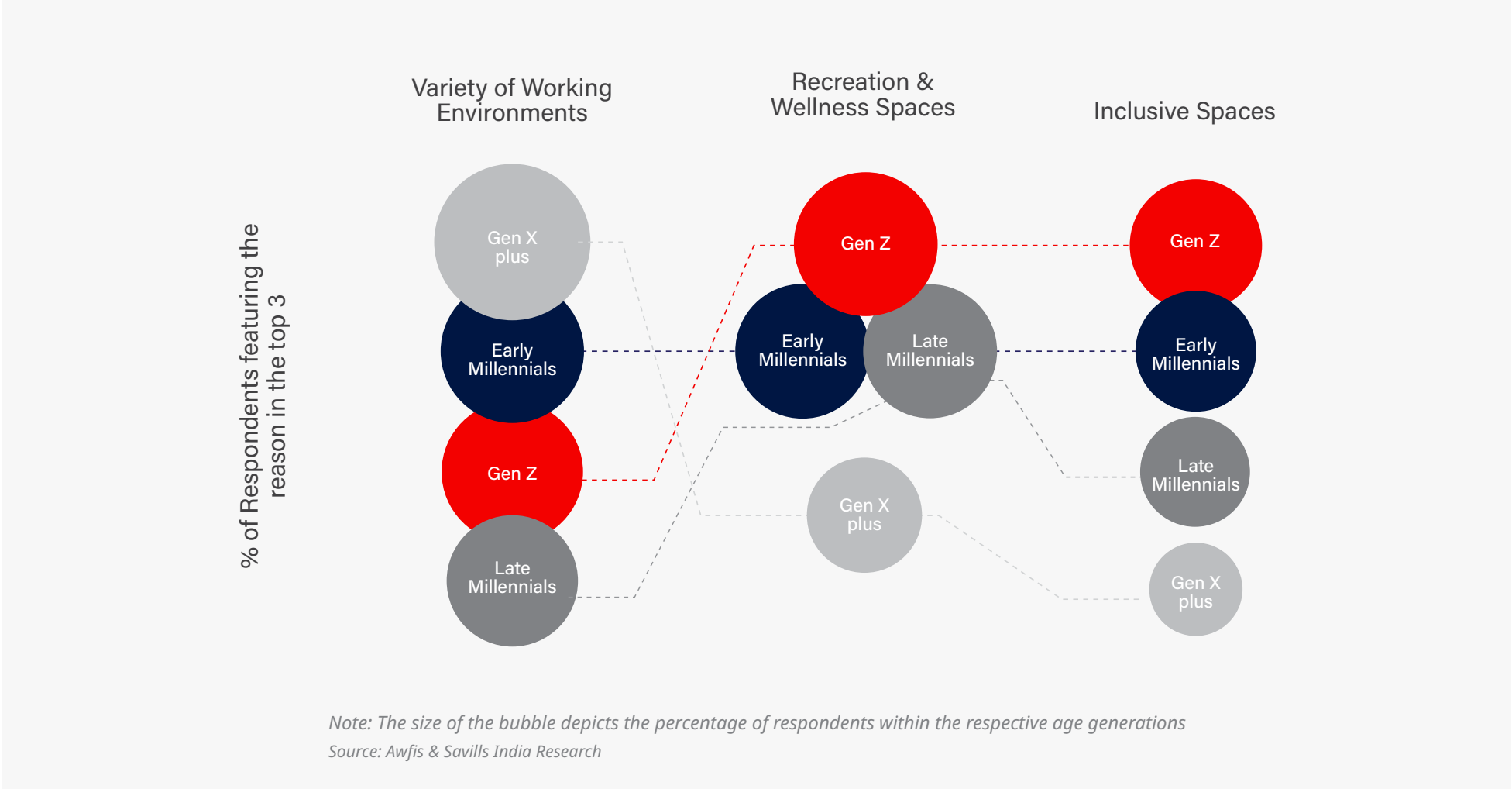
Concierge Services

Good to have

Source: Awfis & Savills India Research

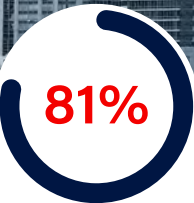
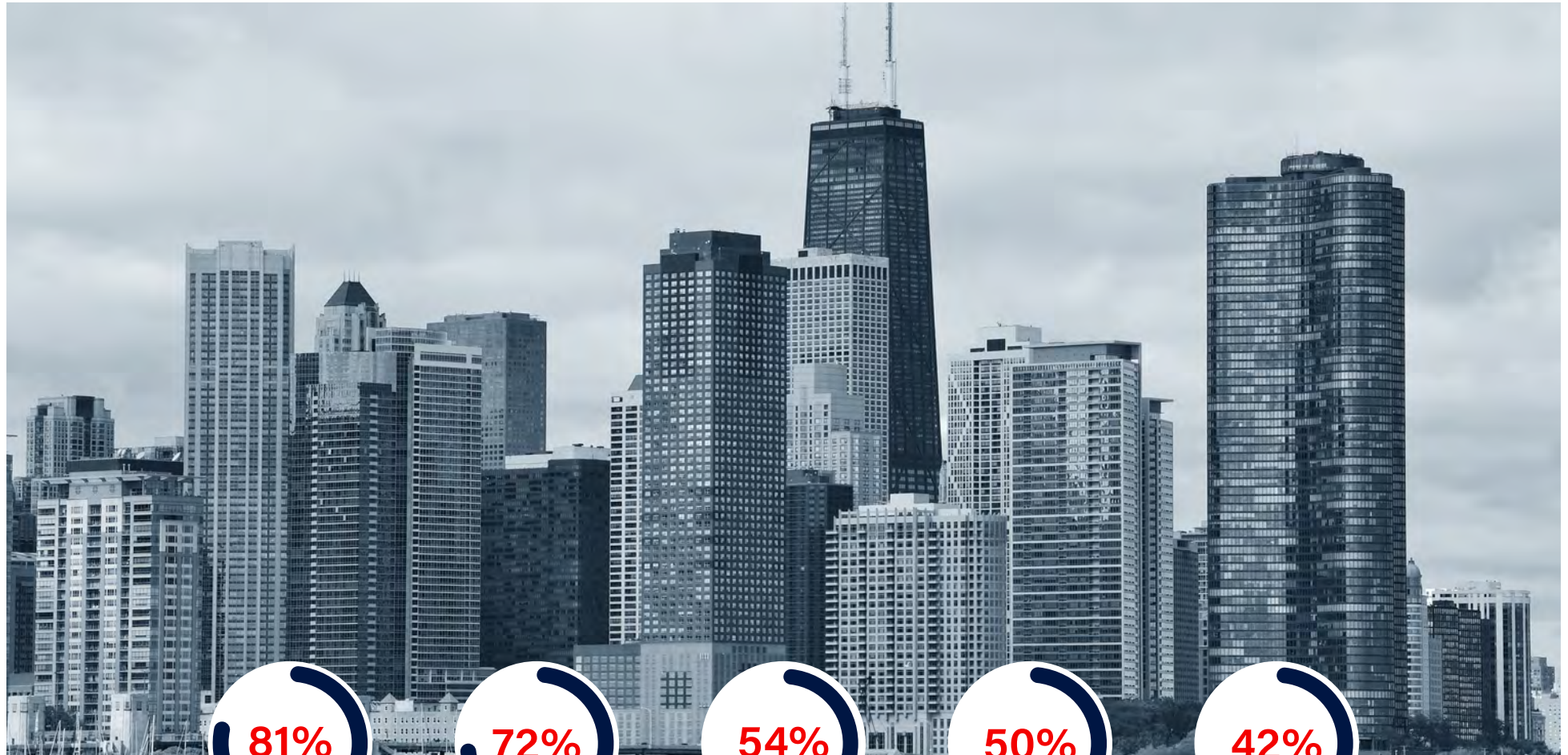
# Age Lens

The top three elements are subsequently examined within distinct age groups, highlighting that while a diverse range of working environments held equal importance, a shift is witnessed in the case of recreation & wellness spaces as well as inclusive spaces where Gen Z seem to prioritize the features more when compared to other generations.

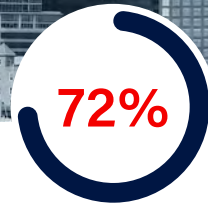


On the other hand, our survey suggests that short commute time, accessibility to public transport and availability of parking are the top three reasons that employees prefer in terms of external aspects contributing to making an office location ideal.

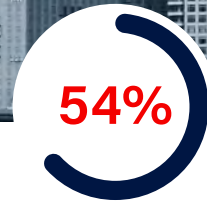
## External Features Enhancing Office Experience



Short Commute Time  
Crucial



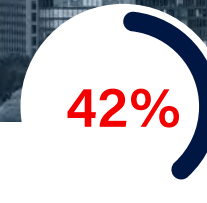
Accessibility to Public Transport  
Crucial



Availability of Parking  
Important



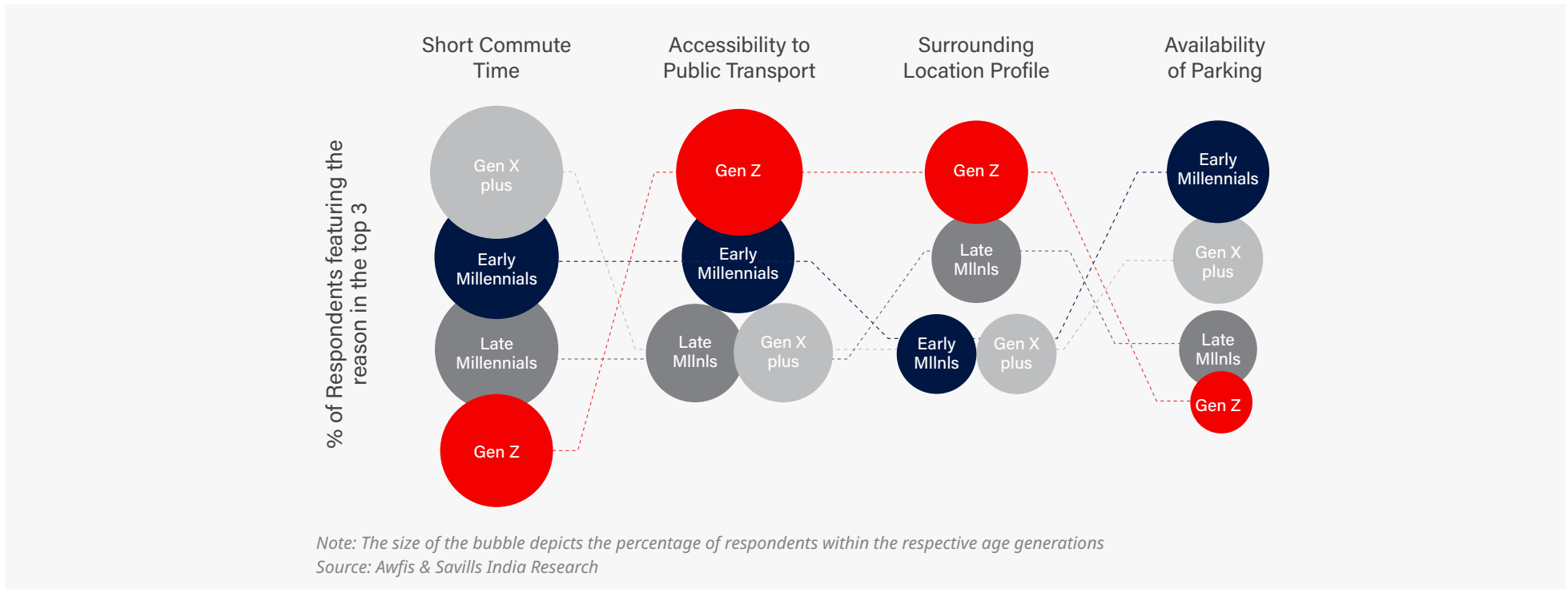
Surrounding Location Profile  
Important



Low congestion/  
low traffic area  
Good to have

# Age Lens

It's worth highlighting that Gen Z prioritized the overall location profile of their workspace, which encompasses F&B outlets and retail options. In contrast, Millennials and Gen-X plus assigned a higher degree of importance to the availability of parking spaces over these factors.

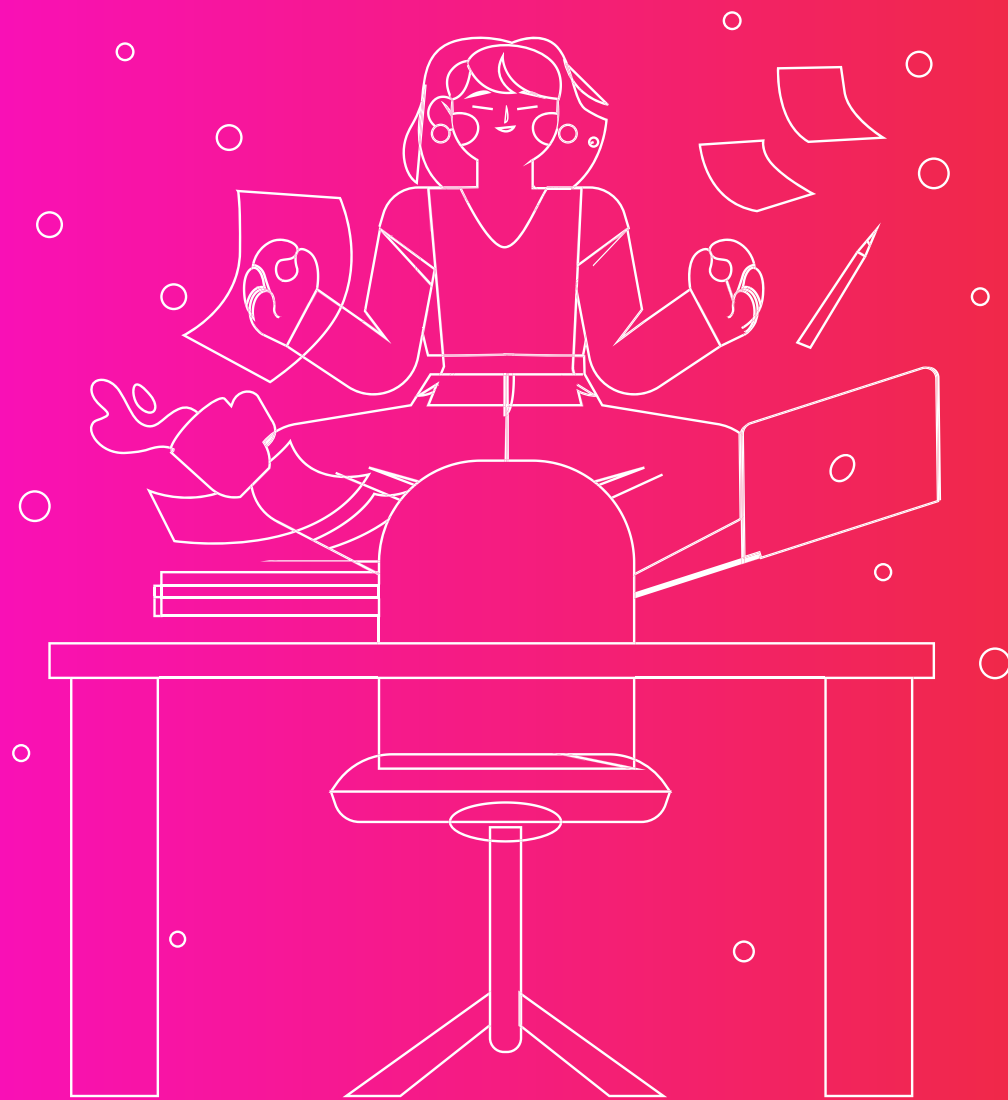


## Key Takeaways

■ **Internal** - Variety of working environments, health & wellness and acknowledging the need for diversity & inclusion at the workplace are considered ubiquitously important among workforce generations.

■ **External** - Short commute time, accessibility to public transport and availability of parking are the top three reasons that employees prefer in terms of external aspects contributing to making an office location ideal.

■ **Younger generations are mindful of inclusivity** - 74% of Gen Z & 64% of millennials ranked inclusive spaces among the top 3 features enhancing the office experience.





**Today, organizations recognize that the workplace isn't merely a functional space; it's a reflection of their commitment to employee well-being.**

From the thoughtfully designed layouts to the carefully curated color palettes, lighting, and furniture, every detail is considered to create an environment that underscores a profound truth: an inviting and comfortable workplace is not a luxury but a strategic investment in boosting employee productivity and fostering a culture of excellence.

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## **Architect**

Age: 51

On workplace design being informed by employee productivity & well-being

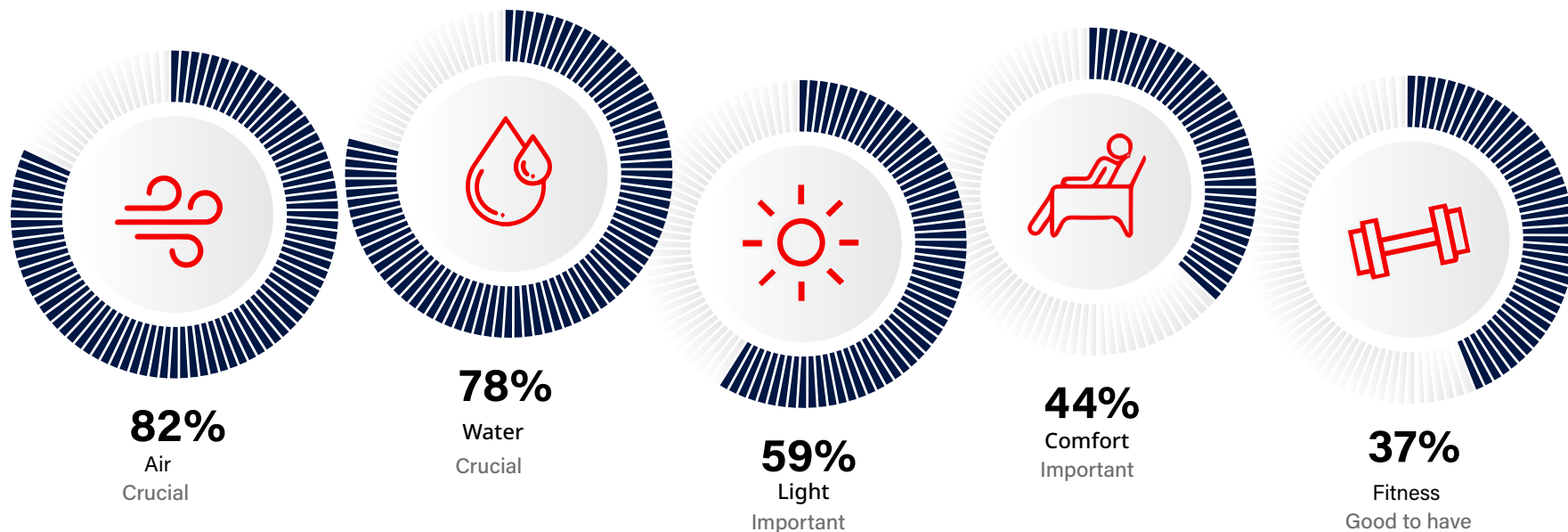


# Preference for **Sustainable Workplaces**

An increasing number of businesses are recognizing the significance of minimizing their environmental footprint and are taking measures to enhance the sustainability of their operations. To that end, we are gradually witnessing an increased focus on eco-friendly and sustainable workplaces. As perceptions and direct benefits continue to grow, the trend is expected to persist & expand.

According to our survey findings, the top three indispensable features that employees prioritize in a sustainable workplace encompass air (including air filtration, ventilation, advanced air purification etc.), water (including fundamental water quality, water treatment, periodic water quality testing etc.) and light (including visual lighting design, colour quality, surface design, daylight modelling etc.).

Additionally, features related to comfort (including ergonomic aspects such as visual and physical ergonomics, exterior noise reduction, sound-reducing surfaces, etc.) and fitness (including structured fitness opportunities, fitness equipment, active furnishings, etc.) are also important, although they assume slightly lower preference among the workforce.



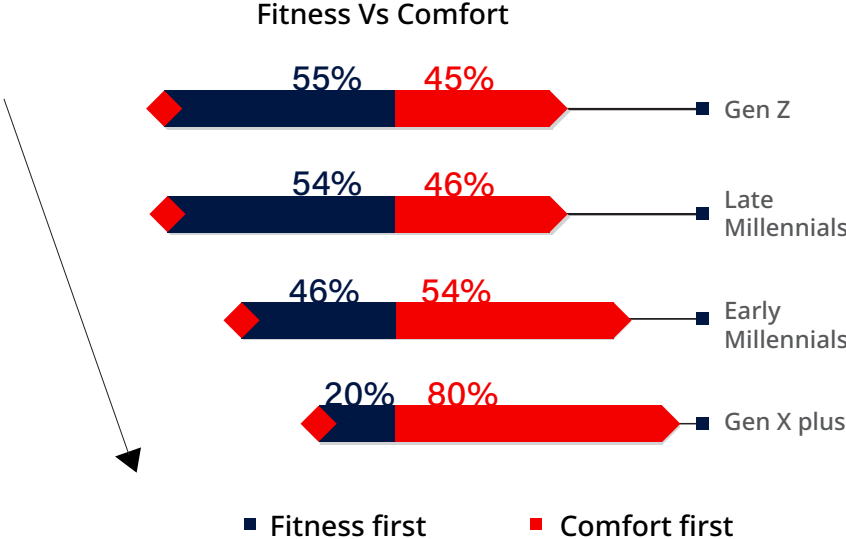
Source: Awfis & Savills India Research



# Age Lens: Comfort vs Fitness

While air, water & light held equal importance across age groups, a dichotomy in the cross-section is observed when it comes to comfort & fitness. Gen Z & Millennials prefer fitness over comfort marginally as a sustainable feature as opposed to Gen-X plus who prioritize comfort by a vast majority. Interestingly, this trend is noticed irrespective of preferred work models i.e., only office, hybrid and only remote.

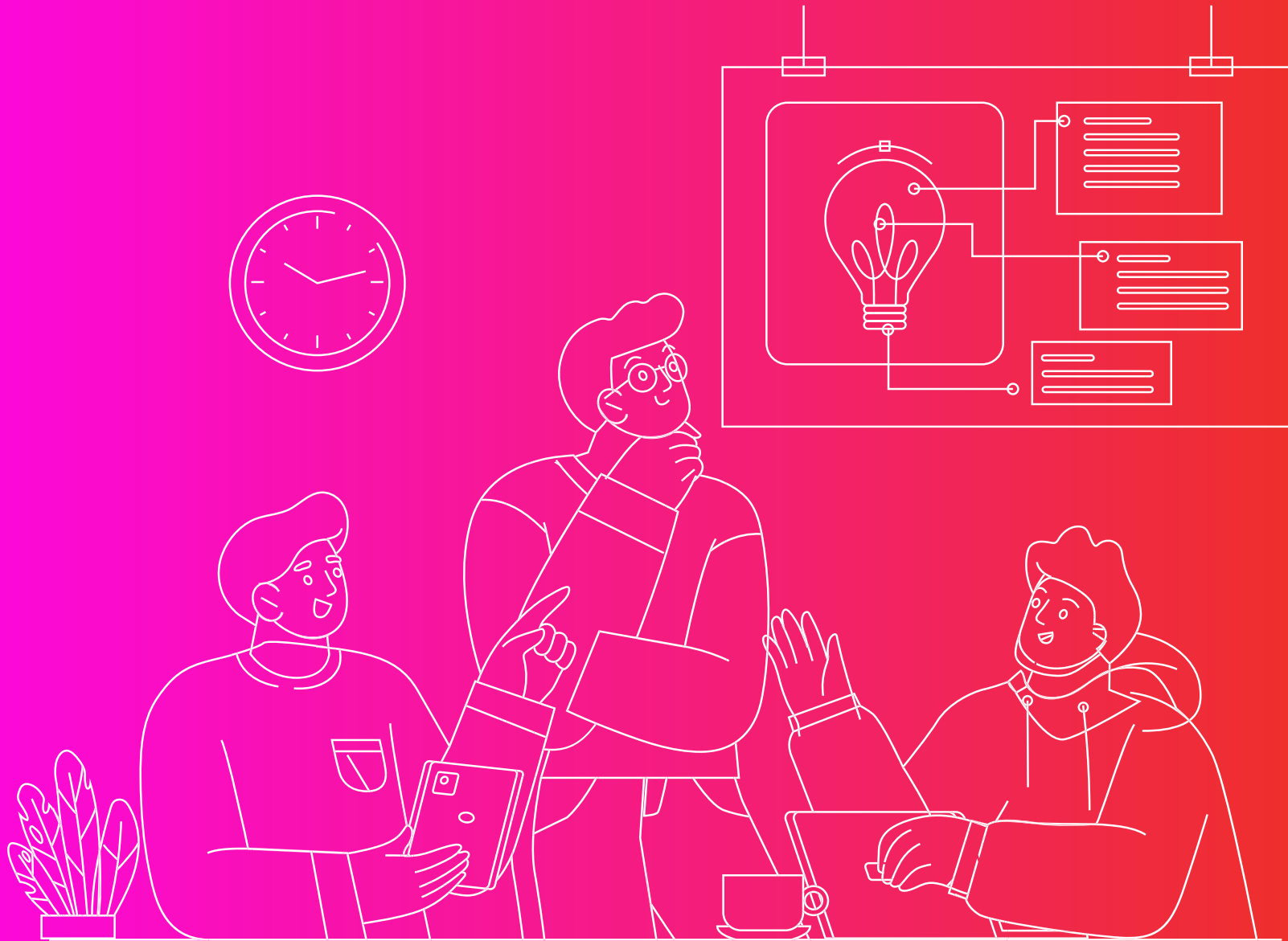
This illustrates the mindset of younger generations who view the office as more than just a workspace, they view it as a place that also prioritizes their health & well-being.



Source: Awfis & Savills India Research

## Key Takeaways

- The top three indispensable features that employees prioritize in a sustainable workplace encompass air (including air filtration, ventilation, advanced air purification etc.), water (including fundamental water quality, water treatment, periodic water quality testing etc.) and light (including visual lighting design, colour quality, surface design, daylight modelling etc.).
- Gen Z and Millennials exhibit a stronger inclination towards a workplace that addresses their fitness requirements as effectively as it fulfills their comfort preferences.





## **As a CEO, I understand the importance of providing our employees with a workplace that goes beyond the basics**

We actively seek office spaces equipped with the best amenities, state-of-the-art technology, and sustainability features that align with our ESG policy. Our commitment to creating an exceptional work environment not only fosters productivity and engagement but also underscores our responsibility towards future generations.

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### **CEO, D2C brand**

Age: 42

On employee-centric workspaces

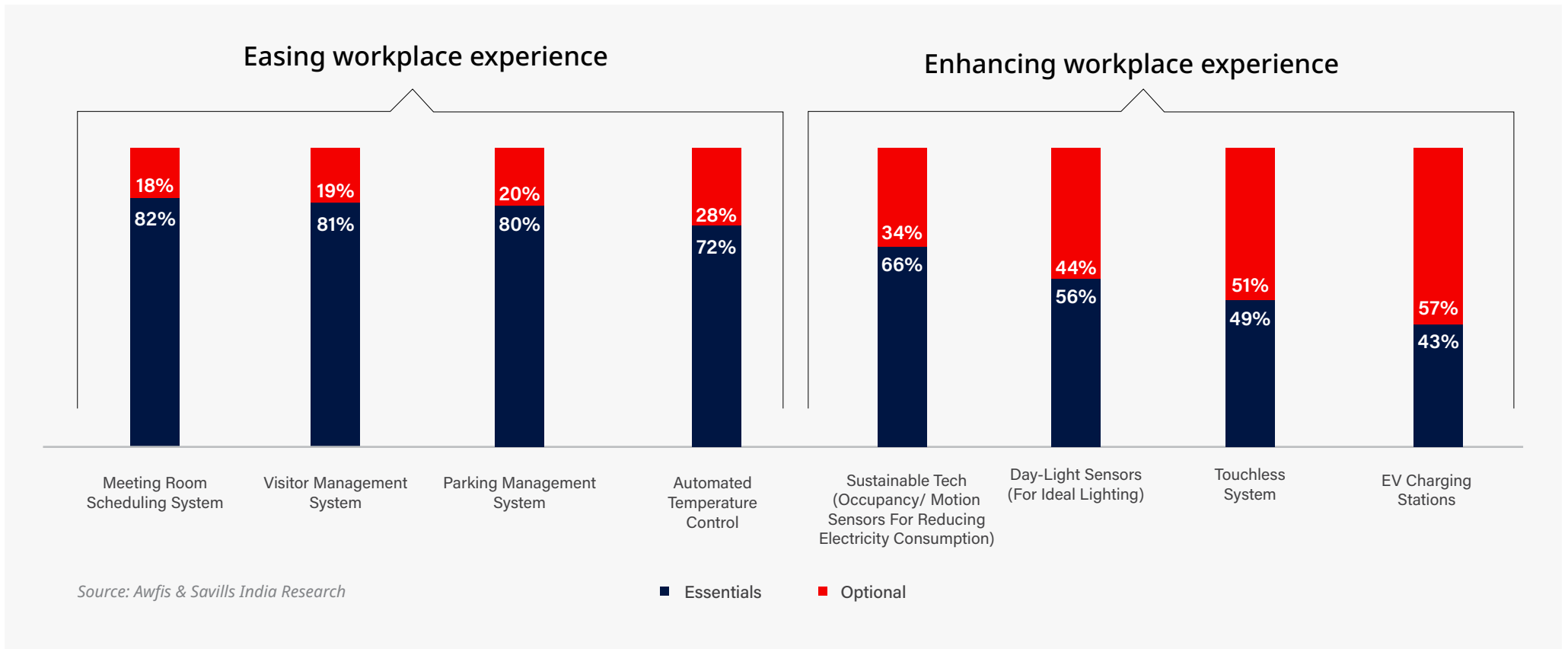
# Embracing **Technology**



Employees gravitate towards workspaces that offer distinctive technological features capable of accommodating their diverse work modes. Workspaces that effectively ease employees' requirements for both individual focus and collaborative work, whether in person with colleagues or in virtual settings, contribute towards creating an environment that is more comfortable, productive, and inviting. The degree to which employees value these technological aspects within workspaces may vary based on their preferred mode of work.

According to our survey, the most essential office features, as perceived by most employees, include technology-driven meeting room scheduling systems, visitor management systems, parking management systems, and automated temperature control. These features are believed to significantly ease the workplace experience for employees. On the other hand, optional features like EV charging stations, touchless systems, daylight sensors (to optimize lighting), and sustainable technology (occupancy/motion sensors for reducing energy consumption) contribute to an improved work experience.

# Preference for Tech Features in Office



## Key Takeaways

■ **Essential Tech Elements:** Meeting room scheduling systems, visitor management systems, parking management systems, and automated temperature control.

■ **Optional Tech Elements:** EV charging stations, touchless systems, daylight sensors (to optimize lighting), and sustainable technology (occupancy/motion sensors for reducing energy consumption).

# Workplace Design Considerations **for CRE Think Tank**

To foster a productive and motivated workforce, it's essential to grasp their workplace needs. While employers should aim for a workplace that caters to all generations, they may want to pay special attention to the younger cohorts comprising Gen Z & Millennials who form a significant segment of the workforce, as their priorities and preferences differ from their senior counterparts.

Here are some key factors to bear in mind when integrating these insights into workplace strategy:



**1 We Space:** Employers may explore the integration of zones designed for social interaction, mentoring, and continuous learning to promote individual development and boost employee engagement. These spaces can take the form of informal, welcoming areas infused with a touch of hospitality, offering a fresh blend of experiences that resonate with the desires of younger employees.



**2 Me Space:** Employers can consider balancing active social and learning spaces with access to more private work settings that minimize noise and distractions and help further the ability to work alone for deep concentration.



**3 Amenity-Rich Neighborhood:** Employers can consider locating in amenity-rich neighborhoods, which can function as an extension of the office - providing third places and alternate work settings thereby providing employees with more choices.



**4 Health & Wellness:** Younger employees place a high value on health and well-being. By creating a workplace that promotes physical activity, healthy eating, and work-life balance, employers can help improve the health and well-being of their workforce & attract and retain talent as well. Recognizing and accommodating such generational distinctions enables organizations to cultivate an inclusive and supportive workplace culture that benefits all age groups.



**5 Incorporating Flexible Workspace into the Portfolio Strategically:** Implementing a decentralized approach may help mitigate the challenge of extended commute times which have a detrimental impact on employee productivity.



**6 Tech-Enablement:** While tech integration with respect to the Visitor Management System, temperature & lighting controls are must-haves, employers and developers can consider tech-enabled valet parking options for their office buildings as a value-added feature. Further, a shuttle service to the nearby metro/rail stations or public commute options can be considered to ease traffic woes of employees.



**Contrary to the prevailing notion that the younger workforce yearns for remote isolation, our findings reveal a profound need for the irreplaceable effect of human interaction within a physical workspace.**

This revelation not only demystifies the commonly misunderstood Gen-Z and Millennials but also underscores a universal truth transcending age and geography: the deep-seated need for meaningful connections and collaborative energy in our work lives. In an era of digital ubiquity, it's heartening to witness the enduring value of the physical office as a hub for creativity, innovation, and learning through shared experiences.

**Sumit Lakhani**  
Deputy CEO, Awfis



# Afterword

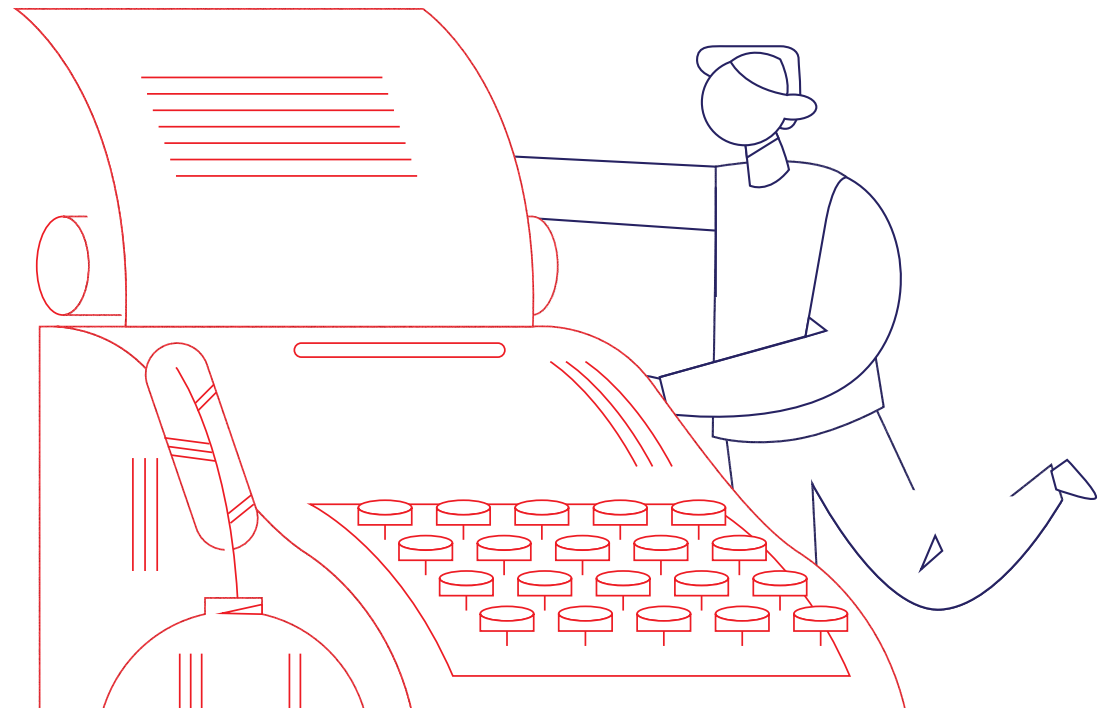
A large part of tertiary economy is undergoing a gradual, yet remarkable, transformation. Offices happen to be the biggest physical enablers of this part of the economy, and undoubtedly, there is an irreversible restyling sweeping offices worldwide. That this evolution coincides with a new generation pervading the workforce, cannot be overstated.

The paradigm of industrial style shifts and customary schedules is increasingly fading, or at least being reshaped. The mixing of casual with formal, and living in the sweet-spot zone of the proverbial 'work-life balance' is unmistakably evident. Rather, it is increasingly required to be an essential offering of the Next-Gen Workplace. There is no doubt that the Gen-Z is shaping the workplace. It is driven by values that were arguably always around, but began dominating corporate conscience only recently.

It is one of the most exciting times if you have had any reason to think of an entity called 'office', whether as a user, a provider, an investor, or merely as an observer or analyst.

There is much more in store. It has only started to unravel and will be a long tale of transformation. We stand at the beginning of a very enchanting journey and have the privilege of witnessing it as it unfolds.

It will take several endeavours to cover this marvellous piece of history in the making. We have just made the beginning here and look to walking the path again in future.





# Glossary

## Workforce Generation Definition

- **Gen-X plus**  
Born between 1965-1980 and earlier
- **Early Millennials**  
Born between 1981-1988
- **Late Millennials**  
Born between 1989-1996
- **Gen Z**  
Born between 1997-2012



## Work Modes

- **Only Office**  
All 5 days in a week in the office
- **Hybrid Office-Dominant**  
3 or 4 days in a week in the office, 1 or 2 days in a week remote
- **Hybrid Remote-Dominant**  
3 or 4 days in a week remote, 1 or 2 days in a week in the office
- **Only Remote**  
All 5 days in a week remote

**Tier I Cities:** Delhi-NCR, Mumbai, Bengaluru, Pune, Hyderabad, Chennai, Kolkata, Ahmedabad  
**Tier II Cities:** Jaipur, Indore, Bhubaneshwar, Chandigarh, Thiruvananthapuram, Salem, Mathura, Kalyani

# Savills

Savills PLC is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 700 offices and 40,000 associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world.

# Savills India

Savills India is a group company of Savills PLC and is a premier professional international property consulting firm. With full-service offices in Ahmedabad, Bengaluru, Chennai, Hyderabad, Delhi-NCR, Mumbai and Pune, the firm serves occupiers, investors and developers of real estate.

Savills India provides services across office leasing, project management, capital markets, valuations, research, consulting, industrial and logistics, and residential services. Started in India in 2016, the company employs over 600 professionals.

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# About Awfis

Awfis is India's leading full-stack workspace solutions provider emerging as the partner of choice for large corporates and their highly customized workspace requirements. With our presence established across all metros and a host of Tier II cities; Awfis has successfully redefined what a modern workspace should look like and set a standard for providing an exemplary work experience.

**In addition to being India's largest coworking network, Awfis caters to a whole spectrum of work requirements:**  
**- Flex Workspaces - Managed Offices - Design & Build Solutions - Integrated Facility Management (Awfis Care) - Mobility Solutions**

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 **Nagpur**

17 cities | 150 centres | 88,000+ Seats



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