



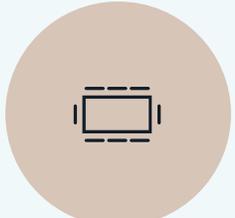
Financial Services Real Estate Trends to Watch

2025 Global Real Estate Outlook

Global Research
December 2024



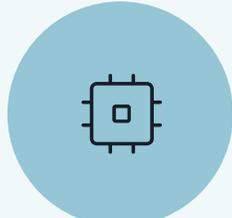
2025 Financial Services Real Estate Trends to Watch



Corporate real estate leaders will evolve to meet multi-faceted business demands and challenges



Strategic portfolio transformation will focus on premium assets



Artificial intelligence and digitalization will reshape business models and workforce demands



Demographic trends will drive evolution of wealth management spaces



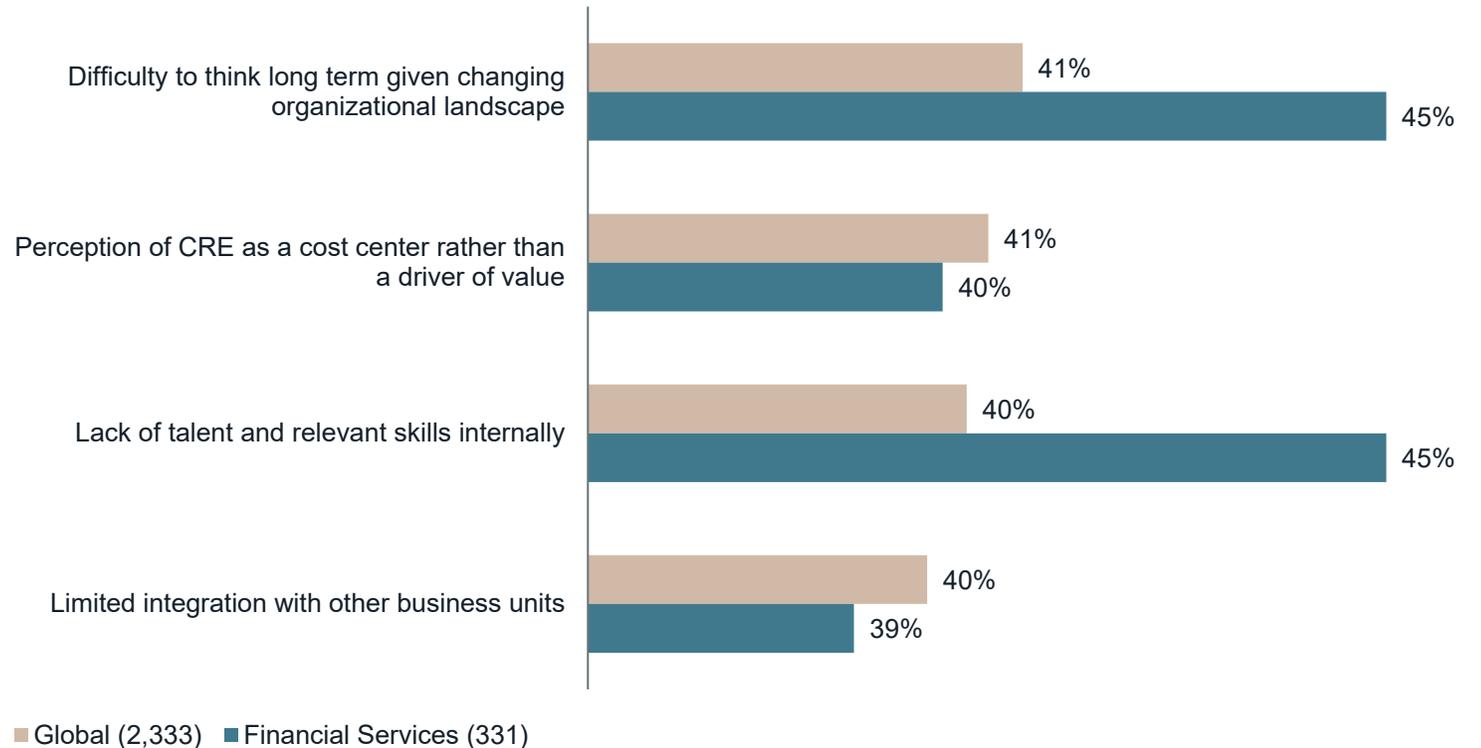
Increased emphasis on employee experience across assets will drive talent strategy

Financial Services | Corporate real estate leaders will evolve to meet multi-faceted business demands and challenges

- The role of CRE leaders in financial services is evolving from operational tasks to strategic business partnering. They must align CRE strategies with overall business objectives, understand company growth plans, talent strategies and client needs while navigating a complex real estate landscape.
- CRE functions are shifting in reporting structures, moving closer to operations or HR. The role is becoming more sophisticated, requiring stronger business acumen and strategic thinking.
- By successfully navigating challenges like talent shortages and technology implementation, CRE leaders can position themselves as key drivers of innovation and growth, transforming their function from a cost center to a value-add strategic partner.

Top constraints for CRE to deliver value between now and 2030

Percent of respondents



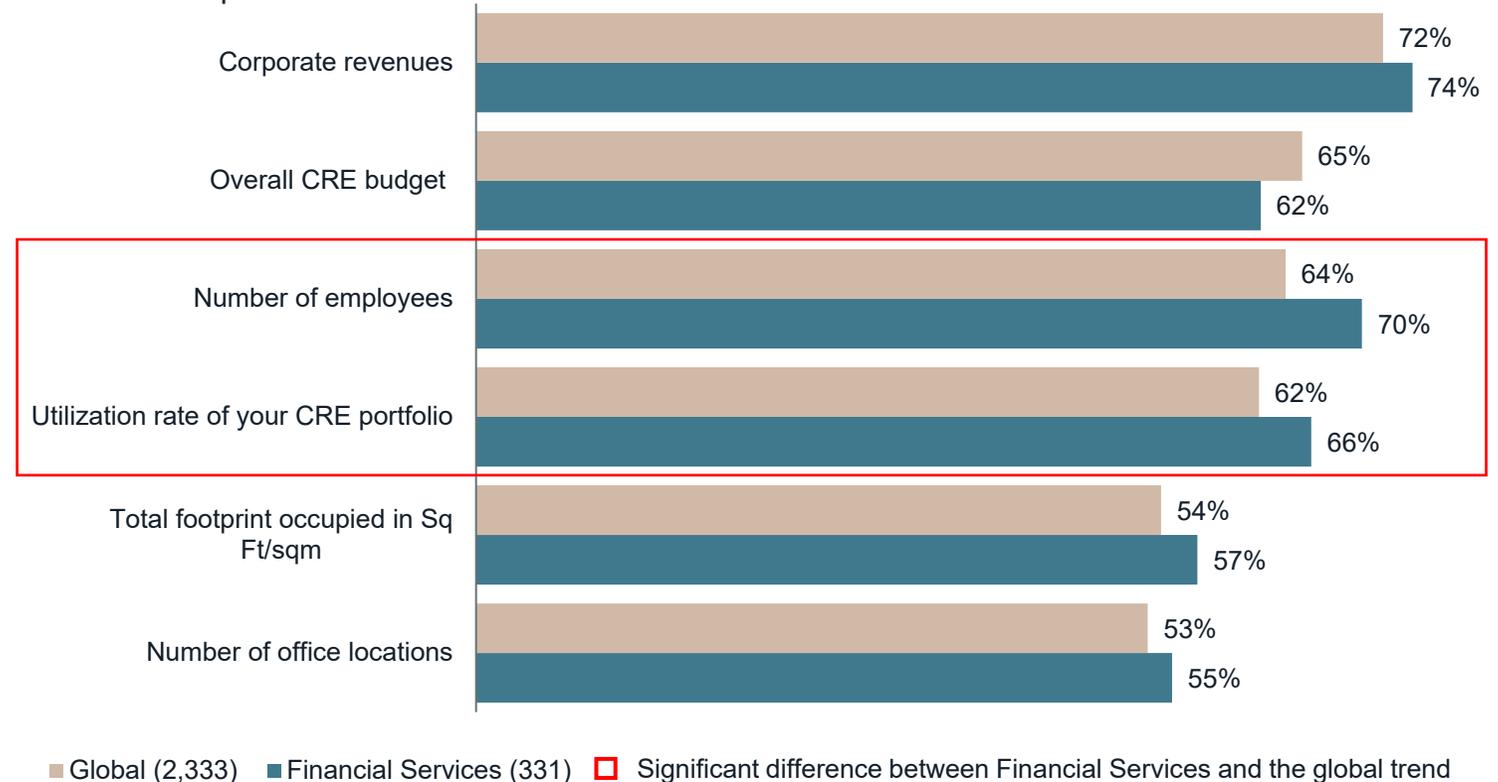
Source: JLL Future of Work Research, 2024

Financial Services | Strategic portfolio transformation will focus on premium assets

- 70% of financial firms expect to increase headcount through 2030, surpassing the global all-industry average of 64%. This projection indicates a robust growth trajectory and the need for younger, diverse talent with skills in data analytics, cybersecurity, AI and software engineering.
- 66% anticipate higher portfolio utilization by 2030, with increased focus on space design and employee experience. This shift caters to evolving workforce preferences, but firms will face challenges in finding suitable spaces in prime locations.
- A trend towards high-quality assets and key locations is continuing to take precedence, but firms are encountering difficulties in finding suitable space in gateway markets due to limited new supply. This scarcity and demand for new and differentiated talent pools may drive more expansion into non-traditional financial hubs.

Top factors most likely to increase from now to 2030

Percent of respondents



Source: JLL Future of Work Research, 2024

Financial Services | Artificial intelligence and digitalization will reshape business models and workforce demands

- 90% of financial firms believe AI can solve major CRE challenges within five years, but only 65% have a strategy for AI integration. The sector leads in enterprise-level AI adoption but lags in CRE-specific AI initiatives, partly due to regulatory hurdles.
- 65% of firms are piloting AI use cases for real estate management, with 67% planning to increase CRE technology spending by 2030. 62% expect their office spaces to be adaptable and tech-enabled to support varying needs throughout the week by 2030.
- To harness AI's potential, financial firms need to develop comprehensive AI strategies aligned with business objectives, address the talent gap, and collaborate with technology providers and industry players to accelerate adoption and access expertise.

The gap between AI ambition and reality

90%

of respondents agree that AI could help to solve major CRE challenges.



Global 87%

65%

of respondents have some degree of CRE strategy in place for embedding AI.



Global 62%

Top 5 areas likely to see significant automation:

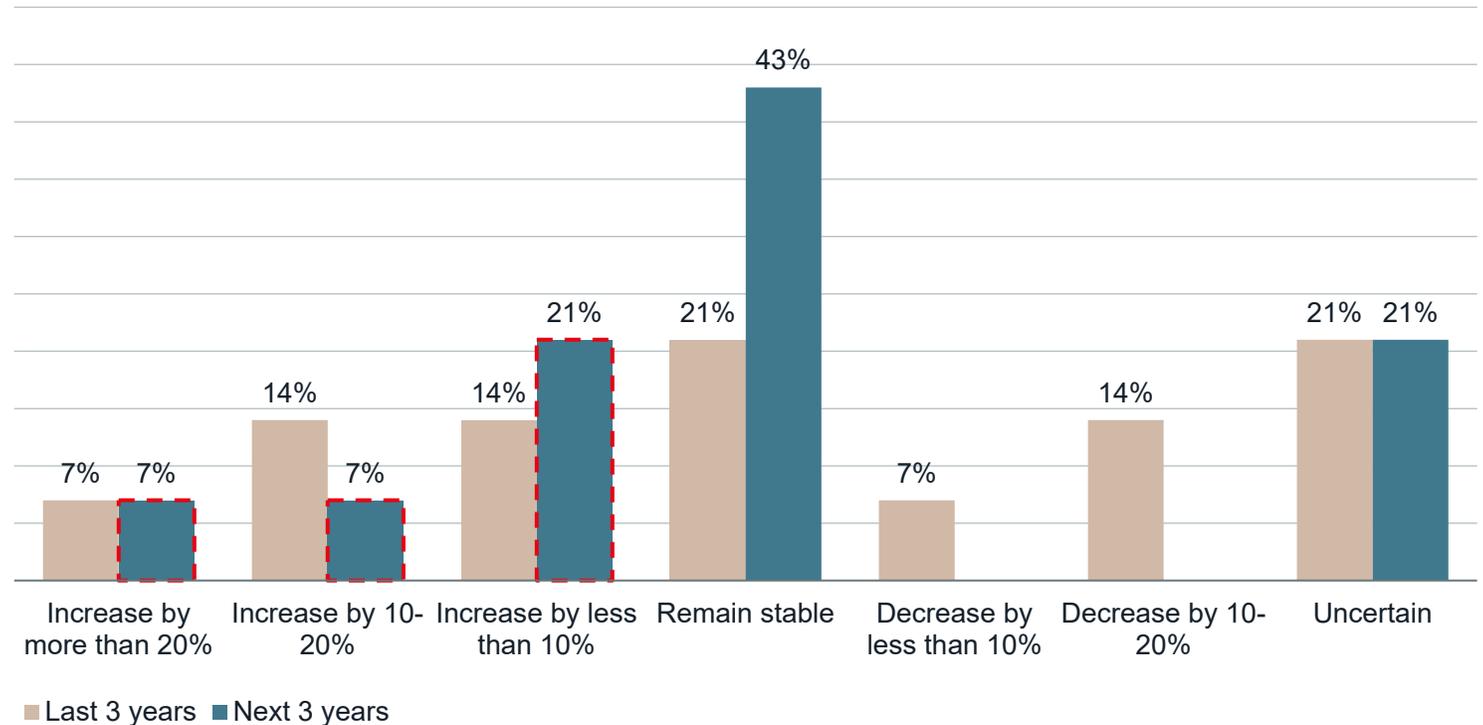
- Day-to-day occupancy planning
- Workplace design and fit-out
- Project design and construction
- Workplace strategy
- Lease administration

Source: JLL Future of Work Research, 2024

Financial Services | Demographic trends will drive evolution of wealth management spaces

- By 2045, over US\$84 trillion in assets could transfer from baby boomers to millennials, driving wealth management firms to reimagine spaces for younger clientele. 36% of firms have already redesigned existing real estate, with 43% refreshing branches and 29% opening new locations with updated designs.
- Wealth management centers are evolving into hybrid environments, blending digital and in-person experiences. Firms are expanding into major global CBDs and suburban markets, with a trend towards ground floor standalone spaces and co-location with retail branches.
- Future wealth management spaces will prioritize adaptability and technological integration, allowing easy reconfiguration for different work styles, client meetings and events. This shift may lead to fewer traditional branches and more specialized spaces.

Capital investment into WM branches last 3 years vs. next 3 years 35% of respondents plan to increase investment by up to 20%, and a further 21% may increase in the future



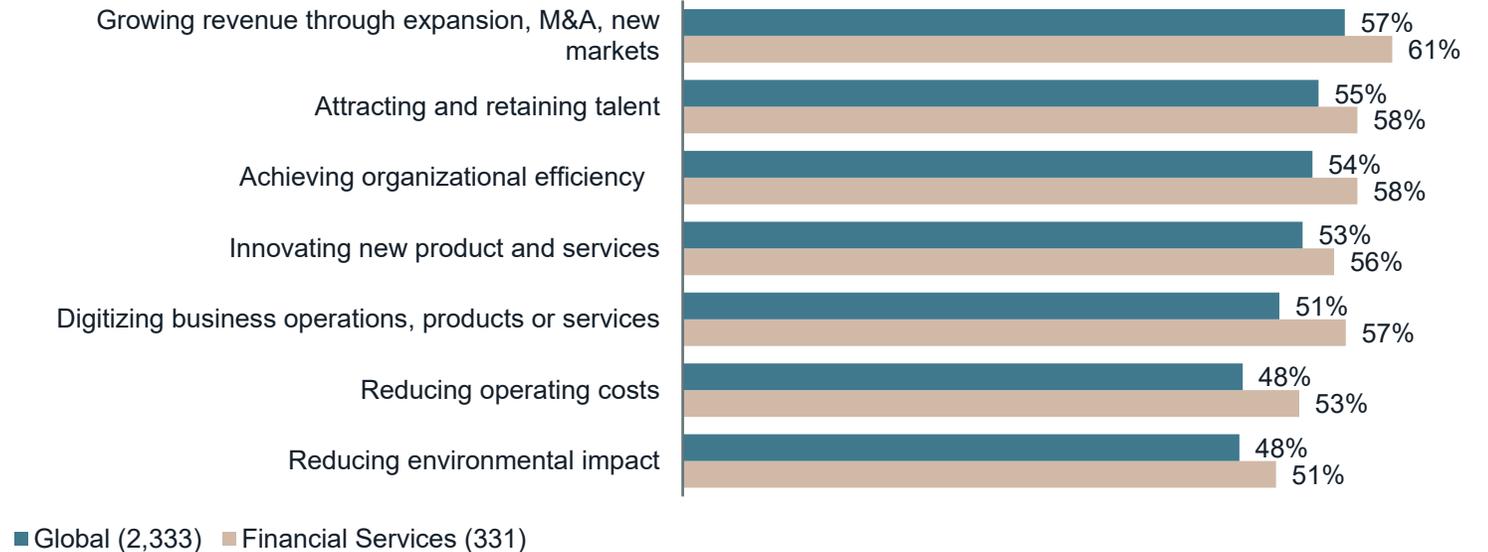
Source: JLL Future of Work Research, 2024

Financial Services | Increased emphasis on employee experience across assets will drive talent strategy

- Financial services firms rank attracting and retaining talent as a top-two corporate goal for the next five years. 62% plan to increase spending on employee experience and hospitality services, while 60% anticipate an overall CRE budget increase.
- Firms are recognizing the link between employee satisfaction and customer experience, extending focus beyond traditional office spaces to include frontline workforce needs. A holistic approach to experience management is becoming crucial for sector leaders.
- 47% of firms plan to partner with external experts for workplace design and fit-out. The focus is on creating flexible, sustainable and future-enabled spaces that align with office purposes up to 10 years ahead, reflecting a long-term strategic approach to workplace design.

Top corporate goals by 2030:

Percent of respondents



62%

envisage to spend more on space design, employee experience and hospitality services vs. 60% globally.

Source: JLL Future of Work Research, 2024

Thank you

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