

The £30 billion Opportunity: Why Office Pods Are the Future of Work

70% of Forbes top 100 companies now use Framery office pods. New data shows a switch from building meeting rooms to investing in more pods could generate up to £30.3 billion in corporate real estate savings.

Tampere, Finland — 25th May — New data based on published reports from CBRE and Cushman & Wakefield shows that the simplest way real estate developers and companies can upgrade their office amenities – and cut costs – is by investing in movable office pods.

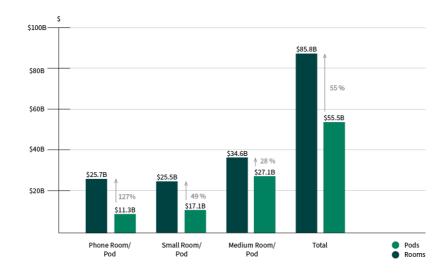
Employees now want from offices the same perks they have come to appreciate when working from home: quiet, focus, and privacy. A Leesman study found that focused independent work is critical for successful team collaboration. Modern offices need quiet spaces to join calls and host smaller meetings. Yet meeting rooms are in limited supply. Increased video conferencing and hybrid meetings mean that open-plan offices now need to accommodate greater numbers of private, sound-insulated meeting spaces.

Around the globe, offices are scrambling to keep up with the increased demand for private spaces, as companies are being forced to compete with the perks and amenities provided from the home office. However, updating office spaces is a costly endeavor. According to the Cushman & Wakefield study, over 41% of the office fields need to be refurbished in the US alone. That's 2.6 billion square feet of vacant and inadequate office space that "hasn't kept pace with demands to support hybrid working and efficiency priorities."

Using calculations based on the 2023 CBRE cost study, the cost of building meeting rooms in the insufficient US office spaces would be 85.8 billion dollars. Pods provide an opportunity to reduce that cost significantly - the cost of constructed meeting rooms is 55% higher on average than that of Framery pods. The same amount of private space can be supplied by Framery for roughly 55.5 billion dollars – saving real estate owners and occupiers 30.3 billion dollars throughout the end of the decade.

Data from CBRE showed that the cost of building an on-site meeting room in London exceeds the cost of a moveable solution – such as a Framery pod – by 33.5%.





The total cost of constructed rooms v. Framery pods, calculated for the total office space requiring renovation in the US by 2030.

"In New York City, for example, where rent per square footage is among the world's highest, our analysis shows that switching from building more meeting rooms to buying office pods can lead to a 65% reduction in cost," says Samu Hällfors, CEO of <u>Framery</u>, the world's leading manufacturer of soundproof office pods. "This represents a potential \$30.3 billion in savings across all commercial real estate."

Pods work just like meeting rooms, offering focused, quiet working spaces for individuals and groups. The largest pods can fit up to six people, and as 90% of meetings now have at least one virtual participant, the pods' plug-and-play technology integration makes organising hybrid meetings effortless. Office pods are a modular, cost-effective, and more sustainable solution for companies than constructing new meeting rooms. And these are just some of the many benefits office pods can provide, according to Framery CEO Samu Hällfors.

"As a culture, we are shifting to a more flexible way of working. That is where office pods come in," says Hällfors. "Pods are compact and make better use of existing space. They allow for greater flexibility in rearranging and reconfiguring offices. And they can be moved to a new location when needed. That all greatly reduces the lifetime costs associated with running an office, especially in larger cities with high-priced real estate."

But soundproof pods also benefit the employees – as well as the employer. And employees are beginning to expect this type of office perk from their employer. "One of the most in-demand building



offerings is phone booths and private suites, where workers can take phone calls or remote meetings alone or in small groups," states CBRE's Niemistö.

Framery invented, manufactured, and sold the world's first office pod, and its Framery O model is now the world's best-selling pod. Most Forbes 100 companies use Framery pods, including Microsoft, L'Oreal, and Tesla. That adoption rate will only intensify in the next year or two, says Hällfors. "In 2013, the global market for pods was roughly 1,000 units. Now it is tens of thousands of pods. We've seen over 200 manufacturers pop up globally since we created the market in 2010."

CBRE's global research report indicates that access to focus space like pods is now the most desired office perk, ranking higher in employee preferences than a private office. "The increasing demand for these office pods isn't coming so much from management as it is from employees themselves", says Hällfors. "Reimagining the workplace in these innovative, cost-effective ways is what is going to get employees excited to return to the office."

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ABOUT FRAMERY

Framery is an industry pioneer and global leader in engineering and manufacturing soundproof pods, services, and solutions that enable people at work to focus on what really matters and get things done. Framery is a necessity for a successful workday for millions of knowledge workers around the globe in many of the world's leading companies, including Tesla, Puma, and Microsoft. In fact, around 70% of all 'Forbes Top 100' companies use Framery products.