

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, is positioned within a solid yellow rectangular box at the top center of the page. The background of the entire page is a blurred photograph of an architectural workspace, showing hands holding pens and drawing on blueprints, with a white hard hat visible in the upper left corner.

savills

SPOTLIGHT

ARCHITECTURE & ENGINEERING SECTORS

GLOBAL OCCUPIER MARKETS - 2026

RESEARCH

KEY
STATS

39%

A&E FIRMS THAT
ARE MAINTAINING
SQUARE FOOTAGE

35%

A&E FIRMS THAT ARE
CONSOLIDATING OFFICE
PORTFOLIOS GLOBALLY

25%

A&E FIRMS THAT ARE
EXPANDING OFFICE
PORTFOLIOS GLOBALLY

KEY TAKEAWAYS

01

Talent access is the defining driver of location strategy, cited by 78% of respondents. Employment and real estate costs follow as critical considerations.

02

Global talent hubs remain dominant. San Francisco and New York top Savills A&E Talent Index, with London, Zurich and Singapore also ranking strongly for depth and quality of expertise.

03

Cost-competitive alternatives are gaining appeal. Markets such as Dallas and Oslo offer access to specialist talent with lower overall employment and occupancy costs.

04

Space requirements remain under review. 39% of firms are maintaining square footage, 35% are consolidating and 25% are expanding.



Unpacking the factors supporting A&E real estate decisions

While architecture and engineering (A&E) sectors remain fundamentally strong, firms are operating in an environment characterised by intensifying competition for both talent and clients, rising costs squeezing profitability, evolving work patterns and accelerating digital transformation.

Corporate real estate (CRE) portfolios are becoming an increasingly important strategic lever for businesses. Location determines access to critical skills and specialist talent pools. Workplace quality influences collaboration, innovation and employee engagement. Portfolio structure underpins cost resilience, operational agility and long-term scalability.

This report explores how A&E occupiers are recalibrating their real estate strategies

to strengthen competitiveness. We assess the factors shaping decision-making, benchmark the world's leading A&E talent hubs and identify locations that combine depth of expertise with cost efficiency.

Our objective is to provide A&E leaders with clear, evidence-based insight to support confident, forward-looking location and portfolio decisions.





Evolving drivers of real estate strategy

The forces reshaping CRE strategy in A&E sectors.

Corporate real estate strategy within architecture and engineering sectors is being reshaped by a combination of talent constraints, cost pressures, proximity to clients and client expectations, as well as technological change. These forces are influencing where firms locate and how they configure their portfolios.

Talent access remains the primary driver.

As skills shortages persist in many markets, firms are reassessing their location strategies to secure access to specialist expertise. In a recent survey of the Savills global network of A&E real estate experts, 78% of respondents identified talent access as the most important factor shaping portfolio decisions.

“

Access to skilled labour is the top locational driver in both the United States and EMEA.

Talent ranks as the top locational driver in both the United States and EMEA, where competition for skilled professionals is most intense, and as the fourth most important consideration in Asia Pacific.

Cost pressures are intensifying strategic trade-offs.

Firms must balance access to high-quality labour pools with overall cost efficiency. Real estate costs rank as the second most important factor in CRE strategy, cited by 74% of respondents, while the cost of talent follows closely at 61%.

Client proximity continues to influence location strategy.

While talent access is increasingly shaping where firms concentrate larger offices, many A&E businesses still maintain smaller locations in key markets to support bidding, delivery and long-term client relationships.

Within A&E sectors, offices often act as showcases of technical capability and design philosophy.

Many architectural practices are developing their workplaces as “living labs”, demonstrating how the future of work can be enabled through advanced spatial design, smart building systems and integrated technology.

Gensler’s San Francisco office illustrates this approach. The space incorporates



78%

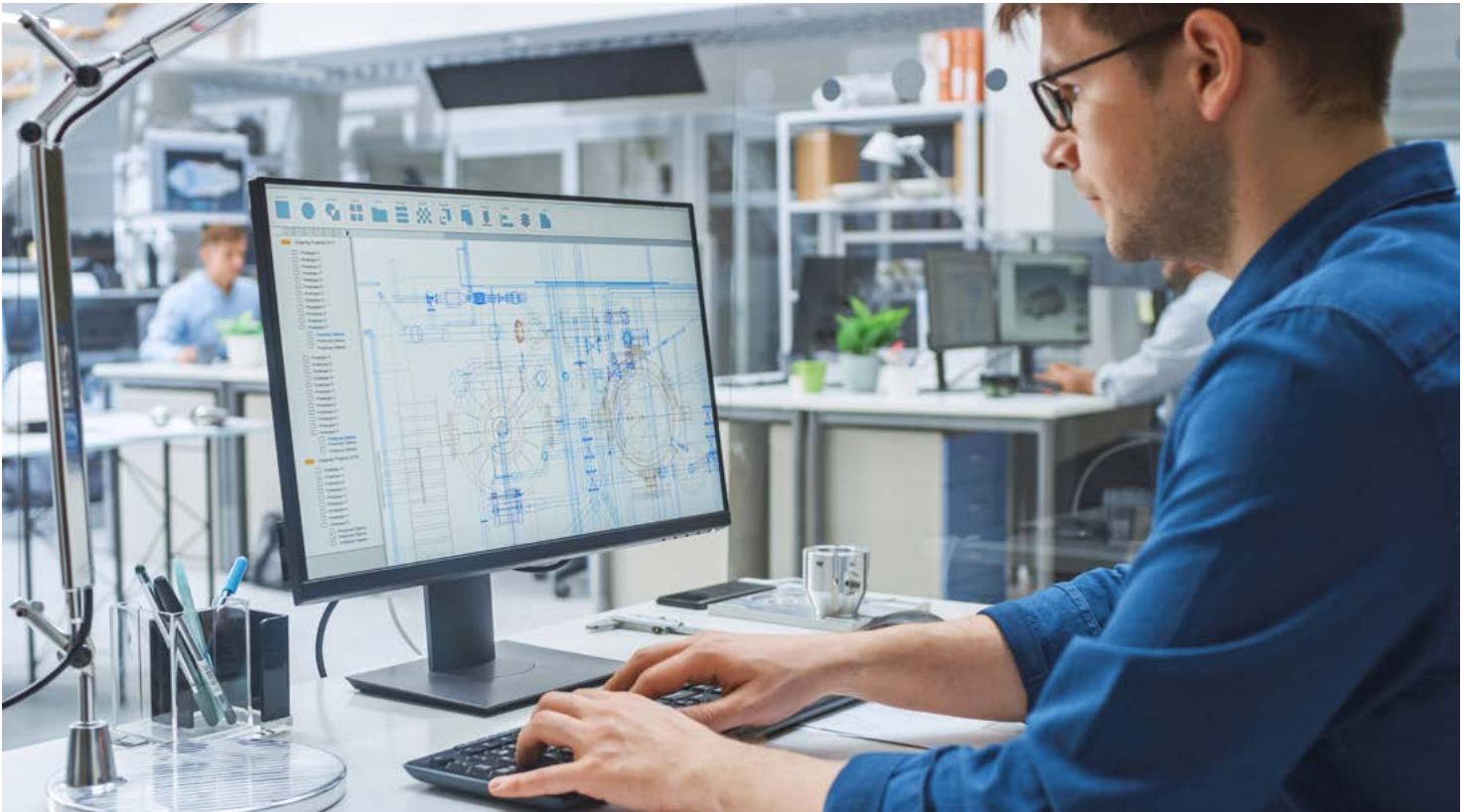
RESPONDENTS WHO SAY ACCESS TO TALENT IS TOP PRIORITY IN OFFICE REAL ESTATE STRATEGY

inclusive workplace design to support diverse working styles, with varied work settings across defined mood and activity zones. Advanced AV systems enable immersive hybrid collaboration, while real-time data is used to measure the impact of design interventions.

Sustainability commitments remain embedded in real estate decision-making.

Increasingly, firms are seeking to demonstrate environmental leadership across their own portfolios, providing tangible examples of best practice to clients.

Ramboll provides an example of this in practice. Its global workplaces incorporate energy-efficient systems, sustainable materials and green certifications, alongside a transition towards low-carbon energy sources such as zero-carbon district heating. Delivering these outcomes requires close collaboration with landlords, particularly in securing access to building performance data.



Technological integration is reshaping space requirements.

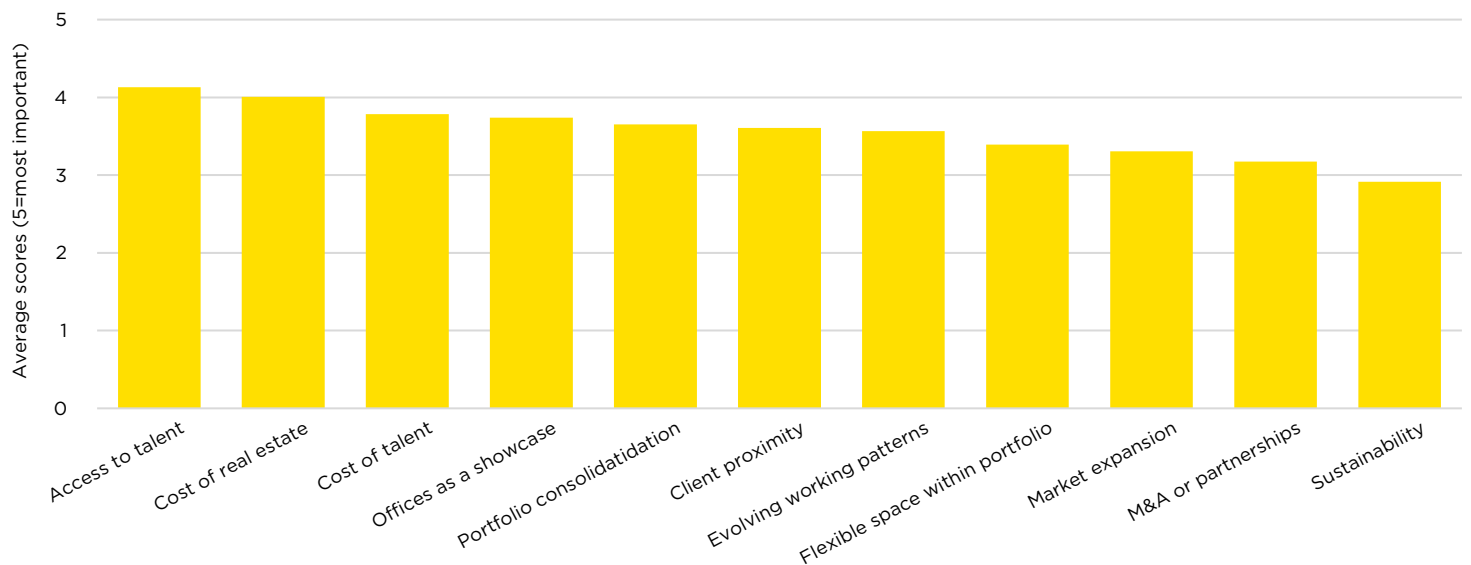
As AI and advanced digital tools become more embedded in design and engineering workflows, firms are placing greater emphasis on project spaces that support collaboration around complex models and data. This is increasing demand for technology-enabled spaces.

Return-to-office (RTO) policies are also shaping real estate strategy.

Many firms are encouraging more consistent in-office attendance to support collaboration, mentoring and project delivery. As a result, organisations are placing greater emphasis on creating workplaces that support team-based working, knowledge sharing and hybrid collaboration.

These findings also align with insights from the latest Savills Industry Trends and Metrics Survey, highlighting the increasing importance of corporate real estate strategy across A&E sectors as firms balance talent needs, project delivery and portfolio efficiency.

TOP FACTORS INFLUENCING REAL ESTATE STRATEGY IN THE ARCHITECTURE AND ENGINEERING SECTORS



Source: Savills Research, survey of global network H2 2025

Where are the leading global hubs for architecture and engineering talent?

Access to specialist talent is the primary driver of real estate strategy for A&E firms. As competition for skills intensifies, understanding which locations offer the strongest and most sustainable talent pools becomes critical to long-term portfolio planning.

The Savills A&E Talent Index analyses the world's leading industry hubs, ranking them according to labour pool depth and quality, alongside a broad set of talent attraction factors. It considers labour market scale, the strength of education and research institutions, and the maturity of sector ecosystems, as well as salary competitiveness, cost of living and broader lifestyle appeal.

Across North America, **New York City, San Francisco, Chicago, Seattle** and **Boston** consistently rank among the most attractive hubs globally. Their strength lies in the combination of large, specialised

labour pools, top salary levels and dense concentrations of leading A&E firms. These advantages are reinforced by world-class universities and research institutions, which provide a continuous pipeline of talent and underpin innovation. However, elevated living costs weigh negatively on the overall rankings of **New York City** and **San Francisco**.

The index also highlights an evolving North American talent landscape. A growing cohort of secondary cities, including **Dallas, Austin, Denver, Nashville, Salt Lake City** and **Atlanta**, is gaining momentum. These markets benefit from

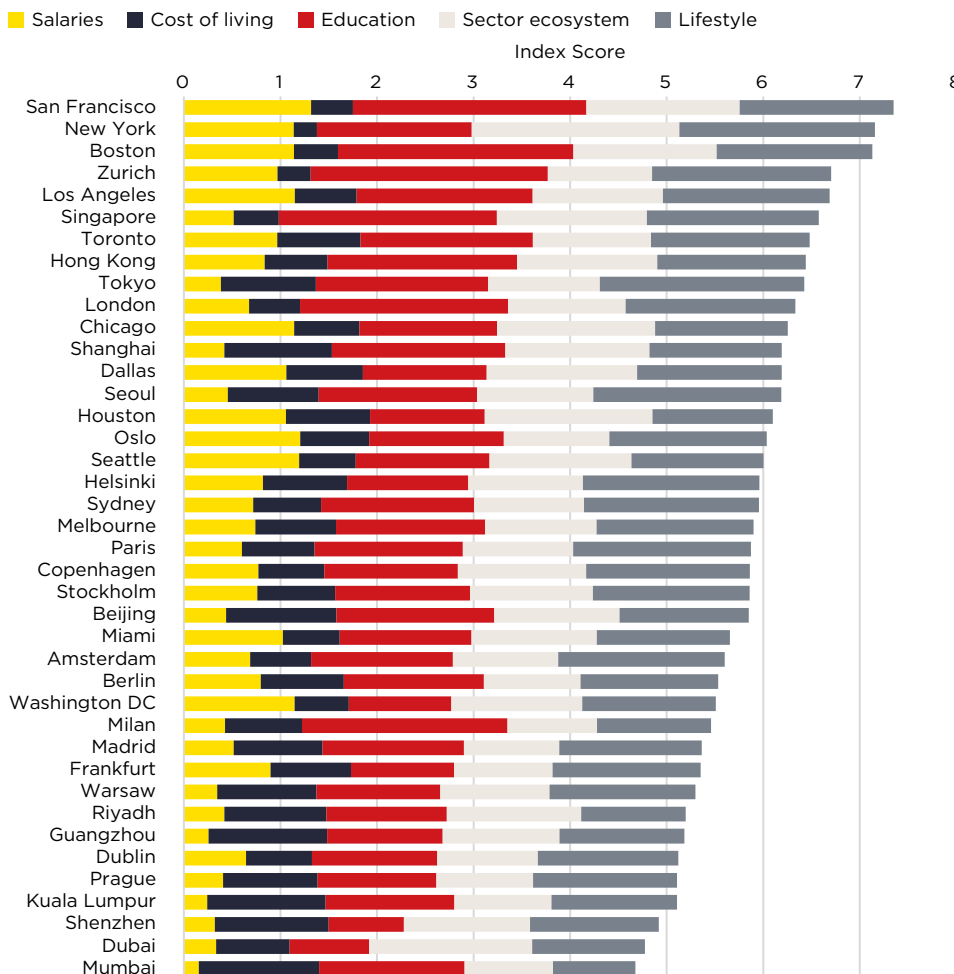
rapid population growth and a lower cost of living, which enhances their appeal to mobile talent, particularly mid-career professionals. While their labour pools remain smaller than those of established hubs, their growing sector ecosystems suggest increasing long-term competitiveness. In Canada, **Toronto** performs strongly, supported by leading universities and a diverse, internationally connected workforce.

In Europe, **London, Zurich** and **Oslo** feature within the top 15 ranking. These cities combine established design and engineering heritage with strong education systems and internationally connected professional networks. **London** stands out for its excellent academic and research institutions across relevant disciplines, as well as a depth of innovative and leading firms in both engineering and architecture. **London** also benefits from attractive lifestyle factors, although its overall ranking is constrained by a high cost of living, which weakens its talent attraction score.

Nordic cities such as **Stockholm** and **Helsinki** perform well due to a more balanced proposition: high-quality education, sustained government investment in the sector and comparatively affordable living costs. These markets, together with **Oslo**, have developed particular strength in sustainable design, with concentrations of specialist skills in low-carbon construction, timber engineering and circular economy principles. **Berlin** and **Paris** offer deep labour pools supported by strong academic institutions and lifestyle appeal, reinforcing their ability to attract and retain international talent.

Asia Pacific features prominently in the index, with **Tokyo, Singapore** and **Hong Kong** ranking highly. Singapore stands out for the strength of its education base and the maturity of its A&E ecosystem, although elevated living costs temper its overall performance.

SAVILLS A&E TALENT INDEX



Source: Savills Research. Top 40 cities in Savills Architecture and Engineering Talent Index



Can firms access deep talent pools without the cost premium of leading global hubs?

For architecture and engineering firms, finding skilled talent is critical - but the cost of employing that talent can vary widely between markets. Salary levels directly affect how easily firms can build teams, deliver projects competitively and protect margins. Our research identifies where firms can access strong talent pools without the cost premium of established global hubs.

Engineering talent

Engineering salary levels vary widely across global markets.

Zurich is the most expensive labour market, where junior engineers (one to three years' experience) earn an average of \$101,188 per annum - the highest globally at this level. Beyond Switzerland, the highest global salaries are concentrated in the United States: 10 of the world's 12 most expensive engineering labour markets are cities in the United States. However, even within the United States, remuneration levels vary significantly. For example, average engineering salaries in **San Francisco** are around 29% higher than in **Houston**.

Comparing engineering salary levels with the Savills A&E Talent Index rankings

highlights where firms can access skilled labour pools without paying top-tier premiums.

In North America, **Toronto** combines strong engineering capability with lower average salary levels than leading hubs in the United States. In Europe, **London** and **Helsinki** rank highly for engineering talent while remaining more moderate on junior pay. Across Asia Pacific, **Singapore**, **Hong Kong** and **Tokyo** all sit within the top 10 of the Savills A&E Talent Index while maintaining globally competitive junior salary levels.

Architecture talent

Salary differentials are equally evident in architecture, shaping where firms can build teams competitively.

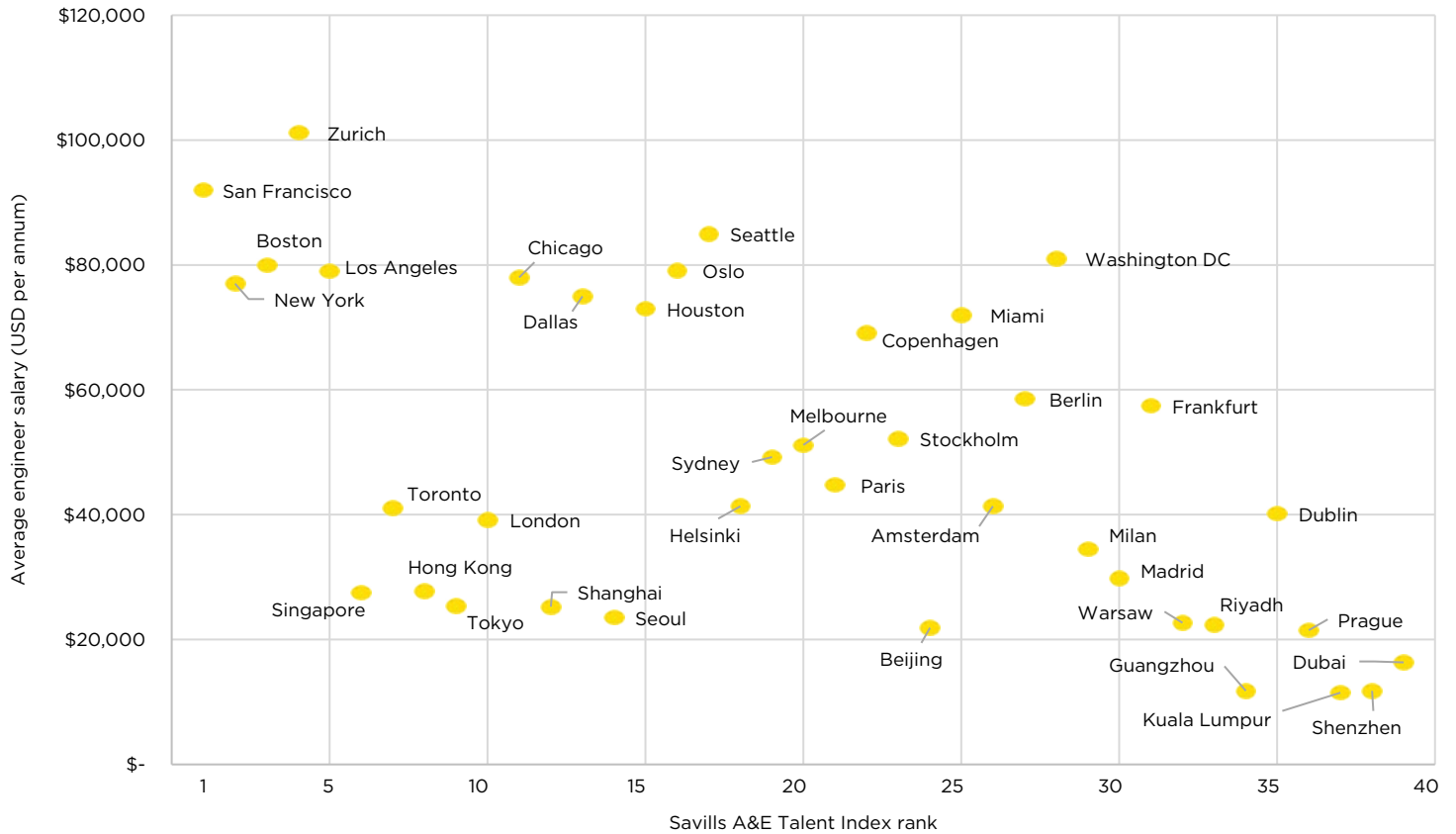
In the United States, **Boston** and **Dallas** perform strongly in the Savills A&E Talent Index, offering deep, skilled labour pools, with salary levels lower than in established high-cost hubs. Across Europe, **Zurich**, **London** and **Copenhagen** rank highly for architectural capability while maintaining comparatively competitive salary levels. In Asia Pacific, **Singapore**, **Tokyo**, **Shanghai** and **Sydney** all feature within the top 20 of the Index, with salary levels that remain globally competitive.

For firms assessing expansion or building future pipelines, these markets offer access to capability without the cost pressures of the most expensive global centres.



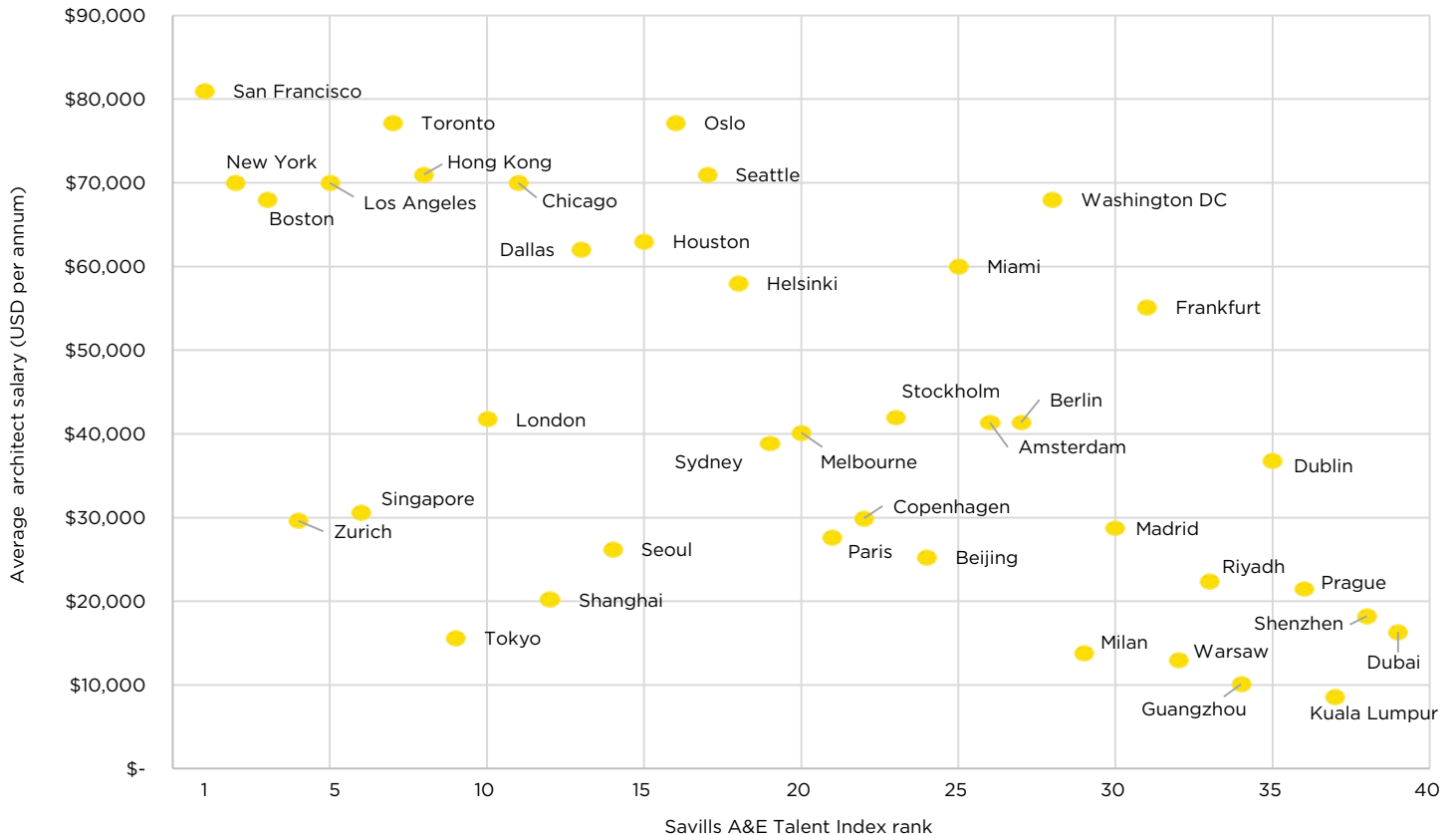
Average engineering salaries in San Francisco are 29% higher than in Houston.

AVERAGE BASE PAY USD PER ANNUM FOR AN ENGINEER



Source: Savills Research. Note: the x-axis reflects the overall ranking of each location in the Savills A&E Talent Index, with the first ranking city on the far left of the chart.

AVERAGE BASE PAY USD PER ANNUM FOR AN ARCHITECT



Source: Savills Research. Note: the x-axis reflects the overall ranking of each location in the Savills A&E Talent Index, with the first ranking city on the far left of the chart.

Balancing talent and occupancy costs

Alongside labour costs, real estate is another major cost that can be actively optimised through location strategy.

By comparing prime office rents to Savills A&E Talent Index rankings, we identify markets where high-quality talent can be accessed at lower occupational cost.

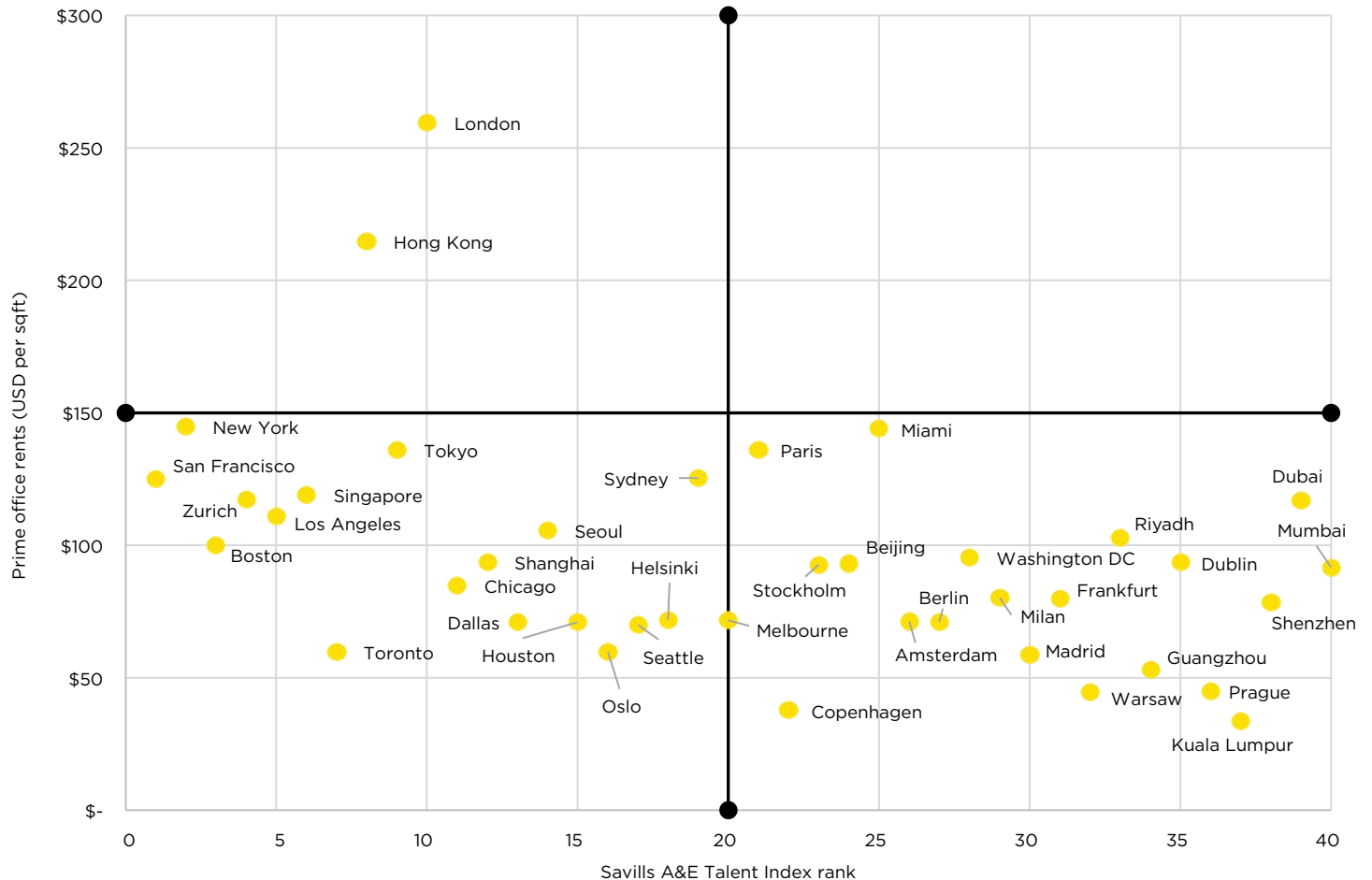
Across Europe, the Scandinavian capitals stand out. **Oslo** and **Helsinki** rank strongly for depth of talent pools, yet prime office rents remain materially lower than in traditional gateway cities such as **London** or **Zurich**. For example, prime office space in **Oslo** is approximately 77% less expensive than in **London**.

In North America, **Dallas** and **Seattle** both feature within the top 20 of the Savills A&E Talent Index, while offering more competitive prime rents than coastal gateways such as **New York** or **San Francisco**. **Toronto** similarly combines strong engineering and architectural talent fundamentals with more moderate occupational costs, reinforcing its position as a cost-efficient North American hub.



Within Asia Pacific, **Melbourne** emerges as a relative value market. Ranked within the top 20 of the Savills A&E Talent Index, it combines a solid engineering and architectural skills base with prime office rents of around \$72 per sq ft per annum, positioning it as a relative value play among established regional markets.

PRIME OFFICE RENTS ACROSS A&E TALENT HUBS



Source: Savills Research



How are A&E firms adjusting their office portfolios?

Office portfolio strategy across A&E sectors remains in flux. While some firms are expanding in response to growth opportunities, others continue to reassess footprint size in light of evolving working patterns and market conditions, with regional variances.

As a global average, architecture and engineering businesses are predominantly maintaining square footage across their office portfolios. According to a recent Savills survey, around 39% of firms are retaining the same or equivalent square footage when renewing leases or relocating. One quarter of firms are increasing their office footprints (either by opening new offices or by increasing square footage when relocating or renewing), while approximately 35% are consolidating.

In the United States, a greater proportion of A&E businesses expanded office space in the second half of 2025 than in other regions. Around 36% of firms in key markets in the United States increased their office footprint during this period, compared with 33% in EMEA and 15% in

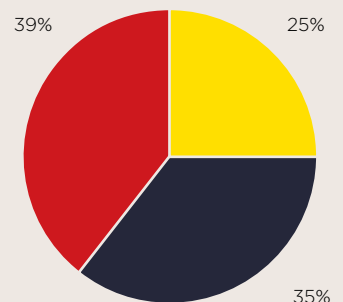
Asia Pacific. While there are pockets of strong activity in Asia Pacific - for example, Southeast Asia - other major markets such as China have seen a slowdown in new projects. Return-to-office policies remain key to portfolio decisions. As many businesses encourage more regular in-office collaboration, we are seeing a continued trend toward higher-quality office space with better functionality. This trend reflects a sharper occupier focus on how the office can support improvements in metrics such as productivity and revenue per employee.

The quality of office settings that support culture and corporate identity is also key as we see continued focus on accelerating company growth, both organically and through mergers and acquisitions.

Looking ahead, pressures on A&E firms are set to intensify. Competition for specialist talent, rising operating costs and rapid digitalisation in design and project delivery will continue to reshape how firms approach their office portfolios. In this environment, corporate real estate will play an increasingly important role in supporting business performance and long-term growth.

HOW A&E FIRMS ARE ADJUSTING THEIR OFFICE FOOTPRINTS

■ Expanding ■ Consolidating
■ Maintaining square footage



Source: Savills Research

A global platform of specialists and expertise at your service.

Benefit from local and global market insight and business sector expertise to help you make the best property decisions. Our series of Global Occupier Markets Spotlight reports empowers you with actionable market information worldwide to drive results for your business.

Leverage Savills deep roots in local and global markets

Explore how Savills is redefining Global Occupier Services to meet the challenges of today's evolving markets, workplaces and workforces. We advise clients across all sectors and geographies. From growth companies entering and expanding across markets to multinationals looking for the best guidance about the occupancy of millions of square feet around the world, we've got you covered.



Savills Research

We're a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors of the UK property market. To view copies of our previous Spotlight publications, go to www.savills.co.uk/insight-and-opinion/



SAVILLS RESEARCH

**Sarah Brooks**

Associate Director
World Research
+44 (0) 7974 410 595
sarah.brooks@savills.com

**Connor Chilton**

Associate
World Research
+44 (0) 20 7016 3854
connor.chilton@savills.com

ARCHITECTURE AND ENGINEERING SECTOR CONTRIBUTORS

**Charles Daggett**

Vice Chairman
AEC Practice Group Leaders
+1 972 739 2205
cdaggett@savills.us

**Dina Zavislak**

Vice Chairman
AEC Practice Group Leaders
+1 602 783 1610
dzavislak@savills.us

**Simon Raper**

Director
Head of Savills Design APAC
+65 8940 9443
simon.raper@savills.asia

**Emma Morton**

Director
Global Occupier Services
+44 (0) 7812 965 434
emorton@savills.com

**Laura Woolcock**

Associate Director
Workplace & Design
+44 (0) 207 799 8327
laura.woolcock@savills.com

GLOBAL OCCUPIER SERVICES

**Michelle Needles**

Global Head of Enterprise Solutions
Global Occupier Services
+1 (312) 919 4929
mneedles@savills.us

**Christina Sigliano**

EMEA Head of Global
Occupier Services
+44 (0) 7525 911 865
christina.sigliano@savills.com

**Chris Marriott**

Chief Executive Officer,
South East Asia
+65 6836 6888
cjmarriott@savills.asia