

Global Occupier Strategy

June 2026



Location strategy now leads with labour

How structural megatrends are reshaping the location strategy model

For decades, companies have based location decisions on access to customers, capital and cost. In 2026, the realities of structural megatrends are reshaping that model. Demographic change is redefining talent availability; housing affordability is influencing where people choose to live and work and AI is accelerating demand for specialised skills. Simultaneously, a more volatile operating environment is prompting organisations to prioritise resilience and rethink how their portfolios are structured.

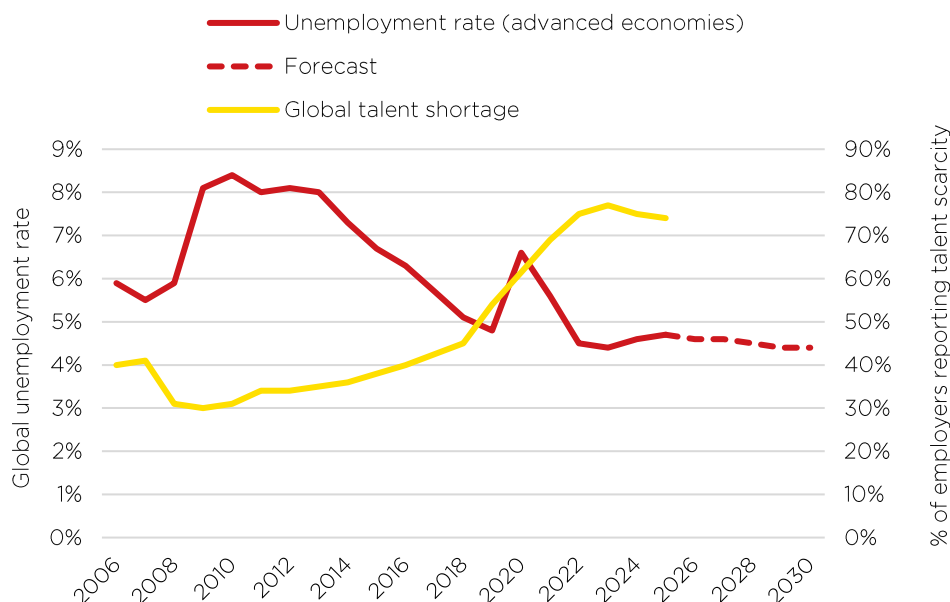
Talent scarcity is becoming structural

Global talent shortages are now one of the defining features of the labour market. According to ManpowerGroup's 2026 survey, 74% of businesses report difficulty accessing the skills they need. These pressures reflect historically tight labour markets. The unemployment rate across advanced economies stood at 4.8% in April 2026, a number expected to fall over the next five years.

74%

BUSINESSES THAT REPORT DIFFICULTY IN ACCESSING THE SKILLS THEY NEED

GLOBAL TALENT SHORTAGES REFLECT TIGHTER LABOUR MARKETS

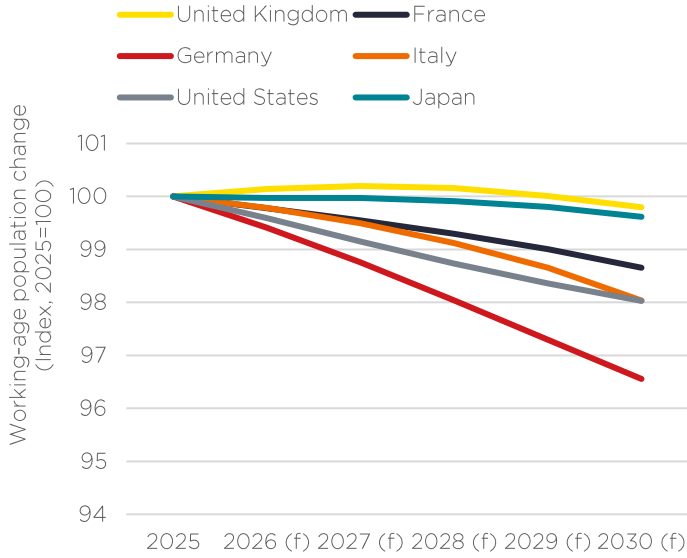


Historic demographic shifts sit at the heart of this challenge. For much of the modern economic era, advanced economies benefited from increasing working-age populations that supported labour force growth and economic expansion. That dynamic is now reversing, as falling birth rates, ageing populations and rising retirement rates reduce labour supply across major markets. In some economies, working-age populations are already declining, making labour shortages an increasing constraint on long-term business growth.

While much of the Global North ages, rapid labour force growth across parts of South and Southeast Asia is reshaping where talent is concentrated. Businesses are increasingly turning to fast-growing cities with larger and more specialised workforces.

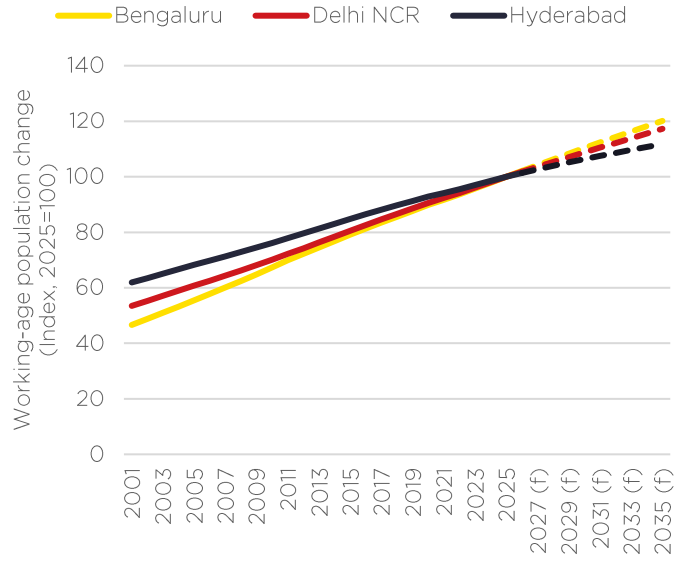
Source: Savills Research using IMF and Manpower Group 2026 Global Talent Shortage Survey of 40,413 employers in 42 countries.

WORKING-AGE POPULATION CHANGE: ADVANCED ECONOMIES



Source: Savills Research using Organisation for Economic Co-operation and Development (OECD).

INDIA IS A MAJOR SOURCE OF FUTURE WORKFORCE GROWTH



Source: Savills Research using Oxford Economics. Projected change in working-age populations by city.

India demonstrates this dynamic. Annually, its working-age population grows by approximately 10 million people, supported by rising technical education levels, digital capabilities and multinational investment. Bengaluru, Mumbai, Hyderabad and Delhi NCR are seeing transformational growth in office demand, particularly from the software engineering, AI and life sciences sectors. Bengaluru now hosts one of the world's deepest software engineering talent pools outside California's Silicon Valley, while Hyderabad has become a significant life sciences R&D hub.

Competition for talent will be won and lost at the city level

Although many businesses are expanding into high-growth labour markets, global business leader cities remain critically important.

Global centres such as London, New York, Paris and Tokyo continue to offer unmatched access to capital, senior talent and established corporate ecosystems.

However, pressure on these markets is intensifying. Companies are competing within increasingly concentrated labour pools, driving up labour costs, lengthening hiring cycles and creating retention challenges that directly affect growth.

The implication is not that businesses are leaving global cities. Rather, they are becoming more selective about which functions remain there. Headquarters and client-facing functions are likely to stay in leading hubs, while innovation and operational roles become increasingly distributed across alternative talent-rich locations.

The success of global business leader locations also creates cost and lifestyle pressures for workers. In many, housing costs have risen significantly faster than incomes, making affordability, commuting and quality of life increasingly important determinants of where highly skilled workers choose to live and work. As a result, locations once considered secondary cities are becoming increasingly attractive options for corporate expansion and relocation strategies.

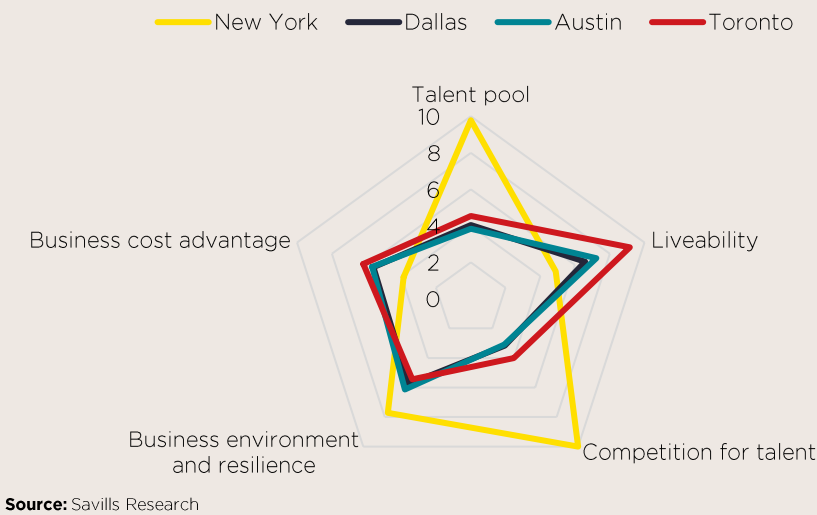
How different cities compare

To understand the evolving role of cities, Savills analysed more than 60 global business hubs across five categories: talent access, liveability, local competition, economic resilience and business cost advantage (including salary and real estate costs).

In North America, New York offers one of the world's deepest and most sophisticated talent pools, but labour and real estate costs are high and there is intense competition for workers.

On the other hand, Toronto, Austin and Dallas combine strong talent access with lower costs and stronger liveability metrics. These cities continue to gain momentum as corporations rethink footprints. Dallas-Fort Worth attracted eleven new corporate headquarters in 2025, more than any other US metro, while Austin ranked third nationally with seven major relocations. Toronto benefits from Canada's increasingly talent-focused immigration policy, which has strengthened the city's long-term labour pipeline.

FIVE PILLARS OF LOCATION ADVANTAGE: NORTH AMERICA CITY COMPARISONS



Source: Savills Research

Across Europe, cities such as Madrid and Amsterdam offer strong connectivity and access to talent, while scoring more favourably on affordability and quality-of-life measures than higher-cost markets such as London.

A similar dynamic is emerging across Asia Pacific. Singapore and Tokyo remain leading regional business hubs, offering deep talent pools and resilient business environments, but at higher cost levels. Meanwhile, cities such as Bengaluru and Kuala Lumpur are emerging as attractive lower-cost growth hubs, combining expanding skilled workforces with lower operating costs.

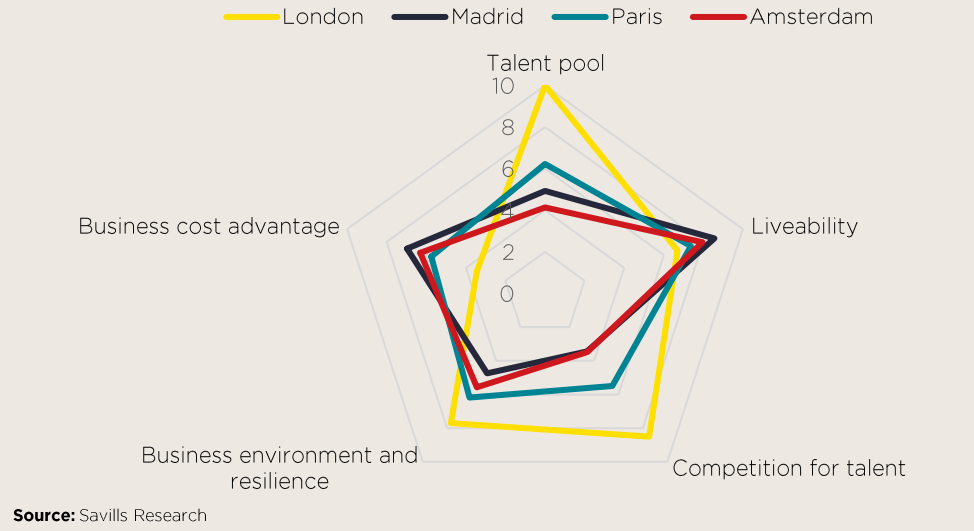


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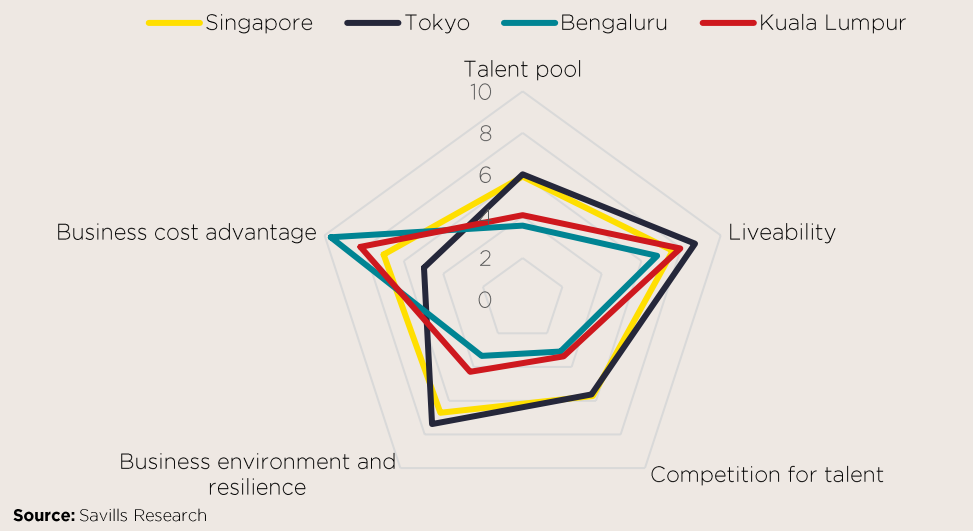
The future portfolio is labour-led

In an era where growth is increasingly tied to talent availability, corporate real estate has become a strategic lever for competitiveness. The challenge is building location strategies around scalable access to talent, workforce sustainability and retention, and portfolio resilience.

FIVE PILLARS OF LOCATION ADVANTAGE: EUROPE CITY COMPARISONS



FIVE PILLARS OF LOCATION ADVANTAGE: ASIA PACIFIC CITY COMPARISONS



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