

Space Utilization at Work



Working from home is not only possible but preferred by many knowledge workers, and we see work happening in many places between home and office. Organizations are keenly interested in office space utilization—the square footage of space, the number of users, and the amount of time the space is used. And while there is no prescribed formula to follow, occupancy insights reveal consistent themes for consideration. What matters gets measured. Data is key. Flexibility rules. Technology is the bridge between the in-person and virtual experience.

As workstyles and employee expectations evolve, aligning people and space for optimal performance will require rebalancing ratios. Successful organizations that build the business case for FF&E and capital expenditures to maximize the return on investment—and help people do their best work anywhere—will be best positioned to achieve business outcomes.

- Metrics are expanding from measuring occupancy (space usage at a single point in time) to measuring how space is used over a period of time.
- Workplace data is essential to continuity of business planning and developing business strategies beyond real estate.
- Organizations are prioritizing data quality and technology investments to develop better workplace insights.

Source: 2022-2023 CBRE Global Workplace & Occupancy Insights

Metrics Matter

90%

of respondents gather utilization data, up from 11% in 2021

65%

of respondents made improving space data accuracy a goal for 2022

Source: 2022-2023 CBRE Global Workplace & Occupancy Insights

Finding the Right Balance

It used to be every worker had an assigned workstation. Now, not every job function may require daily presence in the office. With an emphasis on the office as a hub for innovation, space utilization is in flux.

The desire for space optimization has led some organizations to redesign the floorplate, channeling employees to social spaces and collaborative work areas. But the ability to achieve focus at work is still a key driver of employee happiness. To support the full range of tasks performed during a typical workday, a variety of spaces within the floorplate gives people the choice of space that best accommodates their needs at any given moment.

3 Approaches to Space Demand

CBRE's Workplace & Occupancy Management team offers insights and three approaches to understanding how hybrid working policies may impact space demand. How these approaches are implemented varies based on the data available and the level of employee flexibility.

1. Forecasting demand based on business growth

Business units identify how teams will shrink or expand, the number of employees requiring dedicated or shared space, and the time the employee will be on site. This approach is best for companies using a guided hybrid program, which tends to have a lower level of variability.

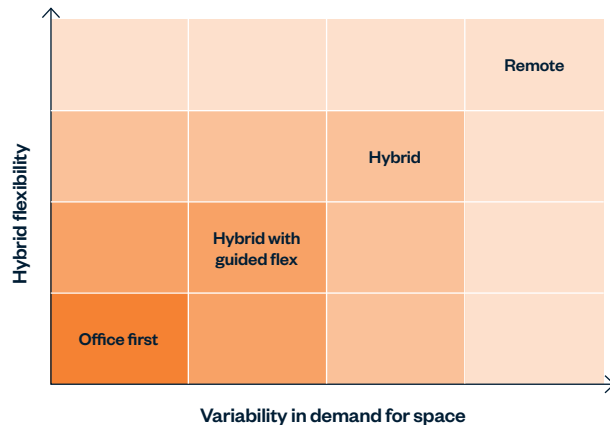
2. Estimating demand based on benchmarking data

Strategists apply a space-sharing ratio to a company's portfolio based on employee personas—a profile that represents common characteristics of an employee based on their job function and habits—workplace guidelines and hybrid work policies. This approach is ideal for companies that want to align space programs to employee preferences, and business and cultural objectives, resulting in a moderate level of variability in space demand.

3. Calculating demand based on utilization patterns

Space demand is measured over time to identify employee patterns and habits. This approach is best for companies providing employees with high levels of flexibility as to when they come into the office. This flexibility creates a high level of variability in space demand.

Whatever approach is taken, it's highly likely that space demands will vary in proportion to the level of flexibility specified in hybrid policies.



Source: 2022-2023 CBRE Global Workplace & Occupancy Insights

Supply and Demand Study

In a year-long analytics study at a global tech organization, Haworth found that the supply of large formal collaboration spaces was higher than the demand for them. On the other hand, the demand for smaller formal collaboration spaces was much higher than what was available.

Establishing a necessity-driven plan for applications based on supply-demand will help drive an optimized design solution for any space. Creating multiple smaller collaboration spaces that can be combined as needed to accommodate larger groups, or larger collaboration spaces than can easily be divided into smaller areas through moveable walls, partitions, or screens, builds flexibility into the floorplate—and enhances the highly desired attribute of user control.

Haworth conducted a year-long analytics study of over 3,000 individual workspaces and observational workshops, utilizing heat and vibration sensors. The spaces that were occupied the most were the spaces that allowed for higher user control. The least used spaces were those that lacked technological advancement, were highly enclosed private or open public settings, and rooms that could not be booked in advance.

Source: Haworth Spark, "Space for the People, by the People," April 2021

No One-Size-Fits-All Solution

With so many factors to consider and no proven space per employee formula, each organization's ideal solution will be unique based on their objectives. For organizations looking to make workplace changes, a measured approach and designing spaces with user specification as the driving factor is recommended.

To guide successful workplace evolution:

1. Engage

Ask employees how they work, what they need, and why they need it. Dig deeper to understand their responses. User-directed spaces result in increased productivity. By involving people in the process, their engagement will lead to the optimization of the space—and will make them feel responsible for its success.

2. Experiment

Continuously push the envelope and test new ideas at a small scale. When used appropriately, data analytics can aid in understanding needs, space optimization, curating a supply of the right workspaces to meet demand, identifying space challenges or threats, and understanding organizational culture.

3. Evolve

Take engagement and experiment learnings and deploy them in the workplace. Seek out new trends, solicit ongoing feedback, and stay flexible. As the nature of work continues to evolve, it's increasingly important to consider your future work environment.

This is a pivotal time to think about the office of the future and how space is used. Going forward, supporting well-being, culture, and flexibility; finding the balance between virtual and physical interaction; and enabling collaboration (with the office as the hub) will be vital for people to perform their best.

Using metrics to understand how space is used in real time will help optimize space within the portfolio to balance individual workstations for focused work, collaboration spaces, and social spaces.