



# **2023 Q3 Workspace Use Benchmark Report**

Impact of RTO initiatives on workspace usage in Q3,  
comparing 2022 and 2023 data

# Table Of Contents

Introduction	3
About Our Data	4
Office Return Trajectory	6
Day-of-the-Week Analysis	8
The Importance of Year-over-Year Changes	9
Misleading Metrics	11
Comparing Workspace Demand by Space Type	12
Challenging the Status Quo: A Deeper Dive into Office Space Use Is Needed	17
Debunking Future RTO Predictions: A Reality Check	18
Conclusion	19

In the rapidly evolving world of work, benchmarking office utilization has become paramount. Top-tier companies now prioritize establishing clear baselines for their office use. While the decline in office usage is universally recognized, understanding the nuanced demands for different types of spaces is essential. The primary goal is to align office infrastructure and amenities with actual employee needs, making functionality the prime driver for change and ensuring optimal space accessibility for daily office goers.

Within our data set, an overwhelming 99% of spaces haven't been transformed post-pandemic. Companies are now keenly observing employee behaviours to spot new trends. In the past, space usage was primarily driven by design intent. However, modern sensor technologies now provide real-time insights into actual space demand. This capability allows businesses to understand the genuine needs of their workforce. Notably, behaviors such as employees opting for unconventional spaces for solo or smaller group tasks highlight the need for re-evaluating space allocation. When combined with insights on space attributes, these behaviors offer invaluable data for designing spaces that truly cater to employee preferences.

Currently, while there's an increase in demand for collaborative spaces, their usage isn't fully understood, pointing to potentially misguided optimization fails. The sole focus on boosting occupancy rates is outdated. For any service to be effective, understanding its users and more importantly, their natural behaviors, is vital. Corporate Real Estate (CRE) has a clear target: active users of office space. Insights into their space preferences, frequency of use, nature of tasks, and interaction patterns and even flow are all essential. These insights, which vary between companies, are the cornerstone of success in today's dynamic office landscape.



# Introduction

This report offers a comprehensive analysis of Q3 in-office workspace use, shedding light on our methodology, data sources, and key findings. A salient observation from Q3 is the tangible influence of Return-to-Office (RTO) initiatives. By contrasting data from 2022 and 2023, we glean insights into how these mandates have (or have not) transformed office dynamics.

September, traditionally a month of transition, has always been pivotal in the office calendar. As schools recommence and summer fades, this shift brings distinct patterns, especially in office attendance. As we edge closer to Q4, it's evident that monitoring office space usage remains crucial. With the holiday season on the horizon and historical data suggesting a dip in office activities, tracking 2023's trends is essential for accurate forecasting.

This report, built upon 21 months of aggregated customer data, serves as both a reflection of the present and a predictor of the future. It lays a solid foundation for data-driven decision-making, moving away from mere conjecture. But its true value lies in its transformative potential. The focus has shifted from merely increasing office occupancy to understanding and catering to a diverse workforce. This paradigm shift highlights the inadequacy of generic solutions and the need for a more tailored approach and focus to better suit the needs of active users of office space.



## About Our Data

Our data consists of 34 global customers with sensors installed in their offices, measuring workspaces continuously between Jan 1, 2022 and Sep 30, 2023 excluding local holidays and weekends in 159 office locations across the globe of which 75% are located in North America. The data collected also spans across various knowledge worker industries, take a look at Figure 2.

Fig 1 - Building Locations, n=154

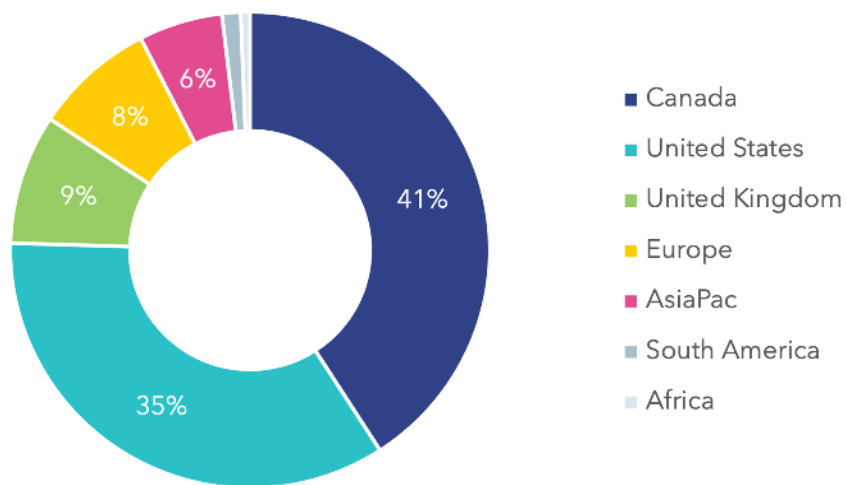


Fig 2 - Distribution by Industry

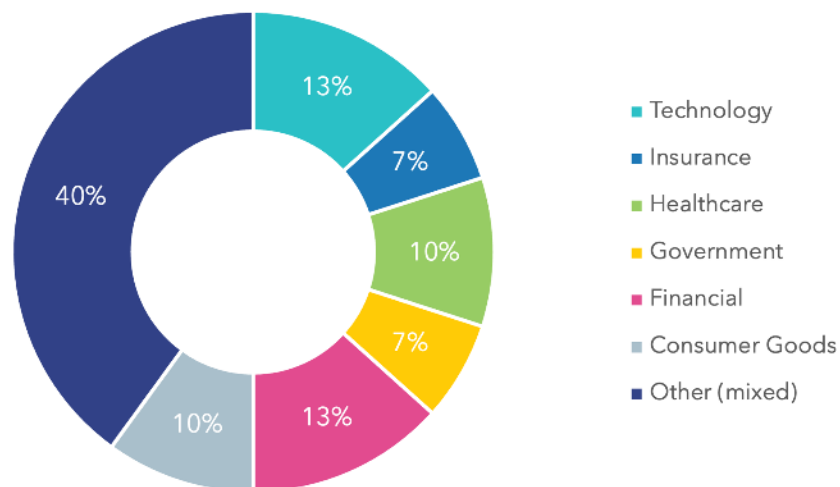
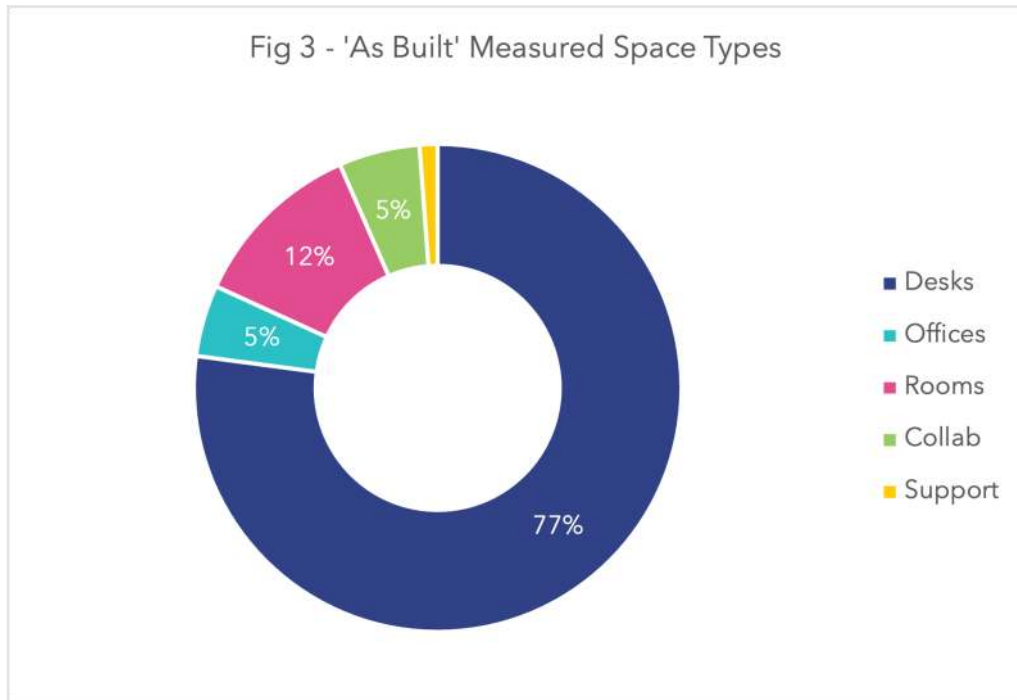


Fig 3 below reflects the details of office spaces in their original 'as built' state, most of which haven't been renovated or transformed yet. Notably, 82% of the gathered data is from individual desks and offices. This emphasis is due to these areas being the predominant space types often taking up 60% to 70% of the total available area in offices when excluding circulation space, making them a key focal point for quantifying office space use.



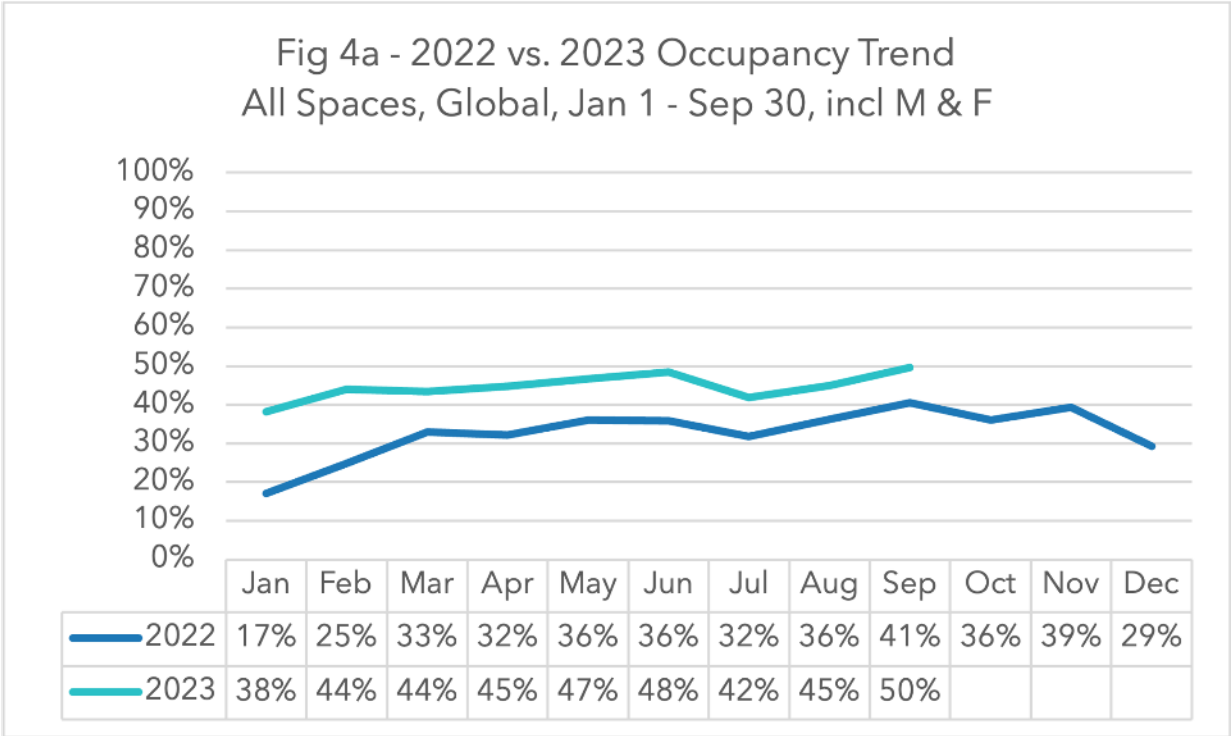
In addition, the Space Type classification categorizes<sup>1</sup> spaces into five standard types, each with distinct attributes which enables a deeper understanding of the effectiveness of the existing workspace design intent and to be able to pinpoint what's changed.

1. **Desks:** Single-occupant workstations, such as regular desks or sit-stand desks.
2. **Rooms:** Enclosed spaces designated for meetings.
3. **Collaboration:** Spaces for group gatherings, collaboration, and socializing, including open lounges and cafes.
4. **Office:** Enclosed spaces meant mostly for single occupant use, whether private or shared.
5. **Support:** Areas not intended for work but necessary for facility and employee support, including Quiet Rooms, Prayer Rooms, First Aid, and Kitchens, among others.

<sup>1</sup>These percentages can vary widely based on factors such as the organization's size, industry, work culture, and the specific layout and design choices made by the company. Additionally, modern office trends are moving towards more flexible workspaces, which may impact the allocation of space differently than what is typically seen in traditional dedicated space layouts. Therefore, it's essential to consider the unique needs and goals of the organization when determining the degree and meaning of workspace allocation changes.

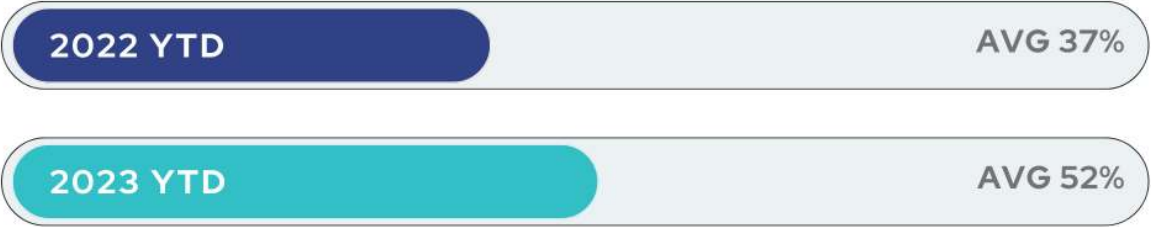
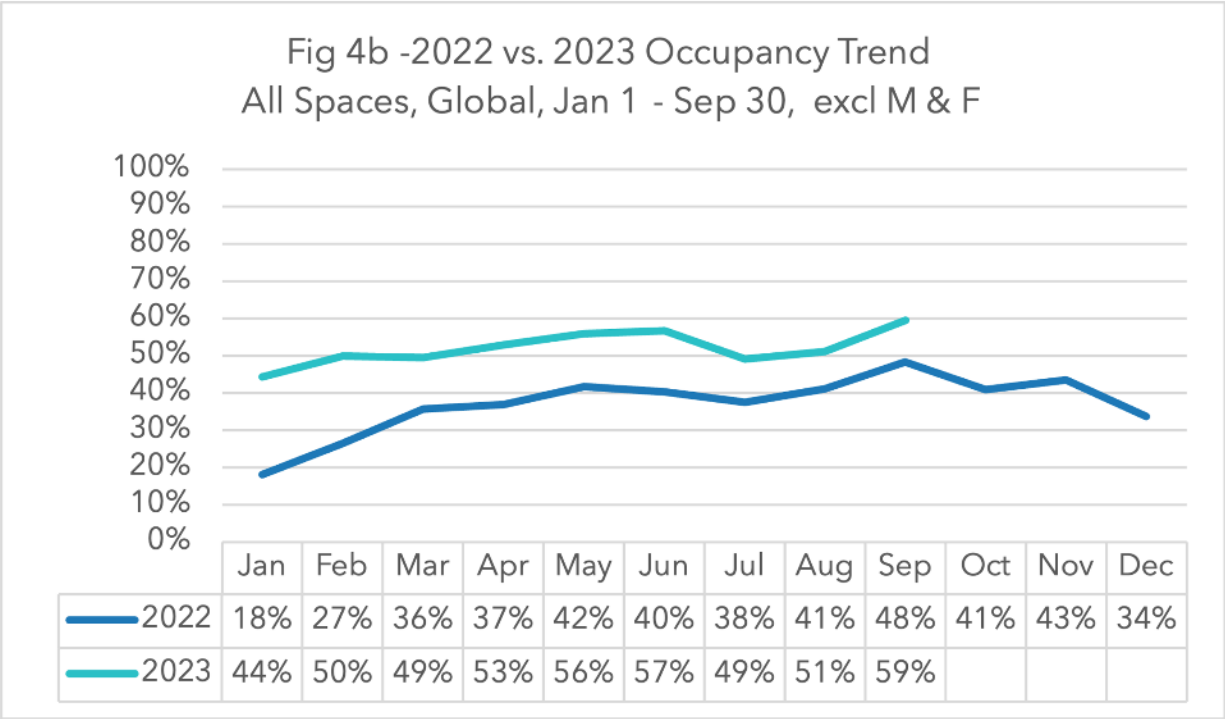
# Office Return Trajectory

The momentum of returning to the office has been on a notable incline, evidenced by the workspace occupancy rate increase from 38% in January 2023 to 50% by September 2023 as seen in Fig 4a below. This represents a 12% net difference and a 32% change year-to-date. The average occupancy for 2023 has settled at 45%, a remarkable improvement from the 32% observed during the same periods in 2022. This data covers the conventional Monday to Friday workweek.



Analyzing the data month by month, there's a consistent trend from April to September in both years. January stands out, mainly due to the extended lockdowns which were still in effect in early 2022, making it less indicative of the true recovery pattern.

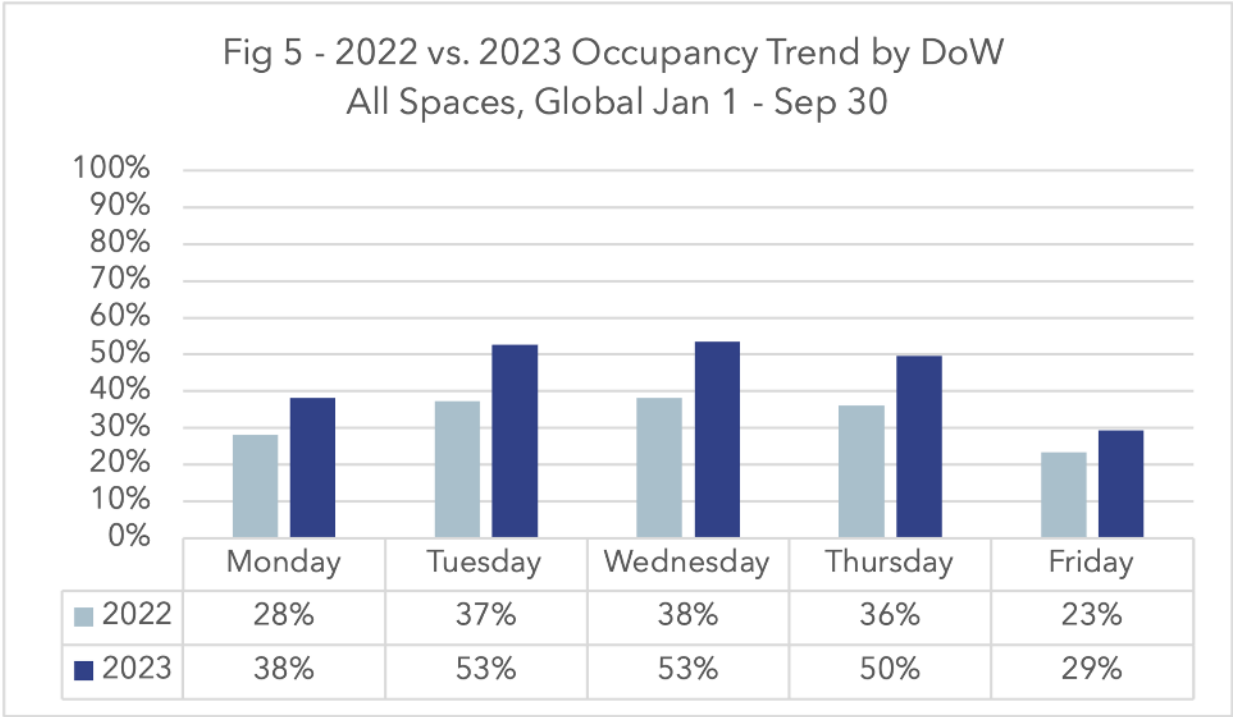
When Mondays and Fridays are excluded, as seen in Fig 4b below, the average YTD seat level occupancy jumps to 37% in 2022 and 52% in 2023. But this approach, while highlighting peak use, offers a skewed perspective and ignores accounting for operational costs that are still incurred on less active days.





# Day-of-the-Week Analysis

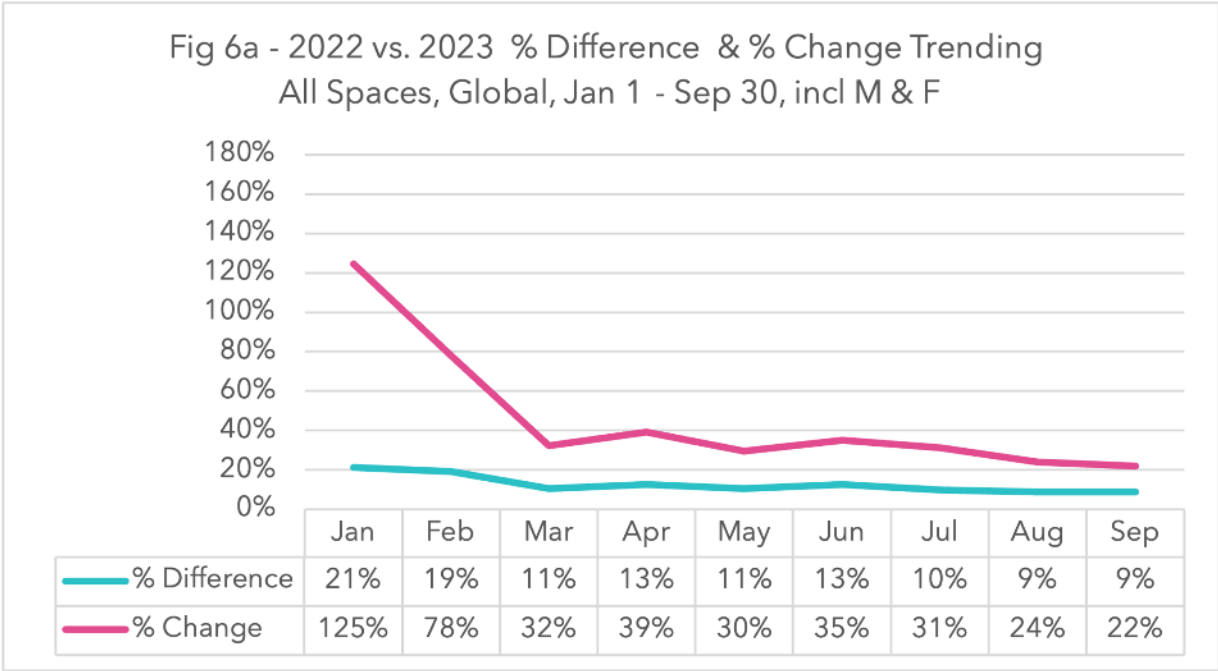
Breaking down the same workspace use by the day of the week as shown in Figure 5, we see an increase in usage across all days. However, Tuesday through Thursday remain the most preferred days. This mid-week surge, heavily influenced by specific organizational policies, mandates, and even team norming days perpetuates the challenges of achieving an even distribution of occupancy throughout the week.



# The Importance of Year-over-Year Changes

It's imperative to understand that a comprehensive perspective goes beyond merely identifying trends. Metrics like % difference and % change are crucial for understanding what has shifted and how we're progressing. Evaluating these metrics across similar periods provides fresh insights, enabling a clearer evaluation of initiatives like RTO mandates, and more importantly, whether or not user work patterns have changed. This perspective unequivocally showcases such mandates' influence on occupancy goals and highlights the current landscape of workspace use from a whole new perspective.

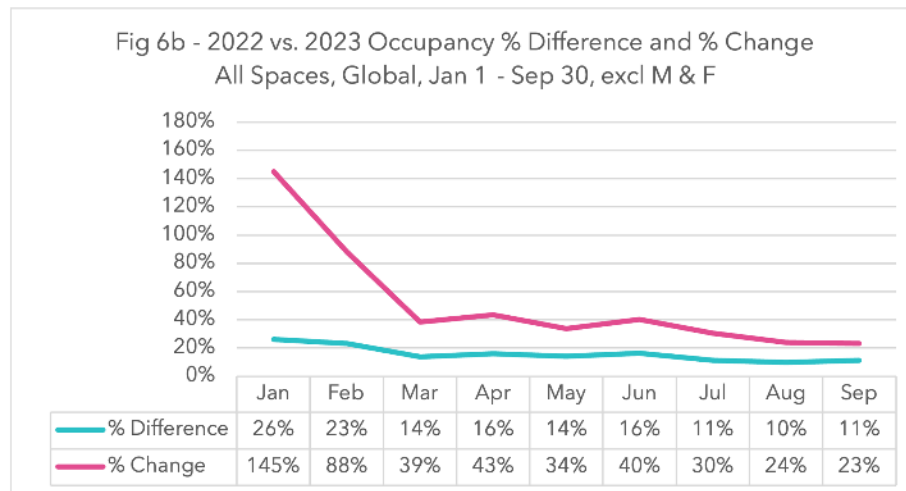
In 2022, the global landscape was significantly affected by pandemic-related lockdowns, with many businesses adopting remote work models. As we transitioned into 2023, there was a marked shift in workplace dynamics, with numerous employees beginning to return to their traditional office environments but also many continuing to work from home. The data below in Fig 6a and Fig 6b provide a comparative analysis of this return-to-office trend, contrasting the months of 2023 with their 2022 counterparts. The figures shed light on the evolving work patterns, highlighting the lingering impact of changes in demand for workspace and the trajectory towards a new normal in overarching workplace attendance by employees.



## Key Insights:

- **Impact of Lockdowns:** The 125% change noted in January when Mondays and Fridays are included, can be attributed to the lockdowns in 2022. The large spike indicates a significant increase in the number of employees returning to the office, as expected, in January 2023 compared to January 2022.
- **Adaptation Over Time:** The decreasing trend in both % difference and % change from February onwards suggests that as the year 2023 progressed, the difference between the two years diminishes. This could be because a larger proportion of employees had already returned to the office by mid-2023, making subsequent month-to-month comparisons less dramatic.
- **Stabilizing Return:** The stabilization seen in the recent months (July to September) suggests that by mid-2023, most employees who intended to return to the office might have already done so. The lower percentages in these months could also be suggesting a plateau in the return-to-office movement.
- **Long-term Impact of Lockdowns:** Even in the later months like September, there's still a 22% change from 2022, indicating that the effects of the lockdown, namely working away from the office, are long-lasting and continue to influence office attendance patterns throughout 2023.
- **Normalization:** The decline in both metrics over the months indicates a move towards normalization or a new equilibrium in office attendance as the year progresses.

Even when we excluded Mondays and Fridays, the trending patterns didn't change much despite the monthly values increasing.



It is evident that while there was a significant initial surge in employees returning to the office, particularly in January, this momentum was not sustained throughout the year even when isolating for just the busier days of the week. Despite the push for a return to traditional office environments, the subsequent months saw diminishing spikes in the return percentages. This suggests that while many were eager to revert to pre-pandemic work settings, a considerable segment might have found a balance in hybrid models or simply chose to continue remote work. The evolving dynamics underscore the complexity of the post-pandemic work landscape, where the initial enthusiasm to return does not in any way translate to a 'gradual' shift back to old norms.



## Misleading Metrics

In their eagerness to highlight better occupancy rates, some companies are selectively excluding data from certain days or specific hours. While this might emphasize peak occupancy times, it doesn't paint a complete picture of office space usage. Over-relying on peak values can lead companies to a myopic view of space utilization. Such a limited viewpoint could lead to investments in new office setups that don't cater to varying agile + hybrid working demands, resulting in either overcrowding or significant under-utilization. Without a comprehensive view of office usage, companies may miss out on adapting to evolving office user needs that involve flexible timings and necessitate seamless transitions between work points for highly productive in-office work. This narrow focus could affect employee satisfaction, engagement, and output.

Additionally, an undue emphasis on peak times might lead to overspending on resources for high-demand periods, overlooking inefficiencies during both peak and non-peak hours. Over time, not considering the full scope of office usage could also lead to financial shortcomings, lower employee morale, and workspace designs that failed to meet user needs.

# Comparing Workspace Demand by Space Type

Work in general is undergoing a significant transformation. As organizations adapt to changing work dynamics, new technologies, evolving employee preferences, the way office spaces should be designed to be effectively utilized, is at the forefront of this change. While quantitative data, such as space usage percentages, offers an initial glimpse into office use, it barely scratches the surface of the broader narrative. To truly grasp the intricacies of workspace dynamics and to anticipate the future needs of active users of space, companies must delve deeper. A holistic approach is necessary to enable businesses to create environments that not only meet current demands but are also adaptable to future shifts in the "office as a destination" landscape. Here are some insights that further emphasize the importance of this comprehensive perspective:

Fig 7a - Global Desk Occupancy

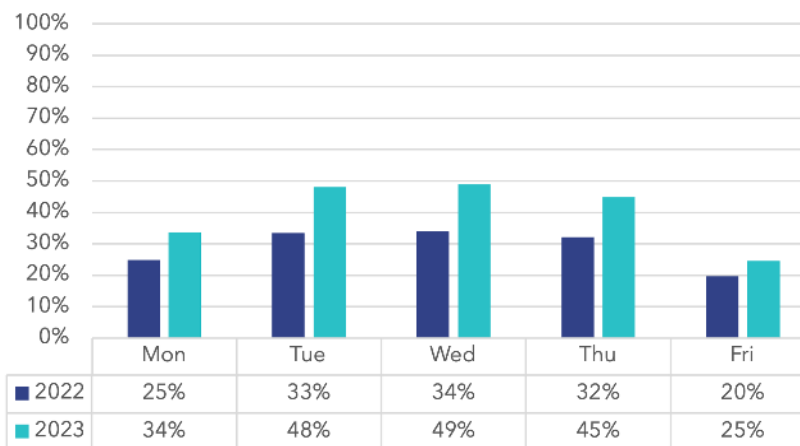


Fig 7b - Global Office Occupancy

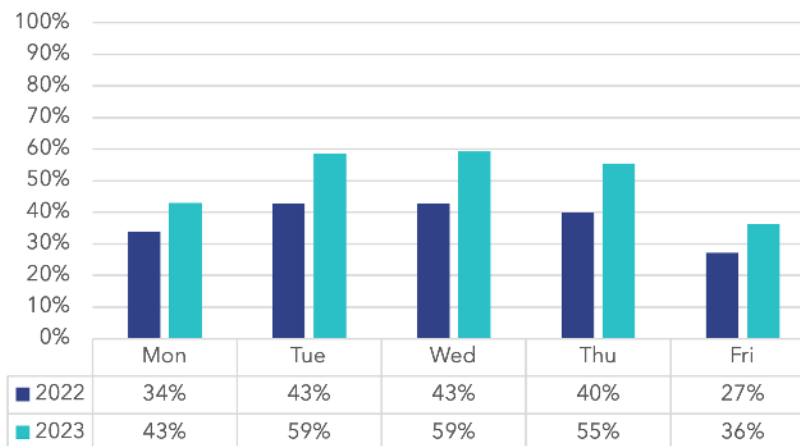


Fig 7c - Global Collaboration Occupancy

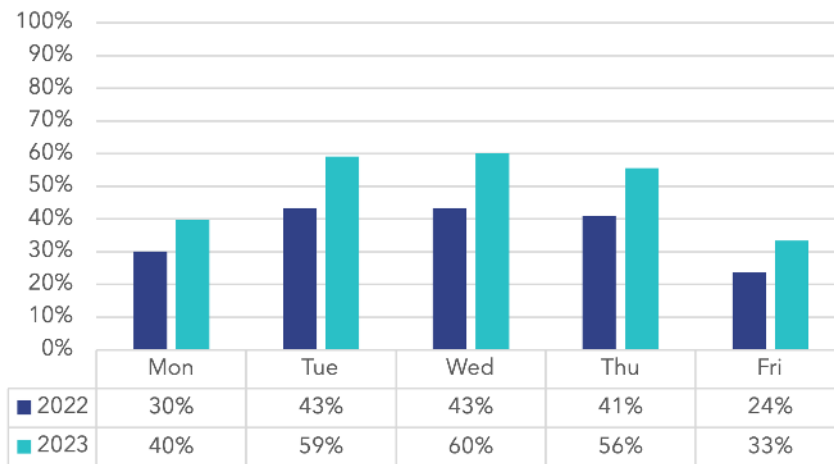


Fig 7d - Global Rooms Occupancy

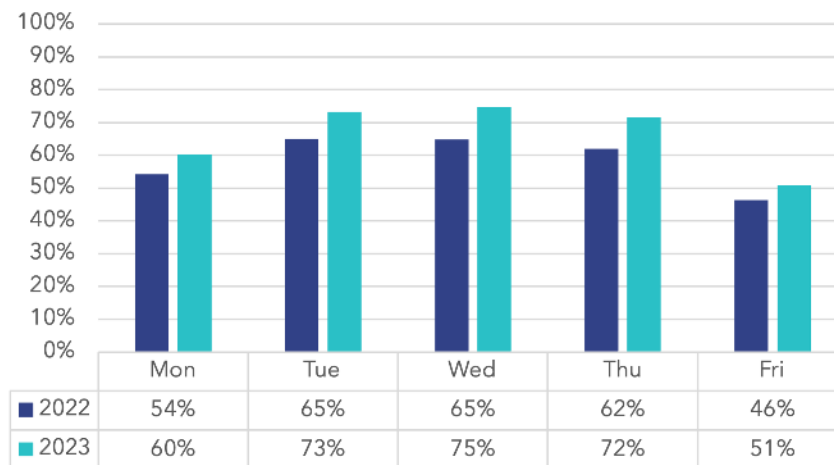
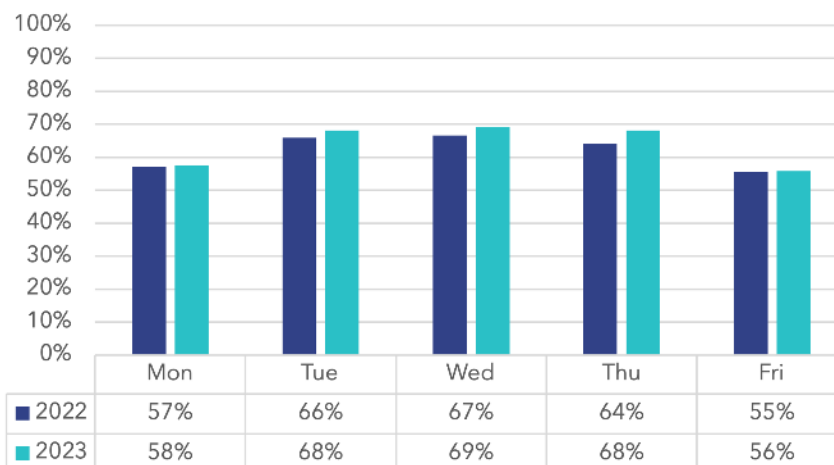


Fig 7e - Global Support Occupancy



## Key Insights:

We can see from the graphs in Fig 7a to 7e that all workspace types experienced an increase in usage since January 2022 for every day of the week.

- **Desks** saw moderate growth across all weekdays, with Tuesday and Wednesday having the highest increases.
- **Offices** experienced strong growth, with every weekday seeing significant increases. Tuesday and Wednesday had the most pronounced growth.
- **Rooms** demonstrated a consistent growth pattern, but at a rate that was generally less than that of the Offices and Wednesday and Thursday saw the highest growth.
- **Collaboration spaces** revealed strong growth, almost mirroring the trend observed in Offices. The growth rate was very similar for most weekdays, with Wednesday having a slight edge.
- **Normalization:** The decline in both metrics over the months indicates a move towards normalization or a new equilibrium in office attendance as the year progresses.

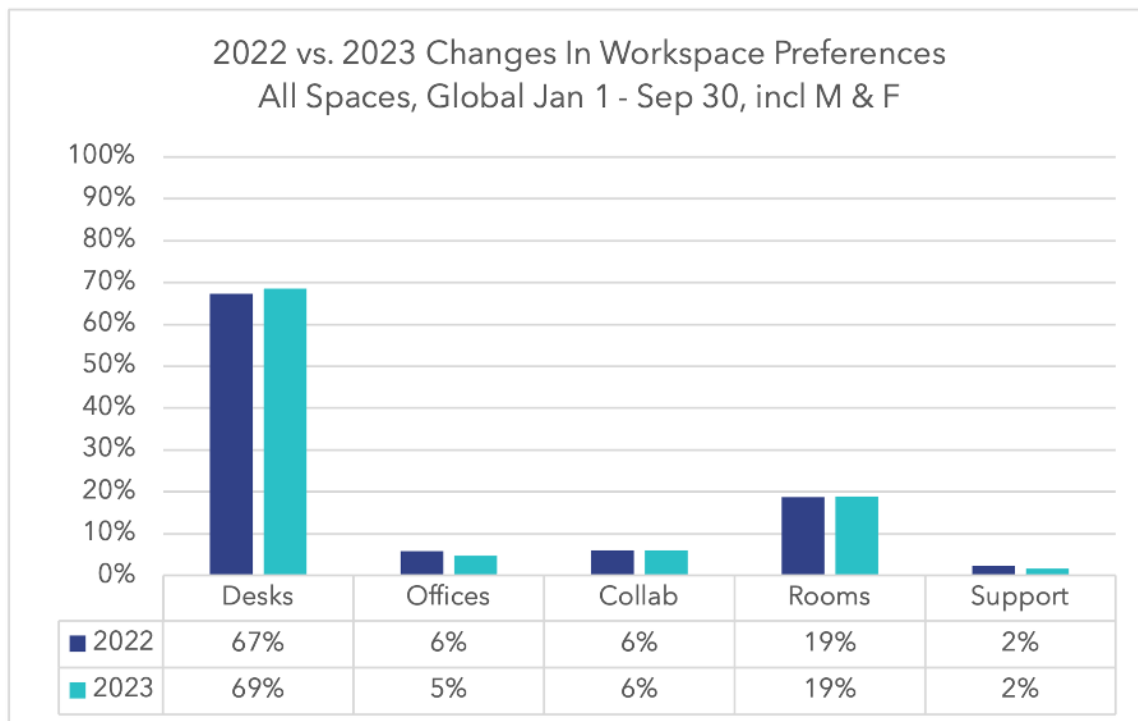
Furthermore, across most spaces, Tuesday and Wednesday consistently emerged as days with higher growth rates. This could indicate a trend where the middle of the week is becoming increasingly busier or for space use, but it is important to keep in mind that this demand maybe manufactured as a result of required in office day mandates. We also observe that Mondays and Fridays generally had less growth YoY compared to other weekdays suggesting that employees prefer a continuous number of days out of the office that hinges off the weekend. Additionally, the modest growth in Support Spaces might indicate that their usage is reaching a saturation point and/or or that their function is less influenced by changing work dynamics.



Offices and Collaboration spaces experienced the most pronounced growth but a noteworthy takeaway is that metrics like these taken at face value might suggest a trend towards an increase in collaborative work environments that move away from traditional, isolated work settings, but this isn't necessarily true. The sheer percentage of space usage doesn't necessarily translate to its effectiveness or its alignment with the intended purpose. Consider the following:

- **Quality vs. Quantity:** High room level usage doesn't always mean effective use. A space might be frequently used simply because it's available, not because it's the best fit for the task at hand.
- **Changing Dynamics:** With the rise of remote work and flexible working arrangements, the way spaces are used has evolved. A room designated for meetings might be more frequently used for individual focus work, for example.
- **Actual Need vs. Perceived Need:** Just because a space is frequently occupied doesn't mean there's a genuine need for more of that kind of space. It could be that other, more appropriate spaces are lacking or not well-designed, forcing employees to make do with what's available.
- **Behavioral Insights:** Understanding why employees choose certain spaces can provide invaluable insights. Are they seeking quiet? Collaboration? Technology? Proximity to other resources? Without this understanding, space planning can miss the mark.
- **Shortcuts and Pitfalls:** Companies that rely solely on usage metrics without diving deeper into the qualitative aspects of workspace use risk making significant missteps in future office planning. They might invest heavily in spaces that aren't truly serving the timely and relevant needs of their employees.
- **Future-Proofing:** The future of office space is uncertain, given the rapid changes in work dynamics. Companies need a combination of varying insights to enable a frictionless agile workplace.

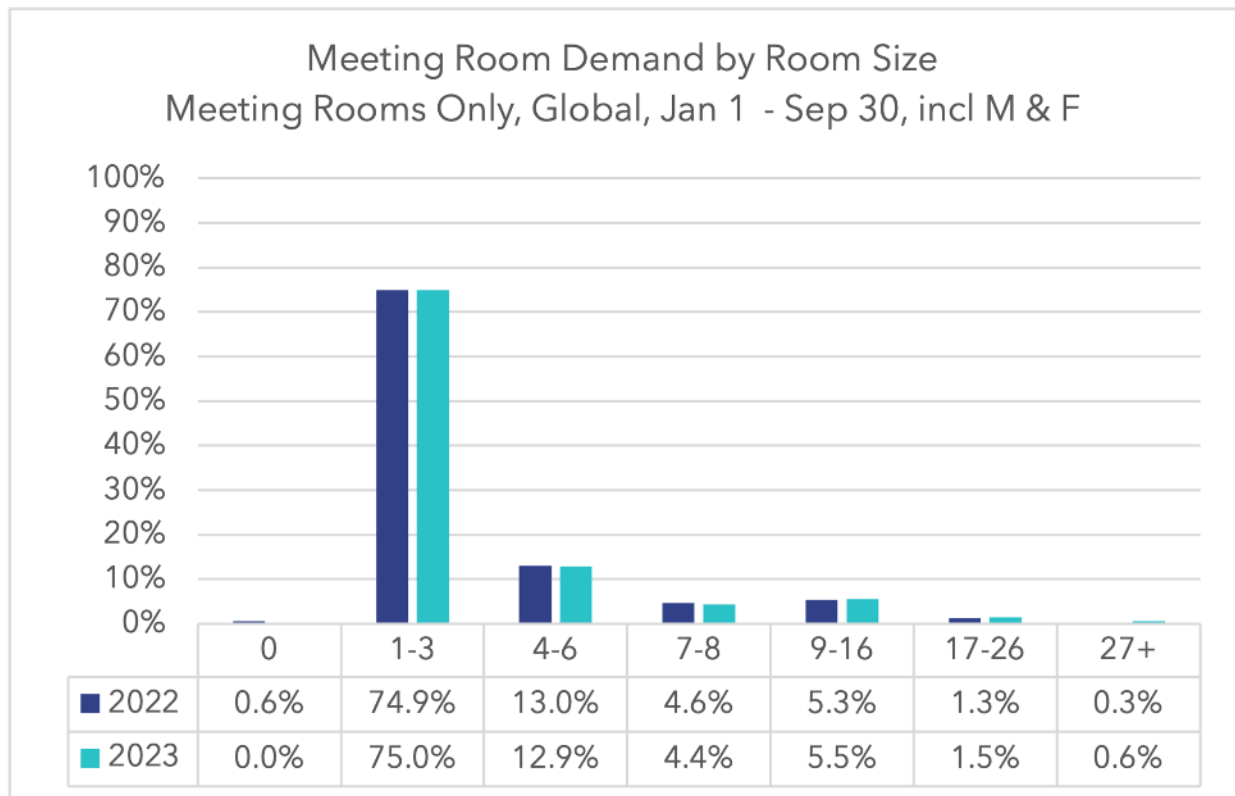
Additionally, when we looked at the overarching demand for space comparing the total demand for spaces by type side by side and YoY, we see that there is no/low change in demand at the spaces level as seen in the Figure below.





Quantifying use can no longer be limited to a binary validation resulting in an "in use" or "not in use" status assessment. It needs to take into consideration a new range of metrics which are already being captured but which remain out of sight mostly because of the lack of understanding of the meaning behind existing metrics.

Below is an example that illustrates this:



The initial data review suggested a rise in meeting room usage, which would indicate increased demand for meeting room spaces. However, a more in-depth look at attendee numbers showed that in 75% of cases, meeting rooms, regardless of size, were filled with three or fewer people. Further, in 64% of these instances, the rooms were used by just one person. This pattern reveals a tendency towards choosing or needing private space, despite room usage statistics that focus solely on binary room occupancy and even room utilization that measures time in use. The fullness data reveals an underutilization of meeting spaces, since so many rooms not being used to their full capacity.

The observed preference for private spaces, despite the availability of open-plan workspaces, presents an intriguing question. What is driving the preference for more private, individual spaces in the office? This shift in space usage may be reflecting broader changes in work habits or organizational culture that merit further investigation.



## Challenging the Status Quo: A Deeper Dive into Office Space Use Is Needed

It's evident that the traditional yardsticks we've used to measure space utilization no longer align with a more modernized workspace landscape. Outdated metrics focused solely on room level occupancy and utilization can't capture the subtle intricacies that come with evolving workplace dynamics. While fullness (seat level occupancy) reveals individual preference and need, it doesn't end there. Enter the new trifecta: dwell (time spent in one spot), churn (how often spaces see turnover), and flow (the rhythm of movement and interaction between space types).

Today, there's an undeniable push to mold the corporate office into a chameleon that mirrors the home office's flexibility. At home, an employee's workspace ebbs and flows depending on the task at hand. Yet, bringing this adaptability into traditional offices remains a puzzle. However, our tech-driven world is shedding light on this challenge. With data from dwell, churn, and flow, we're inching closer to understanding the tectonic shifts in workspace demand. It's crucial to realize too that each organization's data is as distinct as its people. The ultimate aim? An office space that supports fluidity of movement and tasks and is as versatile and adaptive as its occupants. The end goal is a seamless blend where an office doesn't just accommodate but anticipates. Thus, creating a harmonious balance between in-person and virtual work dynamics.

Embracing dwell, churn, and flow metrics is no longer optional - it's becoming essential. They pull back the curtain on how workspaces are genuinely used. It's a call to shift our focus from mere head counts to understanding workspace dynamics. Instead of boxing data into pre-set categories, we must capture genuine behaviours. A workspace should be a dynamic entity, reacting to real-time demands, a cornerstone for modern resource management.

# Debunking Future RTO Predictions: A Reality Check

The recurring narrative from [Kastle's reports](#) hints at a hopeful RTO trend but, in reality, paints a picture of stagnant office attendance. Yet, some CEO optimists [predicting a 5 day return by 2026!](#)

Our AI-powered projections tell very different story, estimating just 34% occupancy by September 2026.

The data is clear. Even with multiple efforts to increase in-office attendance, real progress in return-to-office measures remains hard to achieve. While penalizing employees for not coming to the office might make sense on paper, it doesn't align with the human aspect. Many employees, facing fatigue and disillusionment, are looking for different work arrangements. Factors like the rising cost of living, a changing job landscape, the trend of taking on multiple roles (moonlighting) to secure and sustain their financial future, and the general ineffectiveness of RTO policies will continue to push businesses to consider a broader, perhaps international, talent pools, making stringent in-office mandates increasingly unnecessary.



## Conclusion

In light of the insights shared in this report, it is crucial to recognize that office space utilization is far from a one-size-fits-all model. The trends highlighted, including the peak and subsequent plateau in the return-to-office rates, suggest that individual companies are crafting varied approaches to workspace management based on their unique objectives and contexts. The fallacy of a universal benchmark becomes apparent as we observe the diversity in how different organizations employ their office spaces.

This report crystallizes the notion that there is no uniform solution to office space utilization in the post-pandemic landscape. Each organization's response, guided by its distinct aims and situational factors, must be considered to sidestep the trap of universal benchmarks. It is this recognition of distinctiveness, along with a willingness to adapt and evolve, that will form the cornerstone of future workspace development. As businesses forge ahead, they should not only consider broad patterns but also the granular details of their own workforce's needs and behaviors. By embracing a bespoke approach to workspace management, companies can unlock true value, ensuring that their environments are as dynamic and multifaceted as the people they serve. This tailored adaptation, attentive to the unique characteristics of each organization, heralds the next chapter in the evolution of workspaces.



Appendix

North America

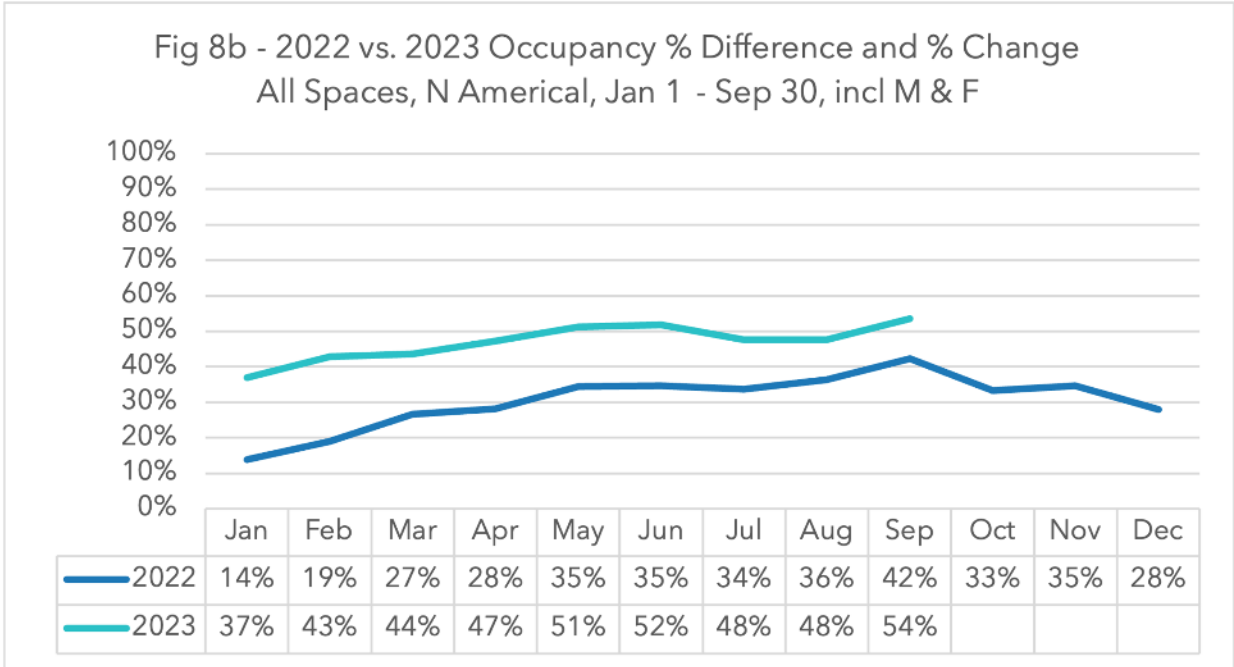
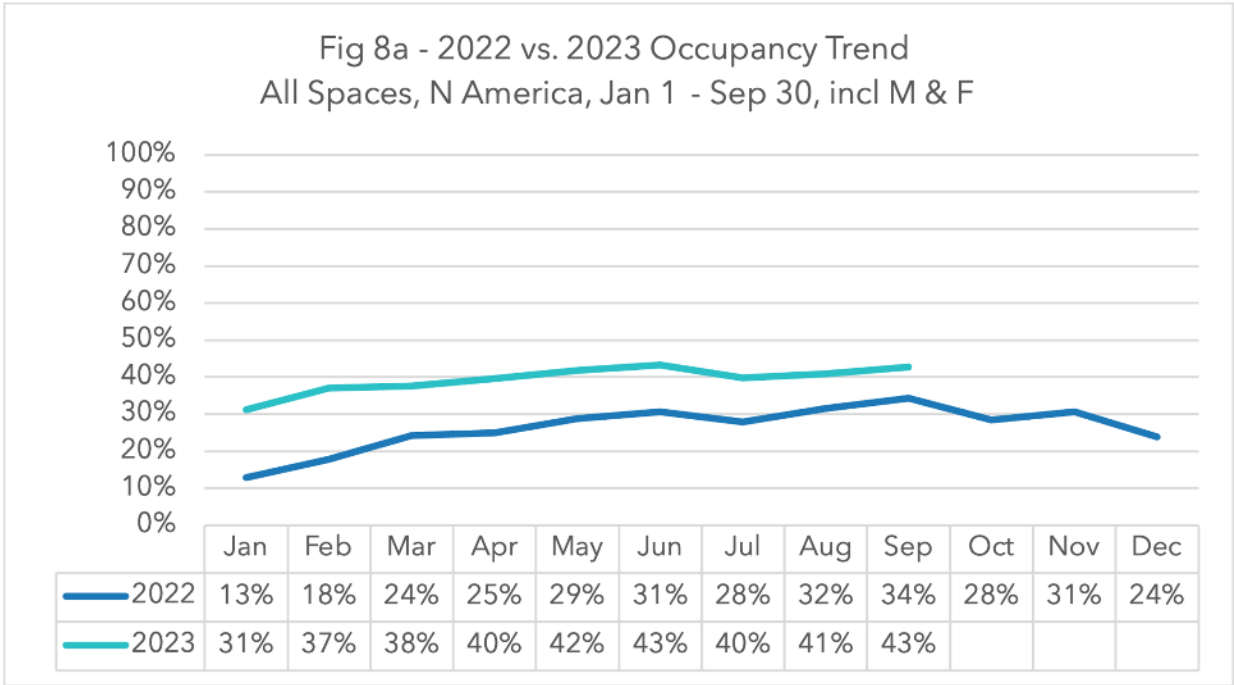


Fig 9a - 2022 vs. 2023 % Difference & % Change Trending  
All Spaces, N America, Jan 1 - Sep 30, incl M & F

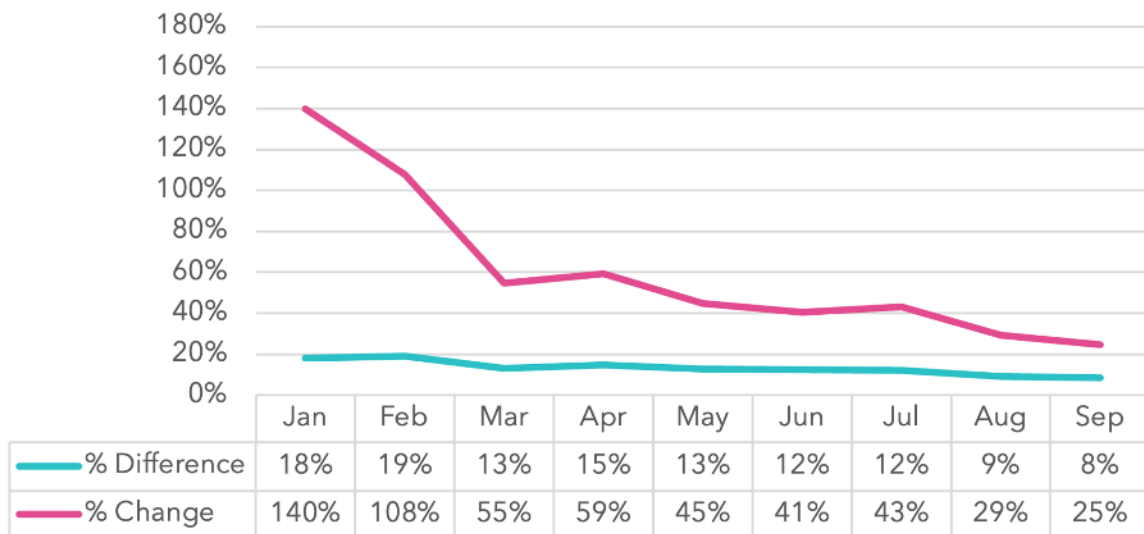


Fig 9b - 2022 vs. 2023 Occupancy % Difference and % Change  
All Spaces, N America, Jan 1 - Sep 30, excl M & F

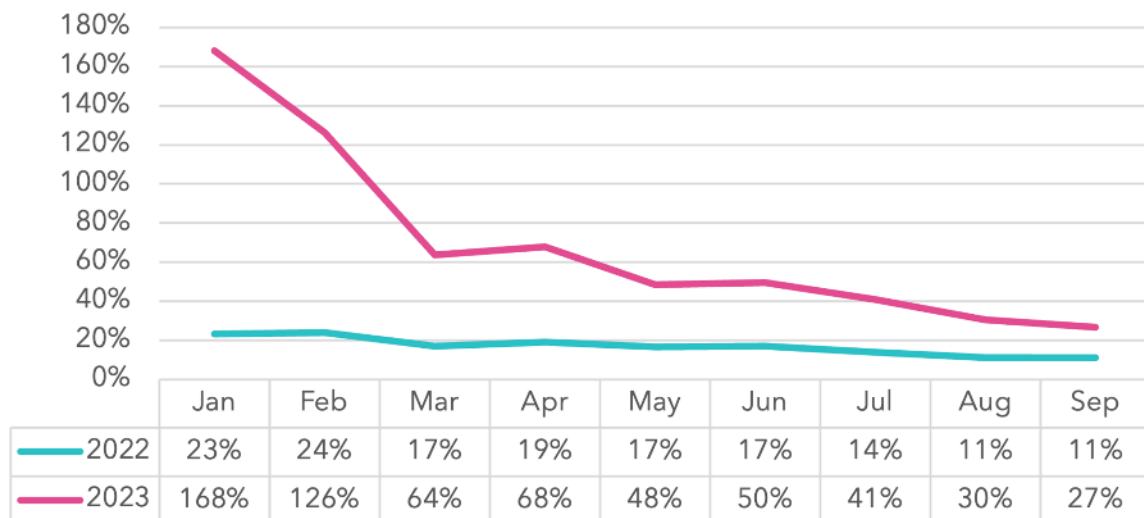


Fig 10 - 2022 vs. 2023 Occupancy Trend by DoW  
All Spaces, N America, Jan 1 - Sep 30

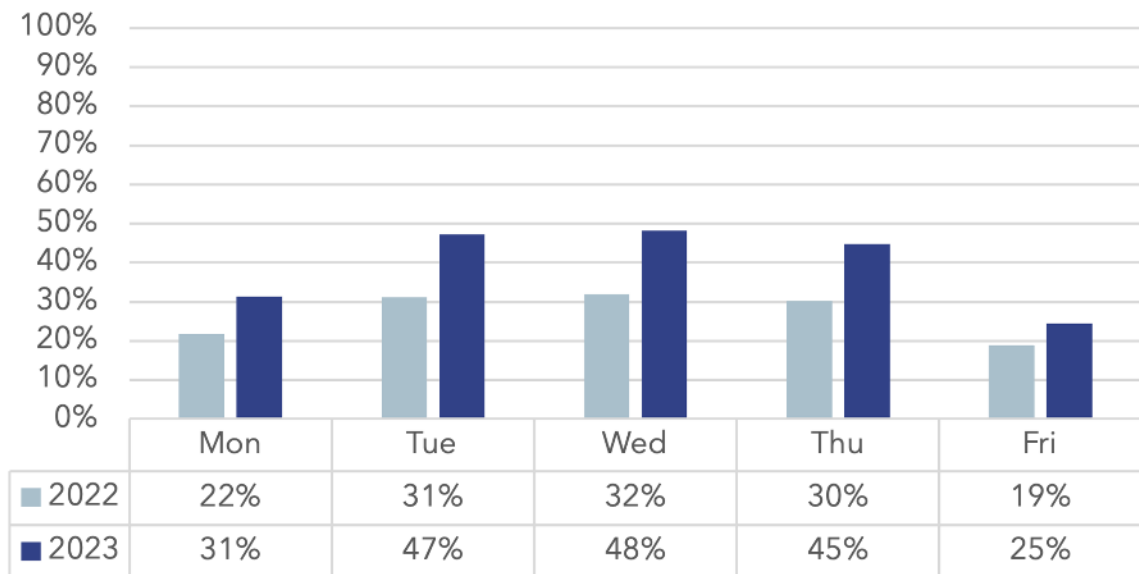


Fig 11a - 2022 vs. 2023 Occupancy Trend  
All Spaces, Europe, Jan 1 - Sep 30, incl M & F

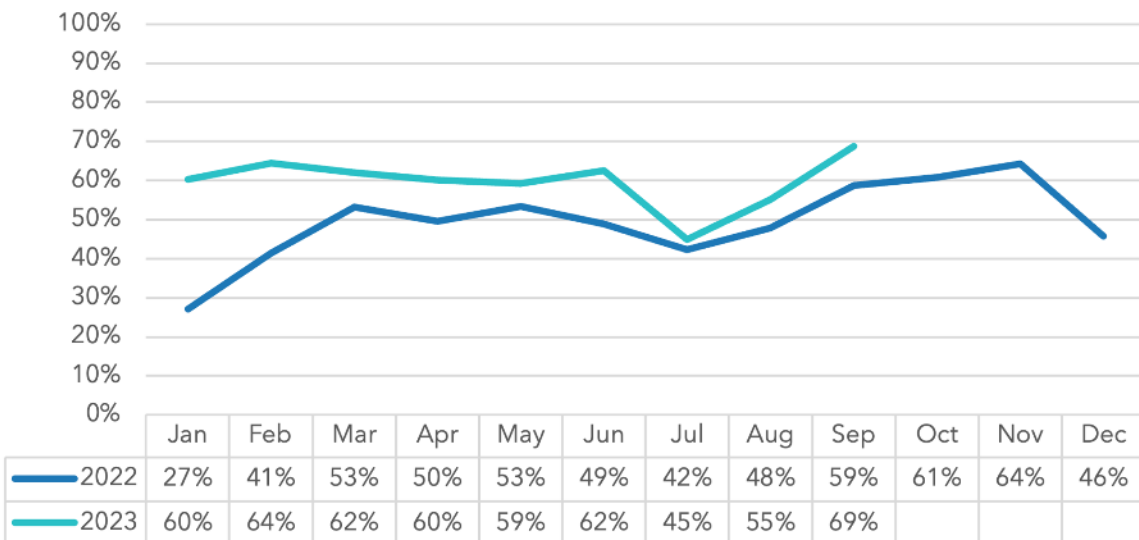


Fig 11b - 2022 vs. 2023 Occupancy % Difference and % Change  
All Spaces, Europe, Jan 1 - Sep 30, incl M & F

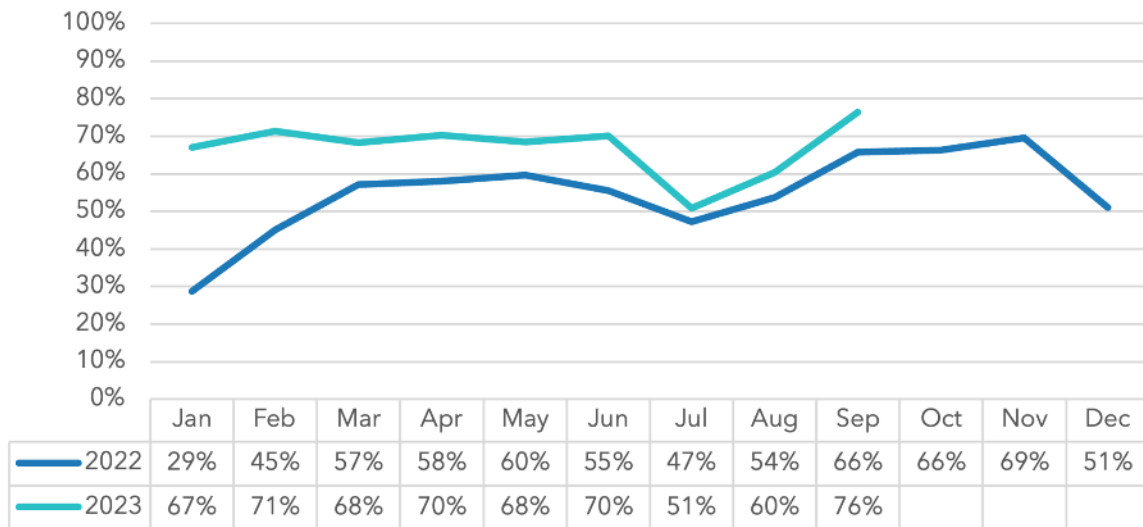


Fig 12a -2022 vs. 2023 % Difference & % Change Trending  
All Spaces Europe, Jan 1 - Sep 30, incl M & F

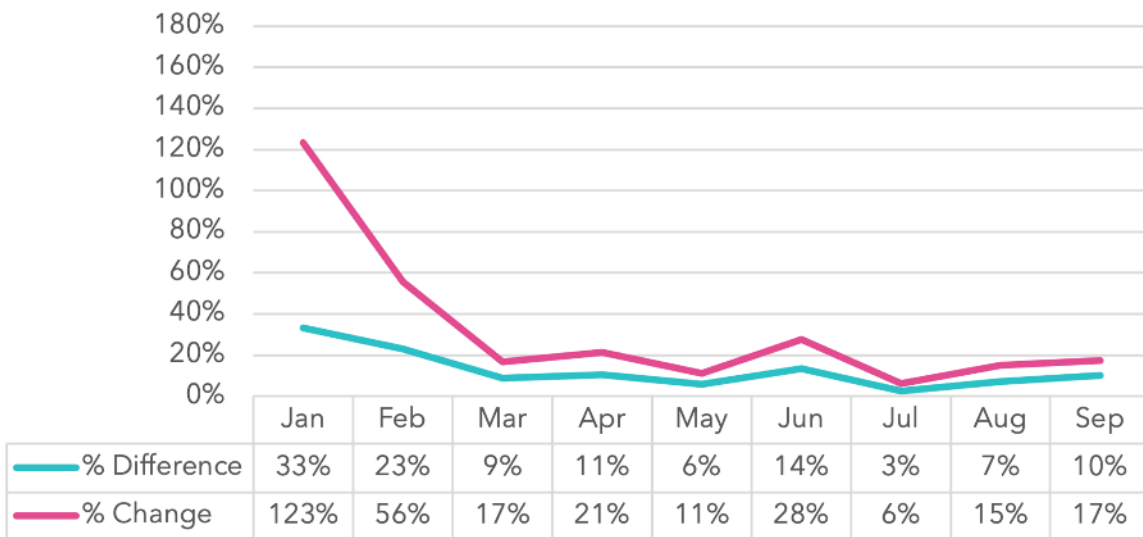




Fig 12b -2022 vs. 2023 Occupancy % Difference and % Change  
All Spaces, Europe, Jan 1 - Sep 30, excl M & F

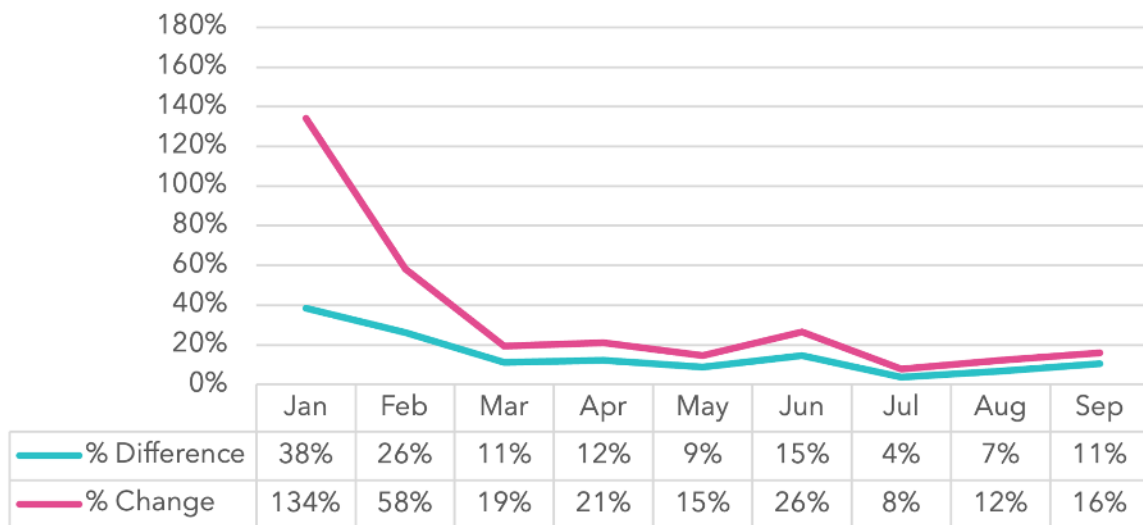
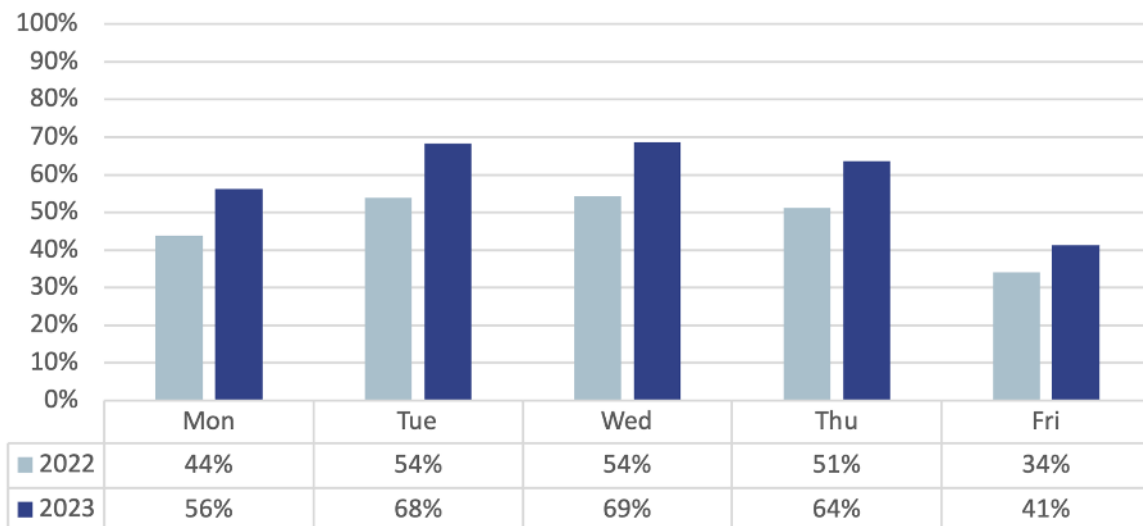


Fig 13 - 2022 vs. 2023 Occupancy Trend by DoW  
All Spaces, Europe, Jan 1 - Sep 30



# About us

Trusted by top Corporate Real Estate professionals who need to make data-driven business decisions to inform their real estate strategy and measure impact.

We are the must-have occupancy analytics solution for flexible workplaces, leveraging a decade of CRE and analytics expertise proven to help you understand and plan your space. We're ready for the future. Are you?

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