

State of the Hybrid Workplace Report

Office Utilization Trends from 40M
Square Feet of Global Real Estate

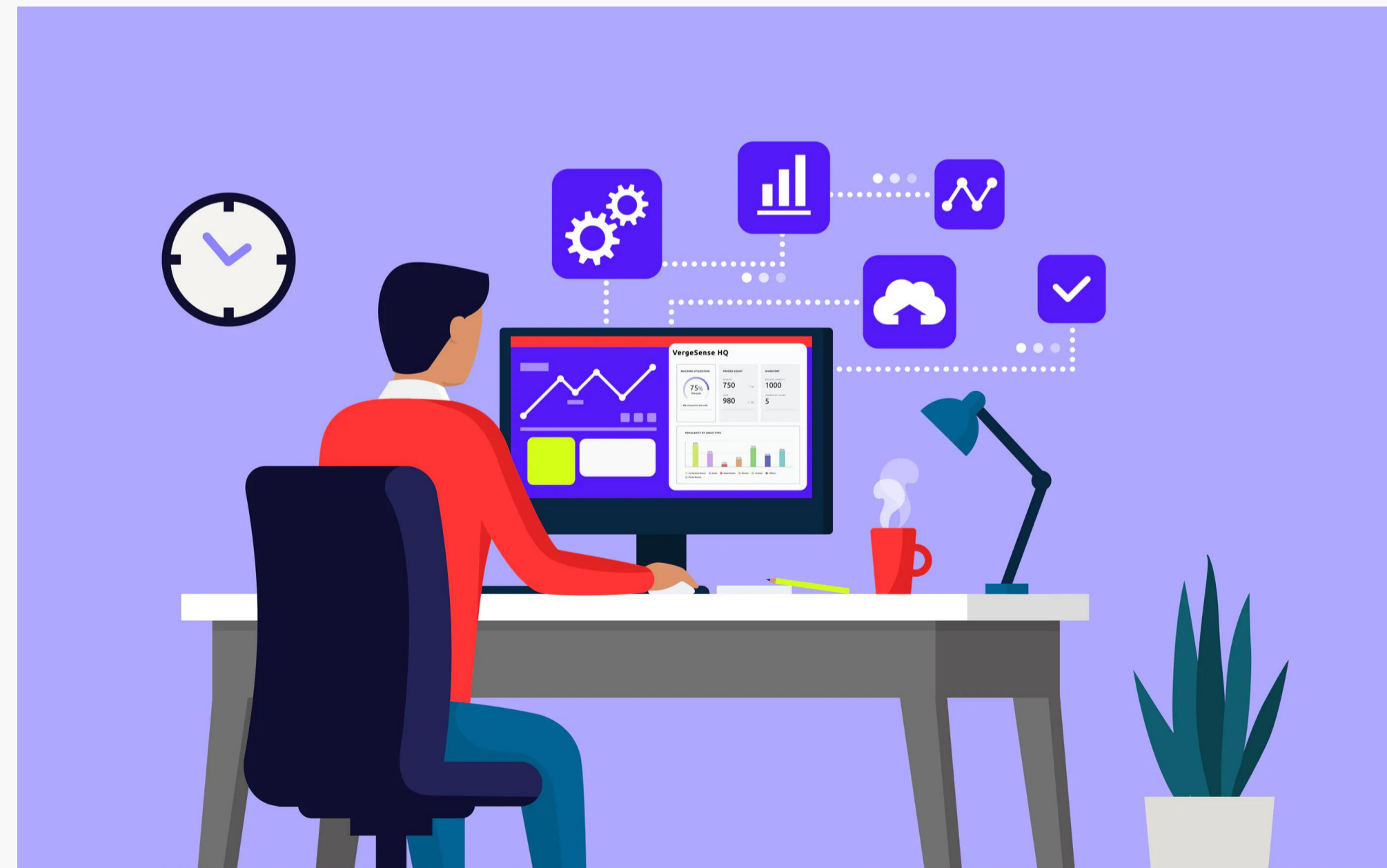
Q3 2021

VERGE
SENSE



During this uncertain return to office transition, CRE leaders and workplace strategists are leaning on data-driven insights to optimize their workplace strategy.

To provide the answers CRE leaders need, VergeSense analyzed workplace utilization data drawn from over 40M square feet from across the world, covering various industries and enterprises. We average utilization across company working hours only.



Here are our key findings:

- 1 Office utilization has increased by 135% since the start of the pandemic.
- 2 New space planning ratio is 1 collaboration space for every 2 desks vs. the previous 1 collaboration space for every 6 desks pre-pandemic.

Since the start of the year (Q1 2021):

- 3 The average number of collaborative spaces per floor has increased by 35%.
- 4 The average number of individual spaces per floor has stayed the same.
- 5 Utilization of collaborative spaces has increased by 50%.
- 6 In Q3 2021, the most frequented work-from-office days were Tuesdays and Wednesdays with 46% of total office utilization happening on those days.

This report underscores that the future of the office is highly collaborative and agile, and the following data will help equip business leaders to make informed decisions regarding their real estate portfolios and office spaces.

These findings offer insight into what other major enterprises are doing to optimize their workplaces, and offer recommendations on how you can raise the power of your square footage by creating meaningful spaces where people can thrive.

Today, VergeSense is measuring over 40M square feet of real estate globally. We used this dataset to look for new trends that illustrate how the workplace is evolving.

[Learn More](#)



FINDING #1

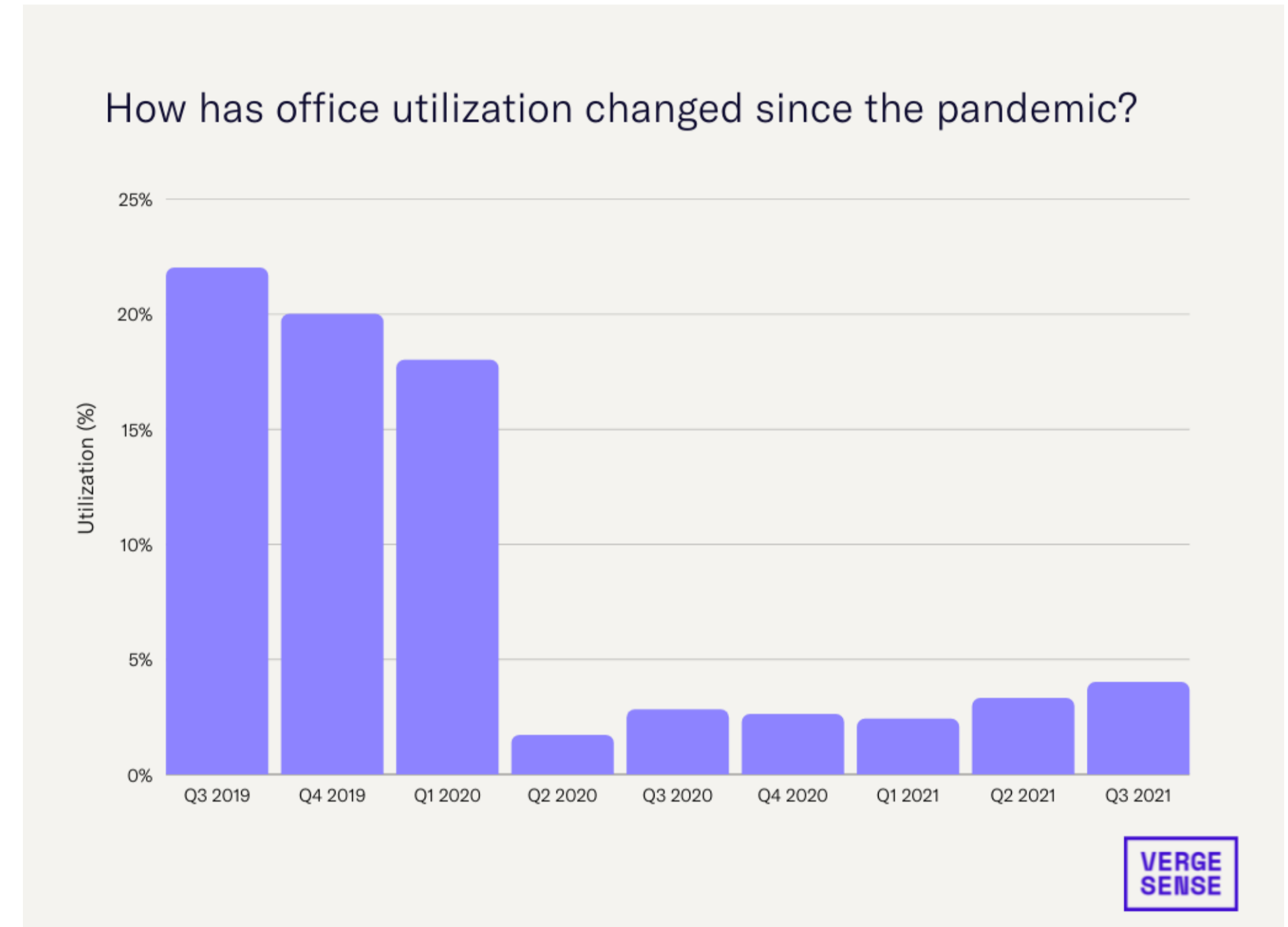
Office utilization has increased by 135% since the start of the pandemic.



Office utilization has increased by 135% since the start of the pandemic, specifically looking at the time period Q2 2020 to Q3 2021.

This significant increase is representative of the transition back to the office, as more and more companies are improving safety measures to help employees return safely, like implementing testing, masks, or requesting their employees' vaccination status.

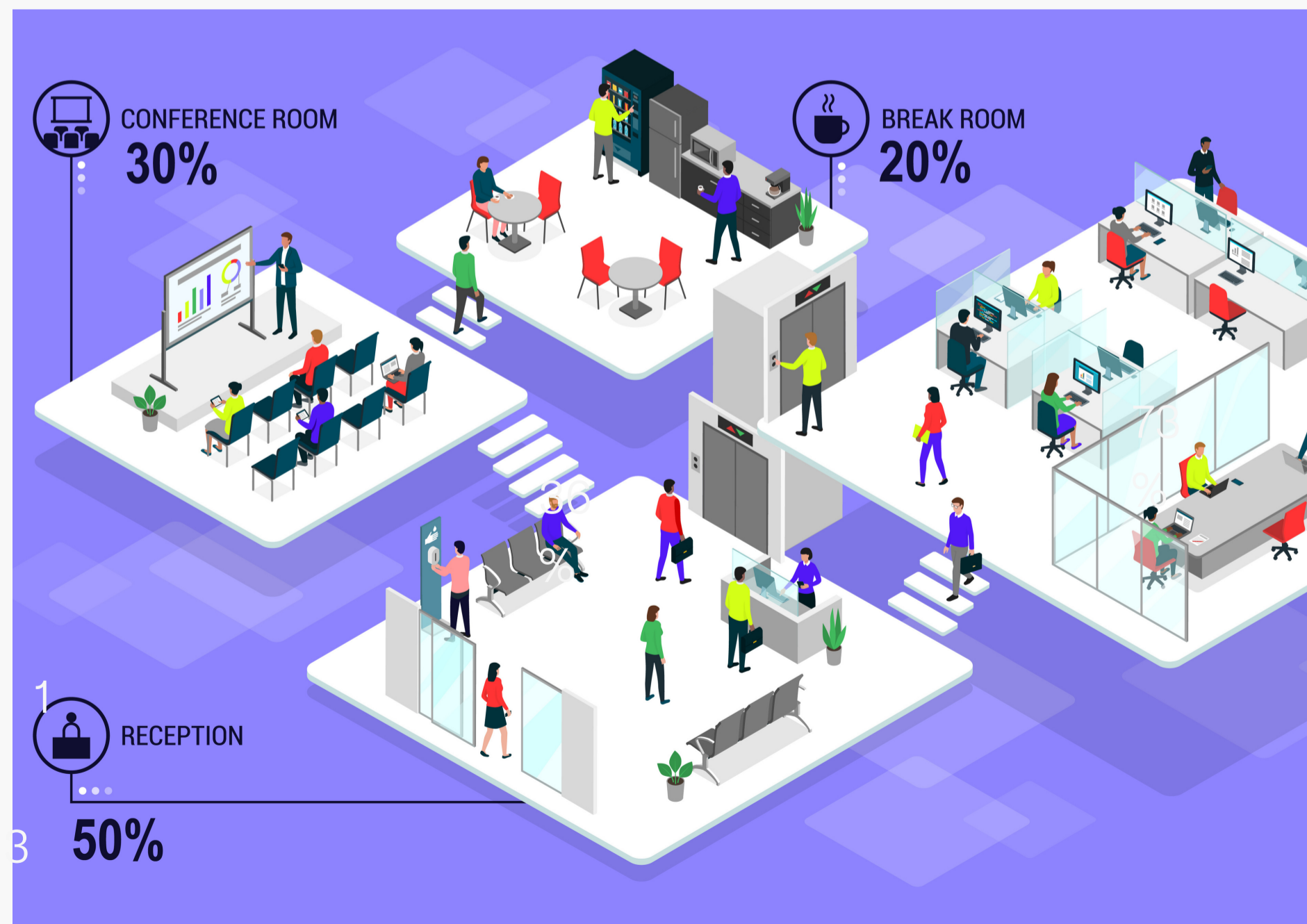
When looking at 2021 specifically, office utilization increased by 66% since the start of the year. (Q1 2021 to Q3 2021)



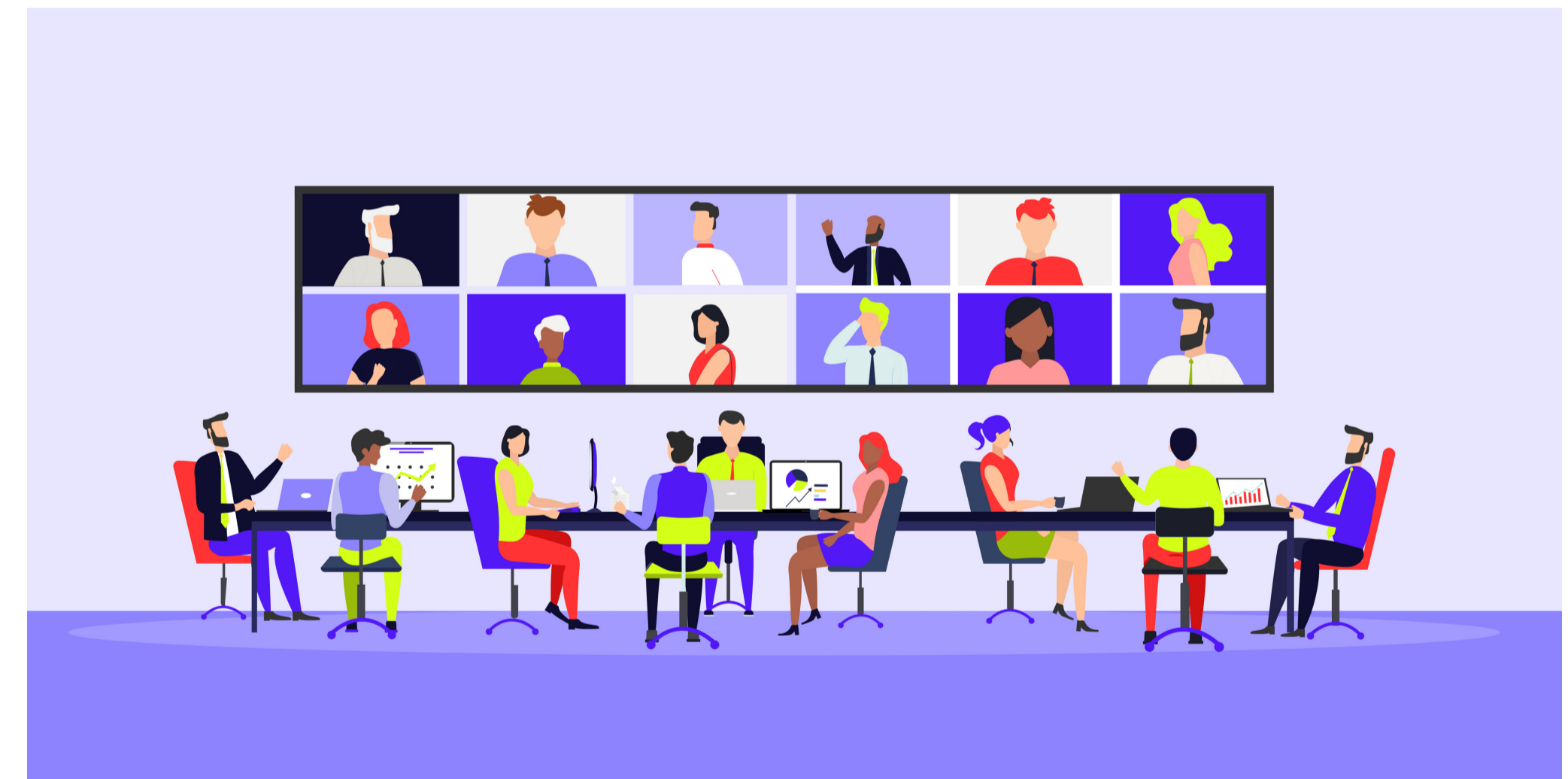
This key finding is an optimistic one, as the pandemic reduced office utilization by 86%, from Q4 2019 to Q3 2021. However, there is still distance to travel, as utilization remains 80% down from pre-pandemic days.

It doesn't come as a shock that the pandemic reduced office space utilization, however we found that even pre-covid, offices were being underutilized.

This means that the pandemic was not the reason for decreased office use, but rather an accelerator. Pandemic or not, unused office spaces are creating enormous unnecessary costs.



As more and more businesses return to the office, the need for a comprehensive workplace analytics tool is rising. Capturing real-time workplace data, like room and desk occupancy, can plug into tools that provide employees with autonomy to make decisions that place their comfort and safety at the forefront of their return to work decisions.



Moreover, this data helps enterprises understand if their spaces are being used efficiently and for their intended purpose, and optimize their offices according to employee needs and expectations.

FINDING #2

Space planners should expect 1 collaboration space for every 2 desks



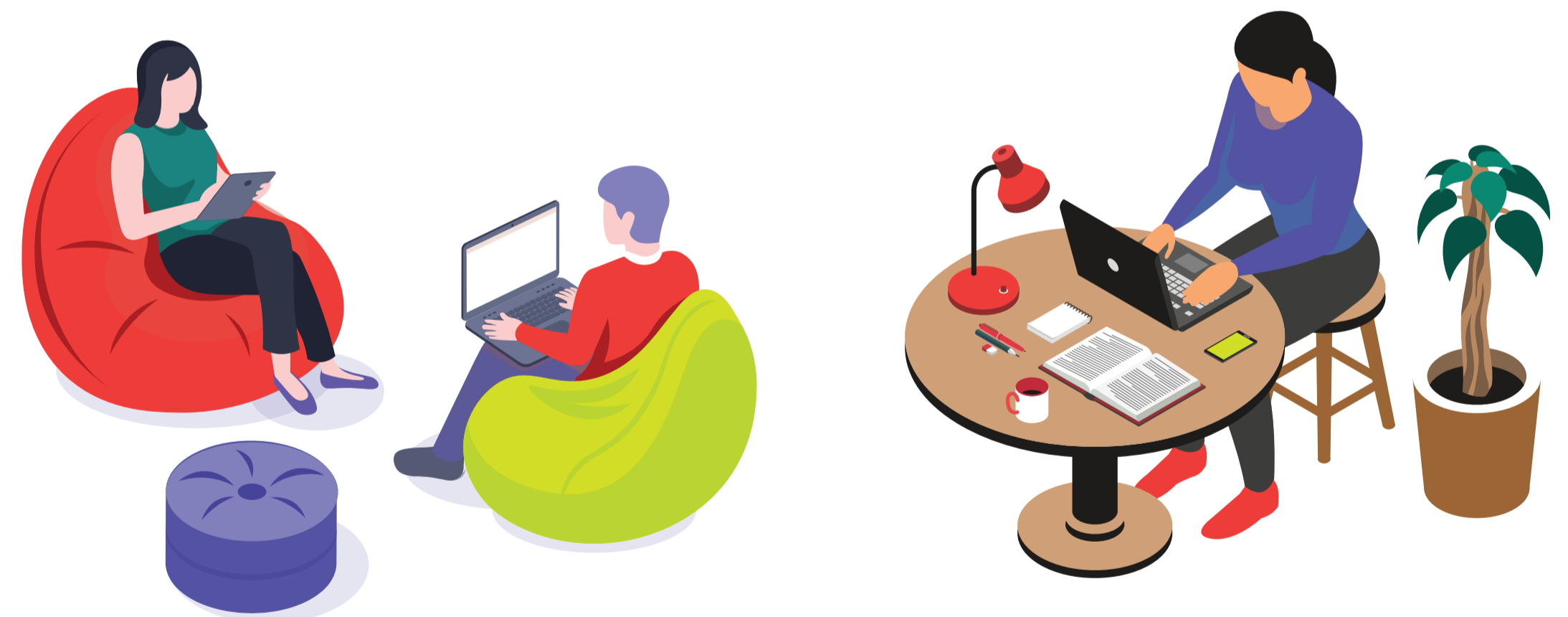
Prior to the pandemic, space planners allocated 1 collaboration space for every 6 desks (Q4 2019).

Today, we observe a new ratio becoming the standard: 1 collaboration space for every 2 desks (Q3 2021).



This indicates that offices are changing, and CRE leaders are making big investments in spaces that bring employees together and support productivity. This is likely to have a huge impact on workplace design standards moving forward.

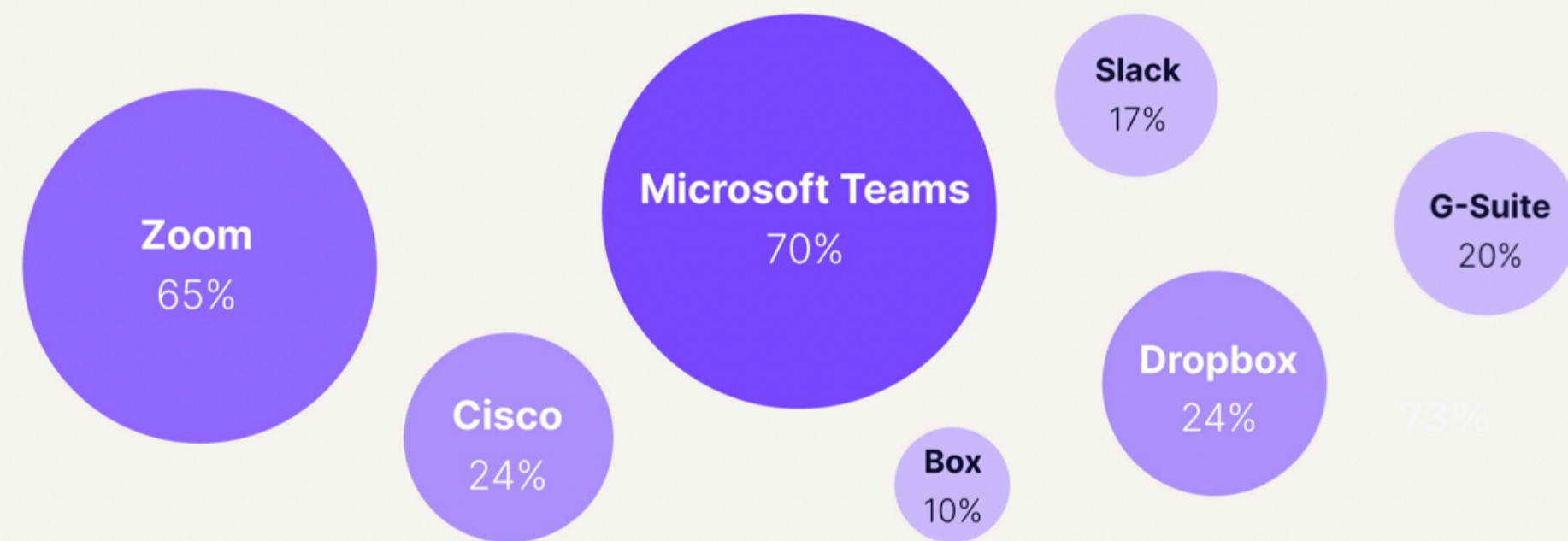
CRE leaders are accepting that the office has a different role to play.



When employees come into the office, enterprises expect it to be used in ways that can't be done in a virtual space, and this often means needing space specifically for creative thinking, collaboration, and teamwork.

Apart from physical workspaces changing, more and more enterprises are investing in collaborative tools, softwares, and technologies to make the hybrid experience increasingly frictionless as well.

In VergeSense's 2021 Impact Report, we found that 73% of enterprises use at least two virtual collaboration tools



In this age of hybrid work and digital transformation, businesses must remain agile to maintain a competitive advantage and increase stakeholder value.

To ensure that your offices evolve with changing needs, it is useful to invest in collaborative tools, technology, and softwares that not only support collaboration among employees, but also reassure them of the safety measures being taken into consideration.

Read VergeSense's 2021 Workplace Impact Report

[Read Now](#)

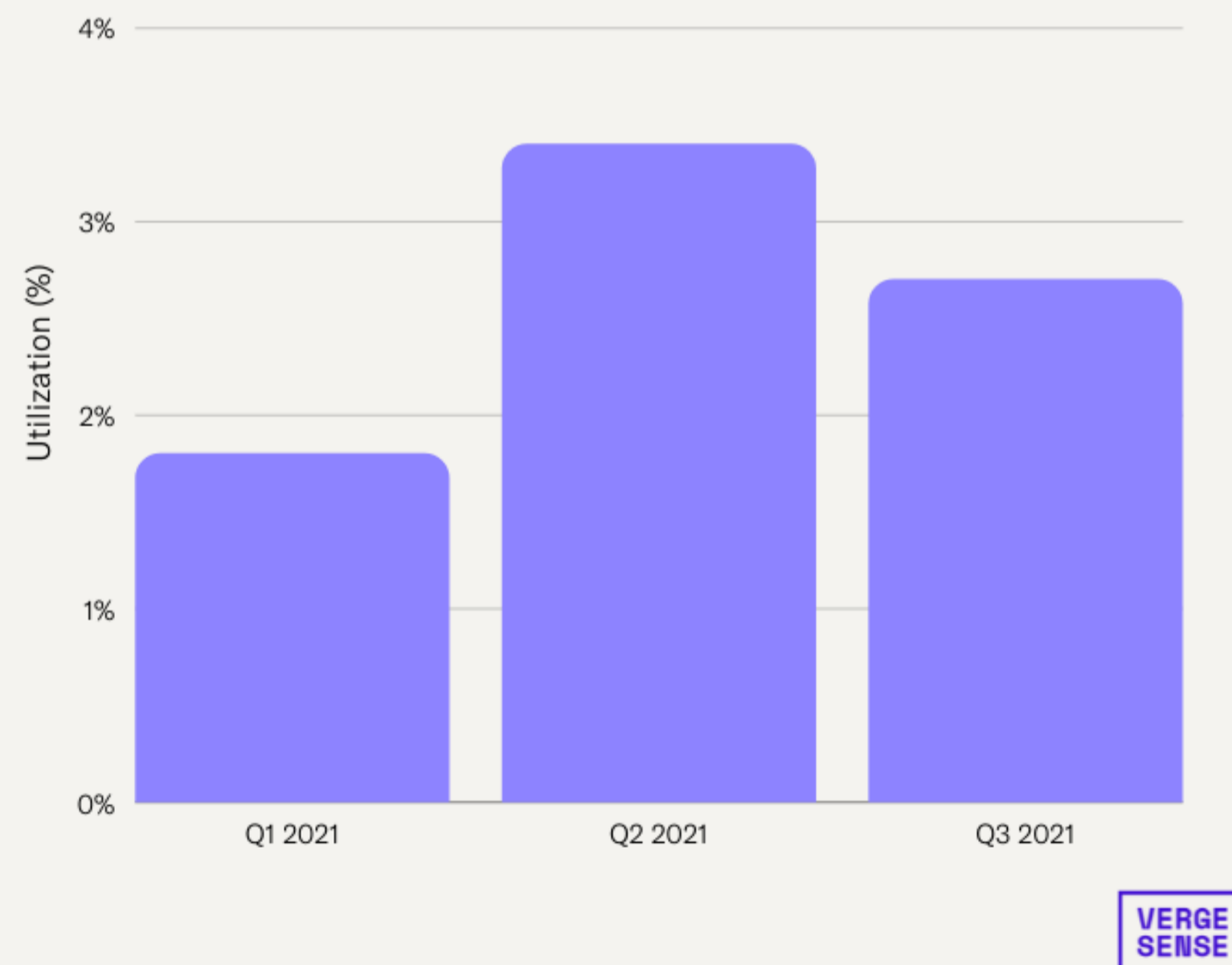


FINDING #3

Utilization of collaborative spaces has increased by 50% since the start of the year

Utilization of collaborative spaces has increased by 50% since the start of the year. However, there was a slight 13% dip from Q2 to Q3 2021, which is likely temporary.

How has utilization of collaborative spaces changed in 2021?



Rather than suggesting a decline in collaborative space use, this signals that the speed in which collaboration spaces are being created is outpacing employees' return to office.

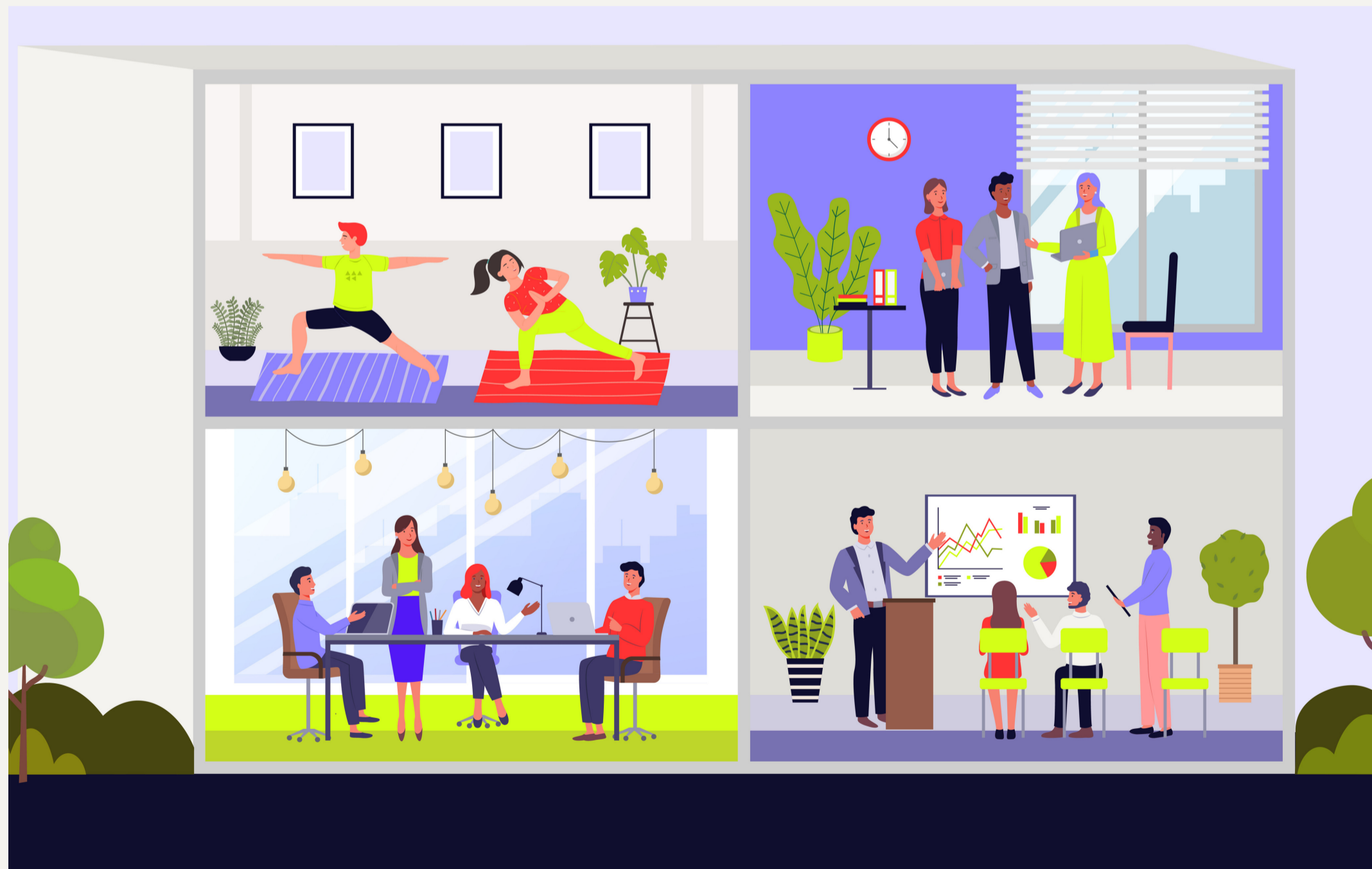
In other words, once safety concerns such as the Delta Variant decrease and return to work accelerates, usage of these spaces will likely align with capacity. This tells us that:

- 1 The increase in utilization from Q1 to Q2 2021 is likely more representative of the collaboration growth we should expect to see.
- 2 That growth in collaborative space utilization was 89%.

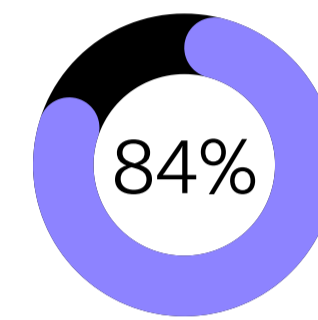


This illustrates a major shift, and validates the need for collaboration and activity based working areas in the office.

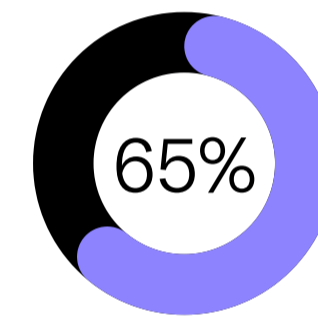
We predict that utilization will soon return to Q2 levels and continue to grow as attendance grows overall.



VergeSense's 2021 Workplace Impact Report found that:



84% of enterprises were planning a return to the office



65% of them would return by Q3

Delta has likely delayed these return plans, however as businesses integrate smart office technologies and workplace analytics platforms to optimize for a safe office reopening, it is likely that employees will leverage the hybrid work experience soon.

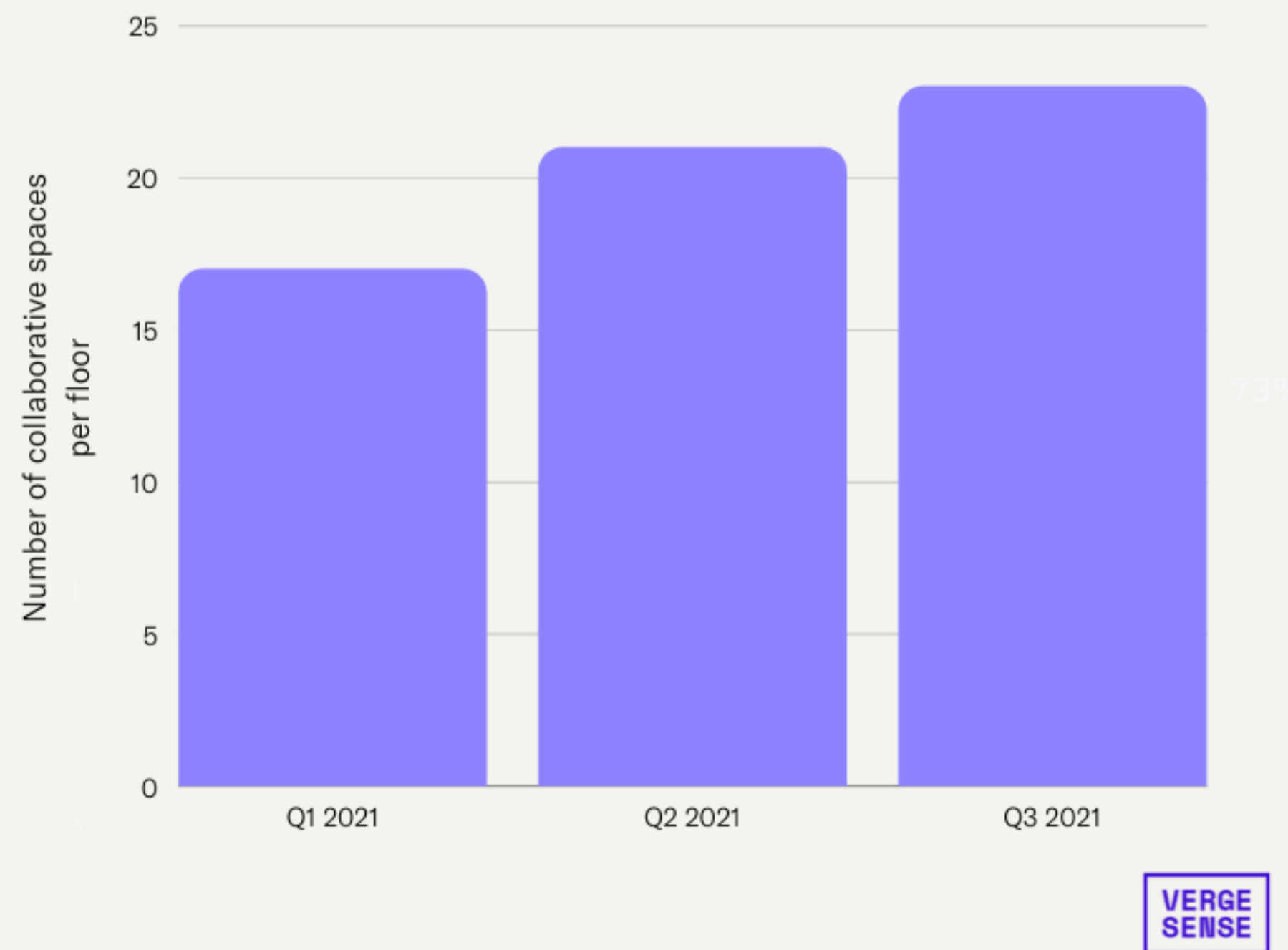


FINDING #4

The average number of collaborative spaces per floor has increased by 35% since Q1 2021

Between Q1 2021 to Q3 2021, the average number of collaborative spaces per floor increased from 17 to 23, or a 35% increase.

How has the average number of collaborative spaces per floor changed this year?



The fact that collaborative spaces in the office have increased by 9.5% in the past quarter itself suggests an anticipated rise in collaboration in the workplace, and subsequently, the growing demand for agile spaces and tools.

At the same time, the average number of individual spaces per floor has stayed the same.

In fact, in 2020 the average number of individual spaces per floor decreased by 21%. We will monitor whether there is a continued decrease in these individual spaces as more employees return to office.

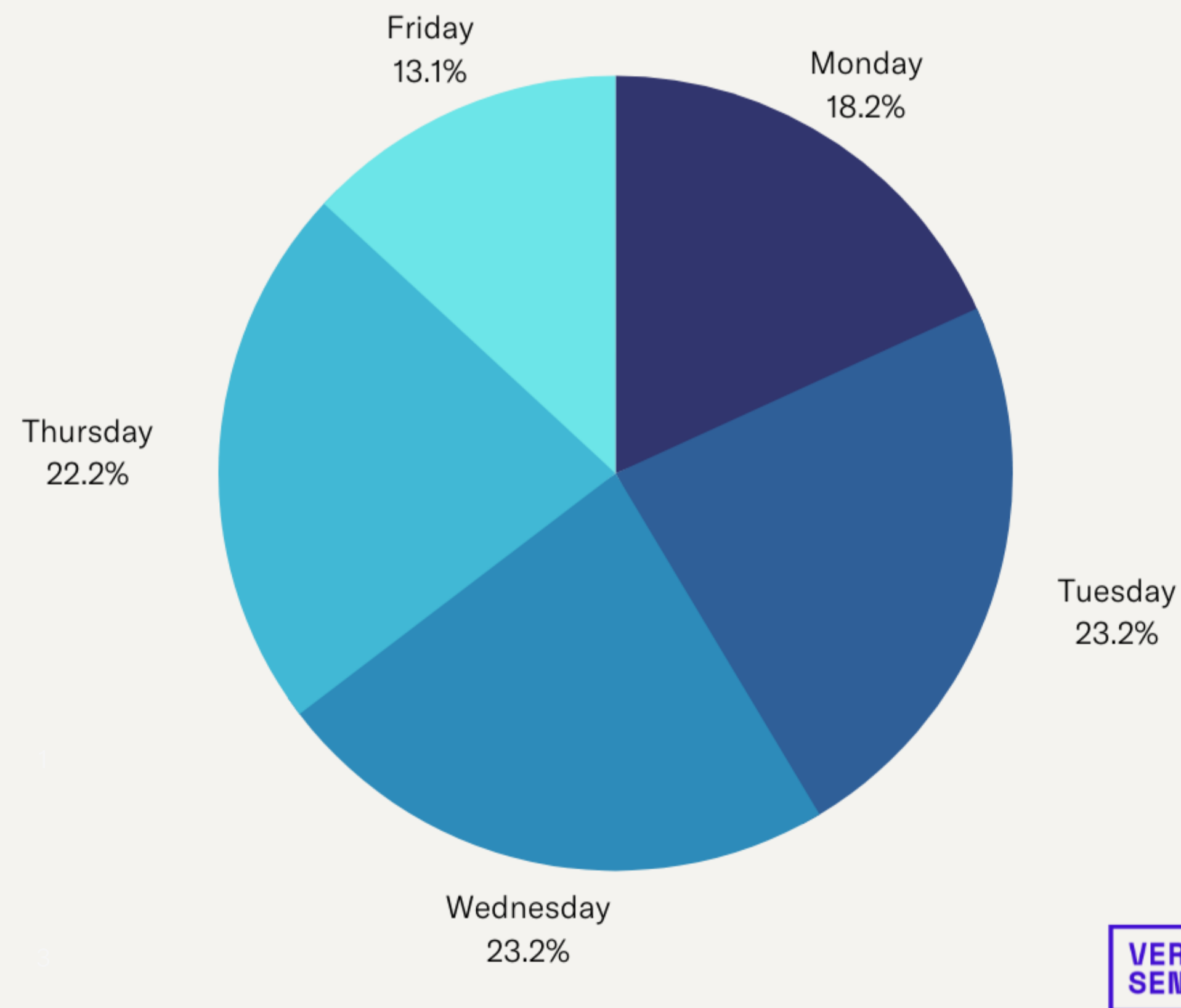


FINDING #5

In Q3 2021, 46% of office utilization took place on Tuesdays and Wednesdays, making these the most frequented work-from-office days



How was office utilization distributed in Q3 2021?



Additionally, the least frequented days were Friday and Monday, in that order. Having an understanding of the busiest days in the office helps employees plan their hybrid work experience on their terms, with safety and comfort at the forefront.



Moreover, knowing the peak days and hours in the office allows workplace strategy leaders to:

- 1 Regulate unpredictable attendance
- 2 Ensure that adequate amenities and spaces are available for employees when they do come into the office

For example, for days that are less busy, rather than having office operations running at capacity (heating, cooling, ventilation), CRE leaders can plan in advance for which spaces will be used, and based on that information, pre-schedule room availability to prevent excessive operational costs.



An effective approach to ensuring a frictionless work environment is to calculate your office's ideal employee-to-seat ratio, which indicates the ideal number of workplaces, desks, and other amenities you can offer to your employees based on their specific attendance patterns.

Knowing this ratio enables organizations to optimize their office space by allocating areas on a need basis, which not only allows enterprises to avoid excessive real estate costs, but also helps them save space and derive value from existing spaces.

Calculating your Ideal Employee-to-Seat Ratio: A Step-by-Step Guide

To understand your workplace needs for any of your properties, a good starting point is calculating the ratio of employees to seats in each region, building, and line of business. Get started by downloading our guide.

[Download Now](#)

CONCLUSION

What does this tell us about the future of work?

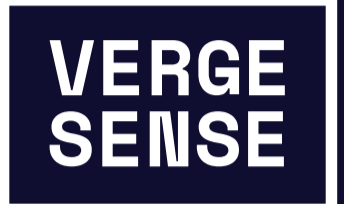
The findings in this Q3 State of the Workplace report reveal that real estate leaders are adapting their office to become highly collaborative and agile. The workplace is fast becoming a space that evolves alongside employee needs and expectations.

VergeSense is seeing that the most competitive enterprises have their own dedicated workplace teams. These teams leverage data-driven insights and real-time occupancy to repurpose their real estate portfolio and decide how to:

- 1 Lower the bottom line, or the size of investments**
- 2 While increasing the top line, driving revenue**

It is undeniable that the purpose of the office has changed, and it is more important than ever to invest in the necessary tools to make data-driven decisions. Informed decisions will not only increase the ROI of your office, but also transform the static office into a dynamic workplace, increasing the power of your office's square footage.





About VergeSense

We build workplace analytics solutions that empower our customers to create intentional, data-driven office spaces. Our deep learning sensors capture the most accurate occupancy data on the market, and the algorithms that train our sensors get smarter over time. VergeSense software translates office data into actionable insights that make optimizing the office easier.

Learn more about our company and technology.

Book a demo

