



BASKING

THE FUTURE OF WORK: 2023 SO FAR AND BEYOND

Embracing Opportunities, Redefining Success

August 2023

Outline

- Executive Summary
- Action Oriented CRE Strategy for Success
- Portfolio Selection
- Global Workplace Occupancy Trends
- Regional Workplace Occupancy Trends
- Conclusion and Next Steps
- Key Terms and Concepts

Objective

Study and compare office utilization trends in 2023 to guide global organizations in formulating effective CRE strategies. Provide valuable insights for optimizing office space usage to enhance productivity and cost-efficiency.

Methodology

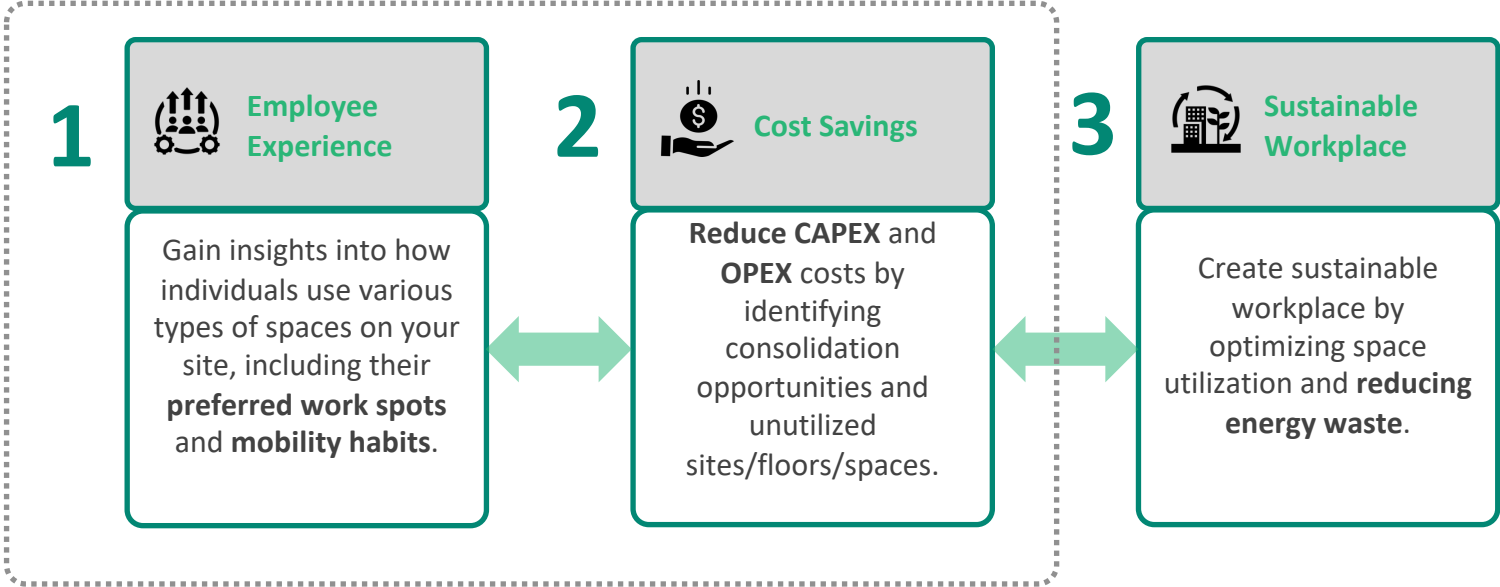
- **Data Collection:** The study collected office space utilization data from 121 offices worldwide connected with Basking.io. The data was grouped based on different global markets and sub-regions.
- **Office Utilization Metrics:** The research conducted an in-depth analysis of quarterly shifts in office occupancy behavior metrics, with a focus on peak utilization rates, visit duration, frequency, and weekdays. This examination aimed to identify trends and patterns in office space usage over time and providing valuable insights into the optimal use of office spaces.
- **Comparative Assessment:** A comprehensive analysis was undertaken to identify regional variations in office usage. The study emphasizes the significance of workplace analytics in driving data-driven CRE success.

Key Findings

- **North America Leads Global Office Occupancy:** In the first half of 2023, North America recorded the highest weekly average peak occupancy rate at 35%, with APAC following closely at 34%, Europe at 33%, and LATAM at 21%. Notably, **APAC's average occupancy rate surpassed Europe's**, displaying an impressive increase of 41% in 2023 compared to the previous year.
- **Consistent Office Usage Trends:** Since Q1 2023, global office usage patterns have remained steady. Office visits once a week were prevalent in every region, with LATAM leading at 63%, and midweek visits (Tuesday, Wednesday, Thursday) were also widespread across all regions.
- **Regional Variations Impact Office Utilization:** Regional trends exhibit notable **variances**, suggesting influences **from** factors such as **commute time, public transport availability, and employee job roles** on office space utilization. For instance, North America's Midwestern region registered the highest weekly occupancy rate, with nearly half of the visits lasting less than 6 hours, diverging from the traditional “8-hours in office” norm.

Making the Workspace Work through Occupancy Analytics

Even before the pandemic, around 40% of office space remained unutilized*, underscoring the need for optimization. With the rise of hybrid work, leveraging Workplace Analytics becomes vital to enhance Employee Experience, achieve Cost Savings, and promote Sustainable Workplace.



*Source: [JLL](#)

i) Optimize Physical Workspace



Workspace Optimization

- **Optimize desk and workspace layouts**, ensuring efficient space utilization.
- Identify underutilized areas and reconfigure the workspace, enhancing the overall employee experience.



Collaboration Potential

- **Identify peak collaboration times** and optimize collaborative spaces.
- Design collaborative zones that align with **employee preferences** and work styles.



ii) Promote Work-Life Balance



Hybrid Work Policy

- Utilize occupancy trends to inform the implementation of a hybrid work policy.
- Determine office capacity and workspace allocation, ensuring a **seamless transition** between in-office and remote work.



Well-Being Initiatives

- Identify high-traffic areas and design wellness spaces, such as relaxation zones or wellness rooms.
- Leverage occupancy data to drive initiatives **promoting physical activity** in the workspace.



2 Unlock Cost Savings through Data-Driven Insights



Site Consolidation

- Identify offices with low occupancy rates and **merge** them into a collaborative hub, fostering innovation while **reducing OPEX and CAPEX** costs.



Partial Closure

- Strategically **close underutilized spaces** aligned with occupancy trends to save on maintenance and utility expenses.
- **Consider utilizing Fridays** for partial closure to achieve significant operational cost savings.



Optimized Cleaning

- Automate cleaning processes, directing resources to high-traffic areas and implementing **targeted cleaning schedules**.



Optimized Energy

- **Correlate energy consumption** with office occupancy to identify and eliminate unnecessary expenses.

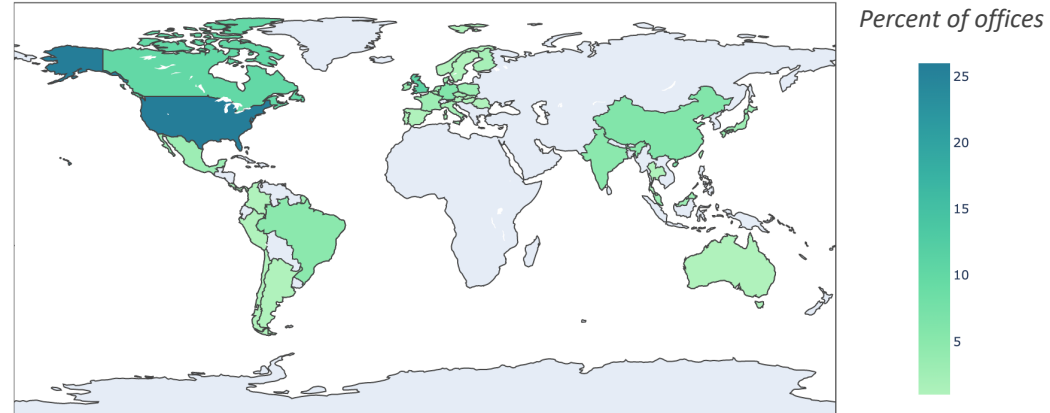


Less Food Waste

- **Align catering orders** with occupancy trends to minimize food waste and control expenses.
- Serve the appropriate number of **servings based on actual attendance** to prevent unnecessary waste.

Portfolio Selection: Insights from 121 Offices Worldwide

In 2022, Basking collected data from 100 offices (7 organizations) worldwide, primarily from the Professional Services, Investment Management, Biotech, Tech and IT services industries, to establish office utilization benchmarks. By 2023, the list expanded to 121 offices, distributed across regions as follows: 41% in EMEA, 30% in North America, 18% in APAC, and 11% in LATAM.

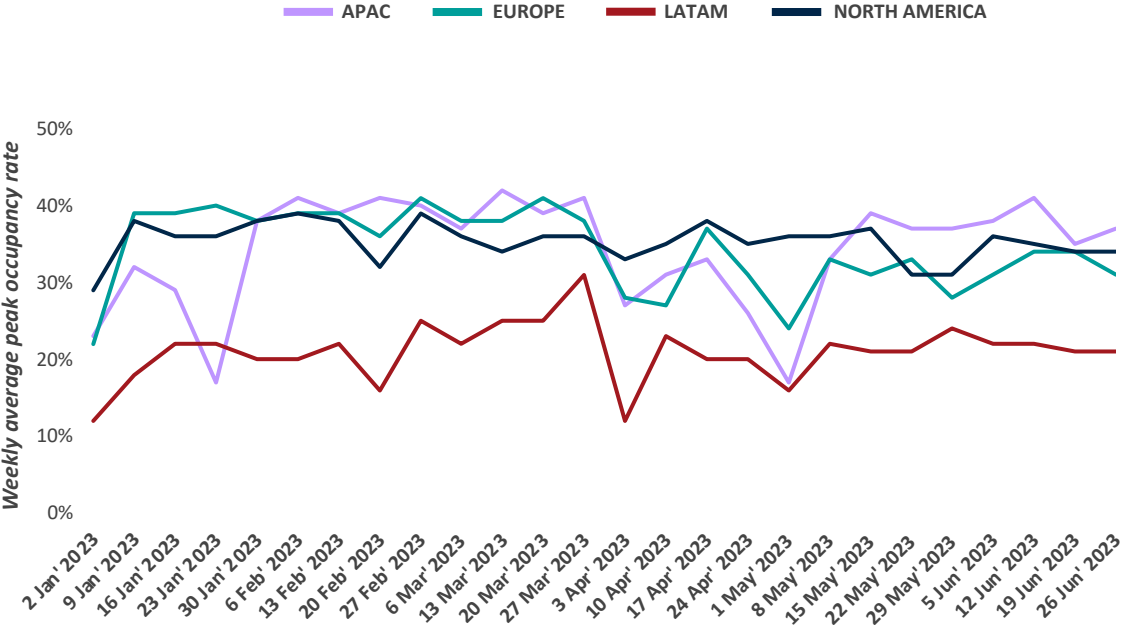




Global Workplace Occupancy Trends: A Comprehensive Overview

Steady 2023 Occupancy Rates in North America, Europe and APAC (35%-40%)

Time Period: H1 2023

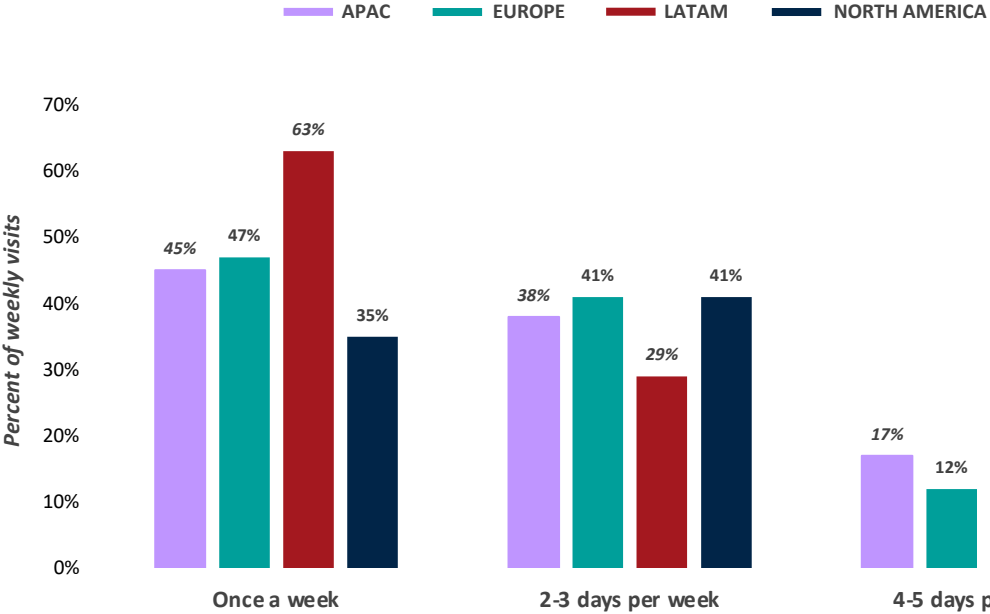


- From January to June 2023, North America had the highest weekly average peak occupancy rate of 35%, followed by APAC (34%), Europe (33%), and LATAM (21%).
- Compared to the same period in 2022*, all regions observed an increase in occupancy rates, with the highest YOY change in LATAM (130%), followed by APAC (41%), North America (39%), and Europe (15%).

*Refer to Slide 32 for comparison between 2022 and 2023 data

North America Led with 23% Higher Office Visit Frequency than Europe and APAC BASKING

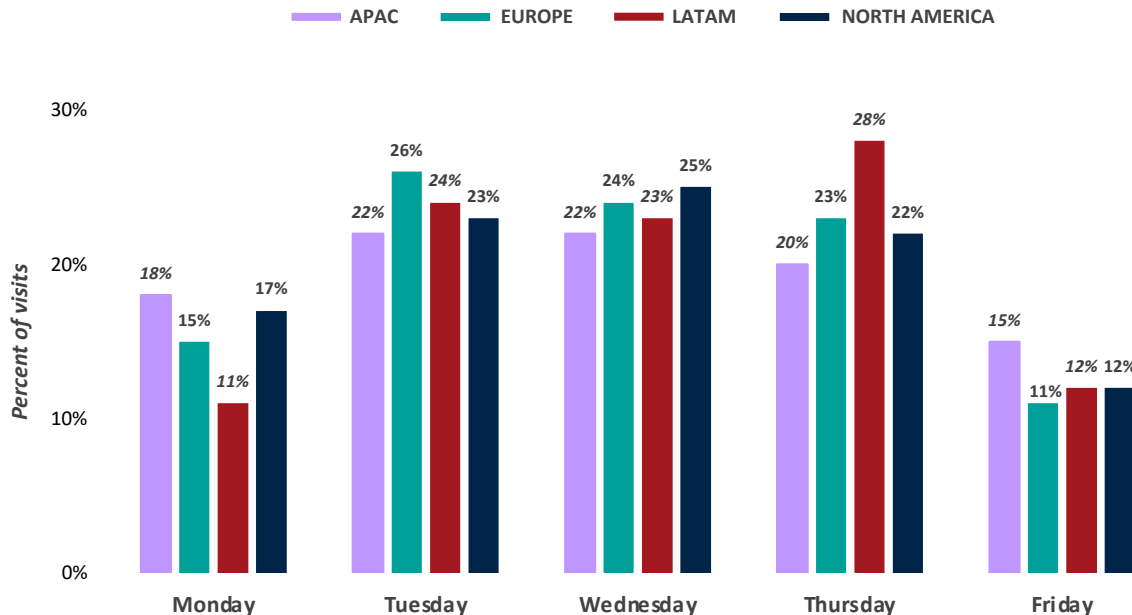
Time Period: H1 2023



- North America exhibited the highest frequency of office visitors, with an impressive 65% of weekly visits occurring on at least 2 days per week, surpassing other regions.
- In LATAM, office visits were primarily concentrated on a weekly basis (63%), with only a mere 7% of visits occurring 4-5 days per week, illustrating a distinctive contrast to the frequency patterns observed in other regions.

Consistent High OVI across Regions reveal the need for Midweek Management

Time Period: H1 2023

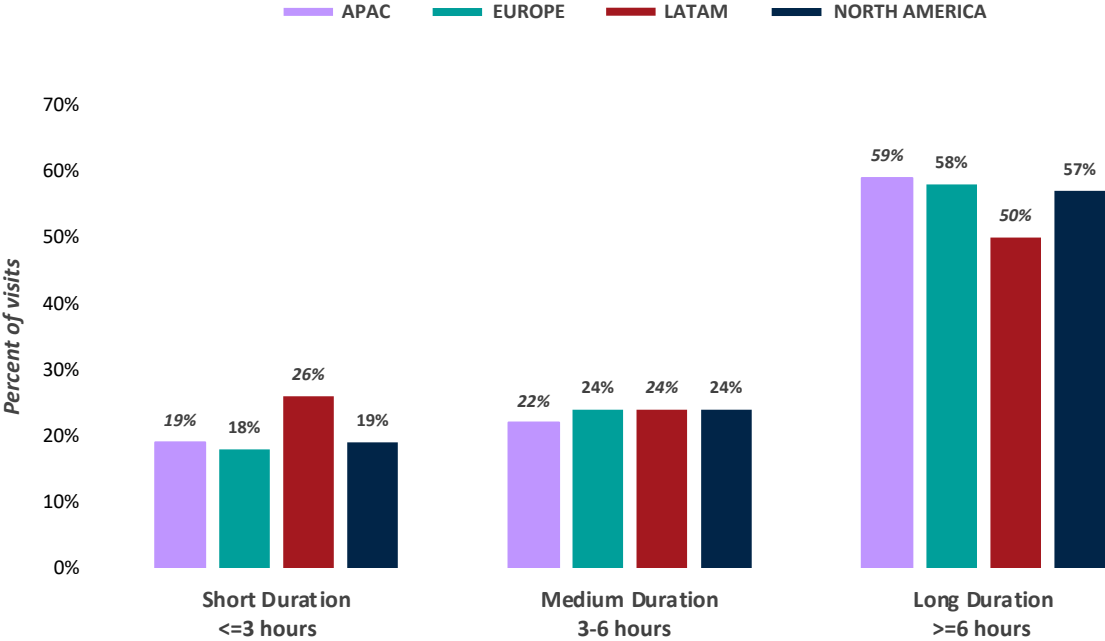


- LATAM demonstrated the highest Occupancy Variance Index (OVI) of 39%, with Thursdays experiencing a remarkable 40% higher occupancy compared to the average across weekdays.
- Europe followed closely with the second highest OVI of 39% as Mondays, Tuesdays, and Wednesdays observed 31%, 21%, and 16% higher occupancy, respectively, compared to the average across weekdays.

The Occupancy Variance Index (OVI) offers valuable insights into the weekly distribution of office visits. It is calculated as the Standard Deviation of the Weekly Percentage of Visits divided by the Average Percentage of Visits. A high OVI indicates significant variability in occupancy throughout the week, while a low OVI suggests stability.

Long Stays Prevailed Across Regions; LATAM Recorded 26% Short Visits

Time Period: H1 2023



■ In all regions, the majority of visits lasted for more than 6 hours, ranging between 50% to 59%. Notably, LATAM exhibited the highest percentage of visits lasting for less than 4 hours, accounting for 26% of the total visits.

North America Workplace Occupancy Trends

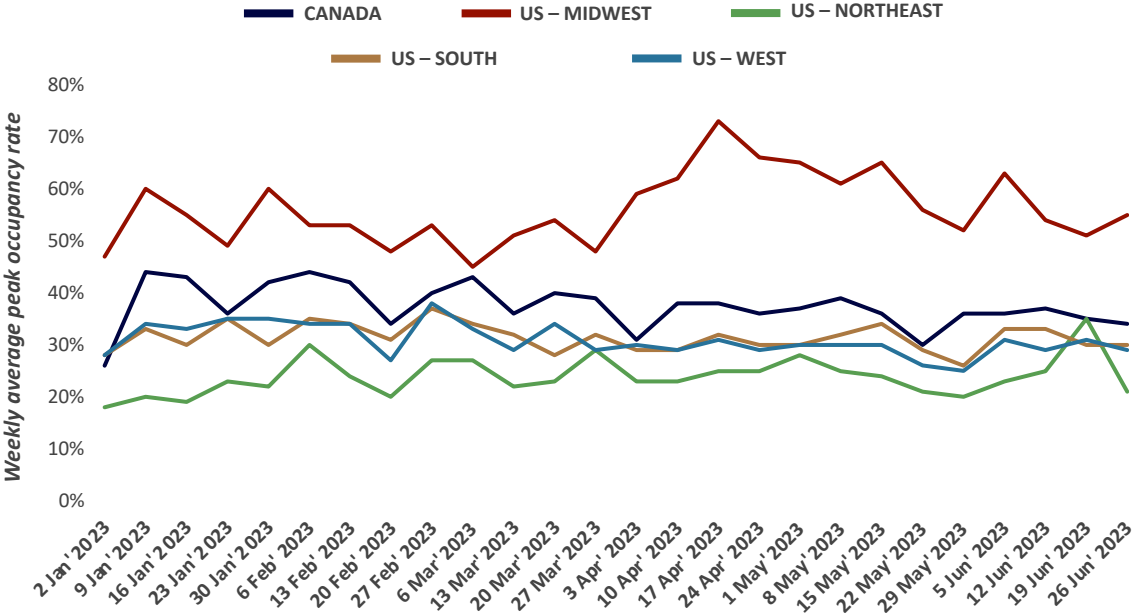


Key Takeaways

- The reduced commute time and increased flexibility were key factors in attracting more people to the office in certain parts of North America, especially, US – Midwest.
- Midwestern offices had the most utilized space with a 60% weekly average peak occupancy rate in the first 6 months, while Northeast offices were the least utilized, with only 24% weekly average peak occupancy rate.
- Across all North American regions, people preferred visiting office 2-3 days per week. Midwestern offices had the highest percentage of people visiting for 4-5 days per week and approximately half of the visits lasted for less than 6 hours.

US Midwest Achieved 71% April Occupancy, 56% Average in H1 2023

Time Period: H1 2023

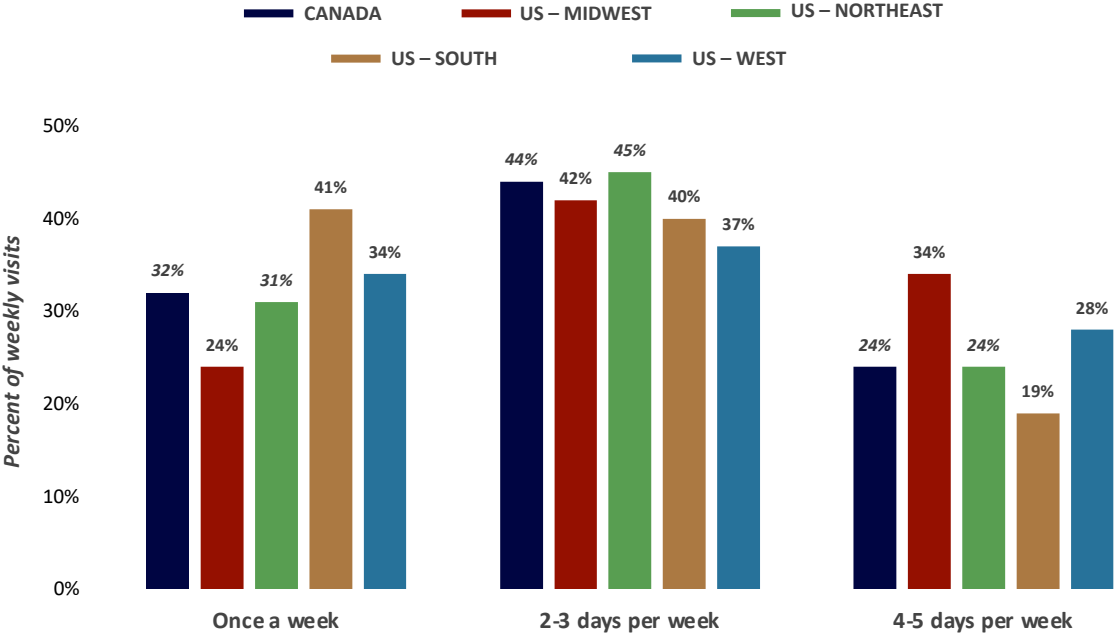


Between January and June 2023, the US Midwestern region held the highest weekly average peak occupancy rate in North America at 56%, outpacing Canada (37%), US West (31%), South (31%), and North Eastern (24%) regions.

US - Midwest = Illinois, Indiana, Michigan, Minnesota, Missouri
US - Northeast = New York
US - South = Washington DC, Florida, North Carolina, Texas, Virginia
US - West = Arizona, California, Washington

US Midwest had 13% More Frequent Visits than Other Regions in North America

Time Period: H1 2023

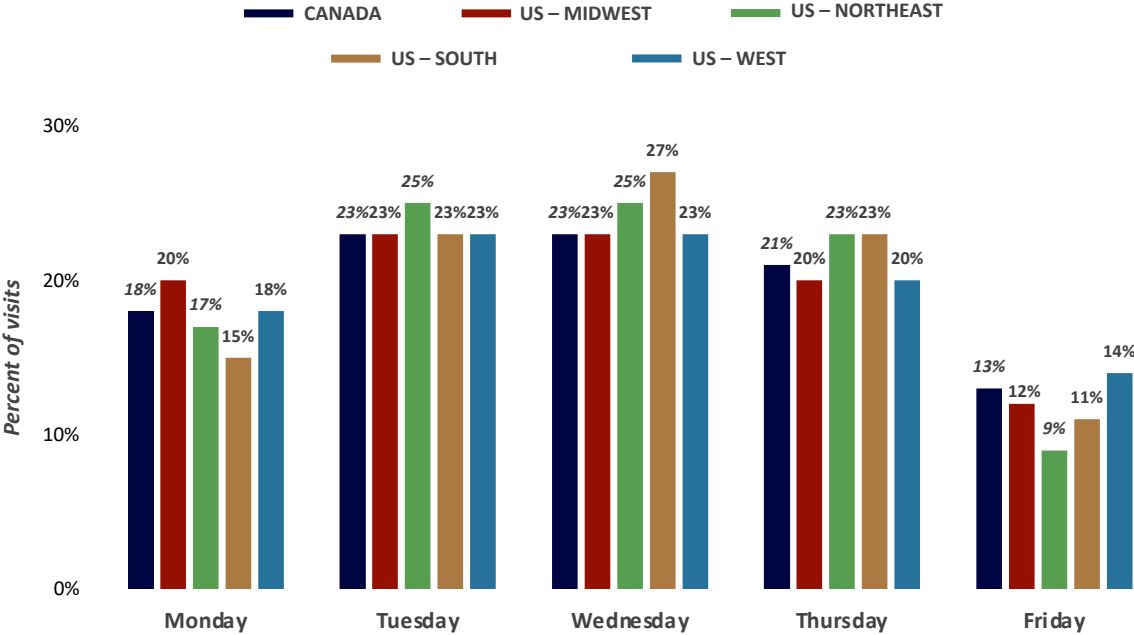


US - Midwest = Illinois, Indiana, Michigan, Minnesota, Missouri
US - Northeast = New York
US - South = Washington DC, Florida, North Carolina, Texas, Virginia
US - West = Arizona, California, Washington

- Midwestern offices experienced slightly more frequent visits from people compared to other regions in North America, with 76% of weekly visits occurring more than once a week.
- Canada and US - Northeast exhibited similar pattern for frequency of visits with ~45% of weekly visits for “2-3 days per week”.
- US - South had the highest % of weekly visits occurring for Once a week (41%).

US West's OVI of 19% Showcases Most Stable Occupancy Throughout the Week

Time Period: H1 2023

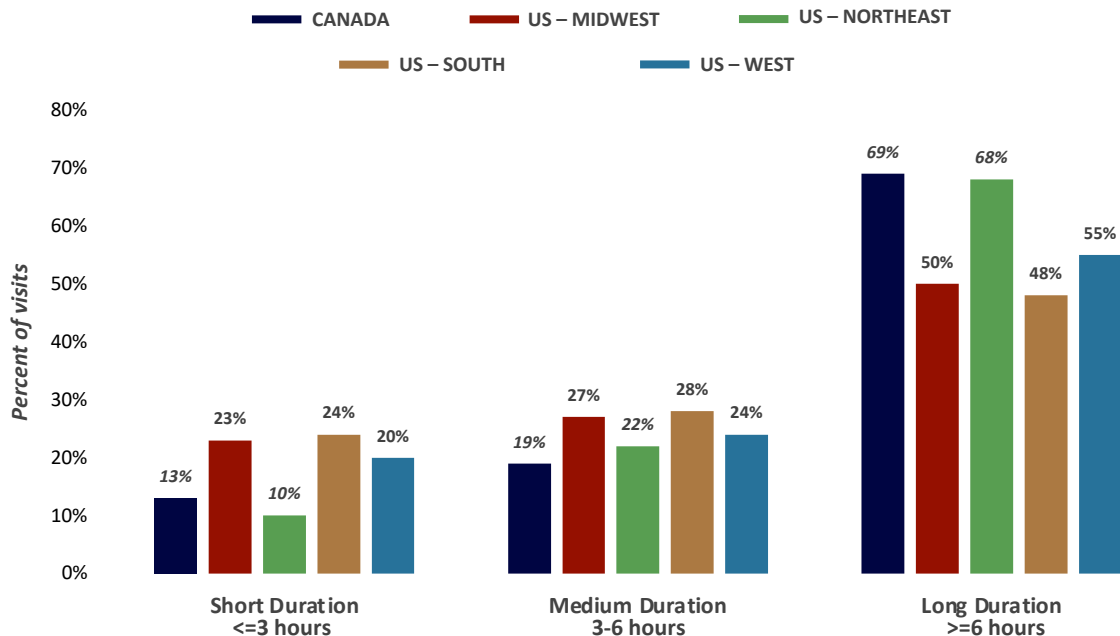


US – Midwest = Illinois, Indiana, Michigan, Minnesota, Missouri
US – Northeast = New York
US – South = Washington DC, Florida, North Carolina, Texas, Virginia
US – West = Arizona, California, Washington

- Across North American regions, office visits were predominantly concentrated during midweek, mirroring global trends.
- Northeast and US South exhibited higher variability in weekly occupancy, with OVIs of 35% and 34%, respectively. In contrast, US West displayed a well-distributed occupancy pattern throughout the week, with an OVI of 19%.

US South and Midwest had only Half the Visits lasting for more than 6 hours

Time Period: H1 2023



US – Midwest = Illinois, Indiana, Michigan, Minnesota, Missouri
US – Northeast = New York
US – South = Washington DC, Florida, North Carolina, Texas, Virginia
US – West = Arizona, California, Washington

- In line with visit frequency, both Canada and US Northeast shared similar patterns for visit duration, with the majority of visits (69% and 68%, respectively) lasting for long durations.
- Similarly, US South and Midwest exhibited analogous duration patterns, as most visits (48% and 50%, respectively) were of long duration, while a considerable percentage of visits (24% and 23%, respectively) were of short duration.

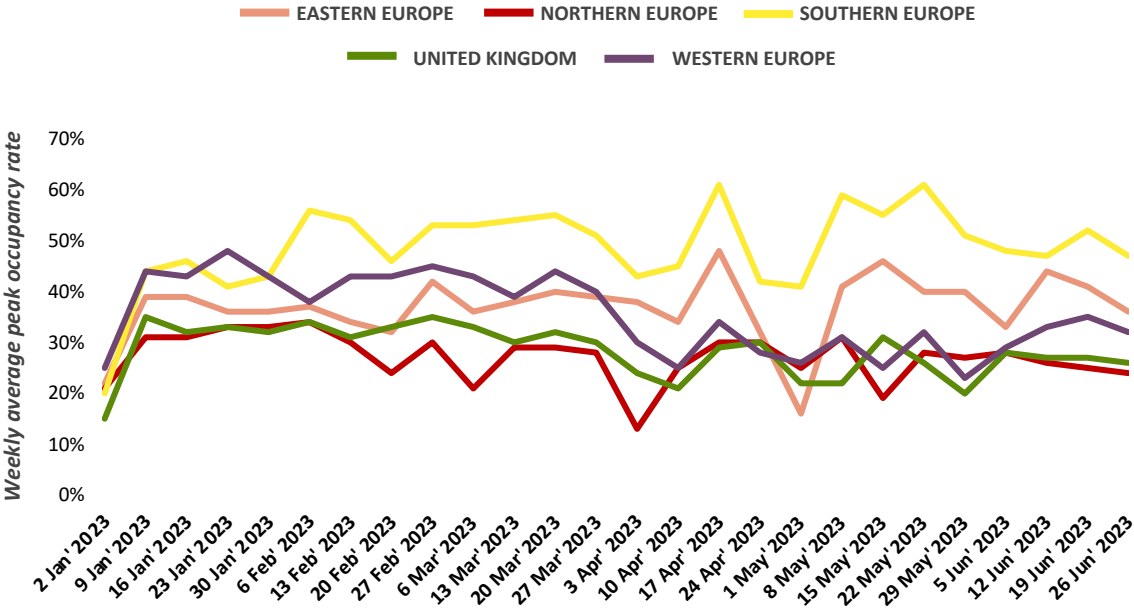
Europe Workplace Occupancy Trends

Key Takeaways

- Despite people in the UK visiting the office more frequently compared to other European regions, the country had the second-lowest weekly average occupancy rate, just behind Northern Europe. This rate takes into account the number of workstations available in the office, indicating a significant number of large, empty offices across the country.
- Similar to US – Midwest region in the US, Southern Europe had the most unutilized office space, with a weekly average peak occupancy rate of 49% and the second least OVI of 28% in Europe. Moreover, more than half of the visits lasted for less than 6 hours.

Southern Europe recorded an Occupancy Rate of 61% in April 2023

Time Period: H1 2023

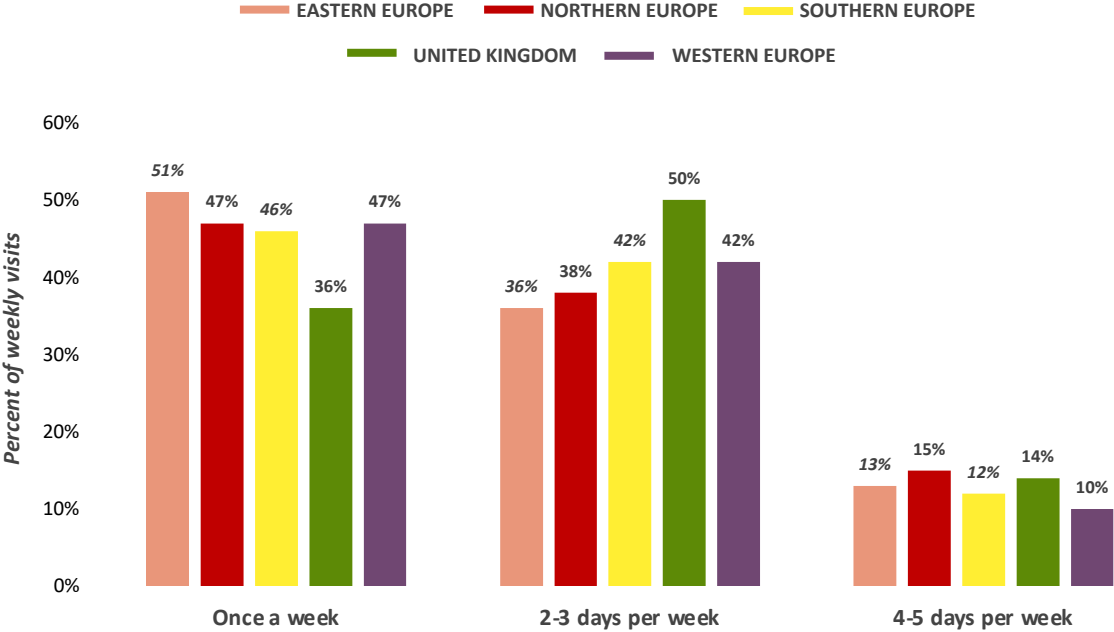


Across Europe, the Southern region boasted the highest weekly average peak occupancy rate at 49%, outpacing Eastern Europe (37%), Western Europe (35%), the UK (28%), and Northern Europe (27%).

Eastern Europe = Czech Republic, Poland, Romania, Slovakia
Northern Europe = Denmark, Finland, Norway, Sweden
Southern Europe = Italy, Portugal, Spain
Western Europe = Austria, Belgium, France, Germany, Ireland, Luxembourg

Half the weekly visits observed in the UK occurred for 2-3 days per week

Time Period: H1 2023

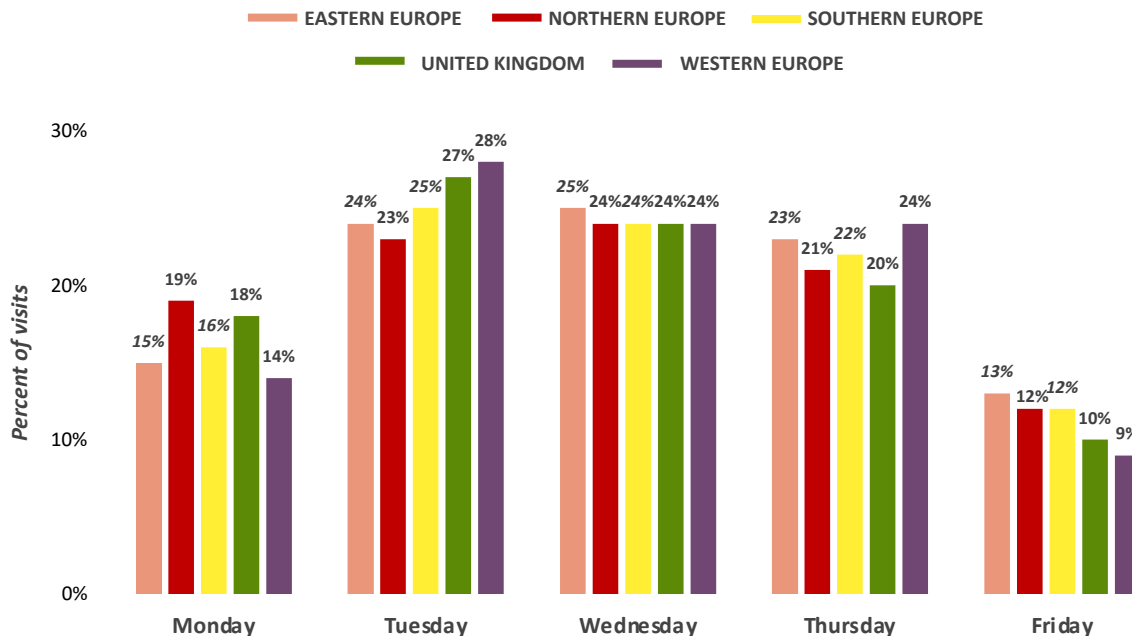


■ In Europe, the UK stood out with 50% of office visits occurring for 2-3 days per week, in contrast to other regions where the predominant weekly visits were for once a week such as Eastern Europe (51%) and Northern Europe (47%).

Eastern Europe = Czech Republic, Poland, Romania, Slovakia
Northern Europe = Denmark, Finland, Norway, Sweden
Southern Europe = Italy, Portugal, Spain
Western Europe = Austria, Belgium, France, Germany, Ireland, Luxembourg

Tuesdays were the preferred weekday for office visits throughout Europe

Time Period: H1 2023

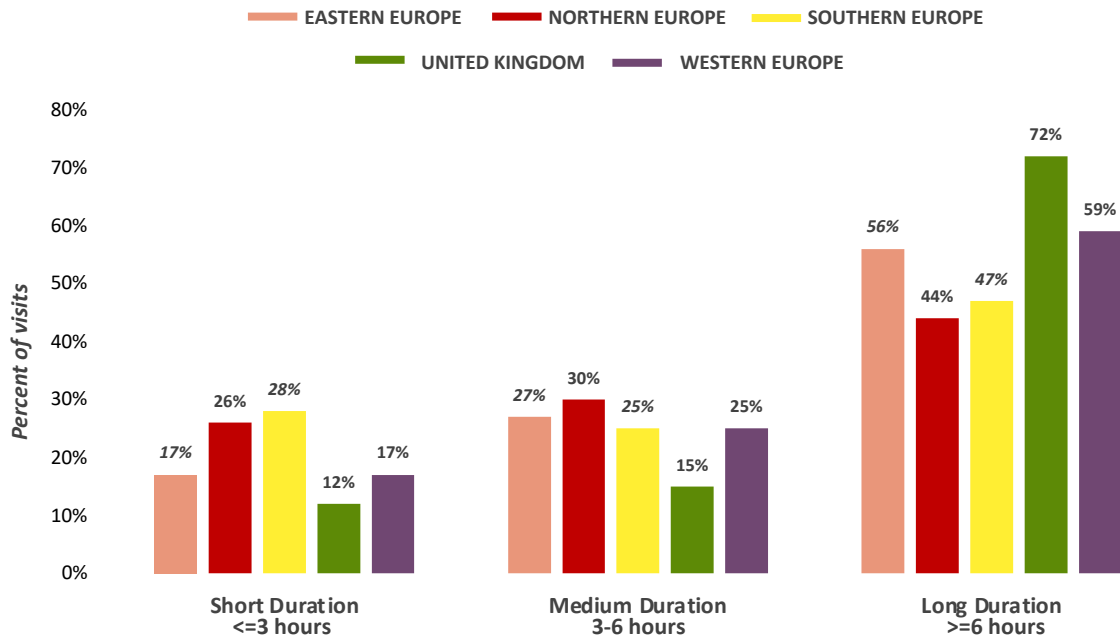


Eastern Europe = Czech Republic, Poland, Romania, Slovakia
Northern Europe = Denmark, Finland, Norway, Sweden
Southern Europe = Italy, Portugal, Spain
Western Europe = Austria, Belgium, France, Germany, Ireland, Luxembourg

- Tuesdays consistently emerged as the most popular day across all regions of Europe.
- Western Europe exhibited the highest variability in occupancy, as indicated by an OVI of 40%. Additionally, it had the lowest percentage of visits on Fridays compared to other European regions.

72% of UK visits lasted over 6 hours, unlike Northern and Southern Europe

Time Period: H1 2023



■ The UK exhibited the highest proportion of long-duration visits, reaching 72%, whereas the Northern (44%) and Southern (47%) regions of Europe had comparatively lower percentages of long-duration visits.

Eastern Europe = Czech Republic, Poland, Romania, Slovakia
Northern Europe = Denmark, Finland, Norway, Sweden
Southern Europe = Italy, Portugal, Spain
Western Europe = Austria, Belgium, France, Germany, Ireland, Luxembourg

APAC Workplace Occupancy Trends

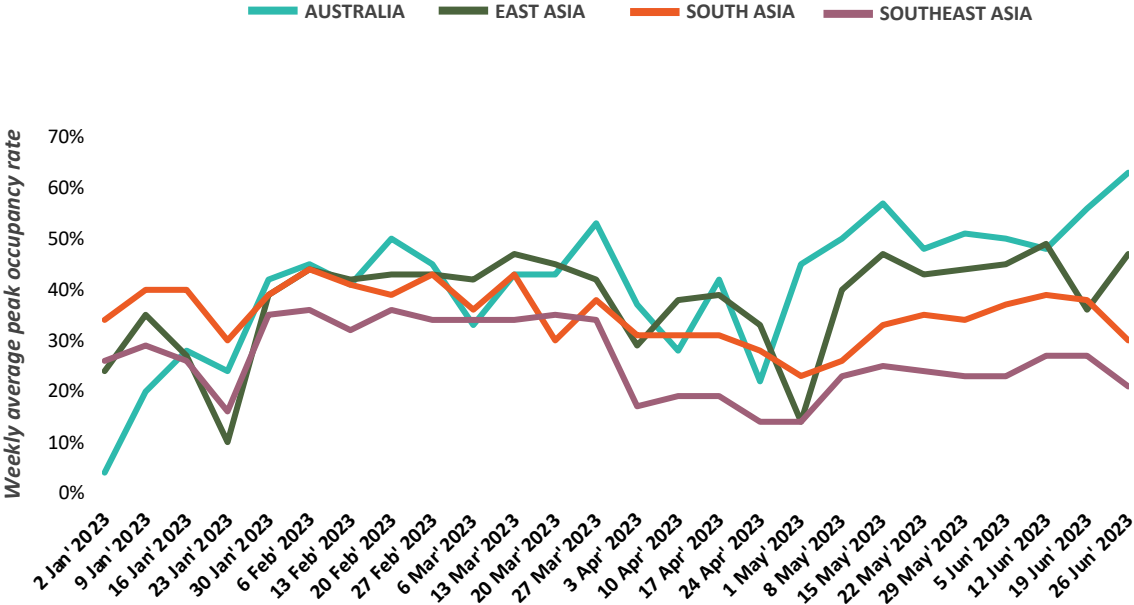


Key Takeaways

- The disparity between global trends and those specific to the APAC region highlights the profound impact of cultural and demographic differences on how people visit and utilize office spaces.
- East and South Asia exhibited the most stable occupancy throughout the weekdays compared to other regions globally, with an Occupancy Variance Index of 7% and 12%, respectively.
- In Australia, there was a higher preference for visiting the office once a week, whereas, in East and South Asia, approximately 40% of weekly visits fell into each of the "Once a week" and "2-3 days per week" categories.

Southeast Asia Recorded the Lowest Average Occupancy Rate of 26%

Time Period: H1 2023

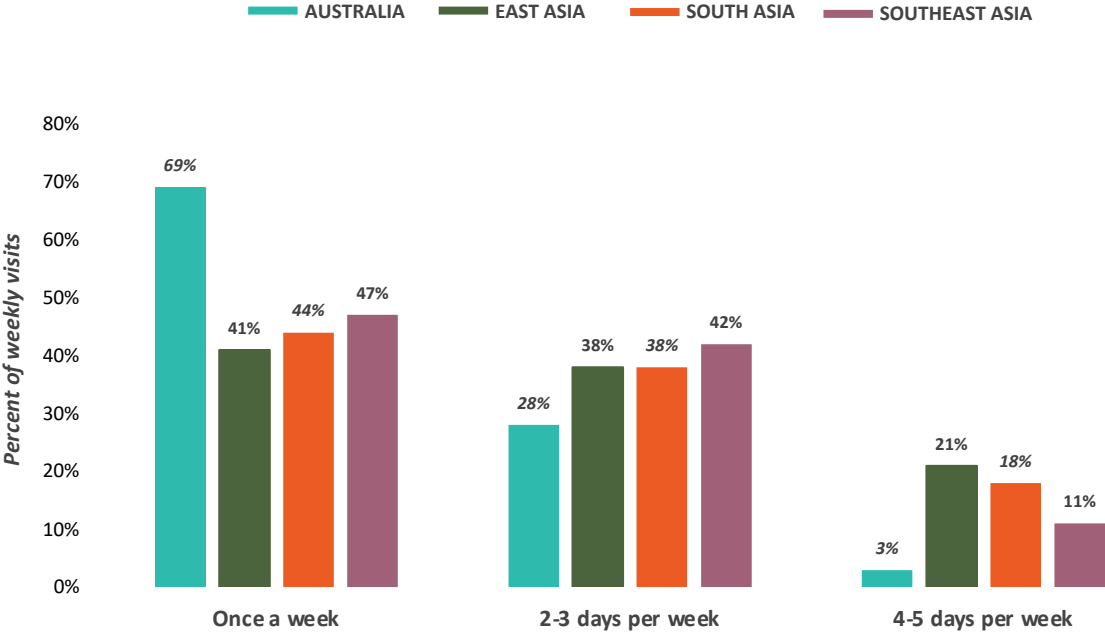


■ In APAC, Australia had the highest weekly average peak occupancy rate at 41%, followed by East Asia (38%), South Asia (35%), and Southeast Asia (26%).

East Asia = China, Hong Kong, Japan, Taiwan
South Asia = India
Southeast Asia = Malaysia, Singapore, Thailand

Except Australia, all regions observed ~40% of weekly visits for 2-3 days per week **BASKING**

Time Period: H1 2023

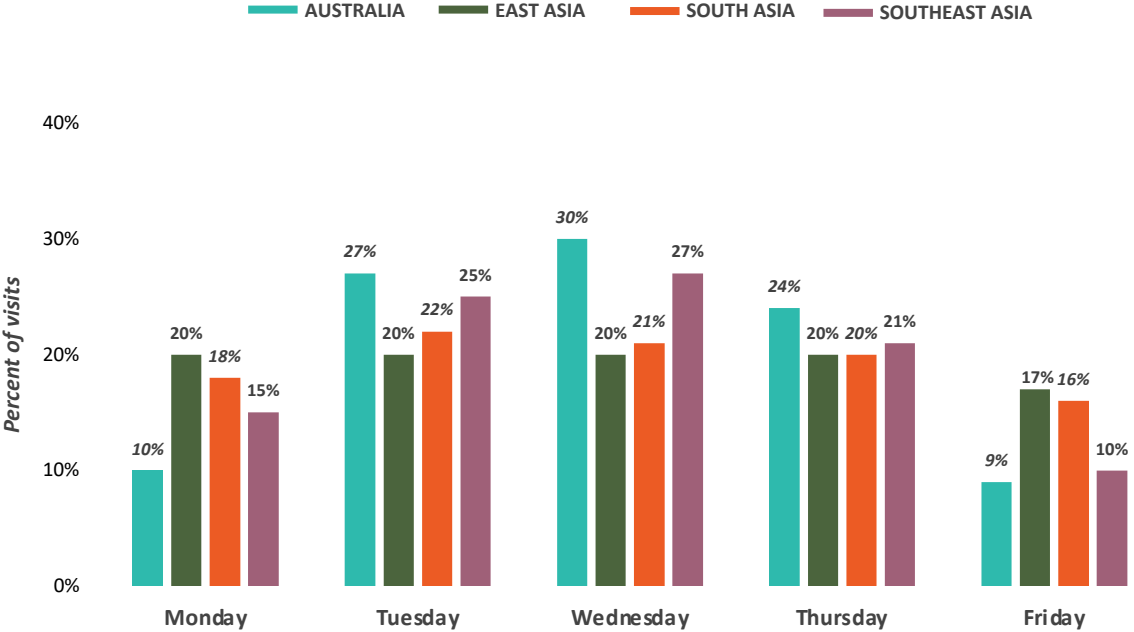


East Asia = China, Hong Kong, Japan, Taiwan
South Asia = India
Southeast Asia = Malaysia, Singapore, Thailand

- Australians had a higher tendency to visit the office once a week (69%) compared to other regions in APAC.
- Across all regions in APAC, the most common frequency of office visits was once a week, closely followed by 2-3 days per week.

East and South Asia experienced the lowest OVI among global regions

Time Period: H1 2023

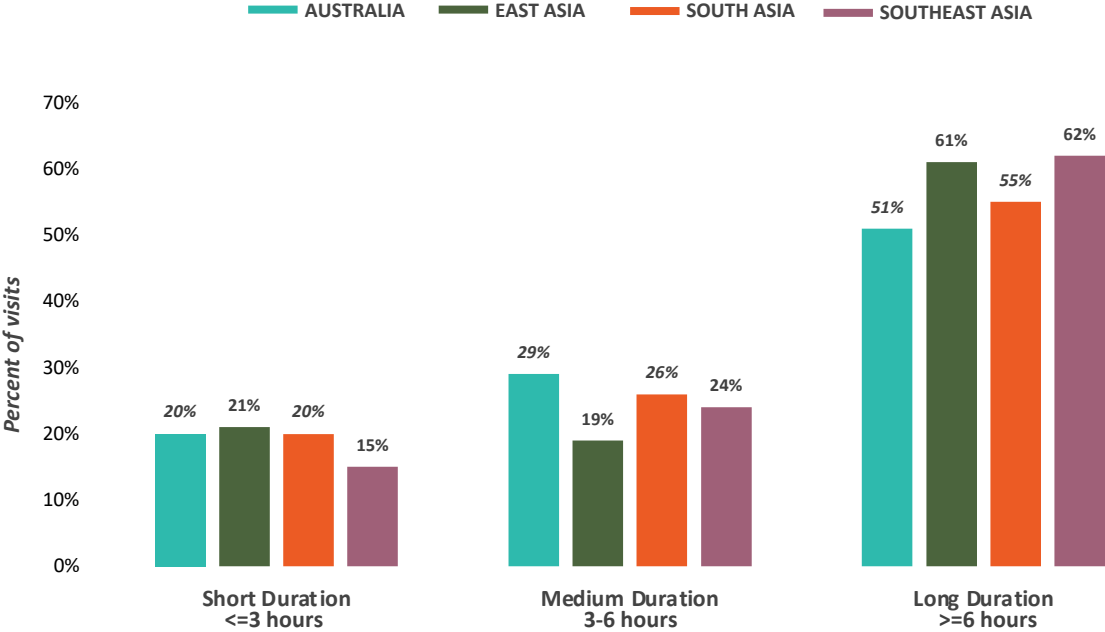


East Asia = China, Hong Kong, Japan, Taiwan
South Asia = India
Southeast Asia = Malaysia, Singapore, Thailand

- Among the global regions, East (7%) and South Asia (12%) displayed remarkably low Occupancy Variability Index (OVI) values.
- In contrast, Australia exhibited a high variability in occupancy with an OVI of 49%, while Southeast Asia had an OVI of 36%.

Over 50% of visits in all regions lasted more than 6 hours

Time Period: H1 2023



East Asia = China, Hong Kong, Japan, Taiwan
South Asia = India
Southeast Asia = Malaysia, Singapore, Thailand

- More than half of the visits across all regions in APAC lasted for more than 6 hours.
- Moreover, 29% of the visits in Australia lasted between 3 and 6 hours.

Conclusion



- 2023 weekly occupancy rates showed a significant increase across all regions compared to the previous year with the highest surge observed in LATAM (130%), followed by APAC (41%), North America (39%), and (Europe).
- Diverse regional office space usage trends underscore the need for **customized strategies** considering rental rates, office utilization patterns, and market conditions.

Highlights



- Employing **workspace layout optimization strategies** can boost efficiency, enhance employee experience and lead to cost reductions for global companies.
- **Embracing hybrid work** demands a proactive approach to office space utilization, requiring vigilant trend monitoring and agile strategy adaptations.

Strategic Implications



- **Implement a data-driven RTO strategy** for the upcoming September return to office. Monitor office occupancy trends, evaluate remote work policies, and optimize office portfolios for enhanced competitiveness.
- Align and execute the identified portfolio opportunities with CRE goals by utilizing workplace analytics.

Next Steps



Thank you!



Get in Touch



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[basking.io](https://www.basking.io)

- **Daily Peak Occupancy**

The highest number of people observed in the office at the same time in a day. For example: if two people visited the office from 8 AM – 3 PM, and three people visited the office from 3 PM – 5 PM in a day, then, the peak occupancy for the day is three people. It helps answer *“What is the peak occupancy of a day?”*

- **Weekly Average Peak Occupancy Rate**

The weekly average of 'Daily Peak Occupancy' relative to the capacity of the office. It helps answer *“On average, how does the peak occupancy compare to the office's capacity per week?”*

- **Frequency of Visits:**

It represents the frequency with which people visit the office in a week. Note: If a person visits an office once in two different weeks, the “once a week” category would include both of the visits.

- **Duration of Visits**

It represents the time people spent in the office for a defined period. Note: If a person visits an office for 1 hour on two different days, the “1” hour bin would include both of the visits.

- **Weekdays for Visits**

It represents the popular weekdays for people to visit offices in a defined period. Note: If a person visits the office on “Tuesday” in two different weeks, the “Tuesday” bin would include both of the visits.

- **Occupancy Variance Index (OVI)**

It represents the variance in office visits across the week and is calculated as the Standard Deviation of the Weekly Percentage of Visits divided by the Average Percentage of Visits. A high OVI indicates significant variability in occupancy throughout the week, while a low OVI suggests stability.

Global Occupancy Rates: 2023 YTD vs 2022

