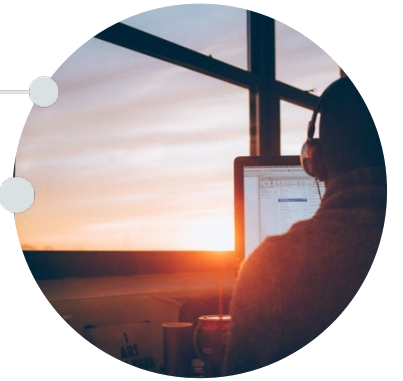




| DNA of work

AWA Hybrid Working Index 3

August 2023



Contents

Introduction

- 4. Introduction
- 5. Key Findings
- 6. Conclusions
- 7. Dataset
- 8. Definition of terms

Overall findings

- 10/11. Headline findings
- 12/14. Trends over time
- 15. Future consolidation of space
- 16/17. Hybrid working policies
- 18/19. Desks per person

Sector Analysis

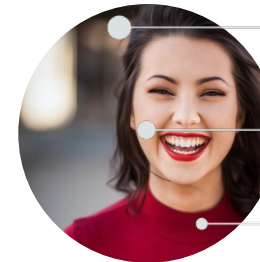
- 21. Largest sectors in dataset
- 22. Professional & Financial services v Tech

Geographical Analysis

- 24. Attendance Globally
- 25/29. Geography dashboards

Benchmarking

- 30. Individual benchmarking vs dataset





| DNA of work

Introduction



Key findings

Average attendance in offices globally has risen to 35%, up from 29% when we launched the index in June 2022.

37% of occupier organisations are looking to reduce their office space through disposals, subletting or consolidation.

The percentage of desks being used in offices has shown a significant increase and now stands at 48% compared to 33% a year ago, as organisations reduce their office space wherever they can.

Nearly 18 months after the end of the pandemic there are still no hybrid working policies reported at 46% of offices in our survey, with little change from our last study.

Office workers are only attending the office 1.75 days a week on average across the population surveyed.

Employees prefer to be in the office on Tuesday, Wednesday and Thursday – with nearly 80% of people working from home on a Friday.

Technology companies showed the largest shift in returning to the office, with 32% average attendance compared with 15% a year ago.

Employees are not adhering to their employers return-to-office directives. In all cases, office attendance has fallen below the mandated requirement.

Over 80% of offices are attended by employees for two days or fewer per week, with just 5% of workplaces seeing attendance of four days or more.

Employees in the US attend the office least. With an average attendance of just under 1.5 days a week and the most generous desk-per-employee ratio, US offices are the most under-used on the planet.

70% of offices in our study have less than 40% attendance. Only 5 offices in the study have attendance rates over 60%.

Introduction

In June 2022, we launched the **AWA Hybrid Working Index** to track the development of hybrid working strategies and office attendance over time, across the world.

This third Index report provides an updated, detailed picture based on a panel of **49 organisations** with **119 offices** in **22 countries** globally, representing a population of nearly **155,000**. Data is based on the reporting period April-May 2023 (Index 3). We also provide valuable longitudinal comparisons with data from June 2022 (Index 1) and January 2023 (Index 2), meaning the overall dataset represents an office population of more than **300,000** people.

Each organisation in our panel completed a short survey detailing the hybrid policies being applied for each of their locations, the total number of employees and desks in each building, and the number of people using the office each day in a typical week at the end of the period.

This information has allowed us to create a comprehensive picture of hybrid working policy, attendance and office use across geographies and sectors, which is presented in this report.

Conclusions

- **Overall office attendance has increased marginally (6%) since June 2022** and the intensity of office use has increased, as organisations dispose of or monetise space where they can and adopt activity-based working models for their employees to operate from smaller office footprints. While some organisations continue to drive for more office attendance, the question is, 'has attendance reached a steady state?' We believe it may have.
- **Most organisations are sitting on 30-40% more office space than they need.** While 37% of organisations in our study are looking to dispose of, or monetise, empty space right now, we suspect that many more are holding the space until a lease break opportunity allows them to hand back the keys to the landlord. We expect this to result in a gradual build-up of empty office space over the next 5-10 years, as leases expire with a resultant impact on rents and asset values.
- **Three years after the pandemic began, 46% of the offices in our study reported not having a formal hybrid working policy.** In our experience, hybrid working changes everything from employment contracts, skills, recruitment strategies, workplace design, security and more. While some organisations have taken a 'let's see what happens' approach to hybrid working since the end of the pandemic, we believe it's now time for all organisations to develop holistic hybrid working policies and address a wide set of issues to prepare themselves for the future.

Dataset

49 Organisations

119 Offices

155K Population

22 Countries

62 Cities

 United Kingdom

 Asia-Pacific

 Latin America

 North America

 European Union

Offices

56

21

18

16

7



Definition of terms



ATTENDANCE

The number of people attending the office expressed as a percentage of the total office population.

(For example, an office with a population of 100 that has 50 people attend on a particular day would have an attendance of 50% for that day).



DESK USE

The number of desks used expressed as a percentage of the total desks in the office.

(For example, that same office which has 50 attendees on a particular day had 50 desks in total, there would be a desk use of 100% for that day).



| DNA of work

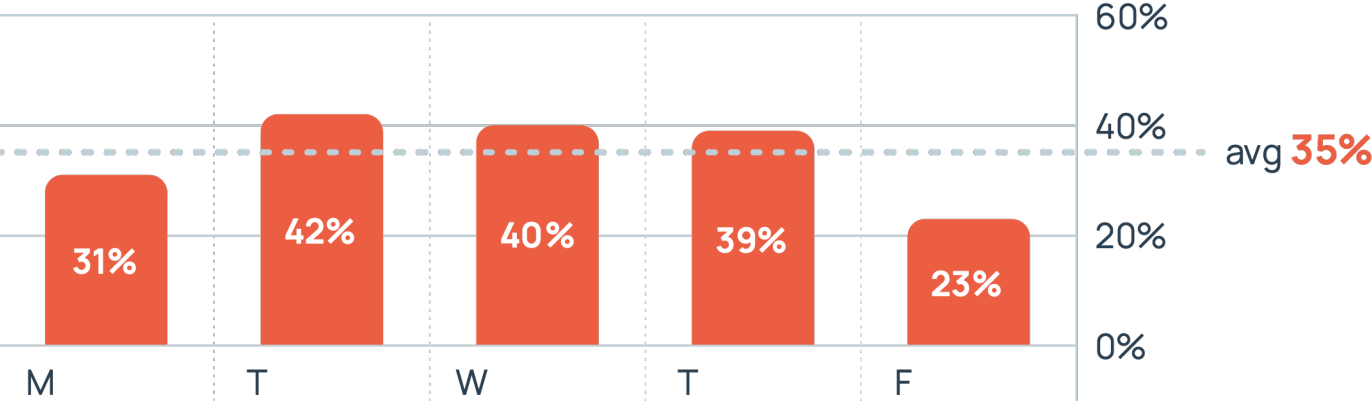
Headline Findings



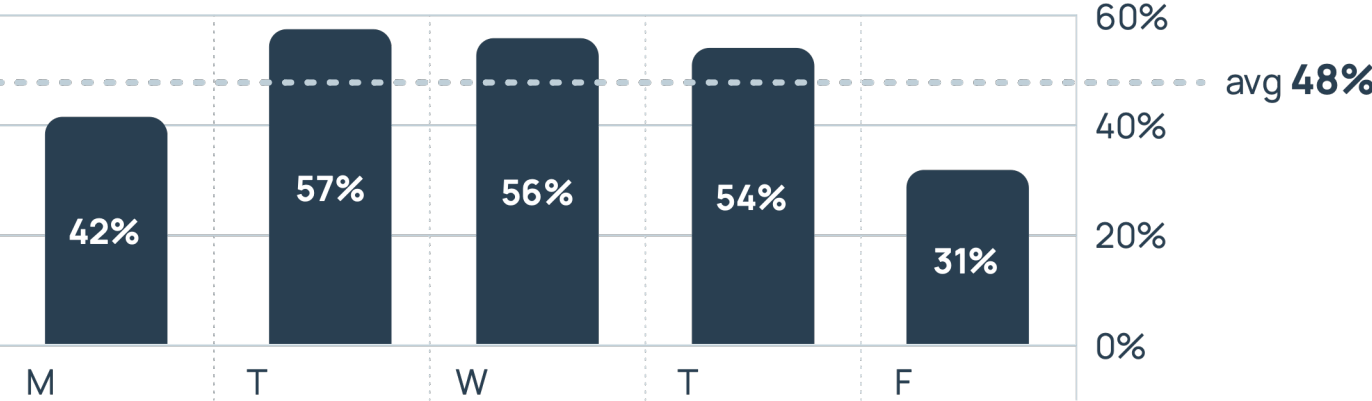
Headlines (all countries)

Overall attendance and desk use by days of the week

Attendance



Desk Use



On average offices are seeing 35% attendance and 48% of desks are in use, meaning that over half of desks in offices are unused.

The middle of the week sees the highest levels of both attendance and desk utilisation.

Tuesday is the most popular day for office attendance, with an average of 42%.

In contrast, Mondays and Fridays experience lower levels of occupancy, with Friday particularly low at 23%.

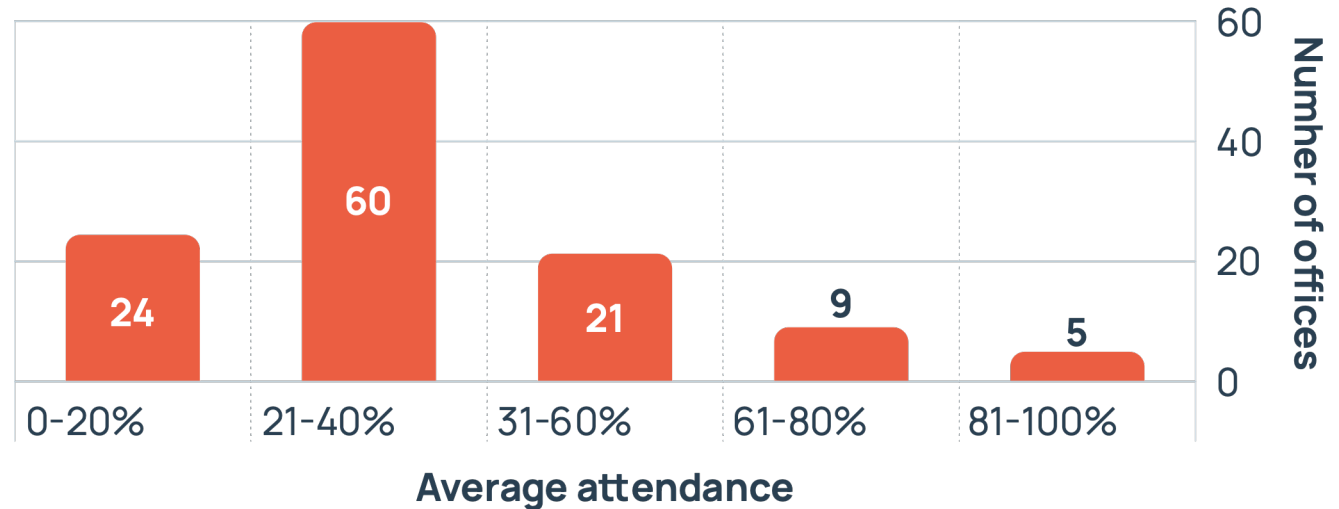
Attendance distribution

The distribution of office attendance shows that the vast majority of offices average less than 40% attendance.

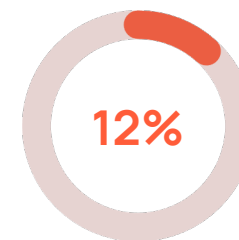
50% of offices (60) range from 21%-40% attendance on average

Only 12% of offices (14) have more than 60% attendance, five of which have more than 81%.

Attendance Distribution



70% offices (84) have < 40% attendance

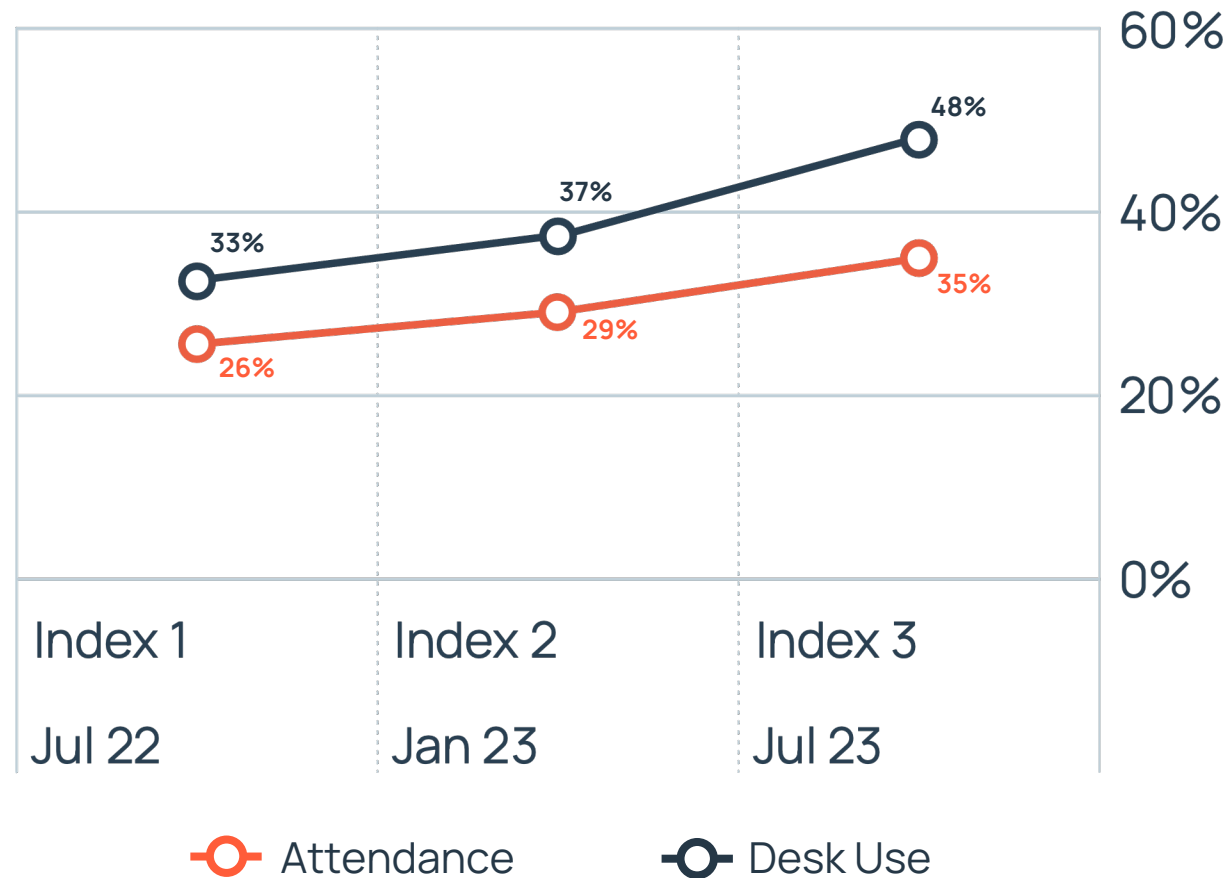


12% offices (14) have > 60% attendance

Trends over time

Average attendance and desk use across Indexes

Av. Attendance & Desk Use



Both attendance and desk use have steadily increased over the three Index cycles, starting in July 2022.

Attendance has risen by 9%, from 26% to 35%.

Desk use has seen a larger increase of 15%, from 33% to 48%. One of the reasons for this larger increase is organisations reducing their desk numbers in relation to reduced demand, resulting in a higher desk use percentage.

Trends over time

The detail

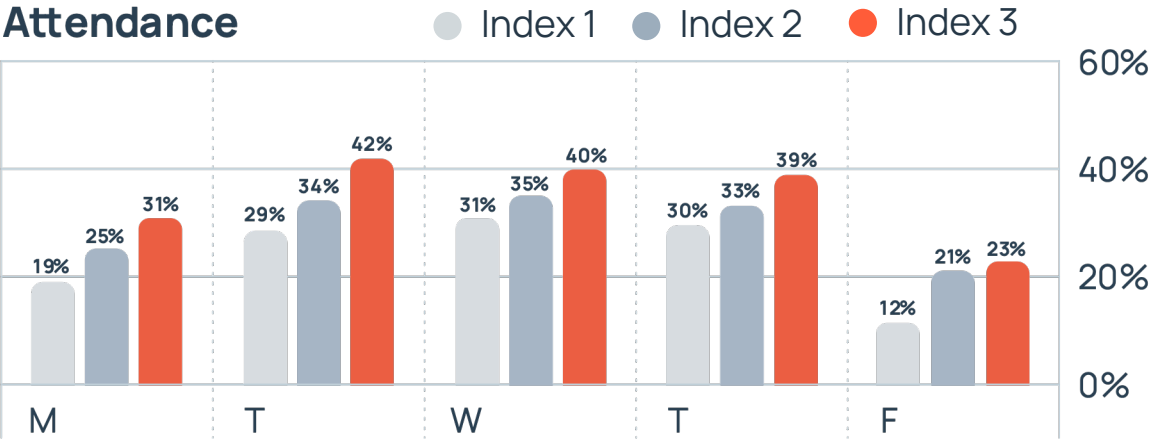
Attendance

Overall average

On average attendance has increased incrementally over the three Index cycles



Attendance



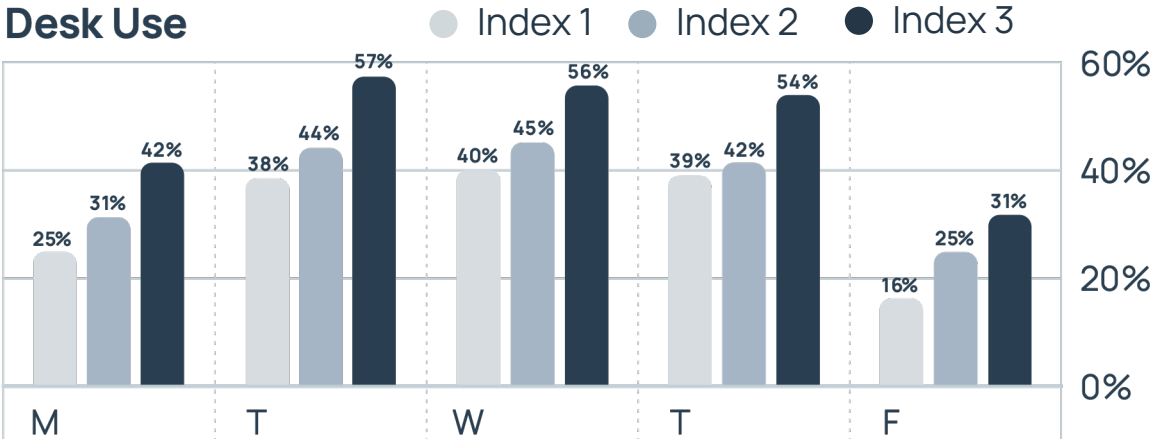
Desk Use

Overall average

On average desk use has increased incrementally over the three Index cycles

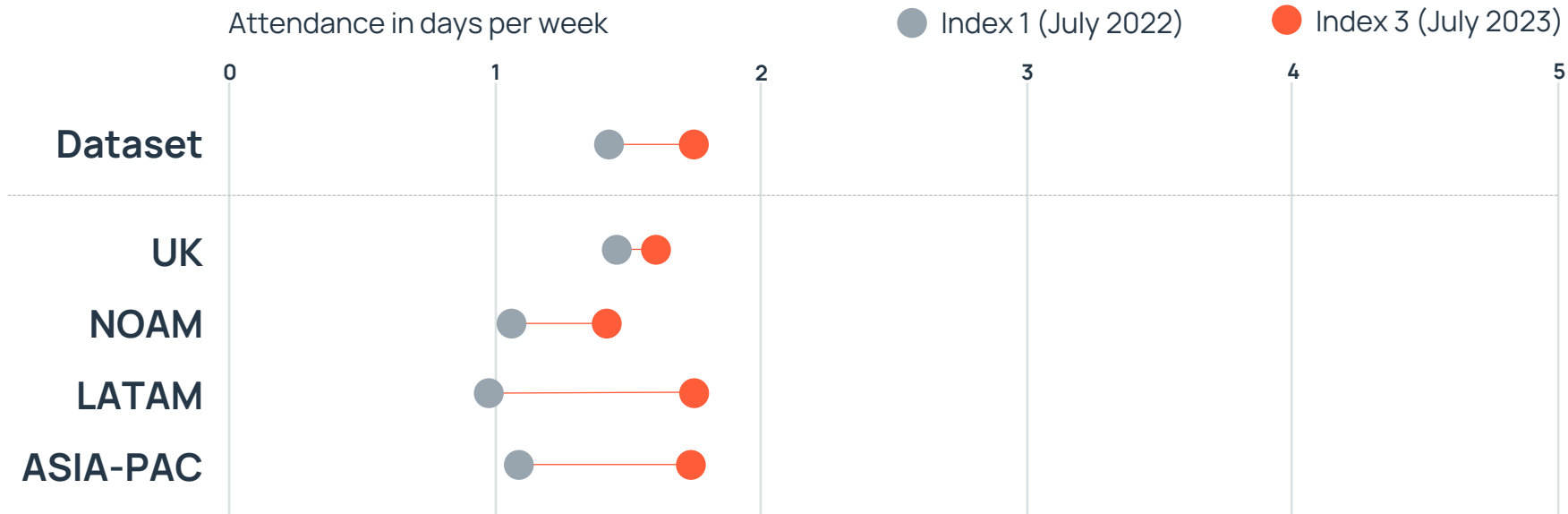


Desk Use



Attendance change globally

Average attendance change between Index 1 and Index 3

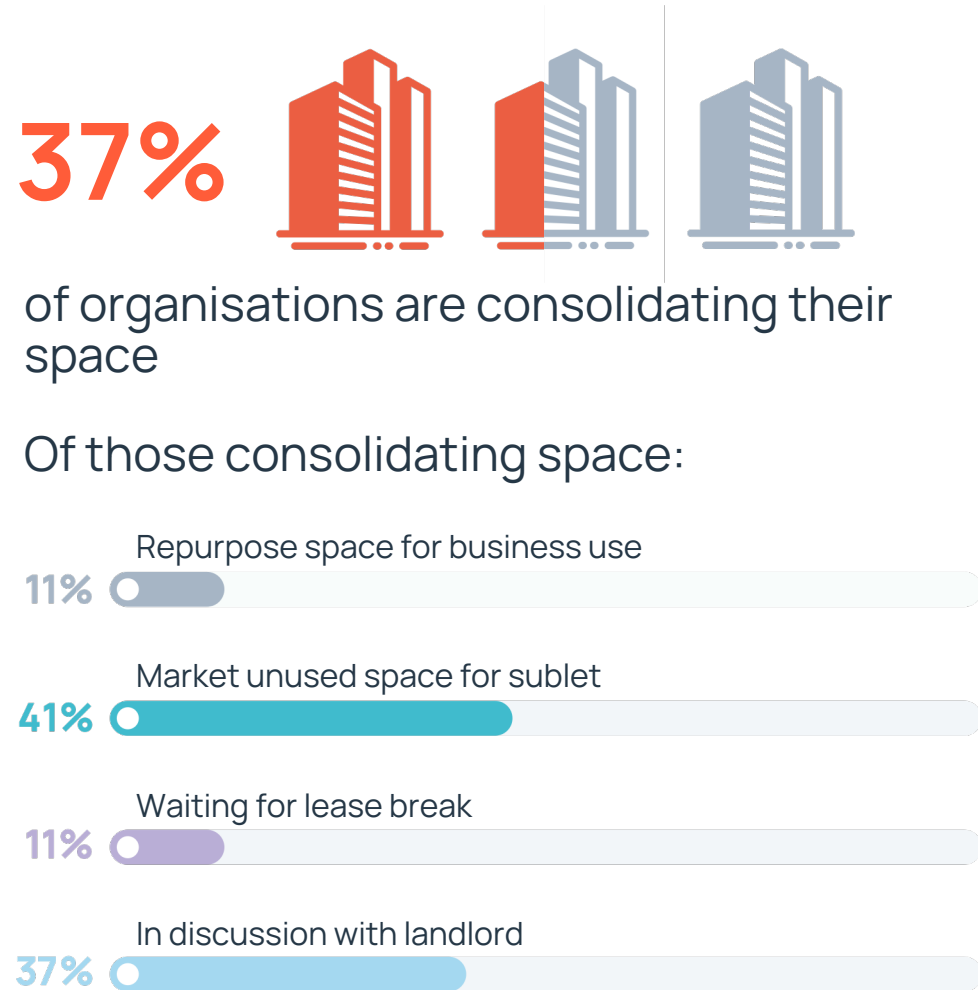


Every geography represented in the Index dataset has seen an increase in attendance between the first Index cycle in 2022, and the third in 2023.

The largest increase is in Latin America, while the UK has seen the smallest change.

Future consolidation of office space

Analysis of the question 'Are you planning on consolidating your office space due to reduced demand?'



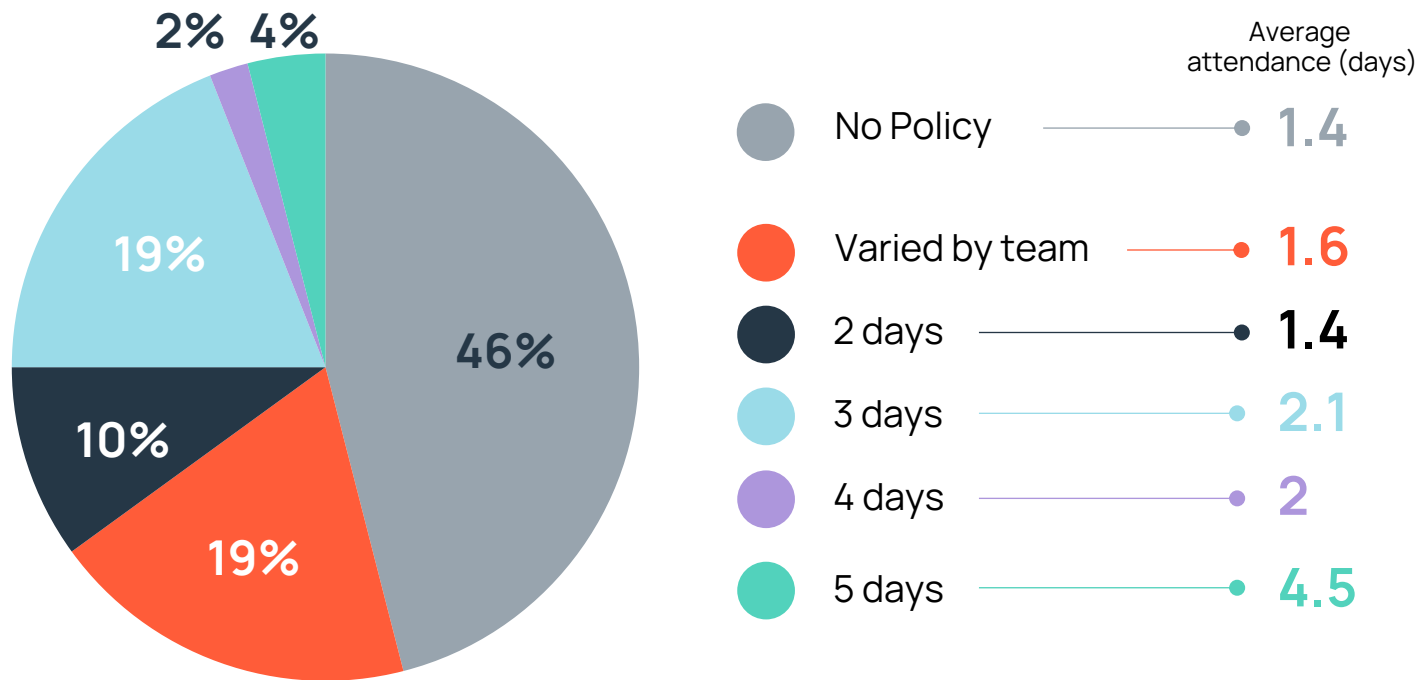
The survey revealed that 37% of organisations are planning to consolidate one or more of their offices in response to reduced demand.

Only 11% of these offices will be repurposed for business use. The majority (41%) are opting to market their unused space for subletting, with a significant portion (37%) are awaiting a lease break. 11% are actively discussing options with their landlords.

These findings highlight the various strategies businesses are adopting to address changes in office space demand and underscore the need for adaptive real estate solutions in the current market landscape.

Hybrid working policy

Hybrid Working Policy by office



46% of offices have no hybrid policy mandating attendance days in the office.

25% of offices are mandating more than 3 days per week in the office (although only 6% 4 or 5 days per week), while 19% are varying this at team level.

Strikingly, the average attendance in days for all hybrid policies is lower than the number of mandated days.

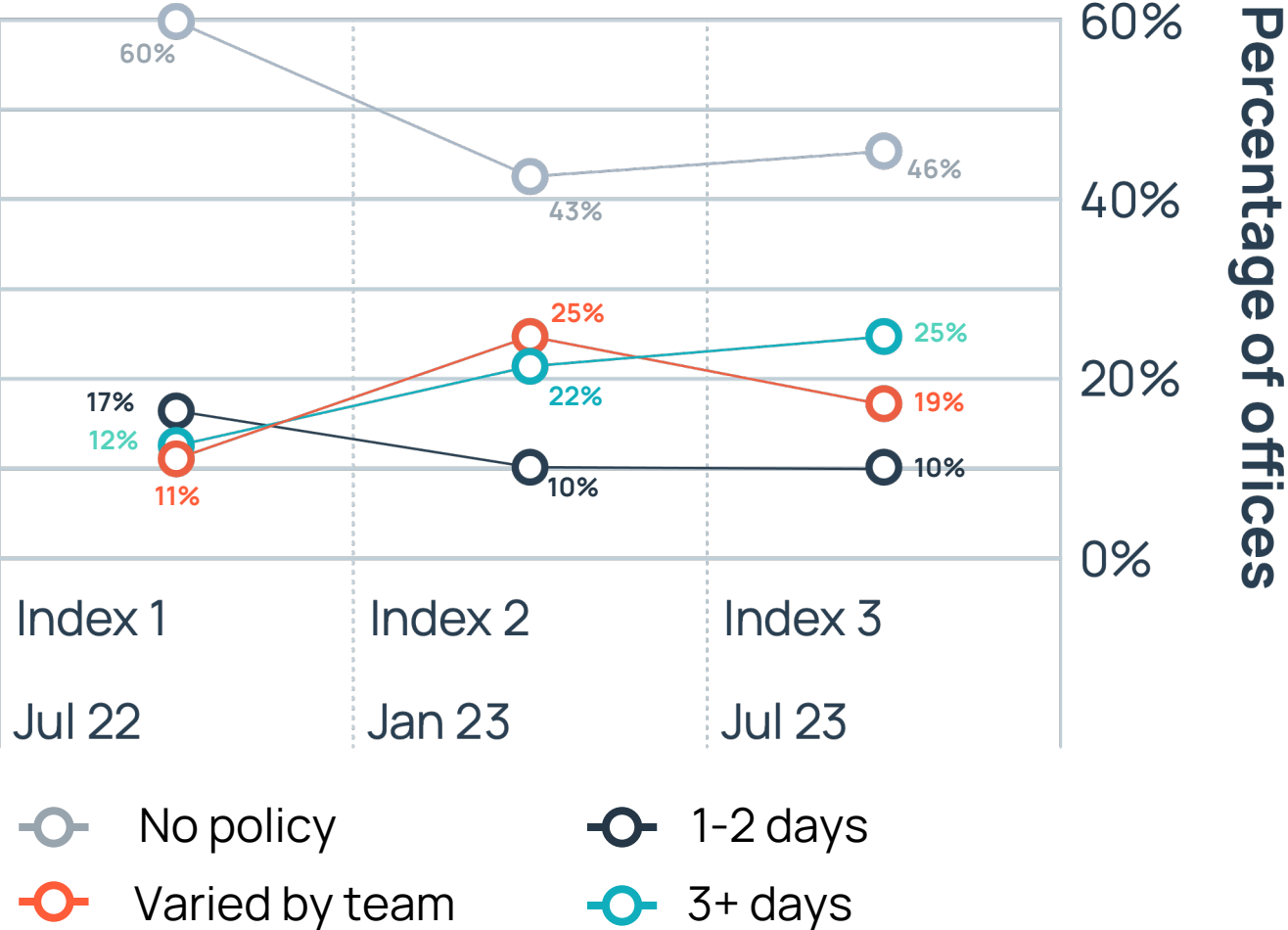
Offices mandating 3 days a week have an average attendance of 2.1 days, and those mandating 4 days a week have an average of 2.

Hybrid working policy over time

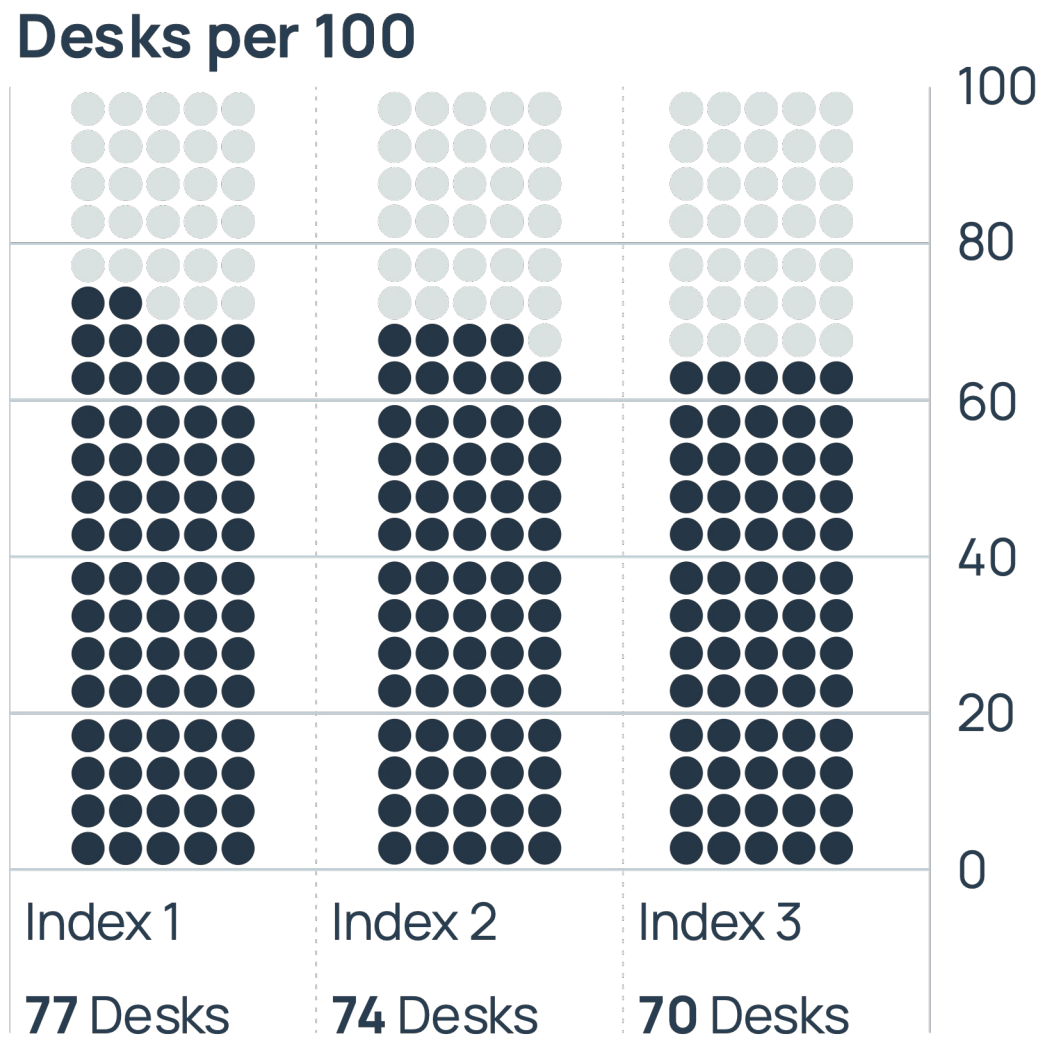
Having no hybrid policy regarding mandated days in the office has consistently been the most popular stance across our three Index cycles, although offices with this stance have reduced by 14% since Index 1.

There has been a marked increase in offices requiring staff to spend more time in the office than out (3+ days per week in the office). The percentage of offices with this mandate has more than doubled from Index 1 (12%) to Index 3 (25%)

Hybrid Working Policy



Desks per person over time



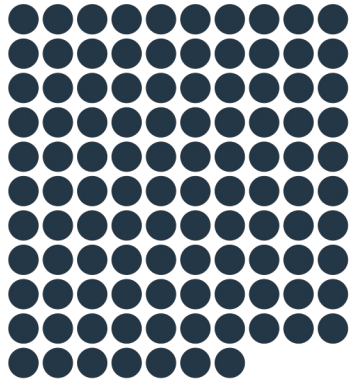
Office desk provision has steadily decreased over the three Index cycles.

This suggests that organisations are reacting to reduced demand and the emphasis on the office as a place for collaboration.

On average offices in the Index 3 dataset now have 70 desks per 100 people assigned to that office.

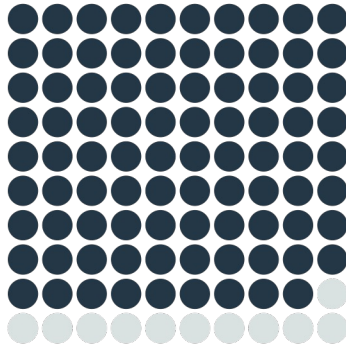
Desks per person

North America



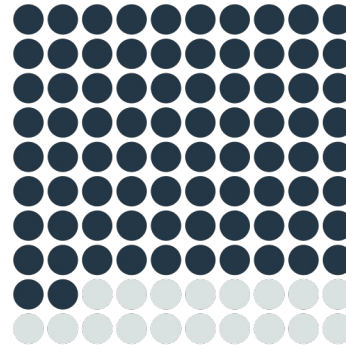
107 Desks
(per 100 people)

Latin America



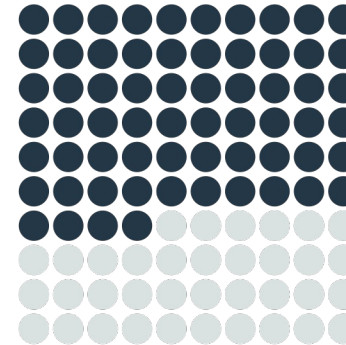
89 Desks
(per 100 people)

EU



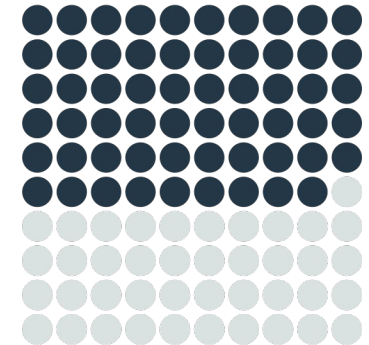
82 Desks
(per 100 people)

Asia Pacific



64 Desks
(per 100 people)

UK



59 Desks
(per 100 people)

Geographically desk provision remains spread.

North America provides more desks than people on average (107 desks for every 100 people), which is nearly double the lowest desk per person ratio, the UK with 59 desks per 100 people.



| DNA of work

Sector Analysis

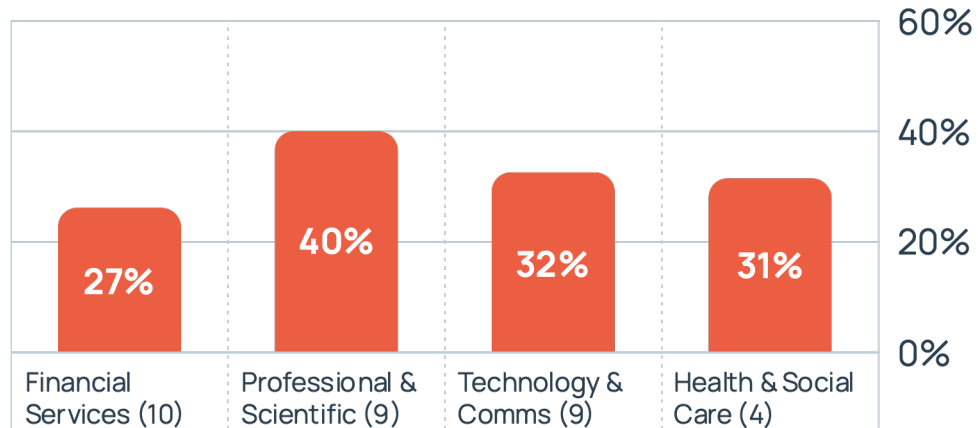
Results and findings by sector



Largest sectors in dataset

Overall attendance and desk use of the largest sectors in the Index 3 dataset

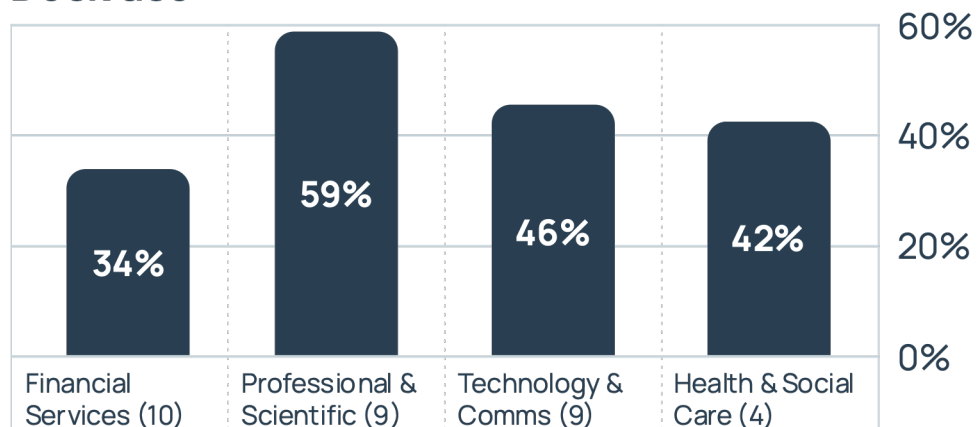
Attendance



The four sectors with most offices in the Index 3 dataset are Financial Services, Professional and Scientific Services, Technology and Communications, and Health and Social Care.

Of these, the sector with the lowest attendance (27%) and desk use (34%) is Financial Services.

Desk use



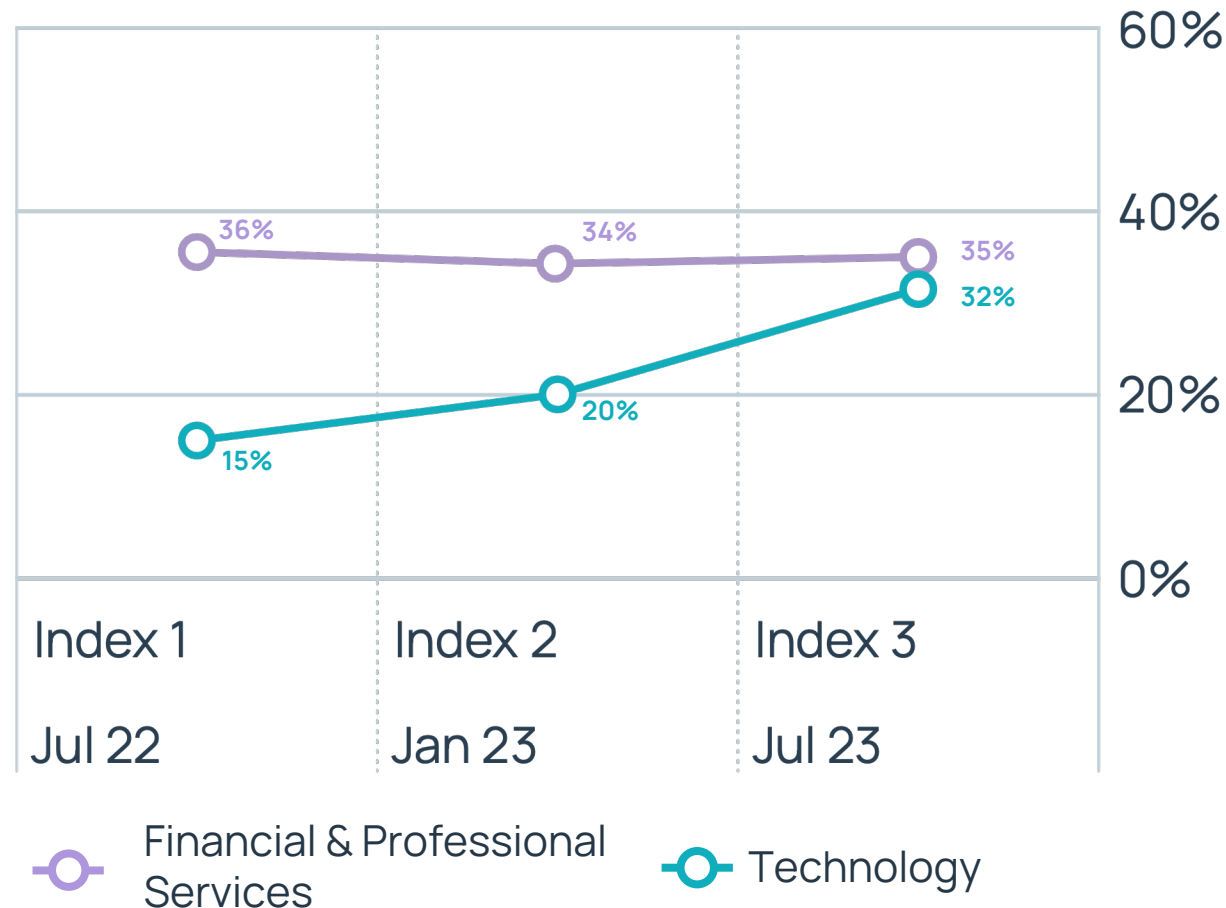
Professional and Scientific Services has the highest attendance (40%) and desk use (59%) on average.

Technology and Health and Social care are between these two extremes for both measures

Professional & Financial Services vs Tech

A comparison of average attendance across Indexes

Attendance over time



Two sectors well represented throughout all 3 Index cycles are Financial and Professional Services, and Technology.

Comparing their average attendance figures across this time shows that, although initially Tech organisations had less than half the attendance of Financial and Professional Services organisations, this gap has reduced substantially.

Tech attendance has steadily trended upwards to 32% in Index 3 and is now at a similar level to Financial and Professional Services (35%).



| DNA of work

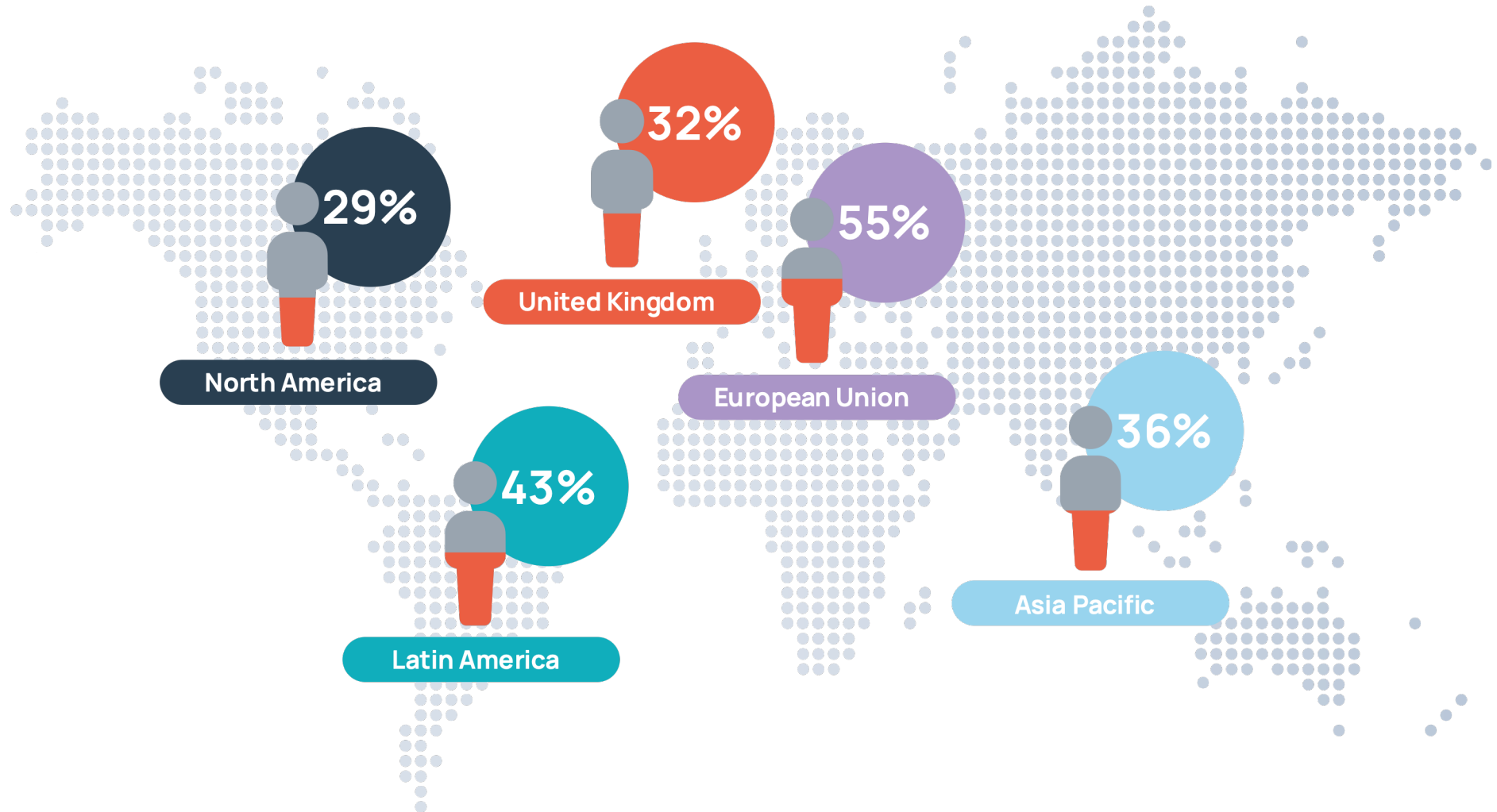
Geographical Analysis

Results and findings by geography



Attendance Globally

Average attendance by geography

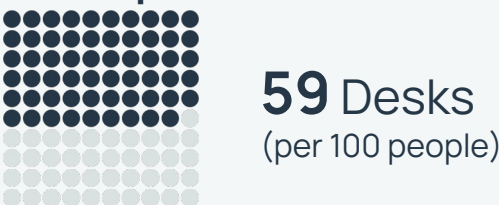


UK Dashboard

Space consolidation



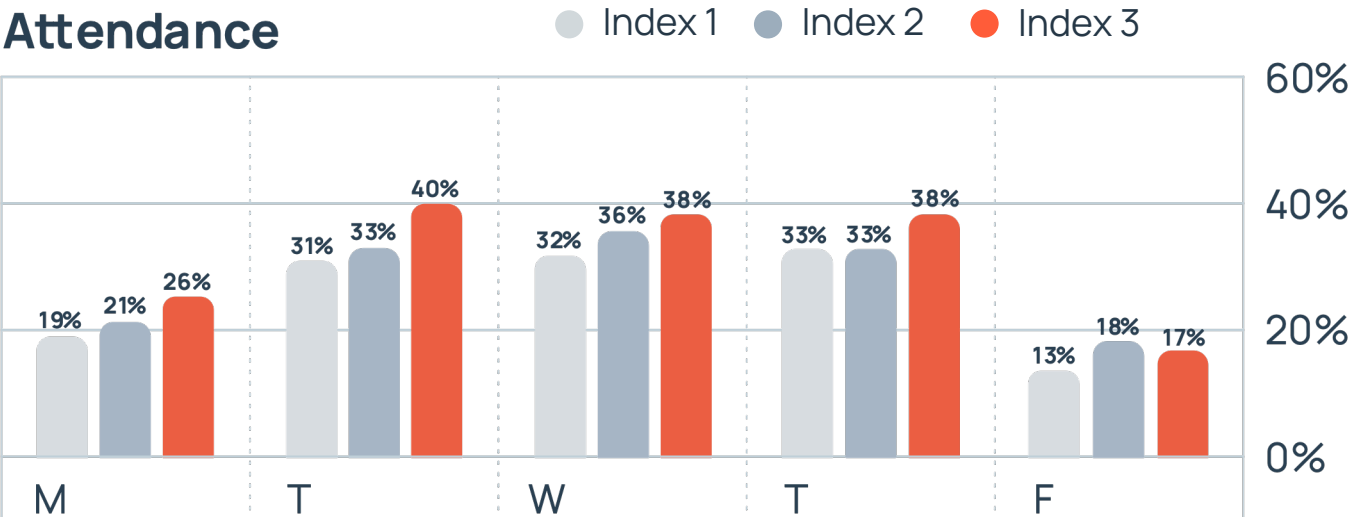
Desks per 100



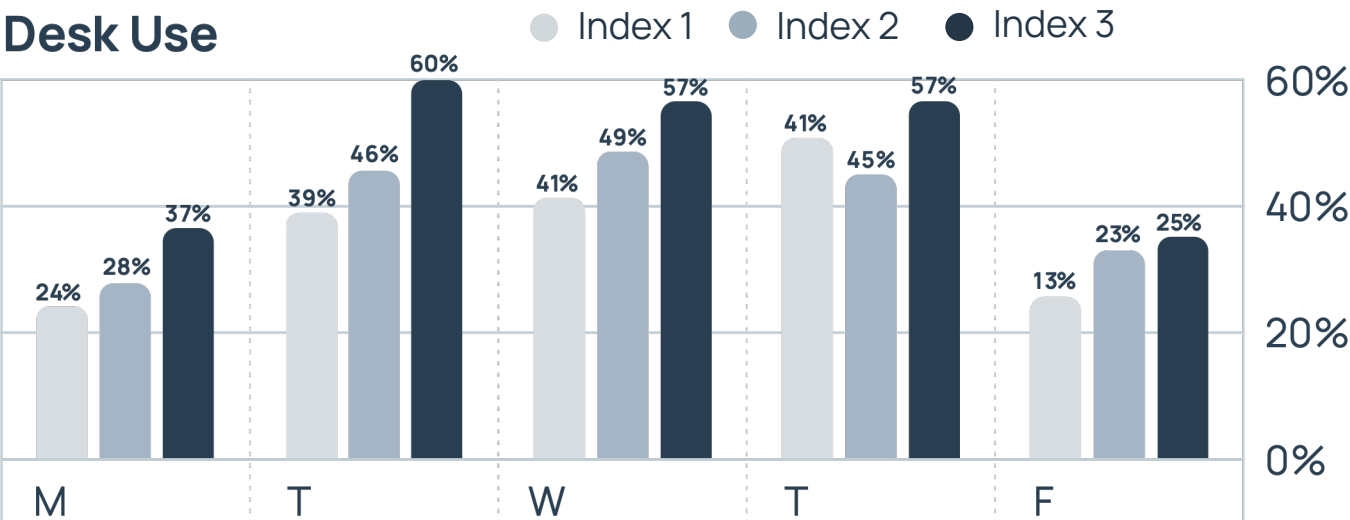
Hybrid working policy



Attendance



Desk Use

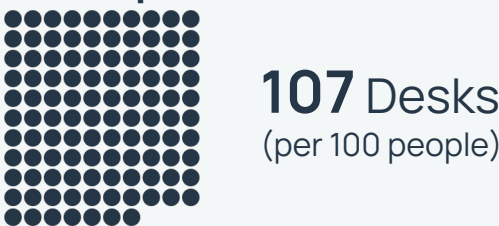


North America Dashboard

Space consolidation



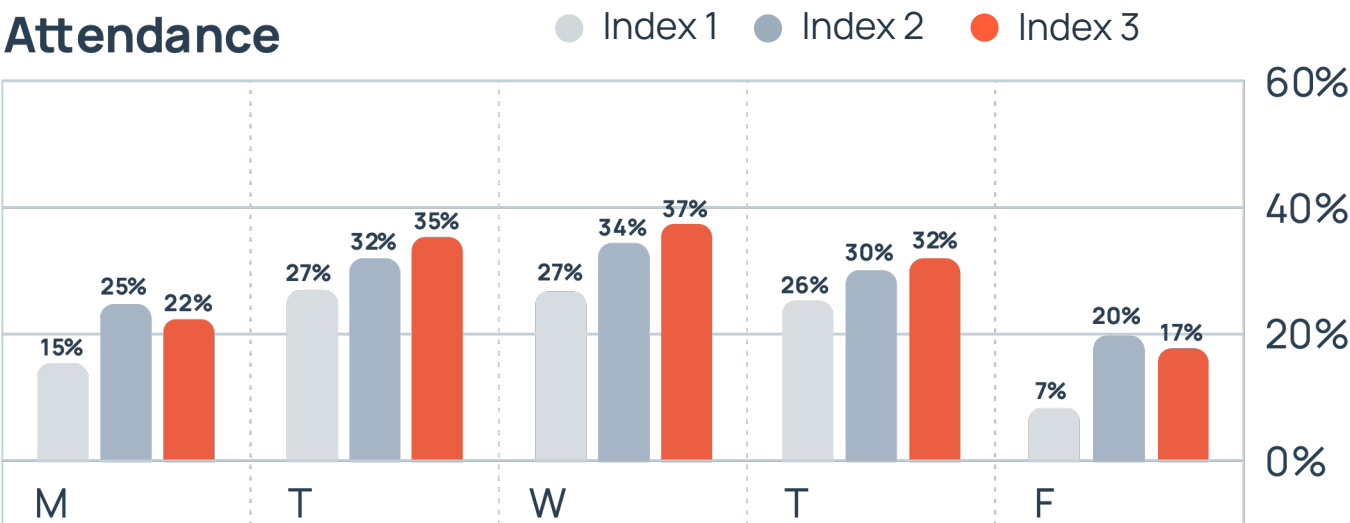
Desks per 100



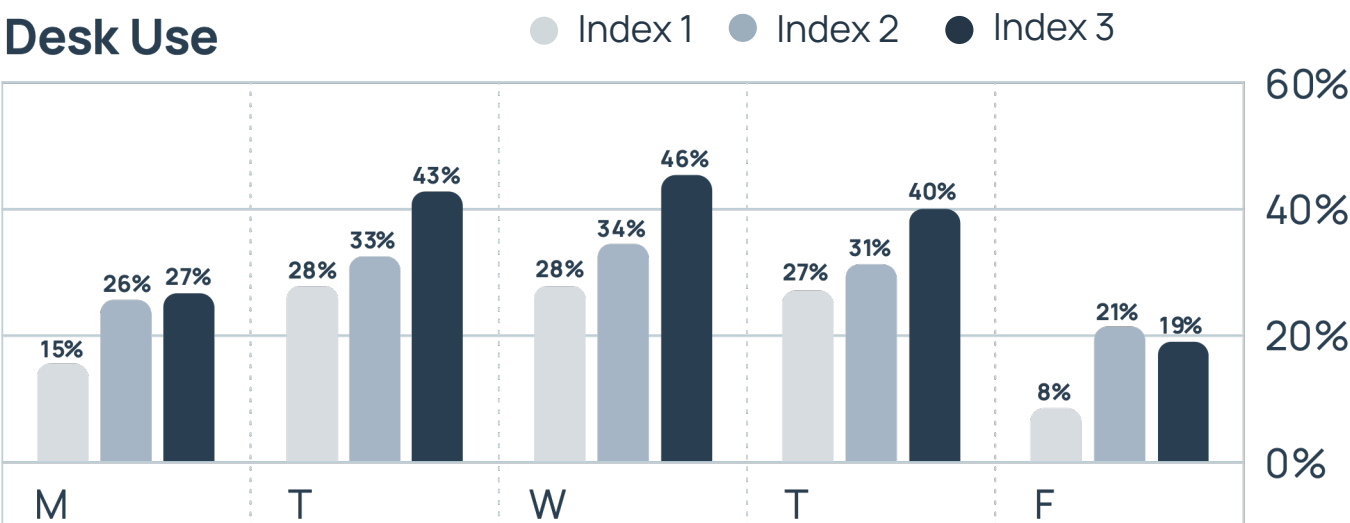
Hybrid working policy



Attendance

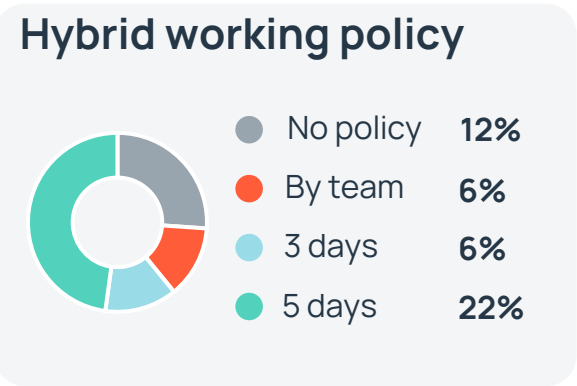
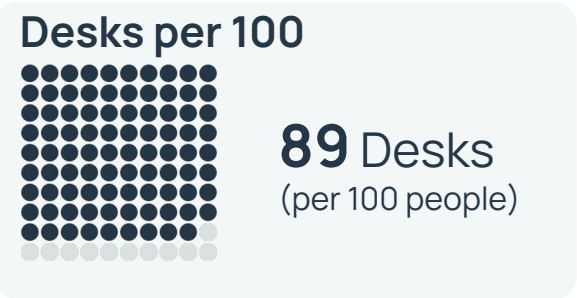
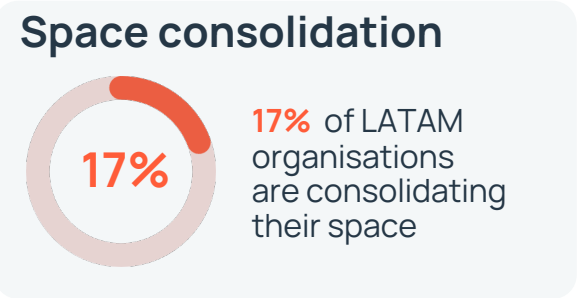


Desk Use

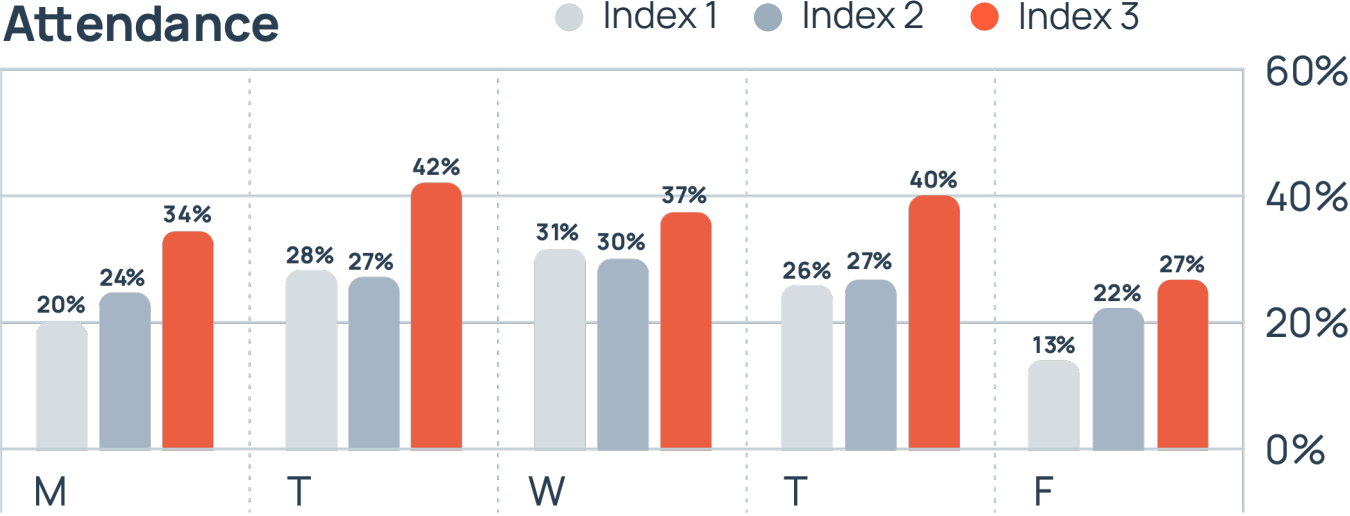


Latin America Dashboard

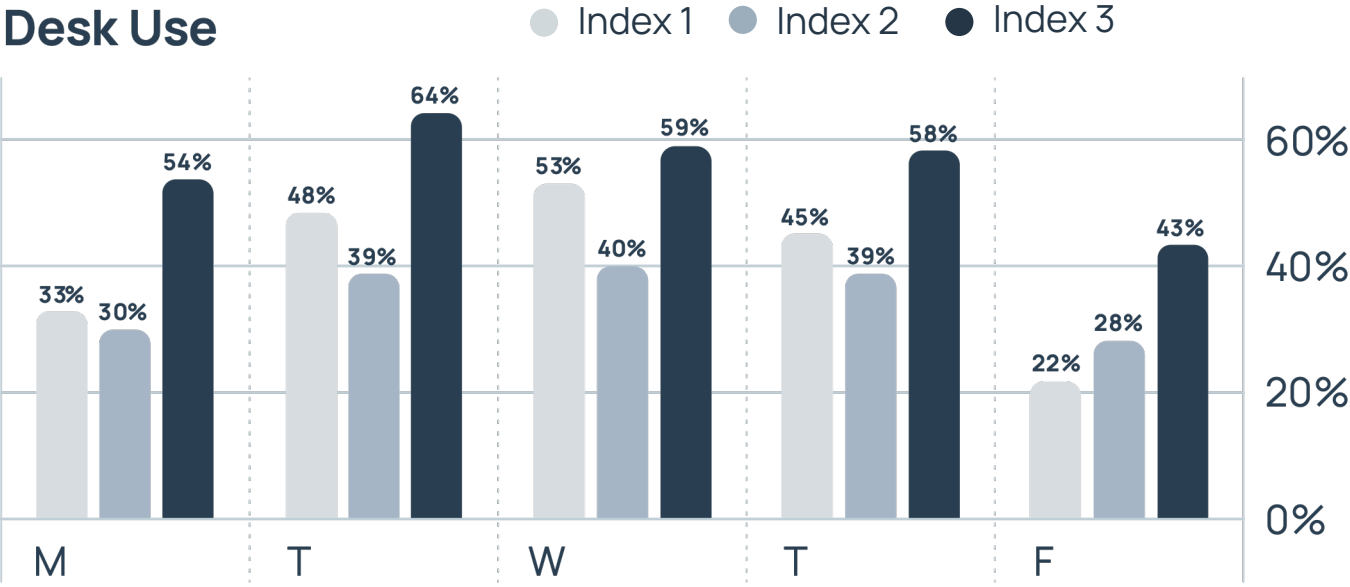
HEADLINE STATISTICS



Attendance



Desk Use

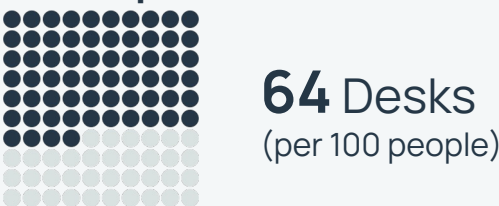


Asia Pacific Dashboard

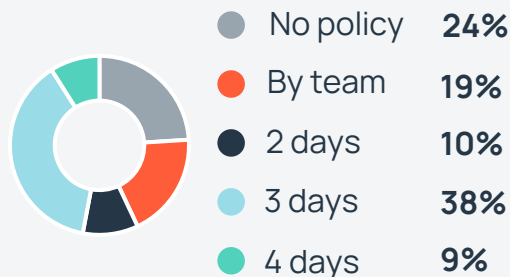
Space consolidation



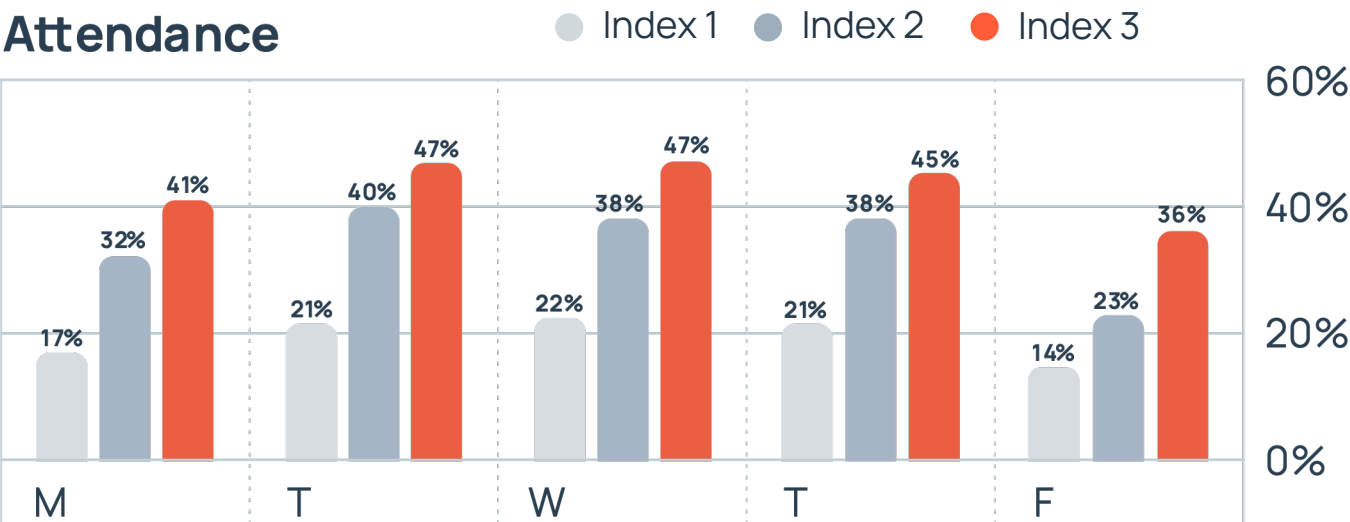
Desks per 100



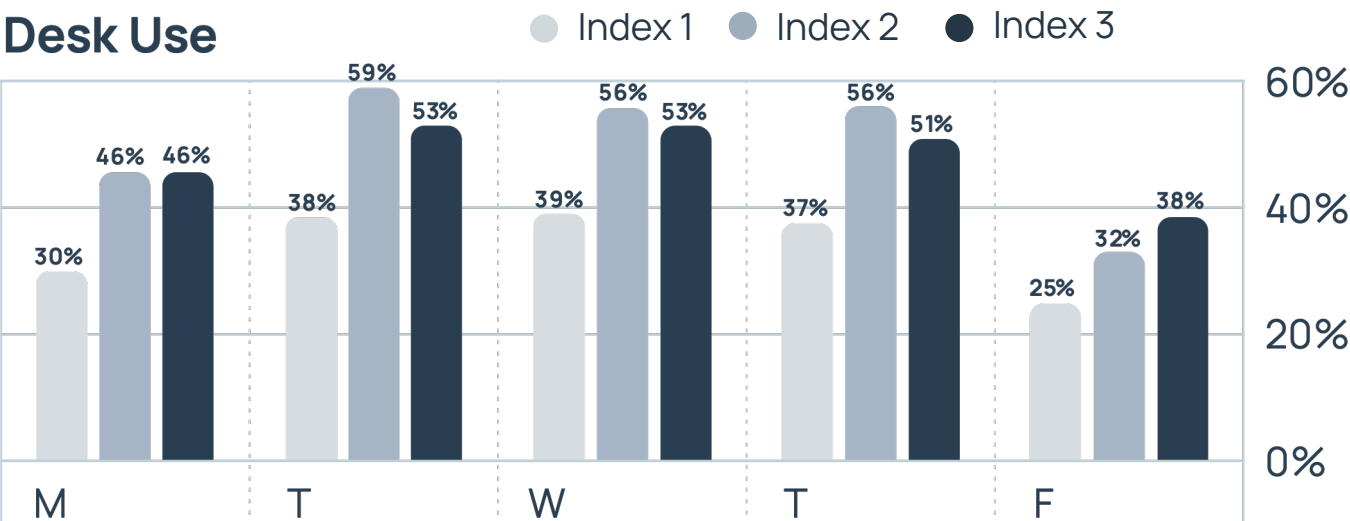
Hybrid working policy



Attendance

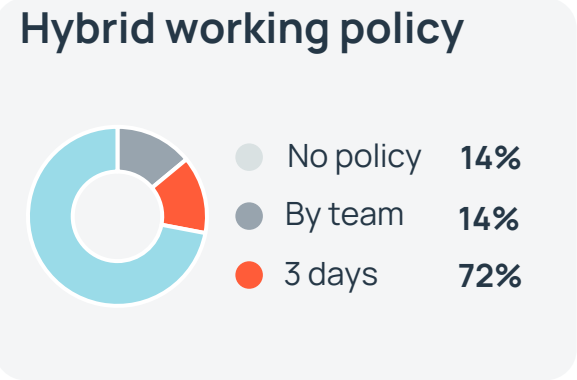
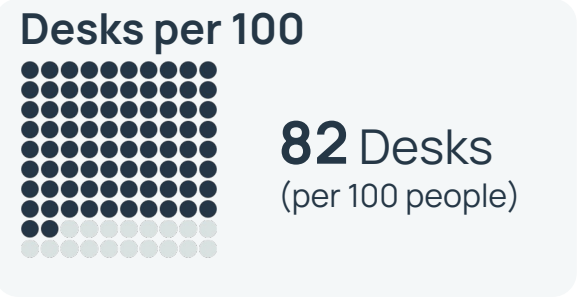
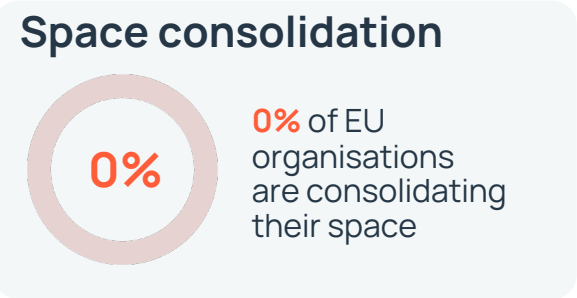


Desk Use

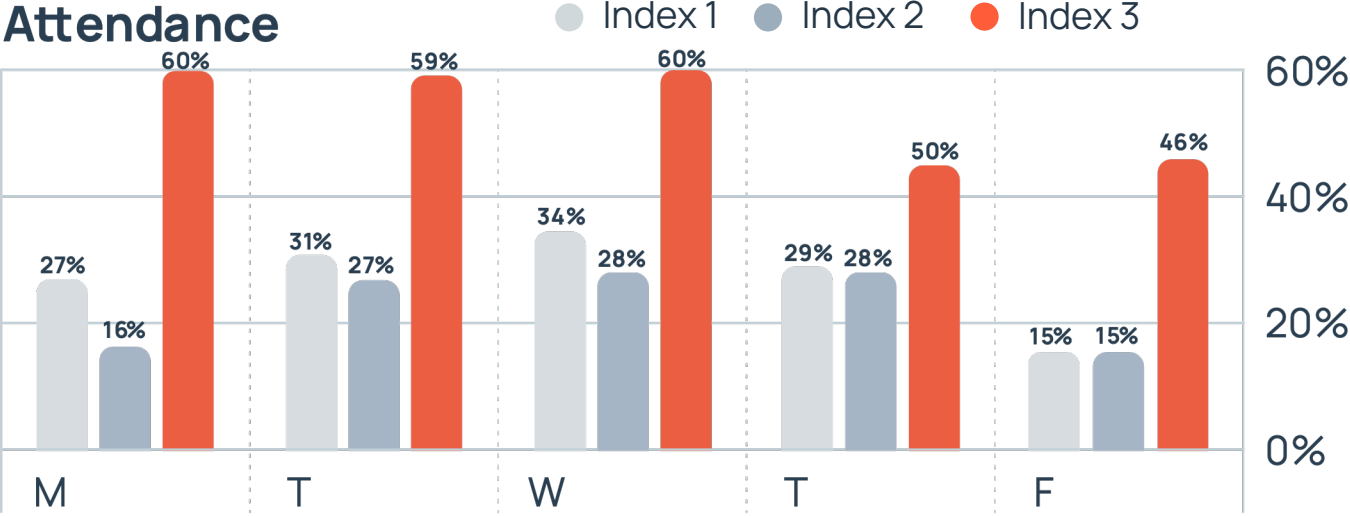


EU Dashboard

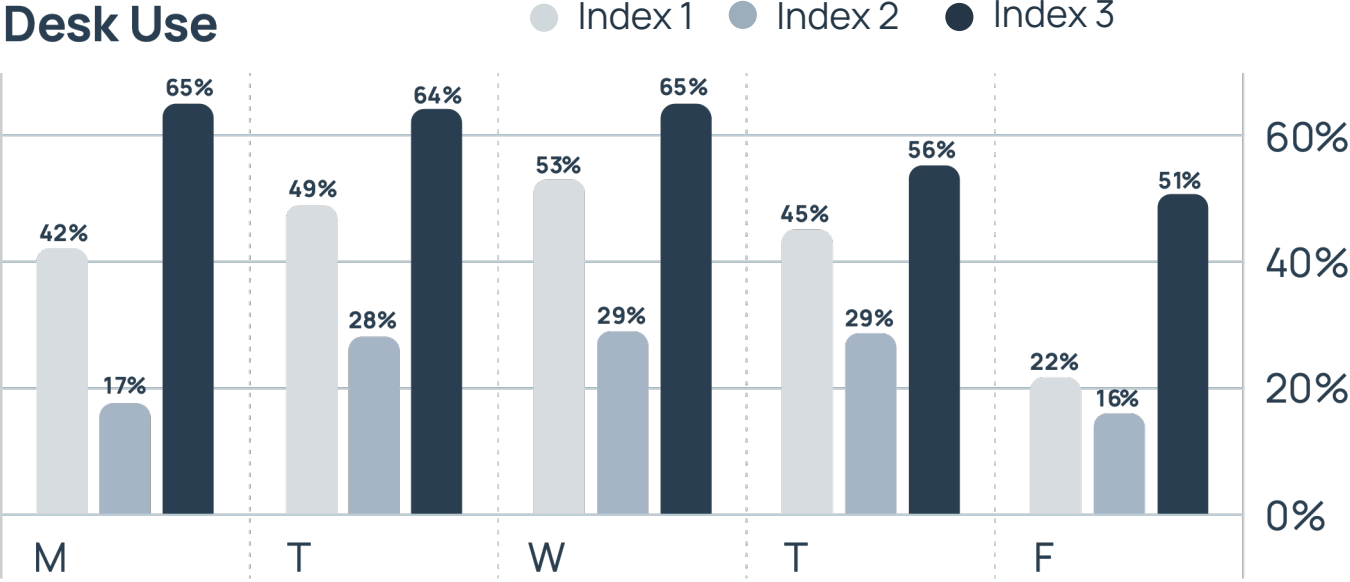
HEADLINE STATISTICS



Attendance



Desk Use





DNA of work

AWA – London

 Workplace House
69 Turnmill Street
London EC1M 5RR
United Kingdom
 +44 (0)207 743 7110
 info@advanced-workplace.com

AWA – New York

 WorkHouse
21 West 46th Street
New York NY 10036
USA
 +1 646-585-2009
 info@advanced-workplace.com