



200+ GLOBAL ENTERPRISES

The Occupancy Intelligence Index

3RD EDITION

Dates Analyzed: January 1st - December 31st, 2023

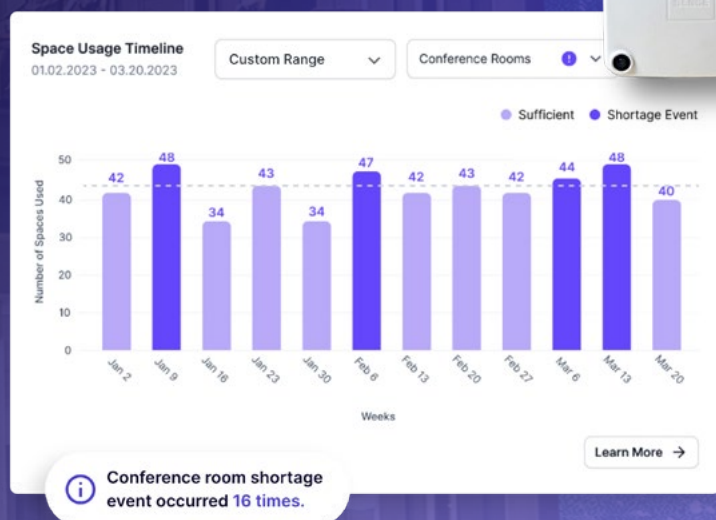
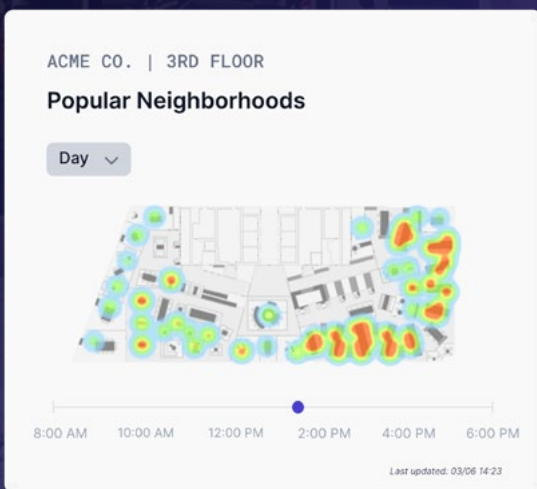
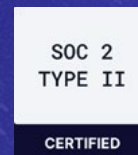
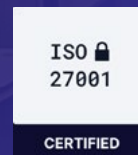
50 COUNTRIES



110M+ SQFT

The Largest, Most Accurate Data Set in the Industry

The Occupancy Intelligence Index features active and passive usage data that was captured anonymously by VergeSense occupancy sensors and analyzed by the proprietary VergeSense AI model.



Introduction

As new ways of working have emerged and preferences for in-office work have changed, so too has the modern office. And that transformation is not over - in fact, we believe it has just begun.

While the overall utilization rates of offices continue to steadily increase, the average company has still not returned to pre-pandemic levels. Yet, we're hearing an increased number of people claiming there isn't enough space for them to be productive when they're in the office. Workplace leaders are struggling to understand if this statement is true and what they should do about it.

In our experience, most companies are not truly running out of space, instead the designs and mix of spaces they've provided are not meeting the new preferences for in-office work. Spaces aren't properly utilized and uncovering why is crucial to ensure you're providing the best experience while not wasting money and resources.


This doesn't mean it's time to wipe the slate clean, move to a new office, and start fresh.

Workplace leaders most likely already have the tools to repurpose and redesign underutilized space, they just need to analyze their employee's workplace behaviors.


That's why in the third edition of the Occupancy Intelligence Index, in addition to reporting on global capacity usage and time usage trends from 2023, we're diving into key elements of space design and space mix.


We analyzed customer occupancy data from January 1 - December 31, 2023. Within this analysis, we've uncovered interesting trends and patterns across space type frequency, space popularity, how workplace designs impact employee activity, and more. These insights can guide major real estate, facilities, and workplace decisions, and help support workplace improvements.

Methodology & Definitions

 Dates Analyzed: January 1st - December 31st, 2023

 200+ Global Enterprises

 50 Countries

 115,000+ Spaces

 110,000,000+ SqFt.



Methodology & Definitions

Space Type Definitions

Throughout the third edition of The Occupancy Intelligence Index, we will reference different space types. Because no two offices are exactly the same nor are the ways in which each company names their spaces, we've created standard definitions for every space type to ensure clarity and consistency.

The table below details the attributes that define each space type, which served as the basis for our data gathering.



	SPACE ATTRIBUTES							
	Focus	For Collab	Shared	Individual	Open	Enclosed	Reservable	Non-Reservable
Desks	✓			✓	✓		✓	✓
Office	✓			✓		✓		✓
Phone Booth	✓		✓			✓		✓
Conference Room		✓	✓			✓	✓	
Collaboration Room		✓	✓			✓		✓
Open Collaboration Space		✓	✓		✓			✓

Methodology & Definitions

Metrics

Throughout The Index, we will be referencing a few different types of metrics. Don't worry, we'll remind you what each measurement means as we move through each section. For now, here's an overview of each one:

Capacity Usage

The number of people in a space over time divided by the user-defined capacity of that space. This is a carefully crafted metric that represents the performance and efficiency of an office.

Average Capacity Usage

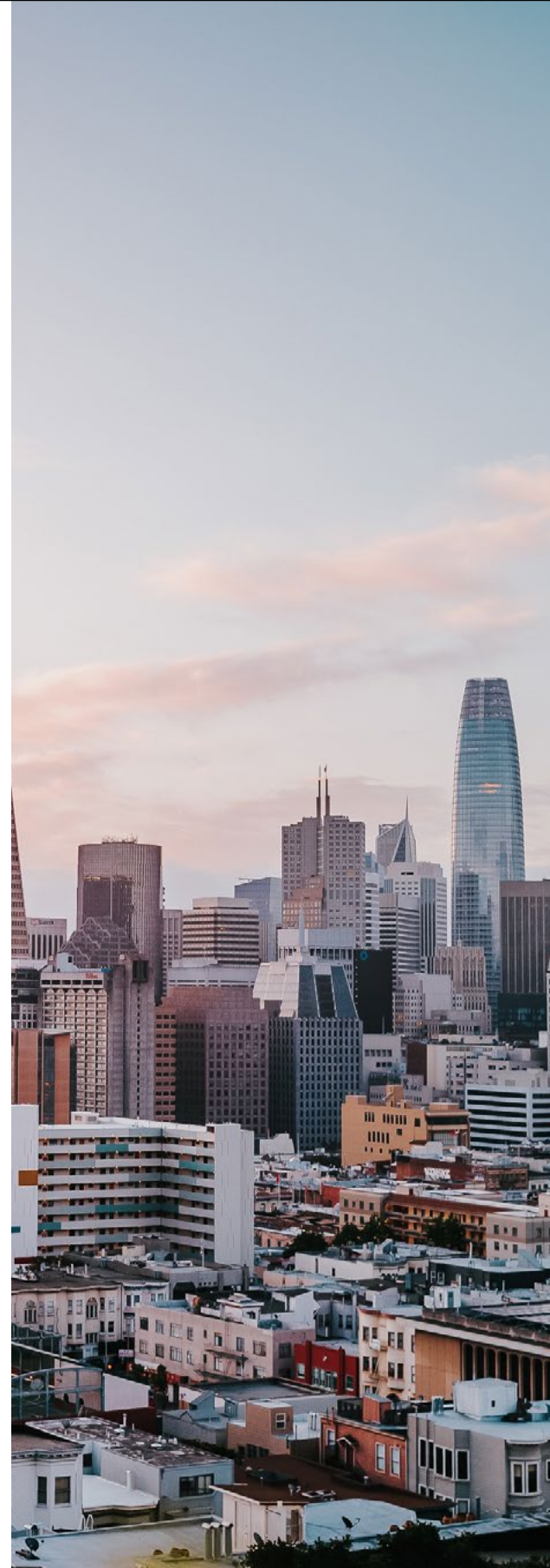
This metric calculates the average person count divided by the total capacity of the space(s) within a selected timeframe. It offers a measure of how well spaces serve their intended purpose on a regular basis.

Peak Capacity Usage

This metric calculates the peak person count divided by the total capacity of the space(s) within a selected timeframe. It's essential for determining if spaces can comfortably handle periods of high activity.

Space Count

The total number of space types within a workplace.



Methodology & Definitions

Active Time Usage

This metric calculates the amount of time that a particular space or multiple spaces are actively used by at least one person divided by the total available time for use. It provides insight into when and how often spaces are being used regardless of crowd size, informing the management of space availability and identification of most and least used spaces.

Capacity Usage:



of people in a space

user-defined capacity of the space

Active Time Usage:



total time space in active use

total work hours space is available

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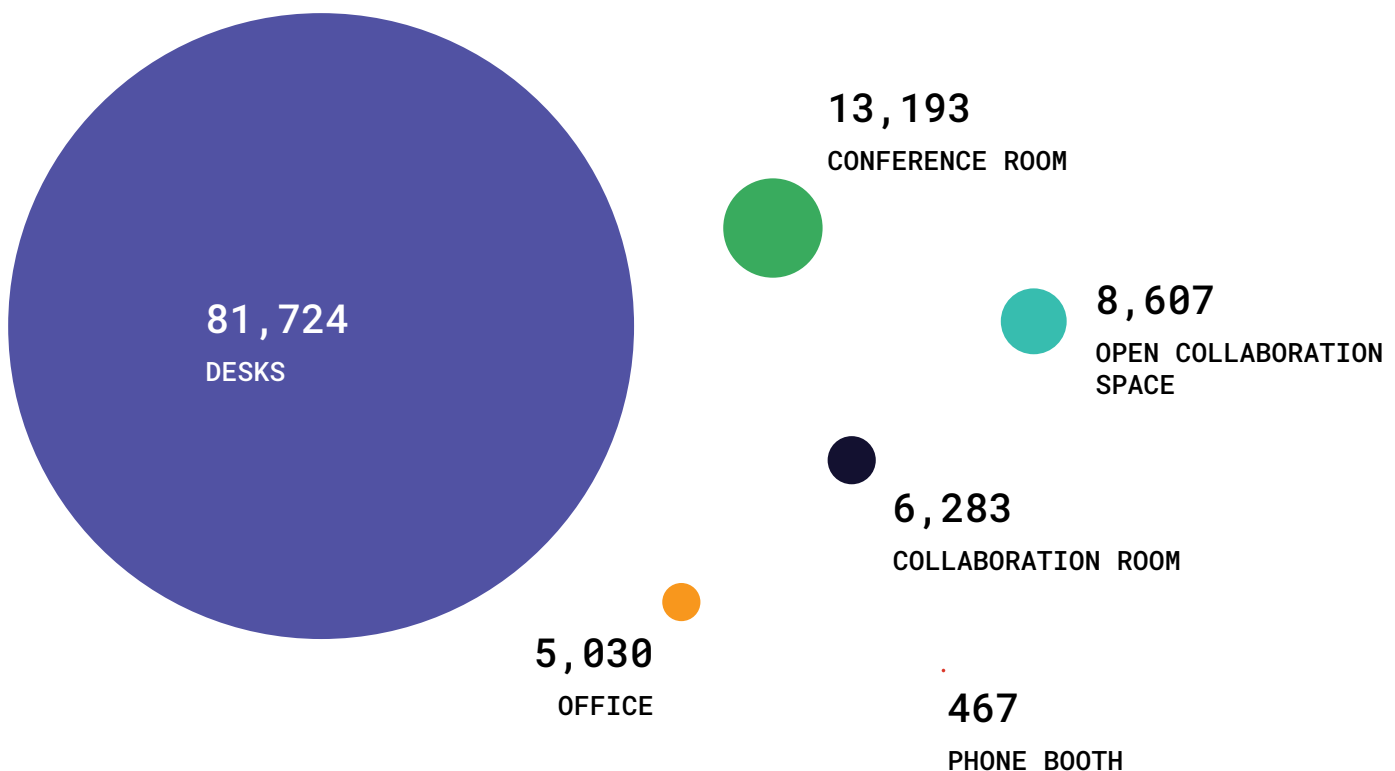
Assessing Global Office Design Elements

First we parsed over 115,000 space types by their space type definitions found on page 5, to analyze the frequency that each is used in office design.

The most frequently seen space types in office designs are Desks and Conference Rooms. This isn't surprising, as desks and conference rooms are traditionally the central design features of an office layout. What is surprising is how much time is spent in each space.

Spaces Types Ranked

1. Desks
2. Conference Room
3. Open Collaboration Space
4. Collaboration Room
5. Office
6. Phone Booth



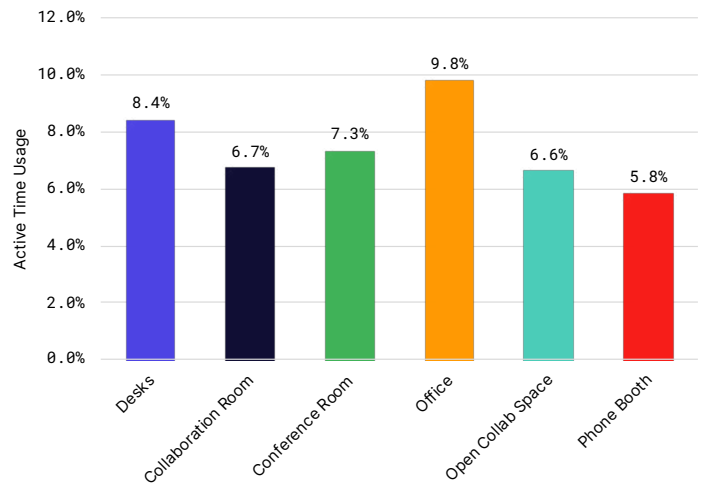
Assessing Global Office Design Elements


Desks (81,724) are the most frequently used design element. Even when combined (Conference Rooms, Collaboration Rooms, Open Collaboration Spaces) collaboration spaces (28,083) can't compete, but when we look at active time usage, the numbers shift. Overall collaboration spaces have a combined active time usage of 20.6%, while desks have an active time usage of 8.4%.

This is interesting because it indicates that while desks are a key design element in many offices, people are spending more time in collaboration spaces than they are at their desks. Usually a desk serves as a homebase, whether it's permanent or not. It's where people leave their belongings, and go in between meetings, but it is not where people spend most of their time throughout the day.

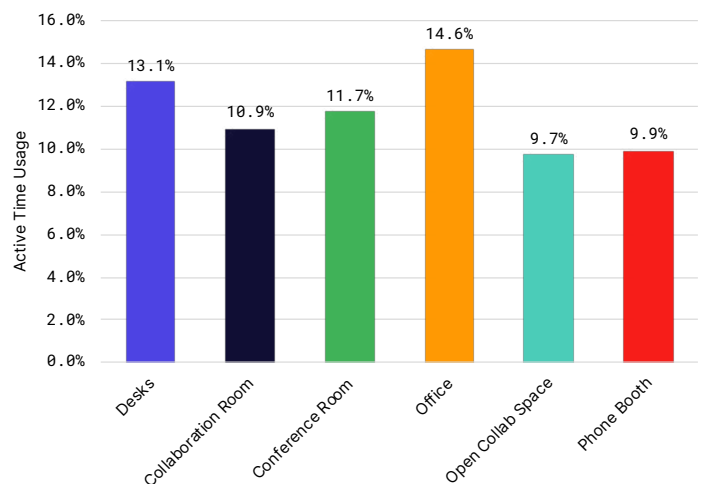
These global averages suggest that workplaces with a large percentage of desks relative to their overall space type mix have an opportunity to repurpose some of that space. Consider transforming desk areas into flexible space for collaboration, team neighborhoods, or private space for video calls.

Most Popular Space Types (All Days)



Popularity = Time Usage 
Efficiency = Capacity Usage

Most Popular Space Types (Tue, Wed, Thu)



Auditing the Office: Aligning Space with Team Needs

The way we evaluate and measure the efficacy of our spaces has changed. The number of desks no longer equals capacity or number of people in the office. Wasted space is wasted money and resources, so getting the most out of your workplace is a non-negotiable.

To ensure your space design is meeting the needs of your team you should consider conducting **an office audit**.

An office audit will allow you to see which spaces are actually being used, and which spaces aren't.

 TAKEAWAY

If you find that **capacity usage is low overall**, it's an indication that there's room for rethinking your balance of space types and their designs in order to create a more attractive, useful environment for your teams.

If you find that **capacity usage or active time usage is low with specific space types**, or within a group of spaces it's an indication there's room to reevaluate the design of these spaces, focusing on the frequency, location, and mix in your workplace.

In both scenarios, we recommend a structured experiment with:



Auditing the Office: Aligning Space with Team Needs

Example:

If people are seeking more private space for phone calls, you may hypothesize that repurposing the space taken up by larger conference rooms into a higher volume of smaller space will increase ESAT and improve capacity usage.



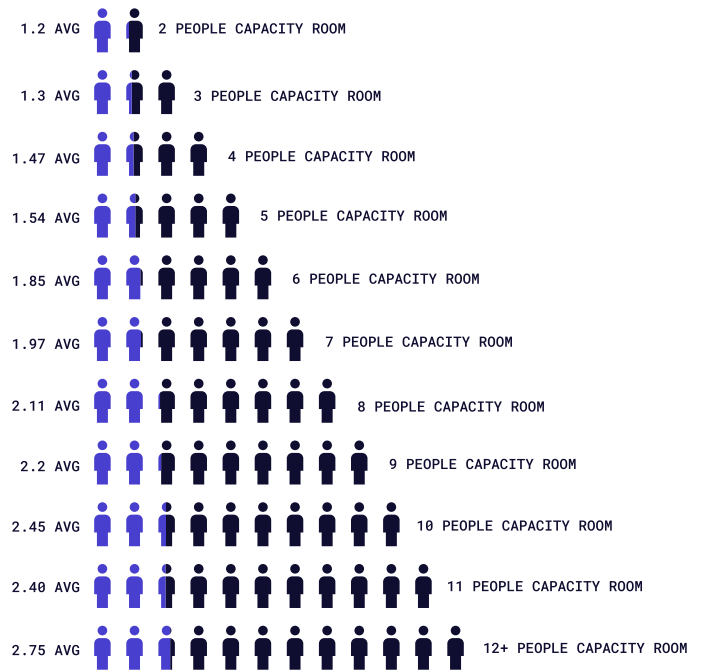
Example:

If areas of your office are underused, you may hypothesize that rearranging the desks and furniture into neighborhoods, and creating more flexible space for team collaboration will increase active time usage.

Auditing the Office: Aligning Space with Team Needs

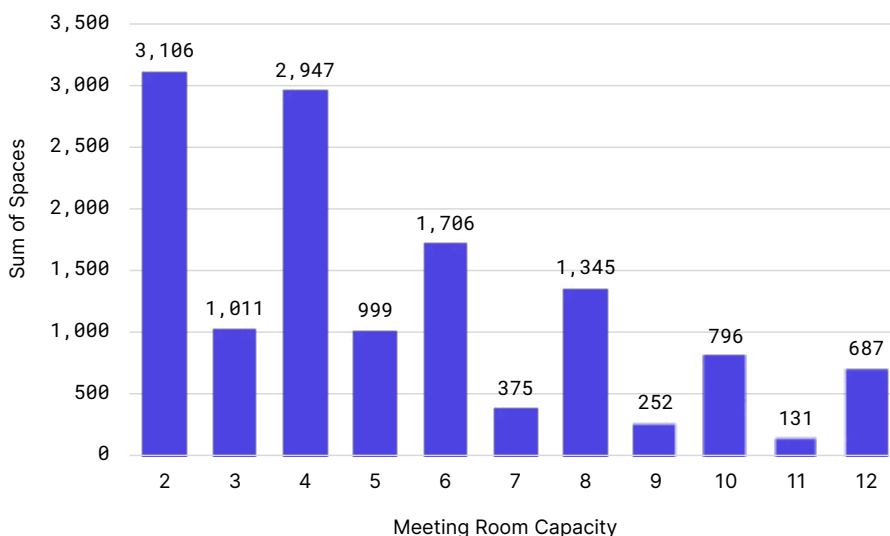
As you're looking for areas within your office to assess and experiment with, we believe there is still quite a bit of inefficient space use when it comes to the sizing of conference rooms. Based on the last Index we know there's no correlation between the size of the room and the average number of people using it.

i
 Regardless of the meeting rooms' capacity, on average, **only 1.93 people occupy a room.**



Q3 Average Occupancy Across Meeting Rooms

Q3 Global Meeting Room Supply by Capacity



Despite room capacity, meetings have an average of 1.93 people per meeting, which means most rooms with a capacity of 7 or larger would appear to be underutilized. If you have multiple large conference rooms, there is likely an opportunity to repurpose this space.

Customer Story: Designing with Data

 TAKEAWAY

Recently, a VergeSense Pharmaceutical & Life Sciences customer took on the challenge of redesigning their lobby. Before the transformation there was a small entryway and behind that space there were several conference rooms and a hidden coffee area. The assumption was that the conference rooms and coffee area weren't being used, but members of the executive team felt otherwise.

Hypothesis:

Repurposing unused space will allow them to transform the small entryway into an open and welcoming lobby that represents the first impression they want their employees and patients to experience, all while optimizing space usage.

This hypothesis drove the workplace team to uncover if the space was being used to its full potential.

Findings:

After analyzing capacity, active time usage, and peak time usage data they found that the conference rooms were used less than 2 hours per day and only needed to support a maximum of 8 people.

Decisions:

1. They reduced the conference room space and created smaller areas for collaboration.
2. They used the new space to design a much bigger and more impressive lobby.



Customer Story: Designing with Data



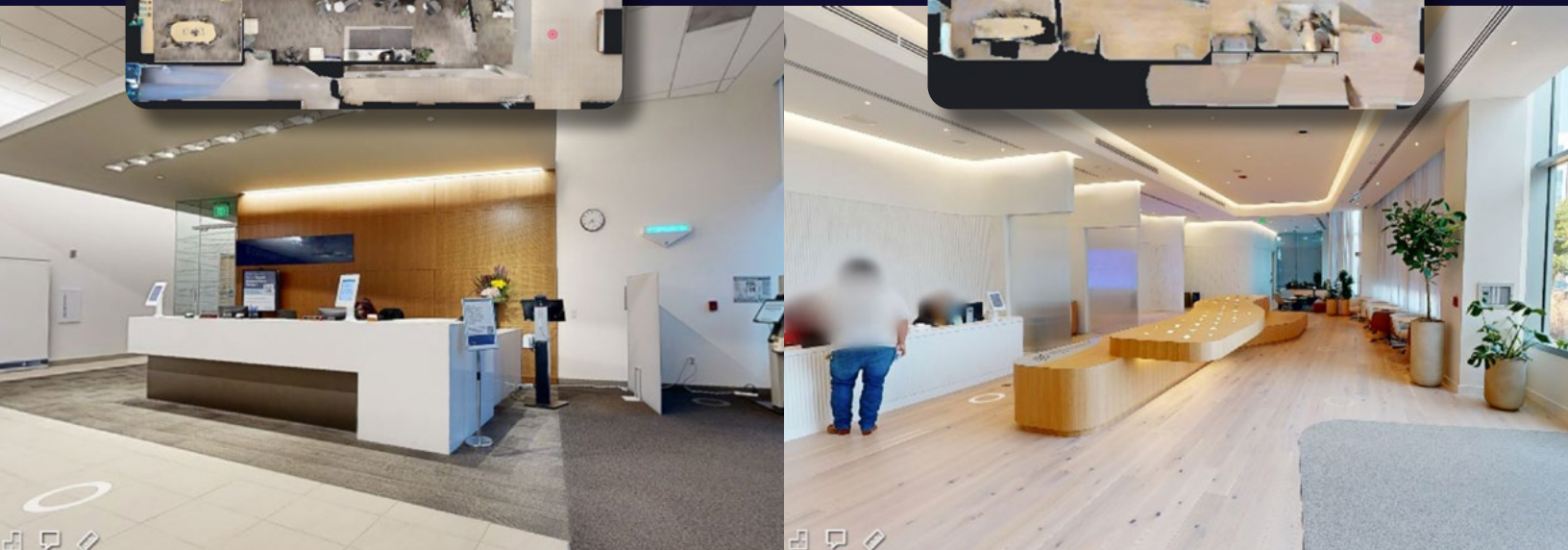
The redesign was a complete success for two distinct reasons.

First, the new layout and amenities transformed the patient and employee experience - with a more intuitive flow for check-in, ample seating, stations for getting work done, and coffee stations.

Second, employees were more than satisfied with the single conference room delivered as part of the project, which was appropriately sized and outfitted with brand new technology for the executives.

BEFORE REDESIGN

AFTER REDESIGN

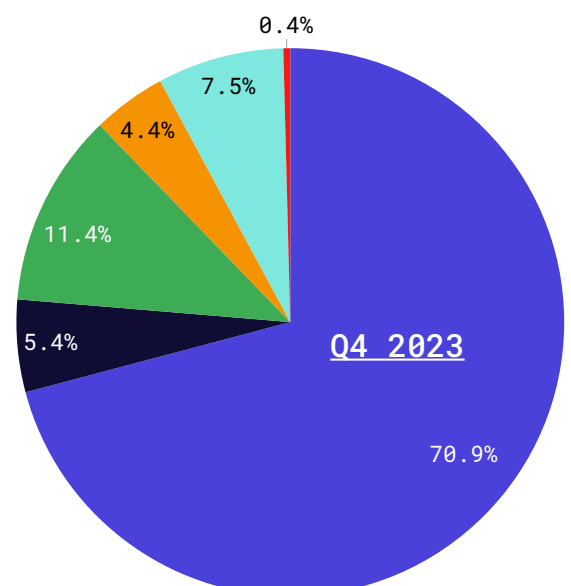
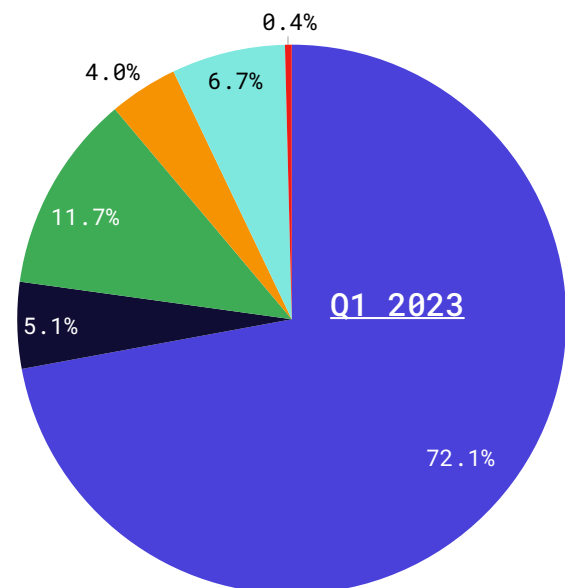
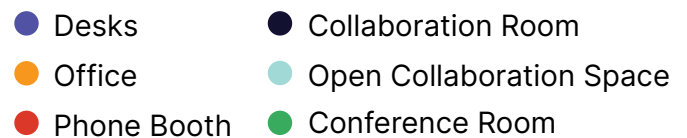


Assessing Space Design Changes

To accommodate new employee behaviors and ways of working, companies must respond by adjusting existing space designs as well as introducing new, experimental design elements. To better understand how companies have already begun evolving their mix of different space types, we compared the mix of spaces seen over the course of 2023.

We discovered that space mix has slightly shifted. Although changes aren't drastic, you can see that there's been a slight increase in Open Collaboration Space (Q1 6.7%, Q4 7.5%) and a slight decrease in Desks (Q1 72.1%, Q4 70.9%). People are using the office for in-person collaboration, and we expect to see this trend continue in 2024, but so far design has some catching up to do.

The office is prime space for collaboration, but workplace designs aren't drastically shifting. Workplace leaders have an opportunity to respond to employee requests and create designs that meet their new work preferences. Identifying unused space and turning it into different types of space can ensure you're getting the most out of your investment and are meeting your team's needs.



Calculating the Cost of Space Inefficiencies

 TAKEAWAY

Underused space is costly, but every office is unique so there isn't one universal way to calculate how much you lose when space goes unused (see what we did there?). Our Strategic Advisory Services team works closely with customers to identify space inefficiencies based on their unique workplace strategy and goals.

Most often our customers find inefficiencies in open areas, like workstations made up of desks or huddle spaces. Understanding the cost of space inefficiencies isn't always straightforward, but there are a few factors you should consider as you define your calculation.



VergeSense Strategic Advisory Services

VergeSense Strategic Advisory Services (SAS) offers consulting expertise exclusively to VergeSense customers.

SAS blends design thinking with a data-driven approach to optimize your workplace data strategy. For a select period of time, we work as an extension of your team to deliver high-impact results.



Brad Golden

WORKPLACE INSIGHTS LEAD



Izzy Cannell

WORKPLACE INSIGHTS LEAD

Calculating the Cost of Space Inefficiencies



1

What is your threshold for efficiency?

Efficiency is a measure of usage as compared to capacity - so before you determine if your space is not being used enough, you need to determine what it looks like when it is. For example, if your space has a capacity of 100 people, but your goal is to consistently maintain an average usage of no less than 25 and no more than 80 people using the space, then 25% - 80% capacity usage is the target threshold.

2

How much does your space cost per square foot?

This is likely a figure that you already have, but just in case: to calculate how much a specific space costs, you'll first need to break down the price by square foot (SqFt). Divide the total cost of your rent or mortgage by the square footage of your office space to get this number.

3

What are your core working hours?

This will vary depending on your company's workplace strategy and workstyles. Typical working hours are M-F, 9-5, but we know that's not always the case. Nail down what days/times your company is planning space for to help paint a more accurate picture. For example, you may look at data across all days and working hours, but you're really planning space for core days/times such as Tues - Thurs between 9am and 3pm.

Once you have target efficiency, cost per square foot, and core working hours defined you can begin to work through a calculation that suits your workplace strategy.

Calculating the Cost of Space Inefficiencies

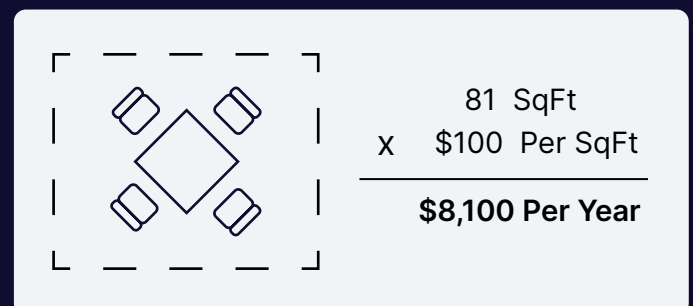
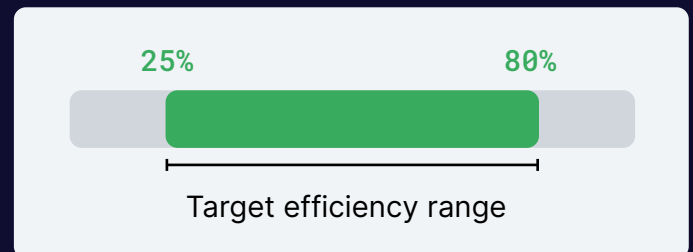
Example:

Let's use the efficiency measurement referenced previously. If your threshold for efficiency of workstations is 25-80%, then any space with time usage below 25% within working hours would be considered under-utilized.

Let's say you have an open collaboration space that is 81 SqFt. If your lease is \$100/SqFt annually, that means this open collaboration space costs \$8,100 per year (SqFt of space X \$\$/SqFt).

To ensure you're getting the most out of your investment your space needs to consistently reach the predetermined efficiency threshold of 25%, anything less than that is inefficient.

- Since you can't sublease or remove a space this small, any time your utilization rate is under 25%, that means you are wasting some percentage of this \$8,100.
- If you have 5 spaces that meet this criteria and are being underutilized, that's leaving a lot of money on the table.



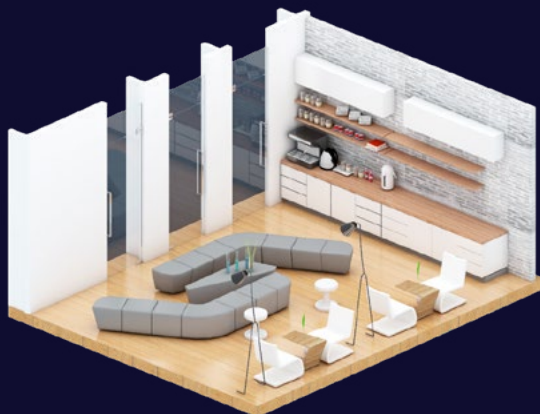
Calculating the Cost of Space Inefficiencies

 TAKEAWAY

Now like we mentioned before, there is not one universal way to calculate space inefficiencies. Your efficiency threshold may vary, you may want to consider other variables like technology and operating costs, or you might want to incorporate other data. Either way, understanding how different spaces are being used is the first step to identifying what you're losing, and to start evaluating the opportunity cost of not replacing these spaces with a space type in greater demand.

Other angles to consider include:

How much are you losing on over-sized meeting rooms? Looking at meeting room capacity, when conference rooms are built for 8 people, but only 3 people on average use the space (and only a handful of meetings are achieving capacity), how much space is being used inefficiently?



Is there a specific space type going unused? Looking at peak space usage, when your office is at peak capacity, which space types aren't being used and how much does that cost you? Active time usage visuals in the floor map views can be really helpful in evaluating this!

Space Type by Industry

We all say that no two offices look the same, and we can safely say the data backs this statement up. When analyzing the space type mix industry by industry, desks are the most used design element, but the mix from there varies widely.

	Desks	Collab Room	Conf. Room	Office	Open Collab Space	Phone Booth
Technology, Media, & Telecommunications	74.29%	3.12%	13.21%	0.72%	8.61%	0.05%
Life Sciences	46.21%	8.36%	17.82%	18.60%	8.81%	0.21%
Infrastructure & Public Enterprise	55.95%	6.89%	27.97%	0.42%	8.77%	0%
Industrial & Logistics	59.10%	17.96%	9.18%	0.43%	9.59%	4.82%
Healthcare	47.72%	20.99%	15.89%	4.92%	9.68%	0.81%
Financial & Professional Services	72.53%	6.92%	8.61%	4.89%	6.57%	0.47%
Energy, Oil, & Gas	85.99%	0.67%	7.83%	1.55%	3.34%	0.62%
Real Estate	69.83%	4.62%	11.71%	3.19%	10.63%	0.04%

Space Type by Industry

Healthcare (20.99%) and Industrial & Logistics (17.96%) **have more than 2x as many Collaboration Rooms** than any other industry.

Infrastructure & Public Enterprise space mix is about half focus and half collaboration space, with **56.37% focus space** (Offices and Desks) and **43.63% collaboration space** (Collaboration Rooms, Conference Rooms, and Open Collaboration Space).

Industrial & Logistics has the **highest amount of phone booths** in its space mix (4.82%), while Infrastructure & Public Enterprise has the **lowest** (0%).

Energy, Oil, & Gas **has the highest percentage of desks** (85.99%) in its space mix.



Your perfect space mix has everything to do with the objectives of your workplace strategy as well as the type of work that your employees are using the office for.



Global Office Capacity Usage

With each edition of The Occupancy Intelligence Index, our goal is to present the most helpful and accurate data possible. As we continue to gain customers and refine our metric normalization, we want to ensure data continuity is preserved.

In this section we'll explore global office capacity usage data, and highlight trends and patterns that formed throughout the year. As the office continues to evolve in 2024, these insights can provide context for workplace leaders and guide their decision-making as they make adjustments in the new year. As a refresher we'll be looking at the following measurements:

Capacity Usage:



of people in a space

user-defined capacity of the space

Average Capacity Usage



The general performance accounting for a full work day of usage.

Peak Capacity Usage



The highest number of people detected in the office on a specific day.

Active Time Usage



total time space in active use

total work hours space is available

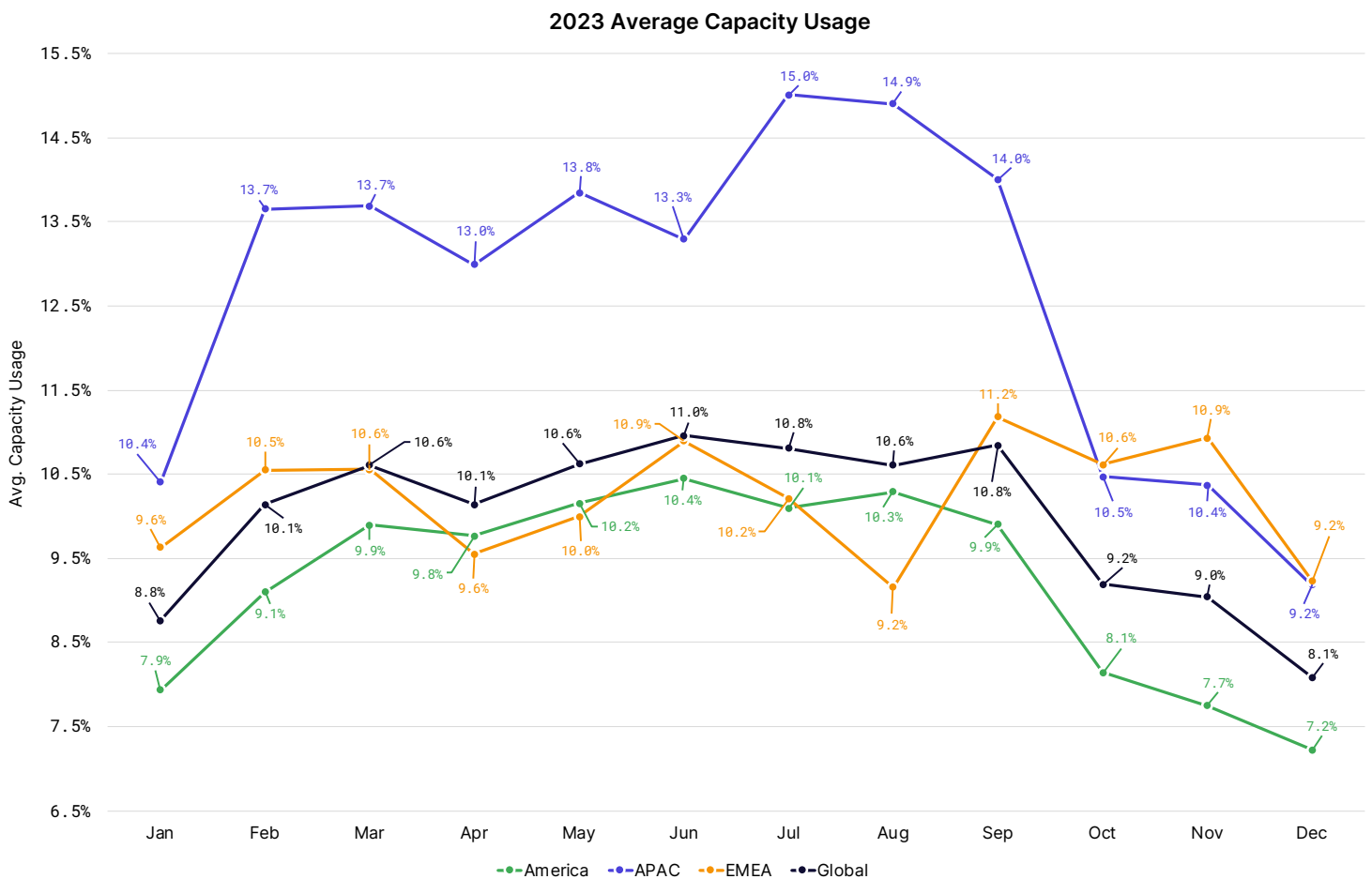
For both sets of data, we look at everyday usage and usage specifically recorded on standard office days (Tuesday, Wednesday, and Thursday).

Global Office Capacity Usage

Capacity Usage by Region (All Days)

To start, let's explore capacity usage data by region. Over the course of 2023 we saw capacity and peak capacity usage increase more than previous years. This is likely attributed to an increased urgency around return to office (RTO) strategies coupled with office optimizations to support the need for in-person collaboration.

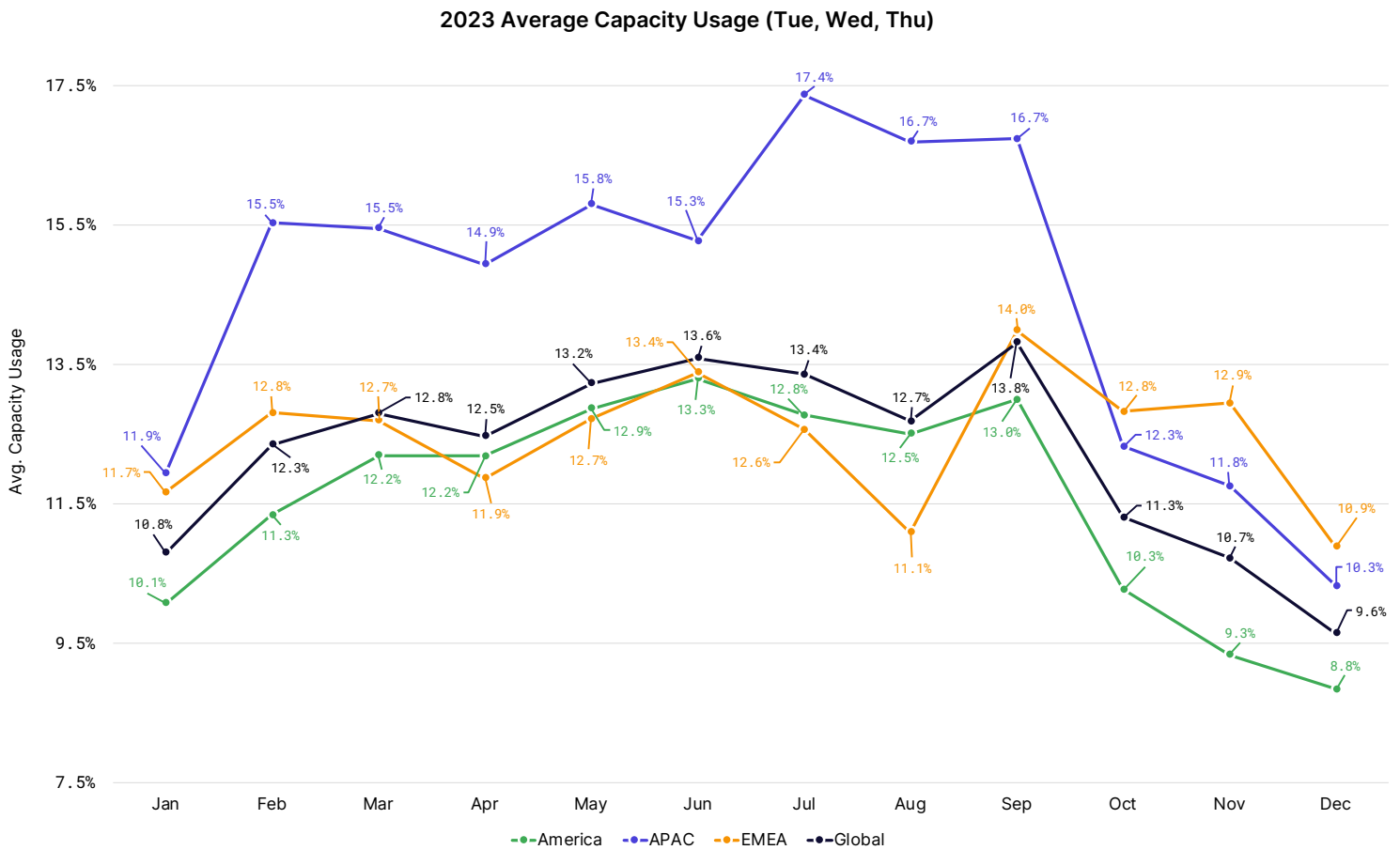
i APAC has had the highest average capacity usage, but in Q4 2023, APAC's capacity usage was lower than EMEA's. Most likely due to Australian Summer.



Global Office Capacity Usage

Capacity Usage by Region (Tue, Wed, Thu)

Tuesday, Wednesday, and Thursday have been dubbed the “standard in-office days” within most hybrid work strategies, and capacity usage data once again confirms this. These days continue to have the highest average capacity usage, specifically **Tuesday** which had the highest average capacity usage of 11%, globally in 2023.



We've seen this trend consistently over the last year, so any workplace leaders who are looking to increase office attendance should take note.

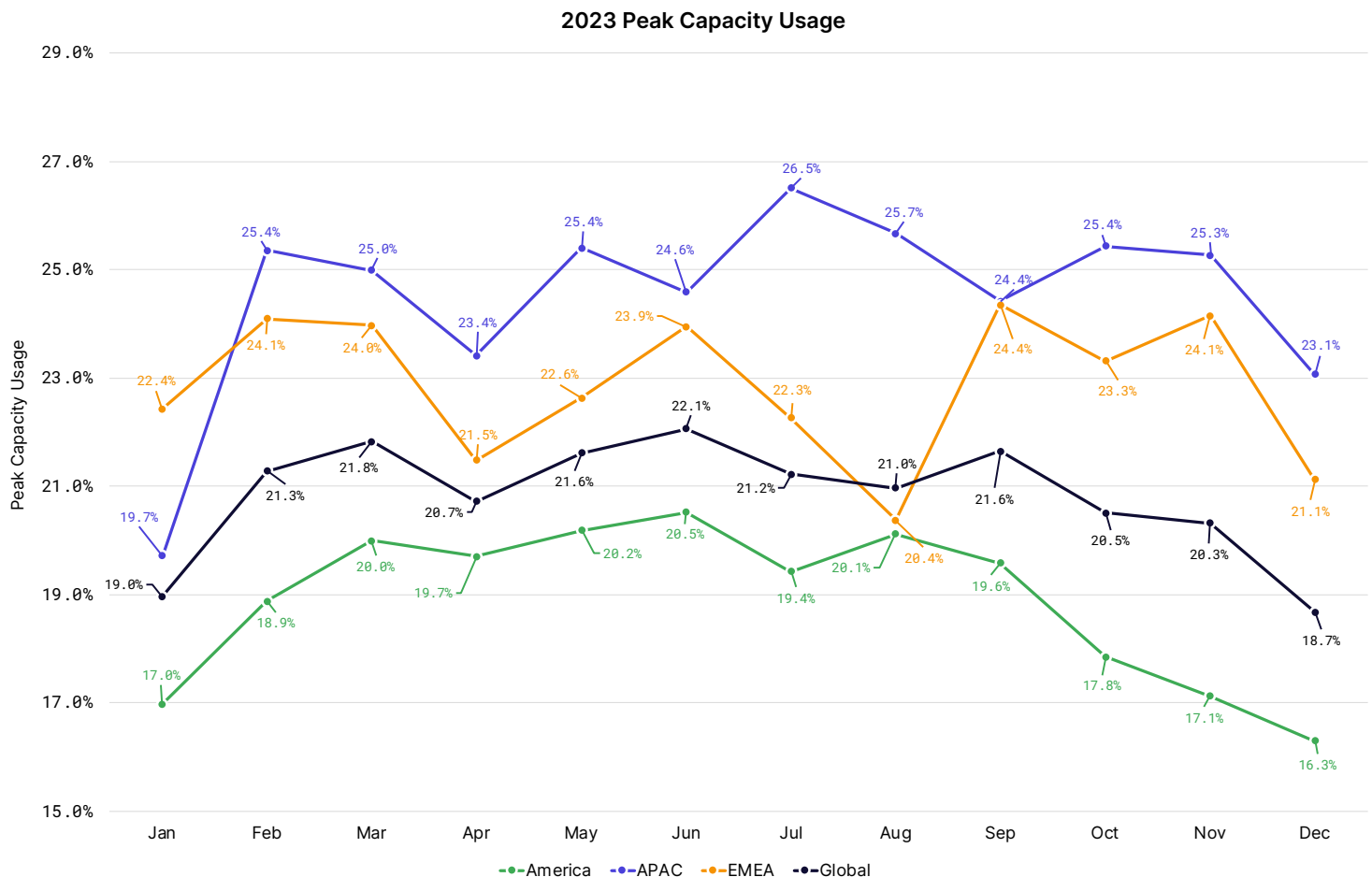


Global Office Capacity Usage

Global Peak Capacity Usage

Note the difference between average and peak usages. While the daily average might be consistent, there are particular days within the quarter where office utilization is significantly higher. It aligns with the concept that peak capacity is closer to attendance figures, indicating certain days might see a substantially higher influx of employees.

These trends indicate regional variations in office occupancy and utilization. APAC favors in-office work, the Americas lean remote, and EMEA remains in the middle. Globally, there's a modest increase in office utilization over quarters.




Global Office Capacity Usage

Preparing for the Holidays: Control Costs & Preserve Resources

 TAKEAWAY

Workplace strategists should take note of recurring annual trends in Q4 and consider ways to decrease cost and resource investments this time of year:

 **Pro tip:** Integrate real-time occupancy data with your building operations platform year-round and adapt a usage-based cleaning model.

1

Narrow down which spaces, neighborhoods, and floors have historically shown decreased capacity usage in Q4.

2

Proactively work with department leaders to create a plan that indicates which teams will be in the office for that period of time.

3

Coordinate with operations and workplace experience leaders to proactively deactivate spaces that will not be in use.

By planning ahead you can reduce spending associated with cleaning, energy, food, and other costs.



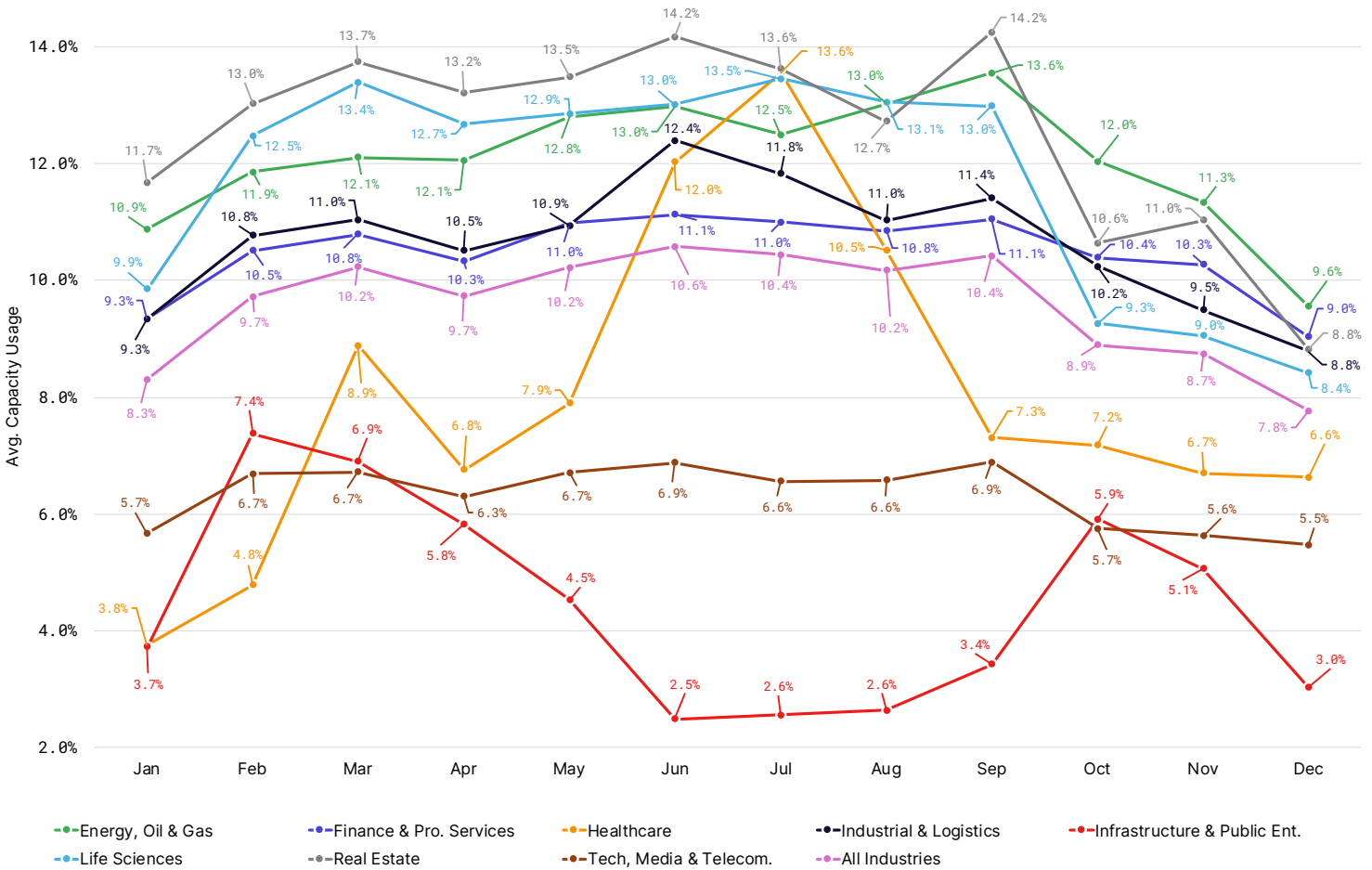
Capacity Usage by Industry

Over the course of 2023, Real Estate companies had the highest average capacity usage of any industry (12.5%), followed by Energy, Oil & Gas (12.1%), Life Sciences (11.7%), and Industrial & Logistics companies (10.6%).



Zoom in for a closer look!

2023 Industry Average Capacity Usage

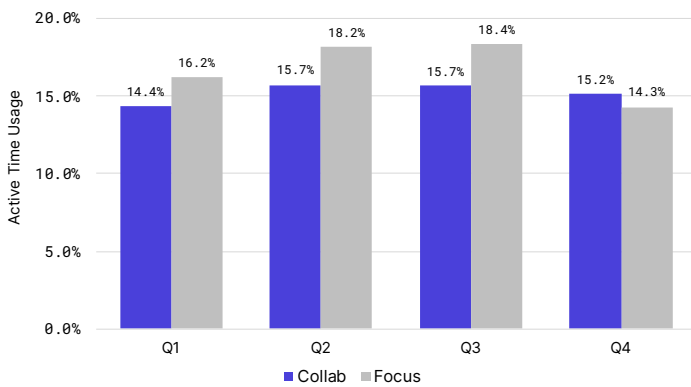


Focus vs. Collaborative Active Time Usage

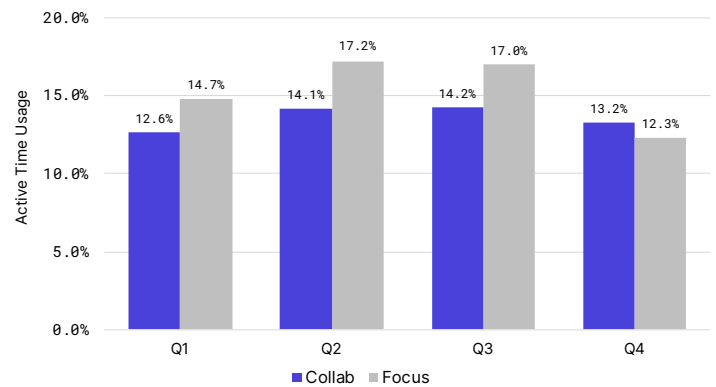
In the first three quarters of 2023, time spent in collaborative and focus workspaces steadily increased across the globe. Interestingly, time spent in focus spaces outpaced time spent in collaborative spaces.

Notably, in Q4, EMEA experienced a slight increase in time usage in collaboration spaces. This trend flies in the face of the decrease in capacity usage in the same quarter, perhaps indicating a sharp increase in team-based activities.

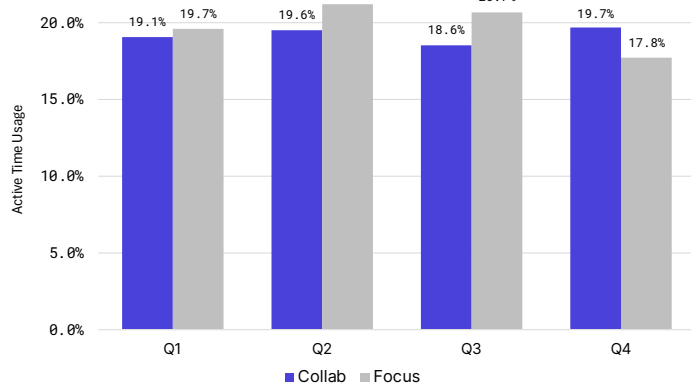
Collaboration & Focus Areas (GLOBAL)



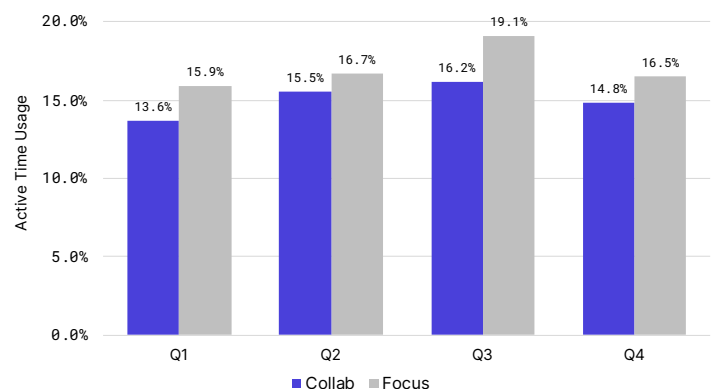
Collaboration & Focus Areas (AMER)



Collaboration & Focus Areas (EMEA)



Collaboration & Focus Areas (APAC)



Collab = Conference Rooms, Collaboration Rooms, Open Collaboration Space
Focus = Desks, Offices, Phone Booths

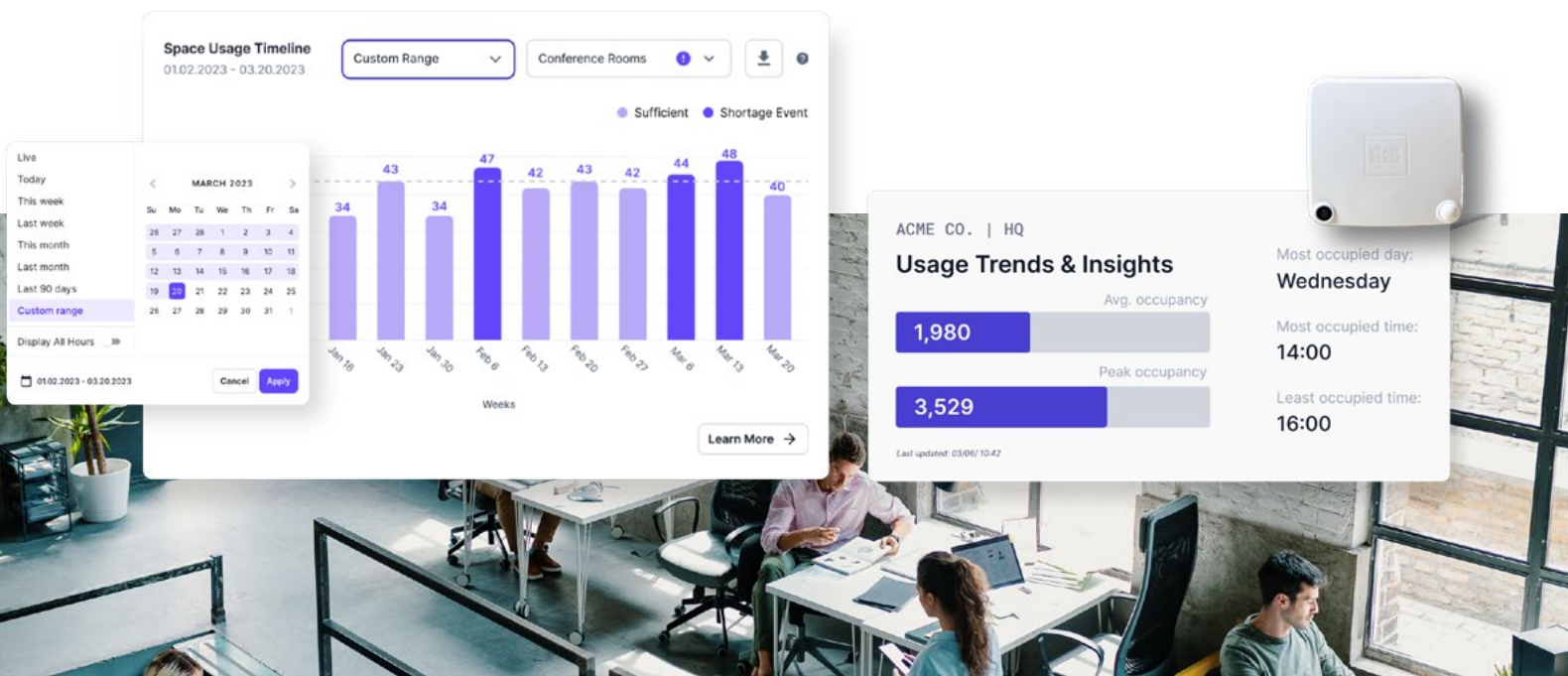
About VergeSense

Helping Global Enterprises Unlock the Full Potential of Their Spaces

VergeSense provides the occupancy intelligence platform to guide workplace decisions that optimize spaces, reduce costs, ensure sustainability, and improve employee experience by empowering leaders with the most accurate workplace data and AI-powered recommendations.

Over 200 companies across 50 countries and 110M+ SqFt. rely on VergeSense.

VergeSense customers benefit from confident decision-making, the ability to adapt spaces faster, and peace of mind from high investment in privacy and security. The Occupancy Intelligence Platform allows organizations to evaluate their portfolios, improve space availability, intelligently design spaces, efficiently plan neighborhoods, and reduce costs through dynamic operations.



How Can Data Impact Your Workplace Design Decisions?

Occupancy intelligence provides you a true understanding of how your office space is being utilized so you can make impactful optimization decisions. Our team of workplace experts are here to work with you to understand how your organization's occupancy stacks up against industry averages and trends.

Schedule a workplace strategy session with one of our experts. On this call, we'll:

- 🕒 Review your priorities for the year
- 🎵 Discuss any upcoming redesign projects you're considering
- 🔧 Walk through examples of VergeSense customers who have used occupancy intelligence to power their intelligent space design

[SCHEDULE A SESSION TODAY](#)



SCAN TO SCHEDULE

