



Occupancy planning research brief

Demand forecast planning

Data and analysis tools are getting us closer to being able to predict organizations' future space needs with more precision. This research brief includes findings from our survey of prominent real estate teams around the world that you can apply to your workplace planning.



How organizations align real estate with enterprise growth strategy

Does your organization have a crystal ball to peer into your future space needs? While such a device would make planning easier, data and analysis tools are getting us closer to being able to predict the future with more precision.

In order to avoid reactionary decision-making, savvy organizations are using demand forecasting and planning tools to proactively plan how the workplace will adapt to support their business, not just for today, but for the future. That exercise requires the use of space demand forecasting and planning tools in order to avoid reactionary decision-making.

However, all organizations struggle with timely and accurate forecast data and inconsistencies across regions. In one of our last webinars, 52% of all respondents said that they struggle more with accurate headcount forecasting than any other space planning issue.

As a result, huge opportunities exist for organizations to develop and adopt a single governance process for supply/demand forecasting, analysis and planning initiatives. This effort requires teams with skills in artificial intelligence, predictive analytics and business intelligence to drive proactive decisions.

Definitions

- **Supply** – Refers to the total number of seats in a footprint that is translated into space supply (square feet or square meters). Total seat supply identifies the number of people who can be accommodated within a footprint.
- **Demand** – Refers to the corresponding space or seats required to support current headcount.
- **Demand forecasting** – A process of collecting projected future headcount over a defined period of time and translating that into the corresponding space or seat requirements.

- **Demand planning** – A process that aligns real estate needs with your organization’s projected space requirements (growth or reduction) by collecting staffing and support space details to forecast space demand.
- **Occupancy planning** – A metrics-based approach to supporting business-as-usual space needs as business requirements change. This includes supporting daily churn, larger projects/initiatives such as restacks and consolidations, or the development of scenario occupancy plans in support of optimization initiatives.



Research methodology

We asked prominent real estate teams from around the world to answer roughly 100 detailed questions about how they use their space. Ninety-one organizations participated in the survey, providing a response for each region in which they operate. In total, we received 162 responses.

Gathering headcount and forecast data

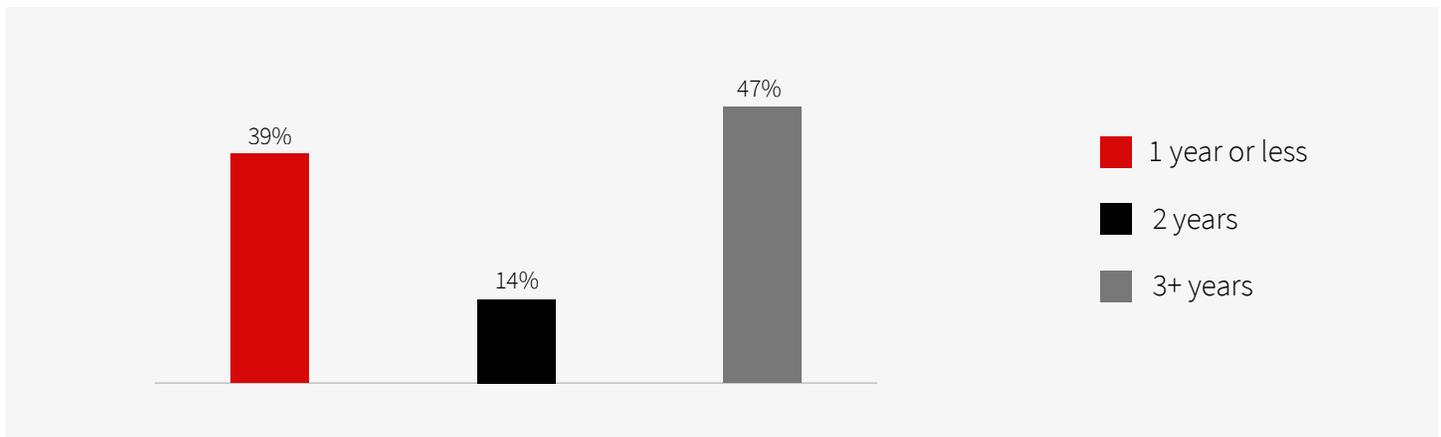
Our survey shows 60% of respondents gather space and headcount forecast data, up slightly from 57% of respondents in 2018. Inconsistency in data collection and governance may be contributing factors to why

there is not a larger uptick in more organizations gathering this data. Adopting and implementing an end-to-end process as well as digitizing the process may help mitigate these challenges.

Length of forecast

Forty-seven percent of respondents forecast for three or more years, while 39% forecast only for the next year or less, compared to 27% in 2018. In 2018, 52% of respondents forecast for three or more years. This shift indicates that a

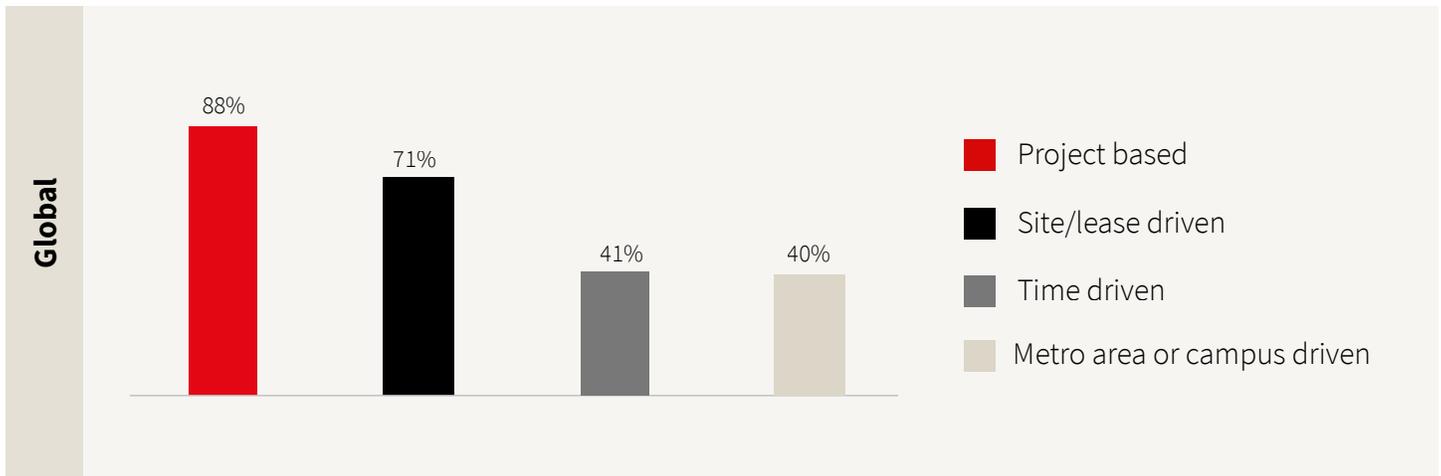
growing number of businesses are finding it challenging to plan real estate needs beyond the next year, and indicates why forecasts that look further into the future are likely to be more inaccurate.

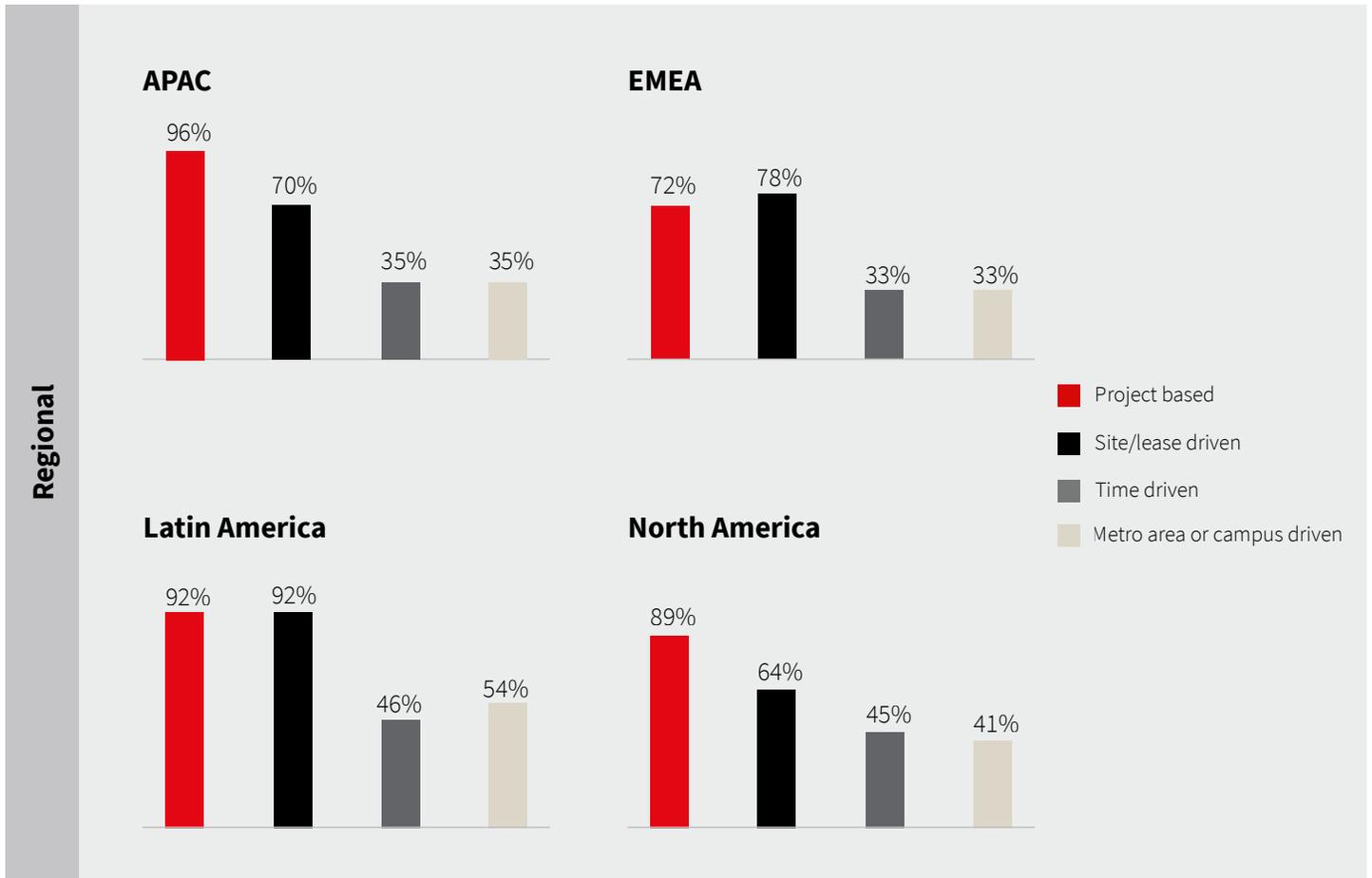


Why forecast?

A majority of respondents (88%) gather demand data on a project basis, in order to evaluate business growth, stability or contraction. This was also the top reason given in 2018.

However, organizations are increasingly taking a site/lease-driven approach to gathering demand data in an effort to drive standardization and efficiency.

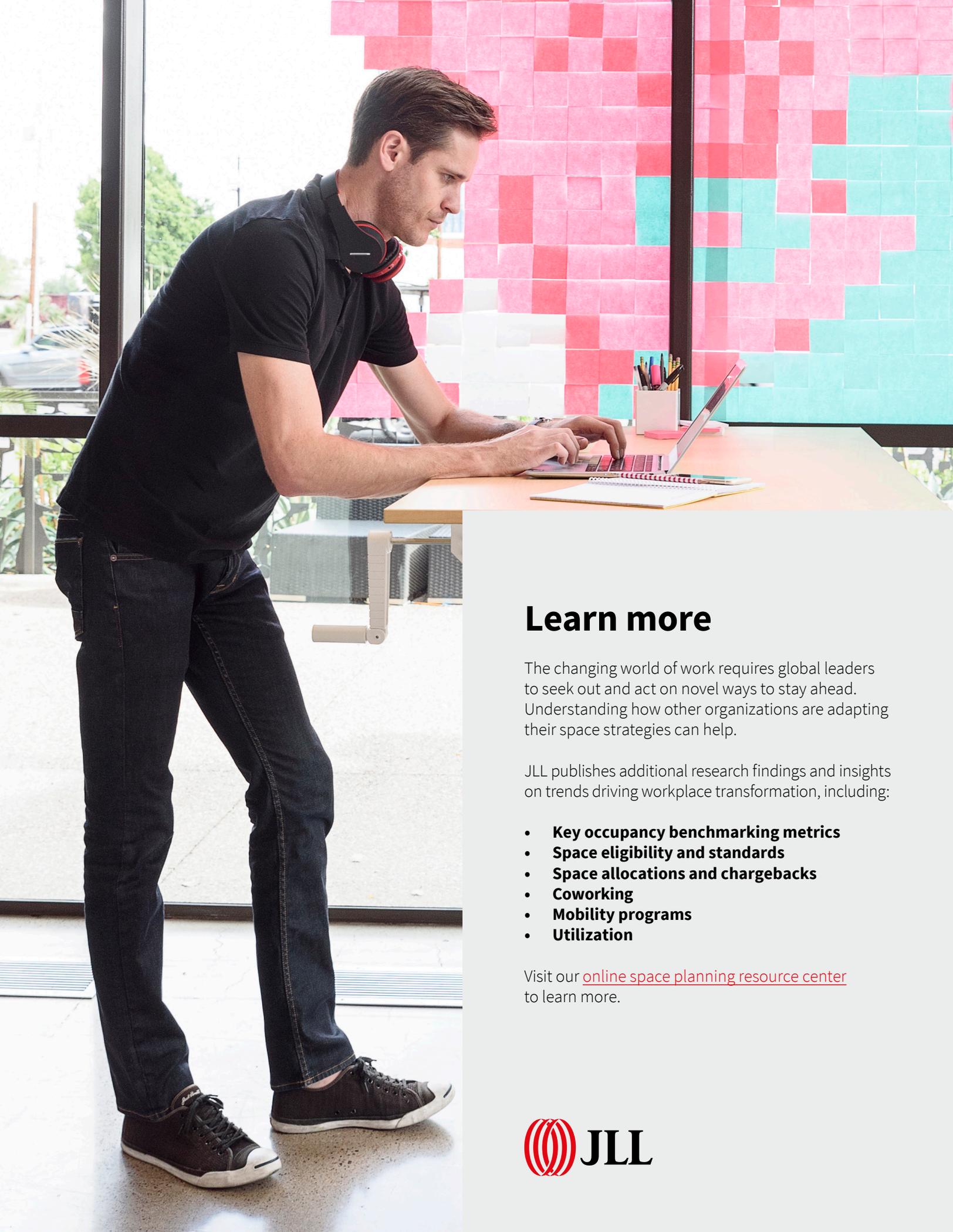




Key takeaways

- A significant fraction of organizations — 40% — do not forecast demand. This is a missed opportunity for organizations to align their real estate with the wider enterprise's growth strategy.
- Demand planning is crucial for internal stakeholders. For example, when organizations are determining future headcounts, CRE leaders can provide recommended markets for new locations based on existing talent pools, leveraging their space availability and demand forecasts to ensure they're making the most informed real estate, workplace and occupancy decisions possible.





Learn more

The changing world of work requires global leaders to seek out and act on novel ways to stay ahead. Understanding how other organizations are adapting their space strategies can help.

JLL publishes additional research findings and insights on trends driving workplace transformation, including:

- **Key occupancy benchmarking metrics**
- **Space eligibility and standards**
- **Space allocations and chargebacks**
- **Coworking**
- **Mobility programs**
- **Utilization**

Visit our [online space planning resource center](#) to learn more.

