



Occupancy planning research brief

Key occupancy benchmarking metrics

Most occupancy data points can be useful in supporting broader business goals and mandates, but some metrics prove more valuable than others. Read what survey findings show about how occupiers are leveraging occupancy/vacancy, density and utilization data sets to make data-driven decisions about current and future space planning.



Meaningful metrics enable data-driven decision-making

How, when and where we work has changed—and continues to evolve. To stay ahead through rapid transformation, corporate occupiers can no longer rely on the data of yesteryear. And they no longer have to.

Today, occupiers can access all-new types and levels of data to better understand how their space is being used—and how efficiently their portfolio is performing. Occupancy/vacancy, density and utilization data sets can each provide clarity and empower occupiers to make data-driven decisions about current and future space planning.

71% of respondents report occupancy benchmarking and metrics, up from 69% recorded last year.

Metrics that matter

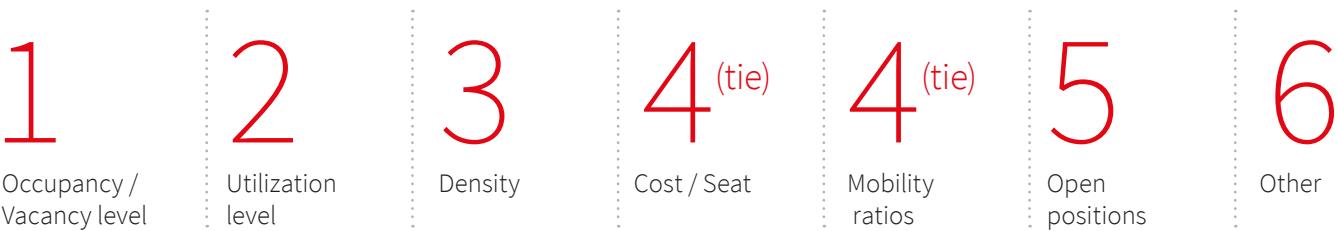
According to our survey, occupancy/vacancy levels remain the top priorities for most respondents globally, followed by utilization level and density. These top three metrics have remained in the same positions year-over-year, underscoring their significance. Mobility, notably, is rising in importance, now tied with cost/seat as the fourth priority in 2019, up from the fifth position in 2018—a change that can likely be traced to an increasing rate of mobility program implementation.



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.

Occupancy metrics that matter most, ranked



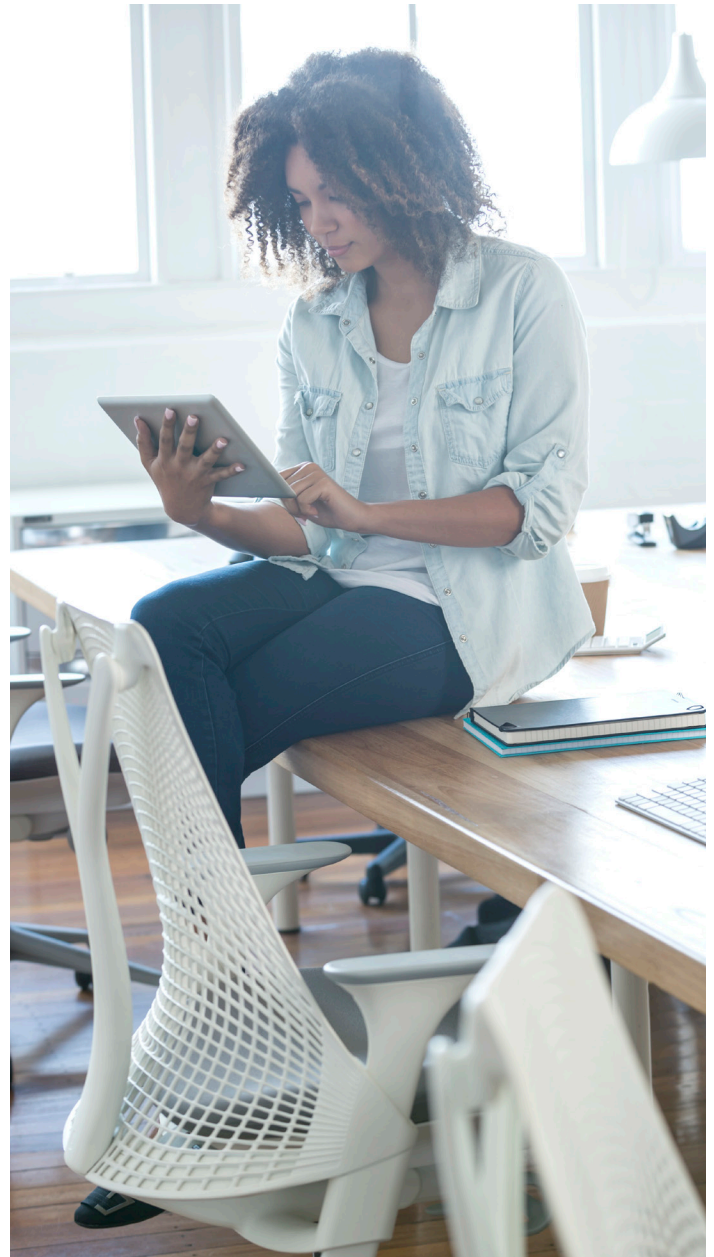
Occupancy/vacancy levels

Occupancy/vacancy levels are the highest priority metrics for corporate occupiers across all the regions we surveyed. Measuring and analyzing occupancy/vacancy allows organizations to understand the extent to which spaces are being assigned or not assigned, including workstations, offices, collaboration areas and conference rooms. This knowledge is invaluable in planning and determining anticipated growth or contraction within organizations.

According to our survey, 42% of respondents indicated they do not set a structural vacancy target, compared to 51% in 2018. Of those who do, 8% plan structural vacancy at 15%-19%. These results suggest fewer organizations are proactively planning for vacant space during times of uncertainty.

Definitions

- **Capacity** – The quantity of office or workstation seats that can be occupied.
- **Population** – The quantity of people assigned to a seat or area.
- **Structural vacancy/buffer** – Vacancy that is beyond the need for anticipated growth, allowing flexibility in the plan.
- **Vacancy** – Unit of capacity that has not been assigned.
- **Utilization** – The amount of space being used at any given time.
- **Utilization rate** – The percentage of time that a space is occupied.

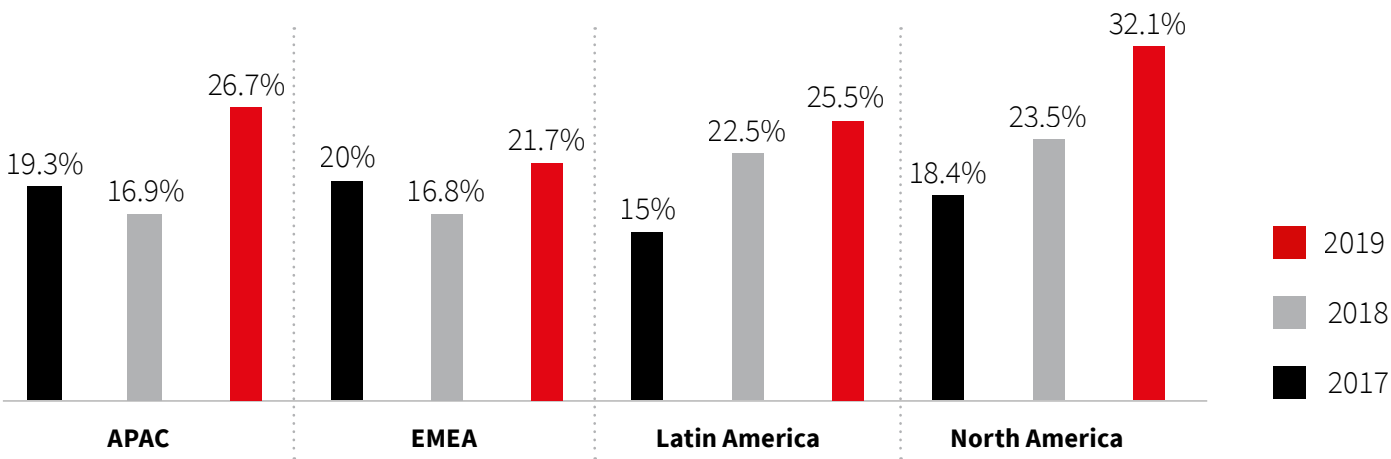


Vacancy levels by region

Globally, respondents report vacancy in office/admin space has risen since 2017, yet regional trends vary. North American respondents reported the highest level of vacancy in 2019, at 32.1%, although APAC represents the

largest jump year over year – from 16.9% vacancy in 2018 to 26.7% in 2019. In EMEA, vacancy increased from 16.8% to 21.7% during the same time period. While one year does not mark a trend, this shift may reflect employee attrition.

What is the average office vacancy rate across your office/admin space?



Utilization

Organizations increasingly recognize the value of tracking how many people actually use a space on any given day through a variety of high-tech and low-tech methods. The real power of this data, however compiled, lies in its ability to help leaders solve a problem or support larger business goals, like enhancing workplace productivity or efficiency. Leaders who activate the data they collect can also leverage it to make planning decisions, assess the impact of mobility programs, or build a business case for strategic change.

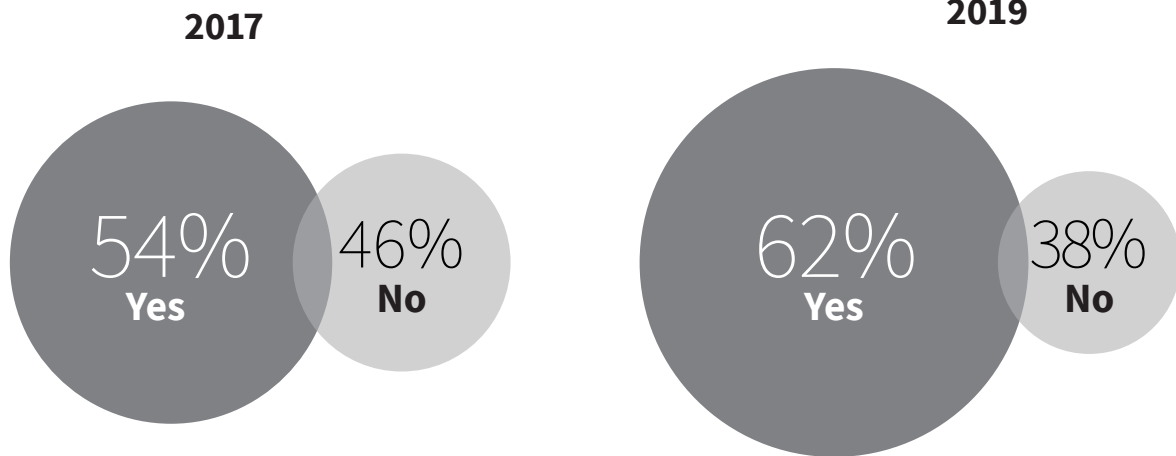
Gathering utilization data

Collecting utilization data enables organizations to better understand how their space is being used, and determine whether it's being or becoming undersubscribed or oversubscribed. Over the past three years, respondents have increasingly reported they gather utilization data, rising from 54% in 2017 to 62% in 2019. This uptick indicates a growing desire to better understand usage of different spaces throughout the workplace.



Do you gather utilization data?

62% of respondents gathered utilization data in 2019, up from 54% in 2017.



Percentages may not add up to 100 due to rounding.

Utilization data gathering by industry

Consumer products, manufacturing and healthcare organizations outpace other industries when it comes to tracking utilization, with more than 80% of these respondents actively gathering utilization data. Conversely, less than 60% of technology, life sciences/

pharmaceuticals and public institutions/government gather utilization data. While these figures may seem low, more than half (52%) of all respondents plan to start tracking utilization within the next three years.



Density

Many organizations are seeking ways to make their spaces more efficient, and creating a denser floorplan can be one way to do that. But determining the ideal density of a workplace requires a careful balancing act. Making a floorplan too dense may compromise air quality, noise and traffic conditions, thereby potentially impacting employee productivity or well-being.

So, while workplaces have become denser over the past decade in general, it may be that occupiers are finding a sweet spot, as our survey data shows that some regions became less dense year-over-year.

Definitions

- **Exterior gross square footage (GSF)/gross square meters (GSM)** – The total square footage from the exterior of the building wall, including the wall's thickness.
- **Interior gross square footage (GSF)/gross square meters (GSM)** – The exterior GSF/GSM minus the exterior wall thickness.
- **Rentable square footage (RSF)/rentable square meters (RSM)** – The interior gross measurement without core elements such as vertical penetrations, stairs, elevators, restrooms, and utility rooms.
- **Density** – RSF or RSM divided by population or capacity. A lower density value means the space is denser.



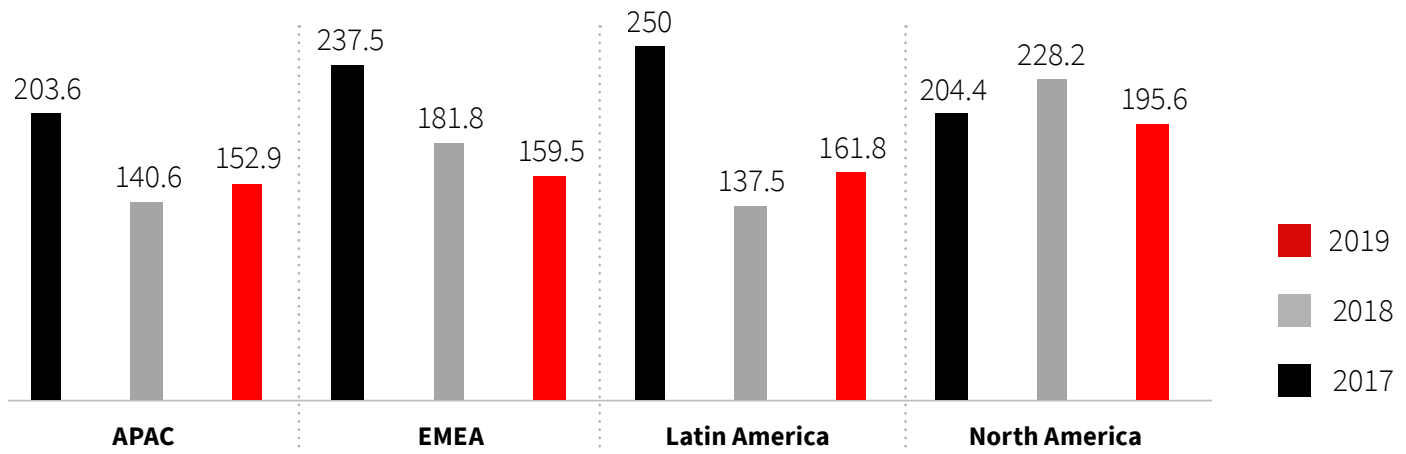
Density by region

In 2019, 84% of respondents reported a density of 150-225 RSF per seat or less, compared to 72% in 2018. EMEA has recorded denser workplaces in each year since 2017, and now averages 159.5 RSF per seat. APAC is the densest region at 152.9 RSF per seat, while North America is the

least dense at 195.6 RSF per seat. APAC and Latin America actually decreased their density of square feet per seat year-over-year, which may hint that there is a threshold of how dense the workplace can become while still supporting the human experience.

Regional Density Metrics

Numbers have been normalized across RSF vs.RSM.

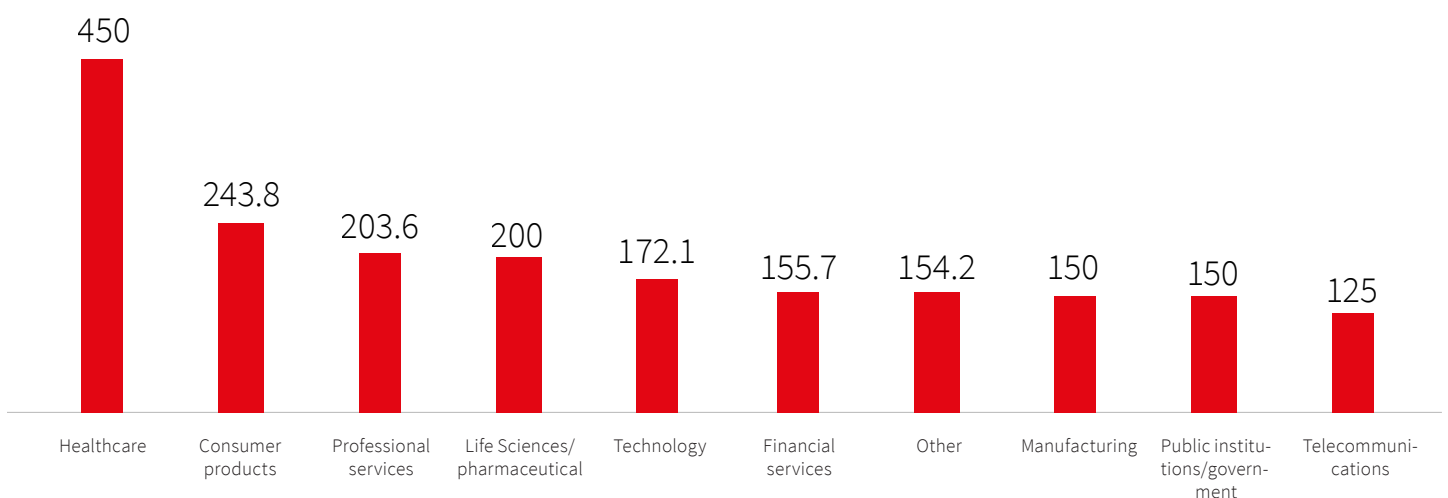


Density by industry

Occupiers in telecommunications, public institutions, manufacturing and financial services are the most efficient in terms of density per seat than the other industries in this study. In many cases, this is because they are investing in occupancy planning strategy, which typically results in a denser workplace.

Meanwhile, healthcare and consumer products are less efficient, due to the high degree of specialty space, such as for research and development (R&D).

Industry density metrics (2019)



Numbers have been normalized across RSF vs. RSM.



Key takeaways

- Meaningful metrics are essential to creating an optimum workplace for employees, as well as enabling occupiers to make data-driven decisions in support of workplace goals.
- Occupancy/vacancy data has remained a top metric to monitor for the past several years because it helps organizations understand to what extent spaces are being assigned across their portfolio. And increasingly, organizations are tracking utilization to gain even greater insight to how employees are actually utilizing the space.
- By identifying how space is being assigned as well as being utilized, leaders have the information they need to improve space design to increase density, as well as make assignment changes to increase utilization.
- All of these metrics will be important to watch across the globe as occupiers find new methods to balance efficiency with the need to enhance employee productivity, wellbeing and experience.



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:

- **Space eligibility and standards**
- **Space allocations and chargebacks**
- **Demand forecast planning**
- **Coworking**
- **Mobility programs**
- **Utilization**

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