

TREND REPORT WORKSPACE BENCHMARK

October 2022



Summary

The future of work is changing

This is nothing new, but the pace of change is now accelerating. The majority of people are seeing a shift and decentralization of their work environment. Companies are wondering how to manage the change. How can we maintain employee loyalty and promote their innovative spirit?

Property owners, investors, landlords and property managers are also looking for answers: What sort of buildings will we need in the future? What sort of fitout will they need, given that flexibility and shared spaces are playing an increasingly important role? How can we plan amidst uncertainty? Is a strategy required to manage New Work in the future?

Time for change: The demands of the New Normal require a rethink of work methods, workplaces, structures and, most importantly, of corporate management.

This study provides an insight into the status quo of the world of work. It presents approaches based on which New Work concepts can be developed to create office space that opens up new possibilities. It provides a situation report for decision-makers and shows how the market is handling current and future challenges – and where you can start. But every task requires a customized approach that goes far beyond the superficial issues. To really make a difference, we need answers to questions such as:

What do we mean by New Work?

Where do we want to be in the future?

How do we want to design office space?

How do we want to be seen – by our customers, employees and prospective employees?

Key findings

1. People go to the office because of people. Teamwork and direct communication come to the fore in the office.
2. Remote working is here to stay. People like to go to the office provided, they can decide for themselves how often they go.
3. A restructuring of space is required. New needs are emerging, less space is required, and demand for flexible utilization concepts is rising rapidly.
4. It all starts with a strategy. Dealing with the change, achieving efficient use of space and increasing employer appeal requires a New Work strategy that ties directly into the corporate strategy.

Key questions for reflection:

How can we strategically manage utilization
of office space in the future?

What does our hybrid working mode look like
and how will it develop?

What is our office space
strategy? And what are our
future requirements?

What is the optimal desk sharing
model for us?

What could a New Work
strategy look like?

IT'S ALL ABOUT THE MIX

93 % assume that remote working will remain an integral part.

93 %

REDEFINING DEMAND

61 % expect a reduction in office space of 21 to 30 % in the future.

61 %

SHARING IS CARING

66 % already use desk sharing.
There is a sharp uptrend.

66 %

ACTING NOT REACTING

87 % of the participants consider a New Work strategy for companies to be extremely important.

87 %

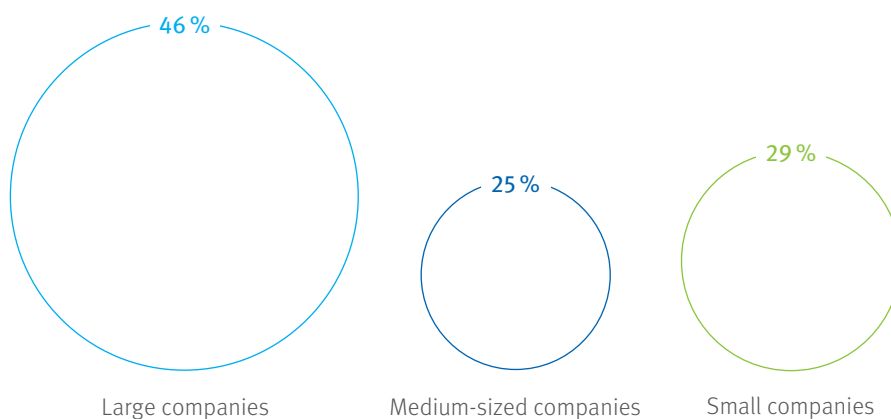
TOP THREE USES OF SPACE

- › For teamwork
- › For informal meetings
- › For telephone calls and intensive brief consultations

Background to the benchmark survey:

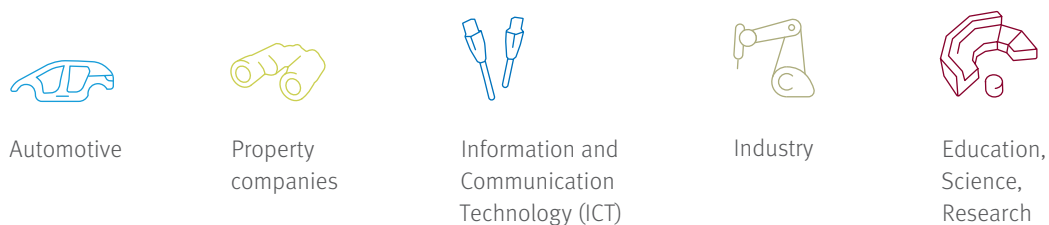
The Drees & Sommer Workspace Benchmark Report 2022 is based on an anonymous survey of 230 respondents from various companies in around 20 different sectors.

Survey period: July – October 2022



Grouping of companies: Small (<50 to 200 employees), medium (201 to 1,500 employees) and large (1,501 to > 5,000 employees)

Of the 20 sectors, the most strongly represented with a total of about 80 % of the respondents are:

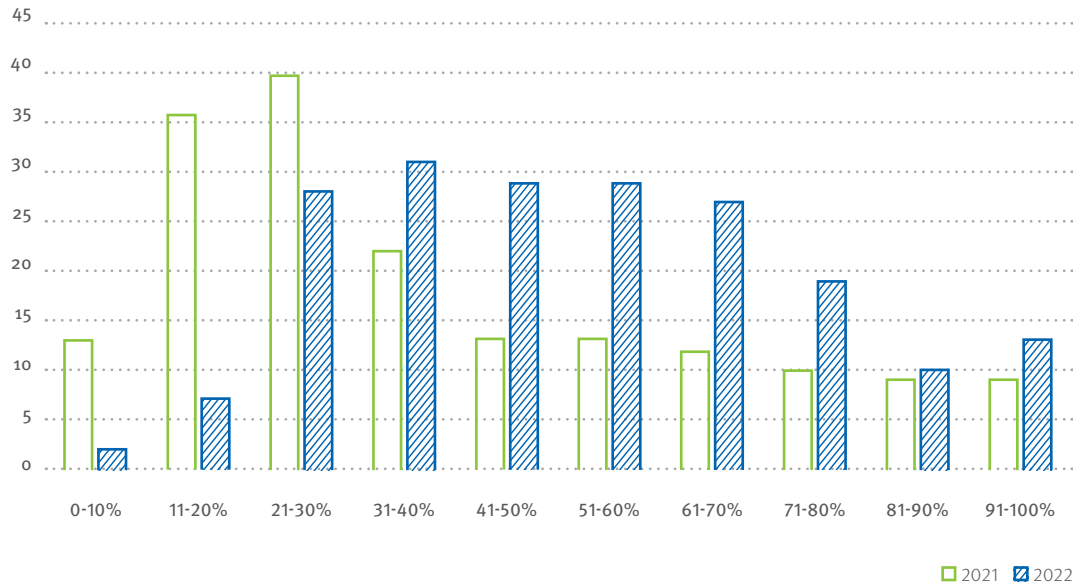


The office has lost its monopoly – and yet it is more important than ever

Office space utilization is currently estimated at between 31 and 40 %, representing a higher occupancy rate compared to the Workspace Benchmark Report 2021. This indicates that the office will remain a key element in everyday working life. In the future, the office will offer an authentic, emotional brand experience and thus become more of a charging station for identity and integrity. In the competitive environment, the office will be the company's showpiece to attract talent.



How high do you estimate your current workplace utilization?



The use of available space is also changing. Office premises create a sense of cohesion and belonging. The office has to handle everything that cannot be done remotely.

The top 8 items in the ranking list show how space is used:

1. For teamwork (project area, etc.)
2. For informal discussions (cafés, break areas, etc.)
3. For phone calls and short meetings
4. For focused individual work
5. For desk workstations in groups of more than two
6. For desk workstations in groups of more than three to six
7. For rest and relaxation, etc.
8. For desk workstations in groups of more than eight

Summary

Despite the revolution in the way we work, offices continue to play an essential role. Further development and adaptation of the office space is essential. Space for interaction is in much greater demand than space for conventional desk work.

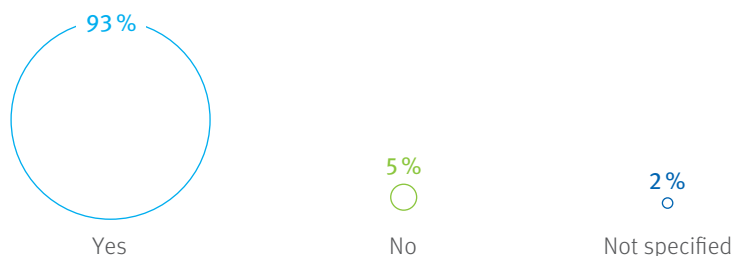
People like to go to the office – if they also have the option of staying

The digital integration of teams and customers requires new hybrid spaces – and possibly distributed satellites as well.

The Workspace Benchmark Survey 2022 also shows that 93% of respondents expect that remote working will be an integral part of the future of work.



Will mobile working remain an integral part of the way you work in the future?



When asked how many days per week employees want to work remotely, the responses were:

- ... 9% 1 day per week
- ... 35% 2 days per week
- ... 42% 3 days per week
- ... 10% 4 days per week
- ... 4% 5 days per week

Employees who are permitted to work remotely two or three days a week make full use of the available days. On the other hand, employees who are permitted to work remotely five days a week tend to only do so three days a week.

Days permitted and days actually taken

Permitted days of remote working per week	Actual number of days worked remotely				
	1 day per week	2 days per week	3 days per week	4 days per week	5 days per week
1 day per week	6%	0,5%	0,5%	0,5%	
2 days per week	3%	26%	5%		
3 days per week		4%	25%	3%	1%
4 days per week		2%	6%	3%	0,5%
5 days per week		2%	6%	4%	2%

What does this mean now?

Remote working will continue to be an integral part of our lives. But people who are permitted to work remotely all the time still like to come to the office.

People permitted to work remotely two or three days a week make full use of the available days.

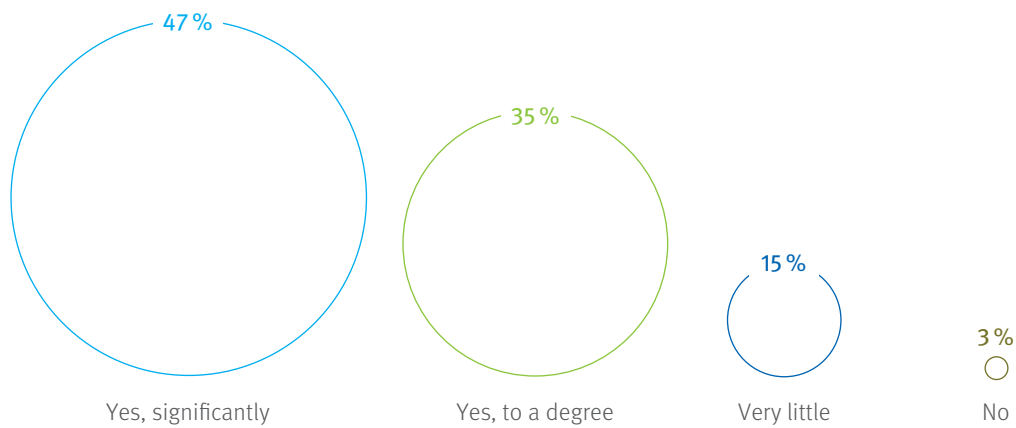
How useful is it to regulate remote working?

To be attractive, an office needs more than excellent interior design – it must also offer trust and freedom of choice. Appreciation, corporate culture and team spirit are conveyed through the quality of the office space. You can only offer employees added value if you understand their needs.

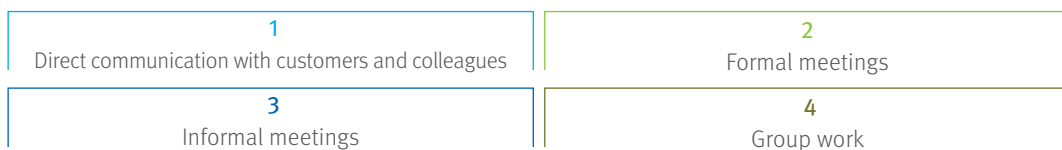
47 % of respondents think that – after Covid – the activities for which their colleagues come to the office have changed significantly. The following activities are cited as relevant:

- › Direct communication with customers and colleagues
- › Formal meetings
- › Informal discussions
- › Group work

Do you think that the activities for which your colleagues come into the office have changed following the pandemic?



The key activities for which employees will come to the office in future:



Summary

Even though remote working will remain an integral part of the future of work, the digital possibilities of working from home or in third places cannot fully replace physical presence at the office. Activities – primarily those that maintain social contact – are important and the main reason why employees come to the office voluntarily.

Don't demolish, remodel!

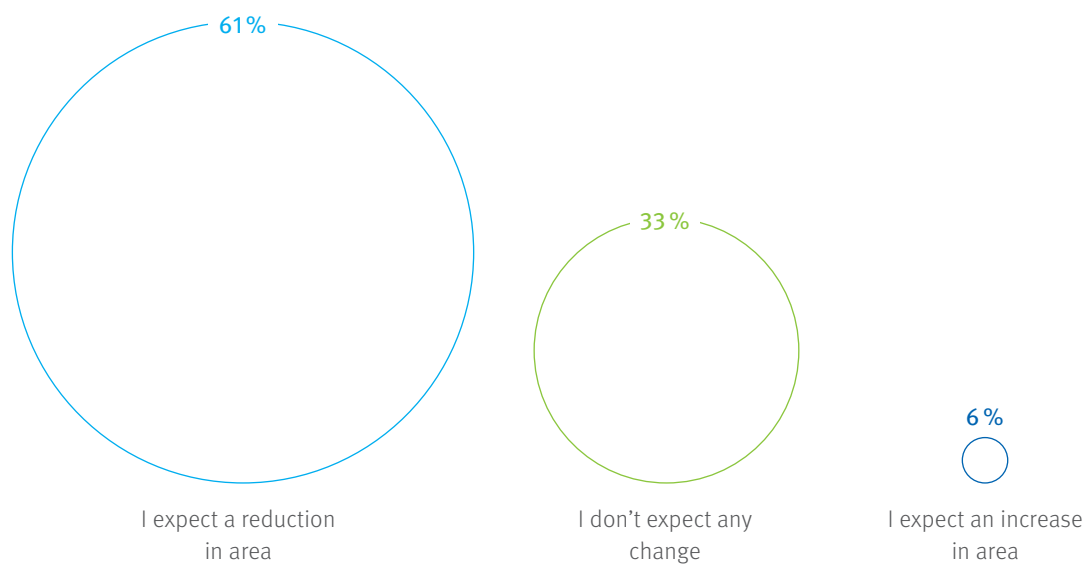
Intelligent spatial planning saves resources in the long term

In open-plan offices, spaces with social interaction require the largest share of space, while demand for conventional workspace continues to decrease.

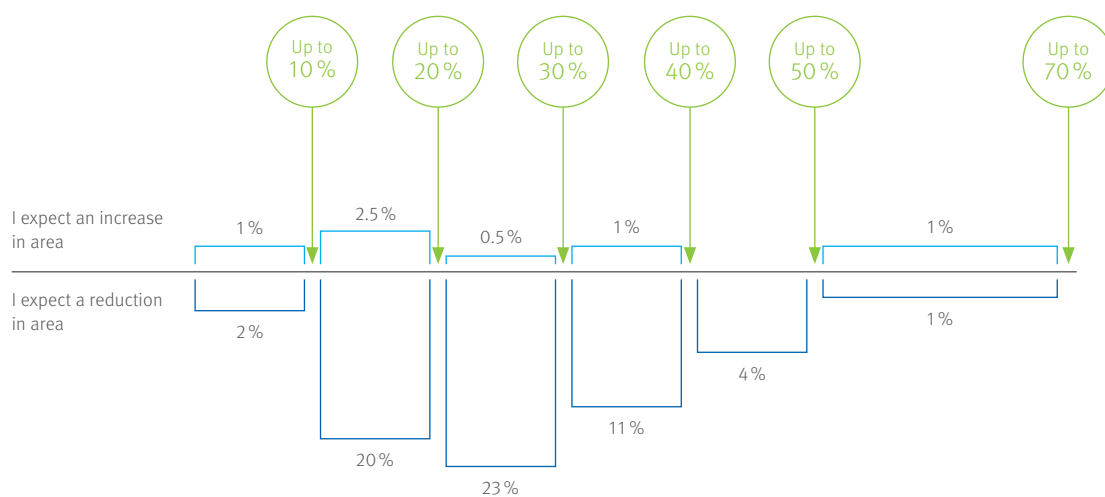
Respondents expect to see a reduction in space in the future. 61% anticipate that average the space requirement per employee will be reduced. In fact, they expect a space reduction of 21 to 30%. On the other hand, 6% expect an area increase of 11 to 20%, while 33% of respondents believe that there will be no change.



Future space requirements per workstation



Space reduction and increase



Home offices and third places are just as much a part of the mix as spaces for team focus.

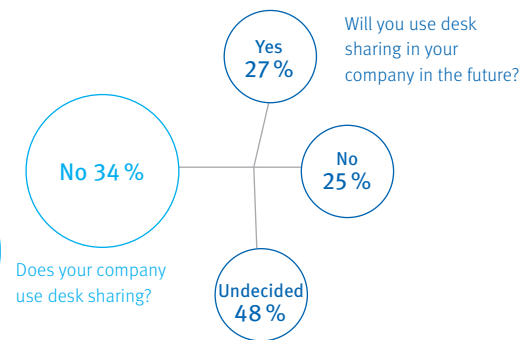
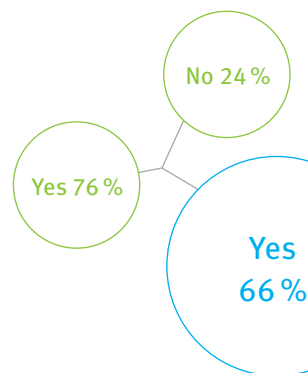
The focus should be on the users. Their needs must determine the design of the different work areas.

Respondents who foresee a reduction in space expect that remote working will become an integral part of the work mode and that they will have the opportunity to work remotely up to three days a week. This group also states that they already use desk sharing in their company and want to expand its use in the future.

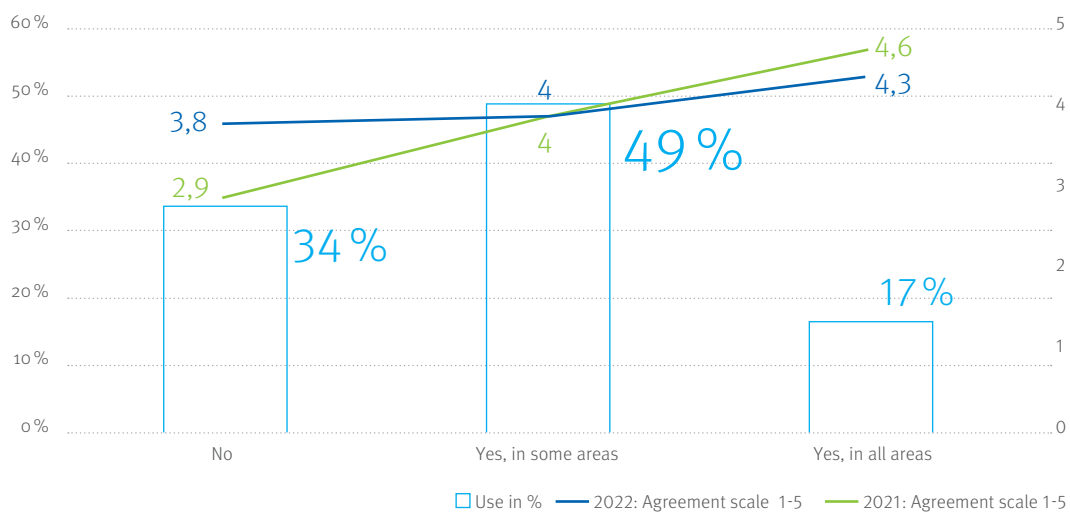
Currently, desk sharing is used by 66 % of respondents. This proportion will increase to 76 % in the future, representing a 10 % increase in desk sharing in companies. On the other hand, of the 34 % of respondents who do not currently use desk sharing, 27 % believe they will use it in the future, 48 % are undecided, and a further 25 % reject the model.

Desk sharing

Will you increase the use of desk sharing in your company in the future?



1. Do you currently use desk sharing in your company?
2. In your opinion, could a desk sharing concept help you to be as flexible as possible with regard to use of space?



If you take a smart and flexible approach to the design of space, you will not be fazed by the prospect of change. What is more, 52 % of respondents believe that desk sharing helps maximize flexibility when organizing space.

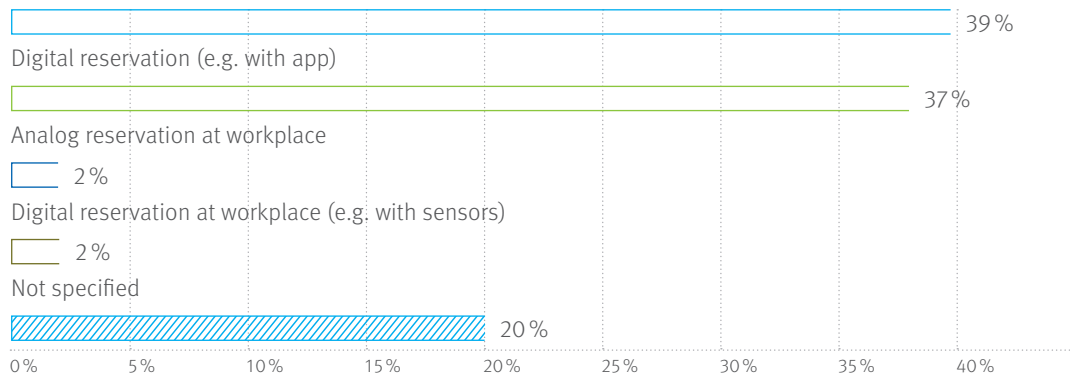
Summary

A reduction in office space is inevitable, as remote working is here to stay. A flexible, creative and functional approach must be taken to the design of space – and this will require an increase in desk sharing.

Digital transformation is also impacting workplace choices. Many companies use digital booking for the management of workplaces, for example using an app, whereas other companies use a ‘first come, first served’ approach. The question of how to manage capacity utilization strategically – especially in view of energy shortages – remains open.

Workplace management

On a ‘first come, first served’ basis



Summary

Companies are gradually introducing digital reservation systems, while 4 out of 10 companies currently use the ‘first in, first served’ approach.

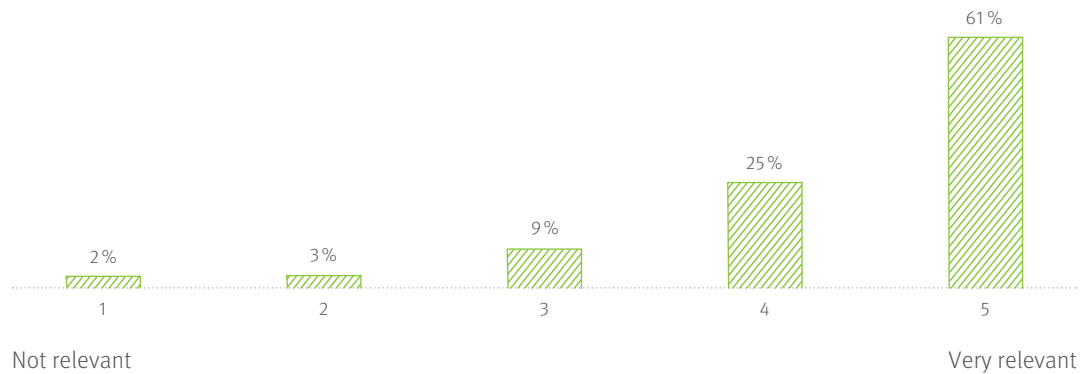
A strategy is essential for the management of New Work

A strategy allows you to reach your goal faster and more easily, because it provides guidance when making important decisions. Importantly, the strategy is a dynamic and flexible tool that must continue to develop and should therefore be reviewed and adapted as necessary.

The study shows that 87% of respondents believe it is important to have a strategy for managing New Work in the future. Of these, 39% have already completed development of a strategy that ties into their corporate strategy.



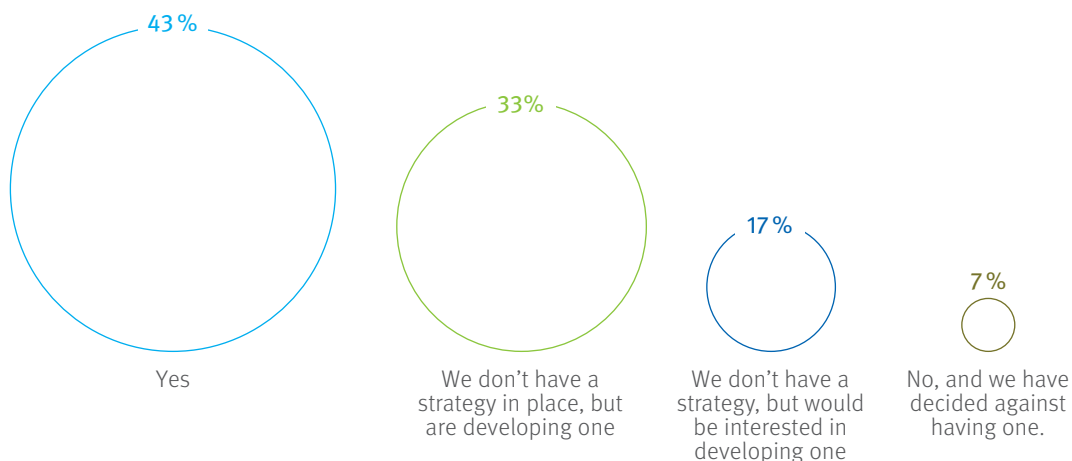
How relevant do you think it is to have a strategy for managing New Work in the future?



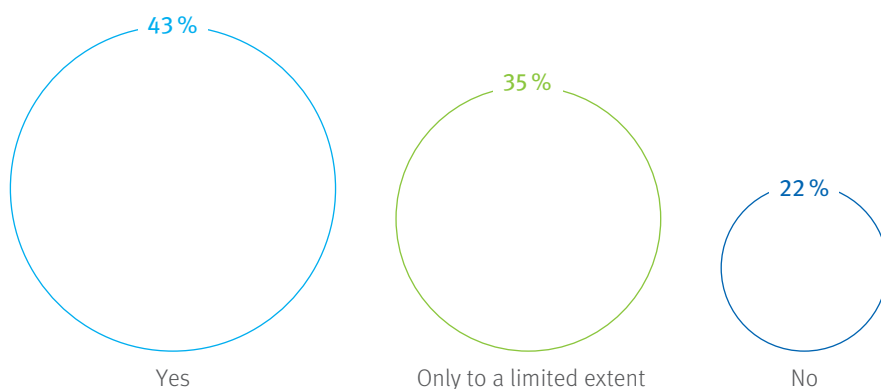
The respondents' views on the relevance of a strategy for managing New Work results in the following key findings:

1. Work environments and work models are both constantly changing, so it is essential to have a strategy to manage New Work in the future.
2. The efficient use of space can lead to cost savings, but this requires overall goals that all parties accept and pursue.
3. A strategy is also essential to increase job satisfaction for current employees and to attract new talent. Employers have to offer more than in the past in order to retain young employees in the long term.
4. A clear New Work strategy will be a key factor in employer appeal going forward.

Do you already have a strategy in place for managing New Work in the future?



Are you aware of the impact the New Work strategy has on your corporate strategy?



Summary

It is becoming increasingly important to have a strategy for managing New Work in the future. A strategy with a clearly stated goal is essential to do justice to the work environment and work concepts. The New Work strategy should tie into the corporate strategy to create a holistic perception.

Other relevant topics

Work environments are changing significantly – from the conventional office to work in the home office, in a café or on a train.

Wellbeing is at work essential.

Employees who feel ‘at home’ are more motivated and productive, and stay with the company longer. That’s why many aspects of hybrid work concepts require rethinking. Some of these aspects have already been addressed in the report, while points such as leadership, innovation and sustainability have not yet been addressed, but are important elements for better overall establishment of New Work in the company.

In the context of New Work environments, the leadership should adopt a new way of thinking: Communication instead of control. Core elements, such as trust, courage, vigor, confidence, empathy and emotional intelligence, are important here. Because New Work needs leadership based on openness and trust. How can this be put into practice? Agile leadership is complemented by future-oriented spatial concepts. Physical barriers must be eliminated, while spaces for encounter and creativity must be created. Managers also have the role of enhancing team spirit and a sense of cohesion as well as establishing a culture of communication and feedback.

Also, space must be created for innovation, because new ideas require new perspectives. Sometimes it takes a change of scene to take thinking in a new direction. People do not network and exchange knowledge at their desks, but in dynamic interteam dialog. Creativity needs space – for leisure, diversion and relaxation. Chance is an innovation driver and it’s important to make room for it.

The rate of innovation in a company rises with the quality of knowledge transfer.

And let’s not forget sustainability in the work environment? No greenwashing! Genuine sustainability makes a real difference. Workplaces that are designed according to ecological principles increase employee wellbeing and performance. And embracing sustainability has a positive impact on the employer brand.

Is your company already looking at these points?

These issues will be examined in greater detail in the next Workspace Benchmark Report.



Ready for change?



In the next step, it is important to put the results into context with each other and derive possible action items for your company. These can serve as the basis for a change process.

Do you know where you currently stand, where you want to go and how to get there?

Do you need support along the way?

We would be happy to be of service.

Your contact for the work environments of the future:

Your contact at Drees & Sommer:



Sven Mylius



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For more information, please visit:
www.dreso.com/new-work

Drees & Sommer: Your innovative partner for Consulting, Planning, Construction and Operation

As a leading international planning and consulting company headquartered in Stuttgart, Drees & Sommer has been supporting private and public clients and investors for over 50 years in all matters relating to real estate and infrastructure – both analog and digital.

Through future-oriented consulting, the company offers solutions that deliver successful buildings, high-yield portfolios, efficient infrastructure, and livable cities. Working in interdisciplinary teams, the company's 4,500-plus employees at 51 regional offices worldwide support clients from a wide range of industries. The Partner-managed company delivers all services on the understanding that a balance must be found between economy and ecology. At Drees & Sommer, this sustainable approach is called 'the blue way'.

A strong team at Drees & Sommer is responsible for holistic design, planning and implementation of future-oriented spaces and formats. When providing their services, our specialists for New Work – User-Centric Consulting and Design always focus on the user.

What exactly does the Drees & Sommer New Work – User-Centric Consulting and Design department at Drees & Sommer SE do?

We design, optimize, plan, realize and organize New Work environments, giving spatial expression to the culture of companies and institutions. With more than 220 dedicated staff at 15 offices across Germany, we support our customers throughout all service phases in respectful partnership.

We focus on the following areas:

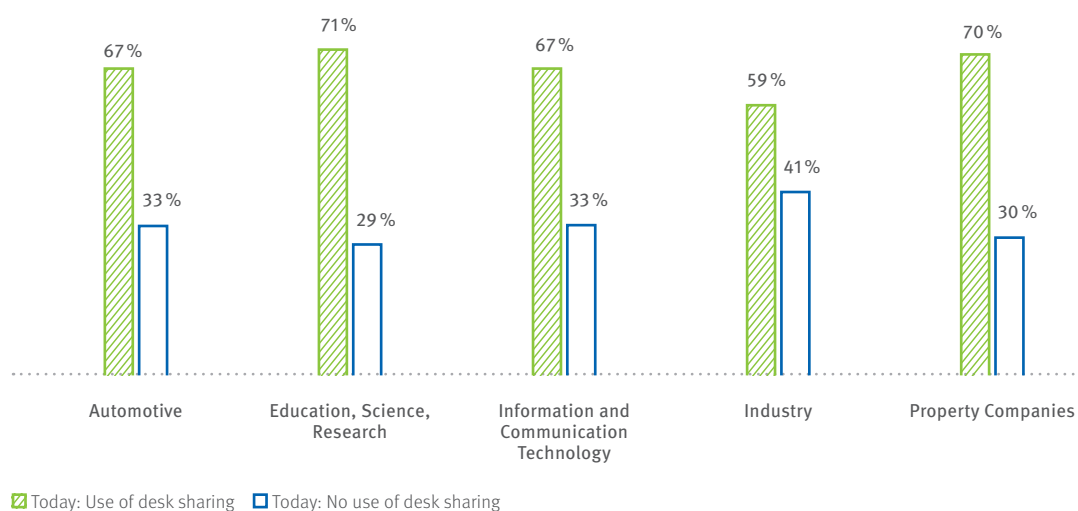
- › New Work Transformation
- › Brand Experience
- › Workplace Consulting
- › Move Management
- › Interior and Workplace Design

Additional Insights

Desk sharing ratio by sector

Sector:	Ratio:											
	1	1,1	1,2	1,3	1,4	1,5	1,6	1,7	1,8	2	3	4
Automotive			14 %		14 %		29 %		29 %	14 %		
Aviation and Aerospace			50 %							50 %		
Education, Science, Research				16 %	34 %					50 %		
Energy				50 %						50 %		
Finance					66 %	17 %		17 %				
Life Science		25 %	50 %							25 %		
Services	33 %				34 %			33 %				
Public Sector	50 %		50 %									
Information and Communication Technology (ICT)		8 %	17 %	25 %	34 %			8 %		8 %		
Industry				33 %	12 %		22 %			22 %	11 %	
Property Companies		17 %	17 %		17 %	17 %				16 %		16 %
Total	4 %	6 %	14 %	13 %	25 %	3 %	6 %	4 %	4 %	18 %	3 %	1 %

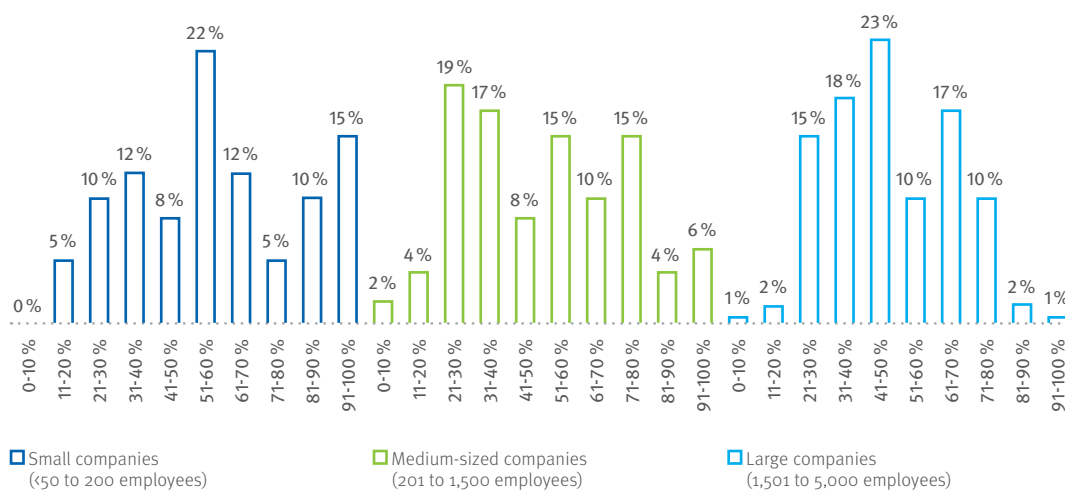
Use of desk sharing by sector



Workplace utilization by sector

Sector:	Utilization:									
	0-10 %	11-20 %	21-30 %	31-40 %	41-50 %	51-60 %	61-70 %	71-80 %	81-90 %	91-100 %
Automotive	0 %	0 %	17 %	25 %	8 %	8 %	25 %	17 %	0 %	0 %
Education, Science, Research	0 %	0 %	43 %	7 %	14 %	21 %	7 %	7 %	0 %	0 %
Industry	4 %	4 %	19 %	11 %	7 %	11 %	7 %	15 %	7 %	15 %
Information and Communication Technology (ICT)	5 %	5 %	24 %	29 %	14 %	5 %	10 %	5 %	0 %	5 %
Property Companies	0 %	4 %	0 %	4 %	17 %	9 %	30 %	17 %	9 %	9 %

What is your estimate of your workplace utilization?



IMPRINT

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