Density

THE WORKPLACE BENCHMARK

2023-2024

Density

2023–2024 DENSITY WORKPLACE BENCHMARK

The Density Workplace Benchmark aggregates insights from some 400 U.S. workplaces to identify how and how often their spaces are used. Based on anonymous, granular insights derived from Density sensors, the report provides a unique insight into real-life usage – nationwide, regionally and per industry.

# I. FIRST THINGS FIRST: UNDERSTANDING UTILIZATION

PEOPLE COUNT IS THE SUBSTRATE FOR EVERYTHING

The workplaces that we see succeed across the Density network are those that can create great, fit-for-purpose office experiences that adapt to employee needs in real-time. That's impossible without knowing the fundamentals: how are people interacting with your spaces.

At Density, people count is our substrate, the basis for everything. To measure it we look at utilization: the count of people in a space divided by its capacity.

In 2023, average peak utilization was 27%, slightly lower on the East Coast (27%) than the West Coast (28%). Utilization levels were higher than 2022 (21%), likely driven by Return-to-Office (RTO) mandates implemented across the tech sector in early 2023.

UTILIZATION BY REGION

US EAST COAST
US CENTRAL
US WEST COAST

% UTILIZATION OF THE FLOORS

2022

MONTHS OF THE YEAR
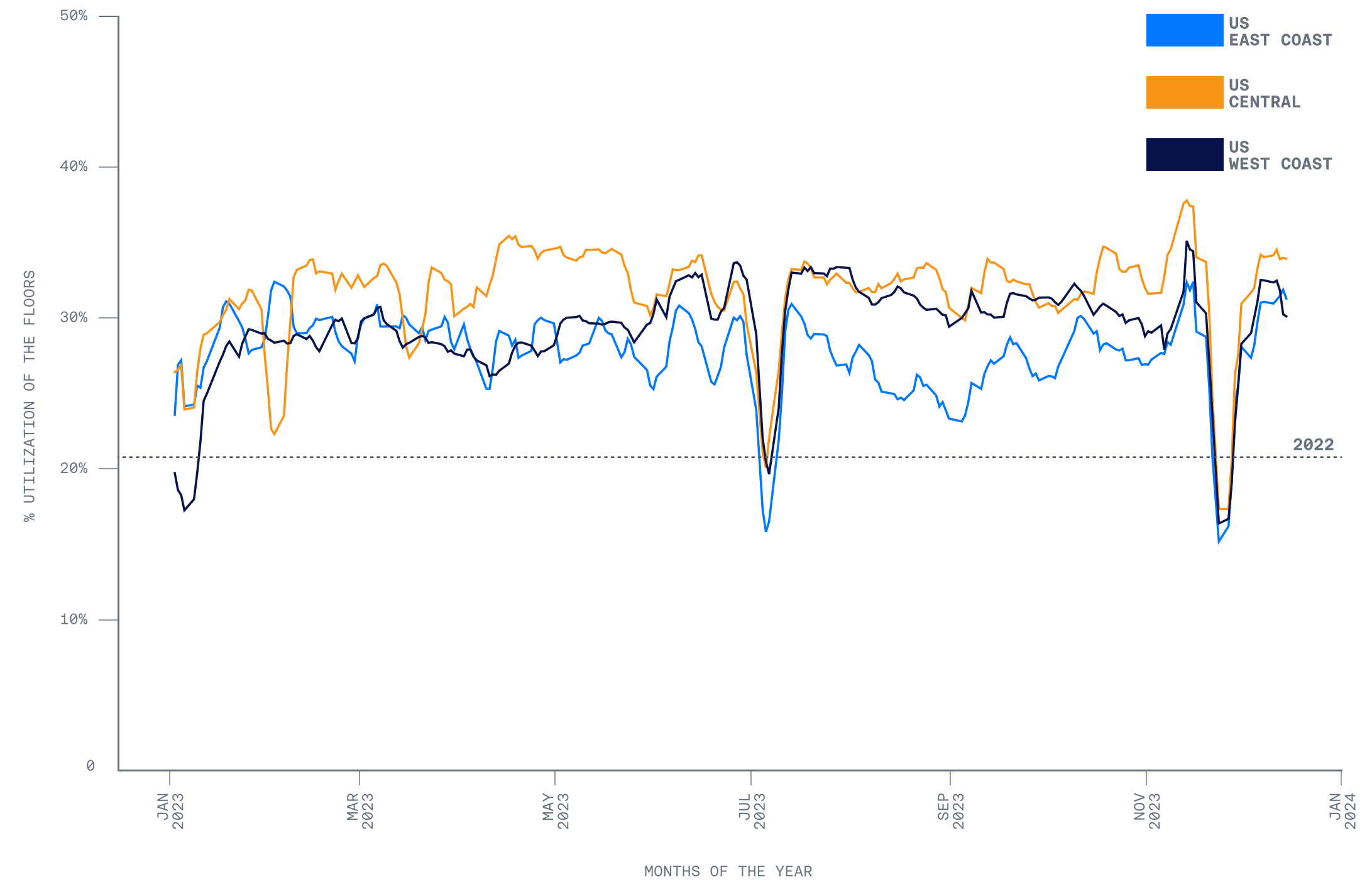
Average daily peak utilization by week in 2023. Excludes US holidays.

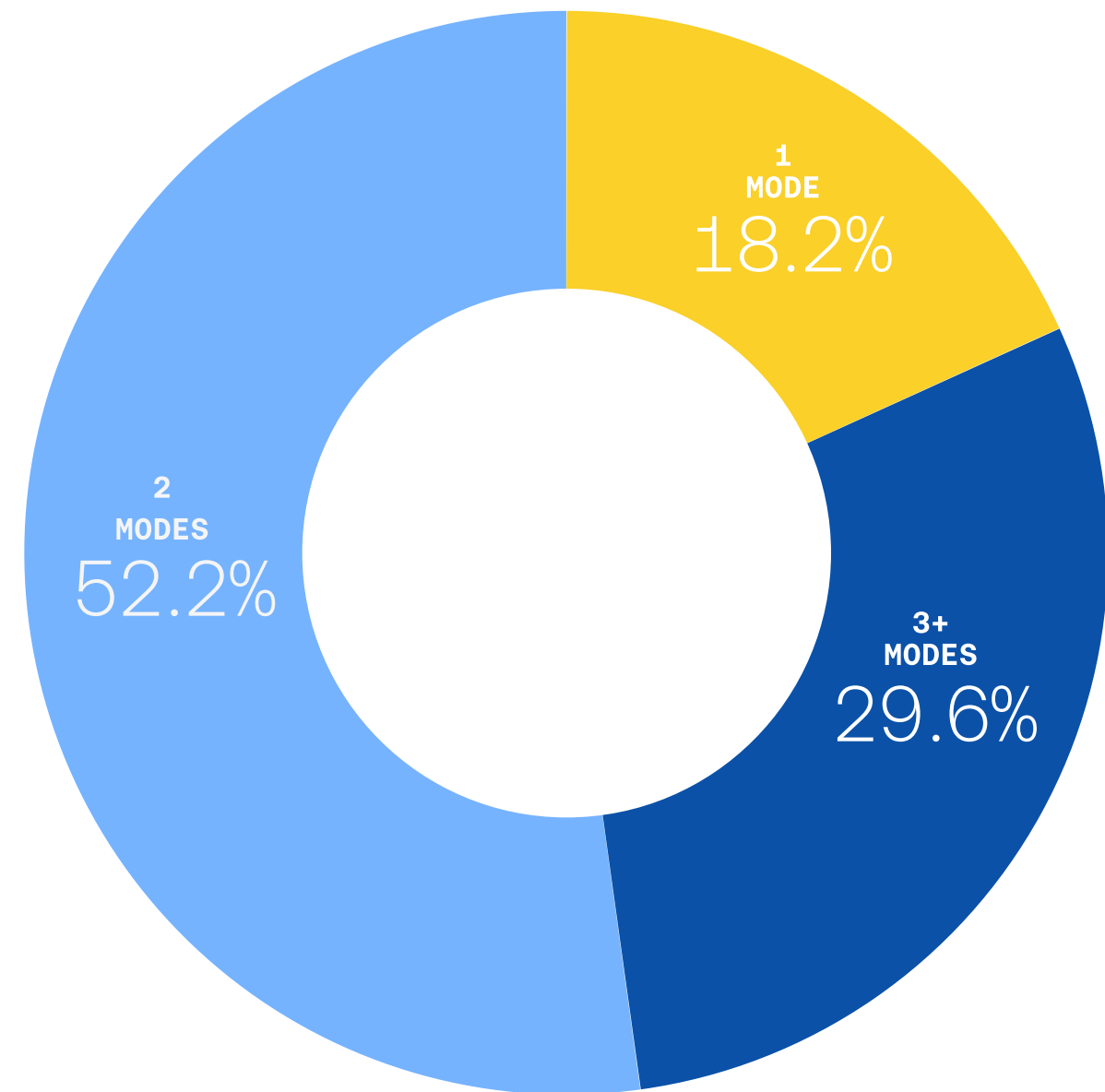**Peak Utilization** — U.S. average daily peak utilization was 27% in 2023.

II. THE RHYTHM OF OUR SPACES

HOW HYBRID ARE WE?

In 2023 the hybrid pattern further solidified.

More than half (52%) of measured offices operated in a binary fashion with two modes: in-office days and at-home days. 18% still — or once again? — maintained the traditional 5-day office week.

HOW HYBRID IS THE WEEK?

Proportion of floors with consistent daily usage M-F (1 mode), versus hybrid patterns (2 modes) and weekly patterns with more variability (3+ modes).

UTILIZATION BY DAY OF THE WEEK
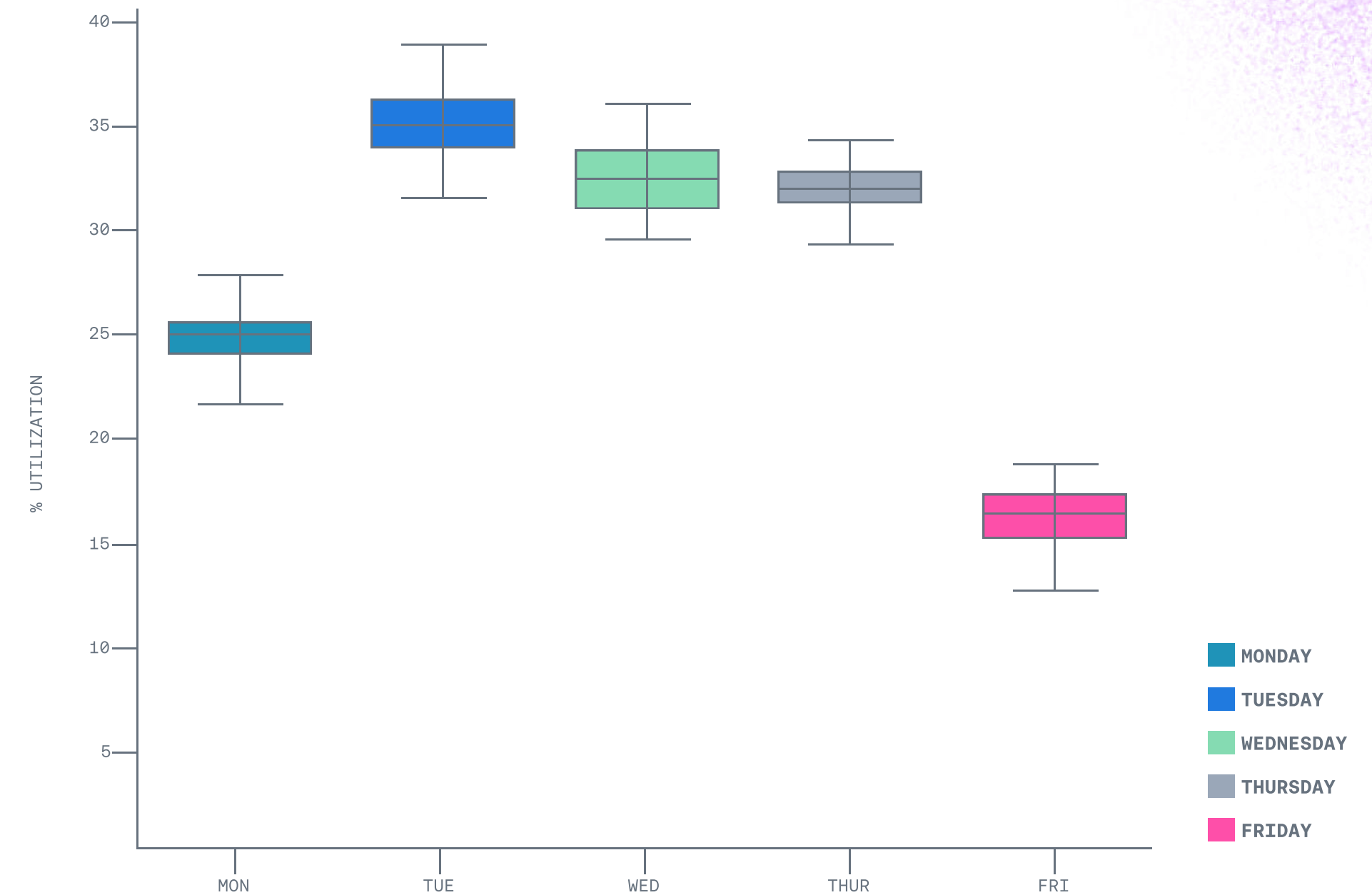
Box plot showing the distribution of space utilization by day of week.

Not every workday saw equal office attendance. Tuesdays are the most popular days for employees to be in the office, while Friday and Monday see the lowest in-office presence.
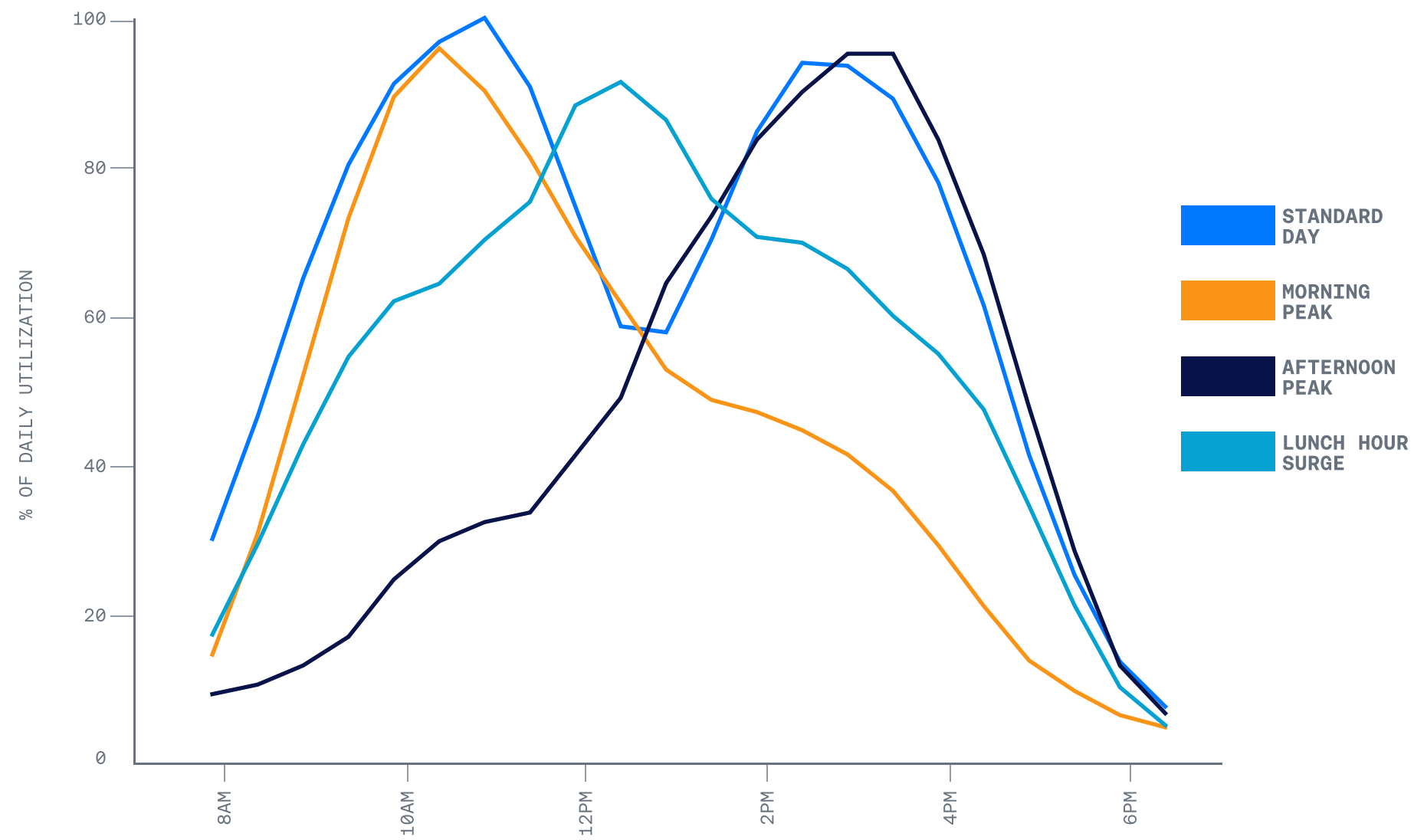
THE SHAPE OF THE WORKDAY

Daily occupancy patterns in the majority of workplaces (80%) followed a recognizable rhythm in 2023: people typically arrived between 9 and 10 AM, took a lunch break around 1 PM, and departed by 5 PM.

However, variations do exist.

Some offices experienced peak occupancy in the morning or afternoon and some surged as lunchtime approached, possibly due to free or appealing lunch options.

SHAPE OF THE DAY

Legend:
- STANDARD DAY
- MORNING PEAK
- AFTERNOON PEAK
- LUNCH HOUR SURGE

Y-axis: % OF DAILY UTILIZATION (0–100)
X-axis: 8AM, 10AM, 12PM, 2PM, 4PM, 6PM

Most common shapes of the workdays across offices in our US portfolio.

III. HOW ARE SPACES USED?

WHERE PLANS MEET REAL LIFE

Density's data reveals consistent trends in space usage throughout 2023: collaboration and focus areas were most utilized during the morning and afternoon, with a noticeable dip in all spaces except social ones like cafes around lunchtime.

FUNCTION USAGE BY HOUR
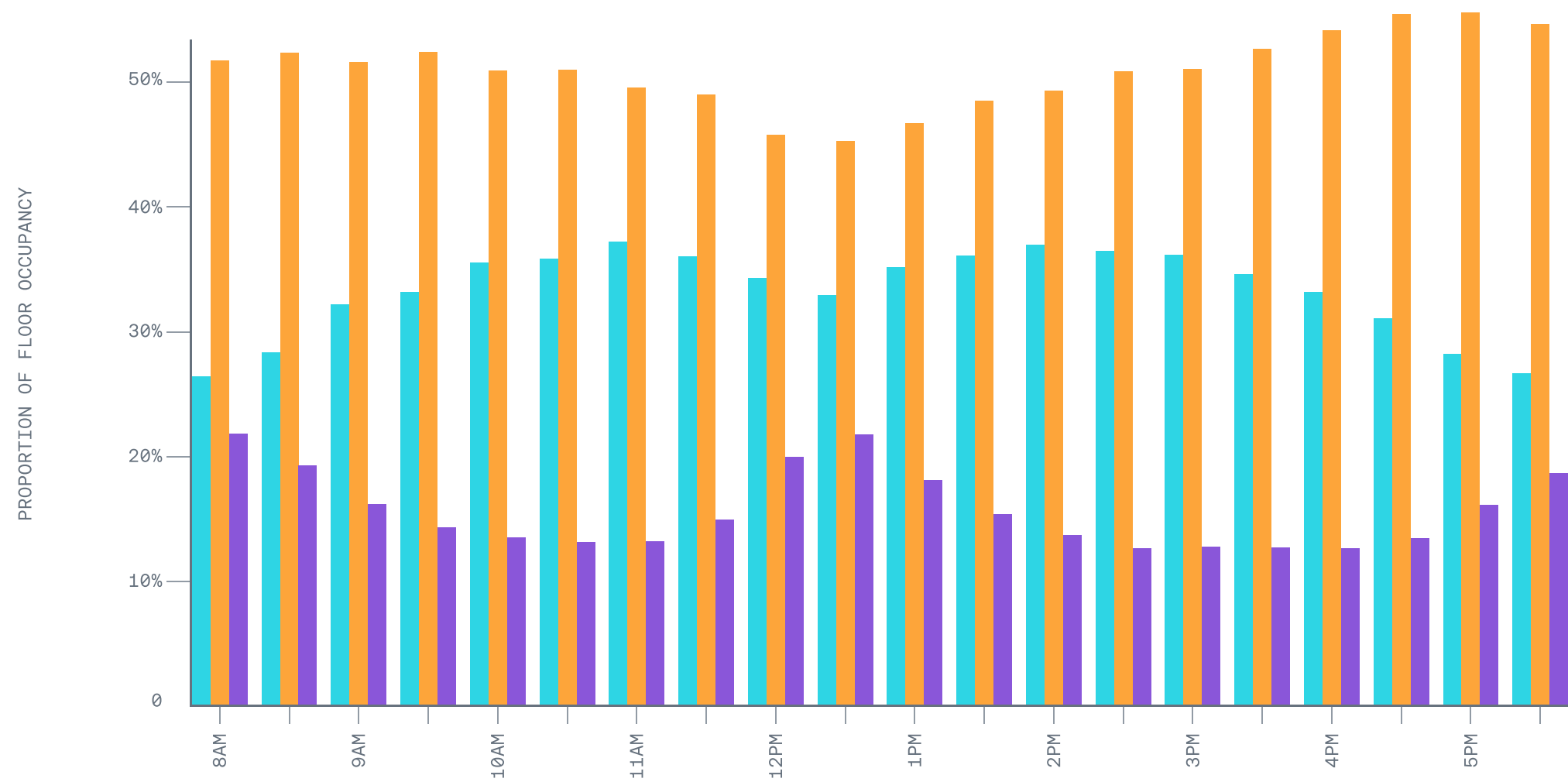
Average distribution of people by function throughout the day. Computed as the ratio between the sum of the average occupancy of all spaces in a function versus the total floor occupancy. Here we see higher % occupancy in focus areas because desk areas generally dominate office square footage.

**FUNCTION TYPE**

COLLAB FOCUS SOCIAL

COLLABORATION VS. FOCUS SPACES

In 2023, we saw more usage of collaboration spaces (16% median usage) than focus spaces (12% median usage). On average, collaboration spaces were used 1.4 times more often than focus spaces.

This reflects an allocation of space to desks that made perfect sense pre-Covid but is now less relevant.
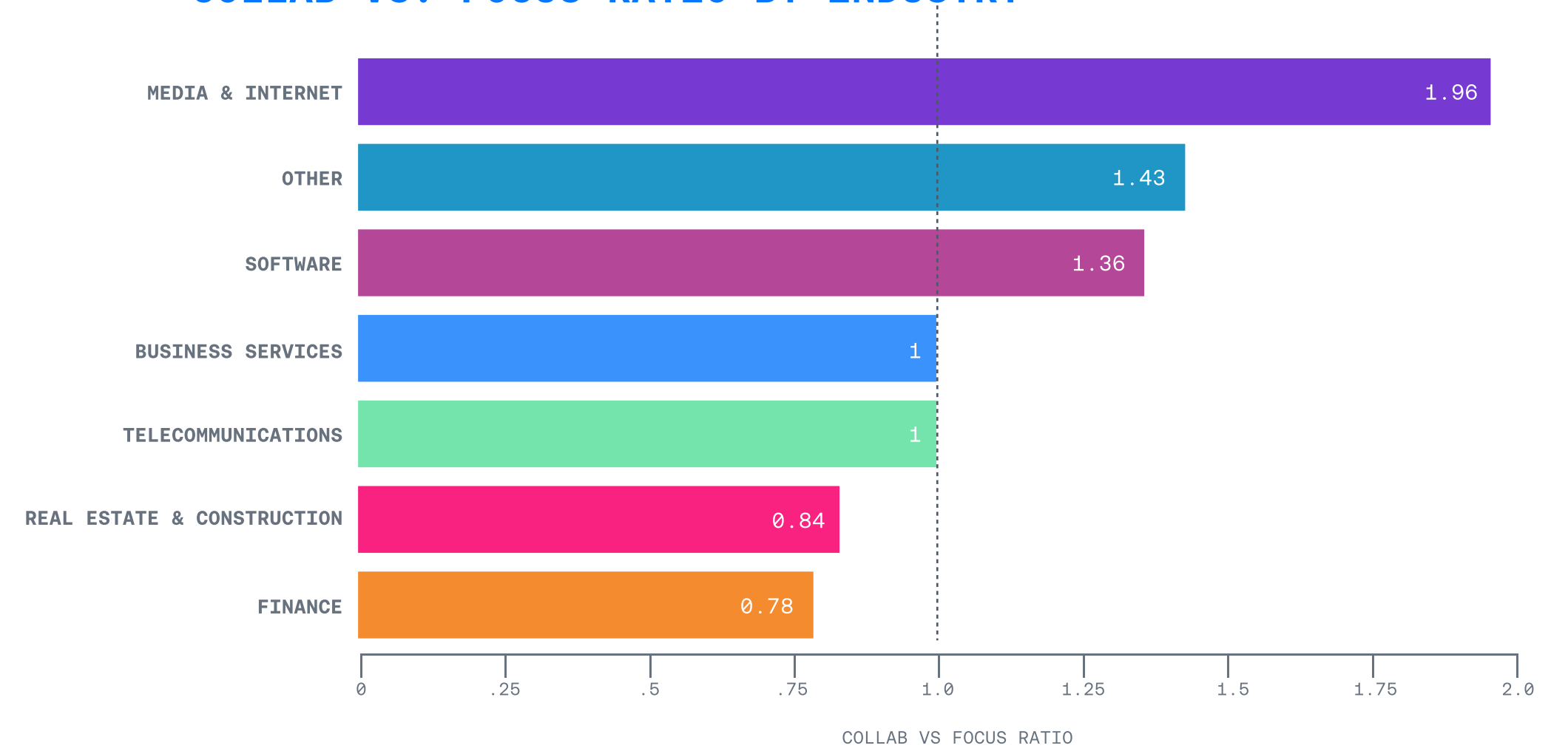
SPACE USAGE BY FUNCTION
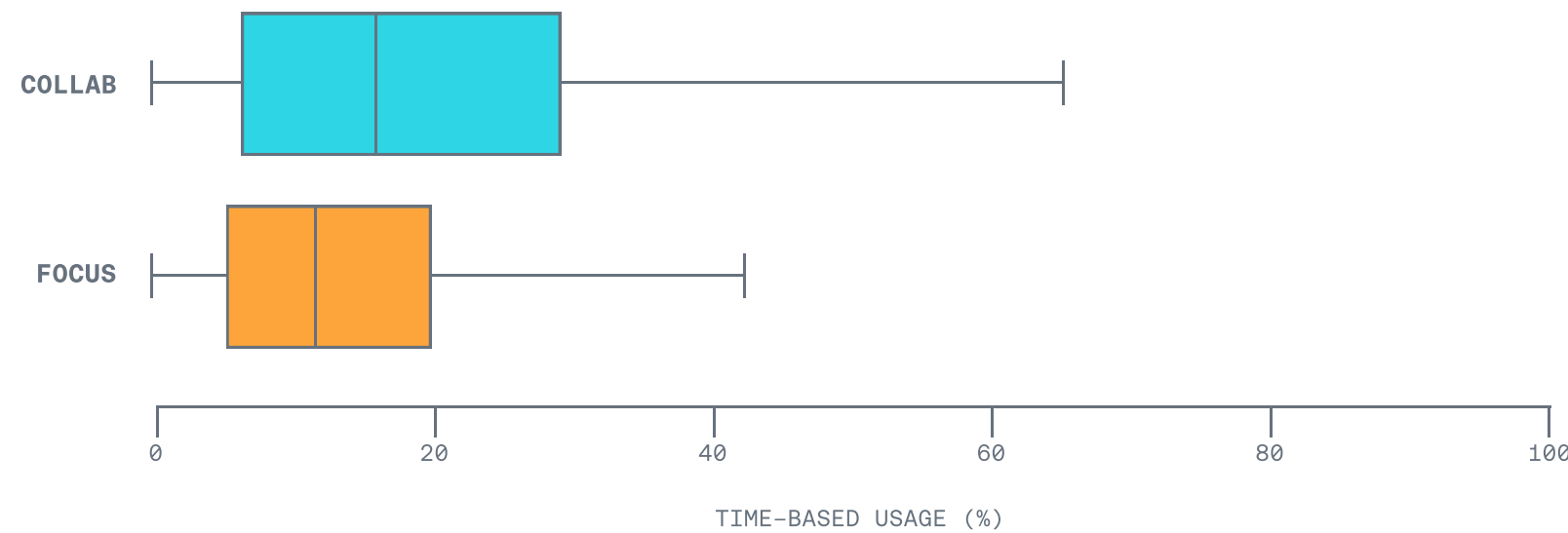
Distribution of space usage by function. Space usage is computed based on time used as the ratio between the total number of hours a space was used versus the total number of hours it could have been used.

> **!** **Collab vs. Focus Usage** The average collaboration vs. focus usage ratio was 1.4 in 2023.

COLLAB VS. FOCUS RATIO BY INDUSTRY

The average collab vs. focus space usage ratio (time based) by industry. Right side of the dotted line means that a collab space was more often used than a focus space. Left side means the opposite.

The ratio between collaboration and focus spaces was significantly lower in the Finance and Real Estate & Construction industries, where focus spaces were used more frequently than collaboration. (See Appendix for more industry-specific findings.)

This could reflect more traditional office design or be a result of Finance and RE having seen a return to the office earlier in 2023, whereas many companies in Media & Internet were slow to encourage or mandate their employees to return.

PRIVACY, PLEASE: A NEW NEED FOR ENCLOSED SPACES

Enclosed workspaces and meeting rooms were used more than any other space type, likely reflecting a need for acoustic separation for distributed teams or coworkers whose in-office days don't coincide.

MEDIAN USAGE %
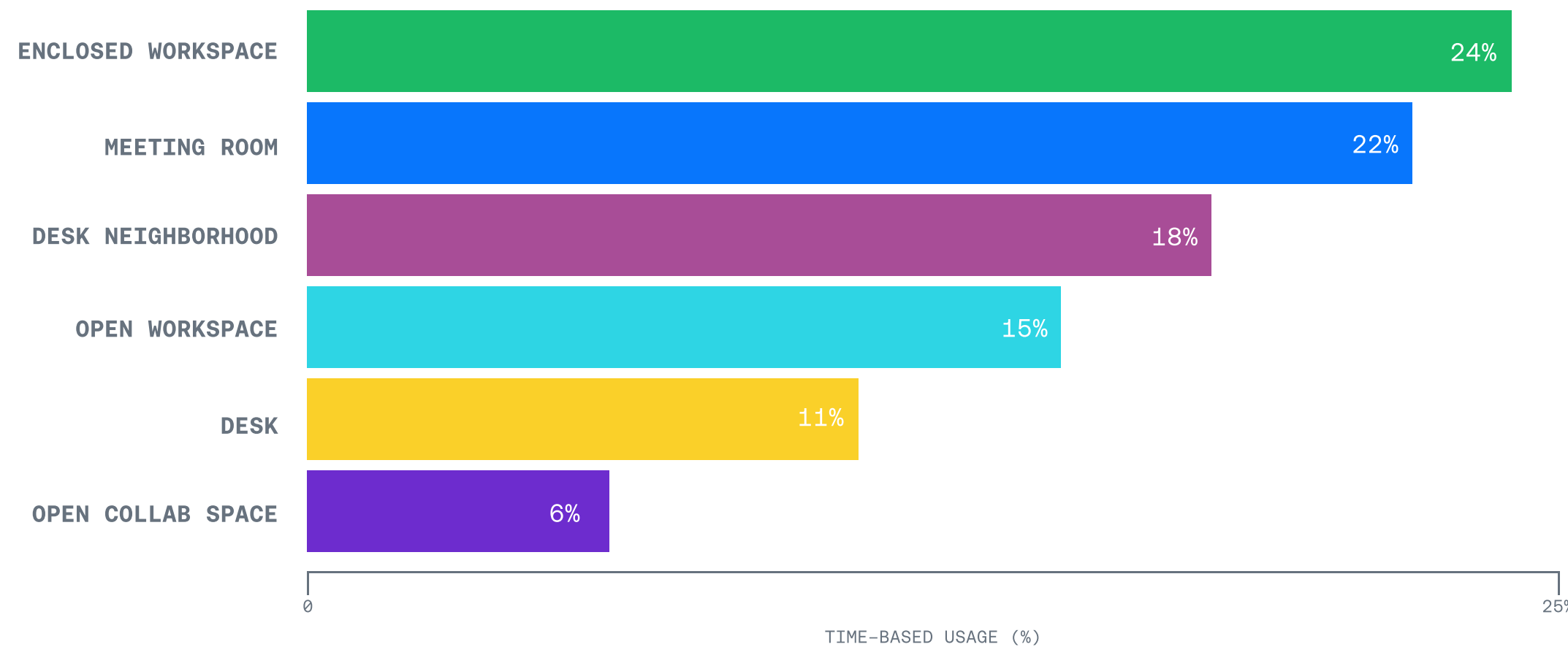
Median space usage by function. Space usage is computed based on time used as the ratio between the total number of hours a space was used versus the total number of hours it could have been used.

MEETING ROOM PERFORMANCE

The need for acoustic privacy skewed how meeting rooms were used in 2023. Despite being designed for collaboration, meeting rooms spend half their life being used only by a single person.

Number of people: 1 2 3-5 6-8 9+
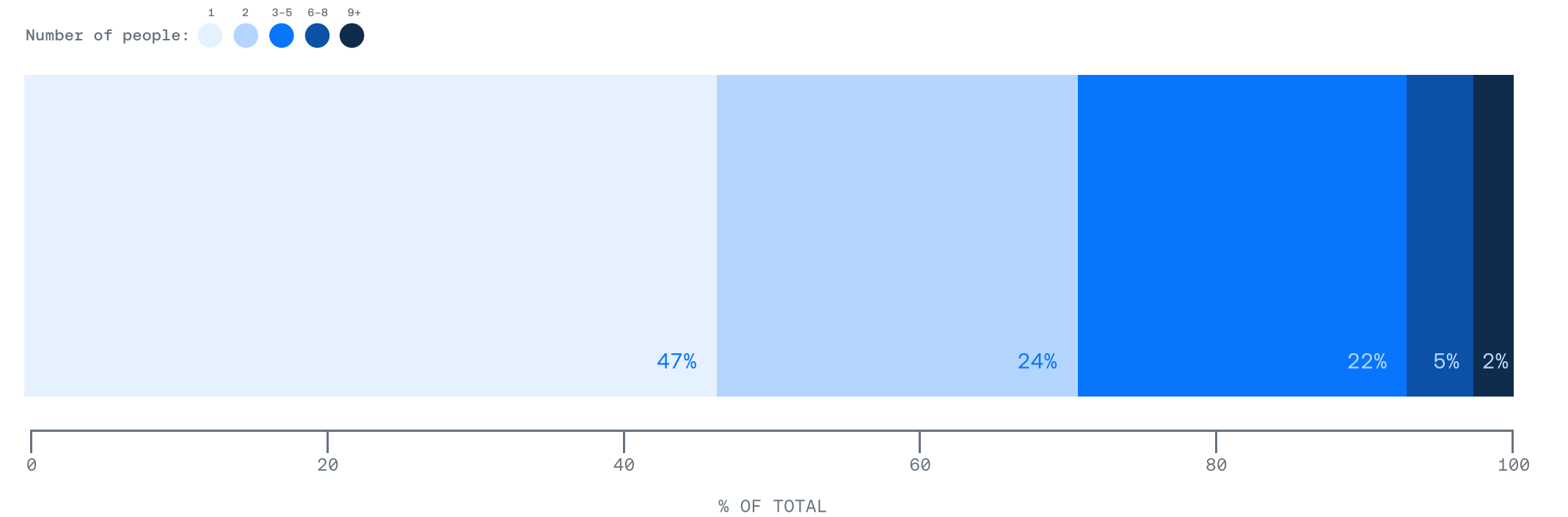
Proportion of time with each group size (occupancy mode) across all occupied time in meeting rooms in 2023.

Meeting room efficiency can be evaluated by looking at the ratio between the average occupancy of meeting rooms and their capacity as designed. Software and Media companies had better performance of their meeting rooms in 2023, but all offices saw meeting room efficiency rates below 0.41. (See Appendix for more industry-specific findings.)

> **Meeting Room Efficiency**   The average meeting room efficiency rate was 0.35 in 2023.

Our analysis suggests that office workers were and continue to use meeting rooms for individual activities like video calls. This trend, widespread across the Density portfolio, has emerged as a primary design challenge for workplace teams since the pandemic. To address this, workplace and design leaders must offer alternative enclosed spaces to cater to these evolving employee needs.

IV. SUPPLY VS. DEMAND: WHEN DOES THE OFFICE BREAK?

OFFICES WERE NOT DESIGNED FOR THE WAY THEY'RE BEING USED TODAY – OR LAST YEAR

To understand the full picture of workplace performance, we need to look beyond basic trends in occupancy and attendance. One way that we evaluate the efficiency of an office is by diving into meeting room usage and looking at how the supply of meeting rooms meets demand.

We examine that by looking at what Density calls 'meeting room saturation' — or the proportion of meeting rooms in use of the total available rooms. Workspaces that perform well will see meeting room saturation respond predictably as overall utilization* increases.

*Utilization is defined as the average number of people in an office divided by its total capacity.

We can identify underperforming floors by exploring the threshold at which meeting room saturation commonly reaches 80%. This is the point at which only 20% of rooms are available and when we'd expect occupants to become frustrated with finding a room and sentiment to decrease.

> ❗ **Meeting Room Saturation** — On average, floors across the portfolio reach meeting room saturation at 45% floor utilization.

	AVAILABLE MEETING ROOM		OCCUPIED MEETING ROOM		AVAILABLE DESK		OCCUPIED DESK

Example floor showing 80% meeting room saturation and 45% utilization assuming 1:1 desk to occupant ratio.
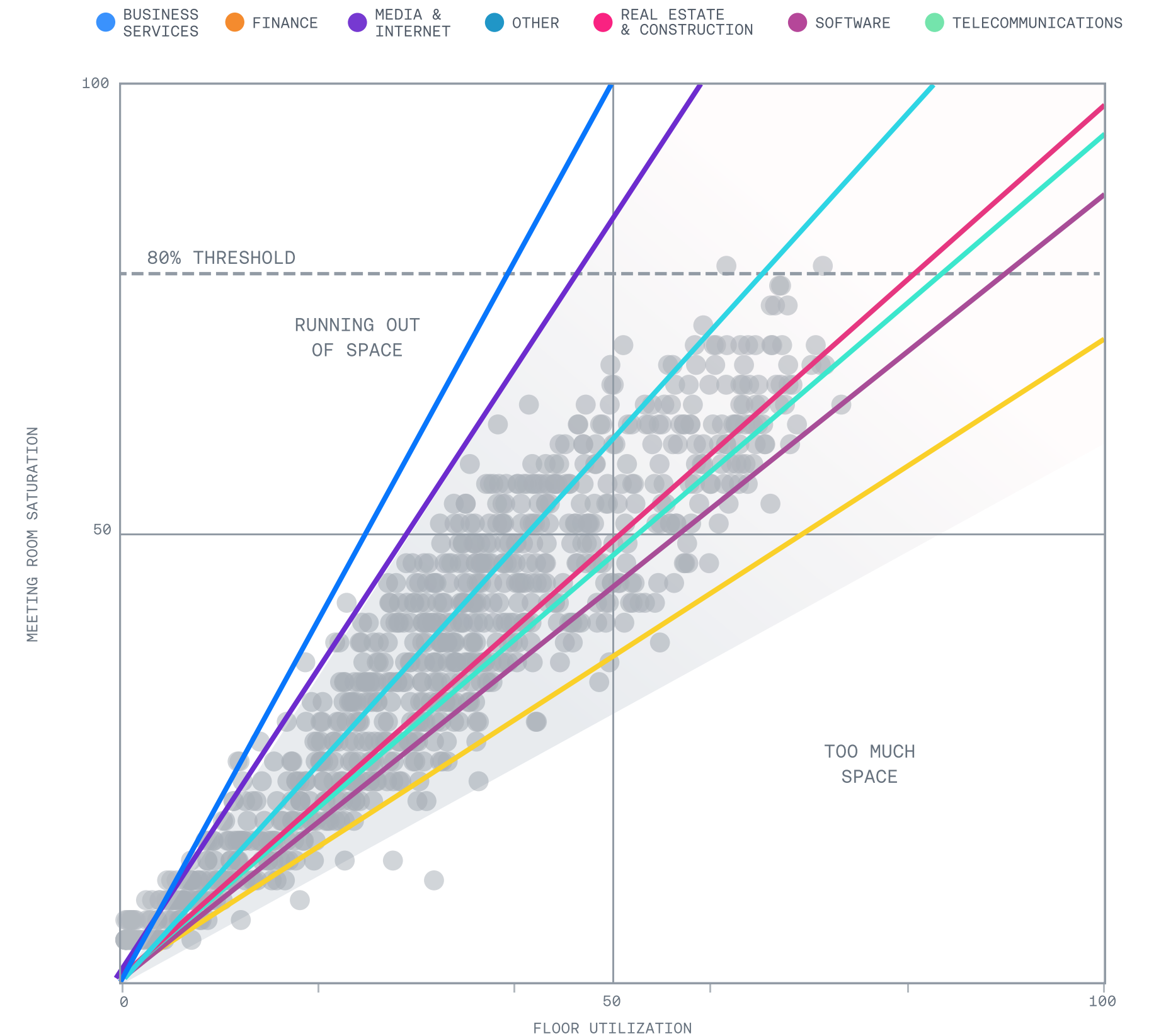
THE OFFICE BREAKING POINT IN 2023

In 2023, 78% of offices experienced a breaking point in meeting room availability, moments where 80% of their meeting rooms were in use.

Surprisingly, the average utilization levels at which the meeting room saturation threshold was reached was 45% in 2023. In other words, floors are running out of meeting space before welcoming even half the number of people that they were designed to hold.

This indicates a mismatch between workplace design and meeting behavior, and suggests the majority of workspaces are not meeting the needs of their occupants. A large part of this meeting room saturation can likely be attributed to low meeting room efficiency – individuals and small groups using larger rooms than needed – and can be addressed through behavioral nudges and design changes.

Trends in meeting room saturation did vary by industry, with Finance workspaces appearing to have more meeting rooms than necessary while Business Services and Media & Internet reached meeting room saturation at floor utilization levels below 50%.

Legend: BUSINESS SERVICES · FINANCE · MEDIA & INTERNET · OTHER · REAL ESTATE & CONSTRUCTION · SOFTWARE · TELECOMMUNICATIONS

Chart axes: MEETING ROOM SATURATION (y-axis), FLOOR UTILIZATION (x-axis). Labels: 80% THRESHOLD, RUNNING OUT OF SPACE, TOO MUCH SPACE.

Relationship between meeting room saturation and floor utilization by industry. Grey dots show data from a sample floor where supply and demand of meeting rooms is balanced and there is a predictable relationship between saturation and utilization. Colored lines depict the linear trend of this relationship by industry. Only floors with at least 5 meeting rooms were included. A meeting room is considered as used if it was occupied more than 5 minutes over a 15 minute interval.
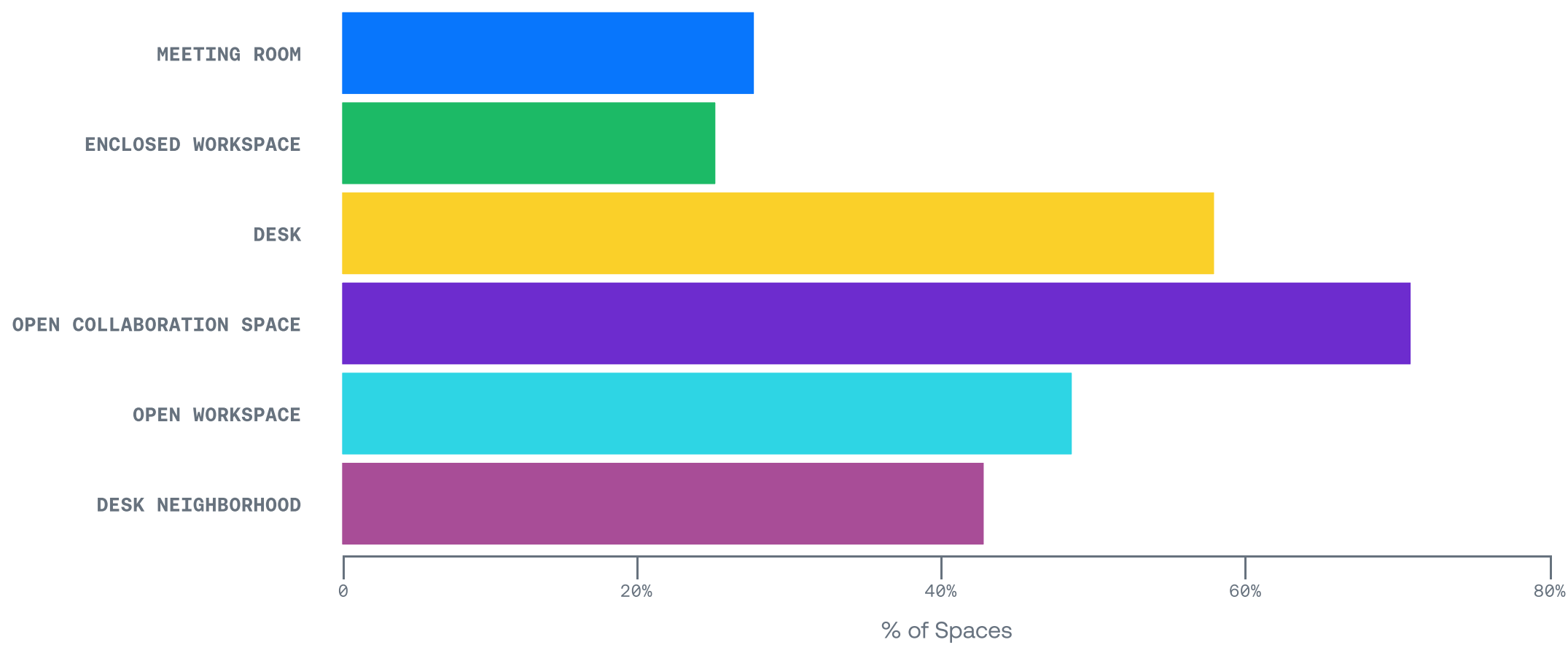
V. WASTED SPACE

WASTED SPACE - AND BAD OFFICE BEHAVIOR - REQUIRE CREATIVITY TO ADDRESS BUT THE RETURNS CAN BE GREAT.

DESKS ARE CONSISTENTLY UNDERUSED

49% of all spaces are extremely underused: less than one hour per day on average. This creates planning challenges and complex design needs, especially in offices that have a binary weekly rhythm where usage varies greatly between in-office day and remote days.

WASTED SPACE BY FUNCTION

Proportion of spaces of in each function where average usage is below 1 hour per day.

> **!** **Wasted Space** — Nearly half of all spaces were used less than an hour per day on average in 2023.

While collaboration and social spaces were used more than focus spaces, all space types went underused. The majority of spaces could accommodate up to 4x their current use: some 67% of collaboration spaces, 85% of focus spaces and 54% of social spaces.

The substantial underuse of desks and meeting rooms signals a critical need for rethinking office space to ensure square footage and space types align with the actual needs of the modern workforce.

THE COST OF CLEANING CLEAN SPACES

Cleaning practices in many organizations are still based on routine rather than actual usage. This leads to serious inefficiency. By basing cleaning routines on real life space use and reallocating labor where it's actually needed, companies can create better workplaces for their employees, stop wasting labor and cleaning products, and reduce their environmental footprint.

OPPORTUNITY FOR CHANGE

Wasted space is widespread across U.S. workplaces. There is a tremendous opportunity to consolidate space and increase occupancy across the majority of workspaces, without negatively impacting the employee experience.

Workplace leaders can take any number of actions: move teams, hibernate floors and reduce their operational footprint, move to agile desk sharing, adjust cleaning schedules. None of those changes are easy. They require coordination, education and change management but will ultimately provide a huge opportunity for cost savings.

In one case study, Density calculated that an additional ~150 employees could comfortably be assigned to a ~550 person workspace, while preserving employee experience. This motion would reduce workspace needs by 1/3 and allow for an entire floor to be saved elsewhere, providing a clear path to savings as well as the potential for a more vibrant workplace.

CONCLUSION

I.
RTO IS OVER.
MEET THE NEW OFFICE.

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- In 2023 we reached our new normal after two years of (post) pandemic uncertainty. **Workplaces saw higher utilization levels (27%) compared to 2022 (21%),** but usage stayed low across all space types and remained stable throughout the year.

- The workweek has changed forever: **82% of workplaces have at least one WFH day and 75% of work spaces see more than twice the utilization on in-office days versus WFH days.**

- Workplace leaders must embrace the binary workplace and design, program and operate spaces that perform at their highs and their lows.

II.
THE OFFICE HASN'T FOUND
ITS NEW GROOVE YET.

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- Use of collaboration spaces was 1.4x that of focus spaces. **But 47% of meeting room usage was by one person.**

- **Demand for acoustic privacy for video calls has changed how we use meeting rooms and this new usage pattern is breaking the office.** The average office is running out of meeting rooms at utilization levels as low as 45%.

III.
THE OPPORTUNITY IN 2024
IS MASSIVE.

- Usage stabilized in 2023 at a level that means widespread waste. **Nearly half of all spaces sat empty for more than 7 hours per day** on average in 2023.

- Companies must have the courage to be decisive: reduce space, influence workplace behaviors, and operate their offices more efficiently.

- We expect 2024 to look like 2023. **Bold workplace leaders have a massive opportunity to save costs and provide a better employee experience.**

NEARLY HALF
OF ALL SPACES
**SAT EMPTY
7+ HOURS
PER DAY**

METHODOLOGY

This report is based on an analysis of anonymous performance data from a selection of offices in Density's extensive portfolio. It encompasses data from a representative sample of some 400 buildings across the United States.

The time frame for the data collection spans from January 2023 through January 2024. Our analysis was computed across singular floors in Density's portfolio, instead of whole building deployments, as our coverage varies by building.

Note that all results shared here could be influenced by sample bias, reflecting the specific properties in Density's portfolio rather than broader market trends.

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APPENDIX

INDUSTRY INSIGHTS

INDUSTRY	PEAK UTILIZATION	COLLABORATION VS. FOCUS	MEETING ROOM EFFICIENCY	MEETING ROOM SATURATION THRESHOLD	WASTED SPACE
Business services	16%	1.00	.21	27%	50%
Finance	45%	0.78	.34	61%	11%
Media & Internet	30%	1.96	.41	36%	31%
Real Estate & Construction	25%	0.84	.34	80%[1]	4%
Software	41%	1.36	.40	58%	13%
Telecoms	13%	1.00	.29	84%	32%

[1] Small sample

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APPENDIX

REGIONAL INSIGHTS

REGION	PEAK UTILIZATION	COLLABORATION VS. FOCUS	MEETING ROOM EFFICIENCY	MEETING ROOM SATURATION
US West (incl. Mountain time)	28%	1.62	.33	45%
US Central	31%	0.99	.39	64%
US East	26%	1.47	.34	40%

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DEFINITIONS

METRIC	DEFINITION	SIGNIFICANCE
Peak Utilization	Average daily peak utilization	Measuring the peak utilization of office space informs what levels of usage to optimize for.
Collab vs. Focus	Collaboration space usage / focus space usage	Understanding how much time is being spent in collaboration vs. focus spaces is an important first step to understanding how an office is used.
Meeting Room Efficiency	Average meeting size / average meeting room capacity	Since the pandemic and our return to work, our patterns of meeting room usage look different. This metric reflects if meeting rooms are being used appropriately.
Meeting Room Saturation	% utilization at which your floor reaches meeting room "saturation" threshold of 80%	Does supply meet demand? This metric helps predict at what point the office will run out of meeting rooms.
Wasted Space	% of spaces used <1 hour per day on average	How often do spaces sit empty? This metric tracks how much space is going to waste and where opportunities for cost savings and improved employee experience sit.

⋏ Density

Density helps companies understand how people use their spaces. From Fortune 500s to high growth innovators, companies use our insights to make smarter real estate decisions, unlock a better experience for their employees and increase ROI on every square foot.

BOOK A DEMO