



Office space optimization: how to increase efficiency

Explore a step by step approach to occupancy management and its impact on business performance.



Introduction

Office space optimization and efficiency are important due to many factors. Office space is expensive, and optimization not only reduces required space but also improves overall work well-being and efficiency. By optimizing your office space, a significant amount of space and money can be saved.

Depending on the location, a nice, modern office space rental may cost anything between 30 to 400 EUR per square meter a year. After personnel costs, office space is one of the largest cost items for any business.

With a huge rise of remote and hybrid working, many companies are looking into possibilities of reducing their office spaces or allocating some of them to a different use. Optimized office spaces are functional, big enough for comfort, but where no space is wasted.

In this article, we introduce the key points on office space optimization and efficiency, sharing the step-by-step approach to optimization with the help of occupancy data.



Steps to optimizing your office space

1. Plan the optimization project
2. Align with key stakeholders and get feedback
3. Boost decision-making with occupancy data
4. Understand key measurement concepts
5. Create a new optimized office design
6. Build a strategic outlook on facility operations

How to optimize your spaces towards efficiency?

1. Set goals & prepare the optimization project

We have 400 desks, but do we need all of them? How big should our new office location be?

Before making changes to the existing office layout or when choosing a new office location, it is important to plan how to do it effectively.

It is good to start by defining the objectives for the optimization process. The following can be potential objectives to set:

- Reducing office space or moving to smaller premises
- Creating more varied working areas
- Introducing shared desks policy
- Setting the 3-days work from office policy or, instead, more remote days

While budget and timeline are important aspects to clarify, getting data on how existing spaces are used will help to make faster and more accurate decisions.



2. Align with key stakeholders and get feedback

A well-planned office ought not to rely on occupancy data alone. While utilization and occupancy data are the best way to get objective insights into how, when and which spaces are used, your employees are a great source in finding how what kind of changes and spaces are needed.

Making changes and trying new things can be difficult in an office, where people are often busy with their own work, and might find a redesign or digital workplace project time-consuming and confusing.

Getting your employees engaged with your office space optimization project is the best way to ensure that you're creating truly functional spaces and that your employees are onboard in taking on new ways of doing things.



3. Boost decision-making with occupancy data

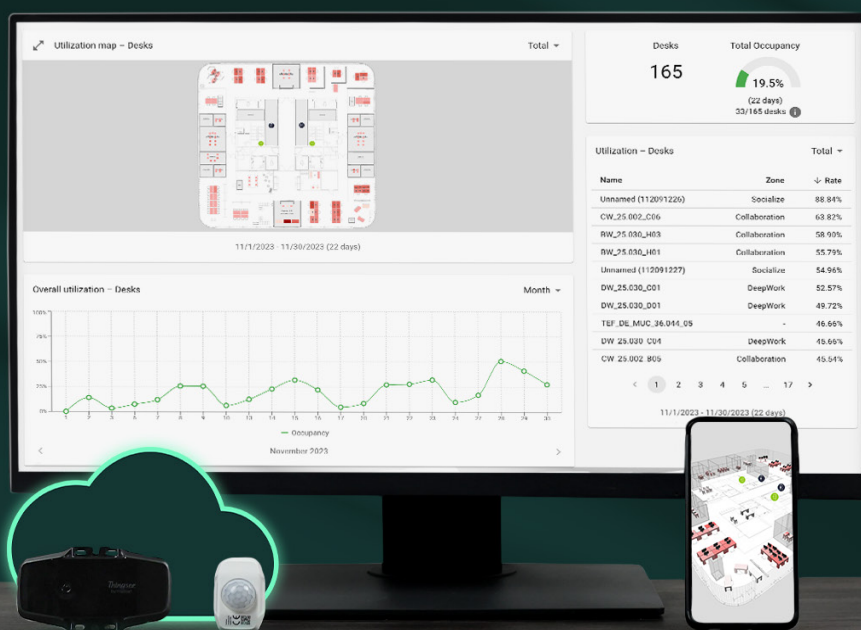
Making space-related decisions is difficult without visibility into how people work. This can result in futile investments or insufficient working areas, which will negatively impact people's productivity.

One option is to do manual observations or questionnaires to obtain visibility into people's needs and working habits.

Alternatively, you can deploy occupancy sensors to collect granular data automatically. The data can then be easily visualized for analysis in any software.

Data from occupancy sensors provides diverse insights into space usage, such as which spaces are used and how much, what are the peak occupancy times and days of the week, and how meeting rooms are actually used versus how much people book them.

There are many different technologies for collecting such data, like camera-based or PIR sensors. The best value is usually obtained from wireless sensors that operate independently from your IT network. They are installed in seconds and do not require any power or wiring infrastructure.



Effective occupancy management starts with a scalable technology solution.

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Space planning & optimization checklist

Here is what you can take into account when designing new or optimizing existing facilities:



Evaluate how existing rooms are used.

Is there some that are booked/used more frequently? What could be the reasons for this? Are people booking rooms, but not showing up?



Evaluate how desks are used.

If you can use sensors to measure desk occupancy, it will be easy to measure how many desks would be optimal for the number of people and ways of working you have.



Evaluate the use of different working areas.

Are collaborative spaces more popular than focus areas? Is there a good balance and variety of working spaces to support productivity?



Evaluate the overall utilization and occupancy trends.

Which days are the most occupied and what is the peak occupancy? What is the average utilization of all desks, rooms, phone booths? How do the trends differ by area, floor, building or location?



4. Understand key measurement concepts

When evaluating the effectiveness of your spaces, it is important to understand the key measurements. For instance, both occupancy rate and space utilization rate measure how effectively spaces are used, but what is the difference between them?

Occupancy rate focuses on the proportion of physical units (seats, desks, rooms, etc.) that are occupied at a given point in time (or on average) versus what is available. For example: “Out of 100 desks, 75 were occupied at noon—an occupancy rate is 75%.”

Formula: Occupancy Rate (%) = (Number of Occupied Units / Total Number of Available Units) × 100%

Space utilization rate measures how much the space is used over time relative to its total potential hours of use. For example: “A conference room is available 40 hours a week but is only booked for 20 hours—so it has a 50% utilization rate.”

Formula: Space Utilization Rate (%) = (Actual Hours of Use / Total Available Hours) × 100%



Occupancy Rate

The proportion of physical units (seats, desks, rooms, etc.) that are occupied at a given point in time (or on average) versus what is available.

Example: “Out of 100 desks, 75 were occupied at noon—an occupancy rate is 75%.”



Utilization Rate

Measures how much the space is used over time relative to its total potential hours of use.

Example: “A conference room is available 40 hours a week but is only booked for 20 hours—so it has a 50% utilization rate.”

5. Create a new optimized office space design

When you have the right data at hand, you can start creating an optimization plan. The more data you can take into account, the easier it will be to make optimization decisions. Next, we overview some practical ideas that could help to optimize your spaces.

Emphasize variety

Modern office spaces need to offer more than just a desk and a coffee machine. In the era of remote work, offices need to be more focused on making connections, since many

people visit the office to meet colleagues and work as a team. While creating different kinds of co-working spaces, for both workshops and meetings, focused work and peaceful areas should be equally prioritized. The nature of a modern workday spans from focus work to working in group or with a pair. When creating a new office design, it is good to emphasize variety and design spaces that fit the different needs of employees. This is where occupancy and utilization data will help to accurately determine the optimal space allocation for each area.





Share desks
28% average utilization

Change to shared desks to support hybrid work

Nowadays, working some days in the office and other from home has become a common practice in many companies. From the facility management perspective, keeping the individual desks for people could become a waste of space and extra expense. Changing from fixed to shared desks policy can help to accommodate more people in less space. This also means that some space can be freed and used for something else, for example, a phone booth or collaboration area.

Remember technological requirements

Among the main reasons for people to come to the office are to collaborate with others, but also good working conditions. For example, having good equipment for large-group video calls, high-speed internet or big extra screens. It might be good to consult your IT department to ensure that technological aspects are addressed in the workspace optimization project. Things like the location of printers, proximity of outlets and wifi routers, are important functional elements that support productivity.



7. Build a strategic outlook on facility operations

A company is a living dynamic system, where teams, projects and working styles change and evolve, along with people's needs. This is why office space optimization should be perceived not as a one-time project, but rather as an integral part of your business operations.

Offices should correspond to changing requirements of people, supporting their productivity and business goals, while being sustainable and efficient.

Monitoring space utilization and occupancy rates on a regular basis will enable you to get the maximum value of your workspaces in both short- and long-term.



About Haltian

Haltian is a global Internet-of-Things (IoT) technology leader, focused on transforming buildings into smarter, sustainable environments with human-centric technology. Since 2012, we have helped thousands of companies all over the world to transform their buildings into smart functional environments. Our technology is built with a purpose to enable businesses to achieve operational efficiency of their facilities.

To learn more about our solutions and how to start your digitalization journey, please reach out to us.

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