

A modern office interior with large windows, plants, and people working at desks. The scene is brightly lit with natural light from the windows and modern pendant lights. In the foreground, a man in a blue hoodie is focused on his laptop. In the background, a woman is also working at a desk. The office has a clean, minimalist aesthetic with white walls and various plants.

REPORT

RETURNING TO THE OFFICE: A GUIDE TO DIFFERENT OCCUPATION SCENARIOS

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Levett
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INTRODUCTION

There is no doubt that office occupancy is on the way to recovery. Facilities Management Journal recently reported data from workplace technology company, Freespace , showing London office occupancy peaking at 42% in March 2022, the highest daily rate for the last two years.

However, many of us working in the commercial sector know we are still in the early days of finding the new-norm. Or, in fact, whether there will be a new-norm, or whether occupiers will adopt different patterns according to their culture, teams' sentiment, or global practice. What is certain is that the old average occupancy of around 63%, has changed in what has been a remarkable chapter in time - historically, financially, and emotionally - for landlords, tenants, developers, and investors.

However, the challenge is how we manage the space that we have so that it benefits our people, continues to instill the ethos of our companies and is agile to adapt to changing conditions and working behaviours while remaining cost effective.

According to a YouGov survey undertaken for the BBC, 70% of the respondents predicted that workers would "never return to offices at the same rate". Reflecting this, many organisations, including RLB, have adopted a hybrid working policy that allows the office banter at the water cooler alongside benefits such as being at home when the plumber arrives.

If we were looking at ways to adapt our office spaces to be flexible and agile previously, the pandemic has only supercharged our need to create flexible spaces. Now many of us, whatever setting we work within, are looking at how we reinforce this cultural change - encouraging a collective work ethic and still reflecting organisational values while utilising our space to reflect this new world we work within.



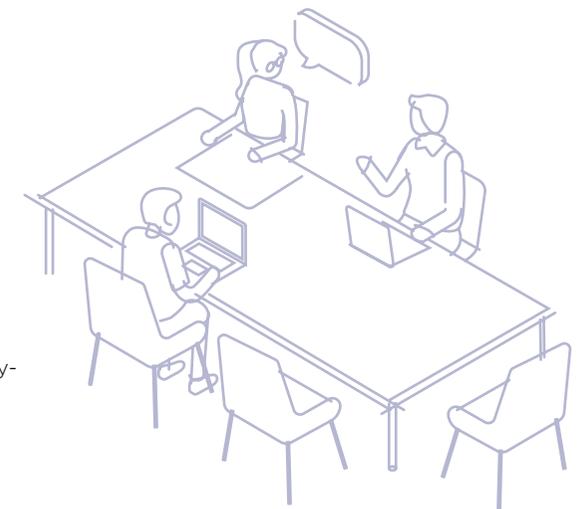
INTRODUCTION



Having worked with hundreds of commercial estate managers to create workspaces that bring inclusivity, collaboration and wellbeing, we help our clients' look at the different options of office spaces for our new working worlds. For some, this might mean a club house feel where organisations can gather to socialise, bring together their teams and act as a hub to encompass their company culture and ethos. For others, this is more of an agile space that can be sliced and diced according to the organisations daily needs.

Our team simplifies the space and brings advice and experience to the fit-out, furniture cost and timeframe. Our clients can then consider the options available and the cost impacts of each new occupation scenario.

In this guide, we look at typical organisational responses to their occupation of office space in response to post-pandemic ways of working. We consider space requirements, capital and operational costs and expected project durations.



¹ <https://www.fmj.co.uk/office-occupancy-in-the-capital-continues-to-rise/>

² <https://www.bbc.co.uk/news/business-58559179>

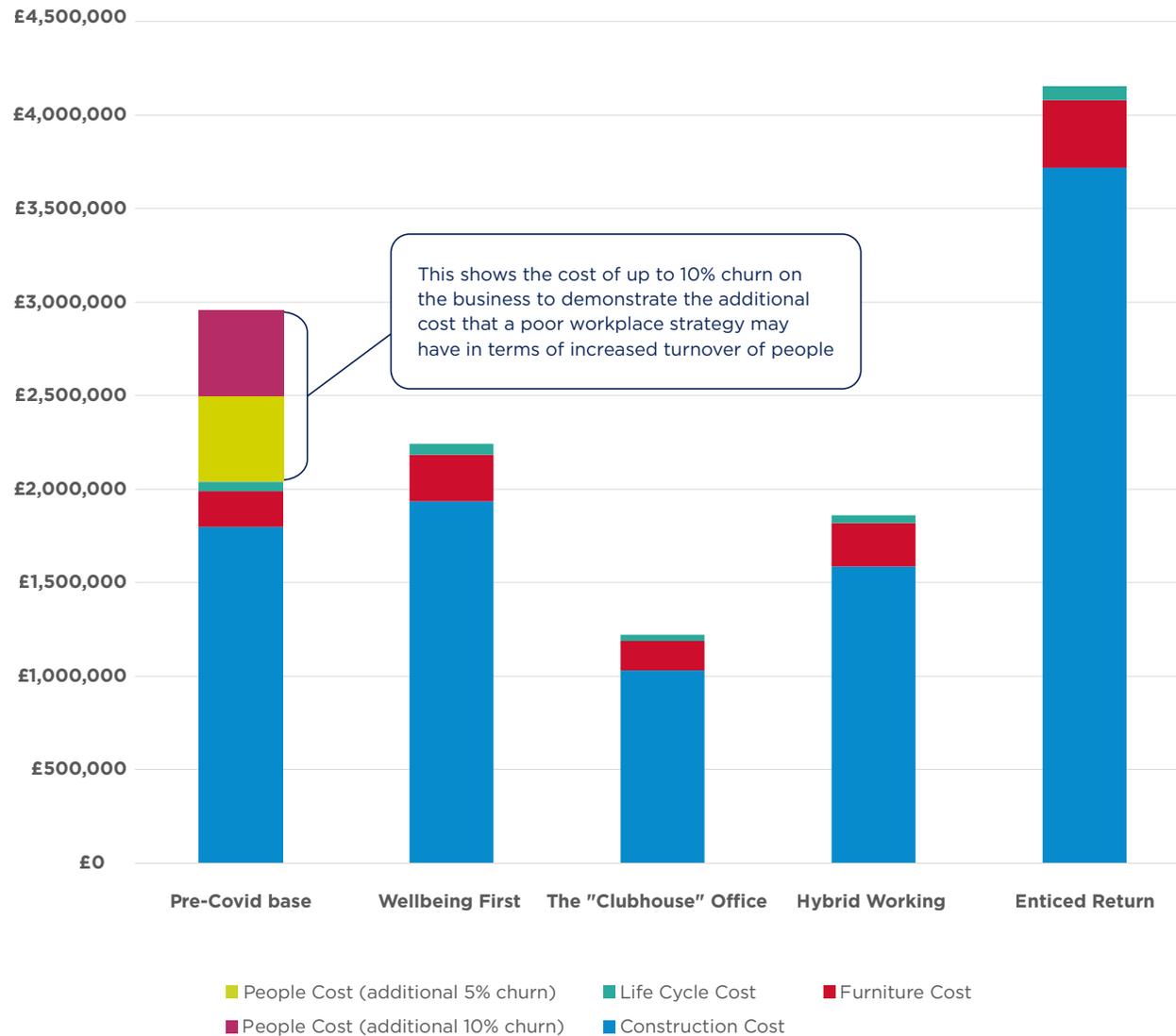
OCCUPATION SCENARIOS

 ORGANISATION PROFILE	 LIKELY INTERVENTIONS	 DENSITY (m ² per person) AND SPACE (ft ²) for 150 employees	 CAPITAL COST	 LIFE CYCLE COST (Maintenance and running)	 PROGRAMME	 FURNITURE COST
<p>▶ Pre-COVID 'base case'</p>	<ul style="list-style-type: none"> ▪ Bench desk seating ▪ Break out spaces ▪ Meeting rooms 	<p>9.3m² per person 15,000ft² space</p>	<p>£100-130/ft²</p>	<p>£7,800 - £13,300</p>	<p>13 weeks</p>	<p>£10-15/ft²</p>
<p>▶ Wellbeing first'</p> <p>Workforce largely returns to office</p> <p>Organisations focus on physical and mental wellbeing</p> <p>Spaces designed for inclusion in the widest possible sense</p>	<ul style="list-style-type: none"> ▪ Changes/filtration, daylighting and lighting aligned with circadian rhythms ▪ Workplace: Lower density of occupation/ increased spacing of desks ▪ Biophilia introduced and a variety in work settings for neurodiversity ▪ Exercise space incorporated and access to outside spaces. ▪ Prayer, contemplation and quiet zones integrated 	<p>10.5m² per person 15,000ft² space</p>	<p>+5-10%</p>	<p>£8,800 - £14,300</p>	<p>10 weeks</p>	<p>£15-18/ft²</p>
<p>▶ The 'clubhouse' office</p> <p>Workforce is largely remote with the office becoming a cultural hub to come together for specific collaboration/ meetings and social</p>	<ul style="list-style-type: none"> ▪ MEP: Increased cellular spaces, AV and feature lighting ▪ Workplace: Experiential with reduced desks and increased fully agile breakout furniture ▪ Flexibility in spaces to allow frequent reconfiguration to suit the needs of teams coming together ▪ Spaces for focus are omitted as such actives are typically 	<p>4.3m² per person 7,000ft² space</p>	<p>+20-25%</p>	<p>£4,000 - £10,000</p>	<p>16 weeks</p>	<p>£20-25/ft²</p>
<p>▶ Hybrid working</p> <p>Typical user in the office 50% of time</p> <p>Increased use of the office for collaboration and specific tasks</p>	<ul style="list-style-type: none"> ▪ Reduction in bench seating ▪ Increased alternative work settings for collaboration ▪ MEP services intensive areas increased to suit 	<p>7.1m² per person 11,500ft² space</p>	<p>+10-15%</p>	<p>£5,535 - £11,035</p>	<p>12 weeks</p>	<p>£18-22/ft²</p>
<p>▶ Enticed return</p> <p>Staff are encouraged to return through increased amenity spaces and offers</p>	<ul style="list-style-type: none"> ▪ Increased features to encourage people to return ▪ Larger staff dining coffee lounge and gym facilities ▪ Increased spaces for social activities 	<p>12.4m² per person 20,000ft² space</p>	<p>+50-60%</p>	<p>£12,150 -£17,650</p>	<p>20 weeks</p>	<p>£16-20/ft²</p>

SUMMARY

The cost of different occupation scenarios is summarised in the following graph. It compares a pre-COVID property strategy with post-COVID responses. An inappropriate workplace strategy can lead to increased churn, which is shown in the base case.

Cost over five year typical lease



If you are interested in finding out more about how the RLB commercial team can help your organisation shape its office space to accommodate these new ways of working, feel free to get in contact with one of the team.

ABOUT RIDER LEVETT BUCKNALL



FRESH PERSPECTIVE

We are a global independent construction, property and management consultancy. We bring a fresh perspective combining technical expertise and technology to deliver service excellence.

FLAWLESS EXECUTION

We offer a range of complementary cost consultancy, project management, programme management, building surveying, health & safety and advisory services. We work from conception, through design, construction and operational performance of facilities to their eventual disposal or reuse.

We are committed to developing new services and techniques aimed at enhancing our clients' businesses in the long term.

INDEPENDENT ADVICE

Our clients have rapid access to the latest industry intelligence and innovations, which serve to enhance value and mitigate risk.

We provide expert management of the relationship between value, time and cost from inception to completion. We do this through our global and local team of experts, who possess a passion for both core services and innovation.

OUR SERVICES:

- Cost management
- Project management
- Programme management
- Building surveying
- Health & safety
- Specification consultancy
- Design management
- Strategic facility management
- Sustainability consultancy
- Contract advisory

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