Businesses reduce energy usage by a 5th using the hybrid working model

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Businesses have reduced energy usage by a fifth (19%) by using office space more efficiently or by providing teams with access to flexible workspace.

- 84% of businesses that have adopted hybrid working have reduced their energy usage and overall carbon footprint

- More than three quarters are looking to explore additional avenues for reducing energy consumption, such as downsizing existing city-centre office spaces or offering employees access to flexible workspaces

- An environmental impact study conducted by IWG and ARUP found that working closer to home can slash carbon emissions by up to 90%

- Data comes from IWG, which added 867 new locations globally in 2023, the majority of which are in suburban and rural locations close to where employees live

Hybrid working has enabled businesses to cut energy usage by a fifth as they replace large city centre office space with smaller, more energy-efficient spaces, including flexible workspaces, according to new research released today.

IWG, the world's largest provider of hybrid working solutions with brands including Spaces and Regus, surveyed more than 500 leaders and facilities managers at businesses that have adopted hybrid working policies. The findings revealed that average energy consumption in those companies has fallen by 19% since the introduction of hybrid working policies, benefiting both the environment and their bottom line.

The study, undertaken ahead of World Earth Day (22 April), demonstrates significant environmental and economic benefits

for businesses transitioning away from expensive city centre office spaces towards hybrid working models which utilise smaller, regional offices and co-working buildings in strategic locations close to where employees live.

Almost half of those surveyed (44%) have reduced their traditional office space by a quarter (25%), leading to reduced energy consumption and operational costs. A further 19% have achieved even more significant reductions, slashing office space by 26-50%. A resounding 84% said hybrid working has been crucial to reduction of their company's overall energy usage and carbon footprint, with even greater reduction predicted as 79% of businesses said they intend to explore additional avenues for reducing energy consumption, such as downsizing their existing office spaces or facilitating access to flexible workspaces.

Smaller, regional flexible workspaces boast higher occupancy rates and consequently lower emissions per employee. An earlier IWG survey showed that only one in five would commute more than 30 minutes daily, while 60 percent want to work within 15 minutes of home.

Mark Dixon, IWG CEO, stated: *"The global shift to hybrid working is not only bringing strong productivity and financial advantages to companies and work-life balance improvements to employees but significant environmental benefits too. This latest research confirms that businesses adopting the hybrid model have reduced energy usage significantly."*

"The environmental benefits of hybrid working do not end there. By simply empowering people to work close to where they live, enabling them to split their time between a local workplace and home, earlier research by Arup has shown that this model has the potential to reduce a worker's work-related carbon emissions by 90%

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