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Co-working occupancy doubles in the last three months as companies shift to hybrid models



Occupancy levels at coworking centres have doubled in the last three months, as companies are increasingly adopting a hybrid working model and offering office space to employees near their homes, leading flexible workplaces operators told ET.

Most of the operators saw occupancy levels of 60-80% in September, compared with 20-40% in July. If there is no surge in Covid-19 cases after the **festive season**, the operators expect to reach as much as 100% occupancy by year end.

“With vaccination numbers climbing, the number of employees returning to the workplace has improved significantly. The number of employees returning to work has grown from 30-40% initially to around 60%. We expect this number to increase to 70-80% in a couple of **quarters**,” Smartworks founder Neetish Sarda said.

As companies continue to assess the readiness of employees to return to office, the hybrid-friendly workforce model has gained prominence. Vaccination has also instilled confidence in employees to go back to office.

While the uncertainty of the pandemic still looms, many large-scale enterprises are experimenting with coworking spaces as a medium-term solution for their office needs.

“We anticipate growth of another 10-15% (in occupancy) over the next three months coming closer to pre-Covid levels, as we inch towards normalcy,” said Amit Ramani, chief executive, Awfis.

From July, with speculations on receding Covid-19 cases, companies started to plan return to office with tailor made reoccupation plans and stringent safety guidelines to facilitate the return of the employee to the workplace.

“We have been getting requests from companies to plan for their employees to return to the offices. We have observed a 50% increase in attendance across our centres,” said Rajat Johar, country head, Skootr.

Experts said most of the companies have adopted hybrid models and at least 60% of the employees are required to work from centres that are spread across their city.

Many employees are eager to return to the office as part of the hybrid working model, splitting their time between home, a local office and the headquarters.

“The trend will continue to increase as we move into Q4 and is even more prominent across our locations in tier-II and -III cities,” said Harsh Lambah, country manager India at IWG.

The demand for flexible workspaces is on the rise because such spaces not just fit the ‘new normal’ perfectly but also give an option to companies to save costs, boost productivity, enhance the work experience and provide flexibility to employees.

“We have seen traction in the past few months for flexible office space,” said Vineet Taing, president at Vatika Business Centre.

Operators said trends are similar in cities like Gurgaon, Noida, Mumbai, Pune, Hyderabad and Bengaluru.

Nikhil Madan, cofounder of The Office Pass, said neighbourhood coworking centres are in greater demand as companies want employees to work from near home.