

Savills: Paris, Madrid and Cologne lead 'return to the office' in Europe

3 years ago



According to Savills latest research, Paris CBD (54%), Madrid (52%) and Cologne (47%) had the highest office occupancy rates in Europe in June 2022.

Europe's average office occupancy rate during the month was 43%, the highest level since February 2020. The international real estate advisor says that occupancy was between 70-75% prior to the pandemic, reflecting optimum building utilisation: too high and space feels cramped and too low space is underutilised.

There are a number of reasons for differences in occupancy rates in Europe, says Savills. For example, Madrid's relatively high occupancy rate may be partially boosted by a higher proportion of city centre living, and subsequently shorter commutes to the workplace. In Germany, the number of employees working from home prior to the pandemic was lower than across other western European markets and workplace culture has driven a faster speed of return.

Mike Barnes, Associate Director, European Research at Savills, says: "Office occupancy rates in Europe continued on an upward trend in June 2022 but it will take some time before they stabilise. We are seeing a more limited impact on office occupancy rates with each new variant of the virus and the speed of return to the office is accelerating following each lockdown."

Tim Bretten, Director, Cross Border Property Management EMEA at Savills, comments: "Across all office markets sampled, Tuesdays and Wednesdays are the days with the highest occupancy levels, with occupancy on Mondays and Thursdays circa five percentage points below, and Fridays the least popular office day."

Matthew Fitzgerald, Director, EMEA Cross Border Tenant Advisory at Savills, adds: “Companies are looking to take higher quality space in more centrally located areas in order to attract and retain staff and create a better workplace environment and fulfil their ESG targets. Furthermore, following several months without restrictions, they are getting a better understanding of how employees want to use the office going forward.

“As observed in our latest [Savills Prime Office Costs \(SPOC\) analysis](#), inflation and supply chain issues have led to prices for fitting-out office space rising on average 6% over the past year, keeping companies’ net effective costs of leasing space high.”