IWG The Global Workspace Leader

Cutting Carbon:

How the Hybrid Model Can Slash Emissions

New IWG research reveals that the hybrid working model brings significant environmental benefits for companies, cutting energy usage and reducing their carbon footprint.

"The environment has never been more important to companies than it is now. Our latest research shows that the rapidly accelerating global adoption of the hybrid working model is significantly reducing businesses' energy usage and carbon footprint, helping them to reach critical net zero targets. As an added bonus, corporate bottom lines are also seeing a significant benefit."
Mark Dixon, Founder & CEO, IWG

Introduction

"Two years left to save the world" was the stark message of United Nations Climate Chief Simon Stiell in a recent speech in London. As a 2025 deadline for new and stronger plans to curb carbon pollution approaches, Stiell's speech underscored the critical need for dramatic action to reduce heat-trapping emissions. According to global temperature monitoring groups, 2023 was by far the hottest year on record. It also saw levels of carbon dioxide and methane in the atmosphere hit all-time highs. However, Stiell sounded an optimistic note: "We still have a chance to make greenhouse gas emissions tumble," he said.

Stiell's words held particular resonance for the commercial real estate sector, which is currently responsible for around 20% of global greenhouse gas emissions. However, exclusive new research by IWG – published to mark Earth Month – now shows that a swift and effective way to dramatically reduce those emissions is by the introduction of hybrid working. There are significant environmental (and also economic) benefits for businesses that transition away from expensive city centre office spaces towards hybrid working models that utilise smaller, regional offices and coworking buildings in strategic locations close to where employees live.

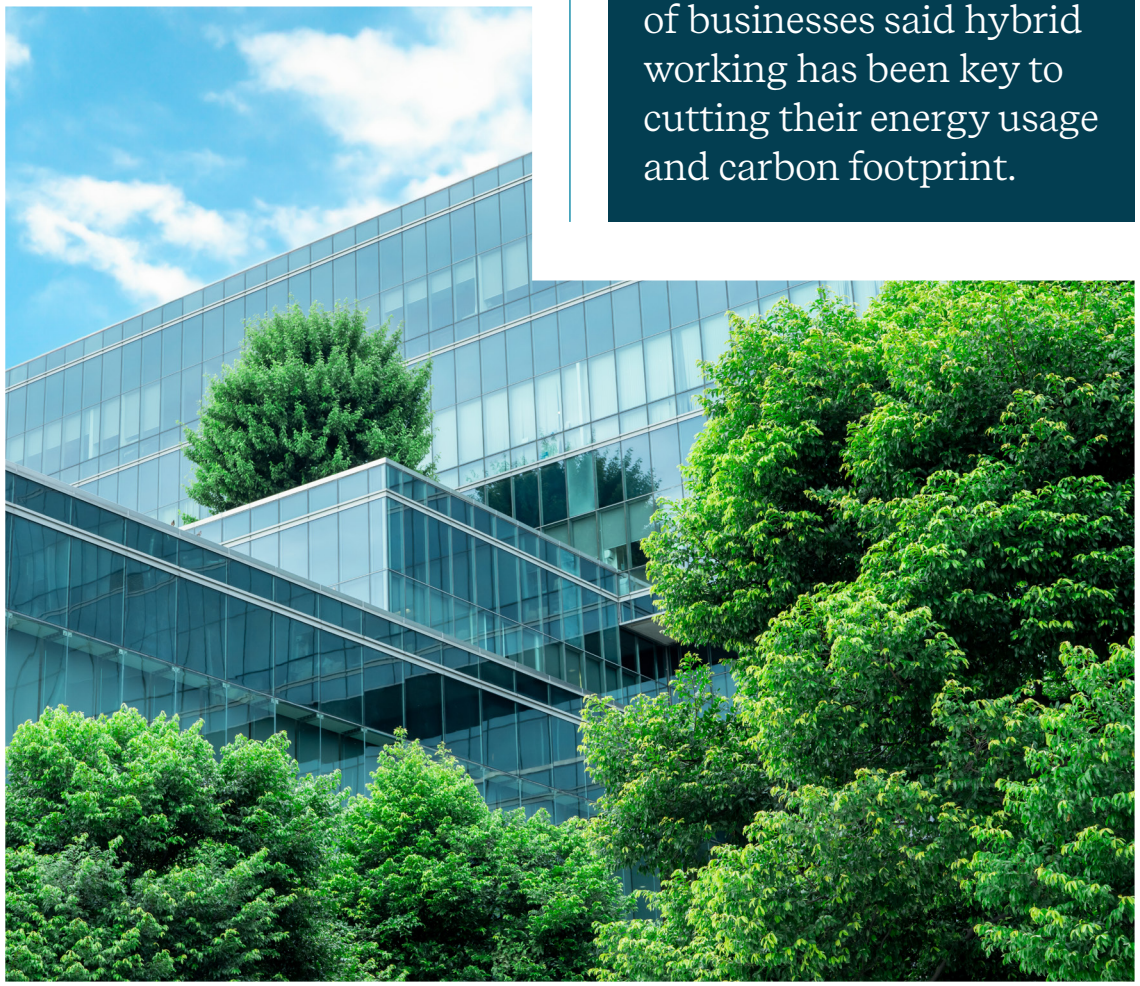
The survey of business leaders and facilities managers at companies working in a hybrid way found they have been able to cut energy usage by as much as a fifth as a result of using office space more efficiently or providing teams with access to flexible workspace. This is significant, because the vast majority of energy production around the world is still heavily dependent on fossil fuels. In total, more than eight out of 10 say they have reduced their energy usage after adopting the hybrid model, and as a result they have reduced their overall carbon footprint.

1/5

Firms working in the hybrid model have cut energy usage by a fifth.

84%

of businesses said hybrid working has been key to cutting their energy usage and carbon footprint.



A previous environmental impact study by IWG and Arup found that if workers are empowered to split their time solely between a local workplace and home, avoiding a daily commute to a city centre office, the environmental benefits of hybrid working are even more significant, enabling them to reduce their work-related emissions by as much as 90%.

As well as reducing a company's carbon footprint, saving energy has a critical impact on the bottom line: more than three-quarters of business leaders in IWG's survey agree or strongly agree that reducing energy consumption through hybrid working policies has helped to reduce costs. Energy use is the single largest expense in commercial office buildings, so the economic consequences of downsizing their owned space are particularly significant for companies. Typically, energy expenditure accounts for around a third of operating budgets, according to Energy Star, a programme run by the U.S. Environmental Protection Agency and U.S. Department of Energy.

"This latest research confirms that companies that have adopted hybrid working have reduced their energy usage and carbon footprint significantly, making the environmental benefits plain to see," says Mark Dixon, Founder and CEO of IWG. "The gains are greatest when people are able to divide their working lives between a local workplace and home."

Around

80%

of the world's energy is generated from fossil fuels.

Reaping the Energy-Saving Potential of the New Geography of Work

In the hybrid model, people no longer have to travel long distances into a city centre workspace every day. As a result, companies can downsize, and consequently cut their energy usage and carbon footprint. Almost half of those surveyed (44%) in IWG's study have reduced their office space by a quarter (25%) as a result of the adoption of hybrid working, while a further 19% have achieved even greater reductions, slashing office space by 26% to 50%. The long-term impact of this cannot be underestimated: research by Professor Nicholas Bloom at Stanford University, who is a world expert on remote and hybrid working, suggests that 30% to 40% of white-collar workers are likely to work in a hybrid way for the foreseeable future.

Offering employees access to flexible workspaces close to their homes is a critical factor in the hybrid working equation. IWG research has shown consistently and overwhelmingly that people prefer to work within their local community – one survey found that workers are four times more likely to choose a high-quality local workspace over a city-centre office, while another found that 60% want to work within 15 minutes of home. This insight informs IWG's ongoing programme of major expansion: last year alone, more than 850 new locations were added to its global network of flexible workspaces, with the vast majority in suburbs and small towns.

Flex spaces offer higher occupancy rates and consequently lower emissions per employee than traditional offices, bringing a further environmental benefit for companies. A quarter (24%) of businesses in IWG's new survey say they have already established smaller, regional offices or access to flexible workspace in locations close to where people live, with a similar number (23%) planning to follow suit. And more than half (51%) of businesses anticipate that their use of flexible workspaces will increase over the next year, demonstrating potential to further lower their carbon footprint in the future.

30% to 40%

of white-collar workers are likely to work in the hybrid way for the long-term.

The Hybrid Model Works Best for the Environment

Ground-breaking research conducted by IWG and Arup has shown that a hybrid working model that combines home and a local flex space produces fewer carbon emissions than any other permutation of working that includes a central HQ, a local flex space and home. The study found that in cities in both the US and the UK, the reduction in emissions brought by this 'close to home' hybrid working model ranged from a massive 90% in Atlanta, GA, to 49% in London.

These reductions come from both transport-related and building-related emissions. Reducing daily commuting by car is the most effective way that a company can make its carbon footprint smaller. When it comes to buildings, occupancy rates are the key factor in terms of emissions per employee, and local flex spaces tend to have higher occupancy than city centre workspaces.

The study also looked at ways in which emissions could be even further reduced in the future. This would entail more sustainable modes of travel, and buildings that are designed to higher environmental standards.

Potential reduction in carbon emissions as a result of switching to a 'close to home' hybrid working model:

Atlanta 90%	**Glasgow 80%**
Los Angeles 87%	**Manchester 70%**
New York 82%	**London 49%**

IWG is the only global provider of flexible workspace where all locations are certified carbon neutral. It has also put stringent carbon targets in place for the fit-out of new openings. It strives to mitigate the negative impact of work travel by measures such as expanding EV charge point availability at its centres and providing showers and storage facilities for cyclists.

The hybrid working model supports a number of the United Nations' Sustainable Development Goals for 2030. Not only is it particularly effective in terms of Clean Energy (Goal 7) and Climate Action (Goal 13), but it also supports important social issues, such as Good Health and Wellbeing (Goal 3), Gender Equality (Goal 5) and Economic Growth (Goal 8), building the foundation for a brighter, more sustainable future for all.

The Cutting Edge of Energy-Efficient Design

IWG locations around the world are leading the way when it comes to energy-saving new technologies.

Regus RBC WaterPark Place, Toronto, Canada

Rather than relying on conventional, energy-intensive technology to stay cool, Toronto's first LEED Platinum-certified office and retail development gets a helping hand from nature. In a city-wide system, cold water from the depths of nearby Lake Ontario is piped to a heat transfer station, where it cools a closed loop system in the downtown area before heading on to provide drinking water. The system saves enough electricity annually to power a town of 25,000.

Regus One Welches, Welches, Barbados

One of the most energy-efficient commercial buildings on this Caribbean island, One Welches features the largest solar carport and electric vehicle charging infrastructure in Barbados. It generates enough electricity to power a Nissan Leaf for more than two million kilometres of travel in a year – the equivalent of 52 trips around the world. The location also features a super-efficient, low-waste aircon system. In total, the building's high standards of energy efficiency have reduced utility costs by up to 50%.

Regus Powerhouse Brattørkaia, Trondheim, Norway

The Powerhouse Brattørkaia is the world's northernmost energy-positive building. The term means that it produces more energy than it consumes over its lifespan, including construction, demolition, and the embodied energy in the materials used to construct it. The upper part of its façade is clad with nearly 3,000 sq m of solar panels, while its many energy-efficient features include using seawater for heating and cooling, and a low-emission concrete core that helps regulate the building's temperature without using electricity.

Spaces Tour & Taxis, Brussels, Belgium

First built at the beginning of the 20th century, the stunning Gare Maritime in Brussels' Tour & Taxis district has undergone an extensive, eco-led refurbishment, earning it an Outstanding rating by BREEAM. Once Europe's largest freight rail station, the historic framework and its twelve new pavilions are entirely energy neutral and fossil free. The roof area features 17,000 sq m of solar panels, and geothermal wells also provide energy. Extensive gardens help to regulate the internal temperature.

Spaces Jubilee Place, Brisbane, Australia

In the Fortitude Valley district close to Brisbane's CBD, Jubilee Place's modern cantilevered exoskeleton is designed around the 19th century Jubilee Hotel. Its 6-star Green Star design rating means that it uses around two-thirds less electricity and produces nearly two-thirds fewer emissions than an average Australian city building. Its energy-efficient features include 400 sq m of solar panels, state-of-the-art, performance-optimised air conditioning systems, and a cutting-edge energy monitoring system.

HQ K11 Atelier, Hong Kong, China

The exterior of this 125m-tall, WELL-certified development is wrapped with extensive greenery that both helps to reduce urban heat and also removes four tonnes of CO2 from the atmosphere each year. On the roof can be found Asia's largest commercial hybrid solar photovoltaic and thermal installation: a ground-breaking technology that generates both heat and electricity from the sun. It produces enough power and hot water for lighting and showers in the building.

Conclusion

It is clear from IWG's latest research that businesses that have adopted the hybrid working model have markedly reduced their energy usage and carbon footprint. Combined with previous research that showed huge potential reductions in urban greenhouse gas emissions simply by empowering people to work close to where they live, the evidence is clear that hybrid working has very significant environmental benefits.

"The environment has never been more important to companies than it is now," says Mark Dixon. "Our latest research shows that the rapidly accelerating global adoption of the hybrid working model is significantly reducing businesses' energy usage and carbon footprint, helping them to reach critical net zero targets. As an added bonus, corporate bottom lines are also seeing a significant benefit."