2025 NONPROFIT BENCHMARKING REPORT

UNDERSTANDING WORKPLACE TRENDS | AUGUST 2025

NONPROFIT REPORT

Introduction

Cresa's Nonprofit Practice Group provides occupier-only real estate services to nonprofit organizations around the world.

Nonprofit organizations have undergone a major transformation in how they manage their real estate portfolios since the COVID-19 pandemic. The widespread shift to remote and hybrid work models led many organizations to reassess their physical space needs. With office closures, program suspensions, and fundraising disruptions, nonprofits prioritized reducing occupancy costs by downsizing, subleasing, or adopting flexible lease terms. Many also began sharing space with peer organizations or relocating to less expensive areas, aiming to maintain service delivery while preserving financial stability.

The Canadian economy is currently facing challenges due to U.S. tariffs, which are expected to result in decreased corporate and individual contributions and could impact other funders at a time when the need for nonprofit services is increasing. With these economic headwinds and recent changes in Federal and some Provincial leadership, numerous nonprofit organizations are experiencing uncertainty regarding the stability of future funding sources for their programs. In response, many nonprofits are reassessing their physical space requirements, seeking to renegotiate leases, or when renewing/relocating taking shorter-term occupancy commitments, further reinforcing the need for a lean, adaptive real estate footprint.

Detailed on the following pages, findings from our recent nonprofit benchmark report highlight current trends on space demands, remote work policies, future planning, and organizational issues. This report provides insight into how nonprofits are responding to a myriad of changes in funding and a volatile economic landscape and what leadership can do to respond to uncertainty.

KEY TAKEAWAYS

Nonprofit organizations are working to improve utilization of existing spaces, despite the survey indicating the historic square foot metrics per staff remaining stable. Recent relocations have led to a flight-to-quality, as nonprofits seek buildings with upgraded space, improved technology, additional amenities, and improved collaboration space. Respondents (84.8%) are feeling the current workplace supports a hybrid work environment well or very well, an improvement from last year (70.8%). This points to remote work policies being firmly positioned and built into future space needs.

EFFICIENCY IS KEY

Efficiency and operational flexibility remain key as the reduction in the number of organizations where all staff have an assigned seat has decreased from 74.2 percent in 2023 to 69.8 percent in the most recent survey. Efficiency also includes reducing or maintaining the size of footprints, with approximately 65 percent of nonprofit respondents stating that if they had a lease expiring this year or next, they would either stay the same size or downsize, while only 12.5 percent would expand. However, there has been a decline in the number of organizations stating that they have too much space based on newly adopted hybrid models (40.6 percent 2025), compared to 51.3 percent in 2023.

UNCERTAINTY AHEAD

There can be little doubt that the adoption of hybrid work models has stunted collaboration, engagement, and mentoring. Still, survey respondents indicate that attracting talent and culture has improved over the past several years. Meanwhile, productivity has improved in terms of remote work since the onset of the pandemic. There are still improvements to be made in staff development and mentoring as organizations navigate hybrid work scenarios.

LOOKING FORWARD

As we move into the second half of 2025, Canadian nonprofits are working to navigate the uncertain economic landscape along with shifting federal and provincial policies and funding priorities. Nonprofits have traditionally been risk averse in their approach to real estate, but given the ongoing and impending shifts in administrative policies, public sentiment, and broader economic landscape, leadership must be nimble and reinforce the need for a lean, adaptive real estate footprint.

SPACE UTILIZATION

How are nonprofit organizations negotiating real estate decisions?

If nonprofit organizations had a lease transaction in the next two years, nearly 25 percent of respondents stated that they would renew/extend their current footprint for three years or more. Approximately 17.9 percent of people that took the survey responded that they would relocate to a smaller office.

Percentage said they would do one of the following:

- 31.8% Downsize
- 34.4% Keep same amount of space
- 12.5% Expand
- 21.4% Other

When your organization last contemplated a real estate decision (lease or purchase), how far in advance did you start the project?

- 7.8% >6 months
- 20.9% 6-12 months
- 21.4% 12-18 months
- 25.2% 18-24 months
- 24.8% 24 or <24 months

Hypothetically, if your organization had a lease that would expire in calendar year 2025 or 2026, what course of action do you believe you will pursue regarding any future premises?

- **24.1%** Renew/extend lease in same amount of space for 3 or <3 years
- **17.9%** Relocate to smaller space
- **8.0%** Do nothing, continue to own
- **6.7%** Close physical office and go virtual
- **6.7%** Renew/extend lease in same amount of space for >3 years
- **5.8%** Renew/extend lease and expand the amount of space for 3 or <3 years
- **5.4%** Renew/extend lease and downsize the amount of space for 3 or <3 years
- **4.5%** Lease/sublease out extra space in my office to a third party
- **4.0%** Renew/extend lease and expand the amount of space for >3 years
- **4.0%** Renew/extend lease and downsize the amount of space for >3 years
- **3.6%** Relocate or will relocate to co-working space
- **3.6%** Relocate to same amount of space
- **3.1%** Sell the building
- **2.7%** Relocated or will relocate to larger space

SPACE UTILIZATION

Nearly half of the respondents in the nonprofit survey (46.6%) responded that they did not take any real estate action in the past year, while 13.1 percent renewed their lease.

Over 10 percent of respondents relocated to new headquarters' space over the past 12 months.

Approximately half of the survey responses noted that their organization planned at least 18 months in advance when last contemplating a real estate decision. The result is organizations understand the importance of planning for future space planning.

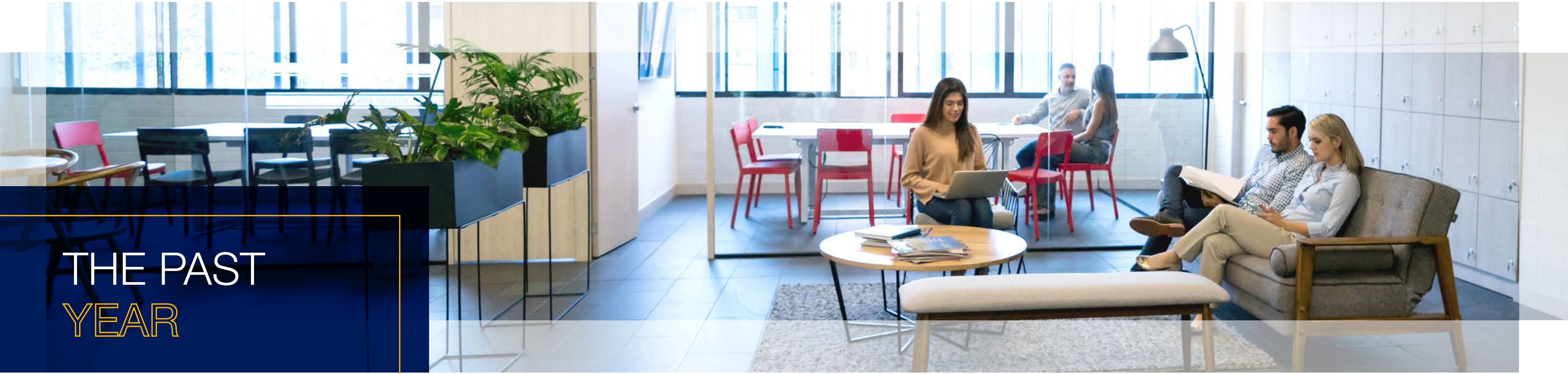
Both relocation/redevelopment of spaces placed a high priority on collaborative space and technology improvements.

If applicable, as part of a relocation or redevelopment of your organization's offices, what areas of your space have seen the biggest changes?

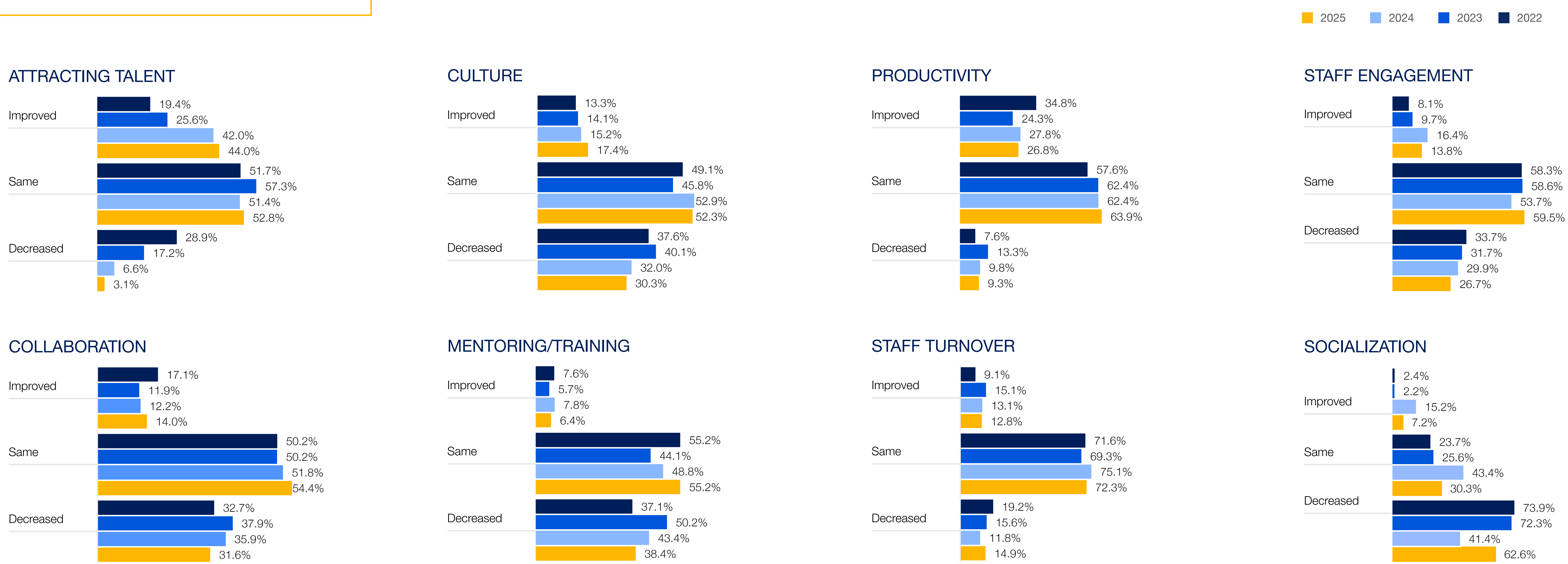
- 44.4% Added more collaborative spaces
- 36.9% Have not recently relocated/redeveloped
- 36.4% Greater use of audio-visual tech
- 20.3% Dedicated workspaces
- 17.6% Added soft seating
- 12.8% Eliminated offices
- 11.2% Furniture vs. walls

What real estate actions, if any, did your organization take in 2024/2025?

46.6%	Did not take any real estate actions
13.1%	Renewed a lease for the organization's headquarters
10.5%	Relocated to new headquarters space
9.9%	Other
9.9%	Engaged a real estate broker to dispose of owned or leased space
6.8%	Sublet all or a portion of the organization's headquarters
5.2%	Renewed lease(s) for regional or local offices
4.7%	Closed office(s)
3.7%	Relocated regional or local offices
2.1%	Went virtual
2.1%	Sold an owned property
2.1%	Purchased a property



THE PAST YEAR



REMOTE WORK

Nonprofits & Remote Work

HYBRID WORK

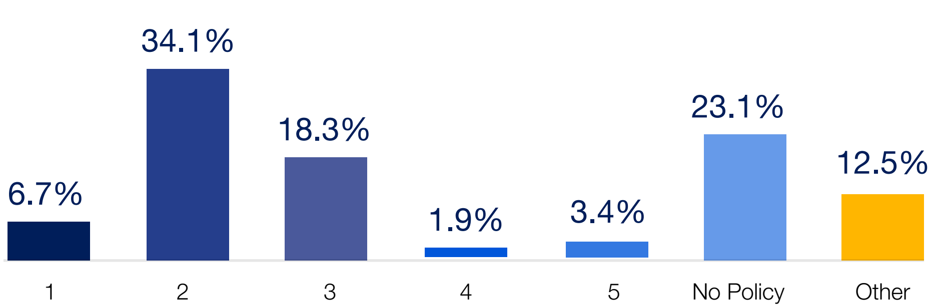
Over three-fourths of organizations reported that they have effectively supported a hybrid work environment, while less than 10 percent believe they have responded poorly.

Despite recent high profile announcements by governments and for-profit firms across Canada, the sentiment among nonprofits based on this report – and anecdotally – is that hybrid work models are continuing to be popular with staff and leadership. Though not without challenges, this report highlights improvements over time in addressing issues, and the benefits to attracting and retaining staff combined with potential rental cost savings, are creating ongoing support for hybrid models in most organizations.

NUMBER OF DAYS IN THE OFFICE

Organizations responded that 52.4 percent require that either 2- or 3-days per week staff are expected to be in the office. Nearly a quarter (23.1%) have no policy.

Does your staff have a minimum # of days they are expected to be in the office?



Remote work has been firmly establishing, with 90 percent of nonprofit survey respondents remote work policy unchanged this year. The same percentage state they have not changed their work policy in last years' survey.

92.3%

of staff surveyed said that their organization has not changed their remote work policy in 2025.

Organizations overwhelmingly indicate that they are not planning to increase the number of days per week staff are expected to be in the office in the next year. This indicates that organization's plans are firmly established.

91.6%

of staff surveyed said that their organization is not planning to increase the number of days per week that staff are expected to be in the office over the next year.

REMOTE WORK

If organizations do not have a policy – and approximately 42.6 percent responded that they do not – the biggest reason is that staff do not live in the same area as the office.

Trust and giving power to department heads based on individual performance is prevalent in nonprofits not having a dedicated remote work policy.

A mandated full-time return to office also indicates that a large percentage of people (approximately 75 percent) would respond unfavorably.

Meanwhile, only 40.4 percent of organizations responded that they required some staff members to be in the office full-time.

59.6%

of staff surveyed said that their organization does not have staff members who are required to be in the office full-time and are not permitted to work remotely.

If your organization lacks a policy on the minimum number of days that staff are expected to be in the office, what are the reasons? Check all that apply.

58.4% — N/A, our organization has a policy

19.1% — Too many members of the staff do not live near the office

14.5% — Department heads make decisions based on team members' roles

11.6% — Trust our staff to be in the office

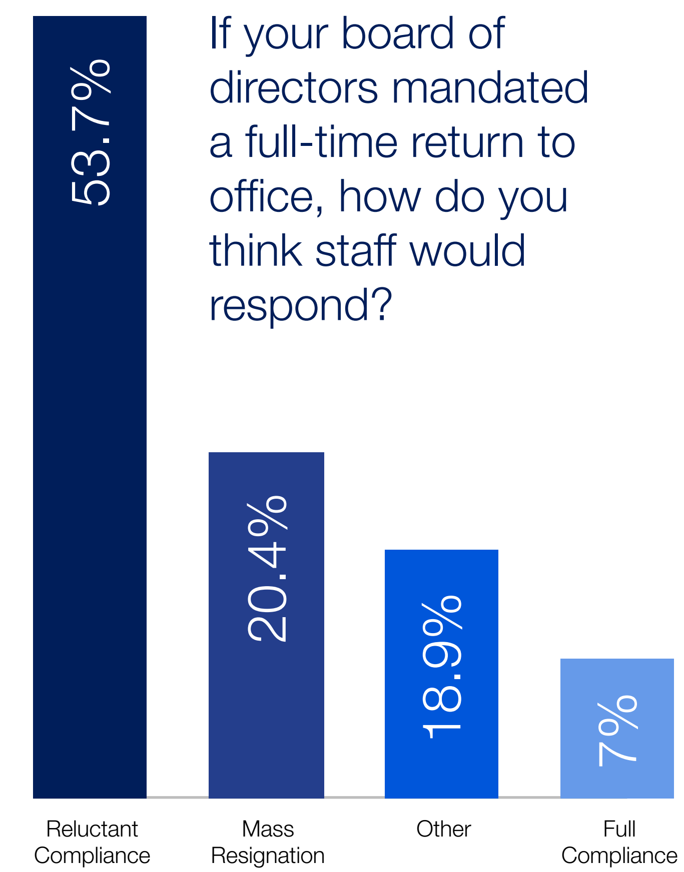
10.4% — Other

4.6% — Too difficult to enforce

4.0% — No longer have an office

2.9% — Not able to track

If your board of directors mandated a full-time return to office, how do you think staff would respond?



SPACE TRENDS

69.8%

of staff surveyed said that yes, all staff in their office location has an assigned seat.

59.4%

of staff surveyed said that no, they don't feel that their organization has too much space based on current workplace model, compared to 51.3% of respondents who answered yes in 2023.

How long have you been in your current office?

- 8.5% Less than 1 year
- 15.6% 1 to >3 years
- 10.8% 3 to >5 years
- 21.2% 5 to >10 years
- 42.5% 10 or more years
- 1.4% Virtual

Office Space

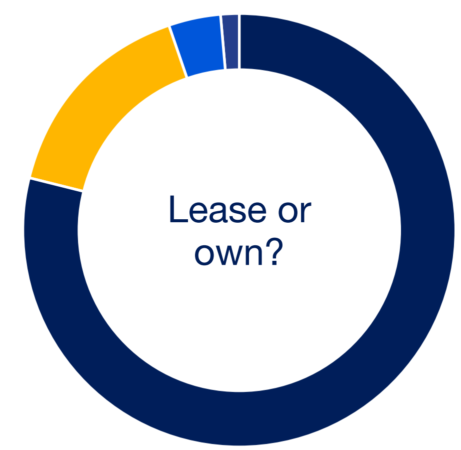
Nearly 78.9% of nonprofits surveyed lease their space. Traditionally, nonprofits are stable tenants and stay in their space longer compared to other occupiers. Consequently, over 63 percent of respondents have been in their location for more than five years.

Not surprisingly, over half of nonprofit offices are centrally located within CBDs. Being located within a central location provides easier access to serve clients needs and attract and retain talent.

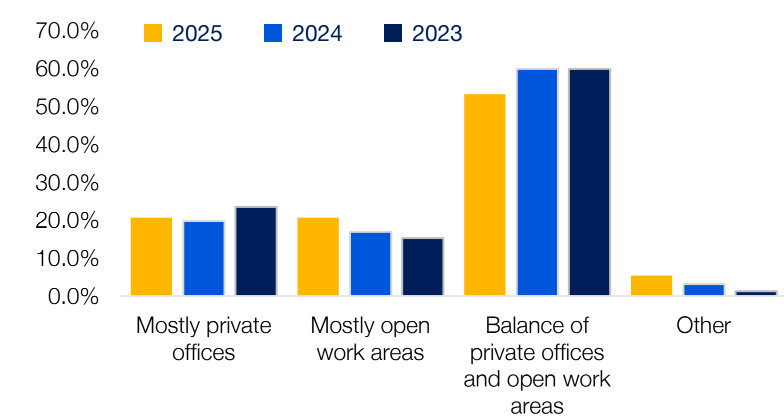
Over the past three years, nonprofit organizations have not noticeably changed how their headquarter space is configured. The biggest shift has been an increase in open work areas.

Survey respondents have indicated that nearly 70 percent of nonprofit staff have assigned seats. The square feet assigned per employee begins to diminish once approximately 50 or more employees work at a location.

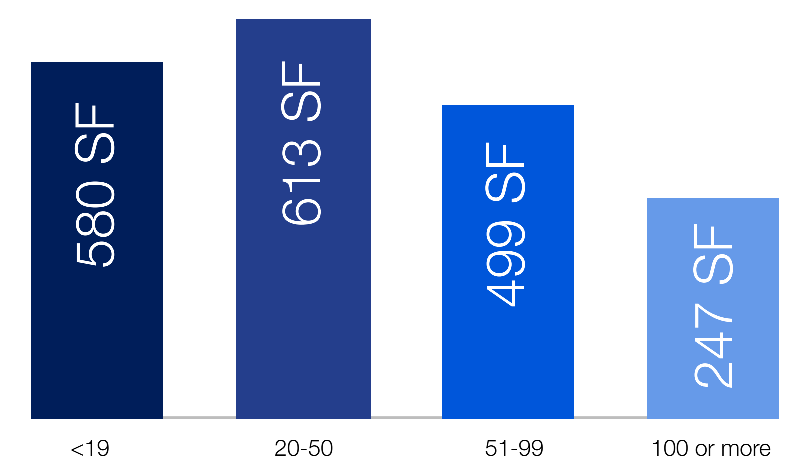
Rightsizing space is still an issue for nonprofits, with 40.6 percent of respondents stating that their organization has too much space based on their current workplace model. This is a decrease from 51.3 percent responding in 2023.



How is your headquarters space configured currently?



Square feet assigned per employee by staff size



PROFILE OF SURVEY RESPONDENTS

What type of nonprofit?

How would you classify your nonprofit organization?

24.5%	Professional Society
21.3%	Trade Association
14.1%	Other
11.7%	Philanthropic / Cause Based
10.4%	Social Service Agency
6.4%	NGO
4.4%	Combined Trade Association & Professional Society
2.0%	Certification Board
3.2%	Foundation
1.2%	Educational Institution
0.8%	Chamber of Commerce / Convention / Visitor Bureau

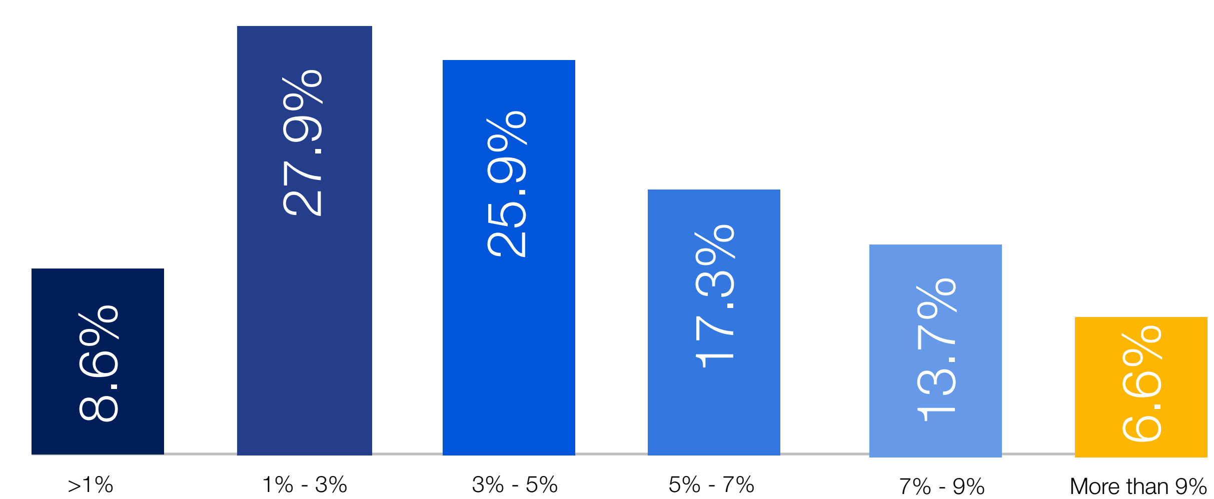
OCCUPANCY COSTS

Nonprofit Revenues

Nonprofit revenues and occupancy costs are closely intertwined.

Revenue and funding missions dictate what space is affordable to required to serve their mission. Revenues can fluctuate within the nonprofit sector due to changing governmental administrations and the overall health of the economy, therefore squeezing occupancy costs can help bring more flexibility on spending in other areas. The highest percentage of respondents stated that between 1 and 5 percent of their revenue is dedicated to occupancy costs. These percentages can also vary depending on the organization type, with arts and culture nonprofits typically having higher occupancy costs, compared to education and policy nonprofits have lower occupancy costs.

What percentage of your organization's revenue is spent on occupancy costs?



FINAL THOUGHTS

Conclusion

There has been an increased focus on nonprofit organizations effectively and efficiently aligning space decisions with mission-critical needs, financial capacity, and long-term flexibility to control costs.

This begins with regularly evaluating how space is used and rightsizing footprints through hybrid work models, shared space, or subleasing underutilized areas. Careful assessment of how much space is actually required – especially when hybrid work models are involved – can cut costs and improve resilience. Collaborating with peer organizations for co-location or adopting asset-light strategies also helps lower risk and overhead. Ultimately, by treating real estate as a strategic tool rather than a fixed expense, nonprofits can better adapt to funding shifts, economic pressures, and evolving service models.

Soft office demand across all sectors provides an opportunity to negotiate shorter, flexible lease terms or explore ownership opportunities that can offer stability. There are opportunities to take advantage of generational tenant favourable market conditions, with healthy concession packages for nonprofit organizations (even fully furnished "model suites") that are in the market with space requirements, but this same market dynamic does make it difficult to sublease unused space and renegotiate early in a lease term. Planning further ahead – starting early – and understanding broader market trends can help leadership make informed decisions to help maximize efficiency and avoid risk.

Based on what you told us in the survey, here are some questions to consider:

How does our current and future service delivery model (in-person, hybrid, virtual) impact the amount and type of space we truly need?

The ability to answer this question helps to determine whether rightsizing, reconfiguring spaces, and/or combining offices makes strategic and financial sense.

Can our real estate decisions support long-term financial sustainability and flexibility in an unpredictable funding environment?

Nonprofit organizations should evaluate lease terms, occupancy costs as a percentage of revenue, and options for scalability or exit.

Does our current office space and configuration align with our mission, staff needs, and community engagement goals?

The success of an organization is closely tied to how effectively staff can interact, collaborate with clients and others they serve, and the ability to successfully fundraise if necessary.

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BEYOND SPACE.

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