



CORENET GLOBAL

VIRTUAL POP UP

A pop in community for **corporate real estate professionals**

Pop-Up Webinar: Key Takeaways

31 March 2020

What are your biggest challenges?

- We have been following various discussion groups as well as the normal e-mail traffic, and we notice people asking about more of the long-term strategy and how to prepare for restarting facilities, whenever that might be. There are several issues regarding sanitation, cleanliness, access for personnel, roping off parts of the building to limit their access, and indoor air quality. We are also seeing that this is a golden opportunity to continue with capital projects, and several people are saying they are proceeding with their capital projects. Workers do not have a problem working six feet apart. This is a great opportunity to get into the buildings, replace furniture, and make all kinds of improvements.
- I am based in New York and New Jersey, which is the hot spot right now. In New York, construction has been shut down. Our colleagues are trying to shut down sites safely and make sure we comply with directives. I think Pennsylvania had shut down construction earlier than any of the other tri-states. So, no construction in New York. Folks are pretty much hunkering down. From a facilities perspective, our clients are less in the crisis-management mode and shifting more into business as usual. I also see some element of optimism that while we do have some downtime to do needed maintenance, companies are starting to do some planning for what happens coming out of this shutdown. There's a full spectrum of responses. Companies are very different in their approaches in terms of meeting their clients where they are.

What are some of the responses that you're seeing?

- It varies. Some companies went to Work from Home (WFH) very quickly, while others are just getting settled into what that looks like for them. Culturally, if they have not tried it at scale or even piloted it before, it is new territory for them. I think keeping things fun and keeping teams connected during the shutdown is extremely important. This points to constraints in technology when you've got so many people connecting at scale. When you've got multiple teenagers at home doing distance learning and then a 10-year-old running YouTube, your conference calls do break up.
- We are seeing differences within the European region, where we've had peaks in Spain and Italy and where we have come into a complete and total lockdown. There, construction sites were the first to shut down. However, in comparison, especially in the Benelux region and in Amsterdam, we've had two sites running for client HQ projects. The guidance isn't as prescriptive there as in Southern Europe. We can continue to run

them if everybody follows safe practices. We must heavily restrict how many workers are there. It's almost a military type of operation when it comes to hygiene, sanitation and keeping the tradesmen away from each other. In the UK, in London, there is no specific guidance from the government. A couple of sites are running there at the same consistency as in the Benelux. Over the weekend, Ireland decided to lock down construction. In terms of workplace strategy and design, clients are using this as an opportunity to reassess and consider where things will be moving forward.

Does anyone have insights about what's happening in China? Are they back to normal?

- We have multiple offices in China, and several clients in China. The answer is no, they're not back to the old normal. But they're starting to get back to what is a new normal. A few things have happened. When they first started going back into the office, they had a spike in COVID-19 cases. So, they are very cautious now. China is trying to encourage people to go back outside, and the government is putting in massive incentives to get the economy going again. People are very reluctant to be in public spaces and they are very reluctant to be in the office again. The entire world is going to have to brace for this and prepare for it. You will have a whole group of people who have had COVID-19, know they have had it, and think they can go out in public and return to normal functioning. Then you will also have a lot of people who don't know whether they have had it or not. There isn't a test right now to show whether you had it or not. Anyone who didn't get an official diagnosis will feel they are at risk. Until we have that test, or a vaccine, those people will be very cautious. We are starting to see this play out in China, where people are going back into the office. There are all sorts of protocols: temperature checks at building entry, taking temperatures throughout the day, most people are wearing masks, and on anything like doorknobs and elevator buttons levers are being placed so people don't have to touch them. All the protocols about how people are working have morphed and changed. Some companies are starting to do more shift work, with some employees coming in earlier and others staying later to minimize the number who are in the space at any given time. That, plus work at home, is reducing density in the office. Again, there's no test right now to confirm whether an apparently healthy person has had COVID-19 or not, and there is a concern that this could be coming in waves. A coalition of doctors who were just in Italy said that one of their mistakes was that they did not isolate people who were showing symptoms but who couldn't be tested. They sent them home for self-quarantining, and of course they infected others. Unfortunately, this is what all the countries are doing. It's probably not the best thing to do because if you are living with anyone else, you are almost guaranteed to infect not only them, but also the delivery people coming to your house and anyone else you come in contact with. The Chinese government basically said if they had to do it over again, anyone with symptoms would have gone into a quarantine facility, not just sent back home. There're tons of stuff happening in Asia that we should pay attention to because what has happened there will be our fate in a month or two.

What about basic hygiene? What can be done there?

- I recently saw a fantastic [video](#) from Johns Hopkins Medicine showing how to properly wash your hands. Another handwashing video shows someone with ink on latex gloves. It's very hard to get all the ink off, even after four or five tries. This illustrates both how hard it is, and how important it is, to really wash your hands thoroughly. Also wash your

wrists and keep your fingernails short. I recommend a good handwashing video. You'll never wash your hands the same way again!

- I love your comment about handwashing. But here's something else to think about. In a home with multiple people, everyone washes their hands, and then they all use a common hand towel! You should get rid of every communal towel in the house and replace them with paper towels which can be thrown away. I realize this is less desirable from a sustainability standpoint, but given the current situation, this is what I would advise.

What other protocols do you think will be changing as people start back to work?

- Most of our clients are coming back to us right now with this very question. We're being asked 'What does this mean in terms of the workplace? What are the protocols we need to change? What does this mean for the open environment?' We have compiled a huge list of these questions. What I'm afraid will happen is a knee-jerk reaction that might not be the best reaction. We must get the right information out there. The way we work, whether from home or office, is going to be forever changed, even if it's just some nuances. We're going to be publishing a lot of this, as will other design firms. There's a whole litany of protocols that we're developing and will share.
- This is an unprecedented situation. Every answer we give as an industry now is based on what our crystal ball is telling us. The way we're seeing it is sort of a battle between humankind and the super virus. The virus itself is constantly mutating, and we're seeing that with more younger people suffering. Previously, the vulnerable groups were older people or those with preconditions. Now all those rules have gone, and it's only taken a week or so because the virus is constantly mutating and it's affecting younger people equally, even those with no underlying conditions. And there's been sort of a mutation in the human response at the same time. Testing is now being made available much faster than before. Humans are doing things faster as well! We don't know where we'll be 18 months from now. Everybody is thinking about the potential impacts based on what we know. But what we know is minimal compared to what we need to know, and what we will know six to eight weeks from now. Our industry is struggling a bit in terms of gazing at the crystal ball.
- The key is to know the upper and lower limits of your facility. We want to know exactly how many people we can fit in, what's the minimum at certain distances, what's the maximum, what's the maximum occupancy we can achieve. Can we compress when we're pressed for space, and decompress when we're not? There are a lot of strategies around the current square footage.
- I think the old paradigm has been shattered. We need to change it to be more human centric instead of space centric. This situation has completely shattered that. No more are companies going to be worried about square feet per person and how dense they can make the workspace. They're going to be worried about the safety of their employees. This will affect everything about their business. Everything we know about how we in CRE measure success has been changed to this: How are we maximizing the safety of our people? How are we reducing the anxiety they might have? We have long advocated for a shift to human-centric measures, and it looks like this is going to do it.

- All the wellness standards and health standards in corporate offices will get much more focus, like the regulated environments with good lab practices and good manufacturing practices – the whole OSHA (Occupational Safety and Health Administration) side of things. Companies in R&D are extremely focused on the metrics of how an environment performs to get the results you need on the widget side. This could very well be applied to the office side, which speaks to a whole other evolution of the well standards.

Are companies going to be in cost-cutting mode for now?

- Yes. They all just realized how to do it. A whole lot of people were doubters about working from home. They were worried about losing control. True, there will be whole group of people who can't wait to get back to the office, but there are a lot of people who could develop a more aggressive remote working strategy. Within two weeks, basically, we have proved that yes, you can work remotely, and it can be effective. How effective that is over an extended period has yet to be proven. But this is a viable solution to help companies eliminate some of the square footage they have.

What other changes could we see?

- Many of us who have led hurricane response and incident command have found that these incidents do change the way people work. When companies impacted by Hurricane Harvey reopened, they did not build back as much space as they had. They found that people were productive away from the office. This will be a test of that again. It will also be a test of how you run facilities and how you run projects. We've been going to smaller and smaller workstations, but now that six-foot size could change. In terms of work hours, instead of a normal 8 to 5, it gets spread out – 7 to 7. What people must understand is that when they feel unwell, they've got to stay home in this environment. Some construction sites in Asia have been taking temperatures before anyone comes on the site for a month now, but this has not been adopted in the US.

How does all this affect other types of spaces?

- I was on a call yesterday with our firm-wide leadership. Think about what's going on in the minds of the sports arena designers, the hospitality designers, retail designers. They face a real challenge. This area with massive public gatherings is going to be faced with some serious challenges. There are some procedural things to consider, such as extended hours, more cleaning, and potentially spacing out some things. But think about a sports arena. That is a massive shift in mentality. For people in the US, football is a pivotal part of our society, from college to the NFL. How do we respond to that? It's like soccer for the rest of the world. How long do we go without sitting next to each other in public places like that? In China, all the retail venues are being heavily impacted. Retail places are becoming a place to go look at things, but then you come home to buy online. This is already happening, of course, but it's being accelerated by the coronavirus.

What are people doing with new hires expected to onboard this year? What about internships?

- I feel really bad for the Class of 2020. Whether high school or college, they have been robbed of the spring of their graduating year. Now, most companies are not hiring and not doing internships. There are looming layoffs in major industries. It's going to be a real challenge for a lot of those young folks to find employment and get hired.
- We are hiring. In about nine minutes, I have a virtual meeting with a new hire we're onboarding with our team. I thought 'maybe I have to put some makeup on today.' We are hiring and we are developing an online onboarding process. We must plan ahead of time to get hardware to people. We have backed up the schedule for all our HR processes to make sure we're coordinating laptops, access, etc. and it forces everybody to do a little better job. There's the HR component, the cultural component. Companies are getting better at making sure all these elements are synched up with better advance planning. While we are all distant from each other, we're also becoming more personal with each other as we see people in their home environments.

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