



How Corporate Real Estate is Responding to the COVID-19 Coronavirus Challenge:

Key Findings from a Worldwide Member Survey

28 April 2020

Executive Summary

From 22-27 April, CoreNet Global conducted an updated survey of its 11,000 members to gauge the evolving corporate real estate (CRE) response to the COVID-19 coronavirus challenge and to identify practical steps members can take to support their companies' effort to ensure employee safety and business continuity. Separate surveys were sent to end user members (119 responses) and service provider members (143 responses).

The survey was an update to previous surveys sent to the worldwide membership from 4-6 March, 17-19 March and 25-27 March.

Key findings from the latest survey of end users include:

- Sixty-nine percent of end users surveyed say that their company's real estate footprint will shrink as a result of increased work from home (up from 51 percent in the previous survey)
- Ninety-four percent of end users think that expanded use of remote working will last beyond the current crisis (up from 89 percent in the previous survey)
- Ninety-four percent of end users surveyed think that expanded use of virtual meetings (e.g., vs. face-to-face meetings) will last beyond the current crisis (unchanged from the previous survey)
- Seventy percent of respondents say that real estate projects have been put on hold (up from 67 percent in the previous survey)

When asked "How has your response to the coronavirus changed in the past 10 days?" specific observations included:

- Work from Home (WFH) has become the norm
- We have moved from plans about how to work from home to the process of re-opening our offices
- Now ready to re-occupy our facilities where we anticipate shelter-in-place orders will soon expire
- We are actively trying to terminate leases
- We are seeking rent relief (not deferral) from all our landlords
- More focus on long-term savings initiatives and looking seriously at headcount and salary reductions

As revealed in the survey, the biggest current challenges in addressing the COVID-19 coronavirus include, among others:

- Being unable to have the kind of collaboration that occurs when everyone is together in the same room
- Developing a long-term workplace strategy and remote working strategy
- Figuring out the framework and details of our return-to-office plan
- Extra time required to manage at a distance, with frequent check-ins to check on emotional toll
- Mental health of our employees

- Accessing adequate supplies of hand sanitizer and masks

Survey respondents' short-term economic outlook is less bullish than their longer-term outlook, but it is more optimistic than it was during the previous survey. When asked "Are you more or less optimistic about the economic future over the next three months?" the average rating (on a 1-5 scale, with 1 = low and 5 = high) was 2.5 for both end users and service providers. In the previous survey, the average rating was 2.3.

When that time frame is expanded to six months, the service provider rating jumped to 3.13 (up from 3.0 in the previous survey), while the end user rating (2.95) remained essentially unchanged from the previous survey (3.0).

Nineteen percent of end user respondents reported that their companies had experienced layoffs due to COVID-19, nearly double the figure revealed in the previous survey (10 percent).

Twenty-one percent of end user respondents reported unpaid furloughs at their companies due to COVID-19, nearly double the figure from the previous survey (11 percent).

Within the CRE organization, the impact has been smaller, with just 5 percent reporting layoffs on the CRE team, and 6 percent reporting unpaid furloughs on the CRE team.

Among service providers, more than one-third (34 percent) reported that their company has experienced layoffs due to COVID-19, up from just 9 percent in the previous survey, and 36 percent reported unpaid furloughs, up from 10 percent in the previous survey.

Twenty-eight percent of end users stated they are concerned about their jobs, up from 20 percent in the previous survey. Meanwhile, 29 percent of service providers reported that they are concerned about their jobs, down from 49 percent in the previous survey.

About CoreNet Global

CoreNet Global is the world's leading professional association for corporate real estate (CRE) and workplace executives, service providers, and economic developers. CoreNet Global's more than 11,000 members, who include 70% of the top 100 U.S. companies and nearly half of the Global 2000, meet locally, globally and virtually to develop networks, share knowledge, learn and thrive professionally. For more information, please visit www.corenetglobal.org or follow @CoreNetGlobal on Twitter.