



A COVID-19 Virtual Ideation Experience

Distributed Work

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IDEA



CONNECT



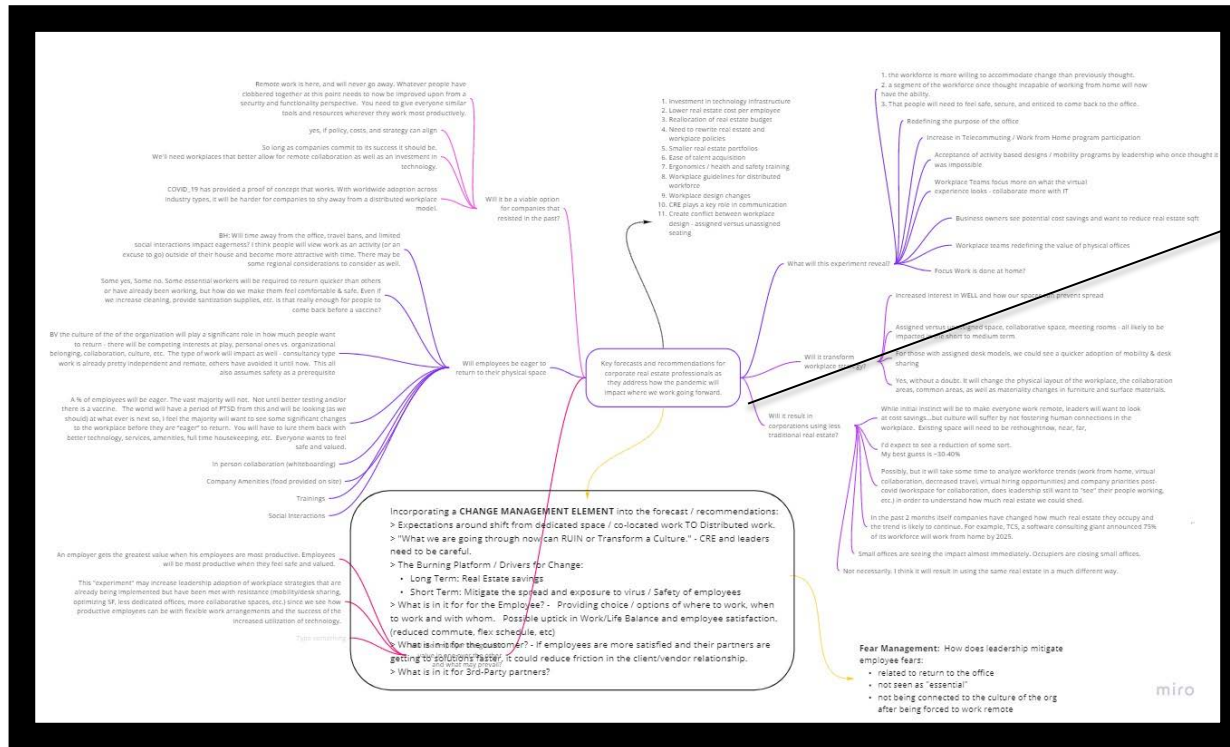
SOLVE



PRESENT

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Mind Map: Divergent Ideas, Emerging Solutions



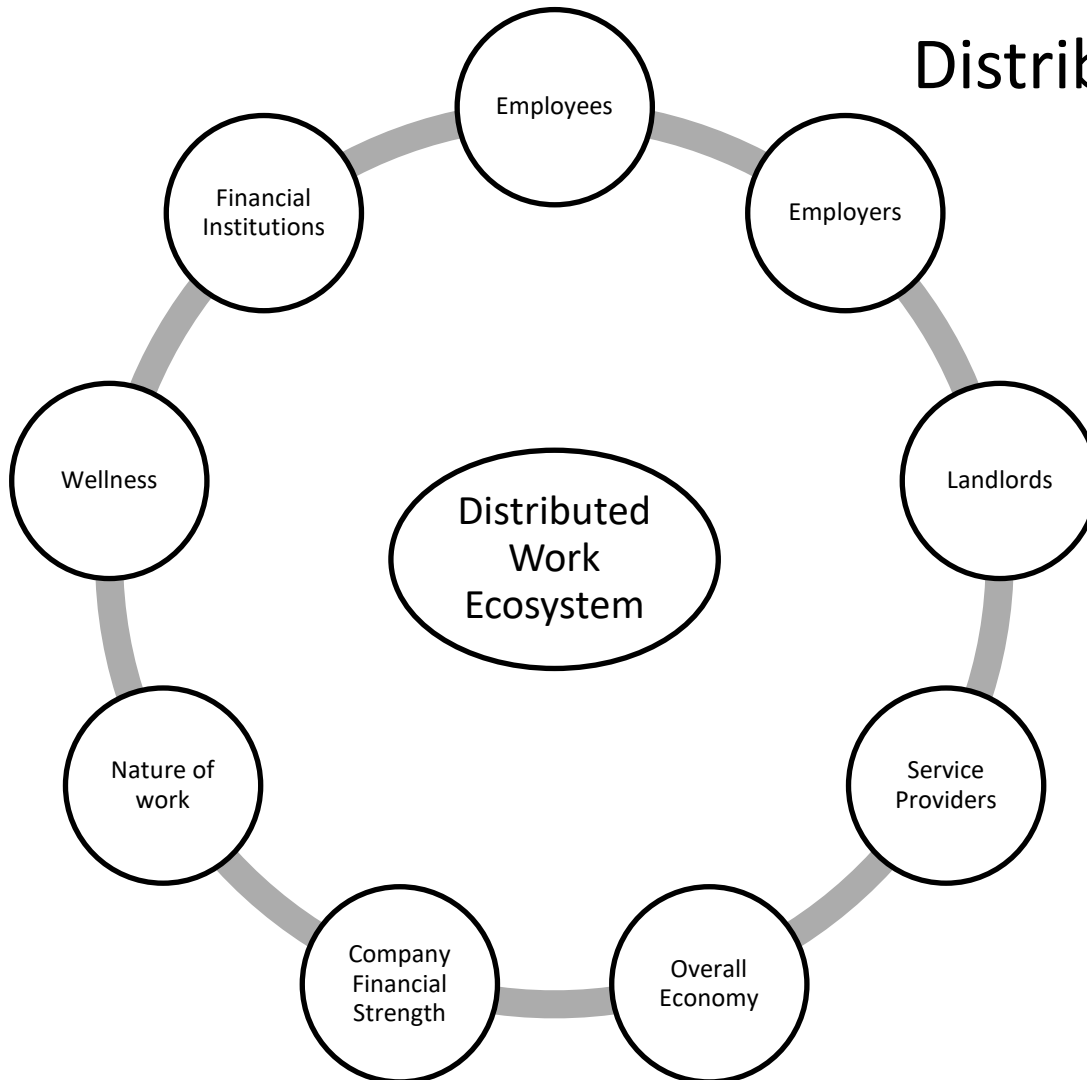
Key forecasts and recommendations for CRE professionals as the address how the pandemic will impact where we work going forward

miro



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Distributed Work Ecosystem



"Distributed work will have downstream effects on the entire system, and not just corporate real estate"



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Key Forecasts

1

Office densities will not return to pre COVID-19

2

25% - 30% of the workforce in United States will work from home multiple days a week by end of 2021

3

Significant real estate footprint reduction

4

Adoption of distributed work will accelerate across all organizations

5

Roles that are not location specific will be the first to change

6

Market demands change in lease lengths

7

High vacancy rates

8

Reduction in construction activity

9

Change in lending rates, LTV

10

Traditional landlords compete with Flex Space providers



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Triggers for change

EMPLOYERS



Cost pressures



Employee preference



Time sensitivity | Lease events



Talent demand



High density workplace setting



Higher facility management costs



Risk averse employees

EMPLOYEES



Loneliness | Need for social interaction



Need for experience | Young professionals, new employees



Lack of ambient WFH environment



Insufficient technology infrastructure at home



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Why change?

Financial Benefits

Real Estate Cost reduction

Reduced cost of absenteeism

Reduced Payroll Costs

Reduced employee turnover costs

Healthcare cost reduction (?)

Non-Financial Benefits

Attract talent at better price

Improved Employee Retention Rates

Increase in employee productivity

Attract different demographics

Enable faster scalability



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Forecasts – Who will change

Companies that were reluctant to embrace remote work

Ease of change to a distributed work

Organizations with Legacy portfolios, workplace policy and processes

Low to medium

Government organizations & contractors

Low

Organizations with high security needs

Low

Organizations with limited need for collaboration

Medium to High

Organizations where real estate decisions are made by local business units

Medium to high

Organizations significantly impacted by COVID-19

Medium to high



Forecast – Rate of change

Total US job force, Feb 2020: 164.6 Million

50% of US job force holds a job that is telework compatible: 82.2 Million

- Scenario 1: Distributed work is adopted by 30% of the labor force* **(24.7 Million)**
- Scenario 2: Distributed work is adopted by 15% of the labor force* **(12.3 Million)**
- Scenario 3: Distributed work is adopted by 5% of the labor force* **(4.1 Million)**

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"50 percent of the US workforce holds a job that is compatible with at least partial telework, and approximately 20-25 percent of the workforce teleworks at some frequency."

[Global Workplace Analytics](#)



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Recommendations

1

Set-up a cross functional core leadership task force to assess and plan for the changing workplace requirements

2

Redefine business need for physical space

3

Align with the executive leadership to build an employee centric workplace strategy

4

Build employee trust, listen by conducting pre- and post- return to work employee surveys

5

Realign workplace, mobility, and flexible work policies accordingly