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PRESENT



A COVID-19 Virtual Ideation Experience

Team Topic and Number: Space Utilization & Metrics, Team 1 Team

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Organizations of every size and industry are currently at an inflection point - one that will undoubtedly shape their future success. C-suite executives are looking to their Real Estate and Workplace leadership to help them navigate these uncharted waters and rethink how they are evaluating the workplace. This white paper aims to offer forecasts and recommendations on how to do just that. The focus is on three core areas (and take into consideration that these areas can help to achieve both short- and long-term goals, depending on the readiness of an organization): Resiliency & Flexibility, Employee Wellness & Sentiment, and Portfolio Optimization & Repositioning. Traditional CRE metrics place heavy emphasis on cost and efficiency but the importance of human-centric measurement has skyrocketed in the wake of COVID-19 and the eventual return to work. We suggest that the most successful organizations will strike the balance between these two measures. They will maintain an eye on cost but will simultaneously increase their focus on their organization's most valuable asset - its people. We recognize that not each suggestion will work for every organization in every instance. We encourage readers to pick which metrics are right for their business, portfolio, environment, and desired level of investment.

RESILIENCY & FLEXIBILITY

Work environments with an ability to flex and pivot on a dime can greatly support business continuity in moments of distress. In a future where pandemic-related disruptions may become more common, organizations will need to prepare for frequent business interruptions. Workplaces that are set up to react quickly and dynamically to cope with challenges and circumstances will be critical to meet this need. This new mode will require a fresh set of metrics to quantify the resiliency and flexibility of workspaces. These metrics will not only evaluate workspace effectiveness, but over time will also influence the designs of the future.

Some ways to measure this resiliency/flexibility include:

1. **Office flex and allocated resourcing score:** this score aims to quantify the preparedness and allocation of funds to address a time of disruption or distress. This requires an understanding of the baseline cost/sq. ft to set up an office and then having the reserved budget allocated with easy access for quick turnaround upgrades. Similar to a slush fund for emergency planning. (Quantitative metric: % budget allocated)
2. **Office setup /demobilization score:** This score addresses how quickly an office space can be modified. This consideration will be a test of the supply chain planning that has gone into the office as part of its resiliency and flexibility considerations. (Quantitative metric: days/weeks)
3. **WFH setup time score:** this score aims to measure how quickly an employee group could go to WFH if needed. (Quantitative metric: hours or days)
4. **Scenario planning score:** this score is based on the scenario plans that have been mapped out along with the remedial actions that are triggered in the event of a scenario being realized. (Quantitative metric: plans made (y/n), remedial actions (y/n) + Qualitative metric: Detail/extent of the planning)

5. **Workflow mapping score:** a deeper aspect of the scenario planning score is the ability to map out the workflow for a project team or Business Unit and understand how the workflow changes or is maintained in event of another WFH deployment. (Qualitative metric: mapping per team and extent of consideration in considering the various work modes for teams)
6. **In office / out of office tech score:** how consistent are the technological and digital tools inside and outside of an office? How fluid is that transition and is the experience similar? (Quantitative metric: User technology registry + Qualitative metric: User Experience)
7. **Density vs occupancy score:** imagine if suddenly every second seat needs to stay empty, how many people can still fit in a floor while maintaining that spacing? This will drive the scoring (Quantitative metric: Full seating vs Spaced Seating)

While the conversation of metrics will be important for businesses, there is also a need to assess the underlying human side of this approach. Fundamentally there will be new habits and acceptable norms that will need to be formed to support the resilient office.

The ability for team members to quickly huddle, plan, disband and work remotely, and then regroup in the office is something that will also require its own set of qualitative measurements.

The ultimate outcome of this effort would be to support the planning of new work environments to aim for higher levels of resilience planning and to provide the tools and KPIs to measure the level of that resiliency over time.

EMPLOYEE WELLNESS & SENTIMENT

As work transitions to more flexible models, it will be critical for employees to offer real-time feedback on their experience and sentiment. Continuous feedback empowers employees and provides valuable input into the iteration our 'ways of work' will require in the coming months. In addition to contributing feedback, it is expected that employees will also seek information regarding their building and workplace operations, such as how "virus-resilient" it is. This two-way feedback loop, data to and from employees, will be critical to building trust with employees and better workplace operations.

Some ways to measure employee sentiment and wellness are:

- **Real-time office scoring (via push notification):** submitted immediately after conference room or workspace usage. (Quantitative satisfaction score, similar to an Uber ride review)
- **Weekly (anonymous) pulse surveys:** Assess confidence levels and psychological safety measures (i.e. How anxious do you feel in the office?, Did you feel there were adequate sanitation options in the lobby?). Site, team, etc. could be gathered to

increase granularity and ability to isolate variables. (Quantitative metric, scale 1-5)

- **Measure efficacy and presence of Site Operations/Community Management:**
 - Qualitative 'Completeness' of program management: policies on safe work and social distancing, multiple channels to promote sentiment surveys and guidelines, WFH schedules and resourcing, access to doctors/counselors/crisis lines, etc.
 - Quantitative metrics: employee adoption rate (downloads, survey submits, etc.), surveys ratings, number of employee issues and FAQs resolved.
- **HVAC productivity and efficiency score (Quantitative scoring 0-5):**
 - Outdoor air levels
 - Ability to isolate return air by tenant (or floor)
 - IAQ sensors connected to building automation system to monitor air quality
 - MERV 13 filters on HVAC systems to maximize air filtration
 - Humidity measuring and monitoring system
- **Office cleanliness/sanitation (Quantitative scoring 0-5)**
 - Count/ratio of motion or touchless technology on doors, common areas, elevators, restrooms
 - Count of handwashing/sanitizer signage
 - Count of sanitation stations in common areas
 - Cleaning frequency and use of anti-bacterial cleaning products
 - Presence of capacity/density signage, guidance

PORTFOLIO OPTIMIZATION & REPOSITIONING

Health fears (sheltering/WFH, cyclical recurrences) and reduced business activity will likely have long- term effects (2-5 years). This will lead to reduced business activity economy-wide and will limit the market for sale/sublease of excess space. Accordingly, we expect, business budgets will significantly lower. Real Estate and Workplace leadership will be forced to take a hard look at portfolios, identify more opportunities for efficiency & repositioning, and implement those strategies quickly. It will become standardized for Workplace Strategy teams to lean heavily on systems to monitor and forecast WFH volume, coupled with building occupancy data to make those changes.

Ideas to accomplish this are:

- **Split of in-office and WFH employees:** use existing system where available (Quantitative metric from HR, Space Management, Lease Administration, FM, etc.)
- **Metrics in response to WFH vs in-office:**
 - Spatial responses: staggered workstation occupancy (50% space increase), dividers/separation (30% space increase/penalty), staggered shifts, reduced density, collaboration/conferencing areas (Quantitative metric to track: change of costs per square foot)
 - Collaboration and dense seating areas will change to station dividers. Less workstations but with more hardware. (Quantitative metric to track: capital spend per square foot as well as per headcount)
 - Trip-leveling software for elevator/office access: Efficient access to office space will be limited. (Quantitative metric: number of employees

- o transported/hour)
- o Global portfolios challenged by varying standards by country of origin, with satellite locations governed by local requirements
- **Real-time data collection via sensors or visual surveys (Quantitative metrics):**
 - o Space Utilization Efficiency (headcount pre-COVID / post-COVID ratio)
 - o Office traffic heat maps
 - o Length of stay (day, team, floor, etc.)
 - o Office vs Remote work ratios. Corporate savings may drive further WFH usage.
 - o Employee comfort/health important to staff returning to even improved offices. Balancing act between comfort, business/legal/health requirements.
- **Forecasts/actuals of sale/sublease market:** decreasing value of excess space
 - o Lease renewals greatly affected by the need to jettison unneeded space. Metric: ratios of unneeded space offloaded vs total portfolio (SF), vs unneeded space that couldn't be offloaded
 - o Coworking vs hoteling demand: opportunity for companies to offer coworking space within portfolio
 - o Creative subleasing structures will become more prevalent (incubators, innovation labs, alternate support services)

COVID-19 has certainly started a new chapter in the CRE history books and it has forced organizations to make high-impact decisions at an unprecedented pace. These decisions, and their ensuing effect on the health of their workforce, are an incredible opportunity for RE leadership to make employees the center of attention. By focusing on building resilient workspace, increasing the ease and frequency of employee feedback, and taking a hard look at how to reduce/repurpose parts of their portfolio - leaders can put employees first *and* make smart, data-driven RE decisions.