EQUIEM

2020
Global Office Tenant Report

COVID-19 Edition

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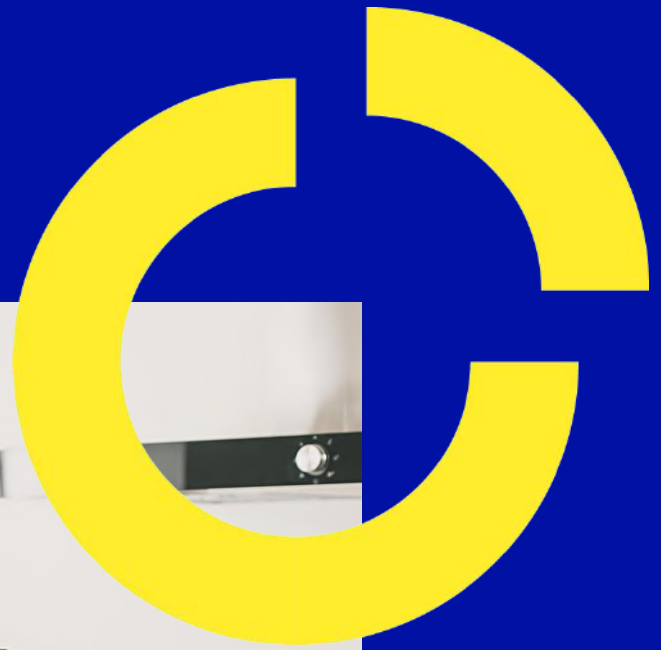
What's inside

Sections:

Introduction

As the workforce adapts to 'work from home,' safety and security have become the most crucial factors in returning companies back to their building.

During April and May of 2020, we conducted a survey of our community of **175,000+ occupiers** belonging to **9,000+ companies** in the US, UK, Ireland and Australia. We collected more than **4,500 survey and poll responses** in order to build a comprehensive outline of occupier sentiments, covering remote work situations, return to the office expectations, and health and safety concerns. In addition, **we interviewed owners and managing agents representing over 20 landlords**.

What we learned:

Occupiers are productive at home, but struggle with sub-optimal work environments and lack of interaction with colleagues. 82% of occupiers reported to be as or more productive at home, however 45% missed conversations with colleagues. In addition, 56% desired better work setups, 25% wished for better access to home health and wellness options and 18% needed better access to work-from-home resources.

60% of occupiers won't return to office until 'it feels safe'. Critical factors for them to return are information and communication. Upon returning, over 80% of occupiers expect up-to-date information on active in-building COVID-19 cases, new safety procedures (including use of facilities), and cleaning procedures from their landlords or company. Over 60% also expect current office density information to be available.

Occupiers who worked in-office during lockdown anticipate a greater risk of infection once everyone returns. 45% believe the office presents a low to very low risk of infection during lockdown, with this number dropping to 22% when lockdown ends.

Australian occupiers believe they are more productive than before the lockdown, while US and UK occupiers believe they are as productive as before.

Tenant experience platforms have become important channels to acquire information for occupiers. 70% of occupiers believe COVID-19 related updates on their Equiem platform have been highly valuable.

Remote work is here to stay. 65% of occupiers expect to work from home once a week or more once restrictions are lifted, compared to the 28% who were doing so before. Landlords similarly agree that there will likely be an increase in remote working post-lockdown.

Effective density management is key for both occupiers and landlords. 48% of occupiers believe changes are required to reduce likelihood of incidental contact, while 58% of landlords are concerned about controlling and monitoring social distancing, particularly in lifts and reception areas.

SECTION 1

Working from home

91% of occupiers are currently working from home, with **6%** working both in the office and at home. This is a big change for the majority – **59%** said they did not often work from home or never worked from home *before* the shutdown.

48% said they are about as productive as they were when working from the office

34% said they were more productive

17% said they were less productive

40% said the biggest reason for the increase in productivity is the lack of a daily commute.

However, occupiers also highlighted these detriments to productivity:

18% Distractions/requests from family members

15% Technical/Internet issues

13% No clear start/end to the day

While working at home:

47% said they were spending 2–4 hours per day in video meetings

31% said they are spending 1 or fewer hours on work-related video calls per day
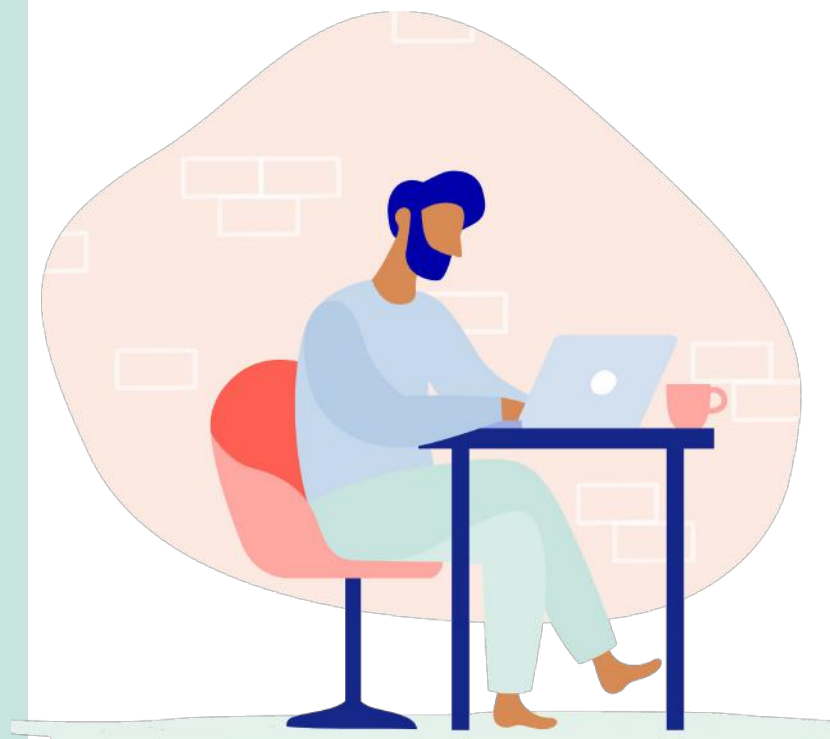
18% said distractions from family members was the 'biggest negative impact on productivity'

6% said meetings are less efficient

The tools most important for remote working are:
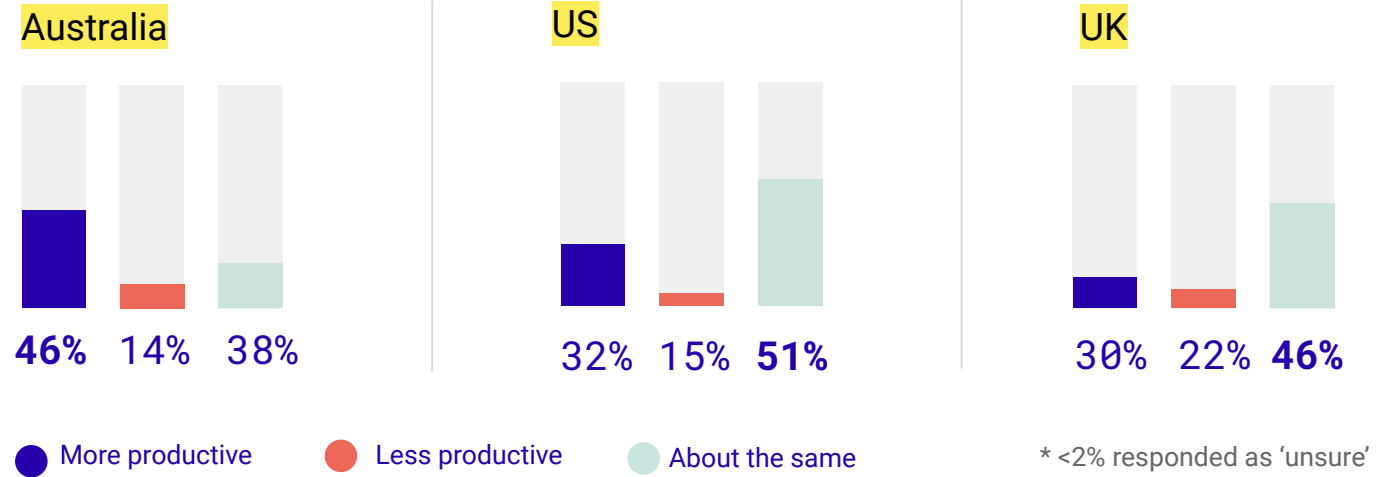
23% video/audio chat

19% screen-sharing with colleagues

Impact of remote work on productivity and work hours

Generally, Australian occupiers believe they are more productive than before the lockdown, while US and UK occupiers believe they are as productive as before.

Australia

46% 14% 38%

US

32% 15% **51%**

UK

30% 22% **46%**

● More productive   ● Less productive   ● About the same

* <2% responded as 'unsure'

By company size:

Across all companies, approximately 50% of occupiers think they are as productive, 25 to 40% believe they are more productive, and 20% believe they are less productive when working remotely.

	0-25 employees	25-50 employees	50-100 employees	100+ employees
More productive	25%	34%	39%	33%
Less productive	22%	18%	18%	16%
About the same	51%	46%	43%	49%
Unsure	1%	3%	<1%	2%

Furloughed or reduced hours:

A greater percentage of employees were furloughed or had reduced working hours in smaller companies versus larger ones.

	0-25 employees	25-50 employees	50-100 employees	100+ employees
Working reduced hours	11%	9%	6%	4%
Furloughed/ on leave without pay	4%	0%	1%	1%

Companies have taken measures to support isolated workers, but a large proportion of occupiers miss in-office social interactions

When asked 'What are you missing most about working in the office?'

45% said they missed informal chats with colleagues

31% The separation of work and home life

10% In-person workshops and team meetings

70% of occupiers are having 'social' video meetings with their teams (such as Friday video chats or team happy hours in an attempt to mimic in-office interaction).

For some occupiers, a degree of isolation is ideal:

28%

of occupiers said fewer interruptions from colleagues has increased their productivity

Occupiers are struggling with sub-optimal work environments at home

For all the reported improvements to productivity, occupiers are working at home with suboptimal setups.

When asked what would most improve their working lives at home:

56% said they needed a better work setup at their home

28% said they need better Wi-Fi

25% said they want better access to home health and wellness options

18% said they need need better access to work-from-home resources

12% Said they needed increased interaction with colleagues via video chat
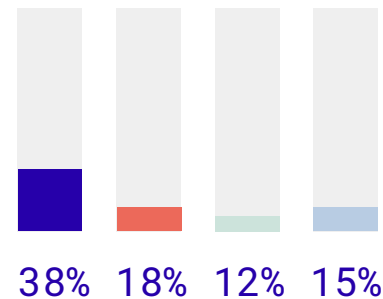
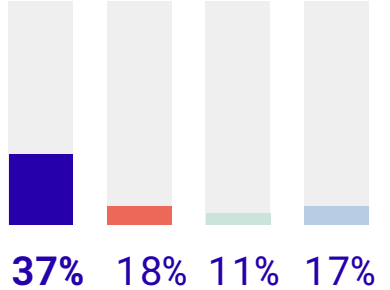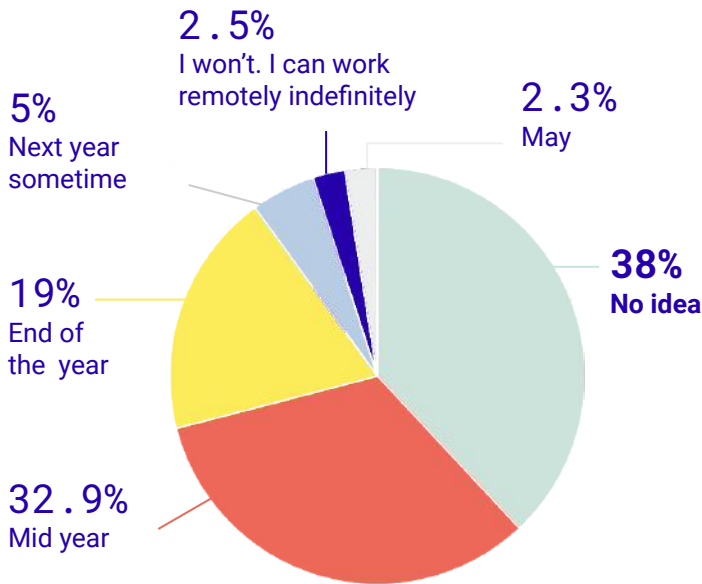Comparing this data cross-regionally, we find general uniformity.

Australia

30% 19% 12% 23%

US

38% 18% 12% 15%

UK

37% 18% 11% 17%
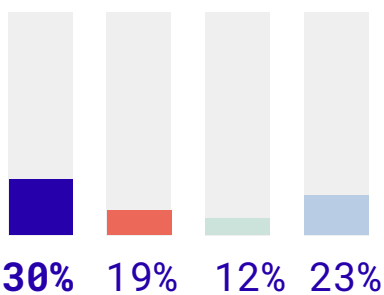
● Better work setup at my home
● Better Wi-Fi
● Better access to work-from-home resources
● Better access to home health and wellness options

Most occupiers expect to return to the office, but still don't know exactly when

98% of occupiers count on returning to the office at some point. When asked **'When do you think you might return?'** in April/May, occupiers responded:

2.5%
I won't. I can work remotely indefinitely

2.3%
May

5%
Next year sometime

38%
No idea

19%
End of the year

32.9%
Mid year

Occupiers are enjoying the increased freedom and ease of working from home

To our poll **'How do you feel about working from home?'**, asked in April/May, occupiers said:

13%
It's getting old

3%
It's not for me

15%
Missing the office

42%
Love it

27%
It's alright
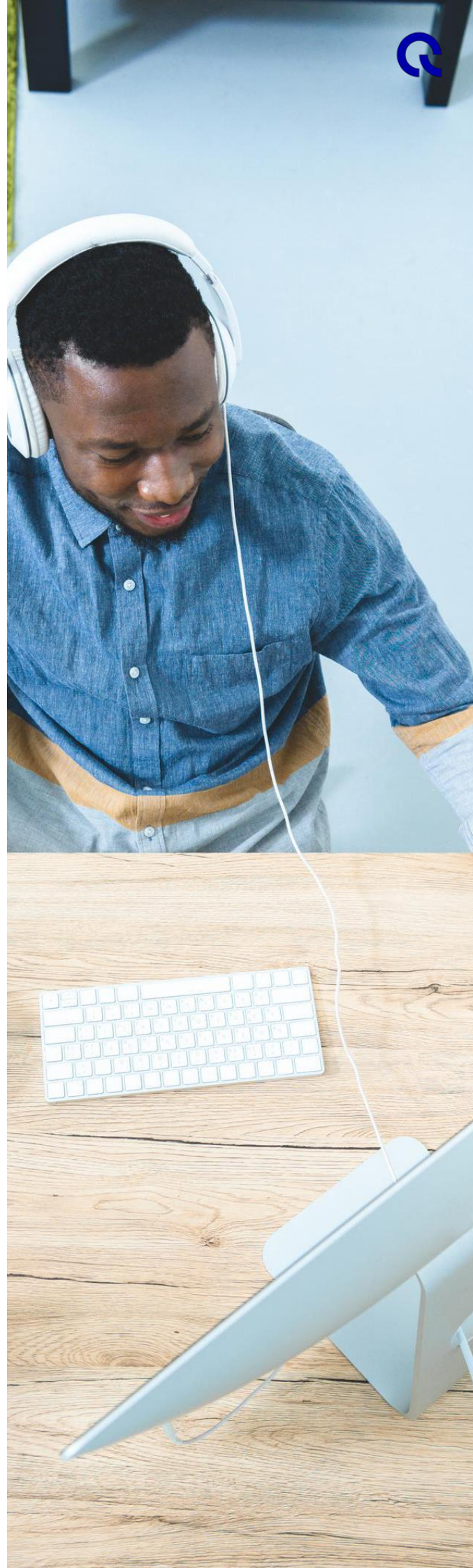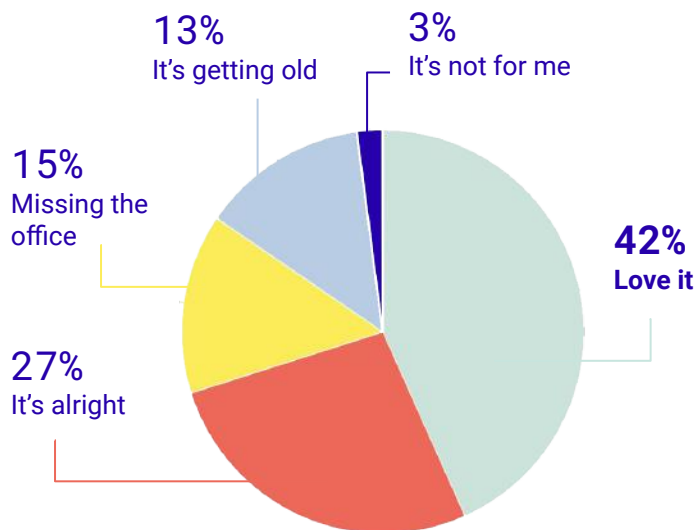
SECTION 2

Working in-office

Only 10% of our surveyed occupiers were working in-office in April/May, and have been for much of the COVID-19 shutdown period.

For this minority, **roughly two-thirds believed that COVID-19 made an impact on their daily office life**. They said:

37% said COVID-19 restrictions have impacted daily work life 'a lot'
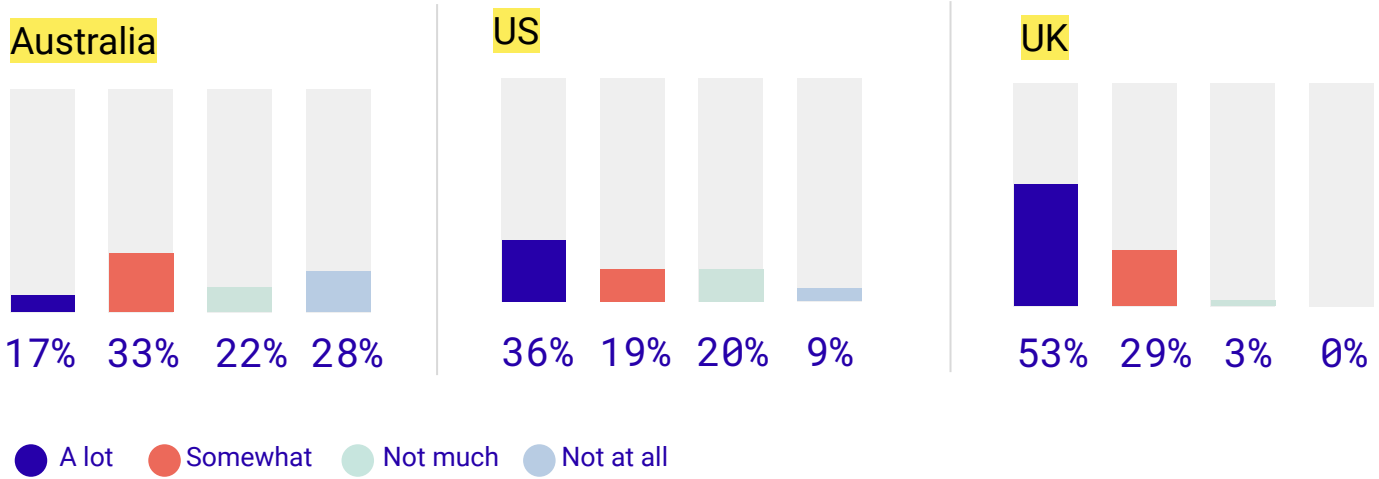
33% said 'somewhat'

20% said 'not much'

10% said 'not at all'

How much have the COVID-19 restrictions impacted your daily work life in the office?

Australia

17% 33% 22% 28%

US

36% 19% 20% 9%

UK

53% 29% 3% 0%

● A lot   ● Somewhat   ● Not much   ● Not at all

Occupiers working in-office in the UK were most impacted by COVID-19 restrictions, at the time of the survey in April/May.

When making that comparison across company size, we find that smaller companies were hindered more by COVID-19 restrictions than larger ones.

	0-25 employees	25-50 employees	50-100 employees	100+ employees
Alot	42%	50%	38%	31%
Somewhat	42%	33%	31%	33%
Not much	5%	0%	19%	26%
Not at all	11%	17%	12%	10%

We asked our **occupiers to qualify their response** to the impact of **COVID-19 restrictions** on their **daily working life**. Note - some of the responses have been edited for grammar and clarity:

"I come earlier than I usually do, I make sure that there are not too many people inside the elevator. I also sanitize my keyboard and mouse everyday before I start my day. And bring lunch from home to avoid going out of the building unless I am leaving for the day."

"Daily work life in the office has been impacted in many ways: 1) Social distancing measures have caused seating changes almost weekly. 2) Cannot sit together with colleagues in the canteen anymore, have to sit at our desk or outside (can sit with others with social distancing). 3) Commute on public transport is not comfortable so the company has offered us a bus and it's free of charge, that is great. 4) Only certain numbers are allowed inside for lab work at a time which causes delay in work. 5) Meetings and training are all virtual. 6) Some days, can work from home if need be."

"There are restrictions in place like wearing a mask, not visiting others at desks, constantly washing your hands and using hand sanitizer."

"We work in an office full of people. Having to wear masks. Constantly disinfecting everything we touch."

"All employees are now spaced out 2 desks apart, the canteen and lunch areas have been closed off and it's just generally a lot harder to have a bit of a laugh with my colleagues."

The perception of infection risk for those working in-office

How do you rate your risk of catching COVID-19 while working in the office?

Of those working in-office, 27% believe they have a high to very high risk, while 45% believe there is a low to very low risk.

10%
Very High

17%
High

26%
Medium

27%
Low

18%
Very Low
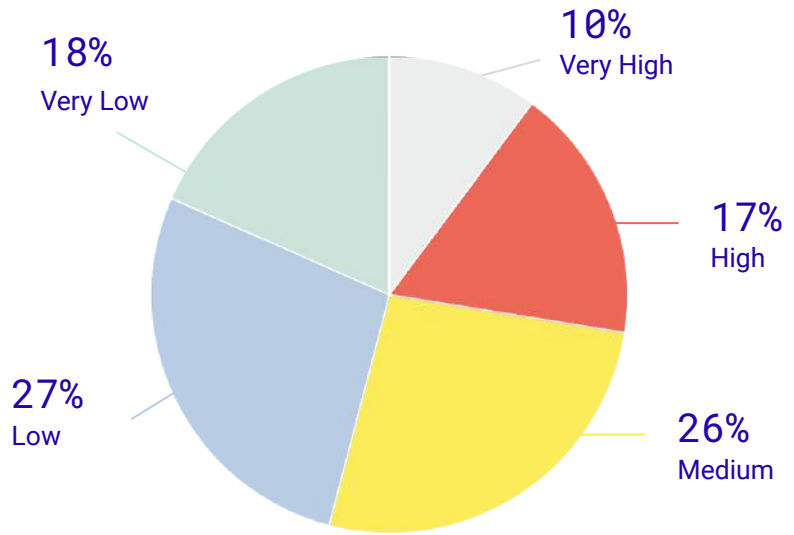
The measures individuals and companies have adopted under adherence to COVID-19 restrictions may play a part in the perception of risk of COVID-19 infection in the workplace.

When asked about the preventative measures they are using in the office, occupiers responded:

26%	21%	19%	12%	11%
Increased hand washing	Limited face-to-face meetings with other colleagues	Less in-office socialising with other colleagues	Wearing a face mask	Moving desks to be farther away from other colleagues

Companies, in turn, have responded to occupier needs and have been proactive. To the question **'what preventive measures has your company implemented while working in the office?',** occupiers responded:

21%
Requests to increase handwashing

21%
Sanitising stations in the office

20%
Social distancing measures between desks/other colleagues

14%
No face-to-face meetings

11%
Face-to-face meetings with social distancing restrictions applied

3%
Staggered lunch times to reduce interaction in the break room

The preventive measures taken by companies are generally consistent regardless of company size.
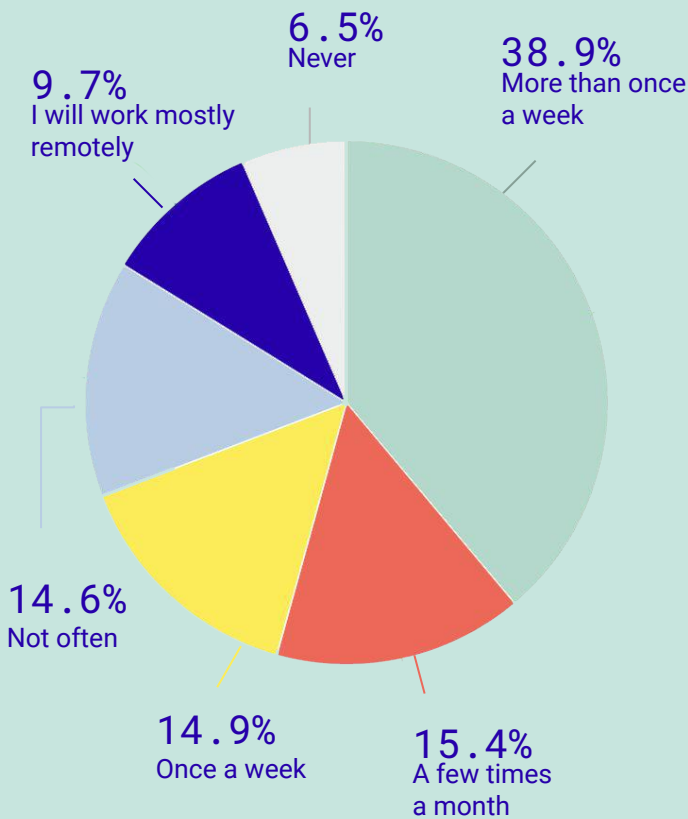
	0–25 employees	25-50 employees	50-100 employees	100+ employees
Requests to increase handwashing	23%	23%	23%	20%
Sanitising stations in the office	24%	23%	21%	21%
Social distancing measures b/w desks	20%	23%	16%	22%
No face-to-face meetings	13%	14%	12%	15%

SECTION 3

Returning to work

It's clear that remote working will be used more often than before COVID-19, but the modern office will still be the fundamental place for business. Landlords, however, need to adapt to new demands of occupiers to rebuild occupier's trust that the office is a safe environment.

When asked 'How often do you expect to work remotely once the lockdown is lifted', occupiers responded:

6.5%
Never

38.9%
More than once
a week

9.7%
I will work mostly
remotely

14.6%
Not often

14.9%
Once a week

15.4%
A few times
a month

Occupiers expect to work from home much more frequently after lockdown than before

This table compares occupiers' expectations to working remotely before and after the lockdown.

Approximately **65% of occupiers expect to work from home once a week or more** after lockdown, compared to the 28% who were doing so before.

There is a significant shift from those who would 'never' or 'not often' work from home to expecting to work remotely more than once a week after lockdown.

|	Before lockdown	Expectation after lockdown	% change
I was usually remote	2%	9.7%	+7.7
More than once a week	11%	38.9%	+27.9
Once a week	15%	14.9%	-0.1
A few times a month	13%	15.4%	+2.4
Not often	30%	14.6%	-15.4
Never	29%	6.5%	-22.5

Perception and mitigation of personal risk post-return

33%

of occupiers believe returning to work presents a high to very high risk of infection.

When asked, '**Once restrictions are lifted and everyone is back at work, how would you rate your risk of catching COVID-19**,' occupiers responded:

5%
Very Low

8%
Very high

17%
Low

25%
High

45%
Medium
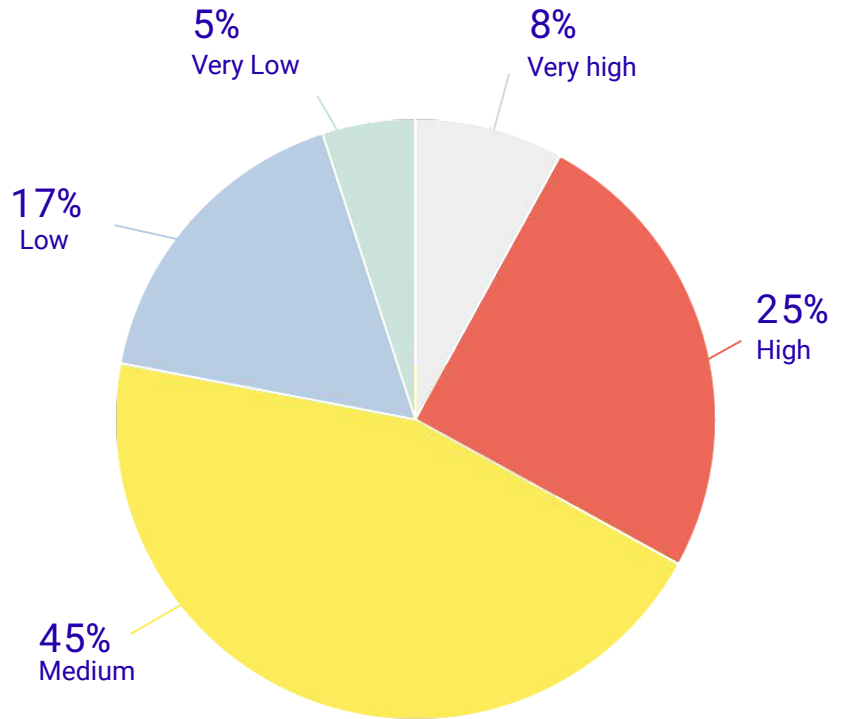
The majority of occupiers won't return until it feels safe to do so

When asked '**Once the restrictions are lifted, what reason will most prompt you to return to the office?**,' occupiers top responses were:

60%

I'll only return when it is safe, I can be effective at home

8%

I'll attend the office only for critical meetings

14%

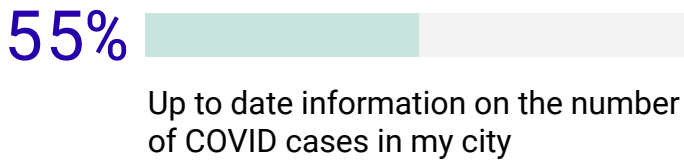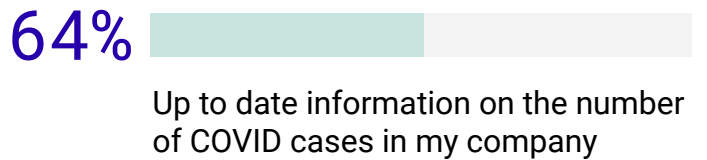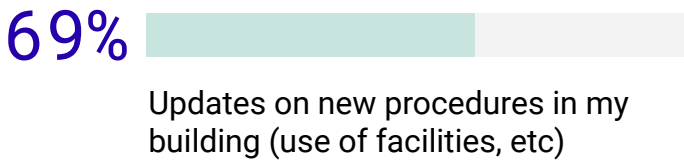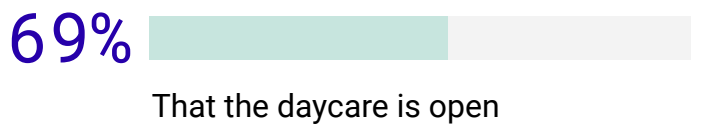I need to separate work and home life by going to the office

5%
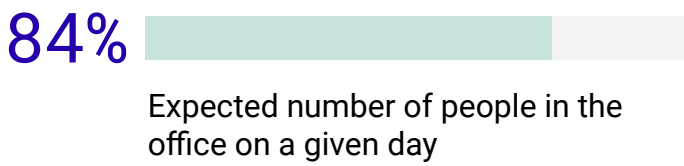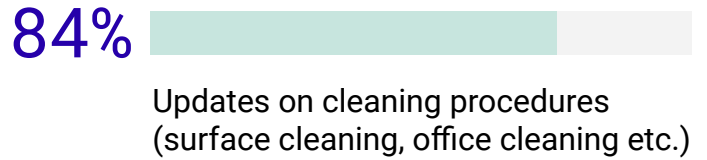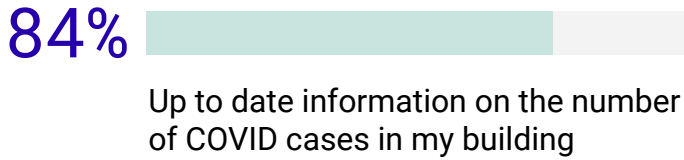
I will go back as soon as lockdown is removed as I cannot work well at home
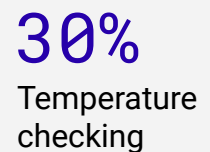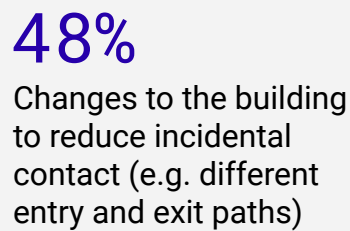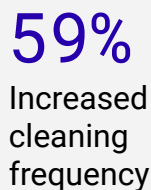
Occupiers expect more information and safety processes from landlords to feel safe enough to return to office

When asked '**When everyone returns to work, what information will be important to you (select all that apply)?**,' occupiers responded:

84%
Up to date information on the number of COVID cases in my building

84%
Updates on cleaning procedures (surface cleaning, office cleaning etc.)

84%
Expected number of people in the office on a given day

69%
That the daycare is open

69%
Updates on new procedures in my building (use of facilities, etc)

64%
Up to date information on the number of COVID cases in my company

55%
Up to date information on the number of COVID cases in my city

When asked: '**What is critical to you returning to the office?**,' the top three answers of occupiers were:

59%
Increased cleaning frequency

48%
Changes to the building to reduce incidental contact (e.g. different entry and exit paths)

30%
Temperature checking

Occupiers have found their Equiem platform as an important source of information

When asked **'what type of content is currently most valuable to you on your community Platform?'** occupiers responded:

70%

COVID-19 updates about your building, including changes to access procedures

52%

Medical and Government COVID-19 updates

44%

Good news stories

45%

Competitions

38%

Remote working tips and content

36%

Virtual wellness events

30%

Virtual social and community events

When asked **'How could your community Platform best support your return to the building?'** occupiers responded:

77%

of occupiers want regular updates and notifications about building policies from their Equiem platform, upon returning to work.

63%

One place to access up-to-date information about building policies

63%

An easy and quick online onboarding guide to re-entering the building

40%

Information about which retailers are opened or closed

48%

Information about building occupancy levels

38%

Ordering food and services from local retailers

34%

Information about air quality

27%

Reserving or getting access to shared amenities spaces

SECTION 4

Landlord Insights

In addition to our survey of occupiers, in April/May, we conducted interviews with landlords in the US, UK and Australia on the impact of COVID-19 on their operations and their plans/solutions to re-open their buildings.

Owner and management staff representing **20 real estate companies** participated in this study.

What we learned:

At the time of the survey, landlords were reporting an occupancy level of 20% or less, with the majority operating at 10% occupancy.

Landlords commonly agree that there will be a return to business-as-usual by the end of 2020.

Adhering to social distancing measures, including managing lift/elevator access, increasing cleaning, and maintaining air quality in the building are the biggest concern of property managers and landlords.

Current pain points

Landlords report multiple pain points, the main one being **rental abatements**, followed by changes to building processes and procedures, cleaning and tenant communication.

Building Occupancy (In April/May)

72%

of office buildings had less than 10% occupancy

17%

reported between 10–20% occupancy

11%

estimate they had more than 20% occupancy

What landlords are saying about the challenges ahead

The vast majority of responses stated that controlling density and meeting new density requirements will be a challenge, including managing individual occupiers' space. Two landlords offered the below opinions:

"Key challenges being operational requirements/changes, retaining community with tenants, the social piece and communicating to tenants and landlords that we have provided the appropriate measures that mean offices are safe to return to. Whilst providing confidence to both."

"For Building Managers, will definitely be the control of social distancing. Close second will be cleaning regimes. Pinch points will be lifts, entrances and different procedures to accommodate occupiers. For tenants, how does social distancing fit into existing fit out and compliance with govt regs, and cleaning requirements."

Return to Work Planning

'When are you planning for some tenants to start to return to your buildings?'

Globally, 58% of landlords who answered this question were planning for tenants to re-enter buildings in June, with 32% anticipating a return in July.

Most landlords were uncertain about the timeline for re-entry and were leaning towards government guidelines.

What will the next 12 months look like?

75% of landlords envision a medium transition to business as usual (BAU) by the end of the year, whereas 17% of landlords see a short transition (BAU by July/Aug), and 8% see a long and slow transition – 12 months or more – ramping up to a new standard of security and cleaning requirements. Landlords have varied predictions about the future:

"There will be long term impact, more tech, less space requirement, lower density and more remote working."

"There has been a general acceptance of WFH as a genuine option moving forward. WFH could also be seen as a way of keeping costs down, with companies requiring less physical space, offering flexibility. Companies will buy into WFH options more fully."

Main concerns

The biggest concern globally around building issues is (managing density of) elevator access, with 89% of landlords concerned.

58% were concerned about controlling and monitoring social distancing, particularly in lifts and reception areas.

Air quality reporting and monitoring, and cleaning was an anticipated building issue for 53% of landlords when considering returning to the workplace.

37% of landlords see a concern with tenants' access to facilities, particularly with how to manage social distancing and cleaning schedules in areas such as the gym.

Key changes

For 55% of landlords, changes to communal space is considered key when implementing a return to work strategy for occupiers.

Frequent elevator cleaning, and changes to use of amenities are also seen as as key by the majority of landlords.

30% of landlords see an increase in air quality reporting also being important, 25% plan on thermal temperature testing, and 20% are planning to implement cardless entry.

Conclusion

The need to move to a remote working environment has opened an opportunity for a change in how we use office space, engage tenants not physically present in the building, and continue to develop our offerings to maintain health and safety standards.

The COVID-19 pandemic and subsequent lockdown period has accelerated the evolution of the office. More occupiers will work from home after lockdown ends, therefore owners need to be even more proactive in understanding their needs and delivering solutions to address them. They will need to rebuild trust with occupiers, reposition the office as a safe and productive environment, while being able to communicate with tenants who are in the office and at home.

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Retain your tenants and return them safely to your buildings with Equiem. Our Return-to-Workplace Solution provides communications, interactive re-entry guides, density/occupancy tracking, touchless entry/elevator access, and more.

Discover all the features and book a demo at:
www.getequiem.com/return-to-work

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