 BREAKDOWN OF RESPONDENTS

77
RESPONDENTS
Survey closed September 21

50%
are Fortune 500 Firms

50%+
trending companies

75%
GLOBAL

Regions with major presence:
100% United States
89% Continental Europe
80% India
64% Eastern Asia
64% UK

23%
TECH, MEDIA & TELECOM

21%
BANKING & FINANCE

12%
INDUSTRIAL & MANUFACTURING

8%
BUSINESS & PROFESSIONAL SERVICES
THE BUSINESS OUTLOOK IS RELATIVELY POSITIVE

What do you expect the state of the business environment to be in the next six months?

Most respondents believe the business environment will be about the same, if not better, in the next six months.
OFFICE RE-ENTRY PLANS PROMISING

Currently, when will all employees have access to the physical office?

On average globally, 67% of respondents expect all employees to have access to the physical office by mid-2021 – led by Eastern Asia.
**THE PATH OF THE VIRUS IS THE BIGGEST UNKNOWN**

What is preventing your organization from offering more employees access to the physical office?

Sustained COVID-related issues continue to hamper employee access to the office.

- Current state of community transmission: 86%
- Corporate concern about employee health risk: 83%
- Employee reluctance to return: 70%
- Consideration for employees to plan around child-care, relocation etc.: 58%
- Risk associated with public transportation: 49%
- Evaluating prolonged remote working strategy: 40%
- Maximum capacity restrictions: 36%
SECOND WAVE INFECTION AND LOCAL SURGES

Daily new cases in 7-day moving averages

Source: CBRE Research, European Centre for Disease Prevention, COVID Tracking Project, Macrobond, 28 Sep 2020.
Note: Number reported as a 7-day moving average.
HEALTH AND SAFETY MEASURES REMAIN TOP PRIORITY

What measures are being taken to ensure health & safety of employees when they return to the physical office?

Generally, the steps being taken to ensure employee health & safety upon return remain unchanged from June 2020 survey.

- Offering hand sanitizer / antibacterial wipes near every surface: 98.7%
- Requiring use of masks / face coverings: 94.8%
- Restricting guest access: 93.5%
- Health-screening protocols: 93.5%
- Resetting space for reduced max capacity (signage, visual reminders): 92.2%
- Offering personal protective equipment: 87.0%
- Modifying food and beverage programs: 81.8%
- Shift-based re-entry (e.g., A&B team approach or staggered shifts): 59.7%
- Conducting comprehensive review of building systems: 59.7%
- Reconfiguring furniture layouts and seating arrangements: 55.8%
- Reservation-based re-entry: 54.5%
- Installing touchless technology: 42.9%
- Employee COVID-19 testing program (e.g., diagnostic, antibody): 22.1%
- Offering alternatives to public transit: 19.5%

Increase of 5%+ since June
67% of employees desire a balance of office and remote as their preferred workstyle.

**WORKFORCE SENTIMENT SURVEY, 2020**
CBRE survey of 10,000 client employees

When the COVID crisis is over, where would you prefer to work?

- FULLY AT THE OFFICE: 6%
- MOSTLY AT THE OFFICE (3+ DAYS/WEEK): 10%
- EQUAL MIX OF BOTH (2-3 DAYS/WEEK OF EACH): 29%
- MOSTLY REMOTE (3+ DAYS/WEEK): 28%
- FULLY REMOTE: 28%

73% of companies anticipate supporting balanced workstyles in the future.

**CBRE OCCUPIER SENTIMENT SURVEY, 2020**

Note: 61% of companies had this sentiment in Jun-20
Compared with pre-COVID, what is the future of full-time remote work in your company?

81% of organizations anticipate most of their workforce to utilize the office as their destination of choice – even if it is more fluidly.

<table>
<thead>
<tr>
<th>Primarily “Office-Based” Workforce</th>
<th>“Distributed” Workforce</th>
<th>Primarily “Remote” Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>FT Office vs. FT Remote</td>
<td>FT Office vs. FT Remote</td>
<td>FT Office vs. FT Remote</td>
</tr>
<tr>
<td>&lt;1 in 4 FT Remote</td>
<td>&lt;2 in 4 FT Remote</td>
<td>&gt;3 in 4 FT Remote</td>
</tr>
</tbody>
</table>

39% 42% 11% % of Respondents
ASSESSING THE CONSEQUENCES OF REMOTE WORK

Remote work policies must comply with local employment law and take unintended consequences into account.

Issues to consider relative to remote work policies:

• An employer’s ability to require home working
• An employee’s right to insist on home working
• Required processes to implement home working
• Arrangements for home working (health and safety obligations, expense reimbursement, tax allowances, etc.)
• Key issues to address in employment contracts and policies
• Considerations for employers when communicating and monitoring the performance of employees

Source: Global Guide to Remote Working, DLA Piper
Pre-COVID, how were the majority of your workplaces designed?

- Majority traditional with dedicated seats (offices / cubicles / conference rooms) 57%
- Varied by location 26%
- Majority activity-based with free address (number of space types to work in) 17%

What is the future of seating assignments in your real estate portfolio?

- Mostly Assigned Environment 10%
- Partial Free Address (<25% unassigned) 13%
- Significantly Free Address (25-75% unassigned) 35%
- Mostly Free Address (>75% unassigned) 35%
In a future steady-state environment will the importance of your physical office change?

**Understanding the Role of the Office**

Dependence on the office as a place for individual work is evolving...

...but dependence on the office for groups to come together in pursuit of a common goal has never been more important.

**Why?**
- Community & Social Interaction (100%)
- Collaboration, Innovation, Productivity (100%)
- Reflection of Brand & Culture (100%)
- Engage & Attract Talent (87.5%)

**Why?**
- Reduced dependence on the office (98%)
- Investment required to support remote work (76%)
- More distributed workforce (63%)

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**Graph**

- Increase Significantly: 6% (Jun-20), 5% (Sep-20)
- Increase Slightly: 10% (Jun-20), 16% (Sep-20)
- No Change: 22% (Jun-20), 18% (Sep-20)
- Decrease Slightly: 41% (Jun-20), 49% (Sep-20)
- Decrease Significantly: 13% (Jun-20), 10% (Sep-20)
MEASURING THE VALUE OF THE OFFICE

Do you have a metric that you track to measure the impact of your workplace?

Measuring the impact of the workplace not only from a cost and efficiency perspective – but also from an employee and productivity perspective – will be important to strategically position the C-Suite discussion in the future.

- No, we do not measure workplace impact: 48.1%
- Yes, we measure workplace impact on employee engagement: 36.4%
- Yes, we measure workplace impact on cost management: 32.5%
- Yes, we measure workplace impact on productivity: 19.5%
**Workplace Flexibility**

**Assigned Seating**
- **Dedicated Seats**
  Work primarily from the office with minimal out of office mobility
- **Targeted Mobility**
  Hybrid dedicated and shared seats driven by work style and functional needs

**Unassigned Seating**
- **Hotdesking**
  Majority of seats are unassigned and reserved in advance or upon arrival
- **Activity-Based Work**
  Shared Departmental ‘neighborhoods’ with more variety in work setting choices

**Work from Home**
- Individuals work primarily from the home and occasionally come to the office
The Evolving Workplace

**Activity-Based Work**
- 50% ME
- 25% WE
- 10% SUPPORT
- 10% AMENITY

**Team-Based Work**
- 36% ME
- 36% WE
- 10% SUPPORT
- 18% AMENITY

**Event-Based Work**
- 25% ME
- 50% WE
- 10% SUPPORT
- 15% AMENITY
FOUR LIKELY BETS

More Enclosed and Modular Offices

Hotelification of the Office Experience

Increased Investment in Collaborative Technology

Sustained Reliance on Remote Work
PORTFOLIO OPTIMIZATION GROWING AS AN AREA OF FOCUS

Due to COVID, how are the following portfolio strategy decisions impacted?

<table>
<thead>
<tr>
<th>Decision</th>
<th>Pursuing aggressively</th>
<th>Business as usual</th>
<th>Paused</th>
<th>Canceled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contraction / consolidation / exit plans</td>
<td>60% +21%</td>
<td>33% +13%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Renegotiations</td>
<td>32% +2%</td>
<td>58% +6%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Renewals</td>
<td>4%</td>
<td>56%</td>
<td>37%</td>
<td>3%</td>
</tr>
<tr>
<td>Relocation Plans</td>
<td>9%</td>
<td>36%</td>
<td>52%</td>
<td>3%</td>
</tr>
<tr>
<td>Non-COVID-related Capex</td>
<td>3%</td>
<td>48%</td>
<td>45%</td>
<td>4%</td>
</tr>
<tr>
<td>Expansion Plans</td>
<td>3% 13%</td>
<td>74% +10%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Site Visits</td>
<td>1% 15%</td>
<td>63%</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>

Organizations are more resolved to pursue actions that will help them optimize their portfolios while remaining agile to adjust course in the future as employees gradually return to more normal ways of working.
SCENARIO PLANNING FOR THE FUTURE

What future portfolio strategies are under consideration?

Planning for uncertainty and flexibility is at the forefront of future portfolio planning activities.

- Analyze remote work portfolio scenarios: 63% (Jun-20) 68% (Sep-20)
- Consolidation strategies: 45% (Jun-20) 61% (Sep-20)
- More use of flexible office space: 33% (Jun-20) 56% (Sep-20)
- Review geographical mix: 30% (Jun-20) 41% (Sep-20)
- Hub & Spoke Model: 25% (Jun-20) 34% (Sep-20)
- Financial "Amnesty" programs: 10% (Jun-20) 10% (Sep-20)
- Dispersion from high-density urban cores: 3% (Jun-20) 8% (Sep-20)
COVID HAS ACCELERATED DOMINANT PRE-COVID TRENDS

How do you expect your corporation’s real estate portfolio to change over the next 3-5 years?

Real estate efficiency has been a focus among occupiers over the last decade and clearly remains one in the future.
What role do you believe flexible office space (coworking, serviced office, suites etc.) will play in your long-term real estate strategy?

Flexible office space is proving to be resilient as occupiers consider it to create new strategies that require a more iterative approach.

Evolving Occupier Uses for Flex…
1. Network of locations for mobile workforce
2. Enter new markets
3. Short-term space solution
4. Reduce capital expenditures
5. Test alternate occupancy models

…and Demands of Flex
1. Health & safety
2. Privacy & security
3. Cost
4. Reputation of provider
5. Scale of network
<table>
<thead>
<tr>
<th>Building Attribute</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible office space options</td>
<td>82.0%</td>
</tr>
<tr>
<td>Shared meeting space</td>
<td>74.0%</td>
</tr>
<tr>
<td>Indoor air quality</td>
<td>68.0%</td>
</tr>
<tr>
<td>Connected technologies / Building apps</td>
<td>62.0%</td>
</tr>
<tr>
<td>Sustainable building design</td>
<td>52.0%</td>
</tr>
<tr>
<td>Touchless technologies</td>
<td>51.0%</td>
</tr>
<tr>
<td>Onsite café food and beverage</td>
<td>48.0%</td>
</tr>
<tr>
<td>Public transportation access</td>
<td>33.0%</td>
</tr>
<tr>
<td>Outdoor amenities</td>
<td>27.0%</td>
</tr>
<tr>
<td>Fitness facilities</td>
<td>22.0%</td>
</tr>
<tr>
<td>Concierge services</td>
<td>18.0%</td>
</tr>
<tr>
<td>PORTFOLIO OPTIMIZATION ISSUES</td>
<td></td>
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<tr>
<td>-------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Lease Accounting Changes</strong></td>
<td></td>
</tr>
<tr>
<td>• Right of use impairments</td>
<td></td>
</tr>
<tr>
<td>• Alignment with C-Suite, Business Units and Finance</td>
<td></td>
</tr>
<tr>
<td><strong>Risk Exposure</strong></td>
<td></td>
</tr>
<tr>
<td>• Targeting smaller, suburban locations</td>
<td></td>
</tr>
<tr>
<td>• Less costly and disruptive to temporarily close several small locations</td>
<td></td>
</tr>
<tr>
<td><strong>Geographical Mix of the Portfolio</strong></td>
<td></td>
</tr>
<tr>
<td>• Work from anywhere considerations in play</td>
<td></td>
</tr>
<tr>
<td>• Considering skilled talent in less costly, smaller markets</td>
<td></td>
</tr>
<tr>
<td><strong>Planning vs. Implementation</strong></td>
<td></td>
</tr>
<tr>
<td>• Continued uncertainty about the future</td>
<td></td>
</tr>
<tr>
<td>• Exit leases, excess space on the sublease market and/or try to buy out of leases</td>
<td></td>
</tr>
</tbody>
</table>
KEY FINDINGS

**Occupiers aspire to provide office access.** 67% globally anticipate all employees to have access to the office by mid-2021 – this sentiment is very dependent on virus transmission and health considerations as the re-entry date nears.

**Occupiers and employees expect an office option.** 81% of respondents expect at least half of their workforce to be “office-based” in the future – 73% support these “office-based” employees in balancing their time between the office, home and “third places.”

**Transformation towards collaborative design will accelerate.** As the role of the office evolves to favor teamwork over individual work, design will likely follow suit – 70% are planning to operate in a significantly “free address” environment to support a more mobile workforce.

**Focus on optimization has intensified.** 60% are aggressively pursuing consolidation strategies and 70% have expansion plans on hold as optimizing existing portfolios is a focus in light of uncertainty. Urban core remains important while hub and spoke strategies vary by market and sector.

**Flexible solutions are attracting greater interest.** 56% are considering more use of flexible office space as it offers unprecedented alternatives to plan for uncertainty – 82% indicate it is a desired attribute as they select buildings to lease in the future.
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