



#WFH
2020/21

*Why Workers will
Return to Offices*



WORKING IN 2020

The Honeymoon Period

In March 2020, office workers participated in an involuntary global experiment, being confined to their kitchens, bedrooms and living rooms.

- The initial feeling is best described as a "honeymoon", a period where workers enjoyed the novelty of working from home.

● *"The virus became a catalyst pushing people into different work environments and at the same time [into] experimental management."*

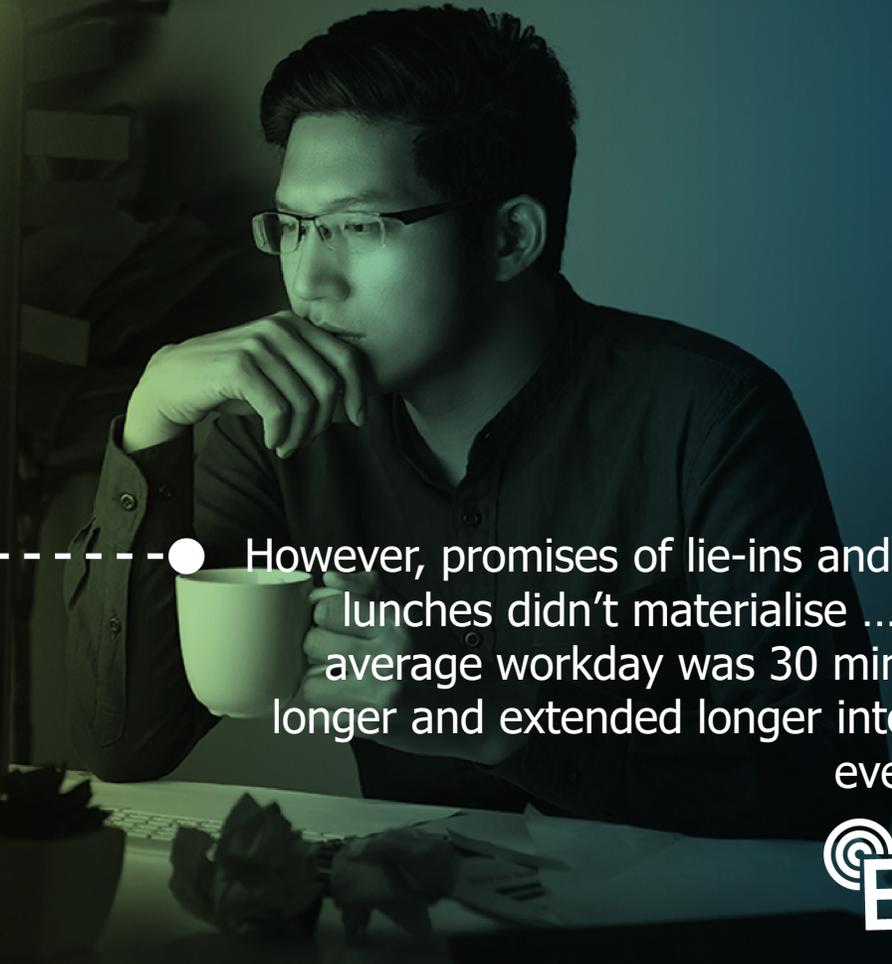
Source: Cushman Wakefield, Focus Group Participant

WORKING IN 2020

The Honeymoon Period



Workers enjoyed the extra time from not commuting and more family time.



- However, promises of lie-ins and long lunches didn't materialisethe average workday was 30 minutes longer and extended longer into the evening

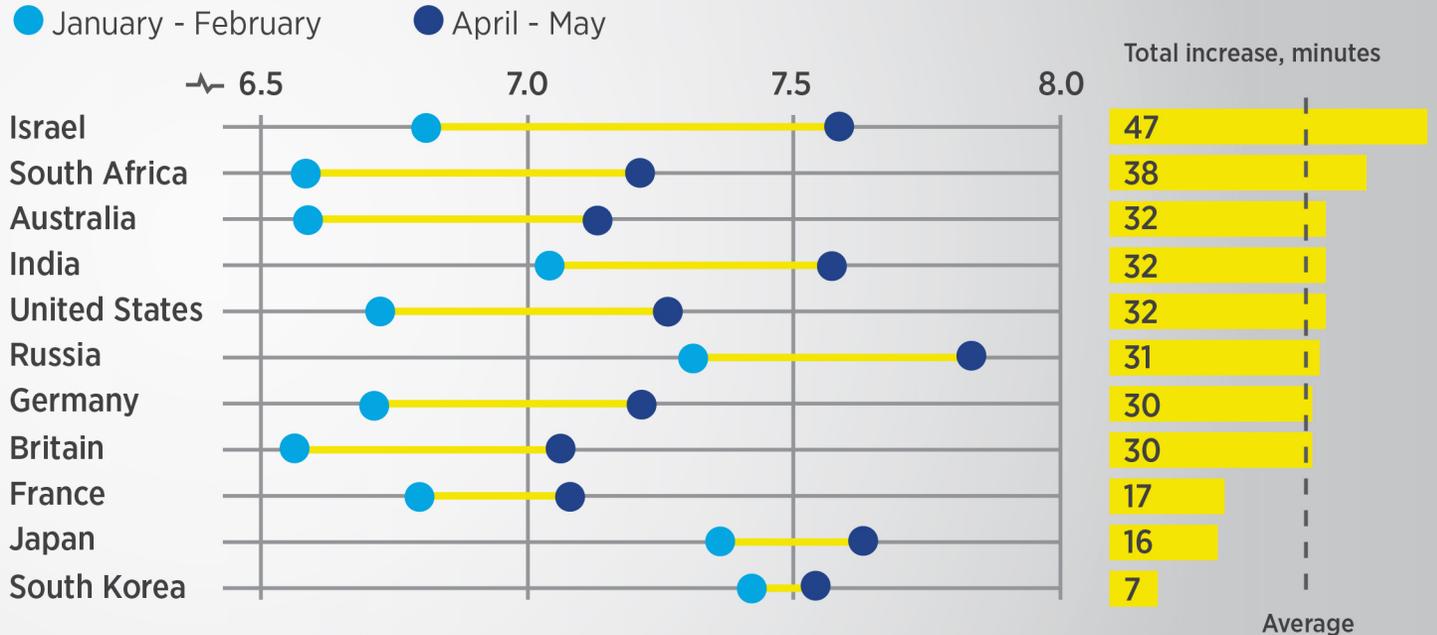
44%

OF PEOPLE ARE

spending less time
on personal pursuits

WORKING NINE TO SIX

Average daily working hours, 2020, selected countries*



Source: Atlassian

*Survey of 65 countries

A woman with curly hair is talking on a mobile phone, looking thoughtful.

50%

miss the energy they got from working with others in the office.

Source: Atlassian (Reworking work)

A man with glasses is looking down, appearing stressed or thoughtful.

37%

Feel lost without their regular routines (getting ready for work, commuting etc).

Source: Atlassian (Reworking work)

A woman wearing glasses is sitting at a desk with a laptop, holding a baby who is drinking from a bottle.

54%

say its more difficult to maintain boundaries between work & personal life.

Source: Atlassian (Reworking work)

A woman is sitting on a couch, looking upwards with a thoughtful expression.

"It's just not sustainable at the levels people have been at to remain productive: it's going to be at a cost to them [office workers] personally."

Source: Cushman Wakefield, Focus Group Participant

WHAT WE REALISED ABOUT THE OFFICE...

Companies have traditionally chosen to rent office space to facilitate a culture and common purpose through focused work, collaboration, socialization and learning. Whilst focused work and collaboration has continued in a WFH environment, the socialization aspect has taken a huge hit, the effects of which can be seen on employee mental wellbeing and productivity. Research has shown social networks formed within an organization bring together people from different backgrounds, leading to diverse viewpoints and better solutions. This is a critical aspect of work that cannot be replaced by digital tools.



“For fast growing companies, they need to keep accessing fresh talent. It's almost impossible to do it remotely. They're going to be the first ones to go back to the office.”

Source: Cushman Wakefield, Focus Group Participant

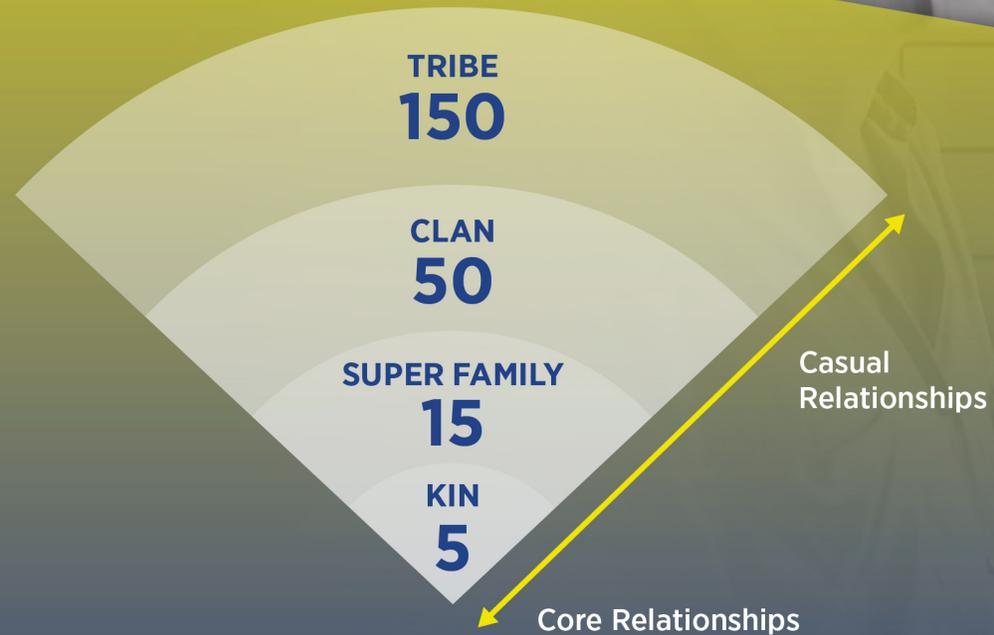
WHAT WE REALISED ABOUT THE OFFICE...

The pandemic has made the value of socialization extremely clear to most workers. Whether it's those casual kitchen conversations or drinks after work, these encounters foster relationships required to innovate and solve problems, relationships that cannot be formed over video calls. Put simply, in-office workers are more likely to innovate and create.

40% feel the quality of their social interactions has worsened since working remotely.

Source: Atlassian (Reworking work)

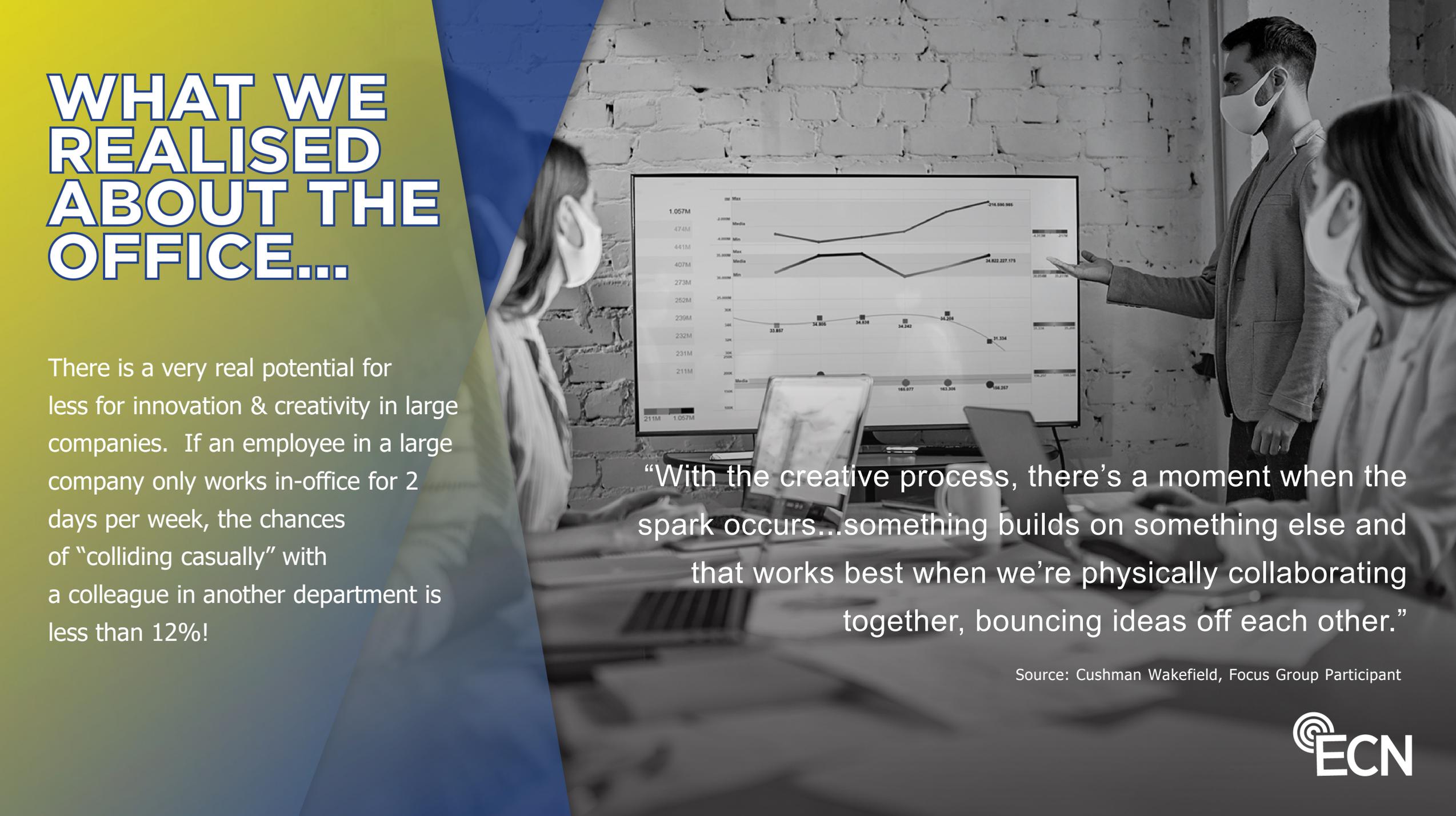
WHAT WE REALISED ABOUT THE OFFICE...



Humans are herd animals so unsurprisingly office colleagues comprise a significant portion of an individual's real-world social network. Prior to the pandemic, ECN identified almost half of a person's "super family" (primary social circle) were work colleagues.

WHAT WE REALISED ABOUT THE OFFICE...

There is a very real potential for less for innovation & creativity in large companies. If an employee in a large company only works in-office for 2 days per week, the chances of “colliding casually” with a colleague in another department is less than 12%!



“With the creative process, there’s a moment when the spark occurs...something builds on something else and that works best when we’re physically collaborating together, bouncing ideas off each other.”

Source: Cushman Wakefield, Focus Group Participant

WFH OUT OF SIGHT, OUT OF MIND?

“For fast growing companies, they need to keep accessing fresh talent. It's almost impossible to do it remotely. They're going to be the first ones to go back to the office.”

Source: Cushman Wakefield, Focus Group Participant

As 2021 dawned, McKinsey predicted there will be no growth in purely remote working (11%).

Whilst the future workplace model will be a hybrid one, there is a valid concern that the nature of remote working will have a disproportionately negative impact on younger or newer office professionals.

The danger is that “remote preferred” workers will worry about being separated from those choosing to work in the office, effectively “socially distancing” themselves from the remainder of the company. Interestingly, 50% of “remote preferred” workers indicate they would change their mind about going back to the office if their team had already returned to the office.

WFH OUT OF SIGHT, OUT OF MIND?

The FOMO factor. Workers will potentially worry that their colleagues in the office are having a better experience and that they - remote workers - are “missing things and their career is suffering because of it.

While many surveys indicate employees want to work remotely up to 50% of the time, this sentiment will change rapidly when more people do end up back in the office. There is most likely to be a distinct Fear Of Missing Out (FOMO) on future career opportunities, pay rises, mentoring, and education, and most importantly work relationships.

“I am concerned about the ability to get promotions if I were to become a remote worker... since I wouldn't have regular face to face contact with the people who make human capital decisions.”

USA Office worker

#FOMO
FEAR OF MISSING OUT

WILL PEOPLE RETURN TO THE OFFICE?

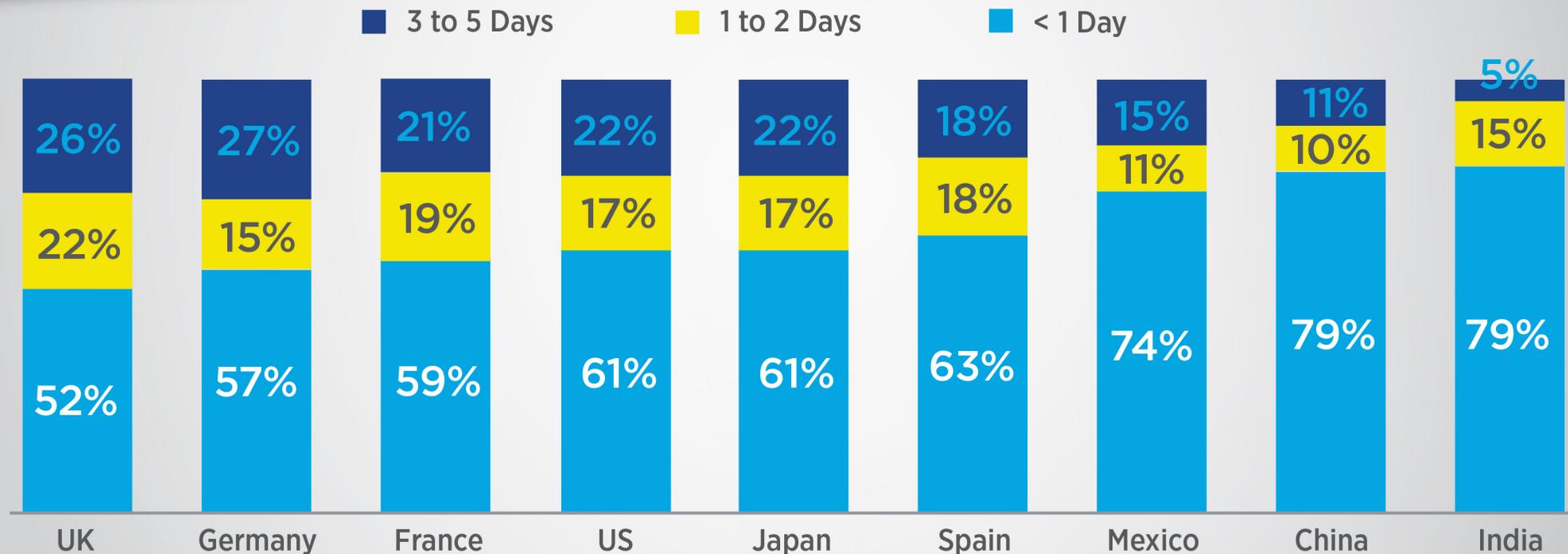
It is clear workers miss the camaraderie, so offices will continue to thrive in a post pandemic world.

According to various global surveys, the work future will be a combination of office and remote working – a hybrid model. By 2022, McKinsey estimates 20% of employees will be “flexing” 2 days per week, and also predict 75% of 800+ occupations will lose productivity if they were not in the office at least 3 days per week.

In China and Korea, businesses were back in the office at pre-pandemic levels by October 2020.



WORKFORCE WITH REMOTE WORK POTENTIAL BY NUMBER OF DAYS PER WEEK, % OF 2018 WORKFORCE⁴



Source: McKinsey Global Institute analysis.

*Number of days per week of potential remote work without productivity loss (effective potential). The effective potential includes only those activities that can be done remotely without losing effectiveness. Model based on more than 2,000 activities across more than 800 occupations.

WORKING IN 2020

When will it end???

As the long cold Winter approached, the novelty of working from home receded. The daily commute from the bedroom to the kitchen/living room was no longer enjoyable.

- Without the natural dynamism of an office, de-motivation became real. People struggled to find a quiet place to work and felt isolated.

- WFH started to have a negative impact on their wellbeing as isolation and the ongoing challenge to separate work and personal lives, began to take its toll.

WORKING IN 2020

When will it end???

The requirement for "another video session" became a burden people began to miss the routine of work.

- People spent more time in their personal space but less time on personal pursuits – certainly less than when they were in an office.

- Not surprisingly, the media began to report stories of WFH fatigue....

FROM A
workplace

TO A
workspace

The future of the workspace is hybrid, a mix of mainly in-office and remote work. If you think of a workspace like a bundle of different “space applications” (like different channels on a cable network), different companies will require a tailored workspace experience – whether it be space solutions for focused work, meetings, working lunches, team collaboration, creative areas and ops/tech support. The requirement for companies to have a physical office will always remain, they will simply re-assess how they use the space.

THE bottom line?

1. A hybrid model of in-office and remote work will ensure productivity gains are maximised whilst also nurturing company culture/purpose.
2. People will return to the office driven by a need for social interaction. Younger and newer workers will suffer the most if they decide to “socially distance” themselves from their work colleagues
3. FOMO will play a major role in the return to the office, particularly once a threshold of 50% returning to the office is crossed
4. Industries and occupations which rely on higher levels of creativity and innovation will suffer the highest productivity reductions in a remote working environment
5. There is unlikely to be an immediate impact on leasing whilst companies take time to re-assess their space needs