



In preparation for the 'next normal,' resilient leaders¹ are considering near- and long-term implications for workplace and portfolio strategy

When it comes to both workplace and portfolio strategy, COVID-19 has created new answers to old questions. As enterprises consider the 'next normal,' real estate supply and demand drivers should be revisited.

How can organizations manage portfolio decisions in the short-term without knowing the long-term impacts caused by COVID-19?

Revisiting demand assumptions including updating utilization targets, in light of more mobile ways of working, can help identify sites with excess capacity. Identifying the subset of those sites with near-term lease activity can provide real estate leaders a short-term set of portfolio priorities from which to start a longer-term plan.

Some additional portfolio supply activities real estate leaders should evaluate include:

- Analyzing costs and benefits between continuing to operate space that is under-utilized versus mothballing space to manage costs
- Considering the opportunity cost of near-term capital investments aligned with the longer-term unknowns for space utilization and user-preferences
- Understanding the global and local COVID-19 related guidelines and regulations and their impact on real estate footprint
- Developing risk mitigation plans by region

How have changing external factors impacted the ability to develop longer-term portfolio planning scenarios?

Changing factors, including the preference for less dense work environments, more openness to 'Work from Anywhere' programs, and the shift to purpose-driven, in-office workplace collaboration, will likely significantly impact portfolio planning scenarios in the years ahead.

Scenario planning efforts in the COVID-19 era should consider factors beyond traditional workstyle and seat sharing analyses. Some additional planning factors may include:

- Incorporating updated health and safety practices (for example, updated elevator capacity) and their impact on occupier autonomy for existing and new leases in multi-tenant buildings
- Considering the combined impact of increased WFH, physical distancing practices, and lower occupancy targets on an organization's individual sites and overall portfolio
- Providing for increased flexibility as operational shifts in an organization's business continue to evolve following the pandemic
- Analyzing the shifting preferences for suburban versus urban location strategies due to ongoing mass transit health-safety concerns





What near-term changes are necessary to allow for workplace reopening?

Assessing existing workplace, workforce, and digital capabilities in light of newly released OSHA² and CDC³ guidelines can help organizations focus on the near-term priorities required for safer re-opening.

Short-term strategies, including the following, are critical to support a safer re-opening in the near term:

- Managing traffic flow into and out of spaces via tactics, including staggered arrivals and departures, as well as uni-directional transit paths, to minimize cross-contamination
- Investing in appropriate physical barriers to keep employees safe, while still maximizing exposure to natural light
- Upgrading cleaning and sanitization processes and cadence to confirm workplaces maintain a set level of cleanliness
- Providing required PPE in order to keep employees safe as they perform their work⁴

What longer-term updates are necessary for an enterprise workplace strategy?

Contemplating new answers to old questions, organizations should consider opportunities to disrupt familiar norms of corporate real estate.

Organizations can disrupt their traditional approaches to workplace strategy by considering the following:

- Maintaining an effective balance between 'work from anywhere' and work from the office
- Identifying the type of work being performed and the type and size of space necessary to accommodate that work in the 'next normal'
- Incorporating shift-work and workforce flexibility programs to maintain operational efficiency while providing more flexibility to employees at risk for or impacted by COVID-19
- Implementing infrastructure changes and upgrades necessary to enable those who will continue to work from home
- Considering a shift in focus for employee experience measurement (likely higher focus on safety and long-term job security)

What role can data and analytics play in the near-term to help inform decision-making?

Balancing qualitative and quantitative data can help organizations revisit their portfolio strategy while continuing to prioritize employee safety.

Organizations focused on gathering the most relevant data to drive decision making for their portfolio should consider the following:

- Assessing existing digital workplace infrastructure and near- and long-term targets
- Identifying near-term updates necessary to gather relevant utilization data
- Implementing smart-building enabling technologies (for example, sensors) to gather real-time space utilization data, to identify priority spaces for cleaning and sanitization, and to enable contact tracing if infections are identified
- Balancing qualitative (employee opinions and observations) and quantitative (gathered via sensor or other digital means) data in determining strategy
- Revisiting and finalizing new relevant metrics

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²<https://www.osha.gov/Publications/OSHA3990.pdf>

³<https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html>

⁴<https://www.osha.gov/Publications/OSHA3990.pdf>, p.15