



How Corporate Real Estate is Responding to the COVID-19 Coronavirus Challenge:

Key Findings from a Worldwide Member Survey

30 March 2020

Executive Summary

From 25-27 March, CoreNet Global conducted a updated survey of its 11,000 members to gauge the evolving corporate real estate (CRE) response to the COVID-19 coronavirus challenge and to identify practical steps members can take to support their companies' effort to ensure employee safety and business continuity. Separate surveys were sent to end user members (111 responses) and service provider members (134 responses).

The survey was an update to previous surveys sent to the worldwide membership from 4-6 March and 17-19 March. Reflected in the most recent survey findings are intensified efforts to respond to COVID-19 and to respond to widespread government mandates to shelter at home (e.g., and to work from home).

The biggest changes found in the latest survey of end users include:

- Ninety-four percent of end users surveyed think that expanded use of virtual meetings (e.g., vs. face-to-face meetings) will last beyond the current crisis (vs. 78 percent in the previous survey)
- Eighty-nine percent think that expanded use of remote working will last beyond the current crisis (vs. 72 percent in the previous survey)
- Seventy-two percent have shut down one or more facilities, compared to 55 percent previously
- Sixty percent have reduced hours of operation at one or more facilities, up from 39 percent
- Sixty percent have established more stringent security (e.g., building entry) procedures for visitors, such as health screenings (up from 45 percent)
- Sixty-seven percent of respondents say that real estate projects have been put on hold
- A slight majority (51 percent) say that their company's real estate footprint will shrink as a result of increased work from home

When asked "How has your response to the coronavirus changed in the past 10 days?" specific observations included:

- It has intensified
- Went from partial to complete closure of our offices
- Facing lockdown challenges, which is new to us
- De-commissioning facilities due to non-use

- Mandatory work from home policy
- Adding temperature checks for employees entering our HQ campus
- Closing offices and seeking rental reductions from landlords
- Focused now on cash-flow preservation; canceling projects; looking for savings everywhere

Ninety-seven percent of respondents are supporting a corporate mandate for expanded remote working, unchanged from the previous survey.

Among end users, expanded use of virtual meetings vs. face-to-face meetings was the most frequent responses, cited by 99 percent of respondents. Following were expanded use of remote working (97 percent), implementing travel restrictions (95 percent), postponing or canceling business meetings (91 percent), increasing access to hand sanitizers and enhancing building cleaning, janitorial and sanitation efforts (each 89 percent), and avoiding direct contact in the workplace (84 percent).

Fifty-six percent of respondents reported that their companies have assisted local, state or federal governments with their response to COVID-19.

Service providers were asked to report on actions taken to support their clients' response. Some 93 percent have expanded use of virtual meetings vs. face-to-face meetings, followed by supporting the mandate for expanded remote working (84 percent), implementing travel restrictions and encouraging employees to avoid direct contact, such as handshakes (each 81 percent), encouraging employees to avoid public transit and public places (75 percent), postponing or canceling business meetings (72 percent), increasing access to hand sanitizers (65 percent) and encouraging social distance in the workplace (63 percent).

As revealed in the survey, the biggest current challenges in addressing the COVID-19 coronavirus include, among others:

- Being able to move on a dime to create social distancing for call center operations
- Maintaining morale and culture
- Handling mail and packages when no one is in the office
- Opportunistic landlords not offering flexibility despite the circumstances
- Dealing with the sheer volume of requests
- Staff not wanting to close offices, or wanting to go into offices despite government orders not to
- This has happened in the middle of our move of 1,800 people into our new headquarters
- All current transactions and projects are on hold

When asked "What are the biggest challenges you are experiencing in implementing remote work or expanding remote work?" survey respondents reported the following, among others:

- Shifting to a virtual culture
- Lack of personal interaction
- Inadequate bandwidth and slow connectivity in many instances; sound quality on calls often compromised
- Many associates completely unfamiliar with remote working tools

- Procuring and deploying a large amount of equipment in a short time to support remote working
- Lack of some resources such as printers and additional monitors

Survey respondents' short-term economic outlook is less bullish than their longer-term outlook. When asked "Are you more or less optimistic about the economic future over the next three months?" the average rating (on a 1-5 scale, with 1 = low and 5 = high) was 2.3. When that time frame is expanded to six months, the rating jumped to 3.0. (These ratings were identical for both end users and service providers.)

Ten percent of end user respondents reported that their companies had experienced layoffs due to COVID-19, and a nearly identical percentage (11 percent) reported unpaid furloughs at their companies.

Within the CRE organization, the effect was somewhat lesser, with just 3 percent reporting layoffs on the CRE team, and 5 percent reporting unpaid furloughs on the CRE team.

Among service providers, 9 percent reported that their company has experienced layoffs due to COVID-19, and 10 percent reported unpaid furloughs.

But while only 20 percent of end user respondents stated that they are concerned about their jobs, almost half (49 percent) of service provider respondents reported that they are concerned about their jobs.

About CoreNet Global

CoreNet Global is the world's leading professional association for corporate real estate (CRE) and workplace executives, service providers, and economic developers. CoreNet Global's more than 11,000 members, who include 70% of the top 100 U.S. companies and nearly half of the Global 2000, meet locally, globally and virtually to develop networks, share knowledge, learn and thrive professionally. For more information, please visit www.corenetglobal.org or follow @CoreNetGlobal on Twitter.