



SAVILLS NORTH AMERICA

Technology Practice Group: COVID-19 Impacts and Sentiment Survey

October 2020

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Introduction



Survey Overview

In August and September 2020, the Savills Tech Practice group gathered survey responses from several hundred tech tenants to gauge the anticipated impacts of COVID-19 on their plans for office space both in the near term and in a post-vaccine world.

Unsurprisingly, uncertainty is the most prevailing theme among the responses, with regards to space needs, workplace designs, and their organizations' approaches towards flexible and remote work in the future.

While much remains to be seen based on the hopeful arrival of a vaccine, we are beginning to see several trends emerging:



EXPECTED DISPOSITIONS:

55% of respondents anticipate looking to dispose of at least some portion of their space in the next 12-18 months.



A RISE IN FLEXIBLE AND FULL-TIME REMOTE WORK:

59% of tenants responded that less than 10% of their workforce was full-time remote pre-COVID-19. When asked what share of their workforce they anticipate working remotely full-time in a post-pandemic world, only 16% of organizations expect less than 10% of their workforce being remote.



LACK OF CONSENSUS ON FUTURE OF WORKPLACE DENSITY:

While some organizations expect no change in density planning in a post-vaccine world, 34% answered that they will need more rentable square feet per seat going forward.

Introduction

Who Took The Survey

COMPANY LOCATION

92% headquartered in United States

Responses also included HQ's in:

Canada France
 United Kingdom Sweden



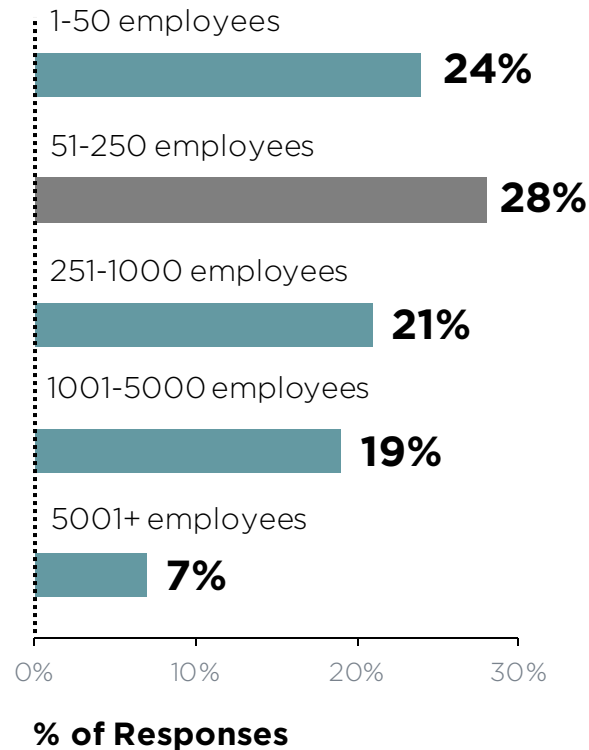
The San Francisco Bay Area was the most common HQ location

Top HQ Metro Areas	% of US Responses
New York, NY	19%
Silicon Valley / South Bay, CA	15%
San Francisco, CA	13%
Washington, DC	12%
Los Angeles, CA	12%

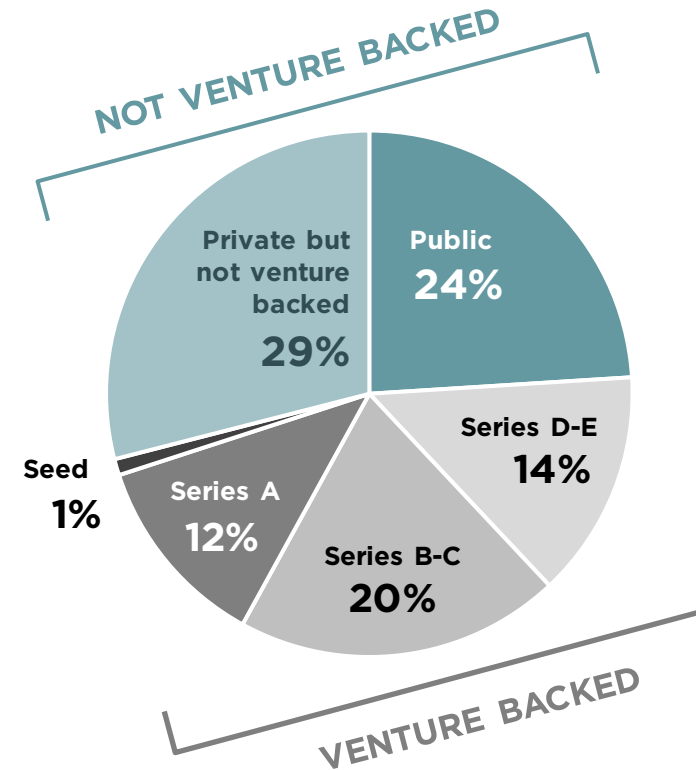
COMPANY SIZE/STAGE

Most common respondents were companies with 51-250 employees.

Global Headcount

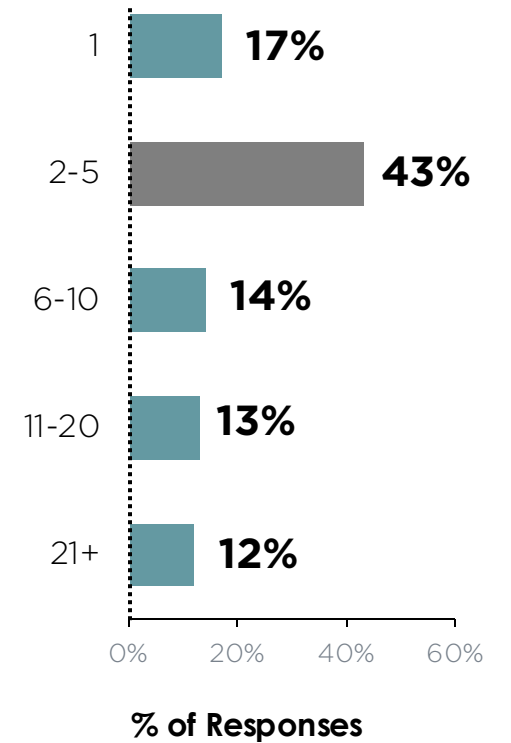


About half of respondents were venture backed companies.



43% of respondents have between 2-5 locations.

Global Offices



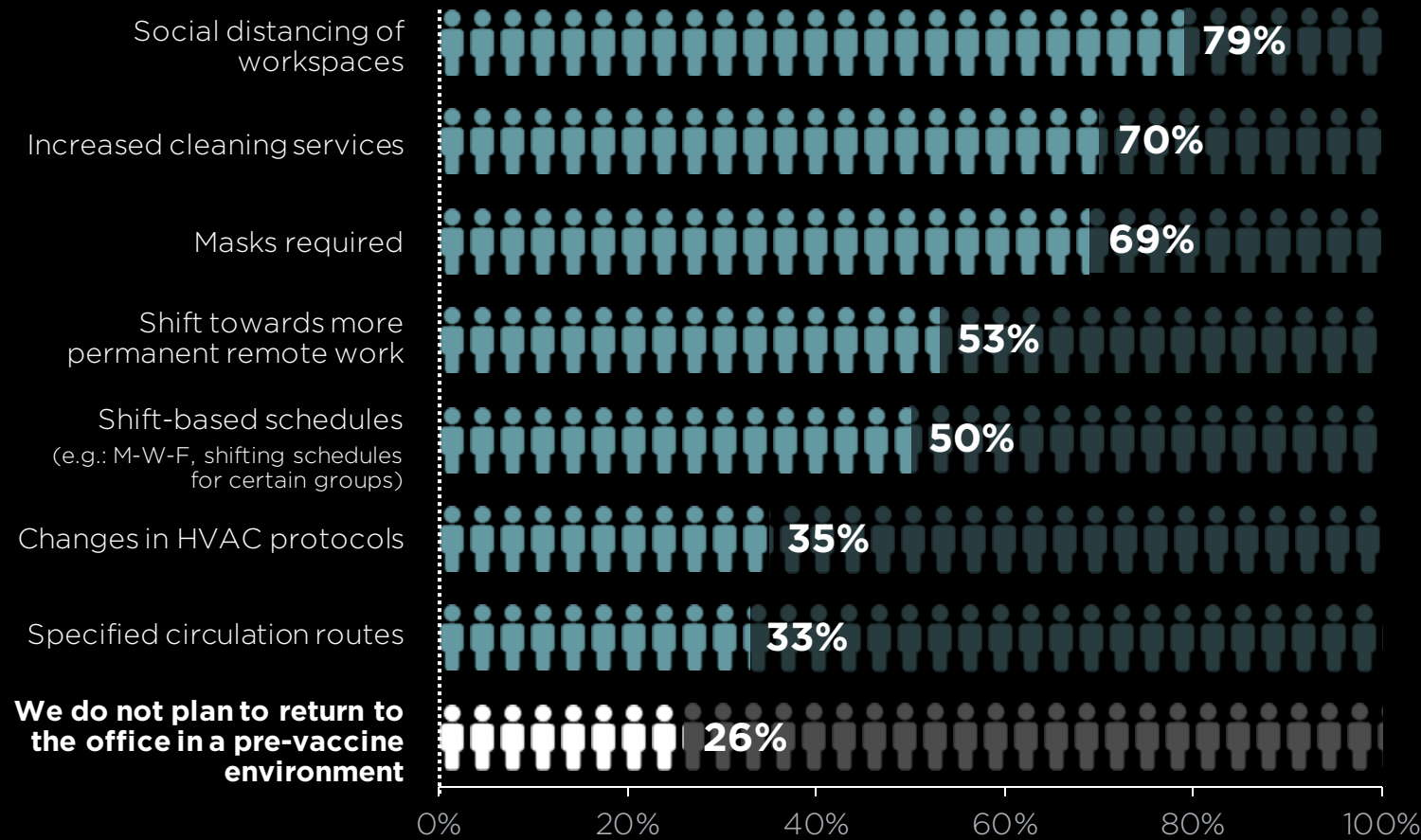
Survey Findings: COVID-19 Impacts

Safety Protocols

26% of organizations do not plan to return to the office in a pre-vaccine environment

Which of the following safety procedures do you anticipate establishing upon the return to the office in a pre-vaccine environment?

Respondents able to select multiple answers



When asked about a target return-to-office date, the most common answer was January 2021, at the earliest

“ Jan 1, 2021 AT THE EARLIEST likely to push out further
(Los Angeles, HQ, 251-1000 employees)

“ Currently, it’s targeted for January 2021, but may shift depending on infection rate.
(New York HQ, 251-1000 employees)

Many tech tenants are approaching office re-openings on a location-to-location basis...

“ [Return to office date] varies by location and local regulations
(Canadian HQ, 51-250 employees)

“ As a global company we are following WHO + the guidance of local authorities and local conditions to make decisions for our sites.
(French HQ, 5001+ employees)

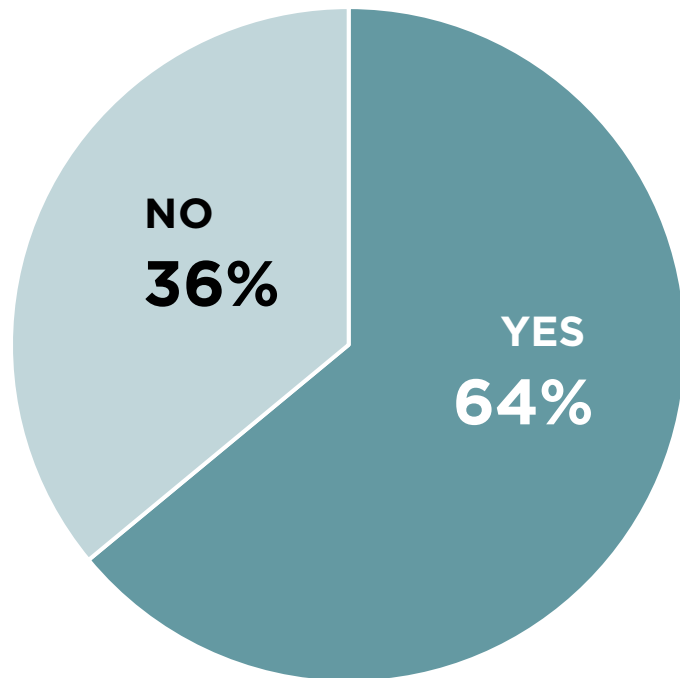
... while others are planning to work remotely until they guarantee the safety of their employees

“ Honestly, that majority of our decisions are still in flux. We love having office space to collaborate; however, our company has been operating wonderfully remote and feel it’s irresponsible to bring people back in given the nature of our work until risk is all but eliminated.
(Washington, DC HQ, 1-50 employees)

Headcount Growth

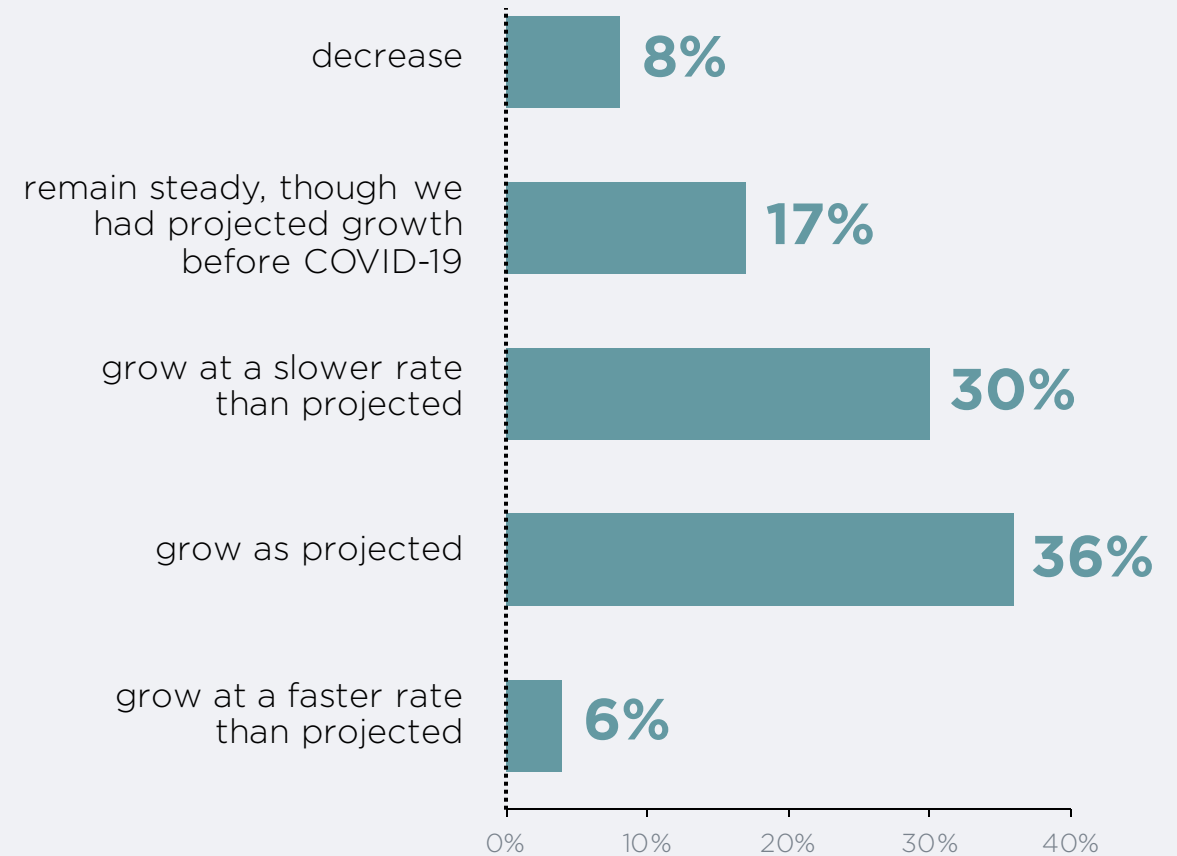
64% answered that **COVID-19** has impacted their headcount growth projections

Has COVID-19 impacted your headcount growth projections?



Which of the following best describes how COVID-19 has impacted your headcount growth projections, if at all?

HEADCOUNT WILL LIKELY...



Real Estate Needs



82%

of organizations anticipate needing less space than planned for the next 12-18 months,

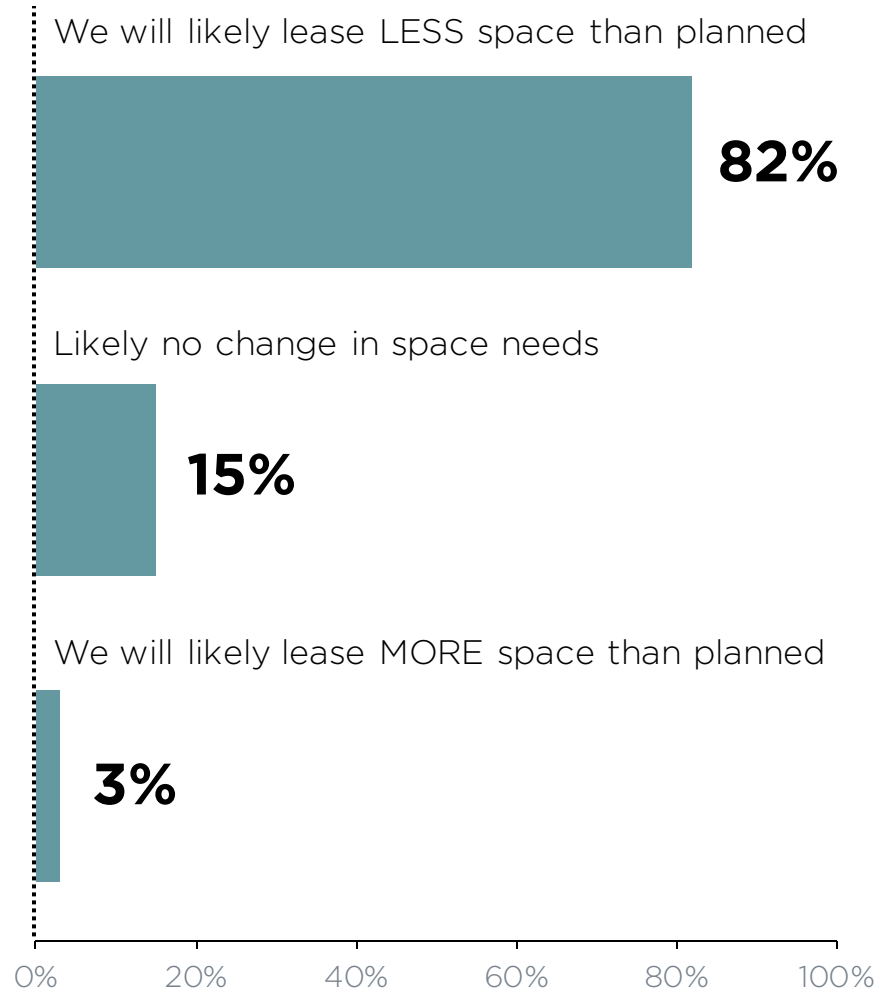
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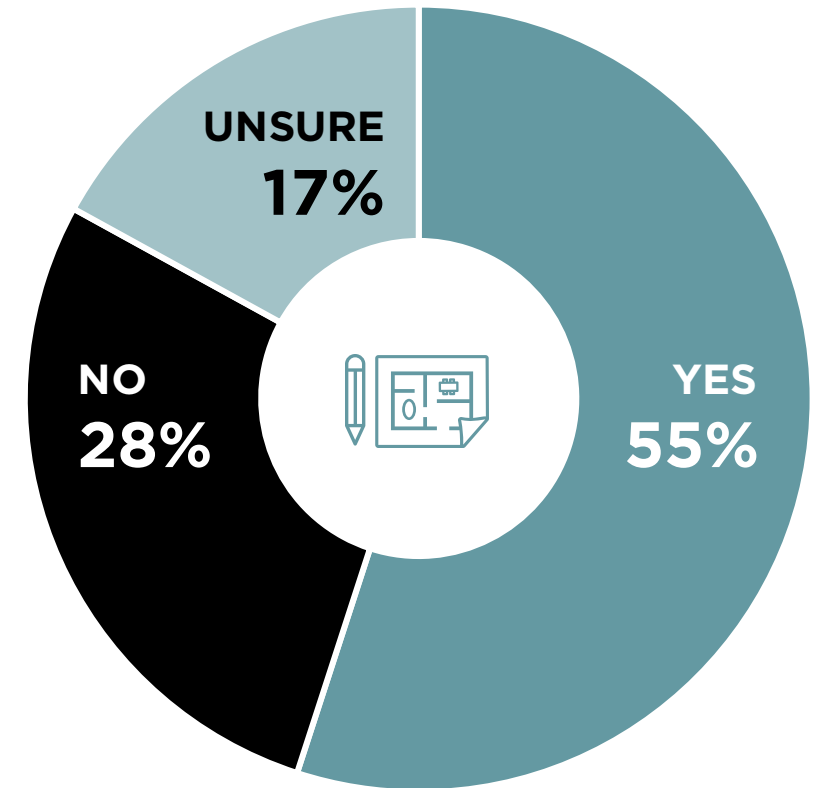
55%

anticipate looking to dispose of space in the next 12-18 months

Which of the following best describes the impact of COVID-19 on your office space needs in the next 12-18 months?



Do you anticipate looking to dispose of at least some portion of your existing space in the next 12-18 months?

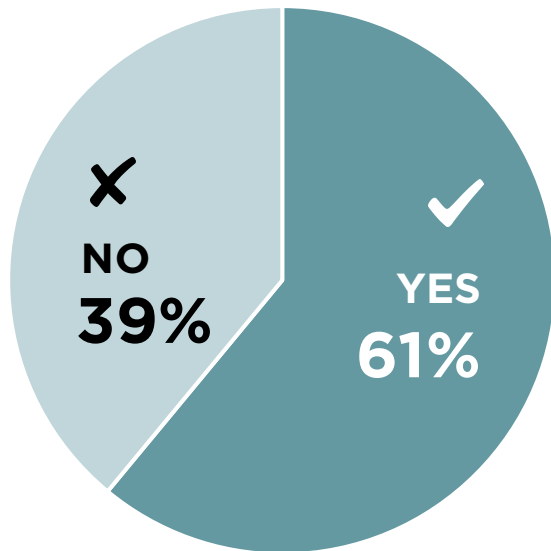


Real Estate Needs

62% of companies with a footprint in flexible office providers report that their approach towards flexible office space will not be impacted

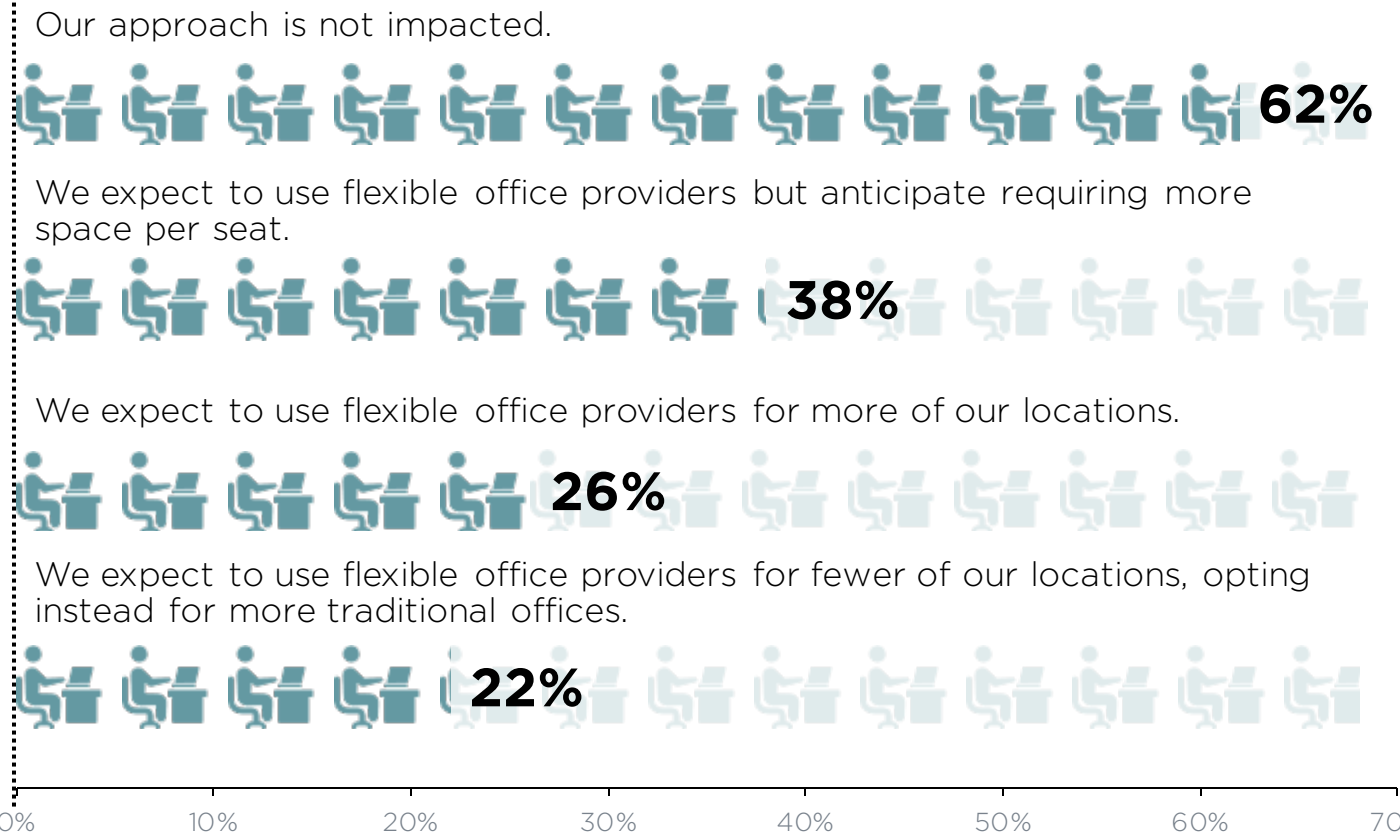
If your organization has multiple locations:

Do you have operations within flexible office providers (e.g.: WeWork, Knotel, Regus)?



Which of the following best describes how COVID-19 has impacted your approach to using flexible office in the future, if at all?

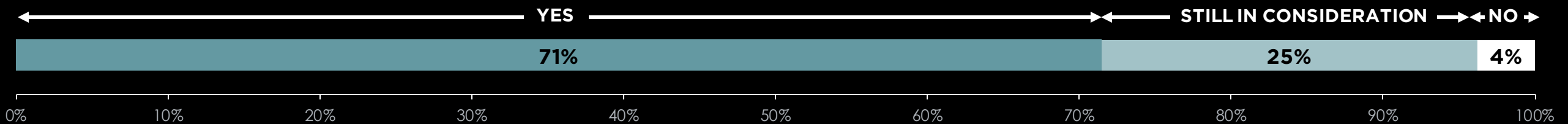
Respondents able to select multiple answers



Flexible and Remote Work

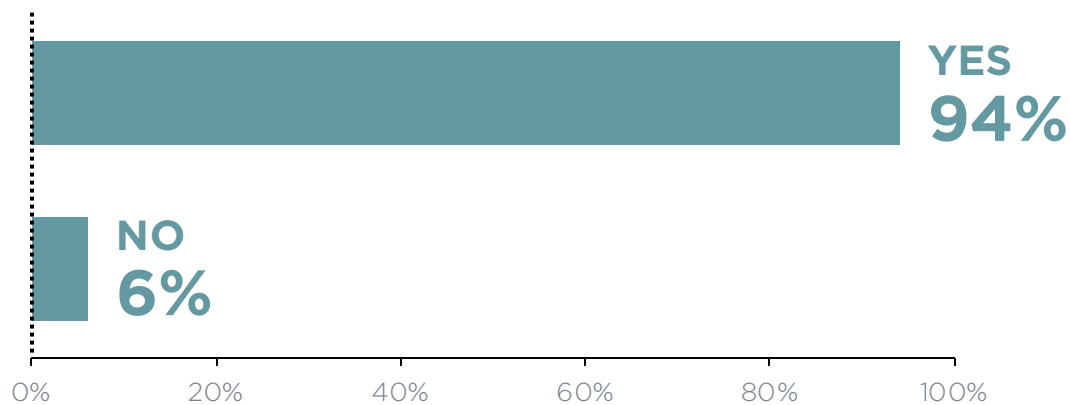
71% answered that COVID-19 has impacted their organization's approach towards flexible or remote work in the future

Has remote work during COVID-19 impacted your organization's approach towards flexible or remote work in the future?



FLEXIBLE WORK

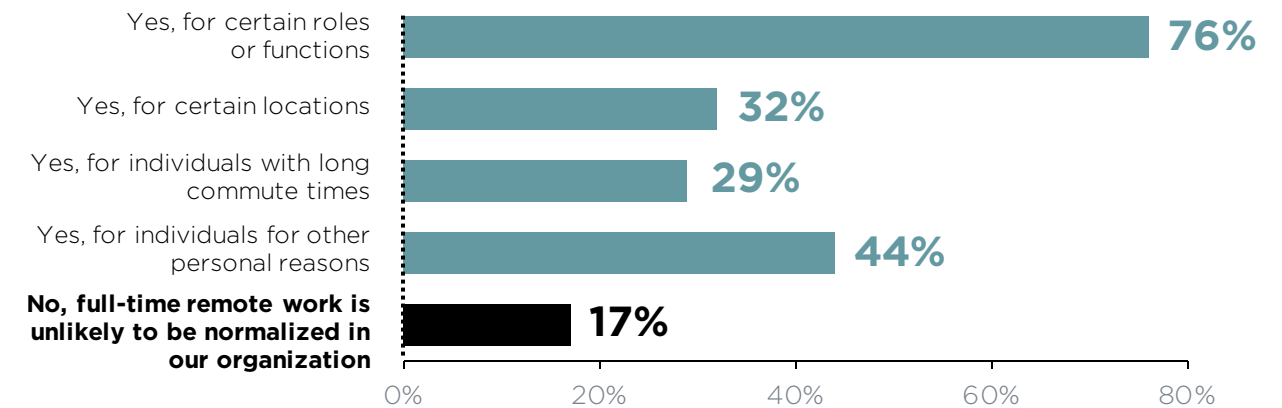
As a result of remote work during COVID-19, do you anticipate that working remotely part-time (e.g.: a few days per week) will be normalized in your organization in a post-vaccine environment?



REMOTE WORK

As a result of remote work during COVID-19, do you anticipate that working remotely full-time will be normalized in your organization?

Respondents able to select multiple answers

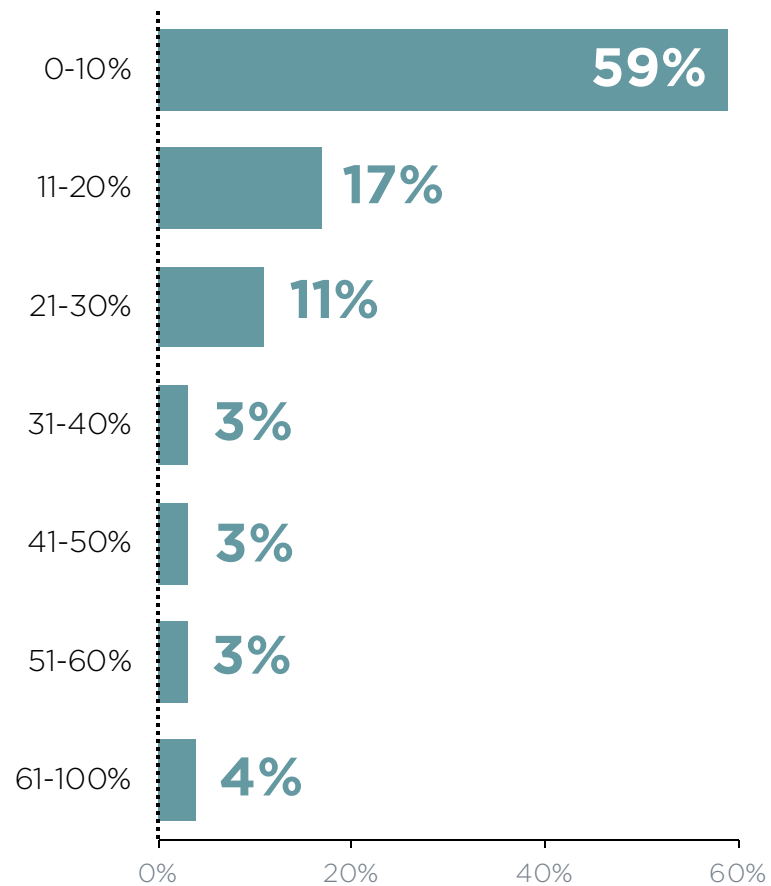


Flexible and Remote Work

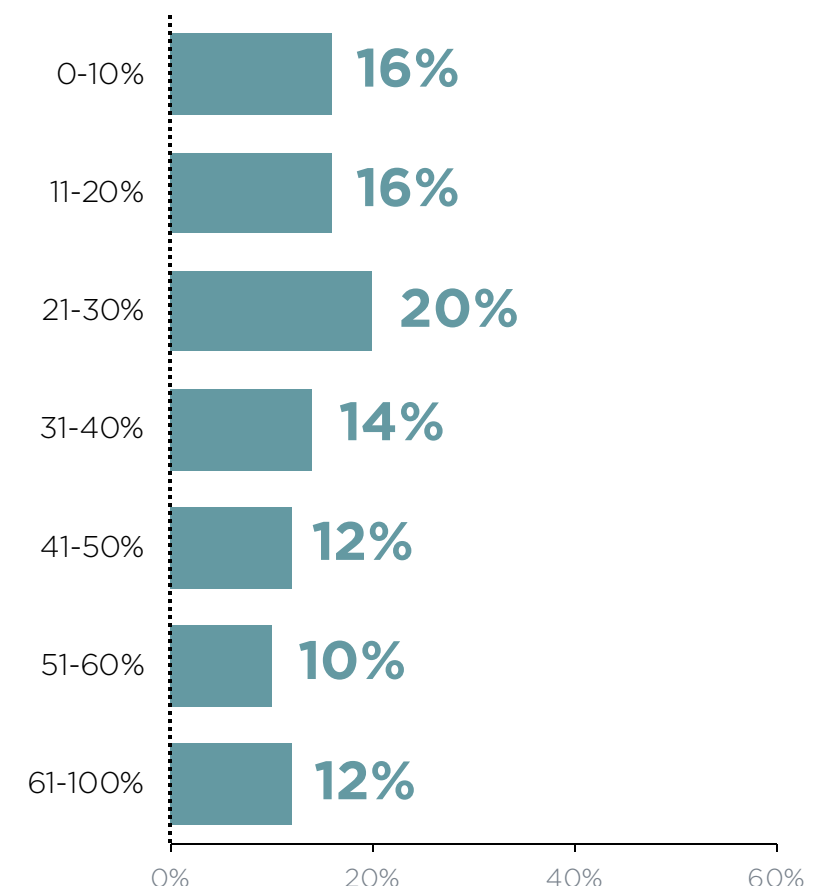


Organizations are expecting a greater share of their workforce to work remotely full-time in a post-vaccine environment.

Approximately what share of employees in your organization worked remotely full-time before COVID-19?



Approximately what share of employees in your organization do you think will work remotely full-time in a post-vaccine environment?



Workplace Design



34%

responded that their organization will require more RSF per seat,

AND

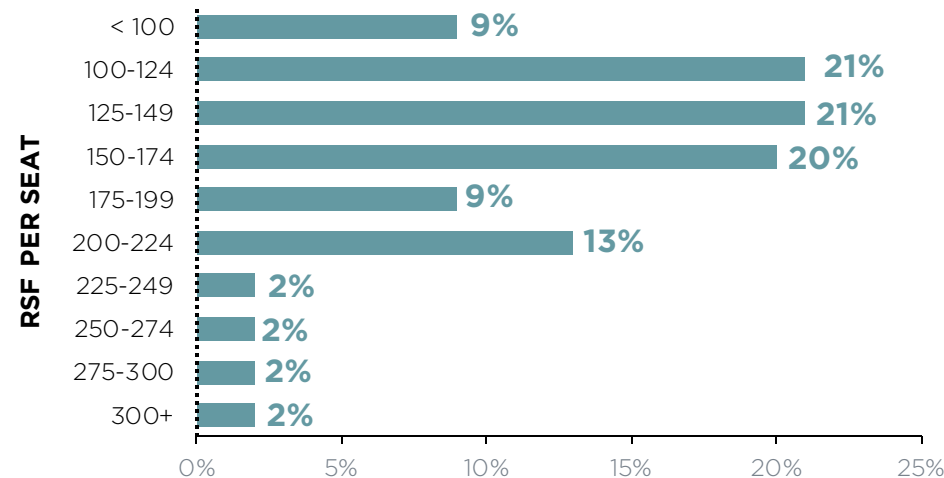


40%

have not yet decided on an updated density planning target

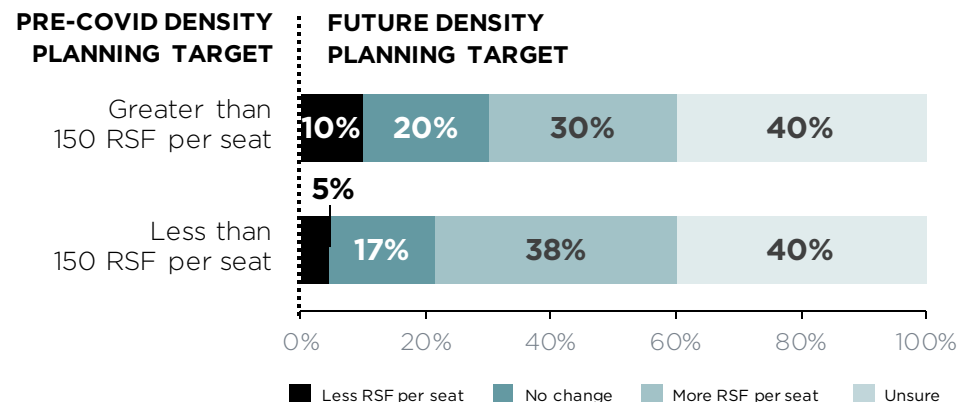
Before COVID-19, a majority of the tech organizations surveyed had a density planning target of less than 150 RSF per seat.

Before COVID-19, what was your organization's approximate density planning target (RSF per seat)?



Organizations whose pre-COVID-19 density planning targets were less than 150 RSF per seat were only slightly more likely to have updated their target to require more space per seat.

How has your organization's density planning target been impacted?



There appear to be two camps of tech tenants when it comes to imagining their organization's workplace of the future....

Some tenants are confident that workplace design will return to pre-COVID-19 density

“ As time goes on and the virus is contained (vaccine, etc.) we will likely revert back to the 150-175 sq ft per employee target
(Phoenix HQ, 51-250 employees)

Others believe that past space targets will no longer work in a post-pandemic world

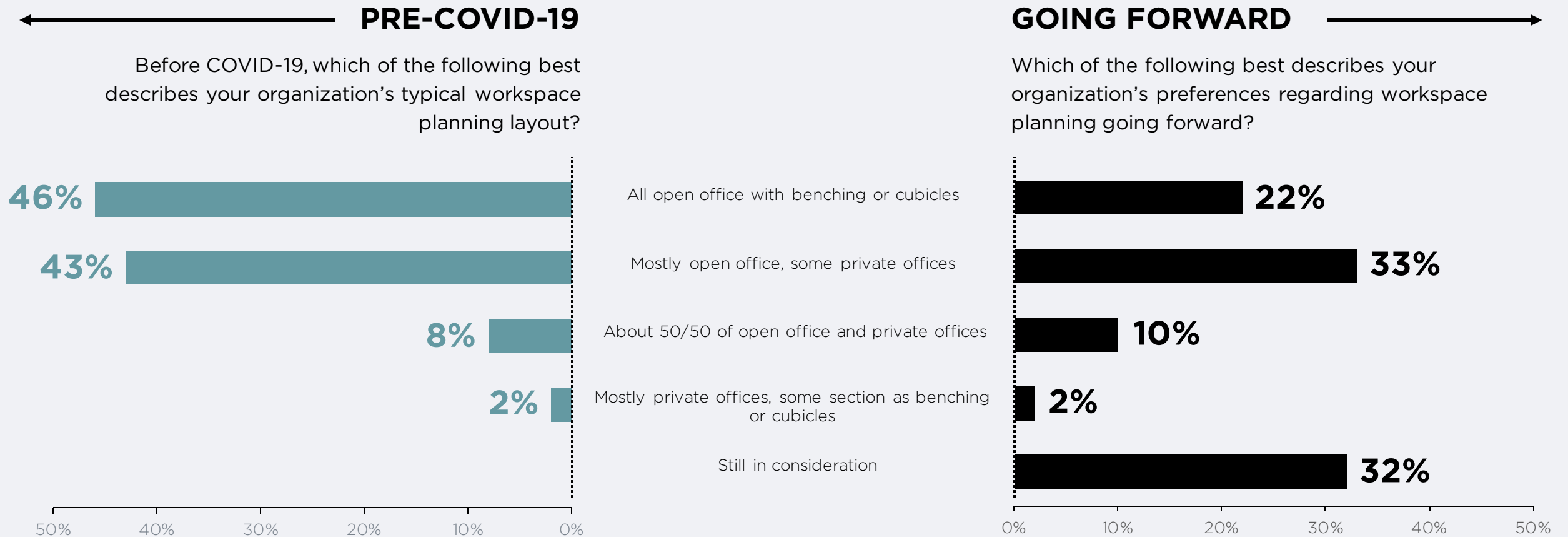
“ We know the popular densification model is a thing of the past & we will be expanding this for the next project.
(Washington, DC HQ, 51-250 employees)

Most respondents who elaborated on their workplace designs mentioned that flexible work will impact their workplace needs

“ We do expect to see a higher % of work from home, probably on a part-time basis ... So can envision where we utilize a hoteling concept rather than permanent desk assignments
(Silicon Valley HQ, 51-250 employees)

Workplace Design

Before COVID-19, nearly 90% of tech organizations had mostly open office or entirely open office workplace layouts, and many of those users are still considering how their workplace planning will look going forward.



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Technology Practice Group

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