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Technology Practice Group: Q1 2021 COVID-19 Impacts Survey

April 2021

Introduction

Survey Overview

In March 2021, the Savills Technology Practice Group issued its second Tech Tenant Impacts survey to measure the evolving sentiment around tech workplaces in the wake of COVID-19.

Without any approved vaccines at the time, when the first edition of this survey was released in August of 2020, the prevailing sentiment was one of uncertainty, as a return to any kind of normalcy remained a distant prospect.

Six months later, more clear trends are emerging for how tech tenants anticipate that this past exceptional year of remote work will impact the future of the workplace.

FLEXIBLE WORK IS THE NEW NORMAL:

73% of companies expect that employees will be in the office at least three days a week, and only 4% of companies anticipate that employees will work from the office all five days of the week.

SOME EMPLOYEE RELOCATIONS:

79% of companies have allowed at least some employees to relocate permanently away from their previously assigned office, but these relocations largely represented a small share of companies' overall employee bases.

WORKPLACE DESIGN THAT EMPHASIZES HOTELING AND COLLABORATION SPACES:

67% of tenants answered that hoteling will be more important than pre-pandemic, and 45% answered that collaboration spaces will be more important than pre-pandemic.
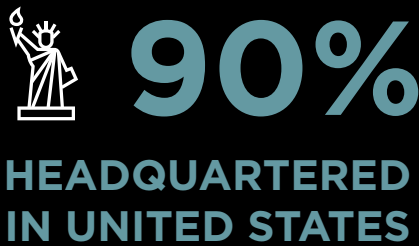
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Survey Findings: Q1 2021 COVID-19 Impacts

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Who Took The Survey

COMPANY LOCATION

90%
HEADQUARTERED IN UNITED STATES

Other responses from:

- Canada
- Sweden
- United Kingdom
- Brazil

Company Size

GLOBAL HEADCOUNT

1-50 employees — **21%**

51-250 employees — **24%**

251-1000 employees — **24%**

1001-5000 employees — **17%**

5001+ employees — **14%**

0% 10% 20% 30%
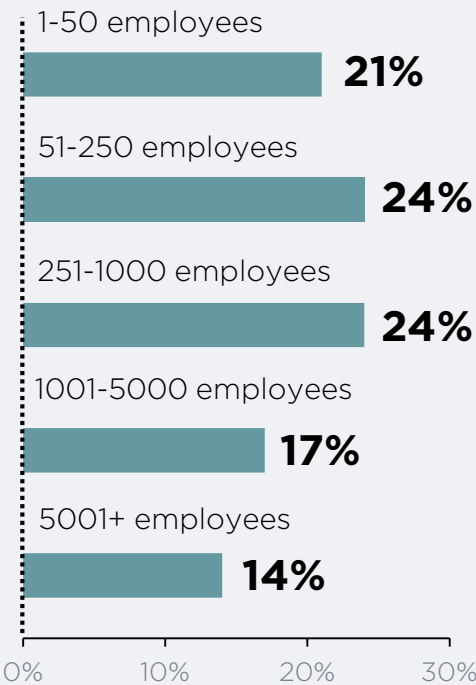
Funding Stage

A majority of companies were venture backed.

NOT VENTURE BACKED

Private but not venture backed **22%**

Public **24%**

Seed **3%**

Series A **13%**

Series B-C **22%**

Series D-E **16%**

VENTURE BACKED

Global Offices

1 — **24%**

2-5 — **41%**

6-10 — **9%**

11-20 — **10%**

21+ — **16%**

0% 20% 40% 60%
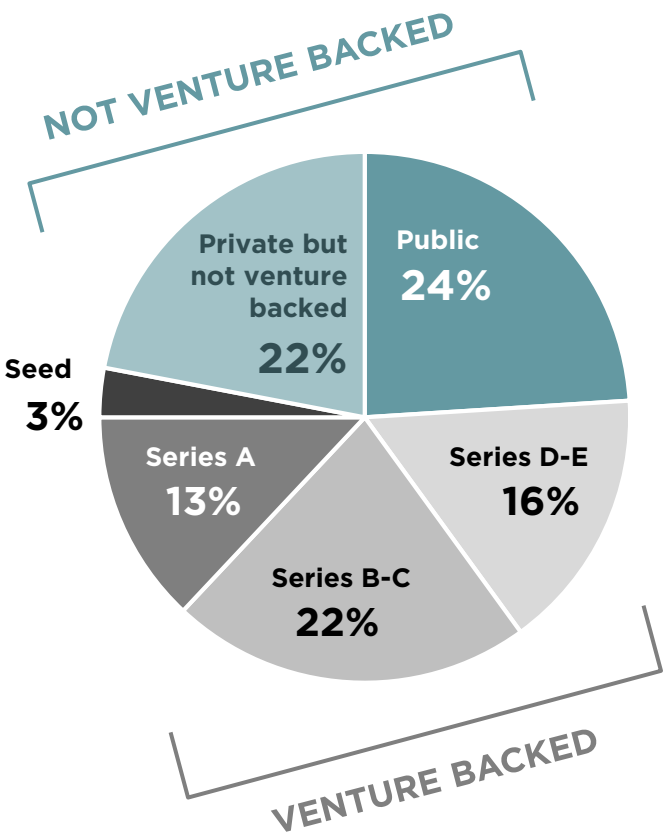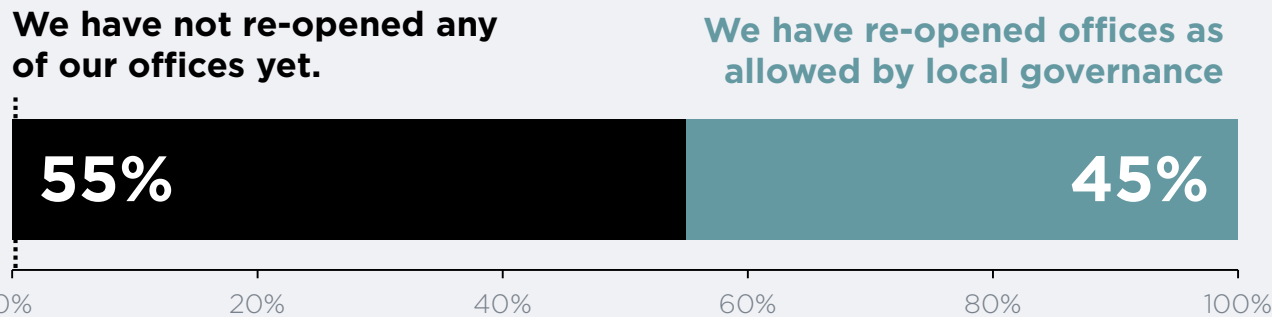
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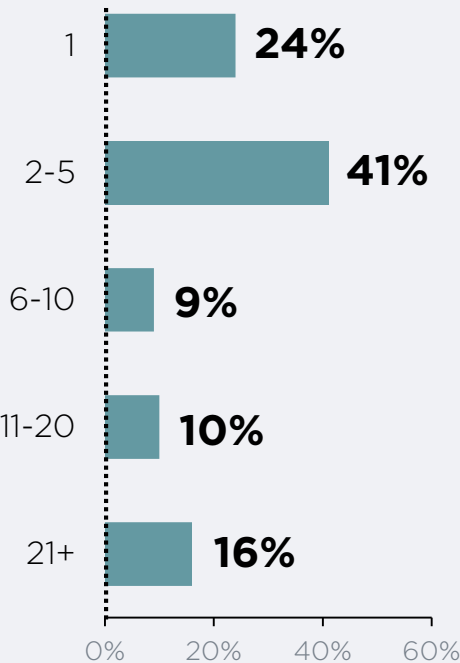
Return to Office

Which of the following best describes how your organization has approached re-opening offices since the COVID-19 pandemic?
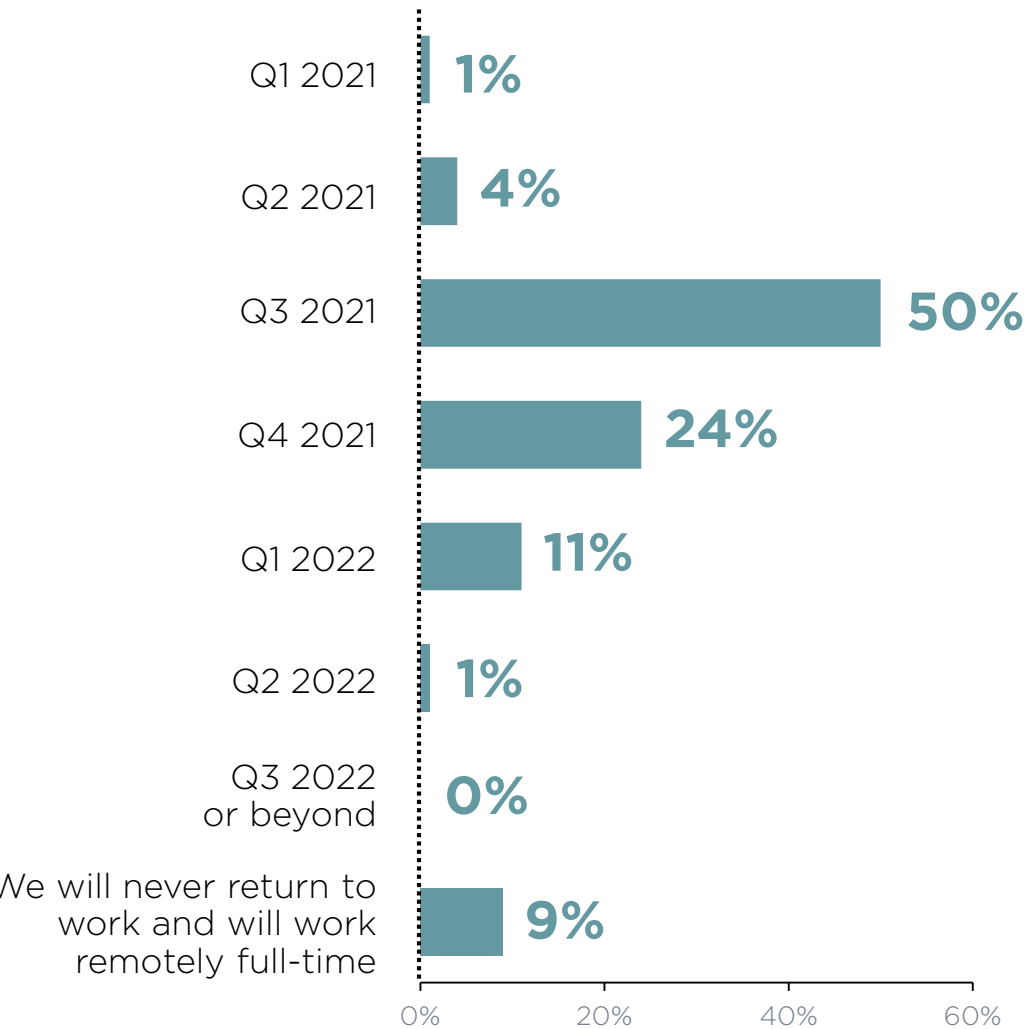
We have not re-opened any of our offices yet.   **We have re-opened offices as allowed by local governance**

| 55% | 45% |

0%   20%   40%   60%   80%   100%

Does your organization plan to require employees to receive a COVID-19 vaccine in order to return to the office?

YES 8%

NO 36%

UNSURE 56%

0%   10%   20%   30%   40%   50%   60%   70%
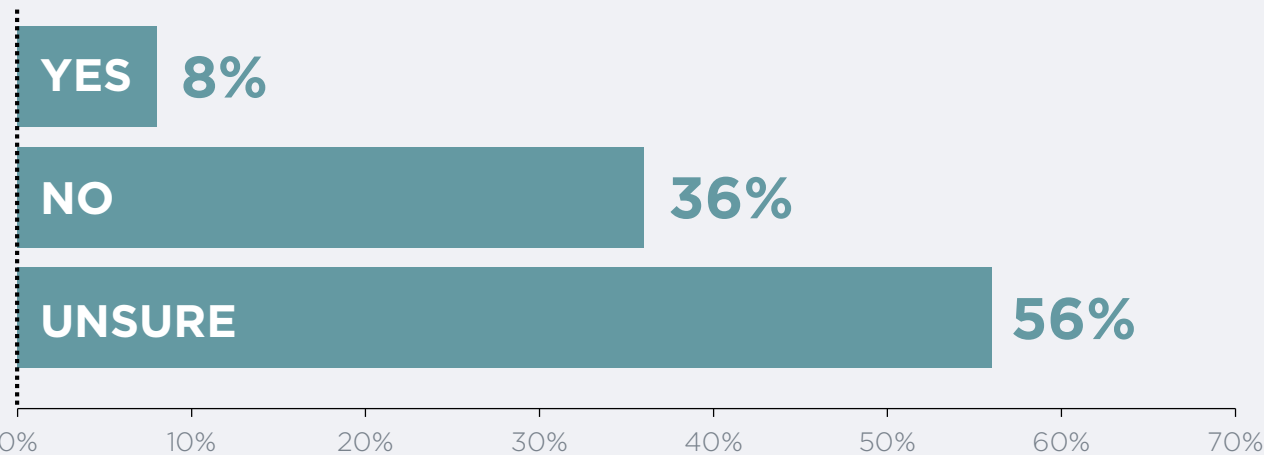
A majority of companies expect to be back in the office by Q3 2021

Unofficially, when is your organization thinking that most employees will return to work in the office?

Q1 2021 — 1%

Q2 2021 — 4%

Q3 2021 — 50%

Q4 2021 — 24%

Q1 2022 — 11%

Q2 2022 — 1%

Q3 2022 or beyond — 0%

We will never return to work and will work remotely full-time — 9%
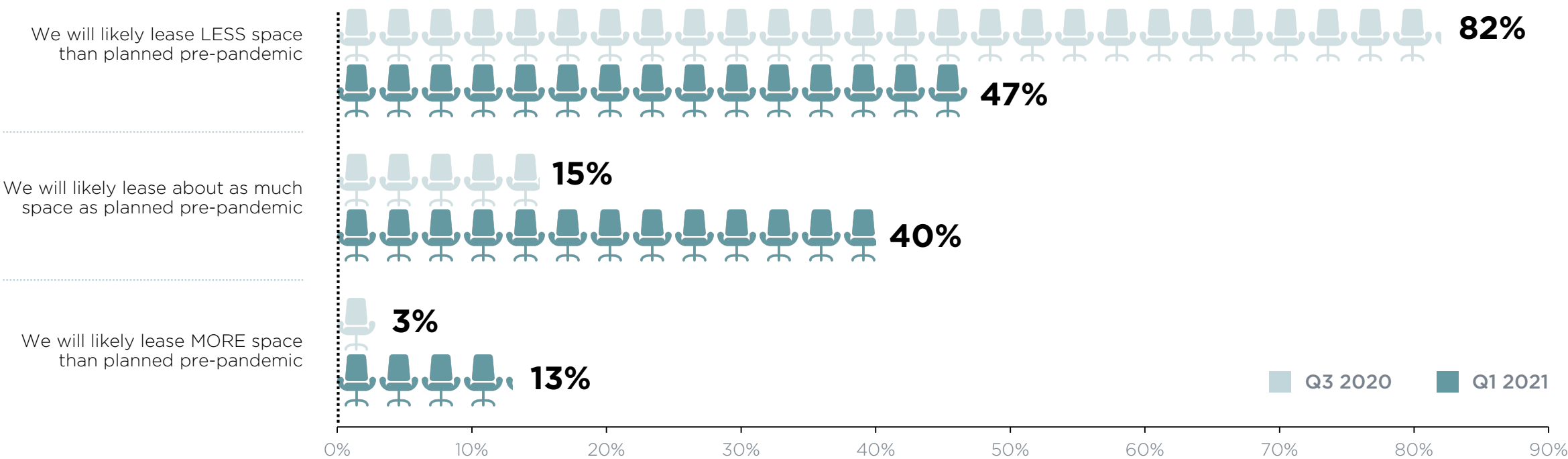
0%   20%   40%   60%

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Office Space Impacts

In the fall of 2020, 82% of tech companies surveyed anticipated leasing less space than planned in the next 12-18 months. By the start of 2021, that proportion was nearly halved, with 47% answering that they'd lease less space.

down from **82%** ⌐SF↓ to **47%**

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

We will likely lease LESS space than planned pre-pandemic — **82%** / **47%**

We will likely lease about as much space as planned pre-pandemic — **15%** / **40%**

We will likely lease MORE space than planned pre-pandemic — **3%** / **13%**

Q3 2020   Q1 2021

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%

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Employee Relocation

**A majority of companies have allowed at least some employees to permanently relocate away from their previously designated office.**

Has your organization allowed employees to permanently relocate since the start of the pandemic?

Yes, for all employees **26%**

Yes, only on a case-by-case basis **54%**

No **17%**

0% 10% 20% 30% 40% 50% 60%
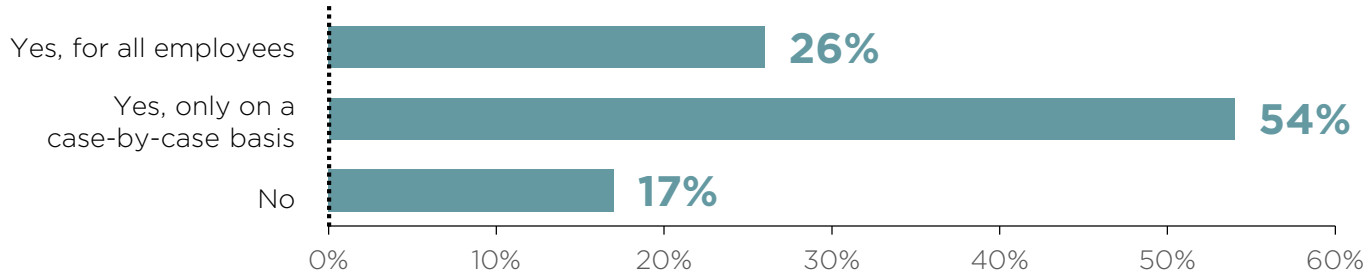
Among companies that allowed employee relocation, a wide majority of companies have had fewer than 10% of employees relocate permanently.

Approximately what portion of your workforce has permanently relocated since the start of the pandemic?

0-10% **79%**

11-20% **14%**

21-30% **5%**

31-40% **0%**

41-50% **0%**

51%+ **2%**

0% 20% 40% 60% 80% 100%
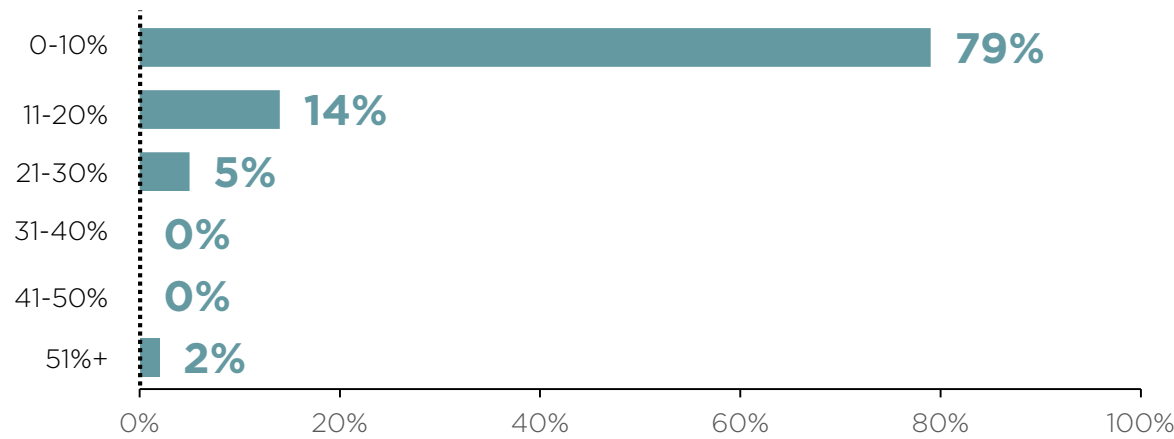
Has your organization adjusted the salaries of employees who have relocated in accordance with their new locations?

YES 12%

NO 67%

UNSURE 21%

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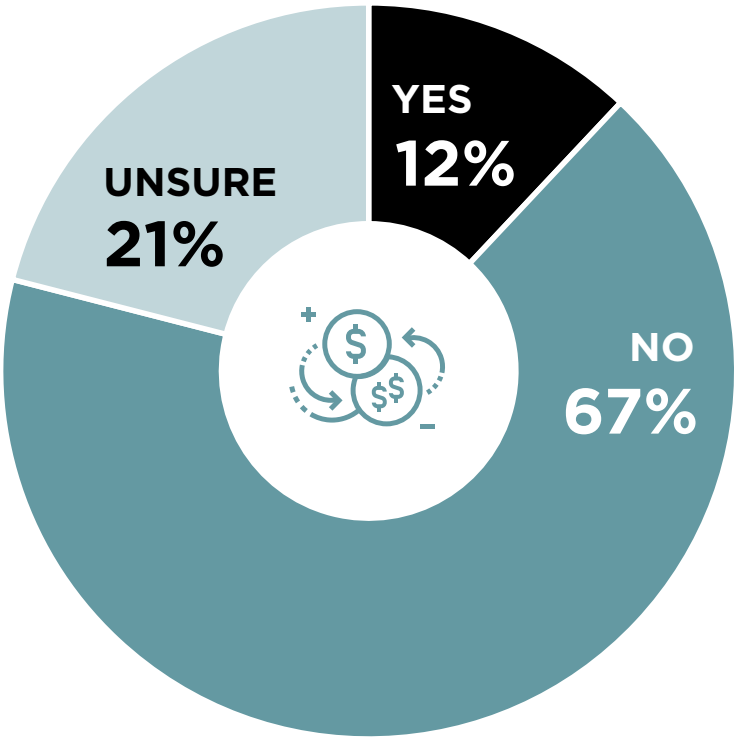
Full-Time Remote Work

72%

answered that their organization is now open to recruiting talent from new geographies due to the possibility of remote work.

Which of the following best describes how COVID-19 has impacted your organization's approach to talent recruitment, if at all?

We are open to recruiting talent from new geographies given that some roles will be able to be remote

72%

We are planning to continue to recruit employees only in geographies where we have an office.

20%

Other

11%

0%   10%   20%   30%   40%   50%   60%   70%   80%

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Flexible Work

Consistent with results from Q3 2020, nearly all companies expect flexible work to become normalized.

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

Q3 2020	**YES 94%** **NO 6%**
Q1 2021	**YES 95%** **NO 5%**

0% 20% 40% 60% 80% 100%
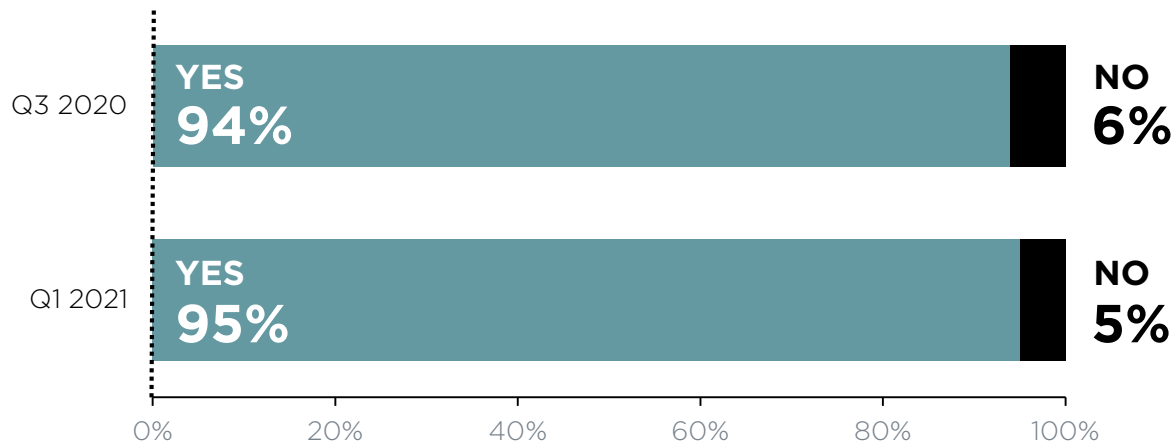
73% of companies responded that they anticipate employees being in the office at least 3 days per week.

About how many days per week does your organization envision that the average employee will work in the office in a typical week?

1 day	9%
2 days	18%
3 days	58%
4 days	11%
5 days	4%

0% 20% 40% 60% 80%
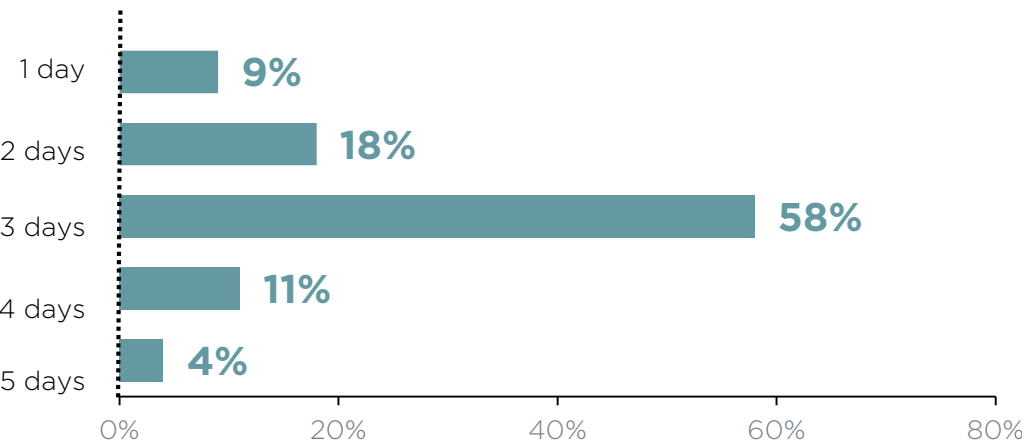
There is not yet a consensus on whether the company or the employee will decide which days they work from the office.

Which of the following do you anticipate would dictate employees' flexible work schedules?

- ⬛ Employees will decide which days they will work in the office
- ⬜ The company will decide which days employees will work in the office
- 🟦 Still in consideration

24%   **15%**   **61%**

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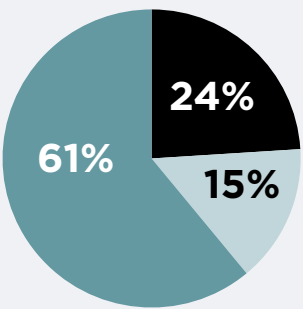
Workplace of the Future

83% of companies answered that flexible work will impact their future workplace design.

When asked to elaborate on whether flexible work will impact their "workplace of the future" tenants' commentary was consistent with these emerging themes:

A SHIFT FROM ASSIGNED SEATING TO HOTELING

" We more than likely will not have assigned seating except on a case-by-case basis, but rather hoteling.

Productivity software *(251-1,000 employees)*

" Looking away from 1 to 1 space.

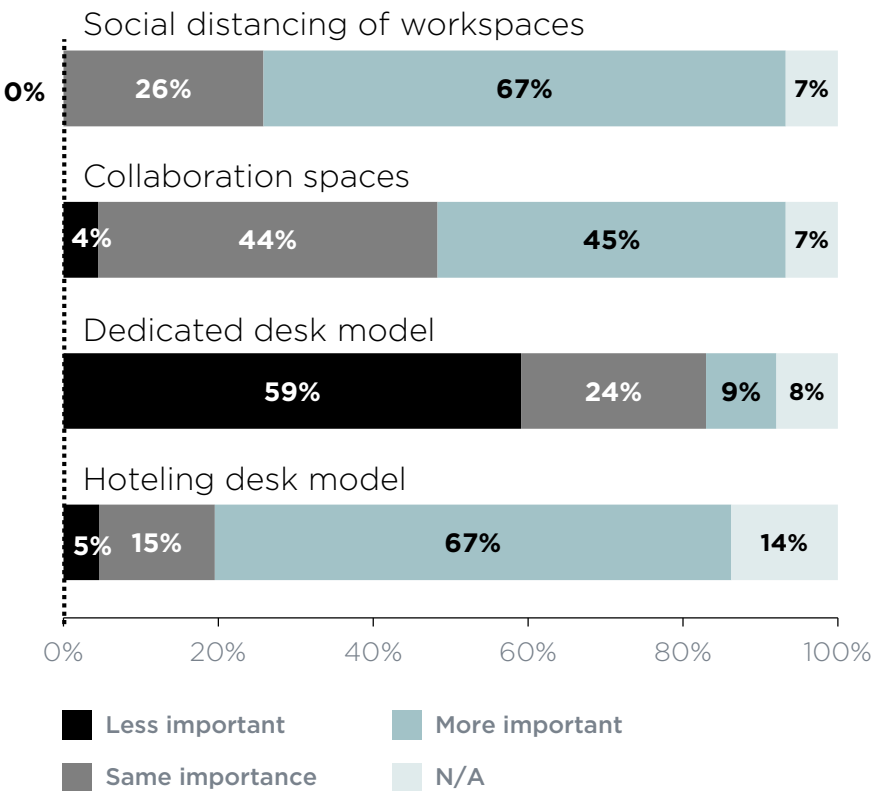Healthcare tech *(1,001-5,000 employees)*

AN INCREASE IN THE AMOUNT OF COLLABORATION SPACES

" Same footprint, more collaborative open areas, less workstations but those workstations will have stand/sit, double monitors

E-commerce *(251-1,000 employees)*

" More common areas, phone booths, and collaborative spaces. Less focus on having desks for everyone.

Insurtech *(1-50 employees)*

Most tech tenants surveyed expect hoteling and social distancing of workspaces to be more important in future workplaces, and many believe that collaboration spaces will be more important.

For each of the following elements of workplace design, how has the pandemic impacted the future of your organization's workplace?

Social distancing of workspaces
0% | 26% | 67% | 7%

Collaboration spaces
4% | 44% | 45% | 7%

Dedicated desk model
59% | 24% | 9% | 8%

Hoteling desk model
5% | 15% | 67% | 14%

0% 20% 40% 60% 80% 100%

■ Less important   ■ More important
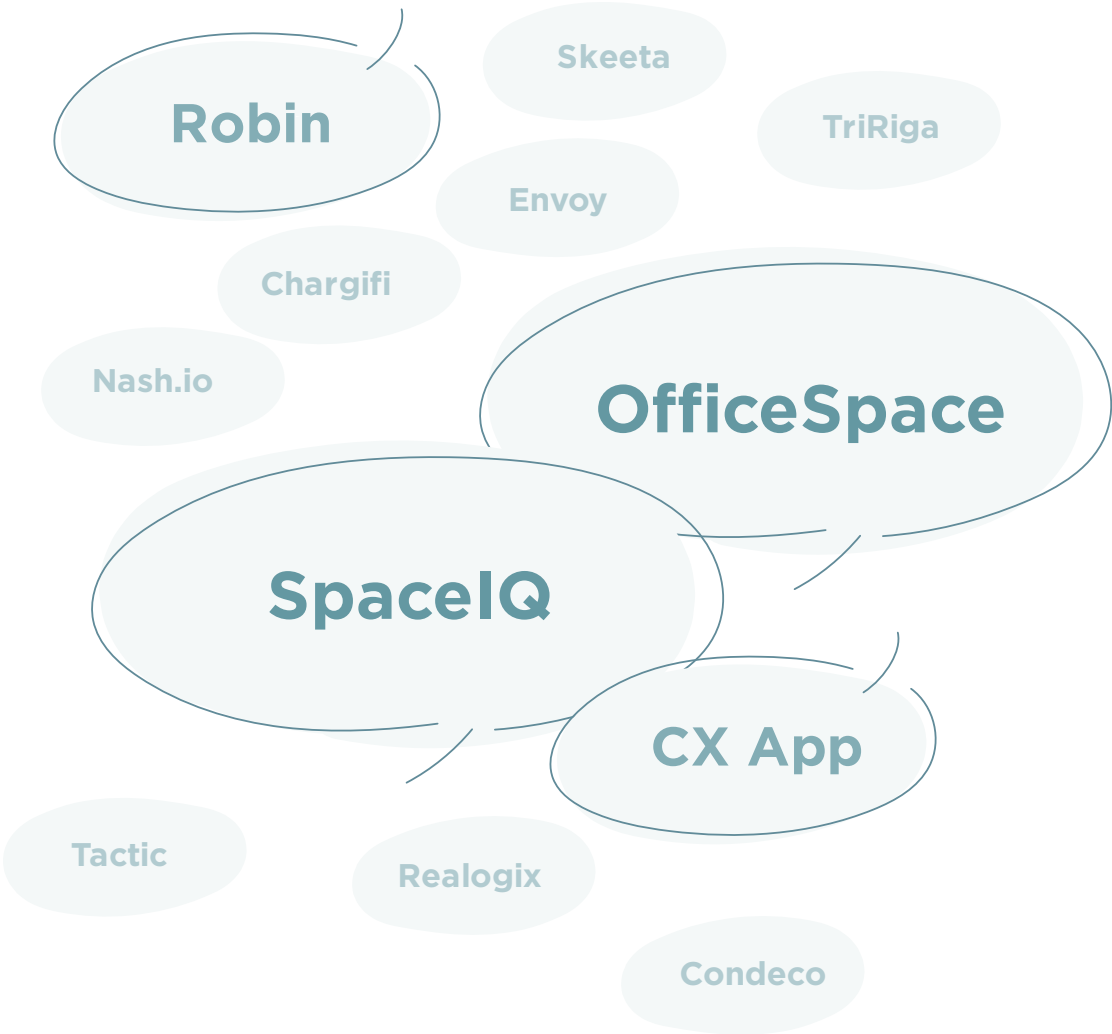■ Same importance   ■ N/A

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Workplace of the Future

A majority of tech tenants are considering or implementing a technology solution for desk booking and / or space monitoring.

Does your organization plan to implement a technology solution for desk booking and/or space monitoring?
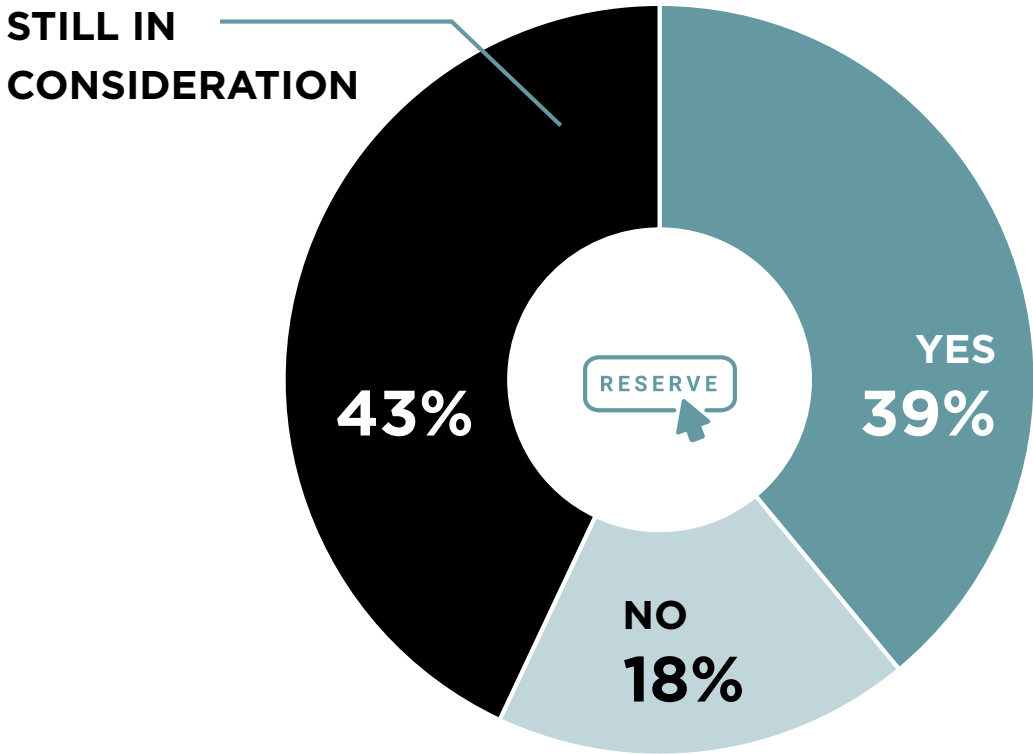
Some of the most common platforms mentioned by tenants are below, sized relative to number of mentions:

STILL IN CONSIDERATION

43%

RESERVE

YES 39%

NO 18%

Robin

Skeeta

TriRiga

Envoy

Chargifi

Nash.io

OfficeSpace

SpaceIQ

CX App

Tactic

Realogix

Condeco

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SAVILLS NORTH AMERICA
Technology Practice Group

We value deep, meaningful partnerships. Our team of collaborative, tech-focused specialists provide strategic real estate and workplace advice to unlock growth for the world's most innovative companies.

From startup to enterprise, we advocate on the occupier's behalf to eliminate conflicts and translate business goals into strategy.

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