



SAVILLS NORTH AMERICA

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

Who Took The Survey

COMPANY LOCATION



90%

HEADQUARTERED IN UNITED STATES

Other responses from:



Canada



Sweden



United Kingdom

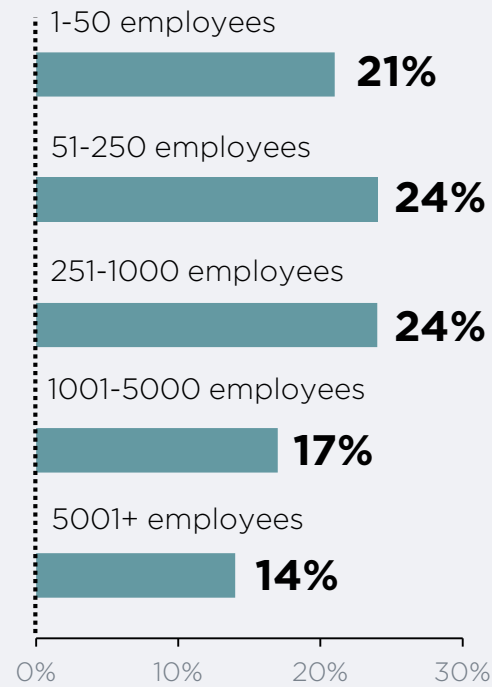


Brazil

Company Size



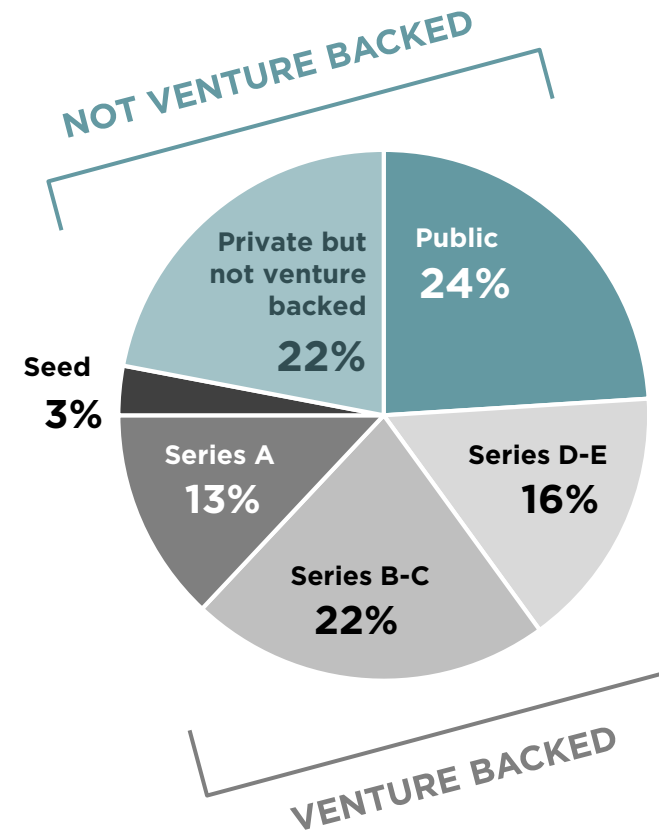
GLOBAL HEADCOUNT



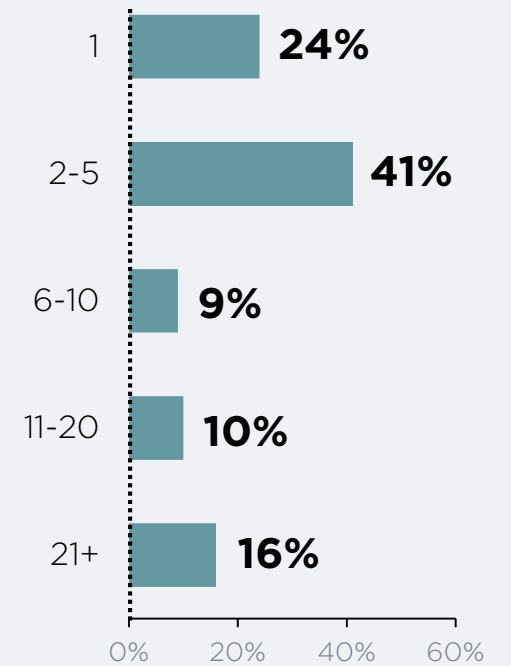
Funding Stage



A majority of companies were venture backed.

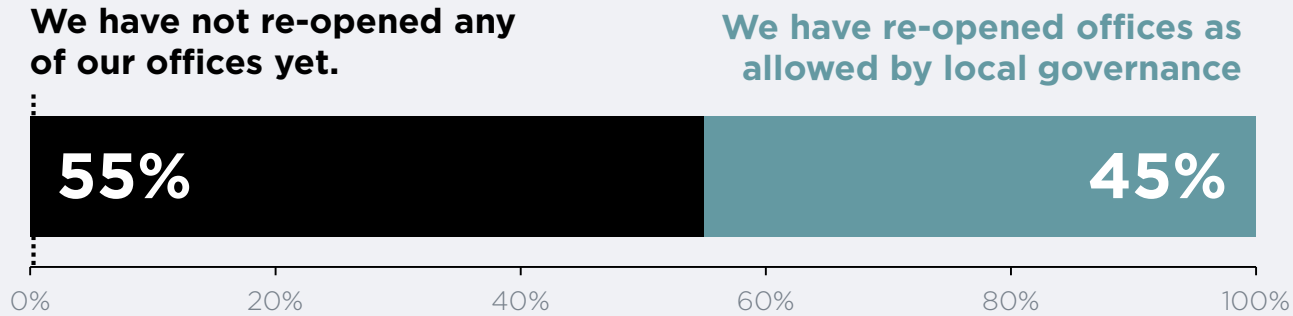


Global Offices

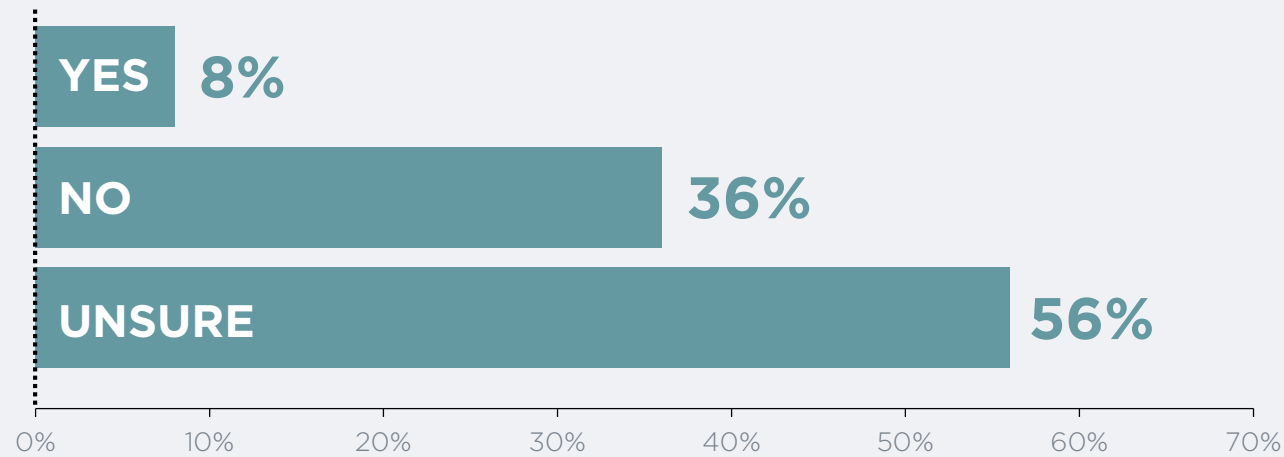


Return to Office

Which of the following best describes how your organization has approached re-opening offices since the COVID-19 pandemic?

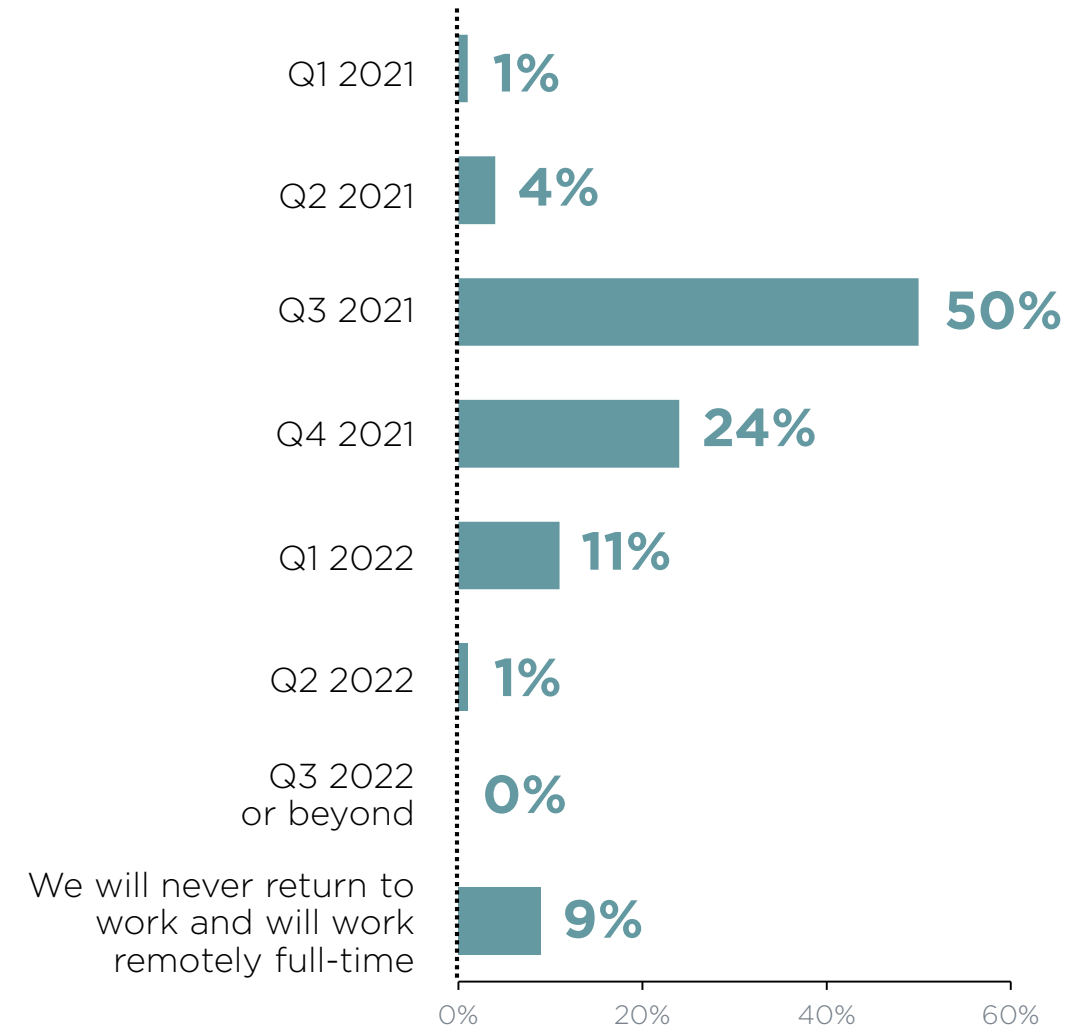


Does your organization plan to require employees to receive a COVID-19 vaccine in order to return to the office?



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?



Office Space Impacts

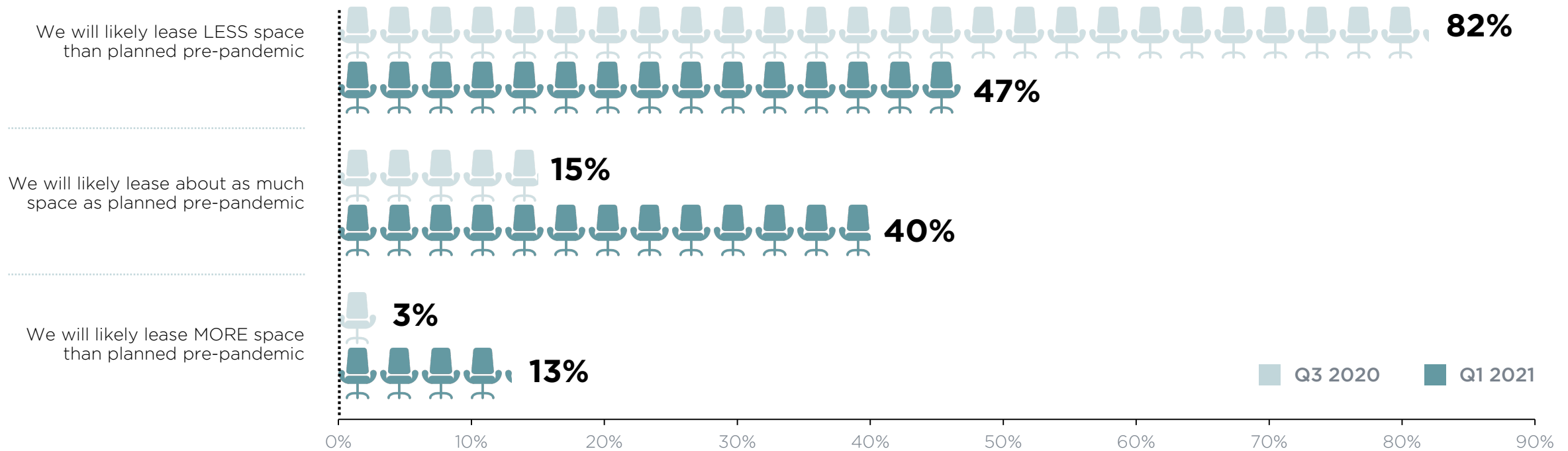
In the fall of 2020, 82% of tech companies surveyed anticipated leasing less space than planned in the next 12-18 months. By the start of 2021, that proportion was nearly halved, with 47% answering that they'd lease less space.

Number of companies expecting to need less space in the future

down from **82%** to **47%**



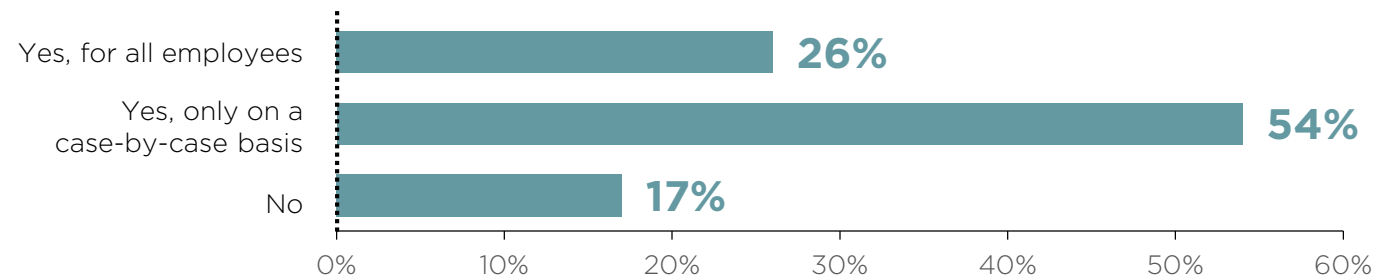
Which of the following best describes the impact of COVID-19 on your office space needs in the next 12-18 months?



Employee Relocation

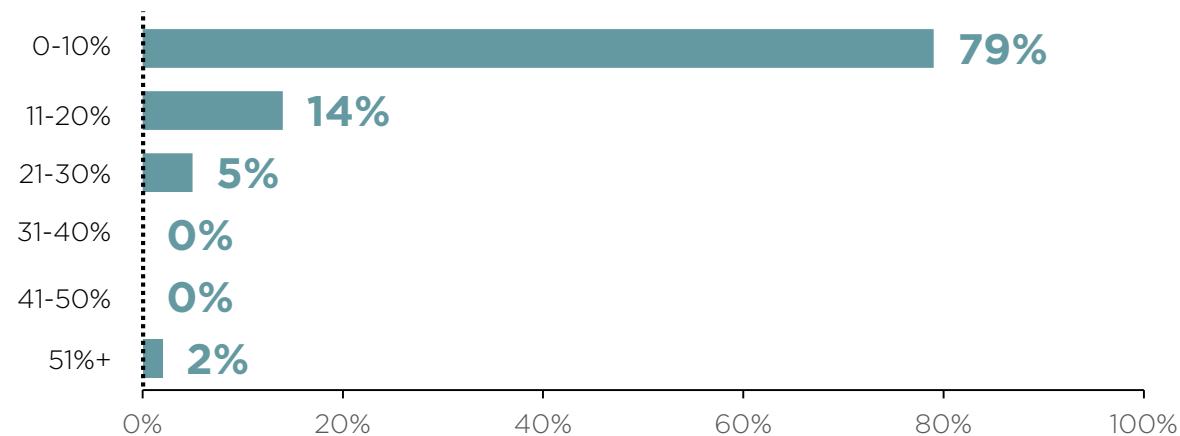
A majority of companies have allowed at least some employees to permanently relocate away from their previously designated office.

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

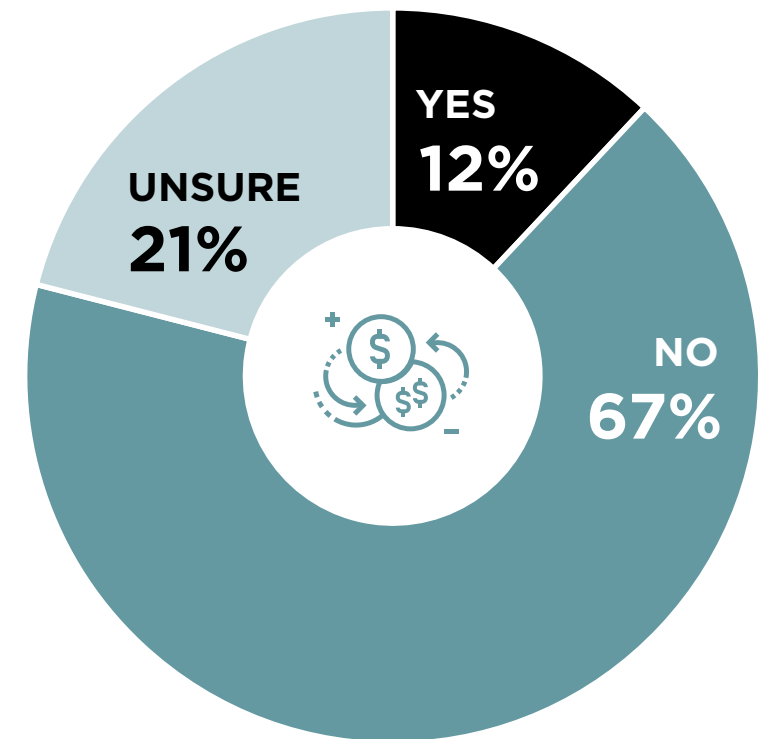


Among companies that allowed employee relocation, a wide majority of companies have had fewer than 10% of employees relocate permanently.

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



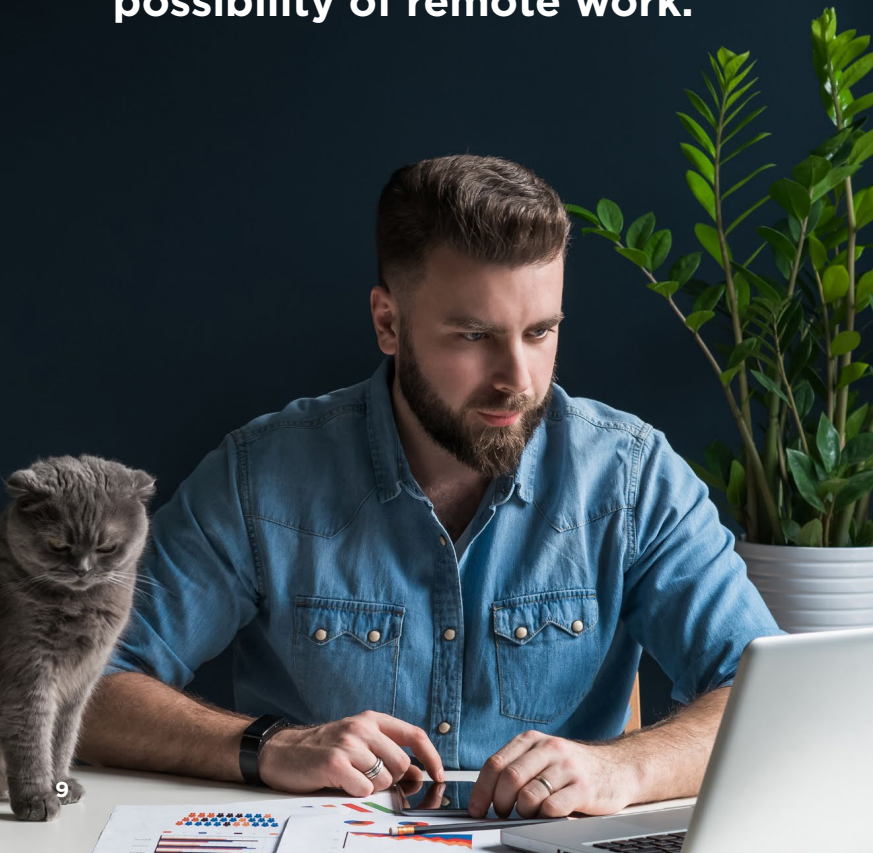
Has your organization adjusted the salaries of employees who have relocated in accordance with their new locations?



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?



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)



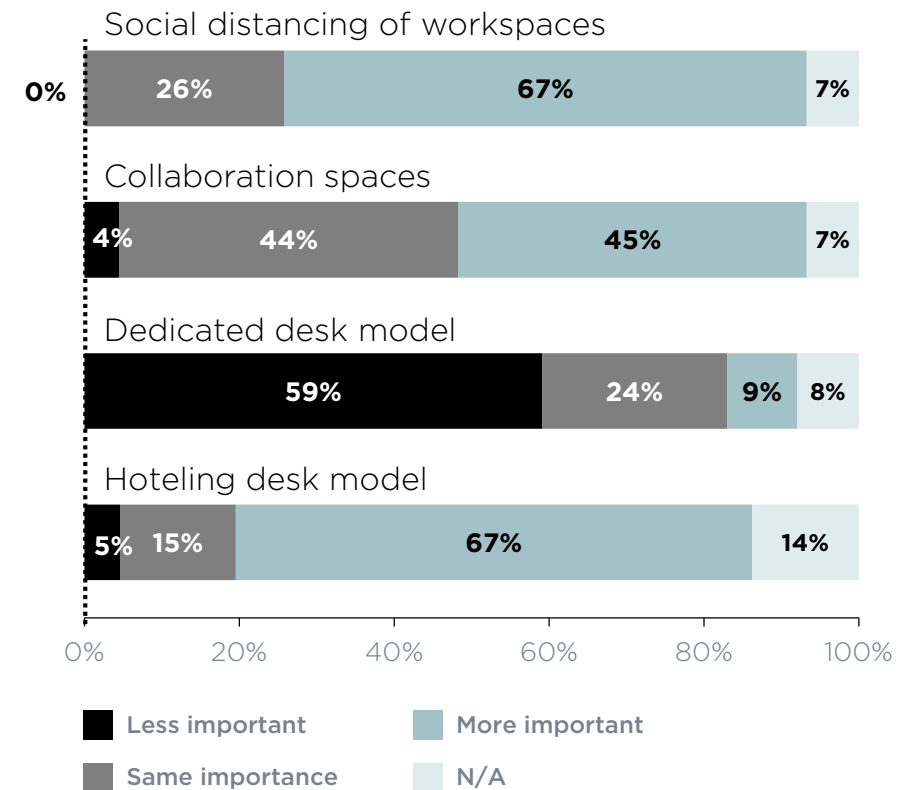
AN INCREASE IN THE AMOUNT OF COLLABORATION SPACES

“ 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.

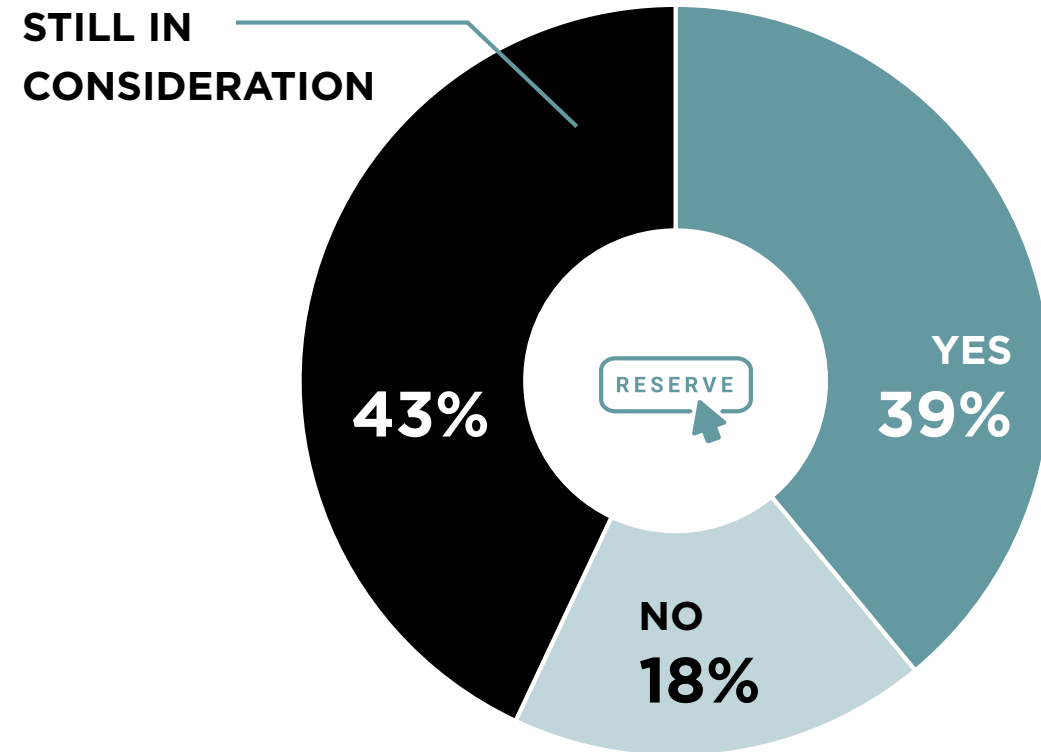
For each of the following elements of workplace design, how has the pandemic impacted the future of your organization’s workplace?



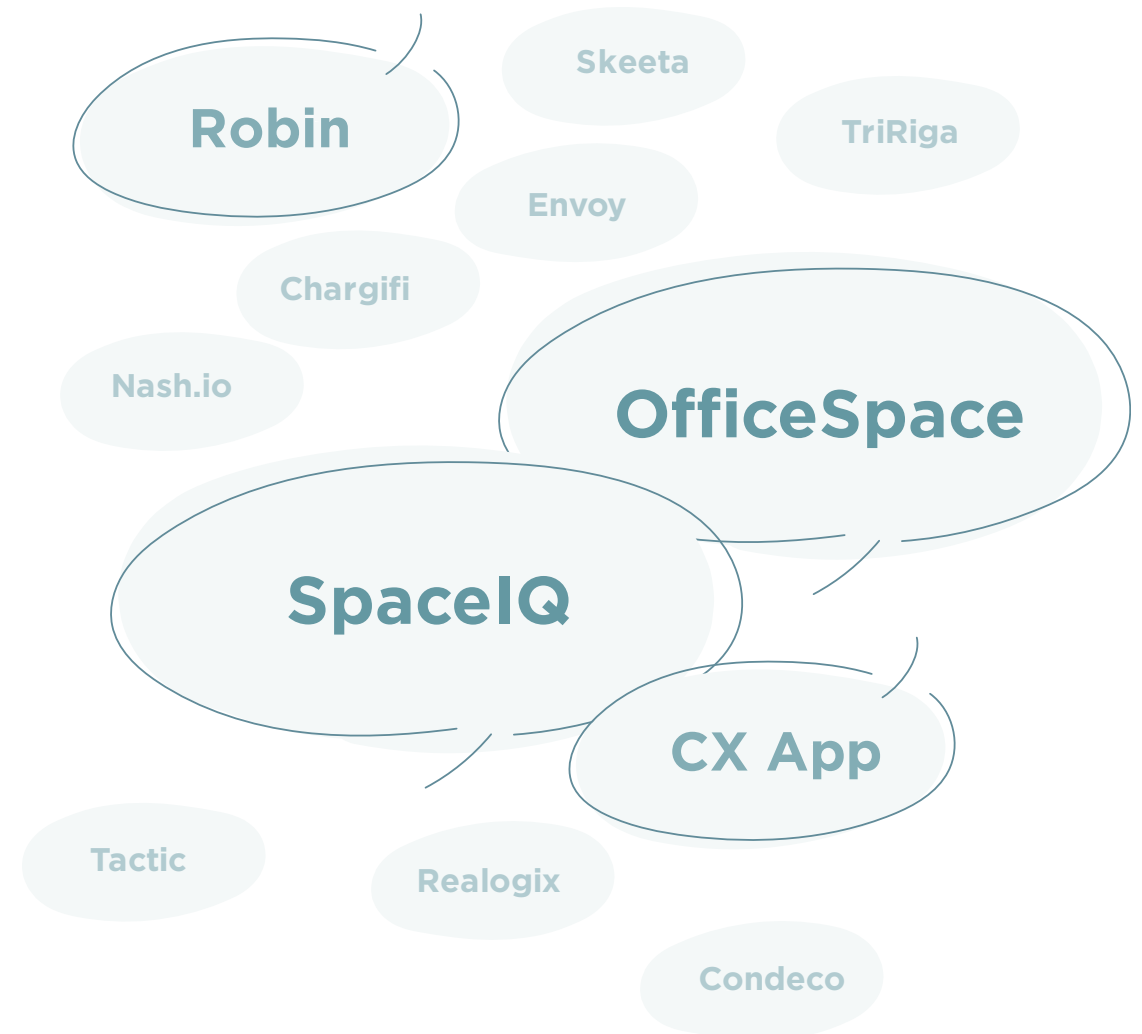
Workplace of the Future

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:



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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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