



# Insider's View to Corporate Real Estate



Carrie S. Holstead  
Real Estate Consultants Inc.

Representing Users Of Corporate Space Worldwide

## COVID-19

### The Impact On The Workplace: A Global Perspective

By: **Carrie S. Holstead**

*Chairman Emeritus of ITRA Global & President & CEO, Carrie S. Holstead Real Estate Consultants, Inc. / ITRA Global*

It was a pleasure to moderate a webinar for ITRA Global this week about the impact of COVID-19 on the workplace. Special thanks to Heinz MacSwain who provided a fascinating global perspective based on his 20 years of experience as a corporate real estate executive with Wells Fargo Bank. Below please find select highlights.

#### **Will the workplace change post COVID-19?**

The pandemic will result in a complete redesign of the workplace to protect the health and safety of employees. In the short term, this means preparing and implementing plans for the return of employees to the workplace, likely in phases, and in the long term it means putting future projects on hold so they can be redesigned to protect employees in the event of a recurrence of COVID-19 or other pandemic.

#### **Will the density of employees be limited and if so, how will this impact the amount of SF required?**

Limiting the density of employees in the workplace will be given consideration to varying extents, particularly in the areas most impacted by the virus. Where the density is decreased, the amount of space required will increase. The pandemic will also cause companies to reassess the cost and risk of offshoring in countries such as India and China where in some cases only 60 SF of office space per employee was provided, which contributed to the quick spread of the virus. By comparison, in the U.S. typically 250 SF per employee was provided, including circulation and common areas.

#### **Will density changes impact co-working companies?**

If cities implement ordinances that limit the density of employees and don't grandfather in co-working companies, most will not be able to afford to adapt and will therefore not survive.

#### **Will more employees work remotely?**

Now that employees have been set up to work remotely and many companies have overcome a host of security issues, it would not surprise me to see companies permanently increase their remote work force to as much as 50%, particularly if there is a recurrence or other pandemic.

#### **What will be the net result in the amount of corporate space required?**

In the event there is *no* recurrence, new pandemic or recession and we return to the normal course of business soon, the net result of increasing the amount of space required per employee combined with more employees working remotely will be that most companies occupy a similar amount of space compared to pre COVID-19. If there *is* a recurrence of COVID-19, another pandemic or a recession, companies will decrease the amount of space leased and unfortunately some won't survive.

#### **Are there basic changes every company should make to reduce risk and be an employer of choice?**

In the immediate future, small conference rooms should not be used and people shouldn't sit next to one another in large conference rooms. Also, changes need to be implemented for small cubicles, work benches, kitchens, gyms and other places people congregate. Protecting the health and safety of employees will reduce risk and help position companies to be an employer of choice in a competitive environment. To help navigate this process, companies will want to consult a corporate real estate professional.

Special thanks to Heinz MacSwain, former Corporate Real Estate Senior Negotiator at Wells Fargo Bank, for his contributions to this article.

*The views and opinions herein are those of Heinz MacSwain and do not necessarily reflect the official policy or position of any company.*

#### **About the Author**

**Carrie S. Holstead** is the Chairman Emeritus of ITRA Global which has experience representing users of corporate real estate in nearly 300 markets around the world. She is also the Founder, President and CEO of the longest established, conflict-free tenant representation firm in Pittsburgh which celebrated its 30<sup>th</sup> anniversary in 2019. Carrie was recently honored with the Diamond Leadership Award from ITRA Global and recognized by *Smart Business Magazine* for leading a top company in Pittsburgh. **If your company has a local or global corporate real estate need, contact Carrie Holstead at +1 (412) 255-3737 for a conflict-free solution.**