Physical Return and Work Reimagined

Weekly Trends Update
Week ending July 10, 2020

The better the question. The better the answer.
The better the world works.

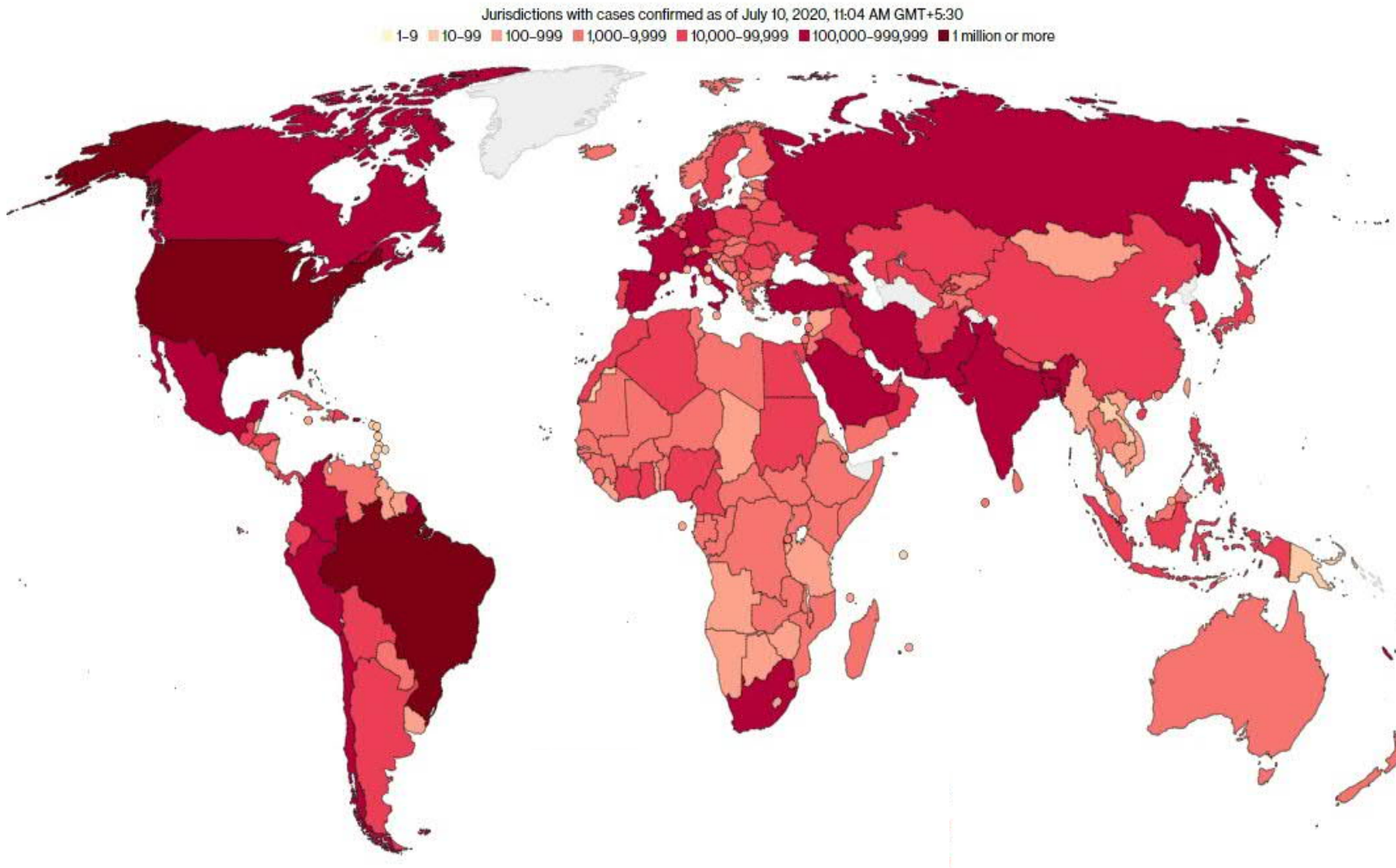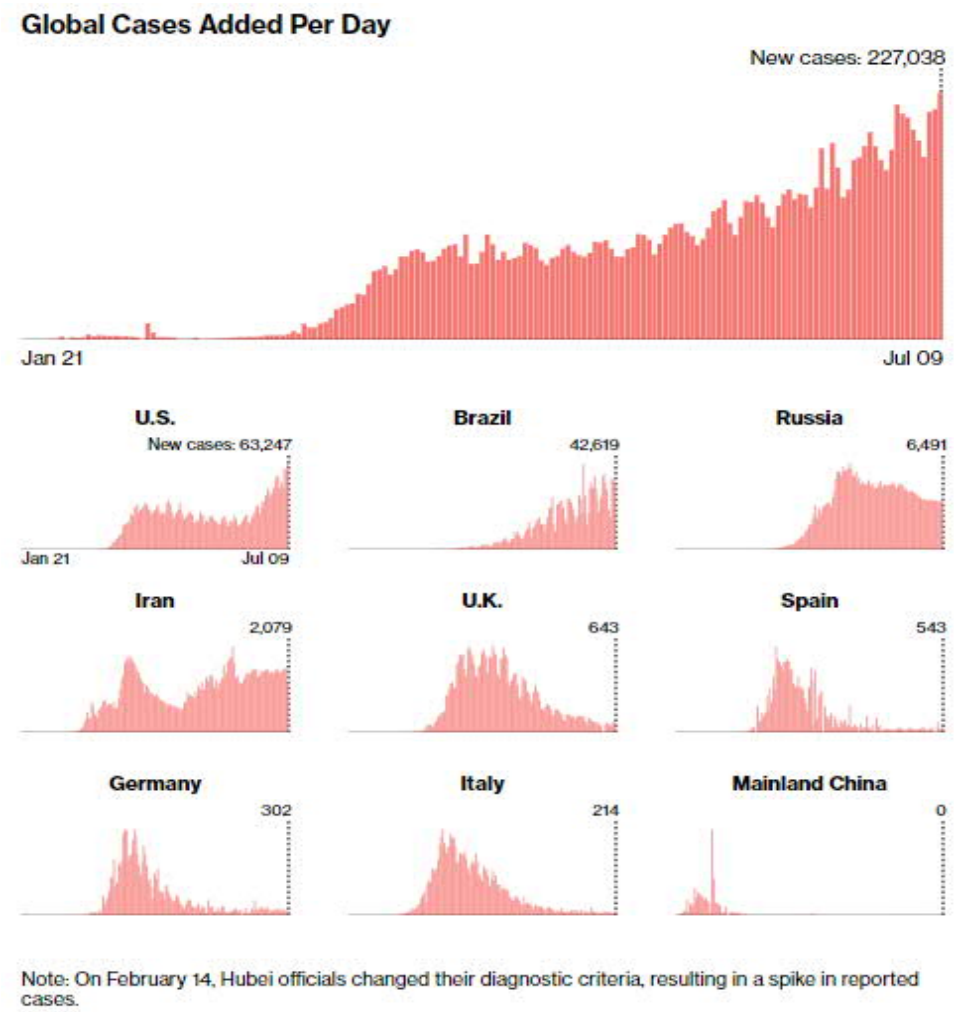**EY**
Building a better
working world

COVID-19 Health Update

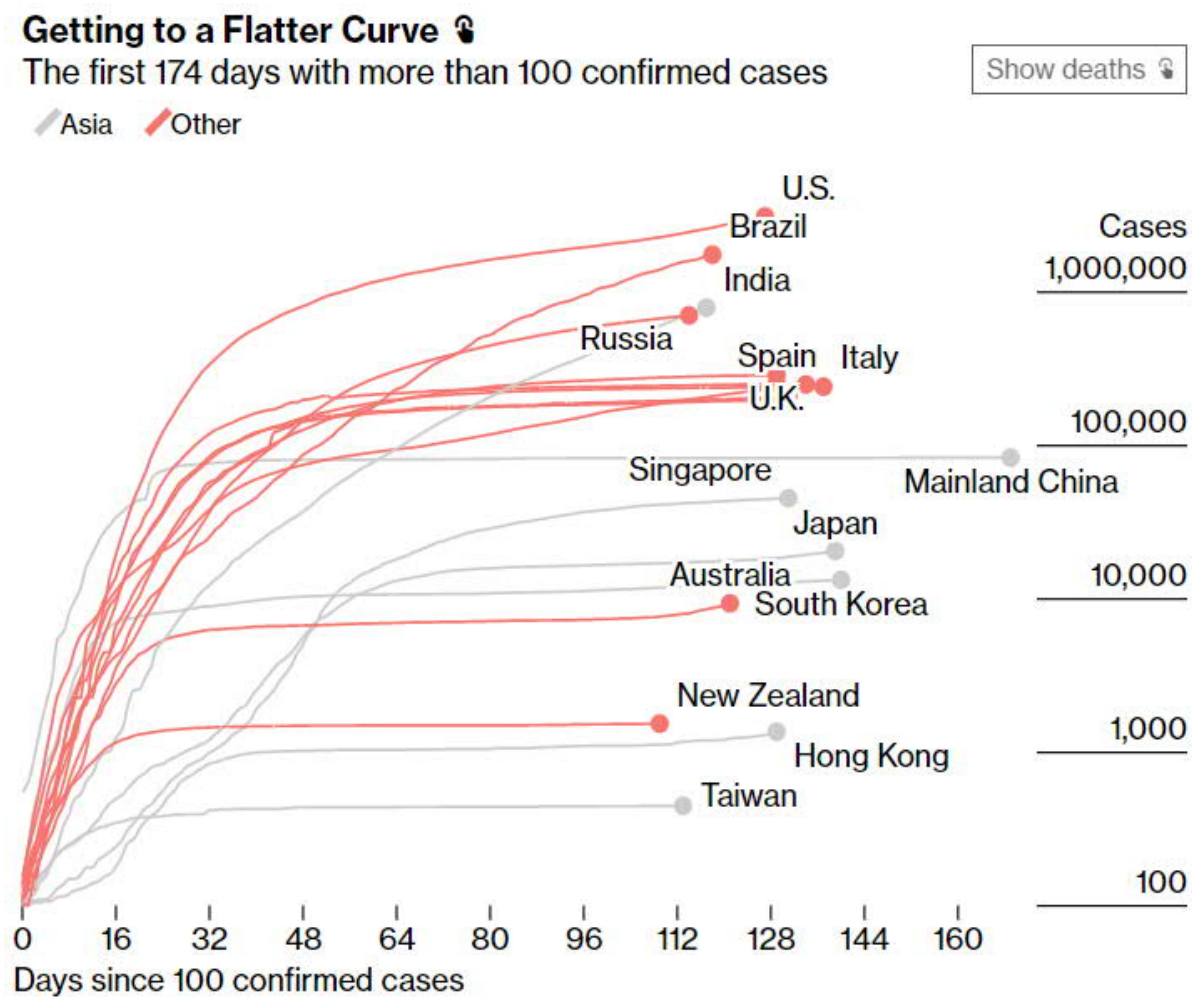# Global overview: 12,270,600+ new cases and 554,900+ deaths

Jurisdictions with cases confirmed as of July 10, 2020, 11:04 AM GMT+5:30

1-9 | 10-99 | 100-999 | 1,000-9,999 | 10,000-99,999 | 100,000-999,999 | 1 million or more

Where deaths have occurred	Deaths	Cases	
U.S.	133,291	3,118,008	■
Brazil	69,184	1,755,779	■
U.K.	44,687	289,154	■
Italy	34,926	242,363	■
Mexico	33,526	282,283	■
France	29,982	209,350	■
Spain	28,401	253,056	■
India	21,604	793,802	■
Iran	12,305	250,458	■
Peru	11,314	316,448	■
Russia	10,826	706,240	■
Belgium	9,778	62,210	■
Germany	9,057	199,001	■
Canada	8,797	108,656	■
Chile	6,682	306,216	■

► Top 5 countries with most deaths: US, Brazil, UK, Italy, Mexico

► Top 5 countries with most cases: US, Brazil, India, Russia, Peru

Source: Bloomberg (via Johns Hopkins University)   Physical Return and Work Reimagined

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Overview of new cases around the world

Global Cases Added Per Day

New cases: 227,038

Jan 21 — Jul 09

U.S.	Brazil	Russia
New cases: 63,247	42,619	6,491

Jan 21 — Jul 09

Iran	U.K.	Spain
2,079	643	543

Germany	Italy	Mainland China
302	214	0

Note: On February 14, Hubei officials changed their diagnostic criteria, resulting in a spike in reported cases.

Getting to a Flatter Curve 👆
The first 174 days with more than 100 confirmed cases

Show deaths 👆

Asia   Other

U.S.
Brazil
India
Russia
Spain Italy
U.K.

Cases
1,000,000

100,000

Singapore   Mainland China
Japan
Australia
South Korea

10,000

New Zealand

Hong Kong
Taiwan

1,000

100

0 16 32 48 64 80 96 112 128 144 160
Days since 100 confirmed cases

Note: JHU CSSE reporting began on Jan. 22, when mainland China had already surpassed 500 cases.
Source: Johns Hopkins University Center for Systems Science and Engineering

► **Top 5 countries with most new daily cases: US, Brazil, India, Russia, Peru**

Source: Bloomberg (via Johns Hopkins University)   Physical Return and Work Reimagined

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Covid-19 in the U.S. by State and Territory
As of July 10, 2020, 12:04 PM GMT+5:30

Decreasing by more than 10% 5–10 0–5 Increasing 0–5% 5–10 10–15 15–20
20–25 25% or more

Change in daily new cases | ...in daily death count | Cases | Deaths

▶ **States where cases are increasing:**
  ▶ Idaho (+17.7%)
  ▶ North Dakota (+16.3%)
  ▶ Ohio (+15.7%)
  ▶ Illinois (+15.6%)
  ▶ Alabama (+13.3%)
  ▶ Kansas (+11.2%)
  ▶ Texas (+10%)
  ▶ Hawaii (+9.5%)

▶ **States where cases are decreasing:**
  ▶ Rhode Islands (-25.1%)
  ▶ Missouri (-17.1%)
  ▶ Delaware (-16.0%)
  ▶ Massachusetts (-9.4%)
  ▶ New Jersey (-9.3%)
  ▶ New York (-6%)
  ▶ Maine (-4.8%)

Economic Update

Unemployment rates soared in just a few months

Unemployment rates, January and May 2020

Jan 2020 ● May 2020 ●
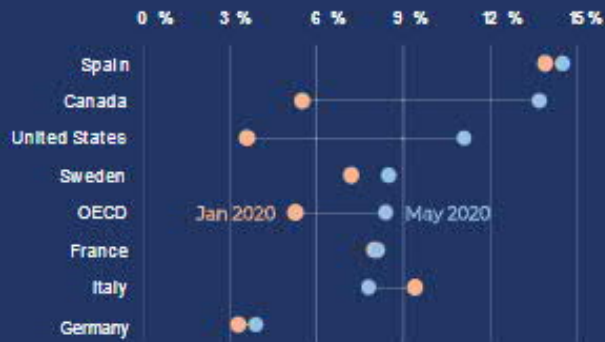
Note: Temporary layoffs are included in unemployment figures for the US and Canada but not for the other countries. Data for US refers to June.

Job retention schemes have played a massive role in some countries

Share of employees for which job retention support (e.g. short-time work schemes) has been claimed

France 55%, Italy 45%, Germany 30%, OECD 25%, Spain 18%, Sweden 11%, Canada 5%, United States <1%
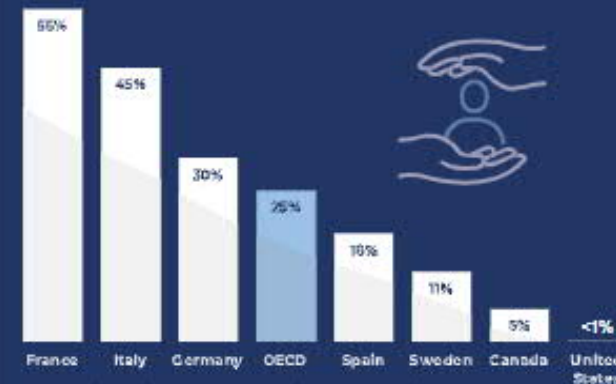
Note: US data refer to participation in short-time compensation schemes.

Inequality: The low-paid, women and young people are paying the heaviest toll

Share of workers who stopped working in April 2020 in the bottom and top 25% of the income scale*

30% Bottom 25% earners who stopped working

14% Top 25% earners who stopped working

Stopped working

* Average of 11 selected countries for April 2020

Employment levels are projected to drop significantly

% change in employment under alternative scenarios

Single-hit scenario

Double-hit scenario

Q4 2019, Q2 2020, Q4 2020, Q2 2021, Q4 2021
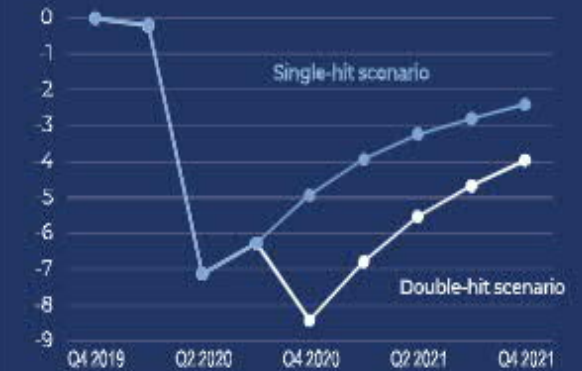
Note: Single-hit = no further pandemic wave; Double-hit = a second wave in Q4 2020

The number of hours worked has plummeted

Comparison of change in total hours worked during first 3 months of COVID-19 crisis with those of the 2008 crisis*

Global Financial Crisis

COVID-19 Crisis

Month 1, Month 2, Month 3

* Average of selected countries - Australia, Canada, Japan, Korea, Sweden, US.

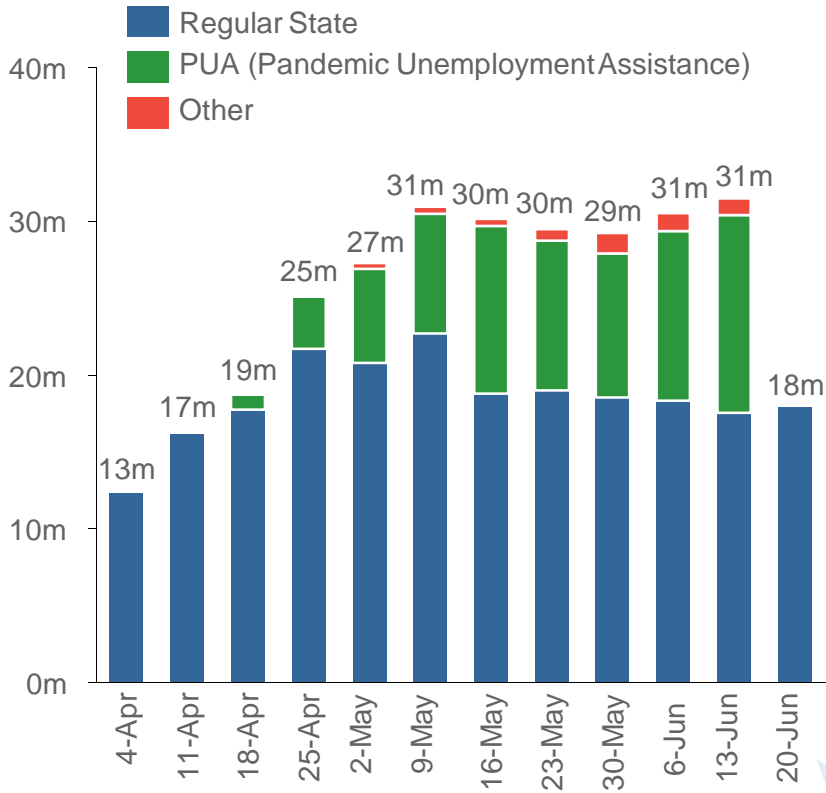**Many people worked from home during the COVID-19 lockdown**

2 out of 5 workers were able to work from home in April 2020 across the OECD.

* Average of selected countries for April 2020 - Australia, Austria, Canada, France, Germany, Italy, New Zealand, Poland, Sweden, the UK & the US.

► Unemployment has soared from under 6% to close to 9% in OECD countries

► However, in countries such as France, Italy and Germany a large share of employees are under job retention support from the government, accounting for the smaller changes in unemployment rate in those countries.

► A second wave in Q4 2020 could result in significant drop in employment levels

EY-Parthenon: Initial jobless claims and the number of people collecting unemployment remain elevated, but appear to be leveling out
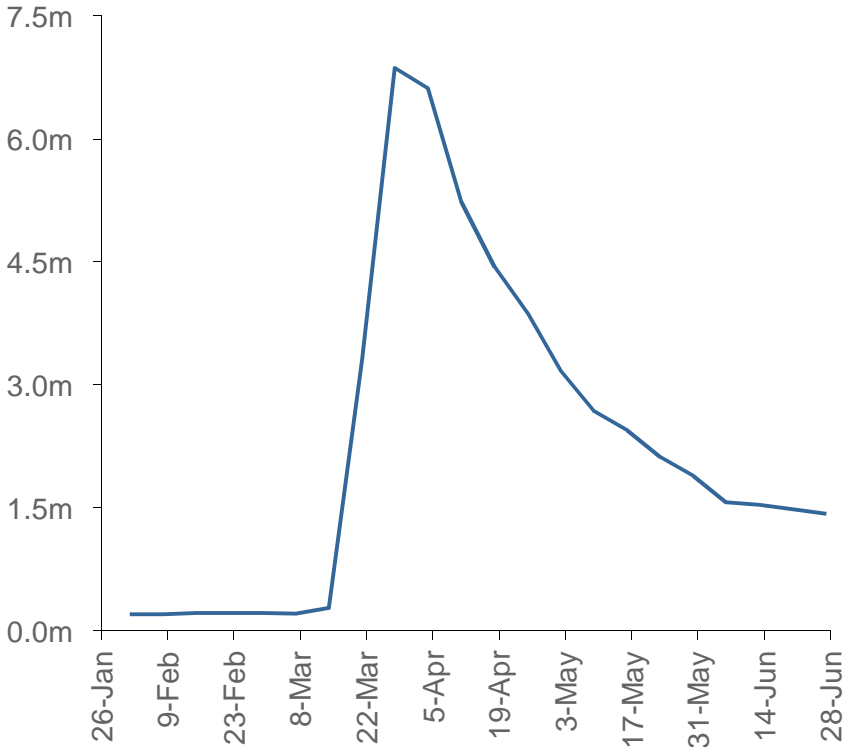
Total Persons Collecting Unemployment Insurance,
April – June 2020

- Regular State
- PUA (Pandemic Unemployment Assistance)
- Other

40m

30m

20m

10m

0m

13m | 17m | 19m | 25m | 27m | 31m | 30m | 30m | 29m | 31m | 31m | 18m

4-Apr | 11-Apr | 18-Apr | 25-Apr | 2-May | 9-May | 16-May | 23-May | 30-May | 6-Jun | 13-Jun | 20-Jun

Initial Unemployment Claims,
SA; Feb – 27 Jun 2020

7.5m

6.0m

4.5m

3.0m

1.5m

0.0m

26-Jan | 9-Feb | 23-Feb | 8-Mar | 22-Mar | 5-Apr | 19-Apr | 3-May | 17-May | 31-May | 14-Jun | 28-Jun

PUA is specifically for independent contractors and business owners; a large percentage of the total people in that category have received benefits. This new category of claims introduced by the CARES act drove most of the growth in unemployment claims since mid-April

Regular state unemployment reports a week in advance of other categories; data for the week of June 20th therefore represents an incomplete total

Source: Department of Labor; BLS

Physical Return and Work Reimagined

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Gear 1: Trusted Transition
Physical Return

Physical Return
New company announcements: Physical return to work

Convene
Hospitality

► The New York-based business started reopening some of its locations last month, including sites in Los Angeles, Philadelphia, Chicago, Washington, D.C., and New York City.

Deskpass
Hospitality

► Deskpass announced a new safety program designed to protect the health of members as it begins to reopen its curated network of shared workspaces and conference rooms for booking.
► In addition, Deskpass immediately began working with owners of coworking spaces in its network to develop new features and policies to ensure the health and safety of remote workers once local shelter-in-place orders were lifted.

Greggs
Retail

► Greggs is reopening around 800 of its stores across the UK for takeaway, with the aim of reopening the remaining 1,000 branches by early July.
► Staff will be wearing protective clothes while at work and a reduced menu will be offered to customers as a means of encouraging social distancing in the kitchens and at workspaces.

Macy's
Retail

► Macy's Inc. said nearly all its stores have reopened after a months long closure due to the Covid-19 pandemic.
► Mostly stores currently working on reduced hours and will be flexible to meet the demand.

Cineworld
Entertainment

► Cineworld, which owns Regal Cinemas, plans to reopen all its US theaters on July 31 instead of its previously announced date of July 10.

Supreme
Retail

► Supreme has announced that starting this Thursday, July 2, its locations in New York City, Los Angeles, and San Francisco will be back in business.
► There are now safety guidelines in place to prevent the spread of the novel COVID-19, including a requirement for customers to wear masks.

Princeton University
Education

► Princeton University has announced that undergraduates will be able to return to campus for one semester during the 2020-21 academic year, with first-year students and juniors welcomed to campus for the fall semester, and sophomores and seniors for the spring semester.
► Princeton's plans follow public health guidelines for colleges and universities regarding safety measures.

Physical Return and Work Reimagined

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Physical Return
New company announcements: Physical return to work plans are in flux for some

JPMorgan Chase & Co. is pulling back on returning employees to outposts in Columbus, Ohio -- home to the bank's biggest U.S. office building -- after coronavirus cases in the state jumped. Plans by the biggest U.S. bank to bring back as many as half its workers to buildings in the city between July 13 and Labor Day on Sept. 7 are on hold indefinitely

PMorgan is moving forward with plans to return to offices in Manhattan, and Columbus was to be the second U.S. market where the bank would bring some workers back. More than 180,000 staffers worldwide started telecommuting in March.
The firm employs roughly 19,000 people in Columbus, and its tower on the Polaris Parkway is JPMorgan's largest U.S. facility, according to the bank's website.
The company is making plans to start a first phase of returning workers in additional states including Delaware starting in mid-August, according to the people, who asked not to be identified because the information isn't public. About 3,800 work for the company in Wilmington, Delaware, where much of the credit-card business is based.
JPMorgan has previously said it doesn't expect more than 20% of its New York area workforce to be back before Labor Day, but has stressed that working in-person is critical to its culture.
Source: Bloomberg 7/8/2020

In a survey conducted this month by the Partnership for New York City, an influential business group, respondents from 60 companies with Manhattan offices predicted that only 10 percent of their employees would return by Aug. 15.

Goldman Sachs, anticipated that a small number of employees would return but said that most would not come back until well into next year.

The real estate company Rudin Management Company said that it reached a collective 5.2 percent of capacity across its 14 office buildings in New York that reopened on Monday.

Source: NY Times June 24, 2020

Physical Return and Work Reimagined

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Physical Return
New company announcements: Remote work

CAA
Entertainment

► CAA Will Not Return To NY, LA, Nashville Offices Until At Least January 2021.

Toyota
Automotive

► Toyota Motor Co. is now telling eligible employees that they can work from home permanently as the company looks at ways to keep employees safe.

Ford
Automotive

► Thousands of Ford employees to continue working at home through year's end.
► The automaker had previously targeted an early July return to the office for salaried workers, and more recently said those employees would not return until at least September.

Salesforce
Application Software

► Salesforce employees have the option of continuing to work remotely through the end of 2020, the company says in a statement to its employees.

Slack
Technology

► Slack to offer permanent work from home to most employees.
► Company is extending work from home policy indefinitely beyond September 1.

Google
Technology

► Google pushes back plan to reopen offices.
► The company may not be bringing its employees back to the office until September.

Bryn Mawr Bank Corporation
Banking

► Over 40% of Bryn Mawr Bank Corp.'s employees will work remotely on a permanent basis, the company's CEO said. David DeBalko.

Fujitsu
Technology

► Fujitsu announces permanent home work plan.
► Under new plan, employees "will mainly start working remotely to achieve a work style that will allow them to flexibly use their time according to their job content, business roles and style of life ".

Physical Return and Work Reimagined

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Physical Return
Contact Tracing Update

Contact tracing: Ireland launches its app following Apple and Google's model

► Ireland is the latest European country to successfully launch a national contact-tracing app designed to support the manual program of tracking down and warning people who have been in contact with someone who has tested positive for COVID-19.

► The country's health services executive (HSE) confirmed that the COVID Tracker app is now available to download nationwide in Apple's App Store and Google's Play Store.

► Developed by Irish software company Nearform, COVID Tracker leverages the Exposure Notification API developed by Apple and Google,

► Every two hours, COVID Tracker downloads the list of anonymous IDs that have been shared with HSE by people using the app who have tested positive for coronavirus.

Coronavirus: Why Singapore turned to wearable contact-tracing tech

► The wearable devices complement the island's existing contact-tracing app, to identify people who might have been infected by those who have tested positive for the virus.

► All users have to do is carry one, and the battery lasts up to nine months without needing a recharge - something one expert said had "stunned" him.

► If dongle users test positive for the disease, they have to hand their device to the Ministry of Health because - unlike the app - they cannot transmit data over the internet.

Alberta's COVID-19 Contact-Tracing App Poses Security Risk on Apple Devices, Warns Privacy Commissioner

► The Office of the Information and Privacy Commissioner of Alberta (OIPC) said the province's COVID-19 tracing application smartphone app could be a security risk if used on Apple devices.

► According to Commissioner Jill Clayton, as reported by Global News, while Alberta Health considered privacy and security in developing the ABTraceTogether app and applied measures to protect privacy, she has concerns about the app's functionality on Apple devices.

► Clayton said the app poses security risks because Apple devices need to remain unlocked to make it work. Thus, risks are significantly heightened risk in case of loss or theft.

VOS Systems LLC Launches AlertTrace™ Contact Tracing Device to Provide Accurate COVID-19 Tracing With Employee Privacy

► VOS Systems LLC, a joint venture of three leading US technology companies: VOLT Wearable Tech, Ottogee and Scout IoT, has launched AlertTrace™ , an anonymous contact tracing solution for workplace safety.

► AlertTrace provides reliable daily monitoring to record close contact interactions through wearable Bluetooth technology, then uploads interaction data with end-to-end encryption for ensured privacy and anonymity.

► Currently, AlertTrace is being used in several federal pilot programs to proactively address the spread of COVID-19.

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Physical Return - Contact Tracing App
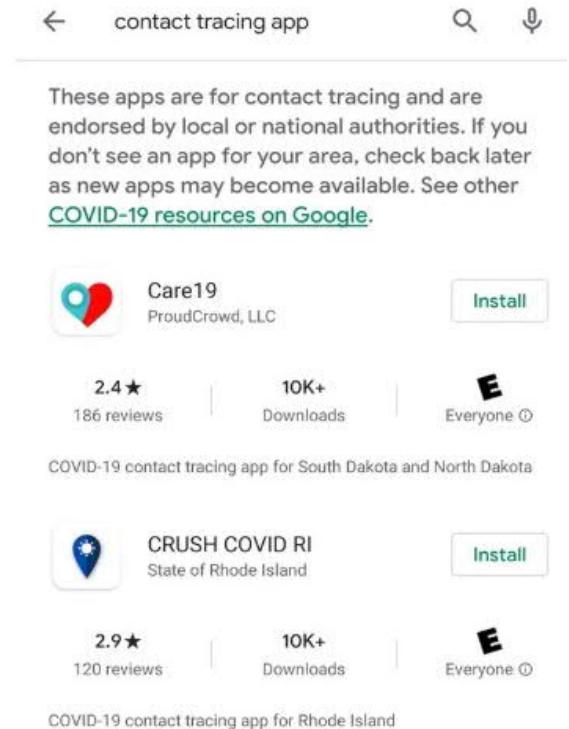## Are coronavirus contact tracing apps doomed to fail in America?

► Contact tracing helps prevent the spread of a virus by proactively finding people at higher risk than others due to potential exposure and notifying them.

► US people were having phone disruptions in mid June, which was caused by a massive outage on T-Mobile's network. They have been adding to iOS and Android phones for weeks a framework for contact tracing that Apple and Google jointly defined.

► In the 13 years since the iPhone redefined the world, the one thing that come to trust about new technologies is that they end up knowing far too much about people.

Contact tracing's math problem

► Contact Tracing app needs a critical mass of folks using it to be effective at least 60% of the population.

► According to a recent study, just 29% less than half the number of Americans needed would consider using COVID-19 contact tracing apps.

Privacy first for Apple and Google

► If there were a contact tracing framework to trust, ironically, it would be the one Apple and Google hustled to define.

► Google and Apple built in extra protections to safeguard users' privacy and give them control over what to share with health authorities.

► Those protections are what convinced Germany to drop an earlier digital tracing project and instead build its app, called Corona-Warn-App, on the Apple-Google platform.

► Here in the US main fear is the privacy problem is just too great to overcome. Which is too bad, because the potential benefits to our economy and the country's overall health are undeniable.
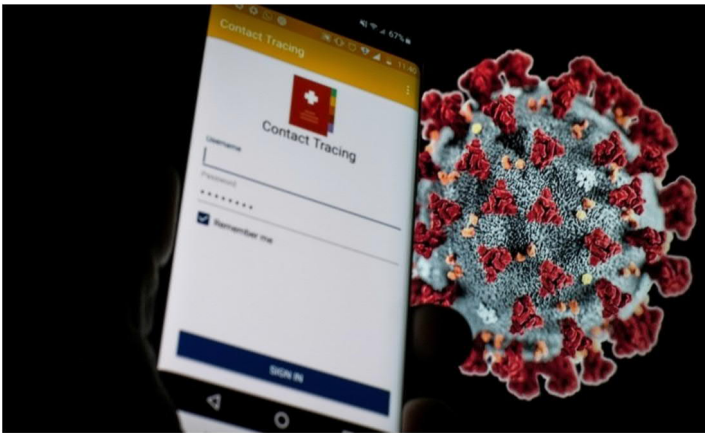

← contact tracing app

These apps are for contact tracing and are endorsed by local or national authorities. If you don't see an app for your area, check back later as new apps may become available. See other COVID-19 resources on Google.

Care19 — ProudCrowd, LLC — Install
2.4★ 186 reviews | 10K+ Downloads | Everyone ⓘ
COVID-19 contact tracing app for South Dakota and North Dakota

CRUSH COVID RI — State of Rhode Island — Install
2.9★ 120 reviews | 10K+ Downloads | Everyone ⓘ
COVID-19 contact tracing app for Rhode Island

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Physical Return - Contact Tracing App
Public have privacy-related concerns with contract tracing app - survey

A survey has shown that while there is a willingness by the public to download a contract tracing app to curb the COVID-19 pandemic, many have concerns with it over privacy.

▶ Dr Michael O'Callaghan, General Practitioner and researcher at the UL School of Medicine, who worked on the survey over 8,000 people says there is a body of work to be done in order to encourage people to download a contact tracing app.

▶ According to Dr O'Callaghan, nearly two thirds (59%) of people who took part in the recent survey could think of at least one reason that would discourage them from installing the app.

▶ The most common reason was a concern that technology companies or the Government might use the information for greater surveillance after the pandemic.

▶ The survey conducted by UL and NUIG found that 82% of Irish adults are willing to download a contact tracing app to their smartphone.

▶ According to Dr O'Callaghan HSE has developed a Bluetooth-based COVID-19 tracker app, which means a phone will remember any other phones it comes into close contact with.

▶ He said this is very different from a geolocation or tracing app, which logs where people go.

Physical Return and Work Reimagined

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Physical Return
Companies hire their own epidemiologists to facilitate safe return to work

> In a sign of just how complicated it has become to navigate the pandemic, companies are rushing to hire epidemiologists to help guide their efforts to reopen and stay open – especially when state and federal safety guidelines are sometimes short on specific advice and are viewed by some as watered-down by political influence.

GRUBHUB
Restaurants you love, delivered.

- ▶ Grubhub wasn't sure how to safely deliver meals during a pandemic. The familiar food safety rules of temperature and sanitation were not enough. Did drivers need masks? Hand sanitizer? What could be done better?

- ▶ The company hired an epidemiologist trained in infection prevention to provide answers and helped the company create rules requiring delivery drivers to wear masks – as well as providing them with masks and hand sanitizer – along with ways to reduce the amount of touching during delivery pickups and drop-offs.

dermalogica

- ▶ Skin care company Dermalogica also had questions, including whether its worldwide staff of skin therapists could gently poke and prod customers.

- ▶ The company hired an epidemiologist trained in infection prevention to provide answers

Six Flags

- ▶ Six Flags noted in a news release that its "epidemiologist consultants" helped craft its reopening plans for its theme parks.

Physical Return and Work Reimagined

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Gear 2: Transformation
Work Reimagined

► Over 16m US workers have transitioned to working from home, a new category of careers has been born under the title "essential workers," and the average American has now begun to stream online content for 8 hours or more each day.

► This transition has already been set in motion with big tech companies like Facebook taking initiative now by telling staff to work remotely for the remainder of the year, and in some instances, permanently.

► While remote work offers a slew of improvements for the workplace, a 25% reduction in employee turnover and 77% of employees reporting increased productivity, to name a few, it also brings unique changes and demands that companies may not be fully aware of, yet.

► Google has begun to rotate employees on site for a few days each week while ensuring facilities remain at only 10% occupancy.

► Twitter has taken a somewhat different approach, where virtually all employees will work from home, permanently.

What business leader can do to prepare for the future?

Leverage new apps for employee feedback	Review remote working for different companies	Revisit your healthcare plans	Conduct virtual meetings with employees	Conduct online trainings for employees

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Probable shifts we'll start seeing in the workplace as we eventually step into the post Covid-19 world

Remote work could further the racial divide

- A survey conducted by WayUp found that only 10% of new college graduates believe it will be possible for them to find a remote job or internship.
- Candidates who self-identified as Black/African American or Hispanic/Latino were an astonishing 145% more likely to feel concerned about finding a remote job compared to White or Asian candidates.
- Not only were Black/African American or Hispanic/Latino descent candidates more stressed about getting a job, but 48% of them felt under qualified.
- Data shows that Hispanic/Latino and Black/African American families have more family members (19% and 7%, respectively) per square foot compared to Caucasian families.

Determining promotions and merit increase will become data centric

- In the past, one of the main reasons employees received promotions was due to their tenure within the organization.
- In fact, one study found that 150,000 employees with low-performance scores from 75 companies received promotions in a single year.
- The future of promotions looks to become more data centric, where the decision is based upon an array of qualitative metrics such as sales figures, year over year performance values, and customer service scores and reviews.
- We can also expect a rise in app and technology usage that evaluates employees' digital experiences while measuring their productivity and performance remotely.
- This increase in promotions for remote workers may be due to the fact that productivity and workplace satisfaction are higher for employees who have flexible work environments.
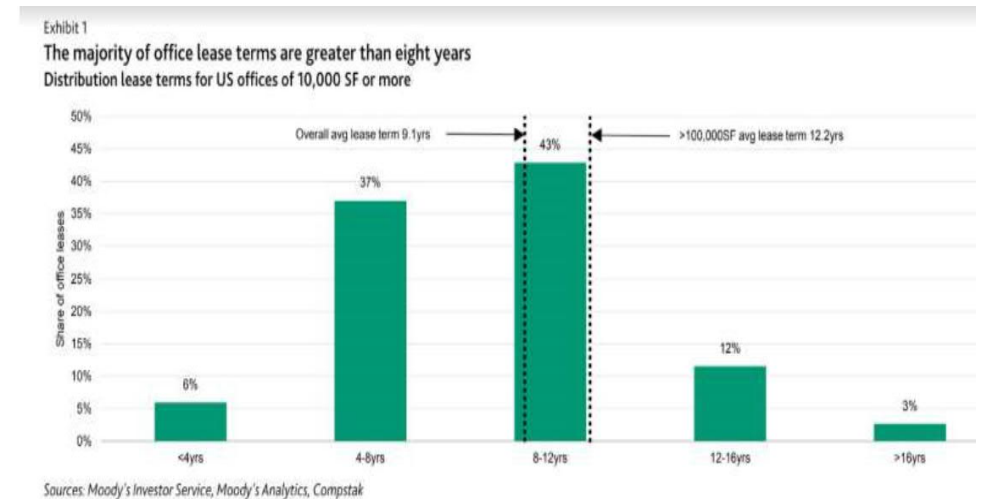
Cyber security measures will become even more necessary

- While security breaches have risen 11% since 2018 and 67% since 2014, we can only expect this rise to continue, given that remote work widens an organization's attack surface.
- This risk has become so high that the International Associate of IT Asset Managers (IAITAM), a vendor neutral IT organization, expressed heightened warnings to government agencies and businesses around the risks involved with allowing employees to work from home without secure devices.
- A previous report found that 17% of US Securities and Exchange Commission laptops were being used in unauthorized locations.
- Start off by implementing two-factor authentication ,monitoring access controls (here's an option) and building stronger passwords for all accounts (here's how) and start training the employee on security awareness.

Methods of feedback will drastically change

- Covid-19 has torn down these familiar ways frequent feedback was provided, pushing management to use alternative means of providing consistent feedback.
- Although putting an emphasis on qualitative data will drive promotions forward, employees need to maintain a level of personal connection.
- Use this time to not only offer performance feedback and support at work but to build a personal connection and relationship.
- Managers have an opportunity to bridge this gap of isolation while building relationships to provide supportive feedback.
- Keep communication consistent and personal amongst your teams and in one-on-one virtual settings.

The office isn't dead yet, even if remote work keeps rising, says Moody's

In short: The modern office isn't "dead" yet.

But Moody's does see "heightened risks more in major urban markets," and in the unlikely event of "sea changes" in behavior by companies looking to eventually shed office space, "a meaningful credit impact" could occur, wrote a team led by senior credit officer Kevin Fagan, in a report released late Thursday.

The team's finding were based on a swath of factors, including coronavirus cases in major cities and how easily staff in those cities can work remotely. The team also combed through data on office asking rents, lease terms and financing details in billions of dollars' worth of office loans bundled into commercial mortgage-backed securities (CMBS) deals that Moody's rates.

Office debt now accounts for about 27% – the largest chunk – of commercial property loans in the $548 billion CMBS market, a key source of financing for office buildings, retail properties, hotels and other commercial buildings for decades.

Exhibit 1
The majority of office lease terms are greater than eight years
Distribution lease terms for US offices of 10,000 SF or more

Overall avg lease term 9.1yrs · >100,000SF avg lease term 12.2yrs

<4yrs	4-8yrs	8-12yrs	12-16yrs	>16yrs
6%	37%	43%	12%	3%

Sources: Moody's Investor Service, Moody's Analytics, Compstak

© Moody's   Big decisions might wait

► Source: MSN Money Moody's July 8, 2020

Work Reimagined: Future of Real Estate
Commercial real estate must do more than merely adapt to COVID-19

Physical distancing has directly changed the way people inhabit and interact with physical space, and the knock-on effects of the virus outbreak have made the demand for many types of space go down, perhaps for the first time in modern memory. This has created an unprecedented crisis for the real estate industry.

Rethinking the future of real estate, now

1 Strategic review processes aim to understand how real estate usage might change going forward. However, rather than relying on traditional economic or customer-survey-driven approaches, real estate leaders are looking to psychologists, sociologists, futurists, and technologists for answers.

Real estate has always been highly decentralized: many important decisions that impact cash flow have been made at the property level. Given the uncertainty around the duration and depth of this crisis, top management is now providing more centralized direction on property-level cash management in addition to company-level.

2 **Centralizing cash management**

Making tailored, informed decisions

3 Properly implemented, a set of clear protocols along with structured, fact-based decisioning will ensure fairness and procedural justice for tenants and help operators communicate their actions with key stakeholders, including tenants, investors, and lenders.

the real estate industry had been moving toward digitizing processes and creating digitally enabled services for tenants and users. Practically overnight, physical distancing and the lockdown of physical spaces have magnified the importance of digitization, particularly by measures such as tenant and customer experience.

4 **Taking the digital leap**

Acquiring operating companies, not just single assets

5 In the context of a post-COVID-19 world, most investors and operators are reconsidering all capital decisions. Extreme uncertainty surrounding the duration of cash-flow depression and exit capitalization rates make it exceedingly challenging to underwrite acquisitions and discretionary capital expenditure with confidence.

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Work Reimagined: Future of Real Estate
Reimagining the real estate industry for the next normal

How engaged, productive, comfortable, connected, and safe we feel in our physical environment matters, and the COVID-19 crisis has accelerated the need for significant changes in the real estate industry.

Practically overnight, for example, physical distancing and the need for contactless interaction have magnified the importance of digital within real estate.

RXR Realty, North American real estate investor and developer, began working on this topic long before the COVID-19 crisis.

RXR worked with consultants to reimagine the tenant experience across its residential, commercial, and mixed use properties.

They established a lab of more than 25 data scientists, designers, engineers, and product managers, who worked together to develop digital capabilities that catalysed the reinvention of the company, helping it emerge as a beacon of change for the industry.

The joint team has built products and services for residents that enhance their living experiences.

One innovation is a new RXR app that is anchored around a resident experience officer.

Designed, created, and launched by the team, the app allows residents to manage elements of their personal lives, like moving into an apartment, and use digitally-enabled concierge services for services like housekeeping and grocery delivery.

Tenants can also submit and manage maintenance requests through the platform and make rent payments seamlessly.

On the commercial office side, RXR is implementing new technologies to help monitor energy efficiency and environmental conditions. As companies consider what office space will look like in the return to work after COVID-19, these capabilities have positioned RXR to move with agility.

For instance, the infrastructure created by RXR enabled the company to respond quickly to the COVID-19, including the launch of a new comprehensive, data-driven program initiative called RxWell, helping to ensure an environment that prioritizes safety and wellness is particularly important in light of the coronavirus.

Physical Return and Work Reimagined

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Work Reimagined: Future of Real Estate
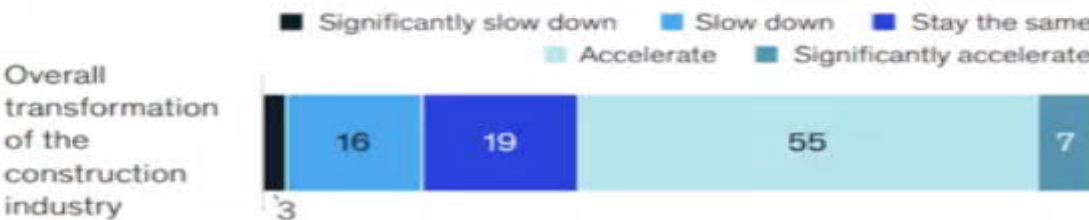## How COVID-19 is transforming the real estate sector

The real estate sector has been affected by the COVID-19 pandemic in unprecedented ways and if we focus on the financial side, the impacts are already visible.

The unlevered enterprise value of real estate assets had fallen 25% or more in most sectors, especially hospitality and leisure.

Reinventing real estate

As a result of COVID-19, do you believe that transformation of the construction industry will accelerate, stay the same, or slow down?
Share of respondents, %

■ Significantly slow down ■ Slow down ■ Stay the same
■ Accelerate ■ Significantly accelerate

Overall transformation of the construction industry

| 3 | 16 | 19 | 55 | 7 |

Around two-thirds of respondents believe that the COVID-19 crisis will accelerate the overall transformation of the construction industry

As a result of COVID-19, has your company increased overall investments to adapt to the new future?
Share of respondents, %

■ No ■ Yes

Increased investments to adapt to the new future

| 47 | 53 |

More than 50% of respondents' companies have started to invest more to adjust to the new future

3 things real estate investors should consider as the sector is being transformed:
▶ digitalizing their assets and services for tenants and building users.
▶ renewable-energy infrastructure and retrofitted buildings
▶ combine traditional investing with environmental, social and governance-related (ESG) insights to improve long-term outcomes.

As habits are changing, the rising demand for safer, healthier and more sustainable buildings will lead the market while also determining the speed at which this industry can reimagine itself.

Physical Return and Work Reimagined

Source

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CBRE

COVID-19 has forced the issue of working from home to the forefront of many organisations thinking, but it has simply turned up the dial on a shift in working behaviour that has already been gaining pace and that the real estate sector must respond to.

- ▶ In the short-term, as workplaces strive to be 'COVID-secure', Lewis Beck, Head of Workplace for CBRE EMEA says the design and allocation of space will be evaluated through the lens of how to limit the transmission of disease, reinforce hygiene and safeguard the health of employees.
- ▶ In offices this is likely to be achieved through phased occupation and shift-based usage, along with social distancing in open plan spaces.
- ▶ In the long-term, Beck believes that organisations will look to redefine what maximum occupancy should be.

- ▶ In its 2030 forecast, CBRE suggested that almost all employees would be mobile and would need a 'network of locations' from which to work.
- ▶ It argued that increased remote working would not mean that centralised offices would no longer exist, but that their design would change to focus on encouraging face-to-face interaction, increasing collaboration and supporting creativity.
- ▶ According to CBRE for those in real estate this will involve a focus on providing amenities in office spaces.
- ▶ This will range from providing easy access to food and drink and tech-enabled break-out areas, up to concierge services and health centres in premium offerings.

- ▶ CBRE also predicts the incorporation of technologies into spaces that will provide a "seamless experience" for employees, such as using biometrics for access to buildings.
- ▶ The increase in remote working will solidify the trend for flexible working spaces.
- ▶ It describes the business model as "just-in-time" real estate and predicts that more of these co-working spaces will be created close to city centres or large client sites.
- ▶ Data tracking of how spaces are used will be vital for organisations in understanding what mix of long-term office space and flexible spaces they will need. Brian Murphy, CEO of flexible office provider Breather, predicts in CBRE's report that by 2030 flexible workspace will account for 20% of the total office market.
- ▶ For the real estate sector and its investors the next few years looks to be an exciting one, with their plans for adaptation to remote working potentially brought forward and becoming a reality.

The remote working setup isn't too far off from becoming the new norm. While there are still some hurdles to overcome, teething problems to solve, and reluctant CEOs to convince, working over the internet from anywhere in the world will become a default option sooner or later.

1

Give your team communication options
With a functioning virtual team in place, you'll of course be using software to allow work to be delivered, but you might not be taking advantages of all the tools that make it easier for people to effectively work and socialize together.

2

Make sure everyone knows their worth
Out of sight, out of mind, and it can be really easy for a remote employee to feel disconnected from the goals of the business they work for. Even more so than in a typical working arrangement, they can be left to feel like nothing more than a cog in an indifferent wheel, and nothing kills motivation faster than believing that you don't really matter.

3

Find opportunities to meet
The immediacy and tangibility of in-person contact can never be replaced by online interaction, no matter how advanced your setup, but just a small amount of it can have a significant effect on how people interact.

4

Encourage collaborative projects
Team culture is so important when it comes to building and growing a company, and it isn't something anyone can take for granted, particularly when you're using a lot of remote workers.

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Work Reimagined: Culture and Learning
The 9-Step Definitive Guide For Building Remote Work Culture In Virtual Teams

Basic Needs: Meeting Functional Requirements	Emotional Needs: Fulfilling Desires for Esteem and Belonging	Aspirational Goals: Strive for Creativity and Fulfillment

Basic Needs: Meeting Functional Requirements

1. Make sure employees have everything they need to work remotely
2. Establish remote work policies, expectations, and guidelines. This documentation should address some common questions employees have about remote work e.g.:
   - ► Scheduling
   - ► Communication and collaboration
   - ► Vacation and time off
3. Communicate the policies, expectations, and guidelines and solicit feedback and questions

Emotional Needs: Fulfilling Desires for Esteem and Belonging

4. Create a remote culture statement. Take a look at your current culture statement. Chances are, it already works perfectly as a remote culture statement. Just check it for terminology people might associate with physical spaces, such as "happy hour," "game rooms," or "office pets."
5. Build an events calendar. Create a calendar (for the year or at least a quarter) filled with all-hands meetings, town-halls, virtual events, and other gatherings.
6. Start a mentorship program or buddy system

Aspirational Goals: Strive for Creativity and Fulfillment

7. Establish unique traditions. Adding beloved traditions to an already strong culture can make employees feel like fulfilled members of a tight-knit community.
8. Integrate remote cultural principles into other areas of your business
9. Help employees establish remote growth and development plans. Help, or have managers help, employees map out their desired career trajectory in a remote work environment. What steps do they need to take to advance? What skills should they work on?

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Work Reimagined: HR Strategies and Policies
Productivity post-COVID: From measuring activity to measuring outcomes using oobjectives and key results (OKR)

▶ For the first time ever, more employees than ever globally are working from home.
▶ From Google to Facebook to TCS to Infosys, many organizations are not planning to let their entire workforce com to office till the end of this year.
▶ This calls for a huge rethink on productivity and performance.

From measuring activity to measuring results

▶ The measurement of productivity will change from activity to results and will have a lot of focus on corporate goals and teams rather than just individuals.
▶ This will bring in a culture of transparency, with a scoreboard being available for everyone.

From annual plans to weekly plans

▶ Hence under the OKR framework, business need to be reviewed on a weekly basis; similarly, feedback and review should be on a weekly basis.
▶ And when organizations align the individual goals with the corporate goals very clearly and provide a very transparent scoreboard, the sense of fairness and equitable reflection of their contribution will be automatically established among employees.

More self-driven employees, more ownership, better productivity

▶ One important aspect of using OKRs to measure productivity is that they strongly encourage people to have stretch goals.
▶ When organizations celebrate the effort towards goals, this leads to employees becoming more self-driven.
▶ OKR framework can be a good breeding ground for remote leaders in today's organizations, especially those who are good in collaboration, communication in the virtual world, and have the business agility that the situation demands.
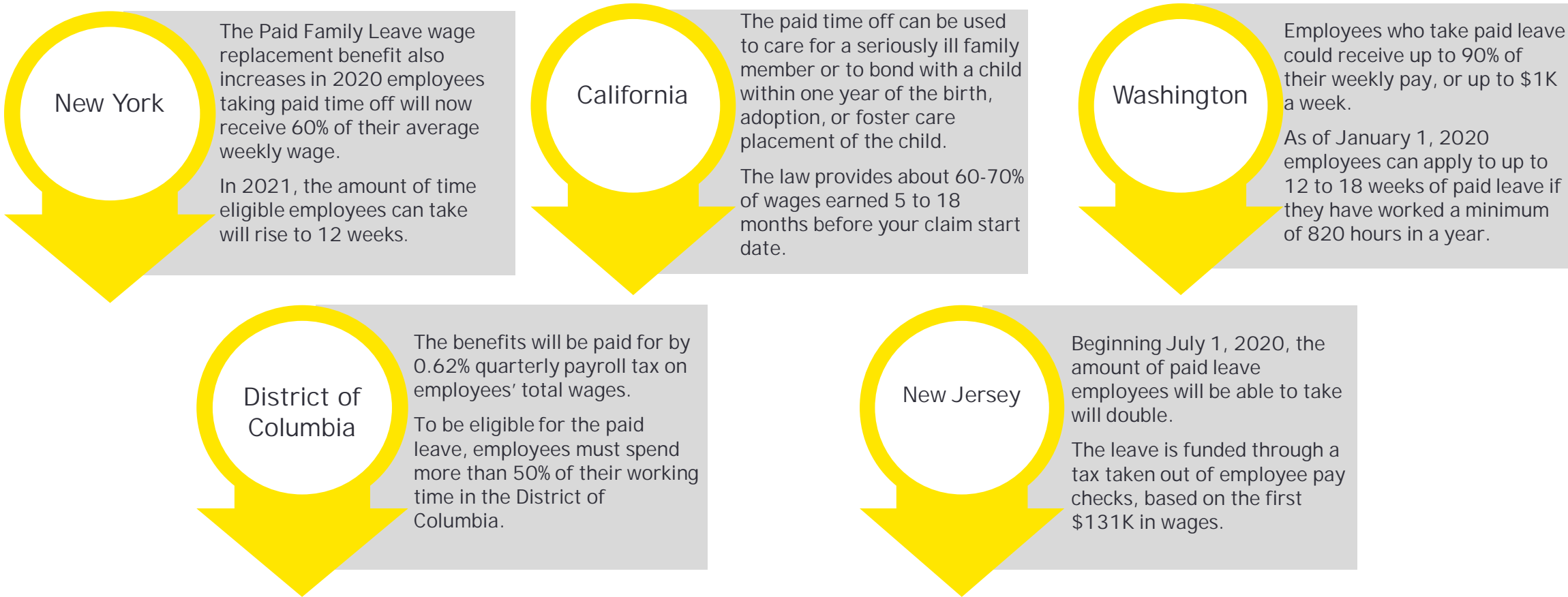

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Also, when the corporate goals are aligned with the individual goals and week on week, employees see the corporate scoreboard moving, they can automatically see the greater purpose to their work, leading to better engagement, better productivity.

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Work Reimagined: HR Strategies and Policies
Paid Leave Laws 2020: What's Changing?

Starting April 1, small businesses with fewer than 500 employees are required to provide emergency paid sick leave and family leave benefits to employees impacted by COVID-19.

States which are implementing changes and on what type of businesses will be impacted by the changes

New York

The Paid Family Leave wage replacement benefit also increases in 2020 employees taking paid time off will now receive 60% of their average weekly wage.

In 2021, the amount of time eligible employees can take will rise to 12 weeks.

California

The paid time off can be used to care for a seriously ill family member or to bond with a child within one year of the birth, adoption, or foster care placement of the child.

The law provides about 60-70% of wages earned 5 to 18 months before your claim start date.

Washington

Employees who take paid leave could receive up to 90% of their weekly pay, or up to $1K a week.

As of January 1, 2020 employees can apply to up to 12 to 18 weeks of paid leave if they have worked a minimum of 820 hours in a year.

District of Columbia

The benefits will be paid for by 0.62% quarterly payroll tax on employees' total wages.

To be eligible for the paid leave, employees must spend more than 50% of their working time in the District of Columbia.

New Jersey

Beginning July 1, 2020, the amount of paid leave employees will be able to take will double.

The leave is funded through a tax taken out of employee pay checks, based on the first $131K in wages.

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Big New Obstacle for Economic Recovery: Child Care Crisis

The decision to only reopen New York City's public schools part time in September illustrates the looming threat to businesses.

When New York City decided to reopen its school system, the nation's largest, on a part-time basis in September, it set off a new child care crisis that could seriously threaten its ability to restart the local economy and recover from the coronavirus outbreak.

Business and union leaders say the city needs to mount a kind of Marshall Plan-like effort to find child care for many of the system's 1.1 million students when they are not in classrooms. They said there was no way the economy — from conglomerates in Midtown Manhattan to small businesses in Queens — could fully return to normal if parents had no choice but to stay at home to watch their children.

The concerns reflected a growing recognition across the nation that the reopening of schools is now the linchpin in the broader effort to undo the severe economic damage from the outbreak. New York City alone is facing its worst financial crisis since the 1970s, with an unemployment rate hovering near 20 percent.

Cherye Graves's fourth-grade classroom at Eastside Elementary in Clinton, Miss., after students were forced to stay home in March during the coronavirus outbreak. Julio Cortez/Associated Press

Students in Seattle are likely to go to school in person only once or twice a week, officials said. Half of Omaha's students will attend Monday and Tuesday, and the other half Thursday and Friday, rotating Wednesdays. And Fairfax County, Va., outside Washington, said students would spend at least two days a week in class, with the rest online.

The governors of Connecticut and New Jersey announced guidance that they said would allow students to return to school, but left the details up to districts, with Gov. Phil Murphy of New Jersey acknowledging on Friday that some schools would likely need to adopt a hybrid model and restrict daily attendance.

Source: NY Times, July 10, 2020

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Work Reimagined: Legal considerations
Top Five Employment Law Liabilities Facing Employers Post-Pandemic

The COVID-19 pandemic has exposed employers to an influx of novel employment law issues

1 **Wage and Hour Claims**
The shift to telework during the coronavirus pandemic has forced many employers to set aside traditional tracking mechanisms that are used to determine when employees take breaks and clock off. As a result, employers may be vulnerable to employee claims that employers failed to provide and/or pay for all required meal periods, rest breaks, and overtime for remote and on-site employees.

2 **Leave Complaints**
As the pandemic unfolded in March, Congress passed the Families First Coronavirus Response Act (FFCRA), which imposed the first-ever federal paid sick time mandate. In the months following the height of the pandemic, covered employers may encounter allegations that they failed to comply with obligations under the FMLA, FFCRA, and state– or local-equivalent laws by denying the requested leave, miscalculating employees' pay, requesting improper documentation or retaliating against an employee for taking such leave, etc.

3 **Workplace Safety**
The Centers for Disease Control and OSHA have released general employer guidance and safety recommendations for certain industries. OSHA has released updated enforcement guidance regarding how to make work-relatedness determinations with respect to COVID-19 record-keeping. And, all states and most localities have orders regarding mandatory safety precautions. Many employers, particularly essential employers, have seen an increased number of complaints to OSHA or state plan OSHA about COVID-19 related workplace safety.

4 **Discrimination Charges**
As employers across the nation contemplate return-to-work protocols, many may find some workers reluctant to return, particularly employees with preexisting conditions who may be in danger if they return to work and are exposed to COVID-19.

5 **WARN Act Violations**
In the months following the COVID-19 outbreak, many employers were put in the difficult position of implementing sudden layoffs and other workplace reductions due to COVID-19-related business losses. Unfortunately, the efforts to quickly downsize likely made it hard for employers to provide mandatory notice to affected employees, which could spark suits alleging employers failed to adhere to obligations under the federal WARN Act.

Work Reimagined: Legal considerations
Survey: Most companies are concerned about reopening due to liability over coronavirus related claims

The COVID-19 pandemic has exposed employers to an influx of novel employment law issues
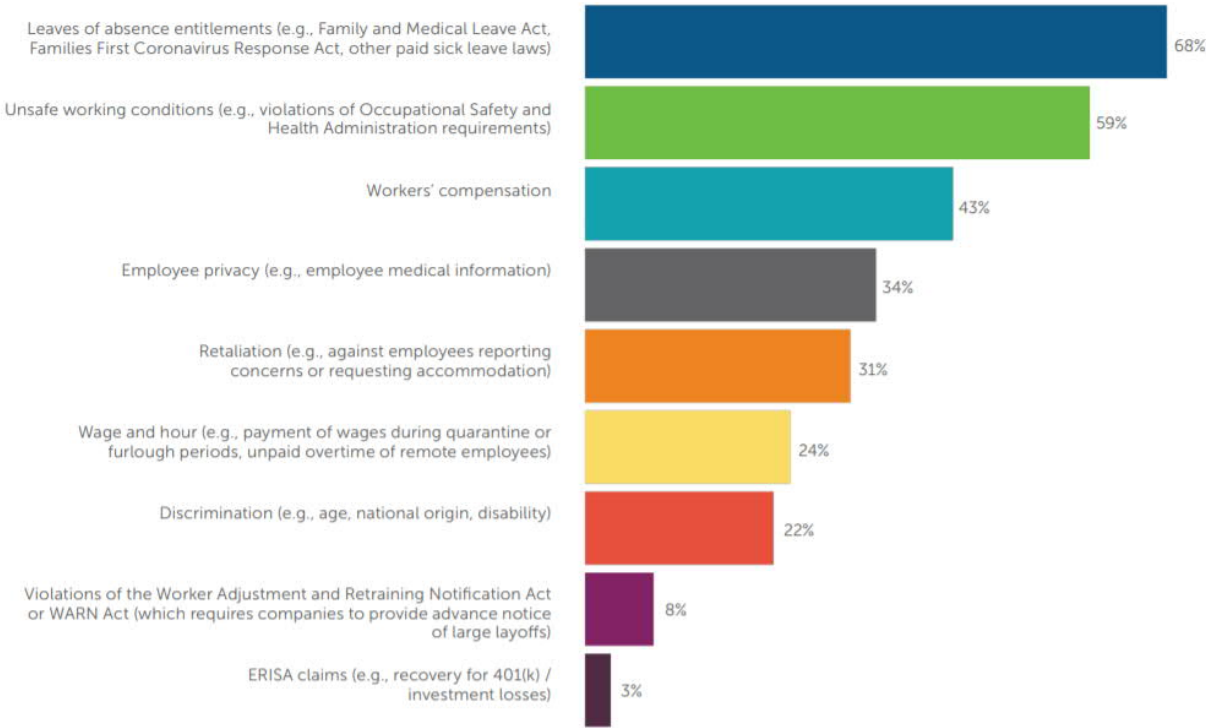
Liability Concerns

To what extent is your organization concerned about reopening due to liability over coronavirus-related claims and the potential for lawsuits if workers contract the virus?

This question was only asked to in-house counsel

- To a great extent: 11%
- Somewhat: 60%
- Very little: 23%
- Not at all: 6%
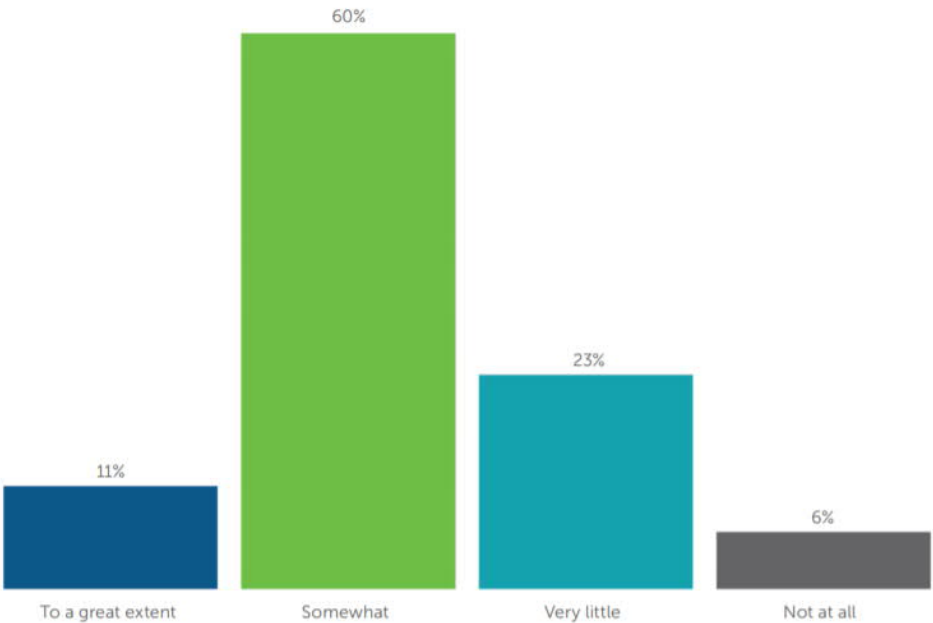
In which of the following areas do you expect an uptick in workplace claims or lawsuits as the COVID-19 pandemic continues and employees start coming back into the workplace? (select all that apply)

- Leaves of absence entitlements (e.g., Family and Medical Leave Act, Families First Coronavirus Response Act, other paid sick leave laws): 68%
- Unsafe working conditions (e.g., violations of Occupational Safety and Health Administration requirements): 59%
- Workers' compensation: 43%
- Employee privacy (e.g., employee medical information): 34%
- Retaliation (e.g., against employees reporting concerns or requesting accommodation): 31%
- Wage and hour (e.g., payment of wages during quarantine or furlough periods, unpaid overtime of remote employees): 24%
- Discrimination (e.g., age, national origin, disability): 22%
- Violations of the Worker Adjustment and Retraining Notification Act or WARN Act (which requires companies to provide advance notice of large layoffs): 8%
- ERISA claims (e.g., recovery for 401(k) / investment losses): 3%

1,010 professionals completed the Littler COVID-19 Return to Work Survey via an online survey tool. 98 percent said their organizations have operations throughout the United States and many also indicated having operations in Western Europe (22 percent), Asia-Pacific (21 percent), Canada (20 percent) and Mexico (13 percent), among others. Respondents included: Human resources professionals (59 percent), General counsel/in-house attorneys (31 percent) and C-suite executives or other professionals (10 percent). Companies represented were of a variety of sizes: More than 10,000 employees (14 percent), 5,001 to 10,000 employees (8 percent), 1,001 to 5,000 employees (22 percent), 501 to 1,000 employees (12 percent), 101 to 500 employees (28 percent), 1 to 100 employees (15 percent)

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[Source] EY

Work Reimagined: Future of Travel
Airports provide Covid-19 tests to replace quarantines

The UK government has exempted travelers arriving from 60 nations from the need to self-isolate for a minimum of 14 days. For passengers from all other countries, the UK is considering a negative test in lieu of quarantine.

► Heathrow airport is "ready to host a pilot for the testing"
► The paid-for service will be available for anyone with a flight landing in Heathrow Terminal 2
► The price of the test is not yet decided, but is likely to be between £100 and £170.
► Passengers will need to set up an account and book their test online, before beginning their journey to the UK.
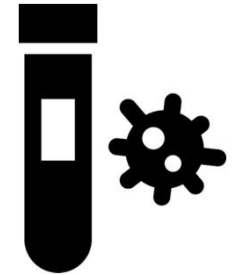
Other airports this is available at include:

► In Alaska, state officials earlier this month decided that if travelers test negative at Ted Stevens Anchorage International Airport, they need not wait out a quarantine period. Those who take the airport test must remain quarantined until a negative result is reported. The goal, officials said, was to get results within 48 hours.

► In Vienna International Airport this week started offering coronavirus tests, forecasting results "within a period of about three to six hours." Austria is using a molecular-biological COVID-19 test, also known as a polymerase chain reaction test. Cost of the test is about $215.

► In Iceland, airport testing is expected to increase noticeably starting July 1. On that date, the country opens its borders to travelers from countries beyond Europe. To encourage tourists, many tour operators are covering the $113 cost of a COVID-19 test upon arrival at Reykjavík–Keflavík Airport.

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