



CORENET GLOBAL

# VIRTUAL POP UP

A pop in community for **corporate real estate professionals**

## Pop-Up Webinar: Key Takeaways

9 April 2020

**I've heard that Singapore has reopened. But I've also heard that they've had issues with re-infection rates, and they've closed again. Is this fact or rumor?**

- That's fact. Singapore is shut down for another month. They had just opened up when they had a recurrence. Hong Kong is also shut down for another month. Shanghai has just reopened, but they have since dialed it back a little bit.
- I can share what I've learned from our offices in China. They began opening in March, and we have about 50 percent occupancy. They have been alternating A/B with teams to maintain that 50 percent. People are sitting at every other desk. The biggest issues that have been brought up include being in a high-rise building with the HVAC shut down, and no air circulation. People arriving for work do a temperature scan and get a pass for the day. There's a quota for the elevator. Four people get in and go up. Then the next four can get in. It's a very slow process. Meeting rooms aren't being used much. All in all, that experience returning to the office has been underwhelming, and as a result many people are continuing to work from home.

**Do we think that this kind of partial occupancy, such as 50 percent, is going to become a permanent thing?**

- I do think that 50 percent will become the new normal.

**Any other experiences from Asia-Pacific markets?**

- Our company has 200,000 people in India that are under lockdown right now. We are thinking about what it will be like when we go back to work, and back to the new normal, whatever that is going to be. It was interesting to hear about those experiences in China because that's probably similar to what we'll experience when the lockdown eases in India.

**In China, did they give you any timeline for when occupancy will increase? When elevator capacity will increase? We see that as a big choke point.**

- No, there's nothing on timeline at this point for China. We are practicing social distancing, of course, and have chosen to follow two meters, or about six feet.

- We might have to maintain some form of all this for another 12 to 18 months. In an [interview](#) earlier this week, Bill Gates said it might be fall of 2021 before we can truly be safe because it'll take that long to develop and distribute a vaccine. Maybe we need to work primarily from home, and the office becomes a sort of flex space. We could allow people as much freedom as possible to find the right place to work.

**Great to get those insights on your company's office space. What are you doing on the industrial and warehousing side?**

- I deal mostly with our offices. Things at our fulfillment centers are much more structured. They have people making sure no one comes within the required distance of each other. It's a pretty intense regimen, and technology does a lot of the work.

**What are your thoughts about requiring surgical masks for office workers based on the CDC guidelines?**

- Our company is categorized as essential, and we have kept our sites open to some level of occupancy. Starting next week with the new CDC guidance, we are implementing temperature checks before people go into the buildings, and we are also distributing masks and requiring those to be worn. It is hard to get enough masks. But you can get into trouble if you have too many masks. They might come and confiscate them, such as in [Santa Clara County, California](#). We don't want to get in trouble for stockpiling. We have asked employees to go out and purchase masks themselves, and then we reimburse them with our usual employee reimbursement channels.
- It's the same situation at our company. Our intent is to provide people with masks and gloves upon entry into the building. That is our goal. We'll see if it holds.

**Are you doing that in China now – providing masks and gloves?**

- We're providing masks. Pretty much everyone you see in China on the news is wearing a mask. It's easy there; it's a culture which adopts that well. It's different here in the United States, where people are not so willing to wear masks. We are also purchasing scanners, and following an approach similar to airports where you get a thermal scan as you walk in. If someone is questionable, you put them back out to guarantee safety as much as possible. This is easy to do if you own the building, but much more difficult if you are in a multi-tenant building.
- At our company, we decided not to do the thermal scanners because we are concerned about employee privacy issues. What we've done in the short term is work with a company that will come in and do this for us at most of our sites. They will send nurses to us. At some sites, we have a drive-up situation where we conduct temperature checks. At one site, we have outdoor tents, and the nurses cycle through and do the checks. We think we'll get more accuracy that way, and maybe incur less liability than if we had done the checks inside the building.
- We're in the state of Michigan, which requires companies with essential workers to do a screening, which includes temperature checks, before employees come into the office. We have outfitted our security force with N95 masks, and they put those on to do temperature checks. If someone registers 100.4 or greater, we turn them away. We don't want to deplete medical supplies by requiring employees to wear these masks, but we are being pressured into it by the CDC and other requirements that are being put on this.

**I can't help but think of 9/11 in connection to what we're experiencing now. We are only now seeing the final symptoms of sickness among the post-disaster clean-up crews. Is there some kind of safe harbor for people who put in good-faith efforts during the coronavirus challenge, or some kind of blanket federal reprieve from future liability? Is anyone discussing that with their corporate legal group?**

- Perhaps not, but they should be.

**Are there any specific physical adjustments people are making for the Day 1 return to the workplace?**

- Most of our spaces are offices, but we do have some light manufacturing that's been continuing from a production standpoint. As was mentioned earlier, it's a little easier in a manufacturing environment because we have dedicated safety people, and we have already enacted safety protocols. We too are considering what's called a 'soft' opening, not having everybody immediately return to work for the reasons previously cited. Whether that's personal concerns or social distancing, we don't expect to see a lot of meetings taking place. Now that our folks are embracing Zoom, we think there will be much more virtualization from a meetings standpoint. We have enacted special protocols in places like cafeterias and fitness centers. What is an appropriate level of occupancy? We are discussing all that with our vendors. They are all working frantically on what they call 'soft opening playbooks.' There's more to come on that.

**Are there ways we can retroactively modify workplaces from a systems perspective to promote wellness?**

- Where we have rows of workstations without six feet of space to the side, we are looking at increasing the panel heights to 65 inches. And we're talking to our major furniture manufacturers and finding out what they're planning. I got an interesting PowerPoint presentation from one of the major service providers specifically about furniture. Perhaps it's too soon to call it trends, but it covers what they expect to see with the future of furniture and layouts. It was interesting to see it all pulled together. And then another large service provider has its "6 Feet Office," which has various interesting tips from clockwise circulation patterns to disposable desk pads, which an employee puts down on their work surface before they begin working. Clearly the vendors have jumped right in and are proactively coming up with myriad options.

**How will all this impact coworking? Will tenants shy away from it for good?**

- We are looking at locations where we have coworking. If we aren't in an enterprise situation, I think we expect to see a reluctance from our employees to continue using those environments.

**Any other issues or questions to bring up?**

- We have been requested by our senior management to look at any offices today that don't have automatic flushing or automatic soap dispensers. We want to make restrooms as touchless as possible. We are also considering switching out many of our heavy doors to auto-opening doors, but it would be expensive to do that. We are trying to balance bang for the buck. Even if we did that with the doors, there are many places where employees are still going to be touching the

same surfaces, whether it's a copy machine or something else. Are others going down that same path? Or will this door project not add enough value?

- I have seen quite a nifty device called the [StepNpull](#). It looks like a bit of a gimmick, but I'm sure there will be some serious manufacturing on a device like this. If it's not a fire door, you can use your shoe to open it. I'm looking at replacing every single door in some fashion without installing buttons which also need to be touched.
- We have looked at that same device, and we liked it. But we were concerned that it could be a trip hazard in some places.
- We installed the StepNpull in our bathrooms earlier this year. It was a big hit with employees.
- We have been looking at things like facial recognition systems, the disposable desk pads, and automatic flushing for restrooms. Another thing is phasing out visitor lanyards. A lot of visitors forget their ID cards, and thus will be given a lanyard. When we roll out our new visitor management system, it will be either an app or a sticker. We won't be doing the lanyards moving forward.

#### **What about rent deferment or rent abatement requests to landlords?**

- We haven't approached our landlords about rent abatement, but in buildings where we have tenants or sub-tenants – depending on the type of business – we are working with them on a case-by-case basis. Depending on the type of lease, we might be able to mitigate the operating expenses. Or in other cases we might offer some portion of rent forgiveness in exchange for a corresponding extension of their term.

#### **Is there a void in a mission-critical role where CRE needs to be more proactive? What other roles do we need to be prepared to fill?**

- I know of a company that is hiring a special real estate and facilities technology expert to coordinate artificial intelligence, the Internet of Things, and so forth. I learned recently that companies in China are using drones to identify workstations that may be available, so they can inform employees and visiting employees prior to finding a spot. You can also trace someone's location by their cellphone. Will people give up their privacy in order to have some of these benefits? We really must be on top of technology.

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