Tomorrow's offices:

flexibility first!

An OpinionWay' survey for Covivio

Towards new ways of working...

COVIVIO × "opinionway

62%

of employees see flexibility as a major lever for action to improve their working environment

46%

of employees expect the development of alternative solutions (such as coworking) to traditional workspaces

70%

of top managers say they want to make changes to enhance their real estate

Before, during and after lockdown: comparative opinion survey of employees and top managers

We are experiencing a totally unprecedented situation that is impacting our habits and way of life, whether we are talking about social, economic, health... or professional aspects.

On this last point, our relationship to work has indeed undergone a radical upheaval since lockdown: it is sure that the office must and will be deeply transformed. Some companies are already questioning the function of their offices, while employees have already changed their habits, in particular by working from home. However, questioning the use and future of the office and alternative ways of working is not a totally new phenomenon. In fact, the current crisis is merely acting as an accelerator of existing trends.

As a long-term real estate operator, Covivio supports its corporate clients meet the challenges of transforming and enhancing their appeal by designing spaces and services tailored to their image. Firmly believing that flexibility and services nowadays are key, Covivio is converging its commercial lease and service contract offerings with a view to providing clients ever more flexible and tailor made solutions.

This survey was conducted in three phases (February, July and October 2020) on a representative sample of French private sector employees and top managers in companies with at least 250 employees. It is designed to fuel debate and strategy at Covivio to constantly improve its response to the new challenges posed by tomorrow's office, underpinned by two overriding concerns - people at the core and flexibility first.

NOTE ON FIGURES AND CHANGES:
ALL FIGURES STATED ARE DERIVED FROM PHASE 3 OF THE SURVEY. STATED CHANGES ARE THOSE OBSERVED BETWEEN PHASE 1 (FEBRUARY) AND PHASE 3 (OCTOBER).

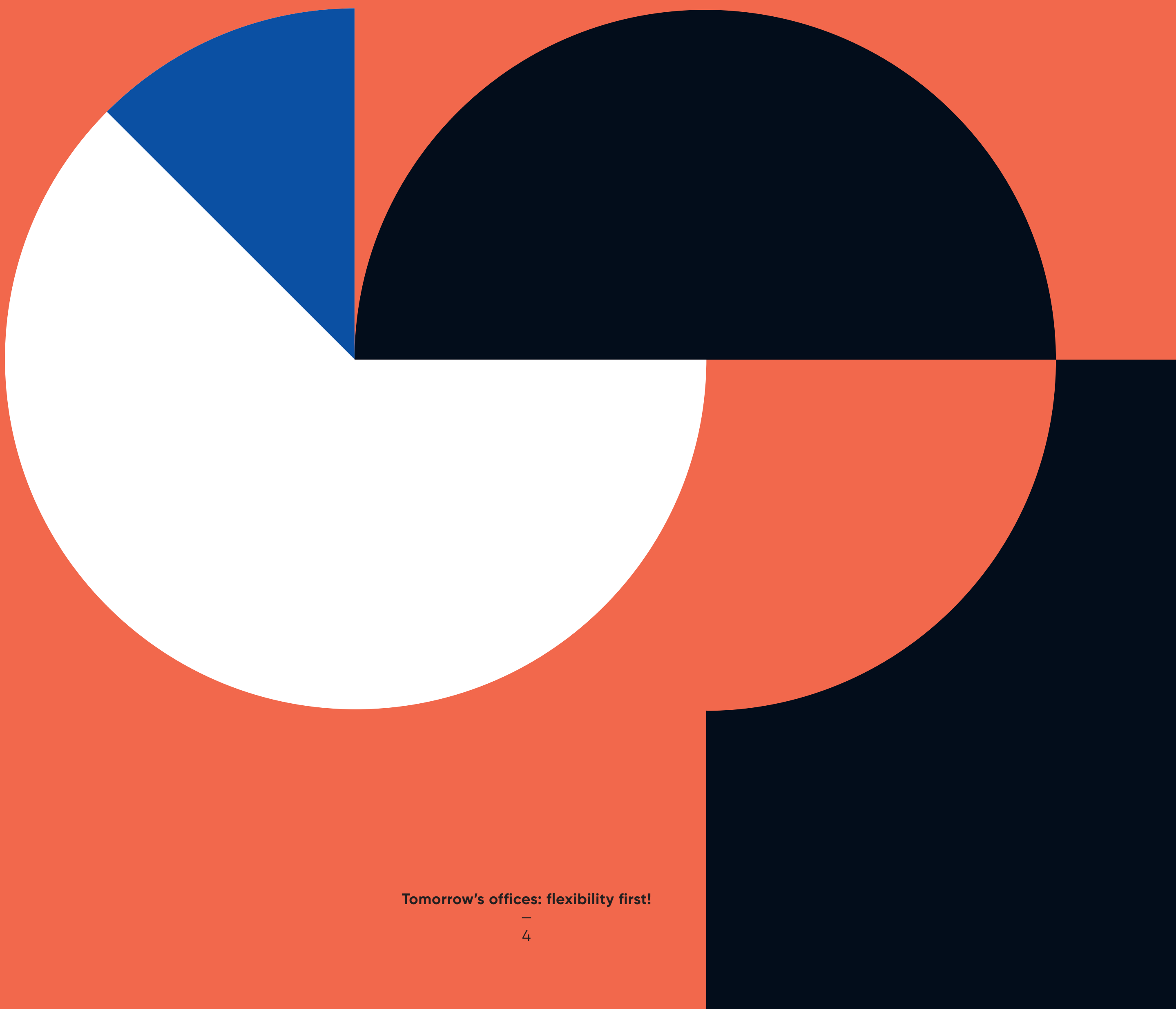
« This survey shows us that employees and top managers share expectations and demands regarding changes to be made to the office as a physical space and collective destination.

Employees very firmly express their desire to keep the social aspect of their workspace, thereby raising their expectations regarding matters such as flexibility, work climate and the provision of varied workspaces tailored to all work postures.

So, flexibility has become a new priority for everyone with regard to real estate, where to the famous triptych «location, location, location», the new «flexibility, flexibility, flexibility» has been added.

OLIVIER ESTÈVE,
Deputy CEO,
Covivio

employees who expect more flexibility and a reinvented "office destination"



The office: where I want, when I want... but together!

When employees are asked what defines a pleasant working environment, two criteria spring to mind: **work climate mentioned by 77% and flexibility (working hours, working from home, etc.) by 62%.** These are followed by location of premises (47%), efficient equipment and connectivity (45%), relaxation and social areas (22%) and workspace layout (10%).

This ranking remained stable over the 9-month survey period, which bears out **the importance of the social dimension of the office, clearly identified by employees.**

Generally lower satisfaction, afflicted by the crisis period

During this challenging period, employee satisfaction has declined, reflecting greater expectations and demands about their workspace.

Work climate in particular has deteriorated due to office restrictions and social distancing. Now, 75% of employees are satisfied, down significantly by 7 points since February. Along the same lines, 68% are satisfied with their degree of flexibility and 63% with the quality of their workspace layout, both results down 5 points since February. These changed opinions are significant in a relatively short period and point to long-term shifts.

- **Unsurprisingly, the youngest people, for whom flexibility is particularly important, say they are the least satisfied in this matter (58% of 18-34 year old employees vs. 75% of those aged 50 and over).**
- **Employees of medium-sized companies (250-999 employees) are also less satisfied with the flexibility they are offered (63% vs. 72% of employees of larger companies).**

Flexibility, comfort and work climate: levers for action

Well aware of a changing environment that will impact their workspaces, employees clearly identify priorities requiring action in order to improve their everyday life at the office. **Flexibility has emerged as the no. 1 lever of action for improving the working environment: 27% of employees mention it (up 8 points since February).** Next come work climate (20%, up 2 pts) and having efficient equipment and good connectivity (18%, down 1 pts), both areas that influence whether employees enjoy being and work effectively at their office. Lastly come factors relating to comfort: workspace location (12%, down 3 pts), having relaxation and social areas (11%, down 6 pts) and workspace layout and interior design (11%, stable).

- **Flexibility is mostly called for as a priority lever by the youngest employees aged 18-34 (33% vs. 22% of employees aged 50 and over).**
- **The oldest employees prioritise work climate (26% vs. 14% of the youngest employees).**

A need to rethink the “office destination”

Looking beyond short-term factors, employees expect and await in-depth changes to their workspaces. Indeed, employees confirm the importance of place and relationships, i.e. the social and collective aspects of their work environment: **first, 66% (up 6 pts*) mention the need to allocate more space to social areas and postures in order to work differently.** Second, they mention a desire to reduce the density of workspaces (60%, up 9 pts). Both aspects illustrate a new attitude towards the workspace as a place; it is no longer a workstation in the strict sense, but rather a shared and diversified space in its daily forms.

Meanwhile, **46% (up 6 pts) expect the development of alternative solutions such as coworking, while 45% (up 10 pts) want a reduction in surface area, primarily by setting up flexoffices** (unallocated offices). These major increases reflect a desire for greater flexibility and a new vision of the office destination, one that could be extended beyond the company’s premises.

* Question only asked during the July and October 2020 survey phases

transforming real estate: are top managers taking heed?

Before, during or after lockdown... real estate remains key for top managers

In terms of both location and quality of premises, over the long-term real estate remains key for a company's image among customers and potential employees. **93% claim their company pays a lot of attention to the quality of employee workspaces**, while 87% say this impacts their company's image and 81% say this impacts their capacity to attract new talents.

Future employees' views on workspaces are increasingly important

The survey reveals that we have reached a tipping point where the quality of workspaces and services that companies provide will play **a more important role in attracting potential employees (46%, up 4 pts) than in influencing their image among customers (39%, down 7 pts).**

- **This new attitude primarily relates to large companies with over 1,000 employees: 58% say this will have a bigger impact over the coming years on their appeal to future employees (vs. 43% of smaller companies).**

Home office, the new standard

The proportion of companies offering home office to their employees increased by 24 points over the 9-month survey period (from 55% to 79%). **Out of the 79% of companies offering such arrangements, 18% offer them to all employees and 61% only to some.**

- **A higher proportion of large companies offer employees work-from-home arrangements: 90% (vs. 77% of smaller companies), of which 65% only to some.**

Fundamental changes in the pipeline

Top managers too seek major changes in workspaces to reduce surface area and, above all, to boost flexibility and transform their real estate. **70% of them say they want to make alterations to enhance their real estate.**

To the question about planned real estate changes, **46% (stable) replied that they want to expand social areas and alternative work postures, this being the most common response.** 39% (up 3 pts) also plan to reduce workspace density at a time of social distancing and other preventive measures.

Both changes are doubtlessly made possible by **the introduction of a flex office system, which 38% (up 10 pts) regard as a high priority**, as well as the possibility of **offering alternative solutions such as coworking, cited as a high priority by 38% of directors (up 11 pts).**

Large companies with at least 1,000 employees were more interested in introducing a flex office system to reduce surface area and tackle problems of space. This was the most frequently mentioned change among large companies: 49% (vs. 36% in those smaller companies).

These changes envisaged by top managers are intended to meet their demand for stronger performance in both economical and collective terms.

The changes will also enhance flexibility and will strengthen and social and hybrid vocation of the office by redefining workspaces.

* Question only asked during the July and October 2020 survey phases

methodology

Employees

3 phases to survey a representative sample of French private sector employees at companies with at least 250 employees:

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PHASE 1: 1,034 employees from companies employing at least 250 people

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PHASE 2: 1,000 employees from companies employing at least 250 people

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PHASE 3: 1,001 employees from companies employing at least 250 people

Quota sampling method adopted taking account of employee gender, age, pay level, business sector and home region.

Interviews were carried out:

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PHASE 1: 27 January to 7 February 2020

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PHASE 2: 19 to 24 July 2020

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PHASE 3: 9 to 16 September 2020

Directors

3 phases to survey a representative sample of French private sector directors at companies with at least 250 employees:

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PHASE 1: 401 directors of companies employing at least 250 people

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PHASE 2: 401 directors of companies employing at least 250 people

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PHASE 3: 402 directors of companies employing at least 250 people

Quota sampling method adopted taking account of director business sector, company size and region.

Interviews were carried out:

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PHASE 1 : 27 January to 20 February 2020

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PHASE 2 : 16 June to 16 July 2020

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PHASE 3 : 14 September to 12 October 2020

Employees were interviewed by self-administered questionnaire in line with the CAWI (Computer Assisted Web Interview) system.
Top managers were interviewed by self-administered questionnaire in line with the CATI (Computer Assisted Telephone Interview) system.
And the margins of error: 2.1 to 4.9 points at most for a sample of 400 respondents.
OpinionWay conducted this survey applying ISO 20252 procedures and rules.
The survey's results should be read taking account of a margin for error: 1.5 to 3 percentage points for a sample of 1,000 respondents.

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A benchmark in the European real estate market with 25 Bn€ in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance. Furthermore, its living, dynamic approach opens up exciting project and career prospects for its teams.

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