



Remote working in a post-coronavirus environment

AREF FutureGen Whitepaper

Date / September 2020

This whitepaper was authored by Tom Pinnell for the AREF FutureGen Network and proudly sponsored by Carey Olsen. In this whitepaper, the AREF FutureGen committee aims to look at how remote working has affected its members, whether this trend is here to stay, and what more our employers can be doing to help during such unprecedented times.

Remote working: a sea change?

Before this crisis, we were seeing a number of trends in real estate emerging, and the Covid-19 pandemic has only served to accelerate these. Remote working in particular is a trend which has become increasingly popular over the past few years, as more and more employers begin to address the demand for flexible working. However, the move away from the traditional “office-based” way of working has been slow, with less than half¹ of our respondents saying that they had the option to work from home on a regular basis.

With COVID-19 forcing the issue, it is particularly interesting that 86% of those surveyed said that they would like to work from home more often in future. For some businesses, the barriers to adopting remote working as a permanent policy included issues around technology, cyber security and inefficiency. Some respondents also commented that they felt working from home was “viewed negatively” within their individual firms, particularly where there was a reluctance by senior staff to adopt new ways of working such as screen sharing and presenting, marking up soft copy documents, and live drafting. It was generally acknowledged that junior members of the team are more adept at utilising technology in their remote working practices.

However, since the onset of this crisis we have seen businesses use technology as their first port of call to overcome many of the challenges we are facing. A prime example is the video conferencing service Zoom (NASDAQ: ZM), which has seen its share price almost treble since the end of January² as more and more businesses turn to such services to enable both internal and external meetings more effectively. Indeed, 71% of survey respondents indicated that they felt they were more efficient when working from home, with only 18% disagreeing with this.

This data then, paints a clear picture to employers when considering their flexible working policies once we can return to the office. The future generation of real estate professionals will value highly the option to work from home more regularly, and feel they are able to work more efficiently when doing so. Evidently however, senior staff must feel equally comfortable with remote working, and the technology that enables them to do this efficiently. Without this, there will always exist a divide in attitudes towards working from home.

The changing use of real estate

Office buildings have been a staple of the UK real estate market for years now, often providing access to long term leases and stable cashflows. With the move to more remote working, many are questioning how the office of the future will look. Indeed, 81% of those surveyed³ thought that this crisis will trigger a fundamental change to the way we use offices, with an increase in remote working.

¹ 45 out of 101 respondents said they were able to work from home prior to the Covid-19 crisis, with the remainder stating they were not permitted to, or could only do so under extenuating circumstances

² NASDAQ: ZM closed at \$76.30 on 31/01/20, and rose to \$222.02 at the time of writing, 10/06/20

³ 82 of 101 respondents agreed or strongly agreed that the current crisis would change how we use real estate in the future

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For landlords then, the concern is that demand for space may start to wane, as more move to a “hot-desking” model which never sees 100% of employees in the office at any one time. It is well documented that real estate is typically one of the biggest running costs after people, so some businesses may see an opportunity to reduce their rent liability and so increase their bottom line. We may even begin to see out of town working hubs emerge, particularly in commuter belts where many choose not to make the journey into London every day but still value an office environment.

However, for most the ability to work remotely efficiently with equivalent efficiency is subject to a strong internet connection. In regional areas, including some commuter belts, high speed broadband infrastructure is woefully underserved, so will require accelerated investment if remote working is to become widespread. It is also important to remember that the office environment encourages collaboration, gives greater learning opportunities, and fosters creativity. Many businesses which operate apprentice style models, hiring and nurturing top talent from early in an employee’s career, may suffer from a decrease in daily face time. Remote working does not suit everyone, so a balance between flexibility and optionality for employees will be beneficial for all.

Finally, there is of course a question to be asked around employee safety in the short term, with social distancing measures expected to remain in place for some time. We may well see increased property management costs whilst regular cleaning of communal spaces is required, and there will be a number of challenges to address with regards to employee safety for those looking to move to a hot desking model.

Attracting and retaining top talent

Hiring top talent has forever been an important part of all successful businesses, and so making a firm as attractive as possible to the best candidates is essential. The option to work flexibly and remotely is becoming more and more commonplace, to the point that it is likely no longer considered a perk but instead often an essential requirement when reviewing a new role. As businesses emerge from the COVID-19 pandemic, it will be the first movers who retain the advantage in attracting new talent. Senior management who understand the need for flexibility as a driver and motivator for employees will benefit most, whilst helping to create a more fulfilling culture for staff.

A significant percentage of survey respondents said that they felt their work-life balance had improved as a result of working from home, with one commenting that they often found themselves working very late at the office, so valued the option to work from home on days that it was feasible. Adopting flexible working policies then, is an easy win for most companies, with a recent Mercer survey finding that two-thirds of employees say it is important that their company culture encourages this [4].

Clearly, we are approaching a point in time where lack of flexible working policies will become disadvantageous to businesses. For those looking to attract and retain top talent, then a review of existing policies against what is becoming the market norm will be fruitful, as more and more young professionals come to expect the ability to work flexibility when searching for a new role. As one respondent commented, we hope that employers continue the efficiencies and improvements that we have learnt during this lockdown period once we do return to the office.

Wellbeing and best practice

Despite an overwhelming majority stating a preference for flexible working in the future, it is important to remember that for many this is still a new way of working. For the FutureGen network, there are likely challenges pertaining to their home situation, whether house sharing or living alone, both which come with their own challenges. Many will lack proper office setups, with poor wi-fi and insufficient hardware. In these situations, many of our respondents said they would appreciate if their employer helped with this, for example by providing an allowance for appropriate equipment and giving guidance on best practices. Suggestions also included limiting meetings to 50 minutes to avoid back-to-back video calls, as well as scheduling regular team catch ups to encourage the interaction that is absent outside of the office environment. Employee wellbeing has been in the spotlight for a while, but with the current crisis it is important that employers recognise the various challenges faced by their employees. The bigger the workforce, the greater the variety in individual circumstances, and so there will not be a “one size fits all” solution to wellbeing, but employers ought to consider how to best adapt working practices in order to accommodate a diverse range of employee circumstances.

Career prospects for the future generation of professionals

Almost 1 in 3 of those surveyed thought that the current crisis would have a negative impact on their career over next 12-18 months [5], symptomatic of a wider trend seen across the UK which has seen 8.4 million jobs furloughed since the start of the crisis, and a fifth of UK employers planning redundancies in the near term [6]. Job security is widely recognised as one of the key factors impacting employee commitment and performance, and several respondents commented that they would like to see greater comfort given on job security and compensation, as well as better guidance on the future of their company and their role within it. Many junior to mid-level employees will also now be lacking the day to day facetime with senior leaders in their business, and the networking opportunities this creates.

Given the current volatility in global markets, communication between employers and employees is key, and we believe it is vital that employers provide open and honest feedback on the present and the future of the business and its employees, particularly in the short term while this crisis is ongoing.

4 Mercer Global Talent Trends Report 2020 - <https://www.mercer.com/our-thinking/career/global-talent-hr-trends.htm>
5 31 of 101 respondents agreed or strongly agreed that the current crisis would negatively impact their career
6 “More than a fifth of UK employers plan redundancies” - FT, 18/05/2020

Continued

What next?

For the FutureGen network, this survey shows that a number of trends which have been emerging over the past few years are accelerating as a result of this crisis. Our key takeaways from this are as follows;

- Employees highly value the option to work remotely for at least a proportion of their working week, finding it improves both their efficiency but also their work/life balance.
- Employers which offer a flexible remote working policy are more likely to attract and retain top talent. Support by way of hardware allowances and best practice working policies are appreciated by employees.
- Better communication by employers regarding both job security but also the future of the company, particularly in light of the current crisis, is received well by employees.
- In the future, the way we occupy commercial real estate will change, as traditional ways of working are constantly changing.

In short, employers that show willing and flexibility to adapt to modern ways of working are likely to be the ones that attract and retain top talent for longer, whilst fostering an efficient and motivated workforce.



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