

Assessing Employers' Plans for Resuming Operations at Downtown Office Buildings (Survey Part 3)

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SURVEY OVERVIEW

- **Purpose**: Survey intended to gather information from office building managers, owners, and employers to better understand the dynamics and pace in which downtown's workforce is returning or planning to return their office buildings for regular work
- **Survey Design**: Survey target emailed to a subset of downtown employers and property managers
 - Non-scientific
 - Extrapolate findings for entire downtown workforce
- **Survey Timeframe**: Late March to Mid-April 2021

SURVEY OVERVIEW CONT.

Responses & Representation:

- 72 sample respondents representing downtown office properties & tenants of various sizes
 - Representing an estimated 17,000+ downtown employees
 - Approx. 19% of downtown's 90,000+ estimated workers

Central Question:

- The following question was asked using 2-month intervals:

What percentage of employees do you expect will regularly return to work at the office building you own, manage, or occupy by _____ (Date) _____ ?

- Response options are grouped in 10% increments (i.e. 10-20%, 21-30%, etc.)

Analysis Methodology:

- The following line graph illustrates the “average” percentages for each time interval
- Responses are weight adjusted by percentage of total employees of the sample population with a control measure and extrapolated as a proxy for the total downtown workforce



KEY ITEMS TO NOTE ABOUT SURVEY #1, #2, & #3

While the three surveys have some core consistency, there are several key difference between the surveys to note, including, but not limited to:

- Survey #1 was conducted in Summer 2020, and closed shortly before Independence Day
- Survey #2 was conducted in Fall after the traditional school/ home schooling year began
- Survey #3 was conducted in Spring after vaccine distribution began
- Some overlapping respondents between the three surveys (but survey #3 went to a wider audience of employers)
- Varying COVID-19 pandemic circumstances during each survey make them difficult to compare:
 - As time unfolds, the surveys highlight the uncertainty in predicting future time intervals on the re-entry pace and dynamics surrounding employer decisions, and the sensitives of employees.
 - Since the start of the pandemic, changing circumstances compounded by waves and dips in infection rates, home schooling/ lack of childcare options, the ease for some employees to work remote, vaccination willingness/un-willingness, and other factors are all playing a role in the pace and how employers are returning to their respective office spaces. These rapidly changing factors have also added to the complexity and uncertainty in projecting future time intervals when employees are/will return to the office.



SURVEY DATA SUMMARY & KEY TAKEAWAYS

SURVEY SUMMARY: EMPLOYEES RE-ENTERING DOWNTOWN (PART 3)

“HNTB’s people thrive on collaboration and enjoy our new downtown office,” said Ashley Booth, HNTB Wisconsin Office Leader and Vice President. “We followed CDC guidance and state/city requirements and created a safe work environment giving employees confidence to return on their own timeframe. About 70-75% of engineers and planners are coming into the office on a weekly basis. As a 2020 Best Places to Work honoree, HNTB is not only committed to fostering a collaborative and inclusive work environment in which employees can succeed, but we also believe it’s our corporate responsibility to support the City, our community and our small business partners by returning to the office.”

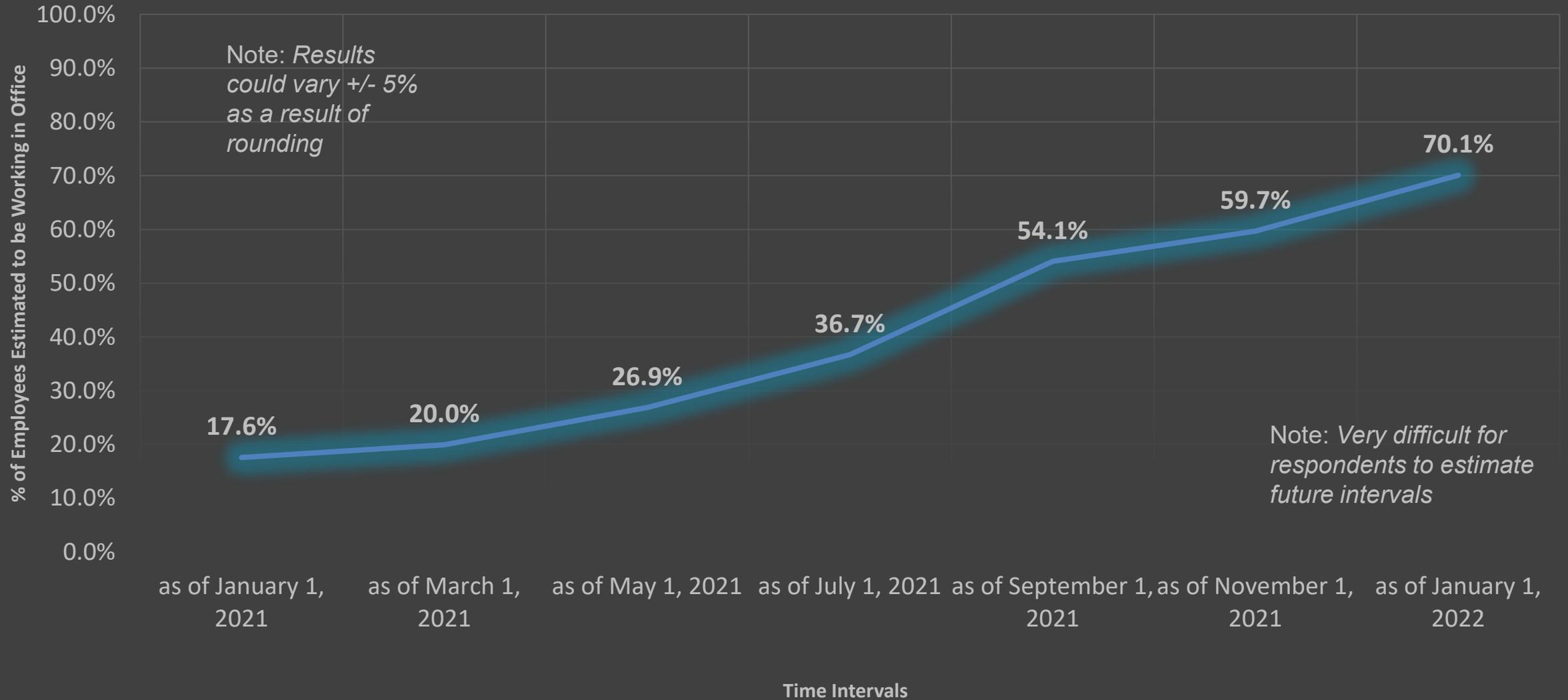
About a quarter of downtown Milwaukee workforce showing up at the office



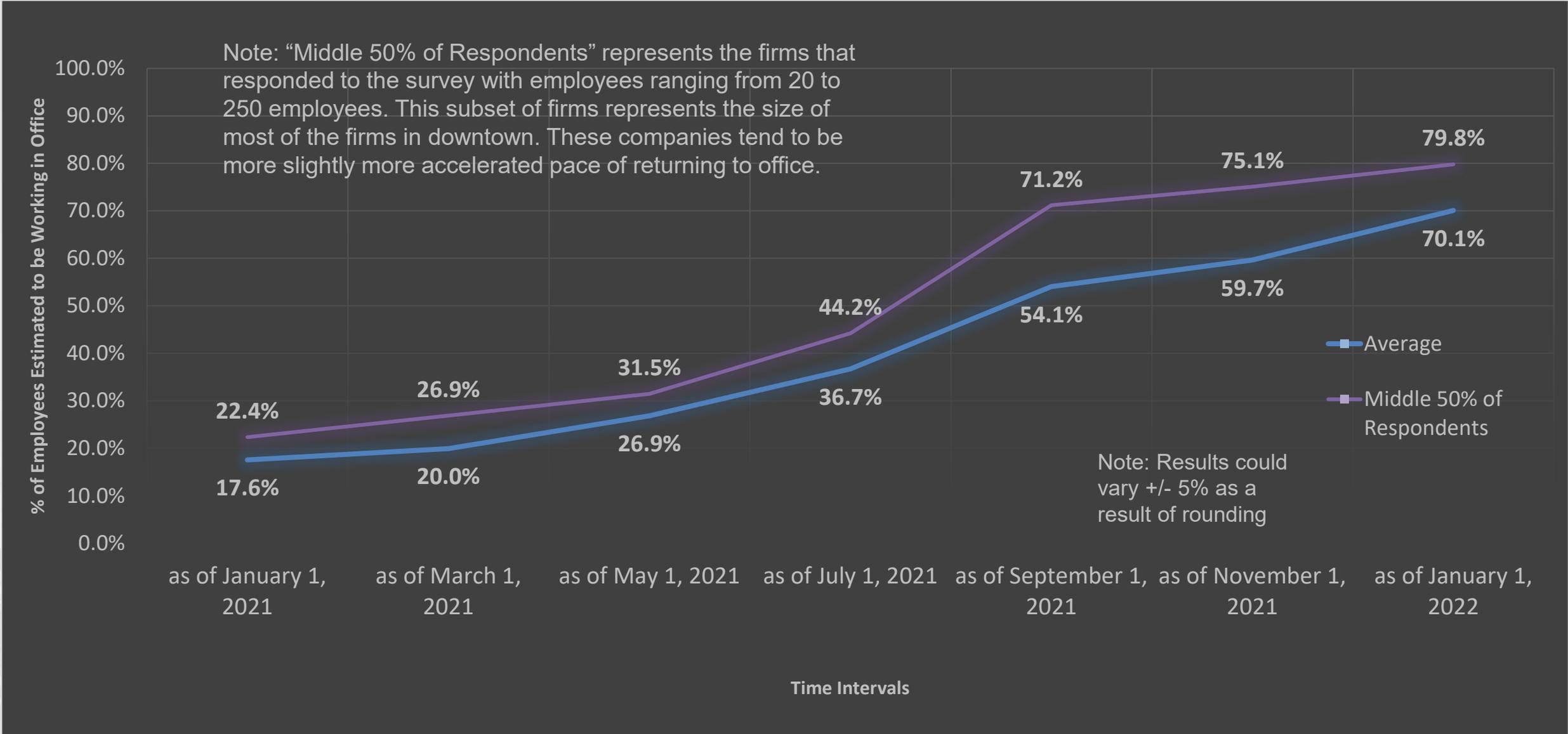
HNTB in the Two-Fifty building is among the companies that have more employees coming back into the office.

KENNY YOO

ESTIMATED PACE OF WORKER RETURN TO THE OFFICE



ESTIMATED PACE OF WORKER RETURN TO THE OFFICE (CONT.)



ESTIMATED PACE OF WORKER RETURN TO THE OFFICE NATIONALLY



KASTLE BACK TO WORK BAROMETER

7.12.21

Weekly Occupancy Report from Kastle Access Control System Data

BAROMETER THIS WEEK

31.0%

10 CITY AVERAGE
OCCUPANCY



	Wed 6/30	Wed 7/7	% Change
Austin metro	51.2%	47.5%	3.7% ▼
Dallas metro	50.1%	47.3%	2.8% ▼
Washington D.C. metro	27.4%	25.6%	1.9% ▼
Average of 10	32.7%	31.0%	1.7% ▼
New York metro	21.9%	20.2%	1.7% ▼
Chicago metro	27.9%	26.3%	1.6% ▼
Houston metro	49.0%	47.6%	1.4% ▼
San Francisco metro	19.3%	18.1%	1.2% ▼
Los Angeles metro	28.4%	27.2%	1.1% ▼
San Jose metro	22.0%	21.0%	1.0% ▼
Philadelphia metro	29.7%	29.3%	0.4% ▼

Downtown Milwaukee's workforce is returning with local survey suggests re-entry is higher than in many metro areas

Downtown Milwaukee's estimated occupancy for return to the office as of July 1, 2021 (36.7 – 44.2%) is above the average of the largest 10 United State Metros

Source: [Kastle Systems](#)

Note: Margin of Error 5%

Kastle customers are in more than 2,600 buildings in 138 cities. The Barometer reflects swipes of Kastle access controls from the top 10 cities, averaged weekly. It summarizes recent weekday building access activity among our business partners, not a national statistical sample.

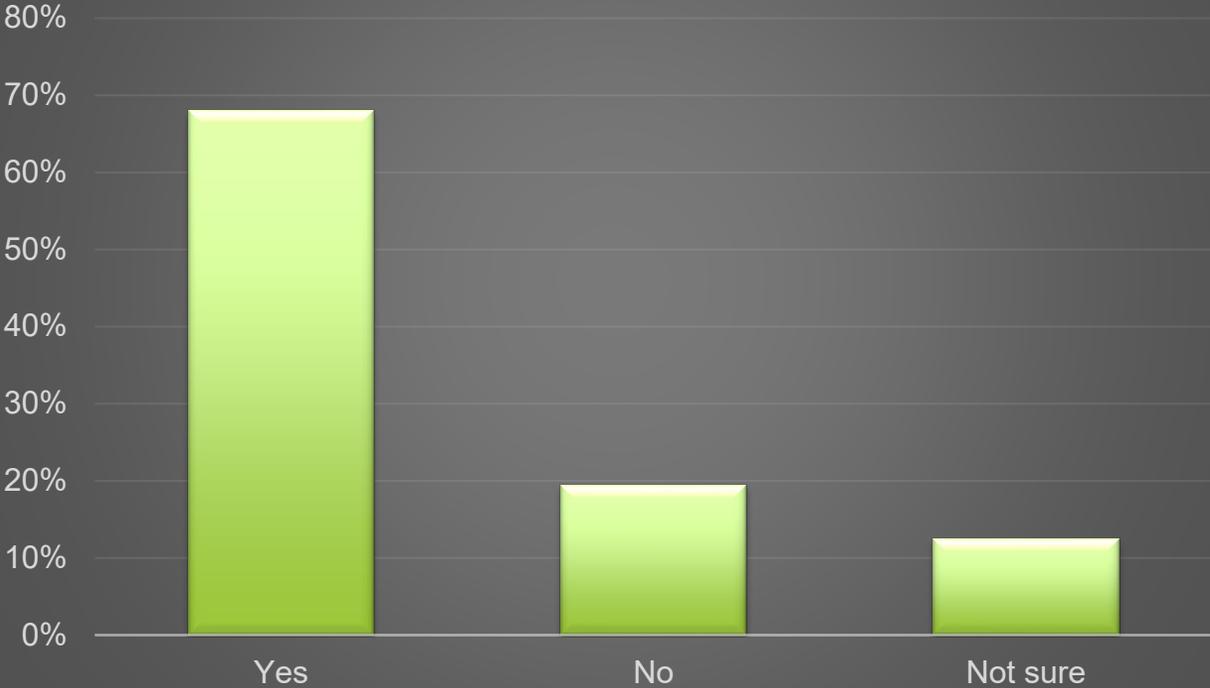
REMOTE WORK FURTHER ANALYZED

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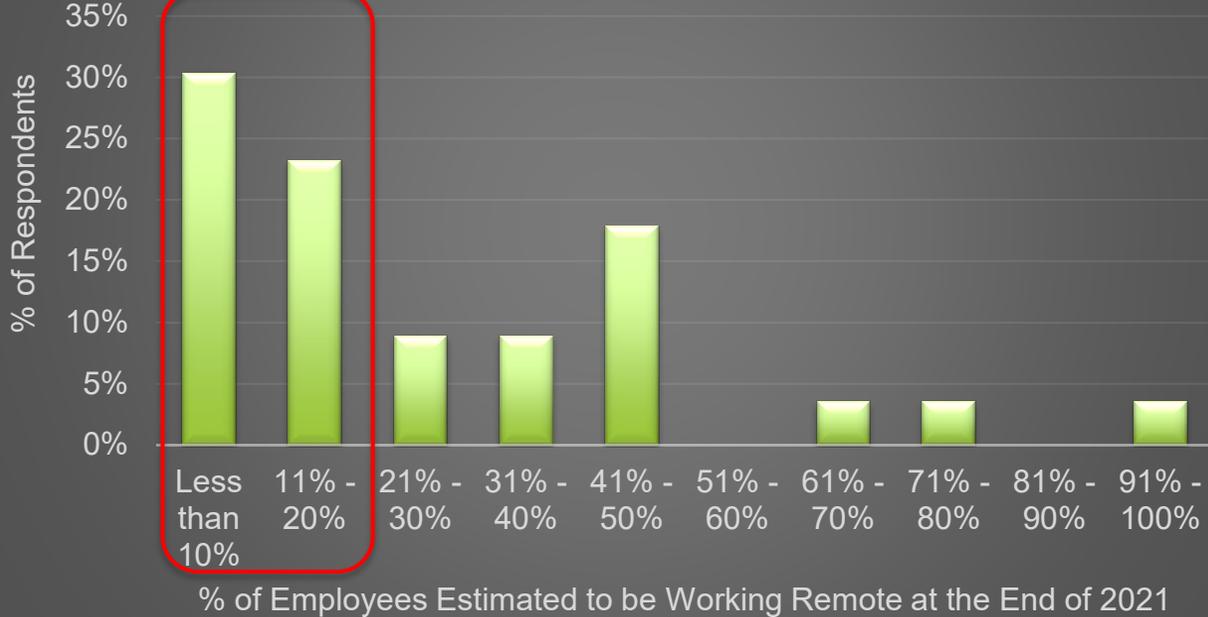


REMOTE WORK ESTIMATES AT THE END OF 2021

Do you anticipate that at the end of 2021 some employees will still be working remote?



If you answered, "Yes", estimate the percentage of employees that may still be working remotely at the end of 2021.



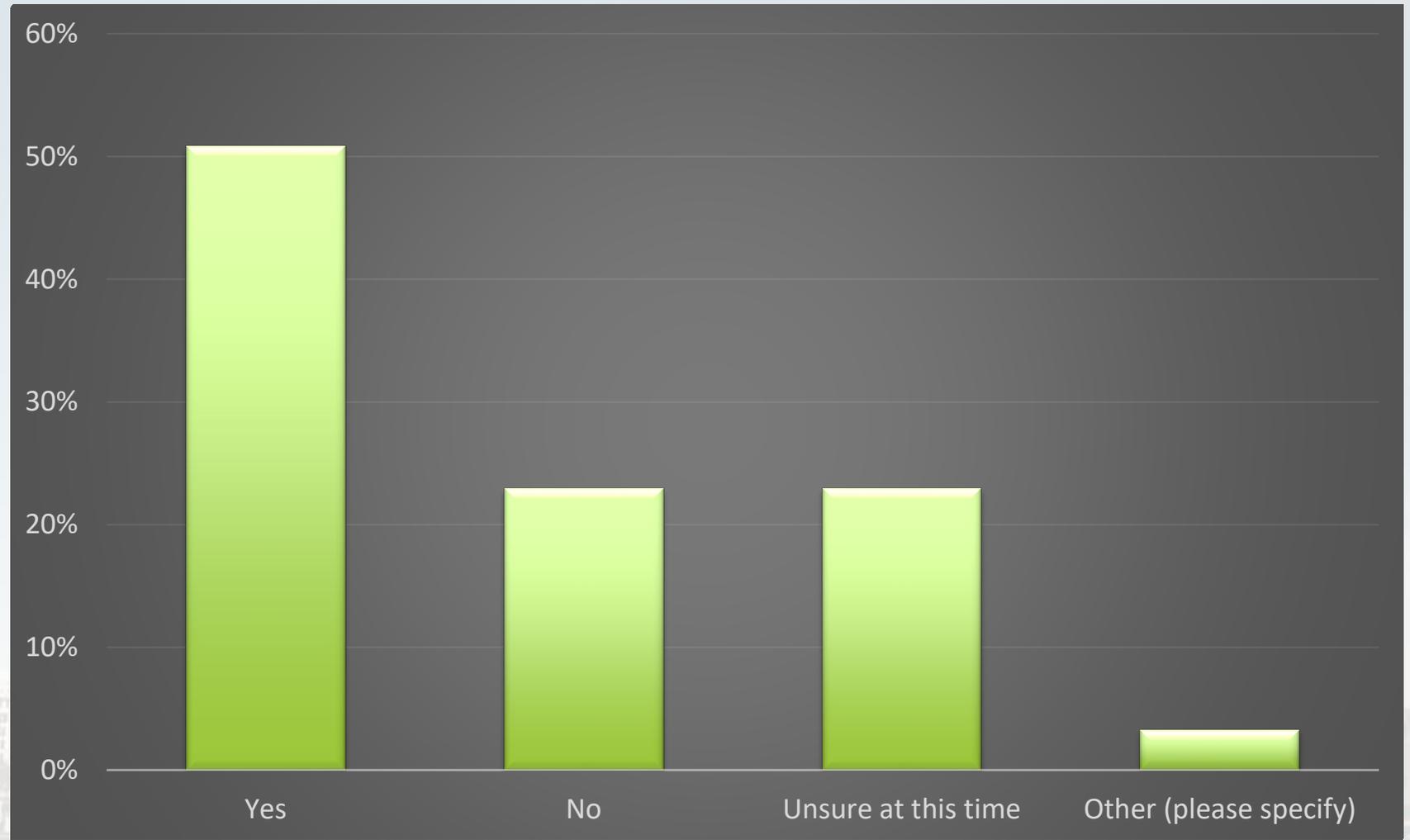
- Nearly 70% of employers believe there will be some level of remote work continuing at the end of 2021
- 12% of respondents were unsure at the time of the survey if any employees would be remote at the end of the year

- Nearly one-third of respondents believe less than 10% of employees will be working remote at the end of 2021
- A majority of respondents (54%) believe less than 20% of workers will still be remote at the end of 2021

HYBRID MODEL OF WORK FROM THE OFFICE & HOME

Question: Using the 4th quarter of 2021, do you expect employees to split their time working partially from the office location(s) and partially remote?

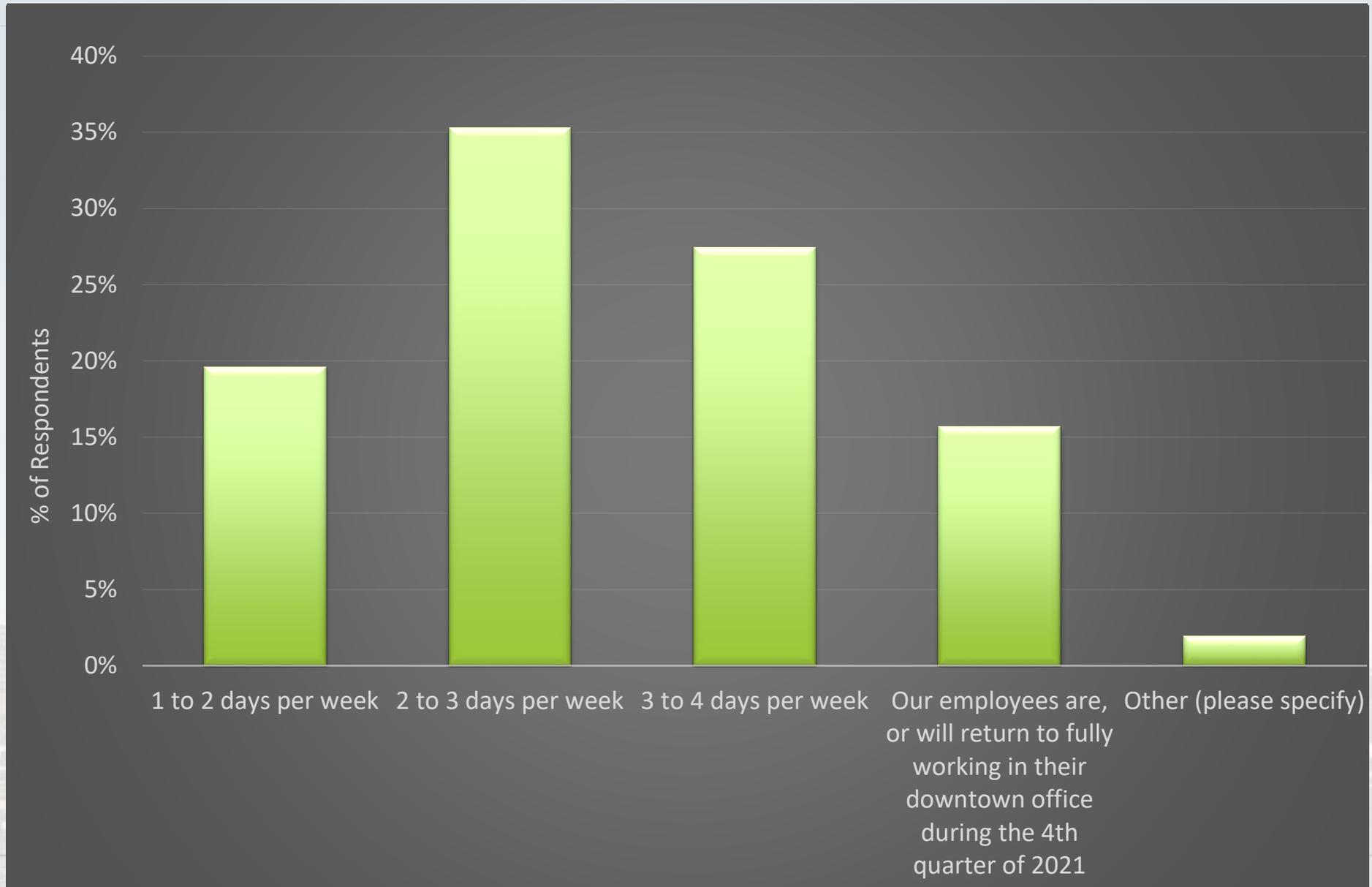
Takeaway: During the 4th quarter of 2021, 50% of respondents anticipate employees to split time between the office and work. While the other 50% are unless or expect to be fully back in the office for work



HYBRID MODEL OF WORK FROM THE OFFICE & HOME

Question: *For those employees that you anticipate splitting time between working at the office and working remotely, how many days per week do you anticipate them regularly reporting to the office?*

Takeaway: *For the employees that are anticipated to be splitting time, in the office and working remote, 63% believe employees will be in the office 2 to 4 days per week*



WORKPLACE BEHAVIOR

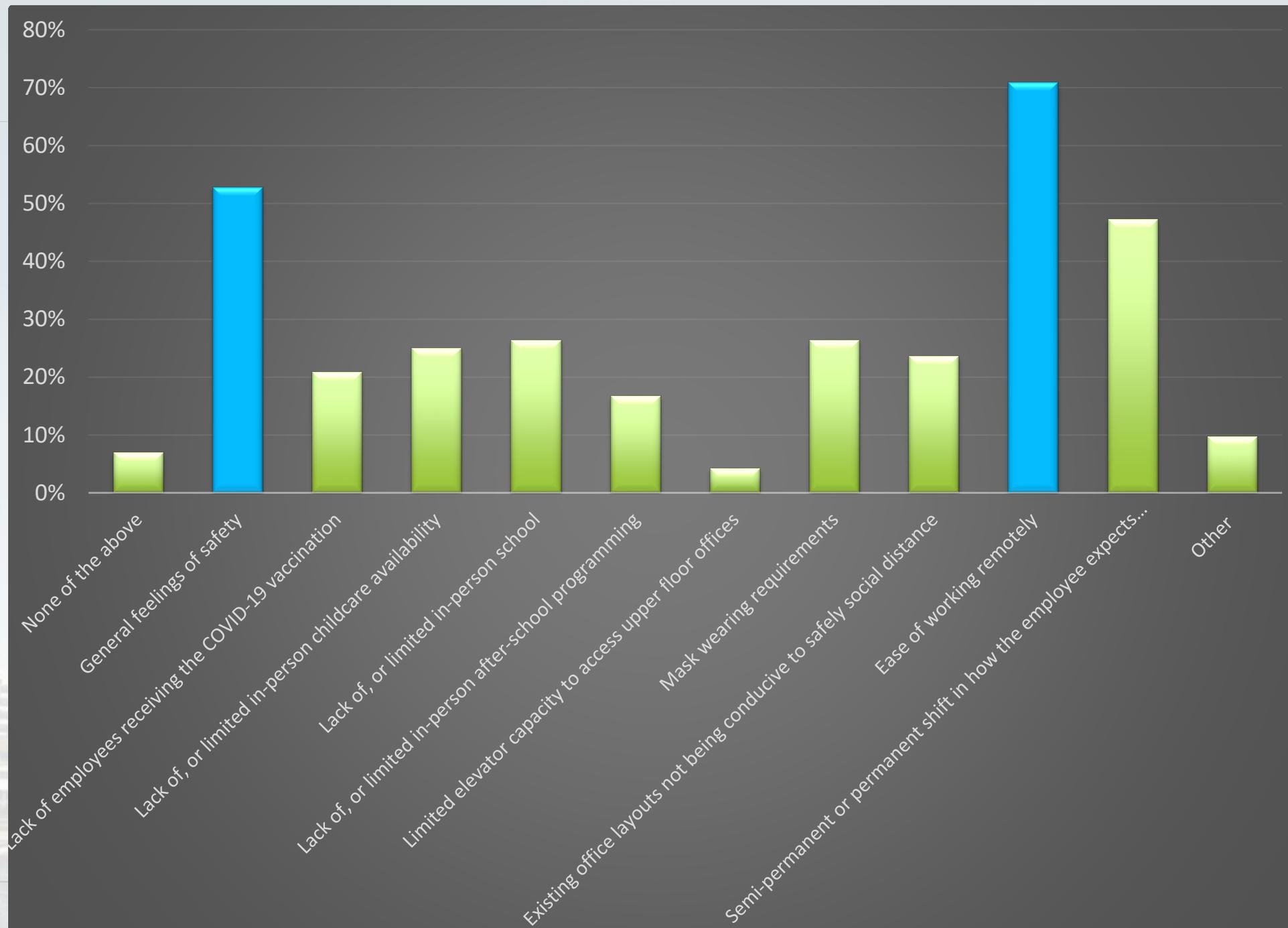
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Question: What do you believe to be the most significant challenges for employees returning to work in the office? (Check all that apply)

Takeaway: This is the first survey that “Ease of Working Remotely” overtook “General Feelings of Safety” as the biggest challenge to returning to the office building.

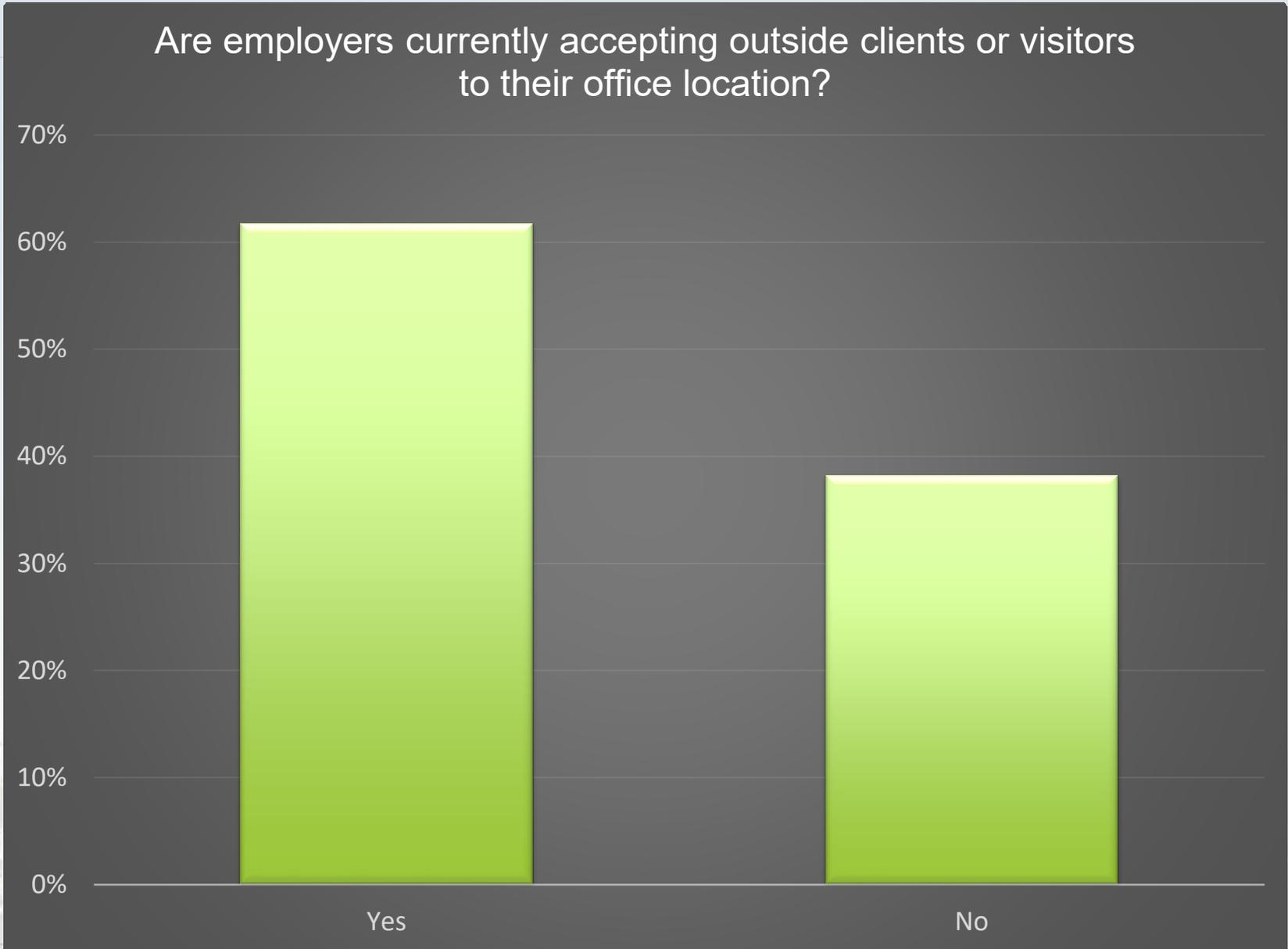
Lack of in person school and / in-person childcare have reduced as significant barriers since previous surface signally a re-opening in those sectors



Question: Are employers currently accepting outside clients or visitors to their office location?

Takeaway: More than 60% of respondents stated that they are, or the tenants in their buildings are currently accepting outside clients or visitors to their office locations

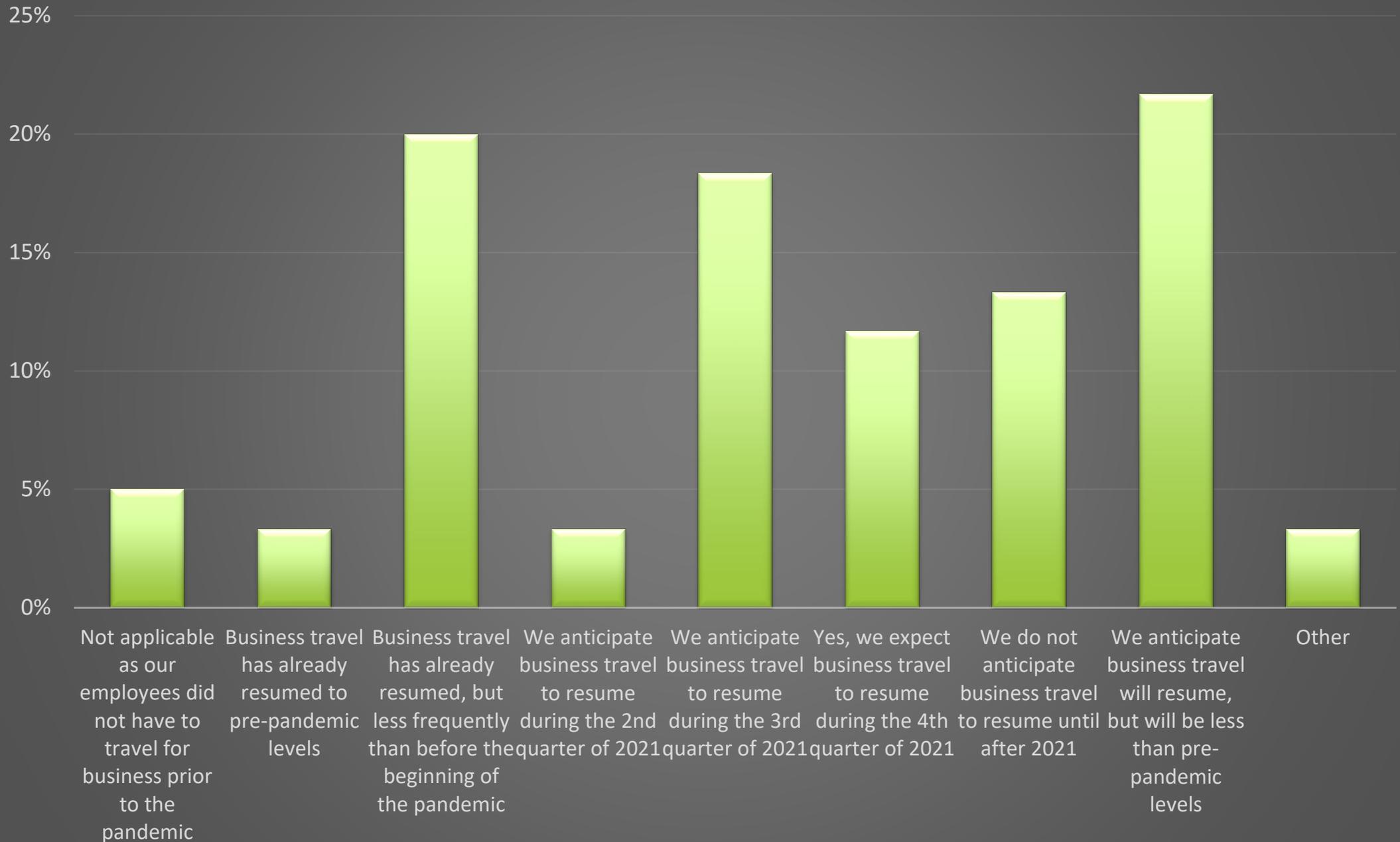
This marks a return to more regular meeting schedules and interpersonal interaction in the office environment.



How do you anticipate, and at what pace, business travel to resume?

Question: How do you anticipate, and at what pace, business travel to resume?

Takeaway: Businesses are handling travel widely different. Over 25% of respondents have employees that have resumed some level of business travel



COVID-19 VACCINATION IMPACT

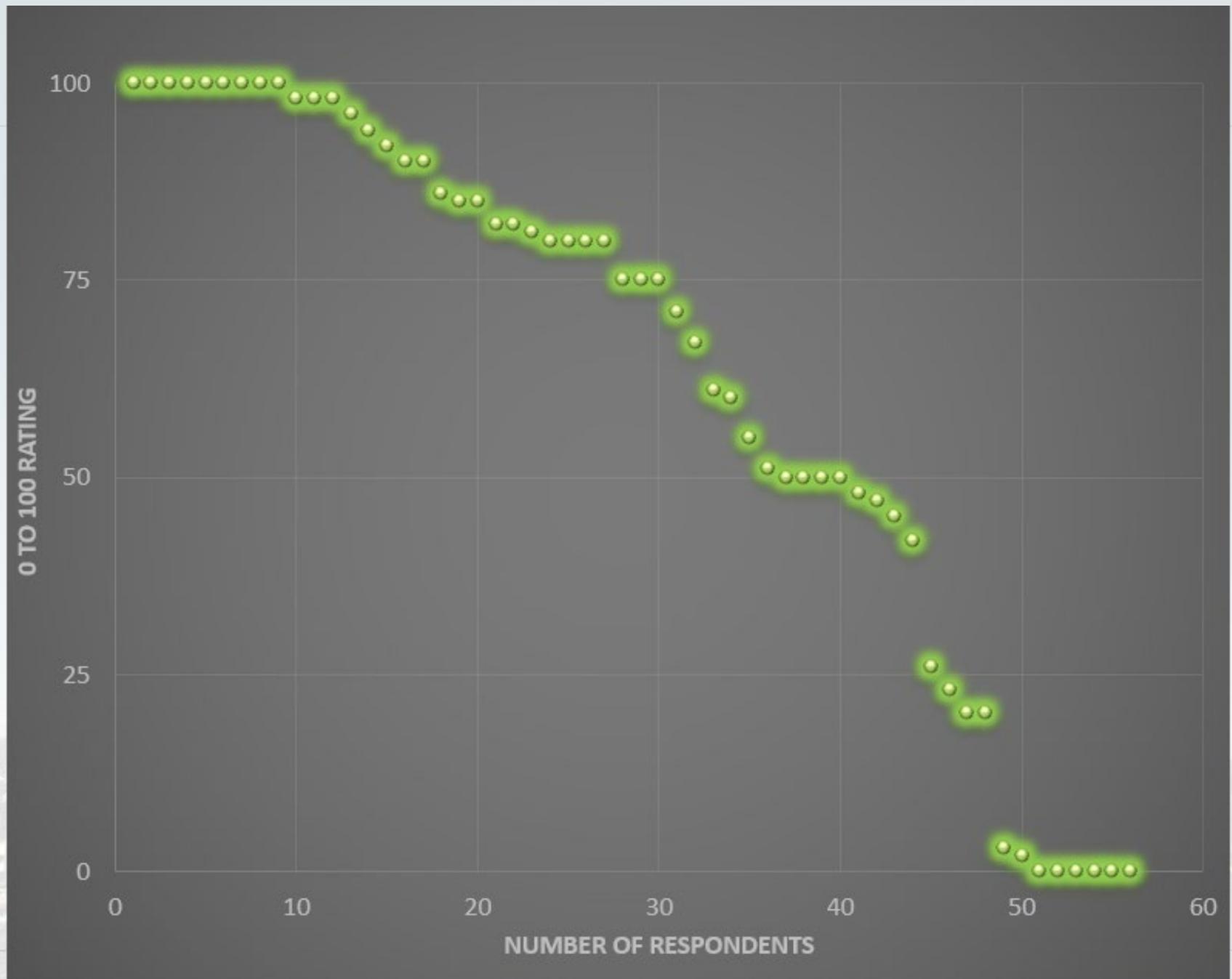
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Question: On a scale of 0 to 100, how important is employees receiving the COVID-19 vaccine to them returning to work in the office?

Takeaway: 55% of respondents rated 75 points or higher on the importance of workers receiving the COVID-19 vaccine to them returning to the office for regular work.

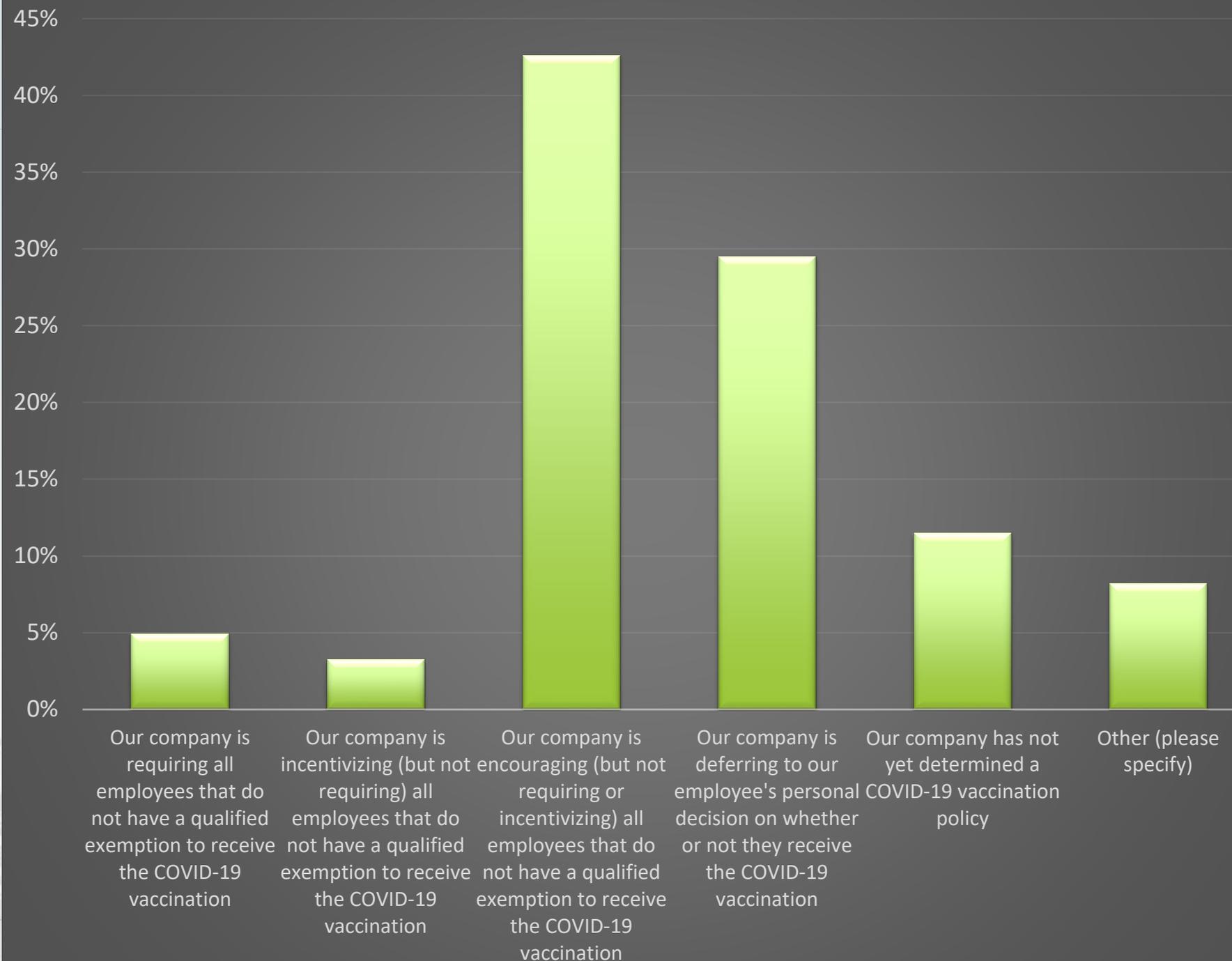
The largest score category was “100” – very important



Question: Do you anticipate requiring employees (that do not have a qualified exemption) to receive a COVID-19 vaccination before being able to return for regular work at your downtown office location(s)?

Takeaway: The majority of employers are encouraging, but not requiring or incentivizing employee vaccination

The second largest group of respondents are deferring to the employee's personal decision



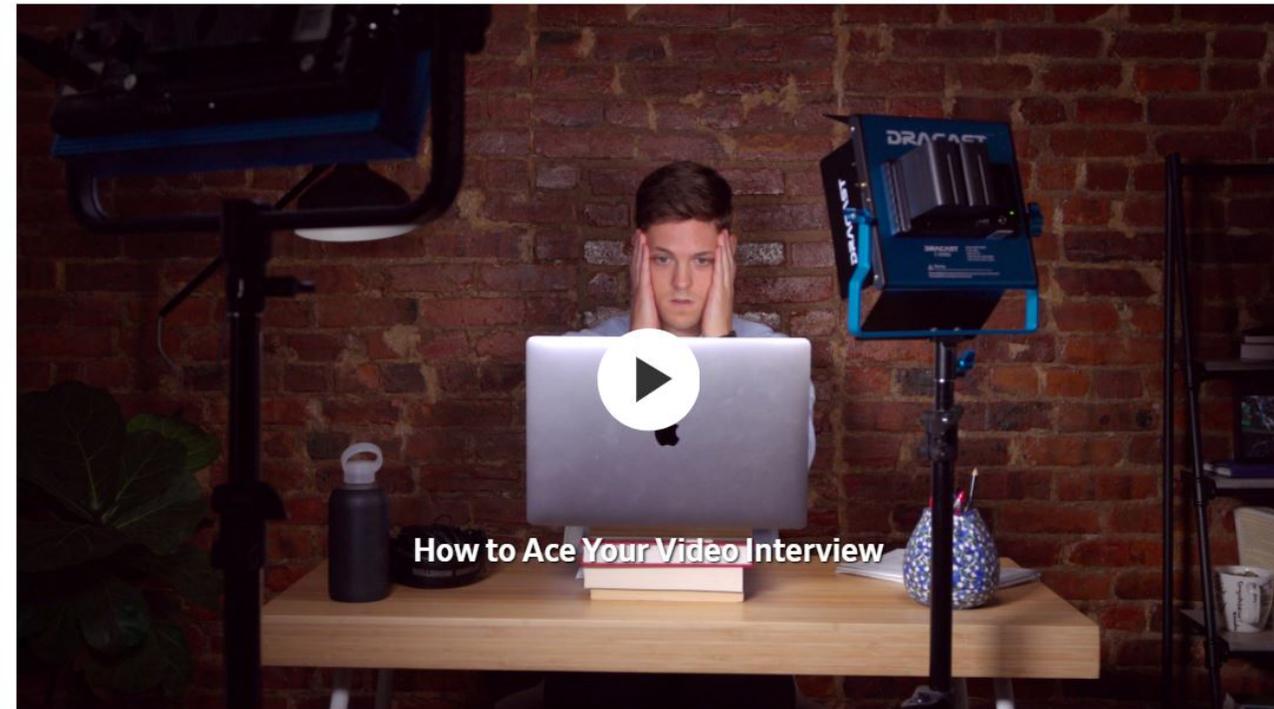
LOOKING AHEAD: OFFICE SPACE CONTINUES TO BE A BUSINESS NECESSITY, BUT IT MAY ADJUST

THE WALL STREET JOURNAL.

Home World U.S. Politics Economy **Business** Tech Markets Opinion Life & Arts Real Estate WSJ. Magazine

Companies Start to Think Remote Work Isn't So Great After All

Projects take longer. Collaboration is harder. And training new workers is a struggle. 'This is not going to be sustainable.'



How to Ace Your Video Interview

Preparing for a video interview requires research, practice and set design. Career coach Ashlee Anderson, who's been working from home for 10 years, tells you how to prepare—and make eye-contact through a screen. Photo: Adam Falk/The Wall Street Journal

Take Five: Rumors of the office's demise are greatly exaggerated

November 4, 2020 by Joe Vanden Plas

milwaukee journal sentinel

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FOR SUBSCRIBERS LAND AND SPACE

Even as the pandemic surges in Wisconsin, some major Milwaukee office expansions and relocations are happening.

Tom Daykin Milwaukee Journal Sentinel

Published 9:00 a.m. CT Nov. 6, 2020

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LOOKING AHEAD: EMPLOYERS RAMP UP CALLS TO RETURN TO THE OFFICE

'They're looking at July 4': Wisconsin companies planning to bring back employees this summer



Working from home could end as soon as this summer for many people in southeast Wisconsin. Many local businesses — both big and small — are already making plans.

By: Katie Crowther

Posted at 6:36 PM, Apr 01, 2021 and last updated 6:36 PM, Apr 01, 2021

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How FOMO Is Driving People Back to the Office

April 02, 2021 | By Andy Cohen

This article was originally published on LinkedIn.

Forbes

Feb 25, 2021, 10:10am EST | 10,180 views

Goldman Sachs CEO David Solomon Calls For Workers To Return To The Office



Jack Kelly Senior Contributor @
Careers

I write actionable interview, career and salary advice.



Photographer: Andrew Harrer/Bloomberg © 2017 BLOOMBERG FINANCE LP

As we're nearing the end of the pandemic and preparing for the next phase for the future of work, there is still a great divide among companies over whether their employees will stay at home, come into the office or have a hybrid system of both options.

TAKEAWAYS & OBSERVATIONS

- Rapidly changing environment makes it very difficult for respondents to project future time intervals
- Returning to normalcy and control over the pandemic continue as important factors in coming back to the office for regular work
- Some companies are now actively discussing their comeback plans.
- Feedback suggests employees and employers see the return to the office as necessary to re-boost unique corporate cultures, and re-capitalize on the collaboration & innovation that cannot be replicated with remote work
- Flexibility/hybrid approach on returning to the office, at least in the near-term, seems to be an emerging trend nationally and locally
- CBRE National research states that in 2019 (pre-pandemic) the average worker was in the office 4.20 days per week and remote working 0.80 days per week. This ongoing trend maybe accelerated.
 - This equates to about 14,500 or 16% of downtown's workforce already engaged in a hybrid work model pre-pandemic

Office Building & Tenant Differences

- Differences in return plans between smaller and larger office buildings & tenants (*larger tenants are more delayed*)
 - Employers with several locations have many more considerations verse local offices
- Differences in return plans between multi-tenant buildings and single tenant buildings (*single tenant buildings appear to be more delayed*)

& SIGNIFICANT INVESTMENT CONTINUES THROUGH THE PANDEMIC INTO RECOVERY

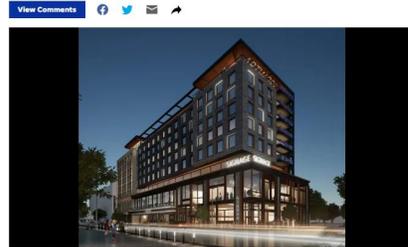
BMO Tower: Project of the Year – Milwaukee Business Journal 2021 Real Estate Awards



LAND AND SPACE

Higher-end Marriott Autograph Hotel planned for Milwaukee Bucks Deer District receives first approval. It is to open by early 2023.

Tom Daykin Milwaukee Journal Sentinel
Published 3:12 p.m. CT Mar. 29, 2021 | Updated 8:39 p.m. CT Mar. 29, 2021



A nine-story, 205-room Marriott Autograph Hotel is planned for just north of Fiserv Forum in downtown Milwaukee. G&B Architecture And Design

Commercial Real Estate

Key steps made as \$188 million Couture development pushes toward groundbreaking

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The Couture's transit station is to open by the end of June 2022. IRINKA+

LAND AND SPACE

A 155-room, eight-story hotel could be coming to downtown Milwaukee's Journal Square redevelopment project

Tom Daykin Milwaukee Journal Sentinel
Published 4:30 p.m. CT Jan. 27, 2021



An eight-story, 155-room Tempo by Hilton hotel could be coming to the northwest corner of North Old World Third Street and West Kilbourn Avenue. HFC Holdings LLC

Work ramps up for Ascent mass timber tower in Milwaukee

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A rendering of the planned luxury apartment tower. KORB + ASSOCIATES ARCHITECTS

LAND AND SPACE

The largest influx ever of jobs to downtown Milwaukee by a suburban firm is coming after Milwaukee Tool financing plan approved

Tom Daykin Milwaukee Journal Sentinel

Published 10:49 a.m. CT May 4, 2021 | Updated 11:26 a.m. CT May 4, 2021

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North Shore Healthcare moving offices, 55 employees to downtown Milwaukee's HUB640 development from Glendale

Tom Daykin Milwaukee Journal Sentinel
Published 12:02 p.m. CT Apr. 13, 2020 | Updated 10:49 p.m. CT Apr. 13, 2020

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HUB640, the redeveloped former Boston Store building in downtown Milwaukee, has landed its first tenant. North West Capital

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