

## OCCUPIER RESPONSE

Concerns related to coronavirus have swelled this past week. On Monday, March 9, Italian Prime Minister Giuseppe Conte implemented strict measures, including restrictions on travel, suspension of all sporting events and banning gathering in public.<sup>1</sup> On Wednesday, March 11, the World Health Organization (WHO) characterized COVID-19 as a “pandemic,” noting the number of worldwide cases outside of China has grown 13x since late January.<sup>2</sup> In the U.S., President Trump declared a “national emergency” and freed up extra federal funding by invoking the Stafford Act on Friday, March 13.

**“This is an emerging, rapidly evolving situation...”**  
– Centers for Disease Control and Prevention (CDC) website<sup>3</sup>

The circumstances are constantly evolving, requiring nimble action on the part of companies and their leadership. Here are a few ways that office occupiers are responding to the challenges posed by the current health situation.<sup>4</sup>

### 50%

- **Working Remotely:** While a 2019 analysis of U.S. government data indicates that only 3.4% of the U.S. workforce works from home at least half the time, it is estimated that 50% of U.S. workers hold jobs that could be conducted remotely at least some of the time.<sup>5</sup> In light of coronavirus developments, corporations are encouraging and/or directing their employees to work from home. This is especially true in markets more directly impacted by coronavirus. (e.g., Seattle, New York City, etc.) Expect these types of precautions to expand as national and local governments, schools and even sports leagues move away from group congregations.

### 66%

- **Travel Restrictions:** A week ago, two-thirds of executives noted they had canceled their travel plans because of coronavirus.<sup>6</sup> Even as soon as the last week of February, a majority of HR professionals<sup>7</sup> had already cancelled some meetings, events and international travel. Forty-three percent of HR departments had instituted new trip approval procedures at that time. With over 80 countries<sup>8</sup> imposing travel restrictions, expect global corporations to continue to reduce domestic and international travel.

1 “Coronavirus: Italy extends emergency measures nationwide.” BBC News Service, March 10, 2020.

2 “WHO Director-General’s opening remarks at the media briefing on COVID-19 - 11 March 2020.” World Health Organization, March 11, 2020.

3 “CDC Coronavirus Disease 2019 (COVID-19) Situation Summary.” Centers for Disease Control and Prevention, March 11, 2020.

4 For an investor perspective, view Cushman & Wakefield’s recent [analysis of the impact on property markets](#).

5 “Telecommuting Trend Data.” Global Workplace Analytics, August 16, 2019.

6 “Survey: 66% of executives have canceled their travel plans because of coronavirus.” Fast Company, March 6, 2020.

7 “Coronavirus Impacts Business Travel.” The Society for Human Resource Management (SHRM), March 3, 2020.

8 “Travel Restrictions on China due to COVID-19.” Think Global Health, March 5, 2020.

## 70%

- **Office Policies:** In North America, 70% of companies have already or plan to increase public health communications to their employees.<sup>9</sup> The proportion is over 80% for companies in China. Organizations around the globe are increasing internal communication and temporarily changing workplace policies to mitigate the risk of contact with the virus, to improve knowledge across the organization and to support workers who are financially impacted by work or school closures. A few examples that some corporations have implemented include:
  - More frequent office cleaning
  - Expanded cleaning protocol (e.g., deep cleaning)
  - Guest and contractor restrictions in offices
  - Limits on interpersonal interactions (e.g., temporary bans on handshakes)
  - Reduction of group meetings or in-person attendance limits
  - Increased communication about how to limit exposure
  - Evaluation of leave and sick pay policies

## All

- **Emergency Planning:** The CDC indicates that “all employers should be ready to implement strategies to protect their workforce from COVID-19 while ensuring continuity of operations.<sup>10</sup>” Many corporations have implemented a task force at the global and local levels to review fast-changing information, discuss and plan for scenarios, and implement informed decisions related to business operations, continuity planning and specific response. These task forces are often aided by guidance from medical, business and travel experts outside of the organization.

## FINAL THOUGHTS

It is impossible to know the ultimate impact coronavirus will have on global health or the economy. However, employers are a critical component in educating and organizing workers to mitigate risk and help minimize the spread of the virus wherever possible. Along with governments, health organizations and civic leaders, corporations can play a role in the ongoing health situation.

<sup>9</sup> “8 Questions Employers Should Ask About Coronavirus.” Harvard Business Review, March 2, 2020.

<sup>10</sup> “Interim Guidance for Businesses and Employers.” Centers for Disease Control and Prevention.

### KEVIN THORPE

Chief Economist  
Global Head of Research  
[kevin.thorpe@cushwake.com](mailto:kevin.thorpe@cushwake.com)

### DAVID C. SMITH

Vice President  
Global Head of Occupier Insights  
[david.smith4@cushwake.com](mailto:david.smith4@cushwake.com)