



COVID-19 has accelerated structural changes shaping the future of the office sector, including the rise of formalised flexible working arrangements.

50%

QIC estimates an average of 50% of the workforce is expected to WFH two days per week post-COVID-19¹.



Supported by appropriate technology, activity-based working is expected to increase.



Flexible space will be introduced, including co-working, shared base building amenities (such as meeting rooms) and home or satellite offices.



Density levels will reduce. An increased focus on social distancing and health and wellbeing will result in more space per employee.

5%

QIC calculates WFH arrangements will result in **an estimated 5% net fall in demand**².

Implications of Working from Home (WFH) on the Office Real Estate Sector

There will be a flight to quality, with the most productive assets addressing the following attributes:



Desirable precinct and surrounding amenity



Location and proximity to transport infrastructure



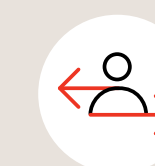
Design and quality



Health and wellbeing



Technology and connectivity



Flexible accommodation services

Corporates will still desire flagship office locations for brand recognition and physical spaces for innovation and culture to thrive.



¹ QIC estimates that across all Australian CBD white-collar employment sectors, on average 50% of the workforce will WFH two days per week post COVID-19. Our 50% view is lower than indicated in employee surveys to allow for the fact that not all organisations or staff can work efficiently from home and not all employers will allow this flexibility (see Implications of Working from Home on the Office Real Estate Sector paper for more information).

² Based on assumptions listed within the Implications of Working from Home on the Office Real Estate Sector paper, QIC estimate that formalised flexible working arrangements will result in a net 5% decrease in demand (15% fall due to greater flexibility, which is partially offset by a 10% increase in space required from changes to workplace design and lower workplace densities).