



# Returning to the office: *August update*

NAREIM members outline  
their return to office,  
vaccination & travel strategies

*Real estate investment management best  
practices and NAREIM member survey.  
August 2021.*

## **RETURN: Date earmarked for a large-scale return to office**

**44%**  
**Already back**

**34%**  
**Sept/Oct**

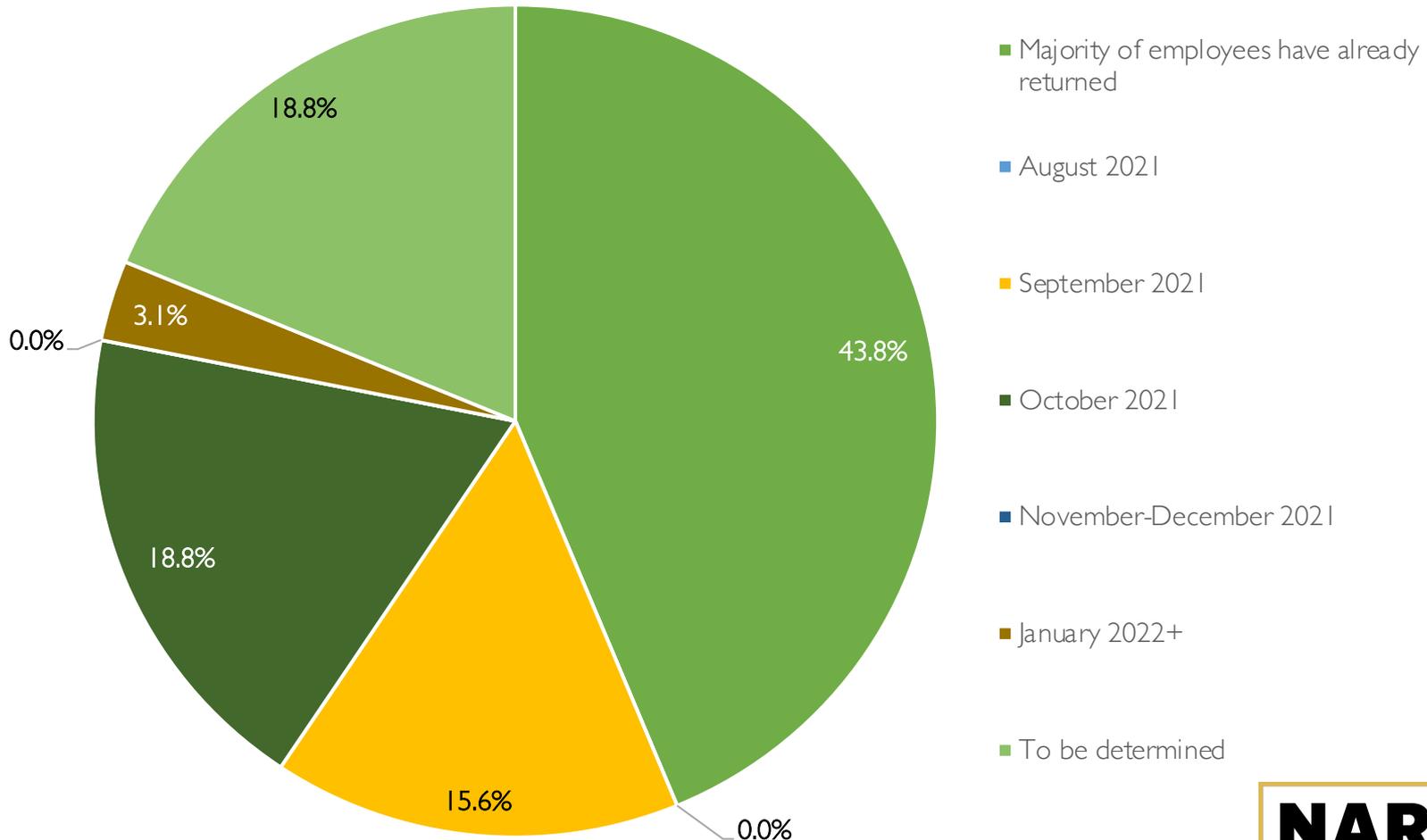
**60%**  
**Have updated office  
return date owing  
to Delta variant**

Almost half of NAREIM members said they were already back in the office with a third planning for a majority of their employees to return in September or October.

A further 18% are still determining their return date. However, 60% of firms have updated and revised their return dates thanks to the Delta variant spread.

## RETURN: Date earmarked for a large-scale return to office

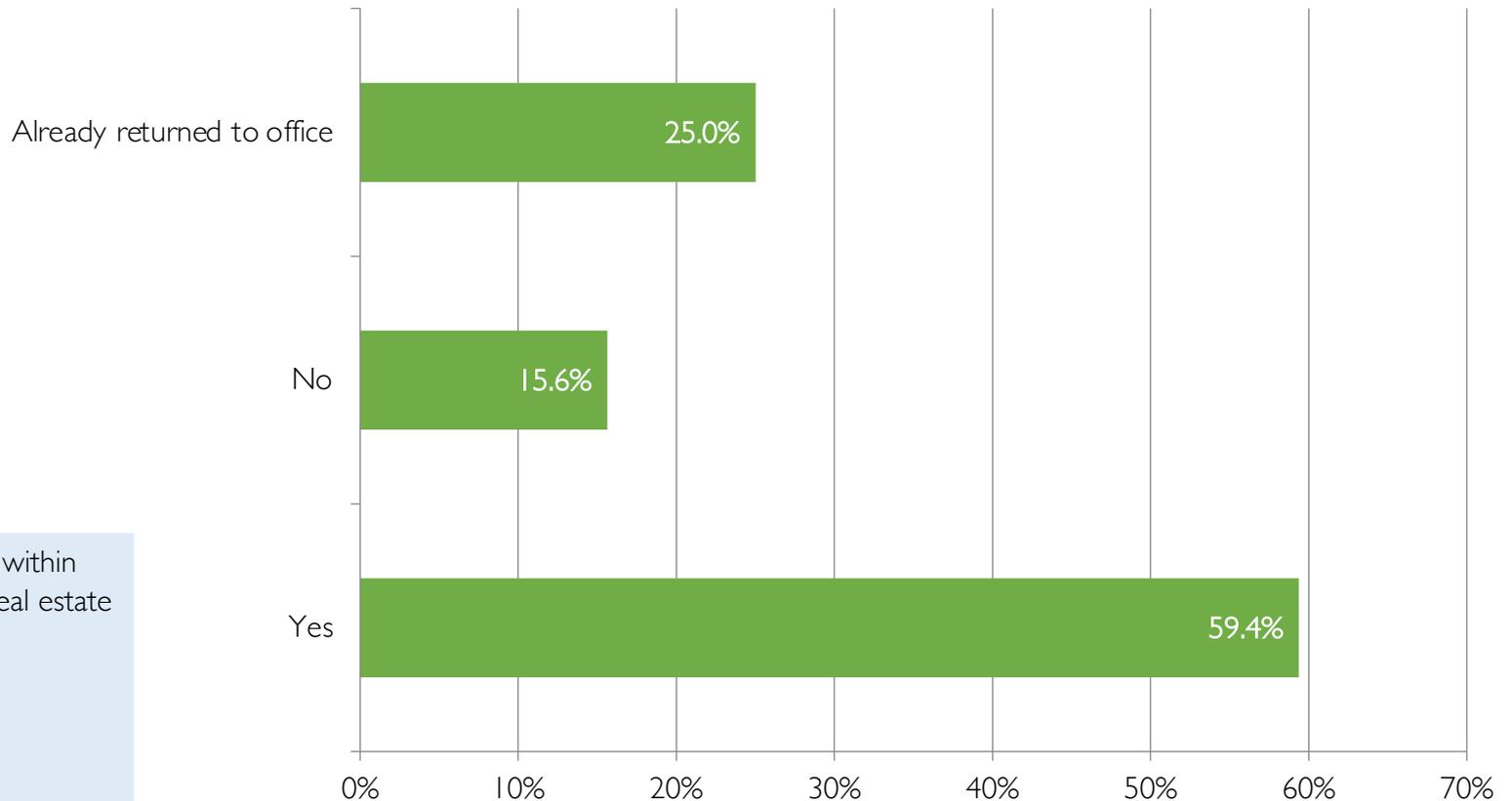
Almost half of NAREIM members are already back in the office on a large-scale basis, with a third planning the office return for September or October. However, 18% are still considering the date to bring a majority of their employees back into the corporate office.



## Return: % of firms changing return dates for Delta

Almost two-thirds of NAREIM members have changed the date they are planning to bring back a majority of employees into the office. However, almost all firms haven't changed occupancy plans.

% of firms who have changed the return to office date for a majority of employees owing to Delta



# of employees within your company, real estate employees only

Total #: 6,178  
Average #: 200  
Median #: 150

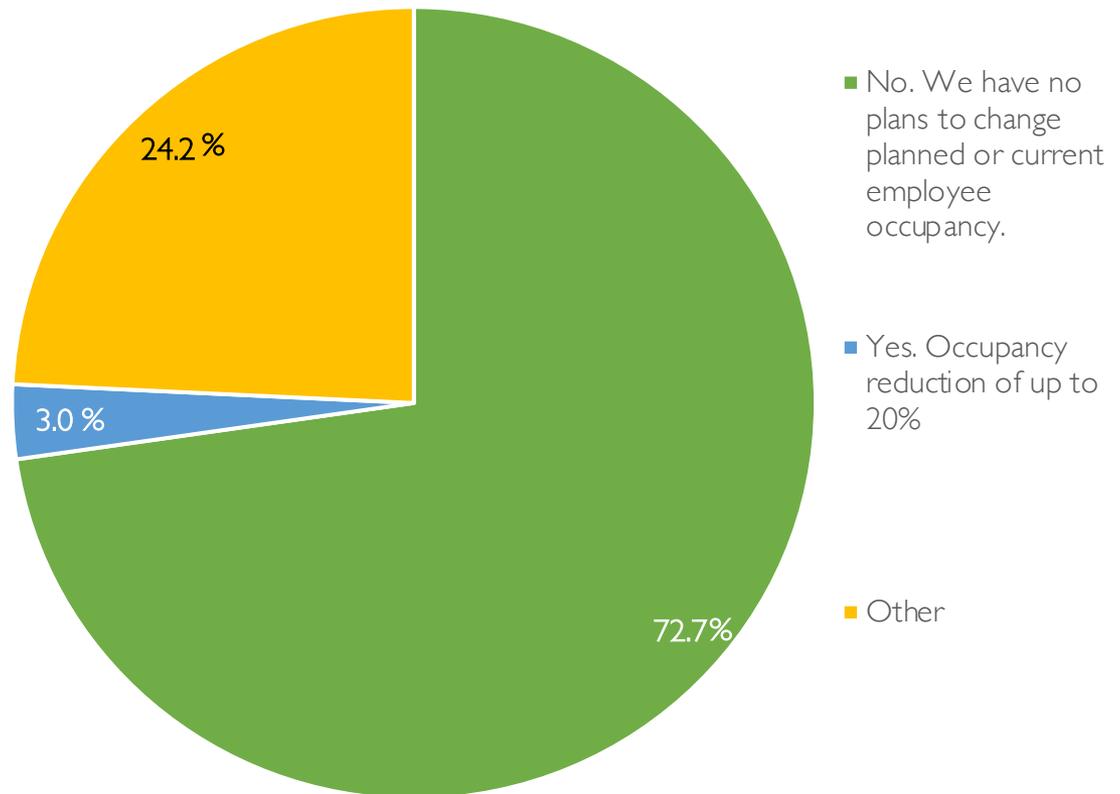
## Return: % of firms changing occupancy for Delta

Almost three-quarters of NAREIM members are not changing office occupancy plans owing to the Delta variant, however one member was planning a reduction of 20% thanks to the new variant. Others were planning more staggered or voluntary returns.

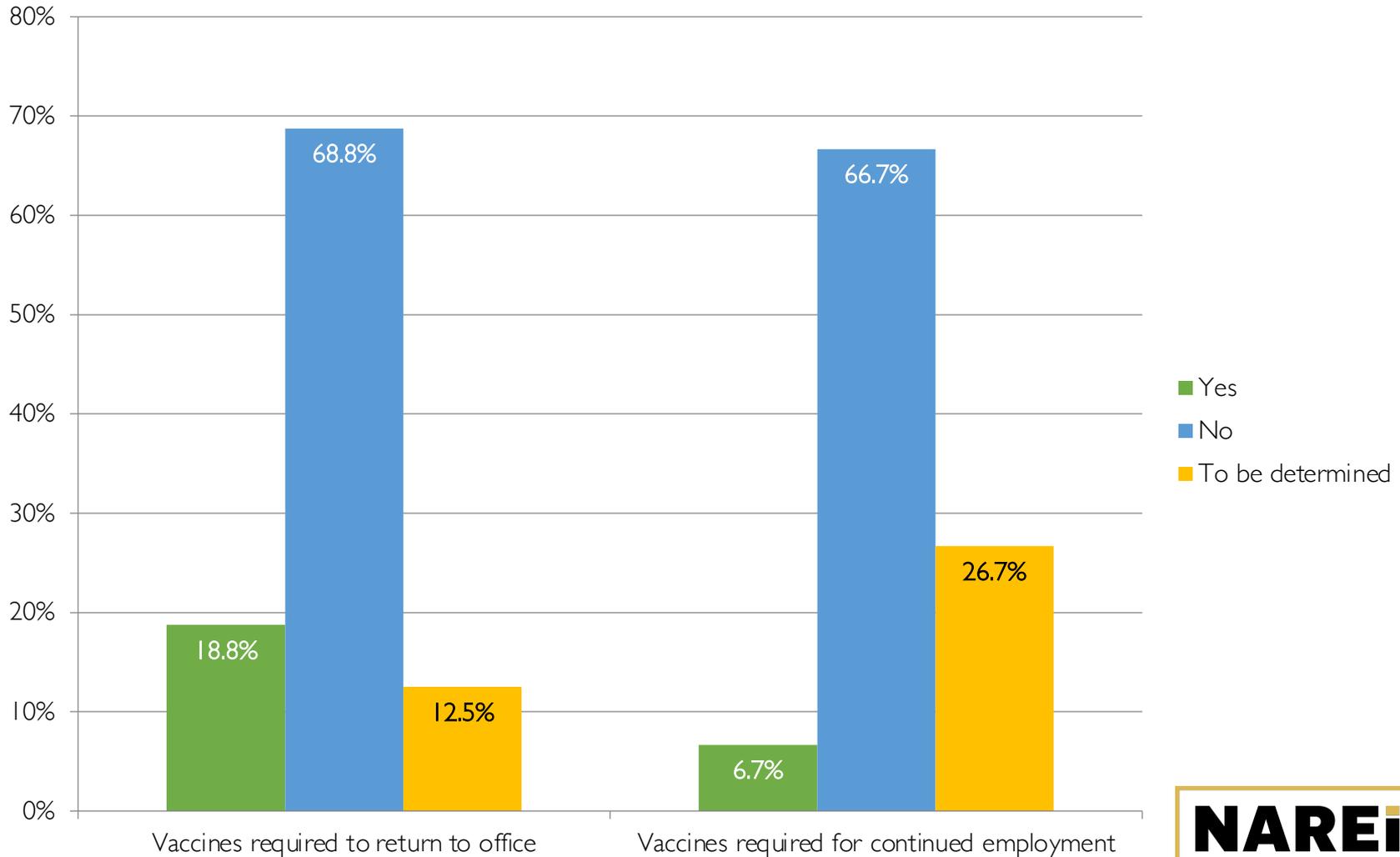
### Other:

Some NAREIM members said they were introducing a mix of strategies including:

- Voluntary return after being at 50% occupancy
- Staging or staggering returns:
  - To allow between 15-20% of employees to be remote on any one day
  - Provide for teams to come in on core days, such as capital raising on M-W-Th
- Taking region dependent view of return schedules, with East and West coast offices more limited
- Masks in common areas
- Only fully vaccinated allowed in office



# VACCINES: Are you mandating vaccines to return to the office or for continued employment?



# **VACCINES: If vaccines are not being mandated, what Covid-related measures will be in force in the office upon return?**

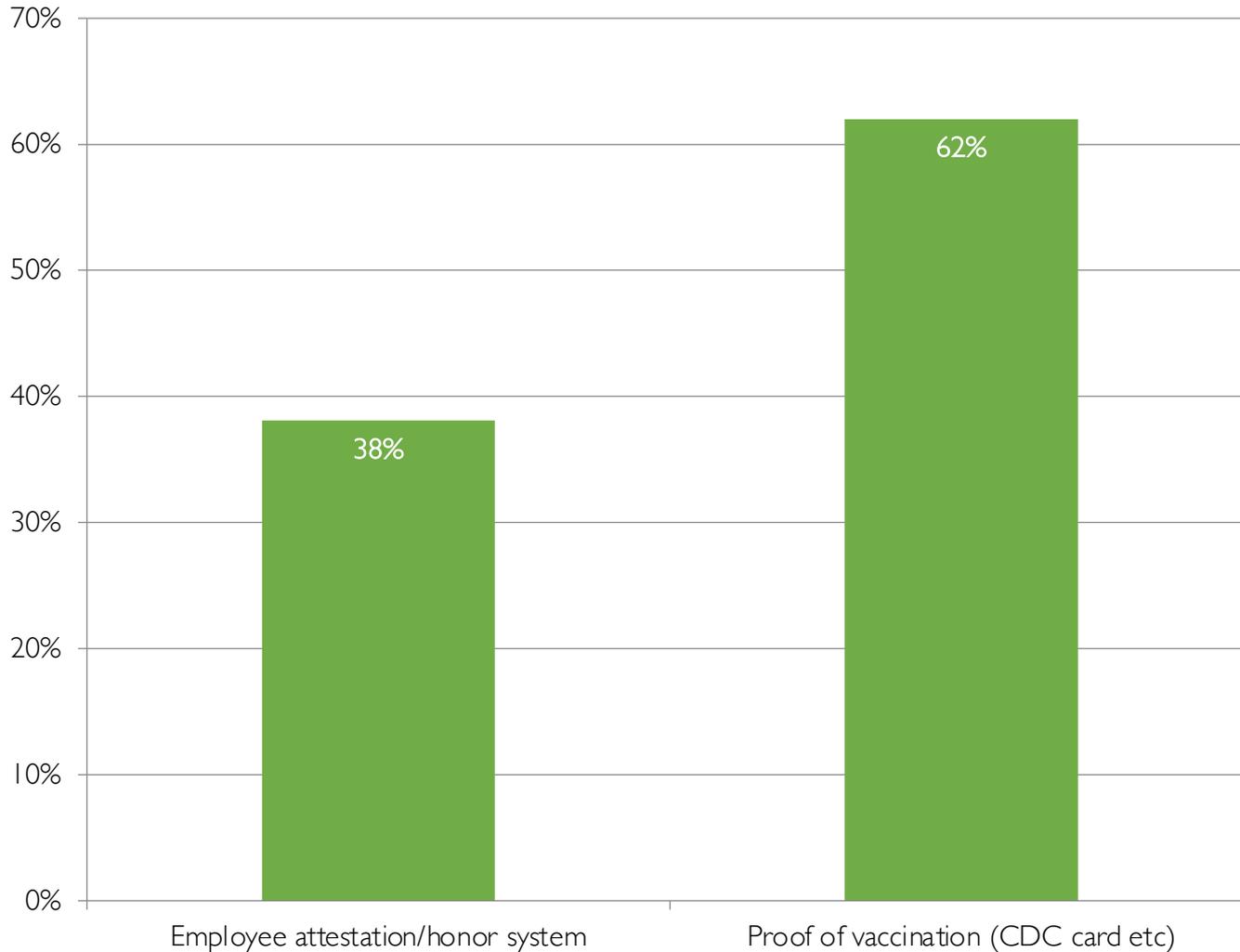
Most firms will follow CDC and local health guidelines relating to Covid for unvaccinated employees, but particularly in relation to mask rules. NAREIM members described their policies:

- If employees are not vaccinated then they must wear mask in the office.
- Proof of negative Covid test. Vaccinated employees must show v-card
- Mask wearing in common areas (all employees)
- Weekly or bi-weekly testing for all unvaccinated employees (with exemptions)
- Masks worn at all times for unvaccinated employees. Masks optional for vaccinated employees (except in LA where masks are required at all times unless alone in an office with door closed).
- Considering vaccines for new hires; possibility of ongoing testing in lieu of vaccines; mask mandates follow local requirements
- Anyone unvaccinated needed to be masked anytime they were around others. Now, everyone must be masked in common areas regardless of vaccination status.
- Follow strictest city or state mandates regarding masks.
- Mask wearing in common areas and have announced that we would strongly encourage unvaccinated employees wear masks when not in their office.
- Everyone must provide proof of vaccination or be subject to weekly COVID testing; masks required for unvaccinated at all times and strongly recommended for vaccinated (following CDC guidance) when in transit within the office, in conference rooms or in common spaces



## VACCINES: How are you validating vaccination status?

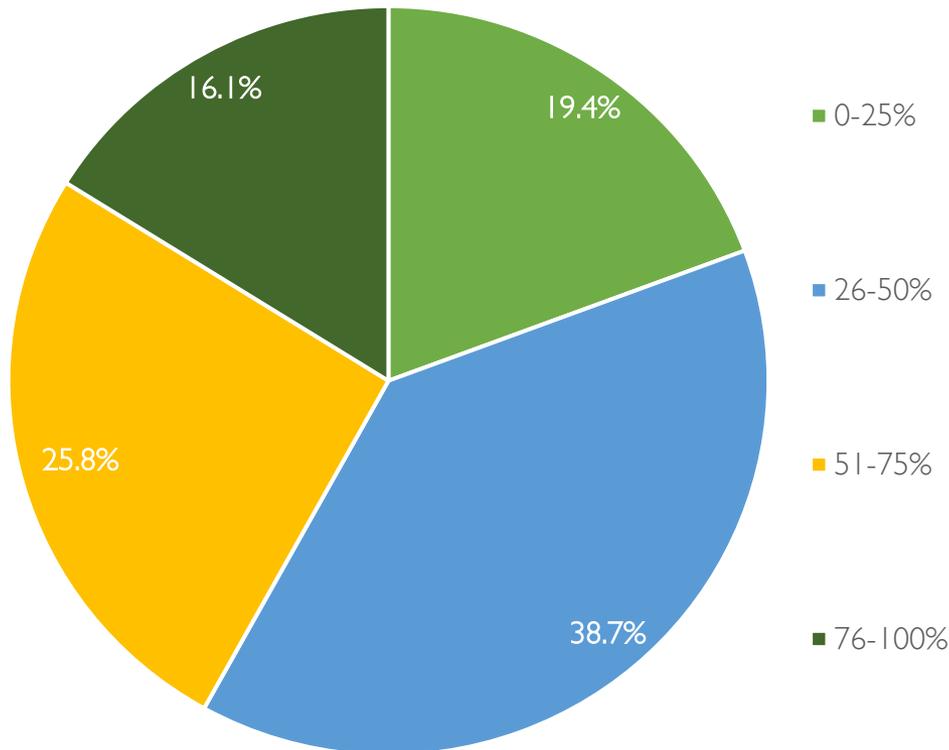
Of the firms requiring vaccinations to return to the office or for continued employment, two-thirds were asking for proof of vaccination, such as CDC cards, while a third was adopting the honor system.



# TRAVEL: What % of travel do you expect to conduct in calendar year 2021 vs 2019?

Almost one in four managers expected travel for the full year 2021 to be no more than a quarter or half of that conducted in 2019 – prior to Covid. Just 16% expect travel to be between 75 to 100% of 2019.

What percentage of travel do you expect to conduct for the calendar year 2021 compared to 2019?



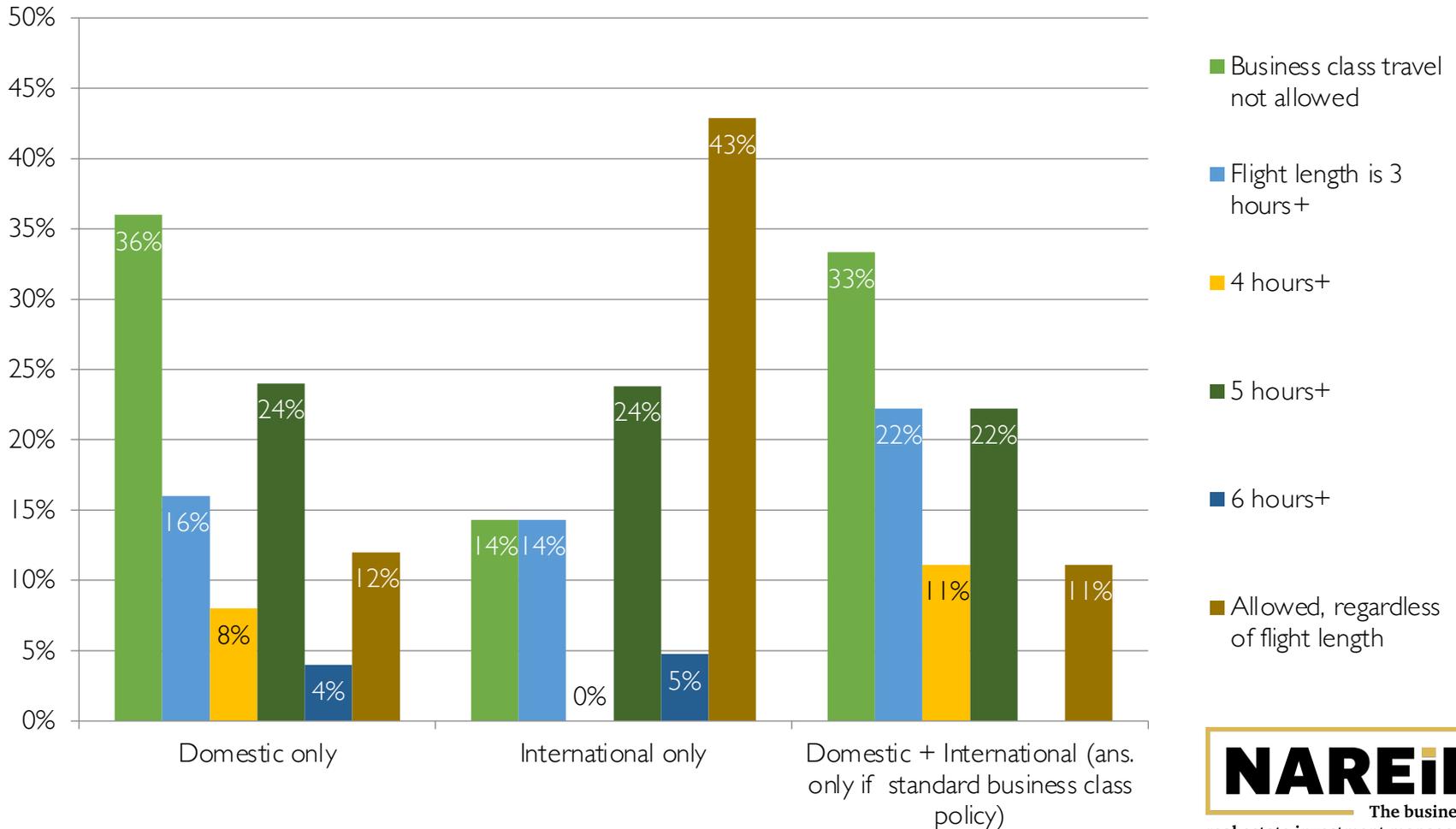
## Travel restrictions

Most firms are not restricting travel, but travel is being kept to essential business for the most part, with respect for local Covid travel rules. Some are allowing only fully vaccinated employees to travel. Asked if members were restricting travel, comments included:

- Essential travel is ok however the employees are required to quarantine for the recommended timeframe prior to returning to the office.
- No restrictions on employees who have reason to travel.
- Same employees traveling, same mix of international and domestic flights, just 3/4s of the volume of trips taken each quarter as a "base case".
- It's all dependent on if it's required for the employee to do their job. For client relations, it's all dependent on whether the investor is comfortable with meeting in person. If they are, they travel as needed.
- We have no formal restrictions on travel post-Covid but are asking employees to be thoughtful and prudent in determining the benefit of travel (e.g. in-person meetings, tours, etc vs video meetings, virtual tours, etc)
- Not restricting travel for vaccinated but considered to restrict for non-vaccinated employees.

# BUSINESS CLASS TRAVEL: How many hours does a flight need to be to permit business class travel, domestically and/or internationally?

Almost half of managers only allow business class travel for international flights – with a third not allowing business class on domestic flights at all. When allowed, firms require a flight to be five hours or longer for business class tickets to be purchased.



# BUSINESS CLASS TRAVEL: Policies by seniority/function

How does business class travel policies work regarding seniority and function? A majority of members said business class was restricted to senior team members for domestic flights – be they partners, executive MDs and SVPs and above - however for some one policy was in situ regardless of rank.

Members commented:

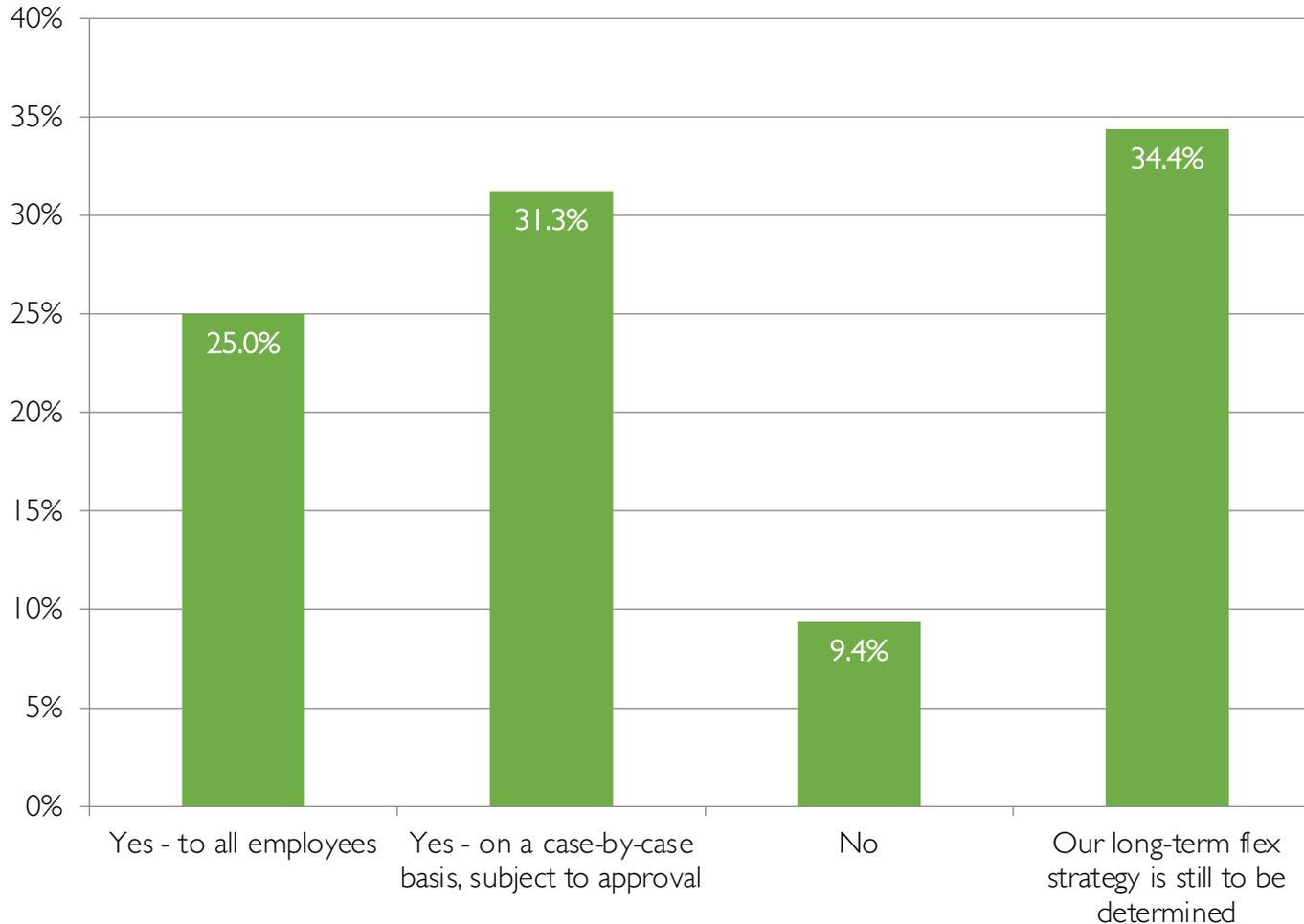
- Senior team flies business if coast to coast or internationally  
Junior team flies Economy if regional flight, Premium Economy if coast-to-coast.
- Partners (executives) are allowed business class any time. All other employees are allowed business class for flights longer than 3 hours.
- Senior VP and above can fly business class on international flights
- Executive Managing Director or above may travel business class
- Business class travel available to all, if over 5 hours
- Executive can travel business class on all flights. Below executive level, travel is non-business class unless approved by department head.

- No seniority. All employees are the same. Coach class for all domestic.
- Business class only allowed for international or flights over 5 hours. Somewhat level dependent for managing directors.
- Entire firm can only fly business class if international flight
- MD/SVPs generally allowed business class on all travel.
- Seniority and function is not a factor.
- Equal - depends in hours flying.



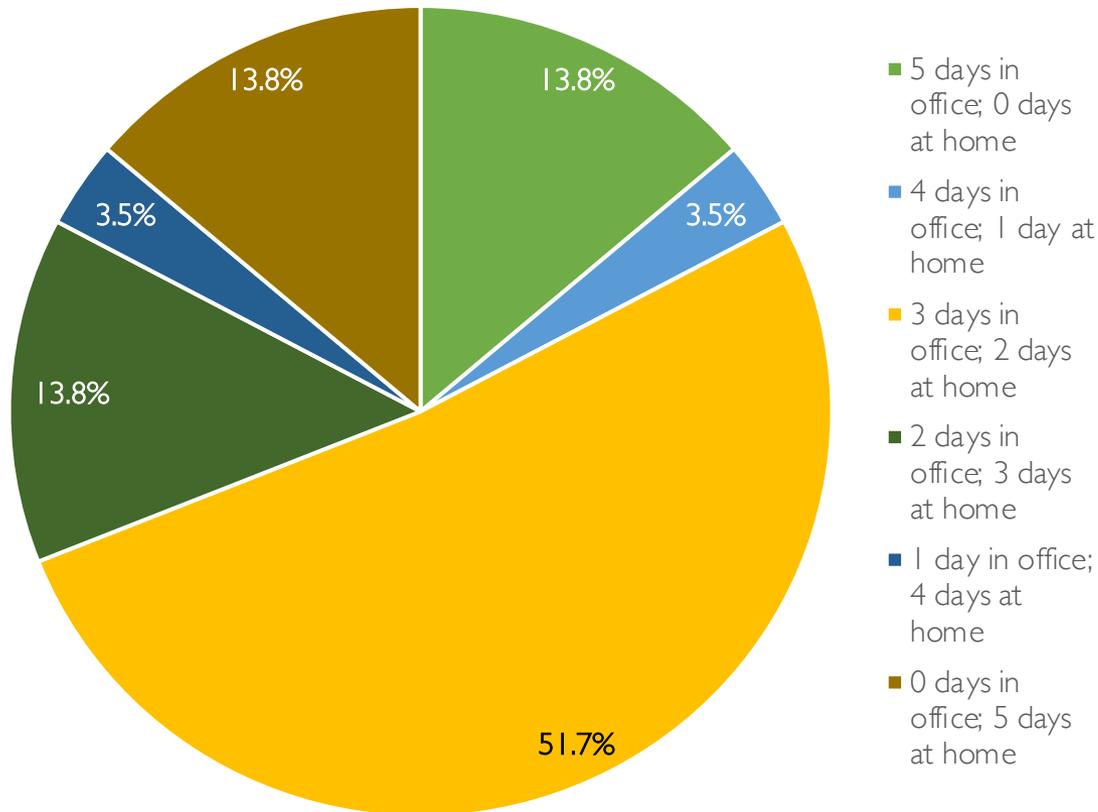
## FLEXIBILITY: Will WFH be offered to employees on a permanent/long-term basis?

One third of managers have still to determine their permanent flex or work from home strategy – with just one quarter of managers saying they were opening up flex schedules to all employees. Only 9% said WFH wouldn't be provided.



# FLEXIBILITY: What ratio of days in the office/days from home has or is being offered to employees between now and December 31, 2021/year-end?

More than half of managers are offering a 3-2 ratio of three days in the office and two days at home through the end of the year, but firms are split on the best ratio thereafter.

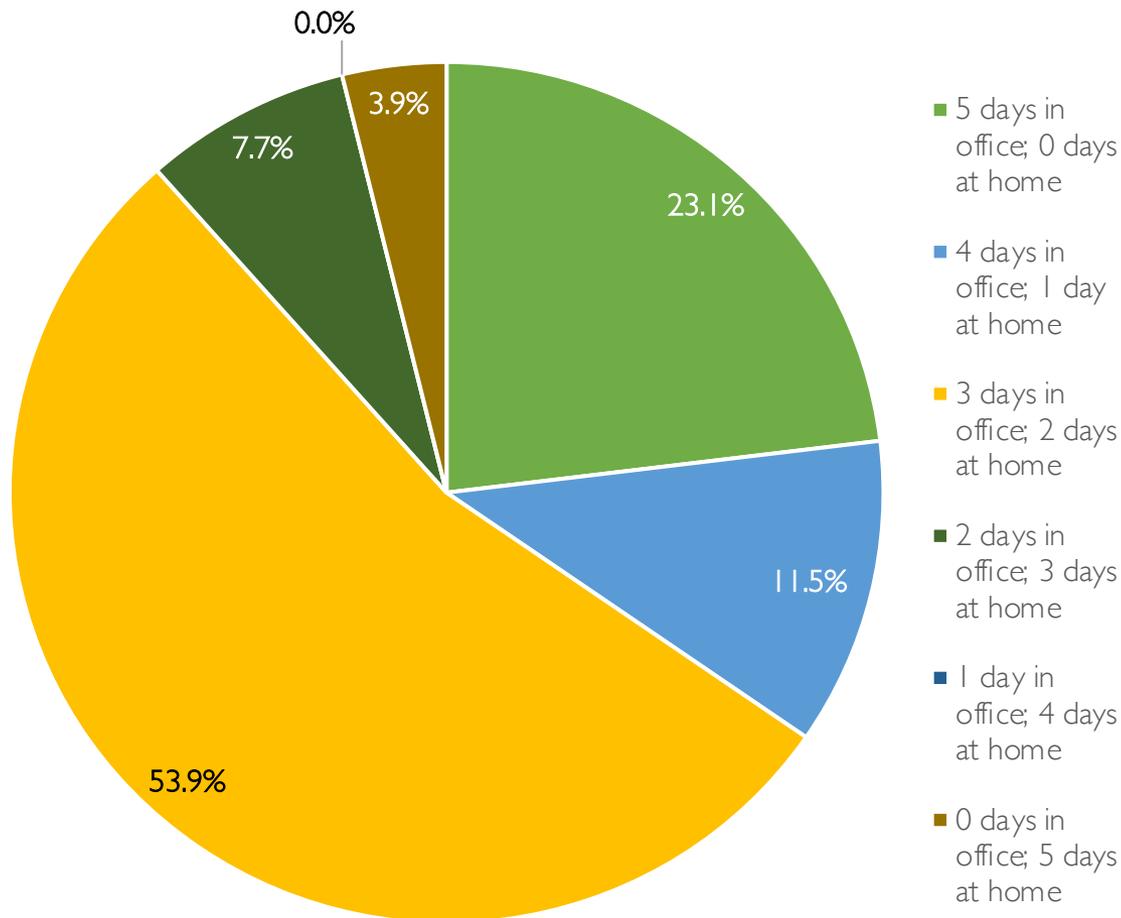


## Other comments:

- We will revisit in the fall after delaying office opening one month. Original plan was 3 days in office mandatory.
- 2 days in office was our return schedule, but it depends on [Delta] news
- Position dependent and left for employee-manager to discuss.
- No one size fits all policy. Managers and employees work together to settle on a schedule that works for their specific team. Employees though should plan to be in the office more than they are at home.
- General rule is 3-2, but this varies by function. Deal teams tend to be in the office 4 days while some back office roles are in the office 1-2 days
- We are recommending two days per week in the office but ultimately are comfortable with an employee being fully remote so long as they can reasonably perform their job functions.
- Available to accounting team only

# FLEXIBILITY: What ratio of days in the office/days from home has or is being offered to employees from Jan 2022 onwards?

When it came to what flex strategy to offer employees in the long-term, there was more consensus around a 3-2 strategy (more than half of members) and a full-time in office role.



## Other comments:

- My group was performed better in 2020 and 2021 than ever before remotely. We will continue remote work. Maybe be in the office a few days a month.
- We'll see about 2022 once we give the hybrid approach a try for the balance of 2021
- This is still to be determined, but if hybrid (3 in, 2 out) works, then there is no reason to change. It will be dependent on efficiency of the employees.
- Likely 3-4 days in office
- We expect our employees to be in the office 5 days a week in 2022 (unless there was an existing flex schedule offered an employee pre-pandemic)
- No one size fits all policy. Managers and employees are going to work together to settle on a schedule that works for their specific team. We have stated employees should plan to be in the office more than they are at home.
- TBD

# HOME OFFICE REIMBURSEMENTS: What policies have you or will you introduce regarding home office expense reimbursement if WFH continues? (E.g. stipends, etc)

Most members paid for computers and technology to set up the home office when Covid and WFH began in 2020. As WFH continues most are still determining home office expense reimbursements with technology/equipment reimbursements more widely accepted than internet cost reimbursement.

## Member comments:

- Company pays for all computers and peripherals. In discussion to reimburse EEs for internet.
- All office supplies and equipment, WIFI expense
- No reimbursements/None at this time {multiple responses}
- Case by case basis if someone decides they need or would like to work from home
- Reimbursements for home office equipment (multiple responses)
  - Home office expenses related to phone, internet and other essentials.
  - Technology reimbursements - i.e. monitors, keyboards, mouse, printer cartridges, etc..
  - Home office set-up stipend
  - We have been reimbursing folks for needed items to make WFH work-monitors/lighting/etc. Not much more than that.
- None at this time. All equipment was provided to employees at the beginning of the pandemic to ensure they could work in the office and from home comfortably. At that time we surveyed the employee population to see if anyone had concerns or specific needs (such as internet concerns, etc.) and those items were addressed at that time.
- None yet as we have not agreed to modify our in-office requirements.
- No current plans, however, employees were given a stipend for WFH equipment earlier in the pandemic. We treat this on a case by case basis in terms of employee needs.
- At employees expense going forward. Case by case when office was closed.
- We have offered stipends for equipment and also have purchased duplicate equipment for folks to allow efficiency in both locations (office and home).

# NAREIM

NAREIM is the industry association dedicated to the business of real estate investment management. Founded in 1990, NAREIM today represents real estate investment management firms with combined assets under management of more than \$2 trillion. For 30 years, NAREIM has been the home of real estate investment management benchmarking and best practices, where investment managers learn and share intelligence to drive investment returns and business performance.

## NAREIM member surveys

NAREIM members often reach out to ask their peers about pressing concerns impacting their business. Return to the office is one such challenge facing the real estate investment management industry today and we invited members to share their best practices regarding return strategies between August 12 and August 24.

A total of 32 member organizations submitted data with total real estate employee count of 6,178 and a median employee count of 150.

All survey answers are provided anonymously - to both fellow members and NAREIM.  
For more information on the surveys please contact Zoe Hughes, CEO, [zhughes@nareim.org](mailto:zhughes@nareim.org).

