**REPORTS OF THE DEMISE OF THE OFFICE ARE EXAGGERATED, SAYS SAVILLS IM**

**9 July 2020 –** Fears that offices will no longer be needed in the wake of the COVID-19 outbreak are overblown, and investors should keep an eye out for pricing opportunities, according to Savills Investment Management (Savills IM), the international real estate investment manager.

Core central business district (CBD) offices with good transport links are particularly well-placed to ride out the storm and deliver good returns, and those buildings that are efficient, accessible and offer strong amenities will likely outperform, says the new report, *Is the future of work at home or in the office?*

Although the pandemic demonstrated that home working is feasible for more companies and professions than previously assumed, surveys have shown that a small minority of workers wish to work from home on a full-time basis once normality returns.\* The report identifies a number of drawbacks to working from home that have been exposed by the lockdown, such as unsuitable working spaces, lack of privacy and noise levels.

Further downsides include the fact that many workers are not able to afford homes with the required separate working space, while others find it challenging to balance professional and childcare responsibilities in the same environment. Loneliness, isolation and blurred work-life boundaries are just a few of the more intangible issues associated with long-term home working, Savills IM points out.

The report highlights the link between productivity and face-to-face interactions that boost innovation and ideas, facilitating knowledge spillovers, on-the-job learning and skill development. In practice, the report predicts, the crisis will more likely foster increased corporate responsibility and emphasis on the quality of the office working environment, including additional desk space per employee and breakout facilities, more flexible working practices as well as technological innovations such as touch-free technology and biometric verification.

**Andreas Trumpp, Head of Research, Europe, Savills IM**, **commented**:

“The COVID-19 lockdown spurred a lot of speculation that many people would continue working from home once the crisis was over. The reality will be much more tempered.

“We do not see the death of the CBD office, but rather good buying opportunities if discounts appear. While the economic slowdown will weigh on rental growth prospects in the short term, CBD offices are the future and should be a mainstay of any diversified portfolio over the longer term.”

\*Examples include polling from the British Council for Offices and insights from Gensler's *U.S. Work From Home Survey 2020*

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**About Savills Investment Management**

* Savills Investment Management is an international real estate investment manager with offices in Amsterdam, Frankfurt, Hamburg, St Helier, Katowice, London, Luxembourg, Madrid, Milan, Munich, Paris, Singapore, Stockholm, Sydney, Tokyo and Warsaw.
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