

# Fairfax County Office Market

## Spring 2021 COVID-19 Impact Flash Poll

# Office decision-makers view COVID-19 as transformational for office needs, due to changes in teleworking capabilities

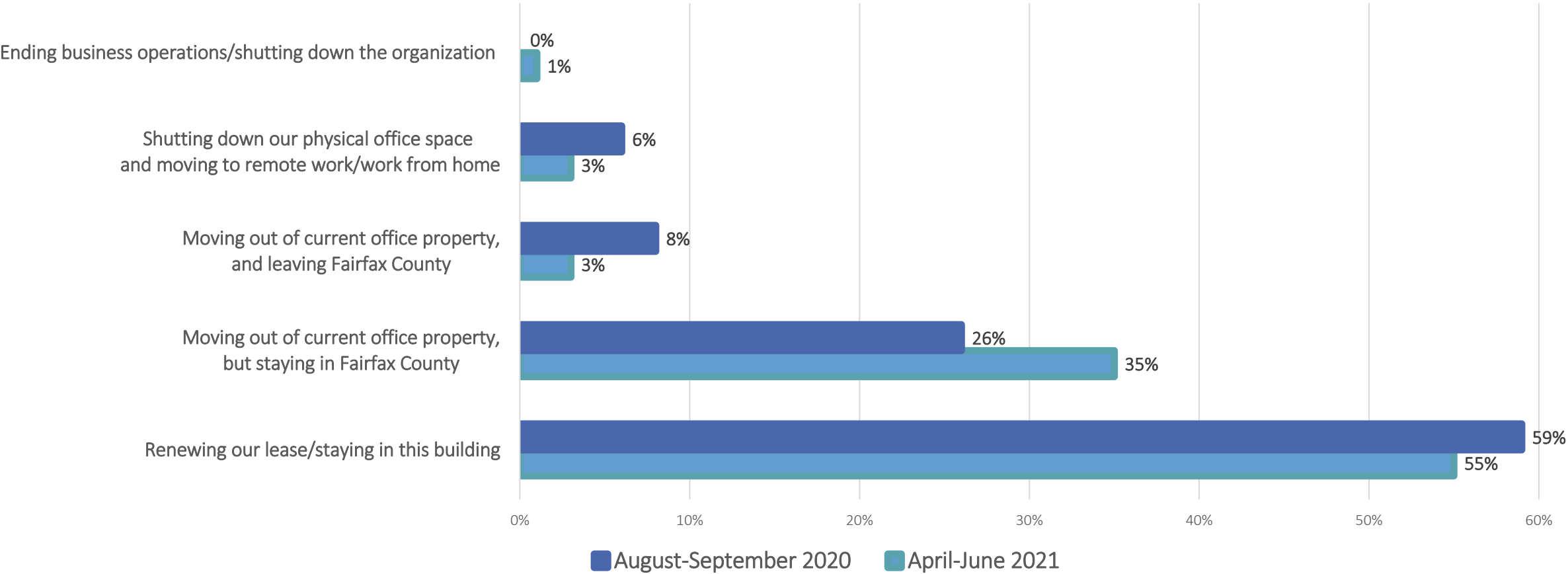
**% of Organization In-Office vs. Telework – Pre- vs. Post-COVID-19**

|  | <b>Pre-COVID-19</b> | <b>12-18 Months from Now</b> |
|--|---------------------|------------------------------|
| <b>Full time in office</b>                         | 63%                 | 39%                          |
| <b>Mostly in office with some telework</b>         | 12%                 | 19%                          |
| <b>Workforce split between telework and office</b> | 13%                 | 18%                          |
| <b>Full telework</b>                               | 12%                 | 24%                          |

75% Mostly or Full In-Office to 58%

# Although there will be changes in office needs overall, Fairfax County remains an attractive office location for decision makers

Fall 2020 vs Spring 2021



# Taking a deeper dive, the smallest and largest office tenants will be worth monitoring, as well as the construction industry

| By Square Footage  | Renew/Stay Property | Renew/Stay in Fairfax County | Total      |
|--------------------|---------------------|------------------------------|------------|
| 1,000 – 5,000 SF   | 55%                 | 29%                          | <b>84%</b> |
| 5,000 – 10,000 SF  | 38%                 | 54%                          | 92%        |
| 10,000 – 25,000 SF | 59%                 | 35%                          | 94%        |
| 25,000 – 50,000 SF | 63%                 | 38%                          | 100%       |
| >50,000 SF         | 50%                 | 33%                          | <b>83%</b> |

| By Industry           | Renew/Stay Property | Renew/Stay in Fairfax County | Total       |
|-----------------------|---------------------|------------------------------|-------------|
| Technology            | 63%                 | 37%                          | <b>100%</b> |
| Professional Services | 57%                 | 36%                          | 93%         |
| Construction          | 63%                 | 25%                          | <b>88%</b>  |
| Government Contractor | 56%                 | 37%                          | 92%         |
| Other                 | 48%                 | 42%                          | 91%         |

# Sentiment changed over the six months regarding need to reassess space and overall reduction, as more clarity is gained in office leasing decisions

| Fall 2020 Study  | Spring 2021 Study  |
|--|--|
| <ul style="list-style-type: none"><li>• 72% Likely to reassess space needs</li><li>• 10% Unsure about reassessing</li><li>• Of those unsure, 57% are likely to reduce square footage</li><li>• 47% overall reducing square footage</li></ul> | <ul style="list-style-type: none"><li>• 59% Likely to reassess space needs</li><li>• 26% Unsure about reassessing</li><li>• Of those unsure, 54% are likely to reduce square footage</li><li>• 46% overall reducing square footage</li></ul> |

# Respondents were given a hypothetical \$100 scenario to budget priorities for office space and this is where the top dollars landed

**\$14** – Property with strong cybersecurity and connectivity, enabling safe and fast remote working connections

**\$13** – Property with additional infrastructure to safeguard against harmful pathogens

**\$12** – Property with more co-working/flex work spaces throughout the building for offices to scale-up or scale-down as needed

**\$12** – Property with high-end amenities (common lounges, rooftop deck, gym/fitness) that attract talent

# What does this all mean for office needs in the future?

- The pandemic accelerated existing trends with respect to design, on-site and neighborhood amenities and mixed-use development.
- Remote work is here to stay and is having a transformative effect on the way companies use office space and what kind they need.
- Office space is still considered an integral component of collaboration, company culture and employee engagement.
- Constant communication down to a team/department level will be pivotal for a safe and smooth return to the office