

Nine Must Reads for the CRE Industry Today (July 29, 2021)

*By WMRE Staff
July 28, 2021*

The CDC's revised guidance on masking has shaken up return-to-office plans for companies. Some are shifting timelines and policies. Other companies are moving towards requiring employees to be vaccinated before they can return. These are among today's must reads from around the commercial real estate industry.

1. [Google delays workers' return to office, will require COVID vaccinations for employees](#) "In a Wednesday email sent to Google's more than 130,000 employees, CEO Sundar Pichai said the company is now aiming to have most of its workforce back to its offices beginning Oct. 18 instead of its previous target date of Sept. 1. The decision also affects tens of thousands of contractors who Google intends to continue to pay while access to its campuses remains limited." (*KTLA*)
2. [Work-from-home threat "overstated," Boston Properties CEO says](#) "While the continued work-from-home trend will have a long-term impact on the office market, the threat is 'overstated' for landlords of Class A office space, Boston Properties CEO Owen Thomas said Wednesday." (*The Real Deal*)

3. [**New C.D.C. mask guidance complicates back-to-office plans.**](#) “Companies that have already opened their doors must decide whether to retrench on masking policies. When the C.D.C. lifted its masking guidance in May, many companies issued new guidelines allowing fully vaccinated employees and customers to return without masks. The move served as an important incentive for workers, as well as a signal that the pandemic was winding down. For employees, it provided a sense of safety and normality in returning to offices.” (*The New York Times*)
4. [**It really is different this time**](#) “When we examine the most-recent recession versus previous recessions, its status as an outlier becomes even more stark and apparent. If we measure duration in months versus severity (as measured by peak unemployment rate) a clear relationship emerges: deeper recessions are also longer recessions, while shallower recessions are shorter recessions. But the 2020 recession breaks that relationship with a deep, short recession, the likes of which we have never observed in the U.S.” (*JLL*)
5. [**Beyond Zoom: Can Virtual Reality And Hologram Tech Reinvigorate Remote Work?**](#) “These different spins on the sci-fi premise of speaking to holograms at the office share a few things in common, namely a desire by Big Tech to make videoconferencing better and iron out the kinks in personal communication in newly remote and hybrid offices. Gartner research predicts by 2023, more than 40% of workers will work remotely at least one day a week, up from less than 30% before the coronavirus pandemic.” (*Bisnow*)
6. [**Private Equity Makes Play for Skilled Nursing**](#) “The tragic human effects outweighed others, but there were also economic and business impacts from the pandemic that are currently still affecting the skilled nursing segment. REITs looking for stable income got nervous, according to investment banker James Cassel, chairman & cofounder, Cassel Salpeter & Co.” (*GlobeSt.com*)
7. [**Social Clubs Could Be Way To Lure Office Workers Back**](#) “As workers trickle back to offices across the U.S., many employers may be seeking ways to encourage in-person interaction among employees who’ve worked remotely for 16 months. They would be interested to know about the forecast recently put forth by architecture, design and strategy firm NELSON Worldwide. Its prediction: The future office will evolve to become more like a social club than workplace.” (*Forbes*)

8. **'A Wild 15 Months': Pandemic Spurs Conversion of Offices to Labs** “Across the six largest U.S. life sciences markets, more than 20 percent of the laboratory spaces being built are conversions from offices. In San Francisco, Chicago, Boston and Raleigh, N.C., asking rents for lab space have increased more than 60 percent since the beginning of 2016, while office rents have crept up only 15 to 30 percent.” (*The New York Times*)
9. **Hot Housing Market Lets Banks Sell Mortgage Risk** “The transfers are a product of the effort to shield Fannie Mae and Freddie Mac from the risk of a mortgage-market reversal. Banks are now using them to raise capital and otherwise shore up their balance sheets, a process that ultimately adds to their lending capacity, analysts said.” (*The Wall Street Journal*)