

## Work anywhere, together

COVID-19 has changed the way the world operates and that has had a significant impact on real estate preferences, expectations and valuations. Indeed, the pandemic is a catalyst for structural shifts – combined with climate challenge, this new era will shape the fundamentals of the industry for years to come.



There is no doubt that COVID-19 has brought much uncertainty. But it has also solidified ongoing trends: the digitization of work; the transformation of physical retail; and the shift towards environmental, social and governance considerations in our behavior. These trends will have an essential influence on how real estate markets will fare over the coming years. Understanding their longer-term impacts will be key to future success.

The pandemic will change our attitude to working in offices. New concepts will be established which will have a significant effect on properties. Any real estate owner should define his strategy with regard to this structural change in the aftermath of the crisis.



## Your challenges

The impacts of COVID-19 will require companies to re-think real estate. There is a need to look at all potential scenarios to consider how they impact values at an asset level.

### → Remote work will change demand for office space

New approaches to work will lead to a more differentiated office world and foster shifts towards a gig economy. As a result, companies will try to reduce their costs in floor consumption via divestments or sub-leases. Specific types of real estate, such as vast corporate offices, will become a thing of the past as they lack the ability to contribute to global environmental goals.

### → Agile knowledge-based hubs

The gig economy may continue to evolve to pool specific skills in knowledge-based working platforms that bridge virtual, global and local models. Cultural change may further accelerate working hubs to drive the Paris Agreement's goals of becoming carbon neutral as soon as possible.



## How KPMG can help you

With our global connections, we deliver robust insights and practical advice across the real estate asset and investment lifecycle to help you make better decisions. We can help you with:

- Strategic workshops to define workplace and real estate strategy
- M&A and transactions such as support in divestments or sub-leasing as well as the general financial framework around it
- Change management with regard to flex office and carbon neutrality

## Your benefits

- Cost savings
- Capex reduction
- Workplace efficiency
- Clear path towards carbon neutrality



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### Contact

#### **KPMG AG**

Räffelstrasse 28  
PO Box  
8036 Zurich

#### **Ulrich Prien**

Partner  
Head of Real Estate

+41 58 249 62 72  
uprien@kpmg.com

#### **Beat Seger**

Partner  
Real Estate M&A

+41 58 249 29 46  
bseger@kpmg.com

**kpmg.ch**

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