# Quick Insights

### Back to normal? Data from global cities tells a different story.

As countries across the globe lift Covid-19 restrictions to varying degrees, there's a collective sense that we're heading "back to normal." In some respects, I feel it in my day-to-day life, whether flying between our studios for work or to client sites, eating out at restaurants, or attending family events — activities that felt so ordinary prior to Covid-19.

I've been thinking a lot about what "normal" means for our work lives moving forward—and it's what we spend all day every day speaking to clients about. After surveying data from major cities—including London, Sydney, Singapore, New York, and San Francisco—I'm not sure we're rewinding the tape back to pre-pandemic days where the office demanded our physical presence five days a week.<sup>1</sup>

Instead, what mobility and labor data across these cities suggests to me is a shift, one that is defined by agency and flexibility. Agency and flexibility in how we structure our days, where we choose to live, where we choose to work, and when we choose to work. Flexibility doesn't mean the end of the office or the decline of cities, but instead their evolution.

As the pandemic falls further and further into the rear-view mirror (we hope), I'm convinced both companies and cities have an exciting opportunity ahead—to rethink the creation of environments and experiences that enable flexibility, engender belonging, and help attract top talent for the long haul.



# The data tells us that the work equation remains changed.

#### We're not commuting into the office as much.

- Mobility data across major cities confirms what I've anecdotally heard from clients and peers alike — fewer people are going into the office regularly.
- Use of public transportation dropped 13% to 56%, while visits to workplaces were down anywhere from 4% to 53% at the start of May 2022, compared to pre-pandemic levels according to <a href="Google Community Mobility Reports">Google Community Mobility Reports</a>.
- Commuters reduced the amount of time spent in traffic by 33 hours in 2021 compared to pre-pandemic levels according to Tom Tom data.
- Migration out of certain high-cost cities, like <u>San Francisco</u>, coupled with an exodus of international talent has further impacted movement within cities.

## Labor shortages are becoming more acute across the globe.

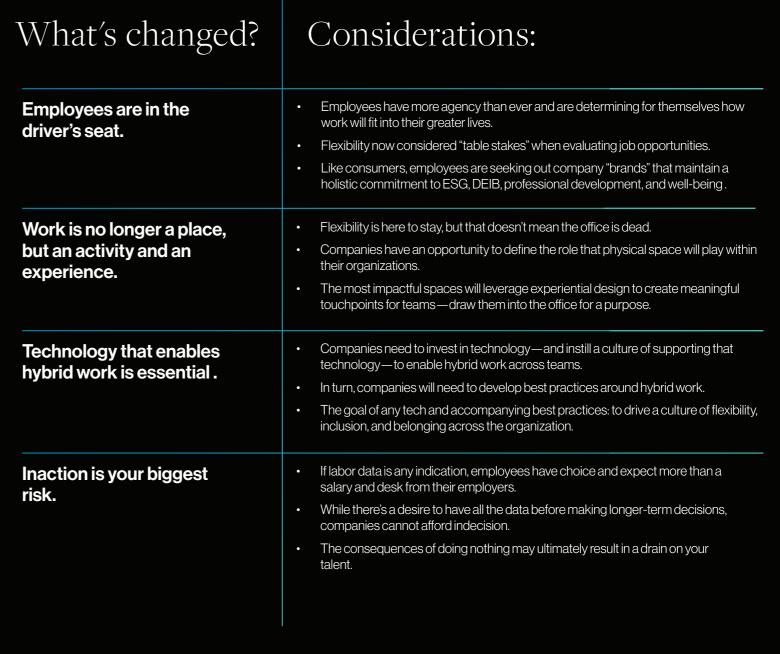
- Migration out of cities, border closures, and an exodus of international talent has similarly exasperated skill gaps and labor shortages across cities.
- For example, <u>London</u> is struggling to fill nearly 1/3<sup>rd</sup> of vacancies due to applicants lacking relevant skills; 42% of London businesses believe recruitment will continue to be an issue over the next five years.
- Many individuals of working age have decided to leave the workforce all together to take up
  early retirement, re-prioritize their life's ambitions, and in some cases, take on <u>childcare fulltime</u>.

## The Great Reshuffle — employees are in the driver's seat.

- After an onslaught of <u>resignations</u>, unemployment rates are returning to pre-pandemic levels, but job vacancies continue to climb.
- Job vacancies have increased 55% in London, 64% in Sydney, and 127% in Singapore since the onset of the pandemic.<sup>2</sup>
- Thanks to a hot labor market compounded by skill gaps and labor shortages, workers currently have a smorgasbord of choice.
- Employees have agency and are adapting to the mindset of a consumer—they're looking for better work environments, culture, management, and career development.

### My take on all this data:

Employees across the globe expect more than just office space from their employers. Companies that fail to listen and act accordingly risk losing their most vital and costly asset—talent.





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