

After the Bug

Arthur C. Nelson, Ph.D., FAcSS, FAICP

***Presidential Professor Emeritus of City & Metropolitan Planning
University of Utah***

**Professor of Urban Planning and Real Estate Development
University of Arizona**

UTAH LAND USE INSTITUTE

October 21, 2020

A Few Myths about Covid-19

The future of **office is dead**

Working from home is where it's at

Traditional retail is **more than dead**

Social distancing = **Head for the hills**

Offices will Re-emerge, Again

Offices are a source of **teamwork** innovation.
Modern companies **internalize** social interaction
More innovations are done around the water cooler
and in the cafeteria than the microwave at home



https://assets.bwbx.io/images/users/iqjWHBFdfxIU/iXDYtuv_hQQc/v1/1000x-1.jpg



<https://images.moneycontrol.com/static-mcnews/2018/02/The-employee-cafeteria-of-Google's-Canadian-engineering-headquarters-in-Ontario--770x433.jpg?impolicy=website&width=770&height=431>

Jamie Dimon's J.P. Morgan Chase bank is less profitable
because workers aren't working in the same space together.

... it's time to get people back to the office.

Working from home is *NOT* where it's at

It's **novel** for a while ...

... but **wears off** after about 6 months.

Productivity **increases** for 6 months

... then begins to **crash**.



Adapted from <https://finans.dk/covid-19-teleworking-and-productivity-vox-cepr-policy-portal/>

Cabin fever sets in ...

... your home is your prison → **house arrest**?

Where's the **tech support** when you need it?



https://www.wklaw.com/wp-content/uploads/2017/05/House_Arrest.jpg

Traditional Retail Will Do What it Does Best *CHANGE*

COVID-19 merely **accelerated trends**—and that's a good thing.

New retail leasing mantra: **Amazon proof**
tenants—and that's a smart thing.

Traditional retail spaces becoming
more diverse →

Offices—parking anyone?

Public places (libraries, service centers)

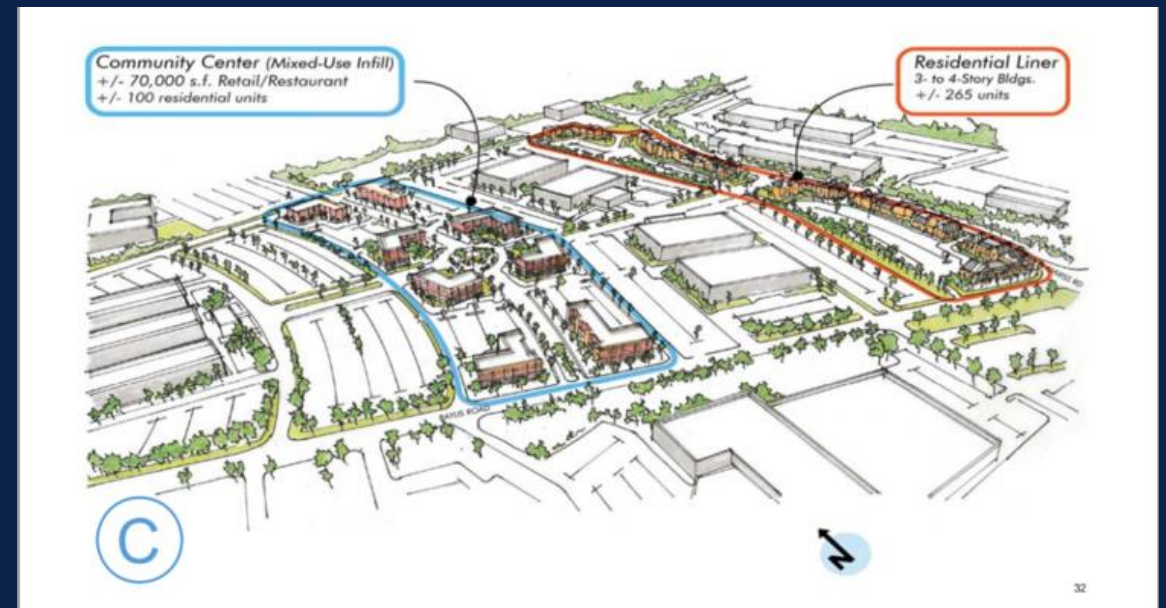
Clinics/out-patient centers

Opportunities for First/Last mile
shipping/returns/etc.

New forms of community gathering

New places for people to live

The **constant about retail** is that it is never constant.



<http://www.longislandernews.com/half-hollow-hills-archives/consultant-speaks-about-potential-huntington-quadrangle-redevelopment>

Head for the Hills → *NOT*

If there is a perception that the pandemic has ushered in a mass migration, it is not supported by the data. ... **Americans moved less during the pandemic** than they normally would have, not more.

([https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid.](https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid))

Of those who moved, 15% cited Covid-19 as these reasons→

37% said they could not **afford housing** because of income loss especially →

New York/Manhattan and San Francisco

33% moved to **shelter in place** with friends or family

24% of the 15% (=3.6%) didn't **feel safe** where they were because of Covid.

([https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid.](https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid))

Nearly all who moved stayed within **commuting range of work** after Covid.

One Covid benefit → **Low interest rates** for years to come.

That may **shift the equilibrium** toward ownership, albeit slightly (come back **11/12**).

Realities

- The open office, hot-space concept **will change** but it may be about time.
- Some will work more from home and new/proven technologies will help (Zoom) but for nearly all the **workplace is still where it's at.**
- **Amazon-proof retail** will expand while retail centers will become more diverse places of offices, services, gathering and even residences.
- Exurban and urban **fringe living** is not where it's at.



<https://www.cnu.org/sites/default/files/wyandanch.jpg>