

WORKING FROM HOME – A SHORT-LIVED TREND?

The German government has once again extended the work from home (WFH) directive. From now until 30 April, employees will be allowed to work remotely whenever possible. But what will happen after 30 April? And how important will WFH be post-pandemic? These questions continue to pose challenges for the real estate industry.

On the one hand, there is considerable pressure on companies to expand remote working policies. This is demonstrated, among other things, by the controversial discussion about a proposed bill to make working from home a legal right. On the other hand, a number of surveys suggest that both employees and employers have reservations about an extension of remote working. For example, a recent survey by the German Economic Institute (IW Köln) revealed that almost two-thirds of companies do not want to give their employees more opportunities to work from home more often post-pandemic than before the crisis.

Seeking a different perspective on the topic of WFH, KGAL Research looked for a new, meaningful indicator: job adverts. Has the basic willingness of companies to enable their employees to work remotely increased significantly as a result of Corona? Glanos GmbH, a Munich-based data specialist, analysed almost eight million online job advertisements for office employees in Germany on behalf of KGAL to answer this question.

LESS THAN 4 PER CENT OFFER WFH

The analysis covered job adverts from the end of 2018 to January 2021. 273,000 of the 7.8 million adverts contained at least one of the 13 keywords we had defined (e.g. "work from home", "home office", "mobile work", "remote work"). On average, just 3.5 per cent of the companies offered their potential prospective employees the option of WFH in their job advert.

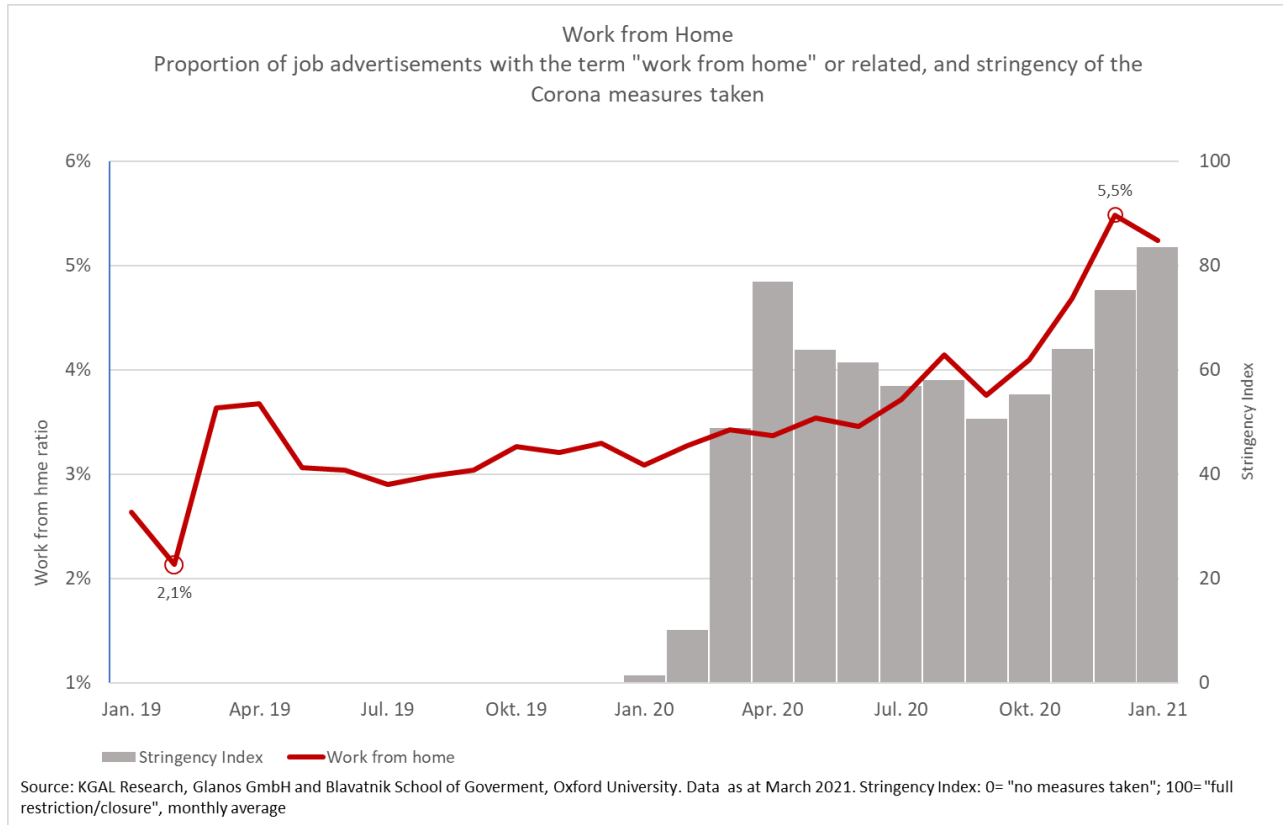
If you look at the trend over time, you can actually see an increase in the share of adverts mentioning flexible working. While the option of flexible working averaged just over 3 per cent in 2019, it rose to almost 4 per cent in 2020. However, this increase over the last year is largely due to a significant acceleration over the second half of the year and, at 5.5 per cent, the peak in this period was reached in December 2020.

Of course not all companies mention the option of remote working in their job adverts. Some companies probably consider other aspects of the job, such as perks and benefits, to be more important to potential applicants. Or some companies may have already adopted a hybrid work model, which allows people to work at home and in the office, so they see this as normal, and do not feel the need to mention in a job advert.

REMOTE WORK WILL PROBABLY REMAIN QUITE NICHE FOR A LONG TIME TO COME

However, a big question mark remains – is WFH the new normal? Based on calculations from the CESifo Institute approximately 56 percent of German employees could potentially move to working from home temporarily, which is surprising when a maximum of 5.5 percent of job adverts as of December 2020 only mentioned the option of "remote work" for office workers.

Our analysis of job advertisements clearly indicates that more people will work from home at least some of the time post-pandemic. However, based on the results of the CESifo Institute's survey and our own analysis, we do not expect working from home to play a dominant role in the next few years.



CONTACT:

KGAL GmbH & Co. KG

Axel Drwenski

Head of Research

Tölzer Straße 15 | 82031 Grünwald | Germany

axel.drwenski@kgal.de

Disclaimer

The information in this document is based on sources that we consider to be reliable, but have not reviewed in detail. KGAL therefore does not guarantee that the data and information are current, accurate and complete. The accounts and explanations included in this document reflect the respective assessment of KGAL at the time that the document was created and may change without advance notice. The content of this document does not represent investment advice or other recommendation for action, and does not under any circumstances replace professional investment advice or the assessment of individual circumstances by a tax adviser. No liability of any kind is accepted for damages or loss that result directly or indirectly from the distribution or use of this document or its content. www.kgal.de