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The Pros and Cons of Corporate Work from Home Strategies

Article submitted by Wayne Teig, President, ITRA Global | Minneapolis–St. Paul

The pandemic caused businesses to close their doors around the world and fully utilize technology to keep businesses operational. Now that vaccines have been created, there is hope for a return to normal working conditions sometime during 2021. But wait, many businesses have already declared they will not be having employees return to an office—ever. Is Work from Home (WFH) here to stay? Let's take a look at the pros and cons that businesses should consider.

PROS of Work from Home:

- Efficient use of employee's time—no commuting.
- Cost savings—no cost for space/lease, no parking costs, and employees have no commuting related costs. No brainer!
- Technology is advanced enough to allow employee engagement and tracking via audio and video calls. This will likely only get better.

CONS of Work from Home:

- Seclusion from other colleagues will not work for some employees; supervision can be difficult.
- Employers will need to provide some office furniture and such to remote employees.
- Technology issues could stop a business in its tracks and there wouldn't be any alternative methods readily available.
- The previous corporate culture could be lost.
- Attracting and retaining employees could be more challenging depending on the circumstances.

Businesses compete against each other, so will a business that has office space be at an advantage or a disadvantage? Each case will be different, but it is more likely that a business that isn't 100% virtual will have an advantage over a business that is 100% virtual. While Zoom is a great tool, it doesn't replace daily interactions for employees. Zoom doesn't capture non-verbal communication and won't necessarily indicate work ethic and effort either. A business that has a combination of WFH employees and on-site employees may be the best option versus going 100% virtual right away.

But before businesses and employees spend all of their potential WFH savings, let's consider how governments might respond to WFH policies. Governments collect taxes in a variety of ways

ranging from property taxes to local sales taxes. They have also provided infrastructure for employees to commute to and from work (freeways, buses, trains, parking ramps, etc.). While WFH would seem to solve many problems with transit capacity, maintenance, and pollution, it actually creates some gigantic revenue problems for the government because WFH will reduce commercial property taxes, local sales taxes, and threaten all transit related jobs. It is certainly possible that your city, county, or state government will add new business or employee taxes to offset tax revenue losses caused by WFH strategies in order to maintain your government's current systems. If this occurs, it is possible that a portion or maybe even a large amount of the savings enjoyed by WFH strategies will need to be paid to your government as tax.

More will be revealed in 2021 as the pandemic risk is reduced and employees start returning to their workplace. How things progress from there remains to be seen, but if WFH is widely adopted by businesses, expect governments to enact countermeasures to raise tax revenue in different ways.

