

AUSTRALIA'S ROAD TO RECOVERY

COVID-19

The daily caseload in Australia has averaged less than 0.5 cases per million population in 2021

- » As of April 14th 2021, **Australia has recorded a total of 29,469 COVID-19 cases equating to 0.1% of the population.** There are currently 155 active cases across the country and there has been 1 COVID-19 related death in 2021.

MOBILITY

Car usage is up 20% year-on-year, but public transport remains 40% below pre-pandemic levels

- » People are eager to become more mobile post-lockdown, but on their own terms. **Car usage in Sydney is now 20% above pre-COVID**, and walking is back to pre-pandemic levels.
- » In contrast **public transport has been slower to recover** and is still down by 40% year-on-year (at February 2021). Little difference is evident between modes of transport, including lower density modes such as ferries.

OFFICE ATTENDANCE CBD OFFICE OCCUPANCY

CBD office occupancy is continuing to increase, reaching over 60% in some markets

- » In Brisbane, where lockdown was restricted to a 4-week period in April 2020, **CBD occupancy swiftly rebounded to over 60%**. Whereas in Sydney, lockdowns were more frequent and workers have been slower to return, rising from 30% occupancy in August 2020 to 50% in March 2021.
- » Office occupancy, pre-COVID, was not 100% – measurements estimate it at around 64% for Australia in 2019. On this metric, **Brisbane is already back to pre-pandemic occupancy levels, while Sydney is over 75% of pre-pandemic occupancy.**

BUSINESS CONDITIONS

As the Australian economy reopened, sentiment indicators were quick to recover, some reaching 10-year highs

- » In Australia, **consumer sentiment rose 48% from April to December**, following a 20% decline in the first 2 months of the pandemic (February to April). As of March 2021, consumer sentiment is at the highest level since August 2010.
- » Similarly, Australian business confidence returned swiftly and as of March 2021 is at a record high following reaching a trough in March 2020 that was **twice as low as the Global Financial Crisis in 2008.**
- » **New South Wales total employment has recovered** the majority of losses experienced in early 2020 to sit practically on par with levels seen in February 2020.
- » In February 2020, 4.13 million persons were employed (full-time or part-time) in New South Wales. This fell to 3.86 million, a decline of 273,000 jobs, in May 2020. As the economy started to reopen, **employment returned to growth, adding 271,000 jobs** from May 2020 to March 2021.
- » In New South Wales the **total number of unemployed persons rose from 194,000 in January 2020 to 310,000 in July 2020** but has subsequently declined to 234,000 in March 2021.



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OFFICE ATTENDANCE CUSHMAN & WAKEFIELD

43% of Cushman & Wakefield staff in Sydney attend the office at least 3 days per week

- » 12 months after the pandemic first hit, average office attendance is approximately 3.5 days per week. Employee preference is to attend the office Monday, Tuesday and Thursday. **There is a clear preference to work remotely on Friday**, when attendance is 25% lower, while Wednesday is more mixed, with office attendance down around 10%.
- » Average office attendance improved as employees became more comfortable with the external environment. **As of March 2021, 43% attend at least 3 days a week**, up from 31% in October 2020. In comparison, the proportion who rarely or never attend has declined from 39% to 31%.
- » Smaller offices in suburban locations hit higher occupancy levels faster and currently average 64% total occupancy (as at February 2021). **Larger offices currently average 42% total occupancy.** Options for private transport commuting, lower population densities inside and outside the office and limited need for elevators all play a role for higher occupancy in smaller, suburban offices.
- » Sales professionals were the first and the quickest to return and are more likely to attend the office for the majority of the working week. **At Cushman & Wakefield 75% of sales personnel attend the office 3 days a week or more**, with the remaining 25% attending 1-2 days per week.
- » Shared services personnel (marketing, finance, HR, IT teams) at Cushman & Wakefield have taken longer to readjust back into office life. In the first wave of return to office (October 2020) **70% had never or rarely attended the office** and 19% were in 3 days a week or more. This has again improved over time with current estimates suggesting around 33% attend the office at least 3 days per week.
- » Younger generations were quickest to return – **42% of Gen Z/Millennials employees and 46% of Gen X were in the office 3 days a week** when the Sydney CBD started opening up (October 2020). In contrast 52% of Baby Boomers did not return initially.
- » Greater employee satisfaction is achieved by providing flexibility for workers to choose where they want to work on any given day. Australian Cushman & Wakefield personnel with freedom to choose their work location have an **average agreement score of 78%** whereas those with little or no choice only score 60%.

CITY VIBRANCY

Foot traffic in Sydney CBD's key retail precinct was down 30% year-on-year in November 2020, mainly reflecting the lack of international tourists

- » There is a resurgence in the dining sector as people rush to reconnect with friends and family as restrictions lift. **Numbers of diners are consistently up 55% on pre-pandemic levels**, peaking around Christmas at 68% higher than in 2019. Popular restaurants are full and hard to secure bookings.
- » Key pedestrian precincts have become busy once again. As more people return to CBD/downtown areas, foot traffic is rapidly recovering. **Sydney's premier retail strip, Pitt Street Mall, is back to just 30% below pre-COVID levels.** This has occurred without the 225,000 international tourists who are in Sydney on any given day.
- » **Hotel occupancy is still under downward pressure** at less than 30% occupancy. Corporate cost containment has severely limited business travel, while international visitation is still embargoed. Occupancy will only meaningfully pickup when sovereign borders reopen and people have the confidence to take international flights.