Media Release

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Regional Workplace Scenario Planning Study Explores Impact of Telework

National Capital Planning Commission and Metropolitan Washington Council of Governments Release Study

Teleworking accelerated during the pandemic, altering where people work and commute. While this trend is playing out across the country, the National Capital Region has a unique set of challenges, as its largest single employer is the federal government. The National Capital Planning Commission (NCPC), a federal agency, and the Metropolitan Washington Council of Governments (COG), an association of local governments, joined together to develop a scenario-based study to better understand how this trend might impact the region and its individual jurisdictions.

NCPC and COG released findings from the Workplace Scenario Planning Study, prepared by the consultant team consisting of The Schreifer Group, HR&A Advisors Inc., and Wells + Associates. Scenario planning was used to better understand the cumulative impacts of federal telework and hybrid workplaces on the National Capital Region. Scenarios also provide a tool that federal agencies and regional jurisdictions can use to better understand the implications of telework policies. The report does not provide policy recommendations but will inform NCPC's updates to policies in the Comprehensive Plan for the National Capital's Federal Elements and COG's regional planning efforts. NCPC uses the Comprehensive Plan's Federal Elements for its review of plans, proposals, and policies for federal land and building development.

The study considered three baseline scenarios (minimum telework, 1-2 days per two weeks; moderate telework, 4-6 days per two weeks; and maximum telework, 8-10 days per two weeks) and analyzed each scenario's impact on the region's federal real estate, federal workforce demographics, where federal workers live, and public transportation and commuting patterns.

Key findings from the Workplace Scenario Planning Study include:
o Accelerating Reduce the Footprint: Telework will likely accelerate reduction of the federal government's real estate inventory by enabling actions to consolidate, co-locate, and dispose of property. However, the type of facility use (and whether the use can be conducted in person or not) determines how this will affect each agency, individual jurisdictions (primarily at the county level), and the region. For example, national security and defense, and research and laboratory uses are more likely to require an in-person workforce.
o Retaining and Attracting Talent: In an age where flexibility is highly valued, the ability to telework is a key factor in retaining and attracting talented workers.
o Modifying Transportation and Commuting Patterns: Increased telework provides flexibility for where federal workers reside and alters commuting habits. This shift encourages more non-work-related travel and can lead to a decrease in daily Metro ridership, potentially impacting the region's transportation infrastructure and service.
o Changing Sustainability Implications: The net sustainability impact of telework remains unclear. While building energy use may decrease, at-home energy costs and non-work-related trips may increase.
o Varying County Implications: Each county's unique blend of agencies, facility mission and use, and potential lease expirations will play a role in how jurisdictions may be impacted.

<u>Telework Implications by National Capital Region Jurisdiction</u>
The federal government is the single largest owner and occupant of real estate in the region. The General Services Administration's National Capital Region portfolio consists of 474 total leases consisting of over 44 million rentable square feet, with 58 percent of the leases set to expire in the next five years. The report analyzed telework implications by county (and Washington, DC), considering the likelihood that federal leases expiring in the next five years would be reduced from the federal real estate inventory. The report analyzed the use of workspaces across three categories—administrative offices, research and labs, and national security and defense—to understand how likely they may be reduced. While each jurisdiction's unique blend of agencies and lease expirations plays a role in how it might be impacted, the presence or absence of national security agencies emerges as a pivotal factor, as telework is less likely due to security requirements and the need for in-person training.

The following summarizes telework implications on Washington, DC and Maryland/Virginia counties.
Washington, DC holds almost half of all federal real estate leases in the region. While more than 200,000 federal workers are based in Washington, only 16% reside in the District of Columbia. Any changes in federal telework policy will have a significant impact on Washington, given that it has a large component of telework-eligible jobs.

Prince George's County, MD may face potential challenges with 46% of its federal office space leases nearing their termination, signaling moderate impact. While the absence of security/defense-related agencies could signify high exposure to office space reductions, the necessity of in-person presence in labs for various scientific activities can act as a crucial buffer against sharp reductions in the county's occupied spaces, potentially reducing telework's overall impact on office space occupancy.

Montgomery County, MD has 15% of federal leases nearing their expiration but benefits from the presence of several large federal employment hubs. The presence of entities like the National Institutes of Health and the U.S. Department of Health & Human Services, known for their extensive lab spaces, makes this county less susceptible to shifts towards telework. The quantity of research and lab spaces, where scientists and researchers are required to work in person, might counterbalance telework's potential impact, rendering it minimal to moderate.

Fairfax County, VA will see 27% of its leased federal spaces expiring within the next five years. The imminent expiration of more than a quarter of its leases could be counteracted by the stability offered by national security and defense agencies, signaling moderate impact.

Arlington County, VA will see approximately 25% of its commercial federal leases approaching their expiration dates. However, Arlington is home to significant national security entities, signaling moderate impact. This robust presence of security/defense-related agencies may potentially serve as a mitigating factor against substantial declines in federal office occupancy rates.

Alexandria, VA faces 94% of its federal office spaces nearing lease termination coupled with a lack of key security agencies.

However, this high rate is most likely representing one agency, the U.S. Patent and Trademark Office, so impact could remain low.

Loudoun County and Prince William County, VA, and Fairfax City, VA display lease expirations ranging from 0% to 15%. Their agency composition and lease dynamics indicate a potential low to moderate impact from telework.

NCPC will develop policies in the *Comprehensive Plan for the National Capital's* Federal Workplace Element to address the top key issues identified in the study. COG will continue conversations among area jurisdictions to address these important regional impacts.