MANHATTAN
IN MOTION

Decoding New York City's Office Resurgence with Location Intelligence

MAY 2024

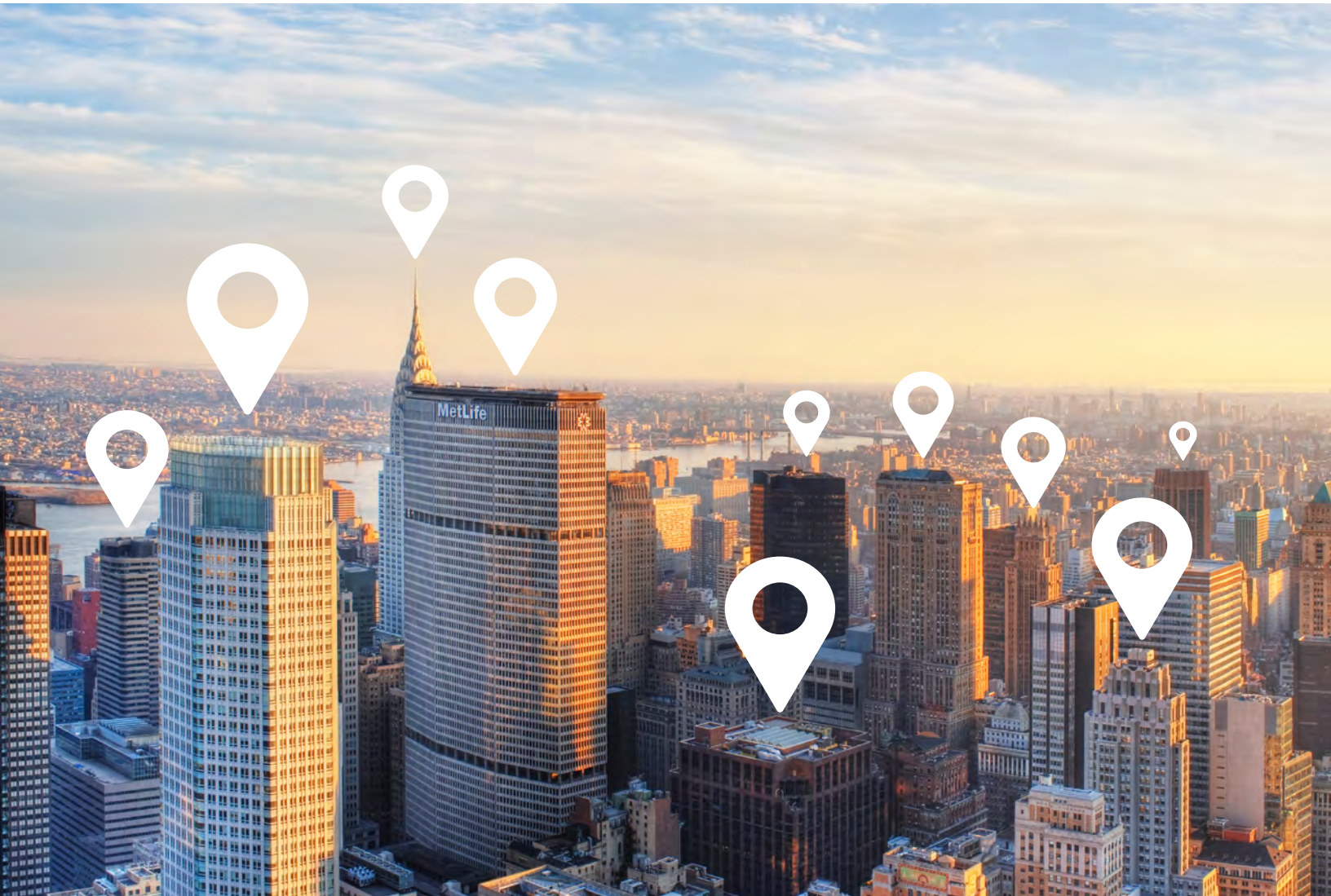


CUSHMAN & WAKEFIELD

INTRODUCTION

Over the last four years, there has been a growing focus on office visitation and its recovery since the onset of COVID-19. As New York City (NYC) emerged from the depths of the pandemic, restrictions were lifted, and companies began to institute structured return-to-office protocols. However, these guidelines faced disruptions early on from new variants, which further impacted office utilization rates. Since then, many organizations have adopted in-office policies tailored to their specific needs, ranging from remote and hybrid setups to more office-centric models. As these new standards are further implemented, it is essential to understand how the current office visitation in NYC is impacting the rhythm and cadence of the traditional workweek.

Manhattan is often viewed as the global benchmark for the latest trends in the commercial real estate sector, particularly when assessing the competitive landscape. Interpreting visitation trends through artificial location intelligence has gained a foothold amongst the real estate community and represents the latest key differentiator in market knowledge.



The “Manhattan in Motion” report reflects a paradigm shift in the analysis of these activities and embraces this cutting-edge technology, which uses anonymized mobile device tracking and geospatial data. By analyzing data captured by Placer.ai and integrating it with Cushman & Wakefield’s proprietary inventory tracking system, this report combines visitation metrics with market statistics across 692 Class A & B office buildings. The fusion of datasets not only highlights the current state of office visitation but also provides insights into how these patterns are shaping the future of the workplace in Manhattan. Leveraging these advanced data analytics creates a more comprehensive approach to quantifying office utilization, tenant behavior, foot traffic patterns, and overall market trends, ultimately enabling stakeholders to make more informed decisions and better navigate the evolving landscape of commercial real estate in a post-pandemic world.



KEY TAKEAWAYS



Anonymized mobile device data recorded a **weekly average of 2.3 million office building visits** in March 2024, **yielding a 72.2% recovery** from February 2020



Trophy assets **accounted for 16.7% of Midtown average weekly visits** in March 2024, up 100 bps from one year ago

Average **weekday visits** are the **highest on Wednesdays, recovering 83.5% of the February 2020 baseline**— 11.3 percentage points higher than the overall market



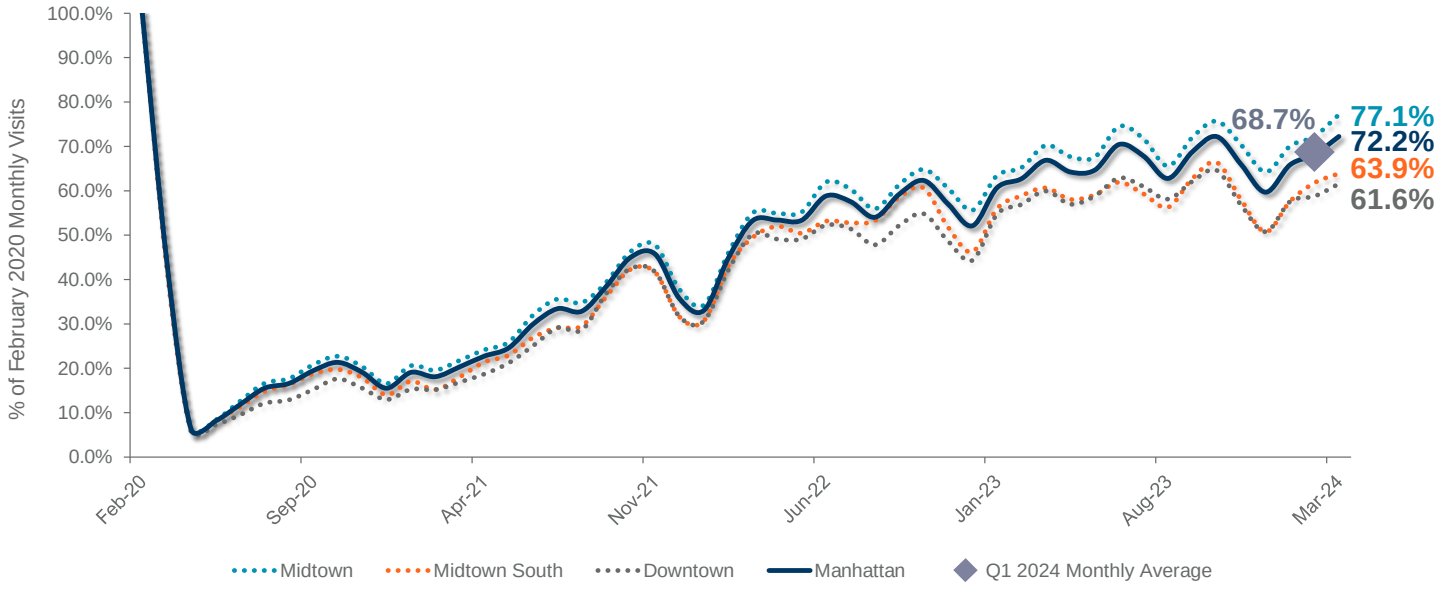
Occupied square footage has become **74.2% more concentrated over the past three years**, contracting from 468.1 square feet (sf) per visit to 120.6 sf per visit in the first quarter of 2024





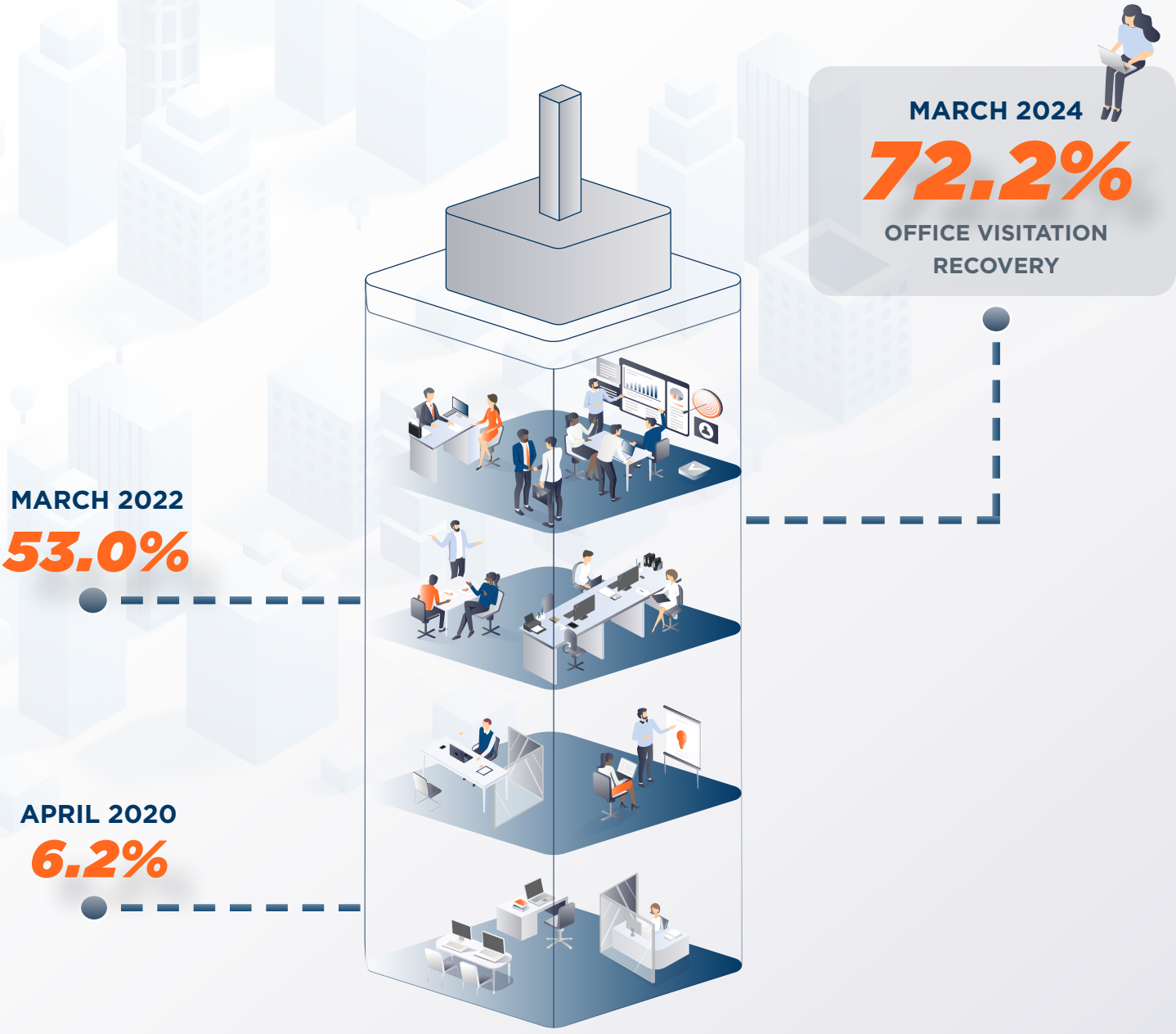
MANHATTAN Office Visitation Index

Overall average Manhattan monthly office visitation levels have rebounded significantly over the past four years following the outset of the pandemic. From a low of 6.2% in April 2020, recovery rates climbed to 45.7% in November of 2021, only to decline again to 33.0% in the next few months with the spread of the Omicron variant. Since then, more normalized worker patterns have emerged as more firms have implemented in-office mandates. As a result, foot traffic has made a durable advance, reaching a new peak recovery of 72.2% in March 2024.



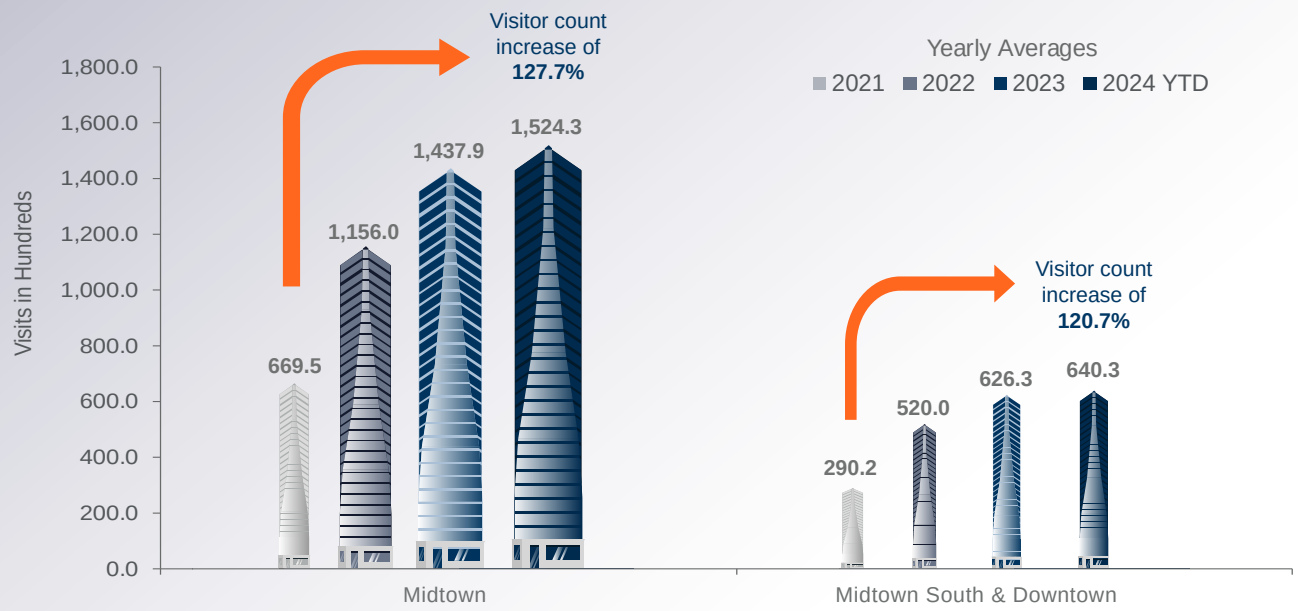
While the upward trend in visitation rates has been evident across all three major markets, the recovery has been the strongest in Midtown. Visitation levels averaged 73.1% in the first three months of 2024, a surge of 690 basis points (bps) from the first-quarter average of 66.3% in 2023. Notably, this market benefits from its proximity to key mass transit hubs, an abundance of amenitized trophy buildings, and a high concentration of financial services firms, which have been among the strictest with office attendance.

Midtown South, a hub for technology firms known for relatively flexible work location policies, registered visitation levels of 61.1% in first quarter of 2024, a jump of 260 bps over the past year. Meanwhile, Downtown recorded the lowest visitation rate at 59.3%, an increase of just 210 bps year-over-year (YOY).



Yearly Office Visit Count by MARKET

Midtown monthly average visits grew by 127.7% from 2021 through March 2024 to 1.5 million, substantially higher than the 669,500 monthly average reported three years ago. Midtown South and Downtown recorded 640,300 visits, both yielding less than half of Midtown's total. However, when combined, visitation rates in these areas improved by 120.7% during the same period—a positive sign for submarkets where foot traffic levels are not as high.



CLASS A & TROPHY
Recovery from February 2020 Baseline

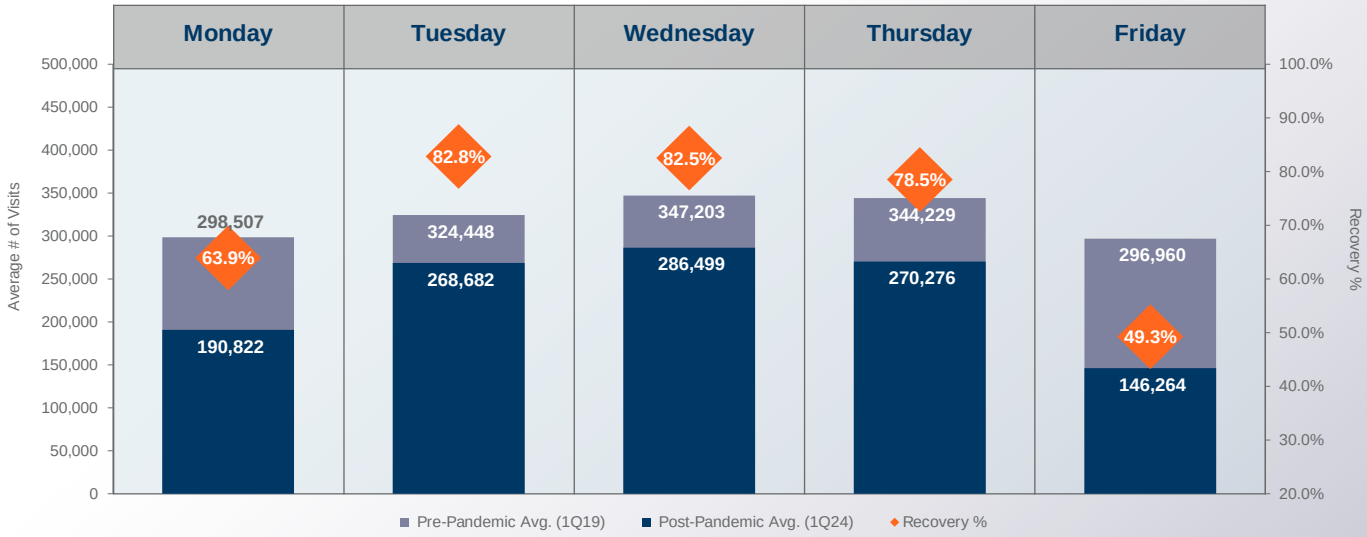
Improvement in visitation counts in the post-pandemic era has been fueled by increasing demand for top-tier buildings with upgraded features and amenities. As companies focus on attracting employees back to the office, such properties continue to outperform the rest of the market. Since the first quarter of 2022, Midtown trophy assets have maintained an average monthly recovery spread of 12.4 percentage points higher than Midtown Class A inventory. In the first quarter of 2024, average monthly visitation in trophy buildings returned to 85.1% of their pre-pandemic levels, well above the 70.9% witnessed in Class A buildings.



**Trophy inventory consists of 28 best-in-class Midtown office buildings based on age, location, rents, and tenancy and excludes those that were built, renovated, or converted since the second quarter of 2019*

Manhattan WEEKLY VISITATION

In the aftermath of the pandemic, numerous companies have transitioned to hybrid working models, allowing their employees to work remotely for part of each week. With office mandates typically requiring staff to be on-site three to four days a week, visitation levels fluctuate significantly depending on the day. Notably, office visitation tends to peak between Tuesday and Thursday, with levels in the first quarter of 2024 reaching between 78.5% and 82.8% of pre-pandemic levels, surpassing the overall Manhattan average of 68.7%. Conversely, visitation levels on Fridays remain below 50.0% of pre-pandemic levels.





Manhattan Office VISITATION INDEX MAP

The map on page nine illustrates visitation counts by submarket and marks the locations for all Trophy, Class A and Class B office properties included in our statistical sample. The base layer signifies the average weekly visitation totals by submarket with a color gradient, reflecting the proportionate share of Manhattan's overall visitation count recorded in March 2024. Combining the datasets reveals that submarkets with a high concentration of buildings—especially those near mass transit hubs in Midtown—attract more visitors.

Due to the large concentration of premium assets and proximity to transportation, the Sixth Avenue/ Rock Center submarket outperformed all others in visitor count. With nearly 297,000 average weekly visits in March 2024, it accounted for 13.0% of all office building visits in Manhattan. The World Trade submarket captured the highest number of visits across Midtown South and Downtown, representing 5.9% of the total market. This area of Downtown witnesses higher traffic due to its adjacency to the World Trade Center Oculus Transportation Hub and its cluster of newer, larger office buildings, which appeal to companies seeking prime, well-located assets.

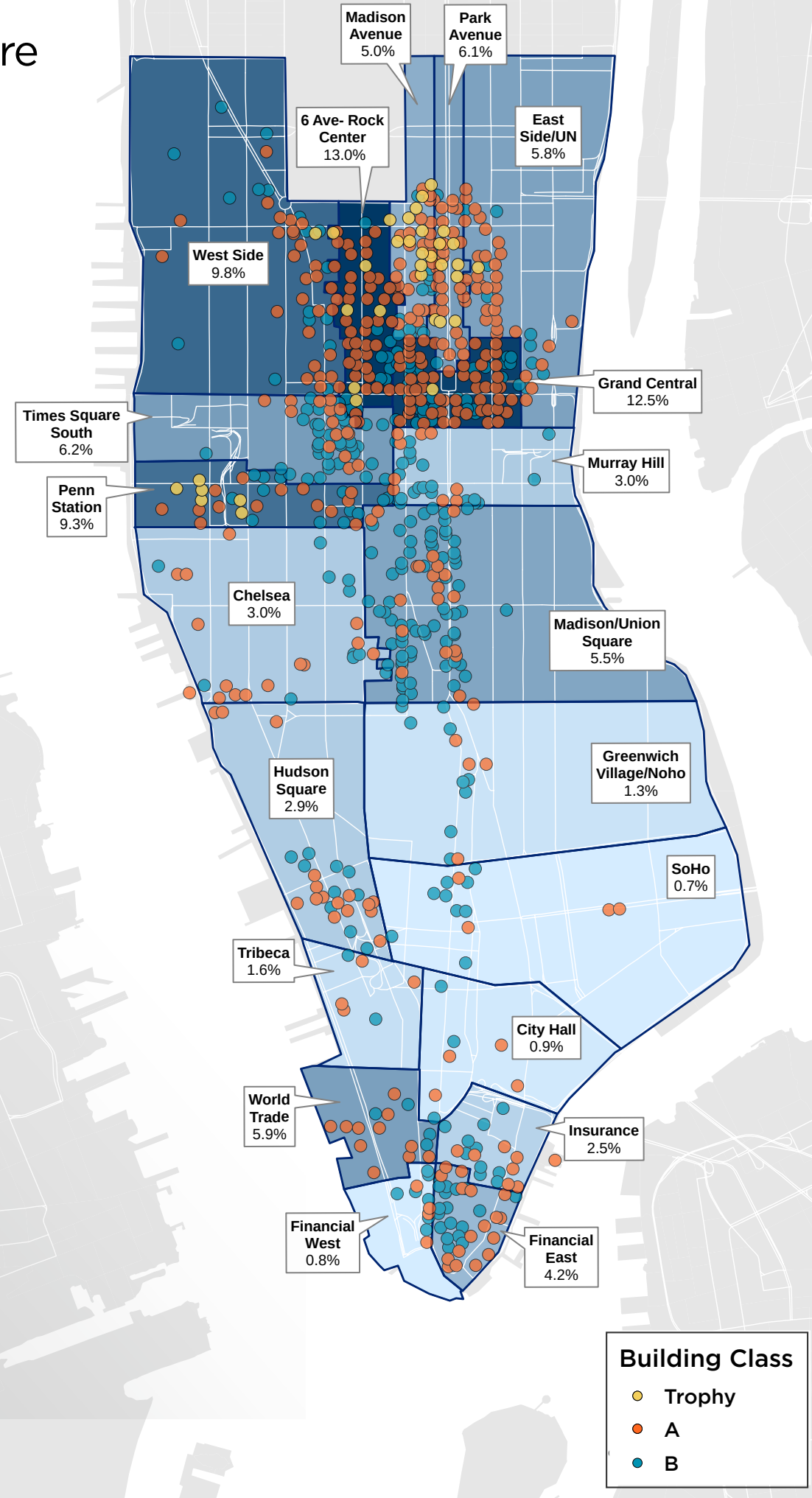
FINANCIAL SERVICES Spotlight



The financial services sector has played a crucial role in the recovery of the Manhattan office market over the last few years, driven by strong tenant demand and more disciplined at-work policies. Companies within this sector are highly regulated and dependent on in-office financial market tools. Consequently, businesses in this industry have comprised the largest share of leasing activity, accounting for 41.0% of new leases greater than 10,000 sf since the second quarter of 2022. This robust demand has directly translated to high foot traffic levels at office buildings with a sizeable financial services presence, resulting in stronger recovery levels compared to the overall market. These properties recorded a 9.6% YOY increase in average weekly foot traffic levels in March 2024 and have regained a remarkable 86.9% of the 573,308 average weekly visits tracked in February 2020.

**Core Financial Services Market - 53 office buildings greater than 300,000 sf, which are at least 40.0% occupied by financial services tenants*

Percentage Share of Average Weekly Visits in March 2024



BY MAJOR MARKET

Midtown
70.7%

Midtown South
13.4%

Downtown
15.9%

CONCLUSION

Manhattan office visitation has undoubtedly rebounded, with more employees returning to the office. This positive trajectory is supported by robust leasing activity in specific industries and an employment base that matches peak pre-pandemic levels, highlighting the resilience and adaptability of the city's workforce. These market conditions are significant indicators of a substantial recovery in the office sector. The rise in office attendance is not merely a quantitative improvement but also reflects a qualitative shift, demonstrating that firms increasingly are recognizing the importance of the office culture, professional development and in-person interaction. As companies continue to prioritize these elements, visitation rates are expected to trend upward, further solidifying the recovery of the Manhattan office market. This resurgence underscores the office's value in fostering a productive and dynamic work environment, which will continue to evolve and adapt to the changing needs of businesses and their employees.





METHODOLOGY

Cushman & Wakefield Proprietary Database Parameters:

- 692 buildings comprising of built Class A & B office buildings with an office rentable building area greater than 100,000 sf
- Building set inventory totals 358.6 msf, representing 85.5% of Manhattan statistical inventory
- Submarket-level and building classification visitation analyses were conducted across a narrowed property set, excluding:
  - Buildings constructed or renovated since Q2 2019
  - Buildings converted or set to be converted to a non-office property type
  - Proposed buildings
  - Retail-heavy buildings
  - Outliers due to data inconsistency

Placer.ai Parameters:

- Building Mapping: 692 custom POI boundaries drawn based on office building footprints
- Visitation Timeframe: Data from 1/1/2019-3/31/2024
- Custom Visitation Filters:
  Monday-Friday | 7:00am-7:00pm | Length of Stay 150+ minutes
- Daily Visitation Data: Due to limited panel visitation data, daily aggregation figures were calculated using a subset of 115 buildings comprising 139.3 million square feet (msf)

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About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of $9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

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