REBNY Research | 2023
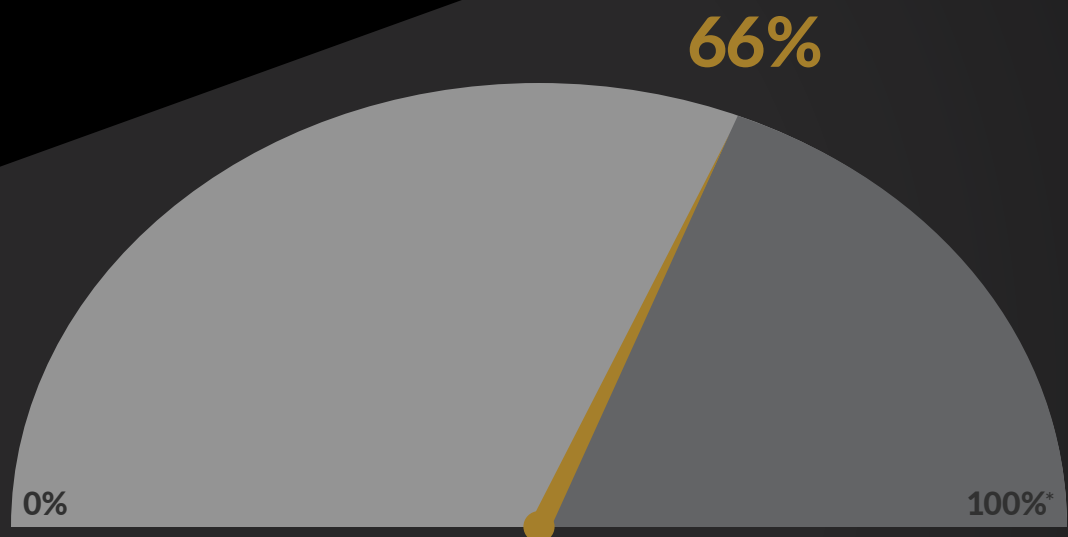
Monthly Manhattan Office Building Visitation Report

September 2023

66%

0%   100%*

Average Manhattan office building visitation compared to 2019 baseline.

In prior reports REBNY has highlighted quarterly building visitation rates. In this report we focus on monthly average visitation rate data for September 2023, with additional detail on the average visitation rate for the period surrounding Labor Day in 2023, 2022, and prior to the pandemic (in 2019).

September 2023 Key Findings:

- The average visitation rate in September was 66%.*

- As expected, average visitation increased after Labor Day to 70%, however this spike was not sustained throughout the remainder of the month.

- Average visitation rates this September (66%) exceeded the 60% average visitation rate in September of 2022. However, the September 2023 rate slightly trailed the 67% rate in August 2023 because of the lower 62% average visitation rate during Labor Day week.

- Average visitation rates in September were the highest in A+ properties (67%), just above the 65% rate in both A/A- and B/C classes.

- Average visitation rates in Midtown South (70%) and Midtown (67%) both exceeded 65%. Downtown lagged with a rate of 60% during September dragging the overall City rate below 65%.
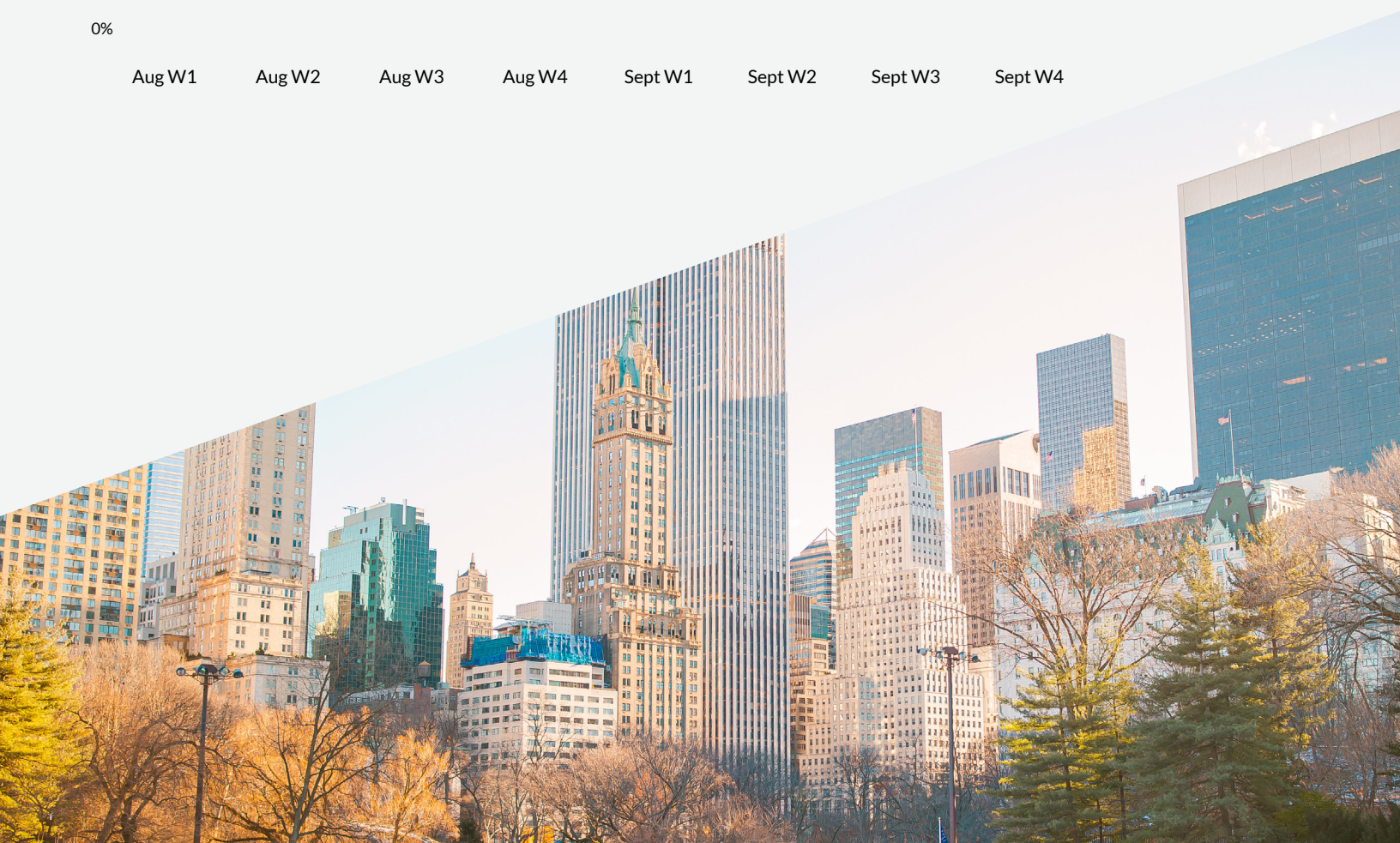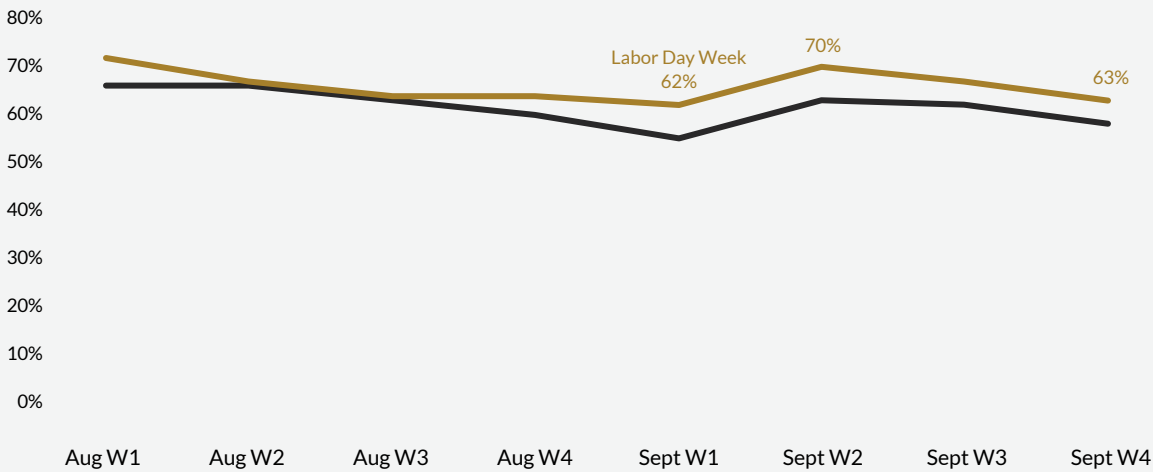
*Visitation rates are based on device visits in September 2023 compared to average visits throughout 2019 (excluding weeks with holidays). See **Methodology** for additional details.*

Summary

The average visitation rate for September (66%) fell from August (67%) due to a sharp decrease in the rate during Labor Day week to 62%. The rate rose to 70% in the second week of September and was higher than every week in 2022.
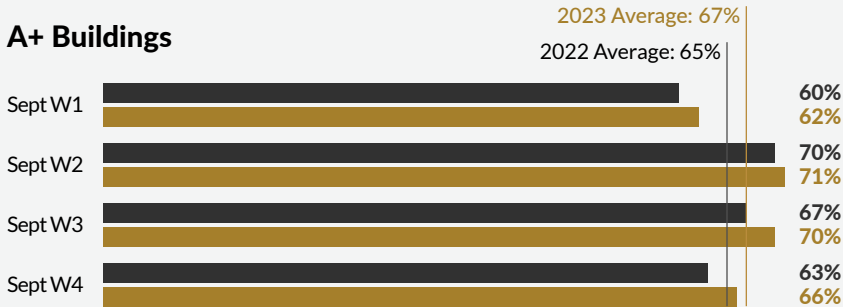
Average Visitation Rate
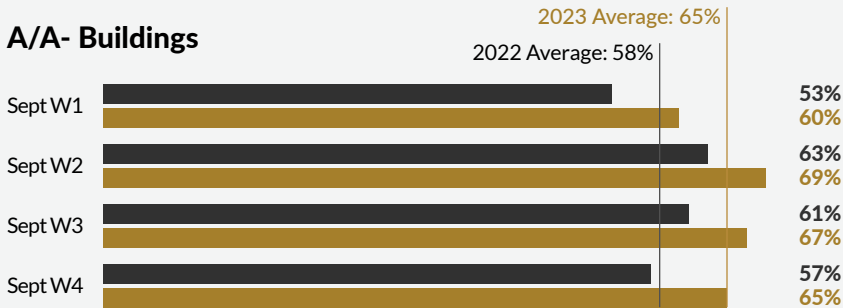2022 &. 2023

2022 ■
2023 ■

Labor Day Week
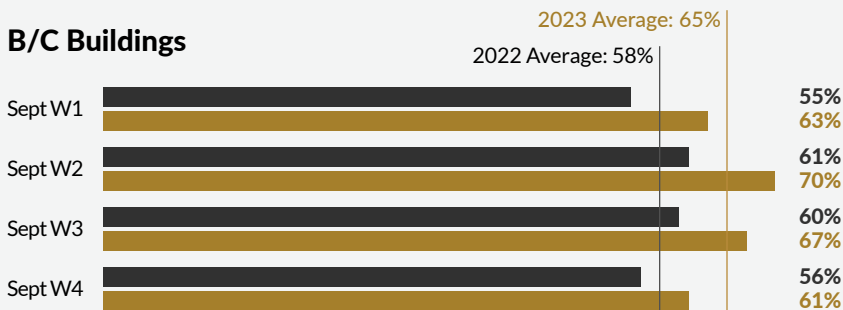62%

70%

63%

80%
70%
60%
50%
40%
30%
20%
10%
0%

Aug W1   Aug W2   Aug W3   Aug W4   Sept W1   Sept W2   Sept W3   Sept W4

September Class Trends

Visitation in A+ buildings averaged 67% in September, just above the 65% rate in both A/A- and B/C sectors.

A+ Buildings

2023 Average: 67%
2022 Average: 65%

	2022	2023
Sept W1	60%	62%
Sept W2	70%	71%
Sept W3	67%	70%
Sept W4	63%	66%

During September, visitation in A+ buildings averaged 67%, peaking in the second week at 71%, and falling to 66% in the last week of September.

A/A- Buildings

2023 Average: 65%
2022 Average: 58%

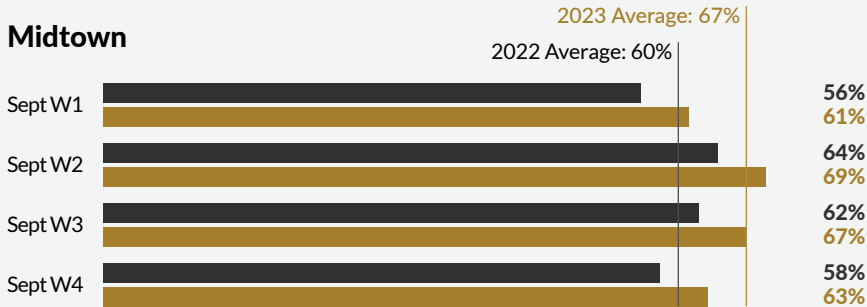|	2022	2023
Sept W1	53%	60%
Sept W2	63%	69%
Sept W3	61%	67%
Sept W4	57%	65%

A/A- buildings averaged 65% during September, peaking at 69% in the second week of September and dropping to 65% in the last week of September. Visitation rates were up each week compared to 2022.

B/C Buildings

2023 Average: 65%
2022 Average: 58%

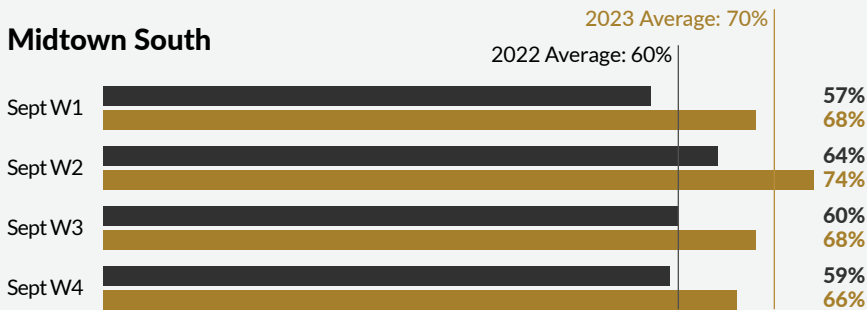|	2022	2023
Sept W1	55%	63%
Sept W2	61%	70%
Sept W3	60%	67%
Sept W4	56%	61%

B/C buildings followed nearly the same trend as A/A- buildings during September, averaging 65%, and peaking at 70% in the second week of September. B/C buildings lost more momentum during the second half of the month, falling to 61%. Nevertheless, B/C buildings posted year-on-year gains in every month compared to September of 2022.
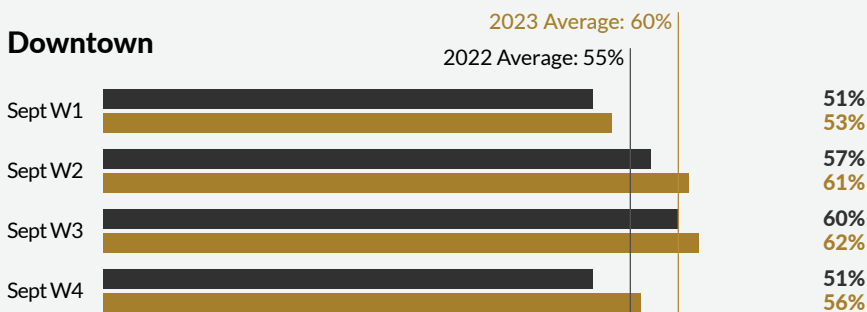
Market Trends

Following trends seen in the first half of 2023, Midtown South outperformed Midtown in terms of average visitation. Downtown continues to lag.

Midtown

2023 Average: 67%
2022 Average: 60%

	2022	2023
Sept W1	56%	61%
Sept W2	64%	69%
Sept W3	62%	67%
Sept W4	58%	63%

Buildings in Midtown peaked in the second week of September (69%) with moderate decreases in the following two weeks. This is compared to a 60% average visitation rate in Midtown in 2022.

Midtown South

2023 Average: 70%
2022 Average: 60%

	2022	2023
Sept W1	57%	68%
Sept W2	64%	74%
Sept W3	60%	68%
Sept W4	59%	66%

Midtown South posted the highest average during September (70%), and the largest year-on-year increase. Smaller buildings in Midtown South could play a role in higher rates.

Downtown

2023 Average: 60%
2022 Average: 55%

	2022	2023
Sept W1	51%	53%
Sept W2	57%	61%
Sept W3	60%	62%
Sept W4	51%	56%

Average visitation rates Downtown (60%) were consistently below Midtown and Midtown South. Visitation rose in 2023 compared to 2022, but the gains are the weakest among the three markets.
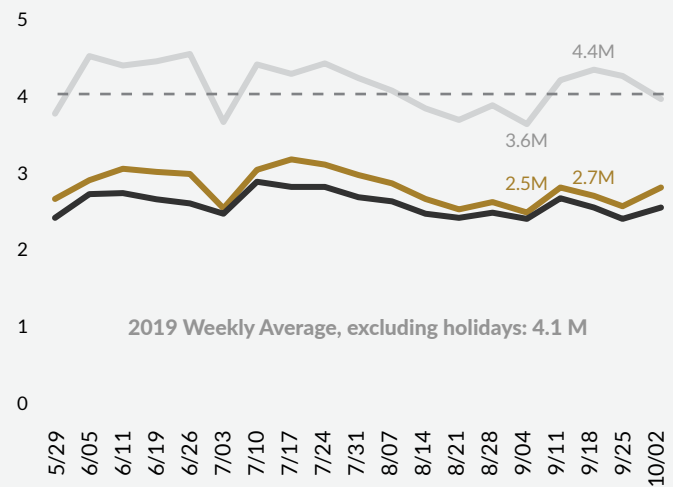
Visitation Rates Statistics

As expected, average visitation jumped the week following Labor Day, rising to 69%, the highest since the end of July. Visitation then declined the last two weeks of September. However, visitation appears to have increased in early October.

Relative to 2022, average visitation is up every week in 2023. But, the year-on-year increase in 2023 appears to have lost momentum since late July.

2019
2022
2023

In addition to tracking the average of the visitation rates for a given week or a specific market or Class, REBNY can also track aggregate device visit volume.

Our findings show that total device visits in September 2023 (10.6 million) rose by 6% year-on-year from September of 2022 (10 million device visits). Compared to September 2019 (16.6 million device visits) there were 36% fewer visits this September. Total device visitation this September was down by 0.7% from August; there was one less work day in September due to Labor Day.

Weekly Device Visits Since Memorial Day
2019, 2022 & 2023

2019 Weekly Average, excluding holidays: 4.1 M

Increase in Week-on-Week Visitation
2022 vs. 2023

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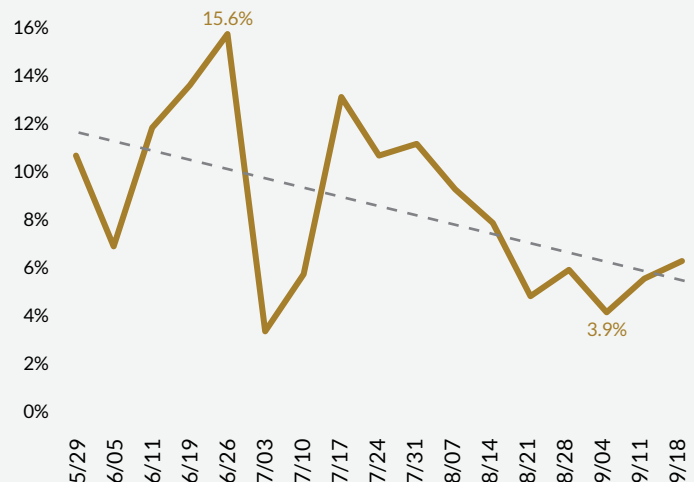
Methodology

In this report, REBNY focuses on location intelligence for 350 office buildings. Placer.ai leverages de-identified location data from a panel of 30 million mobile devices, upon which the company utilizes industry-leading AI and machine-learning capabilities to make estimations about overall visits to any location.

Unless otherwise noted, total location visits for the four weeks during September are compared to average weekly device visits in 2019 (excluding holidays) and presented as a building visitation rate.

100% Manhattan office building visitation would equal building visitation even with average visitation rates in 2019 (excluding weeks with holidays), but is not the same as building occupancy of 100%.

The 350 office buildings in the report represent a diverse sample of the various types of office buildings in New York City, including both Class A properties as well as Class B and C buildings in Midtown, Midtown South, and Downtown. They have a combined square footage of 225 MSF, representing nearly 50% of Manhattan's office stock. This analysis does not yet account for significant changes to particular buildings during 2019 to 2023, such as major move-ins or move-outs; however properties under construction in this period were excluded.

Methodology change: In prior reports, REBNY has used a same-period comparison, comparing Q2 visitation of 2023 and 2022 to the same period in 2019. Same-period comparisons for an entire quarter smooth out variations caused by holidays or other events occurring in an individual week.

For monthly and weekly comparisons, though, a same period comparison creates misleading average visitation rate trends: low-visitation volume weeks (such as Labor Day week) can have a higher visitation rate than high-visitation volume weeks (such as the second week of September) due to a much lower level of visitation for a particular week in 2019. For this reason, all rates in this report, and going forward unless otherwise stated, will be based on a comparison to the average weekly visitation rate in 2019 (excluding holiday weeks).

About Placer.ai: Placer.ai is a leading provider of accurate, reliable, accessible, and privacy-preserving compliant location analytics.

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