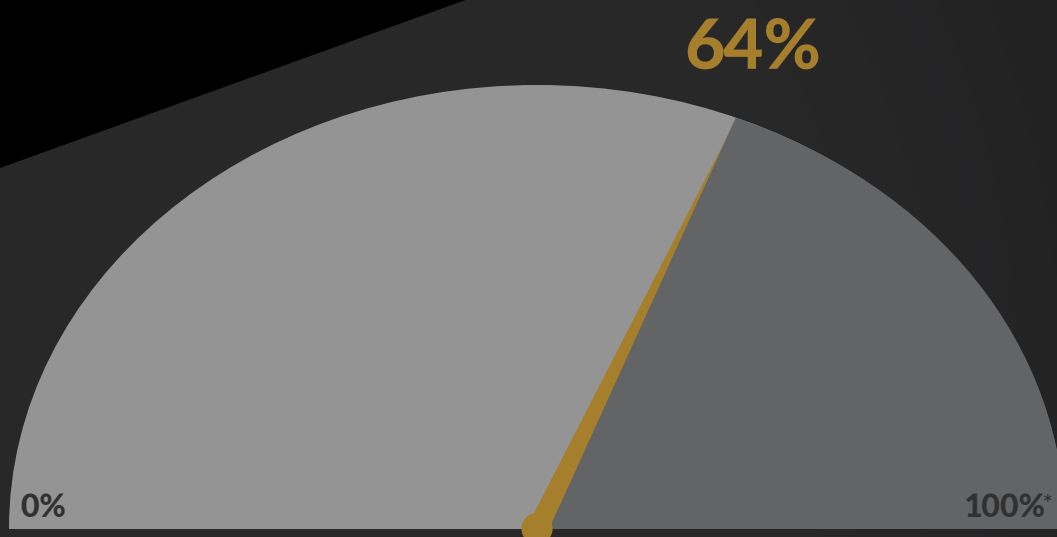


REBNY Research | 2023

Manhattan Office Building Visitation Report

Q2 2023



Average Manhattan office building visitation compared to Q2 2019 baseline.

Based on location data analysis, our Q2 2023 update indicates that building visitation rates rose broadly in the quarter, across all building classes, and pushed the rate to its highest mark since 2020.**

Q2 2023 Key Findings:

- Average building visitation rates were 64% of the Q2 2019 levels, up by 6 percentage points (pp) from 58% in the second quarter of 2022 and by 5 pp from Q1 2023.
- Visitation rates in nearly two thirds of analyzed properties exceeded 50% of pre-pandemic baseline.
- Prime Class A properties (A+ buildings) outperformed Class B buildings, with visitation rates averaging 67%, compared to 65% in Class B properties and 63% in A/A- properties.
- Visitation rates increased 9 pp in Midtown South, 8 pp in Midtown, and 1pp Downtown from Q2 2022.
- For every building with a quarterly decline in visitation there were 2.9 buildings with an increase. Among A+ buildings this ratio was 4.9.

*100% represents a market even with Q2 2019 visitation levels, but does not represent an occupancy rate of 100%.

**REBNY utilizes Placer.ai location data to analyze office visitation rates in 350 Manhattan office buildings representing approximately 225 million square feet of office space.

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Unless otherwise stated, all visitation rates compare total device visits for the displayed quarter to Q2 2019. See [Methodology](#) for additional details.

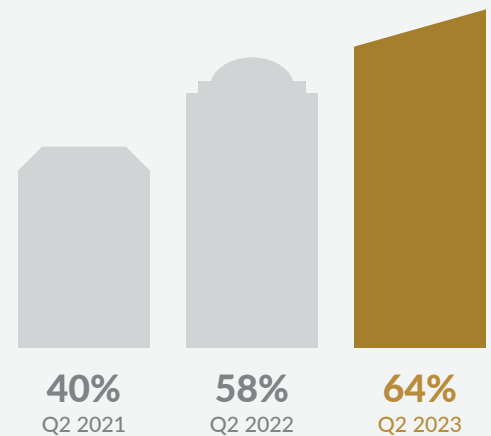
Visitation Rates Resume Growth in Q2 2023

Increase Occurred Across Multiple Classes

Visitation Rate Average
Q2 2021 – Q2 2023
Compared to 2019 Pre-Pandemic

Visitations Increased by 6 pp

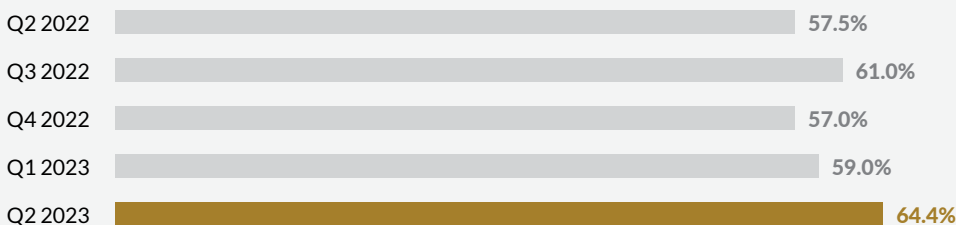
Visitation rates for all building classes and markets in Manhattan averaged 64% in Q2 2023. This was a 6 pp jump from 58% in Q2 2022, and well above the 40% rate in Q2 2021.



Visitation Rates Rising Again

Visitation rates had lost momentum during the last two quarters, falling short of a 61% rate in Q3 2022. Overall visitation rates rose to 64.4% in Q2 2023, up from 59% in Q1 2023, attaining their highest mark since the pandemic.

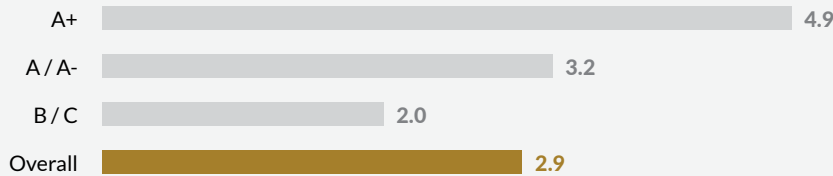
Visitation Rates Q2 2022 – Q2 2023



Growing Number of Buildings See Higher Visitation Rates

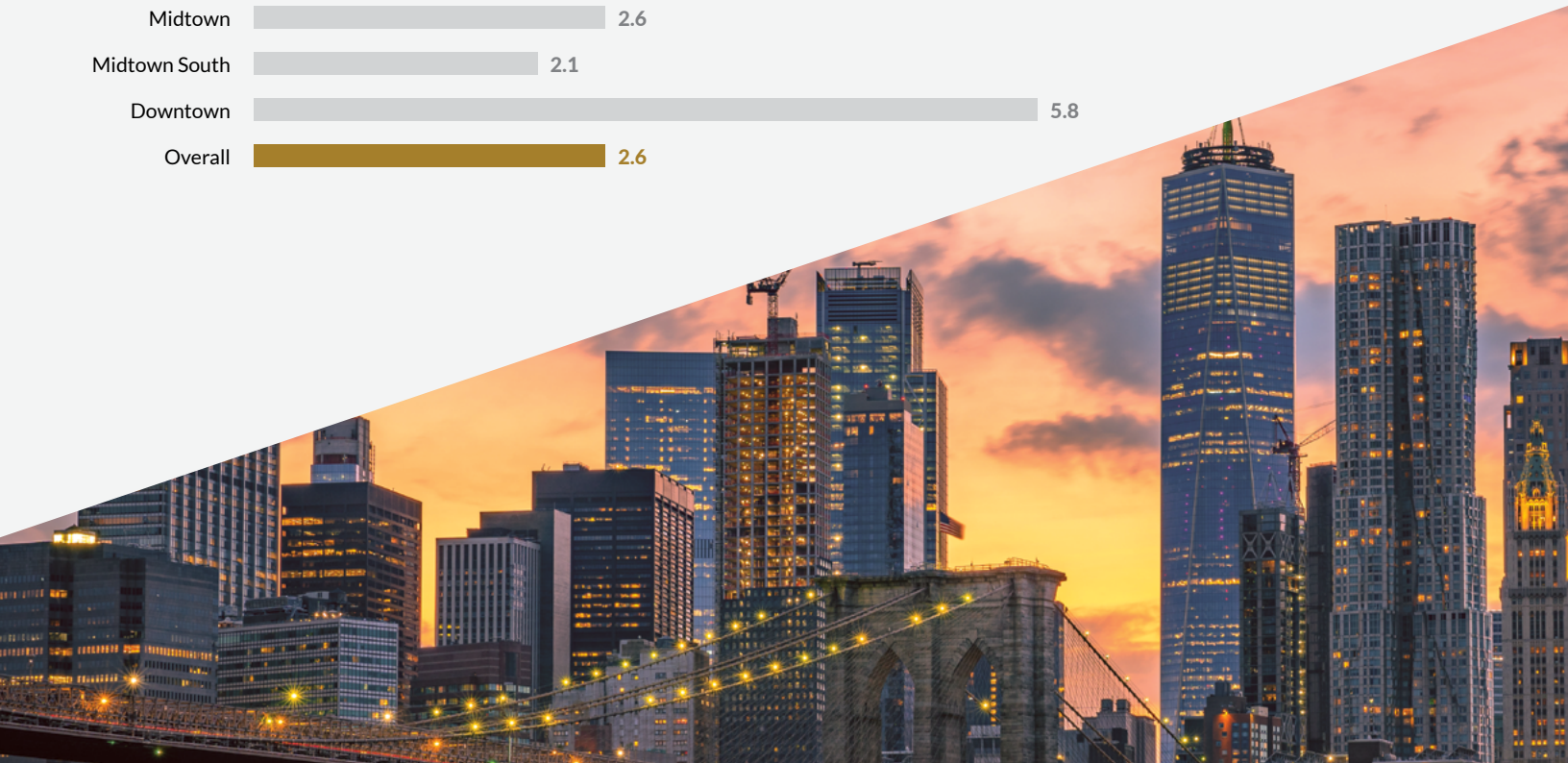
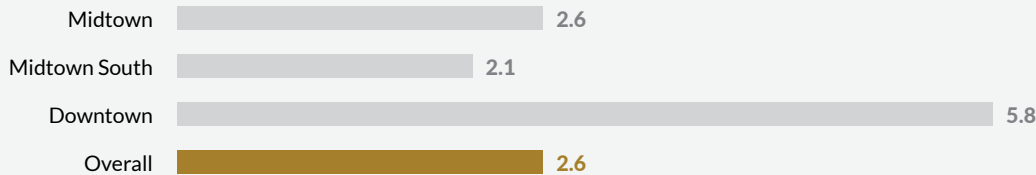
The ratio of A+ buildings with higher visitation during Q2 2023 (compared to Q1 2023) to A+ buildings with a decline was 4.9 to 1. This was well above the ratio of 2.0 for Class B and C properties.

Ratio of Buildings by Class with Increased Visitation to Decreased Visitation Q2 2023 compared to Q1 2023



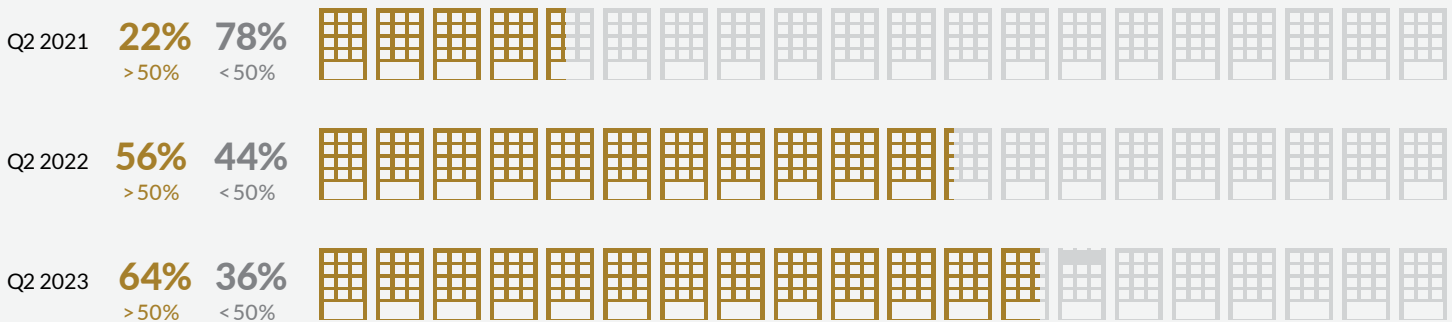
Although overall visitation rates are lower in Downtown, nearly six times as many buildings posted increases than decreases.

Ratio of Buildings by Location with Increased Visitation to Decreased Visitation Q2 2023 compared to Q1 2023



The visitation rate exceeded 50% in 64% of surveyed buildings.

Nearly two-thirds of the buildings have attained a visitation rate exceeding 50%.



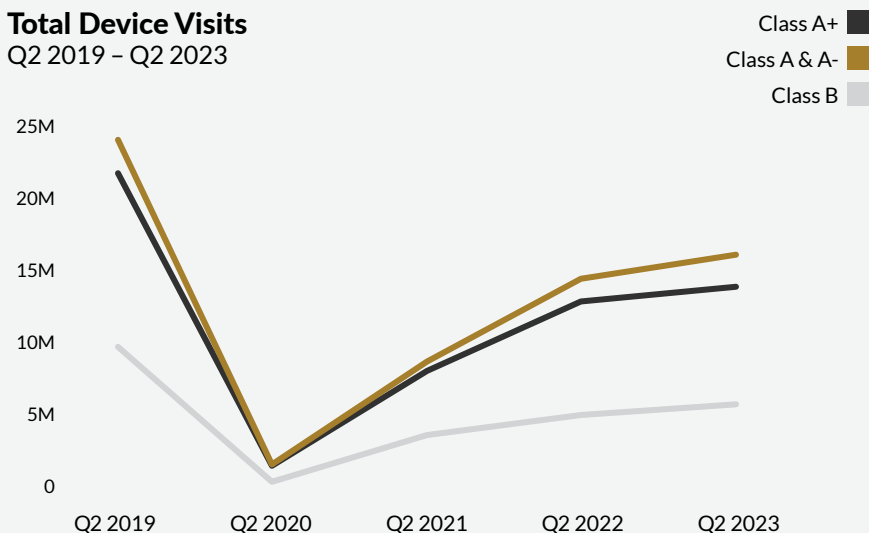
*For additional details regarding historical visitation segmentation data, see [page 7](#).

A+ Properties Set Standard, But Gap Closes

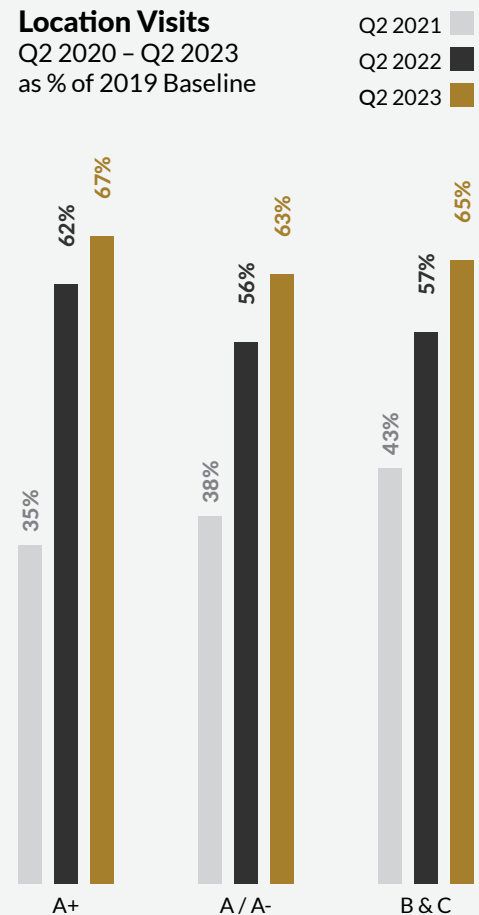
Class A+ properties continue to outperform Class B properties, as well as A and A- properties. A+ properties saw an average visitation rate of 67% in Q2 2023, exceeding 65% in Class B buildings. Class A+ buildings have registered a year-on-year increase of 5 pp.

In contrast to mid-year 2022 (when there was a wide gap between A+ and A/B sectors) the gap between classes has narrowed as of Q2 2023.

Total Device Visits Q2 2019 – Q2 2023



Location Visits Q2 2020 – Q2 2023 as % of 2019 Baseline



Visitation Rate Highest in Midtown South

Average visitation rates in Midtown and Midtown South both exceed 65%. Downtown lags at 54%.

Midtown South has the highest overall visitation rate in Q2 2023 at 70%. Midtown was close behind at 65% and well above the 54% Downtown.

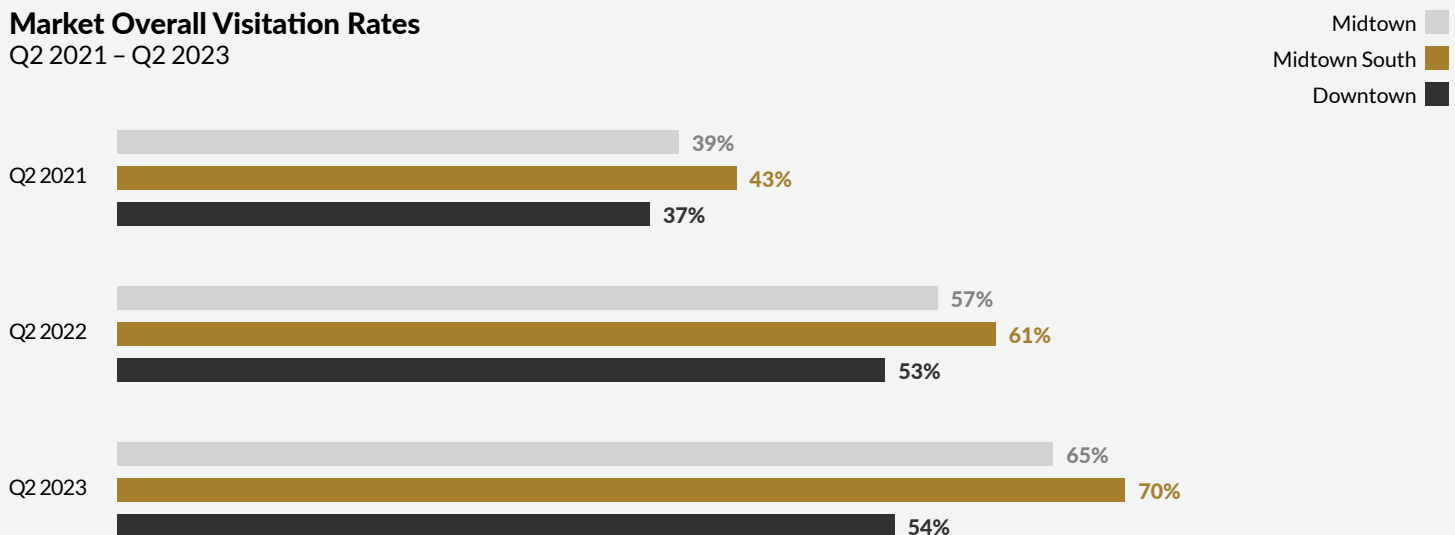
Midtown South's visitation rate tracks with the improved rate among Class B buildings. While its mix of tech startups, established tech heavyweights, and a number of equity firms were primarily remote during the height of COVID and the recovery after, employers are pushing to get their teams back in office.

Access to transit-oriented and highly-amenitized buildings remains a top priority for many firms. This is underscored by strong leasing and relocation activity, but based on this quarter's findings employers in Class B properties are having some success bringing employees back into the office. Additionally, some Class B buildings have retained or attracted businesses seeking rent that is now priced well below \$60/SF, and even lower in some locations.

Downtown's Class B buildings have a visitation rate of 50%, the lowest for any market as tenants capitalize on extensive space options in Midtown and Midtown South.

Market Overall Visitation Rates

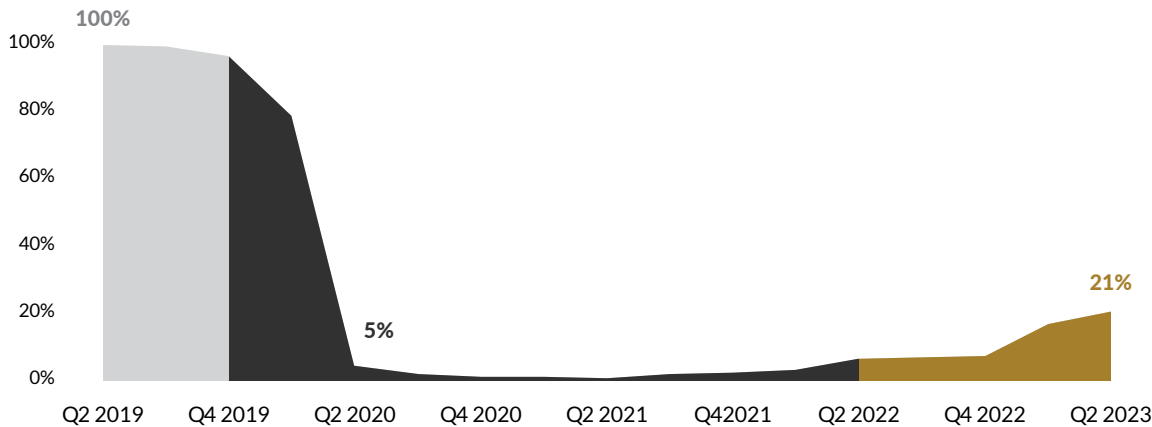
Q2 2021 – Q2 2023



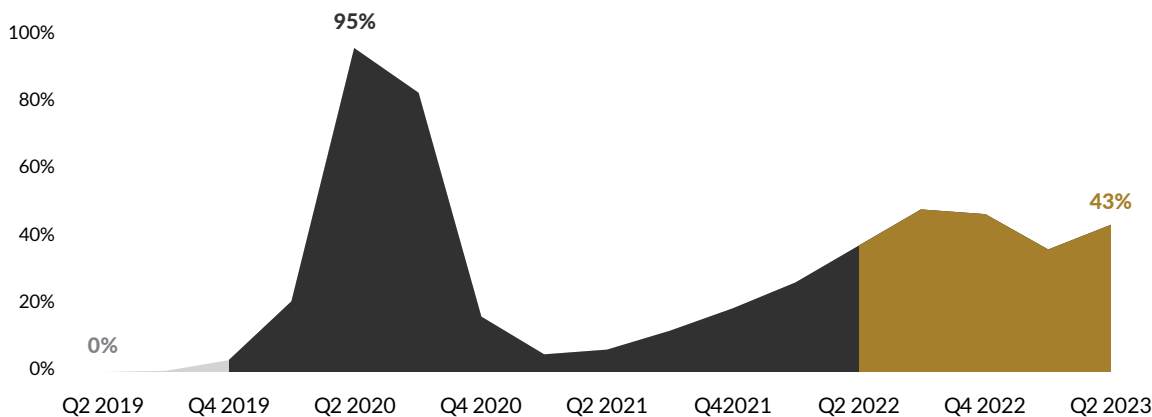
Monitoring Visitation Rates

As the recovery continues, more buildings are achieving a visitation rate that exceeds 50% (relative to Q2 2019). The percentage achieving a rate above 85% rose to 21% in Q2 2023. Among the 350 buildings, there are fewer than 10 buildings with a visitation rate under 20%. REBNY will continue to monitor visitation looking for signs of regained or lost momentum during the next two quarters.

Percent of Buildings with 85% Visitation Rate
Q2 2019 – Q2 2023



Percent of Buildings with 50%-85% Visitation Rate
Q2 2019 – Q2 2023



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 quarter displayed are compared to total device visits in the second quarter of 2019 and presented as a building visitation rate.

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.

The set of 350 buildings used in the report includes the buildings from the report released in February, as well as additional buildings.

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

Building Class data gathered with the assistance of Newmark Research.

