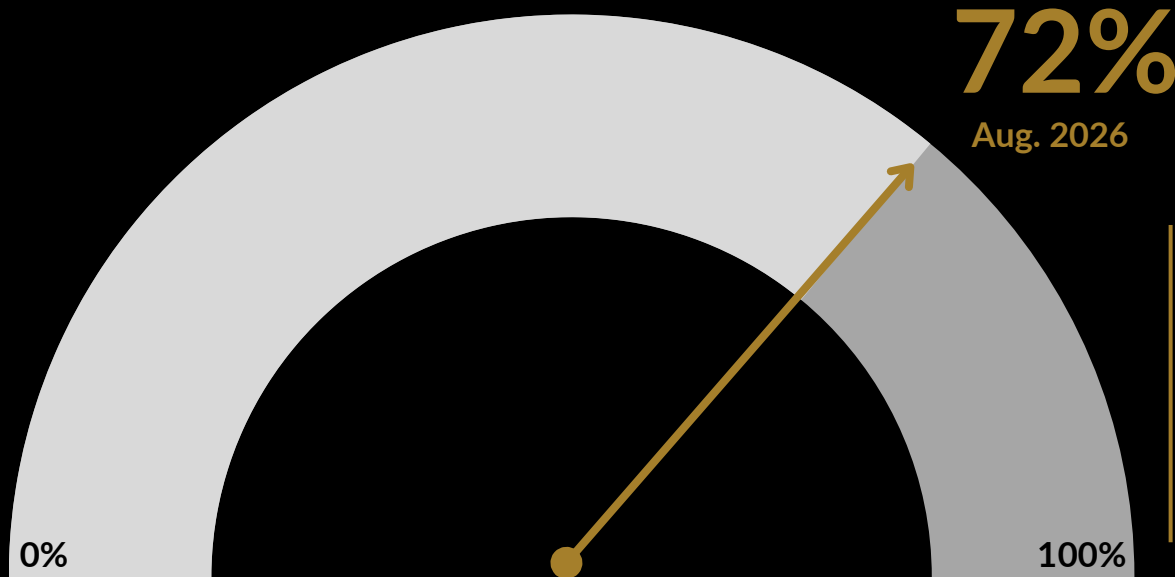


REBNY Research

Class B Office Building Visitation Report

2026



Visitation has stabilized after years of recovery

Average visitation rate compared to pre-pandemic baseline

The rebound in Manhattan's Class A office market is one of the most positive stories for New York City's post-pandemic recovery. According to data from Placer.ai, Class A visitation rate in New York City averaged 82% of its pre-pandemic level as of August 2026, placing the city consistently at the top of national metros.

What about Class B Buildings, though?

An analysis of 200 Class B buildings across Manhattan, Brooklyn and Queens shows that the average visitation rate¹ now stands at 72% of pre-pandemic levels. After several years of recovery, visitation has more recently begun to stabilize, with seasonal fluctuations around an otherwise relatively consistent range.

At the same time, the topline rate masks significant variation in building performance. Some properties have returned to or exceeded pre-pandemic visitation levels, while others continue to operate well below them.

This report explores the variation in visitation rate, how building characteristics impact visitation, the importance of the industries that occupy Class B buildings, and the effectiveness of policy responses.

Purpose of Report

Wide Variance in Class B Building Performance

Class B buildings in New York City vary widely in terms of ownership and management experience, access to transit, amenities, floorplate size and tenant stability. That diversity makes it misguided to treat the sector as a single market and underscores the importance of looking more closely at individual building performance.

Understanding the performance of Class B building stock is critical for several reasons:

- The Class B sector in New York City comprises more than 1,500 buildings with a combined square footage exceeding 235 million square feet.
- The average lease size in New York City is less than 7,000 sf. Many small/mid-sized tenants lease space in Class B properties, particularly those seeking quality and value.
- Asking rents vary widely, ranging from a small set of properties with rent under \$50/sf and a few exceeding \$80/sf. Properties offering availability in these rent ranges help New York City retain small and mid-sized tenants in the not-for profit and creative arts sectors at a time when these industries face elevated costs and funding reductions. Class B buildings are also the starting point for new businesses, including some AI/tech startups.
- The performance of the Class B sector indicates the extent to which the post-pandemic office market is returning to pre-pandemic norms. Recovery in the Class B sector generally indicates widespread economic strength and that A- and sublet supply has been absorbed.



1,500+
Class B buildings
citywide



235M+ SF
of Class B office
inventory



<7,000 SF
average NYC
office lease size



Class B Performance Remains Uneven

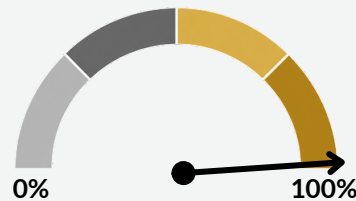
Relative to Pre-Pandemic Levels | August 2026

Share of Buildings

Visitation Rate

20%

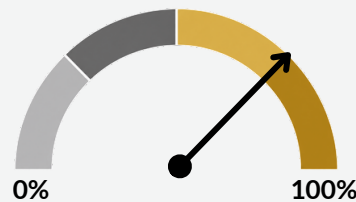
of Class B Buildings



Above 100%

21%

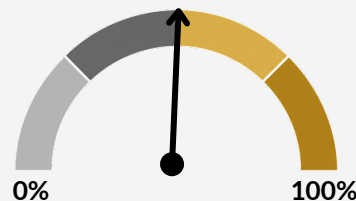
of Class B Buildings



80 – 100%

27%

of Class B Buildings



50 – 80%

11%

of Class B Buildings



33 – 50%

21%

of Class B Buildings



Below 33%

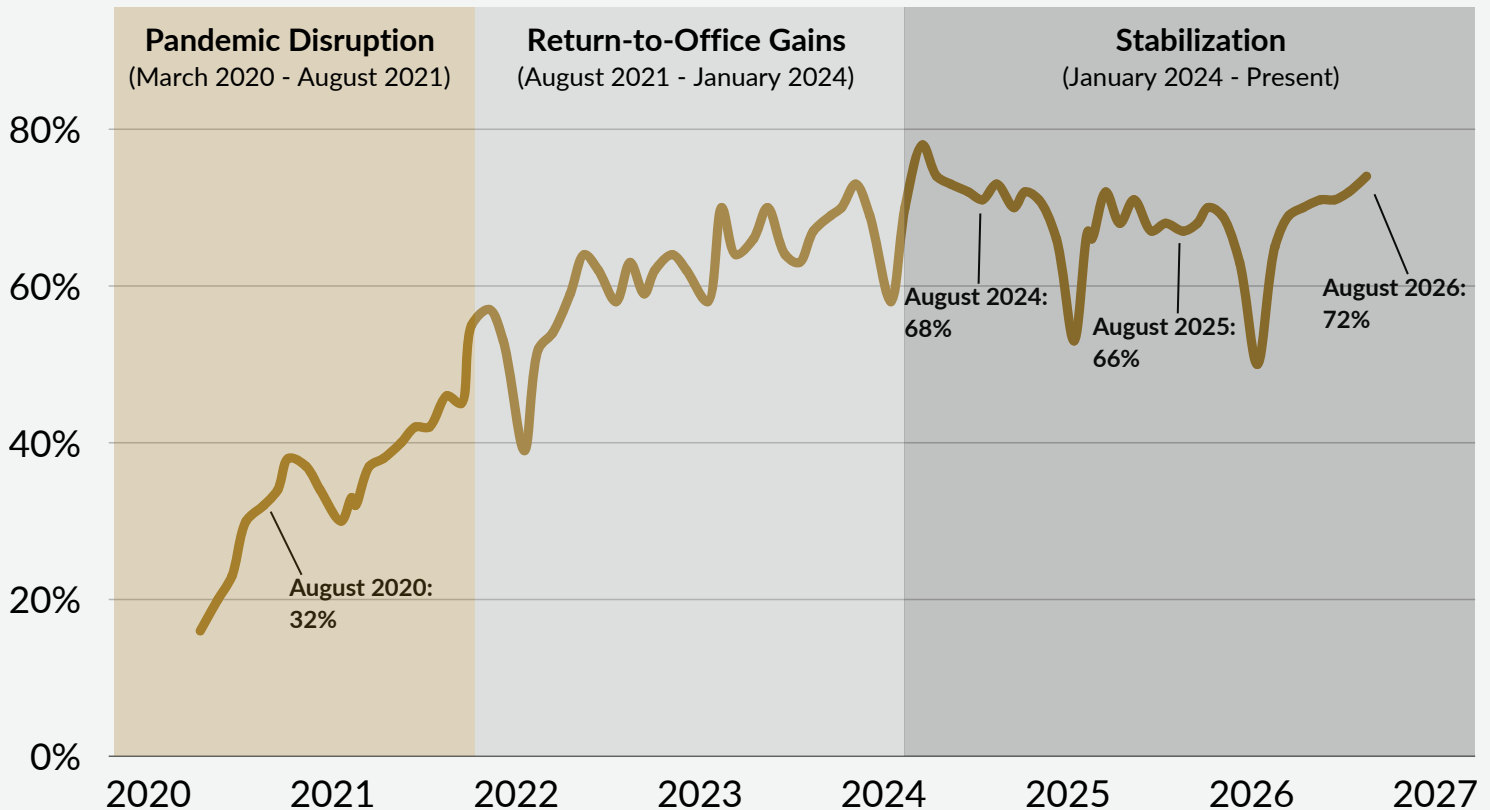
The 200 buildings used in this report are a representative set of New York City office buildings. If the 32% of properties with visitation under 50% holds true across the five boroughs, this means that there is several million square feet of underperforming office inventory.

Class B Visitation Has Stabilized

The Class B visitation rate currently sits at 72%. While there has been some variation in the last two years, much of it seasonal, this rate is competitive and can be considered stable.

Average Visitation Rate

March 2020 - August 2026



Despite some Tailwinds, Class B Building Performance Appears to Have Hit a Plateau

- Class B leasing has accelerated in 2026 as quality Class A supply, including much of the Class A/A-sublet supply, has tightened. The conversion of more than 25 MSF of office product, much of it Class B space to residential and hotel, uses removes some of the underperforming office stock.
- Class A space availability is tightening. Corporate entities have also re-stated their work from home or remote policies to favor more days in the office. Business travel has picked up.
- However, during this cycle there has so far been less movement from A to B product. Additionally it is unlikely that 100% visitation will be reached soon given seasonal variability and due to reduced attendance on Fridays.

Serving a Diverse Tenant Base

Class B buildings account for only about 25% of the City's building stock, but are essential to smaller and mid-sized businesses, including newly formed operations. These buildings house legacy industries like non-profits and associations, fashion and the creative sector, but also attracting tech startups. One example of a property that has adapted is 333 West 39th Street. The property has traditionally housed many non-profits, but they have recently leased space to tech, including a full-floor lease to AI firm Vanguarde Digital. Similarly, 401 Fifth Avenue, the former location for American Eagle's office space, leased more than 100,000 sf to health tech firm Elise.ai.²

Many of these firms are part of an ecosystem that thrives on collaboration and cross-fertilization as well as proximity to universities and major tech firms like Bloomberg, Datadog or Google. In Manhattan, at least, some Class B buildings are essentially in-line properties that congregate around Class A anchors. AI firms like Elise.ai and Accrete prefer proximity to their clients, because they need an intimate understanding of a company's workflow to automate its processes. This is one reason New York City is considered the national leader in "applied AI."

Sector	Sample Buildings	Tenant Examples
Non-profit/assoc/humanitarian/unions-guilds	40 Worth, 520 8th Ave	Legal Aid Society; A.R.T./ New York
Fashion/accessories/jewelry	1384 Broadway; 64 W 48th; 37 W 47th	Francor Fashion; Marla Aaron
Creative/Production	152 W 25th	Michael Howard Studios
Municipal/State Agencies	90-15 Suthpin; 161-01 Jamaica	NYPD; NYC Admin for Children's Services
Medical/professional suites	16 E 52nd	Maxwell Medical
Mix (traditional & tech)	530 7th Ave; 115 W 30th; 740 Broadway; 333 W 39th	Hexmodal; Vendelux; Vanguarde Digital

Historical Value & Character

The Class B sector includes both converted warehouses and a long list of landmarked loft buildings. These properties generally lack floorplates large enough for a shared amenity floor, but full floors can be built out with exclusive amenities that are ideal for fashion and design showrooms. Some tech startups are also attracted to this configuration.

Distinguishing Characteristics

Outperforming & Underperforming

Analysis of visitation data and market observations highlights several characteristics that distinguish stronger-performing Class B buildings from those that continue to face challenges.

Outperforming

Experienced Ownership

Many of New York City's Class B properties are owned by private/family firms that have decades of experience managing office portfolios across multiple cycles. Due to the length of ownership some properties have low or in some cases no debt, which allows them to be financially viable with rents that work for sectors that can't afford A/A- rent (sub-\$60/sf).

Transit-Rich

Properties that are located within the Midtown/Midtown South Transit Triangle, generally bounded by 30th to the South, 8th Ave to the West, 42nd to the North and 5th Ave to the East, show slightly better performance. Based on Class B properties that have seen the largest gain in visitation during the last 18 months, proximity to transit is a differentiator.

Diversified Tenant Base

Buildings with a diversified tenant roster are less likely to be underperforming. Properties offering pre-built or move-in ready suites have also been very successful.

Underperforming

Single-Tenant / Co-Working Vulnerabilities

Among the buildings surveyed, 21% have a visitation rate below 33%. If this holds true across the entire city this represents millions of square feet of office inventory that is underperforming, many of them likely in boroughs outside of Manhattan. Many of these properties are still struggling with the loss of a single tenant that occupied most or all of the office space. This includes buildings occupied by a city agency or a coworking provider.

In Downtown Brooklyn, for example, the NYC HRA vacated 275,000 square feet at 250 Livingston Street. Contraction in the coworking sector is still impacting some properties such as 980 Sixth Avenue and 11 West 25th Street. In a few cases this has triggered a loan default or foreclosure.

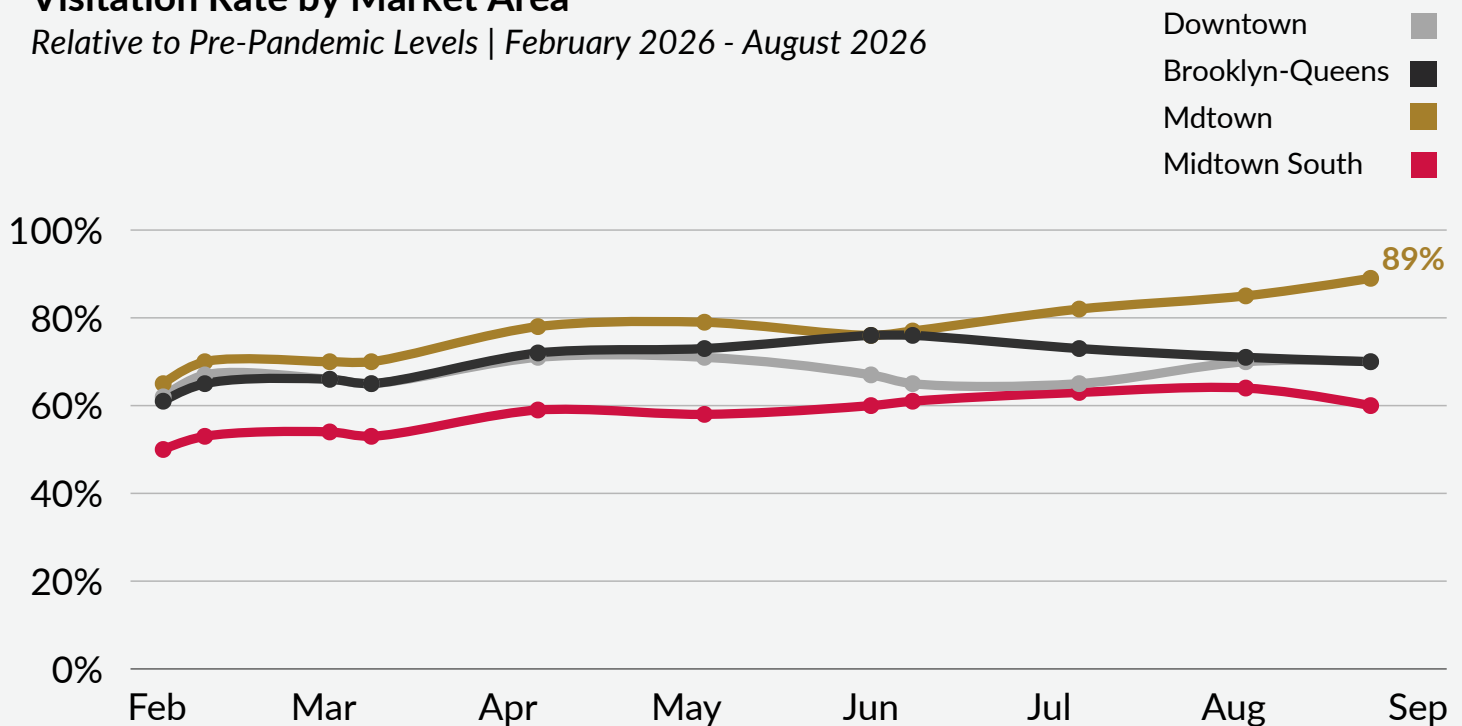
Geographic Findings

Visitation Rate by Market Area - Midtown Tops List

Class B buildings in New York City vary widely in terms of the experience level of their ownership/management, access to transit, amenities, floorplate size, and stability of their tenant base.

Visitation Rate by Market Area

Relative to Pre-Pandemic Levels | February 2026 - August 2026



- Midtown has consistently posted the highest visitation during 2026, and averaged 89% in August, clearly separating from all other areas, which have hovered around 70% in Lower Manhattan and Brooklyn/Queens for several months. Midtown South has lagged, failing to reach 65% yet, but shows signs of recent improvement.
- The analysis includes 40 Class B buildings in Brooklyn & Queens. Leasing has been inconsistent, and some buildings are still dealing with major vacancies due to business closures or relocation to Manhattan. Visitation averaged 70% in August. Select buildings and campuses in Brooklyn are defying the wider trend of subdued leasing in the borough, though. Dumbo, for example, has retained and expanded its roster of creative and tech firms.
- Downtown Brooklyn/ Queens depends on leasing to non-traditional office occupiers such as government agencies, medical facilities and schools. Areas with significant family-friendly multi-family development are successfully leasing lower floors to private and public schools. This includes significant leases like Gersh Academy's 48,000-sf lease at 25 Chapel Street in Brooklyn.

Looking Forward

Supporting a Stronger & More Resilient Class B Market

All too often, discussion of Class B buildings treats the entire sector as though it is headed toward obsolescence. That overlooks the significant variation across the market and fails to distinguish high-quality office product that has been or can be successfully modernized from outdated space that may continue to struggle, particularly as regulations such as Local Law 97 are implemented.

The wide range of outcomes across Class B buildings points to the need for flexibility in how the market is supported. Some properties can remain competitive with the right investment, repositioning and tenant recruitment, while others may be better suited for conversion.

Well-designed incentives can help stabilize an otherwise uneven market by supporting reinvestment, repositioning and efforts to attract new tenants. Programs such as RACE and REAP support building upgrades and tenant recruitment, particularly at properties that remain well positioned to compete. At the same time, regulatory and tax incentives supporting office-to-residential conversions can provide a path forward for obsolete space that is unlikely to return to productive office use.

Given the scale of New York City's Class B office market, maintaining flexibility on both fronts will be important as the sector continues to evolve. Supporting reinvestment in viable properties while creating pathways to remove or convert obsolete space can help strengthen the broader office market and preserve quality space for tenants across a range of industries and price points.

Methodology

There is over 550 million sf of office space in New York City. This report analyzes ~200 Class B office buildings across Manhattan, Brooklyn and Queens. The properties used are a representative set of Class B properties including smaller pre-War loft side-street 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. Commensurate with the ~500 million sf in Manhattan alone, this survey is weighted with 160 buildings spread across Midtown, Midtown South, and Lower Manhattan.

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

Endnotes

1 The visitation rate measures the volume of device visits by office employees during a given time period (August 2026) compared to the pre-pandemic volume of device visits (prior to mid-March 2020).

2 Elise.ai is also an interesting example of how the Class B sector can retain even its most rapidly expanding tech firms. The agentic AI platform moved from 33 E 33rd (a 126,000-sf office building, with 12,000-sf floorplates) to 401 5th Avenue (a 210,000-sf building with 26,000-sf floorplates).