

The end of offices? New York's business districts face uncertain future

January 27 2021, by Peter Hutchison



In the pre-Covid-19 era the streets of midtown Manhattan would be teeming with people - but now New York's famous business districts are struggling to survive

Boarded-up stores, shuttered restaurants and empty office towers: COVID-19 has turned New York's famous business districts into ghost

towns, with companies scrambling to come up with ways to entice workers to return post-pandemic.

"If they don't come back, we're sunk," said Kenneth McClure, vice president of Hospitality Holdings, whose Midtown bistro pre-coronavirus would buzz with the sound of financiers striking deals at lunch and sharing cocktails after a hard day at the office.

The group has closed its six restaurants and bars in Manhattan, two of them permanently, due to lockdown restrictions that have paused office culture—a culture as intrinsic to the Big Apple as a Broadway show, a yellow taxi or a slice of cheese pizza.

"Customers that you saw three, four, five times a week just virtually disappeared," McClure told AFP, recalling March of last year when the pandemic first swept New York, where it has killed more than 26,000 people.

According to data collected by security firm Kastle Systems, only 14 percent of New York's more than one million [office workers](#) had returned to their desks by the middle of January, putting the countless sandwich shops and [small businesses](#) in Midtown and Wall Street at risk.

With vaccines now rolling out, corporations and [business leaders](#) are grappling with how to attract employees back after spending the best part of a year working from home, and in turn maintaining the character of business districts.



With sparse foot traffic as most workers stay home to telecommute, there are few customers and businesses are hurting in downtown Manhattan

Seventy-nine percent of employees questioned in a PricewaterhouseCoopers survey published this month said that working remotely had been a success, but the report also found that offices are not about to be consigned to history.

Some 87 percent of employees said the office was important to them for collaborating with [team members](#) and building relationships, aspects of working life they felt was easier and more rewarding in person than over Zoom.

"Being here, seeing my colleagues and getting out of the house, it changes my mood for the whole week," said Jessica Lappin, speaking to AFP from her office at the Alliance for Downtown New York, where she is president.

Few workers plan on being in offices Monday to Friday, nine to five, though.

"The vast majority of employees say a hybrid system of two-to-three days working from home and two-to-three days working in the office is their preferred approach," said Deniz Caglar, co-author of the PwC report.

Experts say companies should transform their offices away from places where employees come to send emails or make [phone calls](#), which they can do at home, towards more appealing spaces suited for mentoring, camaraderie and fostering creativity.



Office buildings in midtown Manhattan that used to be fully lit at sundown now show few signs of occupancy

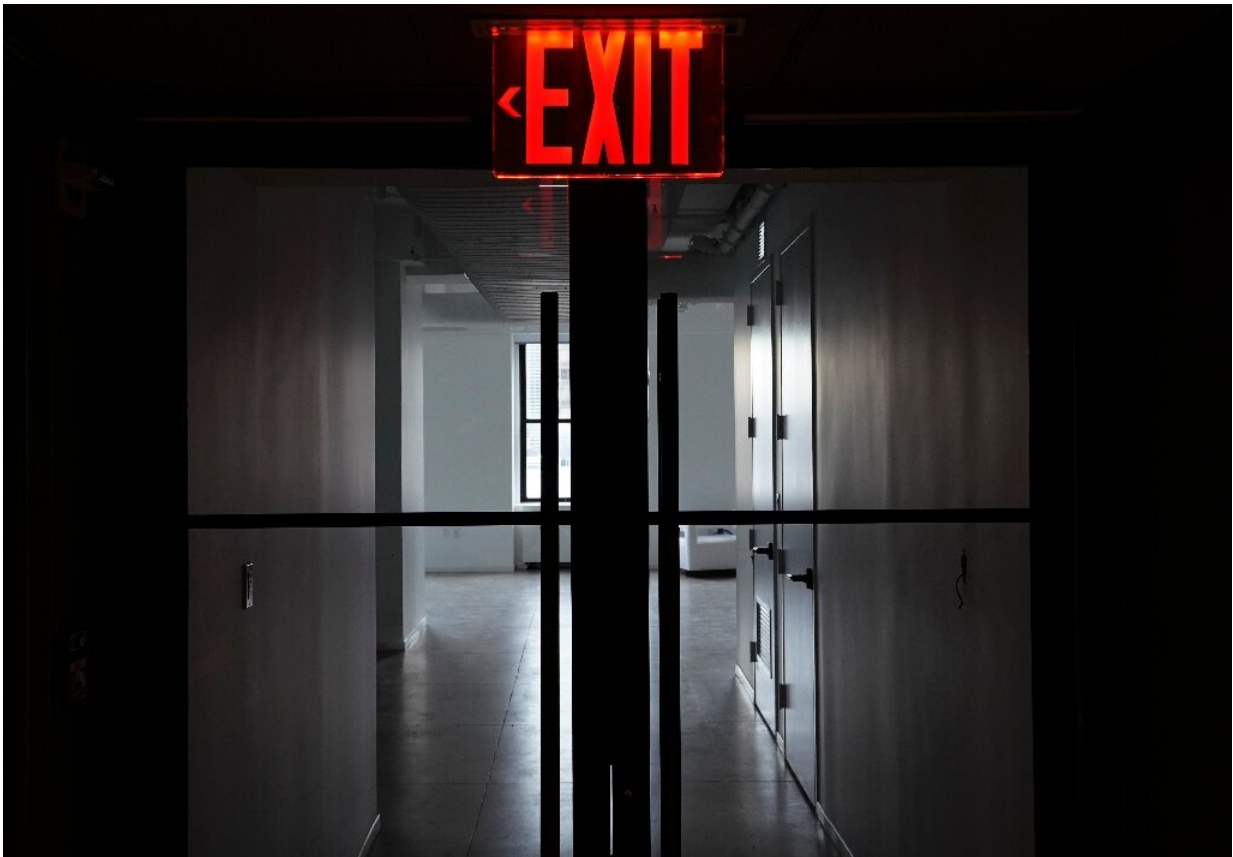
'New future'

That could mean larger, more flexible conference rooms rather than cubicles, something as simple as better decor, outdoor space like a balcony or terrace and "hoteling," where workers schedule use of a workspace as opposed to every employee having their own desk.

"Think of it as a theater, where you have different sets for different scenes," David Smith, co-author of a Cushman & Wakefield report about workplaces of the future, told AFP.

It may also mean offices becoming more multipurpose—facilities such as gyms, cafes, laundrettes and concierge services that make employees feel their commute is worthwhile—accelerating a trend that was growing before coronavirus, experts say.

While offering staff flexibility, several major employers are doubling-down on their commitment to offices, betting big on New York's business districts despite the uncertainty caused by the pandemic.



An office building lies empty in midtown Manhattan

In August, Facebook signed a lease on a 730,000-square-foot space in

Midtown, while a Google spokesperson told AFP the technology giant is continuing to expand its campus in the Chelsea neighborhood.

Greenberg Traurig, a law firm that employs 400 people in New York, has installed sneeze guards, touchless faucets, hand sanitizer machines, increased ventilation and distanced work stations.

It has staff coming in on "a rotational basis," and the firm plans to proceed with its move into a new state-of-the-art building near Grand Central Station this year, vice-chairman Robert Ivanhoe told AFP.

In late December, New York Governor Andrew Cuomo cut the ribbon on a new \$1.6 billion train concourse servicing Penn Station, highlighting local politicians' hopes of reviving Midtown.



A handful of people walk through the largely deserted \$1.6 billion new Moynihan Train Hall in Manhattan

Business district leaders say they are looking to add green spaces to the neighborhoods, while outdoor dining—extremely rare in New York before the pandemic—is expected to become a permanent feature.

"There is definitely an opportunity for everyone to be looking at the new future," Alfred Cerullo, president of the Grand Central Partnership business improvement group, told AFP.

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