



## **BOMA New York: Q1 2022 - by Matt Duthie**

April 12, 2022 - Owners Developers & Managers

As we continue to rebound from a two-year pandemic, a large part of the American workforce is still undecided about returning to the office. With that said, Q1 statistics in New York City indicate signs of continued improvement and forward progress.

The first three months of 2022 represented the second strongest quarter of leasing activity in NYC during the pandemic and 67.5% higher year over year.

Office acquisition volume throughout NYC totaled \$6.6 billion, the strongest start to any year since 2015.

According to Kastle, New York City occupancy rates, based on key fob swipes, have increased over 25 percentage points since December 2021.

Since the start of the year, according to the Newmark Mobility Report, commutes to New York City have increased, as well as has usage for public transportation, including LIRR is up 31%, MetroNorth is up 46%, Subway is up 52%, and Bus is up 60%.

The pandemic accelerated underlying work trends that were already in motion. At this point, there is no question that if employees are to leave the comforts of their home office, they are looking for better amenities at the office to make it worth it. This presents a shift in tenant expectations and as a result a renewed focus on experience, wellness and tenant satisfaction. These metrics are not new to the CRE community, yet the strategies to achieve success in all three categories regularly evolve through time. Today is no different.

New smart building strategies are being developed, outdoor spaces are being reimagined and flexibility has become the new norm for workspace. While customized tenant solutions will help secure one deal at a time, the best ideas will be those that can be scaled across a portfolio.

Tenants are constantly competing in ways to attract and retain high-quality talent. It is the responsibility of building owners and managers to provide tenants with the real estate and infrastructure to compete. BOMA New York has its finger on the pulse of the CRE industry. As such, the following provides a look back since the onset of 2022 and a glance at a few highlights to look forward to in Q2 and beyond.

In February, Con Edison announced that they will increase rates for gas and electric service beginning in January of 2023, with proposed rate increases for 2024 and 2025. Energy conservation and carbon neutrality is the other topic du jour for CRE. The BOMA New York annual Energy Action Day is scheduled for May 5th at Club 101 and titled “Greening the Grid.” I look forward to the keynote address by Doreen Harris, president and CEO of NYSERDA.

In March, the Biden Administration launched the “Clean Air in Buildings Challenge,” a call to action for building owners to assess indoor air quality, improve ventilation and filtration, and reduce the risk of spreading dangerous airborne particles indoors. Fortunately, BOMA New York and many of its members are leading the IAQ conversation and exemplary for best practices.

I am proud to share that New York City captured more than 30% of the 2022 MAC Regional TOBY Awards. Join us in Albany on April 28th for the BOMA Middle Atlantic Conference as we celebrate excellence together. The 2022 MAC TOBY winners include:

MAC Regional Member of the Year: James Kleeman, RPA, BOMA fellow, Port Authority of NY & NJ;

Operating Office Building of the Year (over 1 million s/f): 10 Hudson Yards, managed by Related Companies

Operating Office Building of the Year (100,000 – 249,999 s/f): 110 Greene St. (The SoHo Building), managed by SL Green Realty;

Renovated Building of the Year: 101 Greenwich, managed by JLL;

Earth Building: 11 Madison Ave., managed by SL Green Realty; and

Regional Grand TOBY: 11 Madison Ave., managed by SL Green Realty.

As we look forward to an increase in commuting patterns and occupancy rates, we will likely also experience an uptick in building tours, LOIs and lease agreements. The FIRE and TAMI sectors lead the charge. According to Bloomberg, “Blackstone Inc. is exploring a large office expansion in Manhattan, seeking space for its growing workforce” Blackstone will be looking for an additional 400,000 s/f of office space for a total of 1.5 million s/f. Further, three of the country’s largest construction projects will deliver in New York City this year including 50 Hudson Yards, The Spiral and Morgan North.

From the Pinnacles to innovative programs for Emerging Leaders and scholarship opportunities for all members—BOMA New York is always present—adding value to our members and the collective industry.

In addition to the captivating monthly forums, a stellar curriculum for Green & Wellness, and the upcoming Energy Action Day, another signature BOMA NY event to place on your calendar is the Golf Classic at Edgewood Country Club on June 13th.

Stay connected, get involved and be engaged.

Matt Duthie is the chair of BOMA New York.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540