



OPINION

## 26 Empire State Buildings Could Fit Into New York's Empty Office Space. That's a Sign.



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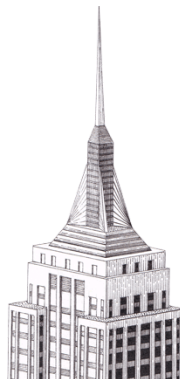
**By Edward L. Glaeser and Carlo Ratti**  
**Photographs by Gus Powell**

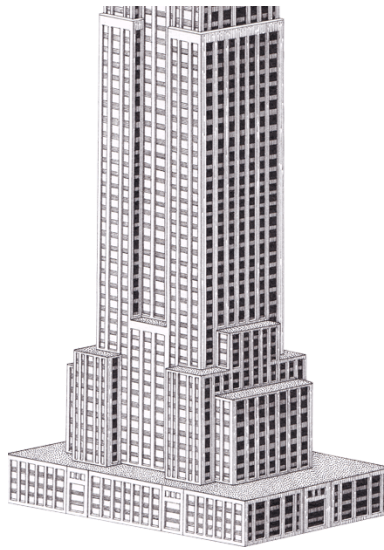
Mr. Glaeser is the chair of the economics department at Harvard and an author of “Survival of the City.” Mr. Ratti is the director of the Senseable City Lab at M.I.T. and an author of “The City of Tomorrow.”

New York is undergoing a metamorphosis from a city dedicated to productivity to one built around pleasure. Many office buildings still feel eerily empty, with occupancy around 50 percent of prepandemic levels, harming landlords and the local economy. But 56 million people visited New York last year, making Fifth Avenue in December feel as crowded as Ipanema Beach during Carnival.

The economic future of the city that never sleeps depends on embracing this shift from vocation to recreation and ensuring that New Yorkers with a wide range of talents want to spend their nights downtown, even if they are spending their days on Zoom. We are witnessing the dawn of a new kind of urban area: the Playground City.

New York City's vacant office space could fill 26.6 Empire State Buildings





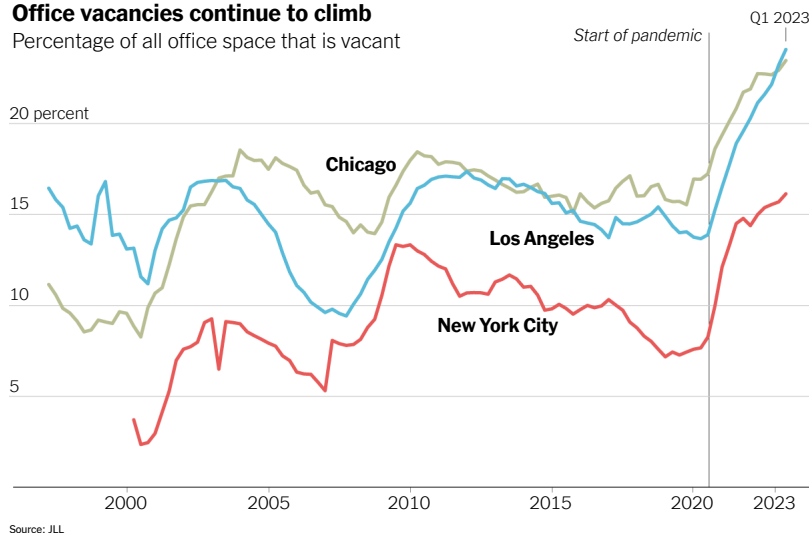
Empire State Building  
2,800,118 square feet  
of office space

In downtowns from Chicago to Los Angeles, the physical layout of the 20th-century city is clashing with the new economy. Since the 1920s, single-use zoning has divided our cities into separate neighborhoods for home, work and play. Work-from-home and Netflix have made these distinctions irrelevant, but our partitioned urban fabric has yet to catch up.

To create a city vibrant enough to compete with the convenience of the internet, we need to end the era of single-use zoning and create mixed-use, mixed-income neighborhoods that bring libraries, offices, movie theaters, grocery stores, schools, parks, restaurants and bars closer together. We must reconfigure the city into an experience worth leaving the house for. Streets once filled by commuting crowds can be reinvigorated by those who really want to be there.

### Office vacancies continue to climb

Percentage of all office space that is vacant



This would not be New York's first metamorphosis. Although the city seems set in stone, its soul is essentially protean. In its 400-year history, Dutch fur traders, Russian garment entrepreneurs, Mohawk ironworkers and African American jazz musicians sought their fortunes in its busy streets — and each left a mark on its character.

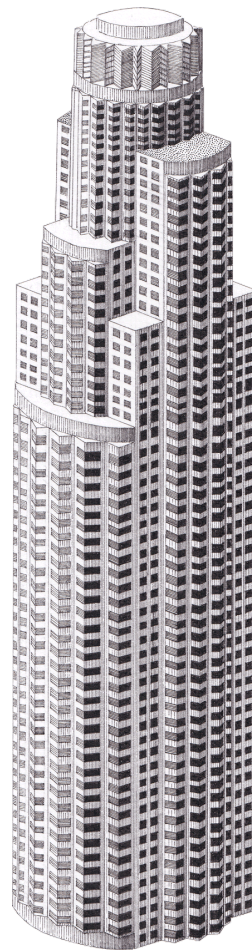
First, the city's deep harbor and access to the Hudson made it America's dominant port. Industries like sugar refining and book publishing clustered around the wharves because they depended on water-borne imports, such as the pirated English novels that fueled New York's early publishing industry.

Then came the railroads. The Rutgers economist Jason Barr has debunked the urban myth that New York has two skyscraper-strewn business districts, Wall Street and Midtown, because of the placement of bedrock. In fact, New York has these two districts because development concentrates near trade.

The older district, Wall Street, was tethered to the ancient port. The newer one, Midtown, grew up around the rail stations. The city's manufacturing might sprang from its location at the nexus of rail and sail. The age of the railway was even more important to Chicago, with its gigantic Union Stock Yards, built by a consortium of nine railroad companies to facilitate the flow of Western beef into Eastern bellies.

But for over a century, the transportation-related advantages of older cities like New York and Chicago have been waning. Container ships and the proliferation of highways meant that by the 1960s, New York was no longer an efficient place to mass-produce clothing — or almost anything else. The growth of Los Angeles, in contrast, has been fueled by its Mediterranean climate and California's natural beauty.

Los Angeles' vacant office space could fill 30.7 U.S. Bank Towers



U.S. Bank Tower  
1,432,539 square feet  
of office space

The collapse of manufacturing sent New York into an existential crisis in the 1970s and intensified middle-class flight to the suburbs. (One bright spot, and a lesson for the future: Abandoned industrial lofts provided inexpensive living space for thousands, many of whom ignored the zoning codes that made their homes illegal.) New York emerged from this slump by reinventing itself around knowledge industries like financial services. Globalization delivers huge returns to smart investors, and we get smart by being around other smart people.

The sheer size, density and connectivity that New York accrued in previous eras became its saving grace. The 1987 movie “Wall Street” is a fable about how the fictional Bud Fox learned unscrupulous shortcuts to wealth through face-to-face contact with an older mentor. By 2008, 44 percent of Manhattan's total payroll went to people working in finance and insurance.

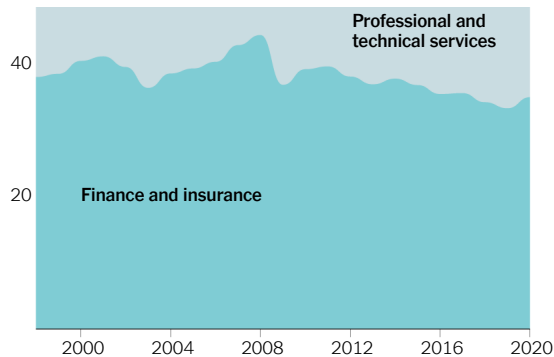
### Manhattan's economy depends on high-income workers in finance and technology

Payrolls by industry in **Manhattan**

100%

80

60

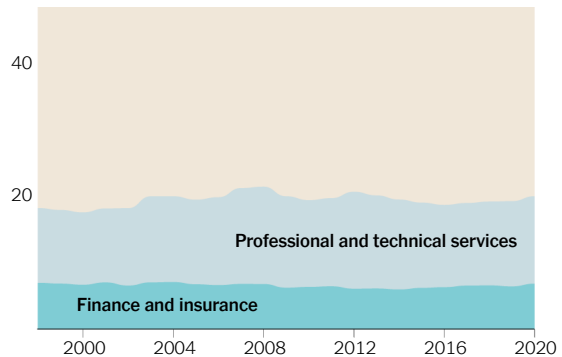


Payrolls by industry in **Houston**

100%

80

60



Opinion | New York Is Full of Empty Offices After Covid. Make Way for the Playground City. - The New York Times

Note: Houston payrolls also include all the suburbs in Harris County. Source: U.S. Census Bureau

Finance differs from older industries because nothing intrinsic kept financial firms in New York, meaning the city could retain its dominant industry only by improving its quality of life. That helped lead voters to elect management-oriented mayors, including Rudy Giuliani and Michael Bloomberg, who focused on the city's core services, especially policing. As crime levels fell, the city's intrinsic edge in providing fun re-emerged. In the 2000s, New York's image was captured more by the frivolity of "Sex and the City" than the grittiness of "Taxi Driver."

But unlike in earlier eras of urban success, this time New York did not produce enough housing to keep up with demand. The cost of living skyrocketed. By 2008, one of us was comparing New York wistfully with Houston, which remained affordable for ordinary Americans because it built aggressively. Manhattan became dependent on its elite earners — a large share of the tax base came from a tiny proportion of the population — who were also the only group who could afford to live in its increasingly expensive neighborhoods.

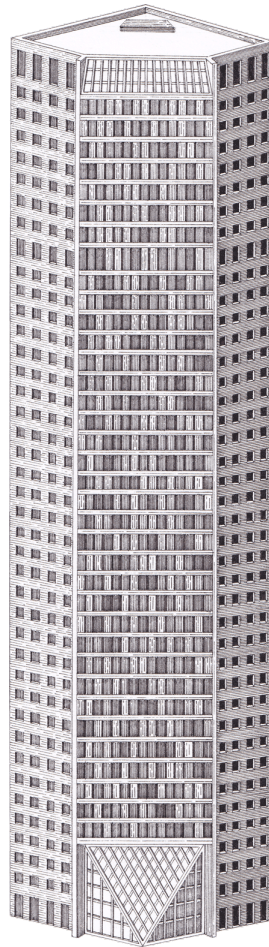




In 1980 the futurist Alvin Toffler argued that information technology would make urban offices largely obsolete, with workers using residential “electronic cottages” instead. For 40 years, he was wrong. Then, in an instant, it seemed that he was right. The office tower, like the port and the train station before it, had its relevance challenged by a competing technology: Zoom. In the early days of the Covid pandemic, remote work was expected to last only for a few weeks or months, but now it seems clear that some mix of in-person and fully remote work is here to stay. The office has its advantages, but many people are willing to give them up for the convenience and flexibility of working mostly from home.

This sudden shift was a body blow to New York. Many offices remain empty, and the city lost more than 300,000 inhabitants from 2020 to 2021. No other American city experienced such a large numerical decline. Over the same period, Houston lost only 12,000 people, although the global commercial real estate services company JLL reports that Houston’s office vacancy rates are now even higher than New York’s.

Houston’s vacant office space could fill 29.7 JPMorgan Chase Towers



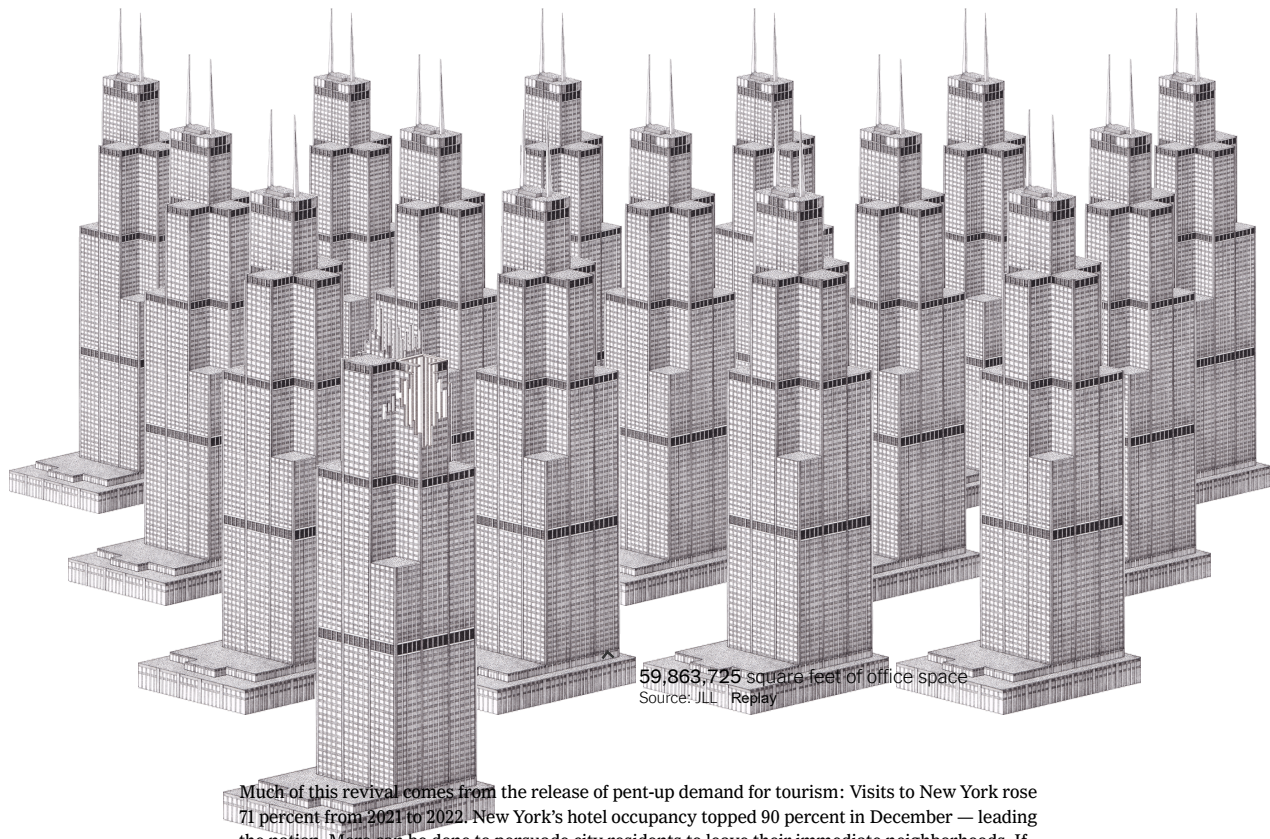
JPMorgan Chase Tower  
1,656,529 square feet  
of office space

Yet even as we do not make a full return to the office, the social and economic need for us to come together in cities has not gone away. Our research at M.I.T. shows that when we replace in-person interactions with Zoom rooms, our social lives become narrow and homogenous. Parallel research at Microsoft found that “firmwide remote work caused the collaboration network of workers to become more static and siloed, with fewer bridges between disparate parts.”

We may have a few close friends online, but we cannot sustain a network of weak ties — the casual acquaintances we run into in the halls or on the bus. We are exposed to less diversity of background and thought, and ideas flow less freely. More permanent remote work could stunt innovation and economic growth as it shrinks our social fabric. If the office is not returning to its central position in our lives, then humanity, as a social species, must find new opportunities for mixing in physical space.

Fortunately, the data shows that these alternatives are already emerging. Although most measures and narratives describe a city struggling to recover its prepandemic mojo, there is a visible bifurcation between office and city life. Kastle Systems’ Back to Work Barometer shows that unique card swipes in some of New York’s fanciest offices remain at less than 50 percent of prepandemic levels. But track the same ZIP codes with mobile phone data from Safegraph, which records individual visits to the area rather than office occupancy, and the picture is more encouraging. There is still some decline, but it is not nearly as steep. Repeat this analysis in cities across the nation, and you find the same result. Offices may be empty, yet streets are astir.

Chicago’s vacant office space could fill 15.8 Willis  
Towers



Much of this revival comes from the release of pent-up demand for tourism: Visits to New York rose 71 percent from 2021 to 2022. New York's hotel occupancy topped 90 percent in December — leading the nation. More can be done to persuade city residents to leave their immediate neighborhoods. If people do not need to go downtown for wages, they must instead desire to go there. A place to live and play rather than work: This is the dream of the Playground City.

This idea is hardly new. Across the world, variables that indicate places of pleasure have predicted urban success since the 1970s. Street-level infrastructure — restaurants, parks, theaters and public squares — has long served as a networked urban parlor. In 17th- and 18th-century London, coffeehouses brought together artists, politicians and scholars such as Joshua Reynolds, Edmund Burke and Samuel Johnson. Essentially, coffeehouses were shared living rooms that enabled chance interaction. Johnson deserves credit for best articulating the idea of the Playground City: “When a man is tired of London, he is tired of life; for there is in London all that life can afford.”





The Playground City differs from the industrial or the office city because it is focused on the jobs of everyday life. It differs from the Georgian London enjoyed by Johnson and Beau Brummell because it offers joys to be relished by the many, not just the elite few. In a Playground City, mixed-use neighborhoods that tie life, labor and leisure together generate what the New York urbanist Jane Jacobs calls the “sidewalk ballet,” a productive and playful dynamic in which a diversity of different users come and go at all hours.

The transformation toward the Playground City will not happen on its own. New York will need to recognize that the office market, especially its lower end, is likely to face years of vacancies and that the city’s future depends on being able to attract and empower new residents — the creative class and everyone else — who might be tempted to settle down in other cities that are more affordable and convenient. To address low commercial occupancy rates and struggling businesses, Mayor Eric Adams and Gov. Kathy Hochul convened the “New” New York Panel, which released its report in December. We contributed to the conversations that culminated in the report and would like to elaborate on six crucial lines of action.

### 1. Learn from big data, experimentation and randomized-control trials

There are many tools for potentially reviving urban centers — investing in culture, reducing the regulation of recreation, spurring residential development, improving public transit — but we don’t know what will work where. These initiatives need to be refined through experimentation, data collection, analysis and adjustment.

### 2. Jettison regulations that hinder urban innovation

The most obvious obstacle is single-use zoning, which has separated where people live from where people work since the 1920s. Our research shows New York neighborhoods without zoning monoculture are more walkable and that zoning reforms must be carried out carefully to avoid increasing socioeconomic segregation. We need flexible zoning to integrate the city, spread the power of play across every neighborhood and allow offices to be converted into residences.

### 3. Reinvent the building core

Even without red tape, remaking a city from the empty but brittle shells of 20th-century office towers will not be easy. Modern office towers have deep floor plans meant to maximize square footage, but units in residential buildings need windows and their natural ventilation and daylight. To achieve conversion at scale, we must therefore look past the architecture of the traditional



apartment. Deep-core office buildings could be converted into new kinds of spaces optimized for co-living and co-working. Bedrooms, with windows, could line the perimeter while common areas for cooking, laundry, work, exercise and socializing could fill the middle. Such arrangements could also help meet one of the social challenges of our time: loneliness.

#### 4. Animate the street

For the Playground City to draw people away from the instant gratification of the Internet, governments must support a dynamic and scene-specific life at ground level. During the pandemic, municipal governments armed with nothing but yellow paint remade the streets and brought about a revolution in pedestrianization and outdoor dining.

The urban playground should be constantly rearranged: Streets could be cleared for weekends, annual festivals and temporary exhibitions; food bazaars and pop-up shops could multiply. Movie theaters struggle to compete with boundless streaming catalogs available on cheap 4K televisions. More outdoor screenings on summer nights could tip the balance back toward collective experience. These easy interventions are especially useful for garnering public support. To draw people into the Playground City, we need to show, not tell.



#### 5. Level the playing field between e-commerce and neighborhood businesses

E-commerce enables convenient shopping, but it also destroys brick-and-mortar businesses, especially the small businesses that support local economies and give streets their distinctiveness. The multiplication of small, rapid deliveries causes congestion and increases emissions. E-commerce companies avoid paying real estate taxes in the areas they serve and sometimes state and local sales taxes as well, although there has been progress in recent years. To sustain a vibrant street life, municipalities should fairly tax e-commerce for the congestion it creates and lower their retail sales taxes, making local shops more competitive.

#### 6. Engage citizens

Governments should empower citizens to participate directly in making the Playground City. The generation that grew up on social media has developed a fierce, collective yearning to come together in the real world, shown beautifully in the playful Facebook group New Urbanist Memes for Transit-Oriented Teens. We should harness this energy. The office was a factory where human beings were inputs, packed into cubicles to maximize their economic output. The Playground City



sees people as both a means and an end, and it should involve them in the process of its creation.

Citizen engagement must include support for populations at risk of being marginalized by the transition. A healthy city makes space for the rich and poor alike. It generates positive interactions among people of all income levels by providing accessible, beautiful and free or low-cost public and private spaces, including plentiful and affordable housing.

New York needs to attract the rich and talented, but the poem beneath the Statue of Liberty reminds us that the city's greatness comes just as much from being the landing site for "your tired, your poor, your huddled masses" that it is now pricing out. One way to balance these two governmental imperatives — to help the poor and generate tax revenue from the affluent — is to view the city as a for-profit real estate development company wholly owned by a nonprofit poverty-alleviation entity. The for-profit company focuses on keeping the city attractive to the rich, and the revenue it generates gets plowed into schools and support for the poor.

Cities thrived before the office was invented and can still triumph after the office has gone.

Unfettered by cubicles and 9-to-5 jobs, we could achieve, more comprehensively and more joyfully than before, the city's primordial aim: bringing people and ideas together. We need this integrative urban power now more than ever as social fragmentation, political polarization and economic inequality pull us apart. As we face the climate crisis, the allure of activity-rich neighborhoods could promote sustainable lifestyles. As we fight segregation in all its forms, dense cities can bridge our divisions. As we struggle with loneliness, an irresistibly vital street life could drag a generation of people off their phones and back toward one another.



Illustrations by Kaylie Fairclough. Graphics by Jeremy Ashkenas and Quoctrung Bui.