



Building Blocks for High-Resolution Forecasts: A Case Study on Office-to-Residential Conversions in NYC

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September 2025

Agenda

- 1 Laying the Foundation: Building a Smarter Database**
- 2 The Evolving Office Market**
- 3 Putting It Together: Office-to-Residential Conversions in Manhattan**

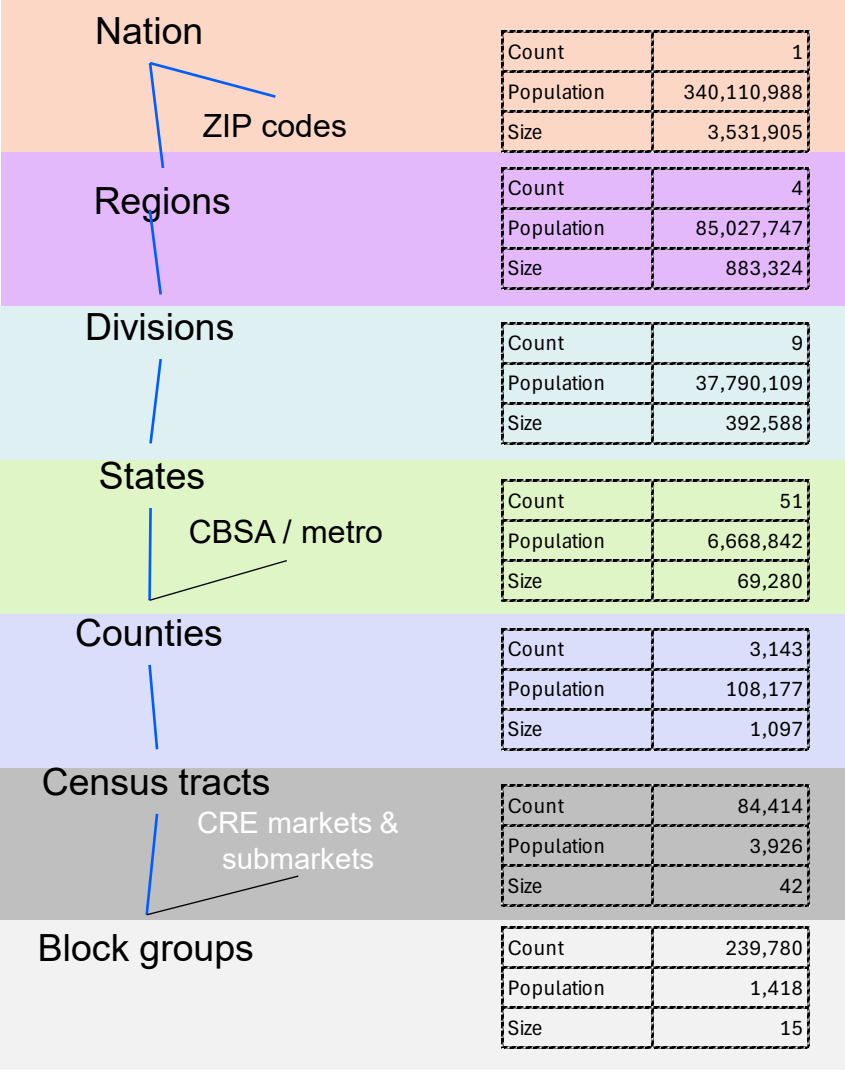
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1

Laying the Foundation:

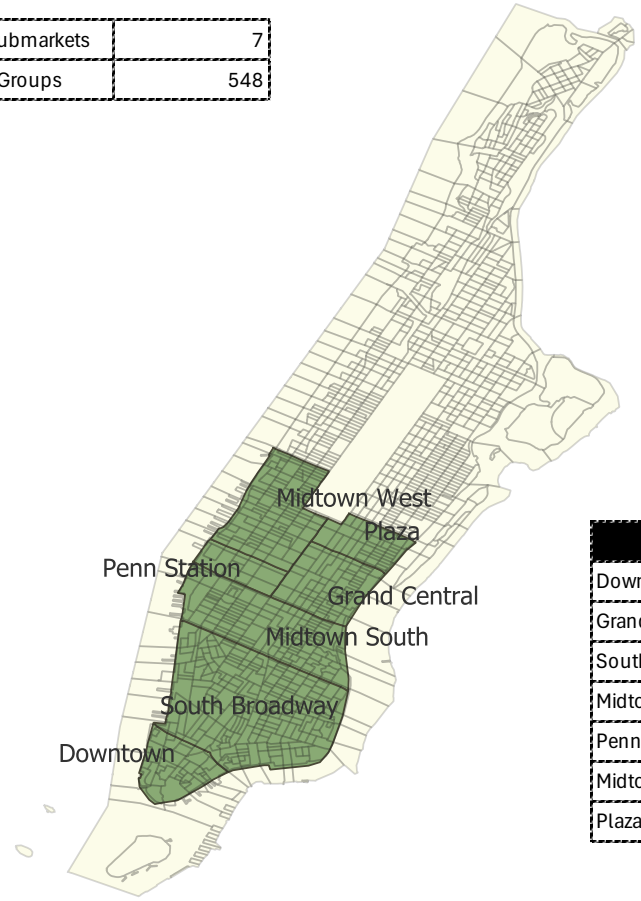
Building a Smarter Database

Greater Insight With Higher Resolution



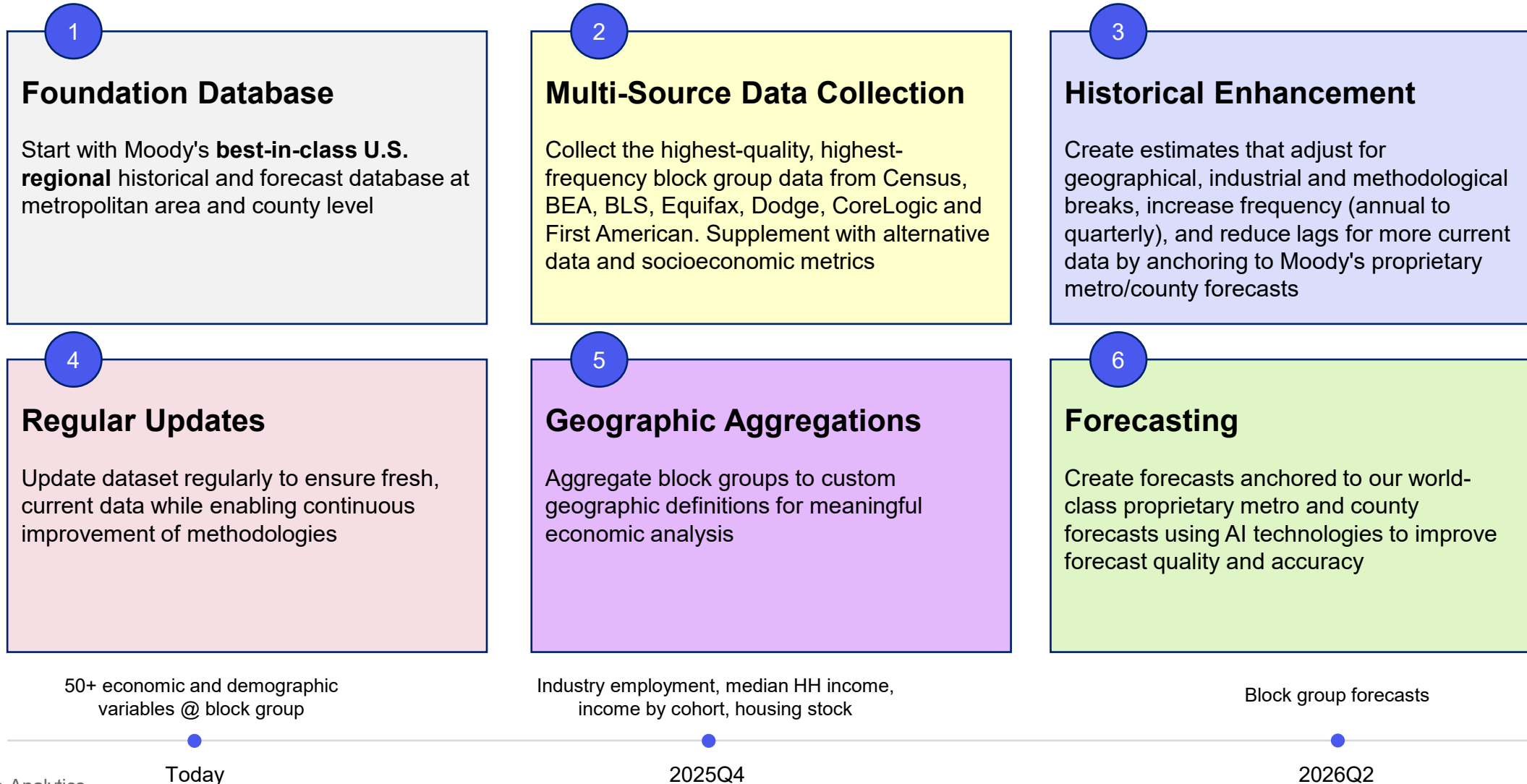
Office Market by Block Group

# of CRE Submarkets	7
# of Block Groups	548



	# of Block Groups
Downtown	34
Grand Central	60
South Broadway	196
Midtown South	112
Penn Station	9
Midtown West	98
Plaza	39

HOW-TO: A High-Resolution Database and Forecast



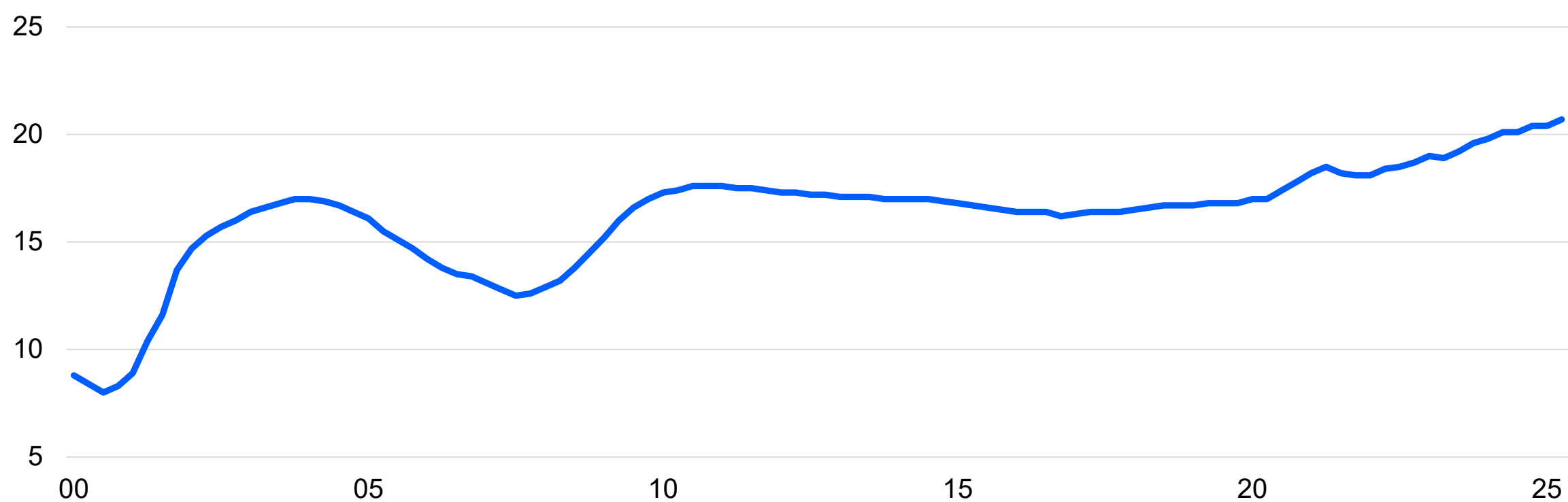
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2

The Evolving Office Market

Office Vacancy Rate at Record High

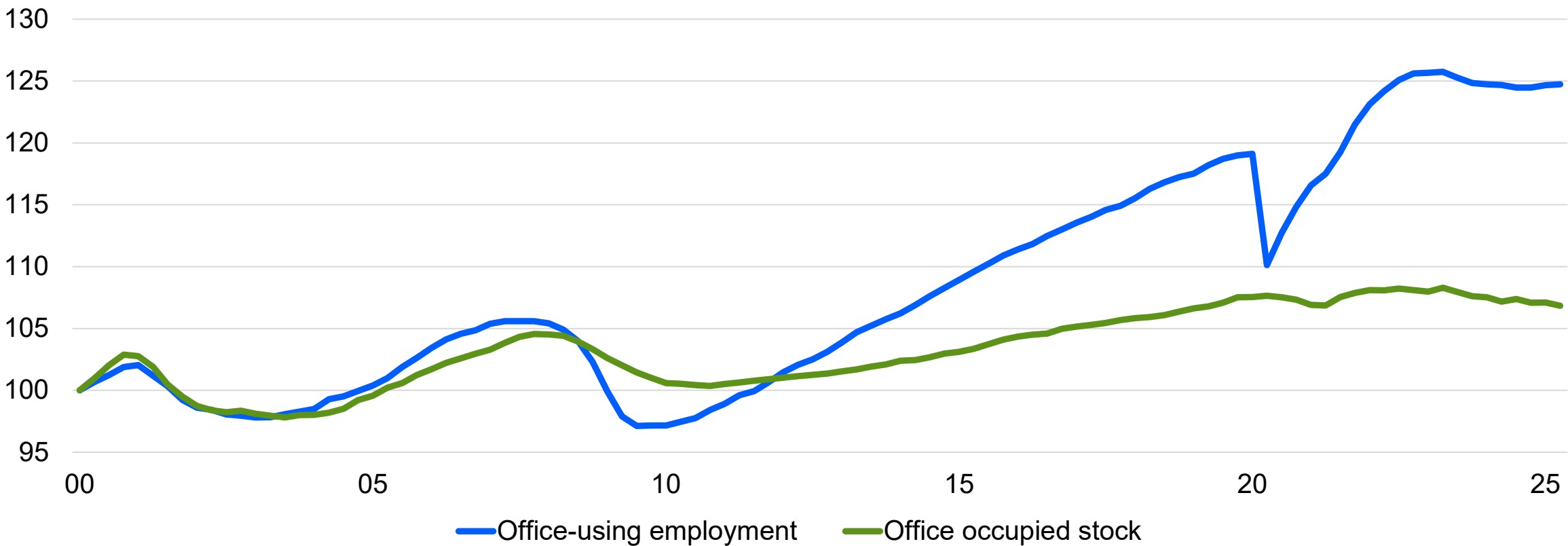
U.S. office vacancy rate, %



Source: Moody's Analytics

Office Struggles Are Nothing New

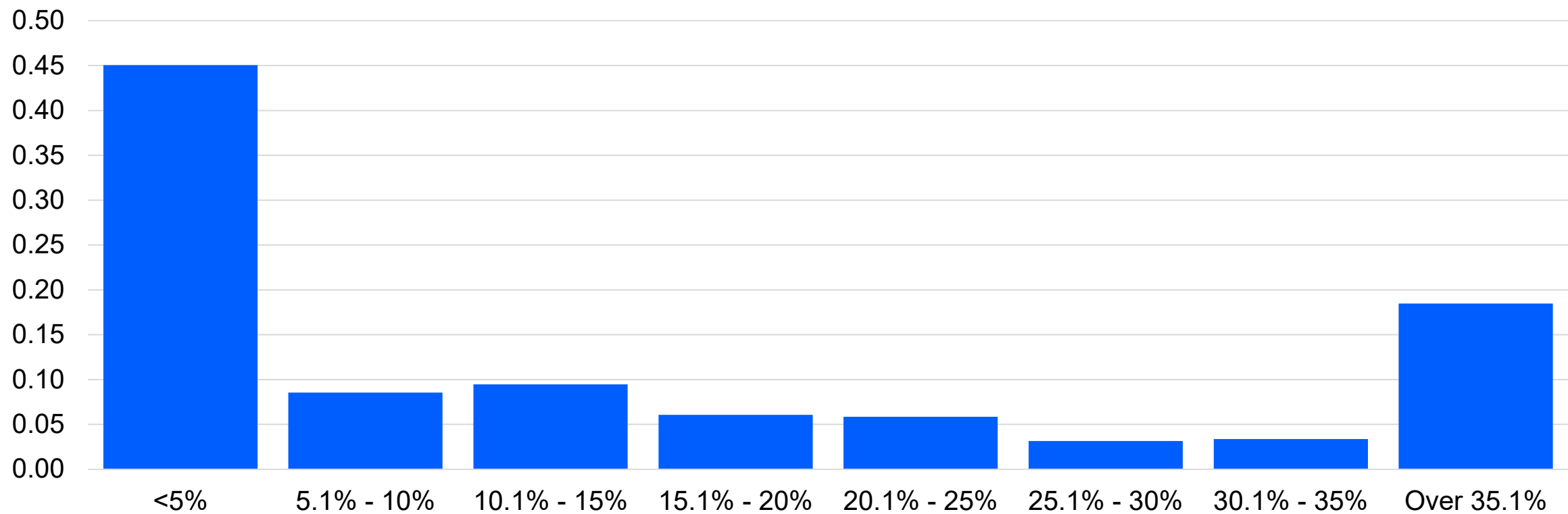
2000=100



Source: Moody's Analytics

Even Nashville Has Problem Spots

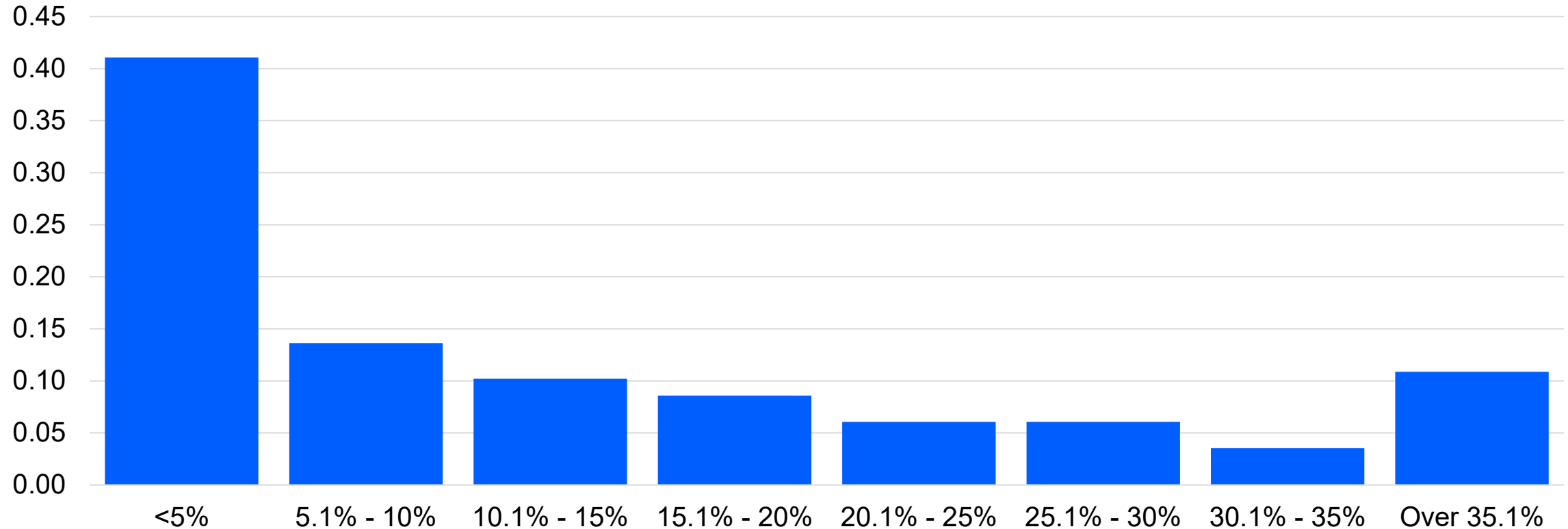
Vacancy rate histogram, % of properties in each vacancy rate bin



Source: Moody's Analytics

New York Has Faced/Faces Similar Challenges

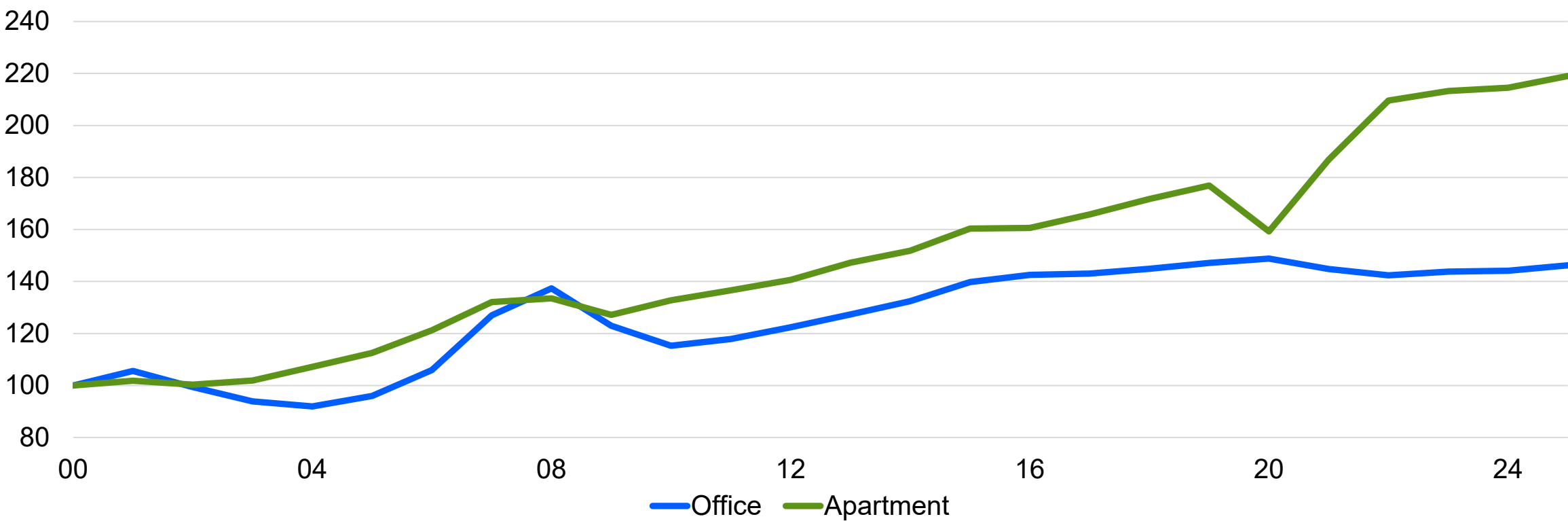
Vacancy rate histogram, % of properties in each vacancy rate bin



Source: Moody's Analytics

Diverging Performance for Office and Apartment Properties in NYC

Asking Rent Index, 2000=100, New York



Source: Moody's Analytics

Downtown Manhattan Has Been at the Forefront of the Office Stress

% diff in downtown vs. Manhattan rent



Source: Moody's Analytics

Midtown West Is Now Facing a Similar Predicament

% diff in Midtown West vs. Manhattan rent



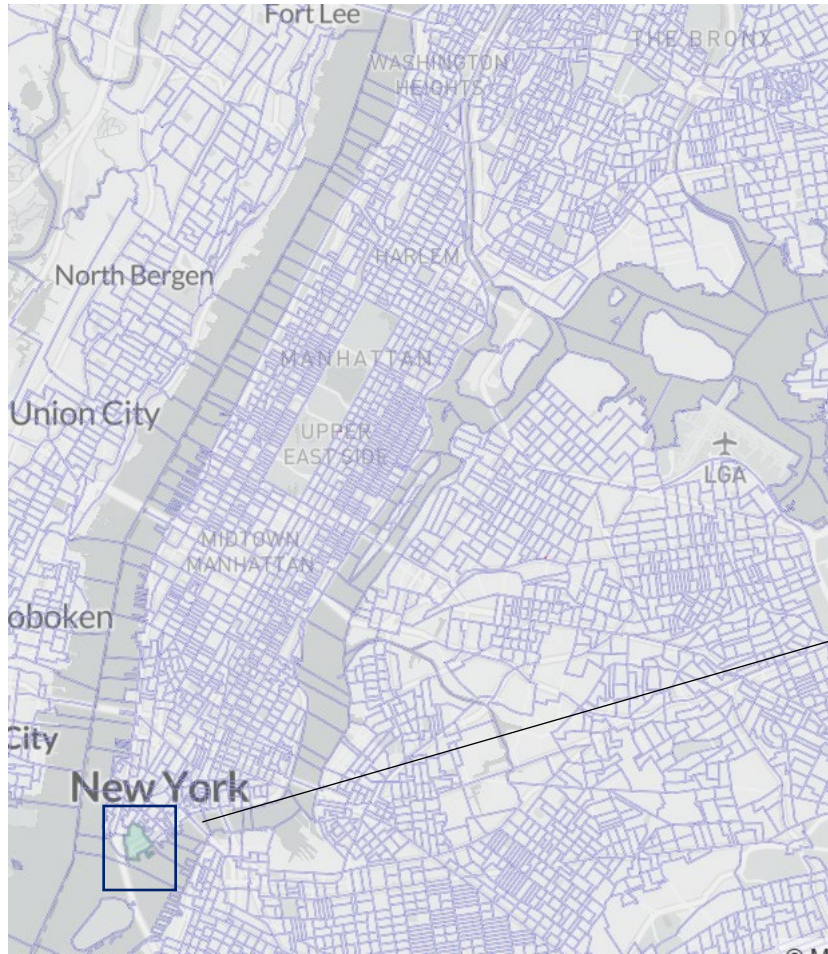
Source: Moody's Analytics

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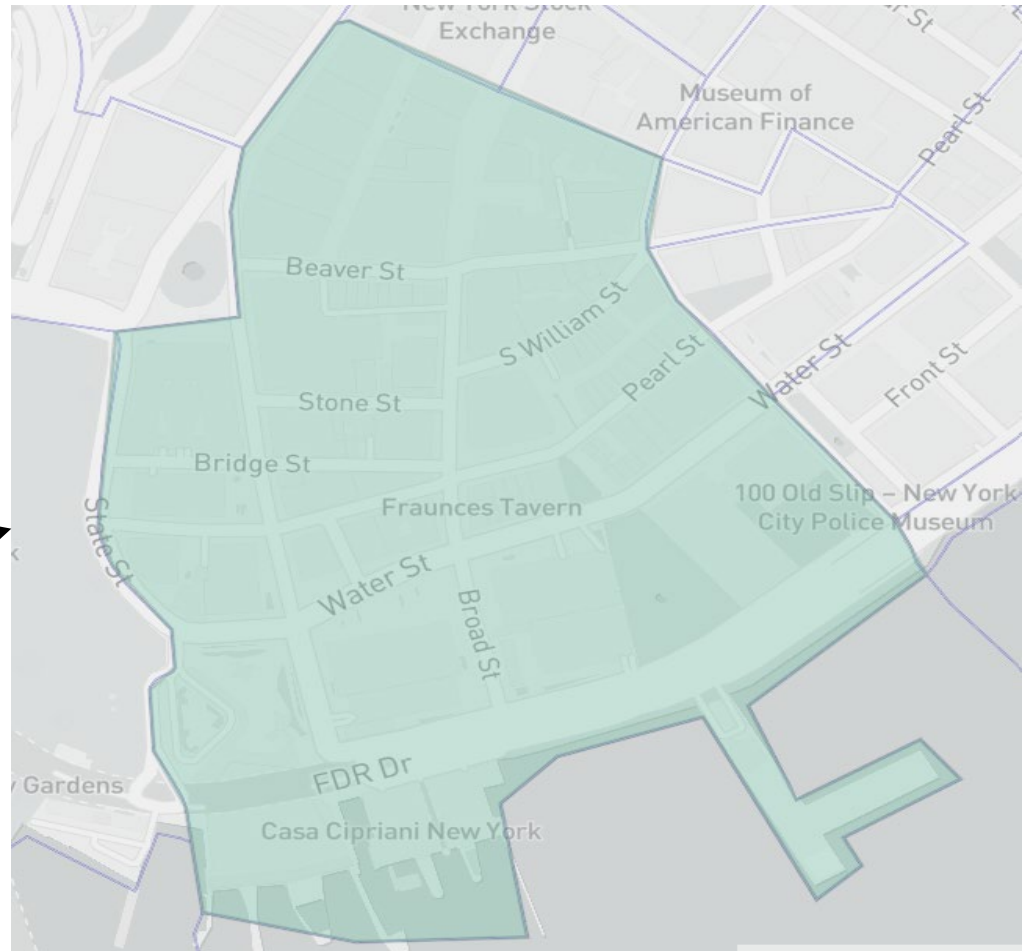
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Putting It Together: Office-to-Residential Conversions in Manhattan

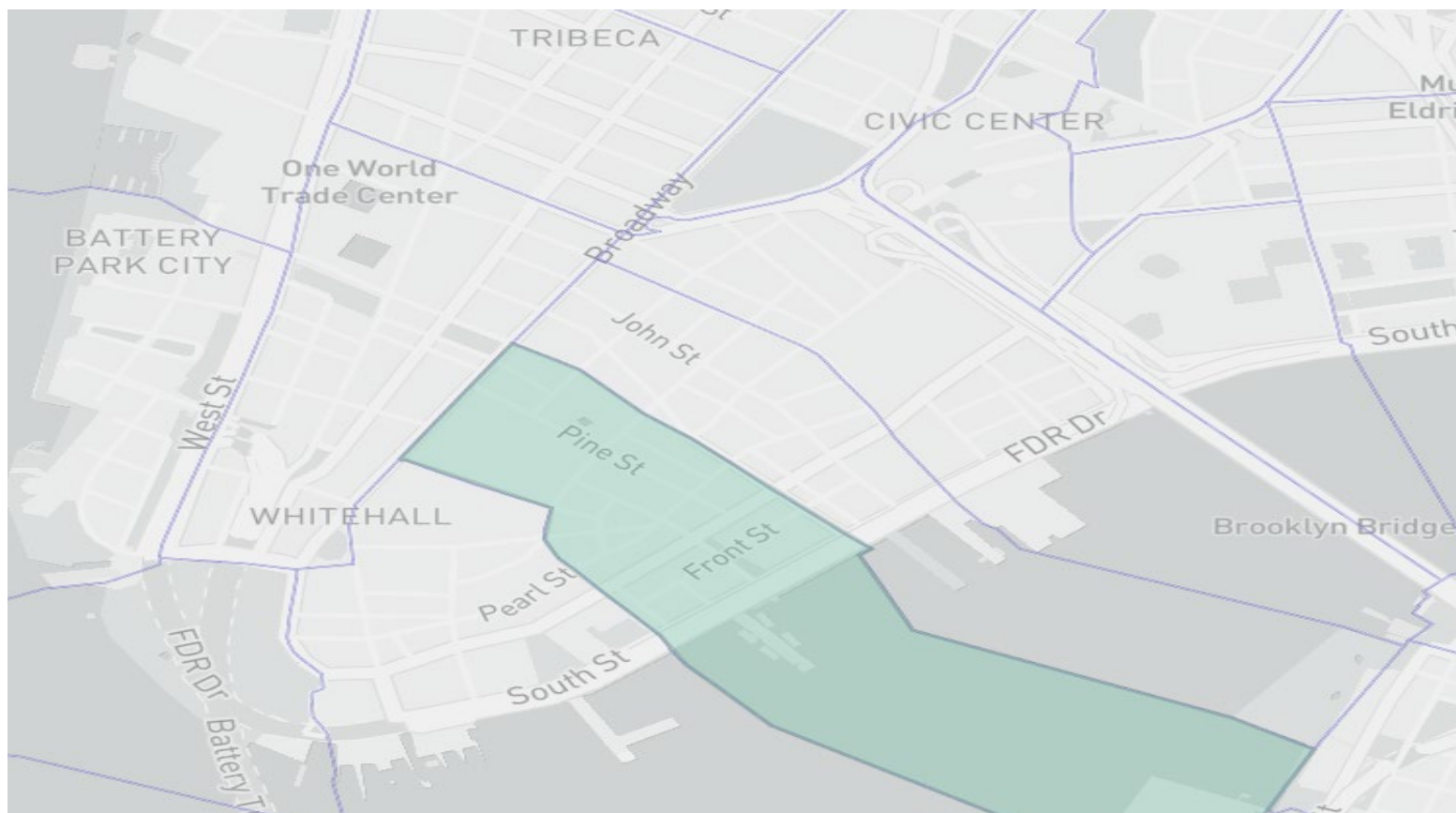
One Block Group May Be NYC's Conversion Hotspot...



Sources: New York City Comptroller, Census Bureau, Moody's Analytics



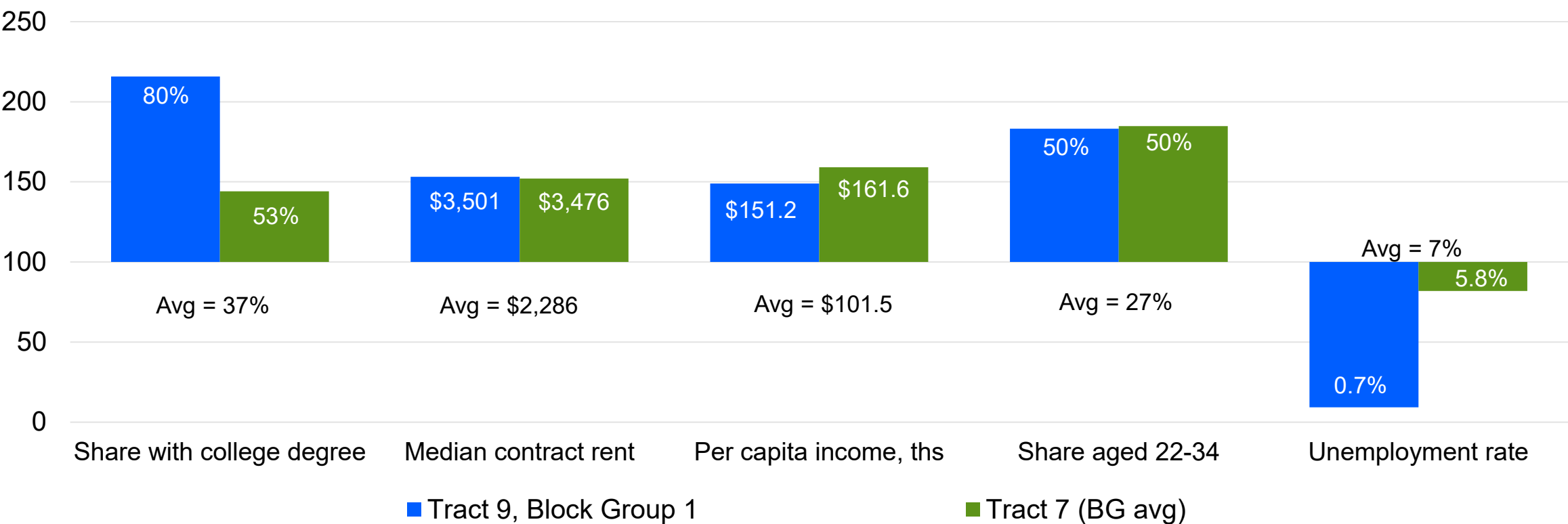
...And the Tract to the Northeast Is Very Popular as Well



Sources: Census Bureau, Moody's Analytics

Conversions Are Linked in Part to Structural Advantages

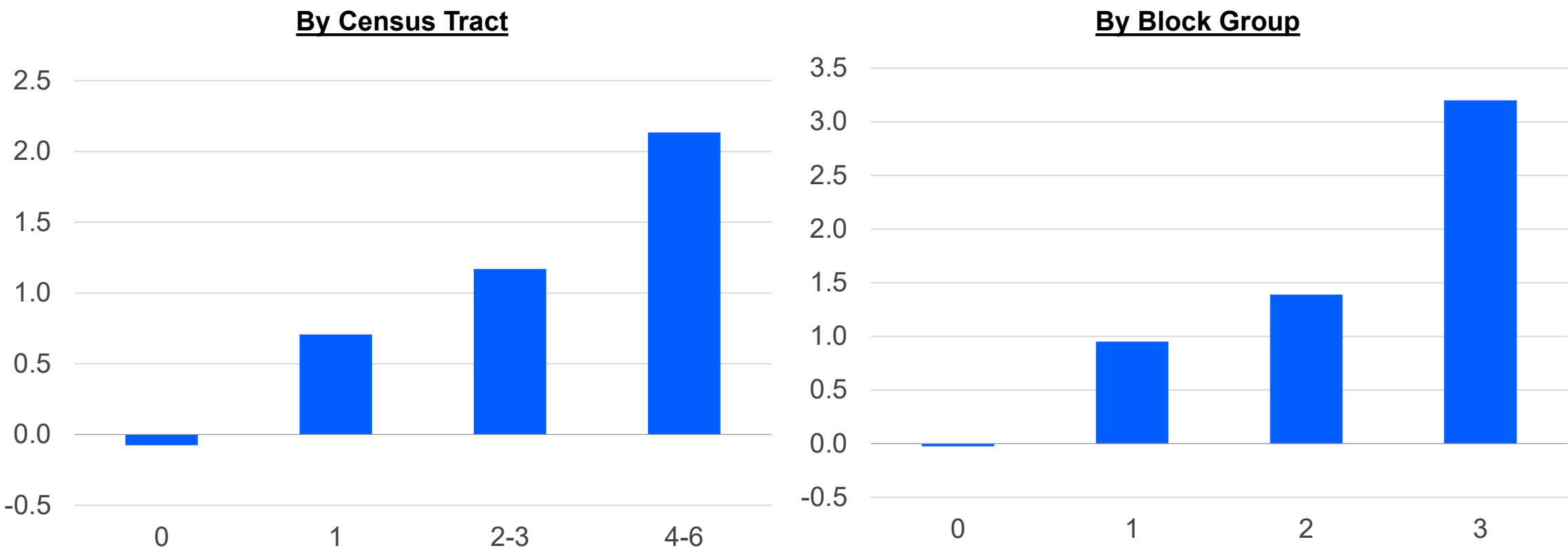
Selected block group and census tract metrics, 2019-2023 avg, Manhattan block group avg=100



Sources: Census Bureau, Moody's Analytics

Pattern Is Also Clear When Zooming Out Across Manhattan

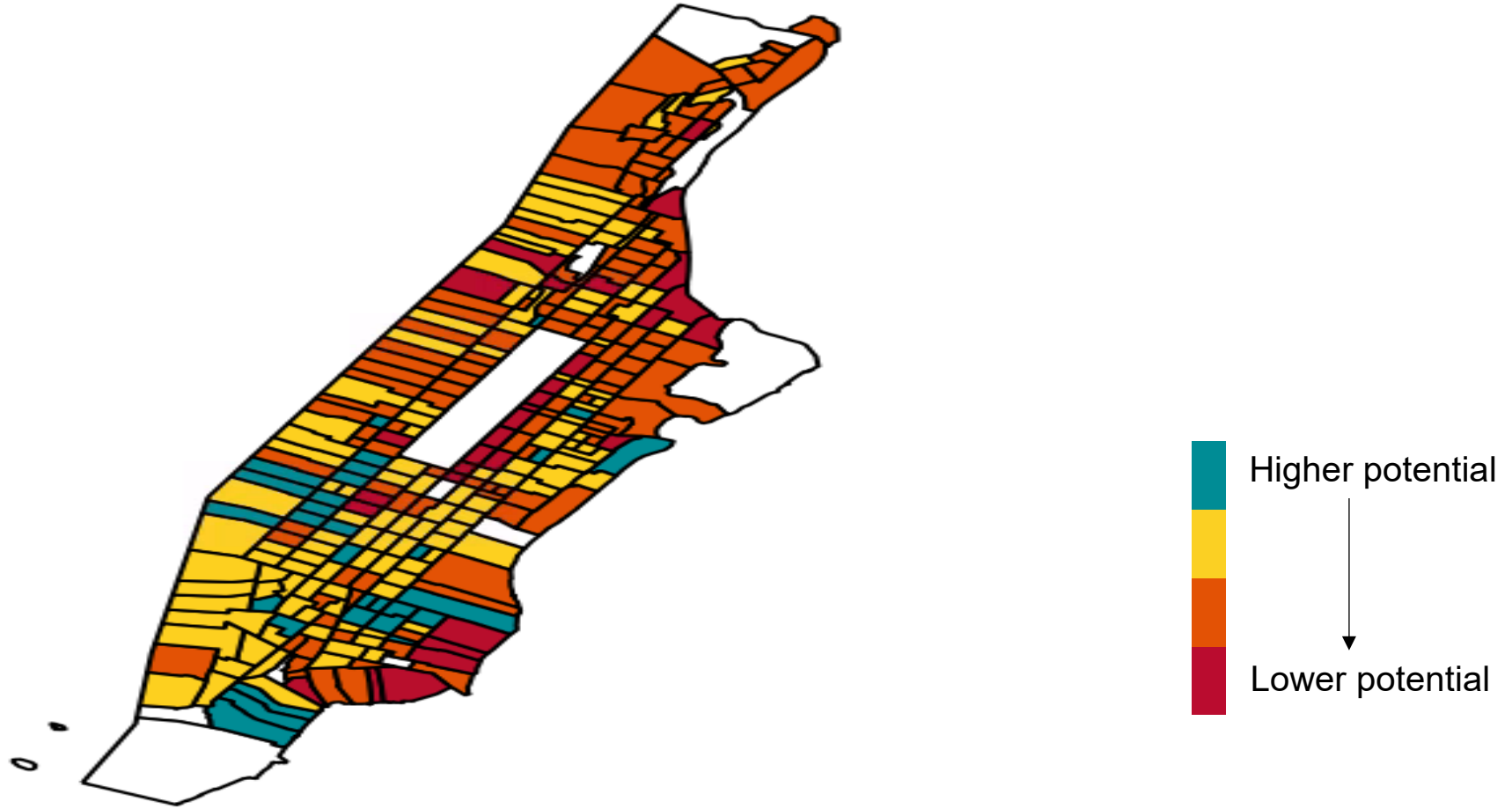
Avg z-score for 22- to 34-yr-old and college graduate shares, by number of conversions



Sources: New York City Comptroller, Census Bureau, Moody's Analytics

Tracts With Favorable Demand Conditions Tend to Cluster Together...

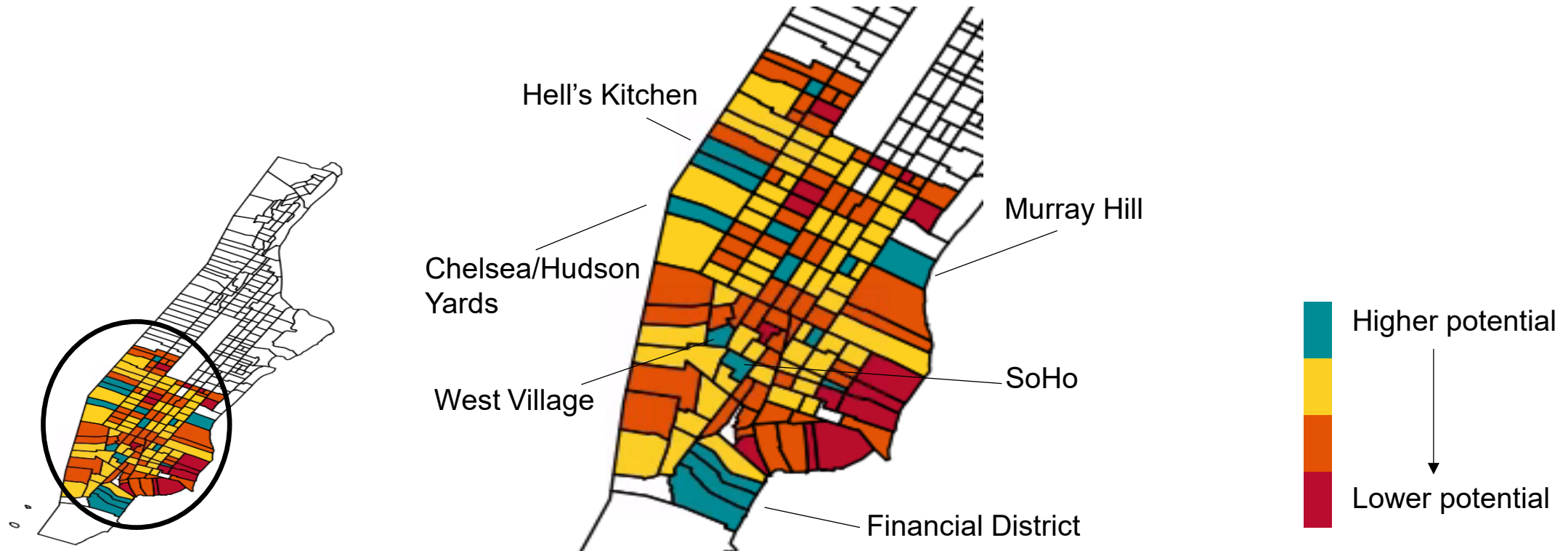
Z-score, educational attainment and 22-34 share, avg across block groups by tract



Sources: Census Bureau, Moody's Analytics

...But Much of Manhattan Faces Supply Constraints

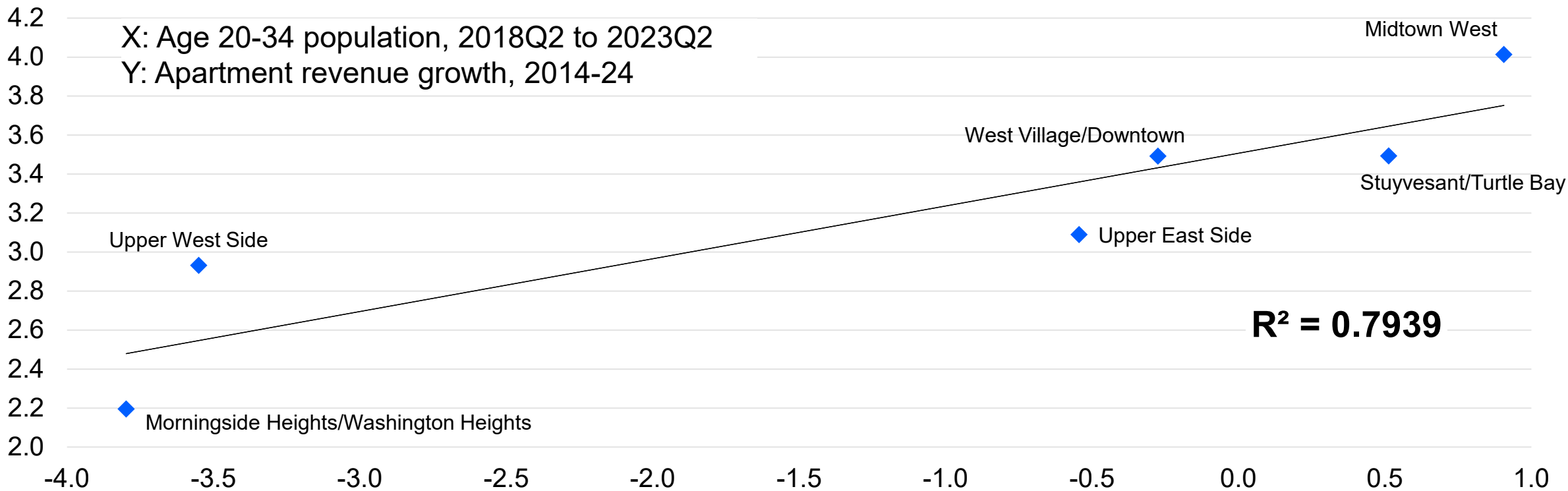
Z-score, educational attainment, 22-34 share, and change in office vacancies, avg across block groups by tract



Sources: Census Bureau, Moody's Analytics

Adding Young Adults Is Secret Sauce for Manhattan Apartment Submarkets

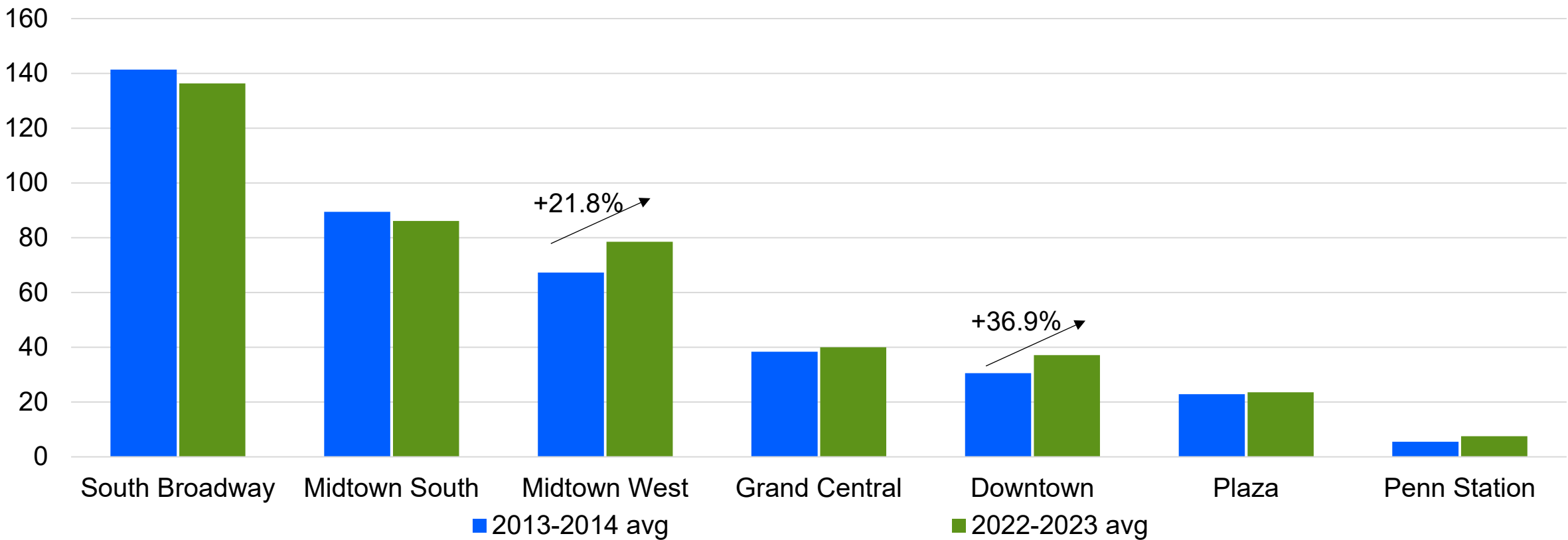
Annualized % change



Sources: Census Bureau, Moody's Analytics

Rising Number of Employed Residents Presents Opportunity

Employment by office submarket, ths



Sources: BLS, Census Bureau, Moody's Analytics

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