Yardi Matrix

# National Office Report

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# Return-to-Office Mostly Unchanged in 2024

- While employer-mandated return-to-office policies at well-known companies have garnered plenty of headlines, office utilization data remains mostly unchanged. Downsized office footprints due to remote and hybrid work still appear to be the norm in the office sector.

- Many firms have looked to entice workers back to the office with amenities and other incentives, but for the most part these efforts have come up empty. Some companies have tired of the carrot and have instead decided to embrace the stick. Amazon CEO Andy Jasso announced in a memo that the company expects its workers to return to the office five days a week starting in January, saying, "We continue to believe that the advantages of being together in the office are significant." Earlier this year, Dell announced that remote workers would no longer be considered for promotions. Meta told its employees this summer that attendance will be tracked daily and failing to be in the office at least three days a week could lead to termination.

- While strict mandates from high-profile firms have received news coverage, the needle has yet to move when it comes to vacancy rates and office utilization. Kisi Access Control uses aggregated unlocks to analyze office occupancy. For the week ending on September 30, the national average occupancy was 50.2%. Kisi provides data for Washington, D.C., and the six most populous states. Illinois (56.1%), Texas (54.7%) and Florida (53.2%) all had occupancy above the national average, while California (49.2%), Pennsylvania (47.8%), New York (47.2%) and D.C. (36.6%) were below. Kastle's Back to Work Barometer, which also measures badge swipes, shows similar results. Its most recent reading of office utilization was sitting at 51.4%, roughly where it has been all year.

- Firms may want to push for a return to the office, but remote and hybrid work's prevalence remains widespread. KPMG recently surveyed 1,300 CEOs, and 83% said they expect to move back to five days in office within the next three years, up from 64% of CEOs in last year's survey. Yet actual leasing data—alongside the aforementioned office badge swipes—continues to paint a different picture. CBRE reported that while the total number of leases signed in the first half of 2024 was roughly in line with prepandemic levels, the average lease size was down by more than a quarter. At the same time, new job formation has stagnated, leaving office demand depressed. Office-using sectors of the labor market have grown just 0.4% year-over-year, according to the Bureau of Labor Statistics.