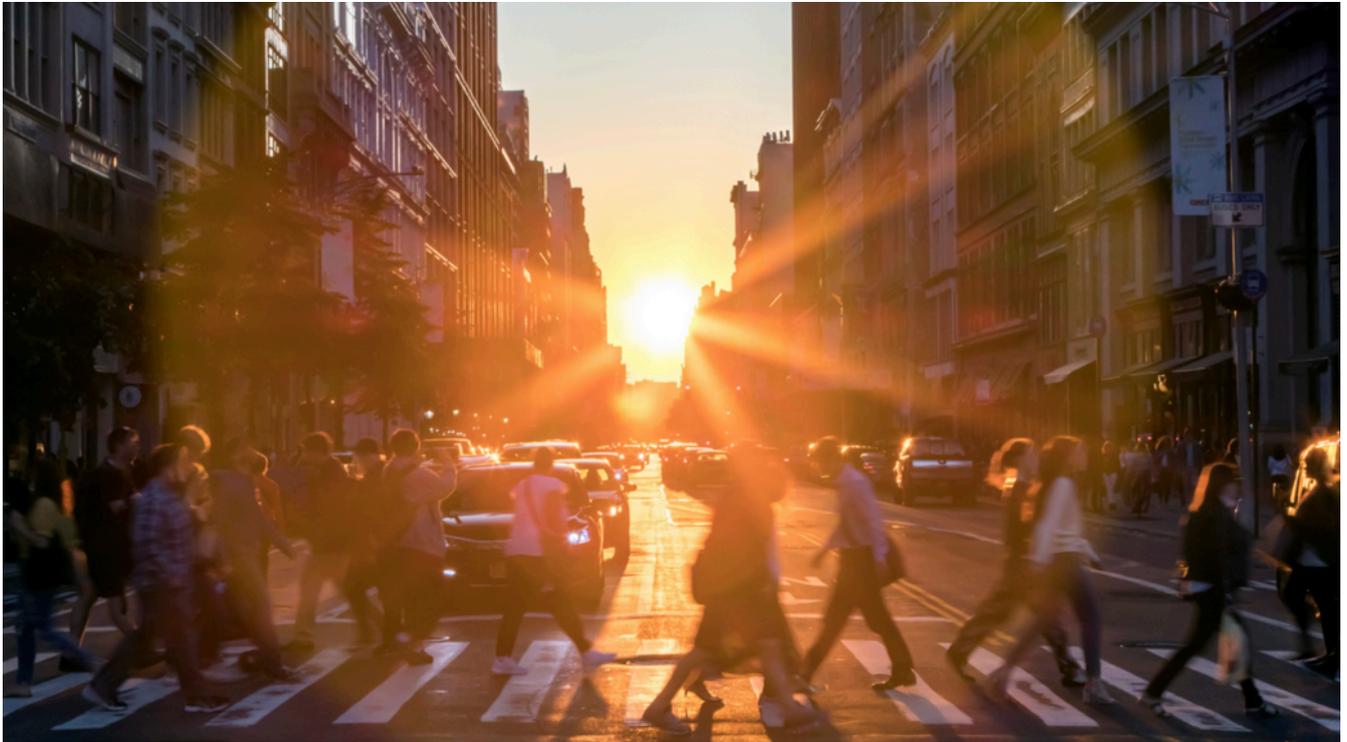


The Positive Impact of a
FULL RETURN TO OFFICE ON

Surrounding Businesses



● **A full return to office work dramatically benefits the businesses that surround office districts.**



MARKET ANALYSIS

by Dan Serakowski

When employees are present in the office five days a week, they generate a steady stream of customers for local restaurants, coffee shops, retail stores, and service providers. This daily influx of office workers leads to higher sales, increased foot traffic, and a more vibrant commercial environment. The positive effects ripple outward, supporting not only individual businesses but also the overall economic health and attractiveness of business districts.

● Economic Gains for Local Businesses



Office workers are a primary driver of increased revenue for local eateries. In-office employees spend an average of \$561 more per month on transportation, dining, and related expenses, with a large share going to food and beverage establishments. **Restaurant revenues have grown by 6% annually since 2021.**

Retail foot traffic in business districts is rebounding, with projections indicating that by this year, it will surpass pre-pandemic levels. Cities like New York have seen retail businesses recover and even exceed previous sales as office.

Coffee shops, dry cleaners, gyms, and salons are among the biggest beneficiaries, as office workers resume daily routines that include morning coffee runs and personal services.



● Foot Traffic and Consumer Spending Patterns



Office occupancy rates in major cities have risen to 65-75% of pre-pandemic levels, directly translating into higher pedestrian activity. During remote work periods, foot traffic was down by 32% compared to 2019; the return to office is reversing this trend

Two-thirds of in-office workers buy lunch from quick-service restaurants during the workweek, compared to just over half of remote workers. Coffee shops, delis, and restaurants have seen a resurgence in morning and midday sales as office routines return.

Higher office attendance also boosts after-work **dining, happy hours, and retail shopping**, further supporting local businesses.

● Real Estate and Commercial Property Benefits

Office properties in high-occupancy, mixed-use districts command a **71% premium per square foot** compared to traditional office properties. **Cap rates are lower**, indicating higher investor confidence. Offices in vibrant districts enjoy a 32% rent premium and lower vacancy rates (12.5% vs. 22.5% in traditional markets). **New developments lease up twice as fast and stabilize at higher occupancy.**

Most new office development is now concentrated in these thriving districts, with institutional investment and revitalization of commercial areas accelerating. **In 2025, Manhattan Financial District office demand surged 36% month-over-month.**



● Revitalizing the Urban Core

The return to full-time, in-person office work is a powerful catalyst for economic growth in business districts. It drives higher revenues for local businesses, increases foot traffic, boosts real estate values, and revitalizes entire commercial areas. Real-world examples from cities like New York, Chicago, and Nashville demonstrate that a vibrant office culture is essential for the prosperity of surrounding businesses and the broader urban economy.

A full return to the office is not just good for employers and employees—it's a lifeline for the restaurants, shops, and service providers that make business districts thrive.



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