



Commercial to Multifamily Conversions in North American Cities

Research & News Anthology

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Introduction

The COVID-19 pandemic heavily impacted the commercial real estate industry. Office workers began to work from home, and many downtown business districts across the country shut down temporarily or indefinitely. While restrictions have been lifted and downtown areas are again open, there has been a shift to remote or hybrid work models, impacting commercial real estate occupancy and needs. As of July 2023, demand for office space has yet to return to pre-pandemic levels. At the same time, multifamily demand is booming, due to housing shortages across the country particularly but not limited to affordable housing.

As a solution to the persistent office vacancy rates and declining multifamily vacancy rates, many cities and developers have begun to explore the concept of commercial-to-residential conversions. Conversion projects repurpose existing commercial buildings, typically offices, into multifamily residential buildings. The trend is growing in the news, in research, and in local policy.

This anthology seeks to compile existing research reports, industry insights from major real estate companies, national news articles, local news articles, and state and local policies surrounding the topic of commercial-to-residential conversions. In total, the anthology is a snapshot of the conversions trend at the current moment. It can be used to understand the general feasibility of conversions and the key markets in which conversions are on the rise.



KEY TERMSⁱ

Conversion – A building that is changed from one use to another (i.e., an office building that is converted to a multifamily building).

Floor plate – The gross square footage of each floor in a multistory building. Individual floor plate sizes may vary according to the design of a building.

Vacancy rate – A measurement expressed as a percentage of the total amount of vacant space divided by the total amount of inventory.

Source: NAIOP

Executive Summary

- **Conversions are trending in the news, not necessarily in practice:** Recent news and reports indicate significant interest in the topic of conversions, and conversion activity seems to have increased. That being said, the number of conversion projects appears relatively low, based on published reports. A 2023 study states that conversions have comprised only 1 percent of multifamily deliveries over the past 20 years.ⁱⁱ Another study, however, found significant growth in conversions post-pandemic and concluded there is a bright future for adaptive reuse.ⁱⁱⁱ For purposes of this anthology, we did not undertake to compare the various studies quantifying conversion numbers or rates, and note that the studies use different data sources, methodologies, and definitions of conversion projects. Nonetheless, as the housing crisis persists, there is expected to be continued conversion activity.
- **Conversions can be difficult and expensive to achieve:** Consensus from developers seems to be that conversions are only financially feasible in older, smaller, and more vacant office buildings. In fact, research suggests a small proportion – around 3 percent – of commercial buildings are suitable for residential conversion.^{iv} When conversions do occur, developers sometimes must gut the entire building because physical characteristics of the building, such as floor plates, are incompatible with multifamily use, incurring high costs.
- **Typical conversions produce luxury apartments, not affordable housing:** Conversion projects typically result in luxury apartments with high rents. Contributing factors may include the high costs of conversions and zoning and planning regulations that do not require affordable or mixed-income housing in such projects.
- **Feasibility of conversions depends on local market:** Conversions are more feasible in dense cities with zoning regulations and financial incentives that support conversions.
- **There is a greening opportunity:** If a building must be gut renovated to achieve the conversion, this creates an opportunity to turn it into a high-performance building to save operating costs and comply with upcoming regulations such as building performance standards, as well as support human health and utilize green infrastructure to reduce impacts on water resources and urban heat islands.

National Research Reports & Industry Insights

This section highlights the most cited national research reports and industry insights from leading commercial real estate and architecture firms regarding the conversions trend in the U.S.

[Behind the Façade: The Feasibility of Converting Commercial Real Estate to Multifamily](#)
Urban Land Institute and National Multifamily Housing Council, January 2023

Urban Land Institute (ULI) interviewed developers of nearly 30 projects in the United States to glean details about the conversion process. Based on the interviews, this report provides observations and conclusions about the feasibility of converting commercial real estate (CRE) to multifamily.

The report finds successful conversion projects can occur in both large and small cities, across the full spectrum of project costs, with or without vacancy at the point of acquisition. Each conversion project is unique, facing its own set of local zoning regulations, financing options, and physical obstacles such as floor plates and HVAC. The report concludes that conversions can be feasible, although the pace and extent of future conversions depend on the local market and the willingness of owners to sell seemingly obsolete buildings or undertake conversions.

[The Rise and Fall of Office to Multifamily Conversions: A Real Estate Investigation](#)
CBRE, March 2023

CBRE Econometric Advisors, CBRE’s forecasting research group, developed this insight report on office-to-multifamily (OTM) conversions using proprietary data. CBRE’s analysis finds that OTM conversions are rare, making up around 1% of multifamily deliveries over the past 20 years. Despite high office vacancy rates and declining multifamily vacancy rates since COVID-19, there is no evidence that OTM conversions have significantly increased. The report posits that the number of conversions remains low because conversions are expensive and likely not covered by net operating income (NOI).

When conversions do occur, this analysis finds that conversion projects from 2000-2022, on average, took place in much older buildings with smaller floor plates and higher vacancy rates, as shown in the following table from the report:

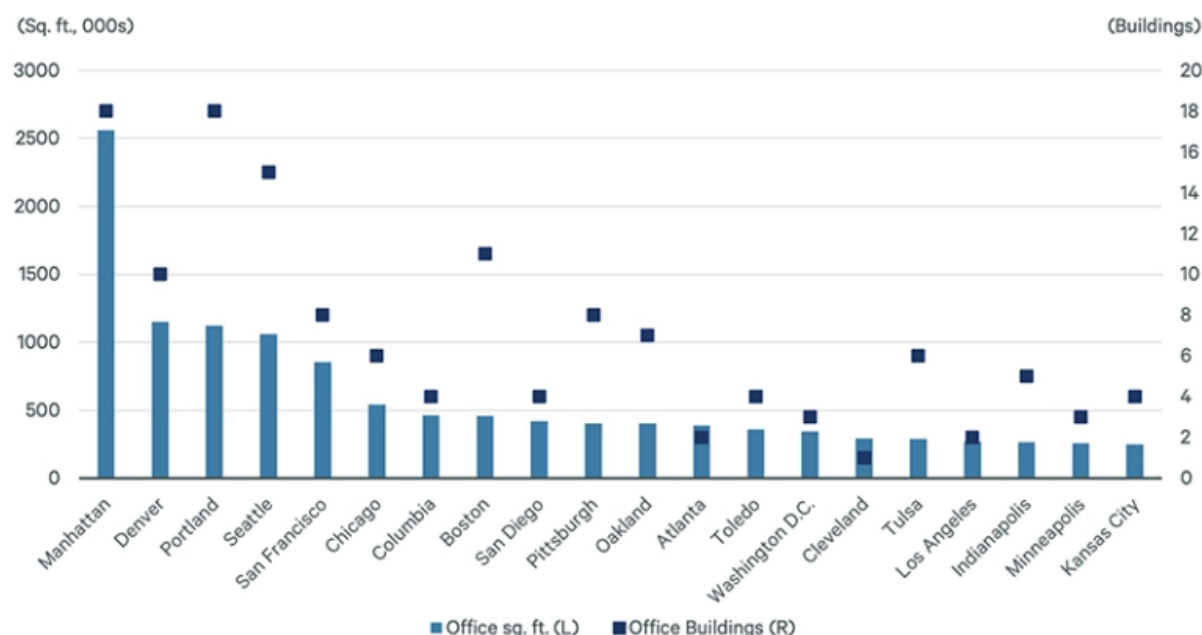
	Median Year Built	Avg. Floor Plate (Sq. ft.)	Avg. Building Vacancy Before Conversion
Conversions	1941	13,128	57%
All Office	1989	19,750	14.3%

*2000-2022, all markets. Data from Dodge Data & Analytics; All office vacancy rate is the average vacancy rate for the Sum of Markets from 2000 to 2022.

The report concludes that markets with high multifamily demand, government incentives aimed at historic restoration, and/or many smaller, older, and more vacant office buildings have the highest potential for OTM conversions. The below figure from the report ranks U.S. markets by the number

of downtown office buildings that are more than 50% vacant, have a floor plate less than 15,000 sq. ft., and were built before 1980, all representing CBRE's criteria for a feasible candidate for conversion. According to the figure, the markets with the most square footage of office buildings that are candidates for conversion include Manhattan, Denver, Portland, Seattle, and San Francisco.

Figure 5: Markets with Most Candidates for Conversion



Source: CBRE EA, Q4 2022.

[Analysis and Case Studies on Office-to-Housing Conversions](#)

National Association of REALTORS® Research Group, November 2021

National Association of REALTORS® (NAR) Research Group undertook an analysis of how vacant office buildings are being converted into housing using CoStar market data. Based on the assumption that a conversion is economically feasible in markets where apartment rents (Class A) are higher than current Office Class B/C rents, NAR's analysis finds that 22 out of 27 metros heavily impacted by the pandemic have market conditions that make office-to-housing conversions feasible.

NAR's analysis also finds the following markets have potential to create the greatest number of housing units from office conversions: New York (7,484), Chicago (5,688), Los Angeles (4,200), Orange County (3,065), Boston (2,808), Atlanta (2,799), Philadelphia (2,733), Minneapolis (2,081), Denver (2,009), and Seattle (1,709).

[Matrix Office National Report-July 2022](#)

YardiMatrix, July 2022

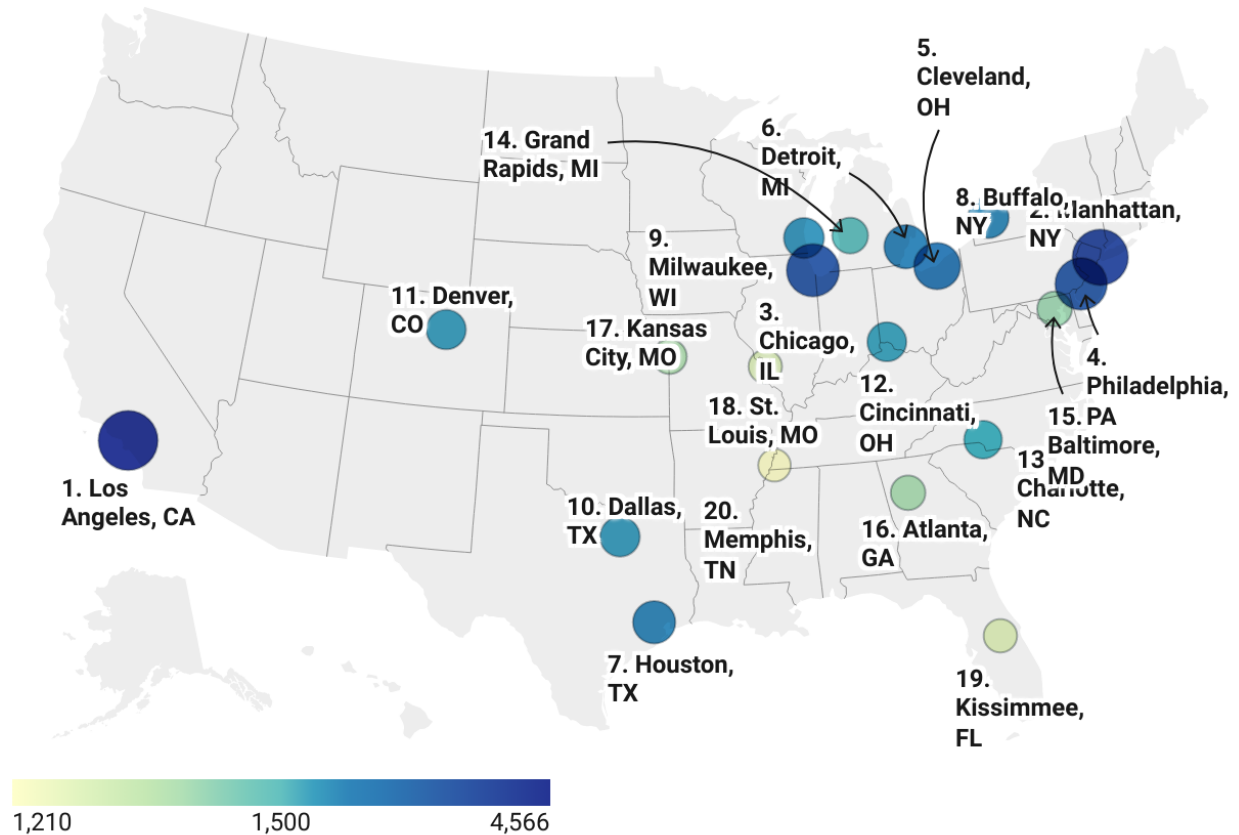
Commercial real estate data and research company Yardi Matrix's July 2022 National Office Report provides insights on conversions using Yardi Matrix property data. According to the report, office-to-residential conversions have proven difficult because most projects are not profitable and face serious logistical challenges. Large floor plates are the most prominent logistical challenge, because they reduce the number of units a building can support due to limited natural light exposure in each unit. Additionally, the report shows that most successful conversions are high-end projects in East Coast markets such as Manhattan and DC. Yardi Matrix expects conversions to continue at their current pace and as a luxury niche, unless there are deep discounts on obsolete office buildings or governments provide substantial incentives for conversions.

[Apartments From Adaptive Reuse Projects to Exceed 120,000 in Upcoming Years, Despite Recent Slowdown in Office Conversions](#)

RentCafe, July 2023

RentCafe used data from sister company Yardi Matrix to analyze the growth of commercial-to-apartment conversions. According to RentCafe's analysis, adaptive reuse apartments, or apartments converted from office buildings, hotels, factories, healthcare buildings, warehouses, and other commercial spaces, increased at a rate faster than new apartments in 2020-2021, and conversions are at an all-time high. The data reveals over 122,000 apartments currently under conversion or in the planning stages, with Los Angeles leading the country in number of expected future apartment conversions according to the figure below. RentCafe concludes that the future of adaptive reuse is bright.

Top 20 Cities for Future Apartment Conversions



Future apartment conversions include under construction, planned, and prospective units. Data is subject to change.

Source: RentCafe analysis of Yardi Matrix data • Created with Datawrapper

[New Uses for Office Buildings: Life Science, Medical and Multifamily Conversions](#)

NAIOP Research Foundation, March 2022

This NAIOP Research Foundation report conducted a review of recent publications and market data on office conversions and interviewed developers, architects and other commercial real estate professionals to provide an overview of the key considerations that go into converting an office building to a life science, medical office or multifamily use. According to the report, office-to-multifamily conversions are feasible in markets where multifamily vacancies are lower than office vacancies, rent levels are at least comparable, and multifamily rent growth is expected to exceed office rent growth. Additionally, the report highlights the advantages of converting an existing office building over new construction, including easier-to-obtain permits, lower material and labor costs, shorter time to complete, and greater environmental sustainability.

[Myths about converting offices into housing—and what can really revitalize downtowns](#)

Brookings Institution, April 2023

This research report from the think tank Brookings Institution evaluates the myths and realities of five common arguments for converting offices into housing, ultimately arguing that conversions can be a positive strategy for downtown revitalization but only one tool of many. Brookings provides the following recommendations for cities based on their analysis:

1. Make it easier to build new housing on vacant and underutilized lots in downtowns and surrounding neighborhoods.
2. Provide tax incentives for conversions only when they are also available for new construction.
3. Only consider public funding for conversions in the form of forgone tax revenues, not direct subsidy, and make sure any subsidies are tied to public benefits.
4. Identify opportunities for office conversions in all districts, not just downtown.
5. Make it easier to build new buildings and change existing ones.
6. Leverage downtowns' locational advantages for a range of other strategies to revitalize them.

[What We've Learned by Assessing More Than 300 Potential Office-to-Residential Conversions](#)

Gensler, June 2022

This article from global architecture firm Gensler analyzes the firm's work on conversions. Gensler has assessed over 300 office buildings across 25 North American cities to determine their viability for residential conversion. According to Gensler, only 30% of the buildings assessed are feasible candidates for conversion. Additionally, buildings with undesirable features for an office space such as low floor-to-floor height make for luxurious, desirable multifamily spaces.

In the News

This section highlights a few national news articles reporting on the growing trend of office-to-residential conversions.

[Will office-to-residential conversions save America's downtowns?](#)

The Week, April 2023

This article in The Week summarizes the recent news media buzz around office-to-residential conversions, citing the [Associated Press article](#) below among others. The article posits that while there is significant interest in conversions, state and local government policies are necessary to make conversion projects more financially feasible across the board.

[Cities reviving downtowns by converting offices to housing](#)

Associated Press, April 2023

This AP News article covers the office-to-residential conversion trend being pursued by cities looking to revitalize struggling downtown districts post-pandemic. A similar sentiment is shared among interviewees in the article, that living in a downtown business district may lack a sense of culture and vibrance, as well as nearby green space, mid-size affordable grocery stores, and other services typical of residential districts.

[Politics plus logistics could block widespread office-to-housing conversions](#)

Politico, April 2023

According to this article in Politico, conversions remain difficult and expensive to achieve. Politico covers the strategies used to incentivize conversions in several cities, including NYC, Chicago, San Francisco, and DC. Common strategies include removing regulatory barriers to conversions and providing tax breaks for conversions given a certain percentage is set aside for affordable housing. The article further contemplates the value of affordable housing provisions given the high cost of conversions.

[Are Residential Conversions the Future for Underused Office Towers?](#)

Metropolis Magazine, January 2023

Metropolis Magazine interviewed real estate developers across the country to better understand the growing conversions trend. In general, developers are paying close attention to the trend, but the price numbers and building structure itself must be just right for the project to be viable.

[What Would It Take to Turn More Offices Into Housing?](#)

New York Times, December 2022

This New York Times article covers the growing conversions trend, citing the [report from Moody's Analytics](#) (see Key Markets section below) among others. The article highlights the features of office buildings that make them difficult to convert to residential, and the desire from building owners for government incentives to help ease office-to-housing conversions.

[Why empty offices aren't being turned into housing, despite lengthy vacancies](#)

NBC News, July 2021

This NBC News article covers the growing conversions trend and the difficulties of executing a conversion, especially related to cost and bureaucratic processes. According to NBC News, planning departments in San Francisco, San Jose, Seattle, Phoenix, New York, Fort Worth, Dallas, and Houston reported very few attempts to convert existing offices into housing. The article concludes that conversions mainly work in dense cities where land is at a premium, the building type is suitable, and the apartments will be rented at high market-rate prices.

Key Markets

Conversions are on the rise in many local markets. This section highlights recent research reports, policies, and local news articles about the rise of conversions in a few key cities and states.

Market leaders include Boston, Calgary, California, Chicago, New York City, Portland, Washington DC, and Wisconsin. They are seeing an uptick in conversion projects and have already passed policies and/or conducted feasibility studies on conversions. *Policies mentioned below will be the focus of a forthcoming companion brief.*

Emerging markets include Atlanta, Denver, Kansas City, and Philadelphia. They are beginning to see an uptick in conversion projects and are seeking to pass policies and/or conduct feasibility studies on conversions.

While this section is not comprehensive of every market experiencing conversion projects, it aims to show how far conversions have spread across North America.

Market Leaders

BOSTON, MA

[Wu Offers Big Tax Breaks for Housing Conversions](#)

Banker & Tradesman, July 2023

This article in Banker & Tradesman, a Massachusetts-based real estate and financial newspaper, covers a new program from the Mayor Wu administration that will grant tax breaks of 75% for up to 29 years for downtown Boston office buildings that convert to housing. To qualify for the program, developers must meet certain affordability requirements as well as Boston's new opt-in stretch energy code, which requires new construction to be all-electric or pre-wired for electrification.

CALGARY, AB

[Opinion: The model city for transforming downtowns? It's in Canada.](#)

Washington Post, May 2023

This article in the Washington Post highlights Calgary, Canada's journey to revitalize downtown. According to the article, the heart of Calgary's strategy was passing an incentive for office-to-residential conversions but ensuring developers cannot access the funds from the incentive program until the building opens for residents. The revitalization plan has quickly and successfully transformed downtown Calgary, and the article highlights stories of a few conversion projects and words from developers who are encouraged by the growth.

STATE OF CALIFORNIA

[Strip Malls to Homes: An Analysis of Commercial to Residential Conversions in California](#)

UC Berkeley Turner Center, November 2021

The Turner Center for Housing Innovation at the University of California, Berkeley developed this paper to better understand the potential for commercial-to-residential conversions in California. The paper estimates the amount of housing recently built and likely to be built on commercial lands in California's four largest metro areas using county assessor data from 2014 and 2019.

According to the paper, conversions comprised significant amounts of overall housing growth in areas where conversions are likely explicitly allowed, for example 13.8% of net housing growth in Los Angeles compared to 0.6% growth in San Francisco; thus, conversions are region dependent. Additionally, the paper estimates only slightly more housing to be built over the next five years on commercial land, comprising just 4% of housing production goals.

[California governor signs laws to boost housing production](#)

Associated Press, September 2022

In September 2022, California Governor Gavin Newsom signed two laws that ease the commercial-to-residential conversion process in California. One law allows developers to build housing on certain commercial land without needing permission from local governments, as long as a certain percentage of the housing is affordable. The second law allows developers to build all market-rate housing on certain commercial land, with no affordability requirements, as long as the project goes through an environmental review process. This Associated Press article covers the two new laws and other efforts to increase housing production in the state.

[California's \\$400 Million Office-To-Housing Conversion Fund Lures Investor Applicants](#)

CoStar News, March 2023

This news article from CoStar states that over 50 developers and investors have applied so far for California's \$400 million in funding for converting offices to affordable and market-rate housing. The new California program, approved in the 2022-23 California budget, is meant to incentivize conversions throughout the state, which CoStar News describes as “among the most ambitious plans in the U.S. to spur this sort of real estate conversion.”

[New bill aims to convert California's offices into housing](#)

Orange County Register, March 2023

This article in the Orange County Register, a daily newspaper based in Orange County, CA, highlights a newly introduced bill that would encourage conversions in California. Introduced by California Assembly member Haney, from San Francisco, the Office to Housing Conversion Act would speed up the permitting process for conversions, allow conversions in all areas regardless of local zoning regulations, and require conversions to set aside 10% of units for affordable housing.

CHICAGO, IL

[Chicago to Convert Famous Business District Office Buildings to Apartments](#)

Wall Street Journal, October 2022

In 2022, the City of Chicago launched a new program seeking to incentivize the adaptive reuse of underutilized office buildings in the LaSalle Street corridor, a major business district in the city. According to this article in the Wall Street Journal, the City of Chicago will provide tens of millions of dollars in financial assistance to select conversion projects, particularly high-vacancy projects that are designated historic landmarks.

NEW YORK CITY, NY

[New York City Office Adaptive Reuse Study](#)

Office Adaptive Reuse Task Force, January 2023

In 2022, New York City assembled a task force to develop recommendations for facilitating the conversion of underused office space into new housing, which are outlined in this report released in early 2023. The recommendations include easing regulations that govern adaptive reuse of office buildings and consideration of a tax incentive to support the inclusion of affordable housing in conversions. Expanding flexible conversion regulations are estimated to ease the conversion process for an additional 136 million square feet of office space in NYC. The task force calls for its recommendations to be implemented via statutory changes in the 2023 New York State legislative session and through a city zoning text amendment for any other necessary regulatory changes.

See more in the [press release](#).

[Why Office-to-Apartment Conversions are Likely a Fringe Trend at Best](#)

Moody's Analytics, April 2022

This analysis from commercial real estate data company Moody's Analytics uses New York City as a case study for understanding the feasibility of conversions. According to Moody's, only about 3% of NYC office buildings are viable for apartment conversions, and the vast majority of those are class B/C offices. This is because few office buildings sell for low enough prices to warrant a profitable apartment conversion for a prospective developer, and because a significant amount of space in an office building with deep floor plates may be rendered unusable in a multifamily building given the limited natural light.

Moody's predicts an office building with a floor plate of less than 14,000 sq. ft. may be a good candidate for conversion, depending on the building shape, as well as an office with rent much lower than the median apartment rent and above average vacancy. Because only 3% of NYC office buildings meet Moody's criteria, Moody's concludes that "the office-to-apartment conversion trend will likely be a minor one, unless office values and rents see some major, permanent decline after the pandemic."

[New Glut City The city's mega-office landlords are panicking, pivoting, and shedding what's worthless. One opens his books.](#)

Curbed, July 2023

This featured article in Curbed, which is part of New York Magazine, tells the story of major real estate developers in New York City who are navigating the new post-pandemic normal of vacant office spaces. Many commercial real estate owners now face the decision of whether to wait for office demand to return, to convert office buildings to residential, or even to abandon vacant office buildings altogether. Overall, the article depicts how the New York City real estate market is changing and how conversions can be a viable solution for developers to consider, especially in Manhattan's Financial District.

[The country's biggest office-to-apartment conversion is underway inside the old Daily News office](#)

Gothamist, April 2023

This news article in Gothamist, a nonprofit newsroom owned by New York Public Radio, covers the biggest office-to-residential conversion project to-date in the US. According to the article, the empty office building in Lower Manhattan will house more than 1,300 apartments. The article highlights the owners' plans for the conversion and concludes with a call from activists for more affordable housing incentives for conversions in NYC, given that none of the apartments will have rents capped for low-income tenants.

[The Legalities of Office-to-Residential Conversions: What You Need to Know](#)

Commercial Observer, February 2023

Stroock & Stroock & Lavan LLP, a NYC-based law firm, provides an overview of the legal considerations behind conversions in NYC. Conversion projects in NYC must consider compliance with Local Law 97 given changing property types; while office spaces have a higher carbon emissions limit than multifamily by about 10% in the 2024 to 2029 compliance period, that flips over the years, with multifamily having about a 350% higher emissions limit than office spaces from 2040 to 2050. The article cites Rusty Pomeroy, special counsel at Stroock, who says "if you have the opportunity to gut renovate a building, you can make that building a very high energy performing building, and that's going to reduce your expenses down the road with respect to energy use and potential Local Law 97 penalties."

PORTLAND, OR

[Portland City Council approves incentives to help convert office buildings into apartments](#)

OPB, March 2023

According to this news article in OPB, a news media company serving Oregon and parts of Washington, Portland City Council recently passed two incentives encouraging conversions in downtown Portland. The first incentive exempts office-to-residential conversions from paying system development charges, which often cost tens of thousands of dollars. The second incentive lowers the seismic improvement standards for conversion projects, thereby lowering the cost of required seismic retrofits while still maintaining a high standard of safety.

WASHINGTON, DC

[Assessment of Commercial to Residential Conversions in the District of Columbia](#)

DC Office of Planning, November 2020

In late 2020, the DC Office of Planning assessed the District's real estate market to evaluate the potential for office-to-housing conversions. According to the analysis, potential for conversion is highest in the Rock Creek West Planning Area, and buildings ripe for conversion have specific characteristics. DC Office of Planning recommends that future analyses should examine specified building types and areas in DC for conversion opportunities.

[DC Mayor Muriel Bowser wants to expand tax breaks for developers turning empty downtown offices into much-needed housing](#)

Business Insider, May 2023

Business Insider reviewed DC Mayor Muriel Bowser's proposal to incentivize commercial-to-residential conversions. According to the news article, Mayor Bowser has proposed in her fiscal 2024 budget expanding a 20-year property tax break for office-to-residential conversions from \$6.8 million in 2027 to \$41 million in 2028. Known as the Housing in Downtown (HID) Abatement, this tax incentive would help encourage developers to transform commercial buildings to residential and address the housing shortage in DC.

[Hundreds of D.C. office buildings are ripe for conversion to residential, study finds](#)

Washington Business Journal, May 2023

This article in Washington Business Journal, which covers business news in Washington, DC, highlights findings from a recent study conducted by commercial real estate services firm Avison Young. The Avison Young study surveyed 26,000 office buildings constructed pre-1990 with 15,000 sq. ft. floor plates to understand the prospects for residential conversions. According to the study, 9,000 buildings could be prime for conversion, up to a third of the buildings surveyed. 322 of those buildings are located in Washington, DC, which accounts for nearly 40% of the city's stock of buildings larger than 25,000 sq. ft.

[D.C.'s office-to-residential pivot is happening](#)

Axios, March 2023

Axios published this news article in March 2023 to highlight the growing number of office-to-residential projects in Washington, DC. According to Axios, nearly 2,500 new apartments are in the works (383 currently under construction, 2,105 part of upcoming projects). The article also shows a map of where the projects are occurring; most are concentrated downtown, but conversions exist from Southwest DC to north of Dupont Circle.

STATE OF WISCONSIN

[Wisconsin bills promote conversions of vacant offices, big boxes into affordable housing](#)

Milwaukee Business Journal, May 2023

According to this article in Milwaukee Business Journal, Wisconsin state legislators have proposed bills in the 2023-24 legislative session that would grant no-interest state loans of up to \$1 million to developers seeking to convert office buildings to affordable housing.

Ed. note: [Assembly Bill 268](#), An Act to create 234.662 of the statutes; Relating to: commercial-to-housing conversion revolving loan fund and loan program, was enacted into law on June 23, 2023.

Emerging Markets

ATLANTA, GA

[Downtown Atlanta groups seek plan to convert old offices into housing](#)

Atlanta Journal-Constitution, March 2023

This article in the Atlanta Journal-Constitution provides background on the growing office vacancy rate in downtown Atlanta as context for a recent request for proposals from two prominent downtown Atlanta organizations on how to convert old office buildings into housing. The organizations Central Atlanta Progress (CAP) and Atlanta Downtown Improvement District (ADID) seek a feasibility study to understand how much of the city's obsolete office space is viable for residential conversion.

DENVER, CO

[Can converting empty offices to apartments solve Denver's housing shortfall?](#)

Denver Post, April 2023

This article in Denver Post, daily newspaper in Denver, CO, covers the state of conversions in Denver. The city is spending \$75,000 on a feasibility study to determine whether residential conversions are practical for up to 30 downtown, underperforming office buildings.

KANSAS CITY, MO

[Rags to residential: Foutch's Northland office conversion could support \\$100M in new apartments](#)

Kansas City Business Journal, June 2023

This article in Kansas City Business Journal highlights a new office-to-apartment conversion project in the Northland, Kansas City.

PHILADELPHIA, PA

[A Center City office building will be converted into 120 apartments](#)

PhillyVoice, May 2023

This news article in PhillyVoice, local newspaper in Philadelphia, PA, covers the story of one conversion project in Philadelphia, an eight-story office building that is being converted to an apartment complex with 120 units, followed by exploring the office-to-residential conversion trend in Philadelphia.

Federal Support

Amidst growing interest in office-to-residential conversions over the past few years, the U.S. Federal government has begun to provide greater support for conversions.

[Biden-Harris Administration Announces Actions to Lower Housing Costs and Boost Supply](#)
The White House, July 2023

According to this White House press release, the Biden-Harris Administration is planning to launch a new interagency working group that will advance federal funding opportunities for commercial-to-residential conversions, leveraging existing investments from the Inflation Reduction Act and Bipartisan Infrastructure Law, among others. The press release also states that the General Services Administration will identify federal properties that are most feasible for commercial-to-residential conversions.

[HUD Announces Research Grant Opportunity and Event Focused on Office-to-Residential Conversions](#)
U.S. Department of Housing and Urban Development, July 2023

This press release from the U.S. Department of Housing and Urban Development (HUD) announces a new notice of funding opportunity (NOFO) from HUD to study office-to-residential conversions and develop case studies of recent conversion projects. The press release cites Solomon Greene, Principal Deputy Assistant Secretary for Policy Development and Research, who states that “There has been a surge in interest in office-to-residential conversions since the pandemic-induced shift to remote work and as many cities face a softening demand for office space and escalating demand for housing. Research highlighted at the event and supported by this NOFO will help the field to understand the financial and structural barriers associated with conversions and will provide key stakeholders with examples of how best to overcome them.”

Also see: [HUD Quarterly Update on Office-to-Residential Conversions virtual event](#)

Endnotes

ⁱ NAIOP, Industry Terms and Definitions, available at <https://www.naiop.org/education-and-career/industry-terms-and-definitions>.

ⁱⁱ CBRE, The Rise and Fall of Office to Multifamily Conversions: A Real Estate Investigation (2023), available at <https://www.cbre.com/insights/viewpoints/the-rise-and-fall-of-office-to-multifamily-conversions-a-real-estate-investigation>.

ⁱⁱⁱ RentCafe, Apartments From Adaptive Reuse Projects to Exceed 120,000 in Upcoming Years, Despite Recent Slowdown in Office Conversions (2023), available at <https://www.rentcafe.com/blog/rental-market/market-snapshots/adaptive-reuse-apartments/>.

^{iv} Moody's Analytics, Why Office-to-Apartment Conversions are Likely a Fringe Trend at Best (2022), available at <https://cre.moodyanalytics.com/insights/cre-trends/office-to-apartment-conversions/>.