



How Feasible Is It to Turn Office Buildings Into Apartments?

Increasingly cited as part of the way to solve the affordable housing crisis, an architect who specializes in office-to-residential conversions explains exactly what makes a good one.

Text by

Anjolie Rao

The U.S. housing crisis continues on, despite high rates of new, multifamily construction, reads [a recent report](#) from the Harvard Joint Center for Housing Studies. While multifamily housing construction has reached a 50-year high, the majority of units constructed remain unaffordable. As [reported at *Vice* by Roshan Abraham](#), this increased supply should, theoretically, ease the pressure of rent growth, but preserving affordability remains complex based on local and regional challenges, resulting in a nation-wide decrease in affordable rental units. And though rent growth has slowed since its pandemic jumps, the number of affordable unit losses has yet to be replaced.

At the same time, new reports across U.S. urban areas are citing high vacancy rates in office buildings. Last week's [New York magazine cover story](#) paints a bleak picture of Manhattan's commercial real estate glut, a troubling sign for building owners who have seen tenants opting out of leases in class B and C properties—those [older, unmodernized or less geographically-desirable buildings](#)—in favor of newer, amenity-rich spaces that attract pandemic-weary workers back to the office. [Similar reports](#) are coming out of places like Dallas and Denver; Dallas's business district vacancy rate [has reached 31 percent](#) and Denver's 20 percent, compared to the national vacancy rate of 17 percent. These coupling crises have added to a conversation provoked by the pandemic, prompting architects to explore alternative futures for these buildings, such as potentially converting them into housing.

Take Chicago, which is currently embarking on a large-scale conversion plan for underutilized office towers: [LaSalle Street Reimagined](#), piloted by former Mayor Lori Lightfoot, aims to transform five properties into mixed-income housing. Most of these are pre-World War II buildings that have contributed to the downtown's 22 percent office vacancy rate. Again, in a coupling crisis, [a new report](#) from the Institute for Housing Studies at DePaul University showed that substantial declines in affordable housing stock in the city have created one of the

largest affordability gaps in decades.

LaSalle Street Reimagined could potentially add an additional 600 affordable apartments to the meager subsidized housing located in the Loop. "I do think an area like downtown where you don't have a lot of existing affordable rental housing is an area where you need to develop more of it. And especially when you think about the accessibility to other parts of the city based on the transit network and other types of amenities that might be available," IHS executive director Geoff Smith told WBEZ last week.

But how feasible is this? Sheryl Schulze, a principal at architecture and planning firm Gensler, has been studying such office-to-residential conversions in cities like Calgary, where in 2020, the firm led a conversion feasibility study of downtown class B and C office properties. They developed an algorithm that quickly evaluates and 'scores' building qualities and metrics that present challenges to conversions—large floor plate sizes that make it difficult to divide into apartments with adequate light; facade challenges due to inoperable windows; inadequate parking, if it is required, and more. Since then, they've expanded their conversion studies to more than 700 buildings in 25 cities in the U.S and Canada, such as the recently-renovated Philadelphia's Franklin Tower; and 36 buildings in San Francisco, a city recently named "the most empty downtown in America" by The New York Times' The Daily podcast. Older buildings, she says, are the sweet spot.

"Vintage buildings that have smaller footprints, certainly under 30,000 square feet, seem to do well," she says.

Transforming these buildings into affordable housing will be costly with required subsidies to keep those apartments affordable, and expensive retrofitting only adds to that cost. Schulze believes that private-public partnerships can ease the

burden. Cities provide the incentives to meet affordability requirements, and building owners create partnerships with outside industries. "Some of the work that needs to be done to these buildings can be cost prohibitive, and people can't go it alone. But if they've got a partner, they can reinvest in this neighborhood," she explains.

Rather than seeing a class B or C building as potentially solely a residential property, she recommends thinking of a building as an ecosystem, bringing food and beverage, retail, healthcare, or even public amenities like library branches into the project to shore up both financial commitments.

"There's a larger play than just residential for existing building stock, and that is going to balance out the ecosystem that we need to have neighborhoods that can thrive," she explains. Affordable housing could then co-exist next door (or a floor up) from job centers and retail. But, Schulze believes that this work must start now; building owners should view municipalities as collaborators in this project to prevent the "doomsday" scenario that is painted through the coupled vacancy and affordability crises. If we don't, she says, that crisis will only spread. "If we don't make these buildings viable, from a tax base, cities are going to be in trouble: it's going to impact transit, garbage collection, they're not going to be able to offer city services," she says. "We just can't wait until these buildings become devalued." Making a plan for a city's future shouldn't just address what's new and shiny—and ultimately unaffordable.

This piece has been updated to correct the scope of Gensler's work.

Top Photo by Alexander Spatari/Getty.

Related Reading: