Nearly 20% of All Six-Figure Jobs Now Remote, Study Finds

Career Website Says 'Life-Changing Shift' Is Progressing Rapidly, a Discouraging Sign for US Office Market

About 20% of all high-paying professional jobs are now remote, according to career website Ladders. (Getty Images)

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In a worrying sign for the struggling U.S. office market, especially in major cities such as New York, a study found 18% of all high-paying professional jobs are now remote.

Over 20 million professional employees will not return to the office after the outbreak of COVID-19 as another 3 million jobs have moved to being permanently remote in the fourth quarter, according to a remote-work report from Ladders, a career website for jobs that pay at least six figures.

The report tracks remote-work data from North America's largest 50,000 employers.

Ladders said, heading into the new year, the number of professional remote-work opportunities jumped again.

"This life-changing shift to remote work is progressing even more rapidly than anyone thought it would," Ladders CEO Marc Cenedella said in a company blog post.

While remote work was around even before the pandemic, with about 4% of high-paying jobs available remotely, COVID-19 has sharply accelerated that pace.

By the end of 2020, that percentage jumped to 9% before it doubled again to about 18% at the end of 2021, Ladders said, adding there are now nearly 156,000 six-figure jobs available that are remote.

The jobs website expects more than a quarter of high-paying jobs will be available remotely by the end of this year.

Even though many big companies, especially in the tech space, have predicted workers will return to offices, Ladders said its data doesn't support that.

"They are fooling themselves," Cenedella said. "Even companies predicting mass returns to in-office work are hiring remote workers right now. … This is an underlying permanent shift that people are not taking seriously enough. It's the largest change in American working and living arrangements since World War Two."

Large companies having invested "trillions of dollars" in real estate, and not wanting to see those investments wasted is a major reason behind employers' insistence that their workers return to the office, he said.

The data adds to lingering concerns for the pummeled national office market, especially as the latest omicron variant of COVID-19 has further set back the return-to-work pace.

Security firm Kastle Systems' keycard swipe data released this week shows that New York's office use rate in the holiday-shortened week through Dec. 29 tumbled by 10 percentage points to 10.6%, while a 10-city average nationwide saw office utilization rates slump by nearly 13 percentage points to 17.5%.

The U.S. office vacancy rate has risen to 12.3%, the highest level in at least five years, according to CoStar data. In the top market of New York, the rate is at a record high of 11.9%.

Demand for In-Person Collaboration

Despite the study's findings, many employers have pointed to the value of in-person collaboration and the corporate culture offered in an office that can't be replicated through Zoom and other online meetings. Many leasing activities have also shown both established and startup companies continue to desire a physical office space despite the growing trend of employees working just some days of the week in the office.

In-person interactions were cited as a major reason behind Touro College and University System's announcement this week that it signed a 243,305-square-foot, 32-year lease at 3 Times Square, a 30-story office tower in the tourist hub of Manhattan.

In another example, Clarins USA, the French prestige skincare company, signed a new lease for a full-floor, 15,109-square-foot space at 1400 Broadway in New York, saying it wants to "foster collaboration, creativity, and social interactions," according to a statement Wednesday from building landlord Empire State Realty Trust.

"Companies committed to bringing people back to the office (mostly in a hybrid model) are investing in spaces that promote collaboration and engagement," according to global real estate services brokerage Savills as part of its 2022 predictions. "The space offers workers an environment that they could not achieve remotely. We see a continuation and acceleration of this trend, with a pronounced flight to quality. ... The supply/demand imbalance will continue into 2022 and beyond."

The top-tier, "highest quality" properties will attract "a disproportionate share of demand" and command "more favorable lease terms, with the remainder of the market depressed," Savills said.

In a indication of the mixed outlook for the market, leasing volume in Manhattan last year rose nearly 32% to about 25 million square feet, the biggest yearly growth since 2013, according to brokerage firm Colliers.

Fourth-quarter leasing volume more than doubled to 8.63 million square feet from a year earlier.

Speaking to the flight-to-quality trend, Manhattan's average asking rent increased by 3.1% in the fourth quarter to $75 per square foot, the sharpest quarterly jump since 2014, Colliers said, adding the gain was primarily driven by the addition of several large blocks of above-average-priced space over 100,000 square feet in top-tier, new or renovated properties.

Challenges still remain. Manhattan's leasing volume, for example, was still 42% below the pre-pandemic level of 43 million square feet, according to Colliers. The available supply has increased by 22.9% since December 2020 and by 72.2% since March 2020 to a total of 92.7 million square feet.