

# Amazon Defies Remote Work Trend, Will Spend \$1.4B Expanding Offices In 6 Cities

August 18, 2020 | Matthew Rothstein, Bisnow East Coast (<https://www.bisnow.com/author/matthew-rothstein-51988>) (<mailto:matt.rothstein@bisnow.com>)



Though the novel coronavirus has employers of all stripes reconsidering the need (<https://www.bisnow.com/national/news/top-talent/location-bias-hiring-cre-105602>) for in-person work, one of the country's largest private employers is doubling down on physical offices.

In a Thursday press release, Amazon (<https://www.bisnow.com/tags/amazon>) announced that it will invest \$1.4B to add office space across six U.S. cities in which it already has a presence: New York, Dallas, Phoenix, San Diego, Denver and Detroit. Across those cities, the e-commerce (<https://www.bisnow.com/tags/e-commerce>) giant has either leased or purchased a total of over 905K SF, where it promises to add 3,500 new corporate and tech jobs.

The majority of the square footage and money in this wave of office deals comes from its acquisition of 424 Fifth Ave. in New York, better known as the former site of Lord & Taylor's flagship department store.

Amazon reportedly purchased the 630K SF property from WeWork (<https://www.bisnow.com/tags/wework>), which abandoned plans for a new headquarters there, for \$1.1B in March (<https://www.bisnow.com/new-york/news/commercial-real-estate/amazon-is-dropping-11b-on-the-lord-taylor-building-103405>). Around 2,000 of its newly announced jobs will be based out of 424 Fifth, which is scheduled to open in 2023. The Wall Street Journal reports ([https://www.wsj.com/articles/amazon-bets-on-office-based-work-with-expansion-in-major-cities-11597741203?mod=hp\\_lead\\_pos2](https://www.wsj.com/articles/amazon-bets-on-office-based-work-with-expansion-in-major-cities-11597741203?mod=hp_lead_pos2)).

In the five other cities mentioned in the Thursday announcement, Amazon will be taking additional space at what it calls its Tech Hubs, urban offices that employ largely well-paid workers for projects like Amazon Web Services (<https://www.bisnow.com/tags/amazon-web-services>) or its Echo and Alexa voice-activated technology. The 3,500 new jobs will pay an average of \$150K per year, the Dallas Morning News reports (<https://www.dallasnews.com/business/retail/2020/08/18/amazon-to-expand-its-tech-hub-in-dallas-with-600-new-jobs/>).

The five non-New York expansions break down as follows:

- An additional 100K SF and 600 jobs to Amazon's current space in the Galleria Towers office complex in North Dallas (<https://www.bisnow.com/tags/north-dallas>).
- The acquisition of over 25K SF in Detroit, where Amazon will add 100 jobs.
- A 90K SF expansion of Amazon's office at 100 Mill in Phoenix with 500 new jobs attached.
- An additional 40K SF and 200 jobs in San Diego, where it opened a tech hub (<https://www.nbcsandiego.com/news/local/amazon-expands-san-diego-utc-300-tech-jobs/50186/>) at Campus Pointe in University Town Center, part of the University City neighborhood, in 2018.
- An additional 20K SF and 100 jobs in Denver, which the Denver Post reports (<https://www.denverpost.com/2020/08/18/amazon-new-jobs-denver-office-space/>) will be near Larimer Square.

Amazon stands apart from other major tech companies in reaffirming its commitment to physical offices. Facebook (<https://www.bisnow.com/tags/facebook>) indicated in June (<https://www.bisnow.com/san-francisco/news/multifamily/bay-area-rents-have-plummeted-104682>) that some of its workforce will remain remote on a permanent basis, and the WSJ reports that Twitter (<https://www.bisnow.com/tags/twitter>) informed its employees that they may work from home as long as they want. Amazon workers will largely continue to work remotely until at least January, the WSJ reports.

While Amazon may be bucking a trend by adding office space, its performance in the past few months would justify expansion in most economic and health climates. In response to the explosion of shopping from home, the company has been snapping up (<https://www.bisnow.com/san-francisco/news/industrial/amazons-sf-peninsula-deal-a-change-of-pace-105550>) warehouse space faster than ever (<https://www.bisnow.com/atlanta/news/industrial/amazon-boosts-atlanta-industrial-performance-mid-year-105388>) in some metro areas.

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See Also: Flex Space Is Driving Workplace Innovation. Do Building Owners Have The Right Tools To Manage It? (</national/news/office/flex-space-is-driving-workplace-innovation-do-building-owners-have-the-right-tools-to-manage-it-109245>)

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