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◆ WSJ NEWS EXCLUSIVE | TECH

Amazon Bets on Office-Based Work With Expansion in Major Cities

The e-commerce giant is adding 3,500 employees in six major cities, including 2,000 jobs in New York



Amazon offices in New York in May. The company has long been drawn to the city and its supply of tech workers.

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By [Sebastian Herrera](#)

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[Amazon.com Inc.](#) [AMZN -0.38%](#) ▼ is expanding its physical offices in six U.S. cities and adding thousands of corporate jobs in those areas, an indication the tech giant is making long-term plans around office work even as other companies embrace lasting remote employment.

“The ability to connect with people, the ability for teams to work together in an ad hoc fashion—you can do it virtually, but it isn’t as spontaneous,” said Ardine Williams, vice president of workforce development at Amazon. “We are looking forward to returning to the office.”

Amazon’s move to expand its footprint in various cities and set expectations for a return to the office contrasts with other major technology companies that have implemented remote work and

predicted it will last long after the coronavirus pandemic.

Facebook Inc. FB -0.74% ▼ in May said it would shift toward a substantially remote workforce over the next decade, and Twitter Inc. has told employees they can work from home indefinitely. Facebook CEO Mark Zuckerberg said the company's strategy had to do with attracting the best talent and that the company's productivity even as its workers were home gave him confidence in the remote model.

Amazon is among a number of companies that have come to see things differently. While many corporate executives were pleasantly surprised with how quickly their workforces adapted to unprecedented circumstances, many have come to see some of the downsides of remote work as well, including challenges with training new workers, barriers to collaboration and lengthier timelines for some projects. Some say they no longer see remote work lasting forever at their companies.

Amazon's plan to add 3,500 corporate jobs and 900,000 square feet of office space across hubs in New York, Phoenix, San Diego, Denver, Detroit and Dallas is a testament to management's view of the value of office work. Although the Seattle-based company was early in sending employees home when the pandemic hit, it expects much of its staff to return to its offices eventually, Ms. Williams said.

The jobs at the hubs will include engineering and product-management roles as well as others across various departments, including Amazon Web Services, the Alexa virtual-assistant team, advertising and Amazon Fresh. All the positions being added are new, Ms. Williams said.

The plans include 2,000 new jobs at the historic building in Manhattan that once housed the Lord & Taylor flagship department store. Amazon has purchased the Fifth Avenue building from work-sharing company WeWork, a subsidiary of We Co., for more than \$1 billion, people familiar with the matter said.

Amazon, which has long gravitated to New York City because of its supply of tech workers, had been looking for a large space to expand its footprint in the city. The Lord & Taylor building likely can hold more than 4,000 employees, based on its size and the roughly 150 square feet per person that tech companies often use. It is also located near other Amazon corporate offices. The company has more than 5,000 employees in the city spread across several office buildings.

Amazon said the expansions in six cities aren't derived from or linked to any financial incentives from local or state governments. The company is receiving some building incentives transferred with the WeWork deal for the Lord & Taylor building that will reduce costs to refurbish the space, people familiar with the matter said. That office is scheduled to open in 2023.

Amazon's plans, especially in New York, show that big tech companies aren't done settling in major cities with relatively expensive offices, even with the turmoil caused by the pandemic.



Amazon now owns the historic Fifth Avenue building in Manhattan that once housed the Lord & Taylor flagship department store.

PHOTO: MARY ALTAFFER/ASSOCIATED PRESS

Facebook recently agreed to lease the entire 730,000-square-foot office space at the historic James A. Farley Building in Midtown Manhattan. Amazon's expansion in New York comes more than a year after its closely watched plans to establish one part of a second headquarters in the city crumbled following backlash from some local, state and congressional officials and activists over the plans, which included roughly \$3 billion in tax incentives.

Urban locations remain core to Amazon's company structure and provide needed talent pools that it expects will remain robust, Ms. Williams said. She expects professionals to continue to gravitate to urban working environments.

"We remain committed to being integrated into the communities we are in, and the urban environment offers us that opportunity," she said.

The pandemic has reshaped corporate working structures. Major markets like San Francisco and New York have seen many workers leave as companies embrace remote work, and survey data has indicated many employees prefer at least some type of remote option.

Ms. Williams said it remains challenging to forecast the next year and

how employees will return to office spaces, but Amazon plans to offer its staff flexibility. Currently, the company is allowing staff who can work from home to do so until Jan. 8. Some jobs like customer-support roles have historically been remote, she said.

Amazon, the nation's second-largest private employer behind Walmart Inc., has spent billions to respond to the pandemic and has largely bounced back from early struggles to meet an immense surge in demand and deal with worker absences that caused delays.

As companies across industries have slashed jobs, Amazon has grown in size and power. It employs more than 602,000 people in the U.S., more than 100,000 of them in corporate positions, according to the company. Its world-wide employment, including seasonal workers, totals more than one million.

The company reported a record \$88.9 billion in sales for the quarter that ended June 30. Amazon hired roughly 175,000 warehouse workers in recent months, most of whom it said it would keep.

Its expansion in the six cities will mostly happen over the course of the next two years, the company said, with a number of positions already getting filled.

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