



## THE HEBRON INDEX

The Hebron Index is a whitepaper series offering timely, practical insights into commercial real estate trends, strategies, and market shifts.

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## CRE INFO SERIES

### ***Federal Government changes GSA office requirements***

A recent policy shift has given federal agencies greater flexibility in choosing office locations, no longer requiring them to prioritize downtowns or historic buildings. This change, stemming from a Trump-era executive order, allows agencies to lease space in suburban or lower-cost areas if it better supports their mission and budget. While this won't trigger immediate mass relocations, it opens the door for more government offices to move outside traditional urban cores—potentially reducing demand in central business districts and creating new leasing opportunities in suburban markets nationwide.

### ***Result***

The change is unlikely to significantly impact NYC in the short term, since federal agencies occupy a small share of office space. However, as the government looks to cut costs and relocate offices, it could reduce future demand for space in Manhattan and shift attention to more affordable areas in secondary and tertiary markets in outer boroughs. Transit ridership is hugely relevant to these tenants, so expect them to stay close to transit hubs.



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