

Manhattan Office, January 2015

2014 full-year Manhattan leasing activity outpaces 2013 full-year tally by 20%

Figure 1: Manhattan Market Activity

	Dec. 2014	Nov. 2014	Dec. 2013	FY 2013	FY 2014
Leasing Activity	2.45 MSF	2.66 MSF	2.66 MSF	24.94 MSF	29.85 MSF
Absorption	1.52 MSF	0.57 MSF	1.76 MSF	0.20 MSF	5.39 MSF
Availability Rate	10.3%	10.7%	11.8%		
Vacancy Rate	7.5%	7.1%	8.5%		
Average Asking Rent	\$67.05 PSF	\$66.64 PSF	\$63.22 PSF		

Figure 2: Midtown Market Activity

	Dec. 2014	Nov. 2014	Dec. 2013	FY 2013	FY 2014
Leasing Activity	1.58 MSF	1.38 MSF	1.53 MSF	15.05 MSF	16.80 MSF
Absorption	0.89 MSF	0.30 MSF	1.13 MSF	0.74 MSF	2.77 MSF
Availability Rate	10.5%	10.9%	11.7%		
Vacancy Rate	7.5%	7.1%	8.4%		
Average Asking Rent	\$74.92 PSF	\$74.13 PSF	\$72.85 PSF		
Taking Rent Index	93.5%	93.7%	89.6%		

Figure 3: Midtown South Market Activity

	Dec. 2014	Nov. 2014	Dec. 2013	FY 2013	FY 2014
Leasing Activity	0.41 MSF	0.30 MSF	0.49 MSF	4.19 MSF	6.22 MSF
Absorption	0.21 MSF	0.08 MSF	0.19 MSF	(1.17) MSF	1.06 MSF
Availability Rate	8.6%	8.9%	10.2%		
Vacancy Rate	5.5%	5.0%	6.7%		
Average Asking Rent	\$66.38 PSF	\$67.28 PSF	\$64.58 PSF		
Taking Rent Index	94.5%	95.6%	91.0%		

Figure 4: Downtown Market Activity

	Dec. 2014	Nov. 2014	Dec. 2013	FY 2013	FY 2014
Leasing Activity	0.46 MSF	0.98 MSF	0.64 MSF	5.70 MSF	6.84 MSF
Absorption	0.41 MSF	0.19 MSF	0.43 MSF	0.63 MSF	1.55 MSF
Availability Rate	11.0%	11.5%	13.5%		
Vacancy Rate	9.0%	8.8%	10.2%		
Average Asking Rent	\$51.97 PSF	\$51.41 PSF	\$46.47 PSF		
Taking Rent Index	90.5%	90.3%	87.7%		

Source: CBRE Research, January 2015.

Midtown Manhattan, January 2015

December leasing up 21% from the five-year monthly average

Figure 1: Midtown Market Activity

	Dec. 2014	Nov. 2014	Dec. 2013	FY 2013	FY 2014
Leasing Activity	1.58 MSF	1.38 MSF	1.53 MSF	15.05 MSF	16.80 MSF
Absorption	0.89 MSF	0.30 MSF	1.13 MSF	0.74 MSF	2.77 MSF
Availability Rate	10.5%	10.9%	11.7%		
Vacancy Rate	7.5%	7.1%	8.4%		
Average Asking Rent	\$74.92 PSF	\$74.13 PSF	\$72.85 PSF		
Taking Rent Index	93.5%	93.7%	89.6%		

Source: CBRE Research, January 2015.

MARKET HIGHLIGHTS

- Midtown leasing activity in December totaled 1.58 million sq. ft., 21% higher than the five-year monthly average of 1.30 million sq. ft.
- In 2014, 16.80 million sq. ft. of leasing activity was recorded, 12% higher than the 15.05 million sq. ft. of leasing during full-year 2013.
- Healthy leasing again outpaced blocks of space coming onto the market, leading to positive net absorption of 891,000 sq. ft. during December. This also kept the year-to-date total positive, at 2.77 million sq. ft.
- The availability rate decreased 40 basis points (bps) compared to November, and 120 bps from one year ago.
- The average asking rent in December increased slightly to end the month at \$74.92, up from \$74.13 in November and up 3% from a year ago.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
397,983	Amazon.com, Inc.	7 West 34th Street
323,922 (RE)	AMC Networks Inc.	11 Penn Plaza
267,669 (RE)	City of New York	450 West 33rd Street
133,215 (RE)	Newmark Grubb Knight Frank	125 Park Avenue
122,457	JPMorgan Chase Digital	450 West 33rd Street

(R) Renewal (E) Expansion (RE) Renewal and Expansion

Source: CBRE Research, January 2015.

MAJOR NEW AVAILABILITIES

- 207,000 sq. ft. of direct space at 1633 Broadway*
- 49,000 sq. ft. of Pzena Investment Management sublet space at 120 West 45th Street
- 26,000 sq. ft. of direct space at 500 Seventh Avenue
- 25,000 sq. ft. of direct space at 1411 Broadway
- 24,000 sq. ft. of Emblem Health sublet space at 440 Ninth Avenue

* This space was already on the market, but fell within 12 months of tenant possession during December and therefore was added to statistics.

Midtown South Manhattan, January 2015

2014 Midtown South leasing activity outpaces 2013 total by 48%

Figure 1: Midtown South Market Activity

	Dec. 2014	Nov. 2014	Dec. 2013	FY 2013	FY 2014
Leasing Activity	0.41 MSF	0.30 MSF	0.49 MSF	4.19 MSF	6.22 MSF
Absorption	0.21 MSF	0.08 MSF	0.19 MSF	(1.17) MSF	1.06 MSF
Availability Rate	8.6%	8.9%	10.2%		
Vacancy Rate	5.5%	5.0%	6.7%		
Average Asking Rent	\$66.38 PSF	\$67.28 PSF	\$64.58 PSF		
Taking Rent Index	94.5%	95.6%	91.0%		

Source: CBRE Research, January 2015.

MARKET HIGHLIGHTS

- Midtown South leasing activity in December totaled 0.41 million sq. ft., 3% lower than the five-year monthly average of 0.42 million sq. ft.
- In 2014, 6.22 million sq. ft. of leasing activity was recorded, 48% higher than the 4.19 million sq. ft. of leasing during full-year 2013.
- Healthy leasing again outpaced blocks of space coming onto the market, leading to positive net absorption of 210,000 sq. ft. during December. This also kept the full-year total positive, at 1.06 million sq. ft.
- The availability rate decreased 30 basis points (bps) compared to November, and 160 bps from one year ago.
- The average asking rent in December decreased slightly to end the month at \$66.38, down from \$67.28 in November and up 3% from a year ago.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
190,662	BuzzFeed, Inc.	225/233 Park Avenue South
50,000 (R)	Bath & Body Works, Inc.	503 Broadway
33,444	Houghton Mifflin Harcourt	3 Park Avenue
26,267 (E)	Quinn Emanuel Urquhart & Sullivan, LLP	51 Madison Avenue
25,401	Tudor Investment Corporation	51 Astor Place

(R) Renewal (E) Expansion (RE) Renewal and Expansion

Source: CBRE Research, January 2015.

MAJOR NEW AVAILABILITIES

- 32,000 sq. ft. of direct space at 33 Irving Place
- 29,000 sq. ft. of Swanke Hayden sublet space at 295 Lafayette Street
- 24,000 sq. ft. of direct space at 675 Avenue of the Americas
- 12,000 sq. ft. of direct space at 11 East 26th Street
- 11,000 sq. ft. of direct space at 100 Fifth Avenue

Downtown Manhattan, January 2015

Downtown asking rents reach all-time high of \$51.97 per sq. ft.

Figure 1: Downtown Market Activity

	Dec. 2014	Nov. 2014	Dec. 2013	FY 2013	FY 2014
Leasing Activity	0.46 MSF	0.98 MSF	0.64 MSF	5.70 MSF	6.84 MSF
Absorption	0.41 MSF	0.19 MSF	0.43 MSF	0.63 MSF	1.55 MSF
Availability Rate	11.0%	11.5%	13.5%		
Vacancy Rate	9.0%	8.8%	10.2%		
Average Asking Rent	\$51.97 PSF	\$51.41 PSF	\$46.47 PSF		
Taking Rent Index	90.5%	90.3%	87.7%		

Source: CBRE Research, January 2015.

MARKET HIGHLIGHTS

- During the month of December, Downtown leasing activity totalled 0.46 million sq. ft., 6% lower than the five-year monthly average of 0.44 million sq. ft.
- In 2014, 6.84 million sq. ft. of leasing activity was recorded, 20% higher than the 5.70 million sq. ft. of leasing during full-year 2013.
- Healthy leasing again outpaced blocks of space coming onto the market, leading to positive net absorption of 414,000 sq. ft. during December. This also kept the full-year total positive, at 1.55 million sq. ft.
- The availability rate decreased 50 basis points (bps) compared to November, and 250 bps from one year ago.
- The average asking rent in December increased to end the month at \$51.97, a new record, up from \$51.41 in November and up 12% from a year ago.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
157,210	OSP Group	1 New York Plaza
56,256 (R)	OppenheimerFunds, Inc.	225 Liberty Street
39,721 (R)	U.S. Equal Employment Opportunity Commission/EEOC	33 Whitehall Street
38,407	Year Up	85 Broad Street
38,359	Banco Popular de Puerto Rico	85 Broad Street

(R) Renewal (E) Expansion (RE) Renewal and Expansion

Source: CBRE Research, January 2015.

MAJOR NEW AVAILABILITIES

- 19,000 sq. ft. of direct space at 90 Broad Street
- 19,000 sq. ft. of direct space at 22 Cortlandt Street
- 18,000 sq. ft. of Sterling National Bank sublet space at 42 Broadway
- 18,000 sq. ft. of direct space at 65 Broadway
- 17,000 sq. ft. of direct space at 55 Broad Street