

Manhattan Office, Q4 2014

Q4 2014 Manhattan leasing on par with Q4 2013 leasing

Figure 1: Manhattan Market Activity

	Q4 2014	Q3 2014	Q4 2013	FY 2013	FY 2014
Leasing Activity	6.90 MSF	7.40 MSF	6.89 MSF	24.94 MSF	29.85 MSF
Absorption	2.44 MSF	2.47 MSF	1.99 MSF	0.20 MSF	5.39 MSF
Availability Rate	10.3%	10.9%	11.8%		
Vacancy Rate	7.5%	7.4%	8.5%		
Average Asking Rent	\$67.05 PSF	\$66.77 PSF	\$63.22 PSF		

Figure 2: Midtown Market Activity

	Q4 2014	Q3 2014	Q4 2013	FY 2013	FY 2014
Leasing Activity	4.15 MSF	4.01 MSF	4.05 MSF	15.05 MSF	16.80 MSF
Absorption	1.32 MSF	1.01 MSF	1.34 MSF	0.74 MSF	2.77 MSF
Availability Rate	10.5%	11.1%	11.7%		
Vacancy Rate	7.5%	7.4%	8.4%		
Average Asking Rent	\$74.92 PSF	\$74.73 PSF	\$72.85 PSF		
Taking Rent Index	93.5%	96.0%	89.6%		

Figure 3: Midtown South Market Activity

	Q4 2014	Q3 2014	Q4 2013	FY 2013	FY 2014
Leasing Activity	1.05 MSF	1.75 MSF	1.13 MSF	4.19 MSF	6.22 MSF
Absorption	0.55 MSF	0.54 MSF	(0.22) MSF	(1.17) MSF	1.06 MSF
Availability Rate	8.6%	9.4%	10.2%		
Vacancy Rate	5.5%	5.5%	6.7%		
Average Asking Rent	\$66.38 PSF	\$66.58 PSF	\$64.58 PSF		
Taking Rent Index	94.5%	96.7%	91.0%		

Figure 4: Downtown Market Activity

	Q4 2014	Q3 2014	Q4 2013	FY 2013	FY 2014
Leasing Activity	1.69 MSF	1.63 MSF	1.71 MSF	5.70 MSF	6.84 MSF
Absorption	0.57 MSF	0.92 MSF	0.88 MSF	0.63 MSF	1.55 MSF
Availability Rate	11.0%	11.7%	13.5%		
Vacancy Rate	9.0%	8.9%	10.2%		
Average Asking Rent	\$51.97 PSF	\$50.78 PSF	\$46.47 PSF		
Taking Rent Index	90.5%	92.8%	87.7%		

Source: CBRE Research, Q4 2014.

Midtown Manhattan, Q4 2014

Midtown overall availability lowest in five years

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Source: CBRE Research, Q4 2014.

MARKET HIGHLIGHTS

- Midtown leasing activity totaled 4.15 million sq. ft. during Q4 2014, 7% higher than the five-year quarterly average of 3.89 million sq. ft. and 3% higher than the 4.01 million sq. ft. of activity recorded during Q3 2014.
- 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.
- A total of 1.32 million sq. ft. of net absorption was recorded during Q4 2014, an improvement over the 1.01 million sq. ft. recorded during Q3 2014.
- The availability rate finished the quarter at 10.5%, down 60 basis points (bps) from 11.1% in the previous quarter and 120 bps from the 11.7% rate reported one year ago.
- The average asking rent finished at \$74.92, up slightly from \$74.73 in Q3 2014 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
388,492 (R)	Weil, Gotshal & Manges LLP	767 Fifth Avenue
323,922 (RE)	AMC Networks Inc.	11 Penn Plaza
282,102 (R)	Schulte, Roth & Zabel LLP	919 Third Avenue
267,669 (RE)	City of New York	450 West 33rd Street

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

Source: CBRE Research, Q4 2014.

MAJOR NEW AVAILABILITIES

- 225,000 sq. ft. of direct space at 1440 Broadway*
 - 207,000 sq. ft. of direct space at 1633 Broadway*
 - 161,000 sq. ft. of direct space at 90 Park Avenue
 - 127,000 sq. ft. of Redcats USA sublet space at 463 Seventh Avenue
 - 86,000 sq. ft. of Doral Bank sublet space at 623 Fifth Avenue
- * This space was already on the market, but fell within 12 months of tenant possession during Q4 2014 and therefore was added to statistics.

Midtown South Manhattan, Q4 2014

2014 Midtown South leasing activity outpaces 2013 total by 48%

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	Q4 2014	Q3 2014	Q4 2013	FY 2013	FY 2014
Leasing Activity	1.05 MSF	1.75 MSF	1.13 MSF	4.19 MSF	6.22 MSF
Absorption	0.55 MSF	0.54 MSF	(0.22) MSF	(1.17) MSF	1.06 MSF
Availability Rate	8.6%	9.4%	10.2%		
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Average Asking Rent	\$66.38 PSF	\$66.58 PSF	\$64.58 PSF		
Taking Rent Index	94.5%	96.7%	91.0%		

Source: CBRE Research, Q4 2014.

MARKET HIGHLIGHTS

- A total of 1.05 million sq. ft. of leasing was recorded in Midtown South during Q4 2014, 15% lower than the five-year quarterly average of 1.25 million sq. ft. and 40% lower than the recorded leasing activity in Q3 2014.
- The full-year leasing total reached 6.22 million sq. ft., 48% higher than the 2013 full-year date total of 4.19 million sq. ft.
- At 1.06 million sq. ft., full-year net absorption was a massive gain over the negative 1.17 million sq. ft. measured through full-year 2013.
- The Midtown South availability rate finished at 8.6%, down 80 basis points (bps) from 9.4% in the previous quarter and 10.2% one year ago.
- The average asking rent in Midtown South dipped slightly to \$66.38, yet is still up 3% from one year ago.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
190,662	BuzzFeed, Inc.	225/233 Park Avenue South
51,576	Lower Manhattan Cultural Council	315 Hudson Street
50,000 (R)	Bath & Body Works, Inc.	503 Broadway
35,566	Intent Media	315 Hudson Street
33,444	Houghton Mifflin Harcourt	3 Park Avenue

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

Source: CBRE Research, Q4 2014.

MAJOR NEW AVAILABILITIES

- 52,000 sq. ft. of direct space at 315 Hudson Street
- 36,000 sq. ft. of direct space at 304 Park Avenue South
- 34,000 sq. ft. of direct space at 1 Hudson Square
- 32,000 sq. ft. of direct space at 33 Irving Place
- 30,000 sq. ft. of Yelp sublet space at 100 Fifth Avenue

Downtown Manhattan, Q4 2014

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

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Absorption	0.57 MSF	0.92 MSF	0.88 MSF	0.63 MSF	1.55 MSF
Availability Rate	11.0%	11.7%	13.5%		
Vacancy Rate	9.0%	8.9%	10.2%		
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Taking Rent Index	90.5%	92.8%	87.7%		

Source: CBRE Research, Q4 2014.

MARKET HIGHLIGHTS

- Leasing activity in the Downtown market during Q4 2014 was healthy, at 1.69 million sq. ft., up 32% over the five-year quarterly average of 1.28 million sq. ft.
- Full-year leasing totaled 6.84 million sq. ft., 20% higher than the 5.70 million sq. ft. total at the same point in 2013.
- A total of 570,000 sq. ft. of absorption was measured Downtown during the fourth quarter as full-year net absorption remained in positive territory, at 1.55 million sq. ft.
- The availability rate Downtown improved 70 basis points (bps) to 11.0% during the quarter from the 11.7% recorded during Q3 2014, and 250 bps from the 13.5% logged one year ago.
- The average asking rent finished at \$51.97 per sq. ft., an all-time high, up 2% quarter-over-quarter, and up 12% from the \$46.47 per sq. ft. average reported during Q4 2013.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
515,456	GroupM	3 World Trade Center
157,210	OSP Group	1 New York Plaza
87,663	High 5 Games	1 World Trade Center
73,690	Hugo Boss Fashions, Inc.	55 Water Street
68,325	WellCare Health Plans, Inc.	1 New York Plaza

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

Source: CBRE Research, Q4 2014.

MAJOR NEW AVAILABILITIES

- 188,000 sq. ft. of direct space at 1 State Street Plaza
- 112,000 sq. ft. of direct space at 233 Broadway*
- 107,000 sq. ft. of Tower Insurance Company of New York sublet space at 120 Broadway
- 37,000 sq. ft. of Wilson Elser Moskowitz Edelman & Dicker LLP sublet space at 125 Broad Street
- 37,000 sq. ft. of direct space at 65 Broadway

* This space was already on the market, but fell within 12 months of tenant possession during Q4 2014 and therefore was added to statistics