

Midtown South Manhattan Office, December 2016

Sublease space increases—now accounts for 27% of total availability

Figure 1: Midtown South Market Activity

	Nov. 2016	Oct. 2016	Nov. 2015	YTD 2015	YTD 2016
Leasing Activity	0.35 MSF	0.43 MSF	0.38 MSF	5.28 MSF	3.97 MSF
Absorption	(0.43) MSF	(0.15) MSF	(0.06) MSF	0.50 MSF	(1.66) MSF
Availability Rate	9.8%	9.2%	7.8%		
Vacancy Rate	6.3%	6.3%	4.8%		
Average Asking Rent	\$68.55 PSF	\$69.34 PSF	\$70.80 PSF		
Taking Rent Index	92.5%	92.5%	100.0%		

Source: CBRE Research, December 2016.

MARKET HIGHLIGHTS

- Monthly leasing activity totaled 349,000 sq. ft., 18% below its five-year monthly average of 426,000 sq. ft.
- Year-to-date leasing activity is down 25% compared to the same period last year.
- The availability rate was up 60 basis points (bps) from last month and 200 bps from one year ago.
- Net absorption was negative 432,000 sq. ft. in November, bringing the year-to-date total to negative 1.66 million sq. ft.
- The average asking rent decreased slightly over the past month and dropped 3% from November 2015.
- Sublease availability was 2.7%, with an average asking rent of \$55.49, down 2% year-over-year.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
67,500 (E)	NYU Langone Medical Center	360 Park Avenue South
34,100	Bustle	315 Park Avenue South
23,184 (E)	Major League Baseball Advanced Media	245 West 17th Street
19,030 (E)	Under Armour	601 West 26th Street
17,185	Yieldbot	902 Broadway

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

Source: CBRE Research, December 2016.

MAJOR NEW AVAILABILITIES

- 278,000 sq. ft. of Tommy Hilfiger USA sublet space at 601 West 26th Street
- 71,000 sq. ft. of direct space at 161 Avenue of the Americas
- 62,000 sq. ft. of direct space at 148 Lafayette Street
- 56,000 sq. ft. of Association for Metroarea Autistic Children sublet space at 18 West 18th Street
- 44,000 sq. ft. of direct space at 112 West 20th Street

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