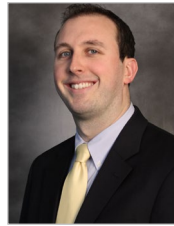


Wait and See: The Manhattan Market Slows Amid COVID-19



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EXECUTIVE SUMMARY

After beginning in Asia in 2019, COVID-19 took a toll on the U.S. in the first half of 2020. Once the epicenter of the outbreak, New York City has dramatically reduced the rate of new infections in recent months, thus setting the stage for a reopening of its office market and a resumption of business activity. The peak of nearly 10,000 new daily cases in early April has been slashed to just 750 as of mid-July.

Fears that NYC's greatest strengths—its density, vibrant and intimate street life, magnetism for visitors and extensive and well-used transit network—would turn out to be weaknesses in the face of COVID-19 are beginning to fade.

Several indicators suggest that the local economy is improving. Employment began to rebound in May, and there is hope that many of those placed on temporary furlough (likely accounting for the majority of job losses) will be recalled in the next few months. Transit ridership is creeping up, and grateful New Yorkers are masking up and making their way to new outdoor dining venues across the city. Nevertheless, most companies are taking a tentative approach to reoccupying Manhattan's office workplaces, and average building occupancy remains at less than 10%.

Amid growing uncertainty, office leasing has slowed down. Leasing activity in Manhattan fell by 44% year-over-year in H1 2020 to 8.3 million sq. ft. (just 2.2 million in Q2), as most occupiers opted to “wait-and-see” on new lease obligations. But as the market began to thaw in June, a handful of companies committed to major new long-term leases, including the U.S. Securities and Exchange Commission, TikTok and PolicyGenius.

By other measures, the COVID-19 impact has yet to materialize. Average asking rent for Manhattan office space in H1 remained near its record high at \$81.30 per sq. ft., though a period of price discovery is now emerging. Despite an uptick of sublease listings in June, the amount of sublease space in the market slightly declined in H1. The pipeline of potential additional sublease space is growing, but the “shadow space” on the horizon, including the addition of underperforming flex spaces, does not threaten to overwhelm the market at its current level.

Manhattan’s overall availability rate of 12.1% is the highest it’s been since May 2017 and will likely increase further this year. Historically, any rebound in office demand generally lags a recovery in overall economic activity by at least three months.

CBRE Econometric Advisors forecasts a decline in average asking rent of between 10% and 16% by Q1 2021. So far, COVID-era leases have not re-traded on rent, though an increase in concessions pushed net effective rent down by approximately 5.5%.

It is still too soon to know how the market will respond long-term to the COVID-19 challenges. The growing rate of infections in the U.S. South and West threatens to slow the national economic recovery, which could lead to longer periods of weakened office demand nationally, including NYC. Also, there remains the unanswered question of how much Manhattan office occupancy will be affected by de-densification of the workplace on the one hand, and a potential sustained shift to work-from-home arrangements on the other. Despite this uncertainty, the depth of NYC’s talent pool and the market’s extraordinary economic breadth are two strong pillars that favor New York’s recovery over other markets.

ECONOMIC OVERVIEW

COVID-19 forced a nationwide shutdown of most economic activity in March, pushing unemployment to more than 15% nationally and causing a recession.

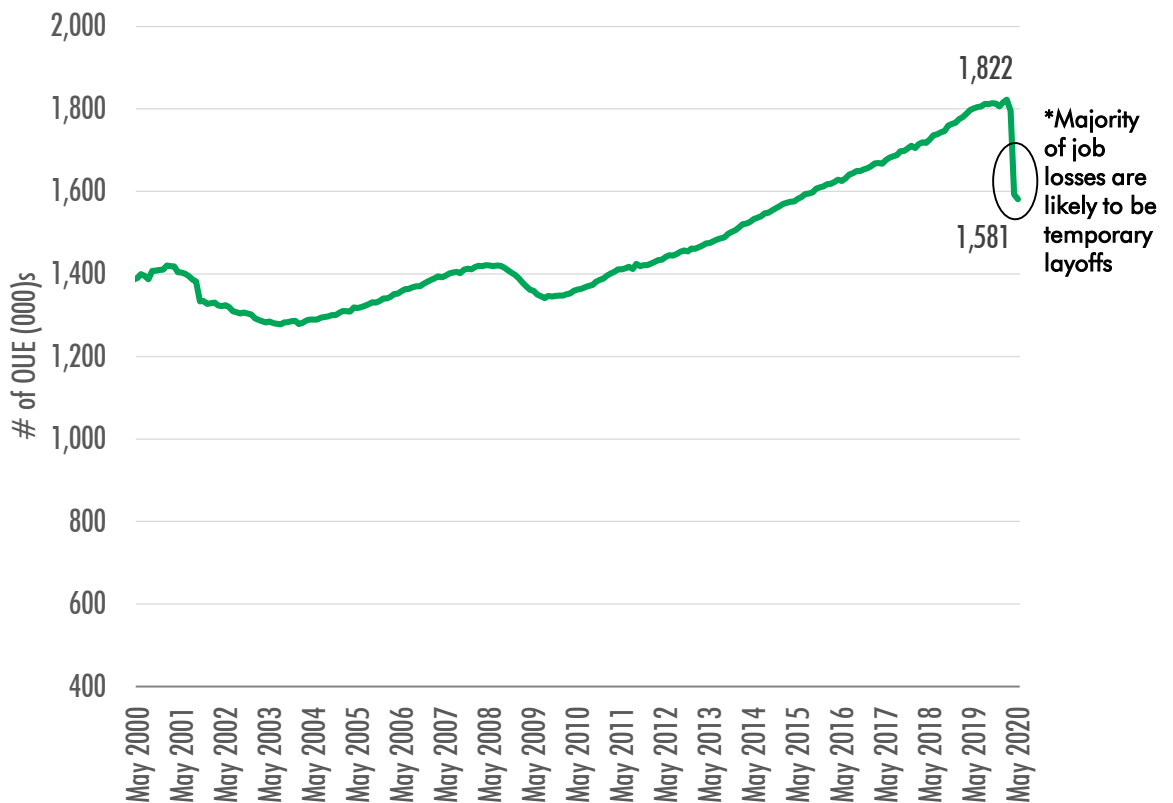
The U.S. economy began rebounding in May as several states allowed businesses to reopen and hotel occupancy and restaurant traffic increased.

New York office-using employment declined by approximately 240,000 jobs to a low of 1.58 million in May. National unemployment insurance claims show that more than 70% of people have been laid off on a temporary basis, suggesting that the majority of office jobs lost in NYC will be reinstated as the economy improves.

Administrative jobs accounted for more than 77,000 of these losses, followed by 37,500 medical jobs and 21,000 financial services jobs. Most of these losses occurred early in the crisis with only 4% or 11,500, occurring in May. Administrative services and health care, the two most severely impacted office-using sectors have been among the first to rebound, notching respective gains of 2,300 and 3,100 jobs in May.

In addition to jobs in predominantly office-using sectors, retail, media and entertainment industries have significant office footprint in Manhattan. Though the majority in this sector work elsewhere, an unknown number of office-based employees are among the 93,400 jobs lost in retail and 8,800 in the media and entertainment sectors, resulting in some negative impacts on the local office market.

FIGURE 1: New York City Office Using Employment



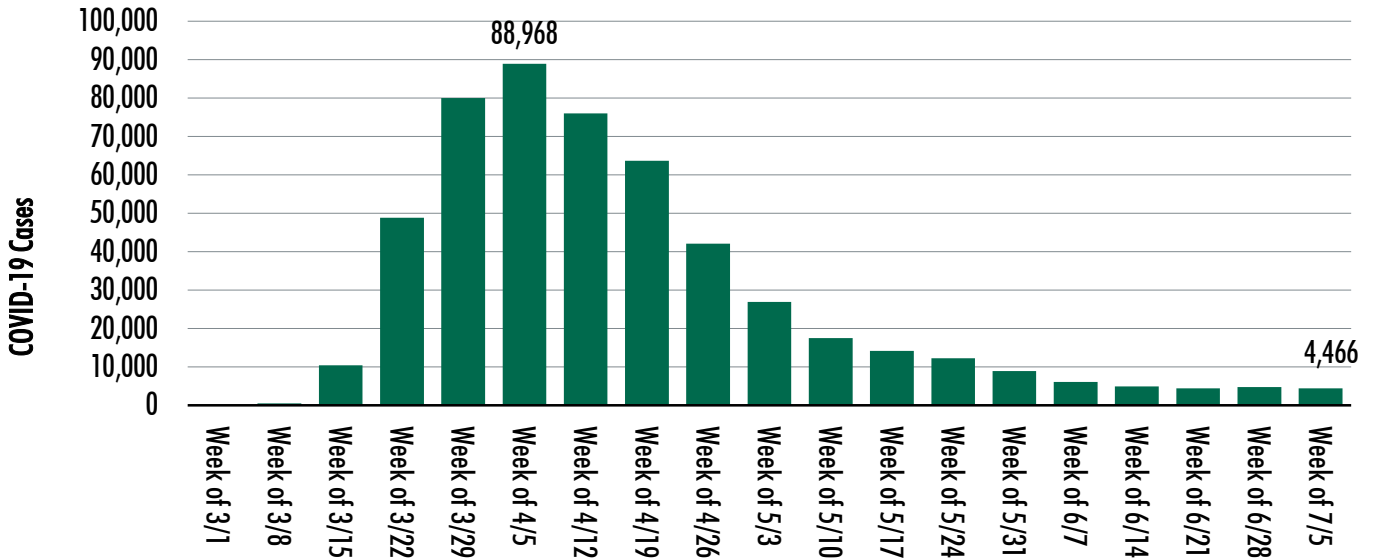
*Reflects national data that states 73% of unemployed workers report job loss as "temporary".

Source: Bureau of Labor Statistics, FRED, CBRE Research.

NEW YORK'S COVID-19 INFECTION RATE NOW AMONG THE NATION'S LOWEST²

Once the epicenter of the COVID-19 outbreak, the New York City region has emerged this summer as a bright spot in the coronavirus recovery. The early experience led many to speculate that the virus posed insurmountable challenges in densely populated environments. However, the number of weekly new virus cases has come down a staggering 95% since mid-April and following stay-at-home orders.

New COVID-19 Cases in the New York Area

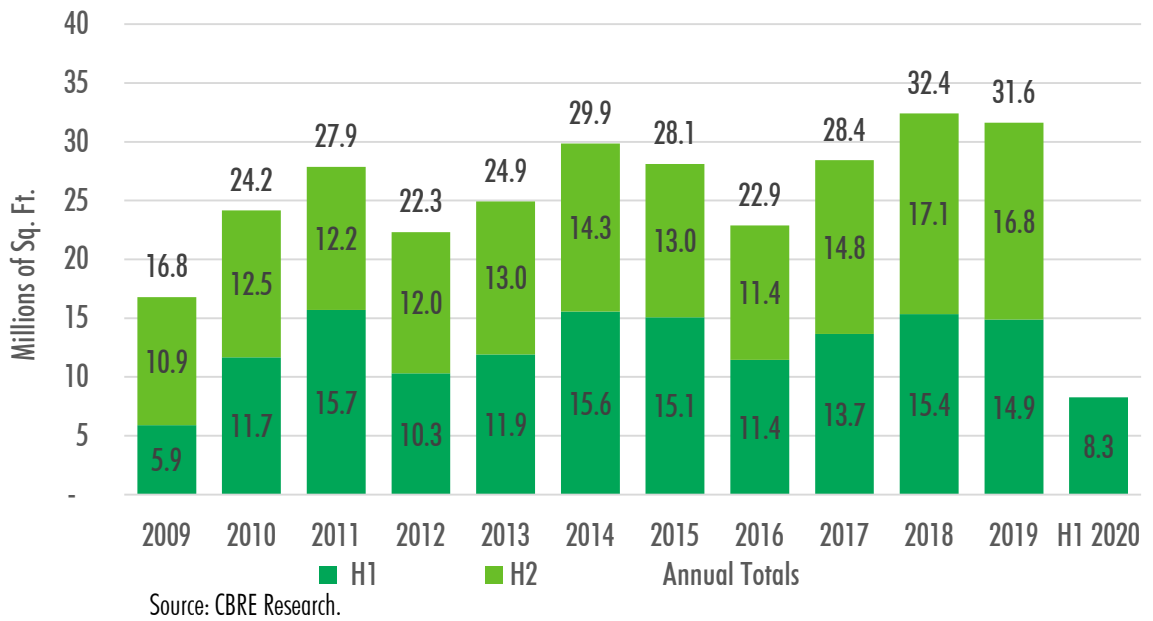


As of July 17, the New York metro area had the second-lowest infection rate per 1,000 residents despite being the second-most densely populated metro area in the U.S. The rest of the Northeast region looks very good as well, with Boston and Philadelphia reducing infection rates despite the density of their populations.

COVID-19 Cases Between July 3 and July 17

Metropolitan Area	Population Density (per sq. mile) ³	Infection Rate Per 1,000 People	Trending
Boston	1,398	0.46	▼
New York City	2,409	0.50	▼
Philadelphia	1,324	0.83	▼
Seattle	671	0.88	▼
Washington, DC	1,001	0.92	▼
Denver	351	1.00	▼
Chicago	1,320	1.12	▼
San Francisco	1,914	1.54	▼
Atlanta	685	3.40	▼
Charlotte	507	3.40	▼
Dallas /Fort Worth	813	3.62	▼
Houston	847	3.76	▲
Los Angeles	2,740	3.77	▬
Austin	514	4.66	▼
Miami	1,223	9.79	▲

FIGURE 2: Manhattan Half-Year Leasing Activity



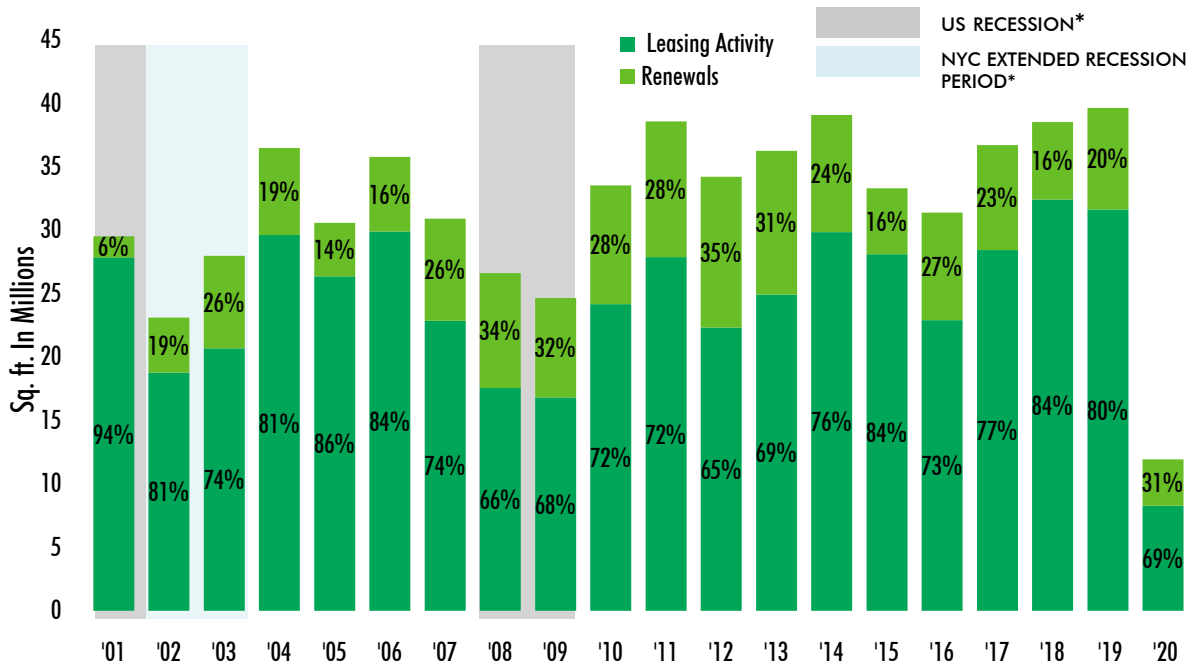
DEMAND AND LEASING

Manhattan’s leasing activity, which includes new deals and expansions but not renewals, fell to 8.3 million sq. ft. in the H1 2020. The total for midyear 2020 was 40% below the midyear average of the past five years and was down by 51% from H2 2019. Monthly leasing totals have been declining for eight consecutive months reaching a record monthly low in June.

There were approximately 16.2 million sq. ft.⁴ of active, large tenant requirements (50,000 sq. ft. or more) for Manhattan office space at the beginning of the year. By the end of June, that estimate fell to 6.9 million sq. ft. Those original requirements have been either been reduced or put on hold.

The slowdown in leasing activity and the pullback by tenants in the market reflect several factors. Early on, business leaders turned attention away from real estate decisions to focus on COVID-induced business disruption, assess employee health needs and temporarily transfer business operations to work-from-home. Additionally, the overall economic downturn created uncertainty about both near- and long-term business needs, making it difficult to commit to requirements and transactions in progress before the COVID outbreak. Finally, the requirements to maintain social distance and avoid congregating, has also introduced new unknowns into the real estate equation. Without clarity about when workers will return to the office or how they will inhabit their workplaces, most occupiers avoided making real estate decisions in Q2.

FIGURE 3: Leasing Velocity – Share of Renewals vs. New Leases



Source: CBRE Research.

LEASING VELOCITY SHIFTS TO RENEWALS

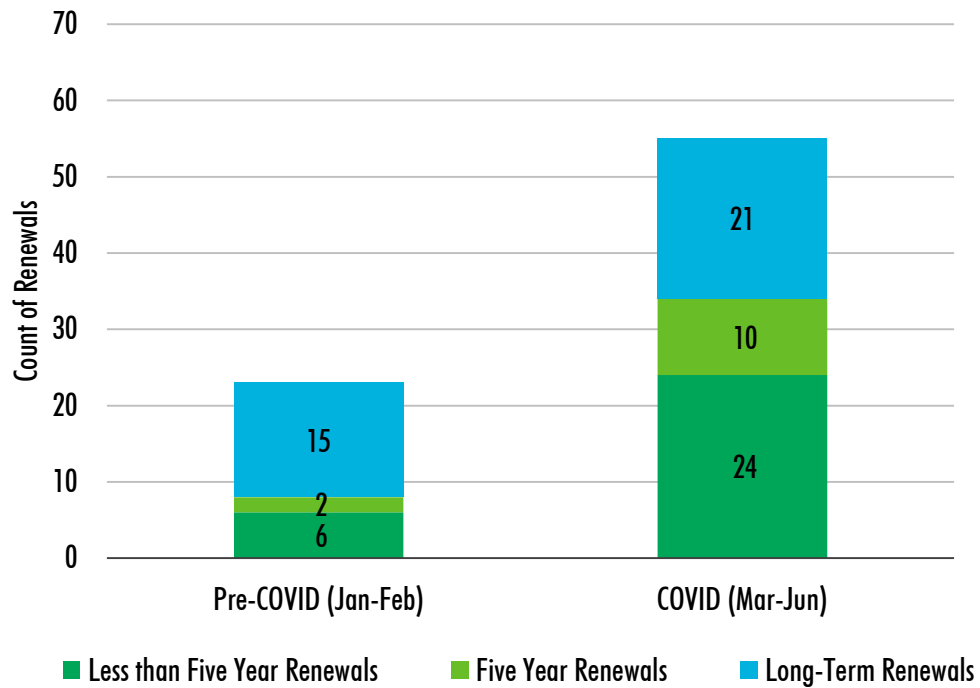
As most tenants in the market have pushed off making new real estate commitments since March, those facing upcoming lease expirations have for the moment shifted away from considering relocations to instead pursue renewals. Throughout the recent economic expansion, renewals accounted for roughly 20% of total annual leasing velocity (new leasing, expansions and renewals) in Manhattan, but in H1 2020 the renewal share jumped to 31% (3.7 million sq. ft.). This trend is expected to continue in the near term.

While a handful of long-term renewals were closed in H1, including the State of New York at 60 Broad Street, Bank of New York Mellon at 200 Park Avenue and Digital Chelsea at 111 Eighth Avenue, economic uncertainty has caused many tenants to “kick the can down the road” and opt for short-term lease extensions. In the first two months of Q1, 35% of renewals were short-term; between March and June, the total rose to 62%. Most these short-term transactions are in the range of one to three years.

Short-term lease extensions allow occupiers time to see not only how the recession affects their businesses but also the market, which may have lower rents and more space options over the next 12 to 18 months. Also, the recession has occupiers

concerned about conserving cash, and staying in place avoids capital outlays for fitting out new space. Landlords generally are agreeing to these short-term deals to avert a spike in vacancy. The additional impact of these short-term renewals is that they will increase demand in a few years’ time, which could be a benefit to the market’s eventual recovery.

FIGURE 4: Total Renewal Breakdown



Source: CBRE Research.

ARE MANHATTAN OFFICE OCCUPIERS CONSIDERING A REGIONAL HUB-AND-SPOKE MODEL?

Commuters’ concerns about contracting COVID-19 on the region’s mass transit system have led many to speculate whether NYC’s largest office occupiers might shift part of their office footprint away from Manhattan to suburban markets, where most workers would commute by car.

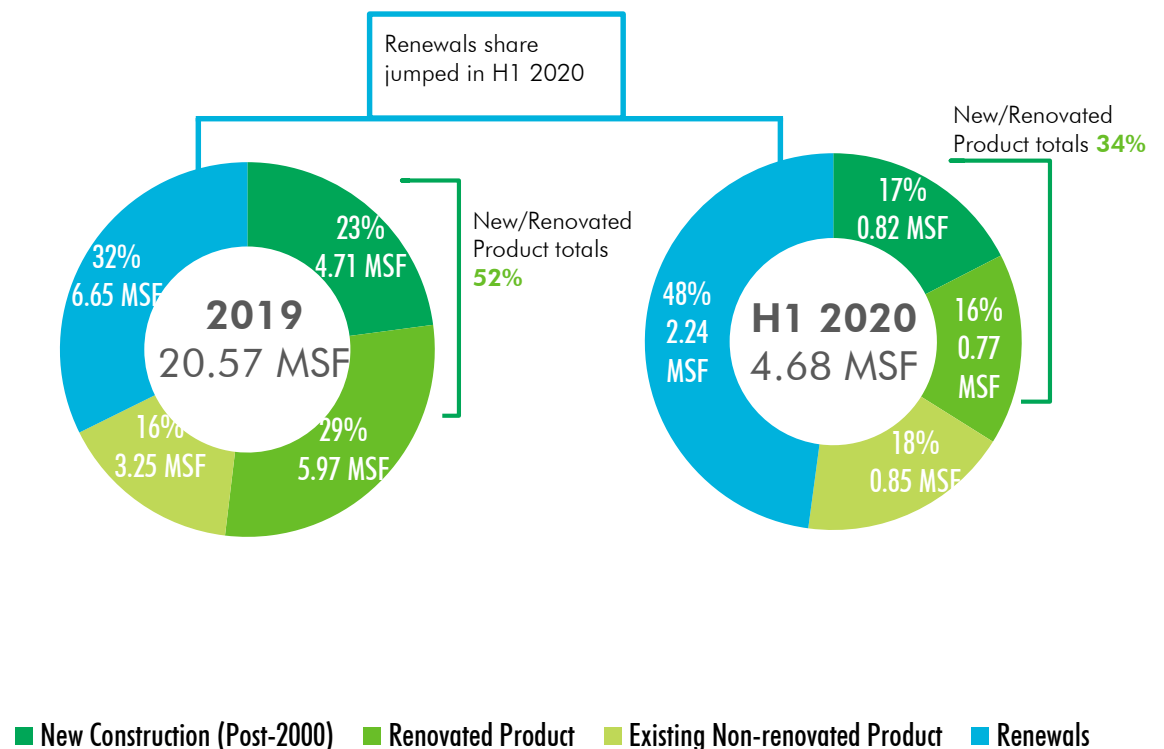
Overall, the amount of leasing for “spoke” locations has been relatively small at this point. Some smaller, short-term leases have been signed in suburban Fairfield County, CT, where at least 11 transactions for a combined 75,000 sq. ft. of space were inked in recent months. Overall, however, the impact of leasing for suburban locations has been rather small. There may be an uptick as we enter H2 2020, as more spoke leases look to be in the offing both in CT as well as in NJ. It remains to be seen just how much demand ultimately results from this regional strategy, but so far, both data and broker insights suggest the Manhattan market will see little impact.

LEASING VELOCITY BY PRODUCT TYPE

In the past several years, large tenants (those requiring 50,000 sq. ft. or more) exhibited a flight to quality, relocating from older buildings to Manhattan’s new office towers or those that were substantially renovated. New or renovated buildings accounted for 44% of Manhattan’s largest office leases between 2016 and 2019. With tenants currently more cautious amid the pandemic, there has been a noticeable shift. Renewals accounted for an increased share of large leasing transactions in H1 at 48%.⁵ Renovated and new construction projects garnered 1.59 million sq. ft. of leasing or 34% of the total volume.

While COVID-19 has interrupted this flight-to-quality trend, it likely is only temporary. Once the economy begins to recover, tenant-favorable market dynamics should induce large occupiers back into the market for new and highly renovated office space. Heightened concerns about health and wellness in the workplace could further raise the attractiveness of the state-of-the-art air-filtration systems, touchless access, high-efficiency elevators and many other amenity advancements in newer or revamped buildings.

FIGURE 5: Leasing Velocity by Product Type⁶



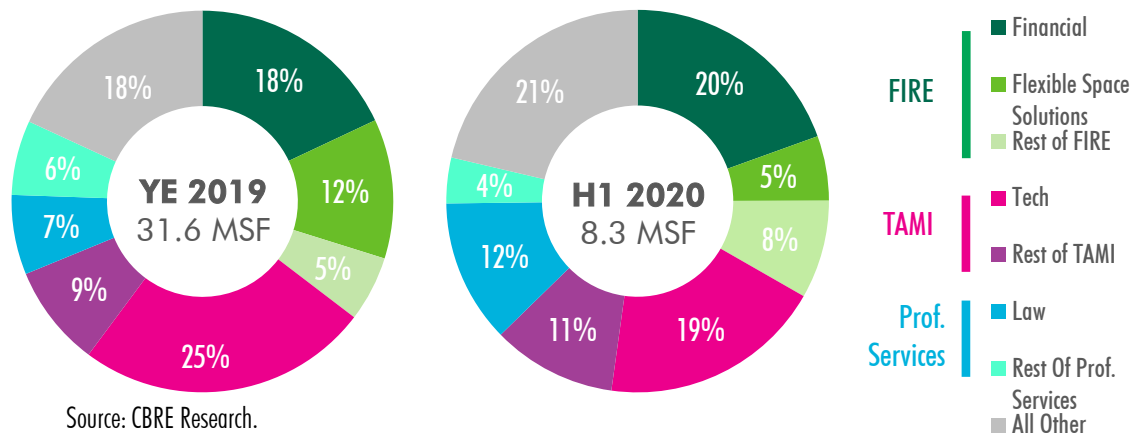
Source: CBRE Research.

WHY TECH LOVES NYC: WE'VE GOT TALENT

CBRE's 2020 Scoring Tech Talent report once again identified New York as one of the country's leading tech markets. The New York metro area is the second largest tech labor market in North America, behind the San Francisco Bay area. New York is also the leading market for producing technology graduates, minting nearly 15,000 new tech degree holders each year. The number of people working in tech occupations grew by over 18% from 2015 to 2019, to reach a total of 268,000.

Technology firms have leased 1.1 million square feet of new space in New York since the beginning of 2020 including 509,000 square feet of space since early March, when COVID-19 arrived in New York. The tech sector is expected to emerge from the present crisis in a position of relative strength. New York's youthful and tech-savvy workforce will be a boost to its economic recovery, as tech firms seeking access to the industry's top talent continue to drive leasing in this market.

FIGURE 5: Leasing by Industry Sector



LEASING ACTIVITY BY INDUSTRY

Despite the pandemic, Manhattan saw some major leases in Q2, with the tech industry accounting for 19% of total leasing activity. Two notable deals were TikTok’s new lease at the renovated 151 West 42nd Street in the heart of Times Square and Match Group’s deal at the newly redeveloped Gansevoort Row in Midtown South. These leases exemplified the growing trend of tech firms moving to state-of-the-art new construction or substantially renovated buildings, rather than the smaller pre-war assets that tech tenants favored early on in their growth in New York.

Financial services companies also accounted for 19% of total leasing activity in H1 but none of it for blocks of more than 100,000 sq. ft. Law firms rounded out the top three industries with 12% of leasing activity. Debevoise & Plimpton’s commitment to newly constructed 66 Hudson Boulevard accounted for 75% of law firm leasing. Flex operators accounted for just 5% of the leasing activity in H1, after representing 18% in 2018 and 12% in 2019.

FIGURE 6: Largest Transactions of H1 2020

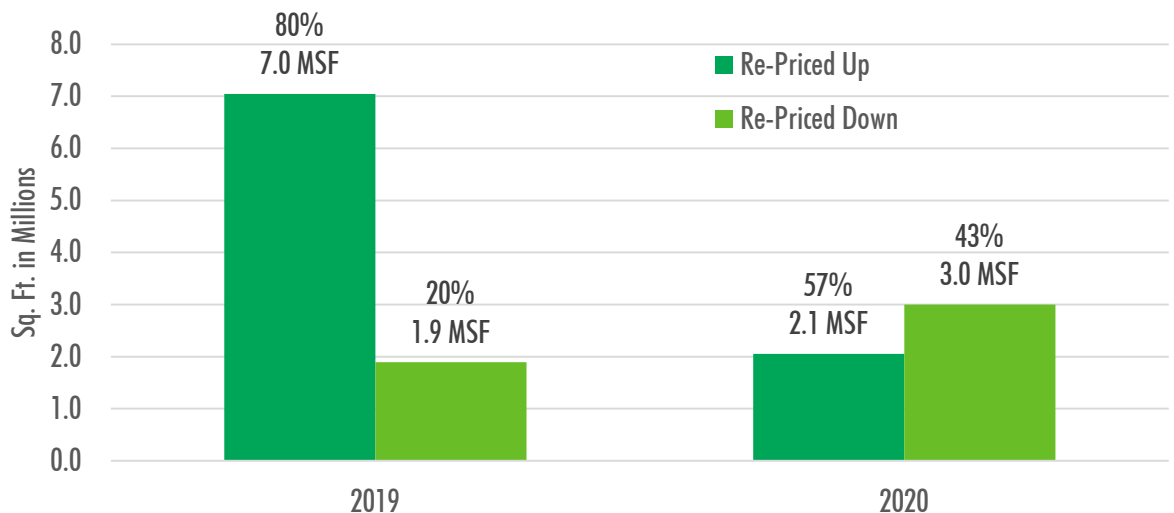
Tenant	Address	Size	Quarter	Transaction Type
Debevoise & Plimpton	66 Hudson Boulevard	530,721	Q1	Lease
Debevoise & Plimpton*	919 Third Avenue	474,398	Q1	Renewal
New York State Government	60 Broad Street	425,509	Q1	Renewal
Securities & Exchange Commission*	200 Vesey Street	290,070	Q2	Renewal
Securities & Exchange Commission	100 Pearl Street	241,171	Q2	Lease
TikTok	151 W 42nd Street	232,138	Q2	Lease
MDC Partners Inc	1 World Trade Center	199,277	Q1	Lease
NYU Langone Medical Center	601 Lexington Avenue	193,926	Q1	Lease
Digital Chelsea, LLC	111 Eighth Avenue	165,577	Q1	Renewal
Cantor Fitzgerald Securities Corporation	110 E 59th Street	151,981	Q1	Renewal
Allen & Overy*	1221 Avenue of the Americas	143,331	Q2	Renewal
JLL	330 Madison Avenue	139,440	Q1	Renewal/Expansion
Bank of New York Mellon	200 Park Avenue	129,920	Q1	Renewal
Mitsubishi International Corporation*	655 Third Avenue	120,075	Q2	Renewal

Source: CBRE Research. * Indicates a renewal with term of 5 years or less

RENT TRENDS

Average asking rents in Manhattan remained relatively stable in H1 at \$81.30 per sq. ft., less than 1% under the record high of \$81.86 per sq. ft. As in 2019, rent increases were due to new blocks of premium-priced space coming to market early in the year. Midtown South rents increased 3.5% year-over-year to \$86.04 per sq. ft., while Midtown averaged \$87.04 and Downtown averaged \$63.47.

FIGURE 7: Manhattan Annual Repricing Trends | Direct Space 2019-H1 2020

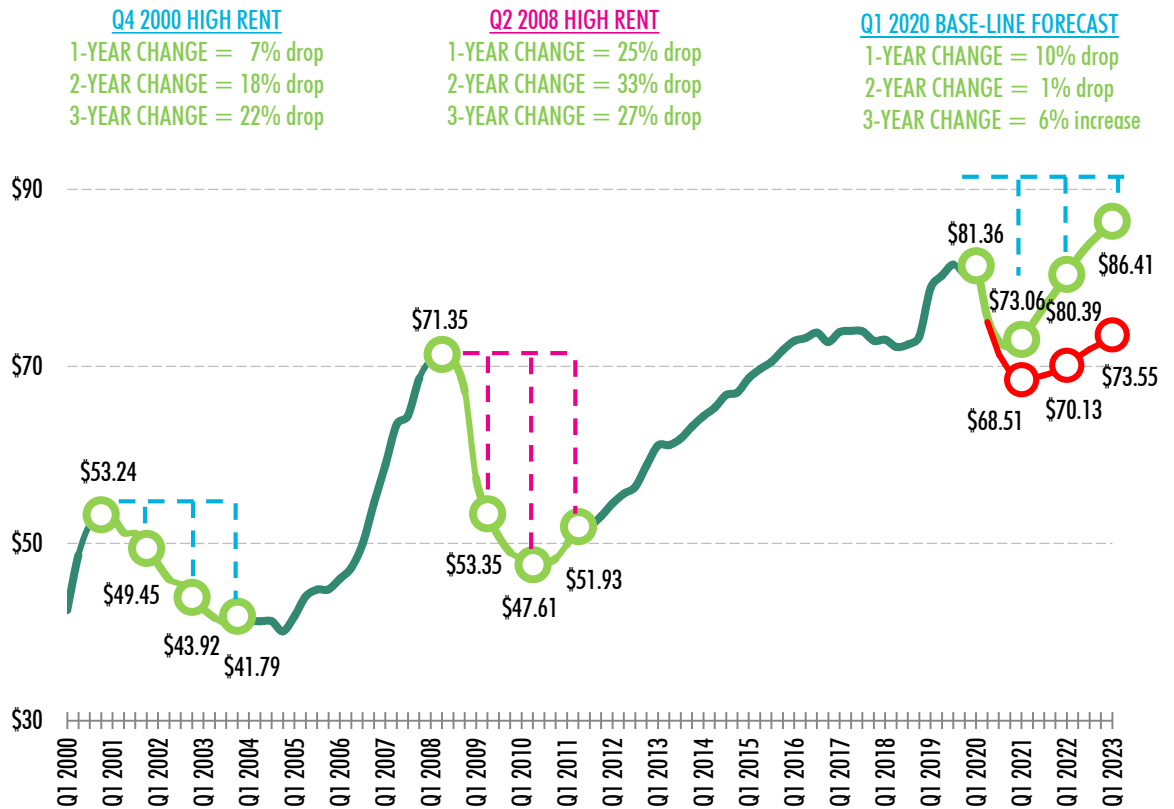


Source: CBRE Research.

Despite the lack of movement in the average asking rent, there are indicators that the market is entering a period of price discovery, and some landlords have moved early to reduce asking rents on their availabilities. In H1 2020, available space totaling 3.0 million sq. ft. was priced down—exceeding the 2019 full-year total of 1.9 million sq. ft. Total annual repricing volume this year is on pace to reach its highest level in five years. Among spaces repriced so far this year, asking rent has declined by an average of 8%.

CBRE Econometric Advisors forecasts a 10% to 16% decline in Manhattan average asking rent by Q2 2021 before a rental rate recovery begins.⁷ Newer, amenity-rich buildings with stable occupancy levels are expected to fare better, while older unimproved buildings and those with higher levels of upcoming lease expirations are expected to face additional pressure to drop rents.

FIGURE 8: Manhattan Office Rent Trend With Forecast



Source: CBRE Research.

CONCESSIONS

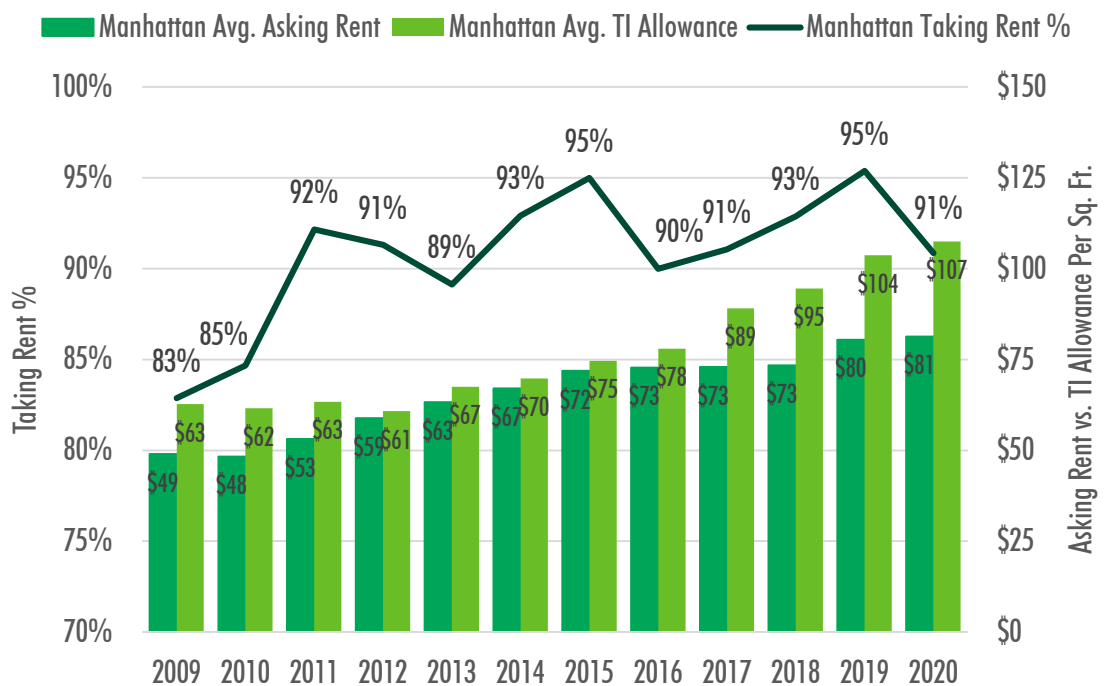
The market has seen a steady rise in concessions over the past few years. Average tenant improvement (TI) allowances rose 33% to \$104 per sq. ft. last year from \$78 per sq. ft. in 2016. As the market reacts to COVID-19, concessions likely will further increase, particularly free rent.

Following NYC’s shutdown in March, some landlords offered periods of free rent in exchange for tenants extending their lease commitments. Leases signed during the shutdown mostly had more concessions while starting rent terms held firm. TI allowances for direct new leases of more than 25,000 sq. ft. increased by 3.6% year-over-year in H1 to \$107 per sq. ft. and free rent increased 1% but remained rounded to 13 months. The smaller sample of similar COVID-era leases (March to June) show TIs averaging \$110 per sq. ft. and nearly 14 months of free rent.

TAKING RENT INDEX

The taking rent index (TRI) for Manhattan, which measures the spread between the listing rent and the taking rent, dropped to 90.8% in H1, its lowest level in almost two years. The decline reflects a 4.5-percentage-point decrease from year-end 2019’s 95.4%. If the TRI continues to fall, it will indicate a period of price discovery that could result in longer negotiations and less activity due to uncertainty.

FIGURE 9: Taking Rent Percentage and TI Allowance Movement

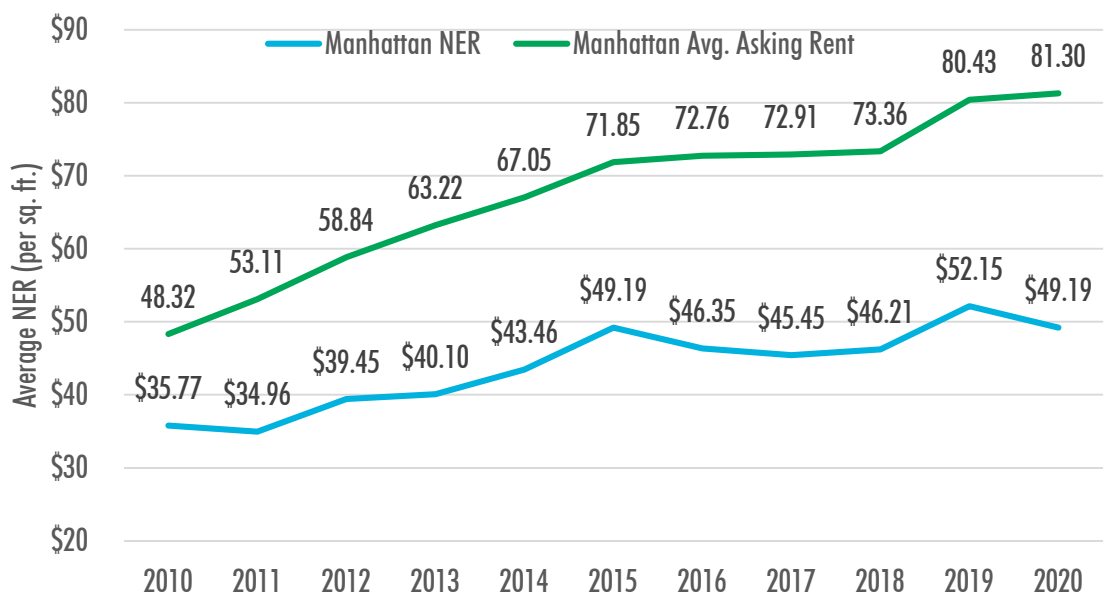


Source: CBRE Research.

NET EFFECTIVE RENT

Despite the stability in asking rents, net effective rents (NER) have dropped by nearly 6% so far this year. The widening gap between asking and taking rents, coupled with increasing concessions, lowered the average net effective rents to \$49.19 per sq. ft. from \$52.15. Average NER now stands at the same level as in 2015, which was previously a high watermark before NER growth peaked in 2019.

FIGURE 10: Manhattan Historical Average Net Effective Rent vs. Asking Rent



Source: CBRE Research.

ABSORPTION AND AVAILABILITY

Negative absorption totaling 3.7 million sq. ft. in H1 2020 reduced NYC’s total occupied office space to 364.3 million sq. ft.—its lowest level since year-end 2018 and pushing the overall availability rate slightly above 12% for the first time since April 2014. With 10% to 12% considered the equilibrium level of availability, the H1 rate of 12.1% indicates that the market may be entering a more tenant-favorable period for lease negotiations.

Although all three of Manhattan’s major markets recorded negative absorption in H1, they had somewhat differing positions of strength from an availability Standpoint. Midtown South remained the tightest, with only 8.3 million sq. ft. of space available for a rate of 10.6%—still at the lower range of equilibrium. Speculative boutique construction and redevelopment projects are continuing in Midtown South, which should appeal to tech and creative tenants who have largely jumped on high-quality large blocks of space when they become available. Midtown South is without

any available blocks of 250,000 sq. ft. or more and has only 14 blocks of more than 100,000 sq. ft. For tenants that remain active in the market, the downturn should provide more space opportunities to consider.

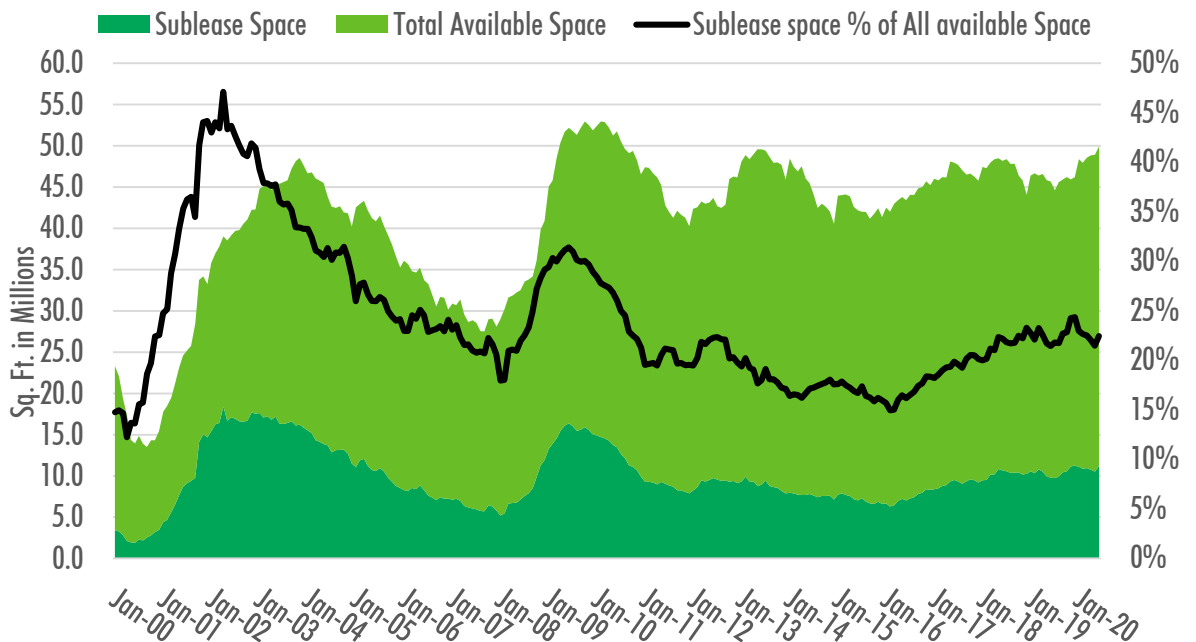
Downtown’s availability rate of 12.9% is the highest of the three Manhattan markets, but unlike Midtown South there is limited opportunity for new construction, with only Two World Trade Center on the horizon.

Large new and redeveloped buildings added premium-priced blocks of space to Midtown and increased the availability rate by 1 percentage point last year. Midtown started 2020 in a similar fashion with the addition of 767,000 sq. ft. at Vornado’s 390 Ninth Avenue (the Farley Building). Availability stabilized until sublease additions totaling 551,000 sq. ft. hit the market in June and pushed the availability rate up by 90 basis points to 12.2%. As the largest market in Manhattan, Midtown has more available space and more 100,000-sq.-ft. + blocks (49) as of midyear 2020.

SUBLEASE AVAILABILITY

The amount of sublease space that comes to market in 2020 will be one of the most telling indicators of the depth of COVID-19’s impact on the Manhattan office market. So far, the amount of sublease space has been minimal despite some job losses in office-using sectors and others, like the retail and media & entertainment sectors, that account for a sizable amount of office space and have been hard hit by the pandemic.

FIGURE 11: Manhattan Sublease Space as a Percentage of All Available Space

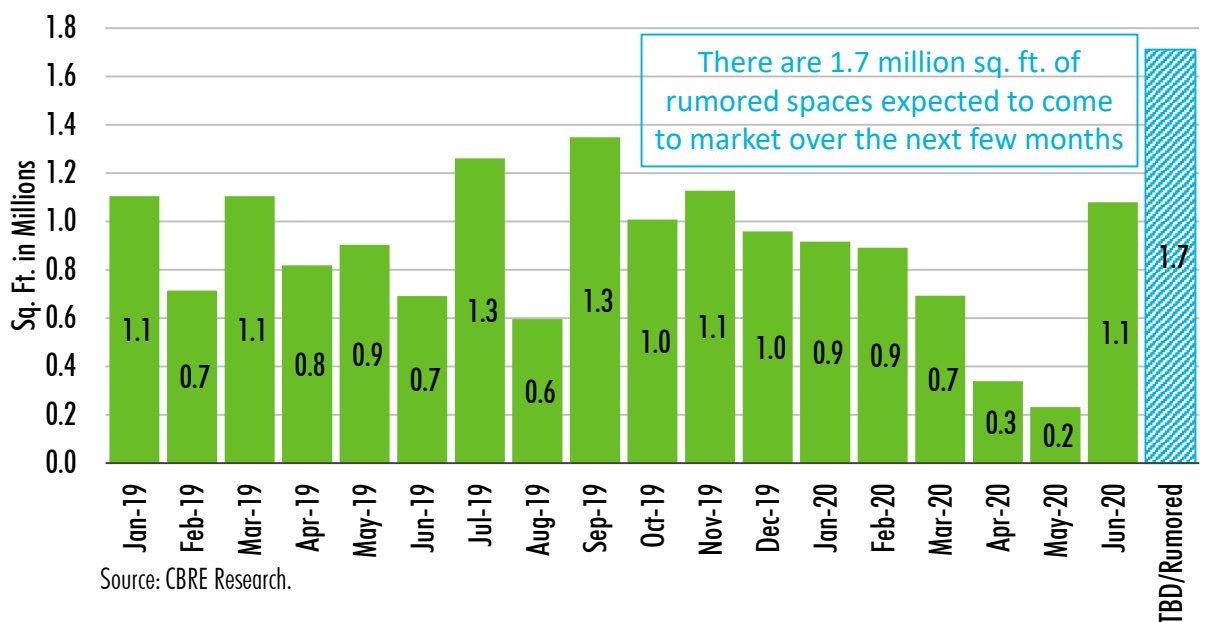


Source: CBRE Research.

While the crisis kept a lid on most real estate transactions in April and May, June marked a thaw, including a jump in the amount of sublease space added to the market. Additionally, the list of sublease space likely coming to the market is growing—another signal that occupiers are beginning to adjust their Manhattan office footprints in response to a recession.

Before COVID-19, Manhattan typically had about 800,000 to 1 million sq. ft. of sublease space added to the market per month. March, April and May 2020 had below-average levels of sublease space additions, ranging from 700,000 to 200,000 sq. ft. With the city moving into the early phases of economic reopening in June, the market added 1.1 million sq. ft., which was in line with historic norms.

FIGURE 12: Manhattan Monthly Sublease Space Additions and Rumored Additions



Despite the slowdown in leasing activity, the amount of COVID-related sublease space has had little cumulative impact on the market to date. Total Manhattan sublease inventory reached 11.2 million sq. ft. in H1, nearly unchanged from the total at the end of 2019. Heading into H2, sublease space represents 22% of all available space, essentially where it has been since 2018. This level is well below that of either the Global Financial Crisis or the dot-com/Sept 11 recession when the ratios peaked at 31% and 47%, respectively and lowered market pricing.

CBRE is forecasting that 1.7 million sq. ft. of sublease space likely will come to market over the next few months. If all this space were to hit in Q3 and none of the currently listed space were leased, total sublease space would reach 12 million sq. ft.—far less than in prior recessions. Of course, even rather typical amounts of sublease space can become a drag on the market if leasing activity remains depressed for an extended period, so careful tracking of the sublease landscape is critical for assessing the market’s potential vulnerability.

Since mid-March, roughly 2 million sq. ft. of sublease space has been added in Manhattan. The top three industries listing the most space were media & entertainment (22%), financial services (19%) and apparel/retail sales (10%). Media & entertainment firms added nearly 450,000 sq. ft. or 22% of all sublease additions—an outsized share for an industry that makes up just 9% of all occupied space but reflecting the significant negative impact of the pandemic. Similarly, COVID woes have spurred retailers to shed costs by offering 200,000 sq. ft. of sublease office space in Manhattan so far (and more elsewhere in NYC). Financial services, Manhattan’s largest office occupier, added more than 350,000 sq. ft. of sublease space since early March.

FIGURE 13: Total Sublease Space Added Since March 9, 2020 by Industry

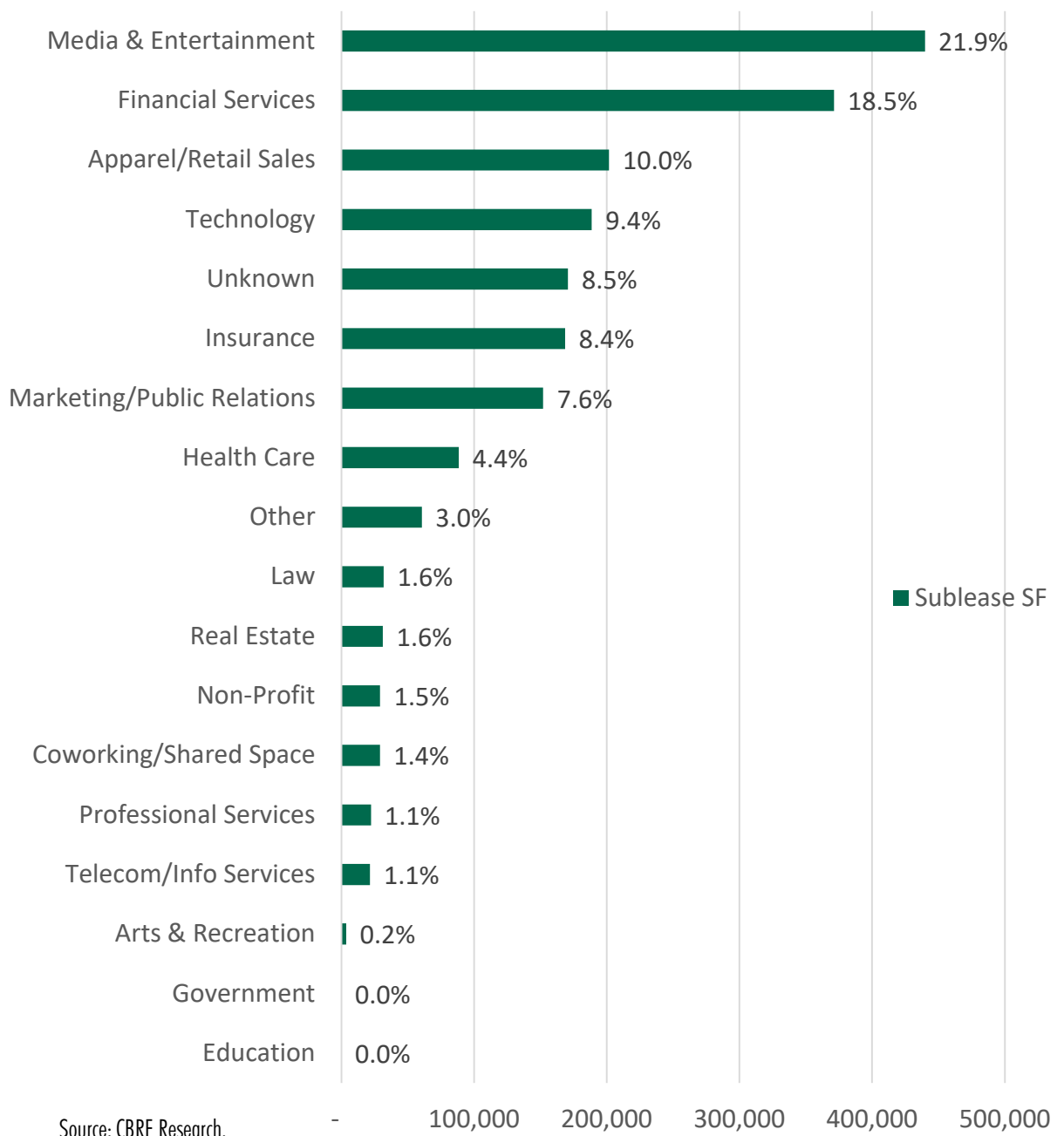
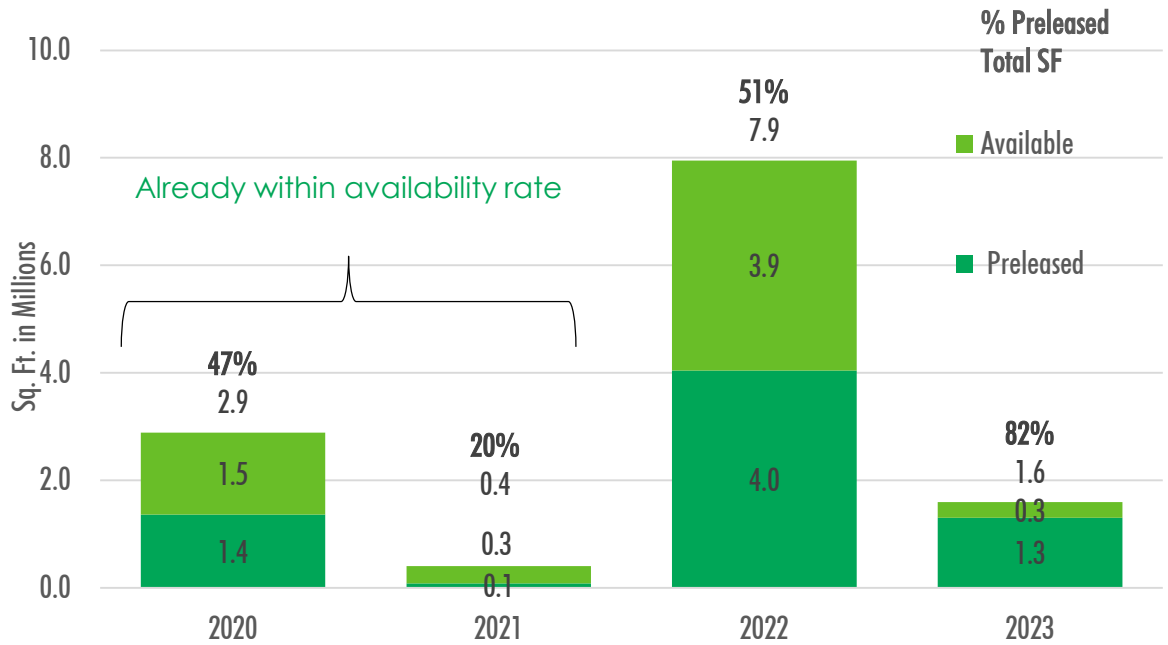


FIGURE 13: Ground Up Under Construction Projects

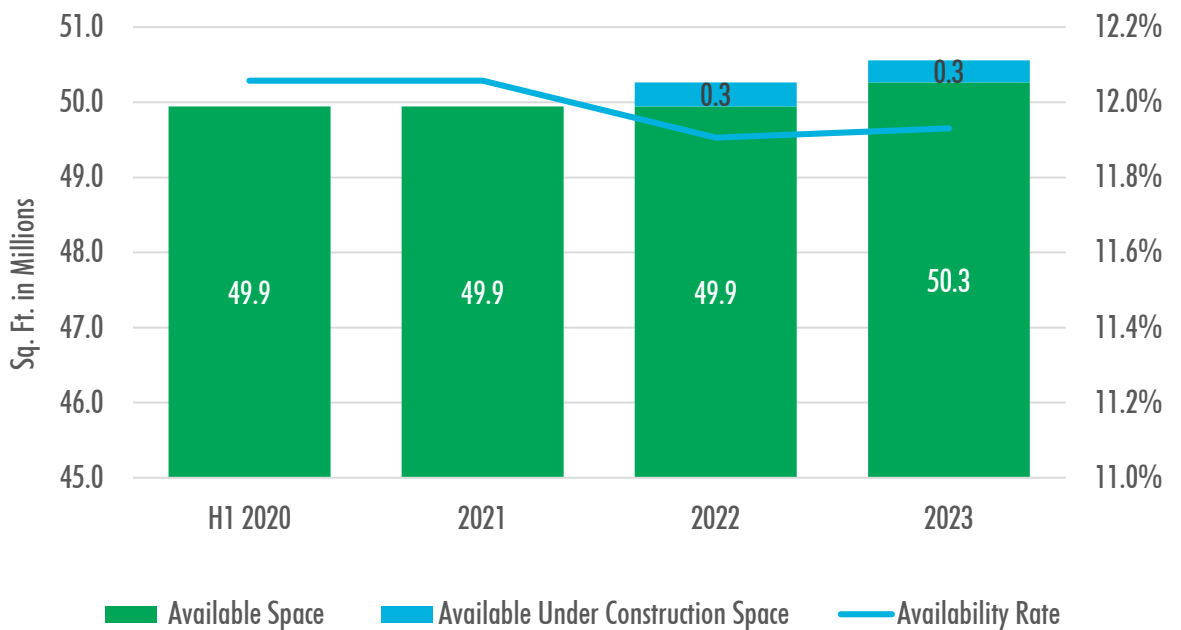


Source: CBRE Research.

NEW CONSTRUCTION

The moratorium on non-essential construction in NYC from March 27 to June 8 caused little disruption in the delivery timeline for Manhattan’s major new office developments. At the close of H1 2020, 12.9 million sq. ft. of new office projects were under construction with delivery dates through year-end 2023.

FIGURE 14: Impact of Uncommitted New Construction Space



Source: CBRE Research.

Preleasing commitments account for 53% of this new inventory (6.8 million sq. ft.). Of the unleased space, 1.8 million sq. ft. is currently accounted for in the Manhattan availability rate of 12.1%. This leaves another 4.2 million sq. ft. to potentially accumulate on the roster of available space if no additional leasing occurs before the space reaches the 12-month availability window. However, considering that more of this new inventory is leased than unleased, by the time it shows up in the availability rate, the effect would be a slight decline.

OUTLOOK FOR 2020

Even as NYC has progressed through several stages of economic reopening, including allowing up to half of non-essential workers to return to office buildings, tenants have been slow to reoccupy their office space, and it is likely that the majority of workers will not be called back to the workplace before the fall of 2020. While the situation remains in flux, until there is a move to reoccupy the office it is likely that leasing activity will remain at levels below historic norms.

The economic outlook is also in flux. The recent increase in infections and hospitalizations in the South and West suggest that the U.S. economic recovery will be slower than originally expected. Through aggressive containment measures and the diligence of New Yorkers, the city and surrounding region have emerged as a bright spot on the national recovery map, suggesting that local economic conditions will improve more quickly than in other regions. While this will result in New York's office market emerging a few steps ahead of other regions, the slower overall U.S. economic recovery likely will be a headwind to office demand in the Manhattan market for three to six months.

The other open question is how the demand for space will change in response to the unique COVID circumstances. It remains to be seen how de-densification on the one hand and a longer-term shift to work-from-home on the other will affect the market. More time is needed to gain insight on how occupiers' demand for office space will respond to these competing factors, and how this will ultimately impact market fundamentals. Despite the uncertainty, the depth of the local talent pool and the extraordinary economic breadth of the market are two strong pillars that favor New York over other locales struggling to recover from this crisis.

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at: www.cbre.com/researchgateway.

DEFINITIONS

Availability — Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.

Asking Rent — Weighted average asking rent.

Concession Values — The combination of rent abatement and T.I. allowance. The graph is for new leases for raw space of 25,000 sq. ft. or greater consummated year-to-date, this excludes expansion and renewal deals.

Leasing Activity — Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals.

Leasing Velocity — Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals.

Net Absorption — The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

Rent Abatement — The time between lease commencement and rent commencement.

Taking Rent — Actual, initial base rent in a lease agreement.

Taking Rent Index — Initial taking rents as a percentage of asking rents. This graph represents a 6-month rolling weighted average (for size and month).

Tl. — Tenant Improvements.

Net Effective Rent — Figure assumes transactions are ten years with a \$5 per sq. ft. bump after 60 months.

Percentage of Leasing by Industry — The percentage of sq. ft. leased by an industry based on transactions where a tenant and industry have been confirmed.

END NOTES:

1. Bureau of Labor Statistics, Federal Reserve Economic Data.
2. New York Times. Interactive Data. “Five Ways to Monitor Coronavirus Outbreak”.
3. American Community Survey Population Data
4. The reported tenants in the market includes active requirements larger than 50,000 sq. ft. that are recorded by CBRE Research. These totals omit any requirement for flexible space operators.
5. Two short-term deals were omitted since these tenants also committed to relocate to other buildings and their renewals were short-term extensions until those moves
6. For the purposes of this analysis, new construction is defined as ground-up office developments delivered in 2000 or after. This includes projects still under construction at the time of publication.
7. CBRE-EA will issue a revised New York metro-area market forecast based on Q2 2020 economic and market data in late July. CBRE Tri-State Research will update the Manhattan rent forecast following the release of CBRE-EA’s updated analysis.

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