

Midtown Manhattan Office, December 2016

# Taking rent index falls 300 bps year-over-year, as landlords seek to close deals

Figure 1: Midtown Market Activity

	Nov. 2016	Oct. 2016	Nov. 2015	YTD 2015	YTD 2016
Leasing Activity	1.07 MSF	1.81 MSF	1.06 MSF	16.23 MSF	13.77 MSF
Absorption	0.06 MSF	0.13 MSF	(0.85) MSF	(1.35) MSF	(2.64) MSF
Availability Rate	12.0%	12.0%	11.0%		
Vacancy Rate	7.7%	7.7%	6.9%		
Average Asking Rent	\$81.14 PSF	\$82.01 PSF	\$78.62 PSF		
Taking Rent Index	91.0%	94.2%	94.1%		

Source: CBRE Research, December 2016.

## MARKET HIGHLIGHTS

- Monthly leasing activity totaled 1.07 million sq. ft., 17% below its five-year monthly average of 1.30 million sq. ft.
- Year-to-date leasing activity is down 15% compared to the same period last year.
- The availability rate was virtually unchanged from last month and up 100 basis points from one year ago.
- Net absorption was positive 58,000 sq. ft. in November, bringing the year-to-date total to negative 2.64 million sq. ft.
- The average asking rent declined slightly over the past month and rose 3% from November 2015.
- Sublease availability was 2.2%, with an average asking rent of \$65.72, up 12% year-over-year.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
206,557	Hogan Lovells	390 Madison Avenue
122,057	WeWork	2 Herald Square
43,183 (R)	Toyota Tsusho America, Inc.	805 Third Avenue
41,160	Fross, Zelnick, Lehrman & Zissu, P.C.	4 Times Square
40,573	Build Coworking	335 Madison Avenue

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

Source: CBRE Research, December 2016.

## MAJOR NEW AVAILABILITIES

- 99,000 sq. ft. of Wenner Media sublet space at 1290 Avenue of the Americas
- 54,000 sq. ft. of direct space at 437 Madison Avenue
- 49,000 sq. ft. of direct space at 140 East 45th Street
- 43,000 sq. ft. of direct space at 101 Park Avenue\*
- 40,000 sq. ft. of Live Nation sublet space at 220 West 42nd Street

\* This space was already on the market, but has now fallen within 12 months of tenant possession and therefore was added to statistics.

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