



RESEARCH AUGUST 2021

Manhattan Monthly Snapshot

Manhattan Availability Rate Drops

After increasing or showing no change for 14 consecutive months, the Manhattan availability rate finally decreased, closing August at 18.6%. Despite the slight drop, the availability rate remained 530 basis points above August 2020 levels of 13.3%. Leasing velocity totaled 2.0 million square feet, bolstered by six transactions of at least 50,000 square feet, up from just one last month. Manhattan average asking rents closed the month at \$73.64/SF, a month-over-month increase of \$0.41/SF, marking just the second time that asking rents increased month over month since the start of the pandemic in March 2019. Even as market fundamentals have begun to stabilize recently, the Delta variant is causing some companies to delay their onboarding plans.

Midtown

The Midtown availability rate remained stable at 17.8% for the third straight month. The lone large block addition of at least 100,000 square feet was at 787 Seventh Avenue, where 195,000 square feet came to market from BNP Paribas. Midtown asking rents increased by \$0.58/SF month over month to \$78.22/SF, with increases of more than \$1.00/SF recorded in Times Square and the Far West Side. Midtown activity totaled 1.1 million square feet, led by two renewals at 1301 Avenue of the Americas completed by Credit Agricole and SVB Leerink. The largest relocation in the market was a 101,394-square-foot lease by Mintz Levin at 919 Third Avenue.

Midtown South

The Midtown South availability rate, down 90 basis points since June, dropped for the second consecutive month, closing at 18.2%. The drop was a result of continued withdrawal of sublease space, with the sublease availability rate decreasing by 40 basis points month over month. Asking rents were stable across all submarkets, with overall Midtown South rents increasing by \$0.19/SF from last month to \$77.16/SF. The only delivery in Midtown South was at 60 Charlton Street, adding 52,320 square feet to market inventory.

Downtown

The largest lease signed Downtown was at 32 Avenue of the Americas, where health care billing company Cedar signed a 66,595-square-foot deal. This transaction, combined with subleases completed by Galaxy Digital for 45,927 square feet at 300 Vesey Street and Network Capital Funding for 37,385 square feet at 1 World Trade Center, led to the slight decline in availability. The availability rate fell 10 basis points from last month to 21.3% - still the highest of the three markets. In addition, Downtown absorption posted positive for the first time in more than a year. Asking rents closed at \$59.60/SF, which is a negligible decline from last month, but a 5.6% drop from August 2020.

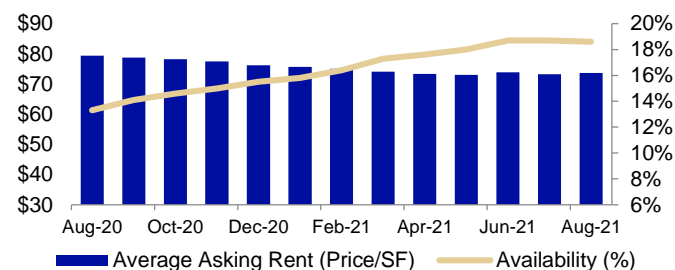
NEWMARK

Current Conditions

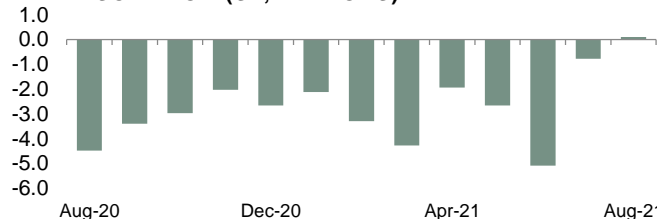
- The availability rate decreased month over month for the first time since the onset of the pandemic, dropping 10 basis points to 18.6%.
- Asking rents increased month over month for just the second time since March 2019, closing at \$73.64/SF, an improvement of \$0.41/SF.
- August leasing activity totaled 2.0 million square feet, bolstered by two large renewals at 1301 Avenue of the Americas.

Market Analysis

ASKING RENT AND AVAILABILITY



NET ABSORPTION (SF, MILLIONS)



Market Summary

	Current Month	Prior Month	Prior Year	12-Month Forecast
Total Inventory	468.1 MSF	468.1 MSF	460.8 MSF	↑
Availability Rate	18.6%	18.7%	13.3%	↓
Monthly Net Absorption	104,932	-773,581	-4,477,530	↑
Average Asking Rent	\$73.64	\$73.23	\$79.37	↑
Under Construction	13.9 MSF	14.0 MSF	16.1 MSF	↑
Deliveries	0.1 MSF	0 MSF	0 MSF	↑

Significant Lease Transactions				
Tenant	Address	Market/Submarket	Type	Square Feet
Credit Agricole	1301 Avenue of the Americas	Sixth Avenue/Rockefeller Center	Direct Renewal	170,000
The French bank signed a 170,000-square-foot renewal at 1301 Avenue of the Americas spanning 2.5 floors.				
SVB Leerink	1301 Avenue of the Americas	Sixth Avenue/Rockefeller Center	Direct Renewal and Expansion	112,191
The investment bank SVB Leerink executed a 112,191-square-foot renewal and expansion at 1301 Avenue of the Americas.				
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo LLP	919 Third Avenue	Eastside	Direct New	101,394
The law firm signed a long-term deal at 919 Third Avenue in its move from 666 Third Avenue, taking 3.5 floors.				
Institutional Capital Network iCapital Network	60 East 42nd Street	Grand Central	Extension and Expansion	70,000
iCapital Network executed a 70,000-square-foot extension and expansion at One Grand Central Place.				
Cedar	32 Avenue of the Americas	Tribeca/City Hall	Direct New	66,595
Cedar signed a five-year deal at 32 Avenue of the Americas in Tribeca for 66,595 square feet, quadrupling its office footprint.				

Submarket Statistics									
	Total Inventory (SF)	Monthly Net Absorption (SF)	YTD Net Absorption (SF)	Aug-21 Total Availability Rate	July-21 Total Availability Rate	Aug-20 Total Availability Rate	Aug-21 Avg. Asking Rent (Price/SF)	July-21 Avg. Asking Rent (Price/SF)	Aug-20 Avg. Asking Rent (Price/SF)
Midtown – A	232,735,946	-106,108	-7,631,111	17.6%	17.6%	13.9%	\$84.50	\$83.97	\$90.77
Overall	293,523,762	-189,414	-9,123,715	17.8%	17.8%	13.8%	\$78.22	\$77.64	\$84.10
Midtown South - A	19,409,630	30,575	-1,010,814	18.9%	19.1%	13.9%	\$96.43	\$96.30	\$107.66
Overall	78,838,976	291,788	-3,530,516	18.2%	18.8%	11.8%	\$77.16	\$76.97	\$82.17
Downtown - A	75,377,027	-63,747	-5,719,054	21.8%	21.8%	13.8%	\$60.87	\$60.87	\$64.31
Overall	95,781,076	2,558	-7,379,995	21.3%	21.4%	13.4%	\$59.60	\$59.67	\$63.14
Manhattan - A	327,522,603	-139,280	-14,630,979	18.7%	18.7%	13.9%	\$78.83	\$78.38	\$85.51
Overall	468,143,814	104,932	-20,034,226	18.6%	18.7%	13.3%	\$73.64	\$73.23	\$79.37

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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at ngkf.com/research.

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