

Manhattan Monthly Snapshot

Limited Activity and New Large Blocks Drive Slight Increase in Availability Rate

The Manhattan availability rate increased to 18.6% this month, a 20-basis-point increase from January, following limited leasing activity and two large block additions of 100,000 square feet. A 220,000-square-foot block from Meredith was put back on the market at 225 Liberty Street in Downtown West, and a 117,181-square-foot block across five floors was made available at 655 Third Avenue in Grand Central. Velocity was down 35.7% month over month, with just two large deals signed for at least 100,000 square feet. Manhattan average asking rents increased by \$0.09/SF month over month to \$76.75/SF, marking the third consecutive month that average rents topped \$75.00/SF.

Midtown

The Midtown availability rate was stable month over month at 18.1%, despite the addition of the new large block at 655 Third Avenue, as well as smaller additions at 220 East 42nd Street, 10 Hudson Yards, and 135 West 50th Street. Midtown activity reached 1.4 million square feet, bolstered by Mutual of America Financial Group's 252,000-square-foot lease at 320 Park Avenue, the largest deal in Manhattan in February. Hermès also signed for 71,575 square feet at 550 Madison Avenue. There were 15 midsize deals (between 15,000 and 40,000 square feet) that accounted for 28.6% of activity. Midtown rents were stable, increasing by \$0.17/SF month over month to \$82.50/SF.

Midtown South

Midtown South availability rose 10 basis points from January to 17.0%, following three sublease additions of at least 50,000 square feet by Freshly at 63 Madison Avenue, Vitech Solutions at 401 Park Avenue South, and Workman Publishing at 225 Varick Street. Velocity fell 28.2% from January, closing at 396,580 square feet. Notable deals included New York University's renewal for all of 627 Broadway and Aurora Capital's deal at 405-409 West 13th Street. Asking rents increased by \$0.26/SF month over month to \$79.49/SF.

Downtown

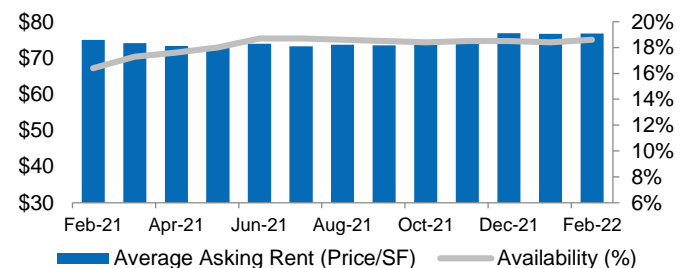
The large block addition at 225 Liberty Street pushed Downtown availability up 40 basis points from January to 21.2%, driven by Downtown West where availability surged 90 basis points to 17.8%. Activity was constrained at 64,055 square feet, with the largest direct deal signed by SI Engineering at the newly constructed 107 Greenwich Street for 10,055 square feet. As a result, Downtown absorption was recorded at negative 227,345 square feet. Asking rents were stable from January, closing at \$59.90/SF, down \$0.05/SF.

Current Conditions

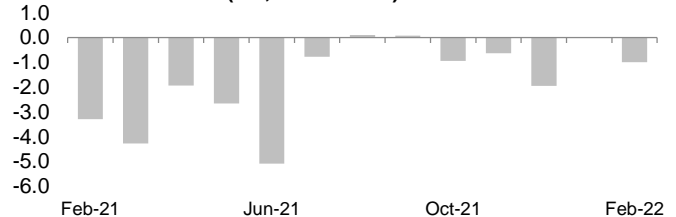
- Asking rents were stable month over month, closing at \$76.75/SF.
- The Manhattan availability rate increased by 20 basis points from January to 18.6%, with availability increases across all three markets.
- Leasing activity in February totaled just 1.8 million square feet, more than a million square feet less than January's total. The decrease resulted in negative 994,056 square feet of monthly absorption.

Market Analysis

ASKING RENT AND AVAILABILITY



NET ABSORPTION (SF, MILLIONS)



Market Summary

	Current Month	Prior Month	Prior Year	12-Month Forecast
Total Inventory	473.1 MSF	473.1 MSF	461.8 MSF	↑
Availability Rate	18.6%	18.4%	16.4%	↓
Monthly Net Absorption	-994,056	4,201	-3,303,751	↑
Average Asking Rent	\$76.75	\$76.66	\$75.00	↑
Under Construction	13.3 MSF	13.3 MSF	14.0 MSF	↑
Deliveries	0 MSF	0 MSF	0 MSF	↑

Significant Lease Transactions

Tenant	Address	Market/Submarket	Type	Square Feet
Mutual of America Financial Group	320 Park Avenue	Park Avenue	Direct New	252,000
After selling a partial stake in the building, Mutual of America leased eight floors spanning 252,000 square feet in a long-term deal.				
New York University	627 Broadway	NoHo/SoHo	Direct Renewal	102,000
New York University renewed 102,000 square feet, spanning the entire building, at 627 Broadway.				
Hermès	550 Madison Avenue	Plaza District	Direct New	71,575
The French design company is moving its headquarters to 71,575 square feet at 550 Madison Avenue, bring the property to 46.1% leased.				
Bentex Group	34 West 33rd Street	Penn District	Direct New	48,881
The apparel company Bentex Group signed a 10-year deal for 48,881 square feet at 34 West 33rd Street in the Penn District.				
FirstService Residential	575 Fifth Avenue	Grand Central	Direct New	48,000
FirstService Residential signed a 48,000-square-foot lease for 15 years at 575 Fifth Avenue, moving from 622 Third Avenue.				

Submarket Statistics

	Total Inventory (SF)	Monthly Net Absorption (SF)	YTD Net Absorption (SF)	Feb-22 Total Availability Rate	Jan-22 Total Availability Rate	Feb-21 Total Availability Rate	Feb-22 Avg. Asking Rent (Price/SF)	Jan-22 Avg. Asking Rent (Price/SF)	Jan-21 Avg. Asking Rent (Price/SF)
Midtown – A	237,536,086	-370,573	-776,542	18.5%	18.4%	16.1%	\$89.42	\$89.23	\$86.06
Overall	298,284,902	-448,020	-869,688	18.1%	18.1%	16.6%	\$82.50	\$82.33	\$79.12
Midtown South - A	19,467,108	-103,666	-99,738	18.9%	18.4%	16.6%	\$94.64	\$94.56	\$99.22
Overall	79,010,181	-318,691	-3,098	17.0%	16.9%	16.2%	\$79.49	\$79.23	\$75.73
Downtown - A	75,377,027	-120,344	-3,482	21.3%	21.0%	16.1%	\$61.22	\$61.20	\$63.01
Overall	95,781,076	-227,345	-117,069	21.2%	20.8%	16.0%	\$59.90	\$59.95	\$61.65
Manhattan - A	332,380,221	-594,583	-879,762	19.1%	19.0%	16.2%	\$82.49	\$82.37	\$81.44
Overall	473,076,159	-994,056	-989,855	18.6%	18.4%	16.4%	\$76.75	\$76.66	\$75.00

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