

# Manhattan Monthly Snapshot

## Availability Rate Continued to Climb as Asking Rents Fell to Lowest Point of 2022

For the second consecutive month, the Manhattan availability rate increased by 20 basis points, closing November at 18.8%. The rise in availability was driven by eight large-block additions, primarily in Midtown, as well as a decrease in velocity, which closed at 1.4 million square feet. This combination resulted in negative absorption of 929,797 square feet. Asking rents were down \$0.24/SF from last month, to \$74.29/SF, the lowest level recorded year-to-date. Approximately 10.8 million square feet of additional market inventory is currently under construction, including six buildings of at least one million square feet.

### Midtown

Five new large blocks of at least 100,000 square feet in Midtown drove availability higher, which closed November at 17.7%. These included direct spaces at 31 West 52nd Street, Penn 1, 511 Fifth Avenue, as well as sublease listings at 10 Hudson Yards from Guardian Life Insurance and 350 Fifth Avenue from Global Brands. The additions to the sublease market propelled the availability rates in both the Far West Side and Penn District up by 90 basis points. Midtown velocity totaled just 833,181 square feet, a 13.0% drop from last month. Class A assets remained in demand, however, accounting for 79.3% of activity. Four leases were also signed in Midtown new construction, including at 1 Vanderbilt, 1245 Broadway, and 106 West 56th Street. Midtown asking rents fell by \$0.33/SF month over month, to \$78.93/SF, with all but three of the 11 submarkets recorded asking rent decreases. The largest declines were recorded in Park Avenue and the Plaza District, where rents fell by \$1.54/SF and \$1.46/SF, respectively.

### Midtown South

Midtown South leasing activity totaled 455,101 square feet, or 31.1% of overall Manhattan activity. New construction continued to be attractive to tenants, with two deals signed at Zero Irving by Alpine Investors and GameChanger Media, as well as a 36,000-square-foot lease at 520 West 20th Street in Chelsea by David Zwirner Gallery. The Midtown South availability rate increased to 18.9%, following new space listings in NoHo/Soho and Hudson Square/Meatpacking, where availability increased by 170 basis points and 130 basis points, respectively.

### Downtown

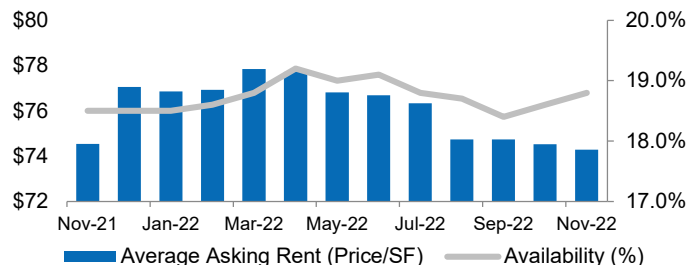
The Downtown availability rate increased by 20 basis points month over month, to 22.1%, as more than 120,000 square feet was added to the market at 120 Broadway. Downtown activity was limited, with just 175,959 square feet of velocity, the largest deal was signed at 1 World Trade Center for 17,238 square feet. Asking rents were stable, dropping by \$0.20/SF, to \$59.04/SF.

## Current Conditions

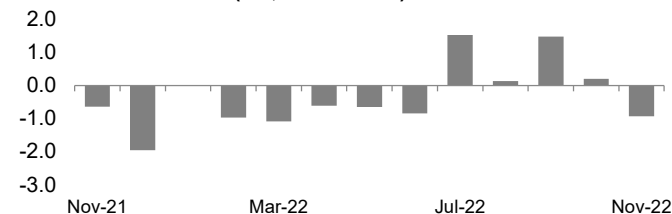
- The Manhattan availability rate ticked up by 20 basis points from last month, to 18.8%, following six large-block additions.
- Leasing activity totaled 1.4 million square feet in November, as velocity continued to taper off following a strong third quarter.
- Overall Manhattan average asking rents decreased by \$0.24/SF month over month to \$74.29/SF, driven by declines in eight Midtown submarkets.

## Market Analysis

### ASKING RENT AND AVAILABILITY



### NET ABSORPTION (SF, MILLIONS)



## Market Summary

	Current Month	Prior Month	Prior Year	12-Month Forecast
Total Inventory	474.2 MSF	474.1 MSF	468.0 MSF	↑
Availability Rate	18.8%	18.6%	18.5%	↓
Monthly Net Absorption	-929,797	199,646	-636,818	↑
Average Asking Rent	\$74.29	\$74.53	\$74.54	↑
Under Construction	10.8 MSF	10.8 MSF	13.3 MSF	↑
Deliveries	0 SF	0 SF	0 MSF	↑

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Significant Lease Transactions				
Tenant	Address	Market/Submarket	Type	Square Feet
Jay Suites	159 West 25th Street	Chelsea	Direct New	60,000
The coworking firm expanded its footprint by 60,000 square feet in Chelsea, leasing six floors at 159 West 25th Street.				
AECOM	100 Park Avenue	Grand Central	Direct Renewal	45,000
Construction firm AECOM renewed its fifth floor footprint for ten years, less than half of their previously occupied space in 100 Park.				
Spencer Stuart	90 Park Avenue	Grand Central	Sublease New	44,968
The search firm Spencer Stuart signed a 44,968-square-foot sublease at 90 Park Avenue in Grand Central.				
Raymond James	320 Park Avenue	Park Avenue	Direct Expansion	36,996
Raymond James expanded its footprint at 320 Park Avenue by 36,996 square feet, taking the entire ninth floor.				
David Zwirner Gallery	520 West 20th Street	Chelsea	Direct New	36,000
David Zwirner Gallery signed a 36,000-square-foot lease in Chelsea, the third gallery to sign in the recently renovated building.				

Submarket Statistics									
	Total Inventory (SF)	Monthly Net Absorption (SF)	YTD Net Absorption (SF)	Nov-22 Total Availability Rate	Oct-22 Total Availability Rate	Nov-21 Total Availability Rate	Nov-22 Avg. Asking Rent (Price/SF)	Oct-22 Avg. Asking Rent (Price/SF)	Nov-21 Avg. Asking Rent (Price/SF)
<b>Midtown – A</b>	<b>237,536,086</b>	<b>-411,929</b>	<b>4,307</b>	<b>17.9%</b>	<b>17.7%</b>	<b>17.8%</b>	<b>\$85.35</b>	<b>\$85.78</b>	<b>\$86.23</b>
Overall	298,195,202	-377,178	-256,564	17.7%	17.6%	17.7%	\$78.93	\$79.25	\$79.59
<b>Midtown South - A</b>	<b>20,417,963</b>	<b>-108,921</b>	<b>286,332</b>	<b>18.4%</b>	<b>17.9%</b>	<b>18.5%</b>	<b>\$93.15</b>	<b>\$93.71</b>	<b>\$94.44</b>
Overall	80,379,292	-308,170	-551,653	18.9%	18.3%	17.8%	\$79.78	\$79.82	\$78.18
<b>Downtown - A</b>	<b>75,377,027</b>	<b>-319,676</b>	<b>-870,676</b>	<b>22.2%</b>	<b>22.0%</b>	<b>21.9%</b>	<b>\$60.08</b>	<b>\$60.12</b>	<b>\$60.96</b>
Overall	95,666,759	-244,449	-1,128,985	22.1%	22.0%	21.6%	\$59.04	\$59.15	\$59.77
<b>Manhattan - A</b>	<b>333,331,076</b>	<b>-839,890</b>	<b>-580,037</b>	<b>18.9%</b>	<b>18.6%</b>	<b>18.8%</b>	<b>\$79.01</b>	<b>\$79.41</b>	<b>\$79.82</b>
Overall	474,241,253	-929,797	-1,897,202	18.8%	18.6%	18.5%	\$74.29	\$74.53	\$74.54

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