

Downtown Manhattan Office, April 2015

# Downtown rents continue to soar as a new all-time high of \$56.94 per sq. ft. is set in March

Figure 1: Downtown Market Activity

|                     | Mar. 2015   | Feb. 2015   | Mar. 2014   | YTD 2014   | YTD 2015   |
|---------------------|-------------|-------------|-------------|------------|------------|
| Leasing Activity    | 0.39 MSF    | 0.42 MSF    | 0.59 MSF    | 1.62 MSF   | 1.15 MSF   |
| Absorption          | 0.26 MSF    | 0.23 MSF    | 0.43 MSF    | (1.08) MSF | (1.50) MSF |
| Availability Rate   | 12.6%       | 12.9%       | 14.0%       |            |            |
| Vacancy Rate        | 9.3%        | 9.6%        | 10.6%       |            |            |
| Average Asking Rent | \$56.94 PSF | \$55.28 PSF | \$48.70 PSF |            |            |
| Taking Rent Index   | 92.7%       | 91.5%       | 90.2%       |            |            |

Source: CBRE Research, April 2015.

## MARKET HIGHLIGHTS

- During the month of March, Downtown leasing activity totaled 0.39 million sq. ft., 13% lower than the five-year monthly average of 0.44 million sq. ft.
- For the first time in 2015, four of the top five transactions contained a renewal component.
- Monthly absorption continues to remain in positive territory, ending the month of March at 0.26 million sq. ft.
- The availability rate decreased an additional 30 basis points (bps) compared to February, and dropped 140 bps from one year ago.
- Despite quiet leasing activity, the rents in Downtown continue to soar, again breaking the all-time record in March with a new high of \$56.94. This is up 3% from February and up 17% from a year ago.

Figure 2: Top Lease Transactions

| Size (Sq. Ft.) | Tenant                            | Address              |
|----------------|-----------------------------------|----------------------|
| 79,740 (R)     | Ambac Financial Group Inc.        | 1 State Street Plaza |
| 41,982         | Namely Inc                        | 195 Broadway         |
| 38,161 (RE)    | Schnader, Harrison, Segal & Lewis | 140 Broadway         |
| 25,650 (R)     | D.F. King & Company, Inc.         | 48 Wall Street       |
| 24,479 (RE)    | Samuel A. Ramirez Co., Inc.       | 61 Broadway          |

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

Source: CBRE Research, April 2015.

## MAJOR NEW AVAILABILITIES

- 127,000 sq. ft. of HIP Health Plan of New York sublet space at 55 Water Street
- 62,000 sq. ft. of Depository Trust & Clearing Corporation space at 55 Water Street
- 54,000 sq. ft. of SourceMedia, Inc. sublet space at 1 State Street Plaza
- 54,000 sq. ft. of sublet space at 200 Liberty Street
- 42,000 sq. ft. of direct space at 195 Broadway

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