

Downtown Manhattan Office, September 2015

Re-pricing and removal of key large blocks of space impact asking rents

Figure 1: Downtown Market Activity

	Aug. 2015	July 2015	Aug. 2014	YTD 2014	YTD 2015
Leasing Activity	0.39 MSF	0.52 MSF	0.44 MSF	4.52 MSF	2.92 MSF
Absorption	(0.25) MSF	0.06 MSF	0.25 MSF	0.81 MSF	(1.19) MSF
Availability Rate	12.3%	12.0%	11.9%		
Vacancy Rate	9.1%	9.1%	9.4%		
Average Asking Rent	\$56.33 PSF	\$57.34 PSF	\$48.52 PSF		
Taking Rent Index	91.3%	90.7%	92.7%		

Source: CBRE Research, September 2015.

MARKET HIGHLIGHTS

- Leasing activity totaled 391,000 sq. ft. in August, 11% below its five-year monthly average of 439,000 sq. ft.
- Year-to-date leasing activity totaled 2.92 million sq. ft., down 35% compared to the same period last year.
- The availability rate increased 30 basis points (bps) over the past month and is up 40 bps from one year ago.
- Year-to-date net absorption remains negative and has decreased a further 250,000 sq. ft. in August, mostly due to more than 500,000 sq. ft. of office space coming to market at 20 Broad Street.
- The average asking rent decreased by \$1.01 over the past month, following downward re-pricing at 28 Liberty Street and the leasing of a large block of premium-priced space at 300 Vesey Street. On average, rents are still 16% higher than August 2014.
- Sublease availability currently stands at 1.3%, with an average asking rent of \$44.24, up 15% year-over-year.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
168,876	Knight Capital Group, Inc.	300 Vesey Street
44,596 (R)	Interactive Data Corporation	100 William Street
17,811	Rent Stabilization Association (RSA)	123 William Street
12,787	Capital Properties NY, LLC	111 Broadway
12,708	Ciphertex	90 Broad Street

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

Source: CBRE Research, September 2015.

MAJOR NEW AVAILABILITIES

- 530,000 sq. ft. of direct space at 20 Broad Street*
- 55,000 sq. ft. of direct space at 26 Broadway
- 26,000 sq. ft. of direct space at 80 Broad Street*
- 24,000 sq. ft. of Sichenzia, Ross, Friedman & Ference LLP sublet space at 61 Broadway
- 13,000 sq. ft. of MCIC Vermont sublet space at 14 Wall 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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