

Midtown South Manhattan Office, September 2015

Landlord’s market persists—taking rents reach 99% of asking

Figure 1: Midtown South Market Activity

	Aug. 2015	July 2015	Aug. 2014	YTD 2014	YTD 2015
Leasing Activity	0.37 MSF	0.56 MSF	0.53 MSF	4.75 MSF	3.97 MSF
Absorption	0.02 MSF	0.04 MSF	0.19 MSF	0.47 MSF	0.27 MSF
Availability Rate	8.2%	8.2%	9.4%		
Vacancy Rate	5.1%	5.0%	5.5%		
Average Asking Rent	\$71.57 PSF	\$70.57 PSF	\$66.82 PSF		
Taking Rent Index	99.0%	97.7%	96.9%		

Source: CBRE Research, September 2015.

MARKET HIGHLIGHTS

- Leasing activity totaled 375,000 sq. ft. in August, 14% below its five-year monthly average of 435,000 sq. ft.
- Year-to-date leasing activity totaled 3.97 million sq. ft., down 16% compared to the same period last year.
- The availability rate remained stable over the past month and is down 120 basis points from August 2014.
- Year-to-date net absorption remains positive and is relatively unchanged from last month.
- The average asking rent increased by \$1.00 over the past month and is up 7% from August 2014, largely due to the addition of premium-priced space at 110 Greene Street.
- Sublease availability currently stands at 1.6%, with an average asking rent of \$58.88, up 10% year-over-year.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
33,001 (E)	William Morris Endeavor Entertainment, LLC	11 Madison Avenue
32,564	Greenhouse Software	110 Fifth Avenue
22,225	Elite Daily	53 West 23rd Street
9,626	INVNT	524 Broadway
8,000	PipeDrive	450 Park Avenue South

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

Source: CBRE Research, September 2015.

MAJOR NEW AVAILABILITIES

- 91,000 sq. ft. of direct space at 110 Greene Street
- 64,000 sq. ft. of Sanford-Brown Institute-New York sublet space at 33 Irving Place
- 57,000 sq. ft. of Komar Company sublet space at 16 East 34th Street
- 56,000 sq. ft. of W.H. Freeman & Company sublet space at 41 Madison Avenue
- 26,000 sq. ft. of Weight Watchers sublet space at 675 Avenue of the Americas

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