

Midtown Manhattan Office, September 2015

# Absorption and rents improve, despite summer lull

**Figure 1: Midtown Market Activity**

	Aug. 2015	July 2015	Aug. 2014	YTD 2014	YTD 2015
Leasing Activity	1.12 MSF	1.28 MSF	1.60 MSF	11.35 MSF	12.42 MSF
Absorption	0.27 MSF	0.05 MSF	1.14 MSF	2.20 MSF	(0.50) MSF
Availability Rate	10.7%	10.8%	10.8%		
Vacancy Rate	6.8%	6.8%	7.2%		
Average Asking Rent	\$78.71 PSF	\$78.38 PSF	\$74.89		
Taking Rent Index	93.1%	94.2%	96.6%		

Source: CBRE Research, September 2015.

## MARKET HIGHLIGHTS

- Leasing activity totaled 1.12 million sq. ft. in August, 16% below its five-year monthly average of 1.33 million sq. ft.
- Year-to-date leasing activity totaled 12.42 million sq. ft., up 9% compared to the same period last year.
- The availability rate is 10 basis points lower than the figure reported last month and one year ago.
- Year-to-date net absorption remains negative, but has improved by about 270,000 sq. ft. in August.
- The average asking rent increased by \$0.33 over the past month and is up 5% from August 2014.
- Sublease availability currently stands at 1.9%, having fallen below 2% for the first time since 2008, with an average asking rent of \$62.30, up 7% year-over-year.
- Four of the top five leasing transactions were for sublease space.

**Figure 2: Top Lease Transactions**

Size (Sq. Ft.)	Tenant	Address
57,280	Basic Resources	1411 Broadway
44,181	Authentic Brands Group LLC	1411 Broadway
43,741	Levy Group	1333 Broadway
29,805	Convener	237 Park Avenue
29,592	Holwell Shuster & Goldberg LLP	750 Seventh Avenue

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

Source: CBRE Research, September 2015.

## MAJOR NEW AVAILABILITIES

- 122,000 sq. ft. of direct space at 2 Herald Square\*
- 153,000 sq. ft. of direct space at 1 Penn Plaza
- 107,000 sq. ft. of McGraw Hill Companies sublet space at 2 Penn Plaza
- 45,000 sq. ft. of direct space at 633 Third Avenue
- 37,000 sq. ft. of CohnReznick, LLP sublet space at 1212 Avenue of the Americas

\* 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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