



MANHATTAN MONTHLY SNAPSHOT FEBRUARY 2016

FIRE RELOCATIONS, TAMI EXPANSIONS DRIVE LEASING

Manhattan office leasing was stable in February 2016, with 2.9 million square feet of activity recorded. TAMI tenants accounted for six of the 10 largest deals signed in February. Expanding tech and creative firms drove top deals in Midtown South and Downtown this month, while Midtown captured several large commitments from financial tenants.

Availability held flat year-over-year at 11.1%, as leasing has maintained pace with the addition of space to the market over the past 12 months. Asking rents rose to \$76.04/SF, up 10% from \$69.38/SF one year ago.

Midtown

FIRE tenants continued to drive activity in Midtown, comprising 52% of the total square footage leased. Stifel Nicolaus subleased 71,222 square feet at 1095 Avenue of the Americas, while Signature Bank went from a sublease at 1177 Avenue of the Americas to a direct lease of its 62,000-square-foot offices there.

A major construction milestone was reached this month when global hedge fund Citadel agreed to anchor L&L Holding Company's 425 Park Avenue development. In the month's largest deal, Citadel committed to lease 211,400 square feet in the 670,000-square-foot tower, including the building's penthouse floors, at top-of-the-market rents.

Midtown availability held stable at 11.7% and was up from 11.4% one year ago. Rents rose to \$82.56/SF, up 7% from \$76.82/SF in February 2015.

Midtown South

Midtown South leasing velocity picked up after a quiet couple of months, driven largely by tech and creative tenant expansions. Tech startup Grovo leased 70,000 square feet at 50 West 23rd Street in February, more than double its previous footprint at 3 Park Avenue.

Activity at 770 Broadway offered a glimpse at how surging demand in Midtown South is having a multifarious effect on different segments of the market. In off-market deals, Facebook and AOL agreed to expand onto additional floors in the building that are being vacated by value-driven tenants. Facebook added an 80,000-square-foot floor for a total occupancy of 355,000 square feet, while AOL expanded by 75,000 square feet for a total of 308,000 square feet in the building.

Midtown South availability tightened to 7.7% from 8.2% one year ago. Rents rose to \$70.91/SF in February, up 8% from \$65.94/SF this time last year.

Downtown

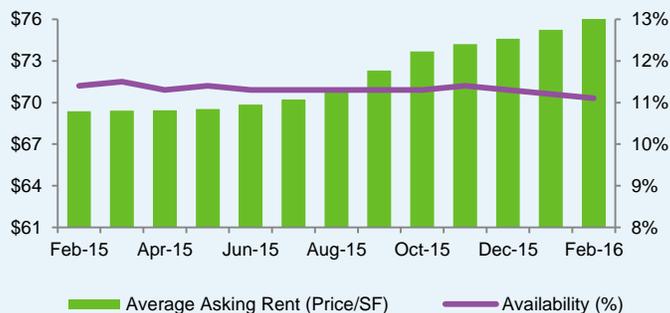
Two rapidly expanding TAMI tenants committed to Downtown in February. Droga5 leased an additional 110,000 square feet at 120 Wall Street for a total occupancy of 203,335 square feet in the building. Vox Media leased 85,733 square feet at 85 Broad Street this month, more than quadruple the space the media conglomerate previously occupied at 104 West 40th Street. Downtown availability has dropped 180 basis points to 12.1% from 13.9% one year ago. Rents rose to \$61.31/SF in February, up 9% from \$56.35/SF one year ago.

Current Conditions

- Manhattan saw 2.9 million square feet of leasing activity in February.
- Relocating financial firms drove leasing in Midtown, with Citadel's deal at 425 Park Avenue a construction milestone.
- TAMI tenant expansions comprised top deals in Midtown South and Downtown.
- Overall availability was stable at 11.1%, as the delivery of large blocks has been countered by leasing activity.

Market Analysis

Asking Rent and Availability



Net Absorption

Square Feet, Millions



Market Summary

	Current Month	Prior Month	Year Ago Period	12 Month Forecast
Total Inventory	443.3MSF	443.3MSF	441.9MSF	↑
Availability Rate	11.1%	11.2%	11.4%	↔
Monthly Net Absorption	100,380	-195,013	-40,167	↓
Average Asking Rent	\$76.04	\$75.23	\$69.38	↔
Under Construction	9.1MSF	9.1MSF	8.4MSF	↑


**MANHATTAN
MONTHLY SNAPSHOT
FEBRUARY 2016**
Significant Lease Transactions

Tenant	Address	Market/Submarket	Type	Square Feet
Citadel	425 Park Avenue	Midtown, Park Avenue	New	211,400
Global hedge fund agreed to anchor the 425 Park Avenue development and will take 211,4000 square feet in the building when it delivers in 2018.				
Droga5	120 Wall Street	Downtown, Downtown East	Renewal/Expansion	110,000
Advertising agency added 110,000 square feet at 120 Wall Street, bringing its occupancy in the building to 203,335 square feet.				
Vox Media	85 Broad Street	Downtown, Downtown East	New	85,733
Online media company relocating from 104 West 40th Street to 85 Broad Street, where it will quadruple its office footprint.				
Structure Tone	330 West 34th Street	Midtown, Penn Station	New	82,000
Construction firm leased 82,000 square feet at 330 West 34th Street with plans to relocate from 770 Broadway.				
Facebook	770 Broadway	Midtown South, NoHo/SoHo	Expansion	80,000
Social media giant expanding onto an additional floor at 770 Broadway for a total occupancy of 355,000 square feet in the building.				

Market Statistics

	Total Inventory (SF)	Monthly Net Absorption (SF)	YTD Net Absorption (SF)	Feb-16 Total Availability Rate	Jan-16 Total Availability Rate	Feb-15 Total Availability Rate	Feb-16 Avg. Asking Rent (Price/SF)	Jan-16 Avg. Asking Rent (Price/SF)	Feb-15 Avg. Asking Rent (Price/SF)
Midtown - A	217,073,417	-168,763	79,885	12.2%	12.1%	11.9%	\$87.66	\$86.59	\$81.99
Overall	278,270,174	-180,445	-67,003	11.7%	11.6%	11.4%	\$82.56	\$81.74	\$76.82
Midtown South - A	14,564,835	12,401	-10,597	2.9%	3.0%	2.9%	\$84.98	\$85.78	\$79.69
Overall	72,569,051	34,504	-226,836	7.7%	7.9%	8.2%	\$70.98	\$69.84	\$65.94
Downtown - A	71,711,726	300,970	327,734	12.7%	13.4%	14.9%	\$62.40	\$62.01	\$58.33
Overall	92,450,458	246,331	199,206	12.1%	12.6%	13.9%	\$61.31	\$60.97	\$56.35
Manhattan - A	303,349,978	144,608	397,022	11.9%	12.0%	12.2%	\$80.90	\$80.06	\$73.86
Overall	443,289,683	100,380	-94,633	11.1%	11.2%	11.4%	\$76.04	\$75.23	\$69.38

Data through February 29, 2016

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