

Midtown South Manhattan Office, March 2016

Availability back below 8% after strong month of leasing

Figure 1: Midtown South Market Activity

	Feb. 2016	Jan. 2016	Feb. 2015	YTD 2015	YTD 2016
Leasing Activity	0.54 MSF	0.23 MSF	0.60 MSF	1.10 MSF	0.77 MSF
Absorption	0.07 MSF	(0.31) MSF	0.14 MSF	(0.02) MSF	(0.24) MSF
Availability Rate	7.9%	8.0%	8.5%		
Vacancy Rate	5.1%	5.1%	5.3%		
Average Asking Rent	\$69.83 PSF	\$70.40 PSF	\$66.70 PSF		
Taking Rent Index	97.7%	99.4%	95.5%		

Source: CBRE Research, March 2016.

MARKET HIGHLIGHTS

- Monthly leasing activity totaled 540,000 sq. ft., 22% above its five-year monthly average of 442,000 sq. ft.
- Year-to-date leasing activity is down 30% compared to the same period last year.
- The availability rate decreased 10 basis points (bps) over the past month and 60 bps from one year ago.
- Year-to-date net absorption is negative, but improved by 69,000 sq. ft. in February.
- The average asking rent dipped slightly, as a large block of premium-priced space was leased and additional sublet space came to market.
- Sublease availability is 1.5%, with an average asking rent of \$52.53, down 2% over the past year.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
79,735 (E)	AOL Inc.	770 Broadway
79,735 (E)	Facebook Inc.	770 Broadway
70,140	Grovo Learning Inc.	50 West 23rd Street
57,691	Flatiron Health, Inc.	200 Fifth Avenue
26,418	Managed by Q Inc.	161 Avenue of the Americas

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

Source: CBRE Research, March 2016.

MAJOR NEW AVAILABILITIES

- 71,000 sq. ft. of Bonnier Corporation sublet space at 2 Park Avenue
- 63,000 sq. ft. of Saks Incorporated sublet space at 21 Penn Plaza
- 18,000 sq. ft. of Al Jazeera America sublet space at 435 Hudson Street
- 14,000 sq. ft. of direct space at 320 West 13th Street
- 13,000 sq. ft. of direct space at 215 Lexington Avenue

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