

Midtown South Manhattan Office, September 2016

Rents hold steady despite soft leasing

Figure 1: Midtown South Market Activity

	Aug. 2016	July 2016	Aug. 2015	YTD 2015	YTD 2016
Leasing Activity	0.23 MSF	0.32 MSF	0.37 MSF	3.97 MSF	3.04 MSF
Absorption	(0.11) MSF	(0.20) MSF	0.02 MSF	0.27 MSF	(0.95) MSF
Availability Rate	8.8%	8.7%	8.2%		
Vacancy Rate	5.9%	5.6%	5.1%		
Average Asking Rent	\$69.00 PSF	\$69.05 PSF	\$71.57 PSF		
Taking Rent Index	95.3%	95.1%	99.0%		

Source: CBRE Research, September 2016.

MARKET HIGHLIGHTS

- Monthly leasing activity totaled 230,000 sq. ft., 47% below its five-year monthly average of 435,000 sq. ft.
- Year-to-date leasing activity is down 24% compared to the same period last year.
- The availability rate was up 10 basis points (bps) from last month and 60 bps from one year ago.
- Net absorption was negative 107,000 sq. ft. in August, bringing the year-to-date total to negative 948,000 sq. ft.
- The average asking rent was virtually unchanged over the past month and down 4% from August 2015.
- Sublease availability was 2.3%, with an average asking rent of \$54.01, down 8% year-over-year.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
37,358	Deloitte Digital	330 Hudson Street
31,753	DoubleVerify	233 Spring Street
27,778 (R)	Lieff Cabraser Heimann & Bernstein	250 Hudson Street
23,636	Warner Bros. Entertainment Inc.	99 Hudson Street
23,400	Shopkeep.com, Inc.	450 Park Avenue South

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

Source: CBRE Research, September 2016.

MAJOR NEW AVAILABILITIES

- 41,000 sq. ft. of BuzzFeed, Inc. sublet space at 225 Park Avenue South
- 32,000 sq. ft. of Marc Jacobs sublet space at 72 Spring Street
- 25,000 sq. ft. of Claren Road Asset Management, LLC sublet space at 51 Astor Place
- 25,000 sq. ft. of Taboola Inc. sublet space at 28 West 23rd Street
- 23,000 sq. ft. of direct space at 112 West 20th Street

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