



# MANHATTAN MONTHLY SNAPSHOT AUGUST 2016

## RELOCATIONS FUEL POSITIVE ABSORPTION

The Manhattan office market recorded over 3.2 million square feet leased in August, with relocations driving much of this activity. The top transactions represented a diverse array of industries. Coach signed the largest deal of the month, a 737,999-square-foot sale-leaseback at 10 Hudson Yards, while Dentons renewed 207,371 square feet at 1221 Avenue of the Americas.

FIRE (finance, insurance and real estate) tenants signed five of the month's top 10 leases, while TAMI (technology, advertising, media, and information) sectors were relatively quiet in August. The only TAMI tenant among the top 10 was JCDecaux, with a 46,537-square-foot lease at 350 Fifth Avenue.

Strong leasing outpaced the addition of large blocks of space, resulting in positive absorption for the month and a 10-basis-point drop in availability year-over-year, ending at 11.1% in August. The availability rate has remained relatively stable in 2016. Asking rents in August averaged \$76.49/SF, up 7.6% from \$71.08/SF in the second quarter of 2015.

### Midtown

Midtown drove leasing this month, capturing seven of the ten largest deals. In addition to the aforementioned Coach and Dentons deals, MarketAxess signed 83,000 square feet at 55 Hudson Yards, and ICAP signed 82,442 square feet at 4 Times Square. Large blocks were added at 450 West 33rd Street, and 777 Third Avenue pushed availability up 20 basis points to 11.6% in the past 12 months. Asking rents rose 5.7% from August 2015 to \$82.59/SF this month.

### Midtown South

Availability in Midtown South declined to 7.8% from 8.1% in July, as DoubleVerify signed 32,000 square feet at 1 SoHo Square, and Mark43 leased 24,000 square feet at 63 Madison Avenue. Asking rents in Midtown South rose 6.1%, from \$68.02/SF in August 2015 to \$72.18/SF this month.

### Downtown

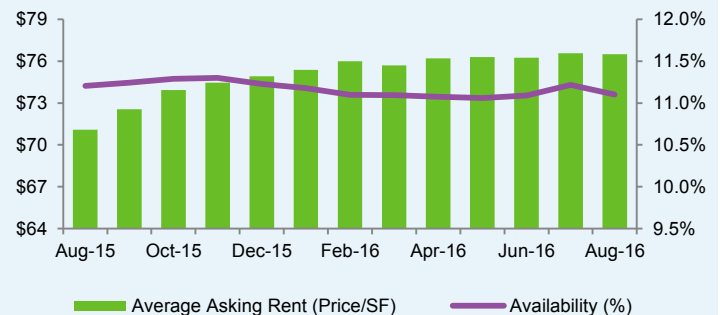
Four World Trade Center recorded significant activity in August, including the market's two largest transactions: Zurich Insurance leased 131,876 square feet, while Global Atlantic Financial Group signed for 44,711 square feet. Availability Downtown decreased 50 basis points year-over-year to 12.4%. Asking rents Downtown surged to \$62.42/SF, a 9.6% increase year-over-year.

### Current Conditions

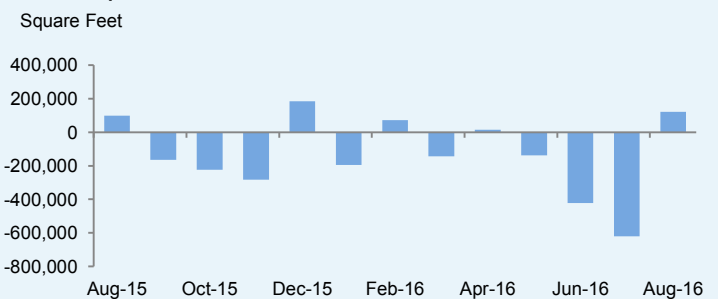
- Over 3.2 million square feet leased in August, with relocations driving much of this activity.
- FIRE tenants signed five of the month's top 10 deals.
- Asking rents in Midtown rose 5.7% from August 2015 to \$82.59/SF this month.
- Asking rents Downtown surged to \$62.42/SF, a 9.6% increase year-over-year.

### Market Analysis

#### Asking Rent and Availability



#### Net Absorption



### Market Summary

	Current Month	Prior Month	Year Ago Period	12 Month Forecast
Total Inventory	443.2MSF	443.2MSF	443.0MSF	↑
Availability Rate	11.1%	11.2%	11.2%	↑
Monthly Net Absorption	120,656	-621,049	98,244	↓
Average Asking Rent	\$76.49	\$76.57	\$71.08	↔
Under Construction	11.9MSF	11.9MSF	8.6MSF	↑


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

Tenant	Address	Market/Submarket	Type	Square Feet
<b>Coach, Inc.</b>	<b>10 Hudson Yards</b>	<b>Midtown, Far West Side</b>	<b>Sale/Leaseback</b>	<b>737,999</b>
Fashion retailer sold its stake to Allianz SE, then signed a 20 year leaseback of its 737,999 square foot headquarters at 10 Hudson Yards.				
<b>Dentons</b>	<b>1221 Avenue of the Americas</b>	<b>Midtown, Sixth Avenue Rock Center</b>	<b>Renewal</b>	<b>207,371</b>
Leading global law firm has renewed 207,371 square feet on the 23 <sup>rd</sup> through 26 <sup>th</sup> floors at 1221 Avenue of the Americas.				
<b>WeWork</b>	<b>12 East 49<sup>th</sup> Street</b>	<b>Midtown, Plaza District</b>	<b>New</b>	<b>159,306</b>
Co-working company has signed a lease for ten floors of office space, totaling 159,306 square feet at Tower 49.				
<b>Zurich Insurance</b>	<b>4 World Trade Center</b>	<b>Downtown, Downtown West</b>	<b>New</b>	<b>131,876</b>
Insurance giant will relocate to 131,876 square feet space at 4 World Trade Center, downsizing from its current footprint at One Liberty Plaza .				
<b>MarketAxess</b>	<b>55 Hudson Yards</b>	<b>Midtown, Far West Side</b>	<b>New</b>	<b>83,000</b>
Financial technology provider leased 83,000 square feet across three floors at 55 Hudson Yards, vacating its current space at 299 Park Avenue.				

**Market Statistics**

	Total Inventory (SF)	Monthly Net Absorption (SF)	YTD Net Absorption (SF)	Aug-16 Total Availability Rate	July-16 Total Availability Rate	Aug-15 Total Availability Rate	Aug-16 Avg. Asking Rent (Price/SF)	July-16 Avg. Asking Rent (Price/SF)	Aug-15 Avg. Asking Rent (Price/SF)
Midtown - A	217,073,417	186,959	96,674	12.00%	12.20%	11.70%	\$87.81	\$87.82	\$83.89
Overall	278,243,626	169,715	-423,946	11.60%	11.70%	11.40%	\$82.59	\$82.59	\$78.16
Midtown South - A	14,564,835	26,200	77,605	2.30%	2.40%	3.50%	\$86.92	\$85.45	\$75.43
Overall	72,520,525	125,276	-633,938	7.80%	8.10%	8.40%	\$72.18	\$72.19	\$68.02
Downtown - A	71,711,726	-198,207	-42,917	13.10%	12.80%	13.90%	\$63.11	\$63.59	\$58.71
Overall	92,450,458	-174,335	-253,287	12.40%	12.20%	12.90%	\$62.42	\$62.43	\$56.97
<b>Manhattan - A</b>	<b>303,349,978</b>	<b>14,952</b>	<b>131,362</b>	<b>11.80%</b>	<b>11.90%</b>	<b>11.90%</b>	<b>\$81.03</b>	<b>\$81.31</b>	<b>\$75.64</b>
<b>Overall</b>	<b>443,214,609</b>	<b>120,656</b>	<b>-1,311,171</b>	<b>11.10%</b>	<b>11.20%</b>	<b>11.20%</b>	<b>\$76.49</b>	<b>\$76.57</b>	<b>\$71.08</b>

Data through August 30, 2016

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