

Downtown Manhattan Office, June 2017

Availability, pricing jump as 3 World Trade Center approaches 2018 opening

Figure 1: Downtown Market Activity

	May 2017	Apr. 2017	May 2016	YTD 2016	YTD 2017
Leasing Activity	0.68 MSF	0.26 MSF	0.22 MSF	1.42 MSF	2.81 MSF
Renewals	0.02 MSF	0.03 MSF	0.04 MSF	1.14 MSF	0.96 MSF
Absorption	(1.37) MSF	0.16 MSF	(0.19) MSF	0.17 MSF	(0.63) MSF
Availability Rate	12.7%	11.1%	12.0%		
Vacancy Rate	7.5%	7.8%	9.1%		
Average Asking Rent	\$62.01 PSF	\$57.91 PSF	\$57.55 PSF		
Taking Rent Index	94.3%	94.3%	95.3%		

Source: CBRE Research, June 2017.

MARKET HIGHLIGHTS

- Monthly leasing activity totaled 677,000 sq. ft., 56% above its five-year monthly average of 433,000 sq. ft.
- Year-to-date leasing activity was up 98% compared to the same period last year.
- The availability rate increased 160 basis points (bps) from last month and 70 bps from one year ago.
- Net absorption was negative 1.37 million sq. ft. in May, bringing the year-to-date total to negative 635,000 sq. ft.
- The average asking rent was \$62.01 per sq. ft., up 7% from last month, and 8% from one year ago.
- Sublease availability was 1.4%, with an average asking rent of \$50.14 per sq. ft., up 8% year-over-year.
- Without the recently added 1.7 million sq. ft. at 3 World Trade Center, availability would have dropped to 10.8% while rents would have increased slightly to \$58.11 per sq. ft.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
193,281	Human Resources Administration	375 Pearl Street
88,050	Business Insider	1 Liberty Plaza
50,734	Sanctuary for Families	120 Broadway
26,691	Jigsaw Productions	26 Broadway
26,342 (E)	Knotel	1 State Street Plaza

Source: CBRE Research, June 2017.

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

MAJOR NEW AVAILABILITIES

- 1,674,000 sq. ft. of direct space at 3 World Trade Center*
- 87,000 sq. ft. of direct space at 1 Liberty Plaza
- 61,000 sq. ft. of Cadwalader, Wickersham & Taft LLP sublet space at 200 Liberty Street
- 52,000 sq. ft. of Condé Nast Publications, Inc. sublet space at 222 Broadway
- 35,000 sq. ft. of Chapdelaine & Company sublet space at 199 Water Street

* 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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