

Midtown Manhattan Office, June 2017

BlackRock prelease pushes monthly leasing 34% above its five-year average

Figure 1: Midtown Market Activity

	May 2017	Apr. 2017	May 2016	YTD 2016	YTD 2017
Leasing Activity	1.76 MSF	0.94 MSF	0.96 MSF	5.69 MSF	6.18 SF
Renewals	0.22 MSF	0.61 MSF	1.10 MSF	2.58 MSF	2.47 MSF
Absorption	(0.54) MSF	(0.11) MSF	(0.11) MSF	(1.85) MSF	(1.12) MSF
Availability Rate	12.2%	12.0%	11.6%		
Vacancy Rate	8.1%	8.1%	7.4%		
Average Asking Rent	\$81.02 PSF	\$80.54 PSF	\$81.18 PSF		
Taking Rent Index	90.9%	89.7%	94.9%		

Source: CBRE Research, June 2017.

MARKET HIGHLIGHTS

- Monthly leasing activity totaled 1.76 million sq. ft., 34% above its five-year monthly average of 1.32 million sq. ft.
- Year-to-date leasing activity was up 8% from the same period last year.
- Renewals totaled 221,000 sq. ft. in May 2017 bringing the year-to-date figure to 2.47 million sq. ft.
- The availability rate was up 20 basis points (bps) from last month and up 60 bps from one year ago.
- Net absorption was negative 544,000 sq. ft. in May, bringing the year-to-date total to negative 1.12 million sq. ft.
- The average asking rent was \$81.02 per sq. ft., virtually unchanged from last month and one year ago.
- Sublease availability was 2.4%, with an average asking rent of \$65.86 per sq. ft., up 3% year-over-year.

Figure 2: Top Lease Transactions

Size (Sq. Ft.)	Tenant	Address
846,990	BlackRock	50 Hudson Yards
80,903	Gap, Inc.	112 West 34th Street
64,484 (R)	CoxReps	885 Second Avenue
54,722	Regus	230 Park Avenue
47,394 (R)	CBS Broadcasting, Inc.	1700 Broadway

Source: CBRE Research, June 2017.

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

MAJOR NEW AVAILABILITIES

- 290,000 sq. ft. of direct space at 299 Park Avenue*
- 111,000 sq. ft. of Barclays Bank PLC sublet space at 1301 Avenue of the Americas
- 93,000 sq. ft. of direct space at 620 Eighth Avenue*
- 72,000 sq. ft. of direct space at 900 Third Avenue
- 50,000 sq. ft. of Coca-Cola Company sublet space at 260 Madison Avenue

* 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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