



# MANHATTAN MONTHLY SNAPSHOT JULY 2016

## LARGE BLOCK RENEWALS DRIVE LEASING

Manhattan leasing totaled 2.4 million square feet, which is consistent with historical monthly averages and in line with totals from one year ago. There was significant volume in deals over 100,000 square feet, with many tenants choosing to renew as well as expand into additional space.

Availability remained stable over the past seven months, with a slight increase in July to 11.2%, 10 basis points higher than in June. Asking rents in July rose to an average of \$76.57/SF, an increase of 8.6% from \$70.52/SF at this time last year.

FIRE (financial services, insurance and real estate) and TAMI (technology, advertising, media and information) tenants continued to drive the market, representing four of the five largest deals during the month of July. The largest FIRE tenants, C.V. Starr and Morgan Stanley, both took space in the Park Avenue submarket.

### Midtown

While many tenants are heading West and South, Midtown East captured six of the top 10 deals of the month. Several of the largest deals were renewals and expansions in traditional Midtown core submarkets: C.V. Starr at 399 Park Avenue for 210,963 square feet; Bloomberg at 919 Third Avenue for 204,442 square feet; Morgan Stanley for 110,000 square feet at 399 Park Avenue; and W.W. Norton at 500 Fifth Avenue for 109,735 square feet.

Midtown leasing remained solid with over 1.6 million square feet leased in July. Asking rents in Midtown ended the month at \$82.59/SF, up 6.4% from \$77.62/SF at this time last year. Availability increased 20 basis points from 11.5% in June to 11.7% this month, driven mainly by almost 500,000 square feet that became available at 1155 Avenue of the Americas.

### Midtown South

Leasing in Midtown South was modest, totaling 365,000 square feet. Winton Capital took the top two floors at 315 Park Avenue South, for a total of 34,400 square feet. The addition of available space outpaced leasing, which caused availability to jump 30 basis points to 8.1% this month. Midtown South rents increased 7.1% year-over-year.

### Downtown

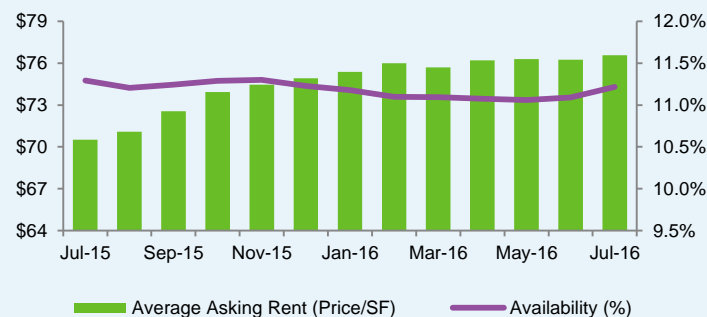
Downtown availability decreased from 12.4% in June to 12.2%, mostly as a result of the 182,750-square-foot Department of Finance deal signed at 375 Pearl Street. Weill Cornell Medical College also expanded at 156 William Street by an additional 55,000 square feet. Leasing Downtown totaled approximately 450,000 square feet. Of the three Manhattan markets, Downtown experienced the strongest rent growth, increasing from \$56.92/SF in July 2015 to \$62.43/SF in July 2016.

### Current Conditions

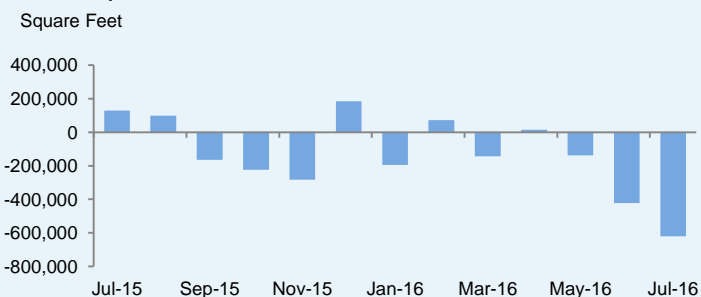
- Manhattan recorded 2.4 million square feet of leasing in July, with renewals in Midtown accounting for the largest deals signed.
- C.V. Starr signed the largest deal of the month, renewing its 210,963 square feet at 399 Park Avenue.
- Overall availability rose slightly to 11.2%, as the addition of a 500,000 square feet block hit the market in the Sixth Avenue/Rock Center district.
- Overall asking rents increased 40 basis points from the end of last quarter.

### 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	11.2%	11.1%	11.3%	↔
Monthly Net Absorption	-621,049	-420,997	129,125	↓
Average Asking Rent	\$76.57	\$76.25	\$70.52	↔
Under Construction	11.9MSF	11.9MSF	8.6MSF	↑



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## Significant Lease Transactions

Tenant	Address	Market/Submarket	Type	Square Feet
<b>C.V. Starr</b> Insurance giant renewed and expanded its 210,963 square foot headquarters at 399 Park Avenue.	<b>399 Park Avenue</b>	<b>Midtown, Park Avenue</b>	<b>Renewal/Expansion</b>	<b>210,963</b>
<b>Bloomberg</b> Financial data and media company expanded an additional 204,442 square feet at 919 Third Avenue, increasing its footprint to 450,000 square feet.	<b>919 Third Avenue</b>	<b>Midtown, Eastside</b>	<b>Expansion</b>	<b>204,442</b>
<b>NYC Department of Finance</b> The government agency has leased 182,750 square feet on the 26 <sup>th</sup> through 30 <sup>th</sup> floors at 375 Pearl Street.	<b>375 Pearl Street</b>	<b>Downtown, Tribeca/City Hall</b>	<b>New</b>	<b>182,750</b>
<b>Morgan Stanley</b> Financial planner renewed and expanded to three floors for 110,000 square feet at 399 Park Avenue.	<b>399 Park Avenue</b>	<b>Midtown, Park Avenue</b>	<b>Renewal/Expansion</b>	<b>110,000</b>
<b>W.W. Norton</b> Publishing firm renewed its 109,735 square feet space on the 5 <sup>th</sup> through 9 <sup>th</sup> floors at 500 Fifth Avenue.	<b>500 Fifth Avenue</b>	<b>Midtown, Grand Central</b>	<b>Renewal</b>	<b>109,735</b>

## Market Statistics

	Total Inventory (SF)	Monthly Net Absorption (SF)	YTD Net Absorption (SF)	July-16 Total Availability Rate	June-16 Total Availability Rate	July-15 Total Availability Rate	July-16 Avg. Asking Rent (Price/SF)	June-16 Avg. Asking Rent (Price/SF)	July-15 Avg. Asking Rent (Price/SF)
Midtown - A	217,073,417	-493,848	-90,285	12.20%	12.00%	11.70%	\$87.82	\$87.89	\$83.49
Overall	278,243,626	-610,562	-593,661	11.70%	11.50%	11.40%	\$82.59	\$82.54	\$77.62
Midtown South - A	14,564,835	-13,001	51,405	2.40%	2.60%	2.70%	\$85.45	\$84.77	\$75.54
Overall	72,520,525	-238,218	-759,214	8.10%	7.80%	8.30%	\$72.19	\$71.98	\$67.41
Downtown - A	71,711,726	199,385	155,290	12.80%	13.10%	14.40%	\$63.59	\$62.90	\$58.82
Overall	92,450,458	227,731	-78,592	12.20%	12.40%	13.30%	\$62.43	\$61.85	\$56.92
<b>Manhattan - A</b>	<b>303,349,978</b>	<b>-307,464</b>	<b>116,410</b>	<b>11.90%</b>	<b>11.80%</b>	<b>12.00%</b>	<b>\$81.31</b>	<b>\$80.97</b>	<b>\$75.17</b>
<b>Overall</b>	<b>443,214,609</b>	<b>-621,049</b>	<b>-1,431,827</b>	<b>11.20%</b>	<b>11.10%</b>	<b>11.30%</b>	<b>\$76.57</b>	<b>\$76.25</b>	<b>\$70.52</b>

Data through July 31, 2016

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