



Transwestern releases first quarter 2018 report

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NEW YORK, NY Manhattan's office market, which closed 2017 with consecutive quarters of positive absorption, experienced some cooling to start 2018, registering 1.7 million s/f of negative absorption during the year's first frame, according to Transwestern's first quarter 2018 report. Despite the slowdown, the market had 7 million square feet in leasing activity, including eight new leases exceeding 100,000 square feet each.

Manhattan's availability rate rose to 11.4 percent from 11.1 percent last quarter, with 14 blocks of space exceeding 100,000 square feet added to the market. Much of the availability is the result of space returning to the market after tenants had moved to newer or higher-quality space during recent quarters.

"While the market didn't maintain the high level of activity of the previous two quarters, there were several large leases, both new and renewals, which indicates steady demand from the large, 100,000-square-foot users," said Danny Mangru, Research Manager at Transwestern. "Perhaps unsurprisingly, the FIRE sector remained among the market's most active during the quarter, accounting for five of the eight leases exceeding 100,000 square feet."

Highlights from the report include:

The quarter's absorption figure is almost identical to first quarter 2017, which also had 1.7 million square feet of negative absorption.

Seven new leases exceeding 100,000 square feet occurred in either new construction or substantially renovated product, continuing a recent trend.

Asking average rent closed at \$74.04 per square foot, virtually unchanged from last quarter and up 3 percent year over year.

A wide range of quality and a mix of old and new product has suppressed any significant rent movement.

Large-block availabilities were added across all three markets, with seven in Midtown, four in Midtown South and three in Downtown.

Total sales volume for the quarter was \$5.3 billion, up 5 percent from last quarter and 11 percent year over year.

There is 17.2 million square feet of space under construction, mostly on the West Side, in Hudson Yards and Manhattan West.

Download Transwestern's full first quarter 2018 report at: <https://transwestern.com/market-reports>.

