



Midtown and Midtown South thrive in Second Quarter according to Cassidy Turley's Manhattan Market Report

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Cassidy Turley, a leading commercial real estate services provider in the U.S., released the Second Quarter Manhattan Market Report which showed positive growth in both Midtown and Midtown South, while Downtown experienced a slowdown. The overall Manhattan availability rate dropped to 11.4% with 1.7 million s/f of positive absorption. Leasing activity was up five percent compared to this same time last year.

Midtown had a strong second quarter, showing three consecutive months of positive absorption totaling 1.9 million square feet. The high-end market heated up with 29 leases at \$100.00 per square foot or higher for the first half of the year; this is a significant increase from 2012 when Midtown saw only 34 total. Class B asking rents continue to outpace Class A, rising 7.6 percent from the first quarter to \$53.87 per square foot. Class A asking rents pushed up \$0.66 per square foot to \$77.62 in the second quarter.

Midtown South continues to lead the market recovery, as the availability rate dropped to 8.1 percent with the SoHo/NoHo/Village availability sliding down to 3.8 percent, by far the tightest of the Manhattan submarkets. In spite of a slight drop in Class A rents by \$0.18 per square foot to \$67.03, Class B asking rents continue to soar, up \$1.56 to \$58.71 per square foot.

Downtown availability jumped up to 14.6 percent. Accordingly, average asking rents for both Class A and Class B space dropped in the second quarter. Class A asking rents slumped \$0.16 per square foot to \$52.44, and Class B asking rents slipped \$0.09 to \$35.97 per square foot. Compared to Midtown and Midtown South, these discounted rents continue to make Downtown a viable option for value-driven tenants.

"The second quarter numbers show that there is great opportunity within the market, whether it is a high-end client willing to pay top dollar for premier Class A space or a budget conscious tenant seeking the greatest value," said Peter Hennessy, President Tri-State Region of Cassidy Turley.

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