



CBRE Group, Inc. Q1 2014 Manhattan Office Marketview

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The following are CBRE First Quarter 2014 Office MarketView Highlights:

Midtown - Leasing activity totaled 3.94 million s/f during the first quarter, topping the market's five-year quarterly average of 3.72 million s/f by 6%. Net absorption was negative 379,000 s/f, compared to negative 1.00 million s/f during the first quarter of last year. Midtown's availability rate was 11.9% at the end of Q1 2014, up from 11.7% during Q4 2013, although lower than the Q1 2013 rate of 12.4%. The sublease availability rate finished at 2.1%, compared to 2.7% one year ago. The average asking rent increased 2% during the quarter, finishing at \$74.27 per s/f

Midtown South - Leasing activity totaled 1.66 million s/f during Q1 2014, the highest quarterly total since Q4 2001. The quarterly leasing total was 50% higher than the five-year quarterly average of 1.11 million s/f. Net absorption was 497,000 s/f during Q1 2014, an improvement over the negative 1.51 million s/f measured during Q1 2013. The availability rate was 9.4% at the end of Q1 2014, compared to 10.7% one year ago. The sublease availability rate finished at 2.2%, compared to 2.3% one year ago. The average asking rent declined 2% during the quarter, as the leasing of higher priced space drove the average downward, although the average remained up 5% year-over-year.

Downtown - Leasing activity totaled 1.62 million s/f during the first quarter, the 12th consecutive quarter higher than the market's five-year quarterly average. Net absorption was negative 1.08 million s/f during the quarter, largely driven by the addition of One World Trade Center to the building inventory. The availability rate Downtown reached 14.0% at the end of Q1 2014, higher than the Q4 2013 rate of 13.5% and the Q1 2013 rate of 13.9%. The sublease availability rate was the lowest in Manhattan, finishing at 1.4%, down from 1.6% one year ago. The average asking rent finished at \$48.70 per s/f, 5% higher than the previous quarter and 4% higher than one year ago.

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