



CBRE: Green energy-related leasing accelerates in Manhattan

January 30, 2024 - Front Section

Manhattan, NY With over \$55 billion committed by New York State to source 70% of its power from renewable energy by 2030 and to achieve a zero-emission electric sector by 2040, New York City is experiencing the start of a new trend according to the CBRE Brief, “NYC’s Energy-Related Leasing Rises in Response to State’s Transition to Renewables.” Green energy firms have flocked to the city or have expanded their operations to take advantage of the green energy transition, as well as the city’s great access to talent and the improved investment climate.

“These are the early days, but energy-related leasing is definitely a growing trend to keep a close eye on over the next few years,” said CBRE’s Ben Friedland, who arranged leases for climate and green energy companies in Manhattan last year.

“While still in its infancy, the energy-related leasing trend in NYC shows similar signs of growth as the tech sector 15-20 years ago and life sciences more recently,” said David Stockel, who also arranged recent leases for green energy companies in New York City.

A record 13 energy-related firms – including a record nine renewable companies – signed leases in 2022, following a strong year in 2021 when 10 energy-related leases – of which seven were renewable firms – were signed. In 2023, eight energy-related firms – all renewable – signed NYC leases.

CBRE was the tenant representative on two lease transactions completed last year with firms involved in the state’s renewables transition, including Transmission Developers’ 14,000 s/f. Transmission Developers is a Blackstone portfolio company that is developing a fully buried transmission line from the U.S.-Canadian border to New York City.

In addition, investment firms that provide capital needed by renewable energy providers to build renewable energy infrastructure across the state and globally have leased 400,000 s/f in Manhattan, with 12 of these firms holding all-renewable portfolios. Energy-related investment leasing hit 165,000 s/f across 10 transactions in 2023 against the backdrop of the state’s advancing energy transition programs. CBRE was the tenant representative on four of the lease transactions completed last year, including Stonepeak’s 77,000 s/f lease in December 2023.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540