

Occupier's Guide

The Manhattan Office market ended the third quarter 2018 with a vacancy rate of 7.7% – down from 8.1% over the previous quarter. The availability rate decreased marginally from 11.9% to 11.7%. Rental rates increased 2.0% during the third quarter, reaching an average of \$75.79 PSF.

The largest projects underway at the end of third quarter were 30 Hudson Yards, a 2,600,000-square-foot building with 98% of its space pre-leased, and One Manhattan West, a 2,216,609-square-foot facility that is 86% pre-leased.

Manhattan Overall



Rental and Vacancy Rates

Direct Asking Rent	Total Availability Rate	Qtr Change
\$78.43 PSF	Midtown North Overall 11.6%	▲ 3.5%
\$86.93 PSF	Midtown North Class A 12.0%	▲ 5.0%
\$66.64 PSF	Midtown North Class B 9.8%	▼ 2.1%
\$84.66 PSF	Midtown South Overall 10.5%	▼ 7.8%
\$83.83 PSF	Midtown South Class A 12.1%	▼ 14.2%
\$62.59 PSF	Midtown South Class B 9.5%	▼ 8.4%
\$62.90 PSF	Downtown Overall 13.2%	▲ 5.3%
\$66.48 PSF	Downtown Class A 14.2%	▲ 1.4%
\$49.81 PSF	Downtown Class B 10.2%	▲ 10.8%

Select Lease Transactions

Tenant	Size (RSF)	Submarket	Type	Sector
1199 National Benefit and Pension Fund	455,461	Times Square	Renewal	Insurance
Pfizer	350,000	Grand Central	New	Pharmaceuticals
Evercore	344,000	Plaza District	Renewal/Expansion	Financial Services
WeWork	258,344	Penn Plaza/Garment	New	Real Estate
Bessemer Trust Company	236,631	Columbus Circle	New	Financial Services
Aetna	107,000	Hudson Square	New	Insurance
Spotify	86,000	World Trade Center	Expansion	Tech
BMI (Broadcast Music Inc.)	61,390	World Trade Center	New	Entertainers

Occupier's Perspective

Tenants Moving Out	Tenants Moving In
Omnicom Group 264,091 RSF 437 Madison Avenue	GroupM 697,487 RSF 3 World Trade Center
RSM McGladery 165,000 RSF 1185 Avenue of the Americas	WeWork 258,000 RSF 21 Penn Plaza
Arent Fox 111,283 RSF 1675 Broadway	NYC Office of Human Resources 193,821 RSF 375 Pearl Plaza

Market Trends



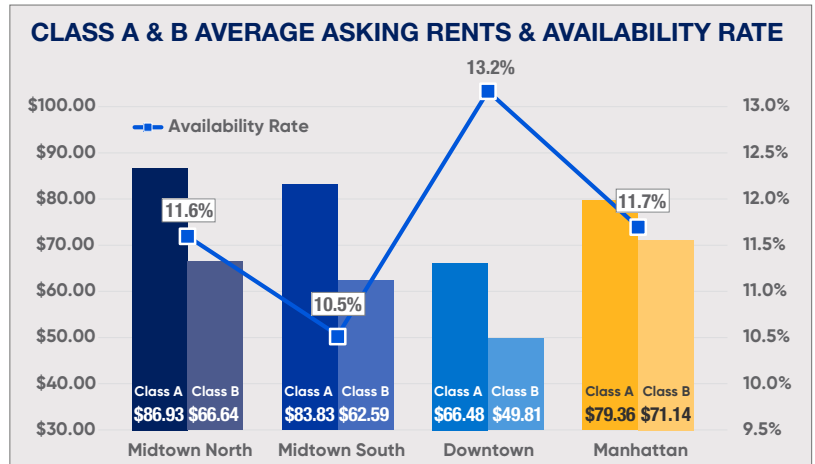
The amount of vacant sublease space in the New York City market increased to **4,753,377 RSF** by the end of the third quarter 2018, from **4,644,788 RSF** square feet at the end of the second quarter 2018.

The largest lease signings occurring in 2018 included:

- **854,000 RSF lease signed by JPMorgan Chase & Co at 237 Park Avenue**
- **521,374 RSF renewal signed by 1199SEIU Family of Funds at Deco Tower in the Midtown market**
- **406,661-square-foot lease signed by Latham & Watkins LLP at 1271 Avenue of the Americas**

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MIDTOWN NORTH AVERAGE GROSS RENT		
Submarket	Class A	Class B
Columbus Circle	\$83.68	\$73.70
Grand Central	\$71.30	\$63.02
Plaza District	\$106.76	\$81.04
Times Square	\$85.49	\$58.31
UN Plaza	\$74.93	\$67.43
Total	\$86.93	\$66.64



MIDTOWN SOUTH AVERAGE GROSS RENT		
Submarket	Class A	Class B
Chelsea	\$85.57	\$68.08
Gramercy Park	\$73.96	\$62.75
Greenwich Village	\$94.69	\$66.08
Hudson Square	\$64.05	\$66.99
Hudson Yards	\$104.28	\$55.80
Murray Hill	\$72.87	\$60.71
Penn Plaza	\$94.01	\$59.20
SoHo	\$88.33	\$66.72
Total	\$83.83	\$62.59



DOWNTOWN AVERAGE GROSS RENT		
Submarket	Class A	Class B
City Hall	\$61.51	\$54.08
Financial District	\$61.85	\$47.23
Insurance District	\$62.07	\$56.06
Tribeca	\$61.04	\$46.53
World Trade Center	\$78.53	\$83.24
Total	\$66.48	\$49.81

N/A = Not Available

Source: Cresa Research & CoStar