

2024 Tri-State Film & Television

REPORT

Tri-State Film
Industry Seizes
a Moment of
Uncertainty

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Introduction

The New York Tri-State film industry has come full circle since the late 19th century when the first film studios sprouted along New Jersey's Hudson River shoreline. By the mid-twentieth century, the industry had largely left New York for Southern California, attracted by the sunny weather and the opportunity to construct massive purpose-built studio complexes. The revitalization of the local film industry that began in the 1980s and 1990s has blossomed in the 21st century as studios expand across New York City and deep into New York's suburbs, including a long-awaited return to the Garden State.

New York's robust arts community and iconic streetscapes have long made the city a natural choice for on-location film shoots, but a lack of soundstage inventory prevented a broader scope of film and television productions from being created in the region. The rapid development of new soundstages in recent years alongside generous state incentives from New York and New Jersey has made the region one of the most competitive in the country for stage-based content production.

Despite the sound fundamentals, the budding industry faces risks. A pandemic and labor disputes shut down the industry twice since 2020, temporarily shuttering stages and resulting in mass layoffs. Declining momentum in streaming subscriptions is forcing networks and streaming platforms to reassess their expansion strategies. New York's soundstage inventory – while rapidly modernizing – remains, on average, older and smaller than competitor markets in North America.

Now that labor disputes have been resolved, the industry appears to be rolling once again, reabsorbing workers that were let go and reoccupying soundstages that had been sitting quiet.

INCENTIVES

One billion dollars in incentives offered between New York and New Jersey annually and an uncapped incentives program in Connecticut

TALENT

Approximately 45,000 qualified motion picture professionals

STUDIOS & NETWORKS

Home to over 60 film studios and hundreds of production-related businesses

WIDE RANGE OF BUILT ENVIRONMENTS

Including countless historic towns and villages, smaller cities with dense business districts, sprawling suburbs and beach towns

GEOGRAPHICAL DIVERSITY

Sandy beaches, riverbanks, rocky coves, mountains, marshes and forests all within a short drive of NYC

SEASONAL CHANGE

Four distinct seasons for outdoor shooting

UNIQUE NEIGHBORHOODS

One of the world's most instantly recognizable cities and home to hundreds of unique neighborhoods of every conceivable profile

GROWING CAPACITY

Seven new production campuses are actively under construction across the region



Platforms Adapt Business Models to Keep the Stream Alive

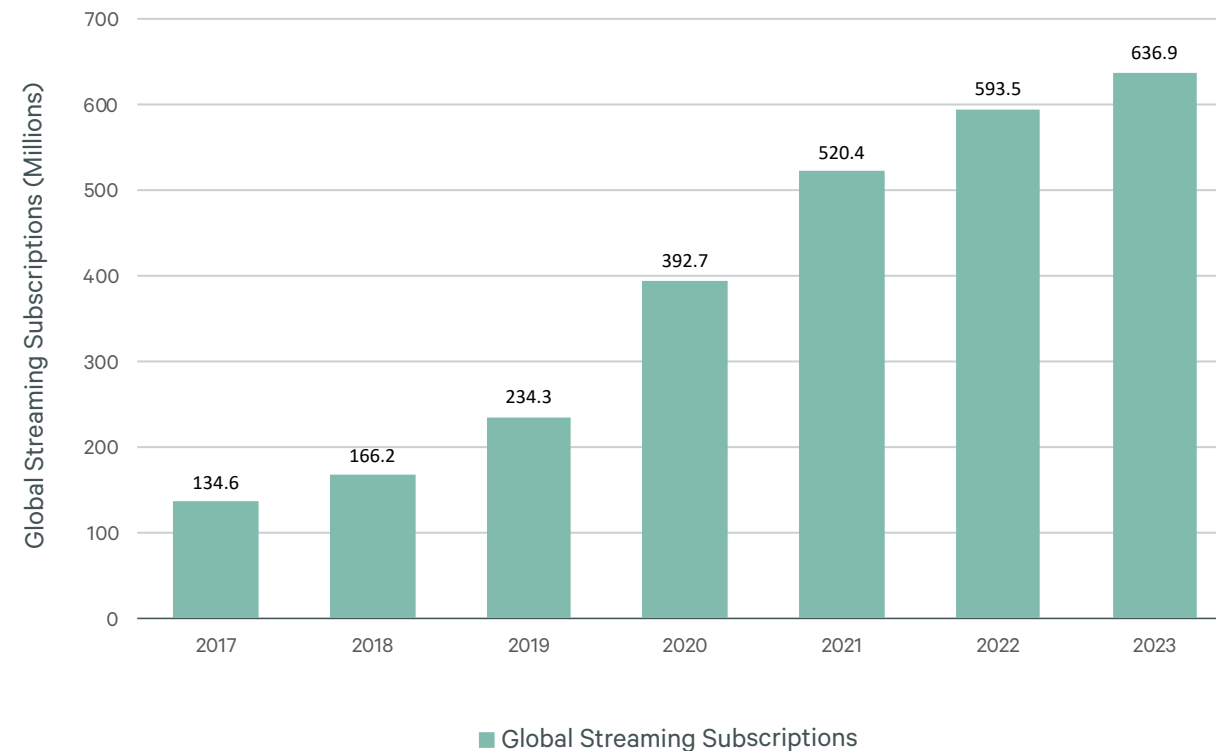
Streaming subscription numbers continue to decelerate for the industry’s leading platforms. With a combined growth rate of 7% in 2023, subscribers signed up for streaming platforms at half the rate they did in 2022. Despite the slowdown, a number of streaming platforms and content producers continue to invest in soundstage inventory in the Tri-State area, an encouraging sign that production activity will continue in the region.

Platforms with small subscription bases – typically those launched recently by legacy networks – have seen strong year-over-year growth. These platforms, however, are also racing to catch up with dedicated streaming platforms and are incurring sizable financial losses. While these small subscription players have a long way to go toward profitability, their offerings of original programming and lower price points have fueled rapid growth.

America’s leading streaming platforms are pursuing a range of strategies to keep their growth going. These include a focus on international expansion, the development of original content to reduce reliance on expensive licensing agreements, and offering more subscription tiers that allow users to add accounts or reduce advertisements. Most notably, many major streaming platforms have been exploring bundling or combining their streaming platform with a competitor’s to offer greater value to consumers. Streaming platforms hope that bundling will reduce the number of consumers who turn on and off subscriptions as they introduce or remove desired content.

While these platforms enjoy the benefits of the pandemic-induced shift to streaming, they do face a number of challenges outside of their control. Movie theaters are down but not out, and 2023 year-over-year growth at the North American box office was 18%, thanks to popular films like “Barbie” and “Oppenheimer.” Movie attendance, however, still remains at 67% of the pre-pandemic level. Streaming platforms were not immune from the major labor disruptions that shut down content development for much of 2023; the backlog is expected to keep soundstages busy for both streaming platforms and legacy entertainment companies.

FIGURE 1 | NUMBER OF GLOBAL STREAMING SUBSCRIPTIONS FOR TOP U.S. STREAMING SERVICES



Source: CNBC, Walt Disney Company, Paramount, Lionsgate, IndieWire, Comcast, CBRE Research, Q2 2024.

New York's Place in the World of Film

According to FilmLA, the official film office of Greater Los Angeles, 1,040 U.S.-produced, scripted projects were released in 2022, up 4% from 2021, reflecting the ongoing recovery from pandemic-era shutdowns at that time. New York and New Jersey were the filming location for 11% of these programs, tied with British Columbia, and trailing Los Angeles (22%). Atlanta was just behind the New York area with a 10% share of these programs.

Tri-State saw a shrinking volume of television production in 2022, while Atlanta notched an impressive 42% year-over-year increase. Tri-State's greatest area of year-over-year growth in 2022 was in movies for streaming platforms (36%). With 30 projects, New York Tri-State was the leading market for these projects, ahead of Georgia with 25 film projects for streaming platforms, and Los Angeles with 21. The region's growing number of studios with streaming platform affiliations, including Apple TV+ at Kaufman Studios, Lionsgate (Starz) at Great Point Studios in Yonkers, and a future Netflix studio in New Jersey, suggest that New York soundstages will continue to benefit from the shift to streaming platforms.

For television products, Tri-State's 2022 cycle included programs distributed via streaming (50%), broadcast (29%), and cable (21%). New York's stature as a traditional media market and demonstrated ability to attract the production of streaming programs ensures a diverse mix of users for the city's stage inventory. While the fundamentals for soundstages in the region remain strong, incentives and lower labor costs beckon productions to competitors in Canada and aspiring film hubs like Illinois and New Mexico.



FIGURE 2 | MARKET COMPARISON

	Los Angeles	Ontario	Atlanta	New York Tri-State	British Columbia
Scripted Television Series Filming Locations (2022)	136	17	54	52	37
YoY Change	5%	-26%	42%	-5%	-12%
TV Movies Filming Locations (2022)	47	28	18	8	72
YoY Change	-2%	8%	0%	100%	-16%
Theatrical Release Movies (2022)	23	N/A	11	21	N/A
YoY Change	-18%	N/A	-8%	-29%	N/A
Original Streaming Movies (2022)	21	9	25	30	8
YoY Change	-5%	80%	67%	32%	-20%
Square Feet of Existing Soundstages (2024)	7.3 MSF	3.8 MSF	3.4 MSF	3.3 MSF	2.5 MSF

Source: FilmLA, CBRE Research, Q2 2024.

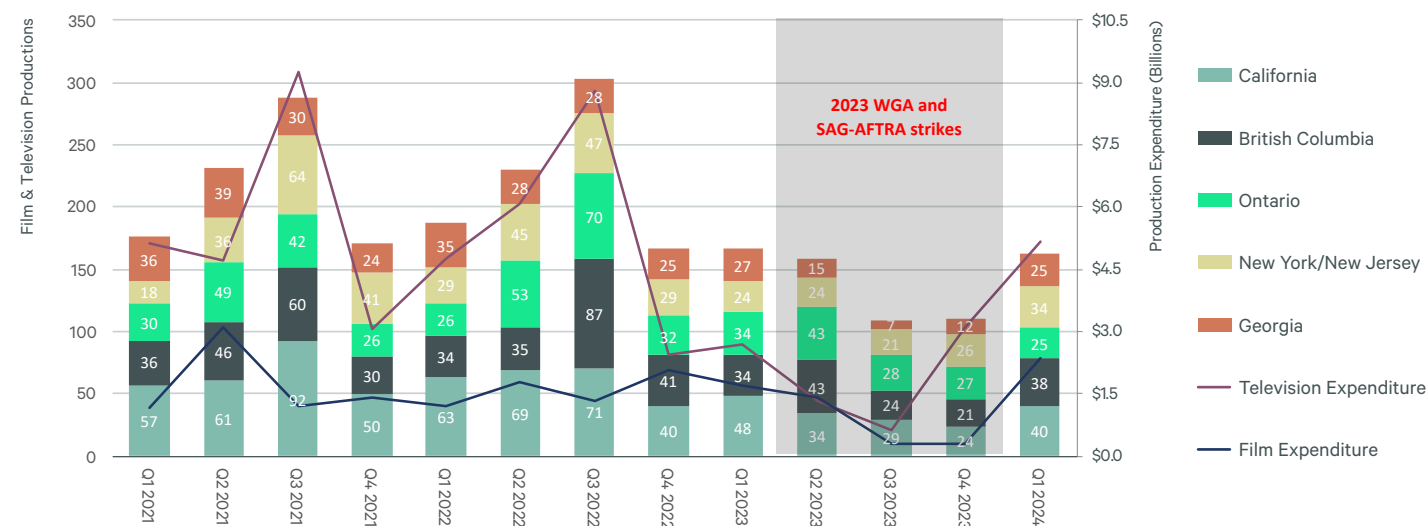
Tri-State Soundstages Compete in a Tumultuous Market

Every production market in North America was affected by the labor turmoil that shut down film and television projects across the country in 2023 and left cavernous film studios sitting empty. Film crews started to recede from soundstages at the end of 2022, just months ahead of contract negotiations with the Writers Guild of America. Filming and associated spending plummeted in Q3 2023 as those negotiations broke down followed shortly after by a strike by the Screen Actors Guild.

The average spend by film and television projects in the leading North American production hubs fell to \$8.3 million in Q3 2023, down from \$26.2 million in Q1 2023 before strikes were called. With the resumption of major projects beginning at the end of 2023, the average spend on film and television projects hit \$46.3 million in Q1 2024. As studios gear up and resume working on a backlog of projects, ongoing increases in quarterly financial outlays are expected.

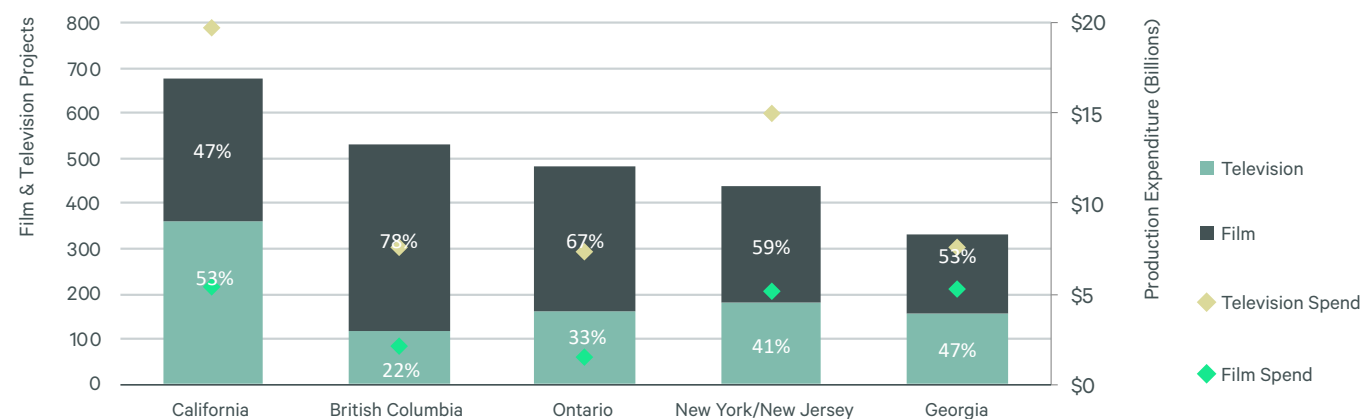
Among major North American markets, the Tri-State area rebounded relatively quickly after the resolution of the SAG-AFTRA and WGA labor disputes. The number of active projects in New York and New Jersey was 142% of the pre-labor dispute level in Q1 2024, the highest of any North American market. The Tri-State film industry is powered by television projects which spent \$15 billion in New York and New Jersey between Q1 2021 and Q1 2024, accounting for 75% of all production spending in the region during that time period. New York remains a major film market as well with \$5.1 billion in spending, lagging slightly behind Georgia (\$5.3 billion) and California (\$5.4 billion).

FIGURE 3 | TELEVISION AND FILM PRODUCTION BY MARKET AND TOTAL TELEVISION AND FILM EXPENDITURE, Q1 2021 - Q1 2024



Source: ProdPro, CBRE Research, Q2 2024.

FIGURE 4 | FILM & TELEVISION PROJECTS, Q1 2021 - Q1 2024



Source: ProdPro, CBRE Research, Q2 2024.

Data provided to CBRE by ProdPro

NYC: A Global Media Capital

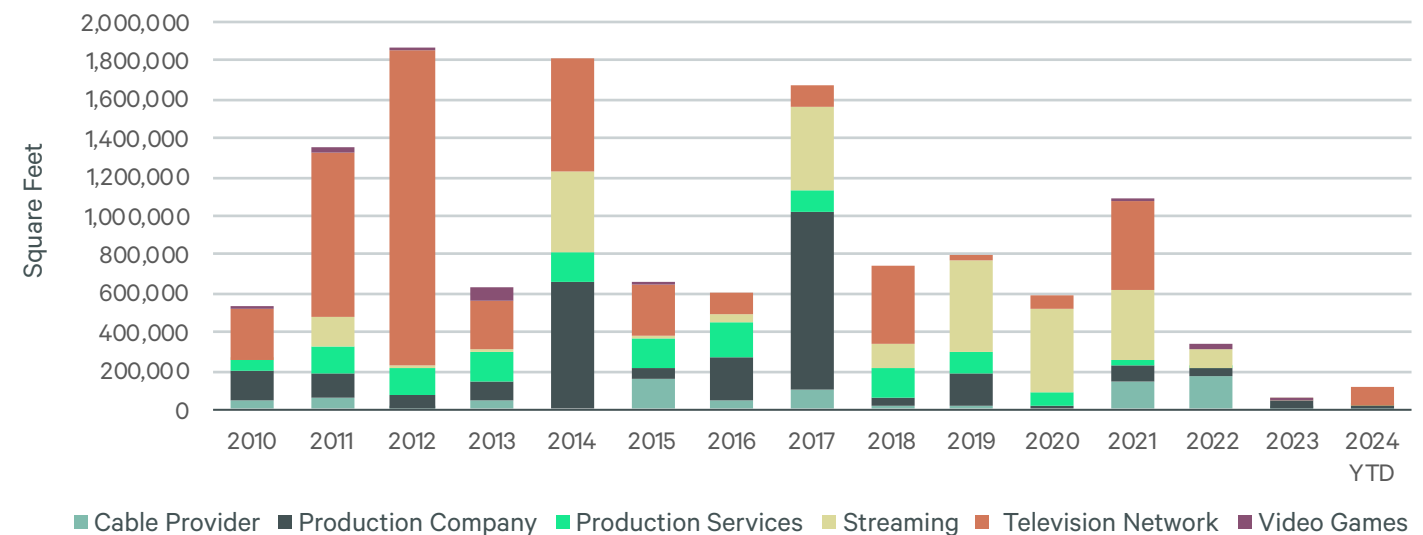
While soundstage-related movie making took a long hiatus from the region through much of the 20th century, New York City is home to dozens of institutional players in broadcast media, including major production houses, cable companies, and international news organizations. These firms have dominated the small screen since television sets became a fixture in households, businesses, and public spaces the world over. The city’s television networks and telecom companies produce and distribute sitcoms and dramas, news segments, evening variety shows, sporting events, and all other staples of traditional broadcast entertainment. These titans of entertainment have traditionally supported dozens of smaller and medium-sized firms involved in production and post-production.

Since 2010, nearly 150 production and postproduction firms have signed leases in New York City, taking a combined 4.2 million square feet. These firms, with relatively small space requirements, are responsible for generating and editing the content that is funded by major networks and often filmed on the streets and soundstages of the Tri-State region. In recent years, New York’s office market has accommodated streaming platform companies and a small number of video game firms as the city embraces the trendsetters of 21st century visual entertainment.

While film shoots, especially the ubiquitous on-location type that fill the streets of NYC, are the most visible expression of the region’s film industry, most pre- and post-production work is done in the confines of an office. This includes script writing, pitch meetings, securing financing, and creating a production schedule at the front end, and editing and adding audio and visual effects at the back end. With so many production firms and content creators already located in Manhattan, the development of new soundstage inventory is a natural next step in the region’s evolution in becoming a holistic media and entertainment ecosystem.

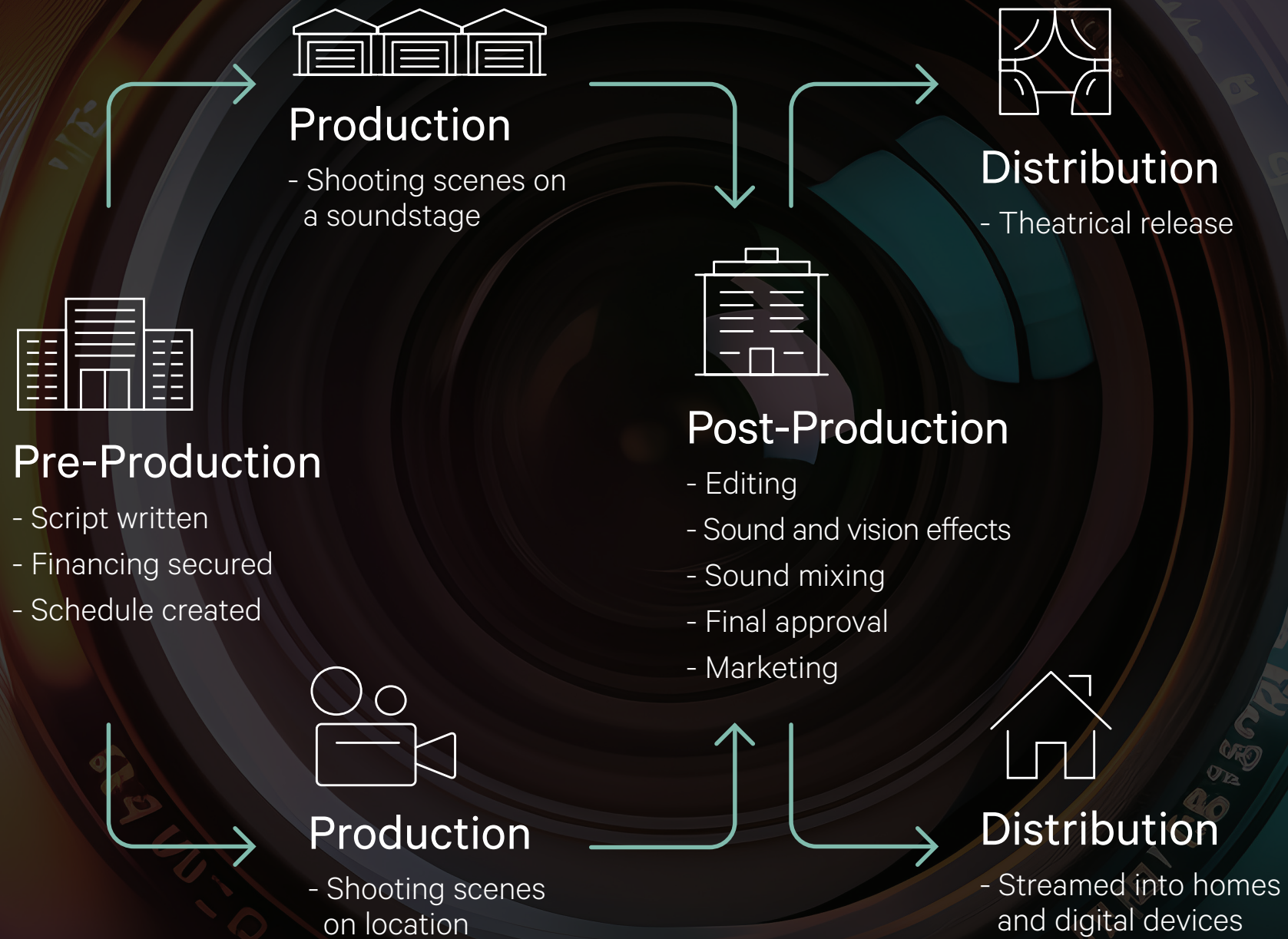
Office leasing by film and television-related firms picked up in the first half 2024 with television networks and production companies claiming over 120,000 sq. ft., double the full-year leasing by these companies in 2023. While entertainment firms are claiming space again, leasing is likely to remain well below the pre-pandemic era when major networks and rising streaming platforms routinely drove annual leasing to well over 500,000 sq. ft. Despite the headwinds posed by industry consolidation and changing viewership patterns, New York is still the nation’s leading broadcast media market, evidenced by News Corp’s 20-year-lease renewal on Avenue of the Americas, the migration of CNN’s studios to Hudson Yards, and the pending completion of Disney’s new Hudson Square headquarters.

FIGURE 5 | LEASING BY MEDIA TYPE IN MANHATTAN



Source: CBRE Research, Q2 2024.

The Real Estate Life Cycle Of A Film



Source: CBRE Research, Q2 2024.

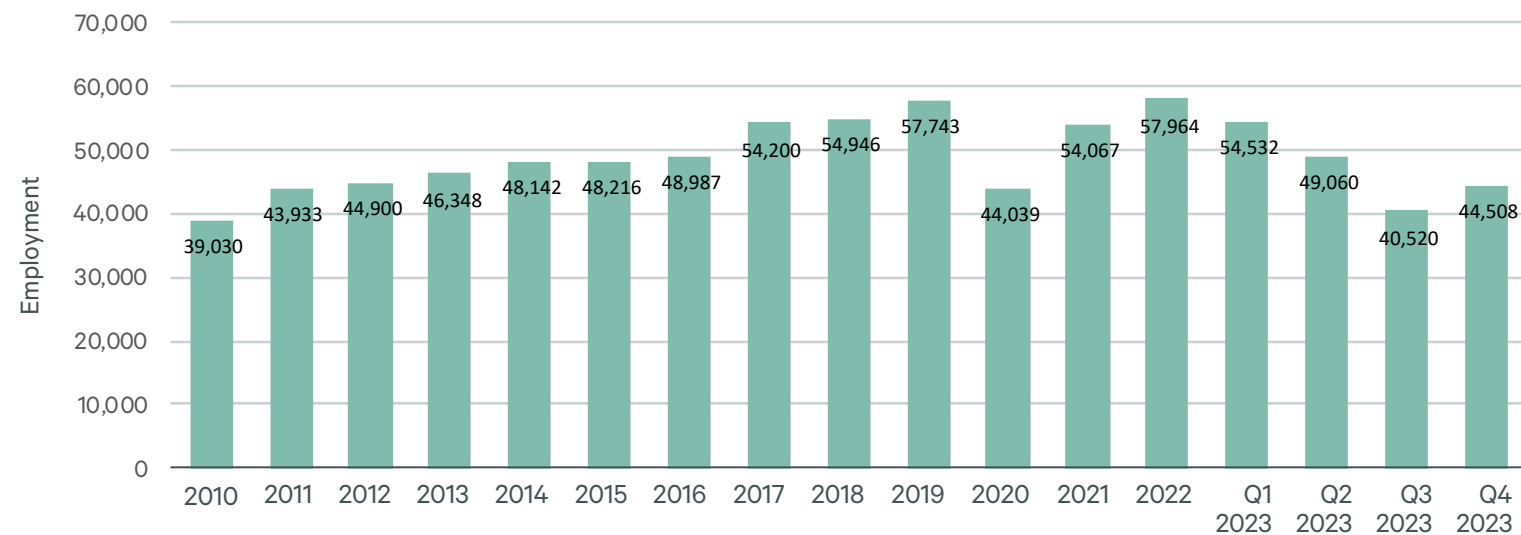
An Abundance of Talent

Media and entertainment employment has flourished since 2010, propelled by the city’s ascendent motion picture industry. The growth of television shows and movies filmed in New York City has fueled the expansion and construction of the region’s soundstages and increased employment opportunities for professionals up and down the production chain – from producers and actors to stagehands and audio-visual effects specialists.

The onset of the pandemic in March 2020 followed by labor disputes in 2023 created a less even trajectory for motion picture employment in recent years. These extraordinary circumstances have resulted in rapid gains and losses for motion picture employment. The labor disputes resulted in an immediate halt to film production and backslide for post-pandemic employment gains. Tri-State motion picture employment made a full recovery in 2022 but is presently at 77% of the pre-pandemic employment level as it retools following the resolved labor contracts.

The resumption of filming and construction of several new stages will encourage further motion picture employment recovery but cost-cutting by streaming services, networks, and broadcasters has the potential to place a headwind on growth. Employment is expected to continue to recover in 2024, especially in the outer boroughs and suburbs where much of the region’s new soundstage inventory is concentrated.

FIGURE 6 | MOTION PICTURE EMPLOYMENT IN NEW YORK TRI-STATE



Source: Bureau of Labor Statistics QCEW, CBRE Research Q2 2024.

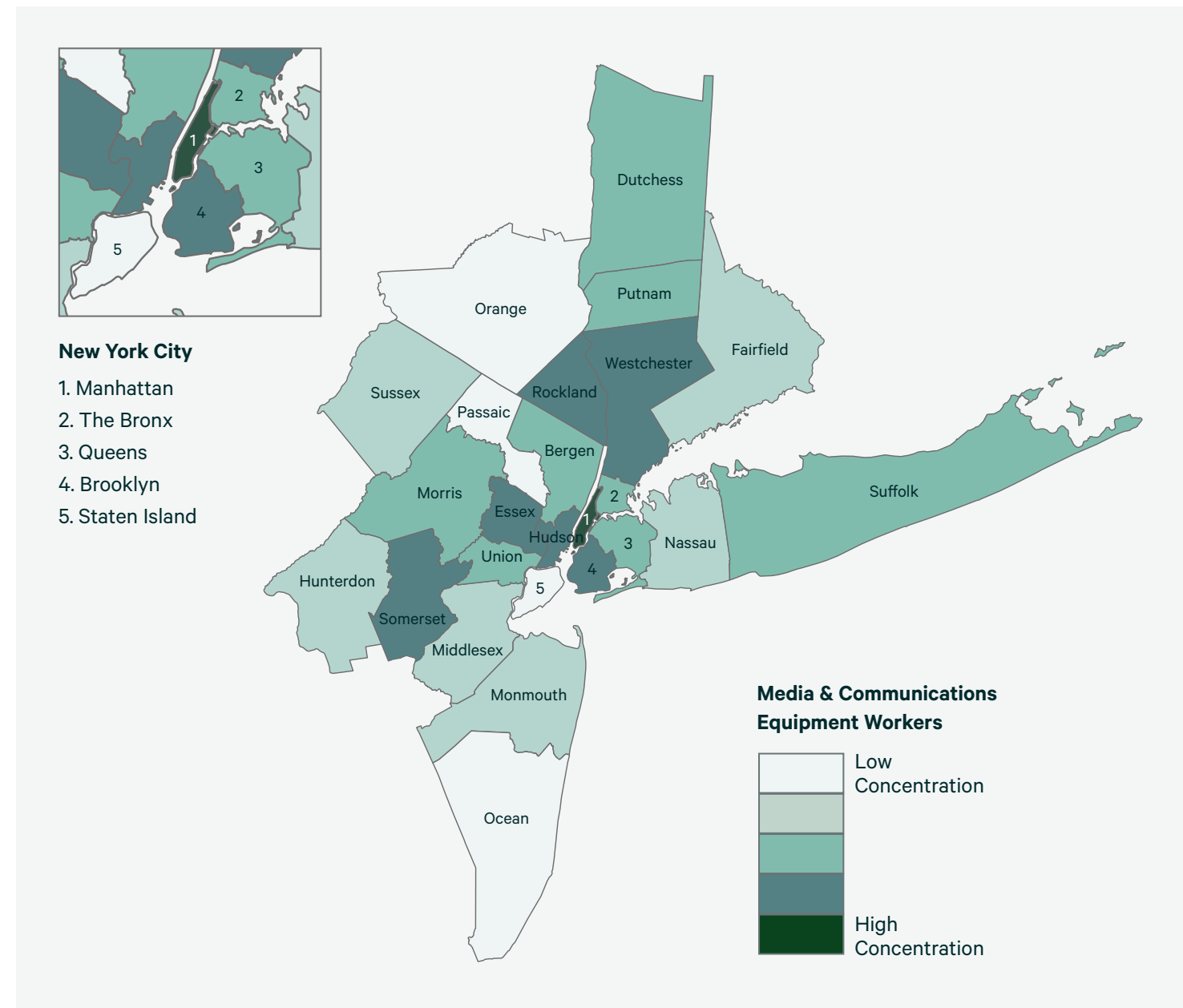


Get a Grip: Off-Screen Talent in Tri-State

Thousands of film production professionals are required to support the dozens of video broadcasts, television shows, and films that are being shot on any given day in New York City and its surroundings. Among the most coveted behind-the-scenes talent are the grips and camera operators that look after and operate the audio and visual equipment used in a production.

Manhattan, squarely the region’s core, is home to the greatest density of grip and camera professionals by a wide margin; however, dense pockets of skilled employees live in the Hudson Valley, Northern New Jersey, and throughout the outer boroughs. These concentrations of grip talent to the north and west of Manhattan are a useful guidepost for studio operators. The spurt of studio construction in New Jersey and the Hudson Valley suggests that these areas, rich in technical talent, are already attracting savvy operators.

FIGURE 7 | MEDIA & COMMUNICATIONS EQUIPMENT



Source: U.S. Census Bureau American Community Survey, CBRE Research Q2 2024.

Tri-State Incentives

New York introduced its tax incentive program in 2004 to the tune of \$25 million and has since raised the annual cap to \$700 million, as a growing number of productions flocked to the state, local studios like Kaufman and Steiner expanded, and new operators entered the market.

The New York State Film Production Tax Credit has been renewed through 2034 with an annual funding level of \$700 million, which was increased from the \$420 million allotment that had been maintained since 2010. This amount includes a \$45 million carveout for post-production work.

The nearly 70% increase in New York State’s tax incentive package should allow a significantly larger number of productions to receive credits, attracting more filmmakers to New York soundstages. In 2023, 125 productions received incentives, including 27 for productions with budgets exceeding \$5 million. The number of projects to receive state incentives fell nearly 50% year-over-year as labor disputes forced projects to postpone production.

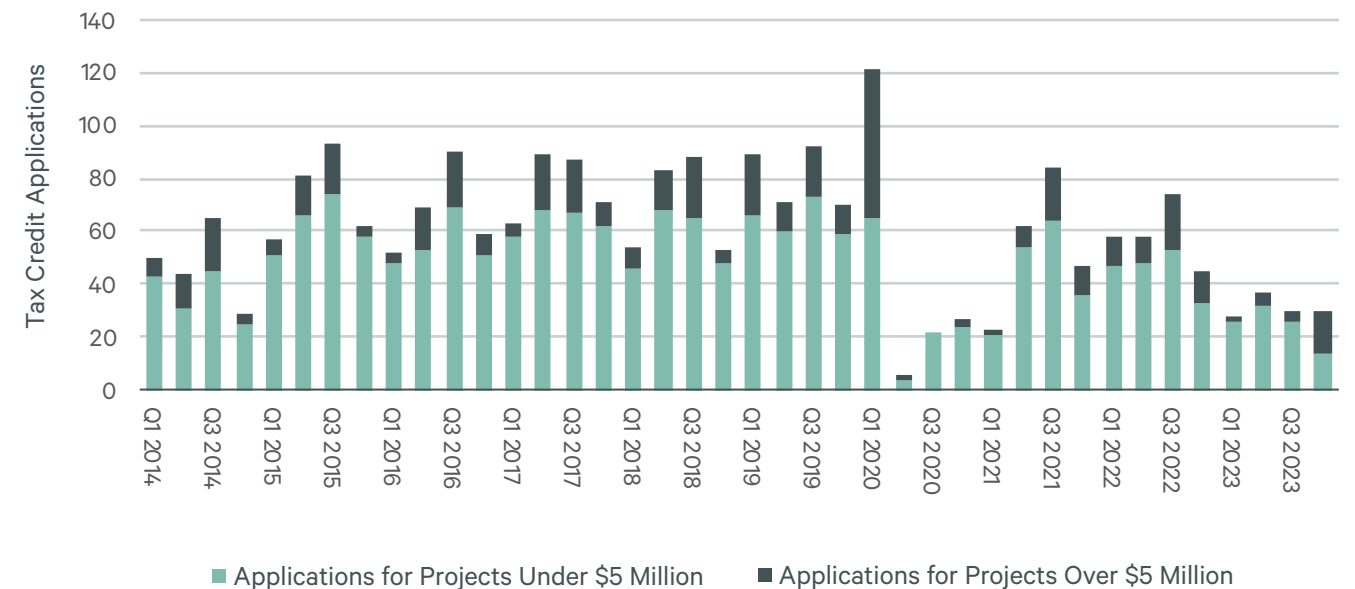
Recent changes raised the minimum qualifying production budget for metropolitan New York to \$1 million, lowering the number of qualifying projects and potential applicants but also likely channeling a greater share of funding to episodic and film productions with larger budgets and extensive production requirements.

New Jersey relaunched their own tax credit program in 2018 after suspending it in 2010. New Jersey’s film tax credit offering was extended in January 2021 through 2034 with an allocation of \$200 million on top of the \$100 million that is funded through 2028. This will provide incentives of \$300 million through 2028 and \$200 million from 2029 through 2034 for New Jersey-based film productions.

New Jersey’s tax credit program was an instant hit after it was reinstated in 2018 with filmmakers bringing 17 feature films to the state in 2019 – the highest number since 2008. In 2023, the number of feature films shot in New Jersey was 38, down from the 47 shot in 2022.

Looking to expand its own film industry, Connecticut offers the only uncapped tax credit in the Tri-State region, with a non-refundable tax credit of up to 30% for productions that spend over \$1 million dollars in the state.

FIGURE 8 | NEW YORK STATE TAX CREDIT APPLICATIONS



Source: Empire State Development Corporation, CBRE Research Q2 2024.

North American Film Incentives

New York

2024 Amount: \$700 million

The **New York State Film Tax Credit Program** provides a fully refundable credit of 30% for qualifying film production and post-production costs with an additional 10% credit available for productions incurred north of Westchester and Rockland Counties.

Production: \$655 million annually through 2034

Qualifying costs include below-the-line items such as set construction, crew, camera and grip equipment, props and post-production costs such as film editing, sound design and effects, and visual effects.

Post-Production: \$45 million annually through 2034

Post-production credits are available for projects that were predominantly filmed out-of-state and contract their post-production work to businesses in New York State.

New Jersey

2024 Amount: \$300 million

The **New Jersey Film Tax Credit Program** provides a transferable tax credit of 35% for qualifying film production expenses incurred for goods and services used outside of the 30-mile Columbus Circle radius. The credit is reduced to 30% for expenses incurred for goods and services inside of the radius. The 35% tax credit still applies to qualifying wages and salary statewide. Productions that meet the state's diversity standard will qualify for a diversity bonus of 2-4%. The program is available to three types of applicants:

Legacy Program for Individual Productions: \$100 million annually through 2034

Individual productions are bound by the terms above

Studio Partners: \$100 million annually through 2033

A studio partner is a production company that has site control of a production facility that is at least 250,000 square feet for at least 10 years.

Film-Lease Partners: \$100 million annually through 2033

A film-lease partner is a production company that has at least a Letter of Intent or other site control documentation for a production facility of at least 50,000 square feet for a term of at least five years. Additionally, the production company must commit to spending, on an annual average basis, \$50 million in qualified film production expenses.

Connecticut

2024 Amount: No cap

The Connecticut Film Production Tax Credit provides a transferable tax credit of up to 30% depending on the cost of qualifying expenditures incurred in the state with productions of more than \$1 million qualifying for the full 30%.

Georgia

2024 Amount: No cap

The **Georgia Film Tax Incentive** provides a transferable tax credit of 20%, rising to 30%, for productions that take advantage of the Georgia Entertainment Promotion (GEP) which is earned by including an embedded Georgia logo on approved projects.

New Mexico

2024 Amount: \$120 million

The **New Mexico Film Production Tax Credit Act** provides for a non-transferable and refundable tax credit of 25%. Several credit increases are available in increments of 5%, up to a maximum credit allowance of 35%. New Mexico's cap will be raised by \$10 million per year until reaching a total of \$160 million in 2028.

Texas

2024 Amount: \$200 million

The **Texas Moving Image Industry Incentive Program** provides a tax credit of up to 22.5% for productions that spend more than \$3.5 million in Texas so long as 55% of paid cast and crew are Texas residents and 60% of production days are in the State of Texas.

California

2024 Amount: \$330 million

The **California Film & Television Tax Credit Program 3.0** provides a non-transferable and non-refundable tax credit of up to 20%, rising to 25% for productions relocating from out-of-state. Credit increases of 5% to 10% are available for productions that film outside of the 30-mile studio zone, meet certain post-production requirements, or hire local labor.

British Columbia

Film Incentive British Columbia provides a refundable basic tax credit of 35% with additional tax credit alternatives available for scriptwriting (35%), training programs (30%), post-production (16%), productions partially filmed outside of the Vancouver area up to and including Whistler (12.5%), and for productions filmed in more remote regions of British Columbia (6%).

Ontario

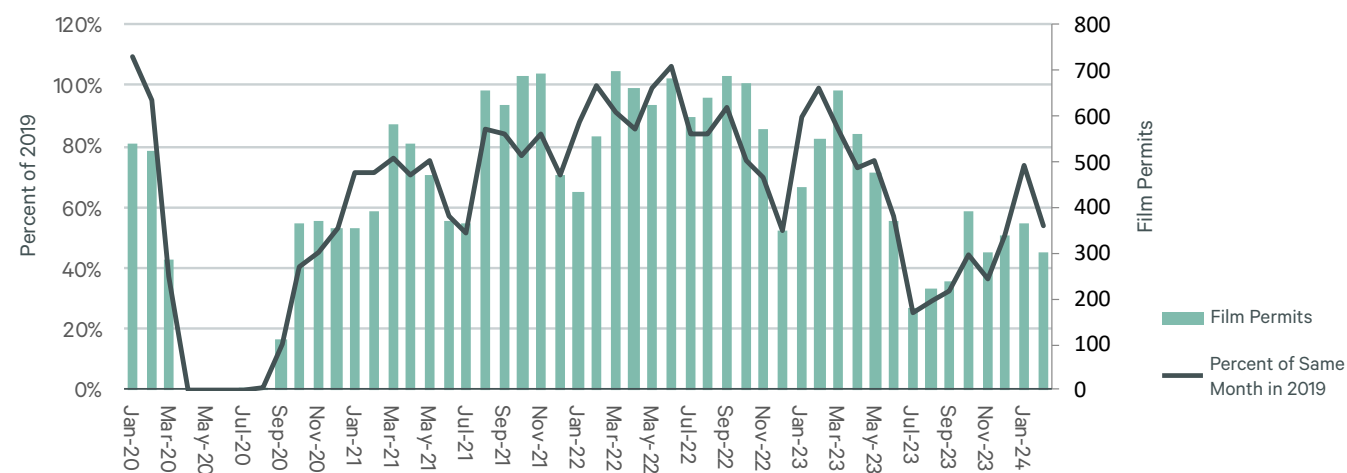
The **Ontario Film & Television Tax Credit** provides a refundable 35% tax credit on Ontario labor expenses to a qualifying production company with an enhanced rate of 40% available to production companies working on their first project. An additional 10% bonus is available for productions that are largely shot outside the Greater Toronto Area.

Film Permits Slowly Rebound after Shutdowns

Film permitting in New York bottomed out in 2020 as Covid-19 gripped the city and froze filmmaking. By July of 2022, permits for film shoots had rebounded, approaching pre-pandemic levels. Film permits remained at a healthy level until the spring of 2023 when labor disputes resulted in soundstages falling quiet. With union labor projects unable to proceed, film shoots fell to an average of 33% of the pre-pandemic level before picking up again in the winter of 2023-2024.

The resolution of the entertainment industry's labor disputes is good news for local film production; however, it will likely take several months for activity to return to a pre-strike level. Many of the region's soundstages remain without tenants several months after the resolution of the WGA and SAG-AFTRA strikes. Despite the slow resumption of filming, the city's quick rebound from Covid demonstrates the ability of the industry to tool up. It is expected that soundstages and film permits will rise through the summer and the peak autumn filming months.

FIGURE 9 | FILM PERMITS



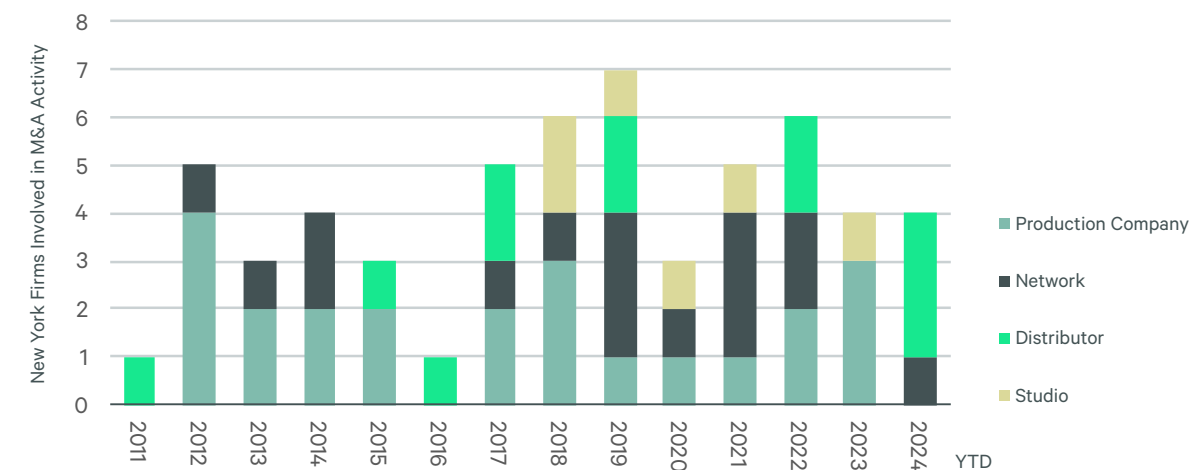
Source: CB Insights, CBRE Research Q2 2024.

Mergers and Acquisitions in New York's Media Industry

As a home and an outpost for hundreds of media companies of all shapes and sizes, NYC is often at the forefront of the shifting media and entertainment landscape, which has been defined by big mergers and blockbuster acquisitions over the past several years. A number of New York City-based film and television businesses became targets for acquisitions in recent years as expanding demand for content and production space brought new attention to the city's creative firms. Most prominently, Hackman Capital Partners and Square Mile Capital jointly acquired Silvercup Studios in 2020 and Kaufman Astoria in 2021.

Media acquisition activity slowed in 2023 with only four deals, down from six in 2022. Three of the four deals were for small local production companies. Acquisition activity was off to a strong start in 2024 with four deals closed through May 2024, largely for distribution platforms. Firms across the media landscape, from small production houses to broadcasting titans, are looking for ways to drive cost efficiency, and merger and acquisition activity will likely continue among media and entertainment players through 2024.

FIGURE 10 | MERGERS AND ACQUISITIONS BY COMPANIES WITH A NEW YORK PRESENCE BETWEEN 2011 & 2024



Source: CB Insights, CBRE Research Q2 2024.

Tri-State TV & Film Production By The Numbers

BROADCAST STUDIOS: LIVE FROM NEW YORK!

Even as new film-quality studio campuses plant flags across the region's outer boroughs and suburbs, dozens of smaller broadcast studios – averaging just 4,000 square feet in size – continue to churn out news, variety, and talk show programs from major network offices in Manhattan. These smaller studios form the backbone of New York's global media presence, producing live segments daily from the heart of the city. Most famous of these spaces are the studios at 30 Rockefeller Center, home to NBC's Saturday Night Live and several other daily news and variety broadcasts. Fox News keeps their own studios nearby at 1211 Avenue of the Americas.

PURPOSE-BUILT STUDIOS: A NEW STAGE OF DEVELOPMENT

As a growing number of big-budget film and television productions have been attracted to the Tri-State area, demand has grown for high-quality, modern production space with larger floor areas and higher ceilings. The city's homegrown studios have expanded to meet demand, including Steiner Studios' 2018 expansion at the Brooklyn Navy Yard and Kaufman Astoria's ONStage expansion which debuted in 2021. Newly constructed studios are joining the mix, with Lionsgate, Netflix, and Robert De Niro's Wildflower Studios all opening ground-up production campuses and meaningfully expanding the region's inventory of high-quality stage space.

ADAPTIVE REUSE: OLD BUILDINGS LEARN NEW TRICKS

New York's rich industrial legacy has left the region with a trove of expansive column-free spaces with ample parking and relatively high ceilings, ideal for larger productions. Silvercup Studios set the tone for these transformations when they opened in the former Silvercup Bakery in Long Island City in 1983. A former aircraft factory on Long Island is now home to two studios – Grumman and Gold Coast. Across the region, dozens of industrial properties of all shapes and sizes have been repurposed into production space for the TV and film industry and have maintained steady demand as soundstage availability remains tight.

FIGURE 11 | SOUNDSTAGE SCORECARD

	Industrial	Office	Purpose Built	Other	Total
Brooklyn	923,300 sq. ft.	-	236,100 sq. ft.	-	1,159,400 sq. ft.
Stage Count	108	-	16	-	124
Average Size	8,500 sq. ft.	-	14,800 sq. ft.	-	9,400 sq. ft.
Queens	497,200 sq. ft.	14,700 sq. ft.	363,700 sq. ft.	-	875,600 sq. ft.
Stage Count	44	6	24	-	74
Average Size	11,300 sq. ft.	2,500 sq. ft.	15,200 sq. ft.	-	11,800 sq. ft.
Long Island	252,400 sq. ft.	-	92,700 sq. ft.	-	345,100 sq. ft.
Stage Count	13	-	6	-	19
Average Size	19,400 sq. ft.	-	15,400 sq. ft.	-	18,200 sq. ft.
Hudson Valley	142,700 sq. ft.	-	80,700 sq. ft.	-	223,400 sq. ft.
Stage Count	7	-	5	-	12
Average Size	20,400 sq. ft.	-	16,100 sq. ft.	-	18,600 sq. ft.
Manhattan	26,100 sq. ft.	147,000 sq. ft.	22,000 sq. ft.	63,200 sq. ft.	258,300 sq. ft.
Stage Count	7	46	2	9	64
Average Size	3,700 sq. ft.	3,200 sq. ft.	11,000 sq. ft.	7,000 sq. ft.	4,000 sq. ft.
New Jersey	165,000 sq. ft.	-	-	-	165,000 sq. ft.
Stage Count	15	-	-	-	15
Average Size	11,000 sq. ft.	-	-	-	11,000 sq. ft.
Bronx	54,900 sq. ft.	-	81,300 sq. ft.	-	136,200 sq. ft.
Stage Count	4	-	5	-	9
Average Size	13,700 sq. ft.	-	16,300 sq. ft.	-	15,100 sq. ft.
Staten Island	27,000 sq. ft.	-	69,500 sq. ft.	-	96,500 sq. ft.
Stage Count	2	-	4	-	6
Average Size	13,500 sq. ft.	-	17,400 sq. ft.	-	16,100 sq. ft.
Total	2,088,600 sq. ft.	161,700 sq. ft.	946,100 sq. ft.	63,200 sq. ft.	3,259,500 sq. ft.
Stage Count	200	52	62	9	323
Average Size	10,400 sq. ft.	3,100 sq. ft.	15,300 sq. ft.	7,000 sq. ft.	10,100 sq. ft.

Source: Data compiled from individual production studios and media reports, CBRE Research Q2 2024.

*Square footage is only representative of soundstage and shooting areas and does not include supporting infrastructure including offices, green rooms, control rooms, and other ancillary space.

The Geography of New York's Film Industry



Fifty-two percent of production space belongs to Tri-State's five largest studio operators: Broadway Stages, Grumman Studios, Steiner Studios, Silvercup Studios, and the newly opened Wildflower Studios. The focal point of the region's film production industry is centered in the neighborhoods along the Queens and Brooklyn border, including Long Island City, Greenpoint and Bushwick. These neighborhoods along the industrialized Newtown Creek offer an abundance of large manufacturing spaces that are well-suited for conversion to soundstages. The stages in older buildings face increasingly stiff competition from a rising volume of purpose-built soundstages, including 50,000 sq. ft. of new stage space at Borden Studios in Long Island City.

Tri-State inventory gains jumped considerably in the first half of 2024 after remaining flat in 2023. The debut of Wildflower Studios and Borden Studios in Queens, Port Washington Studios on Long Island, and the NYU Tisch Martin Scorsese Virtual Production Center at Industry City in Brooklyn added over 350,000 sq. ft. of production space to the market in 2024, amounting to a 12% bump in inventory.

Additional projects are in the works across the region including additional stages from Great Point Studios in Yonkers and Newark, 1888 Studios in Bayonne, a Netflix campus at the former Fort Monmouth in New Jersey and a number of projects in Manhattan and Queens for broadcast and filmmaking purposes.

New York's soundstage inventory has historically been older and smaller than other North American markets but the surge of purpose-built inventory will make the region more attractive as a destination for all facets of content production. However, the increase in new supply and entrance of professional studio operators to the region could pose a competitive challenge for some of the city's older stages in converted manufacturing buildings.

PRODUCTION STUDIOS IN THE NEW YORK TRI-STATE REGION

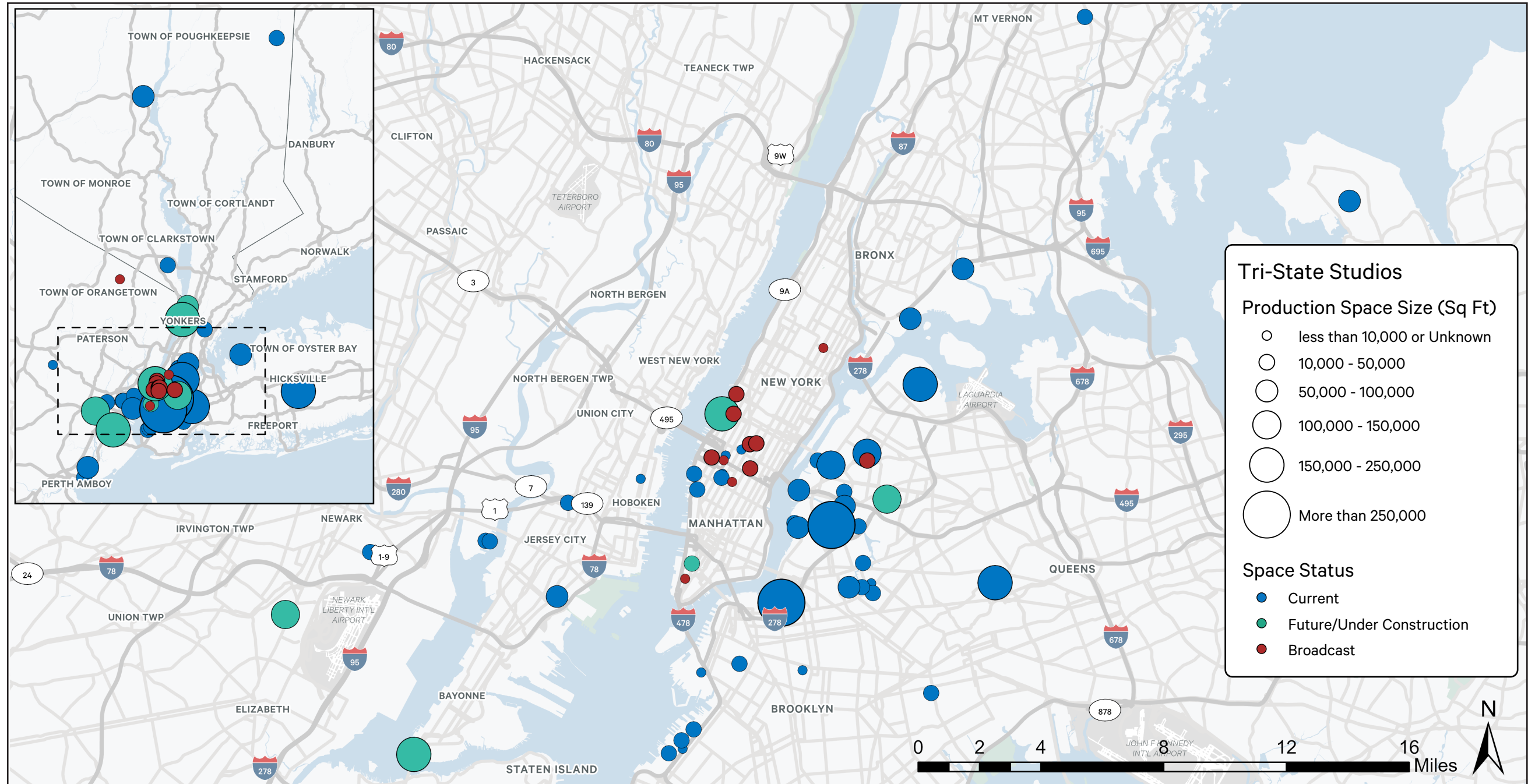
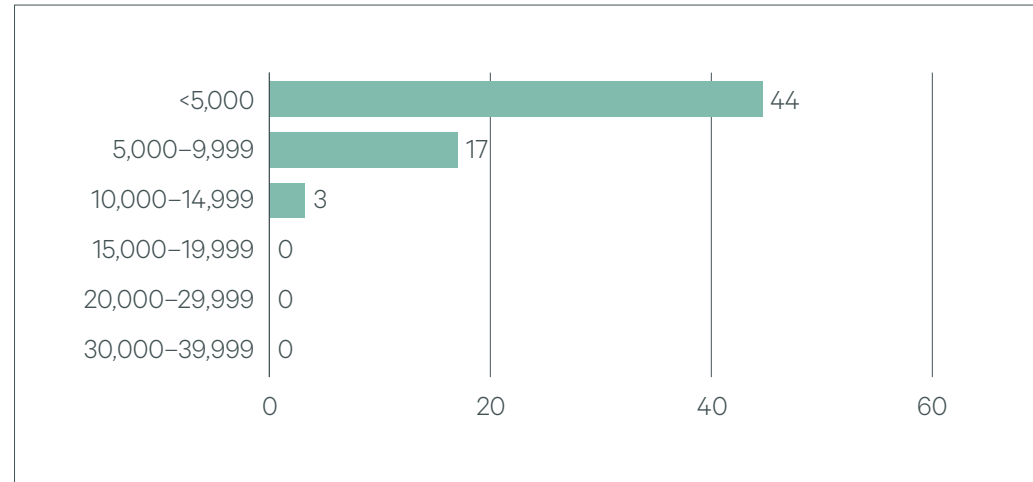


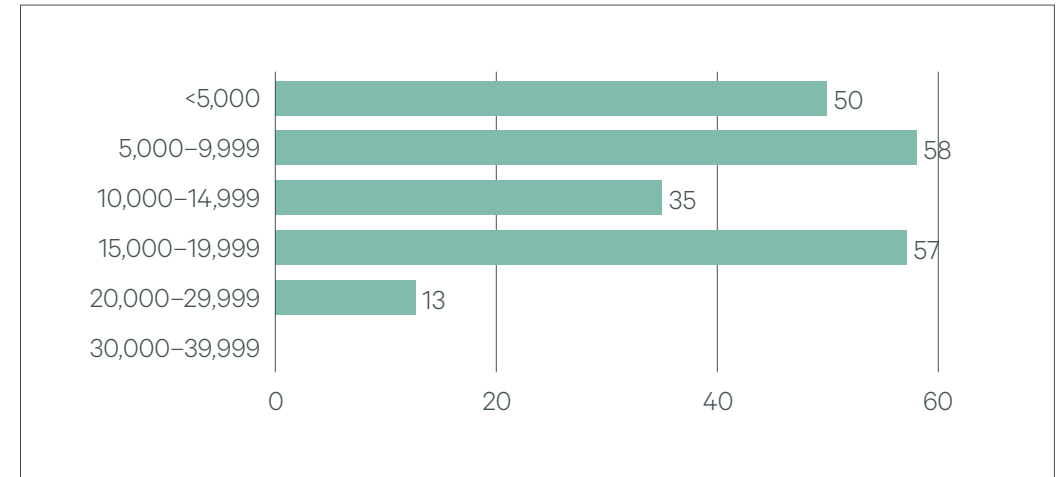


FIGURE 12 | SOUNDSTAGES BY SIZE SEGMENT

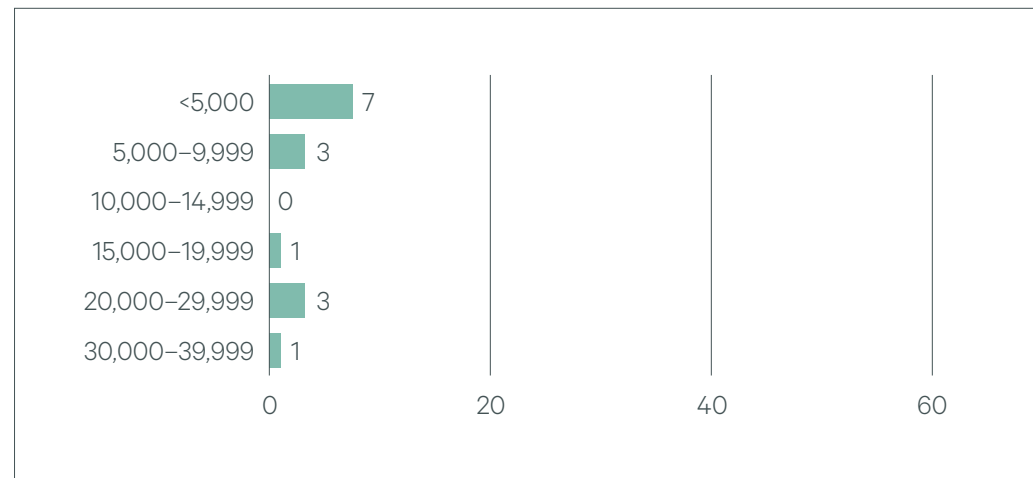
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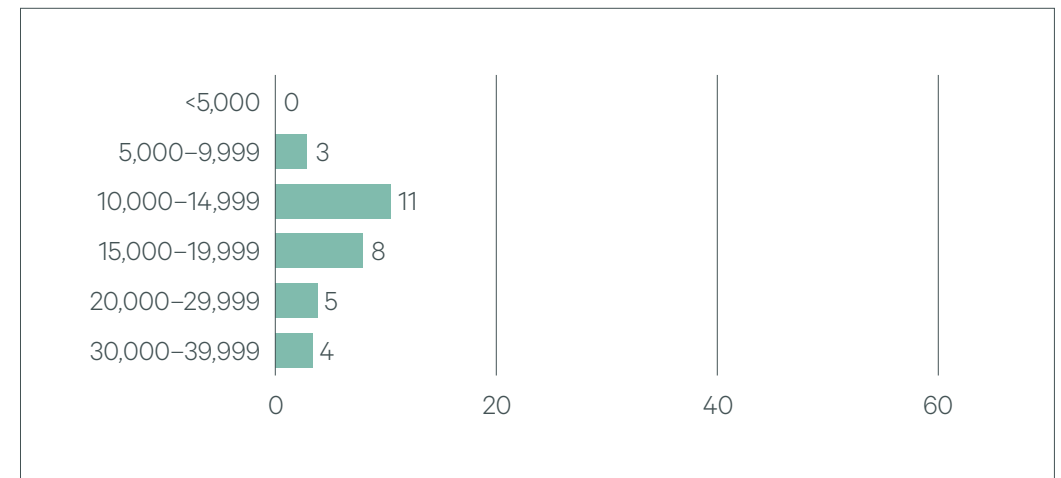
OUTER BOROUGHES



NEW JERSEY



NEW YORK SUBURBS



Source: Data compiled from individual production studios and media reports, CBRE Research Q2 2024

Emerging & Expanding Studio Clusters

NEW YORK CITY

Even as film studios proliferate in the suburbs, New York City remains the epicenter of film production, with 77% of Tri-State soundstage square footage located in the five boroughs. The region's fifth largest studio campus – Wildflower Studios – recently opened in Astoria, joining a roster of legacy campuses helmed by Kaufman Astoria and Silvercup. The former manufacturing zones that stretch along the Queens and Brooklyn borders are home to dozens of additional soundstages in warehouses that have been adaptively repurposed. This stretch of prime real estate remains the locus of film production in the entire region.

Manhattan, long a center of broadcast media, will soon offer one of the region's most desirable studio campuses when Sunset Pier 94 Studios opens on the Hudson River in 2025. Despite the embrace of movie making, Manhattan has not forgotten its broadcasting routes. The new Disney headquarters at Hudson Square is expected to house a new broadcast center for ABC.

NEW YORK SUBURBS

Film and television production has been pushing into New York's suburbs in the Hudson Valley and on Long Island as owners seek space to construct modern soundstages within the boundaries of New York State's generous incentives program. Great Point Studios debuted in Yonkers in 2022 with several new stages to come. The first phase of the facility has been leased by Lionsgate. There are plans to open an additional eight stages in various locations across the city.

Long Island's first major film studio outside of the grounds of the former Grumman aircraft plant in Bethpage recently debuted in the North Shore village of Port Washington North. This purpose-built film studio with six modern soundstages adds 90,000 sq. ft. of stage space to Long Island.

NEW JERSEY

New Jersey's generous film incentives program has rapidly made the state a major contender in the race to attract film and television productions. While a growing number of productions are flocking to the state, the industry's growth is constrained by a lack of large and modern sound stage inventory – a limitation that is being rectified.

Three film studios have opened in New Jersey since 2021, concentrated in the waterfront submarket and providing much needed space for content production. Still, the state requires larger Hollywood-style production campuses to fully capture demand from studios that wish to do more end-to-end production in the state. Some larger projects have been inching forward including a Great Point Studios campus in Newark which will feature six soundstages of 20,000 sq. ft. apiece, a campus for 1888 Studios in Bayonne and a new Netflix campus on the site of the shuttered Fort Monmouth military installation. If completed, the Netflix campus would be among the largest film studios in the Tri-State area.

Contacts

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