

FIGURES | MANHATTAN OFFICE | MAY 2023

# Leasing activity down from last month but availability stays flat

▼ 1.14M  
Leasing Activity

▼ (0.23)M  
Net Absorption

▶ 19.7%  
Availability Rate

▲ 15.6%  
Vacancy Rate

▶ \$77.49  
Average Asking Rent

Note: Arrows indicate change from previous month.

## QUICK FACTS

- Leasing activity totaled 1.14 million sq. ft. in April, 41% behind the five-year monthly average of 1.93 million sq. ft.
- Year-to-date leasing activity totaled 4.99 million sq. ft., down 35% from the same time last year.
- Renewals totaled 409,000 sq. ft. in April, bringing the year-to-date total to 1.90 million sq. ft.
- The availability rate was flat from last month at 19.7% but was up 30 basis points (bps) from a year ago.
- Net absorption was negative 232,000 sq. ft. in April, bringing the year-to-date total to negative 2.09 million sq. ft.
- At \$77.49 per sq. ft., the average asking rent was essentially flat month-over-month but was down 1% year-over-year.
- The sublease availability rate was down 10 bps from last month at 5.1%, with the average asking rent down 3% from one year ago to \$58.48 per sq. ft.

FIGURE 1: Top Lease Transactions for April 2023

Size (Sq. Ft.)		Tenant	Address	Market
256,840	(RE)	Paul Hastings LLP	200 Park Avenue	Midtown
159,000	(RE)	HPS Investment Partners, LLC	40 West 57th Street	Midtown
57,333		Exoduspoint Capital Management	65 East 55th Street	Midtown
46,393		Arsenal Capital Partners	277 Park Avenue	Midtown
31,362		LM Cohen & Co.	1359 Broadway	Midtown

Source: CBRE Research, May 2023. Renewal (R), Expansion (E), Renewal and Expansion (RE).

FIGURE 2: Manhattan Market Activity

	Apr. 2023	Mar. 2023	Apr. 2022	YTD 2022	YTD 2023
Leasing Activity	1.14 MSF	1.46 MSF	1.98 MSF	7.66 MSF	4.99 MSF
Renewals	0.41 MSF	0.54 MSF	0.95 MSF	1.81 MSF	1.90 MSF
Absorption	(0.23) MSF	1.38 MSF	0.23 MSF	(3.01) MSF	(2.09) MSF
Availability Rate	19.7%	19.7%	19.4%		
Vacancy Rate	15.6%	15.5%	15.2%		
Average Asking Rent	\$77.49 PSF	\$77.18 PSF	\$78.26 PSF		
Taking Rent Index	90.2%	89.6%	91.2%		

FIGURE 3: Midtown Market Activity

	Apr. 2023	Mar. 2023	Apr. 2022	YTD 2022	YTD 2023
Leasing Activity	0.85 MSF	1.09 MSF	1.29 MSF	4.67 MSF	3.38 MSF
Renewals	0.38 MSF	0.17 MSF	0.53 MSF	1.04 MSF	1.11 MSF
Absorption	0.11 MSF	0.99 MSF	0.16 MSF	(2.34) MSF	(0.67) MSF
Availability Rate	18.5%	18.5%	18.5%		
Vacancy Rate	14.1%	14.2%	14.7%		
Average Asking Rent	\$83.72 PSF	\$83.21 PSF	\$86.06 PSF		
Taking Rent Index	90.5%	89.9%	91.0%		

Source: CBRE Research, May 2023.

FIGURE 4: Midtown South Market Activity

	Apr. 2023	Mar. 2023	Apr. 2022	YTD 2022	YTD 2023
Leasing Activity	0.17 MSF	0.27 MSF	0.45 MSF	1.87 MSF	1.00 MSF
Renewals	0.02 MSF	0.14 MSF	0.38 MSF	0.56 MSF	0.44 MSF
Absorption	(0.34) MSF	(0.16) MSF	0.16 MSF	(0.77) MSF	(1.70) MSF
Availability Rate	20.8%	20.4%	18.9%		
Vacancy Rate	16.9%	16.6%	14.6%		
Average Asking Rent	\$82.65 PSF	\$82.52 PSF	\$80.07 PSF		
Taking Rent Index	89.5%	89.1%	96.5%		

FIGURE 5: Downtown Market Activity

	Apr. 2023	Mar. 2023	Apr. 2022	YTD 2022	YTD 2023
Leasing Activity	0.12 MSF	0.09 MSF	0.24 MSF	1.12 MSF	0.62 MSF
Renewals	0.01 MSF	0.23 MSF	0.03 MSF	0.22 MSF	0.36 MSF
Absorption	0.00 MSF	0.55 MSF	(0.09) MSF	0.10 MSF	0.28 MSF
Availability Rate	22.1%	22.1%	22.3%		
Vacancy Rate	18.5%	18.3%	17.0%		
Average Asking Rent	\$57.78 PSF	\$57.80 PSF	\$58.64 PSF		
Taking Rent Index	88.5%	87.0%	92.3%		

### Definitions

Availability: Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.

Asking Rent: Weighted average asking rent.

Concession Values: The combination of rent abatement and T.I. allowance. The graph is for new leases for raw space of 25,000 sq. ft. or greater consummated year-to-date, this excludes expansion and renewal deals.

Leasing Activity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals.

Leasing Velocity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals.

Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

Rent Abatement: The time between lease commencement and rent commencement.

Taking Rent: Actual, initial base rent in a lease agreement.

Taking Rent Index: Initial taking rents as a percentage of asking rents.

### Definitions

T.I.: Tenant improvements.

Vacancy: Unoccupied space available for lease.

Percentage of Leasing by Industry: The percentage of sq. ft. leased by an industry based on transactions where a tenant and industry have been confirmed.

### Survey Criteria

CBRE's market report analyzes fully modernized office buildings that total 150,000+ sq. ft. in Midtown, 75,000+ sq. ft. in Downtown, and 50,000+ sq. ft. in Midtown South, including owner-occupied buildings (except those owned and occupied by a government or government agency). New construction must be available for tenant build-out within 12 months. CBRE assembles all information through telephone canvassing and listings received from owners, tenants and members of the commercial real estate brokerage community.

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