

# Year-to-date leasing activity up 29% from the same time last year



Note: Arrows indicate change from previous month.

## QUICK FACTS

- Monthly leasing activity totaled 607,000 sq. ft., 51% behind the five-year monthly average of 1.24 million sq. ft.
- Year-to-date leasing activity totaled 13.63 million sq. ft., up 29% from the same time last year.
- Renewal activity totaled 56,000 sq. ft. in November, bringing the year-to-date total to 2.47 million sq. ft.
- The availability rate rose 40 basis points from last month to 18.4% and was up 10 bps from a year ago.
- Net absorption was negative 1.10 million sq. ft. in November, bringing the year-to-date total to negative 2.04 million sq. ft.
- At \$83.85 per sq. ft., the average asking rent was essentially flat both month-over-month and year-over-year.
- The sublease availability rate was up 20 bps from one month ago to 4.5%, with the average asking rent up 7% from one year ago to \$64.03 per sq. ft.

FIGURE 1: Top Lease Transactions for November 2022

Size (Sq. Ft.)		Tenant	Address
64,594	E	Apollo Management, LP	9 West 57th Street
30,784	R	Lacoste	551 Madison Avenue
24,580		Link Logistics	277 Park Avenue
21,449		Mayer Brown	1221 Avenue of the Americas
21,139		Abernathy MacGregor Group	230 Park Avenue

Source: CBRE Research, December 2022. Renewal (R), Expansion (E), Renewal and Expansion (RE).

FIGURE 2: Midtown Market Activity

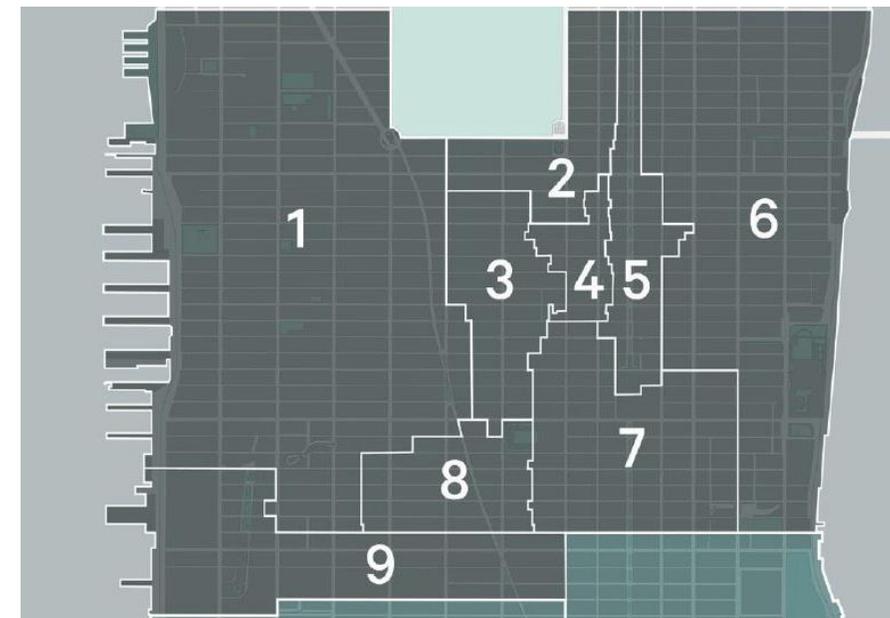
	Nov. 2022	Oct. 2022	Nov. 2021	YTD 2021	YTD 2022
Leasing Activity	0.61 MSF	0.78 MSF	2.09 MSF	10.58 MSF	13.63 MSF
Renewals	0.06 MSF	0.14 MSF	0.48 MSF	4.12 MSF	2.47 MSF
Absorption	(1.10) MSF	(1.33) MSF	0.18 MSF	(8.55) MSF	(2.04) MSF
Availability Rate	18.4%	18.0%	18.3%		
Vacancy Rate	14.2%	14.3%	14.0%		
Average Asking Rent	\$83.85 PSF	\$83.56 PSF	\$84.15 PSF		
Taking Rent Index	89.5%	88.3%	86.9%		

Source: CBRE Research, December 2022.

### Major New Availabilities

- 894,000 sq. ft. of direct space at 2 Penn Plaza\*
- 148,000 sq. ft. of Guardian Life Insurance Company sublet space at 10 Hudson Yards
- 86,000 sq. ft. of Sirius XM Radio Inc. sublet space at 5 Penn Plaza
- 82,000 sq. ft. of Roivant Sciences, Inc. sublet space at 151 West 42nd Street
- 55,000 sq. ft. of direct space at 1540 Broadway

\*This space was already on the market but has now fallen within 12 months of tenant possession and therefore was added to statistics.



Submarket	Total Size (MSF)	No. of Buildings
1 Times Square/West Side	32.2	43
2 Plaza	11.4	23
3 Sixth Avenue/Rockefeller	45.7	45
4 Fifth/Madison	12.0	28
5 Park Avenue	28.7	37
6 East Side	21.5	46
7 Grand Central	46.7	85
8 Times Square South	19.4	48
9 Penn District/Hudson Yards	35.6	37
<b>TOTAL INVENTORY</b>	<b>253.2</b>	<b>392</b>

## 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, 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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