

FIGURES | MANHATTAN OFFICE | JUNE 2024

# Leasing activity up 51% from the same period in 2023



Note: Arrows indicate change from previous month.

## QUICK FACTS

- Leasing activity totaled 2.28 million sq. ft. in May, 32% ahead of the five-year monthly average of 1.73 million sq. ft.
- Year-to-date leasing activity amounted to 9.38 million sq. ft., up 51% from the prior year.
- Renewals totaled 1.24 million sq. ft. in May, bringing the year-to-date total to 2.77 million sq. ft.
- The availability rate was up 20 basis points (bps) from last month to 20.2% but was up 50 bps from a year ago.
- Net absorption was negative 734,000 sq. ft. in May, bringing the year-to-date total to negative 412,000 sq. ft.
- At \$77.41 per sq. ft., the average asking rent was essentially flat both month-over-month and year-over-year.
- The sublease availability rate was down 10 bps from last month to 4.7%, with the average asking rent essentially flat from one year ago at \$57.72 per sq. ft.

FIGURE 1: Top Lease Transactions for May 2024

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Market
946,815	R	D	Bloomberg L.P.	731 Lexington Avenue	Midtown
235,479	L	S	Covington & Burling	30 Hudson Yards	Midtown
235,201	L	D	Bain & Company	22 Vanderbilt Avenue	Midtown
140,345	R	D	Palantir Technologies	620 Avenue of the Americas	Midtown South
126,098	L	D	The Trade Desk	1114 Avenue of the Americas	Midtown

Source: CBRE Research, May 2024. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: Manhattan Market Activity

	May 2024	Apr. 2024	May 2023	YTD 2023	YTD 2024
Leasing Activity	2.28 MSF	2.13 MSF	1.21 MSF	6.20 MSF	9.38 MSF
Renewals	1.24 MSF	0.37 MSF	0.48 MSF	2.38 MSF	2.77 MSF
Absorption	(0.73) MSF	0.32 MSF	0.13 MSF	(1.96) MSF	(0.41) MSF
Availability Rate	20.2%	20.0%	19.7%		
Vacancy Rate	15.7%	15.6%	15.5%		
Average Asking Rent	\$77.41 PSF	\$77.08 PSF	\$77.05 PSF		
Taking Rent Index	89.7%	88.8%	89.8%		

FIGURE 3: Midtown Market Activity

	May 2024	Apr. 2024	May 2023	YTD 2023	YTD 2024
Leasing Activity	1.53 MSF	1.21 MSF	0.74 MSF	4.11 MSF	6.45 MSF
Renewals	1.04 MSF	0.36 MSF	0.32 MSF	1.42 MSF	2.22 MSF
Absorption	(0.49) MSF	(0.02) MSF	0.47 MSF	(0.20) MSF	(0.58) MSF
Availability Rate	18.3%	18.1%	18.3%		
Vacancy Rate	13.8%	13.9%	14.0%		
Average Asking Rent	\$83.28 PSF	\$82.81 PSF	\$83.24 PSF		
Taking Rent Index	90.0%	89.4%	90.3%		

Source: CBRE Research, June 2024.

FIGURE 4: Midtown South Market Activity

	May 2024	Apr. 2024	May 2023	YTD 2023	YTD 2024
Leasing Activity	0.43 MSF	0.80 MSF	0.28 MSF	1.28 MSF	1.92 MSF
Renewals	0.18 MSF	0.00 MSF	0.02 MSF	0.46 MSF	0.42 MSF
Absorption	(0.32) MSF	0.42 MSF	0.06 MSF	(1.64) MSF	(0.50) MSF
Availability Rate	23.3%	22.9%	20.8%		
Vacancy Rate	18.4%	18.0%	16.9%		
Average Asking Rent	\$84.02 PSF	\$83.90 PSF	\$82.64 PSF		
Taking Rent Index	88.2%	86.8%	88.4%		

FIGURE 5: Downtown Market Activity

	May 2024	Apr. 2024	May 2023	YTD 2023	YTD 2024
Leasing Activity	0.32 MSF	0.12 MSF	0.19 MSF	0.81 MSF	1.02 MSF
Renewals	0.02 MSF	0.01 MSF	0.14 MSF	0.50 MSF	0.12 MSF
Absorption	0.08 MSF	(0.08) MSF	(0.39) MSF	(0.11) MSF	0.67 MSF
Availability Rate	22.7%	22.8%	22.6%		
Vacancy Rate	18.5%	18.6%	18.6%		
Average Asking Rent	\$56.89 PSF	\$56.90 PSF	\$57.86 PSF		
Taking Rent Index	83.2%	82.1%	87.7%		

### 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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