



		May 2017	Apr 2017	May 2016
Average Asking Rent (\$/sf/yr)	Midtown	\$81.77	\$81.53	\$82.80
	Midtown South	\$67.85	\$67.88	\$66.57
	Downtown	\$63.28	\$62.96	\$58.56
	Manhattan	\$73.64	\$73.34	\$73.03
Availability Rate	Midtown	10.9%	10.8%	10.7%
	Midtown South	8.8%	8.8%	7.7%
	Downtown	11.4%	11.7%	12.4%
	Manhattan	10.3%	10.3%	10.0%
Leasing Activity (MSF - monthly)	Midtown	0.42	1.76	1.86
	Midtown South	1.35	1.07	0.78
	Downtown	0.51	0.30	0.25
	Manhattan	2.28	3.13	2.89

MANHATTAN



At 2.28 MSF, monthly leasing activity in Manhattan dropped by more than one-fourth with a steep decline in Midtown leasing. Year-over-year, Manhattan leasing was down by 21.2%. However, significant deals closed in May: BlackRock's 847,000 SF lease to relocate to 50 Hudson Yards is Manhattan's largest so far this year. Additionally, the City of New York's Human Resources Administration (NYC HRA) leased 194,000 SF in a move to 375 Pearl Street. Availability was stable month-over-month at 10.3%. There were no large (100,000+ SF) blocks added to Manhattan's supply last month. Absorption was flat at positive 0.16 MSF. At \$73.64/ SF, Manhattan's monthly average asking rent increased slightly by 0.4%. Below-average priced spaces were leased and removed from the market. Higher re-pricing at some buildings was counter-balanced against discounted asking rents at others.

MIDTOWN



May leasing in Midtown, at 0.42 MSF, was 75.9% below April and well off the 1.86 MSF in May, 2016. A mega-lease of 500,000+ SF fueled leasing in both April, 2017 and May, 2016. Last month, however, the top lease was a 29,000 SF expansion by PJT Partners at 280 Park Avenue. Availability was stable, up just slightly by 0.1pp (percentage points) to 10.9%. Absorption was flat at negative 0.15 MSF. New supply was limited to just one 50,000+ SF listing, a sublease by CBS at 555 West 57th Street. Midtown's average asking rent increased by a modest 0.3% to \$81.77/ SF. Asking rents were adjusted at 575 Fifth Avenue. At 1619 Broadway, existing available inventory was re-priced higher. Moreover, several below-average priced sublet blocks were leased and removed from available inventory.

MIDTOWN SOUTH



Leasing in Midtown South was up by more than 25.0% since April and 71.8% higher, year-over-year. May's 1.35 MSF in total leasing volume included BlackRock's anchor lease at 50 Hudson Yards, the largest to be signed to date in the Hudson Yards/ Manhattan West submarket. Intermix signed a new lease for 81,000 SF at 111 West 33rd Street and Capital One expanded by 52,000 SF at 11 West 19th Street. Monthly availability held at 8.8%. Absorption was flat at negative 0.05 MSF. New listings of 57,000 SF at 55 Hudson Yards and 53,000 SF at 1250 Broadway added to Midtown South's supply. The monthly asking rent average was down, but by only \$0.03 to \$67.85/ SF. Pricing at 55 Hudson Yards was above average. Asking rents were lowered at 135 Madison Avenue (75,000 SF).

DOWNTOWN



Downtown leasing jumped 71.2%, month-over-month. Downtown's 0.51 MSF of May leasing was double the volume from a year ago. The government, publishing and not-for-profit sectors were all active last month. NYC HRA's lease at 375 Pearl Street was May's largest Downtown deal followed by Business Insider's relocation to 1 Liberty Plaza (88,000 SF) and the Sanctuary for Families sublease at 120 Broadway (51,000 SF). Monthly availability decreased by 0.3pp to 11.4%. New subleases came to market at 200 Liberty Street (54,000 SF) and 222 Broadway (52,000 SF). Absorption was positive 0.36 MSF. Space was taken off the market at 17 Battery Place (North & South buildings-267,000 SF) and at 55 Water Street (75,000 SF). Downtown's monthly asking rent average increased slightly by 0.5% to \$63.28/ SF. While some large blocks priced below-average were removed from Downtown's inventory, new below-market subleases were added.

Address	SF Leased	Tenant	Market	Lease Type
50 Hudson Yards	847,000	BlackRock	Midtown South	New
375 Pearl Street	193,821	Human Resources Administration	Downtown	New
1 Liberty Plaza	88,050	Business Insider	Downtown	New
111 West 33rd Street	80,903	Intermix	Midtown South	New
11 West 19th Street	52,000	Capital One	Midtown South	Expansion