

MANHATTAN OFFICE MARKET

Yardi® Matrix

Market Analysis

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Major Projects Drive Ongoing Growth



Manhattan's strong fundamentals are showing through ongoing economic growth, solid office leasing, various public-private initiatives and dramatic transformations within neighborhoods. Heavyweights including Google and Disney unveiled their multibillion-dollar plans in the metro's pricey Hudson Square submarket, jockeying for top talent and space to accommodate workforce growth.

The metro gained roughly 18,200 office-using jobs in the 12 months ending in July. The professional and business services sector gained the largest share as Justworks and other service-based companies expanded their operations in the metro. The coworking sector continues to grow dramatically in Manhattan, adding to leasing velocity. WeWork launched its new service, HQ by WeWork, while private companies such as Edison Properties and Tishman Speyer are on the verge of opening the metro's first upscale shared space locations.

Manhattan's development pipeline encompassed nearly 20.7 million square feet of office space as of August. Construction activity was concentrated in Midtown South, particularly in the Chelsea and Times Square–Hell's Kitchen submarkets. The Hudson Yards megadevelopment continues to attract interest from the likes of Amazon and Publicis. On the other hand, redevelopment helped relieve the booming demand in Lower Manhattan, where there is little development activity going on.