

MANHATTAN OFFICE MARKET

Yardi® Matrix

Market Analysis

Second Quarter 2019

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 866-1124 x2403

Jack Kern

Director of Research and
Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Chris Nebenzahl

Senior Analyst
Chris.Nebenzahl@Yardi.com
(800) 866-1124 x2200

Veronica Grecu

Senior Real Estate Market Analyst
Veronica.Grecu@Yardi.com
(306) 955-1855 x7583

Author

Corina Ștef

Associate Editor
Corina.Stef@Yardi.com

Aggregated and anonymized
expense and lease expiration
data is available to Yardi Matrix
subscribers. Please contact us
for details!

For more information please contact:

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

First Signs of Slowing Momentum



Manhattan's robust economy, dynamic business environment and sustained job growth have been paving the way for a favorable office market. Mayor de Blasio's New York Works plans, along with million-dollar private funding, will fuel the next generation of innovation in the metro, encouraging economic and job growth. With Facebook's planned expansion and Google's new Hudson Square campus, as well as major flexible workspace provider expansions and government and nonprofit leases, the metro's office market is well-positioned for the next economic downturn.

The professional and business services sector led the way in job growth, with more than 14,600 positions added in the 12 months ending in February. The financial activities sector lost 1,500 jobs due to industry restructuring and business consolidations. However, long-term headquarters commitments by Google, Deutsche Bank and the Walt Disney Co. are projected to add thousands of office-using jobs in the coming quarters.

Following the opening of the first phase of the Hudson Yards megaproject, office vacancy was highest in Lower Manhattan's World Trade Center (18.2% at the end of March). The available blocks of space are rapidly filled in, as most of Manhattan's up-and-coming space is pre-leased. Coworking is adding value to the existing inventory. The development pipeline comprises more than 22 million square feet of office space, with development activity concentrated in Chelsea (10.7 million square feet underway).