

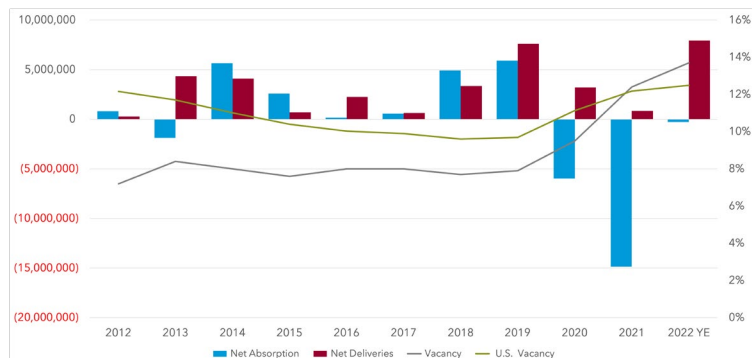
OFFICE MARKET OVERVIEW

SARAH ORCUTT, *Director of Research*

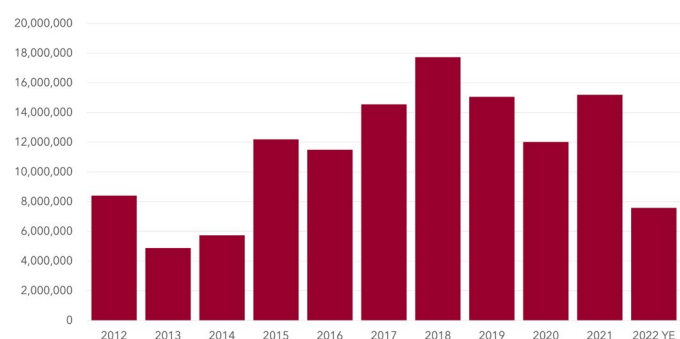
Manhattan's office leasing activity totaled 5.2 million square feet in the fourth quarter, a 49.6% year-over-year decline and the slowest quarter of activity of the year. Twelve-month net absorption totaled negative 277,283 square feet, a significant improvement from last year's 12-month net absorption of negative 14.9 million square feet. The office vacancy rate increased 130 basis points over the year to 13.7%, while market rents remained largely unchanged at \$72.66 per square foot. The largest lease transactions included Ann Taylor's 189,289 square foot renewal at 7 Times Square and Keefe, Bruyette & Woods' 156,615 square foot renewal at 787 Seventh Avenue.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▲ 12 Mo. Net Absorption SF	(277,283)	(6,155,076)	(5,595,678)	(5,064,231)	(14,851,252)
▲ Vacancy Rate	13.7%	13.4%	13.3%	12.6%	12.4%
▲ Avg GRS Asking Rate PSF	\$72.66	\$72.64	\$72.55	\$72.66	\$72.57
▼ SF Under Construction	7,577,190	14,081,635	14,081,635	14,343,977	15,193,692
▲ Inventory SF	548,794,704	542,290,259	542,290,259	542,027,917	540,866,602

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
25 Water Street New York, NY	1,113,359 SF	\$215,000,000 \$193.11 PSF	GFP R.E. Rockwood Cap Metro Loft Mgmt HSBC/EDGE Funds Advisors	Class A
200 Fifth Avenue New York, NY	870,000 SF	\$280,200,000 \$1,192.85 PSF	Boston Properties L&L Holding Co/JP Morgan Asset Mgmt	Class A
175 Water Street New York, NY	716,384 SF	\$252,000,000 \$368.15 PSF	One Seven Five Water LLC 99c LLC Bushwack 175 Water St Owner LLC/Vanbarton Group	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7 Times Square New York, NY	189,289 SF	Boston Properties	Ann Taylor	Apparel
787 Seventh Avenue New York, NY	156,615 SF	CommonWealth Partners	Keefe, Bruyette & Woods	Financial Services
31 West 52nd Street New York, NY	132,502 SF	Paramount Group	Undisclosed	Undisclosed

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com