

## Top Avenues 2017

#	Ave/Street	Deals	SF
1	Sixth Avenue	10	3.27m
2	Tenth Avenue	4	1.66m
3	Seventh Ave.	6	1.65m
4	Liberty Street	5	1.43m
5	Broadway	5	1.14m
6	Ninth Avenue	3	1.07m
7	Fifth Avenue	3	981k
8	Church Street	3	903k
9	Lexington Ave.	4	861k
10	Madison Ave.	3	639k

## SIXTH AVENUE LEADS DEMAND FOR MANHATTAN OFFICE SPACE

**MIDTOWN REAL ESTATE CONTINUES** to attract more of Manhattan's largest businesses and organizations, with more than two-thirds of the biggest office-lease renewals, expansions or relocations occurring in the city's largest submarket last year, according to an analysis of the top 50 Manhattan office leases in 2017 compiled by CoStar Inc.

Leases in Midtown — roughly north of 30th Street — accounted for 34 of the 50 largest office leases last year, for a total of 10.2 million square feet, which was an increase of 21 percent from 8.4 million square feet leased in 2016.

Locations on the West Side of Manhattan were the most active, with the Avenue of the Americas, or Sixth Avenue, expanding its commanding lead as the most desirable location for corporate real estate in New York for the second consecutive year.

In 2017, office leasing along Sixth Avenue, which houses some of the city's largest class-A office buildings, was the highest of any thoroughfare in Manhattan, totaling 3.27 million square feet, up nearly 42 percent from 2.31 million square feet in 2016.

Tenth Avenue, home to several new office developments in Hudson Yards, saw 1.66 million square feet leased, which was the second highest amount of leasing, followed closely by Seventh Avenue, which saw 1.65 million square feet leased. Broadway and Ninth Avenue were the fifth and sixth most active locations, respectively. Two Streets in Lower Manhattan, Liberty and Church Streets, ranked fourth and eighth respectively.

CoStar released its data February 26, covering the 50 largest leases in Manhattan throughout 2017. The large majority of leasing occurred West of Fifth Avenue in Midtown, for a total of 58 percent of the deals. The remainder was split between Lower Manhattan at 22 percent and Midtown's East Side at 20 percent. East Side Avenues that broke into the top 10 for 2017 included Lexington Avenue and Madison Avenue. Fifth Avenue, which divides east from west, also made it into the top 10.

The cutoff transaction size to make the largest leases list, on a square footage basis, was 107,440 square feet in 2017, compared to 93,516 square feet in 2016. In 2017, the average size lease among the 50 largest was 281,341 square feet, compared to 224,939 square feet in the prior year. The upward trend could indicate that companies in the market for space today are leasing more space on an average basis. In addition, five leases involved companies renewing and expanding their office space in 2017, compared to four renewals and expansions in 2016.

In 2017, Lower Manhattan nearly doubled the number of deals completed year-over-year, with 11 of the 50 largest leases being signed downtown, up from six in 2016. The total volume of leasing in Lower Manhattan, on a square footage basis, was 3 million square feet in 2017, up from 1.7 million square feet in the prior year.

In 2017, new leases outpaced renewals or expansions, comprising 30 of the 50 largest leases, up from 29 in the prior year.

Among Manhattan's 50 largest deals, Brookfield Office Properties completed the most transactions in 2017, with 11 leases totaling 3.2 million square feet. For new leasing activity, excluding renewals or expansions, Brookfield ranked first with nine leases totaling 2.61 million square feet.

Six Manhattan Avenues or Streets remained among the top 10 for two consecutive years, including Sixth Avenue, Tenth Avenue, Broadway, Fifth Avenue, Church Street and Madison Avenue. Newcomers to the top 10 in 2017 included Seventh Avenue, Liberty Street, Ninth Avenue and Lexington Avenue. Park Avenue, Water Street, Second Avenue and Third Avenue fell out of the top 10.

The largest lease overall in 2017 was BlackRock's 846,990-square-foot deal at 50 Hudson Yards, which was also the largest new lease of the year. The largest renewal was for 21st Century Fox, which renewed and expanded at 1211 Sixth Avenue for 793,687 square feet.

**Avenue Report** is published by The Avenue of the Americas Association and member company Rockefeller Group, based on an analysis of the 50 largest leases in Manhattan for two consecutive years, as compiled by CoStar Inc.

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## AVENUE REPORT 2018

### Top 10 Avenues 2017

Rank	Avenue/Street	# of Deals	SF
1	Sixth Avenue	10	3.27 million
2	Tenth Avenue	4	1.66 million
3	Seventh Ave.	6	1.65 million
4	Liberty Street	5	1.43 million
5	Broadway	5	1.14 million
6	Ninth Avenue	3	1.07 million
7	Fifth Avenue	3	981,036
8	Church Street	3	903,141
9	Lexington Ave.	4	860,924
10	Madison Ave.	3	639,206

### Top 10 Avenues 2016

Rank	Avenue/Street	# of Deals	SF
1	Sixth Avenue	8	2.31 million
2	Tenth Avenue	5	1.41 million
3	Park Avenue	8	1.32 million
4	Broadway	4	1.04 million
5	Water Street	2	997,444
6	Madison Ave.	5	750,092
7	Fifth Avenue	5	725,606
8	Second Ave.	3	696,308
9	Third Avenue	2	594,334
10	Church Street	2	388,492

### Overall Leasing Activity by Deal Volume\*

Submarket	Total Number of Leases		Total Volume of Leases (square feet)	
	2017	2016	2017	2016
Midtown	34	37	10.2 million	8.4 million
Midtown South	5	6	937,651	1.1 million
Downtown	11	6	3.0 million	1.7 million

\*Including all lease types, new leases, renewals, expansions. Sample size is the 50 largest Manhattan office leases in consecutive years. One transaction was outside these neighborhood boundaries in 2016, bringing the total deal sample in that year to 49.

### Overall New Leasing Activity by Deal Volume\*\*

Submarket	Total Number of New Leases		Total Volume of New Leases (square feet in millions)	
	2017	2016	2017	2016
Midtown	18	22	5.6 million	4.1 million
Midtown South	4	4	587,874	702,240
Downtown	8	3	2.1 million	412,043

\*\*Including new leases only, excluding renewals, expansions. Sample size is the largest new office leases from among the 50 largest office leases in Manhattan in consecutive years. There were 30 new leases among the 50 largest office leases in 2017, and 29 in 2016.

### Average Lease Size

	2017 Total	2017 Avg.	2016 Total	2016 Avg.
All Leases <sup>†</sup>	14.1 msf	281,341 sf	11.2 msf	224,939 sf
New Leases <sup>††</sup>	8.3 msf	274,910 sf	5.3 msf	181,196 sf

### 2017 Top Manhattan Owners by Overall Leasing Activity<sup>†</sup>

Rank	Owner	Volume	SF
1	Brookfield	11	3.20 million
2	Ivanhoe/Callahan	2	1.24 million
3	The Related Cos.	3	1.13 million
4	Silverstein Properties	3	1.01 million
5	Boston Properties	4	816,015
6	George Comfort & Sons	2	689,813
7	Rockefeller Group	2	645,133
8	Property & Building Corp.	1	547,998
9	RXR Realty	1	479,016
10	Commonwealth Partners	2	352,112

<sup>†</sup>Including all lease types, new leases, renewals, expansions. Sample size is the 50 largest Manhattan office leases in consecutive years.

### 2017 Top Manhattan Owners by New Leasing Activity<sup>††</sup>

Rank	Owner	Volume	SF
1	Brookfield	9	2.61 million
2	The Related Cos.	3	1.13 million
3	Silverstein Properties	2	742,099
4	George Comfort & Sons	2	689,813
5	RXR Realty	1	479,016
6	Rockefeller Group	1	417,581
7	Fosun International	1	342,484
8	MHP Real Estate Services	1	276,221
9	RFR Realty	1	196,792
10	Sabey Corp.	1	193,821

<sup>††</sup>Including new leases only, excluding renewals, expansions. Sample size is the 30 largest new office leases from among the 50 largest office leases in Manhattan in 2017. There were 29 new leases in the sample in 2016.

*Methodology:* Transactions are mapped according to their location along major Avenues or Streets in Manhattan. If a property occupies street frontage along more than one major Avenue or Street, more than one Avenue or Street will receive credit for individual leases. If a property is mid-block between two Avenues, the Avenue or Street closest to the property is credited. If closest proximity cannot clearly be determined, more than one Avenue or Street may be credited.

Sources: CoStar Inc. (as published in *Crain's New York Business* Feb. 26, 2018 and Feb. 27, 2017); Rockefeller Group; Avenue of the Americas Association.