

**For Immediate Release**  
**April 11, 2019**

**Contact:**  
**Tom Nolan**  
**212-741-2977**  
**tom@greatink.com;**

## **Manhattan Asking Rents Climb to Record Heights in Q1 2019**

New York City – New development and renovated product in areas such as Hudson Yards, Sixth Avenue and Chelsea helped push Manhattan office rents to new heights in Q1 2019, with overall asking rents rising 3.5 percent year-over-year to \$80.36 per square foot, according to figures released in **Avison Young’s First Quarter 2019 Office Leasing report**.

“In Midtown South, average asking rents for Class A product rose to \$100.40, reflecting that much of the new development, such as 412 West 15th Street and 40 Tenth Avenue, is priced in the triple-digits,” said **Mitti Liebersohn, President & Managing Director — NYC Operations**. “Class A asking rents in Midtown rose to a record high of \$92.33, nearly a 6.0 percent year-over-year increase, as new buildings in Hudson Yards and renovated product along Avenue of the Americas came to market at higher rents.”

In Q1 2019, overall leasing volume in Manhattan declined 2 percent year-over-year to 8.4 million square feet from 8.6 million square feet in the first quarter of 2018.

“Weaker leasing activity in Midtown and Midtown South offset stronger leasing velocity Downtown where leasing rose 125.0 percent year-over-year to 2.3 million square feet,” said Marisha Clinton, Senior Director of Research Tri-State. “Despite the overall softness in leasing, the Manhattan vacancy rate declined by 60 basis points year-over-year to 9.8 percent because less space came online during the first quarter of this year.”

Midtown: First quarter leasing activity in Midtown fell 15.0 percent from a year ago to 5.0 million square feet, in part due to fewer closings of large block transactions above 100,000 square feet. The overall Midtown vacancy rate of 9.7 percent declined 60 basis points year-over-year from 10.3 percent, the result of less space coming online this quarter.

Midtown South: First quarter leasing activity in Midtown South dropped 37.0 percent from a year ago to 1.1 million square feet. Tech companies accounted for 24.0 percent of the leasing during the quarter, with the largest lease executed by Google for its 62,448-square-foot expansion at 345 Hudson Street. Co-working represented the second largest sector of leasing activity, with such tenants accounting for 20.0 percent of the volume. The overall vacancy of 8.2 percent declined modestly year-over-year from 8.3 percent.

Downtown: NYC Health and Hospitals closed on the largest lease for the Downtown market, and for Manhattan overall, with its 526,552 -square-foot new lease at 7 Hanover Square. Class A asking rents declined 4.0 percent to \$63.78, and Class B asking rents rose 4.0 percent to \$53.14 year-over-year. The overall vacancy rate declined 110 basis points to 11.2 percent.

A copy of the full report, which tracks Class A and B buildings, is [available here](#).

*Avison Young is the world's fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its Principals. Founded in 1978, with legacies dating back more than 200 years, the company comprises approximately 5,000 real estate professionals in 120 offices in 20 countries. The firm's experts provide value-added, client-centric investment sales, leasing, advisory, management and financing services to clients across the office, retail, industrial, multi-family and hospitality sectors.*

###

**For additional information/comment/photos:**

• **Gail Donovan**, Avison Young, 212.230.5990, [gail.donovan@avisonyoung.com](mailto:gail.donovan@avisonyoung.com)

[www.avisonyoung.com](http://www.avisonyoung.com)

*Avison Young was a winner of **Canada's Best Managed Companies** program in 2011 and requalified in 2017 to maintain its status as a Best Managed Gold Standard company*

**Follow Avison Young on Twitter:**

For industry news, press releases and market reports: [www.twitter.com/avisonyoung](http://www.twitter.com/avisonyoung)

For Avison Young listings and deals: [www.twitter.com/AYListingsDeals](http://www.twitter.com/AYListingsDeals)

**Follow Avison Young Bloggers:** <http://blog.avisonyoung.com>

**Follow Avison Young on LinkedIn:** [www.linkedin.com/company/avison-young-commercial-real-estate](http://www.linkedin.com/company/avison-young-commercial-real-estate)

**Follow Avison Young on YouTube:** [www.youtube.com/user/AvisonYoungRE](http://www.youtube.com/user/AvisonYoungRE)

**Follow Avison Young on Instagram:** [www.instagram.com/avison\\_young\\_global](http://www.instagram.com/avison_young_global)