

THE REAL DEAL

November 1, 2021

[Link to Article](#)

Manhattan office market records busiest month since start of pandemic

Leasing volume, asking rents climbed in October, but new inventory kept availability near record-high



One Five One at 151 West 42nd Street in Midtown, 155 Delancey Street in Lower East Side, and 195 Broadway in Downtown. (Google Maps)

By [Akiko Matsuda](#)

Manhattan's office market received a [much-needed jolt](#) from its pandemic lows in October, though recovery to 2019 levels remains a long way off.

Tenants signed leases for 2.7 million square feet of office space for the month, up 10.8 percent from September and the highest amount recorded in one month since January 2020's 3.6 million square feet, according to Colliers International's market snapshot.

Year-to-date, Manhattan leasing volume topped 19 million square feet, surpassing the full-year total recorded in 2020, but still 43 percent below 2019's pace.

Net sublet availability decreased to 19.8 million square feet, down more than 100,000 square feet compared to September. It was the third consecutive month in which sublet inventory saw a net decline.

Average asking rents, meanwhile, increased 1.3 percent from September to \$73.66 per square foot, climbing to within 7.3 percent of average rents at the start of the pandemic. It was the largest monthly asking rent increase in two years, according to Colliers.

But after dipping in August and September, the availability rate in October increased by 0.2 percentage points to 17 percent, a hair below the record-high 17.1 percent recorded in May and July. October experienced 0.9 million square feet of negative absorption, mostly driven by the addition of 1.46 million square feet of available space at Brookfield's [2 Manhattan West](#), a 59-story office tower under construction at 401 West 31st Street.

The biggest deal of the month was NBCUniversal Media's extension of its 334,000-square-foot lease at Rockefeller Group's 1221 Sixth Avenue in Midtown. Other notable leases included law firm Venable's 158,000-square-foot deal at the Durst Organization's One Five One at 151 West 42nd Street in Midtown; [Verizon's](#) 143,000-square-foot lease at the [Essex Crossing](#), a \$1.5 billion Lower East Side project at 155 Delancey Street developed by L+M Development Partners, BFC Partners, Taconic Investment Partners, Prusik Group and Goldman Sachs Urban Investment Group; and homebuying startup Orchard Technologies' 107,000-square-foot lease at L&L Holding Company's [195 Broadway](#) in Downtown.