

September 19, 2016

<https://www.bisnow.com/new-york/news/office/ny-building-congress-report-gives-the-low-down-on-nycs-office-market-65284>

News

NYC BUILDING MORE OFFICES THAN IT HAS SINCE THE '80S

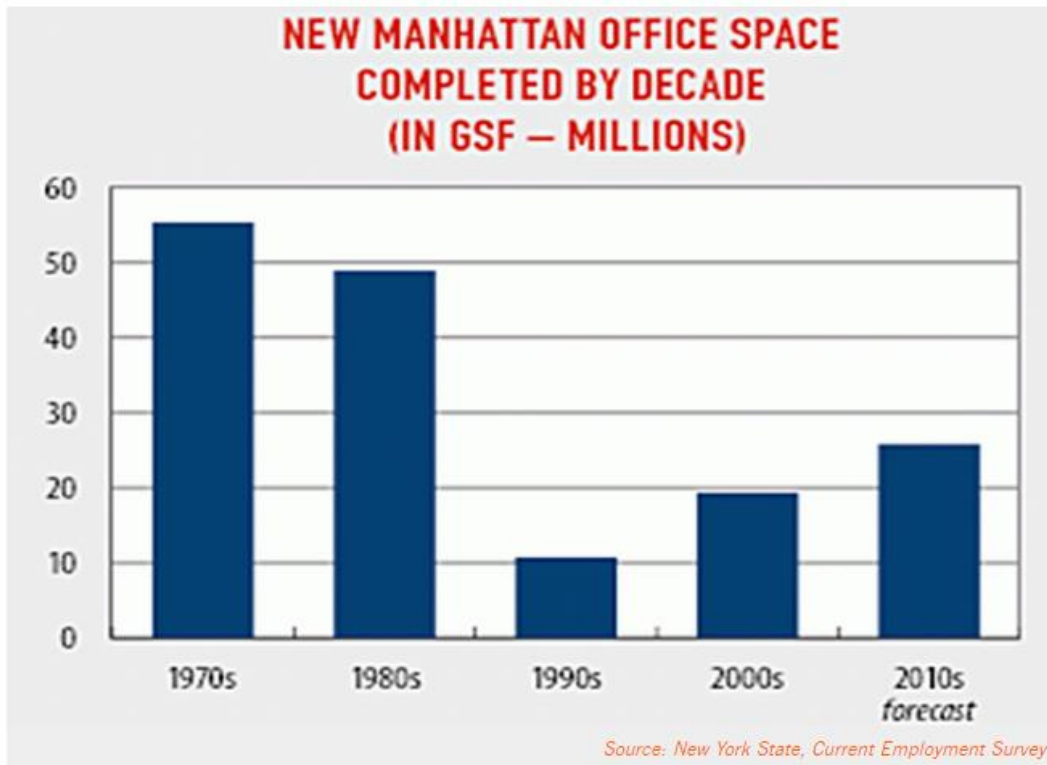


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[Benjamin Mazzara](#)

According to a [NY Building Congress](#) report, more than **20M SF** of office space across **23 new buildings** will be completed in Manhattan over the **next five years**.

NYC is expected to add at least **25.8M SF** of office space between 2010 and 2019, a sizable increase from the 19.4M SF added between 2000 and 2009—although, the report notes, the latter number was offset by the **10M SF** lost in the 9/11 attacks. NY Building Congress president [Richard Anderson](#), who will [step down after this year](#), described the current decade as the **best for new office construction since the '80s**.



The bulk of new office space is coming to [Hudson Yards](#), [the World Trade Center](#) and in East Midtown.

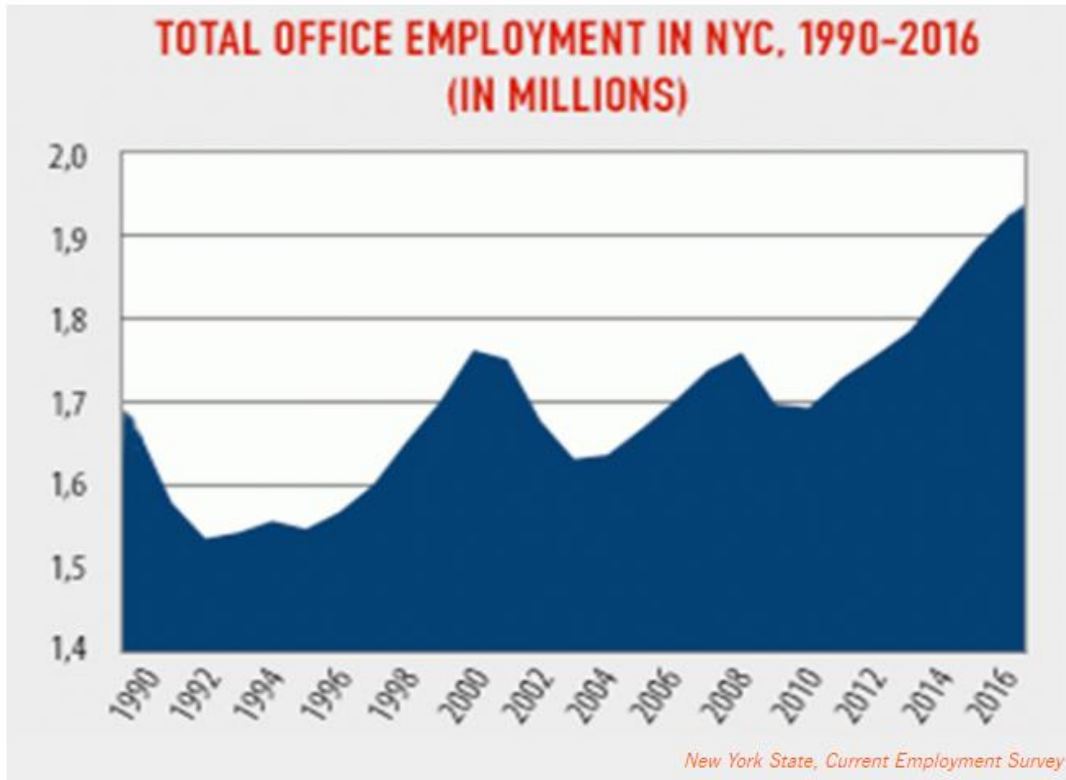
Brooklyn and LIC have **13.4M SF** of new office space under construction or in the planning stages, **9.2M SF** of which could be ready for occupancy before 2020. And **10M SF** is in the pipeline for Brooklyn, mainly centered around the [Brooklyn Navy Yard](#), **Downtown Brooklyn**, **DUMBO**, **Williamsburg** and **Red Hook**. Most of LIC's **3.4M SF** of new office will be centered in Tishman Speyer's **1.1M SF** [Gotham Center](#), which is fully financed and expected to open in 2019.



New Manhattan office projects worth a **combined \$1.5B** were started in the first half of 2016, a **sharp decrease** from the **\$5.7B** started in 2015. But, 2015 saw the start of **multiple Hudson Yards towers**, and 2016's still an increase over 2014's **\$1.2B**, 2013's **\$910M** and 2012's **\$829M**.

In the outer boroughs, there were \$323M in office construction starts in the first of 2016, a **sharp increase** from **\$126M** in the same time frame last year. The boroughs also accounted for **17%** of all construction starts, up from **2%** in 2015 and **7%** in 2014.

Alterations and **renovations** to existing office space accounted for **87%** of the **\$1.9B** in the first half of 2016's construction projects citywide, up from 2015's **43%** of construction starts.



NYC **office employment** surpassed **1.9M** for the first time in the city's history in March, and is continuing to grow at a **consistent pace**.

According to [CBRE](#) estimates, Manhattan availability is hovering around **11%**, with **7.4M%** of Manhattan office inventory remaining **vacant** and asking rents to continue to rise. By the end of 2016, **29M SF** is expected to be leased, a slight decline from 2015's **30M SF**.