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Office boom times: Volume of new space in Manhattan inches close to three-year high

More than 15M sf will be completed between 2017 and 2019: Building Congress

From left: Renderings of One Vanderbilt, the Spiral, 5 Manhattan West and 55 Hudson Hards

By Kathryn Brenzel

Over the next three years, more than 15 million square feet of new and redeveloped office space is expected to be completed in Manhattan, according to a new report.

That's the highest volume of new office space completed during a three-year span since 1988-1990, when 15.3 million square feet was finished, according to a report by the New York Building Congress. Included in the 2017-2019 projections are 5 Manhattan West, a 15-story, 1.7 million-square-foot redevelopment by Brookfield Property Partners, and 55 Hudson Yards, a 1.7 million-square-foot office tower being developed by the Related Companies and Oxford Properties Group. The report includes new office buildings and redevelopments where the properties are significantly altered.

Between 2020 and 2022, the report estimates, Manhattan will see 7.5 million square feet of new office space across four major projects: SL Green Realty's One Vanderbilt, Related's 50 Hudson Yards, Tishman Speyer's the Spiral and the office portion of Moynihan Train Hall. Those estimations could spike if 2 World Trade Center — a project delayed until Silverstein Properties can nail down an anchor tenant for the 2.8-million-square-foot tower — and other projects get underway.

Still, it remains to be seen if demand will adequately meet the surge of new office space. During the first quarter of 2017, Manhattan's office availability rate hit 11.7 percent, up from 10.6 percent the same time last year, according to a report by CBRE.

Meanwhile, large office projects are under construction in the outer boroughs, including Tishman Speyer's the JACX, a 1.2-million-square-foot office building in Long Island City; and Dock 72, a 675,000-square-foot office building being co-developed by Rudin Management and Boston Properties at the Brooklyn Navy Yard. According to a Cushman & Wakefield report, 6.9 million square feet is under construction in Brooklyn and 3.6 million square feet is in the pipeline in Long Island City.