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NEW MANHATTAN OFFICE CONSTRUCTION NEARS 30 YEAR HIGH



New York City is in the midst of its biggest office construction building boom in three decades, according to a New York Building Congress analysis of multiple data sources.

Based on a review of Real Estate Board of New York data, the Building Congress projects that 2.3 million square feet of new office space will be completed in Manhattan in 2017, followed by 7.2 million square feet in 2018 and 5.6 million square feet in 2019. If realized, the three-year total of 15.1 million square feet of office space, spread across 13 new office towers, would represent the best three-year total since 15.3 million square feet of commercial office space was completed between 1988 and 1990.

Thanks to this late decade surge, the Building Congress projects a total of 27.4 million square feet of new Manhattan office space will be completed between 2010 and 2019, up from 19.4 million square feet of office space constructed in the 2000s and 10.7 million in the 1990s. This decade's total, however, will fall well short of the 49 million square feet of space built in Manhattan during the 1980s and the 55.4 million produced in the 1970s.

The Building Congress also anticipates the completion of 7.5 million additional square feet within four major office projects - 1 Vanderbilt, 50 Hudson Yards, The Spiral at Hudson Boulevard and the office portion of the Moynihan Train Hall - between 2020 and 2022. That estimate could quickly rise if projects such as 2 World Trade Center, 2 Manhattan West and 3

Hudson Boulevard move ahead. These projects, which would create another 5 million square feet combined, have been fully designed and have all the necessary approvals to proceed as soon as an anchor tenant is signed.

The boom isn't limited to Manhattan. Some of the largest outer borough office projects in decades are currently under construction as well, including The JACX, Tishman Speyer's 1.2 million square foot development in the Long Island City section of Queens, and Dock 72, a 675,000-square-foot office building being co-developed by Rudin Management and Boston Properties at the Brooklyn Navy Yard.

In fact, according to a Cushman & Wakefield analysis, a total of 6.9 million square feet of new office space is currently under construction or in the planning stages in Brooklyn and another 3.6 million square feet is in the development pipeline in Long Island City. Of that 10.5 million square feet, 8.5 million square feet could be ready for occupancy by 2021.

In what could be a sign of even further momentum outside of Manhattan's traditional office center, the other four boroughs accounted for 46 percent of all office construction starts by value in the first half of 2017, compared to just 17 percent in all of 2016 and less than four percent overall in 2015, according to Dodge Data and Analytics.

"Not since the Citigroup Building in Long Island City and MetroTech Center in Downtown Brooklyn were completed have we seen so much office construction in the boroughs outside Manhattan," said New York Building Congress President & CEO Carlo A. Scissura. "And this time the storyline is different. Rather than looking to the outer boroughs as a cheap alternative for a number of back-office operations, developers want to be there because that's where the creative workforce wants to be."

He added, "The most exciting thing is what this new construction means for New York City over the long run. Our continued economic growth hinges on our ability to attract new industries and provide emerging companies with the dynamic types of spaces they need to attract talent and expand within the city's limits. That's exactly what is happening today in Long Island City and in multiple Brooklyn neighborhoods."

The rest of the report, with accompanying charts, can be found on the Building Congress website by clicking [here](#).