



Alliance for Downtown New York, Inc.
120 Broadway, Suite 3340
New York, NY 10271
212 566-6700 Fax 212 566-6707
www.DowntownNY.com

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Contact: Maria Alvarado, (212) 835.2763, malvarado@downtownny.com

In Analysis of 2015, Lower Manhattan Office Market Sees Dramatic Market Diversification and a Monumental Surge in Employment

Lower Manhattan Tourism and Subway Ridership Reach New Peaks

(February 11, 2015) – Lower Manhattan’s office market saw notable shifts and growth last year, including a diversification of office tenants, a dramatic increase in coworking spaces and a rise in commercial rents across all office classes, according to the Alliance for Downtown New York’s *2015 Year in Review*. Lower Manhattan showed continued strength with the highest private sector employment numbers in more than a decade.

Tourism in Lower Manhattan also continued to grow last year, with the district seeing a total of 14.2 million visitors, an increase of 14 percent from the previous year. A copy of the full report can be downloaded [here](#).

“The new energy felt in Lower Manhattan is incredible, and we saw this in very real ways over the course of 2015,” said Downtown Alliance President Jessica Lappin. “Our economic growth is the most substantial in more than the past decade, and we’ve seen exciting changes in the makeup of the companies that are calling Lower Manhattan home. 2015 was a year full of growth, drive and momentum for the district and we’re ready to carry this strength into 2016.”

The commercial market is more diverse than ever before, with new tenants in the TAMI (technology, advertising, media and information) industry leading the change. In total, major TAMI companies relocated from elsewhere in the city into more than 2.2 million square feet of office space south of Chambers Street. For the first time, two major media companies, Time Inc. and Conde Nast (who fully occupied its offices in 2015,) have joined the ranks of top Lower Manhattan tenants. The entry of these two companies in addition to the many other creative and innovative firms making the move to Lower Manhattan is firmly establishing a new class of Lower Manhattan economic drivers. Lower Manhattan is no longer solely dominated by FIRE (financial, insurance and real estate) industries, but is now a top destination for creative companies large and small.

This momentum will continue, as additional TAMI companies made commitments to move in 2016 and beyond. Among the relocations announced in 2015 were: 33 Universal Inc.; Sandbox Studio; SportsNet NY; The Associated Press; and Vox Media.

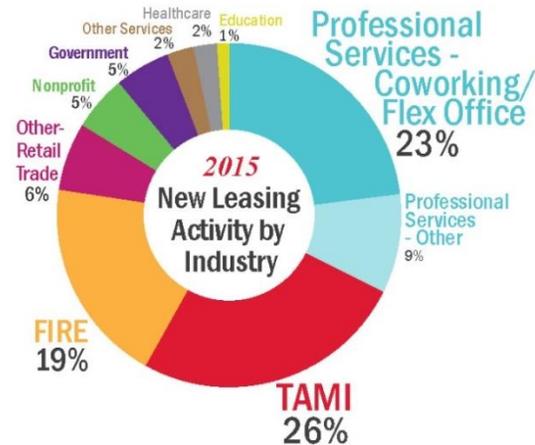
LOWER MANHATTAN TOP LEASES, 2015

Source: Downtown Alliance, CBRE, JLL, CoStar, Colliers International

Tenant Name Location	SF Leased Transaction Type	Quarter Signed Sector
1 WeWork 85 Broad Street	234,879 Expansion	Q1 Prof. Services
2 Teachers' Retirement System of the City of NY 55 Water Street	200,000 Renewal & Expansion	Q4 Government
3 The Associated Press 200 Liberty Street	172,352 Relocation	Q4 TAMI, Media
4 Group M 3 World Trade Center	171,495 Expansion & Relocation	Q4 TAMI, Media
5 Knight Capital Group 300 Vesey Street	168,873 Relocation	Q3 FIRE
6 NYC Department of City Planning 120 Broadway	115,011 Moving Within LM	Q3 Government
7 Ironshore Holdings 28 Liberty Street	101,958 Moving Within LM	Q3 FIRE
8 Vox Media 85 Broad Street	85,733 Relocation	Q4 TAMI, Media
9 Gucci America 195 Broadway	83,964 Relocation	Q3 Other, Retail Trade
10 SportsNet NY 4 World Trade Center	83,546 Relocation	Q4 TAMI

NEW LEASING ACTIVITY BY INDUSTRY IN LOWER MANHATTAN, 2015

Source: Jones Lang LaSalle



As of the second quarter of 2015, private sector employment had reached more than 227,000 the highest level since September 11, 2001. This growth surge is projected to continue, with the creation of an estimated 40,000 new private-sector jobs from 2015 to 2019, with two thirds of those jobs being net new to New York City. As with leasing activity, job growth is also seeing substantial diversification. Since 2001, the FIRE sector's share of Lower Manhattan's private sector jobs has decreased from 55 percent to 35 percent. As new industries have made their way to Lower Manhattan, overall employment numbers have increased.

Coworking and shared office space is also rapidly growing in the district. Lower Manhattan now has 27 coworking and shared office locations across 16 unique providers currently operating or opening soon. Together with TAMI industry companies, the coworking industry accounted for more than 48 percent of all new leasing activity in 2015. WeWork had the largest Lower Manhattan lease signed in 2015, also making it the 9th largest deal citywide and ranking the company as the 17th largest tenant south of Chambers Street.

Tourism had a record-breaking year in 2015. Totalling 14.2 million, the district saw more than 14 percent more visitors than the previous year. By year end, hotel inventory in Lower Manhattan reached more than 5,350 rooms, an increase of more than 30 percent in just two years. The pace of growth will accelerate in the year ahead, as another 1,500 hotel rooms are anticipated to open in 2016, another 30 percent increase.

Lower Manhattan's incredible growth has resulted in a substantial increase in subway ridership. More than 12,000 daily customers were added last year. With 21.7 million customers last year, Fulton Center was the heaviest trafficked station in the district and the greatest weekend traffic increases occurred at Chambers Street-WTC/park Place.

With a strong and increasingly diversified commercial market, surging employment numbers with further projected growth and record numbers in tourism and subway ridership, Lower Manhattan is showing unwavering strength. The district is projected to see further growth, and is set to continue as a major economic driving force for the entire region next year and beyond.

The mission of the Alliance for Downtown New York is to provide service, advocacy, research and information to advance Lower Manhattan as a global model of a 21st century Central Business District for businesses, residents and visitors. The Downtown Alliance manages the Downtown-Lower Manhattan Business Improvement District (BID), serving an area roughly from City Hall to the Battery, from the East River to West Street. For more information visit www.downtownny.com