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Third Quarter Lower Manhattan Leasing Activity Led by Recommitting Tenants

*Local Confidence Grows with Openings of 100+ New Stores and Restaurants,
2 Hotels and 4 Residential Buildings*

NEW YORK (October 31, 2016) – Lower Manhattan's third quarter commercial real estate activity continued a local year-long trend with current tenants choosing to expand or move within the neighborhood. While the pace of overall activity reflected the softening felt across the broader Manhattan market, the Alliance for Downtown New York's Q3 2016 Lower Manhattan Real Estate Market Report noted that Lower Manhattan was the only Manhattan submarket to post a year-over-year reduction in its commercial vacancy rate.

The report showed that although Lower Manhattan experienced the same slowdown that was felt across the city – down 15 percent from last year's pace – the district fared better than Midtown and Midtown South, which were down 20 and 29 percent respectively. It also illustrated the confidence among current tenants that has driven a year-long trend of recommitment to Lower Manhattan. So far this year, more than half of Lower Manhattan's 20 largest transactions represented companies who were deepening their roots by either expanding or relocating within the neighborhood. The neighborhood was also the only Manhattan submarket to post a year-over-year drop in commercial vacancies, with a rate of 9.9 percent, and maintained stable overall asking rents of approximately \$60 per square foot.

"We've had a steady drum beat of commercial activity over the past few months in Lower Manhattan," said Jessica Lappin, President of the Alliance for Downtown New York. "Saks, Target, Eataly, the shops at Westfield, The Beekman and The Four Seasons, all opened this quarter to much fanfare. Things are changing quickly and Downtown is growing as a top destination for New Yorkers and tourists alike, it's clear to see why our current tenants are doubling down on the neighborhood."

New openings across Lower Manhattan included 102 new stores and restaurants, two hotel properties and four residential buildings in Q3. The highly anticipated opening of Westfield World Trade Center kick started the activity in August and was quickly followed by the opening of Saks Fifth Avenue, Warby Parker and Starbucks Reserve Bar in Brookfield Place; iPic Theatres and The Tuck Room in the Seaport District; and Target's first flexible format store in Manhattan. Luxury hotels The Beekman and The Four Seasons Hotel New York Downtown both opened mixed use properties that together added 476 new hotel rooms, 225 condos and three restaurants from high-profile chefs Wolfgang Puck, Tom Colicchio and Keith McNally. In addition to condos in the hotel properties, the residential market also saw the addition of 166 units at 100 Barclay Street and 6 units at 246 Front Street in the Seaport District.

[Read the full report.](#)

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