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Real Estate Market Surge, Tourism Growth and Major Retail Openings Make 2014 a Banner Year for Lower Manhattan, Downtown Alliance Real Estate Report Shows

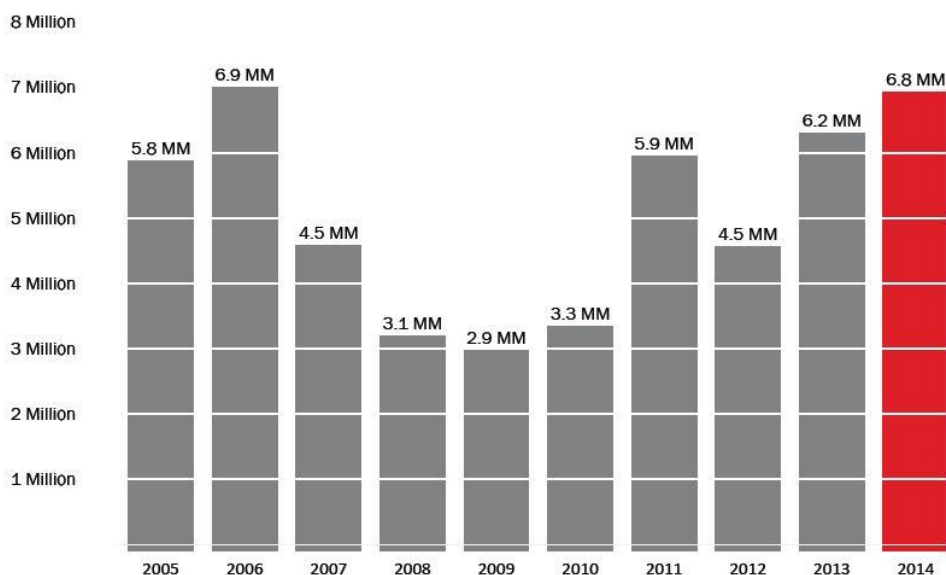
Lower Manhattan's 2014 Commercial Performance was Best Year in Nearly a Decade, With Nearly 7 Million Square Feet Leased

(February 18, 2015) – With Lower Manhattan's leasing momentum surging to the highest numbers seen since 2006 and employment rates nearly reaching 2003 levels, Lower Manhattan continues to demonstrate strength and growth, according to the Alliance for Downtown New York's 2014 *Year in Review*. Additionally, hotel and tourism growth and major retail and hospitality openings continue to transform the district into a dynamic, thriving 24/7 community.

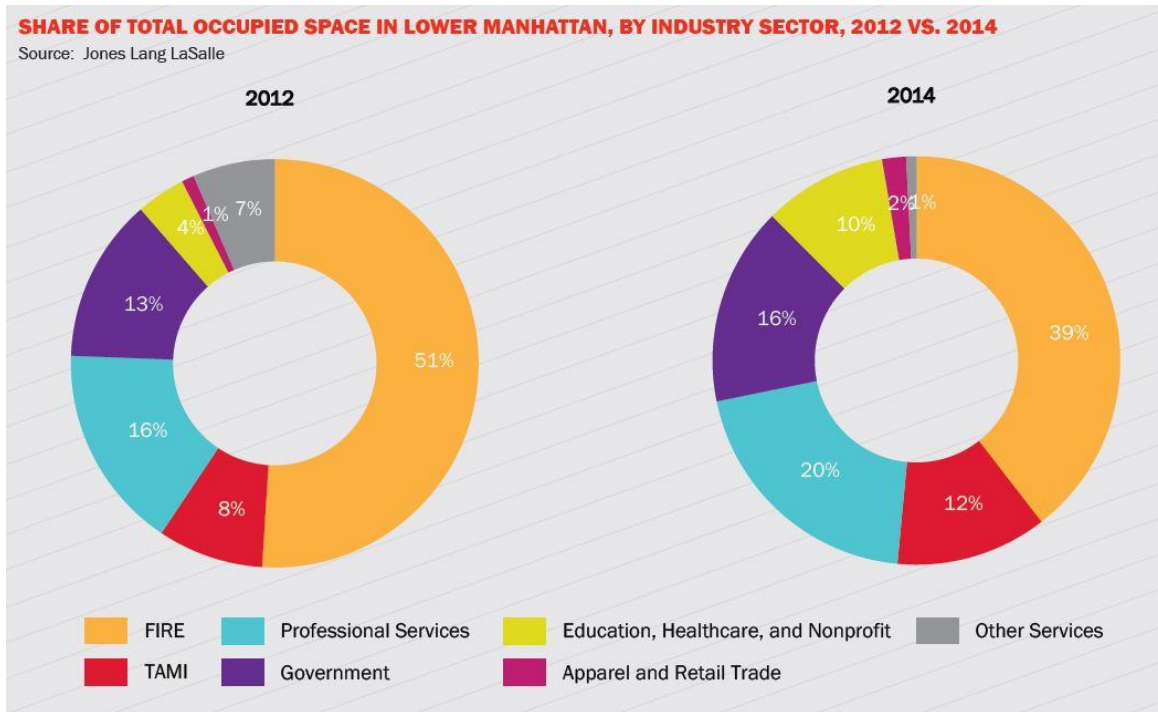
Lower Manhattan's commercial performance last year was its best in nearly a decade. A total of 6.8 million square feet was leased in 2014, marking the highest volume of leasing activity since 2006 and up 10 percent year-over-year. A copy of the full report can be downloaded [here](#).

ANNUAL LEASING ACTIVITY, 2005-2014

Source: Downtown Alliance, CBRE



Fifty percent of the year's top commercial leasing deals were relocations, with the TAMI (Technology, Advertising, Media and Information) and Retail Trade sectors accounting for more than 65 percent of all relocations. These relocations have resulted in an increasing diversification of office occupancy. In 2014, FIRE (Finance, Insurance and Real Estate) tenants accounted for 39.5 percent of total occupied space in Lower Manhattan, down from 51 percent in 2012.



For the second consecutive quarter, Lower Manhattan's vacancy rate remained below 10 percent, down 2.5 percentage points year-over-year.

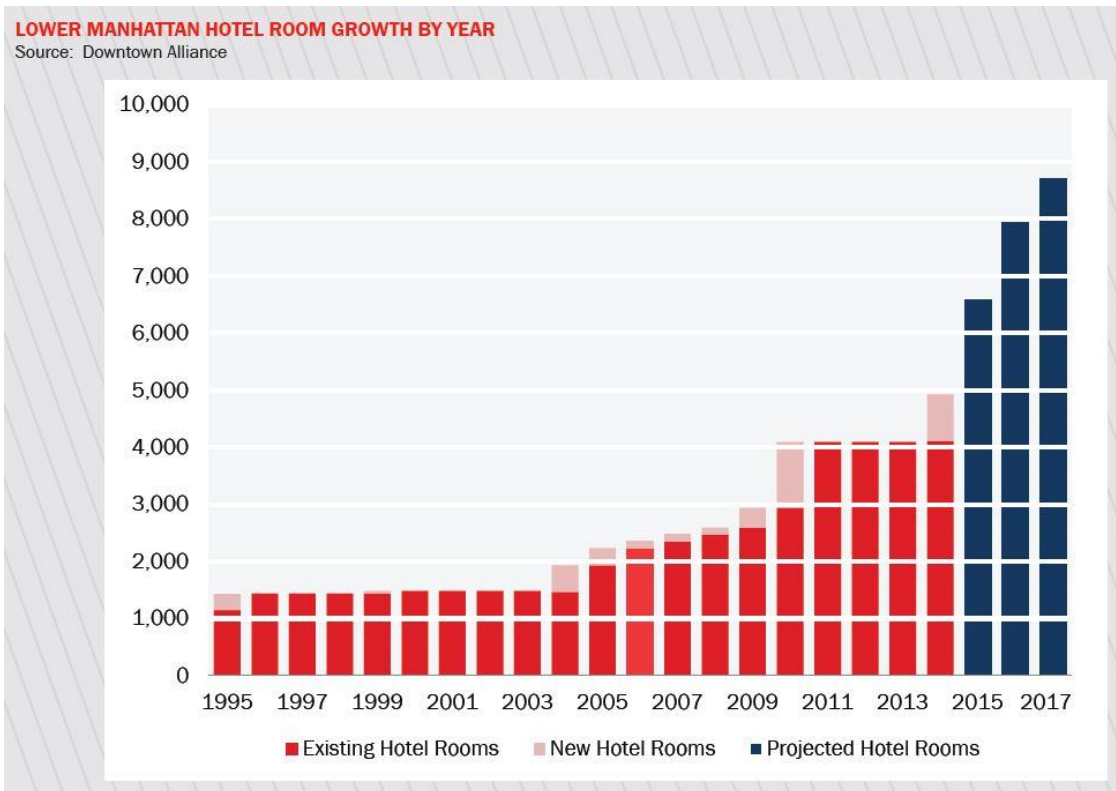
Additionally, more than \$3.4 billion in commercial sales were completed in 2014 – a 179 percent increase from the previous year.

The employment level in Lower Manhattan nearly reached a point not seen since 2003, and has also seen significant diversification. In recent years, a wide range of industries have spurred job creation and growth in Lower Manhattan, replacing the once-dominant FIRE sector. The following sectors saw significant employment increases from 2003 to 2014:

- Private sector education and social services: 116 percent
- Professional services: 43 percent
- Hotel, retail and restaurant industries: 29 percent

More recently, the TAMI sector has also been driving growth in Lower Manhattan just as it has citywide: TAMI employment is up 17 percent from 2009 in Lower Manhattan.

Lower Manhattan also boasted strong tourism growth in a record-breaking tourism year for New York City overall. 12.4 million visitors came to the district, showing strong recovery from the post-Sandy closures that dampened tourism in 2013. Lower Manhattan's hotel room inventory increased to 4,924, up 20 percent from 2013's total; this growth will continue to expand in the coming year, with 1,649 rooms set to open, an increase of another 33 percent from 2014.



With more than 2 million square feet of new and repositioned retail, Lower Manhattan is quickly emerging as a major shopping and dining destination. 2014 saw the opening of 76 new stores and restaurants in the district, increasing the number of retail offerings by 9 percent from the previous year. Retail asking rents have also increased to an average of \$265 per square foot, an increase of 17 percent over 2013. The rising value of retail, bolstered in part by the reinvention of the Broadway corridor, drove the year's commercial property sales.

With the commercial real estate market steadily rising, solid gains in employment and major retail signings and openings, the transformation of Lower Manhattan remains strong. Growth is projected to continue in the coming year, with further openings and growth projected for 2015.

About The Alliance for Downtown New York

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