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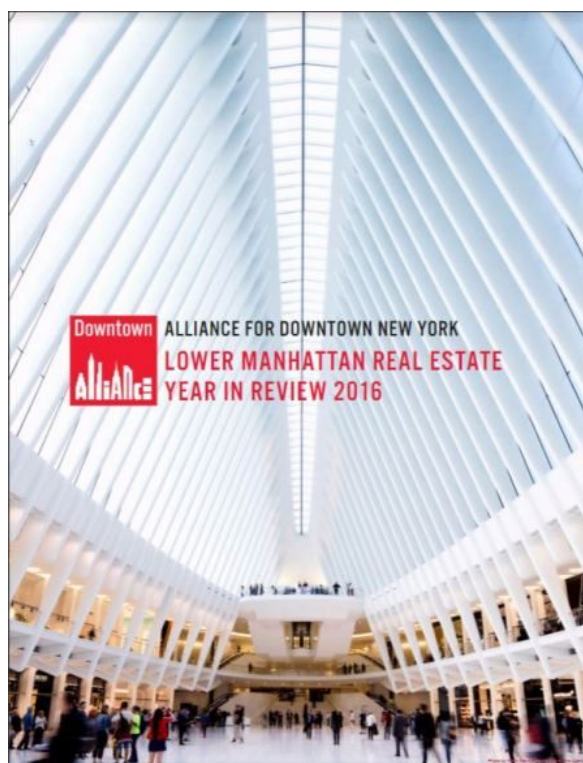
## **Retail Leads Lower Manhattan Real Estate Activity in 2016**

**NEW YORK (February 7, 2017)** – Lower Manhattan solidified its status as a premier mixed use neighborhood last year with a surge of retail activity and several high profile residential and hotel openings south of Chambers Street, according to the Alliance for Downtown New York's 2016 Year in Review. The report also reflected how, following several years of strong leasing activity, which diversified the local workforce, Lower Manhattan's office market finally caught its breath in 2016 as part of the city-wide cool down.

[Read the full report.](#)

"We just witnessed a milestone year for retail in Lower Manhattan, bringing one of the last key elements together in our transformation to a live, work and play neighborhood," said Downtown Alliance President Jessica Lappin. "From restaurant and retail openings, to hotel and housing growth, to the city's largest office lease deal of the year, Lower Manhattan was making headlines on a weekly basis. That momentum will continue through the early part of 2017 as we already see a number of major deals on the horizon."

Non-office commercial activity strengthened Lower Manhattan's continued transformation from a nine-to-five hub of employment to a vibrant neighborhood destination in 2016 with the opening of more than 200 new stores and restaurants, six residential properties and seven hotels. The neighborhood's totals grew to 658 stores, 512 eateries, 323 residential (and mixed-use) buildings and 30 hotels. Among the new additions were top-tier retailers Apple, Saks and iPics Theaters; restaurants from notable chefs Mario Batali, Tom Colicchio, Keith McNally and Wolfgang Puck; and two of the city's most hotly anticipated hotels The Four Seasons Hotel New York Downtown and The Beekman.



Commercial office leasing in Lower Manhattan was largely driven by current tenants who renewed, expanded, or moved within the neighborhood in 2016. This trend underscores the sentiment that those who are most familiar with the area are satisfied and are being enticed to stay and benefit from the ongoing improvements. Despite a decline in new leasing activity, 2016 renewal activity was 3.6 times higher than 2015 and included the city's largest deal with McGraw Hill Financial recommitting to its 900,000 square foot space at 55 Water Street.

While the renewal trend was particularly strong among the district's FIRE (Financial, Insurance, Real Estate) and Government tenants, the report also captures how Lower Manhattan's current office tenants represents a diverse mix of industries. Since 2008, the neighborhood has seen the presence of TAMI (Technology, Advertising, Media, and Information) companies more than double, growing from five to 13 percent of office occupancy over the last eight years. Some of the new notable TAMI tenants this year included Vox Media and Mic. Other growing industries include Professional & Business Services (which includes co-working spaces) and Apparel & Retail Trade. At the same time as more tech, media and creative companies have moved to Lower Manhattan, FIRE tenants have reduced their footprint in the neighborhood. FIRE occupancy has dropped nearly 20 percent in the last eight years going from 55 to 37 percent.

Overall, Lower Manhattan's commercial leasing vacancy rates held stable around 10 percent since the fourth quarter of 2015, and asking rents remained at historic highs of \$59 per square foot.

*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](http://www.downtownny.com)*