



# Healthcare and Nonprofits in Lower Manhattan



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## HEALTHCARE & NONPROFITS IN LOWER MANHATTAN

Healthcare companies and nonprofits are a strong and growing part of Lower Manhattan's economy with more than 1,000 tenants in these industries operating south of Chambers Street. These sectors have grown significantly since the depths of the recession in 2009 and helped push overall private sector employment in the district to its highest level since September 11, 2001. Their growing presence downtown increases the resiliency of the area's economy and adds richness and complexity to the labor profile of the neighborhood. Healthcare tenants, in particular, have moved to Lower Manhattan in droves in response to the needs of an expanding set of residents and office workers in the neighborhood as well as the surrounding growing population in Manhattan, Brooklyn, and the New Jersey waterfront. Healthcare and nonprofit users have similar real estate needs and are drawn here to satisfy their requirements for affordable office space, a centralized location with robust transportation access and buildings with opportunities for more specialized space layouts than traditional offices.

# WHO IS HERE?

Today, there are more than **1,000** nonprofit and healthcare companies occupying Lower Manhattan office space. Some of the most well known names in these sectors are located here. These include major healthcare tenants such as **NewYork-Presbyterian Lower Manhattan Hospital** (the only major hospital in Manhattan south of 14th Street), **Weill Cornell Medicine**, **Beth Israel Medical Center**, and **NYU Langone at Trinity**. In addition, Lower Manhattan is home to nonprofits like **Teach for America**, **Planned Parenthood Federation of America**, the **American Civil Liberties Union**, and the **Legal Aid Society**. A recent CBRE report found that Lower Manhattan has had a recent surge in nonprofit tenants as those seeking value and quality space relocated downtown, especially as prices rose in Midtown South.

## 15 Largest Healthcare & Nonprofits Tenants by Square Feet Leased

- |  |  |
|--|--|
| 1. Teach for America                     | 9. Trinity Wall Street                       |
| 2. Municipal Credit Union of New York    | 10. Planned Parenthood Federation of America |
| 3. Legal Aid Society                     | 11. New York Legal Assistance Group          |
| 4. Beth Israel Medical Center            | 12. National Urban League                    |
| 5. American Civil Liberties Union        | 13. Weill Cornell Medicine                   |
| 6. Juvenile Diabetes Research Foundation | 14. MDRC                                     |
| 7. Orthodox Union                        | 15. Metropolitan Council on Jewish Poverty   |
| 8. UNICEF United States Fund             |  |

# 1,000

## Nonprofit & Healthcare Office Tenants

ACLU

JDRF

THE LEGAL AID SOCIETY

MCU  
MUNICIPAL CREDIT UNION

mdrc  
BUILDING KNOWLEDGE TO IMPROVE SOCIAL POLICY

MET COUNCIL  
ACTS OF CHARITY • DEEDS OF KINDNESS ידקה ונסיונות חסדים

Mount Sinai  
Beth Israel

NewYork-Presbyterian  
Lower Manhattan Hospital

NYLAG  
NEW YORK LEGAL ASSISTANCE GROUP

NYU Langone Health

ORTHOODOX UNION  
תורה ומצוות

National Urban League

Planned Parenthood  
Care. No matter what.

TEACHFOR AMERICA

Trinity  
WALL STREET

unicef

Weill Cornell Medicine

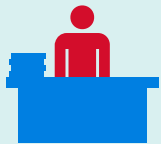


# HEALTHCARE AND NONPROFIT EMPLOYMENT IS BOOMING



38,100

Lower Manhattan Employees Working  
In Nonprofits Or Healthcare



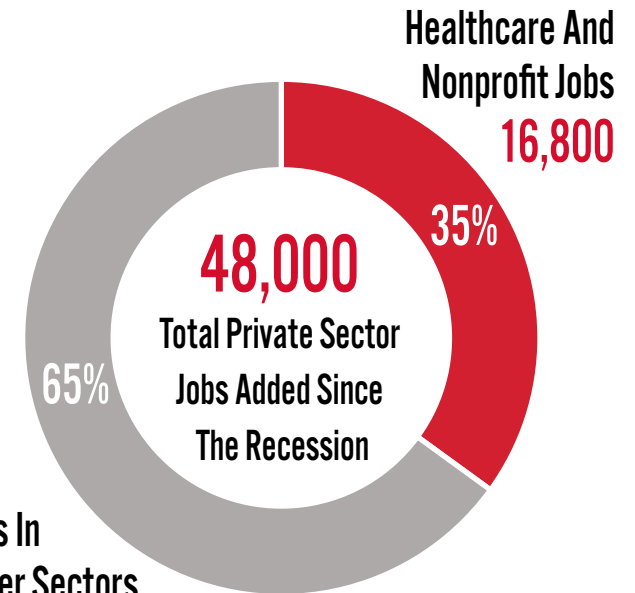
Healthcare And Nonprofit Employment In Lower Manhattan Is Up

**78%** Since Q4 2009

This Is Nearly **3X** The Rate Of Growth For These Industries City-wide




**1 in 7** Private Sector Employees Work In The Healthcare Or Nonprofit Sectors



Jobs In  
Other Sectors  
**31,200**

Healthcare And Nonprofits  
Account For **35%** Of The Net Increase  
In Private Sector Employment Since The  
Depths Of The Recession In 2009

Key:  Healthcare, Nonprofits  
& Education<sup>1</sup>



# A KEY PART OF THE OFFICE MARKET

Nonprofits and healthcare tenants are a strong and steady driver of commercial leasing activity and relocations south of Chambers Street, accounting for about **15% of all relocations by square footage since the first quarter of 2008**. This accounts for 99 firms totalling about 1.6 million square feet of activity over this period. Among the largest recent relocations are:

- **Teach for America** (relocated from Midtown to 172,774 square feet in 25 Broadway);
- **Syneos Health** (relocating and consolidating from several Manhattan locations to 86,498 square feet in 200 Vesey Street);
- **Planned Parenthood Federation of American** (relocated from Midtown to 65,000 square feet in 123 William Street);
- **Local Initiatives Support Corporation** (relocating from Midtown to 60,709 square feet in 28 Liberty Street);
- **MDRC** (relocated from Midtown to 54,735 square feet in 200 Vesey Street); and
- The **Solomon R. Guggenheim Foundation & Museum** (relocated from Midtown South to 45,558 square feet in 1 Liberty Plaza).

In **2018**, about **seven percent** of all **new leasing activity** overall came from **nonprofit** and **healthcare tenants**, and their share of activity reached as high as 16 percent in 2016 and 14 percent in 2013, according to Jones Lang LaSalle. Today, nonprofits and healthcare tenants occupy about **5 percent** of all leased office space in Lower Manhattan.



# 15%

Since Q1 2008, Healthcare & Nonprofits Accounted For **15%** Of All Relocations By Square Footage

## Six Of New York's 25 Largest Nonprofits (By Operating Expenses) Are Located In Lower Manhattan<sup>2</sup>



# 1.6 MSF

Of Healthcare & Nonprofit Relocations To Lower Manhattan Since 2008

# WHY LOWER MANHATTAN?

Lower Manhattan offers a wide range of affordable space in a location with a robust transportation network, access to a booming residential population and a growing workforce with healthcare needs in their neighborhood. Average Class A and B asking rents are well below those of comparable space in Midtown and Midtown South. Lower Manhattan's **average Class A rent is about \$14 below Midtown** and **\$28 below Midtown South**, according to Cushman & Wakefield. Similarly, the average **Class B asking rent in Lower Manhattan is \$12 below Midtown South** and **\$6 lower than asking rents in Midtown**. In addition, Lower Manhattan leasing incentives have kept space affordable for nonprofit and healthcare tenants—about 74 percent of whom are in buildings that are eligible for the Commercial Revitalization Program.<sup>3</sup>

As The Lower Manhattan Workforce And Residential Population Grows,  
Demand For Healthcare Services Is Up



247,500

Up 22% Since 2009

Private Sector Employees



62,000+

Up 20% Since 2009

Residents

## Affordable Office Space

### Class A Asking Rents In Lower Manhattan:



**\$14 Less Than Midtown**



**\$28 Less Than Midtown South**

### Class B Asking Rents In Lower Manhattan:



**\$6 Less Than Midtown**



**\$12 Less Than Midtown South**

# PROXIMITY TO KEY PARTNERS

Nonprofit and healthcare tenants take advantage of the neighborhood's direct proximity to key partners and funders as well as convenient access to those located in all corners of New York City. Nonprofits who work with city, state or federal agencies are neighbors to more than **14.8 million square feet of government offices**. In addition, Lower Manhattan is home to **three of the ten most generous public companies** in the Fortune 500 as identified by Fortune magazine. These include **Goldman Sachs** (headquartered at 200 West Street), **Bank of America** (headquartered in Midtown with offices in 225 Liberty Street), and **Citigroup** (headquartered at 390 Greenwich Street). In addition, a slew of other major companies with charitable arms have a Lower Manhattan address including **American Express, Assurant, Moody's Corporation, New York Mercantile Exchange, The New York Stock Exchange, Bank of New York Mellon, Verizon** and many others. Finally, Lower Manhattan healthcare tenants operate alongside **NewYork-Presbyterian Lower Manhattan Hospital** located at 170 William Street. NewYork-Presbyterian Lower Manhattan Hospital, which became NewYork-Presbyterian's sixth campus in 2013, offers a comprehensive range of services to patients in a caring, culturally sensitive environment with access to all of the specialties and resources of a major academic medical center. The Hospital is affiliated with **Weill Cornell Medicine**, one of the top-ranked clinical and medical research centers in the country, and the Hospital's physicians are credentialed members of its faculty. The Weill Cornell Physician Organization recently began a \$23 million renovation to one of its Lower Manhattan medical offices, located at 156 William Street.

## Access To Government



Nonprofits neighbor over 14.8 million square feet of city, state and federal agencies in Lower Manhattan

## Amazing Things Are Happening Here!

NewYork-Presbyterian Lower Manhattan Hospital is affiliated with Weill Cornell Medical College, one of the top-ranked clinical and medical research centers in the country.



## Corporate Giving

Nonprofits are in proximity to some of the USA's largest corporate givers including Goldman Sachs, Assurant, Moody's, New York Mercantile Exchange, The New York Stock Exchange, Bank of New York Mellon, NASDAQ, Bank of America, and Veri-



# LMHQ OFFERS DISCOUNTED AND FREE MEETING & EVENT SPACE TO NONPROFITS

**LMHQ**, a nonprofit collaboration space created by the Downtown Alliance and located at 150 Broadway, offers free meeting and event space grants through its Bright Ideas Grant supported by Con Edison. Meeting room space is made available free of charge twice per month and can accommodate up to 30 people. The 120-person event space is available one evening per month. Grants are allocated via an application process and bookings are rolled out on a quarterly basis. LMHQ is currently accepting applications for usage of the grant for April through June 2019.

Nonprofits always receive discounts at LMHQ. Membership is a great way to get the most affordable rates if you are looking for a location for regular meetings and events!

For more information about LMHQ or to apply for the grant, visit [lmhq.nyc](http://lmhq.nyc) or contact [hello@lmhq.nyc](mailto:hello@lmhq.nyc).

## LMHQ Nonprofit Members Include:



association for a better new york



Bard College



conEdison



FUTURES AND OPTIONS

The Future is in Your Hands



PER  
SCHOLAS

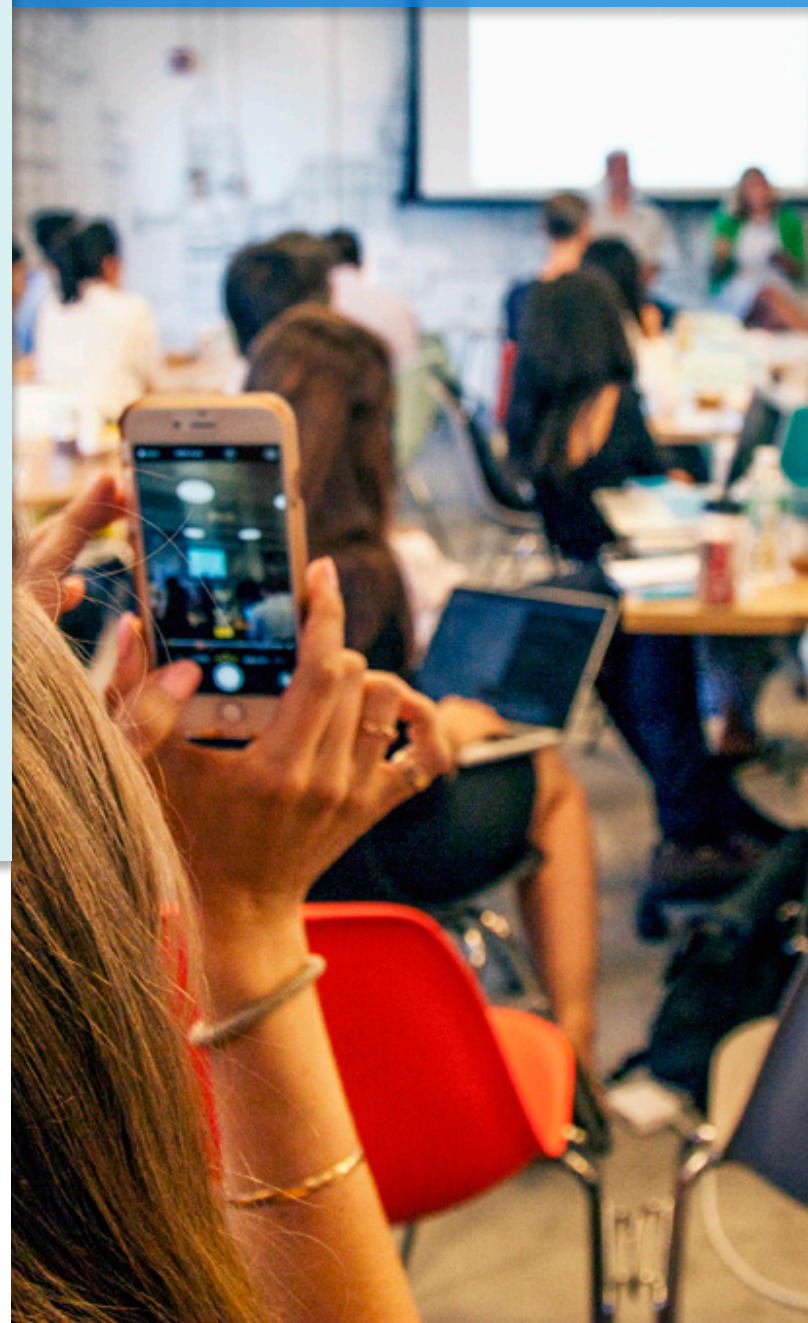


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The mission of the Alliance for Downtown New York is to provide service, advocacy, research and information to advance Lower Manhattan as a global model of a 21<sup>st</sup> century central business district for businesses, residents and visitors.

**[www.DowntownNY.com](http://www.DowntownNY.com)**

Visit **[www.downtownny.com/research-statistics](http://www.downtownny.com/research-statistics)** for additional publications on the Lower Manhattan real estate market and economy. Documents include a complete list of residential and hotel developments, available retail spaces, a summary of leasing incentives and other research reports.

<sup>1</sup> These Lower Manhattan employment totals include three categories, 62 Health & Social Services, 61 Education Services and 50 percent of 81 Other Services. According to the New York State Department of Labor, nonprofits are classified by their principal economic activity and do not have their own category but most are found in Health & Social Services, Education or Other Services. About 50% of Other Services are nonprofits.

<sup>2</sup> Crain's Book of List 2019

<sup>3</sup> About 60 percent of Lower Manhattan's total office stock is located in pre-1975 office buildings eligible for the Commercial Revitalization Program.