



2024 **LOWER MANHATTAN** **REAL ESTATE Q4 AND** **YEAR IN REVIEW REPORT**



THE ALLIANCE FOR DOWNTOWN NEW YORK

2024

THE ALLIANCE FOR DOWNTOWN NEW YORK LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW

EXECUTIVE SUMMARY

Lower Manhattan's office market struggled in 2024. Anemic leasing and limited relocation activity lead to the market's worst performance in memory with only 2.24 million sq. ft. of activity recorded. While net absorption was positive for the year, this can largely be attributed to several underperforming office properties announcing residential conversion projects and removing large blocks of long vacant office space from the market. Other sectors of Lower Manhattan's economy performed markedly better as New Yorkers and visitors alike returned to the neighborhood's historic streets. Downtown hotel operators enjoyed record high room rates and celebrated occupancy returning to pre-pandemic numbers. Several innovative fitness related retail concepts opened in the district offering residents and workers alike unique new ways to stay in shape and be entertained. And the district's entertainment options grew with the addition of Emursive's Life and Trust and its magnetic Conwell Coffee Shop as well as the Seaport Entertainment Group's newly announced plans to transform the iconic Pier 17 rooftop into a year-round venue.

Office Supply Continues to Adjust to Meet Demand as More Workers Return to Offices

Lower Manhattan's market ended the year with 1.13 million sq. ft., of positive absorption, the fourth consecutive quarter of positive absorption, largely the result of over 3 million sq. ft. of office space leaving the market. Large vacant office blocks (over 100,000 sq. ft.) declined by 33%. And overall vacancy rates remained fairly stable throughout 2024 after several years of volatility. The supply of office space is becoming better aligned with demand and helped partially offset a weak year of leasing.

Lower Manhattan saw only 2.24 million sq. ft of leasing activity, a record low and a 21% decline compared to 2023. 2024's leasing activity was 40% below the five year yearly average and 21% below the post-COVID yearly average (2020-2023). Just six tenants relocated to Lower Manhattan, a 57% decrease year over year. The district's performance was in contrast to positive leasing activity in the other Manhattan submarkets. Midtown and Midtown South both enjoyed increases in leasing activity, with Midtown's 2024 overall leasing activity growing 37% above 2023's total.

On a positive note, more and more workers are returning to in-person work as businesses become

more aggressive about enforcing return-to-work mandates. Average mid-week office occupancy reached 76% of pre-pandemic levels in the fourth quarter, a 4% increase year-over-year. What's more, office occupancy demonstrated more consistency than in years past. Occupancy is expected to continue improving in 2025 as employers demand more in-person work days.

Travelers Continue to Return

Tourism has rebounded far more aggressively post pandemic than expected. Lower Manhattan hotels ended the year enjoying the highest average daily room (ADR) rate on record. The Lower Manhattan hotel market can now boast over \$300 ADRs in six of the last eight quarters. And room occupancy rates matched 2019 levels for the first time since COVID-19 travel restrictions were lifted.

Residential Pipeline Expands as Rents Remain Near Record Highs

The pace of residential conversions picked up in 2024 with five new projects containing over 3,200 units announced. Rental prices remained near record highs throughout the year, while condo prices and sales were not as robust as in years past, likely reflecting ongoing concerns about borrowing costs.

Creative Uses Help to Fill Vacant Retail Locations

Lower Manhattan's retail offerings expanded in 2024 with openings well outpacing closings. New food and beverage businesses such as legendary Florentine sandwich shop All'Antico Vinaio and Cantonese fine dining restaurant Yao NYC continue to cement Lower Manhattan's reputation as a dining destination. Property owners and entrepreneurs also continued to explore innovative uses for retail spaces. Unique projects coming to market in 2025 range from Soccerroof's new 20,000 sq. ft. indoor recreation facility to a new circus themed theatrical experience at 48 Wall Street.



COMMERCIAL LEASING

Lower Manhattan Leasing Remains Weak

Lower Manhattan's fourth quarter leasing activity totalled only 388,000 sq. ft., falling 43% quarter-over-quarter and 34% year-over-year. The total represents a 41% decline compared to the 5-year average.

The district saw a year end total of 2.24 million sq. ft. leased, a 21% drop from 2023. Hopes for an improved market have yet to be fulfilled as the 2024 total ranks only marginally higher than 2020's total.

While the Federal Reserve's mid-year rate cuts instilled confidence in the real estate industry, the downtown office market did not experience any significant gains in leasing. The tightening of lending spreads as well as the uptick in credit issuances, two trends that express the health of capital markets, will hopefully lead to larger investments in the future.

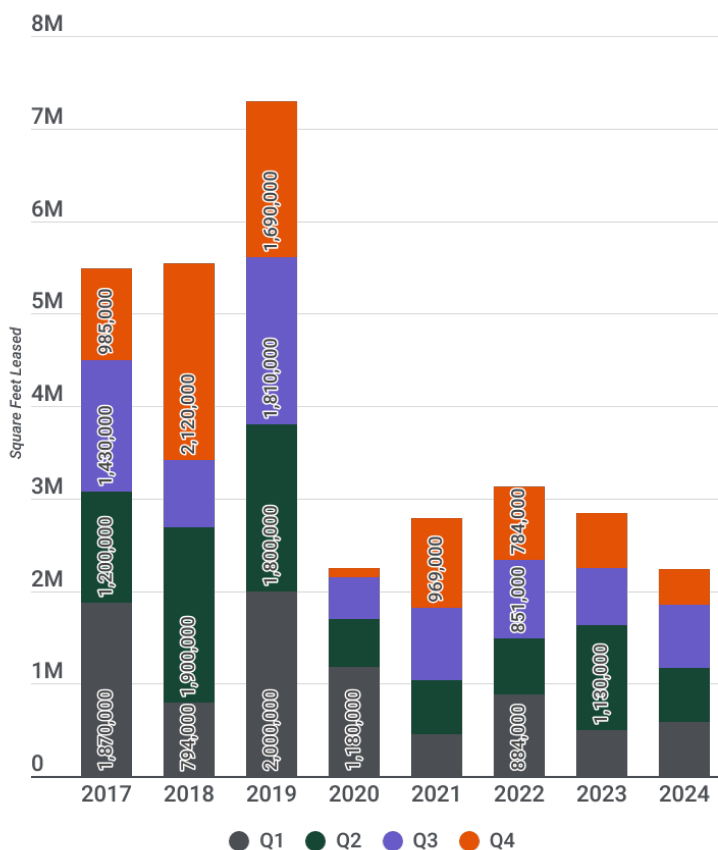
On a positive note, Q4 absorption reached 1.13 million sq. ft. – the largest quarterly absorption total since 2014 – bringing the year end figure to 2.53 million sq. ft. Residential conversion projects that account for 3.01 million sq. ft. of available space leaving the market in 2024 are largely responsible for the district's positive net absorption for the year.

Manhattan leasing overall increased over 2023. Between Lower Manhattan, Midtown, and Midtown South, the entire Manhattan office market leased 6.98 million sq. ft. of space in 2024 – a 24% increase year-over-year and an 8% improvement over the five year average. The Midtown markets saw the most significant improvements, though. Midtown saw a total of 16.73 million sq. ft. leased, a 37% upsurge from last year. Leasing activity rose to 5.66 million sq. ft. in Q4 alone, which translates to a quarterly growth rate of 63% and a year-over-year spike of 33%. Midtown South also experienced year end leasing growth, closing 2024 with 4.49 million sq. ft. leased – a 15% improvement from 2023.

Notably, Midtown South and Lower Manhattan have exhibited distinct year-end leasing figures for the past four years. Prior to this divergence, these two submarkets typically behaved in lock step pattern, constantly trading places as the second-highest leasing district in Manhattan.

Lower Manhattan Annual New Leasing Activity, 2017-2023

Source: CBRE



Finance Leads Q4 Leasing, TAMI Leads for All of 2024

Traditional anchors of Lower Manhattan's economy, the finance and government sectors, led leasing in Q4 with the technology, advertising, media and information (TAMI) sector contributing substantially as well. Finance industry tenants accounted for 18% of activity – led by **Chime's** 19,000 sq. ft. sublease at **101 Greenwich St.** TAMI took up 16% of the lease share, the largest deal coming from **Ivalua's** 22,000 sq. ft. lease at **88 Pine St.** Government was responsible for the next largest share at 15%.

Sciame Construction led fourth quarter leasing with a 37,266 sq. ft. renewal deal at **14 Wall St.** **IPC Information Systems**, which provides communications and multi-cloud connectivity solutions for global financial markets, had the

next largest deal, moving into a 26,585 sq. ft. space at **1 State St.** As mentioned above, **Ivalua**, a technology company that optimizes procurement processes, signed a 21,760 sq. ft. long term lease at **88 Pine St.**

Over the course of 2024 only two leases eclipsed the 100,000 sq. ft. mark. The technology company **Stripe** leased 147,509 sq. ft. of space at **28 Liberty St.** and **StubHub** took 103,188 sq. ft. at **4 World Trade Center.**

Overall, TAMI, Financial Services and Legal Services led the downtown leasing market in 2024. TAMI tenants, including **Stripe's** 147,000 sq. ft. lease at **28 Liberty St.** and **Rippling's** 69,000 sq. ft. lease at **4 World Trade Center**, made up 21% of overall 2024 leasing activity. Financial services tenants, led by **Jane Street's** 57,000 sq. ft. lease at **250 Vesey St.** and Kroll's 48,000 sq. ft. lease at **1 World Trade Center**, carved out 15% of the total. Law firms made up 14% of leasing activity, led by **Freshfields Bruckhaus Deringer LLP's** 45,000 sq. ft. sublease at **3 World Trade Center** in Q3.

Relocation Activity Declines in 2024

There was no relocation activity in Q4. The Lower Manhattan market saw only six relocations for the entire year – down from the 14 that occurred last year.

Leased relocation square footage for the year totaled 117,959 sq. ft., marking a 72% fall from 2023's total. Last year continued a post-pandemic trend of decreasing relocation deals, which prior to COVID had averaged around 2 million sq. ft. per year.

Small leases comprised the majority of relocation activity, with the largest deal coming from **American Transit Insurance Company's** 43,410 sq. ft. lease at **25 Broadway.** The next largest lease was **DriveWealth's** 26,269 sq. ft. lease at **28 Liberty St.**, followed by **Ekimetrics's** 24,367 sq. ft. deal at **120 Broadway.** This contrasts with 2023, where the district saw two large leases as well as a handful of mid-sized to small leases.

Lower Manhattan Top Leases, 2023

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

	Tenant Name <i>Location</i>	Sq. Ft. Leased <i>Transaction</i>	Sector
1	Stripe Inc. 28 Liberty Street	147,509 New Lease	TAMI, Technology
2	Stub Hub 4 World Trade Center	103,188 New Lease	TAMI, Entertainment
3	Success Academy Charter Schools 120 Wall Street	93,937 Renewal	Education
4	Catholic Charities of the Archdiocese of New York 80 Maiden Lane	77,130 New Lease	Non-Profit
5	Rippling 4 World Trade Center	68,680 New Lease	TAMI, Technology
6	Jane Street Group, LLC 250 Vesey Street	56,853 Expansion	FIRE, Finance
7	Kroll Inc. 1 World Trade Center	48,026 New Lease	FIRE, Finance
8	Freshfields Bruckhaus Deringer LLP 3 World Trade Center	44,931 Expansion	Professional Services, Legal
9	Wasserman Music, LLC	44,767 New Lease	TAMI, Entertainment
10	American Transit Insurance Company 25 Broadway	43,410 New Lease	FIRE, Insurance

Lower Manhattan Vacancy Stabilizes, But Long-Term Outlook Remains Challenging

Lower Manhattan vacancy did show signs of stabilization in 2024, and by Q4 the district saw three consecutive quarters of modest vacancy declines. Fourth quarter vacancy was 24.3%, marking a 0.1% quarterly fall and the lowest vacancy rate of 2024.

While Lower Manhattan property owners have faced leasing challenges, this problem is not unique to them. Compared to the other two Manhattan submarkets, downtown ranked second in commercial vacancy by the end of Q4. Midtown South saw the steepest hikes, ended the fourth quarter with the highest vacancy rate across the three Manhattan submarkets (26%), and set the record in the third quarter with a 26.3% rate. The neighborhood also saw the highest year over year change – 2.3%. Midtown ended the year with the lowest vacancy rate, 22.3%, remaining unchanged from the Q4 2023 figure; yet the district still saw its vacancy record set multiple times within the year.

Lower Manhattan's Class A vacancy trajectory was similar to its overall vacancy trend in that the district started the year with a record high vacancy rate, 24%, that gradually fell to 23.7% by the end of Q4. The Class A rate was slightly lower than the overall vacancy rate, a testament to the "flight to quality" trend, which has driven demand for higher class, amenity-rich office spaces. Among the submarkets, Lower Manhattan had the highest Class A vacancy rate, followed by Midtown South (21.8%) and Midtown (20.9%).

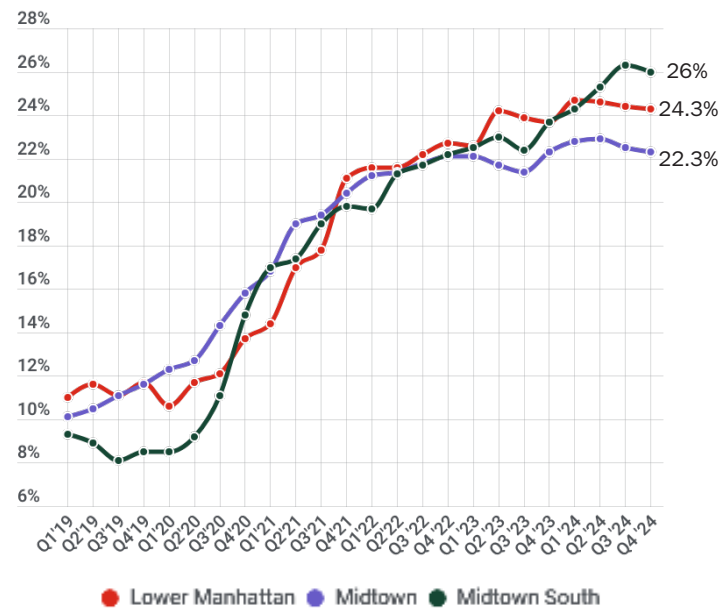
Lower Manhattan Top Relocations, 2023

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

	Tenant Name Location	SF Leased Transaction	Sector
1	American Transit Insurance Company 25 Broadway	43,410 Relocation	FIRE, Insurance
2	DriveWealth 28 Liberty Street	26,269 Relocation	FIRE, Finance
3	Ekimetrics 120 Broadway	24,367 Relocation	TAMI, Technology
4	Ichor 107 Greenwich Street	10,108 Relocation	TAMI, Technology
5	Cowan, DeBaets, Abrahams & Sheppard LLP 60 Broad Street	9,332 Relocation	Professional Services, Law
6	Rushmont Capital 1 World Trade Center	4,473 Relocation	FIRE, Finance

Overall Vacancy Rates By Submarket

Source: Cushman & Wakefield



Lower Manhattan Rents Remain Stable Over the Year, Midtown Rents Continue Post-Pandemic Recovery

Overall asking rents in Lower Manhattan inched up 0.3% from last quarter to \$55.54 per sq. ft. – the fourth time since 2020 that the district has seen positive quarterly rent growth. The overall figure ticked down by a 0.4% margin over the year. Class A rents, while down 0.8% over the year, were up 0.9% quarter-over-quarter. This marks the fifth highest quarterly increase in Class A rents for the Downtown market since 2020.

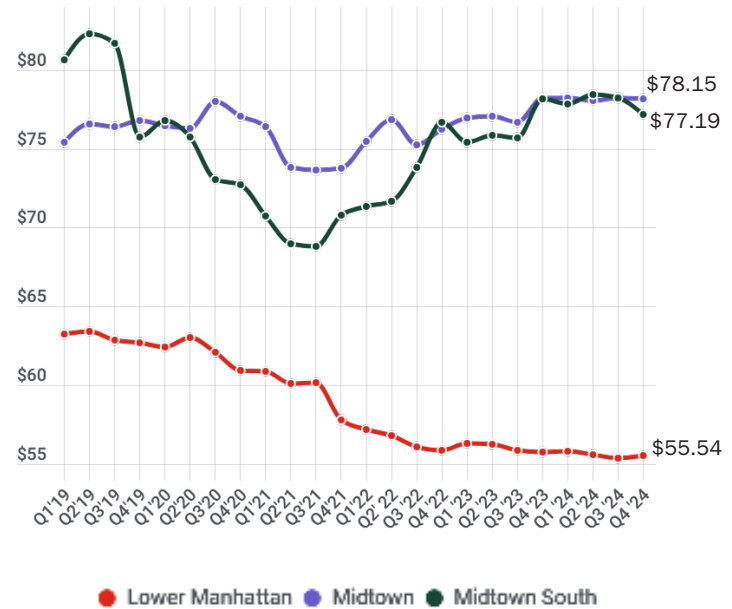
Asking rents have been remarkably stable over the last several years. During the first four quarters of the pandemic, Lower Manhattan asking rents declined by 4.6%. In contrast, over the past year, the price has declined by only 0.6%.

The Midtown and Midtown South submarkets have similarly remained stable over the year, posting overall asking rates of \$78.15 and \$77.19, respectively. Interestingly, these two submarkets' rents have been nearly equal for five straight quarters, with both averaging an asking rent of \$77 per sq. ft.

Midtown South maintained its position as the submarket with the highest Class A rents, reaching \$95 per sq. ft. in the fourth quarter. Meanwhile, Midtown, historically the second most expensive commercial rent market, set its own Class A rent record in Q4 with a \$86.27 rate. In fact, it has set its own Class A rent record for three consecutive quarters. Lower Manhattan Class A rents, which ended Q4 at \$59.22, have remained stable for an unprecedented amount of time. This contrasts sharply with the Midtown and Midtown South office markets, where Class A rent prices have rebounded as demand in those markets has increased.

Overall Asking Rents By Submarket

Source: Cushman & Wakefield



Office Occupancy Improves From Last Year

Over the last several years, many major employers have adopted a hybrid work schedule. Anecdotal reports have indicated that employers have become more aggressive over the last year in requiring in-person work. Although the most widely reported indicator of return-to-office efforts is Kastle System's weekly office occupancy barometer, it does not include many large office properties in Lower Manhattan and also includes data from suburban office parks. Working with cell phone tracking data provided by Placer.ai, the Downtown Alliance has identified a group of Lower Manhattan office buildings that represent a range of office classes and geographies and that we believe give a more accurate and nuanced picture of office occupancy.

According to our analysis of Placer.ai data, Wednesday office occupancy in Lower Manhattan has improved steadily over the course of 2024. In the fourth quarter, office occupancy reached an average of 76% of prepandemic occupancy, 4% higher than 2023's Q4 figure. Moreover, the district saw office occupancy eclipse the 75% mark on four occasions – three times in the last half of the year. For reference, 2023 only saw the 75% occupancy rate reached once.

Clusters with particularly high concentrations of Class A office space saw most of the gains throughout the year. The World Trade Center cluster experienced a 4% increase from the first half of the year to the second half, finishing with an average occupancy exceeding 2019 levels. Brookfield Place's occupancy levels also improved, with the second half having a 2% higher average occupancy compared to the first two quarters. Numerous buildings along State Street and Wall Street saw second half upticks as well. Given this "flight to quality" trend, it is unsurprising that regions with older office stock, along Broadway, Pine and Maiden Lane experienced decreasing occupancy levels throughout the year.



Downtown Alliance Workforce Survey Reveals High Worker Satisfaction With Downtown

In Fall of 2024, the Downtown Alliance, in collaboration with polling firm BDRC, conducted a survey of the Lower Manhattan workforce that highlighted key factors contributing to employee satisfaction and willingness to return to in-person work.

After weeks of data collection, which included online panel sourcing and targeted outreach to achieve an accurate sample – 410 workers – the results showed that Lower Manhattan’s appeal as a business district, driven by convenience, safety, and transportation alternatives, is quite high. Notably, 70% reported extreme satisfaction and 79% expressed equal or greater satisfaction compared to other Manhattan areas. Here are a few areas which workers are particularly satisfied with:

- The area is highly accessible, with 65% of workers rating public transportation positively and 57% expressing extreme satisfaction with their commute times. It compares favorably to other Manhattan districts, with many commuters reporting greater satisfaction working downtown.
- The district is also considered safe and vibrant, with 82% of respondents feeling secure and 85% appreciating the area’s lively atmosphere.
- The neighborhood supports a robust employment landscape, with the majority of respondents rating job availability favorably. It fosters networking and community-building among employees across various industries, including finance, technology and creative sectors.

We also asked workers what the most motivating factors were in getting them to return to work. The most influential aspect was accessibility to public transportation, with 97% of respondents citing it as “extremely motivating.” Building quality also proved to be a significant motivator, with 63% of respondents considering building quality to be “extremely motivating.” Upgraded ventilation systems, as well as tenant amenities, were key attributes for the respondents. Additionally, a substantial majority of office workers in our survey (64%) reported that water or harbor views were extremely motivating factors in returning to work. Lower Manhattan is equipped to accommodate these needs, as it is surrounded on three sides by water.

Lower Manhattan’s 30 Largest Private Sector Tenants in 2024

Source: Downtown Alliance, CBRE, CoStar

	Tenant Name	SF Occupied	Sector
1	Goldman Sachs	2,100,000	FIRE
2	Morgan Stanley	1,253,589	FIRE
3	The Bank of New York	1,145,000	FIRE
4	American Express	1,044,501	FIRE
5	WeWork	772,083	Professional Svcs., Other
6	Conde Nast	726,900	FIRE
7	WPP Group PLC	702,843	TAMI, Media
8	Sullivan & Cromwell	676,212	Professional Svc., Law
9	Spotify	481,839	TAMI, Technology
10	Cleary Gottlieb	445,914	Professional Svc., Law
11	Jane Street Capital	474,751	FIRE
12	Royal Bank of Canada	405,947	FIRE
13	Fried Frank	380,439	Professional Svcs., Law
14	HealthFirst, Inc.	375,800	FIRE
15	United Federation of Teachers	367,216	Nonprofit
16	Cadwalader, Wickersham & Taft	340,807	Professional Svcs., Law
17	J. Crew Group, Inc.	333,974	Retail Trade
18	Uber Technologies, Inc.	307,970	TAMI, Technology
19	Jones Day	286,185	Professional Svcs., Law
20	Legal Aid Society	271,991	Professional Svcs., Law
21	Justworks	270,400	Professional Svcs., Other
22	Oppenheimer	267,651	FIRE
23	AON	225,000	FIRE
24	Pace University	219,662	Education
25	Cahill Gordon & Reindel	212,845	Professional Svcs., Law
26	Hudson River Trading	211,128	FIRE
27	Droga5	202,375	TAMI, Advertising
28	MDC Partners Inc.	199,277	TAMI, Advertising
29	Hudson's Bay Company	193,397	Retail Trade
30	Brown Brothers Harriman	188,059	FIRE

Large Blocks of Office Space Decline, Both in Number and Total Square Footage

Lower Manhattan saw a decrease in the number and square footage of large office blocks over the year. Large blocks of office space – those that surpass 100,000 sq. ft. – decreased by 2.86 million sq. ft., a 33% decline. This change is due in large part to many of the conversion projects that have entered the planning and development stages. Notable exits from the office market include **222 Broadway**, **80 Pine St.** and **111 Wall St.** The collective square footage from those three properties account for 2.15 million sq. ft. – close to the difference between last year's and this year's total.

Most of the remaining large available spaces are concentrated in the Financial East submarket – near Water and Wall Streets — containing 3.3 million sq. ft., or 57% of all large office blocks. According to Cushman & Wakefield, one office building is entirely vacant:

- **60 Wall St.** has 1.6 million sq. ft. available as longtime anchor tenant Deutsche Bank completed a move to Columbus Circle in summer 2021. The building is undergoing a full \$250 million renovation, which includes a reimagined lobby and public space and is still undergoing construction. In April, the owners announced they refinanced the office tower's \$575 million mortgage at a much higher interest rate.

Besides 60 Wall St., other notable office blocks include:

- **55 Water St.** has 393,000 sq. ft. of available space across 11 floors.
- **One World Trade Center** has 381,000 sq. ft. across six floors, all of which are subleased by Condé Nast.
- **225 Liberty St.** has 332,000 sq. ft. across two floors.
- **200 Vesey St.** has 331,000 sq. ft. across five floors.



60 Wall Street Renovation Rendering

Photo Credit: Paramount Group

2024 Property Sales

Office

74 Broad Street: Caspi Development offloaded its six-story Lower Manhattan office property for \$19.6 million in a deed of foreclosure sale to Nassimi Realty.

222 Broadway: Jeff Gural's GFP Real Estate is in contract to purchase 222 Broadway for \$150 million. GFP plans to convert this office property to residential. At 780,000 sq. ft., 222 Broadway could be converted into anywhere from 600 to 800 apartments. The office portion is occupied by Bank of America, which covers 31% of the available space in the building. The real estate giant is looking for a \$200 million construction loan to finance the conversion project.

110 Wall St.: Barings is looking to sell 110 Wall St. for less than half of the \$270 million price tag the firm paid a decade ago, asking \$125 million for the property.

180 Maiden Ln.: 99c, a company started by Canadian biotech entrepreneur Carlo Bellini, recently acquired 180 Maiden Ln. for \$297 million.

80 Pine St.: Bushburg successfully purchased Rudin's 80 Pine St. for \$160 million. To finance this acquisition, they secured a \$100 million loan from Carlo Bellini's 99c. The building is being considered for conversion.

100 Wall St.: BLDG Management Co. Inc. and David Werner Real Estate Investment acquired 100 Wall St. Northwind Group provided a \$95 million senior mortgage acquisition loan secured by the 515,000 sq. ft., 29-story office property.

77 Water St.: The Vanbarton Group has agreed to purchase Sage's 77 Water St. for approximately \$95 million. They intend to convert the 26-story office building into approximately 600 residential units. This deal is anticipated to be finalized by the end of the year.

40 Exchange Pl.: GFP Real Estate, led by Jeffrey Gural, has secured a \$50 million first mortgage for 40 Exchange Place. The loan was provided by Northwind Group, a former partner in the building. Northwind had previously held a 50% stake in 40 Exchange Place before selling its interest to GFP in 2018.



222 Broadway



77 Water Street

Residential Building Sales

17 John St.: Vanbarton Group sold 17 John St. to a private entity for \$64 million.

Mixed Use

112 Liberty St.: Hidrock properties sold its development site for \$21.7 million, almost a 50% discount compared to what it paid in 2018. The AC Hotel was meant to be constructed at the site, a 112,000 sq. ft. property. The buyer was an entity that shares an address with Flushing, Queens-based real estate manager Hiwin Group USA and its CEO Xiaogang Wang.

20 Exchange Pl.: DTH Capital sold 20 Exchange Pl. for \$370 million to the Dermot Co., a developer with a growing presence in New York. The new owners plan to make renovations to remain competitive with other conversion projects in the market.

Hotel Sales

102 Greenwich St.: The property was recently acquired and used to be a five-story dorm for King's College. It reopened in August as Tribeca Hotel FiDi and contains 50 rooms.

2024 Refinances and Secured Loans

Office

60 Wall St.: The owners announced they refinanced the office tower's \$575 million mortgage at a much higher interest rate, paving the way for redevelopment of the empty building with a distinctive public lobby.

Residential

1 Park Row: The 3650 REIT team grew its footprint in Lower Manhattan, as Circle F Capital provided \$50 million of financing to further develop 1 Park Row.

8 Spruce St.: Blackstone Real Estate Investment Trust is refinancing its iconic Frank Gehry-designed 8 Spruce Street apartment tower. The New York City Housing Development Corp. is issuing \$550 million in bonds to facilitate this refinancing. The 899-unit building, one of the tallest rental buildings globally, benefits from strong demand in a low-vacancy market. Despite a 20-year tax abatement phasing out in 2031, the property's strong operating cash flow and potential for tenant surcharges mitigate refinance risk.



8 Spruce Street



20 Exchange Place

Blackstone REIT acquired the property in 2022 for \$930 million and recently appraised it at \$802 million.

Mixed Use

70 Pine St.: DTH Capital and Rose Associates have secured a \$395 million refinancing for 70 Pine St., the 67-story, mixed-use tower that was converted from an office building into a hotel and luxury apartment complex in 2016.

2024 Defaults and Special Servicing

Office

17 State St.: RFR Holding's \$180 million commercial mortgage-backed securities loan tied to 17 State St. has been sent to its special servicer after RFR failed to pay back its debt in August. Wilmington Trust and special servicer Rialto Capital Advisors will be prepared to seize the property.

1 Whitehall St.: The Chetrit Organization could lose its underperforming Financial District office building, 1 Whitehall. LoanCore Capital Credit has filed a lawsuit claiming the landlord has defaulted on a \$156 million mortgage since last July. Tenants include the U.S. Postal Service, Observer Media and the Regional Plan Association.

Residential

180 Water St.: The converted office building is facing financial difficulties. Its \$265 million mortgage and \$100 million mezzanine debt have been due, and with uncertain prospects of securing the necessary funds, the building's mortgage has been downgraded – indicating a high risk of default. It is now headed for special servicing due to a loan maturity default. The \$265 million CMBS loan, despite high occupancy, failed to pay off in November 2024.

Mixed Use

25 Broadway: Even though 25 Broadway has a high level of occupancy, the \$250 million loan backing the 1 million sq. ft. office tower has been moved to special servicing after the borrower defaulted on the debt.

53 and 55 Stone St.: Maguire began legal proceedings to take ownership of two mixed-use buildings owned by Alicia



CastroLeal Harper, the ex-wife of the late TV producer Alan Harper. These buildings are located on a historic pedestrian street and are adjacent to each other at 53 and 55 Stone St.

Other

60 West St.: The Metropolitan College of New York (MCNY) is facing financial difficulties and is planning to sell a portion of its Lower Manhattan campus. The college, which has been located at 60 West St. since 2016, took out a \$67.4 million loan in 2014 to purchase several floors within the building. As MCNY struggles to meet its debt obligations, it is now seeking to sell these floors to generate the necessary funds.



RETAIL

A number of exciting new retail and entertainment venues opened in Lower Manhattan in 2024. Over the course of the year, 65 new retailers began servicing the district. While openings declined from 2023, retail closings also fell with 25 businesses shuttering their doors compared to 42 last year. 16 retail establishments opened in the fourth quarter — 13 food and beverage and three personal services.

- **Conwell Coffee Hall**, an Art Deco cafe, opened to the public at **6 Hanover St.** The food menu was consulted on by chef Jonah Reider.
- **Yao NYC**, a fine-dining, modern approach to Cantonese cuisine, opened at **213 Pearl St.**
- **Peck Slip Social**, a spirits-focused bar and social space also serving food, opened at **36 Peck Slip.**
- **All'Antico Vinaio**, the legendary Florentine sandwich shop, opened at **Brookfield Place.**

Several exciting and long anticipated entertainment and event venues opened in 2024, including:

- **“Life and Trust”** at **69 Beaver St.** has opened a fully immersive show spanning multiple floors. The venue also serves cocktails and drinks at Conwell Coffee Hall, which is located in the same building.

65 Retailers Opened In Lower Manhattan In 2024

25 Retailers Closed In Lower Manhattan In 2024

Lower Manhattan Embraces Sports and Recreation amid Retail Evolution

As Lower Manhattan’s residential community continues to grow, the diversity of recreational and retail options has expanded, ensuring the area remains a vibrant hub for innovation and entertainment. Alongside an influx of unique dining, drinking, and immersive art experiences, the district has witnessed a number of innovative sports and recreational facilities open in the past year.

One notable addition is Baseball Pill, a batting cage at 140 Church Street, complete with an in-house smoothie bar. Another new concept, The Lawn Club, opened in 2023, offering lawn games paired with creative cocktails. Court 16 has introduced an indoor facility for tennis and pickleball enthusiasts, while an indoor squash center has opened at 100 Pearl Street. Looking ahead, plans have been unveiled at 28 Liberty St. for Soccerroof, a 20,000 sq. ft. indoor soccer facility set to elevate the district’s recreational offerings further. These new retailers appeal to residents and workers alike and are examples of innovative, non-traditional uses for retail space.

11 retailers closed in the fourth quarter, bringing the yearly total up to 25 retail closings. Notable closings include:

- **Casa Tulum** closed at **229 Front St.**
- **Urban Outfitters** closed at **182 Broadway.**
- **Nish Nush**, a fast-casual Mediterranean spot, closed at **41 John St.**
- **Harry’s Italian**, an Italian American restaurant, closed its Battery Park City location at **225 Murray St.**

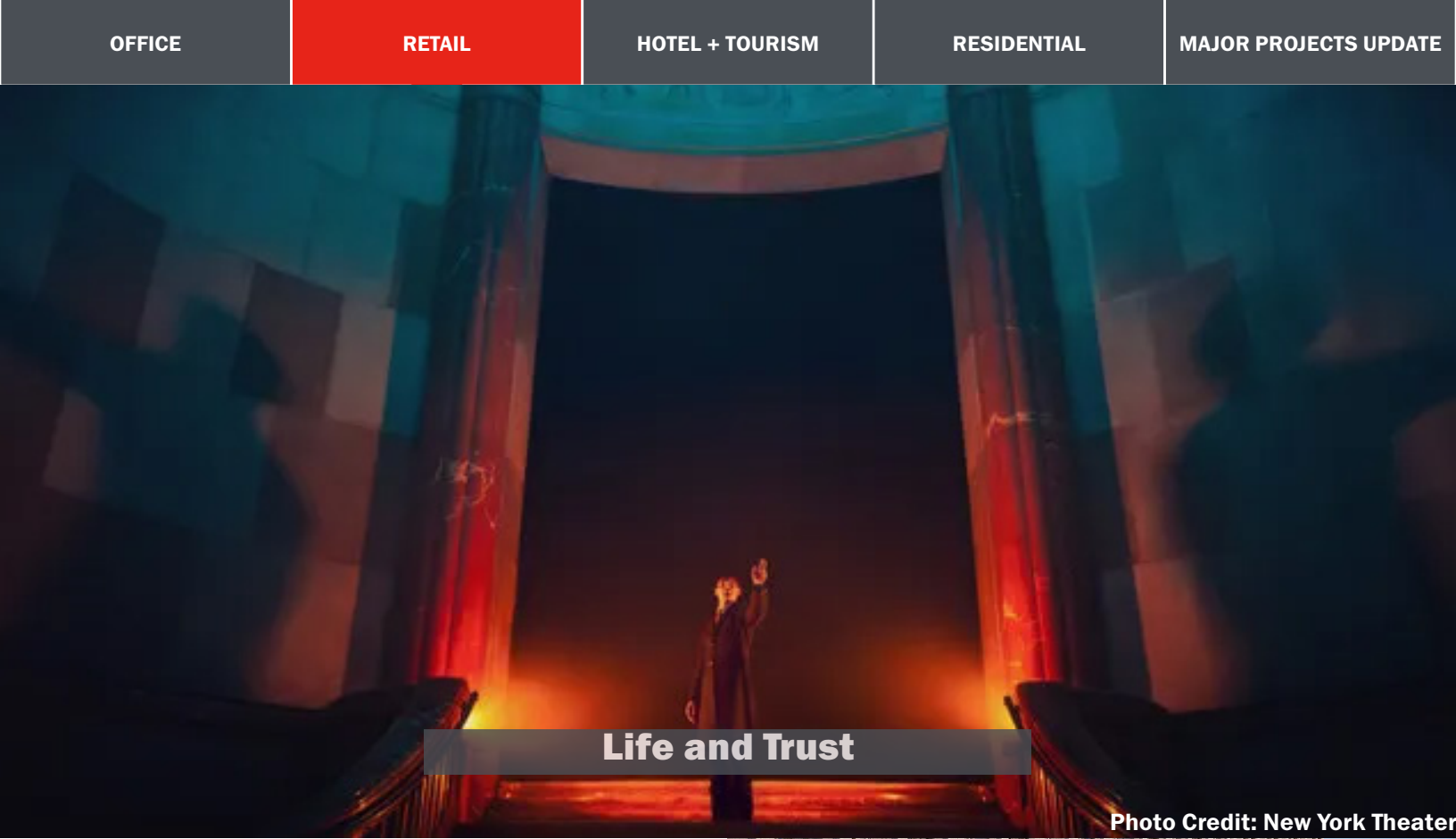


Conwell Coffee Hall

Retail Coming Soon

Looking ahead, several exciting new retailers are expected to open in 2025, including:

- **Printemps**, a luxury French department store with five food and beverage concepts, is set to open at **One Wall St.** in March.
- **Barcade**, a pinball and video game bar serving craft beers, will open at **10 Cortlandt St.**
- **Los Tacos No. 1**, a popular NYC-based taco chain, will open at **20 Broad St.**
- **Thames Promenade** will open at **115 Broadway.**
- **Gitano**, an upscale Mexican restaurant, announced plans to open its first permanent NYC location at **89 South St.**
- **The Golden Mall**, a Chinese food emporium, plans to open at **47 Broadway.**
- **Socceroof**, an indoor soccer facility, will open at **28 Liberty St.**
- **Ess-a-Bagel**, a bagel shop, will open at **115 Broadway.**
- **Old Mates Pub**, an Australian pub, will open at **170 John St.**
- **Apollo Bagels**, a NYC-based bagel chain, will open at **41 John St.**
- **Brooks Brothers**, a clothing chain, will open at **195 Broadway.**
- **Fogo de Chao**, the Brazilian Steakhouse, will open at **3 World Trade Center.**
- **The Pier 17 Rooftop** will soon add a glass roof, making it accessible to wintertime concertgoers.




Life and Trust

Photo Credit: New York Theater

Retail Rents Inch Down

According to the Real Estate Board of New York's retail rent data, the average asking rent in Lower Manhattan was \$276, a 14% decrease from the second half of 2023 and 7% decrease over the year. Although it is still within the preceding years' range of \$250–\$300 per sq. ft., this downturn comes after a year and a half of rising retail rents. The 2024 data only reflects the first half of the year and may not be indicative of full-year trends.



Printemps: Coming Soon to One Wall Street

Photo Credit: Printemps

HOTEL + TOURISM

Tourism Begins to Rebound

Lower Manhattan welcomed 9.4 million tourists in 2023, a 27% boost from 2022, as domestic and international travel continues to rebound from the pandemic. Though still below 2019's 14 million tourists, 2023 tourism numbers indicate a likely rebound in the coming years. Also, compared to 2020, the number of tourists has surged by 250%; the number of unique visitors rose considerably, too, by 150% since 2020 — and stands at a total of 12.7 million as of 2023.

International visitors made up 54% of Lower Manhattan tourists, nearly double the 28% in 2021. Pre-pandemic, in 2019, that figure was 62%. Additionally, just like 2022, the largest share of international visitors hailed from Western Europe and North America: Germany, France, UK, Canada, Italy and Spain. Also, the share of first-time visitors to NYC (out of all visitors) reached 51% — the highest since 2019.

Hotel Inventory Continues to Grow

The current hotel inventory in Lower Manhattan stands at 8,498 rooms across 43 hotels. Two new hotels opened in 2024 totaling 119 new hotel rooms:

- **The Warren Street Hotel**, a new boutique hotel operated by Firmdale Hotels, is opened at 86 Warren St. The developers are Solil Management and Firmdale. Construction has recently wrapped on this property.
- **Tribeca Hotel FiDi** opened at **102 Greenwich St.** and consists of 50 rooms. The property was acquired for \$15.3 million, converting it from a five-story King's College dormitory.

Two new hotels are expected to open in 2025:

- **Platt Street Hotel** is expected to finish construction in 2025. It's located at 7 Platt St.. The developer is the Moinian Group.
- **Hotel Indigo** is expected to open in 2025 at 8-12 Maiden Ln., and is currently under construction. The developer is W & L Construction Group.

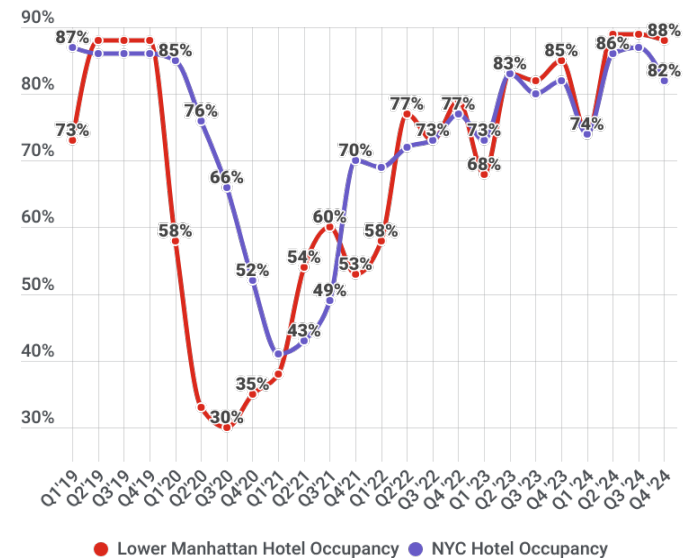
Two more hotels are expected to open in the years that follow:

- **The Tempo by Hilton** at 140-142 Fulton St. does not have a determined open date. The developer is also Hidrock Realty.
- **Ned Hotel** is expected to open but the opening date is

not yet determined. Yucaipa Companies is the developer.

Hotel Occupancy in Lower Manhattan and New York City

Source: CoStar/STR



Lower Manhattan Sets ADR Record in Q4, Sees Return to Pre-Pandemic Occupancy in 2024

Lower Manhattan ended 2024 with its highest average daily room rate (ADR) on record at \$363.16. Marking a quarter-over-quarter increase of 20%, it is also 5% above Q4 2023 — the previous record setting quarter. Over the previous eight quarters, Lower Manhattan ADR has surpassed the \$300 mark six times. It had never reached \$300 any quarter before that. What's more, room rates have remained high throughout the year, reaching \$300 or more in every quarter except Q1.

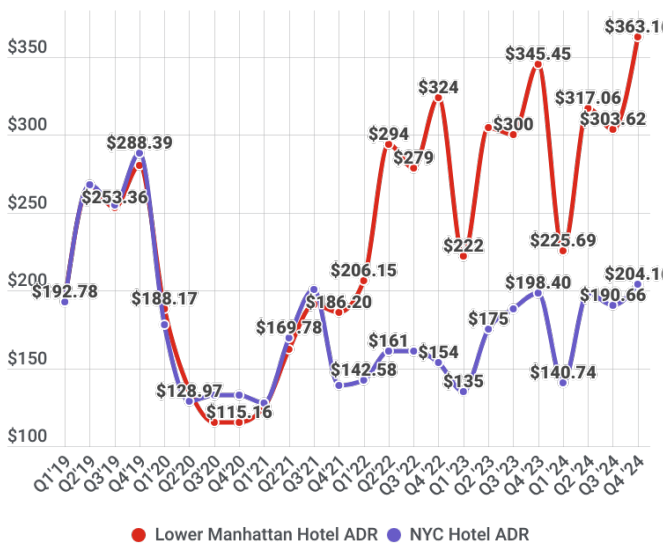
Midtown achieved an ADR of \$425 — setting not only its own record, but each submarket's record as well. Midtown South also posted its highest ADR on record, ending the year with a \$359 room rate — a 23% quarterly climb and an 8% yearly rise.

Occupancy rates remained high within the district as well, with the fourth quarter's 88% occupancy rate, tying

Q4 2019 for the district's highest Q4 occupancy on record. Compared to last year, this marks a 3% occupancy increase and slight, less than 1%, quarterly decrease. Occupancy rates were strong throughout the year as well and fully matched pre-pandemic levels. This is also true of Midtown South, which finished the year with three straight quarters of 90% occupancy. Midtown, which finished the year with an 88% occupancy, is very close to its historical consistency and only needs to sustain slightly higher figures to reach prepandemic parity.

Hotel Average Daily Room Rate (ADR) in Lower Manhattan and New York City

Source: CoStar/STR



Lower Manhattan Hotel Pipeline

Source: Downtown Alliance

	Hotel / Address	Owner/ Developer	Rooms	Open Date
1	Hotel Indigo 8 - 12 Maiden Lane	W & L Construction	TBD	2025
2	Platt Street Hotel 7 Platt Street	The Moinian Group	172	2025
3	The Ned Hotel at American Stock Exchange 123 Greenwich Street	Yucaipa Companies	174	TBD
4	Tempo by Hilton 140-142 Fulton Street	Hidrock Realty	296	TBD
Total Hotels in the Pipeline			4	
Total Hotel Rooms in the Pipeline			642	

\$363.16
ADR
Highest on Record

RESIDENTIAL

Inventory And Development

Lower Manhattan has 35,104 units in 347 residential buildings. There are 8,136 units in 20 buildings under construction or planned for development, with about 57% currently planned as rental units and 43% as condos. There were no new developments or issuances of certificates of occupancy in the fourth quarter.

Only one project was completed in 2024, a 912 foot-tall residential skyscraper at 125 Greenwich street. Designed by Rafael Viñoly Architects and developed by Fortress Investment Group, Bilgili and Bizzi and Partners, the 88-story structure is home to 273 condominium units.

The pace of office-to-residential conversion projects increased dramatically this year. 3,221 units across five new developments were announced in 2024 — all of them conversions. Of the over 8,000 units either under construction or planned, 64% are also conversions.

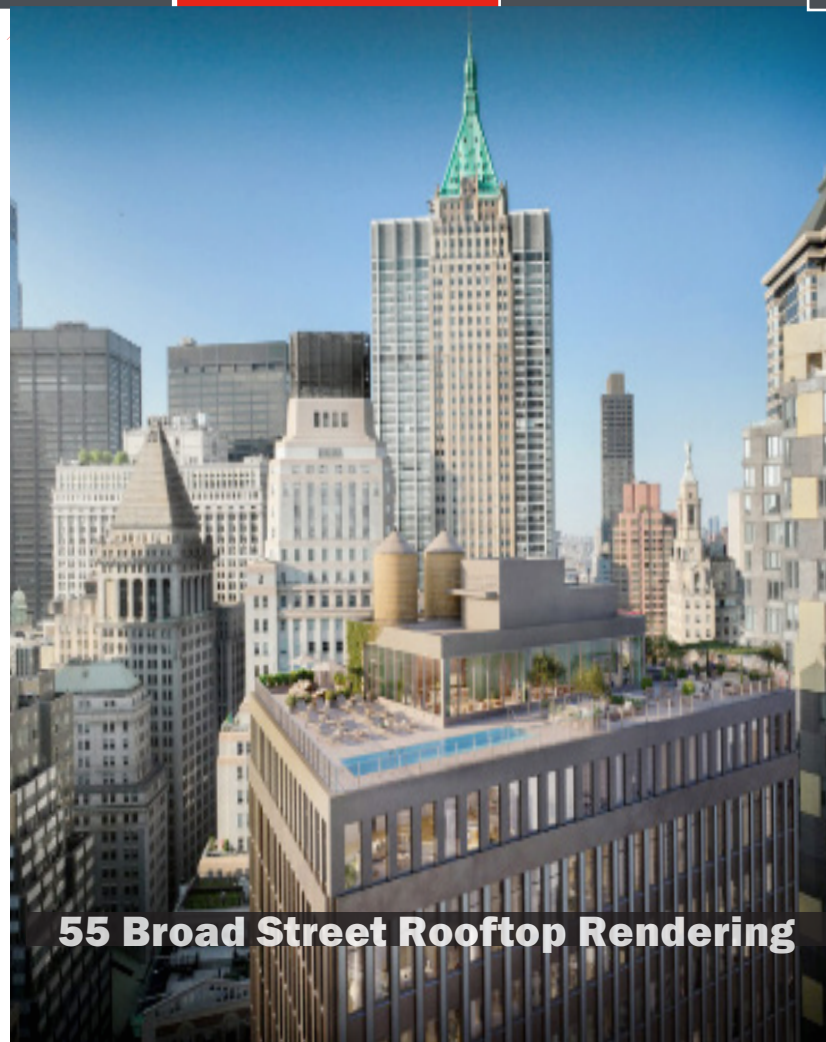
Over the next several years, several new developments are expected to finish construction:

New Construction

- **1 Park Row:** Construction topped out at 1 Park Row, a 23-story mixed-use building. The 305 foot-tall structure will yield 103,000 sq. ft. with 58 condominium units in one- to three-bedroom layouts, along with 19,000 sq. ft. of office and retail space on the lower levels. Most recently, Circle F Capital provided \$50 million of financing to further develop the property.

- **7 Platt St.:** Moinian Group is building a new 250-unit tower that will also contain a hotel component. It will rise to 464 feet and cover an area of 267,760 sq. ft. It will offer 250 rental apartments with stylish interiors designed by Fogarty Finger. The building will also include 43,740 sq. ft. of retail space on the lower five floors and an underground parking garage. Construction is progressing, with glass curtain wall installation underway, and the building is expected to be completed in the first quarter of 2026.

- **8 Carlisle St.:** Excavation continues at 8 Carlisle St., the site of a 64-story residential skyscraper. Designed by Handel Architects and developed by Carlisle New York Apartments and Grubb Properties, which closed on a \$48 million loan for the project over the summer, the 712-foot-tall structure will yield 326,221 sq. ft. with 462 residential units, 7,000 sq. ft. of commercial space and a 60-foot-long



55 Broad Street Rooftop Rendering

\$4,600

**Median Rent In Lower Manhattan —
The Sixth Highest Rent
Figure on Record**

8,136

**Units In 20 Residential
Buildings Under
Construction Or In
Development**

rear yard. It will also include amenities such as a fitness center, a pool, a rooftop terrace with outdoor entertainment space and a tenants' lounge. Construction has progressed to the foundation stage, with rebar work largely completed. However, work has stalled, and no revised completion date has been announced.

- **250 Water St.:** In late 2021, the Howard Hughes Corporation was approved for its \$850 million development project. The firm will convert a parking lot into a 324-foot-tall building with 270 apartments (including 70 affordable units), Class A office space, retail and community space. The project will generate \$50 million in funding for the South Street Seaport Museum, with \$40 million generated from the Howard Hughes project and another \$10 million committed by the City. The project broke ground in 2022, and remediation has since been certified through the New York State Brownfield Cleanup Program. In the most recent development, the New York State Court of Appeals shot down a motion from local groups opposing the new building on the grounds that it went against the landmark district designation. With the New York State Supreme Court overturning the previous decision to halt development, the project has cleared its final legal hurdle.

Conversions

- **55 Broad St.:** MetroLoft and Silverstein Properties are currently converting the 410,000 sq. ft. building into 571 market-rate apartments along with amenities such as a fitness center, a pool, a rooftop terrace with outdoor entertainment space and a tenants' lounge. The project is expected to be the first fully electric office-to-residential development to achieve LEED certification and is slated for completion in mid-2025.

- **160 Water St.:** 160 Water St., which already has a certificate of occupancy, nears construction completion. The 29-story residential conversion, developed by Vanbarton Group and designed by Gensler, includes three additional floors and 588 rental units with amenities. Reports note that the construction of the building is nearly complete.

- **222 Broadway:** A permit application was filed by GFP Real Estate and Texas Pacific Group (TPG) on August 7 to convert a 31-story, 756,138 sq. ft. office building into 798 apartments. The project is estimated to cost \$43.6 million. GFP purchased the property from Deutsche Bank's asset management arm for \$150 million, which is less than a third of the \$500 million the bank paid for the building in 2014.

- **111 Wall St.:** Nathan Berman's Metro Loft Management and InterVest have partnered to transform a

1.2 million sq. ft. tower into 1,300 rental units. Construction is slated to commence in mid-2025, with the first units anticipated to become available in 2026.

- **77 Water St.:** The Vanbarton Group has agreed to purchase Sage Realty's property at 77 Water St. for approximately \$95 million. They intend to convert the 26-story office building into 600 residential units. This deal is anticipated to be finalized by the end of the year.

- **80 Pine St.:** Joseph Hoffman's Bushburg has bought 80 Pine St., a 1.2 million sq. ft. office building, for \$160 million. According to permits from the Department of Buildings, the developer plans to partially convert the 38-story office tower into a residential building. The project involves creating 500 housing units on floors 2 through 17, with each floor containing approximately 50 units. The building's exterior windows will also be replaced, and there will be parking for 260 bicycles. The estimated construction cost is around \$40 million.

- **2 Wall St.:** 2 Wall Street in the Financial District is undergoing a significant transformation. The owner, Fieldston Capital, is planning to convert the upper floors of the 21-story building into 121 residential apartments.

Construction Pipeline 2024

	Address	Lease / Building Type	Units	Open Date
1	1 Park Row	Condo New Construction	58	2025
2	8 Carlisle Street	Rental New Construction	400	2025
3	7 Platt Street	Rental New Construction	250	2025
4	55 Broad Street	Rental Conversion	571	2025
5	161 Maiden Lane	Condo New Construction	80	TBD
6	45 Park Place	Condo New Construction	50	TBD
7	25 Water Street	Rental Conversion	1,300	TBD
8	250 Water Street	Condo/Rental New Construction	270	TBD
Condo + Rental Units Under Construction		Total	2,979	

Lower Manhattan Residential Rents Soar, Condo Sales Remain Relatively Low

Lower Manhattan finished the quarter with a \$4,600 median rent, making it the sixth highest on record and well above Manhattan's median rent of \$4,195. Despite this quarter's 0.3% yearly and 2% quarterly decline, median apartment rents have remained high throughout 2024 and remain well above pre-pandemic figures. After the median rental figure sank to \$3,000 per month at the height of the pandemic, prices quickly reversed course and shot up to consistently high rent figures. Since Q3 2021, the monthly rate has surpassed every quarter going back to 2011. The same is true for

Manhattan overall, having started its record setting trajectory only two quarters after Lower Manhattan.

Despite the median sales value climbing over the quarter, ending the year at \$1.09 million, it has fallen 7.1% over the year and also posted an 11.2% decline compared to Q4 2019. Overall, median condo prices in Lower Manhattan have remained relatively steady for the past two years. Before that, median pieces fluctuated drastically, with Lower Manhattan setting its own record of \$2.05 million in Q2 2020 and then again in 2022 at \$2.08 million.

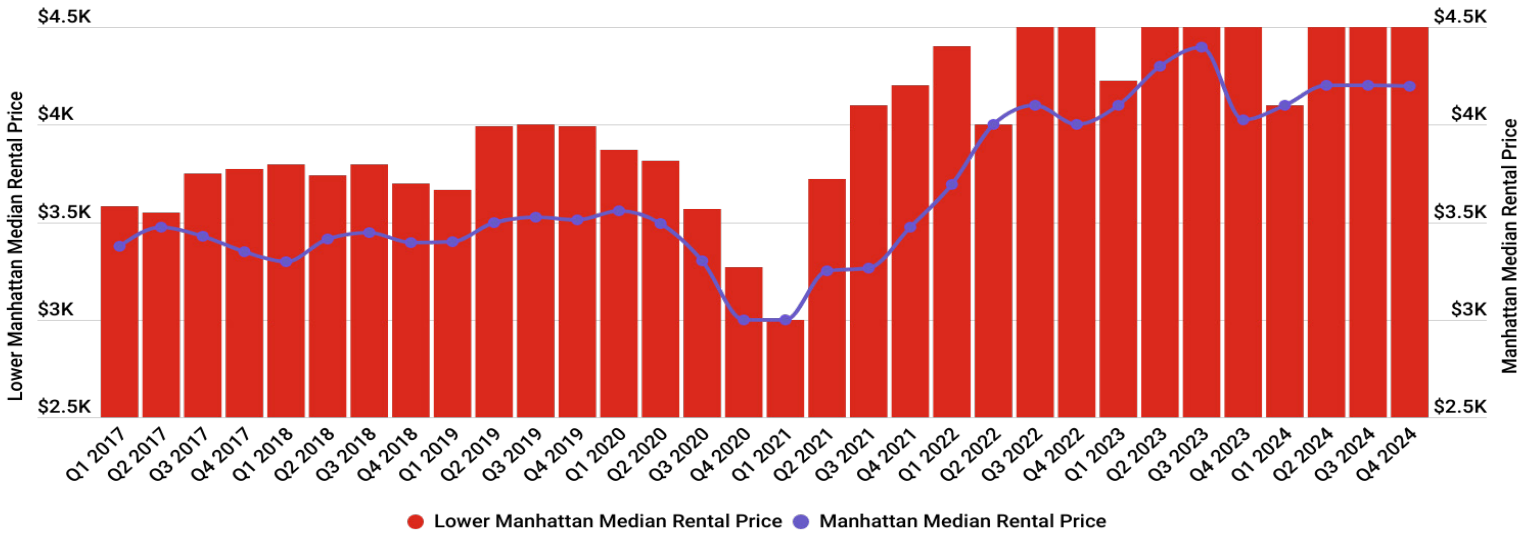
Manhattan as a whole ended the year with its third straight quarter of declining condo values, posting a median of \$1.1 million. The borough's sales prices have remained volatile since the latter half of 2022. Before that – from 2020 to the first half of 2022 – condo values consistently rose, reaching a record high of \$1.25 million in Q2 2022.

Planned for Development Pipeline 2024

	Address	Lease / Building Type	Units	Open Date
1	130 Liberty Street	Rental New Construction	1,325	TBD
2	75-83 Nassau Street	Rental New Construction	229	TBD
3	69 West Broadway	Condo New Construction	24	TBD
4	45 Broad Street	Condo New Construction	206	TBD
5	90 John Street	Rental Conversion	115	TBD
6	85 Broad Street	TBD Conversion	TBD	TBD
7	265 Broadway	Hotel/Condo New Construction	37	TBD
8	222 Broadway	Conversion	700	TBD
9	111 Wall Street	Conversion	1300	TBD
10	77 Water Street	Conversion	600	TBD
11	80 Pine Street	Conversion	500	TBD
12	2 Wall Street	Conversion	TBD	TBD
Condo + Rental Units In Development		Total	5,157	

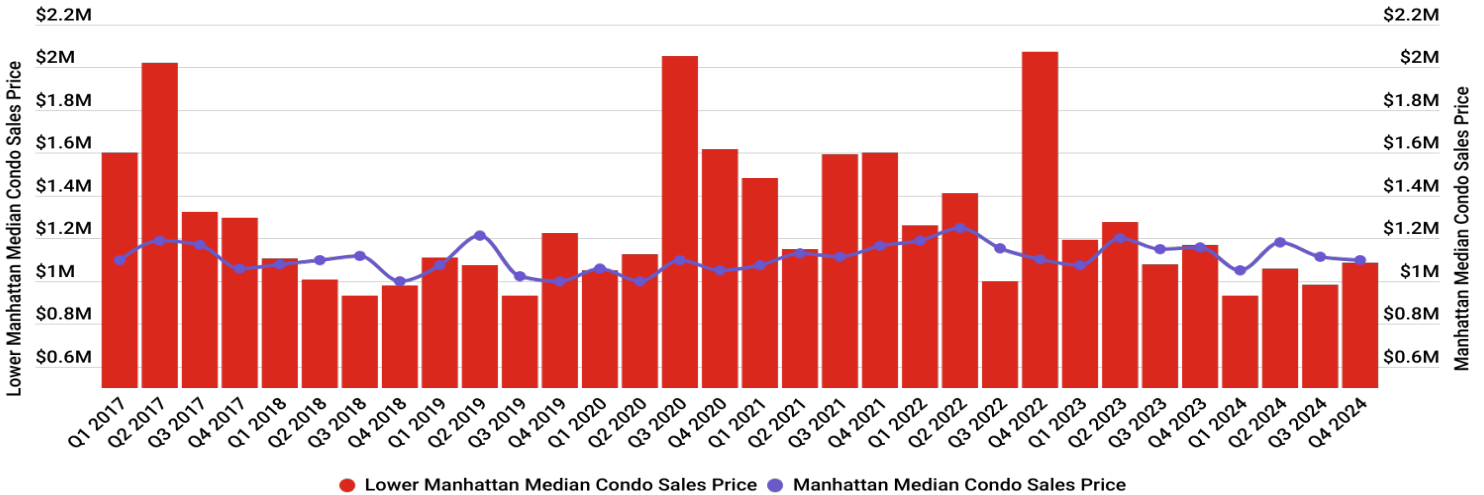
Lower Manhattan Median Residential Rent, Q1 2017 - Q4 2024

Source: Miller Samuel/Douglas Elliman



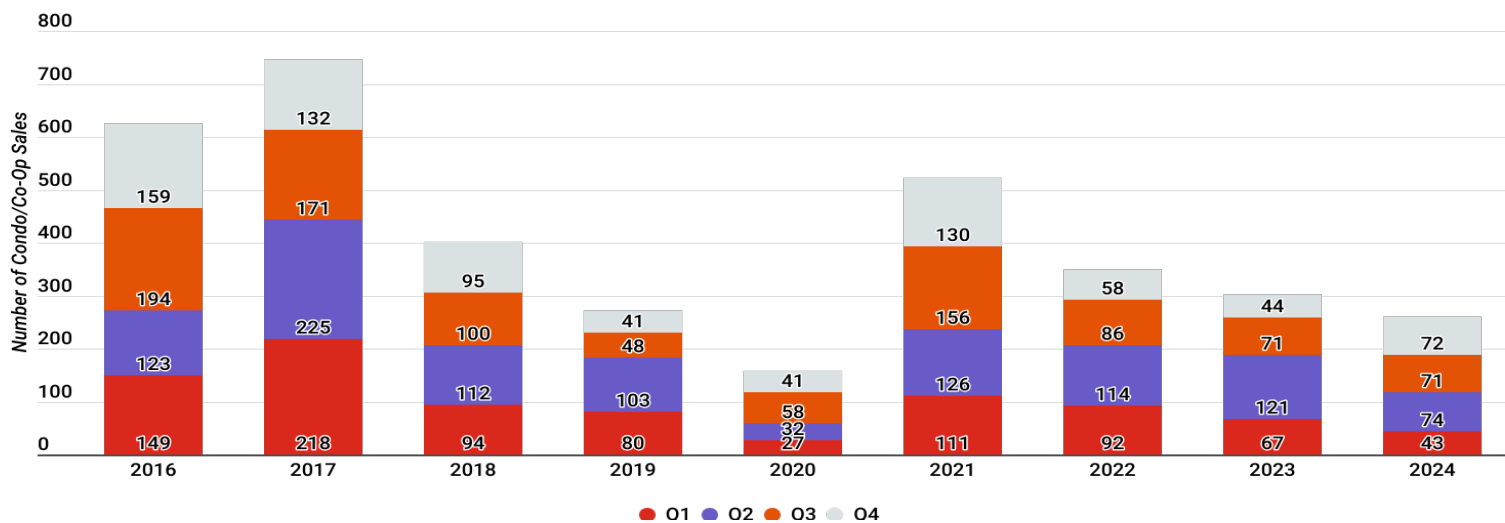
Lower Manhattan Median Condo Sales Price, Q1 2017 - Q4 2024

Source: Miller Samuel/Douglas Elliman



Sales Volume of Lower Manhattan Condos/Co-Ops, Q1 2016 - Q4 2024

Source: Miller Samuel/Douglas Elliman



MAJOR PROJECTS UPDATE

World Trade Center

Site 5

A partnership between Brookfield and Silverstein Properties received approval from the Port Authority and Lower Manhattan Development Corporation (LMDC) to develop Site 5 at the World Trade Center, also known as 130 Liberty St. The site recently served as a Port Authority police depot and the southernmost area continues to function as a temporary public plaza.

The proposed 1.56 million sq. ft. tower is expected to include approximately 1,300 rental apartments, of which at least 30% will be affordable. LMDC approved an override to city zoning rules in order to build a tower larger than local regulations allow. 5 WTC will also include roughly 10,000 sq. ft. of nonprofit community space to be occupied by the Educational Alliance, over 190,000 sq. ft. of retail and office space and a connection to Liberty Park.

Pace University

In December 2022, Pace announced plans to renovate One Pace Plaza, adding new academic spaces, a modernized residence hall and a new performing arts center. The renovation will include the reconstruction of the lower floors of One Pace Plaza East and upgrades to the dormitory building at 182 Broadway. Construction is expected to be completed in 2026.

The university recently announced the formation of the Sands College of Performing Arts, as it has just finished construction. It is housed within a new performing arts center at One Pace Plaza containing a 450-seat proscenium theater, a 200-seat flexible theater and a 99-seat black box theater. Rob and Pamela Sands gave a \$25 million donation, which is part of a fundraising campaign that includes private donations and \$30 million from the state and federal governments.

The new building serves as a replacement for Pace's 50-year-old tower at One Pace Plaza East. 15 Beekman St. is the third property SL Green has built for Pace in the neighborhood. The developer previously built dorm buildings at 33 Beekman St. in 2015 and 180 Broadway in 2013. The building yields 213,084 sq. ft. and stands 338- feet tall. It is alternately addressed as 126–132 Nassau St.

Infrastructure

Street Reconstruction

Reconstruction of Front Street between Old Slip and John Street began in January 2020 and is planned to be completed in Spring 2025. Greenwich Street reconstruction, between Barclay and Chambers streets, began in early 2022 and will be completed in August 2026; the adjacent sidewalks at 240 Greenwich St. will also be redone in tandem. Vesey Street reconstruction, between Church Street and Broadway, began in September 2022 and will be completed in June 2025. Nassau Street reconstruction, between Pine Street and Maiden Lane, will be completed in 2025. These projects will replace all underground infrastructure, including water mains, sewers, electric, gas and other utilities as well as construct new streets and curbs.

Water Street Streetscape Improvements

The city began work on the streetscape and public-realm enhancement project along the Water Street corridor in May 2021, which is estimated to be completed in 2025. The \$22.8 million project will transform two temporary public plazas at Coenties Slip and Whitehall Street into permanent public spaces featuring new landscaping, seating and concessions. The project also includes new street trees, rebuilt sidewalks and enhanced pedestrian safety from Whitehall Street to Old Slip.

Parks and Open Space

Wagner Park

In July 2022 the Battery Park City Authority (BPCA) closed Wagner Park to begin work on the \$221 million South Battery Park City Resiliency Project. Plans for the project call for the demolition and reconstruction of Wagner Park and the Wagner Park Pavillion, ultimately elevating the park by 10 feet and installing flood walls, berms and other resiliency infrastructure from the Museum of Jewish Heritage through Wagner Park and Pier A, moving along Battery Place over to Bowling Green Plaza.

The Waterfront Alliance also announced that the South Battery Park City Resiliency Project has become the 13th project nationally to achieve WEDG® (Waterfront Edge Design Guidelines) verification, which is a national rating system and set of guidelines for resilient and accessible waterfront design. In the latest update, the BPCA has released a request for proposal (RFP) for a new restaurant in Wagner Park.

The latest update came in May 2024, when New York City Mayor Eric Adams announced the groundbreaking of



Governors Island Climate Exchange

Photo Credit: WXY Studio

Battery Coastal Resilience. Construction is scheduled to be completed in 2026 and will protect more than 100,00 residents, 200,000 jobs, 12,000 businesses and will create 400 construction jobs, according to the Office of the Mayor.

Climate Resiliency

Resilient Infrastructure

Work continues on parts of the Financial District and Seaport Climate Resilience Master Plan, a resilient infrastructure plan released in 2021 to protect Lower Manhattan from future flooding. The master plan is part of the larger Lower Manhattan Coastal Resiliency strategy, with active capital projects in Battery Park City, the Battery and Two Bridges. The plan calls for the creation of a two-level waterfront park that extends the shoreline of the East River by up to 200 feet.

The upper level will be elevated by 15 to 18 feet to protect against severe storms, while doubling as public open space. The lower level will be a waterfront esplanade raised three to five feet to protect against sea level rise, while offering access to the East River shoreline. The flood defense infrastructure is projected to cost between five and seven billion dollars and could be in place by 2035, pending funding and prioritization by regulatory agencies.

Governors Island

New York City selected a consortium led by Stony Brook University to develop a \$700 million, 400,000 sq. ft. climate research and development campus on Governors

Island that will be called the New York Climate Exchange. The campus will include two new classroom and research buildings, student and faculty housing and university hotel rooms. The campus is expected to host 600 college students, 6,000 job trainees and 250 faculty members and researchers. In addition to Stony Brook University, the development consortium includes IBM, Georgia Institute of Technology, Pace University, Pratt Institute and Boston Consulting Group. Governors Island was rezoned in 2021 to allow for the campus. Construction is expected to begin in 2025 and wrap up in 2028. The Trust for Governors Island has expanded ferry service running every 15 minutes, including the addition of New York City's first public, hybrid-electric ferry.



**Alliance for Downtown New York
120 Broadway, Suite 3340
New York, New York 10271**

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.

downtownny.com/research-statistics