

# BISNOW

“The Slice”  
No Uncertainty For Manhattan Office  
Staff, 5.5.25

## What You Need To Know

Last month’s tariff-induced economic instability and ongoing recession fears didn’t deter businesses from signing new Manhattan office leases in April.

While leasing volume did drop by 26.2% from March, April’s leasing velocity was 23% ahead of a year earlier, monthly data from Colliers shows. Absorption stayed positive for the 10th consecutive month and office availability in Manhattan dropped to 15.7%, its lowest point since February 2021.

I’ve been reporting on the lease signings that make up some of the biggest deals every week in our Deal Sheet — and while I haven’t seen anything like Horizon Media’s 360K SF March lease extension yet this quarter, some fairly sizable deals are still happening: Take Intuit’s 115K SF deal at 51 Astor Place, Benesch Friedlander Coplan & Aronoff’s 90K SF at 1301 Sixth Ave., or Amazon’s big moves (more on that below).

The decreasing Manhattan availability is also revealing that an established pattern is holding steady. The biggest signings are still concentrated within best-in-class buildings, even those that are decades old.

And availability is getting even tighter: Olayan’s 550 Madison Ave. is now 96% leased after being mostly vacant four years ago, and Global Holdings’ 99 Park Ave. is 98% leased after Amalgamated Bank signed a 94K SF relocation deal at the tower.

The squeeze among top-end space is even leading to what was recently unthinkable: new office construction. Deloitte last week reportedly inked an 800K SF prelease at 70 Hudson Yards, which this summer will be the largest office building in the country to come out of the ground since the pandemic.

Of course, none of that movement guarantees that the office market is headed for full recovery — there is still more than 80M SF of office space available in Manhattan, Colliers pointed out.

But the fact that big deals keep getting signed, in a moment where the economic forecast is as clear as the Gowanus Canal, says a lot about how far the office market has come in the last 18 months.

### What I Want To Know

Amazon's Midtown takeover isn't letting up, showing just how inadequate the company's New York City office footprint was last fall when it demanded that all of its employees return to their workstations five days a week.

On Friday, the tech company confirmed that it had acquired the 600K SF office building at 522 Fifth Ave. It paid an undisclosed price to acquire the nearly 130-year-old building from RFR, which had been fighting off a foreclosure attempt by SL Green.



Amazon had already signed the biggest office lease in the city in April, taking 330K SF at 10 Bryant Park. That deal includes the option to expand by another 145K SF in an adjacent building.

Combined, those two deals could give Amazon another 1.1M SF of office space within a few blocks of Grand Central.

But that doesn't even give the full picture of the Jeff Bezos-founded firm's Big Apple expansion. All told, in the past eight months, Amazon has added as much as 1.7M SF to its leased and owned Manhattan office space.

It already had 600K SF at its NYC headquarters in the old Lord & Taylor building, plus more than 350K SF at 5 Manhattan West. But it went on to gobble up 304K SF at 330 W. 34th St. in October and tacked on another 112K SF at 5 Manhattan West in February (both done through WeWork). For good measure, it took another 193K SF in a direct lease at 237 Park in March.

So at a minimum, its footprint is approaching 3M SF. It seems like that should be enough, considering WeWork at one point boasted that it was Manhattan's largest office tenant when it hit the 5.3M SF mark in 2018.

But Amazon's pace of expansion feels like it's accelerating, not letting up. The company declined to tell me anything more about its plans. What are you hearing? Are they still in the market for more space? Are any other tech firms feeling the heat and looking to match Amazon's pace?

#### First Look

The results of RXR and Long Island University's second residential collaboration are coming to fruition at Eighty Nine DeKalb.





The developer's 30-story, all-electric resi tower in Fort Greene is set to start preleasing its 324 units this summer, with the first move-ins due in the fall. A third of the units are reserved as affordable housing.

The tower also has 16K SF of Perkins Eastman-designed amenities, plus 55K SF of academic and office space for the university, where three floors will be dedicated to LIU-Brooklyn's pharmacy program.



The tower was lauded by local officials when it broke ground in November 2023, when Downtown Brooklyn Partnership President Regina Myer said that the project was helping “set a new standard that positions our borough and city at the forefront of sustainable development.”

Can I Give You My Number?

7.03%

The CMBS delinquency rate reached its highest levels since 2021 in April, according to new data from Trepp. The driving force this time? Multifamily, where delinquencies rose from 1.33% a year ago to 6.57%.

They Said What?

“The website has already been the subject of several unpleasant conversations between Plaintiffs and current and prospective investors.”

— A lawsuit filed by Michael Stern and his firm, JDS Development, which accuses the owner of an anonymous website of defamation. The NYC- and Miami-based developer is asking a Miami-Dade County judge to uncover the identity of the person behind the “demonstrably false” claim that he has perpetrated fraud at his developments. Stern said in the suit that he believes the perpetrator is likely a rival luxury condo developer.

What I'm Looking Forward To

Tuesday: Vornado Realty Trust is holding its first-quarter earnings call at 10 a.m. after reporting its results this evening, which revealed a big jump in profits and cash flow.

Wednesday: The NYC Department of City Planning is holding a scoping meeting for the proposed zoning changes that would require new last-mile industrial developments in the five boroughs to obtain special permits.

Wednesday: The City Planning Commission's regular hearing to go over applications.