

MARKETFLASH

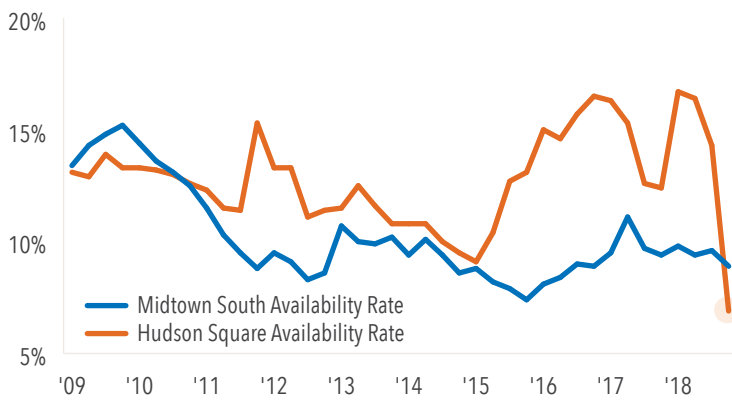
FEBRUARY 2019

Google's Effect on Hudson Square

	Availability Rate*	Avg. Asking Rent
Midtown South		
Q-O-Q Change	8.9% (↓0.7%)	\$79.99 (↑4.0%)
Hudson Square		
Q-O-Q Change	6.9% (↓7.4%)	\$72.81 (↓5.0%)

* Quarter-over-quarter net change. Note: Arrows denote quarter-over-quarter trends.

AVAILABILITY RATE

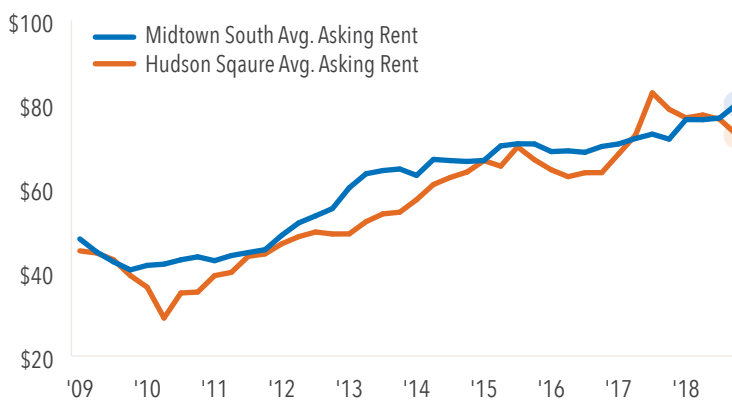


6.9%
IMPACTED BY **GOOGLE'S LEASES** AT
315 HUDSON STREET & 345 HUDSON STREET

KEY POINTS

- Hudson Square's availability rate has historically been above Midtown South's, with a 10-year historical average of 12.8% vs 10.2%
- Google's 280,000 SF lease at 315 Hudson Street and 180,000 SF lease at 345 Hudson Street have taken away a majority of the already limited large blocks left in Hudson Square, pushing the availability rate down to 6.9%, an all-time low
- As of Q4 2018, only 1 block exceeding 100,000 SF was available in Hudson Square with a total of 8 in Midtown South
- Once a reliable area for large, value-add space, Hudson Square has become the tightest market in Midtown South, just as Midtown South has been to Manhattan

AVERAGE ASKING RENT



\$79.99
IMPACTED BY **\$100+ PSF** PREMIUM SPACE ADDED

\$72.81
IMPACTED BY **GOOGLE'S LEASES** AT
315 HUDSON STREET & 345 HUDSON STREET

KEY POINTS

- Historically, both Midtown South's and Hudson Square's average asking rents have been on an upward trajectory
- Google's leases have taken a majority of premium-priced space in Hudson Square, pushing down the average asking rent to \$72.81 PSF while Midtown South continues to climb due to \$100+ PSF premium space additions

CONTACT

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