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NEW YORK CITY REAL ESTATE NEWS

Pending Downtown office leases could fill 2 million square feet

Already tight market likely to get squeezed even more
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Rendering of Brookfield Place

The already low availability rate of Downtown office space is likely to drop even more, as a number of pending leases could take up roughly 2 million square feet before the end of the year.

Potential leases at Brookfield Place and One Liberty Plaza will reduce the current number of 13.9 percent availability to 11.6 percent, even lower than Midtown's current 11.8 percent availability rate, according to a report from commercial brokerage CBRE cited by the New York Post.

Available class B and class C office space has also been dwindling downtown with media, technology and fashion companies choosing the cheaper rents downtown over the higher midtown rates. The average Downtown rent is \$49 per square foot, compared to Midtown's average of \$74 per square foot.

At least four companies are in talks to rent out space at Brookfield Place and Brookfield's One Liberty Plaza. Hudson's Bay Company, the owner of Saks and Lord & Taylor, as well as Time Inc., Bank of New York Mellon and Experion Design Group are in discussions with Brookfield, the Post reported.

Time Inc. is looking to lease 575,000 square feet at 225 Liberty Street, the former location of 2 World Financial Center. Meanwhile, Bank of New York Mellon is in negotiations to lease out 350,000 square feet in the same building. The outcome of those discussions will impact whether Hudson's Bay Co. will be able to lease out 450,000 square feet there.

If Bank of New York Mellon does complete its talks and moves into 225 Liberty Street, Hudson's Bay Company, which is currently located in Midtown East, will occupy 450,000 square feet at One Liberty Plaza, where it currently has a lease out.

According to the New York Post, Brookfield Chairman Richard Clark confirmed that the company was in advanced talks for 1.1 million square feet at Brookfield Place. But that it was "way too early to claim victory or count our chickens." [NYP] — Claire Moses

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