

New York Tech Sector Update



Marisha Clinton
Senior Director,
Northeast Regional
Research
+1 212 258 3480
mclinton@savills.us



Lesley Kamnitzer
Senior Research
Manager
+1 212 326 8621
lkamnitzer@savills.us

MARKET TAKEAWAYS



Tech leasing softens, but tenants continue to diversify their location preferences. Overall tech leasing volume dipped for the third straight quarter to almost half the pre-pandemic peak level at the end of 2019. However, tech tenants remain loyal to Midtown South and the World Trade Center submarket, while also eyeing Midtown's west side submarkets.



Landlords in Midtown South remain confident in demand for prime space in the market. Asking rents grew a robust 3.1% on the quarter to \$83.49 psf, as several planned redevelopment projects were listed for premium rent of \$100.00 psf from potential anchor tenants.

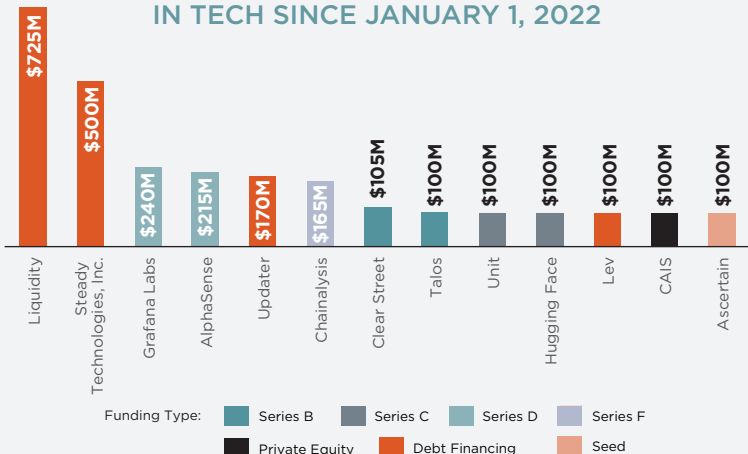


Tech giants are scaling back on their workforce amidst concerns of a recession. Microsoft and Gopuff recently announced they will make cuts to their workforce, and Alphabet's Google announced it will slow the pace of hiring during the second half of the year.



Sublet space additions in the traditional tech-centric markets of Midtown South and Downtown outpaced new sublet availabilities in Midtown. As tech companies weigh their real estate needs, some are looking to dispose of their space. A recent example, Yelp announced it will close their NYC office on July 29 and be fully remote.

NYC VENTURE CAPITAL INVESTMENTS IN TECH SINCE JANUARY 1, 2022



NYC TOP 5 IPO'S SINCE OCTOBER 1ST

Company	Post Valuation (Billions)
Rocket Global Acquisition	1.00
NYIAX (NAS: NYX)	0.20
Treasure Global	0.15
BeBop Channel (PINX: BBOP)	Undisclosed
Otis Wealth	Undisclosed

KEY TECH MARKET STATISTICS

	MIDTOWN SOUTH		DOWNTOWN	
	Q2 2021	Q2 2022	Q2 2021	Q2 2022
Availability	19.9%	18.1% ▼	20.6%	23.1% ▲
Sublease Space	4.6 MSF	3.9 MSF ▼	5.4 MSF	5.9 MSF ▲
Overall Asking Rent	\$79.98	\$83.49 ▲	\$59.80	\$60.27 ▲
Quarterly Leasing Activity	1.1 MSF	1.8 MSF ▲	0.83 MSF	0.79 MSF ▼

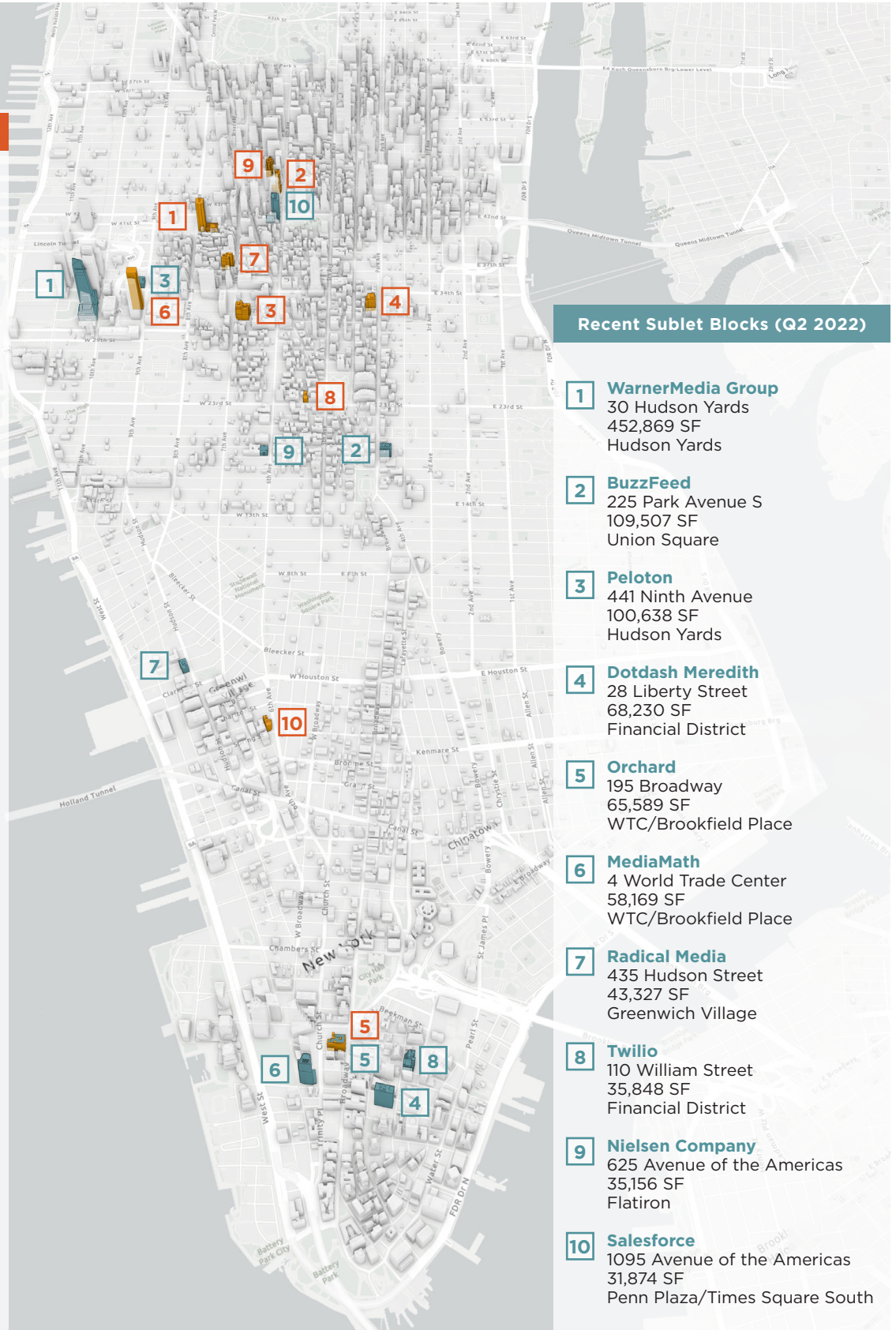
Source: Savills Research, Crunchbase, Pitchbook

TOP 5 NYC TECH TENANTS IN THE MARKET

Tenant	Current Location	Approx. SF
Google	Multiple Locations	500,000
MongoDB	1633 Broadway	300,000
Oracle	315 Park Ave S, 120 Park Ave	200,000
TikTok	151 W 42nd St	100,000
Klarna	36 E 20th St	100,000

Notable Transactions (Q2 2022)

- 1 Datadog**
620 Eighth Avenue
350,000 SF
Renewal and Expansion
Times Square
- 2 Global Relay**
1155 Avenue of the Americas
76,984 SF
Relocation
Times Square
- 3 Apple**
11 Penn Plaza
59,516 SF
Expansion
Penn Plaza/Times Square South
- 4 Conductor**
2 Park Avenue
50,017 SF
Restructure
Park Avenue South
- 5 Lattice**
195 Broadway
41,937 SF
New
WTC/Brookfield Place
- 6 Worldwide Technologies**
1 Manhattan West
31,144 SF
Relocation
Hudson Yards
- 7 DynAdmic**
498 Seventh Avenue
30,191 SF
New
Penn Plaza/Times Square South
- 8 Figma**
27-33 W 23rd Street
25,500 SF
New
Flatiron
- 9 DirecTV**
114 W 47th Street
24,446 SF
Relocation
Times Square
- 10 OpenSea**
161 Avenue of the Americas
22,479 SF
New
Hudson Square



Recent Sublet Blocks (Q2 2022)

- 1 WarnerMedia Group**
30 Hudson Yards
452,869 SF
Hudson Yards
- 2 BuzzFeed**
225 Park Avenue S
109,507 SF
Union Square
- 3 Peloton**
441 Ninth Avenue
100,638 SF
Hudson Yards
- 4 Dotteddash Meredith**
28 Liberty Street
68,230 SF
Financial District
- 5 Orchard**
195 Broadway
65,589 SF
WTC/Brookfield Place
- 6 MediaMath**
4 World Trade Center
58,169 SF
WTC/Brookfield Place
- 7 Radical Media**
435 Hudson Street
43,327 SF
Greenwich Village
- 8 Twilio**
110 William Street
35,848 SF
Financial District
- 9 Nielsen Company**
625 Avenue of the Americas
35,156 SF
Flatiron
- 10 Salesforce**
1095 Avenue of the Americas
31,874 SF
Penn Plaza/Times Square South

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