

New York Tech Sector Update

MARKET TAKEAWAYS



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The ongoing pandemic hasn't completely halted the largest tech companies from moving ahead with plans to take down and occupy more space; in 2020 there were 6 transactions exceeding 100,000 square feet (ie, Apple, Facebook, TikTok).



While "big tech" has demonstrated a long-term commitment to growing office presence, smaller tech firms have displayed less certainty, with most postponing real estate decisions and others looking to sublease their current space.



Following 2020's largely successful work-from-anywhere experiment, many tech companies are exploring ways to reduce their real estate footprint, through the utilization of hoteling and agile working, non-dedicated seating, and a larger work-from-anywhere contingent.

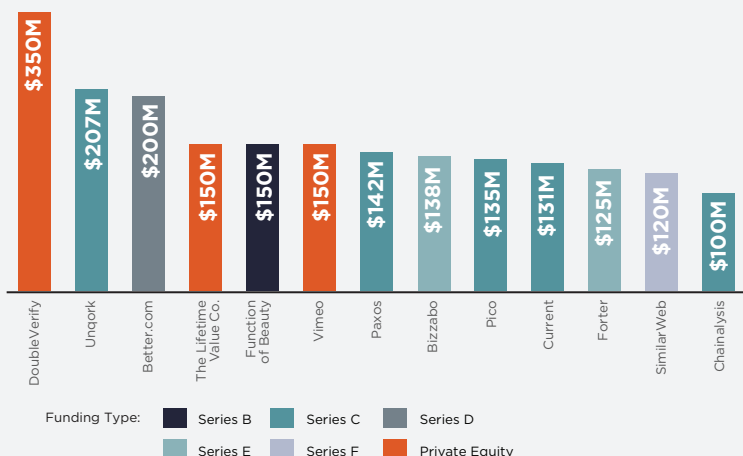


With surging sublease space reaching the highest level this century, office occupiers have an abundance of shorter- and flexible-term options.



Despite the current vaccine rollout, it will still be several quarters before workers return to the office in earnest; therefore the full implications of the shift from in-office work to work-from-anywhere will not be seen for some time, until new location strategies take form and are implemented.

NYC VENTURE CAPITAL INVESTMENTS IN TECH SINCE OCTOBER 1ST



NYC TOP 10 TECH MERGERS AND ACQUISITIONS IN 2020

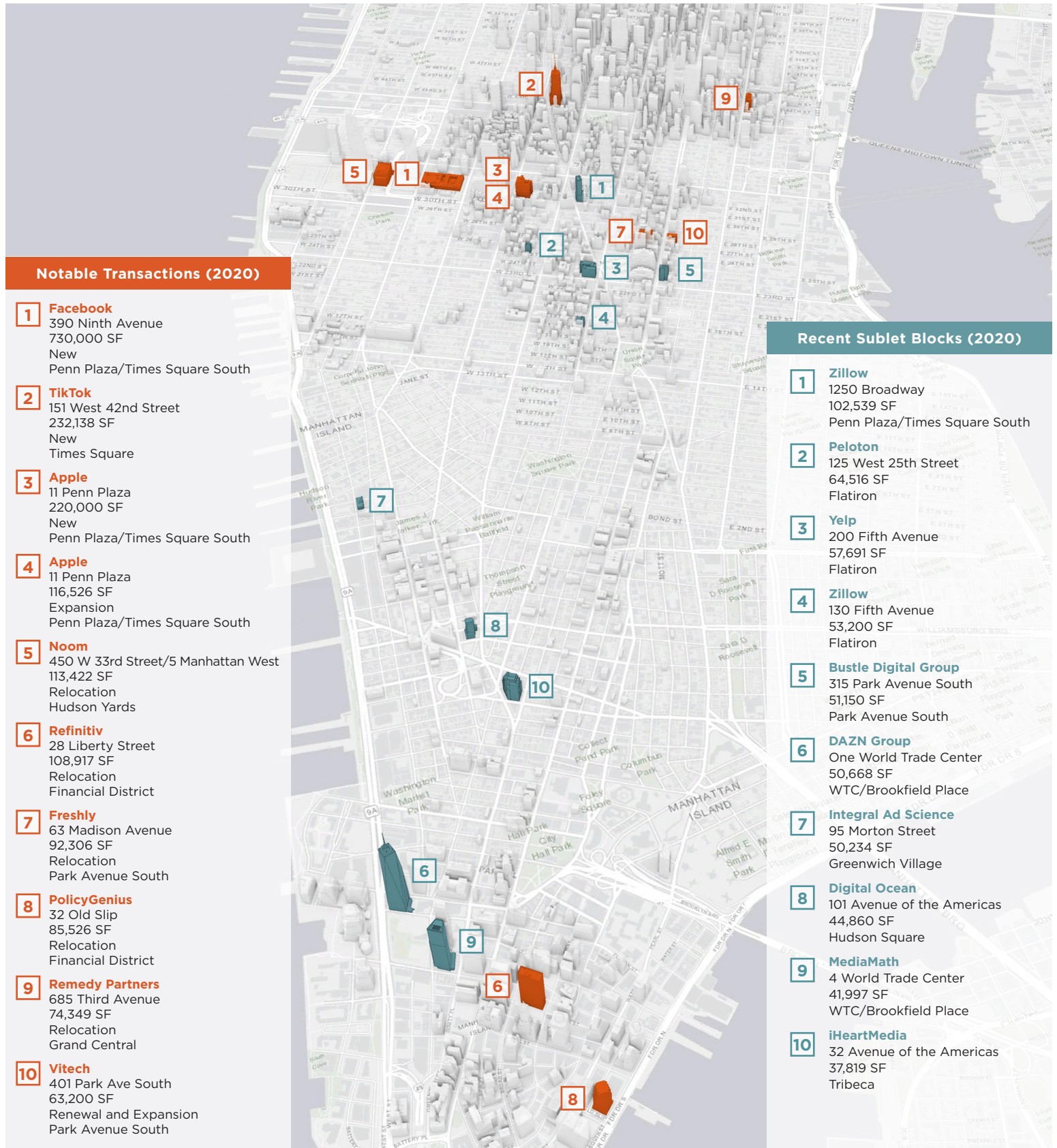
Company	Acquirer Name
Care/of	Bayer
Freshly	Nestlé
MyoKardia	Bristol-Myers Squibb
Neverware	Google
Keybase	Zoom
Flatiron School	Carrick Capital Partners
Halo Cars	Lyft
QuantiTech	Sagewind Capital
Beeswax	FreeWheel
Alphaserve Technologies	Eze Castle Integration

■ Acquisition
 ■ Merger
 ■ Leveraged Buyout

KEY TECH MARKET STATISTICS

	MIDTOWN SOUTH		DOWNTOWN	
	Q4 2019	Q4 2020	Q4 2019	Q4 2020
Availability	8.5%	15.5% ▲	12.0%	15.0% ▲
Sublease Space	2.0 MSF	4.5 MSF ▲	2.4 MSF	4.3 MSF ▲
Overall Asking Rent	\$88.53	\$80.55 ▼	\$66.56	\$64.37 ▼
Quarterly Leasing Activity	1.4 MSF	1.0 MSF ▼	3.5 MSF	0.6 MSF ▼

Source: Savills Research, Crunchbase



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