

2Q25

Manhattan Office Market Overview

NEWMARK



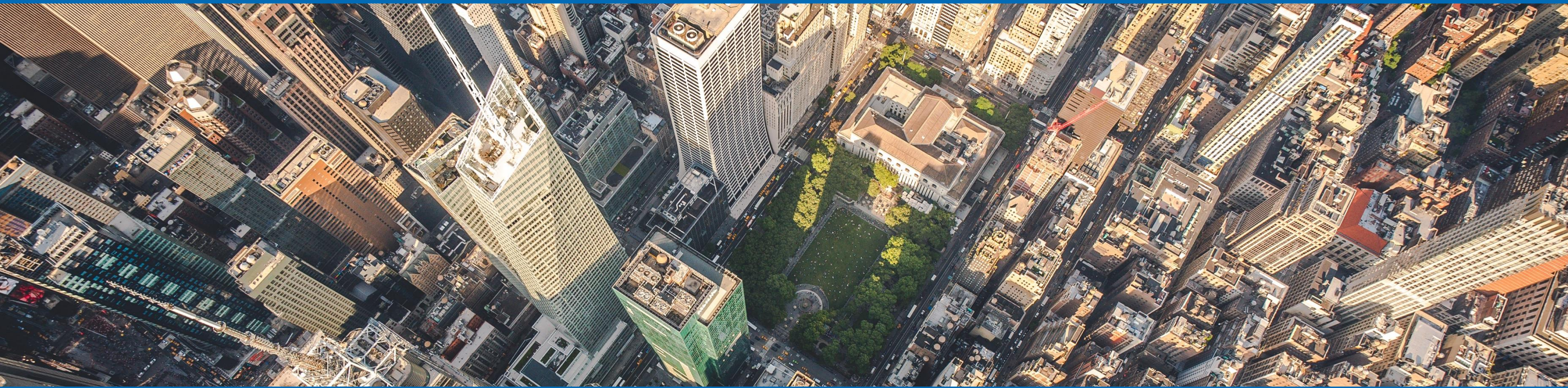
Market Observations

Limited large block additions and steady leasing led to a fifth consecutive quarter of declining availability, falling to 16.9%.

Second quarter leasing regressed to 8.4 MSF, but year-to-date activity is up 21.4% compared to the first half of 2024.

All three Manhattan markets recorded a quarterly increase in rental rates, the first time since 4Q21.

Available sublease space decreased to 14.6 MSF, the lowest quarterly total since 2Q20.



Midtown trophy assets continued to outperform the overall market as direct availability within the set declined to 5.2%.

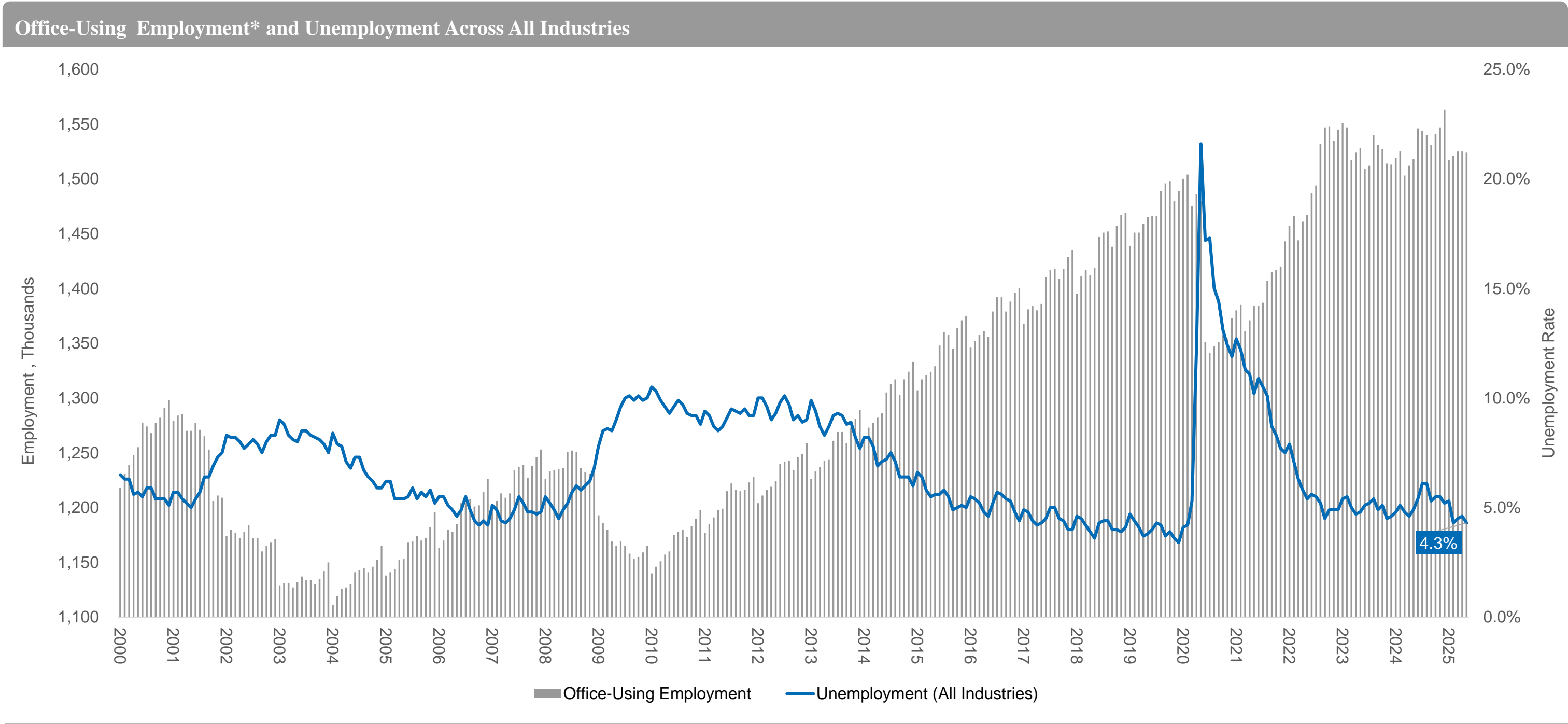
Demand for office space remains strong with 28.0 MSF of active requirements, the highest level since 4Q18.

There has been more than 30.0 MSF of new office construction in the past decade, yet just 349K set to deliver over the next several years.

13.5 MSF has either commenced conversion or is planning to do so, following 3.7 MSF of buildings converted since 2020.

Overall Office-Using Employment

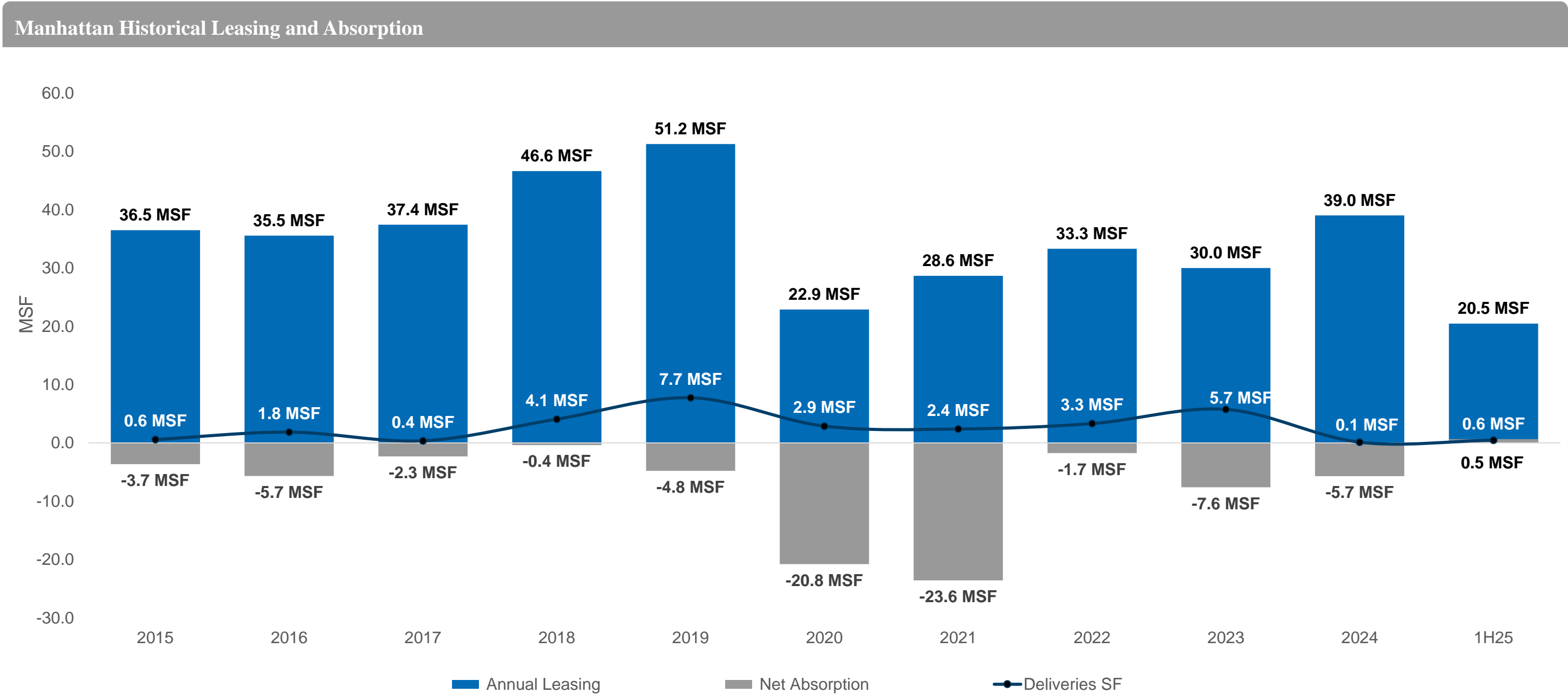
After hitting a peak in December 2024, the number of office-using jobs has slightly declined to 1.5 million. Local unemployment has continued to decrease following the high of 6.1% in 3Q24.



Source: U.S. Bureau of Labor Statistics, New York City
Note: May 2025 data is preliminary.
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

Leasing and Absorption Analysis

Despite negative quarterly absorption for the first time since 3Q24, first half net absorption was positive, at 642,525 SF. Manhattan has delivered 29.0 MSF of newly constructed space in the last 10 years, however only 0.6 MSF remains on track to deliver in 2025.



Source: Newmark Research

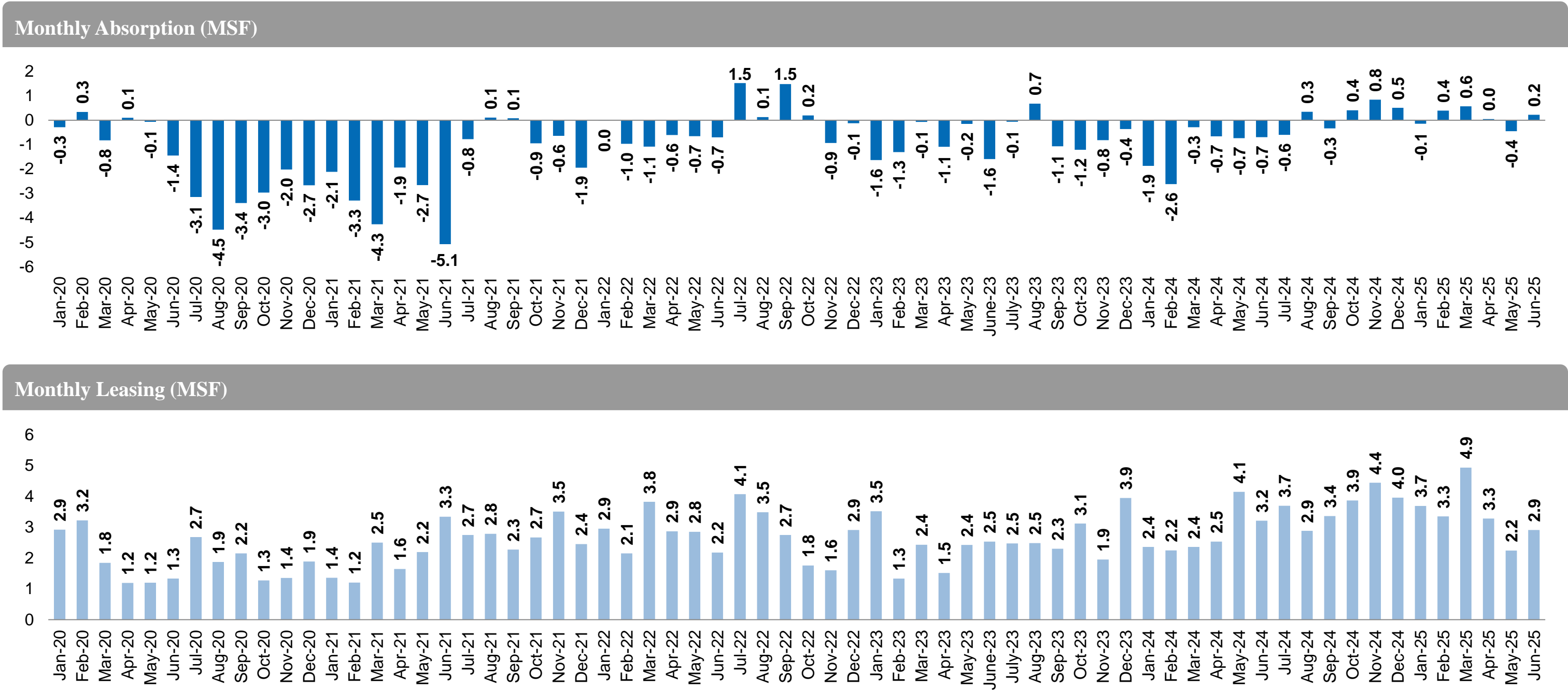
Construction Velocity



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Manhattan Absorption and Leasing Activity

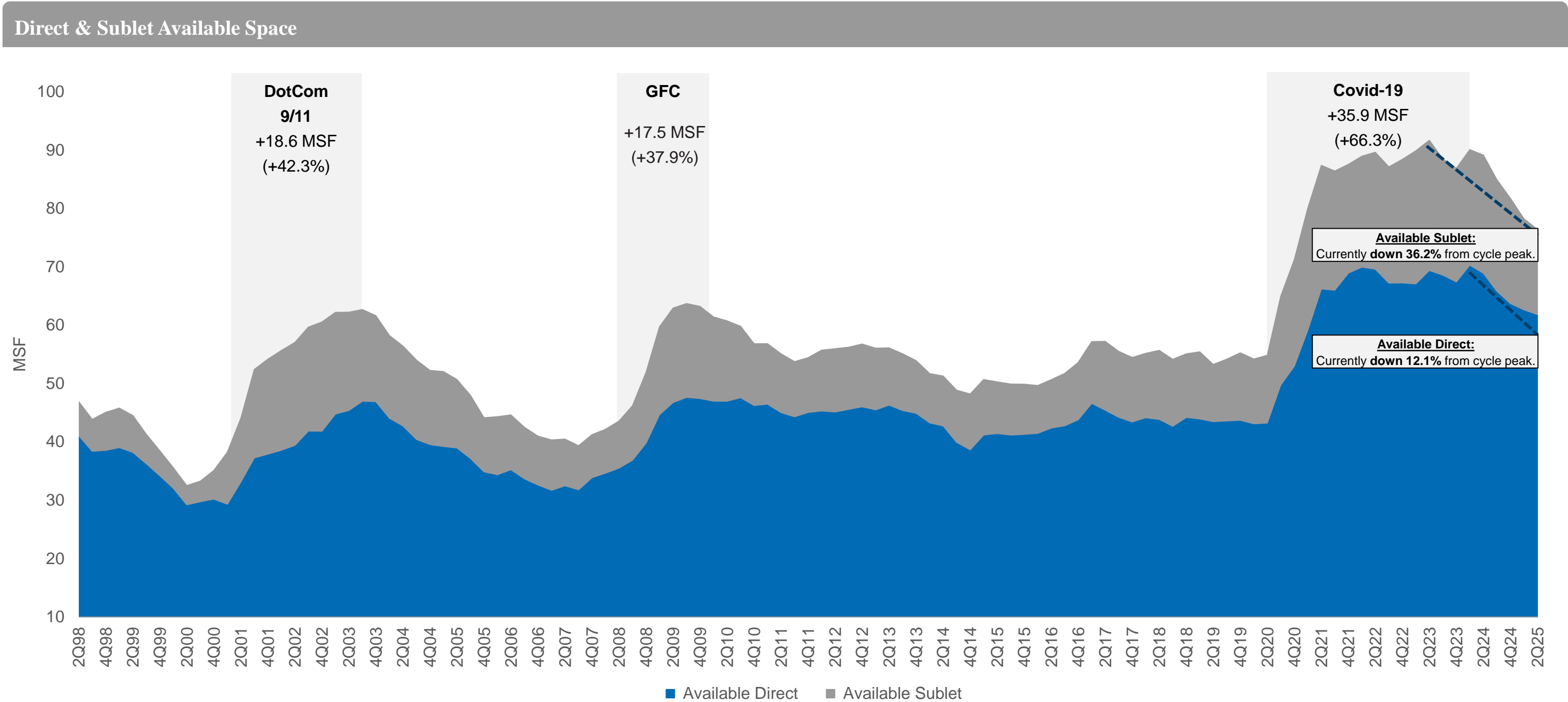
June leasing activity recorded 2.9 MSF, bringing 2025 activity to 20.5 MSF and marking a second month of leasing under 3.0 MSF. Despite weakened leasing, June absorption reached positive 222,375 SF as there were limited large block additions.



Source: Newmark Research

Historical Availability Composition

Total available space has decreased for five consecutive quarters, falling a total of 13.7 MSF. Sublease space has decreased by 36.2% from its peak in 1Q23 but is still 31.4% above pre-pandemic levels.



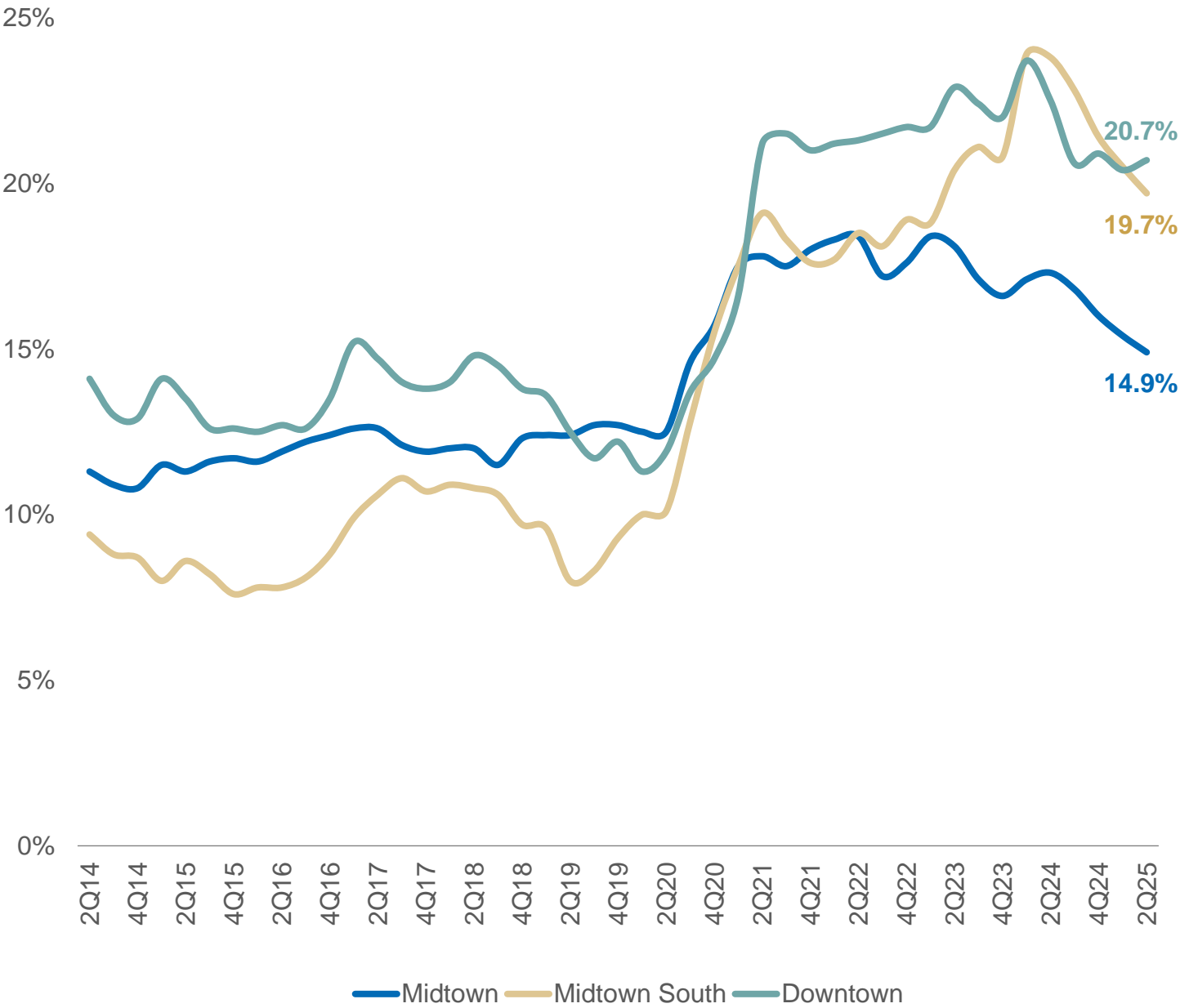
Source: Newmark Research

Manhattan Market/Submarket Comparison | Availability Rates

Manhattan overall availability dropped 30 basis points quarter-over-quarter to 16.9% marking a fifth consecutive quarter of decreasing availability. Limited large block additions and steady leasing led second quarter availability to continue to decline.

Overall Availability by Market

| Market/Submarket | 2Q25 | 1Q20 | Change in Bps. |
|---------------------------|-------|-------|----------------|
| MANHATTAN | 16.9% | 11.8% | 510 |
| MIDTOWN | 14.9% | 12.5% | 240 |
| Eastside | 15.7% | 16.8% | -110 |
| Far West Side | 9.1% | 4.9% | 420 |
| Grand Central | 13.5% | 11.7% | 180 |
| Murray Hill | 22.3% | 11.2% | 1,110 |
| Park Avenue | 10.5% | 10.8% | -30 |
| Penn District | 16.9% | 12.0% | 490 |
| Plaza District | 16.0% | 16.8% | -80 |
| Sixth Avenue/Rock Center | 11.5% | 10.4% | 110 |
| Times Square | 19.2% | 17.3% | 190 |
| Times Square South | 16.3% | 9.1% | 720 |
| Westside | 23.3% | 17.3% | 600 |
| MIDTOWN SOUTH | 19.7% | 9.9% | 980 |
| Chelsea | 21.1% | 9.2% | 1,190 |
| East Village | 28.1% | 25.7% | 240 |
| Flatiron/Union Square | 18.2% | 11.1% | 710 |
| Hudson Square/Meatpacking | 22.7% | 7.5% | 1,520 |
| Noho/Soho | 14.6% | 9.1% | 550 |
| DOWNTOWN | 20.7% | 11.3% | 940 |
| Downtown East | 23.8% | 10.7% | 1,310 |
| Downtown West | 16.5% | 12.7% | 380 |
| Tribeca/City Hall | 22.4% | 8.8% | 1,360 |



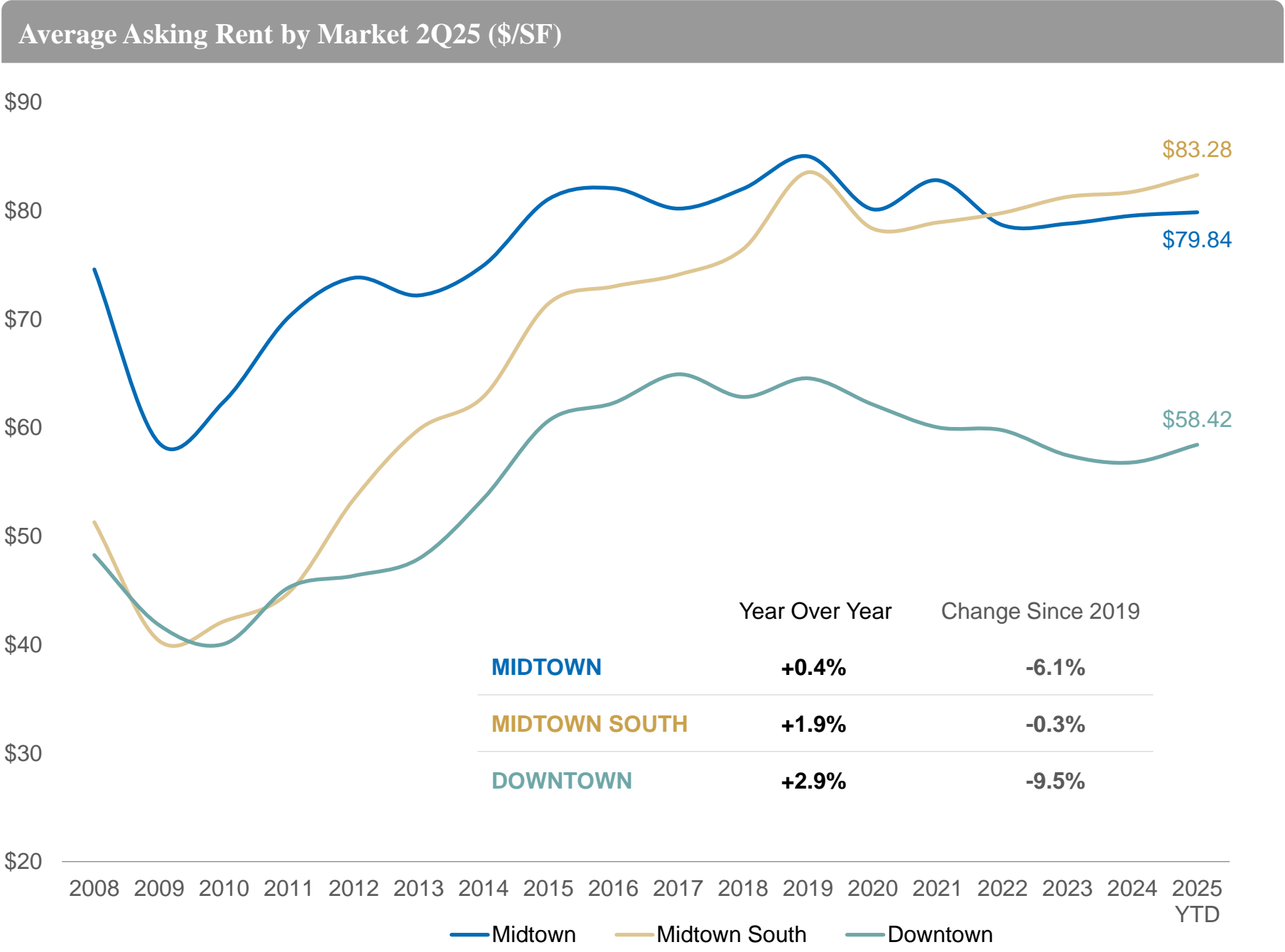
Source: Newmark Research

Manhattan Market/Submarket Comparison | Asking Rents

Manhattan asking rents rose \$0.69/SF from the previous quarter to \$75.49/SF. All three markets recorded increased asking rents quarter-over-quarter, the first time since 4Q21.

| Average Asking Rent Market/Submarket 2Q25 (\$/SF) | |
|---|----------|
| MANHATTAN | \$75.49 |
| MIDTOWN | \$79.84 |
| Eastside | \$68.24 |
| Far West Side | \$136.55 |
| Grand Central | \$69.87 |
| Murray Hill | \$62.62 |
| Park Avenue | \$119.42 |
| Penn District | \$76.39 |
| Plaza District | \$109.42 |
| Sixth Avenue/Rock Center | \$95.74 |
| Times Square | \$70.93 |
| Times Square South | \$52.66 |
| Westside | \$65.90 |
| MIDTOWN SOUTH | \$83.28 |
| Chelsea | \$80.27 |
| East Village | \$76.13 |
| Flatiron/Union Square | \$79.17 |
| Hudson Square/Meatpacking | \$88.17 |
| Noho/Soho | \$99.42 |
| DOWNTOWN | \$58.42 |
| Downtown East | \$55.42 |
| Downtown West | \$61.63 |
| Tribeca/City Hall | \$67.73 |

Source: Newmark Research



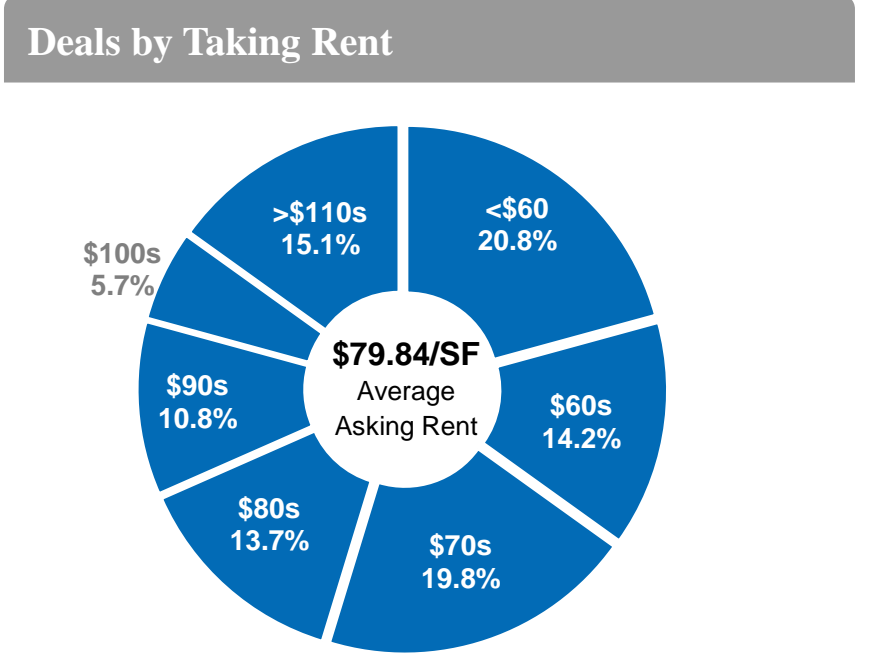
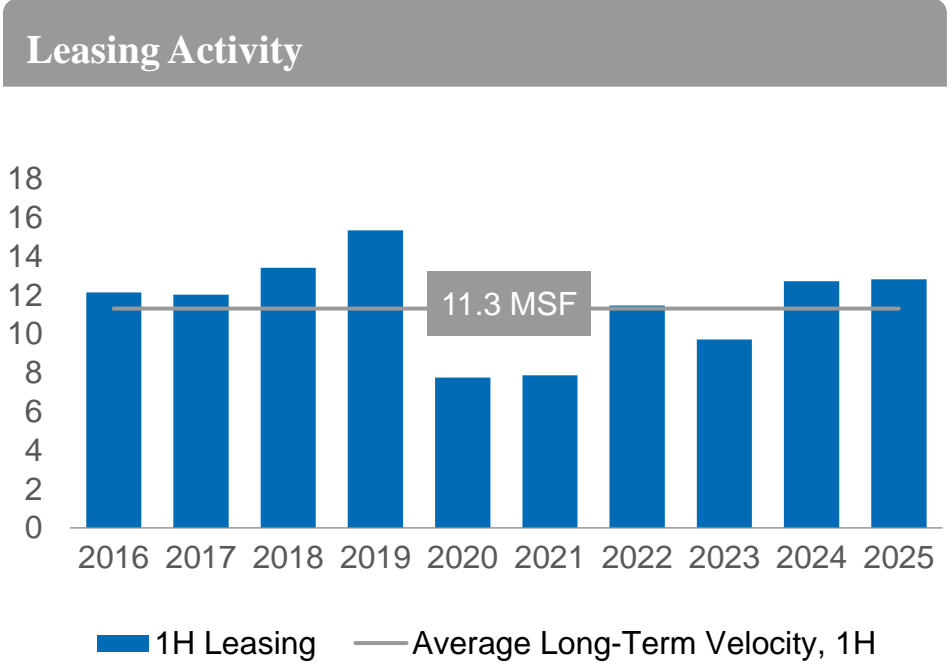
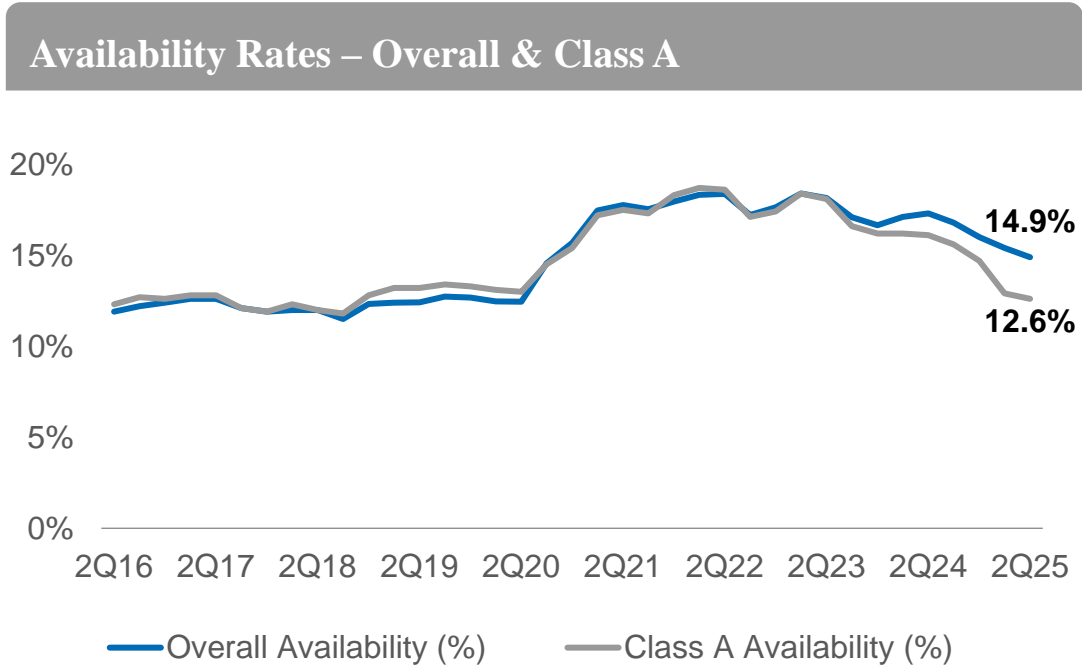
Flight to Quality | Taking & Net Effective Rent Comparison








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Midtown Market Overview

Year-to-date Midtown leasing kept pace with last year’s momentum, registering 12.8 MSF of activity, despite a notable second quarter regression. Availability continued to trend lower, falling to 14.9%, its lowest level since 3Q20. While activity slowed through the end of the quarter, large tenant demand remains active as there are nine Midtown requirements greater than 500,000 SF.



Second Quarter Top Deals

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| 2 United Nations Plaza | 452 Fifth Avenue | 1221 Ave of Americas | 229 West 43rd Street | 645 Fifth Avenue |
| United Nations | Amazon | Bank of Tokyo – Mitsubishi | Versant Media | Richemont (Cartier) |
| 425,190 SF | 330,000 SF | 220,005 SF | 164,545 SF | 126,405 SF |
| Direct Renewal | Direct New | Direct Expansion | Direct New | Direct Renewal |

Select Tenants in the Market/Upcoming LXD’s

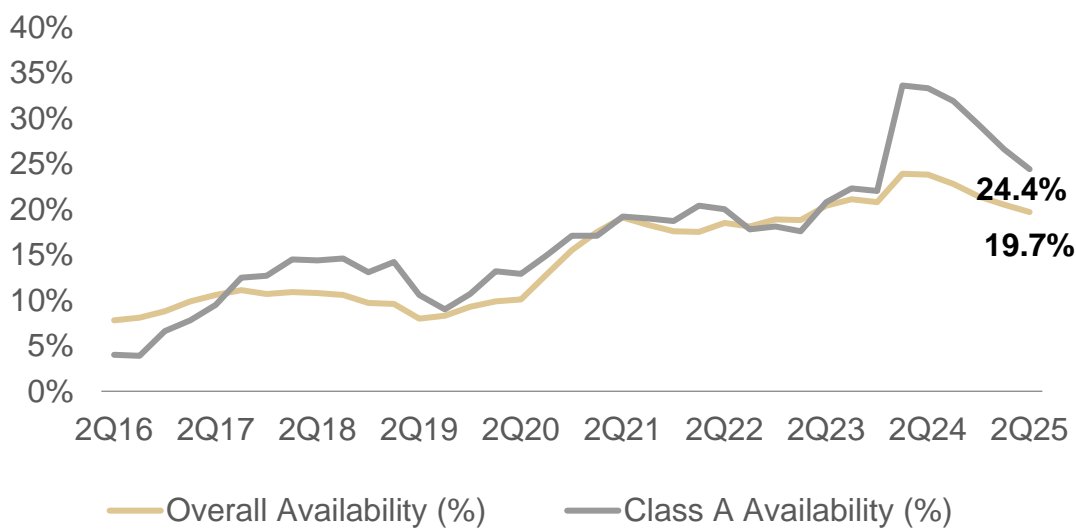
| Tenant | Size (SF) | Current Location |
|--------------------------|-----------|----------------------|
| Apollo Global Management | 1.0M | 9 West 57th Street |
| Simpson Thacher | 800K | 425 Lexington Avenue |
| Salesforce | 500K | 1095 Ave of Americas |
| Jefferies | 500K | 520 Madison Avenue |
| Millennium Management | 500K | 399 Park Avenue |

Source: Newmark Research

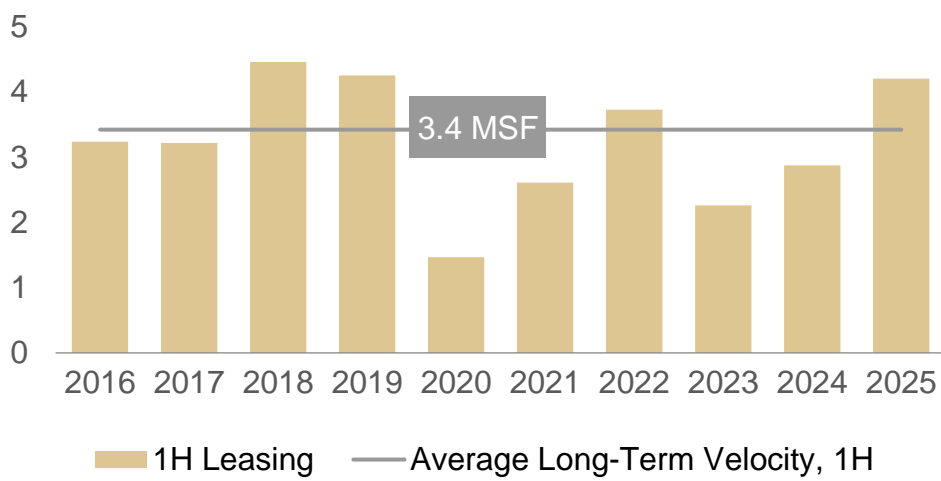
Midtown South Market Overview

Midtown South availability fell for the fourth consecutive quarter to 19.7%, as first half leasing activity closed at 4.2 MSF. While the second quarter leasing slowdown impacted all three Manhattan markets, Midtown South first half leasing velocity remained 22.9% above its long-term average. Average asking rents continued to move higher, closing the second quarter at \$83.28/SF, marking an increase of \$0.17/SF from 1Q25.

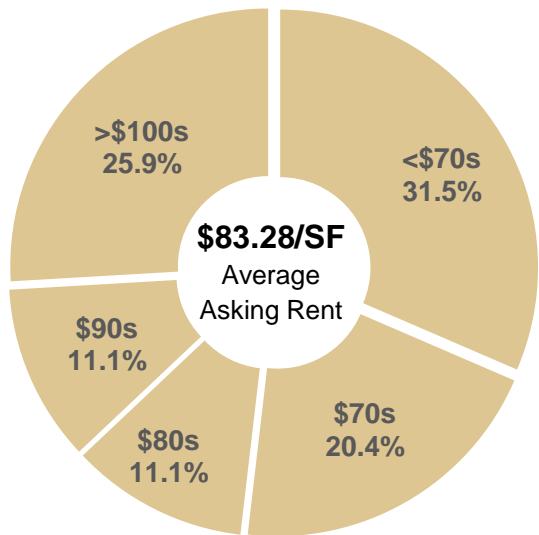
Availability Rates – Overall & Class A



Leasing Activity



Deals by Taking Rent



Second Quarter Top Deals

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| 122 Fifth Avenue | 11 Madison Avenue | 345 Hudson Street | 53 West 23rd Street | 233 Spring Street |
| Chime Financial | Pinterest | Fanatics | TileBar | Travel Guard Group |
| 83,706 SF | 82,812 SF | 54,472 SF | 34,000 SF | 30,668 SF |
| Direct New | Direct New | Sublease New | Direct New | Sublease New |

Select Tenants in the Market/Upcoming LXD's

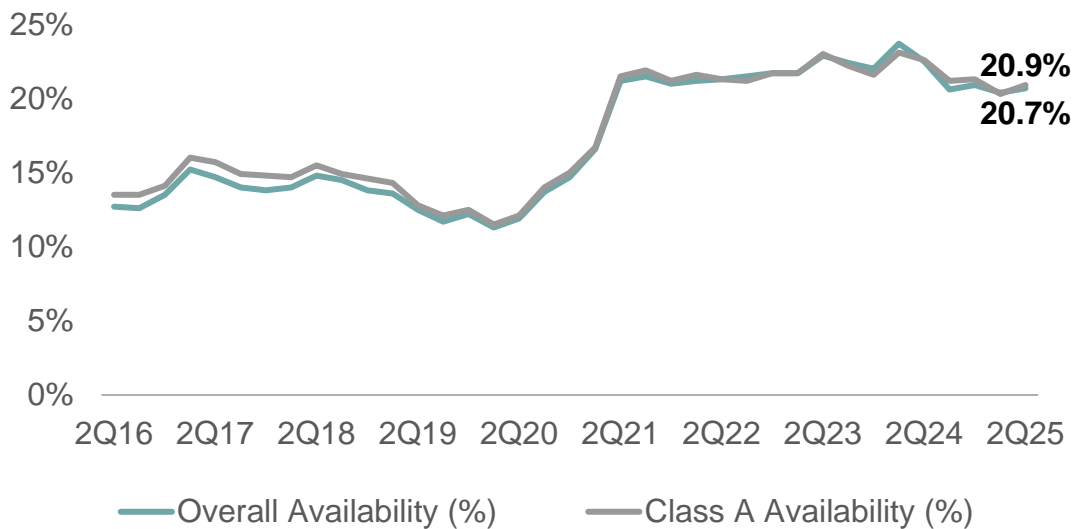
| Tenant | Size (SF) | Current Location |
|-------------|-----------|--|
| Capital One | 500K+ | Multiple Locations |
| SONY | 500K | 11 Madison Avenue |
| Two Sigma | 400k+ | 100 Ave of Americas 101 Ave of Americas |
| Ramp | 250k+ | 28 West 23rd Street |
| Harvey AI | 150k+ | 315 Park Ave South |

Source: Newmark Research

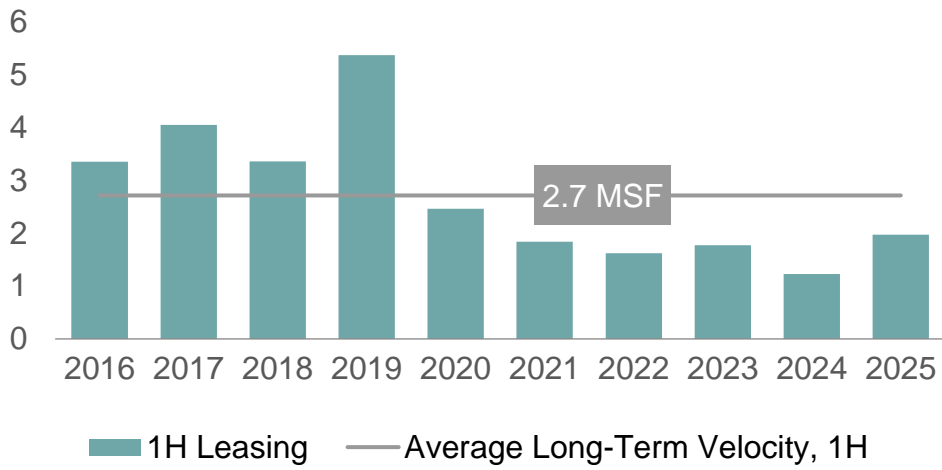
Downtown Market Overview

Leasing activity was down from 30.6% from the post-pandemic high in 1Q25, but still 33.7% higher than the five-year quarterly average. Of the seven large blocks added in Manhattan during the quarter, four were located Downtown, resulting in an uptick in availability to 20.7%. Residential conversions continue to change the Downtown landscape, with planned and commenced projects totaling 4.6 MSF.

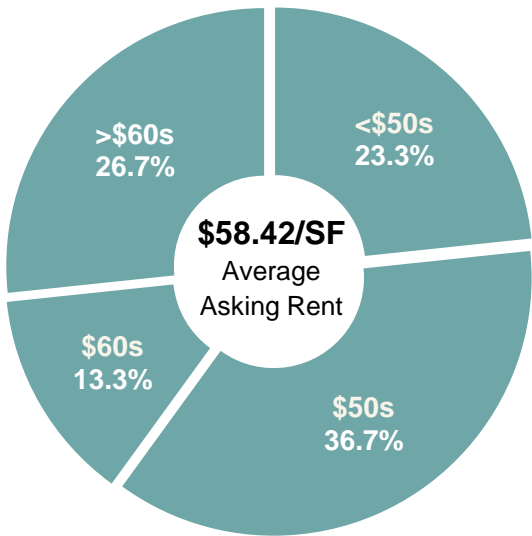
Availability Rates – Overall & Class A








Leasing Activity



Deals by Taking Rent



Second Quarter Top Deals

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| 225 Liberty Street | 1 World Trade Center | 140 Broadway | 55 Water Street | 100 Church Street |
| Invesco | Bank of New York Mellon | Lewis Brisbois | JB&B Engineering | Atlantic Pictures |
| 222,846 SF | 192,915 SF | 77,463 SF | 67,963 SF | 66,012 SF |
| Direct Renewal | Sublease New | Direct New | Sublease New | Direct New |

Select Tenants in the Market/Upcoming LXD's

| Tenant | Size (SF) | Current Location |
|------------------|-----------|----------------------|
| American Express | 1.0M | 200 Vesey Street |
| Moody's | 350K+ | 7 World Trade Center |
| WilmerHale | 250K | 7 World Trade Center |
| Scotiabank | 200K+ | 250 Vesey Street |
| AON | 175K+ | 1 Liberty Plaza |

Source: Newmark Research

Office to Residential Conversions



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