

2Q25

Manhattan Office Market Overview

NEWMARK



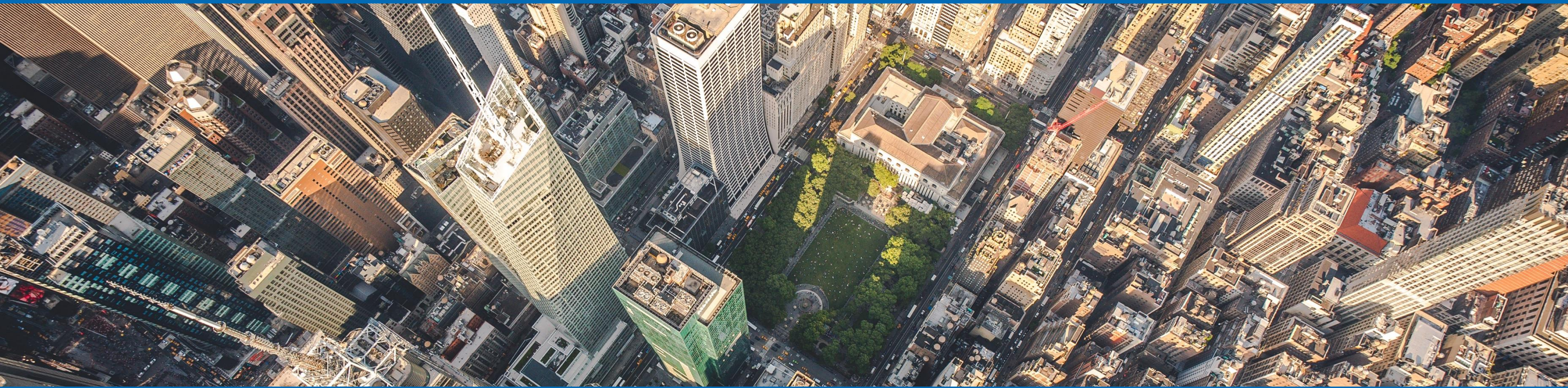
Market Observations

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%.

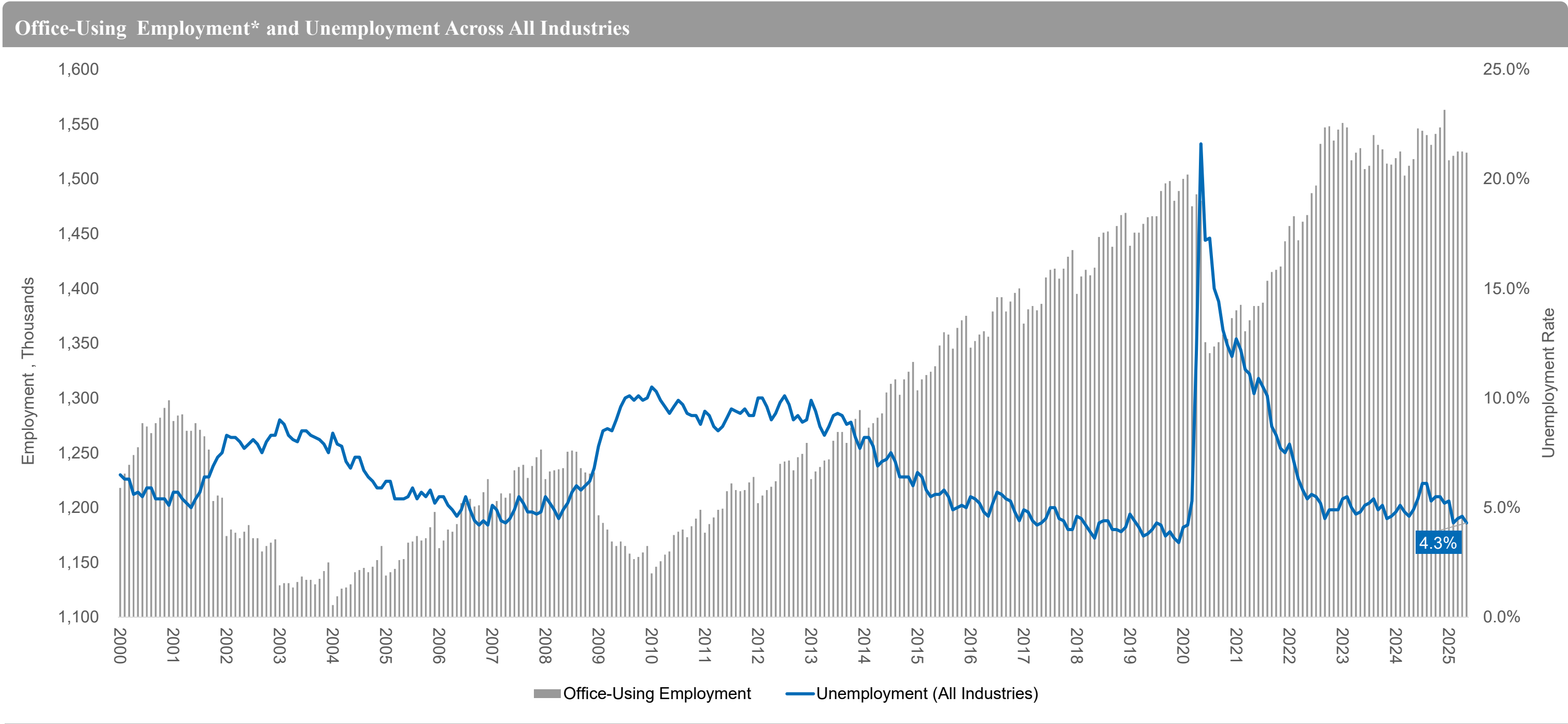
Demand for office space remains strong with 28.0 MSF of active requirements, the highest level since 4Q18.

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

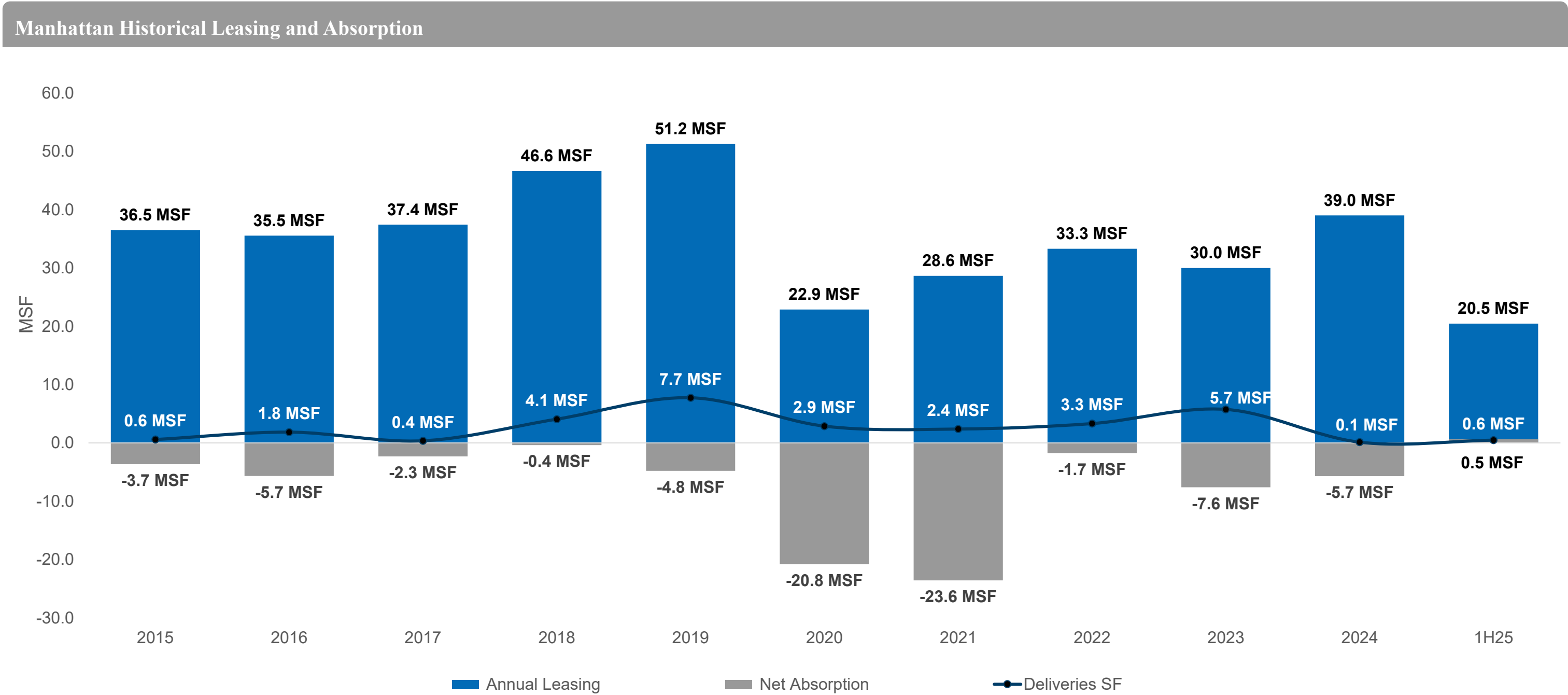
After hitting a peak in December 2024, the number of office-using jobs has slightly declined to 1.5 million. Local unemployment has continued to decrease following the high of 6.1% in 3Q24.



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

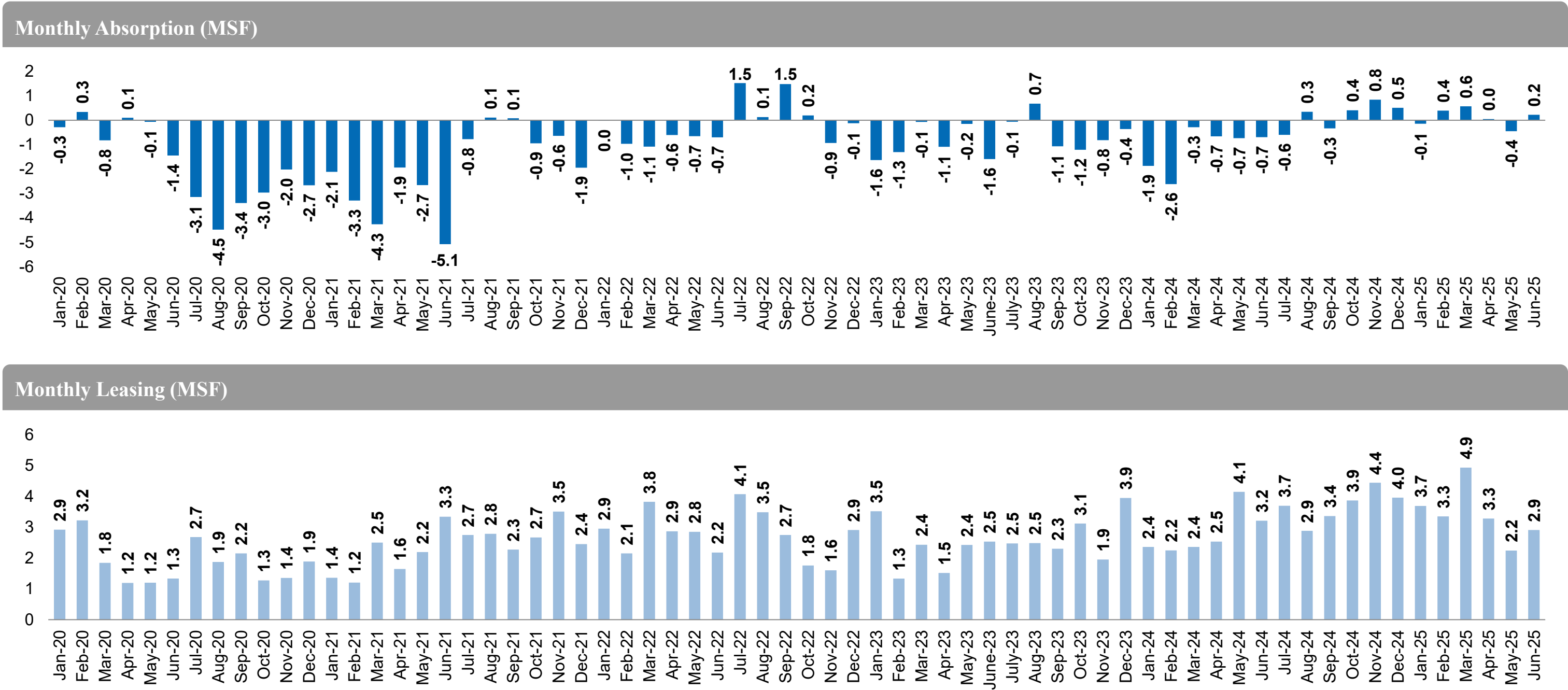
Construction Velocity



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Manhattan Absorption and Leasing Activity

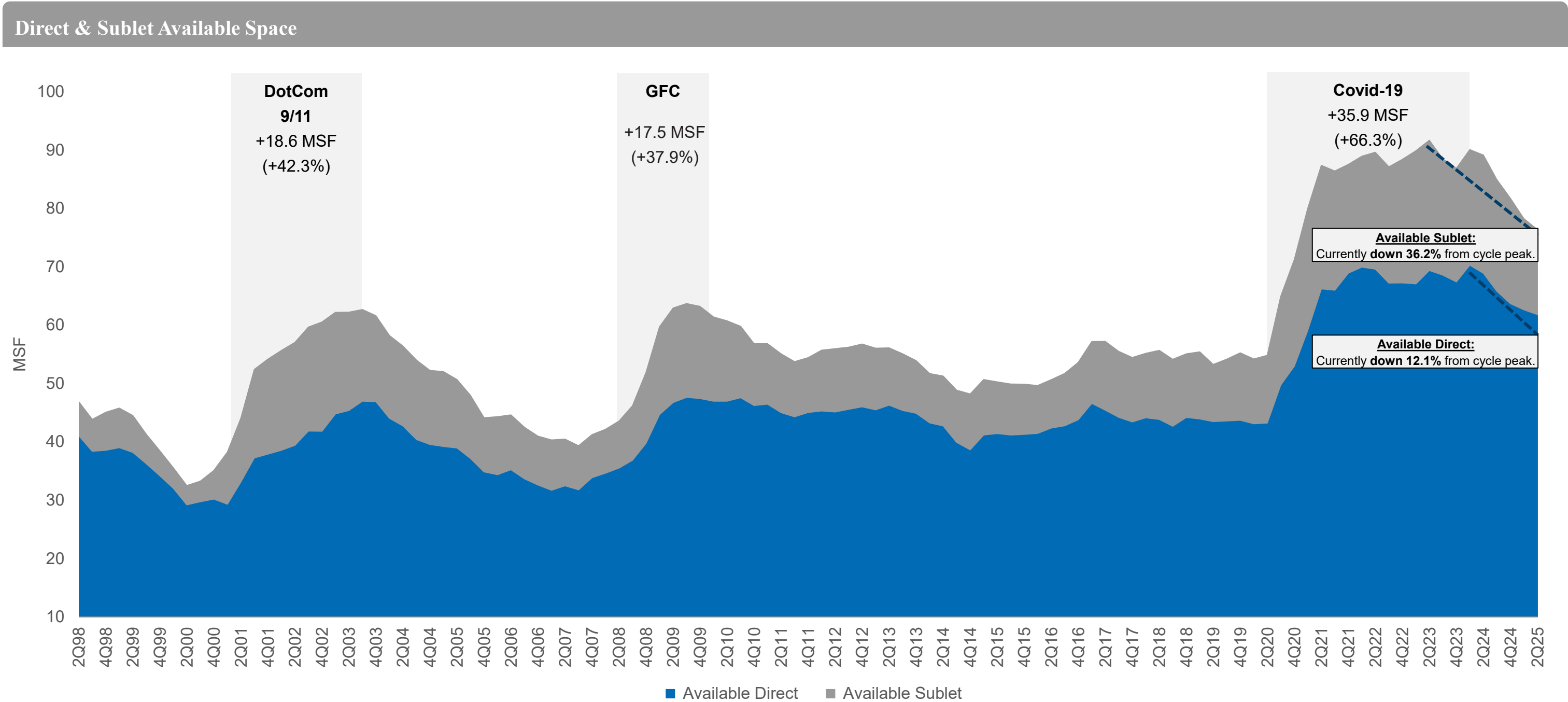
June leasing activity recorded 2.9 MSF, bringing 2025 activity to 20.5 MSF and marking a second month of leasing under 3.0 MSF. Despite weakened leasing, June absorption reached positive 222,375 SF as there were limited large block additions.



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.



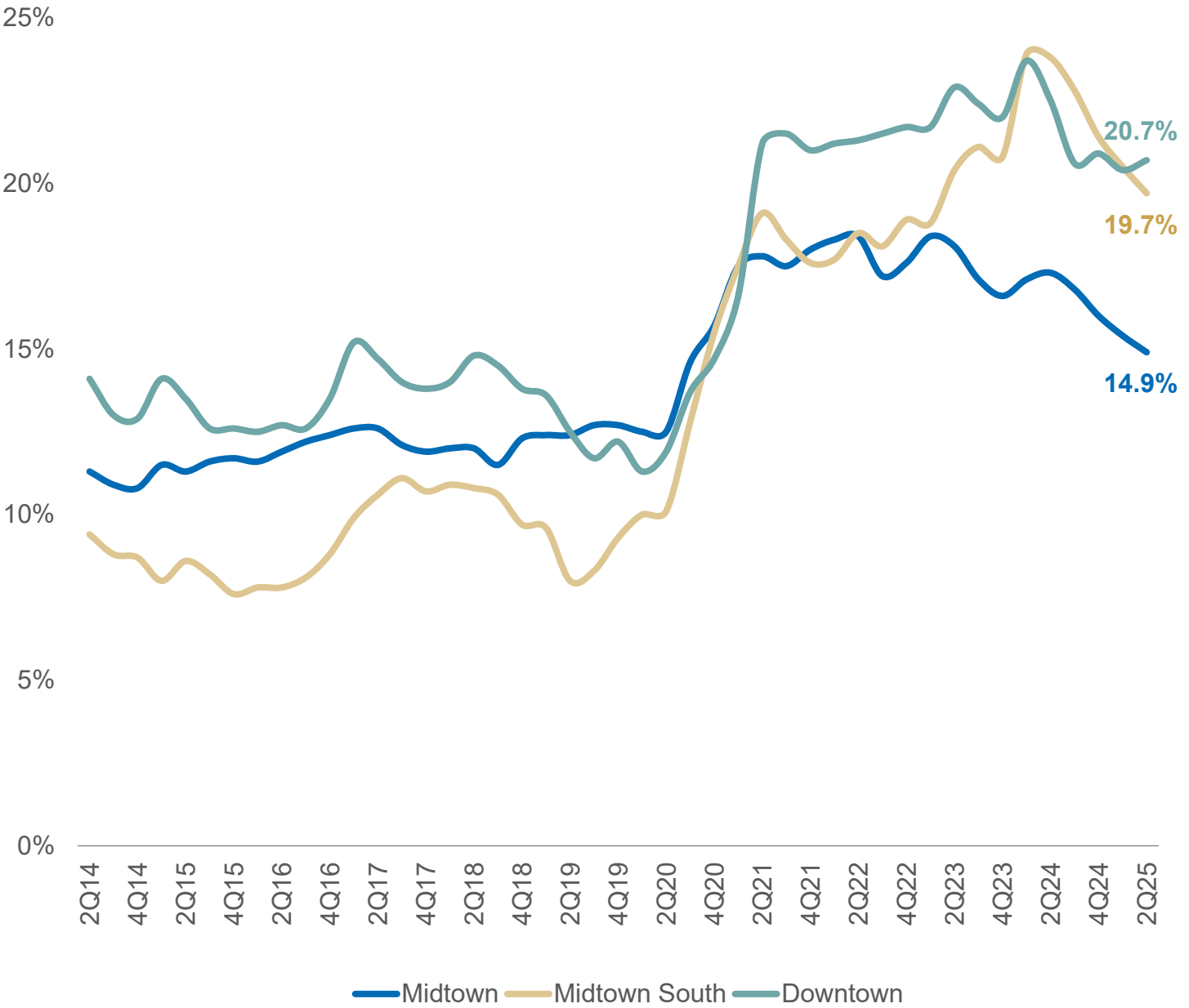
Source: Newmark Research

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



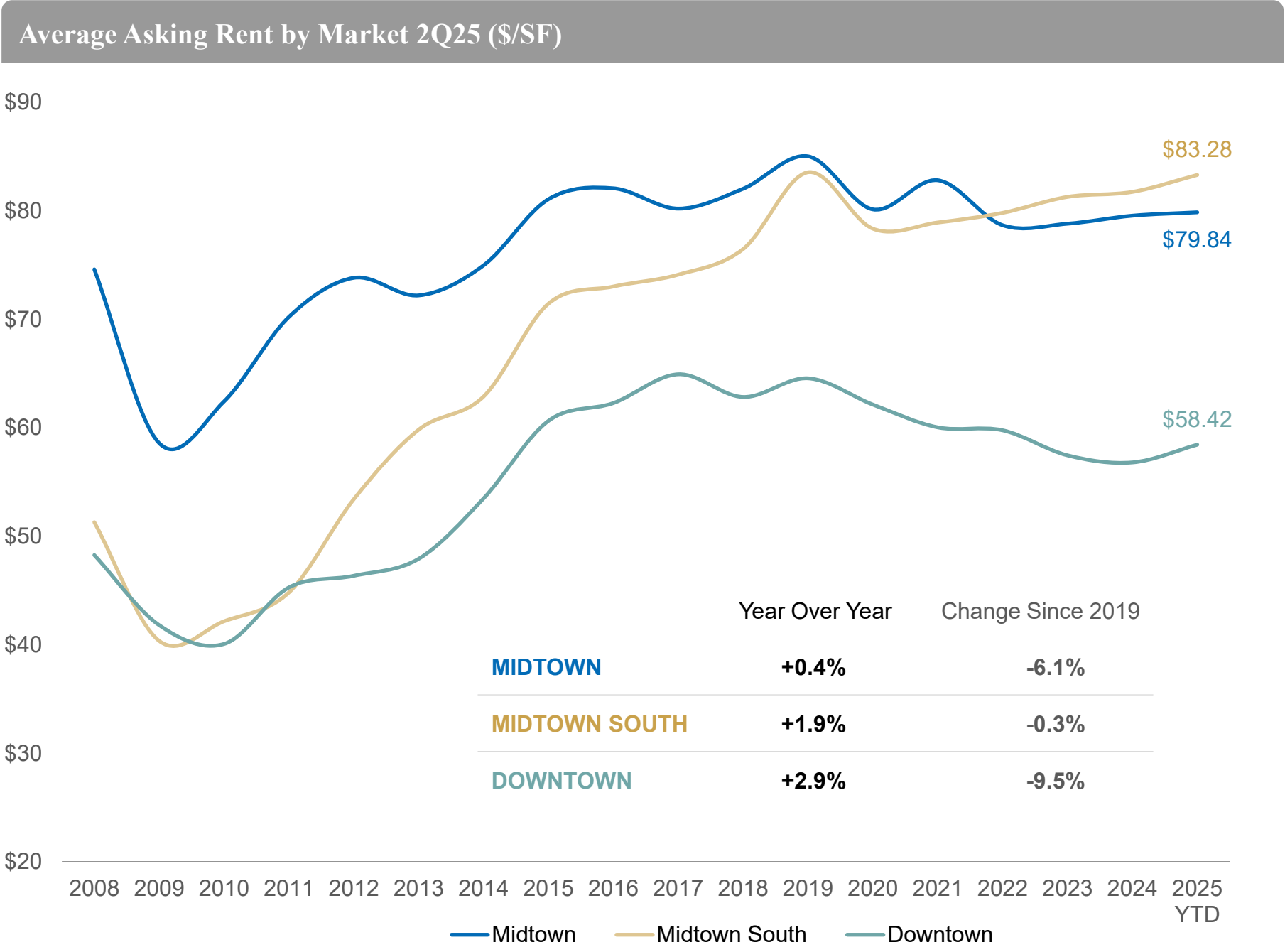
Source: Newmark Research

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



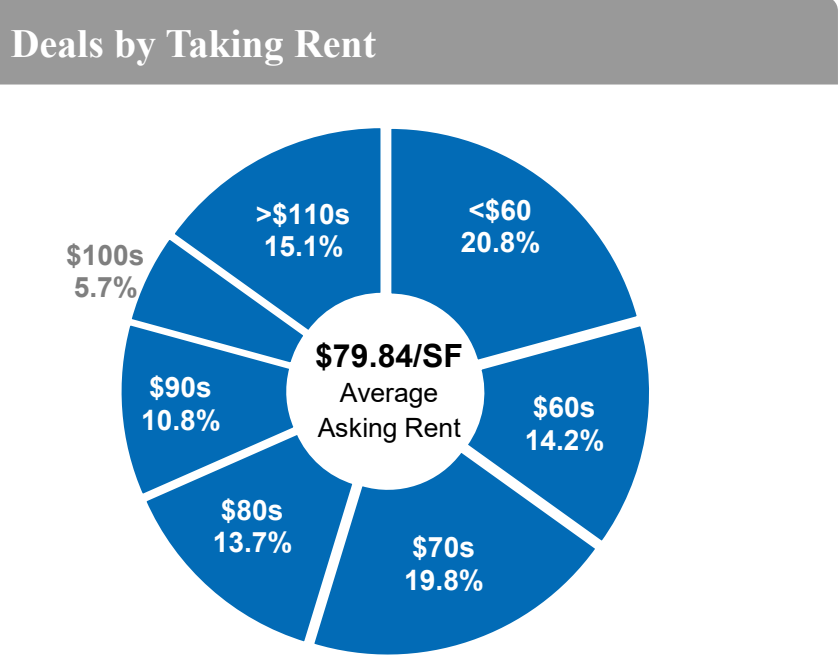
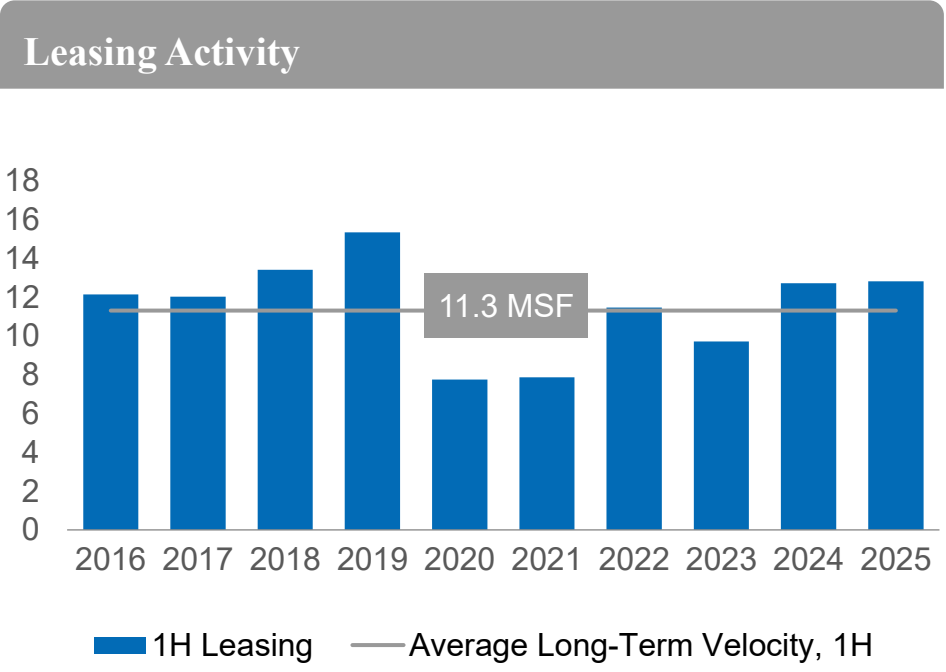
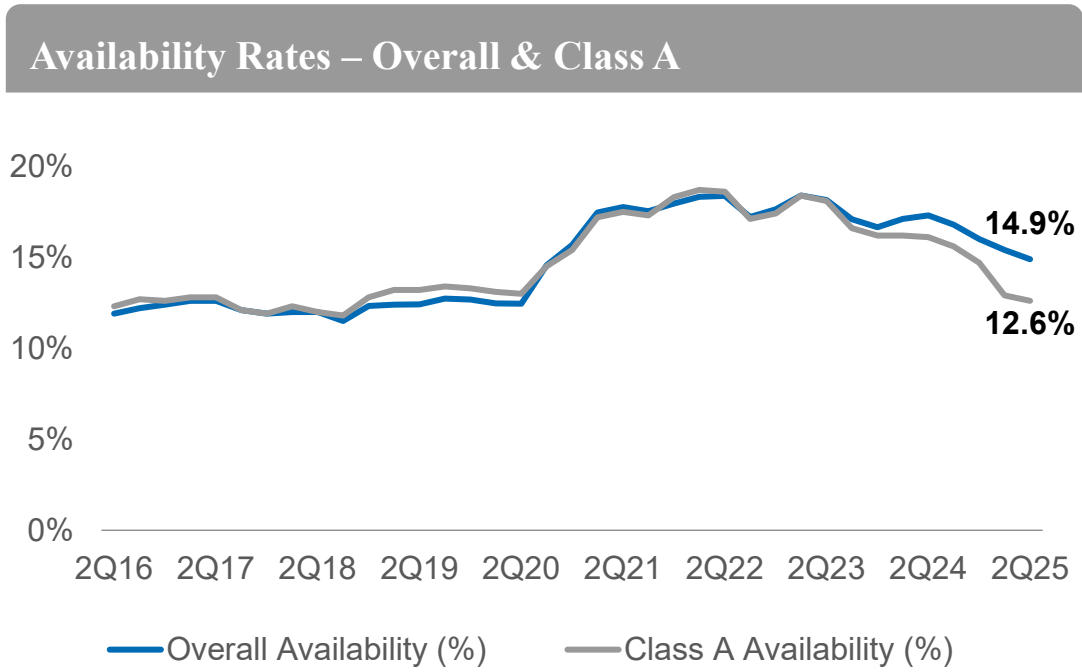
Flight to Quality | Taking & Net Effective Rent Comparison








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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

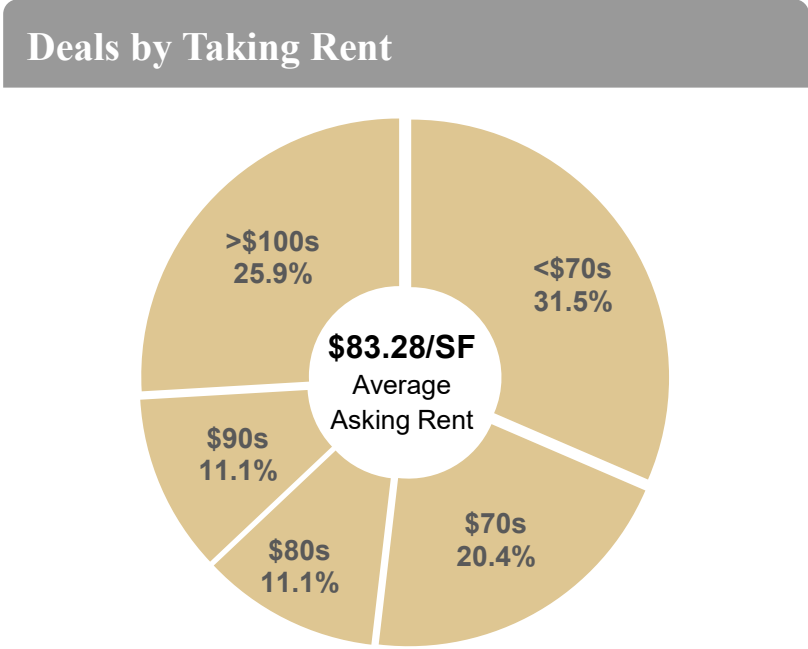
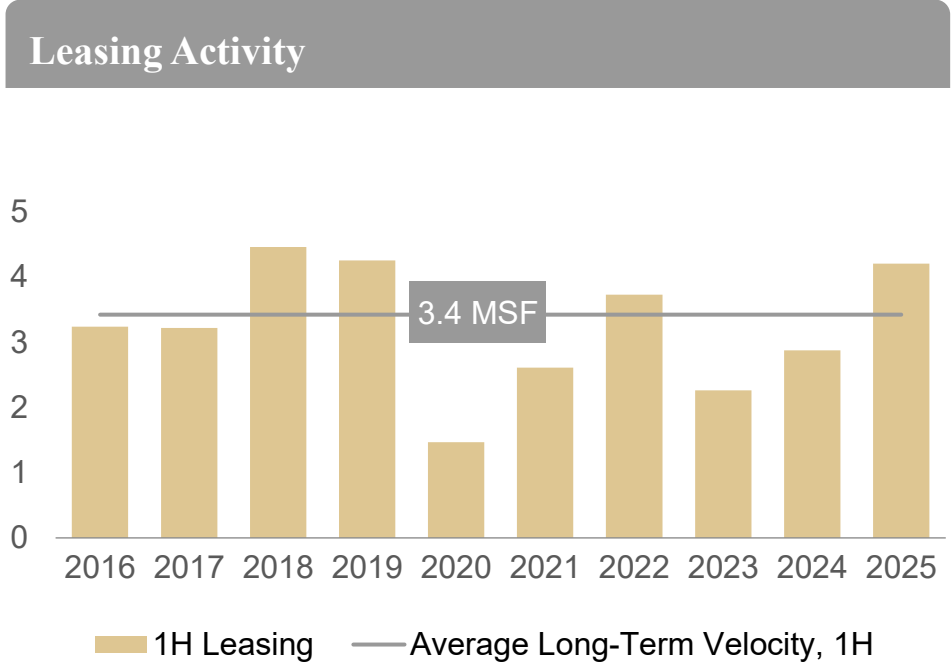
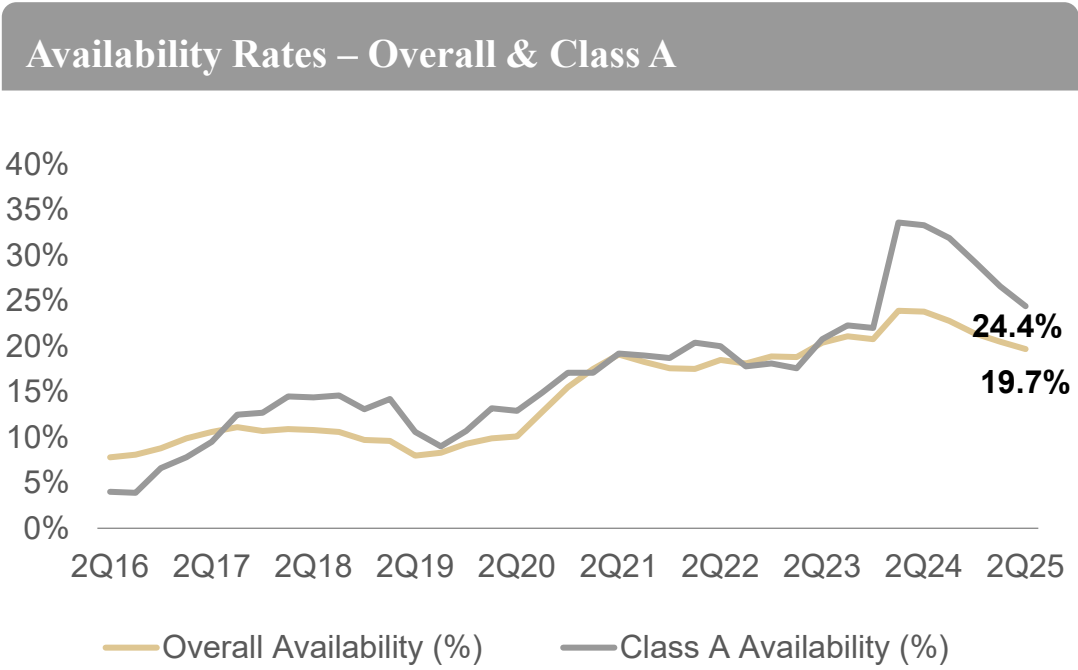
Select Tenants in the Market/Upcoming LXD’s

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.



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

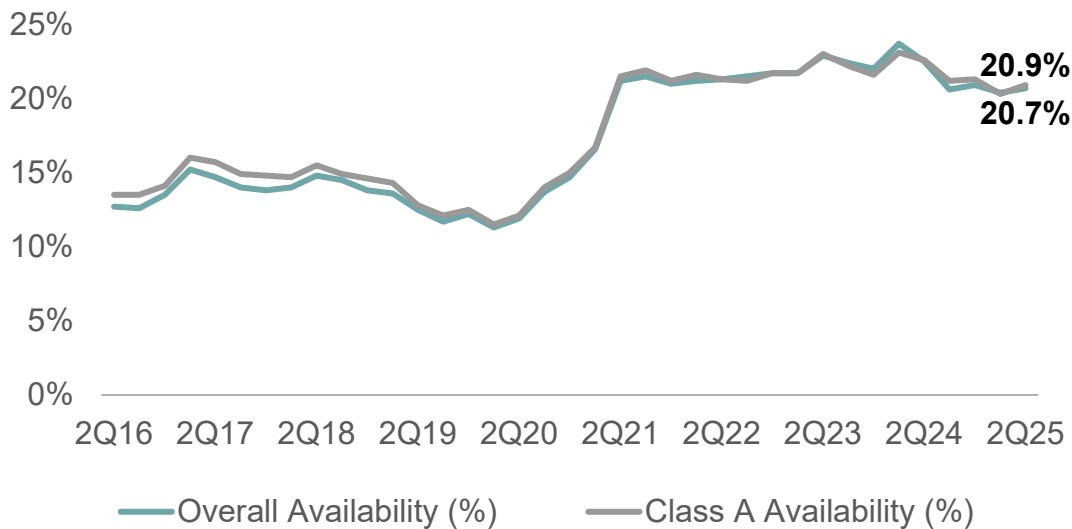
Tenant	Size (SF)	Current Location
Capital One	500K+	Multiple Locations
SONY	500K	11 Madison Avenue
Two Sigma	400k+	100 Ave of Americas 101 Ave of Americas
Ramp	250k+	28 West 23rd Street
Harvey AI	150k+	315 Park Ave South

Source: Newmark Research

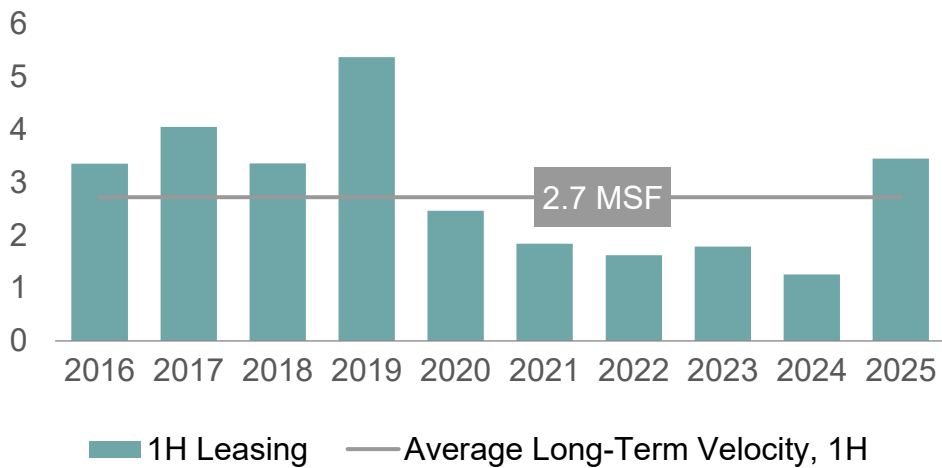
Downtown Market Overview

Year-to-date leasing reached its highest point since 2019 and is 26.8% above the long-term 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.

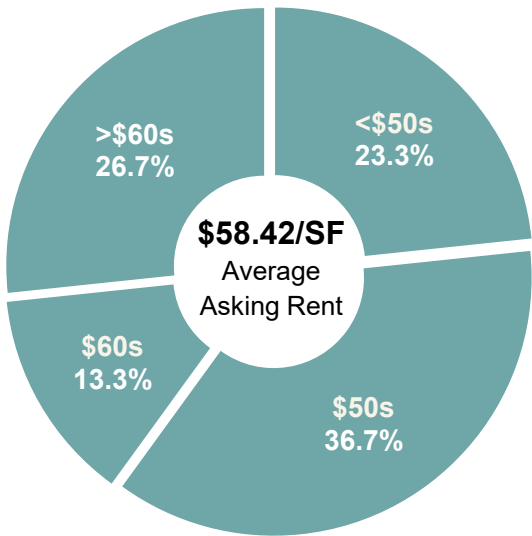
Availability Rates – Overall & Class A








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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2Q25 Market Statistics

Submarket Statistics

Market	Total Inventory (SF)	Under Construction & Under Renovation (SF)	Total Availability Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Direct Asking Rent (Price/SF)	Sublet Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Midtown	289,611,931	912,366	14.9%	-43,137	501,714	\$83.29	\$65.68	\$79.84
Eastside	24,547,885	613,664	15.7%	-106,489	-207,907	\$70.52	\$48.91	\$68.24
Far West Side	19,297,299	0	9.1%	-44,640	321,306	\$134.02	\$140.49	\$136.55
Grand Central	47,219,973	0	13.5%	68,710	-22,520	\$72.88	\$57.71	\$69.87
Murray Hill	7,820,796	0	22.3%	-6,085	-71,232	\$63.97	\$47.02	\$62.62
Park Avenue	25,083,174	0	10.5%	-472,402	-269,654	\$123.17	\$100.15	\$119.42
Penn District	22,406,252	0	16.9%	-63,147	274,528	\$81.21	\$49.16	\$76.39
Plaza District	25,369,822	0	16.0%	-12,994	26,254	\$112.64	\$83.91	\$109.42
Sixth Ave/Rock Center	45,592,872	210,886	11.5%	596,298	921,863	\$100.73	\$70.07	\$95.74
Times Square	12,932,289	87,816	19.2%	97,282	-71,798	\$74.30	\$55.02	\$70.93
Times Square South	35,643,946	0	16.3%	-226,444	-426,137	\$52.93	\$51.29	\$52.66
Westside	23,697,623	0	23.3%	126,774	27,011	\$75.38	\$52.34	\$65.90
Midtown South	76,986,964	50,194	19.7%	357,382	715,706	\$85.67	\$65.74	\$83.28
Chelsea	28,544,341	0	21.1%	61,305	309,745	\$80.36	\$79.73	\$80.27
East Village	1,619,447	50,194	28.1%	-1,665	10,230	\$86.63	\$54.30	\$76.13
Flatiron/Union Square	23,618,028	0	18.2%	187,743	264,903	\$80.75	\$50.88	\$79.17
Hudson Sq./Meatpacking	12,029,593	0	22.7%	55,674	39,340	\$95.82	\$55.90	\$88.17
NoHo/SoHo	11,175,555	0	14.6%	54,325	91,488	\$102.59	\$56.13	\$99.42
Downtown	86,514,543	0	20.7%	-492,641	-574,895	\$61.81	\$46.52	\$58.42
Downtown East	44,675,950	0	23.8%	-488,018	-1,082,330	\$58.76	\$41.55	\$55.42
Downtown West	35,316,929	0	16.5%	19,480	532,899	\$65.39	\$52.28	\$61.63
Tribeca/City Hall	6,521,664	0	22.4%	-24,103	-25,464	\$71.20	\$49.43	\$67.73
Manhattan	453,113,438	962,560	16.9%	-178,396	642,525	\$78.97	\$60.35	\$75.49

Source: Newmark Research

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