NEWMARK

Manhattan

Office Market

3Q26



NMRK.COM

Market Observations

Manhattan availability declined to the lowest level since 2Q20 with total available space 32.5% below the 2Q23 peak.

Direct availability in Midtown trophy assets dropped 30 basis points to 2.4%. The direct availability rate within the trophy set has not registered a quarterly rise since 1Q23.

Third quarter Manhattan office leasing represented the fifth consecutive quarter above 10.0 MSF.

TAMI tenants led third-quarter leasing with 2.8 MSF signed, accounting for 27.5% of quarterly activity, well above the historical average of 19.5%.



Quarterly absorption recorded positive 722K SF, bringing the year-to-date total to positive 555K SF.

Manhattan rental rates rose $0.69/SF from last quarter to $81.49/SF, as asking rents increased quarter-over-quarter across all three markets.

Minimal new supply is expected over the next two years, followed by the completions of several office buildings under construction, which already have 2.7 MSF in commitments.

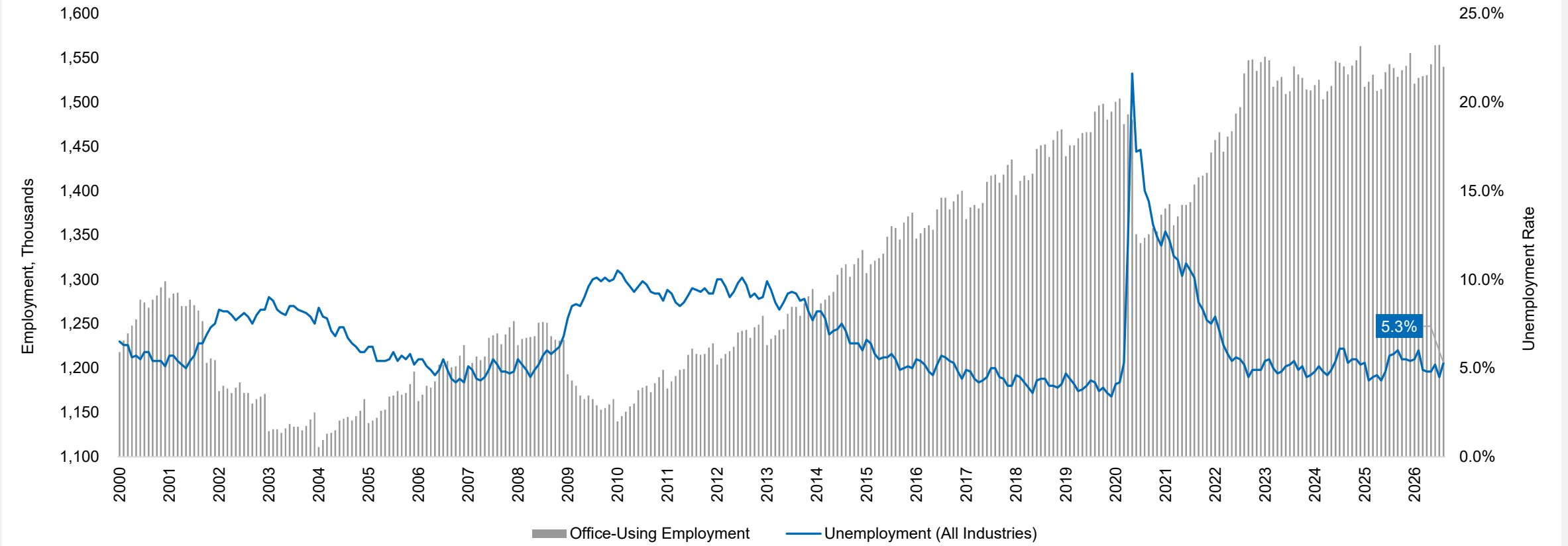
There is 17.6 MSF of active and planned office to residential conversions in Manhattan, following 5.6 MSF of buildings converted since 2020.

Source: Newmark Research

Overall Office-Using Employment

Office-using employment continued its gradual post-pandemic recovery, climbing back to roughly 1.5 million jobs, while unemployment remained lower than the second half of 2025.

Office-Using Employment* and Unemployment Across All Industries

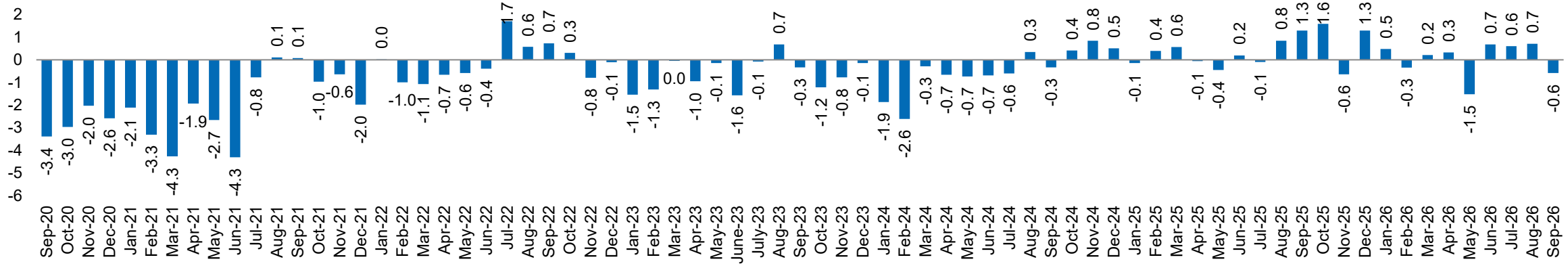


Source: U.S. Bureau of Labor Statistics, New York City
Note: August 2026 data is preliminary.
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

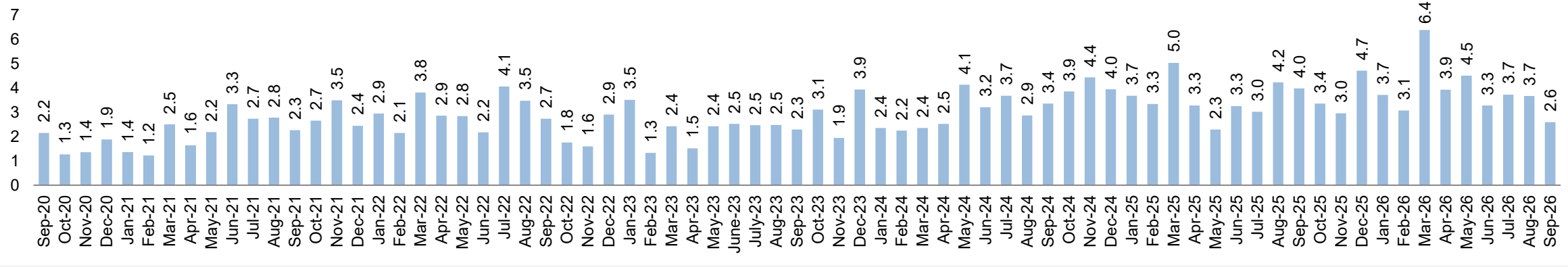
Manhattan Absorption and Leasing Activity

September's five large block additions drove monthly absorption negative, outpacing monthly leasing as only one deal larger than 100,000 square feet signed this month. Despite below-average September leasing the third quarter closed with 10.0 MSF of activity, a fifth consecutive quarter with leasing over 10.0 MSF.

Monthly Absorption (MSF)



Monthly Leasing (MSF)

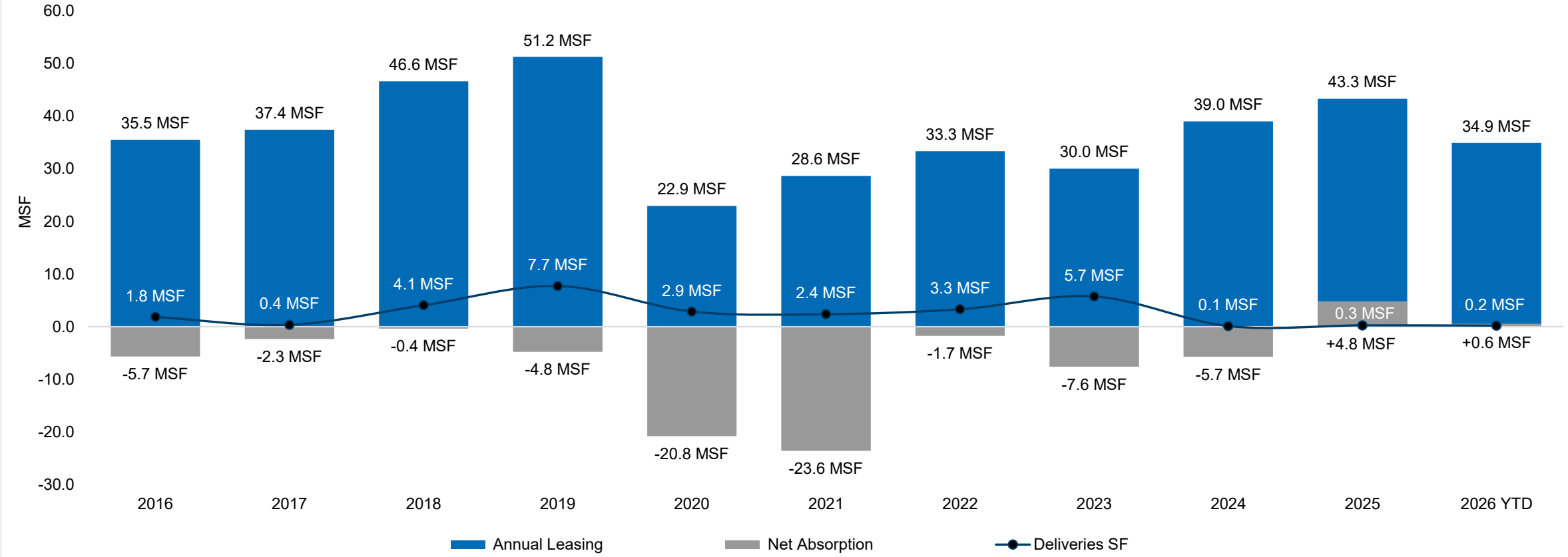


Source: Newmark Research

Leasing and Absorption Analysis

Manhattan leasing reached 34.9 MSF year to date, up 8.4% year-over-year and the strongest total through the first three quarters since 2019. Net absorption totaled 722,146 SF in the third quarter, bringing the year-to-date total to 0.6 MSF following 4.8 MSF in 2025. Annual construction deliveries remain minimal with only 210,886 SF delivered in 2026.

Manhattan Historical Leasing and Absorption



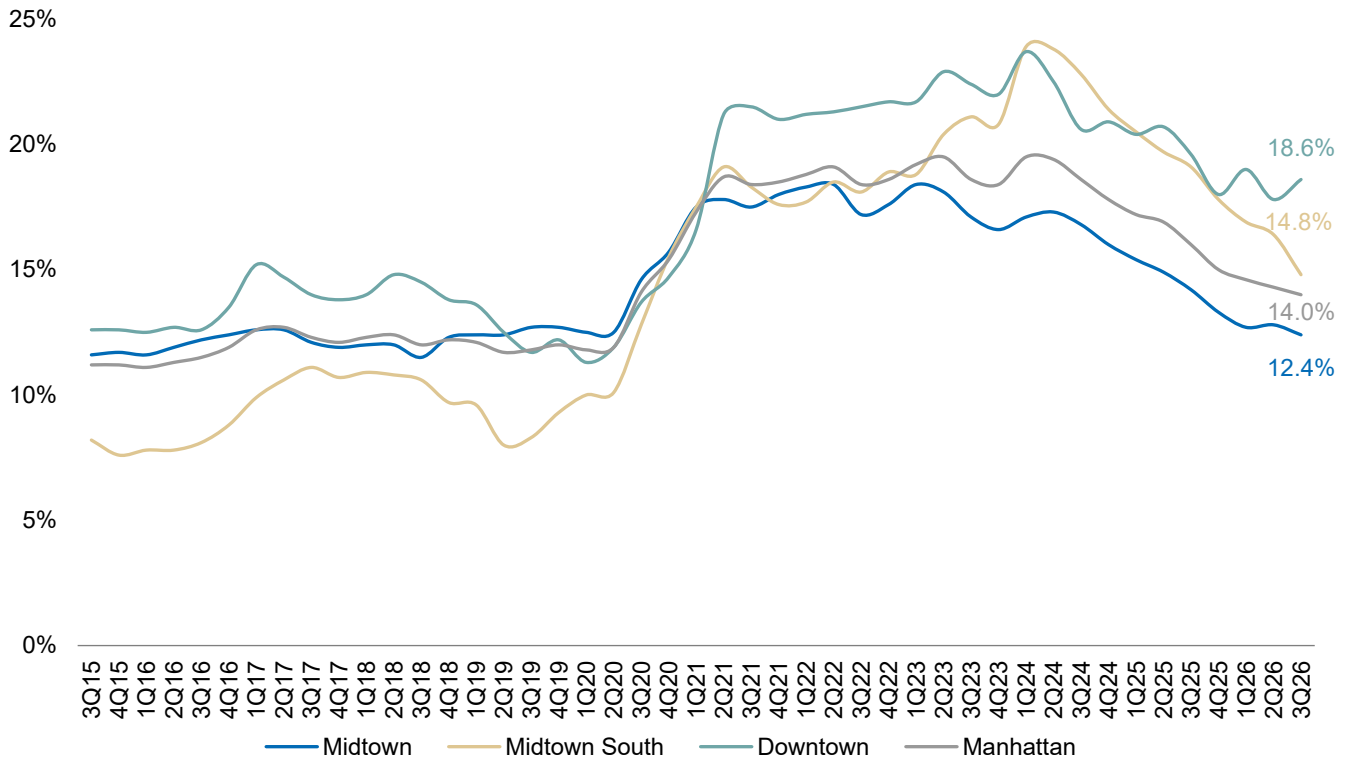
Source: Newmark Research

Manhattan Market/Submarket Comparison | Availability

Manhattan availability continues to improve, falling to 14.0%, the lowest level since 2Q20 and 32.5% below the 2Q23 peak. Midtown remains the tightest market with 12.4% availability while Downtown remains elevated at 18.6%.

Overall Availability by Market

Market/Submarket	3Q26	Post-Pandemic Peak	Change in Bps.
MANHATTAN	**14.0%**	**19.5%**	**-550**
MIDTOWN	**12.4%**	**18.5%**	**-610**
Eastside	16.3%	23.2%	-690
Far West Side	3.8%	26.6%	-2,280
Grand Central	11.4%	18.8%	-740
Murray Hill	20.9%	28.1%	-720
Park Avenue	7.9%	16.2%	-830
Penn District	10.0%	22.7%	-1,270
Plaza District	12.6%	20.7%	-810
Sixth Avenue/Rock Center	12.3%	14.2%	-190
Times Square	12.9%	28.7%	-1,580
Times Square South	12.5%	18.8%	-630
Westside	21.7%	24.6%	-290
MIDTOWN SOUTH	**14.8%**	**23.9%**	**-910**
Chelsea	18.0%	28.0%	-1,000
Flatiron/Union Square	11.6%	28.7%	-1,710
Hudson Square	15.9%	27.9%	-1,200
Meatpacking	7.1%	28.1%	-2,100
Noho/Soho	13.2%	23.8%	-1,060
DOWNTOWN	**18.6%**	**23.7%**	**-510**
Downtown East	20.1%	27.4%	-730
Downtown West	16.8%	20.1%	-330
Tribeca/City Hall	17.9%	22.4%	-450



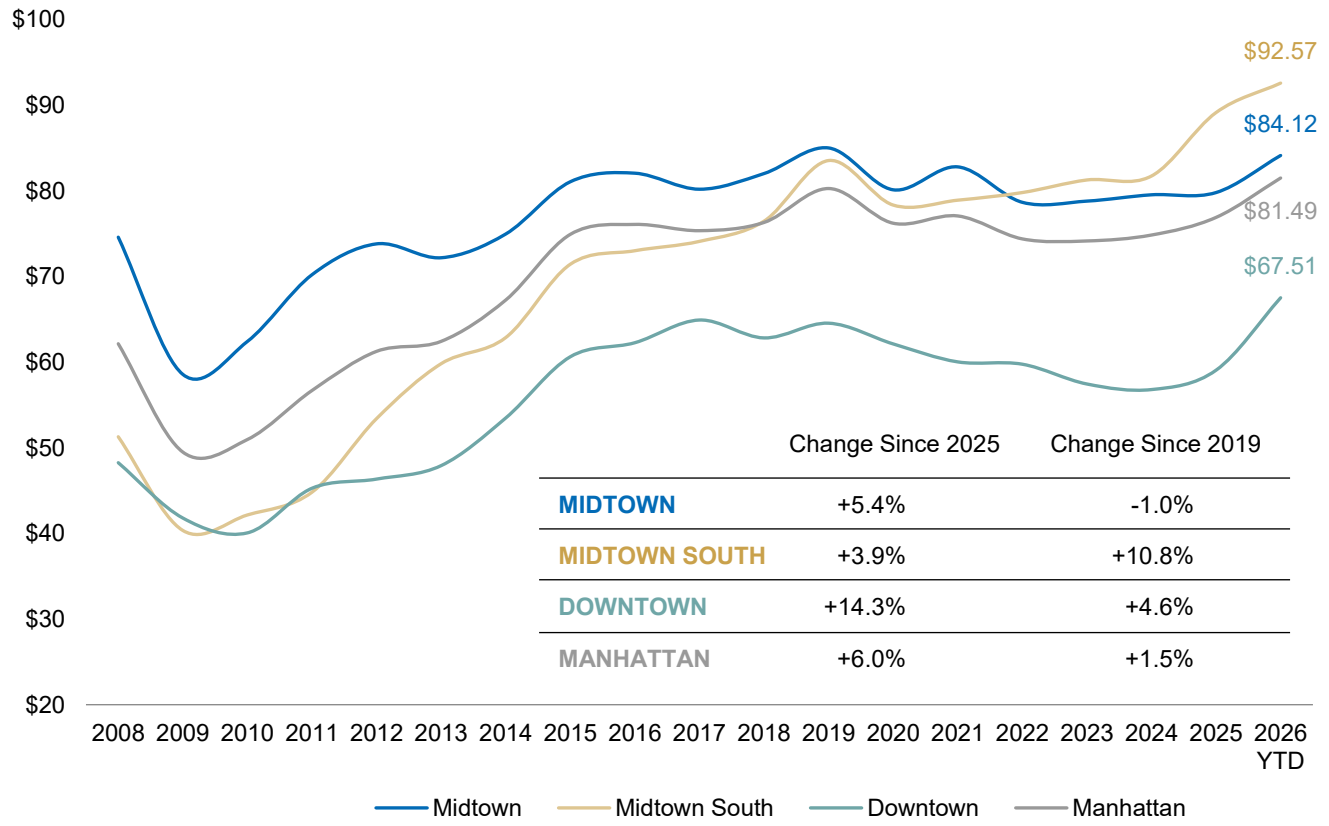
Source: Newmark Research

Manhattan Market/Submarket Comparison | Asking Rents

Manhattan rents rose $5.39/SF from the previous year to $81.49/SF, led by the Midtown South and Downtown markets boasting record highs in the third quarter of 2026.

Average Asking Rent by Market ($/SF)

Market/Submarket	3Q26	3Q25	YoY Change
MANHATTAN	**$81.49**	**$76.10**	**7.1%**
MIDTOWN	**$84.12**	**$79.13**	**6.3%**
Eastside	$75.66	$69.12	9.5%
Far West Side	$126.51	$128.85	-1.8%
Grand Central	$80.41	$71.20	12.9%
Murray Hill	$66.56	$62.78	6.0%
Park Avenue	$128.41	$119.23	7.7%
Penn District	$64.73	$73.80	-12.3%
Plaza District	$117.96	$107.78	9.4%
Sixth Avenue/Rock Center	$104.44	$95.43	9.4%
Times Square	$79.03	$71.34	10.8%
Times Square South	$56.42	$52.30	7.9%
Westside	$67.17	$66.18	1.5%
MIDTOWN SOUTH	**$92.57**	**$85.64**	**8.1%**
Chelsea	$93.97	$81.57	15.2%
Flatiron/Union Square	$85.86	$84.00	2.2%
Hudson Square	$94.01	$89.05	5.6%
Meatpacking	$92.21	$102.62	-10.1%
Noho/Soho	$98.04	$94.54	3.7%
DOWNTOWN	**$67.51**	**$58.95**	**14.5%**
Downtown East	$59.66	$56.48	5.6%
Downtown West	$77.46	$61.37	26.2%
Tribeca/City Hall	$74.96	$67.49	11.1%



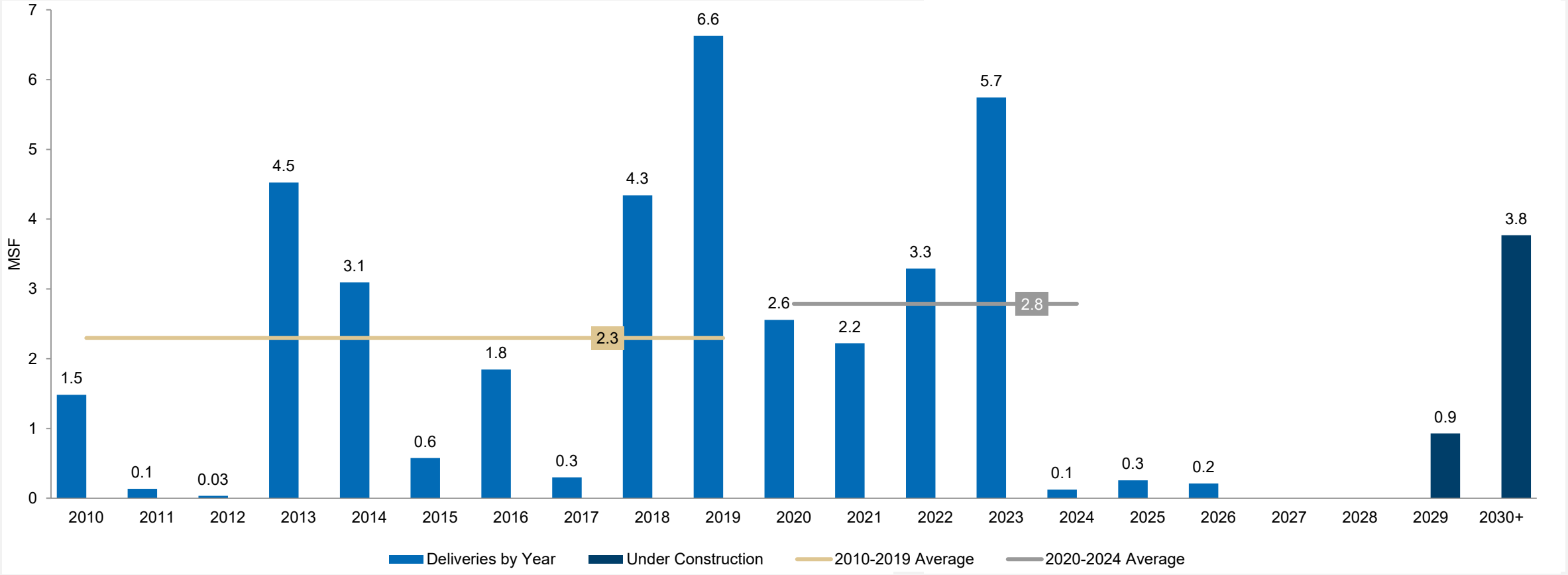
	Change Since 2025	Change Since 2019
MIDTOWN	+5.4%	-1.0%
MIDTOWN SOUTH	+3.9%	+10.8%
DOWNTOWN	+14.3%	+4.6%
MANHATTAN	+6.0%	+1.5%

Source: Newmark Research

Construction Velocity

The Manhattan office market has experienced a significant shift in supply over the past fifteen years, adding 45.4 MSF since 2010. 520 Fifth Avenue delivered 210,886 SF in the first quarter, the only building set to deliver this year. Additional deliveries from properties currently under construction are expected to pick up beginning with 343 Madison Avenue, 70 Hudson Yards, 570 Fifth Avenue and 625 Madison Avenue.

Manhattan Deliveries (MSF)

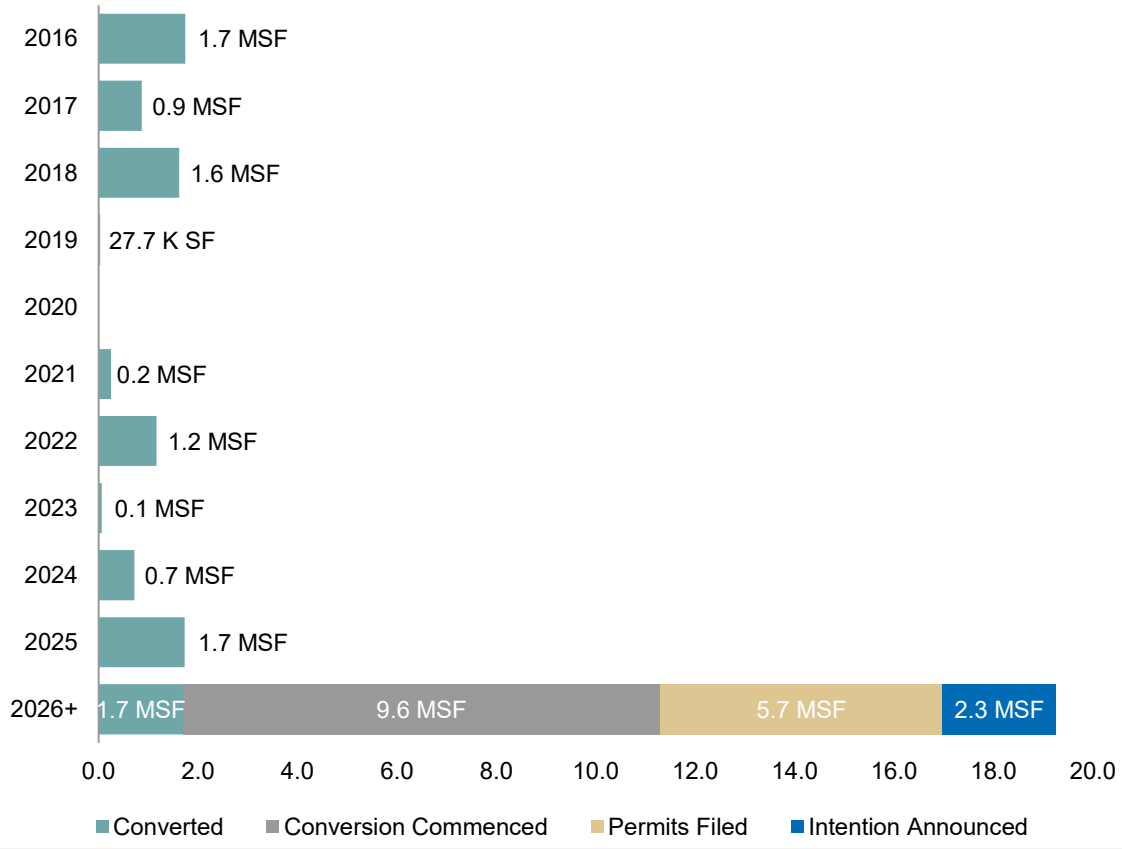


Source: Newmark Research

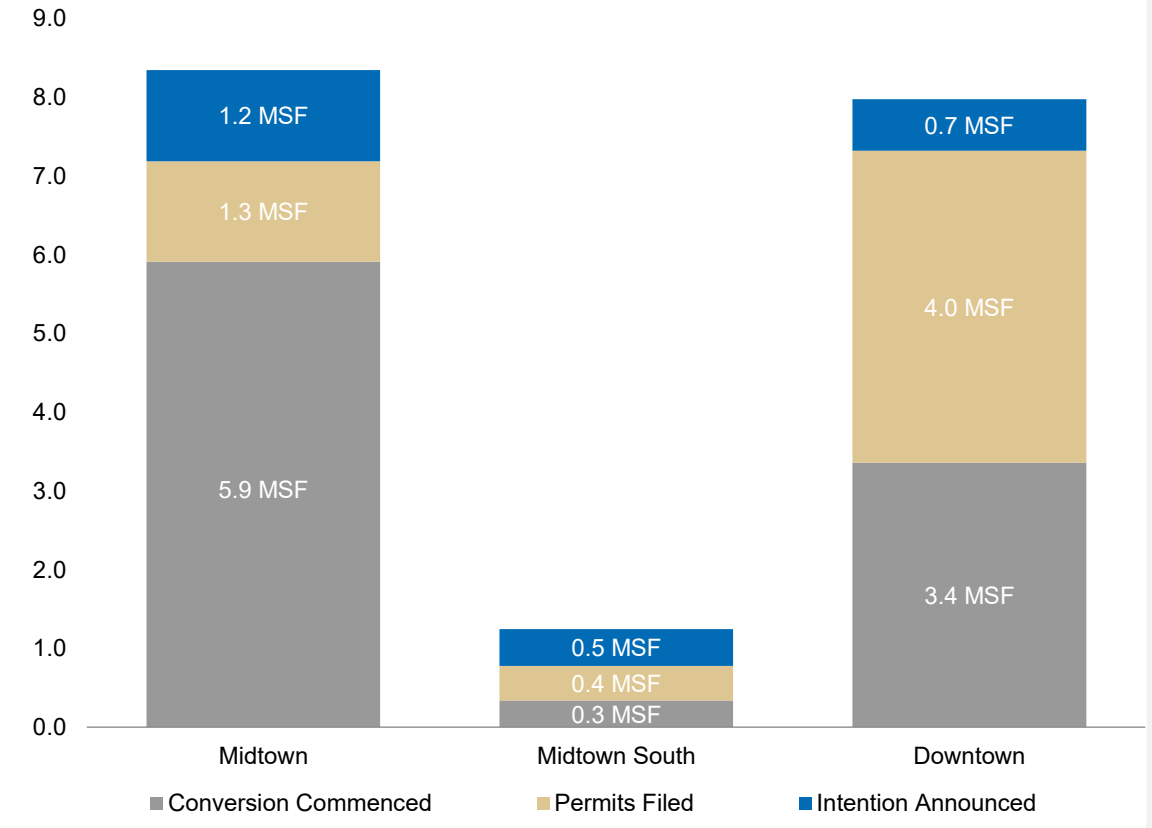
Office to Residential Conversions

There is 17.6 MSF of active and planned office to residential conversions in Manhattan, following 5.6 MSF of buildings converted since 2020. Construction has commenced for the conversion of thirty-three buildings, eighteen located in Midtown, ten in Downtown, and five in Midtown South.

Manhattan Ten-Year Office-to-Residential Conversion Movement



Office-to-Residential Conversion Pipeline by Market

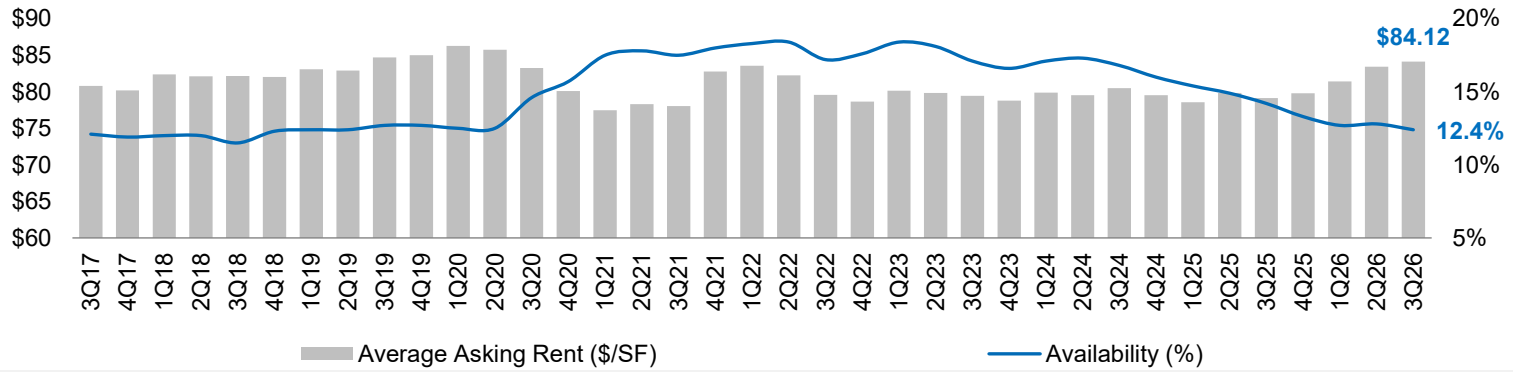


Source: Newmark Research
Note: "active" includes commenced and planned conversions

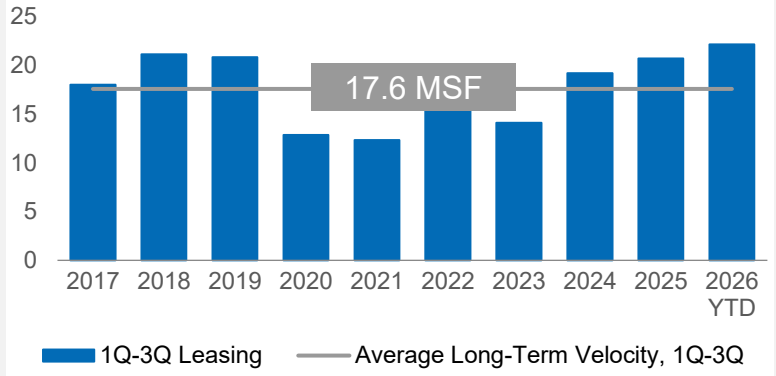
Midtown Market Overview

With eight deals over 100,000 SF signed in the third quarter, year-to-date Midtown leasing reached 22.2 MSF, the highest total on record through three quarters. Renewals and/or expansions remained prominent, accounting for the three largest transactions as limited large-block availability continued to constrain relocations. Asking rents rose for the fourth consecutive quarter by $0.68/SF to $84.12/SF, the highest since 2Q20, while availability fell 40 basis points to 12.4%, its lowest level since 1Q19.

Availability Rates & Asking Rents



Leasing Activity



Third Quarter Top Deals

11 Times Square	200 Madison Avenue	1221 Avenue of the Americas	1251 Avenue of the Americas	2 Penn Plaza
				
Proskauer Rose LLP	Havas Health	NBC Universal	Morgan Lewis	Snap
478,000 SF	254,118 SF	244,185 SF	205,000 SF	198,893 SF
Direct Renewal & Expansion	Direct Renewal & Expansion	Direct Renewal	Direct New	Sublease New

Select Tenants in the Market/Upcoming LXD's

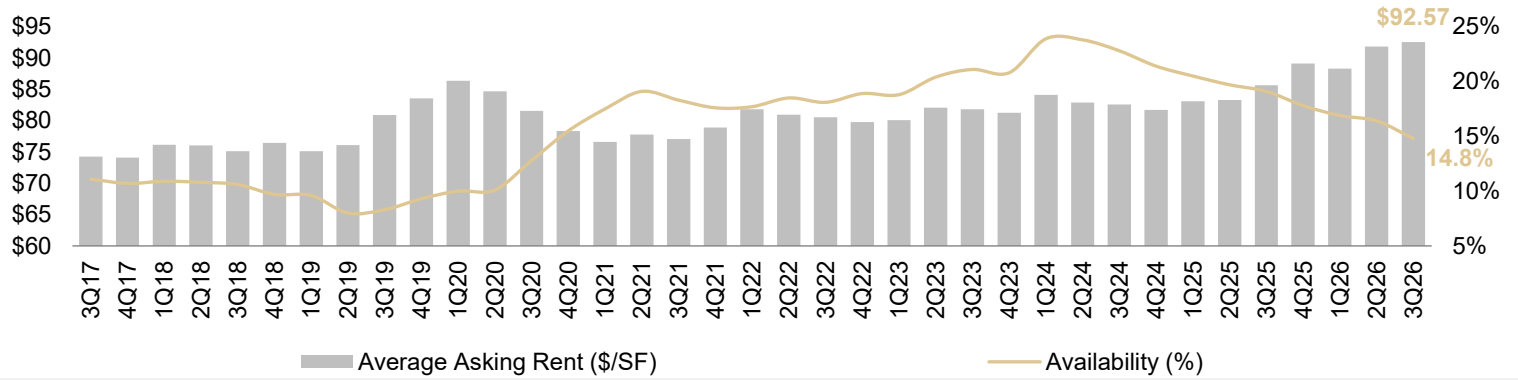
Tenant	Size (SF)	Current Location
PwC	1.0M+	300 Madison Avenue 90 Park Avenue
Lazard	400K+	30 Rockefeller Plaza
CAA	250K+	405 Lexington Avenue 65 East 55th Street
Adobe Systems	200K+	1540 Broadway
Gensler	150K+	1700 Broadway

Source: Newmark Research

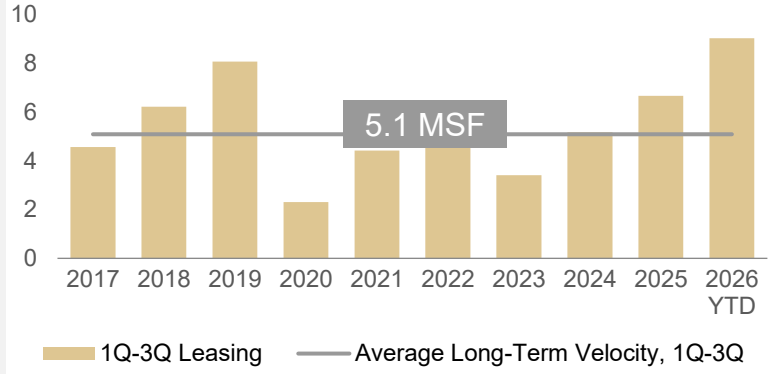
Midtown South Market Overview

Midtown South quarterly leasing reached 2.9 MSF, bringing year-to-date volume to 9.0 MSF, the highest total through the third quarter in more than a decade. Average asking rents climbed to an all-time high of $92.57/SF as availability dropped 160 basis points to 14.8%. Technology tenants continue to drive demand for Midtown South office space, as Anthropic and Legora accounted for two of the top three quarterly transactions.

Availability Rates & Asking Rents



Leasing Activity



Third Quarter Top Deals

330 Hudson Street	260 Eleventh Avenue	11 Madison Avenue	200 Varick Street	304 Park Avenue South
Anthropic	NYC Human Resources Administration	Legora	Brex (Capital One)	IMG Worldwide
465,630 SF	174,186 SF	98,420 SF	93,779 SF	90,202 SF
Direct New	Direct Extension	Direct New	Direct New	Direct Renewal

Select Tenants in the Market/Upcoming LXD's

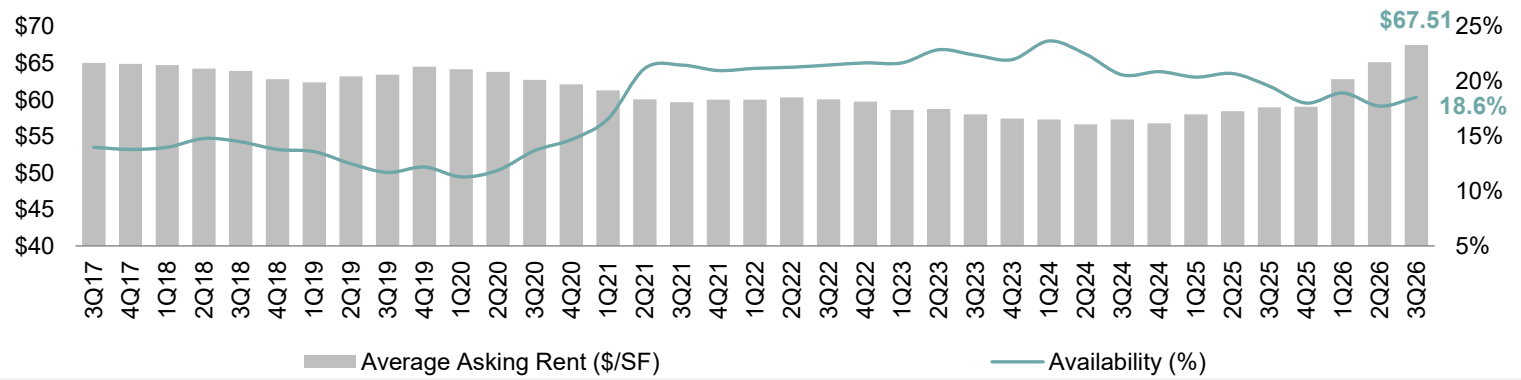
Tenant	Size (SF)	Current Location
Capital One	1.2M+	Multiple Locations
Two Sigma	600K+	100 Ave of Americas 101 Ave of Americas
SONY	500K+	11 Madison Avenue
OpenAI	250K+	295 Lafayette Street
Sierra AI	250K+	11 East 26th Street

Source: Newmark Research

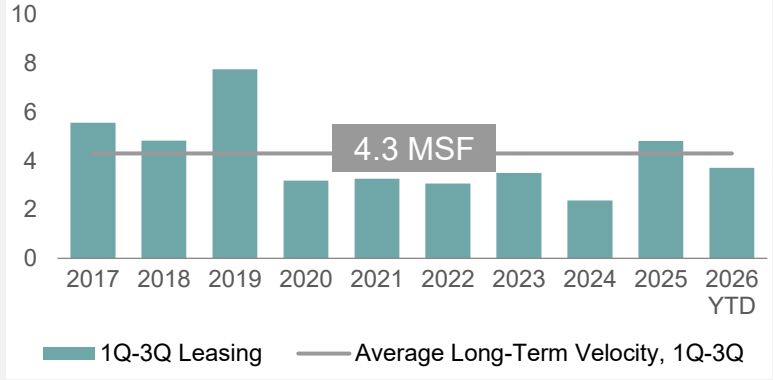
Downtown Market Overview

Downtown leasing slowed to 764,414 SF in the third quarter, bringing year-to-date volume to 3.7 MSF, down 22.9% year-over-year. During the first quarter, American Express committed to own and occupy 2 World Trade Center, a 2.0-MSF-plus development site, which is not reflected in leasing volume. Asking rents rose $2.39/SF to a record $67.51/SF, led by Downtown West, while large space additions at 1 Liberty Plaza pushed availability up 80 basis points to 18.6%.

Availability Rates & Asking Rents



Leasing Activity



Third Quarter Top Deals



1 Liberty Plaza

AON Corporation

202,002 SF

Direct Renewal



250 Broadway

NYC Taxi and Limousine Commission

38,899 SF

Direct New



300 Vesey Street

Geico

33,810 SF

Sublease New



225 Liberty Street

Brookfield Properties

29,154 SF

Direct Renewal



233 Broadway

Allied Global Marketing

28,098 SF

Direct Renewal

Select Tenants in the Market/Upcoming LXD's

Tenant	Size (SF)	Current Location
Royal Bank of Canada (RBC)	750K+	200 Vesey Street
Gap	300K+	40 Worth Street
J Crew	300K+	225 Liberty Street
WilmerHale	250K+	7 World Trade Center
Healthfirst	250K+	100 Church Street

Source: Newmark Research

3Q26 Market Statistics

Submarket Statistics

Market	Total Inventory (SF)	Under Construction (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	**284,163,701**	**4,697,721**	**12.4%**	**860,882**	**1,006,060**	**$88.76**	**$59.57**	**$84.12**
Eastside	22,798,849	0	16.3%	118,519	-75,901	$78.56	$51.01	$75.66
Far West Side	19,297,299	1,358,960	3.8%	81,260	573,111	$124.07	$153.35	$126.51
Grand Central	46,623,328	2,512,328	11.4%	56,646	286,316	$83.08	$60.27	$80.41
Murray Hill	7,820,796	0	20.9%	66	-88,412	$67.86	$51.83	$66.56
Park Avenue	24,603,197	0	7.9%	93,985	49,575	$129.45	$115.54	$128.41
Penn District	22,287,252	0	10.0%	331,356	426,782	$67.52	$54.02	$64.73
Plaza District	25,209,822	826,433	12.6%	146,567	-11,422	$122.44	$93.63	$117.96
Sixth Ave/Rock Center	45,381,986	0	12.3%	-45,411	-322,606	$108.04	$69.27	$104.44
Times Square	11,591,783	0	12.9%	-28,119	94,473	$79.22	$74.15	$79.03
Times Square South	35,451,766	0	12.5%	311,756	155,637	$55.51	$59.90	$56.42
Westside	23,097,623	0	21.7%	-205,743	-81,493	$80.95	$42.87	$67.17
Midtown South	**76,047,750**	**0**	**14.8%**	**857,080**	**1,768,905**	**$94.76**	**$77.42**	**$92.57**
Chelsea	28,623,567	0	18.0%	153,037	-28,544	$95.87	$79.87	$93.97
Flatiron/Union Square	23,086,584	0	11.6%	208,244	974,089	$86.01	$83.96	$85.86
Hudson Square	10,473,320	0	15.9%	289,135	665,890	$98.21	$76.82	$94.01
Meatpacking	1,657,047	0	7.1%	34,270	93,001	$91.16	$98.00	$92.21
NoHo/SoHo	12,207,232	0	13.2%	172,394	64,469	$104.48	$66.73	$98.04
Downtown	**82,471,898**	**0**	**18.6%**	**-995,816**	**-2,220,161**	**$71.82**	**$50.03**	**$67.51**
Downtown East	41,672,436	0	20.1%	-306,253	-437,272	$62.98	$46.65	$59.66
Downtown West	34,529,744	0	16.8%	-606,420	-1,633,251	$83.50	$54.73	$77.46
Tribeca/City Hall	6,269,718	0	17.9%	-83,143	-149,638	$77.67	$50.79	$74.96
Manhattan	**442,683,349**	**4,697,721**	**14.0%**	**722,146**	**554,804**	**$85.84**	**$59.15**	**$81.49**

Source: Newmark Research

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