



NEWMARK

*Manhattan*  
Office Market

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4Q25



NMRK.COM



# Market Observations

Available space has declined seven consecutive quarters, falling 22.4 MSF since 1Q24 and lowering availability from 19.5% to 15.0%

Office leasing tallied 42.8 MSF in 2025, the third highest recorded annual total in the past 20 years and 9.7% higher than one year ago

Fourth quarter recorded 10.7 MSF of leasing activity driven by 16 transactions signed for greater than 100,000 SF each

At 4.8 MSF, absorption closed the year positive for the first time in over a decade as strong leasing drove market fundamentals



Direct availability in Midtown trophy assets dropped sharply to 3.7%. Available space within the trophy set has not registered a quarterly rise since 1Q23

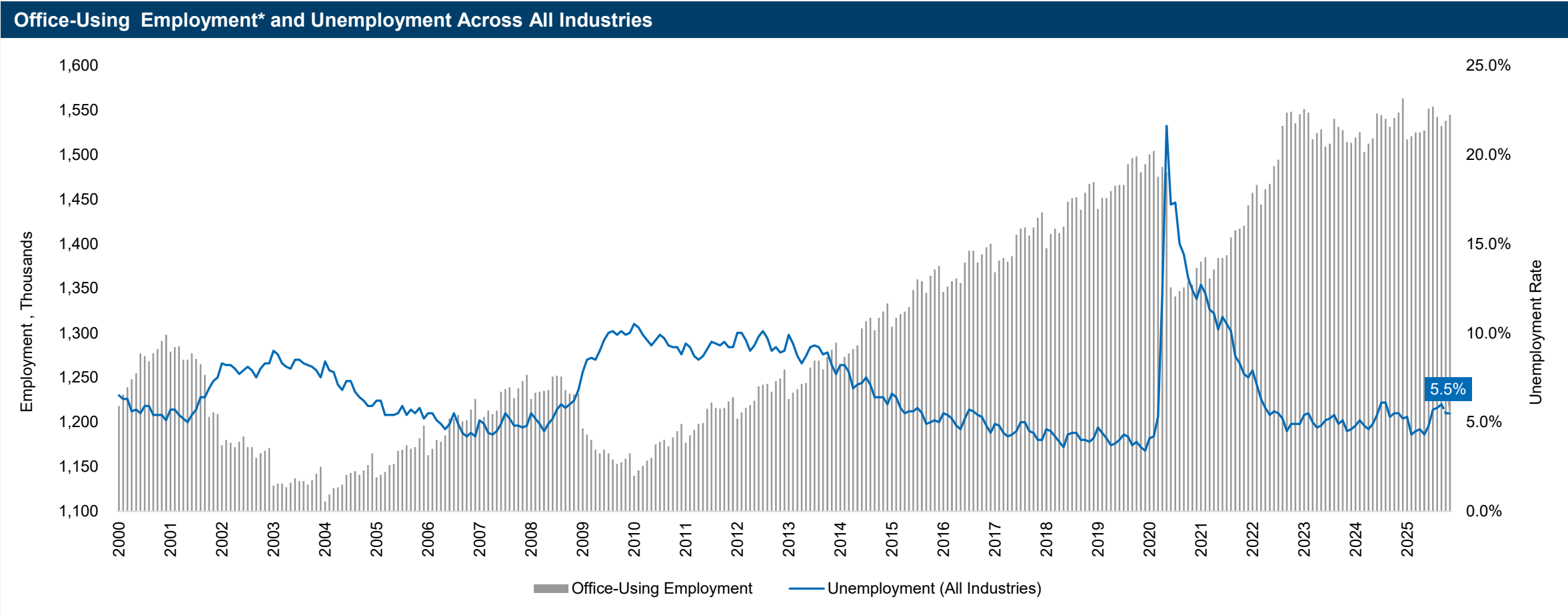
Rental rate recovery continued in 4Q25 as overall Manhattan asking rents grew \$0.79/SF with Midtown class A rents 5.7% higher than the 1Q20 average

Fourteen of the nineteen Manhattan submarkets recorded year-over-year asking rent increases

15.5 MSF has either commenced conversion or is planning to do so, following 3.9 MSF of buildings converted since 2020

# Overall Office-Using Employment

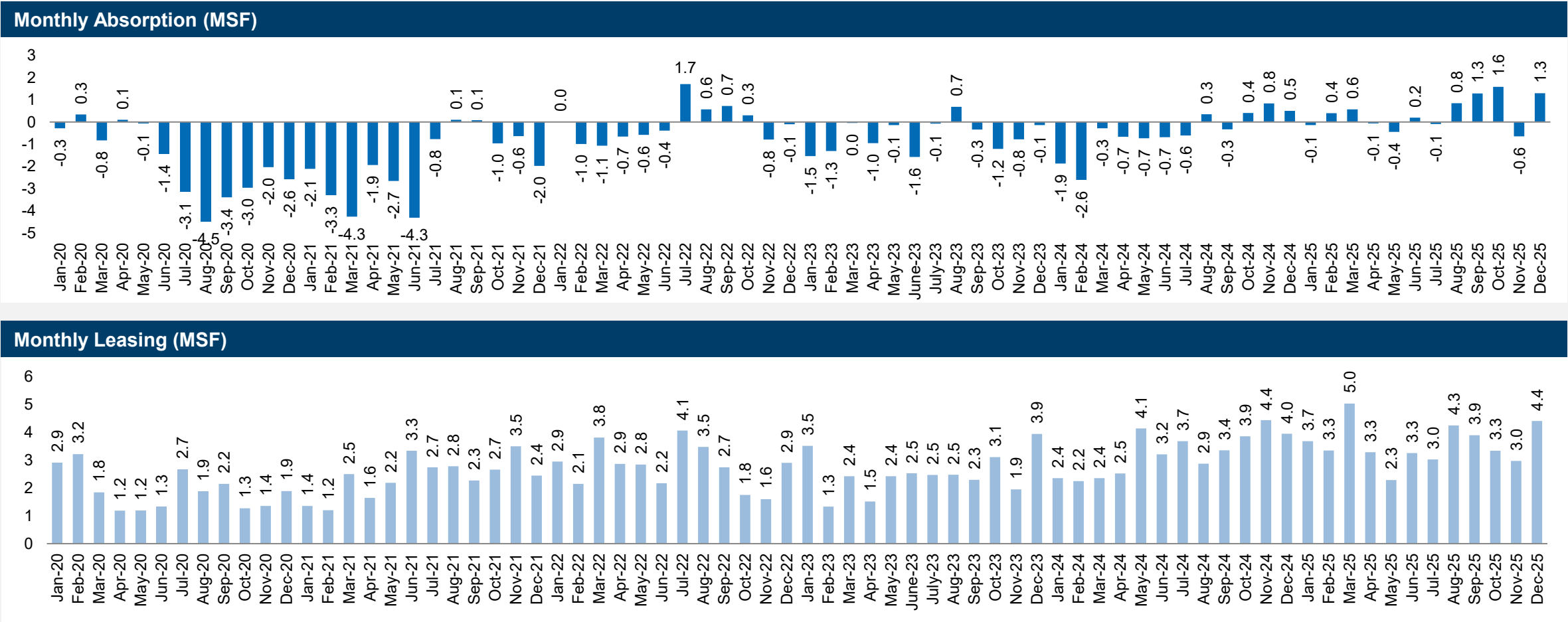
Office-using employment remains below the December 2024 peak as economic uncertainty has prompted a slowdown in hiring. Following four months of consecutive decreases and unreported October numbers, local unemployment recorded 5.5% in November, just below September’s twelve-month high.



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

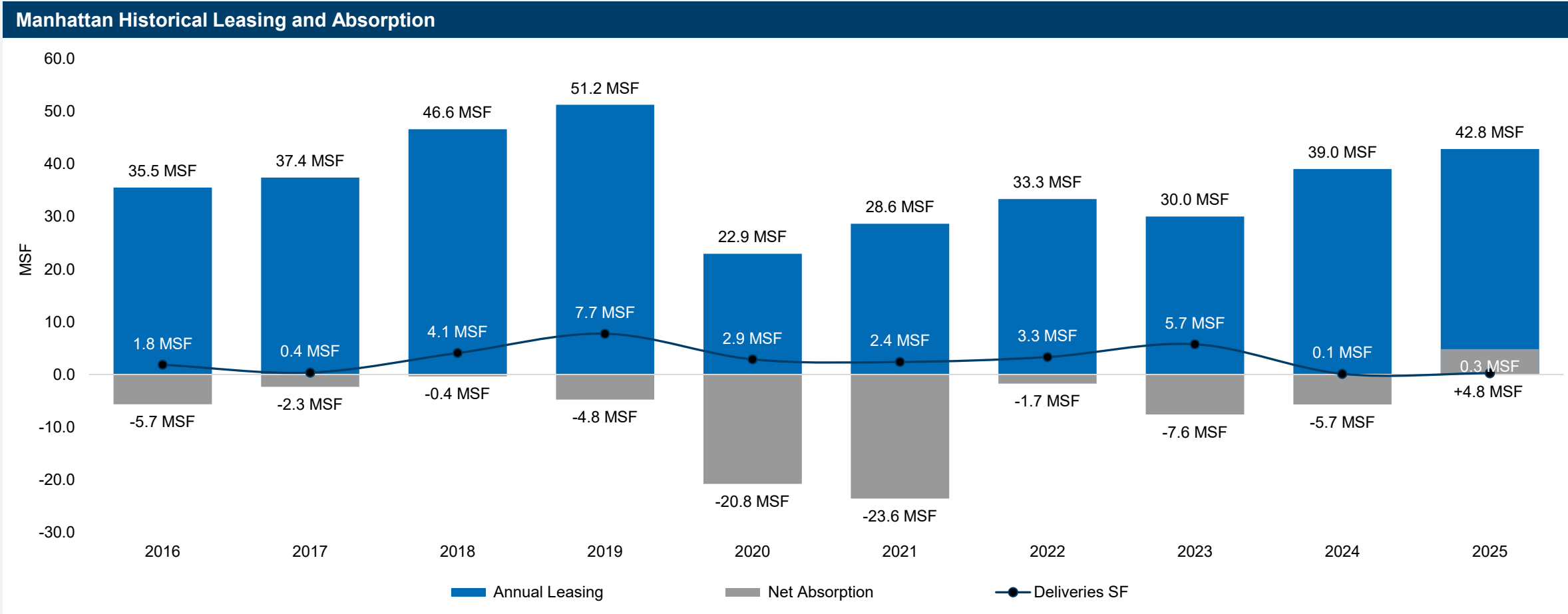
# Manhattan Absorption and Leasing Activity

December 2025 leasing activity recorded 4.4 MSF, bringing 2025 year-end activity to 42.8 MSF and marking a seventh consecutive month of leasing over 3.0 MSF. Positive monthly absorption recorded in seven of the last twelve months with year-end absorption positive 4.8 MSF



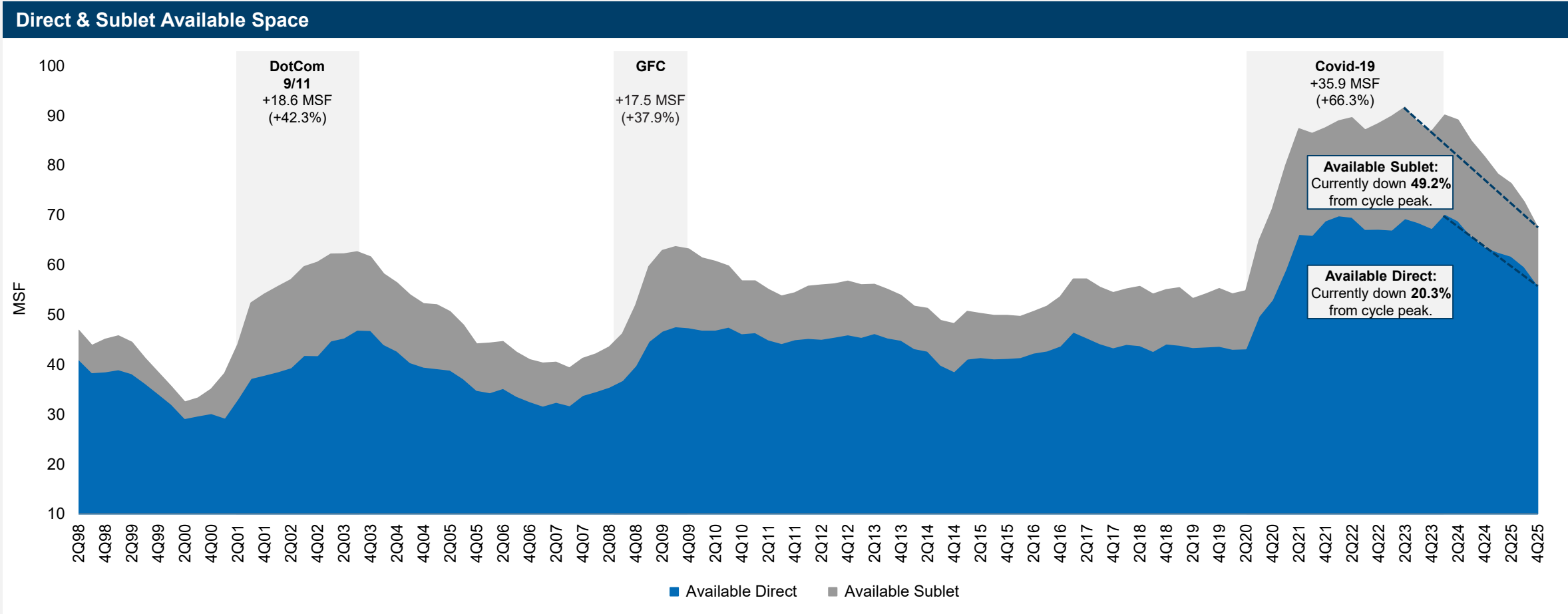
# Leasing and Absorption Analysis

At 4.8 MSF, absorption closed the year positive for the first time in over a decade as strong leasing drove market fundamentals. Leasing activity registered 42.8 MSF, the strongest since 2019 and a 9.7% increase from last year. For the second straight year, construction deliveries remained minimal, delivering only 257,655 SF of newly constructed space to market in 2025.



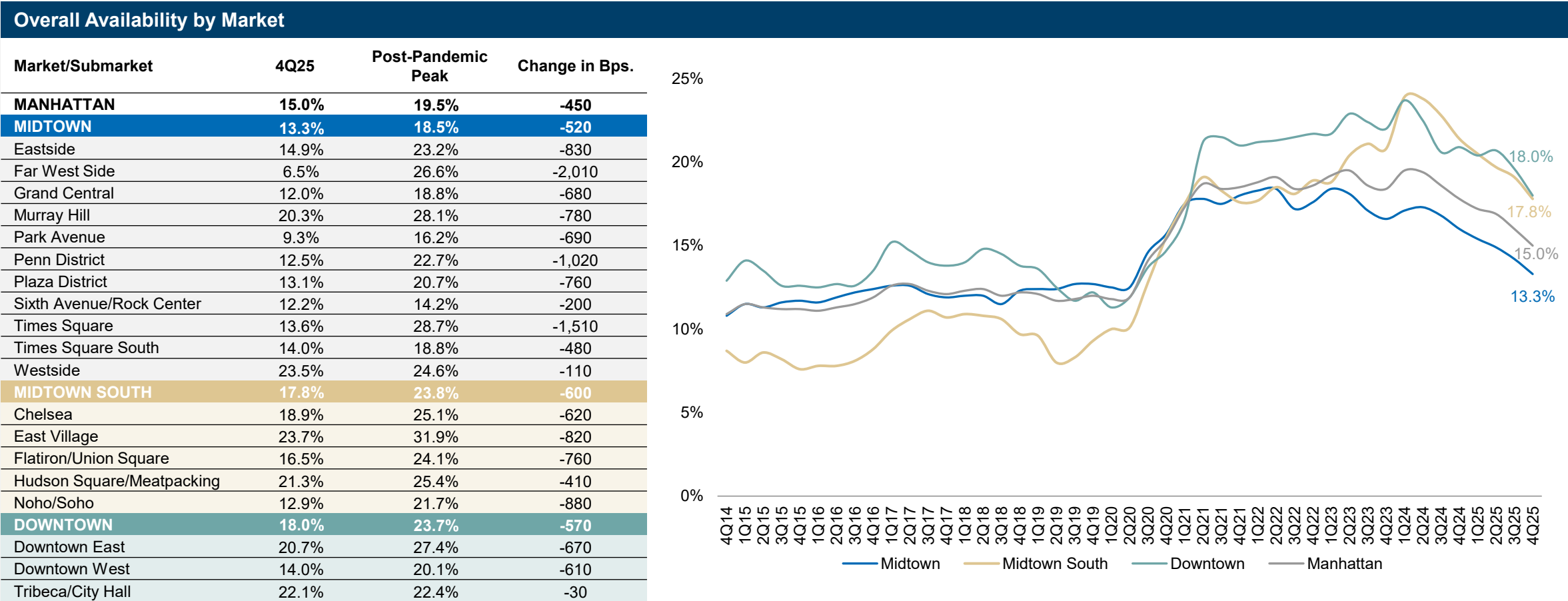
# Historical Availability Composition

Total available space has continued to decline, falling a total of 22.5 MSF over the past seven quarters. Sublease space has decreased 49.2% from its peak in 1Q23 and currently sits 4.7% above pre-pandemic levels.



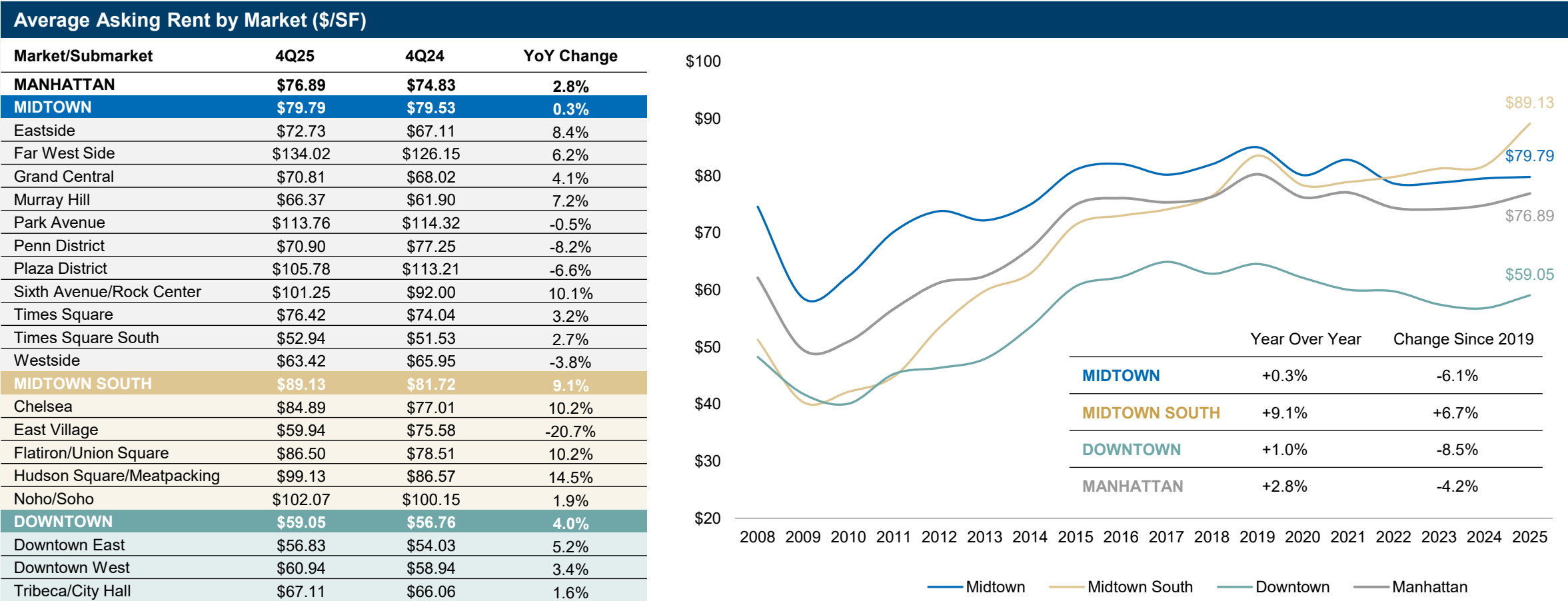
# Manhattan Market/Submarket Comparison | Availability

Manhattan overall availability dropped 110 basis points quarter-over-quarter to 15.0%, marking a seventh consecutive quarter of decreasing availability and the lowest level since fourth quarter 2020.



# Manhattan Market/Submarket Comparison | Asking Rents

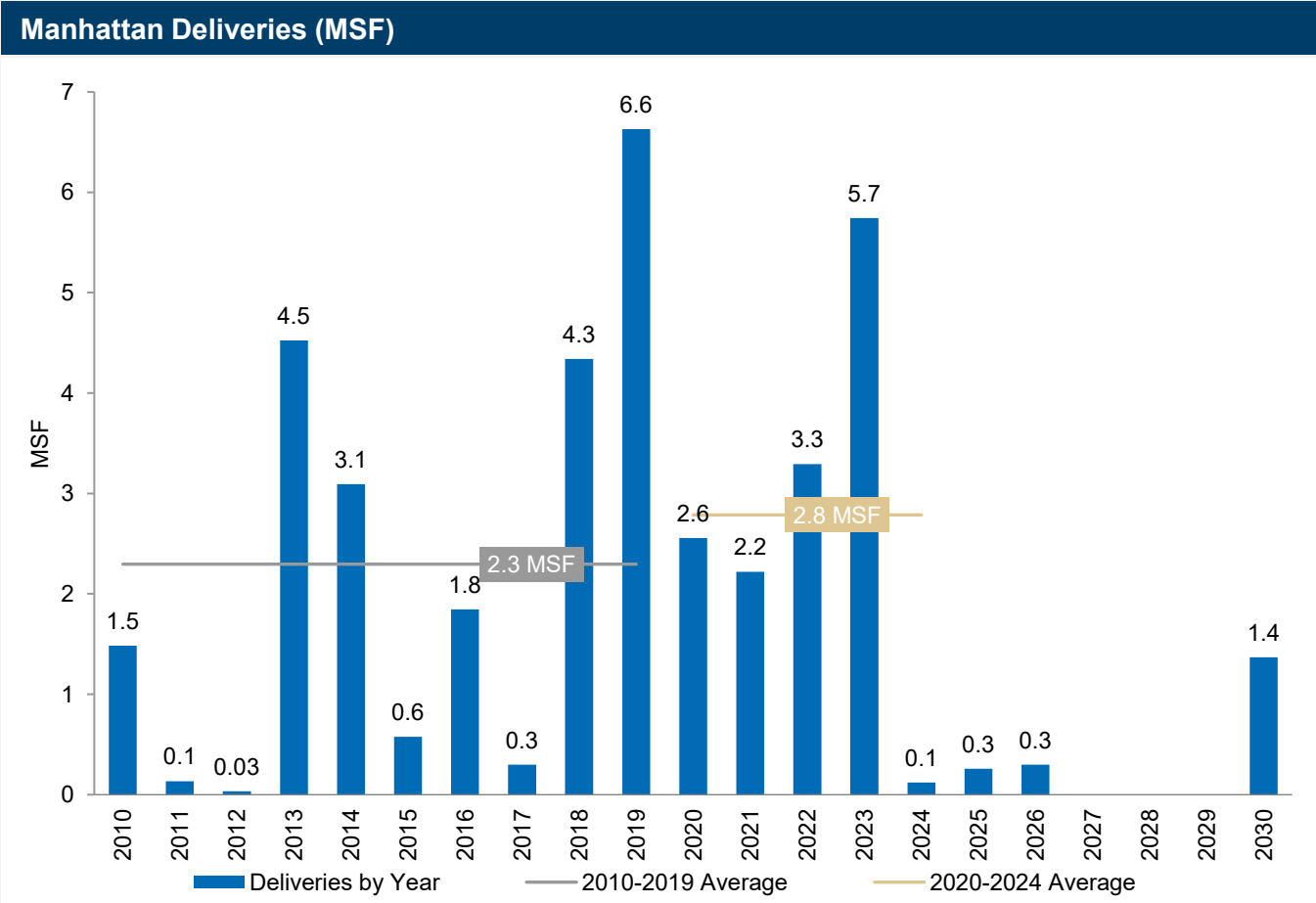
Rental rate recovery continued in the fourth quarter as overall asking rents grew \$0.79/SF. Fourteen of the nineteen submarkets recorded year-over-year increases, driven by the Midtown South and Downtown markets.





# Construction Velocity

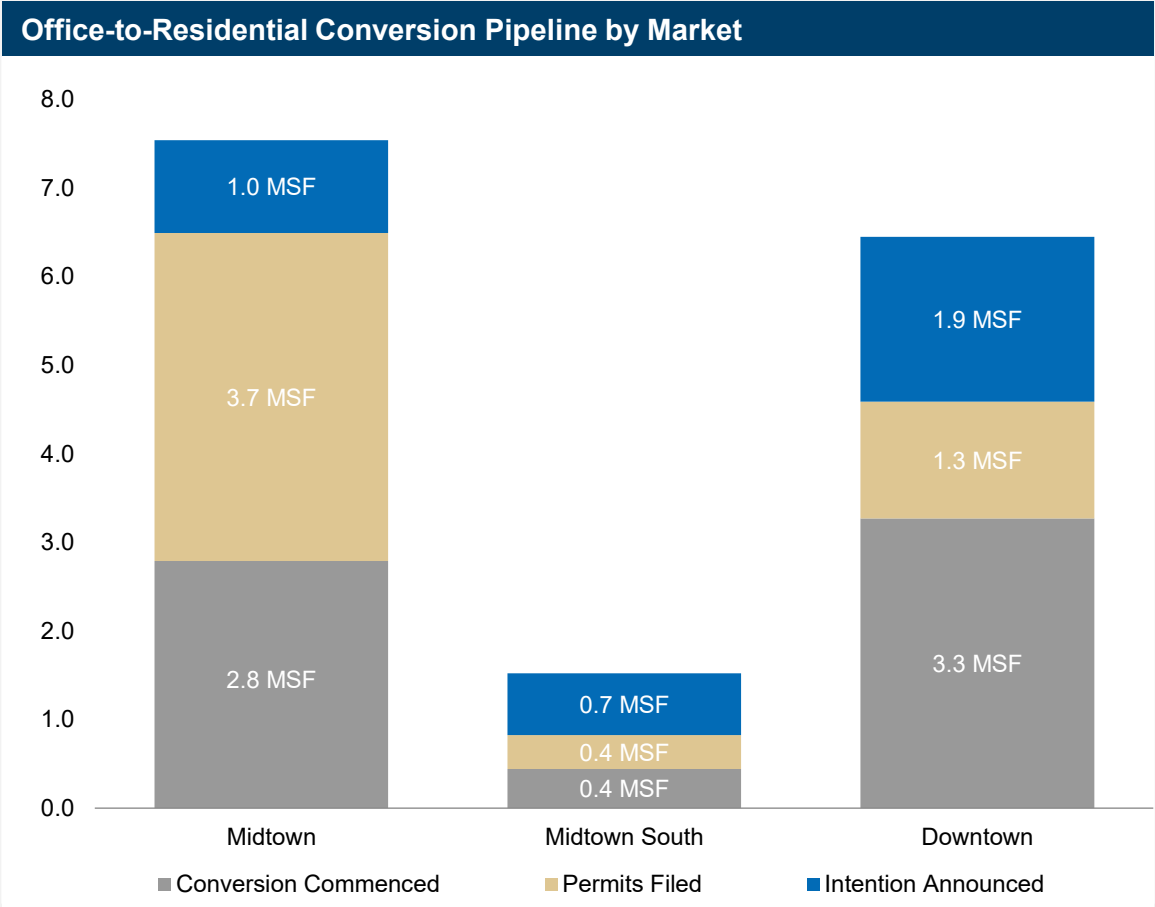
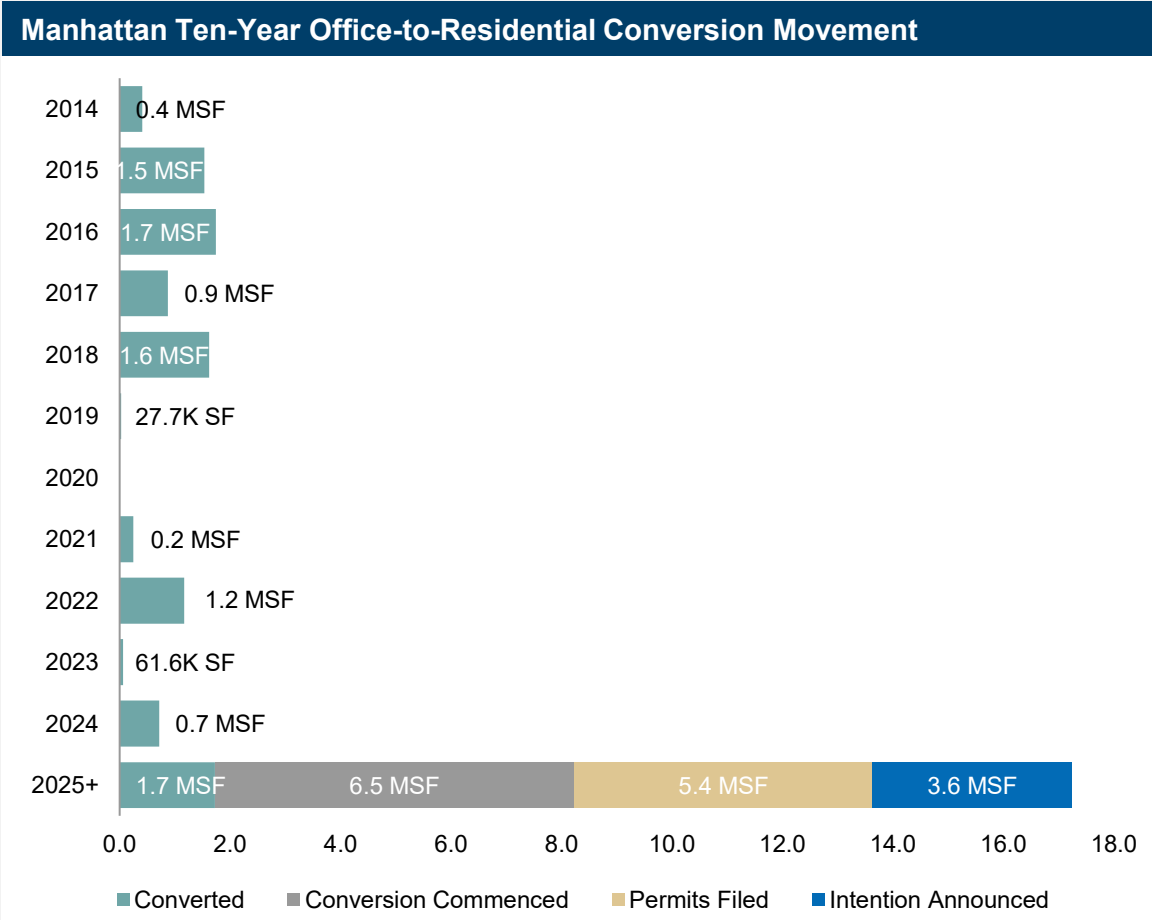
The Manhattan office market has experienced a significant shift in supply dynamics over the past fifteen years, adding 44.2 MSF since 2010. Minimal new construction deliveries are expected over the next few years as remote work during the pandemic forced new office projects to be put on hold. There is just 298,702 SF anticipated to deliver in 2026 while additional deliveries are expected to pick up after 2030, following 70 Hudson Yards.



New Construction Overview - 2010-Present			
Building	RBA Added	# of Buildings	Direct Availability Rate
MT	29.3 MSF	30	4.9%
MTS	6.9 MSF	42	21.8%
DT	8.1 MSF	5	7.1%
Overall	44.2 MSF	77	7.9%

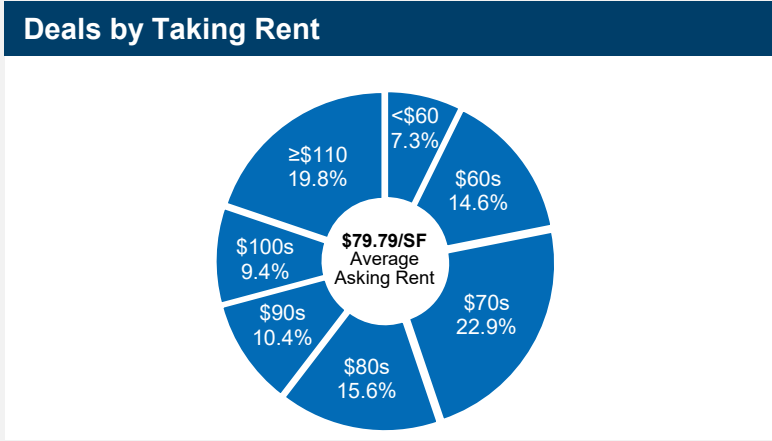
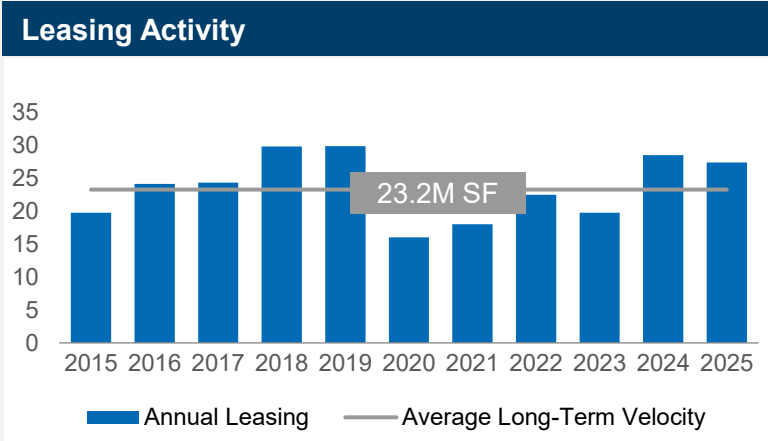
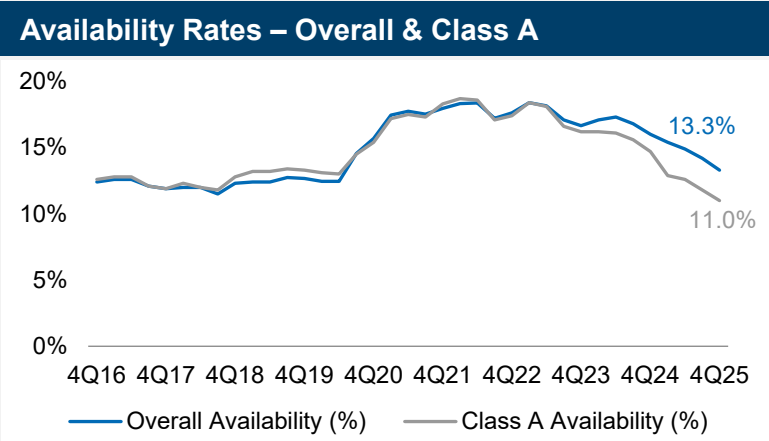
# Office to Residential Conversions

There is 15.5 MSF of active and planned office to residential conversions in Manhattan, following 10.2 MSF of buildings converted since 2015. Construction has commenced for the conversion of seventeen buildings, eight located in Midtown, five in Downtown, and four in Midtown South.






# Midtown Market Overview

Fourth quarter leasing reached 6.7 MSF, bringing the 2025 total to 27.3 MSF. Annual activity was down slightly from one year ago, but recorded 17.5% higher than the 10-year historical average. More than 400,000 SF of leasing at PENN 2 by Dick’s Sporting Goods, FGS Global and others helped push availability down 90 basis points during the quarter to 13.3%. Overall asking rent rose \$0.66/SF to \$79.79/SF as tightening availability has pushed rents higher.



### Fourth Quarter Top Deals

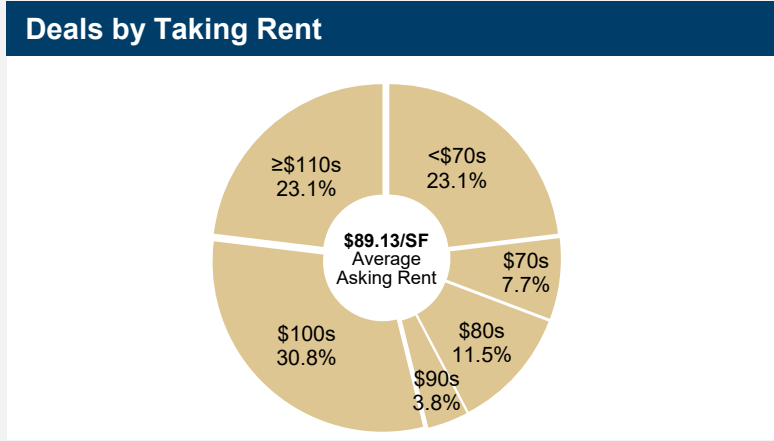
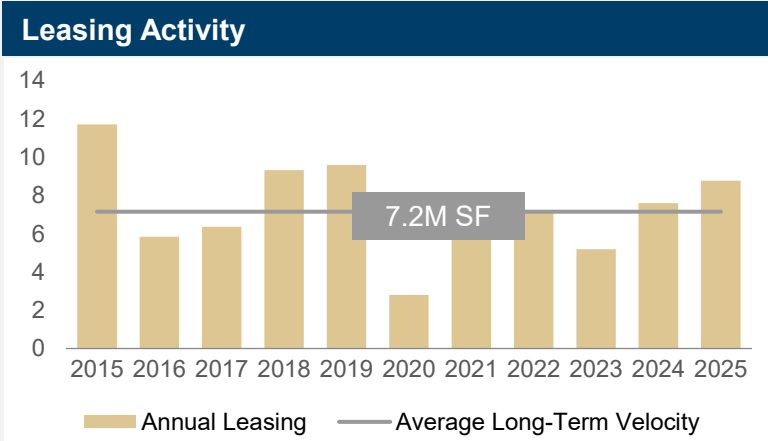
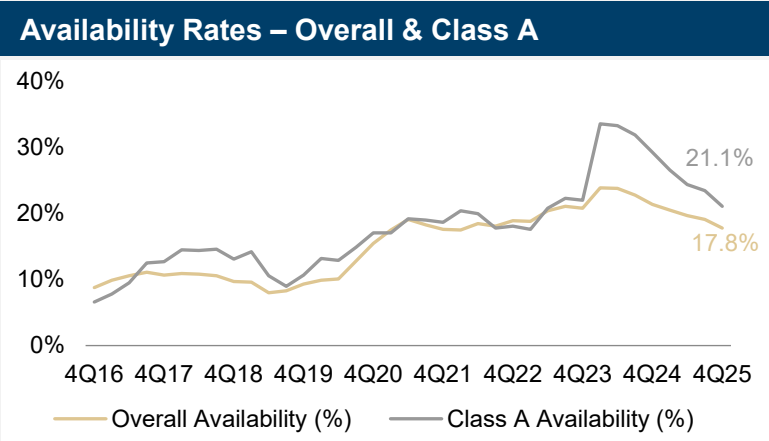
				
<b>120 Park Avenue</b>	<b>399 Park Avenue</b>	<b>1400 Broadway</b>	<b>1633 Broadway</b>	<b>11 Penn Plaza</b>
Bloomberg	Millennium Management	Burlington Merchandising Corp.	Natixis	AMC Networks
495,753 SF	438,000 SF	205,629 SF	202,875 SF	177,717 SF
Direct Renewal	Direct Extension	Direct Renewal & Expansion	Direct New	Direct Renewal






### Select Tenants in the Market/Upcoming LXD's

Tenant	Size (SF)	Current Location
Apollo Global Management	1.0M+	9 West 57 <sup>th</sup> Street
Data Dog	500K+	620 Eighth Avenue
Microsoft	500K+	11 Times Square
McDermott Will & Schulte	450K+	1 Vanderbilt Avenue 919 Third Avenue
Societe Generale	400K+	245 Park Avenue

# Midtown South Market Overview

Midtown South closed 2025 with 8.8 MSF leased, the highest total since 2019 and 22.8% higher than the long-term average. With the strongest leasing in more than five years, availability dropped 130 basis points to 17.8%, its lowest level since 1Q22. Four of the top five quarterly transactions occurred in newly renovated assets, as the flight-to-quality trend continues. Average asking rents increased \$3.49/SF quarter over quarter to \$89.13/SF, an all-time high.

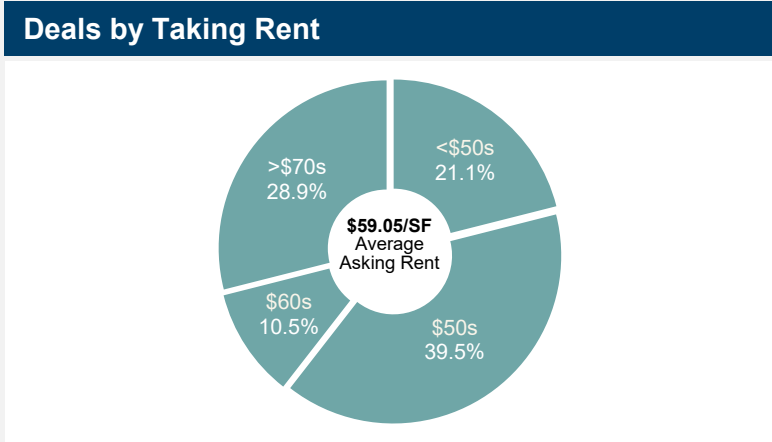
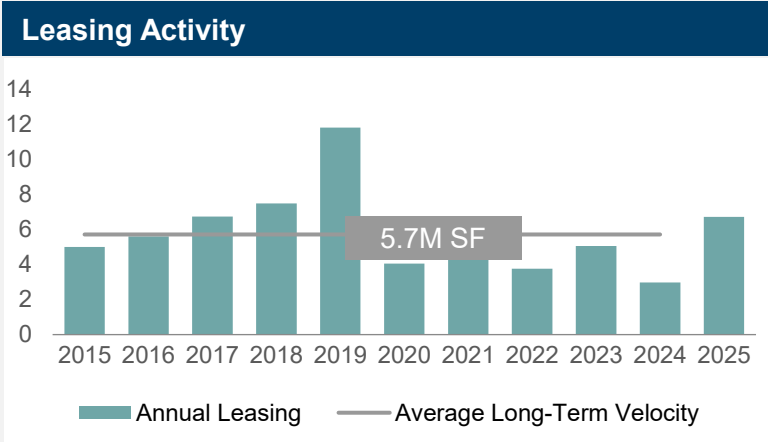
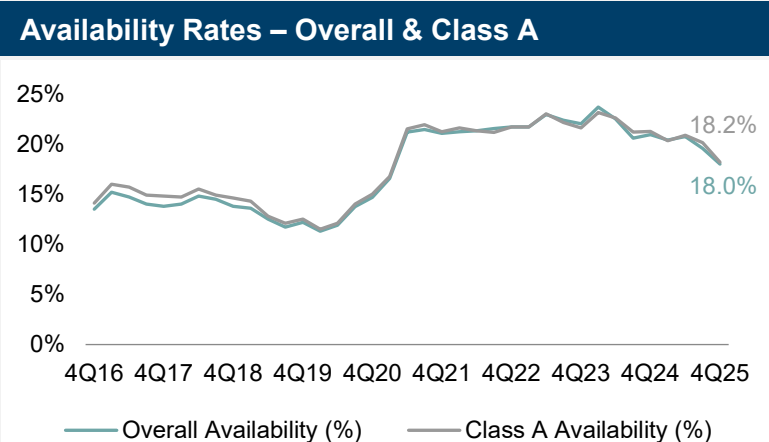


Fourth Quarter Top Deals				
				
1 Madison Avenue	1 Madison Avenue	119-125 West 24 <sup>th</sup> Street	360 Park Avenue South	295 Fifth Avenue
Coinbase	Harvey AI	Anheuser-Busch Inc.	Hunter Point Capital	Quinn, Emanuel, Urquhart, Oliver & Hedges LLP
92,663 SF	92,663 SF	87,542 SF	46,076 SF	43,887 SF
Direct Expansion	Direct New	Direct Renewal	Direct New	Direct Expansion






Select Tenants in the Market/Upcoming LXD's		
Tenant	Size (SF)	Current Location
Capital One	500K+	Multiple Locations
SONY	400K+	11 Madison Avenue
Two Sigma	400K+	100 Ave of Americas 101 Ave of Americas
Fanatics	300K+	95 Morton Street
Ramp	250K+	28 West 23 <sup>rd</sup> Street

# Downtown Market Overview

Led by large deals signed by Moody’s Corporation and New York State Attorney General, Downtown leasing momentum increased 57.4% from the previous quarter and 225.4% from 2024. Availability fell to 18.0%, it’s lowest level in over four years, as residential conversions continue to change the Downtown landscape. Average asking rents increased \$0.10/SF to end the quarter at \$59.05/SF, the highest level since 4Q22.



### Fourth Quarter Top Deals

				
200 Liberty	28 Liberty	28 Liberty	1 World Trade Center	199 Water Street
Moody’s Corporation	NYS Attorney General	Stripe	Scale AI	ArchLabs
460,000 SF	378,348 SF	139,497 SF	80,000 SF	73,548 SF
Direct New	Direct Renewal & Expansion	Direct Expansion	Sublease New	Direct New

### Select Tenants in the Market/Upcoming LXD’s

Tenant	Size (SF)	Current Location
Hudson River Trading	300K+	3 World Trade Center
WilmerHale	250K+	7 World Trade Center
AON	175K+	1 Liberty Plaza
Oppenheimer Co.	175K+	85 Broad Street
Uber	150K+	3 World Trade Center



# 4Q25 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)
<b>Midtown</b>	<b>289,611,931</b>	<b>2,282,366</b>	<b>17.8%</b>	<b>1,654,238</b>	<b>3,084,829</b>	<b>\$83.76</b>	<b>\$60.93</b>	<b>\$79.79</b>
Eastside	24,547,885	613,664	14.9%	-221,691	-124,782	\$74.50	\$47.87	\$72.73
Far West Side	19,297,299	1,370,000	6.5%	581,393	786,885	\$140.64	\$115.16	\$134.02
Grand Central	47,219,973	0	12.0%	160,865	140,335	\$73.84	\$56.01	\$70.81
Murray Hill	7,820,796	0	20.3%	35,519	8,616	\$67.82	\$46.92	\$66.37
Park Avenue	25,083,174	0	9.3%	-73,201	-2,135	\$117.03	\$101.09	\$113.76
Penn District	22,406,252	0	12.5%	792,881	1,132,561	\$74.17	\$51.25	\$70.90
Plaza District	25,369,822	0	13.1%	162,591	545,369	\$108.40	\$92.07	\$105.78
Sixth Ave/Rock Center	45,592,872	210,886	12.2%	527,894	614,189	\$105.25	\$73.20	\$101.25
Times Square	11,830,510	87,816	13.6%	87,375	128,512	\$76.50	\$67.43	\$76.42
Times Square South	35,555,746	0	14.0%	-356,921	-55,063	\$53.77	\$48.66	\$52.94
Westside	23,697,623	0	23.5%	-42,467	-89,658	\$76.14	\$42.57	\$63.42
<b>Midtown South</b>	<b>77,204,520</b>	<b>0</b>	<b>13.3%</b>	<b>1,349,385</b>	<b>1,480,546</b>	<b>\$90.55</b>	<b>\$77.14</b>	<b>\$89.13</b>
Chelsea	28,739,341	0	18.9%	493,594	733,387	\$85.81	\$77.97	\$84.89
East Village	1,619,447	0	23.7%	24,830	11,718	\$62.90	\$55.00	\$59.94
Flatiron/Union Square	23,640,584	0	16.5%	667,909	472,681	\$87.75	\$57.83	\$86.50
Hudson Sq./Meatpacking	12,029,593	0	21.3%	96,047	176,005	\$99.62	\$96.06	\$99.13
NoHo/SoHo	11,175,555	0	12.9%	67,005	86,755	\$105.70	\$70.46	\$102.07
<b>Downtown</b>	<b>86,275,233</b>	<b>0</b>	<b>18.0%</b>	<b>-117,955</b>	<b>233,279</b>	<b>\$62.69</b>	<b>\$45.82</b>	<b>\$59.05</b>
Downtown East	44,675,950	0	20.7%	-871,656	-679,853	\$60.44	\$42.55	\$56.83
Downtown West	35,316,929	0	14.0%	787,911	867,845	\$64.82	\$49.91	\$60.94
Tribeca/City Hall	6,282,354	0	22.1%	-34,210	45,287	\$70.20	\$49.88	\$67.11
<b>Manhattan</b>	<b>451,901,705</b>	<b>2,282,366</b>	<b>15.0%</b>	<b>2,885,668</b>	<b>4,798,654</b>	<b>\$80.64</b>	<b>\$58.54</b>	<b>\$76.89</b>

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