

NEWMARK

Manhattan
Office Market

4Q25

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

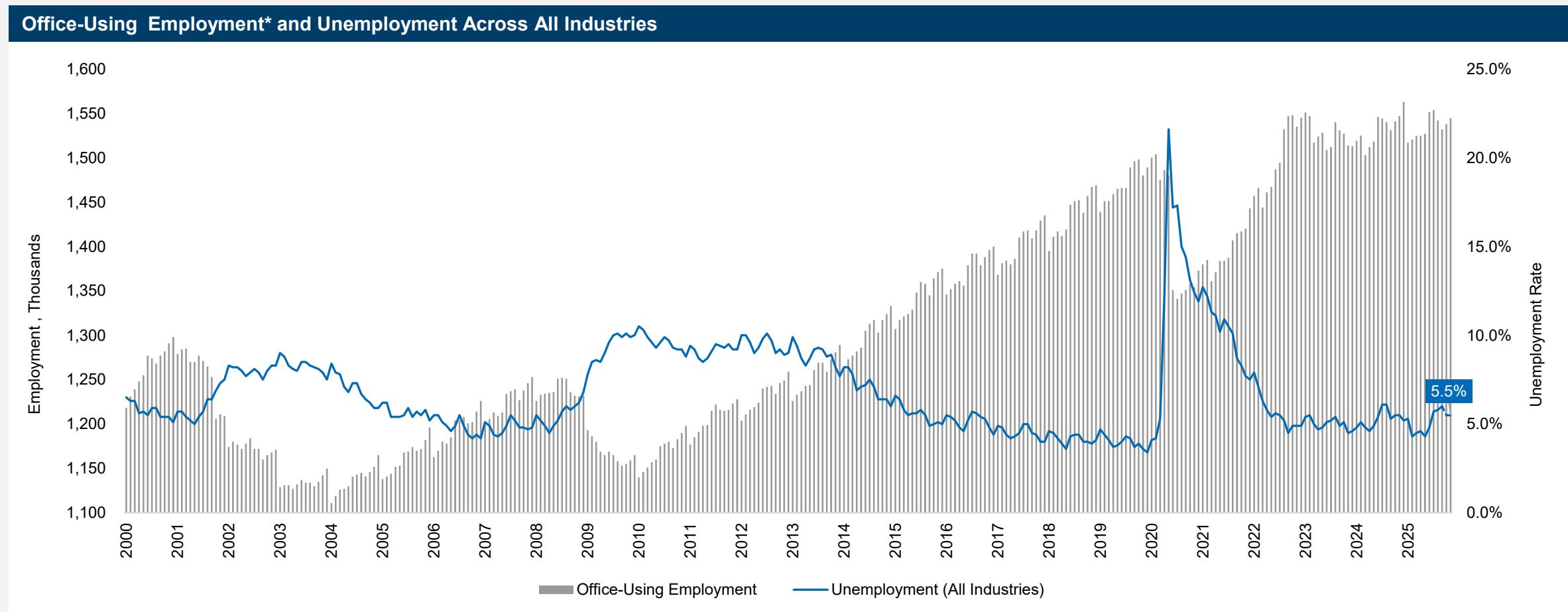
Rental rate recovery continued in 4Q25 as overall Manhattan asking rents grew \$0.79/SF with Midtown class A rents 5.7% higher than the 1Q20 average

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.



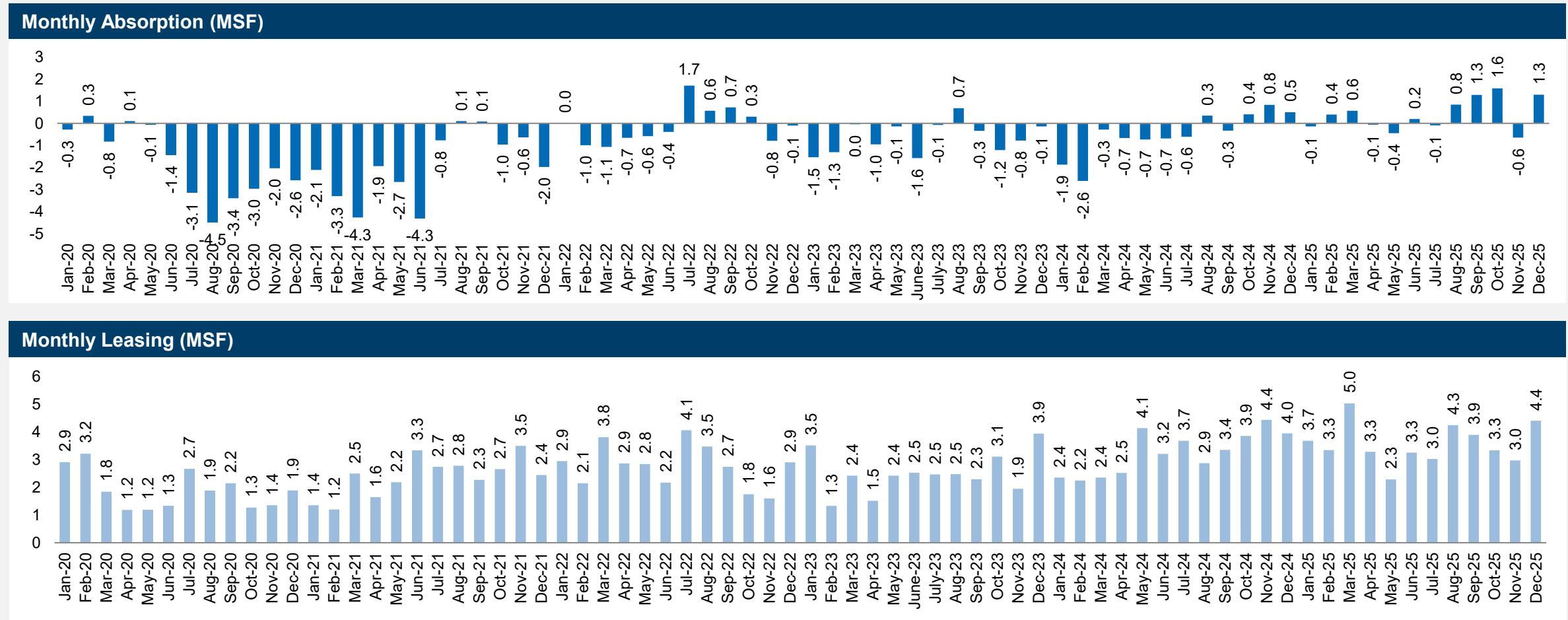
Source: U.S. Bureau of Labor Statistics, New York City

Note: November 2025 data is preliminary.

*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

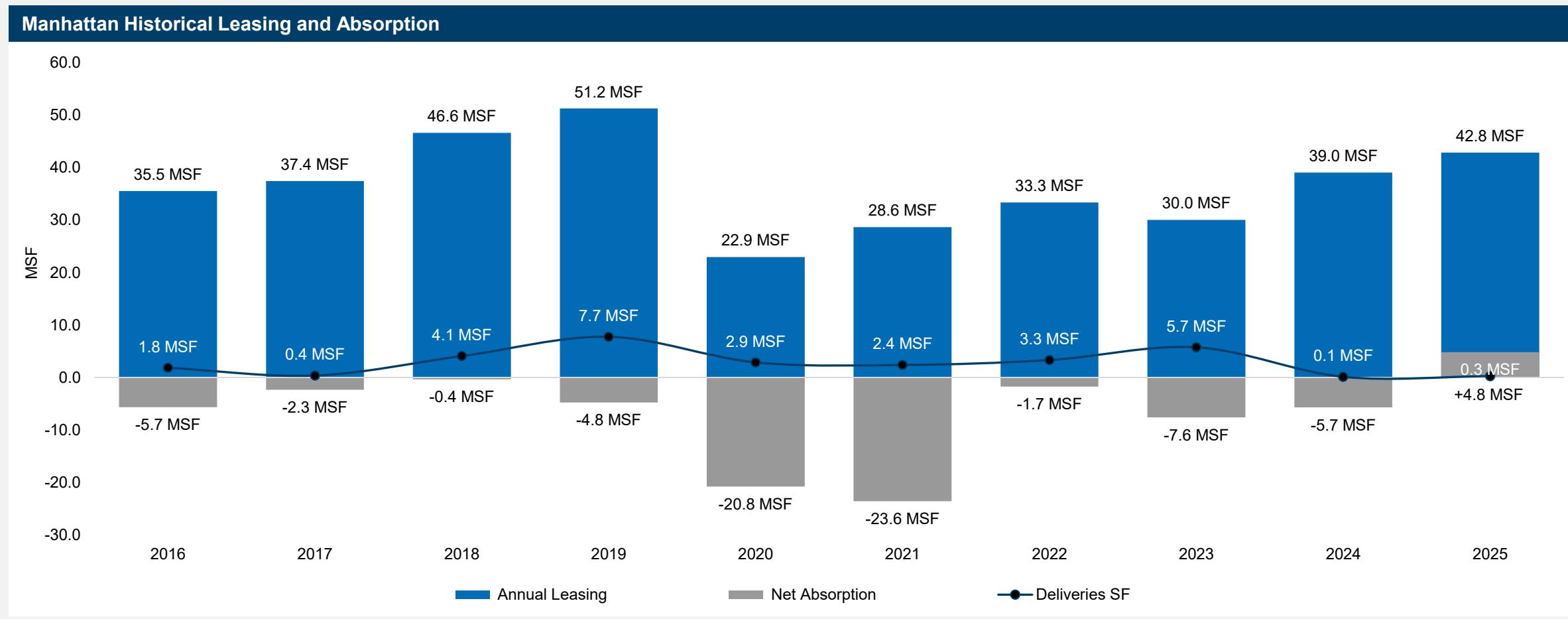
Manhattan Absorption and Leasing Activity

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



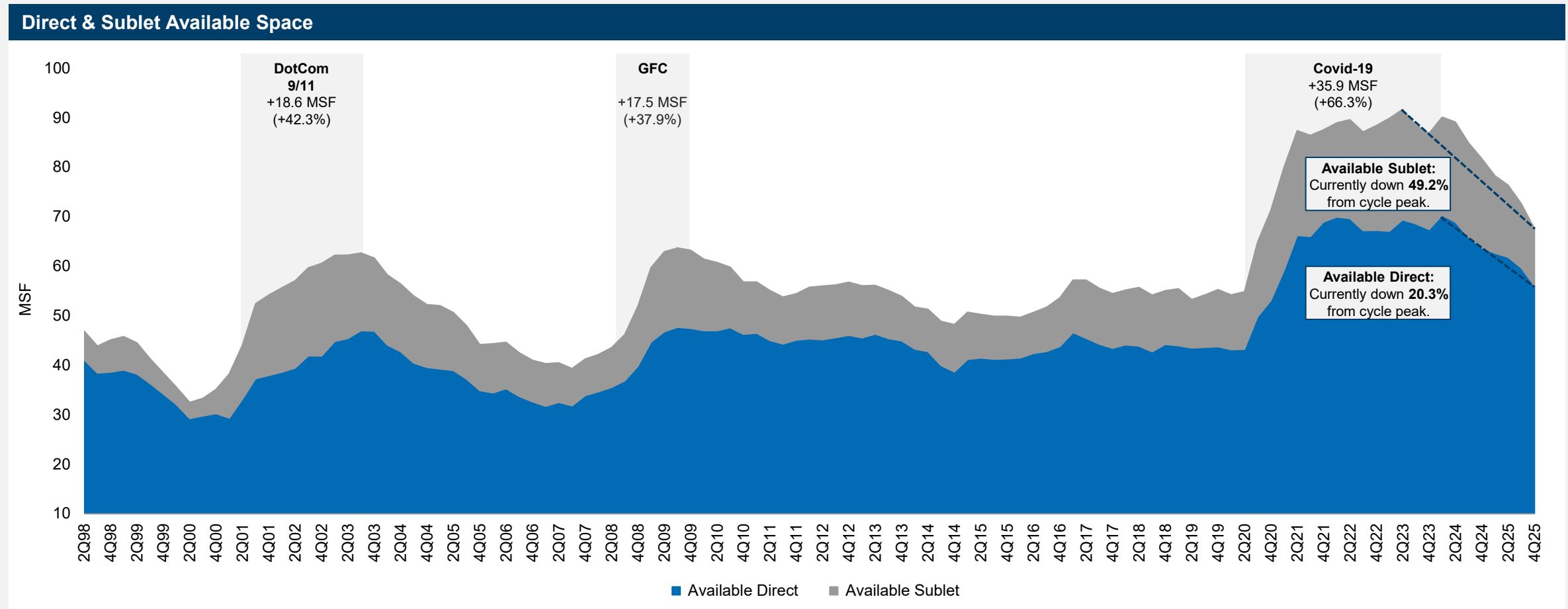
Leasing and Absorption Analysis

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.



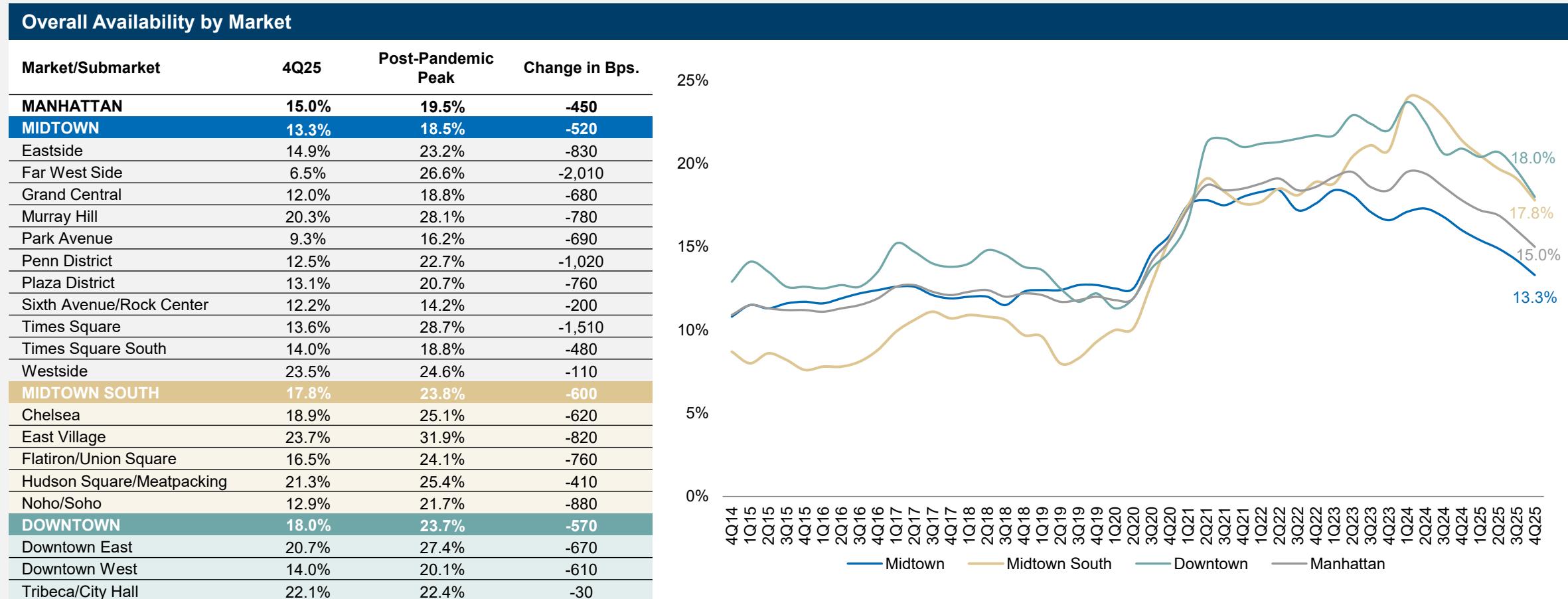
Historical Availability Composition

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.



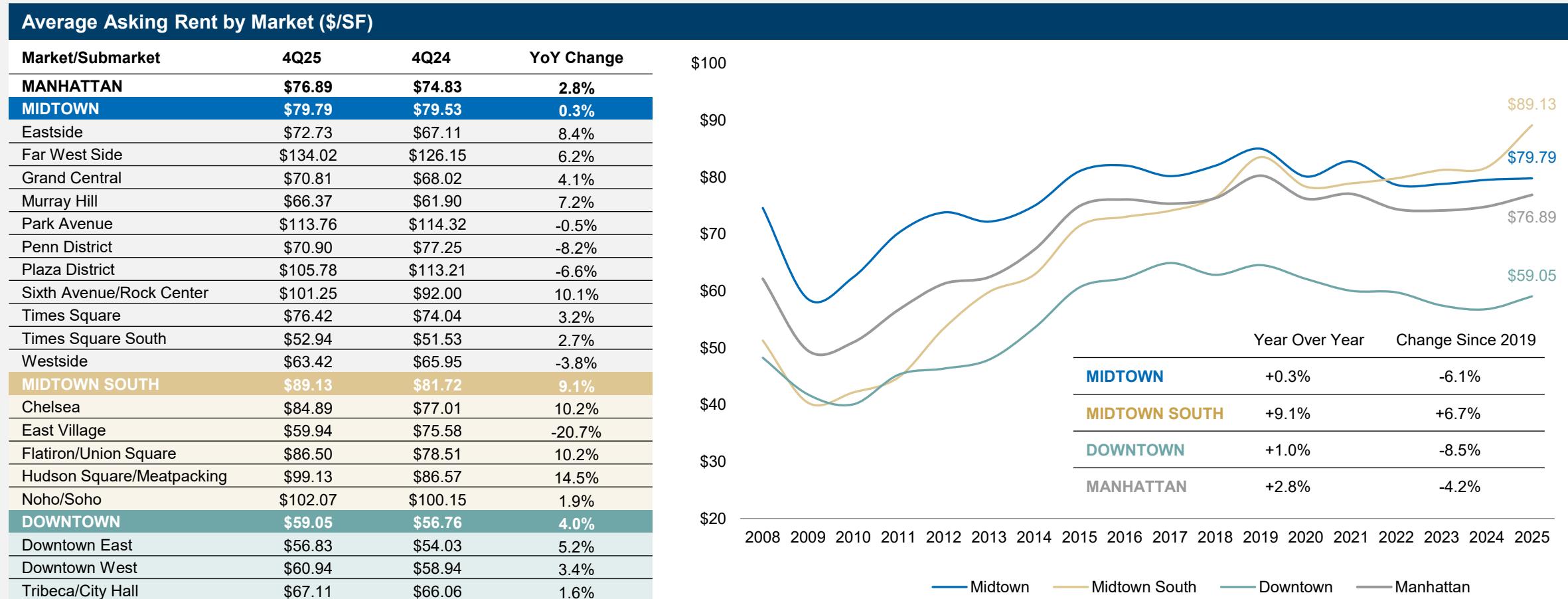
Manhattan Market/Submarket Comparison | Availability

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.



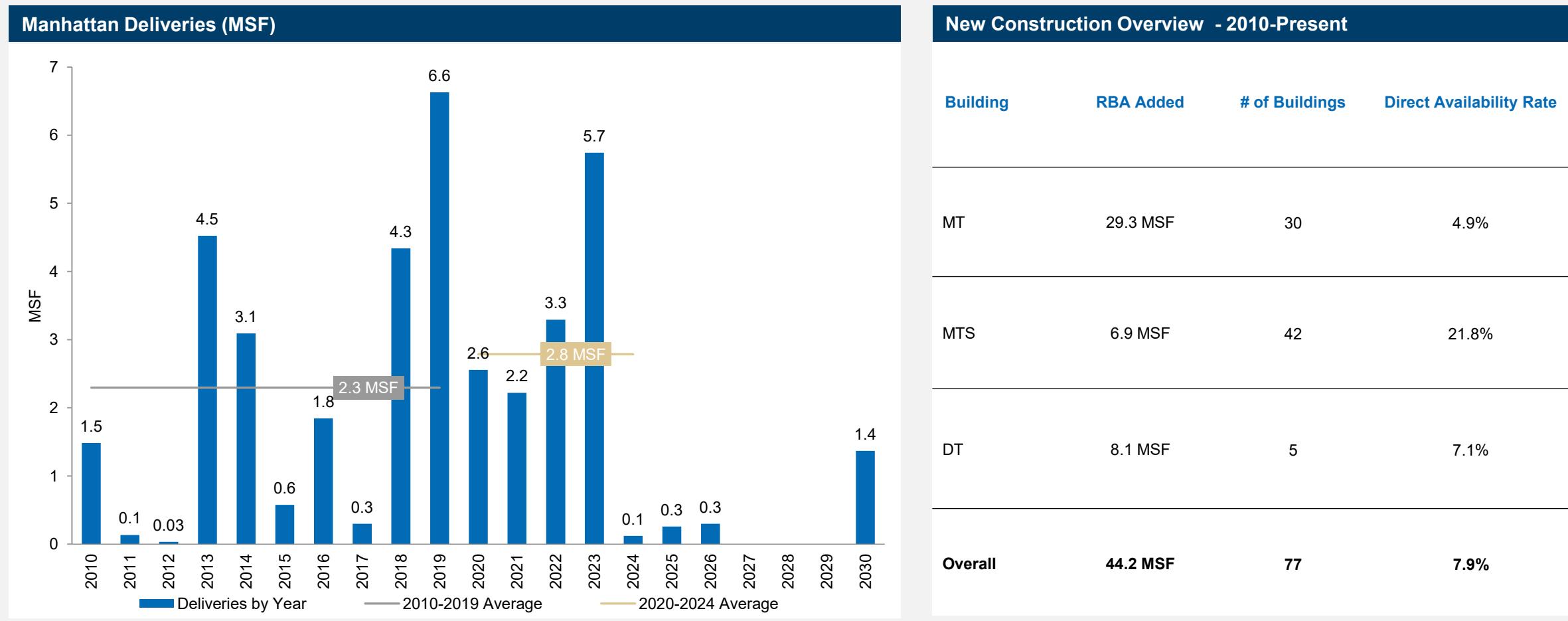
Manhattan Market/Submarket Comparison | Asking Rents

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.



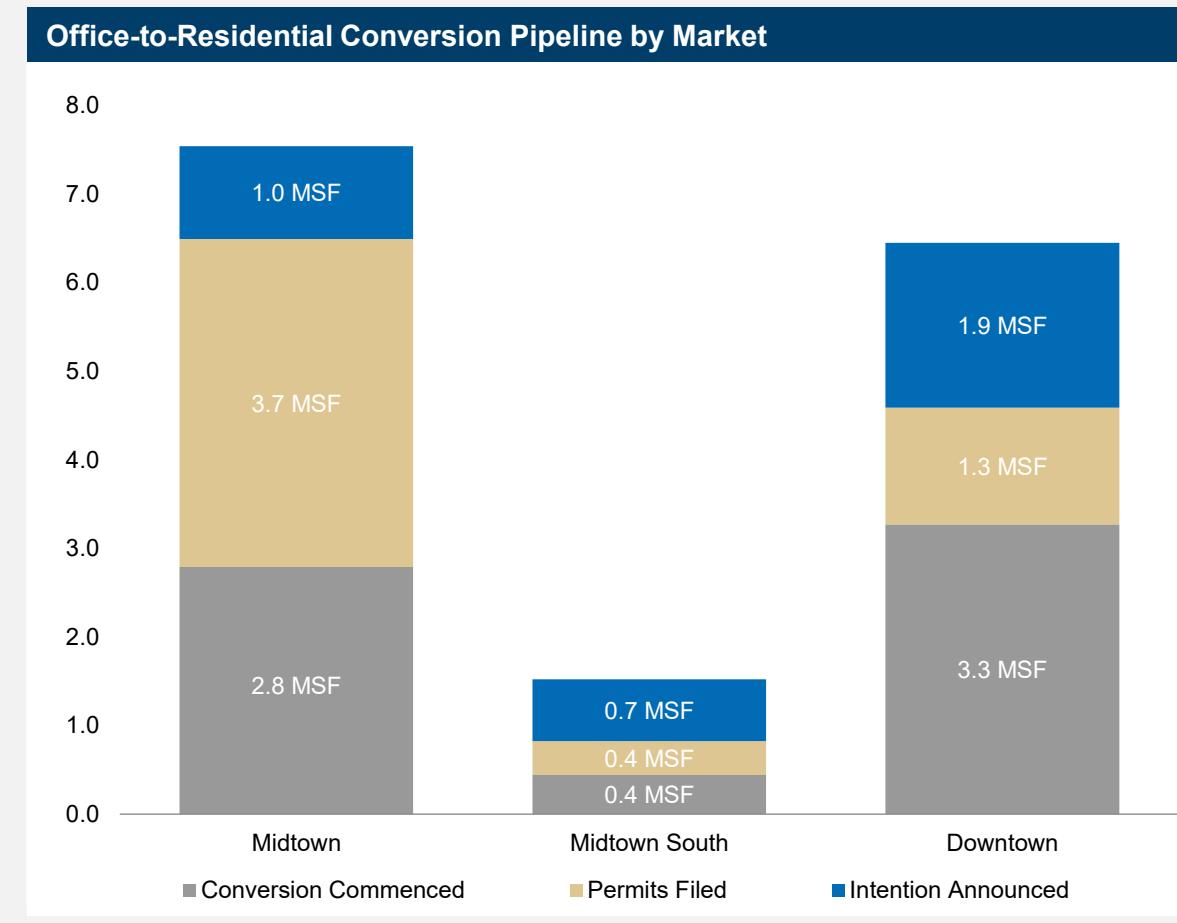
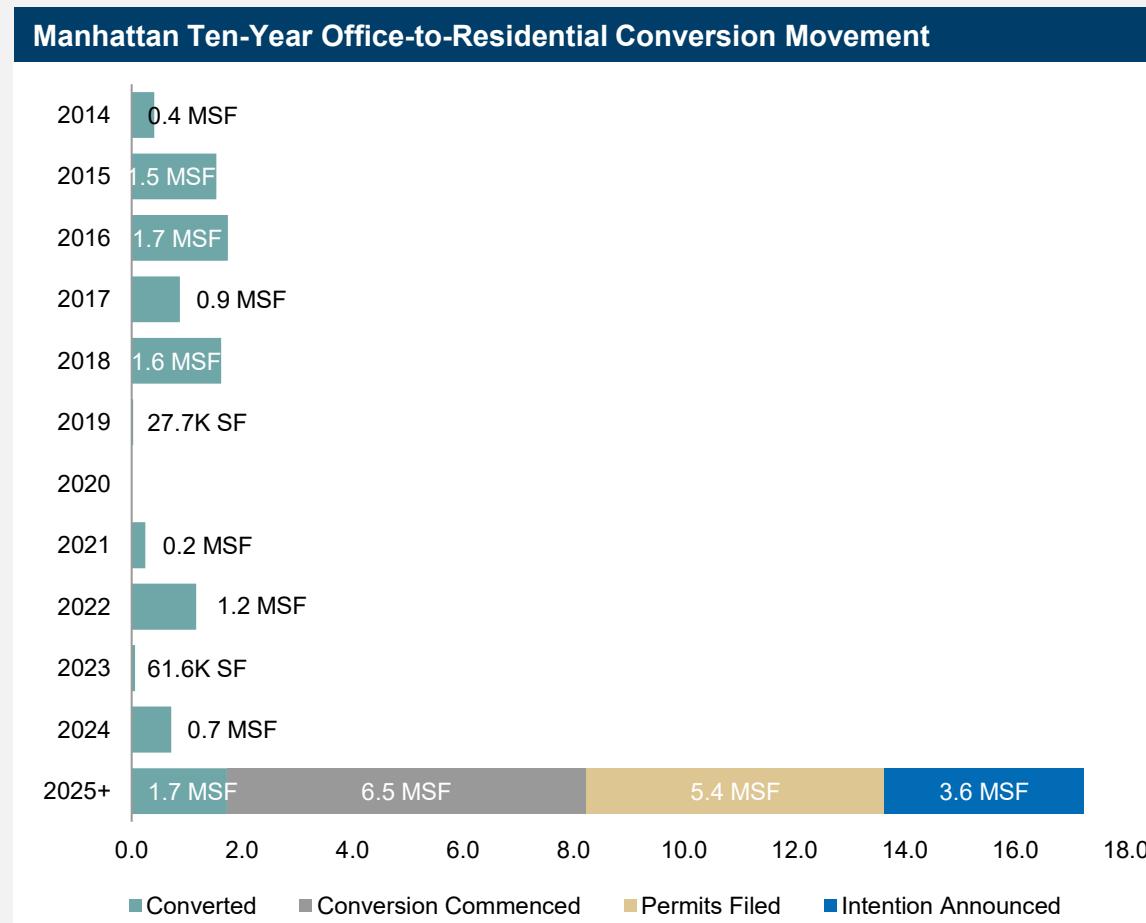
Construction Velocity

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.



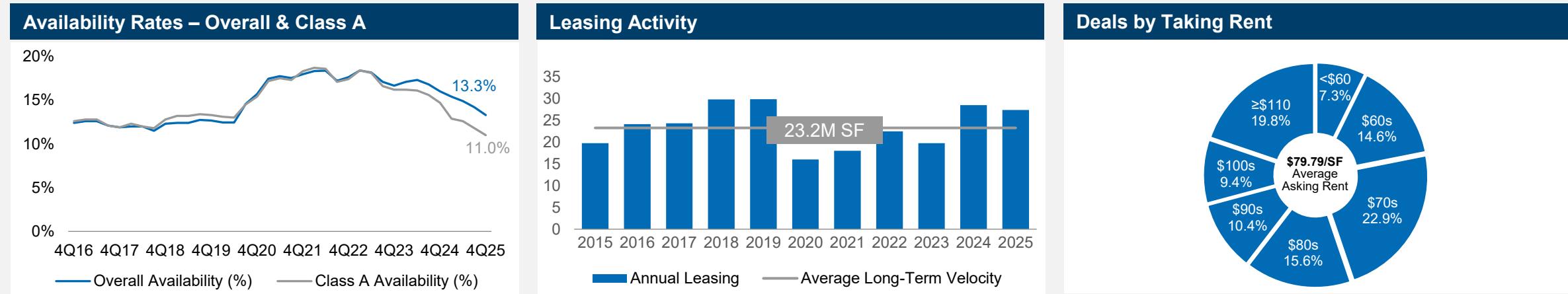
Office to Residential Conversions

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

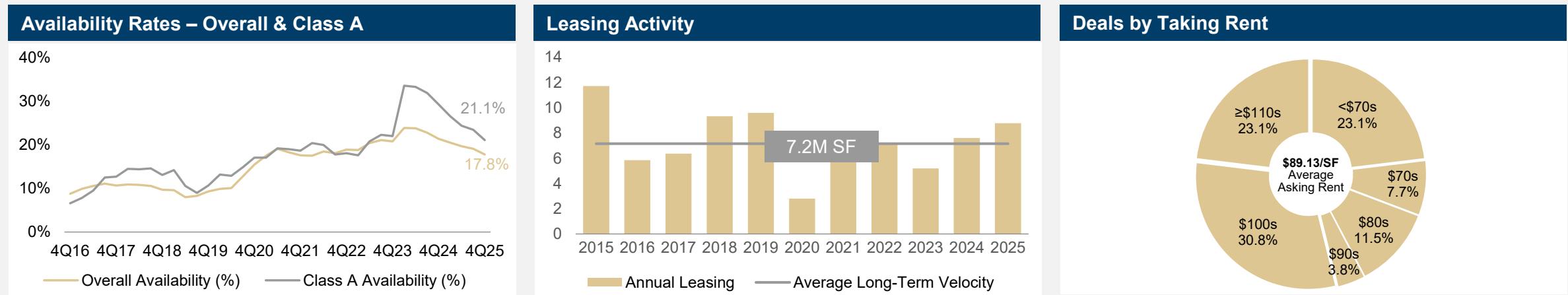
120 Park Avenue Bloomberg 495,753 SF Direct Renewal	399 Park Avenue Millennium Management 438,000 SF Direct Extension	1400 Broadway Burlington Merchandising Corp. 205,629 SF Direct Renewal & Expansion	1633 Broadway Natixis 202,875 SF Direct New	11 Penn Plaza AMC Networks 177,717 SF Direct Renewal

Select Tenants in the Market/Upcoming LXD's

Tenant	Size (SF)	Current Location
Apollo Global Management	1.0M+	9 West 57 th 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.



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 rd 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%, its 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.



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)
Midtown	289,611,931	2,282,366	17.8%	1,654,238	3,084,829	\$83.76	\$60.93	\$79.79
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
Midtown South	77,204,520	0	13.3%	1,349,385	1,480,546	\$90.55	\$77.14	\$89.13
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
Downtown	86,275,233	0	18.0%	-117,955	233,279	\$62.69	\$45.82	\$59.05
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
Manhattan	451,901,705	2,282,366	15.0%	2,885,668	4,798,654	\$80.64	\$58.54	\$76.89

Jonathan Mazur
Executive Managing Director
jonathan.mazur@nmrk.com

Michael Miceli
Director
michael.miceli@nmrk.com

Carly Barwick
Associate Director
carly.barwick@nmrk.com

John O'Connor
Senior Analyst
john.oconnor@nmrk.com

Kelly Chen
Analyst
kelly.chen@nmrk.com

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights.

All information contained in this publication (other than that published by Newmark) is derived from third party sources. Newmark (i) has not independently verified the accuracy or completeness of any such information, (ii) does not make any warranties or representations, express or implied, concerning the same and (iii) does not assume any liability or responsibility for errors, mistakes or inaccuracies of any such information. Further, the information set forth in this publication (i) may include certain forward-looking statements, and there can be no guarantee that they will come to pass, (ii) is not intended to, nor does it contain sufficient information, to make any recommendations or decisions in relation to the information set forth therein and (iii) does not constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of any offer to buy, or any recommendation with respect to, any securities. Any decisions made by recipient should be based on recipient's own independent verification of any information set forth in this publication and in consultation with recipient's own professional advisors. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains with any third party. This publication is for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter. If you received this publication by mistake, please reply to this message and follow with its deletion, so that Newmark can ensure such a mistake does not occur in the future.