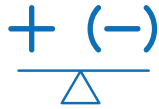


MIDTOWN SOUTH MANHATTAN

OFFICE MARKET | Q2 2025



82.7M
Inventory



1.5M
Net Absorption SF



15.4%
Direct Available Rate



17.6%
Total Availability



1.5M
Under Construction SF



\$84.05
Asking Rent PSF

Robust Leasing, Sky-High Absorption Drive Strong First Half of 2025

Market Observations

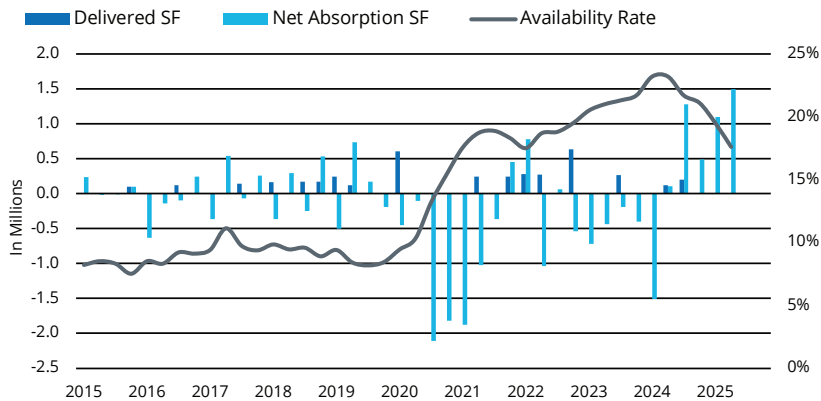
- Midtown South logged more than 2.7 MSF of leasing activity in Q2, contributing to 4.6 MSF in the first half of 2025. This compares favorably to the 2.9 MSF dealt in the first half of 2024. A master lease from NYU at 770 Broadway in Greenwich Village was the largest lease in all of Manhattan this quarter at 1.1 MSF.
- Overall availability decreased to 17.6%, down 1.9 percentage points from last quarter and 5.6 pp year-over-year. Sublet availability is now just 2.2%, the lowest since 2018.
- Net absorption improved to 1.5 million SF, the strongest quarter in more than a decade. Absorption was 399,200 SF higher than the Q1 level and a major improvement on the 104,200 SF taken up in Q2 2024.
- Rents decreased to \$84.05 PSF as some high-priced spaces were scooped up, leaving lower-priced space on the market. Prices decreased 0.7% from last quarter and are 3.2% below the year-ago level.
- The construction pipeline of 1.5 MSF is scheduled to empty out over the course of the next year with several highly anticipated deliveries. Construction levels are largely unchanged from last quarter and from a year ago.



MIDTOWN SOUTH MANHATTAN OFFICE MARKET | Q2 2025

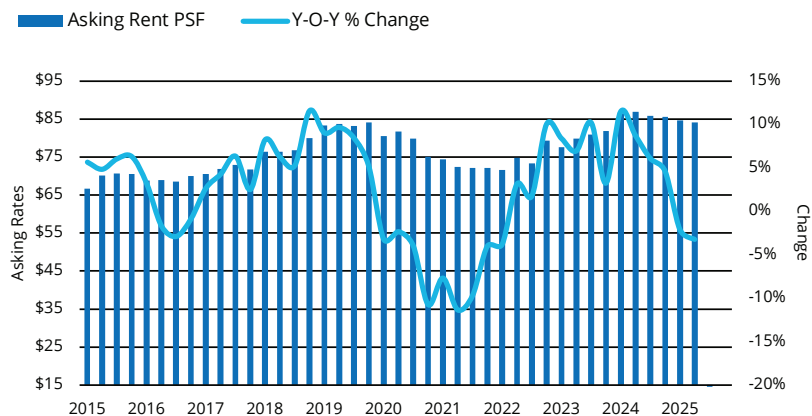
- Availability** has decreased steadily from the early 2024 peak. All of Midtown South's submarkets showed a decrease from their Q1 availability levels; Greenwich Village remains the lowest at 13.2%.
- Net absorption** was positive in both Class A and Class B space, a trend mirrored in most of Midtown South's submarkets. Gramercy Park had the highest total with 730,100 SF of take-up, boosted by the withdrawal of a 273,300 SF block at 3 Park Avenue and an 82,800 SF lease from Pinterest at 11 Madison Avenue.
- Asking rents** for Class A space are trending more than 50% higher than Class B rates. The weighted average for Class A includes over 1 million SF of brand-new trophy space at Terminal Warehouse in Chelsea/Flatiron, as yet unleased.
- Construction continues** at 1 St. Marks Place in Greenwich Village and Terminal Warehouse, Le Gallerie, One High Line and the Hudson Arts Building, all in Chelsea/Flatiron. The entire slate is anticipated to be delivered this year. Another 2.2 MSF is proposed in Midtown South, most of it likewise in Chelsea/Flatiron.

DELIVERY IMPACT ON KEY INDICATORS



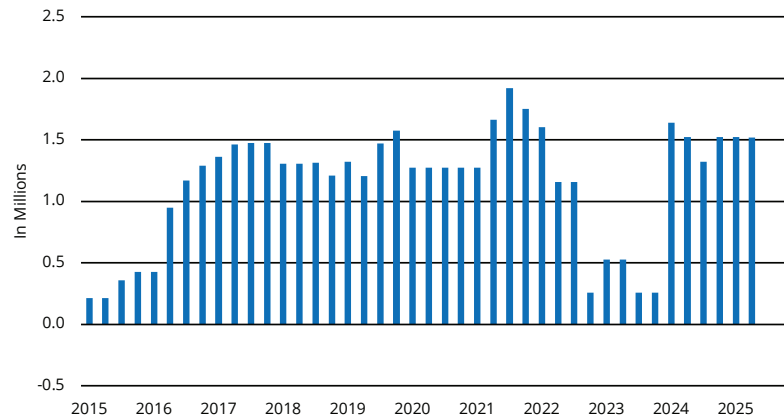
Source: CoStar, Transwestern

ASKING RENT



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



MIDTOWN SOUTH MANHATTAN OFFICE MARKET | Q2 2025

MARKET INDICATORS All Classes of Space | Q2 2025

SUBMARKET	INVENTORY SF	NET ABSORPTION SF	YTD NET ABSORPTION SF	OVERALL AVAILABILITY RATE	OVERALL VACANCY RATE	CLASS A AVERAGE RENT PSF	CLASS B AVERAGE RENT PSF	OVERALL AVERAGE RENT PSF
CHELSEA/FLATIRON	28,964,628	377,648	545,245	18.9%	14.9%	\$121.85	\$59.01	\$88.33
GRAMERCY PARK	32,050,795	730,109	1,253,104	16.1%	18.8%	\$98.50	\$64.51	\$78.04
GREENWICH VILLAGE	5,602,802	23,816	24,630	13.2%	22.4%	\$107.60	\$112.00	\$110.73
HUDSON SQUARE	9,993,283	201,067	343,468	22.7%	21.9%	\$74.56	\$77.57	\$75.51
SOHO	6,080,533	162,652	424,960	15.0%	14.2%	\$85.34	\$72.74	\$77.57
MIDTOWN SOUTH TOTAL	82,692,041	1,495,292	2,591,407	17.6%	17.7%	\$104.46	\$67.60	\$84.05

Source: CoStar, Transwestern



MIDTOWN SOUTH MANHATTAN OFFICE MARKET | Q2 2025

Research Methodology

The information in this report is the result of a compilation of information on office properties located in Manhattan. This report includes single-tenant and multi-tenant Class A and B office properties with at least 100,000 SF in Midtown, 50,000 SF in Midtown South, and 75,000 SF Downtown.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://twitter.com/Transwestern).

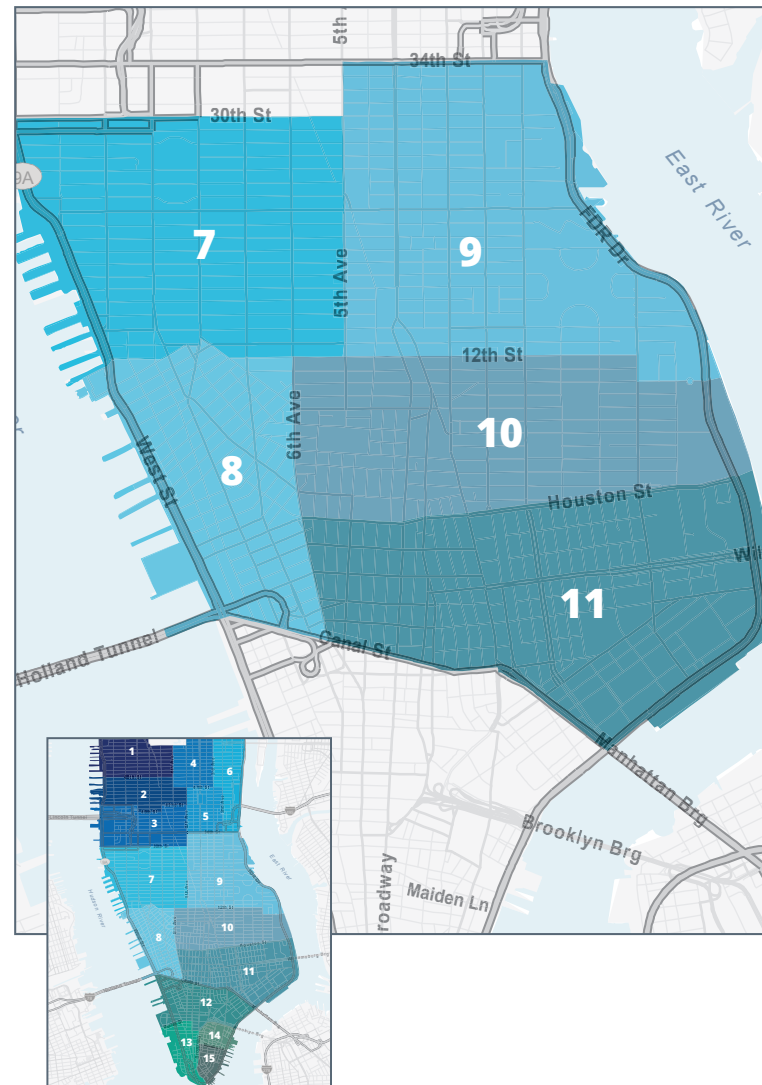
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NEW YORK OFFICE SUBMARKETS

Midtown

- 1 Columbus Circle
- 2 Times Square
- 3 Penn Plaza
- 4 Plaza District
- 5 Grand Central
- 6 East Side

Midtown South

- 7 Chelsea/Flatiron
- 8 Hudson Square
- 9 Gramercy Park
- 10 Greenwich Village
- 11 Soho

Downtown

- 12 City Hall/Tribeca
- 13 World Trade Center
- 14 Insurance District
- 15 Financial District