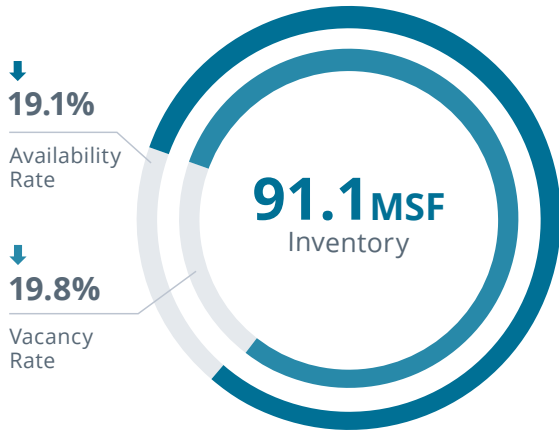


DOWNTOWN



Net Absorption
Q2 2025

0.6M SF



Net Absorption
YTD

1.8M SF



Submarket Highlights

- Downtown leasing reached 1.1 MSF in Q2, bringing the total at mid-year to 3.2 MSF. This is nearly double the 1.7 MSF leased in the first half of 2024, and represents the best first-half total since 2019.
- The bulk of Downtown’s leasing activity was concentrated in just two of its submarkets. The World Trade Center submarket hosted the two largest leases, a 223,000 SF renewal from Invesco at 225 Liberty Street, and a 192,900 SF sublease by BNY at One World Trade, plus a 66,000 SF commitment from Atlantic Pictures, which moved from Midtown to 100 Church Street. In the Financial District submarket, 55 Water Street saw a 69,000 SF renewal and expansion by MetTel, and a 68,000 SF sublease by JB&B.
- Absorption was positive at 585,600 SF, driven by healthy leasing and the withdrawal of large blocks at several buildings, including 1 Whitehall Street and 5 Hanover Square; the latter is being sold and converted to residential use. Most Downtown submarkets saw positive absorption.
- Downtown availability decreased again to 19.1%, led by a 0.6 percentage points [pp] drop in sublet availability. The latter has made significant improvement: at 4.4%, it has reached its lowest level since 2020, and now represents 23% of total availability, compared with 30.1% a year ago.
- Asking rents logged a small increase to \$54.83 PSF, after hitting a ten year low in the first quarter; Downtown was the only area of Manhattan to see rents increase, but still commands the lowest asking rates, reflecting the high percentage of sublet space and a shortage of upgraded assets.



Downtown Spotlight

The 230,000 SF tower at **250 Water Street** is scheduled to deliver in the second half of 2025, leaving Downtown’s construction pipeline largely empty. With at least nine buildings currently being evaluated for residential conversion, and fewer than five projects in the planning stages, availability could tighten considerably amid the evolving landscape.

| 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 |
|-----------------------|-------------------|-------------------|-----------------------|---------------------------|----------------------|--------------------------|--------------------------|--------------------------|
| City Hall/Tribeca | 10,059,710 | 21,837 | 108,008 | 21.1% | 24.5% | \$61.08 | \$53.36 | \$59.67 |
| Financial District | 38,248,347 | 239,998 | 836,756 | 21.5% | 24.7% | \$55.48 | \$48.83 | \$55.22 |
| Insurance District | 9,336,411 | -9,216 | -322,655 | 19.0% | 16.5% | \$55.05 | \$42.88 | \$49.15 |
| World Trade Center | 33,466,937 | 332,976 | 1,152,680 | 15.8% | 13.6% | \$56.23 | \$42.69 | \$54.27 |
| Downtown Total | 91,111,405 | 585,595 | 1,774,789 | 19.1% | 19.8% | \$56.39 | \$45.33 | \$54.83 |

Downtown Notable Leases

Invesco
225 Liberty Street
223,000 SF (Renewal)

MetTel
55 Water Street
69,000 SF (Renewal/Expansion)

BNY
One World Trade
192,000 SF (Sublease)

Downtown Large New Availabilities

55 Water Street
World Trade Center
196,700 SF (Direct)

125 Broad Street
Financial District
141,300 SF (Direct)

1 New York Plaza
Financial District
140,700 SF (Sublet)

Downtown Quarterly Net Absorption

