

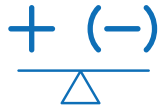
# MIDTOWN MANHATTAN

OFFICE MARKET | Q2 2025



**283.6M**

Inventory



**1.5M**

Net Absorption SF



**10.8%**

Direct Available Rate



**13.7%**

Total Availability



**2.3M**

Under Construction SF



**\$77.73**

Asking Rent PSF

## Midtown Leasing and Absorption Stay Elevated

### Market Observations

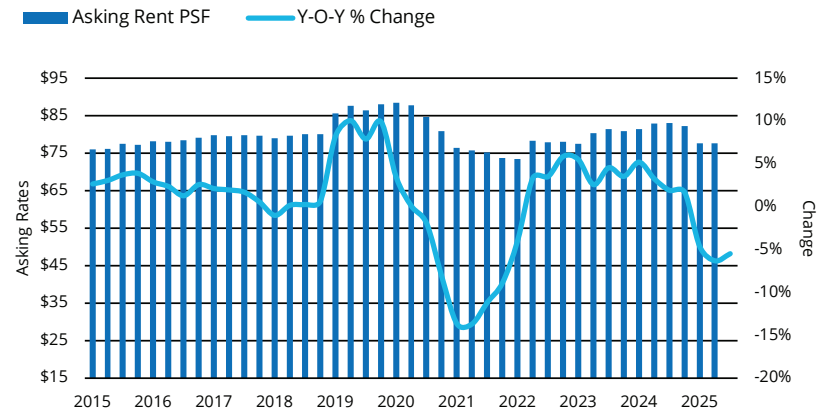
- Midtown leasing approached 5.3 MSF in Q2 2025, bringing the mid-year total to 11.5 MSF, on par with the total leased in the first half of 2024. There were four leases exceeding 100,000 SF, most of which included an expansion component.
- Overall availability decreased to 13.7%, its lowest level since 2020, as both sublet and direct availability decreased for a fourth consecutive quarter. The current level is 3.0 percentage points below the year-ago rate and down 0.6 pp from last quarter.
- Net absorption reached 1.5 MSF in Q2 2025, marking a fourth straight positive quarter. Absorption was down a scant 113,600 SF from the Q1 level, but well above the negative 534,200 SF generated in Q2 2024.
- Rents were stable from Q1 2025 at \$77.73 PSF. Asking rents have decreased 6.3% year-over-year as pricey trophy space continues to lease up, leaving lower-priced offerings behind.
- Midtown's construction pipeline quadrupled from last quarter to 2.3 MSF as two new buildings got underway. The current level is more than eight times the year-ago level but is still quite low compared with the 10-year average of 7.9 MSF.



# MIDTOWN MANHATTAN OFFICE MARKET | Q2 2025

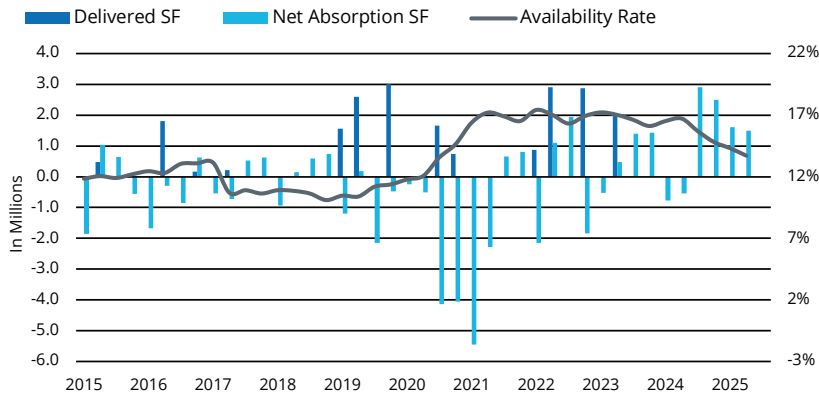
- Availability** among Midtown submarkets ranges from 10.8% in the Plaza District, where trophy buildings continue to see strong leasing, to 17.9% in the East Side submarket, which is dominated by older, unrenovated stock.
- Net absorption** was strongest in the Times Square submarket at 580,300 SF, driven by large new leases from Amazon at 10 Bryant Park and MUFG Bank at 1221 Avenue of the Americas. Most Midtown submarkets have shown positive absorption over the first half of the year.
- Asking rents** are highest in the Plaza District; the average is \$92.11 PSF, but trophy properties like 550 Madison Avenue, 9 West 57th Street, 425 Park Avenue, and Lever House (390 Park Avenue) are asking upwards of \$200 PSF. Most of Midtown's submarkets saw only a small change in rents from Q1 2025.
- Active new construction** is ramping up in Midtown. In addition to 520 Fifth Avenue and 125 West 57th Street, both anticipated to deliver this year, ground was broken in Q2 on Related's 1.1 MSF tower at 70 Hudson Yards, and Extell's 717,300 SF tower at 570 Fifth Avenue.

## ASKING RENT



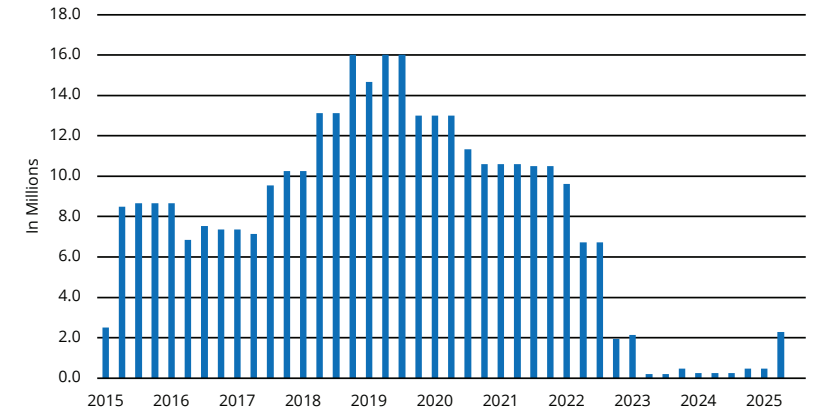
Source: CoStar, Transwestern

## DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

## UNDER CONSTRUCTION



Source: CoStar, Transwestern



# MIDTOWN 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
COLUMBUS CIRCLE	29,732,487	138,839	284,397	16.1%	16.1%	\$68.36	\$58.33	\$66.00
EAST SIDE	14,736,003	282,967	301,205	17.9%	19.1%	\$75.07	\$50.76	\$74.33
GRAND CENTRAL	55,098,053	417,927	1,103,765	13.5%	14.5%	\$74.29	\$62.33	\$71.85
PENN PLAZA	69,891,302	-186,603	1,170,375	13.3%	14.7%	\$98.99	\$54.21	\$82.78
PLAZA DISTRICT	69,715,084	258,316	-152,494	10.8%	12.2%	\$92.13	\$91.65	\$92.11
TIMES SQUARE	44,409,901	580,258	389,727	16.2%	17.1%	\$73.50	\$58.33	\$71.06
<b>MIDTOWN TOTAL</b>	<b>283,582,830</b>	<b>1,491,704</b>	<b>3,096,975</b>	<b>13.7%</b>	<b>14.8%</b>	<b>\$82.45</b>	<b>\$58.59</b>	<b>\$77.73</b>

Source: CoStar, Transwestern



# MIDTOWN 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.

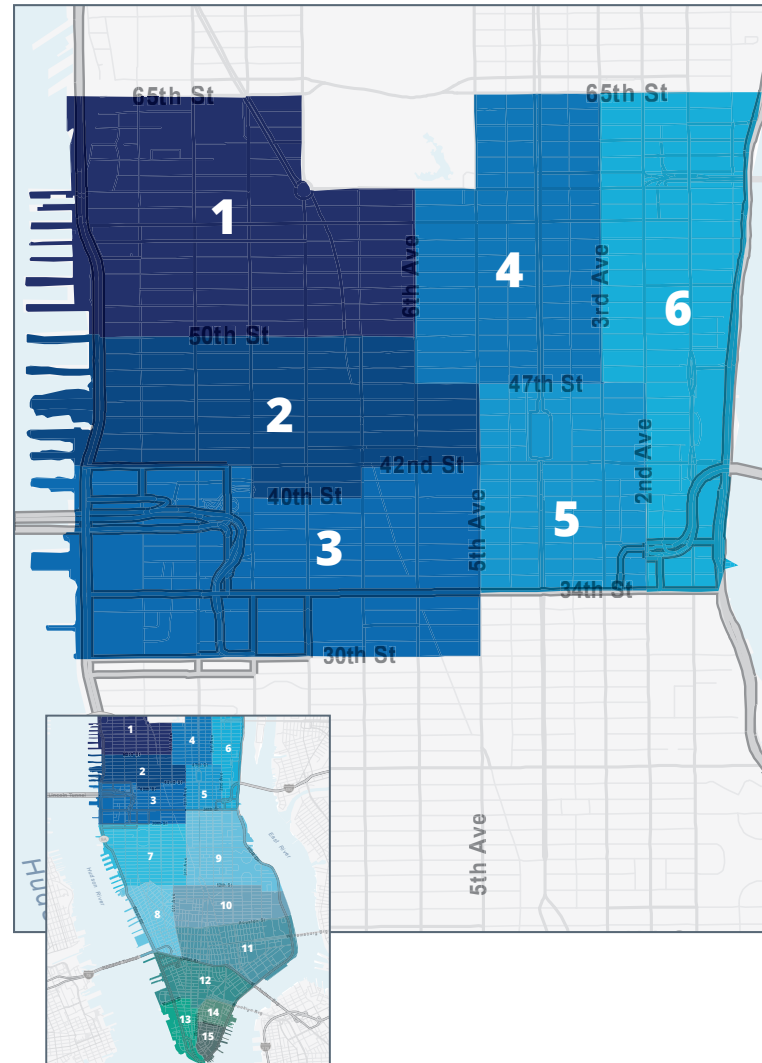
## About Transwestern

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](http://transwestern.com) and [@Transwestern](https://twitter.com/Transwestern).

## For more information

### Corrie Slewett

Research Manager – New York  
National Tenant Advisory Research Leader  
[Corrie.Slewett@transwestern.com](mailto:Corrie.Slewett@transwestern.com)  
212.537.7690



## 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

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