

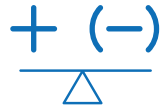
MIDTOWN SOUTH MANHATTAN

OFFICE MARKET | Q3 2025



81.8M

Inventory



0.1M

Net Absorption SF



15.7%

Direct Available Rate



17.7%

Total Availability



0.2M

Under Construction SF



\$84.41

Asking Rent PSF

Leasing Stays Strong in Third Quarter

Market Observations

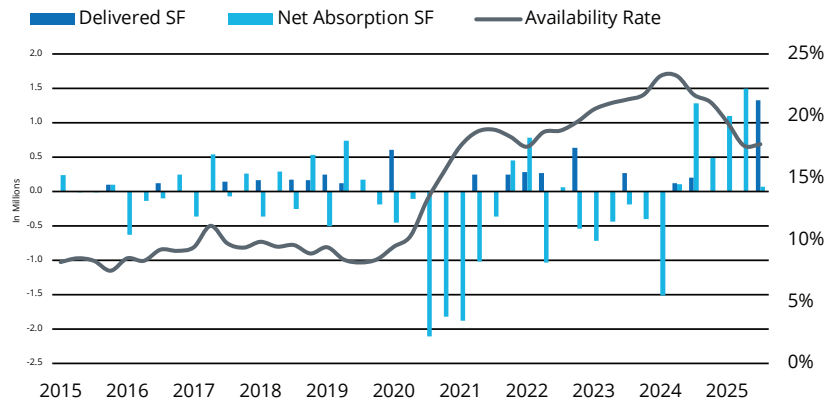
- Midtown South logged 1.5 MSF of leasing activity in Q3, contributing to 6.0 MSF year-to-date. This compares favorably to the 4.9 MSF signed in the first three quarters of 2024. The submarket's largest lease of the third quarter was a 58,800 SF direct deal from The Farmer's Dog at 568-578 Broadway in Soho.
- Overall availability increased 0.1 percentage points from last quarter to 17.7%. This is 4.0 pp below the year-ago level. Sublet availability is now just 2.0%, the lowest since 2018.
- Net absorption was a tepid 65,900 SF in Q3, the lowest in three years. Third quarter absorption was 1.4 MSF less than in Q2, and 1.2 MSF less than the Q3 2024 result.
- Rents increased to \$84.41 PSF after four quarters of decline. Asking rates were up 0.4% from last quarter and are 1.6% below the year-ago level.
- There were several highly anticipated deliveries in Q3, including the 1.1 MSF Terminal Warehouse in Chelsea/Flatiron. As a result, the pipeline has largely emptied out; construction levels are down 85% from last quarter and from a year ago.



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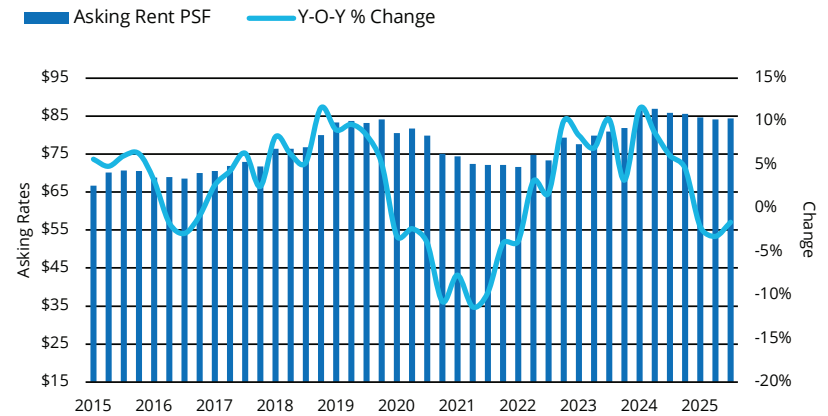
- Availability** has been on a general downward trend from the early 2024 peak, but showed a small rise this quarter. Soho showed the biggest increase in availability levels; most of Midtown South's other submarkets saw a mild decrease. Greenwich Village retains Midtown South's lowest availability at 12.8%.
- Net absorption** was negative in Class A and positive in Class B, flattening the overall result. Large block additions in Soho and Gramercy Park also weighed on total absorption. Chelsea/Flatiron had the strongest quarterly take-up at 163,300 SF, helped by a pair of tech leases from Suno (26,200 SF) and Wix (23,750 SF) at 520 West 20th Street.
- Asking rents** for Class A space are almost \$104 PSF, more than 50% higher than their Class B counterparts at \$67.92 PSF. The weighted average for Class A includes over 1 million SF of brand-new office space at Terminal Warehouse, as yet unleased.
- Construction continues** at 220 Eleventh Avenue in the Chelsea/Flatiron submarket, now Midtown South's only core ground-up office project. Another 1.1 MSF is proposed for the district, most of it likewise in Chelsea/Flatiron.

DELIVERY IMPACT ON KEY INDICATORS



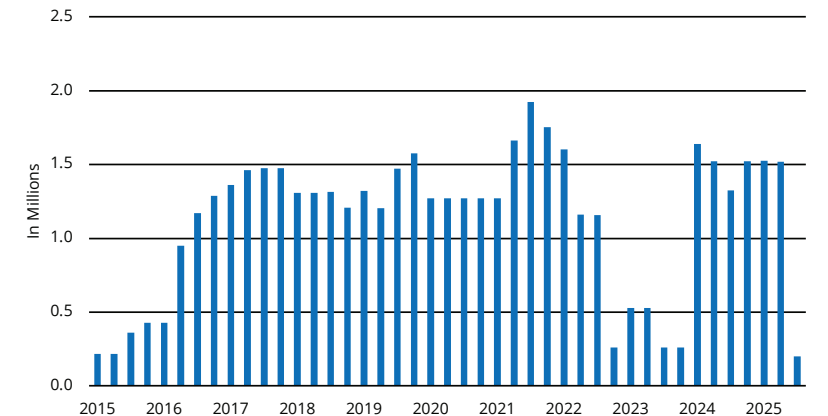
Source: CoStar, Transwestern

ASKING RENT



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



MIDTOWN SOUTH MANHATTAN OFFICE MARKET | Q3 2025

MARKET INDICATORS All Classes of Space | Q3 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	29,005,500	163,302	708,547	18.2%	18.9%	\$123.54	\$59.25	\$88.58
GRAMERCY PARK	31,250,186	-62,870	1,190,234	16.7%	19.7%	\$98.95	\$65.25	\$79.24
GREENWICH VILLAGE	5,527,615	27,973	52,603	12.8%	21.1%	\$107.46	\$109.27	\$108.76
HUDSON SQUARE	9,991,913	80,875	424,343	21.9%	21.6%	\$76.40	\$77.61	\$76.74
SOHO	6,070,488	-143,402	281,558	17.4%	17.2%	\$82.89	\$72.35	\$76.90
MIDTOWN SOUTH TOTAL	81,845,702	65,878	2,657,285	17.7%	19.5%	\$103.97	\$67.92	\$84.41

Source: CoStar, Transwestern



MIDTOWN SOUTH MANHATTAN OFFICE MARKET | Q3 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).

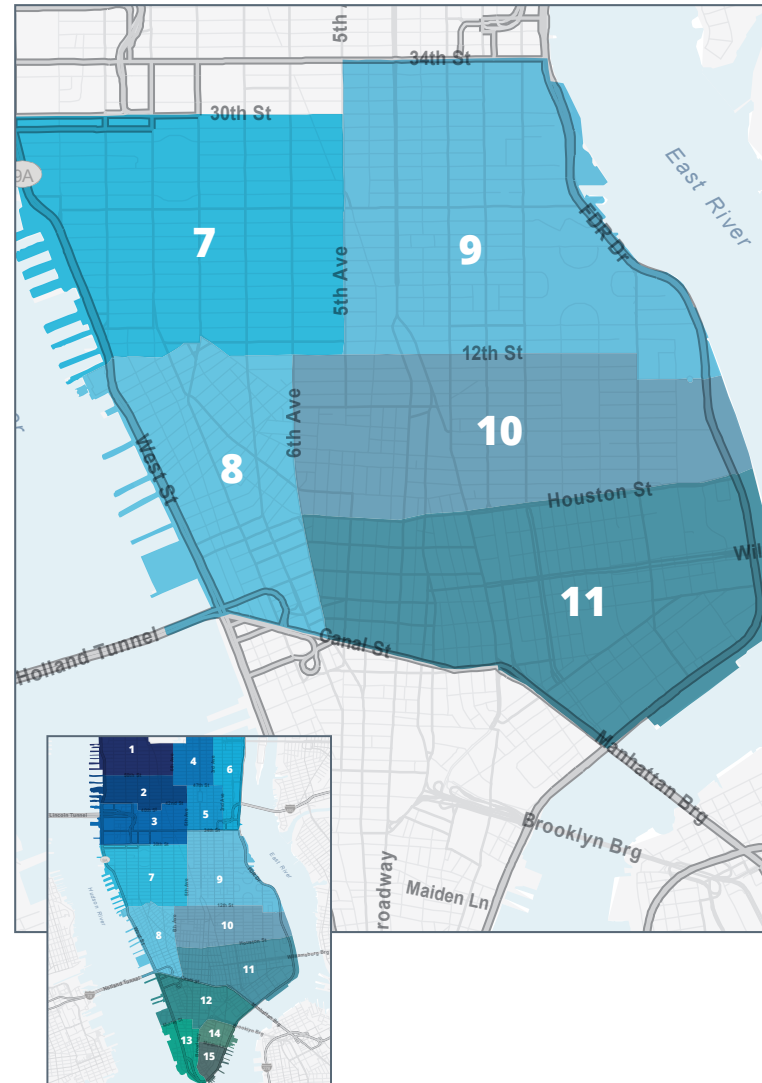
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NEW YORK OFFICE SUBMARKETS

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