

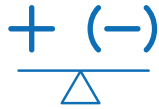
DOWNTOWN MANHATTAN

OFFICE MARKET | Q3 2025



91.2M

Inventory



1.1M

Net Absorption SF



13.7%

Direct Available Rate



17.9%

Total Availability



0.0M

Under Construction SF



\$55.46

Asking Rent PSF

Positive Absorption Hits a Three-Quarter Streak

Market Observations

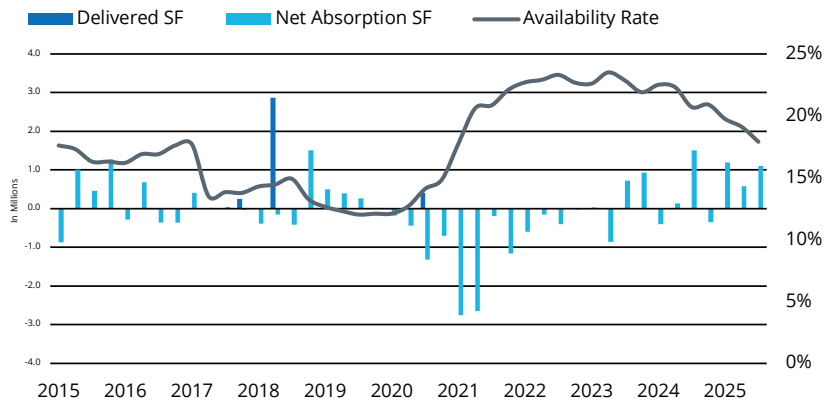
- Downtown recorded 986,500 SF of leasing activity in Q3, bringing the year's total to 4.3 MSF, comparing very favorably with the 2.3 MSF leased during the same period of 2024. The largest deal was by NYC Department for the Aging, taking 80,800 SF at 14 Wall Street in the Financial District.
- Overall availability decreased to 17.9% Downtown, the lowest since 2021. This was a decrease of 1.2 percentage points from last quarter and is 2.8 percentage points below the year-ago level.
- Net absorption was positive for a third straight quarter at 1.1 MSF. This was roughly 88% higher than the 585,600 SF logged in Q2 2025, and 27% lower than the 1.5 MSF taken up in Q3 2024.
- Downtown asking rents increased 1.1% from their mid-year level to \$55.46 PSF, establishing a gain of 0.4% from a year ago. This was the first year-over-year increase since late 2022.
- With construction already at historic lows, Downtown's only major active project, 250 Water Street, has been put on deferred status.



DOWNTOWN MANHATTAN OFFICE MARKET | Q3 2025

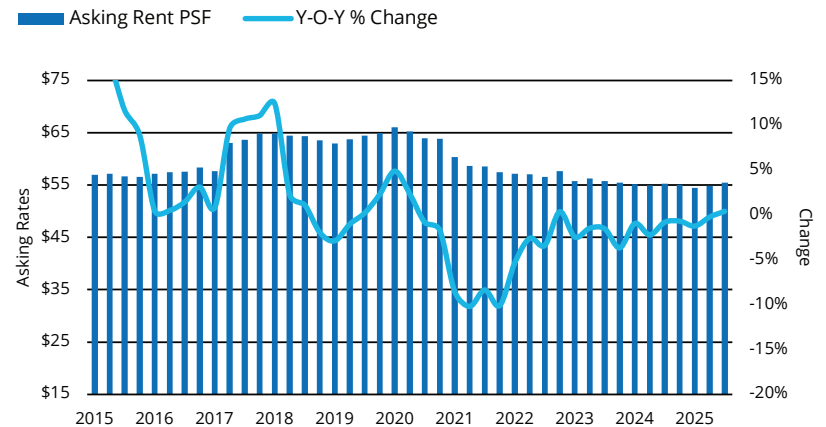
- Sublet availability** has seen substantial improvement over the last twelve months. The current rate of 4.2% is the lowest since 2020, and represents 23.5% of total availability, compared with 30% a year ago. This ratio of sublet space to total space still measures almost 29% in the World Trade Center submarket.
- Net absorption** was positive in both Class A and Class B space, and all four of Downtown's submarkets showed positive overall absorption both in-quarter and year-over-year. The Insurance District was the Downtown leader with 543,500 SF taken up, though the bulk of this was due to the withdrawal of a half-million square foot space at 150 William Street.
- Asking rents** are currently 16.0% below their 2020 peak. Downtown's excess of sublet space and shortage of upgraded inventory, particularly compared with Manhattan's other submarkets, has kept asking prices in check, but prices are beginning to rise in both Class A and B space.
- Downtown's construction pipeline** has just one notable entry: a 2.8 MSF tower proposed at 2 World Trade Center. The project is unlikely to get underway until an anchor tenant is attached.

DELIVERY IMPACT ON KEY INDICATORS



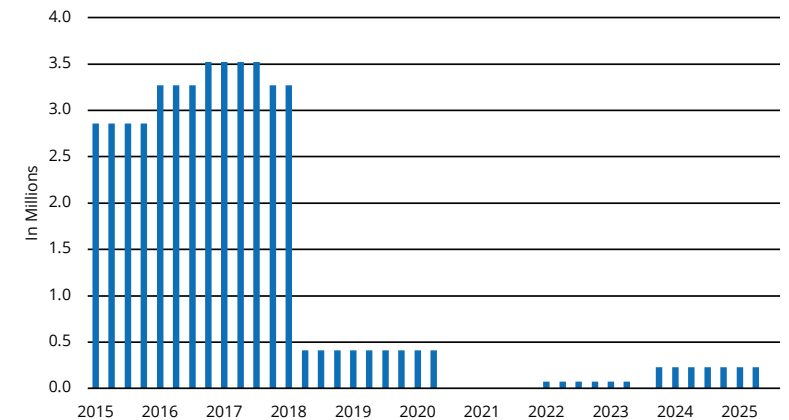
Source: CoStar, Transwestern

ASKING RENT



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



DOWNTOWN 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
CITY HALL/TRIBECA	10,072,613	65,803	173,811	20.4%	24.2%	\$61.12	\$53.91	\$59.76
FINANCIAL DISTRICT	38,248,886	212,043	1,048,799	21.0%	25.5%	\$56.13	\$48.67	\$55.84
INSURANCE DISTRICT	9,384,438	543,535	220,880	13.1%	14.6%	\$55.02	\$42.25	\$51.31
WORLD TRADE CENTER	33,454,168	279,076	1,431,756	14.9%	13.1%	\$56.21	\$42.81	\$54.12
DOWNTOWN TOTAL	91,160,105	1,100,457	2,875,246	17.9%	19.7%	\$56.70	\$46.02	\$55.46

Source: CoStar, Transwestern



DOWNTOWN 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.

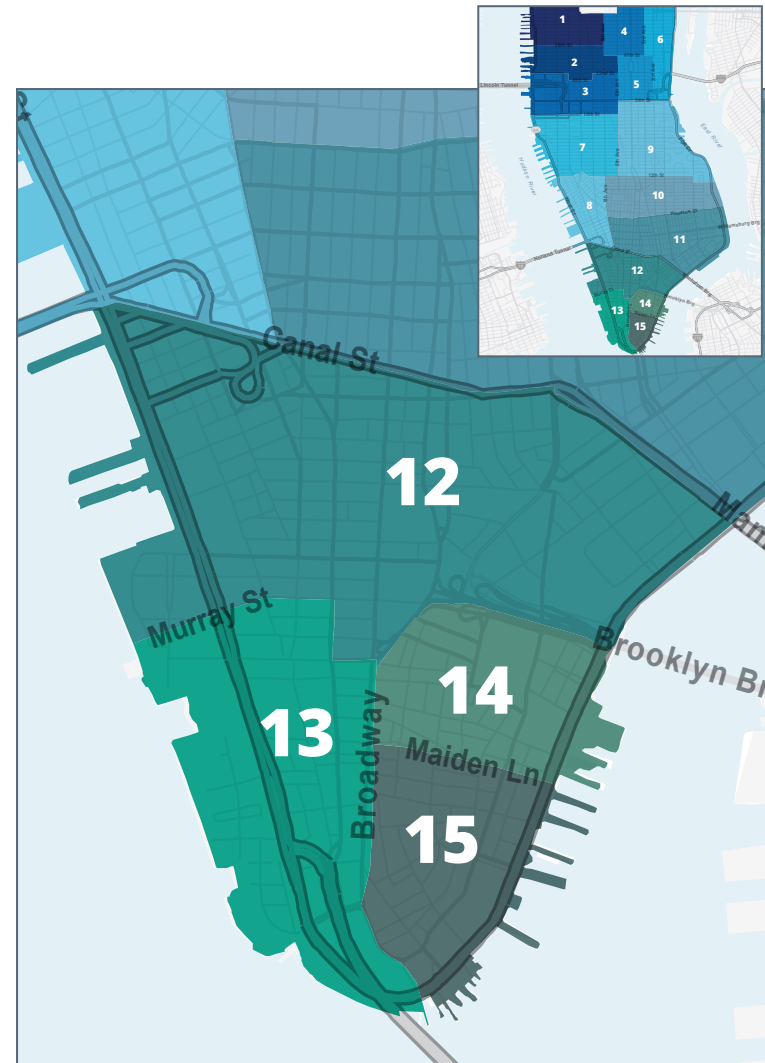
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Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic 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).

For more information

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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

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