

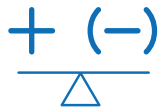
DOWNTOWN MANHATTAN

OFFICE MARKET | Q4 2025



90.5M

Inventory



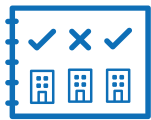
1.6M

Net Absorption SF



12.3%

Direct Available Rate



16.2%

Total Availability



0.0M

Under Construction SF



\$56.15

Asking Rent PSF

Positive Absorption Hits a Four-Quarter Streak

Market Observations

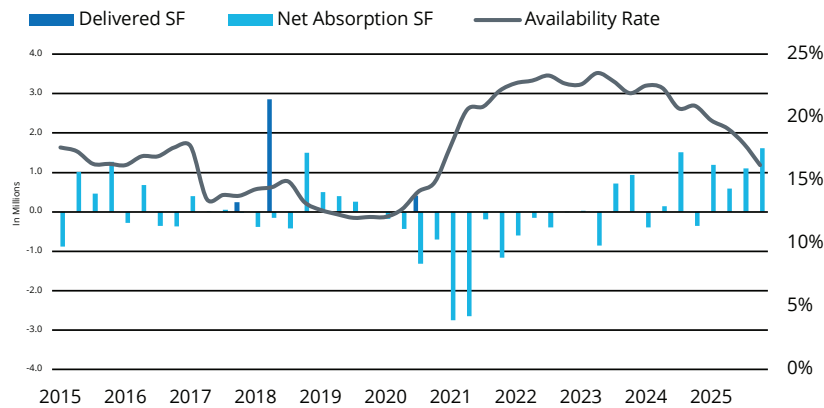
- Downtown recorded 2.1 MSF of leasing activity in Q4, bringing the year's total to 6.1 MSF, more than double the 2.9 MSF leased during 2024. The largest deal was by Moody's, taking 461,400 SF at 200 Liberty Street in the World Trade Center submarket; this was also Manhattan's largest lease of the quarter.
- Overall availability decreased to 16.2% Downtown, the lowest since 2020. This was a decrease of 1.7 percentage points from last quarter and is 4.7 percentage points below the year-ago level.
- Net absorption was positive for a fourth straight quarter at 1.6 MSF. This was 500,000 SF more than was taken up last quarter, and a major improvement over the negative 351,400 SF logged in Q4 2024. Annual absorption of 4.5 MSF was the highest in over a decade.
- Downtown asking rents increased 1.2% from their Q3 level to \$56.15 PSF, establishing a gain of 1.9% from a year ago. This is their highest point since mid-2023.
- New construction is stagnating, with most Downtown projects focused on redevelopment, particularly residential conversion.



DOWNTOWN MANHATTAN OFFICE MARKET | Q4 2025

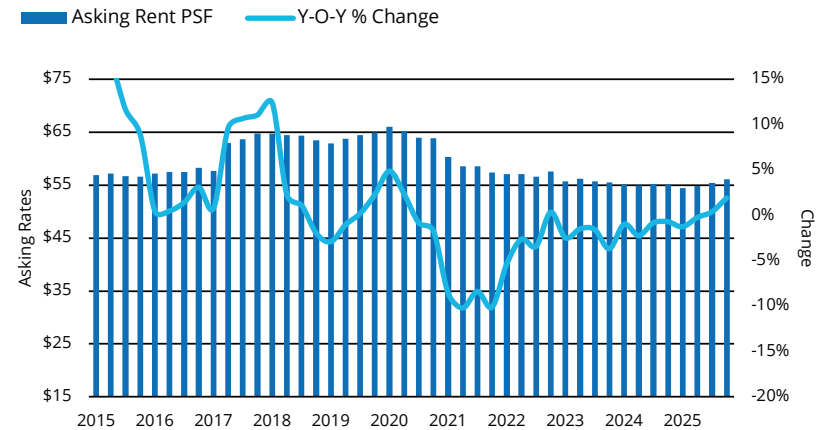
- Sublet availability** has seen substantial improvement over the last twelve months. The current rate of 4.0% is the lowest since 2020, and represents 24.7% of total availability, compared with almost 31% a year ago. Downtown scored a 79,100 SF sublease from Scale AI this quarter, and several large sublet blocks were withdrawn from offering as well.
- Quarterly net absorption** was positive in both Class A and Class B space, and all four of Downtown's smaller submarkets showed positive overall absorption both in-quarter and for the full year. As with decreasing availability, absorption gains are being boosted by the withdrawal of offered space for reoccupation or redevelopment.
- Asking rents** are currently 14.9% below their 2020 peak. Downtown's surplus of sublet space and shortage of upgraded inventory, particularly compared with Manhattan's other submarkets, has kept asking prices in check, but prices have risen for three straight quarters as availability tightened.
- Downtown's construction pipeline** has just one notable entry: Silverstein's 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



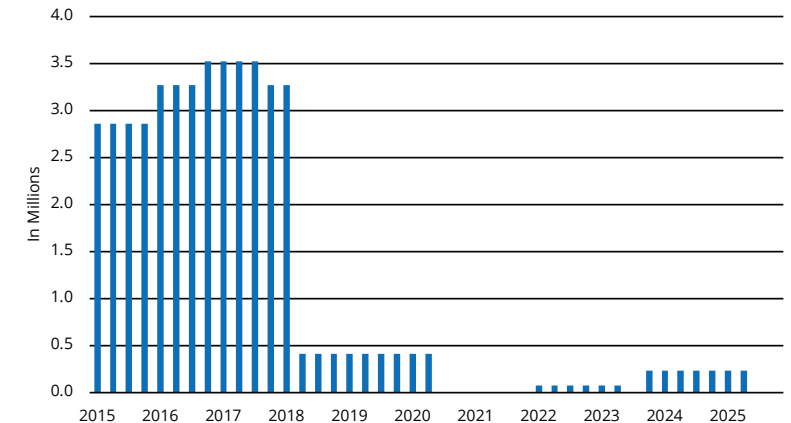
Source: CoStar, Transwestern

ASKING RENT



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



DOWNTOWN MANHATTAN OFFICE MARKET | Q4 2025

MARKET INDICATORS All Classes of Space | Q4 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	10,086,243	480,231	654,042	15.6%	19.6%	\$61.89	\$54.08	\$60.24
FINANCIAL DISTRICT	37,670,175	362,645	1,411,444	20.3%	19.9%	\$56.14	\$49.89	\$55.86
INSURANCE DISTRICT	9,275,645	350,832	571,712	9.5%	12.9%	\$56.68	\$42.01	\$50.60
WORLD TRADE CENTER	33,425,400	424,998	1,856,754	13.7%	13.2%	\$58.09	\$43.53	\$56.15
DOWNTOWN TOTAL	90,457,463	1,618,706	4,493,952	16.2%	16.7%	\$57.38	\$46.65	\$56.15

Source: CoStar, Transwestern



DOWNTOWN MANHATTAN OFFICE MARKET | Q4 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.

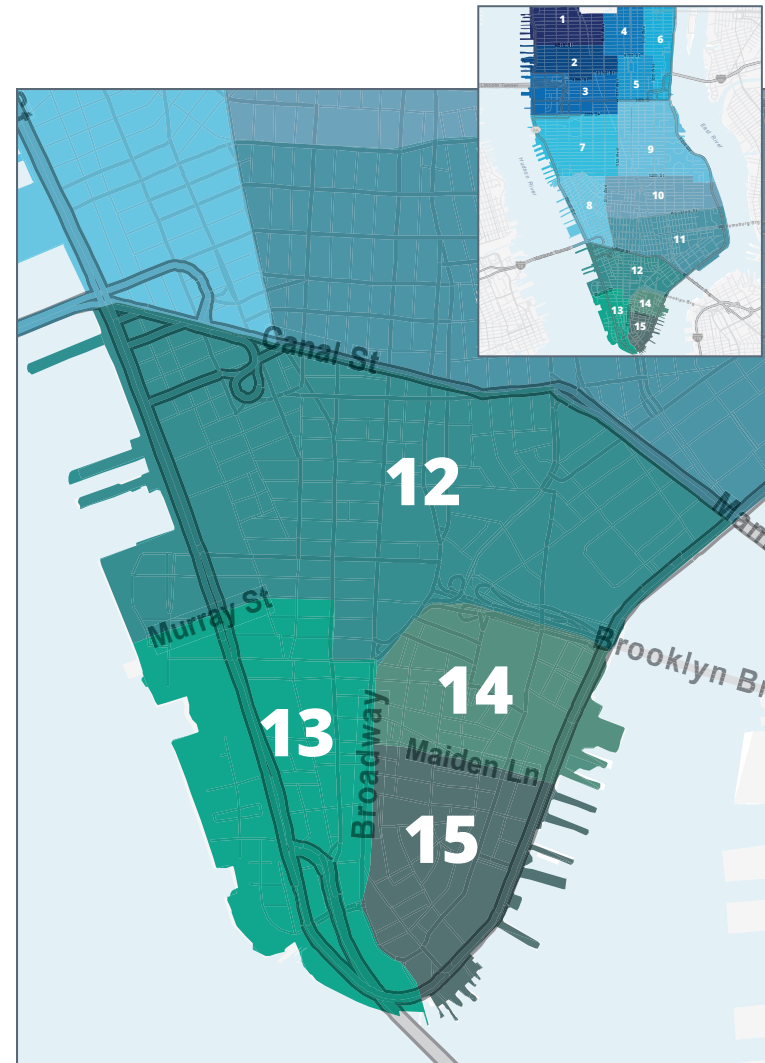
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Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic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