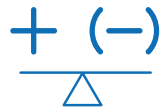




**457.7M**

Inventory



**4.6M**

Net Absorption SF



**11.1%**

Direct Available Rate



**13.7%**

Total Availability



**3.8M**

Under Construction SF



**\$73.54**

Asking Rent PSF

## Manhattan Office Recovery Continues Upward Trajectory

### Market Observations

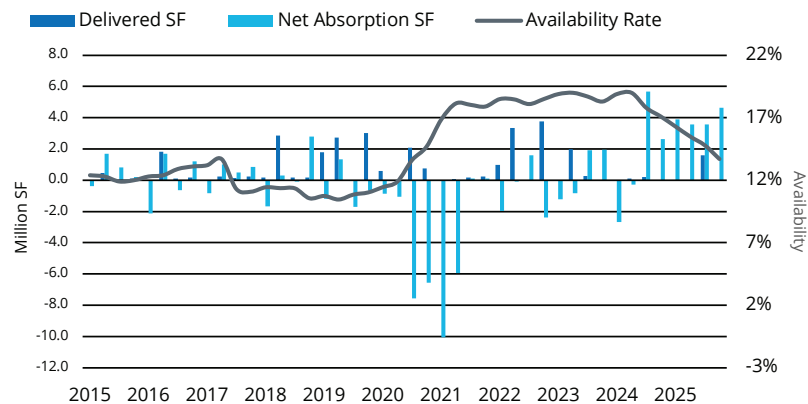
- Manhattan office leasing had its strongest year since 2019 with 38.2 MSF signed in 2025. Fourth quarter leasing topped 10.1 MSF, including 16 deals exceeding 100,000 SF.
- Both sublet and direct availability levels tightened for a sixth straight quarter, bringing overall availability down to 13.7%. The current rate is a decrease of 1.1 percentage points from last quarter and 3.4 percentage points year-over-year.
- Net absorption increased to 4.6 MSF in Q4 2025, extending the robust results of the prior five quarters. The total take-up for 2025 was 15.7 MSF, almost triple the 2024 level and well above any results in the past decade.
- Rents ticked up to \$73.54 PSF, a gain of 0.7% from last quarter. Rents decreased 2.9% year-over-year, as higher availability in secondary and tertiary properties and submarkets continues to weigh on asking rates.
- The construction pipeline remains near historic lows at just 3.8 MSF. This is nonetheless a 58% increase from a year ago, reflecting several major projects that broke ground in the second half of 2025.



# MANHATTAN OFFICE MARKET | Q4 2025

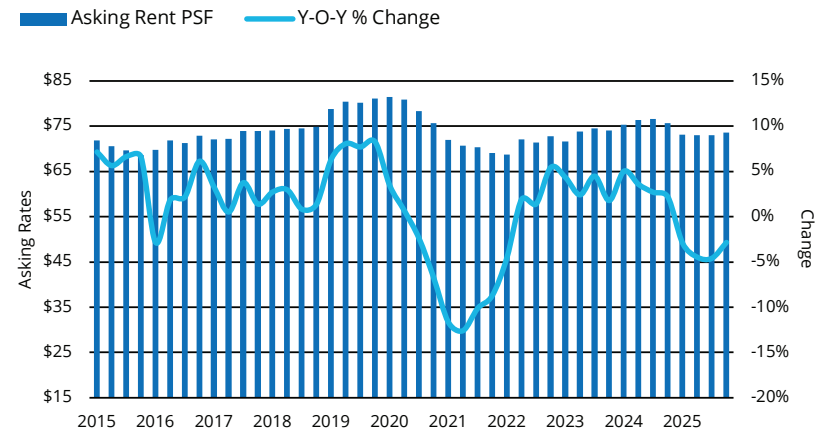
- Availability** in both Class A and Class B space has decreased steadily over the past six quarters. Class A availability, now 13.1%, and Class B availability, now 15.7%, are at their lowest since 2020. While the decrease can be partially attributed to improved leasing, some of the tightening in Class B comes from the removal of underutilized spaces for conversion or renovation.
- Quarterly net absorption** was strongest in Midtown at 2.1 MSF, but Midtown South and Downtown trended positive as well, both in-quarter and year-over-year. Notably, annual absorption was positive in every one of Manhattan's 15 smaller submarkets.
- Asking rents** are currently 9.7% below their early 2020 peak. Downtown rents have increased from a year ago, while Midtown and Midtown South are below their year-end 2024 levels.
- Construction activity** could ramp up in the coming months, with 9.3 MSF of core office space proposed across Manhattan, including four projects anticipated to exceed 1 MSF each. Most will look to secure an anchor tenant before breaking ground.

## DELIVERY IMPACT ON KEY INDICATORS



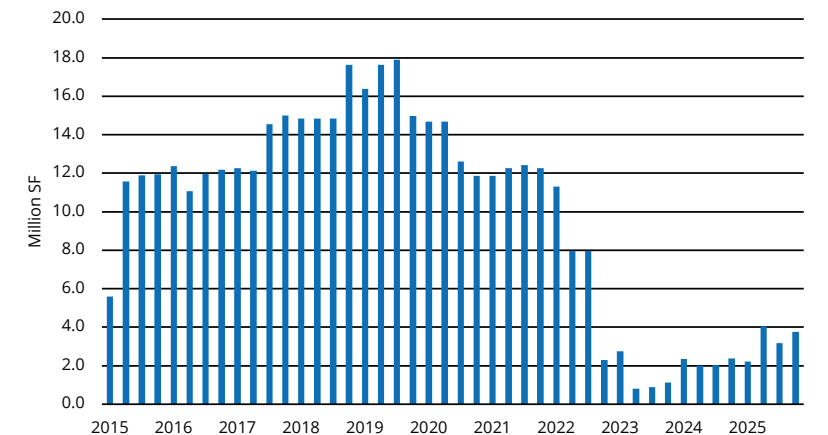
Source: CoStar, Transwestern

## ASKING RENT



Source: CoStar, Transwestern

## UNDER CONSTRUCTION



Source: CoStar, Transwestern



# 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
<b>DOWNTOWN TOTAL</b>	<b>90,457,463</b>	<b>1,618,706</b>	<b>4,493,952</b>	<b>16.2%</b>	<b>16.7%</b>	<b>\$57.38</b>	<b>\$46.65</b>	<b>\$56.15</b>
CHELSEA/FLATIRON	29,004,543	127,220	835,767	17.8%	19.2%	\$123.73	\$61.45	\$89.40
GRAMERCY PARK	31,307,852	420,113	1,610,347	15.3%	17.1%	\$85.29	\$67.41	\$75.04
GREENWICH VILLAGE	5,525,090	147,189	199,792	10.2%	19.6%	\$78.63	\$104.85	\$96.32
HUDSON SQUARE	9,986,839	120,139	544,482	20.7%	22.9%	\$77.57	\$77.99	\$77.69
SOHO	6,147,934	128,203	409,761	15.1%	19.0%	\$82.76	\$66.03	\$74.20
<b>MIDTOWN SOUTH TOTAL</b>	<b>81,972,258</b>	<b>942,864</b>	<b>3,600,149</b>	<b>16.5%</b>	<b>18.8%</b>	<b>\$99.04</b>	<b>\$68.14</b>	<b>\$82.54</b>
COLUMBUS CIRCLE	30,785,803	244,095	964,542	13.4%	13.6%	\$67.88	\$58.03	\$65.11
EAST SIDE	14,449,653	142,950	619,226	16.1%	20.3%	\$75.21	\$52.76	\$74.60
GRAND CENTRAL	54,896,262	-334,432	1,028,997	13.7%	15.4%	\$76.52	\$64.05	\$74.52
PENN PLAZA	71,035,875	1,192,419	3,449,374	9.9%	12.4%	\$90.52	\$53.25	\$75.80
PLAZA DISTRICT	68,524,046	249,565	302,947	10.4%	12.3%	\$92.01	\$92.33	\$92.02
TIMES SQUARE	45,576,010	568,401	1,200,495	14.0%	14.7%	\$82.57	\$57.86	\$78.56
<b>MIDTOWN TOTAL</b>	<b>285,267,649</b>	<b>2,062,998</b>	<b>7,565,581</b>	<b>12.1%</b>	<b>13.8%</b>	<b>\$82.51</b>	<b>\$58.50</b>	<b>\$77.88</b>
<b>TOTAL</b>	<b>457,697,370</b>	<b>4,624,568</b>	<b>15,659,682</b>	<b>13.7%</b>	<b>15.3%</b>	<b>\$77.38</b>	<b>\$61.08</b>	<b>\$73.54</b>

Source: CoStar, Transwestern



# 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.

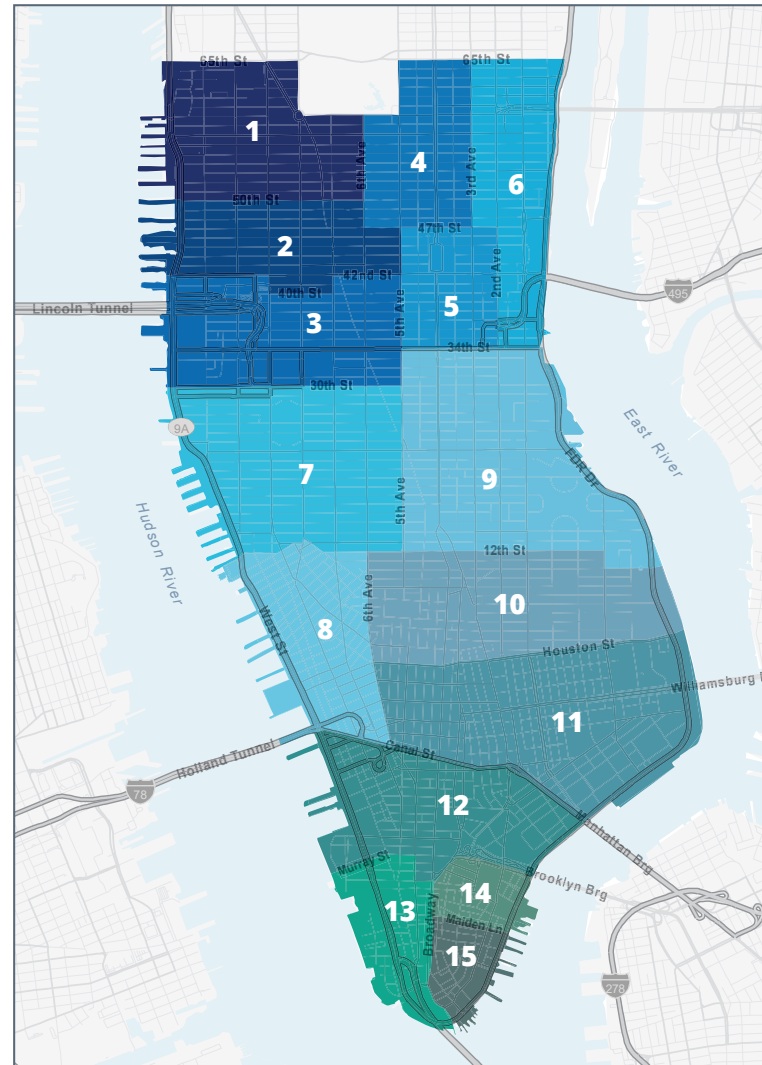
## About Transwestern

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

Copyright © 2026 Transwestern. All rights reserved. No part of this work may be reproduced or distributed to third parties without written permission of the copyright owner. The information contained in this report was gathered by Transwestern from CoStar and other primary and secondary sources.