

# Manhattan

Powered by Savills Research & Data Services

## An active summer put Manhattan in range of its strongest leasing year since 2014

There was no summer slowdown for office demand. Leasing activity reached 10.6 million square feet (msf) in Q3 2025, a 20.4% increase over the previous quarter. The strong quarterly figure pushed year-to-date volume to 31.7 msf, putting the market within reach of surpassing 2019's full-year total of 41.5 msf and achieving the highest annual leasing total since 2014. Manhattan's office recovery continues to be driven by its core industries—financial services and insurance, technology, advertising, media and information, and legal services—which together accounted for 61.1% of Q3 leasing activity. However, persistent softness in the labor market may present headwinds to future demand, especially as the Federal Reserve maintains a cautious stance on interest rate cuts amid ongoing inflation concerns.

### Availability declines citywide, led by Midtown

Manhattan's overall availability rate dropped 100 basis points (bps) from the prior quarter to 16.2% in Q3 2025. Direct available square footage declined 15.9% year over year, while available sublease space fell even more sharply—down 37.2% to 12.4 msf. New sublet additions remain scarce, and demand for the shrinking pool of quality space is intensifying. The tightening is particularly acute in Midtown, where the overall availability rate fell 100 bps to 13.8%. Class A availability dropped to 12.5% and is approaching the submarket's pre-pandemic equilibrium range of 10.0% to 11.0%. With top-tier options becoming less available, occupiers may need to get more creative in identifying viable opportunities.

### Asking rents accelerate as space tightens

Average asking rents rose 0.6% from the prior quarter to \$75.44 per square foot (psf) in Q3 2025. Midtown Class A led the increase, with rents up 3.1% to \$93.83 psf as landlords exercised greater pricing power in an increasingly constrained market. Downtown Class A asking rents also climbed 1.3% on the quarter to \$63.75 psf. While concession packages remain generous by historical standards, rising demand and limited high-end inventory are likely to put further upward pressure on asking and taking rents in the quarters ahead.

## Key Statistics

	Q3 2024	Q3 2025	Y-0-Y
Inventory	466.1 msf	449.4 msf	-16.7 msf
Availability Rate	19.7%	16.2%	-350 bps
Asking Rental Rate	\$75.91	\$75.44	-0.6%
Class A Asking Rental Rate	\$85.49	\$86.35	+1.0%
Quarterly Leasing Activity	9.5 msf	10.6 msf	+1.1 msf
Available Sublease Space	19.8 msf	12.4 msf	-7.4 msf

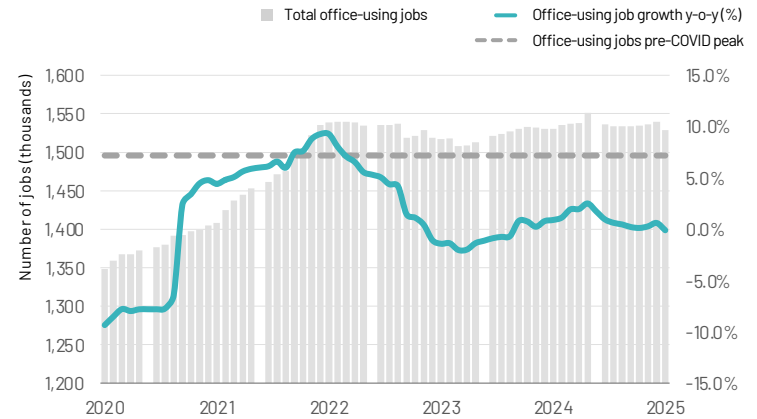
## Outlook

**01** Investment sales activity is picking up and could see further growth in Q4 2025, especially if the Federal Reserve makes additional interest rate cuts

**02** As Class A available space options shrink, some demand will continue flowing to high-quality, well-located Class B office buildings

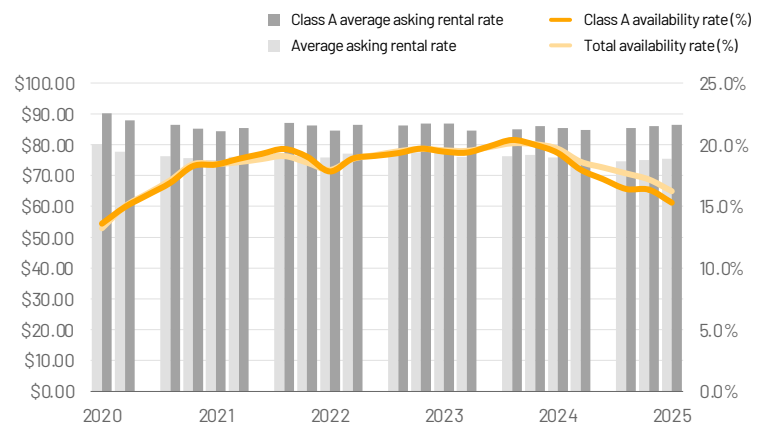
**03** Office utilization rates are rising, and employer-led return-to-office mandates could become more widespread if labor market softness persists

## Office-using Employment Growth

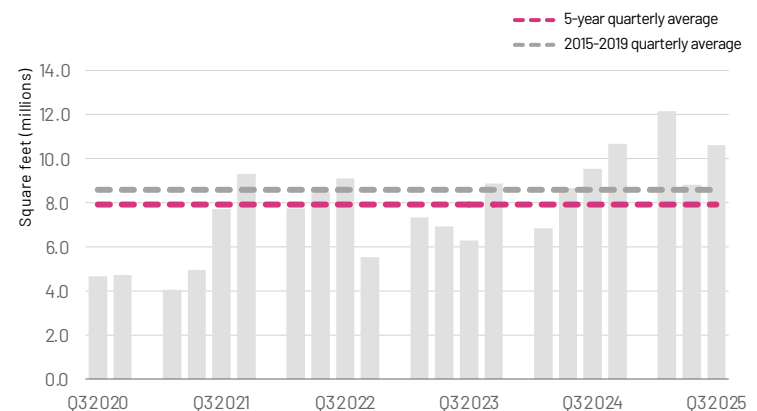


Source: Bureau of Labor Statistics, New York City

## Asking Rent and Availability



## Leasing Activity



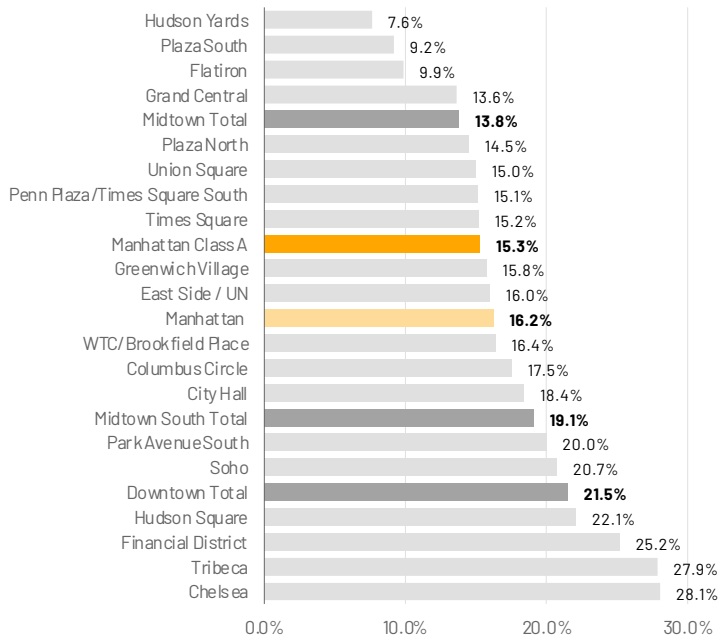
# Top Transactions

\*Trophy Building \*\*Sublease Source: Savills Research

TENANT	INDUSTRY	SUBMARKET	ADDRESS	SIZE (SF)	TRANSACTION TYPE
Deloitte	Business, Professional & Consulting Services	Hudson Yards	70 Hudson Yards*	807,000	Relocation
Guggenheim Partners	Financial Services & Insurance	Grand Central	330 Madison Avenue	356,658	Renewal & Expansion
Salesforce	Technology, Advertising, Media & Information	Penn Plaza/Times Square South	1095 Avenue of the Americas (3 Bryant Park)	313,591	Renewal & Expansion
WeWork (on behalf of Amazon)	Coworking	Penn Plaza/Times Square South	1440 Broadway	256,945	Expansion
Scotiabank	Financial Services & Insurance	Plaza South	660 Fifth Avenue*	203,054	Relocation
Verizon	Technology, Advertising, Media & Information	Penn Plaza/Times Square South	2 Penn Plaza (PENN 2)	198,893	Relocation
BlackRock	Financial Services & Insurance	Hudson Yards	50 Hudson Yards*	193,573	Expansion**
Bank of New York Mellon	Financial Services & Insurance	WTC/Brookfield Place	One World Trade Center*	192,915	New Location**
Versant Media	Technology, Advertising, Media & Information	Times Square	229 W 43rd Street	164,545	New Location
Richemont	Retail	Plaza South	645 Fifth Avenue	138,589	Renewal & Expansion

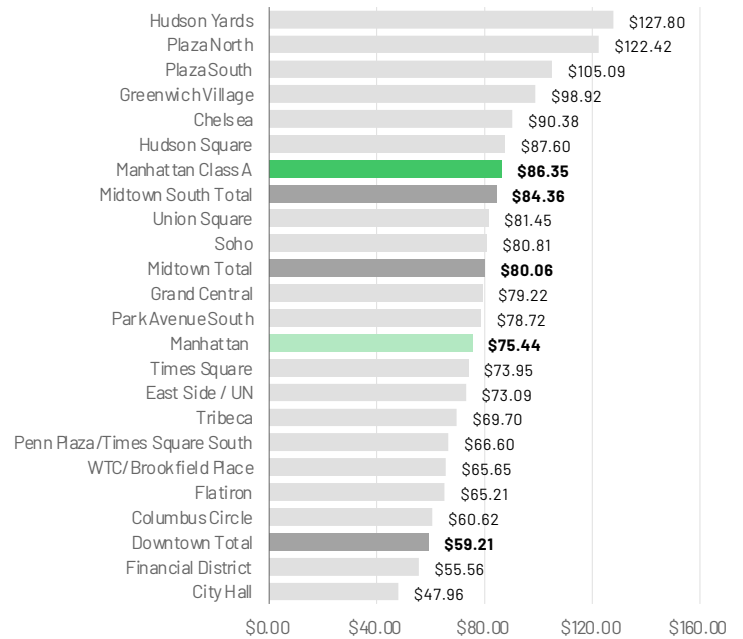
## Availability Rate Comparison (%)

MANHATTAN SUBMARKETS



## Rental Rate Comparison (\$/sf)

MANHATTAN SUBMARKETS



## Manhattan Q3 2025 - Office

For more information, please contact us:

[savills.us](https://www.savills.us)

**Savills Manhattan**  
399 Park Avenue  
11th Floor  
New York, NY  
+1 212 326 1000

**Matthew Schreck**  
Research Director, NY and Tri-State  
+1 212 588 3482  
mschreck@savills.us

**James Barrow**  
Research Analyst  
+1 212 326 8636  
jbarrow@savills.us

Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research.

Copyright © 2025 Savills

