

Manhattan

Office – Q3 2026

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Strong demand supports rent growth

Manhattan office leasing totaled 10.3 million square feet (msf) in Q3 2026, down 4.7% from Q2 and 2.8% year over year but still above the 2015-2019 quarterly average. Year-to-date leasing activity reached 33.5 msf, up 5.6% from the same period last year, keeping 2026 on pace for another strong year. Technology, advertising, media and information (TAMI) and legal services tenants led demand. Proskauer Rose renewed and expanded to 478,000 square feet (sf) at 11 Times Square, while Anthropic committed to 465,630 sf at 330 Hudson Street, and SoFi leased 45,626 square feet at 860 Washington Street. Major commitments from Havas Health, NBCUniversal, Morgan Lewis and Snap reinforced demand across Midtown and Midtown South.

Manhattan availability falls to its lowest level since Q3 2020

Manhattan's overall availability rate fell 90 basis points (bps) over the quarter and 280 bps year over year to 13.4%, while Class A availability declined to 12.1%. The tightening was broad-based, with 15 of Manhattan's 19 submarkets recording declines in availability over the quarter. Midtown remained the tightest market at 12.0%, down 180 bps year over year, while Midtown South availability fell 470 bps to 14.4% as the technology sector, including AI companies, continued to absorb space. Downtown activity was more subdued in Q3 but remained on a longer-term recovery track. With limited new supply coming to market, tenants face increasing competition for well-located space.

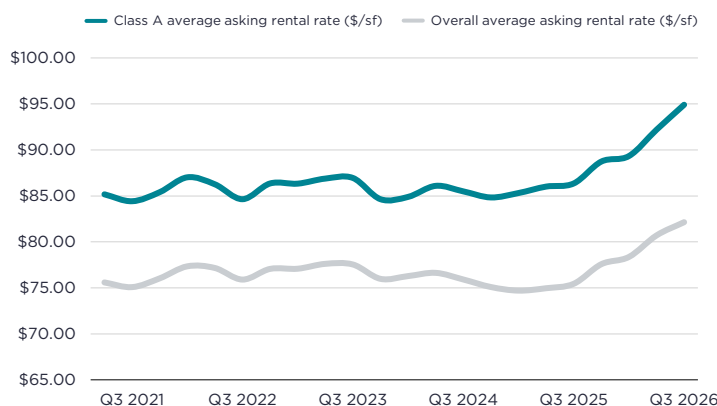
Rent growth accelerates as supply tightens

As availability continued to compress, Manhattan's overall average asking rent rose to \$82.14 per square foot (psf), up 8.9% year over year, while Class A asking rents increased 9.9% to \$94.91 psf. Rent growth was particularly strong in Midtown, where overall average asking rents reached \$86.96 psf and Class A asking rents surpassed \$100.00 psf for the first time, reaching \$102.36 psf. Midtown South Class A asking rents rose to \$111.99 psf, while Downtown Class A asking rents reached \$71.46 psf. With availability declining across Manhattan, rent growth is extending beyond trophy properties, though the strongest gains remain concentrated in Midtown's high-end market.

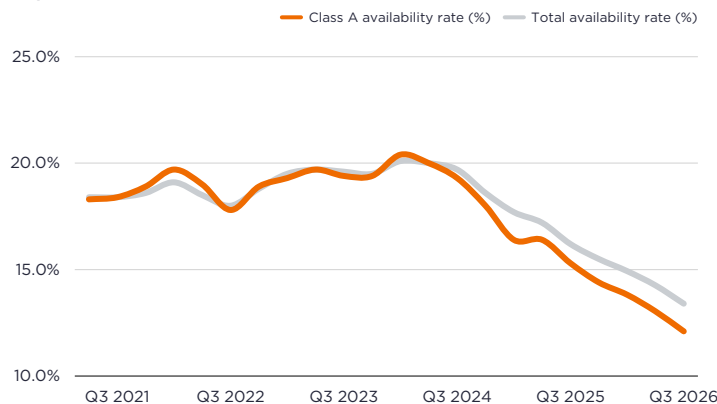
KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	449.4 msf	442.0 msf	-7.4 msf
Availability rate	16.2%	13.4%	-280 bps
Asking rental rate	\$75.44	\$82.14	+8.9%
Class A asking rental rate	\$86.35	\$94.91	+9.9%
Quarterly leasing activity	10.6 msf	10.3 msf	-0.3 msf
Available sublease space	12.4 msf	8.9 msf	-3.5 msf

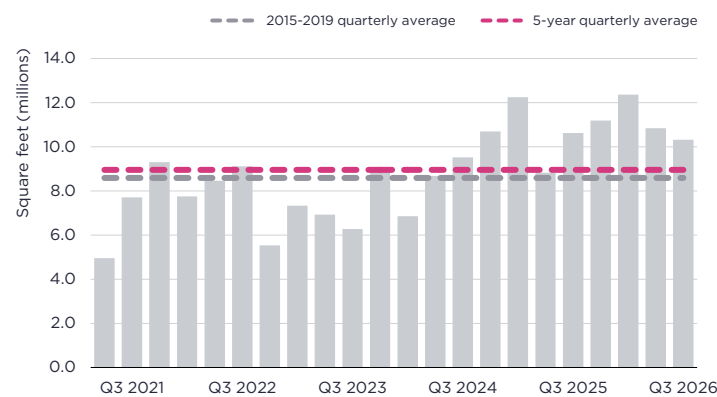
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



Outlook

01

Large occupiers are likely to initiate renewal discussions earlier amid rising rents and heightened competition for high-quality space.

02

Despite strong performance in the high-end market, most developers will likely still require anchor tenant commitments before initiating new construction.

03

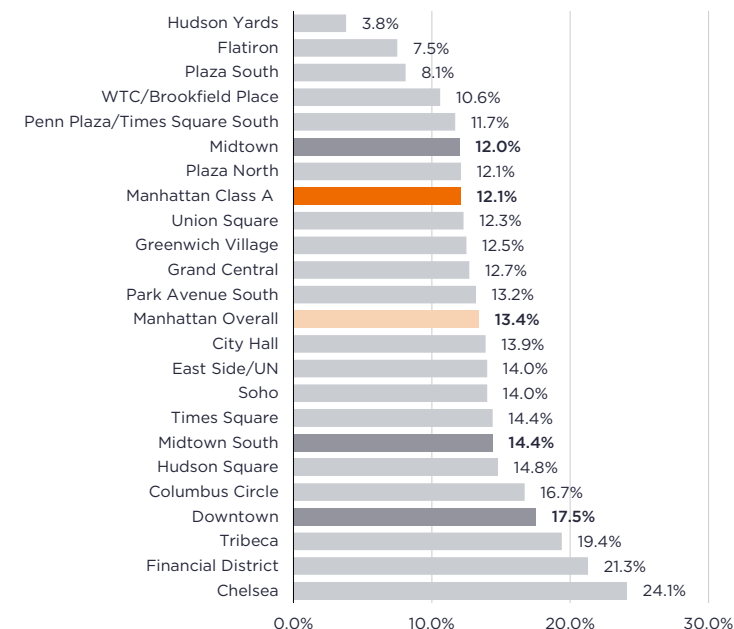
Even as the market recovers, distressed debt and refinancing challenges may create asset-specific considerations for owners and tenants.

NOTABLE LEASES

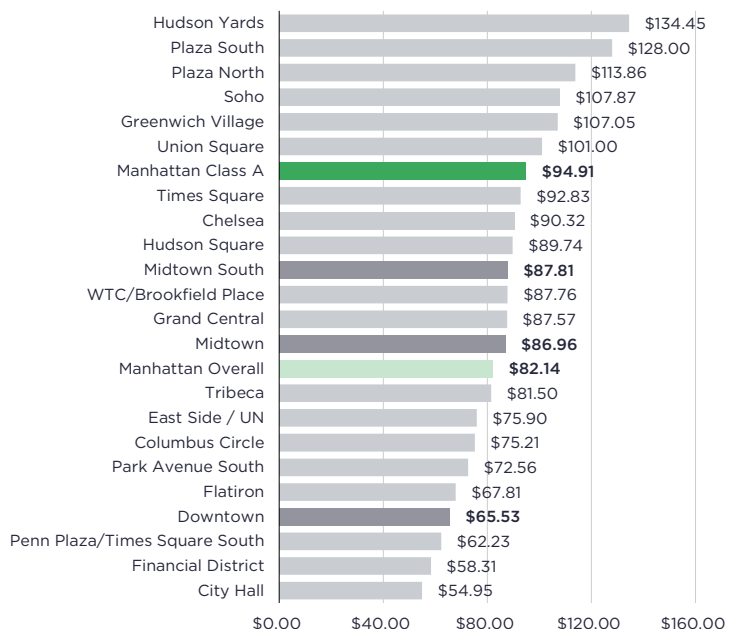
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Proskauer Rose	Legal Services	Times Square	11 Times Square	478,000	Renewal & Expansion
Anthropic	Technology, Advertising, Media & Information	Hudson Square	330 Hudson Street	465,630	Relocation
Havas Health	Technology, Advertising, Media & Information	Grand Central	200 Madison Avenue	254,118	Renewal & Expansion
NBCUniversal	Technology, Advertising, Media & Information	Times Square	1221 Avenue of the Americas	244,185	Renewal
Morgan, Lewis & Bockius	Legal Services	Times Square	1251 Avenue of the Americas	210,000	Relocation
Aon plc	Financial Services & Insurance	WTC/Brookfield Place	1 Liberty Plaza	201,931	Renewal
Snap Inc.	Technology, Advertising, Media & Information	Penn Plaza/Times Square South	2 Penn Plaza (PENN 2)	198,893	Relocation**
Loeb & Loeb	Legal Services	Plaza South	345 Park Avenue	178,959	Renewal & Expansion
City of New York	Government	Chelsea	244-260 Eleventh Avenue	174,186	Renewal
General Atlantic	Financial Services & Insurance	Plaza North	625 Madison Avenue*	151,949	Relocation

AVAILABILITY RATE COMPARISON (%) MANHATTAN SUBMARKETS



RENTAL RATE COMPARISON (\$/SF) MANHATTAN SUBMARKETS



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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 © 2026 Savills