

FIGURES | MANHATTAN OFFICE | Q1 2026

Leasing velocity reaches highest Q1 level since 2011

▼ 7.01M
Leasing Activity

▼ 2.06M
Net Absorption

▼ 15.1%
Availability Rate

▼ 12.4%
Vacancy Rate

▶ \$78.01
Average Asking Rent

Note: Arrows indicate change from previous quarter.

QUICK FACTS

- Leasing activity totaled 7.01 million sq. ft. in Q1, 14% ahead of the five-year quarterly average of 6.13 million sq. ft.
- Year-to-date leasing activity was down 11% from the prior year.
- Renewals totaled 3.27 million sq. ft. in Q1, up 55% from the same time last year.
- The availability rate fell 40 basis points (bps) from last quarter to 15.1% and was down 290 bps from a year ago.
- Net absorption was positive 2.06 million sq. ft. in Q1.
- At \$78.01 per sq. ft., the average asking rent was flat both quarter-over-quarter and year-over-year.
- The sublease availability rate was flat from last quarter at 2.7%, with the average asking rent essentially unchanged from one year ago at \$57.81 per sq. ft.

FIGURE 1: Top Lease Transactions for Q1 2026

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Market
2,400,000	RE	D	Bank of America NA	1 Bryant Park	Midtown
285,303	RE	D	Ramp	28 West 23rd Street	Midtown South
210,092	RE	D	Fanatics	95 Morton Street	Midtown South
163,095	L	D	Clay	11 Madison Avenue	Midtown South
150,036	L	D	Carlyle Group	245 Park Avenue	Midtown

Source: CBRE Research, Q1 2026. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: Manhattan Market Activity

	Mar. 2026	Feb. 2025	Mar. 2025	YTD 2026	YTD 2025
Leasing Activity	2.94 MSF	1.97 MSF	2.76 MSF	7.01 MSF	7.89 MSF
Renewals	2.75 MSF	0.40 MSF	1.16 MSF	3.27 MSF	2.11 MSF
Absorption	1.81 MSF	(0.11) MSF	1.69 MSF	2.06 MSF	3.00 MSF
Availability Rate	15.1%	15.5%	18.0%		
Vacancy Rate	12.4%	12.5%	14.3%		
Average Asking Rent	\$78.01 PSF	\$78.48 PSF	\$77.46 PSF		
Taking Rent Index	95.1%	95.5%	93.7%		

FIGURE 3: Midtown Market Activity

	Mar. 2026	Feb. 2025	Mar. 2025	YTD 2026	YTD 2025
Leasing Activity	1.56 MSF	1.16 MSF	1.79 MSF	4.20 MSF	4.85 MSF
Renewals	2.49 MSF	0.25 MSF	0.63 MSF	2.79 MSF	1.11 MSF
Absorption	1.05 MSF	0.11 MSF	0.61 MSF	1.61 MSF	1.74 MSF
Availability Rate	12.8%	13.3%	15.9%		
Vacancy Rate	10.2%	10.3%	12.1%		
Average Asking Rent	\$84.79 PSF	\$85.11 PSF	\$83.04 PSF		
Taking Rent Index	95.9%	96.1%	93.7%		

Source: CBRE Research, April 2026.

FIGURE 4: Midtown South Market Activity

	Mar. 2026	Feb. 2025	Mar. 2025	YTD 2026	YTD 2025
Leasing Activity	1.08 MSF	0.44 MSF	0.72 MSF	1.90 MSF	1.61 MSF
Renewals	0.16 MSF	0.12 MSF	0.46 MSF	0.32 MSF	0.48 MSF
Absorption	0.69 MSF	(0.08) MSF	0.28 MSF	0.51 MSF	0.69 MSF
Availability Rate	17.7%	18.5%	21.9%		
Vacancy Rate	15.3%	15.8%	18.8%		
Average Asking Rent	\$84.37 PSF	\$84.91 PSF	\$85.01 PSF		
Taking Rent Index	93.5%	94.1%	93.3%		

FIGURE 5: Downtown Market Activity

	Mar. 2026	Feb. 2025	Mar. 2025	YTD 2026	YTD 2025
Leasing Activity	0.30 MSF	0.36 MSF	0.24 MSF	0.91 MSF	1.42 MSF
Renewals	0.11 MSF	0.03 MSF	0.07 MSF	0.16 MSF	0.52 MSF
Absorption	0.07 MSF	(0.15) MSF	0.80 MSF	(0.05) MSF	0.57 MSF
Availability Rate	19.3%	19.4%	20.6%		
Vacancy Rate	15.9%	15.7%	16.4%		
Average Asking Rent	\$59.08 PSF	\$59.26 PSF	\$57.08 PSF		
Taking Rent Index	90.4%	89.1%	90.6%		

Definitions

Availability: Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.

Asking Rent: Weighted average asking rent.

Concession Values: The combination of rent abatement and T.I. allowance. The graph is for new leases for raw space of 25,000 sq. ft. or greater consummated year-to-date, this excludes expansion and renewal deals.

Leasing Activity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals.

Leasing Velocity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals.

Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

Rent Abatement: The time between lease commencement and rent commencement.

Taking Rent: Actual, initial base rent in a lease agreement.

Taking Rent Index: Initial taking rents as a percentage of asking rents.

Definitions

T.I.: Tenant improvements.

Vacancy: Unoccupied space available for lease.

Percentage of Leasing by Industry: The percentage of sq. ft. leased by an industry based on transactions where a tenant and industry have been confirmed.

Survey Criteria

CBRE's market report analyzes fully modernized office buildings that total 150,000+ sq. ft. in Midtown, 75,000+ sq. ft. in Downtown, and 50,000+ sq. ft. in Midtown South, including owner-occupied buildings (except those owned and occupied by a government or government agency). New construction must be available for tenant build-out within 12 months. CBRE assembles all information through telephone canvassing and listings received from owners, tenants and members of the commercial real estate brokerage community.

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