Absorption remains positive for eighth consecutive month

1.16M	0.11M	13.3%	10.3%	$85.11
Leasing Activity	Net Absorption	Availability Rate	Vacancy Rate	Average Asking Rent

Note: Arrows indicate change from previous month.

QUICK FACTS

- Leasing activity totaled 1.16 million sq. ft. in February, 11% below the five-year monthly average of 1.30 million sq. ft.
- Year-to-date leasing activity amounted to 2.64 million sq. ft., down 14% from the prior year.
- Renewals totaled 253,000 sq. ft. in February, bringing the year-to-date total to 302,000 sq. ft.
- The availability rate was flat from last month at 13.3% but was down 280 bps year-over-year.
- Net absorption was positive 112,000 sq. ft. in February, bringing the year-to-date total to positive 557,000 sq. ft.
- At $85.11 per sq. ft., the average asking rent was essentially flat month-over-month but up 2% year-over-year.
- The sublease availability rate was flat compared to last month at 2.3%, with the average asking rent up 4% from one year ago to $64.61 per sq. ft.

FIGURE 1: Top Lease Transactions for February 2026

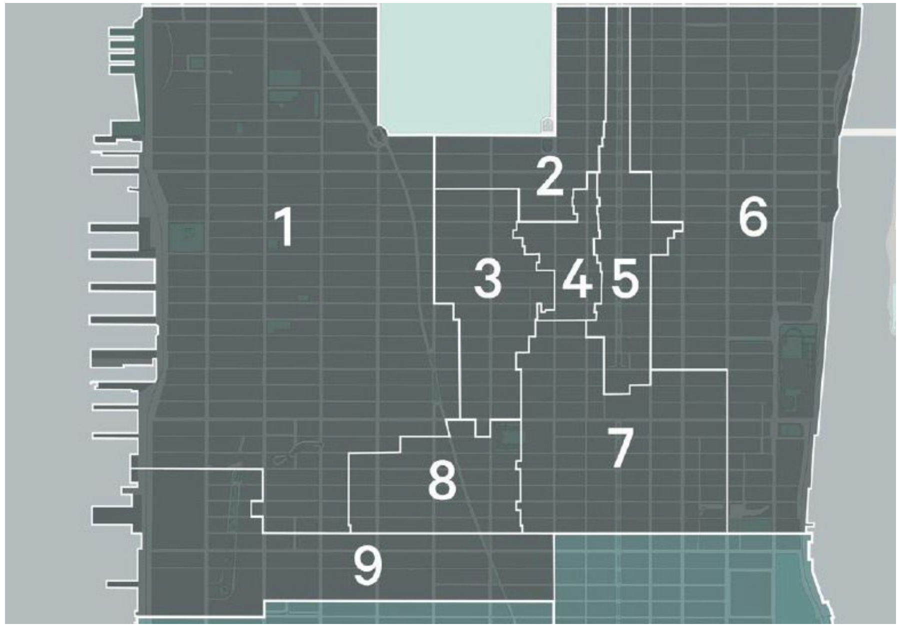
Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address
131,354	E	D	Latham & Watkins	1285 Avenue of the Americas
82,505	L	D	Snowflake Computing	7 Times Square Tower
61,396	R	D	Davis Polk & Wardwell	237 Park Avenue
50,545	L	D	New York Alliance	1441 Broadway
48,016	E	D	Linklaters	1290 Avenue of the Americas

Source: CBRE Research, March 2026. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE)

FIGURE 2: Midtown Market Activity

	Feb. 2026	Jan. 2026	Feb. 2025	YTD 2026	YTD 2025
Leasing Activity	1.16 MSF	1.47 MSF	1.32 MSF	2.64 MSF	3.07 MSF
Renewals	0.25 MSF	0.05 MSF	0.25 MSF	0.30 MSF	0.49 MSF
Absorption	0.11 MSF	0.45 MSF	0.43 MSF	0.56 MSF	1.13 MSF
Availability Rate	13.3%	13.3%	16.1%		
Vacancy Rate	10.3%	10.3%	12.1%		
Average Asking Rent	$85.11 PSF	$85.08 PSF	$83.35 PSF		
Taking Rent Index	96.1%	96.1%	94.3%		

Source: CBRE Research, March 2026.



Submarket		Total Size (MSF)	No. of Buildings
1	Times Sq./West Side	31.0	42
2	Plaza	10.7	22
3	Sixth Avenue/Rockefeller	44.3	46
4	Fifth/Madison	11.6	27
5	Park Avenue	30.8	37
6	East Side	19.7	42
7	Grand Central	44.6	81
8	Times Sq. South	19.6	48
9	Penn District/Hudson Yards	35.8	37
TOTAL INVENTORY		**248.1**	**382**

Major New Availabilities

- 199,000 sq. ft. of Verizon Communication’s sublet space at 2 Penn Plaza
- 98,000 sq. ft. of Interpublic Group’s sublet space at 909 Third Avenue
- 77,000 sq. ft. of direct space at 260 Madison Avenue
- 40,000 sq. ft. of direct space at 1177 Avenue of the Americas
- 33,000 sq. ft. of direct space at 1290 Avenue of the Americas*

*Space was already on the market but has now fallen within 12 months of tenant possession and therefore was added to statistics.

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, 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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