

Average asking rents return to year-end 2019 levels



Note: Arrows indicate change from previous month.

QUICK FACTS

- Leasing activity totaled 1.97 million sq. ft. in May, 47% ahead of the five-year monthly average of 1.34 million sq. ft.
- Year-to-date leasing activity amounted to 7.58 million sq. ft., down 1% from the prior year.
- Renewals totaled 822,000 sq. ft. in May, bringing the year-to-date total to 3.70 million sq. ft.
- The availability rate was unchanged from last month at 12.8% but was down 250 basis points (bps) year-over-year.
- Net absorption was negative 30,000 sq. ft. in May, bringing the year-to-date total to positive 1.58 million sq. ft.
- At \$86.55 per sq. ft., the average asking rent was up 2% month-over-month and up 6% year-over-year.
- The sublease availability rate increased 10 bps compared to last month to 2.3%, with the average asking rent up 6% from one year ago to \$64.32 per sq. ft.

FIGURE 1: Top Lease Transactions for May 2026

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address
249,054	RE	D	Versant Media	229 West 43rd Street
120,026	RE	D	Baker & McKenzie	452 Fifth Avenue
93,020	E	D	CV Starr & Company	343 Madison Avenue
41,322	LE*	D	Marcus & Millichap	260 Madison Avenue
38,156	L	S	Raymond James & Associates	320 Park Avenue

Source: CBRE Research, June 2026. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE)
*Relocation within the building

FIGURE 2: Midtown Market Activity

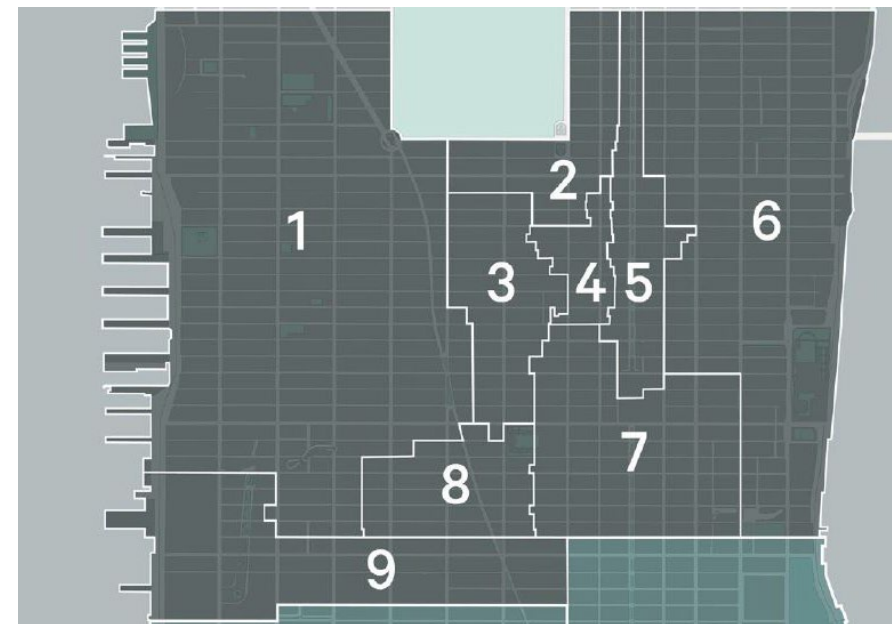
	May 2026	Apr. 2026	May 2025	YTD 2026	YTD 2025
Leasing Activity	1.97 MSF	1.41 MSF	1.09 MSF	7.58 MSF	7.64 MSF
Renewals	0.82 MSF	0.09 MSF	0.18 MSF	3.70 MSF	1.56 MSF
Absorption	(0.03) MSF	0.00 MSF	0.70 MSF	1.58 MSF	3.04 MSF
Availability Rate	12.8%	12.8%	15.3%		
Vacancy Rate	10.0%	10.2%	12.1%		
Average Asking Rent	\$86.55 PSF	\$84.77 PSF	\$81.62 PSF		
Taking Rent Index	94.9%	96.2%	93.3%		

Source: CBRE Research, June 2026.

Major New Availabilities

- 509,000 sq. ft. of direct space at 114 West 47th Street
- 184,000 sq. ft. of direct space at 623 Fifth Avenue
- 131,000 sq. ft. of direct space at 605 Third Avenue
- 115,000 sq. ft. of direct space at 555 West 57th Street*
- 71,000 sq. ft. of Marcum LLP’s sublet space at 730 Third Avenue

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



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

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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