Leasing surge drives 100-basis-point drop in availability

▲ 0.96M	▲ 0.80M	▼ 15.2%	▼ 12.5%	▲ $89.44
Leasing Activity SF	Net Absorption SF	Availability Rate	Vacancy Rate	Average Asking Rent

Note: Arrows indicate change from previous month.

QUICK FACTS

- Leasing activity totaled 956,000 sq. ft. in October, 93% ahead of the five-year monthly average of 495,000 sq. ft.
- Year-to-date leasing activity amounted to 7.18 million sq. ft. and was up 11% from the prior year.
- Renewals totaled 80,000 sq. ft. in October, bringing the year-to-date total to 1.67 million sq. ft.
- The availability rate was down 100 basis points (bps) from last month to 15.2% and was down 450 bps year-over-year.
- Net absorption was positive 796,000 sq. ft. in October, bringing the year-to-date total to positive 2.52 million sq. ft.
- At $89.44 per sq. ft., the average asking rent was up 3% month-over-month and 6% year-over-year.
- The sublease availability rate was down 40 bps from last month to 2.0%, with the average asking rent up 17% from one year ago to $79.00 per sq. ft.

FIGURE 1: Top Lease Transactions for October 2026

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address
175,000	E	D	Ramp	28 West 23rd Street
156,763	L	D	Modal Labs	32 Avenue of the Americas
124,500	L	S	Legora	28 West 23rd Street
80,540	L	D	Headway Inc.	75 Varick Street
58,763	RE	D	Industrial Color Brands	32 Avenue of the Americas

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

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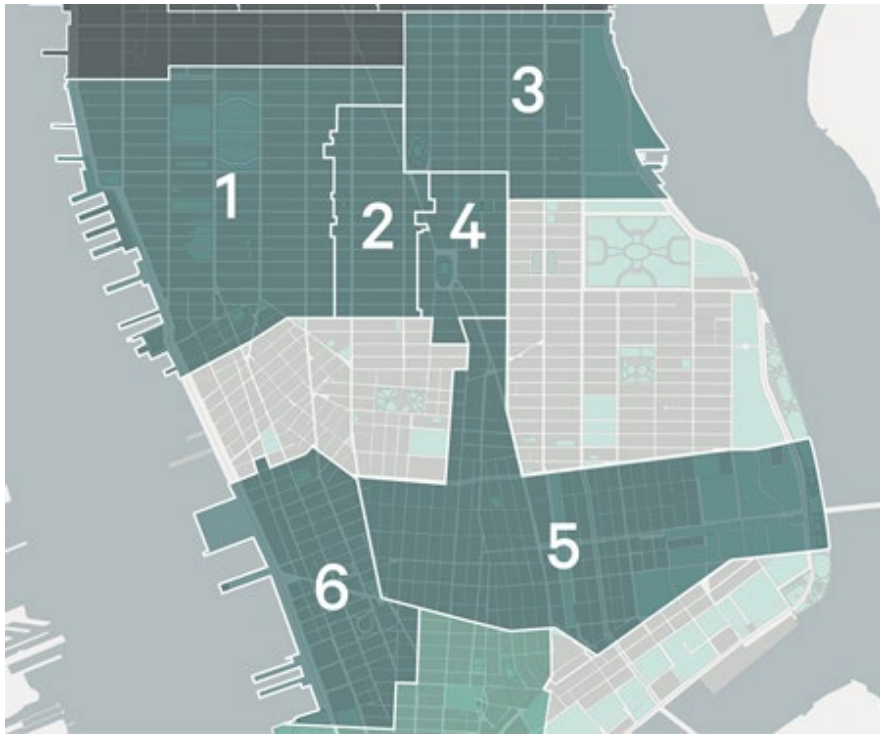
FIGURE 2: Midtown South Market Activity

	Oct. 2026	Sep. 2026	Oct. 2025	YTD 2026	YTD 2025
Leasing Activity	0.96 MSF	0.55 MSF	0.67 MSF	7.18 MSF	6.44 MSF
Renewals	0.08 MSF	0.25 MSF	0.07 MSF	1.67 MSF	0.90 MSF
Absorption	0.80 MSF	0.18 MSF	(0.08) MSF	2.52 MSF	2.56 MSF
Availability Rate	15.2%	16.2%	19.7%		
Vacancy Rate	12.5%	13.2%	17.4%		
Average Asking Rent	$89.44 PSF	$86.94 PSF	$84.55 PSF		
Taking Rent Index	94.8%	95.5%	92.9%		

Source: CBRE Research, November 2026.

Major New Availabilities

- 66,000 sq. ft. of direct space at 641 Avenue of the Americas
- 54,000 sq. ft. of direct space at 395 Hudson Street
- 32,000 sq. ft. of direct space at 48 West 25th Street
- 25,000 sq. ft. of direct space at 91 Fifth Avenue
- 25,000 sq. ft. of direct space at 635 Avenue of the Americas



Submarket		Total Size (MSF)	No. of Buildings
1	Chelsea	18.1	77
2	Flatiron	12.2	73
3	Park Avenue S./Madison Sq.	19.3	57
4	Union Sq.	5.7	38
5	NoHo/SoHo/Lower East Side	9.1	69
6	Hudson Sq./Tribeca	18.2	36
TOTAL INVENTORY		**82.6**	**350**

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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 with confirmed tenant and industry.

Survey Criteria

CBRE's market report analyzes fully modernized office buildings that total 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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