

FIGURES | MIDTOWN SOUTH MANHATTAN OFFICE | AUGUST 2026

Leasing activity 10% ahead of last year’s historic level



Note: Arrows indicate change from previous month.

QUICK FACTS

- Leasing activity totaled 988,000 sq. ft. in July, 100% above the five-year monthly average of 494,000 sq. ft.
- Year-to-date leasing activity amounted to 5.08 million sq. ft., up 10% from the prior year.
- Renewals totaled 94,000 sq. ft. in July, bringing the year-to-date total to 1.01 million sq. ft.
- The availability rate was down 20 basis points (bps) from last month to 16.8% and was down 360 bps from a year ago.
- Net absorption was positive 100,000 sq. ft. in July, bringing the year-to-date total to positive 1.20 million sq. ft.
- At \$86.34 per sq. ft., the average asking rent was essentially flat month-over-month and up 2% year-over-year.
- The sublease availability rate was unchanged from last month at 2.3%, with the average asking rent up 6% from one year ago to \$70.97 per sq. ft.

FIGURE 1: Top Lease Transactions for July 2026

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address
462,513	L	D	Anthropic	330 Hudson Street
98,420	L	D	Legora	11 Madison Avenue
59,874	RE	D	Veronica Beard	26 W 17th Street
43,258	L	D	Moment Technology	325 Hudson Street
42,855	L	D	Axon	225 Park Avenue South

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

FIGURE 2: Midtown South Market Activity

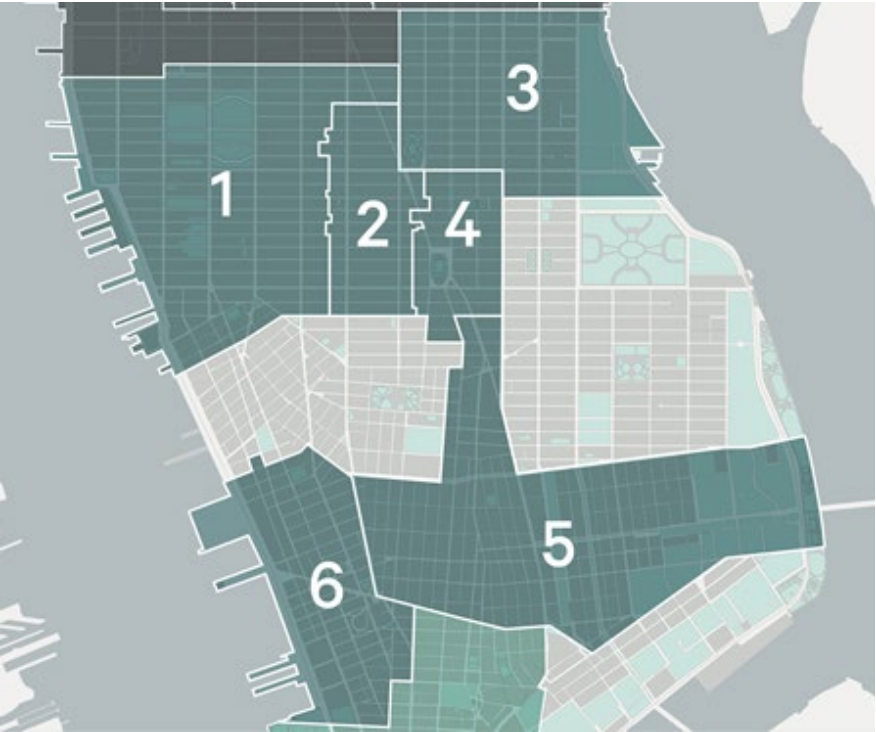
	Jul. 2026	Jun. 2026	Jul. 2025	YTD 2026	YTD 2025
Leasing Activity	0.99 MSF	0.71 MSF	0.59 MSF	5.08 MSF	4.62 MSF
Renewals	0.09 MSF	0.16 MSF	0.07 MSF	1.01 MSF	0.75 MSF
Absorption	0.10 MSF	0.15 MSF	0.13 MSF	1.20 MSF	1.99 MSF
Availability Rate	16.8%	17.0%	20.4%		
Vacancy Rate	13.8%	14.3%	17.7%		
Average Asking Rent	\$86.34 PSF	\$85.73 PSF	\$84.54 PSF		
Taking Rent Index	96.1%	94.9%	93.2%		

Source: CBRE Research, August 2026.

Major New Availabilities

- 231,000 sq. ft. of direct space at 345 Hudson Street*
- 79,000 sq. ft. of direct space at 2 Park Avenue
- 46,000 sq. ft. of direct space at 180 Madison Avenue
- 26,000 sq. ft. of direct space at 601 West 26th Street
- 22,000 sq. ft. of direct space at 333 Seventh 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	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

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 20,000+ 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.

Contacts

Michael Slattery

Tri-State Research Director
+1 212 656 0583
Michael.Slattery@cbre.com

Philip Stern

Field Research Manager
+1 212 656 0516
Philip.Stern@cbre.com

© Copyright 2026 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE's Global Chief Economist.

