Monthly absorption positive for sixth consecutive month

▼ 0.60M
Leasing Activity

▲ 0.34M
Net Absorption

▼ 16.4%
Availability Rate

▼ 13.6%
Vacancy Rate

▶ $86.26
Average Asking Rent

Note: Arrows indicate change from previous month.

QUICK FACTS

- Leasing activity totaled 595,000 sq. ft. in August, 20% above the five-year monthly average of 495,000 sq. ft.
- Year-to-date leasing activity amounted to 5.68 million sq. ft., up 10% from the prior year.
- Renewals totaled 326,000 sq. ft. in August, bringing the year-to-date total to 1.34 million sq. ft.
- The availability rate was down 40 basis points (bps) from last month to 16.4% and was down 360 bps from a year ago.
- Net absorption was positive 336,000 sq. ft. in August, bringing the year-to-date total to positive 1.54 million sq. ft.
- At $86.26 per sq. ft., the average asking rent was essentially flat month-over-month and up 1% year-over-year.
- The sublease availability rate was unchanged from last month at 2.3%, with the average asking rent up 4% from one year ago to $71.39 per sq. ft.

FIGURE 1: Top Lease Transactions for August 2026

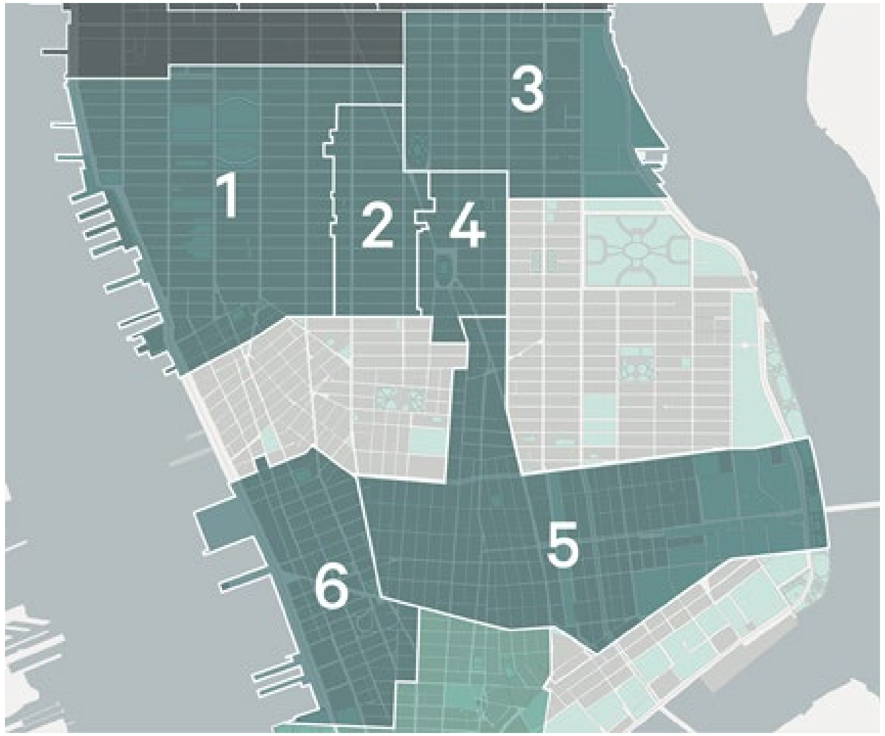
Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address
174,186	R	D	Human Resources Administration	260 Eleventh Avenue
87,176	L	D	Suno AI	295 Fifth Avenue
55,509	L	D	David Protein	395 Hudson Street
46,076	RE	D	Vercel	360 Park Avenue South
44,661	R	S	Patreon	75 Varick Street

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

FIGURE 2: Midtown South Market Activity

	Sep. 2026	Jul. 2026	Sep. 2025	YTD 2026	YTD 2025
Leasing Activity	0.60 MSF	0.99 MSF	0.56 MSF	5.68 MSF	5.18 MSF
Renewals	0.33 MSF	0.09 MSF	0.03 MSF	1.34 MSF	0.78 MSF
Absorption	0.34 MSF	0.10 MSF	0.33 MSF	1.54 MSF	2.32 MSF
Availability Rate	16.4%	16.8%	20.0%		
Vacancy Rate	13.6%	13.8%	17.4%		
Average Asking Rent	$86.26 PSF	$86.34 PSF	$85.04 PSF		
Taking Rent Index	95.8%	96.1%	91.9%		

Source: CBRE Research, September 2026.



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**

Major New Availabilities

- 36,000 sq. ft. of direct space at 475 Park Avenue South
- 32,000 sq. ft. of Two Sigma Investments' sublet space at 101 Avenue of the Americas
- 25,000 sq. ft. of direct space at 7 Penn Plaza*
- 23,000 sq. ft. of sublet space at 430 East 29th Street
- 23,000 sq. ft. of direct space at 3 Park Avenue

*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 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.

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