



New York City CRE Snapshot

3RD QUARTER 2025 REPORT
OFFICE | RETAIL | DEVELOPMENT



Pictured: 915 Broadway



Manhattan - Harlem Meer

Quarterly News Highlights*

General News

CBC Report: CityPHEPS Hits \$1 Billion | July 10, 2025

Since the October 2018 launch of the City Fighting Homelessness and Eviction Prevention Supplement (CityPHEPS) program, which consolidated several New York City rental subsidy programs into one, the voucher program has yet to alleviate the demand for shelter, while the cost continues to escalate. In fiscal year 2019, the cost of CityPHEPS was \$25 million, and by fiscal year 2023 it ballooned to the anticipated cost of \$636 million. At the end of 2024 there were approximately 52,000 voucher holders — 22,300 single adult households and 29,600 family households, and the cost in fiscal year 2025 (FY25) will be more than \$1.1 billion according to the February 2025 report by the Citizens Budget Commission (CBC) — a cost that could further increase due to new vouchers issued through the end of June 2025 or rent increases of existing voucher holders. A further concern is the continued “practice of radical underbudgeting that obscures the city’s fiscal plans and outlook, having only budgeted \$519 million for CityPHEPS in fiscal year 2026. Public officials had hoped that rental subsidy programs would decrease the number of New Yorkers entering shelter and save the city money in the long run. However, although the vouchers save money initially, “their total cost far outpaces the cost of shelter over a period of five years or longer.” Based on information within CBC’s report, while at the onset, the cost of a shelter stay and CityPHEPS are similar — at approximately \$54.80 per day, or about \$20,000 per year, due to the extended length of up to five years or possibly longer of the vouchers, the cumulative cost of the heavily subsidized CityPHEPS is much higher, even when accounting for households that cycle back to shelter. In addition, unlike shelter costs which are shared with the federal and state governments, CityPHEPS are entirely city-funded.

A further concern is the lack of transparency since the “city does not provide any performance data on CityPHEPS, which makes it difficult to understand the scope of the program, its effectiveness at relieving New Yorker’s housing burdens, or how well the DSS [New York City Department of Social Services] administers the program. It is time for the city to take a closer look at CityPHEPS before its high cost reaches a point where it significantly hinders the city’s ability to fund other programs and services. Another consideration may be to shift funds towards the creation of vocational training programs to help those that are able to elevate their financial situation, or going a step further establish a better understanding of what is fueling the rising cost of city housing that has made it unaffordable for a growing number of New Yorkers, including the disproportionate burden of real estate taxes on rental buildings compared to co-op and condominiums which are then passed on to the tenants.

Sources: https://cbcny.org/sites/default/files/media/files/CBCREPORT_FHEPS_02242025.pdf

* Access to some articles may require a login and/or subscription.

News Highlights (cont'd)

Massive Tax and Spending Bill Passed by White House | July 3-4, 2025

On Friday, July 4, 2025, President Donald Trump signed into law a “massive spending and tax bill” dubbed by the White House “One Big Beautiful Bill.” The enacting of the bill reportedly fulfills “key campaign pledges that Trump made during his reelection bid.” Although passed 218 to 214 by the House Republicans, “all 212 Democrats voted in unison against the bill and were joined by two republicans. Ultimately following an all-night session, the necessary votes were secured to narrowly pass the domestic policy bill just a few days after Senate Republicans passed it by a vote of 51-50, having been able to sidestep a Democratic filibuster by utilizing a special budget tool known as reconciliation. A snapshot of the key provisions in the bill are provided below:

- \$4 Trillion in tax cuts were appropriated to extend Trump’s 2017 tax cuts which are set to expire at the end of 2025, thereby avoiding the taxes increases that would have otherwise occurred for most households.
- Through 2028, Americans will be able to deduct up to \$25,000 for tip wages and \$12,500 for overtime pay, but the deductions will be reduced for those earning an income higher than \$150,000; the child tax credit was increased from \$2,000 to \$2,200 per child an adjusts for inflation after 2025; and the tax deduction for people over the age of 65 earning \$75,000 or less was increased to \$6,000 through 2028.
- The nation’s debt ceiling was raised by \$5 trillion to avoid the risk of default if needed should the government be unable to meet its obligations due to programs already authorized by Congress surpassing the previous debt limit, which according to nonpartisan Congressional Budget Office (CBO) would have been at some point between mid-August and the end of September — “a scenario that economists say would be catastrophic.
- To qualify for Medicaid benefits, able bodied adults are now required to work 80 hours per month until age 65, but there are carve outs for parents of children under the age of 14 and those with disabilities. The CBO estimates that the cuts could lead to nearly 12 million people losing health coverage.
- The Supplemental Nutrition Assistance Program (SNAP) now requires able bodied adults to work up to age 64 in order to qualify for the food assistance program. Exemptions are included for parents with children under 14. Limits have been established on the ways states can offer waivers for the expanded work requirements; and in addition, states will take on a greater share of the costs – changes that will go into effect in 2028.
- \$46.5 Billion allocated for continued construction of Trump’s border wall, \$5 billion for Customs and Border Protection facilities, and \$10 billion for border security more broadly.
- Tax incentives for clean energy will phase out sooner than scheduled, likely resulting in fewer wind and solar projects being built in America and an increased use of natural gas to generate electricity.
- The cap for State and Local Tax Deductions (SALT) will temporarily be lifted from \$10,000 to \$40,000 for married couples earning up to \$500,000 until after 2028.
- A \$550 charge to immigrants for work authorization applications has been created with renewals required every six months.
- A new standard repayment plan called the “Repayment Assistance Plan” is an income-based plan that replaces several existing student loan repayment plan options. In addition, the amount of federal loans parents and graduate students can take out each year is capped.

Sources: <https://www.npr.org/2025/06/28/g-s1-74388/senate-big-beautiful-bill>

<https://www.npr.org/2025/07/03/nx-s1-5454841/house-republicans-trump-tax-bill-medicaid>

News Highlights (cont'd)

Fed Uncertainty Prompts NYS to Halt Infrastructure Plans for Offshore Wind Farm Projects | July 1, 2025

The “January [2025] order from the Trump administration that bans new offshore wind farms,” has prompted decisions by New York State’s Public Service Commission (PSC) to halt “plans to approve up to \$23.9 billion in power line projects that would plug future offshore wind farms into New York City’s electric grid” and deliver at least 4,770 megawatts of offshore wind energy generation. The project that was expected to be operational by 2033 “would have supported the state’s target of developing 9,000 megawatts of offshore wind energy by 2035. According to the PSC’s July 17, 2025 Order Withdrawing Public Policy Transmission Need, “Burdening the ratepayers of New York State with costs of the magnitude reported by the New York Independent System Operator (NYISO) — \$7.9 billion to \$23.9 billion — without any certainty as to when they will receive the benefits of the offshore wind energy that the Climate Leadership and Community Protection Act (CLCPA) seeks to secure is unjustifiable.” However, the state’s senior communication advisor on energy and environment, Ken Lovett states, “that the state stands ready to move forward ‘when the conditions become more favorable.’” Despite Gov. Hochul’s agreement with PSC’s decision, some energy experts disagree, pointing out that the process will have to start from scratch, resulting in the loss of a couple of years as a result of the infrastructure plan withdrawal. On Thursday, July 24, an op-ed released by Gov. Hochul’s Office reiterated her commitment to securing New York’s clean energy future. The article highlighted the state beating its “2025 distributed solar goal a year ahead of schedule and having built South Fork Wind, the “nation’s first utility-scale offshore wind farm.” In addition, the Sunrise Wind and Empire Wind offshore wind farm projects are back on track. Although these achievements further help New York’s ability to generate clean energy, as the Governor noted, “solar only works when the sun shines, and wind turbines only spin when the weather is right;” and with that in mind, Gov. Hochul directed the New York Power Authority “to take the next step in building an advanced nuclear power plant upstate,” a bold move toward creating a fully dependable electric grid to power New York homes and the industries of tomorrow.

Sources: <https://www.crainsnewyork.com/climate/new-york-halts-239b-offshore-wind-power-lines-amid-federal-uncertainty>

<https://www.governor.ny.gov/news/icymi-governor-hochuls-op-ed-usa-today-network-new-york-must-and-will-embrace-advanced-nuclear>

Concerns of U.S. Budget Deficits Spread Across Wall Street | July 3, 2025

The last year that the United States had a federal budget surplus was in fiscal year 2001 according to Federal Reserve Bank of St. Louis data reported by the Wall Street Journal, and since then the ongoing deficit has fluctuated, reaching \$1.8 trillion in fiscal year 2024. Thus far in 2025, interest rates continue to be high, and the bond market has been “jumpy, producing worrying spikes in borrowing costs.” As a share of the economy, the nation’s deficit is “already around levels reached in the era of the 2008 financial crisis and the pandemic;” however, the recent spending and tax bill passed in Washington adds \$3.4 trillion to federal deficits through 2034 compared with a scenario in which Congress did nothing” according to the Congressional Budget Office (CBO). Last fiscal year, the annual gap, or deficit between government revenue and spending was \$1.8 trillion, or around 6% of gross domestic product (GDP); and credit rating firm Moody’s estimated it will reach nearly 9% of GDP by 2035, “pushing publicly held federal debt — or the sum of all the annual shortfalls — from a little under 100% of GDP now to more than 130%,” surpassing the previous 1946 record high of 106%.

Despite President Trump and his GOP supporters reportedly saying, “tax cuts will accelerate growth and, along with new tariffs and heavy cuts to social programs such as Medicaid, will actually put the nation on sounder financial footing,” it is anticipated that the “long-term verdict might be rendered in U.S. bond markets.” The government issues Treasuries to borrow money, but if an oversupply is created of those bonds, it would drive up yields, which rise when prices fall. However, since they are backed by “the world’s richest country and are effectively guaranteed to be repaid at maturity,” Treasuries have long been viewed as “the ultimate safe investment, which has helped keep “America’s borrowing rates in check, even as the volume of debt grew.” Although the appetite for U.S. debt may very large, if foreign buyers, including foreign central banks, which own nearly a third of publicly held debt, start worrying about America’s large debt load, they could start shifting reinvestment away from the U.S. as their portfolios roll off. But a viable plan by the Trump administration to mitigate the impact of deficits on the market is to “leave sizes on longer-term debt auctions unchanged at least through the end of the year,” while leaning more on “ultrashort-term debt to meet coming borrowing needs, thereby minimizing pressure on longer-term bonds, which matter more for consumer and business borrowing costs.”

Sources: <https://www.wsj.com/finance/investing/wall-street-crisis-deficits-default-mode-bf1f5940>

News Highlights (cont'd)

Summer Streets 2025 Car-Free Zone in Manhattan Extended to Inwood | July 2, 2025

Since the launch of New York City's Summer Streets program in 2008 under former Mayor Michael Bloomberg, the program that originally offered pedestrians and cyclists a car-free zone in Manhattan on the first three Saturdays in August was expanded to include all five boroughs by operating on five consecutive Saturdays between 7 a.m. and 3 p.m. from July 26 through August 23. Queens and Staten Island will kick off the season on July 26, followed by Manhattan over the next three Saturdays of August 2, 9 and 16, while the Bronx and Brooklyn will close out the season on August 23. The original 6.9-mile route in Manhattan has been extended in recent years, and this year it will offer more than 22 miles that spans the entire length of borough from the Brooklyn Bridge in Manhattan to Dykman Street in Inwood. The New York City Department of Transportation's (DOT) Art program will be coordinating public art installations along the route. Further efforts by the city to improve the quality of life is reflected in the May 2025 opening of the completed reconfiguration of the Queensboro Bridge which has improved pedestrian and cyclist access. The 11-foot-wide north outer roadway is now a dedicated bike lane, and the limited-use vehicle lane along the bridge's south outer roadway was permanently converted to a pedestrian path, eliminating the formerly shared use path by pedestrians and cyclists — similar to upgrades made to the Brooklyn Bridge in 2021 and the George Washington Bridge in 2024. Over 10,000 users on foot or bike traverse the bridge on a daily basis – making it the second busiest East River bridge, resulting in increased congestion along the narrow pathway and safety concerns. The project is part of the city's broader Vision Zero initiative to eliminate traffic fatalities.

Sources: <https://www.6sqft.com/nyc-summer-streets-2025/>

<https://qns.com/2025/05/queensboro-bridge-pedestrian-path-opens/>

Driverless Rideshare Robotaxi Service being Tested in NYC | July 9, 2025

New York City began preparing in 2017 for the anticipated day when driverless cars would fill the streets. Already several companies were testing a variety of prototype vehicles in different markets including Alphabet-owned Google under the company name "Waymo," General Motor's "Cruise" startup, Ford, Uber, Apple and many others. The Driverless Future Challenge was launched, intended to solicit actionable solutions for a driverless future and the potential need to repurpose curbside parking space. In 2021, Mobileye, an Intel subsidiary, was the first company to test a self-driving vehicle on city streets with former Mayor Bill de Blasio's administration launching a permit process for testing the cars which would require companies to certify that their autonomous vehicle (AV) is safer than a human driver, payment of an annual fee of \$5,000 per year, and a human supervisor in each test car that must remain within certain zones. The initiative was an early step in policy challenges that experts say will be required for wide-scale adoption of AVs according to Crain's New York's article at the time. As probably the least predictable street environment in the country, driverless cars in New York City will "have to be made ready to manage an environment with pedestrians, blocked-off roadways, construction, unloading trucks — that will require a highly intelligent vehicle" per the statement by a spokesperson of the NYU Rudin Center for Transportation Policy and Management. Additional concerns sparked by the use of AVs include the potential displacement of a large number of professional drivers in the city, privacy and storage issues concerning the huge amounts of data that self-driving cars collect, and the potential to add to congestion.

More recently, Alphabet has once again approached New York City, but since New York State law doesn't allow for vehicles to operate without a person at the wheel, Alphabet's camera-laden, lithium-ion operated Waymo cars will be driven by humans. Currently "fewer than ten" Waymo cars are operating in Manhattan and "parts of Downtown Brooklyn" according to information provided by a company spokesperson to Crain's New York. With the hope that New York State will lift its ban on fully autonomous vehicles, Waymo is currently collecting driving data, map local infrastructure, and learning traffic patterns in preparation for a possible launch of its driverless rideshare service. Submitted permit applications are still pending approval from New York City's Department of Transportation (NYCDOT), which would allow Waymo to transfer the controls over of the car to its "Waymo Driver" technology as long as a human supervisor is in the car ready to take control. Waymo's robotaxis are operating in San Francisco, Phoenix, Austin and Atlanta, and although "early data suggests that driverless vehicles are, on average, safer than human-driven cars, New York City is far more congested than Waymo's other markets, the NYCDOT noting on its website that "the city presents some of the most challenging urban street environments for an AV to navigate." In addition to roadway challenges, Waymo's arrival is likely to spark opposition from current rideshare operators such as Lyft, Uber, and taxi medallion owners and drivers that already compete amongst themselves and face the challenges of regulations such as for-hire vehicle caps and minimum wage requirements for drivers.

Sources: <https://www.craigslist.com/transportation/waymo-testing-its-robotaxis-new-york-city>

<https://www.craigslist.com/technology/how-new-york-city-preparing-arrival-self-driving-cars>

News Highlights (cont'd)

Eight Casino Submissions Await Sept. 30 Preliminary Approval | July 11, 2025

Among the approximately eleven operators initially interested in one of the three downstate casino licenses being issued, only eight submitted their final applications to the Gaming Facility Location Board (GFLB) by the June 30, 2025 deadline. The expansion of gambling in the state comes following approvals by voters in 2013 allowing for the creation of up to seven commercial licenses for casinos, of which three were allocated to downstate in 2022 as part of budget negotiations that year. Locations being proposed by the eight applicants include Hell's Kitchen, Times Square, and the Midtown East waterfront in Manhattan; Ferry Point in the Bronx; Willets Point and Jamaica in Queens, Coney Island, Brooklyn with the remaining submission outside of New York City in Yonkers. Prior to decisions being made by the GFLB, the applications submitted by each operator will undergo a mini-vote sometime between now and September 30, 2025, by a six-person Community Advisory Committee (CAC). (In Yonkers, the CAC will have five members).

"For each of the seven New York City-based applicants, a CAC has been created with one member appointed by each of the following officials: Gov. Kathy Hochul, Mayor Eric Adams, and the proposed casino location's applicable state Senator, state Assembly member, borough president and City Council member." To move a license forward for any of the application submissions, four or more of the specially appointed CAC members must approve the submission. According to an article by Crain's New York, "some appointments don't bode well for the relevant projects – particularly since some have openly expressed opposition to casinos. Prior to the September 30 vote, the CAC groups must hold two public hearings under state rules, the dates of which have yet to be announced, and the casino bidders will be allowed to change their proposals in response to feedback from the committees.

Final decisions for the three licenses will be made on December 1, 2025, by the GFLB members — "former NYC housing commissioner Vicki Been (chair), general counsel at Pace University Terry Brown, senior vice president at U.S. News and World Report Marion Phillips, III and retired real estate finance executive Greg Reimers." Each of the three selected operators will be required to pay the \$500 million state license fee by December 31st. As part of the deal, the operators — a mix of developers, backers and owners will also be required to spend a "minimum of \$500 million in 'capital investments' in the area where they will be located, which could mean anything from building subsidized housing to contributing to local transit improvements or creating public park space." Revenue from future gaming will be taxed by a yet-to-be-determined rate that will be at least 25% for slot gaming and 10% for all other gaming revenue. Although the results of an analysis by Spectrum Gaming in 2021 estimated that the impact of expanding gambling facilities in upstate New York — of which four opened since the 2013 vote, "would produce \$5.5 billion in gross gambling revenue, \$841 million a year in tax revenue and create 30,000 jobs, a more recent analysis in 2023 by the New York State Comptroller's Office "found that though those casinos brought in \$176 million for local governments, they did fail to meet their initial revenue and tax projections between 2017 and 2022."

1. **The Avenir**
Manhattan's far West Side



Credit: Silverstein Properties / Brynjar Studios

2. **The Coney**
Coney Island



Credit: Thor Equities

3. **Metropolitan Park**
Flushing Meadows-Corona Park



Credit: SHoP Architects, Field Operations

5. **Caesars Palace Times Square**
Times Square



Image by Brynjar Studios

6. **Bally's Bronx**
Ferry Point Park



Credit: Bally's Bronx

7. **Freedom Plaza**
Midtown East



Freedom Plaza river view looking east. Courtesy of Nigata

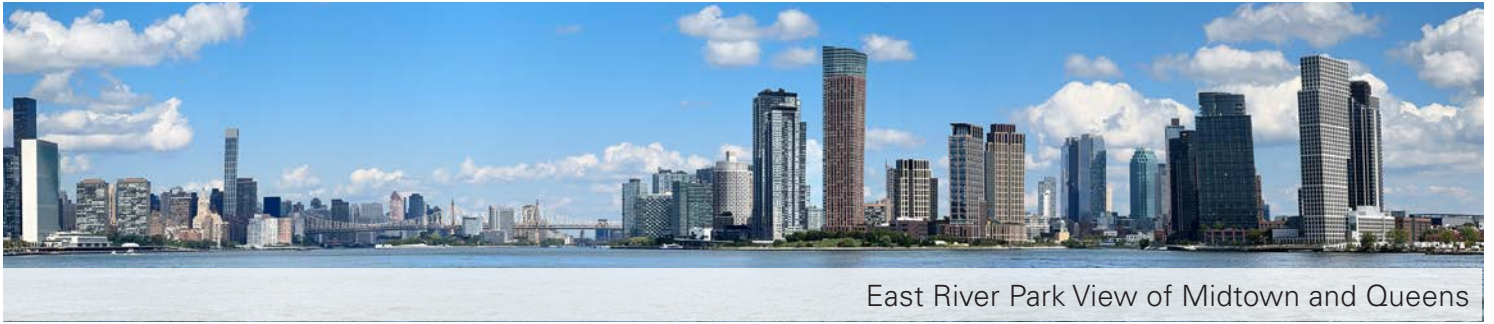
8. **MGM Empire City**
Yonkers



Rendering courtesy of MGM Resorts

Sources: <https://www.thecity.nyc/2025/07/11/casino-proposal-guide-vote-gambling/>

<https://www.6sqft.com/casino-proposals-competing-for-a-downstate-new-york-gaming-license/>



East River Park View of Midtown and Queens

News Highlights (cont'd)

NYS Expects \$3B Budget Gap in 2026 amid White House Medicaid Cuts | July 11, 2025

Although estimates are preliminary, New York State is “facing a \$750 million gap in the current fiscal year and at least \$3 billion next year due to federal Medicaid reductions that will go into effect beginning January” as part of the White House’s “One Big Beautiful” spending and tax bill that became law on July 4th. The state’s Essential Plan, which covers low-income New Yorkers who don’t qualify for Medicaid, will incur the first major hit from reductions. There are several other reductions in federal Medicaid funding slated in the coming years that New York is not prepared to replace, having passed a \$254 million state budget in May that included major increases to the state’s Medicaid program but did not account for the cuts within the bill that have yet to be assessed by the Congressional Budget Office. In addition, the necessity to facilitate new Medicaid work requirements is expected to cost the state another \$500 million in the coming years. Among the roughly 7 million people on Medicaid in New York State, an estimated 1.3 million Medicaid recipients and 730,000 recipients covered by the Essential Plan will become uninsured according to the state Department of Health. Hospitals are similarly facing cuts and expect to incur an estimated \$3 billion a year rise in direct costs of treating uninsured patients. In addition, roughly 24 million people currently covered by health plans through the Affordable Care Act (ACA) marketplace, also known as Obamacare, will not only see significantly higher health insurance premiums if ACA insurers secure approvals from state regulators for double-digit rate increases in 2026, but will also see reductions if federal subsidies that help pay for their coverage as enhanced payments passed by Congress in 2021 will lapse at the end of December

Sources: <https://www.crainsnewyork.com/health-pulse/medicaid-cuts-punch-hole-new-yorks-budget>

<https://www.wsj.com/health/healthcare/obamacare-insurers-seek-double-digit-premium-hikes-next-year-454f1e1c>

June Sees Highest Uptick in Consumer Prices Since February | July 15, 2025

The lower 0.1% increase in May of the Consumer Price Index for All Urban Consumers (CPI-U) saw a sharp reversal in June when CPI-U increased 0.3% on a seasonally adjusted basis, and over the past 12 months increased 2.7% before seasonal adjustment compared to 2.4% in May according to the latest news release by the nation’s Bureau of Labor Statistics (BLS). The “core” index favored by economists, which eliminates food and energy, increased 0.2% compared to 0.1% in the previous month, but despite the more moderate gain, “there were some solid increases in tariff-sensitive goods.” It is believed that underlying inflation remains muted for now due to softening consumer demand limiting “price increase for services like airline fares and hotel and motel rooms,” which declined 0.1% and 3.6% respectively, and the likelihood that businesses “were still selling merchandise accumulated before President Donald Trump announced sweeping import duties in April.” Growing caution on spending by consumers and the loss of some momentum in the job market have made some economists hopeful that the recent price increases will be gradual rather than dramatic. However, economists “generally expect the tariff-induced rise in inflation to become more evident in the July and August CPI reports,” and that the Federal Reserve will remain on the sidelines until September as they await more data.

Sources: <https://www.reuters.com/business/us-inflation-expected-rise-june-with-tariff-driven-price-hikes-2025-07-15/>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

News Highlights (cont'd)

U.S. Unemployment Holds Steady, but a Closer Look Sparks Some Concerns | July 29, 2025

The July 2025 unemployment rate of 4.2% nationwide continued to show little change since April 2025 according to the recently released report by the U.S. Bureau of Labor Statistics (BLS). However, hiring in July was softer than expected and there were sharp revisions that “slashed the number of jobs created in the prior two months.” Furthermore people in the job market are remaining unemployed for a longer duration as the median length of unemployment ticked up for the second consecutive month to a seasonally adjusted 10.2 weeks, representing a 7.4% increase over the 9.5-week median in July 2024; and the number of people unemployed for at least 27 months reached a seasonally adjusted 1.826 million, “the highest level since 2017, not counting the pandemic’s unemployment surge” according to the article by the Wall Street Journal. Although the number of discouraged workers decreased by 212,000 in July — a subset of the marginally attached who believed that no jobs were available for them, “economists say lower participation in the labor force is helping to keep the unemployment rate low, but also masking an increasingly dismal climate for job seekers.” Another surfacing concern comes at a time when companies are embracing an increasing use of artificial intelligence (AI), creating heightened challenges for recent college graduates to secure a job and “find a foothold on the career ladder.” College grads have typically been in high demand for entry level jobs, but AI is replacing those responsibilities leaving new graduates “competing for fewer [job] slots” while also increasingly competing “against junior workers who have been recently laid off.” According to reported findings by venture capital firm SignalFire, “among the 15 largest tech companies by market capitalization, the share of entry-level hires relative to total new hires has fallen by 50% since 2019.

This developing trend is leading to a decline in the hiring and training of fewer young people, raising concerns that it “may also be shrinking the pool of workers that will be ready to take on more responsibility in 5 or 10 years.” Companies have begun “rethinking how to develop the next generation of talent, since much of the drudgework that was typically passed on to entry level positions helped teach a person critical skills along the way have been eliminated by AI. At some companies, junior hires are now required to go through AI training to be able to check the accuracy of its output, since “what any users know to be true: it still struggles in some cases to do the work of humans effectively.” Rebecca Price, at New York venture capital firm Primary Venture Partners reportedly pointed out that “it’s not that there are no entry-level jobs, but that there’s a gap between the skills companies expect out of their junior hires in the age of AI;” and that “new grads must also learn faster and think more critically.” Meanwhile, in response to observing the AI replacement of entry level jobs at some of the companies her firm SemberVirens invests in, venture capitalist Allison Baum Gates told the Wall Street Journal, “Maybe I’m wrong and this leads to a wealth of new jobs and opportunities and that would be a great situation,” she said. “But it would be far worse to assume that there’s no adverse impact and then be caught without a solution.”

Sources: <https://www.wsj.com/lifestyle/careers/ai-entry-level-jobs-graduates-b224d624>

<https://www.wsj.com/economy/jobs/unemployed-americans-endure-longer-job-searches-in-a-cooling-market-4ab9fce3>

NYS Budget Gap to Significantly Widen after Federal Cuts | August 8, 2025

The recently released report by the New York State Comptroller’s Office (OSC) takes a close look at the state’s budget as imminent federal cuts loom over New York State. The projected gap between the “state’s projected spending and revenues will reach a combined total of \$34.3 billion between fiscal years 2027 and 2029, a figure that grows to \$46.7 billion when accounting for cuts to the state’s healthcare and food-assistance budgets that were imposed by the July federal reconciliation bill.” The budget gap of 12.1% of expected spending through Fiscal 2029 is the “biggest gap as a share of overall spending since the 12.4% the state faced in April 2009 as the national economy was tanking” according to the press release by Crain’s New York. Instead of being proactive, state leaders have “ruled out calling a special Albany session to address the cuts this year;” and instead plan to wait until January when they prepare a new budget. Suggestions offered by State Comptroller DiNapoli include the consideration of “cutting spending without harming essential services;” as well as studying “the money spent through programs like tax credits to see whether any are inefficient or duplicative.” DiNapoli has also expressed caution when considering increases to taxes, noting that “the state should keep tax rates ‘competitive’ to avoid worsening New York’s cost-of-living crisis.” Headwinds the state was already facing prior to the passage of the so-called One Big, Beautiful Bill passed by the White House last month, prompted decisions by state leaders to lower expected revenue projections by about \$4 billion in each of the next three years. However, DiNapoli anticipates that the federal reconciliation bill is “likely just the beginning of what is intended to be a fundamental restructuring of the relationship between the federal government and the states, with cancelations “of grants made under the Biden-era Inflation Reduction Act” to further intensify the financial strain on New York.

Sources: <https://www.craigslist.com/politics-policy/new-york-faces-biggest-budget-gap-2009-after-trump-cuts>

<https://www.osc.ny.gov/files/reports/pdf/enacted-2026-financial-plan-report.pdf>



Midtown View from the Chrysler Building's 61st Floor

News Highlights (cont'd)

Art Installations from NYC's Famous Cultural Institutions Landing at JFK Airport's New Terminal 6 | August 11, 2025

Back in January 2017, the Cuomo administration unveiled plans for a makeover of John F. Kennedy Airport (JFK). The \$19 billion vision plan is transforming the airport into a “world-class gateway, with two new terminals, two expanded and modernized terminals, a new ground transportation center, and an entirely new and simplified roadway network. In 2023, construction broke ground on Terminal 6 (T6), the final component of the JFK vision plan. T6 will be completed in two phases, “with the first six gates scheduled to open in 2026; and upon expected full completion in 2028, the “new terminal will include 10 gates, nine of which will accommodate widebody aircraft” and allow for the operation of “more than a dozen domestic and international airlines.” T6 will feature “19 major site-specific permanent installations curated by Public Art Fund and rotating local artworks curated by Jamaica Center for Arts and Learning” to be unveiled when the first phase of T6 is completed. In addition, there will be permanent art and culture installations curated by New York City’s renown museums and cultural institutions according to a recent announcement by the Port Authority of New York and New Jersey (PANYNJ) and JFK Millennium Partners (JMP), the company selected to build and operate the \$4.2 billion T6. As part of the newly formed collaboration, the American Museum of Natural History, Lincoln Center for the Performing Arts, The Metropolitan Museum of Art, and the Museum of Modern Art (MoMA) “will transform the new terminal’s international arrivals corridor into a distinctly New York art district within the airport.”

- Lincoln Center's contribution is a 140-foot mural — a vibrant visual symphony that captures the energy, artistry, and dynamism of the performing arts on the iconic campus.
- The American Museum of Natural History will present a lively tapestry of images representing the museum’s research divisions and scientific collections.
- The Metropolitan Museum of Art's installation celebrates its mission to present 5,000 years of art from around the world.
- The MoMA is joining forces with visionary artist Yoko Ono to deliver a special installation inspired by Ono’s work PEACE is POWER commissioned by MoMa in 2019.

News Highlights (cont'd)

Calls for a Fairer New York City Property Tax System Intensify | August 8, 2025

New York City's property tax system that was enacted in 1981 "has been broken for decades;" and although it is apparent to many, wide-ranging reform plans that City Hall officials say they had, remain in limbo since they are unable to "find lawmakers willing to sponsor it" despite transmitting the bill to state Legislature and conducting extensive outreach in the spring according to recently released articles by Crain's New York. Over time, shifts in real estate values have produced "absurd disparities" and the current tax system "was never equipped to handle a housing market as complex and unequal as today's;" and as a result, the system "quietly penalizes working-class homeowners and rental housing providers while giving a break to the owners of high-value condos and co-ops." Furthermore, the tax disparities also "disincentivizes the construction of new rental housing, especially affordable units, further constraining supply and pushing rents higher; and since landlords often pass rising tax costs onto tenants, the tax structure is directly fueling the city's affordability crisis." The widening of the property tax disparity is "driven partly by a longstanding cap on how much a property's assessed value can increase each year, which means homeowners in neighborhoods that have exploded in popularity pay less taxes as a share of their property values compared to neighborhoods where values have risen more slowly." Helping to further contribute to the taxation disparity is a "state rule that requires condos and co-ops to be assessed as if they were rentals" with the city's assessments of owned units currently based on a comparison to rent-stabilized units instead of market-rate rentals only — a needed change which according to reported statements by Martha Stark, a former city finance commissioner and currently the policy director of Tax Equity Now New York, asserts "the city has the authority on its own to change."

The March 2025 report Footing the Bill by the Community Service Society (CSS) cites as example of property tax inequity a pair of buildings in the West Harlem neighborhood of Hamilton Heights that sit aside one another. Both properties were considered to be worth around \$4.2 million in 2022 by the New York City Department of Finance (DOF). One of the buildings was a 43-unit, 42,000-square-foot multi-family building receiving a "J-51 tax exemption to fund building repairs, which puts the units into NYC's rent stabilization program," and the other 4,700-square-foot building housed a single family. However, the multi-family building paid \$71,500 in taxes, or an effective tax rate (ETR) of 1.6% in contrast to the single-family building which paid only \$12,200 in taxes that year, or an ETR of 0.3%. Acknowledging that property tax reform is difficult and would require state action, a further challenge comes directly from lawmakers that "remain fearful of voter backlash," since some homeowners could see significant annual tax increases, but would be needed to pass the reforms. However, the lack of any action to address tax system reforms is pushing the costs of delay to the point where courts "may soon compel a reckoning;" Crain's citing decisions last year by New York State's highest court, the Court of Appeals to allow "a challenge to the constitutionality of the city's system to move forward, brought by Tax Equity Now New York," a coalition of renters, homeowners and landlords.

Sources: <https://www.reuters.com/business/us-inflation-expected-rise-june-with-tariff-driven-price-hikes-2025-07-15/>

NYC Fails to Bolster Reserves in FY 2026 Budget Despite Potential Future Financial Risks | August 11, 2025

The results of a review of New York City's Fiscal Year 2026 (FY 2026) budget were released in a mid-August report by the New York State Comptroller's Office (OSC). Although acknowledging that the FY26 budget "remains balanced, there are significant concerns over ongoing restructuring of the funding relationship between the federal government and states and localities like New York City, and slowing economic growth." Despite being aware of these issues that could potentially create financial risks, the city "elected not to set aside additional reserves or formalize policies" to safeguard itself financially, but instead, "added new discretionary spending in FY 2026 and funded large mandatory expenses for only one or two years, ignoring the likelihood of this spending recurring." Since 2022, the city's Rainy-Day fund (RDF) has remained virtually unchanged at nearly \$2 billion, with no "discretionary transfers into the fund in fiscal years 2023, 2024 or 2025. Furthermore, for the past three consecutive years, "the city has steadily recorded more expenditures than it has collected in revenue — a concerning trend." By offsetting the additional nearly \$3.9 billion in added expenditures with the surplus for prepayments and reducing asylum seeker spending by \$1.8 billion in FY 2026, the city was able to close its budget gaps. The "city's stated out-year gaps with contingencies now total \$17.1 billion over the three years including FY 2029" — net of all changes; and even though averaging 6.2% of city fund revenues, which is an improvement over the average 6.8% in last year's budget adoption, its "continued practice of addressing recurring costs one year at a time indicate that the published out-year gaps are understated." In contrast to past years, it is unlikely that tax revenue alone would "provide significant upside to close budget gaps" should the city experience even a mild recession; and it is also likely that the more than \$26 billion in New York State and federal categorical grants projected in FY 2026 will be altered in the coming years in response to changes in federal fiscal policy. Considering the potential that all of the city's resources — federal, State and locally-derived — may be impacted, the OSC recommends the city take a proactive approach to prepare for the possible financial impact by "curtailing new discretionary spending unless a funding source is identified and the development of a new savings program that would achieve savings through efficiencies," thereby enabling the city's ability to continue to "provide core public services of high quality, while adapting its response to manage the fiscal challenges that may emerge."

Sources: <https://www.osc.ny.gov/files/reports/osdc/pdf/report-9-2026.pdf>



Midtown - Garment District Area

News Highlights (cont'd)

Credit-Card Spending by Americans Declines for the First Time Since the Pandemic | August 16, 2025

Following the 2020 onset of the COVID-19 pandemic, digital payments for both everyday essentials as well as discretionary purchases fueled a surge in the use of debt- and credit-card spending. During the “pandemic-era” period, credit-card spending “pushed the card balances of Americans above \$1 trillion. Initially when the economy contracted debit-card spending surged, people also using debit-cards to collect and spend government stimulus checks. In contrast, credit-card spending “initially shrank when the economy contracted,” but in 2022 “surged, as activities such as travel roared back, bolstering discretionary spending” and pushing the pace of growth to “more than seven times as fast as debit-card spending.” The recent period of high inflation also sparked a surge in credit-card originations, allowing “Americans to keep spending on discretionary items even after money ran out from pandemic stimulus payments,” according to the recent article by the Wall Street Journal. Reported spending data from Visa and Mastercard indicate that since late 2024, the pace of growth in credit-card spending has slowed as consumers grow more cautious about taking on new debt due to recent added pressures on household budgets ranging from the resumption of student loan payments to high credit-card interest rates.

Although both credit- and debit-card spending continues to rise, for the “first six months of this year, U.S. debit-card spending — which typically accounts for a little more than half of all card payments — rose 6.57% from a year earlier,” while credit-card spending, by comparison, “rose 5.65%, the Visa and Mastercard data show,” ending a “streak of 14 consecutive quarters in which the opposite was true.” A further indication that there is an increasing number of Americans looking more closely at their finances is a “recent surge in personal loans typically used to consolidate credit-card debt.” In the first quarter of 2025, the volume of personal-loan originations rose 18% compared to the same period last year, “bringing total balances to a record \$257 billion.” The popularity of these types of loans has become more attractive as rising interest rates making revolving debt harder to manage, with recent data from the Federal Reserve Bank of Philadelphia reportedly revealing that “the share of Americans only making the minimum payments on credit cards is near a record [number].” However, the relief from the consolidation of credit-card debt into personal loans can be temporary, since according to reported findings of a separate study completed in 2023 by credit reporting firm TransUnion, “while borrowers who consolidate credit debt into personal loans initially reduce their card balances by an average of 57%, many refill those cards within 18 months.”

Sources: <https://www.wsj.com/personal-finance/credit/americans-pull-back-from-an-epic-credit-card-binge-ebf33c42>

News Highlights (cont'd)

Governors Island Launches its First Hybrid-Electric Public Ferry | August 13, 2025

About two years following initial announcements by Mayor Eric Adams and the Trust for Governors Island of the planned hybrid-electric ferry, the boat dubbed the Harbor Charger made its maiden voyage in New York City's waterfront on August 12th. The \$33 million vessel is now taking passengers to and from Governors Island, its equipped "hybrid propulsion system" will "cut carbon dioxide emissions by roughly 600 tons annually," offering a "cleaner, greener mode of transportation to the island for the nearly one million individuals" that visit each year according to reported statements by Clare Newman, president and CEO of the Trust for Governors Island. A further reduction of emissions by an additional 800 tons each year will be possible once shoreside rapid charging infrastructure, which is currently in the design phase, is in place, enabling the ferry to operate fully on electric power — have secured "\$475 million in federal infrastructure funding in December 2023 from the U.S. Federal Transit Administration to develop the shoreside infrastructure." Selection of the name of the vessel built by Conrad Shipyard in Morgan City, Louisiana, was from a citywide competition that attracted more than 800 submissions. Up to 1,200 passengers and 30 vehicles for deliveries and services can be carried on the multi-level ferry, and modern amenities include a lower-level ADA-accessible lounge and restrooms on each deck. The launching of Harbor Charger reinforces the island's roll as a hub for climate innovation, complementing the planned \$700 million, 400,000-square-foot New York Climate Exchange state-of-the-art research campus designed by architecture firm Skidmore, Owings & Merrill.

Sources: <https://www.6sqft.com/new-yorks-first-hybrid-electric-ferry-sails-to-governors-island/>

Federal Reserve: Monetary Policy and the Fed's Framework Review | August 22, 2025

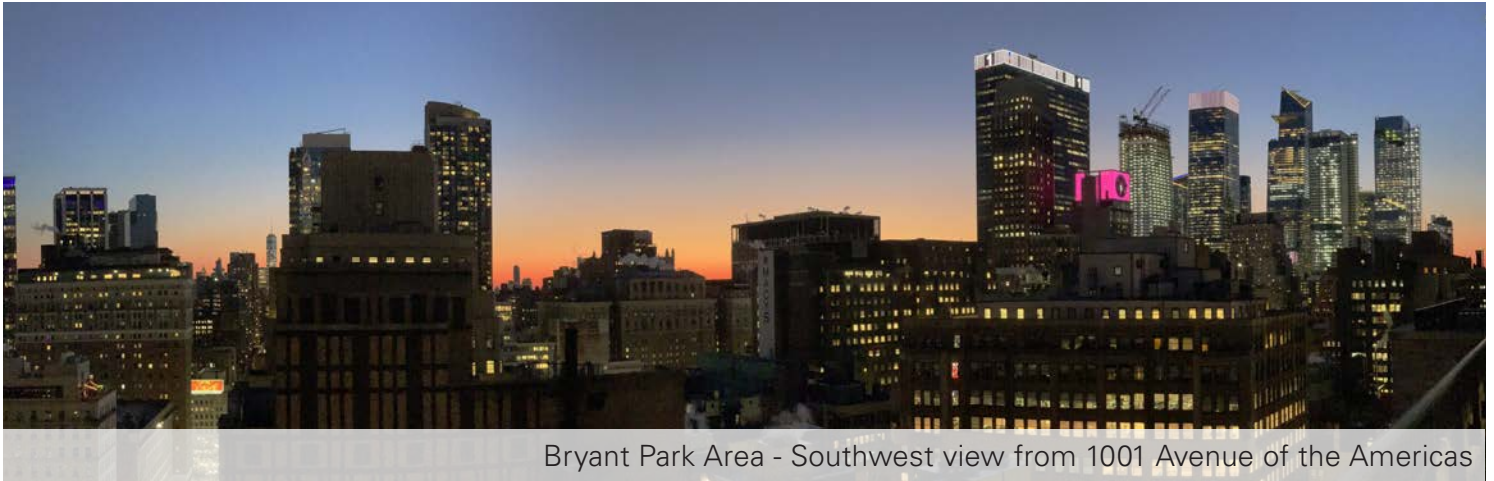
On Friday, August 22, 2025, Federal Reserve Chairman Jerome Powell spoke at an economic symposium sponsored by the Federal Reserve Bank of Kansas City in Jackson Hole, Wyoming. Acknowledging that the "U.S. economy has shown resilience in a context of sweeping changes in economic policy" over the course of this year; and although "the labor market remains near maximum employment, and inflation, though still somewhat elevated, has come down a great deal for its post-pandemic highs," the balance of risks appears to be shifting. Several new challenges have arisen this year creating "significant uncertainty about where all of these policies will eventually settle and what their lasting effects on the economy will be — significantly higher tariffs across our trading partners that are remaking the global trading system; tighter immigration policy has led to an abrupt slowdown in labor force growth; and over the longer run, changes in tax, spending, and regulatory policies may also have important implications for economic growth and productivity.

Upon addressing the subject of employment, Powell cited the U.S. Bureau of Labor Statistics' (BLS) recently released July report which "showed that payroll job growth slowed to an average pace of only 35,000 per month over the past three months, down from 168,000 per month during 2024" — a slowdown that was more significant than anticipated despite the nation's unemployment rate, which has been "broadly stable over the past year," edging slightly upwards but continuing to remain at a historic low level of 4.2 percent in July. In contrast, Gross Domestic Product (GDP) has "slowed notably in the first half of the year to a pace of 1.2 percent, roughly half the 2.5 percent pace in 2024" — largely reflecting a slowdown in consumer spending. While the full effect of higher tariffs and the impact on inflation has yet to be determined, prices have begun to rise in some categories of goods. "Estimates based on the latest available data indicate that total Personal Consumption Expenditures (PCE) prices rose 2.6 percent over the 12 months ending July," while core PCE prices (excludes food and energy categories) rose 2.9 percent during the same period. Though Fed officials expect the effects of the tariffs on consumer prices to accumulate over coming months, there remains high uncertainty about timing and amounts, but it is possible "that the upward pressure on prices from tariffs could spur a more lasting inflation dynamic."

In response to the heightened challenges created by conflicting economic signals and what the implications for monetary policy will be, Powell said that at a time when the Fed's "goals are in tension like this," with risks to inflation tilted to the upside and risks to employment to the downside in the near term," it puts policy in restrictive territory, and the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance." Powell pointed out that over the past year, ongoing efforts by the Federal Reserve have brought its policy rate 100 basis points closer to neutral¹ than it was a year ago; and "the stability of the unemployment rate and other labor market measures allows us to proceed carefully as we consider changes to our policy stance." Powell further stated that, "We cannot say for certain where rates will settle out over the longer run, but their neutral level may now be higher than during the 2010s, reflecting changes in productivity, demographics, fiscal policy, and other factors that affect the balance between saving and investment."

¹Federal Reserve Neutral Rate - Commonly referred to as "r*"; it is the estimated neutral or natural real interest rate that neither hinders nor stimulates economic growth, employment, and inflation.

Sources: <https://www.wsj.com/personal-finance/credit/americans-pull-back-from-an-epic-credit-card-binge-ebf33c42>



Bryant Park Area - Southwest view from 1001 Avenue of the Americas

News Highlights (cont'd)

The Steady Buzz of Excitement in Union Square - A "Smorgasbord" of Offerings and Vibrant Activity | September 16, 2025

The Midtown South neighborhood of Union Square is generally identified as the four block quad surrounding Union Square Park between 17th and 14th Street to the north and south, and Union Square East and Union Square West. However, the greater Union Square area extends east and west from Irving Place to 5th Avenue and north and south between 20th Street and 12th Street. A historic intersection within Manhattan, the area "became a public commons for the city in 1815, at first named Union Place," and subsequently renamed Union Square in 1831. The park that anchors the neighborhood was completed and opened in July 1839 according to historical information posted by Wikipedia.

"By the 20th century, Union Square had grown into a major transportation hub," and the 14th Street-Union Square station opened in 1904. In 2024, annual ridership at the Union Square station rose by 6% to 22,811,597 according to data compiled by the Metropolitan Transportation Authority (MTA), establishing it as the 4th busiest subway station in New York City. It is also "experiencing an average increase of 7,000 daily riders ending at the [Union Square] station" according to the Union Square Partnership, which serves as the organization overseeing the neighborhood. As people exit the Union Square station from one of the eight accessible express and local subway lines within it, they are greeted by the beautiful and lively greenspace of the park and so much more. Surrounded by flourishing businesses, the ground level storefronts offer a wide range of restaurants and eateries to satisfy everyone's cravings, including the nearing opening of the new Time Out Market on East 14th Street, as well as several selections of retail, services, fitness and homeware brands including the iconic Union Square Barnes and Noble, which has called Union Square its home since 1995, offering four floors of books, author talks and book signing events.

Then of course there is the well-known Union Square Green Market, creating an "electric" atmosphere within the park on the four days it is open. Since its initial launch with just a few vendors in 1976, the Union Square Greenmarket which hosts 140 regional farmers, fishers, and bakers in peak season, has grown to become No. 1 on Food & Wine magazine's list of "must-visit farmers' markets." Throughout the year, Union Square Partnership further activates the district with seasonal programming including Pickle Ball, Drive-in Movie Night, Live Music, Tulip Day, hosted by Dutch trade association Royal Anthos, and rotating public art displays. During the winter holiday season, the south end of the park is transformed into the European-style Union Square Holiday Market hosted by Urbanspace. Featuring over 185 vendors it is "the oldest holiday market in the city" and "typically draws two million visitors each holiday season."

Through the efforts of the Union Square Partnership, which is among New York City's network of Business Improvement Districts (BIDs) playing a major role in the city's transformation to "Live-Work-Play" neighborhoods, Union Square has become home to more than 75,000 residents, 152,000-plus workers, and 60,000 students. In addition, renewed energy throughout the area has led to the opening of 53 new ground-floor businesses over the past twelve months, plus another 26 expected to open in the near future, adding to the list several long-time established local shops. The recent article by Time Out Magazine describes Union Square as an "important area to New Yorkers for decades —and these days, it's one of the most exciting neighborhoods in the city."

Sources: <https://www.timeout.com/newyork/news/why-union-square-is-one-of-nycs-buzziest-neighborhoods-right-now-091625>



Upper West Side / Lincoln Square - Lincoln Center

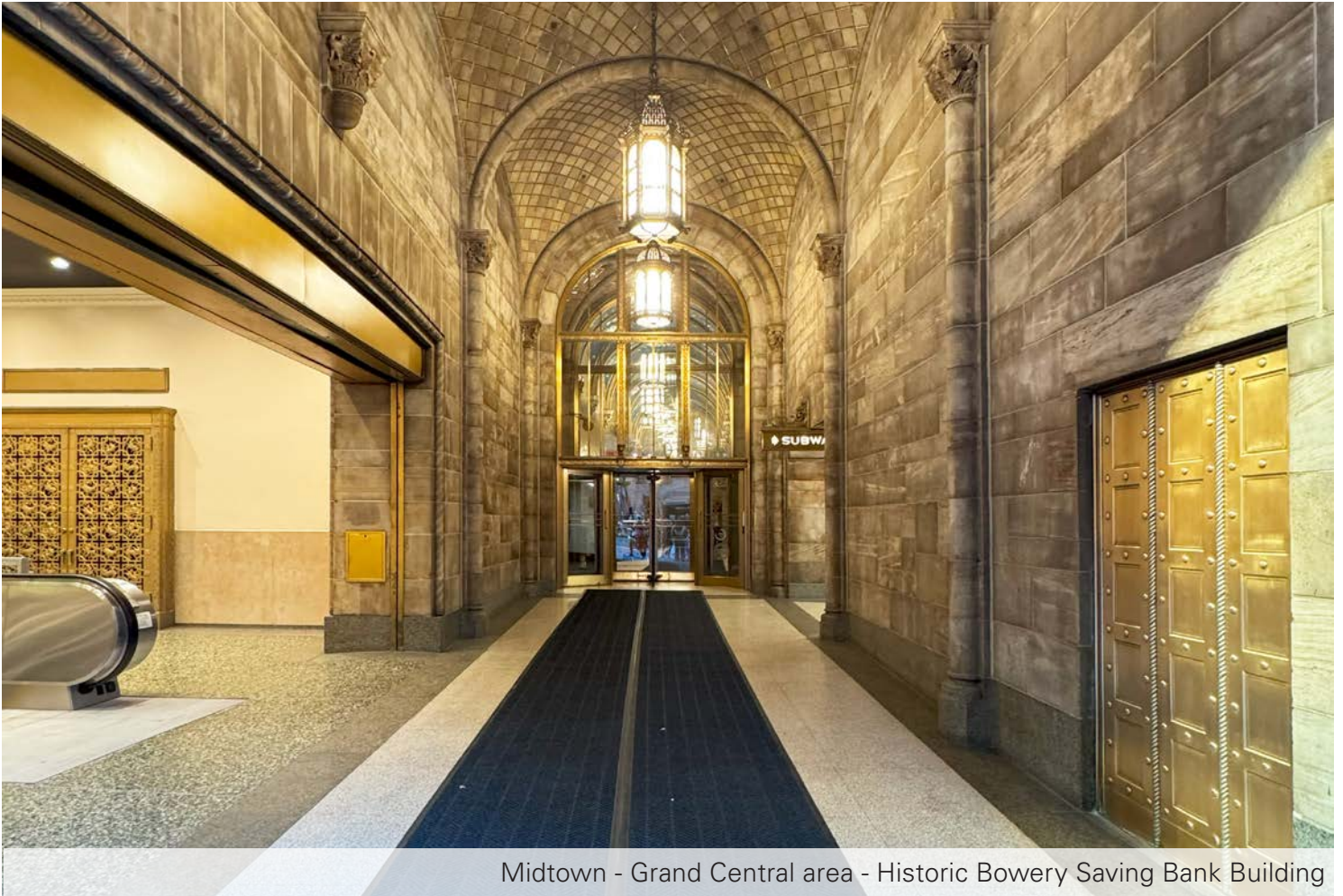
News Highlights (cont'd)

MTA's Congestion Tolling Program Continues to Deliver Positive Results | September 9, 2025

On September 9, Gov. Hochul and the Metropolitan Transportation Authority (MTA) provided an update on the positive results of Manhattan's congestion relief program. The recent announcement comes as the time nears for the Trump Administration and NY Transit officials to begin presenting their arguments as part of an agreement reached in May between the two parties according to reported details of court filings. In February, just one month after the tolling program launched, the White House ordered it to be shut down, but a lawsuit filed by the MTA kept the program in place through the spring, and subsequently it was extended through the fall. At the press conference, Gov. Hochul reportedly stated that the "program has been nothing short of transformational, making streets safer, reducing gridlock across the region, and unlocking generational upgrades to mass transit, benefitting millions." Over the eight months since congestion tolling began, the number of vehicles entering the zone has lowered by 12%; and on a year-over-year comparison, the volume of vehicles is down 17.6 million. Bridge and tunnel gridlock has also been reduced with travel time on every crossing entering the congestion relief zone lowering by 4% to 36% year-over-year during morning peak travel times. Public transportation across all modes has similarly benefited, ridership from January to August 2025 increasing by a range of 7% to 22% in comparison to the same period last year; and with transit performance also improving, riders are arriving at their destinations more quickly. Revenue generated by the program will fund \$15 billion in transit improvements from Poughkeepsie to Montauk, with New Yorkers already seeing massive benefits including new rail cars, dozens of ADA elevators, and signal modernization. The congestion relief program's ongoing success gained recognition from the Intelligent Transportation Society of New York, awarding the Central Business District Tolling Program with its Intelligent Transport Systems Project of the Year on June 11; and more recently, the International Bridge, Tunnel and Turnpike Association (IBTTA) gave the program its Social Responsibility award.

Sources: <https://www.mta.info/press-release/cymi-less-traffic-safer-streets-summer-comes-end-governor-hochul-highlights>

<https://www.6sqft.com/17-6-million-fewer-vehicles-have-entered-manhattan-since-congestion-pricing-launched-this-year/>



Midtown - Grand Central area - Historic Bowery Saving Bank Building

News Highlights (cont'd)

Office Market

Manhattan's Office Market Recovery Leads U.S. Major Cities | July 16, 2025

Although Manhattan's 12.7% office vacancy rate "remains double the 8% of days gone by in 2019, according to data compiled by Moody's Analytics, the city's "super-charged" return-to-office push has resulted in the borough's office vacancy declining to the second lowest rate among the primary 82 office markets tracked by Moody's. Although Palm Beach, Florida ranked first at 12.3%, it's "an apples-to-oranges comparison" since according to online real estate platform Costar, its office inventory is about 29 million square feet compared to Manhattan's 581 million square feet. In comparison to other major U.S. cities, where office vacancy rates are 36% in San Francisco, 29% in Los Angeles, 27% in Chicago, 26% in Houston, and 23% in Washington, D.C., Manhattan has fared better in part due to a tighter inventory despite being as immense as it is. Another crucial factor that has kept Manhattan in better shape is that "it missed an office building boom 40 years ago." "Between 1980 and 1990, when nationwide inventory of office space grew at a compounded annual rate of 7.5%, inventory in New York grew at only a 1.5% rate, Moody's said." Increasing confidence in Manhattan's office market, which has seen positive absorption over the last year, has led to developer BXP's (formerly known as Boston Properties) willingness to start the construction of the company's planned \$2 billion, 930,000-square-foot office tower at 343 Madison Avenue without having secured an anchor tenant, which would be "New York's biggest speculative office project since Larry Silverstein developed 7 World Trade Center in 2006."

Sources: <https://www.crainsnewyork.com/real-estate/manhattans-office-vacancy-lowest-any-major-city>

<https://www.moodyscor.com/insights/cre-trends/cre-monthly-update-april-2025/>

News Highlights (cont'd)

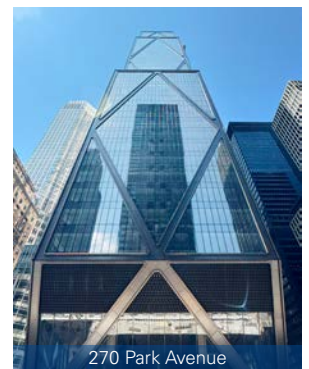
Downtown Alliance Report: Lower Manhattan Scores High Marks from Its Office Workers | August 15, 2025

In collaboration with London-based global insight agency BVA BDRC, the Downtown Alliance conducted a survey of workers at Lower Manhattan businesses from March 19 through May 24, 2024. Responses by the 410 respondents suggest “that Lower Manhattan is and will continue to be a highly competitive location for businesses,” workers giving the “neighborhood high marks for its accessibility, vibrancy and safety, citing public transportation access, building amenities and the neighborhood’s beautiful water views among reason to love working downtown.” In response to business leaders’ concerns about employee satisfaction since the pandemic and the “struggle to engage employees, encourage in-person work and support retention, the Lower Manhattan BID partnered with BDRC to conduct the survey. Worker eligibility to participate in the survey required the person to be full-time employed, have a physical work-space available in a Lower Manhattan office building at the time of the survey, and could not be a fully remote worker. Survey findings revealed that 70% of the neighborhood’s office workers “are overwhelmingly satisfied with their Downtown office locations. Furthermore, “among respondents who have worked elsewhere in Manhattan during their careers, 79% reported being equally or more satisfied with their downtown work location,” of which “over a third were more satisfied working in Lower Manhattan than other Manhattan neighborhoods.” In addition, due to the neighborhood’s diversity of industries, “employees can easily find colleagues in similar or allied industries, helping to cultivate a sense of community and improve employee engagement.”

Sources: <https://downtownny.com/research/adny-satisfaction-report-2024/>

JPMorgan Employees to Begin Moving into the New Park Ave HQ as NYC Leads U.S. Office Market Recovery | August 17, 2025

The recent announcement that JPMorgan Chase is “preparing to move thousands of employees into its new, 2.5 million-square-foot headquarters at 270 Park Ave. later this month before its October grand opening” further highlights the growing confidence in New York City’s office market recovery. After years of uncertainty following the pandemic, the new \$3 billion 60-story tower delivers a statement about the future of New York City and its ability to maintain its leadership in business and finance. A growing number of business executives looking to “put the days of remote work behind them” are driving the city’s office market recovery at a pace faster than any other U.S. city. According to reported Placer.ai, a location-analytics firm, “New York office visits, or foot traffic, exceeded 2019 levels for the first time in July — the only major city to hit that milestone.” Improving confidence in the city’s office market led to the April commitment by accounting firm Deloitte for 800,000 square feet at the yet-to-be constructed 70 Hudson Yards. In addition, BXP announced the groundbreaking at the end of July of the construction of the developer’s 930,000-square-foot office building on the site of the former Metropolitan Transportation Authority’s (MTA) headquarters. Initially expected to be on speculation, but according to the firm’s press release, has since “executed a letter of intent with a prestigious, investment grade financial institution to anchor 343 Madison Avenue and occupy 30% of the building, in the lower-middle section of the tower.”



Sources: <https://www.wsj.com/real-estate/commercial/nyc-offices-are-back-nothing-proves-it-more-than-jpmorgans-3-billion-tower-c90c4f6f>

Law Firm Nears Deal to Anchor 570 Fifth Ave Development | September 12, 2025

The site of a planned 1.1-million-square-foot office development that began excavation early this year is reportedly close to securing an anchor tenant. Located at 570 Fifth Avenue, the planned 567-foot-tall tower with 637,312 square feet of Class A office space is being constructed by Extell Development. News reports recently announced a nearing deal with Simpson Thacher & Bartlett to lease 700,000 square feet to serve as the building’s anchor tenant. The global law firm is currently located at 425 Lexington Avenue, having renewed its lease for 595,799 square feet in 2013, press at the time indicating that the 20-year deal had an estimated value of \$766 million. It is unclear if the possible lease will result in a relocation or an expansion by Simpson, et al., which shed some of its footprint at its current location in 2017 with a nearly 60,000-square-foot sublease to fellow law firm Holwell Shuster & Goldberg. Earlier this year, Extell’s project attracted Ingka Investments, which reportedly acquired a one-third stake in 570 Fifth Avenue for its nearly 80,000-square-foot retail store to located on the first two cellar levels with an entrance at the corner of Fifth Avenue and West 46th Street. The IKEA franchisee’s stake was estimated to cost between \$300 million and \$500 million according to NY Yimby’s June article. Extell initially proposed a ground-up structure with a maximum architectural height of 1,100 feet and 78 floors, requesting a zoning text amendment and special permits for either a 1.455 million-square-foot office development, or as an alternative, a 1.462 million square-foot mixed-use hotel and residential development according to the Environmental Assessment Statement (EAS) filed in 2021. Subsequently the developer decided to downsize to a 33-story office and retail development, and in March 2025 purchased 576 Fifth Avenue to complete the near decade long quest to create the 16-parcel assemblage that spans the entire 5th Avenue block-front between West 46th and 47th Street. Construction is expected to be completed in 2028 at a cost of over \$1 billion.

Sources: <https://commercialobserver.com/2025/09/simpson-thacher-lease-extell-570-fifth-avenue/>



Midtown South - View from roof deck at 200 Park Avenue South

News Highlights (cont'd)

Office Leasing Activity in Manhattan Continues to Escalate | September 16, 2025

The pace of office leasing in Manhattan continues to pick up steam as the announcement of big block deals becomes more frequent once again. Over the past two months five lease signings for big block space were reported totaling just over 844,000 square feet. Leading the way was Amazon's 259,000-square-foot expansion at 1440 Broadway, followed by the nearly 190,000-square-foot, 19-year relocation deal by telecommunications giant Verizon at Penn 2, finance firm Piper Sandler's 16-year lease for 136,175 square feet at 1301 Avenue of the Americas, the 136,175-square-foot relocation deal at 1301 Avenue of the Americas by real estate firm Cushman & Wakefield, and law firm Latham & Watkins' 12-year lease for 120,000 square feet at 1285 Avenue of the Americas. As activity continues to recover, September is continuing the trend as news of three large deals were announced on September 16th, adding two more big block signings to the growing roster and a notable expansion:

- Scotiabank will be relocating and expanding from its current Lower Manhattan office at 250 Vesey Street to 660 Fifth Avenue (formerly 666 Fifth Avenue) in the Plaza District — both buildings are owned by Brookfield Property Partners. The new lease for 205,000 square feet spanning the 5th through 7th floors is an expansion of the 154,670-square-foot space the Toronto-based bank currently occupies. The 5th Avenue building completed a \$400 million redevelopment in 2023, Brookfield acquiring the 99-year leasehold of the tower's roughly 1.169 million-square-foot office component in 2018 for just over \$1.286 billion. Scotiabank will be joining anchor tenant Citadel Enterprises in 504,000 square feet and Macquarie Group, which leased 221,764 square feet spread across 6 floors in 2022.
- Bank of New York (BNY) will be occupying 192,000 square feet at One World Trade Center under a sublease with publishing giant Condé Nast. Financial terms were not disclosed of the 4-year deal spanning four floors within the tower — the entire 22nd, 27th, 28th, and 32nd floors per Costar. The move comes as BONY plans to renovate its headquarters at nearby 250 Greenwich Street.
- Salesforce will be expanding its footprint by 71,000 square feet at the eponymous branded Salesforce Tower located at 1095 Avenue of the Americas but more widely known as 3 Bryant Park. According to online real estate platform Costar, the added space will be on the 39th and 40th floors under a 15-year term starting January 2026; while the 15-year renewal will kick in May 2029. The deal is notable since the San Francisco-based cloud computing giant recently "cut thousands of jobs due to artificial intelligence, but rising demand in the sector" has prompted decisions to expand. The "dual expansion and renewal" is increasing the firm's space in the building to 311,000 square feet according to the press release by The Real Deal. Salesforce initially relocated to the tower in 2017 after securing a 210,496-square-foot sublease with sublandlord MetLife.

Sources: <https://commercialobserver.com/2025/09/scotiabank-takes-205k-sf-brookfields-660-fifth-avenue/>

Sources: <https://therealdeal.com/new-york/2025/09/16/conde-nast-locks-down-192k-sf-sublease-at-1-wtc/>

Sources: <https://therealdeal.com/new-york/2025/09/16/salesforce-expands-at-3-bryant-park/>



Midtown South - Lower East Side Area

News Highlights (cont'd)

Retail Market

Compared to the Struggles of the Overall U.S. Hotel Market NYC Stands Out as an Outlier | July 15, 2025

At a time when foreign visitors and domestic tourists are scaling back on travel plans which is impacting the hotel market nationwide, New York City has “hosted a near-record 64 million visitors. A total of 52 million domestic visitors and 12.1 million foreign visitors are expected in 2025 according to information provided in May by NYC Tourism + Conventions, the city’s official tourism organization. Attendance at shows along the Great White Way “is at its highest level since at least 2019” and visits to museums are also higher, while seven million people passed through Times Square — a volume that is 6% higher year-over-year. During the first half of 2025, city hotels averaged an occupancy rate of 82% a week — nearly 20 percentage points higher than the national rate according to reported data compiled by online real estate analytics firm Costar; and the \$238.93 RevPAR (revenue per available room), which is a key performance indicator for the sector, is more than double the \$99.94 national average. Some factors that have helped the city’s hotel industry include a 2023 law that imposed a limitation on the construction of new lodging properties, and increased city enforcement of restrictions on Airbnb and similar rental listings which significantly reduced the number of short-term rentals competing with hotel rooms. However there is some uncertainty as to how long New York City can remain an exception due to a 13% year-over-year decrease of Canadian tourists in June, based on airport traffic through customs;” economic uncertainty resulting in Americans taking shorter trips or cutting back on summer travel plans; and a 3% decline in European visitor volume has prompted NYC Tourism + Conventions to lower annual projections for international tourists to 12.1 million — two million fewer than it previous estimate. In addition, the revenue generated by the influx of a need for immigrant housing two years ago prompting the city to contract “more than 100 hotels” to help provide housing is a source that is no longer available; and the potential of hotel labor costs increasing as contract negotiations near with the Hotel and Gaming Trades Council, which represents nearly 40,000 hospitality staffers under a city agreement that expires after more than a decade in July 2026.

Source: <https://www.wsj.com/real-estate/commercial/nyc-hotel-industry-307fcf72>

News Highlights (cont'd)

Waldorf Astoria Makes its Manhattan Debut as a Newly Restored Mixed-Use Tower | July 16, 2025

The long-awaited reopening of the landmarked Waldorf Astoria arrived on July 15th following full restoration and partial residential conversion. Located at 301 Park Avenue, the 1930s era tower that spans the entire city block between East 49th and 50th Streets now includes 372 residential condominiums dubbed "The Waldorf Astoria Residences New York" as part of the \$2 billion project. The remaining 372 hotel rooms, a downsizing of the original 1,400-keys, have been updated and will be operated in partnership with Hilton. Part of the approximately 60,000 square feet of protected interior space, "thanks in part to the Landmarks Preservation Commission" includes the red marble that was "saved from the original Waldorf Astoria, which was demolished in 1929 to make way for the Empire State Building" and located on the walls of a small corridor that bisects the main walkway of the Park Avenue entrance, as well as "the famous Waldorf Clock originally crafted in London for the 1893 Chicago World's Fair" and "Cole Porter's restored Steinway piano" which now greet guests in the center of Peacock Alley, one of the light fare dining options. Buyers of the residential units will have access to all hotel services and 50,000 square feet of private amenities; while the first hotel guests are slated to be welcomed on September 1, 2025, simultaneously with the reopening of the 43,000-square-foot event space that includes the legendary Grand Ballroom.

Source: <https://newyorkyimby.com/2025/07/waldorf-astoria-reopens-after-restoration-partial-residential-conversion-in-midtown-east-manhattan.html>

Time Out Market in Union Square Nears Opening Featuring a Global Mix of Eateries | September 1, 2025



A new food hall operated by Time Out Market will be opening this fall at the base of the Zero Irving tech hub located at 124 East 14th Street in Union Square. News of the lease for the 10,000-square-foot space was initially reported in February, establishing Time Out's second location in New York City, having opened in 2021 its approximately 21,000-square-foot market along Brooklyn's waterfront in DUMBO. The Union Square Market will feature 7 kitchens, a bar, and communal tables accommodating approximately 300 people, of which about 70 seats will be on the outdoor terrace, as well as a stage offering local artists and performers an opportunity to connect with the community. The lineup of restaurants takes into consideration social media responses received by Time Out after posting a request for suggestions of what type of food people want to see at the food hall. The result brings a global mix of options including Taqueria El Chato, by the team of restaurateur Chris Reyes and chef Gerardo Alcaraz's that operated the former Michelin-rated Aldama restaurant before shutting it down and transitioning the South Williamsburg outpost into a Bar Aldama; Patty Palace, a Caribbean patty stand by critically acclaimed chef Kwame Onwuachi; Unapologetic Foods by Roni Mazumdar and chef Chintan Pandya, offering "real, regional cuisine found across India;" Kam Rai Thai, a contemporary Thai food eatery by chef Dhanapol "Oak" Marprasert with the opening of his third New York City outpost; Fornino will be making its first foray in Manhattan, chef Michael Ayoub currently sells his artisanal pizzas in Time Out's DUMBO market; Lori Jayne by Chef-owner Sam Braverman currently operates in Bushwick and will be offering the all-American classic — the burger, as well as some of his other favorite comfort options; and Paninoteca by Anthony Valois, who left a longtime career on Wall Street to pursue his joy of cooking which ultimately led to the 2022 opening of the sandwich spot in Staten Island with his roast beef sandwich making the "New York Times list of 57 Sandwiches That Define New York City." In addition to the daily regulars, Time Out Union Square will feature a rotating selection of offerings from Épicerie Boulud, Sunday Morning's popular cinnamon rolls, Shortbread Society by chef Scottish Francis, and baked goods including the "iconic banana pudding" from Magnolia Bakery.

Source: <https://www.timeout.com/newyork/news/its-official-here-are-all-the-chefs-coming-to-time-out-market-union-square-082525>

NYC's Retail Market Outperforming U.S. as Availability Rate Nears Record Low | September 5, 2025

The availability of retail space in New York City has become increasingly limited as availability nears the all-time low of 4%. In contrast, the overall U.S. retail sector "observed its availability rate rise by 20 basis points, or 0.20% over the past year." According to Costar data, of the approximately 264 million square feet of citywide retail space, about 12.7 million square feet, or 5% is available for lease, representing a decline of about 1 million square feet, or 20 basis points year-over-year. The lowering of available space is even more impressive since it occurred despite the closure of 35 Rite Aid stores throughout the five boroughs, particularly since they tend to be larger than most of the city storefronts. Manhattan continued to generate considerable demand, the availability rate of spaces below 5,000 square feet declined by 50 basis points, or 0.50% year-over-year as it approaches the all-time low of 4.2% according to the Costar article. High visibility storefronts in premier corridors such as Fifth Avenue, Madison Avenue, SoHo and the West Village are seeing heightened competition among retailers vying for space. Contributing to a strong level of retail tenant demand is improving foot traffic "as visitation figures rose 3.5% year-over-year, to 64 million in 2024." High hotel occupancy rates, rising office attendance, and improving mass transit usage have also fueled retail tenant demand. However, over the next year, it is anticipated the demand level will moderate as "remaining closures from recent bankruptcies work through the process;" and while store locations in many neighborhoods of Manhattan and northern Brooklyn are likely to be backfilled quickly, remaining locations will struggle to find new occupants in near term.

Source: <https://www.costar.com/article/1516149677/space-crunch-underway-for-new-york-city-retail-space>



View of Midtown from the East River Esplanade

News Highlights (cont'd)

Investment Sales

Ground Lease Opens Door to a Plaza District Office-to-Residential Conversion | August 5, 2025

Family real estate firm TF Cornerstone has reportedly secured a ground lease from longtime owners, the Wallace family for 135 East 57th Street, which has alternate addresses of 700-712 Lexington Avenue and 132-134 East 58th Street. Details of the transaction that has yet to be posted on city records were not disclosed, but the deal will lead to another office-to-residential conversion offering a mix of 350 market-rate and affordable units. The 32-story, approximately 456,652-square-foot tower's floor plates that range from 5,700 to 14,000 square feet make it a good candidate for a residential conversion, along with its 12-foot ceiling heights and floor-to-ceiling windows. The project is expected to be completed by 2028 and will take advantage of New York State's new 467-m tax exemption program which helps offset the costs of construction; and New York City's "City of Yes for Housing Opportunity" passed in December will enable TF Cornerstone to complete the conversion as of right."

Source: <https://commercialobserver.com/2025/08/tf-cornerstone-135-east-57th-street-ground-lease/>

Sale of Former IBM HQ on Madison Avenue Fetches 10-Figure Price | August 14, 2025

After signing a Letter of Intent in May with a "closing deadline set for July 31" and reportedly putting down a \$50 million deposit, RXR Realty along with partner Florida-based Elliott Investment Management have closed on the \$1.08 billion purchase of 590 Madison Avenue. Challenges to lock in financing required the securing of a two-week extension that resulted in a "\$5 million fee that was tacked onto the final purchase price." Subsequently a loan for \$785 million was secured from Apollo Global Management, soon to be a tenant at the building, having signed a lease in April 2025 for 96,224 square feet. According to the article by The Real Deal, the loan was comprised of "a \$650 million senior loan, a \$135 million mezzanine loan, and about \$60 million in future funding commitments for things like tenant improvements and leasing costs." In February 2025, it was announced that the State Teachers Retirement System of Ohio (STRS Ohio) had introduced the \$1.1 billion sale offering of the approximately 1 million-square-foot full block tower. Initially structured as a "deferred payment sale in which the buyer could pay installments to meet the heavy \$1 billion-plus price tag," the seller was also "weighing 100 percent purchase options" according to news reports in May. STRS Ohio and Edward J. Minskoff Equities purchased the building for an undisclosed price in 1994 from International Business Machines Corp. (IBM) who simultaneously secured a leaseback of the building; but in 2024 relocated to a 362,092-square-foot One Madison Avenue, which enabled the firm to consolidate ten New York City offices while downsizing its Manhattan footprint. The building has continued to be called the IBM Building, despite the loss of its namesake tenant. In 2015 STRS Ohio reportedly purchased Minskoff's stake, however, Minskoff continued to manage the property. The Real Deal's article indicates that STRS Ohio "signed about 300,000 square feet of leases at the tower" over the past year. In addition to Apollo's lease another notable signing was the 150,000-square-foot deal spanning four floors by Paris-based retail trade conglomerate LVMH last September.

Source: <https://therealdeal.com/new-york/2025/08/14/rxr-closes-590-madison-avenue-with-apollo-loan/>



Downtown - World Trade Center

News Highlights (cont'd)

Ninth Ave Building Trades at Steep Discount in Short-Sale Deal | August 22, 2025

Real estate investor David Werner has reportedly purchased the approximately 398,800-square-foot office building located at 440 Ninth Avenue for “slightly more than \$100 million in cash” according to the Bloomberg press release posted on Crain’s New York. The purchase that has yet to hit city records was a short-sale, since the price fetched was reportedly less than the remaining unpaid debt encumbering the property. The recent sale marks the 4th time since 2008 the building constructed in 1927 has changed hands, when SL Green Realty sold it to Paramount Group and Sherwood Equities for \$160 million, after paying \$31.7 million in 1998 and investing \$24 million to reposition and retain key tenants according to the REIT’s press release at the time. A \$100 million mortgage originated by DekaBank Deutsche Gorozentrale financed the transaction. In 2013 Japan-based Unizo (formerly Jowa Holdings) acquired the building for \$211.5 million, followed by the \$269 million sale five years later in 2018 to Taconic Investment Partners and TH Real Estate (rebranded in 2019 as Nuveen Real Estate), the property arm of Teachers Insurance and Annuity Association of America (TIAA). Press at the time indicated that MetLife Real Estate Investment provided \$137 million to close on the transaction. In 2020, the art-deco building, formerly known as the Harding Building, underwent an extensive repositioning that according to the building’s dedicated website included a full restoration of the stone masonry façade, creation of a grand lobby, new elevator cabs, exterior entries, and a new energy-efficient heating system. Anchor retail tenant B&H Photo in 70,000 square feet at the base of the 18-story building had secured a 10-year renewal and expansion of its office space in 2012, increasing its footprint to 42,495 square feet. Although plans have yet to be announced, in March 2023, B&H closed on the purchase of nearby 333 West 34th Street, paying \$150 million for the 347,000-square-foot block-through building to seller Brookfield Property Partners.

Source: <https://www.craigslist.com/real-estate/david-werner-buys-440-ninth-ave-steep-discount>

Chelsea Office Building Fetches \$205M | August 26, 2025

Co-developers Vornado Realty Trust and Long Island-based Albanese Organization have sold 512 West 22nd Street for \$205 million to New York-based private developer MKF Realty LLC. JPMorgan Chase and Citi Real Estate Funding assumed existing debt on the property, the \$130 million in consolidated financing included a newly originated roughly \$7 million gap mortgage. The block-through site that has an alternate address of 511-519 West 21st Street was acquired by the joint venture in 2011 for \$54.5 million, the transaction financed by a \$35.1 million HSBC loan. The former 5-story, 82,650-square-foot parking facility underwent a conversion to office use, the project also including a 6-story vertical expansion creating a total of 173,000 square feet of commercial space. WarnerMedia leased 20,000 square feet in 2019 to house its Innovation Lab, followed a few months later by a 41,300-square-foot lease with loyalty rewards platform Next Jump Media. According to the press release by Vornado Realty Trust, which had a 55% stake in the property, “after repayment of the \$123 million mortgage loan encumbering the property and transaction expenses, Vornado’s share of the net proceeds is approximately \$38 million;” and the REIT “expects to recognize an approximate \$11 million financial statement gain from this transaction in the third quarter.”

Source: <https://investors.vno.com/news-releases/news-release-details/vornado-jv-completes-sale-512-west-22nd-street-205-million>

News Highlights (cont'd)

CUNY Signs LOI to Purchase Metropolitan College Lower Manhattan Campus | August 28, 2025

Metropolitan College is close to selling its Lower Manhattan campus to the City University of New York (CUNY). Located at 40 Rector Street, which has an alternate address of 60 West Street, the college acquired the 110,000-square-foot space in December 2014 for roughly \$44.578 million according to city records. The campus includes ground level space and entire floors 6 through 8 within the 19-story building located on the southeast corner of West Street. According to reported details from an August regulatory filing, CUNY signed a letter of intent to purchase the campus for \$40 million, but negotiations on the purchase are ongoing and the “transaction would also require approval from Metropolitan College’s bondholders and accreditor, among others” according to the press. The purchase by the not-for-profit was financed by the U.S. Bank National Association in the amount of \$49.4 million in the form of issued bonds through Build NYC Resource Corp., a local development corporation created pursuant to the Not-For-Profit Corporation of the State of New York. A Building Loan in the amount of \$14.784 million and an Indirect Loan in the amount of \$3.256 million were also provided for a total of \$67.44 million in financing per city records. A total of 480 students were enrolled during the 2023-2024 academic year, however the need to pay off creditors in the wake of the pandemic prompted the college to introduce the sale offering in October 2024, reportedly as part of a “forbearance agreement” with bondholders to skip its November 2024 debt payment.”

Source: <https://commercialobserver.com/2025/08/metropolitan-college-sells-lower-manhattan-campus-cuny/>

Sixth Avenue Office Building Trades at Steep Discount | September 2, 2025

Norges Bank Investment Management and Beacon Capital Partners signed an agreement on August 28 to purchase 1177 Avenue of the Americas for \$542.6 million, the transaction is expected to close in the 3rd quarter of 2025 according to the press release by Norges Bank. The fund that manages the Norwegian Government Pension Fund with assets worth about \$1,800 billion dollars will be the majority owner with a 95% interest in the approximately 1 million-square-foot building that spans the entire 6th Avenue blockfront between West 45th and 46th Streets. According to city records, the building was sold in December 2007 for just over \$1 billion dollars by Paramount Group to the entity 1177 Avenue of the Americas Acquisition LLC which is associated with Silverstein Properties. In July 2021, an article by The Real Deal indicated that 50% stakeholder UBS Realty Investors exercised a buyout option and sold its 50% to California State Teachers' Retirement System (CalSTRS), which “already owned the other half of the property and now owns the entirety through a partnership with Silverstein Properties.” The valuation of the 2021 transaction reportedly represented a capitalization rate of roughly 4.5% and valued the 47-story tower at \$860 million. The building’s anchor tenant is law firm Herbert Smith Freehills Kramer (formerly Kramer Levin Naftalis & Frankel), which signed a 15-year renewal in early 2017 for 265,000-square-feet resulting in a downsizing of its former 315,000-square-foot space according to news reports at the time.

Source: <https://www.nbim.no/en/news-and-insights/the-press/press-releases/2025/fund-makes-new-investment-in-new-york-city/>
<https://www.craigslist.com/real-estate/silverstein-calstrs-selling-1177-sixth-ave-norges-bank-beacon-capital-partners>

Sale of Madison Avenue Leasehold led by Lender Comes Up Short | September 3, 2025

Despite dealing with its own distress issues, Savanna continues acquiring office buildings that the company can purchase at a discount. The New York-based developer, in partnership with Summit Properties, is reportedly in contract for the ground lease of 444 Madison Avenue and adjacent 2-story 19 East 49th Street which has remained vacant since 2019 following the closure of longtime tenant Sushiden. Initially offered late last year as a \$120 million loan sale by lender Wells Fargo after going into default, the sale was structured in a way that “would have given a buyer a direct path to taking over the property through a deed-in-lieu of foreclosure,” but eventually the bank “arranged a deal to sell the property outright and accept a discounted payoff through a short sale” of \$50 million. The leasehold last traded in 2007 for roughly \$314 million to reportedly Westbrook Partners; and in 2013 Wells Fargo assumed the \$135 million loan encumbering the property from Germany-based Münchener Hypothekenbank EG, providing a newly originated \$30 million leasehold mortgage in 2013. Upon closing, the deal will be Savanna’s third purchase within the past nine months of an office building at a discount, having acquired 799 Broadway for \$255 million, after Columbia Property Trust and Cannon Hill Capital Partners reportedly defaulted on a \$270 million loan; and in February, closed on the \$85 million leasehold of 430 West 15th Street from Invesco, having last traded in 2018 for \$158.5 million.

Source: <https://therealdeal.com/new-york/2025/09/03/savanna-buying-444-madison-avenue/>

News Highlights (cont'd)

Surge in Manhattan Office Building Sales Arrives Quicker than Expected | September 8, 2025

Investment sales activity in Manhattan has picked up steam and doesn't appear to be slowing down anytime soon. Buyers include a mix of bargain hunters and developers pursuing office-to-residential conversions. Transactions announced in August and September were centered on Midtown including:

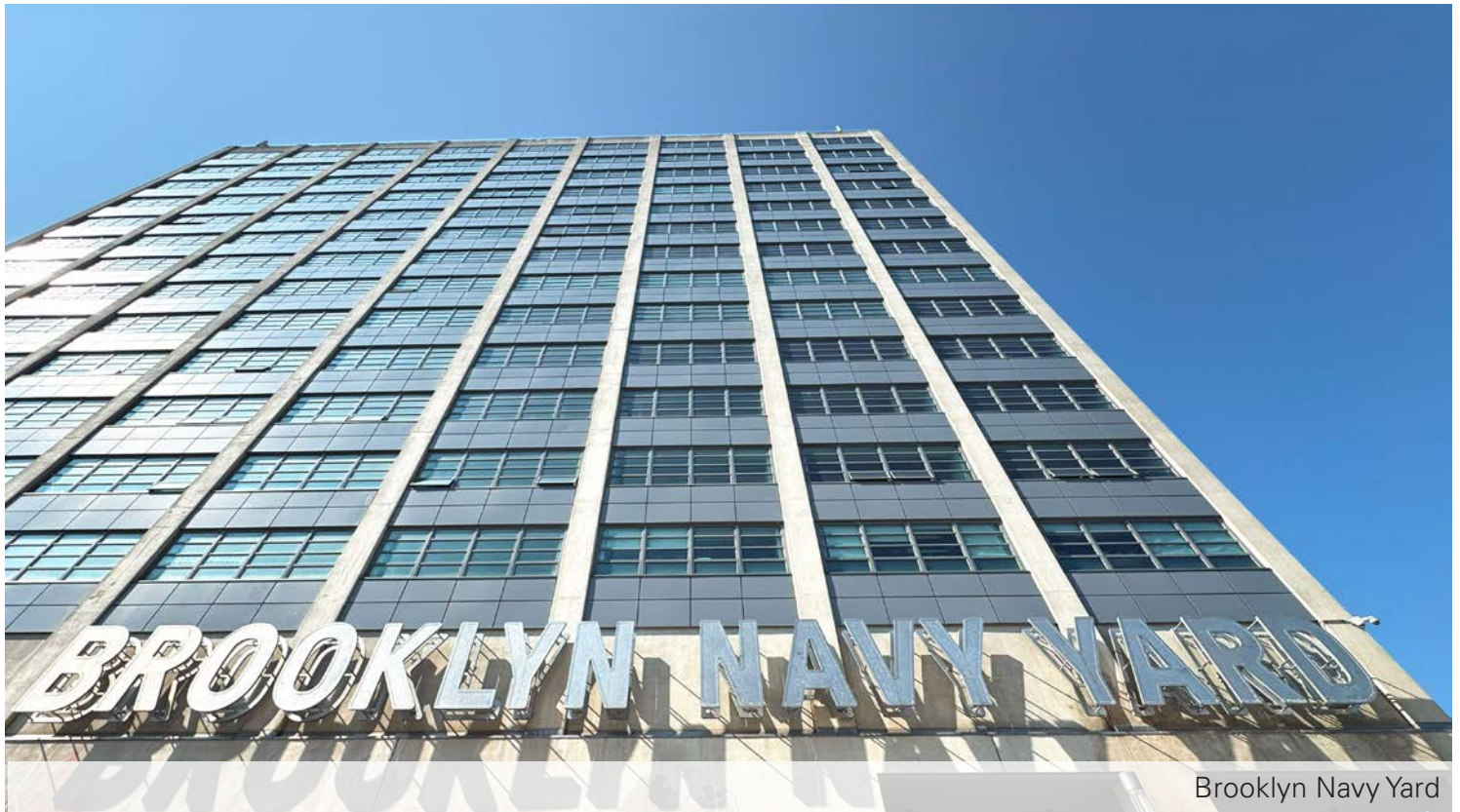
- **135 E 57th Street's** 99-year ground lease was purchased by TF Cornerstone for \$158,956,065. The Wallace family is longtime fee-owner of the approximately 456,652-square-foot building located on the corner of Lexington Avenue in Midtown's Plaza District. The buyer is planning a 350-unit office-to-residential conversion.
- **1177 Avenue of the Americas** located in Times Square is in contract for \$542,600,000. Norges Bank Investment Management and Beacon Capital Partners are purchasing the just over 1 million-square-foot building from Silverstein Properties and California State Teachers' Retirement System (CalSTRS), having last traded in December 2007 for \$1,000,850,706. The sale is expected to close before the end of the 3rd quarter.
- **590 Madison Avenue** was purchased by RXR Realty and Elliott Investment Management for \$1.08 billion. The sale of the nearly 1 million-square-foot building located in the Plaza District fetched close to the reported \$1.1 billion asking price that seller State Teachers Retirement System of Ohio was seeking.
- **440 Ninth Avenue** located in the Penn Plaza area sold to investor David Werner for \$100 million. The price fetched by Taconic Investment Partners and TH Real Estate resulted in a short sale since it sold for less than the mortgage balance upon receiving approval from lender MetLife.

And more recently in the past week,

- **444 Madison Avenue's** ground lease that also includes the adjacent 2-story 19 East 49th Street, is in contract for \$50 million, having last traded in 2007 for \$314 million. Located in the Plaza District, Savanna and Summit Properties are the contract vendees for the ground lease of the approximately 401,686-square-foot building. Lender Wells Fargo took control of the property after the former ground lessee defaulted on a \$120 million loan, ultimately agreeing to the short sale deal.
- **3 East 54th Street** was sold to an undisclosed buyer for reportedly \$188 million. Cohen Brothers Realty reportedly owned a 63% stake in the 283,465-square-foot building located in the Plaza District. The article by The Real Deal indicated that the property "carried an \$85 million mortgage and was valued internally at a net of \$109 million."
- **366 Madison Avenue** is in contract to sell for \$50 million to the Sioni Group. The seller, Inditex fashion group founder Amancio Ortega is taking a nearly 57% loss, having paid \$115.5 million in 2006 for the 84,518-square-foot building located in the Grand Central area on the corner of East 46th Street.

Fueling the uptick of investment sales are fundamentals that are strong enough to spark a capital market's wake-up call. Industry data provided in the recent article by the Commercial Observer indicated that "deal volume for large office buildings is up 130% in Manhattan year-over-year, and \$897.5 million in office sales have already been recorded during the second quarter of 2025, representing a 36% increase for the previous quarter." Furthermore, leasing activity is "performing incredibly well" with several big block signings since the start of the year led-off by Jane Street Capital's 943,385-square-foot renewal and expansion lease at 250 Vesey Street within Lower Manhattan's Brookfield Place complex, followed close behind by Deloitte's commitment for 800,000 square feet at the yet-to-be constructed 70 Hudson Yards. Several office-to-residential conversions in different stages of planning and construction are also helping the office market, prompting displaced tenants to search for new space, thereby helping absorption. Return-to-office mandates adds another major factor that is boosting office investors' confidence, "New York City's attendance rates midway through 2025 exceeded the national rate by 8% and outperformed any other U.S. city according to a recent industry report.

Source: <https://commercialobserver.com/2025/09/manhattan-office-building-sales-leasing/>



Brooklyn Navy Yard

News Highlights (cont'd)

Pace of NYC Office Building Sales and Offerings on the Rise | September 11-19, 2025

New York City's strengthening Office market has boosted the confidence of office building owners that may have held back on sales offerings since the pandemic due to resulting high vacancies caused by remote work and a highly challenged office market. The pace of office properties being introduced to the investment sales market as well as those that have sold are quickly rising in numbers.

Two larger sales offerings announced last week include:

- **125 West 55th Street**, located between 6th and 7th Avenues in the Plaza District, JPMorgan Chase introduced the sale offering of the approximately 587,666-square-foot, block-through building at a reported asking price of \$270 million — about half of the \$550 million ask when the building was previously offered just before the onset of the pandemic in 2020. JPMorgan purchased the 23-story, 1980s-era building from Boston Properties (rebranded BXP) for \$470 million in 2013. Currently about 50% vacant, the majority of the space on the upper floors was vacated by financial firm Macquarie Group upon relocating to 660 Fifth Avenue (formerly 666 Fifth Avenue).
- **575 Fifth Avenue**, located on the southeast corner of East 47th Street in the Grand Central District, co-owners MetLife and Beacon Capital Partners introduced the sale offering of the 35-story approximately 555,000-square-foot building. Currently about 87% leased, the sellers are hoping to fetch north of \$400 million. Although the price is similar to the 2022 offering, in addition to the co-owned 500,000-square-foot office condominium, this time the sale also includes the over 46,000-square-foot retail unit at the base of the building. MetLife purchase the property in 2005 for \$385 million, reportedly selling a 50% stake to Beacon for an undisclosed price in 2015.

The week of September 15th also brought news of the \$42 million sale of the 6-story **Standard Motors Product Building at 37-18 Northern Boulevard** in Long Island City, Queens to Pearl Realty Management. Seller RXR Realty purchased the 1900s-era property offering approximately 300,000 square feet for \$110 million in 2014. According to online real estate platform Costar, the building is about 75% leased with a roster of tenants that includes The Jim Henson Foundation, Kodak Film Lab New York, as well as recent renewals by luxury homebuilder I-Grace and luggage maker Rimowa.

Source: <https://www.businesswire.com/news/home/20250917450069/en/Rithm-Capital-Agrees-to-Acquire-Paramount-For-%241.6-Billion>



Upper West Side - Central Park

News Highlights (cont'd)

Paramount Group Attracts Definitive Agreement to Sell for \$1.6B | September 17, 2025

New York-based global alternative asset manager Rithm Capital Corp. reportedly announced that it has entered into a “definitive agreement to acquire Paramount Group, Inc. The pending acquisition of the “vertically-integrated real estate investment trust that owns, operates, manages, and redevelops Class A office properties in New York and San Francisco,” will provide Rithm with a portfolio of “13 owned and 4 managed high quality office assets, totaling more than 13.1 million square feet, 85.4% of which is currently leased as of June 30, 2025” according to the Business Wire’s press release. The agreement which has been approved by the Boards of Directors of both companies will see Rithm “acquire all of the outstanding shares of Paramount common stock for \$6.60 per fully diluted share,” resulting in “a total cash consideration to Paramount shareholders of approximately \$1.6 billion” upon the expected closure of the transaction in late 4th quarter 2025, “subject to customary closing conditions, including the approval of Paramount’s common stockholders.” As part of Rithm’s announcement of the agreement, the firm’s Chief Executive Officer Michael Nierenberg reportedly stated, “The Paramount portfolio is situated in cities where we have a strong conviction in the recovery of office market fundamentals, including improving rent rolls, a more favorable interest rate environment, and increasing demand.”

Source: <https://www.businesswire.com/news/home/20250917450069/en/Rithm-Capital-Agrees-to-Acquire-Paramount-For-%241.6-Billion>



Midtown South - Madison Square Park

News Highlights (cont'd)

Residential Market

Neither Renters nor Landlords of Rent Stabilized Units Happy with RGB's Approved Increase | July 1, 2025

On June 30, 2025, the Rent Guidelines Board (RGB) approved a rent increase for rent stabilized apartments of 3% for one-year leases and 4.5% for two-year leases, affecting leases commencing from October 1, 2025 through September 30, 2026. According to the article by 6sqft, in contrast to the overall 6% increase in rent stabilized rents under former Mayor Bill de Blasio, rents under Mayor Eric Adams have risen 12%; and while de Blasio directed the RGB several times to freeze rents, Adams never supported a rent freeze. However, it must be noted that for most of de Blasio's term (2014-2021), "landlords could raise rent by 20% on vacant apartments and remove them from the rent stabilization system once the rent hit a certain threshold" — an option that was removed in the NYS' Housing Stability and Tenant Protection Act of 2019 which tightened tenant protections and outlawed vacancy decontrol. RGB's completed analysis in the spring of the most recent data available found that net operating income (NOI) for landlords citywide increased 12.1% between 2022 and 2023 compared to the 10.4% increase the previous year; and when adjusted for inflation, NOI rose 8%. Landlords also incurred a 6.3% increase between April 2024 and March 2025 in the price index of operating costs (PIOC), which measures taxes, labor costs, fuel, utilities, maintenance, administrative costs, and insurance costs in rent-stabilized properties. A further study that examined year-to-year changes in housing affordability and tenant income found that cash assistance recipients increased by 16.2%, Supplemental Nutrition Assistance Program (SNAP) recipients rose to 5.3%, and when adjusted for inflation, average wages decreased by 0.4%. Response to the approved rent increases met with disappointment from by landlord and tenant groups.

Rent Period	Lease Term
2019-2020	One Year: 1.5% / Two Year: 2.5%
2020-2021	One Year: 0% Two Year: 0% first year, 1% second year
2021-2022	One Year: 0% first 6 months, 1.5% remaining 6 months Two Year: 2.5%
2022-2023	One Year: 3.25% Two Year: 5%
2023-2024	One Year: 3% Two Year: 2.75% first year, 3.2% of the amount lawfully charged in the first year, excluding any increases other than the first-year guidelines
2024-2025	One Year: 2.75% Two Year: 5.25%
2025-2026	One Year: 3% Two Year: 4.5%



Queens - View of Long Island City from the FDR Drive

News Highlights (cont'd)

Affordable Housing Developments are More Costly than Market Rate Projects | July 18, 2025

A recent article by The Real Deal questions the claim by Democratic Mayoral candidate Zohran Mamdani's "that he can build affordable housing for \$500,000 per unit — with union labor, no less," while speaking of \$100 billion in funding — "\$30 billion in city funding already lined up plus \$70 billion from new bonds he would issue, if Albany allows it," and plans to cover borrowing costs through new taxes, which also require state approval. Citing in example is Grand Street Guild's 15-story affordable housing project at 145 Broome Street in Manhattan's Lower East Side. The \$176 million project is part of the city's Senior Affordable Rental Apartments (SARA) program and will deliver 191 housing units upon construction completion at an approximate cost of \$921,000 per unit. The core of the financing reportedly includes \$19.5 million from the New York City Department of Housing and Preservation (HPD), \$12.5 million from the Housing Development Corporation's (HDC) New construction Finance program, \$105 million from taxable and tax-exempt bonds issued by HDC, and \$11.3 million from Richman Housing via Low Income Housing Tax Credits. The new building will be "fully electric powered and engineered to Passive Standards." In contrast, developer Eli Lever is nearing construction completion of his 8-story, 49-unit market rate development at 1663 East New York Avenue, in Brooklyn's Brownsville neighborhood having acquired the multi-parcel assemblage in July 2023 for \$3.75 million. Despite some unexpected challenges that elevated construction costs, Lever reportedly expects to complete his market rate project for only \$350,000 per unit; and although the address was not disclosed, one reader noted that the developer of an affordable housing project on the next block was spending \$725,000 per unit despite not having the expense of purchasing the site.

According to comments affordable housing expert Michael Lappin shared with The Real Deal, contributing to the heightened cost of affordable housing development is "lengthy processing, multiple social goals, and multiple sources of financing," which come with fees, in addition to prevailing wages and layers of bureaucracy. And yet, it seems the city administration and housing advocates have failed to acknowledge what is increasingly becoming apparent — the current city programs intended to make New York City more affordable have not been effective in alleviating the demand for shelter. Instead of re-evaluating and seeking alternative options, the city continues to invest more and more of resident taxpayer money into these programs including the fully city-funded City Fighting Homelessness and Eviction Prevention Supplement (CityPHEPS) program which has ballooned from the \$25 million cost in fiscal year 2019 to an expected more than \$1.1 billion in fiscal year 2025 according to the February 2025 report by the Citizens Budget Commission (CBC).

At a time when the growing use of technology and artificial intelligence is eliminating jobs in many fields and making it more difficult for some to enter the job market, perhaps a better investment in taxpayer dollars would be for the expansion of vocational training programs and classes for the teaching of in-person services such as hair stylists, manicurists, etc., that require physical presence and interaction and can't be directly obtained online, thereby helping some to elevate their financial situation. Perhaps in some cases, the city's willingness to subsidize housing has reduced people's motivation to seek paths to better their situation. Another question that arises is whether the city has enough oversight to monitor all recipients of housing assistance to avoid the continued providing of support when the financial situation or household size of those occupying a rent-regulated or rent-stabilized home has changed so that they become ineligible. Perhaps the city administration should take a closer look at Argentina, where efforts by President Javier Milei to turn around a failing economy included the repeal of a rent-control law in late 2024 passed by the National Congress in 2020. According to a recent article by Newsweek, while some leftist and socialist organizations criticized the move at the time, arguing it favored landlords at the expense of tenants, but instead, the result has been the opposite. The removal of the regulations has led to a thriving housing market in Buenos Aires with the supply of rental housing increasing 195% and a 10% lowering of median asking prices as more apartments returned to the market.

News Highlights (cont'd)

Residential Real Estate Becoming an Increasingly Attractive Investment for Global Financial Firms | July 25, 2025

At a time when residential real estate is commanding “record-setting rents,” the asset class has attracted heightened interest from global financial firms. The 44-story Riverbank mixed-use rental property located at 560 West 43rd Street in Manhattan’s Hell’s Kitchen neighborhood was recently purchased by the wealth-management division of JPMorgan Chase under the entity Comref River LLC according to the press release by Crain’s New York. The 418-unit tower was sold by MassMutual insurance company’s funds manager Barings for \$243.5 million, or about \$582,536 per unit, and financed by a \$128.331 million loan from JLL Real Estate Capital, which consolidated existing debt and included a new \$28.331 million Gap Multifamily Mortgage. The seller took control of the property in 1991, “when developer Harry Macklowe was forced to surrender the four-year-old property to the company, which held its debt, amid the real estate crash of the era.” The over 2 million-square-foot building that spans the entire 11th Avenue blockfront between West 42nd and 43rd Streets reportedly includes multiple tenant amenities — a gym, indoor swimming pool, a 5,000-square-foot lounge with pool and poker tables, and valet parking from its West 43rd Street courtyard; and retail tenants at the base of the building include 7-Eleven, QQ Nails & Salon, Grand Cru Wine & Spirits, Romeo & Juliet Colombian Coffee, Theater 555, a 160-seat off-Broadway theatre.

Source: <https://www.craigslist.com/real-estate/jpmorgan-chase-affiliate-picks-riverbank-560-w-43rd-st-insurance-company-massmutuals>

Construction of up to 3,000 Homes Proposed for Former Flushing Airport | July 28, 2025

On Monday, July 28, Mayor Eric Adams and the New York City Economic Development Corp. (NYCEDC) unveiled a proposal to redevelop the former Flushing Airport to make way for approximately 3,000 homes and 60 acres of public space. Located in the College Point neighborhood of Queens, Flushing Airport was in operation from 1929 to 1984 and was constructed atop 250 acres of wetlands, subsequently becoming “one of the main airports in the New York City area as well as one of the busiest in the city before the opening of LaGuardia Airport in 1939. Since the airport’s closure, the site has largely reverted to nature; and in 2023 it began undergoing pollution remediation overseen by the NYCEDC according to Wikimedia. Pending a successful completion of the city’s seven month long Uniform Land Use Procedure (ULURP) and a “robust environmental review, construction is expected to begin in 2028.” Following a NYCEDC-led competitive request for proposals (RFP), Cirrus Workforce Housing and LCOR Inc., both New York City-based firms were selected to lead the development that will include “sustainable design elements and high-quality, park-like landscaping to integrate the buildings into the surrounding wetlands environment.” The project is “projected to generate \$3.2 billion in economic activity over the next 30 years, creating over 1,300 union construction jobs and 530 permanent careers,” and will be “built by Building Trades members using union pension fund dollars” as a result of a partnership established in March 2024 between Cirrus, Mayor Adams, and the New York City Building Trades to develop workforce housing on public lands using union labor according to the press release by the NYCEDC.



Aerial rendering of the proposed project. Credit: S9 Architecture



Rendering of ~60 acres of public parkland. Credit: S9 Architecture

Flushing Airport Redevelopment - Renderings

Source: <https://edc.nyc/press-release/mayor-adams-nycedc-kick-off-housing-week-plan-3000-new-homes>



Downtown - View Along the Battery Park Esplanade

News Highlights (cont'd)

Development

NYC's Tallest Hydroelectric Powered Structure Nears Completion | July 14, 2025

The new headquarters of JPMorgan Chase is nearing construction completion. The 1,389-foot-tall structure at 270 Park Avenue will be New York City's tallest tower completely powered by renewable energy sourced from a New York State hydroelectric plant. Upon delivery, the 60-story 2.5 million-square-foot building that occupies a full city block between Park and Madison Avenues has the capacity to house 15,000 employees. On the western corner of the site a revamped entrance to Grand Central Madison and Grand Central Terminal will be built. According to details on Foster + Partners' website, as the architectural design firm, "in addition to operating on net zero carbon emissions, the building will use state-of-the-art building technology and systems to ensure it operates as efficiently as possible, including intelligent building technology that uses sensors, AI and machine learning systems to predict, respond and adapt to energy needs; advanced water storage and reuse systems to reduce water usage by more than 40 per cent; triple pane glazing on the façade and automatic solar shades connected to HVAC systems for greater energy efficiency; and outdoor terraces featuring natural green space and plantings. The project also recycled, reused or upcycled 97% of the building materials from the demolition – far exceeding the 75% requirement of the leading green building standard." Construction of the building is expected to generate more than 8,000 jobs by completion, spanning 40 local unions and producing \$2.6 billion of economic activity for New York City. In addition, JPMorgan Chase is expected to "contribute \$29.8 billion annually to the city's economy and stimulate an additional 40,000 jobs across local industries." Demolition of the financial institution's former 52-story, 1.351 million-square-foot headquarters began in 2019; and at the time was noted as the world's largest voluntary demolition. Air rights acquired as part of the project included a total of 666,766 square feet of unused development rights for roughly \$208.364 million (\$312.50 per square foot) from Grand Central Terminal in December 2018, and in 2019 a transaction in the amount of \$16.75 million was completed, transferring another 50,000 square feet of development rights from St. Bartholomew's Church at 321 Park Avenue.



270 Park Ave
Photos by Michael Young



Source: <https://newyorkyimby.com/2025/07/270-park-avenues-hoist-begins-disassembly-in-midtown-east-manchattan.html>

News Highlights (cont'd)

Escalating NYC Office-To-Residential Conversions Delivering an Impact on Tax Revenue | July 17, 2025

The recently released report by the New York City Comptroller's Office provides some economic and fiscal estimates of office-to-residential conversions based on data collected on 44 completed, ongoing, and potential office-to-residential conversions as of the 1st quarter of 2025. While the analysis is based on assumptions and economic conditions as of the first beginning of 2025, the economic outlook has since become more uncertain. Similarly to the acceleration of remote work arrangements, which was "equivalent to 40 years of pre-pandemic growth," the "economic obsolescence for a subset of office real estate assets was just as fast." Although the "doom loop" fear has dissipated, the report points out that "one key element to restore healthy economic fundamentals is the absorption of the excess supply of obsolete office space." An increasing number of residential conversions combined with few new office building projects "should set the New York City office market up for a slow, but likely recovery." The 44 buildings analyzed have a combined total of 15.2 million gross square feet and could absorb more than one third of the occupancy lost since the 4th quarter of 2019 in the lower tiers market and produce approximately 17,400 residential units. Sustaining the wave of conversions is New York City's 467-m, also known as the Affordable Housing from Commercial Conversions Tax Incentive Benefits program (AHCC) enacted in 2024. The tax benefits are available retroactively to eligible projects that started since January 2023, the analysis citing 25 Water Street and 55 Broad Street as examples, and although projects are eligible for the incentive as long as the start date is prior to the end of June 2031, there is an added incentive of longer exemption schedules for earlier start dates, which is valuable to developers because the income-restricted units are subject to stabilization in perpetuity.

In Manhattan south of 59th Street, 12.2 million gross square feet containing 14,500 residential units, of which 3,600 units would be income-restricted, "could start renovation by the end of June and qualify for exemptions." It is further noted that "In present value terms, the tax exemptions on these conversions (that is the amount of tax expenditure) are estimated to be worth \$5.6 billion. Relative to counterfactuals where 467-m did not exist, over the life of the exemptions, our office estimates a \$5.1 billion drop in property tax revenues on these conversions, in present value. More than 80% of the revenue drop is absorbed by the rent discounts on the income-restricted units." The Comptroller's report points out that "it is certainly plausible that not all conversions in Lower Manhattan would have taken place without 467-m and, at the same time, that some conversions in the rest of Manhattan would have been completed without tax incentives." However, according to a related article by Crain's New York, the Comptroller's analysis "faults 467-m for offering more generous, 90% tax exemptions for all projects in Manhattan below 96th Street — even in Lower Manhattan, where office property values have fallen so far that landlords might have pursued residential conversions even without a tax break." In addition, while it is possible that the incentive "could at the margin, trigger conversions to rental that would otherwise have been condominiums," "data suggests that conversions to condominiums involve smaller buildings that trade, on average, at a price that make the choice to rental conversion not feasible even with 467-m." However, "the relaxation of land use constraints that limited the stock of building that could be converted," is increasing the city's ability to absorb over-supply of office space and create new mixed-use and mixed-income neighborhoods.

Source: <https://www.crainnewyork.com/politics-policy/nyc-office-conversion-boom-track-create-17k-homes-5b-cost>
https://comptroller.nyc.gov/wp-content/uploads/documents/fn_economics_conversions_july.pdf

NYC Launches Design Study for Proposed Transformational Revision Plan for 14th Street | July 30, 2025

A proposed re-envisioning of Manhattan's 14th Street has led to a private-public partnership and the launch of a design study according to the recent press release by the New York City Economic Development Corp. (NYCEDC). A combined total of \$3 million has been committed towards the plan development that will "evaluate transformational upgrades to pedestrian and transit rider experience" along the corridor as well as modernizing anchor public spaces like Union Square Park to further build upon the success of the 14th Street busway. Funding for the study includes a \$2 million commitment from the city — \$1.5 million in the city's Fiscal Year (FY) 26 Adopted Budget and \$500,000 from the NYCEDC, with the remaining \$1 million from local Business Improvement Districts (BIDs) — \$750,000 contributed by Union Square Partnership and \$250,000 from the Meatpacking District. The 24-month design study will be led by the New York City Department of Transportation (DOT) in "close collaboration with the NYCEDC and the BIDs." A search for a consultant will begin this year, with "plans to engage the public in the 1st quarter of 2026 and have capital projects developed by the end of the study."

Source: <https://edc.nyc/press-release/nycedc-mayor-adams-announce-public-private-partnership-reimagine-14th-street-corridor>
<https://newyorkyimby.com/2025/07/mayor-adams-announces-public-private-partnership-to-reimagine-14th-street-corridor-in-manhattan.html>



Midtown - View from NYC Ferry

News Highlights (cont'd)

Pace Quickens of MTA's Installation of Platform Rails and ADA Accessibility Upgrades | July 23, 2025

Back in 2022, the Metropolitan Transportation Authority (MTA) began studying options for subway platform barriers. Although exploring costly mechanical doors, after a close look determined they would only be feasible in 128 of its 472 stations at a cost of \$7 billion dollars according to an article by Crain's New York in March 2025. Since then, the MTA switched to stainless steel, waist-high barriers that are manufactured and installed in-house using New York City Transit (NYCT) labor and machinery, reducing costs and speeding up the installation process. The MTA estimated it would cost the authority "two to three times more than what the agency is currently spending" if it were to hire outside help to build the barriers. As of mid-July, the barriers had been installed at 56 stations citywide with a goal of over 100 stations by the end of the year to hit Gov. Hochul's January 2025 mandate. In March, Crain's reported that the cost of the stainless steel for each barrier ranges between \$1,500 and \$1,900 depending on the length which varies, as well as the number of barriers needed for each platform. Cited examples included the 1st Avenue L-train platform in Manhattan where 62 barriers were installed at a materials cost of roughly \$100,000; and in Brooklyn 61 barriers were installed along the 2 and 3 stations at Clark Street. This rough cost provides "a snapshot at how state agency costs on seemingly mundane equipment can quickly add up. The president of government watchdog the Citizens Budget Commission (CBC), Andrew Rein reportedly further pointed out that "It's a good window into what it takes to go from a problem to a potential solution. It's not simple, and it's not cheap." Funding for the building of more barriers is coming from the state, "as part of a \$3 billion investment in new safety infrastructure in the subway system, planned as part of the MTA's 2025-2029 capital plan," but at the time of the March article it was "unclear precisely how much the state intends to spend on erecting the protective fencing in the subway because negotiations to fund the capital plan" remained ongoing between state lawmakers, Hochul, and transit officials.

The project is part of a "broader safety plan announced in Hochul's 2025 State of the State address," and in addition to the barriers, the replacement of "150,000 fluorescent lights in the subway system with LED bulbs" is already underway by the MTA, aiming to complete the upgrade by mid-2026 according to the July article by 6sqft. The MTA's continued efforts to install safety upgrades have helped to boost customer satisfaction which has reportedly risen across all three agencies — NYC Transit, which is on track to reach its best on-time performance on record, the Long Island Rail Road, and Metro-North Railroad. Accessible upgrades are similarly moving along at a quicker pace as a "result of a lawsuit settled by the MTA that required 95% of all stations to be accessible by 2055," the authority committing to "making 81 stations accessible by 2025, another 85 by 2035, 90 more by 2045, and the final 90 by 2055. A total of 36 ADA-accessible stations have been delivered by the MTA since 2020— twice as many as the number that were completed in the six years prior according to the 6sqft article. Under the authority's 2025-2029 capital plan, in addition to the previous 43 stations which the MTA has committed to upgrading, a "dozen more New York City subway stations will receive accessibility upgrades, which include new elevators and other ADA-accessible features." Revenue generated from the congestion tolling program is helping to fund the accessibility upgrades. As part of the new plan, the MTA is aiming to "make at least 60% more stations accessible and ensure that 70% of all subway trips begin or end at an accessible station," and a revamped Elevator and Escalator Status tool already launched by the MTA makes it easier for riders to check elevator and escalator status system wide.

Source: <https://www.craigslist.com/transportation/mta-pays-make-subway-platforms-safer>

<https://www.6sqft.com/mta-has-installed-platform-barriers-at-more-than-50-nyc-subway-stations/>

<https://www.6sqft.com/12-more-nyc-subway-stations-to-get-accessibility-upgrades/>

News Highlights (cont'd)

South Battery Park Resiliency Project in Wagner Park Completed | July 31, 2025

Lower Manhattan's Robert F. Wagner, Jr. Park located along the Hudson River waterfront has reopened following the completion of a resiliency project intended to better defend Manhattan's southern coastline against the flooding caused by Hurricane Sandy in 2012. The 3.5-acre park in South Battery Park City was closed in March 2023 as redesign plans led by the Battery Park City Authority (BPCA) got underway. New resiliency features include a "concealed floodwall designed to withstand storms for up to 100 years, a 63,000-gallon underground cistern for rainwater reuse, and an upgraded stormwater management system." In addition, "sustainable infrastructure includes native plantings across four ecological zones, reused materials from the original park, and solar-powered, dark-sky-compliant lighting. The existing pavilion structure underwent a redesign and the construction of public restrooms, a classroom, a future dining venue, and publicly accessible rooftop will be completed in phases through 2026. As part of the broader Lower Manhattan Coastal Resiliency initiative to extend flood protection across the remaining Battery Park City waterfront, BPCA plans to begin work on the North/West Battery Park City Resiliency Project later this year, with "proposed features to include flood barriers, upgraded tide gates, a wet-weather pump station, and improved drainage systems."



Wagner Park

Source: <https://newyorkyimby.com/2025/07/wagner-park-reopens-in-battery-park-city-with-enhanced-climate-resiliency-features.html>

Site of Former Century 21 in Bay Ridge Trades for \$47.5M | August 4, 2025

The joint venture of MCB Real Estate and Osiris Ventures has purchased the site of the former Century 21 (C21) department store in Bay Ridge Brooklyn for \$47.5 million that is located between 4th and 5th Avenues with frontage along 86th and 87th Streets. The seller was ESG Equities, the real estate arm of the Gindi Family, which had initially planned to redevelop the 14-parcel, roughly 64,500-square-foot assemblage going by the address 458 86th Street where the original C21 store was constructed in 1961 before expanding across New York City. However, redevelopment plans never moved forward following the 2020 closure of the store, subsequently introducing the sale offering last year. New ownership plans to "transform the site into Century Marketplace, a premier, state-of-the-art grocery -anchored property" according to MCB's press release. As part of the \$100 million renovation, the multi-story structures fronting 86th Street will be completely reconstructed to "create a two-story structure that aligns with the existing rear building on 87th Street," with a new interior atrium added that will front 86th Street, delivering 95,000 square feet of retail space offering 200-feet of frontage. Located one block from the R-train, the project is designed to attract a "grocery store, essential services and everyday amenities for local residents along with a national anchor tenant."

Source: <https://mcbrealestate.com/mcb-real-estate-and-osiris-ventures-acquire-47-5m-site-in-bay-ridge-brooklyn/>

Highly Anticipated Reopening of Central Park's Delacorte Theater Arrives | August 8, 2025

Following a two-year \$85 million renovation, The Delacorte Theater reopened on Thursday, August 7th with a performance of Shakespeare's Twelfth Night. The open-air amphitheater operated by arts nonprofit The Public Theater offers free Shakespeare in the Park productions. Initially opened in 1962, the renovation led by Financial District-based Ennead Architects is the first major update to the structure since 1999. The most noticeable change is the theater's façade, which now "features tongue-and-groove redwood sourced from 25 former city water towers," replacing the former "cedar shiplap that had faded from years in the elements." In addition, a few dozen seats were removed, enabling the installation of 1,864 roomier seats of which nearly three dozen are dedicated to visitors who are mobility impaired. Other improvements benefit the performers, such as the addition of six indoor dressing rooms that can accommodate more than 31 performers – replacing the outdoor areas used previously. A portion of the project's financing came from private fundraising by The Public Theater, and \$42 million was provided by the city government, the City Council, and the Manhattan Borough President's office according to reported statements by theater officials.

Source: <https://www.crainsnewyork.com/real-estate/central-parks-delacorte-theater-reopens-after-85-million-glow>

News Highlights (cont'd)

Approval of Manhattan's Midtown South Mixed-Use Plan Takes a Step Forward | August 7, 2025

The highly anticipated Midtown South Mixed-Use Plan received a vote of approval on August 6, 2025, by New York City Council's Subcommittee on Zoning and Franchises and Committee on Land Use. As part of the approval, the city council committees reduced the projected number of homes the rezoning will produce from 9,676 units to 9,535 units over 10 years, of which, 2,800 units will be affordable under the city's mandatory inclusionary housing rules. The reduction in housing unit projections was reportedly the result of two changes in the heart of the Garment District on a few blocks between West 36th and 39th Streets and 7th and 8th Avenues, lawmakers deciding to nix "a proposal to allow housing in mid-block buildings, instead keeping them reserved for manufacturing use," alleviating clothes makers' worries "that the plan would incentivize landlords to kick them out of their longtime homes by converting their buildings to apartments." In addition, the Adams administration has agreed to make a contribution of "\$122 million to a public-private fund to support Garment District businesses that feared displacement as a result of the plan" according to the article by Crain's New York.

Additional deals secured with the Adams administration are to create a car-free busway on 34th Street which had "seemingly stalled in recent weeks" and the funding of a "\$325 million rebuild of Broadway between 21st and 42nd Street what will produce plazas, greenery, a children's play area between 22nd and 25th Streets, and street beds raised to sidewalk level."

This major rezoning in Midtown "marks the biggest residential rezoning since the 2005 approval of Hudson Yards, and the first-ever chance for the city to permit a category of extra-density residential buildings that the state legalized last year."

The rezoning plan also offers the potential to "revitalize dozens of aging loft-style buildings in Chelsea, Flatiron, and the Garment District—which have struggled notably since the pandemic but sit in a transit- and job-rich section of Manhattan." City officials project that among the new housing anticipated to be created on the blocks between 23rd and 41st Streets, about 800-units will be built through conversions, and about half will be made possible by the ability to build bigger than 12 times the size of the building's lot as a result of changes to state law last year that were "later codified in Adams' City of Yes plan."



Rendering of Midtown South Mixed-Use Plan, via nyc.gov

Midtown South Mixed-Use Plan - Aerial of Rezoning Areas

Source: <https://www.crainsnewyork.com/politics-policy/midtown-south-rezoning-advances-city-council-trims-some-units>

FiDi Tower Testing Solar Film to Reduce Interior Heat from Summer Sun | August 13, 2025

Installation of solar film by construction crews began in July on the 28-foot-wide by 7-foot-high windows at Wall Street Plaza located at 88 Pine Street in Lower Manhattan's Financial District. Although the windows offer great views and natural light to the tenants inside, during the summer months they also push interior heat to a level that requires "cranking up the air conditioning" to maintain a comfortable temperature. The project has attracted the interest of both Con Edison and building owners citywide. After suggestions to replace the windows with smaller ones, which was a non-starter, or installing double-pane windows, which was too expensive, decisions were made by the building's director of property management, Robert Donohue to select California-based Solar Gard's window film. The window film that works best on windows that don't open "blocks ultraviolet light and heat," while interior lighting conditions remain 'very natural; and per initial observations by Donohue, "improves the privacy for workers because views inside from the sidewalk are obscured." Compared to tinting car windows or putting on sunglasses, the project is expected to take "three months and cost \$1.4 million after a \$650,000 rebate from Con Edison." Donohue estimates that the solar film "should lower the [32-story] building's annual electric bill by at least \$200,000 and the project should pay for itself in about six years."

Sources: <https://www.crainsnewyork.com/real-estate/financial-district-office-tower-88-pine-st-installs-window-film-lower-energy-costs>

News Highlights (cont'd)

MTA Secures \$1.9B Contract Approval for Phase 2 of the Second Avenue Subway Extension | August 18, 2025

The highly anticipated and long-delayed construction of Phase 2 of the Second Avenue Subway extension, which will extend the Q-line approximately 1.5 miles to 125th Street took a big step forward on Monday upon the board of the Metropolitan Transportation Authority (MTA) approving a \$1.972 billion contract with Connect Plus Partners (CPP). The joint venture of Nanuet, NY-based Halmar International, and Barcelona, Spain-based FCC Construction will “bore a pair of tunnels between 120th Street along Second Avenue up to 125th Street and Malcolm X Boulevard and build the structural frames for stations at 116th Street and 125th Street.” In addition, as a “cost-containment measure that saves the MTA \$500 million,” CPP crews will also retrofit part of a 1970s-era tunnel under Second Avenue from 110th Street to 120th Street. Tunnel boring is expected to begin in 2027 and will “take place using 750-ton machines equipped with 22-foot diamond-studded drill heads. The contract for Phase 3 is currently under procurement, with crews under that contract building the underground space for the future 106th Street and Second Avenue station, while the final contract for Phase 4, which is currently in design, will cover the fit-out of the three new stations at 106, 116 and 125th Streets as well as the systems needed to run train service, such as track, signal, power and communications according to the press release by Governor Hochul’s office. Investments from New York State and Washington will help finance the project which represents the “largest tunneling contract in agency history, but — more important — with a project that pencils at the lowest cost per rider of any heavy rail project in America.” Additional cost-saving initiative practices due to lessons learned from Second Avenue Subway Phase 1 have saved Phase 2 more than \$1.3 billion.

Sources: <https://www.governor.ny.gov/news/governor-hochul-announces-second-avenue-subway-phase-2-moving-forward-award-tunneling-contract>

Phase 2 Passive House Development to Rise on DoBro’s Alloy Block Secures \$500M Financing | August 26, 2025

Kayne Anderson Real Estate has provided \$375 million in loans for Alloy Development’s planned One Third Avenue mixed-use development. An additional \$120 million in equity was provided by Vistria Group, a Chicago-based private investment firm. As part of the deal, Vistria will take a “majority stake in the project as a limited partner,” in what will be the firm’s first ground up development. Another \$40 million is being provided by Alloy, which will lead development and serve as general partner. The 63-story tower will reach a linear height of 725 feet and include a mix of 682-units of market-rate and affordable housing, 60,000 square feet of office space, and 30,000 square feet of retail space. Construction will rise on the westernmost corner of the Alloy Block — a full 61,399-square-foot triangular block bound by Flatbush and 3rd Avenues and State and Schermerhorn Streets in Downtown Brooklyn. Two buildings constructed in the 1800s that front State and Schermerhorn Streets will be incorporated into the development and house retail space. One Third Avenue is “aspiring to be the tallest passive house in the world” according to the site’s dedicated website; and will join the first development, a 44-story, 440-unit all-electric tower at 505 State Street that was completed last year, claiming the title at the time as the “first residential development in New York City to be fully powered by off-site solar power.” The State Street building sits on a podium that houses a mix of tenant amenities as well as retail space under the address 100 Flatbush Avenue. The remaining new building within the Alloy Block complex houses two schools — the Khalil Gibran International Academy and PS456, The Elizabeth Jennings School for Bold Explorers, both of which are the city’s first Passive House designed public schools.

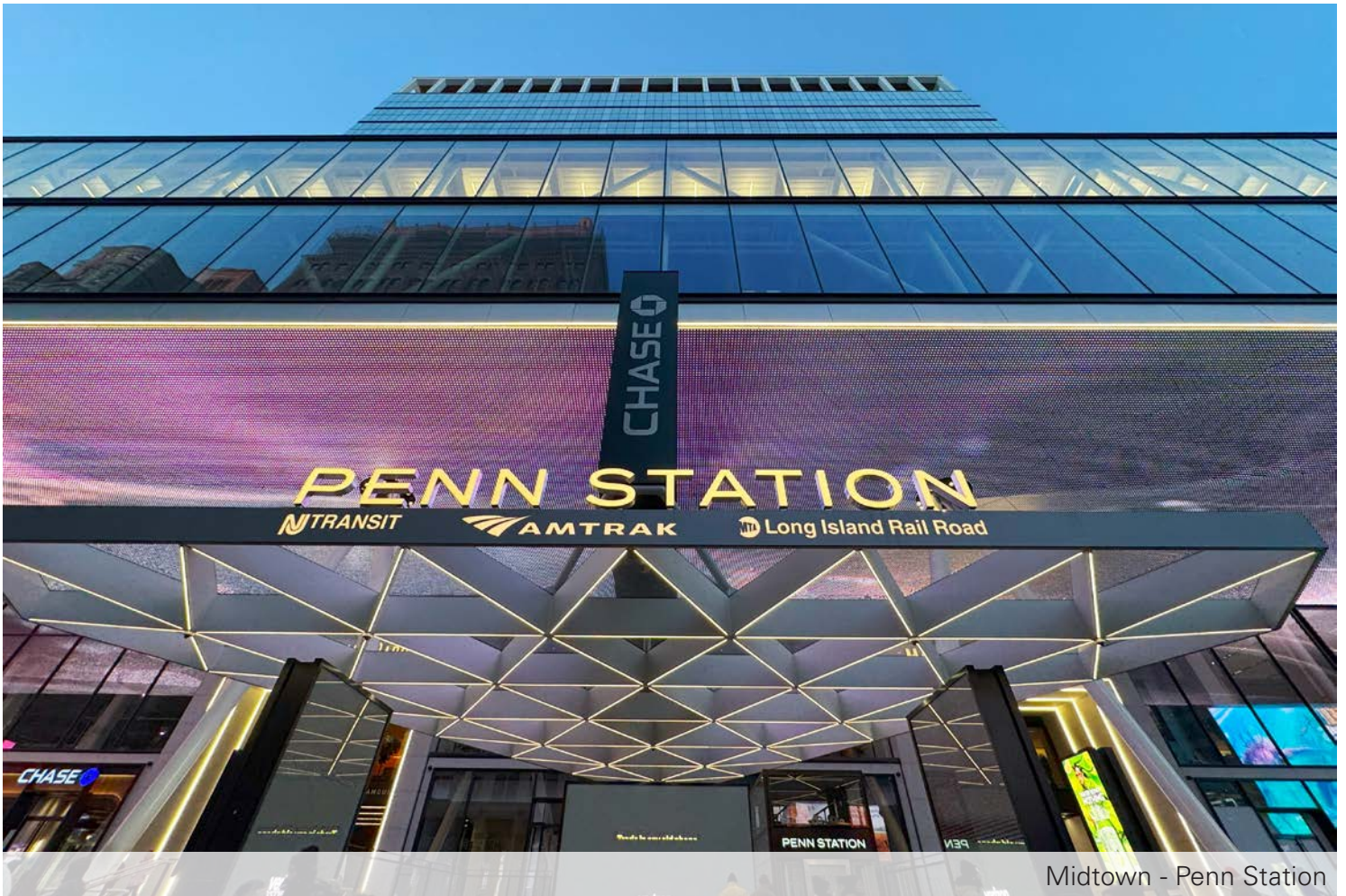
Sources: <https://therealdeal.com/new-york/2025/08/26/alloy-snags-500m-for-one-third-avenue/>

Major Redesign Planned for Canal Street Corridor | September 18, 2025

New York City’s Department of Transportation (DOT) recently released a redesign proposal for Lower Manhattan’s Canal Street corridor and surrounding area. Part of the proposal will result in a widening of the sidewalks across several blocks from West Street to Bowery, creating “super sidewalks” that will alleviate the current congestion from heavy foot traffic and street vendors experienced by pedestrians. In addition, a new protected bike lane and more public space will be created. The project initially shared in August with local stakeholders is expected to be completed by next summer. Some full block extensions and street closures, shortened street crossings, and shifts in bike lanes are also among the list of planned improvements. Many of the design changes were driven by the result of a 2022 DOT survey, which revealed that “nearly all visitors get to Canal Street by walking, public transit, or cycling,” with only 4% of shoppers and 3% of restaurant-goers or other visitors using a car to reach the area. Several in-person workshops enabling New Yorkers to share feedback were scheduled throughout September, with the final workshop scheduled for October 1. The Canal Street redesign proposal is one of several city corridors slated for infrastructure improvements such as the Bronx’s Grand Concourse, Park Avenue, and Fifth Avenue.

Source: <https://www.6sqft.com/canal-street-to-get-super-sidewalks-and-other-pedestrian-upgrades-under-proposed-redesign/>

<https://www.nyc.gov/html/dot/downloads/pdf/canal-street-redesign-proposal-sept2025.pdf>



News Highlights (cont'd)

Long Awaited Penn Station Reconstruction to Break Ground by End of 2027 | August 27, 2025

Despite the much-needed reconstruction of Penn Station, the project has remained in limbo for several years. In April 2025 it was announced by U.S. Transportation Secretary Sean P. Duffy and federally chartered corporation Amtrak, that the U.S. Department of Transportation (USDOT) was taking control of the overhaul from New York State-run Metropolitan Transportation Agency (MTA). Although Amtrak owns the station, the core of its operations are in the new Moynihan Train Hall, while New Jersey Transit and the MTA utilize the majority of the space. British transport executive Andy Byford, which served as president of New York City Transit (NYCT) for a period of time under the Cuomo administration, earning the nickname "Train Daddy," in 2023 he joined Amtrak as the senior vice president for high-speed rail development and will serve as special advisor on the Penn Station project. According to the article by Crain's New York, the yet-to-be announced project's cost "will be determined by the developers' proposed designs;" and it was suggested by officials that although open to all proposals, the would "focus on ideas for improving Penn Station within its existing footprint, such as creating a light-filled, single-level concourse, rather than the further-off goal of expanding its rail capacity by adding platforms." Two private developers that plan to submit bids — Halmar International and Grand Penn community Alliance, "have called for widening concourses and adding entrances to ease crowding;" and although similar plans by the MTA are now-dormant, when asked by reporters "whether the authority's years of planning for a Penn Station renovation were for naught," Byford responded "that the MTA itself could put in their own bid." Vornado Realty Trust, which controls the retail within the station as part of its Penn 1 building located directly above Penn Station, recently completed the reimaging of 150,000 square feet of retail including the Long Island Rail Road concourse, creating an elevated experience for pedestrians traversing through its corridors. The process to solicit a master developer is already underway, with a selection to be made by the end of May 2026. A legal advisor to oversee the public-private partnership has already been hired by Byford; and the appointing of a financial advisor and construction manager to help oversee the work is also planned. The USDOT giving Amtrak an initial \$43 million in federal grants to "jumpstart" the process with construction to start by the end of 2027 following environmental and design reviews.

Sources: <https://www.transportation.gov/briefing-room/trumps-transportation-secretary-sean-p-duffy-announces-schedule-new-york-penn-station>

<https://www.craigslist.com/transportation/trumps-penn-station-renovation-start-2027-after-search-developers>

News Highlights (cont'd)

Proposed OneLIC Neighborhood Plan Takes a Step Forward with City Planning Approval | September 3, 2025

On September 3rd, Mayor Eric Adams, joined by New York City Department of City Planning (DCP) Director and City Planning Commission (CPC) Chair Dan Garodnick, announced approvals by the CPC of the city administration's OneLIC Neighborhood Planning. The ambitious proposal is the largest residential rezoning that New York City has pursued. Despite Long Island City being one of the city's economic and cultural hubs, there are areas within the Queens neighborhood that "remain stymied by outdated zoning that has restricted new housing and left significant sections of the waterfront unimproved and inaccessible to the public" according to the press release by Mayor Adams' office. The proposed OneLIC plan would update local zoning in the area stretching from the East River waterfront to Crescent Street and Queens Plaza North to 47th Avenue, with one segment reaching further up to 39th Avenue between 21st Street and 23rd Street. The plan now heads to the city council for review and a final vote; and if passed, it will open the door to nearly 14,700 new homes, of which approximately 4,300 units will be permanently affordable under Mandatory Inclusionary Housing (MIH). In addition, over 3.5 million square feet of commercial and industrial space will be created, as well as public realm improvements, including the creation of an accessible unified and resilient waterfront. New economic opportunities for the neighborhood will also be generated by the expected creation of 14,400 new jobs. The OneLIC Neighborhood Plan is one of five neighborhood plans initiated by the Adams Administration of which three of been passed by the city council — the Bronx-Metro North Station Area Plan, the Midtown South plan, and the Atlantic Avenue Mixed-Use Plan, with the neighborhood plan in Jamaica also advancing, and once passed, "the Adams administration's rezoning efforts to date are expected to create nearly 130,000 new homes, more new housing than the previous two mayoral administrations' rezoning efforts combined."

Sources: <https://www.nyc.gov/mayors-office/news/2025/09/most-pro-housing-administration-in-city-history--mayor-adams-cel>

Votes on Eight Casino Proposals Delivers a Mixed Bag of Results | September 26-29, 2025

Among the approximately eleven operators initially interested in one of the three downstate casino licenses being issued, only eight submitted their final applications by the June 30, 2025 deadline. September 17th delivered the announcement of the rejection of the first two submissions by the Community Advisory Commission (CAC) — Caesars Palace Times Square and The Avenir on the Far West Side. The Freedom Plaza proposal in Midtown East was similarly rejected on September 22, eliminating Manhattan as a possible location for the casino. Some of the proposals in the outer boroughs were more successful. While The Coney proposal for Coney Island Brooklyn was rejected on September 29th, a few days prior on September 25th, the Resorts World New York City in Jamaica, Queens, along with MGM Empire City in Yonkers became the first two proposals to secure unanimous approvals by the CAC. On September 26 Bally's in Ferry Point, Bronx joined the approved proposal list — making it the first brand-new casino bid to advance to the final round, and more recently on September 30th Metropolitan Park in Flushing Meadows-Corona Park, Queens was approved. Four proposals will now advance submissions to the New York Gaming Facility in the hopes of securing one of the three new commercial casino licenses to be awarded by year-end.

According to the article by Crain's New York, after betting heavily on "turning an aging Times Square office property [1515 Broadway], a vacant lot by Hudson Yards, and a development site by the United Nations," developers SL Green, Silverstein Properties, and the Soloviev Group "seemingly have no choice but to look more seriously at other options." Optimism among "many in the industry predicted that all three companies would still find good uses for the sites," citing the May 2025 shift in direction by the Related Companies of its casino proposal with Wynn Resorts following opposition from the community and local elected officials. Instead, Related has decided to move forward with a plan to build 4,000 residential units of which roughly 50% would be designated for affordable housing, plus an additional 139 units nearby of permanently affordable units as part of a June 2025 agreement with the city of the payment-in-lieu-of-taxes (PILOT) model, enabling Phase 2 of Hudson Yards development over the western portion of the West Side Rail Yards to finally move forward.

Sources: <https://www.craigslist.com/real-estate/potential-next-steps-sl-green-silverstein-and-soloviev-casino-sites>

https://www.nyc.gov/content/dam/nycgov/mayors-office/downloads/pdf/press-releases/2025/Casting-the-Dice-2025_VF.pdf



News Highlights (cont'd)

City Council Approves Proposed Citadel-Anchored Development on Park Ave | September 25-19, 2025

The partnership of Vornado Realty Trust, Rudin Properties and Citadel founder and CEO, Ken Griffin, recently received a green light from the New York City Council for their proposed 62-story, 1.8 million square-foot office development. News announcing a possible redevelopment of adjacent office buildings at 350 Park Avenue and 40 East 52nd Street owned by Vornado and Rudin respectively began surfacing in 2019. Vornado has owned 350 Park Avenue since December 2006, having paid \$541.5 million for the 30-story tower that spans the entire Park Avenue blockfront between East 51st and 52nd Street. In January 2023, a deal was struck with Citadel's Ken Griffin, resulting in the forming of a new joint venture partnership behind the proposed "supertall" project. Separate 10-year master leases were signed by Citadel Enterprises Americas LLC in January 2023 for the existing 585,000-square-foot 350 Park Avenue and 390,000-square-foot 40 East 52nd Street properties, city records listing total value prices for the Park Avenue and 52nd Street leases of \$262,612,040 and \$84,047,693 respectively.

In June 2023 the JV of Vornado and Rudin purchased the 5-story building from Rudin for \$40 million in June 2023, and upon the formation of the joint venture with Ken Griffin, combined it with the development site. To further increase the site's buildable square feet, the JV reportedly went into contract to purchase air rights from St. Patrick's Cathedral at 631 Fifth Avenue ranging from as little as 315,000 square feet for \$98 million to as much as 525,000 square feet at a cost of \$164 million based on the \$312.50 per square foot price set by an appraisal prepared for the December 2023 court filing. A few months later reported information from a March 2024 court filing indicated a second contract for up to 250,000 square feet of unused development rights from St. Bartholomew's Church at 325 Park Avenue for \$78 million, with both contracts structured as an option with stipulated expiration dates to exercise the options according to press releases at the time by Crain's New York. The latter contract signing also required an "initial \$2 million at the contract signing," and "\$2 million a year in 2024 and 2025, and \$4 million in 2026 for the opportunity to close on the air rights."

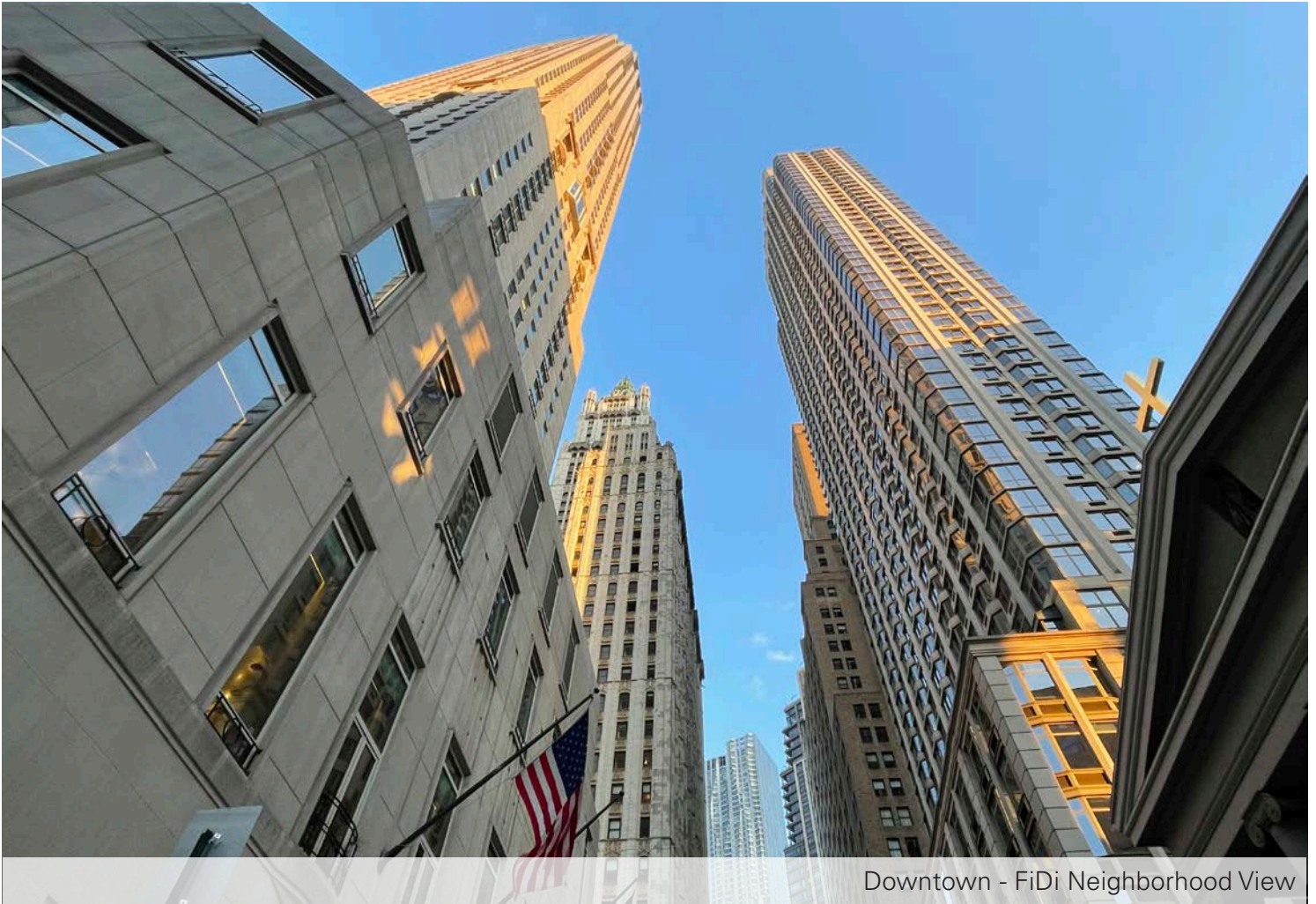
Citadel and Citadel Securities will anchor the new tower in over 850,000 square feet with demolition of the existing structures anticipated to begin in the second quarter of 2026. The September 29th article by NYImby indicated that a combined total of \$150 million of air rights purchased from both St. Patrick's Cathedral and St. Bartholomew's Church will be utilized with more than \$35 million to be contributed to New York City's East Midtown Public Realm Improvement Fund. During construction, Citadel will temporarily occupy 504,000 square feet at Brookfield Property's 660 Fifth Avenue, having secured a lease in January 2025, with anticipated completion of the estimated \$4.5 billion tower by 2032.

As the pace of the New York City's office market recovery picks up steam, news of office developments in different stages of planning and construction have become more frequent. In 2025, BXP decided to move forward with the construction of a 930,000-square-foot tower on speculation at 343 Madison Avenue and Related Companies and Oxford Properties planned over 60-story tower at 70 Hudson Yards broke ground in June 2025 following an agreement with Deloitte to serve as anchor tenant. More recently, the planned 637,312-square-foot office development at 570 Fifth Avenue by Extell Development began excavation this year, and the early September article by Crain's New York delivered news of SL Green Realty's agreement to purchase 346 Madison Avenue and adjacent 11 East 44th Street for \$160 million with plans to build a ground-up office development.

Sources: <https://newyorkimby.com/2025/09/city-council-approves-1600-foot-supertall-for-350-park-avenue-in-midtown-east-manchattan.html>

<https://www.crainsnewyork.com/real-estate/citadel-vornado-rudin-pay-164m-st-patricks-cathedral-air-rights>

<https://www.crainsnewyork.com/real-estate/citadel-vornado-rudin-pay-78m-st-bartholomew-air-rights>



Downtown - FiDi Neighborhood View

News Highlights (cont'd)

Lending

Times Square Tower Nears \$1.3B Refi Deal | August 6, 2025

The Durst Organization has reportedly secured an agreement with lenders Wells Fargo, JPMorgan Chase, and Bank of America to refinance 151 West 42nd Street (formerly known as 4Times Square). A \$1.3 billion commercial-backed security (CMBS) will be originated to refinance the 1.8 million-square-foot tower according to the press release by The Real Deal. Proceeds from the loan that will carry a 6.1% interest rate will “pay off roughly \$1.1 billion in existing debt and fund nearly \$40 million in reserves and closing costs, according to an S&P Global presale report.” A “\$719 million “A” note that earned a preliminary AAA rating from S&P” is included in the CMBS transaction that is expected to close August 19, 2025. Currently about 92% leased, the Times Square tower is anchored by Chinese-owned social media app TikTok in 232,000 square feet, but due to concerns of its lease potentially being disrupted by a U.S. ban, the lenders reportedly decided to earmark \$50 million of the loan into a reserve fund. Durst currently controls the property under a 99-year ground lease with an option to purchase that was executed in June 1988 and commenced in April 1990 with 42nd St. Development Project, Inc., a wholly owned subsidiary of and successor to New York State Urban Development Corp. according to city records.

Sources: <https://therealdeal.com/new-york/2025/08/06/durst-nears-1-3b-loan-to-refinance-one-five-one/>



Midtown - View from 23rd Floor at 1001 Avenue of the Americas

News Highlights (cont'd)

“Extend and Pretend” Era Creates Heightened Challenges for CMBS Market Participants | August 26, 2025

Challenges facing the real estate market since the pandemic have spurred a shift in the path of commercial real estate finance. Historically, when a loan reaches maturity “a borrower repays their obligation in full or negotiates a new path forward” according to the report released in late August by Trepp, a provider of structured finance and commercial real estate data. Lingering challenges of increased vacancies faced by many property owners have led to “a growing share of commercial mortgage-backed securities (CMBS) loans” failing to “take that final bow at maturity.” As the era of “pretend and extend” continues, CMBS market participants face several challenges as loans are left to linger in limbo — the need to navigate a shifting landscape of higher interest rates, declining property values, and tighter credit conditions.” The analysis completed by Trepp focuses on “\$133.2 billion of fixed-rate, private-label CMBS loans spanning conduit, large loan, and single-asset, single-borrower (SASB) deals that were scheduled to mature between January 2020 and April 2025,” finding that 34% of the loans, or \$45.4 billion failed to be paid off at maturity. The percentage of unresolved principal during the analysis period is more than double the pre-pandemic norm when unresolved principal routinely hovered below 20% in many subsectors. Among the property types, office and retail sectors accounted for most of the failed payoff volume. Retail loans represented the largest share of matured volume overall among the \$332.2 billion loans analyzed, with \$47.4 billion in total, of which \$16.5 billion, or 35% failed to pay off; while of the \$36.7 billion in office loans, \$14.7 billion, or 40% missed its payoff dealing — the highest non-payoff rate among major asset classes.

Trepp’s analysis also revealed that “across nearly every property type, loans that successfully paid off exhibited higher median debt service coverage ratio (DSCR),” which is one of two metrics “widely used by lenders and investors to assess a borrower’s capacity to meet debt obligations and the property’s value relative to loan size.” In the example of retail and office loans, among the loans that paid off at or prior to maturity, median DSCRs were 1.65 and 1.73 respectively and median debt yields were in the mid-12% range. In contrast those loans that failed to pay off showed median DSCRs of a lower 1.51 in both sectors; and although it appears to be a “seemingly modest difference, it becomes more meaningful when paired with lower debt yields of 10.17% and 9.56% respectively.” For those loans that failed to pay off, the resolution time can stretch from quick to drawn-out distress. An examination of the resolution status and median time to resolution for five property types — retail, office, lodging, mixed-use, and multifamily with over \$1 billion in failed payoff volume revealed that regardless of property type loans that eventually paid off had a resolution time of two to four months and in the category of modified and extended loans, the median resolution time ranged from five to six months. However, in the category of loans that were resolved with a loss, the resolution time ranged from the shortest time of five months in the multifamily sector to 14 months in the office sector as foreclosure, property repossession (REO), or a negotiation of a loan discount are pursued.

Sources: <https://www.trepp.com/trepp-talk/over-the-cre-maturity-wall-who-paid-who-didnt-what-followed>

News Highlights (cont'd)

Changes in Recent Economic Indicators Prompt Fed to Cut Key Interest Rate | September 17, 2025

The highly anticipated news of an interest rate cut finally arrived on Wednesday, September 17, the Federal Reserve Open Market Committee (FOMC) announcing decisions to lower its key fund interest rate by ¼ percentage point — the first reduction since December. Contributing to the decision is the slowing job gains in recent months and the unemployment rate ticking higher, prompting the central bank to shift its focus quickly from inflation. Although investors more optimistically projected five cuts for the rest of this year, Fed officials signaled a more moderate two additional reductions and just one in 2026. However, there was reportedly a wide divergence among the 19 officials on the Fed's rate-setting committee, AP's press release noting that "seven policymakers indicated they don't support further cuts, while two supported just one more and 10 favor at least two more," Fed Chair Jerome Powell attributing it to the uncertain outlook of the economy since even as hiring has stumbled, inflation remains stubborn, having risen 2.9% in August from a year ago and up from 2.7% in July. FOMC's decision of the rate cut is in contrast to many other central banks overseas, AP's article citing the European Central Bank which "left its benchmark rate unchanged, as inflation has largely cooled and the economy has seen limited damage, so far, from U.S. tariffs; and while inflation in England remains higher than in the U.S at 3.8%, the Bank of England is also expected to keep its rate on hold.

Sources: <https://apnews.com/article/federal-reserve-inflation-trump-2d05401d7c9cb2393925f494aac71d89>

Manhattan's Office Market Sees a Rising Number of 10-Figure Refi Deals | September 15-18, 2025

New York City continues to lead the nation's office market recovery following the pandemic, gradually rebuilding confidence among lenders, after lending became "mostly frozen since the U.S. central bank began to hike rates in 2022." Several of Manhattan's Class A office buildings have been able to secure billion-dollar-plus refinancing. In October 2024, Bank of America and Wells Fargo co-lead the issuance of the \$3.5 billion single-borrower Commercial Mortgage-Backed Security (CMBS) that refinanced the multi-building Midtown campus known as Rockefeller Center owned by Tishman Speyer; and in January 2025, the developer was able to secure a \$2.85 billion refinancing of the Spiral that opened in 2022 at 66 Hudson Boulevard. Both buildings were about 93% to 94% leased according to press at the time, the latter CMBS deal was led by JPMorgan Chase along with co-lenders the Bank of America, Goldman Sachs, and Wells Fargo. In August 2025, the Durst Organization secured a \$1.3 billion CMBS refinancing for the developer's 151 West 42nd Street property (formerly known as 4 Times Square). About 92% leased at the time according to reports, the loan was originated by Wells Fargo, JPMorgan Chase, and Bank of America.

More recently in mid-September, news reports announced another billion-dollar-plus refinancing secured by Brookfield Properties and Qatar Investment Authority (QIA). The fully leased 5 Manhattan West building located at 450 West 33rd Street landed a \$1.25 billion refinancing, according to reported details by Costar of "presale reports of the bond offering backing the deal from credit-rating firms Moody's and KBRA." The loan is being originated by Citi Real Estate Funding, Bank of Montreal, Deutsche Bank, JPMorgan Chase and Société Générale. "Some \$985 million of the financing package involves a commercial mortgage-backed securities loan, with the balance expected to be contributed to future CMBS transactions; and the loan matures in five years with a fixed interest rate of 6.35%, according to reports." An article by Crain's New York indicated that although the building had been appraised for \$2 billion a few months ago, "Brookfield is to borrow only the amount needed to pay down \$1.23 billion in debt that's coming due; and rather than pocket a hefty cash dividend as part of the refinancing, the developer is expected to contribute \$9.4 million in cash," per a reported statement by KBRA. Previously struggling financially, the 16-story building constructed in 1969 was purchased by Brookfield in 2011 and underwent a \$350 million renovation that included a full glass recladding of the building's exterior. Major tenants at the building include Amazon and JPMorgan Chase.

Another nearing 10-figure refinancing for 11 Madison Avenue was recently reported by Crain's New York. As part of the refinancing package, co-owners SL Green Realty and Prudential Financial would reportedly put up a \$52.5 million down payment to secure the new loan, whose five-year term would be half the length of the expiring one" according to reported information from S&P Global. Although the new loan was reportedly expected to carry a 5.8% interest rate, which is 61% higher than the 3.6% rate of the expiring loan, after generating strong demand among institutional investors, the mortgage rate reportedly came in a 5.5% — "30 basis points below expectations." In addition, the "yield of less than 9%," is about 25% lower than "yields as high as 12% being demanded [not long ago] to compensate for the risk associated with investing in office buildings." The landmarked 30-story Art Deco building that was intended to reach 100 floors before plans were abandoned with the onset of the Great Depression was acquired by SL Green in 2015 for \$2.3 billion plus \$300 million in costs associated with lease-stipulated improvements, and a year later the REIT sold a 40% stake to Prudential's asset management division, PGIM.

Sources: <https://product.costar.com/home/news/513774595> • <https://therealdeal.com/new-york/2025/08/06/durst-nears-1-3b-loan-to-refinance-one-five-one/>

Sources: <https://www.craigslist.com/real-estate/sl-green-prudential-refinance-14b-mortgage-11-madison-ave-tower>

Sources: <https://www.prnewswire.com/news-releases/tishman-speyer-completes-2-85-billion-refinancing-of-the-spiral-its-iconic-new-west-side-office-tower-302348004.html>

Sources: <https://newyorkyimby.com/2024/10/tishman-speyer-secures-3-5b-refinancing-for-rockefeller-center-in-midtown-manhattan.html>



Downtown - View from Brooklyn Bridge Park

Market Snapshot: Class A & B

New York City's Unemployment

- According to the New York State Department of Labor's figures, the city's unemployment rate of 5.8% (not seasonally adjusted) at the end of August 2025 represented a 4.9% decrease year-over-year, but a steep increase of 34.9% over the three month period from May 2025 when the rate was 4.3%. Comparatively, unemployment on the National and State level at the end of August 2025 was 4.1% and 4.7% respectively, representing a year-over-year increase of 2.5% nationwide, while the statewide rate lowered by 2.1%.
- Employment activity in New York City's private sector resulted in a gain of 82,300 private sector jobs year-over-year to 4,240,800 in August 2025. Among the major sectors, Education and Health Services gained 76,800 jobs at the high over the 12 month period, followed distantly by the Information and Leisure & Hospitality sectors with job gains of 10,700 and 7,300 respectively. In contrast, job losses in the Professional and Business Services and Financial Activities sectors were 6,600 and 5,900 jobs.

Weekly Wages

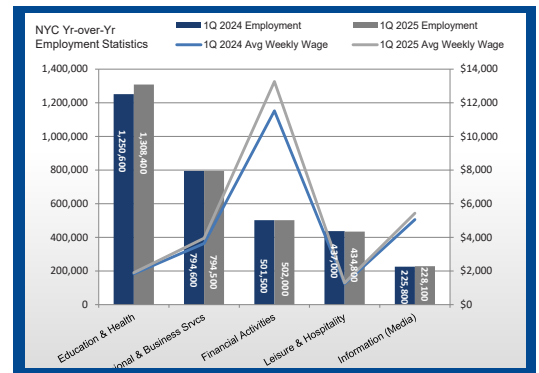
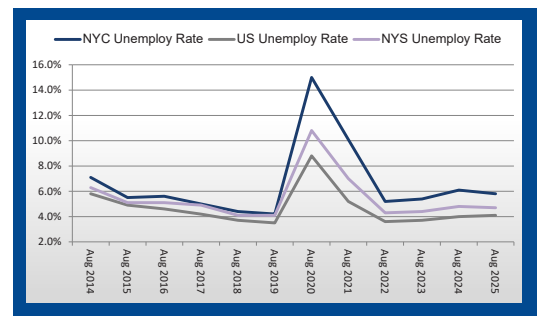
Overall private sector weekly wages in New York City averaged \$4,766 in the 1st quarter of 2025, increasing 10.2% year-over-year according to the recent report released by the U.S. Department of Labor. Among the major sectors all (5) saw overall weekly wages increases year-over-year. The Financial Activities sector saw the largest increase of 15.2%, followed by an 8.6% increase in the Professional & Business Services sector. The Information sector saw a 7.6% increase, while the Leisure & Hospitality and Education & Health sectors saw more moderate increases of 4.3% and 3.8% respectively.

Vacancy for Class A & B office buildings over 75,000 square feet was 10.8% in the 3rd quarter, about 5.0% lower quarter-over-quarter and 10.7% lower than the 12.1% rate during the same period last year. The overall Class A vacancy of 10.3% is 6.0% lower quarter-over-quarter, while the 12.1% vacancy in the Class B market was a more modest 2.5% decline during the same period. Vacancy rates in both Midtown and Downtown submarkets lowered to 9.8% and 12.5% respectively, in contrast to Midtown South's moderate quarter-over-quarter increase to 12.6%

Absorption closed the 3rd quarter at a positive 2,533,286 square feet compared to the positive 307,688-square-foot absorption in the previous quarter. Class A buildings saw a sharp increase in absorption of positive 2,123,539 square feet, while overall absorption among Class B properties was a moderate 409,747 square feet. Both the Midtown and Downtown submarkets had positive absorption of 2,229,821 square feet and 436,168 square feet respectively, offset negligibly by the negative 132,673-square-foot absorption in Midtown South.

Face Rents for office space in the 3rd quarter rose moderately to an overall average of \$72.28 per square foot versus the \$70.72 per square foot figure in the 2nd quarter. Average Class A face rent held steady at \$80.19 per square foot compared to \$80.12 per square foot in the previous quarter. In contrast, Class B face rents rose 3.2% quarter-over-quarter to \$67.83 per square foot compared to \$65.72 per square foot in the 2nd quarter.

3Q 2025	Total	Downtown	Midtown South	Midtown
Vacancy	↓	↓	↑	↓
Face Rent	↑	↑	↑	↑
Absorption	↑	↑	↓	↑



Source: NYS Department of Labor and US Department of Labor, Bureau of Labor Statistics



Midtown - Moynihan Train Hall

Market Snapshot: Class A & B

Big Block Additions Q3 2025

225 Park Avenue South / 223 Park Avenue South (Gramercy) - a combined total of 508,551 square feet came online upon the conjoined buildings exiting special servicing in September. 225 Park Avenue accounts for the majority of available office space totaling 366,394 square feet, while 223 Park Avenue South has the remaining 142,157 square feet.

555 Broadway (SoHo) - a combined total of 112,426 square feet spread across floors 3 through 5 at the Scholastic-owned building was added to office inventory during the quarter as the publisher moves to downsize its headquarter's footprint within the building.

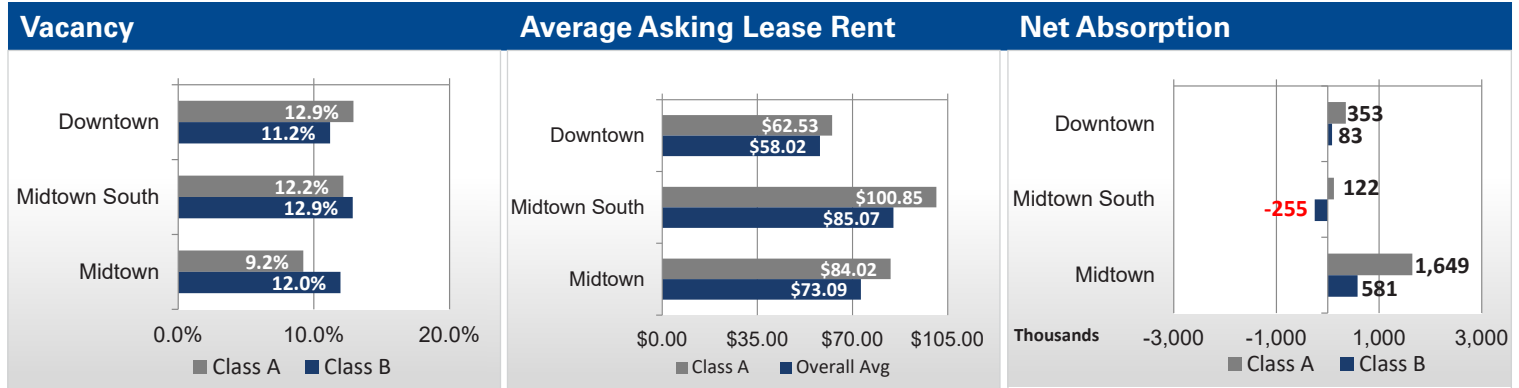


225-233 Park Avenue South

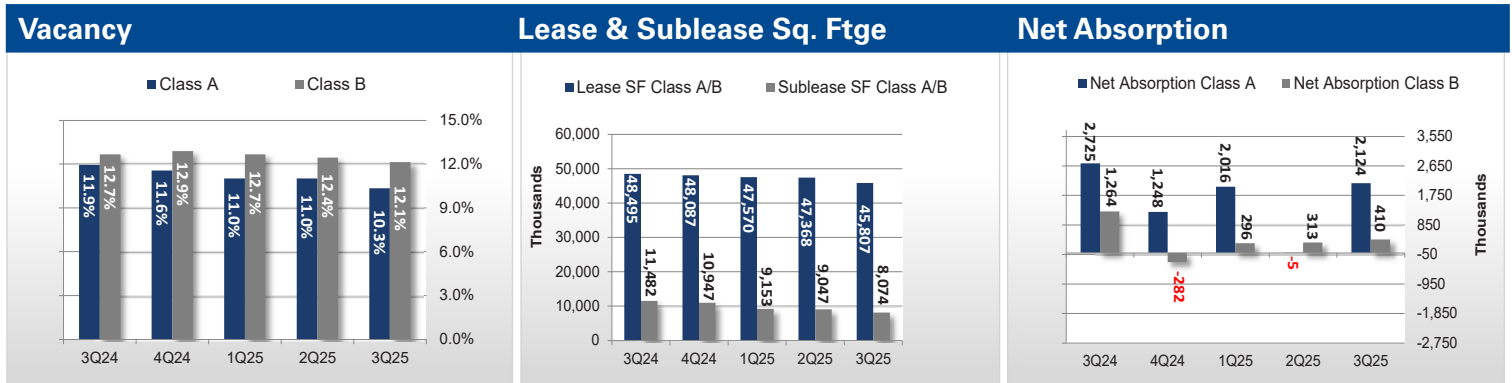
Class A & B Statistics At A Glance



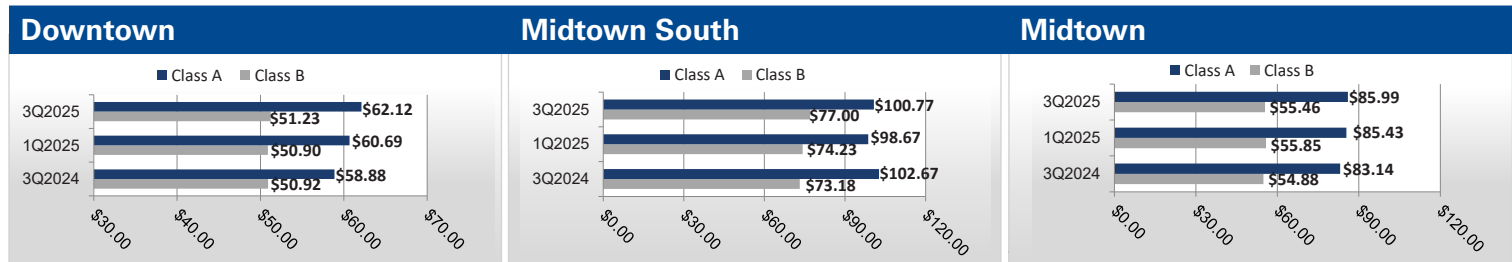
3rd Quarter 2025



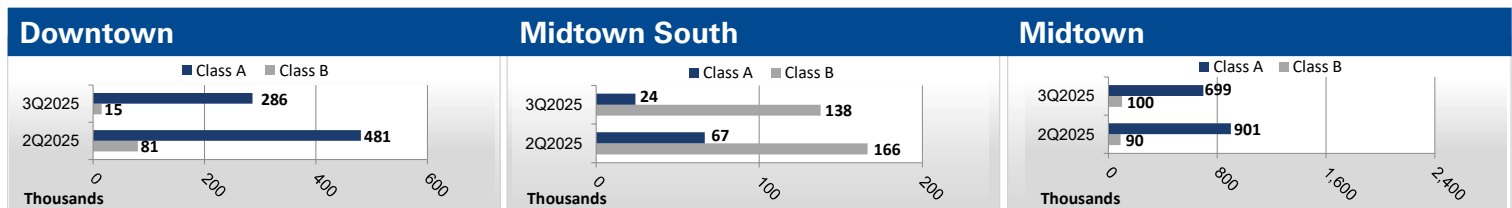
Quarter-over-Quarter



Submarket Bi-Quarterly Class A & Class B Rents



Sublease Space Newly Listed in 3Q 2025





Submarket Statistics Overview: Class A & B Office

Manhattan	Inventory	Vacant Sq. Ftge.			Vacancy Rate			Avg. Face Rent PSF	Absorption
		Total RBA*	Direct Sq. Ftge.	Sublet Sq. Ftge.	Total Sq. Ftge.	Direct Vacancy	Sublet Vacancy		
Downtown	109,949,739	11,213,904	2,568,415	13,782,319	10.2%	2.3%	12.5%	\$58.02	589,981
City Hall	14,085,447	794,738	147,973	942,711	5.6%	1.1%	6.7%	\$50.54	-34,905
Financial District	37,899,290	5,305,261	1,352,486	6,657,747	14.0%	3.6%	17.6%	\$51.94	-89,289
Insurance District	11,868,287	1,210,454	189,800	1,400,254	10.2%	1.6%	11.8%	\$52.30	190,253
TriBeCa	6,751,568	883,057	51,818	934,875	13.1%	0.8%	13.8%	\$71.05	28,933
World Trade Center	39,345,147	3,020,394	826,338	3,846,732	7.7%	2.1%	9.8%	\$69.28	494,989
Midtown South	76,298,122	8,486,241	1,112,266	9,598,507	11.1%	1.5%	12.6%	\$85.07	1,288,247
Chelsea	18,245,482	2,323,734	455,202	2,778,936	12.7%	2.5%	15.2%	\$83.95	148,279
Flatiron	23,228,212	2,363,799	71,733	2,435,532	10.2%	0.3%	10.5%	\$76.14	1,106,239
Gramercy/Union Sq	9,918,858	1,076,495	54,045	1,130,540	10.9%	0.5%	11.4%	\$86.68	-247,285
Greenwich Village	5,235,861	562,709	78,330	641,039	10.7%	1.5%	12.2%	\$113.63	80,701
Hudson Square	14,216,203	1,499,988	297,348	1,797,336	10.6%	2.1%	12.6%	\$93.51	212,512
SoHo	5,453,506	659,516	155,608	815,124	12.1%	2.9%	14.9%	\$74.76	-12,199
Midtown	311,686,535	26,107,341	4,393,487	30,500,827	8.4%	1.4%	9.8%	\$73.09	3,274,918
Columbus Circle	33,323,715	2,040,350	1,226,206	3,266,556	6.1%	3.7%	9.8%	\$69.52	-86,065
Hudson Yards	55,139,324	4,099,078	819,351	4,918,429	7.4%	1.5%	8.9%	\$67.26	704,471
Grand Central	11,483,725	1,929,127	110,227	2,039,354	16.8%	1.0%	17.8%	\$58.03	-195,756
Penn Plaza/Garment	75,247,162	6,424,530	900,957	7,325,487	8.5%	1.2%	9.7%	\$60.04	1,531,019
Plaza District	86,473,960	6,655,297	836,787	7,492,084	7.7%	1.0%	8.7%	\$94.69	861,027
Times Square	45,523,664	4,698,194	499,059	5,197,253	10.3%	1.1%	11.4%	\$74.05	566,361
U.N Plaza	4,494,985	260,764	900	261,664	5.8%	0.0%	5.8%	\$72.77	-106,139
Grand Total	497,934,396	45,807,485	8,074,168	53,881,653	9.2%	1.6%	10.8%	\$72.28	5,153,146

Sources: Costar - Buildings 75,000 SF and larger; vacancy and absorption calculations based upon move-in date versus deal signing date
Newmark, Cushman & Wakefield, Colliers

Retail Bi-Quarterly Vacancy Statistics At A Glance



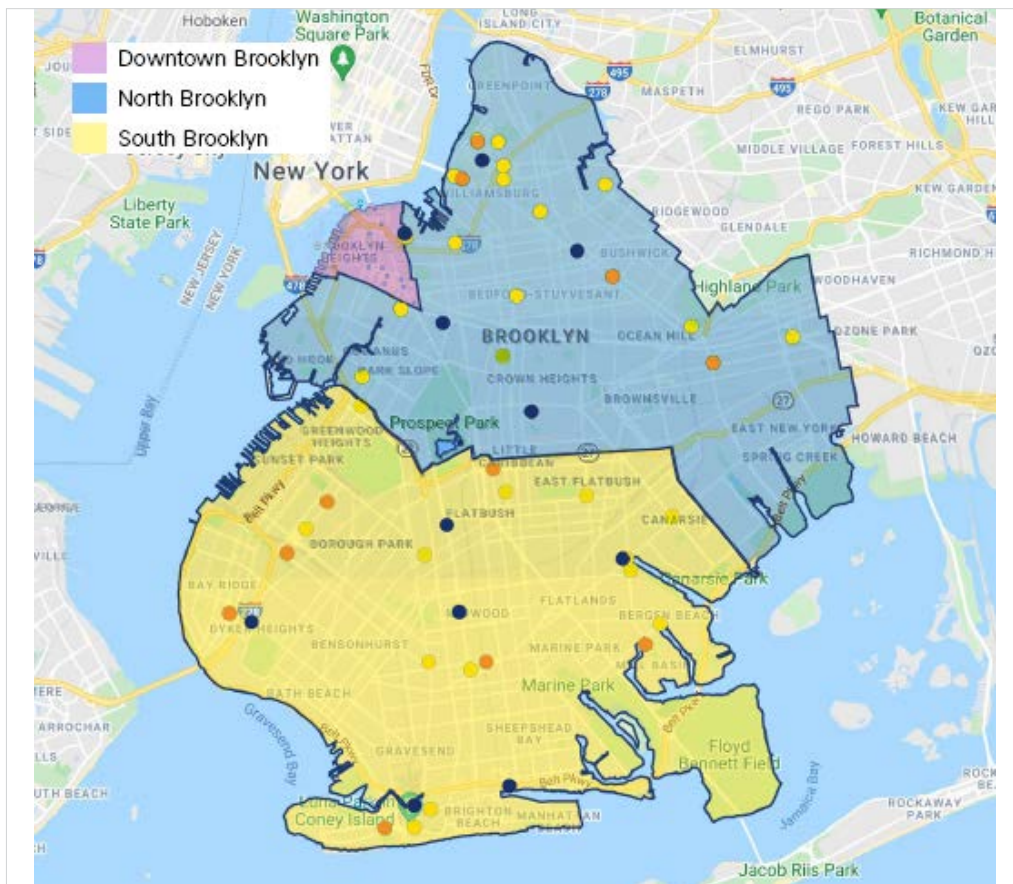
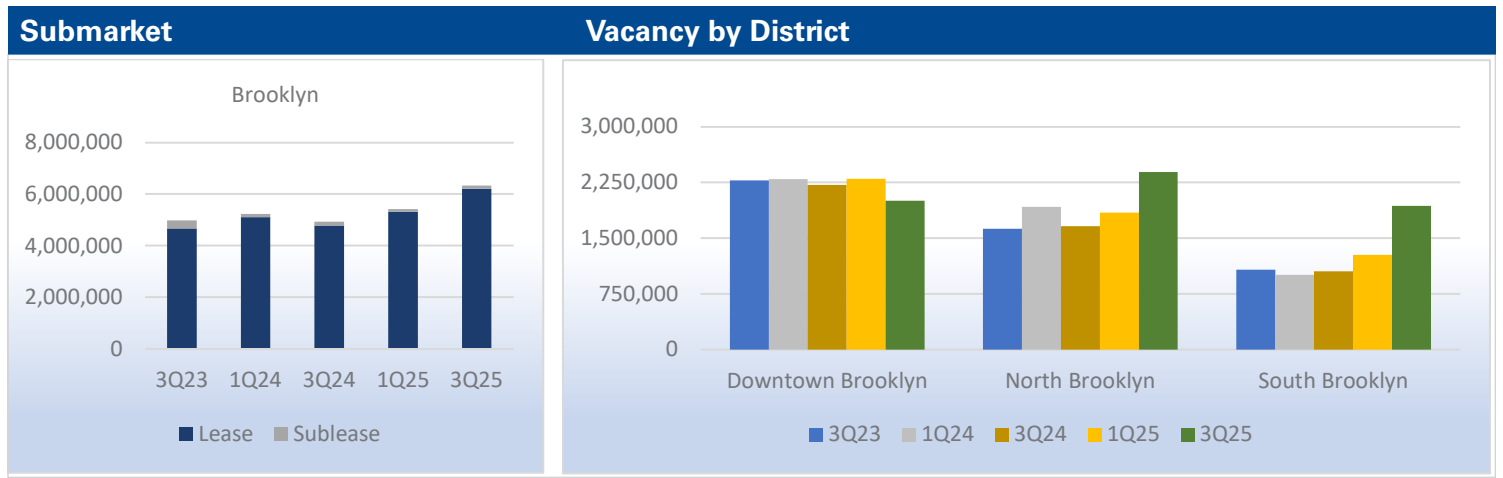
3Q 2023 - 3Q 2025



Retail Bi-Quarterly Vacancy Statistics At A Glance



3Q 2023 - 3Q 2025

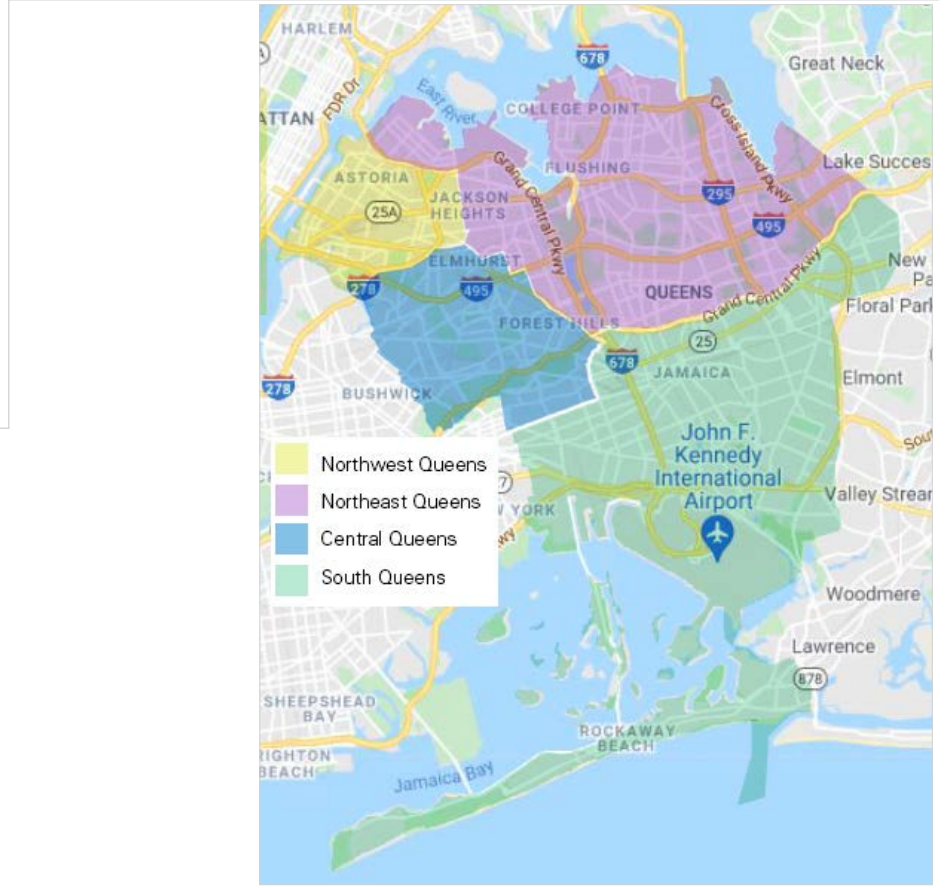
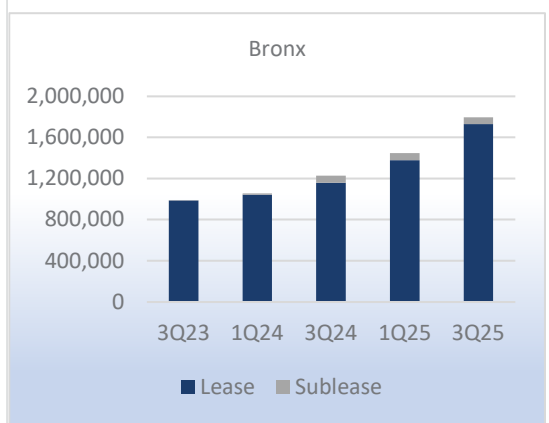
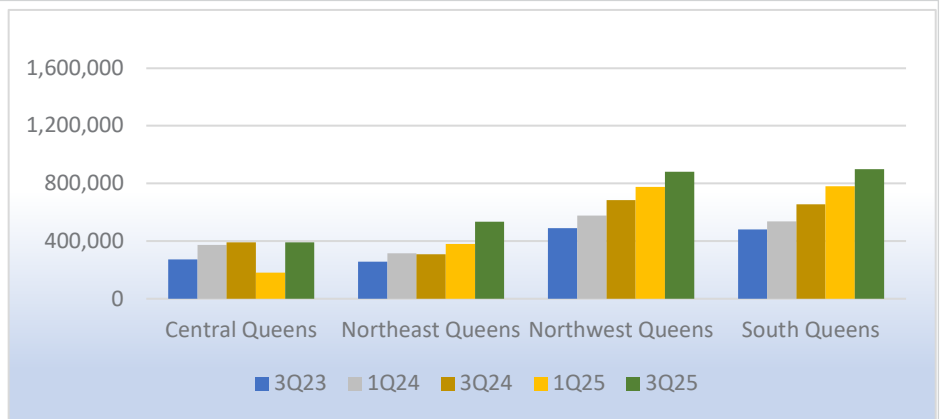
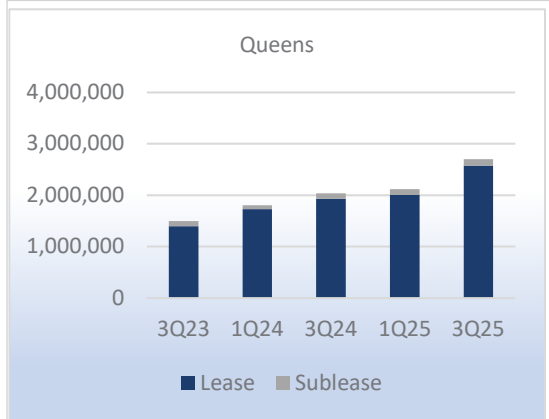


Retail Bi-Quarterly Vacancy Statistics At A Glance



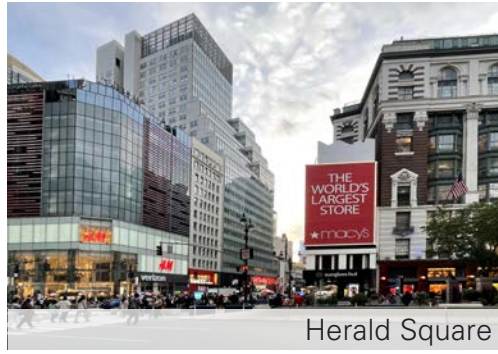
3Q 2023 - 3Q 2025

Submarket Vacancy by District





Chelsea



Herald Square



NoMad

Real Estate Board of New York's Manhattan Retail | First Half 2025

Manhattan's strong market fundamentals helped boost retail leasing activity in the first half of 2025 with owners starting to pull back on concessions. During the first half of 2025, Manhattan's retail rally remained steady despite rising uncertainty of the broader economy, retailers have begun to expand their space search as availabilities in prime location are depleted. At least for now, retailers' concerns of the economic impact of federal policy changes and declining tourism, particularly from Canada and Europe are being offset by other market drivers including domestic tourism, daytime commuters, and an affluent residential base keeping the pace of leasing on par with the robust activity of the last two years. Continued attraction to Manhattan's retail market due to these core fundamentals has prompted established New York City retailers to expand their footprint, international and domestic brands to make their debut, and digital brands to open their first brick-and-mortar locations.

The corridors profiled in REBNY's report represent Manhattan's top tier retail corridors, and the asking rents quoted reflective of available ground level space. All data is sourced from the respective firms of each REBNY Manhattan Retail Advisory Group member.

Corridor	H1-2025 Avg.Asking	H2-2024 Avg.Asking	H1-2024 Avg.Asking	% Yr-over-Yr Change	% Change 2H-2024
Eastside					
East 86th St: Lexington-2nd Aves	\$271	\$298	\$297	-8.8%	-9.1%
Madison Ave: 57th – 72nd Sts	\$893	\$957	\$945	-5.5%	-6.7%
Third Ave: 60th – 72nd Sts	\$271	\$264	\$259	4.6%	2.7%
Westside					
Broadway: 72nd – 86th Sts	\$283	\$247	\$251	12.7%	14.6%
Columbus Ave: 66th – 79th Sts	\$348	\$303	\$277	25.6%	14.9%
Midtown					
East 57th St: 5th – Park Aves	N/A	N/A	N/A	N/A	N/A
Fifth Ave: 49th – 59th Sts	\$2,444	\$2,085	\$1,721	11.6%	17.2%
Fifth Ave: 42nd – 49th Sts	\$650	\$650	\$583	11.5%	0%
Broadway & 7th Ave: 42nd – 47th Sts	\$1,936	\$2,034	\$1,955	-1.0%	-4.8%
Herald Square					
West 34th St: 5th – 7th Aves	\$447	\$467	\$495	-9.7%	-4.3%
Flatiron					
Fifth Ave: 14th – 23rd Sts	\$318	\$361	\$259	22.8%	-11.9%
Broadway: 14th – 23rd Sts	\$331	\$379	\$379	-12.7%	-12.7%
SoHo					
Broadway: Houston – Broome Sts	\$621	\$489	\$481	26.2%	24.1%
West Village					
Bleecker St: 7th Ave South – Hudson St	\$440	\$550	\$317	38.8%	-20.0%
Meatpacking					
14th St: 9th – 10th Aves	\$233	\$233	\$339	-31.3%	0%
FiDi					
Broadway: Battery Park – Chambers St	\$247	\$242	\$319	-10.5%	2.1%
Harlem					
125th St: 5th – Morningside Aves	\$138	\$140	\$145	-4.8%	-1.4%



Brooklyn - Brooklyn Heights Area

Development Activity

REBNY Report: Quarterly New Building Construction Pipeline - Q2 2025

The Real Estate Board of New York (REBNY) released a report in July providing statistics based on examined new building job application filings submitted to the NYC Department of Buildings in the 2nd quarter of 2025, analyzing data for the three month period of January through March; and draws historical comparisons to provide an understanding of the current state of development in New York City.

Key Takeaways - Q2 2025							
Borough Breakout	Q2 2025 Filings	Qtr-over-Qtr Change	% of Proposed Construction SF	Borough	Q2 2025 Filings	Qtr-over-Qtr Change	% of Proposed Construction SF
Manhattan	10	-28.6%	14.7%	Queens	164	46.4%	29.2%
Bronx	84	35.5%	25.6%	Staten Island	64	-3.0%	6.1%
Brooklyn	102	30.8%	27.0%				
New Building Filings in Q2 2025	TTL Filings	% Change Qtr-over-Qtr / Yr-over-Yr		TTL Proposed Sq. Ft.	% Change Qtr-over-Qtr / Yr-over-Yr		
Citywide	424	28% / 43%		8.5MM	6% / 91%		
Construction Projects 300K-sf Plus	Q2 2025 Filings	TTL Proposed Sq. Ft.		% Change Qtr-over-Qtr/Yr-over-Yr	% of Q2 2025 TTL Proposed SF		
Citywide	3	1.5MM		34% / 109%	18%		
Multiple Dwelling Residential Q1 2025	Proposed Units	% Change Qtr-over-Qtr			New Buildings	% Change Qtr-over-Qtr	
Citywide	6,943	1%			158	28.5%	
Borough Breakout	Proposed Units / Qtr-over-Qtr Change / % of TTL			Borough	Proposed Units / Yr-over-Yr Change / % of TTL		
Manhattan	436/ 13.5% /6.3%			Queens	1,505/ 43.5% / 21.7%		
Bronx	2,851/ 20.1% / 41.1%			Staten Island	97/ 100% /1.4%		
Brooklyn	2,054/ -33.5% / 29.6%						
Largest Proposed Projects by Borough - Q2 2025 (excludes single-family homes)							
Borough	Address	Neighborhood	Sq. Ft.	Description			
Manhattan	431 East 66th Street	Upper East Side	730,492	31-story in-patient medical pavilion filed by Memorial Sloan-Kettering			
Bronx	1674 Boone Avenue	West Farms	271,714	Proposed city-financed 340-unit residential development			
Brooklyn	450 Powell Street	Brownsville	217,133	Proposed 197,482 mixed-use development with 283 residential units, 18,292 SF commercial space, 1,359 SF community facility space			
Queens	12-18 38th Avenue	Long Island City	504,527	Proposed "last-mile" warehouse filed by Prologis ("Queensboro Crossing")			
Staten Island	541 Bay Street	Stapleton Heights	83,833	Proposed 7-story, 92-unit residential building			



BID Market Snapshots

Downtown Alliance - Lower Manhattan Real Estate Overview | Q2 2025

Office leasing in Lower Manhattan remained strong for the second consecutive quarter, reaching 772,000 square feet of leased space at the end of June, representing a 31% year-over-year increase, and 12% higher than the five-year quarterly average. Investment Management firm Invesco led the way with a 204,424-square-foot renewal at 225 Liberty Street, followed by the 192,915-square-foot lease by an undisclosed financial services firm at One World Trade Center, helping to lower the Downtown neighborhood's overall office vacancy rate for the sixth consecutive quarter. A total of 23 new retail establishments opened, of which two thirds were food & beverage (F&B); while the hospitality market saw the average daily room (ADR) rate hit a 2nd quarter record high of \$334, representing a quarter-over-over increase of 45% and the third highest ADR since the BID started recording these statistics in 2016. The hotel occupancy rate of 88% was an 11% increase quarter-over-quarter, but a moderate 1% decrease year-over-year. Sale activity in the residential market pushed the area's median sale price of condo units to \$1.39 million, equating to a 23% increase quarter-over-quarter and 31% year-over-year. Median rents similarly remained historically high, finishing the quarter at \$4,790 per month — slightly lower from the \$4,795 median of the previous quarter. Office-to-residential conversion plans in Lower Manhattan include a 49-unit residential conversion of 64 Fulton Street, a 798-unit conversion of 222 Broadway, a 1,300-unit conversion of 111 Wall Street, a 600-unit conversion of 77 Water Street, a partial conversion of 80 Pine Street to create 500-units on floors 2 through 17, and the planned 121-unit conversion of 2 Wall Street.

Source: <https://downtownny.com/wp-content/uploads/2025/08/Q2-2025-Real-Estate-Market-Report-FINAL.pdf>

Union Square Partnership - 2025 Commercial Report

The district enjoyed a rise in mobility year-over-year across all modes in Union Square partially fueled by NYC Department of Transportation's (NYCDOT) expansion of pedestrian space and improved bike lanes as part of its Broadway Vision plan, completed renovations by the MTA of the 14th Street F/L/M/1/2/3 subway station — the installation of four new elevators and enlarged mezzanine, and the improvement of pedestrian safety and less congested streets for bike riders with the launch of the Congestion Relief Zone in Manhattan. Monthly worker visitations reached a post-pandemic high of 444,000 in October 2024, "with average monthly worker visits for the last 12 months reaching 18% higher higher than the previous 12 months." Office lease terms are gradually increase, owners report that more companies are "shifting from 1-3 year agreements to 5-10 years," citing New England furniture Maker AIS' 10 year lease for 12,617 square feet at 257 Park Avenue South and the 7 year lease for 20,000 square feet at 111 Fifth Avenue by geolocation firm Radar Labs. In the 2nd Quarter of 2025, over 17,000 square feet of storefront space was leased, more than seven times the volume during the same period last year.

Source: <https://www.unionsquarenyc.org/s/2025-Union-Square-Commercial-Market-Report>

Flatiron/NoMad - Flatiron & NoMad Economic Snapshot | Q2 2025

Leasing activity throughout the 2nd quarter 2025 pushed availability lower for the fifth consecutive quarter as leasing volume "dramatically" increased by 76% year-over-year and 82% quarter-over-quarter. Major signings included the 224,000-square-foot relocation deal by law firm Goodwin Procter at 200 Fifth Avenue, an 83,000-square-foot lease at 11 Madison Avenue by San Francisco-based image and video-sharing platform Pinterest, and the 80,000-square-foot lease at 287 Park Avenue South by LeParc Coworking. The occupancy of ground floor retail space in the district held steady at 85%, and of the 18 openings, 89% were Food & Drink establishments. Daily visitor volume rose 5.7% year-over-year, reaching 14 million unique daily visits at the end of the quarter, while subway ridership similarly increased by 6.9% year-over-year to 15.88 million.

Source: <https://downtownny.com/wp-content/uploads/2025/08/Q2-2025-Real-Estate-Market-Report-FINAL.pdf>



Office Market – Notable Transactions

Lease - Manhattan

Address	Submarket	District	Sq. Ftge	Tenant
One World Trade Center	Downtown	World Trade Center	192,915	Bank of New York (sublease)
140 Broadway	Downtown	FiDi	77,463	Lewis Brisbois Bisgaard & Smith
55 Water Street	Downtown	FiDi	67,693	Jaros Baum & Bolles (sublease)
1095 Sixth Avenue	Midtown	Penn Plaza	310,509	Salesforce (renewal/expansion)
1440 Broadway	Midtown	Penn Plaza	259,000	Amazon (expansion - lease signed by WeWork)
660 Fifth Avenue	Midtown	Plaza	203,054	Scotiabank (relocation from Downtown)
PENN 2, 2 Penn Plaza	Midtown	Penn Plaza	198,893	Verizon (relocation within district)
50 Hudson Yards	Midtown	Hudson Yards	193,573	BlackRock (expansion) - sublease from Meta
1301 Sixth Avenue	Midtown	Columbus Circle	136,175	Piper Sandler (relocation within Midtown)
31 West 52nd Street	Midtown	Plaza	130,000	Cushman & Wakefield (relocation within district)
1285 Sixth Avenue	Midtown	Columbus Circle	120,000	Latham & Watkins
277 Park Avenue	Midtown	Plaza	111,863	Sumitomo Mitsui Banking Corp. (expansion)
11 Madison Avenue	Midtown South	Flatiron	83,000	Pinterest (relocation within Flatiron)
1 Madison Avenue	Midtown South	NoMad	64,077	Sigma Computing (relocation from Union Sq)
837 Washington Street	Midtown South	MePa	58,000	Bilt (relocation from Noho)



915 Broadway Roof Deck - South View of One World Trade Center

Office Market – Notable Transactions

Investment Sales - Manhattan

Address	Submarket	District	Sq. Ftge	Sold Price	Purchaser
135 East 57th Street	Midtown	Plaza	456,652	\$158,956,065	TF Cornerstone (Plans conversion)
440 Ninth Avenue	Midtown	Penn Plaza	398,800	\$100,000,000	David Werner (short-sale)
1011 First Avenue	Midtown	Midtown East	398,214	\$103,000,000	Vanbarton Group (plans conversion)
5 East 42nd Street	Midtown	Midtown East	375,000	\$135,000,000	Vanbarton Group (plans conversion)
3 East 54th Street	Midtown	Plaza	283,465	\$188,000,000	Undisclosed
300 West 43rd Street	Midtown	Times Square	144,251	\$62,000,000	Xin Capital
510-512 West 22nd Street	Midtown South	Chelsea	172,700	\$205,000,000	MFK Realty LLC
625 Broadway	Midtown South	NoHo	107,705	\$41,500,000	Jackson Group / KSR Capital

Brookfield Place	Downtown	World Trade Center	9,400,000	\$1,500,000,000	Brookfield Properties
The ground lease of the 5 building complex was extended 50 years with the Battery Park City Authority					

Investment Sales - Outer Borough

Address	Borough	Neighborhood	Sq. Ftge	Sold Price	Purchaser
558 Grand Concourse	Bronx	Grand Concourse	190,000	\$44,000,000	Madd Equities
487 Clermont Avenue	Brooklyn	Fort Greene	710,746	\$69,607,844	Cross Ocean Partners Lincoln Properties
37-18 Northern Boulevard	Queens	Long Island City	300,000	\$42,000,000	Pearl Realty Management



Midtown - Times Square

Retail Market – Notable Transactions

Lease - Manhattan

Address	Submarket	District	Sq. Ftge	Tenant
1501 Broadway	Midtown	Times Square	37,000	CityPickle
312 West 43rd Street	Midtown	Times Square	25,000	Aldi

Lease - Outer Boroughs

Address	Borough	Neighborhood	Sq. Ftge	Tenant
250-272 Willis Avenue	Bronx	Mott Haven	24,000	Harlem Furniture

Investment Sales - Manhattan

Address	Submarket	District	Sq. Ftge	Sold Price	Purchaser
229 West 43rd Street	Midtown	Times Square	243,915	\$28,917,000	Forum at Times Square LLC
529-533 Broadway	Midtown South	SoHo	53,000	\$213,000,000	Ingka Group

Investment Sales - Outer Borough

Address	Borough	Neighborhood	Sq. Ftge	Sold Price	Purchaser
1600 Flatbush Avenue	Brooklyn	Flatbush	72,703	\$41,000,000	Parviz Farahzad (condo unit)
321 Starr Street	Brooklyn	Bushwick	26,624	\$17,500,000	Yale Properties
70 North 6th Street	Brooklyn	Williamsburg	22,250	\$50,000,000	Acadia Realty Trust



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