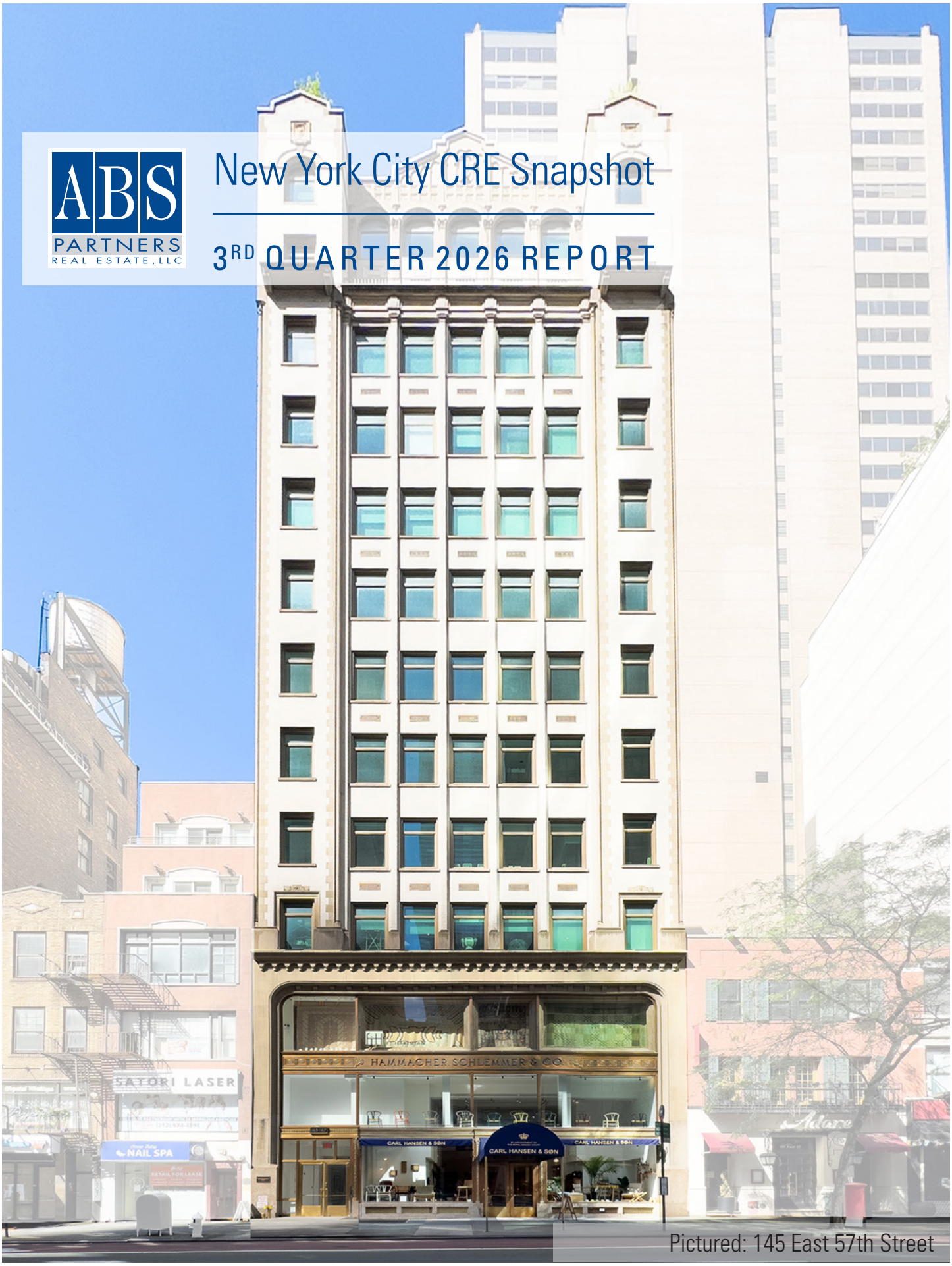
ABS PARTNERS REAL ESTATE, LLC

New York City CRE Snapshot

3RD QUARTER 2026 REPORT



Pictured: 145 East 57th Street

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 5.3% (not seasonally adjusted) at the end of August 2026 represented a 11.7% decrease year-over-year, and a 10.4% increase over the three month period from May 2026 when the rate was 4.8%. Comparatively, unemployment on the National and State level at the end of Aug 2026 was 4.1% and 4.6% respectively, with the nationwide rate unchanged and the statewide rate decreasing by 6.1% respectively year-over-year.

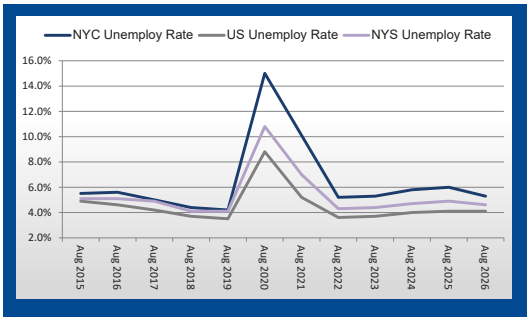
Employment activity in New York City's private sector resulted in a gain of 27,600 private sector jobs year-over-year to 4,171,000 in August 2026. Among the major sectors, Education and Health Services gained 34,200 jobs at the high over the 12 month period, while the Financial Activities sector gained 1,800 jobs at the low. In contrast, Leisure and Hospitality lost 10,800 jobs and the Information sector lost 3,800 jobs during the same period.

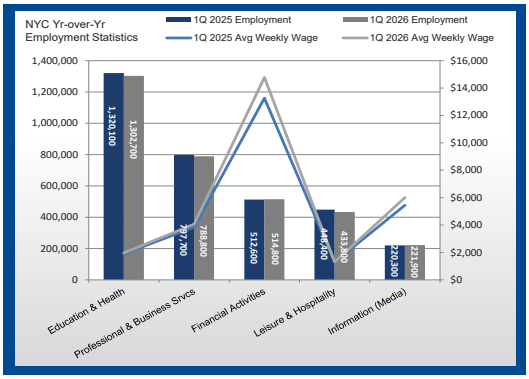
Weekly Wages

Overall private sector weekly wages in New York City averaged $5,193 in the 1st quarter of 2026, increasing 9.0% year-over-year according 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 led the way with an 11.4% increase at the high, followed close behind by the Information sector's 10.6% increase. The Professional & Business Services sector saw a 5.9% increase, while Education & Health and Leisure & Hospitality saw more moderate increases of 3.5 and 1.1% respectively.

Vacancy for Class A & B office buildings over 75,000 square feet lowered quarter-over-quarter to 9.5% in the 3rd quarter, declining 3.7% from the 9.9% rate in the 2nd quarter. Overall Class A vacancy lowered 4.0% quarter-over-quarter to 9.4%, and the 9.9% vacancy in the Class B market represented a 3.2% decline from 10.2% during the same period. Midtown and Midtown South vacancy rates lowered 7.6% and 4.7% to 8.6% and 10.1% respectively, while in contrast, Downtown vacancy rose 6% to 11.9% at the end of the 3rd quarter.

3Q 2026	Total	Downtown	Midtown South	Midtown
Vacancy	↓	↑	↓	↓
Face Rent	↑	↑	↑	↑
Absorption	↑	↓	↑	↑





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

Absorption closed the 3rd quarter at a positive 1,795,732 square feet compared to the positive 621,934-square-foot absorption in the previous quarter. Overall absorption in Class A buildings was positive 1,304,173 square feet, in contrast to the positive 491,559-square-foot absorption in Class B buildings. The combined positive absorption of 2,126,674 square feet and moderate 376,867 square feet respectively in the Midtown and Midtown South markets was able to offset the negative 707,809-square-foot absorption in Downtown.

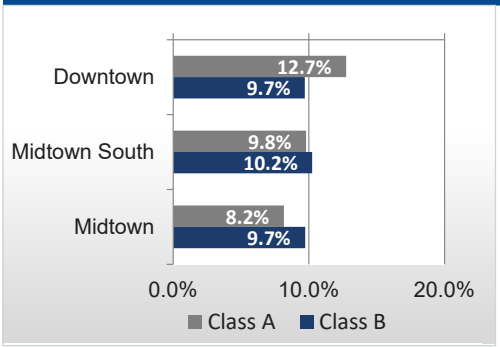
Face Rents for office space in the 3rd quarter rose slightly to an overall weighted average of $77.41 per square foot versus the $76.45 per square foot figure in the 2nd quarter. Class A overall weighted average face rents lowered 0.4% from the previous quarter's $85.24 per square foot to $84.89 per square foot at the end of September. In contrast, Class B face rents rose 1.9% quarter-over-quarter to $68.25 per square foot compared to $61.75 per square foot in the previous quarter.

Sources: https://dol.ny.gov/labor-statistics-new-york-city-region • https://www.bls.gov/bls/news-release/cewqtr.htm • https://dol.ny.gov/labor-data

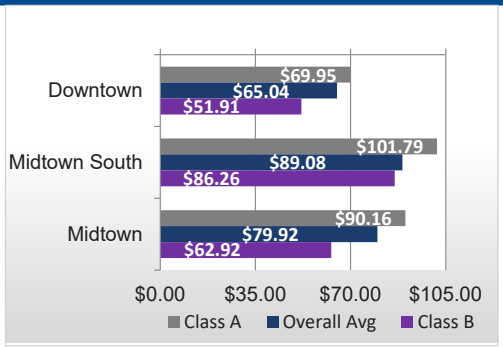
Class A & B Statistics At A Glance

3rd Quarter 2026

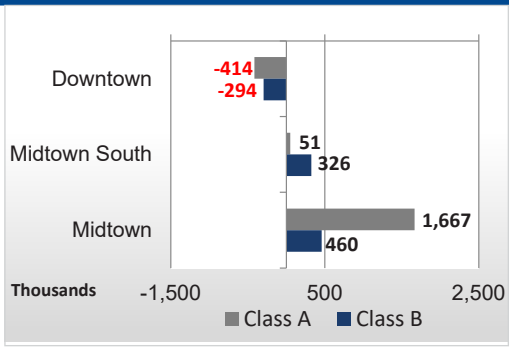
Vacancy



Avg Asking Rent

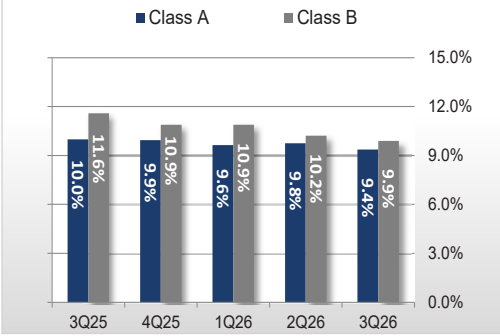


Net Absorption

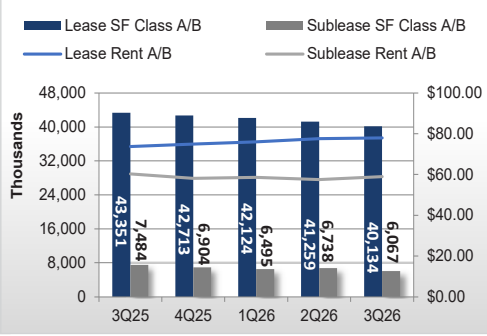


Quarter-over-Quarter

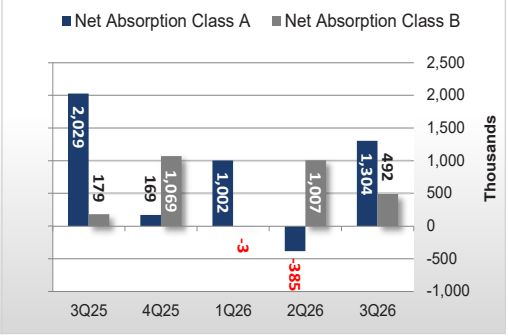
Vacancy



Lease & Sublease Sq. Ftge

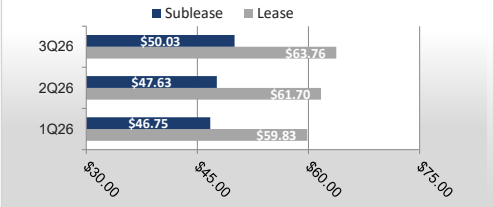


Net Absorption

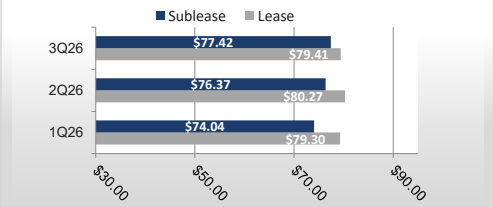


Quarterly Lease / Sublease Overall Avg. Rents

Downtown



Midtown South



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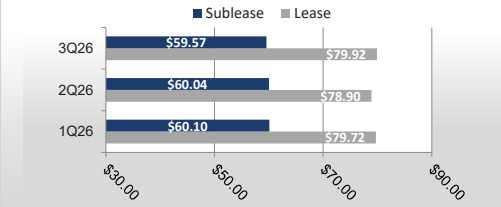
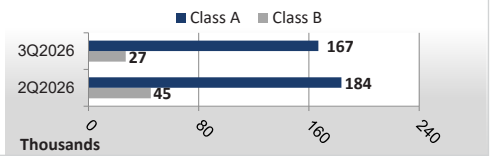
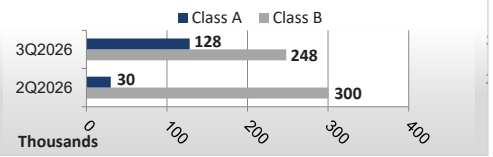


Sublease Space Newly Listed in 3Q 2026

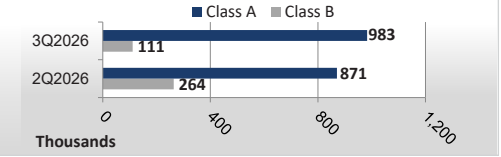
Downtown



Midtown South



Midtown



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

Submarket Statistics Overview: Class A & B Office

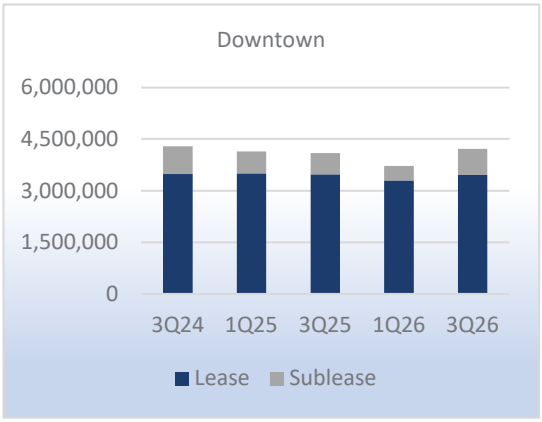
Manhattan	Inventory	Vacant Sq. Ftge.			Vacancy Rate			Avg. Face Rent PSF	Absorption
Submarkets Districts	Total RBA*	Direct Sq. Ftge.	Sublet Sq. Ftge.	Total Sq. Ftge.	Direct Vacancy	Sublet Vacancy	Overall Vacancy	Overall Asking	Year-to-Date Sq. Ftge
Downtown	104,913,667	10,599,344	1,911,328	12,510,344	10.1%	1.8%	11.9%	$65.04	-503,592
City Hall	13,949,918	614,975	57,762	627,737	4.4%	0.4%	4.8%	$54.59	116,323
Financial District	35,441,752	4,961,040	931,618	5,892,658	14.0%	2.6%	16.6%	$61.60	506,881
Insurance District	11,031,151	1,091,997	169,477	1,261,474	9.9%	1.5%	11.4%	$52.08	42,042
TriBeCa	6,588,138	888,377	0	888,377	13.5%	0.0%	13.5%	$86.05	-386,059
World Trade Center	37,902,708	3,042,955	752,471	3,795,426	8.0%	2.0%	10.0%	$71.16	-782,779
Midtown South	76,349,992	6,610,819	1,074,243	7,685,062	8.7%	1.4%	10.1%	$89.08	1,854,882
Chelsea	19,257,428	3,050,615	394,945	3,445,560	15.8%	2.1%	17.9%	$85.06	393,478
Flatiron/NoMad	22,571,668	824,962	195,359	1,020,321	3.7%	0.9%	4.5%	$85.86	868,022
Gramercy Park	9,961,107	808,852	130,584	939,436	8.1%	1.3%	9.4%	$87.65	10,786
Greenwich Village	5,287,833	439,080	28,508	467,588	8.3%	0.5%	8.8%	$116.88	112,403
Hudson Square	13,951,497	895,411	296,346	1,191,757	6.4%	2.1%	8.5%	$92.10	449,293
SoHo	5,320,459	591,899	28,501	620,400	11.1%	0.5%	11.7%	$92.09	20,900
Midtown	303,828,456	22,923,673	3,081,681	26,005,354	7.5%	1.0%	8.6%	$79.92	2,064,489
Columbus Circle Hudson Yards	30,269,918	2,311,512	728,741	3,040,253	7.6%	2.4%	10.0%	$82.88	9,695
Grand Central	55,054,979	4,343,152	424,857	4,768,009	7.9%	0.8%	8.7%	$80.29	534,887
Murray Hill	11,306,385	2,041,010	78,552	2,119,562	18.1%	0.7%	18.7%	$71.20	59,906
Penn Plaza/Garment	73,662,641	4,409,892	736,332	5,146,224	6.0%	1.0%	7.0%	$58.63	1,004,251
Plaza District	84,543,385	6,004,490	701,791	6,706,281	7.1%	0.8%	7.9%	$96.72	117,398
Times Square	44,697,625	3,654,135	393,525	4,047,660	8.2%	0.9%	9.1%	$81.98	378,568
U.N Plaza	4,293,523	159,842	17,883	177,365	3.7%	0.4%	4.1%	$58.38	-40,216
Grand Total	**485,092,115**	**40,133,836**	**6,067,252**	**47,996,088**	**8.3%**	**1.3%**	**9.5%**	**$77.41**	**3,415,779**

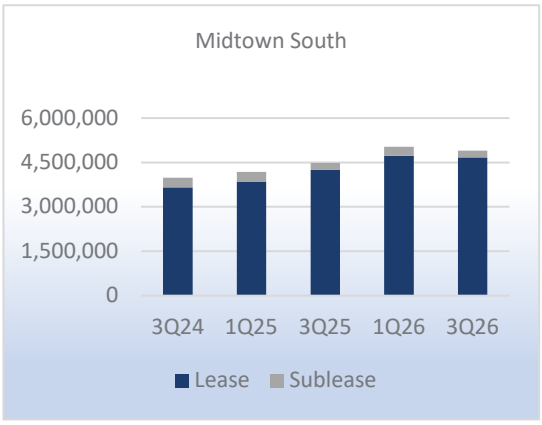
Source: Costar - Buildings 75,000 SF and larger; vacancy and absorption calculations based upon move-in date versus deal signing date
Newmark, Cushman & Wakefield, Colliers

Retail Bi-Quarterly Vacancy Statistics At a Glance

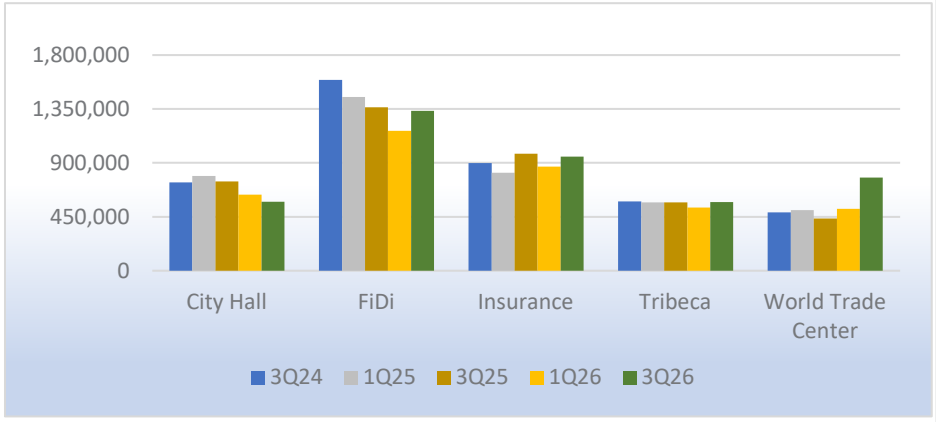
3Q 2024 - 3Q 2026

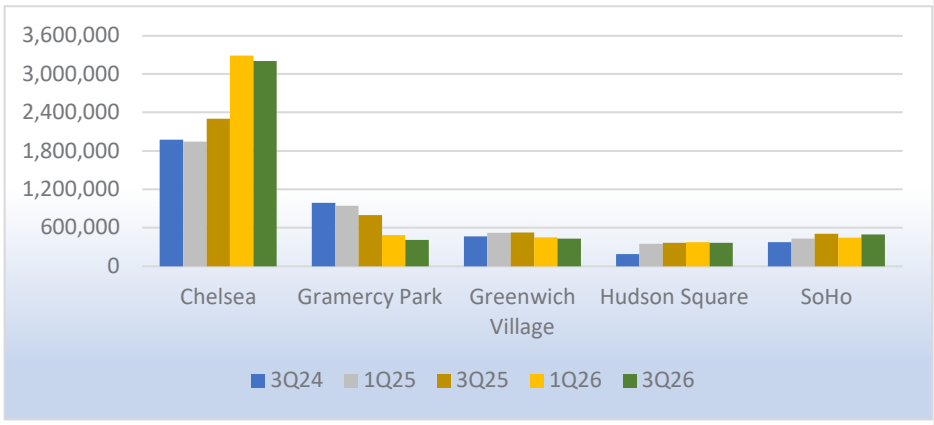
Submarket

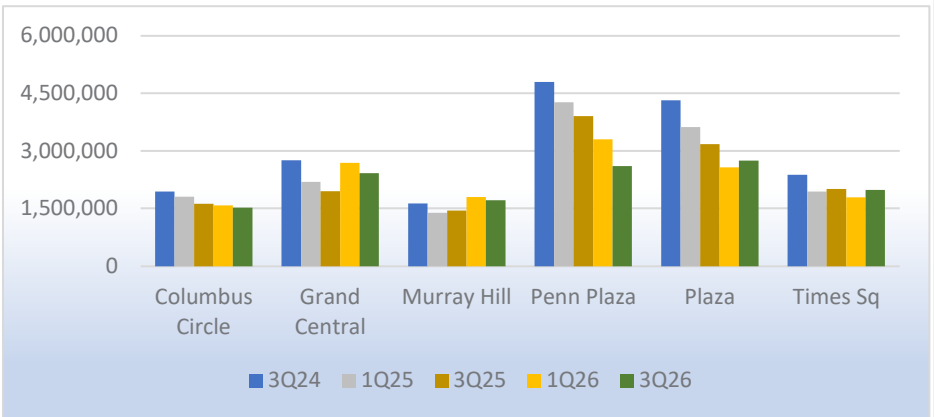




Vacancy by District





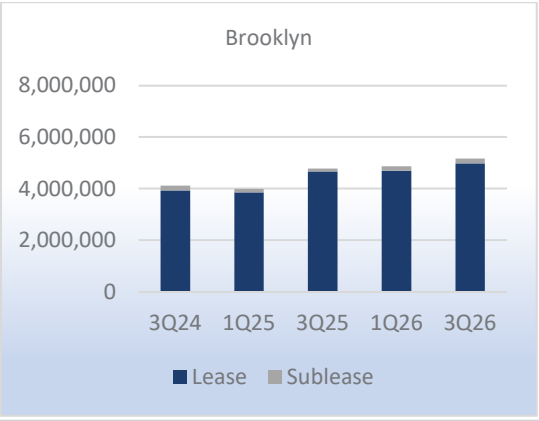


Source: Costar data

Retail Bi-Quarterly Vacancy Statistics At a Glance

3Q 2024 - 3Q 2026

Submarket



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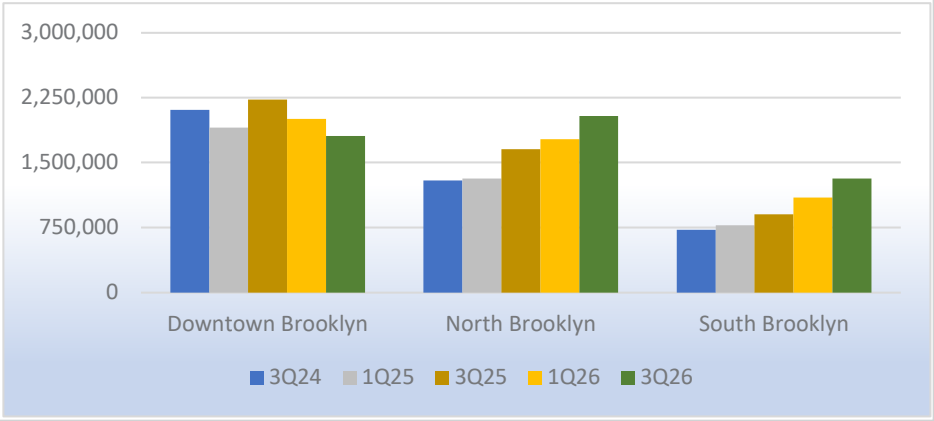

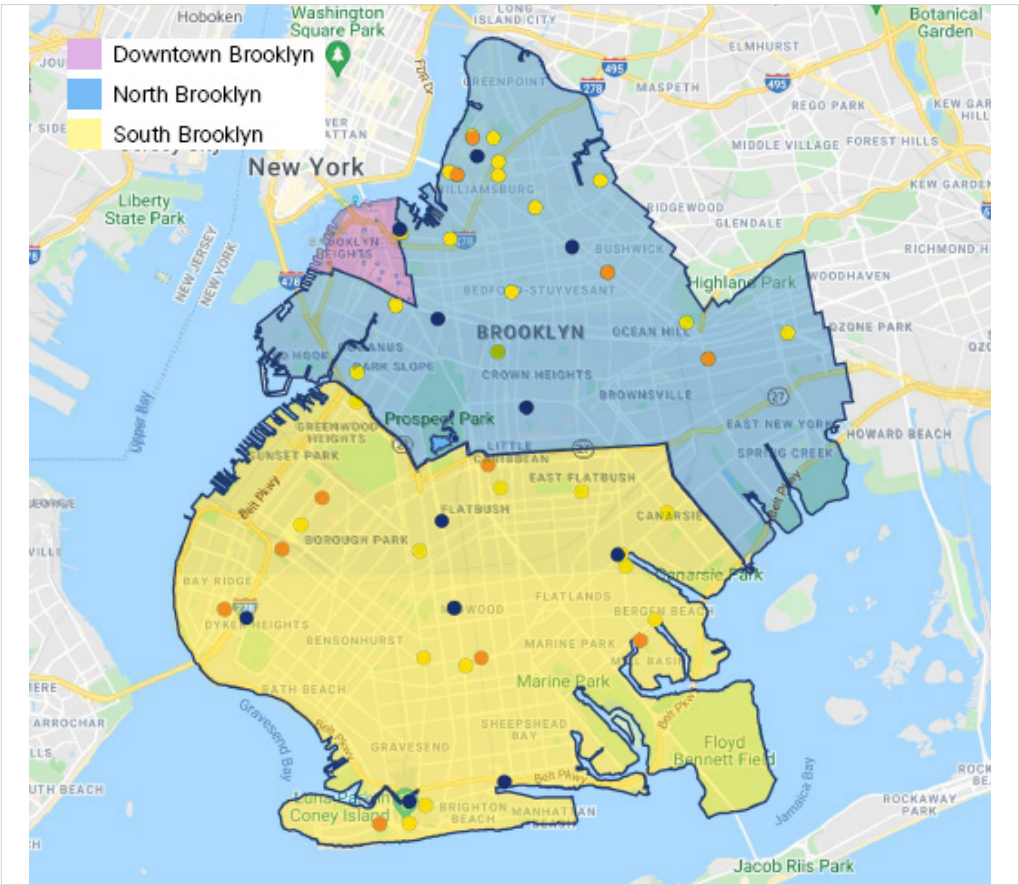

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Retail Bi-Quarterly Vacancy Statistics At a Glance

3Q 2024 - 3Q 2026

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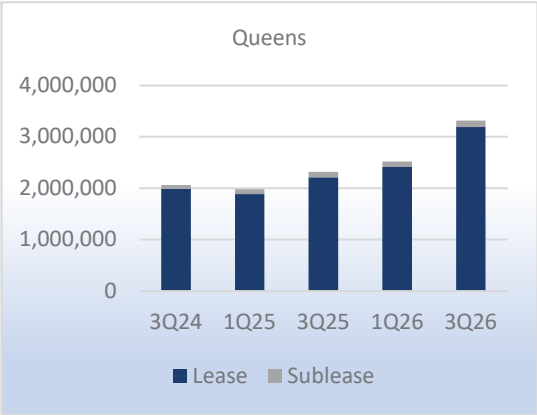

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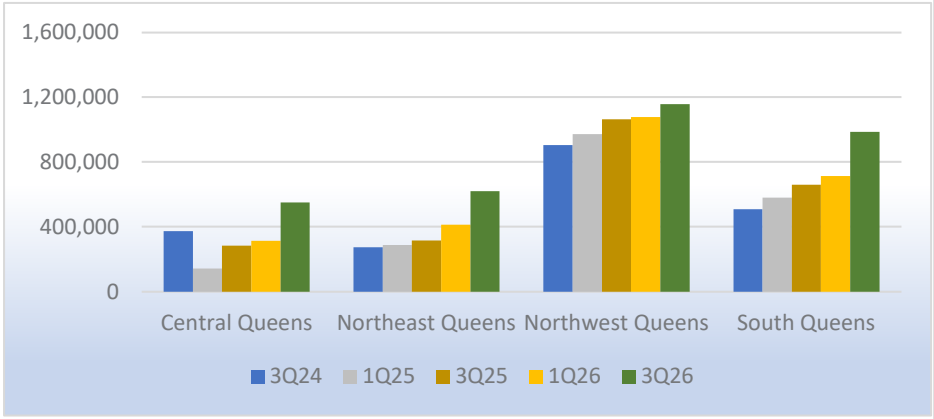

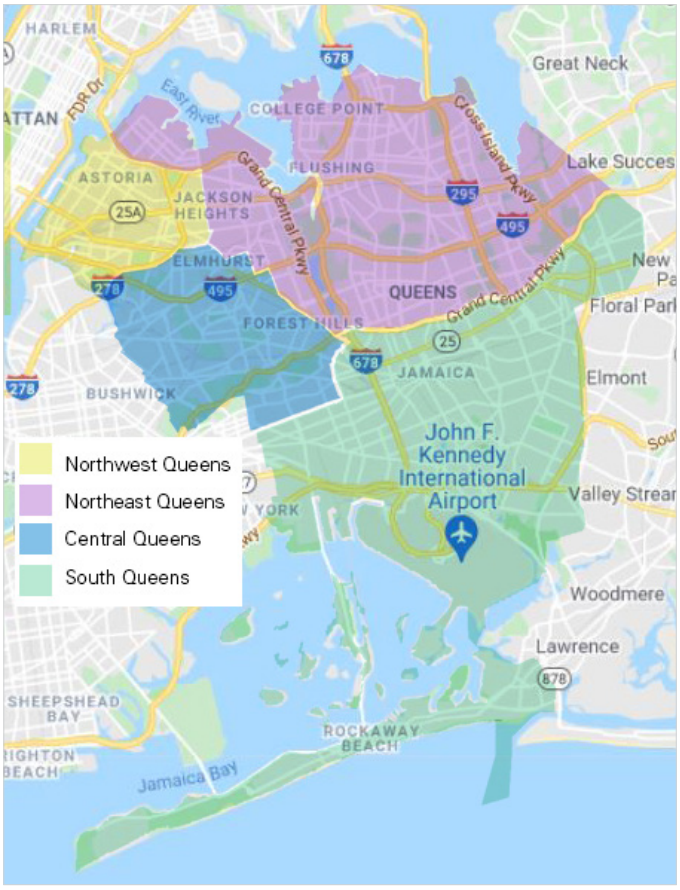

Source: Costar data

For More Information Please Contact:

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