RDE Advisors, Inc.

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MANHATTAN OFFICE MARKET REPORT

RDE ADVISORS, INC. · TENANT REPRESENTATION

PREPARED FOR TENANTS · MIDTOWN SOUTH · MANHATTAN

CHELSEA

ASKING RENT · SUBMARKET	FREE RENT	TI ALLOWANCE	AVAILABILITY RATE
$67.40 /SF	12+ mos	$150 /SF	15.6%
+3.2% YoY · ~13% below $77 metro	On long-term quality deals · flat YoY	Quality long-term deals · plateaued	vs 13.0% metro · down from ~21% 2024 peak

MARKET SNAPSHOT

A structural discount to Midtown — with concessions still at cycle highs.

Where you have leverage. Chelsea asks about **$67/SF — ~13% below the $77 Manhattan average** — yet landlords keep writing big checks: long-term quality deals carry **12+ months free and $150/SF TI**. Over 70% of inventory is 3 Star, so the value play is real — side-street floors trade high-$40s to low-$60s, and large blocks sit in older assets (Starrett-Lehigh alone has >1M SF).

Where you don't. Demand has turned hard — **eight straight quarters of positive absorption, the best run since 2018**, with 663K SF leased in 26Q1 (7% above the 5-year average) and financial occupiers arriving in size (Ramp +153K SF at 28-40 W 23rd). Availability is down to 15.6% from a ~21% 2024 peak; the headline 23.6% in 4 & 5 Star product is half just-delivered or under-construction space.

Why timing matters. The pipeline is nearly empty — just **200K SF under construction** (220 Eleventh Ave, delivering 2027), down 70% from the metro peak — and the 1.1M SF Terminal Warehouse (25Q3) was the last major add. CoStar's baseline has vacancy falling through 2026 and rent growth of only 1.5–2%, so today's already-plateaued concessions are unlikely to get richer.

Net read. Tenants signing 7–10 year terms in the next 6–9 months should capture this cycle's best package at a structural discount to Midtown. Hold out for 12 months free and $150 TI on quality space; on 3 Star floors, push on free rent and buildout while the blocks last.

TENANTS IN THE MARKET — CHELSEA

- **Palantir Technologies** — ~300K SF, 620 Sixth Ave (CBRE)
- **NBCUniversal** — ~200K SF expansion; toured Terminal Warehouse
- **Datasnipper** — ~20K SF, 229 West 28th Street (JLL)
- **Crossmedia** — ~20K SF, 275 Seventh Avenue (Cresa)

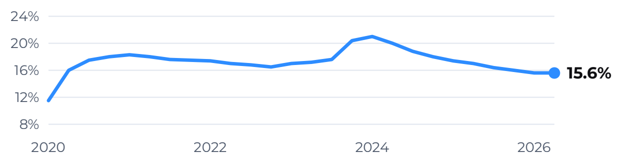
CONSTRUCTION & RENOVATION WATCH

- **220 Eleventh Ave** — 200K SF, the submarket's only project under construction; fully available, delivers 2027
- **Terminal Warehouse** — 1.1M SF full-block conversion (L&L + Columbia); delivered 25Q3
- **520 W 20th** — renovation added floors; now fully leased
- **50 Ninth Ave** — renovation; still >70% available

CoStar (6/16/2026); Commercial Observer; Crain's New York Business

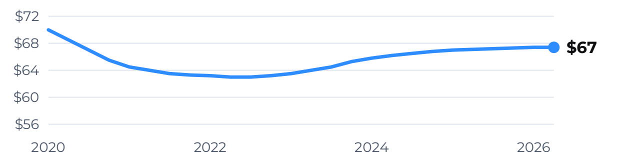
AVAILABILITY RATE

Submarket overall — 6-year trend



MARKET ASKING RENT / SF

Submarket overall — 6-year trend



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SPACE OF THE MONTH

Terminal Warehouse — 601 West 27th Street · West Chelsea

SIZE	STORIES	DELIVERED	ASKING
1.1M SF	7	25Q3	$90s

COOKFOX's adaptive reuse of the 1891 full-block freight warehouse on the West Side Highway at West 27th–28th. L&L Holding and Columbia Property Trust carved a **130,000 SF courtyard** from the core, added a glass crown, and brought ground-floor shops and restaurants. Seven stories of oversized, column-light floor plates — rare in Manhattan and built for tech and creative occupiers. **Chime signed 84,000 SF**; delivered 25Q3.

RECENT TENANT DEALS

What Tenants Actually Paid

ADDRESS	TENANT	FLOOR	SF	START RENT	FREE	TI	TERM
28-40 West 23rd Street	**Ramp**	E2-6, PH	153,000	$93	9	—	—
85 Tenth Avenue	**Telehouse**	E7	59,363	$93	3	$0	5 yr
675 Avenue of the Americas	**Candid Health**	P3	28,687	$55	6	—	—
205 West 28th Street	**Superstate**	E8	8,685	$100	5	—	5 yr
44 West 28th Street	**Aircall**	E14	12,083	$46	7	$0	10 yr

Sources: CoStar Chelsea Office Submarket Report (6/16/2026) · RDE Advisors lease-comp database · Commercial Observer; Crain's New York Business

EVALUATING YOUR OFFICE?

We'll get you a list of qualified options in 24 hours.

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RDE Advisors is a full-service real estate advisory firm headquartered in NYC.

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