Q2 2026
LOWER MANHATTAN REAL ESTATE

DOWNTOWN ALLIANCE

THE ALLIANCE FOR DOWNTOWN NEW YORK

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LOWER MANHATTAN REAL ESTATE MARKET REPORT

EXECUTIVE SUMMARY

Lower Manhattan's office market showed strength in the second quarter with 1.14 million sq. ft. of leasing activity. Several prominent tenants representing industries that have long served as the backbone of Lower Manhattan's economy signed large leases and helped power the market to its second strongest Q1-Q2 performance since 2019. Asking rents for Lower Manhattan office space continued to increase while maintaining a substantial pricing advantage over similar Midtown space. The neighborhood's already diverse set of dining, entertainment and shopping options continued to grow with over two dozen new businesses opening in the quarter. And Lower Manhattan welcomed seven new and unique small shops sponsored by the Downtown Alliance's RE:Store pop-up retail program. Lower Manhattan also welcomed millions of visitors from across the city and around the world to celebrate the New York Knicks' historic championship run as well as the FIFA World Cup and America250 festivities.

Leasing Activity Rebounds

Lower Manhattan's second quarter leasing totaled 1,140,000 sq. ft., a 26% increase over the first quarter and a 48% jump over Q2 2025. Leasing activity outpaced the five year average by 36%, marking the sixth straight quarter that Lower Manhattan has outperformed this benchmark.

Several longtime Lower Manhattan tenants inked substantial leases and helped buoy the market to its second strongest first half since 2019. Prominent law firm **Cleary Gottlieb** signed the largest lease of the quarter, a nearly 476,000 sq. ft. deal that will relocate the firm to new space within its existing home at 1 Liberty Plaza. Also at 1 Liberty, **AON Insurance** renewed its lease for 201,000 sq. ft. of space. Other prominent leases include the **NYC Board of Education Retirement System's** 78,000 sq. ft. expansion at 55 Water St. and **Norm AI**, an artificial intelligence powered legal and compliance firm which moved from 7 World Trade Center to a new 64,000 sq. ft. space at 1 World Trade Center.

Lower Manhattan saw a very strong quarter with 2,160,000 sq. ft. of positive absorption. Several newly announced office-to-residential conversion projects helped return the district to positive net absorption this quarter. Strong office leasing nevertheless accounted for 890,000 sq. ft. of Lower Manhattan's positive absorption for the quarter.

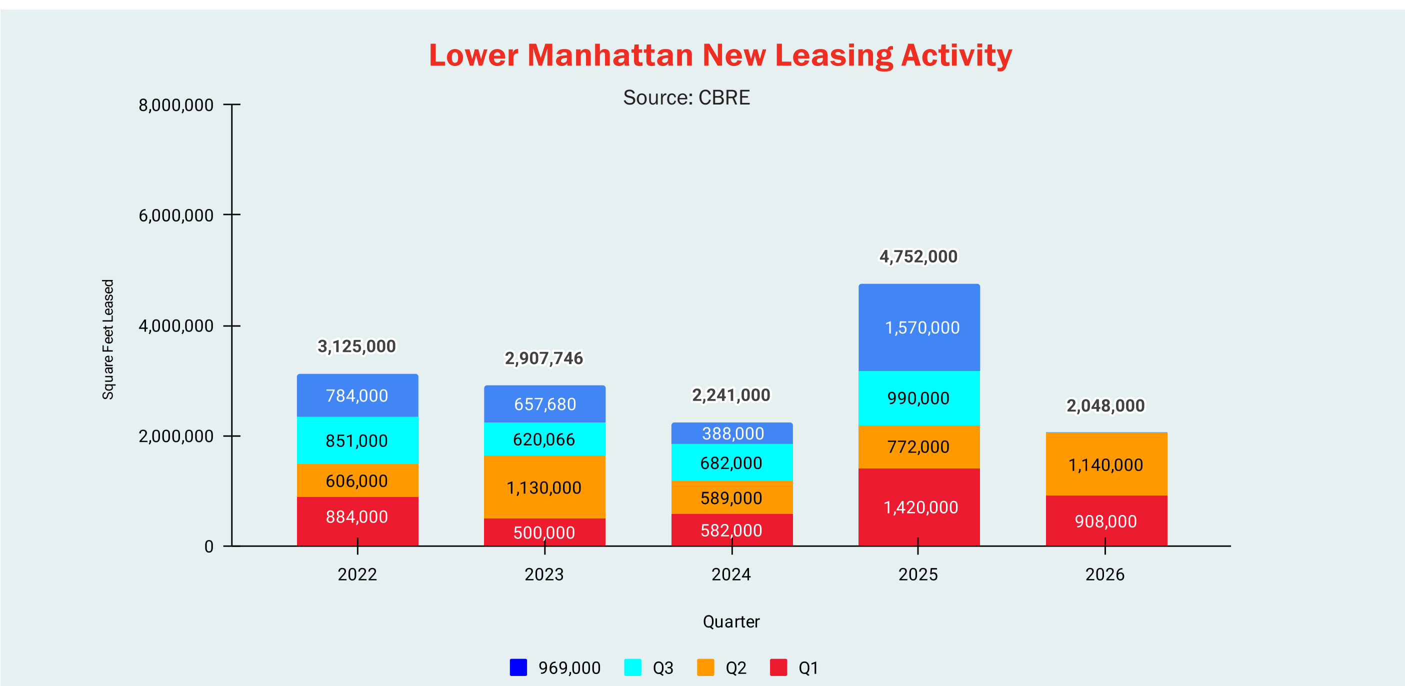
Manhattan's office market as a whole combined for 7,880,000 sq. ft. of leasing activity in the second quarter, 24% above the five year quarterly average. Midtown leasing totaled 4,550,000 sq. ft. for the quarter, 8% above the first quarter and a 20% improvement year-over-year. Leasing continued to be strong in Midtown South as well with 2,190,000 sq. ft. of activity, which, while down 10% from the second quarter in 2025, was still 50% above the five year quarterly average for the submarket and 15% better than the first quarter.

Relocations Slow Dramatically

Four businesses relocated to Lower Manhattan in Q2 totalling 24,843 sq. ft., which represents a 78% decrease over the quarter and 76% decrease year over year. No relocation deal in the second quarter exceeded 7,000 square feet. The largest relocation was a 6,626 sq. ft. lease at 39 Broadway for **Independence Point Advisors**, a woman-owned investment bank relocating from Midtown. Three of the four relocations last quarter were finance or real estate firms.

Professional Services Leads Leasing in Q2

Professional services firms, particularly in the legal sector, lead leasing activity in Q2. This industry has a long presence in Lower Manhattan. Professional services



Top Leases, Q2 2026

	Tenant	Address	SF	Transaction Type	Sector
1	**Cleary Gottlieb**	1 Liberty Plaza	475,960	Renewal, Expansion	Professional Services, Legal
2	**NYC Board of Education Retirement System**	55 Water St.	78,079	New Lease	Government
3	**Norm AI**	1 World Trade Center	64,313	Expansion	TAMI, Technology
4	**ADAPT Community Network**	80 Maiden Ln.	61,554		Nonprofit
5	**London Fischer LLP**	59 Maiden Ln.	58,164	Renewal	Professional Services, Legal
6	**Premium Merchant Funding**	1 NY Plaza	46,913	Sublet	FIRE
7	**Freshfields**	3 WTC	42,944	Renewal	Professional Services, Legal
8	**NYC Taxi & Limousine Comm.**	250 Broadway	39,000	New Lease	Government
9	**Ameriprise Financial**	1 WTC	37,704	Renewal	FIRE
10	**Industrious**	1 Battery Park	26,781	New Lease	Professional Services, co-working

as a whole accounted for over 40% of leasing activity last quarter. Several law firms signed major leases and accounted for 45% of new leasing activity by square footage during Q2. The FIRE sector accounted for 23% of leasing activity in Q2

Lower Manhattan Vacancy Remains Stable

Lower Manhattan's vacancy rate remained steady despite substantial leasing activity this quarter. Downtown's overall vacancy rate finished Q2 at 22.3%, unchanged from the first quarter and down 0.5% year over year. The district's Class A rate finished Q2 at 21.5%, a marginal 0.3% drop over the first quarter and a small 0.6% improvement over Q2 2025.

The Midtown and Midtown South submarkets enjoyed substantial year over year vacancy rate improvements. Midtown's Q2 Class A vacancy rate improved 4.5% over the year to 15.7% and a more modest 0.7% over Q1. Overall vacancy in Midtown improved 4.1% compared to Q2 2025 and 0.6% over last quarter. Vacancy rates also improved in Midtown South. Class A vacancy for the subdistrict was 21.1%, a 4.4% year-over-year 2.6% quarter-over-quarter improvement. Overall vacancy improved as well. At 21.8% Midtown South's overall vacancy rate is 3.3% better year over year and a 1% improvement over Q1.

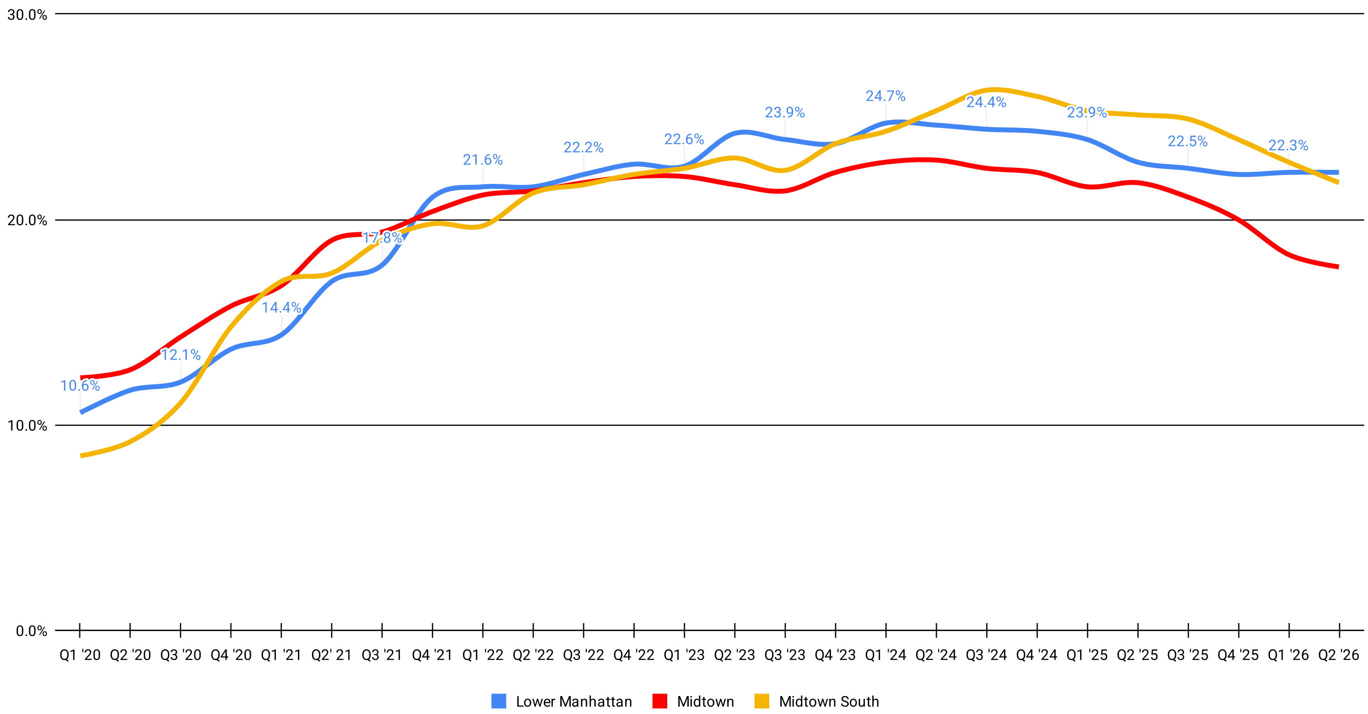
Class A Asking Rents Increase While Overall Asking Rents Remain Largely Stable

Lower Manhattan's Class A asking rent increased for the third consecutive quarter to $63.60, the highest Class A asking rent since Q2 2021. Class A asking rents increased 5.1% year over year and 3% compared to last quarter. In contrast, overall asking rents remained largely steady at $56.66, unchanged from Q1 and up 0.9% year over year.

Midtown Class A properties also enjoyed an increased asking rent of $88.50. This represents a 4.4% year over year and 2.2% quarter over quarter improvement. Midtown's Class A asking rent is the highest it has been since mid-2008. Lower Manhattan's Class A office space enjoys a 39% pricing advantage compared to similar Midtown space. Overall asking rents in Midtown improved 1.1% year over year to $76.98 and were unchanged from last quarter.

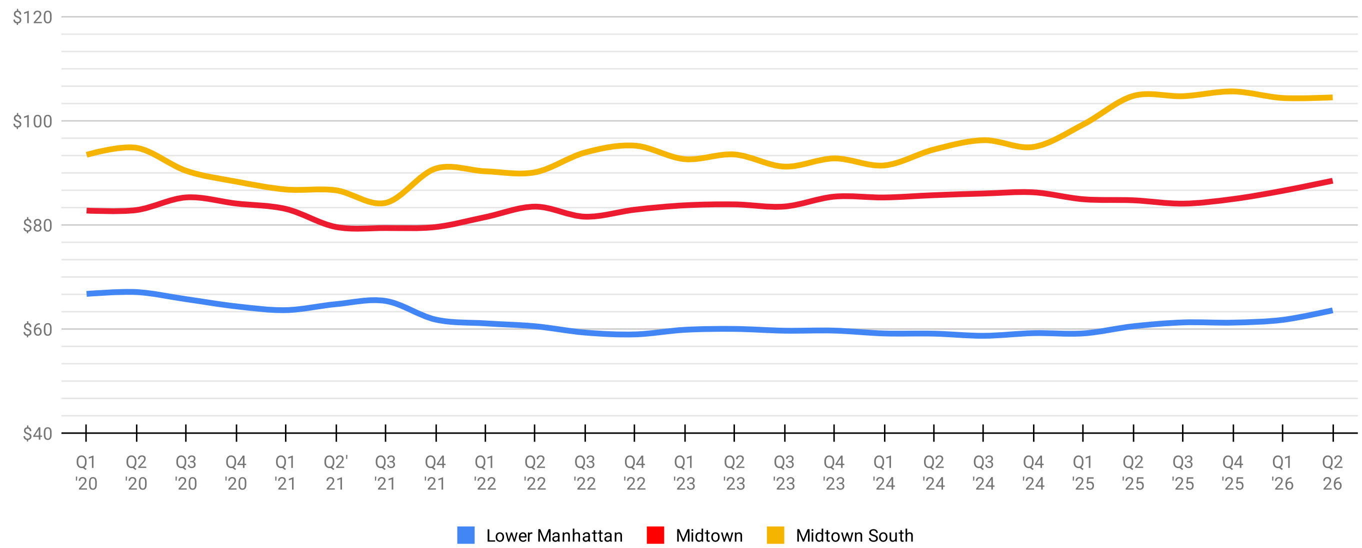
Average asking rents for Class A space in Midtown South were $104.5, a very modest 0.1% increase from Q1. While Class A asking rents declined 0.3% year over year, Midtown South still boasts the most expensive Class A asking rents in the borough. Overall rents for the submarket were stable at $81.14, a 0.2% increase over Q1 and a 0.2% decline from last year.

NYC Submarkets Overall Vacancy

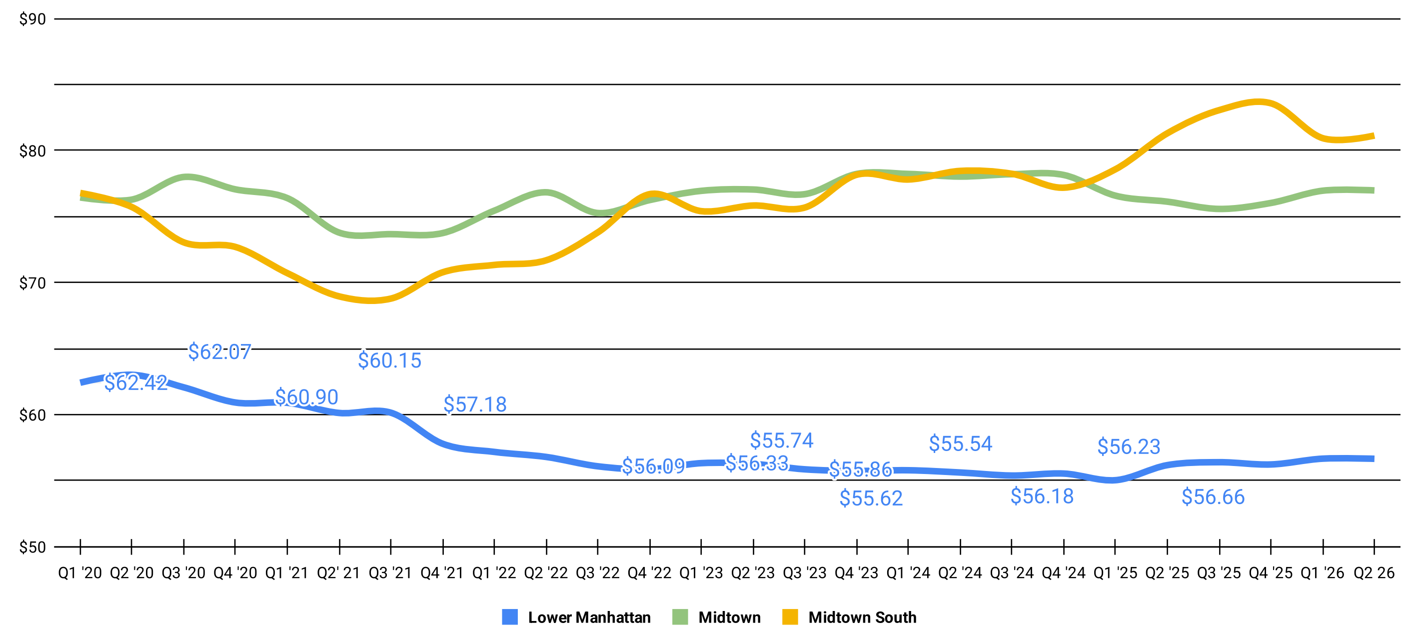


Class A Office Asking Rents by Submarket

Source: Cushman & Wakefield



Overall Office Asking Rents by Submarket



Property Sales

OFFICE:

Sales:

- **1 Whitehall Street:** Metro Loft Management and Quantum Pacific Group are in contract to buy the office building at 1 Whitehall St. for roughly $100M for an anticipated residential conversion. The Chetrit Organization property has been in foreclosure since last December.

RESIDENTIAL:

Sales:

- **267 Broadway:** The Rabsky Group acquired the troubled Tribeca development site at 267 Broadway for $30 million, planning a luxury mixed-use condo project on the long-vacant property that had been tangled in foreclosure proceedings since Roe Corporation defaulted on its mortgage in 2023.

Financing:

- **55 Broad St.:** RXR is leading a $500 million recapitalization of the residential conversion at 55 Broad St. in a joint venture with developers Silverstein Properties and Metro Loft Management.

RETAIL MARKET

Lower Manhattan welcomed 26 new retail establishments to the neighborhood during the second quarter of 2026. Almost 80% of the openings consisted of food and beverage establishments. Some notable openings include:

- **One Flight Up,** a new jazz club featuring live performances and an elevated bar experience at 108 Greenwich St.
- **Six Coasts,** a new outdoor bar and eatery featuring Lower Manhattan skyline views on Governors Island.
- **Yamasaki,** a Japanese restaurant and cocktail bar at 25 Broad St.
- **Cork,** a second location for a popular TriBeCa wine bar at 193 Front St.
- **Gardenia Boutique Flower Shop,** a family-owned flower shop with a location on Fulton Street has opened a second downtown store at 15 William St.
- **Viva la Dough,** a popular Kosher bakery, has opened a Lower Manhattan outpost at 160 Broadway.

Sadly, 14 retailers closed in the second quarter, including:

- **Pasanella & Son Vintners** - 115 South St.
- **Taim** - 75 Maiden Ln.
- **De Janeiro** - 27 William St. & 78 Nassau St.
- **Pret-a-Manger** - 100 Church St.

Looking ahead, dozens of new retail locations are coming soon. Notable additions include:

- **Public Records**, a popular Brooklyn music venue, bar and vegan cafe is expected to open at **219 Water St.** at the Seaport in 2027
- **Willett's NYC** at 21-25 Fulton St. in the Seaport District will span two floors and contain multiple bars and restaurants.
- **Uniqlo** at **Westfield WTC** (in the former H&M space) is set to open in 2026.
- **The Ellis**, a restaurant in the newly opened **Wagner Park**, is set to open in 2026.
- **Carnegie Diner & Cafe**, the famed NYC eatery is planning to open two Lower Manhattan locations at **33 Maiden Ln. & 200 Chambers St**.
- **The Balloon Museum** is set to open at the Tin Building in summer 2026 at **Pier 17**.
- **KidStrong**, an indoor playground chain offering science-backed kids' fitness programming is planning to open at 77 Greenwich St.

Making Way for What's Next: RE:Store Launches 7 New Retail Businesses in Lower Manhattan

It's no secret that the rise of e-commerce, changing consumer spending patterns post-Covid and broader macroeconomic issues have created a cascading series of challenges for small retailers. Despite Lower Manhattan's strong recovery from Covid, parts of the neighborhood continue to experience stubbornly high retail vacancies.

Earlier this year the Downtown Alliance launched an innovative new program called RE:Store to help address this problem. Over 360 businesses applied for the program, which offers qualified retailers a free three month retail pop up in Lower Manhattan. Selected businesses also receive a $15,000 grant to help with build out as well as marketing support.

Working in partnership with KF Braun Management, Seaport Entertainment Group, Capital Properties/Trinity Center and the MTA we have welcomed 7 new, unique small businesses to Lower Manhattan. These retailers will be open through Labor Day. RE:Store program participants include:

- **Brooklyn Craft Company's Summer in the City (225 Broadway):** Brooklyn Craft Company has opened their first Manhattan location and transformed a former First Republic bank branch into a mecca for knitters, crocheters and crafters of all kinds.

- **New York Food Stories by Kitchen Arts and Letters (111 Broadway):** Long running Upper East Side cookbook shop Kitchen Arts and Letters has activated a vacant retail space at 111 Broadway with a new retail concept focused on cookbooks from NYC based authors and restaurants. The pop-up is also hosting a well attended event series.

- **Plus BKLYN: Bigger in Manhattan (2 Broadway):** Plus BKLYN, a Greenpoint vintage clothing retailer has transformed a former Verizon store at the MTA's Lower Manhattan headquarters. The business is NYC's only vintage clothing store catering to plus-sized women.

- **Dimorae Home & Francis's World: Living with Art (190 Front St.):** A former pizza shop in the Seaport District has been re-imagined by two Brooklyn based brands as a warm and inviting space for curated art, design and home goods.

- **Element Brooklyn: Gallery of Scent (192 Front St.):** Element Brookly, a Bushwick based manufacturer and retailer of refillable luxury soaps, candles and other scented products has created an innovative "Gallery of Scent" in the Seaport District. Customers are invited to create their own scent profiles and can also participate in candle making and other workshops.

- **The Numero Group NYC Pop-Up (186 Front St.):** Numero Group, a Chicago based archival record label, has opened a music shop selling vinyl records, CDs, cassettes and music related merchandise. Numero Group's extensive catalogue highlights exceptional but little known artists from across a variety of genres.

A Historic Start to Summer in Lower Manhattan

June 2026 may be remembered as one of the most jam-packed and exciting months Lower Manhattan has experienced in years. From a thrilling ticker tape parade to an epic celebration of America's 250th birthday, Lower Manhattan was buzzing with activity for weeks.

June's excitement began with the first match of the 2026 FIFA North American World Cup on June 11. The historic football tournament included eight matches played at New Jersey's MetLife Stadium. Lower Manhattan's streets were filled with soccer fans from around the world, many of whom took advantage of numerous free outdoor viewing options around the neighborhood as well as countless watch parties at our local bars and restaurants.

Sports fever wasn't restricted to the Beautiful Game. The New York Knicks electrified the city with a historic championship run, besting the San Antonio Spurs in thrilling fashion to win their first NBA Championship in 53 years. The citywide celebration culminated on June 18 with a once-in-a-generation ticker-tape parade up Broadway. More than 2 million joyous fans are estimated to have packed Lower Manhattan's streets for the historic event.

And last but not least, Lower Manhattan played a starring role in the nation-wide festivities celebrating the semiquincentennial of American independence. Despite a major heatwave, huge crowds came downtown to enjoy a maritime celebration featuring 47 tall ships, 50 U.S. and allied naval vessels and over 150 aircraft, as well as the always spectacular Macy's 4th of July Fireworks.

While a full analysis of this summer's impact on NYC's broader tourism and hospitality economy has yet to be completed, it is clear that these events had a substantial benefit for many businesses. Anecdotal reports indicate that food and beverage operators enjoyed significantly increased sales. Average daily room rates for Lower Manhattan hotels increased 20% in June and July compared to the same period last year. And pedestrian traffic in the neighborhood increased year over year by 14% on average and 15% on weekdays through June and July.

HOTEL & TOURISM MARKET

Lower Manhattan Attracts 10.3 Million Unique Visitors in 2025

Lower Manhattan continues to draw significant visitation in the post-pandemic era. The district welcomed 10.3 million unique visitors (defined as any Lower Manhattan visitor who neither works nor lives downtown) in 2025, maintaining a strong recovery from the pandemic years. Of those, 8.1 million were tourists (defined as people living outside the NYC metro area). While these figures represent decreases from 2024's 11.3 million unique visitors and 9.3 million tourists, respectively, they remain well above the levels seen during and immediately after the pandemic.

The share of unique visitors coming from NYC remained steady at 12%, consistent with 2024. The share of domestic visitors from beyond the NYC metro area grew to 27%, up from 24% in 2024, suggesting increasing interest from travelers across the country. The share of visitors from the NYC suburbs held steady at 5%.

International tourists continued to represent the largest share of overall visitation at 56%, though this reflects a decline from 59% in 2024. Despite this dip, the district's international reach remains close to 2019's pre-pandemic share of 61%. Countries with the highest visitor share were again in Western Europe — the United Kingdom, followed by Germany, France and Italy. Notably, Canada dropped from a top-four feeder country to eighth place, while Mexico and Brazil also featured prominently.

Lower Manhattan Hotel Inventory and Development

The current hotel inventory in Lower Manhattan stands at **8,100 rooms** across **42 hotels**. Little Something, a new 172 room property located at 7 Platt St. and developed by the Moinian Group opened in Q2.

There is currently one hotel under development in Lower Manhattan:

- Chestnut Street Holdings and Silver Creek Development have partnered to redevelop the former Ritz Carlton Hotel located at **2 Little West St.** in Battery Park City. The $30 million project will turn the 40 story building into a 298 room hotel under the Marriott Luxury Collection portfolio and is scheduled to open in mid-2027.

Geographic Orgin	2019	2020	2021	2022	2023	2024	2025
International	**61%**	**13%**	**28%**	**55%**	**54%**	**59%**	**56%**
Other US	**29%**	32%	43%	27%	24%	24%	**27%**
NYC Suburbs	**3%**	12%	7%	5%	5%	5%	**5%**
NYC	**7%**	43%	22%	13%	17%	12%	**12%**

FIFA World Cup Delivers Mixed Results for Manhattan Hotels

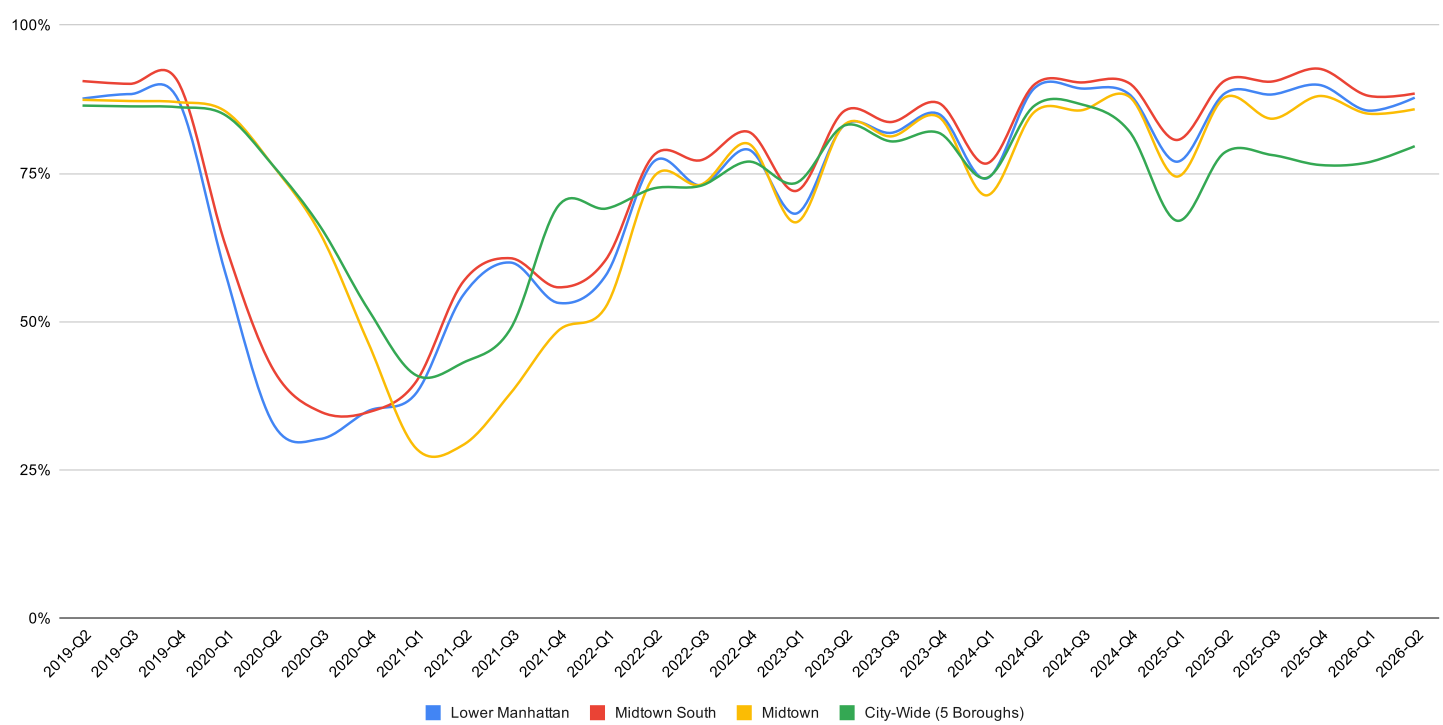
Lower Manhattan hotels boasted an average daily room rate (ADR) of $366.99 during Q2. This is the district's highest ever second quarter ADR and represents an 11% boost over Q1 and a 10% improvement over Q2 2025. Hotel pricing in the district was the second highest quarterly average since 2016. Lower Manhattan's aggressive second quarter pricing was likely driven by anticipated increased demand for rooms around the FIFA World Cup and mirrors Manhattan's other hotel markets, each of which set Q2 ADR records. The three Midtown markets averaged $397 a night for the quarter, up 8% over the year (though down 3% from Q1). Midtown East was the second quarter's priciest market with an ADR of $418.45

Occupancy paints a more nuanced picture of the World Cup's impact on tourism. While Lower Manhattan hotel occupancy reached 88% in Q2, a 2.2% improvement over the previous quarter, the district's occupancy declined compared to Q2 2026 by 1%. Likewise the three Midtown submarkets saw occupancy decline 2% year over year and grow by only 0.7% compared to Q1. Midtown East saw a 5% drop in occupancy compared to last year, the steepest percentage decline in the borough. Occupancy city-wide fared slightly better, growing 2.8% from Q1 to 80% and increasing 1% over Q1 2025. City-wide occupancy still fell 7% short of the last pre-pandemic Q2.

While overall occupancy for Q2 appears to have underperformed across all the Manhattan hospitality markets there was a noticeable uptick in occupancy from May to June, likely driven by the World Cup and celebrations around the American semiquincentennial. Lower Manhattan occupancy jumped 2.10% from May to June. Midtown West and Midtown South saw more modest increases of 0.6% while Midtown East occupancy declined by 0.6%. City-wide hotel occupancy increased 3.6% as the World Cup began.

Average Hotel Occupancy Across NYC Submarkets

Source: STR



RESIDENTIAL MARKET

Inventory and Development

Lower Manhattan has 37,283 units in 351 residential buildings. There are currently 4,211 units under construction in 8 buildings and a further 6,915 units planned for development. About 71% of under construction and planned units are slated to be rentals while 29% will be condos. Office-to-residential conversions account for 68% of planned or under-construction residential units. No new projects were completed in Q2.

One new conversion project entered the pipeline and is expected to add 220 units to Lower Manhattan's residential inventory:

- **17 Battery Pl.:** The Moinian Group has announced an office-to-residential conversion at 17 Battery Pl. through the NYS 467m tax incentive program, transforming 150,000 sq. ft. into 220 apartments — 25% of which will be permanently affordable — with completion set in 2027. The project, which builds on Moinian's already-completed first phase of 138 units at the property, will also feature a rooftop terrace, redesigned lobby, and a Life Time fitness anchor.

New construction:

- **267 Broadway:** The Rabsky Group acquired the troubled Tribeca development site at 267 Broadway for $30 million, planning a luxury mixed-use condo project on the long-vacant property that had been tangled in foreclosure proceedings since Roe Corporation defaulted on its mortgage in 2023. The existing low-rise building on the site is planned to be demolished.

- **50-58 Cliff St.:** Announced during Q1 2026, Trinity Church, one of New York's largest landlords, unveiled plans to build 120 permanently affordable apartments near the South Street Seaport. The project is expected to cost $70 million and will sit on land leased to the nonprofit Settlement Housing Fund.


17 Battery Place


267 Broadway

- **8 Carlisle St.:** After excavation of 8 Carlisle St. was paused for almost a year, the site of the 64-story residential skyscraper has begun its ascent. And according to its most recent update, construction is rising quickly. 8 Carlisle is a 64-story, 789-foot residential skyscraper at the corner of Washington and Carlisle Streets in Lower Manhattan, which will yield 462 residential units and 7,000 square feet of ground-floor retail upon completion. Designed by Handel Architects and developed by Grubb Properties and Pink Stone Capital, the tower is expected to complete sometime in the second half of 2027.
- **250 Water St.:** In late 2021, the Howard Hughes Corporation was approved for an $850 million development project. It was reported that the firm would convert a parking lot into a 324-foot-tall building with 270 apartments (including 70 affordable units), class A office space, retail and community space. The project would generate $50 million in funding for the South Street Seaport Museum, with $40 million generated from the Howard Hughes project and another $10 million committed by the city. During Q3, real estate developer Tavros acquired the land at 250 Water St. for $143 million from Seaport Entertainment Group, much less than what SEG bought it for in 2018. Plans to expand the mixed-use project to include 600 rental units, 25% of which will be designated as affordable housing.
- **21 Park Pl.:** Plans were filed for a new high-rise residential building at 21 Park Pl., the former Tent & Trails building that collapsed in 2018.

Conversions:

Several major new office-to-residential conversion projects are underway as property owners look to take advantage of Manhattan's hot residential market and a favorable public policy environment. During Q2, one new conversion project was announced, bringing the total conversion pipeline up to 4,896 new units across 19 buildings either planned or under construction.

- **64 Fulton St.:** Flatiron Real Estate Advisors is looking to convert the 125-year-old 64 Fulton St. into 49 residential units spanning floors three to 11. The current plan calls for the units to consist of 18


Rendering of 250 Water Street by Skidmore, Owings & Merrill


80 Pine

studios, 22 one-bedrooms and eight two-bedrooms with two loft tenants remaining. The project will benefit from the city's $467 million tax abatement program to make 12 of the units affordable.

- **222 Broadway:** GFP Real Estate and Texas Pacific Group (TPG) are converting the 31-story, 756,138 sq. ft. office building into 798 apartments. The project is estimated to cost $43.6 million. GFP purchased the property from Deutsche Bank's asset management arm for $150 million, which is less than a third of the $500 million the bank paid for the building in 2014. As of Q2, the project is now under construction. It will house 798 rental apartments and 40,000 sq. ft. of commercial space. A sidewalk shed has been assembled along the first story as crews begin work on the façade from suspended scaffolding rigs.
- **111 Wall St.:** Nathan Berman's Metro Loft Management and InterVest have sealed a roughly $867 million construction loan to convert the office tower at 111 Wall St. to residential use. The 1.2 million sq. ft. building will be transformed into 1,500 rental units. Construction on the building has commenced, with the first units anticipated to become available in 2026.
- **77 Water St.:** The Vanbarton Group agreed to purchase Sage Realty's property at 77 Water St. for approximately $95 million. It intends to convert the 26-story office building into up to 600 residential units.
- **80 Pine St.:** Joseph Hoffman's Bushburg has bought 80 Pine St., a 1.2 million sq. ft. office building, for $160 million. According to permits from the Department of Buildings, the developer plans to convert the 38-story office tower into a partial residential building. The building's exterior windows will also be replaced, and there will be parking for 260 bicycles. The estimated construction cost is around $40 million. Bushburg secured a $320 million construction loan for the project. Bridge City Capital and Deutsche Bank provided the financing for Bushburg's efforts. The building is projected to contain 713 rental apartments.
- **2 Wall St.:** 2 Wall St. is undergoing a significant transformation. The owner, Fieldston Capital, is planning to convert the upper floors of the 21-story building into 169 residential apartments with a pool and golf simulator.
- **40 Exchange Pl.:** GFP Real Estate is set to begin an office-to-residential conversion of 40 Exchange Pl., a 20-story Classical Revival building, transforming its 300,000 sq. ft. into 382 rental apartments with ground-floor retail and a portion dedicated to affordable housing. The developer has secured $191.5 million in construction financing and plans to utilize federal and state Historic Rehabilitation Tax Credits along with NYC's 467-m program, which provides a 35-year tax abatement on the property.
- **5 Hanover Sq.:** David Werner Real Estate Investments and developer Sam Fisch Development secured $61 million of acquisition financing coming from 99c to purchase 5 Hanover Sq. Given Werner's recent track record of converting aging office buildings into apartments, a partial residential conversion is likely. 5 Hanover Sq. is poised to be part of Werner's growing portfolio of discounted office assets being repositioned for residential use.
- **30 Broad St.:** The Continental Bank Building at 30 Broad St. is now set for a residential conversion. The building would contain 521 rental units spanning 405,399 sq. ft. with 4,193 sq. ft. of retail space on the ground floor, occupied by two commercial units.
- **100 William St.:** Bushburg is reimagining 100 William St. into approximately 430 residential apartments.
- **1 Maiden Ln.:** Jeff Sutton's Wharton Properties is looking to convert The Cushman Building at 1 Maiden Ln. into 12 apartment units, according to plans filed with the Department of Buildings.
- **100 Wall St.:** Developers David Werner and Lloyd Goldman's BLDG Management Co. plan to convert part of the 465,000 sq. ft. office building at 100 Wall St. into apartments, according to New York City Department of Buildings filings.
- **75 Maiden Ln.:** CSC is planning a partial office-to-residential conversion at 75 Maiden Ln., according to initial plans filed with the New York City Department of Buildings.
- **14 Maiden Ln.:** Nine floors of 14 Maiden Ln. are being converted to residences and a retail space.
- **101 Greenwich St.:** Idan Ofer's Quantum Pacific

Group and Nathan Berman's Metro Loft Management acquired the 26-story office tower at 101 Greenwich St. in February and recently filed plans with the New York City Department of Buildings to convert the building into 614 units of housing.

- **40 Fulton St.:** Blue Fin Equities' Samuel Fisch filed conversion plans for the 234,553 sq. ft. building at 40 Fulton St., according to New York City Department of Buildings records. The filing calls for the 28-story, red brick facade building to be converted into a 30-story residential tower with 169 units.
- **99 Washington St.:** Hawkins Way Capital is converting the former 99 Washington St. Holiday Inn into a 650-bed multi-institution student dorm — serving schools like Pace, NYU, Baruch, Hunter and the New York Film Academy. Partial occupancy is already underway as construction continues through fall 2026 following the building's bankruptcy, foreclosure issues and brief use as a migrant shelter.
- **80 Broad St.:** Announced during Q1, Broad Street Development, the owner of the 37-story office building at 80 Broad Street, has filed plans with the New York City Department of Buildings to convert the property into a residential building with 326 units.
- **61 Broadway:** RXR is eyeing a complete conversion of 61 Broadway, transforming the building into 796 new units.

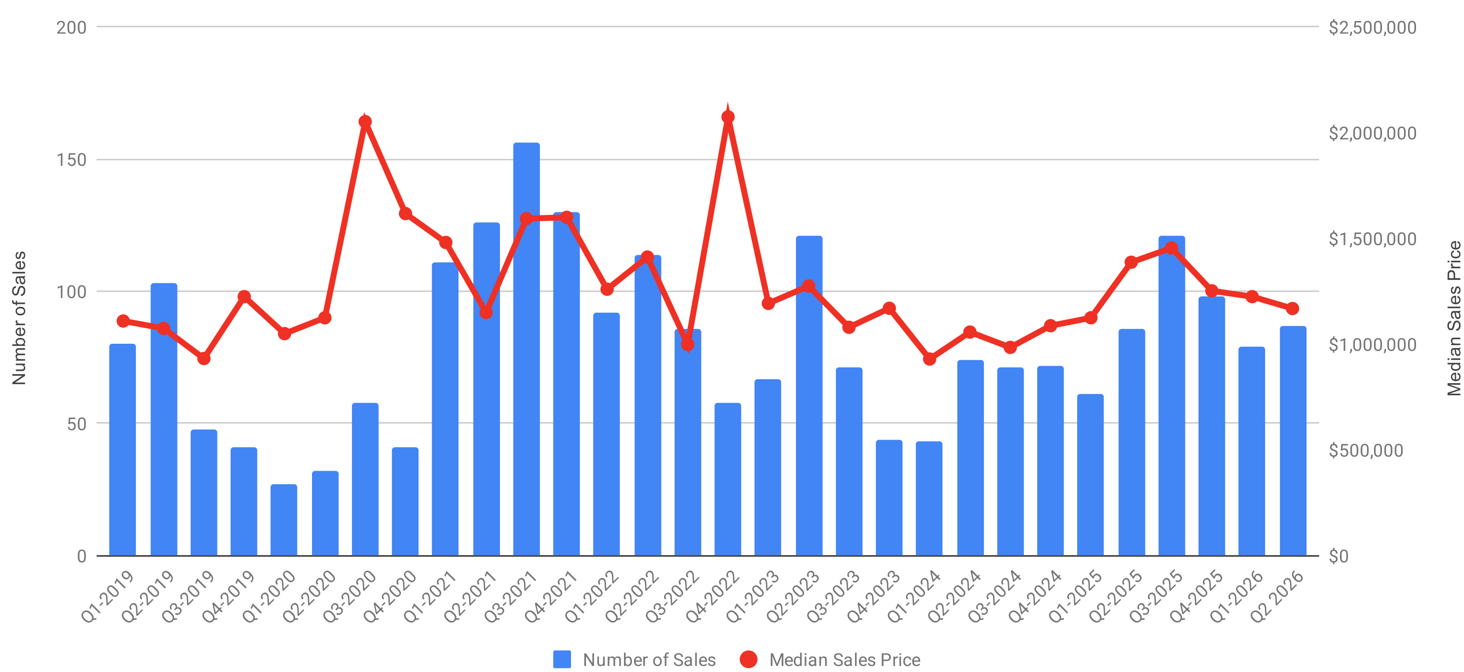
Lower Manhattan Condo Prices Decline

Lower Manhattan's median condo sales figure declined 4.6% from the first quarter to $1,168,750. Median condo sale prices have declined four quarters in a row and are down 15.8% compared to 2025. While prices did decline this quarter they remain 8.7% above 2019. The Lower Manhattan condo market also saw increased transaction activity in Q2 with 87 sales, a 10% increase over Q1.

The median condo sale price for Manhattan as a whole increased to $1,250,000, a 2% increase over Q1 and a 4.2% increase year over year. Sales activity in the borough also improved from the start of the year by 8% with 2,849 transactions closing in Q2.

Lower Manhattan Condo/CoOp Sales Volume vs. Median Sales Price

Source: Miller Samuel



MAJOR PROJECTS UPDATE

World Trade Center

In June, Mayor Mamdani joined leaders from the Port Authority of New York and New Jersey, the Governor's office and American Express to break ground on American Express' new world headquarters at 2 World Trade Center. This nearly 2 million sq. ft. tower will serve up to 10,000 employees, completing the commercial redevelopment of the World Trade Center campus. The new tower will rise 1,226 feet and is expected to be complete in 2031.

Pace University

In December 2022, Pace announced plans to renovate One Pace Plaza, adding new academic spaces, a modernized residence hall and a new performing arts center. The renovation will include the reconstruction of the lower floors of One Pace Plaza East and upgrades to the dormitory building at 182 Broadway. Construction is expected to be completed in 2026.

The Performing Arts Center at One Pace Plaza East will open in fall 2026. The project includes a 400-seat proscenium theater that will replace the Schimmel Center, a 150-seat flexible theater and a 99-seat indoor-outdoor black box theater. Rob and Pamela Sands gave a $25 million donation, which is part of a fundraising campaign that includes private donations and $30 million in state and federal funding.

The new building serves as a replacement for Pace's 50-year-old tower at One Pace Plaza East. 15 Beekman St. is the third property SL Green has built for Pace in the neighborhood. The developer previously built dorm buildings at 33 Beekman St. in 2015 and 180 Broadway in 2013. The building yields 213,084 sq. ft. and stands 338 feet tall. It is alternately addressed as 126–132 Nassau St.


Two World Trade Center

(Photo courtesy of New York Climate Exchange)

As of June 2025, major milestones included completing excavation and foundation work for the expanded Schimmel Theater, installing its new gridiron system and placing 80% of the building's infrastructure using one of the East Coast's largest cranes. Double-height spaces for the Garden Theater, black box theater and dance studios are now formed, while renovations to Maria's Tower modernize residential spaces.

Site 5

A partnership between Brookfield and Silverstein Properties received approval from the Port Authority and Lower Manhattan Development Corporation (LMDC) to develop Site 5 at the World Trade Center, also known as 130 Liberty St. The site recently served as a Port Authority police depot, and the southernmost area continues to function as a temporary public plaza.

The proposed 1.56 million sq. ft. tower includes approximately 1,300 rental apartments, 30% of which will be affordable. LMDC approved an override to city zoning rules in order to build a tower larger than local regulations allow. 5 WTC will also include roughly 10,000 sq. ft. of nonprofit community space to be occupied by the Educational Alliance, more than 190,000 sq. ft. of retail and office space and a connection to Liberty Park.

TRANSPORTATION INFRASTRUCTURE

Street Reconstruction

Greenwich Street reconstruction, between Barclay and Chambers streets, began in early 2022 and will be completed in spring 2027; the adjacent sidewalks at 240 Greenwich St. will also be redone in tandem. Vesey Street reconstruction, between Church Street and Broadway, began in September 2022 and will be completed in summer 2026. Nassau Street reconstruction, between Pine Street and Maiden Lane, will be completed in summer 2026. These projects will replace all underground infrastructure, including water mains, sewers, electric, gas and other utilities, as well as construct new streets and curbs.

Water Street Streetscape Improvements

The city began work on the streetscape and public realm enhancement project along the Water Street corridor in May 2021. The $76.6 million project will transform two temporary public plazas at Coenties Slip and Whitehall Street into permanent public spaces featuring new landscaping, seating and concessions. The project also includes new street trees, rebuilt sidewalks and enhanced pedestrian safety from Whitehall Street to Old Slip. The project is expected to be completed in spring 2027.

CLIMATE RESILIENCY

Resilient Infrastructure

Work continues on parts of downtown and Seaport Climate Resilience Master Plan, a resilient infrastructure plan released in 2021 to protect Lower Manhattan from future flooding. The master plan is part of the larger Lower Manhattan Coastal Resiliency strategy, with active capital projects in Battery Park City, the Battery and Two Bridges. The plan calls for the creation of a two-level waterfront park that extends the shoreline of the East River by up to 200 feet.

The upper level would be elevated by 15 to 18 feet to protect against severe storms, while doubling as public open space. The lower level would be a waterfront esplanade raised three to five feet to protect against sea level rise, while offering access to the East River shoreline.

While Mayor Mamdani recently committed $43 million in funding for the Bureau of Coastal Resilience which is tasked with operating floodgates and other infrastructure that is under construction in the Lower East Side, no funding has been identified to complete the critically needed Lower Manhattan Coastal Resiliency project.

Governors Island

New York City selected a consortium led by Stony Brook University to develop a $700 million, 400,000 sq. ft. climate research and development campus on Governors Island that will be called the New York Climate Exchange. The campus will include two new classroom and research buildings, student and faculty housing and university hotel rooms. The campus is expected to host 600 college students, 6,000 job trainees and 250 faculty members and researchers. In addition to Stony Brook University, the development consortium includes IBM, Georgia Institute of Technology, Pace University, Pratt Institute and Boston Consulting Group. Governors Island was rezoned in 2021 to allow for the campus. The Trust for Governors Island has expanded ferry service, running every 15 minutes, and added New York City's first public hybrid-electric ferry.

Financial District and Seaport Climate Resilience Master Plan