

June 1, 2026

[Link to Article](#)

COMMERCIAL REAL ESTATE

Massive law firm, Google deals put Manhattan office market on pace for best year since 2000



An aerial view of Manhattan (Adobe Stock)

By Julianne Cuba

Manhattan's long-suffering office market is on track to have its best year since 2000, thanks in part to two massive leases signed in May.

The law firm Simpson Thacher & Bartlett inked a 916,000-square-foot lease at 570 Fifth Ave. in Midtown, the second largest office lease of the year so far, while Google signed a 411,000-square-foot renewal for its space at 315 Hudson St. in Hudson Square, according to Colliers' May report on the sector. These deals contributed to 4.2 million square feet in total leasing volume last month, representing a 17.3% increase from April and exceeding May's 10-year monthly average of 2.8 million square feet by more than 50%, the report says.

Reports surfaced in the fall that Simpson Thacher would take about 700,000 square feet at landlord Extell Development's 570 Fifth Ave. project, which will also include [Manhattan's first Ikea](#). It is unclear why the law firm ultimately opted for more space. Neither Simpson Thacher nor Extell responded to requests for comment by press time.

Year-to-date, leasing activity in Manhattan climbed to 19.6 million square feet, almost a 10% increase over the 17.9 million square feet recorded during the same time period last year. If demand continues apace for the rest of the year, Manhattan's office market will hit its highest total leasing volume in 26 years.

“The rate of recovery in the Manhattan office market continued in May at a remarkable pace,” said Franklin Wallach, executive managing director of research and business development at Colliers. “Taken together with the healthy leasing volume earlier in the year, there is the potential for 2026 [to record] the strongest yearly demand in a quarter century.”

Meanwhile, supply fell to 69.2 million available square feet, its lowest level since October 2020 and 29.4% below the post-pandemic peak of 98.1 million square feet in February 2024. In turn, the availability rate decreased to 13.2% in May, down from 13.4% in April and 15.4% in May of last year.

The average asking rent also showed signs of improvement, increasing to \$77.76 per square foot last month from \$77.50 in April and \$73.49 in May 2025, according to the report.

Other notable leases in May included mass media company Versant’s 249,000-square-foot renewal and expansion at 229 W. 43rd St. and law firm Baker McKenzie’s 122,000-square-foot renewal and expansion at 10 Bryant Park, both in Midtown. The Manhattan neighborhood accounted for 56.1% of the borough’s monthly demand, well above its 44.6% share of the total inventory, according to Colliers.

Despite Manhattan’s strong leasing activity, office stock prices remain weak, likely as concerns about AI taking over jobs and reducing the need for office space continue to proliferate. Real estate giant SL Green, for instance, attributed its [record first-quarter leasing volume](#) in part to AI firms taking significant space at two of its buildings on Madison Avenue, but the company’s share price has also dropped by nearly 50% over the past 18 months, *Crain’s* has [reported](#).