



Scarcity at the top sends New York office rents beyond \$320 a square foot

Two new Manhattan leases follow year of record-setting deals



The 9 W. 57th St. tower in Manhattan just commanded what its landlord said is the highest-ever rent in the city. (CoStar)

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CoStar News

April 2, 2026 | 3:58 P.M.



The trend of deep-pocketed office tenants paying ever-higher rents in New York shows no sign of easing, as two recent deals have broken the threshold of \$320 per square foot.

A private international family office signed a 10-year lease averaging \$327.50 per square foot at 9 W. 57th St., landlord Soloviev Group said. The rent not only marks a record for the building but is also thought to be the highest office rent ever recorded in New York, according to Soloviev, which said the prior citywide high was \$320 per square foot.

The unidentified tenant will occupy 5,063 square feet on the northwest corner of the 50th floor, featuring the tower's best views of Central Park, Soloviev said. "The price speaks for itself," Stefan Soloviev, chairman of Soloviev Group, said in a statement. The firm didn't respond to requests from CoStar News for additional details.

A mile south, at SL Green Realty's trophy tower One Vanderbilt, artificial intelligence infrastructure firm Nscale recently signed a 7,204-square-foot, five-year lease with a starting rent of \$320 per square foot, according to JLL data. The London-based, Nvidia-backed

company was most recently valued at about \$14.6 billion, following a \$2 billion Series C funding round in March, a raise the firm described as the largest in European history.

The latest leases follow a surge in top-tier office deals last year, as tenants increasingly paid premium rents to secure scarce, high-quality space. Manhattan logged 313 office leases starting at \$100 per square foot or higher in 2025, including 28 deals that began at \$200 per square foot or more, [according to a JLL study](#). One Vanderbilt topped the list, with the highest starting rent last year at \$305 per square foot.

“There’s just so little space available in the top trophy buildings. ... Price is going to go up,” Evan Margolin, a vice chairman in JLL’s midtown office, said in an interview. “It’s all the flight to quality that we’ve been experiencing since people came back to the office. ... There’s a lot of demand and limited supply. People are willing to pay a premium. ... Office space is an important talent attraction and retention tool.”



SL Green Realty's trophy tower One Vanderbilt stands out on Madison Avenue in midtown Manhattan. (CoStar)

Manhattan’s trophy office vacancy rate averaged 6.3% in the first quarter, according to JLL. By comparison, the city’s overall office vacancy rate stands at about 13.3%, according to CoStar data.

What tenants are paying for, Margolin said, is often less about the individual office footprint than about the broader building experience. One Vanderbilt, which opened during the pandemic in 2020, is directly connected to Grand Central Terminal and features a 30,000-square-foot amenity floor, Michelin-starred dining by chef Daniel Boulud and the Summit observation deck.

Meanwhile, 9 W. 57th — a midtown tower built in 1974 and designed by Skidmore, Owings & Merrill — recently completed major upgrades to its lobby, elevators and building systems. It also added a

20,000-square-foot amenity floor with conference space, executive dining, a grab-and-go coffee bar and what Soloviev described as “unparalleled Central Park views.”

“There’s no building that has better exposure to Central Park” than 9 W. 57th, Margolin said. “It has the best views of Central Park. ... Many view Central Park as an amenity itself.”

The tower, known for its curved facade, counts Apollo Global Management and luxury brand Chanel among its tenants.

Top end leads leasing wave

Demand for high-end office space has continued to lead Manhattan leasing activity this year, brokerage reports show. First-quarter leasing volume totaled 12.4 million square feet, the strongest single quarter since the fourth quarter of 2019, according to a Savills study, which said activity was concentrated in Class A buildings. Trophy tower-led rent growth also helped push Manhattan’s overall asking rent up about 5% to \$78.36 per square foot last quarter.

As top-tier space tightens in midtown, some tenants seeking premium buildings are increasingly turning to Midtown South or Lower Manhattan.

The \$300 rent “is a phenomenon that’s going to be limited to the very best buildings,” Margolin said. “We aren’t seeing \$300 rent downtown. [But] now we are seeing \$100 rent in downtown for the very best buildings. ... Downtown is always the beneficiary of a tight midtown market.”

New York isn’t alone in seeing record pricing. Transamerica Pyramid in San Francisco recently signed what’s said to be a record-breaking deal of \$300-plus per square foot. “We are already starting to see these types of deals in other gateway markets,” Margolin said.

To be sure, while headline rents are climbing, Manhattan’s net effective office rents remain below pre-pandemic levels as landlords offer free rents and concessions, studies have found. Still, tightening supply at the top end of the market may begin to narrow that gap.

“We are seeing concessions come down,” Margolin told CoStar News. “Landlords are attempting to give less free rent than they were getting.”

For the record

The CBRE team of Howard Fiddle, John P. Maher, Gregg Rothkin, Alex Leopold and Tara Rhodes represented Soloviev Group in the 9 W. 57th St. transaction. Craig S. Berman, senior vice president, and Matt

Lawrence, senior associate, Joseph P. Day Realty, were Nscale's brokers in its transaction at One Vanderbilt.

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