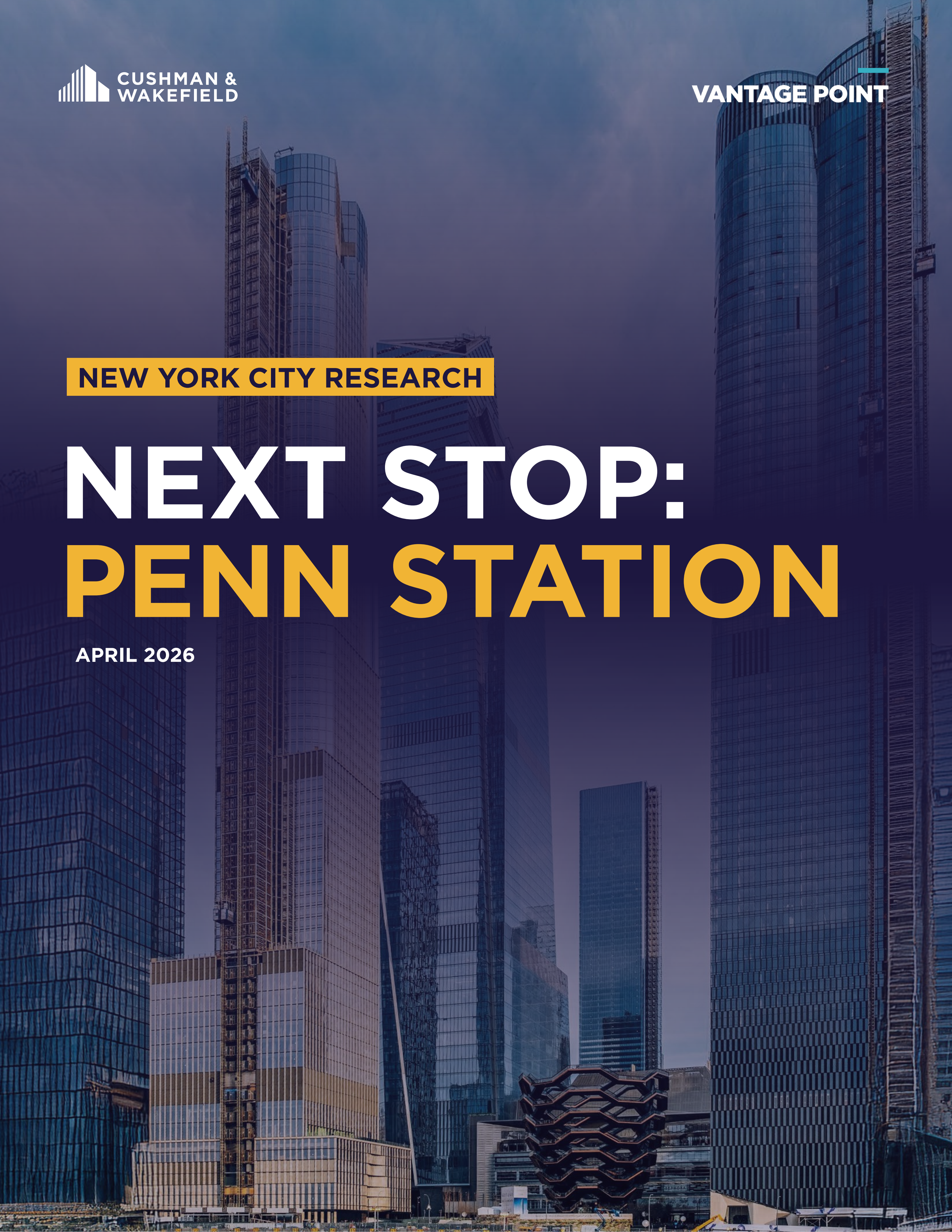


CUSHMAN & WAKEFIELD

VANTAGE POINT

NEW YORK CITY RESEARCH

NEXT STOP: PENN STATION

APRIL 2026

FROM TRANSIT CENTER TO MIGRATION MAGNET

Office relocation activity across Manhattan has remained robust since 2023, but it has become increasingly concentrated. Many tenants are not simply moving; they are making deliberate, strategic decisions about where to position their future growth.

Among the 612 office relocations recorded between 2023 and 2025 where a prior location was identified, 420 involved moves to another Manhattan submarket. Together, these relocations represented 14.5 million square feet (msf) transitioning across 20 submarkets. Notably, 67.7% of the relocations were concentrated within just five submarkets: Penn Station, Sixth Avenue/ Rock Center, Madison/ Fifth, Madison/Union Square, and Grand Central. Each of these submarkets has a vacancy rate below the Manhattan average, and four out of the five command above-average rents.

These trends indicate that many tenants continue to prioritize quality, location, and long-term growth over chasing lower-cost space. Within this competitive landscape, the Penn Station submarket has experienced a notable surge in demand, fueled by extensive building renovations and transit-oriented development.

RELOCATION HUB

The Penn Station submarket captured nearly one quarter of total relocation volume between 2023 to 2025.

TOP FIVE SUBMARKETS: INBOUND SF VOLUME

GEOGRAPHY

Bound by Sixth to Twelfth avenues and West 30th to West 36th streets at its widest point, Penn Station has been one of Manhattan's most rapidly evolving submarkets over the past decade. The development of Hudson Yards and Manhattan West, together with major repositioning of buildings such as Penn 1, Penn 2, and 390 Ninth Avenue, has reshaped what was once viewed primarily as an aging commercial area and transit corridor into a growing hub for modern office space.

REPOSITIONED BUILDINGS MANHATTAN WEST HUDSON YARDS

WHY PENN STATION WINS

1 DELIVERING SUPPLY FOR TODAY'S EXPECTATIONS

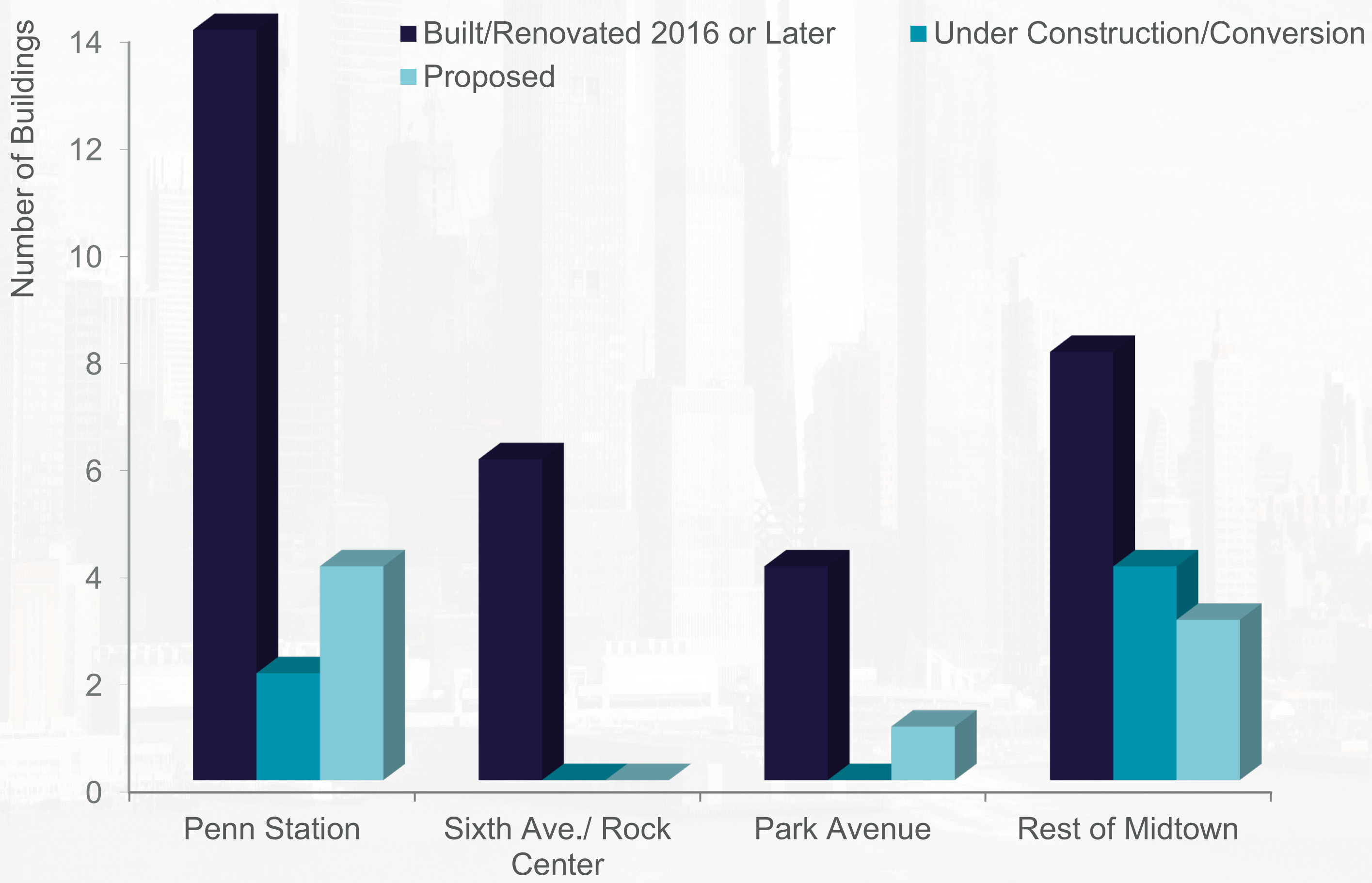
Over the past decade, 14 buildings totaling 23.0 msf have been either built or fully renovated within the Penn station submarket—expanding its inventory by 124.2%. Robust demand for this upgraded inventory has resulted in a vacancy rate of only 6.5% across the set.

Six additional office developments or conversions are currently in the pipeline and are projected to expand Class A inventory by another 30.1% over the next seven years.

124.2%

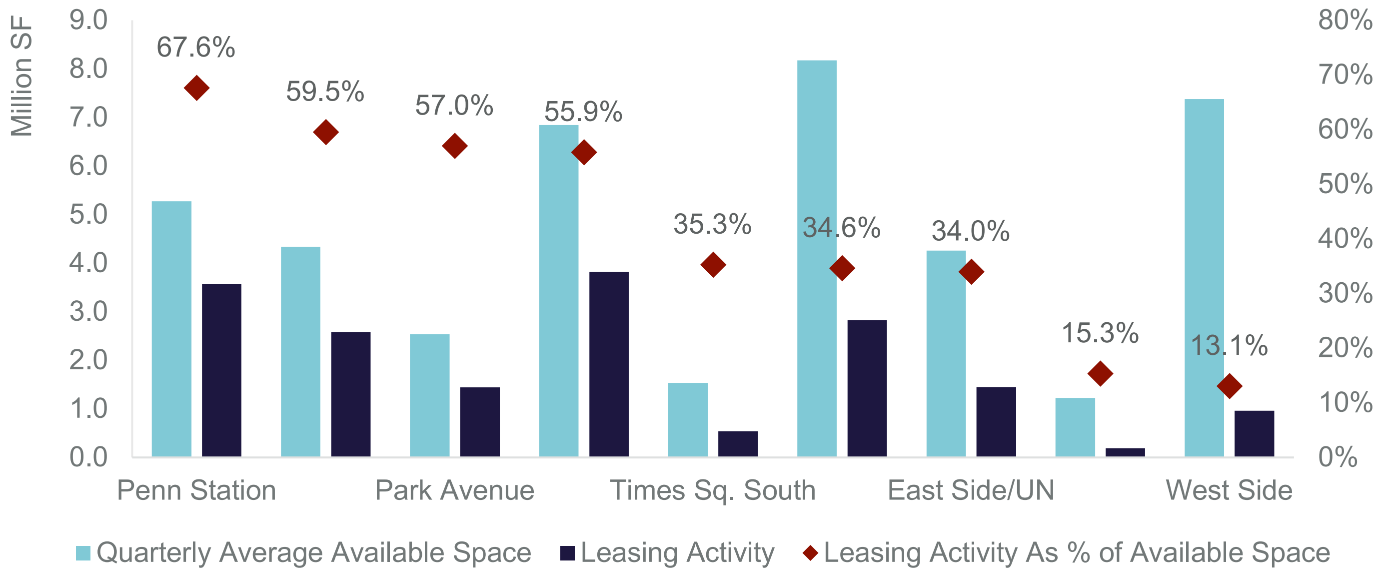
Over the past decade, the Penn Station submarket has expanded its inventory by 124.2%.

MIDTOWN INVENTORY AND PIPELINE



The post-pandemic flight to quality has favored environments that deliver experience, efficiency, and long-term adaptability. As high-quality space has become more constrained across Manhattan in recent years, the wave of upgrades in the Penn Station submarket has positioned it to capture a growing share of demand. This shift is underscored by a notable surge in its 2025 Class A leasing activity measured against a quarterly average of available space relative to other Midtown markets.

CLASS A 2025 LEASING ACTIVITY AS A % OF CLASS A AVAILABLE SPACE*

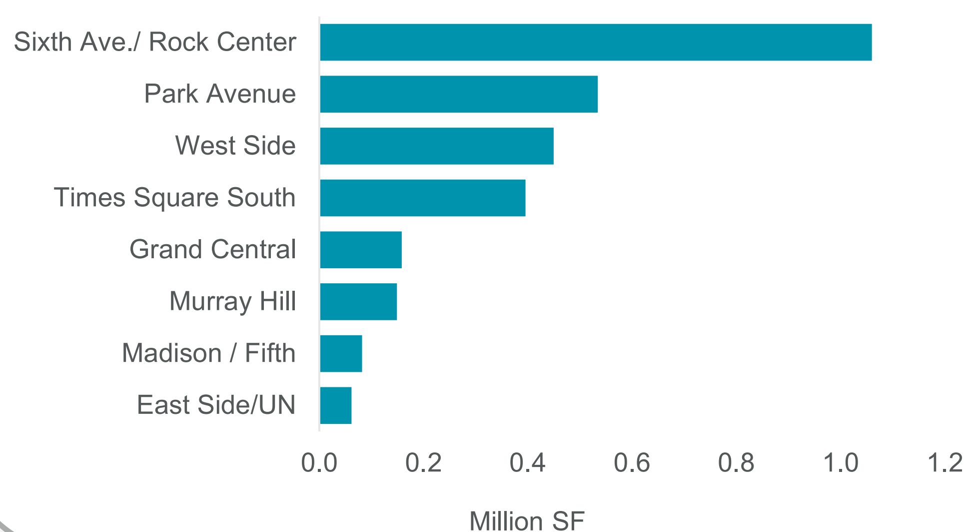


** Available space in the Penn Station and Grand Central submarkets include under construction space as well*

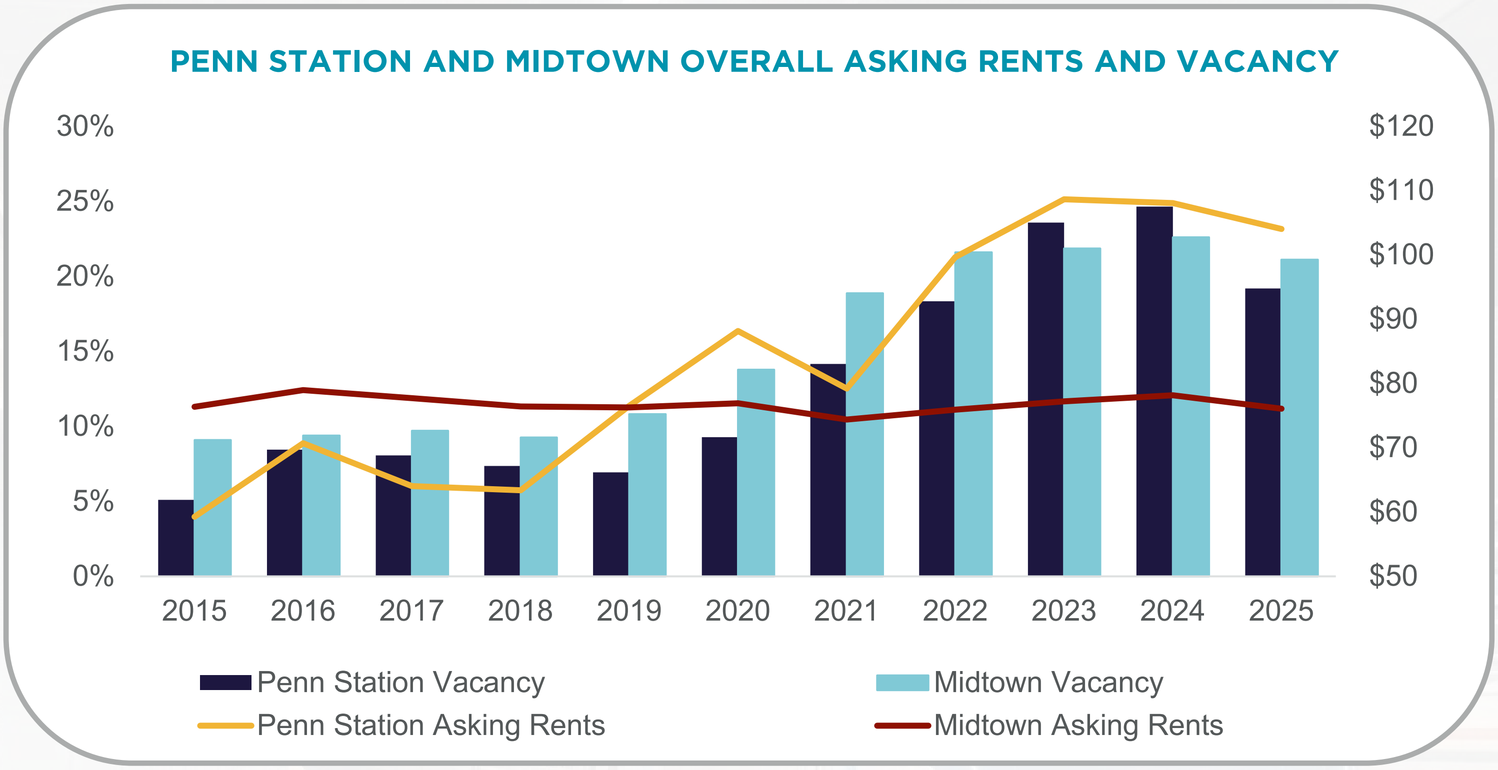
2 DEMAND FROM NEIGHBORING SUBMARKETS

Since 2023, there have been **3.5 msf** of relocations into Penn Station, with **83.2%** coming from other Midtown markets. Tenants are not leaving Manhattan. They are repositioning within it—upgrading to a submarket that aligns with modern operational priorities.

RELOCATED SF INTO PENN STATION BY MIDTOWN SUBMARKET



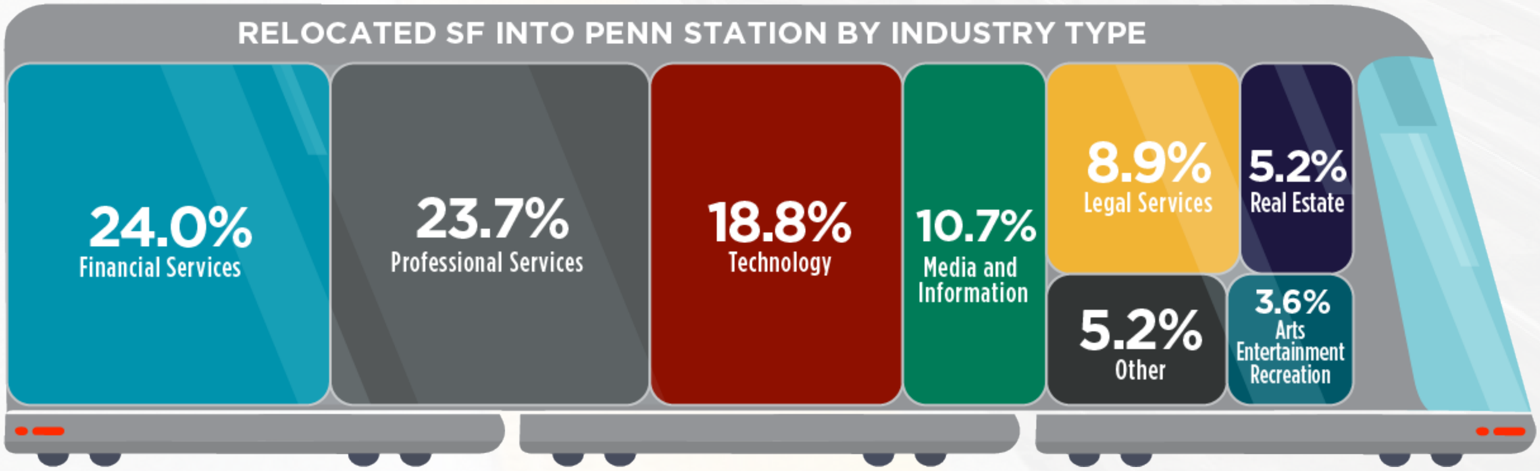
Led by the higher-quality product within Penn Station, average asking rents per square foot are 37.8% higher than the Midtown average and vacancy is 3.1% lower. Companies continue to migrate into Penn Station, indicating that despite this pricing premium, tenants are optimizing for performance rather than discounts.



3 A MAGNET FOR HIGH-VALUE INDUSTRIES

Penn Station's appeal is broad—but it is particularly strong among the industries that drive Manhattan's economy. Financial services, professional services, technology, and media & information account for more than three-quarters of all relocated square footage since 2023, totaling 2.7 msf.

The concentration of these sectors has reinforced Penn Station's emergence as an office cluster, where proximity to peer firms has accelerated leasing activity and strengthened access to talent.



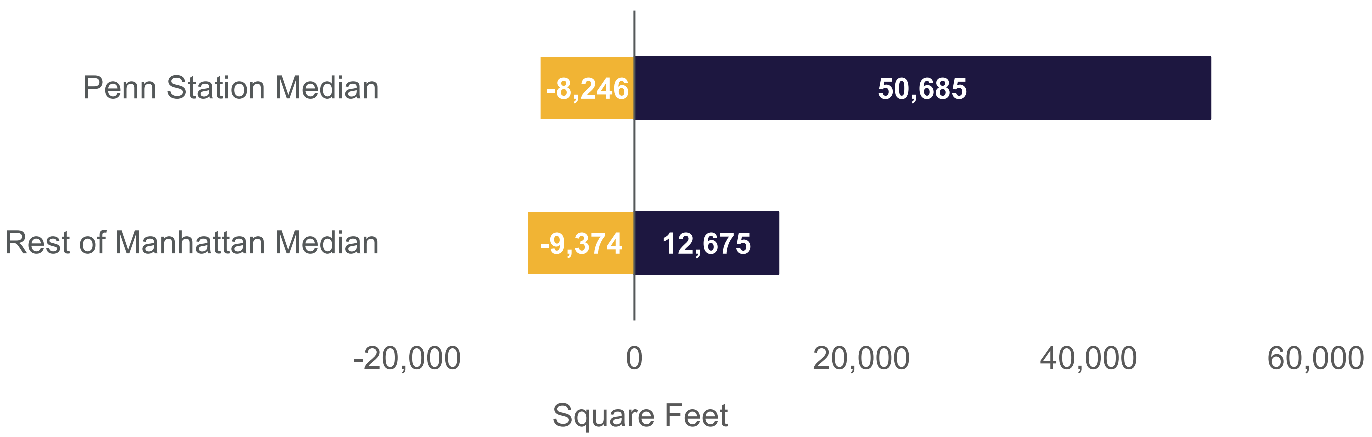
4 EXPANSION-ORIENTED GROWTH

Across Manhattan, whether tenants relocate between submarkets or reposition within the same one, expansion activity has modestly outpaced consolidation.

On a per-deal median basis, expansion relocations in Manhattan exceeded consolidations by 34.2%, indicating that post-pandemic confidence is returning at a gradual pace.

Penn Station, however, demonstrates a markedly different pattern. Tenants relocating to Penn Station expanded by approximately five times more than they consolidated on a median-deal basis. This expansion-oriented relocation activity suggests that many firms moving into Penn Station are positioning for growth rather than simply rationalizing space, reinforcing the submarket's appeal among companies seeking modern buildings, strong transit connectivity, and access to a deep regional workforce.

MEDIAN EXPANSION VS. CONSOLIDATION SIZE:
PENN STATION VS. REST OF MANHATTAN



Expansion-Oriented Activity

Tenants relocating to Penn Station expanded by approximately five times more than they consolidated on a median-deal basis.

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MIGRATION TOWARDS QUALITY

Tenant relocations across Manhattan have been increasingly concentrated in a handful of high-performing submarkets. Penn Station has emerged as one of the primary beneficiaries of that shift.

Penn Station has evolved from a transportation center into a relocation magnet and growth corridor. Defined by new construction, industry clustering, unmatched regional accessibility and expansion-driven leasing, the submarket is capturing a sizeable share of growth-oriented moves.

Tenants are not just renewing footprints—they are actively migrating, upgrading, and scaling into Penn Station. This expansion-oriented relocation trend reflects a deliberate flight to quality, accessibility, and long-term strategic positioning.