



SCAN FOR MORE
CRE NEWS



RESETTING THE MARKET: NYC OFFICE DISTRESS SIGNALS AN ENTRY POINT



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Hebron Realty is a Brooklyn-based, **family-run commercial real estate firm** second and third-generation CRE brokers with deep roots in the industry. Specializing in **office leasing, investment sales, and strategic advisory,**

SUMMARY: **The world's most resilient office market.**

Office conversion in NYC is growing. Q3 2025 is time for Office landlords to secure tenants at more SF is set to come off market.

New York City is leading the rebound in the office market, capturing over \$7.3 billion of the \$10.1 billion in national CMBS office originations in Q1 2025.

At the same time, nearly \$6 billion in NYC office loans are tied to buildings with under 75% occupancy—many facing imminent refinancing pressure. This rare mix of capital confidence at the top and distress at the bottom creates a compelling buying window for investors targeting both yield and basis-reset opportunities in the world's most resilient office market.

Impact for Landlords: **Why Now Is the Time to Reposition and Lease**

For landlords, this is a critical moment to act. Leasing success will hinge on delivering upgraded space, flexible terms, and amenities that match today's tenant expectations. Buildings that reposition now—before debt maturities force fire sales—can capture flight-to-quality demand and avoid deep valuation resets. The market is bifurcating fast: either you upgrade and lease—or risk being left behind.



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