Navigating NYC Commercial Real Estate Risk Today

The North Star Universal, LLC — NYC CRE Risk Navigator: A Working Reference

This briefing distills where NYC commercial real estate risk stands today into a quick-reference format — the capital signals, the operating pressures, and the questions worth raising in your next asset review. Use it alongside your existing underwriting checklist, not in place of one.

$11B
NYC office CMBS volume this year — highest since 2021

15.5%
Midtown availability, down from 18.2% year-over-year

90%+
Physical occupancy in trophy-class Manhattan buildings

Where Capital Is Moving

Roughly $3 billion of this year's CMBS activity has gone toward refinancing skyscrapers in Times Square, along Sixth Avenue, and near Penn Station — a sign that lenders are underwriting specific corridors, not the office sector as a whole. Three consecutive quarters of positive absorption, paired with strong return-to-office leasing, back up that selectivity.

Risk Snapshot by Category

Category	Current Signal	Direction
Office financing	CMBS volume at a 3-year high; capital concentrated in trophy assets	Improving
Loan maturities	~$1 trillion in CRE loans maturing nationwide under elevated rates	Elevated
Occupancy	90%+ physical occupancy in trophy buildings; 3 straight quarters of positive absorption	Stabilizing
Lender base	Non-traditional lenders entering, drawn by higher yields and better entry pricing	Shifting
Physical security	Armed guard and threat-assessment demand rising; $75–$200+/hr cost range	Rising priority

Security & Human Capital Risk

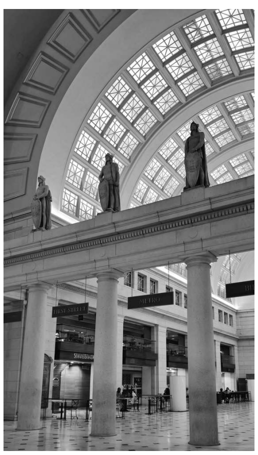
Physical safety has moved from a facilities line item to a boardroom topic. In the wake of a tragic office shooting at a major firm's NYC headquarters, tenants in Manhattan and downtown Brooklyn are asking landlords for armed guards and formal threat assessments — not just camera systems. Budgeting $75 to $200+ per hour for protection is now a real line in operating expense models, and it belongs in lease negotiations and insurance reviews alike.

The Maturity Wall Ahead

Even with renewed confidence in trophy office, the broader picture stays cautious. Roughly $1 trillion in commercial loans are maturing nationally against a backdrop of elevated interest rates, and traditional lenders remain selective. That has opened the door to non-traditional capital — debt funds and private lenders drawn in by higher yields and more attractive basis — which changes the negotiating table for owners seeking refinancing.

Questions Worth Asking This Quarter

- Which of our assets sit in corridors where lenders are actively refinancing (Times Square, Sixth Avenue, Penn Station) versus corridors where they are not?
- Have we modeled a refinancing scenario using a non-traditional lender's pricing, not just a bank term sheet?
- Does our security budget reflect current armed-guard and threat-assessment pricing, or last year's numbers?
- Is our occupancy trend (leasing, absorption, return-to-office) documented well enough to support a strong refinancing narrative?



How The North Star Universal, LLC Helps

We work alongside ownership and asset management teams to pressure-test financing assumptions, track occupancy and leasing metrics against market comparables, and build security protocols sized to a property's actual risk profile — keeping cost, coverage, and tenant confidence in balance.