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RESEARCH 2025

# BUFFALO, NEW YORK OFFICE MARKET REPORT

## Executive Summary

Throughout 2025, the Buffalo office market showed signs of improvement, highlighted by workers returning to the office, increased tenant demand, declining vacancies, higher tenant allowances, and escalating asking rents. Leasing activity was bolstered by professional and financial services firms, which collectively represent significant office space users in the region.

Since 2015 over 2.45 million square feet of new office space has been constructed in the Buffalo-Niagara region. The office market is currently operating at a healthy 85.4 percent occupancy rate and an average rental rate of \$19.26 per square foot. Modest new additions to supply since 2020 allowed the market balance to steadily improve.

There is an increased “flight to quality” with tenants preferring newer buildings with modern amenities and enhanced tenant experience. The increasing emphasis on modern, flexible, and sustainable office spaces presents exciting opportunities for landlords and developers to attract dynamic tenants. Older Class B and C properties face higher vacancy rates, driving interest in renovations and adaptive reuse projects. The significant difference in demand for Class A compared to lesser quality product continues to increase the spread in average asking rents between classes.

### Overall Office Highlights

 14.6%  
Vacancy Rate

 197K  
YTD Net Absorption

 0K  
Under Construction

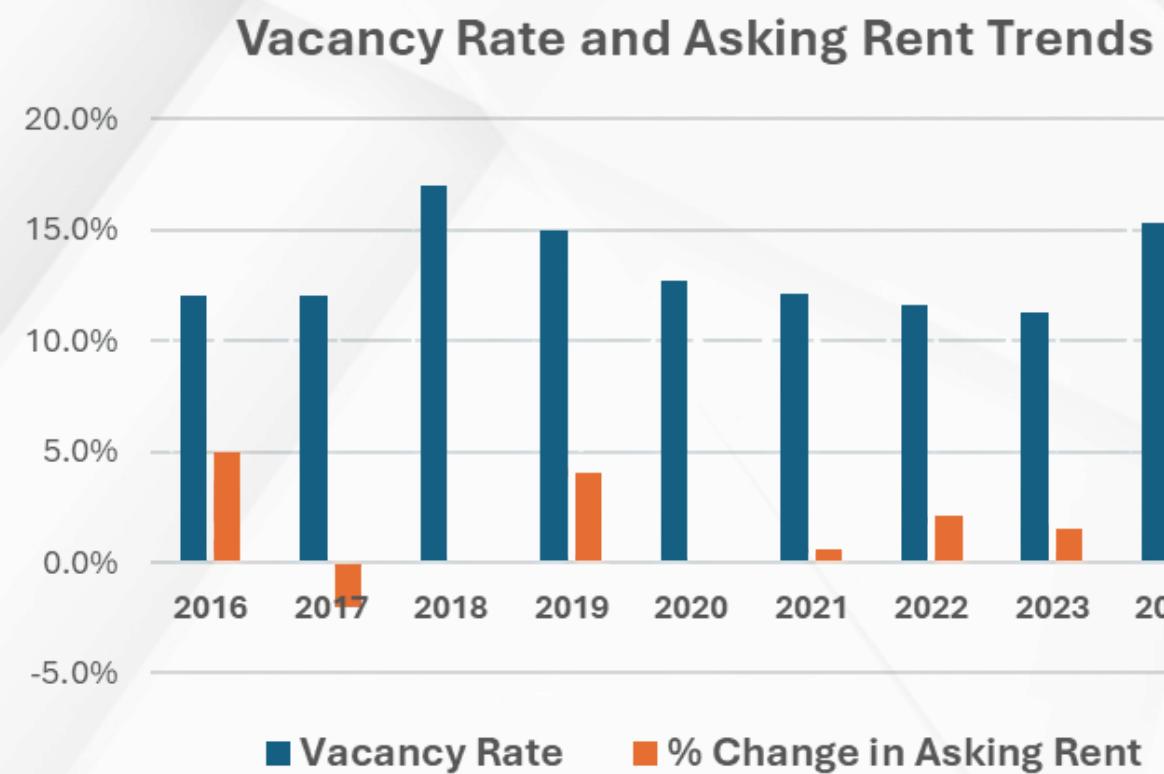
 \$19.26  
Overall Asking Lease Rate

 116,000  
Buffalo MSA Office Employment

# Office Market Performance

Buffalo's office market gained momentum in 2025, signaling a steady rebound. The year was marked by a return-to-office trend, stronger tenant demand, shrinking vacancies, and rising asking rents, all supported by generous tenant improvement allowances.

A clear ["flight to quality"](#) underscores strong demand for modern, flexible work environments within buildings or office parks equipped with amenities. Yet, the market faces a challenge: a limited supply of large, contemporary office spaces. This scarcity of premium Class A inventory has pushed rents into the low- to mid-\$30 per square foot range, with annual escalations becoming increasingly common.



### Buffalo MSA Office Market New Supply (SF)



## By the Numbers: Office Market Inventory

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The Buffalo MSA office market supports 26.57 million square feet of space, including 15.4 million square feet in the Buffalo CBD and 11.2 million square feet in the suburban Northtowns. From 2018 through 2023, the vacancy rate for the Buffalo office market trended steadily downward, reaching a low of 11.3 percent. Negative absorption in 2024 of -1.06 million square feet pushed the year-end vacancy rate to 15.3 percent. During 2025, net absorption of 197,043 square feet yielded a decline in the vacancy rate to 14.6 percent.

The COVID 19 pandemic had an adverse impact on the Buffalo CBD office market. Starting in 2024, an increasing number of companies mandated workers to return to the office. During 2025, the Buffalo CBD absorbed 338,121 square feet of office space, improving the vacancy rate to 13.3 percent. Net absorption of -141,078 square feet drove up the Northtowns vacancy to 16.4 percent.

The increasing emphasis on modern, flexible, and sustainable office spaces presents exciting opportunities for landlords and developers to attract dynamic tenants. While challenges remain in addressing vacancies in older properties, ongoing efforts in renovations and adaptive reuse are transforming these spaces into valuable assets. Tenant movements in 2025 that will have a positive impact on the CBD office market include the Golisano Institute's purchase of the former Buffalo News building and Ingram Micro leasing 160,000 square feet at 257 West Genesee Street, bringing 1,000 employees downtown.



	Buffalo CBD Class A   Class B	Northtowns Class A   Class B	Buffalo MSA Totals
Total Inventory (SF)	3,284,335   12,171,092	2,891,651   8,281,840	26,628,918
Vacant Space (SF)	400,145   1,650,256	453,641   1,381,085	3,885,127
Vacancy Rate	12.18%   13.56%	15.7%   16.7%	14.6%
Net Absorption (SF)	287,895   50,226	-162,024   20,946	197,043
Average Asking Rent (SF)	\$28.89   \$18.50	\$21.85   \$15.25	\$19.26
New Construction	None	None	None

## Notable Transactions

### Sale

#### Aleron Group

Address: 250 International Dr, Buffalo  
Size: 25,440 Square Feet  
Type: Office  
Price: \$2,400,000  
Details/Overview: \$94.34/SF



#### Government Investment Partners

Address: 600 Colvin Woods Pky, Tonawanda  
Size: 26,857 Square Feet  
Type: Office  
Price: \$2,900,000  
Details/Overview: \$107.98/SF



#### 3556 Lakeshore Blvd. Development

Address: 3556 Lake Shore Rd, Buffalo  
Size: 164,000 Square Feet  
Type: Multi-Use Office  
Price: \$4,000,000  
Details/Overview: \$24.39/SF



### Lease

#### Wendel

Address: 375 Essjay Rd, Williamsville  
Size: 37,166 Square Feet  
Type: Class A Office



#### Oxford Pennant

Address: 775 Seneca St, Buffalo  
Size: 32,927 Square Feet  
Type: Manufacturing Office



#### Ingram Micro

Address: 257 W Genesee St, Buffalo  
Size: 160,000 Square Feet  
Type: Class A Office



## About Newmark Ciminelli

Newmark Ciminelli is a strategic partnership formed in 2020 between Buffalo-based Ciminelli Real Estate Corporation and global real estate firm Newmark. Newmark Ciminelli leverages local market expertise and Ciminelli's four decades of commercial real estate experience to deliver fully integrated brokerage services.

In addition, our alliance with Newmark creates an unmatched peer network made up of 18,800 professionals operating from approximately 500 offices on six continents, and was formed as a bold statement to the market, allowing Newmark Ciminelli to expand our capabilities to meet any client need.

For more on Newmark Ciminelli [click here](#).

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