

# NYC Outer Boroughs

## New construction deliveries drive NYC market fundamentals to record heights in 2022

- The delivery of pre-leased new construction product helped drive 2022 absorption gains to 2.4 million s.f., their highest level in history
- The Industrial outdoor storage and parking market saw a record 1.3 million s.f. of leasing in 2022, as this asset class continues to be a crucial component of the Industrial landscape in the boroughs
- The sales market was also bolstered by the sale of stabilized new construction assets particularly in H1 2022. \$2.1 billion of industrial product sold this year, 58.9% higher than the previous peak in 2018

The delivery of pre-leased new construction product helped drive 2022 absorption gains to their highest level in history. The market saw 2.4 million s.f. of net absorption, 53.9% higher than the previous peak of 1.6 million s.f. in 2020. 84.1% of 2022 completions were pre-leased, which has left just one existing Class A availability in the market. Despite this lack of availability, the outer boroughs recorded its second strongest year of leasing in history. 2.6 million s.f. was leased in 2022, a 66.4% increase from 2021, and was only outperformed by 2020, when 5.2 million s.f. were leased. The industrial outdoor storage and parking market also saw a record 1.3 million s.f. of leasing in 2022. Such high leasing activity is notable as growing demand for fleet storage in the NYC outer boroughs continues to position this asset class as a crucial component of the Industrial landscape in this market.

Activity across the boroughs has been on the back of the new construction market. 3.1 million s.f. delivered this year, a 37.7% increase from the previous peak in 2018. While this helped leasing levels reach record highs, the sales market was also bolstered by the sale of stabilized new construction assets particularly in H1 2022. \$2.1 billion of industrial product sold this year, 58.9% higher than the previous peak in 2018.

2.7 million s.f. of the product currently under construction is still available for lease. However, unlike the previous construction cycle, this product is being built to fit different tenant profiles. The largest project, Turnbridge Equities' 1.3 million s.f. at Bronx Logistics Center, is meant for larger scale users. However, the 680,000 s.f. under construction at IPG's 23-30 Borden Ave and the 392,000 s.f. being built at LBA/RXR's Red Hook Logistics Center are designed for middle and smaller sized tenants. This will allow varying tenant groups to transact on new Class A construction product.

### Outlook

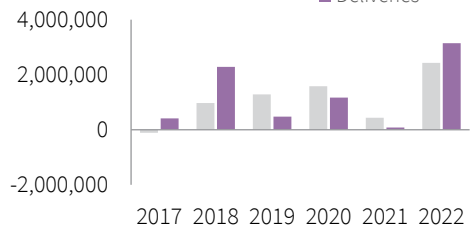
The macroeconomic picture entering 2023 may subdue demand over the short term. However, the push for quicker delivery windows and need for reliable last mile logistics all bode well for the market over the longer term. This will continue to drive tenants to new construction projects across the boroughs. Given the lack of supply, rents for this product will exceed \$40.00 p.s.f. for the warehouse components.

### Fundamentals

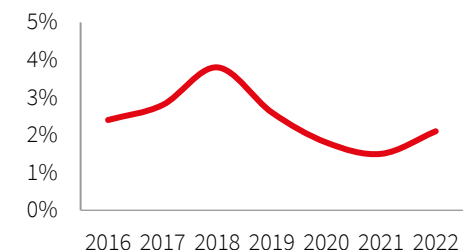
Forecast

YTD net absorption	2,430,965 s.f.	►
Under construction	3,595,697 s.f.	►
Total vacancy	2.1%	►
Sublease vacancy	87,500 s.f.	►
Direct asking rent	\$36.13 p.s.f.	▲
Sublease asking rent	\$28.50 p.s.f.	▲
Concessions	Stable	►

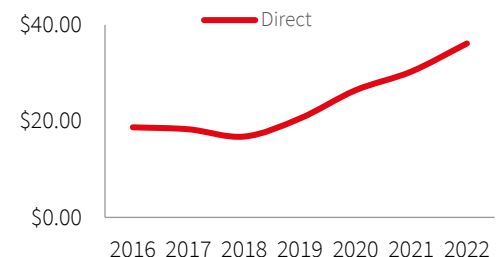
### Supply and demand (s.f.)

Net absorption  
Deliveries


### Total vacancy (%)



### Average asking rent (\$ p.s.f.)



## JLL Research Report

## Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	availability (%)	Total average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
<b>NYC - Outer Boroughs total</b>										
Warehouse & Distribution	110,206,487	166,387	2,293,557	1.9%	2.2%	5.8%	\$36.90	452,020	3,144,307	3,595,697
Manufacturing	20,909,210	49,200	137,408	0.4%	1.1%	3.3%	\$25.32	0	0	0
<b>Overall Total</b>	<b>131,115,697</b>	<b>215,587</b>	<b>2,430,965</b>	<b>1.7%</b>	<b>2.1%</b>	<b>5.4%</b>	<b>\$36.02</b>	<b>452,020</b>	<b>3,144,307</b>	<b>3,595,697</b>
<b>Bronx total</b>										
Warehouse & Distribution	19,743,654	-38,000	534,976	2.7%	3.3%	10.9%	\$40.16	0	1,067,554	1,315,880
Manufacturing	3,669,121	14,800	43,647	1.2%	1.0%	4.1%	\$20.68	0	0	0
<b>Overall Total</b>	<b>23,412,775</b>	<b>-23,200</b>	<b>578,623</b>	<b>2.5%</b>	<b>3.0%</b>	<b>9.9%</b>	<b>\$39.56</b>	<b>0</b>	<b>1,067,554</b>	<b>1,315,880</b>
<b>North Bronx</b>										
Warehouse & Distribution	2,614,284	-58,000	-58,000	-2.2%	2.6%	6.3%	\$30.00	0	0	0
Manufacturing	634,262	0	0	0.0%	0.0%	5.8%	\$0.00	0	0	0
<b>Overall Total</b>	<b>3,248,546</b>	<b>-58,000</b>	<b>-58,000</b>	<b>-1.8%</b>	<b>2.1%</b>	<b>6.2%</b>	<b>\$30.00</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>South Bronx</b>										
Warehouse & Distribution	17,129,370	20,000	592,976	3.5%	3.4%	11.5%	\$40.31	0	1,067,554	1,315,880
Manufacturing	3,034,859	14,800	43,647	1.4%	1.3%	3.8%	\$20.68	0	0	0
<b>Overall Total</b>	<b>20,164,229</b>	<b>34,800</b>	<b>636,623</b>	<b>3.2%</b>	<b>3.1%</b>	<b>10.4%</b>	<b>\$39.70</b>	<b>0</b>	<b>1,067,554</b>	<b>1,315,880</b>
<b>Brooklyn total</b>										
Warehouse & Distribution	38,213,244	295,629	648,015	1.3%	1.2%	3.8%	\$34.13	397,020	733,086	969,222
Manufacturing	9,867,590	8,200	34,700	-0.2%	0.8%	1.8%	\$28.53	0	0	0
<b>Overall Total</b>	<b>48,080,834</b>	<b>303,829</b>	<b>682,715</b>	<b>1.0%</b>	<b>1.1%</b>	<b>3.4%</b>	<b>\$33.55</b>	<b>397,020</b>	<b>733,086</b>	<b>969,222</b>
<b>Bedford/Stuyvesant</b>										
Warehouse & Distribution	1,277,658	0	0	0.0%	0.0%	0.9%	\$0.00	0	0	0
Manufacturing	236,272	0	0	0.0%	2.1%	10.5%	\$0.00	0	0	0
<b>Overall Total</b>	<b>1,513,930</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0.3%</b>	<b>2.4%</b>	<b>\$0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Brooklyn Waterfront</b>										
Warehouse & Distribution	14,125,945	391,620	726,185	4.6%	1.0%	4.4%	\$39.80	397,020	733,086	797,222
Manufacturing	2,134,844	0	17,000	0.8%	0.8%	0.8%	\$0.00	0	0	0
<b>Overall Total</b>	<b>16,260,789</b>	<b>391,620</b>	<b>743,185</b>	<b>4.1%</b>	<b>0.9%</b>	<b>4.0%</b>	<b>\$39.80</b>	<b>397,020</b>	<b>733,086</b>	<b>797,222</b>
<b>Flatbush/Boroughpark</b>										
Warehouse & Distribution	728,293	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Manufacturing	155,675	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
<b>Overall Total</b>	<b>883,968</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Flatlands/East New York</b>										
Warehouse & Distribution	7,778,970	-70,000	-74,779	-1.0%	2.0%	6.5%	\$28.89	0	0	172,000
Manufacturing	2,752,477	0	0	0.0%	0.0%	0.6%	\$0.00	0	0	0
<b>Overall Total</b>	<b>10,531,447</b>	<b>-70,000</b>	<b>-74,779</b>	<b>-0.7%</b>	<b>1.5%</b>	<b>5.0%</b>	<b>\$28.89</b>	<b>0</b>	<b>0</b>	<b>172,000</b>
<b>Greenpoint/Williamsburg</b>										
Warehouse & Distribution	13,092,984	-25,991	-22,641	-0.7%	1.2%	2.1%	\$27.58	0	0	0
Manufacturing	4,519,020	8,200	17,700	-0.8%	1.3%	2.6%	\$28.53	0	0	0
<b>Overall Total</b>	<b>17,612,004</b>	<b>-17,791</b>	<b>-4,941</b>	<b>-0.7%</b>	<b>1.2%</b>	<b>2.3%</b>	<b>\$28.14</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>South Brooklyn</b>										
Warehouse & Distribution	1,209,394	0	19,250	1.6%	1.2%	1.2%	\$12.00	0	0	0
Manufacturing	69,302	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
<b>Overall Total</b>	<b>1,278,696</b>	<b>0</b>	<b>19,250</b>	<b>1.5%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>\$12.00</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Queens total</b>										
Warehouse & Distribution	46,842,989	-92,742	1,074,066	2.3%	2.9%	5.6%	\$34.27	55,000	1,343,667	1,310,595
Manufacturing	7,318,543	26,200	59,061	0.6%	1.5%	4.8%	\$25.25	0	0	0
<b>Overall Total</b>	<b>54,161,532</b>	<b>-66,542</b>	<b>1,133,127</b>	<b>2.1%</b>	<b>2.7%</b>	<b>5.5%</b>	<b>\$33.24</b>	<b>55,000</b>	<b>1,343,667</b>	<b>1,310,595</b>
<b>Far Rockaway</b>										
Warehouse & Distribution	526,434	0	0	0.0%	0.0%	1.9%	\$0.00	0	0	0
Manufacturing	80,190	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
<b>Overall Total</b>	<b>606,624</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.7%</b>	<b>\$0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>JFK</b>										
Warehouse & Distribution	8,475,741	15,000	163,680	1.9%	0.6%	2.2%	\$34.71	0	188,667	510,595
Manufacturing	1,417,001	11,800	14,661	1.0%	2.1%	6.3%	\$22.23	0	0	0
<b>Overall Total</b>	<b>9,892,742</b>	<b>26,800</b>	<b>178,341</b>	<b>1.8%</b>	<b>0.8%</b>	<b>2.7%</b>	<b>\$30.38</b>	<b>0</b>	<b>188,667</b>	<b>510,595</b>
<b>Long Island City</b>										
Warehouse & Distribution	18,723,314	-19,840	4,224	0.0%	4.2%	8.8%	\$35.73	0	0	680,000
Manufacturing	2,906,761	14,400	44,400	1.1%	1.8%	7.0%	\$26.36	0	0	0

<b>Overall Total</b>	<b>21,630,075</b>	<b>-5,440</b>	<b>48,624</b>	<b>0.2%</b>	<b>3.9%</b>	<b>8.6%</b>	<b>\$34.91</b>	<b>0</b>	<b>0</b>	<b>680,000</b>
<b>Maspeth</b>										
Warehouse & Distribution	14,416,899	-24,200	959,614	6.7%	2.3%	4.1%	\$31.46	55,000	1,155,000	120,000
Manufacturing	1,602,362	0	0	0.0%	1.6%	3.6%	\$30.00	0	0	0
<b>Overall Total</b>	<b>16,019,261</b>	<b>-24,200</b>	<b>959,614</b>	<b>6.0%</b>	<b>2.2%</b>	<b>4.0%</b>	<b>\$31.35</b>	<b>55,000</b>	<b>1,155,000</b>	<b>120,000</b>
<b>Whitestone/Flushing</b>										
Warehouse & Distribution	4,700,601	-63,702	-53,452	-1.1%	3.3%	4.0%	\$29.76	0	0	0
Manufacturing	1,312,229	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
<b>Overall Total</b>	<b>6,012,830</b>	<b>-63,702</b>	<b>-53,452</b>	<b>-0.9%</b>	<b>2.6%</b>	<b>3.1%</b>	<b>\$29.76</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Staten Island total</b>										
Warehouse & Distribution	5,406,600	1,500	36,500	0.7%	0.0%	1.4%	\$20.40	0	0	0
Manufacturing	53,956	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
<b>Overall Total</b>	<b>5,460,556</b>	<b>1,500</b>	<b>36,500</b>	<b>0.7%</b>	<b>0.0%</b>	<b>1.4%</b>	<b>\$20.40</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Staten Island</b>										
Warehouse & Distribution	5,406,600	1,500	36,500	0.7%	0.0%	1.4%	\$20.40	0	0	0
Manufacturing	53,956	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
<b>Overall Total</b>	<b>5,460,556</b>	<b>1,500</b>	<b>36,500</b>	<b>0.7%</b>	<b>0.0%</b>	<b>1.4%</b>	<b>\$20.40</b>	<b>0</b>	<b>0</b>	<b>0</b>