

STRONG LEASING VELOCITY MARKS THE SECOND QUARTER OF 2025

▲ 6.2%

Vacancy Rate

▲ 1.1 Million ▼

Sq. Ft. Net Absorption

1.4 Million

Sq. Ft. Under Construction

▲ 1.5 Million ▶

Sq. Ft. Leasing Velocity

\$35.44

NNN / Class A Lease Rate Per Sq. Ft.

▼ \$29.34

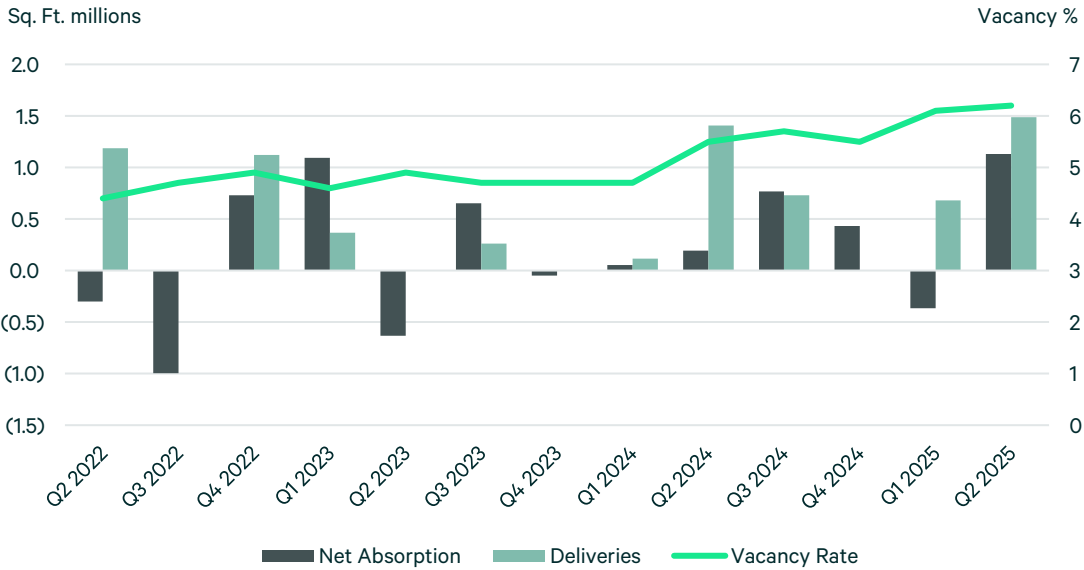
NNN / Lease Rate Per Sq. Ft.

Note: Arrows indicate change from previous quarter.

Market Overview

New York City industrial leasing velocity increased 67.9% quarter-over-quarter to 1.5 million sq. ft., 82.5% higher than the three-year average. The market saw a significant number of renewal transactions; demand was driven by transportation, telecommunications, and building supply dealers. Users leased small- and mid-sized space, while increasing their demand for spaces larger than 100,000 sq. ft. On the supply side, the development pipeline fell to 1.4 million sq. ft. after four properties completed construction and no properties broke ground. The average asking rent decreased 8% quarter-over-quarter, but was still 13% higher than in Q2 2024. The average asking rent for Class A properties remained constant quarter-over-quarter.

FIGURE 1: Historic Absorption, Construction Completions, and Vacancy



Source: CBRE Research, 2025.

Demand

Leasing velocity surged to 1.5 million sq. ft. in Q2 2025, 67.9% higher than the previous quarter and 82.5% higher than the three-year average. The increase in leasing velocity can be attributed to a significant number of Metropolitan Transportation Authority lease renewals, as well as an increase in demand from telecommunication and building supply dealers. Demand from third-party logistics providers and energy distributors decreased from the previous quarter. Tenants showed strong demand for mid- and small-sized spaces, but also increased their demand for spaces over 100,000 sq. ft.

Supply

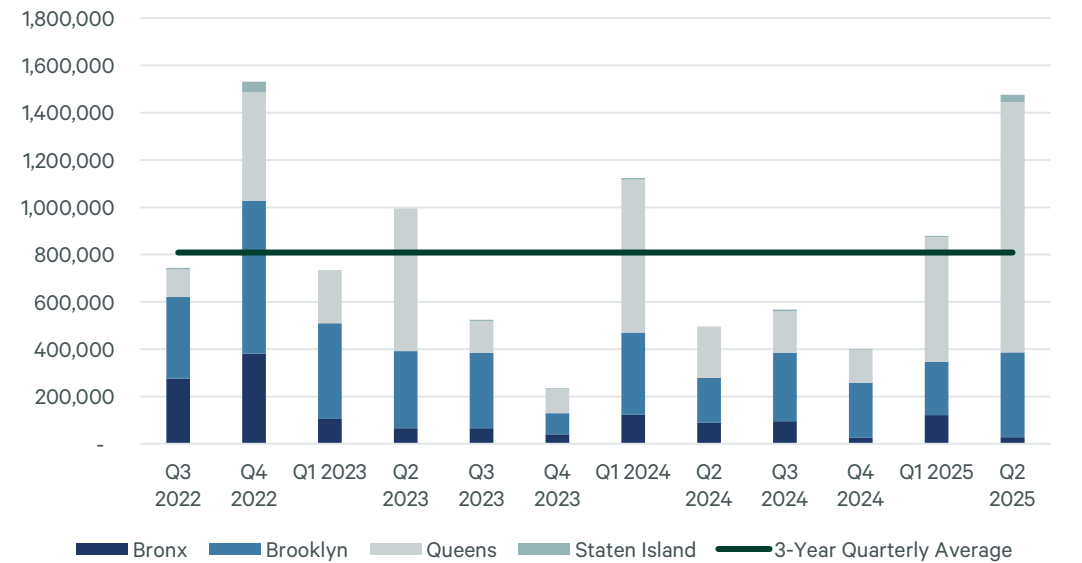
The construction pipeline contracted quarter-over-quarter after the delivery of four properties totaling 434,000 sq. ft. in Brooklyn and Staten Island. No properties broke ground during the quarter as developers adjust to lackluster demand for new Class A space. There were just five properties under construction totaling 1.4 million sq. ft., most being Class A space scheduled to deliver by year-end. These deliveries could exacerbate the oversupply of Class A industrial space, which had an availability rate of 23.6% at quarter-end. Additionally, nine planned or proposed properties totaling 3.2 million sq. ft. are in the development pipeline, the majority of which is Class A space.

FIGURE 2: Notable Lease Transactions

Tenant	Size (Sq. Ft.)	Address	Market	Submarket
NYC DOT	212,094	47-30 35th St	Long Island City	Queens
Spectrum	198,282	59-81 Paidge Ave	Greenpoint/Williamsburg	Brooklyn
MTA	151,068	165-25 147th Ave	Springfield Gardens	Queens
MTA	118,430	85-01 24th Ave	East Elmhurst	Queens

Source: CBRE Research, 2025.

FIGURE 3: Leasing Velocity



Source: CBRE Research, 2025.

Rent Trends

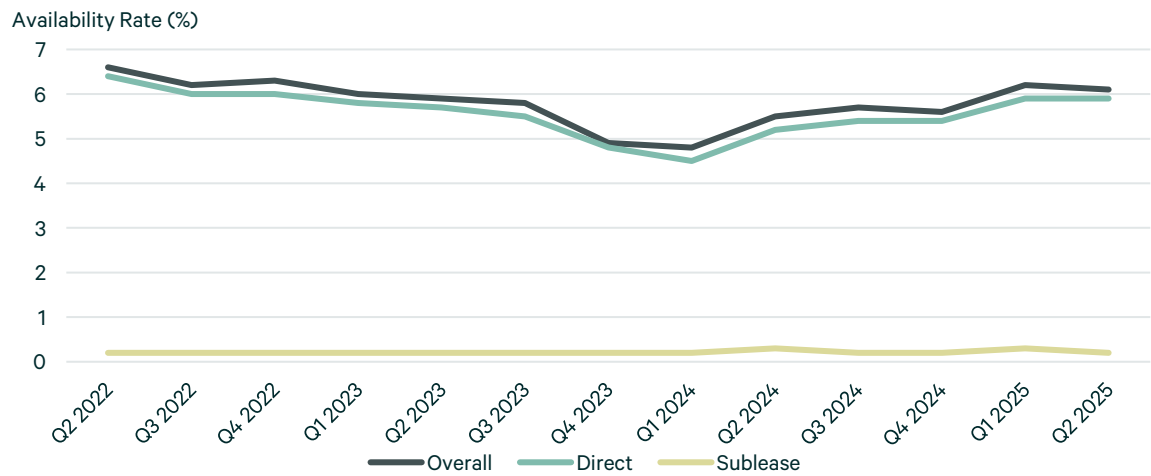
The average asking rent for all existing asset classes decreased 8% quarter-over-quarter to \$29.34 per sq. ft. after low-priced availabilities were added to the Brooklyn and Queens markets at the same time high-priced availabilities came off the market in the Bronx. The average asking rent is up 13% year-over-year and is 23.5% higher than the three-year average. The average asking rent for existing and under-construction Class A space remained constant quarter-over-quarter at \$35.44 per sq. ft.

Economic Overview

Policy announcements and the news cycle—not economic fundamentals— are driving sentiment today. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a steadier economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025.

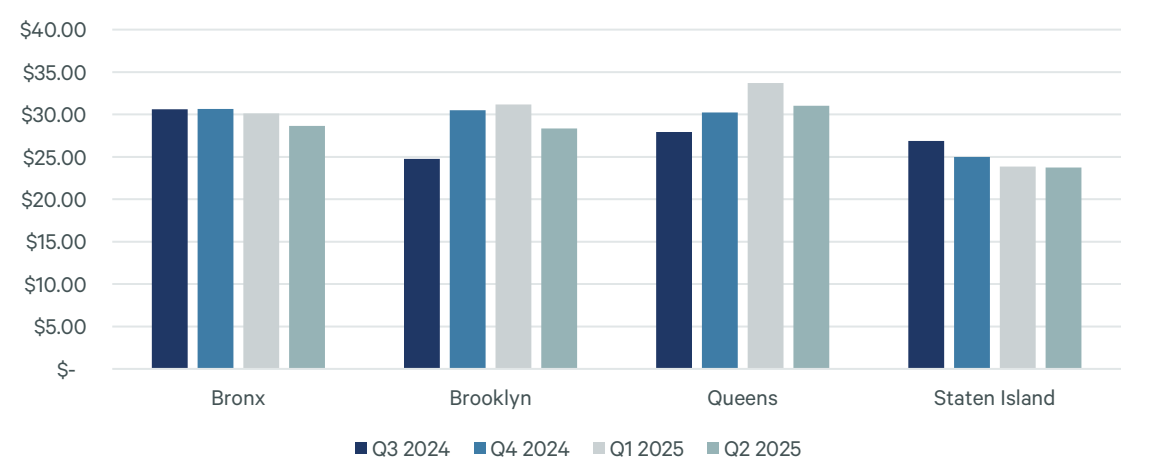
New York City’s industrial employment fell slightly in Q2 2025 as manufacturing employment decreased by 300 positions (-0.5%) quarter-over-quarter and the significantly larger trade, transportation, and utilities sector – which includes logistics and fulfillment center employment – reduced headcount by 600 positions (-0.1%). Overall, New York City lost 900 industrial positions in Q2 (-0.1%), resulting in a

FIGURE 4: Availability



Source: CBRE Research, 2025.

FIGURE 5: Average Asking Rents

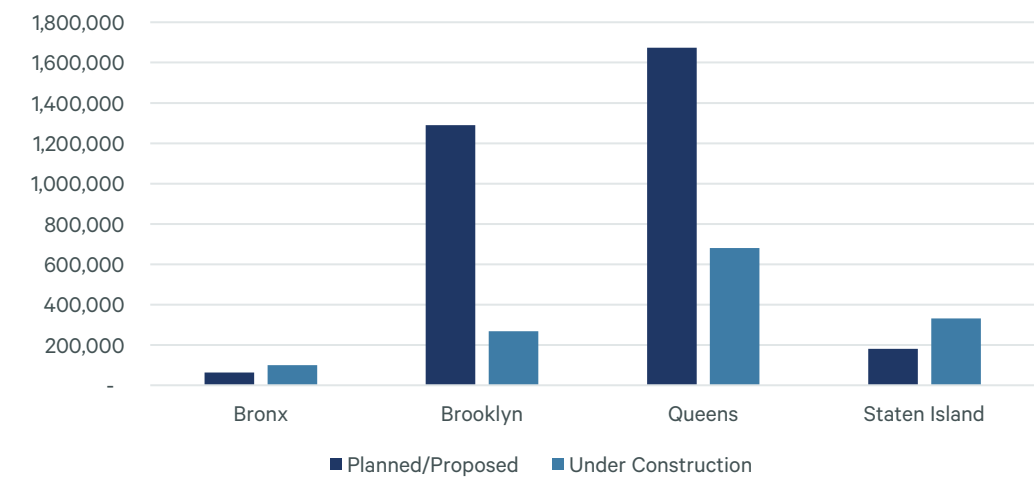


Source: CBRE Research, 2025.

year-over-year net loss of 200 positions (0.0%). New York City’s industrial employment presently stands at 635,900 workers, which is 90.1% of the 2019 level.

New York City’s overall unemployment rate is 4.8%, down from 5.1% at the end of Q1 and above the national unemployment rate of 4.2%.

FIGURE 6: Development Pipeline



Source: CBRE Research, 2025.

FIGURE 5: Market Statistics

Market	Inventory (SF)	Vacancy Rate (%)	Avg. Asking Rent (\$/SF)	Leasing Velocity (SF)	Under Construction (SF)
Bronx	27,211,313	10.9	28.66	28,175	100,000
Brooklyn	68,342,730	5.1	28.33	357,695	267,409
Queens	65,935,598	5.7	31.04	1,058,934	680,000
Staten Island	6,765,727	3.7	23.76	31,500	331,000
JFK*	5,618,428	8.8	26.21	329,211	0
NYC Total	168,255,368	6.2	29.34	1,476,304	1,379,109

*The JFK submarket is a combination of areas from Queens and Nassau County that primarily serve JFK Airport.

Source: CBRE Research,, 2025.

FIGURE 6: The Bronx



FIGURE 7: Brooklyn



FIGURE 8: Queens

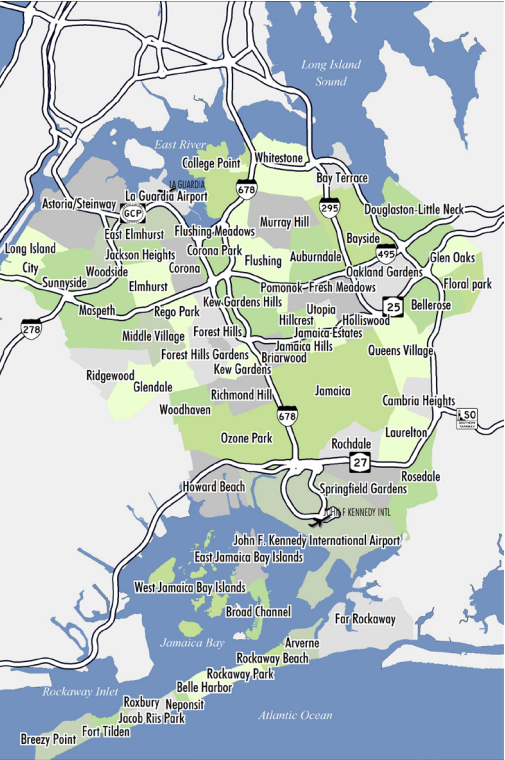


FIGURE 9: Staten Island



Contact

Nicole LaRusso

U.S. Head of Field Research & Data
Intelligence
+1 212 984 7188
Nicole.LaRusso@cbre.com

Joe Gibson

Associate Director of Research,
Philadelphia
+1 610 727 5922
Joseph.Gibson@cbre.com

Brian Klimas

Field Research Manager
+1 201 712 5633
Brian.Klimas@cbre.com

Anna Schaeffer

Senior Field Research Analyst
+1 212 984 6653
Anna.Schaeffer@cbre.com