

FIGURES | NYC OUTER BOROUGHES INDUSTRIAL | Q3 2026

Leasing Rebounds to Hold Vacancy Steady

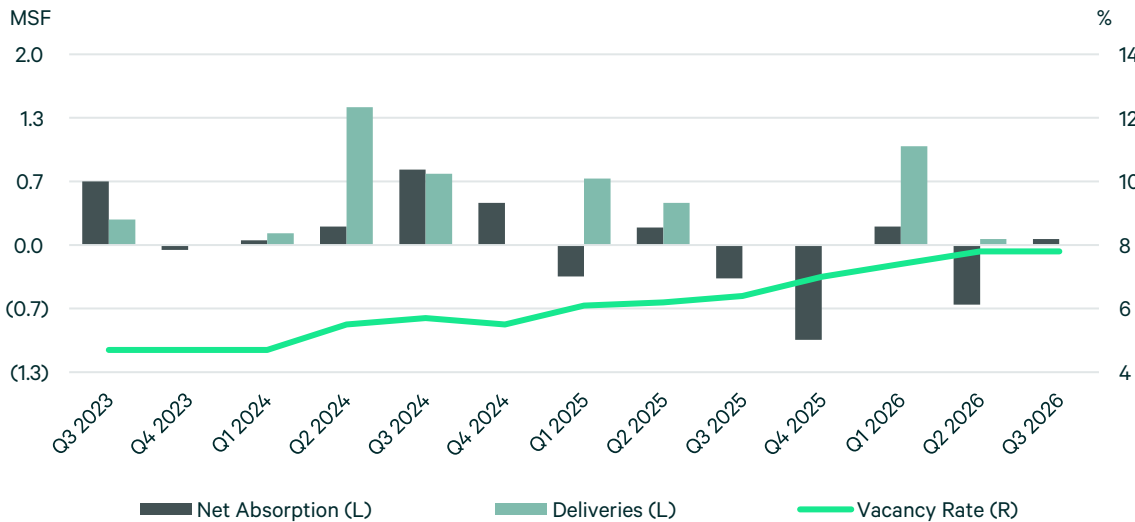


Note: Arrows indicate change from previous quarter.

Market Overview

The New York City industrial market maintained stable fundamentals in Q3, with tenant demand remaining concentrated in large-block space options and supporting a significant increase in leasing activity. Leasing activity totaled 801,000 sq. ft., up 109% quarter-over-quarter and 26% above the three-year quarterly average, supported by active demand from warehousing and storage users, third-party logistics providers, and e-commerce tenants. Overall vacancy held steady at 7.8%, while demand for higher-quality product contributed to a 250 basis point (bps) decline in the Class A availability rate to 28.3%. Overall average asking rent declined 1.0% quarter-over-quarter and 10.0% year-over-year to \$28.26 per sq. ft., while Class A asking rents remained unchanged at \$30.38 per sq. ft. Construction activity stayed limited, with 191,000 sq. ft. under construction across two properties and no new deliveries, keeping near-term supply pressure contained.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Demand

New leasing in the New York City outer boroughs strengthened in Q3 2026 after a softer first half of the year. New leases totaled 801,000 sq. ft. this quarter, up from 383,000 sq. ft. in Q2 2026, a 109% increase quarter-over-quarter and 26% above the three-year quarterly average. This brought year-to-date new leasing to 1.9 million sq. ft. through Q3 2026, trailing the same period in 2025 by 18%, indicating that while quarterly momentum improved, annual deal flow remained more measured. Queens drove most of this quarter’s demand, recording 649,000 sq. ft. of new leases, while Brooklyn accounted for 97,000 sq. ft., the Bronx for 47,000 sq. ft. and Staten Island for 8,000 sq. ft.

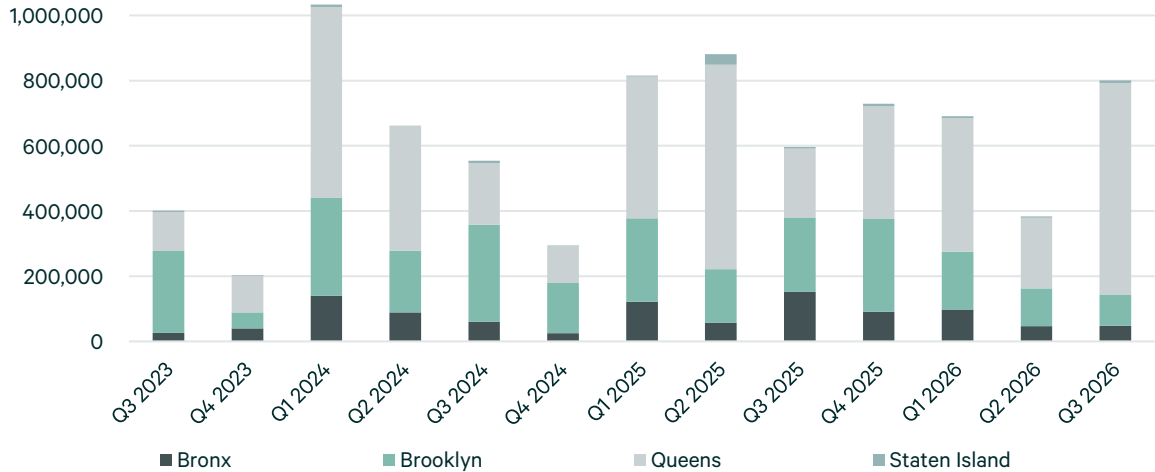
Large-block new leasing and Class A demand were key features of Q3 2026. Three new leases of 100,000 sq. ft. or more were completed, totaling 476,000 sq. ft. The largest of these was a confidential e-commerce tenant’s 245,000 sq. ft. new lease at 28-02 Whitestone Expressway in College Point, Queens, supported by two additional sizable Queens deals: Roadway Moving’s 117,000 sq. ft. lease and Contenur’s 114,000 sq. ft. lease at 28-90 Review Ave in Long Island City. Additional mid-size new leases included Luxury Portable Toilet Rentals of New York’s 55,300 sq. ft. deal in Springfield Gardens, Queens. Class A new leasing was heavily concentrated in Queens, which recorded 532,000 sq. ft. and captured 93% of outer-borough Class A activity, well above its 33% five-year average share.

Figure 2: Notable Lease Transactions

Tenant	Size	Address	Market	Submarket	Transaction Type
E-Commerce Tenant	245,337	28-02 Whitestone Expy	Queens	College Point	New Lease
Roadway Moving	117,000	28-90 Review Ave	Queens	Long Island City	New Lease
Contenur	114,000	28-90 Review Ave	Queens	Long Island City	New Lease
Luxury Portable Toilet Rentals of New York	55,300	153-44 S Conduit Ave	Queens	Springfield Gardens	New Lease
Fast Track Expediting	27,110	230-39 International Airport Center Blvd	Queens	Springfield Gardens	Renewal

Source: CBRE Research, Q3 2026

Figure 3: Leasing Activity
Sq. Ft.



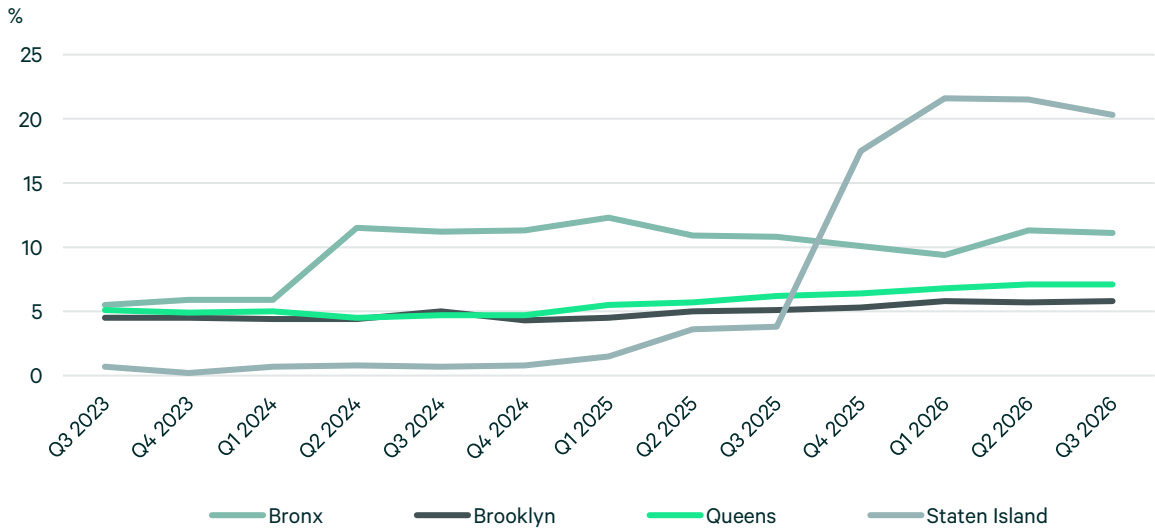
Source: CBRE Research Q3 2026

Supply

The New York City industrial market recorded 64,000 sq. ft. of positive net absorption in Q3 2026, following 606,000 sq. ft. of negative absorption in the previous quarter, signaling a modest improvement in occupancy trends. Despite stronger-than-average leasing activity during the quarter, several large space additions offset demand, keeping the vacancy rate unchanged at 7.8%. Among the most notable additions was a 70,000-sq.-ft. sublease offering at 850 3rd Avenue in Brooklyn, which contributed to the increase in available space.

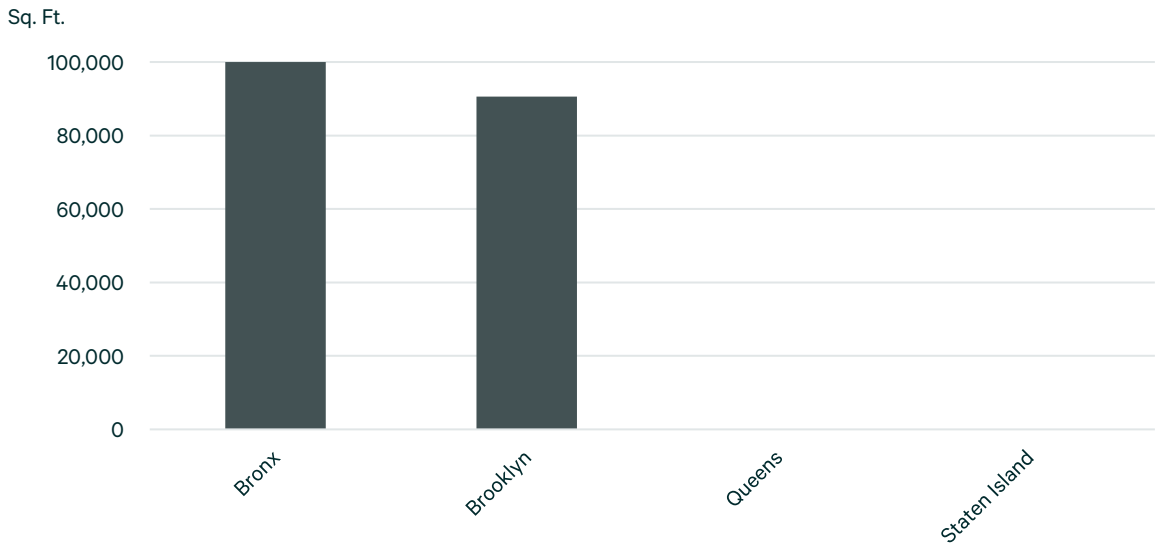
While overall vacancy remained flat at 7.8%, Class A vacancy declined 250 bps to 28.3%, marking the second consecutive quarter of improvement. No new deliveries occurred in the quarter, and space under construction was essentially flat at 191,000 sq. ft., with no construction starts.

Figure 4: Historical Vacancy Rate



Source: CBRE Research, Q3 2026

Figure 5: Under Construction



Source: CBRE Research Q3 2026

Rent Trends

In Q3 2026, industrial asking rents in the market edged down, while Class A pricing was stable but remained well below its Q3 2025 level. The overall average asking rent stood at \$28.26 per sq. ft., a 1% decrease quarter-over-quarter and 10% lower year-over-year. Class A space priced at \$30.38 per sq. ft. was unchanged quarter-over-quarter, but the rate was 15% below its Q3 2025 level, reflecting weaker demand for premium industrial product.

At the borough level, Queens continued to command the highest asking rents at \$34.15 per sq. ft., despite a 5% decline from the previous quarter, and remained 10% above year-ago levels. The Bronx followed at \$29.73 per sq. ft., with rents increasing modestly both quarter-over-quarter and year-over-year. Brooklyn's average asking rent fell to \$25.73 per sq. ft., reflecting softening pricing relative to both the prior quarter and one year ago. Staten Island remained the most affordable borough at \$20.34 per sq. ft., where rents posted modest gains on both a quarterly and annual basis.

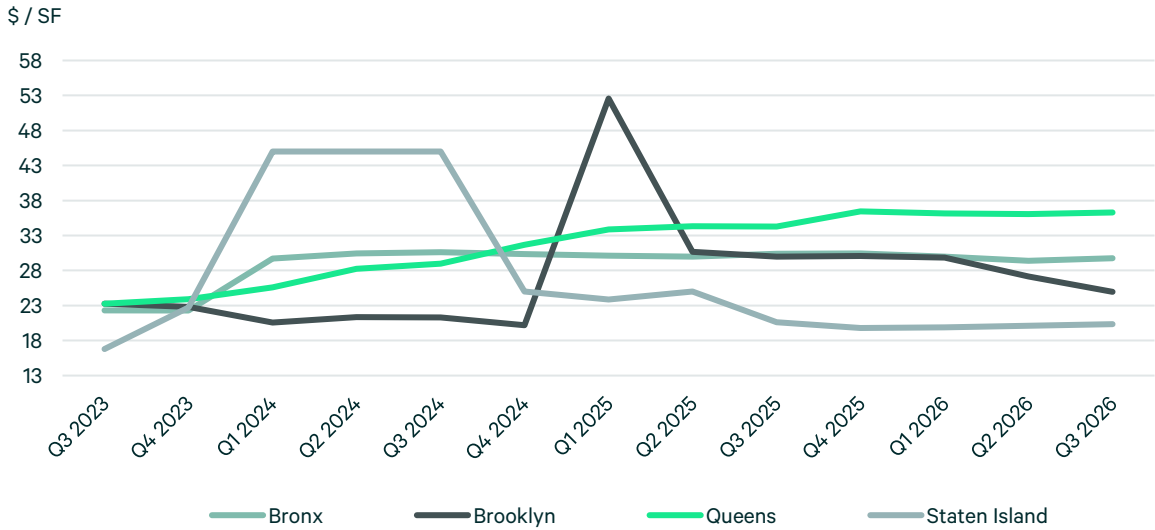
Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

New York City's industrial employment totaled 764,900 workers in August 2026, a modest decline of 600 jobs, or 0.1%, from one year earlier. Employment losses were concentrated in the manufacturing sector, which shed 1,700 positions over the year (-3.3%), while the much larger trade, transportation, and utilities sector, including logistics and fulfillment operations, remained relatively stable with a decline of just 400 jobs (-0.1%). Meanwhile, the citywide unemployment rate rose to 5.3% in August, up from 4.5% in July, but remained below the 6.0% rate recorded a year ago.

Figure 6: Historical Asking Rents



Source: CBRE Research Q3 2026

Figure 7: Market Statistics

Submarket	Inventory (SF)	Vacancy Rate (%)	Avg. Asking Rent (\$/SF)	New Lease Activity (SF)	Under Construction (SF)
Bronx	27,181,283	11.1	29.76	47,217	100,000
Brooklyn	68,311,053	5.8	24.97	96,827	90,560
Queens	66,639,245	7.1	36.31	649,060	0
Staten Island	7,156,207	20.3	20.33	7,500	0
JFK*	5,802,381	5.8	27.36	163,940	0
NYC Total	169,287,788	7.8	28.26	800,604	190,560

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

Source: CBRE Research, Q3 2026

FIGURE 8: The Bronx



FIGURE 9: Brooklyn



FIGURE 10: Queens

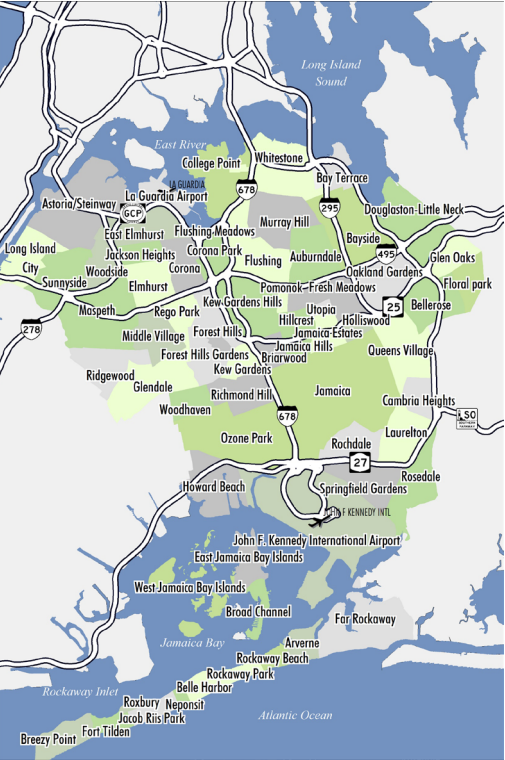


FIGURE 11: Staten Island



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