

FIGURES | NORTHEAST U.S. LOGISTICS | Q4 2025

Solid year of leasing activity but vacancy lingers

▲ 8.2%
Vacancy Rate

▼ -0.8M
SF Net Absorption

▼ 27.9M
SF Construction

▶ \$13.94
NNN / Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

- The leasing and user sale activity of the Northeast U.S. Industrial & Logistics (I&L) market totaled 16.1 million sq. ft. in Q4 2025, down 1% quarter-over-quarter. Annual leasing activity reached 62.5 million sq. ft. in 2025.
- Average asking rents for all asset types remained constant quarter-over-quarter, but decreased 3.8% year-over-year to \$13.94 per sq. ft.
- Vacancy ticked up 30 basis points (bps) to 8.2%, marking the 15th consecutive quarter of vacancy expansion.
- The active construction pipeline decreased quarter-over-quarter to 27.9 million sq. ft., down from 30.8 million sq. ft. in Q4 2024.
- Construction completions totaled 8.8 million sq. ft., up from 3.8 million sq. ft. in the previous quarter.
- Third-party logistics providers remained the primary drivers of leasing and user-sale activity, closely followed by manufacturers.

FIGURE 1: Net absorption, construction completions, and lease rate



Source: CBRE Research, 2026

In Q4 2025, leasing and user sale activity in the Northeast U.S. logistics market totaled 16.1 million sq. ft., 1% lower than the previous quarter, but 53% higher than Q4 2024. Year-end leasing activity totaled 62.5 million sq. ft., the highest annual leasing figure since 2022. The flight-to-quality trend continued, with tenants favoring strategically located Class A assets at the expense of Class B and C assets. Third-party logistics providers (3PLs) remained the most active occupier type in the region, increasing their demand for space from 26% in the previous quarter to 27% in Q4 2025. Manufacturing occupiers followed closely behind, representing 27% of all leasing in the region, up from 15% in the previous quarter. Retail/Wholesale users represented 18% of all activity, up from 15% in Q3 2025. E-commerce users represented 18% of all activity, down from 21% in Q3 2025.

From a geographic standpoint, leasing activity increased in the combined Philadelphia Metro and I-78/I-81 Corridor after the market continued to rebound after tariff rollbacks. Their combined leasing activity accounted for 43% of the region’s total, up from 38% in the previous quarter.

FIGURE 2: Total vacancy and asking lease rates



FIGURE 3: Northeast Industrial Market stats by region

MARKET	TOTAL RENTABLE AREA (MSF)	AVAILABILITY RATE (%)	VACANCY RATE (%)	Q4 2025 COMPLETIONS SF	Q4 2025 NET ABSORPTION SF	AVG. ASKING RENT (NNN)	AVG. CLASS A ASKING RENT (NNN)
Boston	318.8	10.1	7.9	0.82	-0.75	15.16	14.89
Hartford	81.0	8.7	7.3	0.25	-0.23	7.32	10.36
Long Island	106.5	7.2	7.1	0.31	0.05	18.87	21.32
NYC	168.3	6.9	7.0	0.00	-0.99	28.20	31.46
Northern NJ	407.2	7.0	6.8	0.02	0.17	18.30	22.62
Central NJ	470.9	8.2	7.8	1.92	-0.05	16.61	17.99
Philadelphia Metro	395.0	11.0	11.0	3.56	0.04	12.63	13.42
PA I-78/I-81 Corridor	548.3	10.7	8.6	2.70	0.94	9.09	9.55

Source: CBRE Research, 2026

Leasing activity declined across the combined Northern and Central New Jersey markets, driven by an increased emphasis on tenant retention and a corresponding rise in renewal activity among Retail/Wholesale and E-commerce occupiers. Leasing activity was dominated by 3PL tenants and accounted for 34.3% in the region, down from 40% in the previous quarter.

The construction pipeline shrunk to 27.9 million sq. ft. after 1 million sq. ft. broke ground in the final quarter of 2025, which brought 2025 starts to 22.2 million sq. ft. Pre-leasing rates for active construction in the region decreased 180 bps quarter-over-quarter to 26.9%. 8.8 million sq. ft. completed construction in Q4 2025, which brought 2025 total completions to 30.1 million sq. ft. The quarterly increase in vacancy can be attributed to unleased construction completions. Completions were down from 2024 when they totaled 37.3 million sq. ft. The reduction in the construction pipeline is expected to accelerate the approach to peak vacancy and support market stabilization.

FIGURE 4: Under construction

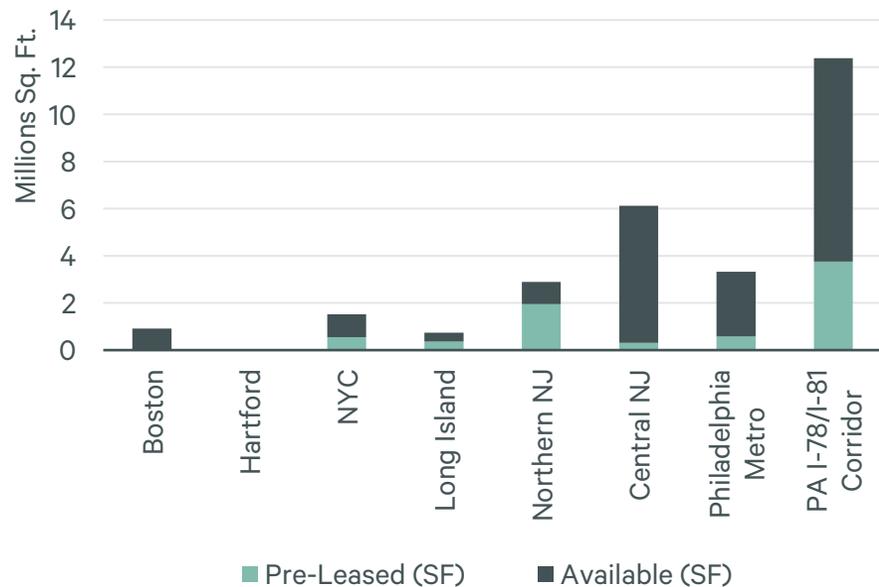


FIGURE 5: Pre-leasing by market

MARKET	UNDER CONSTRUCTION (MSF)	AVAILABLE SPACE (MSF)	AVAILABILITY RATE (%)	PRE-LEASED (MSF)	PRE-LEASED (%)
Boston	0.91	0.91	100.0	0.00	0.0
Hartford	0.00	0.00	0.0%	0.00	0.0%
Long Island	0.75	0.38	51.5	0.36	48.5
NYC	1.52	0.96	63.4	0.56	36.6
Northern NJ	2.89	0.94	32.6	1.95	67.4
Central NJ	6.13	5.82	95.0	0.31	5.0
Philadelphia Metro	3.33	2.74	82.5	0.58	17.5
PA I-78/I-81 Corridor	12.38	8.63	69.7	3.75	30.3

Source: CBRE Research, 2026

The overall average asking rent remained nearly unchanged at \$13.94 per sq. ft. for the third quarter in a row. Year-over-year, the average asking rent was down 3.8% from \$14.49 per sq. ft. in Q4 2024. The combined Northern New Jersey and Central New Jersey markets saw year-over-year losses of 3.3% due to landlords prioritizing occupancy over signing deals with maximum rent rates. The Philadelphia Metro saw an increase of 3% year-over-year in the average asking rent, while the I-78/I-81 Corridor average asking rent remained unchanged year-over-year. Across the region, landlords have offered competitive concessions to secure tenants; however, as vacancy stabilizes, rent growth is expected to follow.

FIGURE 6: Leasing and user sale activity by type

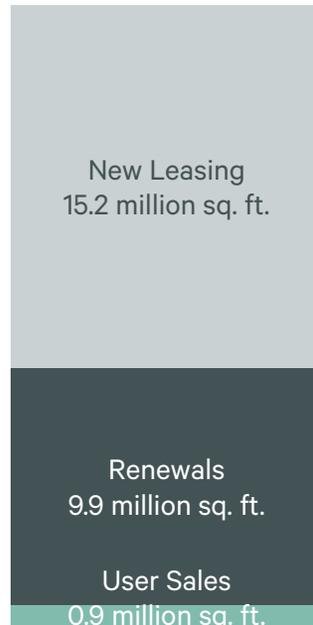
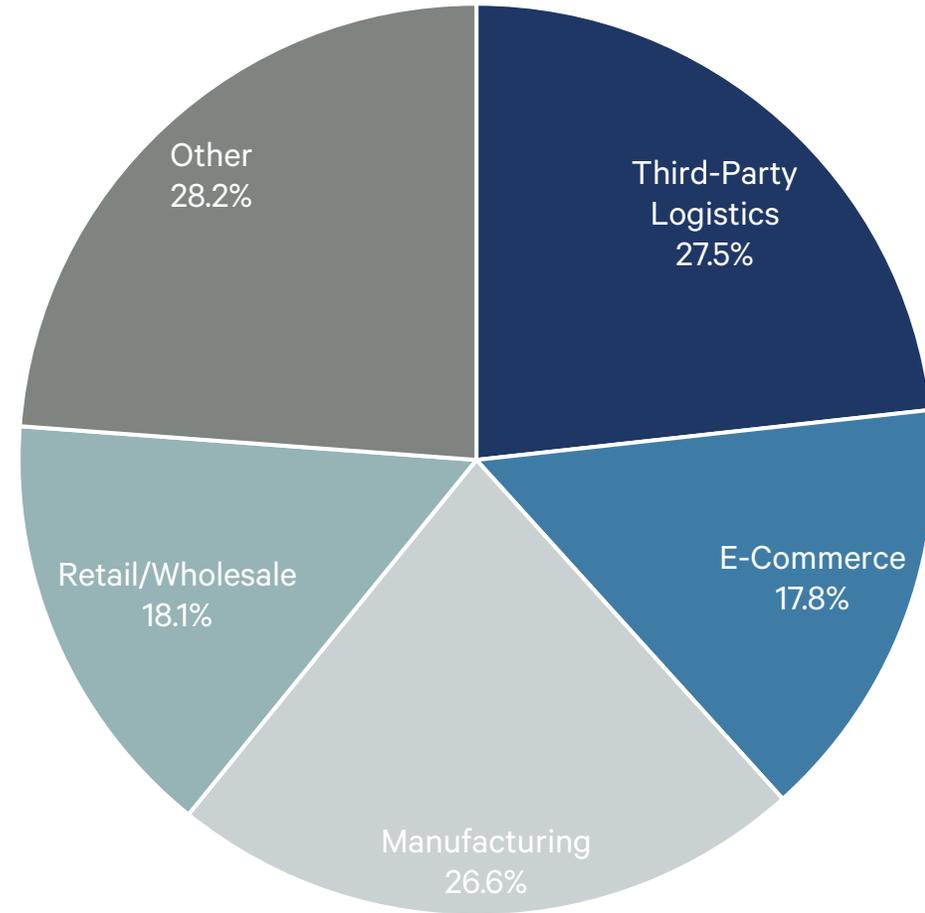


FIGURE 7: Leasing and user sale by industry



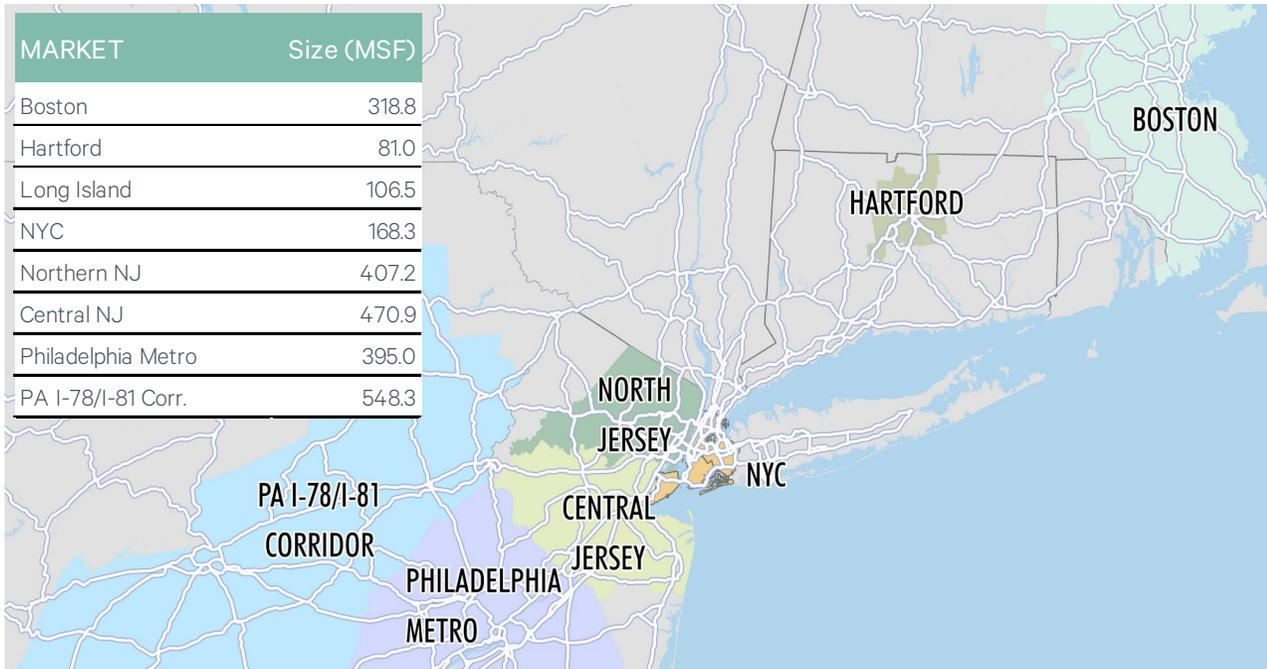
Source: CBRE Research, 2026

FIGURE 8: Significant Industrial Leases and User Sales

TENANT	MARKET	SIZE (SF)	INDUSTRY
DHL	Reading	1,004,640	Manufacturing
E-Commerce User	Central New Jersey	923,000	E-Commerce
Williams Sonoma Direct	Central New Jersey	751,450	Retail/Wholesale
Cirro	Philadelphia	750,787	3PL
E-Commerce User	Northern New Jersey	585,000	E-Commerce
E-Commerce User	Lehigh Valley	526,260	E-Commerce
The American Bottling Company	Central New Jersey	453,070	Manufacturing
E-Commerce User	WM - Worcester South	450,800	E-Commerce
National DCP	MS - Route 495-South	252,000	Third-Party Logistics
Niagara Bottling	Hartford	164,725	Manufacturing

Source: CBRE Research, 2026

Market Area Overview



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