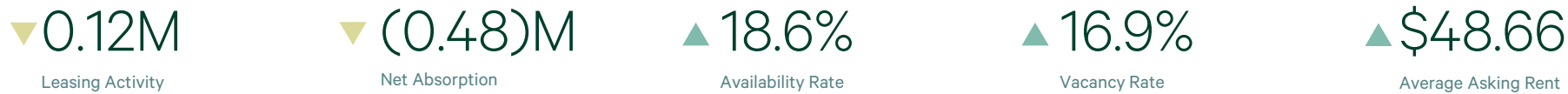


FIGURES | BROOKLYN OFFICE | Q3 2026

Limited leasing and new supply temper momentum



Note: Arrows indicate change from previous quarter.

Quick Facts

- Leasing activity totaled 123,000 sq. ft. in Q3 2026, 48% behind the five-year quarterly average of 236,000 sq. ft.
- Year-to-date leasing activity totaled 691,000 sq. ft. and was down 35% from the same time last year.
- The availability rate was up 140 basis points (bps) from Q2 2026 to 18.6% but was down 180 bps from one year ago.
- Net absorption was negative 481,000 sq. ft. in Q3 2026, bringing the year-to-date total to positive 1.11 million sq. ft.
- At \$48.68 per sq. ft., the average asking rent was up 2% quarter-over-quarter but down 9% year-over-year.
- The sublease availability rate was down 10 bps from last quarter to 1.5% and represented 8% of all available space.

Market Overview

Brooklyn's office market slowed in Q3 as muted leasing failed to keep pace with new supply. One large space addition pushed net absorption to negative 481,000 sq. ft., the first negative quarter since Q3 2025, and lifted the average asking rent 2% quarter-over-quarter to \$48.66. Still, year-to-date absorption stayed positive and was the second-highest total on record.

Figure 1: Key Lease Transactions

Tenant	Size (Sq. Ft.)	Deal Type	Direct/Sublet	Address
L.K. Comstock	13,566	L	D	55 Prospect Street
Millward Architecture Design, D.P.C.	2,135	L	D	300 Huntington Street
Shop-Peche	1,472	L	D	1 Wythe Avenue

Source: CBRE Research, Q3 2026. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

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.

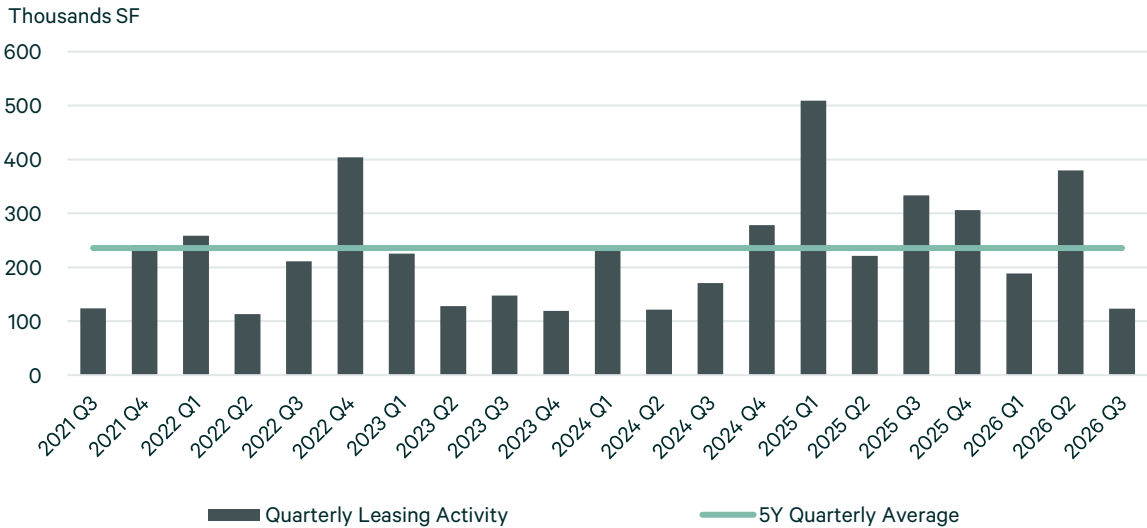
After backtracking in early 2026, New York City's labor market rebounded with private employment growing for five straight months, before dropping again in August 2026 (most recent data available) to 4.22 million jobs. Despite the recent dip, NYC's private employment still stood within 1% of the March 2025 all-time high. As of August 2026, nearly all the key office-using sectors were down relative to year-end 2025. The information sector (-3,400) and financial services sector (-2,700) were among those down the most. While the employment total fell in August 2026, the unemployment rate decreased to a tight 4.8%, an unusual occurrence due in part to a notable shrinking of the labor force. At this level NYC's unemployment rate remained above the national rate of 4.2%.

Leasing Activity

Brooklyn recorded 123,000 sq. ft. of leasing activity in Q3, 48% below its five-year quarterly average and 67% lower than the prior quarter. The absence of large transactions left all submarkets below their five-year quarterly averages.

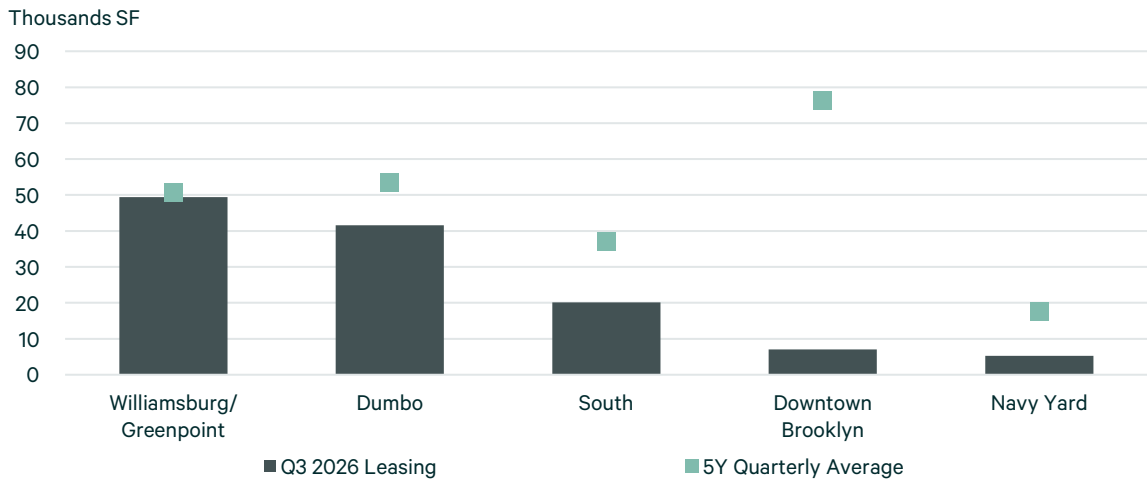
L.K. Comstock's 14,000-sq.-ft. lease at 55 Prospect Street was the largest deal of the quarter, accounting for one-third of DUMBO's leasing activity, which finished 22% behind its five-year average. Williamsburg/Greenpoint came closest to its five-year quarterly average, ending the quarter 3% below with 49,000 sq. ft. of activity. Quality space remains attractive to tenants as 14% of Williamsburg/Greenpoint leasing came from a handful of leases at recent delivery, 1 Wythe Avenue.

Figure 2: Leasing Activity | Quarterly Historical



Source: CBRE Research, Q3 2026.

Figure 3: Leasing Activity by Submarket



Source: CBRE Research, Q3 2026.

Net Absorption and Availability

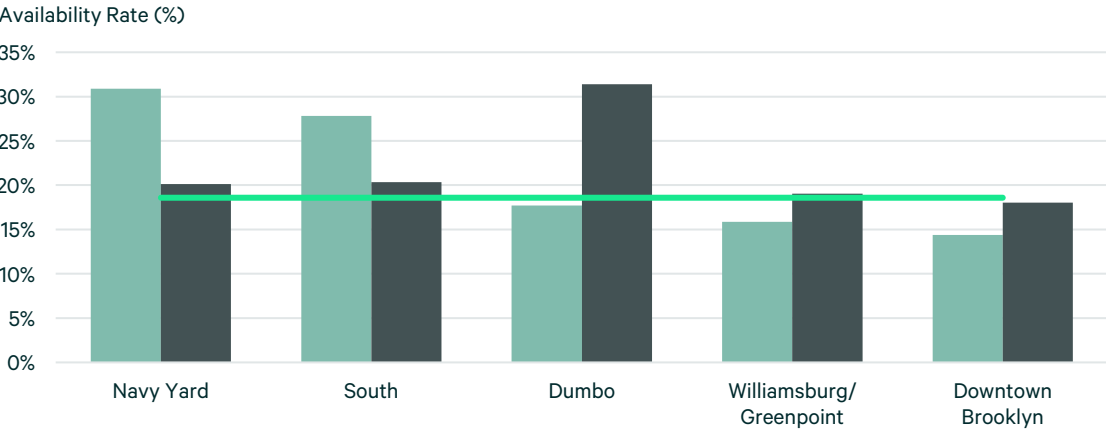
Muted leasing activity failed to offset space additions, and Brooklyn recorded its first quarter of negative absorption since Q3 2025, with 481,000 sq. ft. of net occupancy loss. Despite the Q3 decline, year-to-date absorption remained positive at 1.11 million sq. ft. The quarter's negative absorption was heavily concentrated in Downtown Brooklyn, the only submarket to post a negative total. Downtown Brooklyn recorded 620,000 sq. ft. of negative absorption, driven primarily by the 565,000 sq. ft. space addition at 351 Jay Street. Only five other buildings across Brooklyn added more than 10,000 sq. ft. of space to the market during the quarter, and none of them exceeded 25,000 sq. ft.

South Brooklyn recorded the largest positive absorption of the quarter at 76,000 sq. ft. Even without large leasing, 50,000 sq. ft. of space withdrawals helped drive that total. Navy Yard posted the second-largest positive absorption total at 57,000 sq. ft., bolstered by the 42,000-sq.-ft. withdrawal of Food52's sublease space at 63 Flushing Avenue. Year-to-date absorption, supported by positive activity earlier in the year, remained the second-highest year-to-date total on record.

Asking Rent

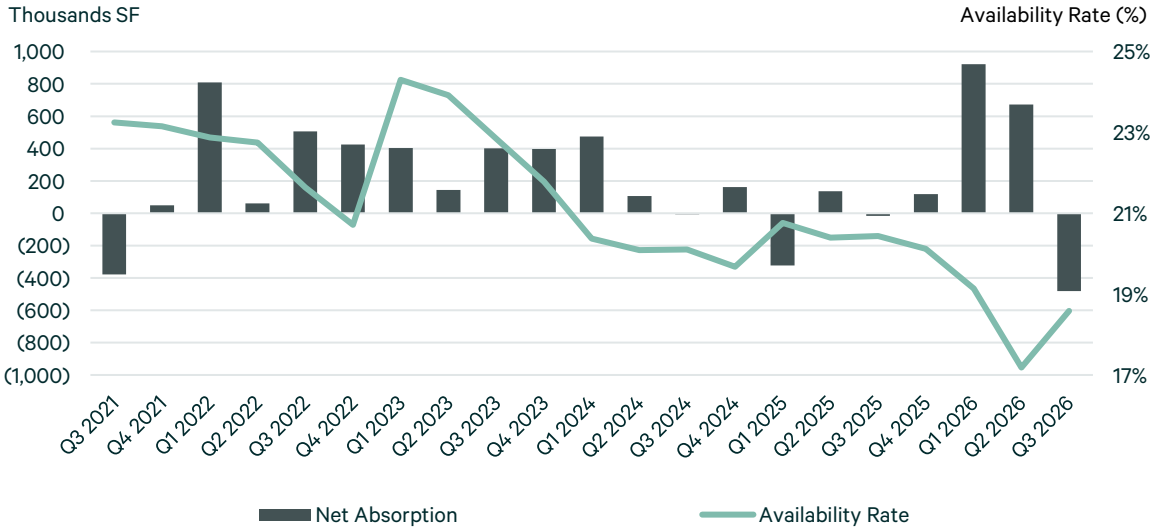
Brooklyn's average asking rent climbed 2% quarter-over-quarter to \$48.66, the market's first quarterly increase since Q1 2024. Downtown Brooklyn saw asking rents increase 1% quarterly, the only submarket to record any change in Q3. The delivery of high-quality space at 351 Jay Street fueled that gain and lifted the broader market.

Figure 4: Availability Rate by Submarket



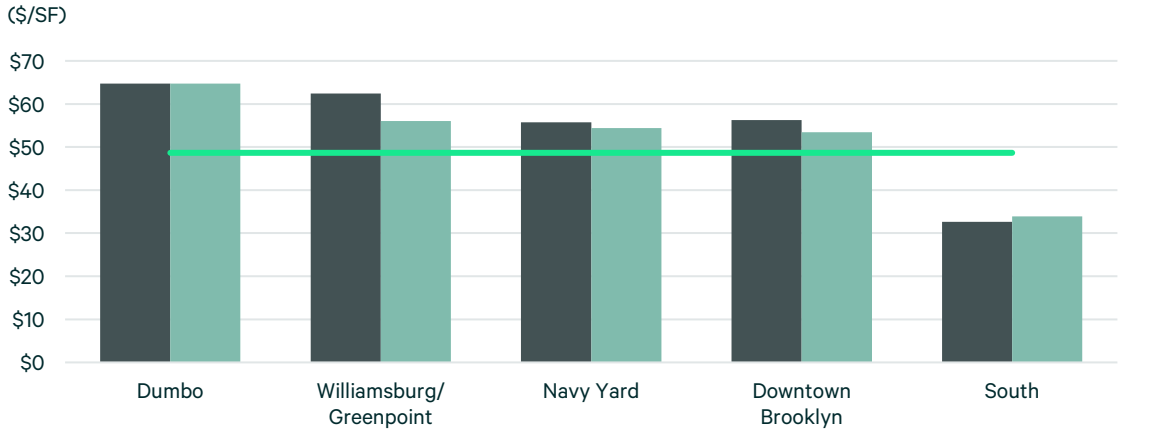
Source: CBRE Research, Q3 2026. Q3 2026 Q3 2025 Brooklyn

Figure 5: Quarterly Net Absorption & Availability Rate



Source: CBRE Research, Q3 2026.

Figure 6: Average Asking Rent by Submarket



Source: CBRE Research, Q3 2026. Q3 2025 Q3 2026 Brooklyn

Market Statistics

Figure 7: Market Statistics

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Total Vacancy (%)	Avg. Asking Rate (\$/SF/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Quarterly Leasing (SF)	YTD Leasing (SF)
Downtown Brooklyn	16.75	14.4%	13.9%	0.5%	13.9%	\$53.44	(619,715)	258,473	7,065	340,427
Dumbo	3.69	17.7%	13.7%	4.0%	13.4%	\$64.69	5,741	593,228	41,550	164,170
Navy Yard	1.72	30.9%	26.7%	4.2%	30.8%	\$54.37	45,947	53,031	5,300	8,242
South	7.13	27.8%	25.5%	2.3%	25.2%	\$33.88	75,707	113,312	20,125	48,605
Williamsburg/Greenpoint	5.08	15.9%	15.1%	0.8%	12.9%	\$56.04	10,932	94,220	49,423	129,724
Total	34.37	18.6%	17.1%	1.5%	16.9%	\$48.66	(481,388)	1,112,264	123,463	691,168

Source: CBRE Research, Q3 2026.

Market Area Overview

Definitions

- Availability: Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.
- Asking Rent: Weighted average asking rent.
- Concession Values: The combination of rent abatement and T.I. allowance. The graph is for new leases for raw space of 25,000 sq. ft. or greater consummated year-to-date, this excludes expansion and renewal deals.
- Leasing Activity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals.
- Leasing Velocity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals.
- Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.
- Rent Abatement: The time between lease commencement and rent commencement.
- Taking Rent: Actual, initial base rent in a lease agreement.
- Taking Rent Index: Initial taking rents as a percentage of asking rents.

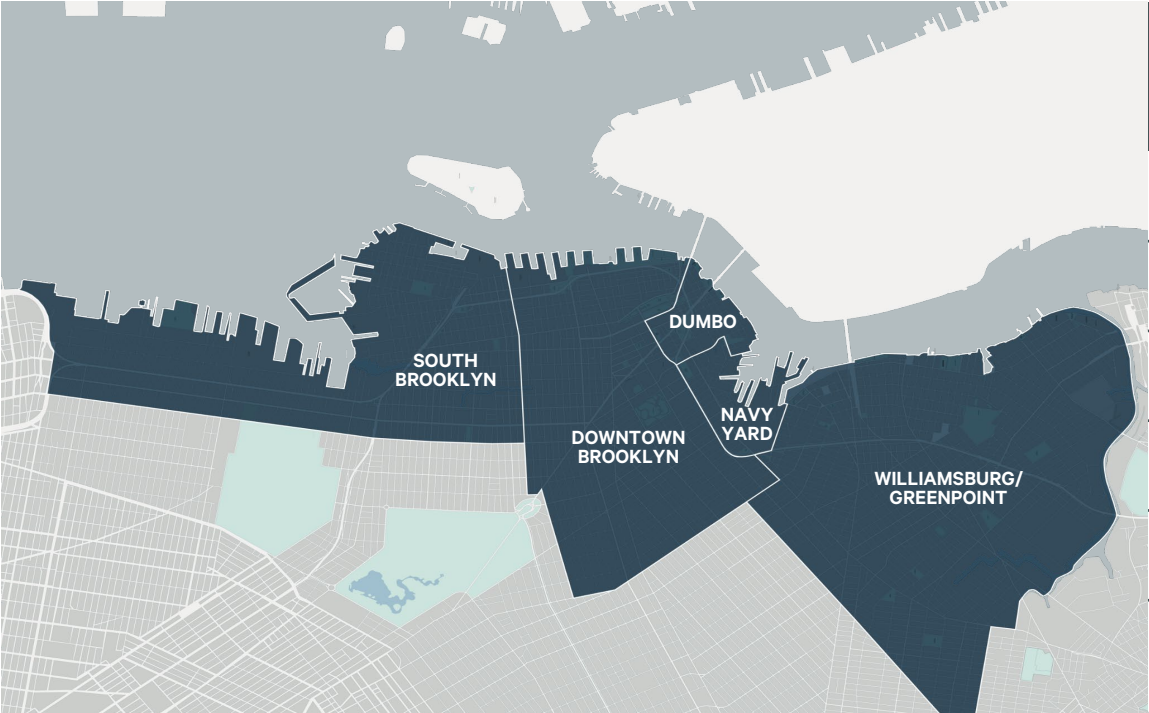
Definitions

- T.I.: Tenant improvements.
- Vacancy: Unoccupied space available for lease.
- Percentage of Leasing by Industry: The percentage of sq. ft. leased by an industry based on transactions where a tenant and industry have been confirmed.

Survey Criteria

CBRE’s market report analyzes fully modernized office buildings that total 25,000+ sq. ft. in Brooklyn, including owner-occupied buildings (except those owned and occupied by a government or government agency). New construction must be available for tenant build-out within 12 months. CBRE assembles all information through telephone canvassing and listings received from owners, tenants and members of the commercial real estate brokerage community.

Market Area Overview



Submarket	Total Size (Mill. Sq. Ft.)	No. of Buildings
Navy Yard	1.72	5
Downtown Brooklyn	16.75	58
DUMBO	3.69	16
South Brooklyn	7.13	26
Williamsburg/Greenpoint	5.08	43
Total Inventory	34.37	148

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