

FIGURES | NEW YORK CITY INDUSTRIAL | Q2 2026

Momentum slows as vacancy reaches multi-year high

▲ 7.8%
Vacancy Rate

▼ -589,000
SF Net Absorption

▼ 190,000
SF Under Construction

▼ 413,000
SF Leasing Activity

▼ \$28.64
PSF Average Asking Rent

Note: Arrows indicate change from previous quarter.

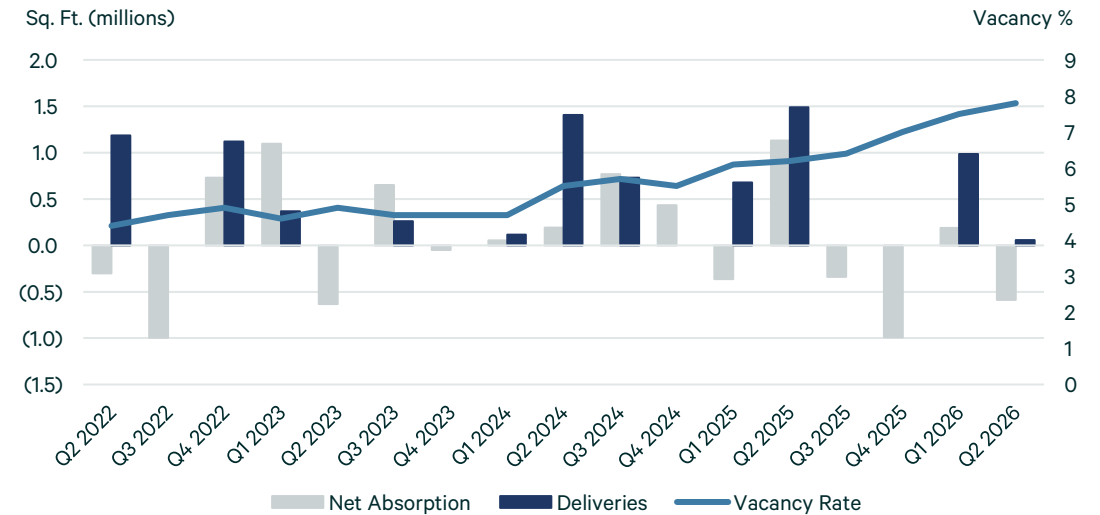
Market Overview

Positive momentum slowed in the NYC industrial market during the second quarter. Market activity shifted toward smaller leases and the vacancy rate increased. Leasing activity totaled 413,000 sq. ft., declining 39% quarter-over-quarter and 53% year-over-year. While larger transactions were largely absent, small and mid-sized tenants remained active, particularly in Brooklyn and Queens, which together accounted for 88% of total leasing volume.

Net absorption totaled negative 589,000 sq. ft. during the quarter, increasing the vacancy rate by 40 basis points (bps) to 7.8%. The uptick was largely driven by the Bronx and Queens, which together recorded 722,000 sq. ft. of negative net absorption.

As availability continued to rise and demand for large-block space remained muted, no new construction starts were recorded for the third consecutive quarter. As a result, the development pipeline contracted 63% to 190,000 sq. ft. Asking rents softened to \$28.64 per sq. ft., declining 2% quarter-over-quarter and 10% year-over-year, with Brooklyn posting the steepest rent correction.

FIGURE 1: Historic Absorption, Construction Completions, and Vacancy



Source: CBRE Research, Q2 2026.

Demand

Leasing activity in the NYC industrial market reached 413,000 sq. ft. in Q2 2026, a 39% quarter-over-quarter decrease and 32% below the three year quarterly average. Queens led all leasing activity with 251,000 sq. ft. or 61%, boosted by a confidential logistics tenant committing to 76,000 sq. ft. at 58-95 Maurice Avenue in Maspeth.

Although the sector lacks large scale commitments from nationally recognized occupiers, steady mid-sized and small transaction volume have kept leasing activity diversified.

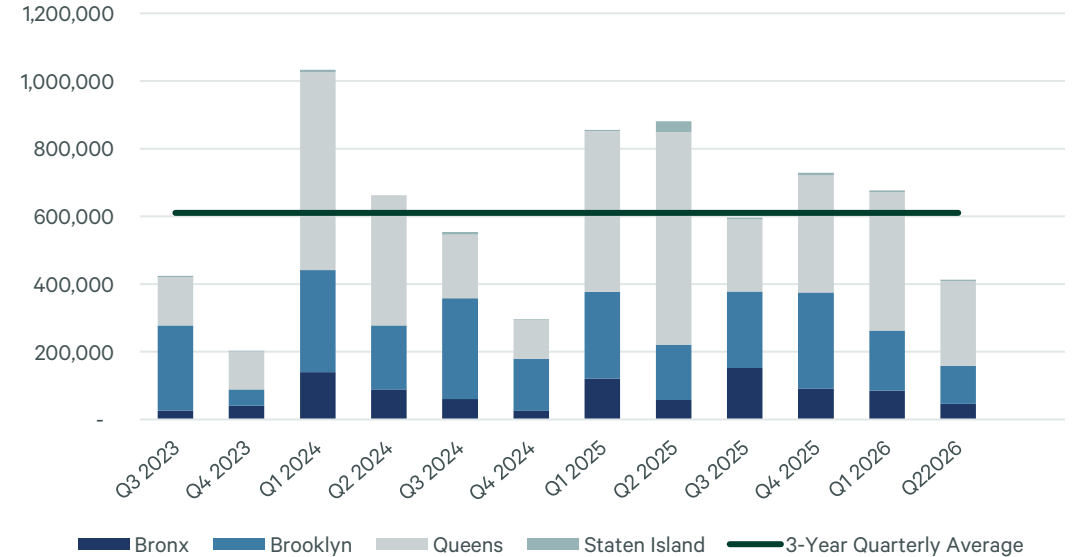
Demand for Class A industrial product remained subdued as tenants favored older, commodity-style buildings over newer last-mile facilities, reflecting heightened cost sensitivity and a preference for affordability and operational flexibility amid persistent economic uncertainty. As a result, leasing activity continues to favor practical space over premium, highly improved assets.

FIGURE 2: Notable Lease Transactions

Tenant	Size (Sq. Ft.)	Address	Market	Submarket
Logistics Tenant	76,000	58-95 Maurice Ave	Queens	Maspeth
Cinelease	65,000	1213 Grand Ave	Brooklyn	Greenpoint/Williamsburg
NEFCO	31,500	550 Brush Ave	Bronx	Zerega
Roman Thomas	13,500	29-76 Northern Blvd	Queens	Long Island City

Source: CBRE Research, Q2 2026.

FIGURE 3: Leasing Activity (Sq. Ft.)



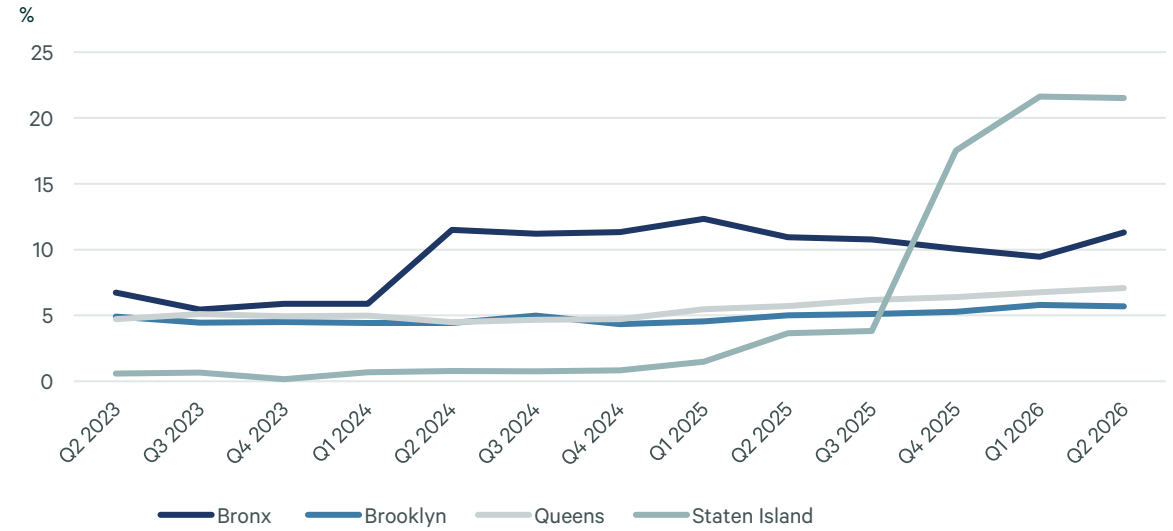
Source: CBRE Research, Q2 2026.

Supply

The New York City industrial market recorded 589,000 sq. ft. of negative net absorption, leading to its sixth consecutive quarterly increase in vacancy, rising 40 bps to 7.8%. This increase was driven by tenant contraction rather than new supply. The largest addition to the market was 290,000 sq. ft. at 1340 Viele Avenue in the Bronx, vacated by Gary Plastic Packaging Corp., followed by Empire Merchants' move-out of 168,000 sq. ft. at 19-50 48th Street in Queens.

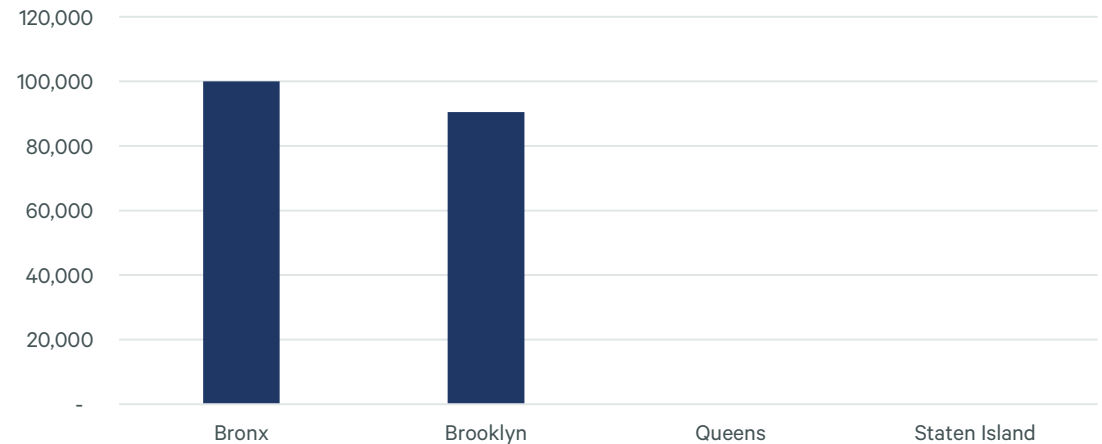
With both overall and Class A vacancy remaining elevated—and large footprint requirements remaining scarce—there were no new construction starts for the second consecutive quarter. As a result, the construction pipeline declined 63% to 190,000 sq. ft.

FIGURE 4: Vacancy Rate



Source: CBRE Research, Q2 2026

FIGURE 5: Under Construction



Source: CBRE Research, Q2 2026

Rent Trends

Despite steady demand from small and mid-sized occupiers, asking rents continued to soften amid rising availability. The average asking rent in the New York City industrial market declined to \$28.64 per sq. ft. in Q2 2026, down 2% from the previous quarter and 10% from a year ago.

Class A asking rents also trended downward, falling 2% quarter-over-quarter to \$30.38 per sq. ft. and 15% year-over-year, reflecting weaker demand for premium industrial product. At the borough level, the Bronx recorded an average asking rent of \$29.40 per sq. ft., down 2% both quarter-over-quarter and year-over-year.

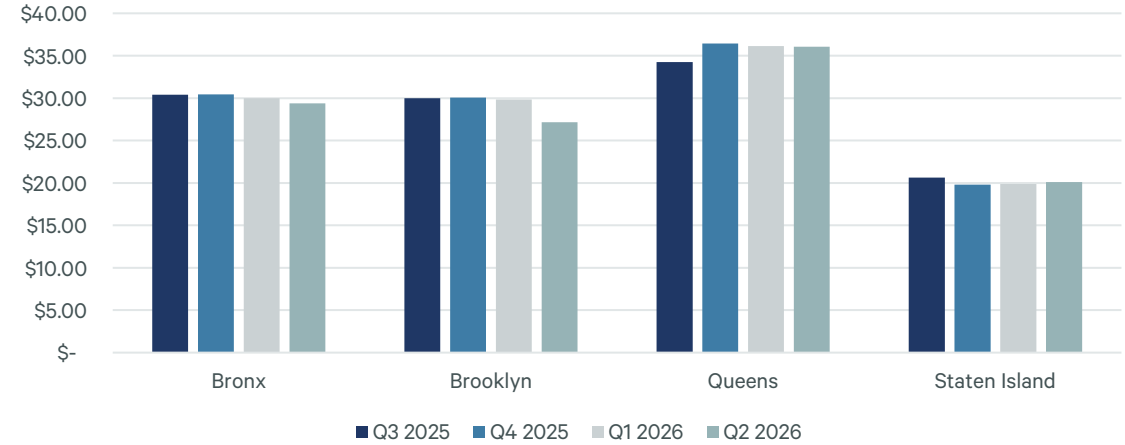
Brooklyn experienced the sharpest quarterly decline, with asking rents falling 9% to \$27.17 per sq. ft., a decrease of 11% from a year earlier. In contrast, Queens rents remained stable quarter-over-quarter at \$36.08 per sq. ft. and increased 5% year-over-year, continuing to command the highest rents in the market. Staten Island was the only borough to post a quarterly increase, with asking rents rising 1% to \$20.12 per sq. ft.; however, rents remained 20% below year-ago levels.

Local Economic and Labor Overview

New York City's industrial employment fell to 766,500 workers in May 2026, down 3,000 positions year-over-year (-0.4%). Manufacturing firms let go of 2,300 positions over the year (-4.4%), while the significantly larger trade, transportation, and utilities sector—which includes logistics and fulfillment center employment—reduced headcount by 2,900 positions (-0.5%).

New York City's overall unemployment rate was 4.8% in May 2026, unchanged from April 2026 and roughly in line with 4.7% a year earlier.

FIGURE 6: Average Asking Rent



Source: CBRE Research, Q2 2026

FIGURE 7: Market Statistics

Market	Inventory (SF)	Vacancy Rate (%)	Avg. Asking Rent (\$/SF)	Leasing Activity (SF)	Under Construction (SF)
Bronx	27,181,283	11.3	29.40	45,805	100,000
Brooklyn	68,357,603	5.7	27.17	113,225	90,474
Queens	66,659,595	7.1	36.08	250,552	0
Staten Island	7,156,207	21.5	20.12	3,500	0
JFK*	5,748,061	7.4	27.57	24,473	0
NYC Total	169,354,788	7.8	28.64	413,082	190,474

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

Source: CBRE Research, Q2 2026

FIGURE 8: The Bronx



FIGURE 9: Brooklyn



FIGURE 10: Queens

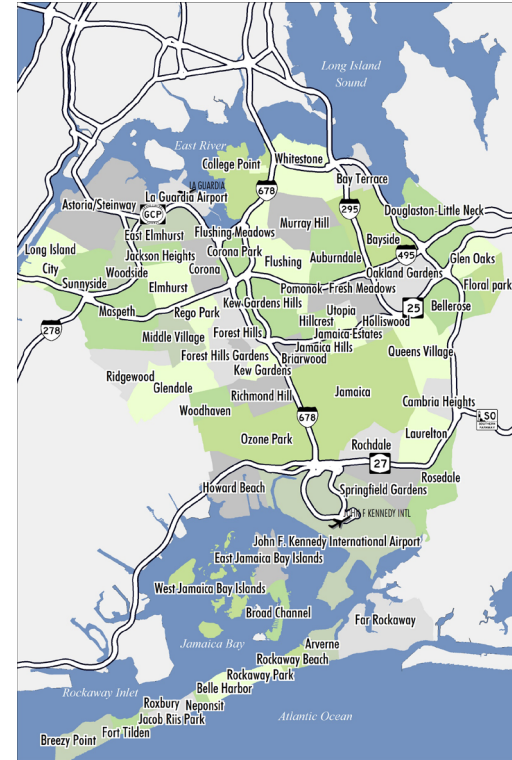


FIGURE 11: Staten Island



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