

Q2 CRE LEASE REPORT

Tri State Commercial - 2025

TRI STATE COMMERCIAL®



TSC.

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Introduction

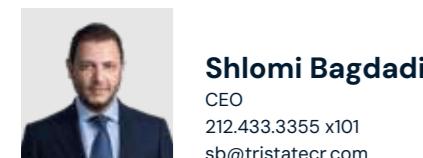
Words From Our President

Q2 2025 continued to demonstrate NYC's exceptional resilience in the commercial real estate landscape. Even amid a cautious economic environment and persistently high interest rates, leasing fundamentals remain strong. Retail and multifamily lead activity, while select office and industrial assets gain renewed interest through adaptive reuse and tenant repositioning. Tenants across all boroughs continue to seek efficiency and prime locations, supporting stable rent levels.

Economic and geopolitical uncertainty has pushed investors and occupiers toward greater discipline, favoring income-producing assets and strategic portfolio optimization. Brooklyn and the Bronx benefit from steady local demand and community-driven retail, while Manhattan's selective recovery — powered by office-to-residential conversions — underscores NYC's capacity to reinvent itself.

For Tri State Commercial Realty®, these trends reinforce our commitment to agility, market expertise, and client-first service. As confidence strengthens, we continue to grow alongside the city we serve: resilient, forward-looking, and built to thrive through change.

Shlomi Bagdadi
Founder & CEO, Tri State Commercial Realty®



Our Market Perspective

2,292

TOTAL DEALS LEASED

13,933,309 SF

TOTAL SF LEASED

1,637

BUILDINGS

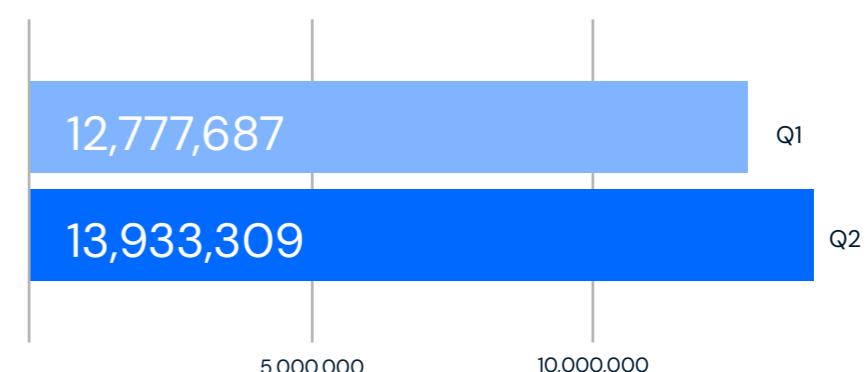
In Q2, the New York City commercial leasing market demonstrated continued growth, reflecting strong demand across office, retail, and mixed-use assets. Total square footage leased reached 13,933,309 SF, marking a 9.04% increase compared to Q1. Overall deal activity also rose, with 2,292 transactions completed, representing a 7.76% increase quarter-over-quarter.

The number of buildings transacted expanded to 1,637, up 4.87% from Q1, highlighting broad-based market participation across Manhattan, Brooklyn, Queens, and the Bronx. These metrics underscore a resilient and active leasing environment, providing opportunities for both landlords and tenants in NYC's competitive commercial real estate market.

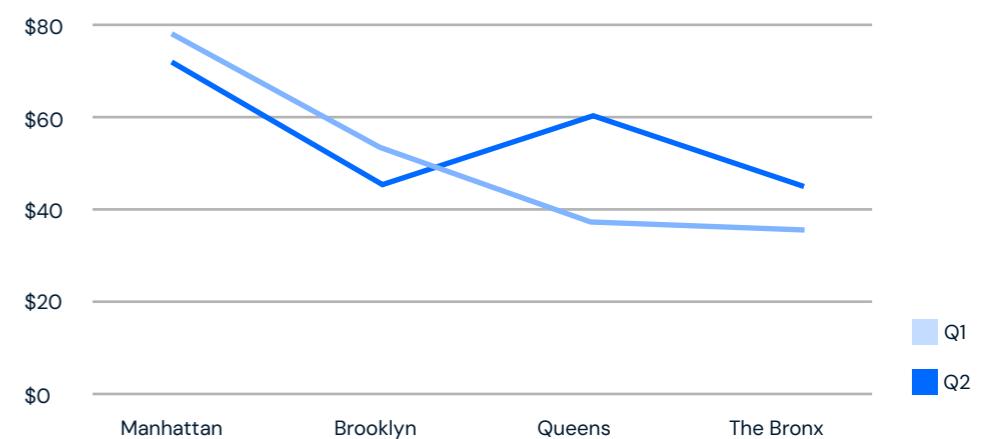
Key Takeaways

- Leasing activity in NYC continued to grow in Q2, showing strong tenant demand across office, retail, and mixed-use assets.
- Both deal volume and square footage leased rose notably, signaling a healthy pipeline of transactions.
- More buildings participated in deals, suggesting broad-based engagement across boroughs.
- The market remains resilient and competitive, offering opportunities for both landlords and tenants.

Total SF Leased QoQ



Average Asking Rent Per SF QoQ



NYC Overview

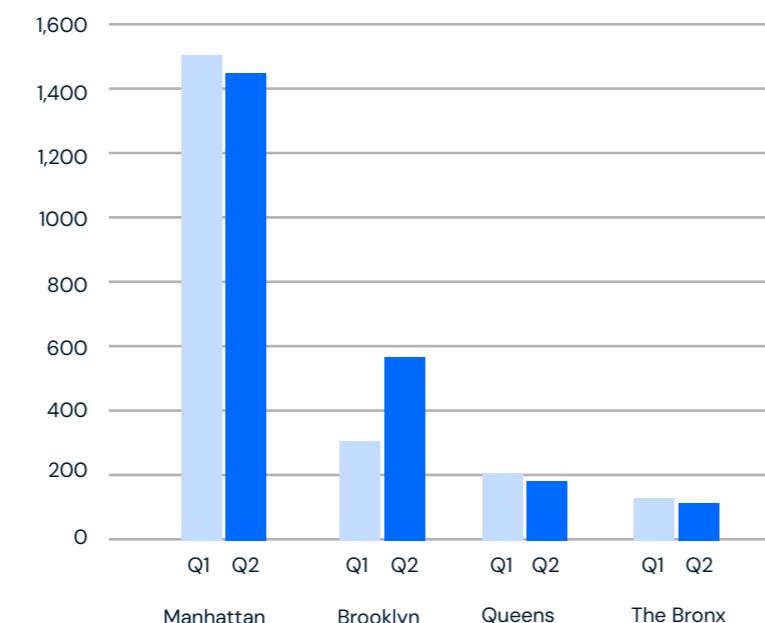
BOROUGH	TOTAL DEALS	TOTAL SF LEASED	AVERAGE DEAL SF	BUILDING	AVERAGE TERM IN YEARS
Manhattan	1,452	10,940,030	7,534	997	7
Brooklyn	567	1,732,432	3,055	406	5
Queens	171	773,140	4,521	144	7
The Bronx	102	487,707	4,781	90	8

SF Leased



Total Deals

Q1 VS Q2



MANHATTAN TOTAL SF LEASED

↑1.68%



BROOKLYN TOTAL DEALS

↑86.51%



BRONX AVERAGE DEAL SF

↑46.39%



*Q1 vs Q2 25'

In Q2, the New York City commercial leasing market demonstrated a mixed but resilient performance across boroughs. Manhattan maintained its position as the largest market by total square footage leased, with 10,940,030 SF across 1,452 deals, although the average asking rent declined 7.41% quarter-over-quarter to \$72/SF. Brooklyn showed notable growth, with 567 deals (+86.5% vs Q1) and 1,732,432 SF leased, reflecting strong tenant demand in emerging submarkets, despite a softer average asking rent of \$45/SF.

The Bronx posted 102 deals and 487,707 SF leased, with a significant 62% increase in average asking rent to \$60/SF, highlighting rising interest in this borough. Queens saw a slight decline in total deals and SF leased, but average asking rent rose 25.7% to \$44/SF, reflecting selective leasing activity in high-demand neighborhoods.

Overall, Q2 reflects a dynamic and borough-specific leasing landscape, with Manhattan continuing to lead, Brooklyn and the Bronx showing strong growth, and TSC transactions contributing meaningful niche activity across NYC.

TSC MARKET ACTIVITY

TSC activity represented a meaningful share of the market, with 67 closed deals citywide totaling 133,395 SF.

Manhattan accounted for 11 deals at \$106/SF, while Brooklyn led TSC volume with 49 deals and 106,720 SF leased at \$68/SF, highlighting the segment's ongoing presence across the city.

BOROUGH	TOTAL DEALS CLOSED	MARKET SHARE	TOTAL SF LEASED	AVERAGE ASKING RENT
Manhattan	11	0.76%	14,725 SF	106,35 \$/SF
Brooklyn	49	8.64%	106,720 SF	68,30 \$/SF
Queens	2	1.17%	3,650 SF	45,56 \$/SF
The Bronx	5	4.90%	8,300 SF	40,24 \$/SF
NYC Total	67	4.29%	133,395 SF	70,13 \$/SF

Featured Deal

377 Broome Street
Nolita, New York, NY 10013
Highest \$/SF in Q2

Agents: Sherry Chera & Chandler Slatte
SF: 350 SF
Type: Retail
Rent: \$5,300 / Month
Closed: April 2025
Price / SF: \$181.71

Brooklyn

NYC LEASE MARKET



Overview

1,732,432 SF

TOTAL SF LEASED

567

TOTAL DEALS

3,055

AVERAGE DEAL SF

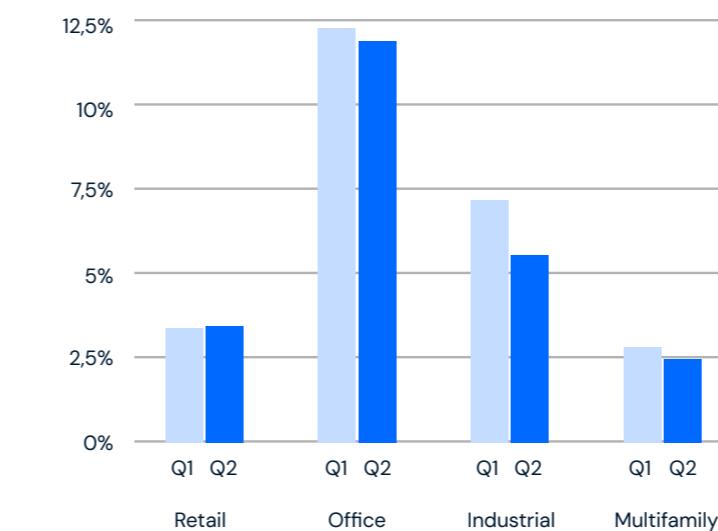
406

BUILDINGS

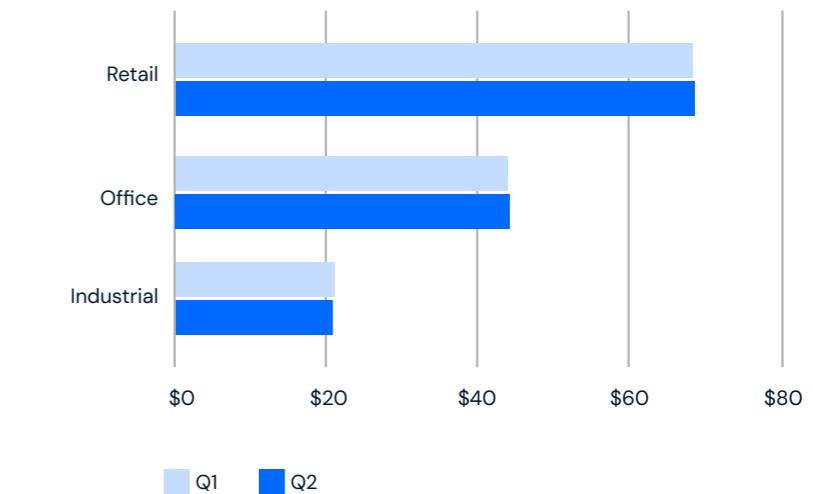
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION	AVERAGE VACANCY RATE	AVERAGE ASKING RENT
Office	575,900	12%	\$44,03 (\$/SF)
Retail	-79,200	3.5%	\$68,41 (\$/SF)
Industrial	-71,800	5.5%	\$20,99 (\$/SF)
Multifamily	3,019	2.5%	\$2,878 (\$/UNIT)

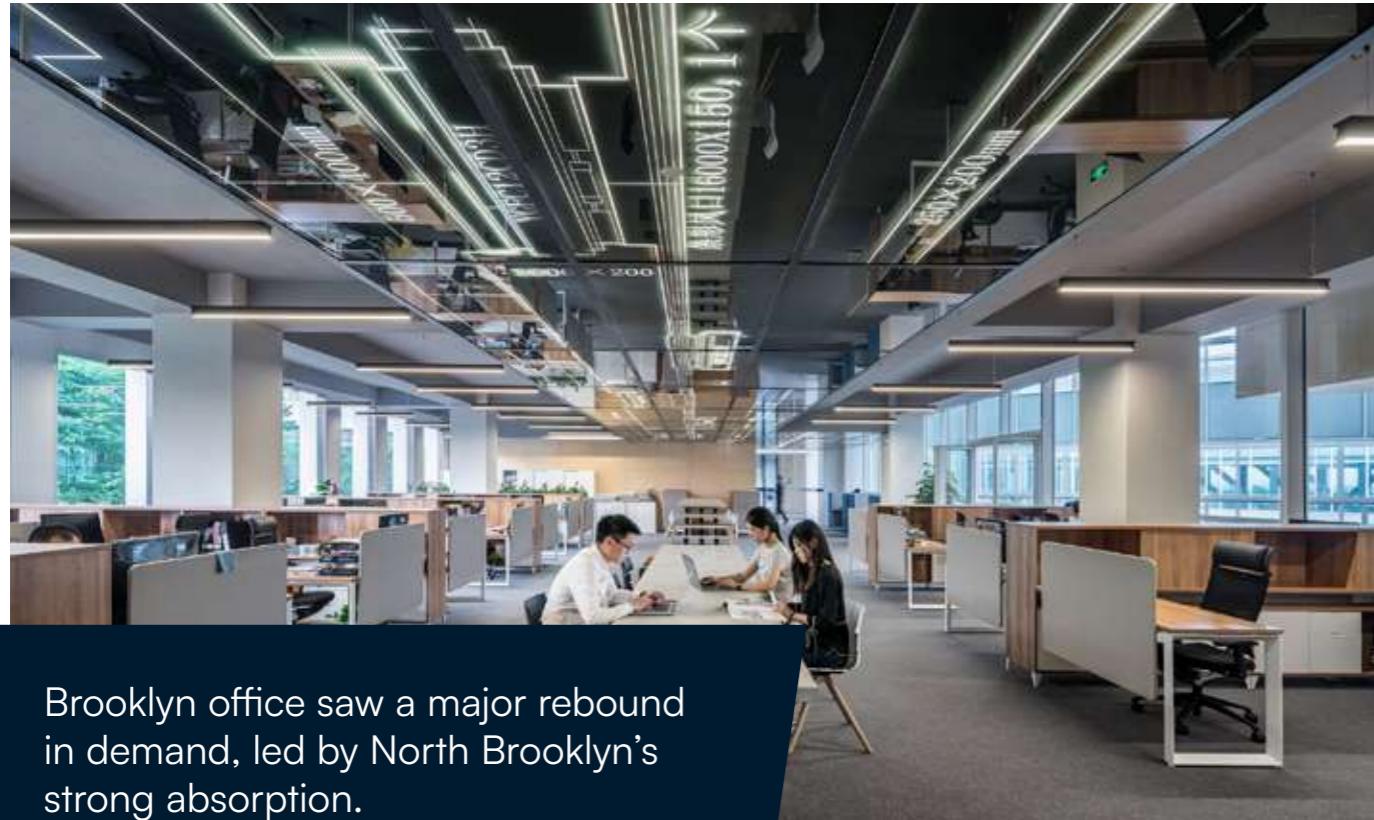
Average Vacancy Rate QoQ



Average Asking Rent Per SF QoQ



Office



Brooklyn office saw a major rebound in demand, led by North Brooklyn's strong absorption.

12.0%
AVG VACANCY RATE

\$44,03
AVG ASKING RENT PER SF

575,900
TOTAL NET ABSORPTION

Brooklyn's office market showed improvement with vacancy rates dropping from 12.4% to 12.0%. Asking rents nudged up to \$44,03/SF, and net absorption rebounded strongly at 575,900 SF driven by North Brooklyn's 545,000 SF of positive demand.

Retail



Retail rents remain stable despite rising vacancies and negative absorption.

3.5%
AVG VACANCY RATE

\$68,41
AVG ASKING RENT PER SF

-79,200
TOTAL NET ABSORPTION

Retail vacancies in Brooklyn edged up slightly from 3.4% to 3.5%, while asking rents held firm at \$68,41/SF. The borough saw negative absorption of 79,200 SF in Q2, with Downtown Brooklyn recording the sharpest vacancy rise to 9.3%.

Industrial



Brooklyn industrial vacancy drops to 5.5%, but net absorption softens — North Brooklyn leads demand.

 5.5%
AVG VACANCY RATE

 \$20,99
AVG ASKING RENT PER SF

 -71,800
TOTAL NET ABSORPTION

Industrial leasing in Brooklyn saw mixed activity in Q2. Overall vacancy tightened to 5.5% from 7.2%, led by South and North Brooklyn, while Downtown remained fully leased. Asking rents were mostly flat at around \$21/SF, but net absorption dipped slightly to -71,800 SF, reflecting some large move-outs in South Brooklyn despite strong demand in the north.

Multifamily



Brooklyn multifamily sees 3,019 units absorbed in Q2, fueled by Downtown and Williamsburg.

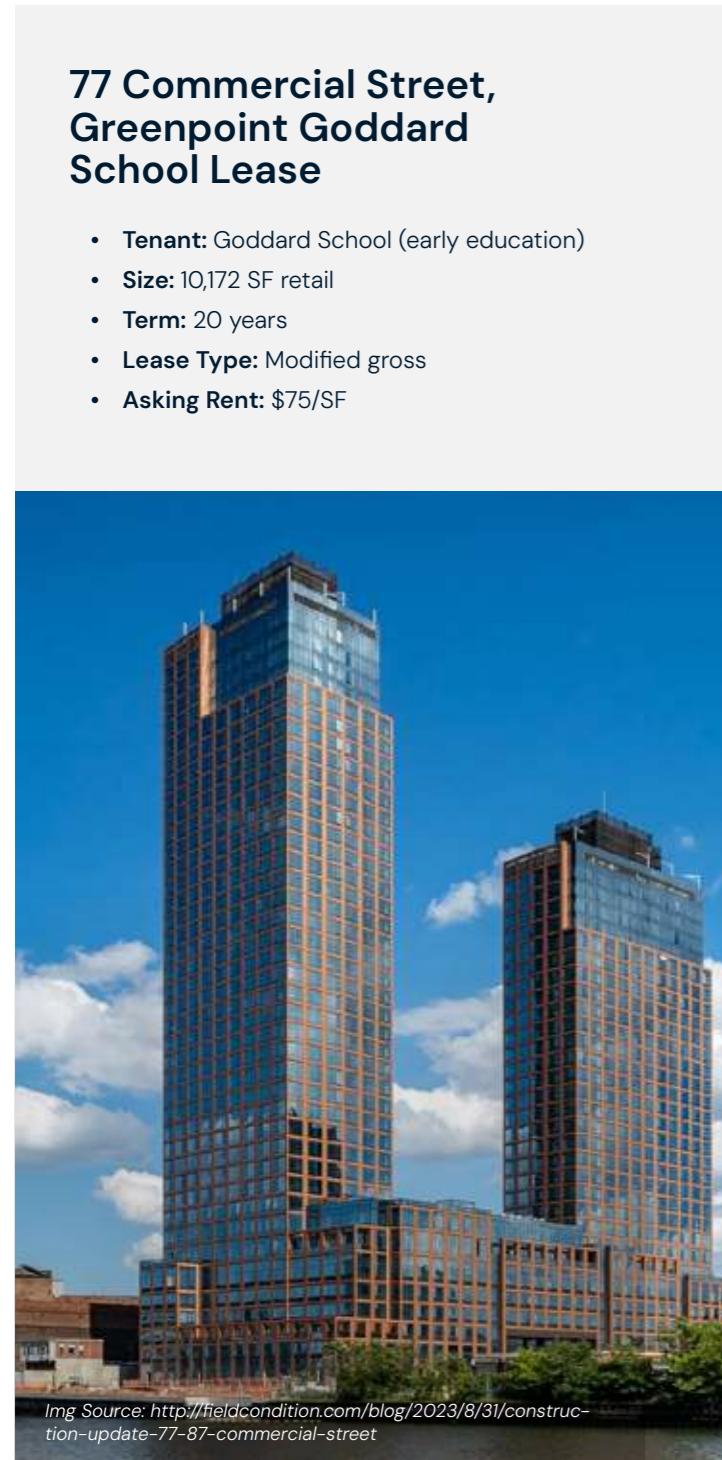
 2.5%
AVG VACANCY RATE

 \$2,878
AVG ASKING RENT PER UNIT

 \$3,019
TOTAL NET ABSORPTION

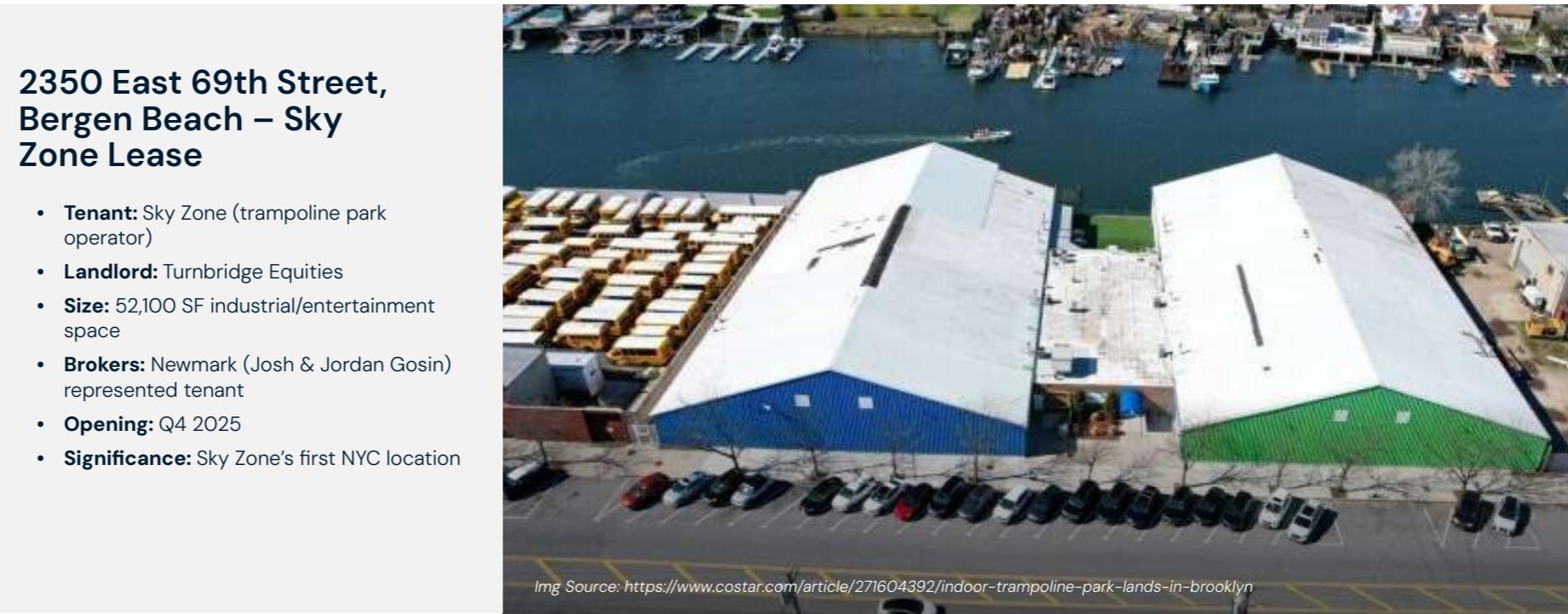
Brooklyn's multifamily market strengthened in Q2, with overall vacancy tightening to 2.5% from 2.9% and net absorption surging to 3,019 units. Downtown Brooklyn and Williamsburg drove the gains, with Downtown adding 1,100 units and Williamsburg nearly 1,000 units absorbed. Asking rents in most submarkets rose slightly, averaging \$2,878/unit, underscoring continued tenant demand across the borough.

Highlighted Transactions



77 Commercial Street, Greenpoint Goddard School Lease

- Tenant:** Goddard School (early education)
- Size:** 10,172 SF retail
- Term:** 20 years
- Lease Type:** Modified gross
- Asking Rent:** \$75/SF



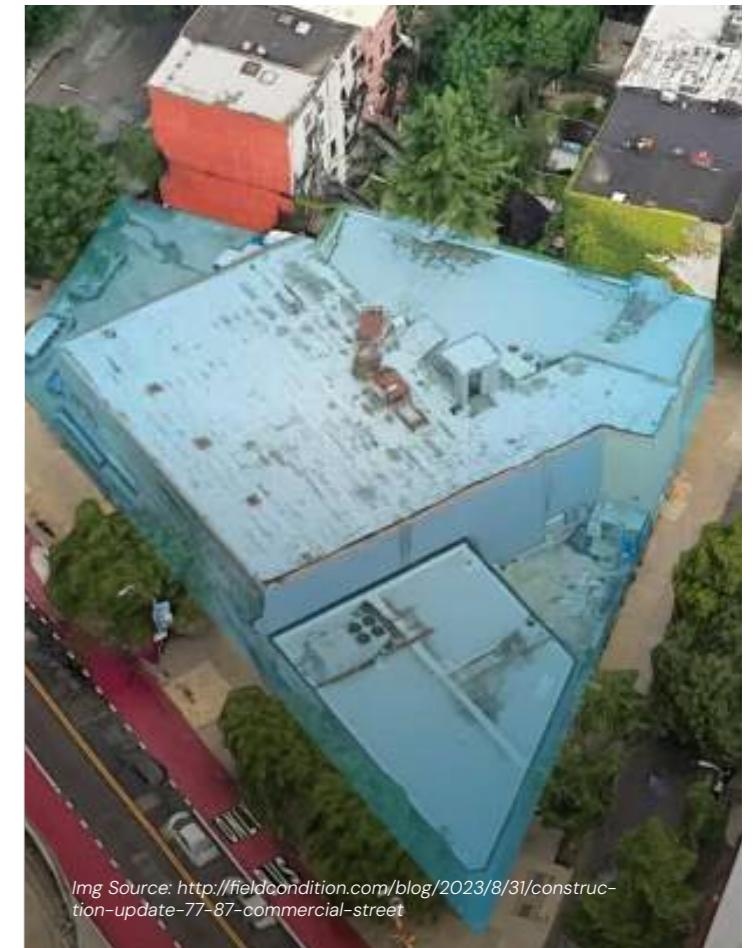
2350 East 69th Street, Bergen Beach – Sky Zone Lease

- Tenant:** Sky Zone (trampoline park operator)
- Landlord:** Turnbridge Equities
- Size:** 52,100 SF industrial/entertainment space
- Brokers:** Newmark (Josh & Jordan Gosin) represented tenant
- Opening:** Q4 2025
- Significance:** Sky Zone's first NYC location



50 Columbia Heights, Brooklyn Heights – The Beginning Clubhouse

- Tenant:** Little Big Hospitality (The Beginning Clubhouse)
- Landlord:** CIM Group
- Size:** 45,000 SF
- Use:** Private, family-focused membership club
- Opening:** Summer 2026
- Amenities:** Childcare, dining, coworking, wellness, fitness, spa



673–695 Fulton Street, Fort Greene – Borough Developers Ground Lease

- Tenant / Developer:** Borough Developers
- Landlord:** John Mullins & Sons
- Size:** ~18,624 SF corner site
- Term:** 99-year ground lease
- Value:** \$139M (approx. \$1.4M annual rent)
- Plan:** Redevelop into 81,000 SF mixed-use (residential + retail)

Brooklyn Conclusion

Brooklyn recorded another strong quarter, with office vacancy tightening and net absorption sharply positive. Multifamily demand was especially robust in Downtown Brooklyn and Williamsburg, driving thousands of units absorbed. While retail showed softer dynamics and industrial performance was mixed, the borough overall continues to demonstrate growing momentum.

With a steady pipeline of residential projects and solid office demand from creative and tech sectors, leasing and rental activity should remain elevated in the near term. Continued supply growth in multifamily is expected to keep absorption healthy.

Highlights

575,900 SF **7.2% → 5.5%**

POSITIVE OFFICE ABSORPTION IN Q2

INDUSTRIAL VACANCY FELL

3,019 **12.4% → 12.0%**

MULTIFAMILY UNITS ABSORBED IN Q2

OFFICE VACANCY FELL



The Bronx

NYC LEASE MARKET



Broker's name

Position
212.433.3355 x101
sb@tristatecr.com

Overview

487,707

TOTAL SF LEASED

102

TOTAL DEALS

4,781

AVERAGE DEAL SF

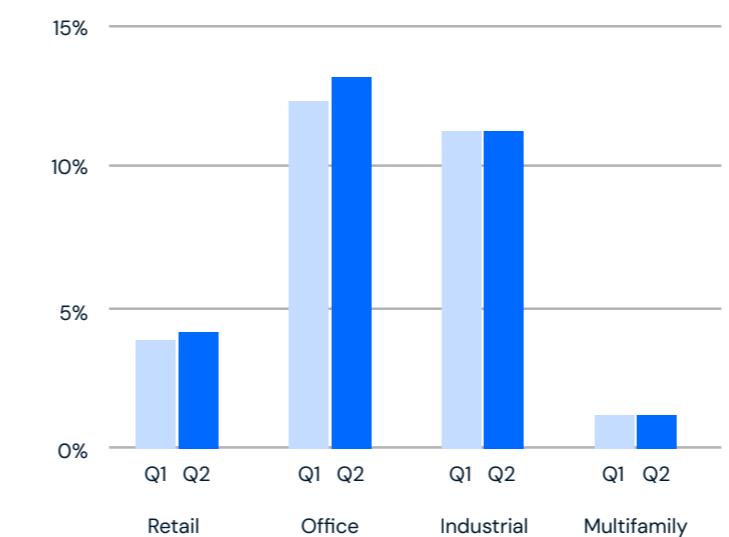
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BUILDINGS

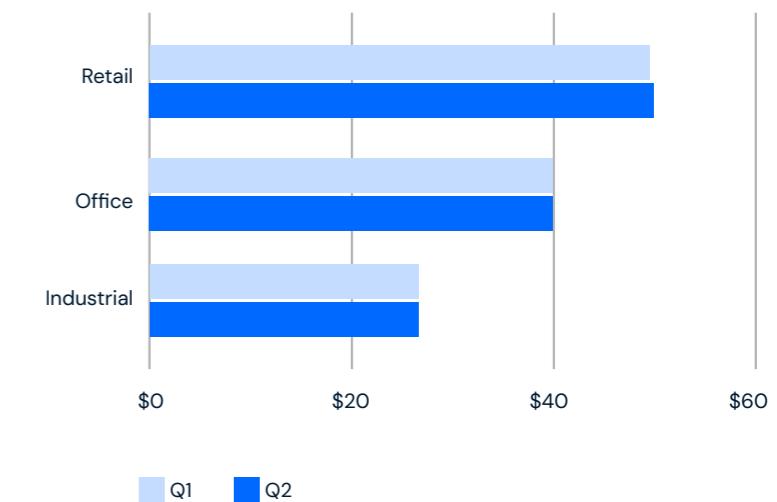
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION	AVERAGE VACANCY RATE	AVERAGE ASKING RENT
Office	-153,000	3.8%	\$39,97 (\$/SF)
Retail	-112,000	13.2%	\$50,75 (\$/SF)
Industrial	-6,700	11.6%	\$25,83 (\$/SF)
Multifamily	400	1.2%	\$1,945 (\$/UNIT)

Average Vacancy Rate QoQ



Average Asking Rent Per SF QoQ



Office



The Bronx office vacancies climbed past 13% as negative absorption accelerated.

13.2%
AVG VACANCY RATE

\$39,97
AVG ASKING RENT PER SF

-153,000
TOTAL NET ABSORPTION

The Bronx office market softened in Q2, with vacancy climbing from 12.3% to 13.2%. Asking rents stayed flat at \$39,97/SF, but net absorption deepened to -153,000 SF, extending losses from the prior quarter.

Retail



The Bronx retail saw rising vacancies with over 100,000 SF of negative absorption in Q2.

3.8%
AVG VACANCY RATE

\$50,75
AVG ASKING RENT PER SF

-112,000
TOTAL NET ABSORPTION

Retail vacancy in the Bronx rose from 3.5% to 3.8%, while asking rents edged up slightly to \$50,75/SF. Net absorption turned sharply negative at -112,000 SF, signaling weaker tenant demand compared to Q1.

Industrial



The Bronx industrial vacancy rises to 13.2%, net absorption negative at -153K SF.

 11.6%
AVG VACANCY RATE

 \$25,83
AVG ASKING RENT PER SF

 -6,700
TOTAL NET ABSORPTION

Industrial leasing in the Bronx saw a slight increase in vacancy to 13.2% in Q2, up from 12.3% in Q1, with asking rents virtually unchanged at \$39, 97/SF. Net absorption remained negative at -153,000 SF, indicating continued challenges in the borough's industrial market.

Multifamily



The Bronx multifamily vacancy stable at 1.2%, with South and West Bronx driving demand.

 1.2%
AVG VACANCY RATE

 \$1,945
AVG ASKING RENT PER UNIT

 400
TOTAL NET ABSORPTION

The Bronx multifamily market remained tight, with overall vacancy steady at 1.2%. South Bronx led absorption, adding 160 units, while West Bronx contributed 156 units, supporting overall demand. Average asking rents increased slightly to \$1,945/unit, reflecting modest growth in rental rates across the borough.

Highlighted Transactions

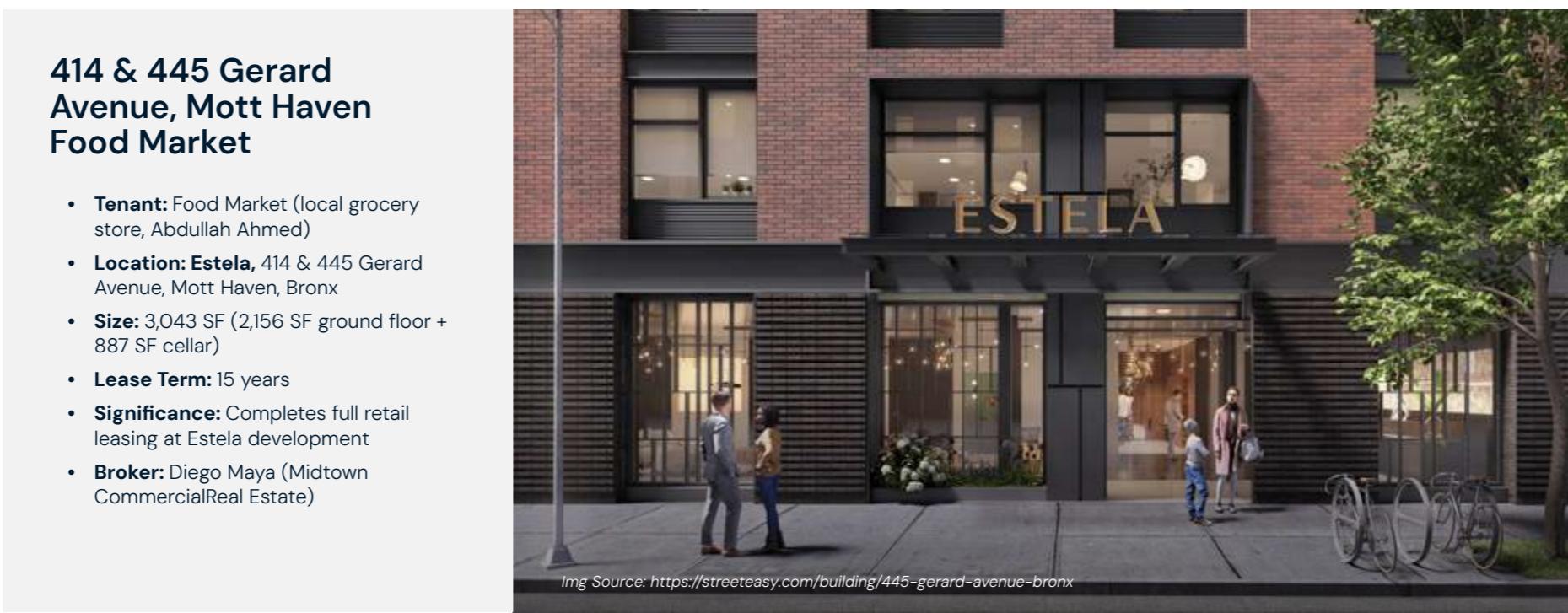


2505 Bruckner Boulevard, Bronx – Amazon Logistics Center Recap

- Owners / Sponsors:** Innovo Property Group & Affinius Capital
- Property:** ~1,000,000 SF Class A logistics facility
- Tenant:** Amazon (long-term lease)
- Financing:** \$334M recapitalization
 - \$250M senior mortgage by Bank OZK
 - \$84M mezzanine loan by PIMCO
- Brokers:** Cushman & Wakefield (equity & structured finance team)



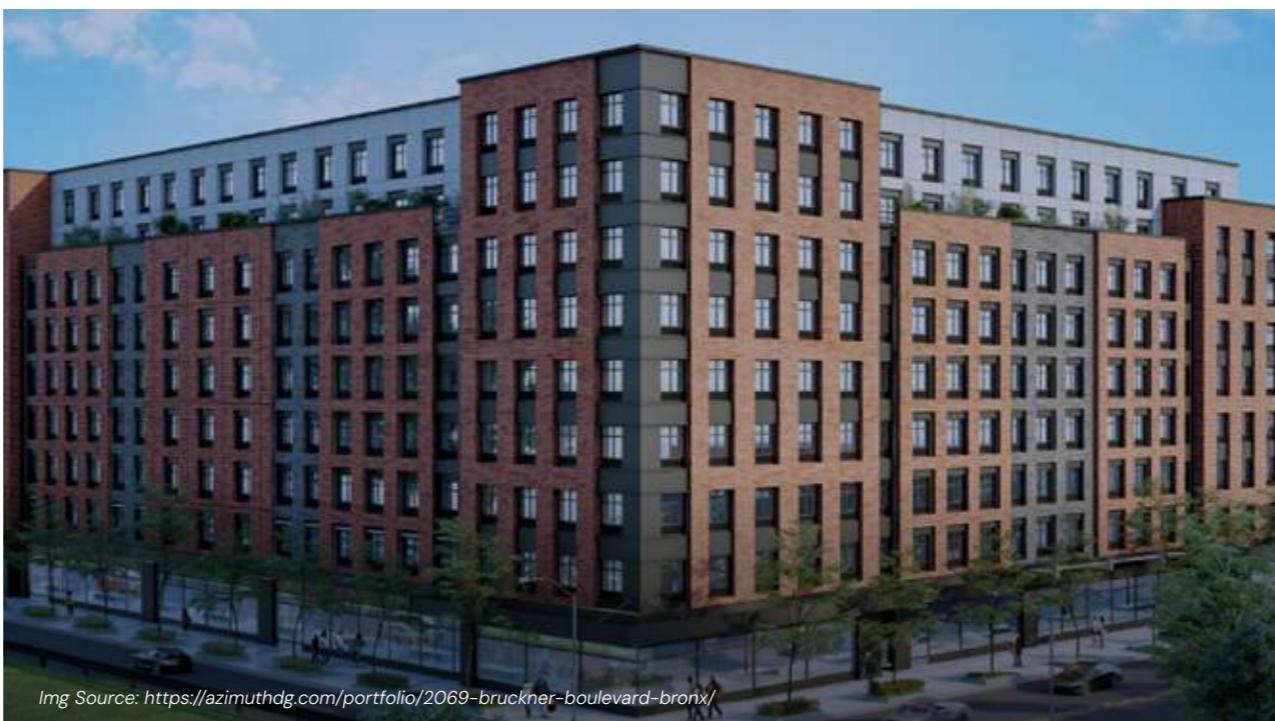
Img Source: <https://www.langan.com/portfolio/distribution-center-2505-bruckner-boulevard>



414 & 445 Gerard Avenue, Mott Haven Food Market

- Tenant:** Food Market (local grocery store, Abdullah Ahmed)
- Location:** Estela, 414 & 445 Gerard Avenue, Mott Haven, Bronx
- Size:** 3,043 SF (2,156 SF ground floor + 887 SF cellar)
- Lease Term:** 15 years
- Significance:** Completes full retail leasing at Estela development
- Broker:** Diego Maya (Midtown CommercialReal Estate)

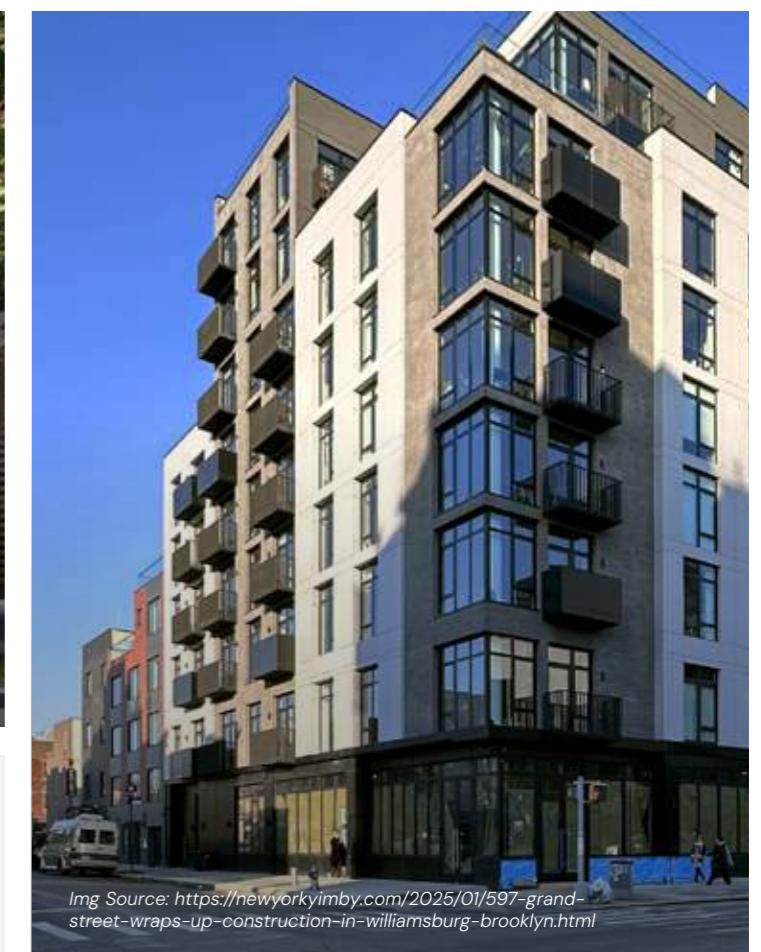
Img Source: <https://streeteasy.com/building/445-gerard-avenue-bronx>



Img Source: <https://azimuthdg.com/portfolio/2069-bruckner-boulevard-bronx/>

2069 Bruckner Boulevard, The Bronx The Village School Lease

- Tenant:** The Village School (K-8 educational institution)
- Landlord / Developer:** Joy Construction & Azimuth Development Group
- Size:** 12,000 SF retail space at the base of Bruckner Apartments (mixed-income development)
- Term:** 15-year lease
- Asking Rent:** \$45/SF
- Community Benefit:** Lease includes establishment of a special needs program for the neighborhood



597 Grand Street, East Williamsburg Lidl Lease

- Tenant:** Lidl (German grocery chain)
- Landlord / Developer:** Goose Property Management
- Size:** 26,568 SF ground-floor retail space in an 185-unit mixed-use building
- Lease Type:** Long-term lease
- Broker:** Schuckman Realty (Kenneth Schuckman & Jessica Vilmenay represented the tenant)

Bronx Conclusion

The Bronx continues to be led by its multifamily sector, which absorbed hundreds of units in Q2 and maintained very low vacancy, with modest rent growth. By contrast, industrial and office performance softened. However, the borough is seeing a wave of new large-scale residential projects that promise to reshape the long-term landscape.

Looking forward, multifamily demand is expected to remain strong, supported by affordable housing and transit-oriented developments. While industrial and office may remain quiet in the short term, ongoing development and rezoning efforts could provide new opportunities.

Highlights

400

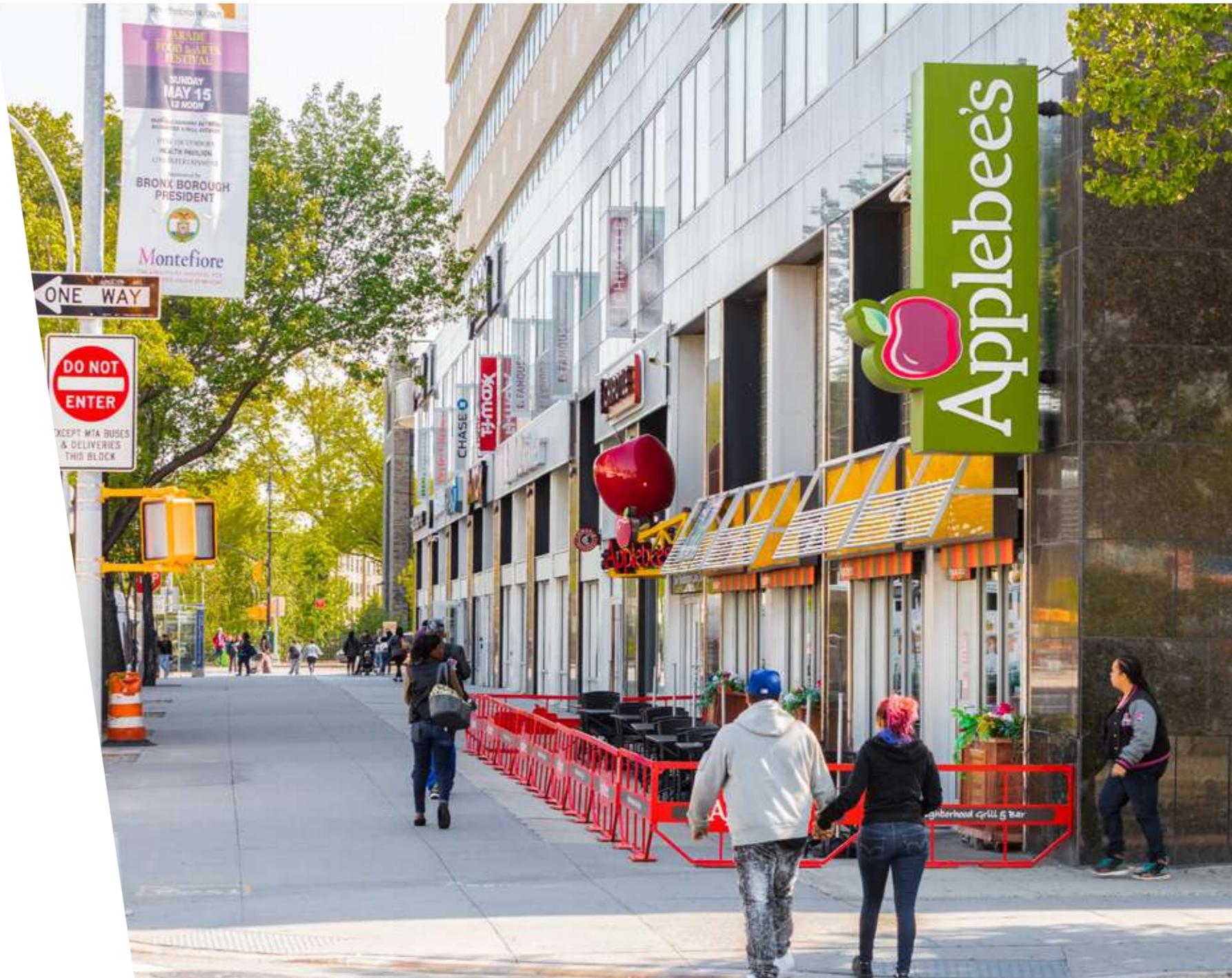
MULTIFAMILY UNITS ABSORBED IN Q2

1000+ Units

MULTIPLE LARGE-SCALE RESIDENTIAL
PROJECTS ADVANCING, ADDING
THOUSANDS OF UNITS IN PIPELINE

1.2%

VACANCY HOLDS STEADY FOR MULTIFAMILY



Manhattan

NYC LEASE MARKET



Overview

10,940,030

TOTAL SF LEASED

1,452

TOTAL DEALS

7,534

AVERAGE DEAL SF

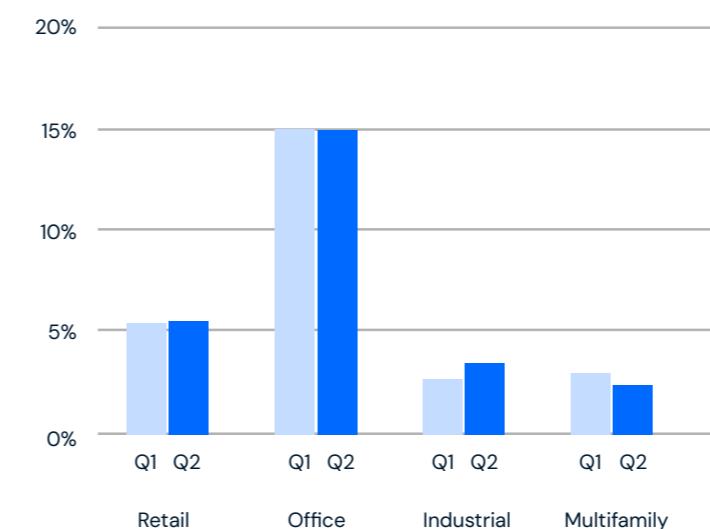
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BUILDINGS

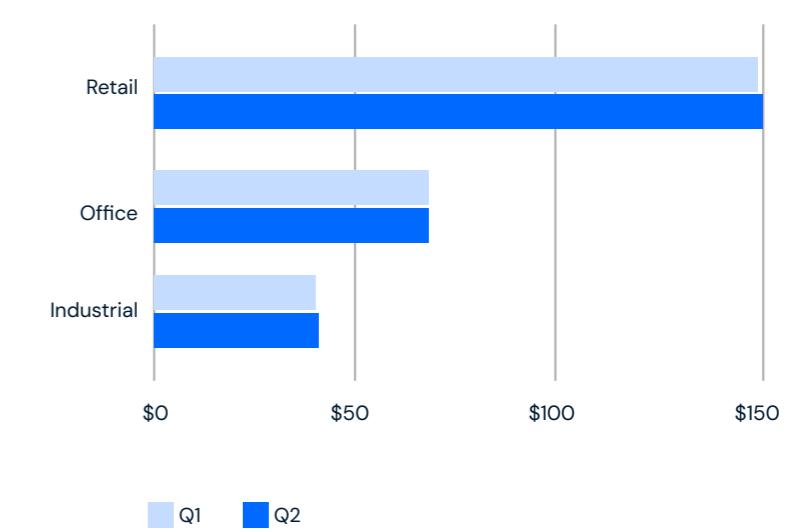
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION	AVERAGE VACANCY RATE	AVERAGE ASKING RENT
Office	-13,100	14.9%	\$67,59 (\$/SF)
Retail	591,200	5.5%	\$150,03 (\$/SF)
Industrial	-	3.6%	\$39,45 (\$/SF)
Multifamily	916	2.5%	\$4,535 (\$/UNIT)

Average Vacancy Rate QoQ



Average Asking Rent Per SF QoQ



Office



Manhattan office bounced back with nearly 600,000 SF of positive absorption in Q2.

14.9%
AVG VACANCY RATE

\$67,59
AVG ASKING RENT PER SF

591,200
TOTAL NET ABSORPTION

The Manhattan office market showed stabilization, with vacancy dipping slightly to 14.9%. Asking rents edged up to \$67,59/SF, while net absorption surged to 591,200 SF, led by strong demand in Grand Central, Chelsea, and Hudson Square. Despite this, certain submarkets like the Plaza District and Financial District continued to see sizable negative absorption.

Retail



Manhattan retail rents remain resilient at \$150/SF, even as absorption turned slightly negative.

5.5%
AVG VACANCY RATE

\$150,03
AVG ASKING RENT PER SF

-13,100
TOTAL NET ABSORPTION

Retail vacancies in Manhattan held steady at 5.5% in Q2, while asking rents inched up to \$150,03/SF. The quarter ended with modest negative absorption of -13,100 SF, despite strong leasing in areas like the Upper West Side and Murray Hill. Notable rent growth was seen in prime corridors such as Times Square and Plaza District.

Industrial



Manhattan industrial vacancy rises to 3.6%, rents steady at \$39/SF, little leasing activity observed.

3.6%
AVG VACANCY RATE

\$39,45
AVG ASKING RENT PER SF

Industrial leasing in Manhattan remained relatively stable in Q2, with overall vacancy rising slightly to 3.6% from 2.8%, despite some submarkets like Penn Plaza/Garment experiencing a notable jump to 32.8%. Asking rents were essentially flat at \$39,45/SF, and there was no net absorption reported across the borough, reflecting limited leasing activity for industrial assets in Manhattan.

Multifamily



Manhattan multifamily sees 916 units absorbed in Q2, with Tribeca and Times Square leading demand.

2.5%
AVG VACANCY RATE

\$4,535
AVG ASKING RENT PER UNIT

916
TOTAL NET ABSORPTION

Multifamily demand in Manhattan continued to show strong activity in Q2, with total vacancy tightening to 2.5% and 916 units absorbed borough-wide. Submarkets such as Tribeca (+219 units), Times Square (+186 units), and City Hall (+70 units) led the gains, while asking rents edged slightly higher to an average of \$4,536/unit, signaling sustained tenant demand and stability in the high-end Manhattan rental market.

Highlighted Transactions

11 Madison Avenue, Manhattan Pinterest Office Lease

- **Tenant:** Pinterest
- **Location:** Entire 13th floor of SL Green's 11 Madison Avenue, Flatiron District, Manhattan
- **Size:** 83,000 SF
- **Lease Term:** 11 years
- **Asking Rent:** \$90/SF
- **Tenant Representation:** JLL (Evan Margolin, Justin Haber, Michael Berg)
- **Landlord Representation:** Newmark (Brian Waterman, Scott Klau, Erik Harris, Brent Ozarowski)

<https://marketplace.vts.com/building/11-madison-avenue-new-york-ny-2>

100 Church Street, Financial District Atlantic Pictures Lease

- **Tenant:** Atlantic Pictures, including subsidiaries Backlot and The Hub
- **Landlord:** SL Green Realty
- **Size:** 66,000 SF office lease
- **Lease Term:** 2 years
- **Asking Rent:** \$55/SF
- **Relocation:** Moving headquarters from Midtown (950 Avenue of the Americas) to the Financial District

<https://www.crainsnewyork.com/real-estate/1166-sixth-ave-finds-new-tenants-replace-big-departures>



1166 Sixth Avenue, Midtown Manhattan L.E.K. Consulting Lease

- **Tenant:** L.E.K. Consulting
- **Landlord/Owners:** Edward J. Minskoff Equities & Marsh McLennan
- **Size:** 54,000 SF (entire 25th floor and part of the 24th floor)
- **Lease Term:** 10 years
- **Building Enhancements:** Landlord recently modified the building's debt and is adding a fitness center, lounge, and conference center to the property

Manhattan Conclusion

Manhattan entered mid-2025 with strong momentum. Office leasing activity reached its highest level in years, supported by positive net absorption and continued stability across multifamily, retail, and industrial segments. Conversions of older office stock into residential units are helping to reduce vacancy and reshape demand in several submarkets. At the same time, investor activity remains healthy, with significant capital still targeting prime assets.

Looking ahead, leasing demand in high-quality buildings is expected to stay firm, while conversions should provide an additional tailwind by tightening office supply. Overall, the outlook remains constructive with positive absorption and steady rent levels anticipated.

Highlights

8.4M SF

OFFICE LEASED IN Q2

\$11B+

RAISED THIS YEAR FOR OFFICE
REFINANCING AND INVESTMENT

591,200 SF

POSITIVE NET OFFICE ABSORPTION IN Q2



Queens

NYC LEASE MARKET

PEPSI Cola



Overview

773,140

TOTAL SF LEASED

171

TOTAL DEALS

4,521

AVERAGE DEAL SF

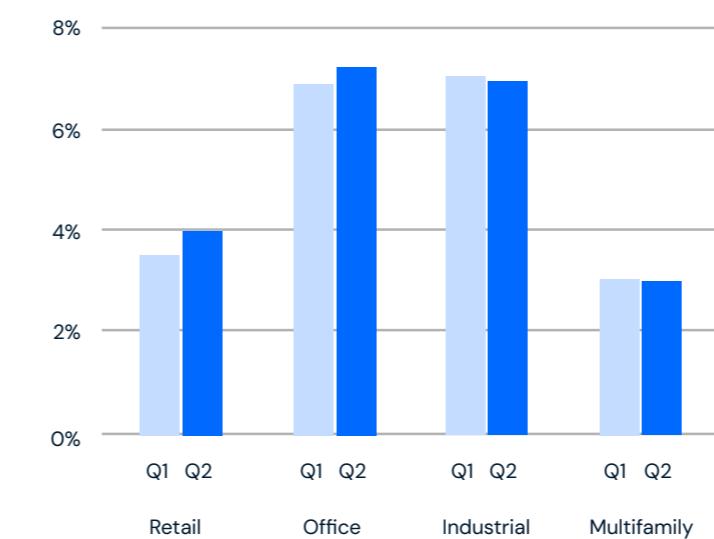
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BUILDINGS

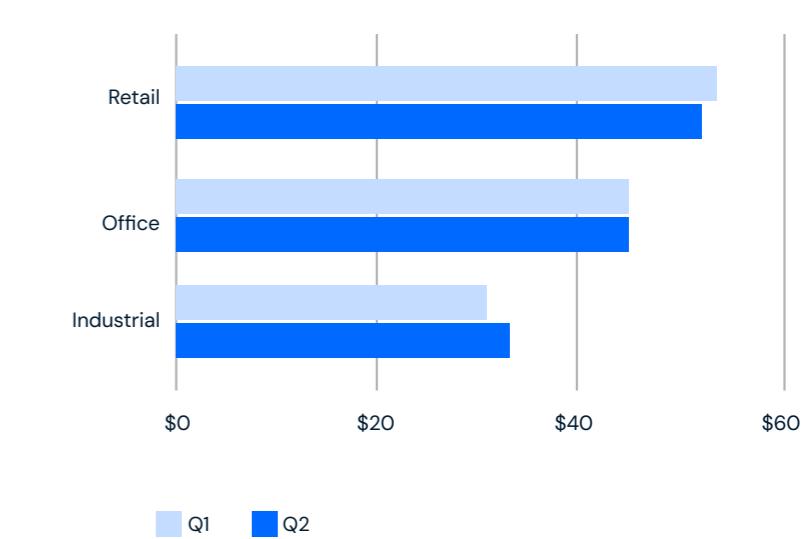
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION	AVERAGE VACANCY RATE	AVERAGE ASKING RENT
Office	-164,100	7.2%	\$44,41 (\$/SF)
Retail	-134,200	4.0%	\$51,52 (\$/SF)
Industrial	-124,000	7.1%	\$32,89 (\$/SF)
Multifamily	1,307	3.0%	\$2,563 (\$/UNIT)

Average Vacancy Rate QoQ



Average Asking Rent Per SF QoQ



Office



Queens office market weakened, posting deeper negative absorption across submarkets.

 7.2%
AVG VACANCY RATE

 \$44,41
AVG ASKING RENT PER SF

 -164,100
TOTAL NET ABSORPTION

Office vacancies in Queens ticked up from 6.9% to 7.2% as asking rents held steady at \$44,41/SF. Net absorption slipped further into negative territory at -164,100 SF, led by weakness in Northeast Queens.

Retail



Queens retail turned negative in Q2, with Central Queens driving the decline.

 4.0%
AVG VACANCY RATE

 \$51,52
AVG ASKING RENT PER SF

 -134,200
TOTAL NET ABSORPTION

Retail vacancy in Queens rose from 3.5% to 4.0% in Q2. Asking rents softened to \$51,52/SF, largely due to Northwest Queens' rent drop. Net absorption flipped negative at -134,200 SF, with Central Queens seeing the steepest reversal from +311,000 SF in Q1 to -263,000 SF in Q2.

Industrial



7.1%
AVG VACANCY RATE

\$32,89
AVG ASKING RENT PER SF

-124,000
TOTAL NET ABSORPTION

Queens industrial market remained relatively stable with an overall vacancy of 7.1%, unchanged from Q1. Net absorption turned negative at -124,000 SF, following a strong Q1 of 677,000 SF absorbed, highlighting mixed performance across submarkets. Asking rents increased modestly to \$32,89/SF, signaling steady market demand.

Multifamily



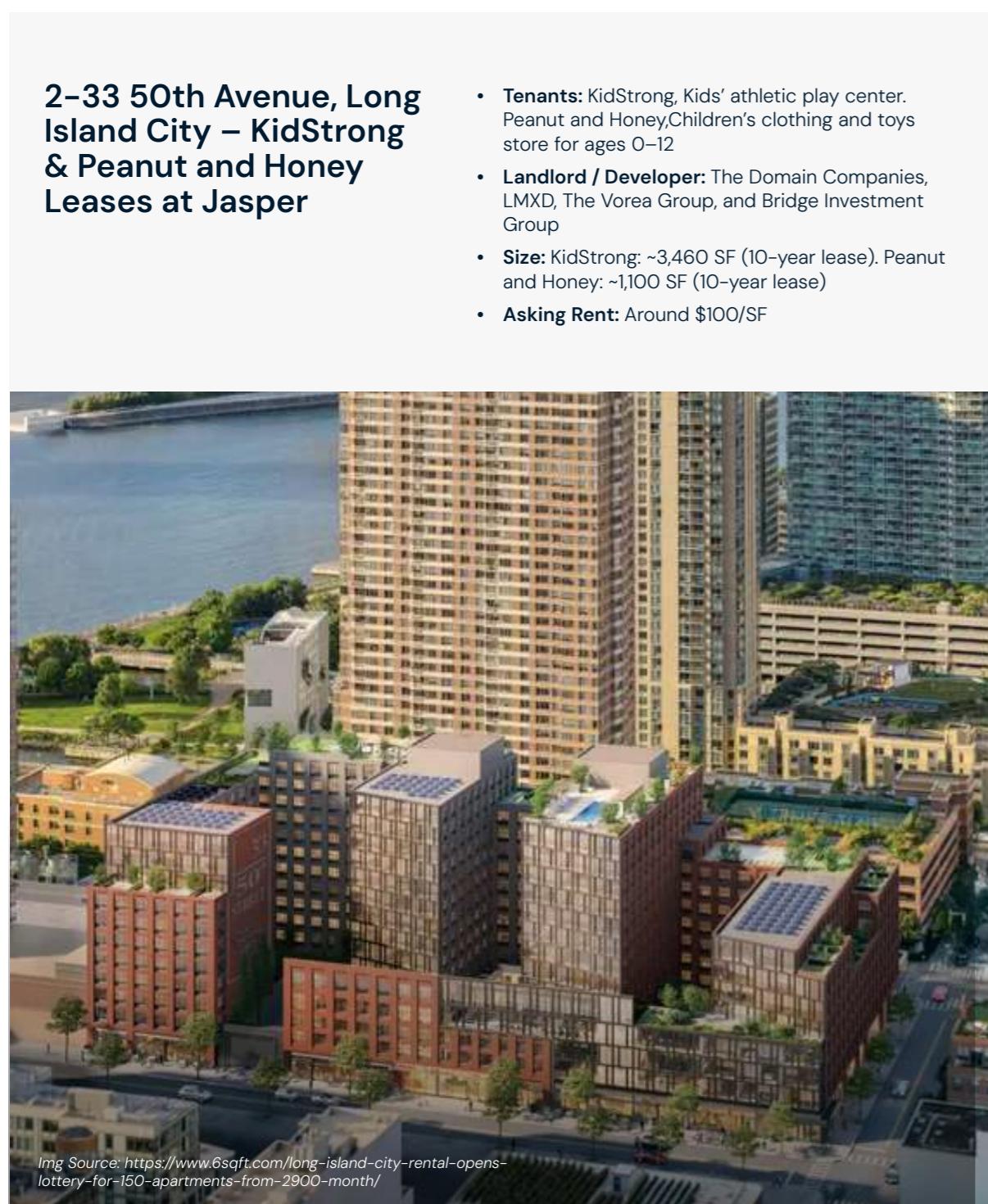
3.0%
AVG VACANCY RATE

\$2,563
AVG ASKING RENT PER UNIT

1,307
TOTAL NET ABSORPTION

Queens multifamily remained tight with overall vacancy stable at 3.0%. Long Island City saw the largest growth in net absorption, adding 872 units, while Southeast Queens contributed 211 units. Average asking rents rose slightly to \$2,563/unit, reflecting consistent demand across the borough.

Highlighted Transactions



58-30 Grand Avenue, Maspeth, Queens – Moda Operandi Industrial Lease

- **Tenant:** Moda Operandi
- **Landlord:** The Davis Companies
- **Size:** 30,000 SF on the third floor of the newly renovated Pearl Building (157,000 SF total)
- **Use:** Distribution center space
- **Lease Term:** 5 years
- **Tenant Representation:** JLL (Owen Hane, Jeremy Liebler, Frank Coco)
- **Landlord Representation:** Cushman & Wakefield (Rico Murtha, Helen Paul, Joe Hentze Jr, Sonny Singh)



Queens Conclusion

Queens delivered a mixed performance in Q2. Industrial vacancy was stable but absorption turned slightly negative. Office and retail also softened. In contrast, multifamily continued to perform strongly, led by Long Island City, which accounted for the majority of units absorbed. Borough-wide, average asking rents in multifamily crept higher, underscoring steady demand.

Investor activity has been picking up, with overall deal volume climbing in the first half of the year. Looking forward, multifamily demand—especially in LIC and Southeast Queens—should remain the key driver, while industrial, office, and retail trends may take longer to stabilize.

Highlights

1,307

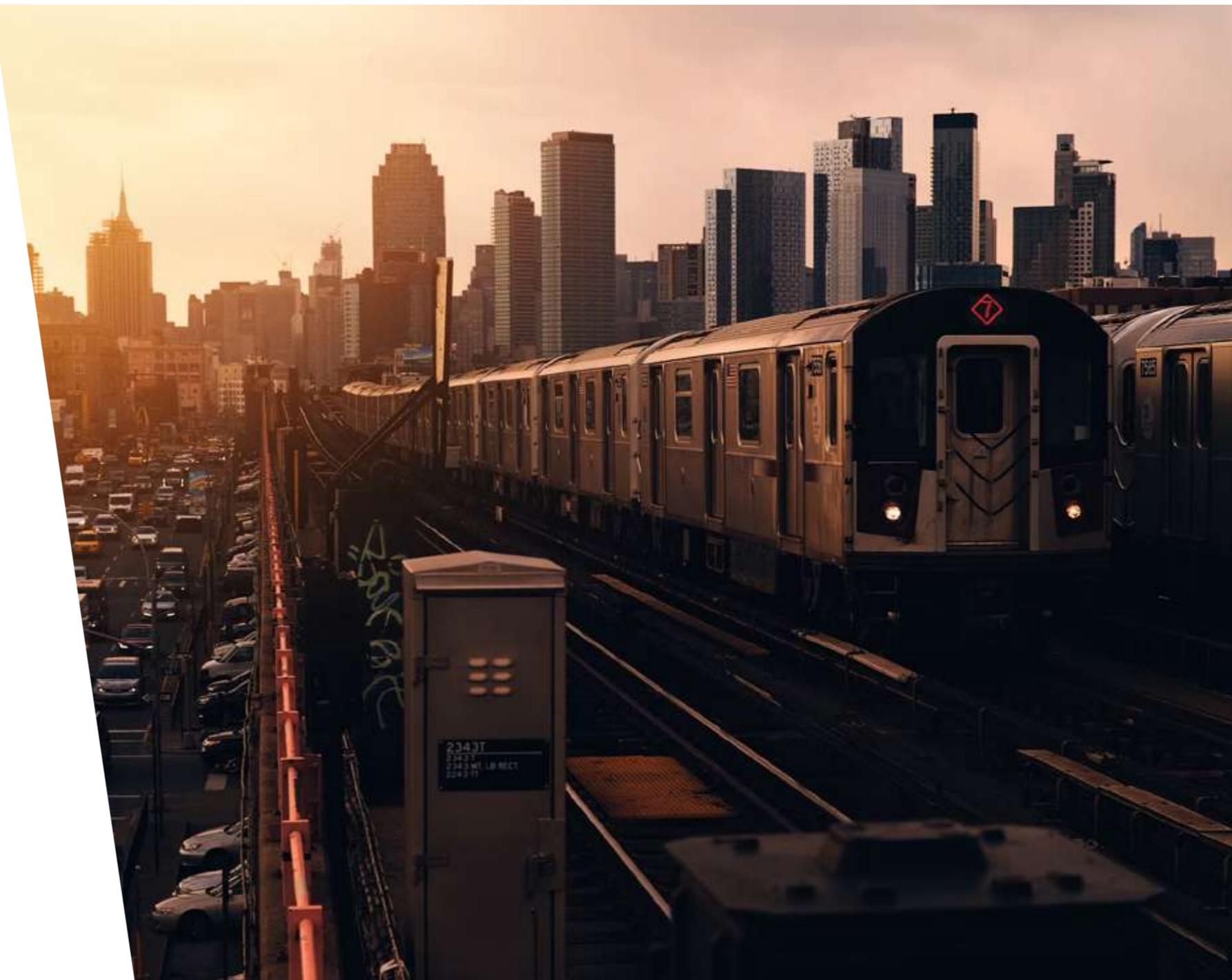
MULTIFAMILY UNITS ABSORBED
BOROUGH-WIDE IN Q2

35%+

YEAR-TO-DATE INCREASE IN INVESTMENT
SALES COMPARED TO LATE 2024

872

UNITS ABSORBED IN LONG ISLAND
CITY ALONE



NYC Outliers



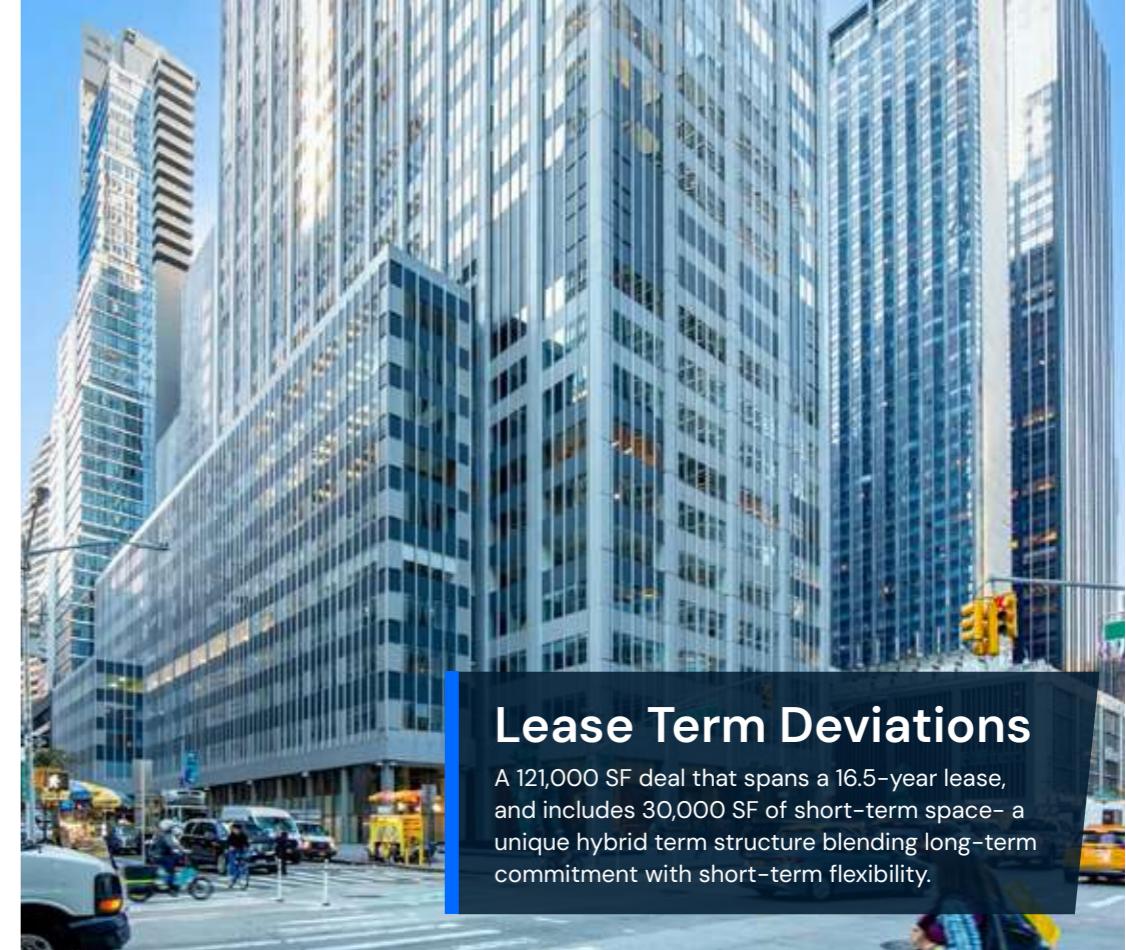
NYU at 770 Broadway – The biggest lease of Q2 2025: 1.1 million SF

- Tenant:** New York University
- Landlord:** Vornado Realty Trust
- Size:** 1,076,000 SF (approximately 1.1 million SF; master lease of most of the building)
- Lease Term:** 70 years, triple-net ("as is")
- Prepaid Rent:** \$935 million upfront payment
- Annual Rent:** Approximately \$9.3 million per year
- Purchase Options:** NYU may purchase the property in 2055 and again at the end of the lease term in 2095
- Strategic Use:** NYU plans to convert vacant floors into an innovation hub for engineering, science, and technology, consolidating faculty and research uses and aiming to save \$800 million in rental costs over the first 30 years



One Madison Avenue, Midtown South – Sigma Computing Lease

- Tenant:** Sigma Computing (data analytics firm)
- Size:** ~64,077 SF on the third floor.
- Building:** One Madison Avenue, a Class A office tower known for its tech-forward tenant base. The lease raised building occupancy to approximately 78%.
- Asking Rent:** \$115 per SF — a premium rate in Midtown South.
- Tenant Relocation:** Sigma is expanding from its previous NYC office (15,420 SF at Zero Irving), marking a significant upgrade in scale and visibility.
- Representations:**
 - Tenant-side broker: Newmark (Brent Ozarowski, Jeff Rodgers, Stephen Cisarik)
 - Landlord-side broker: JLL (Paul Glickman, Alex Chudnoff, Ben Bass, Diana Biasotti)



1301 Avenue of the Americas, Midtown Manhattan, Benesch Lease

- Tenant:** Benesch, Friedlander, Coplan & Aronoff LLP (law firm)
- Landlord:** Paramount Group
- Size:** 121,000 SF of office space in a Class A tower (~1.8M SF)
- Lease Term:** 16.5 years
- Structure:** Includes approximately 30,000 SF served on a short-term basis
- Occupancy Impact:** Brings building to roughly 90% leased

Methodology

Data Sources

All market data was sourced from internal databases managed by Tri State Commercial brokerage records, and public leasing databases.

Additional sources include CoStar, REBNY, NY Department of Buildings, and proprietary TSC deal sheets.

The report segments data by the following property types:

- Office
- Retail
- Industrial
- Multifamily

Each segment is analyzed independently for key metrics and compared across boroughs.

Time Frame

This report covers leasing activity for Q1–Q2 2025, unless otherwise noted.

Broker Insights

Commentary sections throughout the report include insights from TSC brokers and senior agents, based on firsthand experience in transactions and client interactions.

Limitations

While all efforts have been made to ensure accuracy, the report may not reflect off-market or unreported transactions. All data is subject to change as new leases are signed and updated.

The Team

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