

Q3 CRE LEASE REPORT

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TRI STATE COMMERCIAL®



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Introduction

Words From Our President

The third quarter of 2025 demonstrated that New York City's commercial real estate market continues to navigate a period of measured stability amid broader national uncertainty. While the Federal Reserve maintained a cautious stance on interest rates, tenant activity across key sectors and particularly retail, multifamily, and select industrial, remained steady. Leasing velocity was most pronounced in neighborhoods with strong residential growth and transit connectivity, reaffirming that demand in New York is driven not only by corporate scale, but by community resilience and entrepreneurial energy. These dynamics continue to position New York as a model for adaptive urban markets nationwide.

Tri State Commercial Realty stands at the center of this momentum, remaining a trusted advisor and market leader across the outer boroughs. Our company has continued to expand its influence through data-driven insights, relationship-based brokerage, and an unwavering commitment to client success.

Looking ahead, we expect the city's leasing market to maintain its steady pace into early 2026, supported by continued population inflows, development pipeline recalibration, and stable tenant demand. Just as the city endures and evolves through every cycle, so too does our company, standing ready to guide our clients through the next chapter of opportunity in New York's ever-changing real estate landscape.

Shlomi Bagdadi
Founder & CEO, Tri State Commercial Realty



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Our Market Perspective *vs Q2 2025

-2.52% **2,395**
↓ TOTAL DEALS LEASED

-8.82% **13,617,573**
↓ TOTAL SF LEASED

0.0% **1,743**
↓ BUILDINGS

The third quarter of 2025 reflected a balanced yet selective New York City leasing environment. While total deal volume remained moderate, rent levels held steady, signaling consistent tenant confidence across key retail and mixed-use corridors. Activity was driven by local operators, national brands seeking flagship visibility, and tenants prioritizing flexible footprints in transit-accessible locations. Across all boroughs, leasing momentum demonstrated that stability, not expansion, is defining this stage of the market cycle.

Key Takeaways

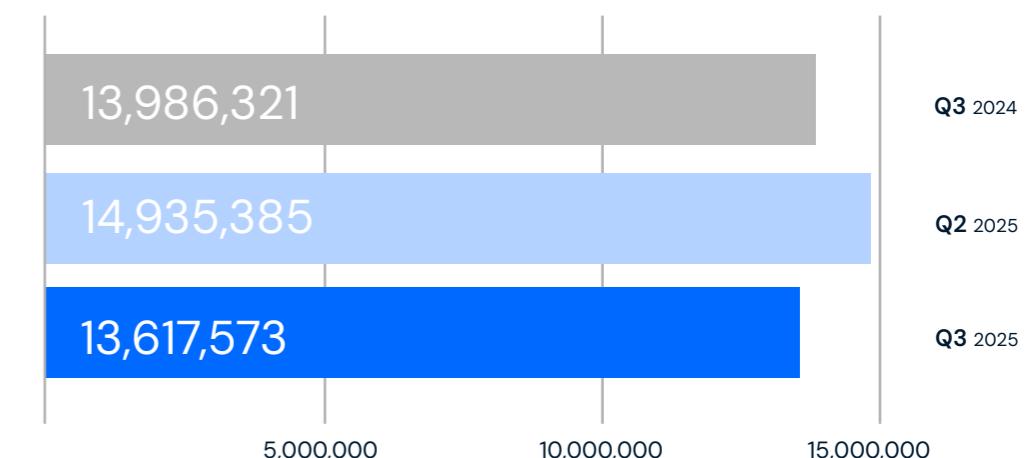
Retail resilience continues: Outer-borough retail corridors, particularly in Brooklyn and the Bronx, remained active as neighborhood-based and experiential tenants filled smaller spaces.

Industrial demand remains firm: Logistics, storage, and last-mile users sustained steady absorption, with Queens leading in smaller space leasing activity.

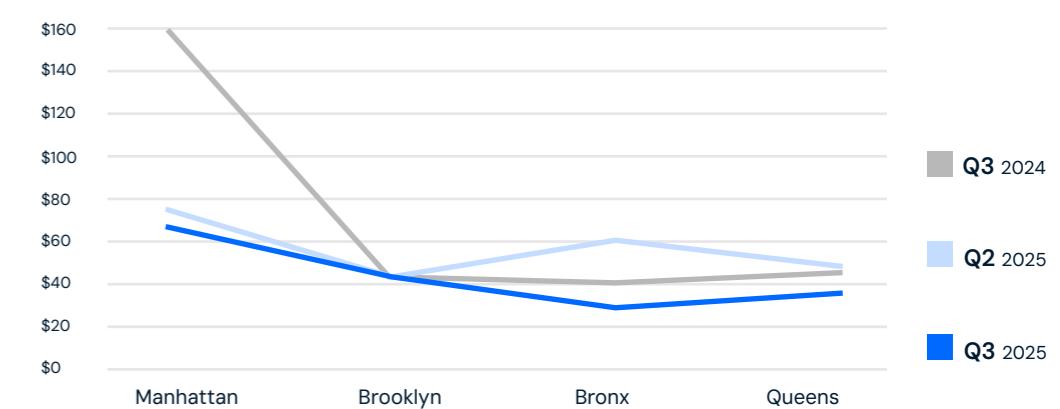
Office market recalibration: Tenant demand is focused on quality and value, well-located, upgraded assets continue to outperform older inventory, especially in Manhattan.

Leasing strategies evolve: Flexible terms, shorter lease durations, and creative concessions are driving deal flow across all asset classes.

Total SF Leased



Average Asking Rent Per SF



NYC Overview

BOROUGH	TOTAL DEALS			TOTAL SF LEASED			AVERAGE DEAL SF			BUILDINGS			AVERAGE TERM IN YEARS		
	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change	Q3	QoQ Change	YoY Change	Q3	QoQ Change	YoY Change	Q3	QoQ Change	YoY Change
	1,358	-10.24%	-4.84%	10,383,323	-7.66%	-6.67%	7,646	2.88%	-1.92%	888	-12.08%	-10.84%	6	-16.67%	-21.43%
Manhattan	472	-16.75%	-7.45%	1,256,564	-27.47%	-19.01%	2,662	-12.86%	-12.49%	382	-5.91%	-3.78%	5	-2.00%	-9.26%
Queens	313	13.82%	40.99%	1,485,447	1.05%	74.31%	4,745	-11.23%	23.63%	241	1.69%	33.89%	5	-17.74%	-15.00%
The Bronx	97	-4.90%	-31.21%	492,239	0.93%	7.79%	5,074	6.13%	56.70%	89	-1.11%	-29.92%	6	-28.21%	-20.00%

TSC MARKET ACTIVITY

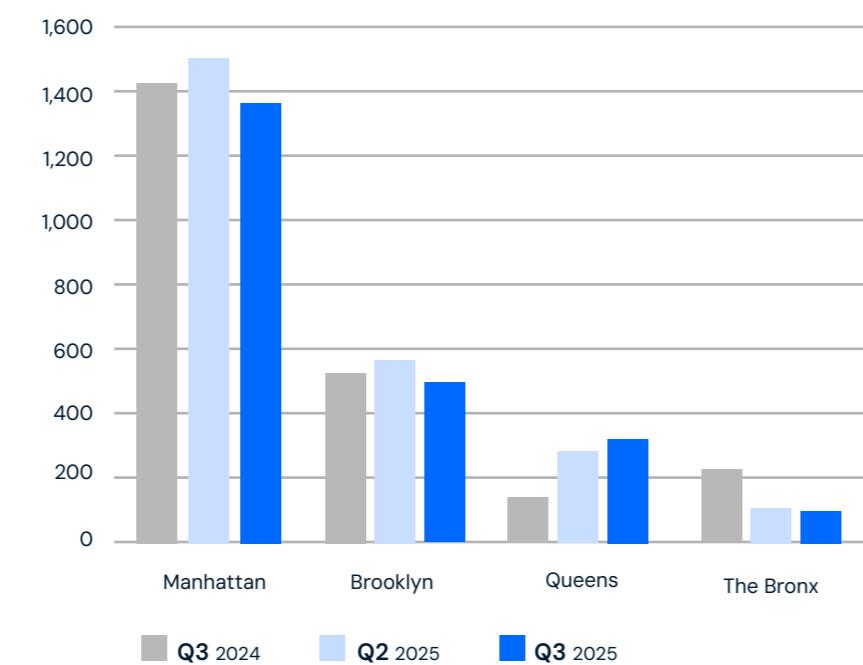
Tri State Commercial maintained a strong market presence in Q3 2025. While overall citywide deal counts moderated, TSC's activity reflected strategic focus on smaller, high-yield retail and mixed-use spaces that continue to outperform in today's market. The firm's total square footage leased and average price per square foot remain competitive with broader market averages, underscoring its resilience and adaptability despite tighter market conditions.

BOROUGH	TOTAL DEALS CLOSED	MARKET SHARE	TOTAL SF LEASED	AVERAGE ASKING RENT
Manhattan	10	0.74%	9,549 SF	267.67 \$/SF
Brooklyn	28	5.93%	51,348 SF	52.90 \$/SF
Queens	3	0.96%	5,650 SF	39.33 \$/SF
The Bronx	8	8.25%	12,250 SF	37.26 \$/SF
NYC Total	49	2.81%	78,797 SF	75.52 \$/SF

SF Leased



Total Deals



QoQ CHANGE MANHATTAN TOTAL SF LEASED

↓ 7.66%



BROOKLYN TOTAL DEALS

↓ 16.75%



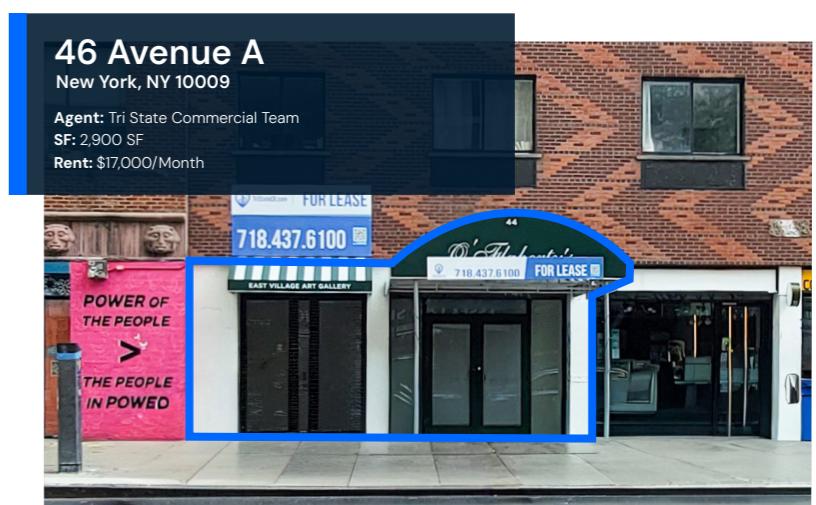
BRONX AVERAGE DEAL SF

↑ 6.13%



Total deal volume and square footage leased remain in line with last year's levels, while average rent per square foot has held steady, reflecting a balanced relationship between tenant demand and available inventory. Retail continues to anchor overall activity, offsetting slower movement in office and industrial segments. This consistency underscores a maturing, sustainable pace of growth across all boroughs as the market adjusts to new economic realities.

Featured Deal



Manhattan

NYC LEASE MARKET



Overview

10,383,323

TOTAL SF LEASED

1,358

TOTAL DEALS

7,646

AVERAGE DEAL SF

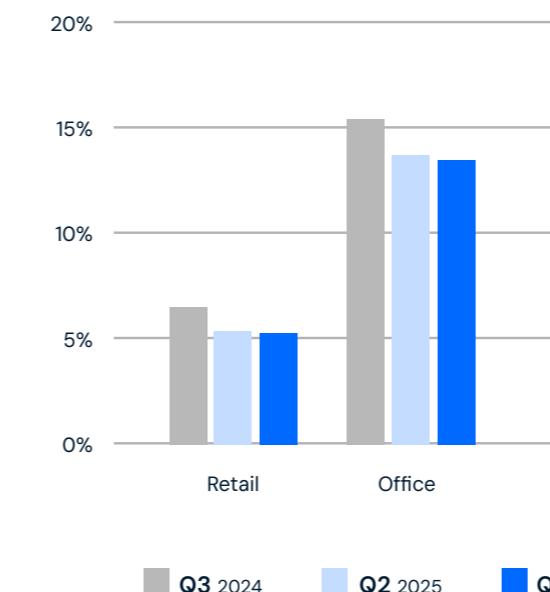
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BUILDINGS

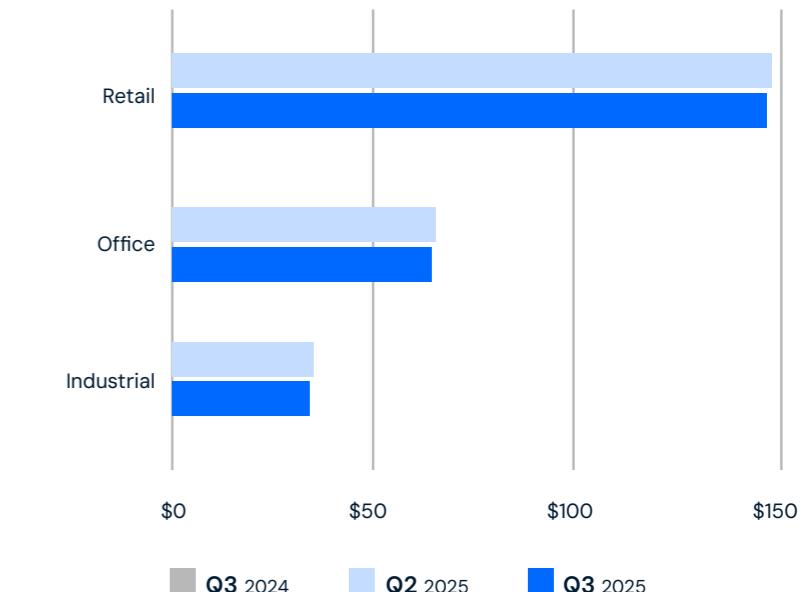
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change
Office	4,462,900	-9152.54%	299.44%	14.42%	-1.06%	-5.56%	\$65.87 (\$/SF)	-0.12%	-1.05%
Retail	-6,960	-269.76%	-1260.00%	5.13%	-1.81%	-20.12%	\$145.35 (\$/SF)	-0.59%	-1.26%
Industrial	-	-	-	-	-	-	\$35.72 (\$/SF)	-0.61%	0.67%

Average Vacancy Rate



Average Asking Rent Per SF



Office



14.42%
AVG VACANCY RATE

\$65,87
AVG ASKING RENT PER SF

4,462,900
TOTAL NET ABSORPTION

Retail



5.13%
AVG VACANCY RATE

\$145,35
AVG ASKING RENT PER SF

-6,960
TOTAL NET ABSORPTION

Industrial



\$35,72
AVG ASKING RENT PER SF

Highlighted Transactions

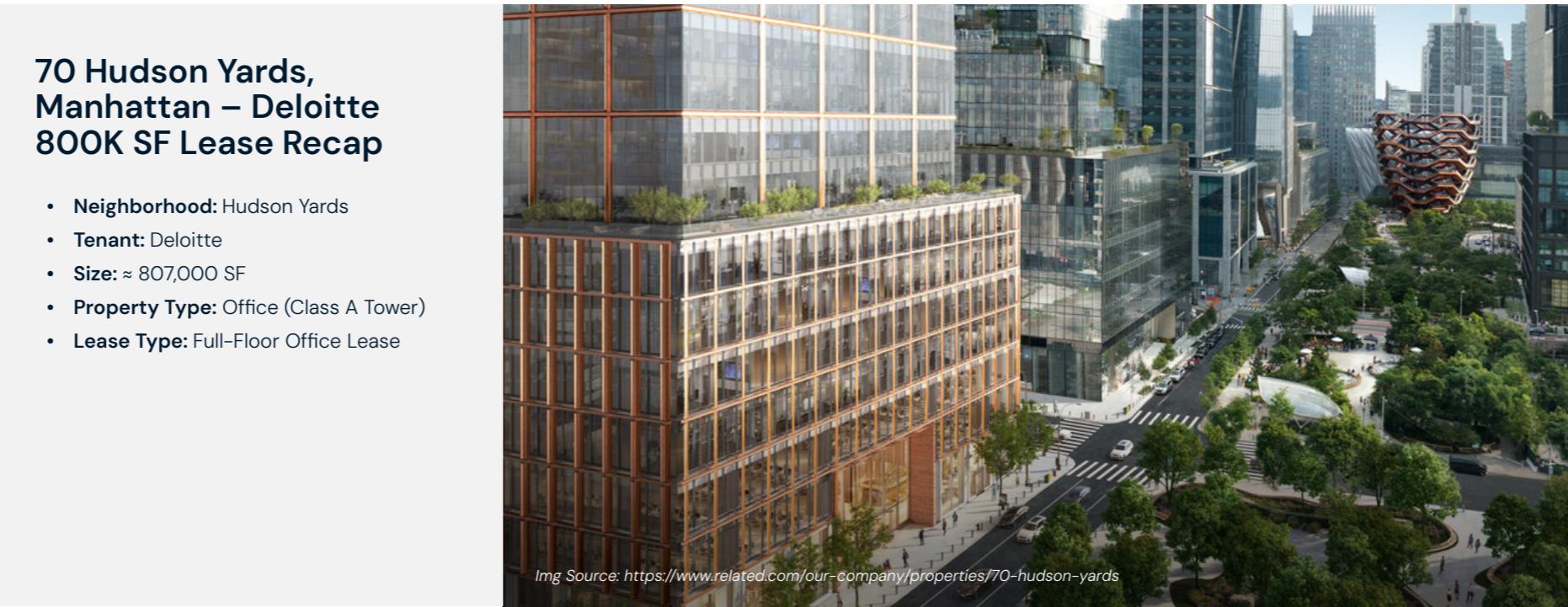
**399 Lafayette Street
Broadway, Manhattan / Civic Entertainment Group 27K SF Lease Recap**

- **Neighborhood:** NoHo
- **Tenant:** Civic Entertainment Group
- **Size:** 27,180 SF
- **Property Type:** Office
- **Lease Type:** Lease Renewal + Expansion



**70 Hudson Yards,
Manhattan – Deloitte 800K SF Lease Recap**

- **Neighborhood:** Hudson Yards
- **Tenant:** Deloitte
- **Size:** ≈ 807,000 SF
- **Property Type:** Office (Class A Tower)
- **Lease Type:** Full-Floor Office Lease



**257 Park Avenue South,
Manhattan – AngelList 13K SF Lease Recap**

- **Neighborhood:** Flatiron
- **Tenant:** AngelList
- **Size:** 12,900 SF
- **Property Type:** Office
- **Lease Type:** Direct
- **Asking Rent:** ≈ \$85/SF



**360 Park Avenue South,
Manhattan – Grammarly 23K SF Lease Recap**

- **Neighborhood:** Midtown South
- **Tenant:** Grammarly
- **Size:** 23,000 SF
- **Property Type:** Office

Manhattan Conclusion

Manhattan's Q3 leasing pace softened slightly, though momentum in Class A and trophy assets offset much of the dip. Tech and professional tenants continued to drive absorption in Midtown South, while Downtown remains competitive with record pricing at the top end. As availability levels stabilize, renewed demand from midsize tenants could help sustain activity into Q4, especially in upgraded space.

Highlights

10.4 M SF

TOTAL SF LEASED, THE CITY'S LEAD

\$160/SF

TROPHY-LEVEL RENTS AT 1 WTC

20% YoY

VACANCY RATE DECREASE TO 5.13



Brooklyn

NYC LEASE MARKET



Overview

1,256,564

TOTAL SF LEASED

472

TOTAL DEALS

2,662

AVERAGE DEAL SF

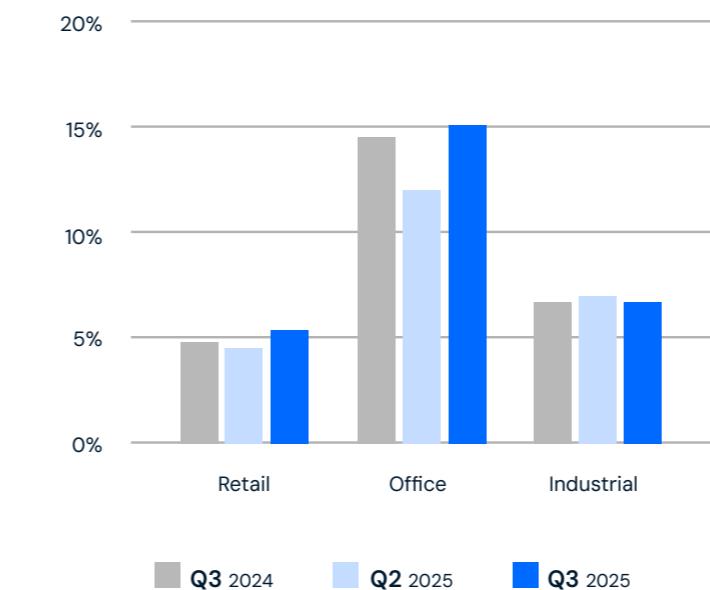
382

BUILDINGS

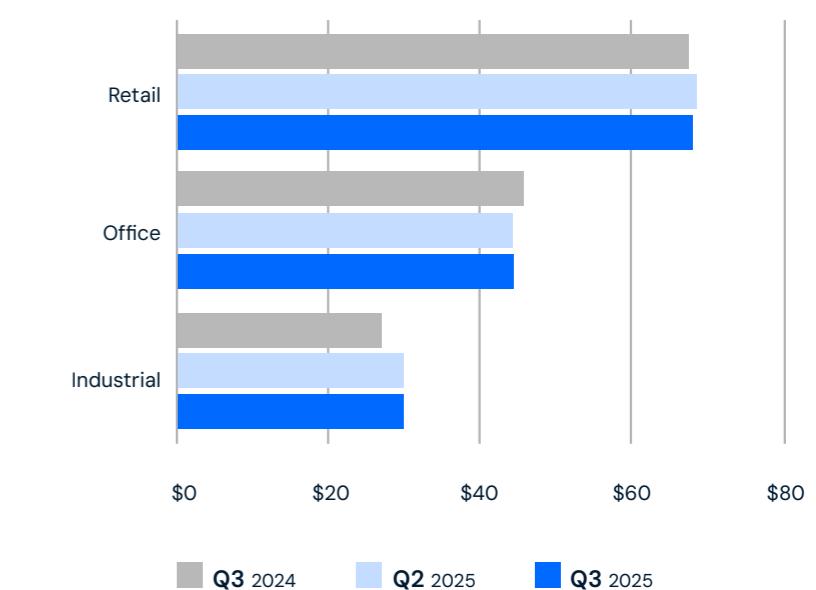
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change
Office	-189,000	-127.65%	-137.95%	15%	23.73%	3.20%	\$42.64 (\$/SF)	0.09%	-1.77%
Retail	-101,400	39.86%	-137.95%	5.2%	53.92%	7.53%	\$68.04 (\$/SF)	-0.71%	0.34%
Industrial	123,000	-164.40%	-364.23%	7.2%	-2.04%	0.70%	\$31.19 (\$/SF)	-0.29%	8.41%

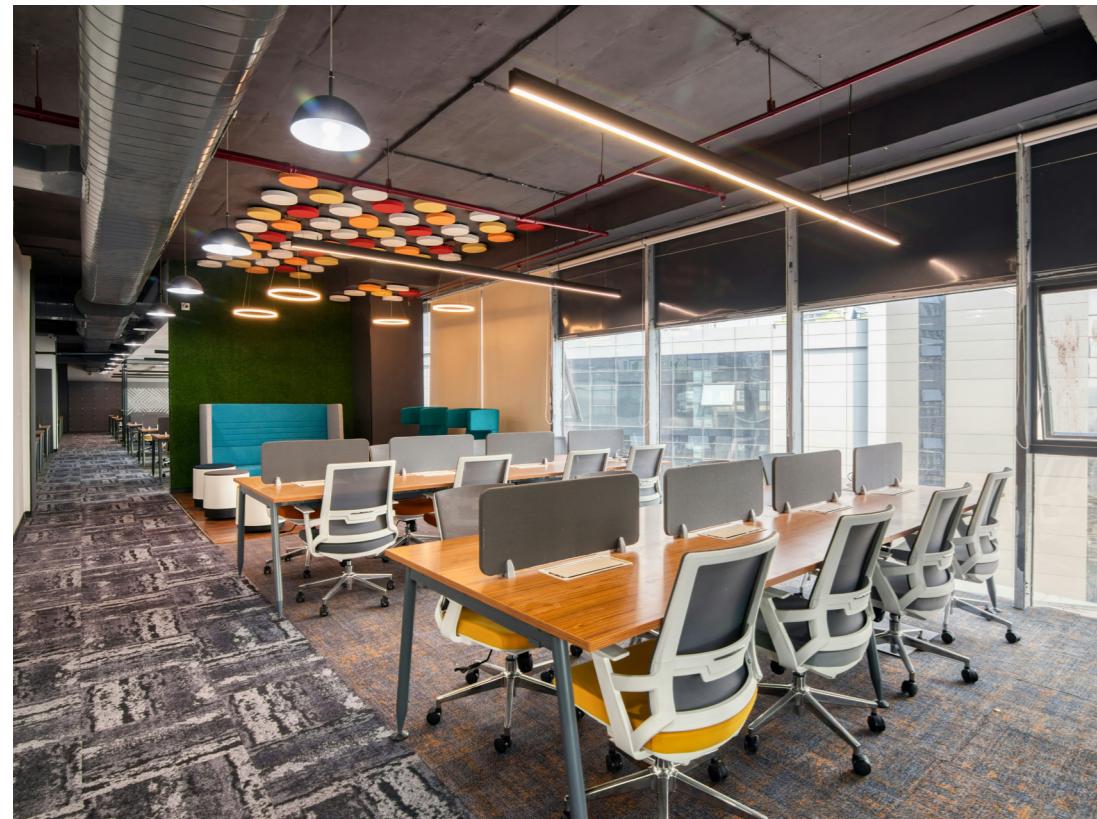
Average Vacancy Rate



Average Asking Rent Per SF



Office



15.0%
AVG VACANCY RATE

\$42,64
AVG ASKING RENT PER SF

↑↓ -189,000
TOTAL NET ABSORPTION

Retail



5.2%
AVG VACANCY RATE

\$68,04
AVG ASKING RENT PER SF

↑↓ -101,400
TOTAL NET ABSORPTION

Industrial



7.2%
AVG VACANCY RATE

\$31,19
AVG ASKING RENT PER SF

↑↓ 123,000
TOTAL NET ABSORPTION

Highlighted Transactions

94 Bogart Street, Brooklyn ErF World Art Studio Lease 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)



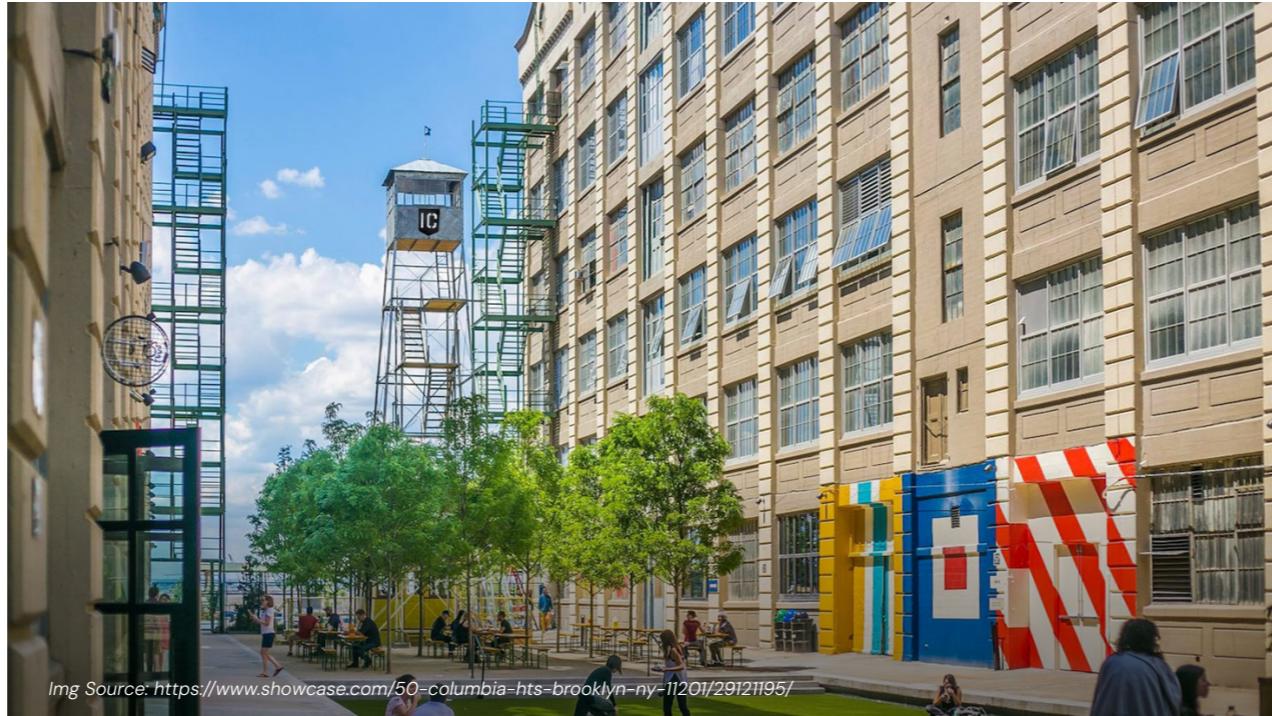
597 Grand Street, Brooklyn – Construction Wraps Up Recap

- **Neighborhood:** Williamsburg
- **Tenant:** Band Spaces (Rehearsal, Production Space)
- **Size:** 10,500 SF
- **Property Type:** Industrial / Flex Creative



220 36th Street, Industry City – Building 6, Sunset Park

- **Neighborhood:** Sunset Park
- **Tenant:** TV Labs
- **Size:** 7,500 SF
- **Property Type:** Creative Office, Production Space



219 36th Street, Industry City Campus (Renewal lease)

- **Property Name:** Industry City
- **Neighborhood:** Sunset Park
- **Tenant:** Design Within Reach
- **Size:** ~ 39,000 SF
- **Property Type:** Showroom / Retail Warehouse
- **Lease Type:** Renewal



Brooklyn Conclusion

Brooklyn experienced a measured cooldown this quarter after a busy first half. Industrial and creative spaces remained the borough's strongest segments, though total leasing volume eased. As vacancy tightens in prime areas such as Williamsburg and Gowanus, modest rent pressure is expected to return in Q4, with industrial absorption likely to rebound.

Highlights

-27% QoQ

TOTAL SF LEASED

7.2%

INDUSTRIAL VACANCY FALL,
LOWEST IN A YEAR

1 M SF

AMAZON LONG-TERM LOGISTICS LEASE
RECAPITALIZED BY BANK OZK



Queens

NYC LEASE MARKET



Overview

1,485,447

TOTAL SF LEASED

313

TOTAL DEALS

4,745

AVERAGE DEAL SF

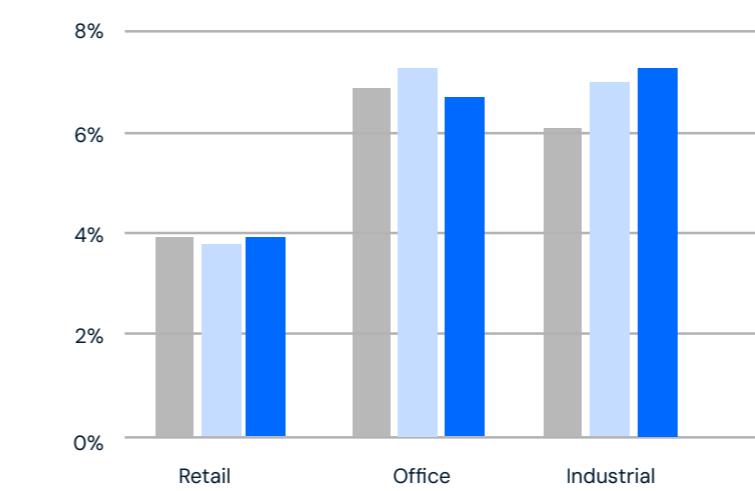
241

BUILDINGS

Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change
Office	393,500	-339.79%	27.84%	6.75%	-8.16%	-3.33%	\$42.51 (\$/SF)	0.05%	-4.26%
Retail	-106,800	-68.37%	-1543.24%	3.98%	1.92%	2.02%	\$51.28 (\$/SF)	-0.29%	0.63%
Industrial	-91,800	-7.65%	-128.80%	7.40%	5.34%	0.48%	\$29.98 (\$/SF)	-0.26%	21.31%

Average Vacancy Rate

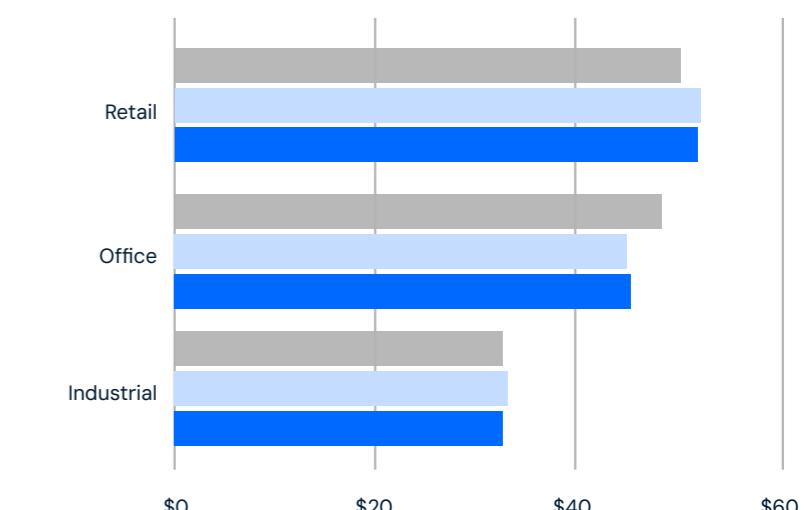


Q3 2024

Q2 2025

Q3 2025

Average Asking Rent Per SF



Q3 2024

Q2 2025

Q3 2025

Office



6.75%
AVG VACANCY RATE

\$42,51
AVG ASKING RENT PER SF

↑ 393,500
TOTAL NET ABSORPTION

Retail

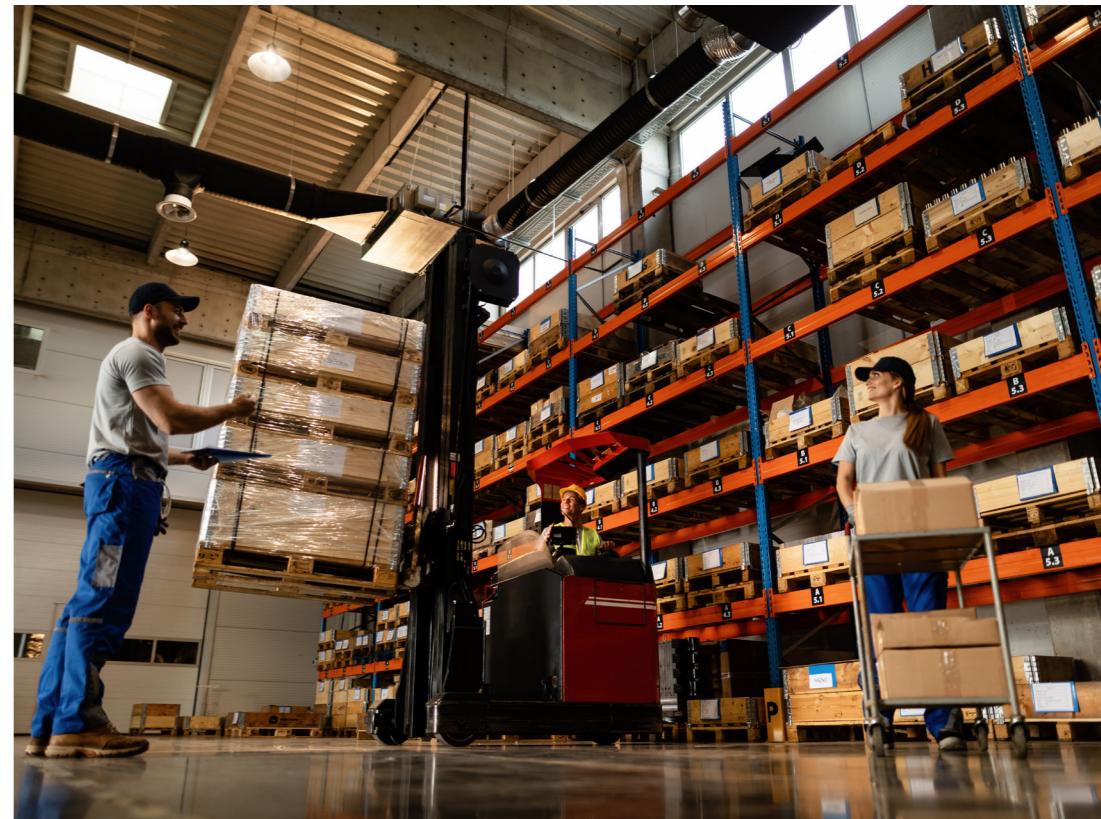


3.98%
AVG VACANCY RATE

\$51,28
AVG ASKING RENT PER SF

↑ -106,800
TOTAL NET ABSORPTION

Industrial



7.40%
AVG VACANCY RATE

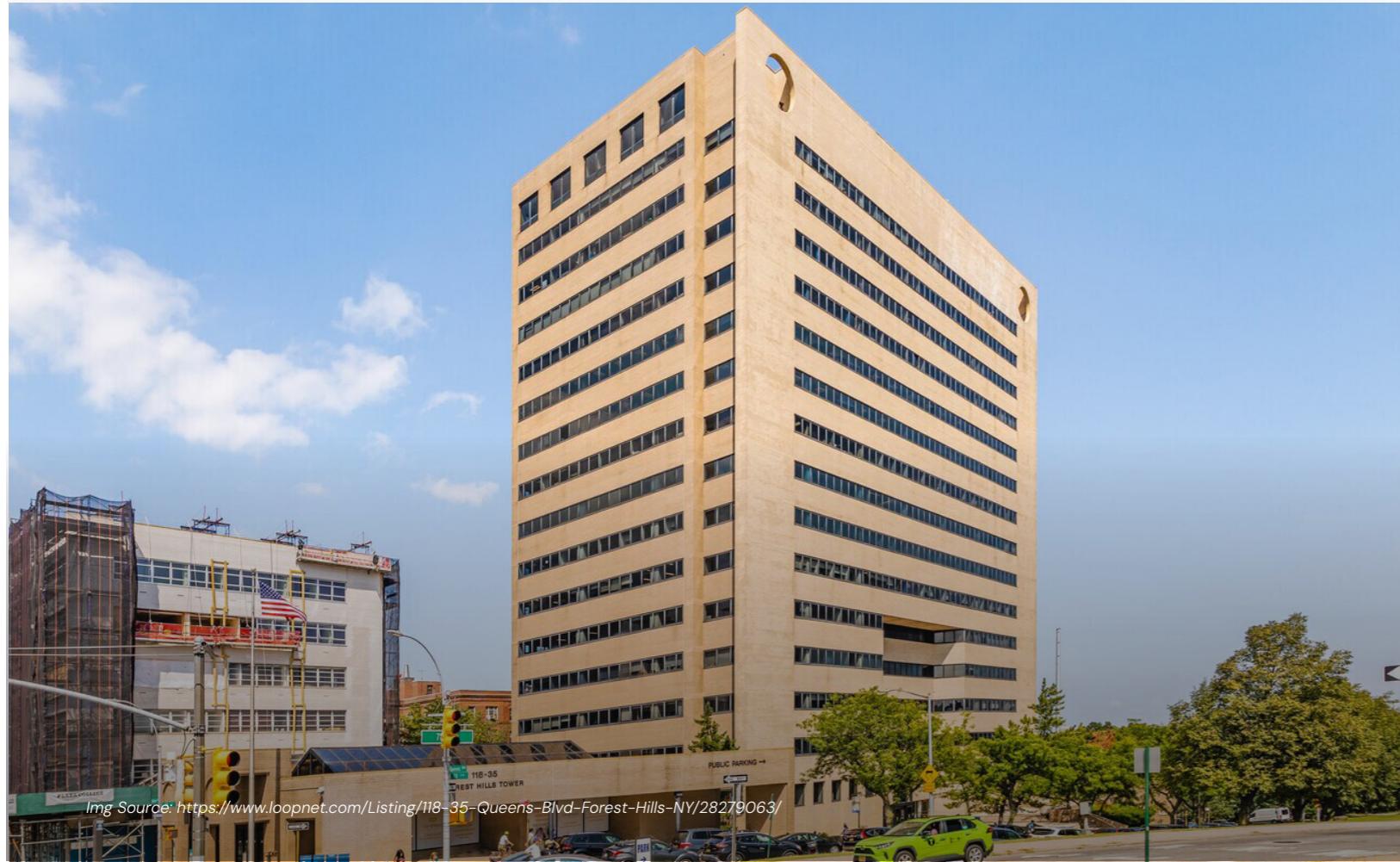
\$29,98
AVG ASKING RENT PER SF

↑ -91,800
TOTAL NET ABSORPTION

Highlighted Transactions

118-35 Queens Boulevard

- **Property Name:** Forest Hills Tower
- **Neighborhood:** Forest Hills
- **Tenant:** Educational & Public Agency (Undisclosed Tenant)
- **Property Type:** Office / Institutional



150-35 132nd Avenue

- **Neighborhood:** Jamaica
- **Tenant:** Special-Education Nonprofit (School Center)
- **Size:** ≈ 42,000 SF
- **Property Type:** Institutional / Education



Queens Conclusion

Queens delivered another resilient quarter, posting the city's only gain in total deals and a sharp year-over-year surge in leasing volume. Industrial and institutional tenants—particularly in Long Island City and Jamaica—continued to anchor the market. Rent growth has steadied, suggesting a balanced environment heading into 2026, with further expansion expected in education and last-mile sectors.

Highlights

74% YoY

LEASING VOLUME INCREASE
TO 1.48 M SF

13.8%

TOTAL DEALS—THE ONLY
BOROUGH GROWTH

394K SF

OFFICE ABSORPTION, A
QUARTERLY STANDOUT



The Bronx

NYC LEASE MARKET

YANKEE STADIUM

GATE 6

Overview

492,239

TOTAL SF LEASED

97

TOTAL DEALS

5,074

AVERAGE DEAL SF

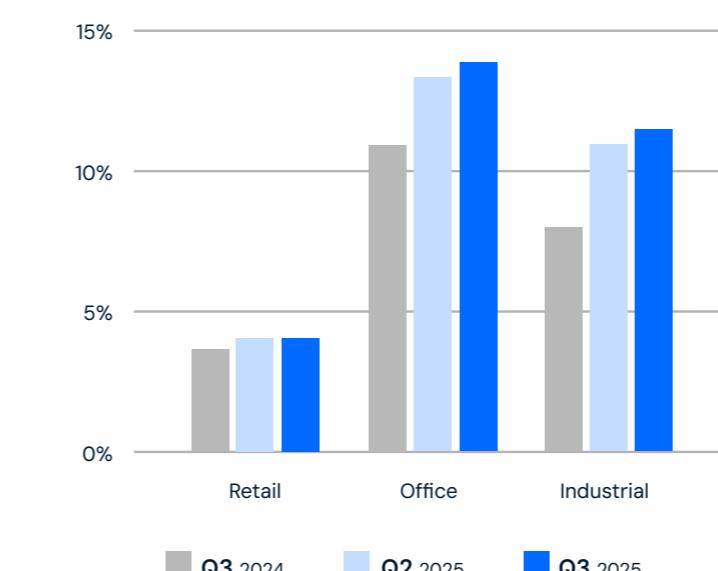
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BUILDINGS

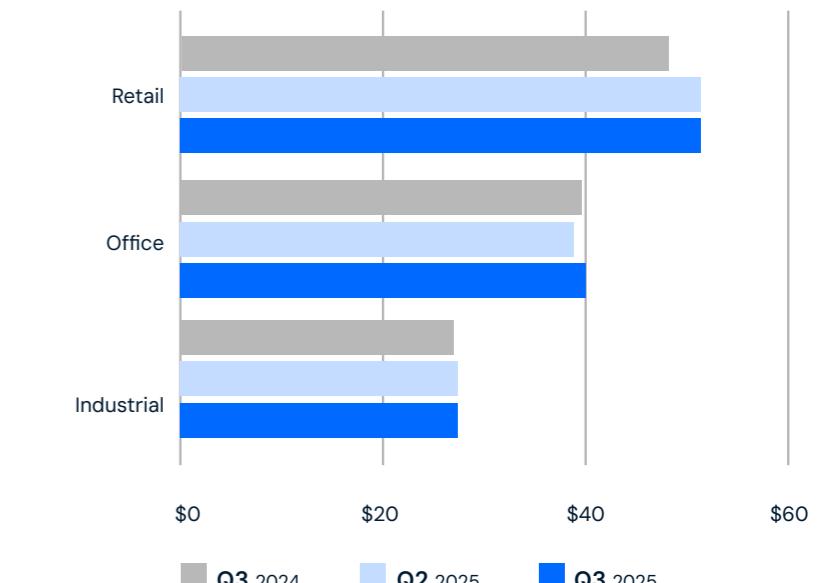
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change	Q3 2025	QoQ Change	YoY Change
Office	4,000	-103.42%	-8519.35%	14.00%	3.70%	25%	\$39.75 (\$/SF)	0.13%	0.13%
Retail	-261,000	133.04%	-102.52%	3.80%	-	46.15%	\$50.50 (\$/SF)	-0.49%	2.66%
Industrial	-261,000	1988%	-308.80%	12.20%	5.17%	52.50%	\$26.07 (\$/SF)	-0.19%	0.58%

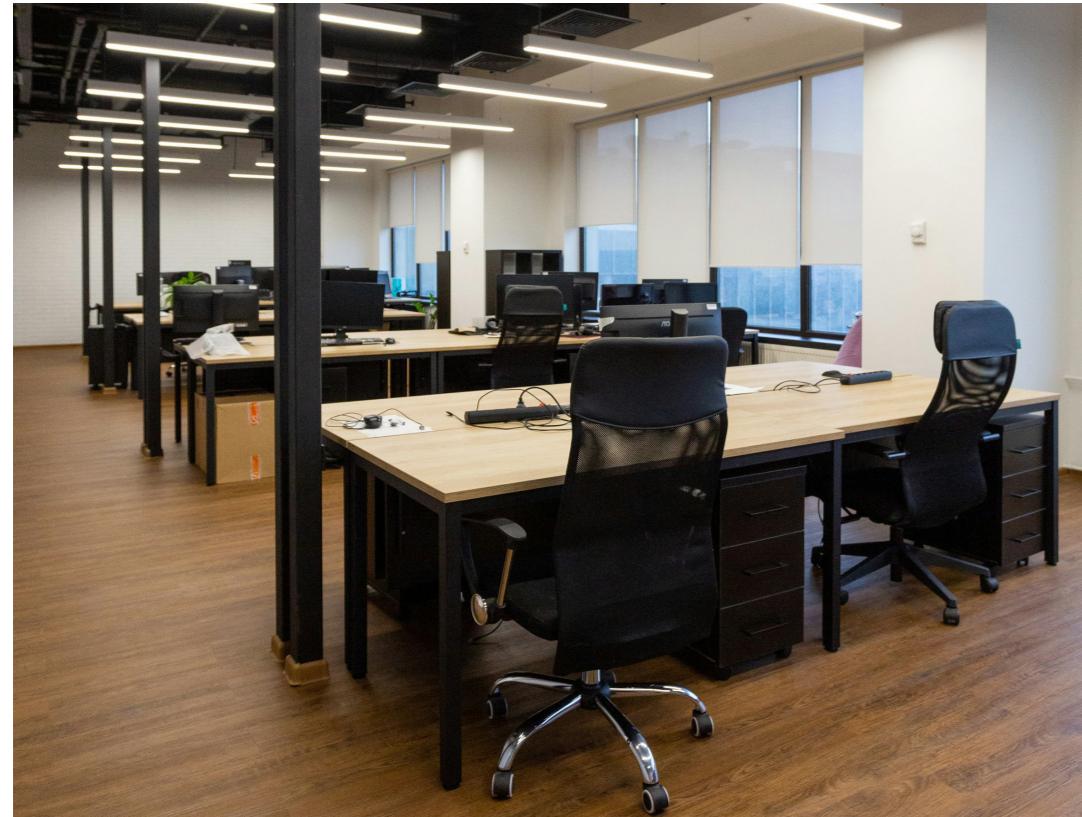
Average Vacancy Rate



Average Asking Rent Per SF



Office



14%
AVG VACANCY RATE

\$39,75
AVG ASKING RENT PER SF

↑ -76,800
TOTAL NET ABSORPTION

Retail



3.80%
AVG VACANCY RATE

\$50,50
AVG ASKING RENT PER SF

↑ -4,000
TOTAL NET ABSORPTION

Industrial



12.20%
AVG VACANCY RATE

\$26,07
AVG ASKING RENT PER SF

↑ -261,00
TOTAL NET ABSORPTION

Highlighted Transactions

565 Morris Avenue, Bronx – Boys' Club of New York 33K SF Lease Recap

- **Property Name:** The Boys' Club of New York Clubhouse
- **Neighborhood:** Mott Haven
- **Tenant:** Boys' Club of New York (Bcny)
- **Size:** 33,000 SF + Outdoor Space
- **Property Type:** Institutional / Community Facility
- **Term:** 25 Years
- **Lease Type:** Net Lease
- **Total Lease Value Reported** $\approx \$20m+$

<https://bcny.org/about/programs/bronx-clubhouse/>

521 Bergen Avenue, Bronx JCCA 18K SF Lease Recap

- **Neighborhood:** South Bronx
- **Tenant:** Jewish Child Care Association (JCCA)
- **Size:** 18,442 SF
- **Property Type:** Office / Social Services
- **Term:** 10 years

Img Source: <https://www.loopnet.com/Listing/521-Bergen-Ave-Bronx-NY/l3566365>

Img Source: <https://www.dattner.com/projects/view/425-grand-concourse/>

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

- **Neighborhood:** Mott Haven
- **Tenant:** Community Education Organization (Undisclosed)
- **Size:** $\approx 10,000$ SF
- **Property Type:** Institutional / Education
- **Lease Type:** Sub-lease

Tri State Commercial 2025

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Bronx Conclusion

Bronx leasing was steady overall, buoyed by institutional tenants even as private-sector deals slowed. Long-term education and community leases helped preserve stability across key submarkets. Looking ahead, steady public-use activity and upcoming mixed-use conversions may support incremental rent growth into early 2026.

Highlights

0.9% QoQ

TOTAL SF LEASED, DESPITE FEWER DEALS

6% QoQ

AVERAGE DEAL SIZE INCREASE
TO 5,074 SF

2.7% YoY

RETAIL RENTS RISE, INDICATING HEALTHY
STREET-LEVEL DEMAND



NYC Outliers



1 World Trade Center, Manhattan Cloudflare 34K SF Lease Recap

- **Tenant:** Cloudflare
- **Size:** ~34,000 SF
- **\$/SF:** Not publicly disclosed for the signed deal; however, Developers Durst Organization had been marketing the two top floors at ~\$160 / SF (asking) earlier in 2025, making the floors a clear high-\$/SF outlier if the signed rent approaches that mark.
- Tech tenant taking the highest office floors in the Western Hemisphere; top-floor pricing being marketed at trophy-level \$/SF in Downtown.

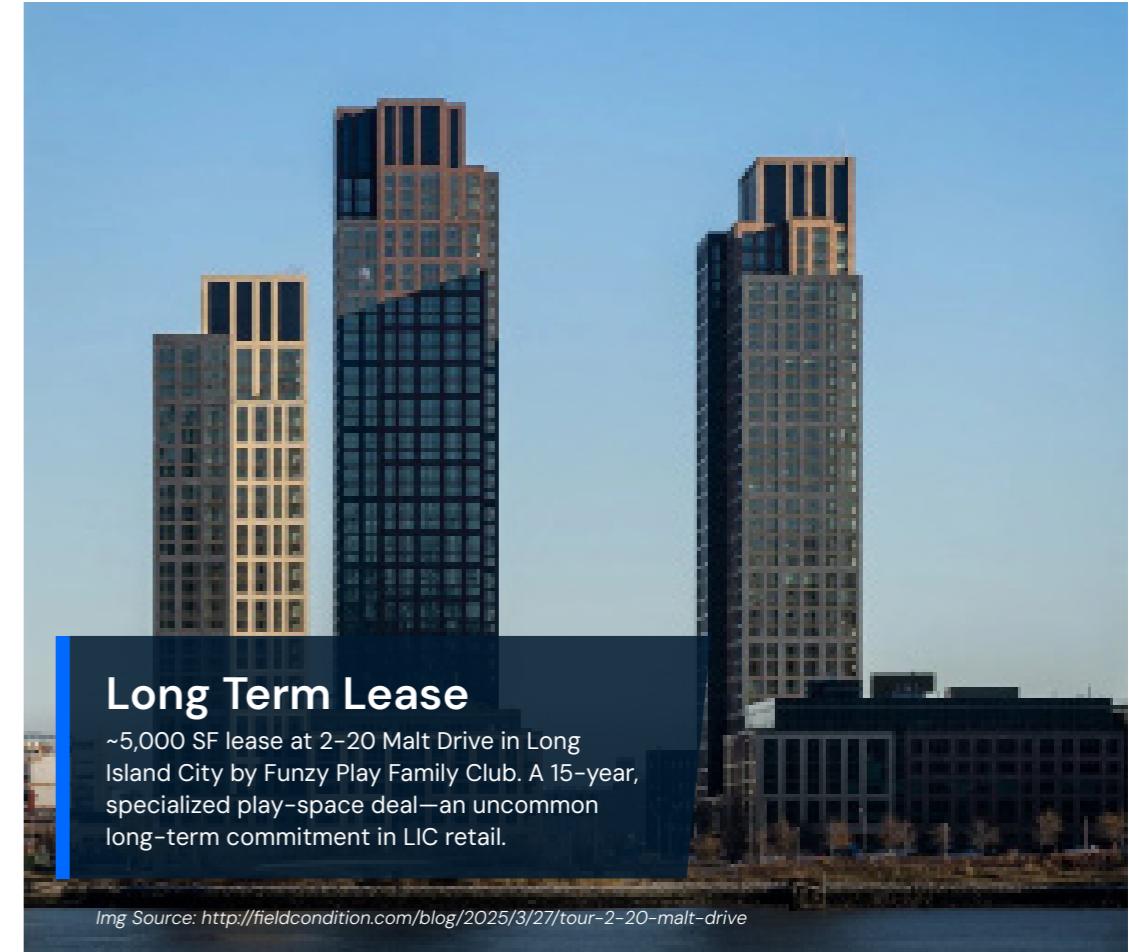
BROKERS UNDISCLOSED



558 Grand Concourse – Bronx General Post Office Building

- **Neighborhood:** Melrose
- **Tenant:** Cuny
- **Size:** ~ 35,000 SF
- **Property Type:** Institutional / Education (College Facility)
- **Term:** 35 Years
- **Lease Type:** Long-Term Institutional
- **Asking Rent:** ~ \$88.57/SF (First Year Rate)
- A standout institutional outlier in Q3 2025; Combining an unusually long term, a large footprint, and a first-year rent well above borough norms. Because the deal is institutional, lease economics likely reflect public/institutional priorities and should be presented separately from private-sector comparables.

BROKERS UNDISCLOSED



2-20 Malt Drive, Queens – Funzy Play Family Club 15-Year Lease Recap

TENANT REP
Chibeca Real Estate – Lip Fei Jiang
LANDLORD REP
TF Cornerstone

- **Property Name:** 2-20 Malt Drive South Tower
- **Neighborhood:** Long Island City (Queens)
- **Tenant:** Funzy Play Family Club
- **Size:** ~5,000 SF
- **Term:** 15 Years
- Long-term (15-year) lease for a play-space operator in LIC; long term + specialized use is atypical and affects per-SF economics for the building owner.

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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

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

Time Frame

This report covers leasing activity for Q2–Q3 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.

TRI STATE COMMERCIAL®

CRE LEASE REPORT

Tri State Commercial - 2025

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