

Q4 CRE LEASE REPORT

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TRI STATE COMMERCIAL®



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Introduction

Words From Our Founder

Fourth quarter 2025 leasing data indicates that New York City's commercial real estate market remains balanced, with activity moderating year-over-year while showing sequential improvement from the prior quarter. Total square footage leased declined modestly compared to Q4 2024, yet increased quarter-over-quarter, signaling continued tenant engagement despite a more selective pace of decision-making. While the total number of deals and buildings transacted trended lower, leasing volume suggests that occupiers remain active, prioritizing efficiency, location, and value.

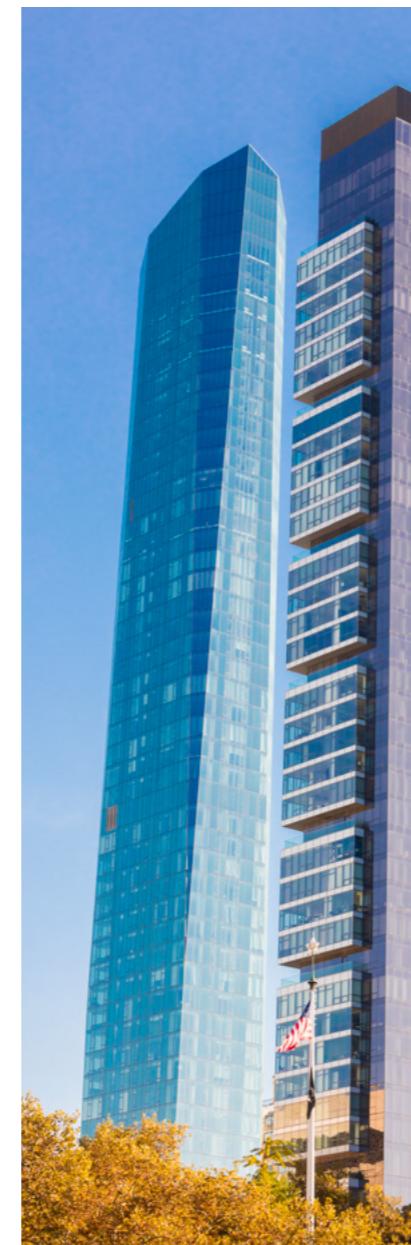
TriState Commercial Realty's activity was most concentrated in Brooklyn, which accounted for the majority of closed deals and leased square footage, reinforcing TriState's strength in high-demand outer-borough markets.

Looking ahead, the data supports an outlook of continued stability rather than contraction, with steady leasing volume and borough-level performance divergence expected to persist. As market conditions remain disciplined and fundamentally driven, TriState Commercial Realty is positioned in alignment with these trends, maintaining operational consistency and focus as the city's commercial real estate market moves into the next phase of the cycle.

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Our Market Perspective *vs Q3 2025

-12.73% **2,090**
TOTAL DEALS LEASED

4.36% **14,211,329**
TOTAL SF LEASED

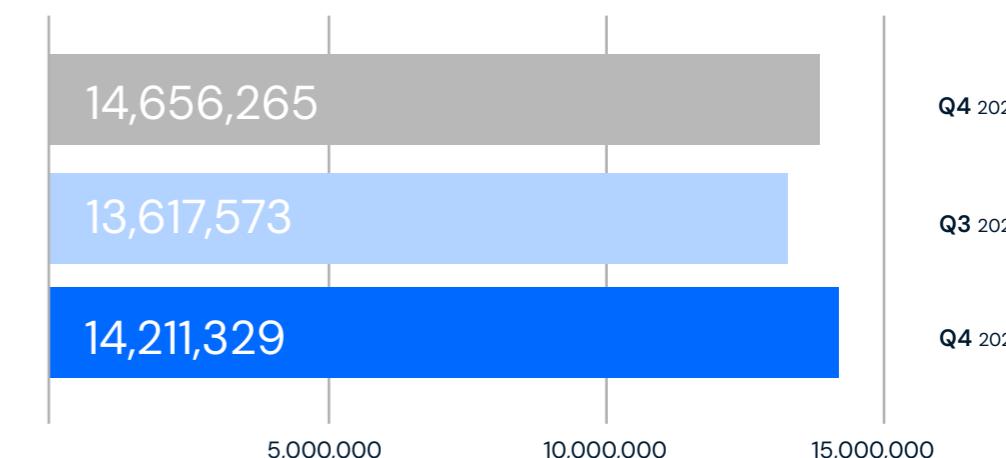
-12.76% **1,490**
BUILDINGS

New York City's commercial leasing market closed Q4 2025 in a position of disciplined stability, with 14.21 million square feet leased — down year-over-year but up quarter-over-quarter, signaling improving momentum. Manhattan remains the city's anchor with 11.45 million SF leased, while Brooklyn emerged as the growth engine, posting a 28.7% QoQ increase in leasing volume and a 7.1% YoY increase in total deals. Queens and the Bronx delivered mixed results, reflecting a bifurcated market where high-quality, well-located assets continue to attract demand while secondary space faces pressure. Heading into 2026, experts expect steady, fundamentals-driven leasing, with tenants prioritizing efficiency, long-term flexibility, and value.

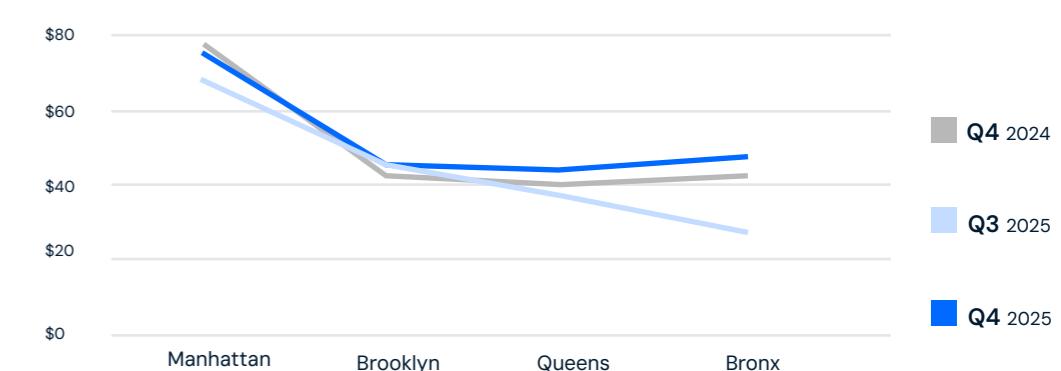
Key Takeaways

Q4 2025 reinforced a "flight-to-quality" environment, where leasing activity is concentrating in top assets and high-performing submarkets. Brooklyn's growth and Manhattan's Class A office rebound highlight where tenant confidence is strongest, while industrial demand in Queens and institutional commitments in the Bronx continue to reshape outer-borough dynamics. As the market moves into 2026, stability — not contraction — is the prevailing theme, with selective but consistent leasing activity expected across the city.

Total SF Leased



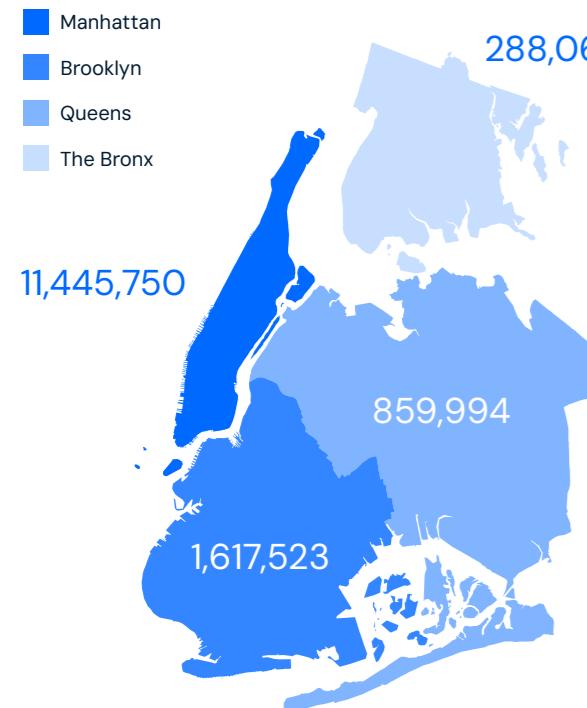
Average Asking Rent Per SF



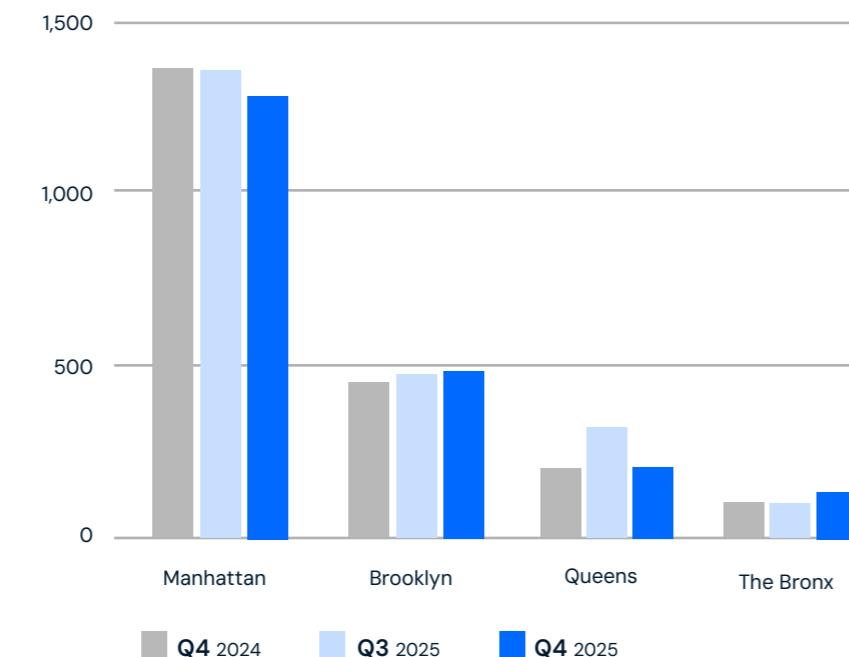
NYC Overview

BOROUGH	TOTAL DEALS			TOTAL SF LEASED			AVERAGE DEAL SF			BUILDINGS			AVERAGE TERM IN YEARS		
	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change
	1,273	-6.26%	-5.84%	11,445,750	10.23%	-2.47%	8,991	17.59%	3.59%	852	-4.05%	-10.60%	6	9.09%	-11.76%
Manhattan	482	2.12%	7.11%	1,617,523	28.73%	15.28%	3,555	33.55%	14.05%	357	-6.54%	-0.56%	6	22.45%	7.14%
Queens	206	-34.19%	3.00%	859,994	-42.11%	-24.55%	4,174	-12.03%	-26.76%	161	-33.20%	-5.85%	6	16.00%	-1.69%
The Bronx	129	32.99%	25.24%	288,062	-41.48%	-23.82%	2,233	-56%	-39.17%	120	34.83%	36.36%	6	10.71%	-16.22%

SF Leased



Total Deals



QoQ CHANGE MANHATTAN TOTAL SF LEASED

↑ 10.23%



QUEENS TOTAL DEALS

↓ 34.19%



BROOKLYN TOTAL SF

↑ 28.73%

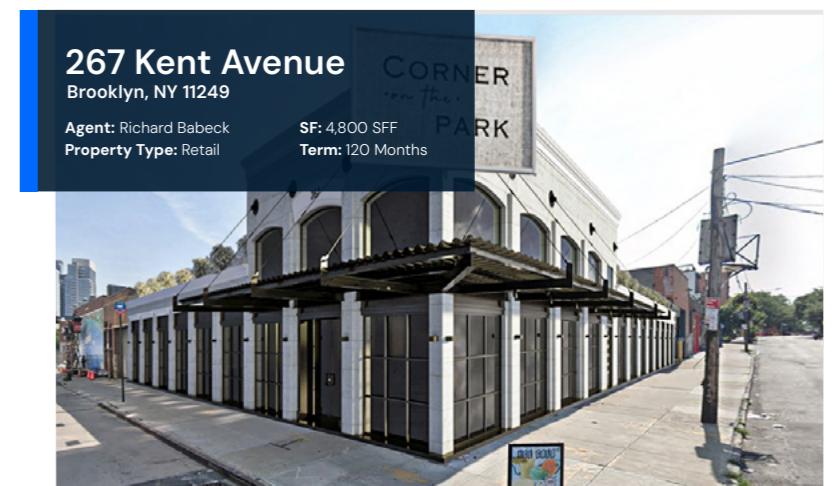


Quarter-over-quarter data shows improving leasing momentum, led by Manhattan's 10.23% and Brooklyn's almost 29% increase in total square footage leased, confirming its role as the city's fastest growing leasing market. On the other hand, Queens and the Bronx showed more volatile performance, highlighting a market increasingly driven by select submarkets and asset quality.

TSC MARKET ACTIVITY

Tri State Commercial Realty closed 31 transactions totaling 61,525 square feet in Q4 2025, representing a 1.81% market share across New York City. Brooklyn led firm performance with 22 deals and 47,475 SF leased, capturing 4.56% market share and reflecting the borough's strong growth quarter.

Featured Deals



Manhattan

NYC LEASE MARKET



Overview

11,445,750

TOTAL SF LEASED

1,273

TOTAL DEALS

8,991

AVERAGE DEAL SF

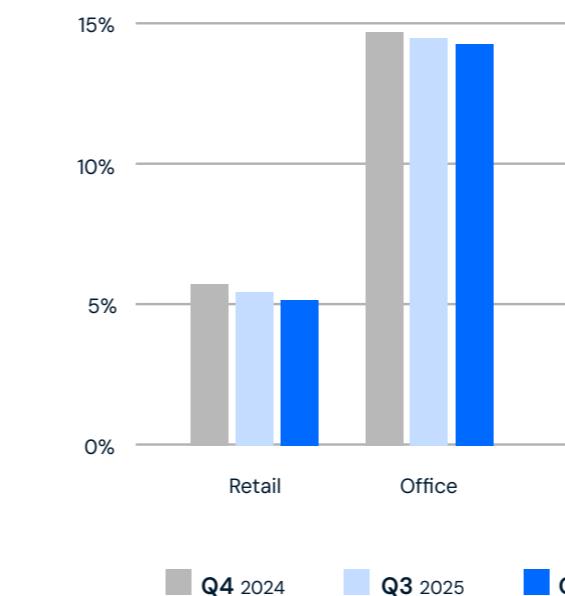
852

BUILDINGS

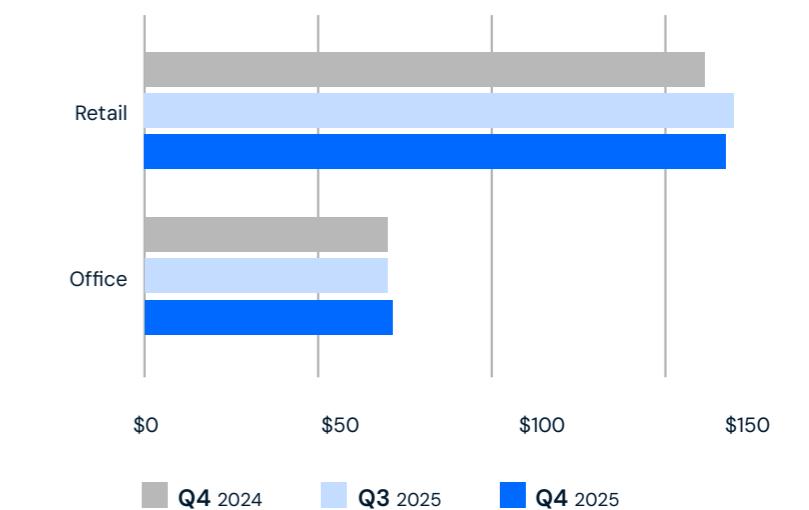
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change
Office	3,409,400	353.98%	-1392.77%	14.25%	-3.42%	-0.70%	\$68.03	0.67%	0.23%
Retail	22,550	-57.58%	-56.81%	5.65%	-11.82%	-2.54%	\$162.72	2.63%	-0.76%

Average Vacancy Rate



Average Asking Rent Per SF



Office



🏢 14.25%
AVG VACANCY RATE

💲 \$68.03
AVG ASKING RENT PER SF

↑↓ 3,409,400
TOTAL NET ABSORPTION

Retail



🏢 5.65%
AVG VACANCY RATE

💲 \$162.72
AVG ASKING RENT PER SF

↑↓ 22,550
TOTAL NET ABSORPTION

Manhattan Conclusion

Manhattan closed Q4 2025 with 11.45 million SF leased, remaining the city's dominant leasing market. Office absorption rebounded sharply to 3.41 million SF, signaling renewed confidence in Class A space, while trophy assets continued to command premium rents near \$160/SF. The largest outliers versus Q4 2024 and Q3 2025 were the surge in office absorption and the continued strength of large-scale commitments from Bloomberg, Millennium Management, and Moody's.

Highlights

+10.2% QoQ

TOTAL SF LEASED | MARKET LEADER

+3.41M SF

NET ABSORPTION | OFFICE REBOUND

-6.3% QoQ

TOTAL DEALS | FLIGHT TO QUALITY



Brooklyn

NYC LEASE MARKET



Overview

1,617,523
TOTAL SF LEASED

482
TOTAL DEALS

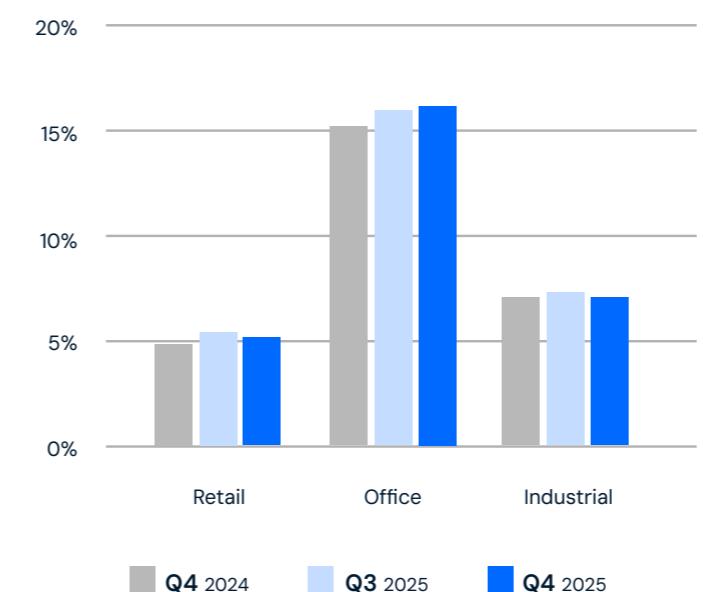
3,555
AVERAGE DEAL SF

357
BUILDINGS

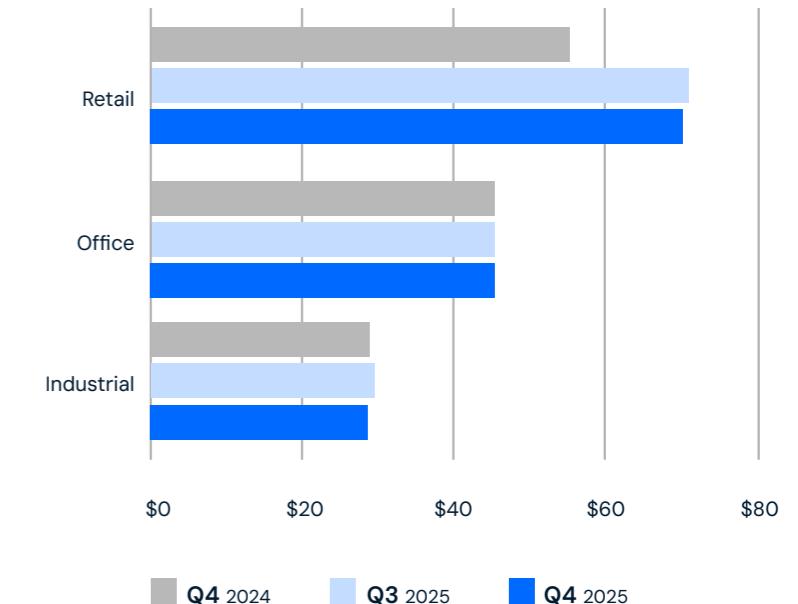
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change
Retail	58,400	-26.54%	-154.46%	5.27%	7.48%	-2.47%	\$69.58	22.50%	-0.71%
Office	-174,200	82.79%	-71.42%	16.00%	6.19%	1.48%	\$43.90	-0.18%	-0.08%
Industrial	56,300	402.68%	-46.89%	7.10%	-	-1.39%	\$30.40	-0.30%	-0.91%

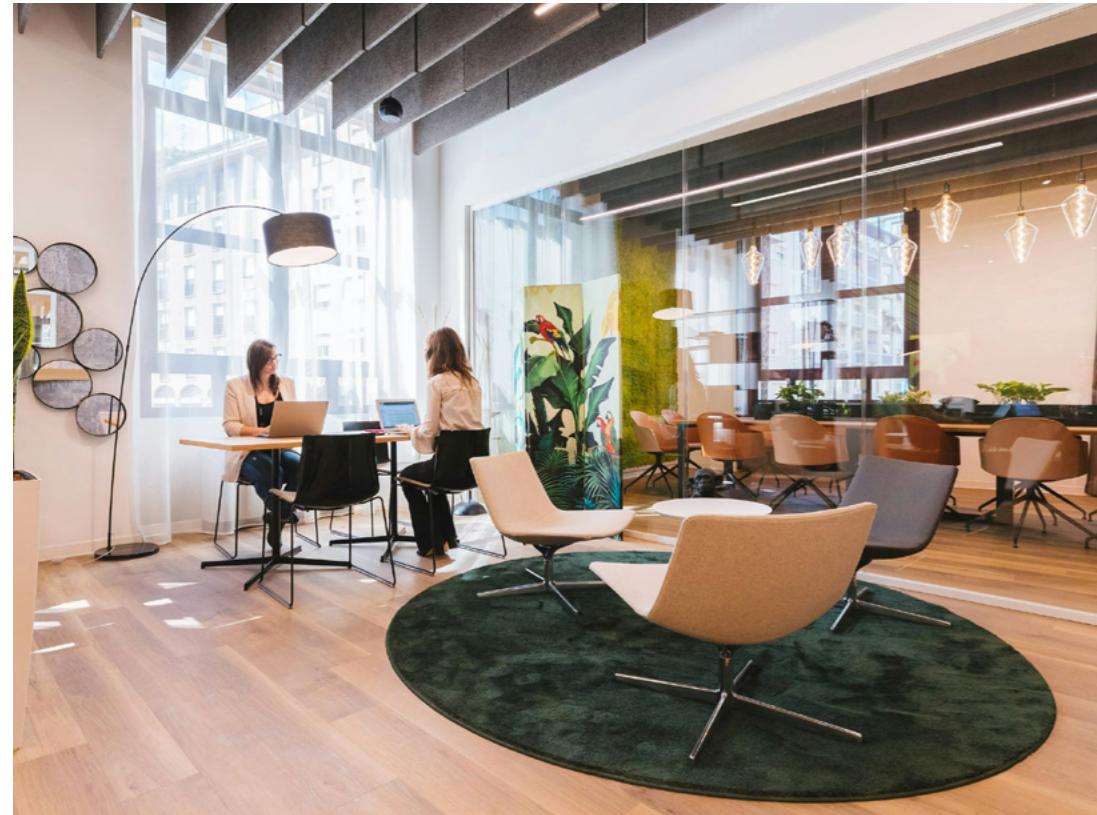
Average Vacancy Rate



Average Asking Rent Per SF



Office



16.0%
AVG VACANCY RATE

\$43.90
AVG ASKING RENT PER SF

↑ -174,200
TOTAL NET ABSORPTION

Retail



5.2%
AVG VACANCY RATE

\$69.58
AVG ASKING RENT PER SF

↑ 58,400
TOTAL NET ABSORPTION

Industrial



7.10%
AVG VACANCY RATE

\$30.40
AVG ASKING RENT PER SF

↑ 56,300
TOTAL NET ABSORPTION

Brooklyn Conclusion

Brooklyn delivered one of the strongest quarters citywide, with total SF leased rising 15.28% YoY and retail asking rents up 22.5% YoY. Industrial absorption rebounded to 56,300 SF while retail vacancy remained tight at 5.27%. The biggest outliers were the surge in retail rents and the sharp QoQ expansion in leasing volume, confirming Brooklyn as the city's primary growth engine entering 2026.

Highlights

+28.7% QoQ

TOTAL SF LEASED

+22.5% YoY

RENTS | RETAIL MOMENTUM

+56K SF

INDUSTRIAL RETURN



Queens

NYC LEASE MARKET



Overview

859,994

TOTAL SF LEASED

206

TOTAL DEALS

4,174

AVERAGE DEAL SF

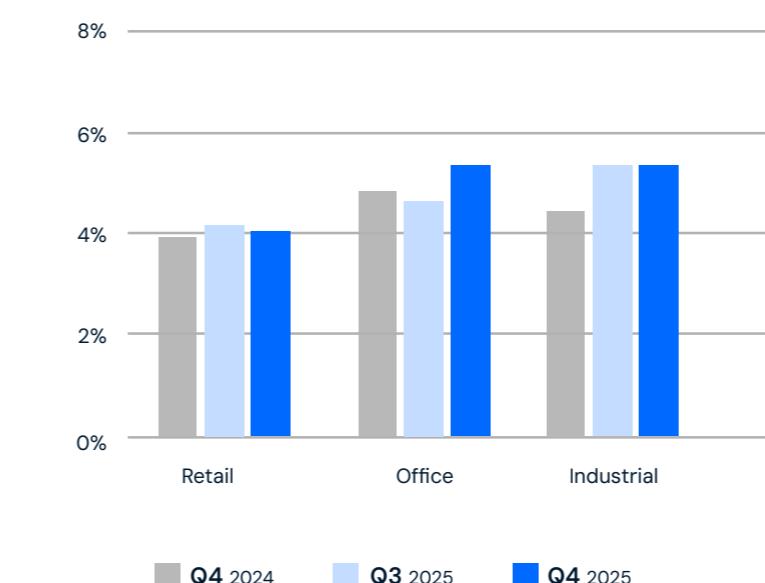
161

BUILDINGS

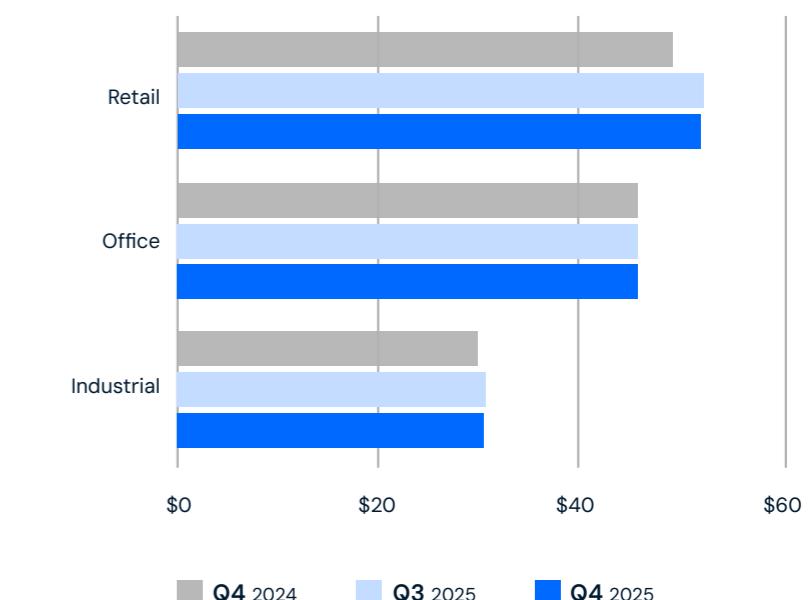
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change
Office	4,400	-106%	-104%	4.08%	3.82%	-0.61%	\$52.55	2.82%	-0.15%
Retail	-460,100	1384%	-219%	7.53%	8.27%	11.48%	\$44.99	-0.03%	0.09%
Industrial	353,200	-211%	-502%	7.38%	13.03%	0.34%	\$29.46	-0.10%	-0.91%

Average Vacancy Rate



Average Asking Rent Per SF



Office



7.53%
AVG VACANCY RATE

\$44.99
AVG ASKING RENT PER SF

↓ -460,100
TOTAL NET ABSORPTION

Retail

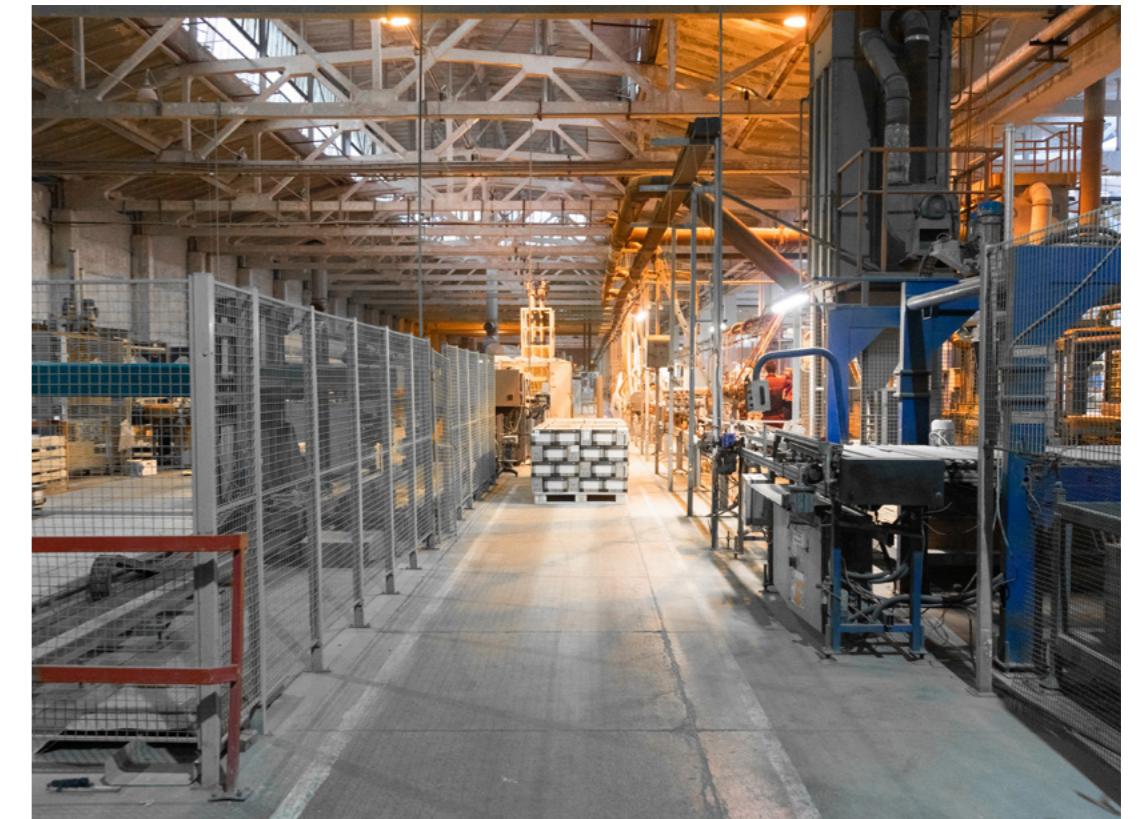


4.08%
AVG VACANCY RATE

\$52.55
AVG ASKING RENT PER SF

↑ 4,400
TOTAL NET ABSORPTION

Industrial



7.38%
AVG VACANCY RATE

\$29.46
AVG ASKING RENT PER SF

↑ 353,200
TOTAL NET ABSORPTION

Queens Conclusion

Queens leased 859,994 SF in Q4 2025, with total deals up 13.8% YoY, the only borough to post deal growth. Industrial absorption surged to 353,200 SF, reversing prior-quarter declines, while retail absorption fell sharply to -460,100 SF — the largest negative outlier versus Q4 2024 and Q3 2025. The data points to a supply-chain driven recovery led by industrial demand.

Highlights

+13.8% YoY

TOTAL SF LEASED

+353K SF

INDUSTRIAL TOTAL SF LEASED



The Bronx

NYC LEASE MARKET



Overview

288,062
TOTAL SF LEASED

129
TOTAL DEALS

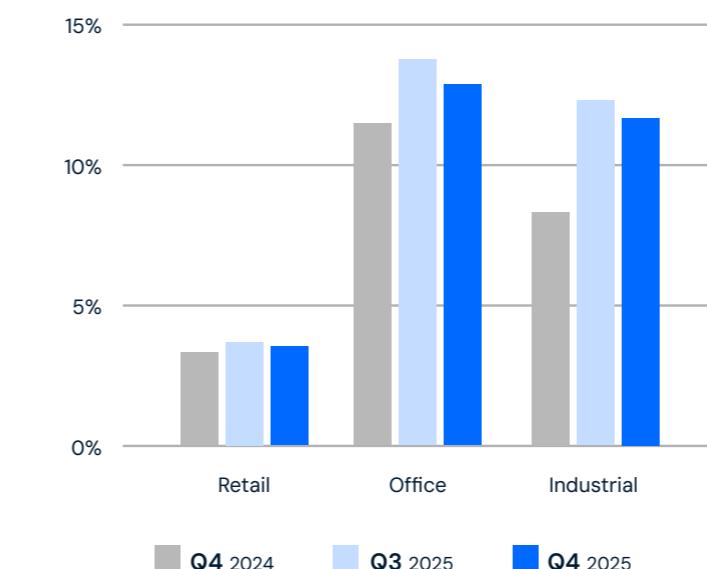
2,233
AVERAGE DEAL SF

120
BUILDINGS

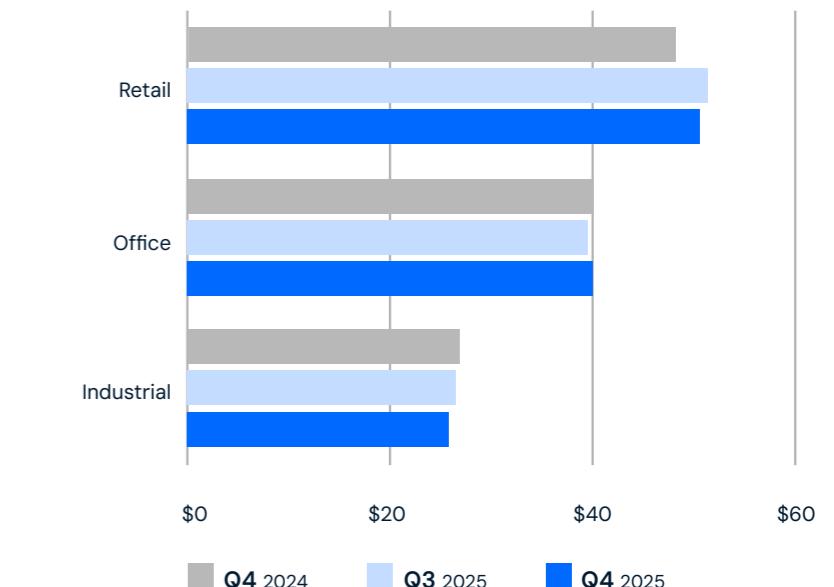
Property Type Breakdown

PROPERTY TYPE	NET ABSORPTION			AVERAGE VACANCY RATE			AVERAGE ASKING RENT		
	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change	Q4 2025	QoQ Change	YoY Change
Office	188,000	59.64%	24.75%	3.70%	42.31%	-2.63%	\$51.39	3.63%	-0.56%
Retail	32,500	-12.2%	-14.2%	13.10%	16.96%	-5.76%	\$39.85	0.05%	0.38%
Industrial	188,000	50%	-172%	11.70%	46.25%	-4.88%	\$25.44	-2.00%	-1.17%

Average Vacancy Rate



Average Asking Rent Per SF



Office



13.10%
AVG VACANCY RATE

↑ \$39.85
AVG ASKING RENT PER SF

↓ 32,500
TOTAL NET ABSORPTION

Retail



3.70%
AVG VACANCY RATE

↓ \$51.39
AVG ASKING RENT PER SF

↑ 188,000
TOTAL NET ABSORPTION

Industrial



11.70%
AVG VACANCY RATE

↓ \$25.44
AVG ASKING RENT PER SF

↑ -188,000
TOTAL NET ABSORPTION

Bronx Conclusion

The Bronx closed Q4 2025 with 288,062 SF leased, driven by a strong rebound in office absorption at 188,000 SF and rising retail rents. Average deal size increased quarter-over-quarter, reflecting growing tenant confidence. The largest outliers were the surge in office absorption and long-term institutional commitments, reinforcing the borough's role as a value-driven growth market.

Highlights

+188K SF

OFFICE TOTAL SF LEASED | OFFICE SURGE

+2.7% YoY

RETAIL ASKING RENTS

LONG TERM LEASES
INDUSTRIAL DRIVEN



Highlighted Transactions – NYC

120 Park Avenue, Manhattan – Bloomberg L.P. 496,000 SF

- **Neighborhood:** Midtown East
- **Tenant:** Bloomberg L.P.
- **Size:** ≈ 496,000 SF
- **Term:** 11-year renewal
- **Property Type:** Office (Class A)
- **Lease Type:** Renewal/expansion lease; one of the largest transactions in Q4 2025 with continued commitment to prime Midtown office space.

Corporate Headquarters Lease

One of the largest office renewals in the city, reinforcing Midtown East as a long-term corporate hub and a clear outlier for scale and lease term.

<https://www.loopnet.com/Listing/120-Park-Ave-New-York-NY/37591636/>



399 Park Avenue, Manhattan – Millennium Management 438,000 SF

- **Neighborhood:** Midtown
- **Tenant:** Millennium Management
- **Size:** ≈ 438,000 SF
- **Term:** Renewal
- **Property Type:** Office (Class A)
- **Lease Type:** Headquarters renewal; largest individual office lease in Manhattan in the quarter.

Trophy-Class Institutional Renewal

438,000 SF headquarters renewal by Millennium Management at 399 Park Avenue. A rare large-scale, long-term institutional commitment underscoring renewed confidence in Class A Midtown office assets.

<https://www.costar.com/article/920111875/bxp-sets-post-pandemic-office-leasing-record>



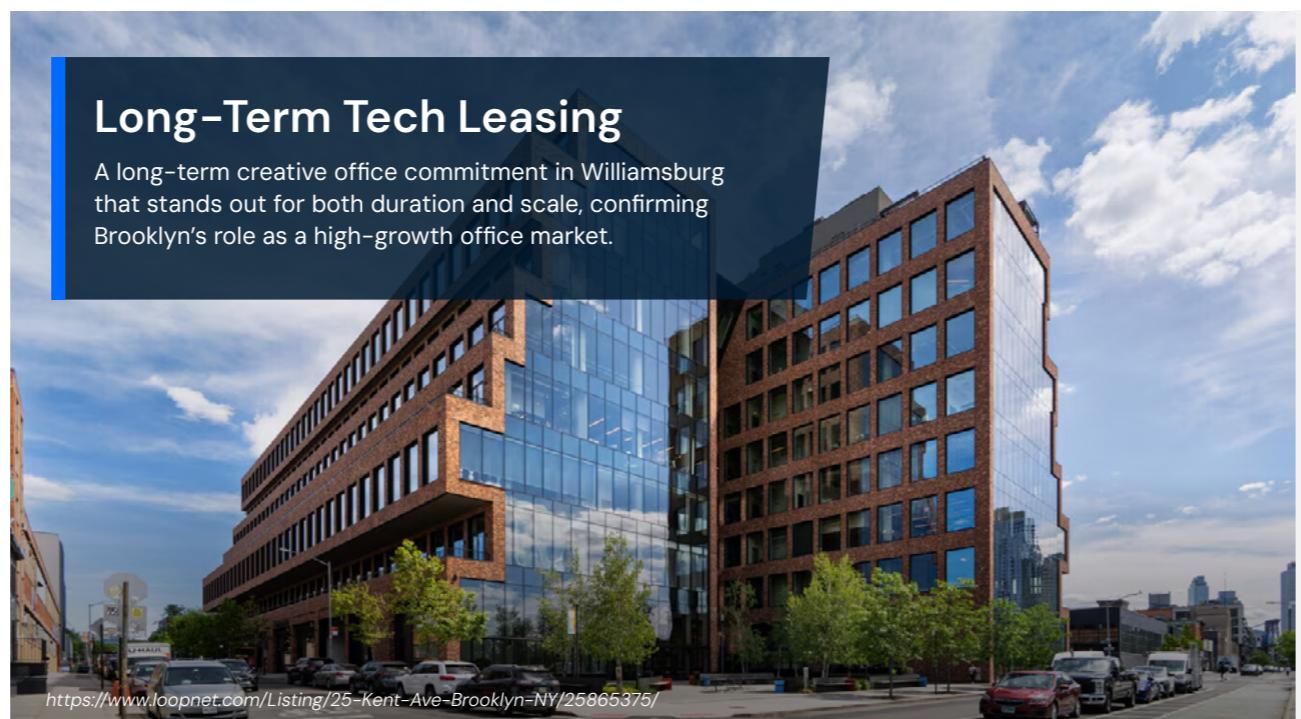
Long-Term Tech Leasing

A long-term creative office commitment in Williamsburg that stands out for both duration and scale, confirming Brooklyn's role as a high-growth office market.

25 Kent Avenue, Brooklyn – Confidential Tech Tenant ~45,000 SF

- **Neighborhood:** Williamsburg
- **Tenant:** Confidential tech / creative tenant
- **Size:** ≈ 45,000 SF
- **Term:** 7–10 years
- **Property Type:** Office (New construction)
- **Lease Type:** Multi-floor lease; the deal signals continued demand for high-quality creative office despite broader market softness.

<https://www.loopnet.com/Listing/25-Kent-Ave-Brooklyn-NY/25865375/>



Institutional Renewal

A major Downtown commitment that represents one of the quarter's largest square-footage transactions, highlighting the continued strength of top-tier assets.

<https://marketplace.vts.com/building/brookfield-place-200-liberty-street-new-york-ny>



200 Liberty Street, Lower Manhattan – Moody's ~460,000 SF

- **Neighborhood:** Financial District / Lower Manhattan
- **Tenant:** Moody's
- **Size:** ≈ 460,000 SF
- **Term:** Multi-year office lease
- **Property Type:** Office (Class A)
- **Lease Type:** New lease; a major Lower Manhattan commitment signaling renewed investor and occupier confidence.

Credits

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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 provides an analysis of Q4 2025 leasing performance, with year-over-year (Q4 2024) and quarter-over-quarter (Q3 2025) comparisons included throughout.

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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