

Q4 CRE LEASE 2025 REPORT

TRI STATE COMMERCIAL®



Table Of Contents

Introduction	03	The Bronx Market Overview	14
NYC Market Overview	04	Outliers	17
Manhattan Market Overview	05	Methodology & Credits	18
Brooklyn Market Overview	08		
Queens Market Overview	11		



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.

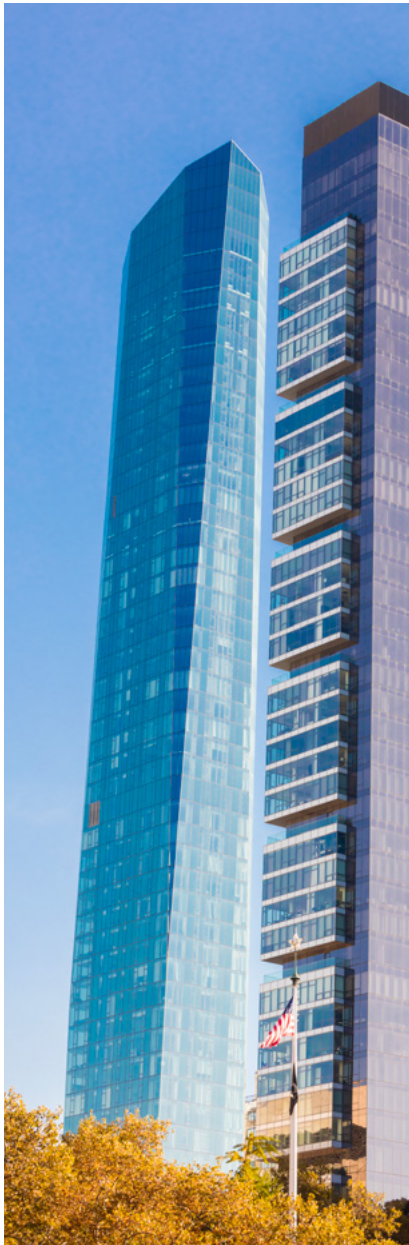
TriState Commercial Realty’s activity was most concentrated in Brooklyn, which accounted for the majority of closed deals and leased square footage, reinforcing TriState’s strength in high-demand outer-borough markets.

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.

Shlomi Bagdadi
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Our Market Perspective *VS Q3 2025

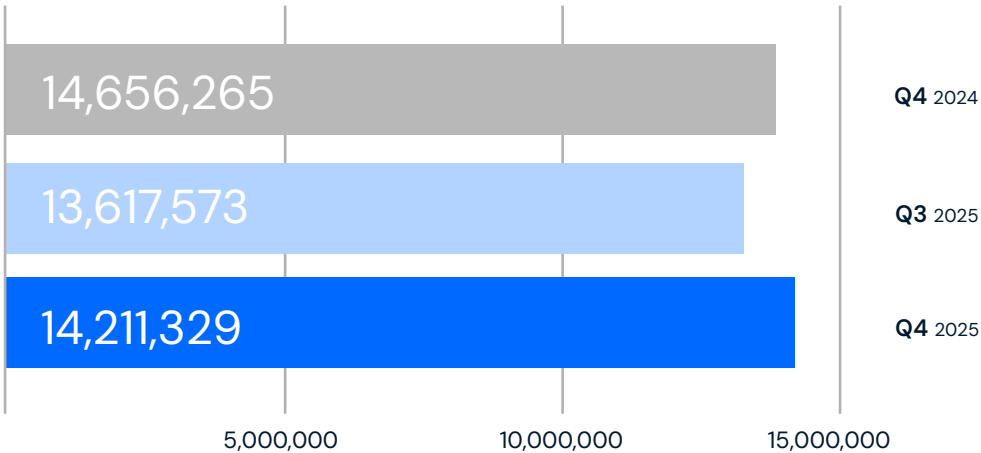


New York City’s commercial leasing market closed Q4 2025 in a position of disciplined stability, with 14.21 million square feet leased — down year-over-year but up quarter-over-quarter, signaling improving momentum. Manhattan remains the city’s anchor with 11.45 million SF leased, while Brooklyn emerged 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.

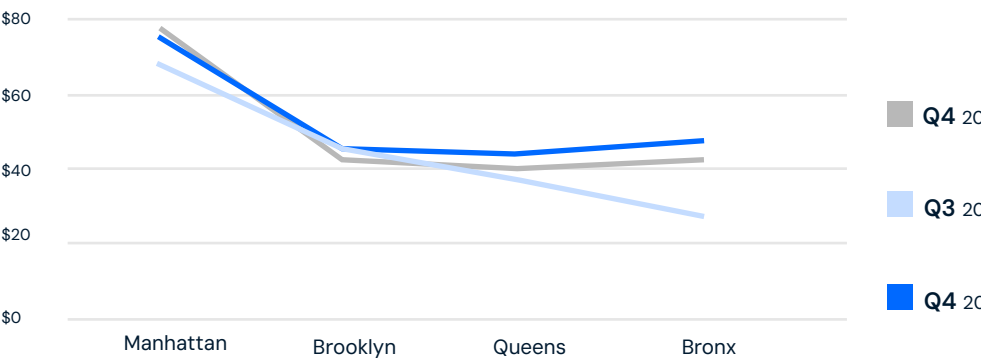
Key Takeaways

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



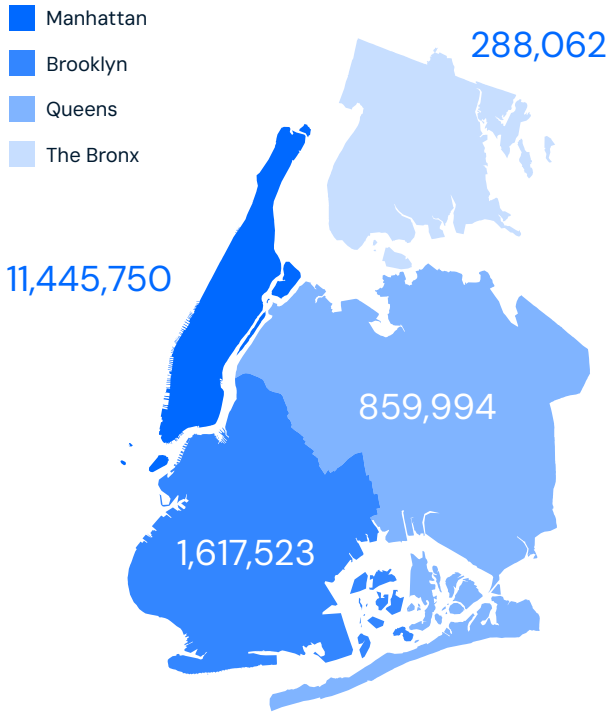
Average Asking Rent Per SF



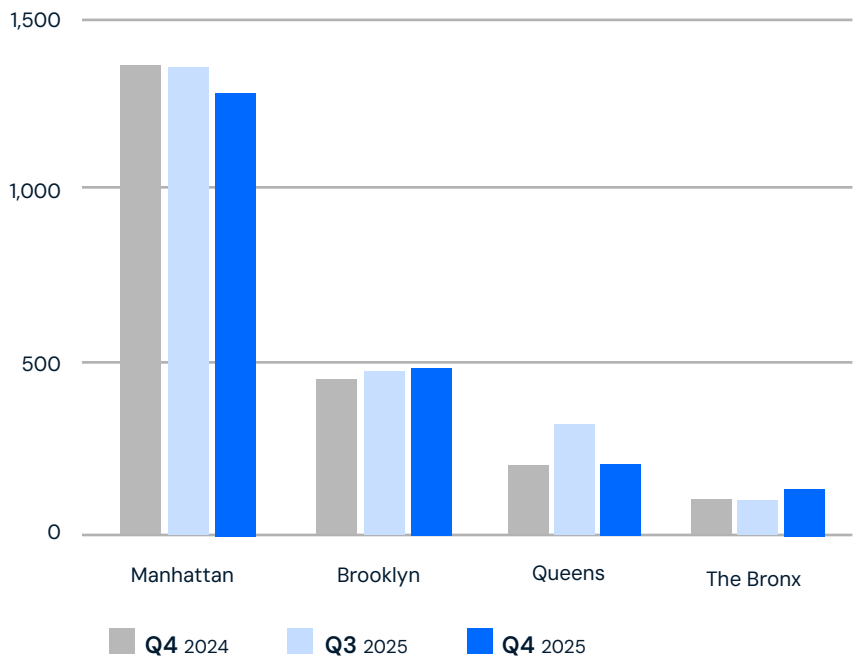
NYC Overview

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
Manhattan	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%
Brooklyn	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

267 Kent Avenue
Brooklyn, NY 11249
Agent: Richard Babeck
Property Type: Retail

SF: 4,800 SFF
Term: 120 Months

295 Front Street (6th floor)
Brooklyn, NY 11201
Neighborhood: Vinegar Hill
Property Type: Office

SF: 12,800
Term: 120 Months

Manhattan

NYC LEASE MARKET

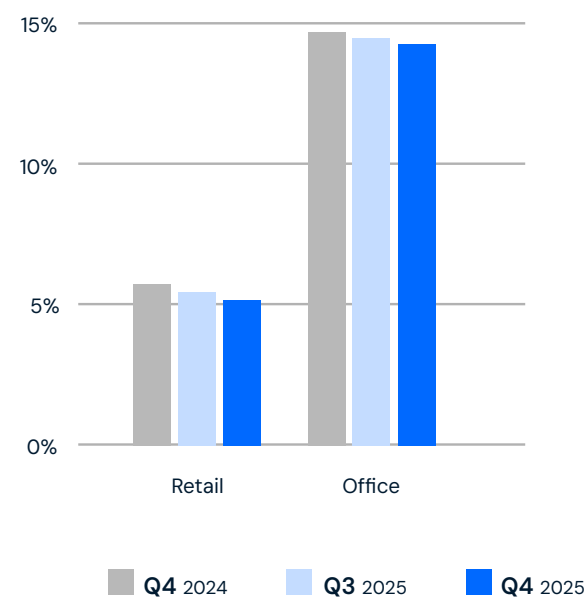
Overview

11,445,750	1,273	8,991	852
TOTAL SF LEASED	TOTAL DEALS	AVERAGE DEAL SF	BUILDINGS

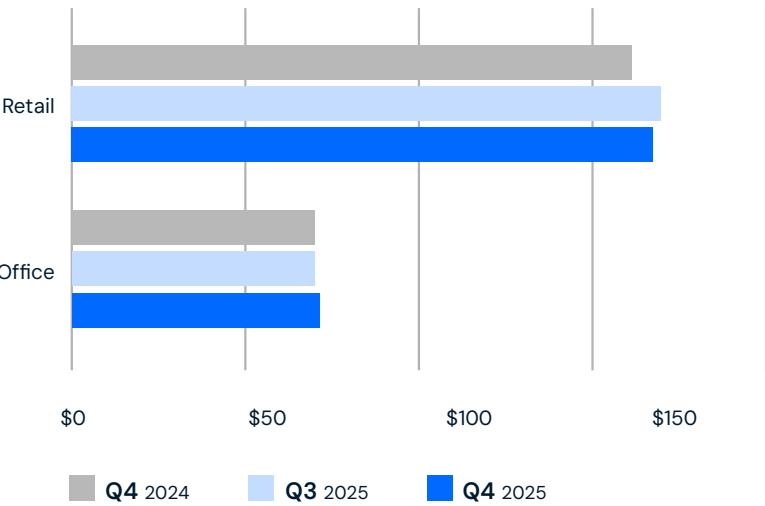
Property Type Breakdown

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%	 \$68.03	 3,409,400
AVG VACANCY RATE	AVG ASKING RENT PER SF	TOTAL NET ABSORPTION

Retail



 5.65%	 \$162.72	 22,550
AVG VACANCY RATE	AVG ASKING RENT PER SF	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

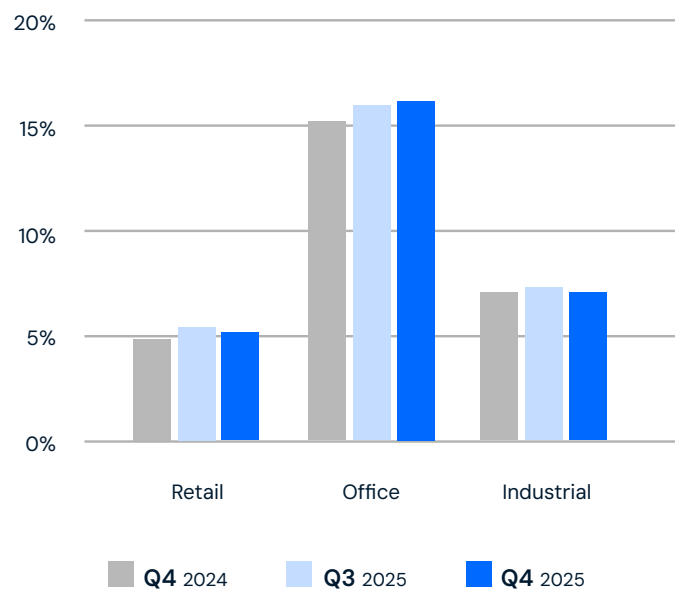
Overview

1,617,523	482	3,555	357
TOTAL SF LEASED	TOTAL DEALS	AVERAGE DEAL SF	BUILDINGS

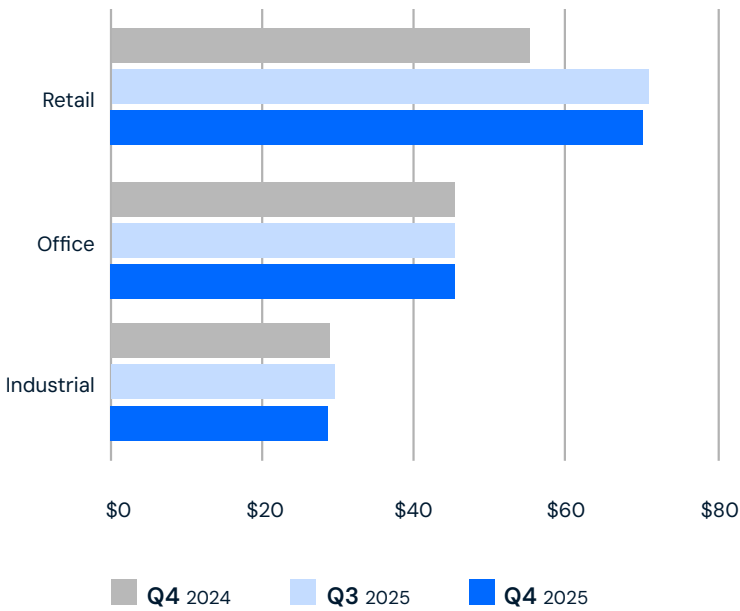
Property Type Breakdown

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

A photograph of a retail interior, likely a cafe or restaurant. It features wooden tables and chairs, a red wall, and a sign that says "RAISE PLOW". The space is bright and open.



5.2%

AVG VACANCY RATE



\$69.58

AVG ASKING RENT PER SF




58,400

TOTAL NET ABSORPTION


Industrial

A photograph of an industrial interior, likely a manufacturing facility. It features large metal structures, robotic arms, and a high ceiling. The space is filled with industrial equipment.



7.10%

AVG VACANCY RATE



\$30.40

AVG ASKING RENT PER SF



56,300

TOTAL NET ABSORPTION

Tri State Commercial 2025

9

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

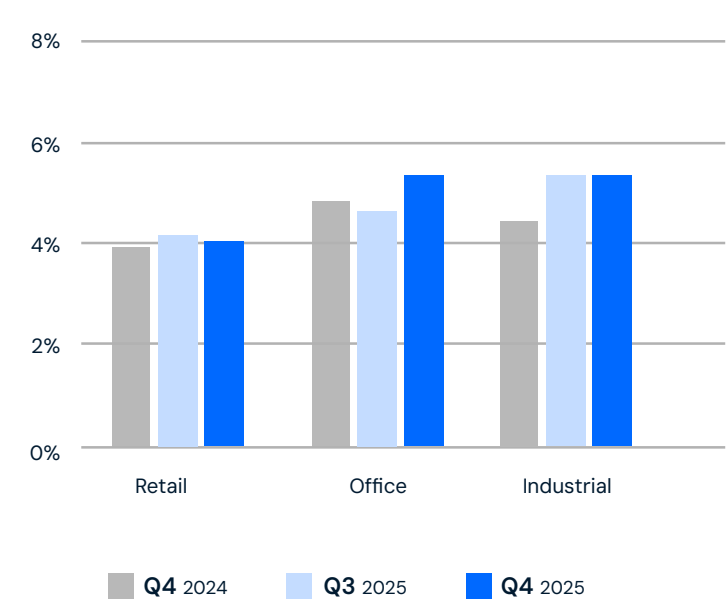
Overview

859,994	206	4,174	161
TOTAL SF LEASED	TOTAL DEALS	AVERAGE DEAL SF	BUILDINGS

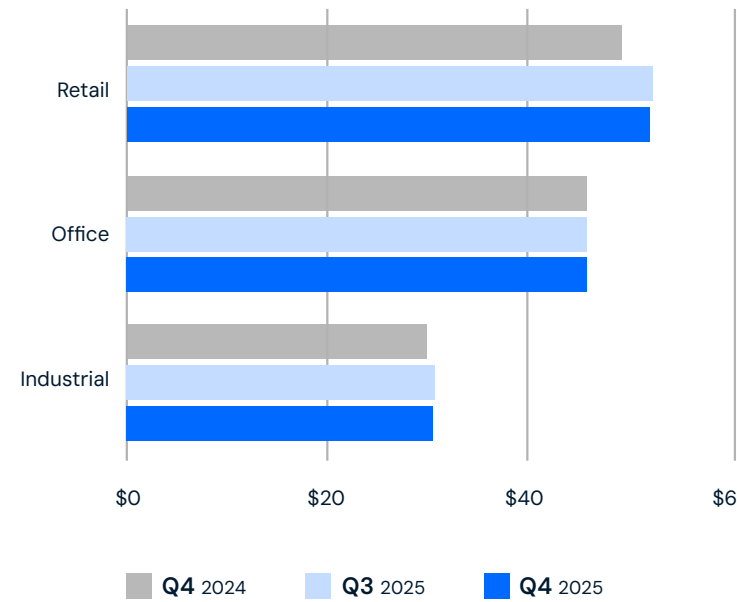
Property Type Breakdown

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



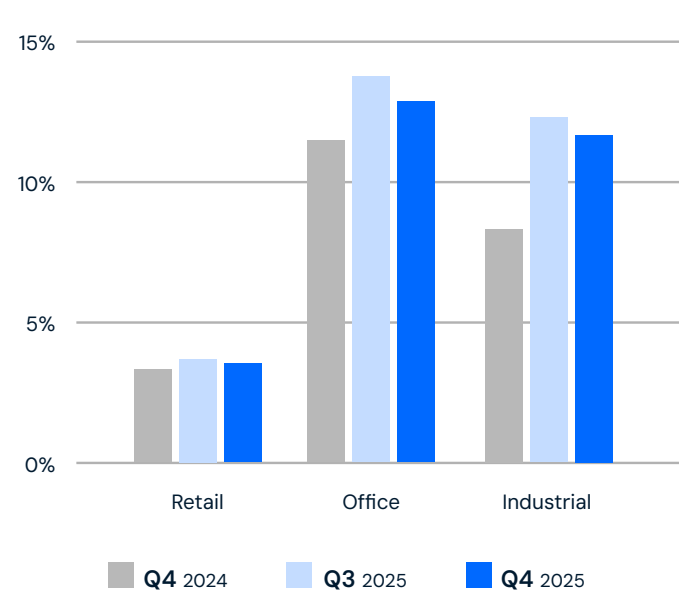
Overview

288,062	129	2,233	120
TOTAL SF LEASED	TOTAL DEALS	AVERAGE DEAL SF	BUILDINGS

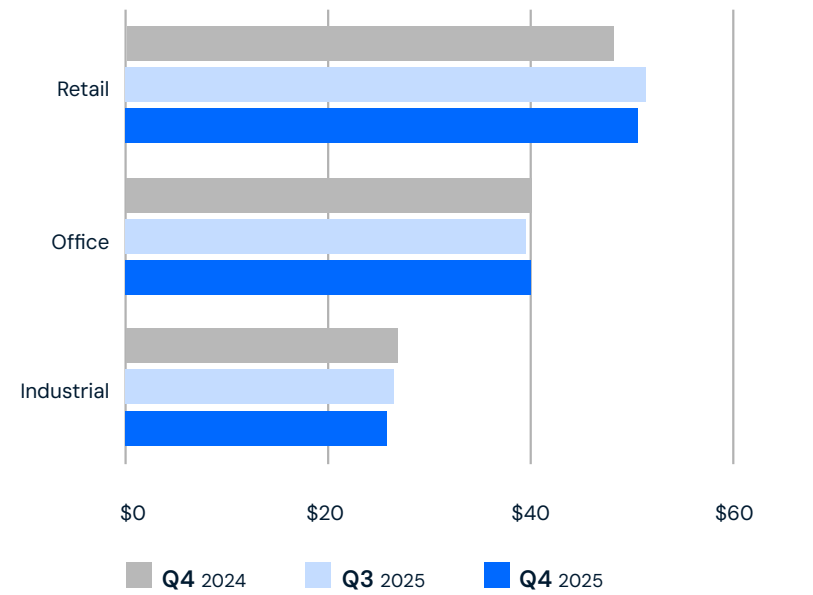
Property Type Breakdown

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	5964%	2475%	3.70%	42.31%	-2.63%	\$51.39	3.63%	-0.56%
Retail	32,500	-122%	-142%	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.

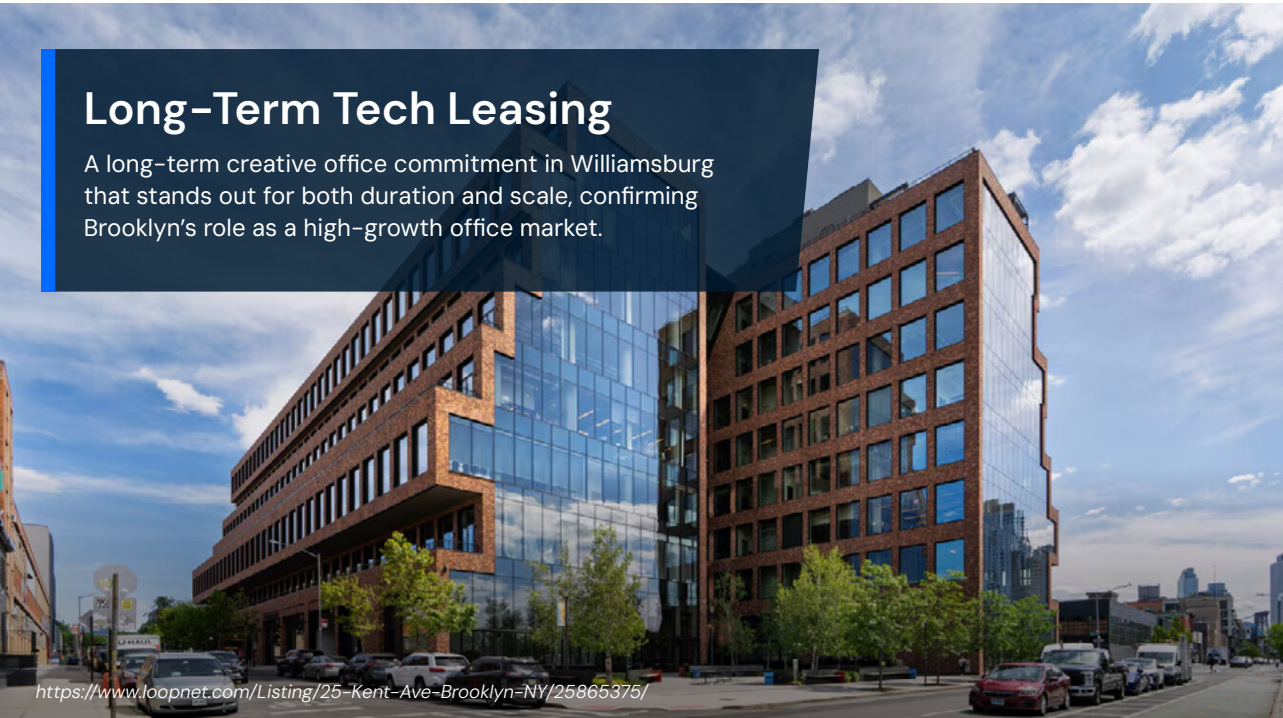


Corporate Headquarters Lease

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.

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.



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.

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.



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.

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.



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

Shlomi Bagdadi Founder & CEO Sb@tristatecr.com	Jack Sardar Vice President of Sales Jack.s@tristatecr.com	Fredy Halabi Vice President Fredy.h@tristatecr.Com	Richard Babeck Vice President Richard.b@tristatecr.com
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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.

CRE LEASE REPORT

Tri State Commercial – 2025

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TSC.