MARKETBEAT
BROOKLYN
OFFICE Q3 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
21.2% Vacancy Rate	▼	▼
-152K YTD Net Absorption, SF	▲	▼
$51.29 Asking Rent, PSF *(Overall, Net Asking Rent)*	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
885K Brooklyn Employment	▲	▼
4.8% Brooklyn Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY: BROOKLYN UNEMPLOYMENT FALLS SHARPLY AS EMPLOYMENT EDGES HIGHER

Brooklyn's labor market continued to improve through September, though its gains were uneven relative to the nation. The borough's unemployment rate fell by 90 basis points (bps) year-over-year (YOY) to 4.8% in Q3 2026, a considerably sharper decline than the 10-bp drop in the U.S. rate to 4.2%, though Brooklyn's rate remains 60 bps above the national average. Job growth, however, trailed the nation. Brooklyn nonfarm employment rose by 0.2% YOY, adding 2,100 jobs to reach nearly 885,000 positions—compared with 0.3% growth nationally, where employment increased by 473,300 jobs to nearly 159.0 million.

SUPPLY AND DEMAND: VACANCY RISES ON NEW DOWNTOWN SUPPLY AS LEASING SLOWS

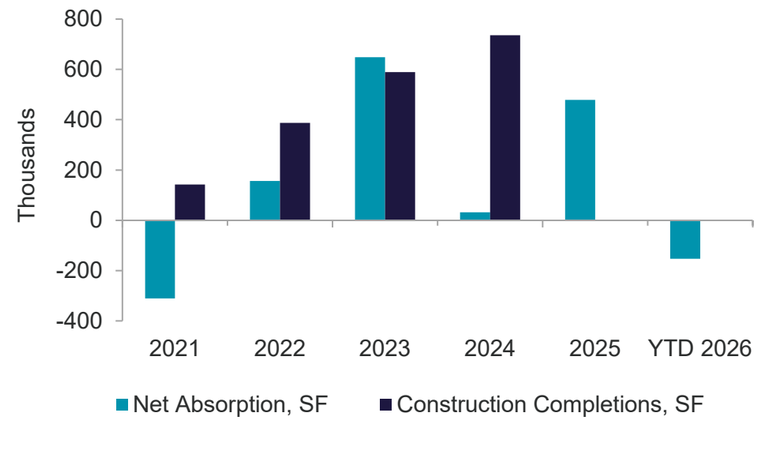
Brooklyn's overall vacancy rate rose by 130 bps quarter-over-quarter (QOQ) to 21.2% in Q3 2026, though it remains 180 bps below its year-ago level. The increase was driven by Downtown Brooklyn, where vacancy jumped 400 bps as 525,203 square feet (sf) of Class A space was added to the market. Conversely, vacancy declined in Coastal Brooklyn and Northern Brooklyn by 120 bps and 80 bps, respectively.

New leasing activity year-to-date totaled 669,107 sf, down 36.6% from the same period last year. Coastal Brooklyn captured 66.9% of leasing volume in Q3 2026, driven by Launch Expeditionary Learning Charter School's 60,278-sf lease, the largest transaction of the quarter, along with three additional leases exceeding 10,000 sf. Downtown Brooklyn accounted for 22.2% of quarterly activity, while Northern Brooklyn made up the remaining 10.9%. Class B space accounted for the majority of leased square footage at 66.6%, followed by Class A followed at 28.9% and Class C at 4.5%.

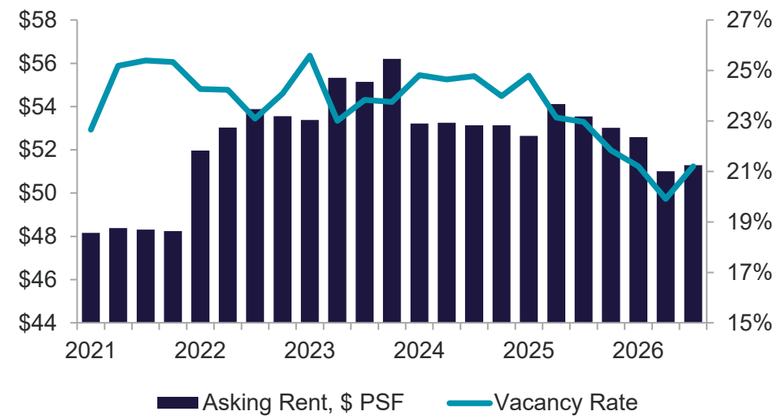
PRICING: BROOKLYN ASKING RENTS RISE FOR THE FIRST TIME IN FIVE QUARTERS

Brooklyn's average asking rent increased by $0.28 QOQ to $51.29 per square foot (psf) in Q3 2026, ending four consecutive quarters of decline. Coastal Brooklyn's average asking rents rose by 1.0% to $49.28 psf, while Northern Brooklyn's increased by 1.2% to $45.52 psf. Meanwhile, Downtown Brooklyn's asking rent edged down by $0.17 to $55.11 psf, 6.1% below year-ago levels.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
North Brooklyn	1,847,484	262,286	1,424	14.3%	14,744	15,833	33,461	-	$42.52	$48.68
Coastal Brooklyn	14,480,169	2,684,392	442,176	21.6%	82,139	150,188	252,270	164,634	$49.28	$53.90
Downtown Brooklyn	14,352,944	3,019,947	82,478	21.6%	-599,495	-318,282	383,376	60,000	$55.11	$58.53
BROOKLYN TOTALS	**30,680,597**	**5,568,916**	**541,125**	**19.9%**	**-502,612**	**294,454**	**536,226**	**224,634**	**$51.01**	**$55.08**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5902 Sixth Avenue	Sunset Park	Launch Expeditionary Learning Charter	60,278	New Lease
111 Livingston Street	Borough Hall	New York Founding Hospital	20,500	New Lease
55 Prospect Street	DUMBO	L.K. Comstock	13,566	New Lease
45 Main Street	DUMBO	Gerber Life Insurance	12,868	New Lease
10 Grand Street	Williamsburg	Pivotal Health	12,166	New Lease

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
81 Court Street*	Borough Hall	UNLMTD Brokerage / Michael Calabrese	15,000	$10.5M / $700
423 Fulton St*	Borough Hall	Ralph Braha / Midwood Investment & Development	11,728	$9.5M / $810

**Buildings not tracked in leasing statistics*

KEY CONSTRUCTION COMPLETIONS Q3 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER

No significant completions in Q3 2026.

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