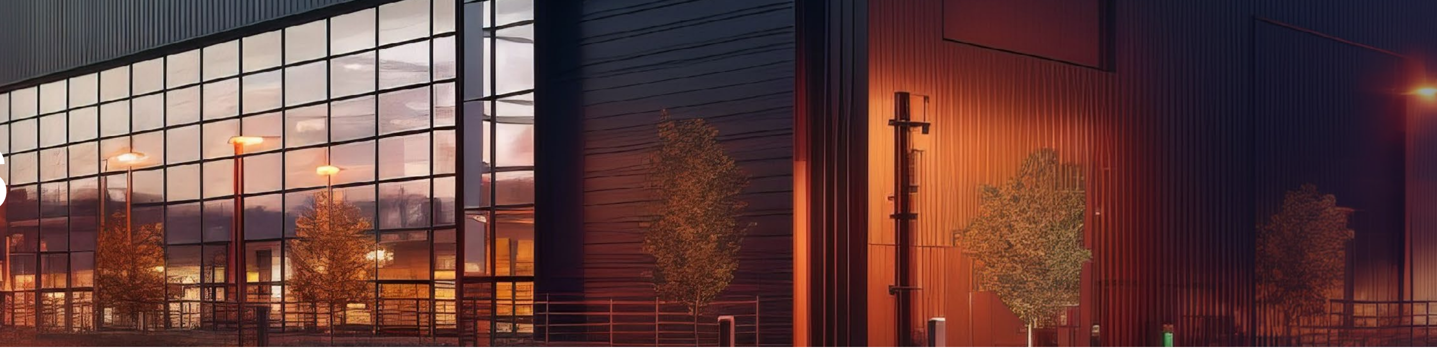
MARKETBEAT
NYC OUTER BOROUGHS
INDUSTRIAL Q2 2026



MARKET FUNDAMENTALS

	YOY Chg	12-Mo Forecast
7.0% Vacancy Rate	▲	▲
-634K YTD Net Absorption, SF	▼	▲
$27.50 Asking Rent, PSF	▼	▲

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	12-Mo Forecast
2.1M NYC Outer Boroughs Employment	▲	▼
5.7% NYC Outer Boroughs Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	—	▲

Source: BLS

ECONOMY: UNEMPLOYMENT RATE CONTINUES TO RISE AS INDUSTRIAL JOBS FALL

The unemployment rate for the New York City Outer Boroughs rose by 20 basis points (bps) year-over-year (YOY), reaching 5.7% in Q2 2026. Over the past 12 months, the city gained 53,400 private sector jobs, primarily in the education, health services, and professional and business services sectors. Construction employment also increased by 2,200 jobs from one year ago, marking the first gain this year. However, the manufacturing, trade, transportation, and utilities sectors shed a combined 3,600 positions YOY. Despite these gains and losses, total nonfarm employment remained stable at 2.1 million jobs.

SUPPLY & DEMAND: VACANCY EDGES HIGHER DUE TO SOFTENING TENANT DEMAND

The Outer Boroughs industrial vacancy rate edged higher for the fourth consecutive quarter, rising 40 bps to 7.0%—the highest level in recent history. Queens recorded the largest shift, with vacancy climbing by 80 bps to 6.7% due to several large blocks of space becoming available in the submarket. The Bronx was the only borough to record a quarter-over-quarter (QOQ) decrease, with vacancy falling 30 bps to 8.6%. With new supply outpacing tenant demand, the market posted 634,096 square feet (sf) of negative net absorption year-to-date (YTD).

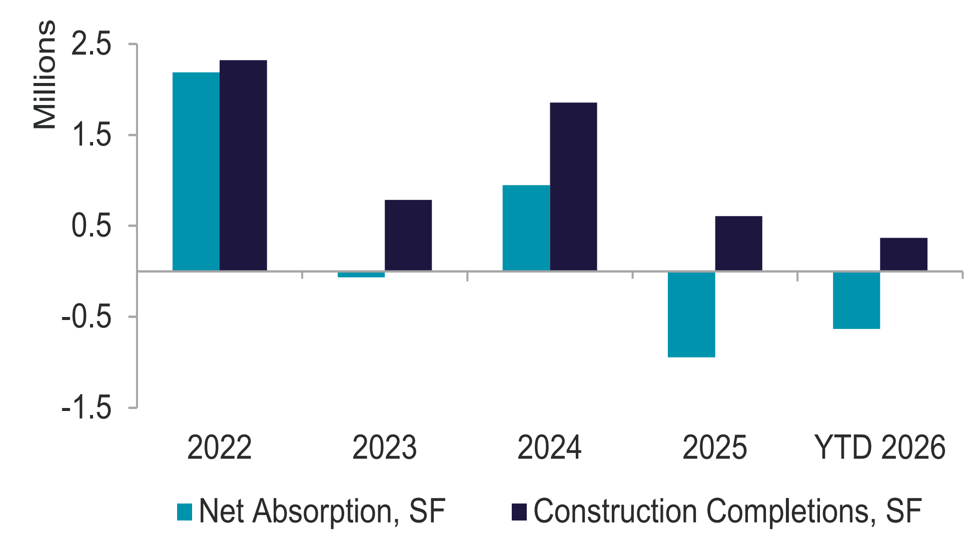
New leasing activity moderated in Q2 2026 as tenant demand softened after robust activity in the previous quarter. Deal volume totaled 1.2 million square feet YTD, representing a 33.5% drop compared to the first half of 2025. Queens accounted for 63.6% of total transaction volume, with the borough registering three out of the quarter's top five leases. Key deals included FedEx's 76,610-sf renewal at 58-95 Maurice Avenue in Maspeth and Skyline Logistics Services' 34,203-sf renewal at 145-20 17th Street in Jamaica. Traditional warehousing, logistics, and retailer/wholesaler tenants accounted for nearly 60% of the total square footage leased across the boroughs so far this year.

Overall average asking rents fell by $0.24 per square foot (psf) QOQ to $27.50 psf as pricing continued to trend downward from its peak in Q4 2024. Brooklyn and Queens experienced quarterly declines while the Bronx posted the largest increase, up 1.1% to $32.69 psf. Warehouse/distribution rents dropped by a similar margin, down $0.16 psf QOQ to $28.12 psf.

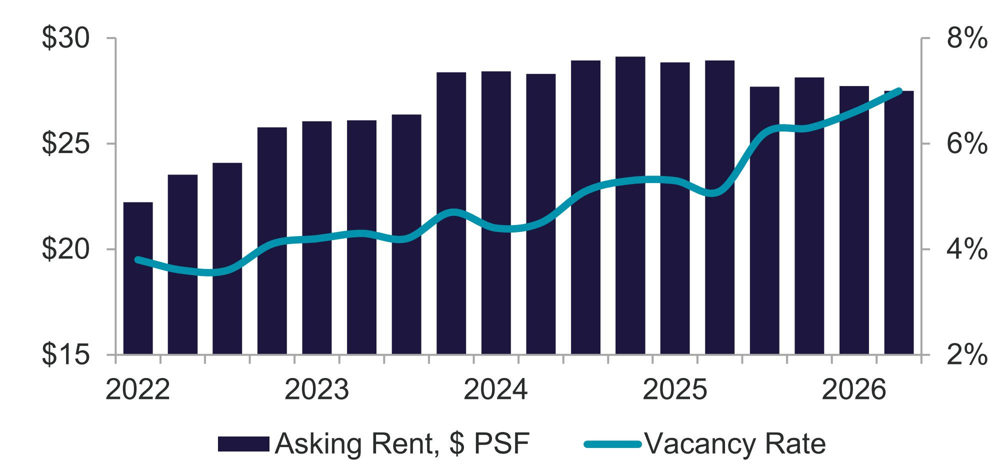
CONSTRUCTION: CONSTRUCTION PIPELINE EXPANDS AS DEVELOPERS REMAIN CONFIDENT

The Outer Boroughs' development pipeline expanded this quarter as Kurv Industrial broke ground on its speculative 444,176-sf two-story industrial complex at 40 19th Street in Sunset Park, Brooklyn. This brings the total volume under construction to 737,027 sf across three sites. Despite market fundamentals exhibiting mixed signals, developers remain confident in the market, moving forward with both speculative and build-to-suit projects among the currently approved developments.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)**	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)***	NEW CNSTR (SF)	OVERALL WEIGHTED AVG. NET RENT (HT)*	OVERALL WEIGHTED AVG. NET RENT (W/D)*	OVERALL WEIGHTED AVG. NET RENT*
Bronx	259	20,197,857	81,500	8.6%	73,281	235,578	100,000	0	N/A	$32.69	$32.69
Brooklyn	755	54,633,151	399,704	5.2%	-162,524	-273,443	637,027	34,564	N/A	$27.42	$25.46
Queens	803	57,264,660	749,584	6.7%	-485,887	-661,312	0	0	$29.21	$29.53	$29.41
Staten Island	49	7,796,492	0	18.5%	-44,900	65,081	0	331,700	N/A	$20.66	$20.66
NY BOROUGH TOTALS	**1,866**	**139,892,160**	**1,230,788**	**7.0%**	**-620,030**	**-634,096**	**737,027**	**366,264**	**$29.21**	**$28.12**	**$27.50**

Rental rates reflect weighted net asking $psf/year
***Leasing activity does not include renewals*
****Numbers may not reflect U.S. MarketBeat tables*

HT = High Tech/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SF	TENANT	PROPERTY TYPE	LEASE TYPE	SUBMARKET
58-95 Maurice Avenue, Maspeth	76,610	FedEx	Warehouse/ Distribution	Renewal*	Western Queens
1213 Grand Street, Brooklyn	65,000	Cinelease	Warehouse/ Distribution	Renewal*	North Brooklyn
145-20 157th Street, Jamaica	34,203	Skyline Logistics Services	Warehouse/ Distribution	Renewal*	Southern Queens
Industry City, Brooklyn	15,621	Beyond Reach Labs, Inc.	Warehouse/ Distribution	New Lease	South Brooklyn

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SF	SELLER/BUYER	PRICE / $ PSF
Follman Family Portfolio (3)	208,626	Follman Family / Bingo Wholesale	$50.0M / $240
33-02 Skillman Avenue, Long Island City	104,150	First Pioneer Properties / Piece of Cake Moving & Storage	$18.0M / $173
34-02 Laurel Hill Boulevard, Maspeth	42,000	York Studios / Shanyi Shi	$18.8M / $448
19-40 Flushing Avenue, Flushing	25,000	Tri-Boro Shelving & Partition Corp. / Dawn Produce Corp.	$13.5M / $540

NOTABLE PROJECTS UNDER CONSTRUCTION & PROPOSED

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
40 19th Street, Brooklyn	444,176	Kurv Industrial	N/A	South Brooklyn
12-18 38th Avenue, Long Island City	391,500	Prologis	N/A	Long Island City/Astoria
303 Louisiana Avenue, Brooklyn	192,851	Turnbridge Equities	N/A	East Brooklyn
307 Bruckner Boulevard, Bronx	100,000	Sterling Organization	N/A	Bronx

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