

MARKETBEAT

NYC OUTER BOROUGH

INDUSTRIAL Q3 2026



MARKET FUNDAMENTALS

	YOY Chg	12-Mo Forecast
6.8% Vacancy Rate	▲	▼
-270K YTD Net Absorption, SF	▲	▲
\$27.31 Asking Rent, PSF (Overall, Net Asking Rent)	▼	▲

ECONOMIC INDICATORS

	YOY Chg	12-Mo Forecast
2.1M NYC Outer Boroughs Employment	▲	▼
5.4% NYC Outer Boroughs Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY: UNEMPLOYMENT RATE FALLS DESPITE LOSSES IN INDUSTRIAL SECTOR

The unemployment rate for the New York City Outer Boroughs fell by 30 basis points (bps) quarter-over-quarter (QOQ) to 5.4% in Q3 2026. Over the past 12 months, the city gained 27,600 private sector jobs, primarily in the education, health services, and professional and business services sectors. Construction employment also increased by 1,500 jobs from one year ago. However, the manufacturing, trade, transportation, and utilities sectors shed a combined 2,100 positions year-over-year (YOY). Despite these gains and losses, total nonfarm employment remained stable at 2.1 million jobs.

SUPPLY & DEMAND: LEASING ACTIVITY ACCELERATES AS TENANT DEMAND OUTPACES NEW SUPPLY

The Outer Boroughs industrial vacancy rate declined by 30 bps QOQ to 6.8%, snapping a four-quarter streak of increases. Queens recorded the largest shift, with vacancy falling by 50 bps to 6.1% due to several large blocks of space being leased in the submarket. Brooklyn vacancy also decreased to 5.2%, the lowest of any borough in the market. With tenant demand outpacing new supply, the market posted 343,266 square feet (sf) of positive net absorption in Q3 2026 after two quarters of occupancy losses.

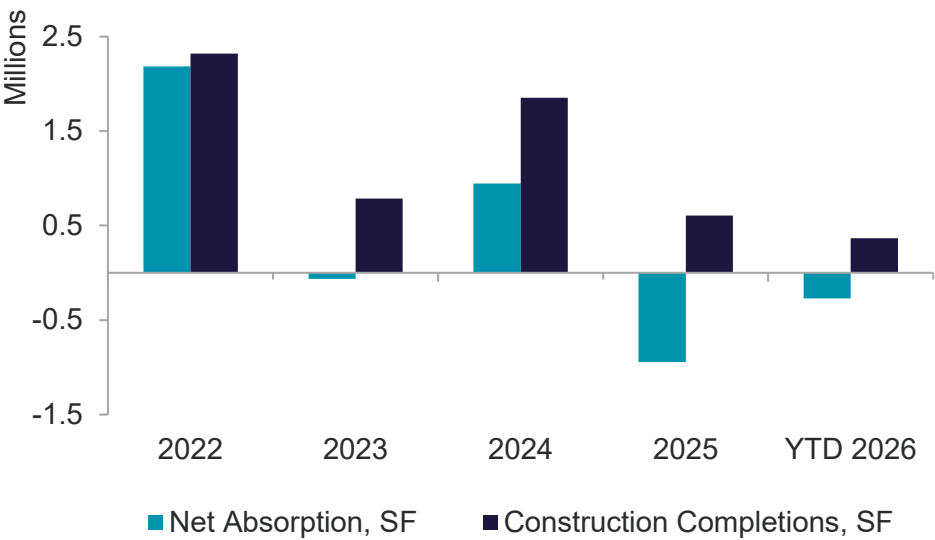
New leasing activity totaled 1.0 million square feet (msf) in Q3 2026, surging 137.3% QOQ as tenant demand accelerated following softer activity in the previous quarter. This brought year-to-date deal volume to 2.2 msf. Queens accounted for 63.2% of total transaction volume, with the borough registering four out of the quarter's five largest leases. Most notably, a confidential e-commerce company leased the entire 245,337-sf Whitestone Logistics Center in College point, representing the largest lease signed this year. Additionally, four leases totaling 350,000 sf signed at the newly constructed Review Avenue Complex in Long Island City as demand accelerated for Class A product. Industrial outdoor storage (IOS) sites also commanded significant demand, with 11 acres of parking leased across the boroughs during the quarter.

Overall average asking rents fell by \$0.18 per square foot (psf) QOQ to \$27.31 psf as pricing continued to trend downward from its Q4 2024 peak. Brooklyn, Queens, and Staten Island experienced quarterly declines, while the Bronx posted the only increase, up 3.5% to \$33.93 psf. Warehouse/distribution rents dropped by a similar margin, down \$0.06 psf QOQ to \$28.04 psf.

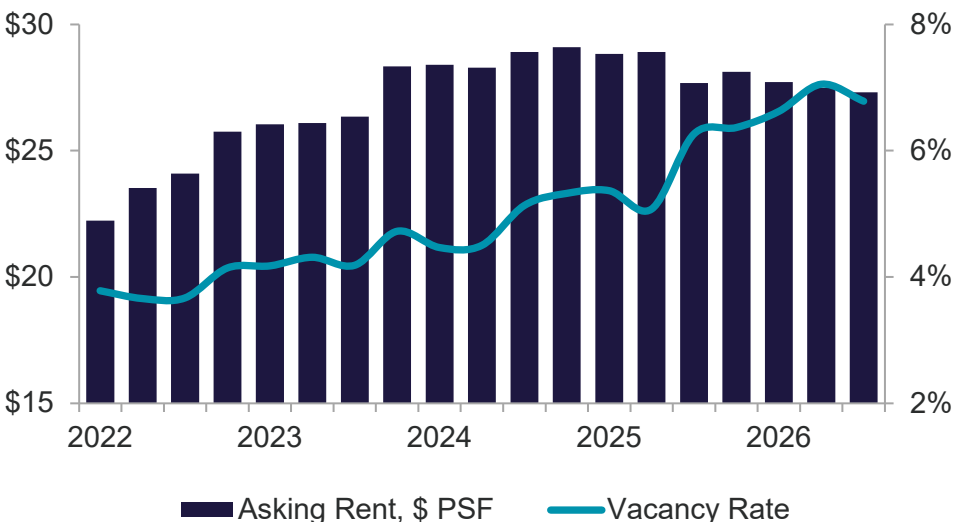
OUTLOOK: MARKET FUNDAMENTALS STRENGTHEN AFTER SLUGGISH FIRST HALF

The Outer Boroughs' market fundamentals strengthened in Q3 2026 after mixed signals in the first half of the year. Overall vacancy snapped a four-quarter rise, driving positive net absorption. An uptick in new construction leasing, coupled with a slowdown in the development pipeline, should help absorb existing vacant Class A inventory, which has generally been slow to attract tenants.

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	260	20,212,487	227,183	8.2%	51,945	300,916	100,000	0	N/A	\$33.99	\$33.93
Brooklyn	754	54,269,131	622,197	5.2%	11,967	-261,476	637,027	34,564	N/A	\$27.68	\$25.15
Queens	805	57,307,977	1,355,598	6.1%	288,254	-348,808	0	0	\$29.21	\$28.87	\$28.77
Staten Island	50	7,858,962	25,000	18.6%	-8,900	39,681	0	331,700	N/A	\$20.63	\$20.63
NY BOROUGH TOTALS	1,869	139,648,557	2,229,978	6.8%	343,266	-269,687	737,027	366,264	\$29.21	\$28.04	\$27.31

*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 Q3 2026

PROPERTY	SF	TENANT	PROPERTY TYPE	LEASE TYPE	SUBMARKET
28-10 Whitestone Expressway, College Point	245,337	Confidential	Warehouse/ Distribution	New Lease	Northern Queens
38-20 Review Avenue, Long Island City	75,000	Bourlet Art Logistics	Warehouse/ Distribution	Renewal*	Long Island City/ Astoria
28-90 Review Avenue, Long Island City	69,713	Roadway Moving	Warehouse/ Distribution	New Lease	Long Island City/ Astoria
28-90 Review Avenue, Long Island City	56,557	Contenur	Warehouse/ Distribution	New Lease	Long Island City/ Astoria

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SF	SELLER/BUYER	PRICE / \$ PSF
153-44 South Conduit Avenue, Jamaica	116,725	Wildflower Ltd / Prologis	\$49.0M / \$420
1275 Oak Point Avenue, Bronx	50,000	Manhattan Beer Distributors / F&F Supply	\$21.6M / \$432
659 Court Street, Brooklyn	36,600	LBA Realty / Terreno Realty	\$26.3M / \$717
186-14 Jamaica Avenue, Jamaica	23,000	Harry F Verby / Catalyst Investment Partners	\$16.5M / \$717

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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