



RETAIL MARKET OVERVIEW

 VALERIA SYANCHUK, *Director of Research*

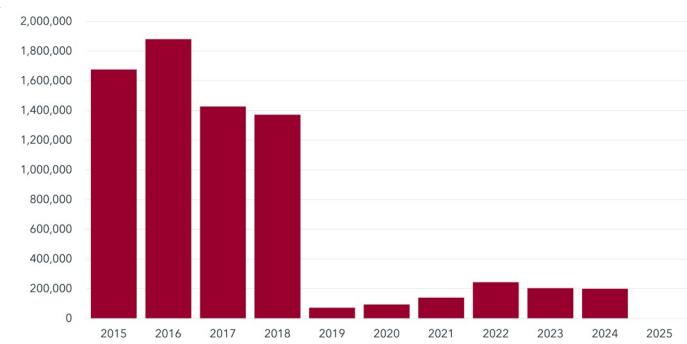
In the fourth quarter of 2025, the retail market showed continued stability and modest growth, supported by steady tenant demand and resilient fundamentals. Net absorption remained positive over the trailing 12 months, reflecting ongoing expansion and backfilling across prime corridors, while vacancy held relatively flat at approximately 6.4 percent, indicating limited softening despite broader economic uncertainty. Average asking rents were largely unchanged quarter-over-quarter, hovering around \$137 per square foot on a triple-net basis, underscoring landlords' ability to maintain pricing amid consistent leasing interest. Overall, Q4 2025 closed with a balanced retail market characterized by stable occupancy, disciplined supply, and steady momentum heading into 2026.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
12 Mo. Net Absorption SF	106,619	212,380	104,151	266,117	183,746
Vacancy Rate	6.45%	6.51%	6.29%	6.14%	6.30%
Avg NNN Asking Rate PSF	\$137.11	\$137.76	\$137.05	\$135.18	\$133.58
Sale Price PSF	\$1,543.16	\$1,543.26	\$1,433.53	\$1,442.97	\$1,433.58
Cap Rate	-	7.48%	6.16%	5.92%	5.00%
Under Construction SF	567	567	120,000	200,000	200,000
Inventory SF	39,279,690	39,286,410	39,180,010	39,100,010	39,102,524

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
717 Fifth Avenue New York, NY	100,000 SF	\$270,000,000 \$4,500.00 PSF	Ardian France Kering SA	Single-Tenant
31 Hudson Yards New York, NY	45,003 SF	\$175,315,490 \$3,895.64 PSF	Mori Trust Co Related	Single-Tenant
175 Delancey Street New York, NY	41,173 SF	\$56,000,000 \$1,360.11 PSF	North Haven Net REIT L+M Development Partners	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
271 Eleventh Avenue New York, NY	50,000 SF	L&L Holding Company	The Mallory	Real Estate
250 West 57th Street New York, NY	46,444 SF	Empire State Realty Trust	T.J. Maxx	Retailer
135 East 57th Street New York, NY	44,892 SF	TF Cornerstone	Chelsea Piers Fitness	Fitness Center



The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com