

Queens 2025 Mid-Year Commercial Real Estate Trends

by Ariel Property Advisors, GREA Partner
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Investment Sales
Capital Services
Research

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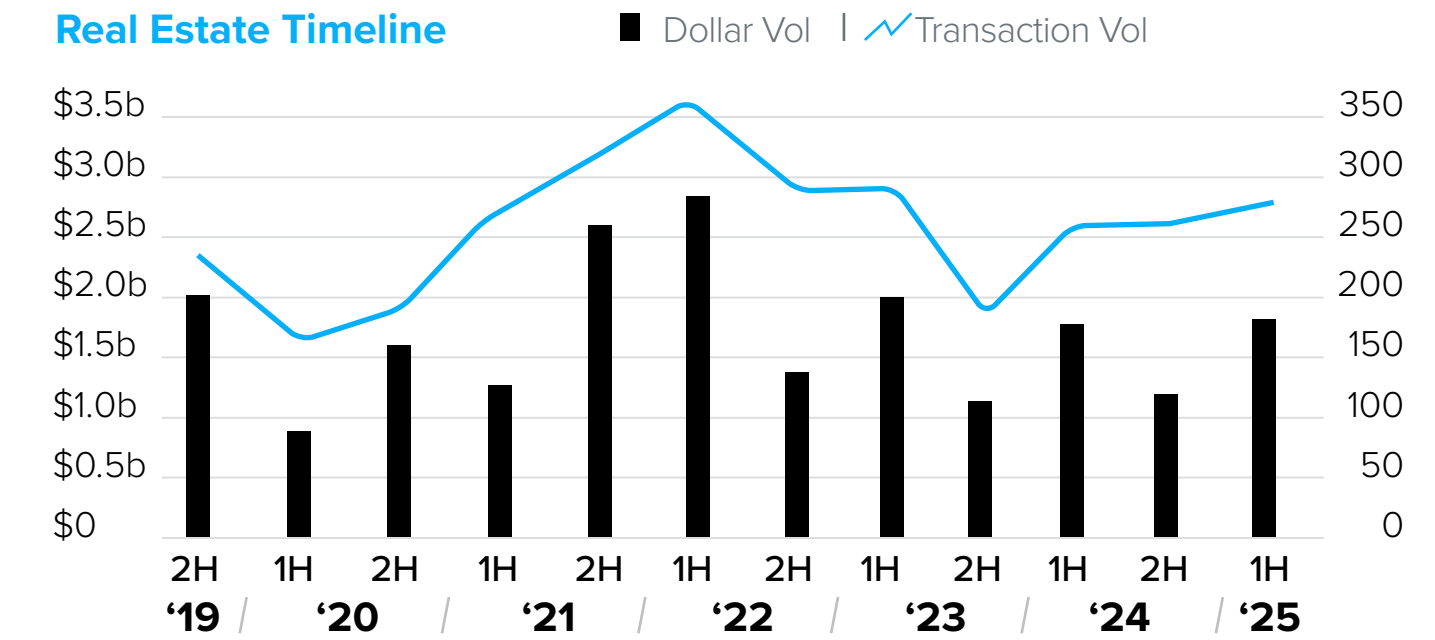
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2025 Mid-Year Overview

The investment sales market in Queens saw a modest recovery in the first half of 2025, reversing a sharp decline in the second half of 2024. Total dollar volume increased to \$1.72 billion, up by 36% from H2 2024, while transactions rose 7%. The market’s growth was underpinned by robust residential, development and industrial sales. Notably, Queens and the Bronx were the only two submarkets to record gains in both dollar and transaction volume compared to the two preceding half-year periods.

The multifamily sector led all categories in dollar volume during the first half of 2025, fueled by sales of small mixed-use properties and larger rent-stabilized and affordable housing buildings. The development, industrial, and special purpose sectors also showed strength, each contributing over \$200 million. The period’s largest transaction was in the special purpose category: the New York Power Authority’s \$207 million purchase of a 15.7-acre former power plant site at 31-01 20th Avenue in Astoria from BP, which it plans to occupy.



Volume 1H'25 VS 1H'24	3% ↑ Dollar Volume	\$1.72B	7% ↑ Transaction Volume	276	2% ↑ Building Volume	343
Dollar Volume Comparison						
Product Type	1H 2025	1H 2025 VS 2H 2024	2H 2024	1H 2025 VS 1H 2024	1H 2024	
Multifamily	\$463.32M	8%	\$428.29M	9%	\$423.75M	
MF-MU 10+ resi units	\$217.49M	-9%	\$239.93M	-13%	\$249.55M	
MF-MU 6-9 resi units	\$70.30M	15%	\$61.39M	6%	\$66.50M	
MF-MU Small	\$175.53M	38%	\$126.97M	63%	\$107.70M	
Retail	\$181.04M	5%	\$172.42M	-44%	\$323.69M	
Ind / WH / Sto*	\$282.93M	-12%	\$320.72M	-31%	\$411.49M	
Development	\$338.37M	263%	\$93.18M	4%	\$324.76M	
Office	\$78.18M	-11%	\$87.93M	227%	\$23.90M	
Hotel	\$66.14M	-5%	\$69.58M	-55%	\$147.43M	
Special Purpose	\$313.68M	233%	\$94.27M	1,484%	\$19.80M	
GRAND TOTAL	\$1,723.66M	36%	\$1,266.39M	3%	\$1,674.82M	

*Ind / Wh / Sto: Industrial / Warehouse / Self Storage

2025 Mid-Year Outlook

The New York City commercial real estate market is entering the second half of 2025 with a complex mix of challenges and opportunities, driven by both global economic trends and crucial local policy shifts. While geopolitical tensions and elevated, albeit stabilizing, interest rates create a cautious environment, a significant surge in foreign investment and strategic development initiatives are bolstering confidence.

The “Big Beautiful Bill” brings significant capital investment incentives. Its permanent reinstatement of 100% bonus depreciation and the new allowance for “Qualified Production Property” will notably boost industrial development and redevelopment. This bill also permanently expands the LIHTC program, making affordable housing development significantly more feasible across the borough, particularly in areas with available land and a community need.

Despite political anxieties, strong market fundamentals persist. Multifamily demand remains robust across boroughs, driving growing rents and limited supply in the free market sector. Development is stimulated by “City of Yes” zoning reforms and the 485-x and 467-m tax abatements, encouraging new construction and office-to-residential conversions. The market is shifting from defensive to strategic capital deployment, focusing on location, asset quality, and adaptability.

Transaction Volume Comparison

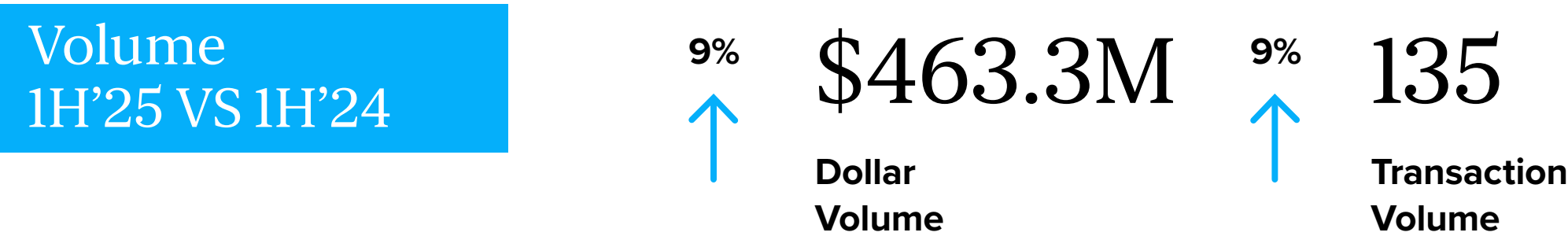
Product Type	1H 2025	1H 2025 VS 2H 2024	2H 2024	1H 2025 VS 1H 2024	1H 2024
Multifamily	135	3%	131	9%	124
MF-MU 10+ resi units	26	8%	24	18%	22
MF-MU 6-9 resi units	31	-9%	34	-9%	34
MF-MU Small	78	7%	73	15%	68
Retail	30	-17%	36	-33%	45
Ind / WH / Sto*	42	-5%	44	27%	33
Development	46	142%	19	28%	36
Office	12	-20%	15	50%	8
Hotel	2	0%	2	-50%	4
Special Purpose	9	-18%	11	29%	7
GRAND TOTAL	276	7%	258	7%	257

*Ind / Wh / Sto: Industrial / Warehouse / Self Storage

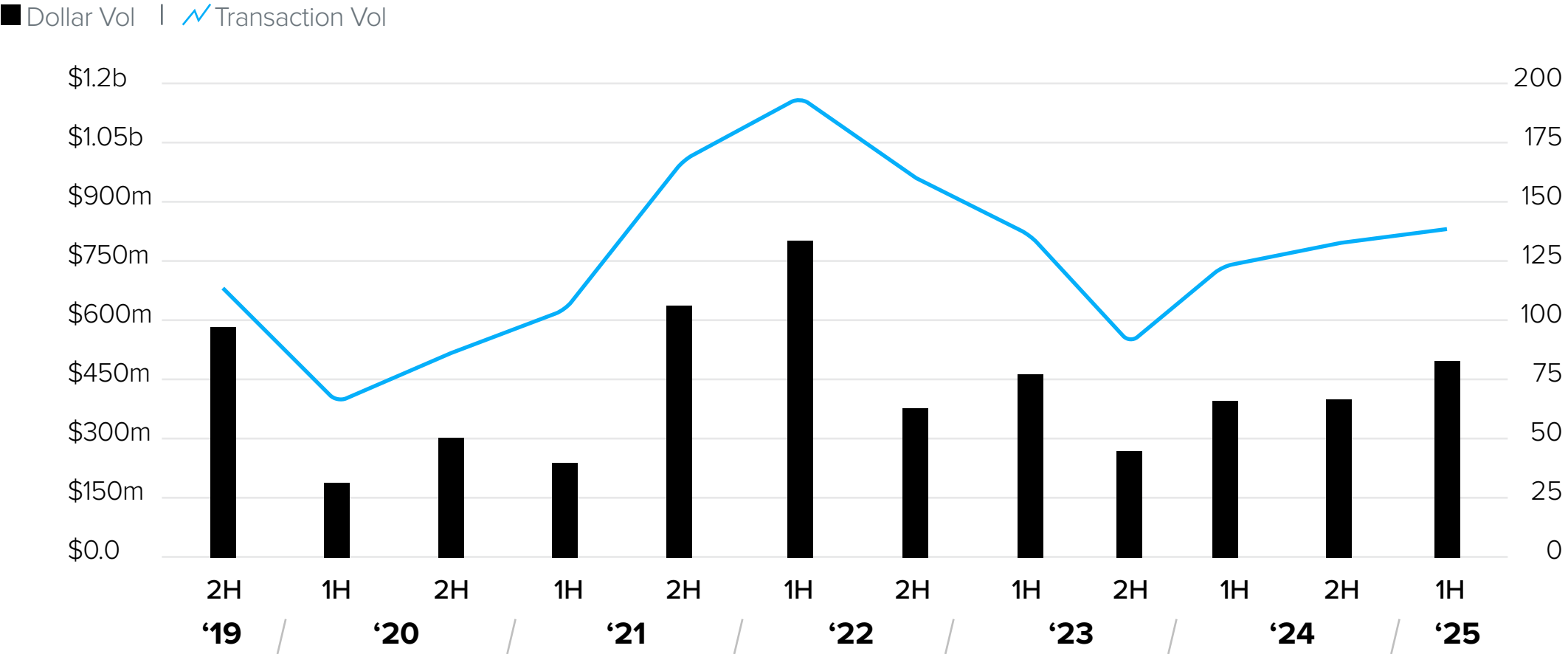
Multifamily Highlights

- The Queens multifamily sector dominated investment activity in the first half of 2025, capturing 37% of the borough’s total dollar volume (\$463 million) and 49% of all transactions (135 trades). This continues a growth trend from the previous two half-year periods, solidifying its status as the most active asset class in Queens.
- Investor demand was concentrated in smaller, free-market and tax-class protected assets. Buildings with fewer than six units accounted for nearly 60% of multifamily transactions, representing 38% of the total dollar volume. This preference is driven by the asset’s flexibility and reduced exposure to restrictive legislation like Good Cause Eviction.
- A single transaction significantly shaped the market: Tredway’s \$88 million acquisition of the 602-unit Ocean Park Apartments, 125 Beach 17th Street, in Far Rockaway. This deal, brokered by Ariel Property Advisors, propelled the affordable housing subcategory to 44% of the multifamily dollar volume. Ranking as the second quarter’s third-largest multifamily deal in NYC, the purchase included a new regulatory agreement with HPD to preserve affordability. Tredway plans extensive structural repairs, climate resiliency upgrades, and the introduction of new resident services, including expanded food distribution and swim programming.
- Despite a high volume of rent-stabilized transactions (71% of activity), the share of the dollar volume was only 42%. Valuations for these assets have decreased by 35-60% from their 2017-2018 peak due to the 2019 HSTPA legislation, impacting their overall contribution to the market’s dollar value.

For more insights about the multifamily asset class performance, read our latest [Multifamily Q2 In Review Report](#)



Real Estate Timeline



Property Value Metrics - Multifamily*

Year	2019	2020	2021	2022	2023	2024	1H 2025
\$/SF	\$343	\$246	\$286	\$320	\$263	\$265	\$253
\$/Unit	\$276,261	\$213,813	\$226,938	\$266,894	\$222,855	\$190,913	\$193,578
Cap Rate	4.46%	5.46%	5.40%	5.18%	6.02%	6.43%	6.35%
GRM	14.67	10.35	10.93	11.10	10.08	8.93	8.87

*reflects multifamily transactions of 10+ residential units

1H’25 Featured Transaction



Far Rockaway
125 Beach 17th Street

Sale Amount:
\$88,000,000
\$/SF:
\$118
Buyer:
Tredway
Seller:
The Related Companies

Sale Date: **5/6/2025**

Retail Highlights

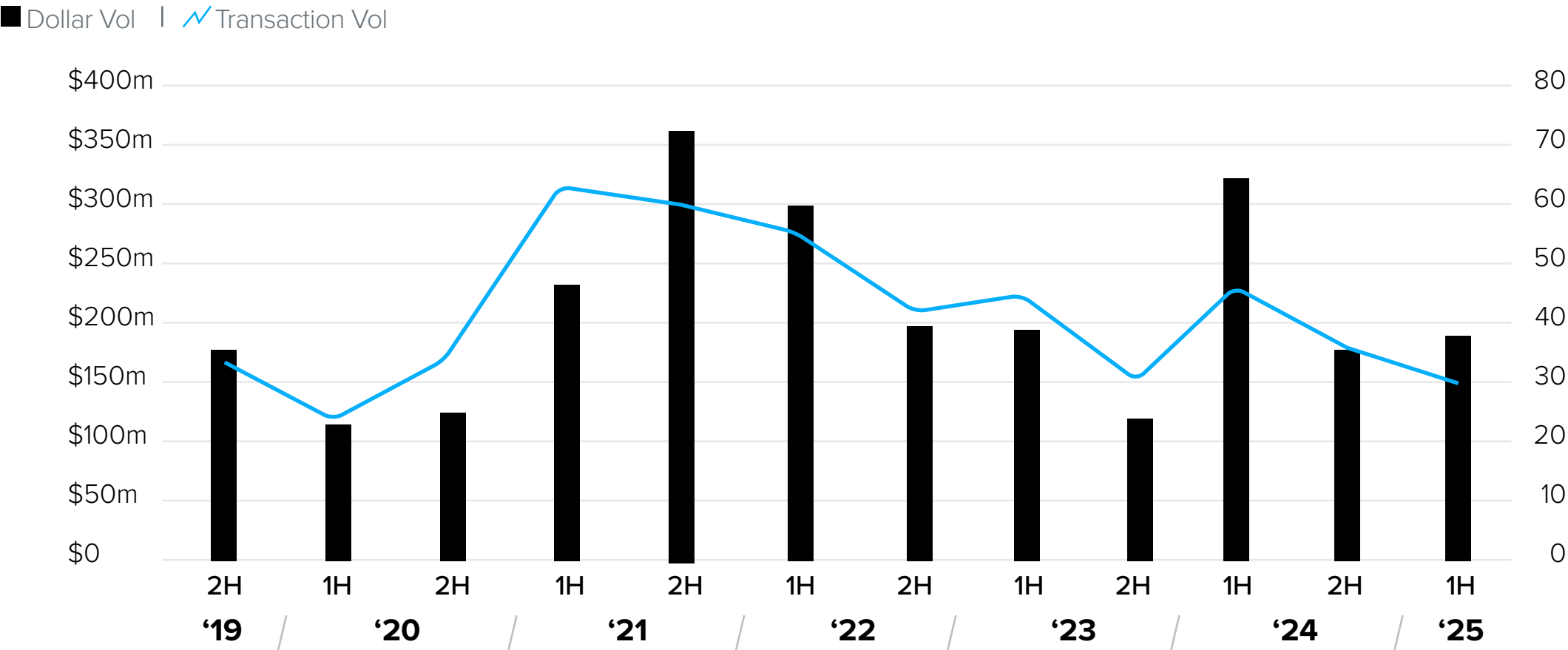
- Retail sales totaled \$181.04 million, a 44% decrease from H1 2024 but 5% increase from H2 2024. The borough saw 30 retail transactions, down 33% from H1 2024 and 17% from H2 2024. When looking at half-year averages over the past 10 years in Queens, the asset class has declined by 25% in dollar volume and 32% in transaction volume.
- Flushing accounted for 49% of dollar volume and 38% of transaction volume.

Highlighted Flushing retail sales include:

- 41-79 Main Street: The property was sold in April 2025 for \$27 million, \$1,098/SF. The buyer of the 24,600-square-foot retail building, currently occupied by the popular Great Wall Supermarket, was a joint venture of two private entities: Sun Long Hing LLC (which took a 35% stake) and 168 J&C Holdings LLC (with a 65% stake). To finance the acquisition, the new ownership secured an \$18.5 million loan from CTBC Bank USA.
- 39-09 Main Street: The property was sold by Riesenburger Properties to Premier Equities for \$27 million, \$1,584/SF. The three-story retail property, built in 1930 and renovated in 2015, is currently home to the luxury watch and jewelry retailer Carat & Co. Its prominent location between Roosevelt and 39th Avenues places it at one of the busiest pedestrian intersections in New York City, surrounded by a mix of office towers, residential buildings, and other national and local retailers.



Real Estate Timeline



Property Value Metrics - Retail*

Year	2019	2020	2021	2022	2023	2024	1H 2025
\$/SF	\$637	\$637	\$693	\$663	\$599	\$697	\$622

*reflects transactions of commercial buildings

1H'25 Featured Transaction



Flushing
41-79 Main Street

Sale Amount:
\$27,000,000
\$/SF:
\$1,098
Buyer:
Sun Long Hing LLC
Seller:
Kam Lun Food Products

Sale Date: **3/27/2025**

Ind / WH / Sto Highlights

- The industrial/warehouse/storage (IND/WH/STO) asset class remained one of the most active in Queens during the first half of 2025 with 42 transactions across \$282.9 million, representing 15% of all the borough’s transactions and 16% of total dollar volume, which is consistent with the past three half-year periods.
- The largest deal was SRM Concrete’s acquisition of 120-05 31st Avenue in College Point from the Ferrara family for \$60 million, or \$3,681/SF. SRM, led by CEO Jeff Hollingshead, plans to continue operating the waterfront plant as an owner-user, leveraging its location and infrastructure.
- Pricing trends were positive. Average industrial pricing rose 10% to \$622/ SF over the 2024 average of \$565/SF and 39% from the 2023 average of \$446/SF, reflecting sustained demand in select submarkets. Looking forward, the new federal “Big Beautiful Bill” may spur new industrial development. Its depreciation incentives, which allow for the immediate write-off of new facilities and 100% bonus depreciation for upgrades, could make investment in the Queens’s industrial zones more desirable.
- New industrial supply continues to enter the market. The JFK Conduit Logistics Center — a 117,000-square-foot warehouse delivered in 2023 at 153-44 South Conduit Avenue — remains fully available for lease after a \$48.1 million bridge loan refinancing. However, new permitting requirements for distribution facilities, may begin to temper investor demand following years of rapid development and concerns over near-term oversupply.

Volume
1H’25 VS 1H’24

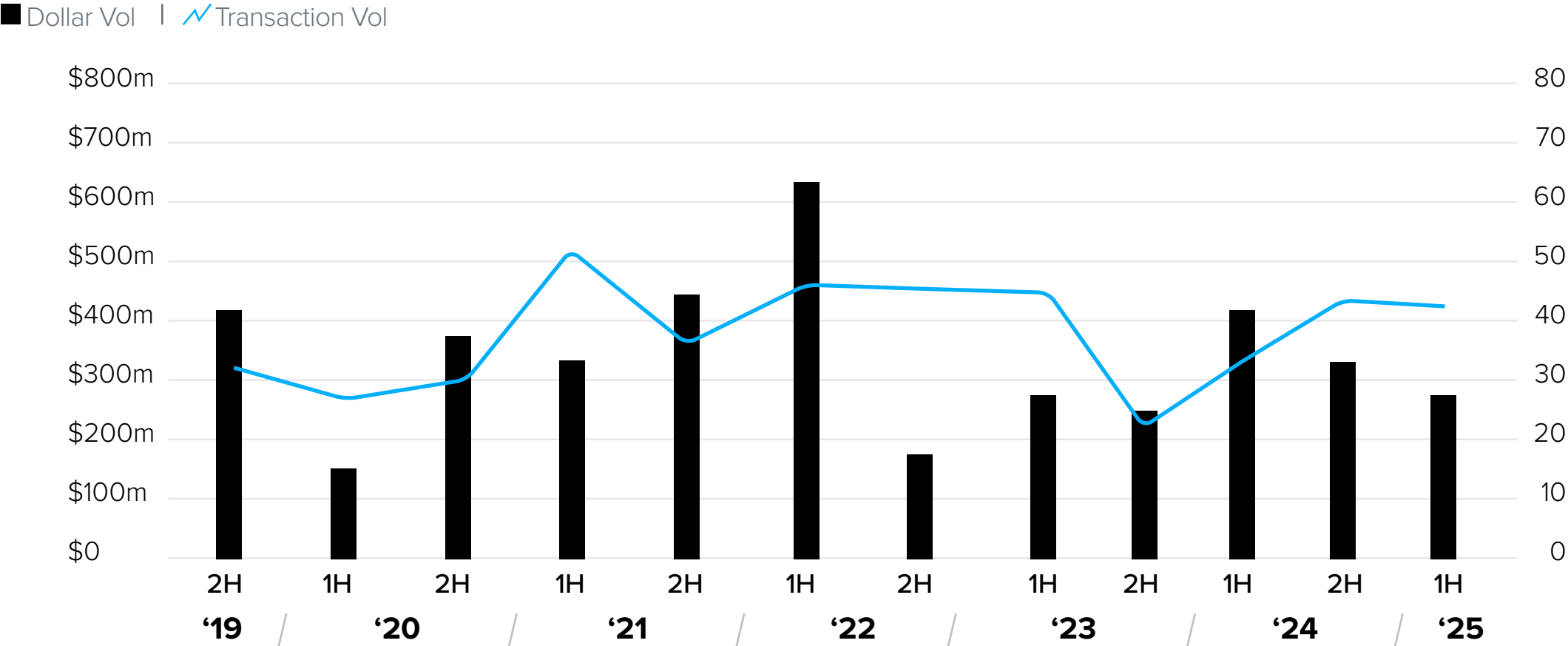
-31%
↓
Dollar
Volume

\$282.9M

27%
↑
Transaction
Volume

42

Real Estate Timeline



Property Value Metrics - Ind / WH / Sto*

Year	2019	2020	2021	2022	2023	2024	1H 2025
\$/Gross SF	\$366	\$404	\$411	\$455	\$446	\$565	\$622
\$/Lot SF**	\$239	\$161	\$219	\$283	\$223	\$311	\$333

*Ind / Wh / Sto: Industrial / Warehouse / Self Storage
**\$/Lot SF applies only to properties where the gross building square footage is less than 50% of the lot square footage

1H’25 Featured Transaction



College Point
120-05 31st Avenue

Sale Amount:
\$60,000,000
\$/SF:
\$3,681
/Lot SF:
\$251
Buyer:
SRM Concrete
Seller:
Five Iron Realty Corp

Sale Date: **1/10/2025**

Development Highlights

- Development sales totaled \$338.4 million, a 263% increase in dollar volume compared to H2 2024 and a 4% increase compared to H1 2024. The recent surge is largely attributed to the City of Yes Initiative, passed in December 2024, which has significantly boosted development momentum in 2025. Additional policy drivers such as the 485-x tax abatement and proposed rezoning efforts have further reinforced market activity.
- In the largest development transaction in the first six months of 2025 Baron Property Group purchased a property at 30-25 Queens Boulevard from LargaVista Companies for \$82.5 million, or \$250/BSF, to build a 46-story residential tower, with LargaVista retaining a partnership role in the project and Blackstone Real Estate Debt Strategies providing \$221.2 million in loans.

Proposed Queens Rezoning Efforts:

- OneLIC Neighborhood Plan: A 54-block rezoning in Long Island City aimed at delivering 14,700 new homes and 14,400 new commercial/industrial jobs
- Jamaica Rezoning Plan: Encompasses over 300 blocks, potentially yielding 12,000+ new homes (including 4,000 affordable units) and 2 million square feet of commercial space.
- Metropolitan Park Casino Project: Backed by Steve Cohen, this \$8 billion development near Citi Field has secured key legislative and City Council support. The land-use changes include plans for 450+ affordable housing units at 54-19 100th Street in Corona.

Volume
1H'25 VS 1H'24

4%

↑

\$338.4M

Dollar
Volume

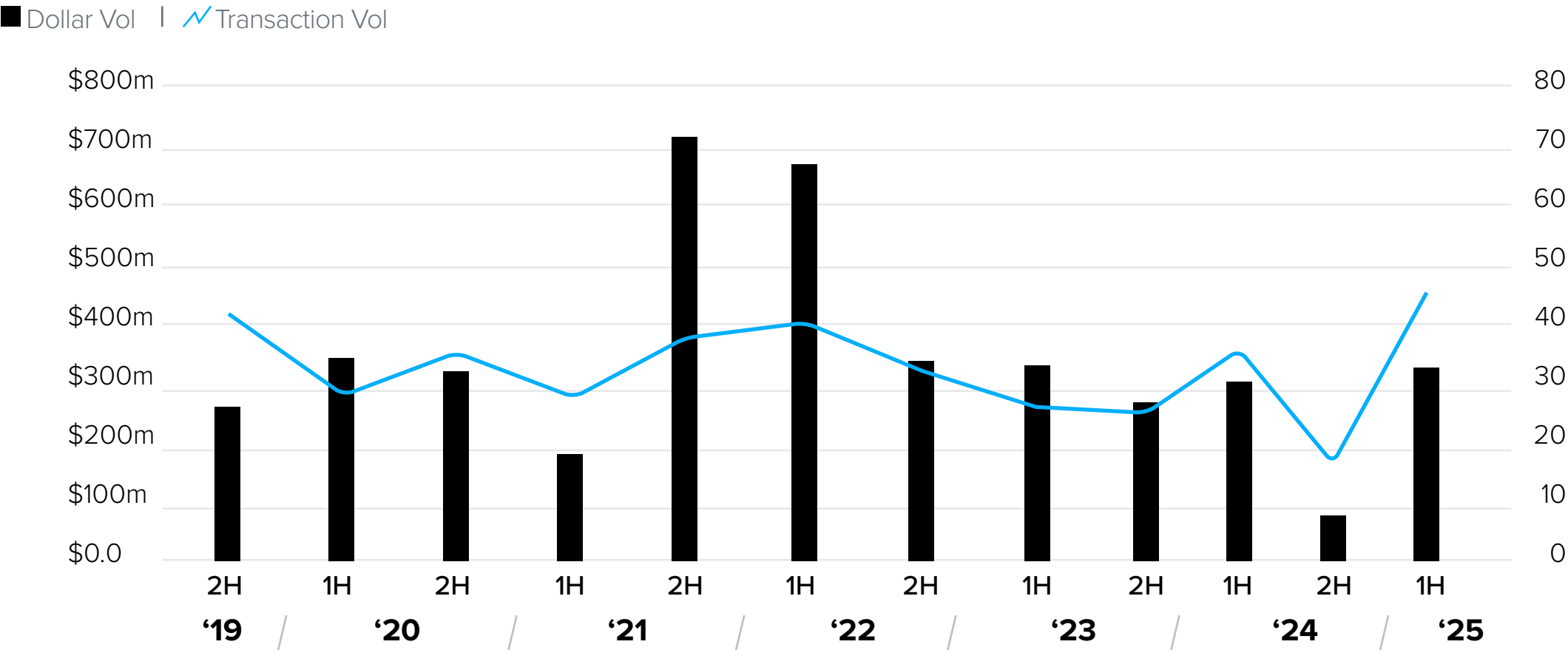
28%

↑

46

Transaction
Volume

Real Estate Timeline



Property Value Metrics - Development*

Year	2019	2020	2021	2022	2023	2024	1H 2025
\$/BSF (Standard)	\$211	\$255	\$224	\$216	\$221	\$217	\$217
\$/BSF (MIH / UAP)	\$100	\$76	\$106	\$145	\$92	\$143	\$155

*reflects transactions of vacant land or equivalent development sites
As part of the City of Yes initiative, the Universal Affordability Preference (UAP) was introduced, allowing increased buildable square footage in exchange for units reserved for households earning at or below 60% of AMI. For transactions with contract dates in 2025, pricing is presented in two categories: Standard and UAP.

For sales located in Mandatory Inclusionary Housing (MIH) zones with at least 15,000 buildable square feet, we are including them in the \$/BSF (MIH / UAP) category, regardless of whether the sale occurred before or after 2025

1H'25 Featured Transaction



Long Island City
30-25 Queens Boulevard

Sale Amount:
\$82,500,000
\$/BSF:
\$250
Buyer:
Baron Property Group
Seller:
Larga Vista Companies

Sale Date: **6/23/2025**

Financing Overview

Bank Lenders

- Recent lending activity reflects banks’ increased interest in offering fixed-rate loans for free-market and new multifamily product.
- Banks are increasingly providing back-leverage to alternative lenders, which are structured as lines of credit or warehouse facilities rather than direct CRE investments, allowing banks to stay active in the market without triggering the same capital reserve requirements.
- Banks have maintained a strategic focus on depository relationships in the first half of 2025, though that emphasis is starting to ease.

Agency Lenders

- Agency lenders have remained active in 2025 with higher FHFA loan caps supporting continued financing for market-rate, workforce, and affordable housing across New York City.
- Agency programs specifically targeting affordable housing have maintained momentum in 2025 due to their ability to navigate various state and city housing agency programs, making them a competitive option for borrowers working on regulated or subsidized deals.
- Rate buy-downs have remained popular in 1H 2025, enabling borrowers to secure below-market financing rates, enhance loan proceeds and position properties for stronger resale value due to its assumability feature.

CMBS Lenders

- First half of 2025 CMBS issuance reached \$59.55 billion, up 35% from the same period in 2024 - the highest mid-year level since 2007.
- The 5-year term remains a dominant negotiated product in conduit CMBS, supported by the fact that SASB deals - which are predominately over a 5-year term - accounted for nearly 75% of private-label issuance in the first half of 2025.

- Despite initial widening in Q2 2025, CMBS spreads ultimately tightened by the end of the first half, demonstrating a rebound in the market’s volatility. Throughout this period, premier multifamily and essential retail properties were consistently favored, securing the best pricing.

Alternative Lenders

- Alternative lending surged in the first half of 2025, fueled by an influx of capital and rising demand from sponsors needing short-term, flexible financing.
- The narrowing gap between bridge and permanent loan pricing that was prevalent in late 2024 has lingered into 2025, as heightened competition among alternative lenders continues to compress spreads.
- Bridge loans remain a key source of capital, especially in the small-to-midsized segment,(\$10MM - \$75MM) offering higher proceeds, faster execution, and flexible prepayment terms.

Construction Lenders

- Construction lending in the first half of 2025 was selective yet steady, with capital concentrated on well-planned multifamily and mixed-use projects. Q1 saw 6,871 multifamily units permitted - a 65% increase quarter-over-quarter and 58% above the long-term average since 2008 - while Q2 filings rose 28% year-

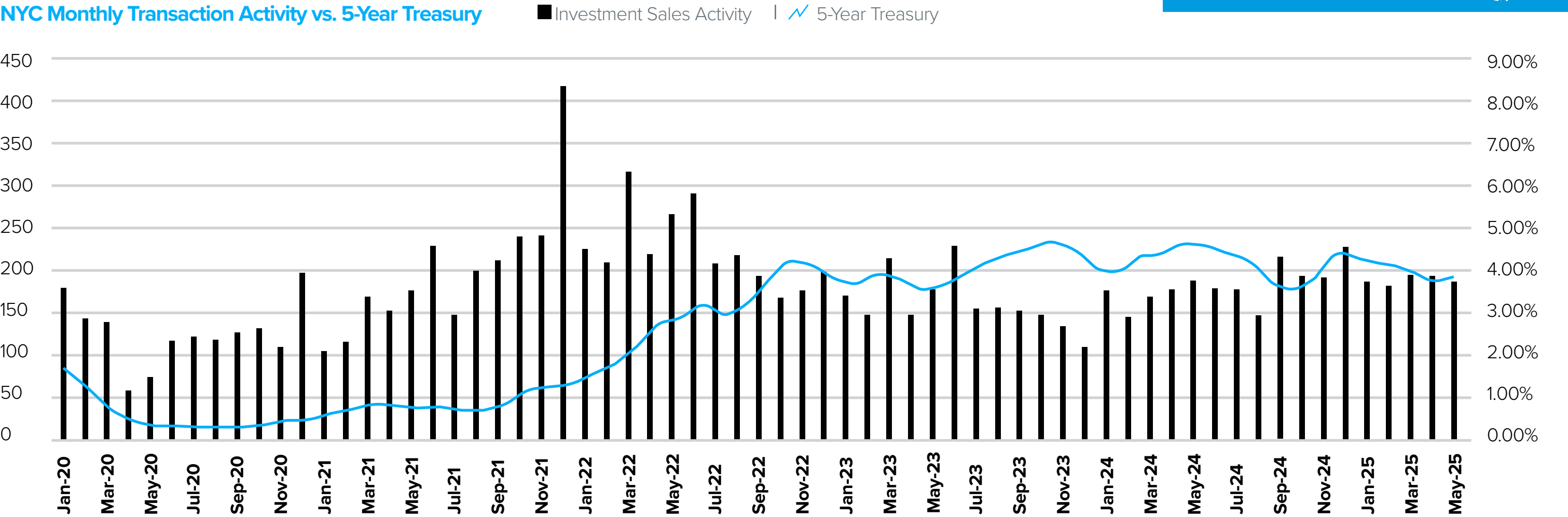
over-year, nearly doubling Q2 2024. This surge in permitting reflects strong housing demand and sets the stage for increased construction financing in the coming quarters.

- New tax incentives are also facilitating momentum. As of May, developers have filed permits for more than 2,600 new units under the 485-x program, while 467-m has opened the door for office-to-residential conversions. Together, these initiatives are slated to continue driving financing activity in 2H 2025 and beyond as more projects move from entitlement to execution.
- Banks are pricing construction loans in the SOFR + 250–300 range, prioritizing projects with fixed-price GMP contracts and fully funded interest reserves. Select non-bank lenders are stepping in where banks pull back - typically on projects with higher leverage requirements or complexity.

Pref Equity / Mezz

- Preferred equity and mezzanine providers remain active in NYC, though deployment has been more selective, with a focus on distressed or transitional situations backed by strong sponsors with institutional-quality balance sheets.
- Mezzanine and preferred equity continue to fill capital gaps and shortfalls as loans mature, offering flexible solutions amid tighter senior lending.

NYC Monthly Transaction Activity vs. 5-Year Treasury



MORTGAGE CALCULATOR



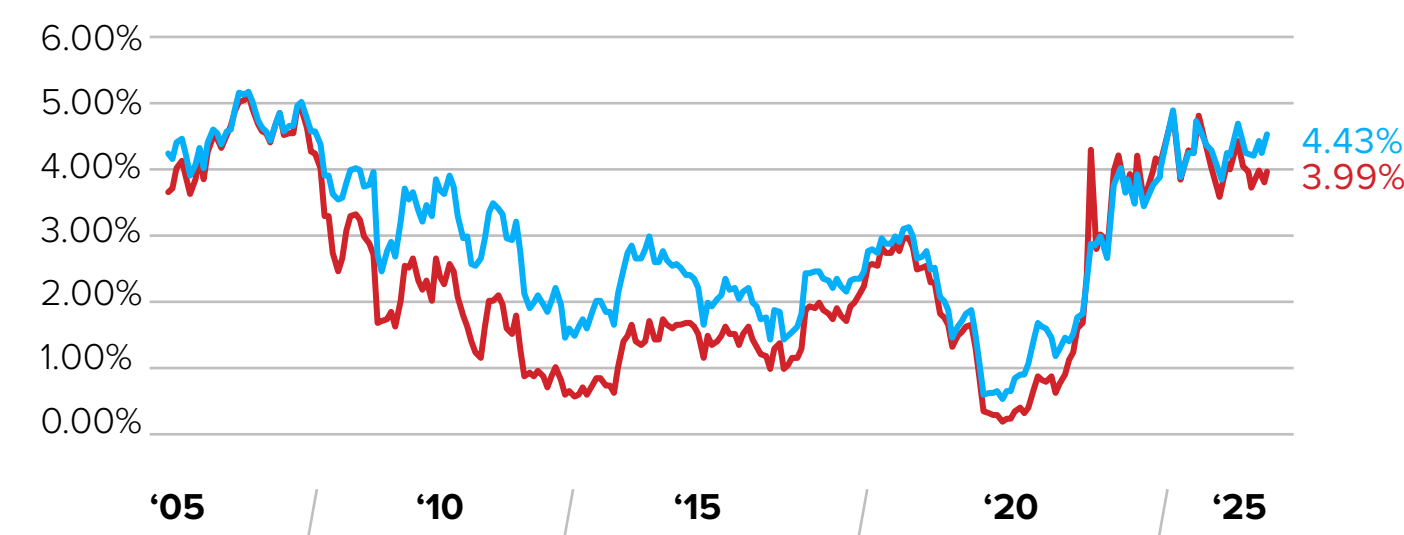
Macro Economic Charts

A number of macro-economic indicators affect the bottom line of commercial real estate investments in New York City and, in turn, the pricing and demand for these assets during any given period. Ariel Property Advisors' Research Division tracks national and local metrics to identify key market drivers influencing the real estate industry.

Financing:

10-Year: 4.43% | 5-Year: 3.99% | As of July 11th, 2025

Treasury Yield Curve Rates 10-year | 5-year

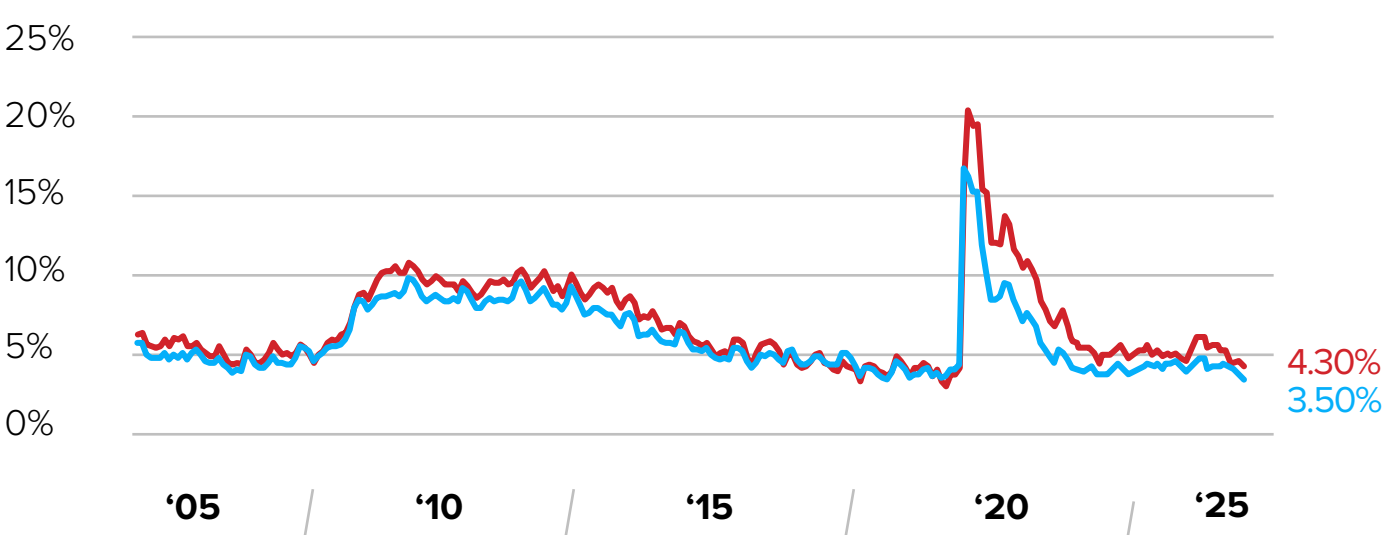


Source: U.S. Department Of The Treasury

Unemployment Timeline:

NYS: 3.50 | NYC: 4.30% | As of May 2025

Unemployment Rate History | NYS & NYC (Not Seasonally Adjusted)

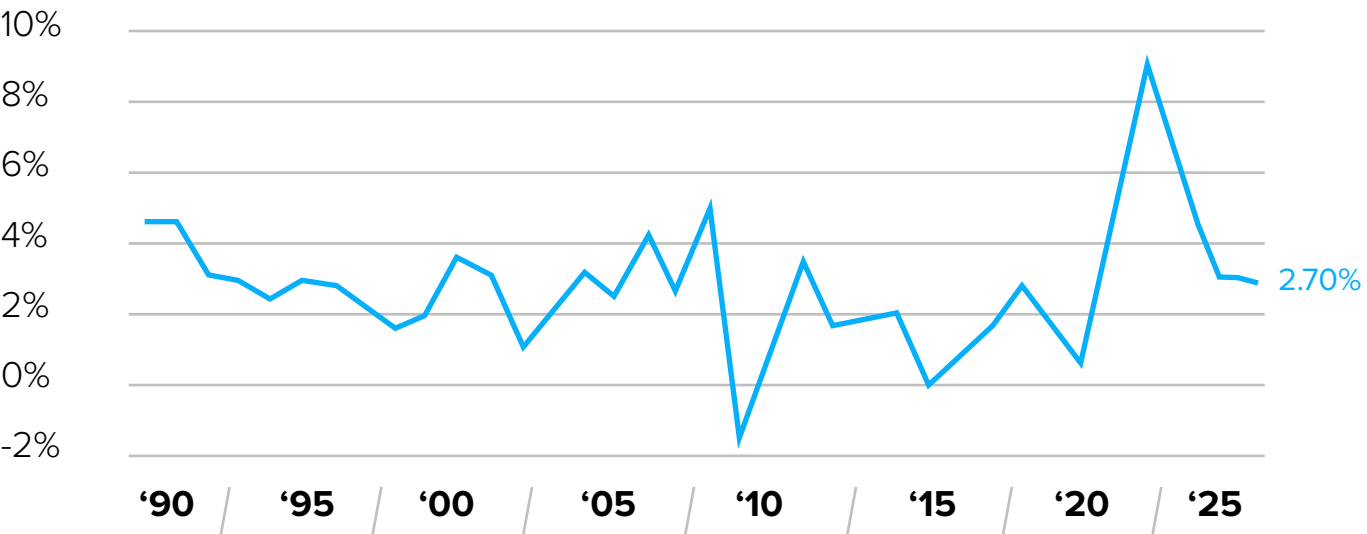


Source: Department Of Labor

Consumer Price Index (CPI):

National CPI

Growth - June 2025 Y-O-Y

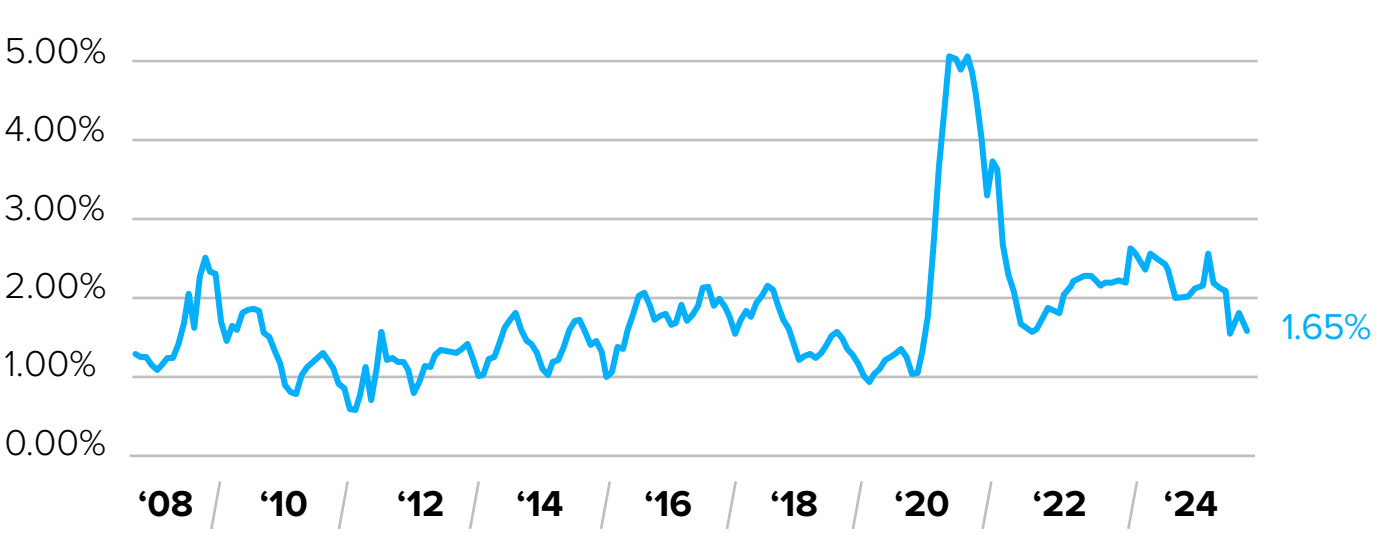


Source: U.S. Bureau Of Labor Statistics

Rental Market / Vacancy:

Manhattan Residential

Rental Vacancy January 2008- May 2025




Source: Corcoran

First Half 2025 Feature Research Overview

Consolidated Mid-Year Research


When seeking information about New York City commercial real estate, our Research Group is your trusted resource. We are committed to ensuring our clients have the right set of facts when making important real estate decisions.

Below, you will find a consolidated list of all the research that Ariel Property Advisors recently released. Our goal is to provide you with the most comprehensive and up to date research covering NYC commercial real estate market:




Bronx
2025 Mid-Year
Commercial Real
Estate Trends

by Ariel Property Advisors
Released July 2025




Brooklyn
2025 Mid-Year
Commercial Real
Estate Trends

by Ariel Property Advisors
Released July 2025




Northern Manhattan
2025 Mid-Year
Commercial Real
Estate Trends

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Released July 2025




Queens
2025 Mid-Year
Commercial Real
Estate Trends

by Ariel Property Advisors
Released July 2025




Q2
2025
Multifamily
Quarter In Review
New York City

by Ariel Property Advisors
Released July 2025




Manhattan
2025 Mid-Year
Commercial Real
Estate Trends

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Inside The Surge: Why
Free Market Multifamily Is
Winning In New York City



Six Years After HSTPA, New
York City Owners Face
Escalating Costs, Falling
Values



Free Market Trades Boost
New York City Apartment
Sales To \$8.9 Billion In 2024




3 Assets Behind Rise
In 2024 New York
City Commercial Real
Estate Sales

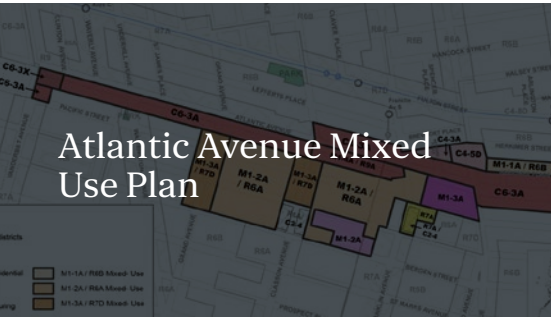


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Midtown South
Rezoning



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Bill



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