

	YoY Chg	12-Mo. Forecast
4.4% Vacancy Rate	▼	▲
111K YTD Net Abs., SF	▲	▲
\$11.13 Asking Rent, PSF	▲	▬

Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2020

	YoY Chg	12-Mo. Forecast
1.2M Long Island Employment	▼	▲
13.7% Long Island Unemployment Rate	▲	▼
8.8% U.S. Unemployment Rate	▲	▼

Source: BLS

ECONOMY: Elevated Unemployment Persists Due to Extended Jobless Claims

Upon the arrival of COVID-19 in the U.S., the economy entered a recession in March 2020, recording the worst decline in post-war history in Q2 2020. Mounting evidence indicates that the recovery began in May or June with Q3 2020 data likely reflecting that. But, until there is a public health resolution to the pandemic, the recovery is likely to remain uncertain and gradual. Only then can households and businesses become more confident. Access the most recent research on CRE and the state of economy [here](#).

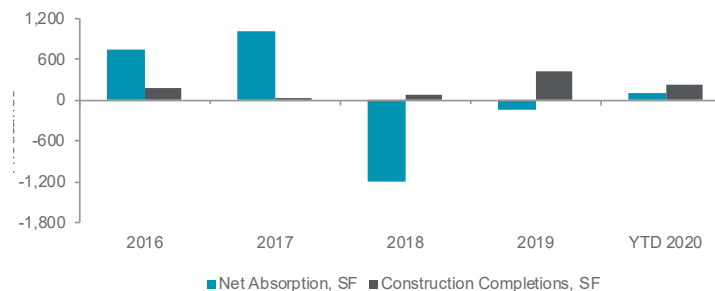
SUPPLY & DEMAND: Steady Demand Propels Vacancy Downward, Asking Rents Higher

The Long Island Industrial market was somewhat unencumbered by the weaker economic conditions provoked by the pandemic. The overall vacancy rate fell 80 basis points (bps) to 4.4% during the third quarter, reaching a new historical low. Quarterly leasing activity measured 1.2 million square feet (msf) and pushed year-to-date (YTD) leasing 10.2% higher than the 2.8 msf transacted one year ago. The Central Suffolk County submarket recorded the largest transaction of the third quarter. Package All, LLC—a machinery wholesale company—leased 122,063 square feet (sf) at 1140 Motor Parkway in Hauppauge, which accounted for nearly one fifth of the volume in that submarket. Healthy tenant demand helped offset the abundance of space that entered the market during the previous quarter. Occupancy gains were recorded in nearly all submarkets, which in turn, yielded 543,615 sf of positive quarterly absorption. Meanwhile, industrial asking rents continued to trend higher, rising \$0.66 per square foot quarter-over-quarter to \$11.13. Sustained levels of limited supply have encouraged landlords to push rents higher. To that end, average rental rates in five out of six submarkets registered yearly rate hikes, half of which grew by double digit percentages in that time.

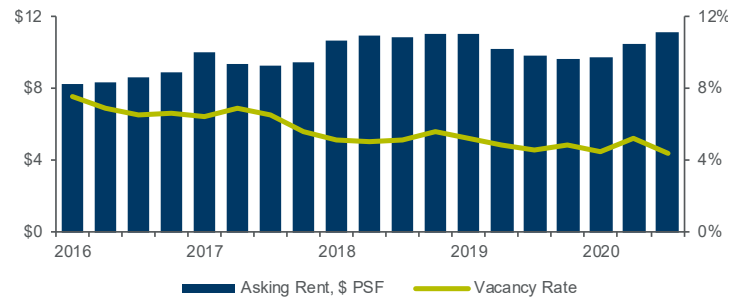
OUTLOOK: Indicators Suggest Near-Term Healthy Market Conditions

The persistent demand for distribution and logistics warehousing facilities has helped buoy the industrial market throughout the pandemic. This should allow the local market to remain resilient in the near-term, specifically as e-commerce business activity continues to surge as a whole. In addition, nearly 678,000 sf of development projects are under construction—roughly half of which are expected to deliver by year-end. These modern, high-quality facilities will likely alleviate some of the supply constraint.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG NET RENT (HT)*	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (W/D)*	OVERALL WEIGHTED AVG NET RENT*
Western Nassau	16,406,152	834,046	5.1%	-46,005	-77,192	235,234	\$11.74	\$9.94	\$10.57	\$10.58
Central Nassau	7,329,239	249,776	3.4%	70,000	-78,500	0	\$12.54	\$10.89	\$12.54	\$12.30
Eastern Nassau	21,185,512	1,099,109	5.2%	164,660	12,962	0	\$11.47	\$13.47	\$10.95	\$11.62
NASSAU TOTALS	44,920,903	2,182,931	4.9%	188,655	-142,730	235,234	\$11.75	\$12.30	\$10.84	\$11.16
Western Suffolk	30,729,371	947,016	3.1%	15,765	-310,978	0	\$13.83	\$13.08	\$8.18	\$10.78
Central Suffolk	42,363,457	1,985,842	4.7%	46,350	1,851	320,000	\$11.00	\$9.59	\$11.60	\$11.44
Eastern Suffolk	13,544,764	635,541	4.7%	292,845	563,102	122,345	N/A	\$16.75	\$10.55	\$10.72
SUFFOLK TOTALS	86,637,592	3,568,399	4.1%	354,960	253,975	442,345	\$13.57	\$10.63	\$10.58	\$11.11
LONG ISLAND TOTALS	131,558,495	5,751,330	4.4%	543,615	111,245	677,579	\$13.18	\$11.60	\$10.67	\$11.13

*Rental rates reflect weighted net asking \$psf/year

HT = High Technology/Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
1140 Motor Parkway, Hauppauge	122,063	Package All, LLC	High Technology	Central Suffolk
445 Sills Road, Yaphank	110,000	Undisclosed	Warehouse/Distribution	Eastern Suffolk
60 Davids Drive, Hauppauge	97,558	Seviroli Foods, Inc.	Warehouse/Distribution	Central Suffolk

KEY SALES TRANSACTIONS Q3 2020

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/\$PSF	SUBMARKET
901-932 Burman Boulevard, Calverton	190,000	CRH Americas Materials, Inc. / KABR Group	Warehouse/Distribution	\$8.5M / \$45	Eastern Suffolk
956 Brushhollow Road, Westbury	94,745	Spectronics Corporation / All-City Metal Inc.	Warehouse/Distribution	\$15.0M / \$158	Eastern Nassau
40 Voice Road, Carle Place	59,194	Ansaco, LLC / Simone Development Companies	Warehouse/Distribution	\$6.8M / \$114	Western Nassau

NOTABLE PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
253-51 Rockaway Boulevard/JFK Logistics Center, Woodmere	235,234	Wildflower LTD	Confidential	Western Nassau
80 Wilshire Boulevard, Brentwood	232,000	Heartland Development Company	Speculative	Central Suffolk
230 Roger's Way, Westhampton Beach	100,000	Rechler Equity Partners, LLC	Speculative	Eastern Suffolk

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