

	YoY Chg	12-Mo. Forecast
3.8% Vacancy Rate	▼	▲
298K YTD Net Abs., SF	▲	▲
\$12.16 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

**ECONOMIC INDICATORS
Q1 2021**

	YoY Chg	12-Mo. Forecast
1.2M Long Island Employment	▼	▲
6.2% Long Island Unemployment Rate	▲	▼
6.0% U.S. Unemployment Rate	▲	▼

Source: BLS

ECONOMY: Labor Market Remains Stable, Records Nominal Dip in Workforce

The Long Island economy performed tepidly during the first quarter. Trade, transportation & utilities employment edged higher, expanding to 245,000 jobs, and manufacturing posted quarterly improvements as well. Despite the industrial sector-related job growth, the overall regional workforce contracted by 2,100 jobs which caused the unemployment rate to rise 60 basis points (bps) quarter-over-quarter to 6.2%.

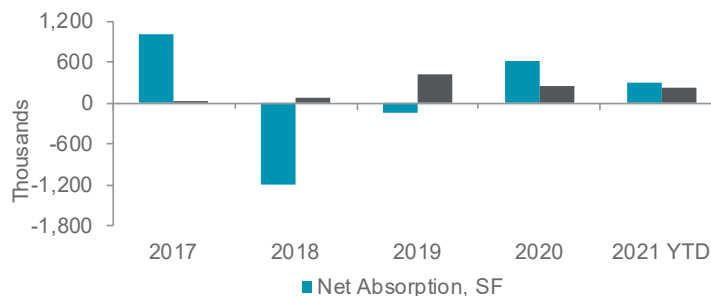
SUPPLY & DEMAND: Asking Rents Steadily Improve as Vacancy Dips to New Low

Long Island's overall industrial vacancy rate fell 70 bps from one year ago to a new historical low of 3.8% and edged lower by 20 bps since the fourth quarter. Due to limited availability and recent occupancy gains, Central Nassau recorded the lowest vacancy rate for a given submarket, falling to 1.9%. Quarterly demand displayed positive momentum, logging a healthy improvement from year-end 2020. Leasing activity measured 843,736 square feet (sf), nearly two-thirds of which was driven by E-commerce demand. Average asking rents continued to trend higher, concluding the first quarter at \$12.16 per square foot (psf). Western Nassau County logged the largest quarterly increase for a given submarket, rising \$1.26 psf to \$11.84 due to newly added higher-priced space at 200 Albany Avenue and 210 Hanse Avenue in Freeport. Strong demand for warehouse and logistics space coupled with a continued shortage of quality offerings has triggered landlords to raise rental rates throughout the island. Overall asking rents improved 25.4% year-over-year (YOY) and have doubled over the past decade.

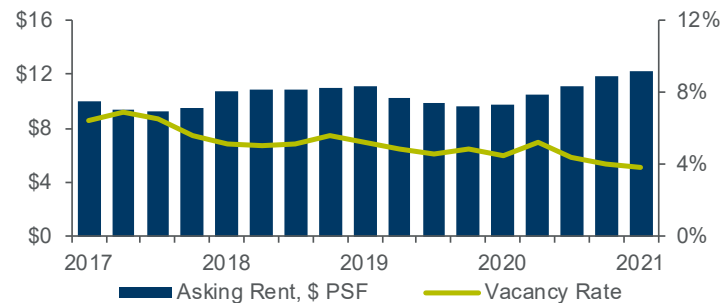
OUTLOOK: Outdated Inventory Fuels Demand for Quality Product

Robust underlying market fundamentals, persistent demand and limited supply should continue to act as tailwinds for the Long Island industrial market. Enhanced operational efficiencies and business logistics have generated the need for more modern warehousing—something lacking amongst Long Island's aging stock. As a result, landlords are filling the void by either retrofitting older existing product or converting other asset types. Existing construction projects should help alleviate supply constraints by delivering more than 1.2 million square feet (msf) over the next 12 months.

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	16,447,878	721,033	4.4%	-45,852	-45,852	235,234	\$11.74	\$10.94	\$12.01	\$11.84
Central Nassau	7,329,239	138,224	1.9%	78,350	78,350	0	N/A	N/A	\$12.37	\$12.37
Eastern Nassau	21,158,512	1,118,956	5.3%	-13,240	-13,240	0	\$11.47	\$12.99	\$11.97	\$12.16
NASSAU TOTALS	44,935,629	1,978,213	4.4%	19,258	19,258	235,234	\$11.55	\$12.32	\$12.01	\$12.04
Western Suffolk	30,420,167	965,735	3.2%	-14,305	-14,305	846,483	\$11.99	\$11.58	\$11.90	\$11.86
Central Suffolk	42,784,470	1,465,927	3.4%	448,120	448,120	28,000	\$12.12	\$10.18	\$13.52	\$12.93
Eastern Suffolk	13,733,088	591,094	4.3%	-154,819	-154,819	122,345	N/A	\$16.75	\$10.62	\$10.68
SUFFOLK TOTALS	86,937,725	3,022,756	3.5%	278,996	278,996	996,828	\$12.09	\$10.68	\$12.48	\$12.25
LONG ISLAND TOTALS	131,873,354	5,000,969	3.8%	298,254	298,254	1,232,062	\$11.90	\$11.52	\$12.29	\$12.16

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

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

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
1770 Walt Whitman Road, Melville	213,914	Confidential E-commerce Tenant	High Technology	Western Suffolk
540 Broadhollow Road, Melville	95,782	Confidential E-commerce Tenant	Warehouse/Distribution	Western Suffolk
230 Duffy Avenue, Hicksville	46,950	Nassau Candy	Warehouse/Distribution	Eastern Nassau

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/\$PSF	SUBMARKET
21 Banfi Plaza & 140 Carolyn Boulevard, Farmingdale	360,391	Harold Levinson Associates / Undisclosed	Warehouse/Distribution	Undisclosed	Western Suffolk
100 Precision Drive, Shirley	130,565	Woodmont Industrial Partners / Blackrock, Inc.	High Technology	\$30.7M / \$235	Eastern Suffolk
1 Arnold Drive, Huntington	125,900	Eagle Home Products Inc. / Columbia Pacific Advisors, LLC	Warehouse/Distribution	\$16.5M / \$131	Western Suffolk

NOTABLE PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
235 Pinelawn Road, Melville	599,983	Hartz Mountain Industries	Speculative	Western Suffolk
90 Ruland Road, Melville	246,500	Hartz Mountain Industries	Speculative	Western Suffolk
253-51 Rockaway Boulevard / JFK Logistics Center, Woodmere	235,234	Wildflower LTD	Confidential	Western Nassau

JASON PRICE

Director—Tri-State Industrial Research
jason.price@cushwake.com

AUSTIN MANDELL

Senior Research Analyst
austin.mandell@cushwake.com

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