

## MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>15.2%</b> Vacancy Rate	▲	▲
<b>-379K</b> YTD Net Absorption, SF	▼	▲
<b>\$32.98</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

## ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>1.4M</b> Long Island Employment	▲	▲
<b>3.2%</b> Long Island Unemployment Rate	▼	▲
<b>4.1%</b> U.S. Unemployment Rate	▲	▼

Source: BLS

### ECONOMY: Unemployment Rate Edged Lower as Office-Using Employment Grew

Long Island's unemployment rate concluded Q3 2024 at 3.2%, down 20 basis points (bps) from the previous quarter and below the national average of 4.1%. Total nonfarm employment rose 1.7% year-over-year to 1.4 million jobs, reaching its highest level since mid-year 2019. Office-using employment—the key driver of the office market—gained 2,728 jobs quarter-over-quarter (QOQ) driven by growth in the professional and business services sectors, despite minor losses in the information and financial sectors.

### SUPPLY & PRICING: Class A Rents Rose as Vacancy Continued to Climb

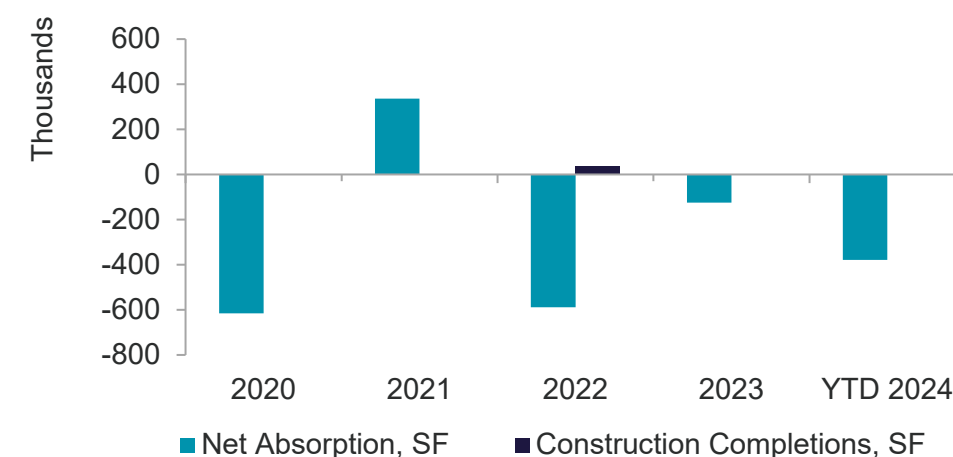
The overall vacancy rate grew by 20 bps QOQ to a nine-year high of 15.2%, primarily due to increases in Nassau County. The Eastern Nassau submarket recorded the largest jump in vacancy, up by 180 bps to 18.7% while the Western Suffolk submarket's vacancy rate decreased by 120 basis points to 14.9%. Although several large blocks of space became available this quarter, growing tenant demand offset a significant portion of the increased supply. Year-to-date (YTD) overall net absorption remained negative; however, Suffolk County finished with 150,000 square feet (sf) of occupancy gains so far this year.

Long Island's overall asking rents rose by \$0.31 per square foot (psf) QOQ to \$32.98. Central Nassau registered the most significant quarterly increase, rising by \$0.71 psf to \$35.26, while Western Nassau remained the most expensive and sought-after submarket on Long Island. Class A rents rose by \$0.15 psf to \$35.23 as new higher-priced availabilities counteracted the downward pressure from sublease spaces.

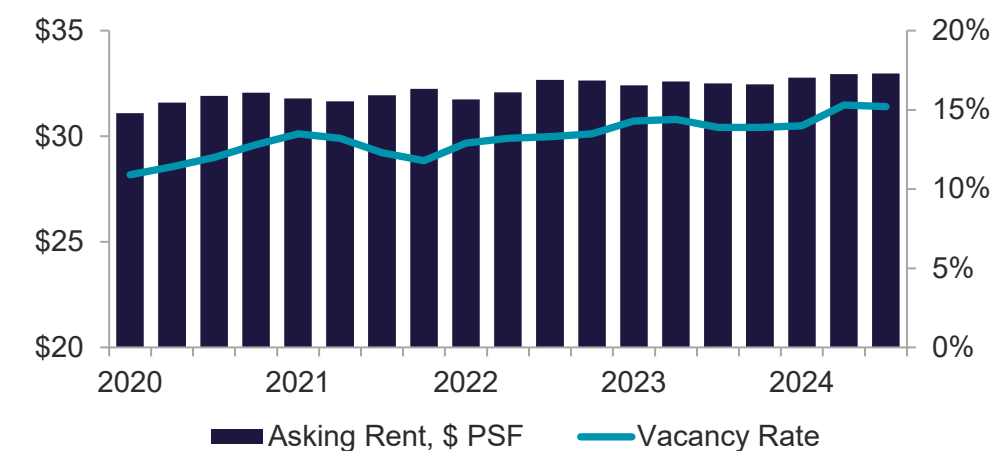
### DEMAND: Leasing Activity Accelerated as Economic Conditions Improve

Total YTD new leasing activity posted 1.1 million square feet as deal volume continued to accelerate in the third quarter, representing a 7.9% growth QOQ. Nassau County accounted for three out of the top five leases, with significant demand from healthcare and legal services tenants. Notably, Healthcare Partners renewed a 70,000-sf lease at 501 Franklin Avenue in Garden City, reaffirming its commitment to the location. Additionally, Bond, Schoeneck & King signed a 42,000-sf new lease, relocating the firm to 68 South Service Road in Melville. Long Island continues to be affected by in-market relocations and downsizing; however, increased tenant demand and improving economic conditions should bolster the office market heading toward 2025.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY** (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Western Nassau	7,328,153	574,114	307,672	12.0%	6,402	-277,769	69,430	0	\$38.07	\$37.76
Central Nassau	9,205,573	1,333,727	121,428	15.8%	19,510	-129,475	340,969	0	\$35.26	\$36.37
Eastern Nassau	6,603,981	736,237	498,549	18.7%	-115,995	-122,505	109,289	0	\$30.23	\$32.77
<b>NASSAU TOTALS</b>	<b>23,137,707</b>	<b>2,644,078</b>	<b>927,649</b>	<b>15.4%</b>	<b>-90,083</b>	<b>-529,749</b>	<b>519,688</b>	<b>0</b>	<b>\$34.20</b>	<b>\$35.64</b>
Western Suffolk	8,364,087	972,568	273,059	14.9%	102,033	183,548	408,950	0	\$32.00	\$35.82
Central Suffolk	4,758,009	491,749	192,768	14.4%	-83,332	-32,964	209,567	0	\$27.41	\$29.28
<b>SUFFOLK TOTALS</b>	<b>13,122,096</b>	<b>1,464,317</b>	<b>465,827</b>	<b>14.7%</b>	<b>18,701</b>	<b>150,584</b>	<b>618,517</b>	<b>0</b>	<b>\$30.55</b>	<b>\$34.13</b>
<b>LONG ISLAND TOTALS</b>	<b>36,259,803</b>	<b>4,108,395</b>	<b>1,393,476</b>	<b>15.2%</b>	<b>-71,382</b>	<b>-379,165</b>	<b>1,138,205</b>	<b>0</b>	<b>\$32.98</b>	<b>\$35.23</b>

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Class A	17,698,645	2,017,972	1,086,667	17.5%	-76,926	-300,532	590,959	0	\$35.23	\$36.36
Class B	18,561,158	2,090,423	306,809	12.9%	5,544	-78,633	547,246	0	\$29.91	\$30.19

\*Rental rates reflect full service asking

\*\* Does not include renewals

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	TENANT	SF	LEASE TYPE	SUBMARKET
501 Franklin Avenue, Garden City	Healthcare Partners	70,000	Renewal*	Central Nassau
68 South Service Road, Melville	Bond, Schoeneck & King	42,000	New Lease	Western Suffolk
1000 Woodbury Road, Woodbury	Milber Makris Plousadis & Seiden, LLP	28,000	Renewal & Expansion*	Eastern Nassau
100 Quentin Roosevelt Boulevard, Garden City	NYSUT	15,000	New Lease	Central Nassau

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SELLER / BUYER	SF	PRICE / \$ PSF	SUBMARKET
70 Glen Cove Road, Roslyn	Gould Investors LP / Undisclosed	25,000	\$7.1M / \$284	Western Nassau
8 Bond Street, Great Neck	8 Bond Street Corp / Malachite Group	25,000	\$6.0M / \$240	Western Nassau
205 East Main Street, Huntington	Holly Hills Communities Inc / Carillon Properties	24,000	\$5.2M / \$215	Western Suffolk
63 Forest Avenue, Locust Valley	Hawthorn / Northeast Private Wealth Management	10,290	\$3.6M / \$328	Eastern Nassau

**DIMITRI MASTROGIANNIS**

Senior Research Analyst

Tel: +1 631 425 1231

[dimitri.mastrogiannis@cushwake.com](mailto:dimitri.mastrogiannis@cushwake.com)

**BOB GASTEL**

Senior Managing Director, Long Island

Tel: +1 212 841 7880

[bob.gastel@cushwake.com](mailto:bob.gastel@cushwake.com)

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