

Long Island | Industrial

Market Overview

Q2 2022



Inventory

	Q2 2022	Q1 2022	Q2 2021
Nassau County	44,387,498	44,387,498	44,856,667
Suffolk County	98,771,801	98,771,801	98,865,609
Long Island Overall	143,159,299	143,159,299	143,792,276



Leasing Activity

Nassau County	279,894	171,419	404,892
Suffolk County	637,437	882,413	500,035
Long Island Overall	917,331	1,053,832	904,927



Availability Rate

Nassau County	4.4%	3.8%	4.9%
Suffolk County	2.9%	2.9%	3.2%
Long Island Overall	3.3%	3.1%	3.7%



Average Asking Rent (\$PSF/Yr.)

Nassau County	\$17.59	\$17.26	\$13.22
Suffolk County	\$13.19	\$12.76	\$11.62
Long Island Overall	\$14.64	\$14.27	\$14.51



Quarterly Net Absorption

Nassau County	(284,636)	178,716	586,900
Suffolk County	9,614	160,665	245,391
Long Island Overall	(275,022)	339,381	832,291

Long Island Overall

Long Island's industrial market remains particularly robust, but e-commerce demand has subsided somewhat, and the market experienced 275,022 SF of negative absorption as occupiers re-evaluated their space requirements. During the second quarter, there was also a slight decline in leasing activity, but well above pandemic lows. The availability rate also increased 20 basis points quarter-to-quarter to 3.3%.

Long Island's average asking rent continued to increase as demand persists, and is now 2.59% higher than the first quarter, with an average asking rate of \$14.64/SF.

Unfortunately, due to labor shortages and supply chain disruptions, construction pipelines have been delayed. During the second quarter, zero properties were delivered as completion timelines have been extended. There are currently nine properties under construction totally 1.58 MSF, and twenty-nine totaling 5.02 MSF are proposed for the market.

Long Island industrial has benefitted from extremely strong investor demand. At the end of the second quarter, investment sales volume reached \$214,995,367, a 102.68% increase from the prior quarter.

Inflation has continued to worsen, and the U.S. Federal Reserve raised its benchmark interest rate by 100 basis points this quarter to 1.5%. As available capital continues to tighten and mortgage rates trend upwards, expect average purchase prices to drop.

Link Logistic Real Estate's \$38.5 million acquisition of 2100 Pacific Street in Hauppauge represented the most significant sale of the quarter. The 140,000 SF warehouse sold for \$275/SF. Also significant was Bridge Logistics Properties purchase of two manufacturing buildings. The first was the 83,000 SF building at 355 Crooked Hill Road for \$18.15 million or \$218.67/SF and the second was the 50,000 SF property at 5 Park Drive for \$14.5 million or \$290/SF.

Nassau County

The availability rate in Nassau County increased 60-basis points quarter-to-quarter to 4.4%. During the quarter, the submarket experienced 284,636 SF of negative net absorption.

Despite the availability rate going up and net absorption exhibiting negative movement, the average asking rent increased 1.91% quarter-to-quarter and is now asking \$17.59/SF for industrial space.

The Brink's Company signed the largest new lease in the submarket and took 76,028 SF at 1 Brooklyn Road in Hempstead.

Nassau County had two sale transactions this quarter that were above \$8 million and both of which were in Plainview. The 34,500 SF manufacturing facility at 100 Nassau Terminal Road sold for \$9.46 million and 38,071 warehouse at 197 S Service Road sold for \$8.89 million.

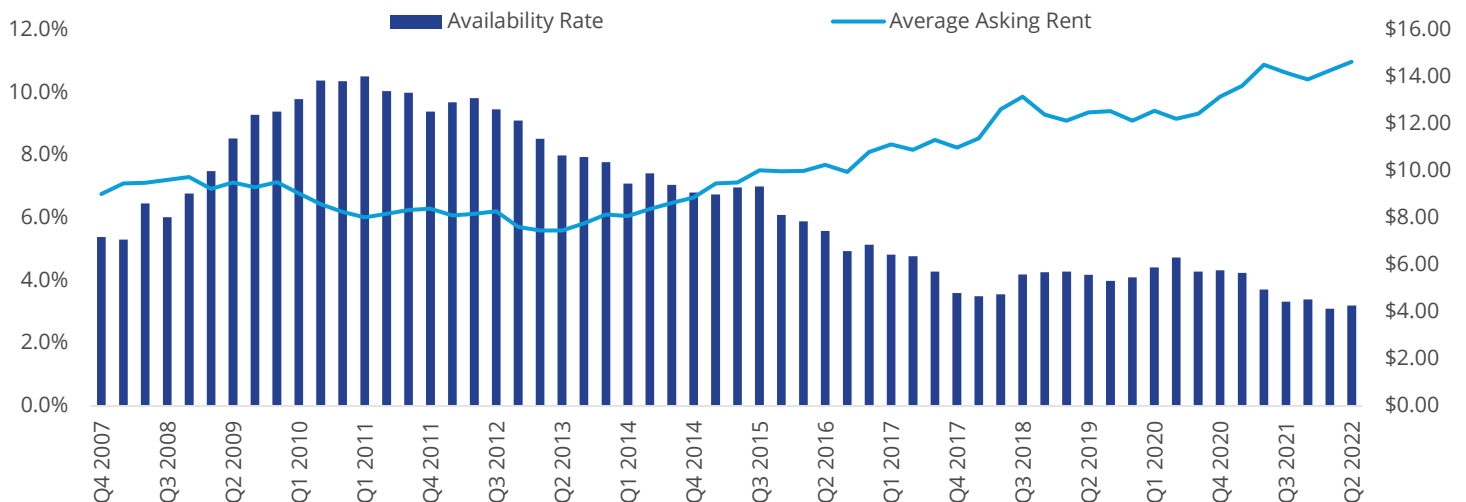
Suffolk County

Suffolk County's availability stayed virtually the same as the previous quarter at 2.9%. The county experienced 9,614 SF of positive net absorption this quarter as the amount of space occupiers gave back balanced with the overall leasing activity. The industrial average asking rate for the submarket continued its trend and increased by \$0.43 this quarter to \$13.19.

Lindenmeyr Munroe signed the largest new lease in the submarket and took 115,000 SF at 158 Candlewood Road in Bay Shore.

The largest sale transaction of the quarter was the sale of the 140,000 SF warehouse at 2100 Pacific Street purchased by Link Logistics for \$38.5 million.

There are eight ongoing projects under construction totaling 1.38 MSF. The largest is still the Hartz Mountain Industries, Inc. project at 235 Pinelawn Road in Melville, which totals 599,983 SF.



Long Island Industrial Submarket Overview

Submarket	Stock	Total Inventory	Availability Rate (%)	Average Asking Rent (\$)	Net Absorption (QTR.)	Under Construction
Nassau County						
Western Nassau	154	5,836,161	2.8%	\$20.10	(298,839)	0
Northern Nassau	45	1,759,587	1.7%	\$14.00	3,264	0
Central Nassau	234	6,824,036	2.9%	\$14.71	71,025	0
Eastern Nassau	495	20,251,004	5.0%	\$18.17	(105,041)	204,000
Southern Nassau	377	9,716,710	3.8%	\$17.19	44,955	0
Total Nassau County	1,305	44,387,498	4.4%	\$17.59	(284,636)	204,000
Suffolk County						
Western Suffolk	1,471	57,963,505	3.2%	\$13.00	136,334	1,177,813
Southwest Suffolk	337	8,595,264	0.8%	\$14.62	5,222	0
Central Suffolk	806	27,754,745	2.7%	\$12.81	(125,499)	138,059
Eastern Suffolk	143	4,458,287	3.1%	\$15.71	(6,443)	0
Total Suffolk County	2,757	98,771,801	2.9%	\$13.19	9,614	1,380,574
Market Total	4,062	143,159,299	3.3%	\$14.64	(275,022)	1,584,574

Source: Colliers

Economic Indicators



GDP

Gross Domestic Product

\$24.38 (Q1 2022) [in trillions]



Increase from
Q4 2021



CCI

Consumer Confidence Index

106.4 (May 2022)



Decrease from
March 2022



Nassau-Suffolk

Unemployment Rate

2.7% (Apr. 2022)



Decrease from
February 2022

Source: U.S. Department of Commerce, The Conference Board, Bureau of Labor Statistics

494 offices in 62 countries on 6 continents

United States: 158

Canada: 44

Latin America: 19

Asia Pacific: 39

Australia & New Zealand: 58

EMEA: 108



\$4.1 B

In revenue



2B

Square feet under management



17,000 +

Professionals

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