MARKETBEAT
LONG ISLAND
OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.8% Vacancy Rate	▼	▼
360K YTD Net Absorption, SF	▲	▲
$33.35 Asking Rent, PSF	▼	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.4M Long Island Employment	▲	▼
3.9% Long Island Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▬	▲

Source: BLS

ECONOMY: UNEMPLOYMENT RATE RISES DESPITE GAINS IN OFFICE-USING SECTOR

Long Island's unemployment rate closed Q2 2026 at 3.9%, up 40 basis points (bps) from the previous quarter, though it remained below the national average of 4.2%. Total nonfarm employment rose 0.4% year-over-year (YOY) to 1.4 million jobs. Office-using employment—an essential indicator for office market demand—expanded by 750 jobs quarter-over-quarter (QOQ), driven by gains in the information and professional and business services sectors, despite modest losses in the financial activities sector.

SUPPLY & PRICING: VACANCY CONTINUES TO DECLINE AS NET ABSORPTION STAYS POSITIVE

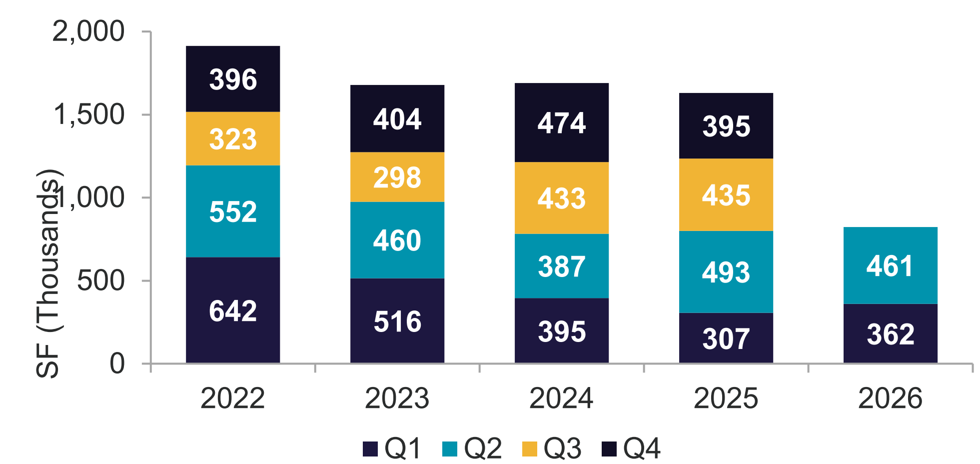
The overall vacancy rate continued its downward trajectory, dropping by 90 bps YOY to 11.8%—sitting below 12.0% for the first time since Q2 2020. Nassau and Suffolk County closed out the quarter at 11.0% and 13.2%, respectively. While vacancy declined across the market, Western Nassau posted the largest quarterly improvement, decreasing 180 bps to 9.7% and ending the quarter with the lowest vacancy rate among all submarkets. Sublease vacancy remained stable at 2.0%, totaling approximately 700,000 square feet (sf)—its lowest level since the onset of the pandemic in 2020. Tenant demand outpaced new supply for the second consecutive quarter, resulting in 359,529 sf of occupancy gains year-to-date (YTD) and continuing the market's positive momentum.

Long Island's overall asking rent fell by $0.14 per square foot (psf) QOQ to $33.35 psf, despite modest gains observed in Nassau County. Western Nassau registered the largest quarterly increase, up $1.68 psf to $40.21 psf—surpassing $40.00 psf for the first time in the submarket's history. Eastern Nassau posted the steepest decline, down $0.40 psf QOQ to $30.64 psf. Class A rents rose by $0.40 psf QOQ to $37.61 psf as more high-quality spaces entered the market, exerting upward pressure on Class A pricing.

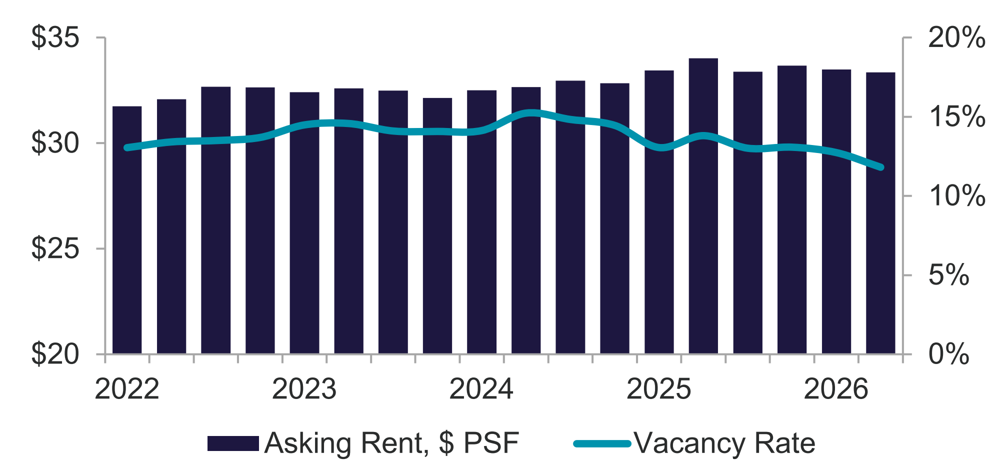
DEMAND: LEASING ACTIVITY AND SALES VOLUME GAINS TRACTION ACROSS THE MARKET

New leasing activity remained healthy throughout the first half of the year. Deal volume totaled 822,935 sf YTD, reflecting a slight 2.9% increase YOY. Leasing activity was split evenly across the market, with Nassau and Suffolk County accounting for 49.8% and 50.2% of total volume, respectively. The largest transactions included Microchip Technology's 73,5000-sf new lease at 878 Veterans Memorial Highway in Hauppauge, and Grassi & Company's 40,620-sf renewal and expansion at 50 Jericho Quadrangle in Jericho. Sales activity also accelerated during the quarter, with NYU Langone's acquisition of 1 & 2 Huntington Quadrangle in Melville for $135.5 million, or $177 psf. The health system plans to demolish the two office buildings, totaling 763,877 sf, and build a state-of-the-art hospital on the site. The transaction reflects a broader trend across Long Island, where Class B and C office properties continue to be converted into mixed-use, multifamily, medical, and industrial buildings.

LEASING ACTIVITY



OVERALL VACANCY & ASKING RENT



LONG ISLAND
OFFICE Q2 2026

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	6,129,736	323,378	271,138	9.7%	21,882	20,134	101,184	0	$40.21	$40.04
Central Nassau	9,102,890	1,025,333	85,550	12.2%	29,004	162,687	199,405	0	$36.41	$37.06
Eastern Nassau	6,537,226	671,539	11,688	10.5%	48,965	64,025	76,774	0	$30.64	$38.90
NASSAU TOTALS	21,769,852	2,020,250	368,376	11.0%	99,851	246,846	377,363	0	$35.58	$38.27
Western Suffolk	8,194,682	823,407	255,861	13.2%	59,286	83,888	194,609	0	$31.26	$35.56
Central Suffolk	4,680,875	552,816	72,390	13.4%	88,589	28,795	250,963	0	$27.01	$32.68
SUFFOLK TOTALS	12,875,557	1,376,223	328,251	13.2%	147,875	112,683	445,572	0	$29.91	$35.24
LONG ISLAND TOTALS	**34,645,409**	**3,396,473**	**696,627**	**11.8%**	**247,726**	**359,529**	**822,935**	**0**	**$33.35**	**$37.61**

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*	DIRECT AVG ASKING RENT*
Class A	16,610,158	1,488,151	452,091	11.7%	168,856	292,512	486,995	0	$37.61	$37.51
Class B	18,035,251	1,908,322	244,536	11.9%	78,870	67,017	335,940	0	$29.76	$30.19

*Rental rates reflect gross asking $psf/year
**Does not include renewals

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	TENANT	SF	LEASE TYPE	SUBMARKET
878 Veterans Memorial Highway, Hauppauge	Microchip Technology	73,500	New Lease	Central Suffolk
50 Jericho Quadrangle, Jericho	Grassi & Company	40,620	Expansion/Renewal*	Eastern Nassau
900 Merchants Concourse, Westbury	Jaspan Schlesinger Narendran	33,000	New Lease	Central Nassau
68 South Service Road, Melville	JPMorgan Chase	21,535	New Lease	Western Suffolk

*Renewal portion not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SELLER / BUYER	SF	PRICE / $ PSF	SUBMARKET
1 & 2 Huntington Quadrangle, Melville	TPG Angelo Gordon & We're Associates / NYU Langone	763,877	$135.5M / $177	Western Suffolk
900 Merchants Concourse, Westbury	Vectra Management Group / Valley East Building Management	148,099	$12.5M / $84	Central Nassau
50 Jericho Quadrangle, Jericho	TPG Angelo Gordon & We're Associates / MDJ Realty Services LLC	138,893	$22.5M / $162	Eastern Nassau
576 Broadhollow Road, Melville	G2D Development Corp / MediSys Health Network	69,029	$13.2M / $190	Western Suffolk

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