

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.6% Vacancy Rate	▼	▼
419K YTD Net Absorption, SF	▼	▲
\$33.62 Asking Rent, PSF (Overall, All Property Classes)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.4M Long Island Employment	▲	▲
3.8% Long Island Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY: UNEMPLOYMENT RATE FALLS DESPITE LOSSES IN OFFICE-USING SECTOR

Long Island’s unemployment rate closed Q3 2026 at 3.8%, down 10 basis points (bps) from the previous quarter, remaining below the national average of 4.2%. Total nonfarm employment rose 0.3% year-over-year to 1.4 million jobs. Office-using employment—an essential indicator for office market demand—fell by 5,660 jobs quarter-over-quarter (QOQ), driven by losses in the information, financial services, and professional and business services sectors.

SUPPLY & PRICING: ASKING RENTS RISE AS VACANCY CONTINUES TO TREND DOWNWARD

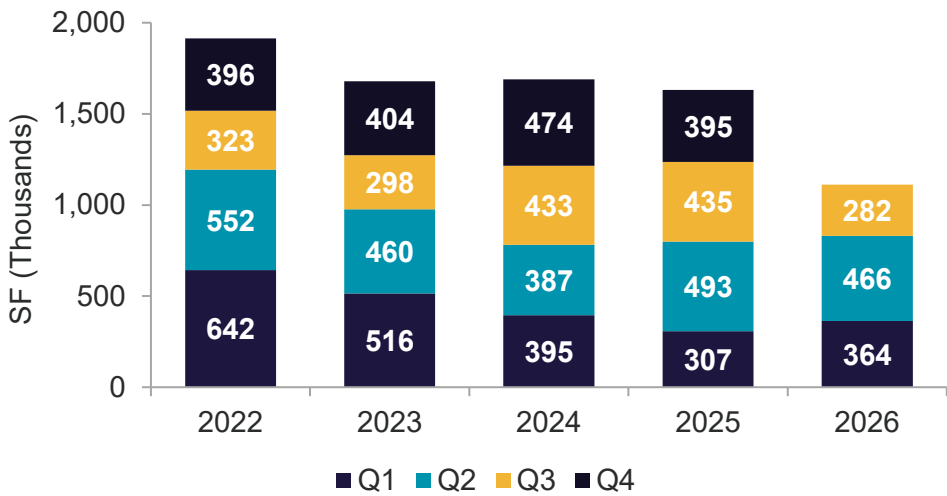
The overall vacancy rate continued its downward trajectory, dropping by 20 bps QOQ to 11.6%—its lowest point since Q2 2020. Nassau and Suffolk County closed out the quarter at 11.2% and 12.4%, respectively. While vacancy declined across most submarkets, Western Suffolk posted the largest quarterly improvement, decreasing 130 bps to 11.8%. Western Nassau remained the tightest submarket on Long Island, with vacancy declining 80 bps QOQ to 8.9%. Sublease vacancy fell 10 bps QOQ to 1.9%, totaling approximately 670,000 square feet (sf)—its lowest level since Q3 2020. Tenant demand outpaced new supply for the third consecutive quarter, resulting in 419,427 sf of occupancy gains year-to-date and sustaining the market’s positive momentum.

Long Island’s overall asking rent rose by \$0.29 per square foot (psf) QOQ to \$33.62 psf, with gains observed in both Nassau and Suffolk County. Eastern Nassau registered the largest quarterly increase, up \$1.07 psf to \$31.65 psf, while Western Nassau maintained its position as the most expensive submarket on Long Island at \$40.79 psf. Class A rents rose by \$0.14 psf QOQ to \$37.74 psf as the flight-to-quality trend continued to exert upward pressure on Class A pricing.

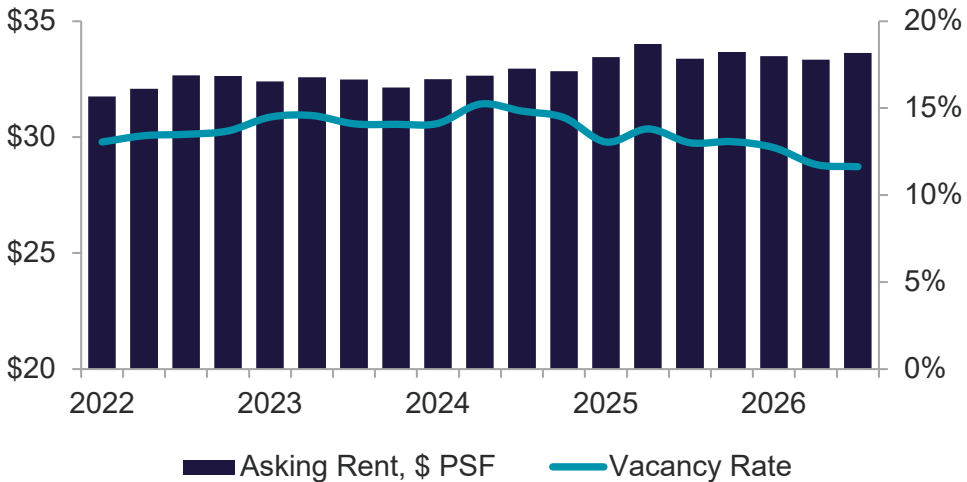
DEMAND: NEW LEASING ACTIVITY SOFTENS DESPITE AN UPTICK IN RENEWAL VOLUME

New leasing activity remained healthy through the first three quarters of the year, totaling 1.1 million square feet. However, quarterly deal volume fell to 281,640 sf, representing a 39.6% QOQ decrease. Nassau County dominated leasing this quarter, accounting for nine of the top 10 leases signed. The largest transactions included NFP’s 68,910-sf renewal for the entire building at 45 Executive Drive in Plainview, and Ruskin, Moscou Faltischek, P.C.’s 55,668-sf renewal at 1 RXR Plaza in Uniondale. Sales activity remained robust during the quarter, with Long Island Power Authority’s acquisition of 1307 Walt Whitman Road in Melville for \$32.5 million, or \$167 psf, from Capital One. The transaction reflects a broader trend across Long Island, where Class A and B office properties continue to be purchased by end-users.

LEASING ACTIVITY



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	6,129,736	290,984	252,238	8.9%	48,006	71,428	168,873	0	\$40.79	\$39.87
Central Nassau	9,102,890	966,957	90,592	11.6%	53,334	216,021	278,957	0	\$36.30	\$37.09
Eastern Nassau	6,533,334	824,934	11,688	12.8%	-158,965	-92,665	134,894	0	\$31.65	\$39.53
NASSAU TOTALS	21,765,960	2,082,875	354,518	11.2%	-57,625	194,784	582,724	0	\$35.70	\$38.37
Western Suffolk	8,194,682	710,511	253,274	11.8%	109,978	199,371	233,472	0	\$31.49	\$35.76
Central Suffolk	4,682,675	564,994	63,735	13.4%	-8,939	25,272	295,655	0	\$26.97	\$32.68
SUFFOLK TOTALS	12,877,357	1,275,505	317,009	12.4%	101,039	224,643	529,127	0	\$29.92	\$35.41
LONG ISLAND TOTALS	34,643,317	3,358,380	671,527	11.6%	43,414	419,427	1,111,851	0	\$33.62	\$37.74

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	1,481,649	441,289	11.6%	8,504	306,521	650,288	0	\$37.74	\$37.67
Class B	18,033,159	1,876,731	230,238	11.7%	34,910	112,906	461,563	0	\$30.24	\$30.70

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

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	TENANT	SF	LEASE TYPE	SUBMARKET
45 Executive Drive, Plainview	NFP	73,500	Renewal*	Eastern Nassau
1 RXR Plaza, Uniondale	Ruskin Moscou Faltischek, P.C.	55,668	Renewal*	Central Nassau
5 Dakota Drive, Lake Success	Gregory Spektor & Associates P.C.	28,059	New Lease	Western Nassau
177-199 Crossways Park Drive, Woodbury	IMEG Consultants Corp	24,048	Expansion	Eastern Nassau

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SELLER / BUYER	SF	PRICE / \$ PSF	SUBMARKET
1307 Walt Whitman Road, Melville	Capital One / Long Island Power Authority	195,000	\$32.5M / \$167	Western Suffolk
33 Walt Whitman Road, Huntington Station	CAF Management / A2 Development Group, LLC	99,069	\$11.6M / \$117	Western Suffolk
100 East Old Country Road, Hicksville	National Grid / Rothman Rocco LaRuffa LLP	20,000	\$3.8M / \$188	Eastern Nassau
263-265 Indian Head Road, Kings Park	Joseph John / Blue Sea Educational Consulting	10,000	\$2.7M / \$270	Central Suffolk

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