MARKETBEAT

LONG ISLAND

INDUSTRIAL Q2 2026

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.9% Vacancy Rate		
314K YTD Net Absorption, SF		
$19.31 Asking Rent, PSF		

(Overall, Net Asking Rent)

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: OVERALL EMPLOYMENT RISES AS CONSTRUCTION AND MANUFACTURING SECTORS ADD JOBS

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. Construction employment increased by 1,100 jobs from one year ago, marking the first gain after 13 consecutive months of declines. Overall industrial employment fell quarter-over-quarter (QOQ) as losses of 1,048 jobs in the trade, transportation, and utilities sector offset a gain of 533 positions in the manufacturing sector.

SUPPLY AND DEMAND: NEW LEASING ACTIVITY HITS NEW MILESTONE AS VACANCY CONTINUES TO DECLINE

The industrial vacancy rate continued its downward trajectory, dropping by 30 bps QOQ to 4.9%—sitting below 5.0% for the first time since Q3 2024. The Central Suffolk submarket recorded the largest decrease, with vacancy dropping 60 bps QOQ to 5.2%, while Western Suffolk held the lowest vacancy rate in the market at 2.9%. Year-to-date (YTD) net absorption turned positive following a significant uptick in tenant demand this quarter, resulting in 314,272 square feet (sf) of occupancy gains.

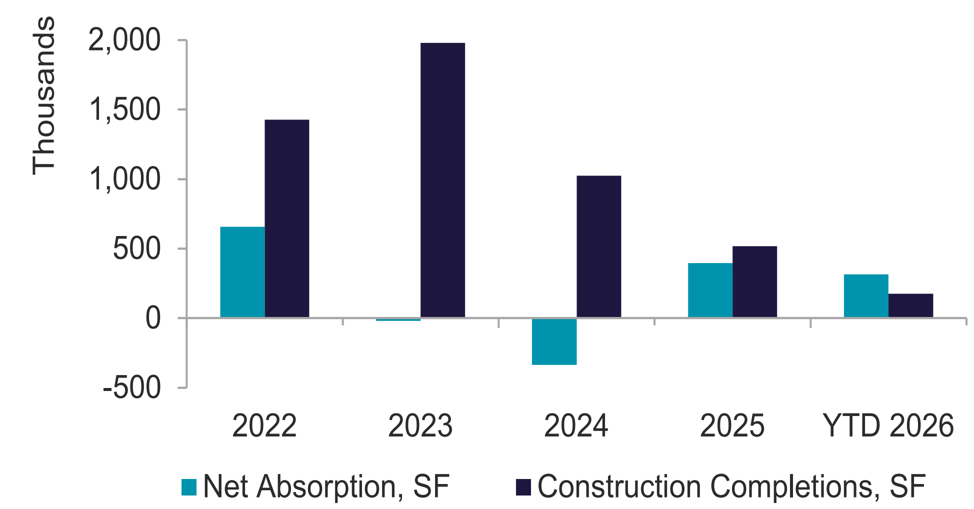
New leasing activity surged to 1.7 million square feet (msf) in Q2 2026, marking the highest quarterly volume ever recorded in Long Island's history and bringing YTD deal volume to 2.9 msf. The market has now posted four consecutive quarters with more than 1.0 msf leased for the first time since 2022. Nearly 75% of all leasing activity was concentrated in Suffolk County, which continued to lead the market. Notable transactions included Home Depot's record-setting 414,000-sf build-to-suit (BTS) lease at the Long Island Rail Terminal in Yaphank and OnTrac's 121,270-sf lease for the entire newly constructed building at 2950 Veterans Memorial Highway in Bohemia. Additionally, retailer/wholesaler, food & beverage, and logistics tenants accounted for approximately 71% of the total square footage leased so far this year.

The overall average asking rent rose by $0.16 per square foot (psf) QOQ to a new market high of $19.31 psf, with gains recorded across both counties. Western Nassau posted the largest increase, up 1.5% to $23.11 psf as new high-quality availabilities put upward pressure on pricing. Warehouse/distribution rents also edged higher, climbing by $0.07 psf to $19.49 psf.

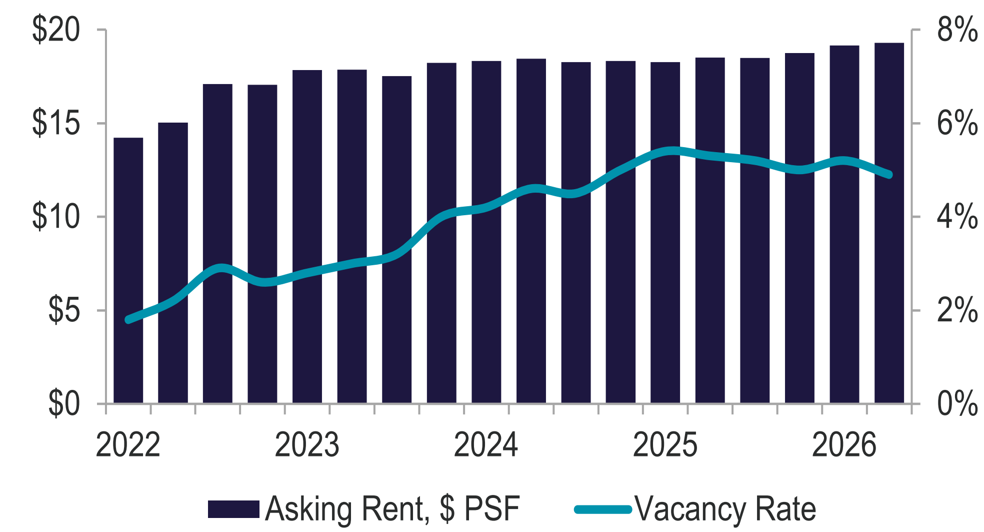
CONSTRUCTION: CONSTRUCTION PIPELINE EXPANDS FURTHER EAST AS DEVELOPERS REMAIN CONFIDENT

Market fundamentals remained robust as developers continued to bet on Long Island. The construction pipeline expanded this quarter as Ares Management broke ground on its speculative four-building, 528,818-sf logistics center in Bellport, slated to deliver in mid-2027. This brings the total square footage under construction to 1.7 msf across four sites. Additionally, Stonemont Financial Group finished its 37,000-sf BTS facility for GlacierPoint at 380 Oser Avenue in Hauppauge, bringing YTD construction completions to 174,470 sf. New projects are pushing further east across Long Island as industrial development sites become increasingly scarce in Nassau County and Western Suffolk.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	YTD LEASING ACTIVITY (SF)**	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	NEW CNSTR (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	15,851,319	685,829	179,170	4.3%	40,774	126,682	0	0	$23.66	$15.68	$23.47	$23.11
Central Nassau	6,818,098	244,330	33,893	3.6%	110	33,365	0	0	$24.15	N/A	$17.77	$20.35
Eastern Nassau	22,046,794	1,145,359	506,679	5.2%	75,855	85,516	0	0	$20.48	$19.56	$21.04	$20.84
NASSAU TOTALS	44,716,211	2,075,518	719,742	4.6%	116,739	245,563	0	0	$22.19	$18.35	$21.81	$21.66
Western Suffolk	30,186,002	878,738	638,987	2.9%	10,222	144,102	0	0	$19.89	$14.58	$20.61	$19.80
Central Suffolk	44,467,469	2,301,325	984,293	5.2%	246,329	-68,455	1,081,300	174,470	$17.25	$14.98	$19.65	$18.97
Eastern Suffolk	17,181,920	1,421,223	531,764	8.3%	9,951	-6,838	654,318	0	$29.50	$19.50	$16.08	$16.51
SUFFOLK TOTALS	91,835,391	4,601,286	2,155,044	5.0%	266,502	68,809	1,735,618	174,470	$19.81	$15.68	$18.63	$18.35
LONG ISLAND TOTALS	**136,551,602**	**6,676,804**	**2,874,786**	**4.9%**	**383,241**	**314,372**	**1,735,618**	**174,470**	**$21.44**	**$16.19**	**$19.49**	**$19.31**

*Rental rates reflect weighted net asking $psf/year
**Leasing activity does not include renewals

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

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SF	TENANT	PROPERTY TYPE	LEASE TYPE	SUBMARKET
8500 Express Drive South, Yaphank	414,000	Home Depot	Warehouse/ Distribution	Eastern Suffolk	New Lease
2950 Veterans Memorial Highway, Bohemia	121,270	OnTrac	Warehouse/ Distribution	Central Suffolk	New Lease
999 South Oyster Bay Road, Bethpage	107,842	Midnite Snax	Warehouse/ Distribution	Eastern Nassau	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SF	SELLER / BUYER	PROPERTY TYPE	PRICE / $PSF	SUBMARKET
Howard Katz Industrial Portfolio (5)	275,938	Howard Katz Realty & Construction / Spiegel Associates	Warehouse/ Distribution	$54.2M / $197	Multiple
1560 Fifth Avenue, Bay Shore	49,812	Reliance Communications / New Tiger International	Warehouse/ Distribution	$12.0M / $241	Central Suffolk
21 Executive Boulevard, Farmingdale	35,875	Enzo Biochem / Piping Rock Health Products	Manufacturing	$11.7M / $326	Western Suffolk

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
1 Computer Associates Plaza, Islandia	921,300	Trader Joe's	Trader Joe's	Central Suffolk
410 Woodside Avenue, Bellport	528,818	Ares Management	N/A	Eastern Suffolk
90 Wilshire Boulevard, Edgewood	160,000	Heartland Development	N/A	Central Suffolk

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