

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.3% Vacancy Rate	▲	▼
-202K YTD Net Absorption, SF	▼	▲
\$18.90 Asking Rent, PSF (Overall, Net Asking Rent)	▲	▲

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 INDUSTRIAL 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. Construction employment decreased by 1,400 jobs from one year ago, with declines in 14 of the last 16 months. Overall industrial employment also declined quarter-over-quarter (QOQ) with a loss of 392 jobs across the manufacturing, trade, transportation, and utilities sectors.

SUPPLY AND DEMAND: NEW LEASING ACTIVITY REMAINS ROBUST DESPITE UPTICK IN NEW SUPPLY

The industrial vacancy rate increased modestly by 40 bps QOQ to 5.3% yet remained significantly below the national average of 6.8%. Suffolk County accounted for the bulk of the increase, with vacancy rising 50 bps to 5.5% while Nassau County’s vacancy rose by 20 bps to 4.8%. The Western Suffolk submarket recorded the largest increase, up 160 bps to 4.5%, marking the first time since Q3 2024 that it is no longer had the lowest vacancy rate in the market. Net absorption concluded the quarter in negative territory, primarily due to the addition of eight spaces greater than 50,000 square feet (sf), despite a significant uptick in tenant demand.

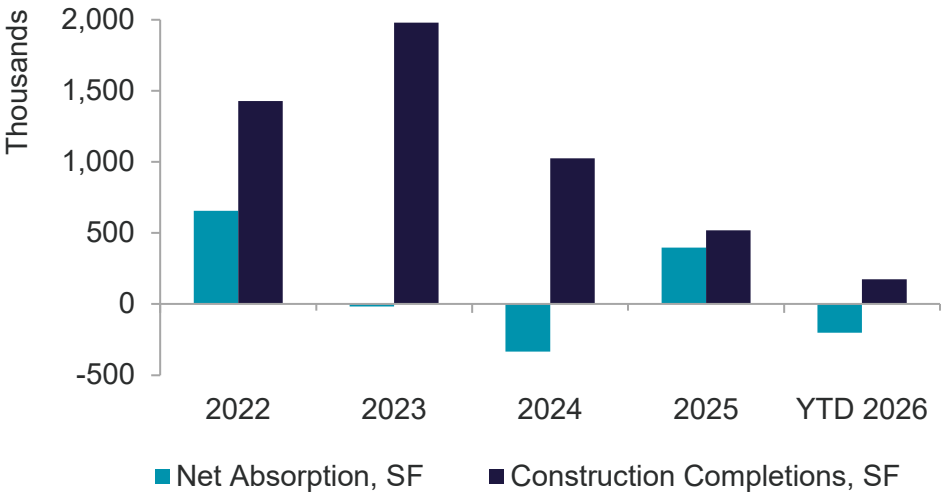
New leasing activity totaled 1.1 million square feet (msf) in Q3 2026, bringing year-to-date (YTD) deal volume to 4.0 msf, already surpassing 2025’s full-year total. The market has now posted five consecutive quarters with more than 1.0 msf leased for the first time in Long Island’s history. Suffolk county continued to lead the market, accounting for six out of the top 10 deals signed this quarter. Notable transactions included Cencora’s full-building renewal at 5500 New Horizons Boulevard in Amityville and Veritiv’s 107,011-sf new lease at the Old Nichols Commerce Center in Islandia. Additionally, retailer/wholesaler, logistics, and manufacturing tenants accounted for approximately 67% of the total square footage leased YTD.

The overall average asking rent fell by \$0.41 per square foot (psf) QOQ to \$18.90 psf, with losses observed in both counties. Western Nassau posted the largest decrease, down 7.7% to \$21.33 psf, as Class A availabilities continued to lease, putting downward pressure on pricing. Warehouse/distribution rents also edged lower, falling by \$0.25 psf to \$19.24 psf.

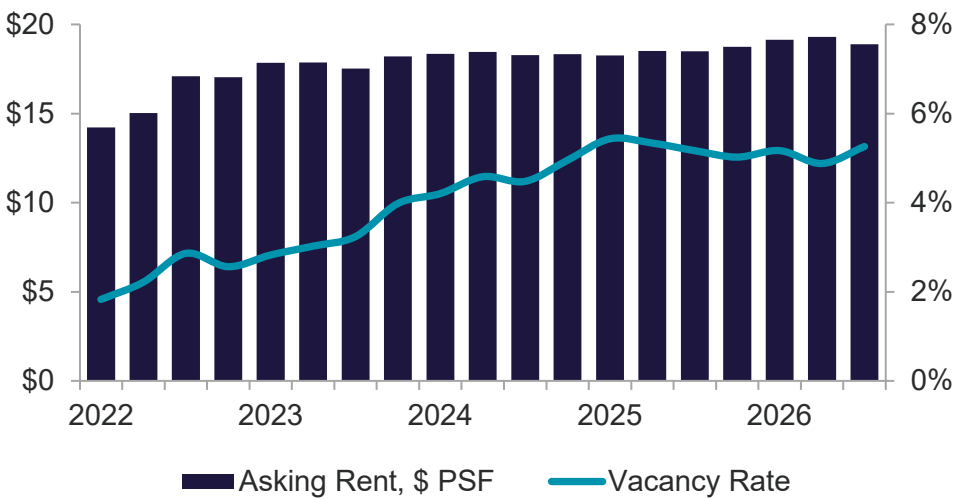
CONSTRUCTION: CONSTRUCTION PIPELINE CONTINUES TO EXPAND WITH ONE NEW PROJECT

Market fundamentals remained stable as developers continued to invest in Long Island. The construction pipeline expanded again this quarter with the addition of one new project. Ares Management broke ground on its second speculative development, a 332,920-sf logistics center in Medford, slated to deliver in mid-2027. This brings the total square footage under construction to 2.1 msf across five sites. New projects continue to push into Eastern Suffolk, driven by the availability of commercial land and comparatively lower real estate taxes.

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	15,929,824	646,932	528,933	4.1%	38,897	164,999	0	0	\$28.50	\$15.98	\$21.54	\$21.33
Central Nassau	6,817,798	265,550	47,793	3.9%	-21,220	12,145	0	0	\$24.15	N/A	\$18.64	\$20.53
Eastern Nassau	22,046,794	1,256,752	681,430	5.7%	-111,393	-25,877	0	0	\$20.44	\$20.12	\$20.96	\$20.81
NASSAU TOTALS	44,794,416	2,169,234	1,258,156	4.8%	-93,716	151,267	0	0	\$21.51	\$19.16	\$21.01	\$20.95
Western Suffolk	30,236,136	1,355,085	724,492	4.5%	-480,347	-332,245	0	0	\$16.75	\$15.11	\$19.31	\$18.70
Central Suffolk	44,485,219	2,325,006	1,339,007	5.2%	-23,681	-92,136	1,081,300	174,470	\$14.81	\$14.35	\$19.81	\$18.62
Eastern Suffolk	17,181,920	1,343,694	700,389	7.8%	77,529	70,691	987,238	0	\$29.50	\$19.50	\$16.18	\$16.62
SUFFOLK TOTALS	91,903,275	5,023,785	2,763,888	5.5%	-426,499	-353,690	2,068,538	174,470	\$16.27	\$15.38	\$18.56	\$18.08
LONG ISLAND TOTALS	136,697,691	7,193,019	4,022,044	5.3%	-520,215	-202,423	2,068,538	174,470	\$18.85	\$16.07	\$19.24	\$18.90

*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 Q3 2026

PROPERTY	SF	TENANT	PROPERTY TYPE	LEASE TYPE	SUBMARKET
5500 New Horizons Boulevard, Amityville	138,000	Cencora	Warehouse/ Distribution	Western Suffolk	Renewal*
100 Inip Drive, Inwood	108,640	Yanwen Express	Warehouse/ Distribution	Western Nassau	New Lease
981 Olde Nichols Road, Islandia	107,011	Veritiv	Warehouse/ Distribution	Central Suffolk	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SF	SELLER / BUYER	PROPERTY TYPE	PRICE / \$PSF	SUBMARKET
Link Logistics Real Estate Portfolio (3)	270,888	Link Logistics Real Estate / LaSalle Investment Management & Camber Property Group	Warehouse/ Distribution	\$75.0M / \$277	Multiple
1800 Motor Parkway, Islandia	55,335	Sterling Investors / Hummus Fit	Warehouse/ Distribution	\$18.0M / \$325	Central Suffolk
210 Express Street, Plainview	20,040	Hunter-Lane Holdings LLC / Anton Cerrone Realty	Warehouse/ Distribution	\$6.3M / \$312	Eastern Nassau

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
103 Bellport Avenue, Medford	332,920	Ares Management	N/A	Eastern Suffolk

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