



## **CBRE releases second quarter Long Island office market report**

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MELVILLE, NY According to CBRE's second quarter Long Island office market report, the Long Island market continued to strengthen during Q2 2018. Nassau and Suffolk counties maintained a steady pace of leasing activity, with smaller deals driving the market.

Leasing activity in Long Island totaled 477,000 s/f during Q2 2018, a 23% increase from Q2 2017, but down 6% quarter-over-quarter. The availability rate fell to 10.8% during Q2, down 110 basis points (bps) from Q1 2018 and the market's lowest quarterly level since Q1 2005. For sought-after class A space, the availability rate was even tighter, continuing its downward trend and dropping to 9.5%, a year-over-year decrease of 1.4%.

"There is a clear demand in the Long Island market for premium, class A office space," said Janet Wachter, a senior research analyst with CBRE. "This demand significantly outweighs the supply of available Class A space, leading many landlords to reinvest in their class B properties."

Tricia Shay, the managing director of CBRE's Long Island operations, added, "In order to stay competitive and capture tenants pushed out of the class A market, owners are making significant renovations to update their buildings and offer more modern spaces and amenities. As the availability rate in Long Island continues to decline, we can expect to see more competition among both landlords and tenants when it comes to leasing office space, especially in the class A sector."

The lack of class A space in Long Island led the availability of class B space to tighten; the class B availability rate was 12% during Q2, down 1.8% year-over-year. This consumption of class B space also drove the market's positive net absorption of 274,000 s/f during Q2. Long Island's overall average asking rent remained stable at \$26.87 per s/f.

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