



David Pennetta: Where are we now, where are we headed and where are the opportunities?

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Soon it will be four years from the date of the first sub-prime debacle news and we haven't been able to use experience garnered from the last downturn of the 1990s as the metrics have been very different.

One of the biggest inhibitions to the growth of the island, high entry barriers and a long entitlement process, became our saving grace as there wasn't much new product to absorb. Sublease space availability in both Nassau and Suffolk Counties for office space peaked in the first half of 2010 and has now fallen by 0.6% to a 2.1% vacancy in Nassau and has fallen by 0.6% to a 1.3% vacancy in Suffolk. Direct space availability has been steadily increasing 0.8% over that same period to 14.8% in Nassau while decreasing 1.2% over that same period to 14.4% in Suffolk. Total current availability for Nassau office is 16.9% and Suffolk 15.7%.

Opportunities are hard to come by but creativity will be rewarded. Packaging the acquisition of vacant buildings from both owners and special servicers/lenders with new leases to tenants in the market will be the most rewarding and most financable.

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