



Long Island commercial market report: Covering the office, retail and industrial sectors

June 09, 2015 - Long Island

As the first quarter of 2015 recently came to a close we felt it would be helpful to craft for you a report consisting of the Long Island commercial real estate market statistics for the first quarter of 2015. In this report, we will cover the office, retail, and industrial markets. To most easily digest this information, we will break it down simply by market.

First, let's focus on Long Island's office market - The Nassau and Suffolk County office market ended the first quarter of 2015 with a vacancy rate of 9.6%. This is a very slight increase from the close of the fourth quarter of 2014 where vacancy rates were at 9.5%. As for rental rates in Nassau and Suffolk County's office market, at the close of the first quarter of 2015 the rental rates were down from the previous quarter, closing first quarter 2015 at \$25.22 per s/f. This is a decrease from the fourth quarter of 2014 of about 1.4%, or \$25.58 per s/f. As for cap rates, these rates are higher now than they were this time last year, and are averaging around 7.29% compared to then at 6.65%.

Next, we will look at Long Island's industrial market.

The Nassau and Suffolk County industrial market ended the first quarter of 2015 with a vacancy rate of 4.6%. This is the same rate as the fourth quarter of 2014; therefore, we are seeing a steadiness in Long Island's industrial market. As for rental rates in Nassau and Suffolk County's industrial market, in the first quarter 2015 rental rates have increased since the close of the fourth quarter of 2014. The first quarter of 2015 closed with rental rates averaging at \$9.84 per s/f, which is a 4.2% increase from the fourth quarter of 2014, or \$9.44 per s/f. As for cap rates, these rates are less than they were this time last year, and are now averaging around 8.03%. To compare, this time last year cap rates were around 9.18%.

Lastly, we have the Long Island retail market.

The Nassau and Suffolk County retail market ended the first quarter of 2015 with a vacancy rate of 4.4%. This is a decrease from the close of the fourth quarter of 2014 where vacancy rates were at 4.6%. This proves that Long Island's retail market is indeed strengthening. As for rental rates, first quarter 2015 rates closed at \$24.35 per s/f. This is a slight decrease in rental rates from the close of the first quarter of 2014 where rental rates were at \$24.48 per s/f. As for cap rates, these rates are less than they were this time last year, and are now averaging around 7.06%. To compare, this time last year cap rates were around 7.46%.

Ron Koenigsberg is the president of American Investment Properties, Inc., Garden City, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540