



Long Island's office and industrial markets show signs of resilience

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Dimitri Mastrogiannis

New York, NY Cushman & Wakefield released its third quarter office and industrial statistics for Long Island, showing that while the office market faces rising vacancy rates, leasing activity remained vigorous over the third quarter; meanwhile, the industrial sector demonstrated strong rental growth despite a stable vacancy rate.

“In the third quarter, Long Island’s office market saw a slight rise in vacancy rates, moving up 20 basis points to 15.2%,” said Dimitri Mastrogiannis, senior research analyst with Cushman & Wakefield for Long Island and NYC outer boroughs industrial. “Nonetheless, the 7.9% increase in leasing activity indicates a robust demand for space, particularly in Suffolk County, which continues to show positive net absorption.”

Over the third quarter, new leasing activity on Long Island reached 410,000 s/f. The market recorded a direct average asking rent of \$33.33 per s/f, a minor decrease of \$0.03 from the previous quarter, as more sublease space became available.

“The industrial sector continues to thrive with a direct average asking rent of \$18.22 per s/f, reflecting the highest quality spaces being leased,” said Mastrogiannis. “With 694,000 s/f currently under construction and slated for completion by Q1 2025, we expect the industrial market to sustain its robust trajectory.”

Long Island’s industrial market recorded 902,000 s/f of new leasing activity, representing a 9.8% increase since last quarter. The market maintained a 4.7% vacancy rate, underscoring strong demand that aligns closely with new supply.

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