



**NAL** Long Island

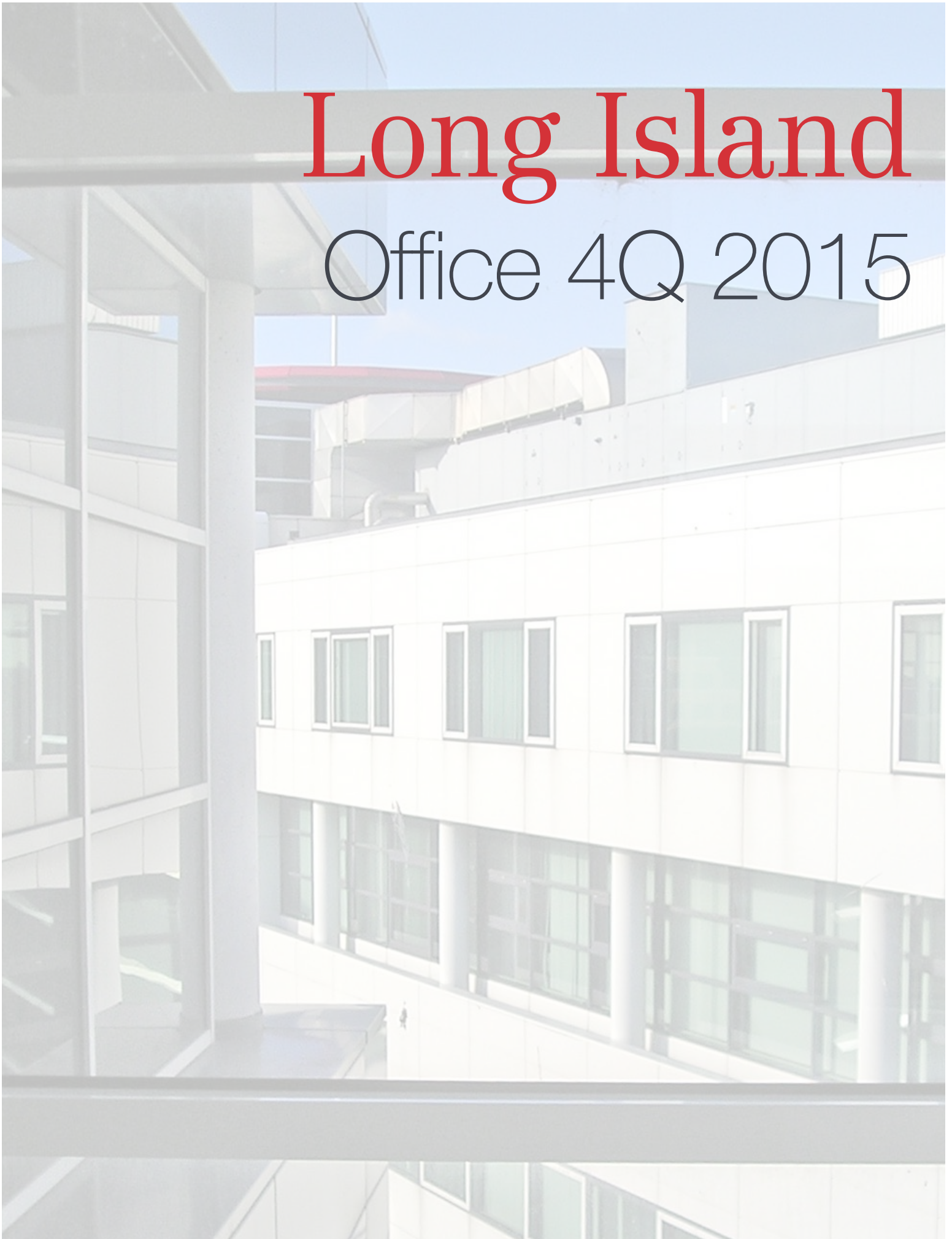
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

4Q'15

Long Island Market Report

# Long Island

Office 4Q 2015



# Long Island 4Q15 Office Report



The Long Island Office market ended the fourth quarter 2015 with a vacancy rate of 7.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 422,892 square feet in the fourth quarter.

Net absorption for the overall Long Island office market was positive 422,892 square feet in the fourth quarter 2015. That compares to positive 1,127,443 square feet in the third quarter 2015, positive 406,964 square feet in the second quarter 2015, and positive 60,337 square feet in the first quarter 2015.

During the fourth quarter 2015, seven buildings totaling 229,435 square feet were completed in the Long Island market area. This compares to one building totaling 595,000 square feet completed in the third quarter 2015, three buildings totaling 81,428 square feet completed in the second quarter 2015, and 197,905 square feet in six buildings completed in the first quarter 2015.

The average quoted asking rental rate for available office space, all classes, was \$28.28 per square foot per year at the end of the fourth quarter 2015 in the Long Island market area. This represented a 0.1% increase in quoted rental rates from the end of the third quarter 2015, when rents were reported at \$28.24 per square foot.

Tallying office building sales of 15,000 square feet or larger, Long Island (New York) office sales figures rose during the third quarter 2015 in terms of dollar volume compared to the second quarter of 2015. One of the largest transactions that occurred within the last four quarters in the Long Island (New York) market is the sale of The Center Building in Long Island City. This 444,606-square-foot office building sold for \$142,000,000, or \$319.38 per square foot. The property sold on 3/18/2015 at a 5.88% cap rate.

Total office building sales activity in 2015 was down compared to 2014. In the first nine months of 2015, the market saw 48 office sales transactions with a total volume of \$613,722,753. The price per square foot averaged \$256.40. In the same first nine months of 2014, the market posted 46 transactions with a total volume of \$1,087,485,718. The price per square foot averaged \$256.18.

## Trends for 4Q15



VACANCY RATE



NET ABSORPTION



CONSTRUCTION



ASKING RATES



SALES ACTIVITY



## Significant Lease Transactions:

Tenant	Building	Size	Submarket
Publishers Clearing House	300 Jericho Quadrangle	172,000 SF	Eastern Nassau
WeWork	Montague Pavillion Condominium	76,580 SF	Downtown Brooklyn
Time Inc.	Industry City Building 1	52,714 SF	Downtown Brooklyn

# Market Overview Report - 4Q 2015

## Total Office Submarket Statistics

SUBMARKET	# BLDGS.	TOTAL RBA (SF)	TOTAL AVAILABLE (SF)	TOTAL VACANT AVAILABLE (%)	TOTAL NET ABSORPTION (SF)	TOTAL AVG. RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Nassau	546	14,901,825	1,240,839	8.3%	162,333	\$26.68	255,000
Central Queens	237	4,158,307	119,989	2.9%	48,267	\$32.70	0
Central Suffolk	1,039	9,627,665	790,669	8.2%	15,897	\$19.82	44,000
Downtown Brooklyn	192	22,567,836	1,492,647	6.6%	59,613	\$55.80	164,590
Eastern Nassau	517	13,660,986	1,440,228	10.5%	120,587	\$27.32	0
Eastern Suffolk	621	3,501,075	227,135	6.5%	57,171	\$22.98	12,330
North Brooklyn	618	10,271,676	1,379,277	13.4%	276,798	\$27.51	535,920
Northeast Queens	649	11,012,473	298,839	2.7%	268,104	\$34.43	305,350
Northern Nassau	207	1,447,222	126,128	8.7%	11,718	\$23.86	0
Northwest Queens	389	13,482,748	780,278	5.8%	410,508	\$32.24	54,963
South Brooklyn	849	10,791,850	579,898	5.4%	242,204	\$30.75	101,089
South Queens	340	5,597,048	446,617	8.0%	(103,377)	\$27.76	0
Southeast Nassau	204	1,363,533	49,355	3.6%	33,415	\$24.64	0
Southern Nassau	557	5,632,596	415,618	7.4%	70,422	\$24.88	0
Southwestern Suffolk	497	3,181,473	155,386	4.9%	26,791	\$17.88	0
Staten Island	872	6,501,462	420,964	6.5%	67,400	\$26.14	47,959
Western Nassau	459	12,963,235	1,261,050	9.7%	172,904	\$30.38	288,089
Western Suffolk	1,269	23,756,947	2,257,908	9.5%	75,881	\$24.77	17,641
<b>TOTALS</b>	<b>10,062</b>	<b>174,419,957</b>	<b>13,151,383</b>	<b>7.7%</b>	<b>2,017,636</b>	<b>\$28.24</b>	<b>1,826,931</b>

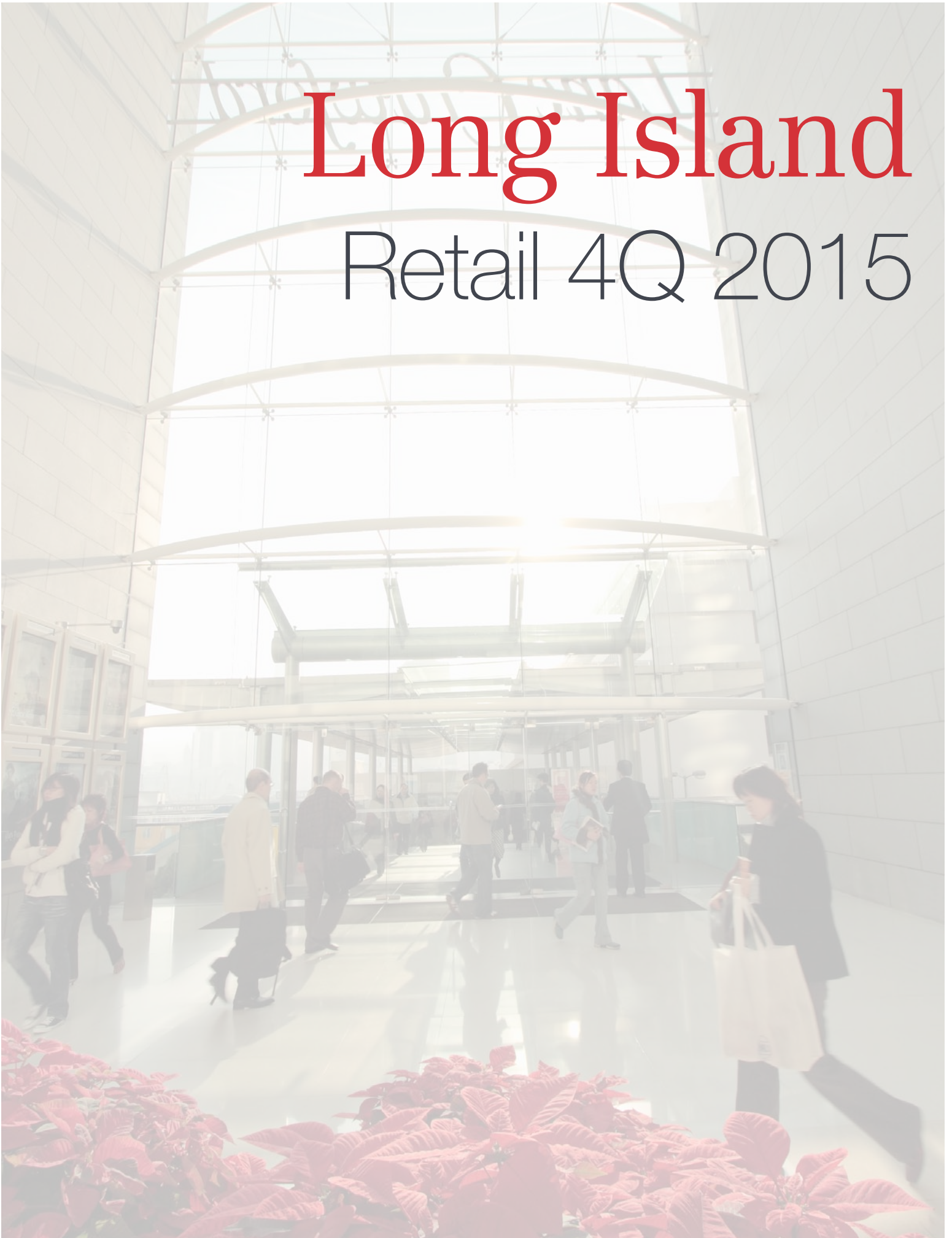
### Construction Activity | Markets Ranked by Under Construction SF

MARKET	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Brooklyn	15	801,599	318,835	39.8%	26,300	53,440
Queens	4	543,089	488,090	89.9%	20,068	135,772
Nassau	8	360,313	309,524	85.9%	21,208	45,039
Suffolk	4	73,971	22,203	30.0%	11,695	18,493
Staten Island	2	47,959	0	0.0%	7,456	23,979



# Long Island

Retail 4Q 2015



# Long Island 4Q15 Retail Report

Retail



The Long Island retail market did not experience much change in market conditions in the fourth quarter 2015. The vacancy rate went from 3.7% in the previous quarter to 3.6% in the current quarter.

Retail net absorption was moderate in Long Island fourth quarter 2015, with positive 559,255 square feet absorbed in the quarter. In third quarter 2015, net absorption was positive 907,691 square feet, while in second quarter 2015, absorption came in at positive 573,177 square feet. In first quarter 2015, positive 309,026 square feet was absorbed in the market.

During the fourth quarter 2015, 10 buildings totaling 277,897 square feet were completed in the Long Island retail market. Over the past four quarters, a total of 883,799 square feet of retail space has been built in Long Island. In addition to the current quarter, 12 buildings with 385,212 square feet were completed in third quarter 2015, 10 buildings totaling 91,396 square feet completed in second quarter 2015, and 129,294 square feet in six buildings completed in first quarter 2015.

Average quoted asking rental rates in the Long Island retail market are up over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the fourth quarter 2015 at \$32.94 per square foot per year. That compares to \$32.48 per square foot in the third quarter 2015, and \$31.34 per square foot at the end of the first quarter 2015.

Tallying retail building sales of 15,000 square feet or larger, Long Island (New York) retail sales figures rose during the third quarter 2015 in terms of dollar volume compared to the second quarter of 2015. In the third quarter, 16 retail transactions closed with a total volume of \$536,964,933. The 16 buildings totaled 1,376,198 square feet and the average price per square foot equated to \$390.18. That compares to 23 transactions totaling \$304,415,129 in the second quarter 2015. The total square footage in the second quarter was 716,895 square feet for an average price per square foot of \$424.63.

Total retail center sales activity in 2015 was up compared to 2014. In the first nine months of 2015, the market saw 66 retail sales transactions with a total volume of \$1,084,190,062.

## Trends for 4Q15



VACANCY RATE



NET ABSORPTION



CONSTRUCTION



ASKING RATES



SALES ACTIVITY



## Significant Lease Transactions:

Tenant	Building	Size	Submarket
Regal Cinemas	321 Merrick Rd	70,000 SF	Southern Nassau
Century 21 Department Store	Green Acres Mall	72,266 SF	Western Suffolk
Burlington Coat Factory	16016 Jamaica Ave.	70,000 SF	Western Suffolk

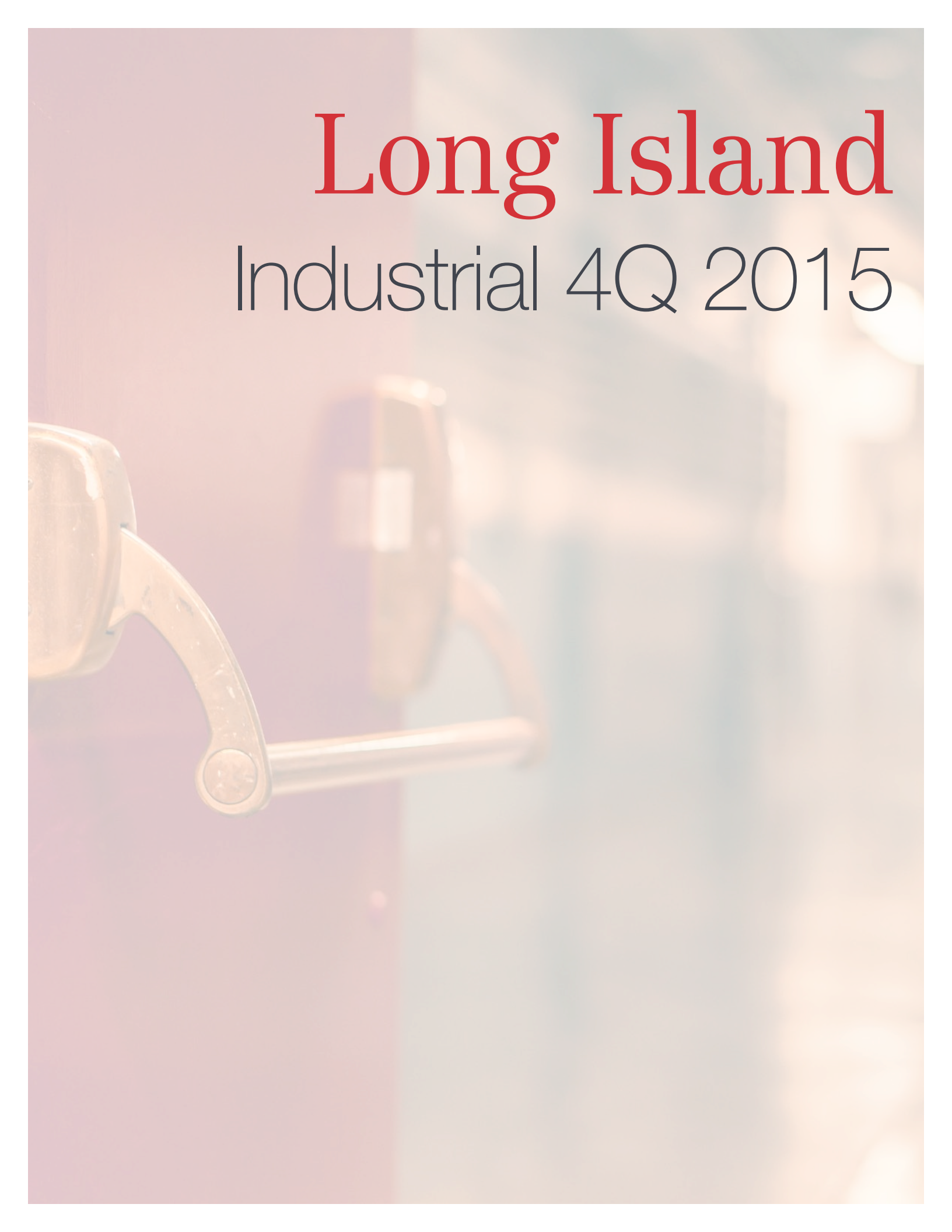
# Market Overview Report - 4Q 2015

## Total Retail Submarket Statistics

SUBMARKET	# BLDGS.	TOTAL GLA (SF)	TOTAL AVAILABLE (SF)	TOTAL VACANT AVAILABLE (%)	TOTAL NET ABSORPTION (SF)	TOTAL AVG. RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Nassau	1,110	15,092,014	689,711	4.6%	219,449	\$25.58	8,965
Central Queens	1,691	13,223,888	411,611	3.1%	139,639	\$36.10	69,154
Central Suffolk	2,286	25,839,482	1,073,758	4.2%	137,530	\$22.52	69,982
Downtown Brooklyn	514	5,764,075	191,166	3.3%	52,738	\$89.92	737,800
Eastern Nassau	939	13,490,203	417,833	3.1%	78,495	\$25.82	0
Eastern Suffolk	1,729	12,729,339	561,704	4.4%	98,021	\$28.50	5,716
North Brooklyn	7,729	40,286,989	1,233,655	3.1%	93,053	\$55.51	311,706
Northeast Queens	2,641	21,446,949	605,995	2.8%	108,686	\$57.62	95,458
Northern Nassau	475	2,879,249	130,876	4.5%	39,207	\$40.55	21,000
Northwest Queens	1,397	11,363,091	272,562	2.4%	71,145	\$47.86	19,697
South Brooklyn	6,116	35,479,737	1,244,353	3.5%	484,588	\$39.29	99,197
South Queens	2,263	16,338,668	744,363	4.6%	382,653	\$33.91	34,515
Southeast Nassau	669	7,171,302	199,104	2.8%	43,973	\$26.13	0
Southern Nassau	1,759	15,607,288	810,410	5.2%	108,762	\$23.48	0
Southwestern Suffolk	1,144	11,494,940	392,145	3.4%	66,254	\$21.77	28,000
Staten Island	2,332	17,355,455	489,750	2.8%	106,473	\$31.41	761,100
Western Nassau	935	8,740,083	281,955	3.2%	60,464	\$34.74	0
Western Suffolk	2,522	24,694,261	982,053	4.0%	58,019	\$24.46	39,684
<b>TOTALS</b>	<b>37,610</b>	<b>298,997,013</b>	<b>10,732,754</b>	<b>3.6%</b>	<b>2,349,149</b>	<b>\$32.94</b>	<b>2,301,974</b>

### Construction Activity | Markets Ranked by Under Construction SF

MARKET	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U/C
Brooklyn	19	1,148,703	838,730	73.0%	5,943	60,458
Staten Island	3	761,100	758,000	99.6%	7,442	253,700
Queens	22	218,824	151,010	69.0%	7,804	9,947
Suffolk	6	143,382	32,263	22.5%	9,733	23,897
Nassau	4	29,965	12,065	40.3%	10,698	7,491

The background of the slide is a blurred industrial setting. In the foreground on the left, there is a close-up of a metal handle or lever, possibly part of a machine or door. The rest of the image is out of focus, showing various industrial components and structures in shades of blue, grey, and white.

# Long Island

## Industrial 4Q 2015



# Long Island 4Q15 Industrial Report

Industrial



The Long Island Industrial market ended the fourth quarter 2015 with a vacancy rate of 3.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,103,281 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 348,874 square feet. Rental rates ended the fourth quarter at \$12.79, a decrease over the previous quarter. One building delivered to the market in the quarter totaling 3,088 square feet, with 510,274 square feet still under construction at the end of the quarter.

Net absorption for the overall Long Island Industrial market was positive 1,103,281 square feet in the fourth quarter 2015. That compares to positive 1,260,757 square feet in the third quarter 2015, positive 338,124 square feet in the second quarter 2015, and positive 151,915 square feet in the first quarter 2015.

During the fourth quarter 2015, one building totaling 3,088 square feet was completed in the Long Island market area. This compares to one building totaling 19,414 square feet completed in the third quarter 2015, two buildings totaling 52,000 square feet completed in the second quarter 2015, and 95,286 square feet in three buildings completed in the first quarter 2015.

The average quoted asking rental rate for available Industrial space was \$12.79 per square foot per year at the end of the fourth quarter 2015 in the Long Island market area. This represented a 3.0% decrease in quoted rental rates from the end of the third quarter 2015, when rents were reported at \$13.19 per square foot.

Tallying industrial building sales of 15,000 square feet or larger, Long Island (New York) industrial sales figures rose during the third quarter 2015 in terms of dollar volume compared to the second quarter of 2015. In the third quarter, 39 industrial transactions closed with a total volume of \$379,988,098. The 39 buildings totaled 2,072,198 square feet and the average price per square foot equated to \$183.37. That compares to 39 transactions totaling \$302,581,000 in the second quarter. The total square footage was 1,809,232 for an average price per square foot of \$167.24.

## Trends for 4Q15



VACANCY RATE



NET ABSORPTION



CONSTRUCTION



ASKING RATES



SALES ACTIVITY



## Significant Lease Transactions:

Tenant	Building	Size	Submarket
N/A	500 Commack Rd.	314,475 SF	Northwest Suffolk
Ch Gowanus LLC	75 10th St.	166,952 SF	North Brooklyn Ind.
Supplytek International	10203 Avenue D	152,000 SF	South Brooklyn

# Market Overview Report - 4Q 2015

## Total Industrial Submarket Statistics

SUBMARKET	# BLDGS.	TOTAL RBA (SF)	TOTAL AVAILABLE (SF)	TOTAL VACANT AVAILABLE (%)	TOTAL NET ABSORPTION (SF)	TOTAL AVG. RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Nassau Ind.	452	9,445,328	396,988	4.2%	(43,048)	\$12.97	0
Central Queens Ind.	684	20,289,510	369,075	1.8%	80,633	\$15.26	48,742
Deer Park Ind.	716	17,273,970	409,500	2.4%	89,715	\$8.12	0
East Farmingdale Ind.	609	19,413,579	383,238	2.0%	170,290	\$10.30	0
Eastern Nassau Ind.	711	24,113,231	1,204,319	5.0%	263,463	\$10.79	44,000
Eastern Suffolk Ind.	350	4,975,366	427,076	8.6%	85,288	\$9.04	14,860
Hauppauge Ind.	643	26,094,660	720,187	2.8%	415,319	\$8.54	292,000
North Brooklyn Ind.	3,099	59,110,489	2,309,954	3.9%	(176,075)	\$22.03	3,626
North Central Suffolk Ind.	198	3,301,160	86,184	2.6%	45,305	\$11.29	0
Northeast Queens Ind.	554	11,581,186	214,369	1.9%	44,626	\$18.17	49,621
Northern Nassau Ind.	105	2,414,876	519,548	21.5%	(14,900)	\$10.95	0
Northwest Queens Ind.	1,425	34,340,687	1,061,928	3.1%	168,426	\$16.99	0
Northwest Suffolk Ind.	223	3,370,172	434,576	12.9%	(296,295)	\$13.30	0
Ronkonkoma/Bohemia Ind.	729	18,060,518	394,806	2.2%	407,145	\$8.71	0
South Brooklyn Ind.	1,425	36,803,421	1,599,807	4.3%	804,229	\$16.09	48,000
South Central Suffolk Ind.	383	9,926,806	359,733	3.6%	120,873	\$8.15	0
South Queens Ind.	601	13,056,916	483,876	3.7%	170,501	\$13.77	9,425
Southeast Nassau Ind.	76	922,738	0	0.0%	5,784	\$0.00	0
Southern Nassau Ind.	716	11,341,388	543,620	4.8%	286,500	\$10.80	0
Southwest Suffolk Ind.	609	10,495,200	220,972	2.1%	21,422	\$8.94	0
Staten Island Ind.	317	6,013,898	270,031	4.5%	122,426	\$12.54	0
Western Nassau Ind.	320	8,043,760	110,355	1.4%	82,450	\$14.91	0
<b>TOTALS</b>	<b>15,001</b>	<b>350,388,859</b>	<b>12,520,142</b>	<b>3.6%</b>	<b>2,854,077</b>	<b>\$12.79</b>	<b>510,274</b>

### Construction Activity | Markets Ranked by Under Construction RBA

MARKET	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Western Suffolk Ind.	2	292,000	292,000	100.0%	27,374	146,000
Queens Ind.	7	107,788	98,363	91.3%	24,286	15,398
Brooklyn Ind.	2	51,626	3,626	7.0%	20,942	25,813
Nassau Ind.	1	44,000	44,000	100.0%	23,648	44,000
Eastern Suffolk Ind.	1	14,860	14,860	100.0%	14,215	14,860
Staten Island Ind.	0	0	0	0.0%	18,971	0
Central Suffolk Ind.	0	0	0	0.0%	23,884	0

# NAI Long Island Who We Are

NAI Long Island provides its clients with a menu of real estate services and specialized support. Our goal is to be able to customize a delivery platform based on a client's requirements. Unlike a "one size fits all" business philosophy, NAI Long Island and its account executives understand that clients require different services, and in order for a client to knowledgeably order from our menu, we are pleased to provide a basic description of what NAI Long Island offers.

Founded in 1980, NAI Long Island is acknowledged in the industry as a brokerage firm which demonstrates excellence and quality. Our professional staff have in-depth market knowledge, experience and the proven ability to negotiate successful client specific transactions. Our expertise is complemented and enhanced by a professional staff, state of the art systems, and a computerized database to provide current market and property information. NAI Long Island operates in the New York Metropolitan area, and is the Long Island and Queens local firm and exclusive member of NAI Global, the world's most extensive commercial real estate services organization.

The philosophy of NAI Long Island is to consistently provide unsurpassed quality of service to our clients in all facets of brokerage and property management, and to maintain a positive, creative work environment in order to attract the most talented real estate professionals. By focusing on these fundamentals, we believe our business will continue to prosper and grow.

NAI Long Island has assembled an outstanding group of professionals who are specialists in the management, sales, and leasing of properties. We believe our understanding of the market, and our local and regional marketing capabilities are unsurpassed. Strategies implemented by NAI Long Island include a combination of marketing fundamentals and innovative targeting and promotion, based on a clear understanding of the competitive positioning of the property. An important component in our approach to marketing is close coordination with the owner and property manager to ensure that each aspect of property operations enhances its marketability.



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# NAI Long Island

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

NAI Long Island  
175 Broadhollow Road | Suite 150 | Melville NY 11747 | USA  
+1 631 270 3000 | [www.nailongisland.com](http://www.nailongisland.com)