

FIGURES | LONG ISLAND INDUSTRIAL | Q3 2026

Positive Absorption Continues Amid Stable Vacancy



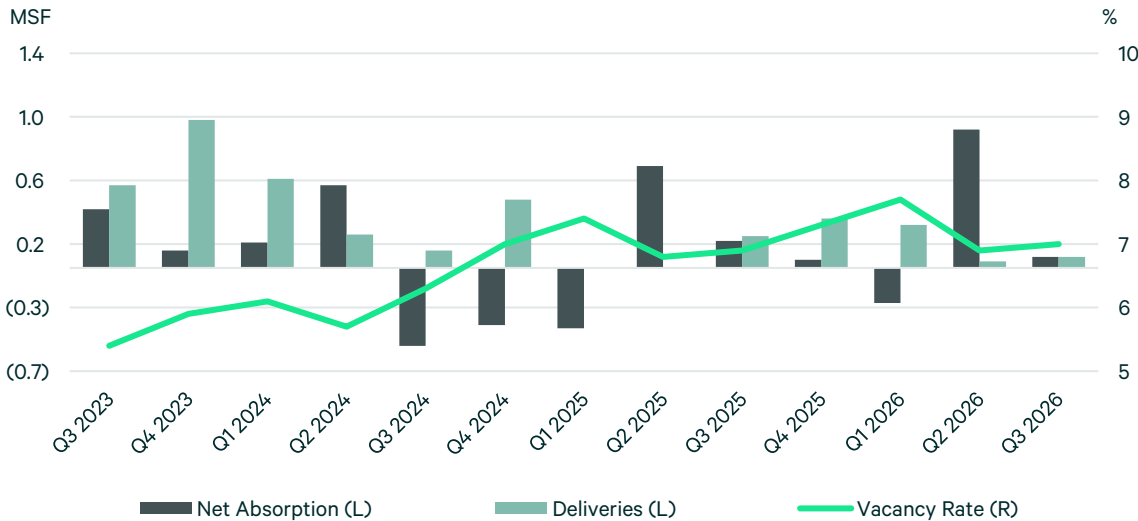
Note: Arrows indicate change from previous quarter.

Market Overview

The Long Island industrial market remained stable in Q3 2026, supported by steady tenant demand and a limited supply of large-block space. Leasing activity moderated to 815,000 sq. ft. in Q3 from 1.6 million sq. ft. in the previous quarter, with two transactions exceeding 100,000 sq. ft. contributing to the total. Net absorption remained positive at 66,000 sq. ft., representing the second consecutive quarter of occupancy gains and bringing year-to-date absorption to 715,000 sq. ft. While leasing activity moderated from the exceptionally active prior quarter, tenant demand remained sufficient to support positive absorption.

At 7.0%, vacancy was unchanged during the quarter and remained below the peak level recorded earlier in 2026. Development activity remained active but more measured than in prior years, with 70,000 sq. ft. delivered during the quarter and 1.78 million sq. ft. under construction. With supply and demand moving into better balance, average asking rents remained stable at \$18.79 per sq. ft.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Asking Rent

Average asking rents were largely unchanged in Q3 2026, holding at \$18.79 per sq. ft., flat quarter-over-quarter and down 2.0% year-over-year. While rent growth has plateaued in recent quarters, overall pricing remains above historical levels, with asking rents up nearly 2% since Q3 2023. This sustained pricing strength has been supported in part by the delivery of newer, higher-quality industrial properties, which continue to command rents above the market average.

Nassau County continued to command the market’s highest asking rents, reflecting its proximity to New York City and limited industrial inventory. Average asking rents reached \$21.08 per sq. ft. in Eastern Nassau and \$19.80 per sq. ft. in Western Nassau, the highest levels among Long Island submarkets. Central Suffolk averaged \$18.66 per sq. ft., while Eastern Suffolk and Western Suffolk offered the most affordable options at \$17.11 per sq. ft. and \$16.91 per sq. ft., respectively. The spread in asking rents continues to reflect differences in location, inventory quality and supply constraints across Long Island.

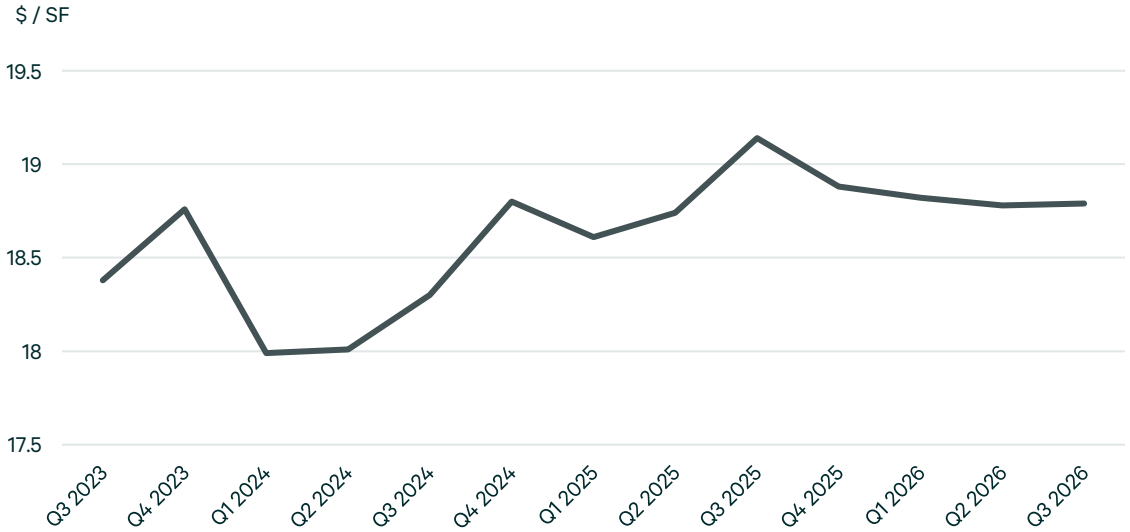
Vacancy Rate

Overall vacancy remained stable at 7.0% in Q3 2026, virtually unchanged from both the prior quarter and one year ago. The lack of movement reflects an increasingly balanced market, as steady tenant demand continued to absorb new supply entering the market. While vacancy remains above the historic lows recorded during the height of the pandemic-era industrial boom, it has largely stabilized over the past several quarters, signaling healthier equilibrium between occupier demand and available inventory.

Vacancy trends varied across submarkets. Western Nassau was the only submarket to record a decline in vacancy, falling 90 basis points quarter-over-quarter and 110 basis points year-over-year to 5.0%, the lowest rate on Long Island. Western Suffolk recorded the largest quarterly increase in vacancy, rising 70 basis points, driven primarily by the addition of 96,000 sq. ft. of available space at 540 Broadhollow Road in Melville. Despite the increase, vacancy across the submarket remains within historical norms.

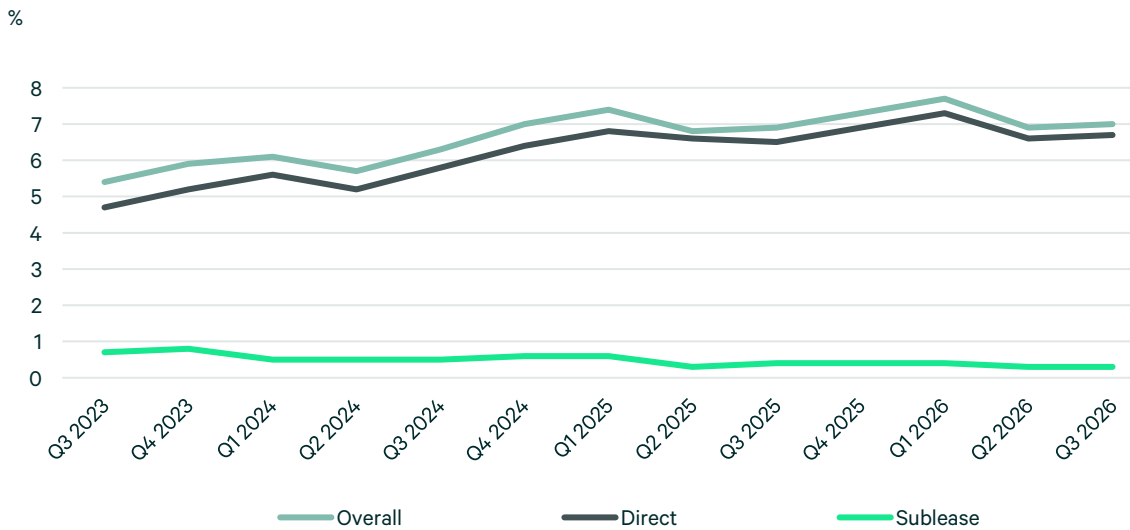
Sublease availability remained limited and accounted for only a small share of overall vacancy. The sublease vacancy rate was unchanged at 0.3% during the quarter, with 315,000 sq. ft. of sublease space available market-wide.

Figure 2: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Figure 3: Vacancy Rate



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption remained positive in Q3 2026, marking the second consecutive quarter of occupancy gains as tenant demand continued to absorb newly delivered space. The market recorded 66,000 sq. ft. of positive net absorption, a slower pace than the 868,000 sq. ft. posted in Q2 2026 but sufficient to keep year-to-date absorption in positive territory. While quarterly results moderated, the rolling four-quarter average remained positive at 192,000 sq. ft., well above the 17,000 sq. ft. recorded one year earlier.

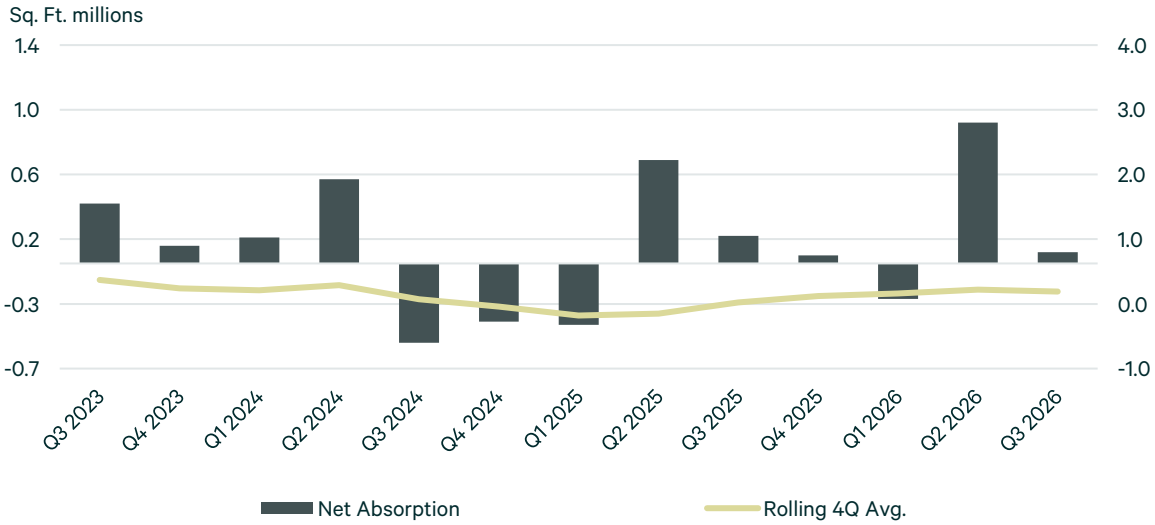
At the submarket level, Western Nassau led the market with 182,000 sq. ft. of positive net absorption, driven in part by Yanwen Express's 109,000-sq.-ft. lease at 100 Inip Drive in Inwood. Eastern Suffolk was the only other submarket to post a meaningful occupancy gain, recording 47,000 sq. ft. of positive absorption. No other submarkets recorded positive net absorption above 10,000 sq. ft., underscoring how concentrated growth was in these two areas. Western Suffolk posted the largest contraction at negative 125,000 sq. ft., while Central Suffolk recorded negative 32,000 sq. ft. of absorption. Eastern Nassau remained relatively stable, posting negative 6,000 sq. ft.

Construction Activity

Development activity remained active but continued to moderate from the elevated levels seen in prior years. The construction pipeline totaled 1.78 million sq. ft. at quarter-end, while just 70,000 sq. ft. of new space was delivered during the quarter at 5150 Veterans Memorial Highway in Holbrook. Notably, the property was fully pre-leased prior to completion, underscoring the continued demand for newly constructed shallow bay industrial product. With fewer speculative projects breaking ground and tenant demand remaining steady, concerns over near-term oversupply have eased.

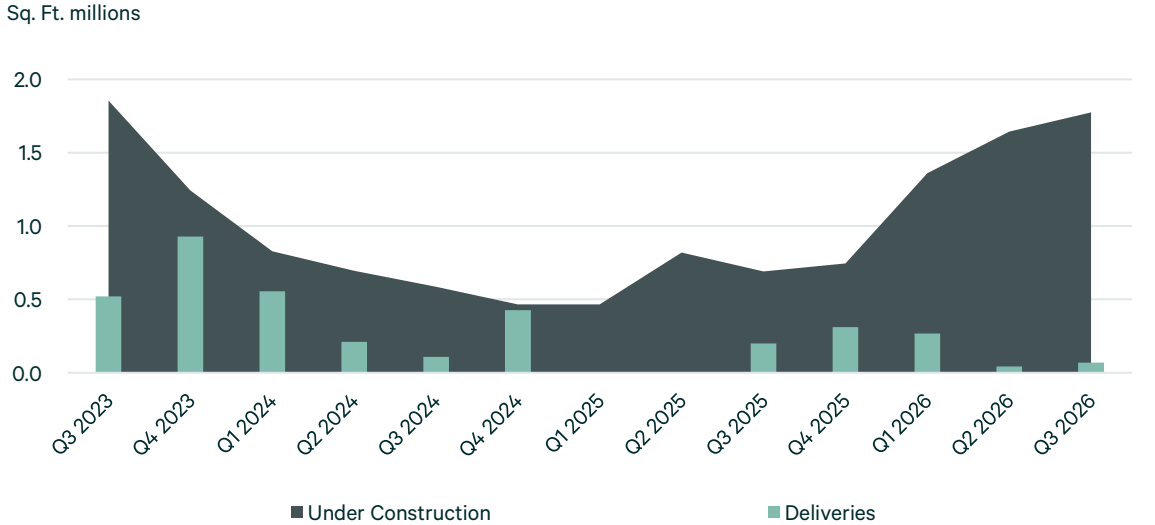
Central Suffolk accounted for the largest share of the pipeline, supported by Trader Joe's 881,000-sq.-ft. build-to-suit distribution facility in Islandia, which remains on track for delivery in Q1 2027. Eastern Suffolk followed with 654,000 sq. ft. under construction and remains the only submarket with a significant speculative development underway. The AIREF Station Road Logistics Center in Bellport, a four-building project totaling 530,000 sq. ft., is scheduled for completion in 2027.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity

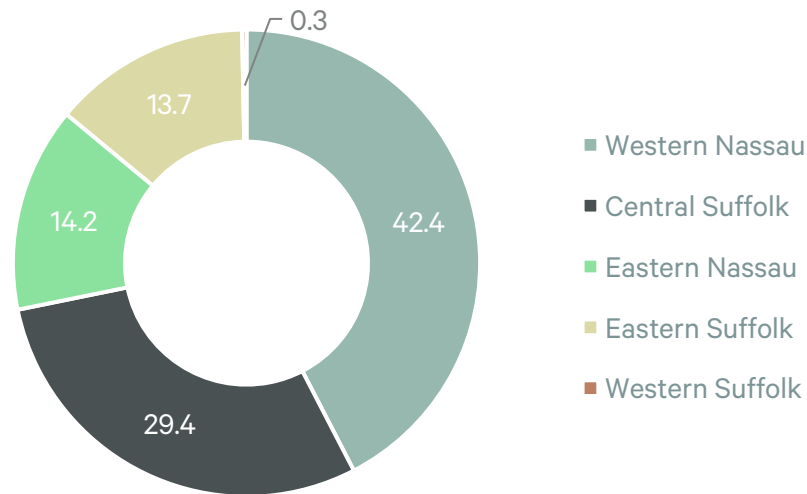


Source: CBRE Research, Q3 2026

Leasing Activity

New leasing activity totaled 815,000 sq. ft. in Q3 2026, down 48% quarter-over-quarter and 19% year-over-year. The pattern of new leasing this quarter was concentrated in a handful of submarkets with several large commitments. Western Nassau and Central Suffolk recorded the highest new leasing, with 345,000 sq. ft. and 240,000 sq. ft. respectively, followed by Eastern Nassau at 116,000 sq. ft., Eastern Suffolk at 112,000 sq. ft., and Western Suffolk at 3,000 sq. ft. Western Nassau’s total was supported by new deals such as Yanwen Express’s 108,640 sq. ft. lease at 100 Inip Dr in Inwood and Parts Authority’s 72,489 sq. ft. lease at 12 Harbor Park Dr in Port Washington, while Central Suffolk benefited from Veritiv Operating’s 107,011 sq. ft. new lease at 981 Old Nichols Rd in Islandia. In Eastern Suffolk, We Sell Cellular signed a 54,750 sq. ft. new lease at 100 Colin Dr in Holbrook. Although not a new lease, the largest single transaction this quarter was Midnite Snax’s 117,000 sq. ft. renewal and expansion at 999 S Oyster Bay Rd in Bethpage’s Eastern Nassau submarket.

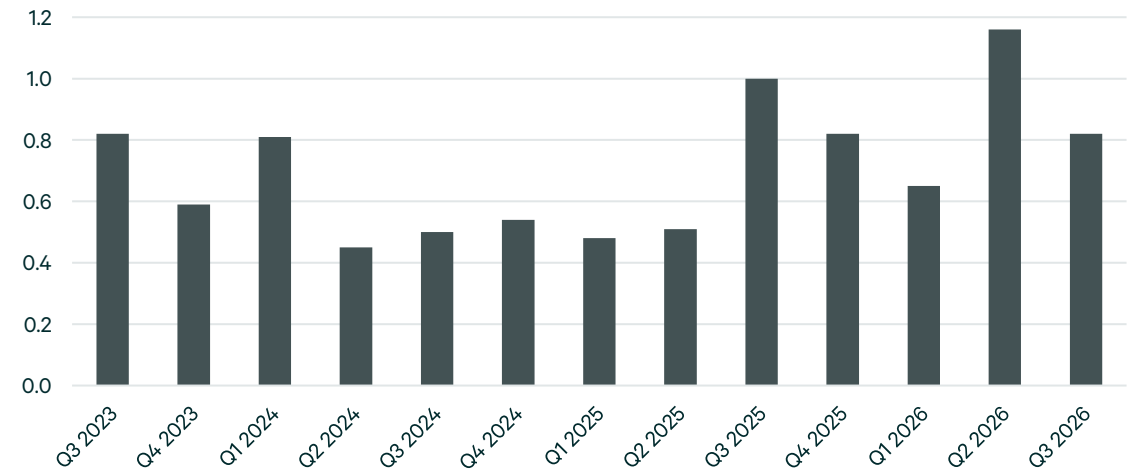
Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend

Sq. Ft. millions



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Midnite Snax	117,000	Renewal	999 S Oyster Bay Rd, Bethpage	Eastern Nassau
Yanwen Express	109,000	New Lease	100 Inip Dr, Inwood	Western Nassau
Veritiv	107,000	New Lease	981 Old Nichols Rd, Islandia	Central Suffolk
Parts Authority	72,000	New Lease	12 Harbor Park Dr, Port Washington	Western Nassau
We Sell Cellular	55,000	New Lease	100 Colin Dr, Holbrook	Eastern Suffolk

Source: CBRE Research, Q3 2026

Market Statistics

Figure 9: Overall Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Suffolk	39.92M	8.2	8.3	7.9	0.3	18.65	(32,000)	210,000	-	881,000
Eastern Nassau	20.29M	6.5	7.5	7.2	0.2	21.09	(6,000)	66,000	-	240,000
Eastern Suffolk	9.95M	7.5	6.6	5.8	0.9	17.11	47,000	637,000	70,000	654,000
Western Nassau	14.88M	5.0	5.3	5.3	0.1	20.88	182,000	283,000	-	-
Western Suffolk	20.48M	6.0	7.2	7.0	0.2	16.83	(125,000)	(482,000)	-	-
Total	105.52M	7.0	7.3	7.0	0.3	18.88	66,000	715,000	70,000	1.78M

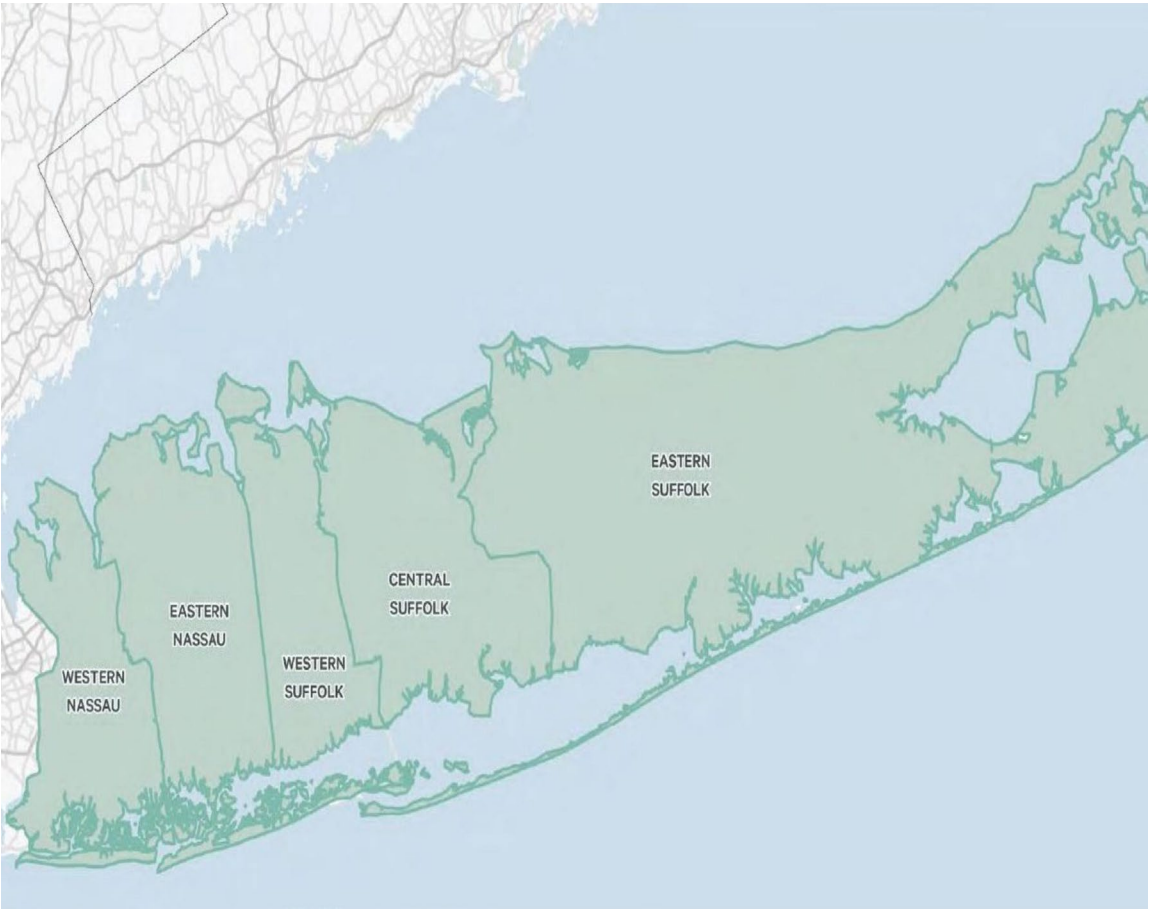
Source: CBRE Research, Q3 2026

Figure 10: Class A Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Suffolk	3.97M	29.4	29.4	29.4	-	22.16	107,000	147,000	-	881,000
Eastern Nassau	1.23M	22.2	22.2	22.2	-	25.14	-	40,000	-	-
Eastern Suffolk	1.74M	6.3	6.3	6.3	-	17.66	-	608,000	-	529,000
Western Nassau	549,000	-	-	-	-	-	-	129,000	-	-
Western Suffolk	950,000	-	-	-	-	-	-	-	-	-
Total	8.43M	18.4	18.4	18.4	-	22.41	107,000	925,000	-	1.41M

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

- Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant.
- Availability Rate: Total Available Sq. Ft. divided by the total building Area.
- Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage.
- Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building.
- Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions.
- Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance.
- Net Absorption: The change in Occupied Sq. Ft. from one period to the next.
- Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate.
- Occupied Sq. Ft.: Building Area not considered vacant.
- Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area.
- Vacant Sq. Ft.: Space that can be occupied within 30 days.
- Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

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