

FIGURES | LONG ISLAND INDUSTRIAL | Q4 2025

# Amid steady demand, vacancy edged up as new construction hit the market

▲ 7.1%

Vacancy Rate

▼ 54,582

SF Net Absorption

▲ 310,500

SF Construction Delivered

▲ 745,155

SF Under Construction

▲ \$18.87

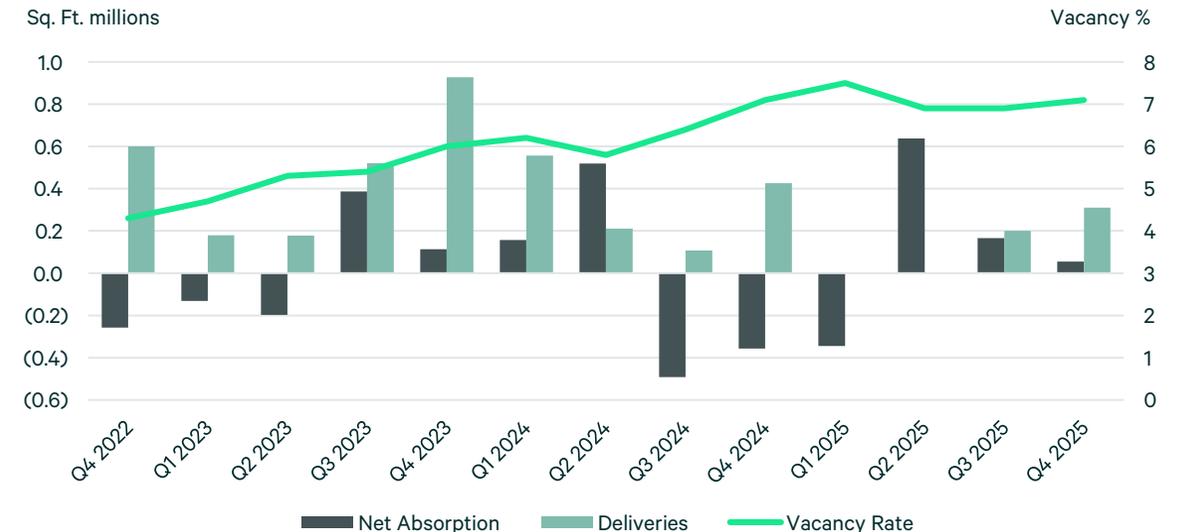
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

## SUMMARY

After three consecutive quarters of tightening conditions, the Long Island industrial market ended the fourth quarter with vacancy inching up 20 basis points (bps) to 7.1%. The increase wasn't driven by weakening demand, but rather the delivery of a sizeable speculative project in Central Suffolk that entered the market without a tenant in place. Despite only modest occupancy gains and a slight uptick in vacancy, leasing and development activity continued at a healthy pace. Net absorption totaled 54,582 sq. ft. bringing 2025's total to 513,722 sq. ft. Leasing activity totaled 805,000 sq. ft. for Q4 2025 bringing the annual total to 2.8 million sq. ft., a 22% increase year-over-year. Three new projects broke ground during Q4, with several more developments expected to commence in the coming months, signaling continued confidence in the Long Island market. Meanwhile, asking rents continued to trend upward increasing quarter-over-quarter to \$18.87 per sq. ft., due to new construction hitting the market.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

## Leasing Activity

Quarterly leasing activity cooled somewhat compared to last quarter with just over 805,000 sq. ft. of new or expansion leases signed. This brings 2025's tally to 2.8 million sq. ft., 22% more than 2024's total leasing activity. The largest lease was signed by Northeastern Bus Rebuilders (NEBR) for 98,000 sq. ft. at 60 Motor Parkway in Commack. In accordance with historical leasing trends, the Central Suffolk submarket demonstrated the highest leasing activity of 368,000 sq. ft.

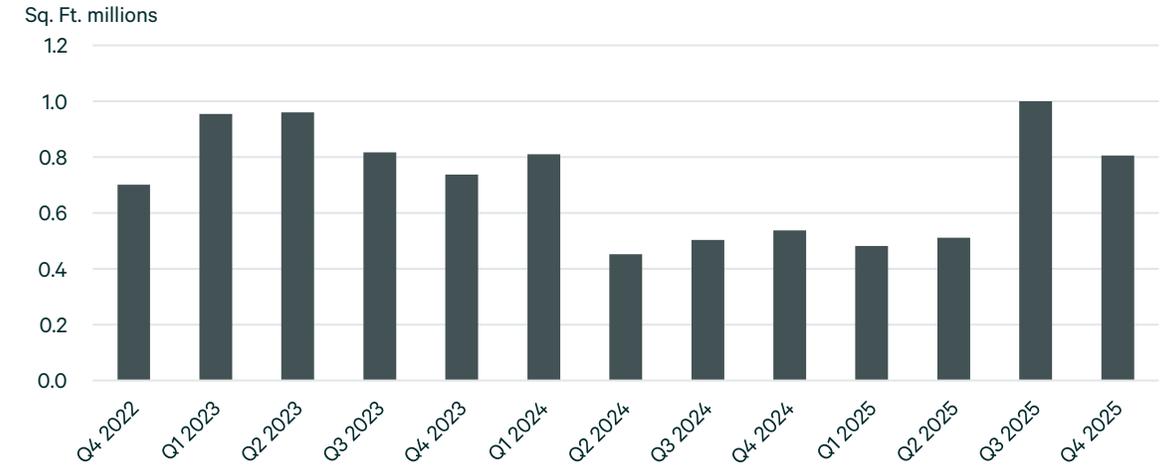
## Construction Activity

Construction activity remained subdued in Q4 2025, with just 365,000 sq. ft. of new starts. Notably, just 12% of speculative projects were pre-leased and the active pipeline is dominated by smaller-format buildings under 300,000 sq. ft. Seven projects were underway at year-end totaling 745,155 sq. ft., comprising a mix of speculative and build-to-suit developments. On the delivery side, only one site, 377 Carlls Path in Deer Park, a 310,000-sq.-ft. speculative building was completed during the quarter, helping to ease supply-side pressure and support market balance. As speculative construction continues to taper and the pipeline remains lean, the market is well-positioned to absorb existing inventory without significant disruption to fundamentals.

## Asking Rent

Long Island's average asking rent reached \$18.87 per sq. ft. at the close of Q4 2025, reflecting a 1% increase year-over-year. Rates are elevated due to new construction, maintaining a steady trajectory despite higher vacancy levels. Nassau County saw a 7% year-over-year decline in average asking rental rates, settling at \$20.83 per sq. ft., largely attributed to the leasing of Class A space over the year. While Suffolk County saw an increase in asking rents of 4%, to \$18.09 per sq. ft. Premiums for new, high-quality construction continue to anchor the market's overall rent structure and drive year-over-year growth.

FIGURE 2: Leasing Activity Trend



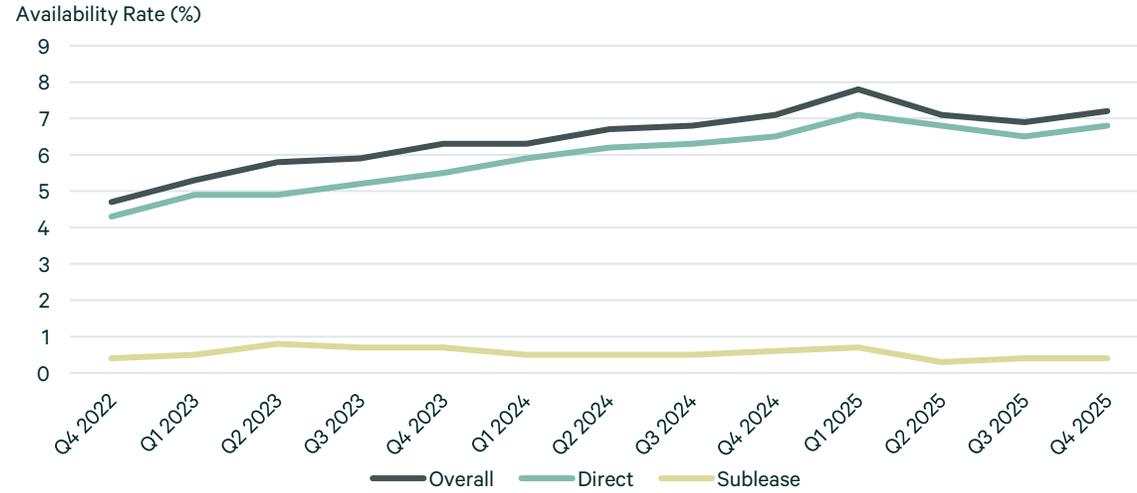
Source: CBRE Research, Q4 2025

FIGURE 3: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Northeastern Bus Rebuilders (NEBR)	97,558	New Lease	60 Motor Pkwy, Commack	Central Suffolk
Soar N Bounce	55,504	New Lease	1085 Old Country Rd, Westbury	Eastern Nassau
SpeedX	50,000	New Lease	999 S Oyster Bay Rd, Bethpage	Eastern Nassau
H&M USA	45,500	New Lease	400 Wireless Blvd, Hauppauge	Central Suffolk
American Moving & Storage	34,417	New Lease	1101 Lakeland Ave, Bohemia	Central Suffolk

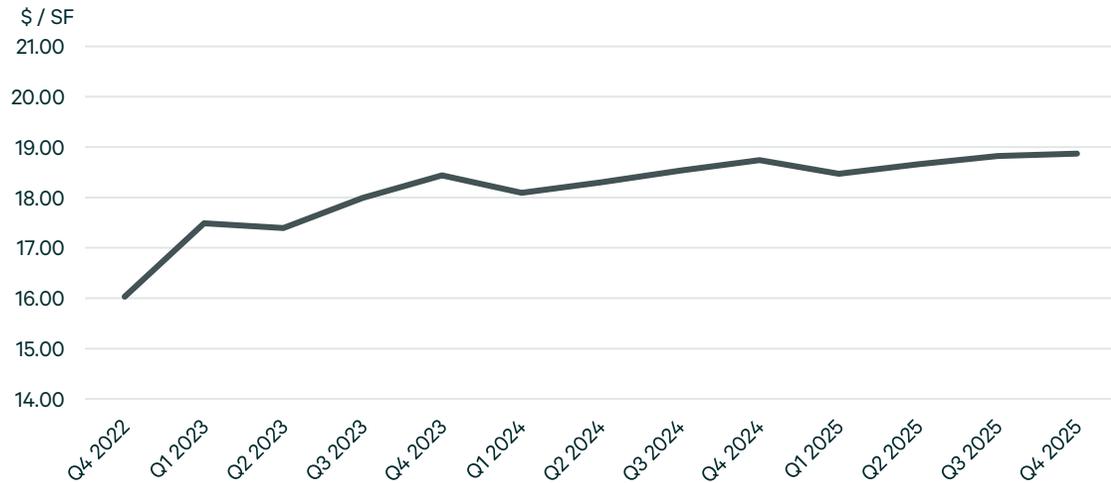
Source: CBRE Research, Q4 2025

FIGURE 4: Availability Rates



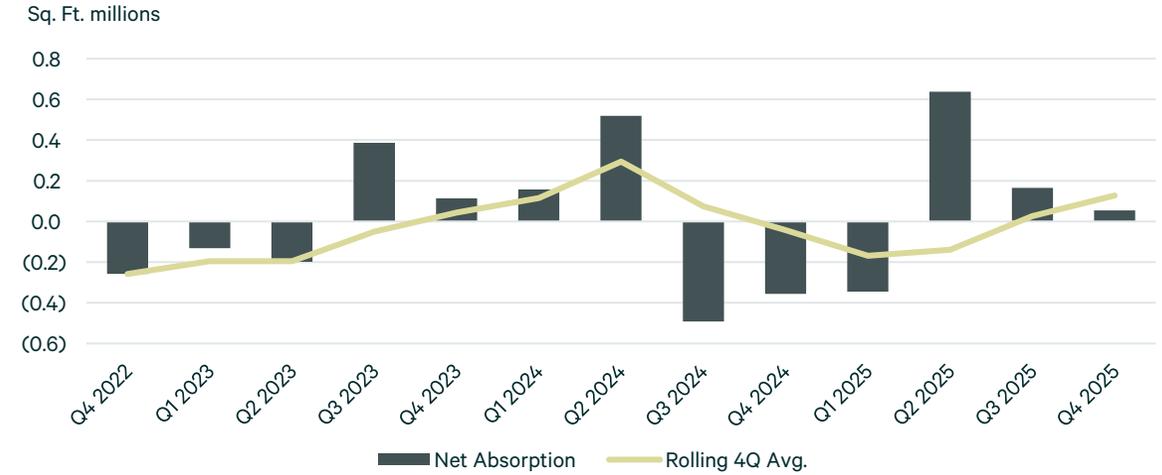
Source: CBRE Research, Q4 2025

FIGURE 5: Avg. Direct Asking Rate (NNN/YR)



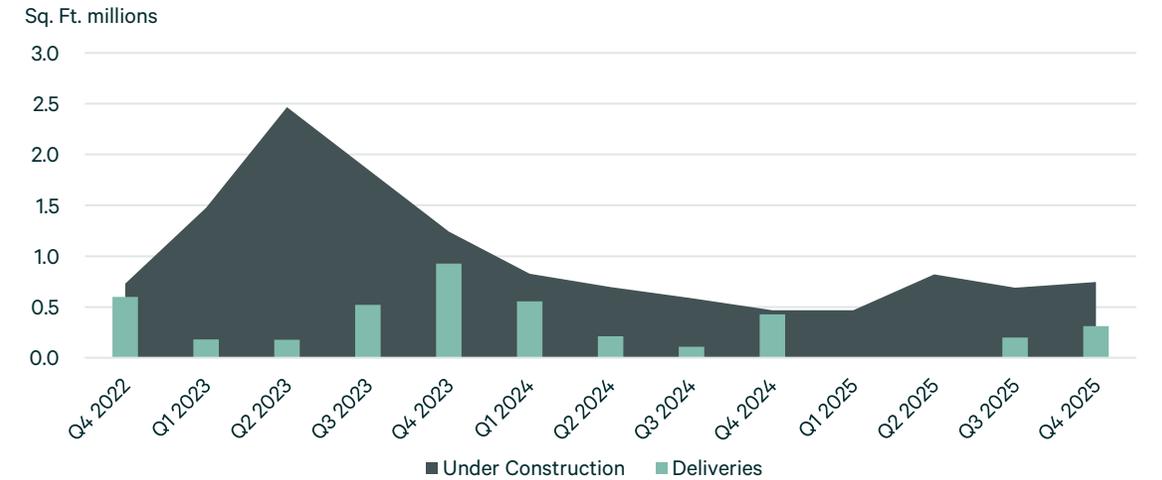
Source: CBRE Research, Q4 2025

FIGURE 6: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 7: Construction Activity



Source: CBRE Research, Q4 2025

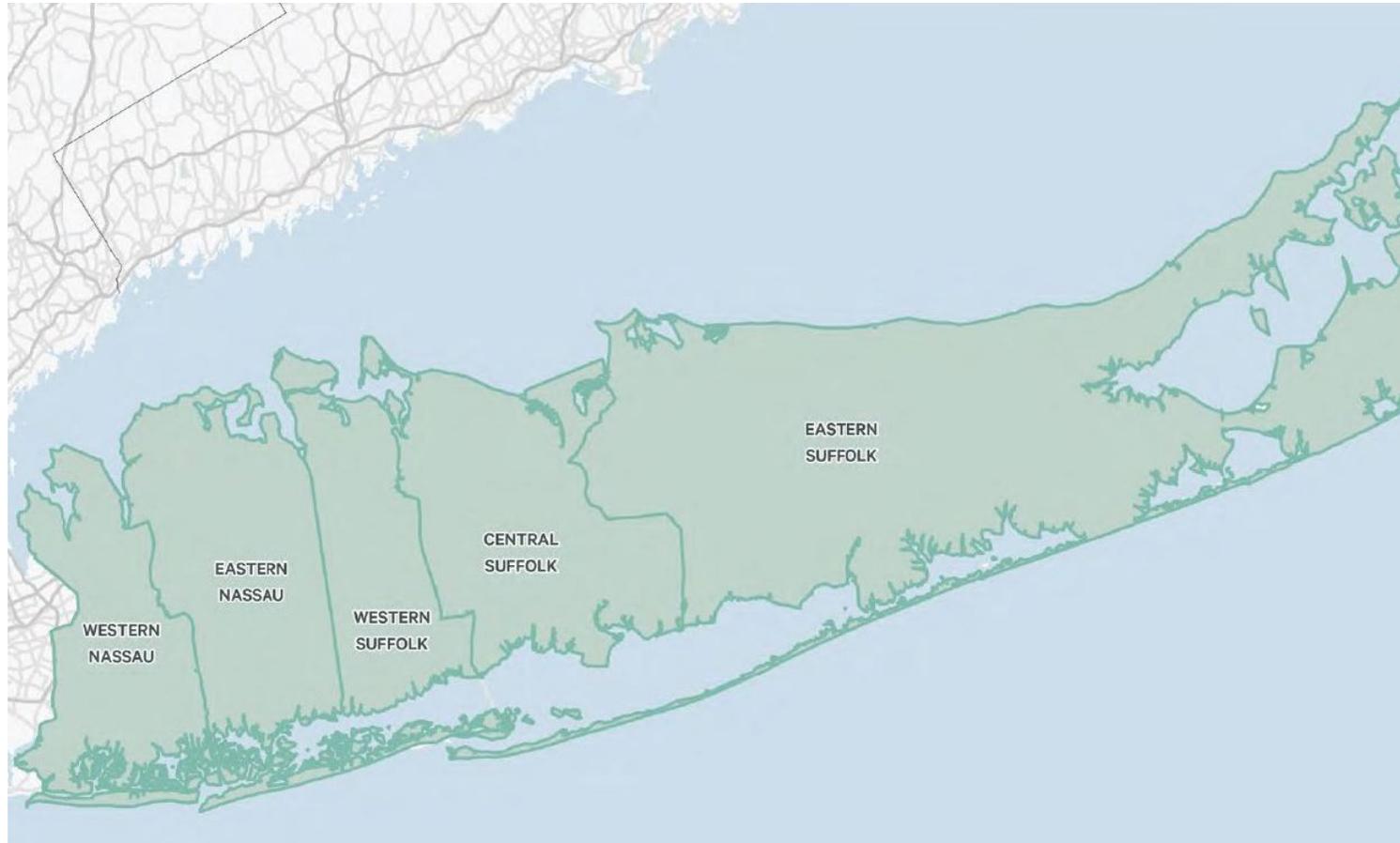
## Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	64,173,901	4.9	4.9	4.5	0.4	17.59	137,505	(142,449)	0	238,000
100,000-199,999 sq. ft.	25,347,150	11.1	10.9	10.2	0.7	19.25	(11,565)	443,528	0	266,955
200,000-299,999 sq. ft.	8,897,827	9.3	10.0	10.0	0.0	20.67	36,311	65,311	0	240,200
300,000-499,999 sq. ft.	3,942,792	12.6	12.6	12.6	0.0	19.13	(860)	208,340	310,500	0
500,000-749,999 sq. ft.	2,349,983	11.2	11.2	11.2	0.0	19.71	(181,809)	(133,008)	0	0
750,000 sq. ft.	1,830,000	5.1	5.1	5.1	0.0	20.00	75,000	72,000	0	0
<b>Total</b>	<b>106,541,653</b>	<b>7.1</b>	<b>7.2</b>	<b>6.8</b>	<b>0.4</b>	<b>18.87</b>	<b>54,582</b>	<b>513,722</b>	<b>310,500</b>	<b>745,155</b>

## Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Central Suffolk	39,989,472	8.1	7.7	7.4	0.3	18.58	67,148	827,490	310,500	180,470
Eastern Nassau	20,498,400	6.8	6.5	6.2	0.3	20.94	(161,611)	(227,230)	0	240,200
Eastern Suffolk	9,912,278	13.2	14.1	13.2	0.9	18.05	(91,829)	(138,175)	0	195,000
Western Nassau	15,430,756	5.9	6.1	5.9	0.2	20.65	124,668	(129,806)	0	129,485
Western Suffolk	20,710,747	3.6	4.4	3.9	0.5	16.04	116,206	181,443	0	0
<b>Total</b>	<b>106,541,653</b>	<b>7.1</b>	<b>7.2</b>	<b>6.8</b>	<b>0.4</b>	<b>18.87</b>	<b>54,582</b>	<b>513,722</b>	<b>310,500</b>	<b>745,155</b>

## 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.

**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.

### Contacts

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