



NEWMARK

Long Island
Industrial Market Overview

1Q26

NMRK.COM

Market Observations



Economy

- At 3.2% Long Island's unemployment rate currently stands 90 basis points below the national rate, a gap that has held steady throughout 2024–2025.
- Over the past year, private education and healthcare were among the sectors that led job gains across the region. In contrast, the information sector registered the largest employment decline.
- Long Island industrial-using employment remained below two-year peaks, as manufacturing and trade, transportation and utility employment recorded 3.6% and 3.9% below two-year highs, respectively.



Leasing Market Fundamentals

- Long Island Industrial vacancy rose in the first quarter of 2026, up 30 basis points from 2025 year-end to 6.3%, the highest level since 2011.
- Average asking rent increased \$0.66/SF from the same period last year to \$17.25/SF, reaching an all-time high.
- For first quarter 2026, Class A leasing totaled 109,065 square feet, an 65.5% increase from 2025. Class A activity accounted for 10.0% of total industrial leasing, the market's lowest share since 2021.
- Available sublease space rose 4.2% quarter-over-quarter to 918,526 SF and remains 48.2% above its long-term average.



Major Transactions

- First quarter industrial leasing on Long Island totaled 1,089,299 square feet, a 29.2% increase quarter over quarter.
- Suffolk County ended the quarter with 814,106 square feet leased, accounting for 74.7% of Long Island's quarterly activity.
- Nassau County ended the quarter with 275,193 square feet leased, registering 41.4% growth from the same period last year.
- The largest transaction was signed by Northeastern Bus Rebuilders Inc, which took 97,558 square feet on the entire first floor under a ten-year term at 60 Motor Parkway.



Outlook

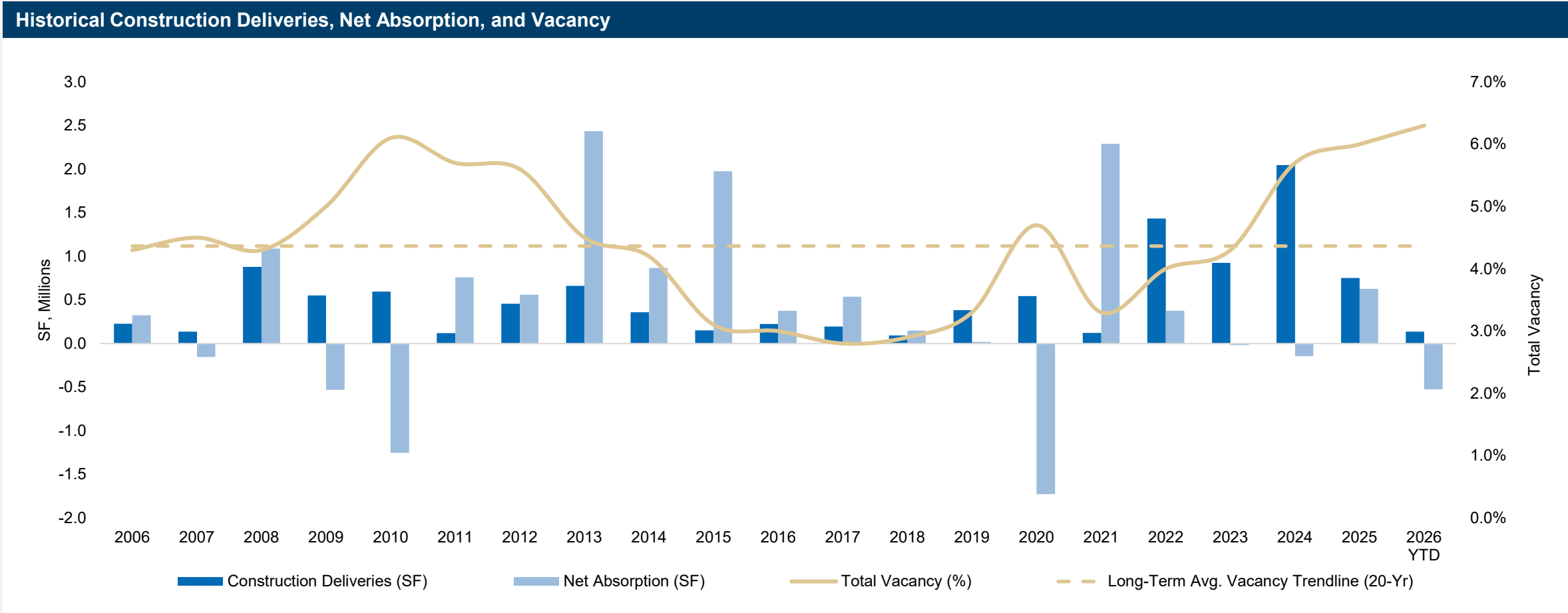
- With construction deliveries continuing to outpace net absorption, the vacancy rate is expected to remain above its long-term average.
- Long Island recorded 137,470 square feet of industrial completions in the first quarter. The construction pipeline totals 908,820 square feet, yet overall activity is below the 2023 peak.
- Uncertainty around tariffs is keeping investors cautious; likely causing market activity to remain concentrated in well-located, higher-quality assets.

Leasing Market Fundamentals



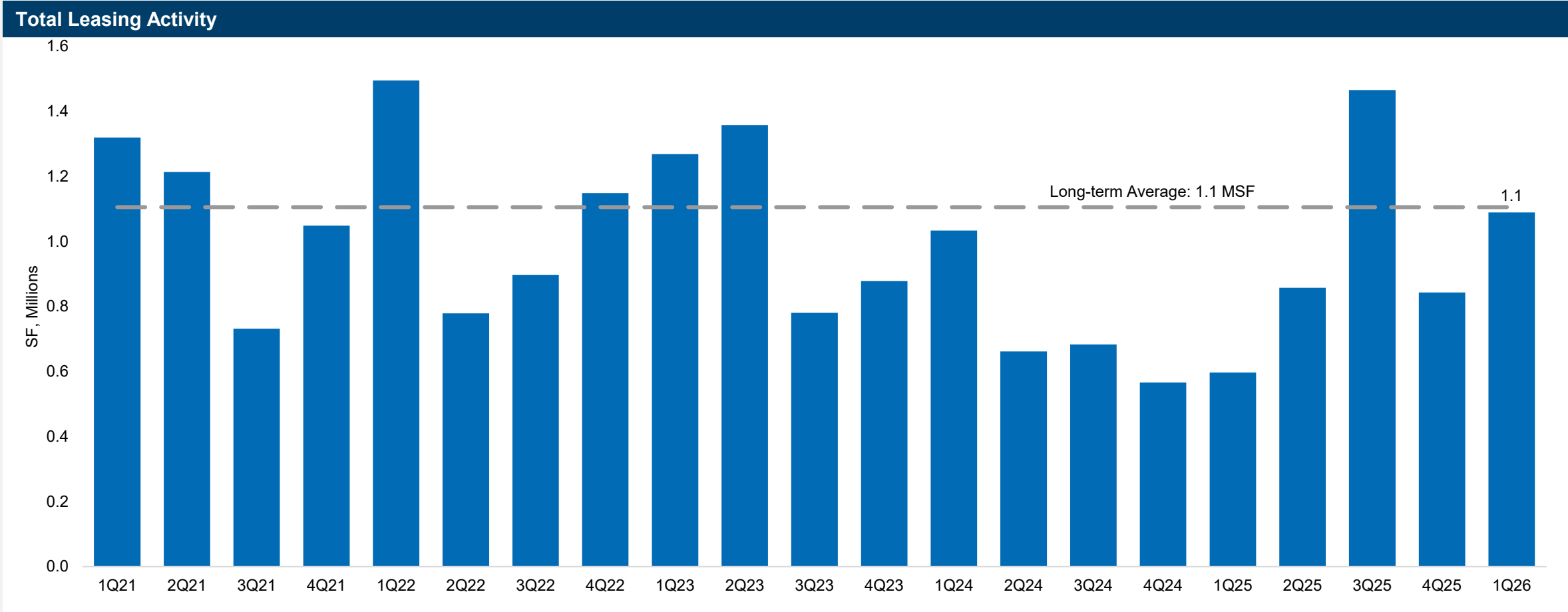
Vacancy Rises as Construction Deliveries Outpace Net Absorption

During the first quarter of 2026, Long Island’s industrial vacancy rose 30 basis points from year-end 2025 to 6.3%. With construction deliveries continuing to outpace net absorption, the vacancy rate is expected to remain above its long-term average.



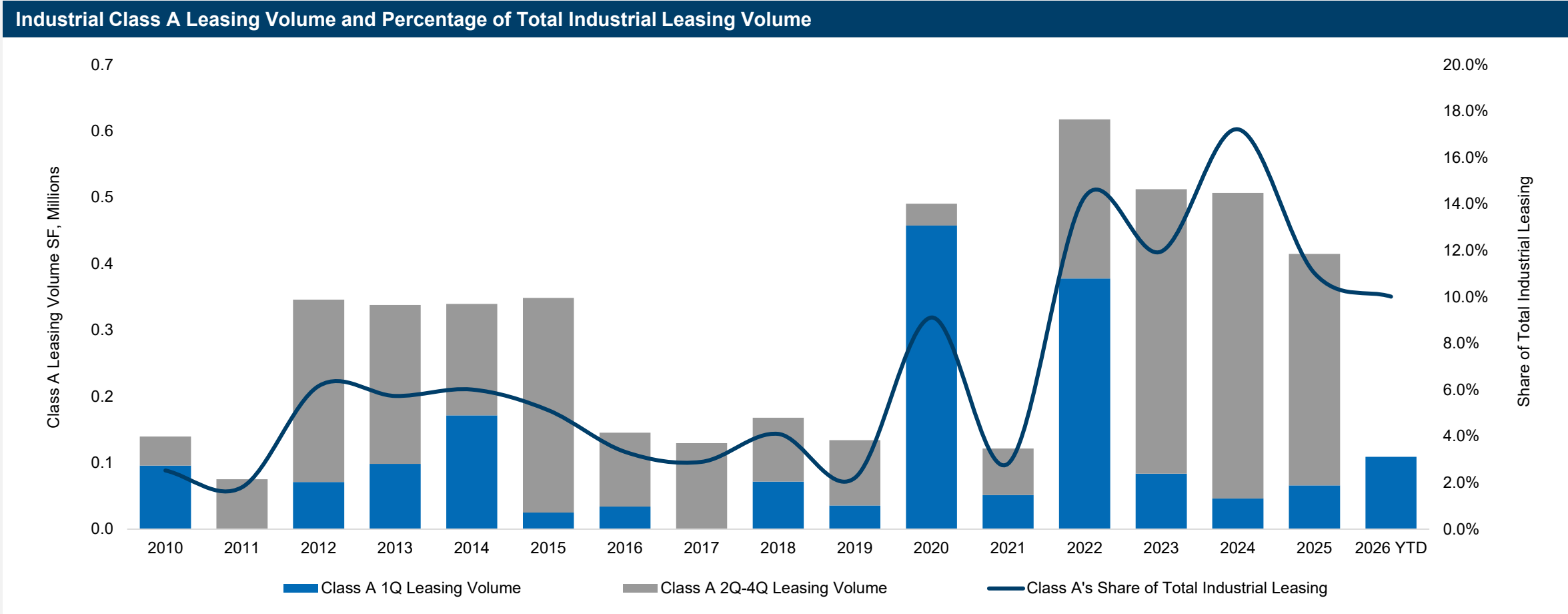
Industrial Leasing Activity Increases

Led by large deals signed by Northeastern Bus Rebuilders Inc, Wesco Distribution Inc, and Gate Gourmet, Long Island recorded 1,089,299 square feet of activity in the first quarter, a 29.2% increase from the previous quarter. Despite quarterly gains, industrial leasing activity remains 1.5% below the long-term average of 1,105,436 square feet.



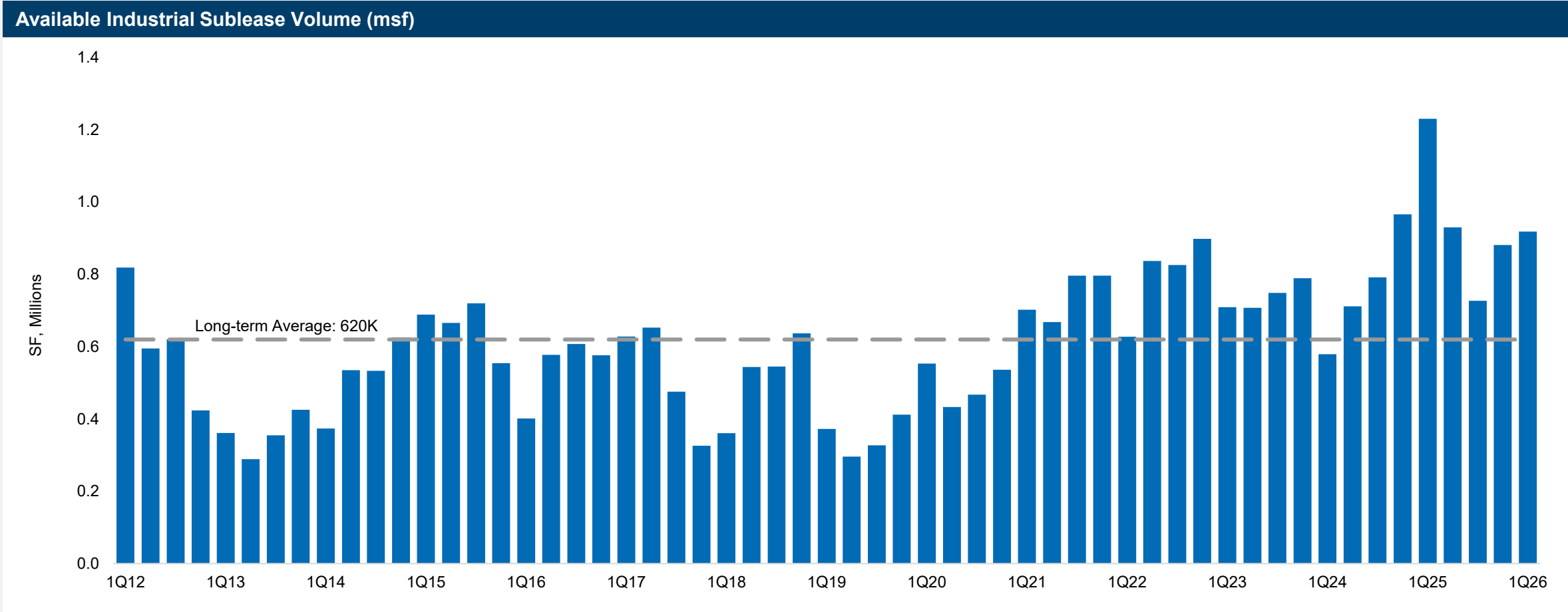
Class A Warehouse Leasing Falls

Long Island recorded 109,065 square feet of Class A leasing in the first quarter, an 65.5% increase from the same period last year. Class A deals accounted for 10.0% of total industrial leasing, the lowest share since 2021.



Sublease Availability Remains Elevated

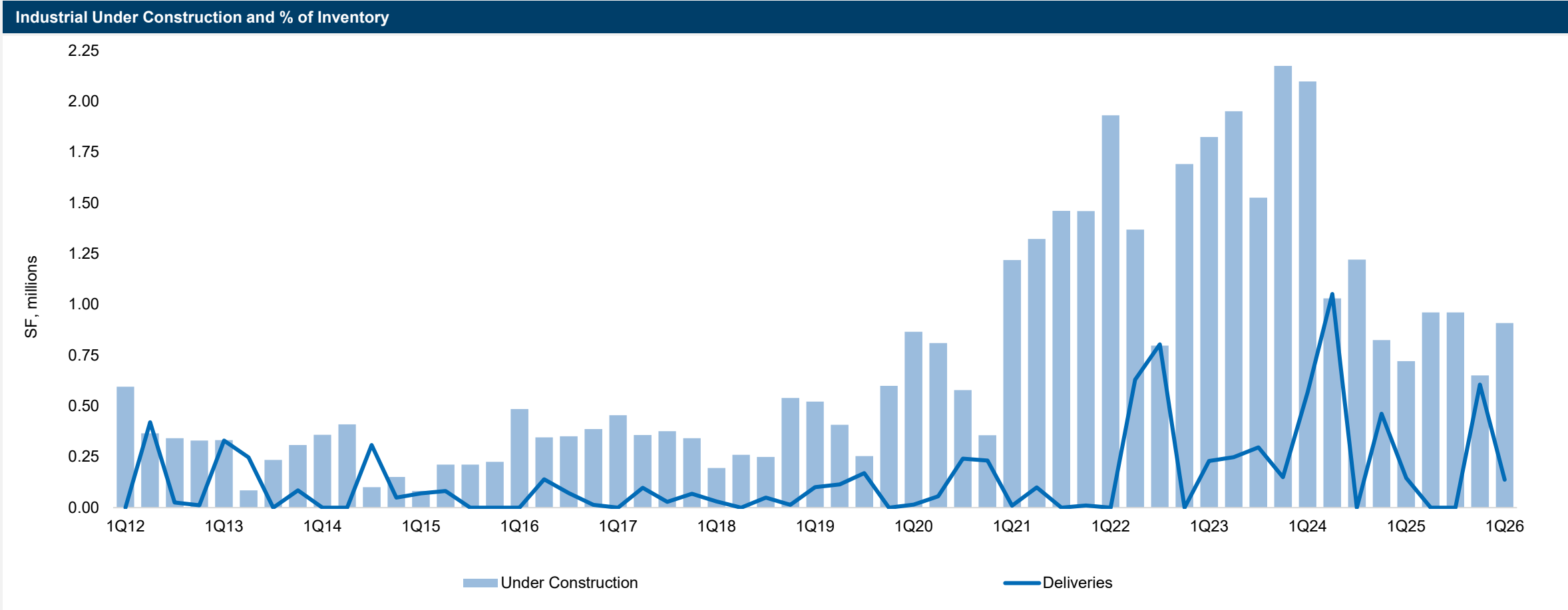
During the first quarter of 2026 available sublease space increased 4.2% from the previous quarter to 918,526 square feet. Available sublease space remains elevated, exceeding the long-term average by 48.2%.



Source: Newmark Research, CoStar

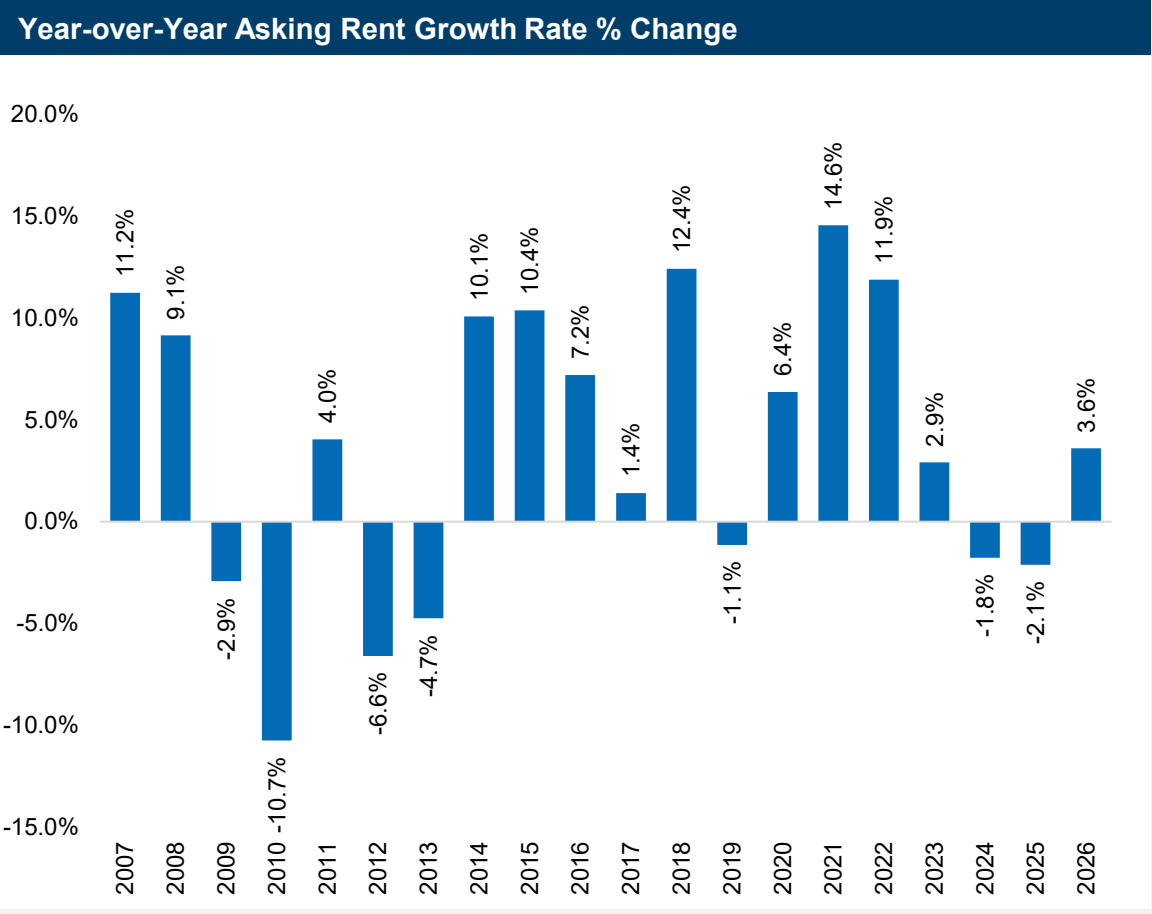
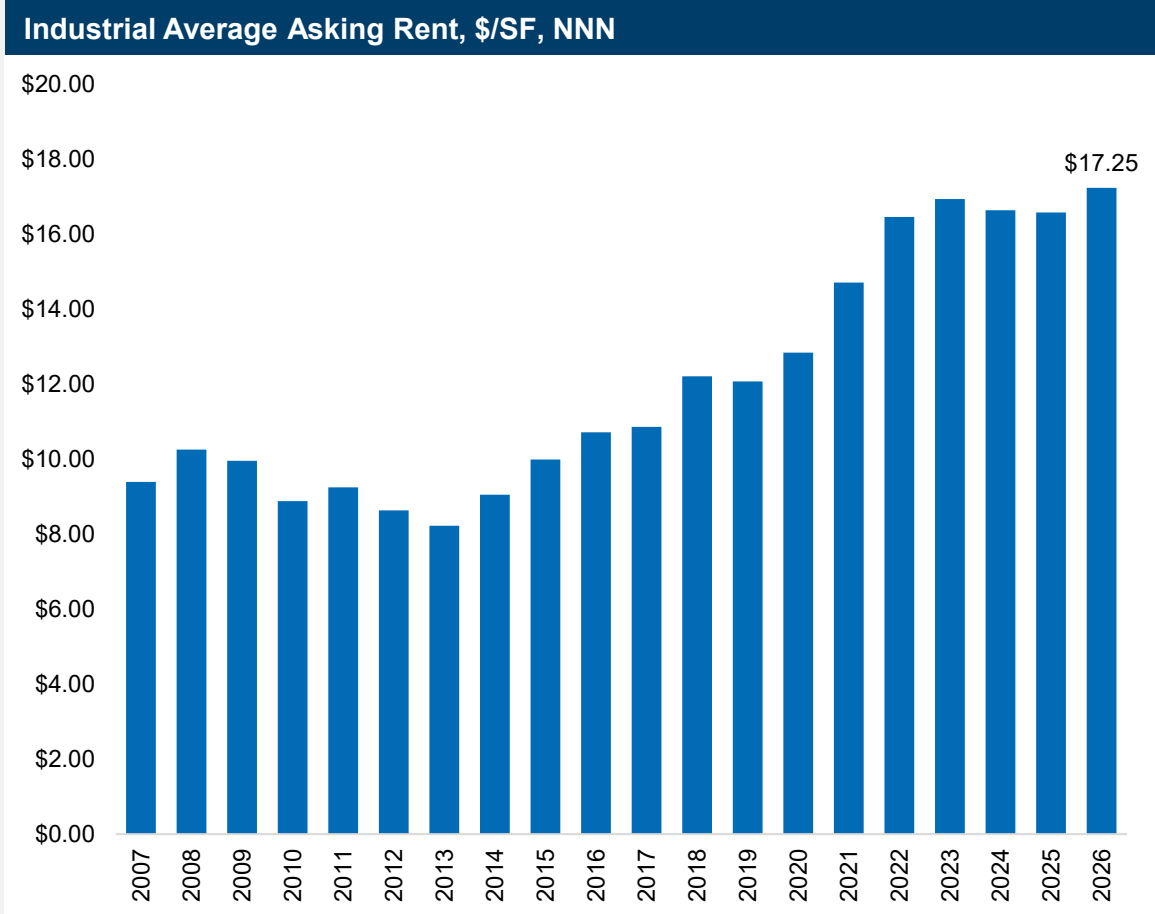
Industrial Supply Grows as Pipeline Remains Robust

Long Island recorded 137,470 square feet of industrial deliveries in the first quarter of 2026, 5.9% lower than the same period last year. The construction pipeline remains active, with 908,820 square feet currently underway across Long Island.



Industrial Asking Rents Reach Historic Highs

Long Island recorded average industrial asking rents of \$17.25/SF in the first quarter of 2026, a \$0.66/SF increase from one year ago. This 3.6% year-over-year gain pushes asking rents to a new historic high.



Notable Lease Transactions

Long Island industrial leasing totaled 1,089,299 square feet in the first quarter of 2026, a 29.2% increase quarter-over-quarter. Suffolk County led the expansion, with leasing activity more than doubling from the same period last year, while Nassau County posted a 41.4% annual gain. Suffolk County accounted for 74.7% of all first-quarter leasing, signing 814,106 square feet of space.

Notable 1Q26 Lease Transactions				
Tenant	Building(s)	Submarket	Type	Square Feet
Northeastern Bus Rebuilders Inc	60 Motor Parkway	Suffolk County	Direct Lease	97,558
<i>Northeastern Bus Rebuilders Inc signed the largest deal of the quarter, taking 97,558 square feet on the entire first floor for ten years at 60 Motor Parkway.</i>				
Wesco Distribution Inc	500 Prime Place	Suffolk County	Direct Extension	85,000
<i>Wesco Distribution Inc extended their 85,000 square feet lease on the entire building at 500 Prime Place.</i>				
Gate Gourmet	95 Inip Drive	Nassau County	Direct Lease	63,437
<i>Gate Gourmet leased 63,437 square feet on part of the first floor and entire second floor at 95 Inip Drive.</i>				
Aramex	999 South Oyster Bay Road	Nassau County	Direct Lease	50,000
<i>Aramex signed a 50,000 square feet lease at 999 South Oyster Bay Road.</i>				
Lanco York Packaging	75 Austin Boulevard	Suffolk County	Direct Lease	50,000
<i>Lanco York Packaging leased 50,000 square feet at 75 Austin Boulevard.</i>				

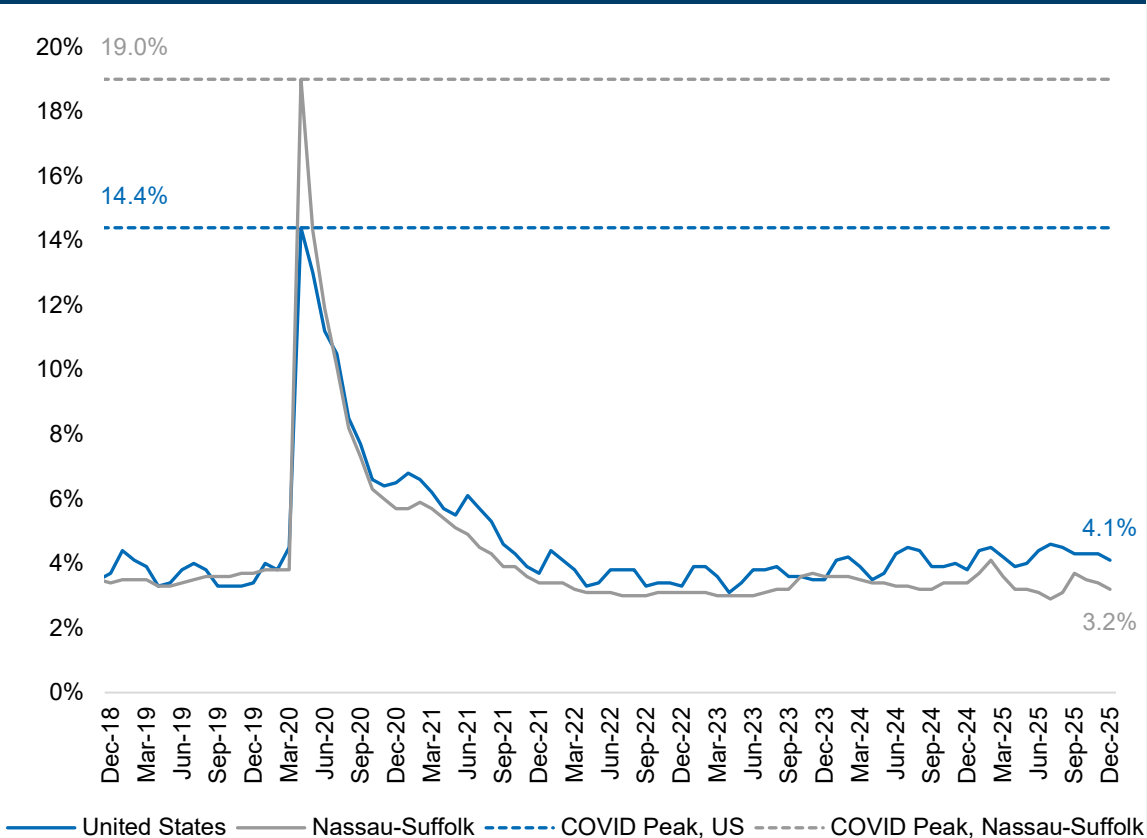
Economy & Employment



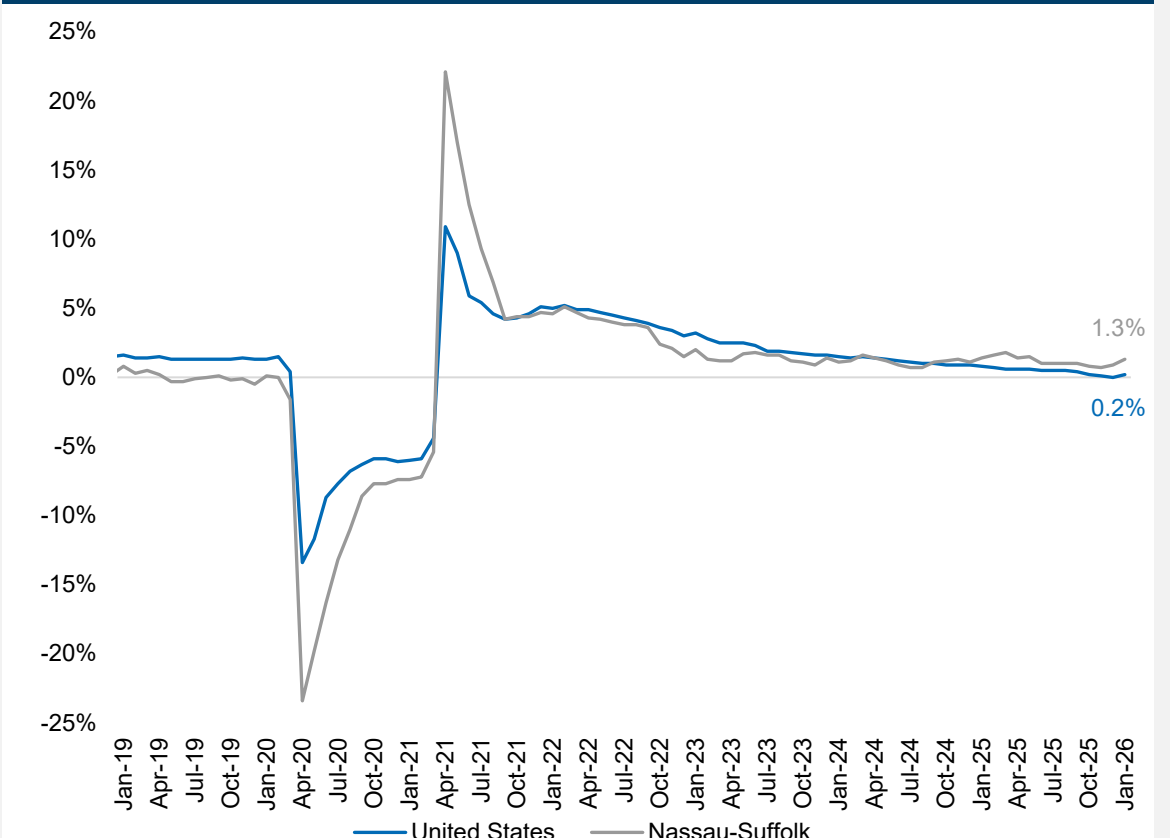
Continued Employment Growth

Since 2022 the Long Island unemployment rate has remained within 3%-4%, often below the national average and 20 basis points below the year-ago rate. Long Island employment consistently outpaced national employment growth in 2025, recording 90 basis points higher than national growth at 1.3%.

Unemployment Rate, Non-Seasonally Adjusted



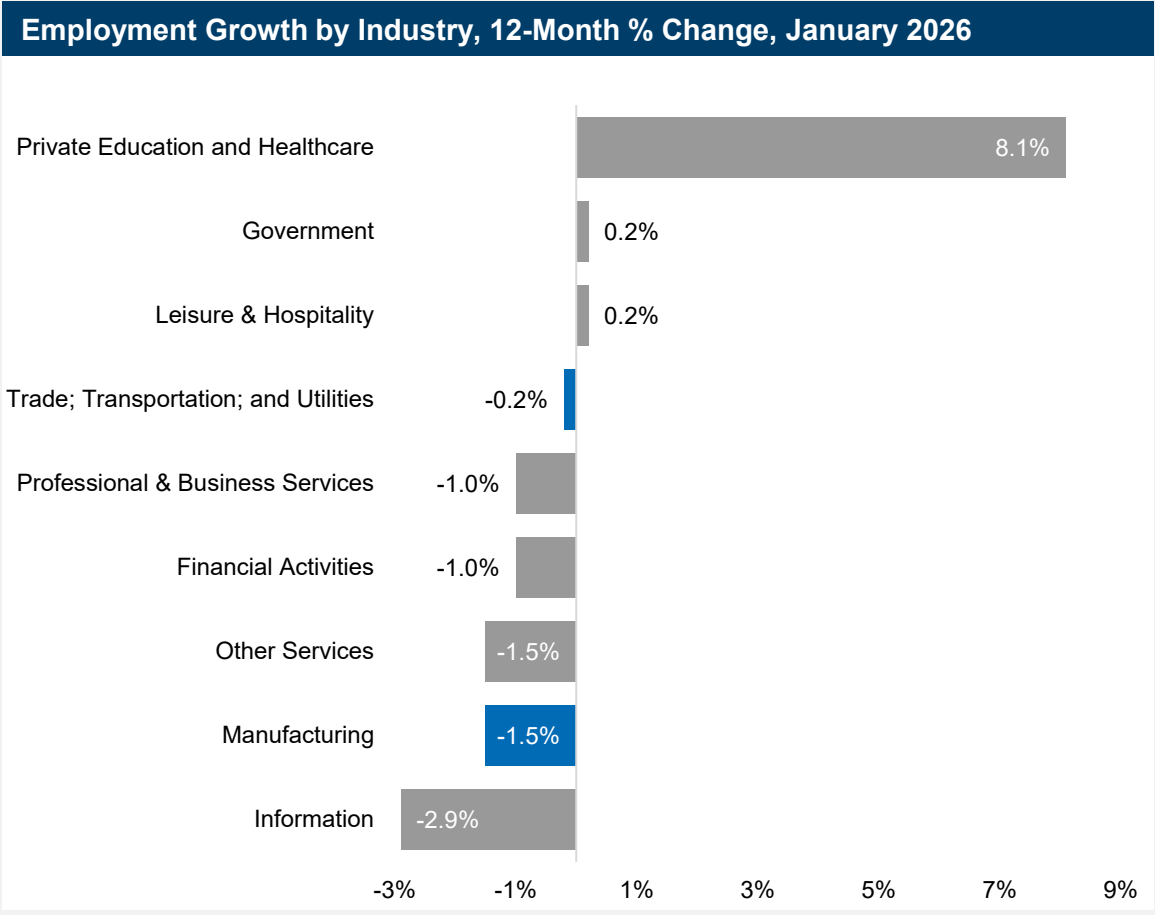
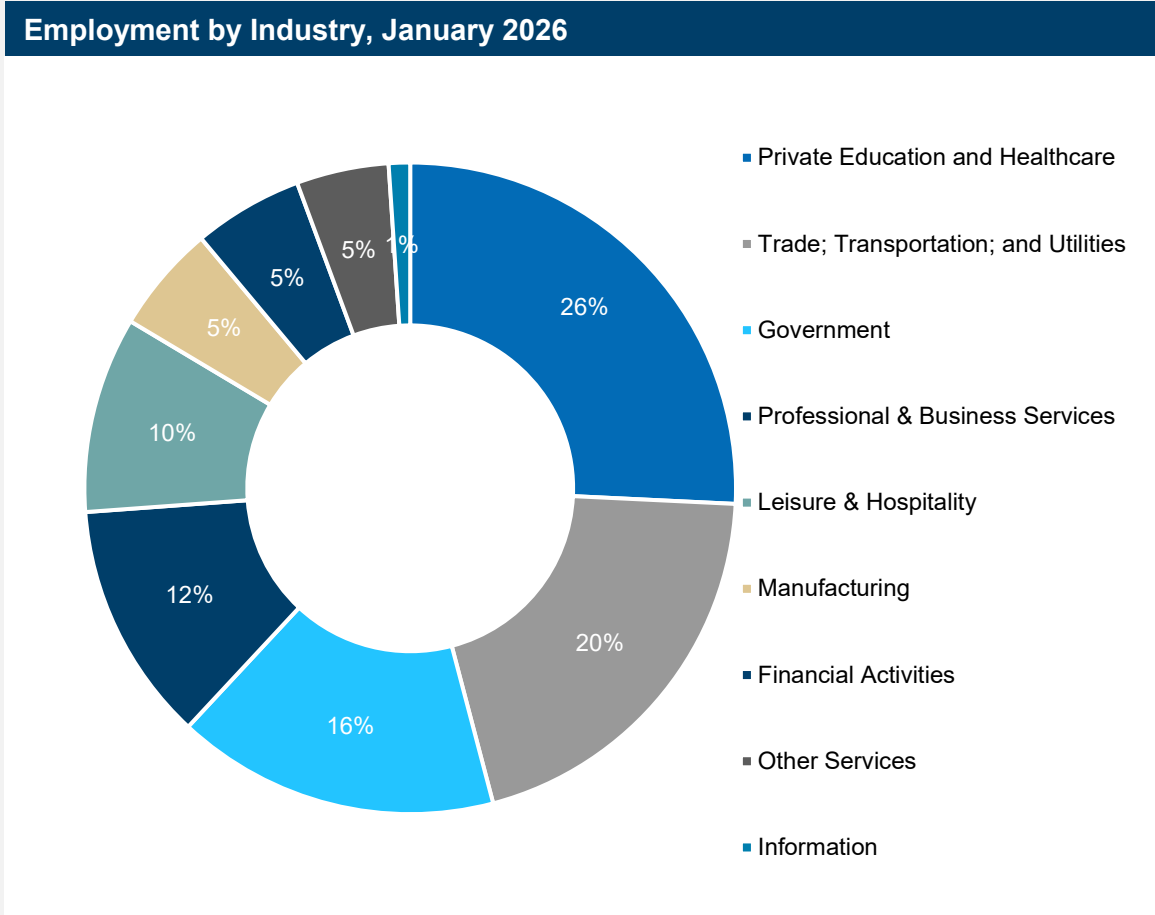
Nonfarm Payroll Employment, Non-Seasonally Adjusted , 12-Month % Change



Source: U.S. Bureau of Labor Statistics, Nassau-Suffolk
 Note: December 2025 / January 2026 data is preliminary, October 2025 data is unavailable.

Limited Job Movement for Industrial Industries

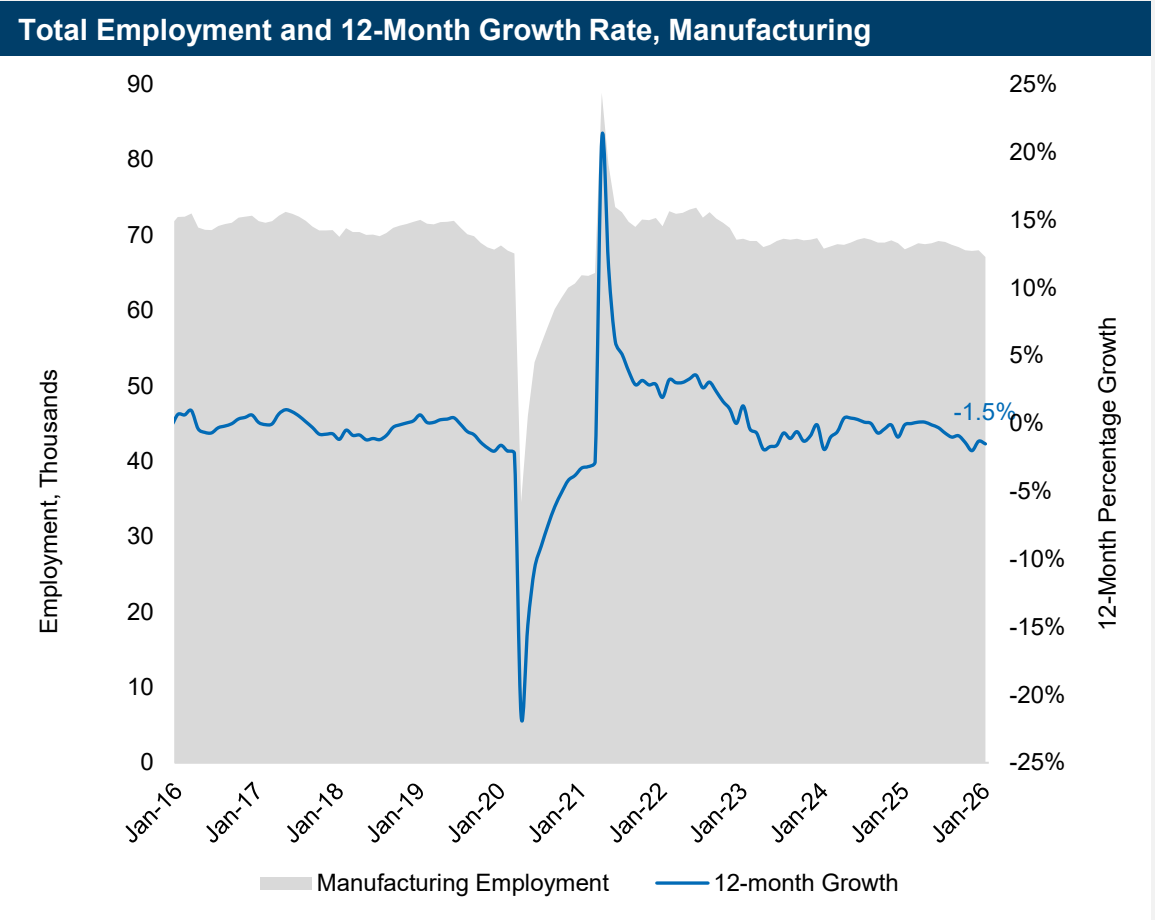
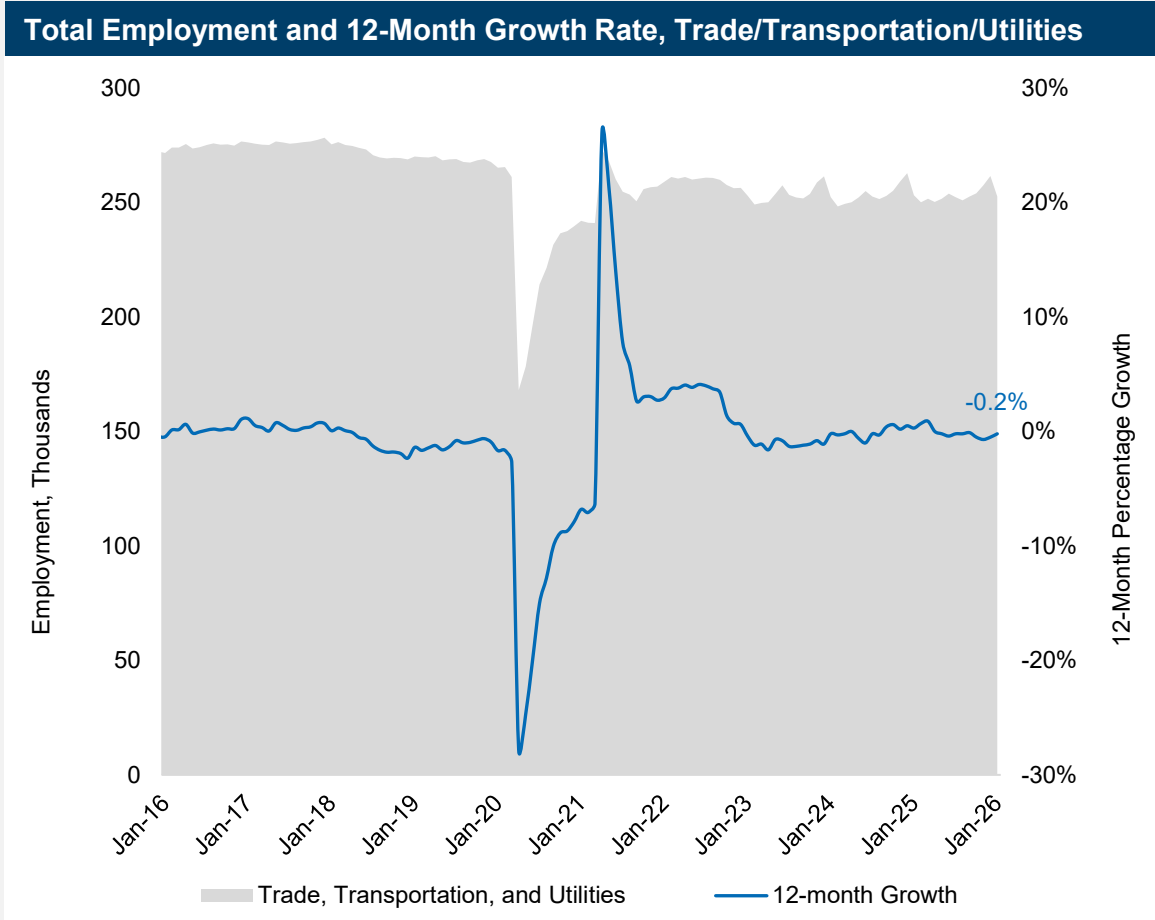
The private education and healthcare sectors continue to lead the region in job growth over the past year. Industrial-using employment sectors fell as the manufacturing and trade, transportation and utilities sectors were down 1.5% and 0.2%, respectively.



Source: U.S. Bureau of Labor Statistics, Nassau-Suffolk
 Note: January 2026 data is preliminary.

Industrial Employment Decline Continues

Manufacturing employment recorded a two-year low in January 2026, 3.6% below the two-year peak recorded July 2024. Conversely, trade, transportation and utility employment, has rebounded from two-year lows, but remains 3.9% below the December 2024 high.



Source: U.S. Bureau of Labor Statistics, Nassau-Suffolk
 Note: January 2026 data is preliminary, October 2025 data is unavailable.

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