

Long Island Industrial Market Overview

Market Observations

Economy

- In the third quarter, Long Island’s unemployment rate rose by 80 basis points to 3.8%, remaining close to its level from a year earlier. It still sits well below the national rate of 4.5%.
- Although industrial-using employment sectors have recovered from five-year lows, manufacturing remains 1.6% below its June 2022 peak, and trade, transportation, and utilities is 5.2% below its December 2022 high.
- Employment on Long Island grew 0.7%, just under the 0.8% national pace. As of August, manufacturing employment and trade, transportation, and utilities fell 0.6% and 0.4% year over year, respectively.

Major Transactions

- Industrial leasing on Long Island reached 1,465,378 square feet in the third quarter, a 71.0% quarter-over-quarter gain.
- Suffolk County leasing jumped 43.9% to 888,180 square feet, its peak since the second quarter of 2023, making up 40.4% of Long Island’s quarterly activity.
- Nassau County leasing rose 146.7% to 591,398 square feet, the strongest since the third quarter of 2020, contributing 60.6% of the quarter’s total.
- The largest transaction was signed by machine manufacturing company ProMach, which took 106,216 square feet on a portion of the first floor under a five-year term at 55 Paradise Lane.

Leasing Market Fundamentals

- Long Island industrial vacancy rose in the third quarter of 2025, up 40 basis points from 2024 year-end to 6.1%, the highest level since 2010.
- Average asking rent decreased \$0.44/SF from the prior quarter to \$16.35/SF. On a year-over-year basis, 2025 asking rents are \$0.30/SF lower than 2024, a 1.8% drop.
- Year-to-date, Class A leasing totals 344,979 square feet, up 19.4% versus the same period in 2024. The share of class A buildings fell to 11.8% of all industrial leasing, the lowest level since 2021.
- Available sublease space fell 21.8% from the previous quarter to 727,080 square feet, though it remains elevated at 19.1% above its long-term average.

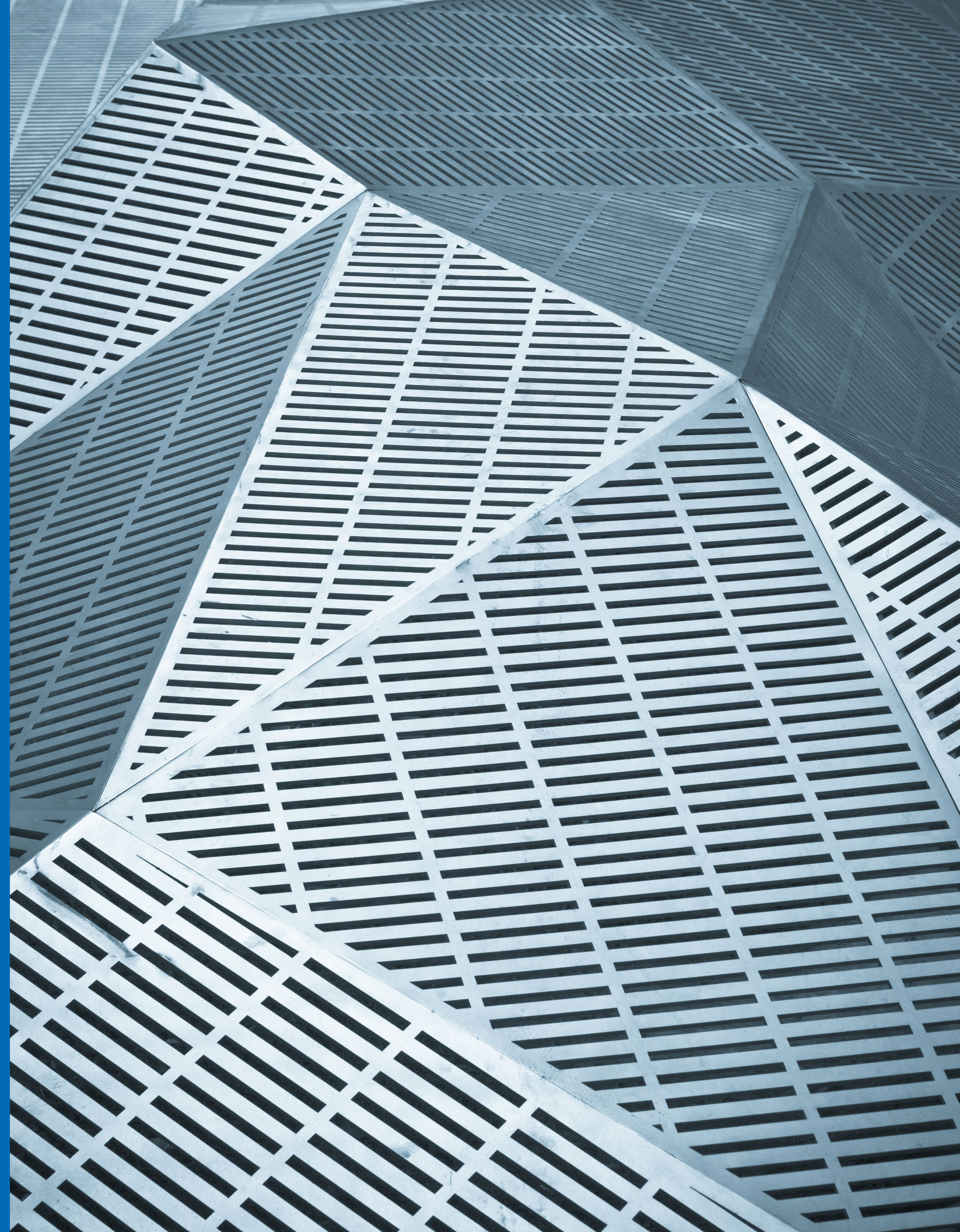
Outlook

- As construction deliveries continue to outpace net absorption, heightened vacancy rates are expected to persist.
- Long Island recorded zero industrial completions in the third quarter. The construction pipeline totals 961,170 square feet, yet overall activity is below the 2023 peak reverting toward pre-pandemic levels.
- With looming economic tariffs, uncertainty persists in the macroeconomic economy. Occupiers and investors alike will approach deals with greater caution as a result, which will impact leasing and investment activity.

1. Leasing Market Fundamentals
2. Economy

3Q25

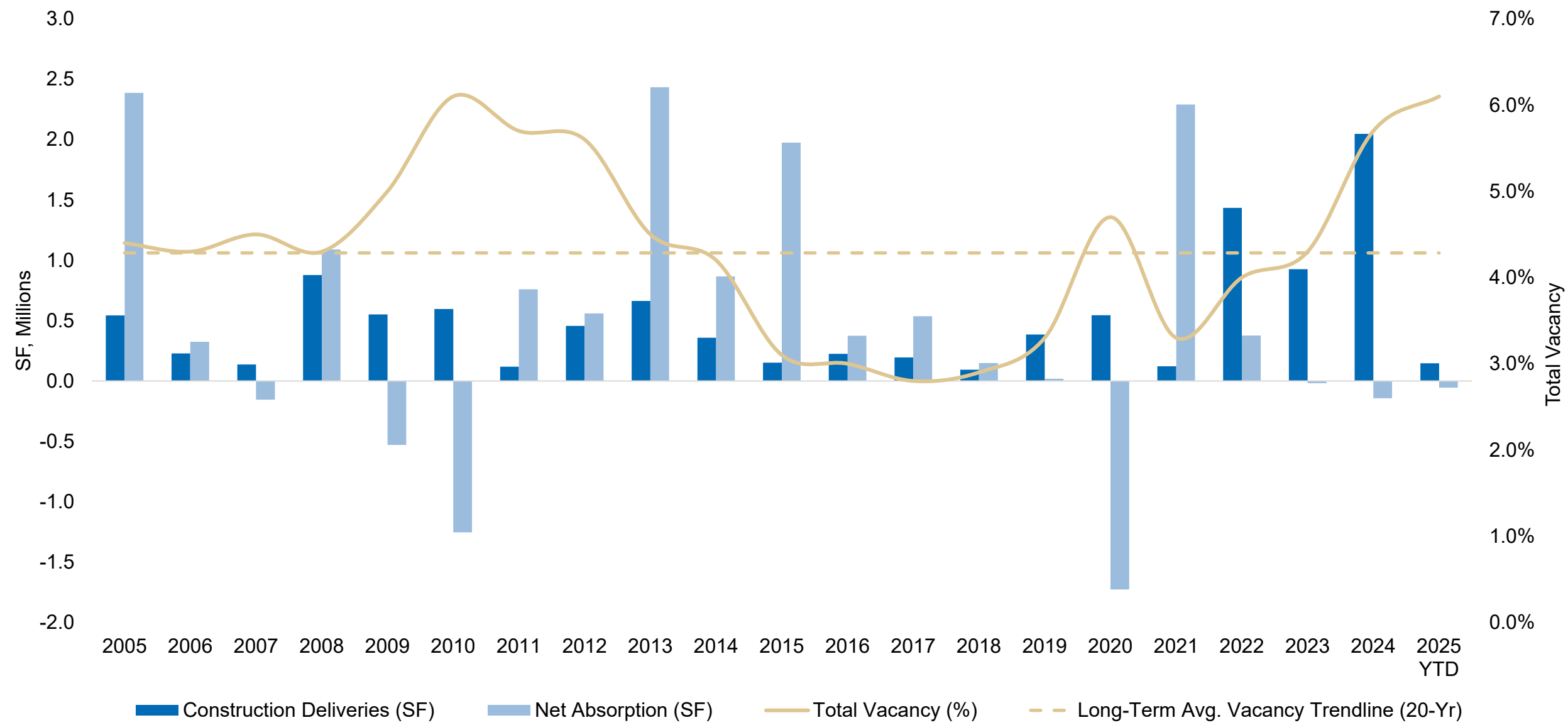
Leasing Market Fundamentals



Vacancy Rises as Construction Deliveries Outpace Net Absorption

During the third quarter of 2025 Long Island industrial vacancy increased 60 basis points from 3Q24 to 6.1%, the market’s highest since 2010. As construction deliveries continue to outpace net absorption, heightened vacancy rates are expected to persist.

Historical Construction Deliveries, Net Absorption, and Vacancy

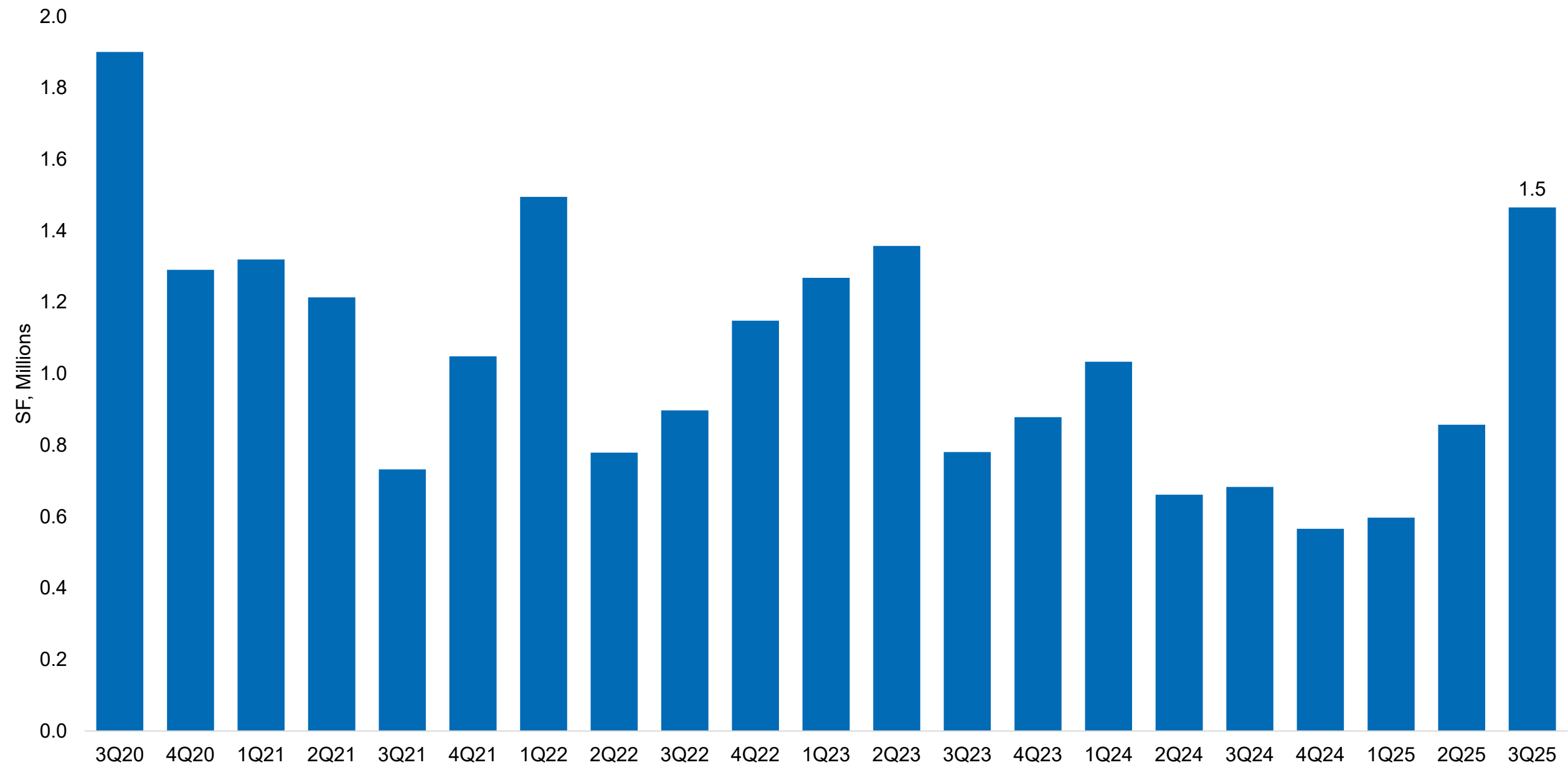


Source: Newmark Research, CoStar

Industrial Leasing Activity Rises

Led by large deals signed by ProMach, Kennedy Transport Services, and ECMS Express, Long Island recorded 1,465,378 square feet of activity in the third quarter, a 70.97% increase from the previous quarter. Industrial leasing activity is 40.04% higher than the long-term average of 1,046,401 square feet.

Total Leasing Activity (SF)

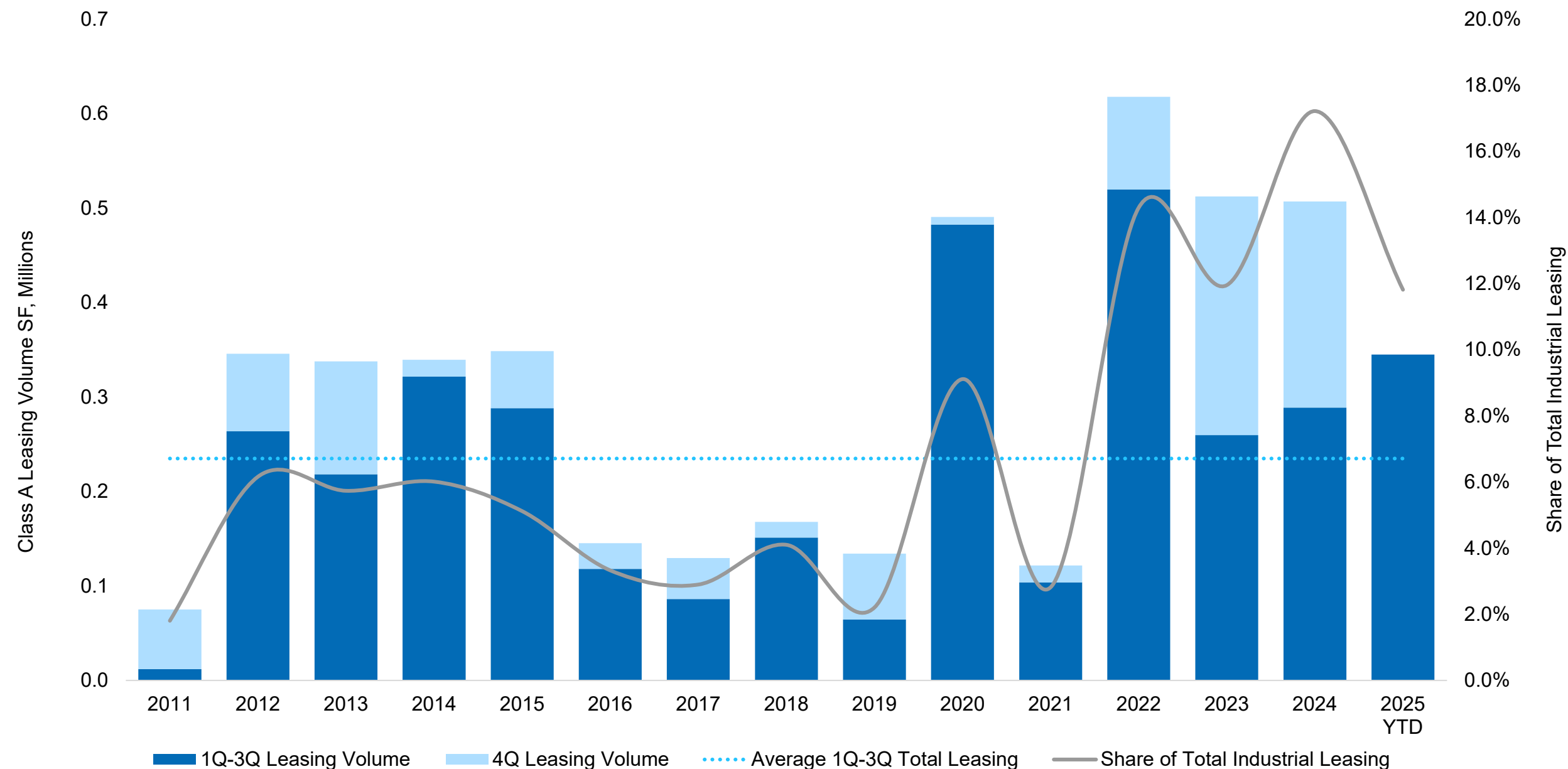


Source: Newmark Research, CoStar

Class A Warehouse Leasing Increases

Long Island recorded 344,979 square feet of Class A leasing activity year-to-date, a 19.4% year-over-year increase from the first three quarters of 2024. Class A leasing fell to 11.8% of total industrial leasing year-to-date, Long Island's lowest level since 2021.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume

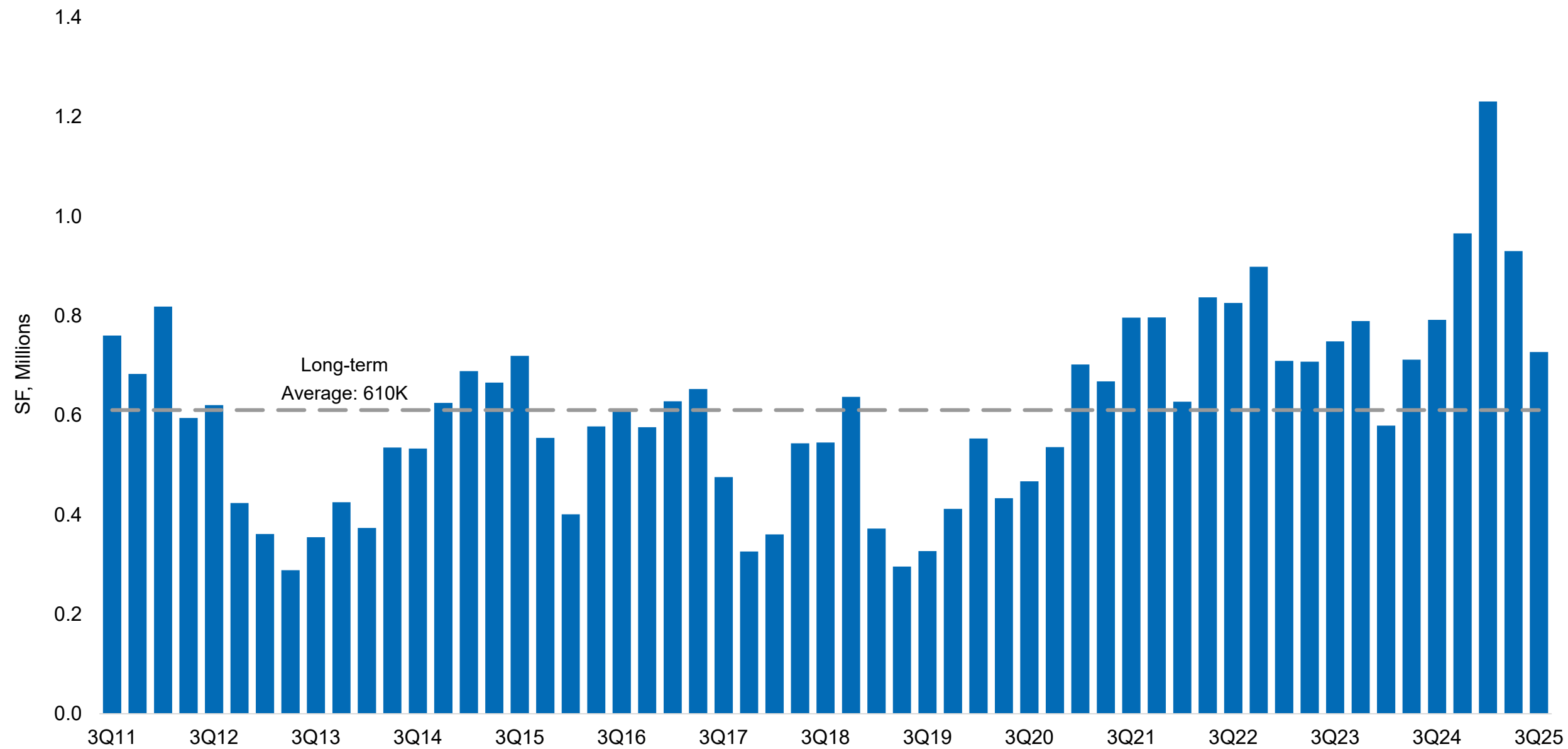


Source: Newmark Research, CoStar

Sublease Availability Remains Elevated

During the third quarter of 2025 available sublease space declined 21.8% from the previous quarter to 727,080 square feet. Despite a quarterly decline, available sublease space remains elevated, exceeding the long-term average by 19.1%.

Available Industrial Sublease Volume (msf)

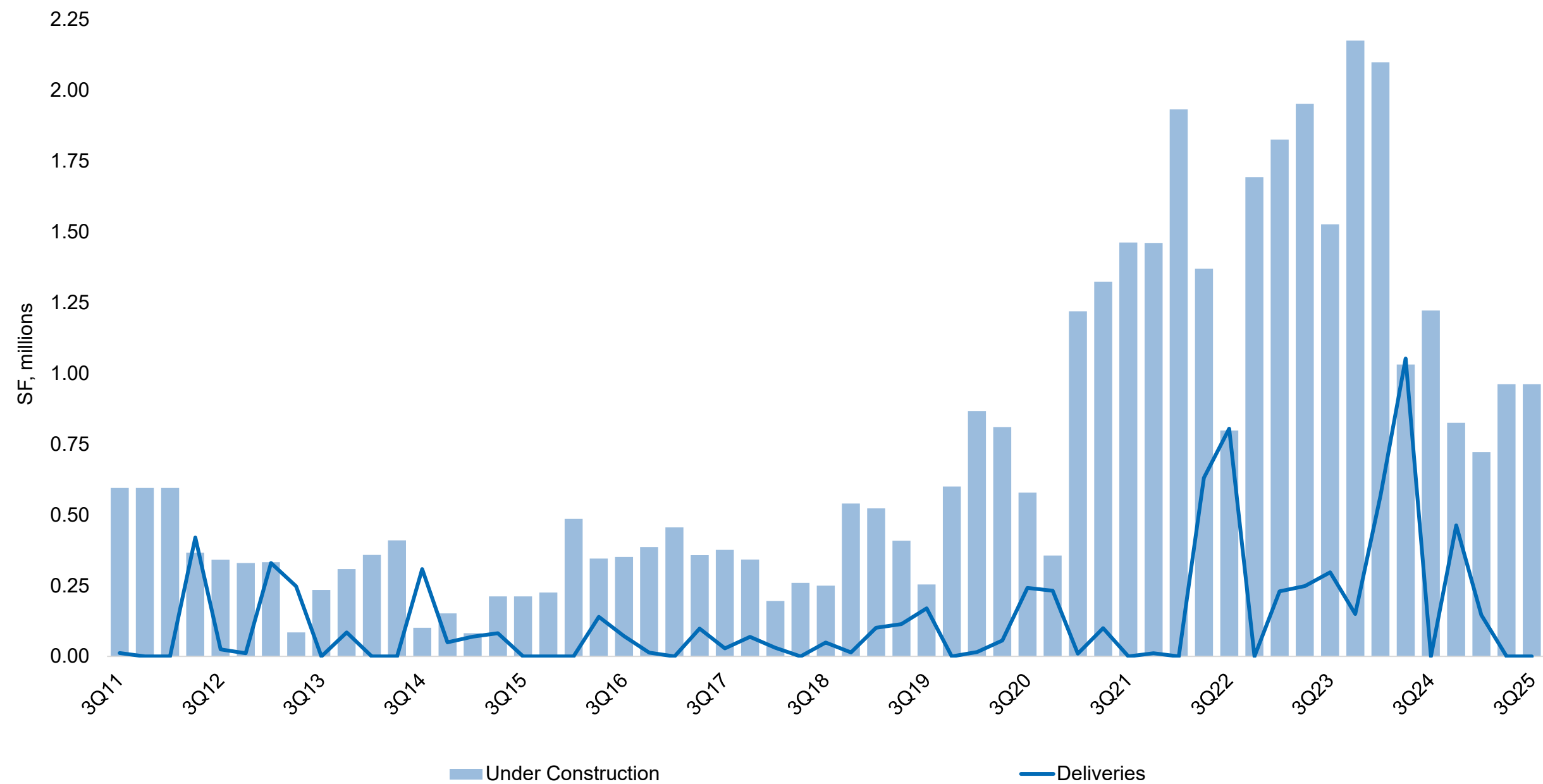


Source: Newmark Research, CoStar

Under Construction Totals Revert Towards Pre-Pandemic Levels

The third quarter recorded no industrial deliveries throughout Long Island. While the construction pipeline remains active with 961,170 square feet construction levels are down from their high in 2023, reverting towards pre-pandemic levels.

Industrial Under Construction and % of Inventory

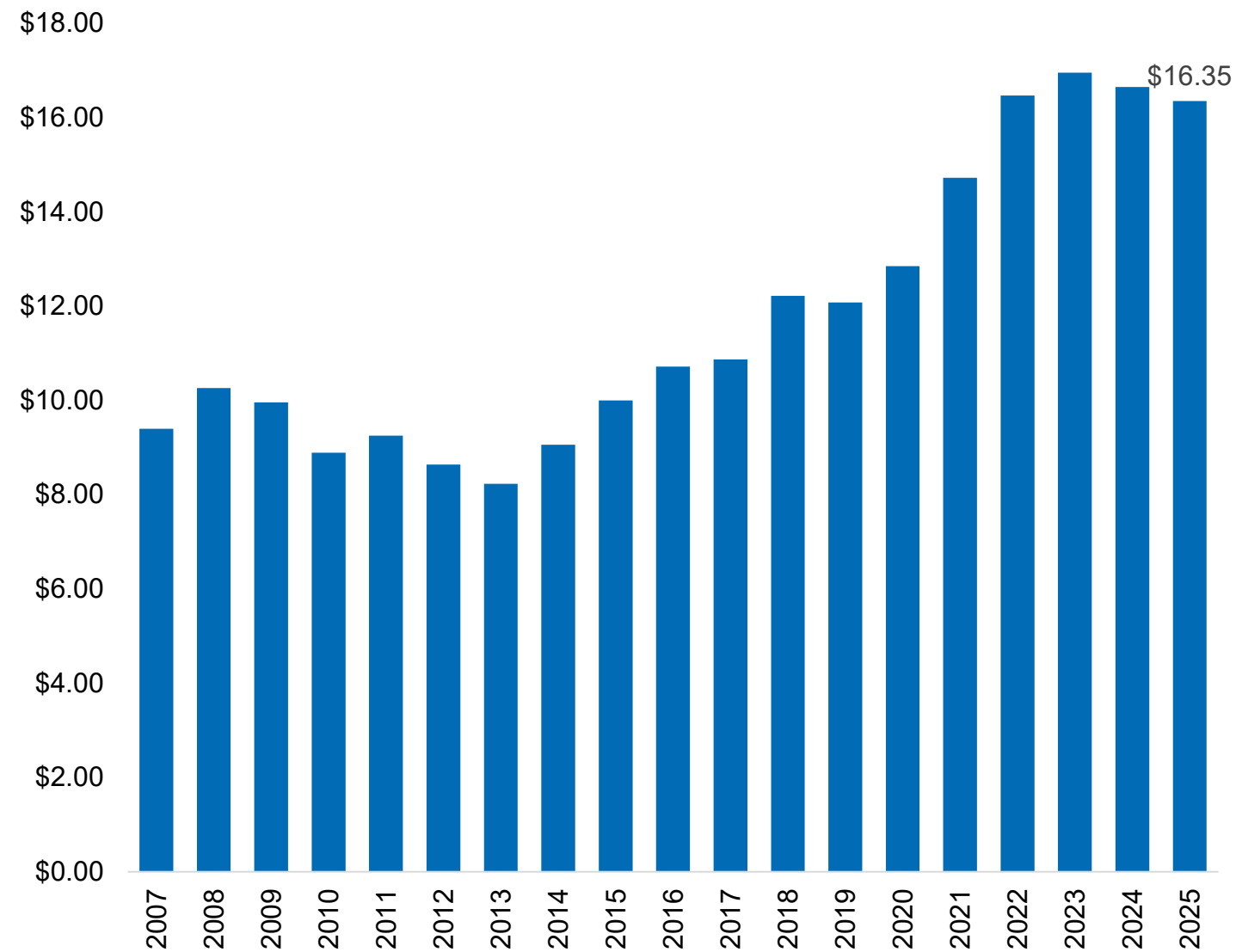


Source: Newmark Research, CoStar

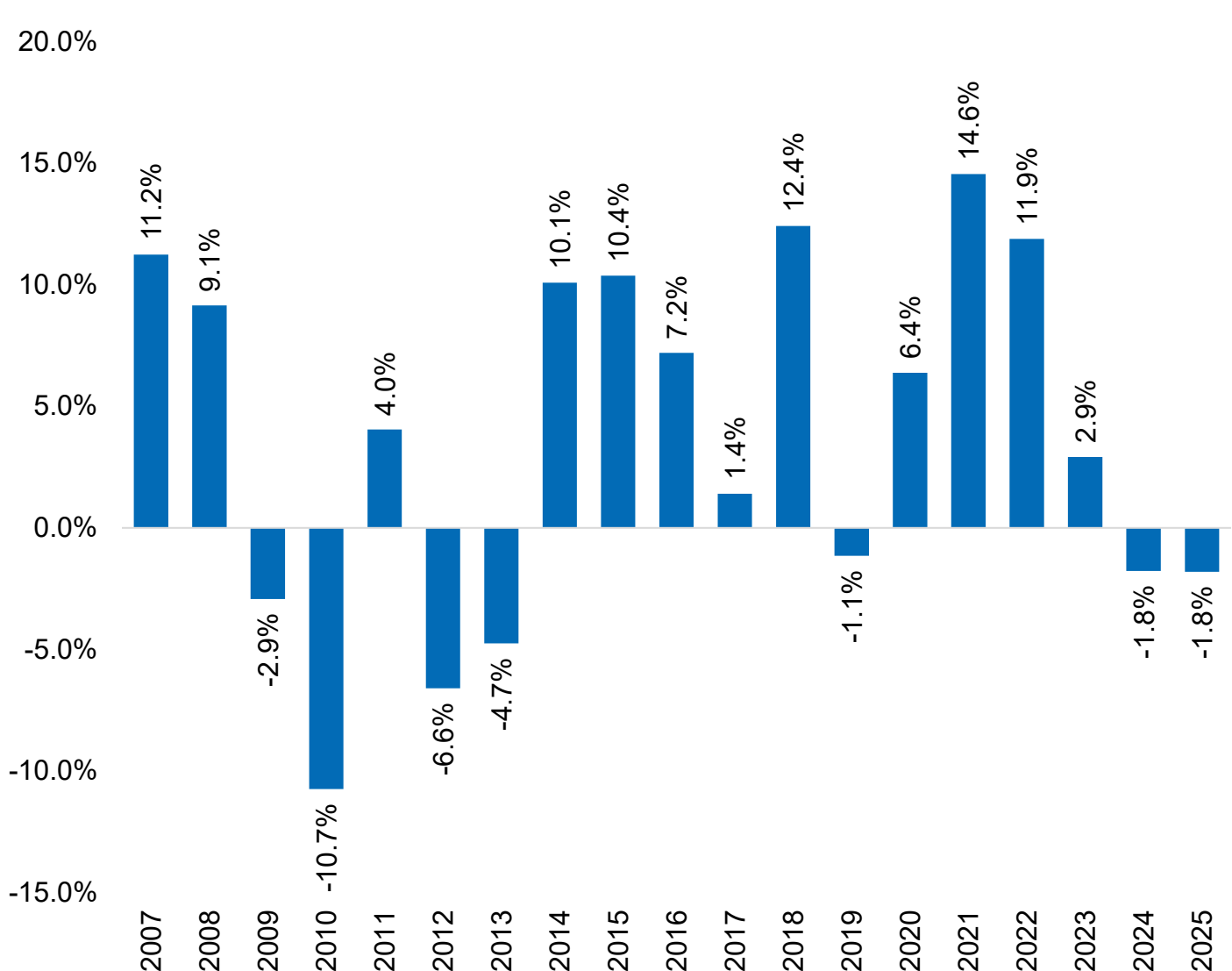
Industrial Asking Rent Declines

Long Island’s average asking rent declined \$0.44/SF from the previous quarter to \$16.35/SF. Despite this decline from the previous quarter, industrial asking rents have remained consistently elevated compared to historical levels. 2025 asking rents have declined \$0.30/SF from 2024, marking a 1.8% year-over-year fall.

Industrial Average Asking Rent, \$/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Notable Lease Transactions

Long Island industrial leasing recorded 1,465,378 square feet of activity during the third quarter, a 70.97% increase from the previous quarter. Nassau County leasing activity increased 146.7% from the previous quarter to 591,398 square feet, the county’s highest level since the third quarter of 2020. Suffolk County leasing activity increased 43.9% from the previous quarter to 888,180 square feet, the county’s highest level since the second quarter of 2023. As a result, Nassau County accounted for 40,4% of quarterly leasing across Long Island while Suffolk County accounted for 60.6% of total activity.

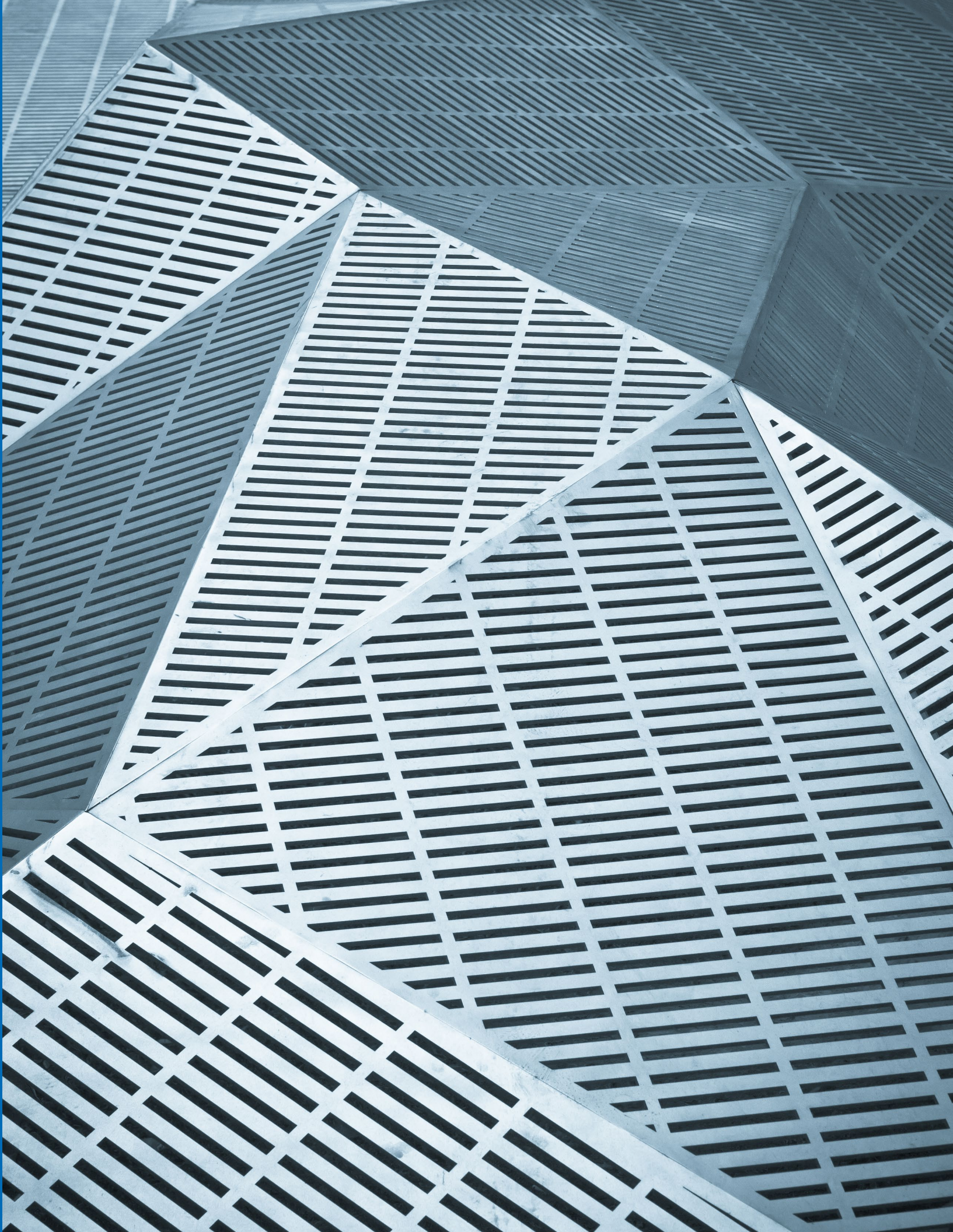
Notable 3Q25 Lease Transactions

Tenants	Building(s)	Submarket	Type	Square Feet
ProMach	55 Paradise Lane	Suffolk County	Direct Lease	106,216
Machine manufacturing company ProMach signed the largest deal of the quarter, taking 106,216 square feet on part of the first floor for five years at 55 Paradise Lane.				
Kennedy Transport Services, LLC	95 Inip Drive	Nassau County	Direct Lease	28,000
Kennedy Transport Services, LLC leased 28,000 square feet on the first floor of 95 Inip Drive.				
ECMS Express	95 Inip Drive	Nassau County	Direct Lease	25,868
International Shipping Service company ECMS Express leased 25,868 square feet on the first floor of 95 Inip Drive.				
China Imports	39-45 Drexel Drive	Suffolk County	Direct Lease	20,500
China Imports signed a one-year lease for 20,500 square feet on the first floor at 39-45 Drexel Drive.				
Jhony NYC	20 Dubon Court	Nassau County	Direct Lease	14,200
Jhony NYC signed a five-year lease for 14,200 square feet on the first floor at 20 Dubon Court.				

Source: Newmark Research, CoStar

3Q25

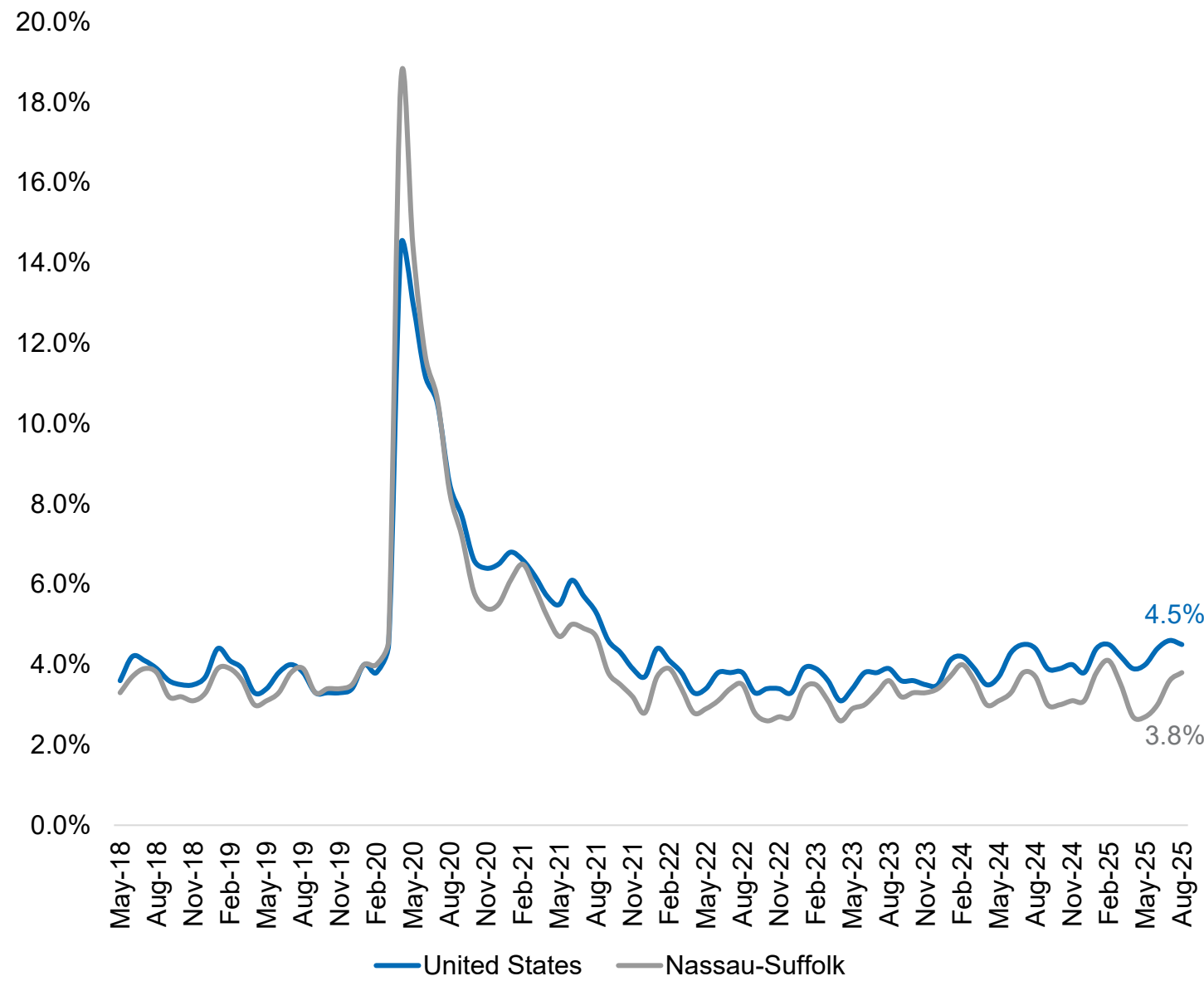
Economy



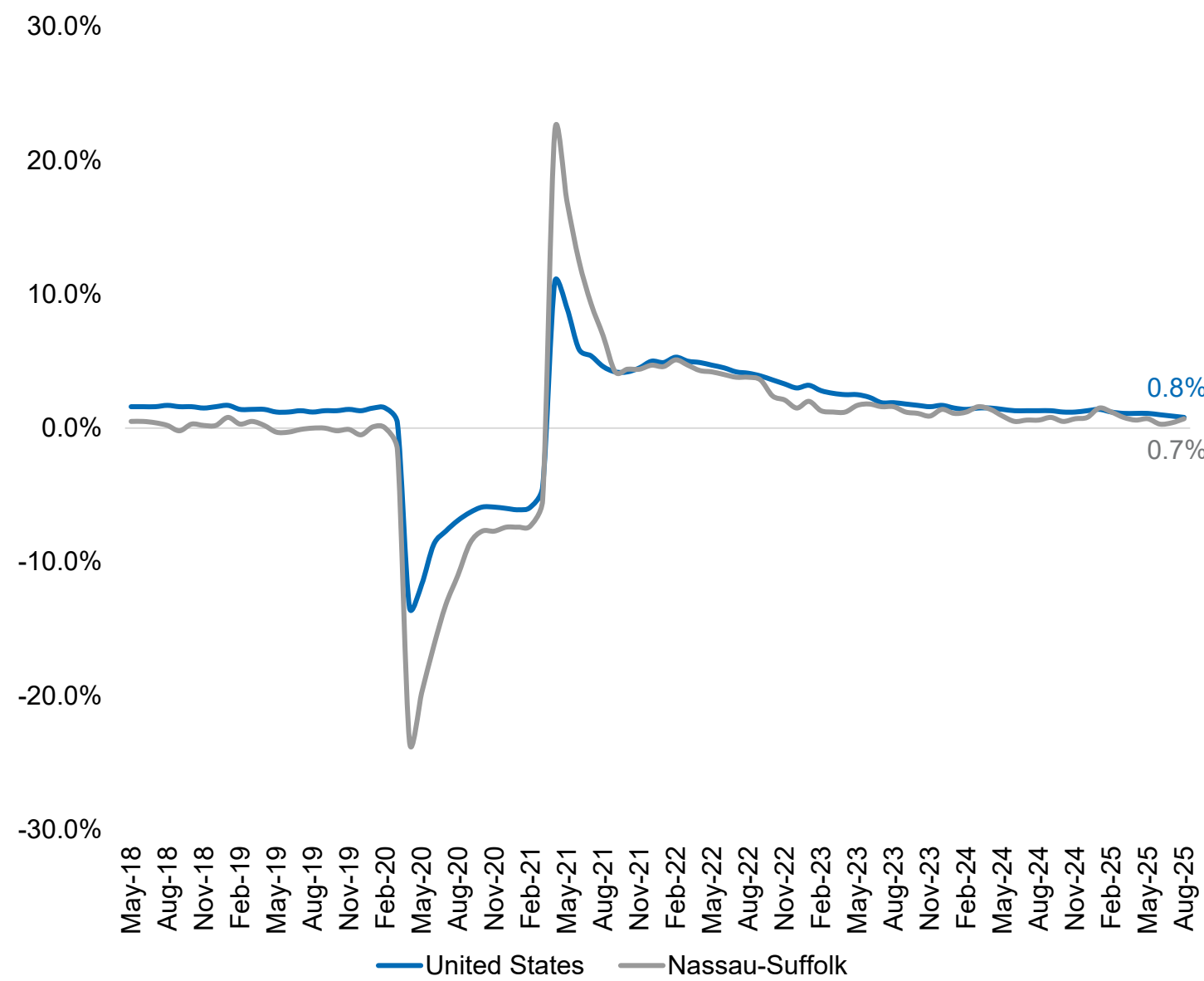
Uptick in Unemployment

The Long Island unemployment rate increased 80 basis points during the third quarter to 3.8%, and nearly flat with year-ago levels. The Long Island unemployment rate remains well below the national average of 4.5%. Meanwhile, at 0.7%, Long Island employment growth remained just shy of the national average of 0.8%.

Unemployment Rate, Non-Seasonally Adjusted



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



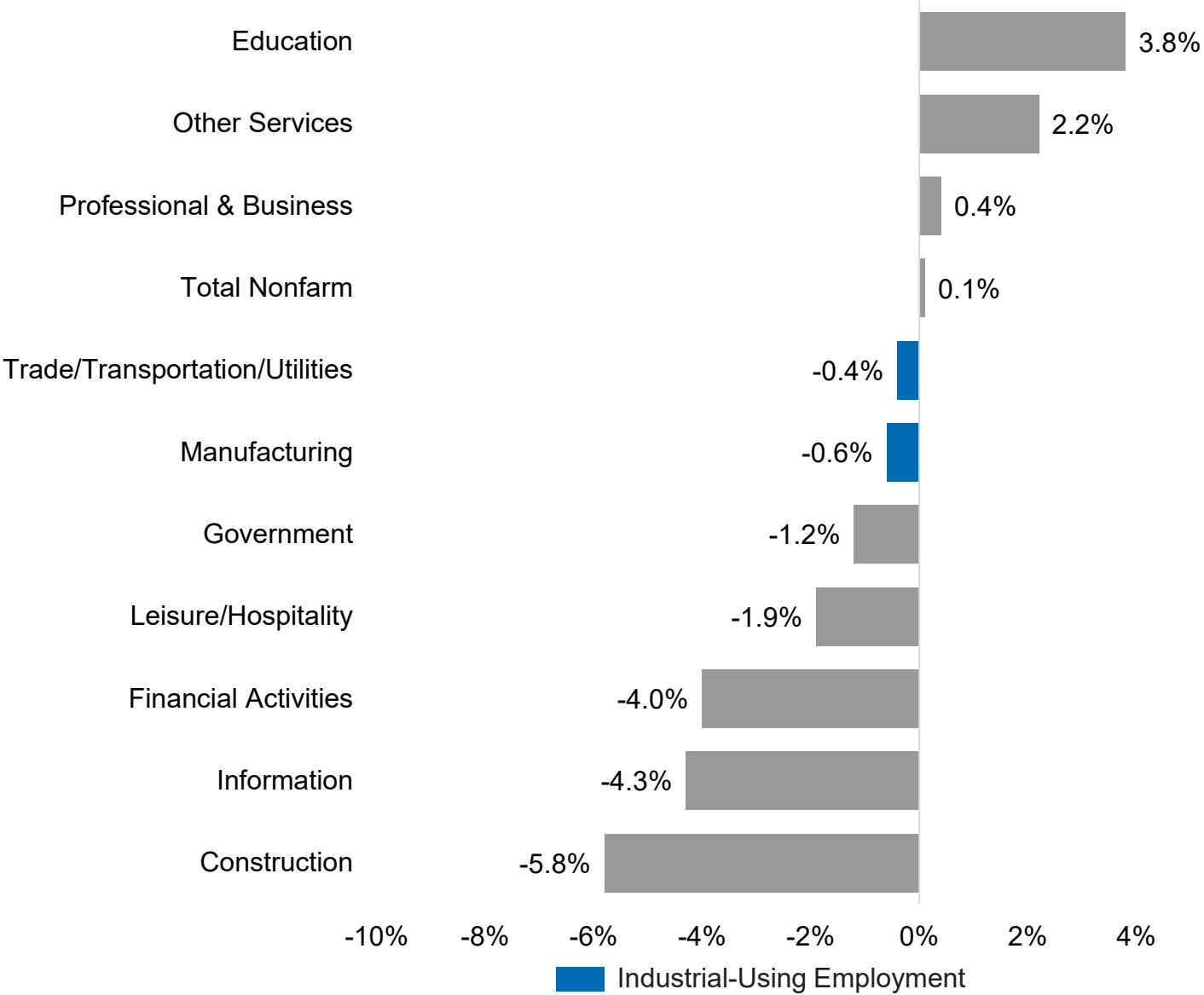
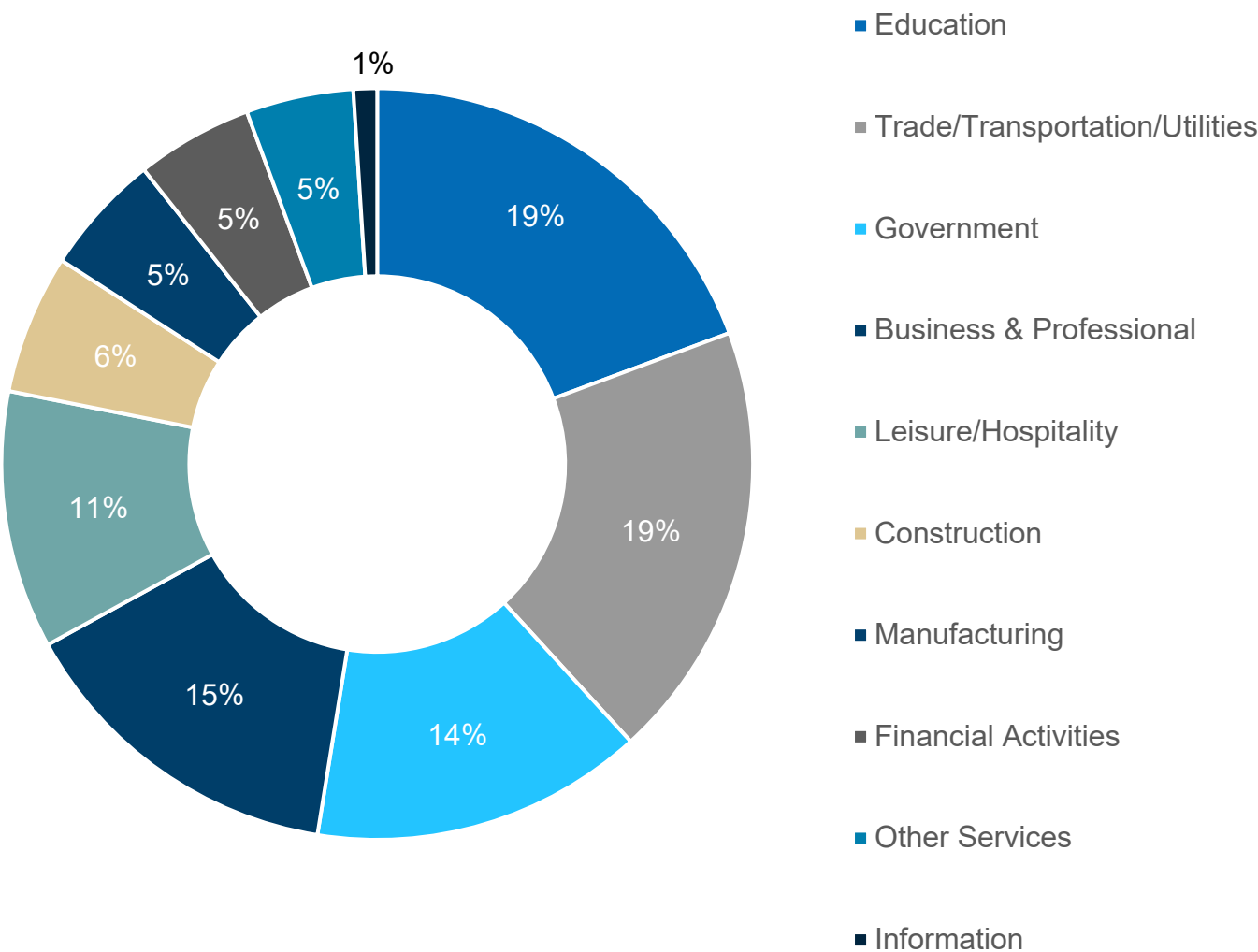
Source: U.S. Bureau of Labor Statistics, Nassau-Suffolk

Declining Job Growth for Industrial Sector Continues

Education, other services, and business & professional sectors led the region in job growth over the past year. Both industrial-using employment sectors recorded negative annual job growth dropping 0.6% and 0.4% in the manufacturing and trade/transit/utilities industries, respectively.

Employment by Industry, August 2025

Employment Growth by Industry, 12-Month % Change, August 2025

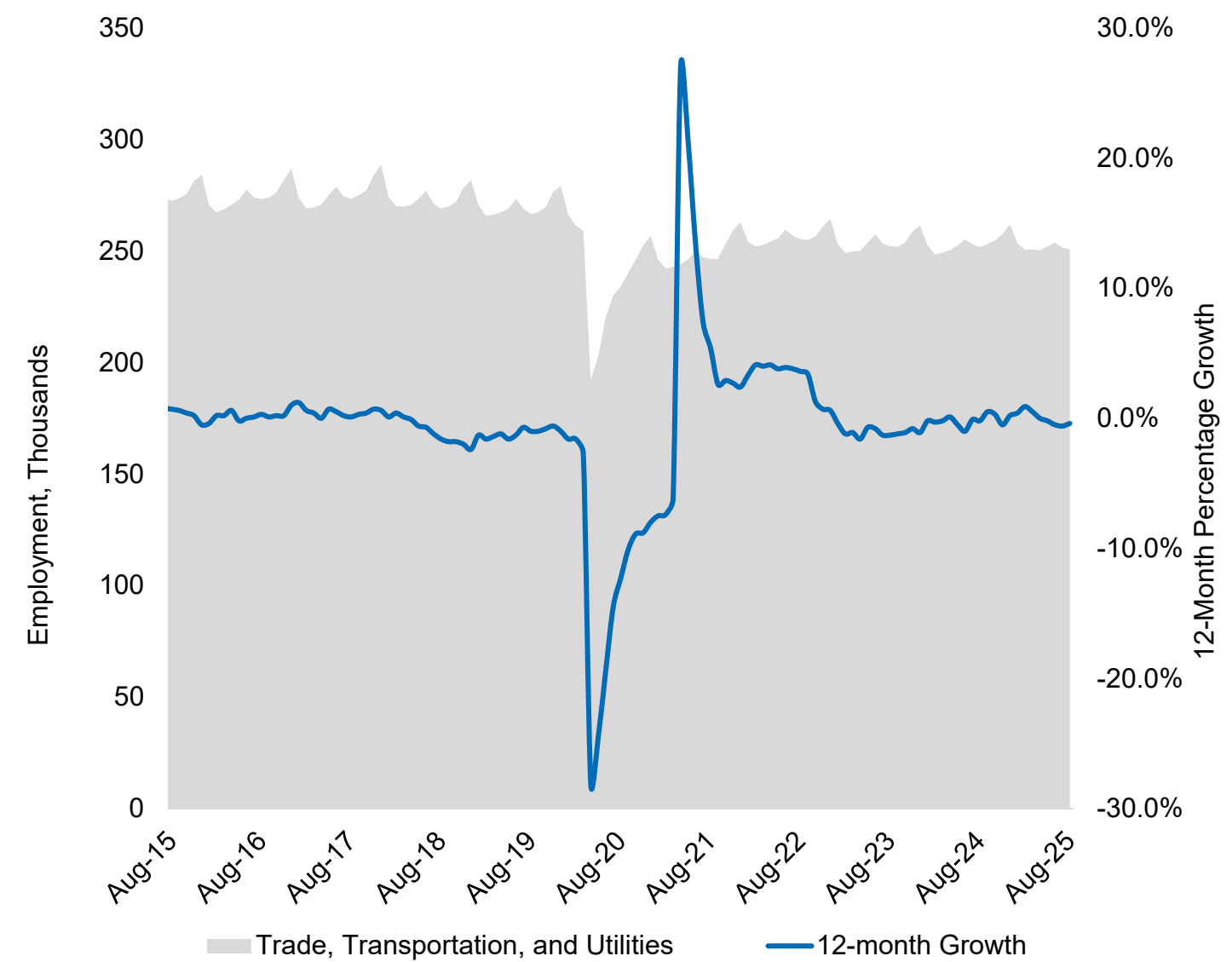


Source: U.S. Bureau of Labor Statistics, Nassau-Suffolk

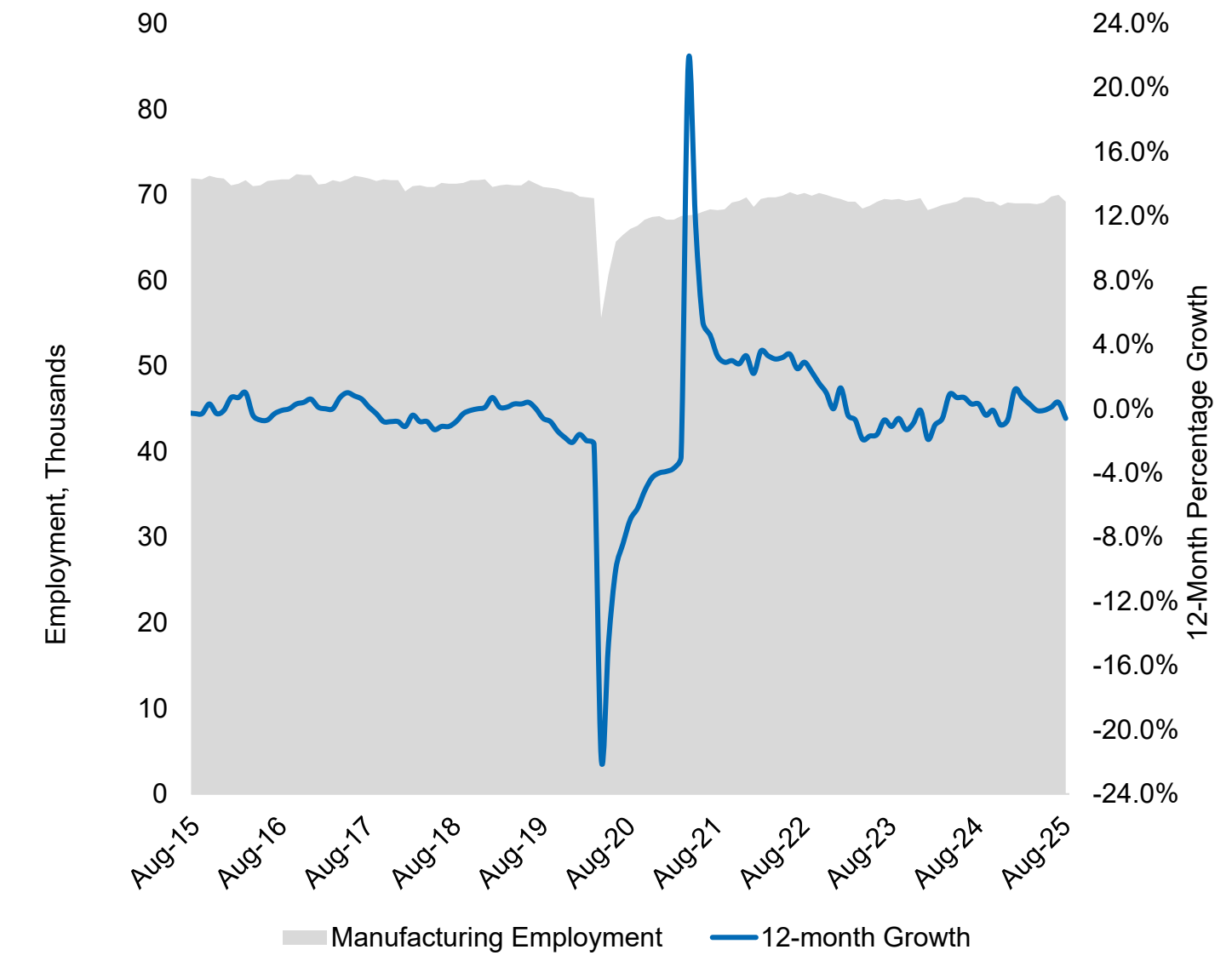
Industrial Employment Decline Continues

August manufacturing employment and trade, transportation, and utility employment declined by 0.6% and 0.4% year-over-year, respectively. While employment in both industries have rebounded from five-year lows, manufacturing employment remains 1.6% below it's June 2022 high and trade, transportation, and utility employment is 5.2% below the December 2022 high,

Total Employment and 12-Month Growth Rate, Trade/Transportation/Utilities



Total Employment and 12-Month Growth Rate, Manufacturing



Source: U.S. Bureau of Labor Statistics, Nassau-Suffolk

For more information:

Long Island
290 Broadhollow Road
Suite 103E
Melville, NY 11747
t 631-424-4800

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

nmrk.com

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at www.nmrk.com.

All information contained in this publication (other than that published by Newmark) is derived from third party sources. Newmark (i) has not independently verified the accuracy or completeness of any such information, (ii) does not make any warranties or representations, express or implied, concerning the same and (iii) does not assume any liability or responsibility for errors, mistakes or inaccuracies of any such information. Further, the information set forth in this publication (i) may include certain forward-looking statements, and there can be no guarantee that they will come to pass, (ii) is not intended to, nor does it contain sufficient information, to make any recommendations or decisions in relation to the information set forth therein and (iii) does not constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of any offer to buy, or any recommendation with respect to, any securities. Any decisions made by recipient should be based on recipient's own independent verification of any information set forth in this publication and in consultation with recipient's own professional advisors. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains with any third party. This publication is for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter. If you received this publication by mistake, please reply to this message and follow with its deletion, so that Newmark can ensure such a mistake does not occur in the future.

NEWMARK

NEWMARK