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## **CBRE RELEASES Q1 2018 OFFICE MARKET REPORT FOR LONG ISLAND**

*Nassau County Experiences Robust Leasing Fueled by Large Tenant Commitments*

**Melville, NY – April 16, 2018** – According to CBRE's Q1 2018 office market report, the Long Island commercial office market started off 2018 with steadied fundamentals. The impetus to the market's overall health was due to limited new construction, tenants relocating to higher-quality office space, and continued strong demand from the healthcare sector.

Overall availability rates and average asking lease rates remained virtually unchanged since Q4 2017. Long Island's Q1 2018 availability rate registered 11.9%, while the overall average asking rent closed at \$26.80 per sq. ft. The market posted relatively strong quarterly leasing activity of 510,000 sq. ft. led to positive net absorption of 160,000 sq. ft. which was driven by 201,000 sq. ft. of net absorption in Class B space.

"After three straight quarters of lackluster leasing, activity picked up significantly during the first quarter of 2018, especially in Nassau County," said Ellen S. Rudin, senior managing director of CBRE's Long Island and New York City Outer Boroughs offices. "Large tenants led the way for leasing with a number of major transactions, like Sterling National Bank's 111,000-sq.-ft. expansion/extension and NYU Winthrop Hospital's 77,500-sq.ft. lease in Mineola. These large tenants are one of the key factors helping the Long Island office market start to reach supply/demand equilibrium."

Large blocks of office space remained in demand, and in short supply, through the first quarter of 2018. Although there are only a few large Class A spaces available in Nassau and Suffolk Counties, developers are not considering speculative construction to meet demand due to high construction costs and stable rental rates. Given the lack of new construction and that Long Island's Class A vacancy rate is currently at 8.2%, the CBRE report predicts that rents will likely continue to remain stable and inch up across Class A properties in 2018.

You can download the full Long Island Q1 market report [here](#).

### **About CBRE Group, Inc.**

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