

Long Island RETAIL



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



Sales Activity



OVERVIEW:

The Long Island Retail Market did not experience much change in market conditions in the 4th quarter 2012. Over the past four quarters, the market has seen overall increase in the vacancy rate, with the rate going from 4.5% in the 1st quarter 2012, to 4.8% at the end of the 2nd quarter 2012, 4.8% at the end of the 3rd quarter 2012, to 4.9% in the current quarter.

The amount of vacant sublease space in the Long Island market has trended down over the past four quarters. At the end of the 1st quarter 2012, there were 283,464 SF of vacant sublease space. Currently, there are 268,317 SF of vacant sublease space in the market.

Retail net absorption was slightly positive in Long Island 4th quarter 2012, with positive 187,449 SF absorbed in the quarter. That compares to negative (11,527) SF in the 3rd quarter 2012, negative (557,807) SF in the 2nd quarter 2012, and positive 914,323 SF in the 1st quarter 2012.

During the 4th quarter 2012, 8 buildings totaling 354,789 SF were completed in the Long Island retail market. This compares to 6 buildings totaling 101,326 SF that were completed in the 3rd quarter 2012, 9 buildings totaling 200,020 SF completed in the 2nd quarter 2012, and 224,631 SF in 9 buildings completed in the 1st quarter 2012. There were 537,603 SF of retail space under construction at the end of the 4th quarter 2012.

The average quoted asking rental rates for available retail space are up over previous quarters with quoted rents at \$26.68 per SF per year at the end of the 4th quarter 2012 in the Long Island market area. That compares to \$26.53 per SF in the 3rd quarter 2012, and \$25.99 per SF at the end of the 1st quarter 2012. This represents a 0.6% increase in rental rates in the current quarter, and a 2.59% increase from four quarters ago.

Retail sales figures of buildings 15,000 SF or larger rose during the 3rd quarter 2012 in terms of dollar volume compared to the 2nd quarter 2012. In the 3rd quarter, 19 retail transactions closed with a total volume of \$165,317,562. The 19 buildings totaled 590,741 SF and the average price per SF equated to \$279.85 per SF. That compares to 13 transactions totaling \$132,625,000 in the 2nd quarter 2012. The total SF in the 2nd quarter was 484,806 SF for an average price per SF of \$273.56.

Major Lease Transactions

Tenant:	Building:	Size (SF):	Submarket:
Fairway	1250 Corporate Dr.	68,357 SF	Eastern Nassau
Walmart Market	3337 Hempstead Tpke.	49,500 SF	Eastern Nassau
Raymour & Flanagan	5500 Sunrise Hwy.	45,500 SF	Southeast Nassau
LA Fitness	82-140 E. Main St.	45,000 SF	Western Nassau
N/A	97-57 Queens Blvd.	41,333 SF	Central Queens

*All rents are per SF/per YR unless otherwise noted.