

# Long Island City Office Market

## New Development Interest Continues Despite Quiet Activity

The pipeline of potential new development continued to build in Long Island City despite another quarter of lackluster activity in the market. While no major leases were announced, the availability rate is holding firm, up just 10 basis points quarter-over-quarter to 28.9%. The market's supply of sublease space has been stable for three consecutive quarters, with Macy's 632,231-square-foot sublease at the JACX still accounting for the bulk of that supply.

Two projects delivered in the second quarter of 2021 in Hunters Point, with another 546,791 square feet still under construction across the market. Gantry Point, a 238,770-square-foot new development delivered in the second quarter and remains 100% available to lease. The Woodworks LIC was also completed, yielding 45,000 square feet of office space to lease in the 119,000-square-foot, ground-up flex building.

Innolabs at 45-18 Court Square, a 266,791-square-foot life science building, is scheduled to deliver later this year and will be the latest addition to New York City's growing life science infrastructure and expanding cluster in Long Island City. Two other life science development sites traded recently, including: 24-02 Queens Plaza South, which has the potential for a 270,000-square-foot life science facility; and 47-50 30th Street, where Alexandria Real Estate Equities purchased an existing 52,500-square-foot warehouse with the potential for a 150,000-square foot development. In the second quarter, two other development sites were announced, including: a 159,657-square-foot office site at 48-18 Van Dam Street, adjacent to a planned new headquarters for the International Brotherhood of Teamsters; and at 41-50 21st Street, where East-West Development is pitching a 334,000-square-foot assemblage with the potential for life science, office, logistics or film studio space.

## Asking Rent Holds Steady for Three Consecutive Quarters

Long Island City's asking rent has remained consistent since the end of 2020, with the overall average for the market now at \$52.09/SF. While demand continues to be soft, landlords have not shifted asking rents significantly during the pandemic. The overall average asking rent is up \$7.90/SF since the end of 2020 due to an influx of availability in new construction added over this period, with opportunities in both direct and sublet space.

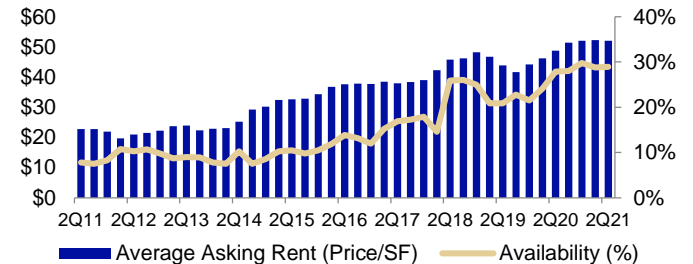
# NEWMARK

## Current Conditions

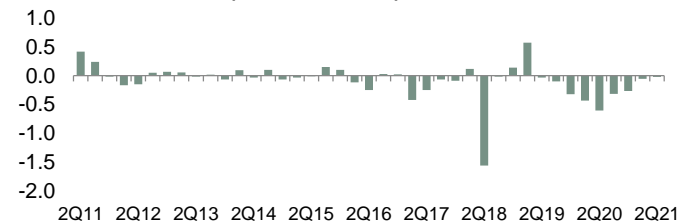
- While demand remained soft, availability held steady, up just 10 basis points from last quarter.
- The pipeline of potential new development continues to expand as more than 546,000 square feet will deliver later this year.
- The average asking rent is \$52.09/SF, stable for three consecutive quarters but still up 17.9% since the end of 2019 due to new development additions.

## Market Analysis

### ASKING RENT AND AVAILABILITY



### NET ABSORPTION (SF, MILLIONS)



## Market Summary

	Current Quarter	Prior Quarter	Prior Year	12-Month Forecast
Total Inventory	15.5 MSF	15.5 MSF	15.3 MSF	↑
Availability Rate	28.9%	28.8%	27.9%	↑
Quarterly Net Absorption	-23,150	-53,438	-604,463	↓
Avg. Ask Rent	\$52.09	\$52.26	\$48.78	↓
Under Const.	547K	805 K	943,860	↑
Deliveries	358K	292 K	100,000	↑

*For more information:*

**New York Headquarters**

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

**Jonathan Mazur**

*Senior Managing Director*  
212-372-2154  
Jonathan.Mazur@nrmk.com

**Stephanie Jennings**

*Managing Director*  
212-372-2099  
Stephanie.Jennings@nrmk.com

**Alison Baumann**

*Associate Director, Research*

**Michael Miceli**

*Associate Director, Research*

**Stephen Tsamblakos**

*Senior Research Analyst*

**Ronnie Wagner**

*Director, Research*

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