

# Long Island City Office Market

## Long Island City Availability Declines for Fifth Consecutive Quarter as Leasing Skyrockets

The Long Island City availability rate decreased by 324 basis points quarter over quarter, to 23.2%, marking the fifth consecutive quarter in which availability declined. Each Long Island City submarket recorded a decline in availability, dropping 596 basis points in Hunters Point, 152 basis points in Astoria, and 100 basis points in the Factory District.

Leasing activity more than tripled quarter over quarter, with velocity increasing to 480,658 square feet. New York City School Construction Authority's lease at 1 Court Square West for 350,000 square feet in the Hunters Point/LIC Waterfront submarket was the largest deal of the quarter and a primary driver of the increased activity. Standard Motor Products' 75,000-square-foot renewal at 37-18 Northern Boulevard across three floors in Astoria was another notable transaction. Following the surge in velocity, Long Island City absorption closed the quarter at positive 447,298 square feet, the second highest amount in the past decade.

Average asking rents declined by \$2.25/SF, or 4.2%, quarter over quarter to \$51.70/SF. In both Hunters Point and Astoria, rents decreased by more than \$2.00/SF, while rents in the Factory District increased by \$0.46/SF. Hunters Point remains the most expensive submarket, with asking rents of \$62.99/SF, followed by the Factory District at \$40.30/SF and Astoria at \$37.12/SF.

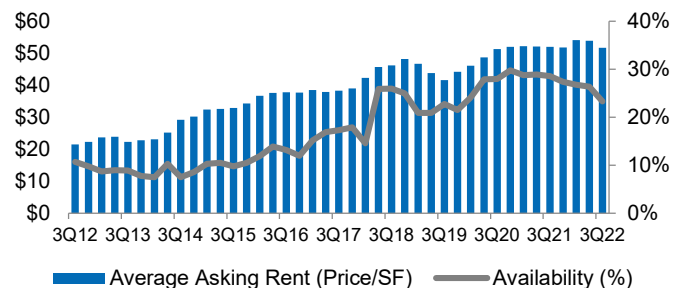
Although there were no deliveries in the third quarter, 157,049 square feet remains under construction across two properties. Approximately 100,000 square feet 45-03 23rd St. and 57,049 square feet at 35-01 36th St. are slated for delivery in the first half of 2023.

## Current Conditions

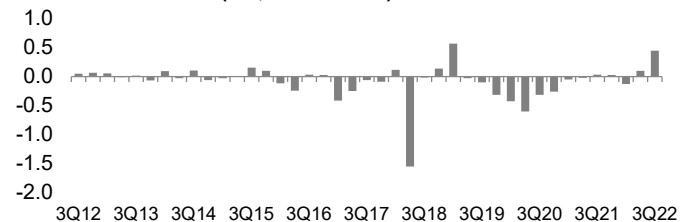
- The Long Island City availability rate declined by 324 basis points from the second quarter, closing at 23.2%.
- Average asking rents declined by 4.2% quarter over quarter to \$51.70/SF.
- Absorption posted positive for the fourth time in five quarters, closing at 447,298 square feet.

## Market Analysis

### ASKING RENT AND AVAILABILITY



### NET ABSORPTION (SF, MILLIONS)



## Market Summary

	Current Quarter	Prior Quarter	Prior Year	12-Month Forecast
Total Inventory	15.2 MSF	15.3 MSF	15.5 MSF	↑
Availability Rate	23.2%	26.4%	28.6%	↓
Quarterly Net Absorption	447,298	96,074	33,081	↓
Avg. Ask Rent	\$51.70	\$53.95	\$51.99	↓
Under Const.	157K	157K	453K	↑
Deliveries	0 MSF	87K	0	↑

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