

# Long Island City Office Market

## Availability Decreases in Long Island City Following Quarterly Uptick in Leasing Velocity

The overall Long Island City availability rate dropped 120 basis points quarter over quarter, to 27.4%. Availability decreased by 270 basis points in The Factory District and by 80 basis points in Hunters Point. The large decline in The Factory District was due to 109,611 square feet of velocity in the submarket, or 84.5% of overall activity. Astoria saw a minor increase of 10 basis points from the third quarter to 20.5%, the lowest of the three submarkets.

Fourth-quarter leasing velocity totaled 129,315 square feet, an 18.9% improvement from the third quarter. Most of that space was taken by the General Service Administration for the Office of Immigration, which signed a 66,000-square-foot lease for the fifth floor at 31-00 47th Avenue. An additional 39,911 square feet was leased at 30-30 47th Avenue, The Factory Building, across three deals. These included Roman Health for 23,632 square feet, an 8,353-square-foot deal by 20th Television, and a 7,926-square-foot lease by Broadway Stages. The uptick in leasing resulted in the second straight quarter of positive absorption, which closed at 26,492 square feet.

The only delivery of new supply in the fourth quarter was Innolabs at 45-18 Court Square. The 266,791-square-foot life science building in Hunters Point leased 48,000 square feet to its first tenant, Opentrons, earlier in 2021. Another 187,000 square feet remains under construction in Long Island City, with 100,000 square feet at 45-03 23rd Street scheduled to deliver in early 2023, and 87,000 square feet at Urban Yard at 40-09 21st Street in Astoria. Another 1.2 million square feet of space across five projects remain in the planning stages.

## Asking Rents Remain Stable for Fifth Straight Quarter

Long Island City average asking rents closed the year at \$51.82/SF, a quarter-over-quarter decrease of just \$0.17/SF, or 0.3%. This marked the fifth consecutive quarter of rent stability, with changes under \$1.00/SF. The slight decline followed a drop of 160 basis points in The Factory District to \$42.69/SF and a decline of 100 basis points in Hunters Point to \$60.70/SF. Astoria remains the most affordable submarket with an average asking rent of \$38.73/SF.

## Current Conditions

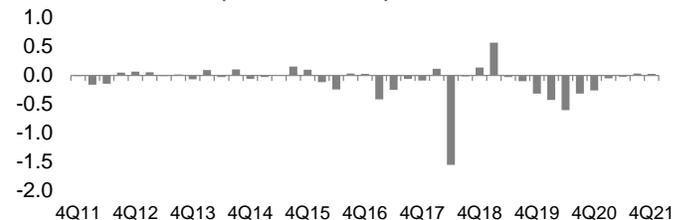
- The Long Island City availability rate declined by 120 basis points from the third quarter, closing at 27.4%.
- Absorption posted positive for two consecutive quarters for the first time since the first quarter of 2019.
- Average asking rents remained stable at \$51.82/SF.

## Market Analysis

### ASKING RENT AND AVAILABILITY



### NET ABSORPTION (SF, MILLIONS)



## Market Summary

	Current Quarter	Prior Quarter	Prior Year	12-Month Forecast
Total Inventory	15.4 MSF	15.5 MSF	15.6 MSF	↑
Availability Rate	27.4%	28.6%	29.8%	↓
Quarterly Net Absorption	26,492	33,081	-263,746	↓
Avg. Ask Rent	\$51.82	\$51.99	\$52.08	↓
Under Const.	187K	453K	1.2 MSF	↑
Deliveries	267K	0	0	↑

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