



# NEW YORK REAL ESTATE JOURNAL

New York Real Estate Journal — Long Island — April 15 - April 28, 2003 —

## INDUSTRIAL

By John Maltz, Greiner-Maltz

# The industrial market trend: Available buildings for sale vs. lease widens

The Long Island industrial real estate market has been experiencing a rock-solid trend despite 9/11, the war in Afghanistan, a 3,000+ point drop in the Dow Jones industrial average, and the commencement of the land war in Iraq.

While the fluctuation of the historical availability rate of from 5% to 10% has generally been dependent upon a handful of buildings either being absorbed or being placed on the market, the trend in rental vs. sale rates and lease vs. sale availabilities has stuck to its 3-



year trend path.

What characterizes this

trend which effects approximately 16 million s/f of currently available industrial space on Long Island is:

The ratio of available buildings for sale vs. lease continues to widen. Nassau County's ratio is 5 to 1, Suffolk County is 4-1. This signifies that there is a greater supply of availabilities for sale in Suffolk County.

On average, Suffolk County has experienced a catch-up in sale prices. This is attributed to two causes: The availability of higher cube, more modern warehouses and a lower tax rate. north vs. south: North shore continues to outpace

south shore properties by a 20 % price differential.

The lower tax rate for south shore properties provides owners with a higher relative net income than the differential would suggest while also helping to prop-up sale values.

Absorption remains relatively steady which creates a stable market with little guesswork required to accurately price an availability.

In summary, although overall conditions are softening somewhat, for certain submarkets and property types

prices remain high with few attractive availabilities.

The Long Island market continues to be the envy of most of the national markets I have surveyed. Here are a few industrial properties which are available exclusively through Greiner-Maltz.

- 303 Smith St., Farmingdale.
- 400 Wireless Blvd., Hauppauge
- 131 Sunnyside blvd., Plainview.

**John Maltz is managing director of Greiner-Maltz, located in Queens N.Y.**