

NEWS FROM **Newsday**

Office Vacancy Down In Suffolk; Up In Nassau

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REAL ESTATE

Office buildings in Suffolk County have been filling up over the past year, pushing vacancy rates down to levels not seen since the financial crisis.

The vacancy rate for office space in Suffolk fell to 14.4 percent in the third quarter of 2012 from 17.2 percent a year earlier, CBRE, a commercial real estate services firm, said Wednesday.

In contrast, vacancy rates in Nassau County have edged up slightly over the past year, to 14.5 percent from 14.3 percent.

Pent-up demand for office space is gaining momentum as the economy improves, said Ellen Rudin, managing director at CBRE. Rudin said that for several years, companies "didn't want to move for fear of making the wrong decisions. Now people seem ready to make decisions."

Rudin cautioned that much of the improvement in Suffolk's market can be attributed to a few large deals, including Canon U.S.A.'s new headquarters in Melville, which is still under construction and was included in the calculation.

Despite the gains, vacancy rates in Suffolk haven't fallen to their levels in the third quarter of 2008, when the vacancy rate was 13.5 percent, according to CBRE. A year later the rate had shot up to 17.2 percent.

The vacancy rate in Nassau County was 11.3 percent in the third quarter of 2008, CBRE said.

"The last year, for us, has been significantly better than the last three," said Ted Weiss, president of T. Weiss Realty Corp. Weiss said that a year ago the four office buildings his company owns in Melville were slightly more than 80 percent occupied. Now they're roughly 90 percent occupied.

Kevin Law, president of the Long Island Association, said that many companies that had waited to see which way the economy was headed now see improvement.

"They sense the timing is good to make a decision," Law said.

One company that signed a lease in Suffolk recently is Gemini Fund Services Llc, which plans to move next month less than half a mile to triple its current office size in a 34,906-square-foot space in Hauppauge.

"Our current space is just too small," said Gemini president Kevin Wolf. He said the company, which provides services to mutual funds, has been expanding its business and has hired 30 people over the last year, increasing its Long Island staff to 110.