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## **The Future is Looking Bright for Nassau County**

*By, Ben Efraimov, Director of Sales, Massey Knakal Realty Services*

Nassau County has always drawn interest for commercial property investment however there are areas of the county demonstrating significant momentum. Values remain steady while vacancy rates seem to be improving, potentially due to the steady pace of property price increases in the city and the surrounding boroughs driving industries and investors to more affordable areas like Nassau County.

According to a report by leading commercial real estate information company CoStar, the demand for industrial space has brought vacancy rates down to 5.2% with a net absorption rate of 740,825 square feet in the third quarter of 2013 alone. The retail market has seen similarly strong numbers as well with the third quarter of 2013 ending with an average vacancy rate of 5.1%, which marks a slight improvement from the end of second quarter's vacancy rate of 5.3%. Presently, markets with the lowest retail vacancy rates in the country include San Francisco, CA at 3.6%, Fairfield County, CT at 5.1%, and Long Island, NY at 5.4% based on figures provided by the National Association of Realtors. Overall these Long Island markets are looking strong and reassuringly seem to be consistently staying that way.

And now looking towards the future; Forest City Ratner Cos., developer of Brooklyn's Barclays Center, have been awarded the project of renovating and operating the Nassau Veterans Memorial Coliseum, the aging Long Island sports arena that the Islanders hockey team will soon vacate. Forest City Ratner proposes to spend an estimated \$229 million renovating the county-owned arena and building a plaza on part of the concrete field surrounding it. The plan also includes developing other parts of the 77-acre coliseum site to include theaters, restaurants, a bowling alley and a lawn where musical performances would be held. Forest City Ratner said the new arena will be home to a minor league hockey team. The Islanders will play six regular-season games and the Brooklyn Nets will play one pre-season game there each year. The company also plans to hold more than 50 concerts at the arena and plaza per year.



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Looking at the apartment housing market for Long Island; in a recent report by the Regional Plan Association, America's oldest independent urban research and advocacy organization, they mention there is an average of one rental unit available for every 107 households on Long Island. This is quite a contrast to similar New York areas where averages are one rental unit for every 42 households. Nationally, the rental apartment vacancy rate is 8.2% but Long Island rates are about half that figure. With the lack of affordable rental apartments, many younger people are continuing to live with their parents, approximately 55% of 20 to 34 year olds on Long Island still reside with their parents. These concerning market conditions have encouraged developers to provide housing for this growing demand.

In Glen Cove, a group of developers plan to build a mixed-use complex with luxury housing and stores on a 52-acre waterfront site known as Glen Cove Creek. After 20 years of government financed environmental remediation work, efforts have now begun to reclaim the waterfront area. A group of developers is hoping to build the \$1 billion mixed-use project consisting of 860 residential units and retail space as well as a 250-room hotel on the site. In 2011, the planning board approved the master plan for the project. The developers plan to break ground on the first phase of the development in late 2014. The city of Glen Cove is also planning to build a ferry terminal on the site in hopes of running commuter boats to Manhattan.

In Mineola, building permits have been issued for several projects including The Winston, a 270-unit residential building located at Old Country Road and Willis Avenue. Demolition of existing buildings on the site has already begun. Another development under construction is The Churchill, located on Front Street, west of Roslyn Road, which will provide affordable rental housing for seniors. At 250 Old Country Road the former LIPA/Keyspan building will soon be razed to make way for a new 315-unit residential building, final review of the plans by the village building department are currently being conducted. The Mill Creek Residential in Mineola is a 311-unit residential building currently under construction, and a project by Mineola Properties in Mineola is a 315-unit property also under construction.

Nassau County officials have announced the start of construction for a new 154-unit housing and retail project in downtown Farmingdale near the Long Island Rail Road station. The project known



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as the Jefferson Plaza was made possible in part by the Nassau County Industrial Development Agency, which approved an economic development plan for the \$38 million project which includes affordable housing. Jefferson Plaza is one of several residential developments assisted by the County. Other projects include the Plaza Landmark in Great Neck Plaza, a 93-unit project that is now open. Recently opened is the Village Lofts, a 29-unit transit-oriented rental development in the Village of Hempstead.

Another notable development that has been warmly accepted in the community is Winthrop-University Hospital's development of a new \$80 million research center which will be a 94,000 square foot Institute. The project is already under construction at the corner of Mineola Boulevard and Second Street in Mineola, with completion scheduled for 2015.

Nassau boasts being one of the safest counties in the country with some of the best school districts and has always worked closely with businesses towards economic development. With the pace of the markets in the various sectors and the numerous development projects throughout the county, Nassau County will maintain its desirability for investors and industries alike.