



Gary Schacker

## Rents rise amid shortage of space

By: [Claude Solnik](#) November 5, 2014 0

The salad days of the commercial and industrial market before the crash of 2008 may be gone, but the Long Island market is rebounding due to a shortage of properties for sale, according to one of the region's brokers.

Gary Schacker, principal at Jericho-based [United Realty](#) and president of the [Commercial Industrial Brokers Society of Long Island](#), said the market is rebounding, when he spoke in a panel at [Trade Nassau](#), an annual business-to-business trade show that was held Wednesday at Carlyle on the Green in Farmingdale.

Schacker said a rebounding economy and a shortage of properties for sale are driving up real estate prices. But don't expect the market to return to its pre-2000 peak.

"It's like the Wild West. I don't think we're ever going back there," Schacker said at the event that featured more than 100 exhibitors and 1,500 attendees. "There are no gunslingers anymore. It's a more conservative market."

Schacker said as financing became more difficult to obtain, commercial real estate offers dried up following 2008. The interest is finally returning, but few properties are for sale, which pushes prices back up.

"That demand basically evaporated. It's now finally coming back. The problem is, there's nothing to buy," Schacker said. "The amount of inventory for purchase in Nassau County is very limited. Even though there's a demand to purchase, there's no inventory."

Schacker said that's helping drive rents back up from a nadir during the Recession.

"Demand is up. Rents are on the rise. It may not sound like a good thing, but it is," Schacker said. "It doesn't make tenants happy, but it helps bring the market into equilibrium. The real estate market is always best when there's equilibrium, when there's a balance that doesn't favor a landlord or tenant."

Average asking industrial rents on Long Island in the second quarter reached \$8.76 per square foot, up from \$8.41 in the previous quarter and a sizeable jump from the \$8.08 per square foot from one year ago, according to a report from Newmark Grubb Knight Frank.

Schacker outlined a journey for Long Island real estate that began back at pre-2008 amid a booming market for the sale of properties.

"A lot of companies were purchasing buildings," he said. "It was very easy for them to purchase buildings, in the way of financing. There was a lot of demand to purchase."

As demand rebounds with lagging supply, Schacker said, businesses seeking to expand are having difficulties finding space that meets their needs, which is still holding back the volume of deals.

"The market is back to a large extent," Schacker said. "The market is there in terms of space. There's just not a lot of space."

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