

The Capital District, as it is commonly referred to, encompasses the cities of Albany, Schenectady and Troy New York. Commercial real estate activity in the tri-city area has slowed in the past year and no projects of major substance are being proposed. In the three respective central business districts, only Schenectady is seeing any new construction, and that is being fueled by the local Metroplex Authority. This Authority is publicly funded and is charged with the redevelopment of the immediate downtown.

Schenectady, the birthplace of the General Electric Company, continues to produce gas turbines for worldwide distribution. The company has its World Headquarters for Research and Development in Niskayuna, Schenectady County. GE Silicone continues as a major employer in Saratoga County. Well established firms calling The Capital District home include Albany Molecular, Albany International, and Schenectady Chemical. Numerous institutions of higher education are located in the area. From liberal arts centered Skidmore in Saratoga to Rensselaer Polytechnic Institute's advanced engineering curriculum, fifteen different colleges are located in the area.

Troy, located just north of Albany on the Hudson River, is seeing a dramatic change in its downtown character. Attempts to redevelop former multi-story manufacturing facilities to office space have given way to urban residential development. With unique architecture, great waterfront views, and easy access to the entire region, the unguided hand of the market is moving redevelopment in its natural and successful course.

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Albany has been approved by the State to bond more than \$231 million in borrowing for a new convention center in town. The project is slated to be located just east of the State Museum and should provide an economic shot in the arm to a stagnant construction cycle in the downtown area. On the State Government front, January of 2008 will bring sweeping changes to all of New

York State and the immediate Albany area in particular.

Our local economy, in an attempt to diversify, is hanging its hat on nanotechnology. Advanced Micro Devices recently announced plans to build a production facility in Saratoga County just north of Albany County. Lured by \$1 Billion in State incentives, the company will spend \$3.5 billion on a project that will create 1,000 high tech jobs long term and 2,000 construction jobs during the building process. Projects in conjunction with the nanotech department at the University at Albany and RPI should make the Capital Region the Silicon Valley of the East.



**Pyramid Brokerage  
Company**

COMMERCIAL REAL ESTATE SOLUTIONS

Albany, NY

2008

Classification	Low Rental Rates	High Rental Rates	Effective Average Rental Rates	Vacancy Rate
<b>Downtown Office —Full Service Rates</b>				
New Construction (AAA)	NA	\$22.00	NA	NA
Class A (Prime)	\$19.00	\$21.00	\$20.00	13%
Class B (Secondary)	\$13.00	\$15.00-18.00	\$15.00	17%
<b>Suburban Office —Full Service Rates</b>				
New Construction (AAA)	\$18.00-19.00	\$18.00-19.00	\$18.50	NA
Class A (Prime)	\$17.50	\$18.00	\$17.50	12%
Class B (Secondary)	\$15.50	\$15.00-17.00	\$16.00	15%
<b>Industrial Space —Net (Triple Net) Rates</b>				
Bulk Warehouse	\$3.25	\$3.50	\$3.25	8%
Manufacturing	\$4.75	\$5.50	\$5.15	10%
High Tech/R&D	\$11.00	\$13.00	\$12.00	5%
<b>Retail Space —Full Service Rates</b>				
Downtown (High Street Shops)	\$14.00	\$17.00	\$15.50	10%
Neighborhood Service Centers (Retail Units in Parks)	\$15.00	\$17.00	\$16.00	15%
Community Power Centers (Big Box)	\$15.00	\$17.00	\$16.00	5%
Regional Malls	\$25.00	\$35.00	\$30.00	20%
<b>Development Land</b>				
Classification	Low (per acre)		High (per acre)	
Office in CBD ( <i>Per Buildable</i> )	NA		N/A	
Land In Office Parks	\$75,000		\$ 125,000-\$150,000	
Land In Industrial Parks	\$50,000		\$ 125,000	
Office/Industrial Land—Non Park	\$50,000		\$ 75,000	
Retail/Commercial Land	\$125,000		\$ 875,000	
Residential			\$400,000	

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