

The Elmira– Corning Region of New York had a positive 2010 with several major announcements that will result in job creation as well as having a large economic impact on the area.

CAF USA, Inc., has announced a \$298 million dollar deal with Amtrak for their Elmira Heights facility to build 130 new train cars which include 25 sleeping cars, 55 baggage cars, and 25 dormitory cars. This will create approximately 575 jobs. The first car is expected to roll off the line in October 2012, after CAF invests about \$5 Million in new production lines.

CVS has completed the construction of their new 750,000 SF distribution center in the Town of Chemung. It is in the process of equipping the facility which is expected to go online by 3rd Quarter 2011. It will employ approximately 600 people.

Sikorsky continues to grow in the Chemung County region and has recently completed a deal at the Elmira-Corning Regional Airport with the Chemung County IDA for an existing 97,000 SF building. The facility will undergo a \$13 million dollar renovation and will be Sikorsky's Military Derivatives Completion Center.

The Marcellus Shale gas business, currently underway in the Northern Tier of Pennsylvania, has had a large impact on the NY/PA region. Schlumberger has a \$30 million dollar facility under construction in Horseheads, NY at the Center of Horseheads industrial complex. 300,000 SF of industrial space at the Center at Horseheads has leased to several gas operations including: Keane Frac, Universal Well, Superior Well, Mc Junkin RedMan along with several others. Kayden Industries and Gas Field Specialists have both purchased property in the Center at Horseheads. Rail is in tremendous demand and any building with a spur or land with rail access is being absorbed to bring in sand and piping for the industry. Norfolk & Southern is seeing tremendous rail opportunities and has even opened a sand trans-loading operation on a NS property in Elmira. Numerous small industrial buildings have leased in the region resulting in industrial property inventory dwindling and prices starting to escalate. Across the border in Pennsylvania, Chesapeake Energy completed a \$7 million dollar facility to house 200 of their workers. Chesapeake also completed the purchase of a former airport, which will have a multi-million dollar construction project starting in early 2011. This project, once completed, will house their garage, office, shop and lay down yard. Demand is expected to continue in New York as New York State opens up drilling in the near future.

The Elmira-Corning Region has seen little demand for office space in the area with several large vacancies and numerous small vacancies. As gas drilling arrives in NYS, it is anticipated that gas companies and gas related businesses will start absorbing these office vacancies.

Retail growth continues in the region with a new Hampton Inn opening in Big Flats and a Candlewood Suites under construction in Big Flats as well. Second generation space at Consumer Square is starting to be absorbed and Southern Tier Crossings has attracted several new tenants including: Aldi's, Buffalo Wild Wings and Five Below . The 1.5 million SF regional Arnot Mall continues to stay strong with all 5 of their anchor stores still occupied. The Southside of Elmira

OFFICE MARKET STATISTICS

Classification	Low Rental Rates	High Rental Rates	Effective Average Rental Rates
Downtown Office Full Service Rates			
Class A (Prime)	\$9.00	\$21.00	\$15.00
Class B (Secondary)	\$6.00	\$11.50	\$8.75
Suburban Office Full Service Rates			
Class A (Prime)	\$9.00	\$21.00	\$15.00
Class B (Secondary)	\$7.00	\$11.50	\$19.25

INDUSTRIAL MARKET STATISTICS

Classification	Low Rental Rates	High Rental Rates	Effective Average Rental Rates
Industrial Space-Net (NNN) Rates			
Bulk Warehouse	\$2.50	\$5.00	\$3.75
Industrial Manufacturing	\$3.00	\$4.50	\$2.75

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Corning, NY**2010**

(continued from page 1) saw a new Aldi's and a new Dollar General built. The Gang Mills area, outside of Corning, continued to see retail growth with Tractor Supply and Aldi's building new stores; as well as the Corning Credit Union announcing a new branch in 2011.

Horseheads continues to have a large vacancy of 700,000 SF in the former Toshiba facility. It is beginning to attract attention from the natural gas industry because it borders Norfolk and Southern Rail with a 2 mile industrial line. The Center at Horseheads still has approximately 1,000,000 SF of older WW2 buildings which are vacant and could be used for cold storage. The site could eventually have potential as a re-development opportunity due to the rail and the numerous gas companies that have located to the Center; along with the demand for newer, high bay space.

World Kitchen in Corning continues to expand and has begun construction of a new \$45 million dollar glass melting tank, which will be their 3rd at the facility. It is expected to be operational in Fall 2011. This facility is the largest glass melting plant in the world with current capability of melting 500,000 pounds of glass daily and generating 127 million pieces of ware annually. The facility has also recently made its 3 billionth Corelle dish.

The last 3 mile stretch of road is under construction in Steuben County, which will transform Route 15 into Interstate 99. This continues to draw attention to the Southern Tier and is the reason CVS located here. Interstate 86 easterly connects to Interstate 88 and Interstate 81. It westerly connects to Interstate 390 and future Interstate 99. The Interstate system makes the area considerably more attractive to distribution centers needing better access to service the Northeast.

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