

## Industrial Q2 2021

YoY Chg 12-Mo. Forecast

**4.1%**  
Vacancy Rate



**243K**  
Net Absorption, SF



**\$5.78**  
Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

**296.6K**  
Syracuse MSA Employment



**5.8%**  
Syracuse Unemployment Rate



**5.9%**  
U.S. Unemployment Rate



Source: BLS

### ECONOMY: Continuing to Improve

As we continue to emerge from the aftermath of the COVID-19 pandemic, the industrial market continues to thrive. The current unemployment rate in the Syracuse MSA is 5.8% and is expected to continue downward over the next twelve months. Hopefully accelerating that rate will be the 1,000 new jobs available at the 3.8 million square foot (msf) Amazon fulfillment center, which is expected to open ahead of schedule. Though there is a labor shortage nationally, Amazon maintains they are not concerned and will be able to fill those positions to effectively run the distribution hub. Transportation and logistics companies continue to look to Syracuse for added locations as the demand for overnight deliveries has increased. As of Q2 2021, Onondaga County's White Pine Commerce Park has been in the running for a chip fab plant to be developed, which if the site were selected would be a major boost to the Central New York economy.

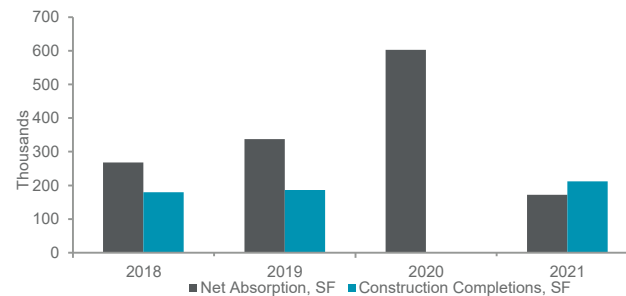
### SUPPLY AND DEMAND: Usable Supply Dwindling

Overall vacancy in the market continues to fall. The market has now hit an all-time low vacancy rate of 4.1%, a decrease of 59.7 basis points (bps) from Q1 2021. Included in that vacancy are a few percentage points of static inventory, made up of available space that because of location and inaccessibility within a building, or landlords' unwillingness or inability to make a space suitable for a national tenant, creates difficulty leasing and has become vacant long term. At NVG Industrial Campus, an existing tenant recently expanded into 200,000 square feet (sf) of such space. Tenants that have scoured the market have resorted to build to suit options. Frito-Lay plans to lease a 70,000-sf building from ONX1, who will build the warehouse to Frito-Lay's specifications. With the increase demand for large, high-bay warehouse and the short supply in the market, we expect to see landlords and developers building on spec.

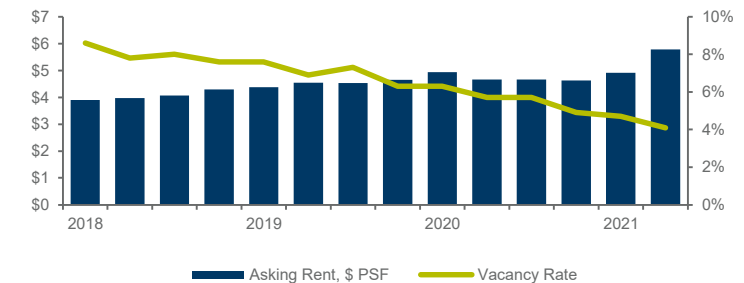
### PRICING: Continues to Increase

Lease rates in the market continue to climb. Quarter-over-quarter change in rate was \$0.87 per square foot (psf), landing at \$5.78 psf for industrial space. Office/Service/Flex has remained unchanged at \$6.99 psf with the highest increase being manufacturing and warehouse/distribution space up to \$5.09 psf and \$5.71 psf respectively. Landlords are seeing more renewals and expansions with existing tenants as options in the markets are limited and renewal options tend to be a lower rate than current market rates.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q2 2021

## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
East	16,294,701	984,431	6.0%	278,056	165,619	30,000	112,000	\$4.45	\$6.50	\$6.01
North	19,338,111	263,390	1.4%	-40,183	-124,945	3,900,000	0	\$5.00	\$7.14	\$5.10
South	1,442,974	39,914	2.8%	0	-15,000	118,670	0	NA	NA	\$6.00
West	5,473,449	442,335	8.2%	4,700	146,020	0	100,000	\$6.35	NA	\$4.14
<b>SYRACUSE TOTALS</b>	<b>42,549,235</b>	<b>1,730,070</b>	<b>4.1%</b>	<b>242,573</b>	<b>171,694</b>	<b>4,048,670</b>	<b>212,000</b>	<b>\$5.09</b>	<b>\$6.99</b>	<b>\$5.71</b>

\*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	24,022,007	915,271	3.8%	68,418	-28,215	3,930,000	212,000	\$5.71
Manufacturing	14,693,491	683,948	4.7%	180,500	335,534	0	0	\$5.09
Office Service / Flex	2,861,862	130,851	4.6%	-6,345	-135,625	0	0	\$6.99
High Tech	971,875	0	0.0%	0	0	118,670	0	NA

## KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6486 Ridings Road	East	Mark IV Transportation	50,000	Direct
2801 Court Street	North	Service Tire Truck Center Inc	46,950	Direct
4657 Crossroads Park Drive	North	Blevins	39,375	Renewal*
6361 Thompson Road	East	Midstate Spring LLC	21,360	Direct
6620 Joy Road	North	Alion Company	20,580	Direct

\*Renewals not included in leasing statistics

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## KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6486 Ridings Road	East	KK Custom Products	77,215	\$1.6M / \$21
727 West Manlius Street	East	Falk Precision Inc.	35,812	\$667K / \$19
6800 Northern Blvd	East	One Remington LLC	29,311	\$1.8M / \$61
6741 Old Collamer Road	East	One Remington LLC	22,000	\$555K / \$25

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