

YoY Change    12-Mo. Forecast

**11.6%**  
Vacancy Rate    ▲    ▲

**234K**  
YTD Net Absorption, SF    ▲    ▼

**\$16.64**  
Asking Rent, PSF    ▼    ▼

(Overall, All Property Classes)

**ECONOMIC INDICATORS Q42022**

YoY Chg    12-Mo. Forecast

**312.1K**  
Syracuse MSA Employment    ▲    ▲

**3.4%**  
Syracuse Unemployment Rate    ▼    ▲

**3.7%**  
U.S. Unemployment Rate    ▼    ▲

Source: BLS

**ECONOMY: Remaining Stable**

After a slight uptick in unemployment rate through the summer months, it is now at 3.4%, a decrease of 70 basis points (bps) year-over-year (YOY) and is expected to remain relatively stable for the foreseeable future. Regional economic drivers continue to be healthcare and education. Upstate University Hospital is nearing completion of the approximately \$100 million 112,000-square foot (sf) Nappi Wellness Institute. The new five-floor center will integrate health care services with social services and behavioral healthcare and will also include an Alzheimer’s disease research and care center. Syracuse Community Health’s \$22.5 million, 56,000-sf new health center is targeting a summer 2023 completion.

**SUPPLY & DEMAND: Neutral**

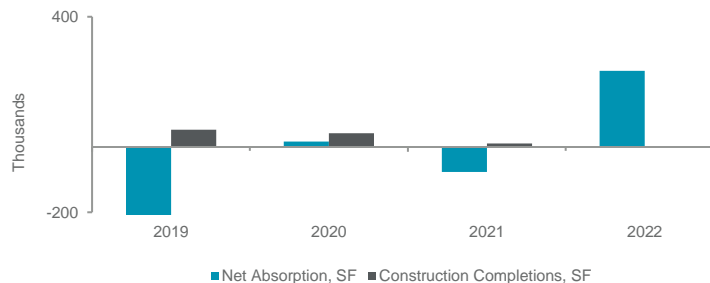
The demand for office space has remained neutral throughout the COVID-19 pandemic. However, there was an increase in Central Business District (CBD) activity at the end of 2022. The City of Syracuse is moving their offices into 26,500 sf at One Park Place, a premier Class A building and VIP Structures Inc. is nearing completion of their approx. 23,000 sf at The Post, a new Class A office redeveloped from the former Post Standard. VIP Structures Inc. is now planning to convert their former office building in the CBD into 34 one-bedroom apartments.

The redevelopment of the former Sibley’s department store into City Center has gotten underway. Haynor Hoyt Corporation will be transforming the near 200,000 sf building into Class A office space. Tenants announced include CXTec, occupying 31,000 sf and Huntington Ingalls Industries occupying 50,000 sf, both relocating to the CBD. One noteworthy downsize in Syracuse is Equitable Life Insurance. While they plan to retain all 740 employees, Equitable will be reducing their overall footprint from 300,000 sf to 143,564 sf.

**PRICING: Pendulum Swing with Rental Rates**

The first quarter of 2023 will be a critical one for Landlords of Class A space, as there will be a rush to fill their space due to limited supply and rental rates remaining strong. There are increasingly more blocks of “shadow space” that are not on the sublease market but are likely to hit the direct market towards the end of the year. As the available space increases on the open market, the landlords will need to get more aggressive with rental rates and incentives in order to backfill their vacancy.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	5,182,065	0	665,664	12.8%	129,521	71,904	97,460	196,000	\$16.54	\$16.62
Non-CBD	8,881,965	36,757	924,498	10.8%	-27,025	162,352	141,747	56,000	\$16.87	\$17.89
<b>MARKET TOTALS</b>	<b>14,064,030</b>	<b>36,757</b>	<b>1,590,142</b>	<b>11.6%</b>	<b>102,496</b>	<b>234,256</b>	<b>239,207</b>	<b>252,000</b>	<b>\$16.64</b>	<b>\$17.00</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
300 South State Street	CBD	City of Syracuse	26,500	New Lease
220 South Warren Street	CBD	Fust Charles	14,135	New Lease
308 Maltbie Street	Non-CBD	ProLiteracy Worldwide	8,650	New Lease
120 Madison Street	CBD	Wipro Limited	8,000	Renewal*
5000 Brittonfield Parkway	Non-CBD	Velocity Clinical Research	7,397	New Lease
200 South State Street	CBD	Stewart Title Insurance Company	6,500	New Lease
525 Plum Street	Non-CBD	Beardsley Architects	6,400	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS YTD 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1000 East Genesee Street	Non-CBD	Syracuse Medical Properties LLC/KAGR2 Syracuse LLC	295,085	\$25,100,000/\$85.06
8276 Willet Parkway	Non-CBD	8276 Willet Parkway LLC/Radisson Development Co LLC	54,512	\$1,240,000/\$22.74
8278 Willet Parkway	Non-CBD	Radisson SJH Properties LLC/Radisson Development Co LLC	29,700	\$2,000,000/\$67.34
8104, 8112, 8116 Manlius Cazenovia Road	Non-CBD	Figures 8 LLC/Hogan DRS, LLC	20,217	\$1,174,999/\$177.23
8108 Manlius Cazenovia Road	Non-CBD	Dunfillin, LLC/Hogan DRS, LLC	5,250	\$400,000/\$76.19

## KEY CONSTRUCTION PROJECTS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
711 Adams Street	Non-CBD	Nappi Wellness Institute	196,000	New York State
930 South Salina Street	Non-CBD	Syracuse Community Health	56,000	Syracuse Community Health

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