

Industrial Q2 2023

2.98%
Vacancy Rate



96.2K
Net Absorption, SF



\$4.33
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2022

98.3K
Binghamton, NY Employment



3.0%
Binghamton, NY Unemployment Rate



3.6%
U.S. Unemployment Rate



Source: * NYS Department of Labor and Statistics
**BLS, Moody's Analytics

Economy: Economic Indicators Are Positive

The economic health of the Binghamton MSA has continued to improve as evidenced by the decrease in the unemployment rate year over year from 3.2% to 3.0% and an increase in private sector employment of just under one point. The index of consumer sentiment has continued to climb over the year with the Upstate New York measurement remaining higher than the national index.. Activity in the Broome County housing market has slipped during the second quarter in tandem with statewide and national trends, with the median sales price of homes falling 4.7%. In contradiction, the median price of homes sold in Tioga County, the more rural portion of the MSA, rose 7.1% year over year. Development in the multi-family sector continues to grow across all rental categories from affordable housing to luxury apartments, with at least six new projects in the pipeline.

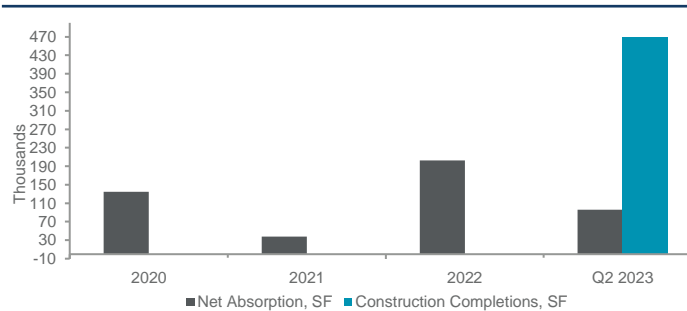
Market Overview: Industrial Market Continues to Tighten

The industrial market remained active through the second quarter, driving the vacancy rate under 3 percent-a historic low. The most significant transaction was the sale of a 300,000 square foot complex for \$18.5 million. The same property sold for half that price just four years ago before being substantially upgraded and partially leased. On the leasing side, IA, founded locally as Innovation Associates, a manufacturer of automated pharmaceutical dispensing systems, absorbed the remaining 20,000 square feet of manufacturing space at their location and signed a lease to relocate other operations in Binghamton in the third quarter. The net absorption of just under 100,000 square feet accounts for a vacated 32,000 square foot manufacturing building.

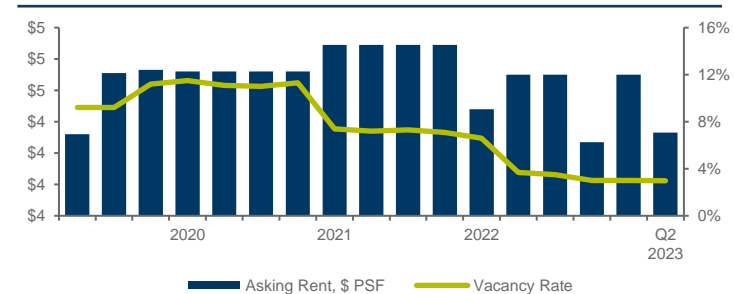
Outlook for the Market: Additional Activity in the Short Term; Need for Product in the Long Term

Two other industrial sales are expected to close in the next quarter, including one 55,000 square foot former sports facility rezoned to accommodate a manufacturing operation. Other potential for the expansion of industrial space remains unrealized, while growing companies hunt for opportunities. A proposed large scale warehouse development adjacent to the Kirkwood Industrial Park has been stalled in the approval process. A new industrial park proposed by the County Industrial Development Agency remains in the predevelopment stage. The demolition of obsolete buildings at the Huron Industrial Campus to facilitate new development has been funded and will soon be underway. This redevelopment will accommodate an innovative lithium battery hub projected to create thousands of new jobs, fueled by grants to Binghamton University and partners and by loans and investment in iM3NY, the battery company spawned by the University.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 2023

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)
BNG- CBD	3,657,772	0	0	0	0	0
BNG- Northeast	575,838	3,367	0.58%	0	0	0
BNG- Northwest	7,161,607	507,353	7.08%	-12,800	49,325	0
BNG- Southeast	5,633,286	20,729	0.37%	109,000	0	0
BNG- Southwest	847,095	1,600	0.19%	0	109,000	0
NON-CBD TOTAL	14,217,826	533,049	3.75%	96,200	0	0
BINGHAMTON TOTALS	17,875,598	533,049	2.98%	96,200	158,325	0

CLASSES	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	6,230,913	22,329	0.36%	0	62,125	0	\$4.50
Office Service / Flex	2,198,228	326,061	14.83%	9,000	9,000	0	\$6.80
Manufacturing	9,446,457	184,659	1.95%	87,200	87,200	0	\$4.00

*Rental rates reflect weighted NNN asking \$psf/year. **Statistics Not Reflective of U.S. MarketBeat Tables

KEY SALES TRANSACTIONS Q1 and Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
47 Pine Camp Dr, Kirkwood, NY	BNG-SE	Canopy Growth USA / GMS Realty	308,000	\$18,500,000 / \$60.06 PSF
10 Circle Dr, Endwell, NY	BNG-NW	Dealbrook LLC / H2L2 Equity	10,000	\$850,000 / \$85 PSF
42 Corbettsville Rd, Conklin, NY	BNG - SE	Simulation & Control Tech / Hargo Appliance Co. LLC	9,000	\$180,000 / \$20 PSF

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KEY LEASE TRANSACTIONS Q1 and Q2 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
33 Lewis Rd, Binghamton, NY	BNG-NW	JP Morgan Chase	21,718	Direct
702 Azon Rd, Johnson City, NY	BNG-NW	IA	20,000	Direct

*Renewals not included in leasing statistics