

YoY Chg 12-Mo. Forecast

**2.8%**

Vacancy Rate



**47K**

Net Absorption YTD, SF



**\$6.23**

Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q22023

YoY Chg 12-Mo. Forecast

**317.9K**

Syracuse MSA Employment



**2.9%**

Syracuse Unemployment Rate



**3.6%**

U.S. Unemployment Rate



Source: BLS, Moody's Analytics

### ECONOMY: Holding Patterns Emerging

In October 2022, Micron Technologies Inc. announced it would invest up to \$100 billion over the next 20 years to develop a mega-complex of computer chip manufacturing plants in the Town of Clay, a northern Syracuse suburb. That announcement set off speculative fever for development sites in proximity to the project. Although Micron has purchased a few additional properties adjacent to the site, the true impact on demand for land and buildings throughout the market is still unfolding. This massive high-tech project plus the major redevelopment of local Interstates 81 and 481 will create increased demand for workers, materials, development sites and existing real estate of all types. The Central New York economy is expected to accelerate rapidly over the coming years and the commercial and residential real estate markets will continue to tighten as both long-term projects progress.

### SUPPLY AND DEMAND: Low Vacancy Endures

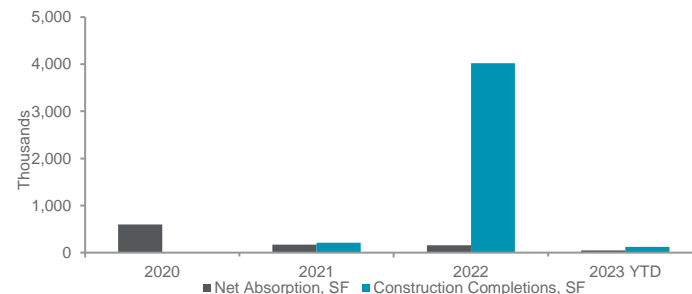
Multiple companies are trying to beat the resource demand and have new projects proposed to commence immediately following municipal approval. JMA Wireless has proposed to the City of Syracuse a 100,000-square-foot (sf) warehouse/distribution (W/D) facility adjacent to its current manufacturing facility on the south side of Syracuse. Developer YD Assets LLC has proposed three 30,000-sf high-bay warehouse buildings in the town of Clay and The Food Bank of CNY has just broke ground on a 33,920-sf addition to its existing 74,605-sf building. Two additional large construction projects currently underway should be nearing completion in the second half of 2023. Milton Cat will soon be occupying its new 94,848-sf building and J.W. Didado Electrical, a new electrical contractor to the market will soon take occupancy of its 24,000-sf office/service-flex building.

Overall vacancy in the market continues to fluctuate between 2.2% and 3.2%, which equates to approximately 1.3 million square feet of industrial space. This space continues to be the least desirable to tenants, generally with low ceiling heights, lacking loading docks and/or overhead drive-in doors, or situated within a larger facility with limited access. High-bay, quality flex space continues to be in demand and tenants are willing to pay higher rates for quality space. Large blocks of W/D spaces which have always been limited are now mostly occupied. Users looking for 50,000 sf and greater are now forced to look in surrounding counties, build, or get creative with existing former retail boxes that have long been vacant.

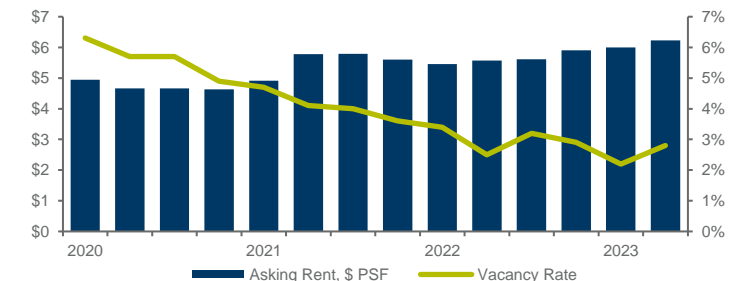
### PRICING: Continue to Increase

As the industrial market continues to tighten, asking rate growth has been persistent. There has been an 11.8% increase year-over-year and a 3.8% increase quarter-over-quarter in overall asking rents. The rate increase has been attributed to continued national inflation rates and ongoing demand for limited supply of construction materials. The overall asking rates are expected to continue rising as landlords invest in new construction to meet the demand for quality industrial space as well as to improve existing properties to meet tenant specifications.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



### 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	16,157,022	664,334	4.1%	-74,280	-29,601	94,848	0	\$5.21	\$10.25	\$5.77
North	23,203,442	512,092	2.2%	-206,467	-186,263	24,000	126,112	\$5.00	\$7.01	\$6.44
South	1,579,213	49,674	3.2%	8,424	0	0	0	NA	NA	NA
West	5,496,783	81,465	1.9%	-42,527	262,560	0	0	NA	\$7.25	\$7.75
<b>SYRACUSE TOTALS</b>	<b>46,436,460</b>	<b>1,307,565</b>	<b>2.8%</b>	<b>-314,850</b>	<b>46,696</b>	<b>118,848</b>	<b>126,112</b>	<b>\$5.67</b>	<b>\$6.93</b>	<b>\$6.14</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	28,702,183	906,945	3.2%	-323,810	20,736	0	62,500	\$6.14
Manufacturing	13,864,204	261,894	1.9%	-12,409	-109	94,848	63,612	\$5.67
Office Service / Flex	2,893,198	138,726	4.8%	21,369	26,069	24,000	0	\$6.93
High Tech	976,875	0	0	0	0	0	0	NA
<b>SYRACUSE TOTALS</b>	<b>46,436,460</b>	<b>1,307,565</b>	<b>2.8%</b>	<b>-314,850</b>	<b>46,696</b>	<b>118,848</b>	<b>126,112</b>	<b>\$6.23</b>

### KEY LEASE TRANSACTIONS YTD 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
241 Farrell Road	West	United Auto Supply	217,715	Expansion
801 Hiawatha Blvd East	East	TJ Sheehan Distributing	42,865	Renewal
4490 Steelway Blvd S	North	Packaging Exchange Inc	41,875	Direct
26 Corporate Circle	East	Central Processors NY LLC	20,056	Direct
2801 Court Street	East	DS Services of America	17,680	Direct
121 Dwight Park Circle	West	Spirit Logistics Network Inc	17,660	Direct

### KEY SALES TRANSACTIONS YTD 2023

\*Renewals not included in leasing statistics

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1221 & 1225 State Fair Blvd	West	Deli Boy Properties / 1221 State Fair Blvd LLC	66,076	\$3,000,000 / \$45
100 Matthews Ave	West	Deli Boy Properties / Etech Properties	38,136	\$1,100,000 / \$29
6037 Galster Road	East	EF Thresh / B&C Storage Properties LLC	35,000	\$2,035,000 / \$58
4040 & 4044 New Court Ave	East	Midstate Spring / Carkner Development	21,708	\$1,265,000 / \$58
6540 Old Collamer Road	East	Carrier Corp. / CAM Classic, LLC	18,229	\$1,500,000 / \$82
6940 Fly Road	East	Fly Road Properties LLC / Raasch Family Trust	15,871	\$2,200,000 / \$139

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