

Industrial Q2 2024

3.4%
Vacancy Rate



-125K
Net Absorption YTD, SF



\$6.99
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q22024

319.1K
Syracuse MSA Employment



3.8%
Syracuse Unemployment Rate



4.1%
U.S. Unemployment Rate



Source: BLS, Moody's Analytics

ECONOMY: Holding Patterns Emerging

The economic landscape of Syracuse continues to exhibit resilience and a measured sense of optimism. This positive outlook has been bolstered by the recent announcement designating Syracuse, along with Buffalo and Rochester in New York, as a national tech hub. This is further complemented by a substantial federal grant of \$40 million, aimed at invigorating the semiconductor industry within this strategic corridor. The anticipation is that the infusion of this grant, coupled with Micron's pledge to Onondaga County, will serve as a magnet for businesses related to the semiconductor industry. This \$100 billion in investment over the next 20 years – the largest such investment in New York State history. The new mega fab plant in Clay will create nearly 50,000 New York jobs – 9,000 new high-paying Micron jobs and over 40,000 community jobs, including suppliers and contractors. This is projected to stimulate both development and demographic growth, as the escalating demand for skilled workers in this sector intensifies.

SUPPLY AND DEMAND: Tight Market Continues

JMA Wireless has been approved by Syracuse Industrial Development Agency for \$4 million (M) in tax breaks on the construction of a 100,000-square-foot (sf) warehouse/distribution (W/D) facility. Situated adjacent to its current manufacturing facility on the south side of Syracuse, this \$24.4M expansion will create 40 jobs and free up manufacturing space being used as warehouse in the current facility thereby increasing production. Construction is expected to be complete mid-2026. Clinton's Ditch Co-Operative Co., a bottling facility for Pepsi products has announced a \$41M, 100,000 sf addition to their existing 247,000 sf facility. Construction is expected to commence in August 2024 and be complete by late 2026.

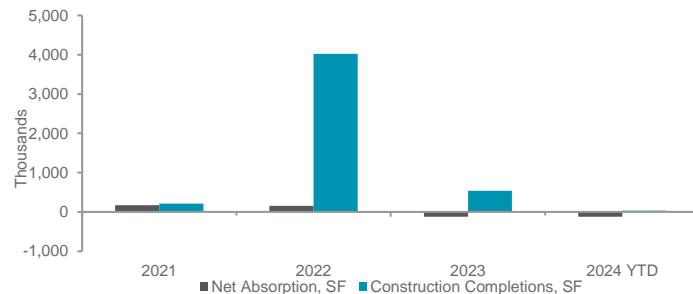
Large blocks of quality industrial space continues to be extremely limited in the market. Evident by the recent expansion of The Food Bank of CNY and current expansion of Anoplate and TTC Technologies (Anaren), companies that are unable to relocate to buildings to support their growth must add on or leave the market in search of a property that will meet their specifications, which can be costly when compared to expansion.

Overall vacancy in the market increased to 3.4%, up 60 basis-points year-over-year (YOY). This can be attributed to a few key warehouse spaces that have been purchased, updated and added to the market for lease.

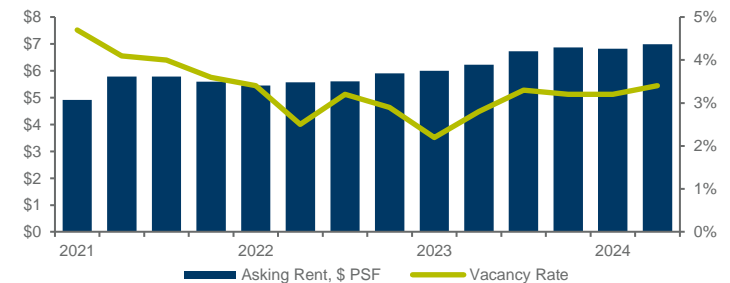
PRICING: Continue to Increase

As the industrial market remain tight, asking rate growth has been persistent. There has been an 12.2% increase YOY and a 2.5% rise 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 quality industrial space. The overall asking rates are expected to continue rising as landlords invest in new construction and the improvement of existing properties to meet the demand and tenants are willing to pay higher rates for quality space in their desired market area.

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	16,596,963	960,150	5.8%	-113,856	-190,591	30,000	0	\$5.86	\$13.50	\$6.75
North	23,205,219	513,661	2.2%	3,578	15,835	160,000	0	NA	\$8.12	\$7.03
South	1,579,213	48,308	3.1%	0	39914	0	0	NA	NA	NA
West	5,514,571	80,381	1.5%	12,080	9,868	22,212	33,920	NA	NA	\$3.75
SYRACUSE TOTALS	46,895,966	1,602,500	3.4%	-98,198	-124,974	212,212	33,920	\$6.22	\$8.16	\$6.87

*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	29,244,606	1,234,514	4.2%	-34,826	-161,845	30,000	33,920	\$6.87
Manufacturing	13,872,684	213,156	1.5%	-82,038	54,953	182,212	0	\$6.22
Office Service / Flex	2,801,801	154,830	5.5%	18,666	-18,082	0	0	\$8.16
High Tech	976,875	0	0	0	0	0	0	0
SYRACUSE TOTALS	46,895,966	1,602,500	3.4%	-98,198	-124,974	212,212	33,920	\$6.99

KEY LEASE TRANSACTIONS YTD 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4472 Steelway Blvd North	North	Victory Packaging	195,949	Renewal
2801 Court Street	East	3G Packaging	68,590	Renewal
4490 Steelway Blvd S	North	PDF Logistics	40,125	Renewal
405 West Taylor Street	South	Syracuse Stage	13,692	Direct
104 Boxwood Lane	East	ICM Controls Corp	12,858	Direct

*Renewals not included in leasing statistics

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KEY SALES TRANSACTIONS YTD 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7665 Henry Clay Blvd	North	Eagle Comtronics Inc / Ironhorn Enterprises	101,080	\$7,700,000/\$76
801 Hiawatha Blvd	North	Colucci Family Trust / Valiant Real Estate	74,900	\$4,500,000/\$60
6403 Deere Road	East	B&B Family LTD Partnership / Deere Road Properties LLC	32,399	\$1,027,000/\$32
114 Monarch Drive	North	Sandford E. Kline Marital Trust / EJ Electric	19,132	\$1,100,000/57
15 Dwight Park Drive	West	Spensieri Development / Northeastern Development LLC	10,580	\$900,000/\$85
7839 Maltlage Drive	North	7849 Maltlage Drive LLC / Gary H. Bell	10,100	\$725,000/\$72

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