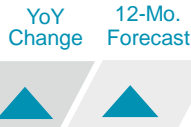


13.8%
Vacancy Rate



-44K
YTD Net Absorption, SF



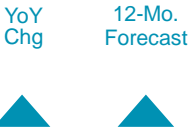
\$17.00
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q22024

319.1
Syracuse MSA Employment



3.8%
Syracuse Unemployment Rate



4.1%
U.S. Unemployment Rate



Source: BLS, Moody's Analytics

ECONOMY: Remaining Stable, But With Potential

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. While the regional economy is currently propelled by the healthcare and education sectors, 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 & DEMAND: Decreased Demand for Central Business District Office

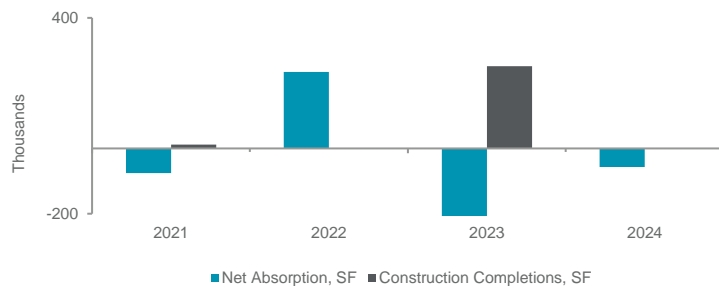
In the aftermath of the pandemic, the leasing of office space in Syracuse has experienced a deceleration, with most new leases and renewals for the year thus far being concentrated in suburban areas. During the first half of 2024, leasing activity within the Central Business District (CBD) has seen a precipitous decline of nearly 90%, with a mere 8,297 square feet (sf) being leased, a stark contrast to the 77,688 sf leased during the same period in the previous year. Concurrently, suburban leasing activity has seen a more modest year-over-year decrease of 28%, with new leases amounting to 41,252 sf year-to-date, compared to 57,407 sf at the corresponding point in 2023. In essence, the continuation of remote work is compelling corporations to strategically position themselves in proximity to their suburban employee base.

The shift towards remote work has led Equitable Holdings to reduce their overall footprint in the Syracuse CBD from 300,000 sf to 143,564 sf at 100-120 Madison Street, while preserving their 740-strong workforce in the market. This downsizing ultimately resulted in foreclosure of the property and its transition into receivership. The property, comprising two towers totaling 639,044 sf currently has a vacancy rate of 42%. To restore profitability, a prime strategy may involve consolidating the remaining office tenants into one tower and repurposing the other for residential and/or hospitality use.

PRICING: Expected to Decreases as Demand is Limited

Central Business District rates have been steadily increasing concluding the second quarter at \$17.34 per square foot (psf). Suburban office rates, on the other hand, have seen a steady decrease, ending the quarter at \$16.19 psf. With the overall demand for office space decreasing, suburban Landlords can build out spaces as construction costs are less in smaller, more easily accessible office buildings. In contrast, CBD landlords face higher costs due to larger, not as easily accessible buildings and a more complex renovation processes.

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	4,976,613	0	779,897	15.7%	-3,847	-9,384	8,297	46,000	\$17.35	\$17.39
Non-CBD	8,800,839	81,330	1,042,135	12.8%	-40,044	-35,320	41,252	21,000	\$16.19	\$17.05
MARKET TOTALS	13,777,452	81,330	1,822,032	13.8%	-43,891	-44,704	49,549	67,000	\$17.00	\$17.29

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2024 YTD

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
105 Twin Oaks Drive	Non-CBD	Procare LTC of Syracuse	14,920	New Lease
507 Plum Street	Non-CBD	Marsh McLennan	6,348	Renewal*
333 West Washington Street	CBD	K&A Engineering	6,133	Sublease
238 West Division Street	Non-CBD	Westfall Law PLLC	5,646	New Lease
231 Salina Meadows Parkway	Non-CBD	Progressive Casualty Insurance	5,028	Renewal*
5100 West Taft Road	Non-CBD	Pediatric Now Medical Care	2,605	New Lease
200 Salina Meadows Parkway	Non-CBD	United States of America	2,498	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2024 YTD

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
250 Harrison Street	CBD	Werock Properties LLC / High Tide Capital	36,648	\$1,900,000/\$51.79
159 Dwight Park Circle	Non-CBD	Dwight Park Enterprises / Nicolas Batruch	22,280	\$775,000 / \$34.78
114 Salina Street	Non-CBD	RGM Commercial Holdings LLC / One Remington LLC	15,400	\$600,000/\$28.96
5710 Commons Park Drive	Non-CBD	KHH Properties / KWAP LLC	14,508	\$1,000,000 / \$68.92
124 Northern Lights Drive	Non-CBD	Northern Lights Props LLC / Invictus Elite LLC	10,066	\$740,000 / \$73.51
3 Henry Beach Drive	Non-CBD	5214 West Genesee Street LLC / CBRG Properties LLC	4,258	\$719,900 / \$169.07

KEY CONSTRUCTION PROJECTS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER	STATUS
235 Harrison Street	CBD	Syracuse Tech Garden	46,000	City of Syracuse	Under Construction
5490 Cobbler Way	Non-CBD	Hematology-Oncology Associates of CNY	21,000	HOA Camillus Properties, LLC	Under Construction

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