

MARKETBEAT

SYRACUSE, NEW YORK

INDUSTRIAL Q4 2024



MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.1% Vacancy Rate	▲	▲
-428K YTD Net Absorption, SF	▼	▼
\$7.19 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▬	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
320.4K Syracuse, NY Employment	▲	▲
3.7% Syracuse, NY Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate <i>Source: BLS</i>	▲	▲

ECONOMY: STILL OPTIMISTIC

Central New York has been anticipating the arrival of Micron Technologies since the initial announcement in October 2022. More than two years later, Micron has secured \$4.6 billion in federal grants to build the first two plants of its planned \$100 billion megacomplex, however, site work and construction will not commence until approvals are secured from the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency and the state Department of Environmental Conservation. The anticipated timeframe to break ground is November 2025. Following the initial 2022 announcement, several suppliers of Micron sought properties in the area, however, with the delays, these ancillary companies have put relocation plans on hold until construction on the megacomplex is underway.

Other industries active in the Syracuse market include food and beverage manufacturing and distribution, pick and pull distribution, paper and packaging, and logistics. Since the 2024 presidential election, and the potential for tariffs on imported goods, there has been a noticeable uptick in activity for warehousing in the market.

SUPPLY OR DEMAND: MARKET REMAINS TIGHT

The Syracuse Industrial market remained active in 2024, even with limited inventory available and overall vacancy increasing 90 basis points year-over-year (YOY) to 4.1%. Flex and warehouse/distribution spaces of 5,000 square feet (sf) to 10,000 sf with docks and drive-ins, as well as spaces over 100,000-plus sf with high ceilings remain the most sought-after spaces. At some point, the tight supply of quality industrial space will hopefully give rise to speculative industrial/flex development in the market.

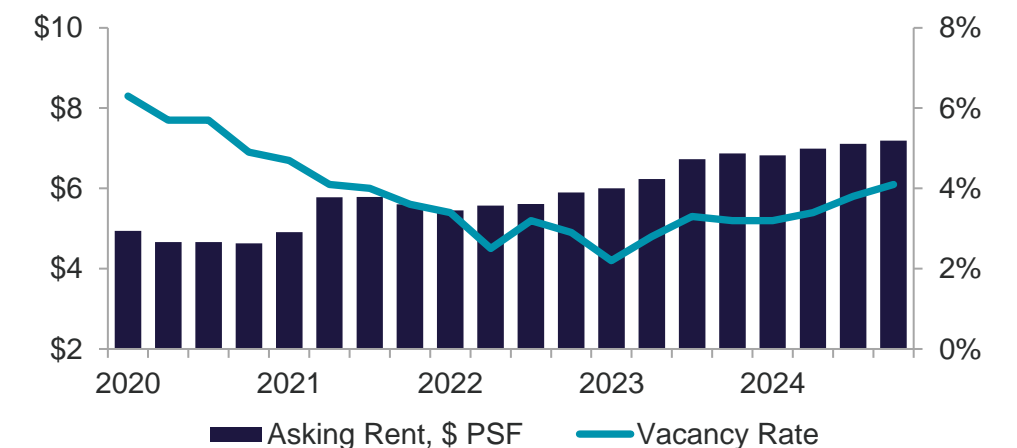
PRICING: ON THE RISE

Lease rates in the market continued to steadily increase. The overall market rate climbed 5.7% YOY, finishing 2024 at \$7.19 psf. Office/service/flex has risen by \$0.25 psf YOY with the highest gains within warehouse/distribution up 6.6% YOY, up \$0.44 psf. Landlords with quality product are not having issues getting their asking rental rates, adding little or no concessions. Tenants are making concessions on their end to secure the few quality spaces available.

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)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
East	16,586,806	892,491	5.4%	13,631	-122,932	296,407	30,000	\$5.62	\$12.65	\$6.98
North	23,244,790	868,842	3.7%	-155,460	-339,346	0	0	-	\$8.19	\$7.03
South	1,556,937	39,884	2.6%	8,424	48,338	0	0	\$5.73	-	-
West	5,525,907	104,465	1.9%	-11,336	-14,216	0	56,132	\$11.99	\$7.95	\$7.53
SYRACUSE TOTALS	399,449,199	1,905,682	4.1%	-144,741	-425,156	296,407	86,132	\$6.05	\$10.56	\$7.04

TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	29,250,225	1,553,586	5.3%	-153,174	-480,917	0	0	\$7.04
Manufacturing	13,890,814	239,825	1.7%	-22,537	28,284	296,407	22,212	\$6.05
Office Service / Flex	2,796,523	112,271	4.0%	30,970	24,477	0	63,920	\$10.56

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 & Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6600 New Venture Gear Drive	East	CHEP International	48,000	Renewal*
2801 Court Street	North	Jacobs Telecommunications	35,890	New Lease
6808 Crossbow Drive	East	Johnstone Supply	30,000	New Lease
2320 Milton Ave	West	General Insulation Company	24,740	Renewal*
6681 Commerce Blvd	North	National Nail	14,700	Renewal*
7461 Henry Clay Blvd	North	Empyreal Enterprises LLC	12,204	New Lease
1340 East Water Street	East	Suburban Transportation	10,084	Renewal*
405 West Taylor Street	South	Jason Fiorini	10,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 & Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
4577 Buckley Road	North	Taconic Capital/Ranalli Buckley Road LLC	169,220	\$9.03M / \$53
110 Monarch Drive	North	Pyramid Roofing & Sheet Metal / 110 Monarch LLC	27,275	\$1.2M / \$44
1850 Lemoyne Ave	East	1850 Lemoyne Ave LLC / Dearborn Properties LLC	16,639	\$525K / \$32
3644 John Glenn Blvd	West	Goldenball LLC / Summit Vision Realty LLC	11,500	\$975K / \$85
535 Horan Road	West	Vestis / BMR LLC	8,900	\$300K / \$34
6030 Drott Drive	East	Red Fox Management / Gray Rock Properties LLC	8,780	\$925K / \$105
1207 Van Vleck Road	West	LTD North Eastern Development / Billitier Electr4ic	6,600	\$670K / \$102

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