

# MARKETBEAT

# Syracuse, NY

## Industrial Q2 2019



### SYRACUSE INDUSTRIAL

#### Economic Indicators

	Q2 18	Q2 19	12-Month Forecast
Syracuse Employment	319.3k	323.8k	▲
Syracuse Unemployment	4.4%	4.0%	■
U.S. Unemployment	3.9%	3.6%	▼

\*Q2 19 data based on latest available data

Source: BLS, Moody's Analytics, Cushman & Wakefield Research

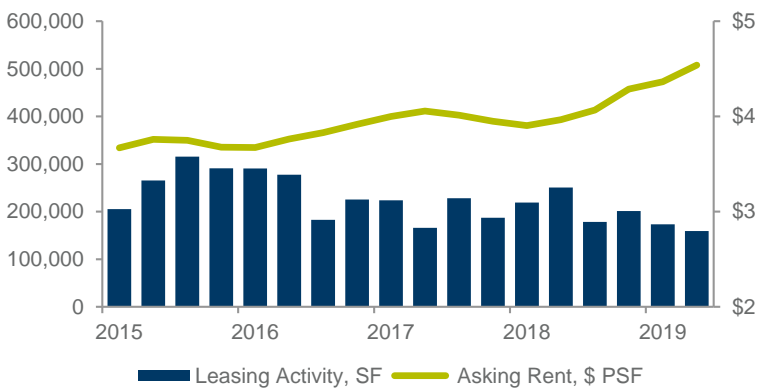
#### Market Indicators (Overall, All Property Types)

	Q2 18	Q2 19	12-Month Forecast
Vacancy	7.8%	6.9%	▼
YTD Net Absorption (sf)	344k	207k	▲
Under Construction (sf)	40k	323k	▲
Average Asking Rent*	\$3.89	\$4.54	▲

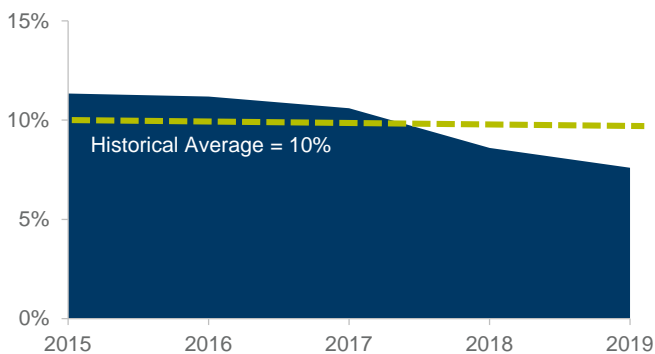
\*Rental rates reflect net asking \$psf/year

#### Leasing Activity/Overall Asking Rent

##### 4-QTR TRAILING AVERAGE



#### Overall Vacancy



### Economy

NY State continues investments in the Central New York (CNY) New York State continues investments in the Central New York (CNY) area awarding \$88.2 million in state aid for economic development projects in 2019. Growth sectors in the CNY include the Unmanned Aerial Systems (UAS) industry with the creation of a UAS test corridor between Syracuse and Griffiss Business & Technology Park in Rome, NY. CNY defense contractors Saab, Lockheed Martin, SRC Inc., Anaren Microwave, Paragon and BAE are also expanding and have been aggressively looking to hire workers for STEM-related careers in a variety of fields, including engineering, technical and assembly.

### Market Overview

The Syracuse industrial market remains active as overall vacancy fell to 6.9% in the second quarter. Included in that vacancy is a few percentage points of static inventory made up of available space that because of location and inaccessibility within a building, creates difficulty leasing and has been vacant for many years. Tenants in the market are finding it increasingly difficult to find suitable space, while Landlords recognizing the demand feel no urgency to offer incentives to fill space.

Currently in demand are high-bay warehouse/distribution space between 15,000 to 50,000 square feet (sf). New construction includes a 60,000-square-foot (-sf) expansion to the Raymond Corp. warehouse at 6650 Kirkville Road currently underway, and food product distributor G&C Foods is constructing an 106,000-sf warehouse on a recently purchased 33-acre parcel on Van Buren Road in Lysander adjacent to its current location, and Benderson Development is building a 60,000-sf warehouse in Airport Business Park for SRC.

Industries active in the Syracuse industrial market include food and beverage manufacturing and distribution, pick and pull distribution, manufacturing for air conditioning and refrigeration compressors, capacitor and film, plastic molding products, commercial washer/dryers, medical diagnostic equipment, paper and packaging, point of sale devices and barcode scanners, power cable and wiring, wireless communications equipment, semi-conductors for power systems, dairy production, medical marijuana growing/production and defense and security manufacturing.

### Outlook

As the industrial market continues to tighten, users looking to Syracuse for its central location will also have to consider new construction. Employers contending with shrinking labor supplies are increasingly focused on overcoming recruiting hurdles for outside talent. Contrasting to the high-cost of living in urban mega-markets, the CNY area cost of living, affordable housing, job market and quality of living encourage talent to settle in CNY.

# MARKETBEAT

## Syracuse, NY

Industrial Q2 2019



SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL WEIGHTED AVG. NET RENT (MF)	OVERALL WEIGHTED AVG. NET RENT (OS)	OVERALL WEIGHTED AVG. NET RENT (W/D)
East	433	16,298,956	112,832	10.3%	116,608	156,500	\$4.05	\$5.84	\$4.91
North	393	19,511,443	87,799	3.1%	10,467	60,000	\$4.00	\$6.50	\$4.96
South	58	1,634,166	0	16.3%	6,000	0	N/A	\$3.00	\$4.39
West	93	5,390,879	0	7.5%	74,400	106,000	\$5.63	N/A	NA
<b>SYRACUSE TOTALS</b>	<b>977</b>	<b>42,835,444</b>	<b>200,631</b>	<b>6.9%</b>	<b>207,475</b>	<b>322,500</b>	<b>\$4.20</b>	<b>\$5.17</b>	<b>\$4.89</b>

\*Rental rates reflect asking \$psf/year  
\*\*Does not include Renewals

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

	TOTAL BLDGS	INVENTORY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	CURRENT QTR LEASING ACTIVITY (SF)	Q2 OVERALL WEIGHTED AVG. NET RENT
Warehouse/Distribution	647	24,563,673	107,682	5.7%	142,799	97,783	246,081	68,786	\$4.89
Manufacturing	177	14,317,541	64,789	7.4%	135,409	131,100	58,500	58,500	\$4.20
Office Service/Flex	143	2,982,355	28,160	17.3%	-70,733	26,740	42,205	32,070	\$5.17

### Key Lease Transactions 2019

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
4597 Buckley Road	73,650	Stuart C Irby Co/KRSM LLC	Renewal	North
241 Farrell Raod	61,058	JB Hunt/Widewaters Group	New Lease	West
111 Baker Street	43,000	Lasership/101 Danzig Street Equities	New Lease	East
110 Luther Avenue	40,609	Unifirst/Syracuse Label	New Lease	North
1810 Lemoyne Avenue	29,781	ARCA Recycling Inc/Ridley Electric	New Lease	East
7600 Morgan Road	28,000	Stuart C Irby Co/TDJ Properties LLC	Renewal	North
1 General Motors Drive	28,000	Raymond Leasing Corp/Racer Properties LLC	Renewal	East
6603 Joy Road	22,207	BR Johnson/Wilmington Capital LLC	New Lease	East

### Key Sales Transactions 2019

PROPERTY	SF	SELLER / BUYER	PRICE / \$PSF	SUBMARKET
300 Gateway Park Drive	28,160	Crossroads Gateway LLC/Krumsick, Herbert Revoc Trust	\$673,000/\$24	North
4036 New Court Avenue	24,180	Jones McIntosh Tobacco Co/B&C Storage	\$580,000/\$24	East
5990 East Molloy Road	10,600	General Electric Company/Automobile Collection LLC	\$285,000/\$27	North

Cushman & Wakefield |  
Pyramid Brokerage  
Company  
5786 Widewaters Pkwy  
Syracuse, NY 13214  
[cushmanwakefield.com](http://cushmanwakefield.com)

For more information, contact:  
Gary G. Cottet  
Associate Real Estate Broker  
Tel: +1 315 445 8529  
[gcottet@pyramidbrokerage.com](mailto:gcottet@pyramidbrokerage.com)

#### About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 51,000 employees in approximately 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2019 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.