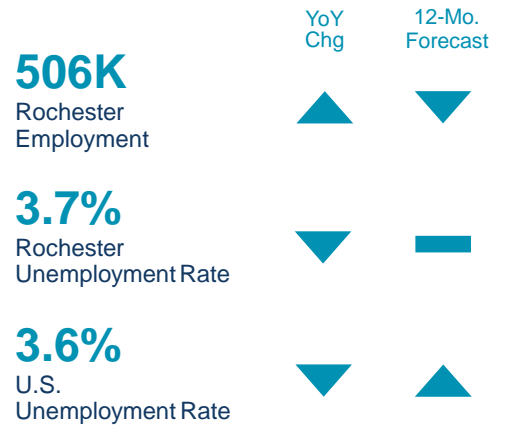


(Overall, All Property Classes)

**ECONOMIC INDICATORS  
Q4 2019**



Source: BLS

**ECONOMY OR SUPPLY: Strong Market Outlook Ahead**

The City of Rochester is situated in Monroe County and is the centermost and largest county in the six-county region, south of Lake Ontario in the state of New York. As of November 2019, the unemployment rate in Rochester was reported at 3.7%, 0.3% percentage points lower than the New York rate. While individual sectors expand or contract in response to economic stimuli, household-based data from the U.S Bureau of Labor Statistics (BLS) shows that the labor force and general employment are both in good shape and puts Rochester ahead of the mark for total job gains. Rochester is home to 18 colleges and universities which are a linchpin to the area economy. The strong relationship between education and the business community is a major player in Rochester's growth and economic well-being.

**SUPPLY OR DEMAND: Activity Remained Strong in 2019**

The Rochester office market overall vacancy rate decreased to 8.6% in the fourth quarter of 2019, down significantly from 11.9% at the end of the third quarter 2019. The Rochester office market saw a boom in activity and ended with a positive net absorption. The CBD office market vacancy continued to drop from 15.9% to 11.4%. The overall suburban market vacancy decreased from 9.9% in the third quarter to 6.6% end of 2019.

**PRICING: Asking Rents Remain Steady**

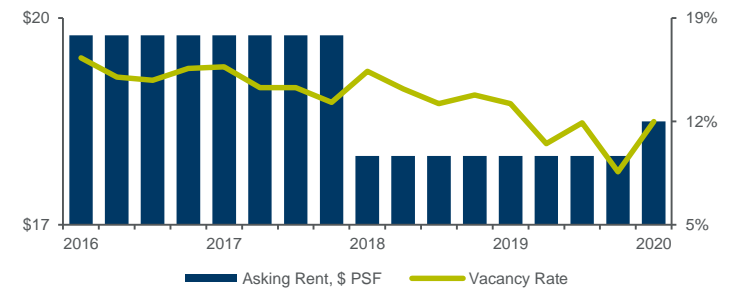
The average asking rent was unchanged at \$18.00 per square foot (psf). Activity remains strong offering prime commercial sites and buildings in the nine-county Greater Rochester, NY region at rates well below the national average, and even more affordable than those of major metropolitan markets

Eldredge Fox & Porretti committed to the CBD moving from their suburban office. Mindex now occupies the first floor of the new 78,000 (SF) building at Alex Park where construction on the next phase is underway to include more office, retail and apartments. Elsewhere on the east side, renovations at Sibley Square continue with more offices and co-work space to be added along with an additional 100 apartments aimed at middle-income renters and working families. Outside downtown, construction on a 100-unit largely market-rate apartment complex with live-work components such as office space is ramping up with a projected opening in Spring of 2020.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



## MARKET STATISTICS

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR LEASING ACTIVITY	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	61	5,986,389	487,567	11.4%	26,065	90,348	0	\$19.50	\$24.00
South Central	90	4,104,571	302,137	13.6%	12,093	78,755	20,000	\$16.50	\$18.25
South East	98	3,978,708	422,113	9.4%	27,742	183,754	25,000	\$18.00	\$19.75
<b>ROCHESTER TOTALS</b>	<b>249</b>	<b>14,069,668</b>	<b>1,211,817</b>	<b>8.6%</b>	<b>65,900</b>	<b>352,857</b>	<b>45,000</b>	<b>\$18.00</b>	<b>\$20.66</b>

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

## KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
75 Town Centre Drive	South Central	Trane US Inc.	10,000	Renewal*
1 Fisher Road	South East	NVR, Inc. Ryan Homes	8,395	New Lease
1260 Scottsville Road	South Central	NRC NY Environmental	8,176	Renewal*
100 Chestnut Street	CBD	Arcadis USA	5,215	New Lease
1946 West Ridge Road	North West	Excellus Health Plan	3,325	Renewal*

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
99 Ridgeland Road	South Central	Rochester Rev Holdings LLC / Childwold Properties LLC	11,324	\$455K/\$40
1404 Portland Avenue	North East	Bruckner, Tillett, Rossi, Cahil & Associates / 1404 Portland LLC	3,260	\$410K/\$126

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