

YoY Chg 12-Mo. Forecast

6.3%
Vacancy Rate



337K
Net Absorption, SF



\$4.65
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2019

YoY Chg 12-Mo. Forecast

326.6K
Syracuse MSA Employment



4.1%
Syracuse Unemployment Rate



3.6%
U.S. Unemployment Rate



Source: BLS

ECONOMY: Strong with Increasing Investments

NY State has announced that more than \$761 million in economic and community development funding has been awarded through Round IX of the Regional Economic Development Council Initiative. Central New York (CNY) will be receiving \$86.2 million supporting 93 projects. 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. Lockheed Martin has been awarded a \$3 billion contract for next generation radars and short-range air defenses, the largest contract in the history of Lockheed's plant at Electronics Park and will add more than 100 jobs at this location.

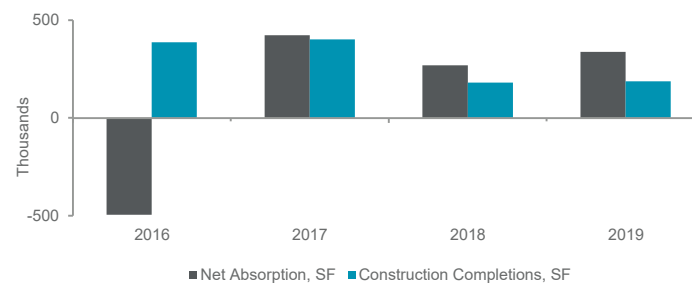
SUPPLY OR DEMAND: Growing Requirements and New Construction a Necessity

The Syracuse industrial market remains active as overall vacancy fell to 6.3% in the fourth quarter. Currently in demand are high-bay warehouse/distribution (WH/D) spaces between 15,000 to 50,000 square feet (sf), and a vast undersupply of 5,000 to 25,000-sf WH/D with docks and drive-ins, as well as spaces over 100,000-plus sf. There is an oversupply of 25,000 to 60,000 sf spaces on the market. Large vacant land parcels zoned industrial with infrastructure are also in high demand. As the industrial market continues to tighten, users looking to Syracuse for its central location will also have to consider new construction. Construction projects in progress include a 76,000-sf manufacturing facility in the Town of Dewitt for Cryomech, and at Airport Business Park a 60,000-sf addition for SRC, Inc. Construction completions include a 60,000-sf expansion to the Raymond Corp. WH at 6650 Kirkville Rd and G&C Foods completed a 106,000-sf WH addition on Van Buren Rd. Proposals underway for approvals for Trammel Crow Co. to build a multi-story WH/D facility totaling approximately 3.8million square feet (msf) on a former 111-acre golf course in the Town of Salina. No tenant for the facility has been officially announced.

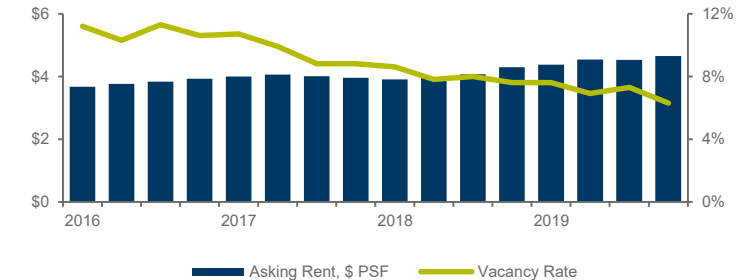
PRICING: Asking Rents Rising

Asking rates have been steadily increasing overall, 12.5% in 2019 to \$4.65 per square foot (psf). Tenants that have rates locked in long-term leases are pleased with their choice and in some places would be paying \$1.25 psf increases for WH within the last year. Fewer Landlords are proposing free rent as incentives, but offering build-outs to tenants with extensions in term to spread the cost over time. Still, an increase in state and local municipality incentives continues to attract large industrial users.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q4 2019

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	16,222,682	1,655,664	10.2%	57,165	110,215	76,500	80,000	\$4.05	\$6.00	\$5.12
North	19,546,623	603,766	3.1%	69,669	-106,423	60,000	0	\$4.13	\$6.33	\$5.48
South	1,648,644	111,908	6.8%	153,838	159,838	0	0	\$0.00	NA	\$5.00
West	5,425,182	306,781	5.7%	1,237	173,234	0	106,000	\$9.00	NA	\$4.39
SYRACUSE TOTALS	42,843,131	2,678,119	6.3%	281,909	336,864	136,500	186,000	\$4.15	\$6.18	\$5.13

*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	24,597,885	1,452,131	5.9%	46,286	-65,477	0	146,000	\$5.13
Manufacturing	14,243,616	923,251	6.4%	62,752	273,388	136,500	40,000	\$4.15
Office Service / Flex	3,035,755	302,737	9.9%	172,871	128,953	0	0	\$6.18

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4626 Crossroads Park Drive	North	Xpedx	108,000	Renewal*
801 Hiawatha Blvd East	East	TJ Sheehan	44,720	Lease
6477 Ridings Road	East	Bomac	19,000	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2001 Lemoyne Avenue	North	Dubnoff Kolden Realty/One Reminton LLC	48,000	\$1.2M/25
4560 Buckley Road	North	KRSM LLC/FHC Properties LLC	38,238	\$2.2M/\$60
6801 Crossbow Drive	North	Flex Hose Co/Sheetmetal Workers Local 58	10,016	\$890K/\$89

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