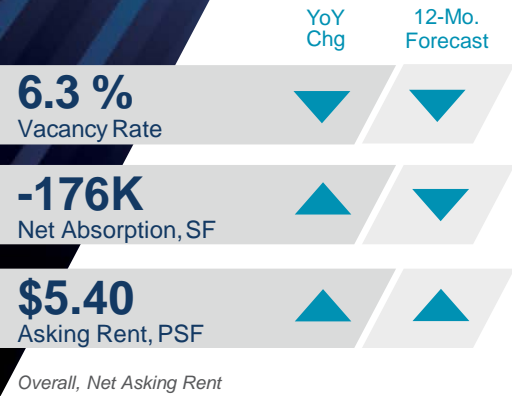


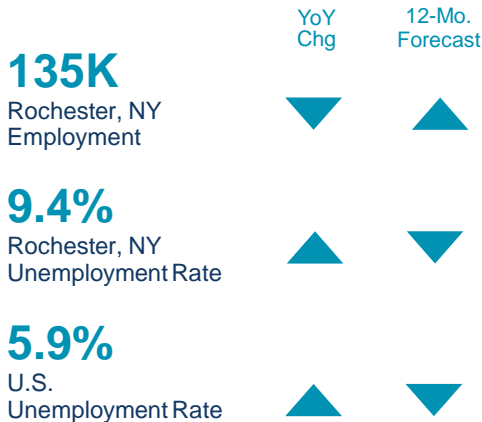
Rochester, NY



Industrial Q2 2021



ECONOMIC INDICATORS Q2 2021



Source: BLS

ECONOMY: Expansion & Diversity Impact Rochester's Economy

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 April 2021, the unemployment rate in Rochester was reported at 9.4%, slightly higher 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. In place of manufacturing, health care and higher education have become the most significant industries in the area, with the University of Rochester now the region's largest employer. Rochester is well known for its world-class optics, imaging, and photonics cluster, which includes a number of small to medium-sized companies often working in partnership with local higher education institutions.

MARKET OVERVIEW: Need for Quality Industrial Product Remains

The Rochester, NY MSA region has just over 73.5 million square feet (msf) of industrial space including 53 msf of manufacturing space, 16.5 msf of warehouse/distribution space and 3.7 msf of office service space. The overall vacancy rate is at 6.3% and the overall weighted average asking rental rate is at approximately \$5.40 per square foot (psf). The majority of available industrial inventory in the Rochester market is older and outdated space. As a result of this lack of quality industrial product, we are seeing that any new construction that occurs in the region is commanding higher rental rates and existing buildings are selling at a rapid pace. Demand in the market has caused companies like ProAmpac to build their 35,000-square-foot flex building from ground up to serve as their packaging innovation center. Amazon has entered the Rochester market and is officially under construction on a multi-million square-foot facility in the Town of Gates. Construction is anticipated to be completed in the fall of 2022.

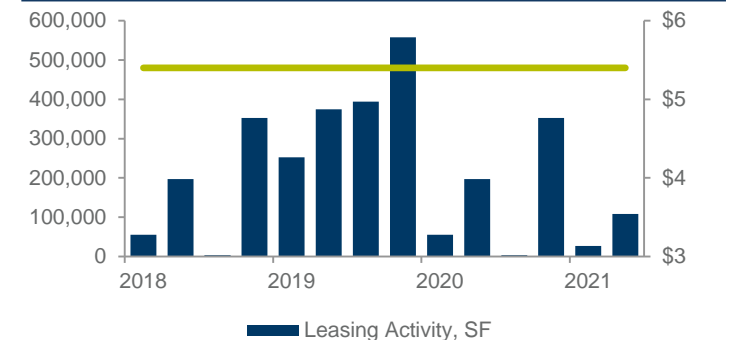
OUTLOOK:

The Rochester area is home to more than 1,500 small and medium sized manufacturing companies, most of which are involved in high technology sectors such as computer and electronic products, machinery and chemicals. The trend continues for record low vacancy rates for high-bay warehouse space, which shifts market momentum to landlords/sellers. Adaptive reuse projects are still in the forefront of the rebuilding of Rochester where a large number of vacant and functionally obsolete product is being taken out of the industrial inventory. Manufacturing continues to play a major role in the local economy, while Rochester's high-tech output ranks 20th out of 319 metropolitan areas in the United States. According to the *Manpower Employment Outlook*, Greater Rochester has the third-highest job growth rate in the nation. More than half of the region's employers expect to increase staffing in the immediate future.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Rochester, NY



Industrial Q2 2021

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	YTD USER SALES ACTIVITY (SF)	YTD INVESTOR SALES ACTIVITY (SF)	YTD LEASING ACTIVITY(SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (HT)	OVERALL WEIGHTED AVG NET RENT (W/D)
SUBURBAN	43,132,956	7.2%	53,580	22,034	91,250	0	0	\$4.75	\$10.50	\$4.25
CBD	30,418,517	7.0%	25,000	0	43,348	0	0	\$4.75	\$10.50	\$3.75
ROCHESTER TOTALS	73,551,473	6.3%	78,580	22,034	134,598	0	0	\$4.75	\$10.50	\$4.00

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

CLASSES	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 (HT)	OVERALL WEIGHTED AVG NET RENT (W/D)
Warehouse / Distribution	16,535,739	485,265	2.9%	-34,357	10,401	0	0	\$4.75	\$10.50	\$4.00
Manufacturing	53,298,289	3,825,104	7.2%	294,446	611,452	0	0	\$4.75	\$10.50	\$4.00
High Tech / Flex	3,717,445	309,968	8.3%	-141,333	-51,855	0	0	\$4.75	\$10.50	\$4.00

*Does not include renewals

MF = Manufacturing HT = High Tech/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1000 Driving Park, Rochester, NY	CBD	LaserShip	50,000	Direct
90 Canal Street, Rochester, NY	CBD	Karma Sauce	9,000	Renewal

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
2600 Manitou Road, Rochester, NY	Suburban	Acquest Development LLC/Amazon.com Inc.	800,000	\$29,500,000 / \$36.87

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