

YoY Chg      12-Mo. Forecast

**15.9%**  
Vacancy Rate      ▲      ▲

**263K**  
Net Absorption, SF      ▲      ▼

**\$18.00**  
Asking Rent, PSF      ▬      ▬

(Overall, All Property Classes)

**ECONOMIC INDICATORS Q4 2021**

YoY Chg      12-Mo. Forecast

**140K**  
Rochester Employment      ▲      ▲

**7.3%**  
Rochester Unemployment Rate      ▼      ▼

**4.2%**  
U.S. Unemployment Rate      ▼      ▼

Source: BLS

**ECONOMY OR SUPPLY: Unemployment Decreases in Q4**

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. The Bureau of Labor Statistics (BLS) reported that the unemployment rate for Rochester significantly decreased over 2 percentage points from back in June 2021. It is good to note that the Year-over-Year change has experienced slight growth of 0.2 percentage points as well. With unemployment rates across the country following suit, the economic rebound, both locally and nationally, is promising.

**SUPPLY OR DEMAND: A Slow Return to the Office**

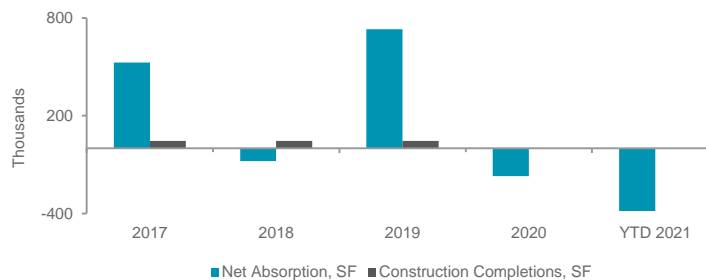
The coronavirus pandemic continued to show resilience in preventing the return to office. Office vacancy rates fluctuated a little under two percentage points finishing at 15.9%, down from 17.7% in Q3. The Central Business District (CBD) office market vacancy saw a slight decrease from the third quarter of 2021, falling from 21.6% to 19.9%. The overall suburban market vacancy saw a more significant decrease from 14.9% in the third quarter to 12.9% at end of quarter four. Following the pandemic, it's likely that more Americans will split their time between working from home and from a corporate office which has had a direct impact on the overall market vacancy rate. With more people working remotely, companies may open regional hubs or provide access to co-working spaces wherever their workers are concentrated rather than have the majority of their workforce at one central office. Although vacancy rates have shown a slow decrease, there is no prominent evidence that occupancy of office space will return to pre-pandemic levels anytime soon.

**PRICING: Asking Rents Remain Stagnant**

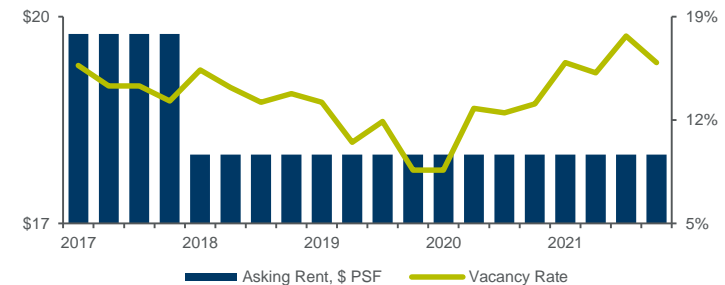
The average asking rent was unchanged at \$18.00 per square foot (psf). The intensity with which the COVID-19 outbreak has escalated continues to impact both landlords and tenants under commercial leases. It is safe to say that landlords and tenants will be viewing certain routine boilerplate language in leases such as asking rents, differently in the future.

Due to the impacts Rochester has seen from COVID-19, activity in the market has been sustained in 2021. Riverwood Tech Campus consisting of 350,000 square feet on 76 acres is now completely leased. Riverwood is located on what used to be Kodak's most renowned campuses and is uniquely positioned to support a new generation of Rochester based innovation. 300 Tech Park in Victor, NY is now completed with the first tenant signed and approximately 75,000 square feet remains available. Greenlight entered the South Central market taking approximately 26,000 square feet of space.

**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	1,192,258	19.9%	11,836	18,130	0	\$19.50	\$24.00
Suburban	188	8,083,279	1,039,067	12.9%	60,394	198,142	45,000	\$16.50	\$18.25
<b>ROCHESTER TOTALS</b>	<b>249</b>	<b>14,069,668</b>	<b>2,231,325</b>	<b>15.9%</b>	<b>72,140</b>	<b>216,272</b>	<b>45,000</b>	<b>\$18.00</b>	<b>\$20.66</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1212 Pittsford Victor Road	Suburban	Wells Fargo	12,786	Renewal*
200 Meridian Centre Boulevard	Suburban	Lincoln Financial	11,088	Renewal*
78 Schuyler Baldwin Drive	Suburban	Corning Tropel	9,943	New Lease

\*Renewals not included in leasing statistics

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