

YoY
Change 12-Mo.
Forecast**11.6%**

Vacancy Rate

**234K**

YTD Net Absorption, SF

**\$16.64**

Asking Rent, PSF



(Overall, All Property Classes)

**ECONOMIC INDICATORS
Q42022**YoY
Chg 12-Mo.
Forecast**312.1K**Syracuse MSA
Employment**3.4%**Syracuse
Unemployment Rate**3.7%**U.S.
Unemployment Rate

Source: BLS

ECONOMY: Remaining Stable

After a slight uptick in unemployment rate through the summer months, it is now at 3.4%, a decrease of 70 basis points (bps) year-over-year (YOY) and is expected to remain relatively stable for the foreseeable future. Regional economic drivers continue to be healthcare and education. Upstate University Hospital is nearing completion of the approximately \$100 million 112,000-square foot (sf) Nappi Wellness Institute. The new five-floor center will integrate health care services with social services and behavioral healthcare and will also include an Alzheimer's disease research and care center. Syracuse Community Health's \$22.5 million, 56,000-sf new health center is targeting a summer 2023 completion.

SUPPLY & DEMAND: Neutral

The demand for office space has remained neutral throughout the COVID-19 pandemic. However, there was an increase in Central Business District (CBD) activity at the end of 2022. The City of Syracuse is moving their offices into 26,500 sf at One Park Place, a premier Class A building and VIP Structures Inc. is nearing completion of their approx. 23,000 sf at The Post, a new Class A office redeveloped from the former Post Standard. VIP Structures Inc. is now planning to convert their former office building in the CBD into 34 one-bedroom apartments.

The redevelopment of the former Sibley's department store into City Center has gotten underway. Haynor Hoyt Corporation will be transforming the near 200,000 sf building into Class A office space. Tenants announced include CXTec, occupying 31,000 sf and Huntington Ingalls Industries occupying 50,000 sf, both relocating to the CBD. One noteworthy downsize in Syracuse is Equitable Life Insurance. While they plan to retain all 740 employees, Equitable will be reducing their overall footprint from 300,000 sf to 143,564 sf.

PRICING: Pendulum Swing with Rental Rates

The first quarter of 2023 will be a critical one for Landlords of Class A space, as there will be a rush to fill their space due to limited supply and rental rates remaining strong. There are increasingly more blocks of "shadow space" that are not on the sublease market but are likely to hit the direct market towards the end of the year. As the available space increases on the open market, the landlords will need to get more aggressive with rental rates and incentives in order to backfill their vacancy.

SPACE DEMAND / DELIVERIES**OVERALL VACANCY & ASKING RENT**



MARKET STATISTICS

| SUBMARKET | INVENTORY (SF) | SUBLET VACANT (SF) | DIRECT VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION | YTD OVERALL ABSORPTION (SF) | YTD NEW LEASING ACTIVITY (SF) | UNDER CNSTR (SF) | OVERALL AVG ASKING RENT (ALL CLASSES)* | OVERALL AVG ASKING RENT (CLASS A)* |
|----------------------|-------------------|--------------------|--------------------|----------------------|------------------------------------|-----------------------------|-------------------------------|------------------|--|------------------------------------|
| CBD | 5,182,065 | 0 | 665,664 | 12.8% | 129,521 | 71,904 | 97,460 | 196,000 | \$16.54 | \$16.62 |
| Non-CBD | 8,881,965 | 36,757 | 924,498 | 10.8% | -27,025 | 162,352 | 141,747 | 56,000 | \$16.87 | \$17.89 |
| MARKET TOTALS | 14,064,030 | 36,757 | 1,590,142 | 11.6% | 102,496 | 234,256 | 239,207 | 252,000 | \$16.64 | \$17.00 |

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2022

| PROPERTY | SUBMARKET | TENANT | RSF | TYPE |
|---------------------------|-----------|---------------------------------|--------|-----------|
| 300 South State Street | CBD | City of Syracuse | 26,500 | New Lease |
| 220 South Warren Street | CBD | Fust Charles | 14,135 | New Lease |
| 308 Maltbie Street | Non-CBD | ProLiteracy Worldwide | 8,650 | New Lease |
| 120 Madison Street | CBD | Wipro Limited | 8,000 | Renewal* |
| 5000 Brittonfield Parkway | Non-CBD | Velocity Clinical Research | 7,397 | New Lease |
| 200 South State Street | CBD | Stewart Title Insurance Company | 6,500 | New Lease |
| 525 Plum Street | Non-CBD | Beardsley Architects | 6,400 | New Lease |

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD 2022

| PROPERTY | SUBMARKET | SELLER / BUYER | SF | PRICE/\$ PSF |
|---|-----------|---|---------|----------------------|
| 1000 East Genesee Street | Non-CBD | Syracuse Medical Properties LLC/KAGR2 Syracuse LLC | 295,085 | \$25,100,000/\$85.06 |
| 8276 Willet Parkway | Non-CBD | 8276 Willet Parkway LLC/Radisson Development Co LLC | 54,512 | \$1,240,000/\$22.74 |
| 8278 Willet Parkway | Non-CBD | Radisson SJH Properties LLC/Radisson Development Co LLC | 29,700 | \$2,000,000/\$67.34 |
| 8104, 8112, 8116 Manlius Cazenovia Road | Non-CBD | Figures 8 LLC/Hogan DRS, LLC | 20,217 | \$1,174,999/\$177.23 |
| 8108 Manlius Cazenovia Road | Non-CBD | Dunfillin, LLC/Hogan DRS, LLC | 5,250 | \$400,000/\$76.19 |

KEY CONSTRUCTION PROJECTS 2022

| PROPERTY | SUBMARKET | MAJOR TENANT | SF | OWNER/DEVELOPER |
|-------------------------|-----------|---------------------------|---------|---------------------------|
| 711 Adams Street | Non-CBD | Nappi Wellness Institute | 196,000 | New York State |
| 930 South Salina Street | Non-CBD | Syracuse Community Health | 56,000 | Syracuse Community Health |

Brian M Balash, CCIM

Real Estate Salesperson

+1 315 445 8506

bbalsh@pyramidbrokerage.com

Michelle Forshee

Director of Marketing & Research

+1 315 445 8533

mforshee@pyramidbrokerage.com

cushmanwakefield.com
pyramidbrokerage.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

©2023 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.