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SPRING/SUMMER 2016 ECONOMIC DEVELOPMENT REPORT

Summarized below are the semi-annual 2016 Economic Development Survey results for Downtown Syracuse. If you have any questions, please contact Heather Schroeder, Economic Development Program Manager, at (315) 470-1958 or hschroeder@downtownsyracuse.com.

PRODUCT SUMMARY

| | Class A* | Class B | Class C | Armory Square | Retail | |
|---------------------|--------------|-----------|---------|---------------|---------|---------|
| Leased (sf) | 2,354,742 | 2,054,953 | 200,063 | 211,210 | 626,440 | |
| Sublet (sf) | 58,272 | 0 | 0 | 0 | 0 | |
| Available (sf) | 402,610 | 330,668 | 96,456 | 16,262 | 195,488 | |
| Total (sf) | 2,815,624 | 2,385,621 | 296,519 | 227,472 | 821,928 | |
| Occupancy | 85.70% | 86.14% | 67.47% | 92.85% | 76.22% | |
| Vacancy | 14.30% | 13.86% | 32.53% | 7.15% | 23.78% | |
| Change in Vacancy | Year to Date | 1.13% | 0.52% | (0.47%) | (2.07%) | (2.46%) |
| Net Absorption (SF) | Year to Date | (33,045) | 27,560 | (26,613) | 4,718 | 26,440 |

* Class A buildings include 414,892 sf in Franklin Square

SUMMARY BY USE

Class A*

- This group consists of 23 properties representing 2.8 million sf of office space.
- The vacancy rate increased 1.13% in the first half of this year, from 12.69% at the close of 2015 to 14.3% at the close of the 2nd Quarter 2016.
- Buildings with the largest amount of office space available are One Park Place, 300 S. State St. (120,000 sf) and AXA Towers, 100 Madison St. (80,098 sf).
- Tenant activity this quarter includes: Custom Wealth absorbed 2,000 sf in the newly renamed Barclay Damon Tower (formerly Onondaga Tower), 125 East Jefferson St.; Delta Marketing Dynamics absorbed 4,541 sf at Salina Place, 205 S. Salina St.; Connor Law Firm absorbed 300 sf at the White Memorial Building, 100 East Washington St.
- Rent Range = \$15.50 to \$21.00 psf; Average rent = \$18.15 psf

Class B

- This group consists of 41 properties representing more than 2.3 million sf of office space.
- The vacancy rate increased 0.52% in the first half of this year, from 13.34% at the close of 2015 to 13.86% at the close of the 2nd Quarter 2016.
- Net absorption was 27,560 sf, largely due to the reclassification of 46,200 sf of office space at 499 S. Warren Street from Class C to Class B.
- Buildings with the largest amount of office space available are Financial Plaza, 221 S. Warren St. (38,630 sf) and Jefferson Center, 115 E. Jefferson St. (20,000 sf).
- Tenant activity this quarter includes: 4,000 sf was absorbed (including 950 sf by Douglas Goldschmidt, LMSCW, and 2,800 sf by Pinnacle Healthcare) in 430 Park Plaza, 430 E. Genesee St.; Murbro vacated 1,200 sf at the Carriage House, 440 E. Washington St.; NY Lottery vacated 5,468 sf in Deys Plaza, 401 S. Salina St.
- Rent Range = \$10.00 to \$18.00; Average rent = \$13.40 psf

Class C

- This group consists of 34 properties representing nearly 300,000 sf of office space.
- The vacancy rate decreased 0.47% in the first half of this year, from 33% at the close of 2015 to 32.53% at the close of the 2nd Quarter 2016 (499 S. Warren St. was reclassified from Class C to Class B space; Common Center (formerly Century Plaza) at 201 E. Jefferson St. converted 11,000 sf of office space to housing; Herald Commons classified an additional 5,310 sf as office).
- Buildings with the largest amount of office space available are the Chamber Building, 351 S. Warren St. (25,000 sf) and the Gridley Building, 103 E. Water St. (12,176 sf).
- Tenant activity this quarter includes: JMS Direct, Inc. vacated 1,100 sf at 342 S. Salina St.
- Rent Range = \$3.75 to \$14.40 psf; Average rent = \$10.86 psf

Class AS (Armory Square)

- This group represents all buildings within the Armory Square district, consisting of 20 occupied properties representing more than 230,000 sf of office space.
- The vacancy rate decreased 2.07% in the first half of this year, from 9.22% at the close of 2015 to 7.15% at the close of the 2nd Quarter 2016.
- Buildings with the largest amount of office space available are the Seneca Building, 239 W. Fayette St. (4,000 sf); 307 S. Clinton St. (2,500 sf); and the Donohue Building, 316 S. Clinton St. (2,500 sf).
- Tenant activity this quarter includes: Gardner & Capparelli CPAs, LLP absorbed 1,330 sf in the Crown Hotel Building, 301 W. Fayette St.; Scalfone & Reed absorbed 2,388 sf in the Hogan Block, 247 W. Fayette St.; and Telesource Service, Inc. absorbed 1,000 sf in Millpond Landing, 327 W. Fayette St.
- Rent Range = \$6 to \$16 psf; Average rent = \$12.27 psf

Retail

- Retail space in downtown Syracuse accounts for more than 814,000 sf of property.
- The vacancy rate decreased 2.46% in the first half of this year, from 26.24% at the close of 2015 to 23.78% at the close of the 2nd Quarter 2016.
- New businesses in the first half of 2016 include: Indigo Loft Salon (212 N. Franklin St.), Khao Ghaeng (208 E. Genesee St.), The Vault (451 S. Warren St.), Apizza Regionale (260 W. Genesee St.), The Perfect Arch (191 Walton St.), The Irish Store (183 Walton St.), Tryoga (327 W. Fayette St.), Syracuse Fashion Gallery (327 W. Fayette St.).
- Closed or relocated businesses in the first half of 2016 include: Armory Artworks (136 Walton St.), Lofu (214 Walton St.), Ken Kushner Designs (relocated from 183 Walton St. to 134 Walton St.)

For more information on real estate in Syracuse's Central Business District, please visit:

<http://www.downtownsyracuse.com/business/real-estate/>