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Fall/Winter 2016 ECONOMIC DEVELOPMENT REPORT

Summarized below are the semi-annual Economic Development Survey results for Downtown Syracuse, for the period July 1 - December 31, 2016. 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)		2,368,988	2,008,985	198,076	200,210	628,464
Sublet (sf)		58,272	0	0	0	0
Available (sf)		388,364	323,839	95,006	27,262	216,214
Total (sf)		2,815,624	2,332,824	293,082	227,472	844,678
Occupancy		86.21%	86.11%	67.58%	88.02%	74.40%
Vacancy		13.79%	13.89%	32.42	11.98%	25.60%
Change in Vacancy	July-Dec. 2016	(0.51%)	0.03%	(0.11%)	4.83%	1.82%
Change in Vacancy (Annual)	Dec. 2015-Dec. 2016	1.1%	0.55%	(0.58%)	2.76%	(0.64%)

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

** Increase in retail vacancy due to additional retail space created through new construction (Amos Building Expansion) and office conversion (Associates Building, Icon Tower, State Tower Building).

SUMMARY BY USE

Class A*

- This group consists of 23 properties representing 2.8 million sf of office space.
- The vacancy rate decreased 0.51% in the second half of 2016, from 14.3% in Spring/Summer 2016 to 13.79% in Dec. 2016.
- Buildings with the largest amount of Class A 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 in the second half of 2016 included: Blue Rock Energy absorbed 13,828 sf in the Barclay Damon Tower (formerly Onondaga Tower), 125 East Jefferson St.; and ISSI Technology Professionals absorbed 5,164 sf at Bridgewater Place, 500 Plum St.
- Rent Range = \$16 to \$22.00 psf; Average rent = \$18.02 psf

Class B

- This group consists of 41 properties representing more than 2.3 million sf of office space.
- The vacancy rate increased 0.03% in the second half of 2016, from 13.86% in Spring/Summer 2016 to 13.89% in Dec. 2016.
- Buildings with the largest amount of Class B office space available are the State Tower Building, 109 S. Warren St. (39,465 sf) and Financial Plaza, 221 S. Warren St. (38,630 sf).
- The decrease in overall Class B office space was due in part to the conversion of upper floors of the State Tower Building into residential (under construction).
- Tenant activity in the second half of 2016 included: The Ryan Law Firm vacated 3,300 sf in the Hills Building, 217 Montgomery St.; 4,913 sf became available in Washington Station, 333 W. Washington St.; and Finkelstein & Partners, LLP and Colonial Health Benefits occupied space in the Loew's Landmark Building, 108 W. Jefferson St.
- Rent Range = \$10.00 to \$22.00; Average rent = \$13.68 psf

Class C

- This group consists of 33 properties representing nearly 300,000 sf of office space.
- The vacancy rate decreased 0.11% in the second half of 2016, from 32.53% in Spring/Summer 2016 to 32.42% in Dec. 2016.
- The Associates Building at 233 E. Water St. was legally combined with the adjacent Grange Building at 203 E. Water Street.
- Buildings with the largest amount of Class C 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).
- Rent Range = \$5 to \$14.40 psf; Average rent = \$10.92 psf

Class AS (Armory Square)

- This group represents all buildings within the Armory Square district, consisting of 21 occupied properties representing nearly 230,000 sf of office space.
- The vacancy rate increased 4.83% in the second half of 2016, from 7.15% in Spring/Summer 2016 to 11.98% in Dec. 2016.
- Buildings with the largest amount of office space available are the Seneca Building, 239 W. Fayette St. (15,000 sf); 307 S. Clinton St. (2,500 sf); and the Donohue Building, 316 S. Clinton St. (2,500 sf).
- Rent Range = \$6 to \$16 psf; Average rent = \$12.25 psf

Retail**

- Retail space in downtown Syracuse accounts for nearly 845,000 sf of property.
- The vacancy rate increased 1.82% in the second half of 2016, from 23.78% in Spring/Summer 2016 to 25.60% in Dec. 2016, due primarily to the addition of new retail space through construction or conversion from office use. The Amos Building expansion (204-06 W. Water St.) added 5,685 sf new retail; the Associates Building was incorporated into the Grange Building, converting 1,496 of former Class C office space into retail; Icon Tower (formerly Excellus, 344 S. Warren St.) reclassified 7,200 sf former office space as retail; and redevelopment at the State Tower Building (109 S. Warren St.) reclassified approximately 8,000 sf former office as additional retail.
- New businesses in the second half of 2016 included: Sweet and Smoke (189 Walton St.), Eleven Waters (at the reopened Marriott Syracuse Downtown, 500 S. Warren St.), Original Grain (302 S. Salina St.), Cifra Barber and Beauty (441 S. Warren St.), Modern Malt Bakeshop (315-19 S. Clinton St.), The Little Tea Cart (204 E. Jefferson St.), The Sweet Praxis (215 E. Water St.), and Cathy's Cookie Kitchen (266 W. Jefferson St.).
- Closed or relocated businesses in the second half of 2016 include: Bittersweet (121 W. Fayette St.), Clark's Ale House (100 E. Washington St.), Mallard Tobacconist (208 Walton St.), The Blue Morpho (126 E. Genesee St.), The Vault (451 S. Warren St.) and Voltage Video (relocated to 437 S. Warren St.)

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

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