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Fall 2017/Winter 2018 ECONOMIC DEVELOPMENT REPORT

Summarized below are the semi-annual Economic Development Survey results for Downtown Syracuse, for the period July 1, 2017 – Dec. 31, 2017. 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)	2,429,511	1,858,359	175,657	200,572	578,242
Sublet (sf)	116,681	0	0	0	0
Available (sf)	449,708	298,079	102,283	26,900	221,945
Total (sf)	2,995,900	2,156,438	277,940	227,472	800,187
Occupancy	84.99%	86.18%	63.2%	88.17%	72.26%
Vacancy	15.01%	13.82%	36.8%	11.83%	27.74%
Change in Vacancy**	2.2%	(3.01%)	(0.8%)	0.97%	3.29%
Net Absorption (sf)**	(56,065)	10,806	1,134	0	(66,008)

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

** Since July 1, 2017.

SUMMARY BY USE

Class A*

- This group consists of 24 properties representing nearly 3 million sf of office space.
- The vacancy rate increased 2.2% in the second half of 2017, from 12.81% in Spring/Summer 2017 to 15.01% in Fall 2017/Winter 2018.
- Buildings with the largest amount of Class A office space available are One Park Place, 300 S. State St. (153,000 sf) and AXA Towers, 100 Madison St. (80,098 sf).
- The State Tower Building was reclassified from Class B to Class A following its \$40 million renovation.
- Tenant activity in the second half of 2017 included: Citizen's Bank vacated 6,370 sf in 250 Clinton St.; Izzo Law Firm vacated 5,000 sf and CH Insurance absorbed 7,500 sf at the Atrium Building (Two Clinton

Square); and Firley, Moran, Freer & Eassa occupied 19,500 sf at Barclay Damon Tower (125 E. Jefferson St.).

- Rent Range = \$16 to \$22.00/sf; Average rent = \$18.22/sf

Class B

- This group consists of 38 properties representing more than 2.1 million sf of office space.
- The vacancy rate decreased 3.01% in the second half of 2017, from 16.83% in Spring/Summer 2017 to 13.82% in Fall 2017/Winter 2018.
- Buildings with the largest amount of Class B office space available are Dey's Plaza, 401 S. Salina St. (73,596 sf) and Financial Plaza, 221 S. Warren St. (18,000 sf).
- The Empire Building converted approximately 40,000 sf from office to residential, and the State Tower Building was reclassified from Class B to Class A.
- Tenant activity in the second half of 2017 included: Volunteer Lawyers Project and Legal Services CNY absorbed 6,000 sf at Financial Plaza (221 S. Warren St.); Compass Capital vacated and Terradiol, KS&R, and Frontier Abstract occupied space at the Syracuse Building (224 Harrison St.).
- Rent Range = \$10.00 to \$22.00/sf; Average rent = \$14.40/sf

Class C

- This group consists of 35 properties representing nearly 280,000 sf of office space.
- The vacancy rate decreased 0.8% in the second half of 2017, from 37.6% in Spring/Summer 2017 to 36.8% in Fall 2017/Winter 2018.
- Tenant activity in the second half of 2017 included CNY Neurodiagnostics PLLC absorbing 3,260 sf in Herald Commons (220 Herald Place).
- 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. (11,000 sf).
- Rent Range = \$7.50 to \$14.40/sf; Average rent = \$11.11/sf

Class AS (Armory Square)

- This group represents buildings within the Armory Square district, consisting of 21 office properties representing nearly 230,000 sf of office space.
- The vacancy rate increased 0.97% in the second half of 2017, from 10.86% in Spring/Summer 2017 to 11.83% in Fall 2017/Winter 2018.
- Activity in the second half of 2017 included 2,200 sf listed at Pomeroy Place.
- 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/sf; Average rent = \$12.89/sf

Retail

- Retail space in downtown Syracuse accounts for more than 800,000 sf.
- The vacancy rate increased 3.29% in the second half of 2017, from 24.45% in Spring/Summer 2017 to 27.74% in Fall 2017/Winter 2018.
- Retail space on the ground floor of 250 S. Clinton St. was converted to office space.
- New businesses in the second half of 2017 included: Oculus Tattoo Lounge (233 N. Clinton St.), The Stoop Kitchen (311 W. Fayette St.), Element on Water (206 W. Water St.), Cloud City Comics (213 S. Clinton St.), Goodies 2 (214 Walton St.), Glazed and Confused (211 N. Clinton St.), American Reserve Clothing Co. (208 Walton St.), Sahm Brewing Co. (203 S. Salina St.), Orbis Lounge (134 E. Genesee St.), and D-Train Doggie Day Care (530 S. Clinton St.).

- Closed businesses in the second half of 2017 include: World Lounge & Martini Bar (134 E. Genesee St.), City Food Mart (500 S. Salina St.), Gannon's Ice Cream (Dey's Plaza), Sweethearts Boutique (321 N. Clinton St.), Indian Tandoor (250 Harrison St.), and Byblos Bar and Grill (316 S. Clinton St.).
- Relocated businesses in the second half of 2017 include: Lavish Lofts Salon (136 Walton St.), Colella Gallery (Marriott Syracuse Downtown), Lashes, Locks and Lips by Aubrey James (247 W. Fayette St.), and Famous Artists (374 S. Clinton St.).
- Rent Range = \$6.40 to \$22; Average rent = \$13.90

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

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