

Q1-Q2 2023

INDUSTRIAL MARKET REPORT

CAPITAL REGION, NEW YORK



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THE CAPITAL REGION

The Capital Region has 1.1 million people living in eight counties. The region spans 5,336 square miles, making it about the size of Connecticut. In addition to being the home of New York's capital city (Albany), the region is a major talent generator with 24 higher education institutions. Key regional industry clusters include: Cleantech, Life Sciences, Advanced Electronics/Semiconductors, R&D/

Commercialization, Logistics and Distribution, Software-IT/Digital Gaming. Located at the intersection of two major interstate highways (I-87 and I-90) – and with New York City, Boston and Montreal a three-hour drive away – the region is a prime logistics and distribution hub that serves companies such as Amazon, Target, Golub Corp. and Hannaford.



- According to Costar, the Capital Region vacancy was listed as 1.8% across all industrial classes. This represents the lowest it has been in recent history. Historically low vacancy rates have continued to push lease and sales rates significantly higher, despite the economic uncertainties and increasing rate environment in the back half of the year. Year over year increases have exceeded 7.1%.
- Well located new construction of 25,000 SF or greater have asking base rents generally starting at \$9.50 per SF NNN with some over \$11.00 per SF NNN. The strongest demand for Industrial space continues to be found across the core markets of Albany, Rensselaer, Saratoga and Schenectady counties while the more rural counties experience growth in bulk distribution centers.

Accessibility

- Close proximity to major metros.
- More than \$4 billion in truck freight originating from the region is annually shipped throughout the U.S.
- Albany is the nexus of CSX, Norfolk Southern and Canadian Pacific rail lines.
- The Port of Albany is North America's northernmost, year-round inland port.
- The Port of Coeymans is the Northeast's premier bridge assembly, construction, resource and disaster recovery hub.
- More than 1.5 million travelers annually board planes at Albany international Airport, which serves a dozen airlines and offers about two dozen non-stop destinations.*
- More than 800,000 travelers annually pass through the Albany-Rensselaer Station – Amtrak's ninth busiest station.*



HIGHWAYS

- NY Thruway (I/87/I-90)
- Adirondack Northway (I/87)



AIR SERVICE

Albany International Airport



PORT FACILITIES

- Port of Albany
- Port of Coeymans



RAIL SERVICE

- CSX Corp.
- CP Rail Systems
- Amtrak



BUS SERVICE

Capital District Transportation Authority

Wadsworth Center

The state is in the final planning stages of a new public health lab and research facility on the Harriman Office Campus at a cost of \$1.7 billion. The building is expected to span 27 acres and allow for the consolidation of five current facilities throughout Albany and Guilderland. The project is expected to be completed by 2030. Gilbane Inc. and Turner Construction Co. will complete the construction of what is expected to be one of the premier public health laboratories in the world.



Micron

Micron Technology plans to spend up to \$100 billion over the next 20 years building a computer chip complex in the Syracuse suburb of Clay, NY. While located outside of the immediate Capital Region, this investment continues the Upstate New York trend of investment in high industries including Cree and Global Foundries, as well as benefiting the supply chain and construction markets in the immediate area. The campus is expected to be comprised of 7.2 million square feet of chip fabrication and clean room production areas. The first phase is expected to bring in 3,000 jobs with construction starting in 2024.



Plug Power

Plug Power has recently taken occupancy of Phase 1 of their new manufacturing facility at the Vista Technology Campus in Slingerlands. The 350,000 square foot plant will be used to produce GenDrive Hydrogen Fuel Cell Systems. The \$55 million complex is expected to be completed in 2023.



GlobalFoundries

Site work has begun on a portion of the 800 acres purchased by Global Foundries in the Luther Forest Technology campus in Saratoga County. The project is expected to cost \$6 - \$8 billion for the second chip manufacturing facility in the park. Once completed, it will add 1,000 jobs. In addition, Global Foundries recently announced a partnership with Lockheed Martin to produce next generation chips for defense systems.



Port of Albany

Work is currently underway to support the Port of Albany's expansion to create facilities for the production of offshore wind towers. The project will transform 80 acres in the town of Bethlehem into more than 600,000 square feet of manufacturing space across four buildings. The total investment is expected to be more than \$350 million and once completed, will create 300 full time jobs in addition to the 500 development and construction jobs. Preliminary site work is currently underway including clearing of trees and the creation of access roads.

Regeneron

In 2020, the pharmaceutical company announced a \$1.8 billion expansion in which the company plans to add to its research, preclinical manufacturing, and support facilities. The project includes 900,000 square feet of space across eight buildings in addition to three parking structures and a central utility plant. The expansion is on schedule to be completed over the course of six years in two phases.

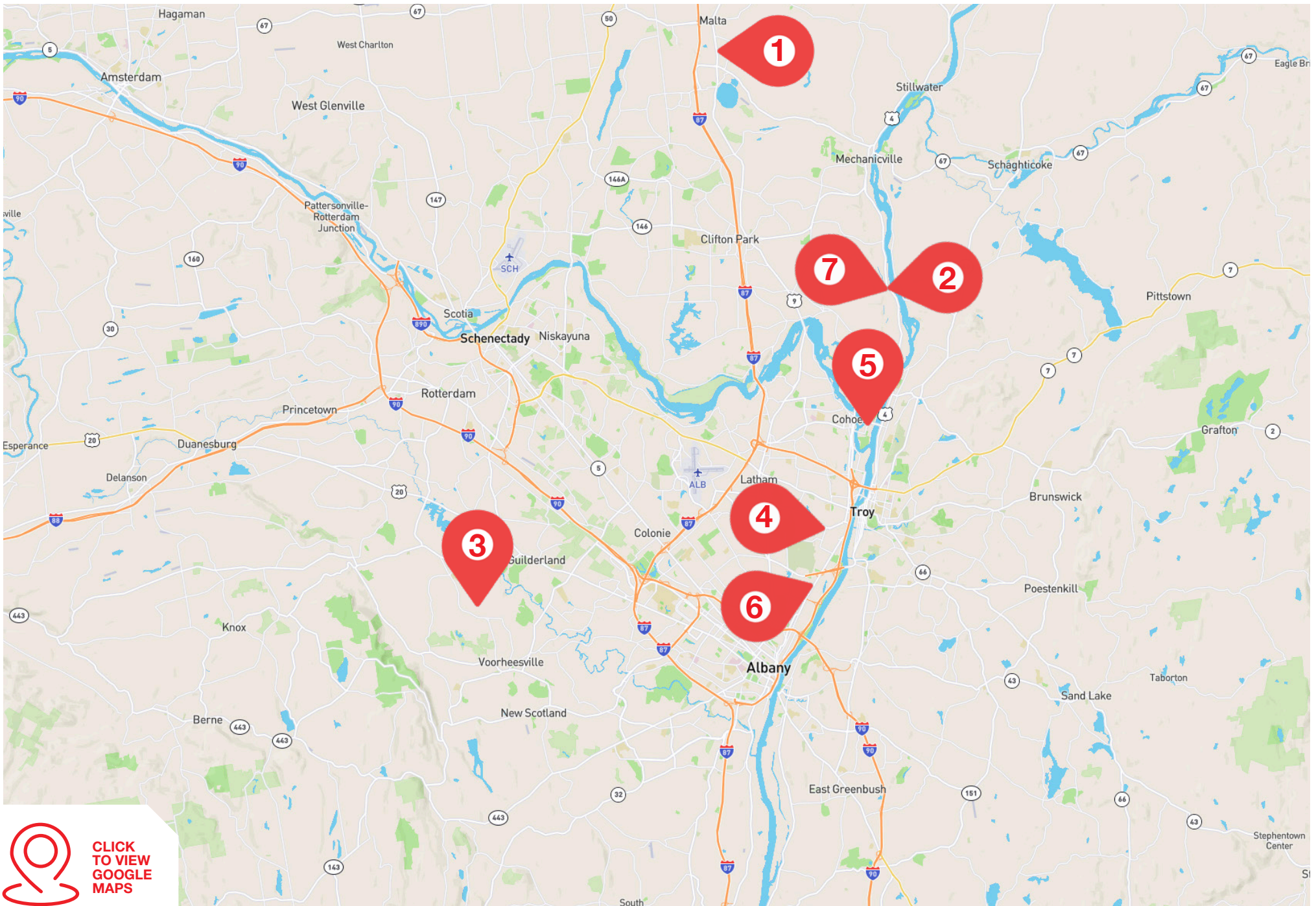
Tryon Technology Park

Regional Developer Winstanley Enterprises is in the planning phase for the 2.3 million SF Tryon Technology Park located between Exits 27 and 28 of the NY State Thruway in the town of Perth. The park will feature four buildings ranging in size from 150,000 SF to 1.16 million SF.

Amazon







Construction is expected to be completed on a 300,000 SF Amazon distribution facility in Q2 2023. The building, located at 1710 Schodack Valley Road in Schodack, is just north of the recently completed 1 million SF Amazon facility that opened in 2019.

Q1-Q2 2023 INDUSTRIAL LEASES



 **CLICK TO VIEW GOOGLE MAPS**

Q1-Q2 2023 INDUSTRIAL LEASES

	ADDRESS	MUNICIPALITY	COUNTY	USER	SQ. FT.	CLASS	RATE/SF	NOTES
	1. 10 Stonebreak Rd.	Malta	Saratoga	Blue Triton	90,000	A	\$9.50	New construction PEMB within the Arnoff Logistics Center.
	2. 430 Hudson River Rd.	Waterford	Saratoga	AProjects	40,300	B	\$5.50	
	3. 19 Northeastern Industrial Park	Guilderland	Albany	Airgas	9,200, plus 3 acres yard space	B	\$10.83	The property was renovated prior to lease commencement with a new roof and 12 new docks. In addition, the building has an active CSX rail spur.
	4. 7 Lincoln Ave.	Watervliet	Albany	Cargill	90,000	A	\$9.50	New construction in the Lincoln Industrial Park. The asking rent for this property was \$9.50.
	5. 100 Cohoes Ave.	Green Island	Albany	Johnstone Supply	45,000	A	\$11.65	New construction with ±6,000 SF of office/showroom area as part of the tenants fit up.
	6. 339 Broadway	Menands	Albany	Extreme Moulding	35,000	C	\$5.50	

Q1-Q2 2023 INDUSTRIAL LEASES

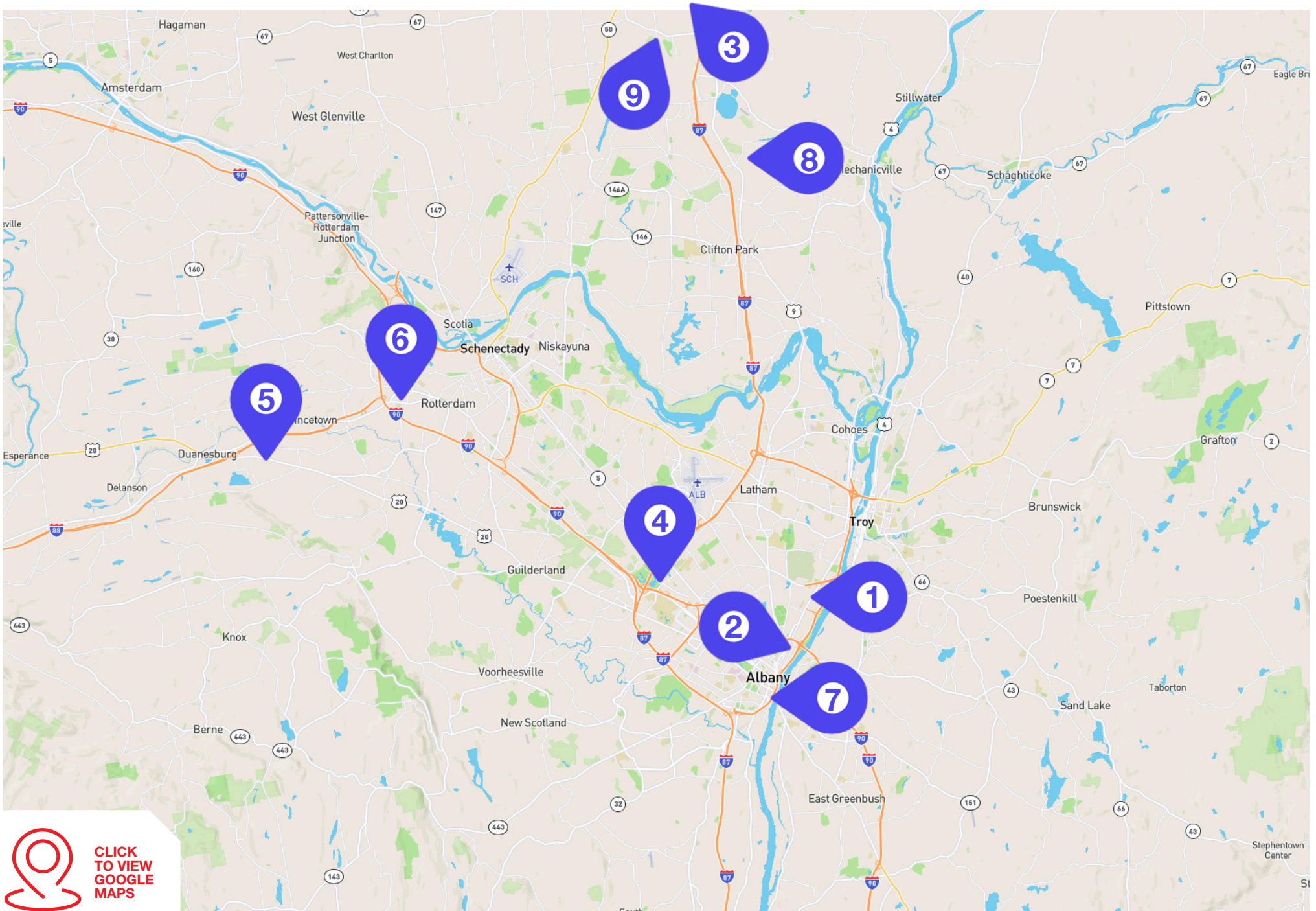
ADDRESS	MUNICIPALITY	COUNTY	USER	SQ. FT.	CLASS	RATE/SF	NOTES
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7. 428 Hudson River Rd.	Waterford	Saratoga	Centrotherm	120,000	B	\$5.35	Tenant signed a 5-year term after the landlord made capital improvements including repairing walls, the roof, and
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**TOTAL SF:
429,500**

Q1-Q2 2023 INDUSTRIAL SALES






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TO VIEW
GOOGLE
MAPS

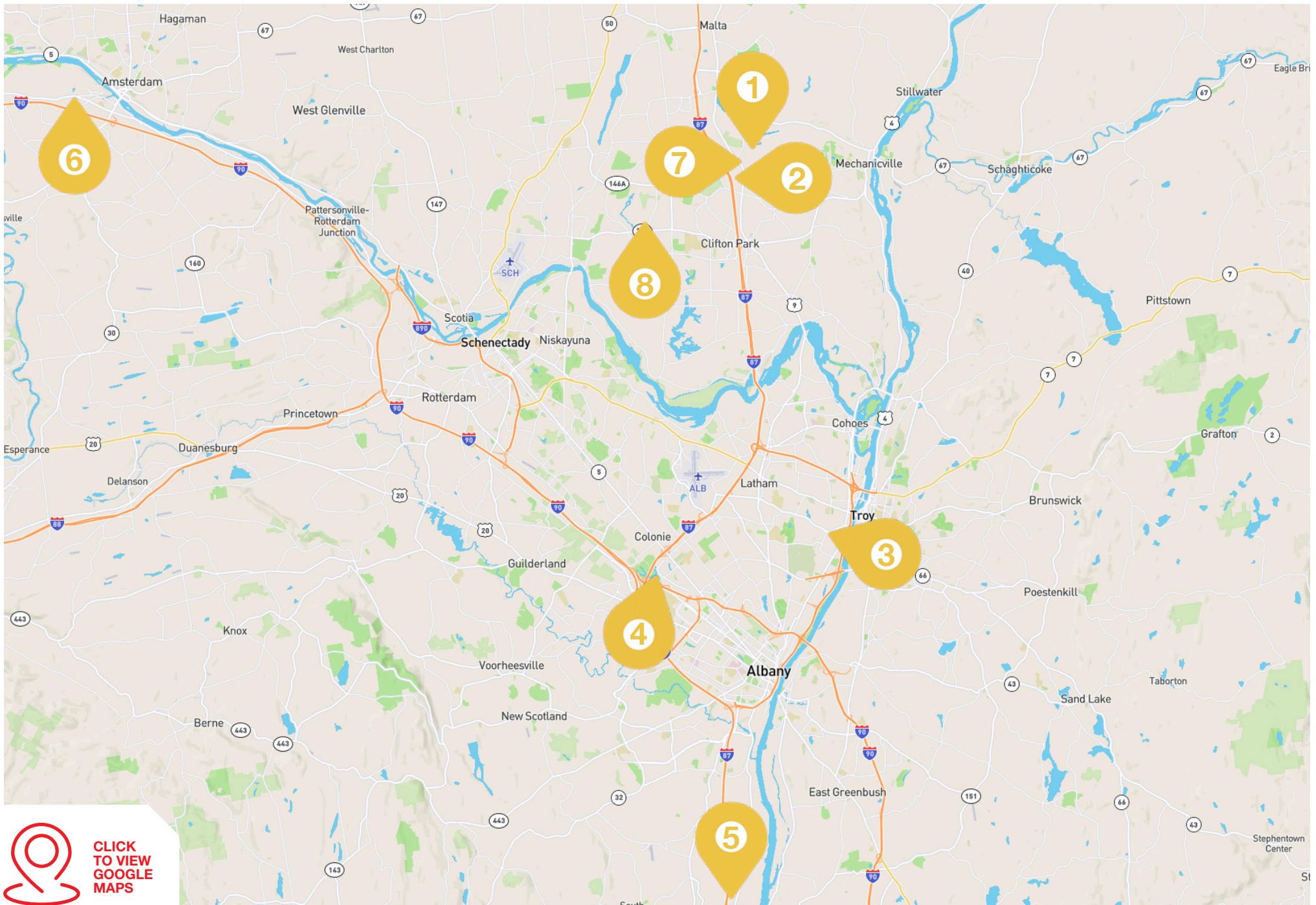
Q1-Q2 2023 INDUSTRIAL SALES

	ADDRESS	MUNICIPALITY	COUNTY	USER	SQ. FT.	CLASS	PRICE/SF	NOTES
	1. 339 Broadway/ 51 Irving Place	Menands	Albany	Multi-Tenant	59,480	C	\$36.98	Investment property that was vacant at time of the sale.
	2. 588 Broadway	Schenectady	Schenectady	FW Webb	22,116	A	\$122.08	
	3. 10 Skyward Drive	Saratoga Springs	Saratoga	SKS	143,083	A	--	Under Contract
	4. 64 Railroad Ave.	Colonie	Albany	Confidential	14,400	B	--	Under Contract
	5. 2261 Western Tpke.	Duanesburg	Schenectady	Vacant at Sale	10,515	B	\$68.95	Property features a 5 acre storage yard.
	6. 51 Opus Blvd.	Rotterdam	Schenectady	Confidential	31,302	B	--	Under Contract

Q1-Q2 2023 INDUSTRIAL SALES

ADDRESS	MUNICIPALITY	COUNTY	USER	SQ. FT.	CLASS	PRICE/SF	NOTES
 7. 400 South Pearl	Albany	Albany	Confidential	56,032	B	--	Under Contract
 8. 113 Tabor Rd.	Halfmoon	Saratoga	Multi-Tenant	50,000	A	--	Under Contract
 9. 4 McCrea Hill Rd.	Ballston Spa	Saratoga	Vacant at Sale	21,124	B	--	Under Contract
				TOTAL SF:			
				408,052			

PLANNED NEW CONSTRUCTION



PLANNED NEW CONSTRUCTION

ADDRESS	MUNICIPALITY	COUNTY	DEVELOPER	SQ. FT.	CONSTRUCTION	RENTAL RATE/SF	DELIVERY	NOTES
1. 113 Tabor Rd.	Halfmoon	Saratoga		50,000	Pre-Engineered Metal	\$10.50	Q3 2023	
2. Synergy Tech Park	Clifton Park	Saratoga	MJ Properties	300,000	Pre-Engineered Metal	\$10.00	Ongoing	Part of the 200 acre Synergy Tech Park which includes a recently constructed 155,000 SF UHAUL self storage facility.
3. 7 Lincoln Ave.	Watervliet	Albany	Luizi Companies	30,000	Pre-Engineered Metal	\$9.50	Nov. 2023	Phase 1 is partially leased.
4. 60 & 62 Railroad Ave.	Albany	Albany	Miron Holdings	68,000	Pre-Engineered Metal	\$10.50	2024	Fully approved site plan.
5. 1375 River Rd.	Selkirk	Albany	Burt Crane	28,000	Pre-Engineered Metal	\$10.50	Summer 2023	Phase 1 construction underway.
6. State Highway 5S	Florida	Montgomery	Winstanely	800,000	Tilt Up Concrete	TBD	2024	Site is shovel ready.
7. 15 Liebich Lane	Mechanicville	Saratoga	Local Developer	60,000	Pre-Engineered Metal	\$9.00	Summer 2023	Construction of Building 1 underway.
8. 1315 Route 146	Clifton Park	Saratoga	Century Park	120,000	Pre-Engineered Metal	BTS	Spring 2024	

**TOTAL SF:
3,142,000**



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