

# Batavia, New York, USA: Industrial Survey (September 2000)



Society of Industrial and Office REALTORS®  
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## Market Data

Inventory (sf)	Central City	Suburban
Total	3,853,801	3,303,333
Vacant	320,533	175,700
Vacancy Rates	8.32%	5.32%
Under Construction	25,000	60,000
Net Absorption	119,547	249,969
Site Prices (\$/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	\$0.50	\$0.50
2 to 5 acres	\$0.50	\$0.50
5 to 10 acres	\$0.50	\$0.50
More than 10 acres	\$0.40	\$0.40
Unimproved sites		
Less than 10 acres	\$-	\$0.04
10 to 100 acres	\$-	\$0.11
More than 100 acres	\$-	\$0.05

**Mortgage Money Supply:** Ample

## Current Trends

Composition of Absorption		
Warehouse/Distr.		75%
Manufacturing		25%
High Tech/R&D		-%
Composition of Inventory		
Warehouse/Distr.		30%
Manufacturing		70%
High Tech/R&D		-%
Rate of Construction		
Warehouse/Distr.	Up	11-15%
Manufacturing	Up	11-15%
High Tech/R&D	Same	
Dollar Volume - Sales		
Warehouse/Distr.	Up	1-5%
Manufacturing	Down	1-5%
High Tech/R&D	Same	
Dollar Volume - Leases		
Warehouse/Distr.	Up	1-5%
Manufacturing	Same	
High Tech/R&D	Same	

## Outlook

Sales Prices		
Warehouse/Distr.	Up	1-5%
Manufacturing	Up	1-5%
High Tech/R&D	Up	1-5%
Lease Rates		
Warehouse/Distr.	Up	1-5%
Manufacturing	Up	1-5%
High Tech/R&D	Up	1-5%
Site Prices	Same	
Absorption		
Warehouse/Distr.	Up	1-5%
Manufacturing	Same	
High Tech/R&D	Same	
Construction		
Warehouse/Distr.	Same	
Manufacturing	Same	
High Tech/R&D	Same	Same
Dollar Volume - Sales		
Dollar Volume - Sales	Same	
Dollar Volume - Lease		
Dollar Volume - Lease	Up	1-5%

## Sales Prices (\$/sf)

	Central City	Suburban
Less than 5,000 sf	\$25.00	\$20.00
5,000 - 19,999 sf	\$25.00	\$20.00
20,000 - 39,999 sf	\$20.00	\$20.00
40,000 - 59,999 sf	\$20.00	\$15.00
60,000 - 99,999 sf	\$15.00	\$10.00
100,000 - 250,000 sf	\$12.00	\$10.00
More than 250,000 sf	\$10.00	\$8.00
High Tech / R&D	\$28.00	\$-

## Net Lease Rates (\$/sf)

	Central City	Suburban
	\$4.00	\$3.00
	\$3.00	\$3.00
	\$3.00	\$3.00
	\$3.00	\$3.00
	\$3.00	\$2.00
	\$2.00	\$2.00
	\$2.00	\$2.00
	\$4.00	\$-

## Construction (\$/sf)

\$55.00
\$52.00
\$52.00
\$47.00
\$42.00
\$35.00
\$32.00
\$65.00

## Vacancy Indicators

Moderate Shortage
Moderate Shortage
Moderate Shortage
Moderate Shortage
Moderate Shortage
Moderate Shortage
Moderate Shortage
Moderate Shortage

## Warehouse and Factories

	Central City	Suburban
Real Estate Taxes	\$0.57	\$0.50
Insurance (Fire and Liability)	\$0.18	\$0.22
Structural and Roof Maintenance	\$0.10	\$0.10
Common Area Maintenance	\$0.36	\$0.36

## Research and Development

	Central City	Suburban
	\$-	\$-
	\$-	\$-
	\$-	\$-
	\$-	\$-

## 2000 Review

2000 has been a solid start to the 21st century. Distribution demand led the activity but manufacturing interest reappeared more strongly in recent months.

More new construction occurred in the last 2 years than in the previous decade. Suburban vacancies decreased dramatically from 11.7 percent in 1999 to 5.3 percent in 2000, and a positive net absorption overcame last year's negative net absorption experience. Moderate shortages were seen in all size industrial space, as compared to last year, when the larger sites were in a balanced market mode. Lease rates were up slightly.

## 2001 Forecast

Market is increasingly competitive. Signs of slowing are starting to appear. Overall activity does not vary greatly but large neighboring metro commercial brokers are encroaching into this market in search of activity and inventory to feed their growing needs. Modernization expectations

and demand will lead to more new construction. Prospects continue for slow, steady growth driven by Batavia's central location between Rochester and Buffalo. Slightly greater access to labor in Batavia is a plus attracting any projects that target this area of Western New York. Little speculative development will occur in this market. Pressure exists to build, but market pricing does not yet adequately reward construction costs. Any such development will happen at Batavia's Gateway Corporate Park on the NYS Thruway.

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