

FIGURES | ALBANY INDUSTRIAL | H2 2025

Vacancy Rises in H2 2025, Still Down Year-Over-Year

▲ 69,093,480

Sq. Ft. Total Inventory

▲ 3.4%

Vacancy Rate

▼ -107,282

Sq. Ft. Net Absorption

▲ 735,141

Sq. Ft. Under Construction

▼ \$7.10

Lease Rate

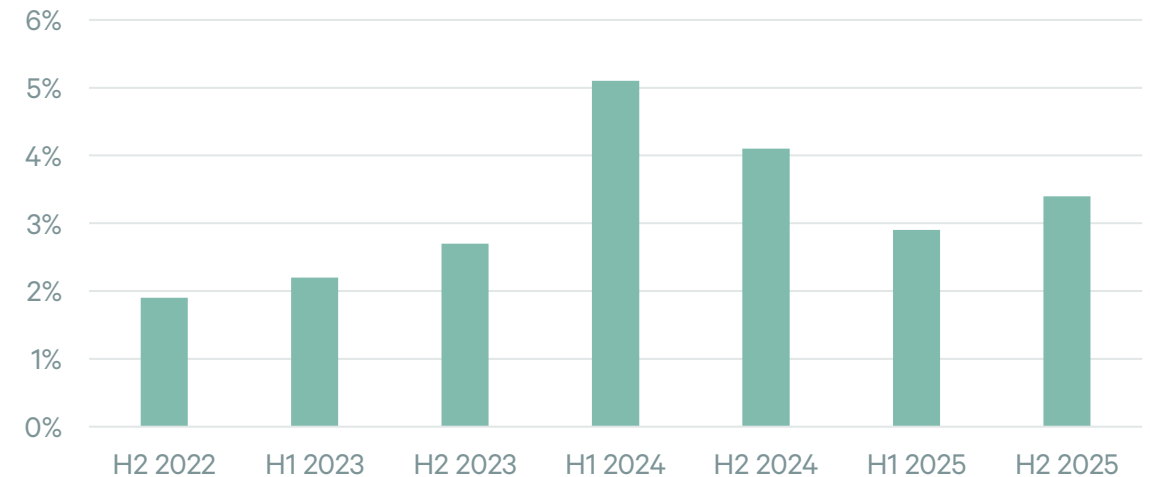
Note: Arrows indicate change from previous period.

REGIONAL OUTLOOK

Vacancy increased by 50 basis points (bps) in the Capital Region Industrial Market in H2 2025, rising from 2.9% to 3.4%. Vacancy is still down year-over-year with a 70 bps decrease between H2 2025 and H2 2024. Vacant square feet increased by ±365,382 sq. ft. in this reporting period with significant vacancies occurring in Albany County as well as our Non-Core Areas. Schenectady County was the only market surveyed that experienced a decrease in vacancy. All other markets experienced at least a 50 bps increase in vacancy over the prior reporting period. While Rensselaer County experienced the largest proportional increase in vacancy (100 bps), it remains the county with the lowest vacancy rate of all surveyed markets.

Industrial sublease availability decreased for the second consecutive reporting period in H2 2025, dropping 10 bps to 0.7%. The total sublease availability is ±457,213 sq. ft., a decrease of ±119,412 sq. ft. over H1 2025. Almost 50% of our available industrial sublease space is within Albany County.

FIGURE 1: Vacancy Rate %



Source: CBRE Upstate NY Albany Office Research, H2 2025

New construction deliveries were up in H2 2025. The largest building added to inventory was the ±200,000 sq. ft. building constructed at 25 Tibbits Avenue in Green Island. The building was constructed by Luizzi Companies and occupied by NYS OGS. H2 2025 is the first reporting period that experienced an increase in new construction deliveries since H1 2023, although completions are still down year-over-year.

The construction pipeline continues the good news as H2 2025 has more square footage under construction than in the previous two reporting periods. Planned and ongoing projects in the region include:

- Land was purchased in the town of Florida to construct a new ±3,200,000 sq. ft. facility for Amazon
- Atlas Copco is constructing a ±64,438 sq. ft. expansion to their Voorheesville facility
- Approvals are in places for a new ±125,703 sq. ft. distribution center for Cocoa-Cola in Halfmoon
- Construction has started for PI Industries ±65,000 sq. ft. manufacturing building and ±25,000 sq. ft. headquarters in Glenville

TOTAL MARKET INVENTORY

The Total Market Inventory increased by ±258,100 sq. ft. in H2 2025. This is ±97,700 sq. ft. more than was added in the previous reporting period, but a ±76,664 sq. ft. decrease year-over-year. While the previous four reporting periods experienced a slowing of both proposed and on-going projects as well as construction completions, current projects bode well for further increases in future reports. Large-scale proposed construction projects and an increase in both under construction and completed construction projects should equate to continued inventory growth going forward.

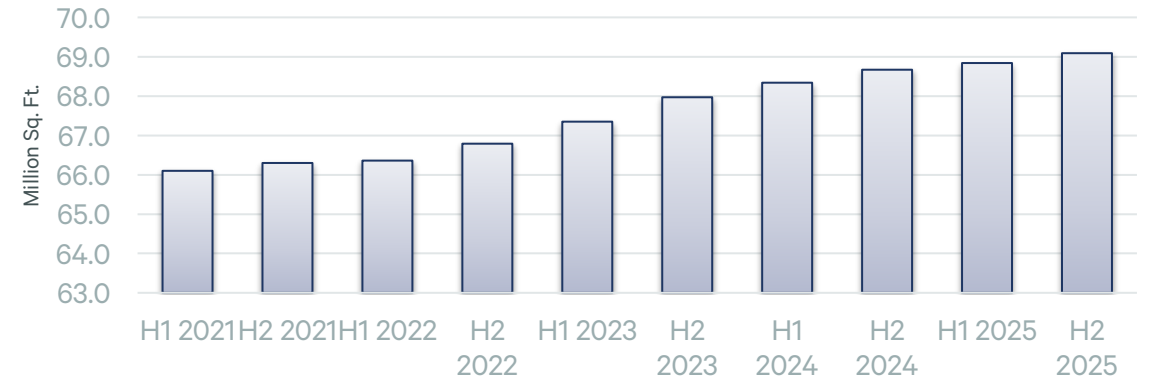
H2 2025 is the 12th consecutive reporting period that experienced an increase in total market inventory. We anticipate the continued increase in inventory over future reporting periods as removal of functionally obsolete property for conversion has been minimal.

FIGURE 2: Market Statistics

Market	Total Inventory (Square Feet)	Vacant (Square Feet)	Vacancy Rate %	Asking Lease Rates (Per Square Feet)
Albany	26,639,936	769,722	2.9%	\$8.00
Rensselaer	4,197,924	61,530	1.5%	\$8.93
Saratoga	11,416,687	456,425	4.0%	\$7.89
Schenectady	10,275,510	180,300	1.8%	\$5.58
Non-Core Areas	16,563,423	909,101	5.5%	\$6.32
Total	69,093,480	2,377,078	3.4%	\$7.10

Source: CBRE Upstate NY Albany Office Research, H2 2025

FIGURE 3: Total Market Inventory



Source: CBRE Upstate NY Albany Office Research, H2 2025

ABSORPTION & ASKING LEASE RATES

The Capital Region experienced negative absorption in H2 2025. This is the first reporting period to experience negative absorption since H1 2024. Negative absorption totaled ±107,282 sq. ft. with all negative absorption occurring in our Non-Core Areas, Rensselaer County and Saratoga County.

The average asking rate fell to \$7.10 per sq. ft. NNN in H2 2025, a decrease of \$0.37 per sq. ft. over H1 2025. This decrease was due primarily to the increase in availability in our Non-Core Areas, which typically achieve lower asking rates than our core submarkets. Of the total increase in vacancy in H2 2025, over 30% was added from within our Non-Core Areas, despite those markets representing less than 25% of the overall inventory.

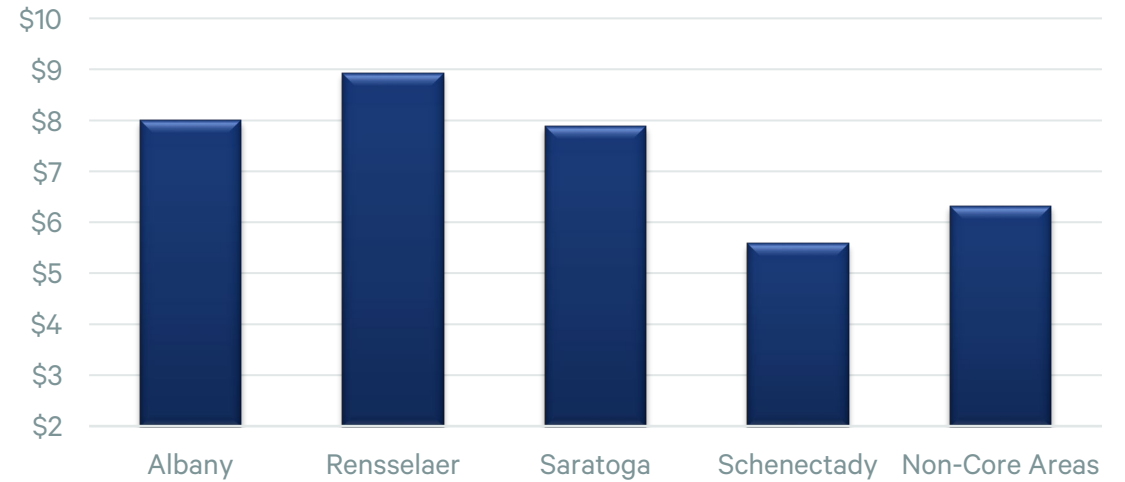
UNEMPLOYMENT

Unemployment in the Albany-Schenectady-Troy MSA was 3.3% in H2 2025, an increase of 20 bps year-over-year. Despite the increase, unemployment in the Albany-Schenectady-Troy MSA remains below unemployment rates in all other MSAs surveyed as well as the state and national levels.

NATIONAL OUTLOOK

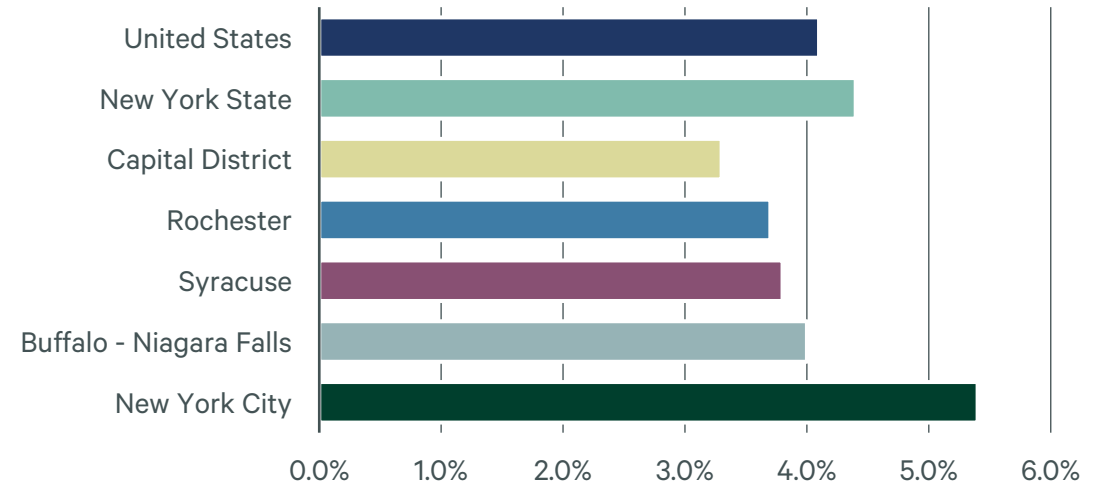
- Accelerated leasing activity in Q4 resulted in 2025 having the second-highest annual leasing volume after 2021.
- Net absorption totaled 58.2 Million sq. ft. in Q4, bringing the annual total to 149.2 million sq. ft. More than half of annual absorption occurred in H2 as many build-to-suit projects were completed.
- Strong absorption in H2 was not enough to offset new supply. The vacancy rate increased by 10 basis points (bps) to 6.7% in Q4, while the availability rate remained at 9.2% as occupiers continued to rightsize portfolios.
- Construction completions totaled 281.9 million sq. ft. in 2025, well below the 426.6 million sq. ft. in 2024 but nearly double the 149.2 million sq. ft. in annual net absorption.
- Despite the uptick in vacancy, absorption increased substantially in H2 2025.

FIGURE 6: Asking Lease Rates

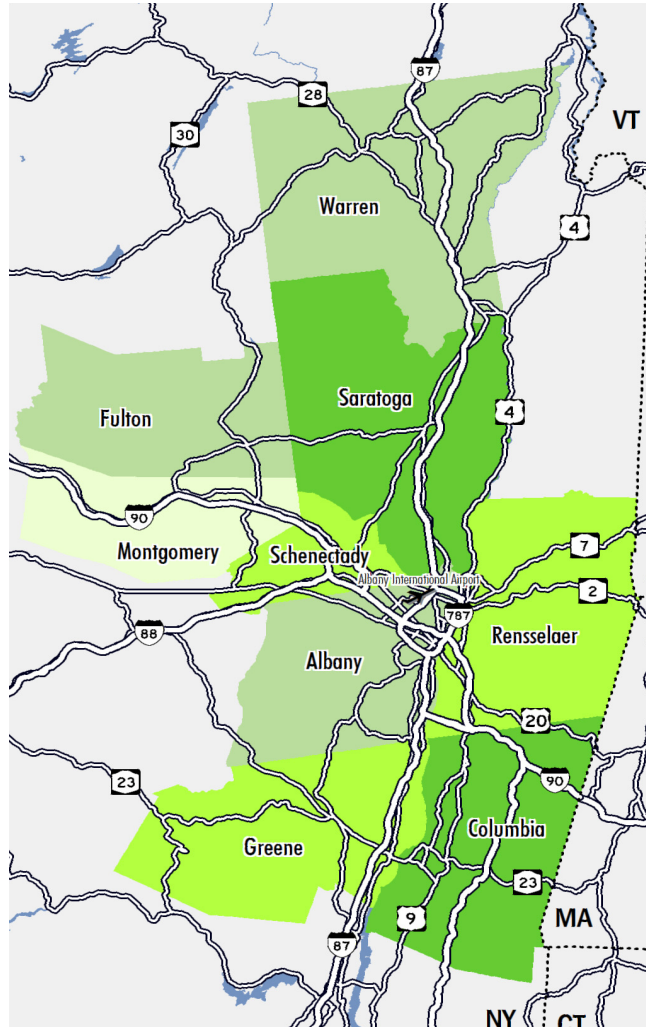


Source: CBRE Upstate NY Albany Office Research, H2 2025

FIGURE 7: Unemployment



Source: NYS Labor Department December 2025



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Definitions

Asking Lease Rate: Average of Asking Lease Rates for each property weighted by the associated Available Space. Includes Direct Available Space unless otherwise indicated
Net Leases: Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses
Market Coverage: Includes all existing one-story industrial space in buildings built post-World War II with a minimum of 10,000 sq. ft., vacant or occupied in Albany, Columbia, Fulton, Northern Greene, Montgomery, Rensselaer, Saratoga, Schenectady, and Warren Counties
Net Absorption: The change in Occupied sq. ft. from one period to the next
Occupied Square Feet: Rentable Building Area less Vacant Space Under Construction: Buildings that have begun construction as evidenced by site excavation or foundation work, and is on-going
Available Space: Space being marketed to potential occupants, in Rentable sq. ft. (direct and sublease combined, unless otherwise indicated)
Availability Rate: Available space as a percentage of the Base Inventory or Building sq. ft.
Vacant Space: Available Space that is physically vacant, in Rentable sq. ft.
Vacancy Rate: Vacant space as a percentage of the Base Inventory or Building sq. ft.
Class A Space: Excellent location, high quality tenants & finish, well maintained, professionally managed, usually new space or space that is competitive with new buildings
Class B Space: Good location, professionally managed, fairly high quality construction and tenancy, showing little or no functional obsolescence or deterioration
Class C Space: Building with significant obsolescence that has not been brought up to current standards

MARKET AREA DESCRIPTIONS

Albany, Columbia, Fulton, Montgomery, Northern Greene, Rensselaer, Saratoga, Schenectady, and Warren counties.

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