FIGURES | ALBANY OFFICE | H2 2025

Vacancy Continues to Fall, Even as Inventory Rises

▲ 30,890,665
Sq. Ft. Total Inventory

▼ 12.0%
Vacancy Rate

▼ 132,554
Sq. Ft. Net Absorption

▲ $19.03
Asking Rate

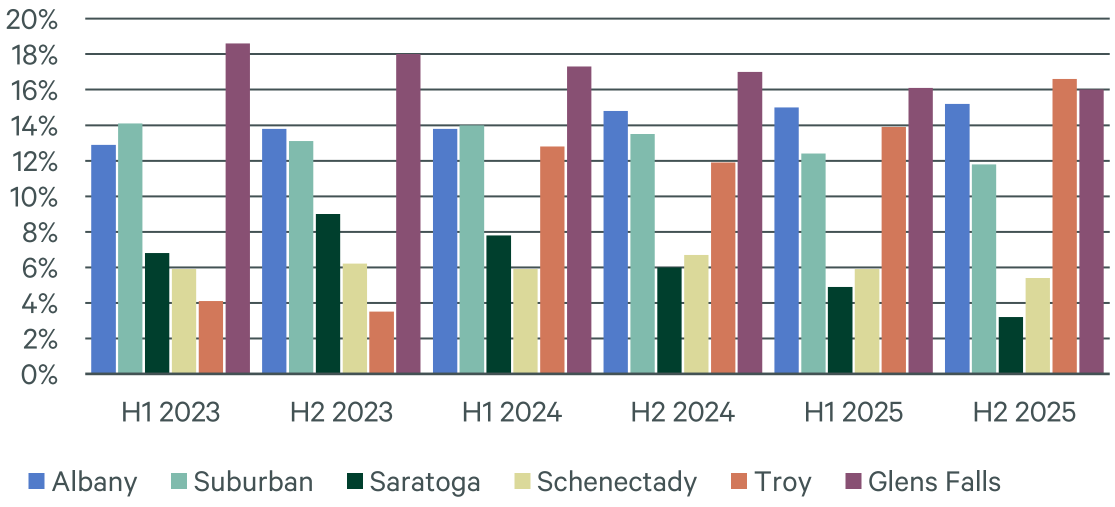
Note: Arrows indicate change from previous period.

REGIONAL OUTLOOK

Vacancy fell for the second consecutive reporting period. The 12% vacancy rate experienced in H2 2025 marks a 40 basis points (bps) decrease over the previous reporting period and a decrease of 110 bps year-over-year. Most submarkets experienced a decrease in vacancy except for the Albany and Troy CBDs, which was consistent with the H1 2025 reports. Proportionally the greatest amount of positive absorption occurred in the Saratoga CBD, due both to leasing activity and to the expansion of the Prime Storage building at 395 Broadway. Class A assets within the Albany CBD have experienced the highest vacancy rate of all surveyed submarkets for the fifth consecutive reporting period. Assets in the Saratoga CBD have experienced the lowest vacancy rate of all surveyed submarkets for the fourth consecutive reporting period.

Sublease availability decreased by 20 bps to 1.8% in H2 2025, a 30 bps decrease year-over-year. Available sublease space totaled ±544,759 sq. ft. in H2 2025, a ±84,672 sq. ft. decrease over the previous reporting period and a ±96,769 sq. ft. decrease year-over-year. The sublease asking rate remained consistent for the third consecutive reporting period at $22.85 per sq. ft. Full Service Gross.

FIGURE 1: Vacancy Rate %



Source: CBRE Upstate NY Albany Office Research, H2 2025

Although construction completions have been slow in coming, the pipeline remains robust for both proposed and ongoing construction in the Capital Region. Below is a selection of noteworthy projects in the area:

- Construction is underway on a ±105,000 sq. ft. building for New York Oncology and Hematology in Guilderland.
- Construction is nearly complete for City Station North, the United Group's mixed-use project in Troy which includes ±40,000 sq. ft. of office space.
- The ±125,000 sq. ft. Saratoga Regional Health Center in Wilton is currently under construction.
- Approvals have been granted for the construction of a ±136,400 sq. ft. building at 85 Coliseum Drive in Latham, which will serve as the new headquarters for NYSIF.

NATIONAL OUTLOOK

- The U.S. office market posted its seventh consecutive quarter of positive absorption totaling 3.8 million sq. ft. in Q4. Annual absorption of 21 million sq. ft. was well below the long-run average.
- Leasing activity increased to 60.2 million sq. ft. in Q4, the second highest quarterly total over the past three years, trailing only Q4 2024. Annual leasing activity totaling 225 million sq. ft. was just 3% below 2019 levels.
- Downtown districts accounted for 42% of Q4 leasing activity, despite comprising 35% of overall supply. Downtown leasing activity rose by 8% year-over-year in 2025, while suburban activity fell by 7% over the same period.
- Average asking rent rose by 1.9% year-over-year to $36.85 per sq. ft., the strongest annual growth since Q1 2020 and in line with the 30-year average.
- The construction pipeline fell to 14 million sq. ft. in Q4, and full-year 2025 construction completions were at their lowest level since 2012. The rebalancing of supply and demand will continue to support the office market's gradual recovery.

FIGURE 2: Market Statistics

Market	Total Inventory (Square Feet)	Vacant (Square Feet)	Vacancy Rate %	Asking Lease Rates (Per SF, Full Gross)
Albany CBD Total	4,480,101	679,462	15.2%	$21.66
Class A	992,220	317,391	32.0%	$24.52
Class B	3,313,881	346,741	10.5%	$19.93
Class C	174,000	15,330	8.8%	$14.75
Glens Falls	1,168,351	187,146	16.0%	$16.78
Saratoga	625,528	19,884	3.2%	$28.07
Schenectady	2,147,048	114,899	5.4%	$20.32
Troy	1,210,727	201,026	16.6%	$16.45
Suburban Total	21,258,910	2,498,996	11.8%	$18.71
• Albany	15,335,505	2,058,670	13.4%	$18.96
• Rensselaer	2,508,314	244,256	9.7%	$17.07
• Saratoga	2,873,020	175,587	6.1%	$18.64
• Schenectady	542,071	20,483	3.8%	$13.75
Total	30,890,665	3,701,413	12.0%	$19.03

Source: CBRE Upstate NY Albany Office Research, H2 2025

TOTAL MARKET INVENTORY

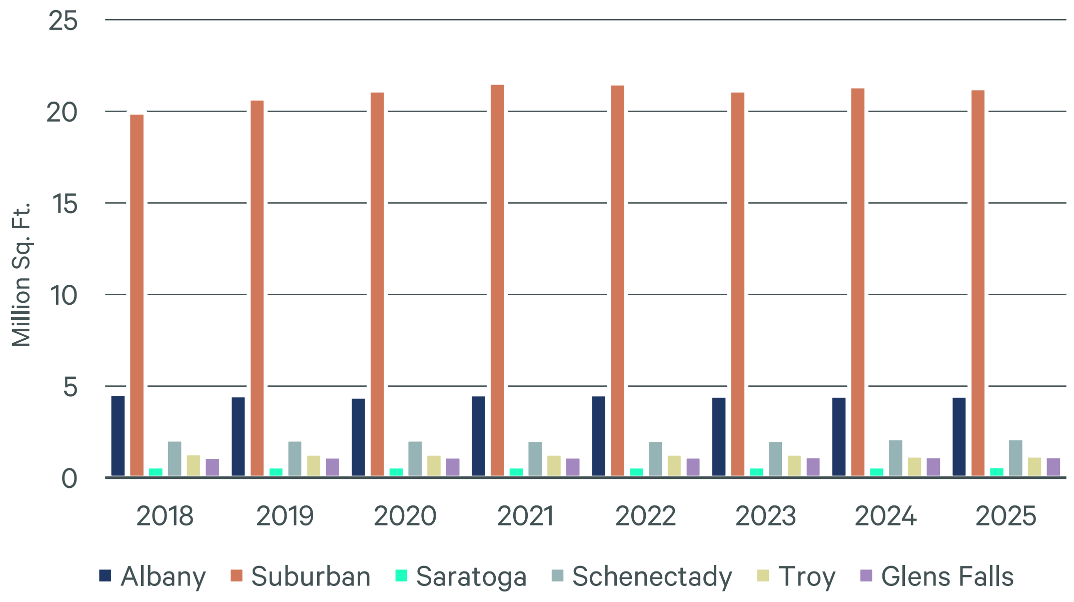
The Total Market Inventory was 30,890,665 sq. ft. in H2 2025, a net increase of ±21,544 sq. ft. from H1 2025. Only two of the last eight reporting periods experienced an increase in inventory as new construction had been limited and the conversion pipeline was prolific. Conversions have slowed significantly over the last few reporting periods. No buildings were removed for the H2 2025 reporting period and only one building was removed from each of the previous two reporting periods. The strong construction pipeline and limited planned conversions may mean continued inventory growth over future reporting periods.

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.

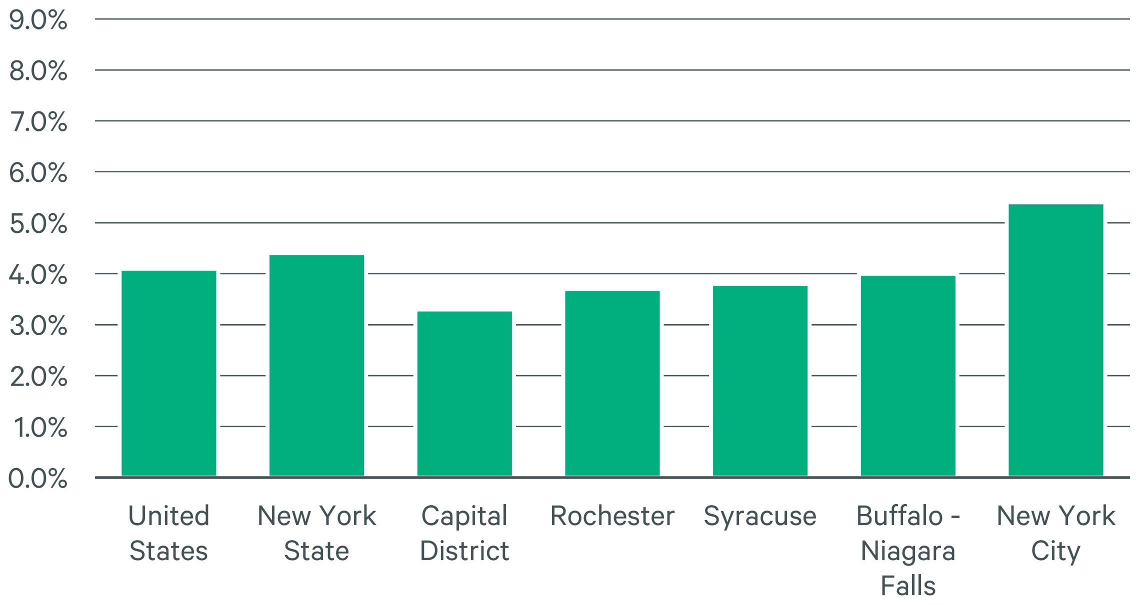
Unemployment rose in all tracked markets year-over year, with the largest increase occurring within the Syracuse MSA.

FIGURE 3: Total Inventory



Source CBRE Upstate NY Albany Office Research, H2 2025

FIGURE 4: Unemployment



Source: NYS Labor Department December 2025

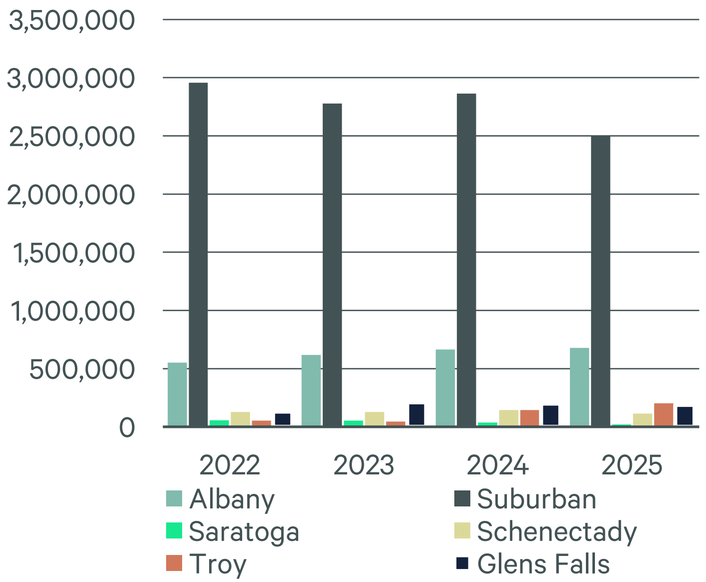
OFFICE VACANCY SQUARE FEET

The total amount of vacant space decreased by ±111,000 sq. ft. in H2 2025, a ±472,237 sq. ft. vacancy decrease year-over-year. The decrease was primarily due to leasing activity within suburban inventory. Suburban vacancy overall decreased by ±129,362 sq. ft., with decreases occurring along all tracked asset classes. Most submarkets experienced a decrease in vacancy in H2 2025, with Albany and Troy CBDs experiencing an increase in vacancy. The increase in vacancy in the Albany CBD occurred entirely within Class A product.

ABSORPTION & ASKING LEASE RATES

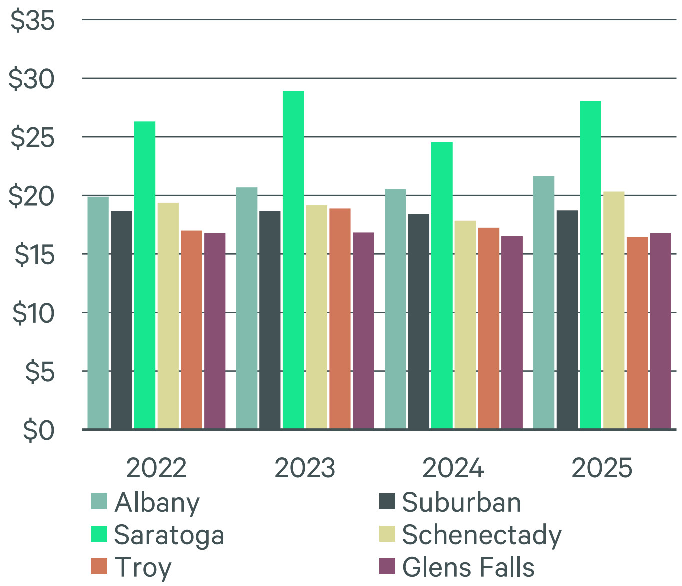
The Capital Region experienced positive absorption for the third consecutive reporting period in H2 2025. Positive absorption occurred in both the Suburban and CBD markets for the second consecutive reporting period. Prior to 2025, both markets had not experienced simultaneous positive absorption since 2022.
Asking rates rose by $0.30 in H2 2025 over H1 2025. The greatest increase in asking rate occurred in the Saratoga CBD, largely due to the limited available inventory in that market. The Troy CBD was the only submarket that experienced a decrease in asking rate.

FIGURE 5: Office Vacancy Square Feet



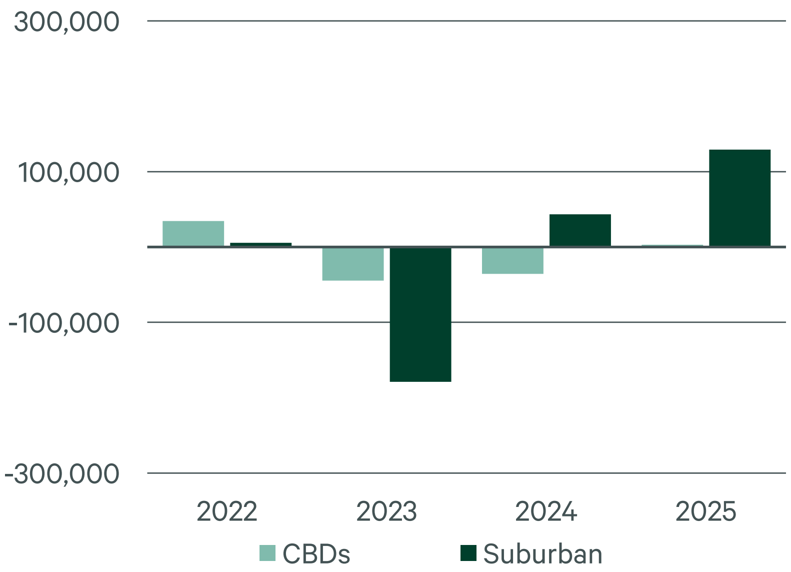
Source: CBRE Upstate NY Albany Office Research, H2 2025

FIGURE 6: Asking Lease Rates

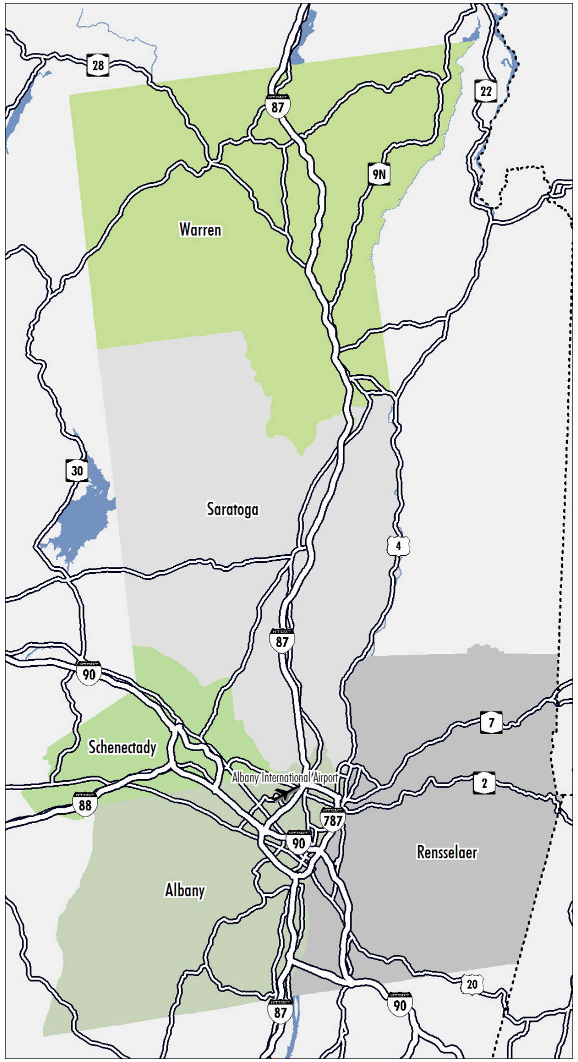


Source: CBRE Upstate NY Albany Office Research, H2 2025

FIGURE 7: Office Absorption (Sq. Ft.)



Source: CBRE Upstate NY Albany Office Research, H2 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 Gross Leases: Includes all leases wherein a tenant pays an agreed rent amount per year, usually paid monthly, and that rent payment includes monies to the Landlord which cover the building operating expenses including but not limited to taxes, maintenance, utilities and insurance. Market Coverage: Includes all competitive office buildings 10,000 sq. ft. and greater in size in Albany, Rensselaer, Saratoga, Schenectady, and Warren Counties. Government and institutionally owned buildings are excluded. Net Absorption: The change in Occupied sq. ft. from one period to the next Net Rentable Area: The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas 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

MARKETING AREA DESCRIPTIONS

Albany Central Business District: Lark Street (West) to Hudson River (East); Livingston Avenue (North) to Madison Avenue (South)
Suburban Market: Suburban Albany (City), Colonie, Guilderland, Bethlehem, Clifton Park, Halfmoon, Glenville, Malta, Niskayuna, East Greenbush, North Greenbush, Schodack.

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