

March
2018

DOWNTOWN MARKET REPORT

Rochester, NY



\$852.6 million being invested downtown in 2018, 19 housing projects in pipeline

Downtown Innovation Zone growing with 145+ innovation and creative class enterprises

Since 2014, 1.65 million square feet of commercial space removed from downtown market for conversion to housing

7,200 people living downtown, 3,050 more moving in over next 3 to 4 years

2016 vacancy rate at 3.3% for 2,937 market rate housing units downtown

Major landscape-changing projects — Inner Loop redevelopment, Sibley Square, Alexander Park, and East Main (St. Paul to Clinton)

The Rochester Downtown Development Corporation (RDDC) is tracking \$842.6 million in downtown development underway in October 2017. New housing and innovation companies are fast-tracking the highly visible transformation underway in the center city.

Downtown Innovation Zone (DIZ)

Launched in November 2014, the DIZ is anchored by four developing centers of gravity — University of Rochester/NextCorps' business accelerator cooperative and OPI accelerator (Luminate), RIT's Center for Urban Entrepreneurship, and *The Commissary* (RDDC's downtown kitchen incubator). The www.RocDIZ.com website has become an online hub for downtown's digital and technology ecosystem. The DIZ and its 145 innovation and creative class enterprises, and myriad of growing entrepreneurial support services and cool spaces are rapidly recasting the center of the region.



Housing Story

A total of 49 downtown commercial buildings are being or have been converted to residential and mixed-use since the year 2000, and nine new residential projects have been built. Downtown's residential population has grown to 7,200, adding 4,000 people since 2000. An additional 3,050 more will be moving in by 2021. Of the properties managers surveyed by RDDC at the end of 2016, 61% say it takes less than a month to lease empty apartments.



Downtown has become one of the most diverse neighborhoods in the region, blending young professionals, artists, students, mid-career executives, senior citizens, lower income residents, and wealthy retirees. You now see people walking their dogs in the middle of the workday — a sign of an increasingly vibrant, 24/7 environment.

Blockbuster Projects

Large-scale, multi-dimensional projects are changing the urban landscape downtown. The Midtown District is being rebuilt, with 200 East Main Street, the CGI three-building expansion, and the residential and mixed-use conversions of The Metropolitan, Alliance Building, and 88 Elm. The Winn Companies' Sibley Square is transforming into a major tech acceleration location with incubators, housing, and ground floor food and retail. The City is upgrading Main Street and creating new on-street parking spaces from the Genesee River to the Liberty Pole. Alex park will add 400 housing units, parking retail and office in multiple buildings. The Inner Loop redevelopments and its three approved mixed-use new construction projects will reconnect downtown to the Neighborhood of the Arts, Monroe Avenue, Park Avenue, and East Avenue neighborhoods.



DOWNTOWN MARKET SNAPSHOT

OFFICE SPACE	<i>Square Feet</i>	<i>Percent Vacant</i>	<i>Change, 2016-17</i>	<i>Number of Buildings</i>
"A"	3,030,263	22.6%	-1.5%	12
"A/R"	571,502	18.6%	-1.3%	12
"B"	2,575,982	32.3%	+7.6%	33
Non-Traditional	575,065	18.4%	+6.0%	25
Medical	150,292	3.7%	+3.7%	4
SUBTOTAL, COMPETITIVE SPACE	6,903,104	25.1%	+2.6%	86
Non-Competitive	3,112,597	0.0%	n.a.	29
ALL SPACE	10,015,701	17.3%	+1.8%	115
HOUSING	<i>Existing Units</i>	<i>Percent Vacant</i>	<i>Change, 2015-16</i>	<i>Units in Pipeline, 2018</i>
Rental Only	3,933	5.4%	+3.1%	1,699
Market-Rate	2,937	3.3%	+1.2%	1,547
Subsidized/Affordable	996	6.6%	+3.7%	152
Owner-Occupied Only <i>(estimated)</i>	141	0%		45
Total Units	4,074			1,744
2018 INVESTMENT				
Total Investment	\$852,642,500			
Private	\$547,361,500			
Public	\$62,213,500			
Public/Private	\$243,067,500			
Investment by Project Type				
Major Institutions & Facilities	\$272,567,500			
Office & General Business	\$106,900,000			
Housing/Mixed-Use	\$421,300,000			
Streets & Public Properties	\$51,875,000			
DOWNTOWN POPULATIONS				
Employees <i>(estimated)</i>	48,000			
Residents	7,200			
Annual Visitors <i>(estimated)</i>	5,000,000 and 24,000 room nights			
College Students	4,000			
<i>RDDC - 3/6/18</i>				



FULL REPORTS AVAILABLE

The following RDDC downtown market reports are available on the "Downtown Market Reports" page at www.rochesterdowntown.com:

- ◆ Survey of Downtown Office Space, May 2017
- ◆ Downtown Housing Market Data, December 2016
- ◆ Strategic Center City Development Table, March 2018

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