

# Downtown Syracuse

## Market Analysis Study



Case Study 151



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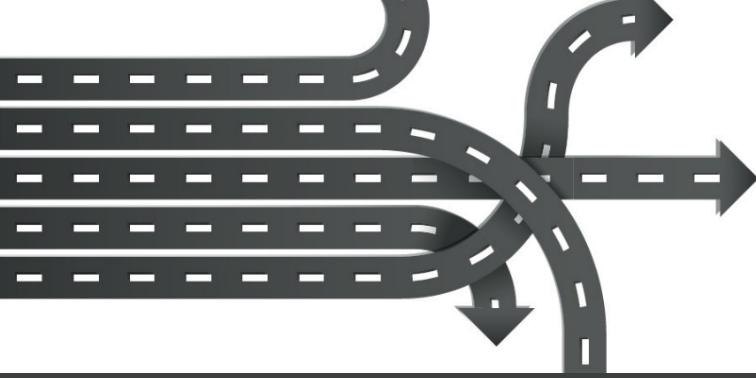
**“Making business decisions without data is like driving with your eyes closed.”**

**- Dan Zarella**

Social Media Scientist at HubSpot



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## Downtown Syracuse Market Analysis Study



### **What were the objectives of the market research?**

A market analysis study was recently completed for Downtown Syracuse by Drive Research. VIP Structures was the sponsoring client. This market research in Syracuse included several components. A local integrated design-build firm in Syracuse partnered with Drive Research to conduct a market analysis on the Downtown Syracuse market.

The market research study provided the client with a comprehensive outlook on 3 separate segments: (1) residential apartments, (2) residential condominiums, and (3) commercial space. The data and findings from the market research helped guide the client with market strategies, pricing strategies, competitive insight, market assessment data, demand, and opportunity areas.

### **What was the approach for the market research?**

To address the objectives at-hand, Drive Research recommended the following market research approach to the client for the Downtown Syracuse Market Analysis. The market analysis in Syracuse was broken down into 5 major components: (1) demographic and trends analysis, (2) apartment, condo, and commercial Inventorying, (3) pricing analysis, (4) online survey, and (5) commercial in-depth interviews (IDIs).

## What was the approach for the market research? (Continued)

### Component 1: Demographic and Trends Analysis

The initial step in the market research was to review key demographics of residents in the target Downtown Syracuse area made up of 2 Census tracts (Heart of Downtown and Franklin Square). This was the primary market area (PMA) and secondary market area (SMA) for the research. The demographic analysis reviewed population trends, genders, ages, household incomes, household sizes, children in the household, own and rent statistics, and other core demographics which impact the viability of potential development in the market area. The research also identified largest employers and spotlighted potential new development projects being added to the area in the next few years.

### Component 2: Apartment, Condo, and Commercial Inventorying

The competitive inventory provided a comprehensive overview of apartments, condominiums, and office space in the Downtown Syracuse area. The competitive assessment reviewed locations, types of dwelling, number of units, number of bedrooms and baths, square feet of living space, rental rates per month, vacancies, and occupancy rates.

Additionally, information was collected on amenities, features, and other benefits offered to residents and tenants. Information was collected through a variety of methods including online research, telephone research, and mystery shopping calls where analysts inquired for information. The list of apartments and condos were approved by the client prior to the start of the research. Drive researched over 40 downtown apartments complexes, 6 condominiums, and all available office space. Office space inventory lists were compiled from secondary data sources available online through the Economic Development team of Downtown Syracuse.

### Component 3: Market Analysis

A full analysis of price points was created based on quoted square feet and rental rates of apartments and condominiums. Charts in this report display low and high ranges the market supported at the time the fieldwork was collected in late-2016 and early-2017. This was broken out separately for studio, 1 bedroom, 2 bedroom and 3+ bedroom dwellings. Sale prices and square footage were obtained from the Onondaga County Government website tax roll. Data and information available was collected for office space analysis through the Downtown Committee of Syracuse.



## **What was the approach for the market research? (Continued)**

### **Component 4: Residential Online Survey**

Drive Research administered an online survey to respondents in and near the market area of Downtown Syracuse. An online survey was created to ask about appeal of amenities, price points, and other factors which informed apartment and condo development. The survey was designed, tested, administered, managed, analyzed, and reported on by Drive Research.

The survey lasted approximately 5 to 7 minutes and included about 30 questions. The survey was administered via an online panel in addition to social media and other means. A total of 295 surveys were completed for this study. Incentives for the survey were provided to non-panel member participants.

### **Component 5: Commercial Stakeholder Interviews**

A series of 8 in-depth interviews (IDIs) were conducted among key stakeholders in the Downtown Syracuse office space marketplace. These interviews were pre-scheduled and completed by telephone. Interviews lasted approximately 20 minutes. A pre-scripted guide was created by Drive Research prior to the fieldwork.

All interviews were briefly summarized for analysis purposes. Targets included stakeholders in Downtown Syracuse as well as those knowledgeable of the office space market. All interview summaries are transcribed in the stakeholder IDIs section of the report.

## **What questions were answered?**

Although results of the market research are proprietary and confidential, Drive Research can share some of the questions in which answers were provided using statistically reliable data. Here are some of the examples:

### **Demographic Highlights**

- What are the factor(s) driving growth in urbanization and downtown living in Syracuse?
- Who are the primary and secondary audiences of residents in Downtown Syracuse?
- What are the personas and lifestyle characteristics of the downtown audiences?
- Will the Baby Boomer population have an impact on downtown living trends?
- What percentage of Downtown Syracuse is made up of young professionals?
- What percentage of Downtown Syracuse households are single person?
- How much of a driver is school and employment in living downtown?
- How prevalent is vehicle ownership among Downtown Syracuse residents?

### **Competitive Inventory Highlights**

- What is the occupancy rate of Downtown Syracuse apartments?
- What is the range of square footage for 1-bedroom and 2-bedroom apartments?
- Which amenities have the highest impact on occupancy?
- How many of the condos in Downtown Syracuse are currently for sale?
- What is the occupancy and vacancy rates for different classes of office space?



## What questions were answered? (Continued)

### Pricing Analysis Highlights

- What is the average cost per square foot of 1-bedroom and 2-bedroom apartments?
- What amenities command the highest increase in cost per square foot?
- What are the sale prices of condos in Downtown Syracuse?
- What is the average cost per square foot for condos in downtown?
- What is the average cost per square foot for Class A, B, and C office space?

### Online Survey Themes

- What percent of non-downtown residents plan on moving to Downtown Syracuse?
- What percent of downtown residents plan on staying downtown?
- What are the largest barriers to moving to Downtown Syracuse?
- What do current downtown residents like best about living in Downtown Syracuse?
- What are some of the top recommendations for improving downtown living?

### Commercial In-Depth Interview (IDI) Themes

- Will the need for office space continue to grow in Downtown Syracuse?
- What are the largest barriers to moving to downtown to rent office space?
- What is the most common type(s) of leases for downtown tenants?
- Is brand visibility and name signage important on downtown buildings?

## What were the results and actions taken from the market research?

Here are a few highlights of the market feasibility study conducted with VIP Structures. A more detailed overview of the findings can be read on the [VIP Structures Blog](#).

- Occupancy rates for Downtown Syracuse apartments was 97.3%.
- Average monthly rent for a 1-bedroom was \$1,270, 2-bedroom was \$1,950.
- Average sale price of a condo since 2012 was \$378,000.
- 2 in 3 Downtown Syracuse residents planned to stay downtown for the next 5 years.
- Largest barriers to moving downtown were security and safety concerns.
- 3 in 10 CNY residents were at least somewhat interested in moving downtown.



The interpretation of data and results is a true differentiator for Drive Research. Receiving the feedback is only the beginning of the process for us. We provide you with a comprehensive yet digestible report. We look for ways to work with our clients to maximize the value of our reports and infographics. Some of the survey questions can be directed to collect a shocking statistic or fact to drive content for the client.



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