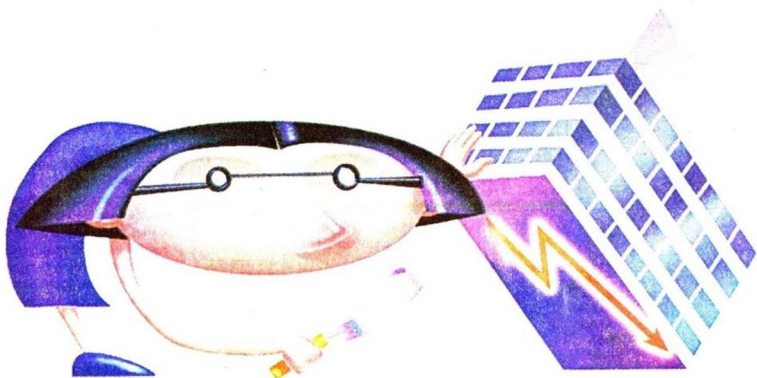


Office rents are rising and new buildings are coming in the Capital Region, especially in the ...



## Suburban office market

Office rents are growing in the suburbs.

That's what Conley Associates, an Albany-based commercial real estate firm, predicts in its first report on the Capital Region office market, released today. Among its findings:

- Rents for top-of-the-line office space will rise in Colonie and in suburban areas of Rensselaer, Schenectady and Saratoga counties, as well as in the city of Troy.

- But tenants will see relief in insurance and utility costs. Conley predicts a 5 percent decline in insurance costs this year, and a drop of as much as 30 percent in utility pass-through costs to tenants.

- Taxes are another matter. Suburban property taxes climbed an average of 4.75 percent in the past year, outpacing central business district taxes, which were up 2.93 percent on average.

- Other operating costs will be up 3 percent to 4 percent this year, with costs in the suburbs outpacing those in the central business districts.

— Eric Anderson

### Rent trends, area by area



#### CENTRAL BUSINESS DISTRICT

	CLASS A	CLASS B	CLASS C*
<b>ALBANY</b> (No new office developments in progress for 2007)	—	↓	↓
<b>TROY</b> (No new projects under way)	↑	↑	—
<b>SCHENECTADY</b> (Continuing redevelopment under way)	—	↑	↑
<b>SARATOGA SPRINGS</b> (New projects and continuing redevelopment under way)	↑	↑	↑

#### SUBURBAN MARKETS

	CLASS A	CLASS B	CLASS C*
<b>ALBANY COUNTY/COLONIE</b> (New office space being developed at a slow pace)	↑	↑	—
<b>SARATOGA COUNTY</b> (Strong redevelopment in this market)	↑	↑	↑

\* Class A: newer construction in prime location; Class B: space with minor flaws in good location; Class C: older inventory in average-to-poor quality  
Source: Conley Associates Market Report 2007