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We are optimistic for Greater Springfield's office and industrial markets future stability

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Greater Springfield office and industrial marketplaces see positive improvement in 2014 and continuation in 2015 with signs of absorption and stabilization in each market segment.

With the impending ground breaking for MGM's new casino project in Springfield several office buildings are slated to be razed for assembly of the casino site.

This had created a relocation requirement for numerous office tenants that are being displaced and a unique opportunity for the local office marketplace. This single event has created an immediate need for office space in a marketplace which has recently experienced historically high vacancy rates, minimal absorption and continued decline in rental rates.

Within a very short period activity in the office market shifted from what were often musical chairs premised upon which landlord could sharpen their pencil the most to an immediate demand level the market has really never experienced.

Activity has been brisk with many of the to be displaced tenants having under 90 days to locate, secure, build out and move into spaces. A good majority of these prospects have been attorneys or other related entities as the buildings to be razed are located in close proximity to the superior, district, housing and juvenile courts and contain a high amount of members of the legal profession. Their displacement has spread these prospects across the marketplace and its sub categories of principally Class A, Class B and some Class C space.

Each individual relocation has been somewhat specific to the group's individual assessment of their space needs, principally premised upon, location, amenity, costs and in many instances the as is or slightly modified conditions of the space being compatible with their requirement, as turnaround time for occupancy was critically important in most instances.

As the market begins to settle down as displaced tenants settle into their new space, complete improvements, or anticipate their move to completed space it would appear that a healthy level of absorption has improved Greater Springfield's office market place.

Ample space opportunities still are prevalent in all market segments however, many landlords have been emboldened by the recent market fluctuation to a more landlord centered market place resulting in a tightening of rental rates, less prevalent landlord concessions and a more rigid negotiating position.

As with anything, time will be the final judge of this recent unique chapter in Springfield's office market place as to its true meaning and with the amount of variables at play, I am going to digest the events before passing judgment on its effect.

Greater Springfield industrial market place continues to experience a heightened level of activity with the continued absorption of buildings and space.

The market has seen a sharp decrease in available buildings from its very recent vacancy levels in

the 15% plus range to a more historical lower vacancy rate.

Market sales prices continue to be at historically depressed levels though sales prices and their subsequent per s/f prices appear to have stabilized and in some instances are increasing slightly and slowly.

Overall availability of for sale properties has gone from a more than ample supply to limited availability in several size categories.

Lease availability continues to be limited in many market segments with rates beginning to stabilize.

We forecast a continuation of the market's present conditions for the immediate future and are optimistic for Greater Springfield's office and industrial markets future stability.

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