



nerrej

Greater Worcester's industrial marketplace: Vacancy is down and activity has increased

August 30, 2012 - Spotlights

Industrial sales and leases have not been a dominant force in the commercial real estate market in the past few years. However in the Worcester area, vacancy is down nearly 2% from last year with rents decreasing an average of \$0.26 per s/f.

In this region of the state, property owners have been marketing their vacancies for extended periods of time offering tenants/buyers excellent pricing and flexible terms. Although vacancy is decreased, the vacancy rate is 13.8%, and Worcester County has the state's lowest rental average of \$4.23 per s/f.

The Worcester market is an ideal location for industrial properties. The market has recently had an increase of activity in 2012. Several manufacturing and distribution companies have begun to acquire additional space and businesses continue to grow. This is a favorable change as in years prior, companies were typically downsizing.

With transportation costs increasing over the past years, Central Massachusetts is ideal for industrial property. Worcester and the surrounding towns offer superior accessibility to all major Massachusetts highway routes including 290, 146, 20, 395, 9, 2, 190 and the Mass Pike.

Glickman Kovago & Co. has seen brokered a significant increase in industrial property deals this year. In 2012, Glickman Kovago & Co. sold a 25,400 s/f building located in Webster to 3 Goya Dr., LLC. The new owners invested in the building to grow their machining factory. 3 Goya Dr., LLC did not absorb all of the space and Glickman Kovago & Co. was able to lease the remaining space to Alkras, a designer and assembler of laser cutting technology, and to Commerce Insurance to accommodate their storage needs.

The Town Forest Industrial Park in Webster has seen an increase of activity as well. This year, Mid-America Aviation has leased 15,540 s/f at 22 Town Forest Rd., Plasma Giken has leased 7,000 s/f at 6 Viking Rd. - it's only U.S. location with headquarters in Japan, and Tyree leased 7,750 s/f of space at 7 Viking Rd. Auburn is sharing Webster's industrial growth. Harrell's LLC has leased 25,000sf at 19 Technology Dr., West Springfield Auto Parts leased the 18,400 s/f building at 10 Technology Dr. and General Insulation Co. is relocating to Auburn to expand it's business to occupy 25,600sf at 4 Saint Mark St.

Industrial activity doesn't end in Auburn and Webster. Flodesign Wind Turbine Co. of Waltham leased 16,000 s/f at 242 Sturbridge Rd. in Charlton, The Granite Group leased 32,225 s/f at 36 Boylston St. in Worcester and 8.1 acres of industrial land was purchased in Uxbridge.

Maureen Ruane is an executive director with Glickman Kovago & Co., Worcester, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540