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## **Greater Springfield's industrial and office market place continues to experience increased activity**

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At the end of the first quarter of 2013 Greater Springfield's industrial and office market place continues to experience increased market activity though the effects of the recession are still very evident and vacancy rates still remain high, the marketplace has been to experiencing some positive absorption in some market segments.

Greater Springfield's office market place has experienced a resurgence of interest and activity with increased lease activity and limited sales.

Lease activity has increased in Springfield's central business district with a continued retention and limited expansion of existing tenancies. A welcome new occurrence has been increased interest and lease transactions from prospects not presently located in the central business district .

This exterior interest has been more than an aberration with a continual measurable level of interest followed by actual lease transactions. This activity is diverse in size from 1,000 square foot users to full floor plus users. Interest varies from present suburban tenants looking to enter or re enter the central business district to new prospects from outside the market place.

This market interest and activity is a very welcome change from a long period of musical chairs for existing central business district tenants and minimal interest from outside prospects.

The suburban office market has also experienced increased interest and activity while continuing to maintain healthy occupancy rates and stable rental rates.

Office building sales are limited with most prices continuing to decline.

Office rents vary, but overall class A rental rates continue to be reflectived in the \$14 to \$18 gross per s/f rental range with most spaces being delivered turnkey in the \$14 to \$16 per s/f gross range. New class A space continues to be suburban space typically with a NNN lease structure and ranging in the \$20-\$25 NNN range. Class B rental rates continue to decline with rates in the \$8 to \$12 gross or modified gross range.

Greater Springfield's industrial market place continues to experience increased, but measured activity in both sales and lease transactions.

The market place continues to experience positive absorption of larger industrial properties though availability of 100,000 s/f properties and space remains high.

Asking sales prices continue to remain in the \$15 to \$25 per s/f range for modern industrial buildings offering good amenity and utility in an industrial park setting. Sales prices continue to remain at significantly depressed levels in the \$6 to \$20 per s/f range often for well located quality modern industrial buildings.

The region continues to be affected by the possibility of a resort casino being located in one of its communities though the nature of the proposals and uncertainty of its location has diminished the speculative nature of a micro market frenzy. However, should one of the Greater Springfield's

communities be chosen it would logically follow that interest in abutting properties will follow. We continue to be very busy and active in all market segments and are hopeful 2013 will continue as a year of transition to a more positive market place.

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