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RI industrial market below 10%; absorption for Providence was 813,609 s/f in 2nd quarter

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The Rhode Island industrial market remained below 10% once again and ended the second quarter of 2007 with a vacancy rate of 7%. Asking rental rates remain in the \$4-5 per s/f range for larger space and \$5-8 per s/f for spaces smaller than 30,000 s/f.

Net absorption for the overall Providence industrial market was 813,609 s/f in the second quarter of 2007 compared to 133,078 s/f in the first quarter of 2007; 981,512 s/f in the fourth quarter of 2006; and 311,431 s/f in the third quarter of 2006.

Tenants moving into large blocks of space in 2007 include O'Brien's Warehouse moving into 65,000 s/f at 1200 Jefferson Blvd. in Warwick; Jewel Case moving into 42,000 s/f at 100 Dupont Dr. in Providence; and Universal DeCristo moving into 34,626 s/f at 200 Corliss St. in Providence.

The warehouse building market recorded net absorption of 760,221 s/f in the second quarter of 2007 compared to 119,715 s/f in the first quarter of 2007; 1,107,173 s/f in the fourth quarter of 2006; and 280,933 s/f in the third quarter of 2006.

The industrial vacancy rate in the Providence market decreased to 7.1% at the end of the second quarter of 2007. The vacancy rate was 8.4% at the end of the first quarter of 2007, 8.6% at the end of the fourth quarter of 2006, and 7% at the end of the third quarter of 2006.

Warehouse projects reported a vacancy rate of 7% at the end of the second quarter of 2007; 8.3% at the end of the first quarter of 2007; 8.5% at the end of the fourth quarter of 2006; and 6.8% at the end of the third quarter of 2006.

The largest lease signings occurring in 2007 include the 90,000 s/f lease signed by Banneker Industrial at Branch River Park in Slatersville; the 65,000 s/f deal signed by O'Brien's Warehouse at 1200 Jefferson Blvd. in Warwick; and the 55,000 s/f leased signed by Ocean State Performance at 338 Compass Circle in North Kingstown.

Significant sales over the past eighteen months included 70 Industrial Rd. in Cumberland, a 58,604 s/f building situated on 8.13 acres which sold for \$3.2 million or \$54.60 per s/f; 55 Dupont Dr. in Providence, a 81,116 s/f building situated on 7.25 acres which sold for \$4.5 million or \$55.48 per s/f; and 30 Access Rd. in Warwick, a 20,700 s/f facility situated on 1.4 acres which sold for \$1.425 million or \$68.84 per s/f.

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