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Greater Springfield's industrial and office markets continue to experience mixed market conditions

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With the start of 2008 Greater Springfield's industrial and office marketplace continues to experience mixed market conditions by market segment and location.

Springfield's Central Business District continues to experience increased office vacancy levels with all property types and categories experiencing increased or consistent availabilities.

This market trend continues to be attributable to Springfield's overall demographics and features of a tertiary marketplace coupled with the ramifications of consolidation, the softening of the U.S. and world economies and the continued spin off of Springfield's municipal crisis.

The city has just completed a Main Street Improvement Project with repaving and relighting of Main St. and implemented a free parking initiative on Main St. These measures have improved the aesthetic appeal and ease of access to Main St. and its buildings. The city has also increased police presence in the Central Business District and related public safety initiatives to proactively address any real or perceived security concerns.

These efforts are complimented by a rejuvenated Springfield Parking Authority which has begun to actively improve the city's parking facilities, infrastructure and operations.

Springfield's business community has actively worked to address issues and concerns in the downtown area and has proactively worked with municipal leaders and others to aggressively address the issues affecting the downtown area.

These efforts by the municipal government, parking authority and business community have begun to rebuild confidence in the Central Business District and should have a measurable effect on increasing interest in locating to the city's center.

With office rental rates in the Central Business District offering significant savings over their suburban counter parts coupled with the amenity and convenience of a central location with excellent highway access, I am confident the market will improve.

Greater Springfield's industrial marketplace has experienced a measurable increase in availability. The marketplace's overall vacancy rate has increased in the past year from approximately 7.5% to approaching 10%. This increase is primarily reflected in available buildings in the 100,000 s/f range. The majority of these available buildings are recent additions to the market inventory and are attributable to consolidation, over capacity and the softening of the US and world economies.

An objective assessment of these recent availabilities falls on about an even split between distribution and manufacturing facilities, with the majority of new offerings being offered for sale.

These new availabilities add a new facet to the existing inventory base which was principally dominated by for lease offerings many of which have been on the market for more than a year.

As the local market place continues to be a user driven market with a preference for ownership, these new offerings should experience a healthy level of interest, however, absorption will be

hindered by less than favorable local, regional, and national economic realities.

Greater Springfield locational features coupled with its cost effective office and industrial space and quality workforce should continue to prove to be a region worthy of the consideration of local, regional and national companies.

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