

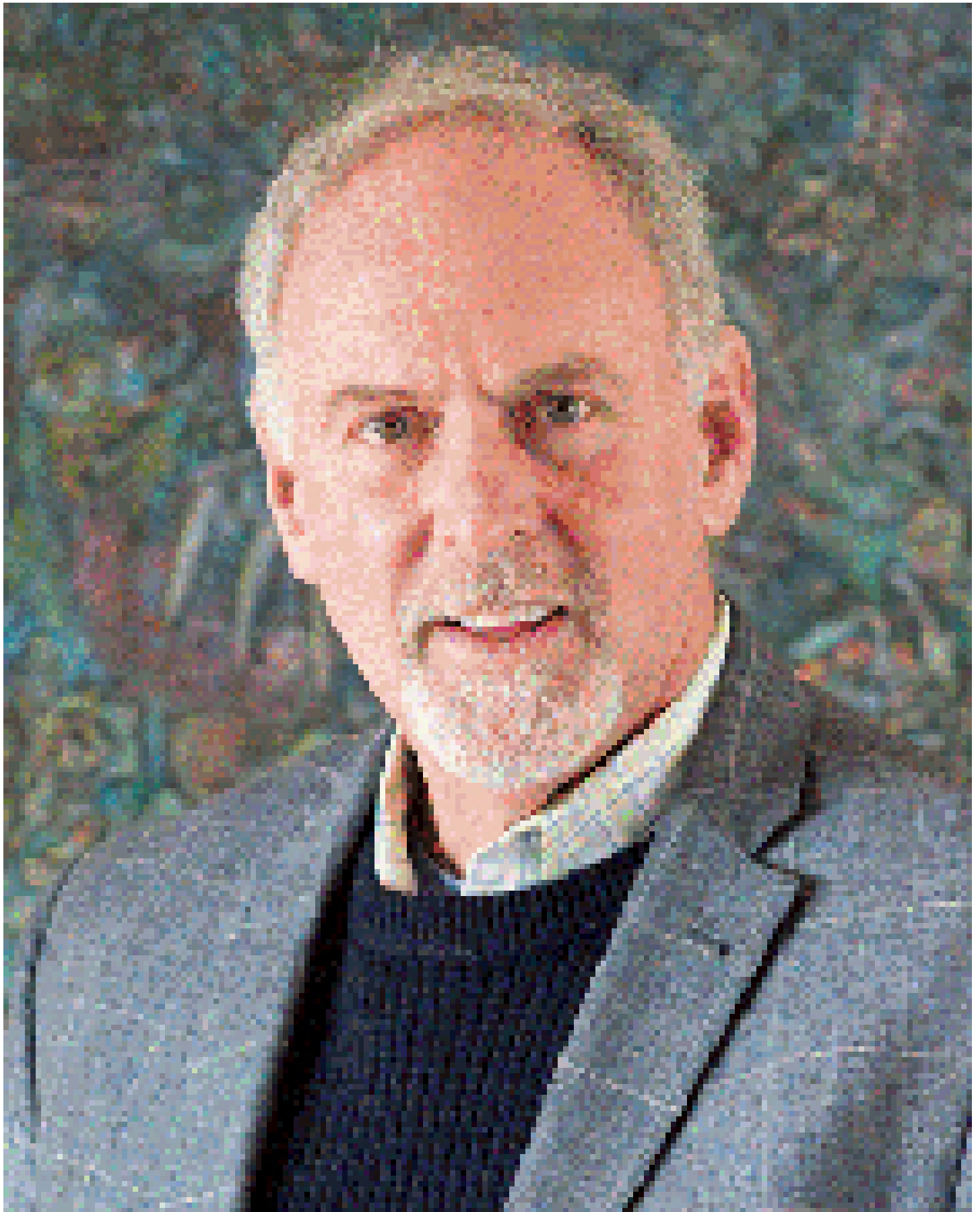


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Suburban markets around Springfield have been particularly busy in 2022 - by Evan Plotkin

January 27, 2023 - Spotlights



Evan Plotkin

2022 was a very busy and successful year for the brokerage division of NAI Plotkin. Suburban markets around Springfield, Mass., including Ludlow, Chicopee, West Springfield, and Westfield, as well as Enfield, Conn., have been particularly busy. Transaction volume in these areas increased for both sales and leasing of multifamily, industrial, and retail shopping centers, as compared to previous years.

The office market is still trying to figure things out after the impact of COVID with employees still working from home. Employers are still trying to figure out what that means for the workplace as we recover from the last few years. There is clearly evidence from our perspective that the pandemic has changed the traditional workplace and it remains to be seen whether the impact of the changes will be long lasting.

Hybrid workplace is still common as many businesses have had to reconsider the size of their operation. Companies, specifically office users, must reconfigure their space and try to figure out what that looks like long term. In the short term, there are serious headwinds that have created higher than normal vacancy impacting bottom line performance in this sector.

The theme we continue to consistently see across markets is the preference for class A office space located in a desirable and convenient location. We think this is a critical component for companies to attract their employees back to the office.

The rise in interest rates and supply chain issues have negatively impacted construction costs for tenant improvements and will likely impact to a greater degree office investment pricing and sales as we move into the second quarter.

Evan Plotkin is the CEO/president of NAI Plotkin, Springfield, Mass.

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