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# Change is inevitable, those who adapt will find success - by David Skinner

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Trump 2.0: What to Expect

If you know anything about me and my won't to opine on commercial real estate matters here at the New England Real Estate Journal, you also might know that I cannot abide politics nor any conversation related to it. I do not subscribe to the pundits, the mainstream or independent media, and I most certainly do not use this platform to present a biased political opinion to those around New England interested in apolitical discussion regarding industrial commercial real estate. You may also know that because of the recent shift in political influence in our nation's capital, avoiding this topic will be hard if not impossible to do. For this reason, I will address three topics that have been regularly reappearing at commercial real estate association gatherings, client meetings, and coffee shop conversations: 1) how tariffs will impact operating American industrial businesses, 2) how the halt on National Institutes of Health (NIH) spending will impact development in the life sciences, and 3) how the federal budget cuts and executive orders will affect daily life in industrial real estate around New England.

Tariffs: The Big, Delayed Hammer

The term "tariff" sends shivers down the spines of many a supply chain manager, but before you panic, let's put things in perspective: most of the announced tariffs haven't even taken effect yet. In true Trump fashion, the policy rollout is aggressive in rhetoric but slower in reality. Some are set to phase in over the next 12 to 24 months, leaving industrial businesses a window to adapt.

From an industrial real estate perspective, tariffs on Chinese imports – particularly steel and machinery – may increase costs for manufacturing and construction. But let's not forget: this also strengthens domestic production. The logic is simple – if importing goods becomes more expensive, companies look to American suppliers, which can mean more industrial production stateside.

In New England, where manufacturing has struggled to compete on price, this could be an unexpected tailwind. More domestic production means increased demand for industrial space – warehouses, logistics hubs, and yes, even Industrial Outdoor Storage (IOS). Moreover, if Trump continues pushing for deregulation alongside these tariffs, the net effect might be a more competitive playing field for American manufacturers, particularly those already positioned in domestic supply chains.

NIH Cuts: Life Sciences Take a Breather

There's no sugarcoating this – cutting NIH funding will slow drug development, and if you're in Kendall Sq., you know how much life sciences depend on those federal dollars. This means fewer grants for early-stage biotech firms, which in turn means less lab space demand and a slowdown in the explosion of life sciences real estate.

But before you assume Cambridge is doomed, consider the broader economic picture. If the overall economy strengthens under lower corporate taxes and a more pro-business climate, private capital may step in to fill some of the NIH void. While smaller firms may struggle, larger biotech companies with strong balance sheets could see an opportunity to acquire and consolidate.

## Budget Cuts and Executive Orders: The Unknown Variable

Budget cuts are a wildcard, and the impact on industrial real estate will depend on how and where the axe falls. If infrastructure spending is reduced, construction projects could stall, making industrial development more expensive. But if tax policies favor business investment, we may see a wave of capital flowing into logistics, manufacturing, and industrial property.

The most immediate opportunity for New England industrial markets is interest rates. If the Trump administration puts pressure on the Fed to lower rates – whether directly or through policy moves – the result could be a second wind for industrial real estate. Cheap money fuels acquisitions, development, and leasing activity. If rates come down, we could see an aggressive push for industrial expansion, particularly in suburban markets like Rte. 128 and I-495, where land is more available than in Boston proper.

One thing is clear – whatever happens, industrial real estate remains one of the most resilient asset classes. Supply chains, manufacturing, and logistics aren't going away. In fact, they may be more critical than ever in a world where Made-in-America production is being given the primacy that it deserves.

## The Bottom Line

Trump 2.0 will undoubtedly bring change, but whether you see that change as a crisis or an opportunity depends on your perspective. Tariffs may create short-term pain but could strengthen domestic industry. NIH cuts will challenge biotech, but private investment may soften the blow. Budget cuts and executive orders are a wild card, but if rates fall, industrial real estate could get a second wind.

Regardless of your political leanings, one thing is certain: change is coming. And in real estate, those who adapt are the ones who thrive.

Our firm, Prescott, focuses on serving tenants, buyers, and property owners of Industrial Outdoor Storage-zoned land. We have collectively executed over 40 of these transactions in 5 of the 6 New England states and New York. We exist to resource you for answers to your IOS questions, IOS property searches, or any real estate leasing or sales data you may need. Please call me (617) 340-3332 or send me a personal email at david@prescottadvisory.com.

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