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The times they are a-changin': From Boomers to Zoomers and real estate - by David Skinner

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In the last two weeks, I met with two different business owners who are closing their businesses at the end of 40+ year histories of being in business. One was a trucking company that at one time boasted 40 trucks on the road. Another was in the buying and selling food business. Let me tell you, they bought and sold a lot of food. A third business was a first generation company and the next generation did not want anything to do with continuing to run the operation even though it was very lucrative. This is what I am here to discuss today: 1) How does the cultural difference between Baby Boomers and Millennials / Gen Z impact the desire to run industrial businesses; 2) How do demographics and retirement trends impact industrial companies; and 3) Will this impact industrial real estate lease and sale values, and if so, how will it do so?

A Generational Handoff, Or Not:

The Baby Boomer generation built many of the construction, logistics, and equipment businesses that underpin the Greater Boston economy. Their businesses were often family and immigrant-lead, operations-first, and built over decades through grit and long hours. For many, the business wasn't just a job, it was their identity.

Millennials and Gen Z, by contrast, often have different career aspirations. They value flexibility, work-life balance, and roles with purpose or creativity. Industrial business ownership, especially those that require managing a fleet of trucks or overseeing a construction yard, doesn't always align with those values, even when the economics are strong.

This generational divide is leading to a growing trend: legacy businesses closing their doors not because they failed, but because the next generation is choosing not to continue them.

The Demographic Tidal Shift

Layer onto that the macro-level demographic trend: 10,000 Baby Boomers retire every day in the U.S. Many of these retirees are business owners. In Greater Boston, that means sitework firms, trucking companies, welding shops, and equipment rental operations. When the owner leaves and no one steps in, the business disappears or is acquired, along with decades of operational knowledge and customer relationships.

This wave of retirements is less about workforce shortages (though that's part of it) and more about ownership turnover. When the owner is the business, and there's no transition plan, the exit often leads to a full shutdown.

Impact on Industrial Real Estate

So what does this mean for industrial real estate — especially Industrial Outdoor Storage (IOS) properties?

First, we may see more supply come online in the coming years. As operators retire and close shop, their properties, which are often well-located for industrial uses, will hit the market. Some will be marketed publicly; others will quietly sell to buyers with the right timing and relationships. Either way,

this creates rare acquisition opportunities in a market historically short on available infill IOS.

Second, we could see a shift in the tenant mix. Some properties previously owner-occupied will be repositioned as leased assets. That could open the door for new entrants: smaller companies, regional operators, or consolidators looking to grow via acquisitions and strategic leases.

However, vacancy in certain segments may tick up temporarily. For example, if a long-standing trucking firm shuts down, it may take time before a similar operator fills that site. That said, demand for functional IOS properties in Boston remains strong, and long-term vacancy is unlikely, particularly if investors are proactive about repositioning and leasing.

Strategic Considerations

For investors and developers, this is a critical moment. The intergenerational transfer of industrial property and business ownership is well underway. Those tracking retirement trends and understanding family-owned business dynamics will be best positioned to capitalize on this shift.

For retiring business owners, this is a good time to consider alternatives to simply shutting down. Perhaps leasing out your property will generate enough to supplement a partially or fully-retired lifestyle.

And for the younger generation: there is a massive opportunity here. Boston's industrial economy needs new leadership. Businesses with strong cash flow, loyal customer bases, and valuable real estate are looking for their next chapter. It might not come with a ping pong table, but it might come with a balance sheet you'll thank yourself for.

If you're navigating this transition — whether you're an investor, business owner, or prospective operator — we're here to help. At Prescott, we've executed over 40 IOS transactions across five New England states and understand the unique dynamics of this moment.

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