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## **Greater Springfield's industrial rental rates have remained stable as inventory increases**

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Greater Springfield's industrial marketplace continues to experience oversupply and diminished interest as the region continues to experience contraction attributable to recessionary economic conditions.

The area's industrial inventory continues to experience increased availability as the region's vacancy rate increases with continued new availability as companies downsize or consolidate their western Massachusetts operations.

The market continues to see numerous additions to its available inventory and a vacancy rate now exceeding 10%.

These new additions compliment an already well stocked list of available space and buildings, many of which have been on the market in excess of a year with several having been available in excess of two years.

Recent market absorption of space for sale or lease has been minimal and this trend continues to have a destabilizing affect on market conditions.

Regionally rental rates have remained stable though competitive pricing has arisen with rental rates for existing warehouse/distribution space ranging between \$3.00 and \$4.75 per s/f NNN. Rental rates for manufacturing space continue to range from \$3.75 to \$5.25 per s/f for existing modern manufacturing space.

Newer buildings coupled with increased construction costs have seen asking rental rates range from \$5 to \$7 per s/f NNN.

Available inventory ranges greatly from smaller spaces to 500,000 s/f with numerous 100,000 s/f free standing modern industrial buildings.

Market sales and asking prices have begun to exhibit a leveling off and decline as available inventory levels and marketing time has increased.

The majority of the marketplace's vacancy continues to be represented in the region's older, less functional space and in for lease offerings. The marketplace has experienced a recent increase in

the availability of 100,000 s/f for sale and lease property offerings. This continues to be attributable to more challenging economic times and global restructuring. The majority of these are newer modern facilities located in established industrial parks and having been formerly occupied by national or regional companies.

While the region continues to experience less than favorable market conditions, the overall industrial market continues to fair better than other marketplaces.

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