

## Industrial Q2 2023

YoY Chg 12-Mo. Forecast

**0.1%**

Vacancy Rate



**425K**

Overall Absorption, SF



**\$7.50**

Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q2 2023

YoY Chg 12-Mo. Forecast

**731.4**

Providence Employment



**3.2%**

Providence Unemployment Rate



**3.6%**

U.S. Unemployment Rate



Source: BLS

**Jeff Finan**

Partner

+1 401 273 7428

jfinan@hayessherry.com

### ECONOMY:.

Inflation and rapidly increasing interest rates continue to rule the economic headlines which has led to a weakened outlook for many.

### SUPPLY AND DEMAND:

The Rhode Island (RI) market remains quite active, especially on the sales side. There is a low supply of single-story, well-located facilities with acceptable ceiling heights. Demand for these types of facilities seem to be increasing and will continue into Q1 23. Companies that are looking to grow are leasing short-term until they can find a facility that will serve their needs long-term.

As always, there is a supply and demand issue in the RI industrial market. There have been few quality facilities that have come on the market recently and activity has been brisk. Although some properties were leased or sold, substandard space (mill space) on multiple levels remains available but are difficult to lease. Activity will continue especially if new products continue to come to market. The RI industrial market does not have the large peaks and valleys that most primary markets experience with both good and bad economic times.

### PRICING: Asking Rents Remain Stagnant

The Providence industrial market still maintains asking rental rates in the \$6.50 to \$7.50 per square foot (psf) triple net range for facilities in the 20,000 to 50,000 square-foot (sf) range 'as-is'. Now landlords are achieving higher rents due to the lack of product and increased activity. Asking rent for facilities in the 60,000 to 80,000 sf range tends to remain in the \$5.00 to \$6.00 psf triple net range. Buildings over 100,000 sf in size command rents in the mid to upper \$3.00 to \$4.00 psf triple net range.

### KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1600 Division Road, West Warwick	Providence, RI	Wiremasters	30,301	Renewal
426 Smith Street, North Kingstown	Providence, RI	IMIA, LLC	18,000	Direct
400 Division Street, Pawtucket	Providence, RI	Fed Ex	43,550	Direct

### KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	Price
360 Narragansett Park Drive, East Providence	Providence, RI	Getzler Henrich & Associates / RJ Kelly	42,000	\$2,575,000
254 Hornbine, Rehoboth, MA	Providence, RI	Little Realty Company / Liana Haddad	30,485	\$1,680,000
426 Smith Street, North Kingstown	Providence, RI	426 Smith Street Realty / Selco Real Estate Ventures	18,000	\$1,200,000

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance. ©2023 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.