

COMMERCIAL REAL ESTATE REPORT Q4 2023

Providence-Warwick, RI-MA Metro Area

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Providence-Warwick, RI-MA Metro ..

Demographics and Economy

Demographics

-0.1%	37.2%	0.8%	Net Migration in Rhode Island
population growth (2022)	share of renters (2022)	renter household formation (2022)	2,553 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	-2,192 (2022)

Economy

7.7%	6,100	1.0%	2.4%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$58,460	3.0%	12.7%	International Migration in Rhode Island
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	5,777 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	2,663 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	53,771	18,017	0.3%	\$23	5.5%
2022 Q4	-21,551	40,288	2.0%	\$23	5.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	61,397,025	4,000	70,667	\$27.70M	9.7%
2022 Q4	61,326,358	18,200	-74,004	\$36.76M	9.2%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	80	627	4.6%	\$1,815	\$1,808	3.2%
2022 Q4	-83	524	5.5%	\$1,735	\$1,725	2.8%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	60,461	147	936		7.0%	
2022 Q4	59,525	0	680		6.5%	

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	201,085	464,344	3.2%	\$19	3.1%
2022 Q4	-20,563	710,897	4.7%	\$19	3.4%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	101,974,084	7.0%	\$54.90M	\$129	
2022 Q4	101,788,044	7.0%	\$185.36M	\$260	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	174,467	803,590	11.3%	\$11	4.4%
2022 Q4	882,235	590,434	11.2%	\$10	4.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	162,567,906	134,133	1,150,274	7.8%	\$33.27M
2022 Q4	161,417,632	337,590	-776,317	7.5%	\$66.07M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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