

COMMERCIAL REAL ESTATE REPORT Q3 2022

Providence-Warwick, RI-MA Metro Area

Demographics and Economy

Demographics

0.0%	37.1%	3.0%	52.3%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-1.6%	18,300	3.1%	7.1%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$55,647	0.0%	15.8%	50.6%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak 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
Q3 2022	113,193	66,680	1.6%	\$23	5.5%
Q3 2021	112,867	-247,025	6.1%	\$22	5.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	59,987,738	8,000	-49,444	\$45,930,512	8.2%
Q3 2021	60,037,182	-39,815	-37,647	\$44,237,736	8.2%

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
Q3 2022	56	751	6.3%	\$1,740	\$1,733	2.1%
Q3 2021	227	1,226	8.2%	\$1,638	\$1,632	2.5%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	56,498	94	502	6.0%		
Q3 2021	55,996	251	611	6.1%		

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, 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
Q3 2022	413,723	1,279,541	5.3%	\$18	3.4%
Q3 2021	375,774	35,266	2.9%	\$17	4.5%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	100,312,687	6.9%	\$147,094,864	\$129	
Q3 2021	100,157,993	6.9%	\$134,643,344	\$172	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	271,007	-605,460	8.0%	\$9	4.2%
Q3 2021	-44,596	-647,861	9.5%	\$8	4.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	159,101,147	184,161	-976,633	7.1%	\$91,221,072
Q3 2021	160,077,780	-5,000	427,235	7.2%	\$122,172,000

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

The National Association of REALTORS® is America's largest trade association, representing more than 1.5 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate. The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics. Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property. NATIONAL ASSOCIATION OF REALTORS® RESEARCH GROUP The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

To find out about other products from NAR's Research Group, visit www.nar.realtor/research-and-statistics

500 New Jersey Avenue, NW Washington, DC 20001 202.383.1000

