

# Five Questions With: Leeds Mitchell IV

By **Marc Larocque** - 08/14/2024



*LEEDS MITCHELL IV IS THE PRINCIPAL BROKER and partner behind the Providence-based MG Commercial Real Estate. Mitchell recently bought the firm together with partner George Paskalis from the firm's founder and outgoing president, Mike Giuttari. MG Commercial was founded in 1998, serving Southeastern Massachusetts and Rhode Island. / COURTESY MG COMMERCIAL REAL ESTATE*

*Leeds Mitchell IV is the principal broker and partner behind the Providence-based MG Commercial Real Estate. Mitchell recently bought the firm together with partner George Paskalis from the firm's founder and outgoing president, Mike Giuttari. MG Commercial was founded in 1998, serving southeastern Massachusetts and Rhode Island. Mitchell joined the firm in 2004, with a primary focus on office sales, leasing and investment sales, with clients that have included companies such as Lifespan Corp., John Hancock Financial Services, Morgan Stanley, Schneider Electric, Ameriprise Financial, Rockland Trust, Bristol County Savings Bank, Securitas Security Services, and Rhode Island Medical Imaging. A graduate with a bachelor of arts degree in political science from Hobart College who lives with his family in Barrington, Mitchell received a designation in 2019 conferring membership in the Society of Industrial and Office Realtors, joining 3,900 members in over 50 countries with shared standards and expertise in office and industrial real estate brokerage practices.*

## **PBN: What does the Providence office market look like right now, in terms of the vacancy rate and other indicators, and what do you think about the current state of the Providence office market?**

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**MITCHELL:** The Providence office market, while soft, has fared better than other New England cities. The lack of new development, and the adaptive reuse of older existing office buildings has helped buoy vacancy rates. Currently, the vacancy rate in the Providence central business district is about 19%. The daytime workforce continues the migration process back to the office, while not full time, three to four days per week.

**PBN: Last year, PBN asked you about the departure of Hasbro from a very prominent downtown building across from the Amica Pavillion. What has been the outcome for the property, and what do you think about the impact of its absence on the downtown since the company left nearly two years ago?**

**MITCHELL:** The absorption of 15 LaSalle Square is important to the Providence economy in general. It's never good to have an office building of its size – 135,000 square feet – go dark in the capital city. While still available, there is at least one prospect in the market that could absorb the available space. Many of the retail and food service businesses in the immediate area have suffered with the absence of a full-time employee base operating out of this location.

**PBN: How do you think this Providence office market, including the downtown area, will evolve in the next five to 10 years, and beyond that?**

**MITCHELL:** I think the continued residential development in Providence is critical in driving companies to want to locate in the capital city. In addition, new amenities such as the new food hall, Track 15, coming next year will be another driver to bring people to want to live and work in Providence. Hopefully, the increase in the residential population in the downtown area will eventually spur new office development.

**PBN: What about your perspective on the Rhode Island commercial real estate market right now, in terms of not just leasing but sales as well? How strong is Rhode Island's commercial market compared to past times?**

**MITCHELL:** The Rhode Island commercial real estate market has fared better than our neighboring states, largely because we did not over develop during the latest economic high, which had tempered vacancy rates and kept lease rates steady. The difference between 2008 and today is that unlike '08 companies are doing well. The push to downsize has spurred a fair amount of office lease activity but not yielded a large increase in vacancy rates, particularly in the suburban office markets.

**PBN: Is there any segment or type of commercial real estate that is particular demand right now? If there's no particular demand, which is easier to sell, and why? What do you think?**

**MITCHELL:** We are starting to see the purchase demand comeback slowly since the last rate hike in November. Outside of downtown Providence, whether office or industrial, the product remains limited. Unfortunately, high construction costs continue to prevent new construction, and it will be some time before any multi-tenant speculative development will return. We foresee lease rates maintaining for the next 12 months, and anticipate the purchase market to pick up steam again with the current and forecasted dip in interest rates.

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