

Data Digest

A Statistical Profile of the Pioneer Valley Region

COMMERCIAL AND INDUSTRIAL CAPACITY in the Pioneer Valley Region

Every five years the United States Bureau of the Census, in its Economic Census report series, publishes data about the level of economic activity in the Pioneer Valley region. Because this series depicts only historical economic activity, it provides limited insight into the region's capacity to compete economically. Acting to improve a region's economic competitiveness is made possible by knowing the region's economic capacity, including its unused capacity. This type of information aids understanding of the structural elements that can limit or strengthen an area's economy and its ability to compete with other regions. Currently, no comprehensive data is compiled providing insight into the Pioneer Valley region's commercial and industrial capacity. This Data Digest is a first step in measuring the commercial and industrial capacity of the Pioneer Valley region and its 43 communities.

A useful measure of commercial and industrial capacity is the amount of floor space in existing commercial and industrial buildings. To date, no entity compiles this information and the Pioneer Valley Planning Commission was unable to develop this data. Absent of such data, it is necessary to rely upon surrogate measures to depict the region's commercial and industrial capacity.

Two surrogate measures that loosely correlate to existing capacity are the number of commercial and industrial parcels and their aggregate values. Certainly, these measures are flawed. A count of parcels ignores differences in size. However, this problem is partially mitigated by also using property values. A property's size is a substantial element in its value. But this measure, too, is flawed. Property values reflect numerous other factors, notably location. However, despite the limitations of these two measures, they are better than the available alternative: no data.

Below we present both measures—parcel counts and aggregated values—for commercial and industrial property classes. Further, by relating these measures to the size of a community's labor force, we provide a measure of each community's relative capacity as it relates to its ability to provide the personnel needed to engage in commercial and industrial activities.

The Number of Commercial & Industrial Parcels

As of fiscal year (FY) 1998, there were 9,311 commercial and 3,025 industrial parcels in the Pioneer Valley region (see Table 1). Since FY 1993, the number of commercial properties decreased by 375 parcels (3.9%), an average of nine parcels per community. The loss of industrial properties was significantly more modest. During this period, the region lost eight industrial parcels (0.3%).

Ware's gain of 17 commercial parcels (12.4%) was the greatest. Two close seconds were Ludlow and West Springfield, with gains of 16 parcels each. However, their relative gains were much smaller, 6.1 % for Ludlow and 2.4% for West Springfield. Not surprisingly, the greatest percentage gains in commercial parcels were experienced by some of the region's smallest towns. The greatest percentage gain occurred in Goshen, a town with fewer than 900 residents, which saw its inventory of commercial properties double to 14 parcels. During this same period, the region's urban core experienced a decline in commercial parcels. Among the three cities forming the urban core, the largest, Springfield, experienced the mildest decline, losing a mere 0.3% of its commercial parcels.

Beware the limitation of using the number of parcels as a measure of commercial activity. The urban core's experience highlights this. While the urban core lost commercial parcels, the region's largest mall, which sits in the urban core, continued to expand. However this growth is not captured by our measure because the mall is considered a single parcel.

The greatest increases in industrial property occurred in Easthampton, gaining 35 parcels (50%), and Hatfield, 11 parcels (100%). The next greatest gain in the number of parcels occurred in Chicopee, the region's second largest city, which added 9 parcels (2.6%).

Because the municipalities of the Pioneer Valley region differ widely in size—for example, Springfield's estimated population in 1998 was 148,144 while Tolland's was 293—the magnitude of effect from gaining or losing a single income- and job-producing parcel differs substantially in each community. To aid the comparison among communities within the region, we calculated a measure of capacity relative to the size of a community's labor force. This measure is the number of parcels divided by the size of the labor force, stated in thousands.

By controlling for size, some important structural characteristics of local economies are uncovered. For example, two rural communities, Hatfield and Hadley, have more than double the relative commercial capacity of any other community and five times the relative capacity of the overall region

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Table 1
Number of Commercial and Industrial Parcels

Municipality	Commercial				Industrial			
	FY 1993	FY 1998	Change		FY 1993	FY 1998	Change	
Agawam	391	328	(63)	(16.1%)	165	161	(4)	(2.4%)
Amherst	426	331	(95)	(22.3%)	32	27	(5)	(15.6%)
Belchertown	84	82	(2)	(2.4%)	42	45	3	7.1%
Blandford	3	5	2	66.7%	5	5	0	0.0%
Brimfield	85	85	0	0.0%	8	8	0	0.0%
Chester	18	17	(1)	(5.6%)	7	7	0	0.0%
Chesterfield	7	5	(2)	(28.6%)	9	12	3	33.3%
Chicopee	739	682	(57)	(7.7%)	346	355	9	2.6%
Cummington	11	11	0	0.0%	4	4	0	0.0%
East Longmeadow	294	278	(16)	(5.4%)	85	86	1	1.2%
Easthampton	221	172	(49)	(22.2%)	70	105	35	50.0%
Goshen	7	14	7	100.0%	1	4	3	300.0%
Granby	50	50	0	0.0%	13	12	(1)	(7.7%)
Granville	21	27	6	28.6%	6	8	2	33.3%
Hadley	380	379	(1)	(0.3%)	10	11	1	10.0%
Hampden	48	37	(11)	(22.9%)	9	8	(1)	(11.1%)
Hatfield	289	295	6	2.1%	11	22	11	100.0%
Holland	14	16	2	14.3%	1	3	2	200.0%
Holyoke	778	743	(35)	(4.5%)	420	410	(10)	(2.4%)
Huntington	22	14	(8)	(36.4%)	18	11	(7)	(38.9%)
Longmeadow	23	28	5	21.7%	4	4	0	0.0%
Ludlow	261	277	16	6.1%	137	127	(10)	(7.3%)
Middlefield	6	5	(1)	(16.7%)	1	1	0	0.0%
Monson	83	83	0	0.0%	84	89	5	6.0%
Montgomery	1	1	0	0.0%	7	7	0	0.0%
Northampton [a]	885	761	(124)	(14.0%)	191	150	(41)	(21.5%)
Palmer	222	228	6	2.7%	141	139	(2)	(1.4%)
Pelham [b]	2	0	n/a	n/a	8	6	n/a	n/a
Plainfield	18	16	(2)	(11.1%)	24	24	0	0.0%
Russell [a]	16	15	(1)	(6.3%)	38	39	1	2.6%
South Hadley	144	144	0	0.0%	88	87	(1)	(1.1%)
Southampton	33	33	0	0.0%	9	9	0	0.0%
Southwick	108	111	3	2.8%	24	29	5	20.8%
Springfield	2,472	2,465	(7)	(0.3%)	491	476	(15)	(3.1%)
Tolland [c]	9	12	n/a	n/a	0	2	n/a	n/a
Wales	9	10	1	11.1%	2	2	0	0.0%
Ware	137	154	17	12.4%	50	57	7	14.0%
West Springfield	662	678	16	2.4%	177	175	(2)	(1.1%)
Westfield [a]	513	522	9	1.8%	190	191	1	0.5%
Westhampton	20	16	(4)	(20.0%)	4	3	(1)	(25.0%)
Wilbraham	131	140	9	6.9%	93	94	1	1.1%
Williamsburg	38	35	(3)	(7.9%)	6	7	1	16.7%
Worthington	5	6	1	20.0%	2	3	1	50.0%
Pioneer Valley Reg.	9,686	9,311	(375)	(3.9%)	3,033	3,025	(8)	(0.3%)

[a] - Fiscal year 1997 data is used instead of 1998.

[b] - Fiscal year 1993 and 1998 data is not comparable. For fiscal year 1998, Pelham reports all commercial and industrial property as industrial.

[c] - Fiscal year 1993 and 1998 data is not comparable. For fiscal year 1993, Tolland reported all commercial and industrial property as commercial.

Table 2

**Relative Capacity:
Parcels per 1,000 Persons in Labor Force**

Municipality	Fiscal Year 1998		
	Labor Force	Commercial	Industrial
Agawam	14,497	22.6	11.1
Amherst	17,697	18.7	1.5
Belchertown	6,433	12.7	7.0
Blandford	699	7.2	7.2
Brimfield	1,625	52.3	4.9
Chester	750	22.7	9.3
Chesterfield	745	6.7	16.1
Chicopee	27,108	25.2	13.1
Cummington	528	20.8	7.6
East Longmeadow	7,030	39.5	12.2
Easthampton	8,540	20.1	12.3
Goshen	593	23.6	6.7
Granby	3,206	15.6	3.7
Granville	872	31.0	9.2
Hadley	2,384	159.0	4.6
Hampden	2,683	13.8	3.0
Hatfield	1,748	168.8	12.6
Holland	1,072	14.9	2.8
Holyoke	16,312	45.5	25.1
Huntington	1,078	13.0	10.2
Longmeadow	7,486	3.7	0.5
Ludlow	10,371	26.7	12.2
Middlefield	266	18.8	3.8
Monson	3,809	21.8	23.4
Montgomery	456	2.2	15.4
Northampton [a]	15,757	48.3	9.5
Palmer	5,980	38.1	23.2
Pelham [b]	891	0.0	6.7
Plainfield	362	44.2	66.3
Russell [a]	859	17.5	45.4
South Hadley	9,332	15.4	9.3
Southampton	2,769	11.9	3.3
Southwick	4,492	24.7	6.5
Springfield	64,877	38.0	7.3
Tolland	153	78.4	13.1
Wales	899	11.1	2.2
Ware	4,814	32.0	11.8
West Springfield	13,853	48.9	12.6
Westfield	18,899	27.6	10.1
Westhampton	969	16.5	3.1
Wilbraham	6,500	21.5	14.5
Williamsburg	1,545	22.7	4.5
Worthington	697	8.6	4.3
Pioneer Valley Reg.	291,636	31.9	10.4

Table 3

Aggregate Assessed Property Values

Municipality	Fiscal Year 1998	
	Commercial	Industrial
Agawam	\$170,643,668	\$80,581,730
Amherst	107,442,400	2,968,800
Belchertown	23,927,300	6,355,900
Blandford	3,013,400	190,700
Brimfield	12,656,046	2,300,900
Chester	3,304,149	518,100
Chesterfield	1,412,472	1,270,000
Chicopee	242,604,700	156,937,800
Cummington	4,833,332	462,600
East Longmeadow	88,855,832	101,722,450
Easthampton	39,801,340	31,345,600
Goshen	2,028,397	551,120
Granby	14,311,970	2,385,600
Granville	4,154,599	1,415,200
Hadley	104,860,400	7,139,900
Hampden	11,477,556	655,400
Hatfield	61,660,843	10,044,935
Holland	3,266,000	99,900
Holyoke	322,203,077	116,817,320
Huntington	3,381,335	775,900
Longmeadow	33,285,700	946,200
Ludlow	76,467,003	38,810,602
Middlefield	1,033,508	12,100
Monson	22,093,600	11,359,300
Montgomery	1,253,176	537,700
Northampton	284,484,858	63,677,200
Palmer	49,230,925	37,810,150
Pelham	756,716	575,000
Plainfield	5,360,870	879,774
Russell	2,076,432	7,008,300
South Hadley	40,456,600	32,349,300
Southampton	15,884,360	2,757,300
Southwick	37,041,191	6,305,100
Springfield	646,753,080	173,839,800
Tolland	1,833,900	234,400
Wales	1,696,935	207,300
Ware	36,533,128	15,248,600
West Springfield	287,390,900	66,245,800
Westfield	221,664,180	70,696,096
Westhampton	2,528,756	369,700
Wilbraham	50,613,300	19,987,100
Williamsburg	11,948,838	877,000
Worthington	3,091,562	174,100
Pioneer Valley Reg.	3,059,318,334	1,075,447,777

[a] - Fiscal year 1997 data is used instead of 1998.

[b] - For fiscal year 1998, Pelham reports all commercial and industrial property as industrial.

(see Table 2). Hatfield had 168.8 commercial parcels per 1,000 persons in its labor force; Hadley had 159. For the region, there were 31.9 commercial parcels per 1,000 persons in the labor force.

In the case of Hadley, this great relative commercial capacity is no surprise. A high traffic corridor that connects Amherst to Northampton and Interstate 91 runs through Hadley. Along this corridor is substantial commercial development.

Relative industrial capacity is greatest in the hilltowns of Plainfield (66.3) and Russell (45.4). With a ratio of 25.1 parcels per 1,000 in the labor force, the second largest city, Holyoke, has the third greatest relative industrial capacity. The ratio for the region is 10.4.

The Value of Commercial & Industrial Property

As of FY 1998, the assessed value of commercial property in the region was \$3.06 billion (see Table 3). It is no surprise that the communities with the greatest aggregate value are the more populous municipalities in and near the urban core. The high aggregate values are due to the greater number of parcels and the generally higher cost of land in urban areas. When measuring the amount of property using assessed values, commercial property is most heavily concentrated in six communities: Springfield, Holyoke, West Springfield, Northampton, Chicopee, and Westfield, totaling 65.5% of the value of all commercial property in the region.

The assessed value of all industrial property in the region was \$1.076 billion in FY 1998. Though industrial property is more evenly distributed among the municipalities than is commercial property, the top five communities did account for 58.6% of the value of all industrial property within the region. Note that within this list of five are three of the top six commercial property communities (Springfield, Chicopee, and Holyoke). The other three top commercial property communities are sixth, seventh, and eighth on the value of industrial property list.

Just as with the parcel count data, relating property value data to the size of the available labor force enables comparisons of communities based on their relative capacities. Using this property value-based measure of relative capacity, Hadley and Hatfield again have the greatest commercial capacity. However, their relative capacity, as measured using this property value-based approach, is not as dramatically larger than the other communities as it is when measured using the parcel count-based method (see Table 4).

Under the value-based approach, Russell is again the municipality with the second-greatest relative industrial capacity. However, with this methodology, Plainfield drops to the middle of the list, replaced by East Longmeadow as the community with the greatest relative capacity.

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Additional data on our region is available at:
www.pvpc.org/info/info.html

Table 4
Relative Capacity:
Assessed Property Values (\$1,000)
per 1,000 Persons in Labor Force

Municipality	Fiscal Year 1998		
	Labor Force	Commercial	Industrial
Agawam	14,497	\$11,771	\$5,559
Amherst	17,697	6,071	168
Belchertown	6,433	3,719	988
Blandford	699	4,311	273
Brimfield	1,625	7,788	1,416
Chester	750	4,40	691
Chesterfield	745	1,896	1,705
Chicopee	27,108	8,950	5,789
Cummington	528	9,154	876
East Longmeadow	7,03	12,640	14,470
Easthampton	8,540	4,661	3,670
Goshen	593	3,421	929
Granby	3,206	4,464	744
Granville	872	4,764	1,623
Hadley	2,384	43,985	2,995
Hampden	2,683	4,278	244
Hatfield	1,748	35,275	5,747
Holland	1,072	3,047	93
Holyoke	16,312	19,753	7,161
Huntington	1,078	3,137	720
Longmeadow	7,486	4,446	126
Ludlow	10,371	7,373	3,742
Middlefield	266	3,885	45
Monson	3,809	5,800	2,982
Montgomery	456	2,748	1,179
Northampton	15,757	18,055	4,041
Palmer	5,980	8,233	6,323
Pelham	891	849	645
Plainfield	362	14,809	2,430
Russell	859	2,417	8,159
South Hadley	9,332	4,335	3,466
Southampton	2,769	5,73	996
Southwick	4,492	8,246	1,404
Springfield	64,877	9,969	2,680
Tolland	153	11,986	1,532
Wales	899	1,888	231
Ware	4,814	7,589	3,168
West Springfield	13,853	20,746	4,782
Westfield	18,899	11,729	3,741
Westhampton	969	2,610	382
Wilbraham	6,500	7,787	3,075
Williamsburg	1,545	7,734	568
Worthington	697	4,436	250
Pioneer Valley Reg.	291,636	10,490	3,688