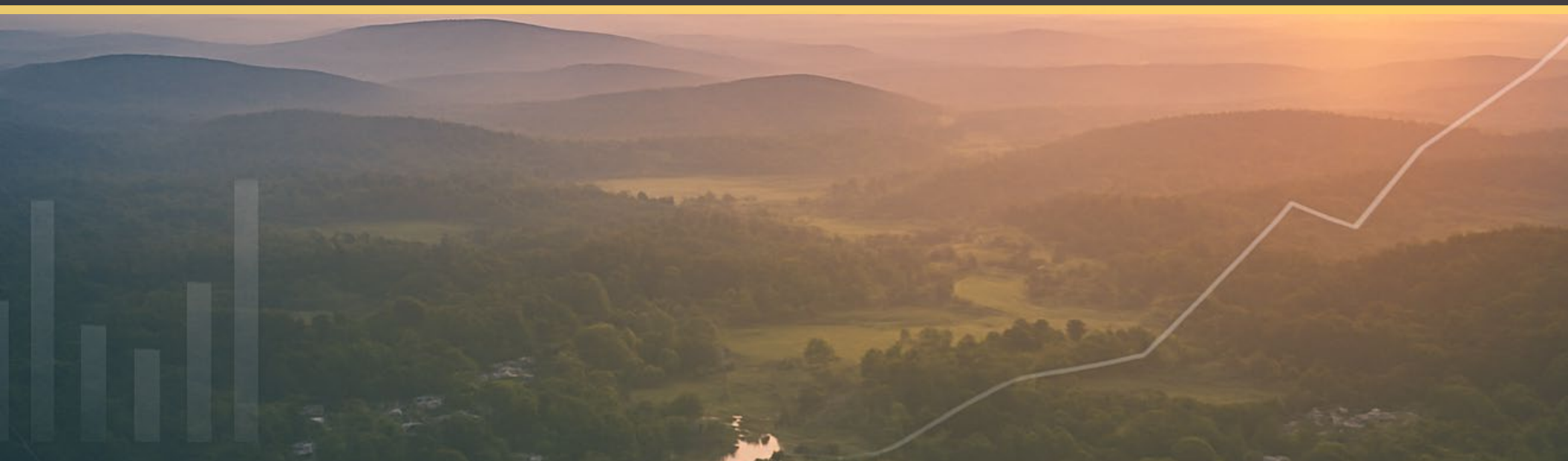


Montachusett Region Market Assessment 2025

Positioning North-Central Massachusetts for Sustainable
Growth



Prepared for
Montachusett Regional Planning Commission

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Introduction

Purpose of the Study

The purpose of this market study is to support and inform the Future Industrial Lands for Long Term Economic Recovery and Resiliency (FILLTERR) initiative, led by the Montachusett Regional Planning Commission (MRPC) with funding provided by the U.S. Economic Development Administration (EDA). The study will deliver an assessment of current market conditions and economic opportunities within the Montachusett region, specifically focused on identifying new and viable developable parcels to support industrial and economic development.

In alignment with the strategic goals outlined in the Comprehensive Economic Development Strategy (CEDS), this market study aims to provide detailed insights into industrial real estate availability, vacancy rates, and investment potentials. The findings are intended to help guide local leaders and stakeholders in making informed decisions about site prioritization, economic development initiatives, and targeted investment strategies, directly contributing to the FILLTERR project's objectives of enhancing long-term economic resilience and recovery through strategic land utilization.

By integrating robust data and analytical insights into the broader framework of the FILLTERR initiative, this market study aims to significantly enhance MRPC's capacity to drive regional economic recovery and position the region strategically for sustainable economic growth and resilience.

Regional Context

The Montachusett Region comprises 22 communities characterized by diverse geographic, demographic, and economic features. Geographically, the region is predominantly hilly terrain, highlighted by Mount Wachusett, Mount Watatic, and watersheds such as the Nashua River, Millers River, and Chicopee River. This landscape supports various recreational and tourism activities including hiking, mountain biking, skiing, and fishing, contributing to the regional quality of life and economic diversity.

Demographically, the Montachusett Region, home to a population of approximately 253,240, has experienced moderate growth, alongside a notable shift toward an aging population. This trend poses specific challenges for regional planning in healthcare, housing, and workforce succession. While communities such as Groton and Harvard exhibit higher median incomes, larger cities like Fitchburg and Gardner experience greater poverty rates and lower median incomes, reflecting significant income disparities across the region.

Economically, the Montachusett Region is home to approximately 8,356 businesses employing 91,082 workers. Manufacturing remains a cornerstone of the regional economy, accounting for approximately 15% of employment—substantially higher than the national average. The region also shows significant growth in the healthcare, educational services, and construction sectors, indicating a robust and increasingly diverse economic base. However, there are clear needs for improvement in infrastructure and transportation, with the vast majority of residents dependent on personal vehicles, resulting in significant commuting challenges.

Housing affordability and availability continue to be pressing issues, particularly in larger urban centers such as Fitchburg and

Leominster, with many residents identified as cost-burdened. These conditions underline the importance of the FILLTERR initiative's role in identifying and developing industrial and economic lands to bolster regional economic resilience, create jobs, and address broader socio-economic disparities.

Methodology and Data Sources

This study primarily employs detailed data analysis utilizing the sources and tools listed below, supported by an experienced understanding of commercial and industrial real estate markets and development in Western and Central Massachusetts. The following summarizes the methodological approach and primary data sources used:

Primary Analytical Tools

- Esri Business Analyst Online (Esri BAO): Used extensively for detailed demographic, economic, and market profile analyses. Custom market areas relevant to the Montachusett region were defined to generate comprehensive demographic and economic reports, offering insights into market characteristics, consumer behaviors, and economic conditions.
- Crexi: Used to gather up-to-date commercial real estate market data, including vacancy rates, lease rates, property availability, and market trends specific to industrial and commercial sectors within the region.
- U.S. Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics – OnTheMap Tool: Used for commuting dynamics and work-area profile

analysis, providing valuable data on employment patterns and regional labor flows.

- MA Occupational Employment and Wage Statistic (OEWS) Program (in conjunction with the Bureau of Labor Statistics): Provided detailed industry and employment data, contributing to an understanding of labor market conditions within the Montachusett region.

Data from the above sources were comparatively analyzed against regional and state-wide trends, as well as evaluated to help identify key trends and project future market conditions, informing strategic economic development recommendations tailored specifically to the Montachusett region.

This analysis builds upon and complements significant recent work, notably the "North Central Massachusetts Economic Profile" prepared by the UMass Donahue Institute's Economic & Public Policy Research Group, and MRPC's Comprehensive Economic Development Strategy (MRCEDS) 2024-2029. These documents provide context and baseline data that have informed the current study's approach, allowing for a more targeted and effective analysis tailored specifically to current and future regional needs.

Peer Region Selection

To better understand the Montachusett Region's competitive position and to identify strategies for growth, this market study compares it to two peer regions: MetroWest and the Blackstone Valley Region. These areas provide valuable benchmarks for regional planning due to their proximity, economic diversity, and relevance in workforce and industry dynamics.

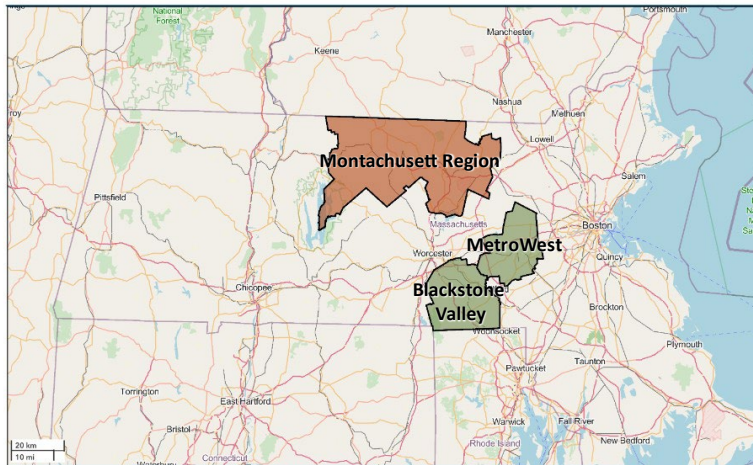


Figure 1. Reference Map of Peer Region Geographies. Source: ESRI BAO

MetroWest Region

The MetroWest Cohesive Commercial Statistical Area (CCSA™) comprises nine municipalities between Boston and Worcester, centered around Framingham. With a population of approximately 191,000 and a labor force exceeding 100,000, the region boasts some of the highest educational attainment and household incomes in the Commonwealth. Major employers include globally recognized companies such as Bose, Boston Scientific, Genzyme, and Raytheon, reflecting MetroWest's strength in high-tech manufacturing and life sciences.

MetroWest's strategic location – served by I-90 (Massachusetts Turnpike) and Routes 9, I-95, and I-495 – makes it a hub for business with strong regional connectivity. Its employment base is concentrated in professional, scientific, technical services, health care, education, and advanced manufacturing, sectors that align

closely with the future-oriented industries targeted by the Montachusett Region.

While MetroWest is more affluent and densely developed than the Montachusett Region, its relevance lies in its role as a mature, innovation-driven economy with established infrastructure and successful mixed-use nodes that integrate housing, employment, and transit access. As Montachusett communities explore workforce housing and mixed-use industrial campuses, MetroWest offers a model for how suburban regions can evolve into knowledge-based employment centers.

Blackstone Valley Region

Located along the Blackstone River in south-central Massachusetts, the Blackstone Valley Region encompasses 11 towns with a combined population of approximately 109,000 and a labor force of nearly 60,000. Historically significant as the birthplace of the American Industrial Revolution, the region has deep roots in manufacturing, with current employment clustered in manufacturing, wholesale and retail trade, and services.

The region benefits from strong transportation access via Routes 146 and 122, and proximity to major highways and airports in Boston, Hartford, and Providence, as well as to freight rail and deepwater ports. It is also part of the Blackstone River Valley National Heritage Corridor, offering opportunities for heritage tourism and recreation-based economic development that mirror similar initiatives in the Montachusett Region.

Blackstone Valley is a particularly relevant peer due to its blend of small-town character, industrial legacy, and regional collaboration on infrastructure and workforce development. Like the Montachusett Region, it is navigating the transition from traditional

manufacturing toward more diversified economic uses, while grappling with aging infrastructure and housing affordability.

These peer regions serve not as direct analogues, but as aspirational and practical comparisons to inform Montachusett’s economic development strategy, particularly around industry transitions, workforce readiness, infrastructure, and real estate positioning.

Regional Overview

Geography and Demographics

The Montachusett Region is characterized by its hilly terrain dominated by Mount Wachusett and encompassing the Nashua River, Millers River, and Chicopee River watersheds. This geographical setting supports a diverse range of recreational activities, contributing significantly to local tourism and quality of life.

Demographically, the region exhibits an aging population, with 21.3% of residents aged between 50 and 64 years (compared to 20.3% in MA), signaling important planning considerations in healthcare, transportation, and workforce succession. The population has grown moderately, increasing by 7.1% from 2010 to 2024, bringing the regional total to approximately 253,240 residents.

The region is becoming increasingly diverse, particularly in urban areas such as Fitchburg and Leominster, with notable growth in Hispanic (+48.7%), Black or African American (+27%), and Asian (+16.8%) populations from 2010 to 2022.

Workforce Characteristics

The Montachusett Region’s labor force reflects both its legacy manufacturing base and growing service-sector presence. Roughly 128,000 Montachusett residents are in the civilian labor force, placing the 2024 participation rate at 64.1%, a bit below the Massachusetts average of 66.7%. Participation is healthy, but demographic head-winds are visible: just under one-quarter of residents are already age 55 or older, and the share is rising as Baby Boomers retire.

Leading Sector	Why It Matters
Health Care & Social Assistance	Reflects hospitals and long-term-care growth
Manufacturing	Anchored by precision plastics, medical devices, and defense contracting
Retail trade	Bellwether for local consumer spending

Table 1. Leading Sector Snapshot

Where the pinch is hardest

Regional workforce boards and employers point to the toughest vacancies in:

- CNC and robotics technicians; industrial maintenance mechanics
- Registered nurses, medical technologists, and LPNs
- CDL-licensed truck drivers and warehouse supervisors
- Electricians, HVAC, and other construction trades

While participation remains healthy, an aging workforce is exerting pressure on talent pipelines. Roughly 24% of workers are 55+, and retirements are projected to exceed new entrants by 2030. Skills gaps are most acute in advanced manufacturing, nursing/medical tech, CDL drivers, and construction trades.

These gaps mirror findings in the 2023–2027 MassHire North-Central blueprint and the recent Montachusett Region CEDS update.

Strategic Ideas for the Region’s Future Workforce:

1. **Succession pipelines for shopfloor talent**
Precision manufacturing shops in Leominster and Devens report that one third of their tool and die workforce will reach retirement eligibility this decade. Formal apprenticeships and incumbent worker upskilling are critical to keep production local.
2. **Stackable credentials, fast**
Monty Tech’s evening CNC program and Mount Wachusett CC’s new one-year certificates in biomanufacturing and industrial robotics give employers “plug and play” hires; continued EDA and state Career Technical Initiative funding will be pivotal.
3. **Move the people, not just the jobs**
Increasing MBTA Fitchburg Line frequency to 60minute off-peak service – and adding first/last mile shuttles between stations and industrial parks – would enlarge the effective labor shed for the Devens–Leominster–Fitchburg corridor, offsetting slow local population growth.

In short, the Montachusett Region still makes things, with a growing service sector, and must quickly grow the next generation of machinists, nurses, and drivers to keep its economy humming.

Economic Composition

The Montachusett Region currently supports 8,356 establishments employing 91,082 workers. The following represents the largest

employment sectors by 2-digit NAICS codes, based upon 2024 ESRI BAO data.

Sector	Businesses	Businesses (%)	Jobs	Jobs (%)
Health Care & Social Assistance	749	9.0%	13,426	14.7%
Manufacturing	414	5.0%	12,703	14.0%
Retail Trade	974	11.7%	11,336	12.5%
Educational Services	240	2.9%	9,619	10.6%
Accommodation & Food Services	516	6.2%	8,263	9.1%

Table 2. Montachusett Region Employment, Largest Sectors by 2-Digit NAICS Codes. Source: ESRI BAO

Manufacturing’s output continues to climb as firms automate and pivot toward biotech plastics and defense electronics. Net new job growth is concentrated in ambulatory health services, logistics/warehousing, and specialty trade contractors.

Real wage growth averaged 1.7% annually (2018–23), outpacing the state outside of Metro Boston, but median pay still significantly trails the Massachusetts median.

The economy of the Montachusett Region is marked by notable economic diversity and income disparities across the region. Median household income in the region is approximately \$86,136, lower than the state median of \$99,644, and significantly lower than nearby MetroWest region (\$142,996).

According to Esri BAO, the Housing Affordability Index (HAI) within the region is 75, meaning that the median household earns only 75% of the income needed to qualify for a median-priced home in the area, assuming standard lending criteria. This indicates that

housing in the region is generally unaffordable for the typical household. As in many areas, economic disparities also continue to persist particularly in urban centers where the poverty rate is high, including in Gardner (14.8%) and Fitchburg (13.9%) compared to the state average of 10.4%.

The predominant industries in North Central Massachusetts are government, healthcare, and manufacturing, collectively accounting for over half of regional employment. Government roles, encompassing education and administrative functions, represent a stable employment base, whereas the manufacturing sector continues to leverage legacy industrial facilities and a skilled labor force.

Overall, the region maintains a resilient economic composition, bolstered by diversified employment sectors, although targeted initiatives to reduce income disparities, housing affordability, and support for equitable economic growth remain essential for long-term sustainability.

Population

Regional Population Growth

The Montachusett Region has experienced modest and stable population growth over the past two decades. The regional population increased from 236,475 in 2010 to 250,531 in 2020, with a projected 2029 population of 253,845 (ESRI BAO). This represents a projected annual growth rate of just 0.05%, lower than that of Worcester County (0.17%), Massachusetts (0.22%), and the nation as a whole (0.38%).

This slow growth mirrors regional trends identified in the 2024–2029 MRCEDS, which highlights population stabilization following

decades of post-industrial decline in many of the region’s legacy cities. The slight increase in population is driven more by natural change and migration than large-scale economic migration or urbanization.

Year	Total Population	Annual Growth Rate
2010	236,475	-
2020	250,531	0.57%
2024	253,240	0.27%
2029	253,845	0.05%

Table 3. Population, Montachusett Region. Source: US Census Bureau, ESRI BAO

As shown in Figure 2, population change across the Montachusett Region is expected to vary significantly over the next several years. The map highlights a pattern of localized growth along with softening population trends in more rural and peripheral areas.

The strongest projected population gains – shown in dark and medium blue – are concentrated in central Leominster, southern Shirley, parts of Sterling, Clinton, and select neighborhoods in central Fitchburg. These locations are projected to grow between 0.8% and 1.9%. These blue-shaded pockets indicate concentrated demand for new or revitalized housing, neighborhood services, and transportation infrastructure.

In contrast, several areas shaded in red are projected to see slight population declines of up to –0.5%. These block groups tend to be more rural or have aging infrastructure, limited housing turnover, and fewer direct transit connections.

This hyper-local divergence underscores the importance of place-based planning. Communities anchored by growing block groups may be well-positioned to support infill housing, mixed-use development, and workforce attraction strategies, while those

experiencing decline may benefit from targeted investments in adaptive reuse, broadband access, and village center revitalization.

The map also makes clear that municipal-level trends can mask important intra-town differences. For example, Fitchburg contains both some of the region's most promising growth zones and some of its most demographically stagnant areas – reinforcing the need for block-level investment prioritization rather than one-size-fits-all approaches.

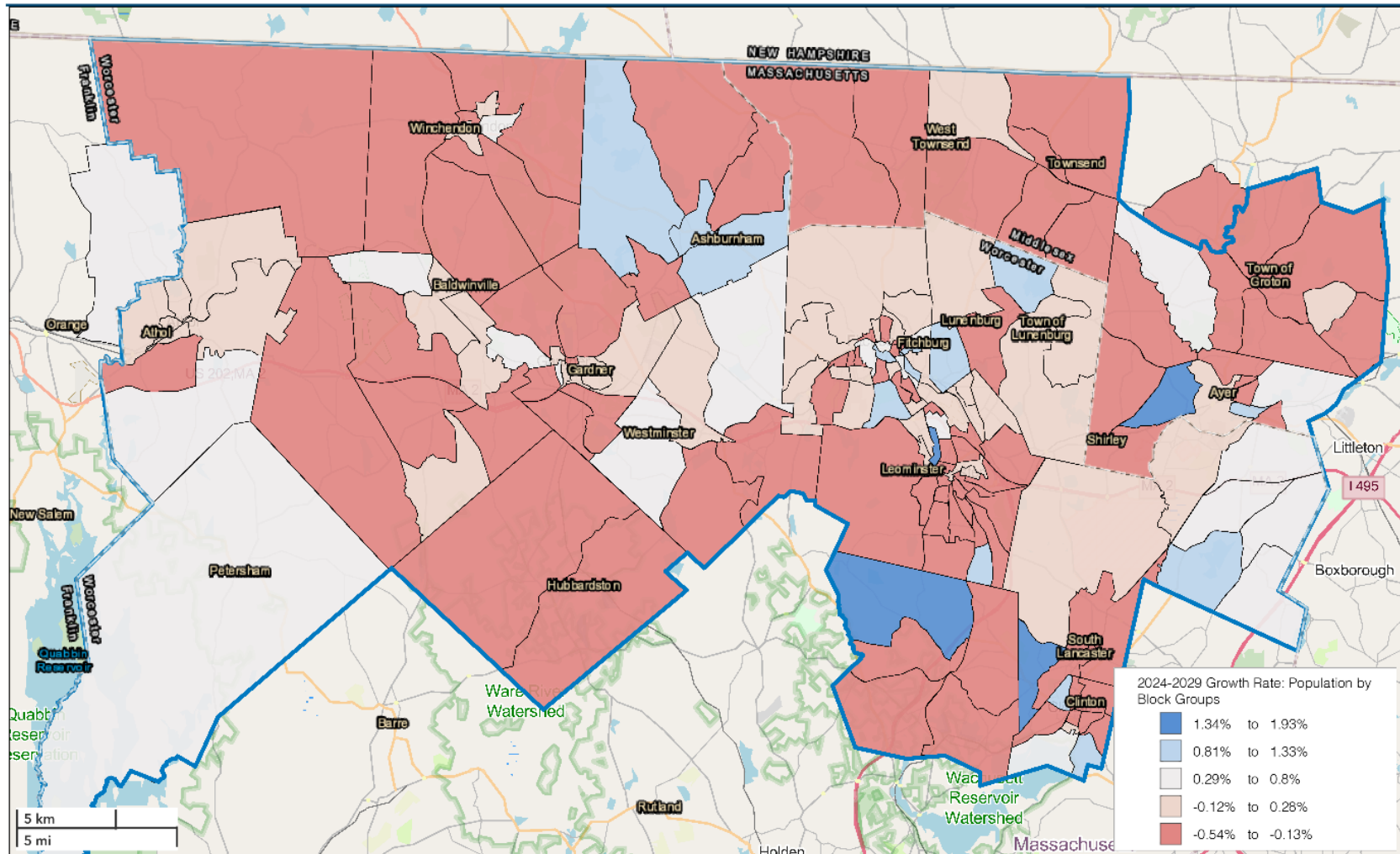


Figure 2. 2024-2029 Growth Rate: Population by Block Groups. Source: ESRI BAO

Educational Attainment

Educational attainment levels across the region reflect both the legacy of a manufacturing-based economy and a growing base of college-educated residents. As of 2024, among residents aged 25 and older:

- 22% hold a bachelor’s degree
- 13.2% have a graduate or professional degree
- 25% have a high school diploma as their highest level of education
- 2.8% have less than a 9th-grade education

This educational profile indicates a solid base of residents with post-secondary credentials, though there is still room to improve educational outcomes in specific communities.

These figures are aligned with findings in the CEDS, which emphasize the need to retain younger, educated residents and strengthen partnerships with local higher education institutions to improve regional workforce preparedness.

Income

Household income levels in the Montachusett Region reflect modest but steady economic growth. In 2024, the region’s median household income is estimated at \$86,136 and is projected to rise to \$98,768 by 2029 – an increase of nearly 15% over five years. Over the same period, the share of households earning less than \$100,000 is expected to decline from 55.9% to 50.5%, indicating upward movement across the income spectrum.

Despite this positive trend, the region's 2024 median household income remains slightly below that of Worcester County (\$88,847) and well below the statewide median (\$99,644). However, it

exceeds the national median, which stands at \$79,068 in 2024, suggesting that the Montachusett Region remains relatively affordable while continuing to make economic gains.

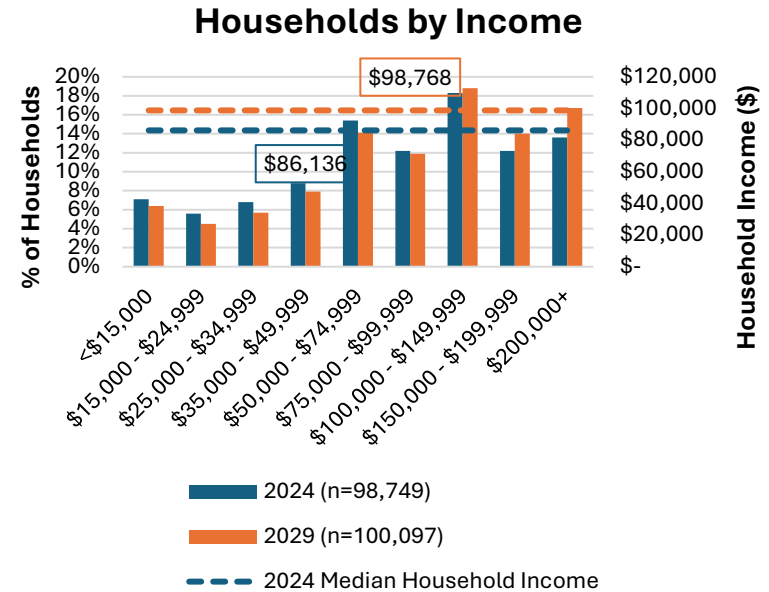


Figure 3. Households by Income, Montachusett Region (2024-2029). Source: ESRI BAO

Economy

Industry Composition

The Montachusett Region and its 22 communities are home to 8,356 businesses employing 91,082 workers. The region’s economy is marked by a diverse mix of industries, with significant employment concentrations in health care, manufacturing, retail, education, and accommodation services.

Top Sectors by Employment

Health Care & Social Assistance is the region’s largest employer, supporting 13,426 jobs, or 14.7% of total employment. With 749 establishments (9.0%), this sector includes hospitals, outpatient care, and residential services – reflecting the region's aging population and demand for medical and social care infrastructure.

- Manufacturing plays a critical role in the local economy, accounting for 12,703 jobs (13.9%), even though it comprises just 414 businesses (5.0%). This high job-to-business ratio suggests the presence of mid-sized to large firms, particularly in durable goods, machinery, and fabricated metal products – sectors long associated with the region’s industrial heritage.
- Retail Trade, often a bellwether for local consumer activity, employs 11,336 individuals (12.4%) across 974 establishments (11.7%). This makes it the region’s largest sector by number of businesses and third in employment. Sub-sectors include auto dealerships, grocery stores, and general merchandise outlets, many of which serve as critical employers in smaller towns.
- Educational Services support 9,619 jobs (10.6%), with 240 businesses (2.9%), primarily consisting of public K–12 systems, private schools, and post-secondary institutions. Education's presence reflects the regional need for workforce development and lifelong learning pathways.
- Accommodation & Food Services is another major employer, with 9,409 workers (10.3%) across 629 businesses (7.5%). Restaurants, bars, and lodging establishments make up the majority, providing both jobs

and essential services in downtown centers and near regional attractions.

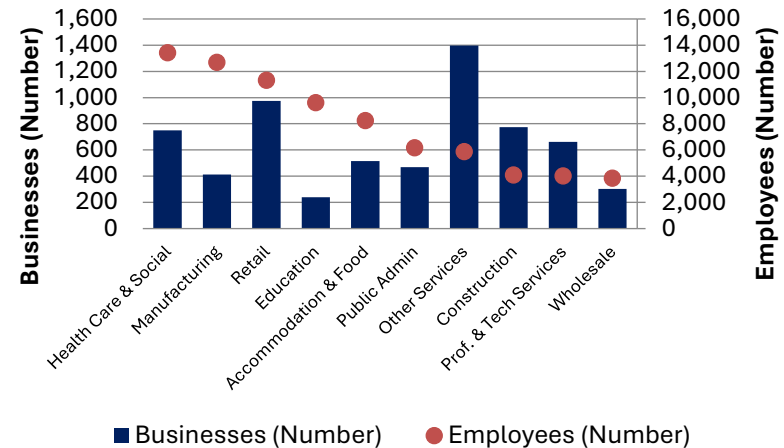


Figure 4. Top Industries in the Montachusett Region. Source: ESRI BAO

Business Composition Insights

While sectors like health care and education dominate by employment, others such as Construction (774 businesses) and Professional, Scientific & Technical Services (661 businesses) demonstrate a significant entrepreneurial footprint. These sectors may offer lower average employment per firm but represent important components of small business vitality and skilled labor demand.

Additionally, Public Administration employs 6,175 workers (6.8%), signaling the importance of government and municipal functions as economic anchors, especially in gateway cities and regional hubs.

Notably, the distribution of employment does not always align with business counts. For example, Retail Trade has the most

establishments but ranks third in employment, while Manufacturing has fewer firms but is second in job share. This contrast highlights structural differences: manufacturing is capital-intensive with larger average firm sizes, while retail is highly fragmented and location sensitive.

Employment and Wage Trends

The Montachusett Region has experienced modest but notable employment shifts over the past decade, with growth in healthcare, logistics, and professional services partially offsetting continued declines in manufacturing employment. As of 2022, the region's total employment base remains anchored by Health Care and Social Assistance (15.6% of total employment), Manufacturing (13.5%), and Educational Services, followed by Retail Trade and Construction.

Sectoral Shifts and Regional Strengths

Between 2011 and 2022, several industries experienced strong relative growth. Agriculture, Forestry, Fishing, and Hunting grew by 67.5%, reflecting regional efforts to support sustainable farming and agritourism. Transportation and Warehousing (+42.3%) and Professional and Technical Services (+25.8%) also saw substantial expansion, tied to the region's growing logistics capacity and emerging tech services.

Despite a -5.25% drop in manufacturing jobs from 2011 to 2022 (a net loss of 1,062 jobs), manufacturing remains a key pillar of the regional economy. The sector's stability relative to state and national trends is due in part to its transition toward advanced and precision manufacturing. According to the Massachusetts Department of Economic Research, the Montachusett Region continues to support over 14,800 manufacturing jobs, including

concentrations in fabricated metal, plastics and rubber, and food processing.

Fastest-Growing Occupations

Employment projections from MassHire indicate that service-sector and healthcare roles dominate the list of fastest-growing occupations. These include:

- Maids and Housekeeping Cleaners (+108.8%)
- Restaurant Cooks (+81.4%)
- Fitness Trainers (+76.8%)
- Nurse Practitioners (+71.9%)

This growth aligns with broader statewide trends of rising demand in education, health care, and hospitality – sectors often reliant on part-time or hourly workers.

North Central Workforce Development Area

Employment in the North Central Workforce Development Area (WDA) – which includes all Montachusett communities with four exceptions: Athol, Petersham, Phillipston, and Royalston – is projected to grow by a total of 4,504 jobs, reaching over 95,000 jobs by 2032. Growth is driven by demand in health care, education, and service-oriented sectors – reflecting both demographic shifts and broader structural trends.

- Health Care & Social Assistance: Expected to grow by 11.2%, adding 1,700 jobs. Key growth is in ambulatory health care and residential care facilities.
- Accommodation & Food Services: Also projected to increase by 11.2% (863 new jobs), indicating growth potential in tourism, and local service demand.

- Professional, Scientific & Technical Services: Growing by 12.7% (394 jobs), suggesting increased demand for engineering, legal, design, and consulting services.
- Administrative & Support Services: Estimated 8.4% growth, reflecting expansion in contract services like cleaning, security, and staffing agencies.

This projected growth complements the region’s existing employment base and provides insight into strategic workforce and economic development opportunities.

Franklin/Hampshire Workforce Development Area

While smaller in representation (4 of 22 towns), the Franklin/Hampshire WDA shares economic and workforce ties with the Montachusett Region, particularly in rural and resource-based industries. Key industry projections through 2032 include:

- Agriculture, Forestry, Fishing & Hunting: Anticipated to grow by 15.8%, reflecting the rural character of this subregion and strong land-based economies.
- Health Care & Social Assistance: A major employer with 10% projected growth, including a 21.7% increase in ambulatory services and 14.9% in nursing and residential care.
- Educational Services: Expected to add 2,000+ jobs (8.7% growth), reinforcing the area's role as a hub for public and private education.
- Retail Trade: Stable with modest 1.7% growth, but still a major employment sector with 11,500+ jobs.
- Construction: Forecasted growth of 9.9%, mirroring the broader region’s ongoing demand for housing and infrastructure improvements.

- Professional Services and Finance: Sectors like Professional, Scientific & Technical Services (11.3%) and Finance & Insurance (8.3%) are also growing steadily.

While projections show mixed trends in manufacturing – some sub-sectors such as machinery and plastics are expected to decline – other categories like building materials and wood products are growing, reflecting regional specialization.

Wage Dynamics

The Montachusett Region continues to lag the state in per capita and median household income, especially in its more urbanized communities. Fitchburg, Gardner, and Athol report median household incomes significantly below the Massachusetts average, while smaller suburban towns like Harvard and Groton outperform the state median.

Wage disparities are also evident in sectoral comparisons. High-paying sectors such as professional services, advanced manufacturing, and healthcare exhibit higher average wages but often require specialized credentials. Conversely, the fastest-growing occupations regionally – such as maids, restaurant cooks, fitness trainers, and bartenders – tend to fall in lower-wage categories, exacerbating concerns around affordability and wage sufficiency.

Commuting and Job-Shed Patterns

The Montachusett Region is a net exporter of labor. According to the 2022 Inflow-Outflow analysis, only about 29% of workers live and work within the region, while 61% commute out for employment opportunities elsewhere. This reflects both limited local job availability in some sectors and the region’s strong

transportation linkages to job centers like Worcester, Boston, MetroWest, and Southern New Hampshire.

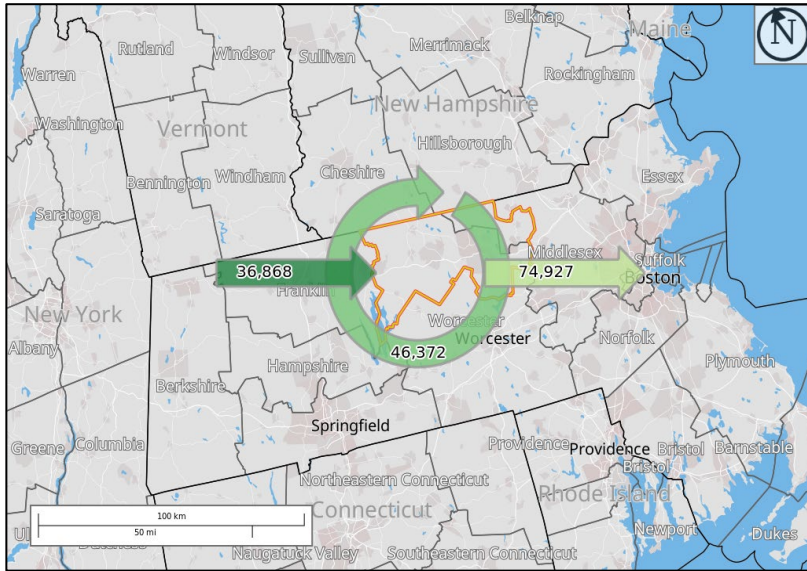


Figure 5. Inflow/Outflow Counts of All Jobs, 2022. Source: U.S. Census Bureau's OnTheMap

Unemployment

Regional unemployment averaged 5.4% in 2024, aligned generally with MA as a whole. Structural underemployment persists in communities such as Lancaster (8.5%), Phillipston (8.4%), Athol (7.6%), and Fitchburg (6.5%) due in part to skill mismatches, limited transit connectivity, among other causes.

Peer Region Comparison Summary

The Montachusett Region presents a distinctive profile compared to its peer regions, MetroWest and Blackstone Valley, characterized by slower demographic growth, a less affluent population, a strong manufacturing base, and competitive housing affordability.

Demographics and Growth

Montachusett's population is projected to remain virtually flat (+0.05% annually through 2029), similar to MetroWest (+0.03%), while Blackstone Valley shows slightly stronger growth (+0.20%). Median ages across all three regions hover around 42 years, underscoring an aging population trend that could have long-term workforce and service delivery implications.

Income and Housing

Montachusett's 2024 median household income (\$86,136) is substantially lower than MetroWest (\$142,996) and Blackstone Valley (\$117,520). Home values are also lower (\$426,566) but are increasing at a faster annual rate (+4.98%) than in either peer region, signaling rising demand and potential future affordability pressures. The Housing Affordability Index score of 75 indicates that homeownership is more attainable than in MetroWest (71) but less favorable compared to Blackstone Valley (86).

Employment and Business Base

Employment among the civilian population 16+ is solid at 94.9%, though slightly below the 95.9% to 96.5% range seen in peer regions. The Montachusett Region has approximately 8,356 businesses employing about 91,000 people, resulting in an employee-to-population ratio of 36 per 100 residents – lower than

MetroWest's 56, but stronger than Blackstone Valley's 28. This suggests a moderate level of economic density, but also points to opportunity for further business attraction and expansion.

Educational Attainment

Educational attainment levels in Montachusett reveal a workforce with fewer college-educated residents:

- Only 35.2% of adults hold a bachelor's or graduate/professional degree, compared to 64.6% in MetroWest and 43.2% in Blackstone Valley.
- A larger share (25%) have attained only a high school diploma compared to MetroWest (13.5%). This indicates a workforce that may be well-suited for middle-skill jobs but may face challenges attracting or retaining industries requiring high educational credentials.

Industry Composition

Montachusett's employment base is notably manufacturing-heavy (15.3% of employed residents), more than MetroWest (8.9%) and Blackstone Valley (13.0%). Other key sectors include:

- Construction (7.6%) – higher than both peers
- Retail Trade (10.1%) – comparable to peers
- Public Administration (4.2%) – higher than MetroWest (2.3%) and Blackstone Valley (2.6%)
- Meanwhile, the region is underrepresented in high-growth sectors like Information Technology (1.4%) and Finance/Insurance/Real Estate (5.4%) relative to MetroWest.

Strategic Themes for Montachusett Region when Comparing with Peer Regions

- Stable but Aging Population: Growth strategies should consider aging residents and potential out-migration of younger workers.
- Affordability Advantage at Risk: Rapid home value appreciation could erode the region's cost advantage if incomes do not keep pace.
- Middle-Skill Workforce Strength: The strong manufacturing and construction bases align well with the existing educational attainment but may limit diversification without upskilling efforts.
- Moderate Business Base Density: Opportunities exist to expand employment by targeting growth sectors compatible with the region’s workforce skills.
- Education and Industry Alignment Needed: Investment in higher education pathways or technical skills training could strengthen competitiveness, particularly if tied to targeted industry recruitment.











STRENGTHS	CHALLENGES
 Competitive Housing Affordability Lower home values compared to peers support attainable living.	 Aging Population Median age nearing 42; rising demand for senior services and workforce replacement.
 Strong Middle-Skill Workforce High employment in manufacturing and construction sectors.	 Lower Educational Attainment Only 35% of adults hold a bachelor's or higher degree, compared to 64% in MetroWest.
 Established Employment Base 8,356 businesses and moderate employment density.	 Slow Population Growth Flat growth rate (+0.05% annually) limits expansion of local markets.
 Public Sector Stability Above-average employment in public administration.	 Potential Housing Pressure Home values rising faster than incomes, affordability at risk.
 Lower Cost of Living Moderate incomes offset by lower household expenses.	 Underrepresentation in Growth Industries Smaller IT and Finance sectors may limit long-term diversification.

Table 4. Montachusett Region - Relative Strengths and Challenges Compared to Peer Regions

Commercial & Industrial Real Estate Market

Real Estate Inventory

As of Q1 2025, the Montachusett Region encompasses nearly 5,000 commercial and industrial (C&I) real estate properties, primarily consisting of retail, manufacturing, warehouse and flex uses. Analysis of recent transaction and listing activity, based on a sample of 2,684 sale, lease, and land records (drawn from a larger inventory of 4,762 filtered¹ properties), indicates a strong representation of smaller-format assets. The median size of buildings transacted within the Region is 3,318 square feet, situated on median parcel sizes of approximately 1 acre. The total inventory captured within these recent transactions accounts for about 31.2 million square feet of built space across roughly 19,000 acres. The data suggests a market heavily weighted towards owner-occupied or single-tenant

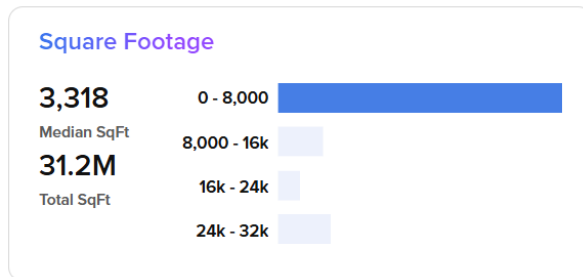


Figure 6. Sales Comp Insights based on 2,684 records.
Source: Crexi

¹ Properties included in this analysis were filtered to encompass Industrial, Office, Retail, selected Special Purpose categories (Telecom/Data Center and Sports/Entertainment), and Commercial and Industrial Land classifications.

industrial buildings, with a comparative shortage of large-scale logistics or bulk distribution space.

Vacancy and Lease Rates

The Region’s overall industrial vacancy rate stood at a historic low of 2.9% in Q1 2025, highlighting market constraints and limited availability. Lease rates reflect this tightening market. Active listings for lease spaces exhibit a median quoted rent of roughly \$2 per square foot per month (approximately \$26 per square foot per year on a gross basis), typically for spaces averaging around 5,400 square feet (7,636 square feet if retail is excluded). Lease spaces have a median days-on-market of about 262 days, suggesting some landlords may be testing rent ceilings in anticipation of continued demand pressure.

Absorption and Development Activity

The Montachusett Region has experienced sustained positive net absorption, a strong indicator of sustained demand and a need to preserve or expand capacity (e.g., land, utilities, roads) in high demand areas. Sales listings on Crexi show over \$2.1 billion in commercial and industrial property transactions, signaling active investment despite broader economic uncertainty.

In the past 12 months alone, 90 properties have changed hands across 14 municipalities, with Fitchburg accounting for the highest number of deals (27). Most transactions involved smaller, owner-occupied retail (40%) and industrial (34%) properties – typically around 4,400 square feet in size on 0.4-acre lots, selling at a median price of around \$550,000 (about \$99 per square foot). These figures

suggest a market focused on supporting small to mid-sized businesses rather than large-scale development projects.

Pricing remains competitive. Across the full dataset, median property values were approximately \$55 per square foot and \$95,800 per acre. While this figure continues to climb, the Region is still offering a more affordable alternative to higher-cost areas like MetroWest or closer to Boston. In the most recent year, values remained in this range, and investment yields were attractive, with a typical gap of about 0.3% between asking (7.8%) and closing (8.1%) cap rates – a spread that continues to draw investor interest.

Sales activity varies by location. While the median time on market was 276 days, well-located properties – such as storefronts in downtown centers or flexible industrial spaces in areas like Devens, Leominster, and Westminster – often sell much faster, sometimes within two months.

New development is limited, and rising land costs, higher construction costs, and presumably broader market uncertainty associated with international trade, are likely negatively impacting speculative building. As a result, most new inventory comes from adaptive reuse, including mill conversions, owner-led expansions, and custom-built industrial space, particularly within the Region's established industrial hubs.

Conclusion

The Montachusett Region offers a stable, accessible, and well-priced commercial and industrial market, with consistent demand for smaller-scale properties, favorable investment conditions, and a development pipeline shaped more by reuse and reinvestment than

by new construction. However, the commercial and industrial real estate market remains inventory constrained. Users requiring modern mid-to-large-format spaces are increasingly compelled toward build-to-suit arrangements or adaptive reuse projects. The ongoing shortage of readily available, modern inventory continues to drive rental growth, bolster investor demand, and underscores the need for proactive development solutions.

Market Gaps and Opportunities





Priority Gap	What the Data Tells Us	Opportunity
Shovel-ready 30–50-acre industrial campuses 	Very few sites in the region meet the “fully permitted + utility served” test.	Prioritize FILLTERR parcel assemblage and fast-track Chapter 43D approvals, offer by-right development options and pre-negotiated infrastructure agreements to streamline site readiness.
Workforce housing at moderate price points 	Roughly 49% of renter households are cost burdened, spending more than 30% of their income on housing.	Utilize the Housing Development Incentive Program (HDIP) to catalyze adaptive-reuse housing projects in Fitchburg, Gardner, and Leominster. Complement these efforts with local tax stabilization agreements for projects reserving approximately 20% of units for households earning between 80-100% AMI.
Licensed childcare near job clusters 	A 28% gap exists between available licensed childcare slots and the current demand, limiting labor force participation.	Partner with the Massachusetts Department of Early Education and Care (EEC) to establish early education centers in or near newly developed industrial parks, facilitating higher workforce participation rates.
Regional Transportation and Workforce Mobility 	Limited local population growth requires expanding the effective labor market.	Increase MBTA Fitchburg Line frequency to 60-minute off-peak service intervals and establish first-mile/last-mile shuttles connecting rail stations to major industrial and business parks in Devens, Leominster, and Fitchburg.

Table 5. Summary, Market Gaps and Opportunities, Montachusett Region

Target Industry Opportunities

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1. Cell- & Gene-Therapy Biomanufacturing: Leverage Devens’ Bristol Myers Squibb presence and MassVentures grants to attract supply-chain businesses.
2. Defense Metal & Plastics Machining: Coordinate with Hanscom & Devens RFTA military procurement; pursue funding through the Department of Defense’s Office of

Local Defense Community Cooperation for necessary equipment upgrades.

3. Specialty Food Production / Agritech: Continue securing grants to established shared-use USDA-certified kitchen facilities.
4. Green Logistics & EV Component Assembly: Capitalize on strategic access to I-190 and Route 2 and seek Massachusetts Clean Energy Center incentives to promote growth in sustainable logistics and electric vehicle component manufacturing.

SWOT Summary



Figure 7. SWOT Analysis Summary, Montachusett Region

Positioning

The Montachusett Region should position itself as “**Boston’s Build Zone**” – where innovations and R&D from metropolitan universities are scaled to production. Key messaging pillars include:

1. **Space + Speed:** Ready-to-develop sites, low congestion, and streamlined permitting processes. However, many Montachusett communities still rely heavily on discretionary permitting. Expanding by-right commercial and industrial zoning would better position the region to attract investment by reducing uncertainty, shortening development timelines, and increasing competitiveness relative to peer regions.
2. **Skilled Hands:** The region boasts the highest concentration of manufacturing employment in Massachusetts, complemented by strong pipeline programs at MontyTech, Mount Wachusett Community College, and employer-run apprenticeships
3. **Quality of Life:** Affordable living options from mountains to mill towns, enriched by outdoor recreation and vibrant arts corridors.

Strategic Recommendations

Time-Frame	Recommendation	Description & Purpose	Key Actors
Next 12 months	Promote Adoption of By-Right Zoning for Commercial and Industrial Development	Encourage and support Montachusett communities to revise zoning bylaws to allow targeted commercial and industrial uses by-right, particularly in designated economic development areas. Streamlining local permitting processes will reduce barriers to investment, shorten development timelines, and strengthen the region’s competitiveness.	MRPC, Local Planning Boards, Municipal Staff, Economic Development Committees
	Explore the launch of a Regional Site-Readiness Fund	A fund to finance pre-development activities (such as due diligence, site planning, and infrastructure design) for high-priority industrial sites, helping attract new businesses and employment.	MRPC, MassDevelopment, Private Landowners
	Form a Regional “Build Zone Council”	Possibly as an extension of the MRCEDS Committee, convene bi-monthly meetings involving cities, colleges, and major employers to guide regional branding, workforce strategies and policy development.	MRPC, Devens Enterprise Commission, Chambers, Municipalities
	Expand Broadband Internet Access	Coordinate with Massachusetts Broadband Institute (MBI) to secure and implement “Last-Mile” broadband projects, providing high-speed internet to underserved communities to support remote work and learning.	MA Broadband Institute, MRPC, Municipal Utilities
	Mill-District Brownfield Redevelopment	Accelerate brownfield assessment, cleanup, and reuse of legacy mill sites leveraging available EPA and state brownfields funding to attract new commercial and industrial tenants.	Municipalities, MRPC Brownfields, EPA
	Engage in Regional Planning to Leverage the Northern Tier Passenger Rail Study	Collaborate with MassDOT, BRPC, FRCOG, local municipalities, and regional stakeholders to participate in the planning and advocacy efforts stemming from the Northern Tier Passenger Rail Study. This includes contributing to data collection on regional travel demand, identifying potential station locations within the Montachusett region, and aligning local economic development plans with the proposed rail service.	MRPC, Berkshire Regional Planning Commission (BRPC), Franklin Regional Council of Governments (FRCOG), MassDOT, Local Planning Boards, Regional Economic Development Organizations
1-3 years	Implement a Gateway City Housing Accelerator	Support the creation of moderately priced rental housing in downtown areas through zoning incentives and targeted financial support (e.g., HDIP), strengthening local workforce housing availability.	Municipalities, EOHL, Private Developers
	Develop “Early-Ed @ Work” Childcare Centers	Facilitate partnerships to create licensed childcare centers close to major employers, industrial parks, and hospitals, addressing workforce childcare needs and improving employee retention.	EEC, Employers, Developers
	Coordinate Regional Maker & Small-Business Networks	Link existing makerspaces, innovation labs, and business incubators across the region. Share best practices, coordinate programming, and pursue joint funding opportunities to foster entrepreneurship and innovation.	WBI, Fitchburg State IdeaLab, MWCC, MRPC, LaunchSpace
	Advanced Manufacturing Training Programs	Offer accessible short-term training and certification programs at Mount Wachusett Community College and Montachusett Regional Vocational Technical School, tailored to meet regional employer needs in biomanufacturing, machining, and plastics industries.	MWCC, Monty Tech, MassHire
3-5 years	Innovation & Cluster Development	Facilitate permitting, workforce training, and supply-chain development at Devens, strengthening its position as a leading innovation and clean-tech manufacturing hub.	MassDevelopment (Devens), Devens Enterprise Commission, MRPC, Major Employers

Table 6. Strategic Recommendations, Montachusett Region

Conclusion

The Montachusett Region stands at an important inflection point. With a foundation rooted in precision manufacturing, a growing health care and service economy, and sustained demand for industrial space, the region has the essential assets to drive long-term economic resilience. However, persistent challenges – including an aging workforce, affordability pressures, infrastructure needs, and limited shovel-ready development sites – threaten to constrain future growth if left unaddressed.

This market study highlights a region that remains competitive yet vulnerable, stable yet in need of decisive action. The Montachusett Region offers significant advantages: accessible and affordable real estate, a resilient employment base, and a strong quality of life enriched by outdoor recreation and local culture. Yet realizing its full potential will depend on modernizing zoning and permitting practices, preparing strategic industrial sites, expanding access to workforce housing and childcare, and strengthening regional transportation networks.

By acting collaboratively and aligning investment around shared priorities, the Montachusett Region can position itself as a critical engine of advanced manufacturing, clean technology, and innovation. Achieving the vision of a dynamic, inclusive economy – where residents can live, work, and thrive – will require a deliberate focus on infrastructure readiness, workforce development, and sustainable land use. The FILLTERR initiative provides the framework to accelerate this transition, ensuring that North Central Massachusetts competes successfully in the next era of economic opportunity.