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## New England Real Estate Journal hosts Northern New England State of the Market Summit

August 09, 2019 - Front Section



Shown is the first panel (from left): Philip Cote of USI Insurance Services; John Sokul of Hinckley Allen & Snyder; Dave Fenstermacher of VHB; and Josh Levy of Waterstone Properties Group

The New England Real Estate Journal (NEREJ) held their Northern New England State of the Market Summit on July 11th at the Portsmouth Harbor Events & Conference Center at 100 Deer St., Portsmouth, NH. Over 100 people were in attendance.

The first panel was held from 9 – 10 a.m. and was moderated by Philip Cote of USI Insurance

Services. Speakers included: Josh Levy of Waterstone Properties Group; John Sokul of Hinckley Allen & Snyder; and Dave Fenstermacher of VHB. Topics for this panel included: New development updates, engineering and architecture.

Shown is the second panel (from left): Eric Kiltchenstein of Devine Millimet; Rebecca Perkins of the city of Portsmouth; Lisa DeStefano of DeStefano Mangel Architects; and Kent White of The Boulos Company.

The panel answered questions regarding land development and working with municipalities. Levy spoke about food halls growing more popular, and their new development, West End Yards. There are 200 food halls in the United States, and another 197 being built this year. He gave examples such as Time Out in Fenway and St. Roch in New Orleans. They require minimal start-up costs, as opposed to traditional restaurants.

When asked about what will be developing throughout this year, Sokul mentioned trends including: Medical, retail, residential, retirement communities and public-private partnerships. He said, “The whole medical field as a use all over the state and in non-traditional use, such as in shopping centers, stand-alone facilities. Retail shopping centers continue to morph and evolve with different types of uses, whether it be medical, health and fitness or more restaurants.”

Fenstermacher agreed, “Urgent care is popping up everywhere in these non-traditional retail strips where the parking and infrastructure is already there.”

He also mentioned how it is important to add more residential units in New Hampshire. With the younger workforce, there are jobs, but there is a lack of housing.

Levy said, “On the retail side, we are seeing some interesting trends. We have started to think about mixed-use projects on three different levels: One is the brick and mortar; the second level is the programming, events and the community outreach; and the third is the digital strategy on your properties. It’s opening up a lot of different opportunities on those three different platforms.”

The panel was asked how retailers and online retail, like Amazon are competing.

Sokul said, “Some online-only retailers are opening up brick and mortar stores in locations that they can track where most of their orders are coming from, all to drive sales, drive customers and improve their bottom line.”

Cote asked Fenstermacher how he is working with owners and developers to help them reposition their dollars and assets. He said, “What we are finding is when sites were developed 15-20 years ago, different parking standards, maybe not as much shared parking was taken into account. It’s really being able to reposition these sites without really impacting the infrastructure.”

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As it relates to legal implications on the leasing side, Sokul said, “With all of these different types of users in a given shopping center, who’s paying what for common area maintenance charges (CAM), and how is CAM being allocated among the different users? Tenants would like to see a fixed number, and developers need to go with the flow.”

The second panel was held from 10 – 11 a.m. and was moderated by Eric Kilchenstein of Devine Millimet. Speakers included: Rebecca Perkins of the city of Portsmouth; Lisa DeStefano of DeStefano Maugel Architects; and Kent White of The Boulos Company. Topics for this panel included: Housing, building and finance.

The downtown market has started seeing a lot of office redevelopment. White mentioned projects including the McIntyre Building, 75,000 s/f office building located at 111 Maplewood and the Daniel St. lot.

White said, “To build an office building downtown 2 or 3 years ago, the numbers just didn’t justify it, and the demand wasn’t there. Now we are starting to see office tenants want to be downtown, and large office tenants.”

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DeStefano commented on the Maplewood project. “Going through the approval process and going to our planning board first to introduce that, they were thrilled to hear that it was bringing these office users in town, because of the benefit of the different market being in town and the vitality it brought,” she said.

From a policy prospective, Perkins said, “We are seeing longer vacancy periods for rentals, we are seeing some softening of housing prices due to increased housing supply, and we have permitted close to 1,000 new units in the last 4 years, which is a 10% increase in households in Portsmouth.”

The panel was also asked how zoning changes have impacted Portsmouth. Perkins commented on how there needs to be flexibility of design. She mentioned how even parking garages are now changing so that in the future, they can be made into something else.

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Please join NEREJ at its next summit – Cannabis in CRE & Construction –on August 15th at The Lantana, 43 Scanlon Dr., Randolph, Mass.

For more information or speaking/sponsor opportunities, please contact Rick Kaplan at [rkaplan@nerej.com](mailto:rkaplan@nerej.com) or call 781-878-4540.

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