



# nerej

## **Clients are much more price conscious and value oriented and we must meet their current needs**

May 26, 2010 - Spotlights

The recession is over and the economy is showing growth. So where is all the hiring, new work for design professionals and opportunities in real estate?

Last year at this time there were signs of life and certain things seem to be having a positive effect on the economy. Some of the stimulus money was flowing to projects, mostly infrastructure projects that were easy to contract out and get moving forward. There is still some of that money working its way into the economy but now we must depend on consumers and business to help improve the situation. Thankfully there are signs that this is starting to happen.

The marketplace is a changed one and it may never go back to the way we knew a few years ago. The biggest trend we see is that everyone is very price conscious and value oriented. Be it the homeowner looking for an addition, the new home purchaser, the business looking to relocate or renovate; they all are taking a critical look at options. The ability to take one's time in decisions and just the multitude of available choices is overwhelming. This is leading to no fast decisions and substantial extra effort to get jobs done.

Take as an example the choices in housing. There are projects under construction in various phases and locations. These may have lots of inventory, a few left or planned future phases. Each comes with certain restrictions and certain advantages. The developer of a project which was started before the recession with a few units left may be offering deals to finish up the project and move on. This may give the buyer limited choices but great value and peace of mind because the developer has dropped the price and the buyer knows the development is essentially complete. He will not have to deal with construction for the next few years, worry that things will be left unfinished and that it is stable. If one buys in a development that is just beginning, there may be incentives to buyers, a wide choice of units, locations and options but also concerns. The buyer has to be sure the developer is well financed and can complete the project. Also the buyer will be living with construction around them for a few years and may have to worry about whether the project focus or product may change over time.

The old adage that location is king in real estate could not be any more important than it is today. Buyers and businesses today have choices in location and with the more reasonable pricing than in the past, the potential to lock in something now means that you may be able to get a better location than you thought for your money. Conversely, due to the market, if location is not as important, you can get some real bargains. We see a trend that sales are much stronger and pricing is holding steadier in locations closer to the city. Some areas in close to Boston and areas within Boston itself are seeing prices rise. A lot of people are taking the time looking at where they want to live and how the choice affects their lifestyle. Convenience and services close by have become key factors in the decision making process, much more so than in the past. Distance and flexibility to work

opportunities are more important now. Commuting times and options beyond the car are being considered and are strongly desired today. When people get home from work, they want a sense of community where they can eat, socialize, shop and exercise without getting into their cars or travel very far.

Business has gone through so much in the past two years but the ones around still have opportunities and are cautiously looking at options for expansion, relocation or upgrades. We have done several renovations and new facilities for automobile dealers in the past. This is one industry which has seen unprecedented changes but we find that those that remain are stronger. Most of the work now is renovations or upgrades of existing facilities. We are mostly giving the dealerships a fresher image. But this is yet another sign of improvement which we were not sure was going to happen ever last year.

As we move forward we hope for steady growth and a return to sustained work. We are all more value conscious, learning to be flexible and reaching out to clients to assist them to succeed in their business.

David O'Sullivan, AIA, CAASH, is president of O'Sullivan Architects, Inc., Reading, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540