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By Tony Baldwin - As the leaves show signs of color in southeastern Mass., so do the opportunities for R.E. investors

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Sales volume in southeastern Massachusetts remains sluggish, yet leasing has boasted modest returns that has continued to increase over the last three quarters. Leasing activities has taken up the lion's share of transactions and will continue to do so over the next several quarters. Nonetheless, one of the biggest factors creating the current market conditions is the lack of product. Both buyers and tenants are struggling to find "the shoe that fits", due to the lack of inventory, which is being quickly absorbed.

In perspective, sales price trends have remained relatively consistent, throughout the last several quarters, showing median office property sales at \$120 per s/f, industrial property sales at a median sales price of \$60 per s/f, and median retail property sales at \$125 per s/f, clearly all linked to lack of volume. What does this mean for sellers? With the Federal capital gains tax still at a low 15% and Investors being able to leverage their assets in the 5% range, capitalization rates are continuing to fall around 6.5%, which will be driving sales prices up.

A significant drop-off in availability has been multi-family properties for sale; showing a nearly 25% decrease in property availability in the last year. Industrial properties for sale have also shown a slight decrease in property availability in the market. Conversely, the number of office property listings for sale has shown a modest increase of almost 5% in the last three quarters. The availability of retail properties for sale has remained constant. With regards to demand, all sectors; multi-family, office, industrial and retail have shown significant signs of improvement. Most notably, the lack of industrial property supply appears to be making the market conditions more favorable for sellers.

Regarding lease prices, office rents are trending between \$16-\$18 per s/f; Industrial rents have been consistent between \$6.25-\$6.95 per s/f; and retail property rents have remained between \$16-\$18 per s/f, throughout the last few quarters. The forecast for the upcoming quarter is anticipated that lease rates will continue to hold strong, until enough absorption has taken place to drive these lease rates higher.

The most notable opportunity in southeastern Mass. appears to be rentable industrial space. There has been a steady decrease in industrial property space for lease and a steady increase of tenants looking for new space, either to downsize, relocate, and in some cases increase square footage based on the tenants current requirements.

Baldwin Realty Group has recently been hired to advise one of it's clients on leasing 40,000 s/f of combined office and retail space. Since inception, Baldwin Realty Grp. has successfully reduced the vacancy rate on the subject property by 18%, bringing the clients vacancy rate well within an acceptable range of 8%, under the current market conditions. Another client hired Baldwin Rlty. to procure a tenant, in this case The Commonwealth of Massachusetts, to negotiate a long-term lease, and facilitate project management and oversight of a 40,000 s/f renovation. An additional

note-worthy client has emerged from out of state, and has hired Baldwin to site locate and lease negotiate 10 convenience store locations in southeastern Mass. in the next 12 months.

So, where do we go from here? At Baldwin Rlty. Grp., we are starting to find traction in the marketplace. specializing in commercial, industrial, and retail sales and leasing in southeastern Mass. for two generations; Baldwin Realty is here to advise our clients, both investors and tenants alike, in achieving their goals and requirements.

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