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2012 a strong year with predicted growth to start 2013: Several markets showing signs of renewed activity

October 25, 2012 - Spotlights

Pent-up demand, more readily accessible financing, and "relatively" stronger consumer demand has generated a stronger than predicted year-end in non-residential construction activity. While robust overall economic growth is slow in coming, a focus on adding value and design/build partnering with firms in growing markets is essential - and has led Sullivan Construction to one of our most successful years as we head in to the 4th quarter. This success is due to the collective capabilities of our construction team and the diversity of project size & type that we are seeing. No single market segment is leading the charge; however there are several markets that are showing signs of renewed activity - including healthcare, advanced technology, educational, hospitality, long-term care, retail, and manufacturing. The tenant-improvement segment also remains very active as the leasing market continues to show signs of strength throughout the region. The activity within these market segments will bode well for a strong end to the year and carry-over in to 2013.

Advanced technology and contract manufacturing industries have continued to show strength. We recently completed a laboratory renovation for Magellan Diagnostics in Chelmsford, Mass. This project was completed on an extremely time-sensitive schedule and included the complete renovation of a 5,500 s/f biotech/lab area and the upgrades to 16,500 s/f of adjoining office space. Our team completed this project in less than 8 weeks allowing for the company to occupy the space as needed for their operations.

The healthcare, assisted living, and nursing home markets have seen a revival of sorts recently. Currently underway is a 56 room Alzheimer's care ground-up facility in Rye, N.H. that SCI is building for Sanctuary at Rye. Included in this new 37,000 s/f building will be a commercial kitchen, nurse's stations, and administrative offices and an extensive site work package. Other projects include the renovation of the emergency room wing at Holy Family Hospital in Methuen, Mass. and the phased renovation of the Mt. Carmel Rehabilitation & Nurses Center in Manchester, N.H. for Catholic Charities of N.H. In the hospitality segment we are currently completing a 196 room, 95,000 s/f complete renovation of a former Holiday Inn to a Crown Plaza Hotel in Woburn, Mass.

We have recently finished a 14,000 s/f office space renovation for Harvard Pilgrim Healthcare at 650 Elm St. in Manchester, N.H. This LEED certified project was completed with a very aggressive schedule and included a complete renovation of the building's 7th floor. Sullivan Construction prides itself on our culture of sustainable construction and we are seeing many of our clients & customers seeking an analysis and potential implementation of various levels of green construction. We recently renovated our corporate headquarters into New Hampshire's first LEED Platinum office building and we now have several years of real world data regarding costs/payback of potentially

valuable sustainable construction alternatives for our client's consideration. This capability and focus has been a major factor in our company's success.

The educational market shows constant activity for us at SCI, primarily in the renovation and upgrade/preservation of existing facilities. We are currently renovating the LaCava Center Admissions building for Bentley University in Waltham, Mass. on an aggressive schedule and within an occupied facility. Private schools and universities are competing very aggressively for students and upgrades to facilities and on-campus resources have become a priority.

Seacoast New Hampshire is a vibrant and very active sub-market. The Pease International Tradeport continues to be a bright light within the regional economy and we are currently completing several exciting projects at the Pease International Tradeport. We are providing tenant fitup services for Sun Life and Bank W on Corporate Dr. and will be commencing a new 40,000 s/f ground-up office building at the Pease International Tradeport this fall. Having completed numerous projects at Pease International Tradeport in the past we look forward to continued success working with users and developers at the Pease International Tradeport and throughout the seacoast region.

In summary, all of us are excited at the opportunities before us and we look forward to a successful end to 2012 and strong momentum heading in to next year. Our focus on sustainable construction, working within occupied spaces, and targeting a diverse project type allows us to fully maximize our talented construction team. At Sullivan Construction we value our relationships dearly and these trusted relationships are the key to continued success as we enter our 42nd year of business.

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