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## **SIOR New England chapter hosts Landlord Breakfast November 9th**

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On November 9th The SIOR New England Chapter held their Landlord Breakfast at the Newton Marriott Hotel. The event was a turn out of top brokers, eager to hear what acquisitions-extraordinaire, Steve Murphy, partner and principal, acquisitions at Campanelli, had to say. Murphy primarily focused on the Massachusetts economy and its prospects with respect to commercial real estate demand. Murphy crunched numbers to determine how many jobs need to be created in Massachusetts to fill current vacancy. However, it was well-noted that we would need to entice more people to want to live in Massachusetts, in order to fill the jobs.

Murphy said, "With little population growth projected for the next decade, there needs to be concerted efforts to figure out the best means to fill the significant amount of vacant space available within most property types in Massachusetts."

Murphy made the crowd reflect when he asked, "Who do we, in Massachusetts, want to be?" His own answer may have been others' sentiments - that we should want to be a region of high productivity and a wealthy economy, which will attract new growth to our region. "We need to encourage industries that produce goods and services that are in high demand elsewhere - encouraging an innovation based economy plays to our regions' strengths," said Murphy.

High tech holds about 10% of Massachusetts' labor force, and biotech employs less than 3%. Despite the visibility of these industries, they do not account for many jobs. More significantly, manufacturing jobs have become significantly more productive in the past 10 years because of technology advances, far outstripping productivity gains by other industries. Flex space has become a great alternative for many high tech companies. It provides both manufacturing and distribution space, as well as, office space. Interesting to note was the productivity increases by Industry. GSP (Gross State Product) 1997-2011 has increased 267% per worker in manufacturing compared to only 36.7% per private sector worker.

"The growth in popularity of SIOR's Landlord Breakfast Series was best demonstrated today as 38 people gathered to hear Murphy's post-election view of the office and industrial market condition and what product types and geographies in Greater Boston we can expect to see movement in, based on his dissecting of the numbers," said Thomas Farrelly, president of SIOR New England chapter and executive director, of Cushman & Wakefield, Inc. "It was a great presentation and opportunity to hear the insight of a market leader identifying profitable opportunities and trends."

Murphy said, "Our focus needs to be on repurposing buildings suited for the most efficient use and customized to each company. We need to create public policy that will encourage industry clusters in our region. Biotech/biopharma has already done that - other high tech can as well."

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