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## **You think the economy is rebounding but is now the time to pursue opportunities**

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The economy seems to finally be on the road to recovery for the real estate industry. It may be spotty and slow in your area but as in any market there are bright spots and not so bright spots. All real estate is local and finding the correct niche in your local area is the key to success.

As an example, the Wall Street Journal has completed its second annual ranking of the 100 largest cities in the U.S., based on local economies, fiscal management, and quality of life measures. "To evaluate how well a city is managed over the long-term, we looked at factors like the city's credit rating, poverty, education, crime, unemployment, and regional GDP". They cite that "The population of the U.S. living in urban areas is growing faster than the national rate. At last count, more than four in five Americans lived in a metropolitan area, an increase of over 12% in the last decade." On their list, Boston was one of the 20 best run cities. Quoting from their reasons for Boston's ranking they said, "Boston is a popular city among professionals and well known for its universities and hospitals. Although the median household income of just over \$49,000 was below the national median in 2011, more than 10% of households earned in excess of \$200,000". The same source ranked Massachusetts schools as 2nd best in the country citing that "More than 69% of 18- to 24-year-olds are enrolled in higher education or have a degree – the highest of all states. It is also the only state where more than half of those ages 25 to 64 have a postsecondary degree. So Boston has a lot going for it, helping it to be a good place to develop.

In general there are good signs in the housing industry, HousingWire's Christina Mlynski reports on the latest Freddie Mac economic and housing outlook, which accentuates the positive. This shows that finally a turnaround is in place. Other factors point to good signs for the younger market. As we all know, even as the economy has begun to turn around, many recent college grads are struggling to find jobs in their chosen field. But as Forbes' Susan Adams reports, "for those who have landed such work, average starting salaries have risen 3.4% over the last year, according to a new report. These factors all point to success if you are working in or near Boston and start to look at new development opportunities".

So what does one need to know to have a successful project? How can a developer tell if the opportunity he finds is a good one? He needs a team of professionals to assist him. The team needs to include a site engineer, architect, attorney, marketing person and possibly a contractor, planner or landscape architect. Some developers have in-house abilities for team members and some assemble a team of outside consultants. Often using the same team from a past project is good but sometimes a new community or new building type warrants a replacement team member with pertinent skills and experience.

Most of our work is in the communities within 15 miles of Boston. These markets have access to good transportation, both public and automobile based, have infrastructure in place and projects

there often involve either renovation or demolition. These sites most likely have existing buildings, possibly environmental issues and very active neighbors. Each member of the team must do their part to review zoning, site conditions, neighborhood sentiment, political climate, marketability and regulatory requirements. Looking at all these is the basis for evaluating the project. From there looking at design, feasibility, density, uses and construction costs come into play. As the developer moves through the preliminary process each factor needs to be rechecked as the concept and more detailed plans are created. Only when there is a comfort in the project and an agreement by the team should a developer pursue the project. Following these steps is important for any successful project.

All these factors present challenges to redevelopment but also opportunities. If you are working at a location near Boston, the market seems to be very favorable to success. There has been an upswing in values and demand for space, be it retail, office or residential. The strongest seems to be residential, but that does not mean build anything and they will come. Success comes from listening to the team and good follow through of the details.

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