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Construction firms that provide value in early stages of projects for their clients will see growth

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At Sullivan Construction we had one of our best years in 2012 and have a strong backlog in to 2013. This success is due to the collective capabilities of our construction team within growth markets; and the ability to provide strong preconstruction services to quickly determine project feasibility, create value engineered solutions, and to utilize a "design to budget" approach.

Notwithstanding the external influences on our regional economy there is reason for optimism in the construction industry as 2013 commences. Manufacturing activity is increasing in New England and there is a noticeable uptick in the development of retail and office properties. Other markets showing a strong pulse are in education/institutional, senior care & long term assisted living, technology/life science, and healthcare industries. Fueling this growth in part are companies & institutions starting projects that have been on hold during the past several years. This pent-up demand along with more readily available financing has generated a stronger than predicted year end construction carryover 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 a 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. Sullivan's track record at working within occupied spaces played a key role in this project's success.

The healthcare and assisted-living markets have seen a revival of sorts recently. Currently underway is a 37,000 s/f 56 room Alzheimer's care ground-up facility in Rye, N.H. that SCI is building for Sanctuary at Rye. 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 completing a 196 room, 95,000 s/f complete renovation of a former Holiday Inn to a Crown Plaza Hotel in Woburn, Mass.

Companies within the manufacturing and office segments are showing signs of renewed strength in the region. We recently completed the office renovations for the GSA in Manchester and in Londonderry we are constructing a 12,000 s/f addition for Wirebelt Co. of America and a 36,000 s/f three-story Class-A office building for Falling Water LLC - which will be the first phase of a 200,000 s/f office campus. These projects involved substantial preconstruction planning and value engineering to make the developments economically feasible while visually appealing. Many firms are exploring the best values in sustainable and energy efficient construction as they plan new projects or review existing operations. We recently renovated our corporate headquarters in to

N.H.'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.

Retail development has increased in the region as consumer demand strengthens. We are seeing activity in strip retail (including pad site development), retail financial, and automotive dealership construction & renovation. Within these segments, Sullivan has completed several retail projects and has started construction of new buildings and renovations for Rowe Ford Hyundai in Westbrook, ME. Included is extensive work in occupied spaces while the dealership is in business and the creation of a new showroom, additions to the service area, and new "Quick Lane" building on site.

The educational market is strong, primarily in the renovation and upgrade/preservation of existing facilities. We are completing renovations to the LaCava Center Admissions building for Bentley University in Waltham on an aggressive schedule in an occupied facility. Private schools and universities are competing aggressively for students and upgrades to facilities and on-campus resources have become a priority.

Seacoast N.H. 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. We provided tenant fitup services for Sun Life and Bank W on Corporate Dr. and have broken ground on a new 40,000 s/f office building at the Tradeport this winter. Having completed numerous projects at Pease in the past we look forward to continued success working with users and developers at the Park and throughout the seacoast region.

In summary, I am optimistic that we will see continued growth in 2013 and construction firms that can provide value at early stages of projects for their clients will be in a position to take advantage of this growth.

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