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NAIOP Bus Tour an eye opener - Even for CRE professionals

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If there was one aspect of NAIOP Massachusetts' 11th annual Bus Tour last week that even industry professionals found surprising was just how robust the construction and redevelopment activity along Rte. 128 really is. The tour, themed The subURBAN Transformation, stretched over 25 miles from the Metrowest to the North Shore and was bookended by two bustling construction sites - Needham Crossing (the former New England Business Center) just off the Highland Ave. exit on 128 and MarketStreet Lynnfield project - with a slew of sites either under development or in various stages of repositioning sandwiched in between.

The Bus Tour rolled out on Wednesday, May 1st, and at the pre-launch, Normandy Real Estate Partners Justin Krebs had good news to report on two separate projects that his firm is developing in Needham and Newton. Needham Crossing's Center 128 project, the highly visible, mixed-use, four-building (plus hotel) campus currently under construction, was close to finalizing a deal with TripAdvisor for the 285,000 s/f build-to-suit, plus the 128 room Marriott Residence Inn at the location would be open "later this summer;" and secondly, the smart-growth, mixed-use Riverside Station (office/retail and nearly 300 apartments) project would be "fully permitted by mid-June."

The Bus Tour itself was a caravan of a half-dozen buses, each helmed by a suburban broker who gave an in-depth history of the market, plus updates on development and leasing activity. The bus "captains" commentary was a huge boon for those not familiar with the commercial real estate "inside baseball" of the Rte. 128 market (particularly for the many construction industry people in attendance) but also offered a lot of insight for those that follow Greater Boston commercial real estate more intensely.

The tour's first major development drive-through for the buses was the re-imagining of Rte. 9 in Chestnut Hill into the highly sought after live, work, play environment that is fueling development in the Seaport and keeps the Back Bay one of the country's most in-demand submarkets. Bulfinch Properties is redeveloping the former Atrium Mall into "Atrium Center" a 300,000 s/f mixed use property that will offer first-class medical office space to the overflowing Longwood Medical Center submarket; WS Development has re-branded the 406,000 s/f Chestnut Hill Shopping Center as "The Street" - adding a new Super Lux Showcase Cinema, The Sports Club/LA, Del Frisco's and a Shake Shack to their retail roster; and New England Development is hard at work bringing a Wegman's-anchored 160,000 s/f of additional retail to the Newton neighborhood, including a Capitol Grille.

Next up was a trip through Waltham, where the tour highlighted projects under construction at 1265 Main St., the former Polaroid site that will be redeveloped (by Sam Park & Company) into a 280,000 s/f mixed use development anchored by Marshalls and a Market Basket. Also among the highlights was Bay Colony Corporate Center, which has undergone a massive redevelopment and repositioning by owner Boston Properties.

The buses wound through Lexington, Bedford, Burlington (the site of Northwest Park (where Nordblom is redeveloping Third Ave., a massive mixed use project anchored by a Wegman's and lots of cool retail) and three more 'W 'towns Woburn, Wilmington, and Wakefield before settling in for lunch and a presentation at MarketStreet Lynnfield. NAIOP MA president Thomas DeSimone (also VP of development at WS Development) and Ted Tye of National Development - who are co-developing MarketStreet - gave a presentation of the project that some are predicting will be a North Shore version of the wildly successful WS project Legacy Place.

DeSimone and Tye said MarketStreet is the culmination of a shift in shopping center operating strategies, that of making the consumers want to stay at the centers longer by offering them a wide variety of restaurants, entertainment and public space. "People today shop for entertainment, and we're trying to capitalize on that," said DeSimone. "We have tremendous expectations and we're leasing to it."

Although the suburbs have been slower to rebound from the recession, it was obvious to the over 250 attendees on the tour that the suburban properties are indeed on the rebound.

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