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## **Cape Cod commercial real estate market enjoys steady improvement and positive momentum**

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Commercial property owners and buyers have finally accepted the marketplace as it is and owners have become more realistic in their pricing and buyers have begun to see opportunities that the time is right to begin investing.

Industrial properties, lodging, investment properties, retail opportunities, land sales have all shown dramatic improvement in the past six months. The office market continues to be soft with little absorption of existing properties taking place.

Lenders continue to require significant down payments, however, the continuing aggressive low rates are helping to propel investors to purchase. Some owner financing also is being offered to move properties.

With 3 offices, Orleans, Mashpee and Plymouth, serving Barnstable, Plymouth and Bristol counties we definitely see the Cape and Plymouth counties recovering more quickly than Bristol county, however, the trends in all offices and markets are positive.

New development is somewhat slower on Cape Cod, as the permitting windows tend to be longer than off Cape, but Bourne has recently approved a growth incentive zone and there is significant activity being undertaken in redevelopment and new projects. A 140 bed assisted living project is currently being permitted and proposals are being discussed for housing, hospitality and retail.

The new Falmouth Ice Arena, the Hyannis Youth & Community Center and Gallo Ice Arena are active year round and tournaments, exhibitions and public skating continue to grow and increase demand for hospitality projects in both lodging and food.

The "Golden Triangle" project in Sandwich, known as South Sandwich Village is moving through the permitting process and the Town of Sandwich and the proposed developer have reached tentative agreement on project that would add a mix of retail, office and residential space, 200 new businesses, 1,000 jobs and generate \$1.5 million in tax revenues.

Mid-Cape has seen several major projects proposed and they are working their way through the neighborhood, town and Cape Cod Commission.

Lowe's has proposed a 128,000 s/f store in Dennis just off exit 9, Mid-Cape Highway and environmental impact studies, public concerns and traffic studies are being evaluated by the appropriate governmental authorities.

Yarmouth has been working with the Cape Cod Commission to address potential revitalization of the Rte. 28 corridor and an overlay district has been drafted. A proposal by Bass River Realty Trust, working in compliance with the proposed overlay district is being designed and potentially will include a hotel/convention center, family entertainment and housing.

Overall potential property buyers have come out of hibernation and are beginning to leave their hesitations behind. Property transactions are up well over 20% year over year. Banks on the Cape

are reporting gains in both loans and capital averaging 7%+ in the first half of 2013.

Although tourism accounts for 43% of the business on Cape Cod and retirement care contributes another 15%, there is a surprising thriving entrepreneurial community, supported by a thriving entrepreneurial ecosystem of accountants, lawyers, technologists and marketing specialist willing to help start-up companies with reasonable rates for their services.

The Chamber of Commerce supports this with its EPR (Entrepreneurial Resource System) that assists startup pro bono by teaming high potential start-ups with proven ERS partners.

Start up money is also needed and many of the Cape Cod based financial institutions have partnered with the Cape & Island Community Development, Inc. to help these businesses secure loans to support their growth.

All of this leads to increasing needs for commercial real estate, new development and housing, leading to optimistic views of our industry in this wonderful place to live, enjoy the natural environment and conduct our business.

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