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We will maintain this positive market momentum through the fall and into 2015

October 30, 2014 - Spotlights

Fall in New England - majestic, beautiful in all its glory of colorful foliage, warm days, crisp nights, cranes in the air, and build-to-suit projects in the suburbs of Boston and in the foothills of New Hampshire.

2014 has seen the return to healthy occupancy rates across the commercial market sectors. There are build-to-suit, ground-up projects in construction for the office, R&D, and laboratory markets. Ground-up manufacturing and full building renovations are underway with more in the permitting and planning stages. The high-bay distribution market has come back strong with over 1.5 million s/f under construction with 500,000 s/f to break ground in the third and fourth quarters. There are ongoing conversations with a couple of local developers for speculative, multi-tenant, high-bay, distribution facilities primarily along the Rte. 495 belt.

At press time, the following projects were under construction: Prologis and a third-party logistics firm are under construction with a 614,000 s/f distribution center in Londonderry, N.H. On an abutting site, also in Londonderry, Scannell Properties is building a 340,000 s/f sorting center for FedEx Ground. In Stratham, N.H., Lindt & SprÃ¼ngli (USA), Inc. is underway with 148,000 s/f of chocolate production and finished product space.

In Massachusetts, Mama Rosie's is adding 12,000 s/f of high-bay cold storage in Woburn. Crown Uniform & Linen Service has just occupied a 94,000 s/f state-of-the-art laundry and high bay warehouse in Brockton, Mass. Oilzum just expanded its new warehouse space of 20,000 s/f in Worcester. Affordable Interior Systems (AIS) just completed a 341,000 s/f warehouse and manufacturing expansion in Leominster; ASAHI-AMERICA is renovating 129,000 s/f in Lawrence; and AccuRounds just occupied a 20,000 s/f addition in Avon. Sullivan Tire recently completed a 200,000 s/f warehouse in Myles Standish Industrial Park in Taunton and Premier Fence is about to break ground on a five-acre site in Canton including a 20,000 s/f showroom, office, and shop area building. C&M Corp. in Killingly, Conn. is about to occupy 130,000 s/f.

In the office market, TJX Companies will occupy a new 100,000 s/f corporate support center at their Framingham headquarters site in December. Green Mountain (Keurig) just completed their new Burlington headquarters with Gutierrez Company and Normandy Real Estate Partners is completing TripAdvisor in Needham. Boston Properties just signed a lease and commenced construction on Wolverine Worldwide's new headquarters for its Sperry Top-Sider, Saucony, Keds, and Stride Rite brands at 10 CityPoint. Again, in Waltham, Hobbs Brook Management, LLC recently topped off the structural steel for Vista Print's 315,000 s/f LEED Silver certified new building.

According to the September 5, 2014 Boston Business Journal, "3,600 construction jobs were generated in Massachusetts for the 12 month period ended July 31, a 3% increase." AGC in September reported "construction employers added 16,000 jobs nationally and reports that

unemployment levels in the construction industry dropped to 7%."

Here at Dacon, we have hired three CAD professionals, two architectural captains, one project manager, and three assistant project managers. There are capacity issues within the industry for subcontractors and general contractors who are at or near their ability to take on more work - an amazing turnaround and an unexpected problem.

The leaves are falling, the ski season and holidays will be upon us soon. We will maintain this market momentum through the fall and into 2015. Backlogs are there into next spring and new projects continue to surface, so I anticipate a very similar market the rest of 2014 into the first half of 2015. Can spring be far away?

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