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## **Remember this is the time of year to fall ahead, not go backward...**

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What do you think of as fall approaches? Do you look at it as a time to hunker down and get things in order before the winter? Or like when you were in school and September was a new beginning? Both are reasonable ways to think of fall. Both lead one to different methods this time of year.

As a new beginning type of person the fall is an opportunity to refocus your energies and look for new opportunities. If you are a hunker down type person you get serious about wrapping up the projects you have, find a way complete project and get everything in order.

So what is the industry outlook for the fall? Will things continue to improve? Will we hit a point where things get too expensive and the real estate industry stalls? Or will opportunities for new projects become so rare that you must overpay to have any project at all? We all want to know what to expect and lots of people are making money by telling us what to expect. Housing starts went up 6.3% in September when compared to August led by an 18.5% rise in multifamily permits. On the employment front, claims fell to lowest level since May 2000, but flat wages and weak capital expenditures by firms dampen the employment numbers

You can see evidence of new construction all over Boston. Driving into the city from the south the other day I was struck by the number of cranes on the skyline. Most of these are for housing developments in new buildings downtown and in the seaport/innovation district.

Auto sales continue to climb as well and we are seeing requests from our client's expansions and upgrades to their dealerships. Banking is healthy again and competition between banks is spurring new branches in key areas as well. Retail and office markets seem to be stable with some clear winners and losers based on location and tenant mix. Properties in downtown Boston and close by towns are doing well but outer suburbs are spotty. If you factor in the upcoming election which may change the balance (or lack of balance) in Washington, a new governor here and unrest in much of the world, indications are that we will see an uptick in interest rates after the election. We may be in for a rough time in 2015.

So for this fall it is probably more of what we have seen in 2014 with markets generally good and some segments very good. This may be a good fall to wrap up projects, get your business in order but be ready for opportunities if presented to you.

We have had many clients asking us to review zoning, provide opinions and discuss options for sites they are considering. We definitely know there are projects waiting to happen. Some clients are taking the approach of doing small quick projects which can give them a positive return in the short term playing off of other projects in the same area. These are ones which with careful planning, tight controls on costs and creative design and marketing are not big risks in a uncertain environment. Other clients are looking at future potential, building value by transforming a larger area, being the leader for change in a certain area. They know that they can create value and need to look at their

investment from long term perspective. These projects are not as dependent on the whims of the market now and will provide development opportunities in the years ahead. The approach you take has to do with your risk tolerance and certainly your financial capabilities. Both work well for the future in generating success.

As we look ahead this fall towards the end of 2014, most have to admit it was a good year for the real estate industry and all indications that with the demographics, continued steady growth, continued business improvement, Boston should be a good place for successful real estate development for now and the immediate future.

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