



nerej

Overall the market continues to be upbeat and positive, our industry should see continued growth - David O'Sullivan

March 31, 2017 - Front Section

David O'Sullivan, O'Sullivan Architects

Springtime, a season which starts cold and then we spring forward with daylight savings time. As we enter a new season, we naturally look forward, anticipate what is to come, and look at our accomplishments during the first quarter.

What were your expectations three months ago as you started the New Year and you set your goals, budgets and plans for 2017? Have you been able to keep on track with what you set as the path for yourself professionally? What were your successes? Where did you fall short? Where did you exceed the goals? This is a good time to take stock of where you are as you begin the second quarter.

The year is one quarter over and still no one is quite sure what we are going to see this year. We have a new President who continues to shake things up, a Republican controlled Senate and House that are trying to pass their agenda and confirm the new president's appointees. The economy continues to chug along at somewhat the same pace.

The forecast for ongoing growth seems to be holding so far for the next year. Architects are all busy working on new projects for homeowners and developers. There seems to be a general consensus that we will see continued growth and builder confidence is high. Many feel positive that decreased regulation, tax reform and economic growth will continue and make for a strong 2017. The architects who work for some of the national developers are being hired to create new designs for homes, apartments and communities which bodes well for us all. These national developers are investing money in new designs, getting approvals for a variety of new developments and working to update their offerings to appeal to both millennials and boomers who seem to be creating a strong market for housing.

Locally in Boston and the surrounding towns we are seeing development pressures as the center of the city values continue to climb, pricing out many in the housing market. The demand for better affordability has resulted in the urban areas ringing Boston experiencing many new projects proposed and approved. The neighborhoods of Boston such as Dorchester, Allston/Brighton/ East Boston, Hyde Park and even Mattapan are now experiencing growth with new housing and mixed use developments, sometimes even with an office component being proposed and built. Cities such as Quincy, Chelsea, Medford and Malden have become hot markets. As these new developments come on line and add to the housing options for people another trend has surfaced. The rents for projects are showing a leveling off or even a slight decline. The plan in Boston has always been to increase supply and reduce pressure on rents and it seems to be working. There is much talk among developers that maybe it is time to slow the pace of new apartment complexes and look to other development options.

Another trend we see is downtown suburbs coming on as strong development areas. The market demand is for expanded restaurants and services along with housing within walking distance to public transportation. These appeal to older empty nesters who don't want to leave the town where they have roots but wish to experience some of the benefits of urban living. These developments seem to be both rental and condominium projects.

Overall things seem to continue to be upbeat and positive for 2017 with favorable demographics, continued household formations, expanded markets and maturing of the millennials, our industry should see continued growth for the year.

David O'Sullivan, AIA, is the president of O'Sullivan Architects, Inc., Reading, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540