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Spring brings new growth, and in Providence shovels for new construction are breaking ground - by Tom Sweeney

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Spring brings new growth, the ground begins to thaw and in Providence shovels for new construction are breaking ground. Year after year we've said that things are getting better but without cranes in the sky, there is always a bit of doubt. Well those cranes are in, or are about to be in, the sky and new projects continue to be announced. Incentives drive the development of the 195 District and the ever changing comminuting work force dictates construction.

In the 195 District, Johnson & Johnson is establishing a health technology center said to bring in 75+ software application jobs making them eligible for the qualified jobs tax credit. The company is currently using temporary space at 1 Ship St. and plans on staying in the vicinity. When asked Johnston & Johnston said they chose Rhode Island for its "world-class universities" and they plan to capitalize on recruitment during this springs graduation cycle. Wexford Science and Technology (now Ventas, Inc.) is building a new innovation campus with Brown University and the Cambridge Innovation Center as the proposed lead tenants, directly across from South St. Landing, the soon to be open Brown University/URI-RIC Nursing School complex. Construction due to begin this spring the \$158 million project will yield 287,000 s/f of building area.

On the other side of the Financial District the property at 75 Fountain St. (formerly the Providence Journal building) brings Virgin Pulse and General Electric to downtown Providence. Virgin Pulse, after acquiring the local company Shape Up, is quadrupling its work force here in Rhode Island. The company is moving into 90,000 s/f downtown and said to add 292 jobs in the city, qualifying them for both the Rebuild Rhode Island tax credit and the Qualified Jobs Incentive credits. After spending 42 years in Connecticut, General Electric is moving out of the state and relocating in both Massachusetts and Rhode Island. As part of their search for a new headquarters, GE was impressed with the programs and initiatives that governor Raimondo and her team at Commerce RI presented. While they selected Boston as their new headquarters, they are bringing their "digital hub" to the building and with it a projected 100 plus skilled labor jobs.

New hotels are leading construction in downtown this spring. Construction has already begun on the \$24.5 million, 120-suite, Homewood Suite by Hilton extended stay hotel. First Bristol Corp. is building this hotel on the vacant triangle parcel in the Capital Center District, between Memorial Blvd. and Kennedy Plaza. This project is said to bring in 61 jobs to the city. Another project already underway is on the former Fogarty Building site between Sabin & Fountain St. The Procaccianti Group is in the process of demolishing the property to make room for a \$40 million, 154 room Marriott Residence Inn.

The Quonset Business Park in North Kingstown is positioning themselves for new construction projects. They offer pre-permitted parcels for lease ranging from 1.3-53 acres and run a "site

readiness” program that offers permits in place and a streamlined development process to so lessees can start construction in as little as 90 days.

The residential offerings in downtown are about to expand as well. The Irons & Russell building located at 95 Chestnut St. is being converted to residential units. Alongside the Irons & Russell building a new \$27 million build of Chestnut Commons is due to break ground in April. The 116,000 s/f building is being developed with 89 housing units, 6,000 s/f of retail space, green space and a skywalk to connect the two properties. There is also an additional 30 unit apartment building happening on Hospital St.

In regards to the industrial sector, a new user is now in the market space. Medical marijuana cultivators are becoming very active but have many regulations that must be met. While some towns are more welcoming than others the regulations disqualify a number of sites and with the flurry of new ventures qualifying industrial space for grow centers is in high demand – and is only expected to grow for the foreseeable future. There is an opportunity for new construction for both these sites and our ever existing shortage of high bay warehouse space.

Overall, activity is up in all sectors, with some challenges that still need to be addressed. The economic health of the state appears to be on track and the real estate market should benefit from it with the hopes that true appreciation and the impetus for construction across all sectors will follow.

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