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**Spring ahead - a traditional time for new beginnings - by
David O'Sullivan**

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David O'Sullivan

We have just put our clocks ahead an hour as we spring forward. What other changes can we expect in the coming weeks? As the pandemic wanes, many companies are looking at having workers who have been remote, for some for as long as two years, to return to the office. Most remote workers are not in general in favor of returning to the office, especially full-time. Surveys have said most find little need to be in their office and fewer want to return to their commute and lose the hour or two of commuting time they have found better uses for. Then there are inflation issues with rising prices for things we consume every day. You cannot escape the news or talk of high fuel costs.

So combine this with a war in Europe and it is hard to know what to expect in the coming weeks. However, we continue with our lives and listen to the news for any hint at where things may be headed. The rents are increasing and sales prices continuing to break records. The office market is still an unknown as companies adapt and experiment with both return to the office, hybrid and work from home.

The pandemic made many leave the city to find more space and private outdoor space as well as saving some money. In the rental market, this resulted in city rents dropping and suburban rents rising sharply. The present situation has seen rents in urban areas increasing above the levels of two years ago and vacancies almost nonexistent. The suburbs have a similar situation with rents continuing to rise and vacancies at less than 10%. New inventory is still coming online but is having trouble keeping up with demand. The pandemic brought a slowdown in the pipeline and construction delays further slow down new units arriving on the market. Developers are not starting new projects for a variety of reasons. Available sites are scarce and price of sites have gone up. Couple this with increase in construction costs, new expensive code-mandated systems and more difficult approval processes it seems the future inventory will remain tight.

The for sale market continues to see a lack of inventory in the suburbs and a limited supply in urban areas. It is still very much a seller's market. The lack of available land in the suburbs has limited new construction and teardowns are popular with developers in almost all towns around Boston. The infill multifamily continues to be popular in suburbs as towns recognize the advantages of up zoning the downtowns and adding housing to attract people to patronize the businesses there. These types of developments attract younger people who can't afford the prices in the inner city as well as long time town residents looking for the freedom of not maintaining a yard but staying in their community. Urban for sale housing, while having prices drop or remain stagnant during the pandemic, see price increases and the same lack of inventory seen elsewhere.

Therefore, the segment, which has seen the most uncertainty in the last couple of years, is commercial property. The retail suburban market was suffering prior to the pandemic but continues to reinvent itself with transformation of suburban retail sites becoming new mixed live, work and play developments. These continue to be popular and allow residents to not have to drive to find stores and restaurants because they are adjacent to where they live. They recreate the urban experience, albeit on a smaller scale, and in a more familiar environment for suburban residents. Office parks

have seen a similar transition and continue to evolve. The office market is still uncertain and will remain unknown for the immediate future. It will take some time to see if companies will need the same amount of space for employees or whether remote work will become permanent and the need for office space will drop.

The spring has traditionally been a time of rebirth and new beginnings and yet in the residential market I feel it will continue to be more of the same. The commercial segment is where the uncertainty remains and the possibilities for development remains in flux.

Consumer confidence fell to an 11 year low in March.

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