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## **Market has opened up opportunities for savvy investors to pursue previously unavailable product**

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I was recently speaking to a real estate investor with money to spend who was bemoaning the lack of opportunities in the Rhode Island and southeastern New England market in spite of these tough times. Word on the street is that with the state of the economy today, the cracks have been showing even in the haughty northeast, where traditionally we have weathered the economic downturns better than the rest of the country. Conventional wisdom was that with the barriers to entry, the incomes in the market and the population density, the New England market was almost recession proof. Landlords could count on low vacancy and continued interest, maybe to a lesser extent, but always there even in the toughest bear market. These tenants also were cognizant that if they left the space they occupied they would have a hard time getting back into this traditionally under served market when the good times returned, not to mention all the costs involved with going in and out.

Well, this downturn has been particularly hard and it has opened up opportunities for savvy investors with money to pursue opportunities that never before were available to the market. Gold plated retail that has been the envy of many is now potentially available in markets around New England. Not true in our market.

R.I. and southeastern Mass. have always been very conservative real estate markets. This is true across all categories; retail, office and industrial. Our market has never warranted speculative development and as an example, the last office tower built in the market before GTECH's opened early this year was constructed in 1988.

Retail in this market is dominated by second and third generation retail strip space with a healthy dose of stand-alone and build-to-suit retail developments throughout the market. There are now more large scale open air destination developments in strong shopping districts as well as the regional markets after six years of strong development. Although our market has gotten much more sophisticated in the last five to eight years on the retail development front, and the tenants and landlords now in this southeastern New England market offer more panache and more geographic diversity, at the end of the day we are still a meat and potatoes market; with the aging strip center square footage to attest to that.

So as the economy hits the floor and the bad news continues to pour in, we here in this market can take solace in the low vacancy rates we still have here, less than 10%, and the lack of new strip center retail development which is really hurting landlords in larger markets. Here our rents won't fluctuate, and although no retailers are going to enter the New England market through R.I. first, we know that our properties are stabilized, the rent will come in and the sun will shine again.

So, to the investors who ask why this market is offering up very few opportunities in these trying times, I say look harder because a conservative market is a most valuable market when the world is

upside down.

William Greene is a partner with Hayes & Sherry R.E., Providence.

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