

# Q1

## 2018 REAL ESTATE REPORT

"Rapiditty is the essence of war; take advantage of the enemy's unreadiness, make your way by unexpected routes, and attack unguarded spots."

-Sun Tsu

"A part of all you earn is yours to keep, and if you cannot save money, the seeds of greatness are not in you."

-W. Clement Stone

Scientist, inventor, co-founder of the Polaroid Corporation: "An essential aspect of creativity is not being afraid to fail."

-Edwin H. Land

"Be strong and very courageous. Be careful to obey all the law my servant Moses gave you; do not turn from it to the right or to the left, that you may be successful wherever you go."

-Joshua 1:7

### Did You Know?

Prologis is the largest owner of industrial real estate in the world. The company is publically traded on the New York Stock Exchange, and is a member of the S&P 500.

- Prologis provides real estate solutions in 19 countries.
- The value of goods flowing through Prologis buildings annually is equivalent to 1.7 % of global GDP, at \$1.3 trillion.
- Prologis has \$79B in assets under management.
- With 800,000 jobs, Prologis employs more people than Bank of America, Boeing, General Electric, General Motors and Verizon combined.
- Prologis provided 84 months of rent-free space to 19 non-profits in 2017, and donated \$2M to local charities.

(Source: Prologis website)

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The Stubblebine Company is a Commercial Real Estate Firm seeking win/win real estate brokerage opportunities in the New England region.

## The Stubblebine Company First Quarter Transactions

**17 Progress St Billerica**  
120,000 s.f. Sold for \$8M



**Seller: East Coast Office**  
**Buyer: 17 Progress Road LLC**

**180 Shrewsbury Street West Boylston, MA**  
149,000 s.f. Sold for \$7M



**Seller: WRT Management**  
**Buyer: 180 Shrewsbury Street LLC**

**100 Simplex Drive Westminister, MA**  
203,865 s.f. Leased



**Landlord: NIP**  
**Tenant: GN Dunnage**

**1043 Turnpike Stoughton**  
29,000 s.f. Sold for 2.1M



**Seller: 1043 Turnpike LLC**  
**Buyer: Stone Showcase**

## The Stubblebine Company Adds a New Broker

Mr. Chris Michniewicz has recently joined The Stubblebine Company's Suburban Boston industrial brokerage team.

Chris spent 7 years with Summit Real Estate Strategies, specialized in managing, office, industrial, self-storage and flex properties. His experience in property management investment analysis is an integral part of his success with the company.

Chris is an analytical salesperson, with a practical approach to real estate sales and is sure to be a top performer for the company.



## Quarterly Economic Snapshot

The unemployment rate stayed steady at 4.1% through the beginning of the year.

After a price surge in January, February came with a modest surge in prices of 0.2%. The Federal Reserve is predicted to raise interest rates a quarter of a percentage more in June, and again in December.

Kiplinger predicts that inflation will be at 2.6% compared to 2.1% in 2017, bringing with it more expensive gas prices, as well as other goods and services.

(Source: Bureau of Labor Statistics; Kiplinger Report)

## To Hold or Not to Hold: Strategizing for a Maximum Return on Investments by David Skinner, Associate

To hold or not to hold, that is the question: whether 'tis nobler in the mind to receive the maximum possible return, or to wait it out or to sell it now for the cash in hand.

We are bombarded with reports of record-high sale prices in both the residential and commercial markets, but the question remains, "Will the prices rise to an even more spectacular level than what we see today?" This question can pose quite the quandary for a property owner who wants to maximize the return on investment without fumbling an offer and missing an opportunity.

The way any owner should consider the when-to-sell question depends on the market in which the property is situated. If the property is in a thriving urban center like Boston or New York City, the sales comps for that area will likely have increased disproportionately to more rural or economically depressed areas over a given period of time. These types of urban centers are rarely affected by market trends to the same extent as their rural counterparts. Owners in these urban markets largely rest assured that their property will likely never experience an extreme depression or permanent reduction in value - the values will almost always be on the rise. While waiting for the pricing to go up is always a viable option, riding a growth wave and selling as values are on the rise is a surefire way to reap the benefits of a hot market.

Rural markets experience more pricing volatility than their more resilient urban counterparts. Pricing in these areas is more affected by interest rates and broader economic trends, so in times of economic expansion, rural properties can achieve pricing that rivals that of the urban centers. However, although rural areas feel the ebb and flow of market fluctuations, the highs are disproportionately higher and the lows lower than the big city. For an owner selling in a rural market, identifying a trend and selling on the upswing of the trend is the best way to maximize value. In many rural areas, lease and sale rates stay relatively flat over a period of 15 years, whereas economically accelerating areas will see sustained growth over that same period. The "buy-and-hold" approach rarely bears much fruit in the rural market. If an owner finds an opportunity to sell for any factor higher than the historical comparable would indicate, he or she would be wise to do so.

In conclusion, the question "to hold or not to hold" can largely be answered by location. Not all locations are equal, and properties in different locations in the same market will not appreciate at the same rate. Urban properties will appreciate more quickly and more consistently than in rural areas which may or may not appreciate at all. Owners in a thriving urban economy have the luxury to decide whether or not they want to keep the asset for the rental income or make a profit on the sale. It behooves owners looking to sell in a rural area to recognize where they are in the recent trend and not hesitate to put the property on the market if they are on the upswing.



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### Stubblebine Team

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For a complimentary market analysis of your property or to discuss your company's real estate requirements, please contact one of our real estate consultants:

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### Featured Listings for Sale / Lease

The Stubblebine Company currently has over 65 Exclusive listings for sale or lease. For a complimentary market analysis of your property or to discuss your company's real estate requirements, please contact one of our real estate consultants.

#### FOR LEASE: 150 Blackstone River Rd Worcester, MA

Total Size:	616,476 s.f.
Available Space:	66,337 s.f.
Land:	32 acres
Building Type:	Distribution
Ceiling Height:	36' clear
Other:	Active CSX Rail



#### FOR SUBLEASE: 176 Washington Street Norton, MA

Total Size:	209,643 s.f.
Available space:	80,000-209,643 s.f.
Land:	35.8 acres
Building type:	Industrial
Ceiling Height:	26'-28' clear
Other:	2,500 sf frontage along I-495



Information contained herein was obtained from third parties, and it has not been independently verified by The Stubblebine Company. Buyer/tenants should have their choice to inspect the property and verify all information. Real estate brokers are not qualified to act as or select experts with respect to legal, tax, environment, building construction, soil-drainage or other such matters.