FALL 2019

Q3

A **Stubblebine Company** Offering

OUR VISION YOUR FUTURE

Boston Commercial Real Estate Report

> **REAL ESTATE** cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.
>
> FRANKLIN D. ROOSEVELT

DID YOU KNOW? OPPORTUNITY ZONES:

The Opportunity Zones incentive is a new community investment tool established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. Opportunity Zones provide a tax incentive for investors to re-invest their unrealized capital gains into dedicated Opportunity Funds.
All of the underlying incentives relate to the tax treatment of capital gains, and all are tied to the longevity of an investor's stake in a qualified Opportunity Fund, providing the most upside to those who hold their investment for 10 years or more.

"Too many communities in our great nation feel passed over by economic growth and forgotten by our political leaders. We need a new formula for the public and private sectors to work together to generate new investments, new businesses, and new good paying jobs in places that have fallen behind. The Investing in Opportunity Act will harness much-needed private capital to flow to more American communities and empower state and local leaders to build a more prosperous future..."
The Honorable Andrew Young, former U.S. Congressman

Source: eig.org

BOSTON INDUSTRIAL MARKET CONTINUES ITS TORRID PACE.

David Stubblebine, President and Principal

Notwithstanding negative economic headlines and mounting fears about a recession nationally, the Boston Industrial Market remains extremely strong. With Boston's growing affluent population, the need to deliver products directly to the consumer has led to surging demand for last mile logistics space. Amazon's distribution / warehouse presence in the major population centers of the Northeast highlights the almost insatiable demand of large retailers for high quality last mile space. Amazon has grown its industrial presence in Boston to more than 1.7 M SF and is rumored to be seeking to significantly increase it in the near future. The industrial property sector has emerged as the favored asset class among institutional and private investors in recent years. 2018 was a record year for deal volume in the greater Boston area. Additional factors that have helped spur demand include the "higher and better use syndrome" inside of Route 128 which has essentially forced companies to move further west. . A trend which has positively impacted all asset classes from an investment supply standpoint is the desire of many baby boomers to divest themselves of their real estate portfolios which were oftentimes inherited from parents or grandparents. Investments in Opportunity Zones throughout the Commonwealth should serve to galvanize economic growth in blighted areas which will undoubtedly strengthen all sectors of commercial real estate.

The Boston Industrial Market has 342 million square feet of industrial and flex product with a vacancy rate equal to 5.1%. We have witnessed a 6.6% rent growth over the last 12 months. CAP rates continue to compress, but the industrial market sector still offers investors better returns that Boston's three other property types. Supply has also played a central role in current market conditions: more than 20 million SF of Industrial space has been razed or converted since 2010. The decrease in supply combined with robust demand has caused rent growth to keep accelerating. As we look forward to 2020, we see only blue skies in the Industrial sector.

THE STUBBLEBINE COMPANY 3RD QUARTER TRANSACTIONS

100 Shepard Street, Lawrence
105,790 s.f. | Sold for $5.15M

Seller: Sekisui Voltek, LLC
Buyer: Packaging Partners, LLC

14 Dunham Road, Billerica
40,347 s.f. | Sold for $3.25M

Seller: Gilfoy Distributing Company
Buyer: AMA Realty Trust II

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

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Think of yourself
as on the threshold
of unparalleled success.
A whole, clear, glorious
life lies before you.
Achieve! Achieve!

ANDREW CARNEGIE

CONTINUED: TSC 3RD QUARTER TRANSACTIONS

730 Center St., Auburn, ME
259,409 s.f. | Sold for $16.8M

Seller: Auburn Plaza Realty, LLC
Buyer: Equiity Venture Partners, LLC

537 Great Road, Littleton
20,692 s.f. | Sold for $1.7M

Seller: FFD, LLC
Buyer: Granite State Hydraulics

INDUSTRY NEWS

Top U.S. regions such as “the Boston-to-D.C. corridor, Los Angeles and San Francisco attract capital because they are considered safe, stable and, to the extent that real estate can be, liquid,” Fransen, president and managing partner of Coro Realty Advisors said in an interview analyzing the findings. “Whether in Rome, Italy, or Rome, Georgia everyone knows New York and LA, and believes they will continue to grow.” The findings show investors worldwide have confidence in U.S. markets, especially in its major cities, because of the country’s relatively strong economy with unemployment at 50-year lows and a business environment that’s less affected by geopolitical strife, real estate investors and analysts have recently attested.

FEATURED LISTINGS

FOR LEASE

100 Adams Street, Clinton

Total Size:	345,744 s.f.
Available Space:	112,761 s.f.
Land:	20.62 acres
Building Type:	Industrial
Clear Height:	32’
Status:	For Lease

FOR LEASE

53 Ayer Rd., Littleton

Total Size:	385,000 s.f.
Available space:	91,500 s.f.
Land:	62 acres
Building type:	Industrial
Clear Height:	36’
Status:	For 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:

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