

OUR VISION YOUR FUTURE

Boston Commercial Real Estate Report

“
Isn't it comforting to know you only need to take a series of tiny steps, consistently, overtime, to radically improve your life?
”
Darren Hardy, author of the "Compound Effect"



AMIDST THE CRISIS, SOME MARKET FUNDAMENTALS BOLSTER INDUSTRIAL MARKET

Micah Stubblebine, Principal

The spread of the Covid-19 virus is an unprecedented event in our time and has exacted a heavy toll on us physically, financially and emotionally. While bad news is rampant around us, we see a number of factors that have the potential to bolster the industrial real estate market:



Government Aid:

- ◇ As of this writing, the U.S. government bailout totals over \$6 trillion, comprised of:
 - \$3.3 T in lending support
 - \$2.3 T for the CARES Act
 - \$484 M in supplemental funding to CARES Act
- ◇ Paycheck Protection Program (PPP): Assistance for small businesses, administered through the SBA.



Electricity costs: Electricity usage in commercial buildings in the northeast has seen a 26% decrease. Building owners and tenants in triple net leases should see falling electricity costs.



Oil: Prices are at historic lows and recently dipped below zero for the first time in history



Interest Rates: Rates have continued to fall during the crisis to near historic lows.



E-commerce, trucking, food and cold storage, self-storage: As more consumers opt to have goods delivered to their home, industries related to e-commerce and trucking will see gains. Growth in e-commerce will result in increased demand for last mile warehouse space. Growth in Food and Cold Storage will be driven by increased demand for home delivery. Furthermore, as consumers work and spend more time at home the demand for self-storage could rise.



Onshoring/ Reshoring: With disruptions to global supply chains across the globe., the U.S. could see the return of manufacturing and jobs to our shores. This would be a mixed blessing, as this could result in a rise in labor and production costs which could in turn translate to higher consumer prices.



Physical Proximity: The need for social distancing is encouraging more physical proximity between users of real estate. Industrial real estate tends to be populated less densely than other types of real estate like retail, office, medical and lodging uses. This factor could help insulate the industrial sector from the negative financial effects of Covid-19

CONCLUSION:

Unlike the '08-'09 mortgage crisis, the current crisis is the result of a natural disaster and is not rooted in an underlying systematic failure. While the overall economy will continue to experience fallout from the ongoing crisis, we foresee that the industrial real estate sector will remain resilient and continue to show relative strength compared to other asset types.

THE STUBBLEBINE COMPANY 1ST QUARTER TRANSACTIONS

464,476,480 Broadway, Methuen
64,000 s.f. | Sold for \$2.85M

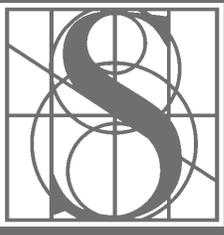


Seller: Crest Collaborative
Buyer: Five Mark

71 Topeka Street and 60 Gerard St., Boston MA
107,733 s.f. | Sold for \$10M



Seller: 60 Gerard St LLC\Boston Topeka St LLC
Buyer: Core Investments, Inc.



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THE CUSTOMER

comes ahead of every-
thing else”

Sam Walton



CONTINUED: TSC 1ST QUARTER TRANSACTIONS

46 Development, Fitchburg MA
101,017 s.f. | Sold for \$3.9M



Seller: Peter Quick
Buyer: 46 Development LLC

12 Dunham Rd., Billerica, MA
35,661 s.f. | Sold for \$2.2M



Seller: AMA Realty Trust II
Buyer: 12 Dunham LLC

INDUSTRY NEWS

Amazon, the world's largest on-line retailer, has big plans for expansion in the Boston area. Amazon's planned 3.2M s.f. "last mile" distribution center in North Andover will become the region's largest industrial building. The proposed building will be at Osgood Landing, a 168 acre site that was the former home of Lucent Technologies. They also plan to rent the former Necco Candy factory in Revere, a 829,000 s.f. industrial facility on 50 acres.

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 LEASE



180 New Boston Street, Woburn

Total Size: 66,219 s.f.

Available Space: 66,219 s.f.

Land: 3.69 acres

Building Type: Industrial

Clear Height: 20'

Status: For Lease

FOR LEASE



99 Washington Street, Foxboro

Total Size: 69,000 s.f.

Available space: 69,000 s.f.

Land: 4.69 acres

Building type: Industrial/Retail

Clear Height: 22'

Status: For Lease

"Count it all joy, my brothers, [b] when you meet trials of various kinds, for you know that the testing of your faith produces steadfastness." James 1: 2-3 (ESV)