



OUR VISION YOUR FUTURE

Boston Commercial Real Estate Report

“
Those who
will not risk
cannot win
”

John Paul Jones,
founder of the US Navy

DID YOU KNOW?

The John F. Kennedy Library and Museum is located on Columbia Point in Dorchester, MA, but that was not always the plan. In October 1963, just weeks before his death, President Kennedy and Architect John Carl Warnecke visited several locations in Boston offered by Harvard for the library and museum. The President believed that the library should be located near “scholarly resources”. While the library was initially welcomed by the community of Cambridge, in the early 1970’s the public perception had changed. Residents feared too much tourism would negatively impact neighborhoods, and not wishing to have library named after the late president resented by the community, the John F. Kennedy Library Corporation sought a new location. In June of 1977, the official groundbreaking of the library took place where it now resides in Dorchester.



State of the Boston Industrial CRE Market Micah Stubblebine, Principal

Why is the Industrial Market on Fire During a Pandemic?

Conventional wisdom would suggest that a global pandemic and recession would have consequences for any market. However, while the office, retail and hospitality sectors have been battered and bruised in 2020, the industrial real estate market has skyrocketed to new heights. A number of key factors have conspired to convert the challenges of the pandemic into unprecedented growth in the industrial arena. First and foremost, it is the acceleration of e-commerce that has poured virtual jet fuel on this market. The slow but steady evolution of consumer preference towards online shopping suddenly revved into high gear due to the pandemic. Once the domain of primarily young, wealthy shoppers, the events of 2020 have forced every age groups has to shift their shopping patterns from brick-and-mortar to online. The resulting historic rise of online sales (\$791B in 2020, a 32% increase from 2019) has had momentous effects on demand for industrial real estate. According to The Boston Business Journal, every \$1B of online sales translates to 1.25M SF of demand for warehouse. As a result of historic online sales, e-commerce companies have been leasing warehouse space at a torrid pace. Amazon is leading the pack, having leased nearly 2M in MA in 2020 alone. Other big-box retailers and online giants are following suit, having also experienced massive gains in online sales. Amazon Prime’s promise of two-day delivery has upped the ante, putting pressure on other e-commerce retailers to match their delivery speed. All this has given rise to the need for “last mile” warehouses, local distribution hubs to store products before their final leg to your door-stop.

But e-commerce is not the only driver of growth for the industrial market. Manufacturing has also seen strong gains, as global supply chain disruptions have increased demand for domestic production. The strong housing market (buoyed by continuing low interest rates) has increased demand for construction materials.

With limited industrial inventory throughout the state and a very sparse pipeline of new product under construction (only 3.2M SF as of this writing), there is simply not enough space to meet demand. The discussion has already begun to consider converting unused retail space into distribution centers.

THE STUBBLEBINE COMPANY 1ST QUARTER TRANSACTIONS

60 Industrial Blvd., Brockton, MA
59,840 s.f. | Sold for \$5.15M

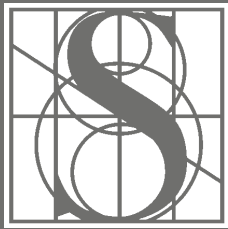


Seller: FW Webb
Buyer: WB Mason

20 Pilgrim Hill Road, Plymouth, MA
59,766 s.f. | Sold for \$5M



Seller: Plymouth Realty, LLC
Buyer: Plymouth Conifer Realty Trust



“

There are no bad teams only bad leaders... leadership is the single biggest factor in any teams performance. Whether the team succeeds or fails is entirely up to the leader.... The leaders attitude sets the tone for the entire team and drives performance or doesn't.

”

Jocko Willink, author of "Extreme Ownership"

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The net effect of these factors are remarkably strong market fundamentals. The overall vacancy rate for industrial space is under 5%, and average rental rates are up to \$12.22/ SF. Industrial property has become the most coveted asset class, drawing over \$4.1B in investment in the state in 2020 alone. The trends of the past year look to continue in a post-pandemic economy, setting the stage for a very bright future for industrial real estate in Massachusetts and beyond.

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



100 Adams Street, Clinton, MA
Total Size: 344,000 s.f.
Available Space: 146,919 s.f.
Land: 20.62 acres
Building Type: Industrial/Flex
Drive-in doors: Thirty Two (32)
Status: For Lease

FOR LEASE



180 New Boston St., Woburn, MA
Total Size: 66,219 s.f.
Available space: 66,219 s.f.
Land: 3.69 acres
Building type: Industrial
Clear Height: 22' clear
Status: For Lease

*"A cheerful heart is good medicine, but a crushed spirited dries up the bones."
Proverbs 17:22*