

OUR VISION YOUR FUTURE

Boston Commercial Real Estate Report



2024 CRE ACTIVITY POISED TO INCREASE

DEVON WAGNER

The fourth quarter of 2023 marked the end of a challenging year for commercial real estate buyers and sellers but there seems to be hope on the horizon in 2024. The effect of inflation on interest rates, the endurance of industrial real estate values, and talk of recession slowed Industrial real estate transaction volume in the Greater Boston area and was evident in Q4 of 2023.

In quarter four of 2023 interest rates were near 6.75%, this environment slowed industrial real estate sales volume and raised the average time on the market for industrial property. According to CoStar Group, although up from Q2 and Q3 of 2023, the fourth quarter's year over year Industrial real estate sales volume declined an estimated 26% percent in the greater Boston area. This is not only due to inflation and interest rates being high but in part is due to the endurance of Industrial real estate values.

Industrial real estate continues to be a strong asset class and has seen dramatic growth in value over the past 5 years, in stark contrast to the Office market. Furthermore, it doesn't seem to be softening anytime soon. With businesses that utilize e-commerce and data centers occupying this asset class, demand will persist, and values will rise. Throughout 2023, the enduring values of Industrial real estate made the high cost of debt less appealing to many buyers. However, for buyers, there is a proverbial light at the end of the tunnel as the cost of debt may decrease in 2024.

With the talk of macroeconomic winds changing, there is an anticipated uptick in activity as we march on into the Spring of '24. Since November of '23 more leading economists have changed their opinion on the probability of recession. Their economic outlook has become more positive, anticipating a soft landing rather than a recession, with the U.S. economy growing very little in 2024. The Fed has also paused its rate hikes as inflation rates slowed their climb. If inflation rates continue to trend downward, despite the Industrial market transaction volume decreasing in 2023 as evident in the Q4 '23 closing numbers, 2024 will hopefully see commercial real estate activity increase. Get ready for fresh opportunities as the market wakes up and this year continues to progress!

STUBBLEBINE COMPANY COMPLETED Q1 TRANSACTIONS:

307 Dorchester Avenue, Boston, MA
48,900 SF | Sale Price: \$43M



Seller: 307 Dorchester Ave, LLC.
Buyer: Alexandria

2201 Qume Drive, San Jose, CA
63,000 SF | Sale Price: \$24M



Seller: IPS Photonics
Buyer: ISE Labs, Inc.

“Risk is a type of fuel.”
— Elon Musk

DID YOU KNOW?

Union Street in Boston is home to both the oldest continuously operating tavern in the US (except during Prohibition from 1920-1933) and the oldest continuously operating restaurant in America. **Bell in Hand** was established in 1795 by Mr. Jimmy Wilson, Boston's town crier for fifty years. **Union Oyster House** was opened in 1826 by Mr. Hawes Atwood and was originally known as Atwood's Oyster House. America's oldest newspaper, "The Massachusetts Spy" was published in the 2nd floor of this building in 1771 by Isaiah Thomas.

“

“Don't bunt. Aim out of the park. Aim for the company of immortals.”

”

-David Ogilvy

BOSTON INDUSTRIAL MARKET SNAPSHOT

Total Industrial SF	Under Construction	12 Mo Absorption	12 Mo Rent Growth
360M	6.8M	(1.1M) SF	5.4%
Vacancy Rate	Avg Rent	Avg Sale Price	
5.5%	\$15.43	\$187/SF	

FEATURED LISTINGS

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:

- David Stubblebine**
david@stubblebinecompany.com
- James Stubblebine**
james@stubblebinecompany.com
- Micah Stubblebine**
micah@stubblebinecompany.com
- Alan Ringuette**
alan@stubblebinecompany.com
- Ellen Garthoff**
ellen@stubblebinecompany.com
- Chris Michniewicz**
chris@stubblebinecompany.com
- Aaron Smith**
asmith@stubblebinecompany.com
- Danny Cruz**
danny@stubblebinecompany.com
- Justin Hopkins**
Justin@stubblebinecompany.com
- David Berman**
dberman@stubblebinecompany.com
- Chloe Stubblebine**
chloe@stubblebinecompany.com
- Devon Wagner**
devon@stubblebinecompany.com
- Nicholas Stubblebine**
nick@stubblebinecompany.com
- Matt Drouillard**
matty@stubblebinecompany.com
- Stephen Flynn**
sflynn@stubblebinecompany.com
- Vijay Padmanabhan**
vijay@stubblebinecompany.com
- Zach Hardy**
zhardy@stubblebinecompany.com



100 & 200 Corporate Place
Peabody, MA

FOR SALE

Total Size: 94,043 SF
 Building Type: Flex / Office
 Acres: 7.72
 Occupancy: 98%
 Status: For Sale



64 Holton Street
Woburn, MA

FOR LEASE

Total Size: 52,340 SF
 Available: 52,340 SF
 Land: 3 Acres
 Type: Industrial / Flex
 Clear Height: 17' - 19'
 Status: For Lease



Westminster Logistics Center
Westminster, MA

FOR SALE OR BUILD TO SUIT

Total Size: 600,000 SF
 Type: Distribution
 Permits: All Permits in Place
 Land: 48 Acres
 Clear Height: 36' - 40'
 Status: For Sale or Build to Suit

*“You crown the year with your bounty; your wagon tracks overflow with abundance”
 (Psalm 65: 11).*