

# Q2

## 2019 REAL ESTATE REPORT

“There is no time for ease and comfort. It is time to dare and endure.”

-Winston Churchill

“Life shrinks or expands in proportion to one’s courage.”

-Anais Nin

“A wasted life I fear not death.”

-Cosimo Medici

“Give, and it will be given to you. A good measure, pressed down, shaken together and running over, will be poured into your lap. For with measure you use, it will be measured to you.”

-Luke 6:38 (NIV)

### Did You Know?

**Donald Bren is America’s Richest Real Estate Developer;**

Donald Bren has been a master planner and master builder in the California real estate business for over 50 years, from a \$10,000 bank loan to a multi-billion dollar company. He is worth almost \$17B and has amassed 500 office buildings, 40+ shopping centers and 60,000 apartments.

He first began in 1958 when he founded Bren Company building homes. In 1963, he partnered with the O’Neill Family to form the Mission Viego Company to create a community to balance work, life and play. In 1977 Bren joined a group of investors and bought the 146-year-old Irvine Company, eventually becoming the sole owner.

Donald Bren has a long tradition of philanthropy and environmental stewardship. He has also contributed significantly to public K-12 education, major universities and educational research. The legacy that Donald Bren and the Irvine Company have created will offer open space and parklands for generations to come.

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## The Stubblebine Company Second Quarter Transactions

**255 Hudson Road, Stow  
16.48 Acres Sold for \$5.75M**



**Seller: RT Real Estate, LLC  
Buyer: Vincent Campobasso**

**235 Andover St., Wilmington  
30,180 s.f. Leased**



**Landlord: Marshall Farmington LLC  
Tenant: Kintetsu World Express**

**438 Old Union Turnpike, Lancaster  
101 Acres Sold for \$4.3M**



**Seller: Lancaster Technology Park LP  
Buyer: Zero Point Development, Inc.**

**31 High Street, Billerica  
35,000 s.f. Leased**



**Landlord: HST Realty Trust LLC  
Tenant: Zoll Medical**

### ECONOMIC FORECAST

The Massachusetts economy is ranked 3rd in the nation and is growing faster than the rest of the country. The growth of Massachusetts is primarily in Boston, where high tech industries are thriving. Manufacturing, educational services, healthcare, social assistance and professional/technical services are the top industries in Massachusetts. The key to Massachusetts top ranking is job growth. The unemployment rate in Massachusetts is 3.4%, lower than the country’s 3.9%. Projected job growth over the next ten years is 39.3%, bringing Massachusetts at or near full employment. Although the economy is looking great, consumer spending is lagging and weak, which ultimately has an affect on economic growth.

### NATIONAL FORECASTS

- GDP Growth: 2.5% in ‘19 and 1.8% in ‘20, down from 2.9% in ‘18
- Interest Rates: 10-year T-notes staying in low 2% until trade war ends
- Inflation: 2.0% at end of ‘19, from 1.9% at end of ‘18
- Unemployment: Ending ‘19 at 3.6%, same as current rate
- Crude Oil: Trading from \$60 to \$65 per barrel in August
- After-tax Income: Rising 2.3% in ‘19, down from 2.8% in ‘18
- Retail Sales: Growing 4.5% in ‘19 (excluding gas and autos)

(Source: Kiplingers, bestplaces.net, masslive.com)



CORFAC INTERNATIONAL

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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THE NEXT TREND FOR INDUSTRIAL REAL ESTATE

Investors who specialize in industrial real estate in 2019 face two challenges. The first challenge is that it is nearly impossible to find "good deals" because New England companies are growing at unprecedented rates and it seems like everyone wants to buy. Second, construction costs are so high that even if a tract of land is available, the cost basis makes profitable rent difficult to achieve. These are real challenges, but the solution is in finding the next trend in industrial real estate that is not affected by 1) users reducing the available purchase opportunities or 2) high construction costs. Here is the solution: find smaller pieces of industrial-zoned land and build 10,000s.f. to 30,000s.f. industrial buildings that have either of the following characteristics: 1) units that can be sold as industrial condos, or are 2) able to be used by landscaping, contracting, or automotive users. Here is why. Industrial Condos: Small businesses can get financing in this market and many have good track records, but there is nothing to buy. However, these small businesses do not necessarily need a freestanding building. Most are plenty content to own in an industrial condo association rather than rent. Not only that, these small businesses are able to borrow significantly more money on an existing structure through a loan given through the Small Business Association (SBA) which enables a mere 10% down payment, where construction loans demand upwards of a 50% down payment. Automotive or Contractor Use: The funny thing about automotive and contractor companies is that few cities want them in town but everybody wants to use their services. Industrial developers can take advantage of these trends by doing the work to find land that can be utilized for these automotive or contractor uses and then building sites that the auto body, engine repair, or landscapers can use to house their equipment and keep thriving. Developers who WIN recognize these new trends in industrial real estate and keep their eyes open for sites that may have seemed too small to make economic sense from the standpoint of traditional manufacturing or distribution.

Featured Listings

TSC currently has over 75 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: 99 Washington Street Foxborough
Total Size: 69,000 s.f.
Available Space: 49,000 - 69,000 s.f.
Land: 4.89 acres
Building Type: Industrial
Other: 8 tailboard and 2 drive-in docks
Status: For Lease



FOR LEASE: 12 Industrial, Sterling
Total Size: 45,150 s.f.
Available space: 45,150 s.f.
Land: 4.41 acres
Building type: Industrial
Other: Possible Expansion
Status: For Lease



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