

# THE CAPSTONE MIDYEAR *Report*

www.capstone-properties.com

BY NEIL AMPER, SIOR

## Market Overview

In the first half of 2011 there were 69 transactions, compared to 97 for the first half of 2010. While sign and phone activity seemed better this year, the difficulty in closing transactions continues to plague the marketplace.

Landlords as well as sellers have generally become accustomed to long, protracted negotiations, reduced rents and depressed selling prices. Buyers' and tenants' needs are driving values – if they don't have a strong need motivating them, they are holding tight and postponing a move.

### Office Space

The statewide vacancy rate is still above 10% which translates to approximately 3.7 million SF, creating a very competitive atmosphere among owners of office space. Tenants have been able to negotiate and extract concessions, which has kept lease rates down. The 85,000 SF former Providence Gas building located at 92 Dorrance Street in downtown recently sold for \$31 PSF to a developer from New York who plans to put \$5 million into renovations for office space. In addition, 301 Metro Center Boulevard in Warwick recently sold at auction for \$59 PSF. We do not see the rents or sale prices increasing significantly for the balance of the year.

### Retail Space

There is still an ample supply of space throughout the region and most major retailers have very limited expansion plans. Those known to be in the market include Family Dollar, 7-11 and Advance Auto Parts. The volume of vacant space on Bald Hill Road continues to keep downward pressure on rents, however, there were some sales of stabilized plazas. For example, Linear Properties purchased East Greenwich Commons, a 41,000 SF center for \$194 PSF. The Shaw's-anchored plaza located at 1500 Bald Hill Road recently sold for \$125 PSF. Shaw's Supermarket closed three stores in Massachusetts, plus two in Rhode Island located in Johnston and Warwick.

### Industrial Space

There were two significant leases in the first half of the year. Brewer's Supply leased 32,000 SF at 250 Niantic Avenue in Providence at \$4 NNN. A five year lease was signed at 1280 Jefferson Boulevard in Warwick for a 60,240 SF building at \$4 NNN; the building had been vacant for more than two years.

### Three sales illustrate market tendencies:

1. A 19,136 SF building located at 41 Century Drive, Woonsocket sold for \$52 PSF.
2. A 38,348 SF building located at 4 Carol Drive, Lincoln sold for \$24 PSF.
3. A 45,560 SF building located at 115 Broadcommon Road, Bristol sold for \$38 PSF.

These sales were all buyers planning to use the buildings for their own operations.

### Conclusion

Although there were fewer transactions than in 2010, there were more inquiries. But, buyers and tenants are weighed down with indecision and procrastination. What's more, the financing community continues to be conservative, which translates into longer approval periods and more difficulty in securing a mortgage.

**The good news:** lower prices tend to generate more activity and we anticipate that the balance of 2011 into 2012 will produce more sales and leasing. The land that has become available from the relocation of Route 195 will provide a basis for significant economic development and the state is committed to working with business to bring high paying jobs in the medical and educational fields to this area. The optimism that was evident last year has been replaced by the realization that the anticipated recovery is going to take a little longer to materialize.

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# Available Properties

Capstone Properties  
180 Westminster Street  
Providence, RI 02903  
401-454-4660  
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www.capstone-properties.com



**Office For Lease**  
Jefferson Place – 100 Jefferson Boulevard  
Warwick, Rhode Island, 2,410 SF  
Neil Amper x322



**Office/Warehouse Space For Lease**  
Myles Standish Industrial Park  
705 Myles Standish Blvd., Taunton, Massachusetts  
1,000 – 25,000 SF (2 spaces)  
Lori Marchetti x323



**Building For Sale/Lease**  
2 Fox Place, Providence, RI, near downtown  
72,000 SF on 2.16 acres, 100 car parking  
Neil Amper x322



**Retail For Sale**  
3 Chalet Road, Middleboro, Massachusetts  
Bank owned, former dealership on I-495  
Chris Greenman x324



**Retail For Sale**  
38 Broadway, Raynham, Massachusetts  
Bank owned, former dealership on Route 138  
Chris Greenman x324



**Industrial/Manufacturing Building For Sale**  
60 King Street, Providence, Rhode Island  
9.5 acres, 2 buildings, cell tower and billboard  
PRICE REDUCED: \$1,800,000  
Jane Long x325



**Redevelopment Opportunity For Sale**  
11 Comstock Parkway, Cranston, Rhode Island  
26,720 SF on 1.78 acres  
Lori Marchetti x323



**Warehouse/Manufacturing Building For Sale/Lease**  
200 Corliss Street, Providence, Rhode Island  
53,604 SF on 2.42 acres  
Neil Amper x322



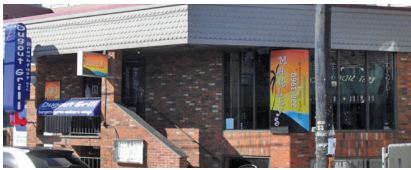
**Trucking Terminal For Sale/Lease**  
1801 Fall River Avenue, Seekonk, Massachusetts  
9,548 SF on 3.25 acres  
Neil Amper x322



**Office/Warehouse For Sale**  
177 Sherburne Street, Providence, Rhode Island  
3,800 SF building, 10,000 SF land, near RI Hospital  
Neil Amper x322



**Warehouse For Sale/Lease**  
101 Hallene Road, Warwick, Rhode Island  
18,900 SF on 2.65 acres, near airport  
Neil Amper x322



**Restaurant For Lease**  
272 Thayer Street, Providence, Rhode Island  
2,200 SF, seats 90, fully equipped, liquor license  
Jane Long x325



**Office For Lease**  
7260 Post Road, North Kingstown, Rhode Island  
Up to 9,000 SF  
Neil Amper x322



**Retail For Lease**  
Johnston Towne Center, Johnston, Rhode Island  
Up to 115,000 SF  
Neil Amper x322 | Chris Greenman x 324



**Office For Lease**  
34 Hemingway Drive, East Providence, Rhode Island  
2,400 – 9,600 SF (3 spaces)  
Terrific highway access, discounted lease rates  
Chris Greenman x324



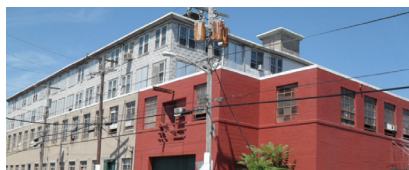
**Retail or Office For Lease**  
2253 Pawtucket Avenue at I-195  
East Providence, Rhode Island  
2,000 – 4,300 SF  
Chris Greenman x 324



**Retail For Lease**  
850 Bald Hill Road, Warwick, Rhode Island  
10,026 SF, 52 car parking  
Neil Amper x322



**Retail For Lease**  
Westin Hotel, One West Exchange Plaza  
Providence, Rhode Island  
1,137 SF  
Neil Amper x322



**Multi-tenanted Mill Building For Sale**  
120 Webster Street, Pawtucket, Rhode Island  
75,528 SF on 1.03 acres  
Lori Marchetti x323



**Sales Service/Office For Sale/Lease**  
110 Byfield Street, Warwick, Rhode Island  
Off Jefferson Blvd.  
12,200 SF on .59 acres (dividable)  
Neil Amper x322