



Marlborough Business Innovation Summit  
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# Growing Your Business in Marlborough *Tools & Resources*



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# Route 495/Mass Pike West Industrial Market

Second Quarter 2010

	Existing Inventory	Vacancy			
	Total RBA	Total SF	Rate	YTD Net Absorption	Quoted Rents
Flex Market	11,645,164	1,277,883	11%	(18,445)	\$9.38
Warehouse Market	21,362,860	1,570,397	7.4%	29,698	\$6.05
<b>Total Market</b>	<b>33,008,024</b>	<b>2,848,280</b>	<b>8.6%</b>	<b>11,253</b>	<b>\$7.26</b>

# The Boroughs Industrial Market

Second Quarter 2010

	Existing Inventory	Vacancy		YTD Net Absorption	Quoted Rents
		Total SF	Rate		
Flex Market	Total RBA 6,470,636	986,535	15.2%	(32,291)	\$9.83
Warehouse Market	10,232,522	1,135,933	11.1%	(9,065)	\$6.25
<b>Total Market</b>	<b>16,703,158</b>	<b>2,122,468</b>	<b>12.7%</b>	<b>(41,356)</b>	<b>\$7.44</b>



## Notable Deals in the Market

**45 Oak Street, Westborough, MA**

**Crandall Hicks**

**Renewal - 58,000 SF**

# The Boroughs Office Market

Second Quarter 2010

	Existing Inventory	Vacancy		YTD Net Absorption	Quoted Rents
		Total RBA	Total SF		
Class A	6,048,950	1,040,196	17.2%	25,334	\$18.71
Class B	5,833,233	643,224	11%	22,849	\$16.60
Class C	929,695	113,503	12.2%	13,103	\$15.42
<b>Total Market</b>	<b>12,811,878</b>	<b>1,796,923</b>	<b>14%</b>	<b>61,286</b>	<b>\$17.72</b>



## Notable Deals in the Market

**1900 West Park Drive, Westborough, MA**  
**Courion Corporation**  
**24,740 SF**

# Five Largest Available Blocks of Office Space

Second Quarter 2010

	Property	Available Space	Building Type	Rent PSF
	600 Nickerson Road Marlborough, MA	104,761 SF	Class B	Negotiable
	100 Crowley Drive Marlborough, MA	100,726 SF	Class A	Negotiable
	200 Donald Lynch Boulevard Marlborough, MA	88,864 SF	Class A	Negotiable
	62 Forest Street Marlborough, MA	88,341 SF	Class A	\$21.50 plus electric
	325 Donald Lynch Boulevard Marlborough, MA	76,164 SF	Class A	\$16.00 plus electric

# Five Largest Available Blocks of Flex Space

Second Quarter 2010

	Property	Available Space	Building Type	Rent PSF
	200 Forest Street Marlborough, MA	527,582 SF	Class B	Negotiable
	2 Results Way Marlborough, MA	160,494 SF	Class B	Negotiable
	417 South Street Marlborough, MA	145,000 SF	Class B	Negotiable
	111 Locke Drive Marlborough, MA	71,145 SF	Class B	Sublease
	362 Elm Street Marlborough, MA	58,000 SF	Class B	Negotiable

# Five Largest Available Blocks of Industrial Space

Second Quarter 2010

	Property	Available Space	Building Type	Rent PSF
	34 St. Martin Drive Marlborough, MA	88,176SF	Warehouse	\$6.00 - \$7.00 psf NNN
	289 Elm Street Marlborough, MA	80,000 SF	Manufacturing	\$3.50 psf NNN
	Crossroads Industrial Park Northborough/Marlborough	60,100 SF	Warehouse	Proposed Site
	445 Simarano Drive Marlborough, MA	30,495 SF	Manufacturing	Sublease
	360 Cedar Hill Street Marlborough, MA	27,533 SF	Warehouse/ Manufacturing	\$6.25 psf NNN

# Industrial Sales

11 Forbes Road, Northborough, MA



<b>Price</b>	\$17,500,000
<b>Price/SF</b>	\$82.70
<b>Cap Rate</b>	6.7%
<b>RBA</b>	211,600 SF
<b>Date</b>	5/2010
<b>Year Built</b>	1988
<b>Buyer</b>	Cornerstone Real Estate Advisors
<b>Seller</b>	Leggat McCall Properties
<b>Tenant</b>	Genzyme

# Recent Building Sale Compared to Prior Sale

274 Cedar Hill Street, Marlborough, MA



RBA: 69,376 SF  
Year Built: 1973  
Total \$ Return: \$750,000  
Total % Return: 15%  
Annual Return: 8%  
Months Held: 22

	Most Recent Sale	Prior Sale
Price	\$5,750,000	\$5,000,000
Price/SF	\$82.88	\$72.07
Cap Rate	N/A	N/A
Date	7/21/2008	9/28/2006
Buyer	Skinner Inc.	Marlborough Country Realty
Seller	Marlborough Country Realty	Cedar Marlborough Realty Corp.

# Under Construction Property Profile

417 South Street, Marlborough, MA



<b>RBA</b>	145,000
<b>Pre-Leased</b>	0%
<b>Quoted Rent</b>	Negotiable
<b>Ground Breaking</b>	First Quarter 2009
<b>Delivery Date</b>	Fourth Quarter 2010
<b>Developer</b>	Wells Fargo (ATC Realty)

# The Commercial Real Estate Process

## A Tenants Perspective

### ▪ Defining Objectives

- Establish space requirements for each department
- Interdepartmental relationships
- Types of space, i.e. open plan, window offices, executive offices
- Special purpose space, i.e. computer room, conference room, demo room, etc.

### ▪ Evaluation of Criteria

- General locale
- Labor pool
- Employee/visitor access – major highways, public transportation, employee parking
- Amenities – Banks, shops, restaurants, hotels
- Business community – compatible tenants

### ▪ Financial Analysis

- Rent per square foot
- Lease term
- Construction allowance
- Escalation clauses
- Sublease and assignment privileges
- Expansion rights

# The Commercial Real Estate Process

## A Tenants Perspective

- **Ownership Equity**
  - Outright ownership
  - Joint venture
  - Equity participation
  - Sale/leaseback advantages
  
- **Surveying the Market**
  - Physical Attributes
    - Location
    - Building Size
    - Zoning
    - Floor Layout
    - Rentable vs. usable area

# The Commercial Real Estate Process

## A Tenants Perspective

- **Business/Financial**
  - Landlord record
  - Building management
  - Rent
  - Operating costs
  - Tax cost
  - Leasehold improvement/allowance
  
- **Other**
  - Security
  - Amenities
  - Parking

# Guidelines For Proposals

- **Factors to Consider In Proposals**

- Rental
- Lease Term
- Measurement Method
- Construction Allowance
- Expansion Potential
- Tax and Operating Costs
- Escalation of Rental Rate
- Building Management
- Cleaning Services
- Special Concessions e.g. – free rent, additional construction allowances

- **Successful Negotiations**

- Draft Lease
- Redline Lease
- Signature Copy of Lease

# Sample Relocation Timeline

How long will this take?

Task	Time (Weeks)
Analyze space requirements	1-2
Identify preferred geographical areas	1-2
Survey opportunities within preferred areas	1-2
On-site inspections	1-3
Proposals from landlords	2-3
Review proposals and make final selection	2-4
Working drawings priced and approved	4-6
Complete lease negotiations	4-8
Space build-out	12-16
<b><i>Total Lead Time</i></b>	<b><i>28 – 46 Weeks</i></b>

# Marlborough Tools & Resources

**I. Marlborough Economic Development Corporation**

**II. Mayor Nancy Stevens**

**III. Tax Increment Financing**

**IV. Site Plan Review**

**V. Stephen Reid Commissioner Office of Inspectional Services**

**VI. Fire Chief Ricky A. Plummer**

- Volvo Case Study

**VII. Priority Sites**

- 417 South Street
- 35 Central Mill
- 325 Donald Lynch Boulevard

417 South Street	
35 Central Mill Street	
325 Donald Lynch Boulevard	
100 Crowley Drive	

# More Resources Available

- [Commonwealth of Massachusetts](#)
- [Mass Development](#)
- [Massachusetts Downtown Initiative \(MDI\)](#)
- [MassEcon](#)
- [Massachusetts Economic Development Council \(MEDC\)](#)
- [Metro West Economic Research Center \(MERC\)](#)
- [Massachusetts Office of Business Development \(MOBD\)](#)
- [495/Metro West Partnership Metropolitan Area Planning Council \(MAPC\)](#)