



Article Written By
Eric O'Brien
 President

Investment Sales Heated

Office buildings in all major U.S. cities and beyond are trading for record-high prices and extremely low cap rates. With the sale of the John Hancock portfolio among other recent transactions, Boston continues to trend toward New York investor ownership. Equity Office Properties, controlled by real estate magnate Sam Zell, is now trading as the largest leveraged buyout of all time; bidding is up over \$36 billion. Cap rates for Massachusetts industrial and flex properties are occasionally reaching down under 8%, while lease rates for Class A office space is trending upward steadily in most major Bay State markets. A 2007 survey completed by O'Brien Commercial Properties reveals pricing and values for industrial and flex buildings sold over the past two years in Boston's Metro West market. This sample of 15 buildings, ranging in size between 20,000 and 70,000 square feet, shows the following results: 1) Investor driven sales of flex buildings sold at \$76.54 per square foot. The highest price in this category was 72 Cedar Hill Street, Marlboro, fully leased, selling at \$88 per square foot. O'Brien Commercial Properties represented seller D&W Properties in this transaction. The lowest price in this category was 530 Main Street, Acton, 66% leased, selling at \$58.83 per square foot. O'Brien Commercial Properties represented buyer Conant Brook Properties in this transaction. 2) Investment sales of conventional industrial buildings had an average sale price of \$69.37 per square foot, while vacant industrial buildings in the same sampling had an average sale price of \$60.27 per square foot.

obriencommercial.com

In response to a rapidly expanding client base with increasingly sophisticated information needs, O'Brien Commercial Properties has revamped its website. The new site will allow 24/7 access to the company's exclusive listings and recent transactions and will also allow broader access to timely market data.

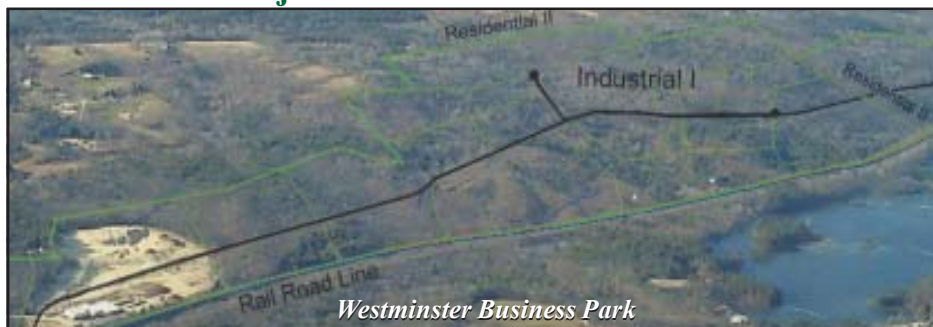


Article Co-Written By



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New Projects: Westminster Business Park



Westminster Business Park is one of Massachusetts' largest parcels of available industrial land. Located within a mile of Route 2, this 311-acre, master-planned park is capable of accommodating nearly 1.7 million buildable square feet. The Route 2 West corridor is currently experiencing strong growth, most notably with Bristol-Myers Squibb committing to build a \$1.1 billion manufacturing facility in Devens. "The planning Board will expedite the Site Plan Review process for this exciting industrial project", said Alicia Altieri, Town Planner for Westminster. The project is consistent with the town's economic development goals and Westminster Business Park is a top planning priority. The project has been approved by both MEPA and the Conservation Commission. Industrial lots in Phase I range in size from 2-60 acres and are currently being offered for sale as is and in build-to-suit lease or purchase scenarios. The entire 311-acre parcel is also for sale.

World-Class Appointment



428 Main Street, Hudson

As exclusive listing agent, O'Brien Commercial Properties is pleased to offer 428 Main Street, Hudson, a state-of-the-art, 81,000 square foot, 5-acre, office, R&D, manufacturing and warehouse facility. O'Brien Commercial Properties represented former tenant Electronic Services who, in 2002, invested over \$1 million in facility upgrades to better serve their client, Sun Microsystems.



Joel Aho
 Senior Associate

Hopkinton Technology Park: Now Leasing

Extensive park-wide improvements have lead to the renaming of former Hopkinton Industrial Park. Now called Hopkinton Technology Park, the 250,000 square foot, 30-acre campus hosts a variety of innovative businesses, including Pittney-Bowes, Invitrogen, Quality Control Biochemicals, Vertical Communications, LTX, California Closets and many more. The Hopkinton Technology Park, a master-planned commerce center offering tenants identity, amenities, and expansion capability, can currently accommodate a variety of space requirements, from 750 to 20,000 square feet of contiguous office, R&D, manufacturing and warehouse properties.



Hopkinton Technology Park

buy and existing homeowners to trade up, creating the residential boom that we saw a few years ago. Builders continued to flood the market with new homes even after the pent up demand was satisfied. The single family home market got ahead of itself, resulting in a subsequent price adjustment. In contrast to these events, after the .com bust and the events of September 11th, vacancy rates for businesses skyrocketed and rental rates declined steadily for years. Recently most commercial markets have shown steady increases in occupancy, which is also reflected by improving rental rates. Investors see a strengthening market with tremendous upside potential. In addition to the increased demand, another contributing factor to the commercial boom has been the constraint on supply due to developers who, until recently in isolated pockets such as Waltham and Franklin, have been cautious to respond.

Residential Market Busts While Commercial Market Booms

While home prices have softened, commercial prices are still on the rise. Although both property types are at the mercy of some common factors such as interest rates, they have separate supply and demand curves. Residential demand is controlled by an individual's income and desired place of residence, while commercial demand is driven by return on investment. Declining interest rates and attractive mortgage packages increased the opportunity for home renters to



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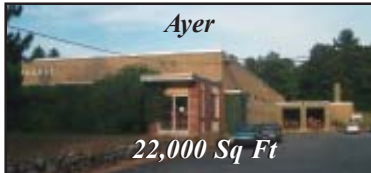
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