

## Spring 2011 QUOTE FOR THE QUARTER

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"For I know the plans I have for you," declares the LORD, "plans to prosper you and not to harm you, plans to give you hope and a future."

Jeremiah 29:11



T. Barry O'Brien

March 28, 1934 - March 20, 2006

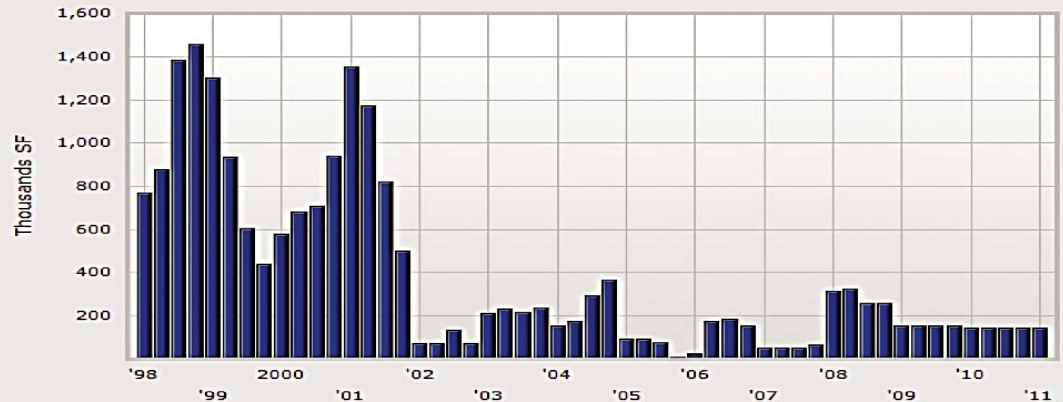
This spring the OCP family reflects gratefully on the memory of a local real estate legend, father, husband, and friend to many. T. Barry O'Brien died five years ago at the age of 72. O'Brien was a pioneer in developing industrial real estate on route 495 in the late 70's and 80's. He later retired to own and manage his own orchards, equestrian center and retail store in Berlin, MA.

O'Brien Commercial Properties is proud of the Harvard Girls U-8 Indoor Soccer team who finished the season with a stunning record of 24-5-2

Way to go!!



O'Brien Sponsors Harvard Soccer!



Graphs and data provided by CoStar Group

Under Construction RBA/GLA

## Recovering from Inflated Development

The technology boom of the nineties fueled a soaring stock market and drove inflation to an all-time high. This period of economic prosperity translated to a massive surge in the amount of newly constructed commercial real estate in the Massachusetts suburban markets.

The "Boroughs" marketplace was hit especially hard. In the period from 1999 to 2002, there was 2,933,070 square feet of new construction delivered to the Boroughs. This flood of commercial space drastically increased supply within the market. With increased supply, and demand remaining static, prices dropped. From 2001 to 2003, vacancy rates increased by 13.2% and the average office rent in the Boroughs market decreased more than \$8 per square foot.

In the last six years the supply of new construction in the Boroughs market has drastically decreased while demand has steadily increased. From 2005 to 2011, the amount of new construction delivered was 648,587 square feet. This is only 22% of the new construction that was delivered from 1999 to 2002, in a time period twice as long. Over this same six year period, demand has steadily grown. From 2005 to 2011, there has been over two million square feet of positive absorption. These two factors provide an encouraging outlook for the Boroughs commercial real estate market going forward. The stagnant supply rate combined with the steady increase in demand suggests that the market is on its way to finding a more healthy and competitive equilibrium in the years to come.

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## Is Inflation Friend or Foe?

Whether or not you own real estate determines how well you might tolerate inflation. None of us enjoy paying \$3.50 per gallon for gasoline, but this "crisis" is a foreshadowing of what is coming to other sectors of the economy. Most people will agree that our government printing money to bail itself out of debt cannot help the value of the dollar. Contractors claim steel and building materials, even basic commodities like roof insulation, already have scheduled price increases coming and construction costs as a whole are at an all time high. The Fed is keeping interest rates at an historic low to stimulate economic stability and growth, but this results in the devaluation of our precious dollars as well.

One can clearly see that inflation is a factor. If we are saving dollars then they will melt away before our eyes but if we are invested in bricks and mortar, we stand a chance to have our wealth grow. New loans are being written at 5-5.25% with 20% down. Even the stock market is a better bet than being cash liquid. Financial Advisors tell me the stock market has grown 65% over the last 24 months.

Can we predict that it is time for the real estate market rising out of last year's bottom to start seeing increases too? Those who make too much of a science out of this cycle will try to preserve their cash until it is too late, and they will tell stories for the next 25 years about the opportunities they missed. Some live by their gut instinct. They will see the obvious signs, and take action. These smart investors will gain wealth from this perceived risk. Others will continue to work hard and try not to miss the early signs of the next rising market.

Now we find ourselves at the crossroad. A decision to buy now could change the course of our lives or the overall performance of our real estate portfolios for years to come.

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<p><b>TYNGSBORO - FOR LEASE</b></p>  <p>600 SQ FT FLEX SPACE</p>	<p><b>HARVARD - FOR SALE/LEASE</b></p>  <p>2,900 SQ FT</p>	<p><b>CONCORD - FOR SALE/LEASE</b></p>  <p>47,000 SQ FT</p>	<p><b>BEDFORD - FOR SALE</b></p>  <p>6,000 SQ FT</p>
<p><b>WESTBORO - FOR SALE/LEASE</b></p>  <p>49 ACRES/ 36,400 SQ FT</p>	<p><b>LOWELL - FOR LEASE</b></p>  <p>18,000 SQ FT</p>	<p><b>ACTON - FOR SALE</b></p>  <p>1,400 SQ FT</p>	<p><b>ACTON - FOR SALE/LEASE</b></p>  <p>9,000 SQ FT</p>
<p><b>HARVARD 500-1,500<sup>SF</sup></b></p>  <p>OFFICE CONDOS - FOR S/L</p>	<p><b>BERLIN - FOR SALE/LEASE</b></p>  <p>5.4 ACRES AND 24,442 SQ FT</p>	<p><b>BOXBORO - FOR LEASE</b></p>  <p>5,700 SQ FT</p>	<p><b>CONCORD - FOR SALE</b></p>  <p>1,650 SQ FT</p>

**RECENT TRANSACTIONS - OCP INC.**

<p><b>12 WILLOW ROAD, AYER</b></p>  <p><b>SOLD</b></p> <p>25,460 SQ FT FLEX SPACE</p>	<p><b>10-16 CRAIG RD. ACTON</b></p>  <p><b>LEASED</b></p> <p>9,600 SQ FT FLEX SPACE</p>	<p><b>257 SIMARANO DR. MARLBORO</b></p>  <p><b>LEASED</b></p> <p>10,565 SQ FT FLEX LAB SPACE</p>	<p><b>15 BONNAZOLI DR. HUDSON</b></p>  <p><b>LEASED</b></p> <p>2,800 SQ FT FLEX SPACE</p>
<p><b>19 STERLING ROAD, BILLERICA</b></p>  <p><b>SOLD</b></p> <p>3,391 SQ FT FLEX SPACE</p>	<p><b>86 SOUTH ST. HOPKINTON</b></p>  <p><b>LEASED</b></p> <p>12,200 SQ FT FLEX SPACE</p>	<p><b>1 INDUSTRIAL WAY TYNGSBORO</b></p>  <p><b>LEASED</b></p> <p>2,450 SQ FT WET LAB/OFFICE</p>	<p><b>41 BRIGHAM ST. MARLBORO</b></p>  <p><b>LEASED</b></p> <p>2,300 SQ FT FLEX SPACE</p>
<p><b>72 CEDAR HILL ST. MARLBORO</b></p>  <p><b>SOLD</b></p> <p>20,000 SQ FT INDUSTRIAL BLDG</p>	<p><b>85 AMES ST. MARLBORO</b></p>  <p><b>LEASED</b></p> <p>2,500 SQ FT OFFICE SPACE</p>	<p><b>310 SCHOOL ST. ACTON</b></p>  <p><b>LEASED</b></p> <p>5,000 SQ FT FLEX SPACE</p>	<p><b>275 BILLERICA RD. CHELMSFORD</b></p>  <p><b>LEASED</b></p> <p>6,000 SQ FT FLEX SPACE</p>