Central Massachusetts Investment
Real Estate Update
Spring 2016

Worcester County Investment Sales
January - December 2015

- TRANSACTIONS: 99
- TOTAL DOLLAR VOLUME: $362,222,423
- TOTAL BLDG SQUARE FEET: 2,810,199
- TOTAL LAND IN ACRES: 352.27
- AVERAGE PRICE: $3,658,812
- AVERAGE PRICE PER ACRE: $1,025,161
- AVERAGE CAP RATE: 7.74%

2016 Trends in Worcester

In its report, Emerging Trends in Real Estate® 2016, Pricewaterhouse Coopers identified the ten top trends for 2016. Although space does not allow reviewing them all, two trends stand out as being especially applicable to Worcester – “18-hour cities 2.0” and “We raised the capital, now what do we do with it?”

With Worcester’s CitySquare and Gateway Park re-development projects moving along at full steam, the city is well on its way to becoming an “18-hour city.” Eighteen hour cities are being considered viable investment alternatives to the big six — Boston, Chicago, Los Angeles, New York, San Francisco, and Washington. Worcester’s close proximity to Boston makes it a prime investment alternative to the increasingly expensive Boston market.

Domestic and global capital continues to flow into the market. Global uncertainty and financial market volatility enhance the attractiveness of hard assets in relatively stable markets. Worcester is poised to become such an alternative. One trend that is not listed, however, is the impact of the rising interest rates on real estate. Historically, rising interest rates lead to rising CAP rates and there is no reason to think that that will not be the case today.

To read the full article, go to www.pwc.com/gx/en/industries/financial-services/asset-management/emerging-trends-real-estate/global-outlook-2016.

$7.3M Sale of Walgreens in CT

NAI Glickman Kovago & Jacobs recently facilitated the purchase of the Walgreens Pharmacy located at 157 Main Street in East Haven, CT. Purchase price was $7,300,000 with a 5.74 CAP rate. The seller was East Haven Hemingway LLC of Litchfield, CT, represented by SVN The Kase Group of San Francisco, CA. Indrek Buttner, Vice President, NAI Glickman Kovago & Jacobs, represented the buyer, SI Willimantic LLC of Farmington, CT.

Santander Bank Branch in Auburn Recently Sold

NAI Glickman Kovago & Jacobs recently sold the Santander Bank branch located at 317 Washington Street, Auburn, MA. R&I Development LP of Clinton, MA sold the property to The M Hill Companies. The 3,725 sf bank branch on 1.81-acres sold for $2,080M. Santander had 8 years remaining with future options at time of closing.

James Glickman, Michael C. Jacobs and Indrek Buttner of NAI Glickman Kovago & Jacobs represented the sellers. Bob Horvath of Marcus and Millichap procured the Buyer.
Recent Area Sale Transactions

<table>
<thead>
<tr>
<th>BUILDING ADDRESS</th>
<th>SIZE (SF)</th>
<th>SALE PRICE</th>
<th>PRICE PSF</th>
<th>CAP</th>
<th>ANCHOR</th>
<th>BUYER</th>
<th>SELLER</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 Cambridge Street, Worcester</td>
<td>69,358</td>
<td>$18,075,000</td>
<td>$260.60</td>
<td>6.54%</td>
<td>Price Chopper</td>
<td>Red Apple Worcester</td>
<td>FEDEQ NL005, LLC</td>
</tr>
<tr>
<td>89 Commercial Rd, Leominster</td>
<td>20,030</td>
<td>$ 6,100,000</td>
<td>$304.54</td>
<td>7.00%</td>
<td>PetSmart</td>
<td>AEI Capital Corp.</td>
<td>89 Commercial Rd. LLC</td>
</tr>
<tr>
<td>1 Oak Street, Westborough</td>
<td>34,819</td>
<td>$ 8,000,000</td>
<td>$229.76</td>
<td></td>
<td></td>
<td>Sleepy’s</td>
<td>Linear Retail Prop.</td>
</tr>
</tbody>
</table>

What’s it Worth
Wondering what your investment property may be worth on today’s market? Please contact us for a confidential and complimentary analysis.

CONTACT . . .
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Selected Worcester Metro Development Projects

551 Main Street, Worcester — The Hanover Theatre purchased the neighboring 22,000 square foot vacant building for $1.1 million and is redeveloping the structure for restaurants, offices, rehearsal studios, and meeting space.

145 Front Street, Worcester — 145 Front Street, located at the signalized intersection of Front and Foster Streets, is under construction and slated to open first quarter 2017. The development will include 370 luxury residential units in two 5-story towers and 12,000 square feet of retail space at street level. The property will include a 479 dedicated space parking garage.

Former Spag’s Discount Store, Route 9, Shrewsbury — The original buildings have been demolished and construction is set to begin in May on the new Lakeway Commons, a 375,000-square-foot mixed-use development that will be made up of 100,000 square feet of retail, 250 apartments, 14 town homes and anchored by a 50,000-square-foot Whole Foods.

2 Main Street, Worcester — Brady Sullivan Properties purchased the 250,000 square foot former Worcester County Courthouse building on 4.28 acres for $1.2 million and will reportedly create about 115 market-rate residential apartments together with 3,000 square-feet of retail space, scheduled for completion in 2017.

Trumbull Street, Worcester — As part of CitySquare, the construction of a $33.1 million boutique 168 room Marriott AC Hotel is underway and expected to open in Spring 2017.

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