

# **THE FOSTER REPORT**

**Leominster - Fitchburg  
Massachusetts**

**January 2018**

# THE FOSTER REPORT, January 2018

## LEOMINSTER – FITCHBURG INDUSTRIAL MARKET SURVEY

### Overview

Despite political controversy in the United States throughout 2017, the economy showed positive growth at year end. Consumer confidence reached a 17-year high in November, GDP and personal income increased, and unemployment was down. The Dow was up 25%, its best since 2013, closing out 2017 over 24,000. Thirty-year mortgage rates finished the year just below 4.0%.

Changes at the national level are expected to have local effects. The recent changes to the tax code are expected to fuel job growth and consumer spending. Together with the other financial news, the Fed is now beginning to express concern about inflation for the first time in a decade. The only tool remaining for the Fed to control inflation is their stated intent for modest interest rate increases in 2018. Adding some uncertainty is the fiscal policy that recently-appointed Fed chair, Jerome Powell, will adopt.

Despite manufacturing job losses in New England, the economy still posted gains in employment and income. The pace of residential home sales is healthy, although values in some markets are appreciating at possibly unsustainable rates. Housing prices continued to rise regionally, as well, with Massachusetts' rates outpacing the national rate.

Although after January 1<sup>st</sup>, the first six weeks of 2018 have brought gyrations in the stock market. Volatility appears to be caused by new wage increase pressure and interest rate increases in the bond and financial markets. It remains to be seen how this or other disruptors may impact the economy and real estate.

Locally, medical marijuana has increased demand for industrial space. Fitchburg adopted more permissive rules, which do not limit the number of dispensaries or grow operations. Leominster took a more restrictive approach and limited facilities to one dispensary and one grow location. We expect continued, sustainable demand in Fitchburg. Barring Federal action, this may increase as recreational marijuana becomes legal in Massachusetts later in the year. In many instances, marijuana growing operations provide greater financial rates of return to industrial real estate than traditional manufacturing or warehouse uses.

### Vacancy Report Summary

#### MODERN INDUSTRIAL SPACE

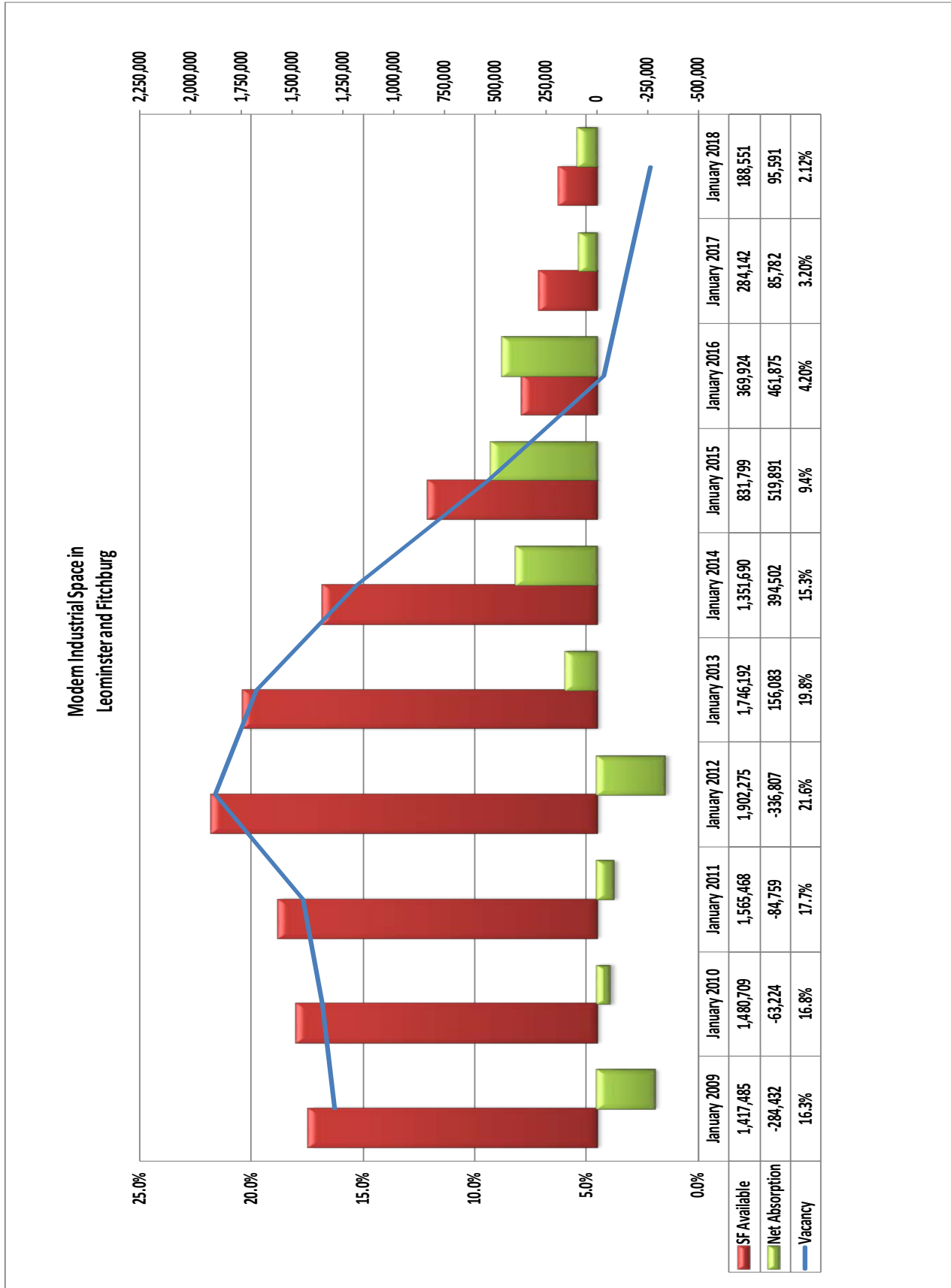
Leominster	Gross Bldg. Area	SF Avail. & Vacant	Percent Vacant
Jytek Park	869,651	0	0.0%
Pioneer Park	661,395	4,000	0.5%
Tanzio Park	979,256	23,000	2.3%
FBC (Mohawk)	625,280	5,000	0.8%
Misc. Locations	3,050,596	72,874	2.4%
<b>Subtotal</b>	<b>6,186,178</b>	<b>104,874</b>	<b>1.7%</b>
Fitchburg	Gross Bldg. Area	SF Avail. & Vacant	Percent Vacant
Montachusett Park	569,760	5,000	0.9%
231 Industrial Park	636,879	0	0.0%
Misc. Locations	1,509,589	78,677	5.2%
<b>Subtotal</b>	<b>2,716,228</b>	<b>83,677</b>	<b>3.1%</b>
<b>Combined Total</b>	<b>8,902,406</b>	<b>188,551</b>	<b>2.1%</b>

#### MILL-TYPE SPACE

	Gross Bldg. Area	SF Avail. & Vacant	Percent Vacant
Leominster	869,729	100,042	11.5%
Fitchburg	3,626,797	425,431	11.7%
<b>Combined Total</b>	<b>4,496,526</b>	<b>525,473</b>	<b>11.7%</b>

As of January 2018, the vacancy rate for modern industrial space in the Leominster - Fitchburg market dropped to 2.12%, which is a decrease from the January 2017 vacancy rate of 3.2%. Average vacancy for mill space in the Leominster - Fitchburg market is 11.7% as of January 2018, which is down from 22.6% as of January 2017.

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## *Unemployment Rates*

According to the Bureau of Labor Statistics the unemployment rate as of December 2017 dropped to 4.1%, nationally. Locally, unemployment rose in Massachusetts with the statewide-rate bumping up to 3.5%, and locally to 3.8% (as of November 2017).

On the national level, average hourly earnings rose over the 2016 rate, to \$26.63 as of December 2017. The increase in CPI for 2017 brings more good news. The December 2017 rate rose 0.1%, which increased the CPI 2.1% over the last 12 months. The table to the right shows the trends in unemployment rates over the last twenty years.

With consumers and businesses spending at a higher rate in 2017, Congress passing tax cuts, and a strong global economy, the Conference Board notes that US businesses could enjoy “the strongest economic environment since the mid-2000s.”<sup>1</sup>

## *Lease Rate Trends*

Closed leases for modern space have shown signs of modest increases over historical ranges. For 2017, that meant rates ranging from \$3.00 - \$4.50 per square-foot on a triple net basis. Brokers in the area confirm that there is more demand than supply in the Fitchburg market, chiefly due to medical marijuana. Since much of the industrial space there is owner-occupied, there are few options for tenants seeking space. At some point in the near future, that demand is expected to begin moving lease rates upward.

The same pent-up demand is present in the mill space market, where, to some extent, lower-end tenants now compete with medical marijuana growers. We expect lease rates to increase, if other economic factors remain stable.

## *Sale Rate Trends*

Industrial building sales and offering trends (50,000+ sq. ft.) continue to range from the low \$20s to \$40s per square-foot for good quality space, with small buildings (<25k sq. ft.) at offering prices up to the mid-\$50s per square foot. It is possible that some additional modern Fitchburg buildings may sell for marijuana use.

## *Unemployment History*

	<b>Leom/Fitch</b>	<b>MA</b>	<b>US</b>
1997	4.9%	4.0%	4.9%
1998	4.0%	3.3%	4.5%
1999	4.1%	3.2%	4.2%
2000	3.5%	2.6%	4.0%
2001	5.0%	3.7%	4.8%
2002	7.3%	5.3%	5.8%
2003	7.9%	5.8%	6.0%
2004	6.4%	5.1%	5.5%
2005	6.1%	4.7%	5.1%
2006	6.6%	5.0%	4.6%
2007	6.2%	4.7%	4.6%
2008	6.4%	5.0%	5.8%
2009	12.4%	9.4%	10.0%
2010	10.5%	8.2%	9.4%
2011	8.5%	6.4%	8.5%
2012	8.2%	6.6%	7.8%
2013	9.4%	7.1%	7.0%
2014	6.7%	5.8%	5.6%
2015	5.4%	4.7%	5.0%
2016	3.2%	2.8%	4.7%
2017	3.8%	3.5%	4.1%

## *New Construction*

No new construction occurred in Fitchburg or Leominster. Permits were pulled for an addition for the building occupied by Ecological Fibers at 40 Pioneer Drive in Lunenburg in the Pioneer Industrial Park that will add approximately 67,000 square-feet. Construction is expected to be completed by late Summer 2018.

Sale prices of local properties continue to be well below replacement cost. Therefore, demand for new construction has been limited to specialized and high-image facilities or additions to existing operations costly to relocate. The price gap between existing and new construction appears to be getting closer, particularly for smaller buildings.

Local industrial real estate activity showed continued positive signs with absorption of space over the past year. If national economic conditions and employment continue to improve, the local economy should benefit, especially with limited new construction.

<sup>1</sup> The Conference Board, accessed 1/25/2018, at <https://www.conference-board.org/data/usforecast.cfm>.

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## Industrial Land

### *Orchard Hill, Leominster*

This 79-acre property is located at the Harvard Street exit off Route 2 in Leominster. The commercial portion of this site is successfully occupied with restaurants and retail space. The remaining developable land is offered informally for industrial use as a land lease or build-to-suit space to be constructed and leased by the park owner to end users. No new commercial or industrial development took place in 2017.

### *Pioneer Park, Leominster*

There are approximately 44 acres of vacant land on the Leominster side of the park. Up to 277,500 square feet within five buildings have been proposed over many years. Although sites are available, no new construction has taken place. This park benefits from Pioneer Drive which provides direct access to Route 2 in Leominster through Orchard Hill Park Drive.

### *Southgate Business Park, Leominster*

Infrastructure improvements are complete within the 59-acre site supported by state grants. Developers and local officials continue to propose development to technology-based industry. This site offers tremendous future job creation potential and tax revenue to the community. The developer reports potential user interest, but no sales or leases have been announced.

### *Industrial Road, Leominster*

A 15.9-acre parcel, reviewed over many years for various industrial projects, sold in its entirety in 2014. This site is in a mixed-use neighborhood with industrial, single family, and apartments nearby. The site has already been developed with a 2.5 megawatt solar panel array.

### *Hamilton Street, Leominster*

Approximately 10 acres are available for a proposed industrial-office development off Hamilton Street near the Fitchburg city line. The area is zoned appropriately and will utilize city water and sewer lines already in the street. Preliminary plans for office and industrial buildings have been proposed over the years.

### *Jytek Park, Leominster*

Jytek Park has a 1.9-acre lot along Willard Street for sale with the potential for construction of up to a 31,500-square-foot facility. There is city water, sewer, and 210' frontage. The site has been available on the market for many years.

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## Modern Industrial Space

### *Overview*

For the purposes of this survey, we have defined typical modern industrial space as single-story masonry/steel buildings. These buildings include open warehouse and manufacturing facilities that generally include 5%-10% office space with ceiling heights of at least 14 feet. Newer buildings often have higher clearance closer to 20 feet, a greater proportion of office space, and some with climate-controlled manufacturing areas, all of which reflect market expectations.

The total amount of space was calculated from the various industrial parks and miscellaneous locations in the two cities. Any space on the market for lease or sale, and any unoccupied space as of the date of this survey, was considered vacant. If a company is operating in the building and has made the building available for sale or lease, it is considered vacant for purposes of this report. A fully-leased building made available for sale to an investor has not been considered vacant. An indicated vacancy rate is established for each of the industrial parks, the miscellaneous locations, Fitchburg, Leominster, and the overall market.

The building areas given in square feet were calculated primarily from the records of the municipal assessor's offices. We have measured many of the buildings ourselves. Information was gathered from local brokers, developers, property managers, owners, and building occupants to determine the amount of vacancy at the time of the report.

### *Demand Trends*

Historically, demand has not been strong enough to make new construction financially feasible. Local brokers report strong interest for lease space in the 20,000 square-foot range. Medical marijuana growers began entering the market as buyers and tenants starting in 2014. The pace of that entry increased in Fitchburg in 2017 and is expected to continue through 2018 when recreational marijuana growers enter the market. Conversely, Leominster adopted ordinances regulating medical marijuana that restricted the total number of facilities to one dispensary and one growing location. There was very little impact in Leominster from medical marijuana.

Larger buildings over 50,000 square feet that faced multi-year offering periods have finally generated stronger market response in 2017. Owners of large buildings with persistent vacancies subdivide, when possible, for smaller tenant use. Historically, the local market has demonstrated stronger demand for smaller spaces, but demand was strong in 2017 across the industrial market.

### *Summary of Modern Industrial Activity*

As of January 2017, there was a total of 284,142 square feet available in Fitchburg and Leominster, or 3.2% of the total existing modern industrial base. A significant positive industrial space absorption trend continued through 2017 with reduction of available space to 188,551 square feet available as of January 2018, or 2.1% vacancy.

Details of leading individual market transactions and current offerings are provided within the following pages.

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## *Leominster Activity: Modern Industrial Space*

Leominster has a total supply of almost 6.2 million square feet. This represents about 70% of the Fitchburg-Leominster market. There are 104,874 square feet of modern industrial space available in Leominster as of January 2018, or 1.7% of the total Leominster inventory of modern industrial property base.

### **Available Buildings/Space**

<b>Address</b>	<b>Bldg. Area</b>
7 New Lancaster Road	23,000
163 Pioneer Drive office	4,000
196 Industrial Road	40,000
375 Harvard Street	4,000
25 Mohawk Drive	5,000
463-477 Lancaster Street	4,700
44-50 Mead Street	15,000
57 Nashua Street	9,174

### **Sales During 2017**

<b>Address</b>	<b>Bldg. Area</b>
12 Jytek Road	24,219
115 Willard Street	11,533
28 Jytek Road	30,200

### **Leases During 2017**

<b>Address</b>	<b>Bldg. Area</b>
36 Jytek Road	32,000
75 Jytek Road	128,592
272 Nashua Street	21,300

44-50 Mead Street is a seasonal space offering. The space continues to be utilized successfully for winter storage of vehicles and boats. The landlord is receptive to considering a long-term lease for alternative uses.

36 Jytek, a freestanding facility offered for lease, is now fully leased. This facility offers multiple truck docks/drive-in doors and modern office space.

7 New Lancaster Road is a lease offering. The available space is a portion of an existing warehouse. The landlord is open to discussing upgrading the space.

57 Nashua Street is an older industrial facility desirably located near Route 2 and the North Leominster commuter rail station.

Buildings/spaces under 20,000 square feet, and particularly 5,000 to 10,000 square feet, continue to experience strong sale/purchase interest in the market. There are few modern spaces of 5,000 square feet or less available locally.

### **Medical Marijuana**

As outlined above, Leominster adopted an ordinance in 2016 allowing only one dispensary and one growing facility. Several modern industrial buildings sought approval to be the dispensary. Candidates included 57 Nashua, 30 Patriot Circle, and Lock Drive, with final approval given to the Lock Drive site. This site was approved with a subdivision of an existing parcel. The larger parcel, 1771 Lock, was approved for construction of a 25,000 square-foot warehouse. The smaller parcel, 1775 Lock, was approved for a 4,250 square-foot industrial building with parking for 17 vehicles. Construction is expected to commence in 2018.

The permit for the growing facility was granted at 25 Mohawk Drive.

This activity is the extent of the impact of medical marijuana on the City until such time as the City amends existing ordinances or adopts new ones. It is expected that the City will adopt similar ordinances to regulate the growing and sale of recreational marijuana later in 2018.

### **Leominster Conclusion**

The City experienced a combination of sale and lease deals in 2017 resulting in significant positive absorption for the market. Leominster's vacancy rate declined substantially over the past year from 2.7% to 1.7%. This reduction occurred from a variety of buildings across the City.

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## *Fitchburg Activity: Modern Industrial Space*

Fitchburg has a total supply of about 2.7 million square feet of modern industrial space. This represents about 30% of the Leominster-Fitchburg market. Vacancy rate in January 2018 fell to 3.1% with 83,677 square feet available on the market.

### **Available Buildings/Space**

<b>Address</b>	<b>Bldg. Area</b>
225 Industrial Road	5,000
215 Crawford Street	11,340
135 Intervale Road	60,000
190 Summer St., Lunenburg	7,337

### **Sales and Leases During 2017**

<b>Address</b>	<b>Bldg. Area</b>
99 Development Road	164,000

The 99 Development Road complex, formerly owned by ChemDesign, sold in June 2017 for \$2,400,000. The complex consists of 12 buildings from which specialized processing equipment/components have been sold. The property has been vacant and on the market for many years. There are five parcels that lie in Fitchburg and Westminster totaling 23.05 acres. Although there is potential for sale of excess land, the property was purchased in order to grow medical marijuana. At the time of sale, the City had granted approvals for growing operations. The purchaser has made significant investment in fitting-up existing buildings and constructing new greenhouses.

### **Simplex Drive, Westminster**

After being on the market for some time, this 685,000 square foot modern industrial/office space is housing new tenants. A lease in May 2016 to Seaboard Folding Box, Co. of almost 200,000 square-feet was followed by the December 2016 lease of just over 130,000 square feet to Mayhew Basque Plastics. Fall 2017 saw Great Northern Dunnage lease 203,000 square feet in an expansion of their operation.

The property managers state that all of the space at the site has been leased.

### **Medical Marijuana**

The following properties are approved by the City for medical marijuana growing operations:

307 Airport Road, an 81,500 square-foot building, sold in 2015, and in a separate transaction, a lease was signed with a medical marijuana cultivation business. The property has since undergone significant up-fitting.

20 Authority Drive (two parcels) sold in October 2017 in a related-party sale for nominal consideration. The building is 48,000 square feet, built in 1987, in the 231 Industrial Park. Approval had been sought through 2016 and 2017.

99 Development Road sold in June 2017 with approvals in place for medical marijuana growing.

Approval is being sought at a fourth property, 774 Crawford Street, and the request is expected to be presented to the City later this winter. This is a fully-rented, multi-tenant building of 50,000 square feet. The grower is expected to lease the entire building following approval.

### **Fitchburg Conclusion**

There are currently 83,677 square feet of modern industrial space available in Fitchburg, or 3.1% of the City's total supply. This reflects a decrease of available modern industrial space from 4.5% available in January 2017.

The few other available properties include generic spaces suited for a broad range of industrial uses.

Because of the ordinance adopted by the City regarding the regulation of medical marijuana growing facilities, it is reasonable to expect that demand will remain as strong in 2018. It is possible that demand will increase depending on recreational marijuana legalization in Massachusetts and how the applicable City ordinance is written for the regulation of recreational marijuana, both later in 2018.



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## Mill-type Industrial Space

### *Overview*

As defined in this report, mill-type space is older, being built around the turn of the nineteenth century. Mills were originally built for single occupant businesses such as textile, paper, and plastics manufacturing. Significantly, mill buildings were built for a local workforce that walked to work. Mill buildings were generally built along riverways in city centers. Because of this, these buildings are often attractive candidates for re-development as office or multi-family. They are primarily brick, multi-story buildings, with little parking, that are often in fair to poor condition.

Measurements for many of these buildings have been made by owners and appraisers. Some measurements were obtained from the assessor's office. No determination of accuracy for these figures is made for this report. Accurate figures for mill-type industrial space are difficult to obtain. Usable square footage is subjective due to layout and condition.

The mill property industrial survey is included to help understand this market. There is a large inventory of mill space and significant vacancy. Available lease space is offered at low rents and may meet the needs of short-term and some start-up users requiring lower budget space. Almost 80% of the mill space is in Fitchburg. In comparison, approximately 70% of the modern industrial space is in Leominster.

### *Factors Impacting Sales*

If the supply of available modern space continues to diminish, demand for mill space may improve and become cost effective.

Environmental issues with mill space are common. Floors may have chemical saturation, and older in-ground oil or chemical tanks not in use are sometimes found that have not been properly monitored. Greater investigation of environmental conditions is warranted with mill properties.

Remediation alternatives have become more common under applicable Massachusetts law. Options such as an Activity and Usage Limitation (AUL) are possible under some conditions.

An AUL makes a lower level of remediation possible through a deed restriction prohibiting uses more sensitive to contamination such as residential occupancy. This may allow for continued industrial uses with less extensive clean up. These types of considerations should be fully investigated prior to purchase.

Availability of financing for mill property acquisitions remains more difficult than modern space. Properties that have an acceptable environmental status may be financed, but may require greater equity participation on the part of the buyer and higher mortgage rates than modern industrial buildings. Lenders are reluctant or not willing to provide financing for property tainted by environmental problems.

Generally, mill buildings offer lower efficiency than modern facilities due to multiple floor levels, restricted upper floor load capacity, less desirable clear height, and tighter column spacing. These physical limitations negatively impact the overall desirability of mill property when compared to modern buildings.

Tenant demand for mill spaces tends to be from budget conscious businesses that do not need modern space, and businesses requiring overflow temporary warehouse space. Attraction of mill space, with greater inefficiencies due to the design and location of the buildings, diminished as modern industrial property was developed. The availability of modern space has been diminishing and rates are likely to increase. As mill-type space continues to be converted to residential or higher commercial use, eventually few mill properties for industrial use will remain.

The majority of the more desirable/suitable mills located in Leominster have been converted to residential and commercial use. Property conversions in Leominster were supported by government grants. As mill building conversions continue to materialize in the future, industrial mill space will continue to be removed from market.

There was a significant decrease in Fitchburg mill vacancy over the past year due to leasing and conversion activities.

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## *Leominster Activity: Mill-type Space*

### **Vacancy Changes During 2017**

21 Central Street sold in August 2017 for \$622,000. The sale was considered to be an arm's-length sale. It is not known what the buyer's plans are for the property.

### **Current Offerings**

<b>Address</b>	<b>Bldg. Area</b>
123 First Street	4,000
444 Central Street	850
435 Lancaster Street	29,814
511 Lancaster Street	10,000

123 First Street is a multiple level mill building largely improved and utilized as self-storage space. Additional space is still available for larger storage and or light manufacturing/assembly type uses.

444 Central Street has multiple light manufacturing, storage, and service type businesses. A small space remains available.

435 Lancaster Street has an offering of space available. The space has potential for service, warehouse, or manufacturing businesses.

511 Lancaster Street has an offering of space available. The space has potential for service, warehouse, or manufacturing businesses.

There are a few smaller scattered available spaces currently available as leases turn over and/or tenants relocate.

### **Leominster Conclusion**

There was a 50,000-square foot decrease to January 2017 mill vacancy because of the sale of 21 Central Street. Mill space that is not owner-occupied has historically filled the need gap for seasonal/interim and economical space for storage and start-up businesses desiring short-term leases to limit financial obligations. Local business start-ups have been low for several years. With short-term leases comes high turnover and vacancy periods between each tenant turnover.

Mill buildings experience significant amounts of shadow space. These spaces are not being fully utilized, but also may not be actively marketed. Many mills were constructed for single-business occupancy. Multiple floor levels, low clear height, lots of columns, shared loading docks, and elevators result in inefficiency and non-functional space by current standards. It is common to have vacant space that is simply inaccessible for lease.

The base of existing mill space has declined as properties are gradually converted to higher value residential/commercial uses, demolished, or abandoned as they are no longer considered economically feasible to restore.

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## *Fitchburg Activity: Mill-type Space*

### **Vacancy Changes During 2017**

The marijuana industry has made a positive impact on mill-type space in Fitchburg, eliminating some vacant space.

### **Current Offerings**

<b>Address</b>	<b>Bldg. Area</b>
12 Baltic Lane	25,000
166-200 Boulder Drive	36,500
318 Broad Street	30,000
342 Broad Street	5,000
215 Cleghorn Street	35,000
232 Cleghorn Street	63,535
195 Kimball Street (Office)	5,000
87 River Street	20,000
89 River Street	30,000
642 River Street	175,396

### **Available Mill Space**

There is 425,431 square feet of vacant mill space in Fitchburg. This represents a 54% decrease from 2017 totals. The lease of 35 Daniels Street and the conversion of 93 Nockege Street account for the majority of this change. A substantial portion of the current vacancy is represented by 642 River Street, which was last used as a specialized paper plant.

No significant occupancy changes were noted for the Baltic Lane, Broad Street, and Cleghorn Street facilities. Some of these properties include a mix of owner and tenant industrial businesses.

549 Westminster Street is an older, two-level office/warehouse facility. Availability of this property is due to proposed consolidation of the current owner's businesses to another facility closer to their main operation within Fitchburg.

### **2017 Leases**

291 Westminster Street is partially owner-occupied with the balance being fully leased in 2017.

35 Daniels Street was fully leased in 2017 by Wachusett Brewing, following the relocation to Westminster of Seaboard Folding Box.

### **2017 Sales**

<b>Address</b>	<b>Bldg. Area</b>
318-340 Broad Street	84,386
318-348 Broad Street	23,925

### **Sale Offerings**

Both 87 and 89 River Street have been listed for sale, with 89 River Street being reportedly under contract. These buildings have experienced chronic vacancy and may be candidates for conversion.

### **Conversions**

93 Nockege Street (the former Sanitoy building) has been under construction since Fall 2017. The conversion will remove 68,909 square feet of building area, while dividing the property into two wings. The uses include office and industrial. An existing industrial tenant relocated within the building and the State of Massachusetts will lease a significant portion as well.

### **Medical Marijuana in Mill Space**

One Oak Hill Road has been approved as a medical marijuana growing facility. Plans for this 244,000+/- square foot, four-story mill building include renovation of a significant portion of the space in 2016 for office and indoor agriculture uses. Demolition of much of the building will leave 100,000+/- square feet available for this use. It has been extensively renovated and is in very good condition for a mill-type property.

25 Newport Street has also been approved for medical marijuana growing. The current tenant will relocate and the building will be fitted up for indoor agriculture.

### **Putnam Place**

The City of Fitchburg acquired an additional 2,000 square feet of space at 166 Boulder Drive. This leaves approximately 2,500 square feet of raw space available for lease. Negotiations continue for 34,000 square feet at 200 Boulder Drive.

### **Fitchburg Conclusion**

The January 2018 vacancy rate decreased by 54% as compared to 2017 vacancy, equating to an absorption of 486,659 squarefeet due to leasing and conversions. This rate of change is a departure from historic patterns of slow demand and absorption.

Based on the exhibited demand for space for medical marijuana growing operations, we expect a continued tightening of supply for Fitchburg mill space for start-up industrial businesses and seasonal storage requirements.

## OUR COMPANY

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The Foster Company, specialists in real estate appraising and consulting, has provided services on more than 13,000 real estate projects. Founded in 1925, we have assisted a variety of clients including banks, mortgage companies, utilities, residential and commercial developers, hospitals, federal and state agencies, municipal governments, and more.

Through recessions, market shifts, and fluctuations we have maintained an impressive track record by following the fundamentals established through more than 90 years in the real estate business. We have developed the depth and breadth to complete appraisal and consulting projects effectively, from start to finish.

Our professional staff are seasoned problem solvers. We work as a team, drawing upon extensive knowledge of the real estate marketplace based on years of hands-on experience in valuations, land and property development, property management, insurance, project financing, syndication, and commercial and industrial brokerage. Additionally, we have received designations from the most respected organizations in the industry.

**When you work with The Foster Company, you work with experts.**

## OUR SERVICES

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### **Real Estate Appraisal & Valuation**

We provide a complete range of real estate valuation services to meet your specific appraisal needs. From overview reports to in-depth, comprehensive studies, we give you the facts - and the no-nonsense interpretations of them - that enable you to make sound real estate decisions.

### **Real Estate Counseling**

Our experience in all aspects of the real estate business since 1925 has provided us with the detailed knowledge required to answer the most complex or unique consulting questions. We provide the full range of real estate services on an hourly or flat fee arrangement.

The Foster Company provides innovative concepts and workable, profitable solutions for a variety of real estate related projects. Listed below are samples of the services we deliver. See our Scope of Services for additional areas covered.

- ❑ Acquisition and Disposition
- ❑ Development and Urban Reuse
- ❑ Environmental Contamination
- ❑ Feasibility and Market Studies
- ❑ Investment Analysis
- ❑ Marketing
- ❑ Preservation
- ❑ Waterfront Property Issues

### **Expert Witness and Litigation Support**

For more than 60 years, The Foster Company has been involved in real estate valuation and consulting work for litigation and other actions requiring an expert witness. We have built on that foundation with an expert staff and litigation support services that are second to none.

When preparing a case for court or other arenas where real estate interests are contested, we apply the greatest skill, care, and focus to ensure our client's success. Our background in brokerage, development, management, finance, and insurance gives us the hands-on experience that creates convincing testimony. Our cases are presented with the confidence that comes from having lived the business. Our appraisal and consulting services provide far more than sideline advice. You can count on The Foster Company.

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## SCOPE OF SERVICES

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### APPRAISAL SERVICES

Ad Valorem Taxes	Market Value
Business Valuations	Mortgages
Corporate Mergers	Rental Value
Development Rights	Resyndication
Estates	Reviewing
Gifts	Tax Base
Insurable Value	

### COMMUNITY SERVICES

Conservation	Housing Programs
Downtown Revitalization	Industrial Development
Eminent Domain	Urban Renewal
Feasibility	

### COUNSELING

Acquisition	Leasebacks
Assessments	Market Studies
Development	Planning
Disposition	Problem Solution
Financing	Workouts

### INVESTMENT ANALYSIS

Assessment Ratios	Investment Yield
Cash Flow	Physical Inspection
Economic Feasibility	Rehabilitation Feasibility
Income Projections	

### LAND DEVELOPMENT

Agricultural Preservation	Market Planning
Economic Analysis	Site Analysis
Highest and Best Use Study	Zoning
Land Use & Marketability	

## PARTIAL LIST OF CLIENTS SERVED

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### COMMERCIAL & INDUSTRIAL

Acro-Matic Plastics	James River Paper Company
Asher Sportswear	Mobil Oil Corporation
Borden, Inc.	Modern Contract Furniture
Boston & Maine Railroad	National Grid
Brookfield Machine	Pinsley Railroad Company
Bruel Kjaer Instrument	Renovators Supply
Cardinal Comb Company	Shell Oil Company
CSX Corporation	Sprague Energy
Exxon Corporation	Super 8 Motels
Fitchburg Mutual Insurance Company	Unisorb Corporation

### GENERAL

Beals and Thomas, Inc.	On-Site Insight
Economics Research Association	Orchard Hills Athletic Club
Guilford Transportation	Roman Catholic Diocese of Worcester
Heywood Hospital	Spectrum Addiction
J.M. Corcoran & Company	State Street Development
Massachusetts Audubon Society	Toyota Financial Services
Massachusetts Housing Partnership	Trammell-Crow Company
Montachusett Regional Transit Authority	Trust for Public Land
Mt. Grace Land Trust	The Trustees of Reservation
National Trust for Historic Preservation	Westport Land Conservation Trust
New England Forestry Foundation	Whittier Rehabilitation
Nordblom Company	Winn Development Trust

### FINANCIAL

Arbor Commercial Mortgage	LaSalle National Bank
AT & T Capital Corporation	Lawrence Savings Bank
Avidia Bank	Malden Trust Company
Bank of America	Milford National Bank
Bank of New Hampshire	Morgan Guaranty Trust Company
Boston Federal Savings Bank	National Credit Union Association
Boston Safe Deposit and Trust Company	Nations Bank
Cambridge Realty Capital	North Middlesex Savings Bank
Citizens Bank	North Shore Bank
Commerce Bank & Trust Company	PNC Bank
Crum & Forster Insurance Company	Pioneer Bank
Eastern Bank	Red Mortgage Capital
Enterprise Bank	Rollstone Bank & Trust
Federal National Mortgage Association	State Street Bank & Trust Company
Fidelity Bank	TD Bank
Fiduciary Trust Company	Wainwright Bank
Israel Discount Bank of New York	

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## PARTIAL LIST OF CLIENTS SERVED: GOVERNMENT

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### FEDERAL

Federal Aviation Administration	Small Business Administration
Federal Deposit Insurance Corporation	US Army Corps of Engineers
General Services Administration	US Dept. of Housing & Urban Development
National Park Service	US Postal Service

### MASSACHUSETTS

Department of Conservation & Recreation	Massachusetts Development Finance Agency
Department of Fisheries & Wildlife	Massachusetts Housing Finance Agency
Department of Food & Agriculture	Massachusetts Port Authority
DOT – Mass Highway Department	Massachusetts Water Resources Authority
Massachusetts Bay Transportation Authority	Office of the Attorney General

### MUNICIPAL AGENCIES – MASSACHUSETTS

Auburn Board of Water Commissioners	Groton/Dunstable School Distribution
Berlin Conservation Commission	Lincoln Conservation Commission
Bolton Conservation Commission	Malden Redevelopment Authority
Boston Facilities Department	Mystic Valley Development Corporation
Boston Redevelopment Authority	Pittsfield Redevelopment Authority
Devens Commerce Center	Springfield Redevelopment Authority
Fitchburg Redevelopment Authority	Worcester Redevelopment Authority
Gardner Redevelopment Authority	

### MASSACHUSETTS CITIES AND TOWNS

Ashby	Clinton	Lowell	Quincy
Ayer	Dartmouth	Lunenburg	Springfield
Bellingham	Everett	Malden	Sudbury
Boston	Fitchburg	Medfield	Templeton
Boxford	Gardner	Milton	Townsend
Bridgewater	Greenfield	Nantucket	Tyngsboro
Brookline	Groton	Natick	Westminster
Cambridge	Harvard	Newton	Westport
Chelmsford	Leominster	Pepperell	Westwood
Chelsea	Lexington	Pittsfield	Worcester

### NEW HAMPSHIRE CITIES AND TOWNS

Concord	Mason
Derry Housing Authority	Nashua Housing Authority
Hudson	NH Department of Transportation
Manchester	NH Office of the Attorney General
Manchester Housing Authority	