

Building re-use, food revival part of commercial real estate trends

By **Brian J. Lowney**
Contributing Writer

Just like the meteorologists who are predicting warmer weather and sunny days after a long, dreary winter, local commercial real estate brokers are forecasting a healthier market with increased sales and a growing interest in the SouthCoast.

Jeff Pontiff, CEO and broker at E. J. Pontiff Real Estate in New Bedford, who specializes in historic downtown, waterfront and mill properties, sees a recent upswing in the local real estate market.

"From 2009, we are just starting to recover," he said, noting that new investors are interested in purchasing commercial property in the Whaling City for residential or mixed-use purposes.

Pontiff, whose income is largely generated from "fish-and-water-related" property sales in the city, such as cold storage, dockage and processing facilities, said buyers of local commercial properties include investors from Boston as well as local scallopers and businessmen who are opening new restaurants such as The Edge, formerly Davy's Locker in the city's South End.

There is a great deal of interest among innovative, experienced restaurateurs, he said, who are looking to open exciting new eateries in the New Bedford.

"They want to be part of the scene in downtown New Bedford," Pontiff said. "They own restaurants elsewhere and have the experience. They really know what they are doing."

In contrast, Pontiff said, commercial downtown property, particularly office space, can be difficult to fill. He attributes the decline to a decreased need for offices, brought on by more individuals choosing to work from home or using their laptop to set up shop in a corner coffee shop.

"The demand for traditional office space is diminishing," he emphasized.

One bright spot in the decline, according to Pontiff, is the re-use of some office spaces for artists.



Patrons of the newly opened dNB Burgers on Elm Street in downtown New Bedford can be seen inside the eatery as the sun sets outside.



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— **Lori Nery**, vice president of Coastal Realty



There is a growing trend downtown to convert unused office space into artist studios, he said, a move that not only fills unused space but also enhances the city's thriving arts community.

Another New Bedford broker, Lori Nery, vice president of Coastal Realty, and a past president of the Greater New Bedford Association of Realtors, agreed with the forecast of a bright future for both the local residential and commercial real estate markets.

211 Kempton St

7,515 SF Buildable Office

Bldg Lot in Downtown



253 Cedar St

**12,198 SF Commercial
Manufacturing Building**

"We've got a lot of interest in New Bedford," she said. "The investors see New Bedford as a bargain basement. They can't believe the beauty and quality of the construction."

One potential re-use property that Nery expects to generate interest is The Worship Center on Center Street, a historic church with an attached home/office building, listed at \$399,000. These types of buildings have unlimited possibilities, she said,

and are well suited to house a nonprofit agency or cultural organization.

Nery emphasized that some investors are focused on residential properties. Typically couples, they include both out-of-town and local investors who are interested in purchasing and renovating large multi-family residences. Many want to live in the Whaling City and enjoy the city's cultural opportunities and recreational facilities.

"They want to relocate," she said. "They want to live, work and play here. They can partake in all that New Bedford has to offer."

They also care about their tenants, she said.

In Fall River, recent commercial transactions have focused on industrial and office spaces, and less in the retail sector, according to Kelley Collins, broker and founder of Collins Commercial Real Estate.

Collins described the commercial market as "very steady" and reports that leasing and sales during the past month have been strong.

"The momentum has increased even more," she said, adding that although the extreme weather that the region experienced during the past few weeks did have a slight impact on business, there is a growing interest in real estate as the weather turns warmer.

Retail is down, she said, because some owners are choosing not to sell. "If someone has income, a cash flow and property renters, more often than not they'll hold onto it and not sell," she said of many plaza and strip mall owners.

Collins reports a growing interest in local commercial properties from prospective buyers from New York and Connecticut-based companies that are interested in expanding their operations.

"We could use more industrial buildings," she acknowledged, adding that facilities with high ceilings, tractor-trailer loading docks and good highway access are highly marketable as distribution centers and manufacturing facilities.