

MacRo Report

REAL ESTATE SERVICES

SPRING/SUMMER 2014 | VOLUME XXI, ISSUE 1

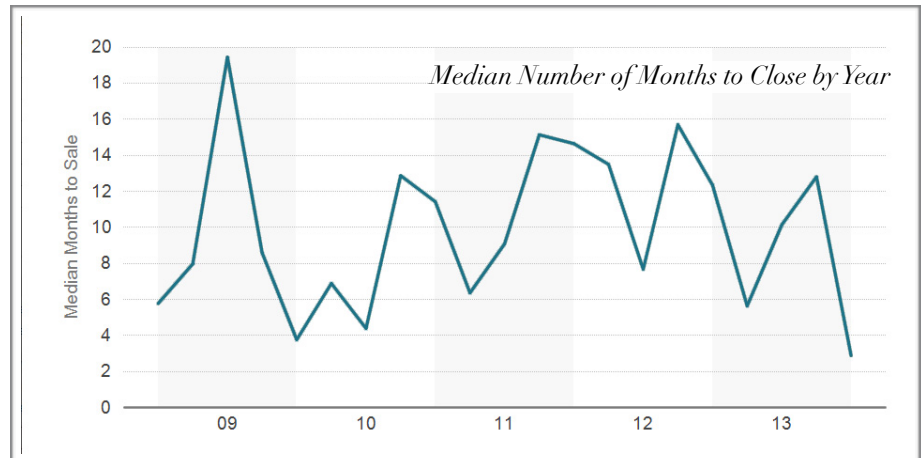
Positive 2014 Sales Trends

ROCKY MACKINTOSH

“Time to market” is plummeting for Frederick’s commercial listings.

Over the course of the last 5 years, the median time it takes for a commercial property to go under contract in Frederick County, Maryland has dropped dramatically from a high of over twenty months to the current level of just 3 months, according to statistics compiled from CoStar.com, the world's largest and most comprehensive database of commercial real estate information.

The median time on the market dropped from its 2009 peak to a low range of 4 to 7 months in late '09 and early '10 and then roller coasted its way back to nearly 16 months in 2012 before it worked its way to the current low of 3 months in March of 2014.



What does this mean for “would-be” sellers of land and commercial real estate in Frederick County? Purchasers (investors, developers, businesses and builders) are actively engaged in the market and they are actually signing contracts. It also means that the majority of new listings that are hitting the market are being shown.

It also happens that the owners of land and commercial real estate are setting asking prices reasonably close to market values. They have learned that purchasers are armed with more market information than ever before.

Have you been contemplating listing a property for sale? Don't hesitate to call MacRo.

Contact Rocky at 301-698-9696 ext. 202 or rocky@macroltd.com

2014 Election Web Exclusive: Frederick County Politics and Growth

As Charter Home Rule makes its debut in Frederick County, the next election cycle will likely prove to be a spectacle. Instead of a primary and general election to whittle a cast of county commissioners, this election cycle will fracture the race into 7 separate campaigns.

Over the past 20 years, the hot button issue on most ballots has been that of GROWTH. What side are you on? And what does that mean, anyway?

Visit MacRo Report's extended online edition at macroltd.com to read our thoughts and share yours!

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Retail Strip Centers as Local Wellness Centers

STEVE CRANFORD



For the near future, health care real estate decisions, like the medical business, focus on economies of scale to compensate for the lower insurance payments while adjusting to the new medical measuring stick of outcome or wellness care.

Like the old real estate mantra, “location, location, location”, the new medical business model will also have a similar mantra: *large, local, and logical*.

How do medical practitioners and investors locate large affordable structures that can service the community and make financial sense? If you ask the medical investors/redevelopers, the likely answer is the local retail center. The facility is in place, and the community infrastructure is there. The cost savings between repurposing empty or underutilized space versus ground-up development is considerable. This approach also satisfies sustainability opportunities, and saves the patient time and travel costs because of its local presence.

The upside for retail owners can be noteworthy. First, the owners get to convert their current investment into a brand new business model that comes with the opportunity for long-term economic growth. Second is the strong possibility that instead of several small to medium size tenants, the owner could likely see one or two tenants utilize the entire center. Over time, the medical office building has become the health care facility, which is likely to morph into the Local Wellness Center, conveniently located near you.

To learn more about how your real estate investments are being affected by all the upcoming health care changes, contact Steve.

**Contact Steve Cranford at
301-698-9696 ext. 207 or
steve@macroltd.com**

Lots of Land

DAVE WILKINSON

While the real estate market experienced an “enhanced” cycle over the past ten years, the lot and land sub-sector has been subject to even greater volatility – like a business cycle on steroids. The residential bubble of the mid 2000’s morphed into The Great Recession by the end of the decade. A question I’m often asked is: where in the cycle are we currently and what is the market value of my land?

The chart below shows the performance of what I’ll call “custom home lots” in Frederick County over the past 10 years, where custom home lots are defined to be 1 to 2 acres in size, have existing water and sewer or septic supply, and are sold through the local multiple listing service (MRIS).

Year	# Sales	Median Price
2004	18	\$122,000
2005	34	\$200,000
2006	16	\$253,000
2007	20	\$209,000
2008	7	\$175,000
2009	8	\$154,000
2010	9	\$128,000
2011	9	\$103,000
2012	14	\$112,000
2013	19	\$105,000

At the turn of the millennium, the median price of a custom home lot was around \$70,000 and sales volume was about 40 lots per year. Over the next six years a shortage of custom home lots developed and prices shot up: the median price peaked at over \$250,000 in 2006. Prices reached an unsustainable level, and sales dropped. Then in 2008 the economy crashed and custom lot sales plummeted - falling below 10 lots per year.

The good news is that since the trough of 2008, sales have increased every year, albeit at a modest rate. While MacRo, Ltd. is not expecting a rapid run up in prices anytime soon, it is encouraging to see prices stabilizing and the number of transactions increasing as is typical in a period of recovery.

If you’re in the market to sell or purchase lots, land or farms, please give me a call. I’d be honored to assist you in your evaluation and help you achieve your goals.

**Contact Dave Wilkinson at
301-698-9696 ext. 203 or
dave@macroltd.com**

Frederick CRE Sales Up 40%

KATHY KRACH

Frederick County posted \$275 million worth of commercial real estate sales during 2013 versus a little over \$190 million in 2012—a healthy 40% increase in dollar volume. In addition, the number of CRE sales transactions increased by over 10% from 2012. While two years is hardly enough data to begin tracking trends, it is encouraging to see sales growth in the short term heading in the right direction—up!

Commercial closings dropped off a bit during the second half of 2013. Not entirely unexpected, considering our local economy had to dodge sequestration, the fiscal cliff and the rollout of Obamacare.

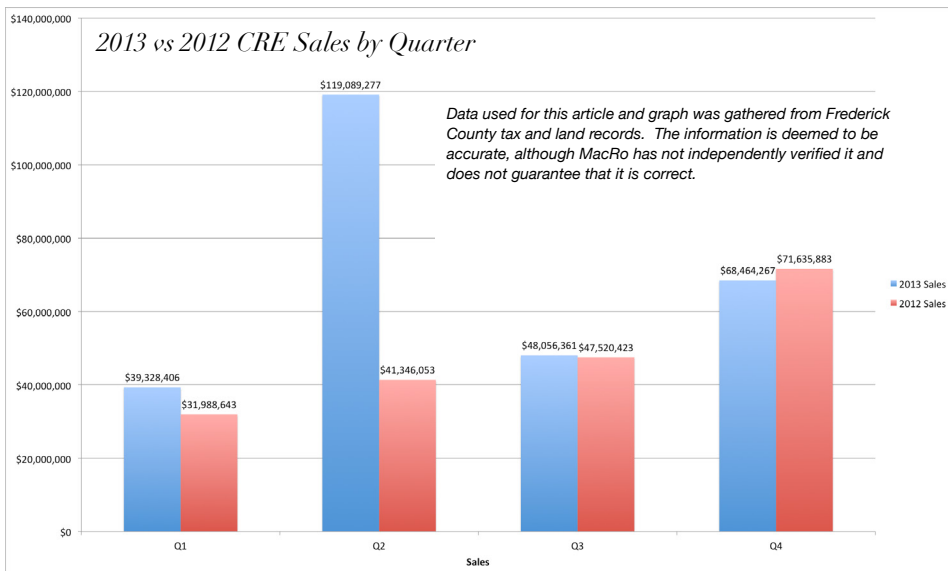
On the leasing side, prices appear to have hit bottom, as concessions such as free rent and rent freezes are beginning to go away, and business owners are downsizing or subleasing shadow spaces. Frederick's office segment is still limping along, as vacancies left by the loss of several large employers continues to put pressure on lease rates.

Anecdotally, the beginning of 2014 is off to a bright start. We hope the market has reached a tipping point, as we are now seeing more deals consummate than fizzle. Sellers overall are adapting to a more realistic view of commercial real estate values; buyers are entering the market as commercial credit markets open up again. And much like housing, commercial real estate inventories are quite low in the Frederick area.

Assuming current demand holds—or better yet, improves—conditions are ripe for commercial real estate prices and lease rates to begin a climb up, at long last.

Now is a great time to get off the fence if you've been waiting for the market to turn around. Let MacRo help you determine the best pricing and marketing strategy for your assets.

Contact Kathy Krach at 301-9696 ext. 205 or kathy@macroltd.com



The MacRo Team

Your Real Estate Experts

Rocky Mackintosh President

MacRo's founder, Rocky has been active in the real estate market since 1972.



Dave Wilkinson Vice President

Dave has 25 years experience in land and commercial brokerage, and development management.



Steve Cranford Vice President of Commercial Sales & Leasing

Steve has worked in all areas of the business, from selling entry-level condos to custom built homes to consulting on commercial transactions to exploring raw land development.



Kathy Krach Commercial Sales & Leasing

Kathy is a licensed real estate agent developing cutting edge marketing programs to deliver the best results for MacRo clients.



Sherri Mercer Executive Assistant

Sherri has more than 15 years of experience in financial and operational management.



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REAL ESTATE SERVICES™

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Visit manorathollyhills.com for more information and to schedule a tour.



Spring has sprung at the Manor at Holly Hills. With new homes under construction now is the perfect time to tour the Manor at Holly Hills.

Only 9 lots remain at Manor at Holly Hills



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MacRo Report

REAL ESTATE SERVICES

**FOR LEASE:
411 Aviation Way**



Class A contemporary themed office building with modern glass and stone exterior, 2-story grand foyer, and abundant natural light.

**FOR LEASE:
Corporate Drive**



16,000 SF +/- medical and general office space in this class A/B single story building with open floor plan, high ceilings, and extra utilities on site.

**FOR SALE: \$885,000
50 Carroll Creek Way**



This 3,781 SF commercial office/condominium is situated in a prime downtown Frederick location with a view almost as beautiful as its interior.

**FOR LEASE: MEDICAL
915 Toll House Avenue**



Modern brick and glass medical building near Frederick Memorial Hospital. Surgical center for lease with 14,000 SF. Smaller suites available ranging in size from 1,500 – 4,900 SF.

**FOR LEASE:
4515 Yukon Court**

2,400 - 12,000 SF of high bay warehouse space. 20' ceiling height. Zoned General Commercial. Easy highway access and lots of parking.

**FOR LEASE:
198 Thomas Johnson Dr.**

Centrally located at the intersection of Thomas Johnson Drive and Opposumtown Pike, this modern brick facility is a convenient location to run your business or medical practice.

**FOR LEASE:
HISTORIC BUILDING**

South Carroll Street - Located adjacent to Carroll Creek, this former factory building is slated to begin adaptive reuse construction this spring and will be ideal for restaurant or retail businesses.

**FOR SALE: \$319,000
5713 Industry Lane**

Ideal for Investors: 3,321 SF of prime flex condominium space for sale. Superb office build-out & warehouse space with bay door access. Long-standing tenant generating strong cash flows and ROI.

**FOR SALE: \$209,000
12 Davis Avenue**

Excellent location for contractor with 1,200+ SF, 8+ parking spaces, 3- 4 offices, kitchen area, garage and additional storage.

**FOR LEASE: RETAIL
919 North East Street**



This anchor position retail space is located on street level with mixed use zoning and loading dock. Between 12,800–33,000 SF of space is available.

**FOR SALE: \$980,000
6846 Michaels Mill Road**



Located in Buckeystown, Maryland, this industrially zoned 9+ acre lot provides outside storage for equipment and tractor trailer containers, and includes a 11,700 square foot warehouse building.

**FOR LEASE: \$12.50/SF NNN
5950 Frederick Crossing**

Office in the Rt. 85 corridor. 2,000 SF plug n play.

FOR SALE: \$975,000
10400 Moxley Road

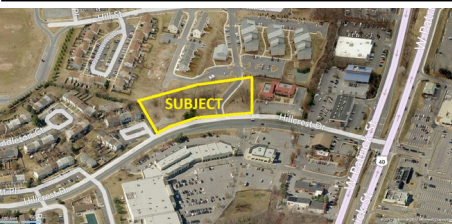


Well maintained equestrian facility with lots of upgraded finishes. 22+ acres with spacious 4 BR, 2.5 bath residence. Equestrian improvements include 10 stall barn with wash stall, 48x36 tractor shed, outdoor arena, and 4 fenced paddocks with auto waterers.

FOR SALE: \$1,000,000
Monocacy Boulevard

Located in the highly visible commercial area near Walmart and the Shops at Monocacy, this lot is a fantastic commercial development opportunity. Fit a building up to 15,000 SF!

FOR SALE: \$550,000
Hillcrest Drive



This lot is .42 acres in size and is located on the Golden Mile. Unconditional site plans in tact for 25,600 SF two-story commercial building or 44,000 SF school/community center. Utilities including water, sewer, electric, and telephone within 25 feet of site.

FOR SALE: \$295,000
7950 Timmons Road

This land parcel is subdividable into 4 lots. Frederick County subdivision plan active through October 2014. 4 approved perc tests for conventional septic areas. 4 drilled wells with 19 GPM.

FOR SALE: \$1,200,000
1920 Urbana Pike

8 + acre commercial site in southern Frederick County at the intersection of two major roads. Terrific visibility.

FOR SALE:
Green Valley Road

General commercial land perk approved for three pad sites in the heart of a prime development area of eastern Frederick county.

FOR SALE: \$399,000
Woodsboro Pike

8.85 acre industrially zoned lot with great visibility on Woodsboro Bypass. Includes a 57' wide access point as shown on SHA plat.

FOR SALE: \$149,000
4770 Winchester Blvd.

This 3.07 acre lot is located just off Rt. 15 in the Stanford Industrial Park. Offers unlimited potential for professional development.

FOR SALE: \$249,000
Ball Road

Located in the Urbana school district, this 8.65 acre residential lot has a 4 bedroom PERC and private stream. Subdivision rights are intact.

FOR SALE: \$895,000
Crouse Mill Road

Farm property in Keymar selling below appraised value. Level ground with frontage on Big Pipe Creek and a tributary thereof; deed describes property as 112 acres +/- and approximately 70 acres are tillable. All subdivision rights are intact including off-conveyances. Lots of possibilities including subdivision into as many as 8 lots or enter property into agricultural preservation programs.

FOR SALE:
Braddock Heights

6 + acre wooded building lot perked with well in private setting.

FOR SALE:
Custom Building Lots

YELLOW SPRINGS - \$159,900
Last of 5 lots, 3.4 acres.

EMMITSBURG - \$75,000
2.7 acres, 4 BR perc, 20 GPM well.

CLARKSBURG
1.2 ac - \$179,900, 1.9 ac \$184,900

COMUS - \$199,000



1 acre conventional 4 BR perc.

JEFFERSON - \$117,500
1.6 acres, conventional 4 BR perc.

KNOXVILLE - \$69,900
Affordable, level 1 acre lot.

MANOR AT HOLLY HILLS
- FOR SALE -
1.4 acre to 26 acre exclusive community. 9 lots remaining.