

Metro South Opportunity Zone Assessment



Presented By:

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Charlton College of Business
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SPRING 2019

**UNIVERSITY OF MASSACHUSETTS DARTMOUTH
CHARLTON COLLEGE OF BUSINESS
CENTER FOR MARKETING RESEARCH**

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KEY HIGHLIGHTS

- 57% of respondents are familiar with the creation of Opportunity Zones.
- 18% of respondents agreed that Opportunity Zones offer great investments from a tax perspective.
- 23% of respondents agree that there will be improved marketability for sale of buildings in Opportunity Zones.
- 43% of respondents' roles are developers, and 26% are contractors.
- 60% of respondents would most likely be involved with new development projects, 56% of respondents would most likely be involved with residential projects, and 55% would most likely be involved with commercial/office development.
- 21% of respondents believe market rents and sales amounts would be challenging in Opportunity Zones.

RESEARCH OBJECTIVES

RESEARCH OBJECTIVES

To investigate the interest of Opportunity Zones as defined by the tax law of 2017 in the Metro South region of Massachusetts.

This research aims to provide the following insights:

- To assess awareness among investors and builders of Opportunity Zones in the Metro South.
- To investigate consumer attitudes towards investing in Opportunity Zones in the Metro South.
- To assess awareness of the benefits of investing in Opportunity Zones.
- To discover prospective investors/builders of Metro South Opportunity Zones.

METHODOLOGY

METHODOLOGY

RESEARCH DESIGN	Survey
RESEARCH METHOD	Phone calls, Emails
SAMPLING DESIGN	Probability
SAMPLING METHOD	Systematic Random Sampling
SAMPLE POPULATION	Real Estate Investors & Developers in various MA directories
DATA COLLECTION PERIOD	February – March 2019
SAMPLE SIZE	n= 77

SURVEY INSTRUMENT

Metro South Opportunity Zone Assessment

*Conducted by the University of Massachusetts Dartmouth Charlton College of Business
Center for Marketing Research*

Your participation in this study will optionally enter you for a chance to win a \$100 Amazon gift card. At the conclusion of this survey, you will be prompted for drawing information if interested.

1. Are you familiar with the creation of federally designated regions called “Opportunity Zones”?

Yes___ No___ *(if no, read statement below)*

An Opportunity Zone is an economically-distressed census tract where new investments in real estate or businesses, under certain conditions, may be eligible for preferential tax treatment. Massachusetts has 130 tracts in 79 communities classified as Opportunity Zones. This is a result of the new 2018 Federal tax reform plan.

2. Do you feel the financial incentives and tax benefits of the Opportunity Zone Legislation are widely known and well understood by the real estate development community?

Yes___ No___

3. Prior to reading this question, were you aware that in order to take advantage of Opportunity Zone benefits, an investor needs to realize a gain on the sale of another asset and use the proceeds for a cost that is at least equal to the amount of the original purchase price?

Yes___ No___

4. Rate your level of awareness with the following Opportunity Zone incentives for investors:

	Very Aware	Somewhat Aware	Not Aware at All
Temporary Deferral: Investors may defer capital gains on income reinvested into Opportunity Funds. The deferred gain must be recognized when the investor exits the fund, or on Dec. 31, 2026, whichever comes earlier			
Step-Up in Basis: If the investor remains within an Opportunity Fund for at least 5 years, their tax liabilities related to the original capital gains are reduced by 10 percent. If the investment is held in the Opportunity Fund for 7 years, this increases by an additional 5 percent, meaning that investors can reduce capital gains liability by 15 percent total.			
Permanent Exclusion of Fund Gains: If an investor keeps their investment in an Opportunity Fund for 10 years, any gains from the Opportunity Fund are exempt from taxation.			

5. Do you see this federal designation as one that will help to stimulate investment in economically challenged gateway cities such as Brockton?

Definitely ____ Probably ____ Probably Not ____ Definitely Not ____ Not Sure ____

6. In your opinion, how would the designation of Opportunity Zones influence the development of sites? i.e. zoning, permitting, etc.

7. Do you perceive opportunity zones to be a better value investment? Why or why not?

8. Please rate the following challenges you would anticipate in developing real estate within an Opportunity Zone on a scale of 1-5. (1 being not challenging at all, and 5 being very challenging)

Cost of land acquisition____

Ease of working with municipality____

Ability to find contractors____

Construction costs____

Lack of appropriate development sites____

Access to financing____

Permitting____

Timing of selling an asset and investing into an Opportunity Zone____

Other (Please Specify) _____

9. What challenges would you anticipate when investing in a business located within an Opportunity Zone?

(Check as many as apply)

Market rents & sales amounts i.e. recent comparable rates____

Availability of an educated work force____

Availability of a skilled work force____

Cost of land/building acquisition____

Ease of working with building inspectors, city planners, etc.____

Market access____

Lack of appropriate sites to locate____

Logistics i.e. space, access to transportation & highways, etc.____

Other **(Please Specify)** _____

10. Which of these challenges will Opportunity Zone designation overcome for you?

(Check as many as apply)

Market rents & sales amounts i.e. recent comparable rates____

Availability of an educated work force____

Availability of a skilled work force____

Cost of land/building acquisition____

Ease of working with building inspectors, city planners, etc.____

Market access____

Lack of appropriate sites to locate____

Logistics i.e. space, access to transportation & highways, etc.____

Other (Please Specify) _____

11. How strongly do you agree or disagree with the following statements:

	Strongly Agree	Agree	Disagree	Strongly Disagree
Opportunity Zones offer great investments from a tax perspective (tax avoidance)				
There will be fewer barriers (added costs, zoning restrictions etc.) in Opportunity Zones				
There will be improved marketability for sale of buildings in Opportunity Zones				
There will be improved marketability for rental of buildings in Opportunity Zones				
Prices of buildings in Opportunity Zones will rise in anticipation of buyers				
Opportunity Zones offer a great incentive to enter emerging business and housing markets.				

12. What is your role in development?

(Check as many as apply)

Broker____

Contractor____

Developer____

Investor____

Land Planner____

Property Manager____

Other **(Please Specify)** _____

13. What types of projects are you most likely to be involved in?

(Check as many as apply)

New development____

Rehabilitations____

Commercial/ Office____

Commercial/ Retail____

Residential____

Industrial____

Other **(Please Specify)** _____

14. What would you typically consider the optimal size for a project you would develop/invest in/build:

Number of units: _____

Amount of capital needed: _____

Total square footage: _____

Other **(Please Specify)**: _____

15. Please rank the following Massachusetts areas in terms of desirability of development from 1 (most desirable) to 3 (least desirable).

Rt. 24 South of Boston Corridor (from Randolph to Bridgewater) ____

Rt. 3 South of Boston Corridor (from Braintree to Plymouth) ____

Rt. 95 South of Boston Corridor (from Dedham to Providence) ____

16. Explain why you chose the previous ranking:

17. What are the top 3 things you look for in an investment climate?

1. _____
2. _____
3. _____

**18. Rate your level of awareness of the 8 Metro South Opportunity Zones just south of Boston?
(4 in Brockton, 2 in Randolph, 1 in Rockland, and 1 in Bridgewater)**

Very aware____ Somewhat Aware____ Not Aware at All____

19. Would you or your company have interest in being involved in those “Opportunity Zones” mentioned previously given the tax benefits they offer?

Definitely____ Probably____ Probably Not____ Definitely Not____

If probably not or definitely not, why not? _____

20. Would you be interested in getting more information or a tour of the 8 Opportunity Zones located south of Boston in the Brockton area?

Yes____ No____

If yes, please provide contact information _____

21. If you would like to be entered in a drawing for a \$100 Amazon gift card for taking this survey, please provide your email address. Your email will not be used for anything other than selection and notification purposes at the conclusion of this study.

Email: _____

To Be Filled Out by Student Team from Call List:

Directory Category: _____

Contact Person's Name: _____

Company Name: _____

Street Address: _____

City: _____

State: _____

Zip Code: _____

Phone Number: _____

SIGNIFICANCE TEST

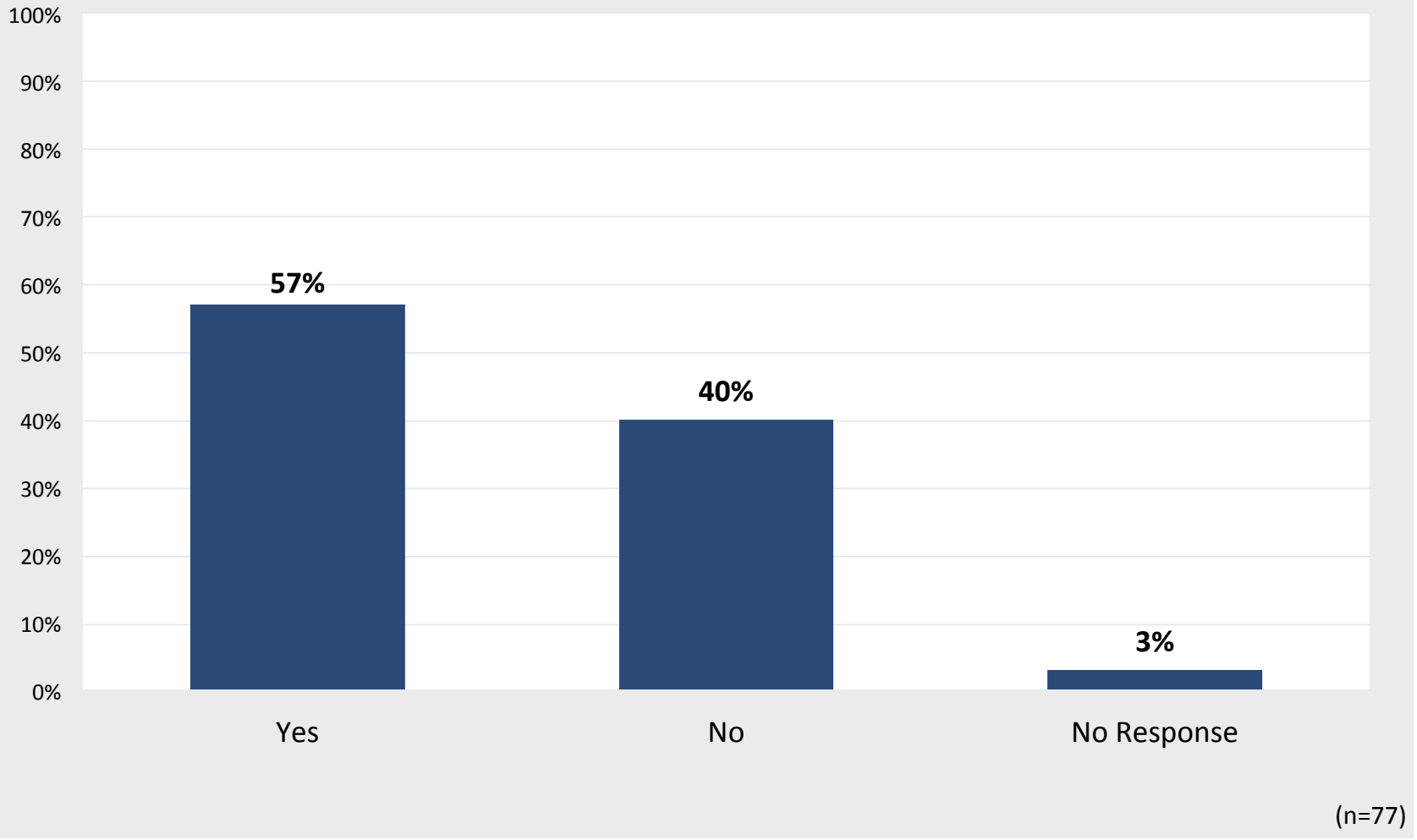
SIGNIFICANCE TEST

Test Statistics			
	Q1: Are you familiar with the creation of federally designated regions called "Opportunity Zones"?	Q2: Are the financial incentives and tax benefits of Opportunity Zone legislations well known and understood?	Q3: Were you aware that in order to take advantage of Opportunity Zone benefits, and investor needs to realize gain on the sale?
Chi-Square	36.026 ^a	28.545 ^a	26.909 ^a
df	2	2	2
Asymp. Sig.	.000	.000	.000

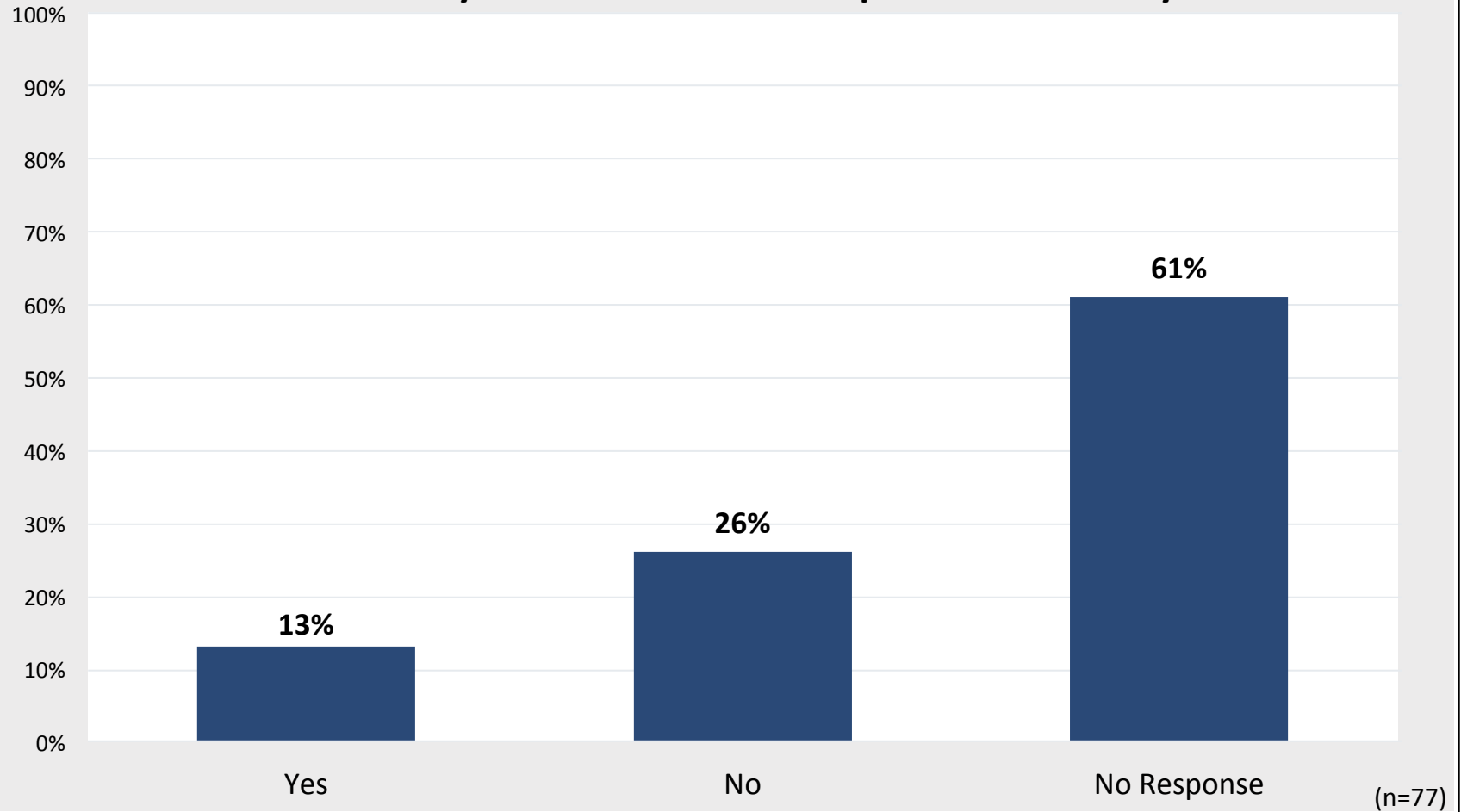
A Chi-Square test was performed on this data. The data in this study test significant at .000, which indicates the findings are statistically valid.

FINDINGS

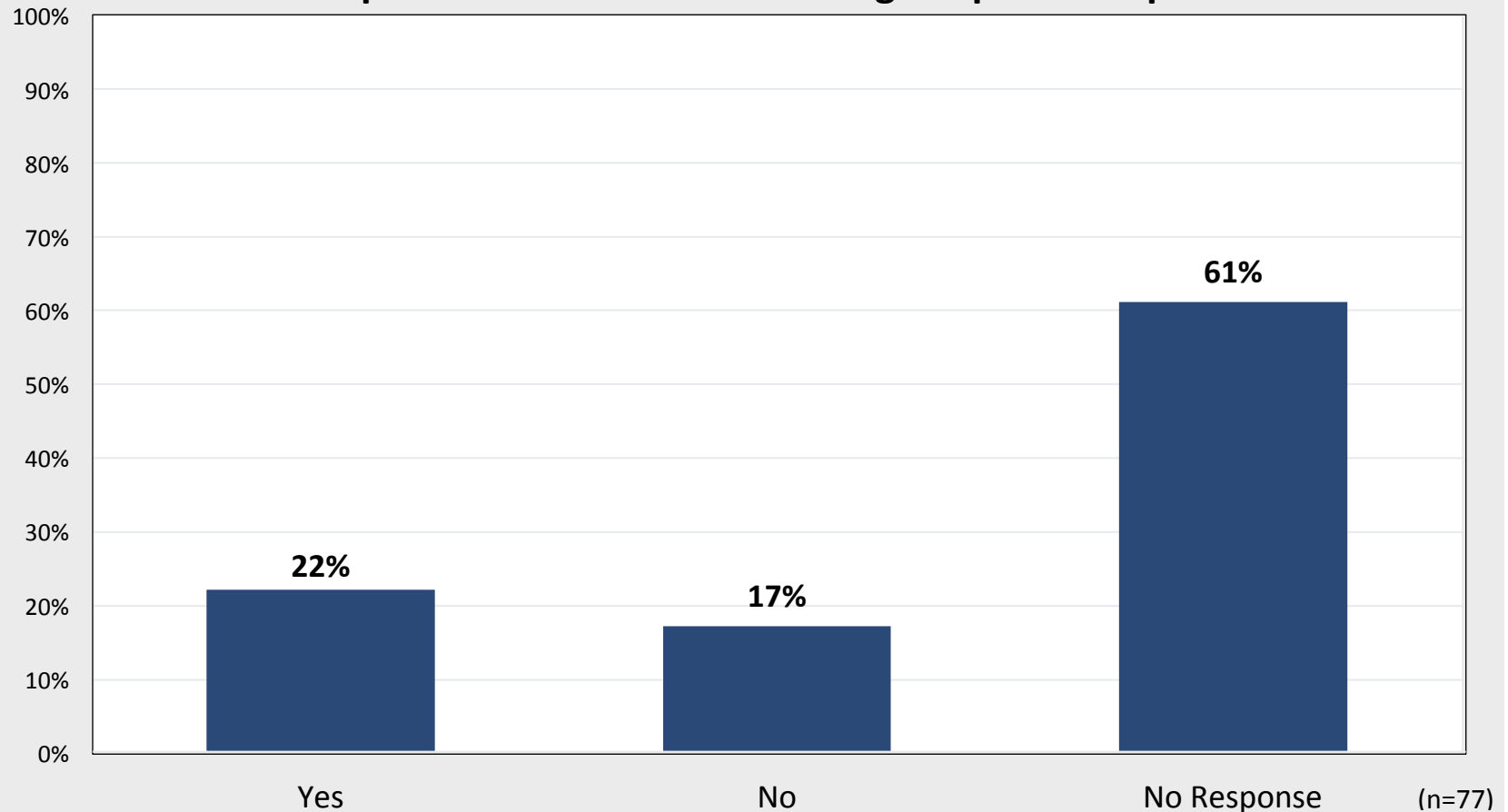
Q1: Are you familiar with the creation of federally designated regions called "Opportunity Zones"?



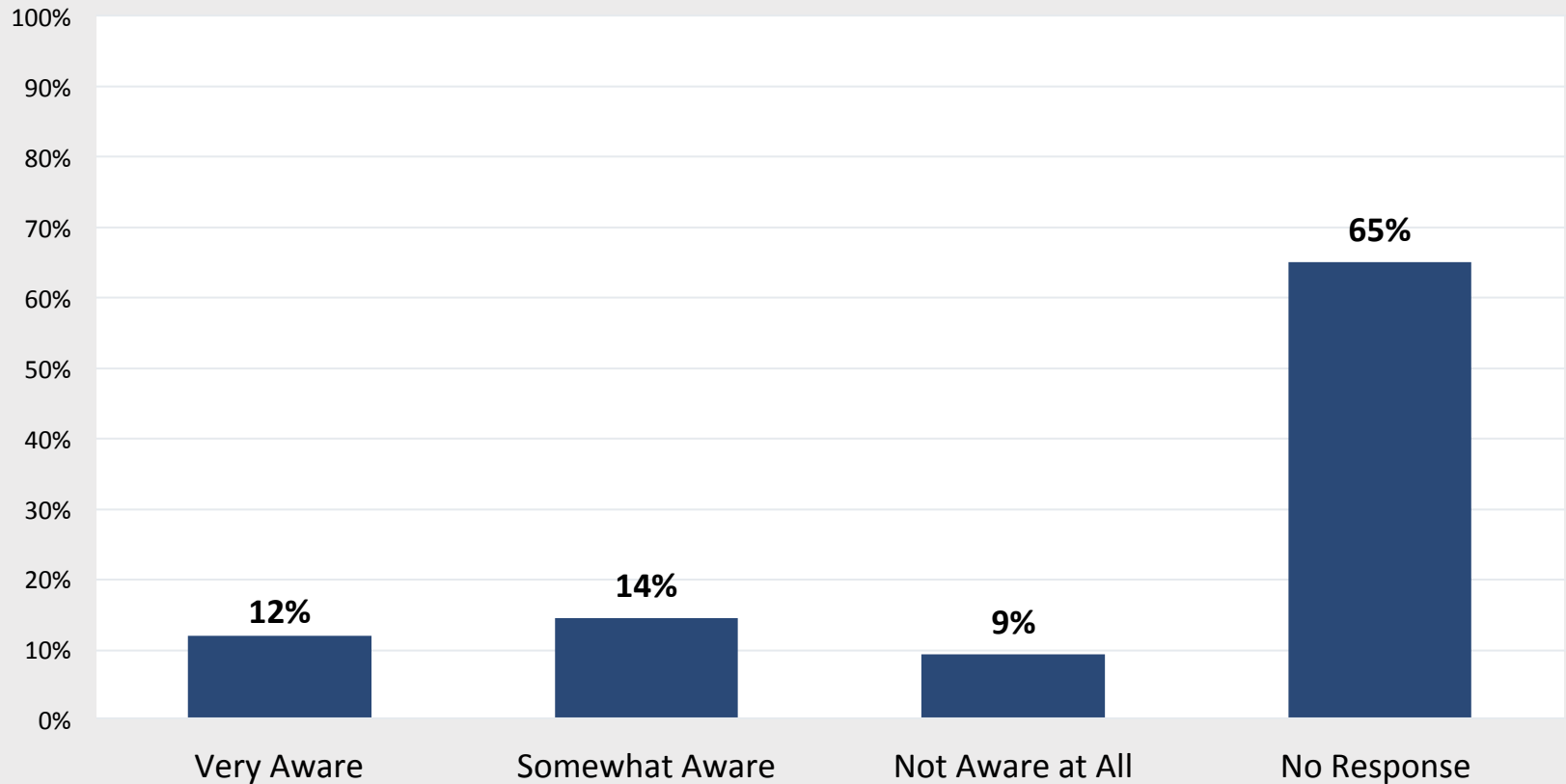
Q2: Do you feel the financial incentives and tax benefits of the Opportunity Zone legislation are widely known and well understood by the real estate development community?



Q3: Prior to reading this question, were you aware that in order to take advantage of Opportunity Zone benefits, an investor needs to realize a gain on the sale of another asset and use the proceeds for a cost that is at least equal to the amount of the original purchase price?

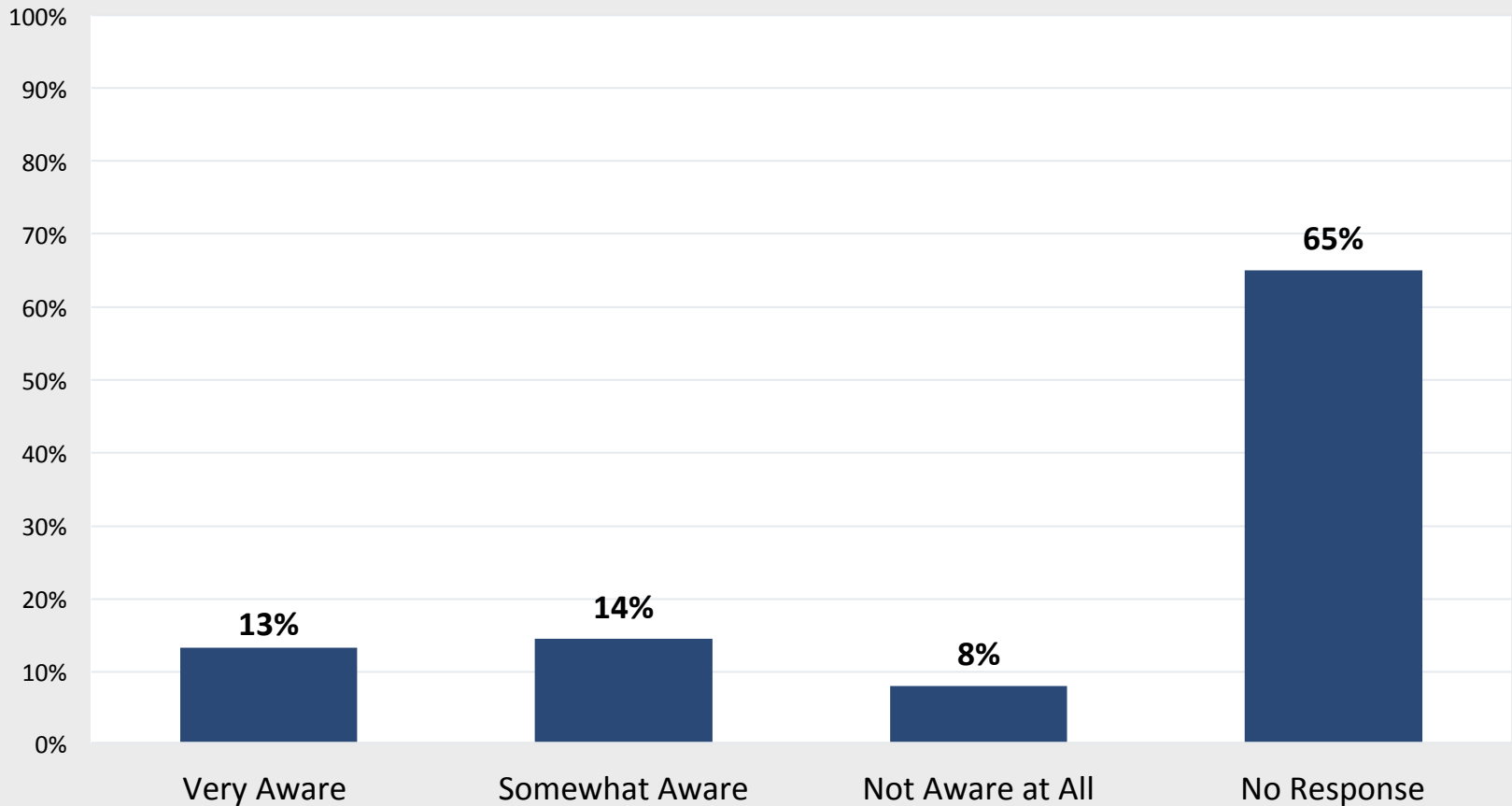


Q4: Rate your level of awareness with the following Opportunity Zone incentives for investors: (Temporary Deferral)



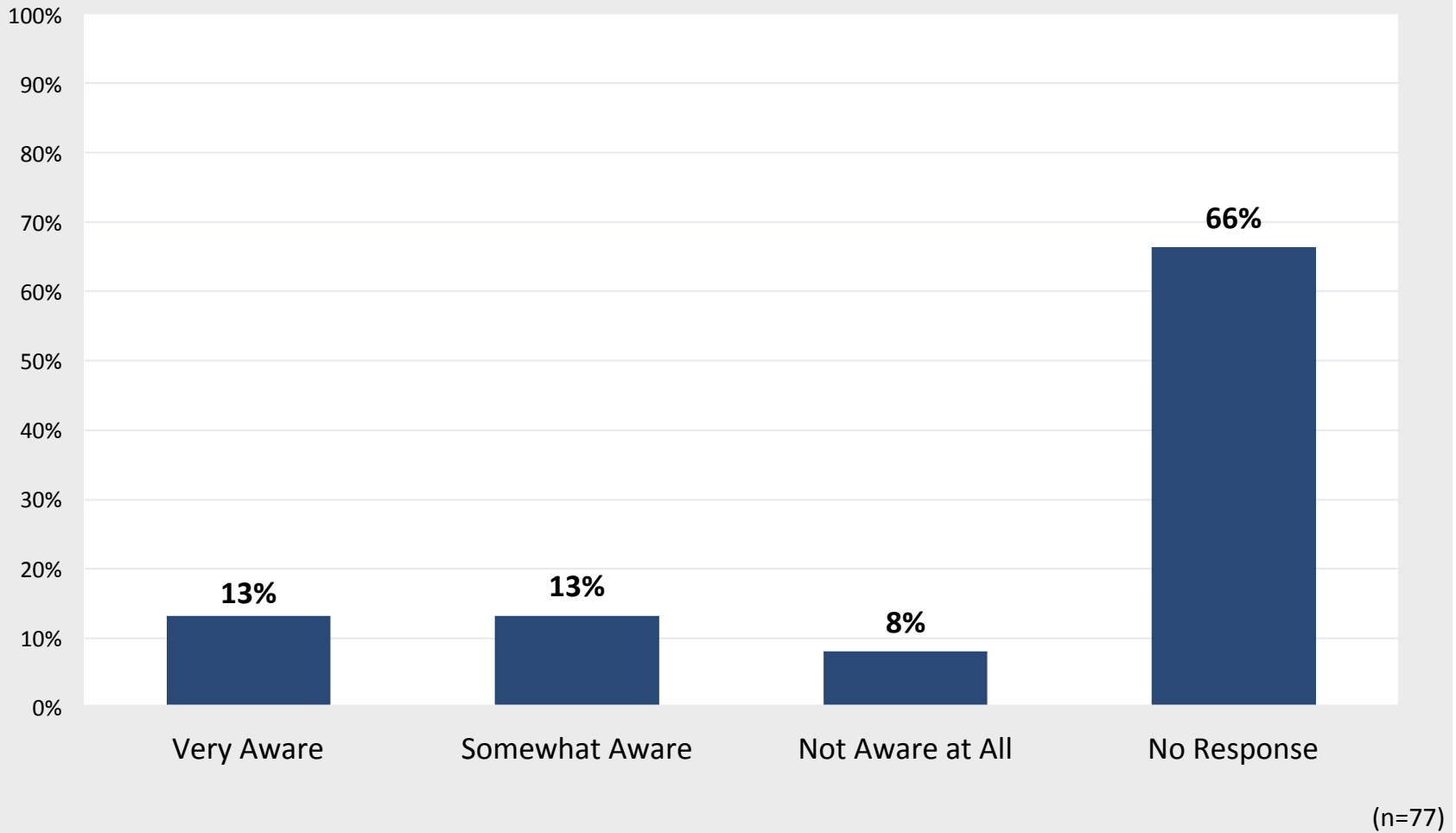
(n=77)

**Q4: Rate your level of awareness with the following
Opportunity Zone incentives for investors: (Step-Up in Basis)**

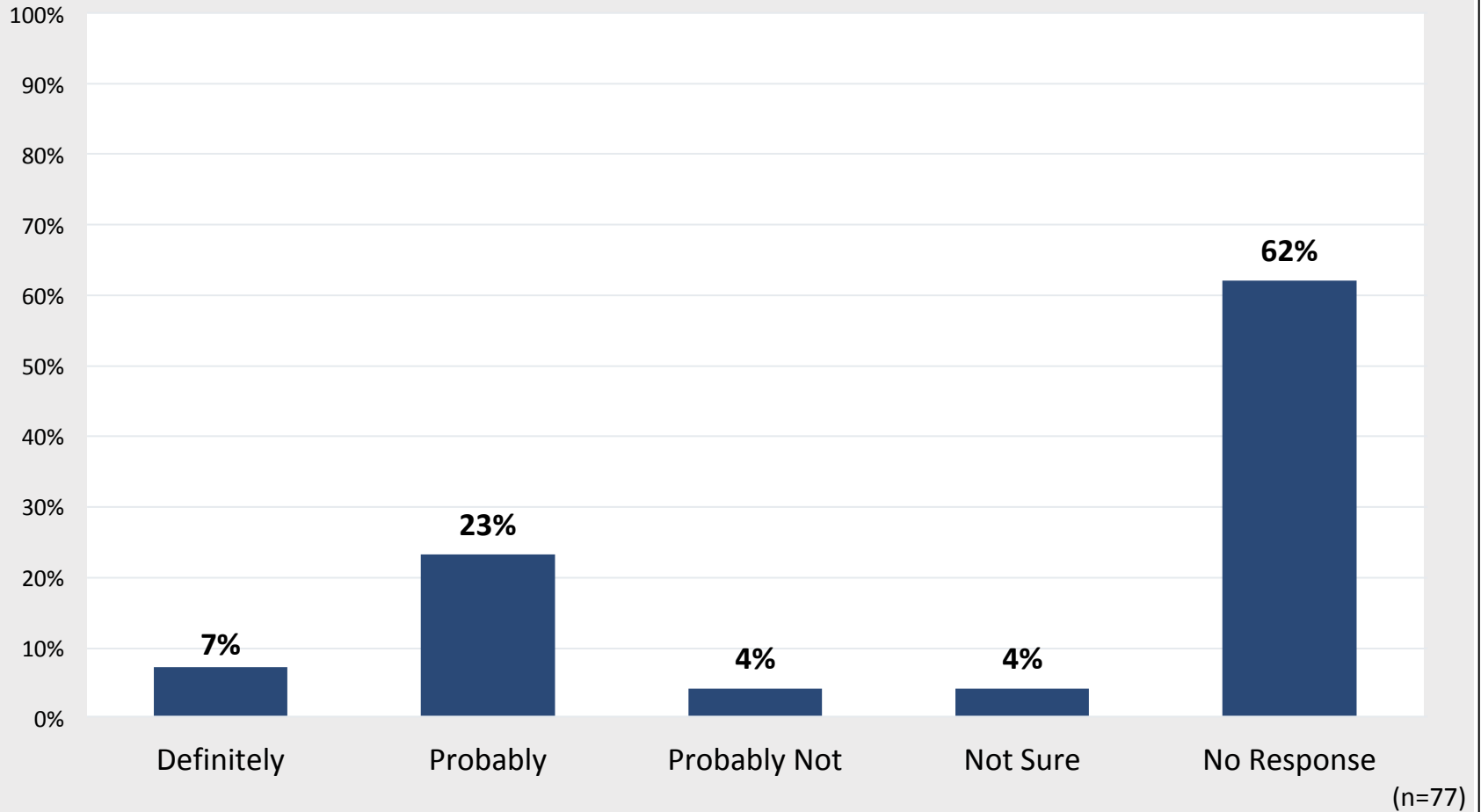


(n=77)

Q4: Rate your level of awareness with the following Opportunity Zone incentives for investors: (Permanent Exclusion of Fund Gains)



Q5: Do you see this federal designation as one that will help to stimulate investment in economically challenged gateway cities such as Brockton?



Q6. In your opinion, how would the designation of Opportunity Zones influence the development of sites? i.e zoning, permitting , etc.

- Access to competitive capital.”
- “Cost and financing as well as zoning.”
- “Development of sites around the train stations would be very desirable. The density (height and set-backs) in addition to reduction in parking; other modes of transportation and the introduction of green space adds value to the developer and community. Creating these zones (town planning assistance) is needed to make this successful.”
- “Don't think it is influenced.”
- “Don't know costs yet. The information would help move forward.”
- “Encourage it.”
- “Encouraging developers to build on sites that will provide for opportunity zone reversionary sales.”
- “Generate development interest and money.”
- “Getting permits in these areas could become slightly easier. Zoning rules and regulations could change.”

Q6. In your opinion, how would the designation of Opportunity Zones influence the development of sites? i.e zoning, permitting , etc. (Continued)

- “I believe developers are going to build in areas that already have momentum and the designation of these areas as OZ's is just additional incentive. I don't necessarily believe it will stimulate areas such as Brockton until more of the desirable OZ's are built-out.”
- “I think that the towns who submitted proposals to have opportunity zones thought very hard on what areas had the largest potential, but needed private funding and development to drive significant change. I think certain towns will be more lenient on the range of uses, the size of the projects, and will help expedite the process – as long as the new owner’s vision matches their vision of the area. We are already seeing some of the opportunity zone sites being converted into multi-family in areas where even 2 years ago no one would have ever built or wanted to live in. I think it will take a while to see significant change, but investors are seeing enough of a tax incentive to redevelop these areas.”
- “It should help as long as the municipalities work with the developers.”
- “It will encourage developers to try new projects in under privileged areas.”
- “It would be easier to get zoning approved: more people/workers, easier to get approval rights and a more competitive environment.”
- “Makes economics more attractive.”

Q6. In your opinion, how would the designation of Opportunity Zones influence the development of sites? i.e zoning, permitting , etc. (Continued)

- “Making development opportunities in Oz’s are more attractive to potential investment.”
- “Motivate investors to look at sites, generate development.”
- “People could go back and change use. They need instant development.”
- “People should understand them better so they can have a better impact.”
- “Positive growth in areas that would struggle otherwise.”
- “Show where tax saving would be.”
- “The parameters around opportunity zones need to be understood more. Still ambiguous. Not a lot of understanding in investing in opportunity zones.”
- “Theoretically, the designation would make a developer believe that the site is important to the community and therefore regulatory personnel/committees would be as lenient as they could.”
- “Zoning.”

Q7. Do you perceive opportunity zones to be a better value investment? Why or why not?

- “Definitely in comparison to high tax areas.”
- “Dependent on location of the zone.”
- “Depends.”
- “Depends on the use. Higher end retail or residential, or commercial/industrial uses requiring skilled labor, may be a bad fit in an area designated as disadvantaged
- “I think time will tell.”
- “It depends on who's money we want to invest.”
- “It depends. We tell our clients not to go buy something just because it’s in an opportunity zone – because frankly, still a lot of it is old, unwanted property that isn’t going to become fully leased by tenants if you don’t do anything to it (there isn’t any incentive for a tenant to be in an opportunity zone). If a client likes a building and it happens to be in an opportunity zone, that’s great but there’s very little that will provide you with a higher return if you keep it in its current condition. However, for developers, I could see this as a good opportunity. Again, you would need several large developments and a total reinvention of an area to be successful, but I think that is where people will find a higher return.”
- “No.”

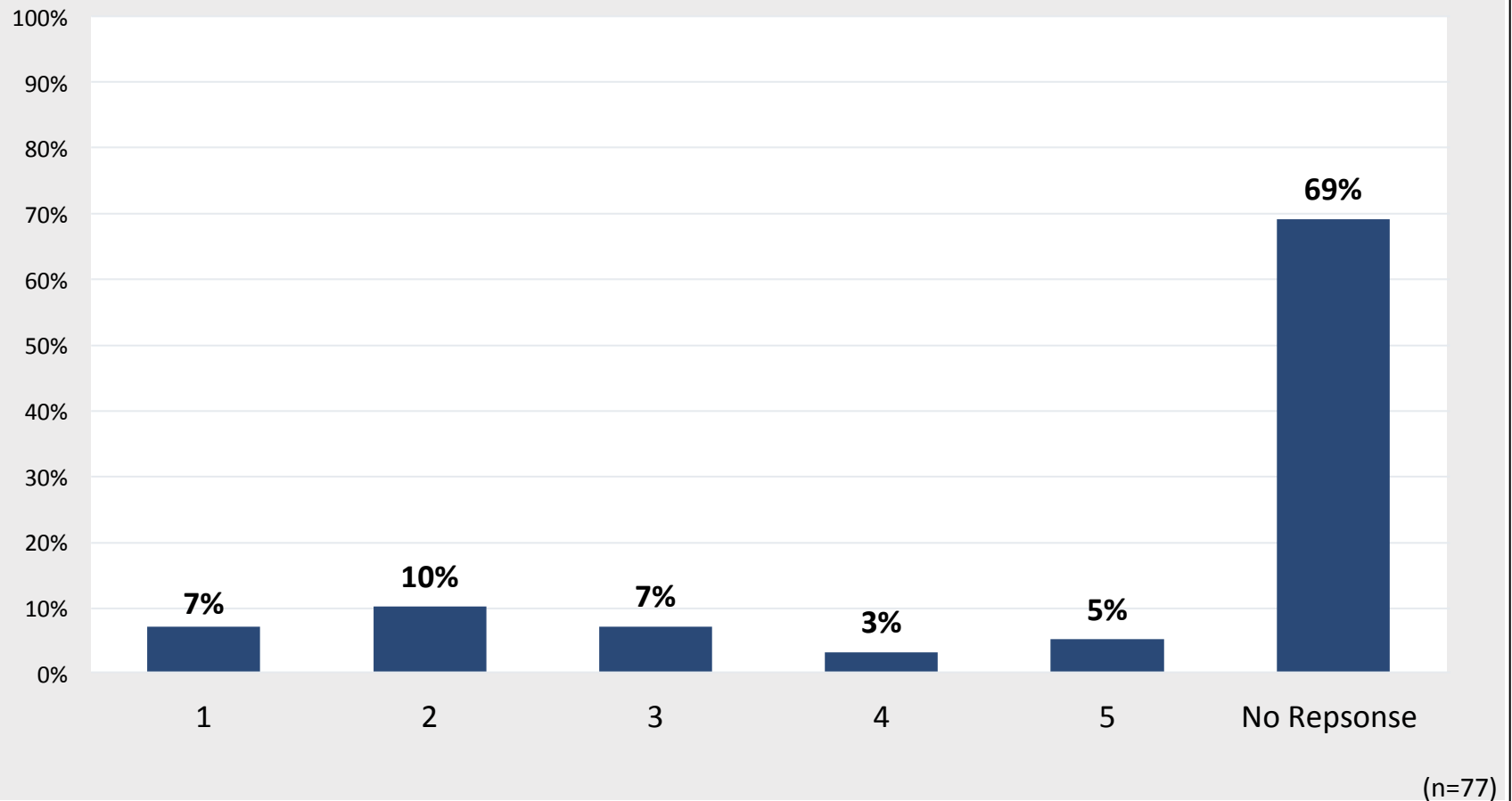
Q7. Do you perceive opportunity zones to be a better value investment? Why or why not? (Continued)

- “No because opportunity zones are in a less strong area. Opportunity zones are a 10 year commitment, after 10 years it is up for grabs. There is no incentive for adding value after 10 years.”
- “No, because you are going into an unproven area and you don't have clearly defined terms of the program.”
- “Not an issue about value investment.”
- “Not for a small company like mine.”
- “Not sure.”
- “Opportunity zones are a better value investment.”
- “There is always a risk when investing in secondary markets.”
- “Unsure.”
- “Yes, the requirement for additional investment in the zone should drive economic value. However the model is not suitable to developers.”
- “Yes because of tax break and risk/reward relationship.”

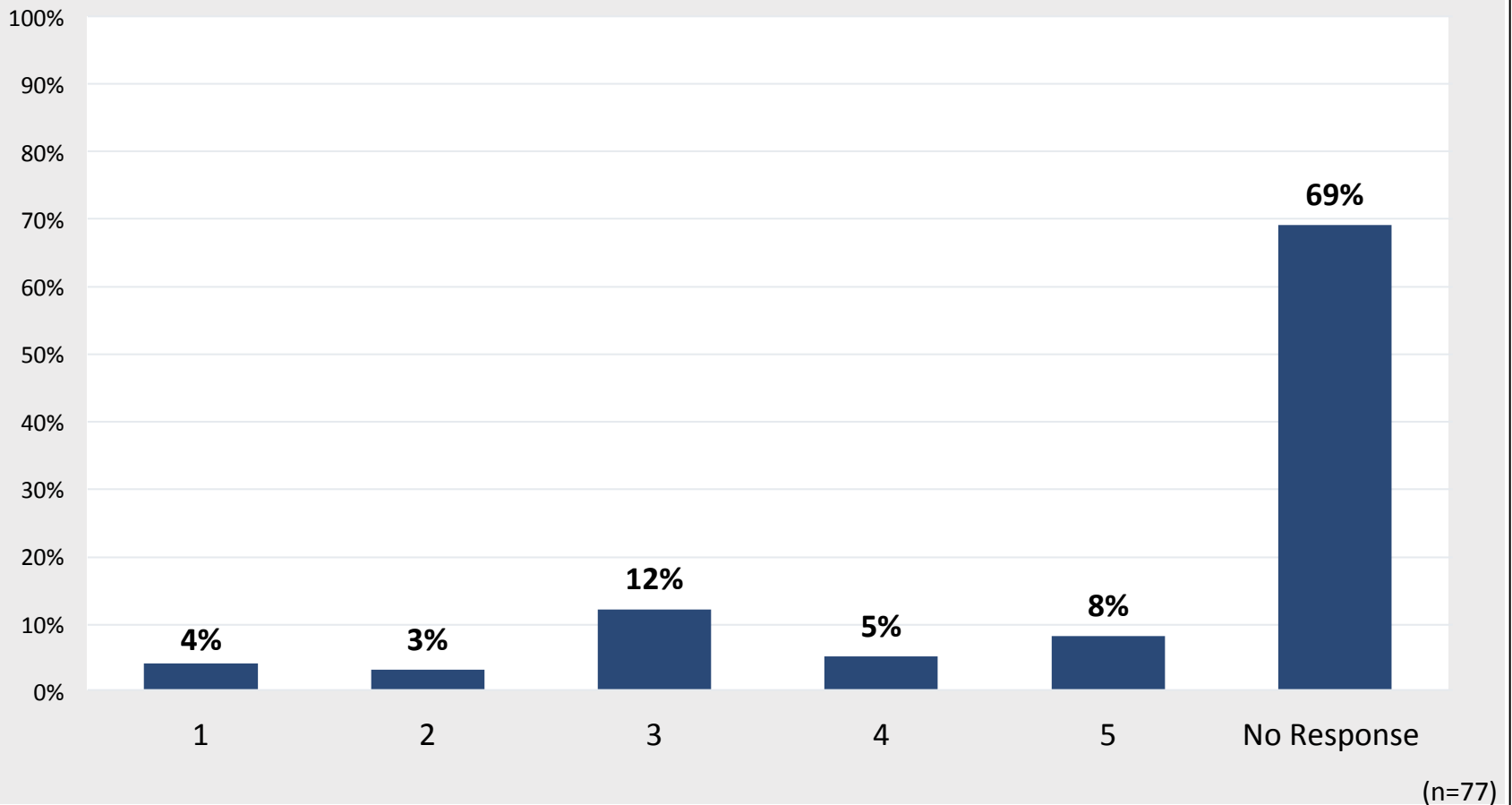
Q7. Do you perceive opportunity zones to be a better value investment? Why or why not? (Continued)

- “Yes, because of the tax advantages.”
- “Yes, mainly for the reason of deferring capital gains (and potentially eliminating capital gains).”
- “Yes, tax breaks and real estate impact where people are in the business helping the community.”
- “Yes, tax saving.”
- “Yes. For two reasons: it creates a planning road map for the communities and region and it shows a commitment from stakeholders on the investment (long and short-term). In my opinion, having too many opportunity zones (cities/towns) at one time isn't sustainable. Currently the state has been focusing on cities such as Somerville, Chelsea and Everett. Strategically western (Worcester and Springfield) and southeastern Massachusetts (Taunton, New Bedford and Fall River) are key target areas.”
- “Yes. If the project works without the OZ clause, then having it be an OZ only increases the return.”

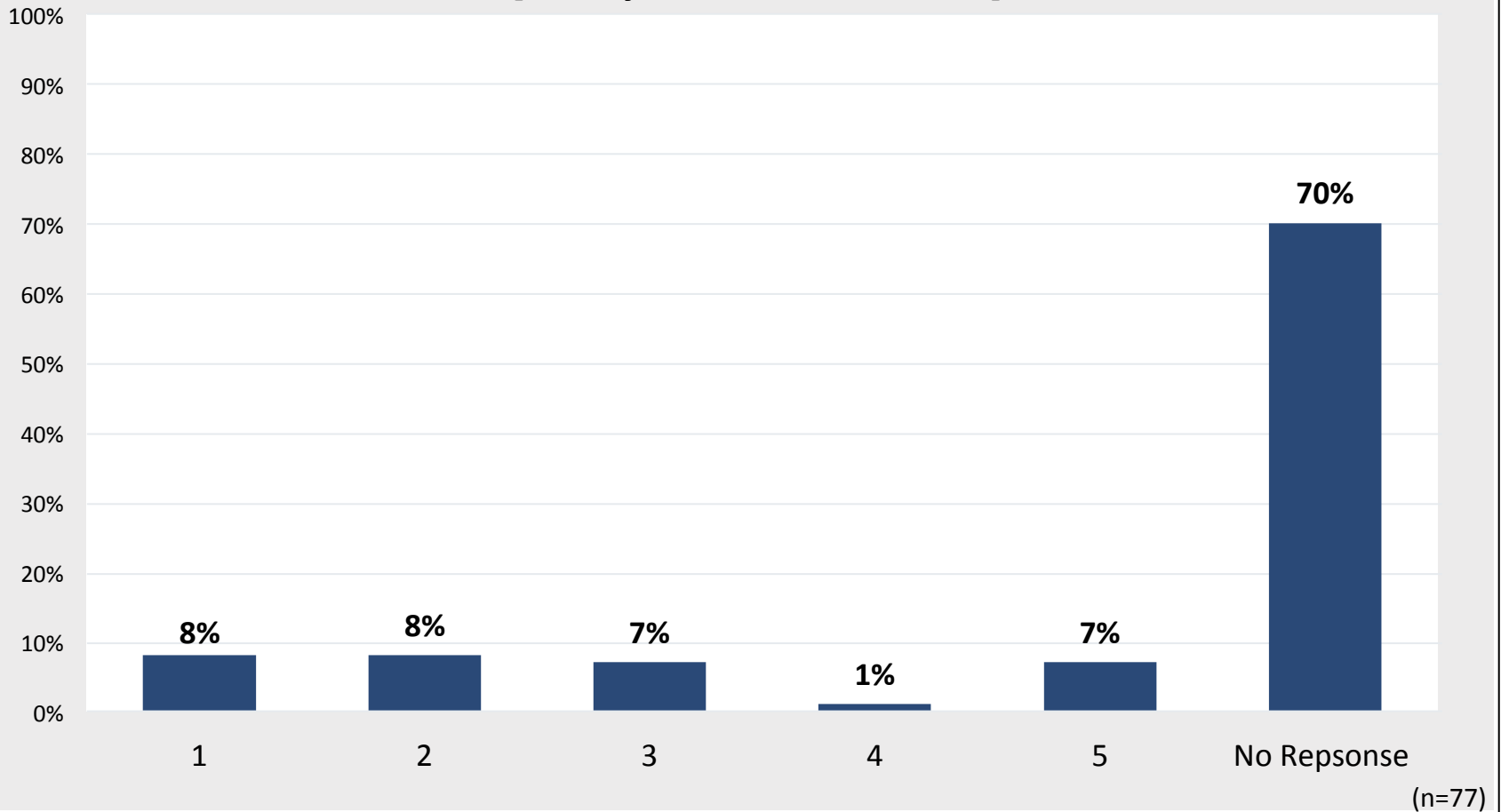
Q8: Please rate the following challenges you would anticipate in developing real estate with in an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging)
[Cost of Land Acquisition]



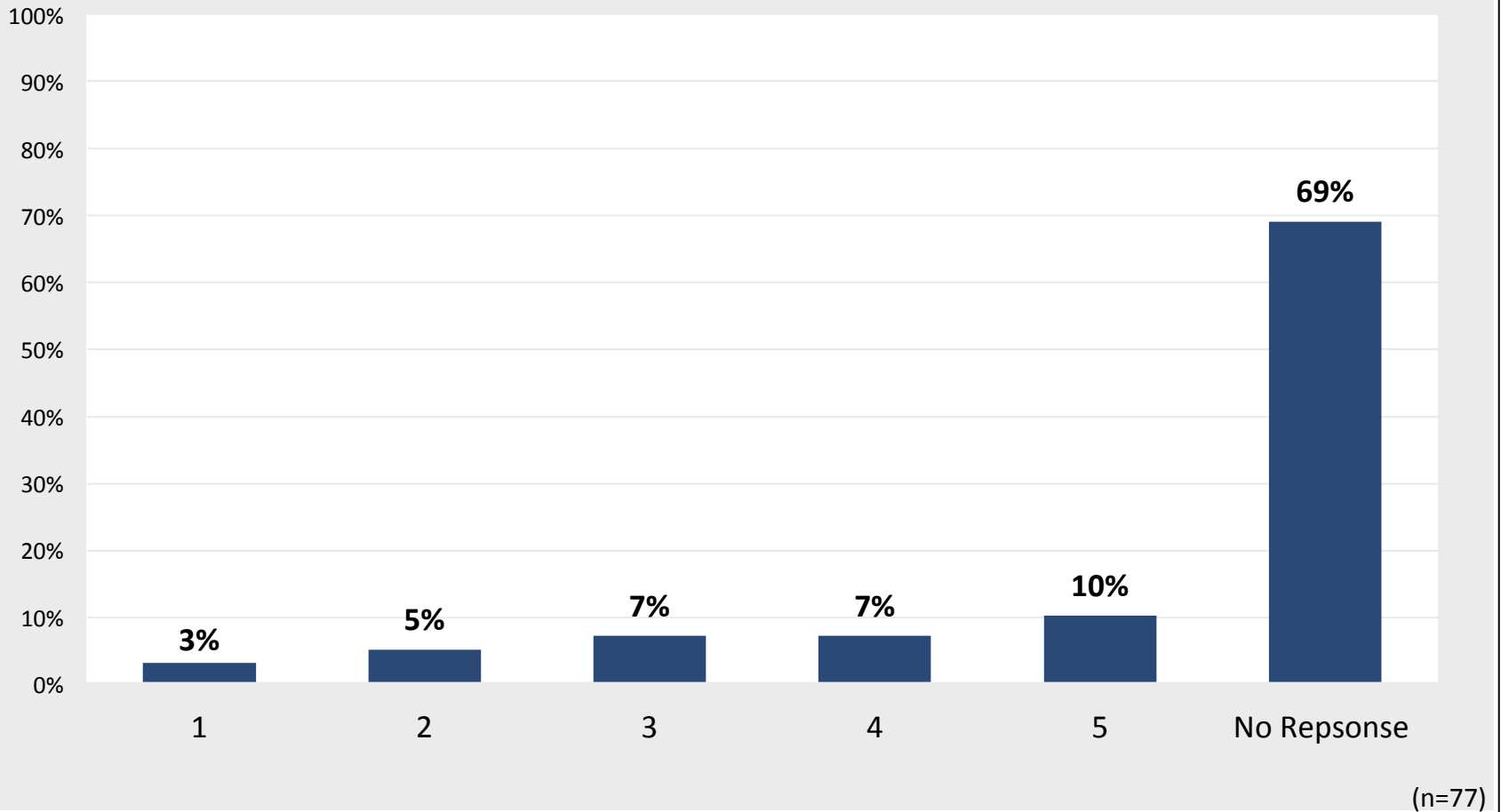
**Q8: Please rate the following challenges you would anticipate in developing real estate with in an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging)
[Ease of Working With Municipality]**



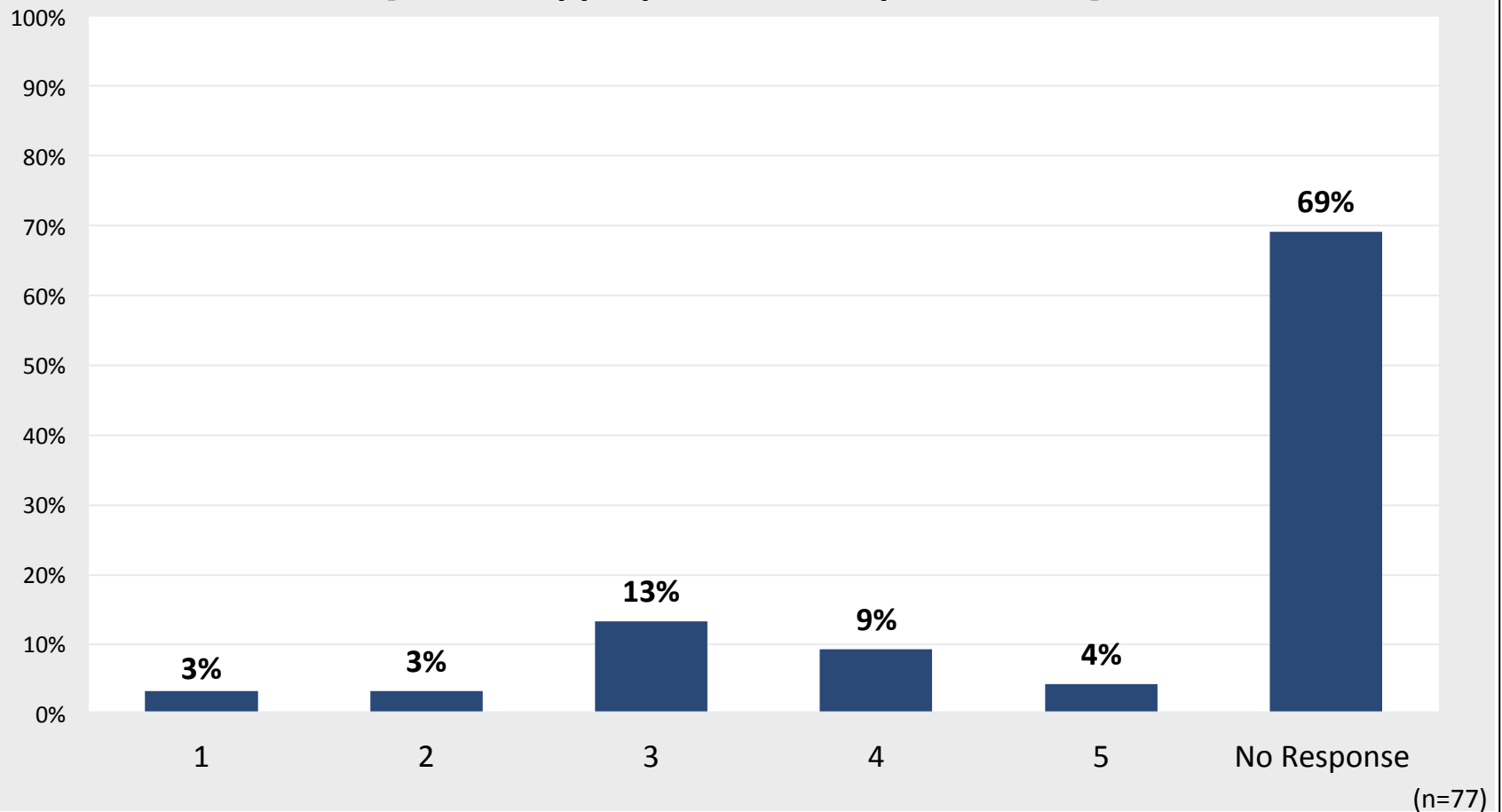
Q8: Please rate the following challenges you would anticipate in developing real estate within an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging)
[Ability to Find Contractors]



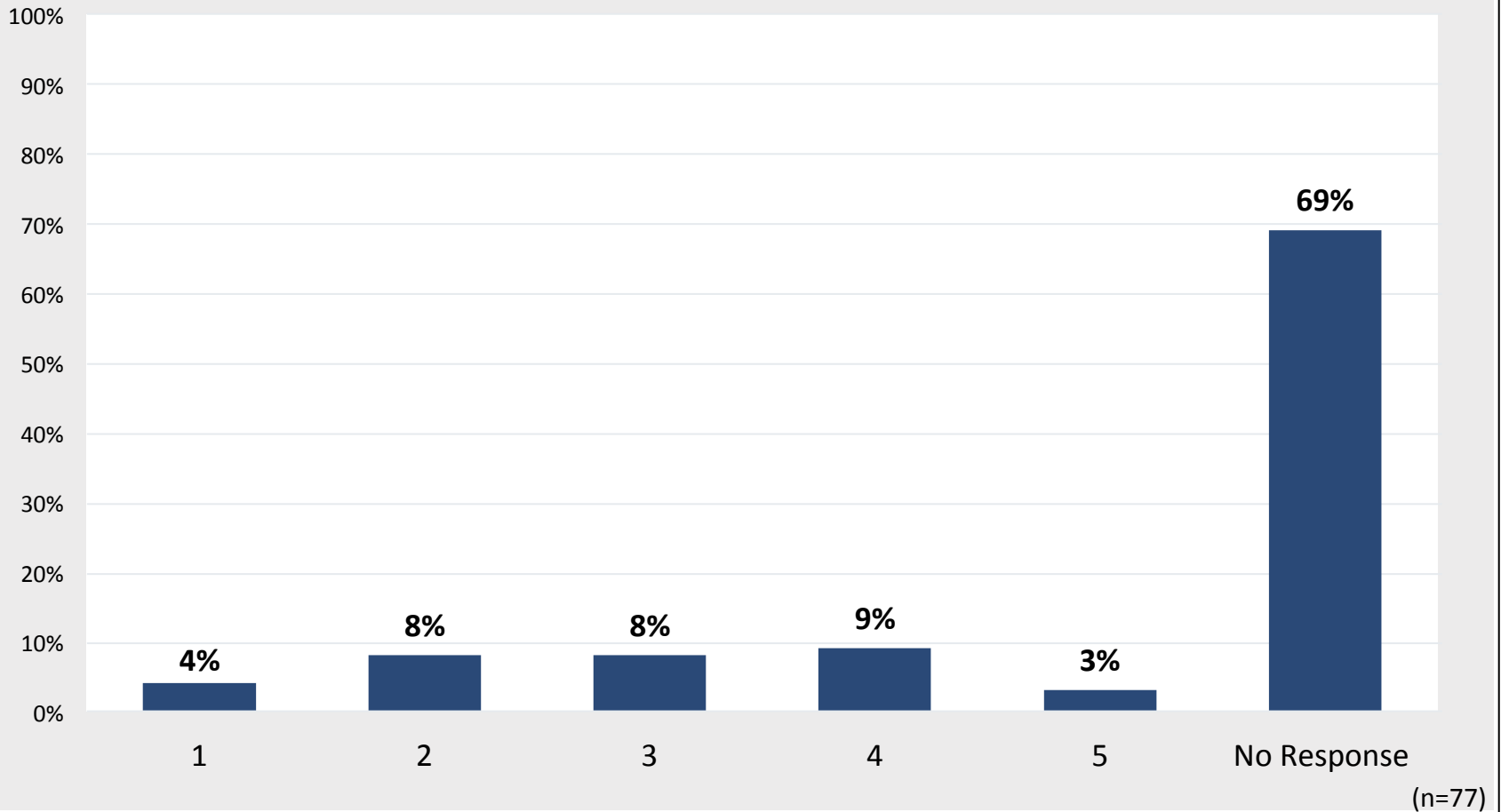
Q8: Please rate the following challenges you would anticipate in developing real estate within an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging)
[Construction Costs]



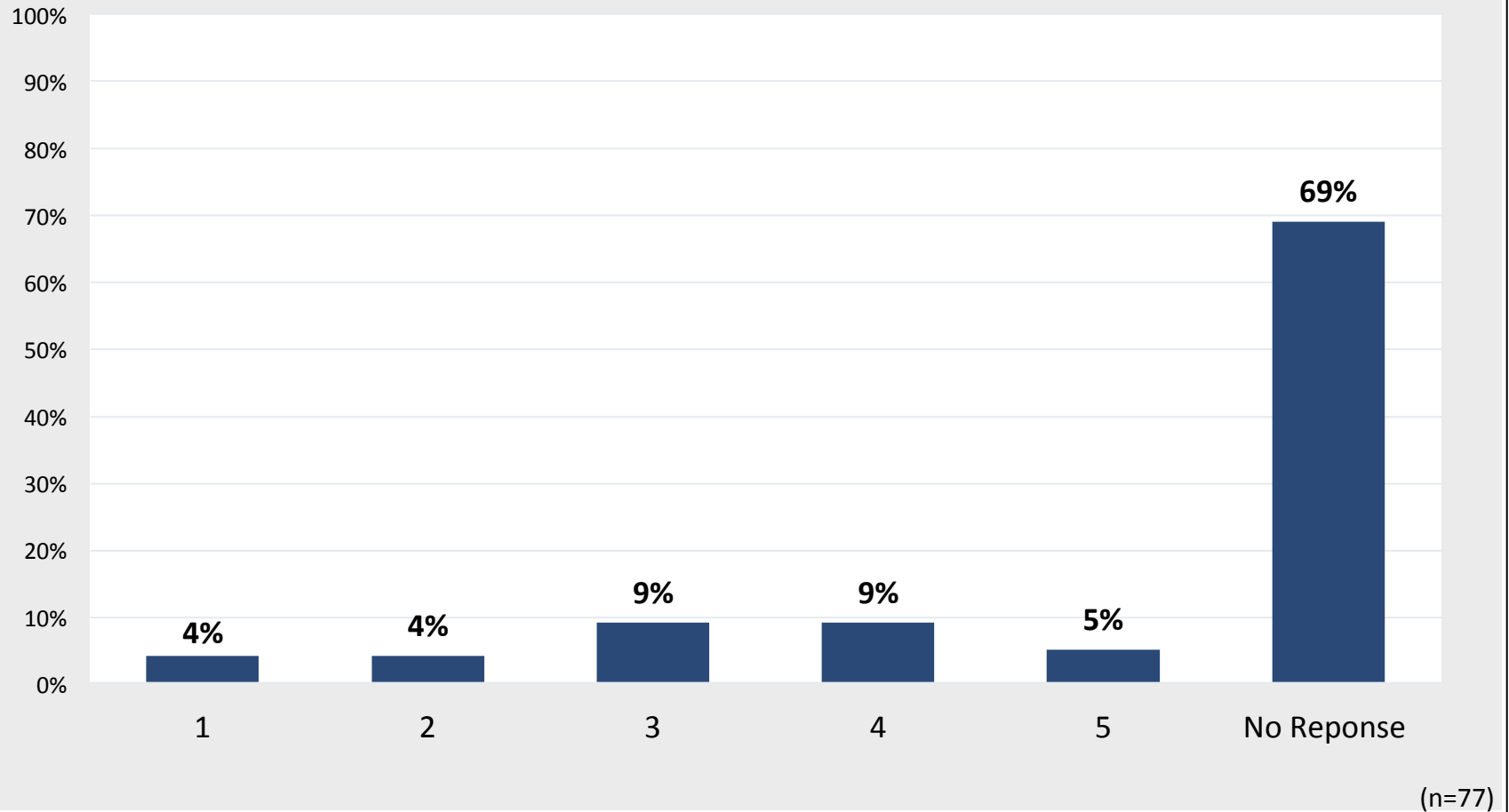
Q8: Please rate the following challenges you would anticipate in developing real estate with in an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging)
[Lack of Appropriate Development Sites]



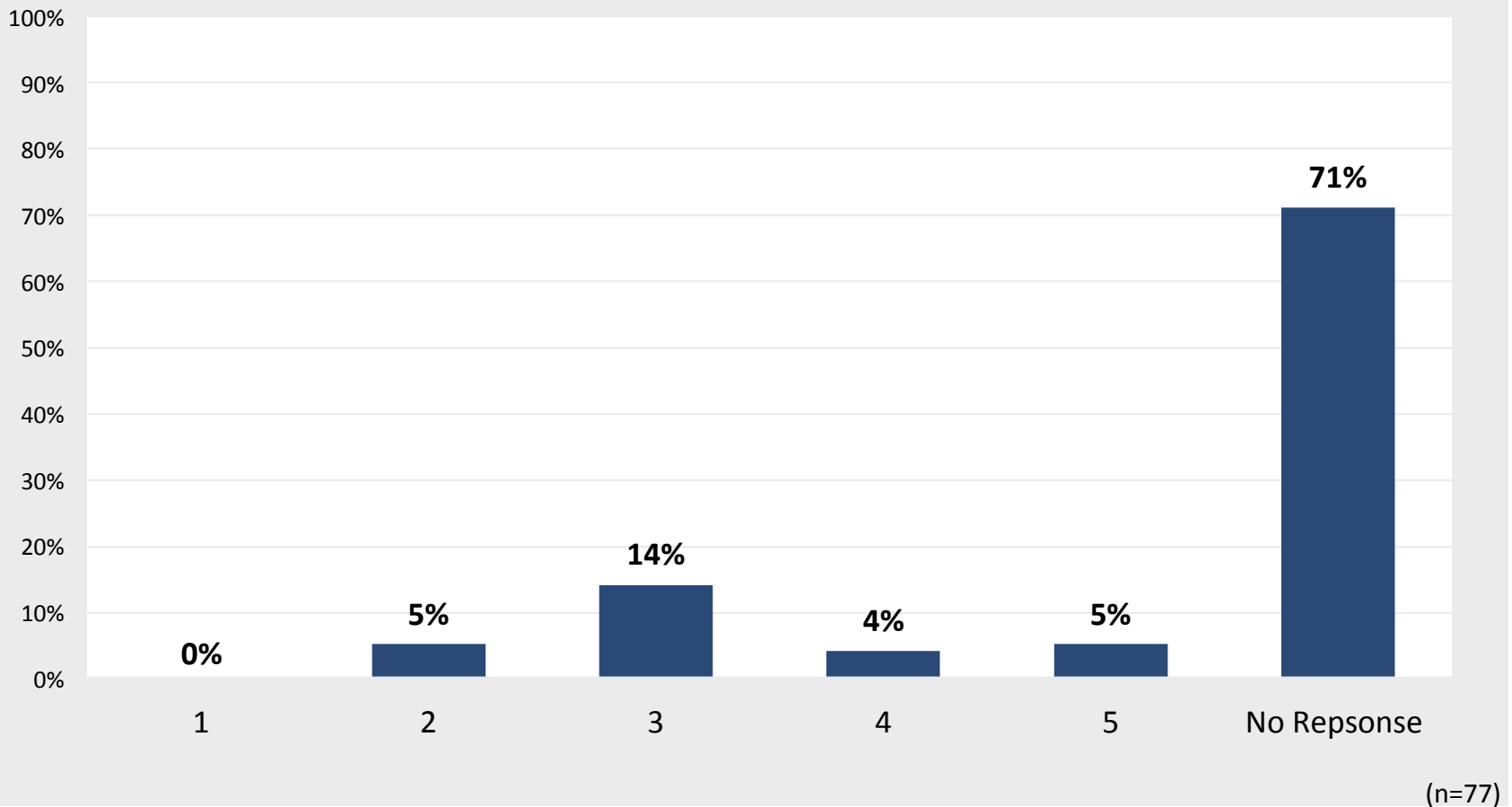
Q8: Please rate the following challenges you would anticipate in developing real estate with in an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging)
[Access to Financing]



Q8: Please rate the following challenges you would anticipate in developing real estate within an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging)
[Permitting]



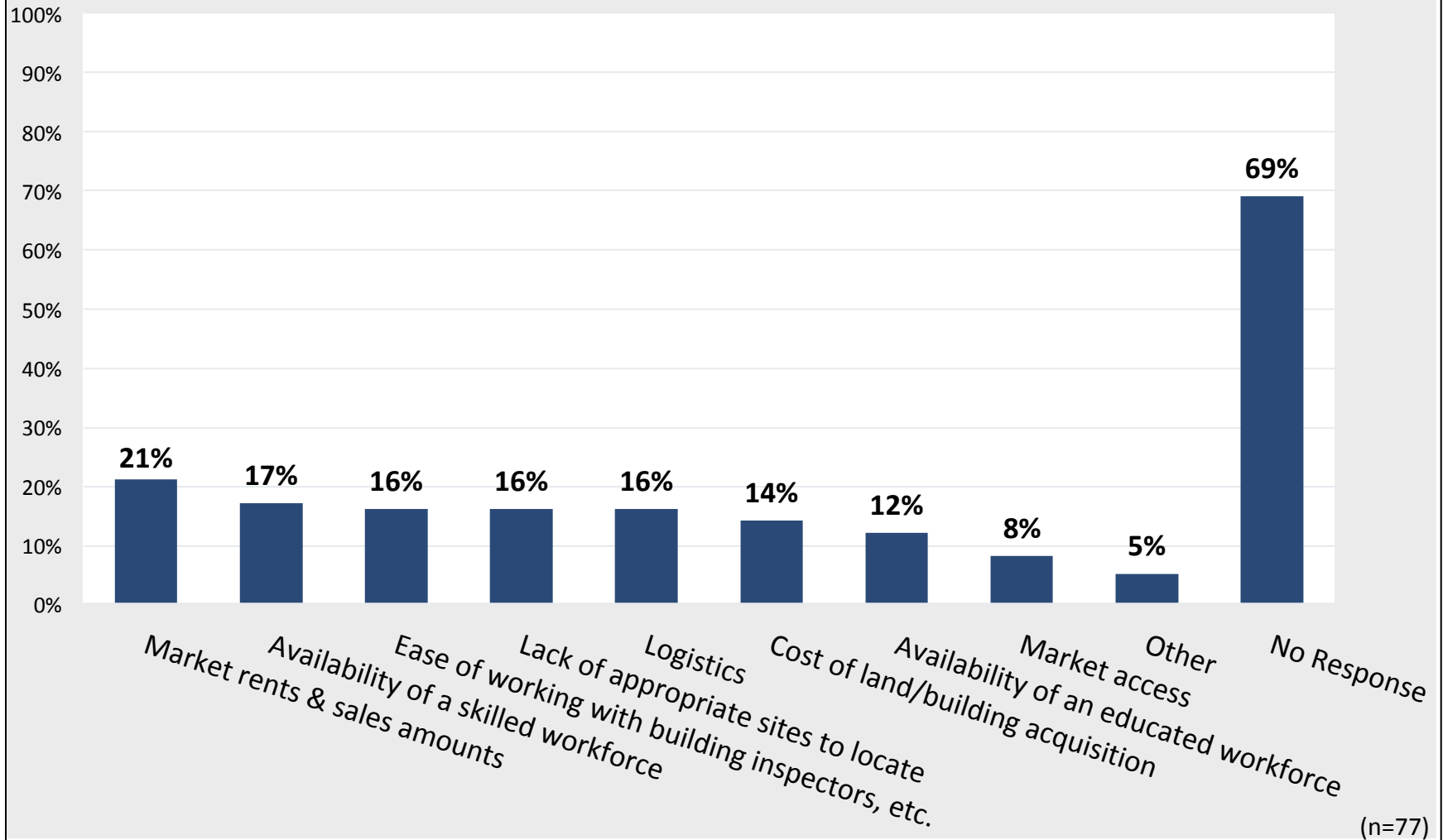
Q8: Please rate the following challenges you would anticipate in developing real estate with in an Opportunity Zone on a scale of 1-5. (1 being not very challenging at all, and 5 being very challenging) [Time of Selling an Asset and Investing into an Opportunity Zone]



Q8: Please Rate the Following Challenges You Would Anticipate in Developing Real Estate With in an Opportunity Zone on a Scale of 1-5. (1 being not very challenging at all, and 5 being very challenging) [Other, Please Specify]

- “Currently have sold assets”
- “Developers Economic Model”
- “Educating the public”

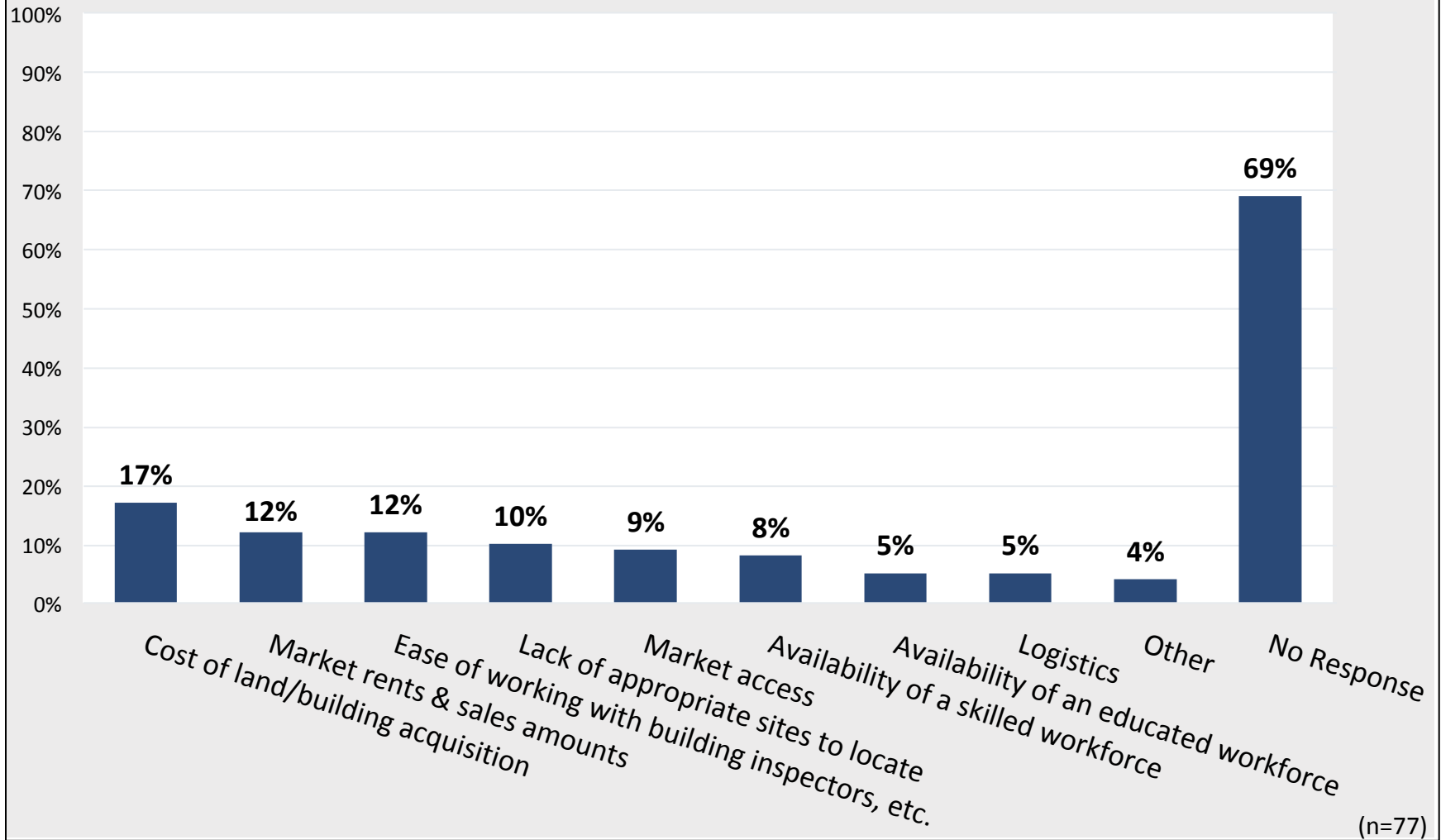
Q9a: What challenges would you anticipate when investing in a business located within an Opportunity Zone?



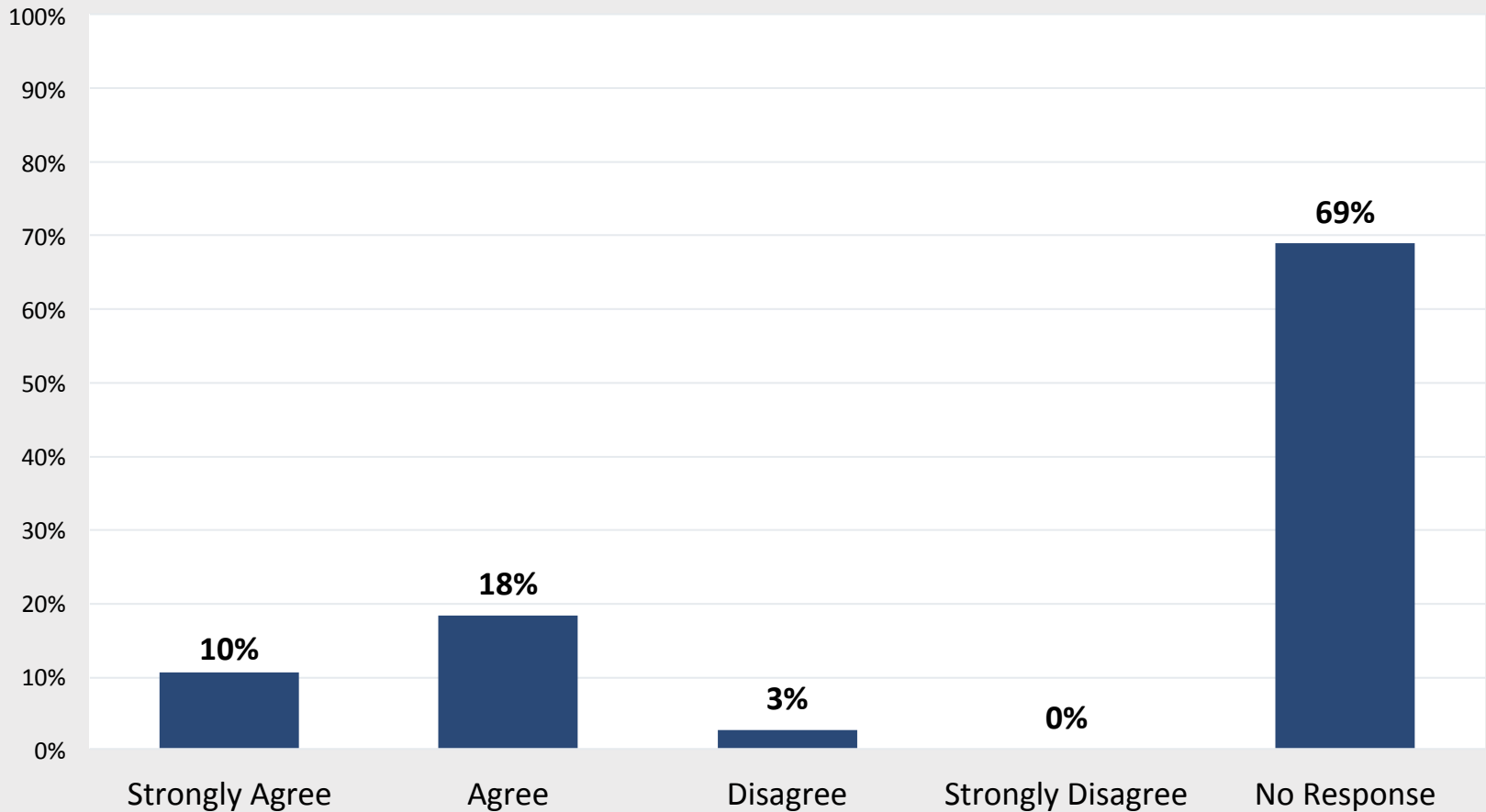
Q9b: What challenges would you anticipate when investing in a business located within an Opportunity Zone? (Other, Please Specify)

- “Infrastructure (water/sewage).”
- “Market conditions, demographics, market rents are a challenge.”
- “Stakeholder push-back. Educating municipalities and public.”
- “Zoning by laws.”

Q10: Which of these challenges will Opportunity Zone designation overcome for you?

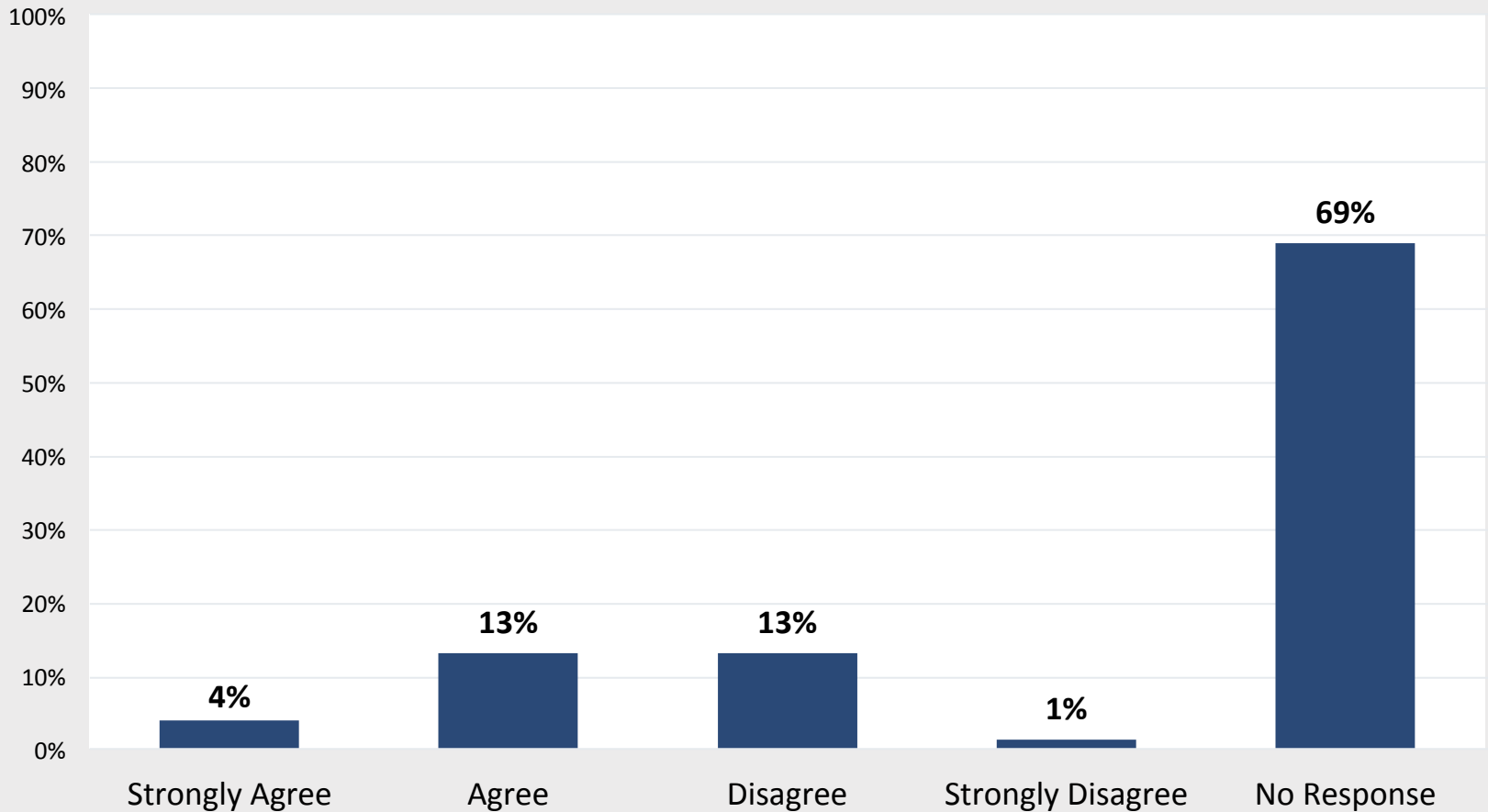


Q11a: How strongly do you agree or disagree with the following statements? (Tax Avoidance)



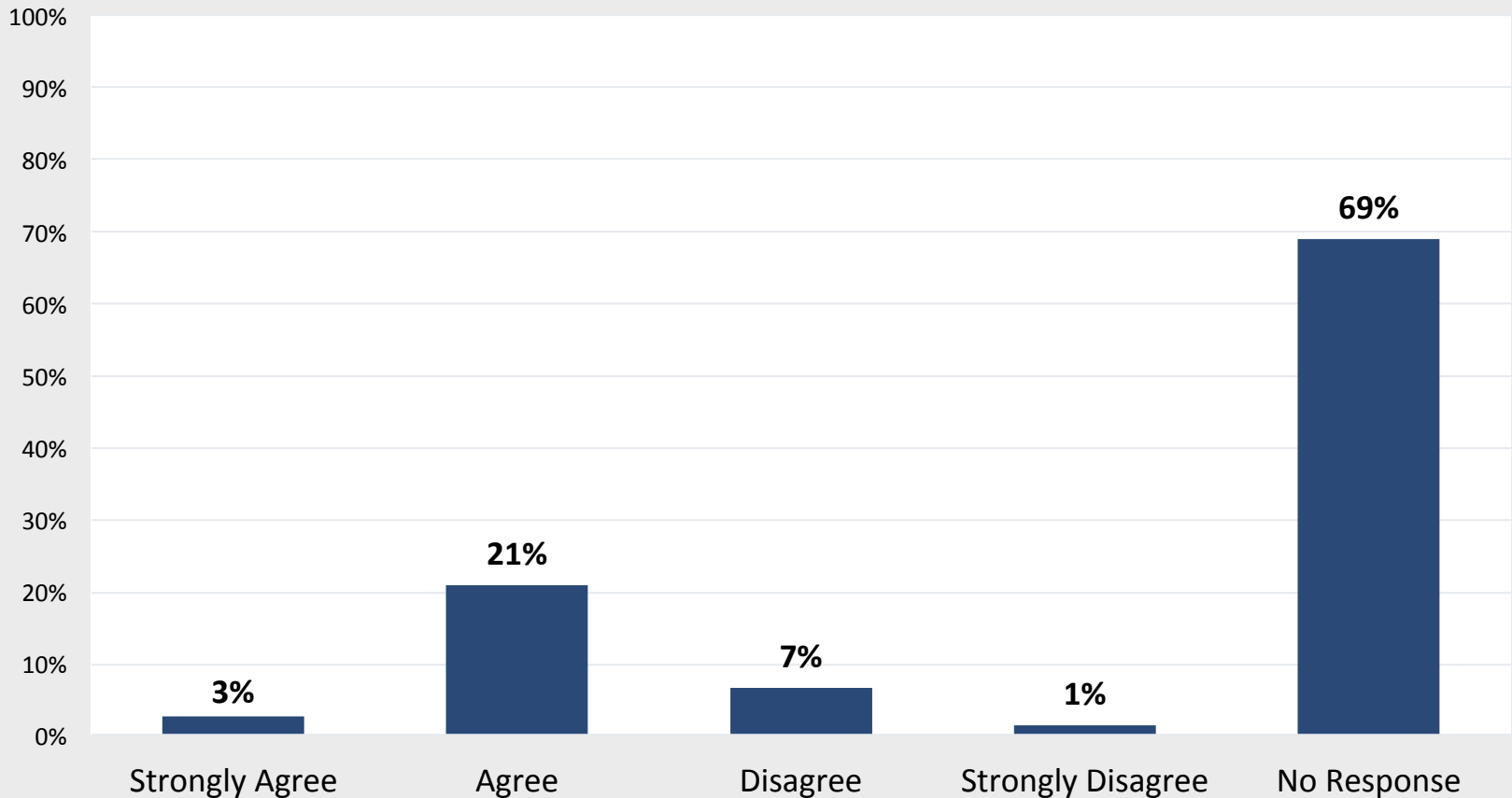
(n=77)

Q11b: How strongly do you agree or disagree with the following statements? (Fewer Barriers)



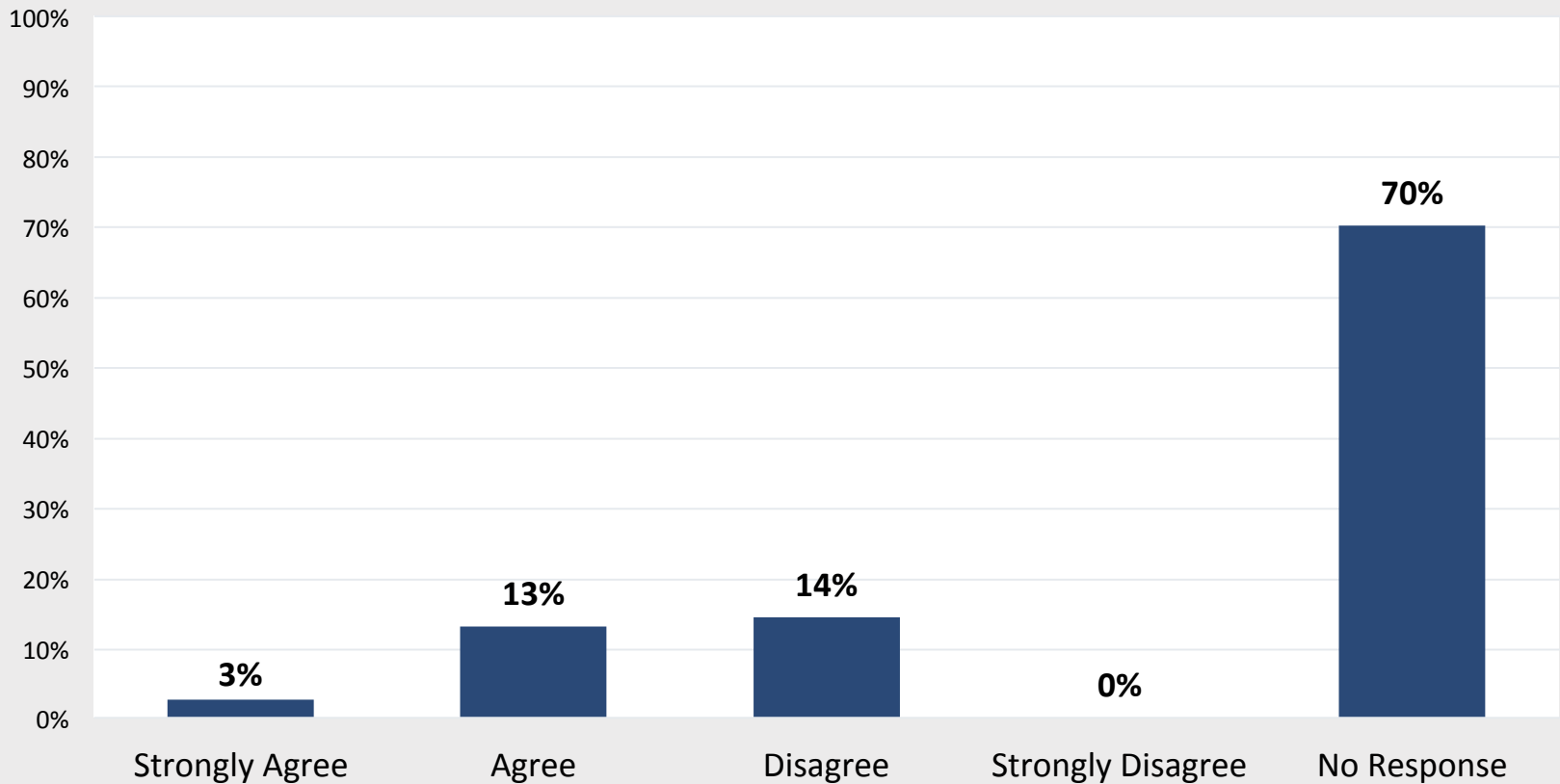
(n=77)

Q11c: How strongly do you agree or disagree with the following statements? (Improved Marketability for Sales)



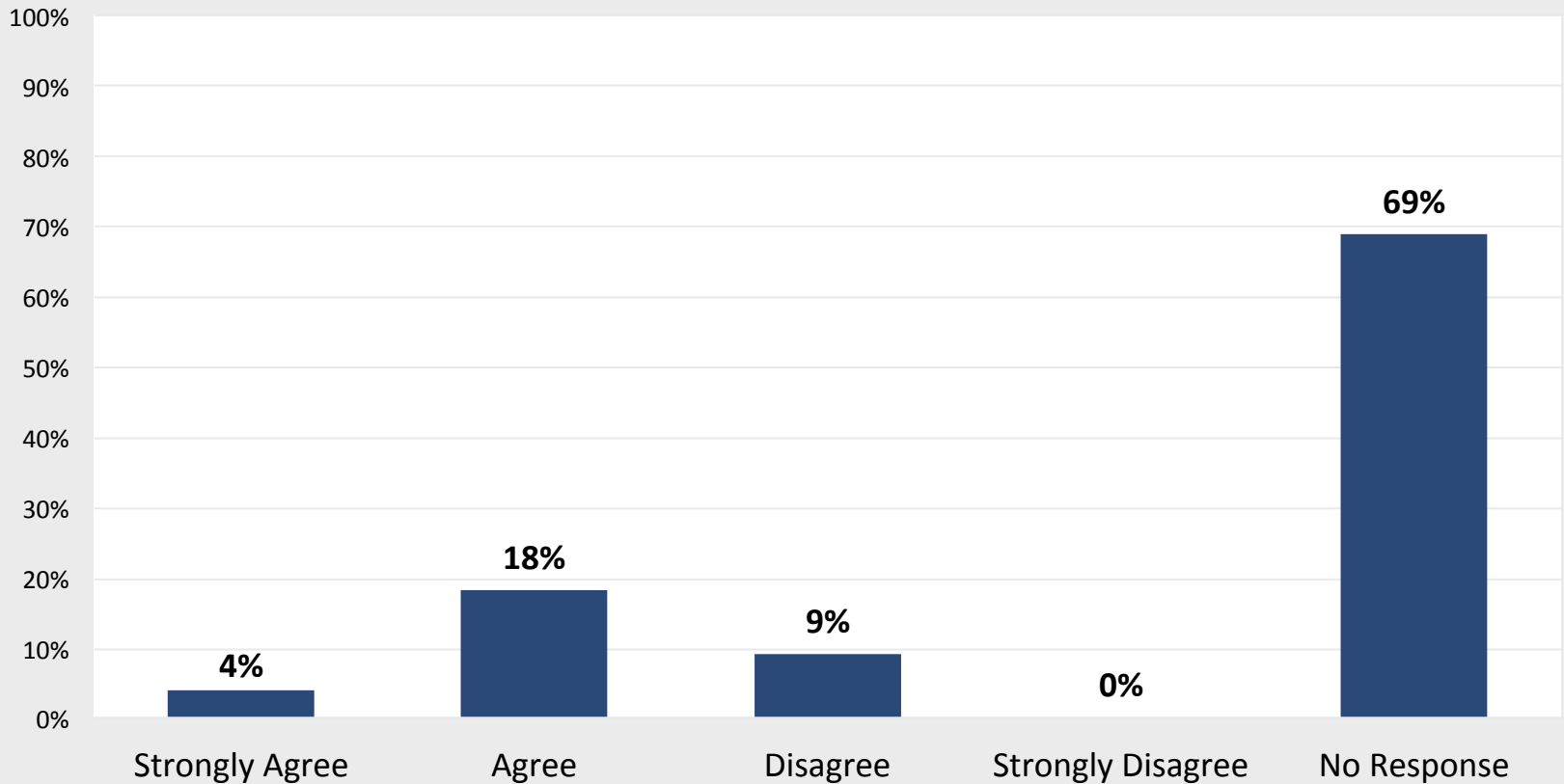
(n=77)

Q11d: How strongly do you agree or disagree with the following statements? (Improved Marketability for Rent)



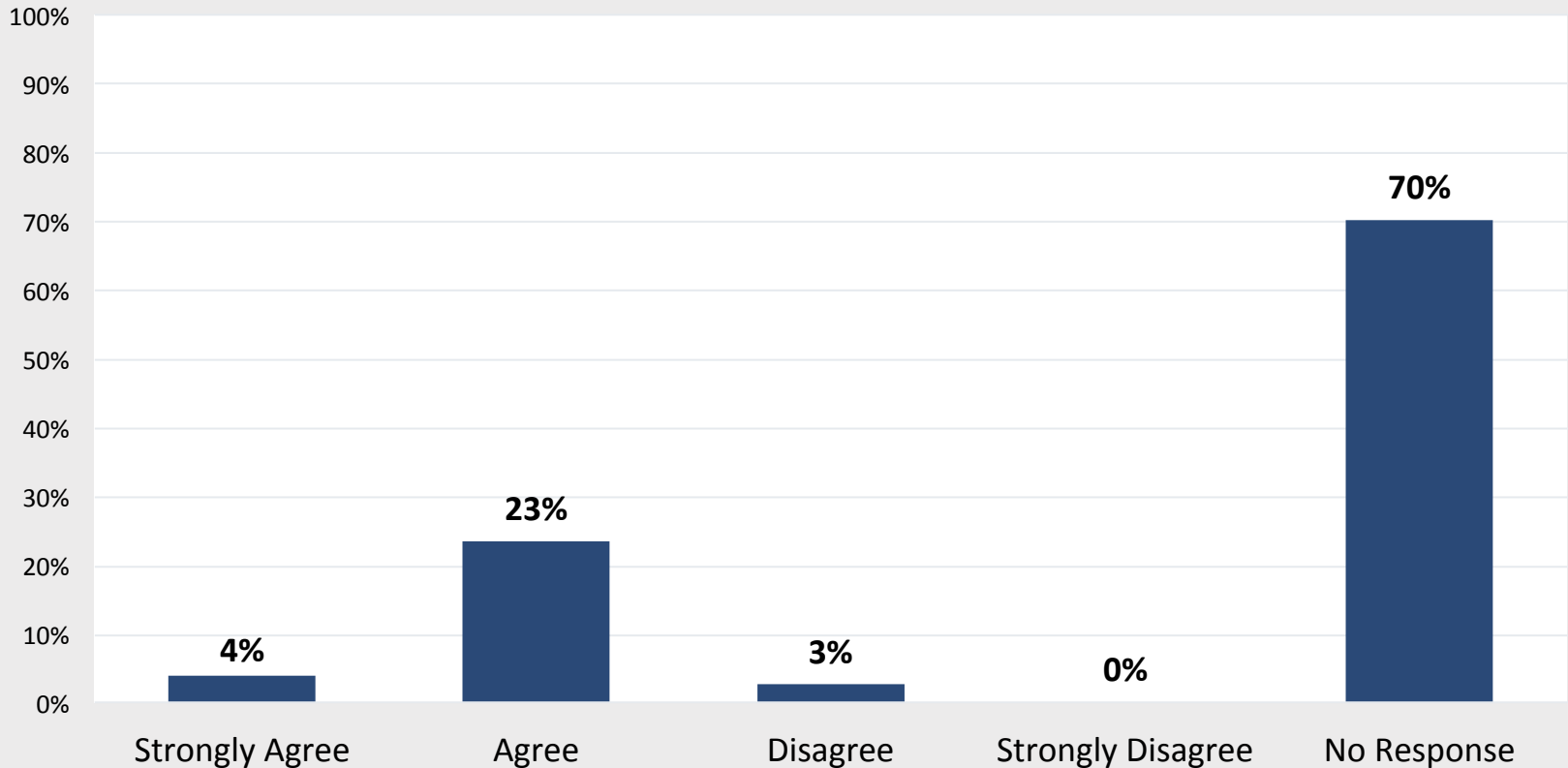
(n=77)

Q11e: How strongly do you agree or disagree with the following statements? (Prices will rise in Opportunity Zones)



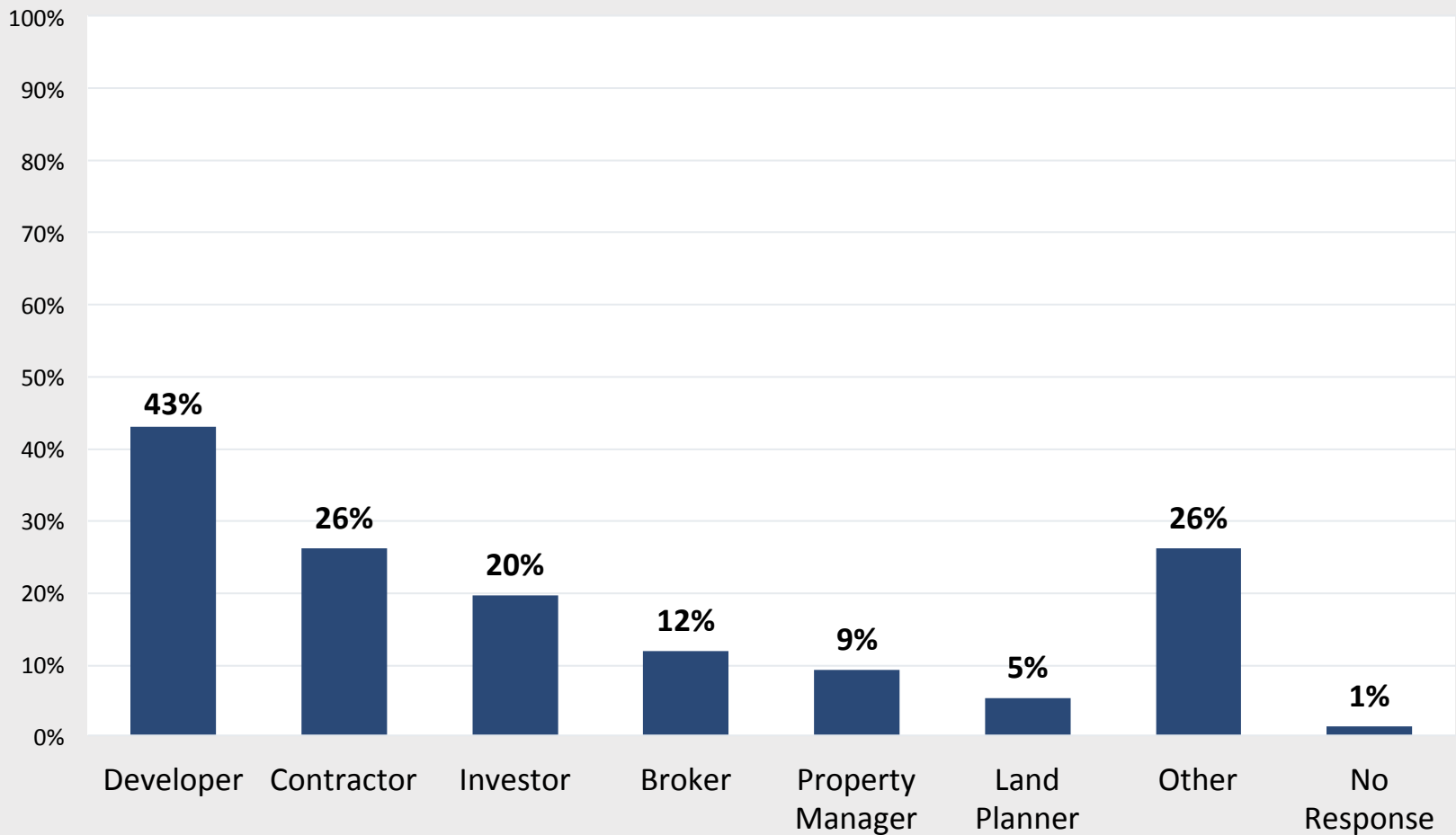
(n=77)

Q11f: How strongly do you agree or disagree with the following statements? (Opportunity Zones offer a great incentive to enter emerging markets)



(n=77)

Q12a: What is your role in development?



(n=77)

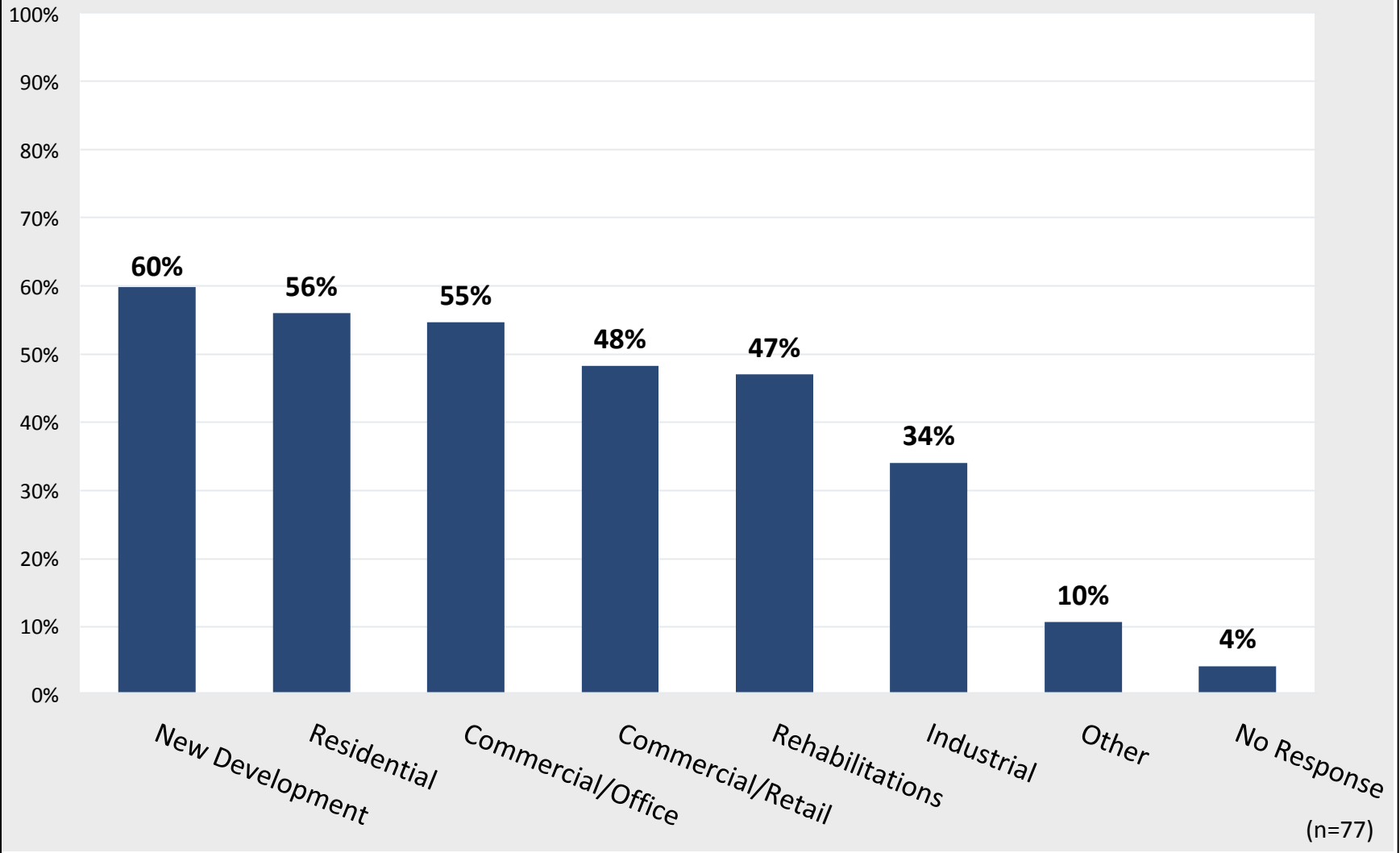
Q12b: What is your role in development? (Other, Please Specify)

- “Acquisition Specialist”
- “Appraiser”
- “Assistant”
- “Attorney”
- “Construction” (2)
- “Designer”
- “Development Consultant”
- “Indoor Play-park for kids”
- “Leasing”
- “Lender”
- “Nonprofit”

Q12: What is your role in development? (Other, Please Specify) (Continued)

- “Office Manager; Insulation Company”
- “Own Existing”
- “Planning as well”
- “Prefabricated Housing-Modular Homes”
- “Project Manager”
- “Project Manager owners and developers”
- “Residential Contractor”
- “Software Company”

Q13: What types of projects are you most likely to be involved in?



Q13: What types of projects are you most likely to be involved in? (Other, Please Specify)

- “Agricultural”
- “Home Repairs”
- “Housing”
- “Lab”
- “Multi-family”
- “TOD Projects (mixed use)”
- “We work on houses”

Q14a: What would you typically consider the optimal size for a project you would develop/invest in/build? (Number of units)

- “1” (2)
- “7”
- “20”
- “30”
- “40”
- “50” (3)
- “60” (2)
- “70”
- “80”
- “100” (6)
- “200” (4)

Q14a: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Number of units, continued)

- “250” (2)
- “300”
- “2-4”
- “10-20”
- “1 at a time”
- “100-200”
- “150+”
- “2 Families”
- “25-100”
- “300,000 sq. ft. 1 million + right now”
- “30-50”

Q14a: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Number of units, continued)

- “4 units or more”
- “50-100”
- “50-60”
- “Above 100 and under 300”
- “Anything”
- “If an apartment: 200 units”
- “More than 100,000”
- “More the better”
- “Recent 65 units particular project”
- “Varies”

Q14b: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Amount of capital needed)

- "\$1,000,000" (2)
- "5,000,000" (3)
- "10,000,000"
- "75 million" (2)
- "1.2 million"
- "100 million" (5)
- "\$15 a foot"
- "15-25 million"
- "100-200 million"
- "25 thousand"
- "30 to 50 million"

Q14b: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Amount of capital needed, continued)

- “50 million+”
- “60-70 million”
- “80-150 million”
- “Anything”
- “Depends
- “Depends on area”
- “Limited”
- “Varies” (2)

Q14c: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Total square footage)

- “1,300”
- “2,000”
- “4,000”
- “7,000”
- “50,000” (2)
- “70,000”
- “80,000”
- “100,000” (5)
- “150,000”
- “200,000” (4)
- “250,000”

Q14c: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Total square footage, continued)

- “350,000” (2)
- “1,000-10,000”
- “100,000-150,000”
- “200,000-500,000”
- “20-150K”
- “2-10 acres”
- “25,000-30,000”
- “250,000 or less”
- “30,000+”
- “300,000 sq. ft. 1 million + right now”
- “300,000-1 million”

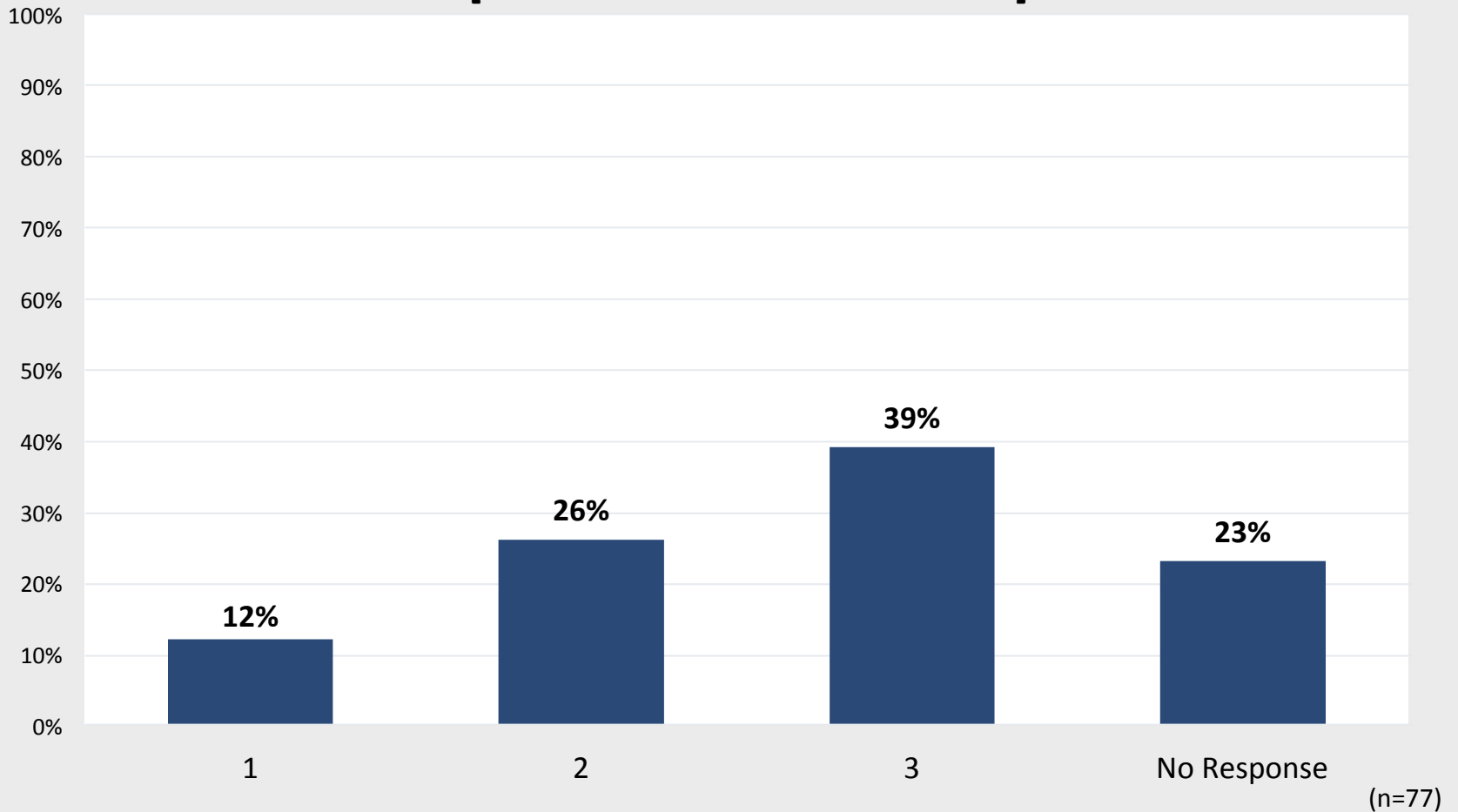
Q14c: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Total square footage, continued)

- “60 acres”
- “750-1,000”
- “All jobs big or small”
- “Anything”
- “Depends” (2)
- “Depends on area”
- “Varies”

Q14d: What would you typically consider the optimal size for a project you would develop/invest in/build?: (Other, Please Specify)

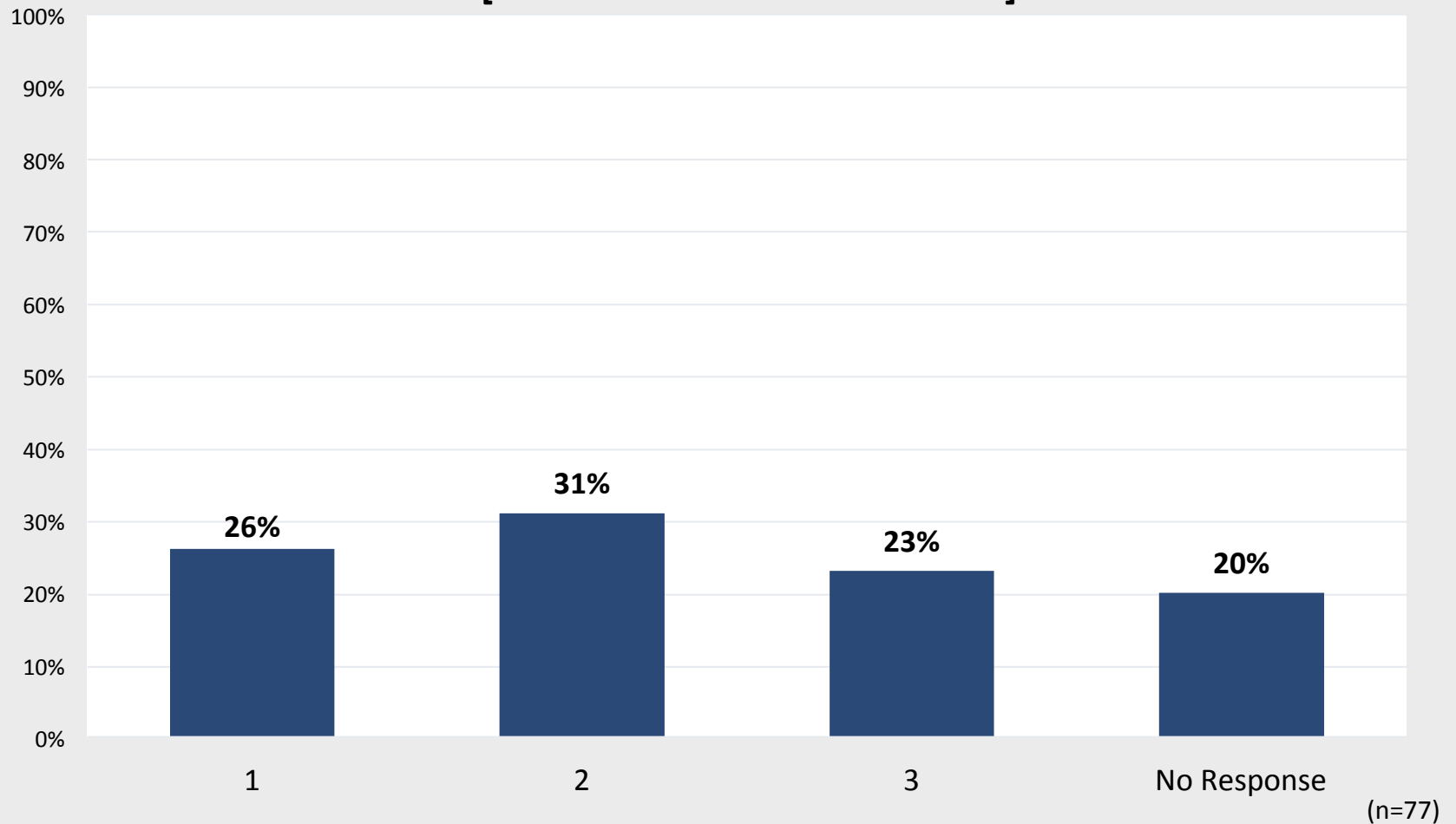
- “5-10 houses”
- “Do individual lots; 25 lots”
- “Flexible; largest was 2.3 million sq. ft. but also does 50 to 60,000 sq. ft.”
- “Multiple buildings”
- “No; do not typically invest”
- “Not speculative; all custom work \$200 to \$800,000”
- “Represents Clients so not applicable”
- “Small team”
- “Take any family size”

**Q15: Please rank the following Massachusetts areas in terms of desirability of development from 1(most desirable) to 3 (least desirable).
[Rt.24 South of Boston Corridor]**

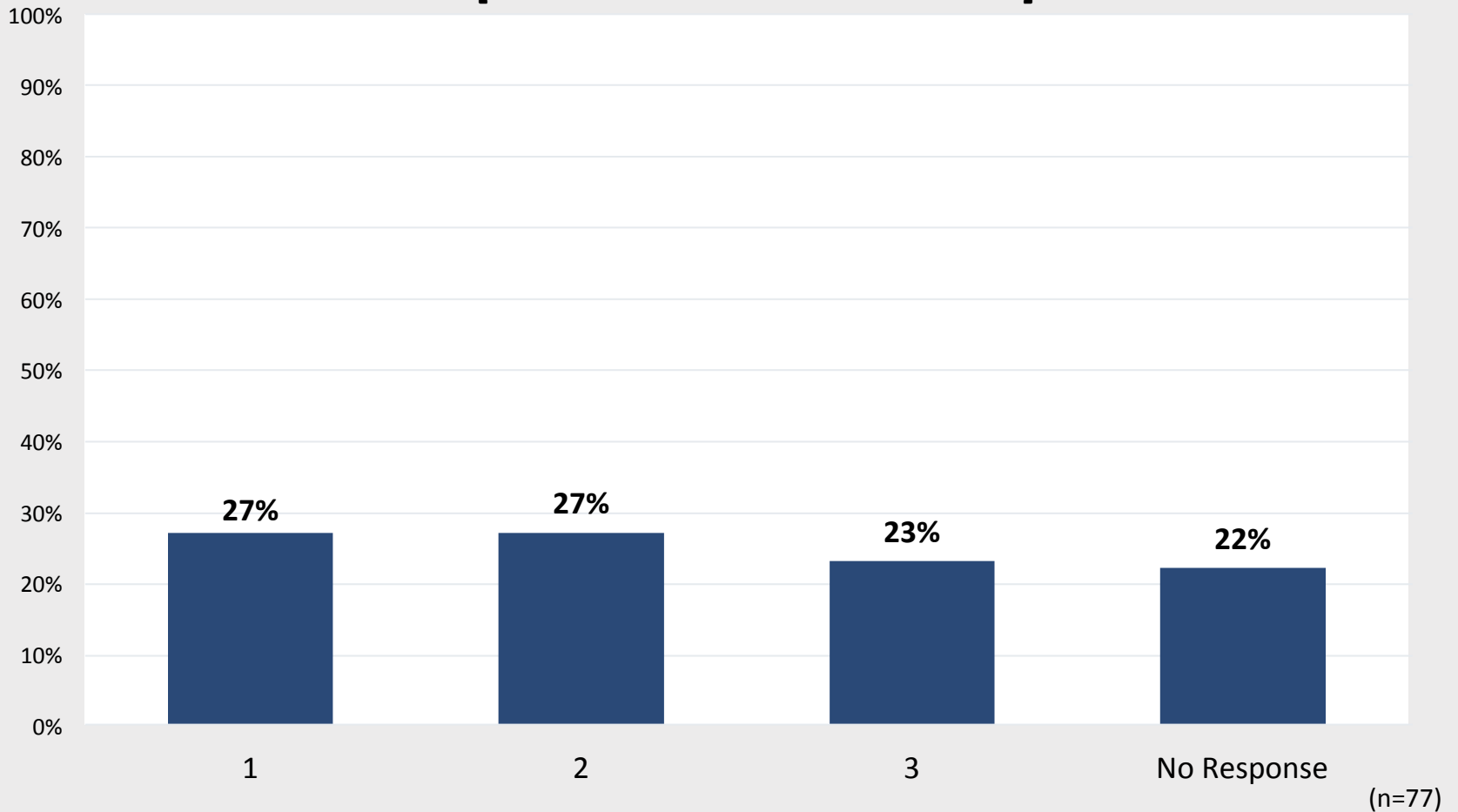


Q15: Please rank the following Massachusetts areas in terms of desirability of development from 1(most desirable) to 3 (least desirable).

[Rt.3 South of Boston Corridor]



**Q15: Please rank the following Massachusetts areas in terms of desirability of development from 1(most desirable) to 3 (least desirable).
[Rt.95 South of Boston Corridor]**



Q16: Explain why you chose the previous ranking:

- “1. Closer to Cape Cod 2. Between RI line 3. Inner City.”
- “All Areas in the direction of Worcester and Worcester is up and coming.”
- “As you come in closer to the city is how it is ranked. Target customer is farther away and location affects supply/demand.”
- “Based on area that I have been.”
- “Based on the number of available jobs, we like to stay local to the area and will take outside jobs if we have the availability.”
- “Because it’s mature, less opportunities, pretty saturated.”
- “Braintree has better transportation access.”
- “Closer to Boston for more desirable.”
- “Closer to the city, inner suburbs, higher value for real estate.”
- “Closest to Boston.”
- “Convenience to Boston.”

Q16: Explain why you chose the previous ranking: (Continued)

- “Convenience, property value, what each area has planned for future, price points for homes currently.”
- “Demographics are not as strong as compared to Boston. Outside route 128.”
- “Depends of property, office, and transit.”
- “Does not work in any of those areas; company is located in Cape Cod.”
- “Ease of access to areas already in high development.”
- “Familiar with the Randolph-Plymouth area.”
- “Familiarity.”
- “Feel for the commercial opportunities. Where the most existing demand is.”
- “Focused on hubs, life science, core plus, and near hospitals.”
- “From a product type you are looking to build if there is demand for building on these routes.”
- “Higher educated area (URI, PC, Brown) and larger work force. Also, it is located on waterfront areas.”

Q16: Explain why you chose the previous ranking: (Continued)

- “Higher quality opportunities are closer to Boston.”
- “Knowing the competitive nature of the existing developments and demographics.”
- “Land cost.”
- “Location.”
- “More confidence in the first two markets.”
- “More focused on Boston in general.”
- “Most mall areas and known locations are in the Dedham area.”
- “No new development or population growth happening on the Route 24 Corridor. Route 3S and 95S are a close 1 and 2, both have their certain towns/areas that are seeing property values increase rapidly and more commercial development.”
- “Not too familiar with those areas.”
- “Not very familiar with those areas, not much going on.”
- “Not where they build.”

Q16: Explain why you chose the previous ranking: (Continued)

- “Ongoing projects there.”
- “Only build in Plymouth from exit 5 to over the bridge.”
- “Only knows one of the areas.”
- “Parameters/Destination.”
- “Personal preference of locations.”
- “Potential investment opportunities.”
- “Proximity to Boston/ Barriers of entry to market.”
- “Route 3 seems like the most desirable location from a development standpoint because of a growing job.”
- “Stated that the ranking didn't make sense because the cities are a different market.”
- “Suburban.”
- “Territory is in Brockton.”

Q16: Explain why you chose the previous ranking: (Continued)

- “The market is stronger in I-95 corridor.”
- “The Rte. 3 corridor has a lot of opportunities (access to commuter rail, ferries, buses, rapid transit). There is great potential if the state focuses on fixing the MBTA. The one obstacle for Braintree to Plymouth is water infrastructure. Dedham to Providence also has big possibilities with Amtrak, commuter rail and buses. The Randolph to Bridgewater area has limited transportation options because Rte. 24 is at capacity.”
- “Their number one place is close to their shop.”
- “These are very large areas so it would be hard to tell.”
- “They are not close to Greater Boston area and Metropolitan area.”
- “They are very dependent on where they can make the most money.”
- “They have buildings in the first area and do not have interest in the others.”
- “They have some buildings in one of these places, but are not sure about the other places.”
- “They like Boston and Cambridge.”
- “They look for places in more urban areas.”

Q16: Explain why you chose the previous ranking: (Continued)

- “They would like to work in the zone and the least desirable they do not know much about.”
- “They've built that area.”
- “Too far.”
- “Traffic.”
- “Typically easier to get closer to investors. Easier public transportation.”
- “We like to build in clusters near academic institutions.”
- “Works in each area.”

Q17: What are the top 3 things you look for in an investment climate? (First Choice)

Response	Frequency
Location	7
Access to transportation	3
Opportunities	3
Return on Investment	2
Cost	2
Ability for return on investment	1
Ability of how people with Master's & PhDs	1
Access to low interest lending	1
Accessibility with modulars	1
Amenities	1
Banks willing to lend money	1
Cap rate compression	1
Cheap Capital	1
Close to a city	1
Company Employment	1
Demand	1
Depends on project	1
Distance of capital	1
Easy access	1
Exit	1

Q17: What are the top 3 things you look for in an investment climate? (First Choice, Continued)

Response	Frequency
Financial growth in the place	1
Finding the most in an economy	1
Growth in a city	1
Housing Demand - young professionals	1
How to get money back	1
Low interest rates (Cheap financing options)	1
Lower cost	1
Market ability	1
Neighborhood/Area (potential for the property)	1
Not the first in.	1
Only do work for clients	1
Price as low enough to invest	1
Product	1
Property Prices	1
Rates	1
Regulatory	1
Risk	1
Shareholders	1
Social interaction in community	1
Spending Capacity	1

**Q17: What are the top 3 things you look for in an investment climate?
(First Choice, Continued)**

Response	Frequency
Strong Returns	1
Supply	1
Taxes	1
Transportation	1
Unemployment Rate	1
Value add-where the market	1
Well supported laws	1
Zoning in area	1
Total responses	60

Q17: What are the top 3 things you look for in an investment climate? (Second Choice)

Response	Frequency
Location	3
Permitting	3
Growth opportunities	2
Proximity to the city	2
A void for the type of developments they do	1
Ability to convert to lab capable	1
Access to Jobs	1
Access to transportation	1
Adjust	1
Amenities	1
Attractiveness of the venture of capital financing to the location	1
Availability of capital	1
By distressed areas	1
Closer to employers	1
Condition of structure	1
Connections to transportation	1
Cost	1
Depends on client	1
Education	1
Equity	1
Few competitors	1

Q17: What are the top 3 things you look for in an investment climate? (Second Choice, Continued)

Response	Frequency
Financially	1
Good return on investment	1
Growing affluent population	1
Investor return	1
Labor market	1
Level of Risk	1
Little to no barriers	1
Market conditions	1
Market Dynamics	1
Motivated Seller	1
Number of units /dwellings	1
Optionality	1
Potential	1
Price	1
Real Estate Asset	1
Rehabilitation abilities	1
Return on Investment	1
Scalability	1
Security	1
State economy / public official leadership	1
Strong leasing momentum	1

**Q17: What are the top 3 things you look for in an investment climate?
(Second Choice, Continued)**

Response	Frequency
Strong market dynamics	1
Tenants with interest in expanding	1
Top 3 grossing sectors	1
Transportation	1
Types of investors	1
Value Property	1
What you can put in these buildings	1
Within what they do	1
Total Response	56

Q17: What are the top 3 things you look for in an investment climate? (Third Choice)

Response	Frequency
Market	3
Return on Investment	3
Affordability	2
Demographics	2
Ability to add value	1
Access to amenities	1
Access to market that can pay bills & draw interest	1
Access to public transportation	1
Access to shopping/outdoor amenities	1
Amenities in neighborhood; real estate market	1
Population rising	1
Attractive complementors	1
Availability of skilled labor (construction)	1
Avoid complications/restrictions	1
Basis	1
Close to lifestyle amenities such as stores and shops	1
Competition	1
Density of intersect locations that are suitable for science & tech	1
Design/safety	1

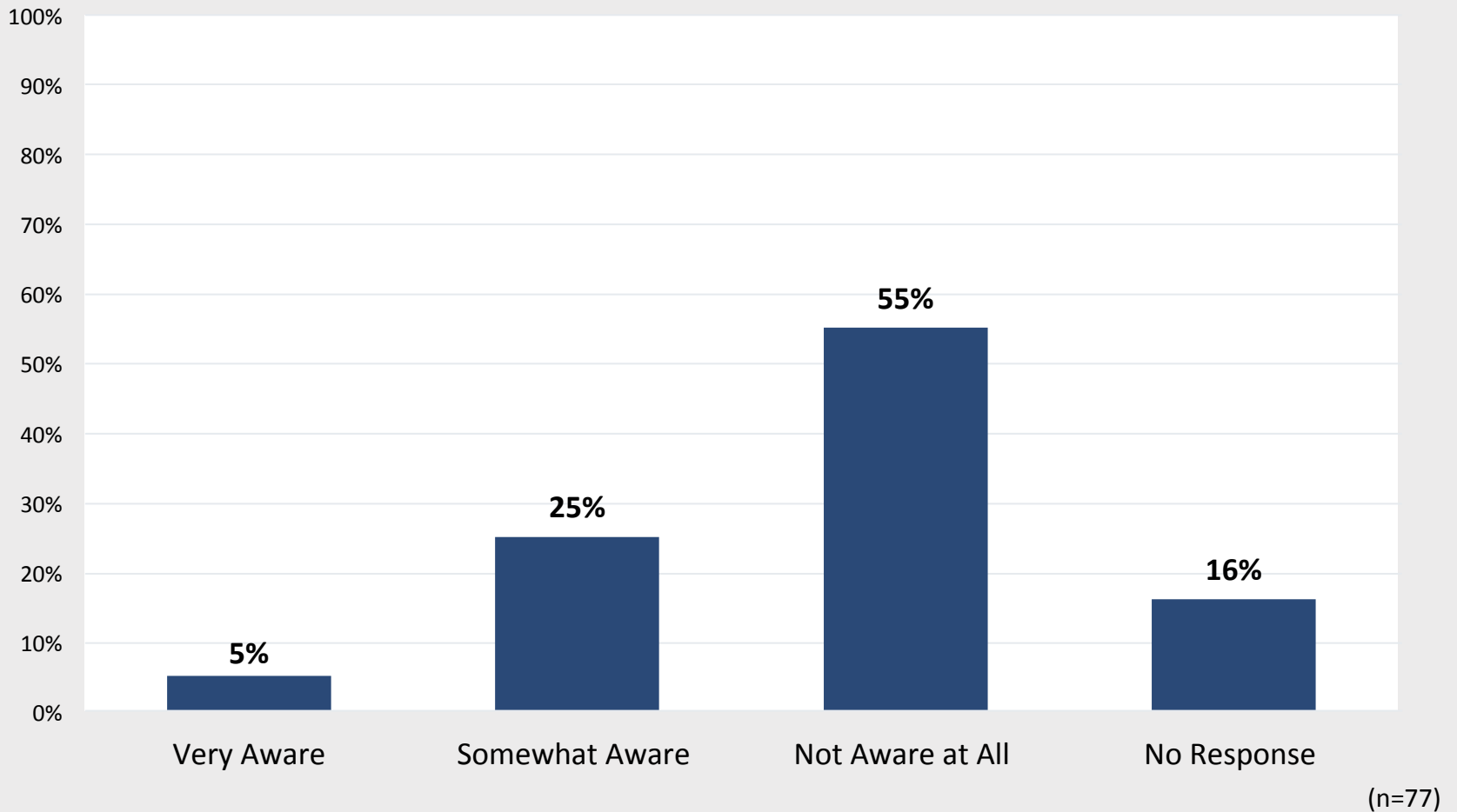
**Q17: What are the top 3 things you look for in an investment climate?
(Third Choice, Continued)**

Response	Frequency
Development friendly municipality	1
Distribution of capital rates on sold properties	1
Duration-Time it takes for completion	1
Ease of permitting process	1
Economic profile of the deal	1
Employment growth	1
Favorable regulatory environment	1
Financing	1
Future opportunities for homes	1
Growth	1
Hot Areas/Undeveloped and Up and coming	1
If community is receptive	1
Industrial Property	1
Location	1
MBTA access	1
Nearby shops	1
Overall cost of investment property	1
Partnership	1
Percent increase; rent growth rate	1
Potential profit margin	1

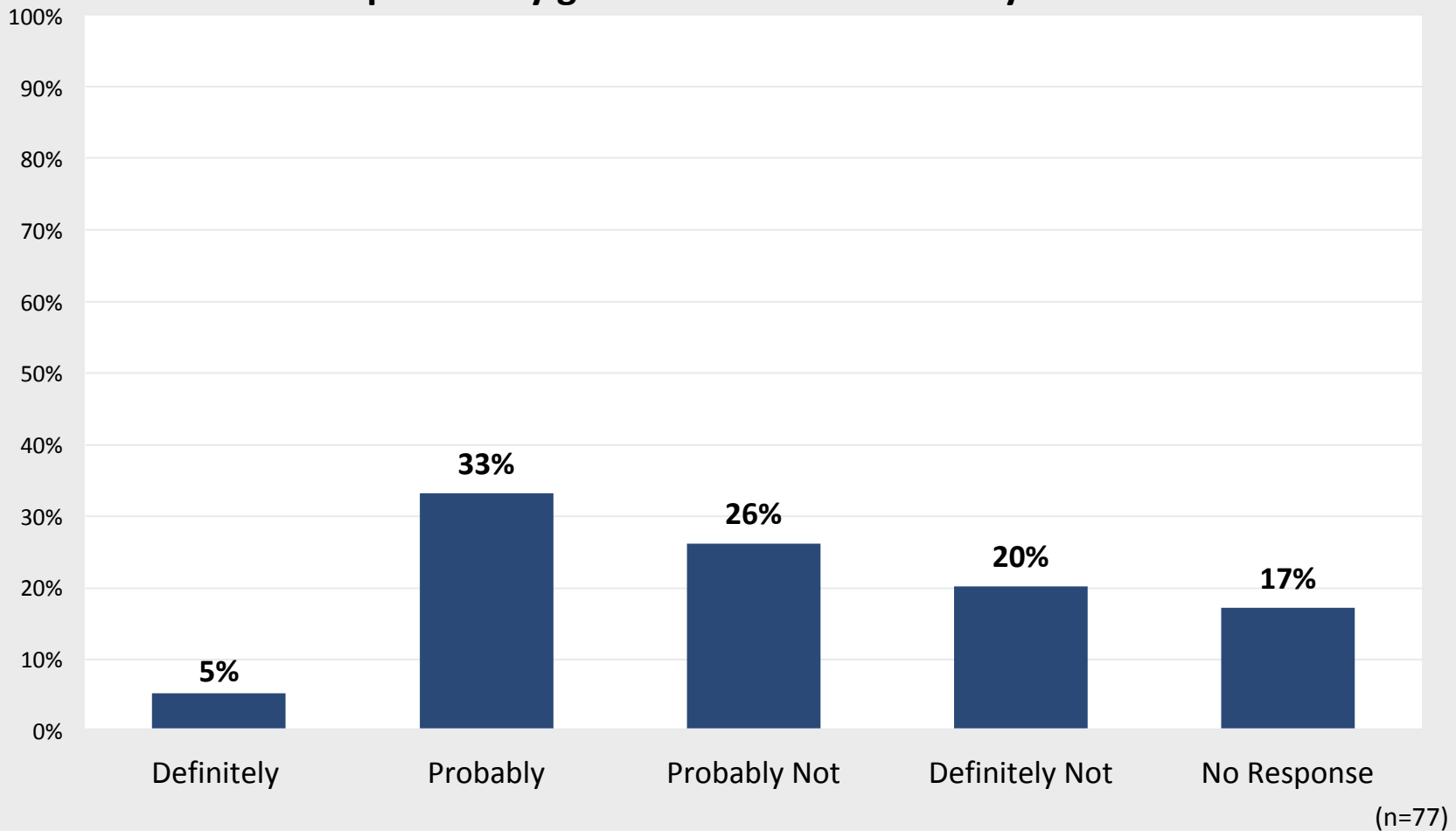
**Q17: What are the top 3 things you look for in an investment climate?
(Third Choice, Continued)**

Response	Frequency
Profit on investment	1
Public opinion	1
Qualifications	1
Quality of location	1
Something they can turn profit	1
Strengthening economy	1
Take risk for greater return; the opposite	1
Type of business	1
Use their subcontractors	1
Total Responses	54

**Q18: Rate your level of awareness of the 8 Metro South
Opportunity Zones just south of Boston.
(4 in Brockton, 2 in Randolph, 1 in Rockland, and 1 in Bridgewater)**



Q19a: Would you or your company have interest in being involved in those “Opportunity Zones” mentioned previously given the tax benefits they offer?



**Q19b: Would you or your company have interest in being involved in those “Opportunity Zones” mentioned previously given the tax benefits they offer?
(If “probably not” or “definitely not” why not?)**

- “Because of where they are located”
- “Can't if we even wanted to because we don't own anything”
- “Clients tend to focus on bigger projects and are focused on downtown areas in Boston mostly.”
- “Consultant not investor”
- “Don't want to speak on behalf of the owner of the company, happy in the South Shore area”
- “Don’t work with style of fund and too varied of location”
- “Don't focus on those communities”
- “Don't know it well enough”
- “Focused on residential construction”
- “Just not what we do. We are private investors”
- “No interest”
- “Not a part of our motto.”

**Q19b: Would you or your company have interest in being involved in those “Opportunity Zones” mentioned previously given the tax benefits they offer?
(If “probably not” or “definitely not” why not?) Continued**

- “Not aware of it”
- “Not enough info on Opportunity Zones.”
- “Not familiar with those areas”
- “Not something we would be interested in.”
- “Not tracking life science in the locations mentions”
- “Not what we build”
- “Not where we typically do work, more local to the Cape”
- “Out of our realm of business”
- “Outside area”
- “The institutional capital is overseas so we would not be familiar with the area and would also have trouble getting to sites.”
- “Not interested in the areas”

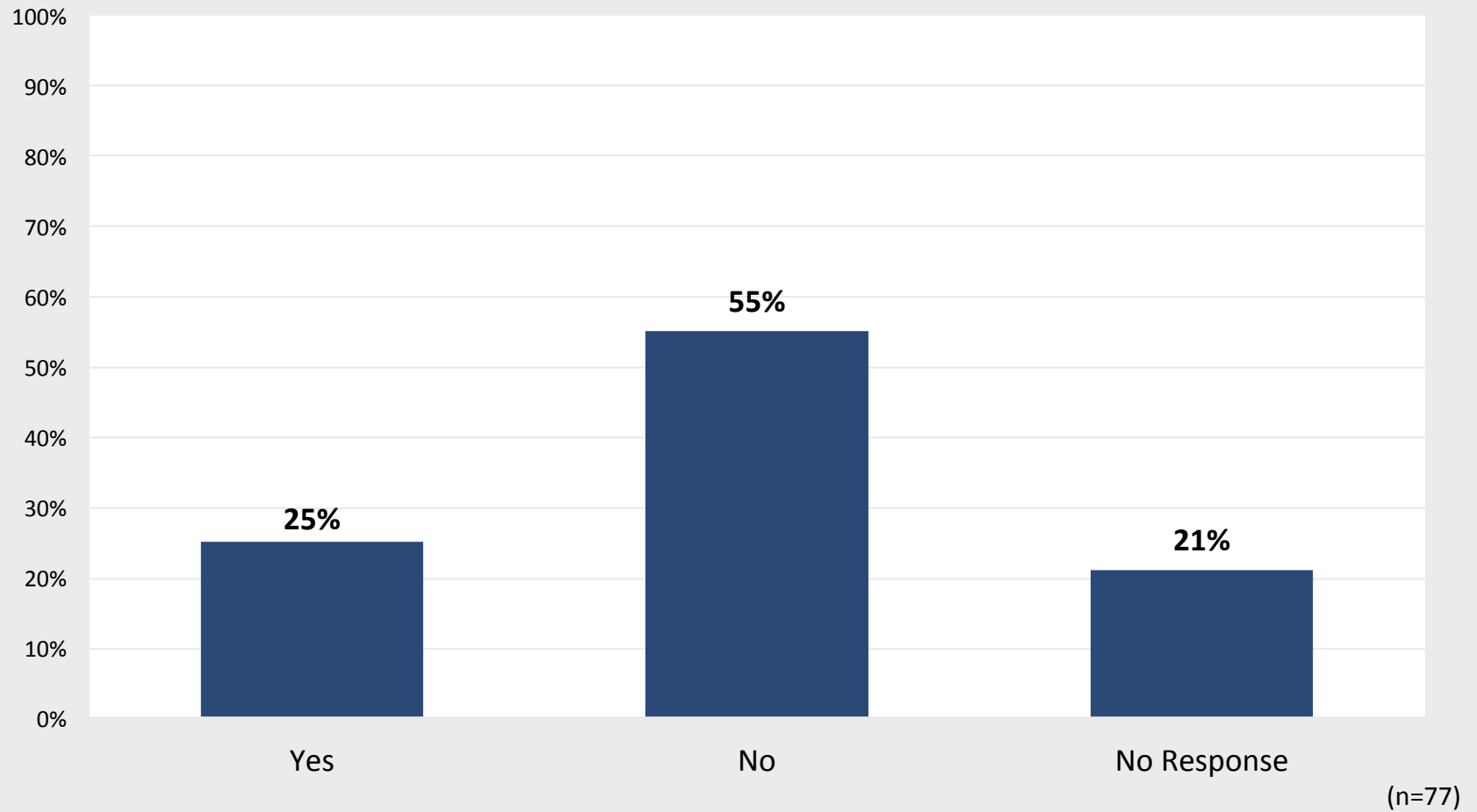
**Q19b: Would you or your company have interest in being involved in those “Opportunity Zones” mentioned previously given the tax benefits they offer?
(If “probably not” or “definitely not” why not?) Continued**

- “Too busy with work we have.”
- “Too new”
- “Unaware”
- “Uncertainty”
- “Unknown to the area and focused on others”
- “We are a non-profit company.”
- “We confine ourselves to a specific geographic area.”
- “We want to focus our energies on what makes sense for us.”
- “Would have to be partnered”

**Q19b: Would you or your company have interest in being involved in those “Opportunity Zones” mentioned previously given the tax benefits they offer?
(If “probably not” or “definitely not” why not?) Continued**

- “We want to focus our energies on what makes sense for us.”
- “Would have to be partnered.”

Q20: Would you be interested in getting more information or a tour of the 8 Opportunity Zones located south of Boston in the Brockton area?



Q20b: Contact information for those interested in getting more information or a tour of the 8 Opportunity Zones located south of Boston in the Brockton area

Name	Email	Company	Address	City	State	Phone Number	Notes
Suneeth Jhon	suneeth@lvnt.com	Lstar Ventures	26 Memorial Grove Ave	South Weymouth	MA	517-249-1105	
Sean Sacks	Sean.sacks@hines.com	Hines	One International Place	Boston	MA	517-261-2260	Info only, no tour
Kyle Pierce	kpierce@pierceps.com	Pierce Property Services	217 New Boston Street	Woburn	MA	781-491-0606	
Richard Henderson	N/A	Mass Development	99 High st	Boston	MA	517-330-2096	
Laura Canter	N/A	Mass Development	99 High st	Boston	MA	517-330-2092	
John Sadowski	john.sadowski@colliers.com	Colliers International	160 Federal Street	Boston	MA	517-330-8085	
Colleen Mulligan	cmulligan@AEW.com	AEW Capital Mngement L.P	2 Seaport Lane	Boston MA	MA	517-261-9220	Info only, no tour
Bob Maloney	bmaloney@awperry.com	A.W. Perry, Inc.	20 Winthrop Square	Boston	MA	517-226-4828	
Lauren Vecchione	Lauren.Vecchione@colliers.com	Colliers International	160 Federal st	Boston	MA	517-330-8161	
Jennifer Price	jprice@TCR.com	Trammell Crow Residential	2276 Washington st	Newton Lower Fall	MA	508-314-2120	
Alejandro Miranda	N/A	Boylston Properties	800 Boylston St	Boston	MA	517-262-4646	
Jose Santos	guttousa@gmail.com	American Building Tech LLC	263 Western Ave	Lynn	MA	781-598-7125	
Catrina	catrina@abacusbuilders.com	Abacus Builders	190 Old Colony Ave	Boston	MA	517-269-1213	
Nathanyl Gomes	NGomesconstruction@yahoo.com	Nathanyl Gomes Construction Corp	307 Bonney St	New Bedford	MA	508 998 3901	
J. Kane	jkane@admakepeace.com	A.D. Makepeace Company	158 Tihonet Road	Wareham	MA	508-295-1000	
N/A	scucinatti@jandcomp.com	N/A	N/A	N/A	N/A	N/A	
N/A	Wfinnegan2266@gmail.com	N/A	N/A	N/A	N/A	N/A	

ADDITIONAL ANALYSIS

Cross-Tabulations

- 11% of investors ranked Route 24 South of Boston corridor as the most desirable area of development.
- 5% of investors ranked Route 24 South of Boston Corridor as the second most desirable area of development.
- 40% of investors ranked Route 24 South of Boston Corridor as the least desirable area of development.
- 21% of Contractors are somewhat aware of the 8 Metro South Opportunity Zones, while 38% are not aware at all.
- 75% of respondents who are involved in commercial/retail projects are very aware of the 8 Metro South Opportunity Zones.
- 50% of Land Planners would invest in Opportunity Zones given the tax benefits they offer.

Select Cases – For those who said “yes” to being familiar with Opportunity Zones

- 23% of people familiar with Opportunity Zones feel that the financial incentives and tax benefits are understood by the real estate development community.
- 36% of people familiar with Opportunity Zones were aware that an investor needs to recognize a gain on the sale of another asset and use the proceeds for a cost that is equal to the amount of original purchase price.
- 21% of people familiar with Opportunity Zones are very aware of “Temporary Deferral.”
- 23% of people familiar with Opportunity Zones are very aware of “Step-Up in Basis.”
- 23% of people who are familiar with Opportunity Zones are very aware of “Permanent Exclusion of Fund Gains.”
- 36% of people who are familiar with Opportunity Zones feel that this federal designation will probably help to stimulate investment in economically challenged gateway cities such as Brockton.