

Brady Sullivan answers when opportunity knocks

By **Tracie Stone**

In the 14 years since Arthur W. Sullivan and Shane D. Brady merged their two companies to form Brady Sullivan Properties, the Manchester area natives have become leaders in the Granite State's condominium and commercial real estate markets, making a name for their business by breathing new life into underutilized properties.

A key player in the revitalization of Manchester's Millyard, Brady Sullivan has resurrected three of the historic brick buildings including the R.G. Sullivan Cigar Factory, the Waumbec Mills and the 300,000-square-foot Jefferson Mill building, now home to 16 businesses, including their own.

"It's been amazing to have played in this area as a child and now to be part of its revitalization," said Sullivan, 47, who grew up only blocks away from the once-abandoned mill district his company helped bring back to life.

The two mill projects represent only a percentage of the nearly 3 million square feet of commercial property Brady Sullivan has renovated throughout New Hampshire.

This year alone, Brady Sullivan has leased 500,000 square feet of commercial space, up from 400,000 square feet in 2005 and 300,000 in 2004.

Brady Sullivan is currently renovating the former site of Cabletron in Rochester. Nearly all of the 250,000 square feet is already leased according to Sullivan.

The company's residential track record remains just as stellar. Brady Sullivan closed sales on 98 condo units for a total of \$12 million in the month of May alone and has 10 active condominium projects currently in the pipeline from Manchester to Merrimack and from Dover to Concord and Laconia.

In addition to Brady Sullivan's mill projects, the transformation of the ornate and stately Mount Saint Mary College building in Hooksett into condominium units is a prime example of the company's dedication to making the old new, a critical factor in maintaining affordable prices.

"We're creating new products at half the replacement cost," said Sullivan. "We buy right and renovate correctly."

Workforce housing

Most of the firm's two-bedroom condominiums average between 800 and 1,100



Arthur W. Sullivan of Manchester-based Brady Sullivan Properties: Diversity may be the common denominator that has driven the firm's steady growth. (Photo by Andy Black)

square feet and sell for between \$100,000 and \$150,000. An extra \$12,000 to \$15,000 gets buyers high-end upgrades like cherry cabinets and granite countertops often associated with luxury housing.

"We don't want people to feel like they're living in an apartment complex — we want them to feel like it's a home," Sullivan said.

In a market where the median home cost is above \$250,000 and median incomes remain about \$68,000, homeownership has proven difficult for many young working families. Brady Sullivan prides itself in making home ownership a reality for many of these families.

"Average-priced houses in New Hampshire are far beyond the reach of many working families," Sullivan said. "Brady Sullivan is a very important source of workforce housing, and we consider our homes to be really good quality."

But despite the growing need for affordable housing in the Granite State, there are signs the condo market may be slowing.

"There's definitely been a slowdown in the past six or eight months," Sullivan said. "But we're still seeing a big desire to get into the market."

Bill Norton, president of Norton Asset Management, a commercial real estate firm providing advisory, brokerage and computer support services to clients throughout New England, believes rising interest rates, utility costs and taxes may all contribute to a slowdown in the market.

"There has been tremendous growth in the condo market and Brady Sullivan has certainly been the biggest player," said Bill Norton. "But with rising interest rates the market has probably peaked."

Residential mortgage rates are currently hovering above 6 percent and commercial rates are inching toward eight. Both pose a potential threat to residential and commercial markets, according to Norton.

"Both are very interest-rate sensitive, add in utilities and taxes and that can slow things

down," Norton said. "There's just a lot of unclarity in the overall economy."

Sullivan remains optimistic about future condo sales despite those rising interest rates.

"Even with the increases we've seen, interest rates are still at historical lows," Sullivan said. "In the price market that we operate, even with the rate increases, people find it is still cheaper for them to buy and own their own home then continue paying rent."

'Changing opportunities'

Diversity may be the one common denominator that has driven the steady growth of Brady Sullivan, which now employs 100 people. It's also the one that will aid in its continued evolution even in an uncertain market.

"We're not typical developers who tend to stick to one thing. We've seen the pendulum swing too many times," Sullivan said. "We take advantage of changing opportunities."

Diversity within the company has also proven cost-effective, said Sullivan.

"We've got great, great talent here, and that lets us continue to expand," Sullivan said, noting that "everything from architectural design to sales and marketing are all done in house," enabling the company to control costs.

In the firm's commercial business, this translates into an ability to offer commercial space for up to \$5 per square-foot below market price, according to Sullivan. This, coupled with quick turnaround time, give Brady Sullivan Properties a "leg up in the industry," he said.

With a strong foothold in the New Hampshire and Massachusetts markets for both its commercial and residential business, Brady Sullivan recently took its vision farther south, where it is working on a condominium project in Naples, Fla. Sales of the residential condominiums at "Belvedere" are expected to begin in August.

But the company is still well aware of its New Hampshire roots.

It is a supporter of numerous civic organizations, including Kiwanis, American Red Cross and the Manchester Animal Shelter as well as several child-focused initiatives — the company recently donated \$500,000 to the Manchester YMCA. "This is the difference between being from here, living here and being from the outside," Sullivan said. "Being natives of the area we love to see others have opportunity. We try hard to make that happen whenever we can." **NHR**