

Q2

2017

M E T R O B O S T O N

BREWERY REPORT







BREWRIES ON THE RISE IN MASSACHUSETTS

NAIHunneman

Committed to Boston, Connected to the World.

303 Congress Street | Boston, MA 02210 | 617.457.3400

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RECENT LEASES



50 HUDSON RD.
CANTON
36,400 SF



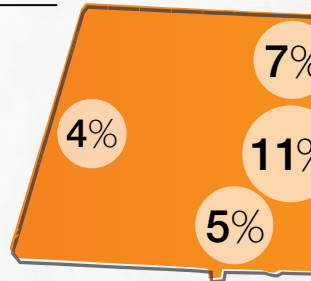
**NIGHT SHIFT
BREWING**

220-240 2ND ST.
CHELSEA
36,000 SF

ACCORDING TO RATEBEER, **TREE HOUSE BREWING** AND **DOMINATE**, PRODUCING THE **TOP 10 RATED BEER**

7 REGIONAL
BREWRIES

119 EXISTING BREWERIES IN MASSACHUSETTS
 **14 OPENING** IN 2017
53 PLANNED FOR THE FUTURE

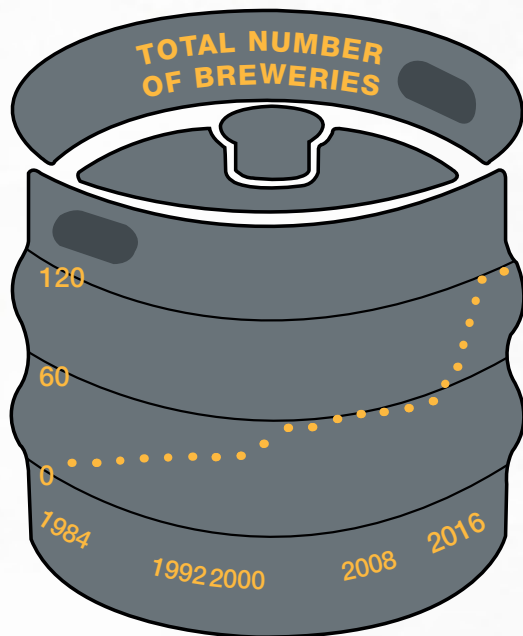


36 BREWERIES
HAVE TAP ROOMS

33 BREWPU

8 CONTRAC
[PRODUCTION CONTRACTED WITH A LARGER]

71 MICROBREWERY



446,158
BARRELS OF CRAFT BEER
PRODUCED PER YEAR,
WHICH IS EQUIVALENT TO
2.8 GALLONS
PER 21+ ADULT

BREWERY AGE DISTR





152 HAMPDEN ST.
ROXBURY
10,600 SF



220 WOOD RD.
BRAINTREE
7,900 SF



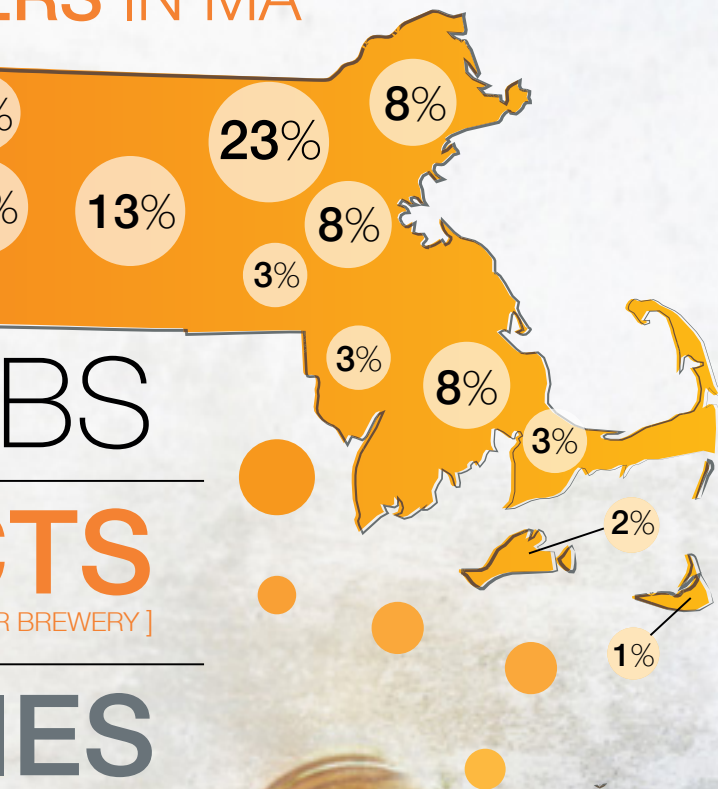
3377 WASHINGTON ST.
BOSTON
4,600 SF



SHORT PATH
DISTILLERY

71 KELVIN ST.
EVERETT
1,300 SF

TRILLIUM ERS IN MA



BS

TS
R BREWERY]

ES

DISTRIBUTION



TRENDS

- The 20 largest breweries in MA produced 4.5 M barrels of beer* in 2016
**includes Boston Beer Company*
- The Average SF occupied by breweries is 12,087 SF
- A majority of breweries are located in industrial buildings
- In 5 years, beverage manufacturing employment in MA has increased by 61%

FASTEST GROWING BREWERIES



**LORD HOBO
BREWING CO**



**NIGHT SHIPT
BREWING**



**CASTLE
ISLAND**
BREWING COMPANY

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Massachusetts' booming craft beer industry has been a boon for the local economy as well as the commercial real estate market. In five years, the industry here has more than doubled and now boasts well over 100 breweries.

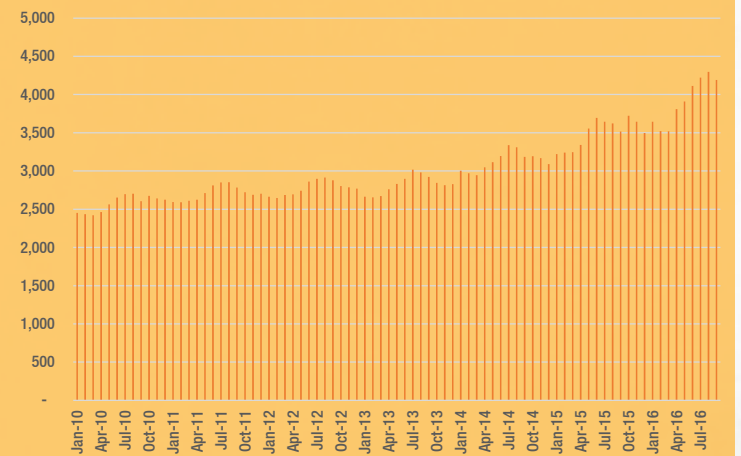
The "locavore" movement, increasing demand from consumers to shop and support locally-sourced products, has certainly helped drive much of this growth. Moreover, the growing popularity of taprooms has also contributed to the industry's success here.

While the future remains bright; with 50+ new breweries in various stages of planning in Massachusetts, the industry is certainly maturing and the years of double-digit growth may be behind us. Here are few trends to look for in the coming years:

- 1 Consolidation/contraction may be on the horizon. Increasing competition, both locally and nationally, may saturate the market and result in an increasing number of brewery closures.
- 2 Taprooms could drive more industry growth. Per the Brewer's Association, craft breweries sold more than 2 million barrels from taprooms and brewpubs last year. Moreover, these operations historically experienced higher growth rates. Many are predicting that brewers will continue to move toward this format in the coming years.
- 3 Big Beer, like Anheuser-Busch InBev, will continue to acquire craft brewers — ultimately gaining more market share.

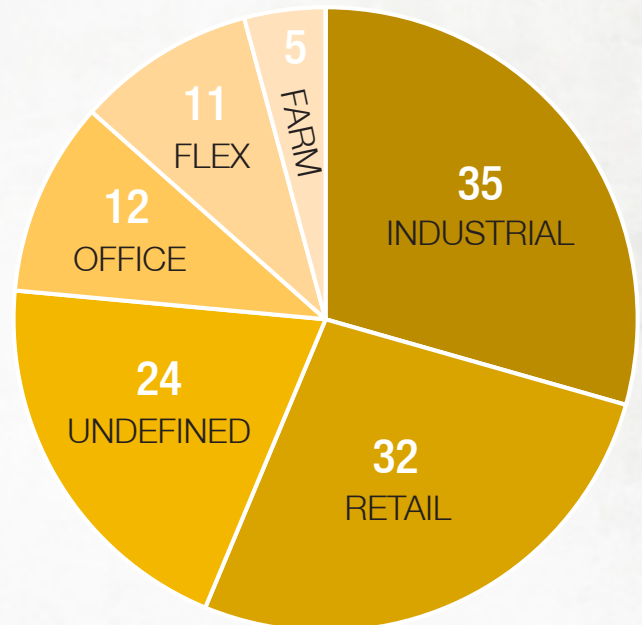
The key takeaway seems simple: We can expect the craft beer industry to continue expanding in the future, but peak growth has likely already passed by.

MA BEVERAGE MANUFACTURING EMPLOYMENT



Source: BLS

NO. OF BREWERIES BY PROPERTY TYPE OCCUPIED



Source: CoStar, NAI Hunneman Research



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