



UPCOMING EVENTS:

MEETINGS & EVENTS:

September 28, 2017
Chapter Meeting
Essex Yacht Club
Essex, CT

October 12, 2017
CT Commercial Real Estate Conference
Hartford Marriott
Hartford, CT

CONFERENCES:

October 26 – 28, 2017
2017 Fall World Conference
Palmer House, a Hilton Hotel
Chicago, IL

Connecticut Chapter of SIOR PRESS RELEASE

From: Art Ross, Director of Communications
Date: August 11, 2017

Connecticut/Western Massachusetts 2017 Mid-Year SIOR Market Survey

Hartford, CT: The Connecticut/ Western Massachusetts chapter of SIOR announced the results of its semi-annual survey of chapter members. The survey measures commercial real estate market conditions for the period January through June 2017 within the region.

SIOR member responses regarding market conditions during the first six months of 2017 were positive and continued the trend established in late 2016. The industrial market leads and survey results show limited to no concerns about future price declines. The office market is still sluggish with concerns noted about the potential for future price declines. Survey results were similar to the prior survey as 53% of the membership experienced improvement, 42% experienced no change and 5% experienced a decline in market conditions within Connecticut and western Massachusetts. Predictions for the remainder of 2017 indicate stability with 68% anticipating no change in market conditions and 32% indicating improvement.

Predictions regarding lease rates for the remainder of 2017 are more favorable for industrial versus office lease rates. Results for future industrial lease rates were evenly divided between no change (50%) and an increase (50%). A majority of members predict office lease rates will remain unchanged (75%) while a notable number expect a further decline (25%). Expectations regarding the direction of market vacancy rates for the second half of 2017 are also more favorable for the industrial sector, but less positive for the office sector. Industrial vacancy rates are expected to decrease (62%) or remain unchanged (38%). Office vacancy rates are expected to remain the same (67%) with a sizable number anticipating an increase (27%) and the remaining members expect a decrease (6%).

Predictions for sales prices for the remainder of the year suggest upward pressure on pricing for industrial properties. Predictions for pricing for office and investment properties are generally favorable, but a sizable number of respondents foresee the potential for declines. Survey responses for industrial properties predict an increase in pricing (62%) with the remainder indicating no change (38%). Survey responses for office differ as a majority (75%) indicates prices have stabilized and the remainder anticipates a price decline

(25%). Investment cap rates also predict prices will remain unchanged (64%) or expect cap rates to increase (36%) which results in declining values for investment properties.

The members do not anticipate significant new development for the remainder of 2017. Expectations regarding growth by users for the remainder of 2017 are no change (74%) and the remainder divided between expansion (16%) and contraction (10%). Comments by members indicate big box warehouse distribution has been active. Quality inventory is lacking in some areas due to the lack of building over an extended period. Connecticut's budget issues as well as high profile corporate losses add some uncertainty to the market.

A sampling of recent member transactions include the sale of 18-26 Imperial Avenue in downtown Westport, a fully leased five-building medical complex with a total of 7,428 rentable square feet. The seller was Amalgamated Realty Company, LLC and the buyer was Greens Farms Centre Associates. The purchase price was \$2,650,000.00, and David Fugitt, SIOR was the sole broker involved in the transaction.

Michael Guidicelli, SIOR CCIM leased 10,000 SF of office space to the State of Connecticut at 484 Main Street in Middletown, and then sold the 27,000 SF office building for \$2,015,000.

480 Bunnell Street in Bridgeport, a 23,000 SF manufacturing building, was sold by Bruce Wettenstein, SIOR for \$1,600,000 to J B Moving and Storage.

A 73,600 SF facility at 87 Pickett District Rd in New Milford was leased to Clancy Moving Systems by Joe Wrinn, SIOR. Joe also sold a 25,560 SF building at 23 Commerce Road in Newtown to LRM Landscape Contractors for \$1,025,000.

Todd Payne, SIOR handled three office leases at 44 Old Ridgebury Road in Danbury; 7,6043 SF to Chipman Mazzucco Land & Pennarola, 26,000 SF to General Motors, and 3869 SF to Interconex, Inc.

Kristin Geenty, SIOR and Kevin Geenty, SIOR completed a 10,000 SF industrial lease in Deep River and a 7,500 SF lease to the North Haven Police Department.

Griffin Industrial Realty broke ground on a 137,000 SF flex industrial facility at 330 Stone Road in Windsor, and Tim Lescalleet handled the preleasing of 73,500 SF to a national logistics firm. Also on behalf of Griffin Industrial, Tim handled the sale of 67 acres in Bloomfield for \$150,000 per acre for the development of a 750,000 SF distribution center by an undisclosed company. Other sources have reported Trader Joe's as the end user.



330 Stone Road, Windsor, CT

Dialysis Clinic, Inc. leased 11,846 SF at 270 Farmington Avenue in Farmington. This transaction was procured by Larry Levere, SIOR along with the sale of 21 Talcott Notch Road in Farmington for \$1.1 M and 641 Farmington Avenue in Hartford for \$745,000.

Ed Godin, SIOR sold 60 acres of industrial land in Oxford, CT for \$925,000. Ed also handled the sale of 130,000 SF in Torrington on behalf of Turner & Seymour Manufacturing for \$425,000, and 300,000 SF to the city of Waterbury at 64 Washington Street in Waterbury for \$650,000.

A long term lease was signed at 100 Helmsford Way in Windsor by Arrow Electronics, a modern 170,000 SF distribution building. The tenant was represented by Art Ross, SIOR.



100 Helmsford Way, Windsor, CT

Mark Duclos, SIOR represented SCA Pharmaceutical in the lease of 89,200 SF at 555 Rainbow Road in Windsor, which involved a significant tenant improvement build-out. Mark, along with Art Ross, SIOR also represented New Boston Fund in the sale of 47 Leggett Street in East Hartford to Specialty Packaging for \$1,610,000.

1045 Sheridan Street in Chicopee, MA, a 62,000 SF food distribution facility, was leased long term to Consumer Product Distributors. Art Ross, SIOR represented the Landlord in the transaction and John Reed, SIOR represented Friendly's in the lease termination agreement necessary to consummate the transaction.

The Connecticut/Western Massachusetts Chapter is one of forty-eight chapters of the prestigious international organization, the Society of Industrial and Office Realtors. Commercial real estate professionals must meet rigorous requirements to earn the SIOR designation. SIOR, based in Washington, DC and founded in 1941, has more than 3,160 members in 680 markets located in 36 countries. SIOs are top producers who are required to complete an educational recertification program every three years. This assures those who need the services of a commercial real estate agent that the SIOR has achieved continued excellence.

Please visit the Chapter's website (www.siorct.com) to find additional information on the Connecticut/Western Massachusetts Chapter, Chapter members, and upcoming events. Should you have questions or interest in the requirements and benefits of becoming an SIOR and joining the Connecticut/Western Massachusetts Chapter, please contact Stephen Press, SIOR at 203.288.1900 or John Reed, SIOR at 860.987.4788.