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## **CERC SiteFinder Showcase features new web capabilities and awards**

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By Eve Alonso and Carline Mayer

The CERC SiteFinder Showcase, hosted by the Connecticut Economic Resource Center, Inc. (CERC), offered attendees insight into today's challenging economic times, survey results about the local commercial real estate market and programs to aid growth in Connecticut's high tech industries. The annual event also provided members of the local real estate community and economic development professionals an opportunity to network and listen to esteemed speakers.

Melissa Pasquale, CERC's director of real estate, kicked off the half-day seminar by presenting the newest features and benefits of CERC SiteFinder (CTSiteFinder.com) - the state's most comprehensive database of available commercial and industrial properties and data. The latest version of the web site includes more sophisticated location analysis tools as well as integrated mapping functionalities. Users can easily discover the advantages of any location, such as detailed demographic information within a certain radius or drive time.

Pasquale also unveiled the first-ever Partnership Awards, which honored SiteFinder members who were a part of significant transactions that had a positive impact on Connecticut's economy. The winners were:

- \* Jobs Generated Award - Griffin Land, for the completion of a 304,200 s/f build-to-suit facility in Windsor for The Tire Rack, Inc., which brought 70 jobs to Connecticut.
- \* State Partnership Award - Colonial Realty and the Department of Economic and Community Development, for their work with DRS Fermont to add 70,000 s/f and 95 jobs in Bridgeport, for a total of 500 jobs in two Connecticut locations.
- \* Economic Developer Award - Patrick McMahon and the Town of Suffield for their work with Designs for Health, Sage Engineering, Merrigan & LeFabvre and CERC on a 23,000 s/f build-to-suit facility, creating 48 new jobs.
- \* New Company Award - The Phoenix Cos. spun-off its investment management arm creating Virtus, which leased 32,000 s/f in downtown Hartford, keeping/creating 130 jobs.

Representatives from Connecticut Innovations (CI) - Charlie Moret, managing director of business development and Julie Rader, director of business investment and analysis - provided an overview of the quasi-public organization's programs. CI provides access to capital, expertise, strong track records and strategic networks and investors. Their Venture Capital Fund and Pre-Seed Support Services Program have provided funding and assistance to numerous businesses in Connecticut. CI's primary purpose is to assist with innovation and technology, and they are "on the cutting edge" with many of the industries they are reaching, such as bio-science, clean energy, and telecommunications, among others. "CI doesn't just give someone money and let them go," said Rader. "We follow them with more funds to take them all the way to commercial funding to reach the

finish line."

Keynote speaker Marc Louargand, co-director of the Center for Real Estate and Urban Economic Studies at the University of Connecticut shared an interesting presentation entitled Property and Capital Market Outlook. Giving a national perspective and starting with the topic of job recovery, Louargand stated that this has been the sharpest employment decline in the modern era and that we are looking at many more months to recover. The bright spots, says Louargand, are that the largest generation in United States history is maturing into the labor force and that generation has the largest share of college education than any generation in history.

As far as retail, many major companies are "going dark" or discontinuing operations at select locations, such as Old Navy and Starbucks. In the warehouse sector, the widening of the Panama Canal might create a change in shipping habits, he thinks the "winners" will probably be the ports in New Jersey and Charleston, S.C., while "losers" will be Los Angeles/Long Beach and Seattle. He feels that hotels offer the greatest upside of any property type today.

Louargand closed his presentation with the quote, "We'll all be Green by 2015." He compared this to "Stay Alive 'til '95," the phrase used to describe the listless market and the difficulty of operating in the commercial real estate market at that time. He predicts that to be successful in the future, landlords will need to pay attention to energy, water and the carbon footprints in their buildings.

Alissa DeJonge, director of research at CERC, presented the results of a recent statewide survey conducted by CERC, showing the opinions of local real estate brokers and developers on the current and future market conditions in a variety of market sectors. The results showed that respondents are "not cheery" about the market conditions in their regions. The investment and residential sectors in Hartford County have slightly more positive market conditions than in New Haven County or the rest of the state, but impressions are still quite low across the board. Sale and lease prices are expected to decline somewhat during the next three months. Also, inventory is expected to increase due to upcoming commercial mortgage expirations. Overall, there is little optimism from brokers and developers throughout the state. CERC, in partnership with CBIA and DataCore Partners, LLC, will be conducting this survey on a quarterly basis.

The final piece of the program included a broker panel - in New Haven with Alan Fischer of Fischer Commercial, David Gorbach of Colonial Realty, Paul Roy of H. Pearce Commercial; and in Hartford with Bob Daglio of CB Richard Ellis, Mark Duclos of Sentry Commercial, and Sean Duffy of Cushman & Wakefield Global Real Estate Solutions.

The brokers discussed how to manage expectations from clients. They feel it is necessary to be upfront with clients right from the beginning regarding the current market conditions so they understand that results these days will not always be ideal or meet their standards. In a down market, they work hard to report information to clients on a more regular basis, often weekly.

The brokers compared the industrial sector to other market sectors. There is a high rate of vacancy, however "30% of leases were in renewal," according to Duclos, "which shows some promising growth." Last year was the worst year in the industrial market and brokers feel that it can't get any worse. Overall, they are not particularly optimistic about the market but they feel it can only go up from here.

CERC is a nonprofit corporation and public-private partnership that provides our clients with objective research, marketing and economic development services consistent with our mission of making Connecticut a more competitive business location.

Eve Alonso and Carline Mayer are summer interns at CERC.

