



# nerej

## **The first of seven Silver Registered LEED buildings at Centerpoint Connecticut now under construction**

May 05, 2011 - Connecticut

Connecticut's first-ever "green" office condominium complex for small businesses - Centerpoint Connecticut- is creating a lot of opportunity amongst commercial brokers who are looking for fresh, distinctive and cutting-edge space to sell or lease.

At the center of Connecticut with frontage on I-91 at the Cromwell/Middletown line, this high-quality development demonstrates the benefits of buying versus renting. The typical buyer is the successful business or professional practice owner who is paying high income taxes, high dollars in rent and who has no time or ambition to remodel an existing property or become a property manager.

The first of seven Silver Registered LEED buildings is now under construction and will be completed by July 2011. The project's LEED designation (Leadership in Energy and Environmental Design) from the U.S. Green Building Council translates into a smart investment; to buy otherwise would be a short-sighted investment.

"Centerpoint Connecticut is founded on environmental stewardship through the use of efficient materials, technologies and sustainable design practices," said co-developer Michael Tyre of Tall Properties, LLC. "Increasingly, this is what savvy small business owners are and will be looking for in office space."

Green is becoming a business priority

More companies are willing to pay a premium to be in LEED office space, as much as 10% higher than conventional buildings, according to a recent survey by CoreNet Global and Jones Lang LaSalle.

In fact, the same survey indicated that 64% of corporate real estate executives believe sustainability is a critical business issue and a whopping 92% consider sustainability issues when making decisions about locations.

Green is actually cost effective

While going "green" costs more up front, the operational cost savings are significant and the payback will be swift, about a dozen years according to the USGBC, with the return on investment for new "green" construction 9.9%.

But when combined with tax incentives provided to buyers at Centerpoint by the City of Middletown the ROI is even greater.

"Our tax abatements will make this a very attractive deal for buyers," said Mayor Sebastian Giuliano of Middletown. "It's not some pie in the sky idea, it's real."

Who should buy and when?

Centerpoint Connecticut presents strongly to clients because paying rent and paying income taxes are hot buttons. Depreciation write-offs and other tax advantages, amortizing a mortgage and enjoying even minimal appreciation are enticing opportunities for brokers and their best clients.

It presents to buyers as a sound investment, a diversification of assets and affords an excellent exit plan. For brokers, it presents a first time opportunity to sell to the small office space user, a heretofore untapped market. While the economy is tough, it is still producing significant success for some of the brokers' clients.

"A stable business owner who understands his or her moderate-to-long term space needs and draws a healthy salary can reclassify some of it to the rental line item having that money work for them building equity in the property," said Wayne D'Amico, CCIM, lead broker for Tall Properties.

#### Buy vs. Lease

Commercial brokers should ask their customers, "Why invest in your landlord when you can invest in yourself?" It's really that simple.

"Office ownership allows the business owner to build equity, hedge against inflation, and benefit from real estate appreciation," said Larry McHugh, president of the Middlesex County Chamber of Commerce.

Favorable SBA financing under the SBA 504, owner-occupied real estate program, is another opportunity minimizing the down payment requirement to as little as 10% and fixing 40% of the mortgage to a low 20-year term.

"Green" will mean extra "green" for you

The future is now here, demand is out there, waiting to be educated. Help yourself do better in a depressed commercial real estate environment by creating sales opportunities for office space and for selling or leasing genuinely available commercial LEED property. Centerpoint Connecticut awaits you and your clients.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540