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Kurfehs on the commercial real estate market for the last five years: It was the best of times, it was the worst of times

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"It was the best of times, it was the worst of times," This popular saying aptly described the market for commercial real estate for the last five years.

Most brokers can identify with the roller-coaster existence from 2006 to the present.

I can recall speaking at a CBIA/ Stamford Chamber forum in January of 2009. This was perhaps the low point in the economy after the September/October 2008 debacle when the market crashed.

I predicted that the recession would end mid-year, but the recovery during the rest of 2009 would be muted and uneasy.

As the line went, 2010 would feel a little better, but would not be the barnburner that we usually expect after a severe recession. In retrospect, I wish that I was wrong. 2010 ended up with promise, and then started to slip back into uncertainty this spring.

The atmosphere 5-6 years ago when we closed on the land for two shopping center sites, one in Newtown, the other in New Milford, was considerably more upbeat.

The Newtown site (Plaza South) was approved for 68,000 s/f and New Milford (Litchfield Crossings) was approved for 282,000 s/f - not without the usual nail biting that usually accompanies the land use process. It did happen, though, and for that we all had a great sigh of relief.

It takes considerable time and effort to line up anchor retailers - gaining interest, the issuance of an LOI, more negotiating, due diligence, more negotiating, the lease process, more negotiating, the final deal. In the world of shopping centers, under normal times, once an anchor and a few other key retailers are in place the center will flesh out pretty quickly.

Plaza South in Newtown at 68,000 s/f is a neighborhood shopping center. Our first tenant was a national company, The Learning Experience day care at 10,000 s/f. It set the tone for some of our follow up tenants - a parent-teacher outlet, a beads store, The Meat House, a few instructional/participation tenants like Zumba and Martial Arts, and a few restaurants. Those were all family oriented enterprises. A bank and a package store rounded out the tenant mix. Four of the five buildings are occupied, and the last at 23,000 s/f is under construction and slated for completion this month. We do have availabilities in this building.

Leasing Plaza South was like a steady drum beat. It was one tenant at a time, usually in the process of filling out each building as it was being constructed. The economy was a drag, and I worked on many prospects for a year or more. One of the advantages we had, however, was the fact that Plaza South was perhaps the only new construction available in the region. And perseverance does work. Plaza South looks great and we look forward to filling this last building.

Litchfield Crossings in New Milford, by contrast, is a community shopping center at 282,000 s/f. Unlike Plaza South, it's essential to obtain a recognizable and respected anchor before the in-line and pad availabilities can be leased.

In 2008 we had the anchor. In addition, I was able to obtain numerous LOIs for national, franchise, and local tenants. The anchor lease was about to be signed, but as you all know, the economy collapsed in early fall of 2008. All of the outstanding leases and LOIs evaporated, i.e. with the exception of AT&T and Union Savings Bank, both of which eventually became part of Litchfield Crossings' Phase 1 development along with Housatonic Internal Medicine and Pediatrics.

Again, patience and perseverance paid off as it always does for real estate with an A+ location, for in June of this year the breakthrough anchor was announced - Kohls.

In addition there are many other national and regional retailers in the wings with pending leases. Confidentiality agreements are in place to guard against rumor and premature announcements, so at this writing the additional retailers cannot be named.

Even though great progress has been made in leasing we still have availabilities.

New Milford is the gateway and biggest town in Litchfield County. Litchfield Crossings' location on the major North-South Rte.7 highway with a Wal-Mart / Super Stop & Shop Plaza across the street, big boxes like Home Depot, and other centers with tenants such as T.J. Maxx, Staples, and Ring's End, ensure that the "gateway" is also the dominant shopping area in the county. Add the square footage together, and include other approved sites, and the area approaches one million s/f of retail. The recently completed Brookfield bypass from I-84 and the widening of Danbury Rd. (Rte. 7) in New Milford makes Litchfield Crossings easily accessible to northern Fairfield County as well. An imposing road frontage of 1,800 ft. on 30 acres, and a daily traffic count of 30,000 cars per day certainly adds to the luster and promise of Litchfield Crossings.

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