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The vibrant New Haven economy, with growth in businesses of all types, continues to grow

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As the late Speaker of the US House, Tip O'Neil said many times "All politics is local". So it is with commercial real estate. While there are the naysayer and the doom and gloom crowd constantly quoted in the media, many of us here in New Haven are not experiencing the negative market. The vibrant New Haven economy, with growth in businesses of all types, expansion of medical, research and service businesses, the need for office space, retail space, warehousing and eatery space continues to grow in the face of what others call a downward trend in real estate. The area Realtors who specialize in commercial real estate meet on a regular basis with the intent of providing information to all who attend to expand their vision, market and results.

While my commercial real estate history is short, a mentor of mine and many others, Fred Maretz, explained to me that there really are only two types of commercial real estate market cycles. One is "space chasing money" and the other is "money chasing space". Here at Levey Miller Maretz LLC, we are experiencing significant activity in the money chasing space cycle. Investors are continuing to contact us, and other brokers in New Haven, with funds, looking for "good" investments. Unfortunately, we can only identify a few "good" ones, the rest are marginal in terms of NOI and ROI. Even with full communication with our fellow brokers using the Commercial Industrial Division of the GNHAR the money will chase the space for extended periods of time.

Investors understand the issues, know what they want to do with their funds but are not willing to just buy for the sake of buying. A recent transaction had a 20,000 s/f office building, 35% occupied sell rather easily at \$50 per s/f. The investor, not a user, plans to add value to the property through expansion, upgrading and repositioning it in the marketplace. The space is tired, but the investor is willing to refresh it and increase its long term value. Other properties shown to the same investor received resounding "No Thanks" due to a few things, location, added value opportunities, current use and cost. The 'good' space is still hard to find.

Everyone who reads this article has one thing in common. They eat. New Haven has a deserved reputation for restaurants meeting the tastes of a diverse population. In that vain, there appears to be new challenges to spending our food dollar every month. When one place closes another opens giving the community a breathe of fresh air. Turnover in restaurants is not necessarily a real estate issue, other than location, location, location. So, if you serve a marginal meal, the repeat customer will not return, too much competition for that food dollar. These opportunities abound in the Greater New Haven area as we continue to place eateries in new space and in old space with new décor. The area of commercial real estate in Greater New Haven that appears to be a growth opportunity is the locating of space for small contractors. There are significant contracts given by the City of New Haven, Yale University, Yale New Haven Hospital and others to small contractors providing HVAC, electrical, sheet rocking, plumbing, roofing, etc., but have no space in New Haven to store vehicles,

materials and have an office presence.

The spaces with overhead doors, some storage and office in the range of 2,500 to 5,000 s/f are the most in demand. There are buildings that are vacant, lots that can be built on, or spaces that can be converted to accommodate the needs of these businesses.

Some need a New Haven address to meet criteria; others need local storage space to save travel time to a main warehouse. These needs can be met in New Haven by an entrepreneur with vision, money and time. Naturally the zoning, neighborhood and construction issues will come to the forefront. These can be met head on with a cooperative city administration striving to bring business to New Haven with assistance in planning any redevelopment or newly constructed building.

New Haven is alive and well in the commercial real estate business.

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