



nerej

A tale of two markets: Similarities and differences of New London and Tolland counties

June 18, 2008 - Connecticut

Conn. Commercial Realty & Select Homes occupies a somewhat unique position among southern N.E.'s commercial real estate firms. Unlike most commercial brokerage agencies, ours is a multi-office company. Our two offices in New London and Tolland counties, place us in economic settings that exhibit interesting similarities and differences. On the whole, our marketing experiences in these two settings demonstrate the old adage that like politics, all real estate is local.

The historic similarity between New London and Tolland Counties is that both of them, although for different reasons, have been predominantly rural and residential in character. In an earlier time, both areas were dotted with mill industries, especially textiles, that capitalized on cheap and abundant water power. By the mid 20th century, the mill industries would move to the American sunbelt and both of these Conn. counties would have extensive economic dependence upon the nation's defense and space industries.

Indeed, throughout the later half of the 20th century, if one worked for any of the major defense or space contractors as well as national insurance corporations clustered in the greater Hartford area, places in Tolland County like Columbia, Coventry, Ellington, Vernon, and Somers would be viewed as appropriate bucolic settings in which to raise a family. How rural was it? During the 1970s, the faculty recruitment brochure for the state's flagship University of Conn. in Storrs (Mansfield) was entitled "Hardly a Wilderness!" During the same time period, the New London county economy was centered upon employment related to Submarine Base New London (actually located in Groton), the government research facility at the Naval Underwater Sound Center, the U.S. Coast Guard Academy, and a host of large and small military subcontractors.

Of course, by the dawn of the 21st century, these employment trends would abate in both settings. Just as New London and Tolland Counties would traverse different economic paths, so would their commercial real estate needs and trends.

Tolland County continues to serve a major bedroom community for the Hartford-Springfield metropolitan area. The economy that once was dominated by the defense and insurance industries now is hinged on small scale and even niche high tech, manufacturing, and service companies. With the exception of the distribution needs in proximity to Bradley International Airport, the commercial real estate demand is for smaller not larger buildings. Former agricultural lands are being converted into single family, condominium, and apartment developments, among them in Ellington at Gasek Farms and Ellington Highlands, and in Somers at Stone Crossing and Somers Place. This trend is spreading to Willington, Stafford, and Coventry, and is being followed by the advent of neighborhood

retail and service centers, most recently at Valley Farms in Ellington and at Somers Crossing. However, the big box shopping centers in Enfield and at Buckland Hills serve as retail bookends for the region. Large scale retail growth is not likely to be in the cards for Tolland County. Commercial development will be a real challenge for the growing bedroom communities of Tolland County.

The growth picture in New London County has been quite different. Driven by population and employment growth related to Foxwoods and Mohegan Sun, the so-called national retailers that once really did view Southeastern Connecticut as a "wilderness" have been arriving in droves. New retail centers either have arrived and are planned in Montville (Montville Commons), East Lyme (Gateway Commons), Stonington (Liberty Crossing), Waterford (Waterford Commons and Shoppes at Barrett Farms), and of course, in Lisbon adjacent to I-395 (Lisbon Landing and Lisbon Crossing). Additionally, unlike Tolland County, New London County's position on the coastline has made it a growing locus of retirement and even age-restricted housing development.

Finally, looking to the future, both settings are challenged by a condition that places limits on the future for all of Connecticut - inadequate transportation systems. Both I-95 and I-91 have become glorified parking lots. New London County has rail access but not yet commuter rail service, and Tolland County still awaits the "people mover" systems that would connect Bradley International Airport to the Hartford and Springfield metropolitan centers. The manner in which these issues are addressed will set the trends for the commercial real estate industry in the New London and Tolland County markets in the next half century.

Victoria Clark is the managing broker of Connecticut Commercial Realty & Select Homes' Tolland County office, Somers, Conn.

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