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## **Chittenden County Vermont experiencing growth and development - by Doug Nedde**

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Chittenden County has experienced a flurry of development in the last two years with the majority of growth occurring in the retail and residential rental markets. One of the major projects is the development of 60 acres of waterfront property by Eric Farrell call Cambrian Rise, which will feature a 735 unit mix of condos, houses, apartments, restaurants, shops and a hotel. Full build-out is estimated at 10 years.

Demolition has now begun on the Burlington Town Center project, which will feature 272 apartments, 230,000 s/f of office space, 126,000 s/f of new retail space and a new parking garage. Sinex estimates that this development will add 300 temporary construction jobs and between 1,000-1,600 permanent jobs to the city. As of October 2017, Vermont had an unemployment rate of 2.9%, a 0.2% decrease since December 2016.

At present, the retail market has a vacancy rate of 5%, which is below the historical average of 6.5%. Rents are stable and the market is relatively well balanced despite the closing of some stores due to the uptick in online shopping. As an example, the formerly defunct University Mall in South Burlington is becoming revitalized by their new lease with Target on which fit-up is underway.

The office market in Chittenden County is historically weak with a current vacancy rate of 10.6%, higher than the historical rate of 9.4%. There is an oversupply of approximately 911,000 s/f with newer office spaces edging out the older buildings for tenants.

The industrial market has enjoyed relative stability with 144,000 s/f of new construction expected in 2018. The vacancy rate has historically hovered around 5.6% and will continue into 2018 representing a slightly undersupplied market.

The apartment market remains strong, attracting many investors over the last few years. A record breaking 689 apartments were built in 2016 and we are expecting around 448 more new units to hit

the market in 2018. The current vacancy rate is an undersupplied 2.6%, but healthier than the 1.3% vacancy rate seen in 2014.

Chittenden County, and particularly Burlington, has become a hub for growth and has caught the eye of both small and larger investors. It will be interesting to see how the development described above will influence the landscape of this state known for its rural appeal.

\*Data provided by the December 2017 Allen, Brooks & Minor Report and Census data.

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