



CELEBRATING
55 YEARS

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New Haven embraces its economic base, encouraging development and growth

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The city of New Haven might have been apathetic towards its largest property owner in Yale University and Yale Medical School in the past. That attitude is now long gone as Yale's expansion and renovation of its facilities has positively impacted the entire New Haven real estate market. New Haven's economic base is driven by educational services and health services.

New Haven has one of the highest percentages of tax exempt property in the state of Connecticut at approximately 43%, but the city recognizes that its largely tax exempt institutions are also its economic base driving its economy. New Haven has embraced these institutions and its economic development plans include bringing more tax exempt development to the downtown area such as Gateway Community College and Long Wharf Theater. Over the last ten years, New Haven has proven that this strategy improves the quality of life and encourages development.

Vacancy rates for Class A office space in New Haven have remained fairly steady over the last ten years at around 7 to 10%, according to CoStar. Class B space has seen a decrease in vacancy from around 30% ten years ago to around 13% today, according to CoStar. Much of this Class B space has been redeveloped privately or by Yale over this time period. Commercial to residential conversion in New Haven has been extremely successful over this time period resulting in both a commercial space inventory reduction and a need for services for downtown residents. New restaurants, retailers and other businesses continue to find New Haven as an opportunity to fill the service needs of these residents.

New Haven's continued expansion plans involve development of new mixed-use buildings driven by its economic base. The planned Gateway Community College development on the old Malley's and Macy's retail store sites exemplifies this mixed-use strategy. The total project is 1.530 million s/f, 425,000 s/f of which is tax exempt use by the college. The balance of the development includes residential, retail, commercial and parking. Diversified uses should create a more livable development in use 24 hours a day and in turn yield quality of life benefits to the city that singular uses such as the old department stores couldn't provide.

The Smilow Cancer Center currently under construction adjacent to Yale New Haven Hospital is the catalyst the city hopes will be continued development around its health services industry. The cancer center project was approved with two support developments nearby that are also currently under construction. 55 Park St. will be six stories and 146,000 s/f and house state of the art clinical laboratories, pharmacy service, and shipping/receiving for the hospital plus 12,000 s/f of retail space at street level. 2 Howe St. will be a mixed-use development consisting of a 6-story parking garage with 845 spaces and a 53,000 s/f 3-story building with retail, office and residential components. Both projects will help to reconnect the hospital with New Haven's downtown on the other side of Rte. 34. The long anticipated mixed-use development of the Shartenberg site on the corner of State and

Chapel Sts. has begun construction. The project includes residential, commercial, retail and parking components.

The success of these current projects will be a litmus test for the strength of New Haven's economic drivers especially given the current world economy. New Haven's future plans rely on this model with continued projects that encourage development while bettering the quality of life for residents.

I have a friend who says that "New Haven is the new Cambridge". Maybe in another five to ten years your city will tout itself as "the next New Haven".

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