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SIOR Comm'l. Real Estate Index indicator of market conditions as it reflects U.S. economic conditions

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The Third Quarter 2008 SIOR Commercial Real Estate Index, compiled by the Society of Industrial and Office Realtors (SIOR) in association with the National Association of Realtors (NAR), highlights the accuracy of the SIOR Index as it reflects the affect the overall economy has on industrial and office real estate market conditions across the United States. The national index, which measures 10 variables pertinent to the performance of U.S. industrial and office markets, dropped for a seventh straight quarter to an overall total of 66.4 points, 10 points lower than second quarter's results. This point drop placed it 33.6 points below the 100 point criteria that represents a balanced office and industrial marketplace and 53.3 points below its record high in spring 2006.

The SIOR Commercial Real Estate Index is a diffusion index where a score of 100 indicates markets in balance. A score of 66.4 reflects conditions that are significantly less favorable for landlords and sellers, but excellent for tenants and purchasers.

SIOR commercial real estate professionals provided their views on Third Quarter 2008 market conditions in their respective markets in an October survey.

Not unexpected considering current economic conditions, 93% of SIOR members report that their local markets are feeling the impact of the decline in the national economy. Eighty-two percent of respondents report that leasing activity is down from historic levels. Market fundamental have been clearly impacted as 61% of respondents feel that vacancy levels are higher than normal. Concessions benefiting tenants are riding above normal indicating a "tenant's market" according to 64% of respondents: 10% of them indicating deep discounts. Thirty-three percent of respondents indicated that there was virtually no new construction going on in their marketplace and according to 74% of respondents construction in general is down. Sixty-eight percent of respondents predict a 1-15% decline in activity for Fourth Quarter 2008 - a clear indication that concerns about where the economy is heading are impacting the commercial real estate business - and will continue to do so.

Please visit our website www.siorct.com to find additional information on the Connecticut/Western Massachusetts Chapter, Chapter members, and upcoming events. Should you have any questions or interest in the requirements and benefits of becoming an SIOR and joining the Connecticut/Western Massachusetts Chapter, please contact Sherri Thompson, SIOR at 860.528.0884 or John Reed, SIOR at 860.987.4788.

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