



CELEBRATING
55 YEARS

nerej

Optimism still high in the city of New Haven for economic growth and development

September 15, 2009 - Connecticut

The New Haven County developers, investors, property owners and real estate brokers are continuing to approach the fourth quarter of 2009 with optimism. Meanwhile, the urban and suburban communities are reaching out to developers, investors, property owners and real estate brokers for sustained economic growth. The communities are diligently seeking innovative ways to increase their tax base in order to meet the ongoing demands of its residents, businesses, elderly community, along with the challenges of the education sector to meet global competition through improved curriculum, technology, and building facilities.

One of the continuing bright spots in New Haven County is the city of New Haven's continued optimism with a commitment of its \$1 billion expenditure for the rehabilitation of its schools' infrastructure along with the investment in rebuilding bridges, improved road network and incentives for neighborhood housing rehabilitation. This commitment has helped maintain the construction industries' workforce. The city of New Haven offers incentives for new construction, businesses, and scientific research. The development of a brand new multi-million dollar mixed use high rise of retail and residential units on the corner of Chapel and State Sts. is one example of an optimistic developer's investment in the city. Another multi-million dollar commercial project, at the corner block of College, Crown, and George Sts., will offer a mixed use of retail, residential units, and offices. Adding to this, Gateway College will be moving to the center of New Haven. Numerous other projects are underway or completed in improving New Haven's infrastructure. Among them is the much awaited construction project to improve Tweed-New Airport and a master plan to improve its utilization, an ongoing citywide investment for the beautification of public space and parks, the Cancer Hospital at Yale New Haven adjacent to Yale New Haven Hospital and Yale Medical School.

The city is continuing its focus on transit development and offers visitors, tenants, and shoppers a variety of options to move about the city by shuttles, free trolley and buses; and for travel in and out of the city there is the State Street Train Station, Union Station with Metro-North, Shore Line East and Amtrak with service to New York City, Washington D.C., Hartford and Boston.

The fourth quarter of 2009 will continue to see developers, investors and commercial real estate brokers in a quandary. Financial reports are predicting a continued decline in the commercial real estate market due to the tougher borrowing practices of the banks and institutional lenders.

As the economy spirals in a downward trend, conventional and institutional lenders tighten their borrowing programs. Consequently, developers, commercial owners, and investors have been forced to investigate new financial sources. Many banks have instituted stringent loan qualifications, increasing rates and requiring additional collateral. Some banks have gone so far as to discontinue commercial lending.

These actions by the lending institutions have caused developers and investors to take a "wait and see" position. Even worse, the federal government's uncertain direction to improve the economy has potential developers and investors concerned that inflation is looming in the background. As our nation's deficit looms out of control, this will lead to either rising taxes and/or the feds cutting expenditures, neither of which will improve the economy nor re-establish the commercial and housing real estate industries in the near future.

With all this said, the city of New Haven is still leading the way in how to beat the economic downturn. New Haven's success is its partnerships it created with the business community, academia, the state of Connecticut and the formation of a not for profit Economic Development Corporation, funded by Yale University.

New Haven has a unique liveliness which brings the best dining with over 150 restaurants, night clubs, two great theatres, the Shubert Theatre in downtown New Haven and the Long Wharf Theatre off I-95 on Sargent Dr. The city is also surrounded by educational institutions; Yale University, Albertus Magnus College, University of New Haven, Gateway College, and Southern Connecticut State University. This, combined with the well known art galleries, Yale Art Gallery and The Yale Center for British Arts, and a world renowned Yale Peabody Museum of Natural History, makes New Haven an inviting destination for the surrounding communities, thus giving the city its economic stability. The city of New Haven still steaming ahead! So come on down and join the fun!

Bernie Diana is with Levey Miller Maretz, Woodbridge, Conn.

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