

**TREVOR DAVIS**  
COMMERCIAL REAL ESTATE, LLC

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# MIDDLETOWN

## COMMERCIAL REAL ESTATE

# REPORT

First Quarter 2014

### Office Market Report

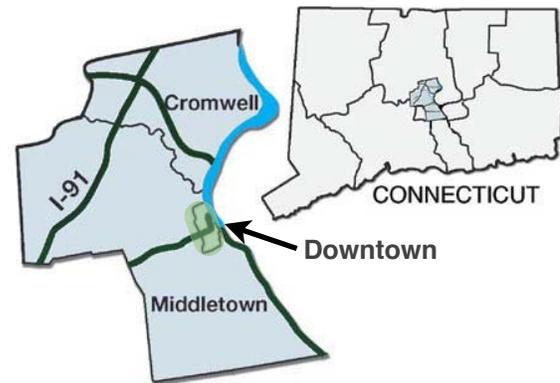
Zero percent vacancy is an amazing statistic, and both Middletown's Downtown Class A and Cromwell's Class A office markets can legitimately claim it on April 1, 2014.

Although these are very small markets compared to large cities, they nevertheless indicate a pent-up demand. However, as the Great Recession drags on, there will be no banks that would finance even a small, speculative office building without substantial pre-commitments. And few developers have the stomach for this risk, since there is so little growth outside the medical sector.

When one includes the B and C office space, Downtown Middletown still comes in at less

than 10% of the space available, having absorbed some 'new' space in the last 12 months.

Suburban Middletown shows a much higher vacancy rate because the large, 86,000 sf 245 Long Hill Rd. is still vacant. Excluding this (former My Weekly Reader) building, vacancy would be in the single digits.

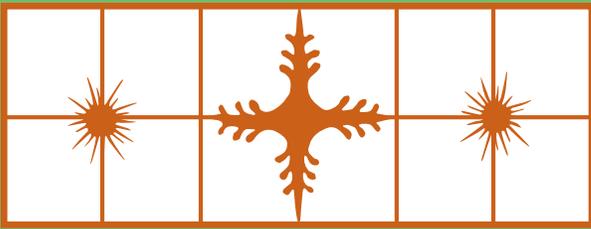


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### Office Market Report – Northern Middlesex County – 1Q14

Sub Market	Class	Number of Buildings	Total Competitive Space (sf)	Available Space (sf)	Availability Rate (4)	Asking Lease Rate Range (PSF/YR)
Downtown Middletown	A (1)	6	235,632	0	0.0%	\$16.50-25.00
	B (2)	13	262,952	44,192	16.8%	\$11.00-18.00
	C (3)	11	97,810	13,057	13.3%	\$9.00-14.00
	Subtotal	30	596,394	57,249	9.6%	
Suburban Middletown	A	15	546,730	116,400	21.3%	\$18.00-25.00
	B	20	26,4239	91,891	32.7%	\$12.00-19.00
	Subtotal	35	810,969	208,291	25.2%	
Middletown Total		65	1,407,363	265,540	18.7%	
Cromwell	A	5	33,000	0	0.0%	\$17.00-21.00
	B	9	118,702	31,866	26.8%	\$13.00-19.00
	Subtotal	14	151,702	31,866	21.0%	
Total Market		79	1,559,065	297,406	19.1%	

Market Coverage: Includes all office buildings 5,000 square feet and greater in size which are not State owned. Lease Rates are Gross Modified (plus Janitorial Services and Parking). Notes: (1) Class A: Built after 1980 with ADA compliance and higher than average rental Rates. (2) Class B: Built after 1960 or renovated with elevators or newer building without total ADA compliance and average rental rates. (3) Class C: Older buildings that have not been renovated, access by stairs only, lower rental rates. (4) Vacancy rates include subleases. Information herein has been obtained from resources believed to be reliable. While we do not doubt its accuracy, we make no guarantee, warranty or representation about its accuracy and completeness. this information may not be reproduced without prior written permission from Trevor Davis Commercial Real Estate LLC. © 2014 Trevor Davis Commercial Real Estate LLC



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### Industrial Market Report

The Industrial market in Middletown shows a reduction in availability rates due to the large WinWholesale distribution building coming on line.

Industrial space is generally in more demand, and Middletown and Cromwell are no exception.

Middletown's rates are up slightly to 8.3%, and Cromwell's are down to 4.6%. Our Industrial survey includes buildings that are owner occupied since they are often used for the specific purpose that a company has for manufacturing or assembly, warehouse/distribution, etc. Small industrial buildings for sale are usually under contract within weeks of going on the market.

### TREVOR DAVIS COMMERCIAL REAL ESTATE

### Industrial Market Report – Northern Middlesex County – 1Q14

Sub Market	Number of Buildings	Total Space (sf)	Available Space (sf)	Availability Rate	Asking Lease Rate Range (PSF/YR)
<b>Middletown</b>	85	3,511,537	294,753	7.9% (1)	\$2.50-8.50
<b>Cromwell</b>	23	506,023	47,583	9.4%	\$5.25-11.00
<b>Total Market</b>	<b>108</b>	<b>4,017,560</b>	<b>342,336</b>	<b>8.5%</b>	

Market Coverage: Includes all industrial buildings 10,000 square feet and greater in size which are not State owned, boat storage or airport hangers. Lease Rates are Triple Net (NNN), meaning net of all taxes, utilities, insurance and common area maintenance (CAM). (1) Vacancy rates include subleases. Information herein has been obtained from resources believed to be reliable. While we do not doubt its accuracy, we make no guarantee, warranty or representation about its accuracy. This information may not be reproduced without prior written permission of Trevor Davis Commercial Real Estate LLC © 2014 Trevor Davis Commercial Real Estate LLC

### Economic Development

Economic development is defined as the sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. It can also be referred to as the quantitative and qualitative changes in the economy. Judging by these definitions, it can be a vague term with many interpretations, and hard to measure. However, in its most generic and beneficial sense it means bringing more amenities, and ultimately more sales and jobs to businesses and not-for-profits, and a higher quality of life to an area.

The drivers of economic development are proactive Chambers of Commerce, visionary and cooperative City departments, persistent developers and real estate brokers who understand the implications of their guidance. Judging by many statistics, Middlesex County is extremely lucky to have an excellent team of economic development ambassadors.

We are thankful to have helped bring to this area over the last decade over 100 new companies, and over 700 new jobs.

*Acknowledgements: Our information can only be as good as the data we receive from the landlords and brokers, and we are thankful for their cooperation. Our team strives to provide the best in commercial real estate services. They are Leslie Dockendorff, Michael Hirth, Beth Lapin, Monique McClain, Christopher Polack and Shaniece Gaskins who gathered most of the data.*