



TREVOR DAVIS
COMMERCIAL REAL ESTATE LLC

Middletown Commercial Real Estate Report

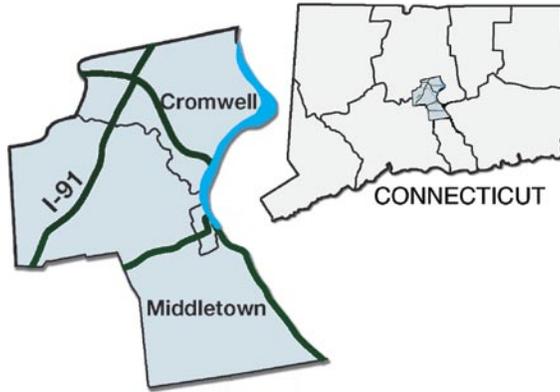
Third Quarter 2007

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The commercial real estate market in upper Middlesex County continues to set the pace in central Connecticut. Absorption of existing and new buildings continues to lower the availability rates. Capital is still widely available for good office, industrial and retail projects. The more visible local residential market is slowing but still active.



In downtown Middletown, the demise of a large, sub-prime mortgage company opened up more than 60,000 sf of Class A space which had seen 0% vacancy for over 4 years. However, most of the empty space has already been filled by the expansion of existing and new tenants. It is also unusual to see the Class B & C

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TREVOR DAVIS COMMERCIAL REAL ESTATE Northern Middlesex County • 3rd Quarter 2007

OFFICE
Market Report

Sub Market	Class	Number of Buildings	Total Competitive Space (square feet)	Available Space (square feet)	Availability Rate	Asking Lease Rate Range (PSF/YR)
Downtown Middletown	A (1)	3	242,277	25,000	10.3%	\$10.00 - \$24.00
	B (2)	13	269,495	12,571	4.7%	\$12.00 - \$18.00
	C (3)	13	96,858	5,600	5.8%	\$16.00 - \$14.00
	Subtotal	29	608,630	43,171	7.1%	
Suburban Middletown	A	13	477,998	36,920	7.7%	\$18.00 - \$22.00
	B	19	265,957	24,736	9.3%	\$12.00 - \$16.00
	Subtotal	32	743,955	61,656	8.3%	
Cromwell	Subtotal	11	138,050	14,300	10.4%	\$13.00 - \$18.00
Total Office Market		72	1,490,635 sf	119,127 sf	8.0%	

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. 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 of Trevor Davis Commercial Real Estate LLC.**

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INDUSTRIAL
Market Report

	Number of Buildings	Total Space (square feet)	Available Space (square feet)	Availability Rate	Asking Lease Rate Range (PSF/YR)	
Middletown	79	3,315,255	171,371	5.2%	\$4.00 - \$9.00	
Cromwell	19	454,603	96,488	21.2%	\$4.00 - \$9.00	
Total Industrial Market		98	3,769,858 sf	267,859 sf	7.1%	

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). Notes: 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.**

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markets absorb so much space. Since our last survey 12 months ago, the Class B office market increased its occupancy rate by over 7% and the Class C over 22%, totaling approximately 47,000 sf of absorption. Even more exciting are two new retail and office projects: Landmark Square at the South End of downtown and Liberty Square in the North End. The Middletown Press office will move to the largest floor at the re-energized Main Street Market. People and companies of all kinds are clearly attracted to the "Renaissance" in Downtown Middletown.

New construction of smaller build-to-suit industrial and office buildings continues in the suburbs. There are currently few small parcels available until a new 12 lot commercial subdivision tentatively called Middletown Commerce Park finishes its new road off Middle Street next summer. Between the high prices of new construction, the high demand for space and the short supply of it, rental rates are increasing in almost every sector.

After tracking the office and industrial buildings in upper Middlesex County for 5 years, this report will no longer include the East (Portland, East Hampton and East Haddam) and Southwest (Middlefield, Durham and Haddam) Sectors. Although there are new, small buildings in most of the towns, the trends and sizes are too small to provide meaningful aggregate commentary at this time.

Acknowledgments: *Many thanks go to Anne-Marie Cannata for collecting most of the data in our report; to Sandra Olenik of Originals, LLC for the presentation and graphics; and to all the landlords and brokers who share information on their buildings with us.*

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TREVOR DAVIS COMMERCIAL REAL ESTATE LLC

Our customers receive customized service encompassing a wide range of the commercial real estate field. We are dedicated to helping users, owners, developers and investors of commercial and conservation real estate by adding value and saving time in their transactions, tax strategies, environmental challenges and specialized research consulting needs.



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