

New Haven Register

Vacancy rate down

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By Cara Baruzzi, Register Business Editor

NEW HAVEN — Despite a recession that has taken a toll on the office real estate market elsewhere in the state and country, the city has less vacant office space than it did a year ago, according to the latest quarterly report from Colliers Dow & Condon.

In the third quarter, New Haven had a vacancy rate of 10.6 percent, down from 13.7 percent in the third quarter of 2008. The report from Colliers Dow & Condon tracks occupancy levels in 56 office properties in the city.

New Haven's office market, which typically holds steady, got an extra boost last quarter when Covidien signed a 10-year lease for 130,000 square feet of space at 555 Long Wharf Drive, part of the Long Wharf Maritime Center.

“Even without this Covidien deal, the market was pretty strong,” said John Keogh, senior broker at Colliers Dow & Condon who compiles the quarterly report. “It’s doing what it always does. New Haven is very steady. There are never a lot of transactions, but there are not a lot of (business) closings either.”

Unlike some other cities, New Haven benefits from the consistency of its tenant base — mainly law firms, nonprofits, and institutions such as Yale University — he said.

“The office market remains very healthy here in New Haven,” said Chris Nicotra, managing principal at Olympia Properties LLC, adding that activity particularly began to increase last month.

“There’s definitely been an uptick; the phone is definitely ringing a lot more than it was,” he said.

Tenants, as usual, prefer the central business district over other areas, he said.

The figures from Colliers Dow & Condon show the vacancy rate of the central business district was 9 percent in the third quarter, less than the 12.4 percent vacancy rate in the rest of the city. The space into which Covidien moved is outside the central business district.

Many tenants are seeking small spaces of less than 2,500 square feet, said Barbara Pearce, president of H. Pearce Real Estate in North Haven, with the exception being some medical companies seeking bigger spaces.

Beyond the city, the suburban office market has seen a slight increase in vacancies, said Kristin Geenty, president of The Geenty Group Realtors in Branford.

Some small companies and entrepreneurs who previously rented their own space have opted to move into shared office space or, when possible, revert to home-based businesses because of the economy, she said.

The biggest demand for suburban office space is coming from health care related service businesses, such as those providing nurses or home companions, Geenty said.

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