

Zoomerang Survey Results

CERC-CBIA-DataCore Real Estate Survey 2012 Q1

Response Status: Completes

Filter: No filter applied

Feb 28, 2012 11:35 AM PST

1. What is your primary affiliation?

Appraiser	2	2%
Banker	0	0%
Broker	64	62%
Developer	14	13%
Economic Development Professional	10	10%
Other (please specify)	14	13%
Total	104	100%

2. What is the primary geographic region in which you work?

Fairfield County	16	15%
Litchfield County	4	4%
Hartford County	29	28%
Middlesex County	3	3%
New Haven County	29	28%
New London County	6	6%
Tolland County	2	2%

Windham County	6	6%
Outside of Connecticut	1	1%
Other (please specify)	8	8%
Total	104	100%

3. What is your impression of your primary geography's current market conditions for the following sectors?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Excellent	Good	Fair	Poor
Office	1 1%	11 11%	49 49%	40 40%
Industrial	1 1%	18 19%	44 46%	33 34%
Retail	1 1%	20 21%	50 52%	26 27%
Investment	2 2%	28 30%	42 45%	21 23%
Residential	2 2%	17 19%	39 43%	33 36%
Overall Economy	0 0%	8 8%	56 57%	35 35%

4. What is your impression of Connecticut's current market conditions for the following sectors?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Excellent	Good	Fair	Poor
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Office	1 1%	9 9%	51 52%	37 38%
Industrial	2 2%	10 11%	53 56%	29 31%
Retail	0 0%	17 18%	55 57%	24 25%
Investment	2 2%	27 29%	42 45%	23 24%
Residential	3 3%	11 12%	43 47%	35 38%
Overall Economy	0 0%	9 9%	50 53%	36 38%

5. What is your impression of Connecticut's future (next three months) market conditions for the following sectors?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Excellent	Good	Fair	Poor
Office	0 0%	16 16%	47 47%	37 37%
Industrial	1 1%	18 19%	50 52%	27 28%
Retail	0 0%	21 22%	53 55%	22 23%
Investment	2 2%	26 27%	51 53%	17 18%
Residential	1 1%	15 16%	47 50%	31 33%
Overall Economy	0 0%	15 15%	50 52%	32 33%

6. What is your expectation for the number of transactions that will take place in the following sectors during the next three months?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Increase Considerably	Increase Somewhat	Decrease Somewhat	Decrease Considerably
Office	1 1%	59 60%	35 36%	3 3%
Industrial	2 2%	61 65%	28 30%	3 3%
Retail	2 2%	55 59%	35 38%	1 1%
Investment	2 2%	67 73%	20 22%	3 3%
Residential	1 1%	59 66%	28 31%	2 2%

7. How do you expect sale prices will change for the following sectors during the next three months?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	+5% or gain more	0% to +5%	-0.01% to -5%	-5% or lose more
Office	2 2%	35 36%	45 46%	15 15%
Industrial	2 2%	44 47%	36 38%	12 13%
Retail	4 4%	44 47%	32 34%	14 15%
Investment	4 4%	49 53%	30 32%	10 11%
Residential	5	36	34	16

Residential	5%	40%	37%	18%
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8. How do you expect lease prices will change for the following sectors during the next three months?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	+5% or gain more	0% to +5%	-0.01% to -5%	-5% or lose more
Office	2 2%	39 39%	45 45%	14 14%
Industrial	2 2%	42 43%	43 44%	10 10%
Retail	3 3%	43 45%	35 36%	15 16%
Investment	3 3%	51 56%	30 33%	7 8%
Residential	2 2%	47 52%	30 33%	11 12%

9. How does the Federal Reserve's announcement to keep interest rates near zero percent at least through late 2014 affect your business?

89 Responses

1. What is your primary affiliation?

Respondent #

Response

1 owner/asset manager

2 Asset MAnager

- 3 Town Planner
- 4 owner
- 5 realtor
- 6 Real estate investor
- 7 R.E. SALES
- 8 residential builder
- 9 Sales Agent
- 10 Real Estate Agent
- 11 Auctioneer
- 12 Commerical Real Estate Property Manager
- 13 Planning and Community Development
- 14 Commercial property management

2. What is the primary geographic region in which you work?

Respondent #	Response
	1 hatfrod, new haven, fairfield, new london
	2 Throughtout the state of Connecticut
	3 Entire State
	4 All of CT and western MA
	5 MA
	6 NY/NJ/CT
	7 ct
	8 State of CT

9. How does the Federal Reserve's announcement to keep interest rates near zero percent at least through late 2014 affect your business?

Respondent #	Response
	1 Positive impact.
	2 Very little, banks are still being stupid!
	3 it drives up inteerest in real estae investment it should help businesses expand

- 4 Very Little ! Until the State of CT figures out a way to attract NEW business, as well as RETAIN those businesses that are still standing in CT, we will continue to be viewed as TOO EXPENSIVE to be considered as a pro-business friendly State, and they will keep their blinders on when it comes to viewing their location options. Bottom line is, the rates are low, but other states dwarf CT in guaging a cost analysis for doing/conducting
- 5 no effect
- 6 N/A
- 7 probably in a good way. Money is cheap.
- 8 n/a
- 9 Should help
- 10 No impact
- 11 By putting a floor under the economy, business may be enticed to expand.
- 12 KEEP economy stagnant
- 13 Low rates are a problem for an investor. Say an invetsor has a ten year hold on a current purchase. rate will rise and therefore at the end of the holding period a prospective buyer will puchase less money as rates have to go up. Low rate are not the long term solution

- 14 The announcement has multiple implications...one being the Fed's interpretation is that the economy must be running out of steam and they have concerns pertaining to deterioration of market conditions, another being the political implications going into a presidential election. The timing just prior to the heavy real estate buying season may moderate activity, as potential buyers may hold out longer, as raising rates are not a
- 15 If the local banks cooperate, great. If not there will be a stall.
- 16 None
- 17 Helps
- 18 Negatively. We should eliminate the Fed or at least audit it. Monetary policy should maintain a stable currency and fiscal policy should keep taxes at a minimum.
- 19 Low interest rates are a sign of low business activity, as you notice they are not attracting the booming economic activity you would expect. While the FED can control short-term rates, the market determines long-term rates, and the long-term rates are at all-time ^{low}
- 20 this will keep us alive. interest rates cannot increase or we will have a hard time to stay in busienss
- 21 Does not hurt
- 22 HOPEFULLY- in a positive way. Getting things going that haven't been moving so far...
- 23 It gave sellers confidence in holding their properties until the 'right' buyer comes along. It also seems to have brought out more investors

- 24 This will only have a positive outcome if banks begin to lend. There is some indications that lending activity will increase slightly.
- 25 Not significant.
- 26 I do not feel that it helps the economy any longer.
- 27 It will bring more sales.
- 28 should help somewhat
- 29 offers buyers an opportunity to close deals and invest capital into the business and properties
- 30 doesnt, don't care
- 31 What else can they do?
- 32 Limited in that money is still cheap thus keeping monthly PITI affordable and close to rental costs.
- 33 It may help some but that does not seem to be the answer. The government has to remove many of it's regulations placed on business to allow for expansion and further development.
- 34 VERY GOOD.
- 35 It's anybody's guess right now. Too soon to tell. This news has not trickled down out all the way, to the man on the street, so to speak. Best. Stephen Filippio
- 36 Lower interest rates make a big difference. With the lower rent structure in place, we are at least able to do some long term maintenance instead of continually putting it off.
- 37 Direct effect, helps offset other negative factors
- 38 Neutral

- 39 It doesn't. The announcement may be good security for traders, but in the wider lending community, capital access, interest rates relative to the rest of the world and borrower creditworthiness are intertwined.
- 40 Should keep LT interest rates down helping acquisitions and encouraging businesses to buy equipment
- 41 No affect if the banks won't lend.
- 42 Doesn't matter. Banks aren't lending on commercial investment property on reasonable terms, anyway. Banks are using a "floor" of 5.5%, which means they're getting a 500 bp spread. This is the same cost of money as when LIBOR was at 3.00 to 3.25
- 43 Helps but need some underwriting forbearance as well
- 44 Will continue to help residential sales but the credit card companies will continue to overcharge on accounts and keep people in debt as well as lowering their limits which will continue to lower their FICO scores even though the accounts may always be paid on time. As such this will allow the banks to charge higher interest rates and increase their profits
- 45 Helps, if they can get the money.
- 46 No change
- 47 No effect. No correlation between fed cost of funds and our cost of funds.
- 48 If, (big if)the lenders open the purse strings a little more, this will help us
- 49 until the banks start to loan money it doesn't effect me one bit. I'd rather have the rate at 7% and be able to get loan than have it low and not give out loans for business

- 50 Little
- 51 Raising interest rates is needed to get the economy moving. So I guess stagnant will continue.
- 52 Just because interest rates are low doesn't mean companies can/will borrow money. We need to stimulate the growth sectors of our economy.
- 53 It may stimulate the investment market
- 54 Positive
- 55 hopefully it will improve.
- 56 no effect
- 57 positive
- 58 none
- 59 Owner/investors still need to be qualified for the loans before the interest rate really matters that much. I don't think it will have an effect on new deals as much as it will on re-financing
- 60 Banks need to do more lending and higher rates may make it more attractive - money on the sidelines and not moving.
- 61 This will really help to keep our market going, buyers are really starting to come around.
- 62 This is not the problem. The problem is getting the lenders to approve loans so more people can buy. As long as Real Estate remains stagnant, so goes the economy.
- 63 Hoping it will stabilize investor and user concerns and start an upward trend.
- 64 Time to do away with the Fed
- 65 doesn't move the needle
- 66 EXPECTATIONS OF SPIRALLING INFLATION GROW STRONGER.

- 67 On one hand it allow's borrowers to catch a low rate. On the other elderly cannot live off their savings. Need someone like Nick Perna to answer this tricky question !
- 68 Gives people a sense of stability and should increase transaction volume
- 69 It is positive, as we work to cut debt and build equity the low cost of money assists us.
- 70 negatively, without fluctuation there will be less real estate trading.
- 71 Not at all
- 72 Provides some form of "stability" but not inducing significant new activity.
- 73 Will continue to make it attractive for buyers, but doesn't change the fact that there are few investment properties that are priced realistically.
- 74 Basically the Fed has little choice. Very delicate recovery moving forward. 2-3 more years of slow positive growth. The change in what products are being offered to the market and the degree of willingness of municipalities to "partner" with development community will dictate their success or failure going forward. PLEASE SHARE RESULTS WITH US!
- 75 Confirms that the situation is as bad as forecast and will cause me to limit expenses and conserve cash and pay-off debt.
- 76 It will atleast keep things even. Cost of money has not been the issue.
- 77 very helpfull for confidence of the buyer
- 78 no impact
- 79 Should be a positive.

- 80 It will keep interest up for investors and may motivate some people to look, but overall it will not help improve the economy without other events.
- 81 With interest rates at historic lows, business should remain at least stable. I do not expect a large increase due to low employment numbers.
- 82 Doesn't affect my business positively or negatively - the fed (or Washington) needs to make debt more accessible...not just cheaper - doesn't matter how cheap it is if you can't get it!
- 83 will help
- 84 positively
- 85 The issue is not the rate as much as it is availability of funding projects with local banks. All local banks
- 86 Good but, doesn't matter the Banks aren't lending it
- 87 It helps by keeping interest lower, however, it feeds inflation
- 88 Presumably it will help motivate potential borrowers/investors.