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Commercial real estate sales soar in New London and Windham counties

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By **Erica Moser** (/apps/pbcs.dll/personalia?ID=e.moser) Day staff writer

✉ e.moser@theday.com (mailto:e.moser@theday.com)  [Erica_Faith13](http://www.twitter.com/Erica_Faith13)
(http://www.twitter.com/Erica_Faith13)

Commercial real estate sales in New London and Windham counties skyrocketed in the first quarter of the year compared to the same period last year, with the number of units sold increasing from 29 to 121, according to statistics from the Eastern Connecticut Association of Realtors.

The median sale price increased a little over 20%, climbing to \$275,000.

Association CEO Susy Hurlbert said she talked to Norm Peck of Pequot Commercial, who listed a couple of factors: People are leaving their jobs for their own startups, so leasing for small spaces has gone up a lot, and Electric Boat's expansion has added to the difficulty of finding industrial space in the area.

"We've heard on the news where people are not happy in their current job and they're branching out to fulfill their dream, in terms of career or something new, and so there's new lease-ups to try and start those new businesses," Hurlbert said.

But she noted that Peck said office space is still fairly quiet, and retail has remained consistent over the past few years.

Hurlbert added that American Rescue Plan Act funding is injecting a lot of towns with money, so "money is flowing, and I think there is a sense of economic development going on."

Judi Caracausa of Market Realty, who has been listing and selling commercial properties in Mystic and Stonington for 35 years, said she has "never seen the market so tight." Since it's "impossible to find any retail openings" in downtown Mystic, she's seeing people go down Route 1 and onto Old Stonington Road.

"I wish I could create five more buildings in downtown, but it's impossible of course because there's no land to build on," Caracausa said.

As for single-family home sales, inventory continues to be low, driving prices up: The number of homes sold in the first quarter in New London County decreased 11.4% compared to the same period last year while the median sale price rose almost 13% to \$305,000.

"It's still going strong," Greg Broadbent of RE/MAX Coast and Country in Mystic said of the single-family housing market. "Interest rates haven't quite been affecting people yet; I expect they probably will soon. There's still plenty of buyers out there to buy the houses people are listing."

Broadbent said downtown Mystic's residential market is "super hot right now" as well, and there are still a lot of out-of-town folks — such as people from New York and California — looking to get into the area and paying cash, thereby squeezing out local buyers.

In addition to first-quarter statistics, ECAR also released March data from the multiple listing service SmartMLS, and Hurlbert was struck that new listings decreased 17.8% for single-family homes but increased 29.1% for townhouses and condos.

She asked Windham County real estate broker Ryan Lajoie about this, and he said that because condo values are higher than they've been in many years, some people who bought high may be trying to recoup their investment.

e.moser@theday.com (mailto:e.moser@theday.com)

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