

The Commercial Record

In Person **Acquiring In Connecticut**

Thursday, February 26, 2015, 7:00am

Stephen C. Rice

Regional Director, The Davis Cos.

Age: 65

Experience: 40 years

Stephen Rice is responsible for acquisitions and asset management of The Davis Cos.' holdings in the New York metropolitan market ranging from Connecticut to Philadelphia. Prior to joining The Davis Cos. he was founding principal of Mohawk Partners and Patriot Partners, the Framingham, Mass.-based developers of \$500 million of commercial and multifamily properties in Greater Boston.

Q: What are your plans for your recent \$16.5-million acquisition of 40 Richards Ave. in Norwalk?

A: It's a 145,000-square-foot office building off Route 1. It's very similar to the office building we own at 200 Connecticut Ave., which we've had good luck keeping occupied even during the downturn. We thought 40 Richards represented an opportunity to leverage our position in the market and increase the occupancy in that building, driving occupancy by spending some money to do needed renovations, add a fitness center, add an enhanced café and provide a shuttle service to the commuter train, which is something we do in our other buildings. That's all in the works. The current occupancy is 70 percent. We acquired it when it was about 60 percent.



Q: How is the public sector helping improve transportation services to commercial properties?

There's a lot of talk about enhancing the rail service. They did provide a whole new fleet of cars which are much more modern and have features riders appreciate, such as the ability to charge personal electronic devices. There's a lot of work going into the highway system in Norwalk, which is where we are focused. Access to mass transit seems to be important to a lot of tenants. If you're not in walking distance of a train station, it's helpful to provide a shuttle service. We run them ourselves. It's not just the Millennials who appreciate the access - it's the changing nature of the office users, who are putting more people in the same amount of square footage with different configurations.

Q: What's the outlook for multifamily construction in Fairfield County?

A: It's clearly driven by rentals in Fairfield County. In Stamford, you're looking at \$3 and \$3.50 a square foot on the rentals. You move into Norwalk and you're more like \$2.50 a square foot. There's quite a bit of product coming online, and we've seen some good rental increases.

Q: What about condos?

A: I do expect it will rebound. The economy only now is just showing some signs of life. Historically, this area was dependent on the financial services industry that was hit hard by the recession, although there are some new tech industries growing. This economy has not come all the way back as far as employment. It really requires a little bit more robust economic activity before we see that coming back with any strength.

Q: Are you seeing a recovery in the office market?

A: If you'd asked me six months ago, I might have said there were no green shoots to be seen. But there are signs of positive activity. Greenwich has had quite a bit of leasing activity, in Stamford and Westport there's some activity and the Route 7 Norwalk-Wilton corridor.

A lot of it is relocations, but there are more than a few that are companies adding space or people. We are starting to see signs of a long-awaited improvement in that situation. We're not seeing any demand for new development, but the fact these movements are not musical chairs but companies needing more space is not something we've seen until fairly recently.

Rice's Top 5 Favorite Activities Outside Work:

1. Spending time with his grandchildren. "Five years ago, I wasn't a grandfather. Now I have six, with one more on the way."
2. Playing golf, which seems like a far off memory this winter.
3. Playing paddle tennis.
4. Fly-fish in salt and fresh water.
5. Reading - currently "Maps of Time," by David Christian.