

Prepared for:

Michiel Wackers, AICP
Deputy Director of Planning, Conservation
and Development
City of Middletown
245 DeKoven Drive, Room 202
Middletown, CT 06457

Prepared by:

RKG Associates, Inc.
Economic, Planning and Real Estate
Consultants
634 Central Avenue
Dover, NH 03820
603-953-0202

And

300 Montgomery Street
Suite 203
Alexandria, VA 22314
703-739-0965

www.rkgassociates.com

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I. EXECUTIVE SUMMARY

The following highlights key findings and conclusions for RKG Associates, Inc.'s (RKG) housing market study for Middletown and its downtown. More detailed information, statistics and analysis is contained in the report, which subsequently follows.

A. Introduction

The City of Middletown retained RKG to prepare a housing market study for its downtown whose purpose was to answer these specific questions, namely:

- What type of housing units would be “in demand”?
- How many could be supported over what time period?
- What pricing levels could newly developed units be sold or rented?
- Are current incentives or infrastructure improvements in Middletown adequate to encourage investment?
- What roll would parking play?

To assist in the housing market analysis, RKG identified three case studies communities where housing development occurred in the downtown, in order to benchmark their success and lessons learned to what potentially could occur in downtown Middletown.

The outline for the analysis and the underlying methodology is as follows

- Review socio-economic trends and five-year forecasts (when available) for the City of Middletown, its downtown, and its region.¹
- Evaluate the housing supply and market demand characteristic in Middletown and its downtown.
- Prepare case studies of three communities, similar to Middletown, where housing units were developed in a downtown area.
- Reconcile the three previous sections in order to answer the key questions for additional housing in the downtown.

An appendix is also included that provides statistics and other data used in the analysis.

B. Key Findings

The following highlights key findings in the report from the different chapters:

1. Socio-Economic Trends and Forecasts

- Middletown is a net “importer” of workers, as there were more jobs at local businesses than the resident labor force. This was further exacerbated as nearly 65%

¹ For this analysis, the region varies depending of data availability. For the demographic and housing market analysis the region encompasses a nine-town area of Middletown and its eight surrounding communities, namely; Berlin, Cromwell, Durham, East Hampton, Haddam, Meriden, Middlefield, and Portland. Middlesex County and the Hartford Labor Market Area were used in the review of labor force and employment trends.

of the labor force in Middletown commuted outside of town for work. Unfortunately, the local job market declined since 2000, and nearly all the gains experienced in the last decade were lost by 2009. Most of the losses occurred in those sectors that had higher average wages such as Manufacturing and Finance and Insurance, and the likelihood that Middletown could recapture the 2,800 jobs lost in these sectors over the near term would be remote. This changing economic environment has also impacted demographic characteristics and forecasts.

- Households in Middletown were estimated at 19,120 in 2009 and were 3.1% more than in 2000. Downtown Middletown experienced a nominal decline in households since 2000, while the region increased at a slightly slower rate than Middletown, and growth in Middlesex County was on-par with the city.
- The median household income in Middletown increased to nearly \$61,100 in 2009, reflecting a 28% increase since 2000. However, this gain was less than the 39% increase in the area median family income (AMFI) for the Hartford MSA (\$85,100), which is the basis to qualify for affordable housing. In effect, the median household income in Middletown was 72% of the AMFI, while in downtown the median household income of \$33,550 in 2009 would be 39% of the AMFI.
- Most of the household growth in Middletown since 2000 occurred for those households that earned \$100,000 or more, while declines were evident in all the lower income groups. Also, most of the growth occurred in the three groups that contain the “baby-boom” generation, namely those with the age 45 to 74 groups. Some growth was also evident in the younger than 25, which likely was attributed to Wesleyan University and other starting households. The downtown captured very little of this shift in households.
- Five-year household forecasts for Middletown and the region show negative growth, so turnover in households would be the only opportunity for new housing development. It is projected that Middletown will experience a decline of nearly 750 households over the next five years, including 190 in the downtown. Middletown is projected to lose a greater share of households in the region (59%) over the next five years, and most of these declines would be in those younger than 25, or those between the ages of 35 and 54. Increases (or aging in place) are forecasted for the age 55 to 74 groups, and the 25 to 34 age group; however, these increases are insufficient to offset the losses in the other age groups. All the projected growth in households over the next five years would also occur at the upper income level (\$100,000 or more).
- It seems to be a consensus among economists that the current recession is at (or near) the bottom, and the significant job losses experienced since 2008 will come to an end in 2010, according to the New England Economic Partnership (NEEP), when it is projected that Connecticut will have lost over 86,000 jobs. The recovery of employment and its pace remains uncertainty at this time, but recent forecasts for Connecticut indicate that total employment will recover at the end of 2014 to the pre-recessionary highs of 2008, but still remain lower than the peak in 2000. This forecast indicates no net gain in total employment over the next five years.

2. Housing Supply and Market Characteristics

- In 2009, Middletown had approximately 21,400 housing units, which was 9% more than in 2000. A shift to more owner-occupied housing also resulted since 2000 in Middletown; however, at the expense of the rental stock, since the citywide vacancy rate increased to 11%, and nearly 15% in the downtown. The downtown had approximately 2,600 units or nearly 12% of the citywide supply. The housing density in the downtown was significantly higher than indicated citywide for nearly all residential property types. The downtown also had a small concentration of condominium units, but a higher concentration of smaller multi-family properties (of less than 8 units) than the City as a whole.
- Approximately 34% of the housing in Middletown was developed over the last 30 years, and approximately 64% of the new supply was single-family (41%) and condominiums (23%). In the downtown, only 300 units were developed during this 30-year period, or 11% of the housing supply there. Three major residential projects were developed in the downtown over the last thirty years, including one high-rise condominium project in the late 1980s, and more recently an affordable apartment project. Most of the new development in Middletown since 2000 was mixed between single-family homes, age-restricted condominiums and apartment units.
- Middletown has nearly 3,640 housing units set aside for low-income and disadvantaged households, and the downtown has 610 units, excluding Section 8 vouchers, and represents 23% of the downtown housing stock. This percentage would increase if the number of Section 8 vouchers in the downtown were known.
- Since 2000 sales volumes of single-family and condominiums in Middletown peaked in 2005 and 2006, respectively, and subsequently declined by more than 40% to their current levels. Sales in the last two years or so were stimulated by a federal program which recently expired, so the effect on future sales remains unknown. Sales activity in downtown Middletown represented less than 4% of citywide sales activity citywide. Downtown also had a higher amount of two and three-family dwelling sales since it had a more concentrated supply. Sales in the downtown for the most part peaked in 2005/2006.
- Median pricing for single-family homes and condominiums in Middletown did not recover to the prior peak of the late 1980s until 2001 or 2002, and then experienced a 40% to 60% increase until 2006 or 2007, when median prices began to decline. The median price for single-family homes peaked at \$247,500 in 2007 and for condominiums at \$158,000 in 2006. Data for 2010 indicate that median pricing declined by 10%; however, the decline in pricing for new construction and multi-family properties was much more pronounced. Average unit pricing in the downtown was typically 15% to 40% lower than indicated citywide, depending on product type. Pricing also declined more precipitously in the downtown over the last few years than indicated citywide.
- RKG was only able to identify one multi-unit condominium conversion project in the downtown over the last five years, where units at converted two-family properties sold between \$128,000 and \$140,000. Another project is under way in the North End, where 17 units in seven buildings will be developed, but the project is subsidized and targeted for owner households at 80% of area median income, and households at the citywide median income level would qualify. The project is also

- unable to attain Federal Housing Administration (FHA) finance until 50% of the units are sold to owner-occupants.
- Middletown has a diverse rental market with nearly 40% contained in apartment complexes including many built over the last 30 years. Market rental rates averaged approximately \$980 per month citywide, and ranged between \$500 and more than \$2,000 depending on location, size, type, condition and other factors. Rents in the downtown averaged \$840 per month or nearly 15% below the citywide mark. The downtown had the highest asking price (\$1,850) for a two-bedroom unit at its only condominium complex, where, reportedly, rents for other units average \$1,200 per month or 35% lower. Rental pricing appears fluid in some cases as concessions were being offered to stimulate demand.
 - The supply of for-sale units on the market represented at best an 8-month inventory. Another 80 units remain un-built at six condominium projects including 13 units in the downtown. Another 500 units were also recently approved or being proposed, including a 400-unit rental project, and a 20-unit project in the downtown. Middletown also has nearly 5,000 acres of developable residential land that could provide a multitude of competitive residential projects for anything proposed in the downtown for many decades to come. The downtown has a very limited supply of available land.

3. Case Studies

There is no one set package of tools, or incentives that works best at fostering a good public-private working relationship when it comes to encouraging downtown residential development. From the case study communities (and links to developer agreements) the lessons learned and the “carrots” that have worked elsewhere include the following:

- Private sector developers often appreciate having a public partner in the projects, as well as a streamlined application and permitting process, or making town hall a “one-stop” shopping entity.
- Similarly, from the municipality’s perspective, having a savvy developer, one who has experience in successful downtown residential projects, is an advantage. Ultimately, a cooperative working environment and working agreement between the community and the developer is essential for a successful project.
- Developers are generally risk averse. If a municipality has a plan or vision for downtown residential projects and/or overall redevelopment then the perception of risk may be diminished. Additionally, if the local municipality has an existing or planned financial stake, such as infrastructure upgrades, streetscape/landscape improvements or investment in a new downtown parking structure or park (or other similar amenities that could benefit downtown development), a developer’s sense of risk diminishes.
- There are numerous regulatory issues which can provide developers with incentives, many in the form of a rework of zoning issues which facilitate for denser residential

development such as an increased density to the acre, or relaxing building height limitations providing upper floors are residential, as examples.

- Ideally, a local municipality may consider establishing an overlay zoning district for its downtown. This overlay zoning could encourage residential development through a relaxation or rewriting of some zoning standards (such as parking regulations), while maintaining control of many others by establishing design standards or landscaping and buffering requirements.

4. Potential Housing in the Downtown

- Interesting dynamics are forecasted for the household base in Middletown and the region, primarily due to the economic shift as a result of jobs losses over the last few years. Without any major employment growth or some other external event such as the advent of commuter rail to downtown Middletown, housing opportunities for the foreseeable future are difficult to quantify, especially in the downtown.
- The projected growth in households over the next five years would be for owner households at the upper income level (\$100,000), as renter households are projected to decline by nearly 2,300 during this period. This would have a significant impact on the rental supply, unless a citywide strategy is prepared that encourages unit consolidation and conversion to ownership.
- Such a strategy could be employed in the downtown provided safe and secure locations could be created within some of its densely developed neighborhoods, and appropriate amenities, such as off-street parking and green/open space, be provided.
- Utilizing the pricing differences from median values indicated in the case study communities, a potential range in pricing (\$110,000 to \$230,000) for units in downtown Middletown was set. It is assumed that pricing in the \$100,000 to \$150,000 range would be more attainable in the short-term, and as conditions improve over the next five years pricing could increase to up to \$200,000 or more.
- RKG estimates that condominium demand for select age and income groups would average about 235 households per year in Middletown, including 20 households seeking condominiums in the downtown. Rental households were more difficult to quantify since a net increase of 27 households per year were estimated citywide, and RKG assumed than 20 of these may choose to locate downtown.
- The existing supply of available rental units in the downtown would be able to meet the estimated annual demand, such that no additional rental units were indicated at the present time.
- The supply of current listings and projects underway in the downtown would meet the annual demand for the next year or so; however, an estimated 10 households per year would have unmet condominium demand in the downtown.
- It is recommended that the city consider a strategy of conversion of multi-unit buildings into condominiums in select areas within the downtown. This type of conversion has not been tried in a substantive way until recently, and that project is currently underway and required subsidies. Alternatively, upper floor conversions in mercantile buildings may be a way to capture this potential demand.
- It is recommended that large percentage of the units be two-bedroom and on-site parking is essential. Security and safety will be a major concern that would need to

be emphasized, especially within some of the more densely developed neighborhoods.

In summary, the potential for housing in the downtown over the near term is relatively small, due primarily the shifting demographic base and poor economic time. Middletown (community-wide) also has a large and diversified supply of housing at multiple price points. The median value of single family homes did not experience the rapid annual appreciation as was evident in the case study communities, and as such upscale housing does not seem warranted in the downtown, at least at this point, unless some major external event occurs that would stimulate demand.

II. SOCIO-ECONOMIC PROFILE

The City of Middletown is centrally located between Hartford and New Haven, Connecticut, and can easily be accessed by Interstate 91 on the western portion of City. The downtown is in the eastern side of city along the Connecticut River, and has enjoyed a renaissance during the last economic cycle. Middletown is an importer of labor as more persons commute into City for work than the local resident labor force. Middletown is also a major medical, social-service and financial center, and home to Wesleyan University.

This chapter focuses on demographic and economic conditions and trends in the Middletown and its region in order to understand how it affects the local housing market. The purpose of this chapter is to establish a baseline of demand characteristics that can be compared to the housing supply which is discussed in the next chapter.

A. Methodology and Sources

The methodology consisted of reviewing key demand indicators such as employment and labor force trends as well demographic characteristics in order to understand how the trends affect Middletown's housing supply. Information for this report was obtained from various sources including

- US Census: Detailed demographic and housing characteristics were obtained from decennial census data.
- Demographics NOW: Current population and household estimates, and five-year forecasts were obtained from this private source that specializes in demographic projections.
- Connecticut Department of Labor (CT DOL): Current and historic employment and labor force data for Middletown and its region was obtained from this source.
- US Department of Housing and Urban Development (HUD): Trend data regarding affordable housing income limits and fair market rents were obtained from this source.
- City of Middletown: Select fields from the assessor's database regarding housing characteristics and sales information were provided and other information including listings of major housing projects in town.
- Internet websites: Information was obtained from various websites including the City of Middletown; Zillow.com; REALTOR.com; rent.com; apartment.com, and web sites maintained by local real estate brokers and developers.
- Anecdotal information: RKG contacted various real estate professionals, property managers and municipal personnel. These persons provided usefully anecdotal information about housing conditions in Middletown and the region.

RKG assumes that information obtained from these various sources is accurate and correct,

B. Market Areas

RKG reviewed commuting patterns out of and into Middletown to determine a region of influence for this analysis. As shown in Table VI-1 (in the Appendix) Middletown was an importer of labor in 2000, as there were 22,120 persons in the workforce that lived in Middletown, according to US Census data, while the businesses in the city employed 30,470 persons. Of the resident workforce, approximately 35% worked in Middletown and 65% commuted out of the city for work, including 17% that commuted to one of the surrounding towns. Another 30% of the resident labor force commuted to work in the rest of Hartford County, and another 10% in the rest of New Haven County.

In comparison, 26% of the jobs in Middletown were held by local residents, and the other 74% were filled by non-resident workers. Approximately 14% of the workers at local businesses in Middletown commuted from one of the other surrounding towns, while another 22% commuted in from the rest of Hartford County and 8% from the rest of Middlesex County, as shown in Table VI-1.

Therefore, Middletown is a major economic center for the region, since the local economy imports more workers than reside in the city. For the demographic and housing analysis, conditions in Middletown were compared to those in region of nine towns including Middletown and eight surrounding communities, as well as Middlesex County. The communities in the nine-town region include Berlin, Cromwell, Durham, East Hampton, Haddam, Meriden, Middlefield, Middletown and Portland, and combined, provide a concise local region where workers and residents ebb and flow. For labor force and employment analysis, the nine-town region was used in some instances; however, a larger area of the Hartford Labor Market Area was used as well as Middlesex County, since more detailed statistics were readily available.

The geographic area of downtown Middletown used in this report includes two census tracts, namely the North End and the Central Business District or tracts 5411 and 5416, respectively, since portions of the downtown study area are contained within each of these census tracts.

C. Population and Household Trends

In 2009, Middletown had an estimated population of 45,950 persons according to Demographics NOW, as shown in Table II-1. The city's population experienced a 6.4% increase from 2000 or net gain of 2,780 persons. The downtown had an estimated 3,680 persons in 2009, which was 0.3% less than in 2000. The downtown experienced a 9% loss in population during the 1990s, when citywide the population increased by less than 1%.

The population growth in the nine-town region was 5.4% since 2000, and 6.3% in Middlesex County as shown in Table II-1. This indicated that population growth in Middletown equaled or exceeded the growth rate in both these areas over the last nine-year, which differed from trends in the 1990s, where population growth in Middlesex County (8.3%) outpaced the nine-town region (3.6%) and Middletown. In essence, the population in downtown Middletown in 2009 represented a smaller share of the City than in 1990, while Middletown share of population in both regions diminished as well

The statistics on the changes in households in Table II-1 suggest a similar but different trend in some cases. Middletown had 45,950 households in 2009, which was 3% more than in 2000, while the number of households in downtown Middletown decreased by 3% from 1,840 in 2000 to 1,775 in 2009. This loss of households in the downtown since 2000 effectively eliminated any gains in households experienced in 1990 in downtown Middletown.

The household growth rates in the nine-town region (2.8%) and in Middlesex County (3.0%) since 2000 were similar to those in Middletown (3.1%). These growth rates in households were much lower than during the 1990s, when household growth in Middlesex County was 12.2%, in Middletown it was 10.3%, and 6.4% in the nine-town region as shown in Table II-1.

These differences in growth rates can be attributed in part to change in the average household sizes. As shown in Table II-1, the average household sizes in each area became smaller during the 1990s and in 2000 they ranged from an average of 1.97 persons per households in downtown Middletown to an average of 2.45 persons in Middlesex County. In 2009, however, the average household size in each area increased, and affectively returned to the size indicated in 1990 in nearly all geographies.

Table II-1 – Middletown & Its Market Areas: Population & Households Statistics

| | 1990 | 2000 | 2009 | 2014 | % Change | | |
|--|---------|---------|----------|------------|-----------|-----------|-----------|
| | Census | Census | Estimate | Projection | 1990-2000 | 2000-2009 | 2009-2014 |
| Population | | | | | | | |
| Downtown [1] | 4,054 | 3,687 | 3,677 | 3,523 | -9.1% | -0.3% | -4.2% |
| Middletown | 42,762 | 43,167 | 45,951 | 47,677 | 0.9% | 6.4% | 3.8% |
| Nine-Town Region [2] | 166,643 | 172,627 | 181,897 | 185,963 | 3.6% | 5.4% | 2.2% |
| Middlesex County | 143,197 | 155,071 | 164,905 | 166,739 | 8.3% | 6.3% | 1.1% |
| Households | | | | | | | |
| Downtown [1] | 1,744 | 1,838 | 1,775 | 1,587 | 5.4% | -3.4% | -10.6% |
| Middletown | 16,821 | 18,554 | 19,122 | 18,373 | 10.3% | 3.1% | -3.9% |
| Nine-Town Region [2] | 63,624 | 67,673 | 69,574 | 68,312 | 6.4% | 2.8% | -1.8% |
| Middlesex County | 54,650 | 61,341 | 63,185 | 59,366 | 12.2% | 3.0% | -6.0% |
| AVG Households Size | | | | | | | |
| Downtown [1] | 2.06 | 1.97 | 2.04 | 2.18 | -4.4% | 3.6% | 6.9% |
| Middletown | 2.31 | 2.23 | 2.31 | 2.48 | -3.5% | 3.6% | 7.4% |
| Nine-Town Region [2] | 2.52 | 2.45 | 2.52 | 2.61 | -2.8% | 2.9% | 3.6% |
| Middlesex County | 2.51 | 2.43 | 2.52 | 2.69 | -3.2% | 3.7% | 6.7% |
| [1] Census Tracts 5411 & 5416 | | | | | | | |
| [2] Includes Middletown, Berlin, Cromwell, Durham, East Hampton, Haddam, Meriden, Middlefield & Portland | | | | | | | |
| Source: US Census, Demographics NOW & RKG Associates, Inc. | | | | | | | |

Over the next five-years, the average household size in each market area is forecasted to increase to a size greater than in 1990, and effectively mean that most of the population growth would occur within existing households, since the number of households are forecasted to decline in all areas over the next five years, as shown in Table II-1.

In 2014, the population in the City of Middletown is forecasted to increase to 47,680 persons, while the number of households is projected to decline to 18,370 units. These statistics indicate a net gain of 1,730 persons and a net loss of 750 households. Downtown Middletown is forecasted to lose 150 persons over the next five years, and nearly 190 households, and the latter would account for 25% of the household losses citywide. Households in the nine-town region are also projected to decline over the five years by less than 2%, or half the rate of decline indicated in Middletown. Effectively, the loss of households in Middletown over the next five years would account for almost 60% of the loss in the nine-town region. These statistics and five-year projections do not provide much support for expanding the housing supply in downtown Middletown.

D. Distribution of Households by Size

In 2009, approximately 75% of the households in the City of Middletown lived without children, and conversely, 25% lived with children as shown in Table VI-2. In the downtown, approximately 80% of households did not have children, while in the nine-town region about 69% of households did not have children. In Middletown, nearly 65% of total households were either one-or-two-person households, which was greater than indicated in the region (60%), according to the data in Table VI-2, but less than indicated downtown (74%). The region had a higher concentration of larger households with 4-persons or more (26%) than Middletown (21%) or its downtown (15%).

Other comments about the statistics in Table VI-2 in the appendix include:

- Five-year forecasts indicate an increase in average household size in each of the market areas, as identified earlier, which in turn would result in an increase in larger households. Households with 4-persons or more in Middletown are forecasted to increase by nearly 1,300 households, collectively, while households with less than 3-persons would decline by more than 2,050 households, indicating a net loss town-wide of 750 households. Also, households both with and without children are also forecasted to decline over the next five-years, suggesting that some of the increase in household size may be attributed to grown children providing homes for parents in the future as they age.
- In downtown Middletown, according to Demographic NOWs forecasts, households with 4-persons or more will increase by 70 households over the next five years, while households with less than 3-persons will decline by 260 households for a net loss of nearly 190 households. Similar to Middletown, the number of households with and without children will decline, however, the downtown will lose a higher concentration of households without children (75%) than the city (59%).
- The forecast for the nine-town region is somewhat different, as it will experience a higher percentage loss of households **with** children over the next five years (79%). The region is also forecasted to experience an increase in 1-person households, contrary to forecasts for Middletown.
- Another reason for this shift in population, household and average household size over the next five years can be attributed to the annual turnover rate of households in each area. In Middletown, the annual turnover rate was nearly 20% in 2009, which was lower than indicated downtown (24%) but higher than the nine-town region

(14%). Effectively this means that on average nearly 3,800 households in Middletown were moving in 2009, including 425 households in the downtown. The annual turnover in Middletown represented 40% of the annual turnover in the nine-town region, and likely attributed to a higher percentage of affordable owner and rental housing in Middletown in comparison to some of the other communities in the region. This shift is also a result of persons seeking different living options as a result of different employment opportunities or changes.

E. Median Age of Householders and Distribution by Age Groups

In 2009 the estimated median age of the heads of households in Middletown was 48.4 years which was 5.3 years older than in 2000, as shown in Table VI-3 (in the appendix). The median age in the region was 50.3 years and 46.8 years in the downtown. Other comments about the statistics in Table VI-3 are:

- Since 2000, households in the two cohorts of age 25 to 34 and age 35-44 declined in Middletown, while increases were experienced in the other cohorts. The largest gains were in three age groups of the “baby-boom” generation, namely households in the age 55 to 64 group, followed by age 45 to 54 group and the age 65 to 74 group. This trend was also experienced in the downtown and the region.
- Five-year forecasts indicate that the median age of householders in Middletown will increase by almost two years, and the largest increase in households will be in the age 65 to 74 cohort followed by those in the age 55 to 64 group, as a result of the age in place of the “baby-boom” generation. Combined these two groups are forecasted to increase by 660 households over the next five years. Increases of about 100 households are also forecasted in age 25 to 34 group, while declines are forecasted in all other age cohorts, which combined will be greater than the gains, such that Middletown is projected to lose nearly 750 households over the next five years.
- A similar trend is forecasted for the region, as households in the two groups of age 55 to 74 are forecasted to increase, as well as gains are forecasted in the age 25-34 group. These gains however are not sufficient to offset the projected losses in the other age groups, since the region is forecasted to lose approximately 1,260 households over the next five years, and a large portion (59%) would be due to losses in Middletown.
- The five-year forecast for downtown indicates a loss of nearly 190 households, or one-quarter of the loss of households in Middletown, and the losses are projected to be in all age groups, except those in the age 65 to 74 group.

F. Median Household Income and Distribution of Households by Income

In 2009, the median household income in Middletown increased to \$61,090 indicating a 28% gain since 2000 when it was \$47,890 as shown in Table VI-4 (in the appendix). In the downtown, the median household income was estimated at \$33,550 in 2009, which was 45% lower than in the city, and 60% lower than the median family income (MFI) for the Hartford MSA (\$85,000) which is the benchmark for affordable housing. Effectively, half the households in the downtown would qualify for affordable housing at the 40% level of the area median income, depending on household size. The median household income in the region was \$67,630 in 2009, and nearly 11% higher than in Middletown. Other comments from a review of the data in Table VI-4 include:

- The distribution of households by income levels in Middletown was more similar in 2009 to those in the region than in downtown Middletown. In the downtown, nearly 52% of the households were in the two groups with incomes of less than \$35,000, as compared to 26% citywide, and 23% in the region. In fact, the concentration of households in the downtown earning less than \$35,000 equated to 18% of total households in the city, which was twice the share that all households in the downtown (9%) represent in the city.
- In 2009, households in the two income groups earning \$35,000 to \$75,000 in the downtown represented 34% of total households which was similar to that in Middletown (33%) and the region (32%). However, households in the three income groups earning \$75,000 or more in the downtown accounted of 13% of total households, as compared to 40% citywide, and 45% in the region. In other words, downtown has a much higher concentration of low income households than the other market areas.

G. Labor Force and Unemployment Rate Trends

According to statistics obtained from the CT DOL, Middletown had an average of 27,380 persons in the labor force in 2010, which indicated a 10.4% increase since 2000 when the labor force was reported to be nearly 24,800 persons. Referring to Table II-2, the labor force in the Hartford LMA increased by 9.9% between 2000 and 2010 while it increased at a higher rate in the region (12.6%) and Middlesex County (12.0%). A larger increase in Middletown also occurred between 2006 and 2009 (5.2%), than in the earlier period between 2000 and 2006 (4.8%), unlike the gains experienced in the other areas.

Table II-2 – Middletown & Comparative Areas Regions: Labor Force Trends

| Year/ Period | Middletown | Region | Middlesex County | Hartford LMA | Connecticut |
|-----------------|------------|---------|---------------------|-----------------|-------------|
| 2000 | 24,794 | 92,723 | 84,942 | 546,054 | 1,736,831 |
| 2006 | 25,994 | 99,420 | 91,157 | 572,745 | 1,826,784 |
| 2009 | 27,358 | 103,994 | 94,833 | 599,054 | 1,889,929 |
| 2010 | 27,381 | 104,423 | 95,161 | 599,895 | 1,895,108 |
| % Change | Middletown | Region | Middlesex County | Hartford LMA | Connecticut |
| 2000-06 | 4.8% | 7.2% | 7.3% | 4.9% | 5.2% |
| 2006-09 | 5.2% | 4.6% | 4.0% | 4.6% | 3.5% |
| 2009-10 | 0.1% | 0.4% | 0.3% | 0.1% | 0.3% |
| 2000-10 | 10.4% | 12.6% | 12.0% | 9.9% | 9.1% |

Source: Connecticut Department of Labor & RKG Associates, Inc.

The increase in Middletown's labor force (10.4%) since 2000 was much larger than the increase in population (6.4%) or households (3.1%). Similarly, the percentage increases in the labor force in the region (12.6%) and Middlesex County (12.0%) outpaced the increases in population and households in these areas. These findings suggest that most of the new households since 2000 had two wage earners if not more.

Although Middletown experienced a 10.4% increase in its resident labor force, the unemployment rate increased from 2.2% in 2000, to 7.5% in 2009. Statistics through July

2010 indicate the unemployment rate increased to 8.5% as additional declines in employment for local residents resulted. Effectively, Middletown had experienced an increase of 1,800 unemployed persons since 2000, including nearly 300 during the first seven months of 2010. As shown in Table II-3, the unemployment rate in Middletown was generally lower than indicated in the region, the Hartford LMA and the state to varying degrees, but higher than indicated in Middlesex County.

Table II-3 – Middletown & Comparative Areas: Trends in the Unemployment Rates

| Unemployment Rates | | | | |
|--|-----------|-----------|-----------|-----------|
| Area | 2000 | 2006 | 2009 | 2010 |
| Middletown | 2.2% | 4.1% | 7.5% | 8.5% |
| Region | 2.3% | 4.4% | 8.1% | 9.2% |
| Middlesex Co. | 2.0% | 3.7% | 6.9% | 7.9% |
| Hartford LMA | 2.3% | 4.6% | 8.3% | 9.4% |
| Connecticut | 2.3% | 4.4% | 8.2% | 9.2% |
| Change in Unemployed Persons by Periods | | | | |
| Area | 2000-2006 | 2006-2009 | 2009-2010 | 2000-2010 |
| Middletown | (528) | (974) | (288) | (1,790) |
| Region | (2,231) | (4,023) | (1,137) | (7,391) |
| Middlesex Co. | (1,682) | (3,171) | (972) | (5,825) |
| Hartford LMA | (13,422) | (23,234) | (6,619) | (43,275) |
| Connecticut | (41,628) | (74,858) | (18,881) | (135,367) |
| Source: Connecticut Department of Labor & RKG Associates, Inc. | | | | |

H. Local Employment Trends

According to data obtained from the CT DOL exhibited in Table VI-5 (in the appendix), Middletown had 28,770 employees at local businesses in 2009, which was 1% less than the 29,065 reported in 2000. Between 2000 and 2006 Middletown experienced an 8% increase in employment, however, all that was lost and then some, by 2009. This same trend was indicated in Middlesex County and in the Hartford LMA but to different degrees. In Middlesex County, total employment increased by 2% between 2000 and 2006, but by 2009, the gain was lost. In comparison, the Hartford LMA did not experience any employment growth between 2000 and 2006, and employment in 2009 was 2% lower than in 2000.

Table II-4 identifies the distribution of total employment by the top ten industry sectors in Middletown in 2009 with those of the other regions and compares the average annual wages from each of these sectors. Jobs in the government sector accounted for nearly 20% of total employment in Middletown, which was higher than the 16% representation in Middlesex County and the Hartford LMA. Government employment in Middletown increased by 11% between 2000 and 2009, with almost all the gains between 2000 and 2006.

Table II-4 – Middletown & Its Market Areas: Comparison of Major Industries and Wages (2009)

| Industry Sector | % of Total Employment | | | Average Annual Wage | | |
|--|-----------------------|------------------|--------------|---------------------|------------------|-----------------|
| | Middletown | Middlesex County | Hartford LMA | Middletown | Middlesex County | Hartford LMA |
| Total Government | 19.8% | 16.2% | 16.3% | \$69,613 | \$58,369 | \$59,063 |
| Health Care & Social Assistance | 18.9% | 16.0% | 15.3% | \$52,575 | \$43,754 | \$47,118 |
| Manufacturing | 13.8% | 14.1% | 10.9% | \$77,867 | \$65,444 | \$66,038 |
| Finance & Insurance | 13.7% | 7.0% | 10.7% | \$84,058 | \$80,334 | \$94,022 |
| Retail Trade | 5.3% | 11.2% | 9.8% | \$34,057 | \$27,770 | \$28,267 |
| Accommodation & Food Services | 4.8% | 8.2% | 6.3% | \$18,999 | \$17,761 | \$16,884 |
| Educational Services [1] | 3.8% | 2.6% | 2.2% | \$59,302 | \$56,533 | \$43,846 |
| Prof., Sci., & Technical Services | 3.6% | 3.5% | 5.2% | \$68,956 | \$65,260 | \$76,619 |
| Admin, Support & Waste Mgmt. et al | 3.1% | 3.4% | 4.3% | \$35,274 | \$31,450 | \$37,527 |
| Other Services (except Government) | 3.0% | 3.4% | 3.2% | \$27,484 | \$26,866 | \$31,128 |
| % of Total & Overall AVG Wage | 89.7% | 85.7% | 84.2% | \$61,279 | \$48,851 | \$55,216 |

Source: CT Department of Labor & RKG Associates, Inc.

Employment in Health Care and Social Assistance was the next highest (19%) sector and higher than in the other market areas. Middletown experienced a 16% increase in this sector since 2000, and about one-quarter of this increase occurred between 2006 and 2009.

Manufacturing accounted for nearly 14% of the employment base in 2009 as did Financing and Insurance, which in most cases was higher than indicated in the other market areas. Unfortunately, employment in these two sectors declined by 17% and 30%, respectively, since 2000, and associated primarily with the downsizing at Pratt and Whitney and Aetna. Combined the two sectors experienced losses of nearly 2,800 jobs in Middletown between 2006 and 2009, or almost 10% of the base, and included 2,400 jobs in the Finance and Insurance sector.

Retail Trade and Accommodation and Food Services accounted for nearly 10% of the employment base in 2009, and the latter experienced 45% increase in employment since 2000, while declines of 19% were experienced in the former. The percentage of employment in these two sectors in Middletown was below that in the other market areas.

Educational services including Wesleyan University account for nearly 4% of the employment base in Middletown, as well as Professional, Scientific, and Technical Services, as shown above. Administrative and Support and Waste Management Services and Other Services accounted for 3% of the employment base each. The latter two sectors experienced some growth between 2006 and 2009, while declines were evident in the former two sectors, as shown by the data in Table VI-5.

Referring to Table II-4, the average annual wage in Middletown was \$61,280 in 2009, and it was 25% higher than in Middlesex County (\$48,850) and 11% higher than in the Hartford LMA (\$55,220). When comparing the average wage in Middletown to the City's median household income in 2009 (\$61,090) the difference is only 0.3%. As discussed later, an income of \$60,000 to \$65,000 could support a home/condominium in \$200,000 to \$250,000 range or a monthly rent of \$1,500.

As shown in Table II-4, the average wage in the Finance and Insurance sector (\$84,060) was the highest in 2009, followed by Manufacturing (\$77,870) and Government (\$69,610). The average wages paid at businesses in Middletown were higher for the most part than in Middlesex County and the Hartford LMA.

I. Conclusions

Middletown is a net “importer” of workers, as there were more jobs at local businesses than the resident labor force. This was further exacerbated as nearly 65% of the labor force in Middletown commuted outside of the city for work. Unfortunately, the local job market has declined since 2000, and nearly all the gains experienced in the last decade were lost by 2009. Most of the losses occurred in those sectors that had higher average wages such as Manufacturing and Finance and Insurance, and the likelihood that Middletown could recapture the 2,800 jobs lost in these sectors would be remote. This changing economic environment has also impacted demographic characteristics and forecasts.

Households in Middletown were estimated at 19,120 in 2009 and were 3.1% more than in 2000. Downtown Middletown experienced a nominal decline in households since 2000, while the region increased at a slightly slower rate than Middletown, and growth in Middlesex County was somewhat more.

The median household income in Middletown increased to nearly \$61,100 in 2009, reflecting a 28% increase. However, this gain was less than the 39% increase in the area median family income (AMFI) for the Hartford MSA (\$85,100), which is the basis to qualify for affordable housing. In effect, the median household income in Middletown was 72% of the AMFI, while in downtown the median household income of \$33,550 in 2009 would be 39% of the AMFI.

Most of the household growth in Middletown since 2000 occurred for those households that earned \$100,000 or more, while declines were evident in all the lower income groups. Also, most of the growth occurred in the three groups that contain the “baby-boom” generation, namely those with the age 45 to 74 groups. Some growth was also evident in the younger than 25 group, which likely was attributed to Wesleyan University and other starting households. The downtown captured very little of this shift in households.

Approximately 75% of the households in Middletown lived **without** children in 2009, and nearly 65% of total households were in 1-or-2 person households. In the downtown, 80% of the households lived **without** children, and approximately 74% were in 1-or-2 person households. The turnover rate in Middletown was estimated at nearly 20% in 2009, while in the downtown it was 24%, meaning that more than 3,800 households in Middletown change residency in a year, including 425 households in the downtown.

Since five-year household forecasts for Middletown show negative growth, turnover in households would be the only opportunity for new housing development. It is projected that Middletown will experience a decline of nearly 750 households over the next five years, including 190 in the downtown. Middletown is projected to lose a greater share of households in the region (59%) over the next five years, and most of these declines would be

in those younger than 25, or those between the ages of 35 and 54. Increases (or aging in place) are forecasted for the age 55 to 74 groups, and the 25 to 34 age group; however, these increases are insufficient to offset the losses in the other age groups. All the projected growth in households over the next five years would also occur at the upper income level (\$100,000 or more).

It seems to be a consensus among economists that the current recession is at (or near) the bottom, and the significant job losses experienced since 2008 will come to an end in 2010, according to the New England Economic Partnership (NEEP), when it is projected that Connecticut will have lost over 86,000 jobs. The recovery of employment and its pace remains uncertainty at this time, but recent forecasts for Connecticut indicate that total employment will recovery at the end of 2014 to the pre-recessionary highs of 2008, but still remain lower than the peak in 2000. This forecast indicates no net gain in total employment over the next five years.

In other words, interesting dynamics are forecasted for the household base in Middletown and the region, and it is due primarily to the economic shift or loss in jobs that had occurred over the last few years. Without major employment growth or some other external event, only limited new housing opportunities will be available for the foreseeable future, which would be based on turnover of the existing supply, where no internal growth is forecasted to backfill.

III. HOUSING SUPPLY AND MARKET CHARACTERISTICS

Characteristics and trends of the housing stock in Middletown are evaluated in this chapter. For-sale market characteristics are also identified as well as conditions and pricing in the rental market, both citywide and in the downtown. This chapter presents baseline conditions in the residential market that can be used to measure any potential for future projects in Middletown, including its downtown.

A. Tenure and Vacancy Characteristics

In 2009, the housing supply in Middletown was estimated at 21,490 units, according to Demographics NOW, which indicating a 9% increase in housing units since 2000, as shown in Table VI-6 in the appendix. Downtown Middletown had approximately 2,080 housing units in 2009, which represented a 2% increase since 2000. The region experienced a 7% increase in housing units since 2000, indicating that Middletown captured a greater share of new housing development in the region during that period.

In 2009 the home ownership rate in the Middletown was estimated at 61% which was nearly 10% higher than in 2000 (51%), but still much lower than the region (73%), according to the data in Table VI-6 in the appendix. In the downtown, the ownership rate was 34% in 2009, and nearly 13% higher than in 2000. Conversely, the renter-occupied rate in Middletown decrease from 49% in 2000 to 39% in 2009, while in the downtown renter occupancy declined from 78% in 2000 to 66% in 2009.

A large part of this shift in tenure can be attributed to an increase in vacant housing in all three market areas. As noted earlier, households in Middletown increased by 570 between 2000 and 2009, but that only accounted for 32% of the net increase in housing units, such that the City experienced in net increase of more than 1,200 vacant units, and by 2009 the citywide vacancy rate was 11%. A similar trend was indicated in the region, as households growth (1,900) accounted for 37% of the increase in housing units. Therefore the vacancy rate in the region increased to 9% in 2009 from 5% in 2000. Similarly, the vacancy rate in downtown Middletown increased from 9.5% in 2000 to nearly 15% in 2009. This finding suggests that since 2000 the City and the region, and to a lesser extent the downtown, experienced unsustainable growth in housing since household growth was insufficient to meet the increasing supply.

Five-year forecasts indicate additional declines in households (occupied housing units) in all market areas, as new housing units are anticipated to be developed, except in the downtown. The ownership rate is forecasted to increase in all market areas over the next five years, while declines in the renters are forecasted. In all markets, the forecasted loss in renter households over the next five years would be greater than the loss between 2000 and 2009.

As shown in Table VI-6, the median value for owner units increased by nearly 60% in Middletown since 2000, which offset a 20% loss in value experienced during the 1990. The

median value in the region increased by nearly 50% since 2000, and similarly offset a 11% loss experienced during the 1990s. In effect, housing pricing in Middletown and the region did not recover by 2000 from the losses experienced during the 1990s recession.

The median gross rent in Middletown was estimated at \$728 in 2009, and increased by 9% between 2000 and 2009, as noted in Table VI-6. The rate was 1% higher than the region (\$720) and 14% higher than in the downtown. More discussion of rental and sale pricing is presented later.

In summary, Middletown and the region experienced an unsustainable increase in its housing as compared to the growth in households. A shift to more owner-occupied housing also resulted at the expense of the rental stock. As a result the vacancy rate increased to 11% citywide, and nearly 15% in the downtown. Five-year forecasts indicate continued increases in new housing despite the forecasted declines in households.

B. Middletown and Its Downtown Residential Supply

The City of Middletown has approximately 21,340 housing units, according to the assessor's records, and over 23,800 acres of land for all uses, as shown in Table III-1.² Residential uses utilize nearly 14,250 acres or 60% of the city's acreage including nearly 5,000 acres of vacant or undeveloped land, indicating that 9,250 acres is developed with 19,660 units, for an overall average density of 2.2 units per acre. Another 420 housing units are contained in mixed-use properties and 1,260 units are in commercial or tax exempt properties, including 505 units operated by the Middletown Housing Authority (MHA). As shown in Table III-1, the density at mixed use properties range from 3.8 units to 14.5 units per acre citywide, while the density at MHA properties average 9 units per acre.

Downtown Middletown (census tracts 5411 and 5416) contains 425 acres and has 2,600 housing units, with 76% at residential properties, 13% are at tax exempt properties and 11% at mixed use properties. Density in the downtown ranges from 3.2 units per acre at Wesleyan University properties to 68.5 units per acre for mixed use residential properties. Apartments with 9 units or more and MHA properties in the downtown have a density of 43 units per acre.

The study area has nearly 810 units or 31% of the housing in the downtown, and 65% are classified as residential with 31% as mixed use. The housing units in the downtown and the study area are mostly concentrated in six building types, namely apartments with 4 to 8 units, apartments with 9 units or more, two-family properties, mixed use buildings and condominiums. The density at each of these properties in the study area exceeds those indicated in the downtown, indicating a much higher concentration of housing that likely contributes to lower values per unit, but higher values per acre. Map 1 (in appendix) shows the downtown and study area boundaries.

² Demographic NOW estimated Middletown had 21,500 housing units in 2009, which appears consistent with assessor's figures. However, a difference was evident in the downtown, which could be attributed to a higher number of transitional units counted in the assessor's file, but not included by Demographics NOW.

Table III-1 – Middletown & Its Downtown: Residential Housing Supply

| State Class | Housing Units | | | Acres | | | Housing Units Per Acre | | |
|------------------------------|---------------|----------|-------------|------------|----------|-------------|------------------------|----------|-------------|
| | Study Area | Downtown | Middle-town | Study Area | Downtown | Middle-town | Study Area | Downtown | Middle-town |
| Mixed Use | 250 | 279 | 423 | 5.7 | 7.5 | 67 | 43.6 | 37.0 | 6.3 |
| Mixed Residential | 135 | 146 | 230 | 1.5 | 2.1 | 16 | 87.7 | 68.5 | 14.5 |
| Mixed Commercial | 115 | 133 | 193 | 4.2 | 5.4 | 51 | 27.4 | 24.6 | 3.8 |
| Residential | 528 | 1,967 | 19,657 | 22.3 | 130.9 | 14,247 | 23.7 | 15.0 | 1.4 |
| Single Family | 19 | 223 | 9,230 | 2.6 | 39.2 | 6,037 | 7.2 | 5.7 | 1.5 |
| Condominium | 102 | 106 | 2,028 | Unk | Unk | Unk | Unk | Unk | Unk |
| Two-Family | 138 | 599 | 1,695 | 8.0 | 48.7 | 369 | 17.3 | 12.3 | 4.6 |
| Three-Family | 75 | 345 | 549 | 3.0 | 16.2 | 39 | 24.7 | 21.3 | 13.9 |
| Apts 4-8 | 152 | 326 | 591 | 4.4 | 12.4 | 42 | 34.4 | 26.4 | 14.1 |
| Apts 9 or more | 141 | 331 | 5,378 | 3.1 | 7.7 | 327 | 44.9 | 43.3 | 16.5 |
| Vacant Land | 0 | 0 | 8 | 0.3 | 4.0 | 4,998 | 0.0 | 0.0 | 0.0 |
| Commercial/Industrial | 7 | 8 | 196 | 29.7 | 83.5 | 3,556 | 0.2 | 0.1 | 0.1 |
| Tax Exempt | 23 | 346 | 1,066 | 23.2 | 203.7 | 5,933 | 1.0 | 1.7 | 0.2 |
| Wesleyan University | -- | 31 | 307 | 0.2 | 9.7 | 308 | -- | 3.2 | 1.0 |
| Housing Authority | -- | 193 | 505 | -- | 4.4 | 56 | -- | 43.5 | 9.0 |
| All Other Charitable | 23 | 95 | 113 | 2.1 | 8.3 | 589 | 10.7 | 11.5 | 0.2 |
| Total | 808 | 2,600 | 21,342 | 80.9 | 425.6 | 23,803 | 10.0 | 6.1 | 0.9 |

Source: City of Middletown Assessor's File (2010) & RKG Associates, Inc.

Other observations about the data in Table III-1 include:

- Two-thirds of the mixed-use units in Middletown are in the downtown, and nearly 90% are in the study area.
- Only 5% of the condominium units in Middletown are in the downtown, and nearly 96% are in the study area.
- Downtown has about 6% of the units at 9 units or more properties in Middletown, but 63% of the 3-family properties, and 55% of the 4-to-8-unit properties in the city. The study area has 43% of the downtown's supply of 9-unit or more buildings, and 47% of the 4-to-8 unit buildings, but only 22% of the 3-family properties.
- Approximately 35% of the 2-family properties in Middletown area located in the downtown, and 23% of that supply is in the study area.
- Approximately 4% of the units at tax exempt properties in Middletown is located in the downtown, but 88% of those are in the study area.
- The downtown has only 4 acres of undeveloped vacant residential land as compared to a citywide supply of nearly 5,000 acres, and the study area only has 0.3 acres of undeveloped residential land. Maps 2 and 3 (in appendix) show housing units by type in Middletown, the downtown and the study area.

1. Average Value Comparisons

The average value for a single-family home in Middletown, according to the assessor's records, is \$257,530, which is at the high end of the range (in average per unit values)

between \$56,780 (4-to-8 units) and \$293,160 (all other charitable) as shown in Table III-2.³ Conversely, the average value per acre of single-family homes (\$393,890/acre) is toward the lower end of the range of improved properties of between \$56,290/acre (all other charitable) and \$1.1 million (9-units-or-more). As shown in Table III-2, the average value per acre of vacant residential land is \$11,320/acre, citywide.⁴

The average per acre (improved) value in the study area ranges from \$1.19 million/acre (single-family) to \$4.4 million/acre (mixed residential), and these values differ quite significantly from the average per unit values of \$50,320 (4-to-8 units) to \$165,110 (single-family). For the most part, the average value per unit in the study area is lower than for the downtown, but the average values per acre is higher. Similarly, the average per unit value in the downtown is lower than indicated citywide, but the average value per acre is significantly higher, which is primarily attribute to the higher unit density per acre in the study area and downtown than elsewhere in the city. Maps 3, 4, 5 and 6 (in appendix) show residential values per unit and acre in Middletown, the downtown and the study area.

Table III-2 – Middletown & Its Downtown: Average Unit and Acre Value of Residential Use

| State Class | AVG Value /Housing Unit | | | AVG Value /Acre | | |
|----------------------|-------------------------|-----------|------------|-----------------|-------------|-------------|
| | Study Area | Downtown | Middletown | Study Area | Downtown | Middletown |
| Mixed Residential | \$50,633 | \$54,049 | \$70,387 | \$4,438,571 | \$3,704,789 | \$1,021,394 |
| Mixed Commercial | \$87,176 | \$90,710 | \$118,412 | \$2,388,680 | \$2,231,254 | \$444,386 |
| Single Family | \$165,108 | \$167,870 | \$257,630 | \$1,192,795 | \$954,972 | \$393,886 |
| Condominium | \$135,529 | \$135,509 | \$148,625 | | | |
| Two-Family | \$86,656 | \$94,365 | \$108,596 | \$1,498,556 | \$1,160,432 | \$498,207 |
| Three-Family | \$69,144 | \$72,827 | \$74,812 | \$1,705,865 | \$1,552,860 | \$1,042,702 |
| Apts 4-8 | \$50,318 | \$53,849 | \$56,789 | \$1,730,394 | \$1,421,433 | \$799,443 |
| Apts 9 or more | \$97,391 | \$71,652 | \$67,279 | \$4,373,306 | \$3,100,226 | \$1,107,719 |
| Vacant Land | | | | \$194,074 | \$323,408 | \$11,320 |
| Housing Authority | | \$70,024 | \$82,325 | | \$3,043,847 | \$742,134 |
| All Other Charitable | \$159,493 | \$176,018 | \$293,164 | \$1,714,173 | \$2,019,530 | \$56,290 |

Source: City of Middletown Assessor's File (2010) & RKG Associates, Inc.

In summary, the City of Middletown has approximately 21,340 housing units and nearly 12% are located in the downtown. The housing density in the downtown is significantly higher than indicated citywide for nearly all residential property types, and the density within the study area is even greater. This in turn yields lower average values per unit than indicated citywide, but much higher values on a per acre basis. The downtown also had a small concentration of condominium units, but a higher concentration of smaller multi-family properties (less than 8 units) than the city as a whole.

³ The total values from the assessors data file are based on the most recent revaluation (2007) in Middletown.

⁴ The average value per acre is used in this analysis for comparison purposes, since it would reflect potential acquisition costs for any redevelopment efforts proposed for the downtown or the study area.

C. Housing Production Trends

Approximately 7,210 units or 34% of the housing in Middletown were developed over the last 30 years, as shown in Table III-3, which indicates an average annual amount of 240 units per year. In the downtown, only 300 units were developed during this 30-year period, or 11% of the housing supply there or 12% of that developed citywide.

Housing production during the second half of the 1980s was the highest in Middletown over the last 30 years, as 3,675 units were developed for an average of 735 new units per year. The next highest period was the second half of the 1990s, when 1,140 units were developed for an average of nearly 240 units per year, similar to the 30-year average. During the first half of the 2000s, 590 units were built, and in the following five-year period nearly 820 units were built, indicating an average of between 120 and 160 units per year, which is well below the pace indicated during the peak periods.

Table III-3 – Middletown & Its Downtown: Housing Production by Period since 1970

| MIDDLETOWN | 1980- | 1985- | 1990- | 1995- | 2000- | 2005- | 30-yr | Annual | Total | % of |
|--|------------|--------------|------------|--------------|------------|------------|--------------|------------|---------------|------------|
| Type | 1984 | 1989 | 1994 | 1999 | 2004 | 2009 | Total | AVG | Units | Total |
| Single Family | 286 | 646 | 542 | 697 | 585 | 225 | 2,981 | 99 | 9,238 | 32% |
| Condominiums | 28 | 1,529 | 47 | 0 | 0 | 74 | 1,635 | 55 | 2,028 | 81% |
| 2 & 3 Family | 0 | 6 | 14 | 6 | 6 | 22 | 48 | 2 | 2,244 | 2% |
| Apartments [1] | 52 | 1,494 | 69 | 439 | 0 | 496 | 2,550 | 85 | 7,832 | 33% |
| Total | 366 | 3,675 | 672 | 1,142 | 591 | 817 | 7,214 | 240 | 21,342 | 34% |
| Annual AVG | 73 | 735 | 134 | 228 | 118 | 163 | 240 | -- | -- | -- |
| DOWNTOWN | 1980- | 1985- | 1990- | 1995- | 2000- | 2005- | 30-yr | Annual | Total | % of |
| Type | 1984 | 1989 | 1994 | 1999 | 2004 | 2009 | Total | AVG | Units | Total |
| Single Family | 1 | 3 | 2 | 1 | 5 | 2 | 14 | 0 | 223 | 6% |
| Condominiums | 0 | 102 | 0 | 0 | 0 | 0 | 102 | 3 | 106 | 96% |
| 2 & 3 Family | 0 | 2 | 2 | 0 | 2 | 0 | 6 | 0 | 944 | 1% |
| Apartments [1] | 0 | 0 | 8 | 72 | 8 | 96 | 176 | 6 | 1,327 | 13% |
| Total | 1 | 107 | 12 | 73 | 15 | 98 | 298 | 10 | 2,600 | 11% |
| Annual AVG | 0 | 21 | 2 | 15 | 3 | 20 | 10 | -- | -- | -- |
| DOWNTOWN as % of CITY | | | | | | | | | | |
| Single Family | 0% | 0% | 0% | 0% | 1% | 1% | 0% | 0% | 2% | -- |
| Condominiums | 0% | 7% | 0% | 0% | 0% | 0% | 6% | 6% | 5% | -- |
| 2 & 3 Family | 0% | 33% | 14% | 0% | 0% | 0% | 13% | 13% | 42% | -- |
| Apartments [1] | 0% | 0% | 12% | 0% | 0% | 19% | 7% | 7% | 17% | -- |
| Total | 0% | 3% | 2% | 6% | 3% | 12% | 4% | 4% | 12% | -- |
| [1] Includes all 4 units or more; Middletown Housing Authority, Wesleyan University, non-profits & assisted living units | | | | | | | | | | |
| Source: Town of Middletown & RKG Associates, Inc. | | | | | | | | | | |

As shown in Table III-3, nearly 81% of the condominiums were built over the last 30 years, but only 74 units were developed since 2000 and these occurred in the latter half of the

decade. Nearly 500 apartment units were built in the last five years, but these only accounted for 19% of the 2,550 apartment unit built in the last 30 years. New single-family homes totaled 225 units in the last half of the 2000s, which was the lowest number of single-family homes built in any of the five-year periods shown in Table III-3. On the other hand, 22 units were built in 2-to-3 family homes during the last five years, reflecting the highest amount during any of the prior periods.

In the downtown, nearly 100 units were built over the last five years, and nearly all were contained at one apartment project (Wharfside Commons) in the study area. One hundred and two units were built at one condominium project (Rivers Edge) during the late 1980s, while 72 assisted-living units were built nearly the hospital during the latter half of the 1990s. In essence, there were only three major residential projects developed in the downtown over the last thirty years, including one high-rise condominium project, however, the timing of that project reportedly coincided with a downturn in the market as a result of a 1990s recession, such that it was not as successful as envisioned. Maps 7 and 8 (in appendix) show the age of residential units in Middletown, the downtown and study area.

New housing over the last 30 years also was estimated to be developed on approximately 3,000 acres indicating an annual average of approximately 100 acres per year was consumed for this housing development.⁵ Assessment records indicate a current supply of approximately 5,000 acres of undeveloped residential land in Middletown, therefore housing production trends over the last 30 years would suggest a 50-year time period for this current land supply to be developed. However, this period would likely be extended since the pace of development over the last 10 years was nearly 40% slower than indicated over the last 30-years, and would suggest an 80-year period. Effectively an ample supply of land to support new development exists in Middletown for the near term, and its development would compete with any housing project proposed for downtown Middletown.

D. Affordable Housing Supply

Middletown had nearly 2,600 housing units at 40 “affordable” housing developments in the City that represented 12.2% of the housing supply in the City, or one-third of the rental supply. Section 8 certificates and transitional shelter/housing accounted for another 1,040 units, such that 3,640 units in Middletown were set aside for low-income and disadvantaged households, as shown in Table III-4. Please refer to a listing of individual properties by type in Table VI-7 and Table VI-8 in the appendix. This total represented about 17% of total housing in Middletown, and 46% of the rental supply.

Downtown had approximately 610 units, excluding Section 8 vouchers, and they equated to more than 23% of the housing stock, and 46% of the apartments in the downtown. These percentages would increase if the number of Section 8 vouchers in the downtown were known.

⁵ This assumes that nearly 400 acres were developed for condominiums since acreage for this type was not in the database.

Table III-4 – Middletown & Its Downtown: Affordable Housing Supply by Type

| Affordable Housing Type | City of Middletown | | | Downtown | | |
|---|--------------------|----------------------|---------------|------------|-----------------|---------------|
| | # of Units | % of Total Units [1] | % of Apt. [2] | # of Units | Total Units [3] | % of Apt. [4] |
| Elderly/Disabled | 767 | 3.6% | 9.8% | 276 | 10.6% | 20.8% |
| Family/Other | 1,830 | 8.6% | 23.4% | 285 | 11.0% | 21.5% |
| Section 8 Vouchers [5] | 801 | 3.8% | 10.2% | | | |
| Transitional Living/Shelters | 243 | 1.1% | 3.1% | 46 | 1.8% | 3.5% |
| Total | 3,641 | 17.1% | 46.5% | 607 | 23.3% | 45.7% |
| [1] Based on 21,342 units (2010); [2] Based on 7,832 apartment units (excluding 2 & 3 family) | | | | | | |
| [3] Based on 2,600 units in the Downtown; [4] Based on 1,327 apartments in Downtown | | | | | | |
| Source: City of Middletown & RKG Associates, Inc. | | | | | | |

E. For-Sale Market

The for-sale residential market is analyzed in the section. First, long-term trends in the sales activity of single-family homes and condominiums is reviewed, and then median price trends, from data obtained from The Warren Group. More recent trends in sales activity and average pricing in Middletown and its downtown are then reviewed based on sales data obtained from the Middletown assessor's file.

1. Single-Family and Condominium Sales Activity

In Middletown, sales of single-homes between 1987 and 2009, according to The Warren Group, was at its highest level in 2005 at 516 sales, and at its lowest level in 1989 at 222 sales, as shown in Table VI-9. Sales activity in 2009 (319 sales) was 38% below the peak, but 12% higher than in 2008. Sales through June 2010 (152 sales) indicate a similar amount as 2009, although homes sales in the past 2 years were influenced by the federal tax-credit program that recently expired.

Single-family sales in Middletown typically accounted for about 22% of the sales in the region, and the sales volume ranked second behind Meriden, and ahead of Berlin and East Hamden. During the early 1990s, single-family homes sales ranged in the low 200 to 300 range, which appears somewhat lower to the average of 300 or so sales in the last two years. However, annual activity after 1997 averaged more than 400 sales per year.

In Middletown, sales of condominiums between 1987 and 2009, according to The Warren Group, was at its highest level in 1988 at 750 sales, and at its lowest level in 1993 at 89 sales, as shown Table VI-10. Since 2000, condominium sales peaked at 318 sales in 2005, but subsequently declined to an average of 170 sales per year in 2008 and 2009, or 47% below the most recent peak. Sales volume (70) through June 2010 indicated a lower amount of sales than the past two years.

Over the past few years, condominium sales activity in Middletown represented about 30% of the regional activity; sales in Middletown generally trailed Meriden, but were ahead of Cromwell, as shown in Table VI-10. Combined these three communities captured about 80% of the regional condominium sales.

In summary, sales volumes since 2000 of single-family and condominiums in Middletown peaked in 2005 and 2006 and subsequently declined by more than 40% to their current low levels. Sales in the last two years or so were stimulated by a federal program which recently expired.

2. Trends in Median Sale Values for Single-Family and Condominiums

In 2010 (June) the median value for single-family homes in Middletown was \$221,500, and was 0.4% lower than in 2009 (\$222,500) and 10.5% lower than the peak in 2007 (\$247,500), and this downward trend is exhibited in Figure III-1, and the annual statistics are in Table VI-11 in the appendix for Middletown and the individual towns in the region.

As mentioned earlier, median values in 2000 in Middletown and the region were lower than median values in 1990, and this is evident in Figure III-1. In Middletown, median values for single-family homes peaked in 1988 at \$157,500, and subsequently declined to a low of \$121,000 in 1996. The median value did not surpass the previous high until 2002 (\$167,500), and then peaked in the current cycle in 2007 (\$247,500).

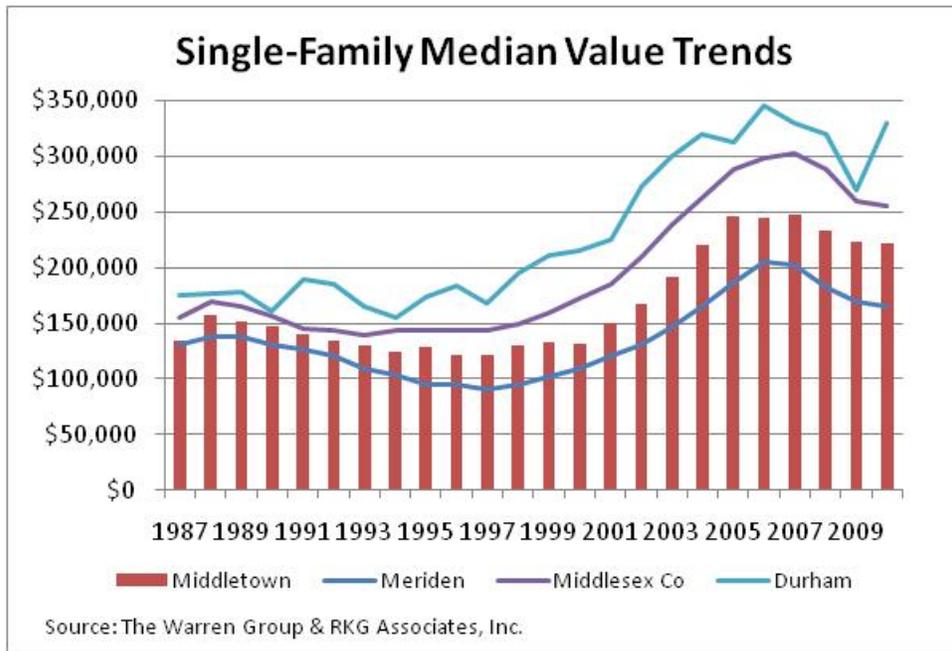


Figure III-1

Similar trends were indicated in the other comparative areas but to different degrees, as shown in Figure III-1, which exhibits the high median value (Durham) in the region and the low (Meriden), and Middlesex County. Middletown ranked at the lower end in terms of pricing, but fared slightly better in terms of recovery. However, median values in Middlesex County and Durham did not decline as much during the 1990s, and recovery was earlier. These areas also experienced greater appreciation in value since 2000 than Middletown; but some of that was lost in the last three years.

The trend in the median value for condominiums was somewhat similar to that as single-family homes in Middletown as shown in Figure III-2. In 2010 (June) the median value for condominiums in Middletown was \$143,850 and was 2.1% lower than in 2009 (\$147,000), and 9.0% below the peak in 2006 (\$158,000). The peak in the 1980s occurred in 1989 (\$110,840) and median value did not recover until 2003 (\$113,000), and a similar trend was evident in Middlesex County. Statistics of median prices for condominiums in the region are exhibited in Table VI-12 in the appendix.

Meriden typically had the lowest median value in the region during this period, while the highest was in Berlin. The trends in Meriden followed those in Middletown, for the most part, during this period, as shown in Figure III-2. However, Berlin was more the exception, as median pricing for condominiums did not decline much during the 1990s, and more than doubled between the late 1990s and 2007. Current median pricing however was 22% lower than the peak.

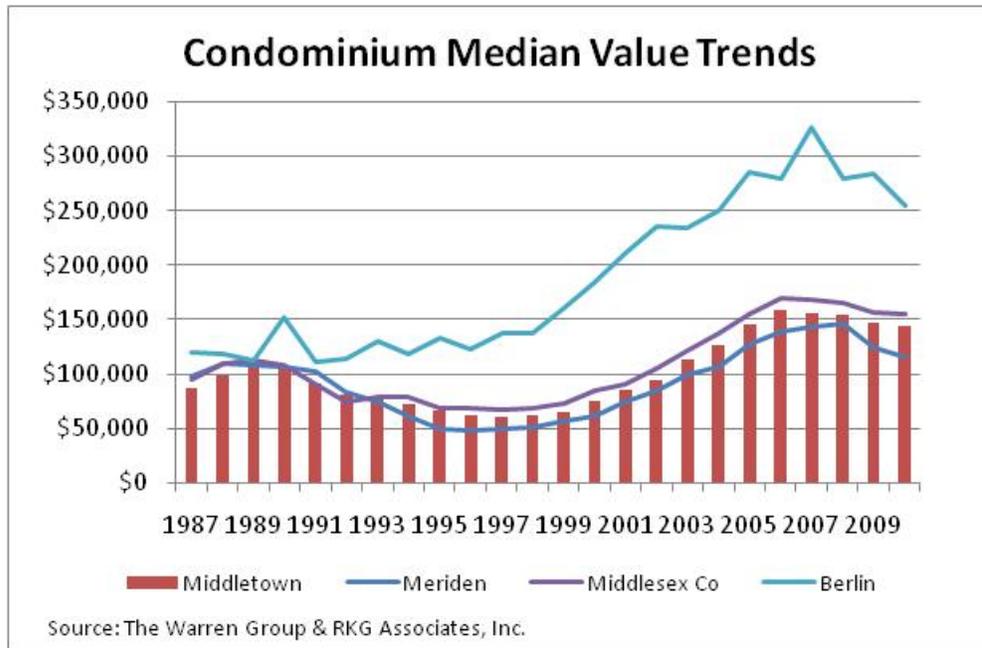


Figure III-2

In summary, median pricing in Middletown did not recover to the previous highs of the 1980s, until the early part of the 2000s, whereupon increases ranging between 40% (condominium) and 60% (single-family) occurred for the next five years until they started declining. However, current median prices were about 10% lower than the peak, and the loss in value in the last few years in Middletown was not as severe as indicated in other parts of the region, primarily because, median values did not recover sooner from the recession of the early 1990s.

3. Characteristics of More Recent Sales Activity in Middletown

This and subsequent sections, present more details about the types of sales activity and pricing characteristics, including those for new construction, based on sales data in the

Middletown assessor's file over the last five-plus years, between 2005 and 2010 (May).⁶ Sales activity and pricing in the downtown are also presented.

As shown in Table VI-13 in the appendix, single-family sales averaged nearly 380 sales since 2005, although activity in 2008 and 2009 were below this average. This finding was also evident for sales of the other housing types.

Sales of single-family homes averaged about 60% of total sales activity, and condominium sales accounted for 33% of total sales. Two and three-family sales accounted for the remaining 7% of sales activity.

Referring to Table VI-13, the average sales of single-family homes over the last 5-plus years represented about 3.7% of the total number of single-family homes in Middletown, while condominium sales equated to 9.4% of the total supply. The sales of two and three-family properties accounted for less than 2% of the total supply for each of these property types.

a) Single Family Sales by Price Range & New Construction

The sales of newly constructed single-family homes represented about 9% of single-family sales activity over the last five-plus years. As shown in Table VI-14, the sales of newly built homes steadily declined from a peak of 63 homes in 2005 to 11 in 2009, and the activity through May 2010 (5) shows that it may be the same as 2009. Nearly 66% of the new single-family homes sold for \$400,000 or more, and accounted for nearly half the homes that sold in that price range in the last five-plus years.

Homes in the \$200,000 to \$249,999 price range represented about 25% of the home sales, while homes in the \$300,000 to \$399,999 accounted for another 20%, and homes in the \$150,000 to \$199,999 range accounted for another 19% of sales activity. New homes in the \$300,000 to \$399,999 range accounted for 10.4% of the total activity in that price range, but very few new homes were built in the \$150,000 to \$199,999 price range over the last 5 plus years.

b) Condominium Sales by Price Range and New Construction

Sales of condominiums averaged approximately 210 sales per year in Middletown over the last five-plus years, and sales activity between 2005 and 2008 exceeded this average, while sales in the later year were below that figure. Sales of newly built condominium units during this period totaled 70 units, and represented about 6% of condominium sales activity.

As shown in Table VI-15, 79% of newly built condominiums were in the \$300,000 to \$399,999 price range, and newly constructed units in this price range accounted for 90% of all sales in the price group, and newly constructed units in the \$400,000 and up price range accounted for 100% of all units sold in that price range. Sales in these

⁶ Only qualified "arm-length" sales (including new construction) were reviewed from the assessor's file, and the totals may differ from The Warren Group data.

two groups included nearly all the sales at the age-restricted (55 and up) developments in Middletown. Sales activity over the last 18-months in these two price ranges slowed considerably from activity between 2006 and 2008.

Condominium sales in the two groups with the \$100,000 to \$199,999 price range, accounted for almost 70% of condominium sales activity. Sales of units at less than \$100,000 represented another 15%. However, sales in this price range were much lower in 2008 and 2009, than in the prior years.

c) Average and Maximum Sale Price by Type and New Construction

The average sale price for single-family homes was \$249,620 in 2010, which was 9% lower than the peak in 2006 (\$74,520). The price difference for newly constructed single-family homes dropped by nearly 19% between the peak in 2006 (\$451,520) and 2010 (\$367,500), as shown in Table VI-16. The average price for a condominium unit in 2010 (\$152,750) was also 9% lower than in 2006 (\$167,540), while the decline in average price for newly constructed units was nearly 12%.

Referring to Table VI-16, the maximum sale price for single-family was \$800,000 in 2006, and subsequently declined to \$500,000 in 2009, representing a 38% drop. Sales in 2010 indicated a slight rebound in the maximum value to \$600,000. The maximum value for a newly constructed single family home was slightly lower than the overall maximum. However, this was not the case for condominiums, since the maximum price for condominiums over the last five-plus years was for a newly constructed unit. The maximum condominium value peaked at over \$500,000 in 2008, and the current maximum (\$349,960) was 30% lower.

Referring to Table VI-16, the average unit value from sales of two-family properties peaked at \$117,715 per unit in 2007, and at \$83,750 per unit for three-family properties. The average unit values from sales of these property types in 2010 were 26% and 39% lower, respectively. The decline in maximum unit values for two and three family properties declined by more than 50% each.

d) Sales in Downtown Middletown

Sales of single-family homes in downtown Middletown averaged 12 transactions per year over the last five-plus years, and accounted for 3% of citywide sales activity of single-family homes. Sales of two-family properties averaged 13 transactions per year, as shown in Table III-5, but most of the activity was in 2005. Condominium sales averaged eight units per year, and represented about 4% of condominium sales citywide. The sales of three-family properties in the downtown averaged 8 per year since 2005 and represented about 64% of the sales of three-families citywide.

The average single-family sale price in downtown peaked in 2008 at \$211,100, and subsequently declined by more than 50% based on the average price in 2010, as shown in Table III-6. However, the average condominium value in 2010 was \$156,000 in Middletown, which was the highest average price in the last five-plus years, and was 2% higher than the citywide average for 2010.

Table III-5 – Middletown: Sales Transactions in the Downtown

| Year | Sales by Type | | | | Sales as % of City Total | | | |
|--------|---------------|--------------|------------|--------------|--------------------------|--------------|------------|--------------|
| | Single-Family | Condo-minium | Two-Family | Three-Family | Single-Family | Condo-minium | Two-Family | Three-Family |
| 10 [1] | 4 | 2 | 2 | 1 | 3.4% | 3.6% | 100.0% | 100.0% |
| 2009 | 8 | 7 | 5 | 1 | 2.7% | 4.4% | 33.3% | 50.0% |
| 2008 | 5 | 9 | 8 | 5 | 2.0% | 5.4% | 34.8% | 83.3% |
| 2007 | 14 | 10 | 14 | 7 | 3.4% | 4.5% | 36.8% | 58.3% |
| 2006 | 12 | 7 | 13 | 11 | 2.9% | 2.8% | 28.9% | 84.6% |
| 2005 | 21 | 8 | 29 | 9 | 3.9% | 2.9% | 50.9% | 47.4% |
| AVG | 12 | 8 | 13 | 6 | 3.1% | 3.8% | 39.4% | 64.2% |

[1] Sales data through May 2010
Source: Middletown Assessor's File & RKG Associates, Inc.

Rivers Edge is the only major condominium project in the downtown, and this 102 unit building was developed in the late 1980s, and initial sales were impacted by the 1990s recession. Nearly all the sales in the downtown were at this building. The exceptions were four sales at a conversion project of two two-families at 436 and 440 High Street that occurred in 2004 and 2005. The sale prices ranged between \$127,500 and \$140,000 per unit. This was the only know condominium conversion in the downtown over the last few years.

Table III-6 – Middletown: Average Unit Sale Pricing in the Downtown

| Year | AVG Price per Unit | | | | Difference from City AVG per Unit Price | | | |
|--------|--------------------|--------------|------------|--------------|---|--------------|------------|--------------|
| | Single-Family | Condo-minium | Two-Family | Three-Family | Single-Family | Condo-minium | Two-Family | Three-Family |
| 10 [1] | \$102,500 | \$156,000 | \$86,625 | \$51,333 | -58.9% | 2.1% | 0.0% | 0.0% |
| 2009 | \$143,950 | \$123,143 | \$81,565 | \$68,333 | -42.7% | -20.6% | -11.6% | -16.5% |
| 2008 | \$211,100 | \$140,444 | \$98,744 | \$73,280 | -21.8% | -19.5% | -5.5% | -5.1% |
| 2007 | \$180,953 | \$129,280 | \$110,871 | \$78,071 | -33.3% | -19.5% | -5.8% | -6.8% |
| 2006 | \$179,542 | \$139,000 | \$90,865 | \$80,758 | -34.6% | -17.0% | -13.2% | -1.2% |
| 2005 | \$169,905 | \$110,271 | \$94,595 | \$81,385 | -37.1% | -20.4% | -0.5% | 1.5% |
| AVG | \$164,658 | \$133,023 | \$93,878 | \$72,193 | -37.7% | -15.9% | -6.3% | -5.0% |

[1] Sales data through May 2010
Source: Middletown Assessor's File & RKG Associates, Inc.

Another major conversion project (North Village) is currently underway in the Ferry/Green Street blocks of the downtown. This development consists of 17 units in seven small multi-unit buildings. The project is subsidized and targeted for owner-occupants at the 80% area median income level (\$85,100) or \$68,000, which effectively is 11% higher than the median household income (\$61,090) in Middletown. Asking prices range from \$125,000 to \$140,000, and grant funds of \$15,000 are available to first-time home buyers from a local lender to assist with down-payments. Unfortunately, FHA would not provide/guarantee mortgages until

50% of the project was sold, so a local bank is providing financing. Pending success of this project, other conversions should be considered for multi-unit buildings in other parts of the North End and the downtown over the near term.

As shown in Table III-6, the average per unit price at sales of two-family properties in the downtown peaked at \$110,870 in 2007, and declined by 22% to \$86,625 in 2010. The former was 5.5% below the citywide average, while the latter represents the citywide average for this property type. A similar trend was indicated at three-family properties in the downtown, as per unit pricing peaked in 2005, and current pricing is 37% lower.

In summary, sales of single-family and condominium units in the downtown represented less than 4% of sales activity for these unit types citywide. The downtown had a higher amount of two and three family sales. Average unit pricing in the downtown was typically 15% to 40% lower than indicated citywide, depending on product type. Pricing in the downtown also declined more precipitously over the last few years than indicated citywide.

RKG was only able to identify one multi-unit conversion project in the downtown over the last five years, where four units at 2 two-family properties were successfully converted, and sold between \$128,000 and \$140,000. Another project is under way in the North End, where 17 units in seven buildings will be developed, but the project is subsidized and targeted for owner households at 80% of area median income, and households at the citywide median income level would qualify.

4. Current Listings

A review of Realtor.com indicates that 174 single-family homes are available for sale in Middletown including 18 under-construction/newly built, as shown in Table VI-18. Five of these homes were in the downtown, and each having a price under \$200,000. Ninety-seven condominiums units are also listed including five in the downtown, including 4 units under construction at North Village. Another 24 multi-family properties are also available including 17 two-and-three family properties, of which 10 are in the downtown. The 7 remaining listings contain either 4-to-8 units or 9 or more, and 4 of these properties are in the downtown.

Wesleyan University reportedly was in the process of slowly divesting its portfolio of off-campus multi-unit properties of 100 or so rental units. How many are in the previous group is unknown, but this could present an opportunity for conversion to ownership over the long term in the downtown, depending on their location, size, condition, and other factors that influence redevelopment.

Comparing the listings of single-family homes and condominiums to average sales trends over the last few years, indicated a 6-to-8 month supply. However, the inventory at the upper price ranges may take longer. The inventory of 2-and-3 family properties also equates to a 6- month supply based on historic averages, however, sales for these

properties for the first half of 2010 were limited to three, meaning that these multi-family properties could take a more than a year to sell, especially the downtown supply.

F. Rental Market Characteristics

RKG reviewed various apartment finder web site such as Rent.net; Rent.com; ApartmentGuide.com; to name a few and other classified sites such as craigslist.com in order to develop a list of rental pricing in Middletown and more specifically its downtown. RKG also contacted property managers and real estate brokers/professionals to garner some insight into Middletown's rental market. Due to the diversity in rental properties in Middletown, RKG divided the sample into two parts: the first include major apartment complexes, and the second was citywide pricing including the downtown.

Table VI-19 presents the range in rents at major apartment complexes in Middletown by bedrooms, and also displays the maximum rent for each unit type. The apartments listed contain over 3,150 units, and represent about 40% of the apartment supply in Middletown. Knoll Crest, the most recently developed project in Middletown, had the highest rates for one-bedroom and two-bedroom units. Town Place Apartments had the highest three-bedroom rent.

One-bedroom rents ranged from less than \$700 to more than \$1,200, and the average was \$900. Two-bedroom rents ranged from \$825 to more than \$1,450, and the average was \$1,100. Only three properties offered three-bedroom units, and rents ranged from \$1,550 to \$1,745, and the average was \$1,625.

Referring to Table VI-19, the average monthly rent per square foot (SF) for one-bedroom units ranged from \$1.00/SF to \$1.59/SF and the average of the sample was \$1.30/SF. Two-bedroom units had an average of \$1.16/SF ranging from \$0.88/SF to \$1.54/SF. The sample to three bedroom units indicated an average of nearly \$1.10/SF.

This sample of rental rates at the apartment complexes are measure against rates at smaller properties or condominium units in Table III-7, and these rates are also measured against the fair market rent (FMR) estimated annual by the US Department of Housing and Urban Development (HUD), and used as a benchmark of Section 8 vouchers.

One-bedroom rents range from \$500 to \$1,375, and average at \$770 per month. The apartment complexes represented the high-end, while the downtown represented the low end. The FMR was \$896 for one-bedroom units and closer to the average indicated at apartment complex than at the smaller multi-unit properties. This finding was also indicated for rents at 2-bedroom units, which ranged from \$500 to \$1,850, and averaged \$978 citywide, but at over \$1,100 at apartment complexes, which was more similar to the \$1,095 for FMR.

In the downtown the average rent for a two-bedroom unit was \$850/month, although the high-end was indicated in the downtown at Rivers Edge, as some units are marketed as rentals. The asking rents for 2 two-bedroom listings at here range from \$1,400 to \$1,850 per month, which is the high end of the 2-bedroom range in Middletown and the Downtown, as shown in Table III-7. However, the average rent from past rentals at Rivers Edge was

reportedly at \$1,200 per month, suggesting a premium may be associated with these listings such as an upper floor location or recent interior upgrades.

Three-bedroom rents ranged from \$600 to \$1,835, with apartment complexes representing the high end, and the downtown representing the low end. The average citywide was nearly \$1,220 which was almost \$100 per month lower than FMR (\$1,315) for three-bedroom units. In the downtown, three-bedroom rents averaged \$960 per month, which was more than 20% lower than indicated Citywide.

Table III-7 – Middletown: Range in Monthly Rental Rate (Sep 2010)

| MIDDLETOWN | | | | | |
|--|-----|---------|---------|---------|---------|
| Unit Size | # | AVG | Low | High | FMR [1] |
| 1-bd | 53 | \$771 | \$500 | \$1,375 | \$896 |
| 2-bd | 64 | \$978 | \$500 | \$1,850 | \$1,095 |
| 3-bd | 43 | \$1,218 | \$600 | \$1,835 | \$1,315 |
| 4-bd & up | 6 | \$1,821 | \$1,200 | \$3,800 | \$1,633 |
| Total/AVG | 166 | \$977 | \$500 | \$3,800 | \$1,137 |
| APARTMENT COMPLEXES | | | | | |
| Unit Size | # | AVG | Low | High | FMR [1] |
| 1-bd | 14 | \$908 | \$655 | \$1,375 | \$896 |
| 2-bd | 16 | \$1,114 | \$785 | \$1,550 | \$1,095 |
| 3-bd | 3 | \$1,626 | \$1,490 | \$1,835 | \$1,315 |
| Total/AVG | 33 | \$1,193 | \$655 | \$1,835 | \$1,137 |
| DOWNTOWN | | | | | |
| Unit Size | # | AVG | Low | High | FMR [1] |
| 1-bd | 21 | \$695 | \$500 | \$925 | \$896 |
| 2-bd | 28 | \$853 | \$500 | \$1,850 | \$1,095 |
| 3-bd | 18 | \$963 | \$600 | \$1,500 | \$1,315 |
| 4-bd & up | 1 | \$1,200 | \$1,200 | \$1,200 | \$1,633 |
| Total/AVG | 68 | \$838 | \$500 | \$1,850 | \$1,137 |
| [1] Fair Market Rent for FY-2010 Source: US Dept HUD; Apartments.com; Apartment Guide.com; Rent.com; Craig's List & RKG Associates, Inc. | | | | | |

Four-bedroom rents ranged from \$1,200 to \$3,800 in Middletown, and the downtown represented the low end of the range, while the high end was for a newly constructed home that had not sold. FMR is more than \$1,600 per month. Other characteristics of the rental market include:

- Rental pricing is somewhat fluid as concessions are sometimes offered depending of the unit type and property, and number of available units. Many apartment complexes used Craigslist.com and advertize different (lower) starting rates than on the apartment finders' websites.
- Vacancy at apartment complexes was difficult to quantify, since the contacted person was instructed not to reveal the actual number of available units, or did not have the

information. This difficulty in accessing the number of vacant units suggests that availability may be relatively high at some properties.

- Turnover was reported high at most properties, and given the relatively high number of listings, the rental market is very competitive in Middletown.

In summary, Middletown has a diverse rental market with nearly 40% contained in apartment complexes including many built over the last 30 years. Market rental rates averaged at approximately \$980 per month citywide, and ranged between \$500 and more than \$2,000 per month depending on unit size, type, location, condition and other factors. Rents in the downtown averaged \$840 per month or nearly 15% below the citywide mark, and ranged between \$500 and \$1,850 per month. The downtown had the highest asking price (\$1,850) for a two-bedroom unit at its only condominium complex, where, reportedly, rents for other units average \$1,200 per month or 35% lower. Rental pricing appears fluid in some cases as concessions are being offered to stimulate demand. Contacted persons were reluctant to reveal the actual number of available units. However, household statistics indicate citywide vacancy at more than 10%, while in the downtown it was approaching 15%, suggesting a very competitive market with adequate if not excess supply.

G. Potential Future Residential Projects in Middletown

A listing of recently approved projects in Middletown was provided by the Planning Department, and is presented in Table VI-20. An estimated 80 units remain un-built at six condominium projects (excluding current listings) including 67 units at five age-restricted developments. The remaining un-built units at North Village are also included in this sample.

Another 442 units at four projects were also recently approved, including a 400-unit rental project. The status of this project was reportedly on hold. Another 38-unit condominium project was also reported in the approval process. A mixed-use project with 20 rental units, proposed by the Middletown Housing Authority, remains in the conceptual phase and on-hold for the time being, since retail and office tenants for the lower two level could not be secured when the project was being planned.

As mentioned earlier, Middletown also has nearly 5,000 acres of residential land classified for assessment purposes as developable. This supply could provide a multitude of competitive residential projects to anything proposed in the downtown for many decades to come.

H. Market Conclusions

In 2009, Middletown had approximately 21,400 housing units, which was 9% more than in 2000. A shift to more owner-occupied housing also resulted since 2000 in Middletown; however, at the expense of the rental stock, since the citywide vacancy rate increased to 11%, and nearly 15% in the downtown. The downtown had approximately 2,600 units or nearly 12% of the citywide supply. The housing density in the downtown was significantly higher than indicated citywide for nearly all residential property types. The downtown also had a small concentration of condominium units, but a higher concentration of smaller multi-family properties (less than 8 units) than the City as a whole.

Approximately 34% of the housing in Middletown was developed over the last 30 years, and approximately 64% of the new supply was single-family units (41%) and condominiums (23%). In the downtown, only 300 units were developed during this 30-year period, or 11% of the housing supply there. Three major residential projects were developed in the downtown over the last thirty years, including one high-rise condominium project in the late 1980s, and more recently an affordable apartment project. Most of the new development in Middletown since 2000 was mixed between single-family homes, age-restricted condominiums and apartment units.

Middletown has nearly 3,640 housing units set aside for low-income and disadvantaged households, and the downtown has 610 units, excluding Section 8 vouchers, and represents 23% of the downtown housing stock. This percentage would increase if the number of Section 8 vouchers in the downtown were known.

Since 2000 sales volumes of single-family and condominiums in Middletown peaked in 2005 and 2006, respectively, and subsequently declined by more than 40% to their current levels. Sales in the last two years or so were stimulated by a federal program which recently expired, so the effect on future sales remains unknown. Sales activity in downtown Middletown represented less than 4% of citywide sales activity citywide. Downtown also had a higher amount of two and three family sales since it had a more concentrated supply. Sales in the downtown for the most part peaked in 2005/2006.

Median pricing for single-family homes and condominiums in Middletown did not recover to the prior peak of the late 1980s until 2001 or 2002, and then experienced a 40% to 60% increase until 2006 or 2007, when median prices began to decline. The median price for single-family homes peaked at \$247,500 in 2007 and for condominiums at \$158,000 in 2006. Data for 2010 indicate that median pricing declined by 10%; however, the decline in pricing for new construction and multi-family properties was much more pronounced. Average unit pricing in the downtown was typically 15% to 40% lower than indicated citywide, depending on product type. Pricing also declined more precipitously in the downtown over the last few years than indicated citywide.

RKG was only able to identify one multi-unit conversion project in the downtown over the last five years, where units at converted two-family properties sold between \$128,000 and \$140,000. Another project is under way in the North End, where 17 units in seven buildings will be developed, but the project is subsidized and targeted for owner households at 80% of area median income, and households at the citywide median income level would qualify. The project is also unable to attain FHA finance until 50% of the units are sold to owner-occupants.

Middletown has a diverse rental market with nearly 40% contained in apartment complexes including many built over the last 30 years. Market rental rates averaged at approximately \$980 per month citywide, and ranged between \$500 and more than \$2,000 depending on location, size, type, condition and other factors. Rents in the downtown averaged at \$840 per month or nearly 15% below the citywide mark. The downtown had the highest asking price (\$1,850) for a two-bedroom unit at its only condominium complex, where, reportedly, rents

for other units average at \$1,200 per month or 35% lower. Rental pricing appears fluid in some cases as concessions were being offered to stimulate demand.

The supply of for-sale units on the market represents at best an 8-month inventory. Another 80 units remain un-built at six condominium projects including 13 units in the downtown. Another 500 units were also recently approved or being proposed, including a 400-unit rental project, and a 20-unit project in the downtown. Middletown also has nearly 5,000 acres of developable residential land that could provide a multitude of competitive residential projects for anything proposed in the downtown for many decades to come. Comparatively, the downtown has a very limited supply of available land.

IV. CASE STUDY COMMUNITIES

As part of this analysis, RKG offers these case studies of selected other New England communities that have successfully encouraged additional housing development in their downtown. The case studies focus on key development elements, such as development incentives, market conditions and general infrastructure improvements that contributed to additional residential development in each downtown district. While the following case studies may not represent “mirror images” of Middletown, considering population, income or other socio-economic characteristics, they nonetheless represent communities faced with downtown development challenges, including an inadequate or under-supplied residential component, and offer a mix of incentives and inducements to spur additional residential development. The experiences and resolve of these case study communities may provide Middletown with a sampling of development tools for consideration.

A. Norwalk, CT

Norwalk, Connecticut, had a 2009 population of approximately 81,600 persons and an average household income of \$107,300. In the early to mid-part of this decade, two separate redevelopment initiatives were proposed for Norwalk, one in the primary downtown area (the West Avenue Corridor) and the other (Reed Putnam) just to the south, closer to the South Norwalk (SoNo) district.

1. West Avenue Corridor (aka Waypointe)

This proposed project included the portions of the core downtown district of Norwalk. The proposed new development (and redevelopment) was to include approximately 536,000 SF of retail development, 75,000 SF of office development and approximately 350 residential units (please see Figure 3), essentially redefining a 20-acre portion of downtown. A key element in the agreement between the developer and the City is the establishment of the Waypointe redevelopment area as a Special Services District (SSD). In addition to “regular” property taxes, two additional income streams are to be generated within Waypointe including a separate tax, the SSD tax, on properties in Waypointe only, and parking revenues.



Figure 3 – Conceptual Rendering of Waypointe Development

Portions of the developer and city financial agreement⁷ include the following:

- **Developer** - (1) designs and builds garages and public improvements to City standards; (2) is responsible for completing improvements with private equity and debt before the City issues any municipal bonds; (3) assumes responsibilities for cost overruns above a pre-determined amount; and, (4) has committed all SSD tax revenues and parking revenue to repaying the bond.
- **City of Norwalk** – (1) will not issue any bonds to pay for Waypointe public improvements until they are built, inspected and approved; (2) will not issue bonds until at least 75% of retailers are open for business and paying taxes; (3) will not use existing tax revenue on Waypointe bond repayment: and, (4) will allow the developer to use the City’s credit rating to facilitate a potentially lower interest rate thereby stretching the dollars available for public improvement investment.

Conversations with representatives of the Norwalk Redevelopment Agency indicate that the private sector developer of Waypointe continues to revise development plans in light of the current market conditions. Many of the properties in the above referenced Figure 3 are owned/controlled by the developer, notably those to the northern and southern boundaries of the redevelopment area. However, many of the remaining, and interior parcels, are not currently owned by the developer and as such require acquisition and assemblage prior to redevelopment. As a result, only limited private development has occurred to date. Also, and perhaps more importantly, the proposed rent structure for many potential tenants and uses are being reviewed, suggesting that the potential rents have been pegged as too high and the proposed SSD tax may diminish or disappear.

⁷ Please refer to <http://www.norwalkct.org/ReDevelopment/NewRD/westavenue/WaypointeMDA20090310.pdf>.

2. Reed Putnam

The proposed new development is to include 215,000 SF of retail space, 500,000 SF of office space and approximately 300 residential units.

The project takes a mixed-use approach to development, integrating housing, retail, and commercial space with cultural attractions like the Norwalk Aquarium. It is also a transit project given its proximity and direct access to different transportation modes including rail. Improvements in Reed Putnam are to include better access into South Norwalk (SoNo), Heritage Park, the Norwalk riverfront and the Maritime Aquarium, while simultaneously providing traffic relief for West Avenue.

Reportedly the Connecticut Development Authority Board of Directors has approved \$6 million in Recovery Zone Economic Development bonds for this project. However, the date of completion for the \$500 million, 1.1 million square-foot mixed-use project, is uncertain at this time, given the state of the economy, and tight credit markets. On a separate note, conversations with representatives of the Norwalk Redevelopment Agency indicate that the City has received \$20 million in state funding for infrastructure improvements which are underway. These improvements benefit the Reed Putnam district, as well as all of Norwalk, and include new roadways, repairs and replacements of railway underpass(es) and are targeted for a late 2010 completion. As such, despite the uncertainties of the current economy, a foundation of improvements is underway to encourage and reinforce future commercial and residential development.

As discussed next, there was substantial investment and residential development activity in the SoNo district abutting Reed Putnam. Much of this development occurred as a result of the market supply/demand indicators at the time, and the SoNo location, and perhaps less so in response to public-sector incentives and infrastructure investment.

3. Selected Residential Development Activity

In 2004, one condominium project of 27 units was developed in downtown Norwalk, and two other condominium projects having a total of 44 units were developed in South Norwalk which is in closer proximity to the commuter rail station. In 2006, ground was broken for two other projects, one rental and one condominium, on the riverfront in SoNo⁸.

To put a market context on the timing of these projects, Table 12 exhibits the trends in median values for single family homes and condominiums in Norwalk, and most notable is the annual percentage increase between 1995 and 2004 which ranged from 6% to 16% per year for single family homes, and from 2% to 19% for condominiums. By 2004 when the first three projects were completed, the median value for single-family homes in Norwalk was \$471,000, and for condominiums it was \$270,000. As it turned out, the median value for single-families peaked in 2006 at \$550,000 and condominiums at \$330,000 in 2007.

⁸ In 2007, construction was started at Avalon Norwalk, a 311-unit rental project in downtown Norwalk.

Table 12 : Norwalk, CT – Median Value Trends for Single-Family & Condominiums (1995 – 2007)

| Year | Single-Family | % Chg | Condos | % Chg |
|------|---------------|-------|-----------|-------|
| 1995 | \$205,000 | -- | \$116,750 | -- |
| 1996 | \$220,000 | 7% | \$129,500 | 11% |
| 1997 | \$235,500 | 7% | \$132,500 | 2% |
| 1998 | \$250,000 | 6% | \$140,500 | 6% |
| 1999 | \$280,000 | 12% | \$151,900 | 8% |
| 2000 | \$315,750 | 13% | \$167,000 | 10% |
| 2001 | \$340,000 | 8% | \$187,250 | 12% |
| 2002 | \$396,000 | 16% | \$222,000 | 19% |
| 2003 | \$415,000 | 5% | \$242,150 | 9% |
| 2004 | \$471,000 | 13% | \$270,000 | 12% |
| 2005 | \$535,000 | 14% | \$322,000 | 19% |
| 2006 | \$550,000 | 3% | \$316,000 | -2% |
| 2007 | \$525,000 | -5% | \$330,000 | 4% |

Source: The Warren Group & RKG Associates, Inc.

Of the four condominium projects, The Phoenix at 19 Isaac (a four-story building) had the lowest average unit value of nearly \$235,000, as shown in Table 13. This value was 13% lower than the median value for condominiums (\$270,000) in 2004, and 50% lower than the median value for single-family homes (\$471,000). This project sold out within one-month, suggesting a combination of pre-sales and pent-up demand given the relatively affordable price in comparison to the median.

The SoNo Maritime, a smaller project of 10 units in three stories attached to the parking garage for the Norwalk Maritime Aquarium, had a higher average unit value (\$279,000) which was 3% higher than the median value for condominiums. The SoNo Lofts which was a 34-unit project in a four-story building had an average unit value of nearly \$327,400, which was 21% higher than the median value for condominiums, but 30% lower than the median value for single-family homes.

In 2007, sales started at the Maritime Yard, an eight-story building, with nearly 60% of the development being pre-sold and the average unit value of \$534,610. This average unit value was 62% higher than the median value for condominiums (\$330,000) and nearly 4% higher than the median value for single-family homes in that year and 1% less than in the prior year (2006). A premium was associated with this project, given its secluded location on the riverfront in SoNo, and away from traffic on North Main Street where the SoNo Lofts were located. During this time, an upscale rental project was developed adjacent to the Maritime Yard overlooking the river. The average monthly rent was \$2,350 which was toward the high-end of the rental range in Norwalk. Table 2 shows pricing and other details for condominium and rental projects built in Norwalk since 2004.

As shown in Table 13, each of the condominium projects had garage parking of some sort. The Phoenix at 19 Isaac had garage parking (secured) on the ground level, similar to SoNo Lofts. The Maritime Yards had underground parking, while parking for the SoNo Maritime was in an adjacent garage for a monthly fee.

Table 13 – Norwalk, CT: Details of Select Projects Developed in the Downtown or SoNo

| Project Name | Year | # | Range in Unit Pricing | | | AVG | AVG | Design & Stories | Parking |
|--------------------------|-------|-----|-----------------------|-----------|-----------|---------|--------|------------------|--------------------------|
| | | | AVG | Low | High | Unit SF | \$/SF | | |
| Phoenix at 19 Issac [1] | 2004 | 27 | \$234,920 | \$186,900 | \$265,900 | 811 | \$290 | Flats/4 st | Garage on Ground Level |
| SoNo Lofts [2] | 2004 | 34 | \$327,360 | \$195,070 | \$510,000 | 878 | \$373 | Flats/3 st | Garage on Ground Level |
| SoNo Maritime [2] | 2004 | 10 | \$279,000 | \$347,110 | \$409,000 | 1,039 | \$334 | Flats/4 st | Garage for fee (\$85/mo) |
| Maritime Yards [2, 3, 5] | 06/07 | 55 | \$543,610 | \$385,000 | \$1.45 m | 1,291 | \$464 | Flats/8 st | Underground & on-site |
| 55/77 Water St [2, 4, 5] | 06/07 | 135 | \$2,350 | \$1,850 | \$2,900 | 1,012 | \$2.32 | Flats/5 st | On-site parking |

[1] In the Downtown; [2] in SoNo; [3] excludes 6 affordable unit; [4] Rental-prices are monthly rates; [5] Riverfront location
 Source: RKG Associates, Inc.

4. Summary

In summary, these five projects came on-line after a period of significant increases in median values for both single family and condominiums in Norwalk. The lowest average unit price was more than 50% below the median value for single-family homes, while the highest average value was on-par, which at the time of these projects ranged from \$470,000 to \$550,000. Parking for the units were primarily on-site, secure and in garages.

B. Amesbury, MA

Amesbury, Massachusetts, is at the northern border of Massachusetts as it abuts New Hampshire. Amesbury is central located between two cities in northeastern Massachusetts, Haverhill to the east and Newburyport to the west, and both have commuter rail into Boston. The 2009 population of Amesbury was 12,300 persons and the average household income stood at \$66,800. Since 2000, this community has undertaken an overall downtown development strategy, encouraging and facilitating façade treatments, re-positioning roadways as one-way streets and encouraging private sector development.

In looking ahead, the Town has made a commitment to long-term investment in infrastructure, downtown improvements and public amenities such as bikeways. In response, private sector developers invested in the Upper Millyard complex (a restoration and reuse of a former mill property, which was also Town owned) into a 50-unit residential complex, mixing apartments as well as condominiums. Part of the success in the Millyard project should be attributed to the developer, an individual with experience in re-positioning former mill properties in other communities. As such, Amesbury had a willing and experienced development partner. The Town of Amesbury reciprocated by being pro-active and instituted several non-regulatory incentives such as a streamlined development and permitting process, which included ongoing interaction between the Town Planner and the developer.

The Town also took several regulatory initiatives such as reducing parking requirements for residential uses and shared public/private parking; and, reducing zoning setbacks to allow for increased residential density. In addition to the Millyard, conversations with the Town Planner indicate that there may have been 30+ residential permits for downtown development since 2000 and perhaps 60% of second floor space in the downtown is utilized as residential space. Part of the goal for Amesbury was to “populate” its downtown with residents that think of downtown as their neighborhood.

1. Selected Residential Development Activity

In 2004, one condominium project (the Carriage Lofts) was developed in three buildings in a former mill complex in the downtown area of Amesbury. Another mill complex was converted/renovated in 2007 into an 86-unit apartment complex (the Residences at Riverwalk) on the Riverwalk in Amesbury. To put a market context for these redevelopments, Table 14 exhibits the trends in median values for single-family homes and condominiums in Amesbury.

Median values for single-family homes did not surpass the \$200,000 mark until 2000, whereupon double-digit percentage increases were experienced annually over the next five years, such that by 2005 the median value reached \$350,000. Condominium pricing exceeded the \$100,000 level in 2000, and double-digit percentage increases were also experienced annually over the next five years (except 2004), such that by 2005 median values for condominiums exceeded \$200,000 in Amesbury.

Table 14 – Amesbury, MA: Trends in Median Values for Single-Family and Condominiums

| Year | Single-Family | % Chg | Condos | % Chg |
|------|---------------|-------|-----------|-------|
| 1994 | \$130,000 | -- | \$43,500 | -- |
| 1995 | \$133,000 | 2% | \$115,000 | 164% |
| 1996 | \$139,421 | 5% | \$64,700 | -44% |
| 1997 | \$148,000 | 6% | \$73,000 | 13% |
| 1998 | \$166,000 | 12% | \$84,325 | 16% |
| 1999 | \$187,350 | 13% | \$84,900 | 1% |
| 2000 | \$215,000 | 15% | \$111,500 | 31% |
| 2001 | \$249,000 | 16% | \$128,000 | 15% |
| 2002 | \$279,000 | 12% | \$145,000 | 13% |
| 2003 | \$315,850 | 13% | \$168,950 | 17% |
| 2004 | \$329,000 | 4% | \$185,000 | 9% |
| 2005 | \$350,000 | 6% | \$218,000 | 18% |
| 2006 | \$329,950 | -6% | \$214,450 | -2% |
| 2007 | \$359,000 | 9% | \$225,000 | 5% |

Source: The Warren Group & RKG Associates, Inc.

Sales at the Carriage Lofts started in July 2004, and by the end of January 2005, all 43 units were sold. As shown in Table 15, average unit pricing ranged from \$175,400 to

\$253,100 depending on the building. The low end of the average unit price was 5% lower than the median value for condominiums in 2004, and 47% lower than single-family homes (\$329,000). The high end of the average unit price was 37% higher than the median value for condominiums (\$185,000) but 23% lower than single-family homes.

By 2007, when the Residences at Riverwalk were completed, the median value for single-family homes peaked at \$359,900, while the median value for condominiums also peaked at \$225,000. Rental rates started at \$1,200 per month and ranged to nearly \$4,000 per month for a three-bedroom townhouse. Pricing at this project was at the high end of the range in Amesbury and the region.

Table 15 – Amesbury, MA: Details of Select Property Developed in the Downtown & the Riverwalk

| Project Name | Year | # | Range in Unit Pricing | | | AVG Unit SF | AVG \$/SF | Design & Stories | Parking |
|-----------------------------|------|-----------|-----------------------|------------------|------------------|--------------|--------------|------------------------------|---------|
| | | | AVG | Low | High | | | | |
| Carriage Lofts - Bldg 1 [1] | 2004 | 14 | \$253,084 | \$200,000 | \$283,000 | 1,128 | \$224 | Lofts in Historic Mill Rehab | On-Site |
| Carriage Lofts - Bldg 14 | 2004 | 19 | \$182,819 | \$130,000 | \$400,000 | 944 | \$202 | | |
| Carriage Lofts - Bldg 15 | 2004 | 10 | \$175,400 | \$130,000 | \$220,000 | 985 | \$178 | | |
| Total | | 43 | \$205,695 | \$130,000 | \$400,000 | 1,004 | \$205 | | |
| Residences at Riverwalk [2] | 2007 | 86 | \$2,090 | \$1,200 | \$3,995 | 1,230 | \$1.70 | Mill Conv. | On-Site |

[1] Bldg 1 had higher level of interior finish than Bldgs 14/15 1; [2] Rental - prices are monthly rates
Source: RKG Associates, Inc.

2. Summary

In summary, two major mill conversions/renovations occurred in Amesbury during the last economic cycle, which attracted 43 new owners into Amesbury and 80 renter households within easy reach of the downtown by the river walk. Rental pricing set a premium for the local area, and was likely attributed to the somewhat isolated location and project amenities, as well as the riverside location. The average pricing for the condominium units were fairly consistent with the median condominium value for the town, but 30% lower than the median value for single-family homes, which at the time was approaching \$350,000.

C. Canton, MA

Canton, Massachusetts, is situated a short distance outside of Boston, and is serviced by a commuter rail station (Canton Center Station) providing daily service to Back Bay and South Station. The rail station is located in the downtown and commercial district. In 2009 the population of Canton was approximately 20,900 persons and the average household income was \$109,900. Akin to many other New England communities, in the waning decades of the last century, Canton's industrial base contracted, its economy declined, and the downtown experienced an increasing vacancy rate. In an effort to re-invigorate the downtown (and the local economy overall), the Town initiated a strategy to make better economic use of its rail station. The strategy led to the adoption of the Canton Center Economic Opportunity District Bylaw⁹.

⁹ Please refer to http://www.mass.gov/envir/smart_growth_toolkit/bylaws/TOD-Bylaw.pdf.

This redevelopment initiative led to a significant increase in investment around the Canton Center Station. The new bylaw increased allowable residential unit density to one per 2,000 SF of land area (approximately 21 units per acre) and allowed for 3,000 SF of commercial space per 10,000 SF of land area. It also encouraged mixed-use development and allowed for shared parking for two or more uses that have different peak demand times. Since the passing of the bylaw, five new housing developments have been constructed within a five minute walk of the station, with three located directly adjacent to it with a combined 138 units, evenly split between apartments and condominiums (see Figure 4).

Areas immediately adjacent to the commuter parking lot are connected to the commuter station by a paved walkway granting easy access to residents. The new bylaw also led to the development of a mixed-use project along Washington Street, which runs perpendicular to the rail line. The development is approximately 35,000 SF of mixed retail/office space and includes a large adjacent parking lot. Tenants in the building include a law office, dental practice, medical office, convenience store and local food pantry.

The overall redevelopment of the area around Canton Center Station is a good example of how development-minded zoning reform can serve as a catalyst for economic and community growth. Through its new bylaw and a strong understanding of the value provided by its commuter rail station, Canton was able to encourage the conversion of underutilized space to modern, transit oriented development projects including residential development.



Figure 4 – Canton Center Station and Surrounding Development

1. Selected Residential Development Activity

In 1998 and 1999, two condominium projects (Paul Revere Village and Sherman Woods) were developed containing a total of 104 units. Subsequently in 2001 and 2002, two mixed use projects were developed, a 27-unit rental on the upper two floors, and a 35-unit condominium project on the upper 2½ levels. A fifth project with 42 condominium units was developed in 2004. All these projects were within walking distance of the two commuter rail stops (Canton Center Station and Canton Junction) in the village.

To put a market context on the timing of these projects, Table 16 exhibits the trends in median values for single family homes and condominiums in Canton. Most notable is the annual percentage increase between 1995 and 1999, which ranged from 4% to 15% per year for single family homes, and from -8% to 58% for condominiums. Subsequently, median pricing increased by 6% to 12% per year between 2000 and 2005 for single-family homes, but the annual change was more erratic for condominiums from -20% to 72%, and was a reflection of a smaller supply. It was also during this period that a small number of two and three-unit multi-family buildings were converted to condominiums in the village, as a more affordable alternative to new construction.

Table 16 – Canton, MA: Trends in Median Values for Single-Family & Condominiums

| Year | Single-Family | % Chg | Condos | % Chg |
|------|---------------|-------|-----------|-------|
| 1994 | \$187,750 | -- | \$78,000 | -- |
| 1995 | \$204,500 | 9% | \$122,950 | 58% |
| 1996 | \$213,250 | 4% | \$141,900 | 15% |
| 1997 | \$225,000 | 6% | \$130,500 | -8% |
| 1998 | \$243,000 | 8% | \$147,500 | 13% |
| 1999 | \$279,400 | 15% | \$187,900 | 27% |
| 2000 | \$312,500 | 12% | \$188,000 | 0% |
| 2001 | \$330,000 | 6% | \$151,000 | -20% |
| 2002 | \$370,500 | 12% | \$259,900 | 72% |
| 2003 | \$415,000 | 12% | \$240,500 | -7% |
| 2004 | \$459,245 | 11% | \$295,000 | 23% |
| 2005 | \$511,250 | 11% | \$310,000 | 5% |

Source: The Warren Group & RKG Associates, Inc.

The first two projects were developed in 1998 and 1999, and had an average value that ranged between \$217,070 and \$234,100, as shown in Table 17. An average value of \$217,070 in 1998 was 47% higher than the median value for condominiums, but 11% lower than the median value for single-family homes. An average value of \$234,100 in 1999 was 25% higher than the median value for condominiums, but 16% lower than the median value for a single-family home. Median pricing for condominiums in Canton increased by 13% and 27% in 1998 and 1999, due in part to the sales at these two projects. It should be added that the success of these two projects can be attributed in part to pent-up demand held over from the recession of the 1990s, and comparatively affordable pricing as each project sold out within ten to fifteen months.

In 2001, a 27-unit rental project (Washington Place) was developed in the village, and rents ranged from \$1,200 to \$1,500 per month depending on the number of bedrooms (1-BR and 2-BR, respectively). These rents were toward the higher end of the rental range at newer projects, and a premium was likely associated with the convenience of commuter rail, and the availability of on-site parking in a village setting.

In 2002, another mixed use project (the Village at Forge Pond) with 35 units was developed overlooking Forge Pond. Pricing ranged from \$186,600 to \$280,900, as shown in Table 17, and averaged at nearly \$253,600 per unit. This average unit value was 2% lower than the median value for condominiums in 2002 (see Table 16) which spiked by 72% from the previous year, due primarily to this project. Comparatively, the difference in the average condominium unit price for this project and the median value for single-family homes, which was \$370,500 in 2002, was -32%. Effectively the average unit pricing at this project was on-par with the median condominium value but more than 30% lower than the median value for single-family homes.

In 2004, a fifth project (Grover Estates) was developed in Canton's village area with 42 units and prices ranging from nearly \$290,000 to \$600,000 and average at \$373,300. This value was 26% higher than the median value for condominiums (\$295,000) but 19% lower than the median value for single-family homes (\$459,245).

Table 17 – Canton, MA: Detail of Select Projects Developed in the Village

| Project Name | Year | # | Range in Unit Pricing | | | AVG Unit SF | AVG \$/SF | Design & Stories [1] | Parking |
|------------------------------|------|----|-----------------------|-----------|-----------|----------------|--------------|-------------------------|-----------------------|
| | | | AVG | Low | High | | | | |
| Paul Revere Village | 1998 | 58 | \$217,070 | \$179,900 | \$289,900 | 1,947 | \$111 | Fl/TH: 3+st | 135 sp. w/ garages |
| Sherman Woods | 1999 | 46 | \$234,100 | \$194,900 | \$273,300 | 1,700 | \$155 | Fl/TH: 2 st | 95 sp. w/ garages |
| Washington Place [2, 4] | 2001 | 27 | \$1,335 | \$1,200 | \$1,500 | 890 | \$1.50 | Mx;Fl; 3 st | 75 spaces on-site |
| Village at Forge Pond [2, 3] | 2002 | 35 | \$253,580 | \$186,600 | \$280,900 | 1,192 | \$213 | Mx;Fl; 3+st | 90 sp. & gar. (\$25k) |
| Grover Estates | 2004 | 42 | \$373,300 | \$289,900 | \$599,800 | 1,498 | \$249 | Fl/TH: 3+st | On-site & garages |

[1] Fl-Flats; TH-Townhouse; Mx-Mixed Use; [2] Ground floor commercial; [3] Pond views; [4] Rental - prices are monthly rates
Source: RKG Associates, Inc.

As shown in Table 4, the height of each condominium project ranged from 2 to 3½ stories, and units were either flats (single level) or townhouse (multi-level) and in some cases, a mix of flats and townhouses were used. The designs were in keeping with a New England village setting, and each project offered adequate on-site parking including garages, and in one case, a premium of \$25,000 was charged for a garage.

2. Summary

In summary, these five projects were developed over a six-year period beginning in 1998, and benefited from a period of increases in median values for both single family and condominiums in Canton. For the most part, the average unit price at these projects ranged from 10% to 30% below the median value for single-family homes depending on the timing, recognizing that the median value for single family homes exceeded \$400,000 in 2003, and then exceeded \$500,000 in 2005. Parking for the units were primarily on-site, secure and in some case in garages.

D. Conclusions

There is no one set package of tools, or incentives that works best at fostering a good public-private working relationship when it comes to encouraging downtown residential development. From the case study communities (and links to developer agreements) the lessons learned and the “carrots” that have worked elsewhere include the following:

- Private sector developers often appreciate having a public partner in their projects, as well as a streamlined application and permitting process, or making town hall a “one-stop” shopping entity.
- Similarly, from the municipality’s perspective, having a savvy developer, one who has experience in successful downtown residential projects, is an advantage. Ultimately, a cooperative working environment and working agreement between the community and the developer is essential for a successful project.
- Developers are generally risk averse. If a municipality has a plan or vision for downtown residential projects and/or overall redevelopment then the perception of risk may be diminished. Additionally, if the local municipality has an existing or planned financial stake, such as infrastructure upgrades, streetscape/landscape improvements or investment in a new downtown parking structure or park (or other similar amenities that could benefit downtown development), a developer’s sense of risk diminishes.
- There are numerous regulatory issues which can provide developers with incentives, many in the form of a rework of zoning standards which facilitate for denser residential development such as an increased density to the acre, or relaxing building height limitations providing upper floors are residential, as examples.
- Ideally, a local municipality may consider establishing an overlay zoning district for its downtown. This overlay zoning could encourage residential development through a relaxation or rewriting of some zoning standards (such as parking regulations), while maintaining control of many others by establishing design standards or landscaping and buffering requirements.

1. Implications from Case Studies

The new housing developments in the case study communities occurred during a period of rapid appreciation in median values, relatively low interest rates and soft financing qualifications. In Norwalk and Canton, the median value for single-family homes exceeded the \$500,000 level during the periods when the projects were under development, while in Amesbury the median value for single-family homes reached the \$350,000 level. It should also be noted that the latter community lacked commuter rail service, while the former two had stations in close proximity to the new developments. Having such an amenity widens the market appeal for a project, and potential residents are likely more willing to accept a mixed-income urban settings for the convenience.

In Canton, the first two projects started in the late 1990s and in turn set the mark for the subsequent projects in 2002 and 2004, and average unit pricing started at nearly \$220,000 or \$110/SF in 1998 and increased to nearly \$375,000 or \$250/SF in 2004. In Norwalk, the first projects did not start until 2004, and the downtown project had a lower average price (\$235,000/SF) than the SoNo projects (\$279,000 to \$327,300). It also had a lower average price per SF (\$295) than indicated at the two at SoNo (\$335/SF to \$370/SF). These two projects in SoNo also established a base for the subsequent project developed

on the river, where average unit prices exceeded \$500,000. In Amesbury, the average unit price at a mill conversion project in 2004 was just over \$200,000 which was more similar to the project in downtown Norwalk, or the average pricing at the initial project in Canton during the late 1990s.

In each case, average pricing was between 15% and 50% lower than the median value for a single-family home, while it was either on par with the median value of condominiums or 50% higher. The median values for homes at the peak ranged from \$350,000 to \$550,000, and for condominiums ranged from \$225,000 to \$330,000. Based on these benchmarks, it does not appear that the residential market in Middletown has reached these levels, as the median value for single family homes peaked at \$247,500 and at \$158,000 for condominiums, and therefore are not considered to be strong enough market for fostering major new residential development in the downtown.

Middletown's median value for single-family homes is below the \$350,000 indicated in Amesbury in 2005, after the mill conversion project, and well below the \$500,000 in Norwalk, when the projects in SoNo came on-line. It is most similar to Canton back in the mid-1990s, prior to the first developments in the late 1990s, which were sold at that time in the low to mid \$200,000 range. Today however, those units are in excess of \$350,000, similar to the later projects, developed in the village.

Since Middletown did not experience the type of increase in median values of single family homes or reach the \$350,000 benchmark, as indicated in the case study communities, the likelihood of developing new "market" housing in the downtown without financial subsidies/incentives is remote during the current economic cycle. It will likely remain this way for the foreseeable future given the excess capacity in both existing and proposed supply, which is coupled with negative demographic forecasts and a more stringent financing environment. Some major event would need to occur in downtown Middletown to stimulate demand over the near term, such as the landing of a major employer that builds a new office building or some other external event such as the advent of commuter rail service to Hartford and New Haven.

Therefore, it is recommended that the City of Middletown concentrate on continuing to improve the conditions in the downtown, and develop a strategy that encourages more home ownership through conversion of multi-family rental properties or idle commercial buildings, while improving the conditions of the housing stock and amenities in the surrounding neighborhood.

2. Economic Incentives in Middletown, CT

In addition to striving to improve the conditions of existing housing stock, Middletown may wish to consider a review of its economic development incentives. As an example, a search of the City website, along with conversations with City officials, indicated that some economic incentives are in-place in Middletown primarily including a variety of tax abatements for job creation and business expansion (please note Section 28-9, Tax and Business Incentive program, of the City of Middletown Code of Ordinances). While the list of qualifying business may allow for a broad interpretation, some of the prerequisites

may be considered high, such as a minimum investment of \$100,000. Additional development incentives include (but may not be limited to):

- A whole or partial waiver of building permit fees;
- An allowance for in-kind development or infrastructure undertaken by the City as a development “partner”;
- Direct grants.

However, these incentives appear more to target job expansion and/or retention, rather than real estate development per se, which could include residential development. Suggested incentives could include development bonus densities and relaxed parking requirements as noted in the case study communities. Additionally, the City’s *Downtown Visions 2000 and Beyond* document presents a robust set of desired development, inter-connectivity, guidelines and potential regulations for the downtown Middletown of tomorrow, but falls short in establishing financial incentives to stimulate such development. In the case study communities, the more aggressive and successful incentives, were often tied to a specific project, such as the adaptive reuse of mill property. In Middletown, a targeted and property specific incentive plan, working in partnership with a developer, may be an appropriate consideration.

V. POTENTIAL FOR DOWNTOWN MIDDLETOWN

In this chapter, the potential for new housing in downtown Middletown is estimated based on forecasted changes in households by age and income over the next five years, which is measure against rent and for-sale price levels. Interesting dynamics are forecasted for the household base in Middletown and the region, primarily due to the economic shift as a result of job losses over the last few years. Without any major employment growth or some other external event such as the advent of commuter rail to downtown Middletown, housing opportunities for the foreseeable future are difficult to quantify, especially in the downtown.

Unfortunately, future demand would come primarily from turnover of the existing supply, and no internal growth is forecasted to backfill that supply, indicating unsustainable demand for any future housing. The projected growth in households over the next five years would be for owner households at the upper income level (\$100,000), as renter households are projected to decline by nearly 2,300 during this period. This would have a significant impact on the rental supply, unless a citywide strategy is prepared that encourages unit consolidation and conversion to ownership. Such a strategy could be employed in the downtown provided safe and secure locations could be created within some of its densely developed neighborhoods, and appropriate amenities, such as off-street parking and green/open space, be provided.

The methodology for estimating potential household demand is outlined below:

- Identify a range in housing and rental prices for potential housing in downtown Middletown based on the differences in median pricing identified in the case-study communities.
- Identify household income ranges based on current financing criteria that correspond to the sale and rental price ranges.
- Measure the annual change in owner and renter households over the next five years by age and income level, which would be a combination of forecasted growth and annual turnover in Middletown. Statistics from US Census were used to extrapolate annual demand from turnover.
- Estimate a potential annual demand for housing in the downtown, and measure the results with current offerings and proposed projects in the downtown.
- Identify the different types of products to consider and amenities

A. Range in Pricing for Potential Downtown Housing

From the case-study communities, a range in potential pricing for downtown units was prepared in relationship to the citywide median. Average unit pricing of condominiums in the case-study communities was between 0% and -50% of the median value for a single-family home depending on the community. In addition, the average unit values were

between -5% and 62% of the median value condominium value. The median value in 2010 for single-family homes and condominiums in Middletown were \$221,500 and \$143,850 respectively, according to The Warren Group. For rental units in this analysis, the range in differential from the average rent is -10% to a 20% premium.

The resulting range in potential prices is exhibited in Table VI-1. For owner units, the range would be from \$110,800 to \$233,000 and for rental units it would be between \$900 and \$1,200 per month. It would be reasonable to assume that for the for-sale unit price of below \$150,000 would be more attainable in the short-term and could slowly increase to up to \$200,000 or more as market conditions improve over the next five years.

Table V-1: Downtown Middletown: Range in Potential Pricing for Housing

| | Median Value [1] | Range in Potential Price | | |
|---|------------------|--------------------------|-----------|-----------|
| | | Low | High | AVG |
| Single-Family | \$221,500 | \$110,800 | \$221,500 | \$166,150 |
| % difference | | -50% | 0% | -25% |
| Condominium | \$143,850 | \$136,700 | \$233,000 | \$184,850 |
| % difference | | -5% | 62% | 29% |
| Rental | \$990 | \$900 | \$1,200 | \$1,050 |
| % difference | | -10% | 20% | 6% |
| [2] Through June 2010 (TWG); Average Rent per RKG | | | | |
| Source: The Warren Group & RKG Associates, Inc. | | | | |

B. Affordability

Using current financing standards as noted in Table V-2, a range in household income that corresponds to unit value and rental ranges is established. For instance, a home valued in the \$100,000 to \$150,000 could be “affordable” based on the noted assumptions to a household with incomes in the \$25,000 to \$50,000 range depending on the down-payment.

Table V-2 – Middletown: Affordability of Owning & Renting (2010)

| Owner [1] | | | Renter [2] | |
|---|------------|-------------|------------|-----------|
| Unit Value | Low Income | High Income | Mo. Rent | Income |
| \$100,000 | \$24,900 | \$32,500 | \$750 | \$30,000 |
| \$150,000 | \$37,300 | \$48,700 | \$1,000 | \$40,000 |
| \$200,000 | \$49,700 | \$64,900 | \$1,250 | \$50,000 |
| \$250,000 | \$62,100 | \$81,100 | \$1,750 | \$70,000 |
| \$300,000 | \$74,600 | \$97,400 | \$2,000 | \$80,000 |
| \$350,000 | \$87,000 | \$113,600 | \$2,500 | \$100,000 |
| \$400,000 | \$99,400 | \$129,800 | \$2,750 | \$110,000 |
| \$500,000 | \$124,300 | \$162,300 | \$3,500 | \$140,000 |
| [1] Owner Assumptions | | | | |
| | Low | High | | |
| Interest Rate | 4.25% | 5.75% | | |
| Term | 30 | 30 | | |
| Downpayment | 20% | 5% | | |
| RE TAXES/1000 | \$22.33 | \$22.33 | | |
| Insurance /1000 | \$5.00 | \$5.00 | | |
| Cost as % of Income | 30% | 30% | | |
| [2] Rental Cost factored at 30% of gross income | | | | |
| Source: RKG Associates, Inc, | | | | |

A home in the \$150,000 to \$200,000 price range could be affordable to a household with \$37,000 to \$65,000 income range. A home in the \$200,000 to \$250,000 price range would be affordable to persons in the \$50,000 to \$81,000 price range, as shown in Table V-2. A corresponding household income to monthly rent is also shown. For this analysis, households with incomes in the \$35,000 to \$100,000 range will be used, since it corresponds with the price range identified earlier. Also, only households younger than age 65 will be used.

C. Annual Household Demand in Middletown and Potential for Downtown

Based on five-year household forecasts by income and age coupled with turnover, it is estimated that annual household demand within the income and age perimeters would be 235 households per year seeking to buy a condominium in Middletown, including 20 households in the downtown, as shown in Table V-3. It is estimated that more than half of the potential in downtown would be in the two age group of less than age 35, and the remainder in the older age groups. Only one-quarter of this annual demand, or 4 households would have incomes in the \$35,000 to \$50,000 range, and could afford a unit in the \$100,000 to \$150,000 price based on the previous affordability guideline.

Identifying renter demand was more difficult, as annual demand was estimated at 27 households citywide within the age and income groups, and as such RKG only allocated a 10% portion of those in the two age groups less than 35 years, since declines are forecasted in the other groups. As such, renter demand may be more difficult to capture given the forecasted decline in households citywide.

Table V-3 – Downtown Middletown: Annual Demand for Potential Housing

| | Total by Income | Less than 25 | Age 25 to 34 | Age 35 to 44 | Age 45 to 54 | Age 45 to 54 | Total By Age |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Condominium Hholds | | | | | | | |
| Middletown | 235 | 8 | 68 | 47 | 52 | 61 | 235 |
| Downtown | | 4 | 7 | 2 | 2 | 5 | 20 |
| \$100,000 to \$150,000 [1] | 50 | 1 | 2 | 0 | 0 | 1 | 4 |
| \$150,000 to \$200,000 [2] | 104 | 2 | 3 | 1 | 1 | 1 | 8 |
| \$200,000 to \$250,000 [3] | 82 | 1 | 2 | 1 | 1 | 3 | 8 |
| Renter Households | Total by Income | Less than 25 | Age 25 to 34 | Age 35 to 44 | Age 45 to 54 | Age 45 to 54 | Total |
| Middletown | 27 | 49 | 160 | (48) | (74) | (61) | 27 |
| Downtown | | 5 | 15 | -- | -- | -- | 20 |
| \$750 to \$1,250 [1] | (11) | 1 | 3 | -- | -- | -- | 4 |
| \$1,250 to \$1,750 [2] | 32 | 2 | 7 | -- | -- | -- | 10 |
| \$1,750 to \$2,500 [3] | 6 | 1 | 5 | -- | -- | -- | 6 |
| [1] Incomes of \$35,000-\$49,999; [2] Incomes of \$50,000-\$74,999; [3] Incomes of \$75,000-\$99,999 | | | | | | | |
| Source: Demographics NOW, City of Middletown & RKG Associates, Inc. | | | | | | | |

D. Recommended Type and Amenities

The estimated annual demand of 20 households for condominiums in the downtown when measured against current listings (5) and units at projects underway (14) would equate to approximately a one-year supply. Assuming in the future, the downtown has an average of 10 condominiums per year for resale, a potential demand of 10 additional households per year would be seeking condominiums in the downtown. For the twenty renter households, the statistics from Craigslist.com indicate that nearly 70 units are available in the downtown, which should meet this annual demand from these 20 households, so no additional rental units would be warranted in the downtown at this time.

For the potential condominium units, it is assumed that conversion of multi-unit buildings to condominiums would be an alternative to consider over the next five years, given the significant shift (loss) in renter households. This type of conversion has not been performed in Middletown or its downtown except noted earlier. Another possibility would be the conversion of upper floors in mercantile buildings in the downtown.

Potential buyer concerns would like arise regarding the viability of a small condominium association, and how disagreements could be resolved. RKG recommends that the City seek legal opinion to this regard, and possibly use some agency like the Middletown Housing Authority as a management entity for a collection of units, if possible.

In any event, to meet potential annual demand in the downtown, approximately 15% to 25% would be for one-bedrooms, another 65% to 85% for two-bedroom units, and any remainder would be three-bedroom units, if needed. If possible, one-bedroom units should be in the 800 to 1,000 SF range, while two-bedroom units should be in the 1,000 to 1,500 SF range,

and any three-bedroom should be 1,500 SF or more. One bedroom units should have 1-and-a-half bathrooms and two-and-three bedroom units should have two bathrooms, at minimum. Parking is considered essential, as indicated by the developments in the case study communities, and on-site parking of 1 space per bedroom should be considered.

Since it assumed that most of this activity is geared to the multi-unit buildings in the downtown, perception of safety concerns of potential buyers should be addressed. Newspaper stories of gun-shots, loud noises and units broken into in the Ferry/Green Street section of the downtown are not appealing to potential buyers. Effort to minimize such events should be taken.

Brokers report that the “village” section of the downtown, namely south of Washington Street and between Main and High Streets, are the “more” desirable locations in the downtown, as compared to the North End, where most of the multi-unit buildings are in densely developed blocks. Not all areas or properties within these neighborhoods would be suitable for immediate redevelopment. Some areas may require selected demolition of existing stock to improve on-site parking requirements and open space amenities. Assembling a group of multi-unit buildings within certain blocks could also be considered, so as to maintain a common architectural theme for the condominium association. Wesleyan University may also be a key source of product for potential conversion, since they are attempting to divest of their off-campus holdings.

VI. APPENDIX

Table VI-1 – City of Middletown: Commuting Patterns of Resident Labor Force & Local Workers

| Place; County (To/From) | Middletown Residents Commute to Work In: | | Workers in Middletown Commute from: | |
|--|---|-------------|--|-------------|
| | Persons | % of Total | Persons | % of Total |
| Middletown; Middlesex Co. | 7,846 | 35% | 7,846 | 26% |
| East Hampton; Middlesex Co. | 110 | 0% | 1,578 | 5% |
| Meriden; New Haven Co. | 767 | 3% | 1,147 | 4% |
| Haddam; Middlesex Co. | 232 | 1% | 1,127 | 4% |
| Cromwell; Middlesex Co. | 1,115 | 5% | 1,059 | 3% |
| Portland; Middlesex Co. | 496 | 2% | 996 | 3% |
| Durham; Middlesex Co. | 218 | 1% | 626 | 2% |
| Middlefield; Middlesex Co. | 313 | 1% | 515 | 2% |
| Berlin; Hartford Co. | 458 | 2% | 313 | 1% |
| Nine-town Region | 11,555 | 52% | 15,207 | 50% |
| Elsewhere in Middlesex Co. | 754 | 3% | 2,287 | 8% |
| Elsewhere in Harford Co. | 6,554 | 30% | 6,820 | 22% |
| Elsewhere in New Haven Co. | 2,291 | 10% | 2,754 | 9% |
| Total | 22,118 | 100% | 30,471 | 100% |
| Source: US Census & RKG Associates, Inc. | | | | |

Table VI-2 – Middletown & Its Comparative Regions: Distribution of Households by Size

| Downtown [1] | 1990 | 2000 | 2009 | 2014 | # Change | | |
|--|--------|--------|----------|------------|-----------|-----------|-----------|
| | Census | Census | Estimate | Projection | 1990-2000 | 2000-2009 | 2009-2014 |
| Households | 1,744 | 1,838 | 1,775 | 1,587 | 94 | (63) | (188) |
| % without Children | 76% | 77% | 80% | 81% | 97 | (2) | (141) |
| % with Children | 24% | 23% | 20% | 19% | (3) | (61) | (47) |
| % 1 Person | 43% | 48% | 48% | 49% | 129 | (28) | (70) |
| % 2 Person | 29% | 27% | 26% | 19% | (8) | (37) | (133) |
| % 3 Person | 15% | 11% | 11% | 8% | (52) | (9) | (55) |
| % 4 Person | 9% | 11% | 10% | 12% | 45 | (30) | 42 |
| % 5 Person | 4% | 3% | 4% | 5% | (12) | 11 | 19 |
| % 6 Person | 1% | 2% | 1% | 2% | 14 | (2) | 6 |
| % 7 + Person | 0% | 0% | 1% | 1% | (6) | 14 | 3 |
| Turnover (% Yearly) | 26.6% | 28.3% | 24.2% | -- | -1.7% | -4.2% | -- |
| Middletown | 1990 | 2000 | 2009 | 2014 | # Change | | |
| | Census | Census | Estimate | Projection | 1990-2000 | 2000-2009 | 2009-2014 |
| Households | 16,821 | 18,554 | 19,122 | 18,373 | 1,733 | 568 | (749) |
| % without Children | 72% | 72% | 75% | 76% | 1,290 | 985 | (442) |
| % with Children | 28% | 28% | 25% | 24% | 442 | (417) | (307) |
| % 1 Person | 31% | 35% | 35% | 36% | 1,268 | 277 | (77) |
| % 2 Person | 34% | 33% | 30% | 24% | 454 | (355) | (1,360) |
| % 3 Person | 17% | 15% | 13% | 11% | (110) | (167) | (614) |
| % 4 Person | 12% | 11% | 13% | 19% | 69 | 509 | 842 |
| % 5 Person | 4% | 4% | 5% | 7% | 102 | 178 | 336 |
| % 6 Person | 1% | 1% | 2% | 2% | (29) | 81 | 87 |
| % 7 + Person | 1% | 0% | 1% | 1% | (22) | 45 | 37 |
| Turnover (% Yearly) | 22.8% | 24.1% | 19.8% | -- | -1.3% | -4.3% | -- |
| Nine-Town Region [2] | 1990 | 2000 | 2009 | 2014 | # Change | | |
| | Census | Census | Estimate | Projection | 1990-2000 | 2000-2009 | 2009-2014 |
| Households | 63,624 | 67,673 | 69,574 | 68,312 | 4,049 | 1,901 | (1,262) |
| % without Children | 67% | 67% | 69% | 70% | 2,391 | 2,740 | (269) |
| % with Children | 33% | 33% | 31% | 30% | 1,659 | (839) | (993) |
| % 1 Person | 25% | 28% | 29% | 30% | 2,879 | 897 | 698 |
| % 2 Person | 33% | 33% | 31% | 26% | 1,291 | (1,055) | (3,251) |
| % 3 Person | 18% | 17% | 15% | 13% | (261) | (568) | (1,641) |
| % 4 Person | 15% | 14% | 16% | 19% | (180) | 1,700 | 1,915 |
| % 5 Person | 6% | 6% | 7% | 8% | 245 | 571 | 713 |
| % 6 Person | 2% | 2% | 2% | 2% | 99 | 255 | 210 |
| % 7 + Person | 1% | 1% | 1% | 1% | (23) | 101 | 94 |
| Turnover (% Yearly) | 16.0% | 17.5% | 13.6% | -- | -1.5% | -3.9% | -- |
| [1] Census Tracts 5411 & 5416 | | | | | | | |
| [2] Includes Middletown, Berlin, Cromwell, Durham, East Hampton, Haddam, Meriden, Middlefield & Portland | | | | | | | |
| Source: US Census, Demographics NOW & RKG Associates, Inc. | | | | | | | |

Table VI-3 – Middletown & Its Comparative Regions: Median Age of Householders and Distribution of Households by Age

| | 1990 | 2000 | 2009 | 2014 | # Change | | |
|--|--------|--------|----------|------------|-----------|-----------|-----------|
| | Census | Census | Estimate | Projection | 1990-2000 | 2000-2009 | 2009-2014 |
| Downtown [1] | | | | | | | |
| Median Age | 43.1 | 43.1 | 46.8 | 48.7 | 0.0 | 3.7 | 1.9 |
| Households | 1,744 | 1,838 | 1,775 | 1,587 | 94 | (63) | (188) |
| Less than 25 | 9% | 8% | 10% | 9% | (7) | 24 | (30) |
| Age 25 to 34 | 27% | 23% | 19% | 20% | (53) | (84) | (12) |
| Age 35 to 44 | 16% | 23% | 18% | 14% | 136 | (104) | (91) |
| Age 45 to 54 | 11% | 16% | 18% | 17% | 111 | 13 | (44) |
| Age 55 to 64 | 11% | 11% | 16% | 17% | 18 | 73 | (12) |
| Age 65 to 74 | 12% | 8% | 9% | 12% | (65) | 16 | 31 |
| Age 75 Plus | 13% | 10% | 10% | 10% | (46) | (1) | (30) |
| Middletown | | | | | | | |
| Median Age | 41.4 | 43.1 | 48.4 | 50.3 | 1.7 | 5.3 | 1.9 |
| Households | 16,822 | 18,554 | 19,122 | 18,373 | 1,732 | 568 | (749) |
| Less than 25 | 7% | 6% | 7% | 6% | (135) | 235 | (180) |
| Age 25 to 34 | 29% | 22% | 19% | 20% | (813) | (530) | 105 |
| Age 35 to 44 | 20% | 23% | 18% | 15% | 893 | (851) | (776) |
| Age 45 to 54 | 13% | 18% | 19% | 18% | 1,120 | 380 | (348) |
| Age 55 to 64 | 11% | 12% | 17% | 18% | 339 | 976 | 185 |
| Age 65 to 74 | 11% | 9% | 10% | 13% | (137) | 314 | 474 |
| Age 75 Plus | 9% | 10% | 10% | 10% | 465 | 44 | (209) |
| Region [2] | | | | | | | |
| Median Age | 44.5 | 43.1 | 50.3 | 52.0 | (1.4) | 7.2 | 1.7 |
| Households | 63,619 | 67,674 | 69,573 | 68,312 | 4,055 | 1,899 | (1,261) |
| Less than 25 | 5% | 4% | 4% | 4% | (356) | 366 | (315) |
| Age 25 to 34 | 24% | 17% | 15% | 15% | (3,527) | (1,379) | 302 |
| Age 35 to 44 | 23% | 24% | 19% | 16% | 1,669 | (2,853) | (2,415) |
| Age 45 to 54 | 15% | 21% | 23% | 21% | 4,729 | 1,576 | (1,149) |
| Age 55 to 64 | 13% | 13% | 18% | 20% | 799 | 3,581 | 1,064 |
| Age 65 to 74 | 12% | 10% | 11% | 14% | (1,023) | 813 | 1,775 |
| Age 75 Plus | 9% | 11% | 10% | 10% | 1,764 | (205) | (523) |
| [1] Census Tracts 5411 & 5416 | | | | | | | |
| [2] Includes Middletown, Berlin, Cromwell, Durham, East Hampton, Haddam, Meriden, Middlefield & Portland | | | | | | | |
| Source: US Census, Demographics NOW & RKG Associates, Inc. | | | | | | | |

Table VI-4– Middletown & Its Comparative Regions: Median Household Income and Distribution of Households by Income

| | 1990 | 2000 | 2009 | 2014 | % & # Change | | |
|--|----------|----------|----------|------------|--------------|-----------|-----------|
| | Census | Census | Estimate | Projection | 1990-2000 | 2000-2009 | 2009-2014 |
| Downtown [1] | | | | | | | |
| Median H'hold Income | \$24,191 | \$27,400 | \$33,554 | \$36,223 | 13.3% | 22.5% | 8.0% |
| Households | 1,744 | 1,838 | 1,775 | 1,587 | 94 | (63) | (188) |
| Less than \$25,000 | 51% | 45% | 40% | 38% | (68) | (115) | (105) |
| \$25,000 to \$34,999 | 17% | 17% | 12% | 10% | 8 | (93) | (60) |
| \$35,000 to \$49,999 | 17% | 18% | 16% | 17% | 45 | (43) | (24) |
| \$50,000 to \$74,999 | 12% | 13% | 18% | 19% | 33 | 78 | (12) |
| \$75,000 to \$99,999 | 2% | 4% | 7% | 8% | 49 | 49 | 1 |
| \$100,000 to \$149,999 | 1% | 2% | 4% | 5% | 23 | 34 | 11 |
| \$150,000 & Up | 0% | 0% | 2% | 2% | 4 | 27 | 1 |
| Middletown | | | | | % & # Change | | |
| | 1990 | 2000 | 2009 | 2014 | 1990-2000 | 2000-2009 | 2009-2014 |
| | Census | Census | Estimate | Projection | | | |
| Median H'hold Income | \$37,676 | \$47,892 | \$61,090 | \$67,982 | 27.1% | 27.6% | 11.3% |
| Households | 16,785 | 18,554 | 19,122 | 18,373 | 1,769 | 568 | (749) |
| Less than \$25,000 | 30% | 24% | 18% | 16% | (717) | (877) | (541) |
| \$25,000 to \$34,999 | 15% | 11% | 8% | 8% | (438) | (454) | (219) |
| \$35,000 to \$49,999 | 22% | 17% | 14% | 12% | (493) | (566) | (518) |
| \$50,000 to \$74,999 | 20% | 21% | 19% | 20% | 459 | (190) | (105) |
| \$75,000 to \$99,999 | 8% | 11% | 14% | 14% | 755 | 615 | (72) |
| \$100,000 to \$149,999 | 4% | 12% | 15% | 17% | 1,455 | 775 | 200 |
| \$150,000 & Up | 0% | 4% | 11% | 14% | 748 | 1,265 | 506 |
| Region [2] | | | | | % & # Change | | |
| | 1990 | 2000 | 2009 | 2014 | 1990-2000 | 2000-2009 | 2009-2014 |
| | Census | Census | Estimate | Projection | | | |
| Median H'hold Income | \$40,737 | \$53,118 | \$67,630 | \$73,368 | 30.4% | 27.3% | 8.5% |
| Households | 63,436 | 67,667 | 69,565 | 68,302 | 4,231 | 1,898 | (1,263) |
| Less than \$25,000 | 27% | 21% | 16% | 15% | (2,893) | (3,004) | (1,225) |
| \$25,000 to \$34,999 | 14% | 11% | 7% | 7% | (1,715) | (1,926) | (532) |
| \$35,000 to \$49,999 | 22% | 15% | 13% | 11% | (3,244) | (1,633) | (1,187) |
| \$50,000 to \$74,999 | 24% | 22% | 19% | 18% | (396) | (1,640) | (537) |
| \$75,000 to \$99,999 | 9% | 15% | 16% | 15% | 4,496 | 919 | (774) |
| \$100,000 to \$149,999 | 5% | 12% | 19% | 21% | 5,138 | 4,891 | 1,168 |
| \$150,000 & Up | 0% | 4% | 10% | 13% | 2,845 | 4,291 | 1,824 |
| Hartford MSA Median Family Income | \$44,800 | \$61,300 | \$85,100 | -- | 36.8% | 38.8% | -- |

[1] Census Tracts 5411 & 5416
[2] Includes Middletown, Berlin, Cromwell, Durham, East Hampton, Haddam, Meriden, Middlefield & Portland
Source: US Census, US Dept of HUD; Demographics NOW & RKG Associates, Inc.

Table VI-5 – Middletown & Its Comparative Regions: Trends in Employment by Industry Sectors (2000 – 2009)

| Industry | Middletown | | | % Change | | | Middlesex County | | | % Change | | | Hartford LMA | | | % Change | | |
|-------------------------------------|------------|--------|--------|----------|------|------|------------------|--------|--------|----------|------|------|--------------|---------|---------|----------|------|------|
| | 2000 | 2006 | 2009 | 2000 | 2006 | 2009 | 2000 | 2006 | 2009 | 2000 | 2006 | 2009 | 2000 | 2006 | 2009 | 2000 | 2006 | 2009 |
| Total - All Industries | 29,065 | 31,388 | 28,771 | 8% | -8% | -1% | 67,253 | 68,744 | 67,035 | 2% | -2% | 0% | 549,677 | 548,976 | 537,105 | 0% | -2% | -2% |
| Utilities | -- | -- | 142 | -- | -- | -- | 388 | 362 | 346 | -7% | -4% | -11% | 3,740 | 1,576 | 1,436 | -58% | -9% | -62% |
| Construction | 656 | 740 | 591 | 13% | -20% | -10% | 2,523 | 2,947 | 2,838 | 17% | -4% | 12% | 21,492 | 22,085 | 18,224 | 3% | -17% | -15% |
| Manufacturing | 4,756 | 4,400 | 3,958 | -7% | -10% | -17% | 12,720 | 10,842 | 9,474 | -15% | -13% | -26% | 75,618 | 64,593 | 58,591 | -15% | -9% | -23% |
| Wholesale Trade | 436 | 492 | 654 | 13% | 33% | 50% | 2,061 | 2,093 | 2,276 | 2% | 9% | 10% | 20,619 | 19,787 | 18,751 | -4% | -5% | -9% |
| Retail Trade | 1,865 | 1,761 | 1,512 | -6% | -14% | -19% | 7,723 | 7,812 | 7,503 | 1% | -4% | -3% | 56,735 | 55,496 | 52,571 | -2% | -5% | -7% |
| Transportation & Warehousing | 530 | 471 | 490 | -11% | 4% | -8% | 1,061 | 1,027 | 964 | -3% | -6% | -9% | 12,261 | 11,297 | 11,466 | -8% | 1% | -6% |
| Information | 407 | 407 | 285 | 0% | -30% | -30% | 944 | 999 | 775 | 6% | -22% | -18% | 12,906 | 12,002 | 11,688 | -7% | -3% | -9% |
| Finance & Insurance | 5,616 | 6,318 | 3,949 | 13% | -37% | -30% | 6,271 | 6,892 | 4,689 | 10% | -32% | -25% | 64,055 | 61,810 | 57,546 | -4% | -7% | -10% |
| Real Estate & Rental & Leasing | 213 | 219 | 201 | 3% | -8% | -6% | 452 | 483 | 435 | 7% | -10% | -4% | 5,613 | 5,779 | 5,871 | 3% | 2% | 5% |
| Prof., Sci., & Tech. Services | 1,011 | 1,107 | 1,037 | 10% | -6% | 3% | 2,265 | 2,338 | 2,349 | 3% | 0% | 4% | 28,920 | 29,085 | 27,813 | 1% | -4% | -4% |
| Mgmt. of Companies et al | 228 | 130 | 287 | -43% | 121% | 26% | 286 | 171 | 382 | -40% | 123% | 34% | 6,248 | 7,565 | 9,194 | 21% | 22% | 47% |
| Admin. & Support & Waste Mgmt. et | 669 | 1,139 | 895 | 70% | -21% | 34% | 1,850 | 2,577 | 2,266 | 39% | -12% | 22% | 25,267 | 25,144 | 23,361 | 0% | -7% | -8% |
| Educational Services [1] | 950 | 1,150 | 1,100 | 21% | -4% | 16% | 1,369 | 1,505 | 1,764 | 10% | 17% | 29% | 8,945 | 10,618 | 11,569 | 19% | 9% | 29% |
| Health Care & Social Assistance | 4,691 | 5,259 | 5,427 | 12% | 3% | 16% | 9,494 | 10,147 | 10,740 | 7% | 6% | 13% | 68,587 | 75,204 | 82,098 | 10% | 9% | 20% |
| Arts, Entertainment, & Recreation | 82 | -- | 81 | -- | -- | -1% | 998 | 1,176 | 1,133 | 18% | -4% | 14% | 6,415 | 6,801 | 6,559 | 6% | -4% | 2% |
| Accommodation & Food Services | 944 | 1,099 | 1,372 | 16% | 25% | 45% | 4,645 | 4,917 | 5,530 | 6% | 12% | 19% | 30,393 | 33,269 | 33,876 | 9% | 2% | 11% |
| Other Services (except Public Admin | 835 | 817 | 869 | -2% | 6% | 4% | 2,086 | 2,125 | 2,271 | 2% | 7% | 9% | 17,541 | 17,391 | 17,005 | -1% | -2% | -3% |
| Total Government | 5,126 | 5,665 | 5,689 | 10% | 0% | 11% | 9,484 | 9,847 | 10,871 | 4% | 10% | 15% | 82,019 | 87,449 | 87,580 | 7% | 0% | 7% |

[1] Estimated for Middletown

Source: Connecticut Department of Labor & RKG Associates, Inc.

Table VI-6 – Middletown & Its Comparative Region: Housing Supply, Tenure & Vacancy Trends

| | 1990 | 2000 | 2009 | 2014 | # Change | | | % Change | | |
|------------------------|-----------|-----------|-----------|------------|------------|-----------|-----------|-----------|-----------|-----------|
| | Census | Census | Estimate | Projection | 1990-2000 | 2000-2009 | 2009-2014 | 1990-2000 | 2000-2009 | 2009-2014 |
| Downtown [1] | | | | | | | | | | |
| Total Housing Units | 1,905 | 2,030 | 2,076 | 2,052 | 125 | 46 | (24) | 6.6% | 2.3% | -1.2% |
| Occupied Housing | 1,745 | 1,838 | 1,775 | 1,587 | 93 | (63) | (188) | 5.3% | -3.4% | -10.6% |
| % Owner | 24.4% | 21.9% | 34.5% | 49.8% | (22) | 209 | 178 | -5.2% | 51.9% | 29.1% |
| % Renter | 75.6% | 78.1% | 65.5% | 50.2% | 115 | (272) | (366) | 8.7% | -19.0% | -31.5% |
| Vacant Housing | 161 | 192 | 301 | 465 | 31 | 109 | 164 | 19.3% | 56.8% | 54.5% |
| % Vacant | 8.5% | 9.5% | 14.5% | 22.7% | 1% | 5% | 8% | 1.0% | 5.0% | 8.2% |
| Median Value [2] | \$136,224 | \$102,447 | \$143,950 | -- | (\$33,777) | \$41,503 | -- | -24.8% | 40.5% | -- |
| Median Rent [3] | \$497 | \$585 | \$640 | -- | \$88 | \$55 | -- | 17.6% | 9.4% | -- |
| Middletown | | | | | | | | | | |
| Total Housing Units | 18,103 | 19,697 | 21,489 | 22,802 | 1,594 | 1,792 | 1,313 | 8.8% | 9.1% | 6.1% |
| Occupied Housing | 16,822 | 18,554 | 19,122 | 18,373 | 1,732 | 568 | (749) | 10.3% | 3.1% | -3.9% |
| % Owner | 50.7% | 51.3% | 60.9% | 71.8% | 984 | 2,121 | 1,544 | 11.5% | 22.3% | 13.3% |
| % Renter | 49.3% | 48.7% | 39.1% | 28.2% | 748 | (1,553) | (2,293) | 9.0% | -17.2% | -30.7% |
| Vacant Housing | 1,282 | 1,143 | 2,367 | 4,429 | (139) | 1,224 | 2,062 | -10.8% | 107.1% | 87.1% |
| % Vacant | 7.1% | 5.8% | 11.0% | 19.4% | -1% | 5% | 8% | -1.3% | 5.2% | 8.4% |
| Median Owner Value [2] | \$173,000 | \$140,400 | \$222,500 | -- | (\$32,600) | \$82,100 | -- | -18.8% | 58.5% | -- |
| Median Gross Rent [3] | \$576 | \$665 | \$728 | -- | \$89 | \$63 | -- | 15.5% | 9.4% | -- |
| Region [4] | | | | | | | | | | |
| Total Housing Units | 67,856 | 71,527 | 76,714 | 80,092 | 3,671 | 5,187 | 3,378 | 5.4% | 7.3% | 4.4% |
| Occupied Housing | 63,626 | 67,673 | 69,574 | 68,312 | 4,047 | 1,901 | (1,262) | 6.4% | 2.8% | -1.8% |
| % Owner | 65.8% | 66.5% | 72.8% | 78.3% | 3,138 | 5,685 | 2,833 | 7.5% | 12.6% | 5.6% |
| % Renter | 34.2% | 33.5% | 27.2% | 21.7% | 909 | (3,784) | (4,095) | 4.2% | -16.7% | -21.7% |
| Vacant Housing | 4,233 | 3,854 | 7,140 | 11,780 | (379) | 3,286 | 4,640 | -9.0% | 85.3% | 65.0% |
| % Vacant | 6.2% | 5.4% | 9.3% | 14.7% | -1% | 4% | 5% | -0.9% | 3.9% | 5.4% |
| Median Owner Value [2] | \$162,867 | \$145,379 | \$214,400 | -- | (\$17,488) | \$69,021 | -- | -10.7% | 47.5% | -- |
| Median Gross Rent [3] | \$569 | \$658 | \$720 | -- | \$90 | \$62 | -- | 15.7% | 9.4% | -- |

[1] Census Tracts 5411 & 5416; [2] In 2009 average single-family sales value from Assessor's file for Downtown & median single-family values for Middletown & Region from the Warren Group; [3] Applied % change in FMR from 2000 to 2009 to 2000 figure; [4] Includes Middletown, Berlin, Cromwell, Durham, East Hampton, Haddam, Meriden, Middlefield & Portland
 Source: US Census; US Dept of HUD; City of Middletown; The Warren Group; Demographics NOW & RKG Associates, Inc.

Table VI-7 – Middletown: Affordable Housing Supply (Part 1)

| Type/Project Name | Location | # Units |
|---|----------------------|----------------|
| <u>Elderly</u> | | |
| Heritage Commons | 38 Boston Road | 28 |
| Luther Manor | 624 Congdon Street | 45 |
| Marino Manor | 1361 Randolph Road | 40 |
| Newfield Towers | 220 Newfield Street | 100 |
| Old Middletown High | 251 Court Street | 69 |
| Pond View Apts. | 335 Butternut Street | 52 |
| Sbona Towers | 40 Broad Street | 126 |
| Shiloh Manor | 330 Butternut Street | 41 |
| South Green | 65 Church Street | 125 |
| St. Luke's | 144 Broad Street | 25 |
| Salvatore Monarca Place | 1325 Randolph Rd | 16 |
| Stoneycrest Towers | 352 Newfield Street | 100 |
| Elderly - Subtotal | | 767 |
| <u>Transitional Living/Shelter</u> | | |
| 38-40 Ferry Street | 38-40 Ferry Street | 4 |
| Community Health Center 1 | | 10 |
| Community Health Center 2 | | 14 |
| Connection Women's and Children Shelter | | 15 |
| Eddy Shelter | 1 Labella Circle | 30 |
| Gilead Community Services | | 14 |
| Green Court/Nehemiah | 11-20 Green Street | 14 |
| Rainbow Court | | 4 |
| Red Cross Shelter 1 | Scattered | 6 |
| Red Cross Shelter 2 | 118 Daddario Road | 42 |
| Rushford Center | 1250 Silver Street | 20 |
| The Sheperd Home | 112 Bow Lane | 70 |
| Transitional Living - Subtotal | | 243 |
| Source: City of Middletown & RKG Associates, Inc. | | |

Table VI-8 - Middletown: Affordable Housing Supply (Part 2)

| Type/Project Name | Location | # Units |
|---|-----------------------------|-----------------|
| Family/Other | | |
| Alder House | 646 Main Street | 14 |
| Bayberry Crest | 192 Plaza Drive | 152 |
| Berlin & Silver Street | | 3 |
| Forge Square | South Main Street | 81 |
| Green Court | 11-20 Green Street | 4 |
| Habitat House 1 | 141 Hotchkiss Street | 1 |
| Habitat House 2 | 141 Berlin Street | 1 |
| Habitat House 3 | 460 Washington Street | 1 |
| Habitat House 4 | 5 Afton Terrace | 1 |
| | 8 Liberty Street/601 (617) | |
| Liberty Commons | Main St | 40 |
| Maplewood Terrace | 23 Maplewood Terrace | 50 |
| Meadoway Gardens | 100 Rose Circle | 100 |
| Middletown Housing | 32 - 98 Military Road | 16 |
| | Daddario, Santangelo, Keift | |
| Moderate Rental | Road | |
| | Long Lane, Kieft, Cubeta & | |
| Rockwood Acres | D'addario Roads | 72 |
| | Long Lane & Santangelo | |
| Santangelo Circle | Circle | 50 |
| | Wadsworth St., Rogers & | |
| Sunset Ridge | Schaefer Rds. | 76 |
| New Meadows | 1 Plaza Drive | 191 |
| Rose Gardens | 184 Rose Circle | 120 |
| Rushwood Center | 1250 Silver Street | 18 |
| Summer Hill Apts. | 716 Bartholomew Road | 104 |
| Traverse Square | Williams Street | 60 |
| Wadsworth Grove | 1 McKenna Drive | 45 |
| Wharfside Commons | 60 Ferry Street | 96 |
| Westfield | | 83 |
| Willowcrest Apts. | Stoney Crest Drive | 151 |
| Woodbury Apts. | 818 Bartholomew Road | 188 |
| Woodrow Wilson | 339 Huntington Hill Avenue | 48 |
| YMCA | 99 Union Street | 64 |
| Family - Subtotal | | 1,830 |
| Section 8 Vouchers | | Subtotal |
| | | 801 |
| Affordable Housing Total | | 3,641 |
| Source: City of Middletown & RKG Associates, Inc. | | |

Table VI-9 – Middletown & Its Region: Single-Family Sales Activity (1987 – 2010, June)

| Year | Middle- | East | | | | | Middle- | | | Region | Middle- |
|--------|------------|--------|----------|--------|---------|--------|---------|-------|----------|--------------|--------------|
| | town | Berlin | Cromwell | Durham | Hampton | Haddam | Meriden | field | Portland | Total | sex CO |
| Jun-10 | 152 | 71 | 39 | 31 | 67 | 37 | 214 | 13 | 48 | 672 | 681 |
| 2009 | 319 | 150 | 64 | 61 | 134 | 68 | 468 | 30 | 80 | 1,374 | 1,279 |
| 2008 | 286 | 143 | 81 | 70 | 136 | 68 | 455 | 49 | 94 | 1,382 | 1,364 |
| 2007 | 421 | 172 | 121 | 83 | 167 | 79 | 591 | 42 | 115 | 1,791 | 1,886 |
| 2006 | 430 | 229 | 113 | 96 | 190 | 91 | 796 | 52 | 97 | 2,094 | 1,924 |
| 2005 | 516 | 231 | 121 | 94 | 203 | 107 | 807 | 54 | 152 | 2,285 | 2,171 |
| 2004 | 474 | 245 | 154 | 89 | 190 | 112 | 903 | 56 | 127 | 2,350 | 2,212 |
| 2003 | 453 | 227 | 150 | 79 | 217 | 98 | 765 | 53 | 119 | 2,161 | 2,075 |
| 2002 | 467 | 250 | 148 | 98 | 245 | 116 | 756 | 53 | 130 | 2,263 | 2,231 |
| 2001 | 475 | 243 | 154 | 76 | 199 | 89 | 726 | 61 | 143 | 2,166 | 2,152 |
| 2000 | 389 | 216 | 136 | 94 | 199 | 85 | 649 | 52 | 118 | 1,938 | 2,085 |
| 1999 | 457 | 230 | 104 | 108 | 190 | 108 | 634 | 52 | 120 | 2,003 | 2,289 |
| 1998 | 435 | 195 | 110 | 60 | 150 | 100 | 534 | 38 | 123 | 1,745 | 2,034 |
| 1997 | 369 | 227 | 104 | 66 | 114 | 80 | 494 | 45 | 93 | 1,592 | 1,737 |
| 1996 | 320 | 152 | 133 | 53 | 126 | 59 | 500 | 34 | 88 | 1,465 | 1,620 |
| 1995 | 323 | 165 | 105 | 70 | 121 | 67 | 469 | 30 | 84 | 1,434 | 1,553 |
| 1994 | 282 | 189 | 97 | 58 | 109 | 71 | 467 | 31 | 73 | 1,377 | 1,467 |
| 1993 | 314 | 188 | 73 | 41 | 86 | 59 | 367 | 23 | 58 | 1,209 | 1,306 |
| 1992 | 237 | 190 | 75 | 38 | 89 | 56 | 381 | 30 | 53 | 1,149 | 1,194 |
| 1991 | 225 | 151 | 80 | 23 | 78 | 37 | 375 | 29 | 43 | 1,041 | 1,061 |
| 1990 | 238 | 168 | 68 | 37 | 91 | 23 | 486 | 25 | 53 | 1,189 | 931 |
| 1989 | 222 | 186 | 65 | 8 | 82 | 45 | 542 | 27 | 37 | 1,214 | 955 |
| 1988 | 299 | 214 | 81 | 1 | 132 | 48 | 653 | 26 | 28 | 1,482 | 1,184 |
| 1987 | 345 | 238 | 92 | 1 | 121 | 66 | 804 | 34 | 48 | 1,749 | 1,389 |

Source: The Warren Group & RKG Associates, Inc.

Table VI-10 - Middletown & Its Region: Condominium Sales Activity (1987 – 2010, June)

| Year | Middle-town | East | | | | | | | | Region Total | Middle-sex CO |
|--------|-------------|--------|----------|--------|---------|--------|---------|--------------|----------|--------------|---------------|
| | | Berlin | Cromwell | Durham | Hampton | Haddam | Meriden | Middle-field | Portland | | |
| Jun-10 | 70 | 28 | 51 | 5 | 15 | | 87 | | 3 | 259 | 186 |
| 2009 | 168 | 39 | 114 | 2 | 28 | 2 | 151 | 4 | 13 | 521 | 390 |
| 2008 | 175 | 44 | 138 | 7 | 42 | | 160 | 9 | 11 | 586 | 460 |
| 2007 | 248 | 92 | 195 | 9 | 52 | | 274 | 6 | 17 | 893 | 659 |
| 2006 | 275 | 57 | 185 | 8 | 54 | 4 | 340 | 2 | 46 | 971 | 737 |
| 2005 | 318 | 65 | 228 | 7 | 47 | | 397 | 6 | 79 | 1,147 | 828 |
| 2004 | 299 | 49 | 227 | 6 | 38 | | 329 | 4 | 47 | 999 | 750 |
| 2003 | 301 | 48 | 206 | 7 | 43 | | 324 | 7 | 31 | 967 | 710 |
| 2002 | 281 | 52 | 214 | 10 | 37 | 1 | 349 | 2 | 10 | 956 | 708 |
| 2001 | 287 | 57 | 223 | 10 | 45 | | 293 | 4 | 11 | 930 | 739 |
| 2000 | 209 | 45 | 210 | 8 | 43 | | 238 | 2 | 11 | 766 | 610 |
| 1999 | 183 | 47 | 182 | 4 | 43 | | 237 | 2 | 2 | 700 | 556 |
| 1998 | 157 | 36 | 146 | 2 | 36 | | 230 | 6 | 3 | 616 | 510 |
| 1997 | 161 | 20 | 107 | 13 | 19 | | 184 | 2 | 6 | 512 | 420 |
| 1996 | 140 | 19 | 106 | 6 | 27 | | 182 | 2 | 9 | 491 | 408 |
| 1995 | 136 | 33 | 99 | 2 | 24 | | 156 | 4 | 1 | 455 | 370 |
| 1994 | 115 | 41 | 62 | 1 | 23 | | 130 | 2 | 1 | 375 | 294 |
| 1993 | 89 | 43 | 86 | 1 | 25 | | 111 | 7 | 1 | 363 | 285 |
| 1992 | 118 | 58 | 160 | 3 | 22 | | 93 | 2 | 2 | 458 | 387 |
| 1991 | 126 | 13 | 61 | | 24 | | 144 | 1 | 2 | 371 | 318 |
| 1990 | 168 | 32 | 84 | 5 | 24 | | 121 | 4 | | 438 | 363 |
| 1989 | 303 | 21 | 118 | 2 | 34 | | 286 | 5 | 1 | 770 | 611 |
| 1988 | 751 | 25 | 228 | 10 | 71 | | 415 | | | 1,500 | 1,358 |
| 1987 | 516 | 7 | 250 | 10 | 69 | 1 | 581 | 1 | 7 | 1,442 | 1,071 |

Source: The Warren Group & RKG Associates, Inc.

Table VI-11– Middletown & Its Region: Median Value Trends for Single-Family Sales (1987 – 2010, June)

| Year | Middle-town | Berlin | Cromwell | Durham | East Hampton | Haddam | Meriden | Middle-field | Portland | Region AVG | Middle-sex CO |
|--------|-------------|-----------|-----------|-----------|--------------|-----------|-----------|--------------|-----------|------------|---------------|
| Jun-10 | \$221,500 | \$243,225 | \$240,000 | \$330,000 | \$228,000 | \$245,000 | \$164,950 | \$256,000 | \$222,500 | \$214,500 | \$255,000 |
| 2009 | \$222,500 | \$249,000 | \$234,250 | \$270,000 | \$238,750 | \$236,500 | \$170,000 | \$260,000 | \$242,500 | \$214,400 | \$260,000 |
| 2008 | \$232,500 | \$268,000 | \$260,000 | \$320,000 | \$276,650 | \$297,922 | \$182,500 | \$271,000 | \$247,000 | \$235,700 | \$288,600 |
| 2007 | \$247,500 | \$280,000 | \$282,500 | \$330,000 | \$272,750 | \$349,000 | \$203,000 | \$280,000 | \$251,000 | \$249,900 | \$303,250 |
| 2006 | \$245,000 | \$280,000 | \$257,000 | \$345,950 | \$263,000 | \$282,000 | \$205,500 | \$256,500 | \$240,000 | \$242,400 | \$298,000 |
| 2005 | \$246,500 | \$272,500 | \$259,000 | \$312,500 | \$255,000 | \$289,900 | \$186,000 | \$268,000 | \$255,450 | \$235,000 | \$289,000 |
| 2004 | \$220,000 | \$235,000 | \$239,950 | \$320,000 | \$217,500 | \$269,000 | \$165,000 | \$243,750 | \$230,000 | \$208,800 | \$262,850 |
| 2003 | \$191,000 | \$232,500 | \$210,000 | \$300,000 | \$203,000 | \$224,500 | \$146,000 | \$225,000 | \$225,500 | \$190,200 | \$238,250 |
| 2002 | \$167,500 | \$200,000 | \$195,000 | \$272,000 | \$188,900 | \$208,250 | \$130,000 | \$175,000 | \$182,500 | \$170,300 | \$210,000 |
| 2001 | \$150,000 | \$183,000 | \$175,000 | \$225,500 | \$162,500 | \$200,000 | \$120,450 | \$165,000 | \$170,000 | \$153,200 | \$185,000 |
| 2000 | \$132,000 | \$170,000 | \$150,000 | \$215,000 | \$145,000 | \$219,500 | \$109,700 | \$161,500 | \$158,675 | \$141,600 | \$172,500 |
| 1999 | \$133,000 | \$165,700 | \$148,000 | \$211,450 | \$137,750 | \$165,500 | \$102,700 | \$157,500 | \$154,750 | \$136,300 | \$160,000 |
| 1998 | \$130,000 | \$145,000 | \$135,000 | \$195,500 | \$133,750 | \$160,000 | \$94,591 | \$141,750 | \$145,000 | \$126,800 | \$150,000 |
| 1997 | \$122,000 | \$148,000 | \$137,500 | \$168,000 | \$136,000 | \$146,000 | \$91,000 | \$130,000 | \$132,000 | \$122,000 | \$143,000 |
| 1996 | \$121,000 | \$146,400 | \$140,000 | \$184,000 | \$126,750 | \$137,000 | \$95,000 | \$130,000 | \$143,250 | \$121,500 | \$143,950 |
| 1995 | \$129,000 | \$155,000 | \$132,000 | \$173,600 | \$121,200 | \$160,000 | \$95,000 | \$140,750 | \$158,000 | \$126,000 | \$143,000 |
| 1994 | \$124,900 | \$152,000 | \$137,800 | \$154,950 | \$130,500 | \$159,000 | \$103,900 | \$125,000 | \$146,500 | \$127,000 | \$143,000 |
| 1993 | \$129,600 | \$155,500 | \$138,000 | \$165,000 | \$135,000 | \$152,000 | \$108,500 | \$124,000 | \$140,000 | \$130,800 | \$139,975 |
| 1992 | \$135,000 | \$153,325 | \$145,000 | \$185,750 | \$132,800 | \$157,500 | \$120,000 | \$135,000 | \$140,000 | \$136,500 | \$144,000 |
| 1991 | \$139,900 | \$165,000 | \$146,850 | \$190,100 | \$140,000 | \$148,000 | \$126,900 | \$138,500 | \$163,582 | \$141,700 | \$145,000 |
| 1990 | \$147,000 | \$163,000 | \$171,500 | \$161,000 | \$145,000 | \$160,000 | \$131,000 | \$134,000 | \$170,000 | \$145,400 | \$156,000 |
| 1989 | \$151,000 | \$189,500 | \$158,000 | \$178,500 | \$151,500 | \$165,000 | \$137,250 | \$146,500 | \$185,000 | \$152,800 | \$165,000 |
| 1988 | \$157,500 | \$192,750 | \$170,000 | | \$162,800 | \$178,500 | \$138,000 | \$147,250 | \$167,000 | \$155,700 | \$170,000 |
| 1987 | \$135,000 | \$170,000 | \$151,500 | | \$145,000 | \$156,250 | \$130,000 | \$148,950 | \$157,000 | \$140,600 | \$155,000 |

Source: The Warren Group & RKG Associates, Inc.

Table VI-12 – Middletown & Its Region: Median Value Trends for Condominium Sales (1987 – 2010, June)

| Year | Middle-town | Berlin | Cromwell | Durham | East Hampton | Haddam | Meriden | Middle-field | Portland | Region Total | Middle-sex CO |
|--------|-------------|-----------|-----------|-----------|--------------|-----------|-----------|--------------|-----------|--------------|---------------|
| Jun-10 | \$143,850 | \$254,315 | \$150,000 | \$294,000 | \$160,000 | | \$115,900 | | \$258,000 | \$152,800 | \$154,500 |
| 2009 | \$147,000 | \$284,129 | \$150,600 | | \$172,000 | | \$125,000 | \$225,000 | \$220,000 | \$154,300 | \$156,000 |
| 2008 | \$154,000 | \$279,890 | \$163,200 | \$128,000 | \$183,000 | | \$146,000 | \$245,000 | \$225,000 | \$167,900 | \$165,000 |
| 2007 | \$155,700 | \$326,181 | \$157,057 | \$147,000 | \$175,000 | | \$143,950 | \$253,000 | \$219,900 | \$172,900 | \$168,000 |
| 2006 | \$158,000 | \$280,000 | \$155,000 | \$292,500 | \$178,000 | \$493,400 | \$139,500 | | \$319,644 | \$169,000 | \$170,000 |
| 2005 | \$145,000 | \$285,000 | \$144,950 | \$284,900 | \$166,000 | | \$127,000 | \$248,250 | \$199,236 | \$152,700 | \$155,200 |
| 2004 | \$126,000 | \$250,000 | \$138,500 | \$234,950 | \$142,000 | | \$106,000 | \$200,000 | \$216,678 | \$134,200 | \$138,000 |
| 2003 | \$113,000 | \$234,000 | \$122,841 | \$156,000 | \$125,000 | | \$99,000 | \$160,000 | \$191,760 | \$120,100 | \$120,750 |
| 2002 | \$95,000 | \$235,100 | \$114,000 | \$177,740 | \$107,000 | | \$85,000 | | \$198,082 | \$105,300 | \$105,000 |
| 2001 | \$84,900 | \$211,250 | \$92,000 | \$183,413 | \$95,000 | | \$75,000 | \$166,500 | \$156,780 | \$94,000 | \$90,000 |
| 2000 | \$75,000 | \$184,925 | \$89,400 | \$189,160 | \$92,500 | | \$61,000 | | \$20,000 | \$82,200 | \$85,250 |
| 1999 | \$65,000 | \$161,000 | \$87,600 | \$86,500 | \$76,000 | | \$57,000 | | | \$75,000 | \$73,000 |
| 1998 | \$62,500 | \$137,900 | \$77,200 | | \$71,150 | | \$51,178 | \$139,750 | \$97,000 | \$67,400 | \$69,350 |
| 1997 | \$60,000 | \$137,500 | \$72,000 | \$164,500 | \$70,700 | | \$49,000 | | \$83,500 | \$64,700 | \$67,000 |
| 1996 | \$62,250 | \$122,500 | \$75,000 | \$189,900 | \$67,000 | | \$47,750 | | \$79,500 | \$63,800 | \$68,000 |
| 1995 | \$66,900 | \$132,900 | \$76,000 | | \$74,650 | | \$50,000 | \$148,000 | | \$68,600 | \$69,100 |
| 1994 | \$72,000 | \$117,900 | \$77,500 | | \$82,500 | | \$62,000 | | | \$74,300 | \$79,450 |
| 1993 | \$79,900 | \$129,900 | \$69,900 | | \$79,900 | | \$75,000 | \$134,000 | | \$82,600 | \$79,500 |
| 1992 | \$81,500 | \$113,495 | \$69,500 | \$115,000 | \$87,750 | | \$84,000 | | | \$81,700 | \$75,000 |
| 1991 | \$90,700 | \$111,150 | \$105,500 | | \$88,500 | | \$102,400 | | | \$97,500 | \$90,450 |
| 1990 | \$106,450 | \$152,000 | \$118,125 | \$110,900 | \$110,500 | | \$106,000 | \$120,950 | | \$112,300 | \$107,500 |
| 1989 | \$110,840 | \$112,500 | \$120,875 | | \$130,950 | | \$108,500 | \$185,000 | | \$112,500 | \$112,000 |
| 1988 | \$99,100 | \$117,900 | \$115,750 | \$105,900 | \$124,900 | | \$109,900 | | | \$106,200 | \$109,850 |
| 1987 | \$86,400 | \$120,000 | \$110,025 | \$85,900 | \$132,000 | | \$98,000 | | \$125,000 | \$97,600 | \$94,900 |

Source: The Warren Group & RKG Associates, Inc.

Table VI-13 – Middletown: Residential Sales Activity by Type & Turnover Rate (2005-2010)

| All Sales by Type | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] | Total | Ann. AVG |
|--------------------------|---------------|------------|------------|------------|------------|------------|--------------|------------|
| | Single-Family | 542 | 421 | 408 | 249 | 299 | 118 | 2,037 |
| Condominiums | 277 | 254 | 224 | 166 | 158 | 55 | 1,134 | 209 |
| Two-Family | 57 | 45 | 38 | 23 | 15 | 2 | 180 | 33 |
| Three-Family | 19 | 13 | 12 | 6 | 2 | 1 | 53 | 10 |
| Total Sales | 895 | 733 | 682 | 444 | 474 | 176 | 3,404 | 628 |

| % of Total Sales by Type | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] | Total | Ann. AVG |
|---------------------------------|---------------|------|------|------|------|----------|-------|----------|
| | Single-Family | 61% | 57% | 60% | 56% | 63% | 67% | 60% |
| Condominiums | 31% | 35% | 33% | 37% | 33% | 31% | 33% | 33% |
| Two-Family | 6% | 6% | 6% | 5% | 3% | 1% | 5% | 5% |
| Three-Family | 2% | 2% | 2% | 1% | 0% | 1% | 2% | 2% |

| Turnover Rate by Type | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] | Total | Ann. AVG |
|------------------------------|---------------|-------------|-------------|-------------|-------------|-------------|-----------|-------------|
| | Single-Family | 6.0% | 4.6% | 4.4% | 2.7% | 3.2% | 1.3% | -- |
| Condominiums | 14.1% | 12.8% | 11.2% | 8.2% | 7.8% | 2.7% | -- | 9.4% |
| Two-Family | 3.4% | 2.7% | 2.2% | 1.4% | 0.9% | 0.1% | -- | 1.8% |
| Three-Family | 3.5% | 2.4% | 2.2% | 1.1% | 0.4% | 0.2% | -- | 1.6% |
| Total Sales | 6.7% | 5.5% | 5.1% | 3.3% | 3.5% | 1.3% | -- | 4.2% |

[1] Sales data through May 2010
 Source: Middletown Assessor's File & RKG Associates, Inc.

Table VI-14 – Middletown: Single-Family Sales Activity Including New Construction

| SINGLE-FAMILY SALES | | | | | | | | Ann. | % of |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-------------|
| Price Range | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] | Total | AVG | Total |
| Less than \$100,000 | 4 | 2 | 2 | 0 | 3 | 2 | 13 | 2 | 0.6% |
| \$100,000 to \$149,999 | 48 | 17 | 18 | 8 | 28 | 12 | 131 | 24 | 6.4% |
| \$150,000 to \$199,999 | 105 | 82 | 73 | 50 | 63 | 23 | 396 | 73 | 19.4% |
| \$200,000 to \$249,999 | 105 | 125 | 111 | 69 | 73 | 35 | 518 | 96 | 25.4% |
| \$250,000 to \$299,999 | 99 | 54 | 84 | 42 | 53 | 14 | 346 | 64 | 17.0% |
| \$300,000 to \$399,999 | 111 | 90 | 72 | 56 | 55 | 21 | 405 | 75 | 19.9% |
| \$400,000 & up | 70 | 51 | 48 | 24 | 24 | 11 | 228 | 42 | 11.2% |
| Total Sales | 542 | 421 | 408 | 249 | 299 | 118 | 2,037 | 376 | 100% |
| S-F Supply | 9,115 | 9,157 | 9,194 | 9,214 | 9,225 | 9,230 | 55,135 | 10,173 | |
| Turnover Rate | 5.9% | 4.6% | 4.4% | 2.7% | 3.2% | 1.3% | -- | 3.7% | |
| NEW CONSTRUCTION | | | | | | | | Ann. | % of |
| Price Range | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] | Total | AVG | Total |
| \$150,000 to \$199,999 | | | 2 | | | | 2 | 0 | 1.1% |
| \$200,000 to \$249,999 | 2 | | 2 | 1 | | | 5 | 1 | 2.8% |
| \$250,000 to \$299,999 | 2 | 2 | 1 | 3 | 3 | 1 | 12 | 2 | 6.7% |
| \$300,000 to \$399,999 | 16 | 8 | 9 | 5 | 2 | 2 | 42 | 8 | 35.9% |
| \$400,000 & up | 43 | 32 | 23 | 11 | 6 | 2 | 117 | 22 | 65.7% |
| Total | 63 | 42 | 37 | 20 | 11 | 5 | 178 | 33 | 100% |
| % of S-F Sales | 11.6% | 10.0% | 9.1% | 8.0% | 3.7% | 4.2% | 8.7% | | |
| [1] Sales data through May 2010 | | | | | | | | | |
| Source: Middletown Assessor's File & RKG Associates, Inc. | | | | | | | | | |

Table VI-15 - Middletown: Condominium Sales Activity Including New Construction

| CONDOMINIUM SALES | | | | | | | | Ann. | % of |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
| Price Range | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] | Total | AVG | Total |
| Less than \$100,000 | 56 | 36 | 35 | 19 | 19 | 6 | 171 | 32 | 15.1% |
| \$100,000 to \$149,999 | 110 | 68 | 63 | 52 | 65 | 26 | 384 | 71 | 33.9% |
| \$150,000 to \$199,999 | 95 | 100 | 83 | 54 | 53 | 15 | 400 | 74 | 35.3% |
| \$200,000 to \$249,999 | 13 | 27 | 31 | 21 | 12 | 4 | 108 | 20 | 9.5% |
| \$250,000 to \$299,999 | 0 | 0 | 0 | 1 | 1 | 1 | 3 | 1 | 0.3% |
| \$300,000 to \$399,999 | 3 | 21 | 10 | 16 | 8 | 3 | 61 | 11 | 5.4% |
| \$400,000 & up | 0 | 2 | 2 | 3 | 0 | 0 | 7 | 1 | 0.6% |
| Total Sales | 277 | 254 | 224 | 166 | 158 | 55 | 1,134 | 209 | 100.0% |
| Condo Supply | 1,961 | 1,984 | 1,997 | 2,020 | 2,024 | 2,028 | 12,014 | 2,217 | |
| Turnover Rate | 14.1% | 12.8% | 11.2% | 8.2% | 7.8% | 2.7% | -- | 9.4% | |
| NEW CONSTRUCTION | | | | | | | | Ann. | % of |
| Price Range | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] | Total | AVG | Total |
| \$150,000 to \$199,999 | | | 1 | 3 | | | 4 | 1 | 6% |
| \$200,000 to \$249,999 | | | | 1 | | | 1 | 0 | 1% |
| \$250,000 to \$299,999 | | | | 1 | 1 | 1 | 3 | 1 | 4% |
| \$300,000 to \$399,999 | 3 | 21 | 10 | 15 | 3 | 3 | 55 | 10 | 79% |
| \$400,000 & up | | 2 | 2 | 3 | | | 7 | 1 | 10% |
| Total | 3 | 23 | 13 | 23 | 4 | 4 | 70 | 13 | 100% |
| % of Condo Sales | 1.1% | 9.1% | 5.8% | 13.9% | 2.5% | 7.3% | 6.2% | | |
| [1] Sales data through May 2010 | | | | | | | | | |
| Source: Middletown Assessor's File & RKG Associates, Inc. | | | | | | | | | |

Table VI-16 – Middletown: Average & Maximum Sale Price by Type

| AVG Sale Price by Type | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Type | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 [1] |
| Single Family | \$269,932 | \$274,520 | \$271,233 | \$270,029 | \$251,018 | \$249,619 |
| New Construction | \$420,778 | \$451,623 | \$426,745 | \$405,963 | \$375,407 | \$367,500 |
| Condominium | \$138,598 | \$167,539 | \$160,567 | \$174,524 | \$155,026 | \$152,746 |
| New Construction | \$353,150 | \$366,470 | \$365,549 | \$336,013 | \$332,116 | \$323,684 |
| 2-Family | \$190,223 | \$209,482 | \$235,428 | \$209,083 | \$184,510 | \$173,250 |
| AVG Unit \$ | \$95,111 | \$104,741 | \$117,714 | \$104,541 | \$92,255 | \$86,625 |
| 3-Family | \$240,553 | \$245,154 | \$251,238 | \$231,700 | \$245,500 | \$154,000 |
| AVG Unit \$ | \$80,184 | \$81,718 | \$83,746 | \$77,233 | \$81,833 | \$51,333 |
| Maximum Sale Price by Type | | | | | | |
| by Type | 2005 | 2006 | 2007 | 2008 | 2009 | May-2010 |
| Single Family | \$749,900 | \$800,000 | \$750,000 | \$600,000 | \$500,000 | \$600,000 |
| New Construction | \$675,000 | \$705,000 | \$730,000 | \$575,000 | \$487,820 | \$476,500 |
| Condominium | \$379,500 | \$429,000 | \$409,486 | \$508,212 | \$389,900 | \$349,961 |
| New Construction | \$379,500 | \$429,000 | \$409,486 | \$508,212 | \$389,900 | \$349,961 |
| 2-Family | \$360,000 | \$320,000 | \$417,500 | \$275,000 | \$250,000 | \$182,000 |
| AVG Unit \$ | \$180,000 | \$160,000 | \$208,750 | \$137,500 | \$125,000 | \$91,000 |
| 3-Family | \$295,000 | \$310,000 | \$326,000 | \$291,000 | \$286,000 | \$154,000 |
| AVG Unit \$ | \$98,333 | \$103,333 | \$108,667 | \$97,000 | \$95,333 | \$51,333 |
| [1] Sales data through May 2010 | | | | | | |
| Source: Middletown Assessor's File & RKG Associates, Inc. | | | | | | |

Table VI-17 – Middletown & Its Region: Listing of Single-Family Homes & Condominiums by Price Range

| SINGLE FAMILY | Middle- | Crom- | Middle- | East | | % in Mid- | | | | | |
|--|------------|-----------|------------|-----------|-----------|-----------|------------|-----------|------------|--------------|--------------|
| Price Range | town | Berlin | well | Haddam | Durham | field | Meriden | Portland | Hampton | Region | dletown |
| Less than \$100,000 | 7 | 0 | 0 | 0 | 0 | 0 | 35 | 0 | 1 | 43 | 16.3% |
| \$100,000 to \$149,999 | 7 | 0 | 7 | 0 | 0 | 0 | 83 | 0 | 7 | 104 | 6.7% |
| \$150,000 to \$199,999 | 33 | 2 | 12 | 2 | 4 | 4 | 114 | 5 | 14 | 190 | 17.4% |
| \$200,000 to \$249,999 | 38 | 9 | 19 | 1 | 7 | 2 | 80 | 10 | 15 | 181 | 21.0% |
| \$250,000 to \$299,999 | 33 | 11 | 11 | 9 | 10 | 3 | 31 | 11 | 15 | 134 | 24.6% |
| \$300,000 to \$399,999 | 27 | 15 | 15 | 24 | 16 | 7 | 27 | 13 | 28 | 188 | 14.4% |
| \$400,000 & up | 29 | 33 | 58 | 39 | 20 | 13 | 8 | 7 | 27 | 241 | 12.0% |
| Total | 174 | 70 | 122 | 75 | 57 | 29 | 378 | 46 | 107 | 1,058 | 16.4% |
| CONDOS | Middle- | Crom- | Middle- | East | | % in Mid- | | | | | |
| Price Range | town | Berlin | well | Haddam | Durham | field | Meriden | Portland | Hampton | Region | dletown |
| Less than \$100,000 | 18 | 0 | 1 | 0 | 1 | 0 | 30 | 0 | 0 | 50 | 36.0% |
| \$100,000 to \$149,999 | 28 | 0 | 31 | 0 | 3 | 0 | 33 | | 2 | 97 | 28.9% |
| \$150,000 to \$199,999 | 27 | 0 | 14 | 1 | 0 | 2 | 44 | | 4 | 92 | 29.3% |
| \$200,000 to \$249,999 | 8 | 1 | 10 | 0 | 0 | 0 | 4 | | 1 | 24 | 33.3% |
| \$250,000 to \$299,999 | 5 | 8 | 1 | 0 | 2 | 0 | 2 | | 0 | 18 | 27.8% |
| \$300,000 to \$399,999 | 11 | 10 | 4 | 0 | 0 | 3 | 1 | 0 | 2 | 25 | 44.0% |
| \$400,000 & up | | 0 | 12 | 0 | 0 | 6 | 0 | 0 | 0 | 18 | 0.0% |
| Total | 97 | 19 | 73 | 1 | 6 | 11 | 114 | 0 | 9 | 324 | 29.9% |
| Source: Realtor.com, Zillow.com & RKG Associates, Inc. | | | | | | | | | | | |

Table VI-18 – Middletown & Its Downtown: Current Listings of Residential Properties (Sept 2010)

| <u>Middletown</u> Price Range | Single- Family | Condomi niums | 2 & 3 Family | 4-8 Units | 9 or more | Total | New Construction | |
|--|---------------------------|--------------------------|-----------------------------|----------------------|----------------------|--------------|-------------------------|---------------|
| | | | | | | | S/F | Condos |
| Less than \$100,000 | 7 | 18 | 4 | | | 29 | | |
| \$100,000 to \$149,999 | 7 | 28 | 3 | | | 38 | | 4 |
| \$150,000 to \$199,999 | 33 | 27 | 5 | | | 65 | | |
| \$200,000 to \$249,999 | 38 | 8 | 3 | 1 | | 50 | 2 | 2 |
| \$250,000 to \$299,999 | 33 | 5 | 1 | 2 | | 41 | 6 | 5 |
| \$300,000 to \$399,999 | 27 | 11 | 1 | 1 | | 40 | 4 | 10 |
| \$400,000 & up | 29 | | | 1 | 2 | 32 | 6 | |
| Total | 174 | 97 | 17 | 5 | 2 | 295 | 18 | 21 |
| <u>Downtown</u> Price Range | Single- Family | Condomi niums | 2 & 3 Family | 4-8 Units | 9 or more | Total | New Construction | |
| | | | | | | | S/F | Condos |
| Less than \$100,000 | 2 | 1 | 2 | | | 5 | | |
| \$100,000 to \$149,999 | 2 | 4 | 2 | | | 8 | | 4 |
| \$150,000 to \$199,999 | 1 | | 2 | | | 3 | | |
| \$200,000 to \$249,999 | | | 2 | | | 2 | | |
| \$250,000 to \$299,999 | | | 1 | 1 | | 2 | | |
| \$300,000 to \$399,999 | | | 1 | 1 | | 2 | | |
| \$400,000 & up | | | | 1 | 1 | 2 | | |
| Total | 5 | 5 | 10 | 3 | 1 | 24 | | 4 |
| Source: Realtor.com & RKG Associates, Inc. | | | | | | | | |

Table VI-19 – Middletown Apartment Complexes: Range in Monthly Rental Rates (Sep 2010)

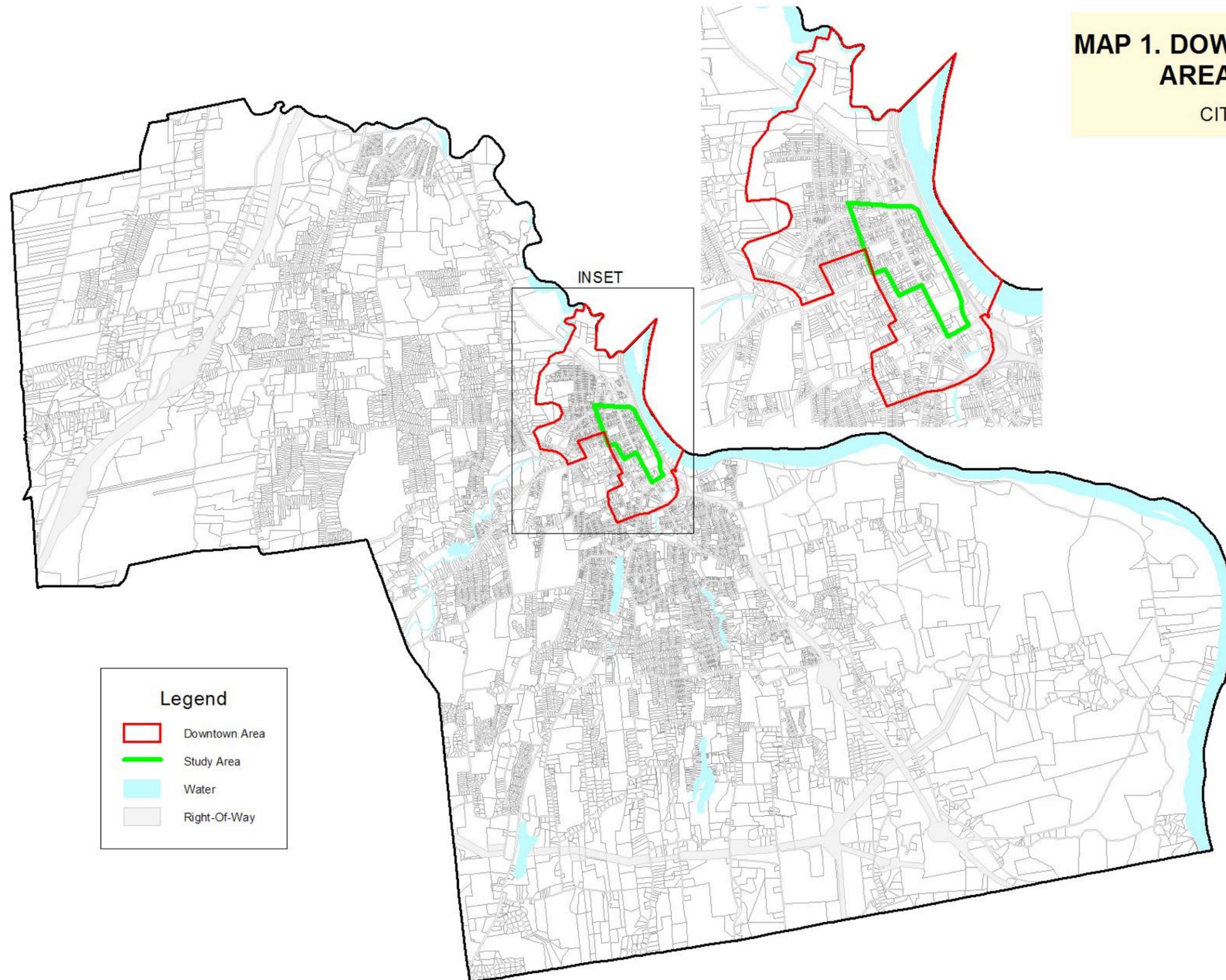
| Property Name | # of Units | 1-bd Rents | | 2-bd Rents | | 3-bd Rents | | AVG Rent/SF | | |
|--------------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|
| | | AVG | MAX | AVG | MAX | AVG | MAX | 1-bd | 2-bd | 3-bd |
| Knoll Crest | 204 | \$1,240 | \$1,330 | \$1,456 | \$1,546 | | | \$1.59 | \$1.30 | |
| Middletown Ridge | 238 | \$986 | \$1,145 | \$1,413 | \$1,500 | \$1,583 | \$1,675 | \$1.40 | \$1.08 | \$1.09 |
| Town Place Apts | 166 | \$1,213 | \$1,375 | \$1,405 | \$1,550 | \$1,745 | \$1,835 | \$1.57 | \$1.35 | \$1.12 |
| Windshire Terrace | 226 | | | \$1,378 | \$1,480 | | | | \$1.32 | |
| Middletown Brooke | 280 | \$935 | \$1,100 | \$1,280 | \$1,350 | | | \$1.45 | \$1.28 | |
| Madison at Chestnut Hill | 314 | \$1,035 | \$1,085 | \$1,214 | \$1,269 | \$1,549 | | \$1.34 | \$1.17 | \$1.00 |
| Madison at Northwoods | 336 | \$1,025 | \$1,079 | \$1,174 | \$1,249 | | | \$1.33 | \$1.31 | |
| Ridgefield Apartments | 262 | \$790 | \$910 | \$965 | \$985 | | | \$1.20 | \$0.88 | |
| Willowcrest | 151 | \$794 | \$842 | \$963 | \$1,000 | | | \$1.22 | \$1.07 | |
| Sagamore Hills | 212 | \$832 | \$852 | \$962 | \$982 | | | \$1.19 | \$1.13 | |
| Meadoway Gardens | 100 | | | \$950 | \$950 | | | | \$1.06 | |
| Rose Gardens | 120 | | | \$950 | \$950 | | | | \$1.06 | |
| Stonegate Apts | 179 | \$825 | \$825 | \$925 | \$925 | | | \$1.05 | \$0.92 | |
| Highview Apartments | 88 | \$750 | \$750 | \$850 | \$850 | | | \$1.00 | \$1.00 | |
| Wilcox Apartments | 81 | \$695 | \$735 | \$823 | \$860 | | | \$1.06 | \$1.54 | |
| Hunter Crossing | 96 | \$855 | \$1,000 | | | | | \$1.29 | | |
| Burgundy Apartments | 102 | \$743 | \$800 | | | | | \$1.49 | | |
| Total/Average | 3,155 | \$908 | \$988 | \$1,114 | \$1,163 | \$1,626 | \$1,755 | \$1.30 | \$1.16 | \$1.07 |

Source: Apartments.com; Apartment Guide.com; Rent.com; Craig's List & RKG Associates, Inc.

Table VI-20 – Middletown: Potential Future Supply of Residential Units

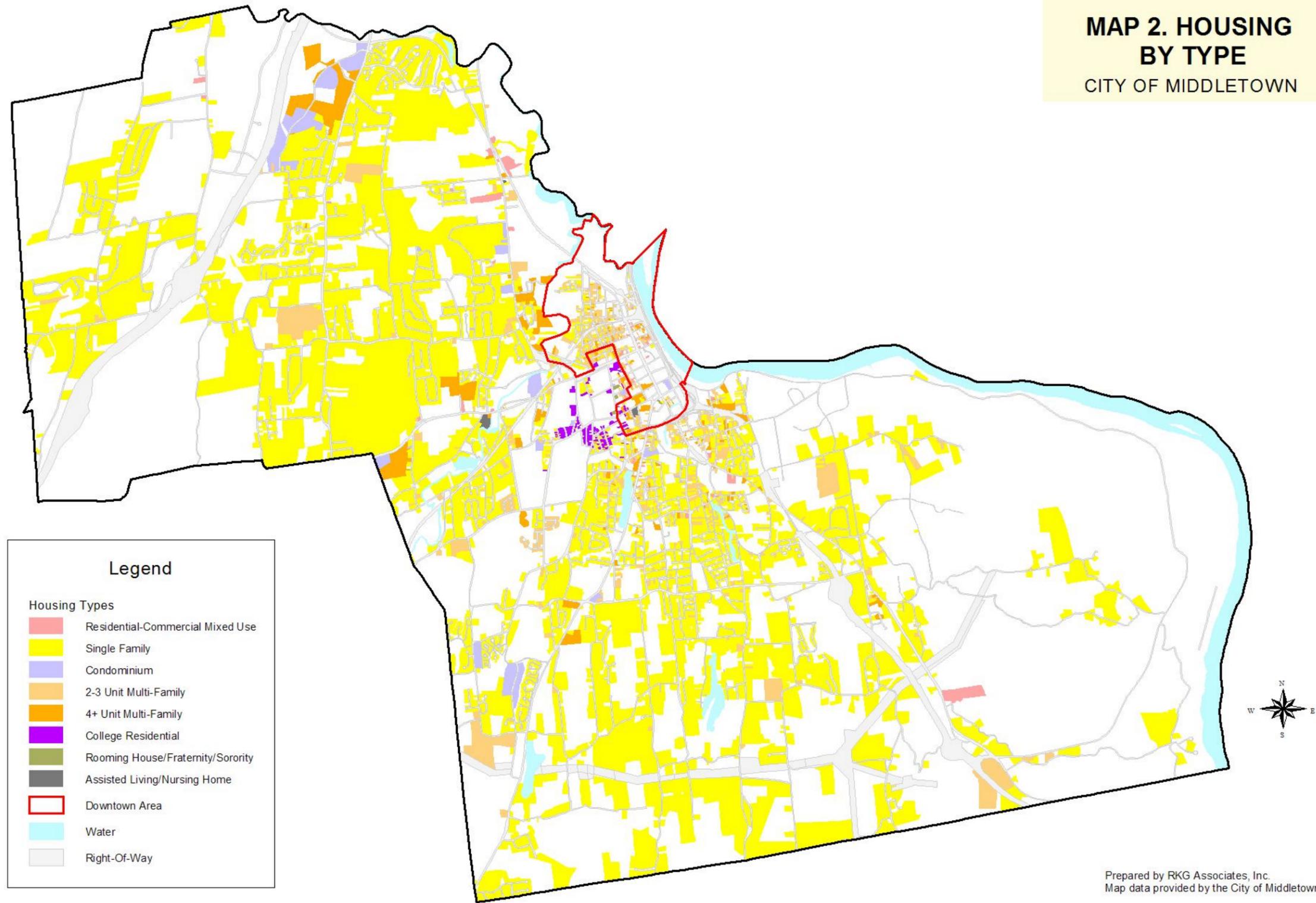
| Development Name | Type | Units/Lots |
|--|------------------|------------|
| Under-Construction | | |
| Bartlett Hollow | Condominiums [1] | 10 |
| Sonoma Woods | Condominiums [1] | 22 |
| Tuscany Hills | Condominiums [1] | 15 |
| Autumn Meadows | Condominiums [1] | 14 |
| North Village * | Condominiums [2] | 13 |
| Bone Hill Farm | Condominiums [1] | 6 |
| Subtotal | | 80 |
| Approved | | |
| Cerretelli Drive | Subdivision | 15 |
| Pistol Creek | Subdivision | 12 |
| Acheson Woods II | Condominiums | 15 |
| Newfield St Apartments | Rentals | 400 |
| Subtotal | | 442 |
| Approval Process/Conceptual | | |
| Jackson Commons | Condominiums | 38 |
| Spear Park Mixed Use * | Rentals | 20 |
| Subtotal | | 58 |
| Total | | 580 |
| * in Downtown | | |
| [1] Age-Restricted; [2] Income Restricted (80% AMFI) | | |
| Source: City of Middletown & RKG Associates, Inc. | | |

**MAP 1. DOWNTOWN AND STUDY
AREA BOUNDARIES**
CITY OF MIDDLETOWN

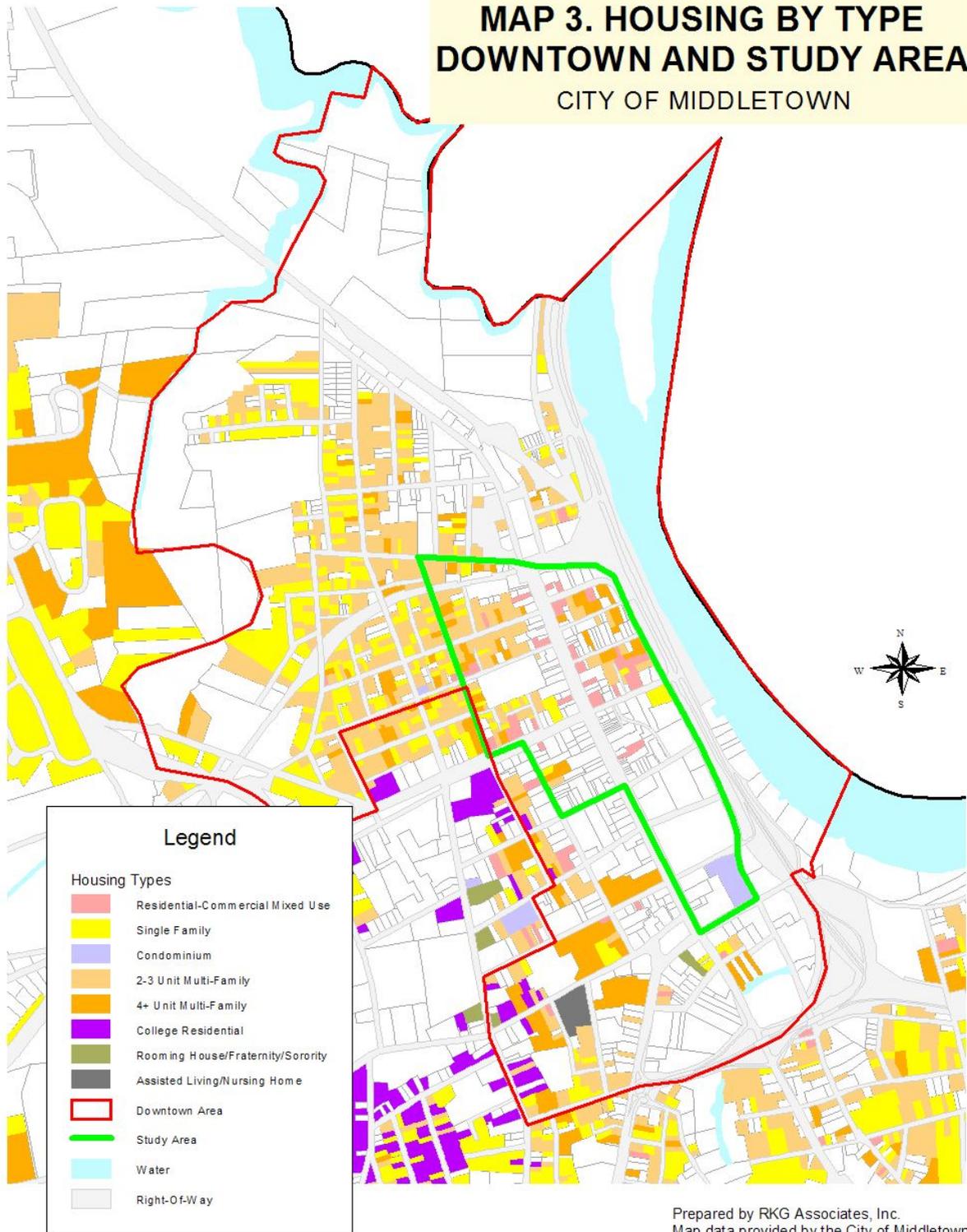


Prepared by RKG Associates, Inc.
Map data provided by the City of Middletown

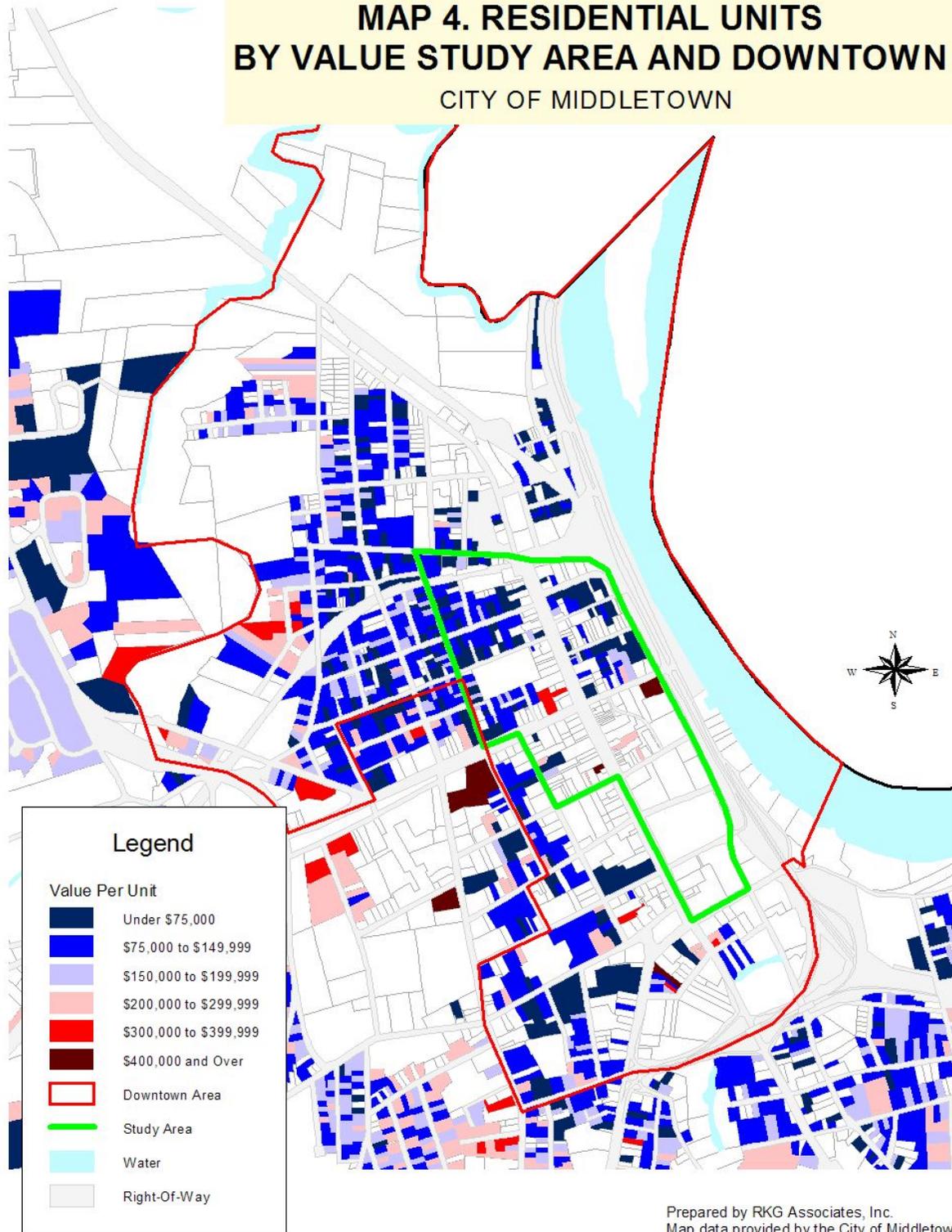
**MAP 2. HOUSING
BY TYPE**
CITY OF MIDDLETOWN



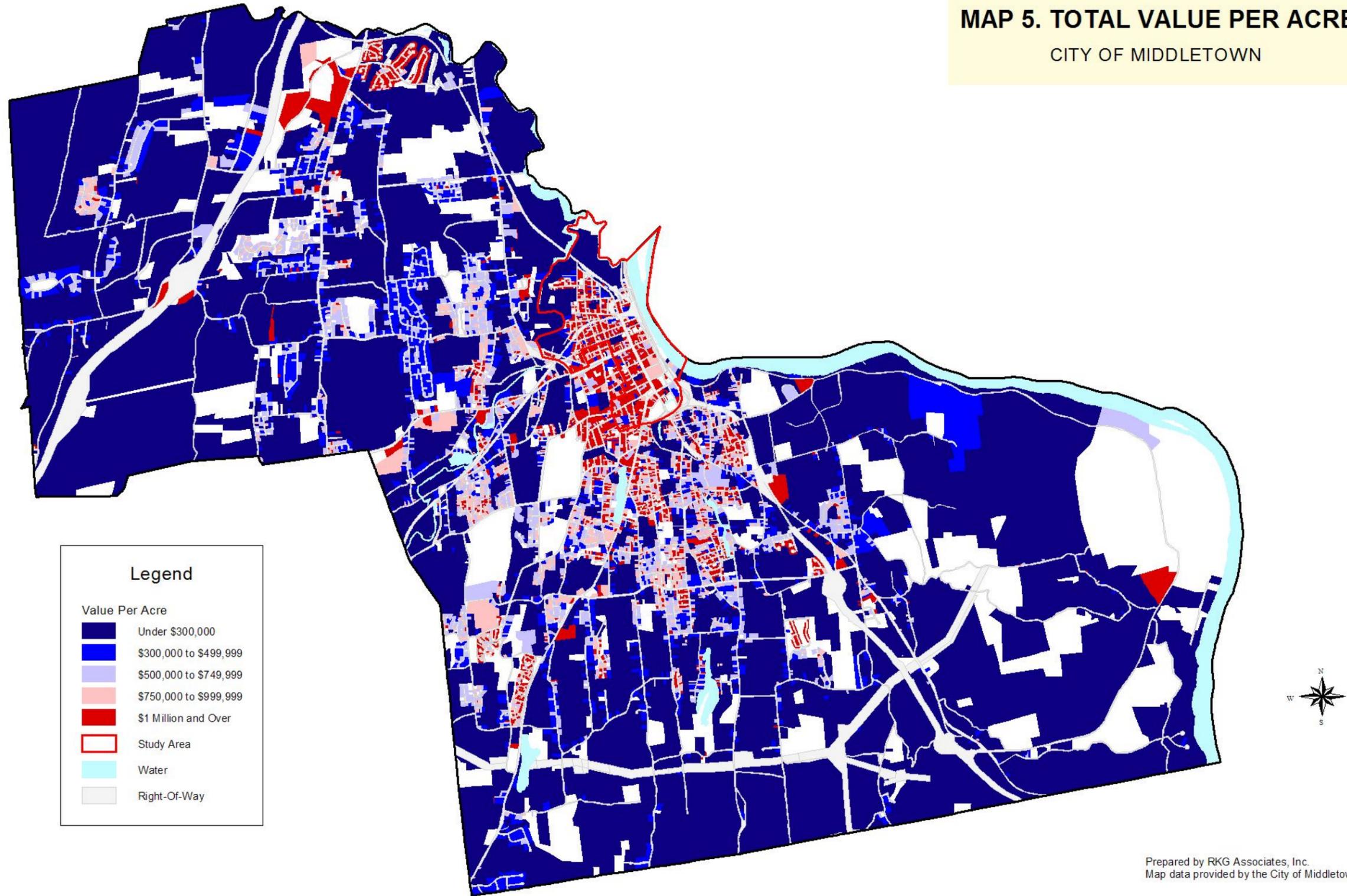
MAP 3. HOUSING BY TYPE DOWNTOWN AND STUDY AREA CITY OF MIDDLETOWN



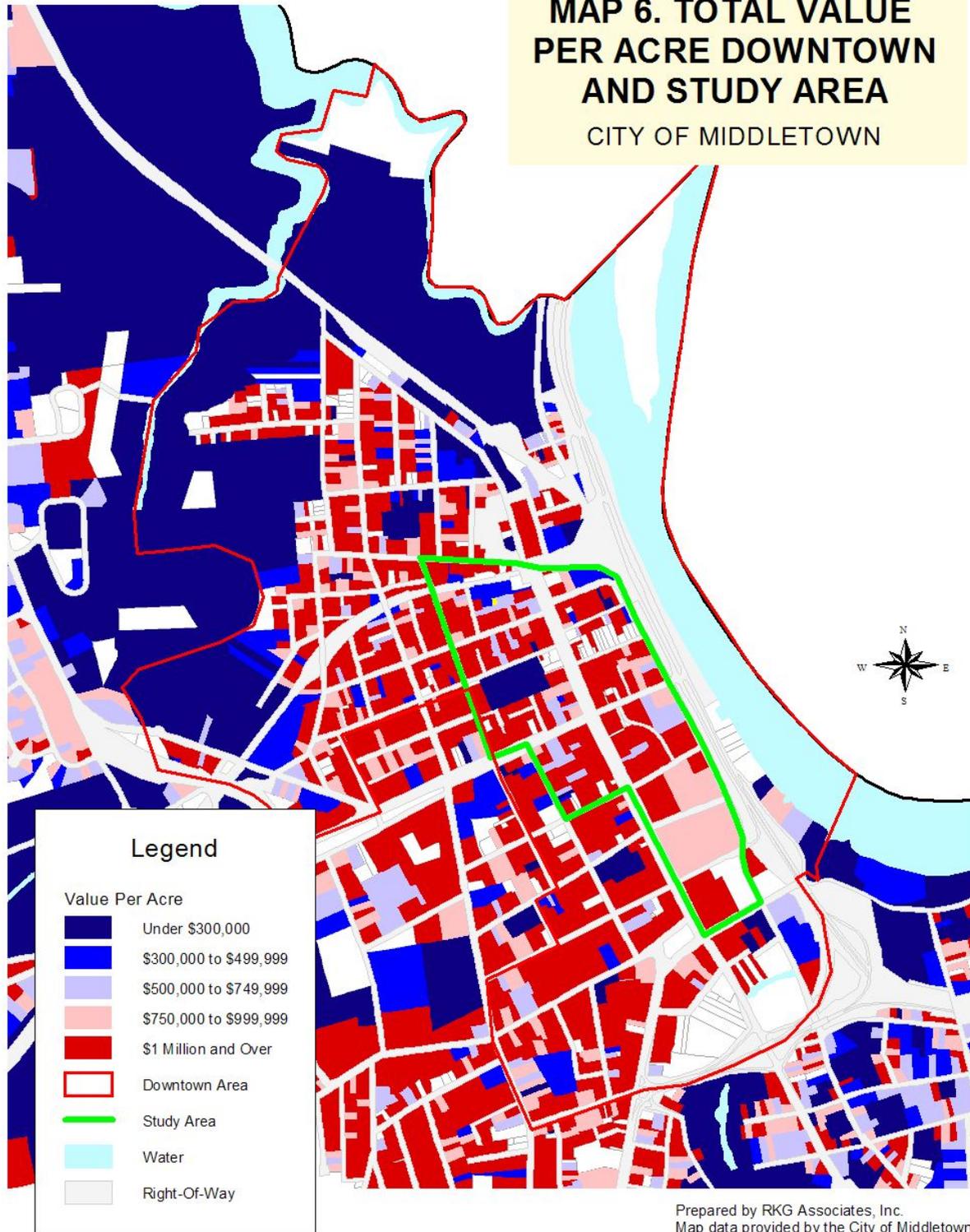
MAP 4. RESIDENTIAL UNITS BY VALUE STUDY AREA AND DOWNTOWN CITY OF MIDDLETOWN



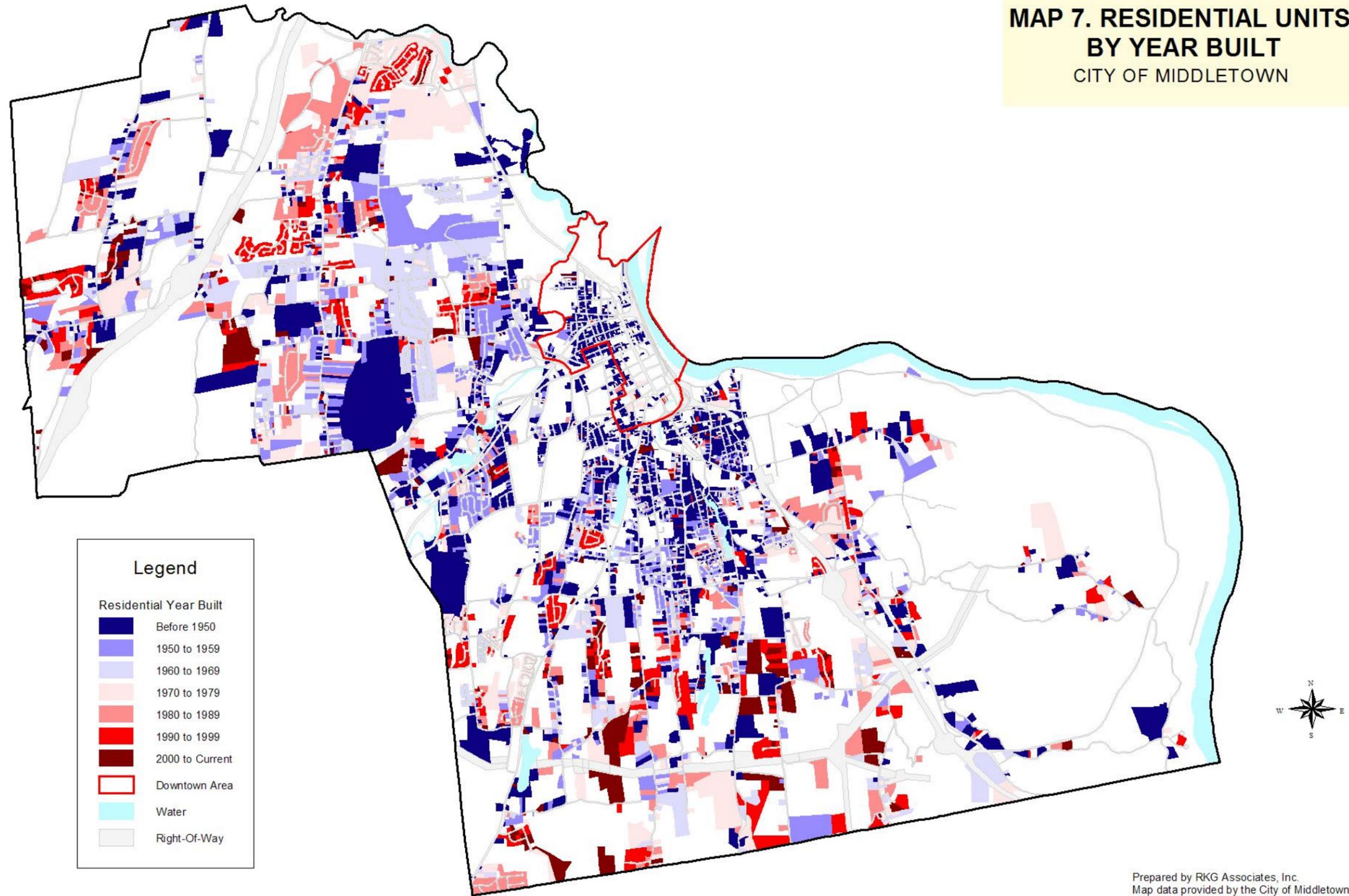
MAP 5. TOTAL VALUE PER ACRE
CITY OF MIDDLETOWN



MAP 6. TOTAL VALUE PER ACRE DOWNTOWN AND STUDY AREA
CITY OF MIDDLETOWN



**MAP 7. RESIDENTIAL UNITS
BY YEAR BUILT
CITY OF MIDDLETOWN**



MAP 8. RESIDENTIAL UNITS BY YEAR BUILT DOWNTOWN AND STUDY AREA CITY OF MIDDLETOWN

