

## Market Assessment – Armstrong Court (Greenwich)

### I. Description Of Property - Moderate Rental Housing

**Subject Property Description & Location** –Armstrong Court is a Moderate Rental apartment complex located on 14 acres in the Byram section of Greenwich, a neighborhood that borders New York. It is one of four state moderate rental properties in town owned and managed by Greenwich Housing Authority. It is also the agency's largest property with 144 units and one of its oldest dating to 1951. In addition to the residences, Armstrong Court is also houses Greenwich's Family Center First Step Center & Kids Corner which provide day care and preschool services.

Building layout at the Subject Property consists of six three-story residential buildings of varying sizes, all representing walk-ups. Each building includes covered decks on the upper two floors. Unit mix ranges from one to three bedrooms with two bedroom units accounting for 75% of the unit base.

The Subject Property contains a community room and laundry facilities (2). Residents also have use of two community gardens recently established: one as an organic vegetable garden and other for flowering plants. Tenants, however, must provide their own refrigerator and stove. On-site parking calculates to 1.25 spaces per unit (180 spaces), which seems tight, though ample vacant parking spaces were identified during field inspection (early afternoon).

As a state Moderate Rental Program project, eligibility is based on 100% of HUD's defined Area Median Income or less if a loan program (or grant-loan) or 80% if a straight grant as determined by adjusted gross income. Once admitted, household income can rise to 125% of HUD's defined "very low" income limit before being subject to surcharge or eviction. Rent is based on percentage of adjusted gross income (minus utility allowance) or base rent, whichever is greater. There are no age restrictions under this program.

Base rent ranges from \$371/m for the one bedroom to \$466/m for the 3 bedroom. Utilities are not included in the rent, but a utility allowance is provided ranging from \$30/m to \$40/m depending on unit type. In September 2012, four vacancies were reported at the Subject Property. During the same period the standing waiting list stood at 738 applicants representing a consolidated list among four moderate rental properties owned and operated by Greenwich Housing Authority.

Below is chart on unit mix.

**Armstrong Court**  
1-5 Armstrong Court  
Greenwich, CT, 06830

Type	Property Type	Baths	# of units	Living Area SF	Base Rate	Utility Allowance
1 Bedroom	Flat	1	12	400 sf	\$371	\$30
2 Bedroom	Flat	1	108	450 sf	\$423	\$36
3 Bedroom	Flat	1	24	n/a	\$466	\$40
<b>Total</b>			<b>144</b>			

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**Additional Property Info**

<b>Property Type</b>	Family
<b>Program</b>	SR Moderate Rental
<b>Year Built</b>	1951
<b>Parking</b>	180
<b># of Buildings</b>	6 Residential Buildings – 1 preschool/daycare bldg
<b>Acres</b>	14.3
<b>Handicap Units</b>	0
<b>Vacancy</b>	4 (9-30-2012)
<b>Waiting List</b>	738 (consolidated list with three other Mod Rental complexes)
<b>Owner</b>	Greenwich Housing Authority

***Subject Property Features and Amenities –***

- Utilities Provided in Rent: *None (Utility Allowance: \$30-1BR/\$36-2BR/\$40-3BR)*
- Refrigerator: *No (tenant provides)*
- Stove: *No (tenant provides)*
- Microwave: *No*
- Laundry Room: *Yes*
- Hook-Up: *Yes*
- Community Room: *Yes*
- Elevators: *No*
- Other: *Pre-School Day Care Center on site*



Armstrong Court  
Bldg at North End of  
Property



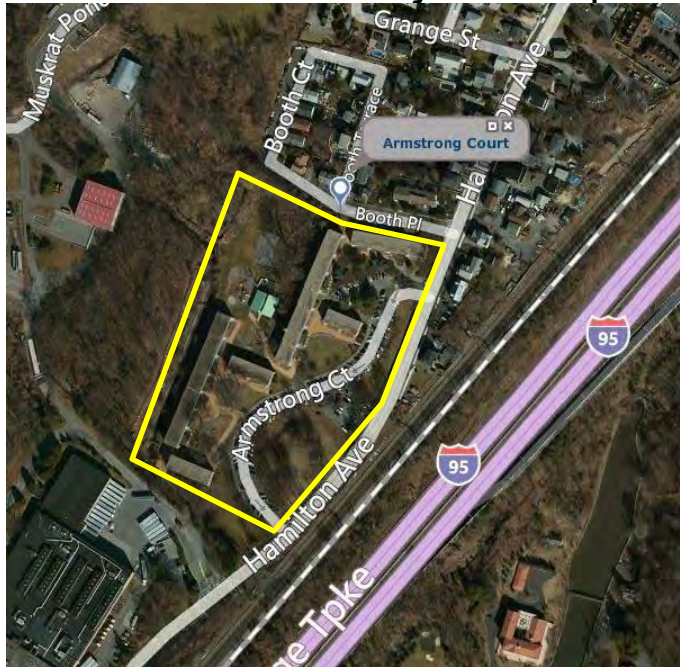
Armstrong Court  
Typical Bldg  
Configuration



## II. Description of Site and Neighborhood

**Map of the Area** – Below is Exhibit 1a & 1b : Site Locator Map identifying the Subject Properties in relation to surrounding transportation corridors, land uses and physical features.

**Exhibit 1a – Subject Site Map**



**Exhibit 1b – Subject Site Map**



***Neighborhood Description & Land Uses*** – The Subject Property is located in the Byram neighborhood of Greenwich off Hamilton Avenue, which runs parallel to I-95 Interstate to the north. Byram is a densely populated community tucked in the southwestern corner of Greenwich bordering New York and the town of Port Chester. Upper Byram north of the highway is one of the more diversified districts in Greenwich supporting a broad ethnic base with many residing in the modest single and multi-family homes on small lots that largely define the area.

Hamilton Avenue is a mixed-use corridor that turns into Railroad Avenue and eventually links up to Greenwich Downtown District 1.5 miles to the east. To the west, Hamilton Avenue slips under the Interstate (turning into Ritch Ave) and then wraps around the 30-acre Byram Park, a highly regarded town park fronting Long Island Sound containing picnic areas, baseball fields, tennis courts, boating facilities and the town's only public swimming pool. Meanwhile, the most significant land use in the immediate area outside the Subject Property is the Bimbo Bakeries manufacturing and distribution center located next door. Bimbo Bakeries is recognized as one the largest bakery companies in the US.

Local Shopping and service options for residents at Armstrong are found either on Boston Post Road (Route 1), a busy commercial corridor accessed 1/2 mile north of Subject Property, Byram's own small commercial district along Mill and Water Streets or to the east in downtown Greenwich. In addition, the recent retail redevelopment Port Chester in neighboring New York has greatly expanded shopping opportunities for local Bryam residents.

The Greenwich school system, which rates among the state's best performing district, is a major draw for residents to the area. Both the elementary school and middle school attended by Armstrong students is an easy five minute drive from the Subject Property.

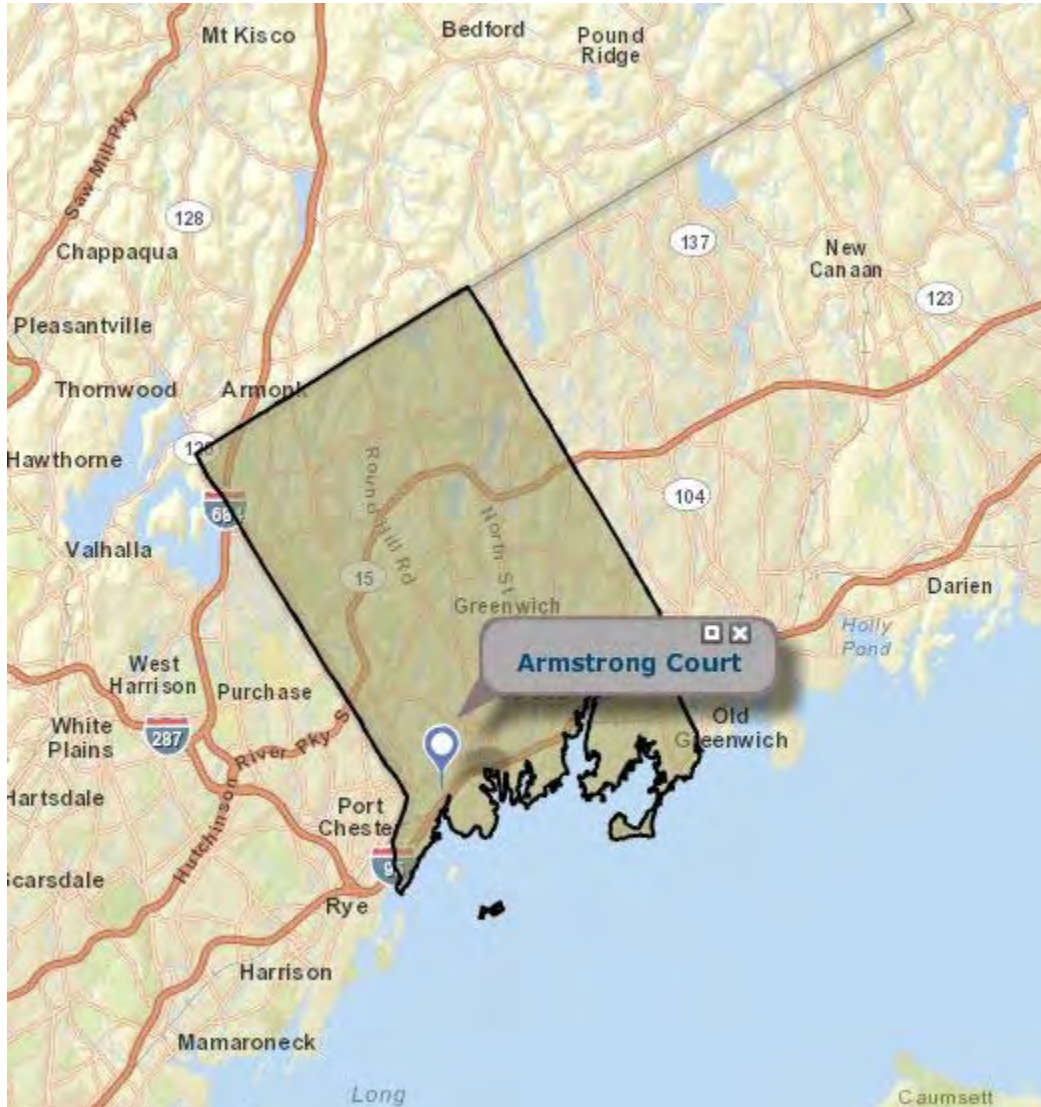
***Access*** – The Subject Property enjoys excellent access to major corridors in the area including I-95 with an interchange just minutes west of the complex off Rich Street. Public bus transportation is also available on Hamilton Avenue with a convenient bus stop located directly in front of the complex. Meanwhile local commuter train service (MetroNorth) is available in Downtown Greenwich 1.5 miles east, while regional train service via Amtrak can be accessed in Stamford 15-20 minutes from the Subject Property.

***Delineation of Market Area*** – The primary **Source Market Area** (SMA) of demand for units at the Subject Property is defined as Greenwich and Stamford.

The Competitive Trade Area is the geographic area within which we expect the majority of prospective households to consider affordable housing alternatives. Factors that are considered in the establishment of the Competitive Trade Area include consistency in housing options, access to housing options, distance from the subject property and character of neighborhood. For purpose of this analysis, we have defined the **Competitive Trade Area** to be Greenwich.

*Refer to Exhibit 2 on following page for map of the Competitive Trade Area.*

## Exhibit 2 – Competitive Trade Area Map



### III. Economics & Demographics of Market Area

[PLEASE REFER TO MARKET BRIEF IN THE APPENDIX ON TRENDS RELATED TO ECONOMIC AND DEMOGRAPHIC TRENDS FOR THE AREA]



## IV. Rental Survey

### *Housing Rental Survey Summary Analysis –*

Greenwich is a sizeable town of 61,171 residents as of 2010. And like many towns located in lower Fairfield County, it is very affluent with estimated median income of \$125,266 in 2011. In one respect, however, Greenwich differs substantially from its wealthy suburban neighbors in that the town reports a relatively high rental occupancy rate. In 2010, the rate was 33% up from 31% in 2000. Many of its surrounding suburban neighbors operate at half this rate. A good portion of this rental occupancy is driven by the corporate relocation market. However the town also supports a relatively diverse population base with close to 18% of the town's households reporting earnings under \$50,000, while ratios for race and ethnicity for certain sectors approach levels seen county-wide.

While Greenwich's housing and population may be more diverse than some of its neighbors, rental housing costs are some of the highest in the state. Our rent survey of Greenwich identified no market rate alternatives in managed apartments in town that would represent viable alternatives for residents at the Subject Property.

Outside what is available through the Housing Authority and various non-profits, the most affordable market rate rental options in town are linked to multi-family rentals. Thus the rent survey included in this report is presented herein largely to illustrate the apartment rental marketplace for apartments in town<sup>1</sup>. However in terms of estimating competitive rents, we have relied more on the multifamily data associated with MLS rental sales over the apartment data. Greenwich's multi-family base is modest in size but as a market sector it serves an important role in providing the more affordable rental alternatives in town.

*Below is a summary of the results of the rental survey within the market area.*

### **Summary of Rental Market Analysis**

A summary of the rental analysis indicates the following market factors:

- In the survey of multi-family rentals Greenwich, one bedrooms averaged \$1375/m, two bedrooms averaged \$1835/m and three bedrooms averaged \$2210/m.
- Unit sizes among the multifamily rentals in Greenwich averaged: 729 sf, 1051sf, and 1433sf, for one, two and three bedroom unit, respectively.
- Four market rate managed apartment complexes were identified in Greenwich. Average rental rates among the complexes calculated to: \$2422/m for the one bedroom; \$3410 for the two bedroom; and \$3417/m for the 3 bedroom. It is noted that the rates presented in the chart represent the low end of each unit type offered at each of the four complexes.

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<sup>1</sup> In terms of market share, Greenwich condo rentals comprise the vast majority of the rental market in town –many representing conversions from former apartments, while managed apartments represent a small minority. Multi-family rental market in Greenwich is also modest but larger than apartments. Greenwich also has a very active single family home rental market.

- Three of the four complexes indicated no vacancies.

A summary of the Greenwich Multi-family rental sales is provided in Table 1a below. On the following page, Table 1b summarizes the Rental Survey of Market Rate Apartments in Greenwich.

**Table 1.a**

Multi-family Rental - 1 Bedroom - Greenwich								
Address	Property Type	Age	BRs	Bath	Unit Size	Rent Price	\$/Sq. Ft	Utilities
75 View Street		1928	1	1	500	\$1,000	\$2.00	
26 Rippowam Road	Colonial	1985	1	1	900	\$1,200	\$1.33	
32 Greenwich Ave #1	Colonial, Ranch	1875	1	1	650	\$1,250	\$1.92	Heat & HW
4 Moshier Street	Cape	1959	1	1		\$1,350		All Utilities
59 Church Street #6	Hi-Rise	1915	1	1		\$1,400		H&HW
106 Pemberwick Road #3	Colonial	1923	1	1	750	\$1,400	\$1.87	All Utilities
36 Arch Street #3A		1900	1	1		\$1,500		
77 Strickland Road #B	Colonial	1950	1	1	900	\$1,500	\$1.67	
118 Greenwich Ave #1		1905	1	1	600	\$1,550	\$2.58	Heat
89 Valley Road	Cape	1928	1	1	800	\$1,600	\$2.00	
<b>Average</b>					<b>729 sf</b>	<b>\$1,375</b>	<b>\$1.91</b>	

Source: CT-MLS

Multi-family Rental - 2 Bedrooms - Greenwich								
Address	Property Type	Age	BRs	Bath	Unit Size	Rent Price	\$/Sq. Ft	Utilities
110 Halstead Ave	Colonial	1938	2	1	975 sf	\$1,500	\$1.54	Heat & HW
1 Grigg Street #3	Ranch	1925	2	1	850 sf	\$1,650	\$1.94	Heat
146 N Water Street #2		1900	2	1		\$1,650		
175 North Henry Street	Colonial	1970	2	1	1,200 sf	\$1,750	\$1.46	Heat & HW
6 Capalbo Place #2		1977	2	2	1,100 sf	\$1,850	\$1.68	All
53 Moshier Street #B	Colonial	1930	2	1	960 sf	\$2,000	\$2.08	
45 Moshier Street	Half Duplex	1973	2	1	1,373 sf	\$2,300	\$1.68	
63 Pemberwick Road #C	Barn	1983	2	1	900 sf	\$1,980	\$2.20	
<b>Average</b>					<b>1051 sf</b>	<b>\$1,835</b>	<b>\$1.80</b>	

Source: CT-MLS

Multi-Family Rental - 3 Bedrooms - Greenwich								
Address	Property Type	Age	BRs	Bath	Unit Size	Rent Price	\$/Sq. Ft	Utilities
29 Arthur Street 2nd Floor	Colonial	1972	3	1	1,100 sf	\$1,750	\$1.59	
104 Pemberwick Rd			3	1		\$2,100		
77 Strickland Road #A	Colonial	1925	3	2	1,700 sf	\$2,300	\$1.35	
445 West Putnam Ave #2		1913	3	2.5	1,500 sf	\$2,400	\$1.60	
87 Stictland Road	Duplex		3	2		\$2,500		
					<b>1433 sf</b>	<b>\$2,210</b>	<b>\$1.51</b>	

Source: CT-MLS



**Table 1b**  
**Rental Survey of Market Rate Apartment– Greenwich\***

Property	Total Units	Prop. Type	Age	1 BR	1BR size	\$/sf	2 BR	2BR size	\$/sf	3 BR	3BR size	\$/sf	Utility In Rent	Unit Availability
<b>Putnam Green</b> 31 F Putnam Green Greenwich, CT	66	Garden		\$1855	743	\$2.48								Studio Available
<b>Greenwich Place</b> 31F Putnam Green Greenwich, CT	200	Garden		\$2020	678	\$2.97	\$2940	1053	\$2.79	\$3435	1543	\$2.22		None
<b>Greenwich Oaks</b> 255 Weaver St Greenwich, CT	130	Garden Ranch		\$3665	1426	\$2.57	\$4290	1594	\$2.69					None
<b>Greenwich Shore</b> 124 W. Ritch Ave Greenwich, CT	50	Low Rise		\$2150	760	\$2.82	\$3000	1053	\$2.85	\$3600	1294	\$2.78		None
<b>Average</b>				<b>\$2422</b>	901	2.71	<b>\$3410</b>	1233	\$2.77	<b>\$3517</b>	1481	\$2.50		

Source: Property Managers, Internet, Rental Agents \* These complexes represent the market base for managed apts in Greenwich but have not been used for determining competitive rents for Subject Property.

**Survey of Affordable Family Housing**– In order to better understand the options for family housing in town, a survey was undertaken of affordable housing in open age complexes in Greenwich. This survey revealed a surprising number of affordable housing complexes for families in town equaling 24 properties with 437 units. However, most are associated with small complexes of four units or less. The six properties listed on in Table 2 below account for 90% of affordable family units identified as part of the survey. The largest complexes in town are all owned and managed by Greenwich Housing Authority, inclusive of the Subject Property. Four of these properties are state moderate rental programs which as of September 2012 essentially reported no vacancy. Over the same period the combined waiting list for the four properties had grown to 738 applicants.

*Refer to Table 2 below for results of survey of affordable family housing complexes in Greenwich.*

**Table 2**  
**Survey of Affordable Family Housing – Greenwich**

Property Name	Address	Owner	Public Funder	Deter. Of Rent	Family Units	Age	Vacancy/ Waitlist
Adams Garden Apts (Subject Property)	4-96 Bertolf Rd	Greenwich HA	CHFA	Base Rent	80	1949	0*/738**
Armstrong Ct	1 Armstrong Court	Greenwich HA	CHFA	Base Rent	144	1951	1*/738**
McKinney Ter I	73 Vinci Dr	Greenwich HA	CHFA	Base Rent	21	1988	0*/738**
Town Hall Annex	27 Havermeyer Pl	Greenwich HA	CHFA	Base Rent	28	1984 Rehab	0*/738**
Brookside Apts	50 Brookside	Pathways Inc	HUD	Income	12	Vintage	
Wilber Peck Ct	Wilber Peck Court	Greenwich HA	HUD	Income	110	1953	0 vac.
<b>Sub Total</b>					<b>395</b>		
<b>Total Town-wide</b>					<b>437</b>		

Source: Internet, Property Owners/Managers

\*Vacancy is as of Sept 2012 as reported in annual Summary Tenant profile

\*\* Waitlist represents consolidated list between Adams Gar., Armstrong Ct., McKinney Ter. I, and Town Hall Annex

## V. Analysis of Current Tenant Base

### *Demographics-Economics-Rent Structure of Current Tenant Base:*

- Total Units: **144**
- Total Occupied Units: **140** \* As of 9-30-2012
- Total Residents: **370 (15–single HHs)**
- Total # of Children: **n/a**
- Average Age: **48**
- % Minority: **94% (132 HH)**
- % of HH over 62: **17% (24 HHs)**
- % at Base Rent or below: **41% (58 HHs)**
  
- Income Below 25%AMI: **59% (85)**
- Income 25% at 50% AMI: **31% (44)**
- Income 50% AMI or greater: **10% (14)**
- Average Income: **\$26,944**
- Average Tenant Rent: **\$697, 1 BR/  
\$609, 2 BR/  
\$723, 3 BR**
  
- Waiting List: **738 (consolidated list for 4 mod. rental complexes)**

### **Armstrong Court - Income Distribution**

<b>Resident HH Income</b>	<b>Rent Equivalent</b>	<b>% of HH</b>
< \$10,000	\$250	10%
\$10000-\$15000	\$250-\$375	14%
\$15000-\$20000	\$375-\$500	14%
\$20000-\$25000	\$500-\$625	17%
\$25000-\$30000	\$625-\$750	13%
\$30000-\$35000	\$750-\$875	6%
\$35000-\$40000	\$875-\$1000	7%
>\$40000	>\$1000	20%

## VI. Conclusions/Recommendations

### a. Rent Structure Opportunity

#### **Market & Property Factors**

##### Positives

- Close to shops and services
- Convenient to employment centers (Greenwich, Rye-Port Chester, Stamford)
- Complex on a public bus line
- Well-Regarded Public Schools
- Pre-school facility on site

##### Challenges

- Lack of Kitchen Appliances
- Very small unit sizes – particularly for 2 and 3 BRs
- Over-concentration of 2 BRs/ better mix calls for 60-65% 2BRs vs 75% 2BR.
- Walk-up configuration of building

*Below is a summary of data compiled on Subject Property and average rents identified within various market segments. **Considering the unit size (well below market standard), age, layout, amenities and utility configuration of the subject units including fact tenant is responsible for providing kitchen appliances, a rental range of \$700 to \$800 for the 1 BR, \$875 to \$950 for the two bedroom, and \$975 to \$1050 for the 3 Bedroom would be considered competitive with the area inventory involving properties with basic amenities.** (Disclaimer – this is not a projection of what could be achieved at the subject property, which would need to consider income eligibility parameters, target market and policy goals of the program, nor an “estimate of rent value”<sup>2</sup>, but a statement of possible rent ranges that have the potential of being competitive in the marketplace if no affordable housing restrictions were in place).*

Unit Type	Subject Property	Subject Property	Local Market Alternatives	Stamford West Side Multi-family	Greenwich MLS Multifamily	Greenwich MLS Condo	Greenwich Managed Apartments
	Base Rent	Avg Rent	Avg Rent		Avg Rent	Avg Rent	Avg Rent
<b>Studio</b>							
<b>1 BR</b>	\$412	\$491	\$1375	\$1230	\$1477	\$1944	\$2422
<b>2 BR</b>	\$465	\$797	\$1875	\$1425	\$2177	\$3940	\$3410
<b>3 BR</b>	\$513	\$896	\$2210	\$1800	\$3150	\$4523	\$3517

<sup>2</sup> Among Market Analysts and Appraisers the term “Estimate of Rent Value” has a distinct meaning calling for analytical process for determining value, typically requiring at a minimum a Rent Comparability Study. The “Estimate of Rent Value” study includes the use of a Rent Comparability Grid for valuing and documenting adjustments to comparables in order to calculate an “estimate of rent” for the Subject Property. The Market Assessment conducted herein is designed to offer a broad assessment of the market environment and a statement on possible rents for subject units potentially competitive within the marketplace, discounting any age or income restriction or other program parameter in affect at the subject property. These factors along with issues related to policy goals and market served would need to be considered as part of any final rent determination.



### ***Tenant Base Income Trends***

- A comparison of tenant income profiles for the Subject Property for the years 2003 and 2012 could not be undertaken due to lack of data for 2003.

<b>Armstrong Court Resident HH Income</b>	<b>Year 2003</b>	<b>Year 2012</b>
< 25%AMI	N/A	85 (59%)
25-50% AMI	N/A	44 (31%)
50%-80% AMI	N/A	14 (10%)
Occupancy		99%

Source: CHFA Tenant Profile Report

### ***Market Depth***

To evaluate the capacity for rent restructuring at the Subject property, we have performed a market penetration analysis. This type of analysis bases its assessment of potential market capture on the relationship between the size of the development and its target market, taking into consideration housing options likely to compete with the Subject Property.

The market penetration rate represents the share of eligible target market that the Subject Development must capture in order to achieve full/optimum occupancy, assuming all existing and planned facilities are operating at capacity.

As a first step in testing market depth for Rent Stratification, we must first estimate the number of renters from homeowners by income in the primary source market area (*in this case the Primary Source Market Area is defined as Greenwich and Stamford*). We assume that most, if not all of the market for the available units will come from households renting homes, rather than from those who are homeowners. As this data is not available at town level for 2010, we start by using data from both 2010 Census and American Community Survey 2011 to arrive at distribution within the county, the lowest level for which current tenure HH data by income is available. Using that data, an adjustment factor was applied to better reflect the tenure base of the the Source Market Area (SMA)<sup>3</sup>.

	<b>Fairfield County Tenure Distribution</b>		<b>Adjustment Factor – Greenwich Area</b>	
<b>Income Distribution</b>	<b>Rent</b>	<b>Own</b>	<b>Rent</b>	<b>Own</b>
under 15,000	66%	31%	73%	27%
15000-25000	63%	37%	68%	32%
25000-35000	49%	51%	56%	44%
35000-50000	44%	56%	52%	48%

Source: US Census 2010, American Community Survey, 2011

<sup>3</sup> The adjustment was determined based on the ratio of ownership in the SMA to County home ownership.

The chart below reflects estimated distribution of family households in the Greenwich SMA by tenure and income. Based on our analysis of tenure by income, we estimate the primary Source Market Area contains 13401 households whose incomes fall within the income threshold for the target market of which 8208 are renters. The chart also shows current distribution within the Subject Property of family households by income. *It is noted that according to rent roll for September 2012, a total of 13 households at Armstrong Court reported incomes exceeding \$50,000.*

Greenwich SMA Income Distribution (Adj. Gross)	Source Mkt HH 18-64			Subject Property
	Total	Rent	Own	
under 15,000	3585	2626	959	34
15000-25000	2346	1597	749	43
25000-35000	2904	1626	1278	26
35000-50000+*	4566	2359	2207	37
<b>Total</b>	<b>13401</b>	<b>8208</b>	<b>5193</b>	<b>140</b>
<b>Vacancy</b>				4
			<b>Total Units</b>	<b>144</b>
*Note: 24 HHs reported earnings between \$35,000-\$50,000 and 13 HHs reported earnings between \$50,000-\$84,327				

Source: US Census 2010, American Community Survey, 2011

### ***Other Factors for Determining Market Depth***

Other defining factors in determining market capacity of the source market for the proposed rental units of the Subject Property is overall rental turnover in the marketplace and expected absorption of units by source market renters.

- Based on discussions with area property managers and census data on mobility patterns, we have assumed a 30% turnover rate within the market place with respect to renters.
- Relative to market penetration, we have assumed that 80% of the units will be filled by residents in Greenwich SMA.

As a rule, for housing projects looking to capture very low income households, market penetration rates of 10 to 20% attest to the project's potential feasibility (and often higher depending on an areas housing availability at such income levels) assuming most or all existing housing options are operating at capacity. As you ratchet up the income brackets and come closer to a household's financial ability to find housing in the broader market, more conservative penetration rates are applied to test feasibility/potential depth of market. Thus at income brackets \$25,000-\$50,000 rates of 3 to 5% are being applied to test market depth.

To assist in determining potential for rent structuring, we looked at both market depth on an annual based on assumption of turnover per year in the marketplace as well as the potential demand overall among all households 18-64 years of age within the source area in each bracket. Our analysis of potential demand annually was compared with estimate of senior households from source market currently in the property.

In the chart below are the results on the analysis for estimating demand on an annual basis. Notably in terms of market depth, we identify highest counts at the lower incomes levels \$25,000 and below. At incomes below \$25,000, source market potential shows 133 units. While above \$25,000, the potential market base is estimated at 37 units based on a 3 to 5% penetration of market.

Greenwich SMA	Source Market - HH 18-64 Years				
Income Distribution (Adj. Gross)	Total	Rent	Turnover ratio	# Renters Moving	Current HH Tenants
under 15,000	3585	2626	30%	788	34
15000-25000	2346	1597	30%	479	43
25000-35000	2904	1626	30%	488	26
35000-50000+	4566	2359	30%	708	37
					140
Vacancy					4
Total	13401	8208	5193	2462	144

Potential capture rates:		Annual Potential Capture Rate	Current # HHs at Sub. Prop
under 15,000	15%	95	34
15000-25000	10%	38	43
25000-35000	5%	20	26
35000-50000+	3%	17	37
Total		169	140

\* Formula = ( # Renters Moving X % from Source Mkt) X Potential Capture Rate  
Source: US Census 2010, American Community Survey, 2011

In the chart below, we identify the capture potential for total number of households below age 65 within the defined source market area at each income bracket without consideration to turnover.

Greenwich SMA	HH 18-64		Aggregate Capture Potential Total HH	
Income Distribution	Total	HH Renters	Capture Rates	Total HH Capture Potential
under 15,000	3585	2626	15%	394
15000-25000	2346	1597	10%	160
25000-35000	2904	1626	5%	81
35000-50000+	4566	2359	3%	71
Total	13401	8208		706

Source: US Census 2010, American Community Survey, 2011

### ***b. Recommendations for Improving Marketability***

As noted above, biggest marketing challenges associated with the property is linked to its age, size of units and requirement that tenants supply their own appliances. Otherwise - based on a field inspection of the Subject Property, buildings and grounds appear to be in fair to good condition. We believe, without the benefit of viewing units, that any needed

steps for improving marketability at the Subject Property would be confined to interior improvements – including adding kitchen appliances, upgrading cabinets, improvements to baths, ADA upgrades, etc.

### ***c. Redevelopment Scenario***

From a Market perspective, we believe Armstrong Court represents a good candidate for a redevelopment scenario involving upgrades or even new construction that addresses a number of market issues affecting the present complex, particularly with unit sizes and mix<sup>4</sup>. We believe such improvements would present an opportunity to gain deeper penetration of the market base earning 50% to 80% AMI. A similar case for redevelopment scenario was given for Adam Garden Apts, a smaller state moderate rental located on the east side of Greenwich – though Adams Garden showed more promise for including some market rate units along with affordables.

As shown in the rental survey, rents in Greenwich are extremely strong and vacancies low. Meanwhile, evidence of strong demand for affordable housing is found in both the long waiting list (738 applicants for the four mod. rental complexes) and market depth analysis. Additionally, the Armstrong Court rent roll revealed that 9% of the units (13 units) are occupied by households at over \$50,000 with six at HH incomes over \$60,000<sup>5</sup>. Evidence of market interest at this income range is notable given the age and obsolescence of the property including the requirement for tenants to provide their own appliances. Unit sizes at Armstrong are also significantly below market standards based on information provided on unit configuration.

Stamford HA has demonstrated that such mixed-income redevelopments can be very successful –if well sited and designed - as shown in several conversions of existing public housing in its West Side neighborhood (all new construction projects). In terms of marketability, we believe the Subject Property actually represents a much stronger market opportunity than those undertaken on the West Side of Stamford. For the present, we recognize that in terms of Armstrong Court, vacancy is not a major issue with a waitlist backlog of over 700 households for the four moderate rental properties. However, as noted with Adams Gardens which was built in 1949, Armstrong Court is similarly one of the more vintage properties in the portfolio with on-going maintenance costs and service requirements likely to become harder to control and manage with age.

On the other hand as a new or even substantially upgraded mixed income development that incorporates the latest in sustainable design and energy efficiency, we believe there would be substantial interest from higher income households at the Subject Site (though still below 80% AMI) given its excellent access to nearby goods and services, proximity of multiple transportation options (bus, I-95, Train-metro north) as well as Greenwich resources that include its highly rated schools, parks and beaches, museums<sup>6</sup>. Depending on the scale of the redevelopment undertaken, an increase in competitive rent capacity by as much as 25% to 50% is certainly possible compared to present rent capacity of the Subject property in its current condition and configuration.

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<sup>4</sup> In the case of a new construction scenario, the issue of walk-ups involving multiple floors could also be targeted.

<sup>5</sup> For Greenwich, the income base at 80% AMI is \$92,240, translating to qualified rent of \$2,306/m.

<sup>6</sup> The case for a mixed income redevelopment involving market rate units would be unlikely unless all new construction.



**APPENDIX**  
**PROPERTY PHOTOS**  
**MARKET BRIEF**



Armstrong Court  
Front of Building



Armstrong Court  
Back of Building



Armstrong Court  
Brick Paver Walkways



Armstrong Court  
Basketball-Playground Area





Armstrong Court  
First Steps – PreschoolBldg



Armstrong Court  
Community Garden



## Connecticut Towns: Market Assessment Briefs

**Town:** *Greenwich, CT*  
**County:** *Fairfield County*

### 1. Economic Trends

#### Major Employers - Greenwich

Employer	Sector
Town of Greenwich	
Greenwich Hospital	
Bimbo Bakeries Inc	
Blue Sky Studios	
Greenwich Woods Health Center	

Source: CERC Town Profile

The town of Greenwich and Greenwich Hospital are the town's top employers accounting for 12% of the job base in town. A recent relocation to Greenwich is Blue Sky studios, an academy award winning animation studio with 400 employees.

#### Key Economic Sectors - Greenwich

Industry Sector - 2011	% Share of Jobs
Finance & Insurance	22.8%
Health Care	11.8%
Retail Trade	10.3%
Government	9.3%
Accom. & Food Services	6.8%

Source: CT Dept. of Labor

Financial services, principally hedge fund management, is the dominant economic driver in Greenwich. Outside of New York City, there is no greater concentration of hedge fund management in the country or much of the world. Health care, Retail Trade, Lodging (Hilton Greenwich) & Food services, Arts & Entertainment also comprise important components of the town economic base.

#### Labor Force & Employment Trends

Labor Force + Employment	Greenwich	Fairfield County
Labor Force-2011	30,084	481,769
Unemployment -2011	6.5%	8.0%
Total Employment -Workplace	34,788	403,196
2005 - 2011 - Annual Growth	0.0%	-0.4%
2010 - 2011 - Annual Growth	-1.3%	6.4%

Source: CT Dept. of Labor

Despite economic exposure to the financial crash of 2008, unemployment in Greenwich never exceeded 6.8% reached in September 2009 and has since leveled out to 6.0% as of August 2012. The town's employment base, however, has yet to fully recover with Retail Trade, Financial Management and government still well under levels reported in 2005.

## Connecticut Towns: Market Assessment Briefs

**Town:** *Greenwich, CT*  
**County:** *Fairfield County*

### 2. Demographic Trends

#### Population Trends

Population	Greenwich	Fairfield County
<b>2000 Total population</b>	61,101	882,567
<b>2010 Total Population</b>	61,171	916,829
<b>Annual Percentage Growth</b>	0.01%	0.38%
<b>2011 Total Population (est)</b>	61,381	918,594
<b>2016 Total Population (proj.)</b>	62,215	930,650
<b>2011– 2016 Annual Rate</b>	0.27%	0.26%

Source: 2010 Census, ESRI Business Systems

Overall population numbers in Greenwich barely budged last decade increasing by only 71 persons. Population projection for the next five years are somewhat better with growth rates of 0.27% annually expected.

#### Household Trends

Household	Greenwich	Fairfield County
<b>2000 Total Households</b>	23,230	324,232
<b>2010 Total Households</b>	23,076	335,545
<b>Annual Percentage Growth</b>	-0.07%	0.34%
<b>2011 Total Households (est.)</b>	23,145	336,205
<b>2016 Total Households (proj.)</b>	23,440	340,435
<b>2011– 2016 Annual Rate</b>	0.27%	0.25%

Source: 2010 Census, ESRI Business Systems

Greenwich experienced household decline in the last decade in sharp contrast to annualized growth of 0.34% for the county. This trend is expected to reverse over the near term with growth rates matching the county.

#### Race & Ethnicity

##### % Share of Population

Population - 2010	Greenwich	Fairfield County
<b>White Alone</b>	86.0%	74.8%
<b>Black Alone</b>	1.9%	10.8%
<b>Asian Alone</b>	7.7%	4.6%
<b>Hispanic (Any Race)</b>	10.0%	16.9%

##### Change - 2000 to 2010

<b>White Alone</b>	-4.4%	-5.7%
<b>Black Alone</b>	11.8%	8.0%
<b>Asian Alone</b>	48.1%	-2.1%
<b>Hispanic (Any Race)</b>	58.7%	42.0%

Source: 2010 Census, ESRI Business Systems

Greenwich is somewhat more diverse than many of its suburban neighbors along Fairfield County's Gold Coast. Hispanics account for 10% of the population base, while Asians represent nearly 8%.

## Connecticut Towns: Market Assessment Briefs

**Town:** *Greenwich, CT*  
**County:** *Fairfield County*

### 2. Demographic Trends (Cont'd)

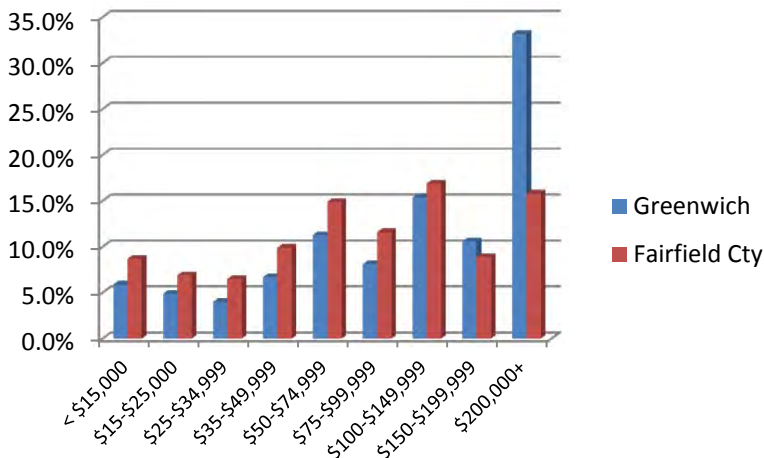
#### Median Income

Median HH Income	Greenwich	Fairfield County
<b>2000</b>	\$99,050	\$64,876
<b>2011 (est.)</b>	\$125,266	\$80,531
<b>Annual Avg % Growth</b>	2.4%	2.2%

Source: 2010 Census, ESRI Business Systems

On a per capita basis, Greenwich is one of the richest communities in the country. In 2011, median income was estimated at \$125,266 annually.

#### HH Income Distribution (2011)



There is little in the way of a bell-curve for income distribution in Greenwich with over one-third of all Greenwich Households reporting incomes of \$200,000 or more. Nearly 60% earn over \$100,000. Under \$100,000 there is more even distribution of income suggestive of a more diverse economic population base.

#### HH Income Distribution - 65+ (2010)

HH's	Greenwich		Fairfield County	
	65-74	75+	65-74	75+
<b>Total HHs</b>	<b>2,901</b>	<b>3,155</b>	<b>37,819</b>	<b>38,134</b>
<b>&lt; \$15,000</b>	4.8%	9.9%	9.5%	17.5%
<b>\$15-\$25,000</b>	5.3%	9.0%	8.1%	13.7%
<b>\$25-\$34,999</b>	3.4%	4.5%	6.3%	9.1%
<b>\$35-\$49,999</b>	7.5%	6.1%	9.4%	9.2%
<b>\$50-\$74,999</b>	13.2%	13.8%	18.2%	14.2%
<b>\$75-\$99,999</b>	9.1%	9.3%	11.9%	10.8%
<b>\$100-\$149,999</b>	12.8%	11.4%	14.4%	9.9%
<b>\$150-\$199,999</b>	8.2%	6.8%	6.2%	4.9%
<b>\$200,000+</b>	35.7%	29.3%	15.9%	10.7%
<b>Med Inc.</b>	<b>\$121,766</b>	<b>\$91,892</b>	<b>\$72,114</b>	<b>\$50,597</b>

Source: 2010 Census, ESRI Business Systems

The income profile of Greenwich's senior population is largely reflective of the broader household population with 32% of its 65+ seniors earning over \$200,000. However not all Greenwich seniors are so well off with 15% at incomes under \$25,000 year.

## Connecticut Towns: Market Assessment Briefs

**Town:** *Greenwich, CT*  
**County:** *Fairfield County*

### 2. Demographic Trends (Cont'd)

#### Poverty Rates

Households - 2010	Greenwich % Total	Fairfield Ct % Total
Married Couple - Family	0.8%	1.2%
Other Family HHs (spouse not present)	1.3%	2.4%
Non-Family HHs	2.5%	4.4%
Poverty Ratio - Total	4.6%	8.0%

Poverty rate in Greenwich is 4.6%, or nearly half that of Fairfield County .

Source: ACS Population Survey, ESRI Business Systems

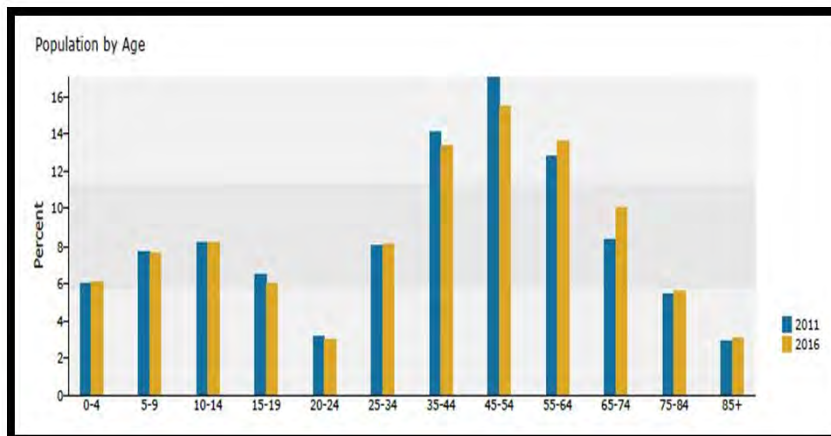
#### Age Trends

Population - 2010	Greenwich % Total	Fairfield Ct % Total
Age 18+	73.3%	75.2%
Age 65+	16.5%	13.5%
Age 75+	8.3%	6.7%
Median Age	42.7	39.4

The age profile of Greenwich is slightly older than the county overall with a greater percentage of 65+ and 75+ seniors.

Source: 2010 Census, ESRI Business Systems

#### Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

The 65+ population in Greenwich is expected to climb to 18.7% by 2016 from 16.4% in 2010. .



## Connecticut Towns: Market Assessment Briefs

**Town:** *Greenwich, CT*  
**County:** *Fairfield County*

### 3. Housing Trends

#### Tenure and Vacancy

HH's	Greenwich		Fairfield County	
	2000	2010	2000	2010
<b>Own-Occp</b>	68.8%	67.1%	69.2%	68.6%
<b>Own-Units</b>	15,981	15,485	224,516	230,167
<b>Rent-Occp</b>	31.2%	32.9%	30.8%	31.4%
<b>Rent Units</b>	7,231	7,591	99,716	105,378
<b>Ttl Occp Units</b>	23,212	23,076	324,232	335,545
<b>Vacancy</b>	5.2%	10.0%	4.5%	7.1%

Source: 2010 Census, ESRI Business Systems

Greenwich's housing profile is considerably more diverse than most of its non-urban neighbors. This is best seen in the town's tenure base which reflects a more even distribution of ownership to rental than found in any other Fairfield County community other than a city. This spread became even tighter with the drop of owner occupancy in Greenwich in 2010 to 67% from 69% in 2000.

#### Housing Characteristics

##### % Share of Total Housing

Structure Type - 2010	Greenwich	Fairfield County
<b>1 Detached</b>	64.0%	58.4%
<b>1-Attached</b>	6.2%	6.2%
<b>2-unit</b>	11.2%	8.6%
<b>3/4 unit</b>	4.9%	8.8%
<b>5+ units</b>	13.6%	18.1%
<b>Total Housing Units - 2010</b>	47,991	361,221

Source: ACS Housing Surveys, ESRI Business Systems

Housing characteristics by structure type in Greenwich closely matches the county overall with 64% of its housing found in detached single family . 13.6% are found in properties of 5 units or more.

#### Rent-occupied Housing by Contract Rent

##### Renters with Contract Rent

Contract Rent - 2010 Distribution	Greenwich	Fairfield County
<b>Under \$200</b>	1.3%	5.8%
<b>\$200-\$399</b>	3.1%	6.8%
<b>\$400-\$599</b>	0.2%	7.0%
<b>\$600-\$799</b>	5.1%	13.5%
<b>\$800-\$999</b>	7.1%	16.3%
<b>\$1000-\$1249</b>	9.9%	16.0%
<b>\$1250-\$1499</b>	10.6%	11.2%
<b>\$1500-\$1999</b>	22.3%	11.6%
<b>above \$2000</b>	28.1%	8.1%
<b>Median Contract Rent</b>	\$1,579	\$987

Source: ACS Housing Surveys, ESRI Business Systems

Although Greenwich offers more options in housing product type and tenure than many area communities, rent rates are far less diverse, with little in the way of affordable rental product. According to the census ACS housing survey, just under 17% of renters in Greenwich have rents of under \$1000/m. Median rent, meanwhile, was estimated at \$1,579, ranking as one of the highest in state.

## Connecticut Towns: Market Assessment Briefs

**Town:** *Greenwich, CT*  
**County:** *Fairfield County*

### 4. Rental Housing Market

#### Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0	N/A				
1	20		\$1,417	51	\$1000-\$1900
2	14		\$2,177	68	\$1300-\$3900
3	7		\$3,150	73	\$2200-\$4500
4	4		\$3,888	50	\$2150-\$6000

Source: CT MLS

(Dom- Days on Market)

#### Condo

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0	N/A				
1	7		\$1,944	62	\$1305-\$3050
2	18		\$3,940	55	\$1950-\$7600
3	14		\$4,523	58	\$2050-\$10250
4	N/A				

Source: CT MLS

(Dom- Days on Market)