

Market Assessment – Mill Ridge & Mill Ridge Ext. (Danbury)

I. Description Of Property - Moderate Rental Program

Subject Property Description & Location – Mill Ridge and Mill Ridge Ext. is a combined 127-unit moderate rental development consisting of 2, 3 and 4 bedroom duplexes. The community of duplexes extends along Mill Ridge Road and Mill Ridge Drive located off Lake Avenue Extension. Danbury Housing Authority offices are located near the entrance to the complex.

According to property data provided, tenants must supply their own refrigerator and stove. Nearly all homes have dedicated pad parking for each unit, and those that don't have ample on-street parking. There is no community building or laundry area but units are supplied with laundry hook-ups according to property data.

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 rents as of September 2012 were \$150/m for the two bedroom duplex unit, \$155/m for the three bedroom unit and \$160 for the four bedroom. Utilities are not included in rent (other than water) however utility allowances ranging from \$150/m to \$160/m are applied. In September 2012, the Subject Property reported 25 vacancies. Meanwhile, a joint waiting list for four Danbury Housing Authority properties inclusive of the Subject Property equaled 168 households for the same period.

Below is chart on unit mix.

Mill Ridge

Mill Ridge Road
Danbury, CT, 06811

Type	Property Type	Baths	# of units	Living Area SF	Base Rate	Utility Allowance
2 Bedroom	Duplex	1	95	959	\$285	\$150
3 Bedroom	Duplex	1	20	1084	\$294	\$155
Total			115			

Mill Ridge Ext

Mill Ridge Drive
Danbury, CT, 06811

Type	Property Type	Baths	# of units	Living Area SF	Base Rate	Utility Allowance
4 Bedroom	Duplex	1	12	1113	\$303	\$160
Total			12			

Data as of September 30, 2012

Additional Property Info

Property Type	Family
Program	SR Moderate Rental
Year Built	1952
Parking	Pad Parking
# of Buildings	58 Buildings (data for Mill Ridge only)
Acres	N/A
Handicap Units	N/A
Vacancy	25 (as of 9-30-2012)
Waiting List	168 (as of 9-30-2012) / list for four properties
Owner	Danbury Housing Authority

Subject Property Features and Amenities –

- Utilities Provided in Rent: *None (Utility Allowance ranging \$150/m-\$160/m)*
- Refrigerator: *No*
- Stove: *No*
- Microwave: *No*
- Laundry Room: *No*
- Hook-Up: *Yes*
- Community Room: *No*
- Elevators: *N/A*
- Other:



Mill Ridge
Mill Ridge Rd



Mill Ridge Ext
Mill Ridge Drive

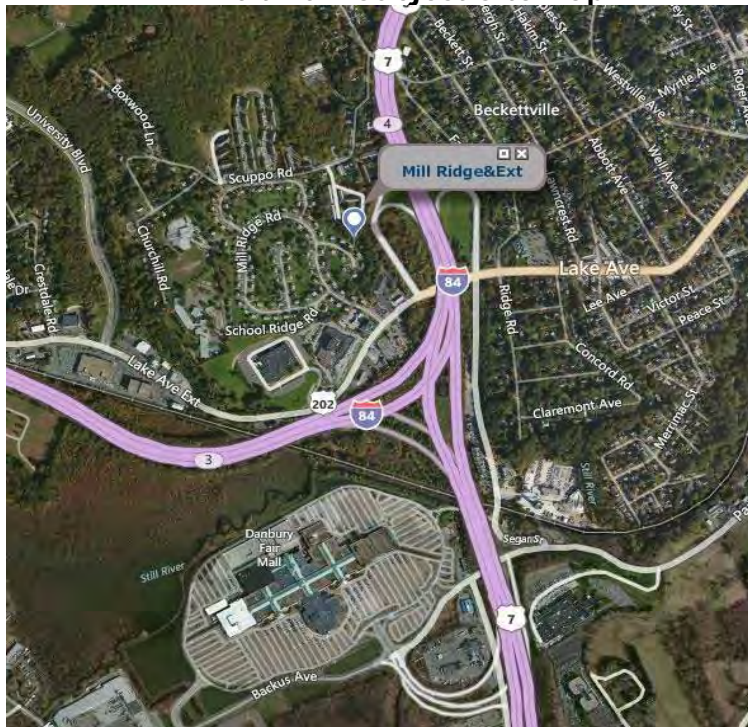
II. Description of Site and Neighborhood

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 – Mill Ridge and Mill Ridge Extension is located in a residential area just north of the I-84 and Route 7 junction off Lake Avenue Extension (Route 6/202). The area is largely defined by the Subject Property which consists of all duplex properties. Located at its entrance on Mill Ridge Road are the offices of Danbury Housing Authority. Also located adjacent to the property is the Mill Ridge Primary Public Elementary School within easy walking distance for most children housed within Mill Ridge.

Shopping and service opportunities are close at hand either on Lake Avenue Extension or at the Danbury Fair Mall. The Downtown is just under 2 miles from the Subject Property.

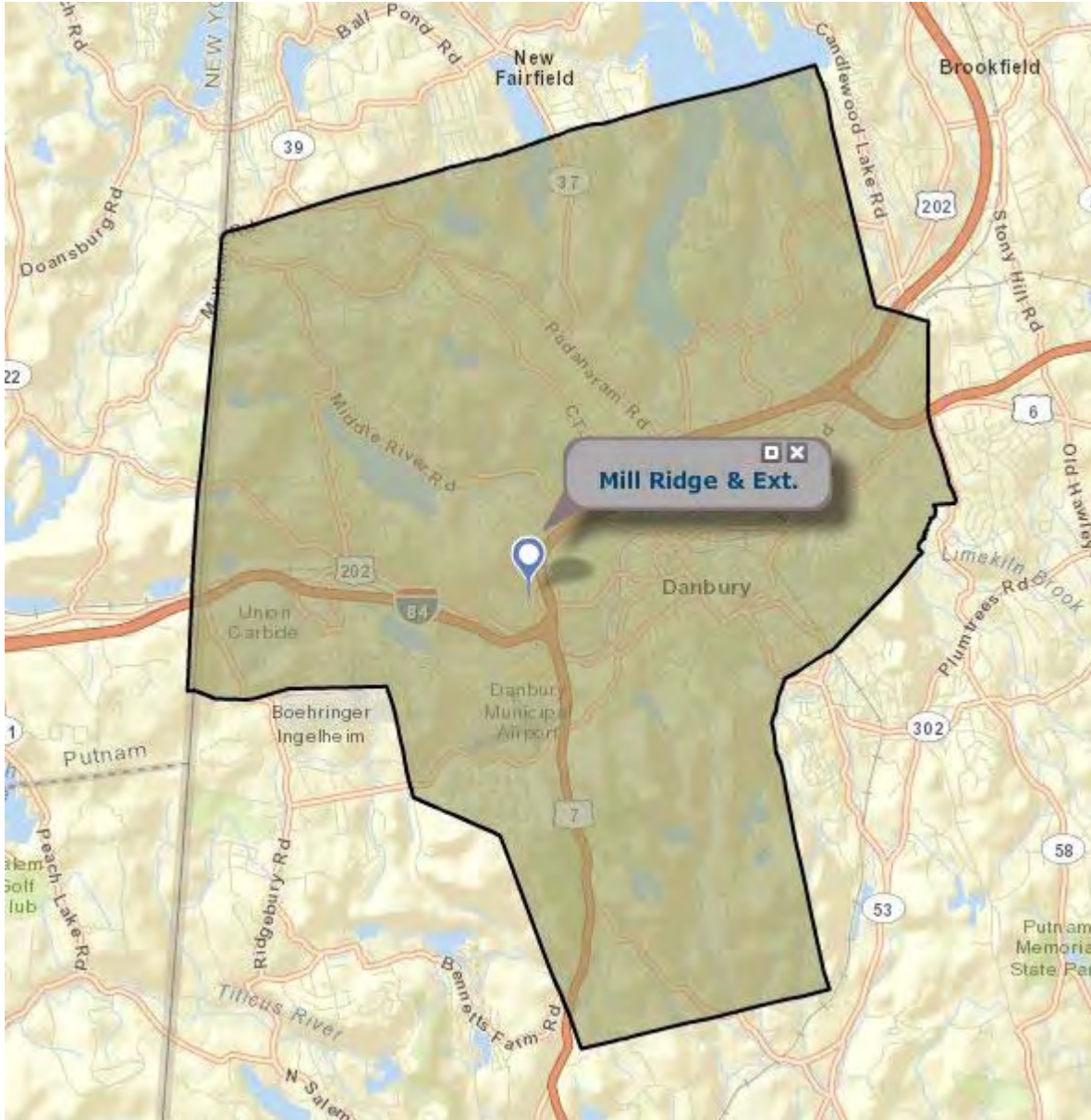
Access – The Subject Property has easy access to both shopping and highways in the area. The interchange for I-84 is just minutes from the Subject Property which also links up with Route 7. Mill Ridge also has direct access to Lake Avenue Extension which turns into Mill Plain Road, a commercial corridor with a broad mix of retail and commercial businesses including a Stop and Shop and CVS pharmacy. For more extensive shopping, Danbury Fair Mall is a five minute drive. Public bus transportation is provided by HarTransit and includes a bus route that takes in the Subject Property providing links to area employment, downtown and region-wide transportation hubs.

Delineation of Market Area – The primary Source Market Area (SMA) of demand for units at the Subject Property is defined as the City of Danbury.

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 Danbury.

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 –

Danbury ranks as one the more affordable locations in both western Fairfield County and neighboring New York counties though compared to the state overall, average home and rent prices are still considerably higher. This relative position of Danbury to the county on housing prices helped boost population growth in the city (80,893 in 2010) by 8% last decade compared to 4% for Fairfield County. A major source of this growth was immigration growth, particularly from Brazil and Central America, as Danbury led the state in proportion of foreign born residents to its overall population.

Rental occupancy in Danbury was 39% in 2010, a slight dip from 42% in 2000. However, the number of rental occupied units remained essentially the same with 11,334 in 2000 vs 11,363 in 2010. Danbury's housing market has seen an influx of new upscale rental housing over the last 15 years which has contributed to rising rates in the city. Most of these complexes are on the outskirts of the city with the more affordable rental product found closer to the center of the city.

Given the rental product at the Subject Property is more comparable to multi-family product than an apartment complex, a survey was undertaken of both closed rental sales on private multi-family units as well as an apartment survey. The apartment rent survey undertaken for the Subject Property focused on the more affordable market rate alternatives offered in the city. In addition select number of older condo rentals were surveyed in cases where multiple listings were observed. For comparison purposes we have also included data on the newer, upscale rental complexes in Danbury though this data was not used in determining competitive rent ranges for Glen Apartments.

While no true comparable to the Subject Property was identified, apartments selected for the survey reflected available market options based on pricing, amenities (basic) and configuration (flat style units). For the most part these properties tend to serve markets that largely fall between 60% to 80% AMI.

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:

- Seven properties were surveyed representing four apartment rentals and three condo rentals. In terms of pricing all would meet the 80% AMI test for the Subject Property assuming 30% of income towards housing costs.
- The four apartment complexes surveyed represent both new and older complexes, though in general all four are somewhat basic in features and amenities. One of the newer properties, Brookview Commons, serves both students at Western Connecticut as well as market rate households. Condo rentals surveyed were built in the 1970s and 80s. Three of the properties are Gardens, two are Townhouses, one is a Low Rises (3-4 stories), and one a Midrise.

- The average rent among the eight complexes calculated to **\$1249/m for the 2 bedroom unit** and **\$1373/m for the 3 bedroom**. No 4 Bedroom units were listed by surveyed properties. Only one complex included utilities in the rent.
- Unit size for the two and three bedrooms averaged 919 sf and 1250 sf, respectively.
- Only one property included utilities in rent: Willow Park Apartments.
- In the survey of luxury rentals, the one bedroom rents averaged \$1725/m. Average rent for the three bedrooms calculated to \$1980/m. As noted before, these complexes are presented herein for comparison purposes but are not used for consideration of competitive rents for the Subject Property.
- Based on an analysis of Multifamily rent sales in Danbury over the last year, average rent calculated to the following: **\$1122/m for 2BR MF** rental, **\$1344/m for 3 BR MF** rental.

On following page a summary of the survey on closed rent sales on 2 and 3 Bedroom Multi-family units is presented (table 1a). On page 11 and 12, a summary of the Rental Survey of Market Rate Apartment Alternatives in Danbury and Luxury Apartment survey provided for comparison purposes is found in table 1b and 1c.

Table 1.a

Rent Survey –Multi Family Housing Alternatives – Danbury

2 BR Multi Family

Property	Prop. Type	Age	2 BR	2 BR size	\$/sf	Utilities In Rent
26 Griffing Ave	2-Fam	1907	\$900	800	\$1.13	
480 Copperthwaite	3-Fam	1961	\$975	800	\$1.22	
20 Laurel St	2-Fam	1926	\$1,000	830	\$1.20	
5 Raymond Place	2-Fam	1970	\$1,000	880	\$1.14	
73 Osborne St	Duplex	1873	\$1,050	850	\$1.24	
433 Main St	2-Fam	1900	\$1,100	942	\$1.17	
5 Cleveland St	2-Fam	1935	\$1,100	1140	\$0.96	
5 1st St	2-Fam	1955	\$1,100	1120	\$0.98	
6 5th St	2-Fam	1956	\$1,150	700	\$1.64	
18 Auburne St	2-Fam	1941	\$1,150	868	\$1.32	
11 Clifton St	3-Plx	1930	\$1,250	1156	\$1.08	
10 Linden St		1912	\$1,200	900	\$1.33	
11 Grandview Ave	2-Fam	1900	\$1,250	1100	\$1.14	
13 Park Ave	2-Fam	1913	\$1,275	1000	\$1.28	
54 Locust Ave		1930	\$1,325	1300	\$1.02	
2 BR Average			\$1,122	959	\$1.19	

3 BR Multi Family

Property	Prop. Type	Age	3 BR	3 BR size	\$/sf	Utilities In Rent
98 West St	2-Fam	1890	\$1,000	1200	\$0.83	
273 White St	2-Fam	1900	\$1,250	900	\$1.39	
59 Osborne St	2-Fam	1911	\$1,300	1073	\$1.21	
26 Hoyt St	2-Fam	1928	\$1,350	1300	\$1.04	
47 Pleasant St	2-Fam	1908	\$1,350	1147	\$1.18	
76 Merrimac	Duplex	11976	\$1,400	1200	\$1.17	
10 Henry St	Duplex	1900	\$1,500	1400	\$1.07	
36 South St	Duplex	1998	\$1,600			
3 BR Average			\$1,344	1174	\$1.13	

Source: CT-MLS

Table 1b
Rental Survey - Market Rate Alternatives– Danbury Trade Area

Property	Total Units	Prop. Type	Age	2 BR	2BR size	\$/sf	3 BR	3BR size	\$/sf	Utilities In Rent	Unit Availability
Town Hill Manor * 31 Town Hill Ave Danbury, CT		Garden	1973	--	--		\$1300	1147	\$1.13		
Brookview Commons 30 Crosby St Danbury, CT	115	Mid Rise	2007	\$1150	670	\$1.71	--				
Willow Park Apts 113 Park Ave Danbury, CT	21	Garden	1974	\$1100	1075	\$1.02	\$1295	1205	\$1.07	H&HW	3 BR Available
Park Ridge South 28 Rose Lane Danbury, CT		TH	1986	\$1245	1025	\$1.21	\$1525	1400	\$1.09		
Southgate* 163 South St Danbury, CT		Low Rise	1983	\$1250	845	\$1.47	--				
Spring Ridge Apts 124 Coalpit Hill Rd Danbury, CT		Garden	1978	\$1275	980	\$1.30	--				
Westwood Vlg* 55 Mill Plain Rd Danbury, CT		TH	1982	\$1475	--		--				
Average				\$1249	919	\$1.34	\$1373	1250	\$1.09		

Source: Property Managers, Internet, Rental Agents * Condo with active rental listings

Table 1c
Rental Survey – Luxury Apartments – Danbury Trade Area

Property	Total Units	Prop. Type	Age	2 BR	2BR size	\$/sf	3 BR	3BR size	\$/sf	Utilities In Rent	Unit Availability
Abbey Woods 15 Abbey lane Danbury, CT	470 (planned)	Low-Rise	2013	\$1862	1186	\$1.57	\$2105	1362	\$1.54		Available
Avalon Danbury 2 Mountainview Ter Danbury, CT	234	Low-Rise	2005	\$1680	1215	\$1.38	\$1932	1396	\$1.39		Available
Avalon Valley 53 Sandpit Rd Danbury, CT	268	Low Rise	1998	\$1510	1165	\$1.30	\$1865	1313	\$1.42		Available
Hillcroft @ Danbury 10 Clapboard Rd Danbury, CT	192	Low-Rise	1971 renovated	\$1620	1125	\$1.44	\$1874	1272	\$1.47		Available
Willow Grove 101 Avalon Lake Danbury, CT	135	Low-Rise	1998	\$1768	1382	\$1.30	---				Available
Crown Point/Res. 50 Saw Mill Rd Danbury, CT	280	Low-Rise	2008	\$1912	1208	\$1.58	\$2124	1430	\$1.48		Available
Average				\$1725	1213	\$1.43	\$1980	1355	\$1.47		

Source: Property Managers, Internet, Rental Agents * These complexes represent the market base for managed apts in Danburybut 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 Danbury. Eleven affordable family properties were identified totaling 587 units. Six of the properties are owned and managed by the Danbury Housing Authority, inclusive of Mill Ridge and Mill Ridge Extension. Five of these properties are state moderate rental programs which as of September 2012 reported an average occupancy of 83%. It is noted that at the Subject Property (Mill Ridge and Ext), overall vacancy was 25 units, representing 80% occupancy.

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

Table 2
Survey of Affordable Family Housing – Danbury

Property Name	Address	Owner	Public Funder	Deter. Of Rent	Family Units	Age	Vacancy/ Waitlist
Mill Ridge (Subject Property)	1-137 Mill Ridge Rd	Danbury HA	CHFA	Base Rent	115	1952	21*/168**
Mill Ridge Ext (Subject Property)	1-16 Mil Ridge Drive	Danbury HA	CHFA	Base Rent	12	1952	4*/168**
Fairfield Ridge	Mill Ridge Rd	Danbury HA	CHFA	Base Rent	49	1952	6*/168**
Fairfield Ridge Rehab	2 Mill Ridge Rd	Danbury HA	CHFA	Base Rent	25	1982	3*/129
Laurel Gardens	385 Main St	Danbury HA	HUD	Income	64	1958	
Coalpit Hill	86 Coalpit Hill Rd	Danbury HA	CHFA	Base Rent	114	1952	18*/168**
Ability beyond Disability	20 Fairview Ave		DECD/HUD		15		
Amos House	34 Rocky Glen Rd	Amos House Inc.	CHFA	Base Rent	19	1988	
Beaver St Coop	5 Ashe Pl	Beaver St Coop Inc,	HUD	Income	70		
Eden Drive	101 Eden Dr	Catholic Family Services	HUD	Income	59	1972	
The Godfrey	317 Main St	Capitol Sq LLP	CHFA	Base	9	1908-Rehab 1981	0 vac*
Harrison Sq	52 Main St	Harrison Sq LP	CHFA		36	2001	
Total Town-wide					587		

Source: Internet, Property Owners/Managers

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

** Waitlist represents consolidated list that includes Mill Ridge, Mill Ridge Ext, Coalpit Hill and Fairfield Ridge.

V. Analysis of Current Tenant Base

Demographics-Economics-Rent Structure of Current Tenant Base:

- Total Units: **127**
- Total Occupied Units: **102** * As of 9-30-2012
- Total Residents: **289 (92-2+ HHs)**
- Total # of Children: **122**
- Average Age: **47**
- % Minority: **50% (49 HH)**
- % of HH over 61: **14% (15 HHs)**
- % at Base Rent or below: **46% (47 HHs)**

- Income Below 25%AMI: **63% (64)**
- Income 25% at 50% AMI: **36% (37)**
- Income 50% AMI or greater: **1% (1)**
- Average Income: **\$23,365**
- Average Tenant Rent: **<\$420/m,2 BR>, <\$547/m,3BR>, <\$468/m,4BR>**
- Waiting List: **168** (as of 9-30-2012) Consolidated list with 3 other properties

Mill Ridge & Ext - Income Distribution

Resident HH Income	Rent Equivalent	% of HH
< \$10,000	\$250	13% (13)
\$10000-\$15000	\$250-\$375	16% (16)
\$15000-\$20000	\$375-\$500	12% (12)
\$20000-\$25000	\$500-\$625	25% (25)
\$25000-\$30000	\$625-\$750	10% (10)
>\$30000	>\$750	26% (26)

VI. Conclusions/Recommendations

a. Rent Structure Opportunity

Market & Property Factors

Positives

- Close to shops and services
- Complex on public bus line
- Housing Authority office nearby

Challenges

- Lack of Kitchen appliances according to property data
- Age and obsolescence of property

Below is a summary of data compiled on Subject Property and average rents identified within various market segments.

Based on review of the market and considering the present size, age, layout, amenities, condition and utility configuration of the subject units, a rental range of \$950 to \$1050 for the two bedroom duplex, \$1100/m to \$1200/m for the three bedroom duplex, and \$1275/m to \$1375/m for the four bedroom duplex, 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”¹, 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	MF Market Alternatives	Danbury MLS Multifamily	Danbury MLS Condo	Danbury Managed Apartments
	Contract Rent	Avg Ten. Rent	Avg Rent		Avg Rent	Avg Rent	Avg Rent
Studio					\$798	\$725	\$1068
1 BR					\$928	\$1088	\$1228
2 BR	\$285	\$420	\$1249	\$1122	\$1172	\$1669	\$1445
3 BR	\$294	\$547	\$1373	\$1344	\$1317	\$2211	\$2000
4 BR	\$303	\$468					

¹ 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.

Mill Ridge & Ext Resident HH Income	Year 2003 # of tenants	Year 2012 # of tenants
< 25%AMI	N/A	63% (64)
25-50% AMI	N/A	36% (37)
50%-80% AMI	N/A	1% (1)
Occupancy Rate		80%

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 Danbury*). 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)².

	Fairfield County Tenure Distribution		Adjustment Factor – City of Danbury	
Income Distribution	Rent	Own	Rent	Own
under 15,000	66%	34%	71%	29%
15000-25000	63%	37%	65%	35%
25000-35000	49%	51%	52%	48%
35000-50000	44%	56%	48%	52%

Source: US Census 2010, American Community Survey, 2011

² 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 age 18-64 in the Danbury SMA by tenure and income. Based on our analysis of tenure by income, we estimate the primary Source Market Area contains 8304 households whose incomes fall within the income threshold for the target market of which 4719 are renters. The chart also shows current distribution within the Subject Property of family households by income

Danbury	Source Mkt HH 18-64			Subject Property
Income Distribution (Adj. Gross)	Total	Rent	Own	
under 15,000	1762	1252	510	29
15000-25000	1401	917	484	36
25000-35000	2098	1099	999	18
35000-50000	3043	1452	1591	19
Total	8304	4719	3585	102
Vacancy				25
			Total Units	127

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 Danbury 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 67 units. While above \$25,000, the potential market base is estimated at 23 units based on a 3 to 5% penetration of market.

Danbury	Source Market - HH 18-64 Years				
Income Distribution (Adj. Gross)	Total	Rent	Turnover ratio	# Renters Moving	Current HH Tenants
under 15,000	1762	1252	30%	376	29
15000-25000	1401	917	30%	275	36
25000-35000	2098	1099	30%	330	18
35000-50000+	3043	1452	30%	435	19
					102
Vacancy					25
Total	8304	4719	3585	1416	127

Potential capture rates:	Annual Potential Capture Rate	Current # HHs at Sub. Prop
under 15,000	15%	45
15000-25000	10%	22
25000-35000	5%	13
35000-50000+	3%	10
Total	91	102

* Formula = (# Renters Moving X % from Source Mkt) X Potential Capture Rate
Three HHs reported earnings over \$50,000/annum

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.

Danbury	HH 18-64		Aggregate Capture Potential Total HH	
Income Distribution	Total	HH Renters	Capture Rates	Total HH Capture Potential
under 15,000	1762	1252	15%	188
15000-25000	1401	917	10%	92
25000-35000	2098	1099	5%	55
35000-50000+	3043	1452	3%	44
Total	8304	4719		378

Source: US Census 2010, American Community Survey, 2011

b. Recommendations for Improving Marketability

Based on a field inspection of the Subject Property, the exterior of buildings and grounds appear to be in moderate fair condition – though some signs of deferred maintenance was observed. We believe, however, without the benefit of viewing units, that most needed steps for improving marketability at the Subject Property would be largely confined to interior improvements – including upgrades in kitchens, the addition of kitchen appliances, upgrading cabinets and flooring, improvements to baths, ADA upgrades, HVAC, etc.

c. Redevelopment Scenario

From a Market perspective, Mill Ridge and Mill Ridge Ext. does not reflect a strong need for a redevelopment scenario.

APPENDIX

PROPERTY PHOTOS
MARKET BRIEF



Mill Ridge
Duplex- Mill Ridge Rd



Mill Ridge
View Down Mill Ridge Rd

Connecticut Towns: Market Assessment Briefs

Town: Danbury, CT
County: Fairfield County

1. Economic Trends

Major Employers - Danbury

Employer	Sector
City of Danbury - Danbury Schools	education
Danbury Hospital	health services
CARTUS	human services
G.E. Commercial Finance	FIRE
Pitney Bowes, Inc.	business services

Key employers in Danbury are local government/schools, health care, finance and business services. Cartus provides global employee mobility, with world HQ in Danbury.

Source: CERC, Town Profile 2012

Major Industries - Danbury

Industry Sector - 2011	% Share of Jobs
Health Care	19.2%
Retail Trade	17.9%
Manufacturing	13.3%
Food Services	8.1%
Management of Companies	4.4%

Danbury has a diversified services base and has maintained a good share of its former manufacturing past. Health Care, (Danbury Hospital) Social Services & Retail Trade (Regional Mall) are major components of the city's economic base. Manufacturing, however, still plays an

Source: CT Dept. of Labor

Labor Force & Employment Trends

Labor Force +Employment	Danbury	Fairfield County
Labor Force-2011	46,331	481,769
Unemployment -2011	7.1%	8.0%
Total Employment -Workplace	41,820	403,196
2005 - 2011 - Annual Growth	-0.5%	-0.4%
2010 - 2011 - Annual Growth	2.5%	6.4%

Source: CT Dept. of Labor

Danbury was impacted by the recession, losing 1% of its jobs by 2011. Since then, it has bounced back 2.5%, although this trails Fairfield County's rebound of 6.4%. Unemployment in 2011 averaged 7.1%, a bit lower than the county rate of 8% and 8.9% for the state. Danbury accounts for 10% of all Fairfield County jobs and is the northwestern employment hub of CT.

Connecticut Towns: Market Assessment Briefs

Town: Danbury, CT
County: Fairfield County

2. Demographic Trends

Population Trends

Population	Danbury	Fairfield County
2000 Total population	74,804	882,567
2010 Total Population	80,893	916,829
Annual Percentage Growth	0.79%	0.38%
2011 Total Population (est)	80,581	918,594
2016 Total Population (proj.)	81,003	930,650
2011– 2016 Annual Rate	0.11%	0.26%

Source: 2010 Census, ESRI Business Systems

Danbury witnessed population growth of 8% between 2000 and 2010, ahead of the Fairfield County increase of 4%. It is one of the more affordable locations in Fairfield County and has been popular with Westchester and Putnam County New Yorkers seeking to escape high property

Household Trends

Household	Danbury	Fairfield County
2000 Total Households	27,162	324,232
2010 Total Households	28,907	335,545
Annual Percentage Growth	0.63%	0.34%
2011 Total Households (est.)	28,823	336,205
2016 Total Households (proj.)	28,984	340,435
2011– 2016 Annual Rate	0.11%	0.25%

Source: 2010 Census, ESRI Business Systems

Consistent with population growth, households grew between 2000 and 2010, including in-migration from New York State. Households are expected to continue growing through 2016, although a bit more slowly than the county as a whole. Danbury households represent 8.5% of Fairfield

Race & Ethnicity

% Share of Population

Population - 2010	Danbury	Fairfield County
White Alone	68.2%	74.8%
Black Alone	7.2%	10.8%
Asian Alone	6.8%	4.6%
Hispanic (Any Race)	25.0%	16.9%

Change - 2000 to 2010

White Alone	-10.3%	-5.7%
Black Alone	5.9%	8.0%
Asian Alone	23.6%	-2.1%
Hispanic (Any Race)	58.2%	42.0%

Source: 2010 Census, ESRI Business Systems

Both Danbury and the county have become somewhat more diverse over the past decade with increases in minority population. Big gains were seen in the Hispanic population with Danbury reporting a 58% increase and now representing one quarter of its population.

Connecticut Towns: Market Assessment Briefs

Town: Danbury, CT
County: Fairfield County

2. Demographic Trends (Cont'd)

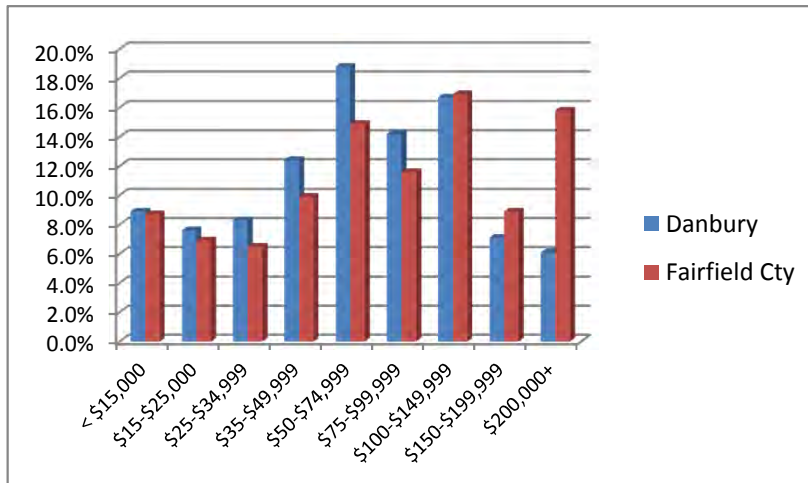
Median Income

Median HH Income	Danbury	Fairfield County
2000	\$53,509	\$64,876
2011 (est.)	\$64,878	\$80,531
Annual Avg % Growth	1.9%	2.2%

Median Income in Danbury grew at an annual rate of 1.9% in the last decade, only slightly below the average annual rate for the county at 2.2%.

Source: 2010 Census, ESRI Business Systems

HH Income Distribution (2011)



Income distribution for Danbury reflects a wide range, with most households falling between \$50 and 150K. It mirrors Fairfield County with the exception of not having as high a concentration of \$200K+ households.

Source: 2010 Census, ESRI Business Systems

HH Income Distribution - 65+ (2010)

HH's	Danbury		Fairfield Cty	
	65-74	75+	65-74	75+
Total HHs	3,042	2,712	37,819	38,134
< \$15,000	8.7%	25.4%	9.5%	17.5%
\$15-\$25,000	10.9%	16.0%	8.1%	13.7%
\$25-\$34,999	6.8%	10.9%	6.3%	9.1%
\$35-\$49,999	13.7%	8.8%	9.4%	9.2%
\$50-\$74,999	22.1%	11.7%	18.2%	14.2%
\$75-\$99,999	10.7%	8.7%	11.9%	10.8%
\$100-\$149,999	20.4%	7.3%	14.4%	9.9%
\$150-\$199,999	3.1%	5.8%	6.2%	4.9%
\$200,000+	3.7%	5.4%	15.9%	10.7%
Med Inc.	\$58,658	\$32,417	\$72,114	\$50,597

Median household income for Danbury seniors trends below that of Fairfield County, particularly for the 75+ cohort which is generally no longer working. Of those 75+, 52% have incomes under \$35,000. This is also true of 26% of households 65-74.

Source: 2010 Census, ESRI Business Systems

Connecticut Towns: Market Assessment Briefs

Town: Danbury, CT
County: Fairfield County

2. Demographic Trends (Cont'd)

Poverty Rates

Households - 2010	Danbury % Total	Fairfield Cty % Total
Married Couple - Family	1.5%	1.2%
Other Family HHs (spouse not present)	1.9%	2.4%
Non-Family HHs	5.4%	4.4%
Poverty Ratio - Total	8.7%	8.0%

Source: ACS Population Survey, ESRI Business Systems

Households poverty rates in Danbury are relatively low at 8.7%, just higher than 8% in the County. Among household types, non-family headed households are most impacted, while single headed households are less likely to be in poverty than countywide. The higher rate for non-family reflects recent immigrants.

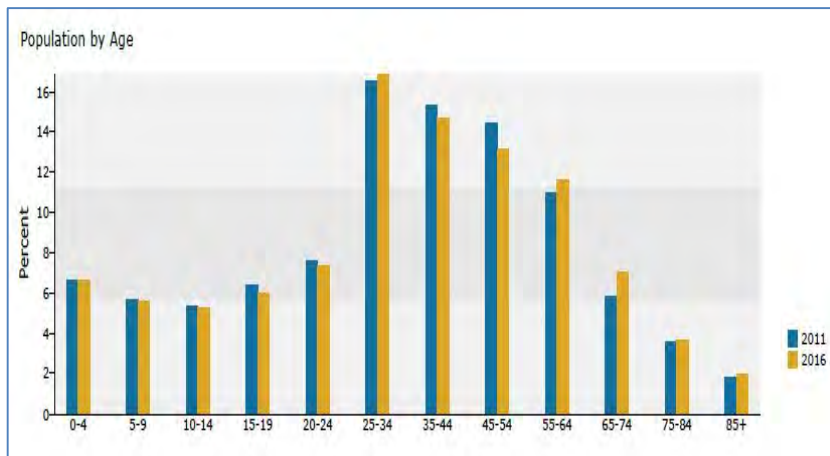
Age Trends

Population - 2010	Danbury % Total	Fairfield Cty % Total
Age 18+	78.9%	75.2%
Age 65+	11.1%	14.6%
Age 75+	5.4%	7.4%
Median Age	36.2	39.9

Source: 2010 Census, ESRI Business Systems

Danbury's population profile is younger compared to the county with a median age of 36.2 vs. nearly 40 for the county. Seniors make up a smaller proportion of the population as compared to the county.

Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

Danbury will see an increase in its seniors over the next 5 years as the baby boom generation ages. However, it is also expected to see an increase in its 25-34 cohort, a group largely given to renting rather than owning a home.

Connecticut Towns: Market Assessment Briefs

Town: Danbury, CT
County: Fairfield County

3. Housing Trends

Tenure and Vacancy

HH's	Danbury		Fairfield Cty	
	2000	2010	2000	2010
Own-Occp	58.3%	60.7%	69.2%	68.6%
Own-Units	15,849	17,544	224,516	230,167
Rent-Occp	41.7%	39.3%	30.8%	31.4%
Rent Units	11,334	11,363	99,716	105,378
Ttl Occp Units	27,183	28,907	324,232	335,545
Vacancy	4.7%	7.2%	4.5%	7.1%

Source: 2010 Census, ESRI Business Systems

The majority of Danbury's housing market is owner occupied with 60% in 2010. This is a slight increase from 2000 when it stood at 58.3%. However, a significant 39.3% is renter occupied as well in Danbury. Overall vacancy in the city is average at nearly 7% at last census in line with the county.

Housing Characteristics

% Share of Total Housing

Structure Type - 2010	Danbury	Fairfield County
1 Detached	44.6%	58.4%
1-Attached	11.9%	6.2%
2-unit	9.6%	8.6%
3/4 unit	12.3%	8.8%
5+ units	21.7%	18.1%
Total Housing Units - 2010	31,154	361,221

Source: ACS Housing Surveys, ESRI Business Systems

Danbury's housing stock is well-diversified with 44.6% of its inventory associated with single family homes- and 21% found in properties of 5 units or more. The city's densest housing and much of its rental is found near and around the city's downtown which has served as much of Waterbury's worker housing from the mid 19th century to the present.

Rent-occupied Housing by Contract Rent

Renters with Contract Rent

Contract Rent - 2010 Distribution	Danbury	Fairfield County
Under \$200	3.9%	5.8%
\$200-\$399	9.3%	6.8%
\$400-\$599	7.2%	7.0%
\$600-\$799	11.8%	13.5%
\$800-\$999	18.3%	16.3%
\$1000-\$1249	21.1%	16.0%
\$1250-\$1499	14.1%	11.2%
\$1500-\$1999	10.1%	11.6%
above \$2000	1.9%	8.1%
Median Contract Rent	\$985	\$987

Source: ACS Housing Surveys, ESRI Business Systems

Consistent with the wide range in household incomes, Danbury rents also cover a wide range. Price support runs up through \$2,000. Again, it resembles the county in this respect, minus the high end rents above \$2000. Median rent in Danbury is almost identical to median rent countywide.

Connecticut Towns: Market Assessment Briefs

Town: Danbury, CT
County: Fairfield County

4. Rental Housing Market

Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0	10		\$798	27	\$700-\$800
1	11		\$928	43	\$800-\$1300
2	43		\$1,172	46	\$900-\$1500
3	15		\$1,317	53	\$1050-\$1500
4	N/A				

Source: CT MLS

(Dom- Days on Market)

Condo

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0	6		\$725	24	\$600-\$825
1	15		\$1,088	34	\$950-\$1300
2	54		\$1,669	35	\$990-\$3750
3	20		\$2,211	42	\$1500-\$2800
4	N/A				

Source: CT MLS

(Dom- Days on Market)

Managed Apartments

	# of Prop	Avg Studio BR rent	Avg One BR rent	Avg Two BR rent	Avg Three BR rent
Apts	15	\$1,068	\$1,228	\$1,445	\$2,000

Source: AMS, Property Mgrs., Internet, RE Journals