

## Market Assessment – Sinsabaugh Heights I & II (Shelton, CT)

### I. Description Of Property

**Subject Property Description & Location** – The Subject Property (Sinsabaugh Heights I & II) is an 80-unit Elderly Housing complex located at 187 Meadow St in Shelton, CT. Built in two phases, the 40-unit Sinsabaugh I was built in 1982 and consists of eight buildings offering a mix of studios and one bedrooms. Six of the buildings are single story ranch-style structures, while two are configured as 2-story walkups (all efficiencies). The 40-unit Sinsabaugh II was completed in 1998 and is located behind Sinsabaugh I. Representing a sharp departure from the original design seen in the earlier phase, Sinsabaugh II are all 1 Bedrooms primarily in two-level ranches that provide both a parking garage and basement storage, as well as an outside deck. A select number of units at the back end of the site do not include attached garages though they all have unobstructed views of the Housatonic River Valley.

Each unit comes with a refrigerator and stove, while heat pumps provide both heat and cooling for the units. In addition, each property has a community building and laundry facilities. Total parking amounts to 104 spaces which includes the attached garages noted above for Sinsabaugh II. Household rent for these units is determined as a percentage of income, or base rent, whichever is greater. Household eligibility is restricted to persons 62 or older (unless certified as totally disabled) at incomes of 80% of AMI or below. Base rent at Sinsabaugh I range from \$90 for the efficiency and \$110/m for the 1 bedroom. At Sinsabaugh II, the base rent for the 1 bedroom units is \$190. Utilities are paid by the tenant but a utility allowance of \$60/m is provided for both studio and one bedroom. 2012 Vacancy at the Subject Property stood at 2 units, though units are being filled from a waiting list of 57 households.

Below is chart on unit mix.

#### Sinsabaugh I & II

187 Meadow St.

Shelton, CT 06484

##### Sinsabaugh I

Type	Property Type *	Baths	# of units	Living Area SF	Base Rate
Efficiency	Flats	1	31	415 sf	\$90
1 Bedroom	Flats	1	9	505 sf	\$110
<b>Total</b>			<b>40</b>		

\* 6 bldgs are one-level ranches; 2 buildings are 2-story walk-ups

##### Sinsabaugh II

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
1 Bedroom	2Lvl Ranches*	1	40	694 sf	\$190
<b>Total</b>			<b>40</b>		

A select # of units are single level ranches.

<b>Additional Property Info</b>	
<b>Property Type</b>	Elderly
<b>Program</b>	SR Elderly
<b>Parking</b>	104*
<b>Year Built</b>	1982 (Sinsabaugh I)
	1998 (Sinsabaugh II)
<b># of Buildings</b>	8 – Sins I/ 8 – Sins II
<b>Acres</b>	N/A
<b>Handicap Units</b>	8
<b>Vacancy</b>	2 (2012)
<b>Waiting List</b>	57 (combined list)
<b>Owner</b>	Shelton HA

\* Parking – 28 @ Sinsabaugh I, 76 @ Sinsabaugh II (includes indiv. Parking Garages)

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

- Utilities Provided: *Tenant pays H&HW & Elec. (Utility Allow. \$60-studio & 1BR)*
- Refrigerator: *Yes*
- Stove: *Yes*
- Microwave: *No*
- Laundry Rooms: *Yes (2)*
- Hook-Up: *No*
- Community Room/building: *Yes (2)*
- Elevators: *No*
- Other: *Heat Pumps, Sinsabaugh II – decks and attached garage for most units*



Sinsabaugh I



Sinsabaugh II

## II. Description of Site and Neighborhood

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

**Exhibit 1 – Subject Site Map**



**Neighborhood Description & Land Uses** – The Subject Property is located off Meadow Street in the northeastern section of Shelton not far from the downtown. Both properties are situated on parcels that are relatively steep-sloped which in the case of Sinsabaugh II presented the opportunity for providing attached garages and basement areas. The area surrounding the properties is primarily single family, although just south of the site off Meadow Street are the City of Shelton's Senior Center, Police Station and High School. Approximately one-mile from the Subject Property is the downtown providing access to basic shopping needs and services. Additional shopping can be found on Route 34 in Derby. Meanwhile health care services are available at Griffin Hospital in Derby – 4 miles from the Subject Property.

**Access** – Access to the Subject Property is off Meadow Street, a secondary road in Shelton that connects to Shelton Ave – Route 108, a north-south corridor road that cuts through the center of Shelton. One miles east of the Subject Property, residents can gain access to Route 8, a limited access highway, at Interchange 14. Route 34 is also within easy driving distance of the Subject Property, representing both a major thoroughfare in the region and a significant commercial corridor with numerous retail outlets and centers. There is no public transit in the Meadow Street area, with the closest bus stops found in the downtown.



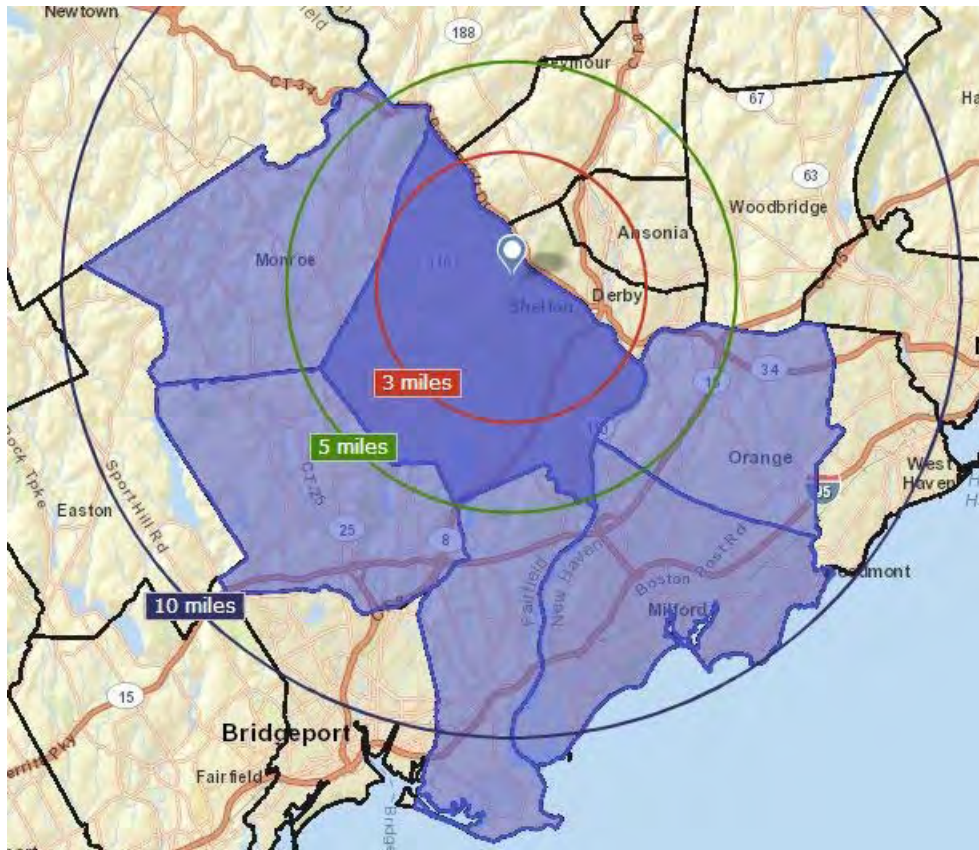
***Delineation of Market Area*** – The defined Primary Market Area (PMA) of demand for units is the City of Shelton inclusive of a five mile radius from subject property.

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 Shelton, and adjoining neighborhoods of Trumbull, Orange, Stratford, Monroe and Milford.

**Exhibit 2 – Market Area Map**



### Exhibit 3 – 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 –*

The City of Shelton has begun to embrace the need for greater housing diversity within its community with the approval in recent years of two high-end luxury apartments: Avalon Huntington and Renaissance, a high rise tower located within a business park. In addition, the city has recently approved the development of a second Avalon apartment in the downtown consisting of 250 units. Outside of these two properties and a third now under construction, there are no other identified professionally managed apartments in Shelton. As can be seen in the Table 1.c, rents at these properties are lofty averaging \$1500 for a 1 Bedroom and \$2114 for a two bedroom unit. For the 1 BR, an income of \$60,000 or more would be needed to support the rent - well above the market being served by the Subject Property.

We have thus expanded our rental survey of apartments into neighboring towns of Milford and Stratford both of whom support a more diversified rental housing apartment market and also represent towns comparable to Shelton in household characteristics and income profile<sup>1</sup>. 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 in terms of income fall between 60% to 80% AMI.

In addition, we also identified actual multi-family housing rental transactions that occurred in the city of Shelton over the last year for 1 bedroom units (none were identified for studios). While in terms of product type, these rentals lack any similarity to the Subject Property other than they are flats, multi-family rentals is an important part of the local market and the units selected are priced to capture a market at 50% to 80% AMI, a market base the Subject Property could potentially achieve greater penetration.

*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:

- Four market rate apartments and one condo conversion were identified in Shelton Trade Area reflecting the market rate environment for alternative rental housing. Each property identified represent a market alternative for units at the Subject Property based on pricing, unit configurations, features and amenities for senior households at incomes of 80% AMI or less.
- All of the surveyed properties were built in the 1960s-70s and thus are older than the units offered at the Subject property (1982, 1998). Four of the properties are garden apartments, while one (Camelot Apts) is a three story low-rise with an elevator.
- Amenities are basic in most properties surveyed generally limited to on-site laundry, storage, private decks or patios – with dishwashers representing the biggest upgrade in the kitchen. Robert Treat offers the most extensive recreational amenity package with a pool and tennis courts. On-site management – maintenance is provided in three of the five surveyed.
- Average rent for studio and one bedroom was \$750/m and \$1015/m, respectively. Two of the five complexes include utilities in the rent.
- Unit size averaged 450 sf for the efficiency and 691 sf for the one bedroom.
- The survey of multi-family home rental sales in Shelton for 1 bedrooms (no studio sales were identified) indicated an average rent of \$808/m.
- Vacancies were identified in all four apartment properties surveyed.

*A summary of the analysis of rental data for apartment survey is provided in the table 1.a, 1.b, 1.c on following page.*

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<sup>1</sup> No appropriate comparable apartments were identified in Trumbull, Monroe, or Orange.

**Table 1.a**

**Rental Survey - Market Rate Apartment Alternatives – Shelton Market Area**

Property	Total Units	Prop. Type	Age	0 BR	0 BR size	\$/sf	1 BR	1BR size	\$/sf	Utilities In Rent	Unit Availability
<b>Stephen's Terrace*</b> 56 Wakelee Ave Shelton, CT		Garden	1966	\$725	400	\$1.81				H&HW, E	--
<b>Morningside Com.</b> 17 Foran Rd Milford, CT	85	Garden	1977	\$775	500	\$1.55	\$875	650	\$1.34	No	Available
<b>Robert Treat</b> 94 Robert Treat Dr Milford, CT	124	Garden	1970				\$1035	675	\$1.53	No	Available
<b>Milford Beach</b> 71 B Joy Rd Milford, CT	120	Garden	1975				\$1217	750	\$1.62	H&HW	Available
<b>Camelot Apts</b> 2580 Main St Stratford, CT		Low-Rise	1968	\$750			\$950			No	1 unit
<b>Average</b>				<b>\$750</b>	450	\$1.66	<b>\$1019</b>	691	\$1.47		

Source: Property Managers, Internet, Rental Agents \* Condo Conversion

**Table 1.b**

**Rent Survey Multi-Family Housing Alternatives – City of Shelton**

Property		Prop. Type	Age	0 BR	0 BR size	\$/sf	1 BR	1BR size	\$/sf	Utilities In Rent	Unit Availability
<b>172 Coram St</b>		2-family	1910				\$800	780	\$1.02	No	--
<b>152 Division St</b>		2-family	1920				\$750	750	\$1.00	No	--
<b>49-51 Grove St</b>		4-plex	1960				\$750	650	\$1.15	No	--
<b>21 Huntington Ave</b>		2-family	1925				\$825	700	\$1.17	No	--
<b>86 New St.</b>		2-family	1920				\$875	800	\$1.09	No	--
<b>112 Hillside Ave</b>		3-family	1900				\$850	600	\$1.41	No	--
<b>Average</b>							<b>\$808</b>	713	\$1.14		

Source: CT-MLS



**Table 1.c**  
**Luxury Housing Rental Survey – City of Shelton**

Property	Total Units	Prop. Type	Age	1 BR	1 BR size	\$/sf	2 BR	2BR size	\$/sf	Utilities In Rent	Unit Availability
<b>Avalon Huntington</b> 100 Avalon Dr Shelton,CT	99	Low Rise					\$2002	1332	\$1.50	No	Available
<b>Renaissance</b> 100 Parrot Dr Shelton, CT	126	High Rise	2007	\$1500	831	\$1.80	\$2225	1247	\$1.78	No	Available

Source: Property Managers, Internet, Rental Agents

**Survey of Affordable Elderly Housing**– In order to better understand the options for senior housing , a survey was undertaken of affordable housing in Shelton. This survey identified 5 affordable housing properties in Shelton for the elderly, inclusive of the Subject Property, totaling 247 units. Three of the five properties are owned and managed by the Shelton Housing Authority (SHA). Of the two remaining properties, Wesley Heights is part of a larger continuum of care facility (Wesley Village) owned and managed by United Methodist Homes that includes independent housing, and assisted living units. All residents at the Village have access to meals, planned activities, and transportation. Consisting of a total of 182 units, 92 units are subsidized for low income seniors. The newest senior housing in Shelton is The Ripton, a 36-unit complex built in 2002 in downtown Shelton. All units within this complex are one bedroom and are targeted to low income seniors 62 years and older with rent based on 30% of income.

*Refer to Table 2 below for results of survey of affordable senior housing properties in Shelton.*

**Table 2**  
**Survey of Affordable Elderly Housing – Shelton**

Property Name	Address	Owner	Public Funder	Deter. Of Rent	Elderly Units	Age	Vacancy/ Waitlist
Helen C DeVaux Apartments	91 Howe Avenue	Shelton HA	CHFA	Base Rent	40	1971	4 vac/57 waitlist*
The Ripton	423 Howe Avenue	Shelton Senior Housing, Inc.	DECD/HUD	30% Inc	35	2002	0/40WL
Sinsabaugh Heights (Subject Property)	187 Meadow Street	Shelton HA	CHFA	Base Rent	40	1982	1 vac./57 waitlist*
Sinsabaugh Heights II (Subject Property)	187 Meadow Street	Shelton HA	CHFA/DECD	Base Rent	40	1998	1 vac/57 waitlist*
Wesley Heights	580 Long Hill Avenue	United Methodist Homes of CT, Inc.	HUD	30% Inc	92Assisted (186 total)		
<b>Total</b>					<b>247</b>		

Source: Internet, Property Owners/Managers \*Shelton HA Waitlist is a consolidated list for all three elderly apts.

## V. Analysis of Current Tenant Base



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

- Total Units: **80**
- Total Occupied Units: **78**
- Total Residents: **96 (18 --2per/HHs)**
- Total # of Children: **0**
- Average Age: **77**
- % Minority: **7%**
- # of Disabled HH under 62: **5% (4)**
- % at Base Rent or below: **1% (1)**
- Income Below 25%AMI: **32% (25)**
- Income 25% at 50% AMI: **62% (48)**
- Income 50% AMI or greater: **6% (4)**
- Average Adjusted Income: **\$16,548**
- Average Tenant Rent: **studio -\$289; 1BR - \$396**
- Waiting List: **57/ 19 (young-disabled)** – combined list for all elderly

### **Sinsabaugh Heights I & II Income Distribution**

<b>Resident HH Income</b>	<b>Rent Equivalent</b>	<b>% of HH</b>
< \$10,000	\$250	22%
\$10000-\$15000	\$250-\$375	32%
\$15000-\$20000	\$375-\$500	19%
\$20000-\$25000	\$500-\$625	14%
\$25000-\$30000	\$625-\$750	9%
>\$30000	>\$750	4%

## **VI. Conclusions/Recommendations**

### ***a. Rent Structure Opportunity***

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

##### Positive

- Both Properties relatively new (1982, 1998).
- Mostly one bedrooms (all 1 BRs in Sinsabaugh II)
- Sinsabaugh II offers attached garages, basement area, decks
- Unit size in Sinsabaugh II comparable to market
- Based on observation - Heat Pumps in all units
- Two Community Buildings with laundry
- Safe Residential Area but close to shops-services – Downtown
- Senior Center located close by to Subject Property

### Challenges

- Two buildings at Sinsabaugh I are walk-ups
- Steeply Sloped Site

*Below is a summary of data compiled on Subject Property and average rents identified within various market segments. **Considering the size, age, layout, amenities and utility configuration of the subject units at Sinsabaugh I, a rental range of \$550 to \$650 for the studio and \$670 to \$735 for the 1 bedroom would be considered competitive with the area inventory involving properties with basic amenities. For Sinsabaugh II units, a rent range of \$800 to \$900 for the 1 bedroom unit would be deemed competitive.** (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	MF Alternatives	Shelton MLS Multifamily	Shelton MLS Condo	Managed Apartments
	Contract Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent
Studio	\$90	\$289	\$750				\$1300
1 BR	\$150*	\$396	\$1019	\$808	\$778	\$1194	\$1550
2 BR					\$1069	\$2127	\$2175

\*1BR contract rent represents average between the two properties

### **Tenant Base Trends**

- The income profile for tenants within Sinsabaugh has changed slightly in the last ten years towards greater concentration within the 25-50% AMI bracket.
- A comparison of income distribution for Sinsabaugh residents in 2003 vs 2011 indicates 49% of the tenants reported earnings at 25-50% AMI in 2003. By 2012, the share had grown to 62%.
- Corresponding with the growth in HH numbers in the 25-50% bracket, Sinsabaugh witnessed declines in both <25% AMI and >50%.

<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.

Sinsabaugh I&II Resident HH Income	Sinsabaugh I&II Year 2003	Sinsabaugh I&II Year 2012
< 25%AMI	31	25
25-50% AMI	38	48
>50% AMI	8	4
<b>Occupancy</b>	<b>96%</b>	<b>96%</b>

Source: DECD, CHFA, Property Owners

### ***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 it is used here, it is primarily designed to reflect scale of demand at different price brackets and the capacity to capture that market assuming somewhat conservative penetration rates. Thus at lower household incomes you would expect higher capacity to capture due to lack of affordable options. The opposite is the case at higher household incomes.

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 five mile radius from the subject property with the city of Shelton the Primary Market Area*). 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>.

	Fairfield County Tenure Distribution		Adjustment Factor – Shelton SMA	
Income Distribution	Rent	Own	Rent	Own
under 15,000	66%	31%	66%	34%
15000-25000	63%	37%	59%	41%
25000-35000	49%	51%	43%	57%
35000-50000	44%	56%	38%	62%

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 senior households in the Shelton SMA by tenure and income. Based on our analysis of tenure by income, we estimate the primary Source Market Area contains 3245 households whose incomes fall within the income threshold for the target market of which 1699 are renters. The chart also shows current distribution within the Subject Property of senior tenants by income (excludes young disabled).

Shelton Area Income Distri	Source Mkt Senior HH 65+			Subject Property
	Total	Rent	Own	Senior Tenant Base
under 15,000	826	542	284	38
15000-25000	957	564	393	26
25000-35000	719	312	407	9
35000-50000	743	281	462	1
<b>Total</b>	<b>3245</b>	<b>1699</b>	<b>1546</b>	<b>74</b>
<b>Young/Dis.</b>				<b>4</b>
<b>Vacancy</b>				<b>2</b>
			<b>Total Units</b>	<b>80</b>

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 Shelton 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 65+ 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. There is evident depth at the lower incomes levels \$25,000 and below with a source market



potential for 34 units. While above \$25,000, the potential market base is estimated at 6 units based on a 3 to 5% penetration of market.

Shelton Area	Shelton SMA - 65+ Households				
Income Distr	Total	Rent	Turnover ratio	# Renters Moving	Current Senior HH Tenants
under 15,000	826	542	30%	163	38
15000-25000	957	564	30%	169	26
25000-35000	719	312	30%	94	9
35000-50000	743	281	30%	84	1
Young/disabled					4
Vacancy					2
<b>Total</b>	<b>3245</b>	<b>1699</b>	<b>1546</b>	<b>510</b>	<b>80</b>
Potential capture rates:		Annual Potential Capture Rate	Current # Senior HHs at Sub. Prop		
under 15,000	15%	20	38		
15000-25000	10%	14	26		
25000-35000	5%	4	9		
35000-50000	3%	2	1		
<b>Total</b>		<b>39</b>	<b>74</b>		

\* 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 65+ households within the defined source market area at each income bracket.

Shelton SMA	Senior HH 65+		Aggregate Potential Capture Total HH 65+	
Income Distribution	Total	65+ HH Renters	Capture Rates	Total Senior HH Capture Potential
under 15,000	826	542	15%	81
15000-25000	957	564	10%	56
25000-35000	719	312	5%	16
35000-50000	743	281	3%	8
<b>Total</b>	<b>3245</b>	<b>1699</b>		<b>162</b>

Source: US Census 2010, American Community Survey, 2011

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

Sinsabaugh I & II compare very favorably against other affordable senior housing properties within the region – even those constructed rather recently. This is particularly the case for Sinsabaugh II which presents a design more akin to individual attached homes (and in fact the majority of units are 2-level ranches) that include attached garages, storage and outside decks accessed through sliders. Moreover these 1 BR units are comparable in size to market rate units<sup>4</sup>.

<sup>4</sup> It is to be noted, however, that we were not able to determine if the unit size provided to us was living area only or included the lower storage area as well..

Additionally, both properties are also relatively new with Sinsabaugh I built in 1982 and Sinsabaugh II built in 1998. The neighborhood setting of the properties is also a major plus for the properties, close to the senior center and an easy drive to the downtown.

The one singular marketing issue impacting the property are the two-story walk-up buildings in Sinsabaugh I that contain eight efficiencies each<sup>5</sup>. Not surprisingly, the property owner reported some resistance to the upper floor units by the elderly.

Accordingly, when possible these units have been targeted to either the youngest elderly or the young-disabled. In view of the high occupancy at Sinsabaugh, we believe this is the best approach at this time – though if vacancies do become a factor consideration might be given to enhancing these units in some way to improve marketability (for instance providing a divider between bedroom space and living area if possible)<sup>6</sup>.

With respect to Sinsabaugh II, we believe these units could be marketed to a wider income base than is currently obtained. In fact, as can be seen in the chart below, Sinsabaugh II does reflect a higher income tenant base compared to Sinsabaugh I with nearly twice the number of tenants in the 25-50% AMI bracket in 2012. Moreover, Sinsabaugh II average tenant rent for the 1 Bedroom is \$418 vs \$299 for Sinsabaugh I. A closer look at the tenant data, however, reveals that most of the Sinsabaugh II tenants are at incomes of \$15,000-\$25,000. We believe that with some enhancements to Sinsabaugh II units (kitchen upgrades for example), deeper penetration could be achieved in the \$25,000 to \$40,000 income band.

<b>Sinsabaugh Resident HH Income</b>	<b>Sinsabaugh I Year 2012</b>	<b>Sinsabaugh II Year 2012</b>
< 25%AMI	20	5
25-50% AMI	16	32
>50% AMI	2	2
<b>Occupancy</b>	<b>38</b>	<b>39</b>

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

From a Market perspective, Sinsabaugh I & II do not reflect a strong need for a redevelopment scenario.

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<sup>5</sup> The relative steepness of the property site is another issue, but apparently not one that is affecting lease-up of the property.

<sup>6</sup> It should be noted that Sinsabaugh II also has steps between garages and living area and thus we were somewhat surprised to see a high concentration of tenants at ages above 80 years for these units.

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



**Sinsabaugh I  
Ranch Units**



**Sinsabaugh I  
Two-Story Bldg**





**Sinsabaugh II  
2-Level  
Ranches**



**Sinsabaugh II  
Backside  
With Garages**

## Connecticut Towns: Market Assessment Briefs

**Town:** *Shelton, CT*  
**County:** *Fairfield County*

### 1. Economic Trends

#### Major Employers - Shelton

Employer
Perkin Elmer Instruments
Pitney Bowes
Prudential Financial
Raytech Corp.
BIC Consumer Products

With an established manufacturing base, Shelton has more recently benefited from substantial growth in white collar jobs as with the development of numerous corporate business parks sparked by the completion of Route 8 in the early 1980s. Heading the list of major global enterprises operating in Shelton are Perkin Elmer, Pitney

Source: CERC Town Profiles - 2012

#### Key Job Sectors

Industry Sector - 2011	% Share of Jobs
Manufacturing	19.5%
Health Care	11.1%
Retail Trade	9.2%
Professional -Technical Services	8.6%
Administrative & Support	8.3%
Government	5.6%

The job base in Shelton is sizeable at 21,000 in 2011, nearly matching the local labor force. It is also well diversified - with nine private industry sectors showing employment of 1,000 or more in 2011.

Source: CT Dept. of Labor

#### Labor Force & Employment Trends

Labor Force +Employment	Shelton	Fairfield County
Labor Force-2011	22,999	481,769
Unemployment -2011	8.0%	8.0%
Total Employment -Workplace	21,001	403,196
2005 - 2011 - Annual Growth	0.04%	-0.4%
2010 - 2011 - Annual Growth	-6.3%	6.4%

Source: CT Dept. of Labor

Shelton's jobless rate in 2011 was 8%, the same as the county. In 2010, it was only slightly higher at 8.3%.

Job growth over the period 2005-2011 has been essentially flat exacerbated in part by a 6.3% decline in 2011.

## Connecticut Towns: Market Assessment Briefs

**Town:** *Shelton, CT*  
**County:** *Fairfield County*

### 2. Demographic Trends

#### Population Trends

Population	Shelton	Fairfield County
<b>2000 Total population</b>	38,101	882,567
<b>2010 Total Population</b>	39,559	916,829
<b>Annual Percentage Growth</b>	0.38%	0.38%
<b>2011 Total Population (est)</b>	39,838	918,594
<b>2016 Total Population (proj.)</b>	40,450	930,650
<b>2011– 2016 Annual Rate</b>	0.31%	0.26%

Shelton enjoyed steady population growth in the last decade, a trend that is projected to extend through 2016.

Source: 2010 Census, ESRI Business Systems

#### Household Trends

Household	Shelton	Fairfield County
<b>2000 Total Households</b>	14,190	324,232
<b>2010 Total Households</b>	15,325	335,545
<b>Annual Percentage Growth</b>	0.77%	0.34%
<b>2011 Total Households (est.)</b>	15,412	336,205
<b>2016 Total Households (proj.)</b>	15,690	340,435
<b>2011– 2016 Annual Rate</b>	0.36%	0.25%

Household growth was even more impressive last decade compared to population - helped in part by the addition of new rentals catering to young professionals.

Source: 2010 Census, ESRI Business Systems

#### Race & Ethnicity

##### % Share of Population

Population - 2010	Shelton	Fairfield County
<b>White Alone</b>	90.8%	74.8%
<b>Black Alone</b>	2.4%	10.8%
<b>Asian Alone</b>	3.9%	4.6%
<b>Hispanic (Any Race)</b>	5.9%	16.9%

Shelton has a small minority mix led by Hispanics (any race) which saw its share of population increase from 3.5% in 2000 to nearly 6% by 2010.

##### Change - 2000 to 2010

<b>White Alone</b>	-3.8%	-5.7%
<b>Black Alone</b>	118.2%	8.0%
<b>Asian Alone</b>	85.7%	-2.1%
<b>Hispanic (Any Race)</b>	68.6%	42.0%

Source: 2010 Census, ESRI Business Systems

## Connecticut Towns: Market Assessment Briefs

**Town:** *Shelton, CT*  
**County:** *Fairfield County*

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

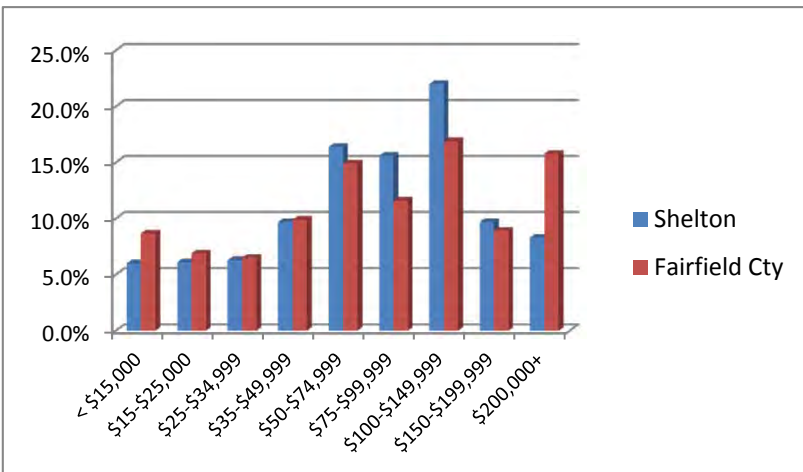
#### Median Income

Median HH Income	Shelton	Fairfield County
<b>2000</b>	\$66,434	\$64,876
<b>2011 (est.)</b>	\$82,285	\$80,531
<b>Annual Avg % Growth</b>	2.2%	2.2%

Shelton is upper middle income closely matching the county in median HH income

Source: 2010 Census, ESRI Business Systems

#### HH Income Distribution (2011)



Data on Income for Shelton reveals highest concentration of households within the \$100,000-\$150,000 income band, accounting for 22% of the household base. This compares to 17% for the county. 12.1% earn less than

Source: 2010 Census, ESRI Business Systems

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

HH's	Shelton		Fairfield County	
	65-74	75+	65-74	75+
<b>Total HHs</b>	<b>1,931</b>	<b>1,904</b>	<b>37,819</b>	<b>38,134</b>
<b>&lt; \$15,000</b>	5.5%	17.6%	9.5%	17.5%
<b>\$15-\$25,000</b>	9.8%	16.3%	8.1%	13.7%
<b>\$25-\$34,999</b>	8.2%	13.3%	6.3%	9.1%
<b>\$35-\$49,999</b>	5.7%	11.4%	9.4%	9.2%
<b>\$50-\$74,999</b>	29.1%	13.2%	18.2%	14.2%
<b>\$75-\$99,999</b>	12.8%	8.8%	11.9%	10.8%
<b>\$100-\$149,999</b>	16.6%	10.8%	14.4%	9.9%
<b>\$150-\$199,999</b>	6.0%	4.8%	6.2%	4.9%
<b>\$200,000+</b>	6.2%	3.7%	15.9%	10.7%
<b>Med Inc.</b>	<b>\$65,188</b>	<b>\$37,820</b>	<b>\$72,114</b>	<b>\$50,597</b>

One quarter of Shelton's senior HHs 65+ earn under \$25,000. 19% earn between \$25,000 - \$50,000, while another one-quarter have incomes exceeding \$100,000.

Source: 2010 Census, ESRI Business Systems



## Connecticut Towns: Market Assessment Briefs

**Town:** *Shelton, CT*  
**County:** *Fairfield County*

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

#### Poverty Rates

Households - 2010	Shelton % Total	Fairfield Cty % Total
<b>Married Couple - Family</b>	0.7%	1.2%
<b>Other Family HHs (spouse not present)</b>	0.6%	2.4%
<b>Non-Family HHs</b>	2.9%	4.4%
<b>Poverty Ratio - Total</b>	4.2%	8.0%

Households poverty rates in Shelton are moderate compared to the county at 4.2%, effecting mostly non-family HHs (primarily seniors).

Source: ACS Population Survey, ESRI Business Systems

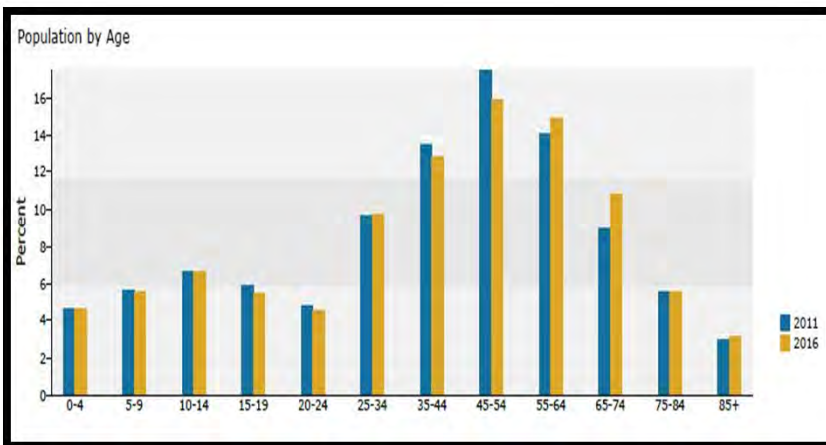
#### Age Trends

Population - 2010	Shelton % Total	Fairfield Cty % Total
<b>Age 18+</b>	78.9%	75.2%
<b>Age 65+</b>	17.5%	13.5%
<b>Age 75+</b>	8.6%	6.7%
<b>Median Age</b>	44.3	39.4

The Shelton age profile is considerably older than the county, most pronounced in its 65+ population at 17.5% vs. 13.5% for the county.

Source: 2010 Census, ESRI Business Systems

#### Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

Shelton will see its sizeable 65+ population expand even further on a percentage basis to a projected 19.5% by 2016. All other age cohorts will remain unchanged or fall in share.

## Connecticut Towns: Market Assessment Briefs

**Town:** *Shelton, CT*  
**County:** *Fairfield County*

### 3. Housing Trends

#### Tenure and Vacancy

HH's	Shelton		Fairfield County	
	2000	2010	2000	2010
<b>Own-Occp</b>	81.8%	81.4%	69.2%	68.6%
<b>Own-Units</b>	11,604	12,480	224,516	230,167
<b>Rent-Occp</b>	18.2%	18.6%	30.8%	31.4%
<b>Rent Units</b>	2,588	2,845	99,716	105,378
<b>Ttl Occp Units</b>	14,192	15,325	324,232	335,545
<b>Vacancy</b>	3.5%	5.1%	4.5%	7.1%

Source: 2010 Census, ESRI Business Systems

Four out five homes in Shelton were owner-occupant in 2010. The past decade, however, saw small lift for rental occupancy from 18.2% in 2000 to 18.6% in 2010.

Vacancy stood at 5.1% in 2010, a normal effective rate for most healthy housing

#### Housing Characteristics

##### % Share of Total Housing

Structure Type - 2010	Shelton	Fairfield County
<b>1 Detached</b>	70.1%	58.4%
<b>1-Attached</b>	10.7%	6.2%
<b>2-unit</b>	4.6%	8.6%
<b>3/4 unit</b>	4.7%	8.8%
<b>5+ units</b>	10.0%	18.1%
<b>Total Housing Units - 2010</b>	15,529	361,221

Source: ACS Housing Surveys, ESRI Business Systems

70% of Shelton's housing stock is single detached with the remaining 30% equally distributed between townhomes, low density MF (2-4units) and high density housing (5+ units).

#### Rent-occupied Housing by Contract Rent

##### Renters with Contract Rent

Contract Rent - 2010 Distribution	Shelton	Fairfield County
<b>Under \$200</b>	4.4%	5.8%
<b>\$200-\$399</b>	9.7%	6.8%
<b>\$400-\$599</b>	12.0%	7.0%
<b>\$600-\$799</b>	13.3%	13.5%
<b>\$800-\$999</b>	21.0%	16.3%
<b>\$1000-\$1249</b>	16.9%	16.0%
<b>\$1250-\$1499</b>	8.6%	11.2%
<b>\$1500-\$1999</b>	5.2%	11.6%
<b>above \$2000</b>	3.2%	8.1%
<b>Median Contract Rent</b>	\$878	\$987

Source: ACS Housing Surveys, ESRI Business Systems

With few managed apartments, much of Shelton's rental housing is linked to privately-owned properties from condos and multi-family homes to single family homes. This has produced a wide distribution in the town's rent structure - though most rents fall between \$800-\$1250.

## Connecticut Towns: Market Assessment Briefs

**Town:** *Shelton, CT*  
**County:** *Fairfield County*

### 4. Rental Housing Market

#### Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	8	\$787	\$778	79	\$700-\$875
2	31	\$1,073	\$1,069	58	\$800-\$1350
3	11	\$1,218	\$1,202	47	\$1100-\$1350
4					

Source: CT MLS

(Dom- Days on Market)

#### Condo

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	9	\$1,211	\$1,194	55	\$725-\$1850
2	27	\$2,164	\$2,127	57	\$1000-\$2400
3	6	\$2,333	\$2,283	23	\$1750-\$2850
4					

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	2	\$1,300	\$1,550	\$2,175	\$2,650

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