

Market Assessment – Francis J. Pitkat Congregate (Vernon, CT)

I. Description Of Property

Subject Property Description & Location – The Subject Property (Francis J. Pitkat Congregate) is a 43-unit Congregate care facility located at 80 Franklin Street in the Rockville section of Vernon, CT. The facility consists of a single two story wood-frame building built in 1990. As a congregate facility, Francis Pitkat provides both independent living units (full kitchens, bathrooms and living area) and congregate services that include a main meal prepared daily, light housekeeping duties, 24-hour on-site staffing, and a resident service coordinator who among other duties helps organize daily recreational and entertainment activities.

As a managed residential community (MRC) residents can also obtain assisted living services in support of daily living activities (clothing, bathing, eating) and medication supervision provided by a licensed Assisted Living Services Agency (ALSA). These services are charged separately from the base rent and core services. As of November 2012, Francis Pitkat had 17 ALSA participants - 8 subsidized by DSS, 6 by DECD, and 3 paying privately.

The facility offers both studios and one bedroom units. Each unit comes with a refrigerator and stove and an emergency call system. Common areas include a dining room, sunroom, library and an activities room. Eligibility is restricted to persons at 80% AMI, along with following: age 62 or older, temporary or periodic difficulties with daily living activities, meet minimum physical and functional thresholds for independent living.

Household rent for these units is two tiered between base rent and core service rent (congregate services). Unlike other state assisted housing where housing rent is determined on 30% of adjusted gross income or the base rent, whichever is greater, in congregates, rent determination is based on amount of income available for rent and services at 30% of income, or the cost of rent and services – whichever is lower. Subsidies are available if rent determinations are below base rent. Similarly, subsidies are provided by DECD's Congregate Services Subsidy if incomes available for services is less than the core service rate. Presently, base rents range are \$367 for the efficiency and \$427/m for the 1 bedroom. These rates include all utilities (Heat, HW, electricity) plus cable. The core service rate is \$739/m for both unit types. In November there were 4 vacancies.

Below is chart on unit mix.

Francis J. Pitkat Congregate

80 Franklin Street
Vernon, CT 06066

Type	Property Type	Baths	# of units	Living Area SF	Base Rate*	Core Service Rate
Efficiency	Flat	1	36	640 sf	\$367	\$739
1 Bedroom	Flat	1	7	860 sf	\$427	\$739
Total			43			

* Inclusive of Cable Fee

Additional Property Info	
Property Type	Elderly
Program	SR Congregate
Parking	30
Year Built	1990
# of Buildings	1
Acres	N/A
Handicap Units	All
Vacancy	3
Waiting List	N/A
Owner	Vernon HA

Subject Property Features and Amenities –

- Utilities Provided: *Heat, HW, Electricity, Basic Cable*
- Refrigerator: *Yes*
- Stove: *Yes*
- Microwave: *No*
- Laundry Room: *Yes*
- Hook-Up: *No*
- Community Room: *Yes*
- Elevators: *N/A*
- Garages: *No*
- Other: *Emergency call system in each unit, Sunroom, Library*



Francis J. Pitkat Congregate Living Center

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



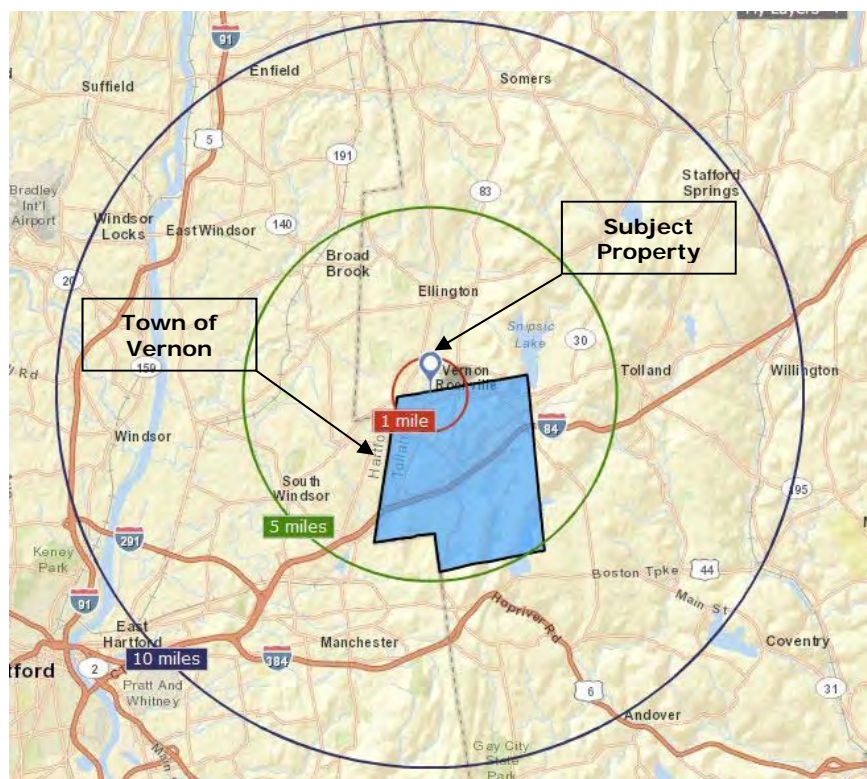
Neighborhood Description & Land Uses – The Subject Property is located on Franklin Street in north Vernon within a mixed residential community of single family homes and low income apartments. Entrance to the site is shared with a private club facility. Directly to the east on Franklin Street is Franklin Park West (64 units) and Franklin Park East (40 units), two senior housing facilities owned and managed by Vernon Housing Authority. To the west at the intersection of Windsorville Road (Route 74) and Franklin Street is the entrance to a shopping center anchored by a supermarket and pharmacy. Rockville Center is less than 1 mile east providing access to local shops and services.

Access – The Subject Property is well located to major transportation corridors in Vernon. As noted above, Franklin Street intersects with Windsorville Road (Route 74) which in turn connects with Talcottville Road (Route 83), an active commercial corridor that leads south to I-84 (2 miles). To the west, Windsor Avenue (Route 74) proceeds into Rockville Center. There is no bus service on Franklin Street though tenants at Subject Property though stops are located on Route 83 and Route 74 near by the Subject Property.

Delineation of Market Area – The defined Primary Market Area (PMA) of demand for units at the Subject Property is Vernon.

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 Vernon, the same as the Source Market Area.

Exhibit 2 – Market 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 – Vernon, like nearby Manchester, supports an active rental housing market. However, unlike Manchester, much of Vernon's rental housing associated with apartment complexes is older predating 1980. Supplementing this market are rentals offered in multi-family homes which in Vernon – more so than the immediate trade area and representing an important source of rental housing. With Manchester commanding much of the upper end of the market in the region with over 1000 units of new rental housing built since 1990, Vernon's rental housing market primarily targets a more affordable rent range. In order to ascertain the market potential for the Subject Property, a survey of six apartment complexes was undertaken.

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:

- Six market rate apartments in Vernon were identified that best reflect the market for units at the Subject Property. Only one market rate complex was identified offering studio apartments, *Springville Mill*, a 100-unit mill conversion with studios at \$750/month. This complex however is not considered a good comparable to the Subject Property with amenities that include in-ground pool, fitness center and AC.
- Of the six complexes, five are garden apartments and one a 4-story mill conversion. Properties were built (or rehabbed) between 1960-1980's.
- Rents for one bedroom units among the surveyed properties ranged from \$745/month to \$875/m. All but *Fox Hill Commons* included some utilities in rent.
- Average rent for one bedroom apartments for the six properties equaled \$793/m. This is somewhat above the average rent for multifamily rent sales in Vernon which averaged \$781/m. However, it is well below the overall average of a broader survey of 1 bedroom apartment rents in Vernon calculating to \$916/m, which included newer properties. (see Vernon Market Brief).
- The closest comparable in terms of age and proximity is *AppleGrove* apartments located adjacent to Subject Property at 89 Grove Street where one bedrooms rent for \$795/m. Two bedrooms at this property rent for \$1080/m. According to property manager there is only one unit available for rent.

A summary of the analysis of rental data for apartment survey is provided in the table 1 on the following page.

Table 1
Market Rate Housing Rental Survey – Vernon

Property	Total Units	Prop. Type	Studio	Studio size	\$/sf	Utilities	Unit Availability
Springville Mill 155 West Main St	100	Mill Conv.	\$750	638	\$1.18	Heat	

Property	Total Units	Prop. Type	1 BR	1BR size	\$/sf	Utilities	Unit Availability
AppleGrove Apts 89 Grove St	24	Garden	\$795	700	\$1.14	H&HW	1
Willowbrook 335 Center St	164	Garden	\$745	530	\$1.41	H&HW	Available
Springville Mill 155 West Main	100	Mill Conv.	\$795	591	\$1.35	Heat	
Highland Apts 14 Highland Ave	--	Garden	\$750	650	\$1.15	H&HW	Available
Mt Vernon Apts 38-A Mt Vernon Dr	164	Garden	\$795	530	\$1.50	H&HW	Available
Fox Hill Commons 101 South St	74	Garden	\$875	800	\$1.09	None	3
Average			\$793				

Source: Property Managers, Internet, Rental Agents

Survey of Assisted Living Facilities – Within Vernon the only identified congregate care facility with independent units is the Subject Property – though the town has a number of facilities offering congregate care type services in private or semi-private rooms. Below is a survey of select assisted living facilities in town. This survey excluded skilled nursing homes.

Of the three private assisted living facilities below and one governmentally assisted facility (next page) surveyed in Vernon, the one closest to being comparable to the Subject Property is the HUD subsidized Welles Country Village located in the southeast corner of town. This property has 99 units, of which 65 are independent units and 34 are designated as assisted living. According to property representative, all are 1 bedroom units with baths and kitchens. In the assisted units, meals are an additional \$400/month, while assisted living services can range from \$950 to \$2400/month. State and federal subsidies help pay for both. Rent for both assisted and independent is based on 30% of income. According to

manager there are no vacancies with a 2 year wait for independent units and 8 month wait for assisted units.

Next in comparability is the 17-bed Elm Hill Manor which offers congregate type services (3-meals, housekeeping, laundry, 24-hour resident supervisor, transportation services) – all included in base fee. Assisted living services are provided by a licensed off-site Assisted Living Services Agency (ALSA) – similar to Francis Pitkat Congregate. Minimum age at Elm Hill is 35, but most residents are 85+. Norah's Place and Car-Laine are facilities offering both congregate-like services and on-site assisted living support. Monthly rates at both facilities average \$3,800/month. All three report no vacancy, with two indicating 3 months to half a year waiting list.

Table 2
Assisted Living Facilities Survey – Vernon

Property	Total Beds	Property Type	Monthly Rate	Services	Unit Availability
Norah's Place 57 Elm St	8 beds	Rest Home - MRC	\$3,600/m	Full Assisted Living Ser. 3 meals, laundry, housekeeping 24-hour Sec.	0 – wait list months
Car-Laine Manor 15 Ellington Ave	23 beds	Managed Residential Community	\$4,000/m	Full Assisted Living Ser. 3 meals, laundry, housekeeping 24-hour Sec.	0 – wait list
Elm Hill Manor 37 Elm Hill	17 beds	Managed Residential Community	\$1,842/m	3 meals, laundry, housekeeping 24-hour Sec. 3 meals, laundry Transp Assited Lving Serv. provided off site ALSA & not in base rent .	0 – 3 month wait list

Source: Property Owners- Managers, Internet

Subsidized Assisted Living Facilities Survey – Vernon

Property	Total Units	Property Type	Monthly Rate	Services	Unit Availability
Welles Country Village 46 Welles Rd	34 - Assisted 65 Indep. 1 BR units	Independent & Assisted Living	Service Rate =\$950-\$2400/m Meal=\$400/m Housing Rent = 30% of Inc.	Full Assisted Living Ser. 3 meals, 24-hour Sec	Assisted Living– 6 Month wait Independ. Units – 2 Year wait

Source: Property Owners- Managers, Internet

Survey of Governmental Assisted Housing– In order to better understand the options for affordable senior housing in Vernon, a survey was undertaken of governmental assisted housing. This survey identified 9 publically assisted housing properties in Vernon for the elderly, inclusive of the Subject Property, totaling 556 units, two of which offer assisted living services.

Refer to Table 3 for results of survey of publically assisted housing projects in Vernon.

Table 3
SURVEY OF GOVERNMENTALLY ASSISTED HOUSING – ELDERLY

Property Name	Address	Owner	Public Funder	Elderly Units	Vacancy/ Waitlist
Florence Mill Apartments	55 Sheffield St	Florence Mill Associ.	HUD/CHFA	113	Vacancy - 0
Franklin Park East	1-40 Franklin Park East	Vernon Housing Authority	CHFA	40	Vacancy - 0
Franklin Park West	114 Franklin Park West	Vernon Housing Authority	HUD	64	Vacancy - 0
Windemere Court	29 Windemere	Vernon Housing Authority	CHFA	40	Vacancy - 0
Grove Court & Ext	55 Grove St	Vernon Housing Authority	CHFA	54	WL - 39
Court Towers	21 Court St	Vernon Housing Authority	HUD	72	Vacancy -0
Francis J. Pitkat*	80 Franklin St	Vernon Housing Authority	CHFA	43	3 units
Rose Commons	178-B Terrace	Sacred Heart Ret. Community	HUD	31	Vacancy -0 1 year wait
Welles Country Village**	46 Welles Rd	Welles Country Village Ltd	HUD	99	Vacancy -0 8m-2 years
TOTAL				513	

Source: Owners, Property Managers, Internet *Congregate **Includes Assisted Living

VI. Analysis of Current Tenant Base

Demographics-Economics-Rent Structure of Current Tenant Base:

- Total HHs: **43**
- Total Occupied Units: **40**
- Total Residents: **43 (3 - 2-personHHs)**
- Average Age: **87**
- % Minority: **0%**
- % at Base Rent: **43% (17HHs)**
- Income Below 25%AMI: **21% (9)**
- Income 25% at 50% AMI: **67% (29)**
- Income 50% AMI or greater: **12% (5)**
- Average Adjusted Gross Income: **\$19,134**
- Avg. % of Adj Gross Income to rent & services : **61.4%**
- Average Tenant Rent & Service Fee: **\$917/m**
- # of HHs receiving rent subsidy : **10 (25%)**
- # of HHs receiving service subsidy : **16 (40%)**
- # of ALSA participants: **17 (14 subsidized, 3 private)**

Income Distribution – Tenants

Tenant Adj Gross HH Income	# HHs	% Share
< \$10,000	4	10%
\$10000-\$15000	8	20%
\$15000-\$20000	12	30%
\$20000-\$25000	7	18%
\$25000-\$30000	4	10%
>\$30,000	5	12%

VI. Conclusions/Recommendations

a. Rent Structure Opportunity

Market & Property Factors

Positive

- Relatively new facility (1990)
- Grounds, buildings very well maintained
- Unit sizes are comparable to market alternatives
- Close to nearby shops and services (Rockville – Route 83).
- Residential location but with good access to major corridors – hospital
- Assisted living Services available as needed with ALSA
- Most private assisted housing alternatives exceed \$2,000/m.

Challenges

- Welles Country Village tapping same market with deeper subsidy
- Industry challenge associated with higher turnovers due to older tenants at entry with more health related issues that force movement to higher care facilities.
- Congregate housing is needs based housing and less subject to voluntary moves by prospective tenant.
- In-home care providers are becoming more competitive in pricing.

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

Unit Type	Subject Property	Subject Property	Local Market Alternatives	Assisted Alternatives	CT MLS Multifamily	CT MLS Condo	Managed Apartments
	Contract Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent
Studio	\$265	\$371	\$750				\$800
1 BR	\$290	\$470	\$793		\$781		\$916
2 BR					\$900	\$1110	\$1127

Tenant Base Trends

- Francis Pitkat has witnessed a shift in households to a more diversified income base.
- The percent of households at incomes of 25% or less dropped from 64% in 2003 to 16% in 2012. In terms of households share this represented a 74% decline in this income bracket with a corresponding 127% rise in 25-50% AMI bracket.

Francis Pitkat Resident HH Income	Year 2003	Year 2012
< 25%AMI	64%	16%
25-50% AMI	26%	58%
50%-80% AMI	10%	26%

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 the town of Hamden). 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)¹.

¹ The adjustment was determined based on the ratio of ownership in the SMA to County home ownership.

Tolland County	Tolland County Tenure Distribution		Adjustment Factor Vernon Area	
Income Distribution	Rent	Own	Rent	Own
under 15,000	80%	20%	88%	12%
15000-25000	53%	47%	72%	28%
25000-35000	33%	67%	60%	40%
35000-50000	40%	60%	65%	35%

Source: US Census 2010, American Community Survey, 2011

The chart below reflects estimated distribution of senior households 75+ in Vernon area (5 mile radius) by tenure and income. Based on our analysis of tenure by income, we estimate the primary Source Market Area contains 1769 households whose incomes fall within the income threshold for the target market of which 1265 are renters. The chart also shows current distribution within the Subject Property of senior tenants by income.

Vernon Area	Source Mkt Senior HH 75+			Subject
Income Distri	Total	Rent	Own	Property
				Senior Tenant Base
under 15,000	427	377	50	17
15000-25000	495	358	137	24
25000-35000	402	243	159	0
35000-50000	445	287	158	0
Total	1769	1265	504	41
Young/Dis.				12
Vacancy				1
		Total Units		54

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 expected absorption of units by source market renters.

- As demand for congregate housing is largely driven by health care needs and not typically undertaken as a voluntary move, the evaluation of market depth focuses on aggregate penetration opportunity as opposed to anticipated rental turnover in the marketplace.
- Relative to source market, we have assumed that 80% of the units will be filled by residents in Vernon source market area.

At this level of the senior housing market that is more needs driven identifying appropriate benchmarks for market penetration becomes more challenging. For seniors 75+, mobility is quite low and any move they take to new housing at this age is generally one of their last.

Adding to the challenge is that 9 out of 10 persons 65 and older plan to stay in their home as long as they can pointing to greater reliance on in-home care.

As a rule, benchmark market penetration rates attesting to the project's potential feasibility for independent housing involving targeting very low income households can range from 10 to 20% (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 conservative rates of 3 to 5% are applied to test market depth. In view of the fact that congregate housing is designed as independent housing for seniors who are less active and in need of some services associated with housekeeping, meals, laundry, we have chosen to maintain similar rates of penetration.

To assist in determining potential for rent structuring, we looked at market depth as a function of potential capture in aggregate overall among all households 75+ within the source area in each bracket (in this case Hamden). A comparison is provided between the present income distribution found at the Subject Property among seniors and estimate of aggregate capture potential providing a gauge on market depth in the source market area. The results of this analysis are presented in the chart below.

Vernon Area	Senior HH 75+		Aggregate Potential Capture Total HH 75+	
	Total	65+ HH Renters	Capture Rates	Total Senior HH Capture Potential
under 15,000	427	377	15%	56
15000-25000	495	358	10%	36
25000-35000	402	243	5%	12
35000-50000	445	287	3%	9
Total	1769	1265		113

Source: US Census 2010, American Community Survey, 2011

b. Recommendations for Improving Marketability

Senior housing for frail elderly is a complex marketplace that comes in a myriad of forms and costs from simple rest homes to continuing care facilities. In many cases it has also included nursing homes if for no other reason that Medicaid will cover the cost of such a facility while it will not for assisted living or congregate care. In the case of the Subject Property, both RAP and DECD Service subsidies are available to pay the difference between 30% of income and base fee for rent and service cost. Nevertheless, the average combined HH rent/service cost at Francis Pitkat equated to \$916/month, with 43%, or 17 households paying the full base rent and service cost (\$1092/m for efficiency and \$1152/m for 1 BR). Overall, households at Pitkat are paying 62% of their gross adjusted income. This latter finding, by the way, is not at odds with much of the frail elderly housing marketplace where up to 80% or even more of personal income is devoted to housing and support services.

Higher turnover

Still it is evident that Pitkat is having some difficulty in maintaining full occupancy. In one regard, this is not inconsistent with trends for many facilities targeting the frail elderly for the simple reason is that the market is old in age and prone to health issues. Thus turnover

is more frequent. Meanwhile, since the choice to enter an assisted or congregate facility is often not voluntary but driven by health factors – older individuals and households, will typically hold out in making such move until health forces the issue.

Competition

The most direct competition to the Subject Property is Welles Country Village, a senior subsidized housing complex funded by HUD. Consisting of 99 units, 34 are designated as assisted living units and 65 as independent units. Housing rent is based on 30% of income with HUD paying the difference between tenant rent and Fair Market Rent for the area which for 2013 is \$883/month gross for a one bedroom. Meal services are \$400/month and assisted living services range from \$950 to \$2400/m according to property manager. State and Federal subsidies help defray the cost for these services. Notably there are no vacancies.

Assuming most of the Welles Country Village service costs are subsidized as suggested by manager, assisted living tenants appear to be paying substantially less than the 60% of income seen for Pitkat which would certainly be appealing to prospective tenants that are income eligible. It is also quite possible that vacancy is reduced by the admittance of young disabled, a group that is not allowed in Pitkat. It is also noted that much of the demand for the assisted living units is derived from tenants in the independent units. In short, Welles Country Village has a combination of funding and local demand (including within the property itself) for maintaining full occupancy.

Assessment of Facility

Pitkat, on the other hand, must reach deeper into the marketplace to keep occupancy at 100%. In one respect, the data suggests VHA has done a credible job in this area with 22% of its tenant base reporting incomes over \$25,000, and 40% above \$20,000. In fact, we think most prospective tenants would respond positively to the Pitkat facility. It's well-maintained, it's relatively new, the units are spacious, the grounds in good order and contact with staff indicates personnel who are very engaged with care of residents. We didn't taste the food but for the purpose of this report assume it meets an acceptable standard.

Possible Options

Thus if market is not the issue, nor the facility itself an impediment, this would lead one to look at marketing of the facility as an area to improve, including more presence on the internet which is the first area most family members begin to look for information on frail elderly options (family members often being the prime decision makers on such matters). Presence on internet goes beyond designing a web page –which by the way VHA does a better job than any of the local competitors, a number which do not have a web page - but also includes getting names on various senior housing search engines. Other marketing efforts could include networking, open houses, marketing beyond the Vernon borders to adjoining towns.

As can be seen in the assisted living survey, emphasizing Pitkat's price differential with private options should be a part of the story. In any event, it would be important to obtain professional guidance on correct marketing approach that can be accomplished within your budget that can be consistently maintained for the long term.

Remaining Marketing Thoughts

Four remaining thoughts on occupancy include: 1) looking at low-cost areas for expanding service – recreational – entertainment options available to tenants thereby enhancing market appeal, 2) whether the screening process should be reviewed to determine options for greater latitude for acceptance (we recognize this could lead to issues detrimental to the facility), 3) options for additional subsidy, and 4) whether higher demand for 1 BRs as indicated would suggest some combination of studios (not to be undertaken lightly w/o further study). On the whole, however, we believe a stronger and more coordinated market presence in the marketplace should address the main CHFA issues related to occupancy.

c. Redevelopment Scenario

From a market analysis perspective, Francis PitKat does not reflect a strong need for a redevelopment scenario.

APPENDIX
MARKET BRIEF

Connecticut Towns: Market Assessment Briefs

Town: *Vernon, CT*
County: *Tolland County*

1. Economic Trends

Major Employers - Vernon

Employer
Town of Vernon
Rockville General Hospital
New England Mechanical Service
Visiting Nurse & Health Services
Stop & Shop

Source: CERC, Town Profile 2012

Once an active mill town, Vernon's economic base has since transitioned into retail trade and services. Heading the list of major private employers is Rockville General Hospital, an 102 bed acute-care facility. Other large companies-organizations include the VNA, provider of home care and staffing, and New England Mechanical Services, providing a wide range of facility services to businesses.

Key Job Sectors

Industry Sector - 2011	% Share of Jobs
Health Care	22.9%
Retail Trade	16.4%
Food Services	13.5%
Other Services	6.6%
Professional & Technical Services	6.2%
Government	14.6%

Source: CT Dept. of Labor

Health care, primarily Rockville Hospital, made up 23% of the town's job base in 2011 with employment of 2,025. Next in line were retail, accommodation and food service sectors with a combined workforce of 2,638. Together, the three sectors accounted for half the jobs in town.

Labor Force & Employment Trends

Labor Force +Employment	Vernon	Tolland County
Labor Force-2011	17,353	87,640
Unemployment -2011	8.2%	7.4%
Total Employment -Workplace	8,838	40,234
2005 - 2011 - Annual Growth	-0.7%	0.4%
2010 - 2011 - Annual Growth	1.4%	8.8%

Source: CT Dept. of Labor

Vernon's unemployment of 8.2% in 2011 exceeded the county average of 7.4% - though an improvement over the 8.8% in 2010.

Job growth in town has been stunted 2005-2011, but signs of reversing this trend are noted in the small pickup in employment for 2011.

Connecticut Towns: Market Assessment Briefs

Town: *Vernon, CT*
County: *Tolland County*

2. Demographic Trends

Population Trends

Population	Vernon	Tolland County
2000 Total population	28,063	136,364
2010 Total Population	29,179	152,691
Annual Percentage Growth	0.39%	1.14%
2011 Total Population (est)	29,279	153,218
2016 Total Population (proj.)	29,970	157,286
2011– 2016 Annual Rate	0.47%	0.53%

Source: 2010 Census, ESRI Business Systems

Vernon experienced steady population growth last decade - though less than a number of towns in the region as can be seen by the 10% growth in the county. Notably, projections call for faster growth over the near term.

Household Trends

Household	Vernon	Tolland County
2000 Total Households	12,269	49,431
2010 Total Households	12,976	54,477
Annual Percentage Growth	0.56%	0.98%
2011 Total Households (est.)	13,025	54,687
2016 Total Households (proj.)	13,373	56,466
2011– 2016 Annual Rate	0.53%	0.65%

Source: 2010 Census, ESRI Business Systems

Vernon gained an additional 707 households last decade representing a 5.6% increase . A similar rate of growth is estimated for the period 2011-2016.

Race & Ethnicity

% Share of Population

Population - 2010	Vernon	Tolland County
White Alone	85.1%	89.8%
Black Alone	5.8%	3.3%
Asian Alone	4.3%	3.4%
Hispanic (Any Race)	6.5%	4.3%

Change - 2000 to 2010

White Alone	-5.4%	-2.7%
Black Alone	45.0%	22.2%
Asian Alone	59.3%	47.8%
Hispanic (Any Race)	80.6%	53.6%

Source: 2010 Census, ESRI Business Systems

Vernon is relatively diverse - with 15% minority population. Its largest base of minorities are Hispanics (any race) at 6.5% up from 3.6% in 2000.

Connecticut Towns: Market Assessment Briefs

Town: *Vernon, CT*
County: *Tolland County*

2. Demographic Trends (Cont'd)

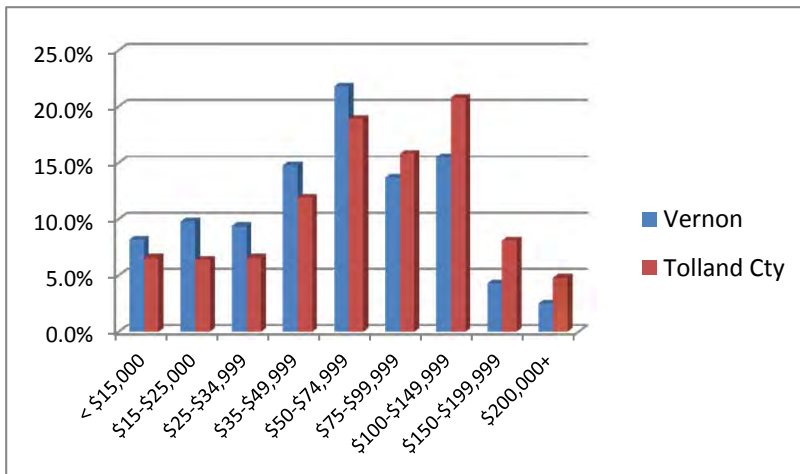
Median Income

Median HH Income	Vernon	Tolland County
2000	\$47,931	\$59,035
2011 (est.)	\$56,689	\$74,247
Annual Avg % Growth	1.7%	2.3%

Vernon reflects a more moderate income population base compared to the county overall.

Source: 2010 Census, ESRI Business Systems

HH Income Distribution (2011)



Data on Income for Vernon reveals heaviest concentration of households within the income band of \$50,000-\$75,000, accounting for 22% of the household base. This compares to 19% for the county. Vernon households earning under \$35,000 account for 27% of

Source: 2010 Census, ESRI Business Systems

HH Income Distribution - 65+ (2010)

HH's	Vernon		Tolland County	
	65-74	75+	65-74	75+
Total HHs	1,534	1,490	5,931	4,944
< \$15,000	9.7%	21.8%	6.7%	20.0%
\$15-\$25,000	10.0%	18.5%	8.3%	14.4%
\$25-\$34,999	11.1%	10.9%	8.5%	8.9%
\$35-\$49,999	15.2%	10.9%	12.4%	11.0%
\$50-\$74,999	21.6%	17.9%	24.2%	17.4%
\$75-\$99,999	12.5%	6.3%	11.1%	6.7%
\$100-\$149,999	14.1%	8.9%	15.6%	11.4%
\$150-\$199,999	1.1%	1.5%	4.9%	5.3%
\$200,000+	4.7%	3.2%	8.2%	4.8%
Med Inc.	\$53,121	\$33,530	\$61,759	\$43,178

30% of senior HHs in town (65+), or 903 HHs, have low incomes of under \$25,000. This jumps to 40% for seniors 75+ (totaling 601 households).

Source: 2010 Census, ESRI Business Systems

Connecticut Towns: Market Assessment Briefs

Town: *Vernon, CT*
County: *Tolland County*

2. Demographic Trends (Cont'd)

Poverty Rates

Households - 2010	Vernon % Total	Tolland Cty % Total
Married Couple - Family	0.4%	0.7%
Other Family HHs (spouse not present)	3.3%	1.8%
Non-Family HHs	4.5%	4.6%
Poverty Ratio - Total	8.1%	7.2%

Source: ACS Population Survey, ESRI Business Systems

Household Poverty rate in town is high at 8.1%, which is above the rate for the county. The level of impact is near equal between Single headed HH and Non-family HHs - primarily seniors.

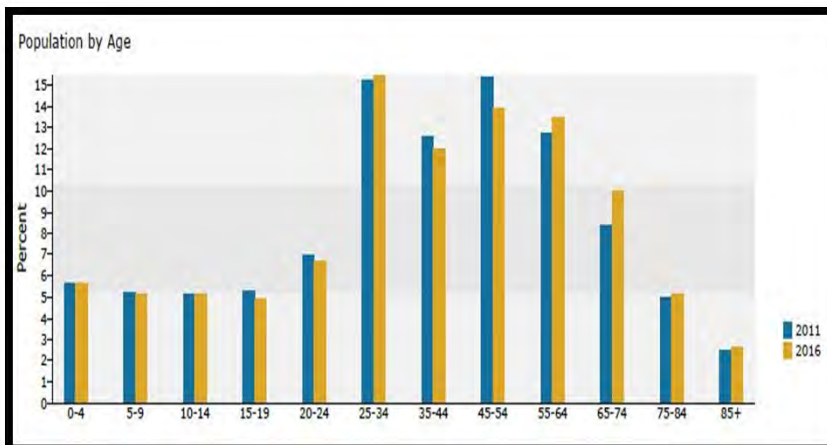
Age Trends

Population - 2010	Vernon % Total	Tolland Cty % Total
Age 18+	80.6%	79.8%
Age 65+	15.6%	11.9%
Age 75+	7.6%	5.2%
Median Age	40.2	38.0

Source: 2010 Census, ESRI Business Systems

Vernon is somewhat older in profile compared to the county - 15.9% age 65+ vs. 11.9% for the county.

Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

Vernon is expected to see a sharp rise in 65+ population over the time period 2011-2016 as the bulk of the baby boom population progresses into their 60s. By 2016, 17.8% of Vernon's population is projected to be 65+, a change from 15.6% in 2010, and 13.9% in 2000.

Connecticut Towns: Market Assessment Briefs

Town: *Vernon, CT*
County: *Tolland County*

3. Housing Trends

Tenure and Vacancy

HH's	Vernon		Tolland County	
	2000	2010	2000	2010
Own-Occp	56.5%	58.0%	73.4%	75.3%
Own-Units	6,935	7,532	36,309	41,006
Rent-Occp	43.5%	42.0%	26.6%	24.7%
Rent Units	5,340	5,444	13,122	13,471
Ttl Occp Units	12,275	12,976	49,431	54,477
Vacancy	4.6%	6.6%	4.1%	6.0%

Source: 2010 Census, ESRI Business Systems

Vernon presents a more urbanized housing environment compared to most of its neighbors with 58% ownership-42% rental in 2010. Within Tolland county, the owner-occupant ratio was 75% in 2010.

Housing Characteristics

% Share of Total Housing

Structure Type - 2010	Vernon	Tolland County
1 Detached	47.1%	70.5%
1 Attached	3.7%	3.0%
2-unit	6.7%	4.4%
3/4 unit	11.7%	7.1%
5+ units	30.8%	15.0%
Total Housing Units - 2010	13,726	57,963

Source: ACS Housing Surveys, ESRI Business Systems

In keeping with its more urban profile, housing stock in Vernon is well distributed among structure types with nearly half in single detached and the balance in higher density housing . 2.3% of the housing in town is also linked to mobile homes.

Rent-occupied Housing by Contract Rent

Renters with Contract Rent

Contract Rent - 2010 Distribution	Vernon	Tolland County
Under \$200	2.8%	3.1%
\$200-\$399	6.8%	5.2%
\$400-\$599	12.2%	8.9%
\$600-\$799	31.9%	30.2%
\$800-\$999	21.2%	22.7%
\$1000-\$1249	14.5%	14.4%
\$1250-\$1499	6.8%	6.4%
\$1500-\$1999	2.2%	4.7%
above \$2000	0.1%	0.4%
Median Contract Rent	\$783	\$804

Source: ACS Housing Surveys, ESRI Business Systems

Rents in Vernon are moderate-high with contract rents mostly concentrated in the range of \$600 to \$1250. The recent addition of a number of new rentals in town has helped to push up rates overall. 2010 median rent was estimated at \$783/m.

Connecticut Towns: Market Assessment Briefs

Town: *Vernon, CT*
County: *Tolland County*

4. Rental Housing Market

Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	8	\$768	\$781	77	\$675-\$950
2	16	\$900	\$900	89	\$600-\$1590
3	3	\$1,023	\$1,010	36	\$950-\$1130
4					

Source: CT MLS

(Dom- Days on Market)

Condo

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1					
2	18	\$1,128	\$1,110	51	\$725-\$1500
3					
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
<i>Apts</i>	8	\$800	\$916	\$1,127	

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