

Market Assessment – Oak Terrace I-V (Naugatuck, CT)

I. Description Of Property

Subject Property Description & Location – Oak Terrace is an elderly housing property located on the western side of Naugatuck River upon a hillcrest above the downtown. The property encompasses a site stretching over 23 acres. Built over five phases ranging from 1960 to 1980, Oak Terrace totals 194 units housed in 37 ranch-style buildings – plus a community and maintenance building. Unit mix consists of both studios (154) and one bedrooms (40).

Each unit comes with a refrigerator and stove. In addition there is a community building with laundry facilities. There was no data provided on parking, however field inspection indicates seven small lots distributed over the site for resident cars. Household rent for these units is determined as percentage of income, or base rent, whichever is greater. Program eligibility is restricted to persons 62 or older. Younger residents are eligible if certified totally disabled. Incomes for all households must be at 80% of AMI or below.

Base rent is \$80 for the efficiency and \$110/m for the 1 bedroom. Utilities are paid by the tenant but a utility allowance of \$45/m and \$50/m is provided for studio and one bedroom, respectively. Vacancy at the Subject Property stood at 21 units in 2012 (09-30-2012), however 15 of these units were being held back from rental in order to undertake ADA upgrades and address environmental issues, with the remaining units awaiting processing of applicants from waiting list of 35. Representative from the housing authority noted waiting list turns over quickly, on average of 6 to nine months.

Below are charts on unit mix, unit sizes and base rent for various phases at Oak Terrace.

Oak Terrace I-V

53 Conrad St
Naugatuck, CT 06770

Oak Terrace I - 1960

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
Efficiency	Ranches	1	36	441 sf	\$80
1 Bedroom	Ranches	1	14	546 sf	\$120
Total			50		

Oak Terrace II - 1967

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
Efficiency	Ranches	1	30	441 sf	\$80
1 Bedroom	Ranches	1	10	546 sf	\$120
Total			40		

Oak Terrace III - 1970

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
Efficiency	Ranches	1	18	441 sf	\$80
1 Bedroom	Ranches	1	6	546 sf	\$120
Total			24		

Oak Terrace IV - 1975

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
Efficiency	Ranches	1	34	441 sf	\$80
1 Bedroom	Ranches	1	6	546 sf	\$120
Total			40		

Oak Terrace V - 1980

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
Efficiency	Ranches	1	36	441 sf	\$80
1 Bedroom	Ranches	1	4	546 sf	\$120
Total			40		

Total Unit Count for Properties: 194 units

Additional Property Info	
Property Type	Elderly
Program	SR Elderly
Parking	Data N/A
Year Built	1960-1980
# of Buildings	38
Acres	21.65
Handicap Units	6
Vacancy	21 units (per TPS 2012 sp)*
Waiting List	35
Owner	Naugatuck HA

* Discussions with Property owner indicated high vacancy is mostly due to units pulled out of rental pool in order to undertake ADA improvements, and address specified environmental issues.

Subject Property Features and Amenities –

- Utilities Provided: *Tenant pays H&HW & Elec. (Utility Allow. \$45-studio, \$50-1BR)*
- Refrigerator: *Yes*
- Stove: *Yes*
- Microwave: *No*
- Laundry Room: *Yes*
- Hook-Up: *No*
- Community Room: *Yes*
- Elevators: *N/A*
- Other: Resident Manager



Oak Terrace
(front)



Oak Terrace
(back)

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 – Oak Terrace is located on a hillcrest off Millville Avenue in the western section of Naugatuck (Naugatuck is divided in two by the Naugatuck River). Millville Avenue is one of two east-west roads on this side of the river that connect directly with the downtown. Much of the surrounding uses consist of modest single family homes, although directly fronting the property at the corner of Millville Avenue and Conrad is Legion Field, a town-owned playground and park. Also located nearby further west on Millville Avenue is the Robert E. Hutt Congregate Center, a relatively new facility (1992) owned and operated by the Naugatuck Housing Authority. Various shopping and service opportunities in the area, including a Super Stop & Shop, can be accessed just over 1 mile from the Subject Property on Rubber Avenue, a commercial corridor which ultimately feeds into the downtown.

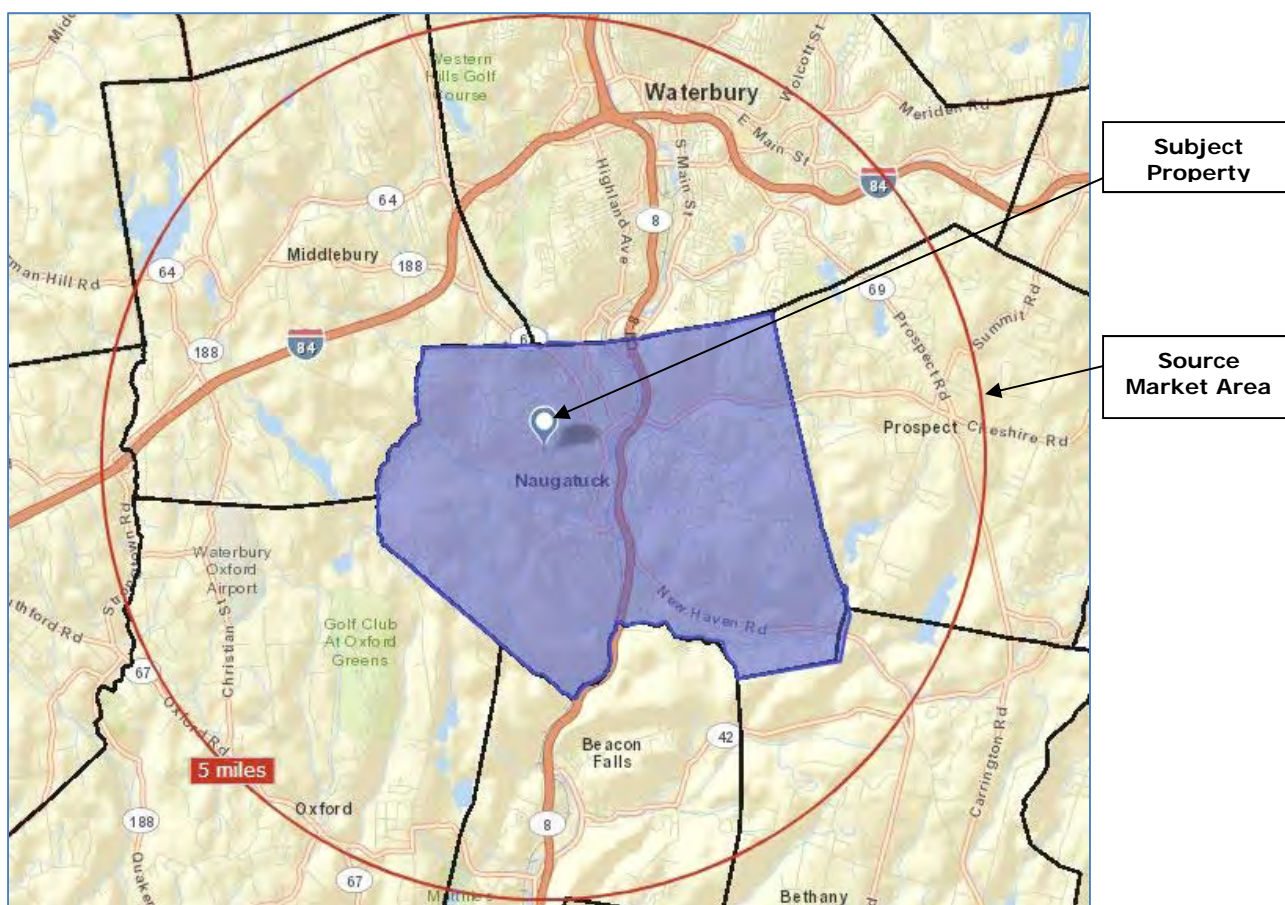
Access – Oak Terrace is situated in a largely single family residential area of Naugatuck with most direct access provided by Millville Avenue, one of the primary east-west thoroughfares serving the area. The downtown is just over 1 mile east of the Subject Property via Millville, while access to nearby shopping opportunities require heading southwest in order to connect with Rubber Avenue, representing a more commercial east-west corridor. Route 8 is a relatively short drive from Oak Terrace by either Millville or

Rubber Avenue. Local bus connections are also located on-site within the complex with service provided by CT Transit.

Delineation of Market Area – The primary Source Market Area (SMA) of demand for units at the Subject Property is defined as a five mile radius around Naugatuck.

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 Naugatuck.

Exhibit 2 – Market Area Map



II. Economics & Demographics of Market Area

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

III. Rental Survey

Housing Rental Survey Summary Analysis –

Although not a city¹, Naugatuck has urban roots stretching back to its early history as a mill town community for much of the 19th century and later as a major manufacturing center particularly for rubber products. Today Naugatuck supports a relatively diverse housing market that largely targets a middle income base. One-third of this housing is occupied by renters, primarily in private multi-family homes, though ample options are found in managed apartments, condo rentals and single family homes. Consistent with Naugatuck's market base, much of the rental housing in town is set at rents considered generally affordable compared to rents in other parts of the region (Waterbury excepted). As one would expect, the multi-family homes provides the more affordable housing in town with average rents of \$623/m for a one bedroom and \$833/m for a two bedroom unit. Condo rentals associated with newer construction is the defacto luxury rental market in town – with no new market rate apartment rental built in town since the 1970s. In between these two markets lies the professionally managed apartment market consisting of an estimated 700 to 800 units, or an estimated 18% of the rental housing market. Although mostly lacking similarity to the Subject Property in terms of product (outside the fact they are flat-style apartments) and amenities, the surveyed apartments are priced to capture a market at 50% 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:

- Six open-age market rate apartments in Naugatuck were surveyed reflecting the market environment for rental housing in the town. None are true comparables to the subject property but each reflect 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. All six of the properties are garden style apartments, one includes an elevator.
- Of the six, amenities are most basic at West Hill, Ramblewood and Trowbridge, centering largely on expanded kitchens, storage and laundry room. They become more elevated at Horizon Homes, Parkview and Mattatuck with each offering recreational amenities that include a swimming pool – although none of the three would be considered luxury. On-site management is provided in four of the six properties.
- None of the surveyed properties featured studios. The average rent for the one bedroom unit was calculated at \$810/m. Heat and HW was provided in the rent for five of the properties.
- Vacancies or upcoming availability were identified in all properties surveyed.

¹ Naugatuck functions as a consolidated borough and town.

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

Table 1

Rental Survey - Market Rate Apartment Alternatives – Naugatuck

Property	Total Units	Prop. Type	Age	0 BR	0 BR size	\$/sf	1 BR	1BR size	\$/sf	Utilities In Rent	Unit Availability
West Hill Apts 597 Millville St	55	Garden	1960	--	--	--	\$750	530	\$1.41	H/HW	No Vacancy
Ramblewood 44 Osborn Rd	48	Garden	1970	--	--	--	\$760			H/HW	Available
Trowbridge 38 Highland St	33	Garden	1970	--	--	--	\$725	750	\$0.96	H/HW	Available
Horizon Homes 151 Andrew Ave	300	Garden	1977	--	--	--	\$850	700	\$1.21	No	Available
Parkview 270 Spring St	160	Garden	1970	--	--	--	\$975	850	\$1.14	H&HW	Available
Mattatuck Manor 519 Spring St	108	Garden	1960	--	--	--	\$800			H&HW	1Brs=yes
Average							\$810	732	\$1.10		

Source: Property Managers, Internet, Rental Agents

Survey of Governmental Assisted Housing– In order to better understand the options for senior housing, a survey was undertaken of affordable housing in Naugatuck. This survey identified 4 affordable senior housing properties, inclusive of the Subject Property, totaling 334 units. All four are owned and managed by the Naugatuck Housing Authority. One of the four properties is a congregate care facility. Two are HUD funded project base properties.

Refer to Table 2 on following page for results of survey of affordable senior housing projects in Naugatuck.

Table 2
Survey of Affordable Elderly Housing – Naugatuck

Property Name	Address	Owner	Public Funder	Deter. Of Rent	Elderly Units	Age	Vacancy/ Waitlist
George B. Lewis I	71 Osborne Rd	Naugatuck HA	HUD	30% Income	52		
George B. Lewis II	Weid Drive	Naugatuck HA	HUD	30% Income	52		
Oak Terrace (Subject Property)	53 Conrad St	Naugatuck HA	CHFA	Base Rent	194	1960-80	21/35*
Robert E. Hutt Congregate	480 Millville Ave	Naugatuck HA	CHFA/DECD	Base Rent	36	1992	1/1
Total					334		

Source: Internet, Property Owners/Managers * Discussions with Property owner indicated high vacancy is mostly due to units pulled out of rental pool in order to undertake ADA improvements, and address specified environmental issues.

IV. Analysis of Current Tenant Base

Demographics-Economics-Rent Structure of Current Tenant Base:

- Total Units: **194**
- Total Occupied Units: **173**
- Total Residents: **175 (2 --2per/HHs)**
- Total # of Children: **0**
- Average Age: **65**
- % Minority: **3% (6)**
- # of Disabled HH under 62: **41% (71)**
- % at Base Rent or below: **0.5% (1)**

- Income Below 25%AMI: **43% (72)**
- Income 25% at 50% AMI: **53% (88)**
- Income 50% AMI or greater: **4% (7)**
- Average Income: **\$12,534**
- Average Tenant Rent: **\$270/m-studio/ \$261/m-1BR**

- Waiting List: **35/ 24 (young-disabled)**

Oak Terrace Income Distribution

Resident HH Income	Rent Equivalent	% of HH
< \$10,000	\$250	35%
\$10000-\$15000	\$250-\$375	40%
\$15000-\$20000	\$375-\$500	20%
\$20000-\$25000	\$500-\$625	4%
\$25000-\$30000	\$625-\$750	0.5%
>\$30000	>\$750	0.5%

V. Conclusions/Recommendations

a. Rent Structure Opportunity

Market & Property Factors

Positive

- Safe Residential Area, easy driving distance to shops-services & Downtown
- Congregate Care Center nearby presenting continuum of care opportunity
- Buildings - All ranch style with separate individual entrances
- Local Bus Stop-Service in complex
- On-site Maintenance

Challenges

- Majority of units are studios (80%)
- High percentage of young disabled (41%)
- Older units/building; needing bldg./systems maintenance & possibly in need of updating
- Rent Structure for market rate in town mostly affordable

*Below is a summary of data compiled on Subject Property and average rents identified within various market segments. **Considering the location, size, age, layout, amenities and utility configuration of the subject units at Oak Terrace, a rental range of \$400 to \$475 for the studio and \$500 to \$590 for the 1 bedroom would be considered competitive with the area inventory involving properties with basic amenities.** (Disclaimer – this is not a projection of what could be achieved at the subject property, which would need to consider income eligibility parameters, target market and policy goals of the program, nor an “estimate of rent value”², 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	Naugatuck MultiFamily Alternatives	Naugatuck MLS Condo	Naugatuck Managed Apartments
	Contract Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent
Studio	\$80	\$270				
1 BR	\$120	\$261	\$810	\$630		\$851
2 BR				\$833	\$978	\$998

² 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 Trends

- Oak Terrace has witnessed a sizeable gain in the number of households at incomes above 25% AMI in over the last ten years, with this group nearly quadrupling in size.
- In 2012, it is also noted that 4% of the tenant base reported incomes over 50%AMI compared to none in 2003.

Oak Terrace Resident HH Income	Oak Terrace Year 2003	Oak Terrace Year 2012
< 25%AMI	169	72
25-50% AMI	24	88
50%-80% AMI	0	7
Occupancy	99%	85%

Source: Summary Tenant Profile 2003, 2012 (9-30-2012)

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 primary Source Market Area is a five mile radius around the Subject Property in Naugatuck*). 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)³.

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

	New Haven County Tenure Distribution		Adjustment Factor – Naugatuck SMA	
Income Distribution	Rent	Own	Rent	Own
under 15,000	77%	23%	75%	25%
15000-25000	63%	37%	60%	40%
25000-35000	53%	47%	49%	51%
35000-50000	42%	58%	37%	63%

Source: US Census 2010, American Community Survey, 2011

The chart below reflects estimated distribution of senior households in the Naugatuck SMA by tenure and income. Based on our analysis of tenure by income, we estimate the primary Source Market Area contains 6377 households whose incomes fall within the income threshold for the target market of which 3669 are renters. The chart also shows current distribution within the Subject Property of senior tenants by income (excludes young disabled).

Naugatuck A	Source Mkt Senior HH 65+			Subject
Income Distri	Total	Rent	Own	Property
				Senior Tenant Base
under 15,000	1964	1476	488	66
15000-25000	1745	1048	697	34
25000-35000	1253	617	636	2
35000-50000	1415	529	886	0
Total	6377	3669	2708	102
Young/Dis.				71
Vacancy				21
			Total Units	194

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 Naugatuck 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 78 units. While above \$25,000, the potential market base is estimated at 11 units based on a 3 to 5% penetration of market.

Naugatuck SMA - 65+ Households					
Income Distr	Total	Rent	Turnover ratio	# Renters Moving	Current Senior HH Tenants
under 15,000	1964	1476	30%	443	66
15000-25000	1745	1048	30%	314	34
25000-35000	1253	617	30%	185	2
35000-50000	1415	529	30%	159	0
Young/disabled					71
Vacancy					21
Total	6377	3669	2708	1101	194
Potential capture rates:		Annual Potential Capture Rate	Current # Senior HHs at Sub. Prop		
under 15,000	15%	53	66		
15000-25000	10%	25	34		
25000-35000	5%	7	2		
35000-50000	3%	4	0		
Total		89	102		

* 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.

Naugatuck SMA	Senior HH 65+		Aggregate Potential Capture	
	Total	65+ HH Renters	Total HH 65+	Total Senior HH Capture Potential
Income Distribution			Capture Rates	
under 15,000	1964	1476	15%	221
15000-25000	1745	1048	10%	105
25000-35000	1253	617	5%	31
35000-50000	1415	529	3%	16
Total	6377	3669		373

Source: US Census 2010, American Community Survey, 2011

b. Recommendations for Improving Marketability

Feedback from Naugatuck Housing Authority indicated highest demand is for 1 bedrooms which at Oak Terrace accounts for only 20% of the unit mix. However, despite the low count in preferred unit type, the representative for Oak Terrace stated there has been little difficulty in renting the studios when they become available. One possible contributing factor to the healthy absorption of units at Oak Terrace is the high numbers of young disabled applicants on the waiting list for the Subject Property – which in September 2012 made up 2/3rd of the applicant pool. This group also accounted for 41% of the tenant base at Oak Terrace at the time. In light of this dynamic, it's not clear a recommendation for converting select number of studios to 1 bedrooms would have the desired effect of tapping into a broader income market base. With reportedly few affordable housing options for low income young-disabled, it seems few would hold out on the basis of unit preference when a unit becomes available at Oak Terrace.

The overall market environment for rental housing in Naugatuck also presents some hurdles to any strategy of making property enhancements designed to entice a higher income base⁴. Based on the survey, much of the rental product in town is affordable to persons at incomes between 60% and 80% AMI. In over half the apartments surveyed, heat and hot water are also included in rent in contrast to the Subject Property. Moreover, in most cases rental alternatives offer larger units, full kitchens and in the cases of apartments a broader amenity package that would be challenging to match by the Subject Property.

The one area of improvement where some dividends might be made in steering prospects to Oak Terrace, if it has not been done already, are upgrades on energy efficiency both in terms of comfort and cost. Much of the rental product in the marketplace in Naugatuck is old with few property owners willing to make the investment in energy upgrades given the modest rent structure in town. Should Oak Terrace embark on such program it could provide a marketing edge that is well suited to attract the target market being served.

c. Redevelopment Scenario

From a Market perspective, Oak Terrace does not reflect a strong need for a redevelopment scenario at this time.

⁴ This, of course, does not preclude the need to make on-going improvements to building and units designed to maintain the quality and integrity of the property as affordable housing for seniors.

APPENDIX

PROPERTY PHOTOS
MARKET BRIEF



Oak Terrace
Building Directory



Oak Terrace
Community Building
and Maintenance Office



Oak Terrace
Private Entrances



Oak Terrace
Bus Stop

Connecticut Towns: Market Assessment Briefs

Town: *Naugatuck, CT*
County: *New Haven County*

1. Economic Trends

Major Employers - Naugatuck

Employer
Town of Naugatuck
Wal-Mart
Big Y Foods
USCO Logistics Service
Glendale Center/ Genesis Health Care

Retail, Health care, and Freight service constitute Naugatuck's largest employers. Until recently it also included Peter Paul whose plant was closed by Hershey in 2007.

Source: CERC Town Profiles - 2012

Key Job Sectors - Naugatuck

Industry Sector - 2011	% Share of Jobs
Manufacturing	17.2%
Retail Trade	14.1%
Health Care	13.2%
Wholesale Trade	8.6%
Construction	5.7%
Government	14.9%

In 2011, manufacturing ranked as the number one job sector in town with employment of 1,209 - a rarity during a time when production trades have declined substantially in job importance for most CT communities.

Source: CT Dept. of Labor

Labor Force & Employment Trends

Labor Force +Employment	Naugatuck	New Haven County
Labor Force-2011	17,101	457,666
Unemployment -2011	10.7%	9.7%
Total Employment -Workplace	7,038	348,985
2005 - 2011 - Annual Growth	-1.4%	-0.5%
2010 - 2011 - Annual Growth	-2.7%	1.0%

Source: CT Dept. of Labor

Unemployment in Naugatuck in 2011 averaged a high 10.7%, but substantially better than the 13.1% posted for 2010.

Job growth has been equally dismal declining on an annualized rate of 1% between 2005-2011.

Connecticut Towns: Market Assessment Briefs

Town: *Naugatuck, CT*
County: *New Haven County*

2. Demographic Trends

Population Trends

Population	Naugatuck	New Haven County
2000 Total population	30,989	824,008
2010 Total Population	31,862	862,477
Annual Percentage Growth	0.28%	0.47%
2011 Total Population (est)	32,078	862,441
2016 Total Population (proj.)	32,872	871,880
2011– 2016 Annual Rate	0.49%	0.22%

Source: 2010 Census, ESRI Business Systems

Despite a less than positive jobs picture, Naugatuck continued to see growth in population and households last decade - with projections pointing to continued growth 2011-2016.

Household Trends

Household	Naugatuck	New Haven County
2000 Total Households	11,829	319,040
2010 Total Households	12,339	334,502
Annual Percentage Growth	0.43%	0.48%
2011 Total Households (est.)	12,439	334,488
2016 Total Households (proj.)	12,813	338,444
2011– 2016 Annual Rate	0.60%	0.24%

Source: 2010 Census, ESRI Business Systems

Households are expected to increase at an annual rate of 0.6% through 2016, exceeding the rate of growth predicted for the county.

Race & Ethnicity

% Share of Population

Population - 2010	Naugatuck	New Haven County
White Alone	86.9%	74.8%
Black Alone	4.9%	12.7%
Asian Alone	3.0%	3.5%
Hispanic (Any Race)	9.2%	15.0%

Change - 2000 to 2010

White Alone	-5.3%	-6.4%
Black Alone	75.0%	12.4%
Asian Alone	76.5%	45.8%
Hispanic (Any Race)	104.4%	48.5%

Source: 2010 Census, ESRI Business Systems

Hispanics, the largest minority group in town, represents 9.2% of the resident base. This is also a rapidly growing base reporting a 104% increase in share over the past decade.

Connecticut Towns: Market Assessment Briefs

Town: *Naugatuck, CT*
County: *New Haven County*

2. Demographic Trends (Cont'd)

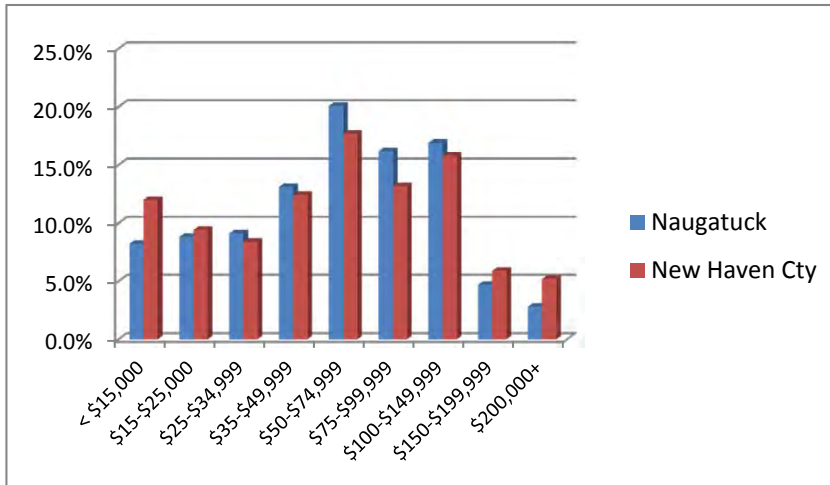
Median Income

Median HH Income	Naugatuck	New Haven County
2000	\$51,359	\$48,834
2011 (est.)	\$60,840	\$58,775
Annual Avg % Growth	1.7%	1.9%

Median Income in Naugatuck is just above the county at \$60,840.

Source: 2010 Census, ESRI Business Systems

HH Income Distribution (2011)



Naugatuck reflects somewhat higher incomes in the middle incomes of \$50,000-\$100,000 compared to the county and lower share lower incomes \$25,000 and below -17% vs. 21% for the county..

Source: 2010 Census, ESRI Business Systems

HH Income Distribution - 65+ (2010)

HH's	Naugatuck		New Haven Cty	
	65-74	75+	65-74	75+
Total HHs	1,200	1,176	36,177	40,068
< \$15,000	11.4%	21.2%	12.9%	21.8%
\$15-\$24,999	8.6%	19.6%	12.5%	18.0%
\$25-\$34,999	13.9%	18.9%	11.1%	11.1%
\$35-\$49,999	19.8%	14.0%	15.2%	12.9%
\$50-\$74,999	19.0%	9.8%	19.1%	14.0%
\$75-\$99,999	14.8%	7.7%	12.8%	10.0%
\$100-\$149,999	4.0%	3.7%	8.7%	5.5%
\$150-\$199,999	3.8%	3.8%	3.6%	3.3%
\$200,000+	4.7%	1.4%	4.1%	3.4%
Med Inc.	\$46,252	\$29,023	\$47,829	\$33,930

30% of Naugatuck's senior HHs 65 and older reported incomes under \$25,000. Another 33% earn between \$25,000 and \$50,000 .

Source: 2010 Census, ESRI Business Systems

Connecticut Towns: Market Assessment Briefs

Town: *Naugatuck, CT*
County: *New Haven County*

2. Demographic Trends (Cont'd)

Poverty Rates

Households - 2010	Naugatuck % Total	New Hav.Ct % Total
Married Couple - Family	1.0%	1.4%
Other Family HHs (spouse not present)	3.8%	3.9%
Non-Family HHs	2.6%	5.3%
Poverty Ratio - Total	7.4%	10.6%

Poverty rates in Naugatuck are elevated but not as high as the county. Most impacted are single parent HHs; primarily female.

Source: ACS Population Survey, ESRI Business Systems

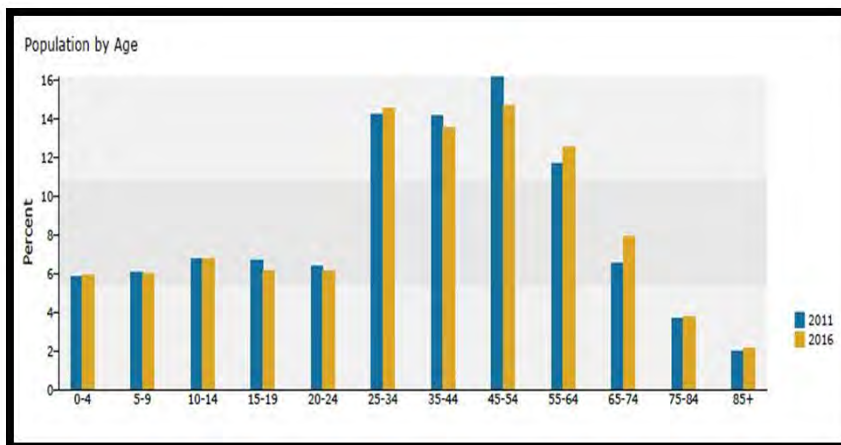
Age Trends

Population - 2010	Naugatuck % Total	New Hav.Ct % Total
Age 18+	76.8%	77.6%
Age 65+	11.9%	14.4%
Age 75+	5.6%	7.3%
Median Age	38.1	39.2

Naugatuck is slightly younger than the county overall - only 12% over 65 compared to 14.4% for the county. Naugatuck also has a higher percentage of younger adults and children.

Source: 2010 Census, ESRI Business Systems

Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

Naugatuck is expected to see its 65+ population rise in share from 11.9% in 2010 to 13.9% in 2016. Meanwhile dips are anticipated in its younger population 15-24, with a more pronounced drop seen in 35-54 age base.

Connecticut Towns: Market Assessment Briefs

Town: *Naugatuck, CT*
County: *New Haven County*

3. Housing Trends

Tenure and Vacancy

HH's	Naugatuck		New Haven Cty	
	2000	2010	2000	2010
Own-Occp	66.5%	67.9%	63.1%	63.4%
Own-Units	7,861	8,376	201,317	212,169
Rent-Occp	33.5%	32.1%	36.9%	36.6%
Rent Units	3,961	3,963	117,723	122,333
Ttl Occp Units	11,823	12,339	319,040	334,502
Vacancy	4.1%	5.5%	6.4%	7.6%

Tenure in Naugatuck is weighted towards ownership which expanded in share from 67% to 68% last decade.

Source: 2010 Census, ESRI Business Systems

Housing Characteristics

% Share of Total Housing

Structure Type - 2010	Naugatuck	New Haven County
1 Detached	57.6%	54.3%
1-Attached	6.5%	5.8%
2-unit	10.3%	9.2%
3/4 unit	9.7%	10.8%
5+ units	16.0%	19.9%
Total Housing Units - 2010	13,061	362,004

Naugatuck's housing inventory is quite diverse in housing type with just over half found in single detached; 7% in townhomes; 20% in 2-4 multi-family homes, and the balance in higher density housing.

Source: ACS Housing Surveys, ESRI Business Systems

Rent-occupied Housing by Contract Rent

Renters with Contract Rent

Contract Rent - 2010 Distribution	Naugatuck	New Haven County
Under \$200	3.7%	5.6%
\$200-\$399	8.0%	6.6%
\$400-\$599	15.5%	10.9%
\$600-\$799	30.7%	25.5%
\$800-\$999	24.1%	25.2%
\$1000-\$1249	7.4%	11.6%
\$1250-\$1499	1.4%	6.1%
\$1500-\$1999	0.0%	2.8%
above \$2000	0.8%	1.3%
Median Contract Rent	\$715	\$794

Along with a diverse housing market in structural types, Naugatuck supports a diverse rental market as well with ample representation in assisted housing, multi-family, condos, and managed apartments. Median rent in Naugatuck was estimated at \$715, below what was estimated for the county.

Source: ACS Housing Surveys, ESRI Business Systems

Connecticut Towns: Market Assessment Briefs

Town: *Naugatuck, CT*
County: *New Haven County*

4. Rental Housing Market

Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	14	\$630	\$623	39	\$475-\$750
2	22	\$834	\$833	41	\$600-\$1100
3	10	\$1,015	\$1,005	60	\$800-\$1300
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	\$994	\$978	39	\$950-\$1300
3	4	\$1,118	\$1,025	28	\$1000-\$1100
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>Apartments</i>	4	***	\$851	\$998	***

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