

Market Assessment – John F. Kennedy II (Norwich)

I. Description Of Property - Affordable Housing Program

Subject Property Description & Location – J.F. Kennedy II is a relatively new complex built in 1990 under the state's Affordable Housing Program. It consists of both ranch and rowhouse style buildings plus two single family homes (4-bedroom). Totalling 40 units, the 9-building complex offers a mix of two bedroom flats and townhomes, 3 bedroom townhomes and 4 bedroom detached homes. The Subject Property extends off Overlook Road, which is one of several roads nearby serving an earlier built Housing Authority property built in the 1950s: John F. Kennedy Heights (64 units in 35 duplex buildings).

According to property data provided, refrigerator and stoves are provided. There was no data provided on parking but a field inspection suggests ample parking spaces exist adjacent to buildings. Additionally, information was not available on existence of community building or laundry area, but on-site inspection indicated the presence of at least a maintenance building which possibly doubles as a community room.

As a state Affordable Housing Program project, eligibility is based on 50% of HUD's defined Area Median Income or less as determined by adjusted gross income. Once admitted, household income can rise to 160% of HUD's defined "very low" income limit before being subject to surcharge or eviction. Rent is based on percentage of adjusted gross income (minus utility allowance) or base rent, whichever is greater. There are no age restrictions under this program. The Subject Property offers no project based subsidy however based on the September 2012 rent roll, 11 households had tenant based HUD vouchers.

Base rents as of September 2012 were \$335/m for the two bedroom unit, \$370/m for the 3 BR unit and \$385 for the 4 BR detached home. Utilities are not included in rent (other than water) however utility allowances ranging from \$135/m to \$387/m are applied with rates differing based on whether a HUD unit or not. In September 2012, the Subject Property reported 0 vacancies. Meanwhile the waiting list for the Subject Property equaled 14 households for the same period.

Below is chart on unit mix.

J.F.Kennedy Apts II

Kennedy Drive, Sullivan Avenue
Norwich, CT, 06360

Type	Property Type	Baths	# of units	Living Area SF	Base Rate	Utility Allowance
2 Bedroom	Ranch/RowHouse	1	22	952	\$335	\$135-\$212
3 Bedroom	Rowhouse	1	16	1064	\$370	\$150-\$271
4 Bedroom	Single Family	1	2	1118	\$385	\$165-\$387
Total			40			

Additional Property Info

Property Type	Family
Program	SR Affordable
Year Built	1990
Parking	Unknown
# of Buildings	9 Buildings
Acres	N/A
Handicap Units	0
Vacancy	0 (as of 9-30-2012)
Waiting List	14 (as of 9-30-2012)
Owner	Norwich Housing Authority

Subject Property Features and Amenities –

- Utilities Provided in Rent: *None (Utility Allowance ranging \$135/m-\$387/m)*
- Refrigerator: *Yes*
- Stove: *Yes*
- Microwave: *No*
- Laundry Room: *No*
- Hook-Up: *Unknown*
- Community-Maint.Bldg: *Yes*
- Elevators: *N/A*
- Other:



J.F. Kennedy II
Rowhouses - Sullivan Drive



John F. Kennedy II
SF House – Sullivan Ave.

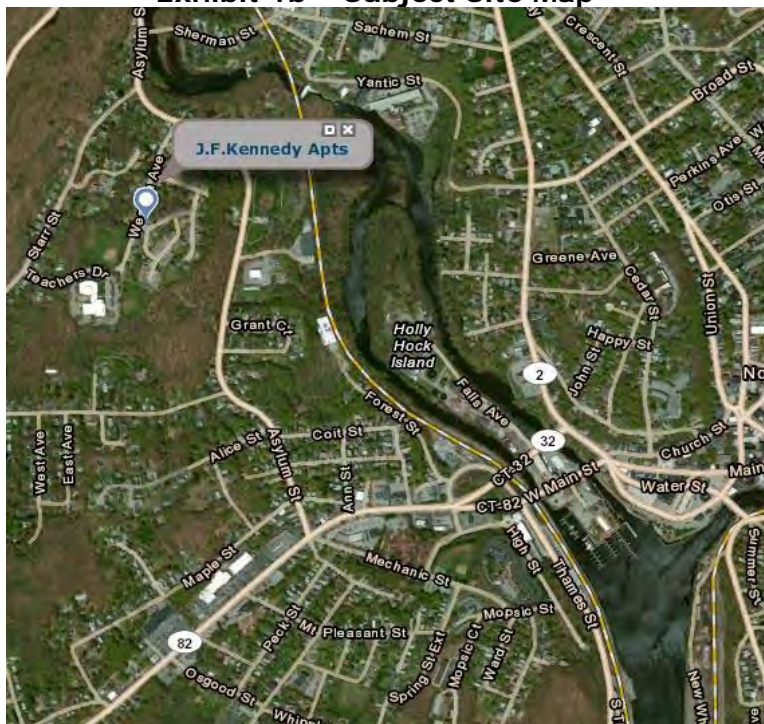
II. Description of Site and Neighborhood

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

Exhibit 1a – Subject Site Map



Exhibit 1b – Subject Site Map





Neighborhood Description & Land Uses – John F. Kennedy II is located in central Norwich 1 mile west of West Main Street, a prime commercial corridor for the city. Downtown Norwich is just over 1.5 miles distance. This area of the city is residential consisting mainly of modest sized single family homes. Immediately adjacent to the Subject Property is John F. Kennedy Heights, a Norwich Housing Authority property of 64 units in 35 duplex homes. Built in the 1950s, the complex recently benefited from building improvements including new siding, roofs and other property upgrades. Less than 1 mile driving distance from the Subject Property (but a shorter walking distance) is the Teachers Memorial Middle School, one of two public middle schools serving the city.

Ample opportunities for retail, service and dining can be found on West Main Street (route 82). As noted above, this corridor functions as the main commercial corridor for the city, supporting a variety of retail centers, professional and medical office complexes, and .

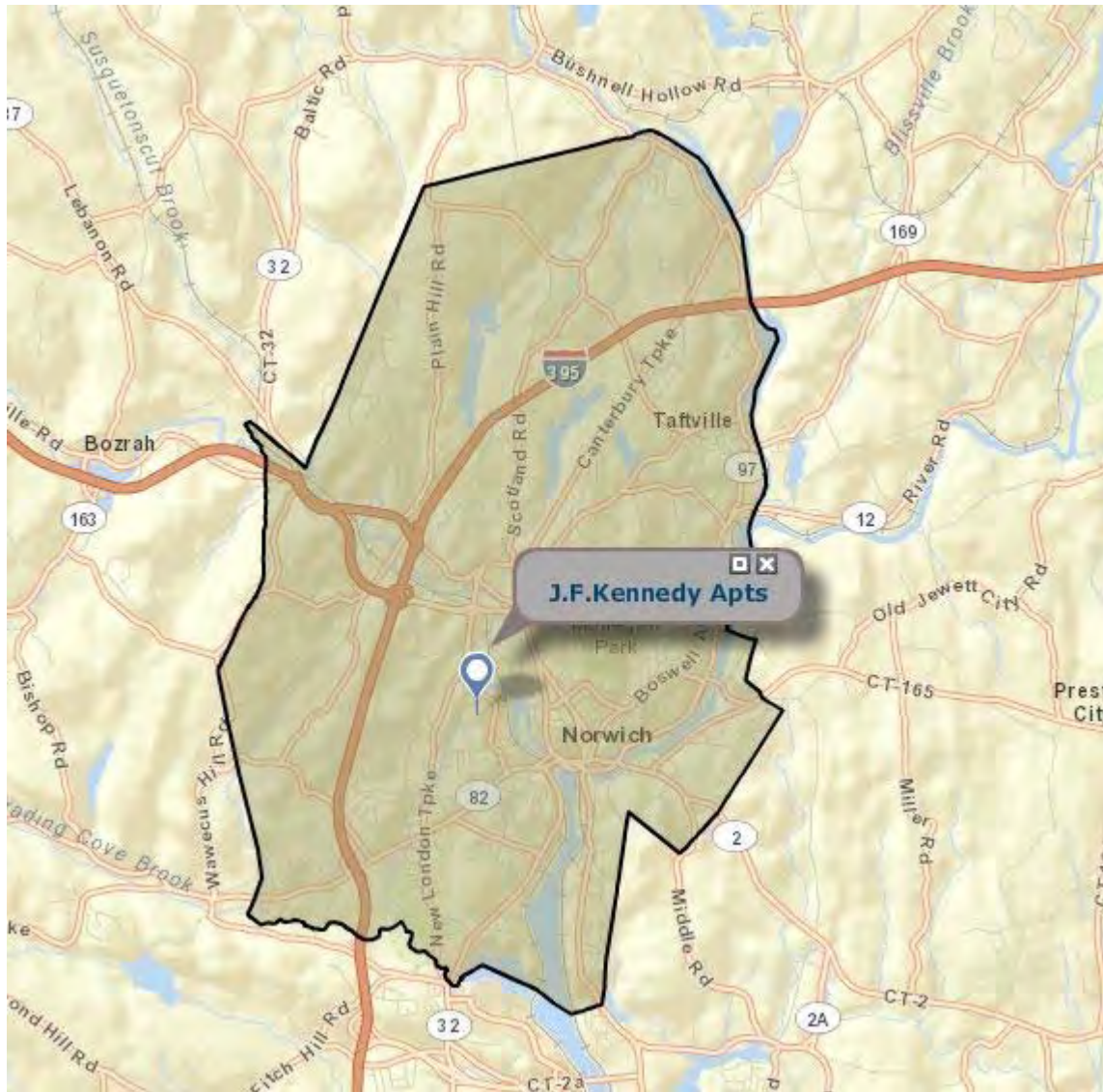
Access – The Subject Property has generally good access to both shopping and regional thoroughfares in the area, though a car would be required. West Main (Route 82) is one mile east of the Subject Property, Interstate 395 is 3 miles west, and as indicated above the Downtown 1.5 miles from the Subject Property. The nearest access to public bus transportation is on West Main Street which is serviced by Southeast Area Transit District and connects with the downtown where transfers can be made to destinations that include New London, Groton, Lisbon and the casinos.

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

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 Norwich.

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

Exhibit 2 – Competitive Trade Area Map



III. Economics & Demographics of Market Area

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

IV. Rental Survey

Housing Rental Survey Summary Analysis –

Norwich is a modest sized city of 40,493 as of 2010. During the past decade, the city witnessed exceptional population growth translating to nearly a 12% gain in its resident base. Fueling this growth was major expansions in nearby Mohegan Sun and Foxwood casinos. However, with the economic downturn of 2008 and increased competition for gaming from neighboring states, both casinos have had to scale back on growth plans and initiate workforce reductions. As a result, demographers are now projecting a net decline of population in Norwich by 2016.

Rental housing demand in Norwich, however, continues to remain relatively strong despite the pull-back from the casinos. Both casinos still employ over 15,000 workers with many of these workers housed in apartments. Local employers including Backus Hospital and other health care providers have also grown in importance (30% of jobs base) which has expanded local demand for housing, particularly rental. Meanwhile, tourism and defense industries continue to play a vital role in the region's economy adding to housing demand in southeastern Connecticut.

Within the southeast Connecticut region, Norwich represents the largest source of rental housing with 7,985 rental occupied units in 2010, exceeding Groton's rental base at 7,656 units and New London at 6,465 units. In town, it constitutes 49% of all occupied housing. Approximately 25% of Norwich's rental housing is assisted housing. Of the remaining 5,970 rental units, an estimated 25 to 30% is linked to professionally managed apartment complexes in town. While most of these rental properties are small apartments or complexes built between 1950's to 70s, new rental product built since 2000 has also hit the market in Norwich. In general, rental housing is moderately affordable in Norwich, particularly with respect to private multi-family, though there are signs of steeper rent growth in recent years compared to past years.

Our survey of Norwich apartments focused mainly on older more basic apartment complexes in the city, though some of the larger properties offer expanded amenities, particularly recreational components. In addition we have included newer properties with 3 Bedrooms in order develop sufficient database of rents for this unit type.

In addition to rental apartment survey, we have also added a survey on closed rents in the past year on private 2 and 3 Bedroom Multi-family (MF) units and select 4 Bedroom Single Family homes in Norwich in order better evaluate competitive rent structure for duplexes and single family homes in Sunset Park.

While no true comparable to the Subject Property was identified (containing mostly side-by-side duplex units and some single family homes), apartments/homes selected for the survey reflected available market options based on unit type, pricing, amenities (basic) and configuration (mostly flat style units). For the most part these properties tend to serve markets whose incomes fall below 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:

- Based on an analysis of Multifamily and Single Family rent sales in Norwich, average rent calculated to the following: **\$831/m for 2BR MF rental**, **\$950/m for 3 BR MF rental**, and **\$1,300/m for the 4 BR single family home rental**. Homes within the survey ranged in size from 900 sf to 1,281 sf.
- Eight apartment rentals were surveyed in Norwich. Each property identified represent a market alternative for units at the Subject Property based on pricing, unit configurations, features and amenities for family households.
- Four of the eight apartments surveyed were built in the 1970s, two were built or rehabbed in the 1980s, with the remaining two built in 1990s and 2000s. Six of the properties are 3 to 4 story lowrises, one a garden apartment and one a midrise mill.
- In most complexes, the features and amenities offered are generally basic, typically limited to standard appliances, on-site laundry, off-site parking, decks-patios, and storage – though kitchens often included dishwashers, microwaves and garbage disposals. Meadow Ridge and Thamesview offer expanded recreational amenities that includes a pool.
- The average rent among the eight complexes calculated to **\$958/m for the 2 bedroom unit** and **\$1175/m for the 3 bedroom**. Five of the complexes included utilities in the rent.
- All eight complexes indicated current or near term unit availability.

Below is summary of survey on closed rent sales on 2 BR homes in Norwich in the last 12 months. On the following page, Table 1b summarizes the Rental Survey of Market Rate Apartments Alternatives in Norwich.

Table 1.a

Rent Survey – Single Family/Multi Family Housing Alternatives – Norwich

2 BR Multi Family

Property	Prop. Type	Age	2 BR	2 BR size	\$/sf	Utilities In Rent
129 Summit St	2-Fam	1870	\$725	700	\$1.04	
88 Chestnut	Duplex	1870	\$800	950	\$0.84	
7 Rock St	3-Plx	1900	\$750	950	\$0.79	
40 Oakridge	Duplex	1902	\$890	964	\$0.92	
445 East Main	2-Fam	1840	\$800	1100	\$0.73	
139 Laurel Hill	Duplex	1989	\$835	960	\$0.87	
71 Mckinley	Duplex	1860	\$850	875	\$0.97	
170 Washington St	Duplex	1860	\$995	1100	\$0.90	H&HW
2 BR Average			\$831	950	\$0.88	

3 BR Multi Family

Property	Prop. Type	Age	3 BR	3 BR size	\$/sf	Utilities In Rent
3 Aquaduct St	Duplex	1890	\$800	973	\$0.82	
221 Broadway	4-Plx	1860	\$925	900	\$1.03	
37 Otis St	2-Fam	1880	\$950	1165	\$0.82	
45 Fairmont St	Duplex	1880	\$975	1000	\$0.98	
8 Belmont St	2-Fam	1949	\$1,000	1106	\$0.90	Heat
443 East Main	Duplex	1890	\$1,050	1800	\$0.58	
3 BR Average			\$950	1389	\$1.03	

4 BR Single Family

Property	Prop. Type	Age	4 BR	4 BR size	\$/sf	Utilities In Rent
482 E. Main St	Sfamily	1870	\$1,100	1392	\$0.79	
5 Norden Ave	Sfamily	1959	\$1,200	1340	\$0.90	
18 Slater	Sfamily	1920	\$1,200	1000	\$1.20	
36 St. Regis Ave	Sfamily	1910	\$1,300	1700	\$0.76	
46 Palmer St	Sfamily	1890	\$1,400	1560	\$0.90	
11 Caulkins	Sfamily	1969	\$1,600	1850	\$0.86	
4 BR Sfamily Average			\$1,300	1474	\$0.90	

Source: CT-MLS

Table 1.b
Rental Survey Market Rate Apartment Alternatives– Norwich

Property	Total Unit	Age	Prop. Type	2 BR	2BR.s ize	\$/SF	3 BR	3 BR size	\$/SF	Utilities In Rent
Meadow Ridge 4B Plumtree Norwich, CT	212	1986	Gar den	\$1080	1100	\$0.98				H&HW
Huntington Ridge 21 Henry St Norwich, CT	100	2004	Low- Rise	\$975	980	\$0.99	\$1125	1190	\$0.95	
Indian Leap Apts 166 Yantic St Norwich, CT		1900 (1980s)	Mill Rehab	\$850						H&HW
Thamesview Apts 495 Laurel Hill Norwich, CT	224	1972	Low Rise	\$905	1005	\$0.96	\$1275	1250	\$1.02	H&HW
Rose Hill Est. 10-J Gregory Norwich, CT	185	1971	Low Rise	\$1085	831	\$1.31	\$1275	1161	\$1.10	
Summitwoods I 3 Summitwood Norwich, CT	120	1991	Low Rise	\$925	950	\$0.97	\$1025	1326	\$0.77	
Cedar Glen Apts 99 Cedar St Norwich, CT	63	1971	Low Rise	\$850						H&HW
Mohegan Com. 40 E. Baltic Norwich, CT	183	1971	Low- Rise	\$1000	797	\$1.25	\$1175	959	\$1.23	H&HW
Average				\$958	943	\$1.08	\$1175	1177	\$1.01	

Source: Property Managers, Internet, Rental Agents

Survey of Affordable Family Housing– Survey of Affordable Family Housing– In order to better understand the options for family housing in Norwich, a survey was undertaken of affordable housing for families in the city. In total we identified 18 affordable family complexes in Norwich, including the Subject property, totaling 1,055 units. Six of the properties are owned and managed by Norwich Housing Authority.

Refer to Table 2 on below for results of survey of affordable family housing complexes in Norwich

Table 2
Survey of Affordable Family Housing – Norwich

Property Name	Address	Owner	Public Funder	Deter. Of Rent	Family Units	Age
John F. Kennedy II (Subject Property)	Kennedy, Sullivan	Norwich HA.	CHFA	Base Rent	40	1990
AHEPA 110	110 Pukallus	AHEPA 110, Inc	HUD	Income	46	1989
Artspace Norwich	24 Chestnut	Artspace Norwich LP	CHFA/DECD	Base Rent	58	
Elizabeth St Apts	112-120 Elizabeth	ECHO, Inc	CHFA	Base Rent	29	2009
Hedgewood Apts	101-200 Sandy		CHFA		100	1970
Hillside Apts	29 Mopsic	Hillside Assoc.	CHFA/DECD/HUD		26	1982
Hillside Terrace	2-82 Quarto	Norwich HA	CHFA		118	1950
Sunset Park	Clifton, Dunham, et al	Norwich HA.	CHFA	Base Rent	53	1950
JFKennedy Heights	Overlook, Fairview, et al	Norwich HA	CHFA	Base Rent	64	1950
Kate Blair House	117 Cliff St	Bethsaida Community Inc	CHFA		8	1840
Melrose Park	9-60 Melrose Park Rd	Norwich HA	CHFA/DSS		51	1949
Mohegan Village	90 North St		HUD	Income	88	1974
Norwich Apts	301 Sandy Lane	CR Norwich LP	HUD	Income	100	1970
Oakwood Knoll	Oakwood Knoll St	Norwich HA	HUD	Income	75	1952
Reliance House	40 Union St	Reliance House, Inc	HUD	Income	5	
Thames River Family	1 Thames River		DECD		24	
Wauregan Hotel	192 Main St	Wauregan Dev. LLC	CHFA		70	
Wolf Den Village	21 Henry St		HUD	Income	100	
Total Family/City					1055	

Source: Property Owners/Managers, Internet

* John F. Kennedy reported 0 vacancies in September 2012

V. Analysis of Current Tenant Base

Demographics-Economics-Rent Structure of Current Tenant Base:

- Total Units: **40**
- Total Occupied Units: **40** * As of 9-30-2012
- Total Residents: **115 (34-2+ HHs)**
- Total # of Children: **64**
- Average Age: **39**
- % Minority: **60% (24 HH)**
- % of HH over 61: **7% (3 HHs)**
- % at Base Rent or below: **73% (29 HHs)**

- Income Below 25%AMI: **70% (28)**
- Income 25% at 50% AMI: **30% (12)**
- Income 50% AMI or greater: **0% (0)**
- Average Income: **\$18,790**
- Average Tenant Rent: **<\$147/m,2 BR>, <\$188/m,3BR>, <\$246/m,4BR>**,
- Waiting List: **14 (as of 9-30-2012)**

John F. Kennedy II - Income Distribution

Resident HH Income	Rent Equivalent	% of HH
< \$10,000	\$250	10% (4)
\$10000-\$15000	\$250-\$375	15% (6)
\$15000-\$20000	\$375-\$500	28% (11)
\$20000-\$25000	\$500-\$625	35% (14)
\$25000-\$30000	\$625-\$750	10% (4)
>\$30000	>\$750	2% (1)

VI. Conclusions/Recommendations

a. Rent Structure Opportunity

Market & Property Factors

Positives

- Good Mix of Unit Type and Product (Flats, Duplexes and SF)
- Relatively New Construction (1990)
- Unit Sizes comparable to Market
- Middle School within walking distance

Challenges

- Some distance from Public Transportation

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

Based on review of the market and considering the present size, age (1990), layout, amenities, condition and utility configuration of the subject units, a rental range of \$800 to \$900 for the two bedroom flat or duplex, \$950/m to \$1050/m for the three bedroom duplex, and \$1125/m to \$1225/m for the 4 Bedroom Single Family at the Subject Property would be considered competitive with the area inventory involving properties with basic amenities. (Disclaimer – this is not a projection of what could be achieved at the subject property, which would need to consider income eligibility parameters, target market and policy goals of the program, nor an “estimate of rent value”¹, but a statement of possible rent ranges that have the potential of being competitive in the marketplace if no affordable housing restrictions were in place).

Unit Type	Subject Property	Subject Property	Local MF Alternatives	Local SFamily Alternatives	Local Mkt Apt Alternatives	Norwich MLS Multifamily	Norwich MLS Condo	Norwich Managed Apartments
	Base Rent	Avg Ten. Rent	Avg Rent	Avg. Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent
Studio								
1 BR						\$686	\$871	\$860
2 BR	\$410-\$415	\$476	\$831		\$958	\$788	\$1221	\$1006
3 BR	\$415	\$440	\$950		\$1175	\$870	\$1362	\$1233
4 BR				\$1300				

¹ Among Market Analysts and Appraisers the term “Estimate of Rent Value” has a distinct meaning calling for analytical process for determining value, typically requiring at a minimum a Rent Comparability Study. The “Estimate of Rent Value” study includes the use of a Rent Comparability Grid for valuing and documenting adjustments to comparables in order to calculate an “estimate of rent” for the Subject Property. The Market Assessment conducted herein is designed to offer a broad assessment of the market environment and a statement on possible rents for subject units potentially competitive within the marketplace, discounting any age or income restriction or other program parameter in affect at the subject property. These factors along with issues related to policy goals and market served would need to be considered as part of any final rent determination.

Tenant Base Income Trends

- A comparison of tenant income profiles for the Subject Property for the years 2003 and 2012 revealed the percent of households above 25% AMI in 2012 doubled from 2003.

John F. Kennedy II Resident HH Income	Year 2003 # of tenants	Year 2012 # of tenants
< 25%AMI	84% (32)	70% (28)
25-50% AMI	13% (5)	30% (12)
50%-80% AMI	3% (1)	0% (0)
Occupancy Rate	95%	100%

Source: CHFA Tenant Profile Report

Market Depth

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

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

As a first step in testing market depth for Rent Stratification, we must first estimate the number of renters from homeowners by income in the primary source market area (*in this case the Primary Source Market Area is defined as Norwich*). We assume that most, if not all of the market for the available units will come from households renting homes, rather than from those who are homeowners. As this data is not available at town level for 2010, we start by using data from both 2010 Census and American Community Survey 2011 to arrive at distribution within the county, the lowest level for which current tenure HH data by income is available. Using that data, an adjustment factor was applied to better reflect the tenure base of the the Source Market Area (SMA)².

	New London County Tenure Distribution		Adjustment Factor – City of Norwich	
Income Distribution	Rent	Own	Rent	Own
under 15,000	63%	37%	70%	30%
15000-25000	59%	41%	67%	33%
25000-35000	44%	56%	55%	45%
35000-50000	43%	57%	54%	46%

Source: US Census 2010, American Community Survey, 2011

The chart below reflects estimated distribution of family households age 18-64 in the Norwich SMA by tenure and income. Based on our analysis of tenure by income, we

² The adjustment was determined based on the ratio of ownership in the SMA to County home ownership.

estimate the primary Source Market Area contains 5699 households whose incomes fall within the income threshold for the target market of which 3469 are renters. The chart also shows current distribution within the Subject Property of family households by income

Norwich	Source Mkt HH 18-64			Subject
Income Distribution (Adj. Gross)	Total	Rent	Own	Property
under 15,000	1420	1000	420	10
15000-25000	996	670	326	25
25000-35000	1181	653	528	5
35000-50000	2102	1145	957	0
Total	5699	3469	2230	40
Vacancy				0
			Total Units	40

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 Norwich SMA.

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

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

In the chart below are the results on the analysis for estimating demand on an annual basis. Notably in terms of market depth, we identify highest counts at the lower incomes levels \$25,000 and below. At incomes below \$25,000, source market potential shows 52 units. While above \$25,000, the potential market base is estimated at 16 units based on a 3 to 5% penetration of market.

Norwich	Source Market - HH 18-64 Years				
Income Distribution (Adj. Gross)	Total	Rent	Turnover ratio	# Renters Moving	Current HH Tenants
under 15,000	1420	1000	30%	300	10
15000-25000	996	670	30%	201	25
25000-35000	1181	653	30%	196	5
35000-50000+	2102	1145	30%	344	0
					40
Vacancy					0
Total	5699	3469	2230	1041	40
Potential capture rates:		Annual Potential Capture Rate	Current # HHs at Sub. Prop		
under 15,000	15%	36	10		
15000-25000	10%	16	25		
25000-35000	5%	8	5		
35000-50000+	3%	8	0		
Total		68	40		

* Formula = (# Renters Moving X % from Source Mkt) X Potential Capture Rate

Source: US Census 2010, American Community Survey, 2011

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

Norwich	HH 18-64		Aggregate Capture Potential Total HH	
Income Distribution	Total	HH Renters	Capture Rates	Total HH Capture Potential
under 15,000	1420	1000	15%	150
15000-25000	996	670	10%	67
25000-35000	1181	653	5%	33
35000-50000+	2102	1145	3%	34
Total	5699	3469		284

Source: US Census 2010, American Community Survey, 2011

b. Recommendations for Improving Marketability

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

c. Redevelopment Scenario

From a Market perspective, John F. Kennedy II does not reflect a strong need for a redevelopment scenario.

APPENDIX

PROPERTY PHOTOS

MARKET BRIEF



J.F.Kennedy II
Ranch Style- 2 BR



J.F.Kennedy II
Townhouse Style- 2/3 BR



J.F.Kennedy II
Single Family- 4 BR



J.F.Kennedy II
Community/Maint. Bldg

Connecticut Towns: Market Assessment Briefs

Town: *Norwich, CT*
County: *New London County*

1. Economic Trends

Major Employers - Norwich

Employer
William W. Backus Hospital
City of Norwich
Computer Science Corporation
Norwich Inn and Spa
US Foodservice

Major employers in Norwich are found in Healthcare, Government, Accommodations, Data Center and WholesaleTrade-Distribuiton.

Source: CERC Town Profiles, 2012

Key Job Sectors - Norwich

Industry Sector - 2011	% Share of Jobs
Health Care	29.2%
Retail Trade	12.0%
Food Services	7.8%
Transportation	5.1%
Professional & Technical Services	4.1%
Government	17.7%

Once a major manufacturing town, Health care now dominates the town's economy, followed by retail trade and food services. State and local government are also key contributors of jobs to the Norwich economy with 2,700 workers combined in 2011.

Source: CT Dept. of Labor

Labor Force & Employment Trends

Labor Force +Employment	Norwich	New London County
Labor Force-2011	22,893	151,676
Unemployment -2011	9.6%	8.6%
Total Employment -Workplace	16,115	123,703
2005 - 2011 - Annual Growth	-1.1%	-0.7%
2010 - 2011 - Annual Growth	-0.1%	-0.3%

Source: CT Dept. of Labor

Unemployment is somewhat elevated in Norwich in 2011 though slightly below the 9.9% posted in 2010.

Meanwhile, the job profile in the city has declined in numbers 2005-2011, with continued slippage seen in the 2011 jobs report for the city.

Connecticut Towns: Market Assessment Briefs

Town: *Norwich, CT*
County: *New London County*

2. Demographic Trends

Population Trends

Population	Norwich	New London County
2000 Total population	36,117	259,088
2010 Total Population	40,493	274,055
Annual Percentage Growth	1.15%	0.56%
2011 Total Population (est)	39,893	273,987
2016 Total Population (proj.)	39,267	277,493
2011– 2016 Annual Rate	-0.32%	0.26%

Source: 2010 Census, ESRI Business Systems

Norwich witnessed exceptional population growth last decade powered by employment growth in the casinos nearby. Between 2000 and 2010, Norwich saw the addition of 4,376 residents. With the recent retrenchment of the casinos, projections are now showing decline in population.

Household Trends

Household	Norwich	New London County
2000 Total Households	15,091	99,835
2010 Total Households	16,599	107,057
Annual Percentage Growth	1.00%	0.70%
2011 Total Households (est.)	16,365	107,029
2016 Total Households (proj.)	16,076	108,858
2011– 2016 Annual Rate	-0.35%	0.34%

Source: 2010 Census, ESRI Business Systems

Along with growth in population, Norwich also gained households totaling 1,508 HHs, surpassing the rate of growth for the county. However, like population, estimates point to a reversal in growth through 2016.

Race & Ethnicity

% Share of Population

Population - 2010	Norwich	New London County
White Alone	69.5%	82.2%
Black Alone	10.4%	5.8%
Asian Alone	7.7%	4.2%
Hispanic (Any Race)	12.6%	8.5%

Change - 2000 to 2010

White Alone	-16.4%	-5.5%
Black Alone	52.9%	9.4%
Asian Alone	266.7%	110.0%
Hispanic (Any Race)	106.6%	66.7%

Source: 2010 Census, ESRI Business Systems

Hispanics make up 12.6% of Norwich's population, up over 100% from 2000. Blacks grew from 6.8% to 10.4% over the last decade.

Connecticut Towns: Market Assessment Briefs

Town: *Norwich, CT*
County: *New London County*

2. Demographic Trends (Cont'd)

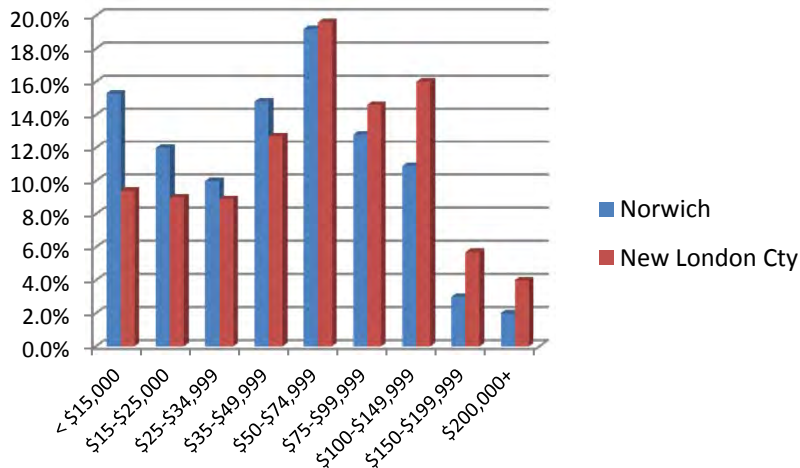
Median Income

Median HH Income	Norwich	New London County
2000	\$39,226	\$50,659
2011 (est.)	\$47,231	\$60,209
Annual Avg % Growth	1.9%	1.7%

Source: 2010 Census, ESRI Business Systems

Norwich's income profile is moderate with median income of \$47,231.

HH Income Distribution (2011)



27% of Norwich's HH's earn under \$25,000 compared to 18% for the county ; while with very few HHs earning over \$150,000 (5%). Much of the HH income base in Norwich is found in the bandwidth between \$35,000 to \$75,000.

HH Income Distribution - 65+ (2010)

HH's	Norwich		New London County	
	65-74	75+	65-74	75+
Total HHs	1,576	1,928	11,730	11,669
< \$15,000	14.3%	28.9%	9.7%	19.7%
\$15-\$25,000	15.4%	18.3%	9.8%	16.7%
\$25-\$34,999	9.8%	10.8%	10.9%	11.8%
\$35-\$49,999	21.7%	17.5%	14.9%	14.5%
\$50-\$74,999	20.9%	11.9%	23.9%	16.4%
\$75-\$99,999	9.0%	5.4%	14.7%	9.3%
\$100-\$149,999	5.6%	4.3%	7.8%	4.7%
\$150-\$199,999	1.0%	1.8%	4.1%	3.2%
\$200,000+	2.2%	1.2%	4.3%	3.7%
Med Inc.	\$40,768	\$27,118	\$53,297	\$36,351

Source: 2010 Census, ESRI Business Systems

Nearly 40% of the city's elderly HHs 65+ report income of under \$25,000. 30% earn between 25,000 and \$50,000.

Connecticut Towns: Market Assessment Briefs

Town: *Norwich, CT*
County: *New London County*

2. Demographic Trends (Cont'd)

Poverty Rates

Households - 2010	Norwich % Total	New Lon. Ct % Total
Married Couple - Family	1.0%	0.8%
Other Family HHs (spouse not present)	5.8%	2.5%
Non-Family HHs	6.4%	3.8%
Poverty Ratio - Total	13.2%	7.1%

Poverty rates in Norwich are high at 13.2% with most found in non-family HHs (seniors) and single headed households - (primarily women).

Source: ACS Population Survey, ESRI Business Systems

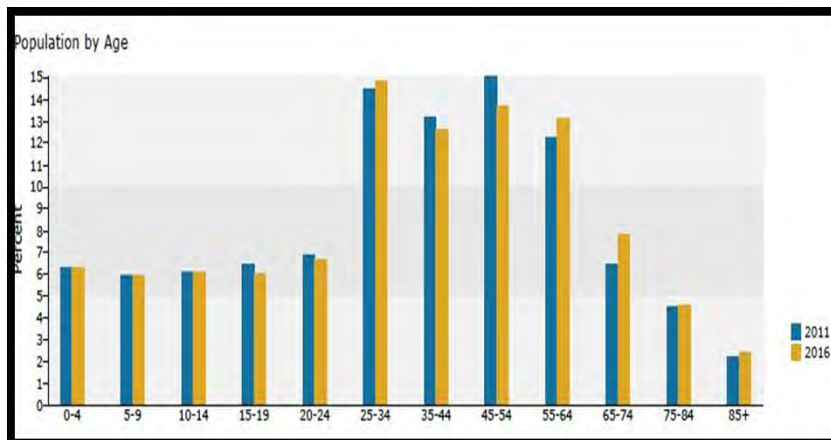
Age Trends

Population - 2010	Norwich % Total	New Lon. Ct % Total
Age 18+	77.5%	78.3%
Age 65+	13.1%	14.2%
Age 75+	6.7%	6.7%
Median Age	37.9	40.4

Norwich's population profile is younger compared to the county with a median age of 37.2 vs. nearly 40.4 for the county.

Source: 2010 Census, ESRI Business Systems

Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

By 2016, Norwich is expected to experience a downward shift in age from 35 to 54 to 55+ with its senior 65+ population jumping in share from 13.1% in 2010 to 14.7%.

Connecticut Towns: Market Assessment Briefs

Town: *Norwich, CT*
County: *New London County*

3. Housing Trends

Tenure and Vacancy

HH's	Norwich		New London County	
	2000	2010	2000	2010
Own-Occp	52.5%	51.9%	66.7%	67.7%
Own-Units	7,918	8,614	66,562	72,518
Rent-Occp	47.5%	48.1%	33.3%	32.3%
Rent Units	7,171	7,985	33,273	34,539
Ttl Occp Units	15,089	16,599	99,855	107,057
Vacancy	9.1%	11.0%	9.8%	7.6%

Source: 2010 Census, ESRI Business Systems

Tenure in Norwich is nearly equally split between ownership and rental - though rental grew in share and number last decade, while ownership declined in share.

Vacancy in 2010 was reported as 11%, up from 9% in 2000.

Housing Characteristics

% Share of Total Housing

Structure Type - 2010	Norwich	New London County
1 Detached	43.4%	65.0%
1-Attached	3.2%	3.5%
2-unit	16.7%	8.6%
3/4 unit	9.7%	6.9%
5+ units	27.1%	16.0%
Total Housing Units - 2010	18,659	120,994

Source: ACS Housing Surveys, ESRI Business Systems

Norwich maintains a diversified housing inventory with a 43% single detached, together with a solid inventory in smaller multi-family homes (2-4 units) and nearly one third in higher density housing.

Rent-occupied Housing by Contract Rent

Renters with Contract Rent

Contract Rent - 2010 Distribution	Norwich	New London County
Under \$200	4.7%	4.3%
\$200-\$399	12.0%	8.0%
\$400-\$599	16.1%	10.6%
\$600-\$799	26.6%	24.6%
\$800-\$999	23.0%	22.9%
\$1000-\$1249	11.5%	14.3%
\$1250-\$1499	2.6%	5.2%
\$1500-\$1999	0.8%	3.9%
above \$2000	0.2%	1.3%
Median Contract Rent	\$737	\$800

Source: ACS Housing Surveys, ESRI Business Systems

Rent structure in Norwich is moderate with most rates falling between \$600 to \$900/m. Very little is transacted at over \$1250/m other than in condos -and more often in 3 brs. Median rent in Norwich was estimated at \$737/m for 2010.

Connecticut Towns: Market Assessment Briefs

Town: *Norwich, CT*
County: *New London County*

4. Rental Housing Market

Mfamily	BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
	0					
	1	14	\$672	\$686	66	\$525-\$900
	2	23	\$793	\$788	66	\$500-\$1000
	3	8	\$880	\$870	67	\$645-\$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	7	\$926	\$871	71	\$650-\$1150
	2	24	\$1,293	\$1,221	71	\$100-\$1600
	3	15	\$1,362	\$1,362	68	\$1200-\$1650
	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>	11	***	\$860	\$1,006	\$1,233

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