

Market Assessment – Seely Brown Village Congregate (Pomfret, CT)

I. Description Of Property – Elderly Congregate Housing

Subject Property Description & Location – Seely Brown Village is a 32-unit congregate care complex located on a hilltop in Pomfret, CT . The Subject Property is a single 2-story building with two wings constructed in 1997. The facility consists of 32 one bedrooms and 1 two bedroom unit used by staff. As a congregate facility, Seely Brown provides both independent living units (full kitchens, bathrooms and living area) and congregate services that include prepared meals (1 meal/day), light housekeeping duties, 24-hour on-site staffing, and a resident service coordinator who among other duties helps organize daily recreational and entertainment activities.

Each unit comes with a refrigerator and stove and an emergency call system. Common areas include dining area, fitness room, library, meeting and entertainment room along with laundry area. It is also noted that as part of the congregate program, residents are provided with one mid-day 3-course meal.

Income eligibility is restricted to persons at 80% AMI or less who are age 62 or older and have temporary or periodic difficulties with daily living activities, but able to 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 percentage 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 as a percent of income, or the cost of rent and services – whichever is lower. RAP Subsidies are available if rent determinations are below base rent. Present base rent is \$612/m for the 1 BR. This rate includes all utilities. The core service rate is \$850/m. Residents may contract with an outside agency for additional assisted living services. In September 2012 there were 2 reported vacancies which was presumably filled from a waiting list of 26 qualified applicants.

Below is chart on unit mix.

Seeley Brown Village Congregate

400 Deerfield Rd
Pomfret, CT 06259

Type	Property Type	Baths	# of units	Living Area SF	Base Rate	Service Rate
1 Bedroom	Flat	1	32	800	\$612	\$850
Total			32			

Additional Property Info

Property Type	Elderly
Program	SR Elderly Congregate
Parking	32
Year Built	1997
# of Buildings	1 building
Acres	21.3
Handicap Units	4
Vacancy	2 (Sept 2012)
Waiting List	26
Owner	Pomfret Community Housing Corp

Subject Property Features and Amenities –

- Utilities Provided: *H&HW & Elec., Cable, AC sleeve*
- Refrigerator: *Yes*
- Stove: *Yes*
- Microwave: *No*
- Laundry Room: *Yes*
- Hook-Up: *No*
- Community Room: *Yes*
- Elevators: *Yes*
- Garages: *No*
- Other: *Meals, 24-hour staffing-security, Laundry Services, Resident Activities, Light Housekeeping*

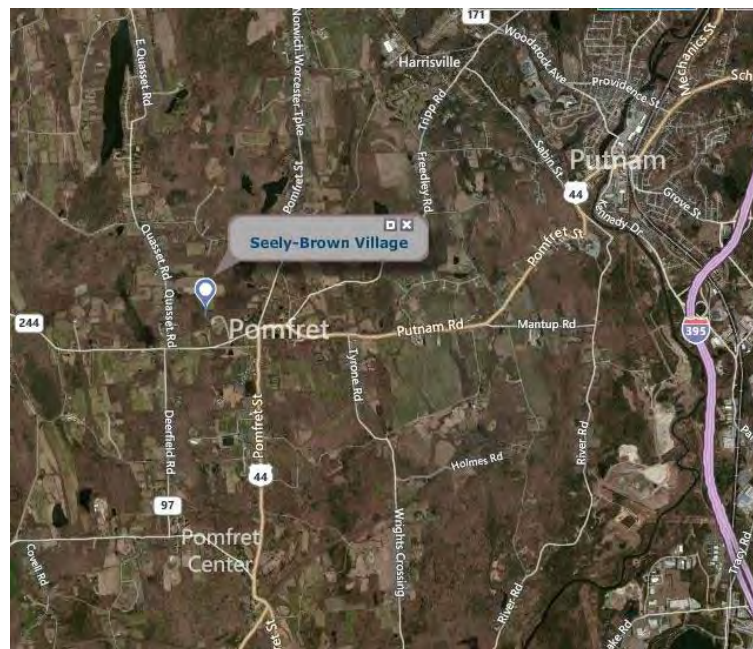


Seely Brown Village Congregate
Pomfret, CT

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 top of a hilltop accessed off Deerfield Road (Route 97) in Pomfret, just west of Pomfret Center. The surrounding area is thinly developed with predominant land use devoted to livestock and farming, though less than half-mile from the site is the corporate headquarters for Fiberoptics Technology, the largest manufacturer of optic cables in the US. Meanwhile, just over 1 mile west of Seely Brown is the Pomfret Speedway designed for ProKart racing.

Just east of the property is the historic Pomfret Center which contains the campuses of two highly regarded preparatory schools, Pomfret School and The Rectory. Other uses in the center include several churches and a few small businesses, but little in the way of shops and services. Nor does Pomfret Center function as a formal town center with Town Hall actually located 2 miles south on Route 44, although the town's local library does reside within the center.

While there is little nearby in terms of retail and services, ample shopping opportunities can be found five miles to the east in Putnam where numerous large and small retail centers, Big Boxes, businesses and services are located on or just off Route 44. Alternative shopping can also be accessed 7 miles southeast in Dayville (Killingly).

Access – The Subject Property is accessed off Deerfield Road up a long private drive that elevates to a hilltop location commanding wide views of surrounding landscape. Deerfield Road is a local road that turns into US Route 44 at the juncture of Pomfret Street and eventually crosses Putnam 3 miles east and links up with Interstate 395 in just over 5 miles. Going south, Pomfret Street (Route 44/169) splits into US Route 44 heading west towards Hartford and Route 101, a connector road for destinations going east and Interstate 395.

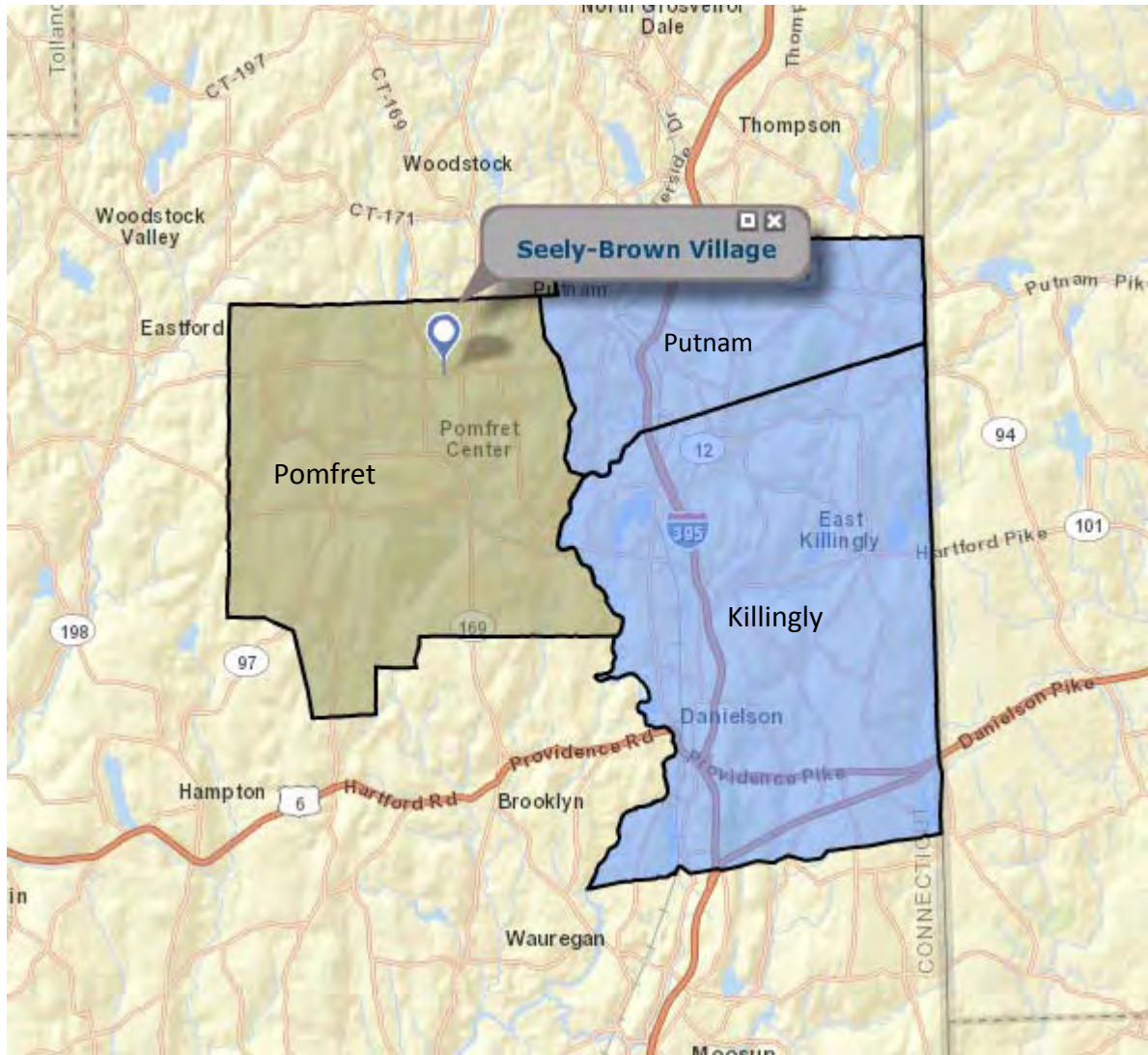
There is no public transportation available to residents at Seely Brown. However, Residents at the Subject Property have access to Dial A Ride Transportation through Northeast Connecticut Transit District to accommodate shopping needs, essential services, medical appointments. Day Kimball Hospital, a 63 bed facility in Putnam, is very close by located within a 5-10 minute drive from the Subject Property.

Delineation of Market Area – The defined Primary Market Area (PMA) of demand for units at the Subject Property is five mile radius from subject property.

The Competitive Trade Area is the geographic area within which we expect the majority of prospective households to consider affordable housing alternatives. Factors that are considered in the establishment of the Competitive Trade Area include consistency in housing options, access to housing options, distance from the subject property and character of neighborhood. For purpose of this analysis, we have defined the Competitive Trade Area to be Pomfret and the adjoining communities of Killingly and Putnam.

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 –

Pomfret is a small rural community within northeastern Connecticut ranking 137th in population size out of 169 towns in state in 2010. Although small in size, compared to many of its neighboring towns, it is relatively affluent with median household income of \$76,922 vs \$54,234 for the county.

Notably, the town reported very healthy resident growth in the last decade of over 10% from 3,798 in 2000 to 4,247 in 2010. In terms of housing impact, this growth largely centered on owner-occupied housing which expanded by 14%. Rental housing, on the other hand, was virtually unchanged with a reported 397 units in 2010 compared to 392 in 2000. Aside from any market constraints, the lack of public water or sewer in Pomfret serves as a major inhibitor to multifamily housing growth in town beyond 2-4 family homes.

With fewer than 400 rentals – with many associated with single family or seasonals, Pomfret does not support a very robust rental housing market, and few complexes were found within the town (and even fewer with one bedrooms). On one level, the low rent supply coupled with the relative affluence of the town has helped establish slightly higher rent thresholds for Pomfret rentals compared to area towns. But even with comparatively higher rents much of the market rate rental housing in town is affordable even to those at incomes closer to 50%AM.

Given the shortage of rentals in Pomfret and to better understand the market dynamics within the Pomfret region, the apartment survey was expanded to include Putnam and Killingly – both with more established rental markets and both nearby the Subject property.

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 the were surveyed reflecting the market environment for rental housing in Pomfret area. Three of the properties are from Pomfret, two from Putnam and one from the town of Killingly.
- 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 complexes were built in the 1970s-80s. Five of the six are garden style apartment complexes, with one being a small single story apartment building.
- Amenities were very basic at all complexes.
- Average rent for one bedroom was calculated at \$736/m. The average one bedroom among the Pomfret properties was \$766/m. Two of the six include utilities in the rent.

- Unit size averaged 699 sf for the one bedroom.
- Vacancies were identified in all six properties surveyed.

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

Table 1: Open-Age Market Rate Housing Rental Survey – Pomfret Area

Property	Total Units	Prop. Type	Age	0 BR	0 BR size	\$/sf	1 BR	1BR size	\$/sf	Utilities In Rent
Alta Terrace 120 Putnam Rd, Pomfret	30	Garden	1977	\$650	600	\$1.08	\$850	700	\$1.21	Yes
Murdock Apts 137 Murdock Rd, Pomfret	8	Garden	1969	--	-	-	\$700			No
Killingly Apts 189 Killingly Rd, Pomfret	4	Ranch	1988	--	-	-	\$750	600	\$1.25	No
Moosup Gardens 10 Gorman St, Moosup	89	Garden	1970s	-	-	-	\$845	847	\$0.99	No
Farrows Street Apts 160-66 Farrows St, Putnam	32	Garden	1970s	-	-	-	\$675	650	\$1.03	No
Dana Court Apts 120 Putnam Rd, Putnam	30	Garden	1977	-	-	-	\$600	625	\$0.96	Yes
Average							\$736	699	\$1.05	

Source: Property Managers, Internet, Rental Agents

Survey of Affordable Elderly Housing– In order to better understand the options for affordable senior housing in Pomfret, a survey was undertaken of affordable housing for the elderly within the Pomfret Trade Area representing the towns of Pomfret, Putnam and Killingly. Within the three towns we identified 13 properties, including the Subject property, totaling 512 units. The Subject Property was the only elderly affordable property identified in Pomfret. Within Putnam and Killingly, six properties were identified in each town with totals of 217 units and 224 units, respectively. Notably one of the properties in Killingly represents a Congregate facility of 47 units operating under same state program as Seely Brown Village. All reported few to none vacancies and in the case of the HUD funded properties, long waiting lists.

Refer to Table 2 below for results of survey of affordable elderly housing in Pomfret area

Table 2
Survey of Affordable Elderly Housing – Pomfret Area

Property Name	Address	Owner	Public Funder	Deter. Of Rent	Elderly Units	Age	Vacancy Waitlist
Pomfret Elderly							
Seeley Brown Village (Subject Property)	400 Deerfield Rd	Pomfret Community Hsing Corp	CHFA/DECD	Base Rent	32	1997	0/2*
Putnam Elderly							
Ella Grasso Gardens	25 Ballou St	Valley Village Assoc	USDA/ RD		72		
Hampshire Heights	40-70 Laconia Ct	Putnam HA	CHFA	Base Rent	12**		Waitlist for eldery units
Robert Bulger Apts	218 Woodstock St	Putnam HA	CHFA	Base Rent	27		Waitlist
Wm St Onge	218 Woodstock St	Putnam HA	CHFA	Base Rent	20		Waitlist
Little River Acres	207 Sabin St	Putnam Baptist Homes	USDA/ RD	30% Income	66		Waitlist
Walter Crabtree	6-40 Phillip St	Putnam HA	CHFA	Base Rent	20		Waitlist
Killingly Elderly							
Birchwood Terr	41 Birchwood Terr	Killingly HA	CHFA	Base Rent	40	1980	97*
Maple Courts I	620 Upper Maple St	Killingly HA	CHFA	Base Rent	80	1970s	97*
Maple Court II Congregate	620 Upper Maple St	Killingly HA	CHFA/ DECD	Base Rent	43	1992	47*
Primrose Crossing	Valley Rd	Boxwood Housing	USDA/ RD	30% Income	28	1994	1-2 years
Primrose Village	Valley Rd	SEK 15 Lp	USDA/ RD	30% Income	29		1-2 Years
Westfield Village	16 Westfield Rd	New Samaritan	HUD	30% Income	43		
Total					512		

Source: Property Owners/Managers, Internet

* as of Sept 30, 2012

** Hampshire also includes family units

Survey of Assisted Living Facilities – Within the greater Pomfret region (Northeast CT and upper New London County), we identified six state licensed Residential Care Home properties or Rest Homes that provide assisted living services and one Congregate Care facility operating under similar program to Subject Property.

Residential Care Homes are a step up from congregate in that they can provide a broader range of personal services in support of daily living needs¹ which go beyond meals, laundry, light housekeeping, and coordination of activities for residents associated with base level of services for congregate. They also come in different forms – some as rooms with limited cooking facilities – if any. In others they may be traditional units with kitchens. A rest home is similar but more structured as a nursing home with nursing supervision 24-hours/day. In terms of pricing, the complexes surveyed represent alternatives for persons at Seely Brown whose combined rent and service charge equals \$1462/m (or \$49/d). It is noted not all of the residents at the Subject Property pays this amount as many receive a subsidy from DECD for base rent and service charges.

Our survey also identified one Continuing Care Retirement Community (CCRC). A CCRC is a facility that provides a lifetime “continuum of care”. Housing typically begins with independent housing and then as person becomes frailer, residents receive assisted living services. When and if needed, nursing home facilities are available typically located on site but sometimes associated with an off-site facility. Residents often pay a one-time entry fee followed by regular monthly payments that ranges depending on services obtained – but typically ranges between \$1000/m to \$3,000/m.

Among the assisted living complexes surveyed, lowest private pay rates start at \$1,290/month (\$43/day) at Johnson Home in Norwich CT to \$3300/m (\$110/daily) at Sachem Home, also in Norwich. For many, this is just the starting point as monthly costs for added services including range of assisted living needs are in addition to the base cost. Among properties providing information few vacancies were reported.

In addition to the survey of assisted living facilities we also make note of the 42 unit congregate care facility (Maple Court II) owned and managed by Killingly Housing Authority. Maple Court II operates under the same state Congregate Care program as Seely Brown. Maple Court. The property consists of all one bedrooms with a base rent of \$375/m (as of 09-30-2012); data on fee for congregate service charge was not available. According to data provided there were no vacancies at Maple Court in September 2012.

Refer to Table 3 on following page for results of survey of select assisted living facilities in Pomfret region. This survey included Residential Care Homes, Rest Homes but excluded skilled nursing facilities.

¹ It should be noted some state congregates are licensed as a RCH facility that allows them to contract with outside licensed Assisted Living Service Agency (ALSA) who can bring in assisted care services.

Table 3
Residential Care Homes Survey – Pomfret Region

Property	Units/Beds	Property Type	Monthly Rate	Unit Availability
Lyon Manor, Inc 140 River Rd Willington, CT	36 Beds	Assisted Living	\$2550/m (\$85/d)	0
Roseland 39 Canterbury Rd Brooklyn, CT	16 Beds	Residential Care Home	\$3,000/m \$100/d	0
Creamery Brook - CCRC 36 Vina Lane Brooklyn, CT	103 units	Continuing Care Retirement. Community		
Westcott-Wilcox Home 50 Capron St Danielson, CT	11 Beds	Residential Care Home	\$2065/m (\$69/d)	1
Eliza Huntington Home 99 Washington St Norwich, CT	22 Beds	Rest Home/ Assisted Living	\$2940/m (\$98/d)	0
Johnson Home 100 Town St Norwich, CT	14 Beds	Residential Care Home	\$1290/m (\$43/d)	
Sachem Home 33 Sachem St. Norwich CT	10 beds	Rest Home	\$3300/m (\$110/d)	
Maple Court II Congregate 620 Upper Maple St Killingly, CT (Killingly Housing Authority)	43 units	Congregate (state program)	Base Rate+ Service Charge	0 47 waitlist

Source: Property Owners- Managers, Internet, State of CT, Department of Public Health

V. Analysis of Current Tenant Base

Demographics-Economics-Rent Structure of Current Tenant Base:

- Total Units: **32**
- Total Occupied Units: **30 (as of Sept 2012)**
- Total Residents: **33 (3 -- dual/HHs)**
- Total # of Children: **n/a**
- Average Age: **79 (range : 64-94)**
- % Minority: **3% (1)**
- # of Disabled HH under 62: **N/A**
- # at Base Rent or below: **80% (24)**
- *Income Below 25%AMI:* **34% (10)**
- *Income 25% at 50% AMI:* **48% (14)**
- *Income 50% AMI or greater:* **18% (5)**
- Average Adjusted Income: **\$16,822**
- Average Tenant Rent: **1 BR, \$375 (base rent only)**
- Waitlist: 26

**Seely Brown Village Congregate
HH Income Distribution**

Resident HH Income	Rent Equivalent	% of HH
< \$10000	\$250	13%
\$10000-\$15000	\$250-\$375	50%
\$15000-\$20000	\$375-\$500	13%
\$20000-\$25000	\$500-\$625	3%
\$25000-\$30000	\$625-\$750	7%
>\$30000	>\$750	13%

VI. Conclusions/Recommendations

a. Rent Structure Opportunity

Market & Property Factors

Positive

- Relatively new complex (1997)
- Health facilities close by
- Very Competitive with other private pay frail elderly options
- Desirable community

Challenges

- Small Market base -Maintaining full occupancy can be challenging
- State Congregate care facility in nearby Killingly

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

Based on review of the market and considering the present size, age, layout, amenities, condition and utility configuration of the subject units, a rental range of \$650 to \$700 for the 1 bedroom would be considered competitive with the area inventory involving properties with basic amenities. (Note: this is the room rate only and does not include rate associated with congregate services). (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	Service Charge	Subject Property	Local Market Alternatives	Assisted Liv. Alternatives	Pomfret Multifamily	Pomfret MLS Condo	Pomfret Managed Apartments
	Base Rent		Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent
Studio								
1 BR	\$612	\$850	\$374*	\$779	\$	\$725	n/a	\$850
2 BR					(based on daily rate)	\$800	n/a	\$1100

*Does not include Congregate Service Charge

Tenant Base Trends

- Seeley Brown Village tenant base has shifted to a lower income profile over the last decade.
- In 2012, the share of residents at household incomes under \$25,000 increased by 150% compared to 2003, while households at incomes >50% AMI dropped by 44%.

Seely Brown Resident HH Income	Seely Brown Year 2003	Seely Brown Year 2012
< 25%AMI	4 (13%)	10 (34%)
25-50% AMI	18 (58%)	18 (48%)
50%-80% AMI	9 (29%)	5 (18%)
Occupancy	97%	91%

Source: CHFA Tenant Profile Report

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.

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 5 mile radius from Subject Property). 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.

	Windham County Tenure Distribution		Adjustment Factor – Pomfret Area	
Income Distribution	Rent	Own	Rent	Own
under 15,000	63%	37%	66%	34%
15000-25000	50%	50%	54%	46%
25000-35000	44%	56%	48%	52%
35000-50000	31%	69%	36%	64%

Source: US Census 2010, American Community Survey, 2011

The chart below reflects estimated distribution of senior households 75+ in Pomfret Market Area by tenure and income. Based on our analysis of tenure by income, we estimate the primary Source Market Area contains 597 households whose incomes fall within the income threshold for the target market of which 315 are renters. The chart also shows current distribution within the Subject Property of senior tenants by income (75+).

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

Pomfret Area Income District	Source Mkt Senior HH 75+			Subject Property
	Total	Rent	Own	Senior Tenant Base
under 15,000	181	119	62	19
15000-25000	171	92	79	5
25000-35000	133	64	69	4
35000-50000	112	40	72	2
Total	597	315	282	30
Young/Disab				0
Vacancy				2
			Total Units	32

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 less a result of 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 the 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 opportunity, 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 Pomfret Area). 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. As can be seen in chart below there is substantial potential under \$25,000, but market depth begins to drop off significantly above that income baseline.

Pomfret SMA	SMA - HH 75+		Aggregate Potential Capture Total HH 75+		Seely Brown Village
Income Distribution	Total	65+ HH Renters	Capture Rates	Total Senior HH Capture Potential	# Senior HHs at Sub. Prop
under 15,000	181	119	15%	18	19
15000-25000	171	92	10%	9	5
25000-35000	133	64	5%	3	4
35000-50000	112	40	3%	1	2
Total	597	315		31	30

Source: US Census 2010, American Community Survey, 2011

b. Recommendations for Improving Marketability

From a building and/ or operation perspective, we have no specific recommendations on improving marketability other than undertaking such upgrades and improvements necessary for the proper maintenance of the building and grounds.

While there are no specific recommendations for the building (and we heard nothing about any marketing issues specific to occupancy), consideration might be given to developing a more structured marketing program for the facility that would allow for broader awareness of this housing resource in the community and surrounding area. This might assist in establishing a list of future prospects which can be tapped as vacancies arise which tend to be more frequent with congregate then with straight elderly housing.

c. Redevelopment Scenario

It is our opinion that from a market analysis perspective, the Subject Property - Seely Brown Village Congregate - does not reflect a need for a redevelopment scenario.

However, the Subject Property does have considerable amount of land that could be targeted for additional housing and discussions at the local level have been initiated regarding the potential for adding a senior housing component to the site.

While it is anticipated that the addition of independent senior housing would complement the current congregate facility on site, some care should be taken on sizing such development in terms of unit count. The Upper Northeast region of the state, which is often referred to as the "Quiet Corner", is one of the least populous areas of the state, a profile mirrored by Pomfret as one of the smallest town in the state. Small population bases present a smaller pool of qualified households.

Complicating the market issue is that nearby communities of Putnam and Killingly report a sizeable housing supply of nearly 500 units of affordable elderly housing – with both towns presumably representing market sources for some of the independent units proposed at Seely.

This is not to say the Seely site could not support affordable senior housing. Indeed the Subject Property itself is a testament to market draw for senior housing in Pomfret from households in the area – further documented by its waitlist. But assuming the proposed development is under the state Elderly Housing program and tenant subsidies are not a part of the proforma in contrast to Seely Brown, the project would mostly likely need to draw deeper into households with higher incomes. If so the anticipated market depth for independent senior housing at the site is estimated to be more in the range of 10-15 units vs 25-30+ units more typical of state elderly projects. Of course if deeper subsidies are available, market depth expands at lower income levels presenting opportunity for larger project.

APPENDIX
PROPERTY PHOTOS
MARKET BRIEF



**Seely Brown
Village**

Main Entrance



**Seely Brown
Village**

**Bldg Wing Facing
Parking Area**



**Seely Brown
Village**
Wing Facing South



**Seely Brown
Village**
Outside Benches
Between Two
Wings



**Seely Brown
Village**
Parking Area



**Seely Brown
Village**
Access Road

Connecticut Towns: Market Assessment Briefs

Town: Pomfret, CT
County: Windham County

1. Economic Trends

Major Employers - Pomfret

Employer
Steak-UMM CO LLC
Fiberoptics Technology Inc.
Loos and Company Inc.
Pomfret Preparatory School Inc.
Town of Pomfret-Inc. Board of Ed

Pomfret is probably best known for its preparatory schools, but major employers are also found in companies engaged in food production (Steak_Umm), wire and cable production (Loos & Co.) and fiber optics (Fiberoptics Technology).

Source: CERC Town Profiles, 2012

Key Job Sectors - Pomfret

Industry Sector - 2011	% Share of Jobs
Manufacturing	34.0%
Accom & Food Services	9.6%
Construction	7.4%
Other Services	5.8%
Educational Services	***
Government	10.6%

Pomfret's job base in 2011 was 1,532 with Manufacturing and Educational Services forming the backbone of Pomfret's economy. Manufacturing accounted for 520 jobs in 2011 and an estimated 100 jobs are linked to the two Private schools in Pomfret: Pomfret Prep School and The Rectory School.

Source: CT Dept. of Labor

Labor Force & Employment Trends

Labor Force +Employment	Pomfret	Windham County
Labor Force-2011	2,341	65,312
Unemployment -2011	7.6%	9.8%
Total Employment -Workplace	1,532	37,661
2005 - 2011 - Annual Growth	-0.2%	-0.1%
2010 - 2011 - Annual Growth	-1.0%	0.9%

Source: CT Dept. of Labor

Pomfret's resident labor force experienced relatively low unemployment in 2011 when compared to the county and the state (8.8%).

Job growth on the other hand has been flat 2005-201, with no encouragement found in the 2011 jobs data which recorded a 1% decline over the previous year.

Connecticut Towns: Market Assessment Briefs

Town: Pomfret, CT
County: Windham County

2. Demographic Trends

Population Trends

Population	Pomfret	Windham County
2000 Total population	3,798	109,091
2010 Total Population	4,247	118,428
Annual Percentage Growth	1.12%	0.83%
2011 Total Population (est)	4,296	118,648
2016 Total Population (proj.)	4,477	121,291
2011– 2016 Annual Rate	0.83%	0.44%

Pomfret experienced healthy population growth between 2000-2010, adding 449 new residents.

Source: 2010 Census, ESRI Business Systems

Household Trends

Household	Pomfret	Windham County
2000 Total Households	1,433	41,142
2010 Total Households	1,582	44,810
Annual Percentage Growth	0.99%	0.86%
2011 Total Households (est.)	1,601	44,897
2016 Total Households (proj.)	1,678	46,044
2011– 2016 Annual Rate	0.94%	0.51%

A similar rate of growth was seen for households last decade resulting in 149 new households. Projections call for continued health expansion for 2011-2016 period.

Source: 2010 Census, ESRI Business Systems

Race & Ethnicity

% Share of Population

Population - 2010	Pomfret	Windham County
White Alone	95.7%	89.6%
Black Alone	0.6%	2.2%
Asian Alone	1.6%	1.2%
Hispanic (Any Race)	1.9%	9.6%

Hispanics (any race) and Asians represent the largest minorities in Pomfret - with Asians seeing the most rapid growth last decade at 128%.

Change - 2000 to 2010

White Alone	-1.5%	-1.9%
Black Alone	50.0%	15.8%
Asian Alone	128.6%	33.3%
Hispanic (Any Race)	18.8%	35.2%

Source: 2010 Census, ESRI Business Systems

Connecticut Towns: Market Assessment Briefs

Town: Pomfret, CT
County: Windham County

2. Demographic Trends (Cont'd)

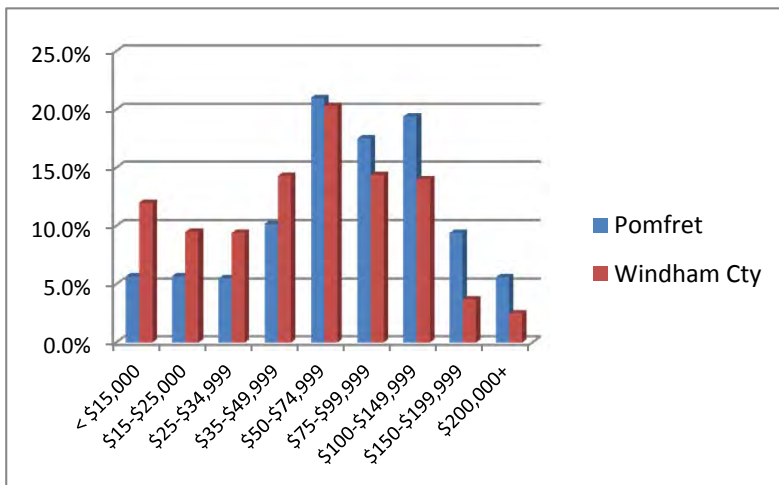
Median Income

Median HH Income	Pomfret	Windham County
2000	\$57,896	\$45,113
2011 (est.)	\$76,922	\$54,234
Annual Avg % Growth	3.0%	1.8%

Source: 2010 Census, ESRI Business Systems

Pomfret is one of the more affluent communities in Windham with a with Median HH income of \$76,922.

HH Income Distribution (2011)



Source: 2010 Census, ESRI Business Systems

Town data on income distribution reveals heaviest concentration of income is found at levels \$50,000 to \$150,000 (58%) while income levels below \$25,000 constitutes 11% of total households compared to 22% for the county. Meanwhile 34% of Pomfret's household report earnings above \$100,000 vs. 20% for the county.

HH Income Distribution - 65+ (2010)

HH's	Pomfret		Windham County	
	65-74	75+	65-74	75+
Total HHs	171	138	4,780	4,492
< \$15,000	9.9%	5.8%	13.5%	23.9%
\$15-\$25,000	10.5%	18.1%	14.7%	21.2%
\$25-\$34,999	4.7%	20.3%	11.7%	12.7%
\$35-\$49,999	21.6%	18.1%	19.0%	13.7%
\$50-\$74,999	17.0%	26.1%	17.4%	13.7%
\$75-\$99,999	23.4%	4.3%	10.7%	6.6%
\$100-\$149,999	0.0%	2.9%	6.7%	3.8%
\$150-\$199,999	0.6%	0.0%	3.6%	2.6%
\$200,000+	12.3%	4.3%	2.7%	1.9%
Med Inc.	\$53,405	\$38,668	\$41,613	\$28,195

Source: 2010 Census, ESRI Business Systems

22% of Pomfret's senior HHs 65+ operate on incomes of \$25,000 or less; 32% earn between \$25,000 and \$50,000.

Connecticut Towns: Market Assessment Briefs

Town: Pomfret, CT
County: Windham County

2. Demographic Trends (Cont'd)

Poverty Rates

Households - 2010	Pomfret % Total	Windham Ct % Total
Married Couple - Family	3.9%	1.6%
Other Family HHs (spouse not present)	0.0%	3.5%
Non-Family HHs	5.1%	4.6%
Poverty Ratio - Total	8.0%	9.6%

Source: ACS Population Survey, ESRI Business Systems

The poverty rate in Pomfret is unusually high for an affluent town. Most impacted are senior households, but the census data point to a high percentage of married households falling below the poverty rate as well.

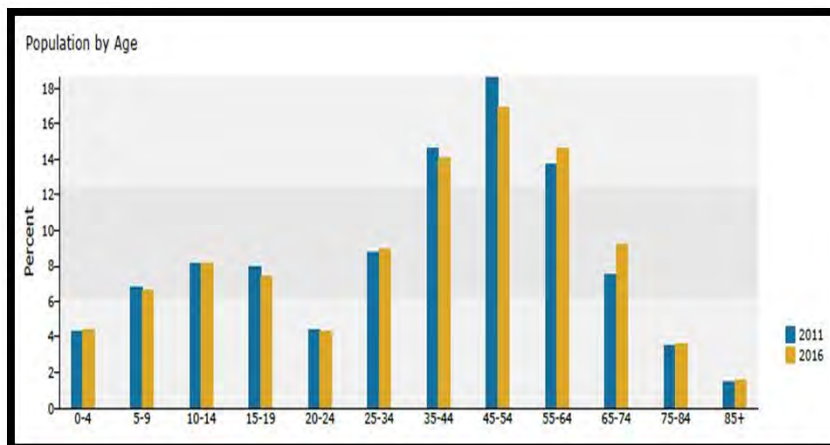
Age Trends

Population - 2010	Pomfret % Total	Windham Ct % Total
Age 18+	75.2%	77.7%
Age 65+	12.3%	12.8%
Age 75+	5.0%	5.9%
Median Age	41.6	39.1

Source: 2010 Census, ESRI Business Systems

Pomfret is slightly older in profile compared to the county overall with a median age of 41.6.

Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

Pomfret is projected to experience a drop in its 45-54 age cohort from 18.9% in 2010 to 16.9% in 2011. Over the same period, the 65+ population share is expected to increase from 12.3% to 14.4%.

Connecticut Towns: Market Assessment Briefs

Town: Pomfret, CT
County: Windham County

3. Housing Trends

Tenure and Vacancy

HH's	Pomfret		Windham County	
	2000	2010	2000	2010
Own-Occp	72.6%	74.9%	67.4%	69.3%
Own-Units	1,042	1,185	27,736	31,075
Rent-Occp	27.4%	25.1%	32.6%	30.7%
Rent Units	392	397	13,406	13,735
Ttl Occp Units	1,434	1,582	41,142	44,810
Vacancy	4.7%	6.1%	6.4%	8.7%

Source: 2010 Census, ESRI Business Systems

Three-quarters of Pomfret's occupied housing was owner-occupant in 2010, a slight increase from 2000. Meanwhile 2010 vacancy was reported at 6.1%, a rate somewhat above the level reported for 2000, but not considered an impediment to rent growth.

Housing Characteristics

% Share of Total Housing

Structure Type - 2010	Pomfret	Windham County
1 Detached	73.3%	65.3%
1-Attached	1.1%	2.1%
2-unit	5.3%	9.2%
3/4 unit	3.6%	6.5%
5+ units	9.4%	17.0%
Total Housing Units - 2010	1,684	49,073

Source: ACS Housing Surveys, ESRI Business Systems

Single detached homes account for 70% of the housing stock in Pomfret generally matching Pomfret's owner-occupancy rate. 9.4% of Pomfret's housing is found in higher density housing of 5+ units, while 7.4% is associated with mobile homes.

Rent-occupied Housing by Contract Rent

Renters with Contract Rent

Contract Rent - 2010 Distribution	Pomfret	Windham County
Under \$200	0.0%	6.9%
\$200-\$399	0.0%	10.5%
\$400-\$599	5.6%	22.9%
\$600-\$799	22.3%	32.3%
\$800-\$999	27.8%	14.3%
\$1000-\$1249	16.7%	3.6%
\$1250-\$1499	8.6%	2.3%
\$1500-\$1999	0.0%	0.5%
above \$2000	0.0%	0.5%
Median Contract Rent	\$855	\$652

Source: ACS Housing Surveys, ESRI Business Systems

Pomfret's rent structure is moderate, though generally above rent rates found in most towns in Windham county. Median rent in town was estimated at \$855/m for 2010.

Connecticut Towns: Market Assessment Briefs

Town: *Pomfret, CT*
County: *Windham County*

4. Rental Housing Market

Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	2	\$725	\$725		\$700-\$750
2	4	\$800	\$800	16	\$750-\$850
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>Apartments</i>	1	***	\$850	\$1,100	***

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