

Market Assessment - Ballard Green (Ridgefield, CT)

I. Description Of Property

The Subject Property

The subject property includes 12 buildings containing 60 apartment units on a site of approximately 8 acres. The subject apartments include 41 efficiency units and 19 one bedroom units all in ranch style buildings. The project was constructed in phases first in 1979 and later in 1982. Overall density is 7.5 units per acre. Additional to the unit facilities there is a community building and support facilities.

Buildings are wood frame with vinyl siding. Roofs are gable design with asphalt shingle cover. Efficiency units are 412 square feet and one bedroom units are 512 square feet.

Base unit rent (2011) is \$350 per month plus a \$127 utility allowance for efficiencies and \$375 per month rent with \$127 for utilities for the one bedroom apartments. This is up from \$300 (studio) and \$325 (1BR) in 2011. Occupancy is restricted to seniors over 62 years old with incomes below 50% AMI.

Ballard Green
25 Gilbert Street
Ridgefield, CT 06877

Table 1

Type	Property Type	Baths	# of units	Living Area SF	Base Rate
Efficiencies	Flat	1	41	412 sf	\$350
1 Bedroom	Flat	1	19	512 sf	\$375
Total			60		

Additional Property Info

Property Type	Senior
Program	SH Affordable
Parking	80 +/-
Year Built	1979, 1982
Rehab	Modernization
# of Buildings	12
Acres	8 (estimated)
Handicap Units	6
Vacancy	None
Waiting List	60
Owner	Ridgefield Housing Authority

In addition to the senior housing buildings on this site include accommodations for the Housing Authority offices, Meals On Wheels and a special high school program.

Subject Property Features and Amenities

- Utilities Provided: Partial, utility allowance \$127 all units
- Electric Heat and HW
- Refrigerator: Yes
- Stove: Yes
- Microwave: No
- Dishwasher: No
- Laundry Facilities: 4 sets coin-op washer/dryers
- Community Room: Yes
- Elevators: No
- Parking: Lot, 80 cars



Ballard Green

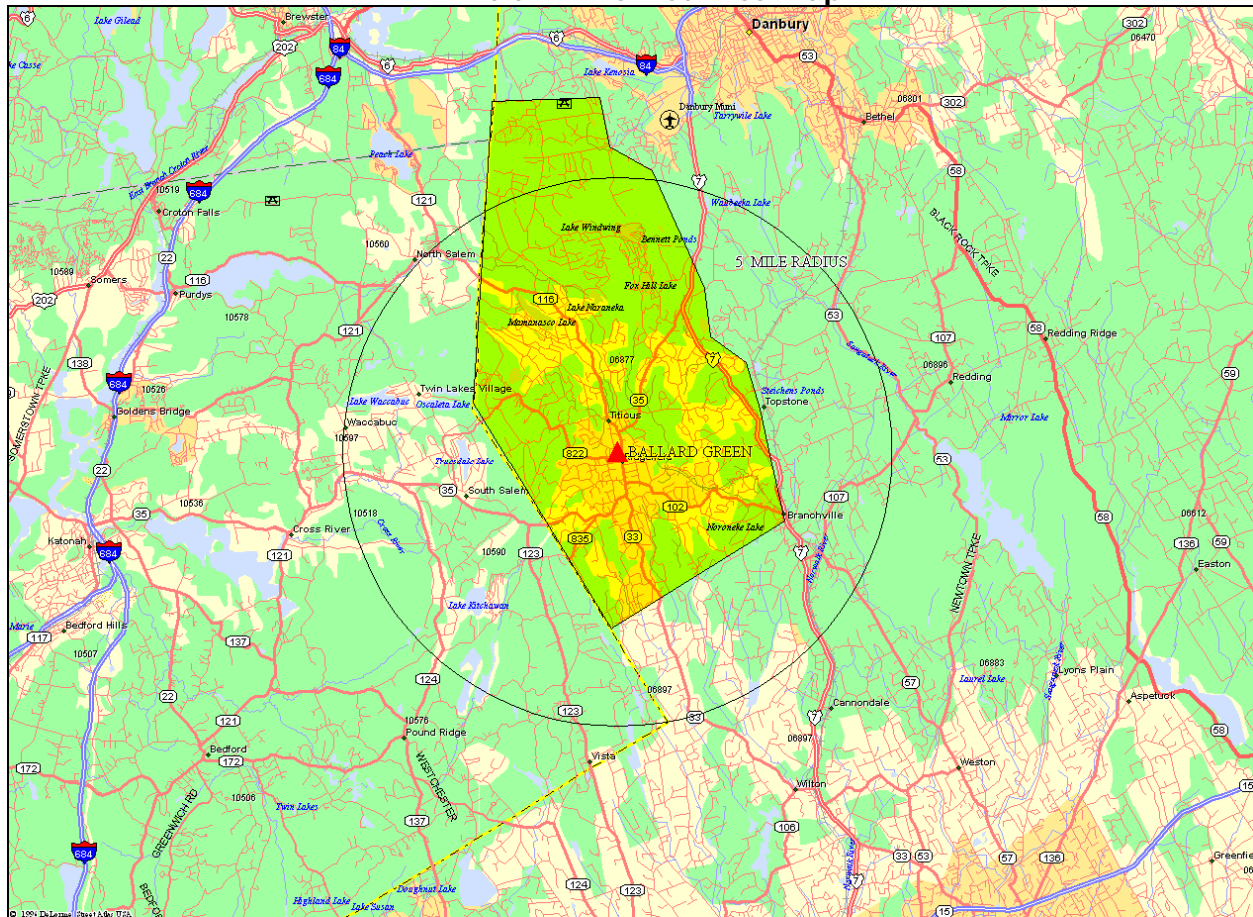
II. Description of Site and Neighborhood

Map of the Area – Below are two maps: Exhibit 1 is a Site Locator Map identifying the Subject Property in relation to surrounding transportation corridors, land uses and physical features; Exhibit 2 is a map delineating the Primary Market Area (Ridgefield) and Secondary Market Area.

Exhibit 1 – Subject Site Map



Exhibit 2 – Market Area Map



Neighborhood Description & Land Uses – The subject is situated in Ridgefield Center close to the downtown commercial district along Main Street. Ballard Park is adjacent to the property on the east. The land use west of the subject tends to be one and two family residential.

Access – Gilbert Street connects to Main Street which is also CT RTE 35 that connects to CT Rte 7. which runs north to I-84 about 6 miles distant and south to the Merritt Parkway about 11 miles distant.

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

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 consist primarily of Ridgefield.

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 Surveys

Table 1
Housing Rental Survey – Ridgefield

PROPERTY	TOTAL UNITS	Age	INCOME LIMIT	1BR	1 BR SIZE	UTILITIES	WAIT
127 Olcott Way	NA	Open	Open	\$1,500	793	NONE	Available
2 Carpenter Close	NA	Open	Open	\$1,395	900	NONE	Available
35 Catoona Street	2	Open	Open	\$1,750	860	H & HW	Available
378 Main Street	NA	Open	Open	\$1,850	NA	NONE	Available
4 Greenbrier Lane	NA	Open	Open	\$1,300	850	H & HW	Available
50 Lawson Lane	NA	Open	Open	\$1,350	920	NONE	Available
64 Olcott Way	NA	Open	Open	\$1,350	793	NONE	Available

Source: Property Managers, Rental Agents, Web Sites

In the immediate vicinity of the subject there are some rentals in mixed use buildings downtown and new construction on Gilbert Street will add 2-3 rents affordable to households at 80% AMI. There are some nearby condo projects with rental units available occasionally. The one bedroom rental rates observed range from \$1,300 to \$1,850. In the above surveyed properties – 378 Main St, 35 Catoona St and 4 Greenbriar are multi-family or apartments. The remaining properties are condos. Most of these units do not include utilities. No studio apartment rentals were identified.

Survey of Governmental Assisted Housing– In order to better understand the options for affordable senior housing in and around Ridgefield, a survey was undertaken of governmental assisted housing in the area. Properties identified are listed in Table 13.

Table 2
Survey Of Governmentally Assisted Elderly Housing

PROPERTY	TOTAL UNITS	Age	INCOME LIMIT	1BR	1 BR SIZE	UTILITIES	WAIT
Wilton Commons Wilton	8	Senior	<25%AMI	\$542	600	\$71	Wait List
Wilton Commons Wilton	26	Senior	<50% AMI	\$1,065	600	\$71	Wait List
Wilton Commons Wilton	16	Senior	<60%AMI	\$1,300	600	\$71	Wait List
Schoolhouse Apts. New Canaan	40	Senior	Low	30%	650	Included	Wait List
Prospect Ridge Ridgefield	34	Senior	Low	\$512	450	Included	Wait List
Canal Court Westport	50	Senior	Low	30%	NA	Included	Wait List
Ogden House Wilton	85	Senior	Low	30%	NA	Included	Wait List
Halperin Court Wilton	16	E/F	Low	30%	NA	Included	Wait List

The Wilton Commons project is south of Ridgefield just off Route 7 and is presently under construction. Initially it will operate as senior affordable, but future arrangements could add congregate services. There are some additional affordable housing projects in the pipeline. The town is discussing the possibility of another senior project on nine acres at the dog park on Prospect Street. There is also an 8 unit project at 28 Gilbert Street and a 16 unit project at 593 Main Street as well as a project at 7-9 Salem Street. At these projects at least 30% of units will be at rates affordable at 80%AMI.

No competitive data was identified for efficiency units in either the market category of the senior assisted category.

V. Rent Structure Analysis

Demographics of Current Tenant Base:

- Total Residents: 61
- Total # of Children: 0
- 2% Hispanic; 98% Caucasian
- Age: Range 29-94, Average 77
- Income: Range \$6,432-\$36,143; Average \$15,872
- All tenants pay Base Rent, 19 pay over base
- 100% below 50% single person AMI, None receive RAP
- 22 tenants pay 30% of income toward rent
- 38 tenants pay over 30% of income toward rent
- 29 tenants pay over 35% of income toward rent
- 10 tenants pay over 45% of income toward rent

Demographics on Waiting List:

There are 3 vacant units (5%) and a waiting list of about 60 applicants, including 1 handicapped household.

VI. Conclusions/Recommendations

a. Rent Structure Opportunity

Market & Property Factors

The base rental rate for an apartment unit at the subject is very much below the observed market rental rates for one bedroom units in the general market and is also generally below base rates at senior assisted properties in Ridgefield and other towns in the region.

However, while the rental rate is low over 60% of tenants are paying in excess of 30% of their income for rent. The subject has no RAP contract and all tenants regardless of income pay the full base rent and 19 pay over base. Without a rental subsidy an upwards adjustment in rent would be increasingly unaffordable.

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

Unit Type	Subject Property	Subject Property	Local Market Alternatives	CT MLS Multifamily	CT MLS Condo	Managed Apartments
	Contract Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent	Avg Rent
Studio	\$300	\$269				
1 BR	\$325	\$348	\$1499*	\$1247	\$1304	N/A
2 BR				\$1670	\$2129	

* Condos and MF

Tenant Base Trends

- Ballard Green has witnessed a major shift in the income profile of its tenant base and is now serving greater number of households at lower incomes compared to 2003.
- On a percentage basis, the tenant base at incomes under \$25,000 has nearly tripled, rising from 22% in 2003 to 60% in 2011.
- Meanwhile the number of households at incomes 50% to 80% AMI has dropped from 12 in 2003 to 1 in 2011.

Ballard Green Resident HH Income	Ballard Green Year 2003	Ballard Green Year 2011*
< 25%AMI	22%	60%
25-50% AMI	58%	39%
50%-80% AMI	12%	1%

Source: DECD, CHFA, Property Owners

* Tenant Profile Data for 2012 was not provided by property owner

Market Depth

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

The market penetration rate represents the share of eligible target market that the Subject Development must capture in order to achieve full/optimum occupancy, assuming all existing and planned facilities are operating at capacity. As it is used here, it is primarily designed to reflect scale of demand at different price brackets and the capacity to capture that market assuming somewhat conservative penetration rates. Thus at lower household incomes you would expect higher capacity to capture due to lack of affordable options. The opposite is the case at higher household incomes.

As a first step in testing market depth for Rent Stratification, we must first estimate the number of renters from homeowners by income in the primary source market area (*in this case the town of Ridgefield and adjoining towns of Wilton, Weston and Redding*). We assume that most, if not all of the market for the available units will come from households renting homes, rather than from those who are homeowners. As this data is not available at town level for 2010, we start by using data from both 2010 Census and American Community Survey 2011 to arrive at distribution within the county, the lowest level for which current tenure HH data by income is available. Using that data, an adjustment factor was applied to better reflect the tenure base of the the Source Market Area (SMA)¹.

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

Fairfield County	Fairfield County Tenure Distribution		Adjustment Factor Ridgefield	
Income Distribution	Rent	Own	Rent	Own
under 15,000	69%	31%	61%	39%
15000-25000	63%	37%	54%	46%
25000-35000	49%	51%	36%	64%
35000-50000	44%	56%	30%	70%

Source: US Census 2010, American Community Survey, 2011

The chart below reflects estimated distribution of senior households in Ridgefield SMA by tenure and income. Based on our analysis of tenure by income, we estimate the primary Source Market Area contains 1437 households whose incomes fall within the income threshold for the target market of which 639 are renters. The chart also shows current distribution within the Subject Property of senior tenants by income (excludes young disabled).

Ridgefield	Source Mkt Senior HH 65+			Subject
Income Distri	Total	Rent	Own	Property
				Senior Tenant Base
under 15,000	302	185	117	30
15000-25000	399	214	185	24
25000-35000	306	111	195	2
35000-50000	430	129	301	1
Total	1437	639	798	57
Young/Dis.				2
Vacancy				1
		Total Units		60

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 the Source Market Area.

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 5 to 8% are being applied to test market depth. It is noted that these represent higher capture rates than are shown in other parts of the state reflecting the near absence of affordable housing in the region for low income households.

To assist in determining potential for rent structuring, we looked at both market depth on an annual level based on assumption of turnover per year in the marketplace as well as the potential capture in aggregate overall among all households 65+ within the source area in each bracket. A comparison is provided between the present income distribution found at the Subject Property among seniors and estimate of potential capture on an annual basis.

Below is a chart showing estimates for potential capture on an annual basis at different income brackets. Greatest depth is noted at the lower incomes levels \$25,000 and below on an annual basis with a source market potential for 17 units. While above \$25,000, the potential market base is estimated at 4 units based on a 3 to 5% penetration of market. It is to be noted that one area of demand not captured in this analysis are households/seniors who are moved to the area by the parents of younger residents.

Ridgefield	Ridgefield SMA - 65+ Households				
Income Distr	Total	Rent	Turnover ratio	# Renters Moving	Current Senior HH Tenants
under 15,000	302	185	30%	55	30
15000-25000	399	214	30%	64	24
25000-35000	306	111	30%	33	2
35000-50000	430	129	30%	39	1
Young/disabled					2
Vacancy					1
Total	1437	639	798	192	60
Potential capture rates:		Annual Potential Capture Rate	Current # Senior HHs at Sub. Prop		
under 15,000	20%	9	30		
15000-25000	15%	8	24		
25000-35000	8%	2	2		
35000-50000	5%	2	1		
Total		20	57		

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

Source: US Census 2010, American Community Survey, 2011

In the chart below, we estimate the aggregate capture potential among 65+ households within the defined source market area (Ridgefield Area) at each income bracket. This is helpful in gauging overall market depth in the primary source market.

Ridgefield Area	Senior HH 65+		Aggregate Potential Capture	
Income Distribution	Total	65+ HH Renters	Total HH 65+	Total Senior HH
			Capture Rates	Capture Potential
under 15,000	302	185	20%	37
15000-25000	399	214	15%	32
25000-35000	306	111	8%	9
35000-50000	430	129	5%	6
Total	1437	639		84

Source: US Census 2010, American Community Survey, 2011

b. Recommendations for Improving Marketability

The subject property appears to be in good condition for its age with signs of regular maintenance and occasional capital improvements. The rent structure stretches the ability to pay of the present tenants, even though it is very much below market. Change in the rent structure would be dependent on changing the prospective tenant pool, which may or may not be consistent with relevant housing policy.

The premises are usually fully occupied with a long wait list and no extraordinary measures need be taken to enhance marketability at present rates.

c. Redevelopment Scenario

From a market analysis perspective, Ballard Green does not reflect a strong need for a redevelopment scenario.

APPENDIX
PROPERTY PHOTOS
MARKET BRIEF



Ballard Green entrance



Typical unit layout with sidewalk from lot to unit



Looking west on Gilbert St. from Ballard driveway



Looking east on Gilbert St. from Ballard driveway

Connecticut Towns: Market Assessment Briefs

Town: *Ridgefield, CT*
County: *Fairfield County*

1. Economic Trends

Major Employers - Ridgefield

Employer
Boehringer-Ingelheim Pharm.
Schlumberger Doll Research
Town of Ridgefield
Laurel Ridge Health Care Center
Ridgefield Academy

Ridgefield is primarily a commuter town but does have a number of large corporate employers including one linked with pharmaceutical industry and another representing one of five research centers worldwide in research and development involving geoscience and subsurface measurements (Schlumberger).

Source: CERC Town Profiles - 2012

Key Job Sectors

Industry Sector - 2011	% Share of Jobs
Retail Trade	10.8%
Health Care	9.7%
Food Services	6.1%
Other Services	5.0%
Mng of Companies & Enterprises	***
Government	12.7%

Ridgefield's main job sector is with Management of Co. & Enterprises whose data is not disclosed for privacy reasons but is estimated close to 1,750+ workers. The town also has a fairly sizeable retail base associated with its town center, while health care, mostly in the form of a nursing home, contributed over 900 jobs in 2011.

Source: CT Dept. of Labor

Labor Force & Employment Trends

Labor Force +Employment	Ridgefield	Fairfield County
Labor Force-2011	12,086	481,769
Unemployment -2011	6.3%	8.0%
Total Employment -Workplace	10,067	403,196
2005 - 2011 - Annual Growth	1.6%	-0.4%
2010 - 2011 - Annual Growth	1.9%	6.4%

Unemployment in Ridgefield was low in 2011 by comparison to the county and the state (8.8%).

Job growth trends in town have also been impressive 2005-2011 considering the period covered a deep recession.

Source: CT Dept. of Labor

Connecticut Towns: Market Assessment Briefs

Town: *Ridgefield, CT*
County: *Fairfield County*

2. Demographic Trends

Population Trends

Population	Ridgefield	Fairfield County
2000 Total population	23,643	882,567
2010 Total Population	24,638	916,829
Annual Percentage Growth	0.41%	0.38%
2011 Total Population (est)	24,825	918,594
2016 Total Population (proj.)	25,406	930,650
2011– 2016 Annual Rate	0.46%	0.26%

Ridgefield added just under 1,000 new residents last decade at a rate of 0.4%; a rate that is projected to continue 2011-2016.

Source: 2010 Census, ESRI Business Systems

Household Trends

Household	Ridgefield	Fairfield County
2000 Total Households	8,433	324,232
2010 Total Households	8,801	335,545
Annual Percentage Growth	0.43%	0.34%
2011 Total Households (est.)	8,855	336,205
2016 Total Households (proj.)	9,050	340,435
2011– 2016 Annual Rate	0.44%	0.25%

Last decade also saw steady growth in households in town and by 2016, will have increased by over 7% from 2000 levels.

Source: 2010 Census, ESRI Business Systems

Race & Ethnicity

% Share of Population

Population - 2010	Ridgefield	Fairfield County
White Alone	93.9%	74.8%
Black Alone	0.7%	10.8%
Asian Alone	3.2%	4.6%
Hispanic (Any Race)	3.8%	16.9%

Hispanics (any race) and Asians make up much of the minority base in town- both of which saw impressive percentage gains 2000 to 2010.

Change - 2000 to 2010

White Alone	-2.3%	-5.7%
Black Alone	16.7%	8.0%
Asian Alone	52.4%	-2.1%
Hispanic (Any Race)	90.0%	42.0%

Source: 2010 Census, ESRI Business Systems

Connecticut Towns: Market Assessment Briefs

Town: *Ridgefield, CT*
County: *Fairfield County*

2. Demographic Trends (Cont'd)

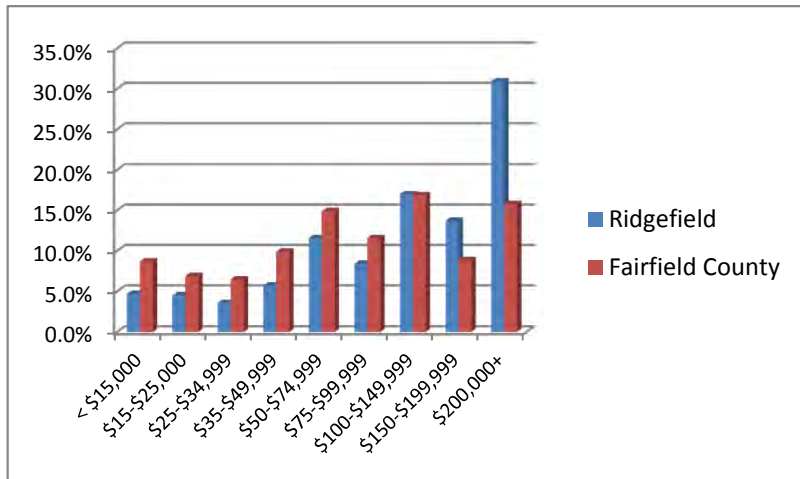
Median Income

Median HH Income	Ridgefield	Fairfield County
2000	\$107,351	\$64,876
2011 (est.)	\$129,852	\$80,531
Annual Avg % Growth	1.9%	2.2%

Ridgefield, like much of Lower Fairfield County, is very affluent. The town's 2010 Household median income was 60% higher than the county.

Source: 2010 Census, ESRI Business Systems

HH Income Distribution (2011)



9.2% of Ridgefield's households earn under \$25,000, while 31% report incomes over \$20,000; 44% earn over \$150,000.

Source: 2010 Census, ESRI Business Systems

HH Income Distribution - 65+ (2010)

HH's	Ridgefield		Fairfield County	
	65-74	75+	65-74	75+
Total HHs	1,088	855	37,819	38,134
< \$15,000	5.1%	13.0%	9.5%	17.5%
\$15-\$25,000	3.4%	13.9%	8.1%	13.7%
\$25-\$34,999	3.0%	8.8%	6.3%	9.1%
\$35-\$49,999	5.8%	8.0%	9.4%	9.2%
\$50-\$74,999	16.5%	13.5%	18.2%	14.2%
\$75-\$99,999	16.6%	16.0%	11.9%	10.8%
\$100-\$149,999	20.2%	7.0%	14.4%	9.9%
\$150-\$199,999	10.8%	5.6%	6.2%	4.9%
\$200,000+	18.7%	14.3%	15.9%	10.7%
Med Inc.	\$99,268	\$59,770	\$72,114	\$50,597

A moderate sized base of senior HHs 65+, or 17%, have incomes under \$25,000. 40% earn over \$100,000.

Source: 2010 Census, ESRI Business Systems

Connecticut Towns: Market Assessment Briefs

Town: *Ridgefield, CT*
County: *Fairfield County*

2. Demographic Trends (Cont'd)

Poverty Rates

Households - 2010	Ridgefield % Total	Fairfield Cty % Total
Married Couple - Family	0.2%	1.2%
Other Family HHs (spouse not present)	0.6%	2.4%
Non-Family HHs	1.8%	4.4%
Poverty Ratio - Total	2.6%	8.0%

As can be expected in light of its wealth, few households in Ridgefield fall under the poverty line - with reported poverty rate of 2.6%. This compares to 8% for the county.

Source: ACS Population Survey, ESRI Business Systems

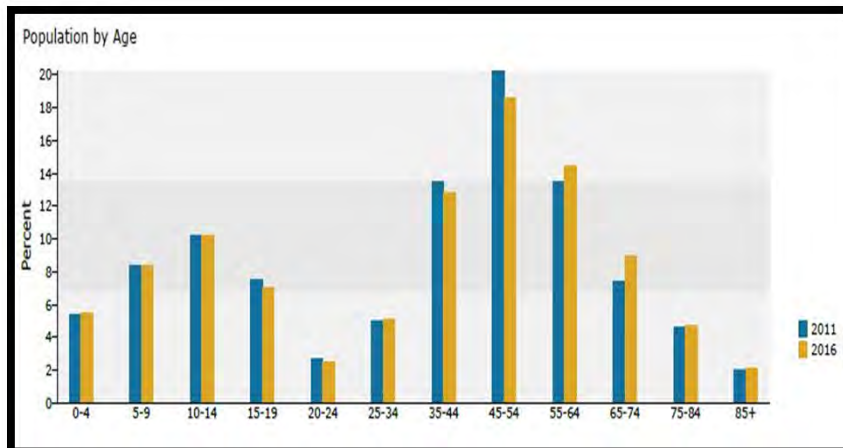
Age Trends

Population - 2010	Ridgefield % Total	Fairfield Cty % Total
Age 18+	70.2%	75.2%
Age 65+	13.7%	13.5%
Age 75+	6.5%	6.7%
Median Age	43.4	39.4

Ridgefield is slightly older than the county overall with a lower ratio of persons under 18.

Source: 2010 Census, ESRI Business Systems

Age Distribution 2011-2016



Source: 2010 Census, ESRI Business Systems

Ridgefield is expected to see a rise 65+ population to 15.8% vs. 13.7% in 2010. A corresponding decline is projected for the 35-54 age cohort (34% to 31%).

Connecticut Towns: Market Assessment Briefs

Town: *Ridgefield, CT*
County: *Fairfield County*

3. Housing Trends

Tenure and Vacancy

HH's	Ridgefield		Fairfield County	
	2000	2010	2000	2010
Own-Occp	85.4%	84.0%	69.2%	68.6%
Own-Units	7,199	7,395	224,516	230,167
Rent-Occp	14.6%	16.0%	30.8%	31.4%
Rent Units	1,234	1,406	99,716	105,378
Ttl Occp Units	8,433	8,801	324,232	335,545
Vacancy	5.0%	6.6%	4.5%	7.1%

Source: 2010 Census, ESRI Business Systems

Owner occupancy is very high in Ridgefield - though on a percentage basis it fell last decade.

2010 Vacancy nudged up to 6.6% from a 5% ratio in 2000. Though elevated, the higher vacancy does not appear to pose a risk to the local housing market.

Housing Characteristics

% Share of Total Housing

Structure Type - 2010	Ridgefield	Fairfield County
1 Detached	81.2%	58.4%
1-Attached	3.5%	6.2%
2-unit	3.2%	8.6%
3/4 unit	6.4%	8.8%
5+ units	5.8%	18.1%
Total Housing Units - 2010	8,558	361,221

Source: ACS Housing Surveys, ESRI Business Systems

Detached single family housing is the dominant housing form in town, with the balance well distributed between low density and high density housing.

Rent-occupied Housing by Contract Rent

Renters with Contract Rent

Contract Rent - 2010 Distribution	Ridgefield	Fairfield County
Under \$200	4.7%	5.8%
\$200-\$399	2.0%	6.8%
\$400-\$599	4.9%	7.0%
\$600-\$799	6.1%	13.5%
\$800-\$999	4.1%	16.3%
\$1000-\$1249	16.8%	16.0%
\$1250-\$1499	6.5%	11.2%
\$1500-\$1999	21.9%	11.6%
above \$2000	26.4%	8.1%
Median Contract Rent	\$1,537	\$987

Source: ACS Housing Surveys, ESRI Business Systems

As an affluent town with very expensive housing, rent structure is similarly high. Median rent in town was estimated at \$1537 in 2010, well above the median for the county.

Connecticut Towns: Market Assessment Briefs

Town: *Ridgefield, CT*
County: *Fairfield County*

4. Rental Housing Market

Mfamily

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	8		\$1,247	35	\$1050-\$1450
2	12		\$1,670	26	\$1300-\$2750
3	3		\$2,150	48	\$1500-\$2850
4					

Source: CT MLS

(Dom- Days on Market)

Condo

BR	# of Prop	Avg List Price	Avg Rent Sale	Avg DOM	Rental Range
0					
1	32		\$1,304	59	\$900-\$1550
2	51		\$2,129	56	\$1065-\$3900
3					
4					

Source: CT MLS

(Dom- Days on Market)