



Market Assessment

Silver Lane Corridor Study Committee





Agenda

- Market Areas
- Retail Market Assessment
- Housing Market Assessment
- Conclusions
- Development Opportunity Sites
- CRCOG Transportation Study
- Next Steps

Market Areas

Different geographic areas were used to assess local and regional retail and housing markets

Market Type	Local	Regional
 Retail Trade Areas	5-Minute Drive Time <i>Neighborhoods immediately surrounding Silver Lane. Reflects the short distances that residents or workers are willing to travel for their day-to-day shopping needs.</i>	30-Minute Drive Time <i>Central and Eastern Hartford County and parts of Tolland, Middlesex, and New Haven Counties. Aligns with the core market area for the Outlet Shoppes at Rentschler Field.</i>
 Housing Market Areas	Town of East Hartford <i>Opportunities to capture natural population and household growth within the Town of East Hartford</i>	Hartford County <i>Opportunities to capture people who commute to jobs in East Hartford - 60% of workforce lives within Hartford County</i>

Business Inventory

Existing Business Mix

- Business inventory conducted in January through field survey - inventoried commercial units, number of occupied units, and square footages
- 84 businesses and 25 vacant commercial units identified for a total of 864,000 square feet of commercial use
- Total commercial vacancy rate is 24.7%
- Occupied commercial space composition:
 - 72% is retail and service
 - 19% is leisure, hospitality, food service
 - 7% in professional office

Business Type	Occupied Space (Sq. Ft.)	Number of Businesses
Institutional	13,568	2
Government Building	13,568	2
Leisure, Hospitality, and Food Service	122,631	18
Amusement, Gambling, and Recreation	60,908	3
Full-Service Restaurants (Sit Down)	17,000	9
Hotels/Motels	32,094	1
Limited-Service Eating Places (Takeout)	12,629	5
Professional and Office	46,813	17
Bank	10,517	2
Information/Media	2,896	1
Legal Services	1,607	1
Medical Offices	11,175	4
Other Professional Offices	20,618	9
Retail and Services	467,805	47
Automotive Parts, Accessories, and Tire Stores	13,220	4
Beer, Wine, and Liquor Stores	14,394	3
Child Day Care	23,882	1
Clothing Stores	100,700	2
Convenience Stores	3,540	2
Department Stores	35,000	1
Dry-cleaning/Laundry/Tailoring	2,700	1
Funeral Home/Mortuary	1,740	1
Furniture Stores	6,799	1
Gasoline Stations	3,391	3
Grocery Stores	88,941	2
Mobile Phone Stores	900	2
Nursing Home/Residential Care	94,335	2
Other General Merchandise Stores	2,200	1
Other Miscellaneous Store Retailers	7,500	3
Pawn Shop	9,183	1
Personal Care Services (hair/nail salons, etc.)	16,500	10
Pharmacy and Drug Stores	28,110	2
Specialty Food Stores	10,370	3
Sporting Goods, Hobby, and Music Stores	4,400	2
Total Occupied Businesses	650,817	84
Vacant Commercial Space	213,257	25
Commercial Vacancy Rate	24.7%	

Commercial Development

Silver Lane: Recent Developments



Aldi Supermarket

Address: 801 Silver Lane

Year Built: 2008

Size: 17,000 SF



Dunkin Donuts

Address: 364 Silver Lane

Year Built: 2009

Size: 2,400 SF



CVS Pharmacy

Address: 972 Silver Lane

Year Built: 2012

Size: 14,500 SF



Dollar General (Approved)

Address: 735 Silver Lane

Year Built: 2017 (est.)

Size: 7,500 SF

Commercial Vacancy

Major Vacant Spaces



Showcase Cinemas (Movie Theater)

Vacant Units: 1 Vacant Sq. Ft.: 65,847 SF
For Sale: \$5,000,000



Silver Lane Plaza (Retail)

Vacant Units: 15 Vacant Sq. Ft.: 112,115 SF
For Sale or Lease? N/A



Charter Oak Mall (Retail)

Vacant Units: 2 Vacant Sq. Ft.: 26,078 SF
For Lease: Negotiable



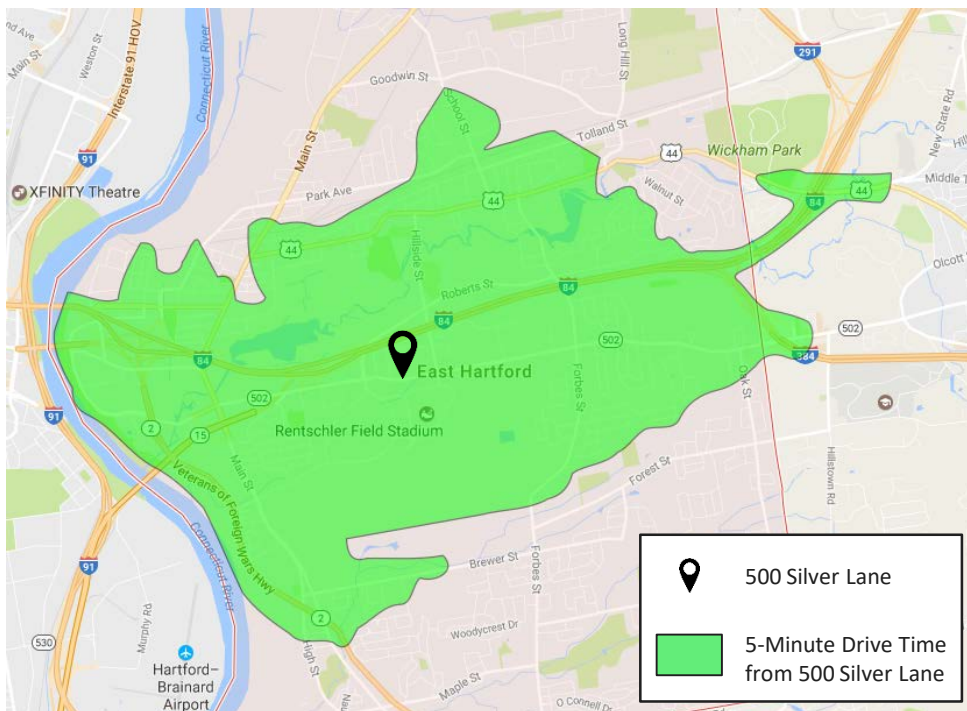
467-479 Silver Lane (Class B Office)

Vacant Units: 2 Vacant Sq. Ft.: 14,857 SF
For Lease: \$10/SF/Year

Local Retail Trade Area

Local Retail Trade Area

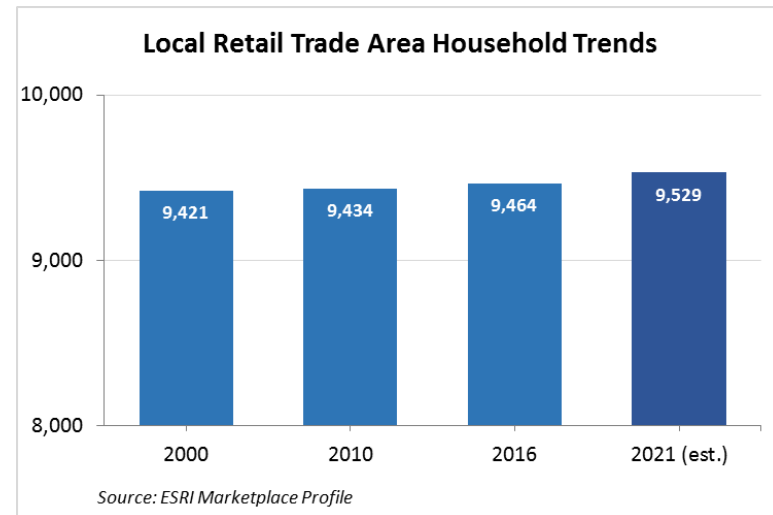
5-minute drive time from 500 Silver Lane – represents the short distances residents and workers are willing to travel for their day-to-day shopping needs such as groceries, pharmacy, and other convenience items



Map based on ESRI 5-minute drive time buffer from 500 Silver Lane

Local Retail Trade Area

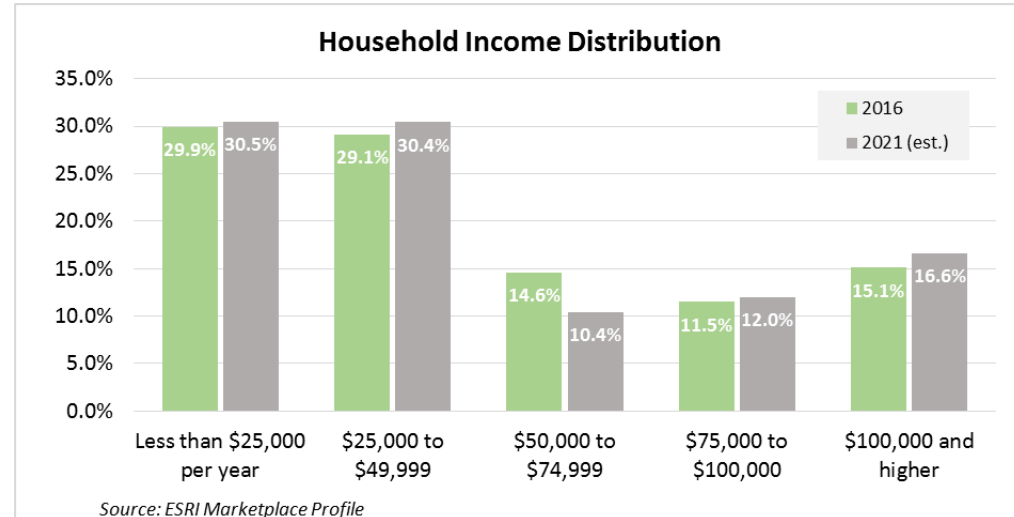
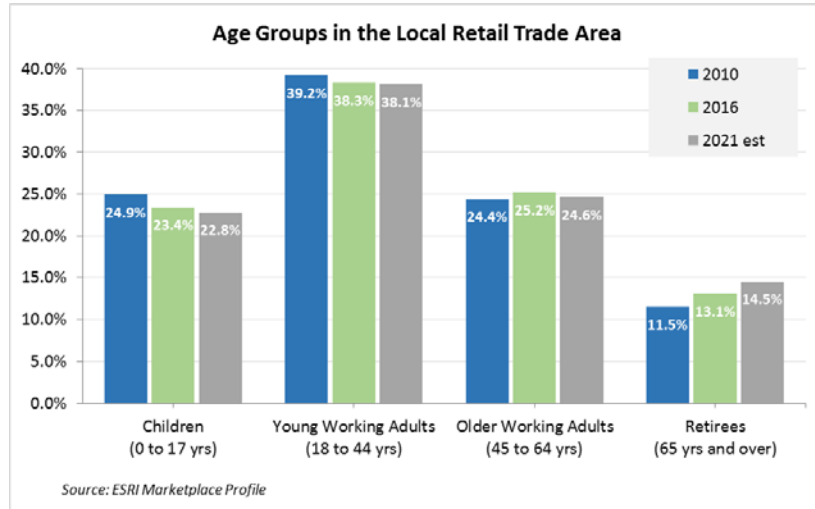
Demographic Trends



- Large population within a 5-minute drive of Silver Lane ~24,500 residents as of 2016
- Modest population growth since 2000 – largely driven by increasing household size
- Population and households are projected to grow slowly up to 2021 – however, this is dependent on available housing. **If new housing units are developed, population growth could be higher**
- **Large daytime population** – nearly 20,000 workers within a 5-minute drive of Silver Lane –
 - Including 7,400 workers at Pratt & Whitney/UTC as of 2015

Local Retail Trade Area

Demographic Trends



- **Resident population is younger** (median age of 36.0 years old) than Town of East Hartford (38.7 years old) and Hartford County (40.8 years old)
- Population will age over next five years – larger proportion of persons over age 65 and smaller proportion of children under age 18
- Population consists mostly of **low and moderate income households** – median income of \$40,057 is 12% lower than Town of East Hartford and 37% lower than Hartford County

Local Retail Trade Area

Retail Leakage Surplus

- Leakage/surplus analysis compares retail sales (supply) to retail spending potential (demand) in a trade area
 - One of the main weaknesses of leakage/surplus analysis is that it only looks at the spending potential of the resident population and **does not take into consideration workers** – underestimates retail spending potential in areas with a large employment base like Silver Lane
- If residents spend more than is captured in local sales, there is a **retail leakage**. This means that area residents shop for some goods and services outside of the trade area
- If retailers sell more goods than are demanded by the local population, there is a **retail surplus**. This indicates that local retailers draw in customers from outside the surrounding area or capture spending from daytime workers and visitors in the area

Retail Sales: \$528.9 million

Retail Spending Potential: \$287.7 million

Retail Gap: **\$241.2 million surplus**

Local Retail Trade Area

Leakage Sectors in the Local Trade Area

Sector	Retail Leakage	Leakage Factor
General Merchandise Stores	\$18,580,524	28.7
Clothing & Clothing Accessories Stores	\$9,432,851	36.2
Furniture & Home Furnishings Stores	\$8,842,203	91.7
Food & Beverage Stores	\$1,668,399	1.6
Food Services & Drinking Places	\$1,455,827	2.8
Bldg Materials, Garden Equip. & Supply Stores	\$1,144,978	4.7

“GAFO” sectors most likely captured at regional-scale retailers *

Sectors most likely to be captured locally

- Six sectors have a **retail leakage**, meaning that residents shop for these goods outside of Silver Lane. These sales could potentially be captured within the Silver Lane corridor. Leakage Factor measures the extent of the retail leakage – 100 means all consumer spending is done outside the trade area while a factor of 0 indicates that supply and demand are equal
- Approved Dollar General captures retail leakage in “General Merchandise Stores” sector
- Remaining leakage in “GAFO*” sectors likely captured by Outlet Shoppes at Rentschler Field
- **Food & Beverages and Food Service & Drinking Places have the greatest opportunity of being captured on Silver Lane** – also supported by employment base and Outlet Mall shoppers

* GAFO represents merchandise that is normally sold in department stores. It stands for General Merchandise, Apparel and Accessories, Furniture, and Other Sales

Local Retail Trade Area

Consumer Spending – Resident Population

Consumer Spending	Total Spending	Average Spent per Household	Spending Potential Index
Apparel & Services	\$14,998,468	\$1,584.79	79
Education	\$10,858,629	\$1,147.36	81
Entertainment/Recreation	\$20,157,308	\$2,129.89	73
Food at Home	\$36,354,027	\$3,841.30	77
Food Away from Home	\$22,506,891	\$2,378.16	77
Health Care	\$34,519,743	\$3,647.48	69
Household Furnishings/Equipment	\$12,242,611	\$1,293.60	73
Personal Care Products and Services	\$5,174,109	\$546.71	75
Shelter	\$119,069,588	\$12,581.32	81
Support Payments/Cash Contributions/Gifts	\$14,765,980	\$1,560.23	67
Travel	\$12,412,149	\$1,311.51	70
Vehicle Maintenance & Repair	\$7,141,853	\$754.63	73
Total	\$310,201,356	\$32,777	-

Source: ESRI Marketplace Profile - 2016

Lower than average consumer spending across all categories

A spending potential index of 100 represents the national average household spending in each category.

Local Retail Trade Area

Consumer Spending - Workforce

- Large employment base surrounding Silver Lane bolsters consumer spending in the area
- East Hartford has well-paid jobs – average wage of \$69,400 is higher than state and national averages
- According to a 2011 data from ICSC, **the average suburban office worker spends an average of \$11,786 dollars annually getting to work, over the course of the business day, and after work before going home**

Most common expenditures for office workers were **transportation** (including gasoline); **grocery stores**; **fast food/delis/lunch eateries**; and **full-service restaurants**

Average Annual Suburban Office Worker Spending

Type of Spending	Average Annual Expenditures (2011)
Transportation & Online Purchase	\$4,167.28
Transportation	\$1,958.84
Online Purchase Made from Office (Personal)	\$2,208.44
Full Service Restaurants and Fast Food	\$1,500.72
Full-Service Restaurants	\$679.12
Fast Food/Deli/Lunch Eateries	\$821.60
Goods & Services	\$6,118.32
Department Stores	\$469.56
Discount Stores	\$589.16
Drug Stores	\$395.20
Grocery Stores	\$1,122.16
Clothing Stores	\$230.36
Shoe Stores	\$176.80
Sporting Goods Stores	\$181.48
Electronics/Phone/Computer Stores	\$464.36
Jewelry	\$195.00
Office Supplies/Stationery, Novelty	\$385.32
Warehouse Clubs	\$640.64
Other Goods (florist, non-food vendors)	\$195.00
Personal Care Shops	\$299.52
Personal Services	\$258.44
Other Services	\$254.80
Entertainment	\$260.52
Total	\$11,786.32

Source: International Council of Shopping Centers, Suburban Office Worker Spending

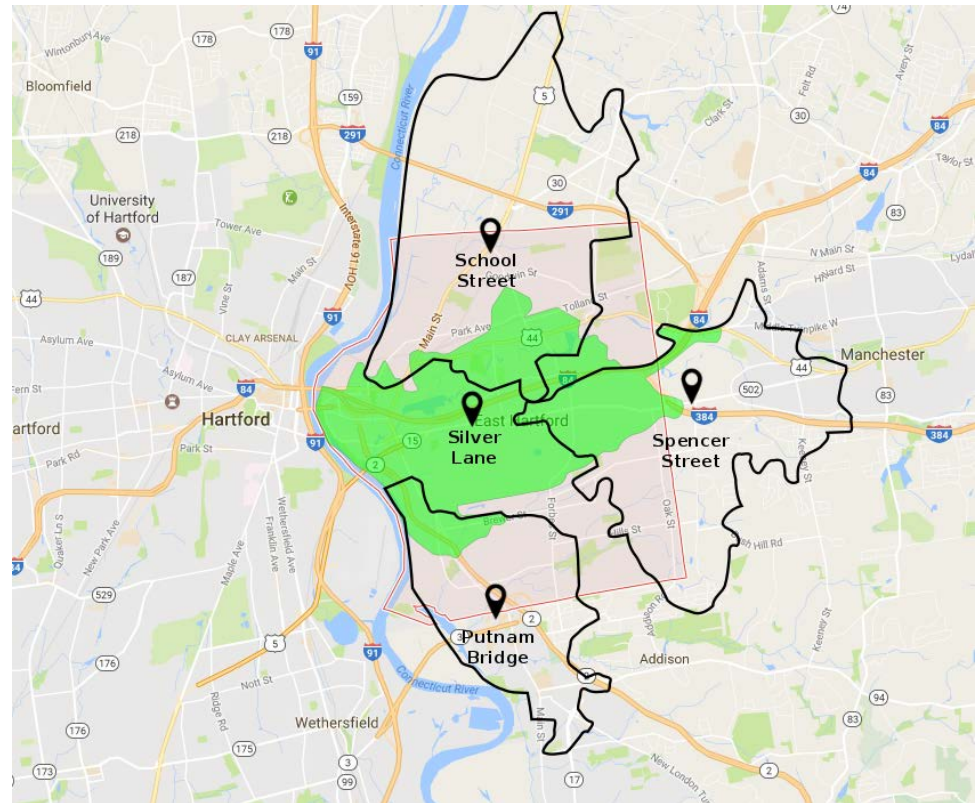
https://www.downtowndevelopment.com/pdf/icsc-report_office-worker-spending.pdf

Local Retail Trade Area

Competitors

Important to understand Silver Lane's position relative to nearby commercial areas

- **Spencer Street** – overlaps the eastern end of Silver Lane trade area (east of Forbes)
- **Putnam Bridge** – overlaps the southern end of Silver Lane trade area (south of Ensign)
- **School Street** – overlaps northern end of Silver Lane trade area (north of I-84)



5-Minute Drive Time from 500 Silver Lane

5-Minute Drive Time from competing commercial areas

Trade areas based on 5-minute drive time buffers developed by ESRI

Local Retail Trade Area

Competitors

- Silver Lane has the highest trade-area population and second highest retail spending potential. Also has the lowest median disposable income and traffic volumes
- Silver Lane has a larger employment base than the competing trade areas
- Spencer Street has the strongest performance of competing commercial areas – coupled with excellent highway access makes it the most likely location for future big box retail
- Silver Lane is unlikely to support additional “big box” retail anchors in the near future – traffic volumes are below those required by large national chains

Characteristics of Silver Lane and Comparable Commercial Areas

Commercial Area	Population (2016 estimate)	Median Disposable Income (\$)	Retail Spending Potential (\$)	Average Daily Traffic (ADT)	ADT Location
Silver Lane	24,462	\$34,085	\$287,680,637	12,400 to 17,400	Silver Lane
Spencer Street	19,605	\$47,414	\$327,917,881	25,200	Spencer Street
School Street Plaza	16,218	\$38,262	\$199,420,624	16,300	Route 5
Putnam Bridge Plaza	13,976	\$41,519	\$217,045,774	12,700	Main Street

Source: ESRI Business Analyst, Marketplace Profiles: 2016; CTDOT Traffic Count Data

Local Retail Trade Area

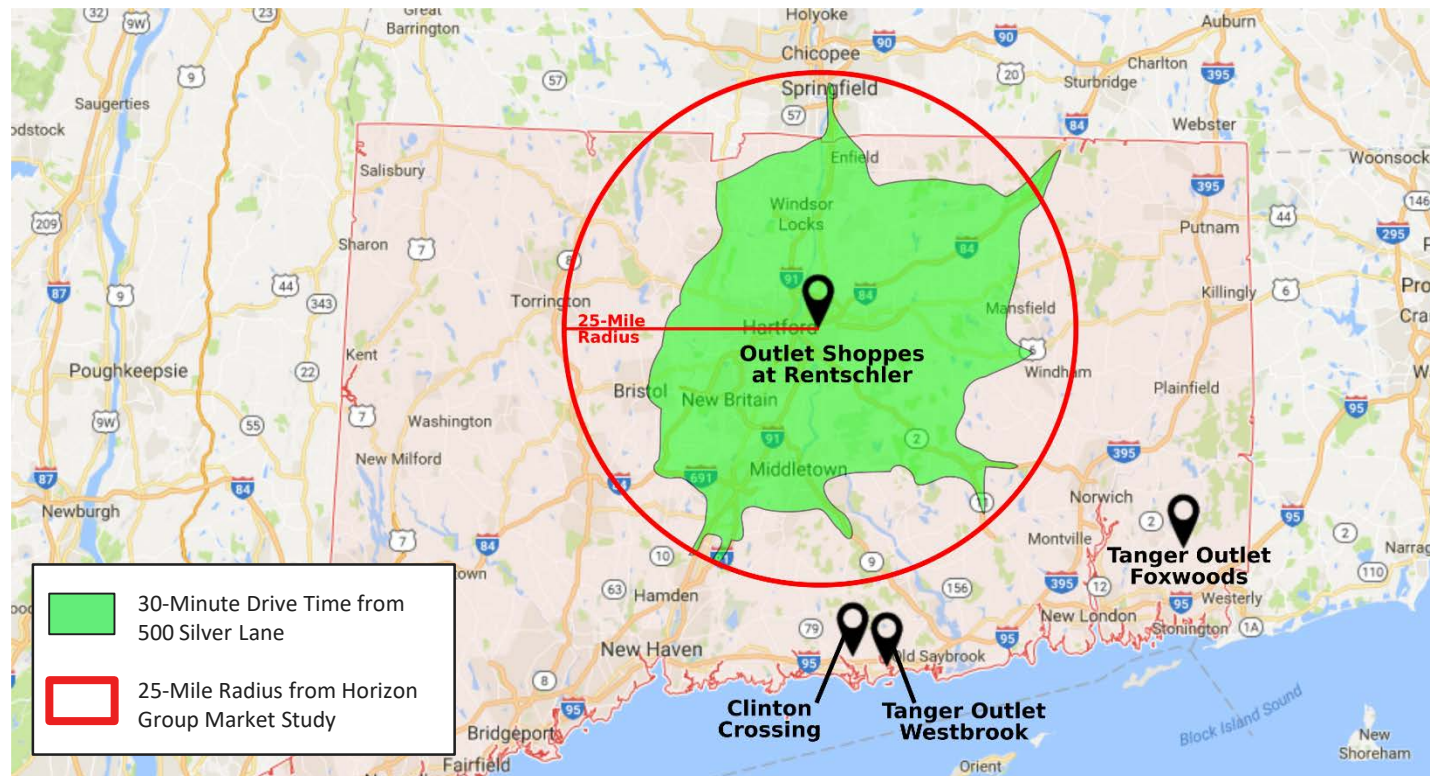
Takeaways

- Local demographics indicate that **resident consumers are price conscious and likely to shop at value-oriented retailers** – aligns with recent commercial developments in area (Aldi, Dollar General)
- Recent developments show preference for smaller single-occupant buildings with frontage on Silver Lane
- More local spending power needed to support and grow neighborhood retail in the corridor – new housing development is key
- Opportunities to capture retail “leakage” in the **food sales and food service** sectors – caters not only to resident population, but also area workers, outlet mall shoppers, and Rentschler Field patrons
- **Large, well-paid workforce consumer base.** Employment growth at Pratt & Whitney/UTC campus provides opportunity to further bolster consumer spending in sectors catering to local workforce such as **gas stations, food service/lunch establishments, and convenience retail**
- Current B-1 zoning district is intended for big box stores, but additional big box development unlikely to be supported
- Strongest competition from Spencer Street area of Manchester

Regional Retail Trade Area

Regional Retail Trade Area

- 30-Minute Drive Time from 500 Silver Lane - representative of the Outlet Mall's core market area (Horizon Group market study used 25 miles)



Source: ESRI Business Analyst – 30 Minute Drive Time Trade Area

Regional Retail Trade Area

Outlet Shoppes Impacts

- Approximately 350,000 square feet of Gross Leasable Area (GLA)
- Marketed towards mid- and high-end retailers
- Tenant Mix:
 - 90% to 95% of space to be leased to retailers (clothing, apparel, specialty food, home furnishings, health & personal care stores etc.)
 - Remaining space to be leased to restaurants and eating places



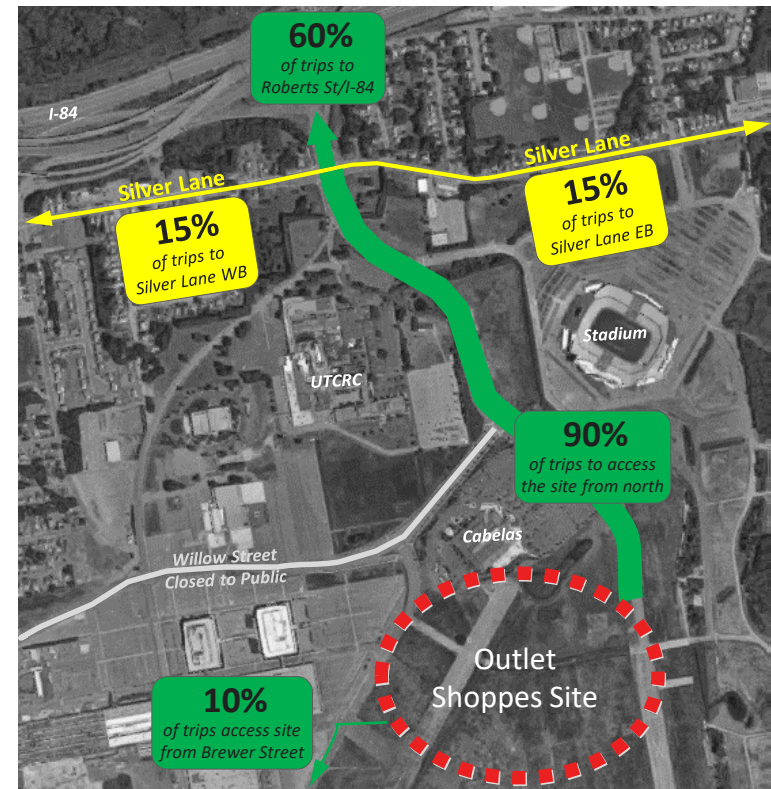
Photo courtesy of the Horizon Group and the Hartford Courant

Regional Retail Trade Area

Outlet Shoppes Impacts

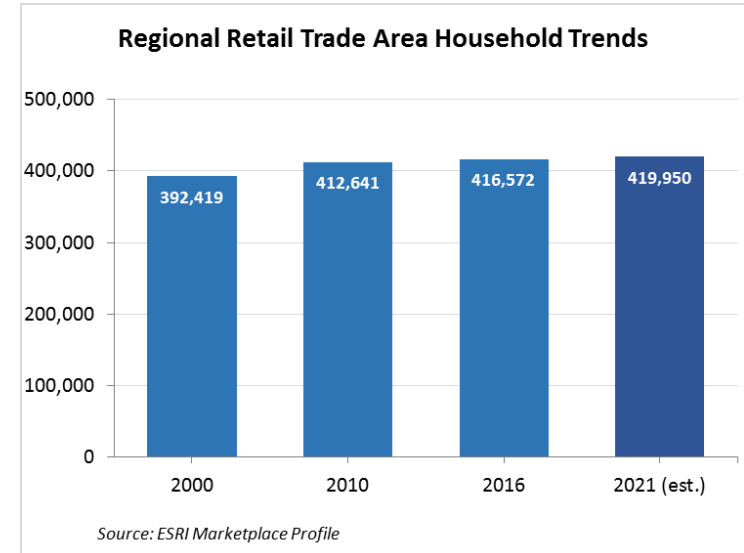
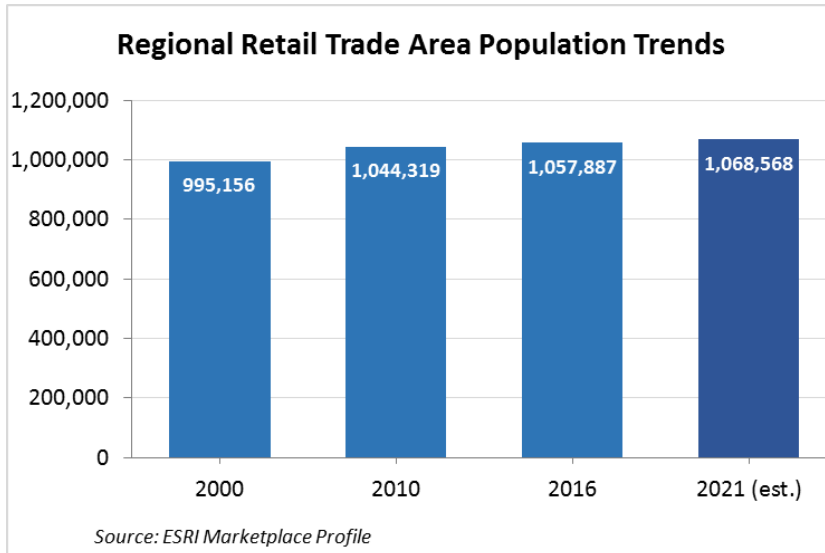
- Estimated **1,333 full-time equivalent jobs** generating **\$36.6 million** in annual direct labor income into the region
 - Many workers likely to come from surrounding neighborhood – bolsters consumer spending in the local trade area
- **Significant traffic volumes generated** from the Outlet Shoppes
 - 12,840 trips on weekdays and 19,800 trips in Saturdays
 - About 70% of traffic will bypass Silver Lane
 - However, Silver Lane still projected to see modest boost in traffic – increase of ~1,900 trips on weekdays and ~3,000 trips on Saturdays

Outlet Shoppes Traffic Impacts



Regional Retail Trade Area

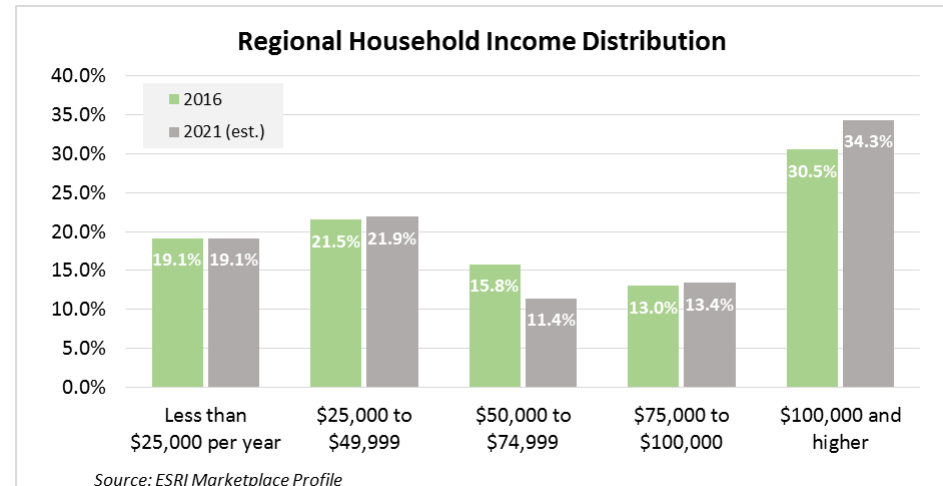
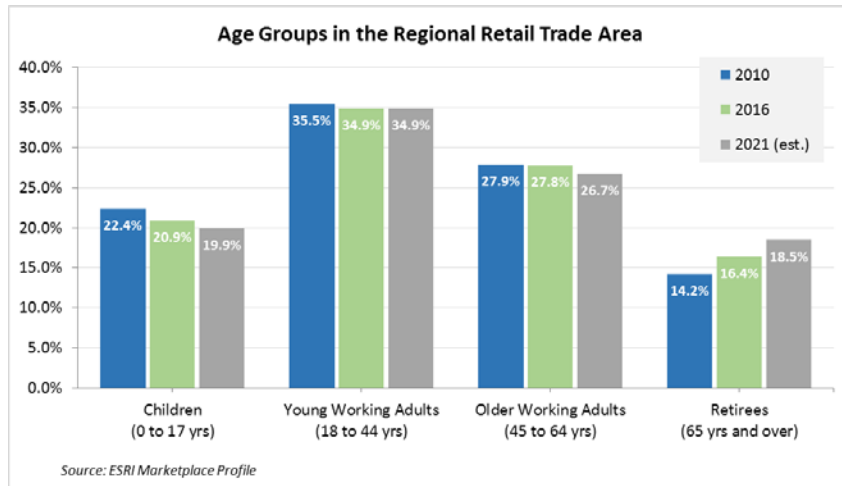
Demographic Trends



- Over 1.05 million people within a 30-minute drive of Silver Lane
- Stable household size
- Slow population growth since 2000 – **projected to continue in near future**
- Reflects overall stagnant economy in Greater Hartford as a whole – **future population trends tied to regional economic conditions**

Regional Retail Trade Area

Demographic Trends



- **Older population than local retail trade area** – median age of 40.3 years old
- **Aging population** – persons age 65+ projected to make up 18.5% of population in 2021
- **Larger number of high-income households** – 30.5% of families make \$100,000+ per year – projected to grow to 34.3% of households by 2021
- **Median household income projected to grow 9% by 2021**

Regional Retail Trade Area

Regional Consumer Spending

Consumer Spending	Total Spending	Average Spent per Household	Spending Potential Index
Apparel & Services	\$969,644,693	\$2,327.68	116
Education	\$748,489,346	\$1,796.78	127
Entertainment/Recreation	\$1,370,129,303	\$3,289.06	113
Food at Home	\$2,326,378,429	\$5,584.58	112
Food Away from Home	\$1,459,883,959	\$3,504.52	113
Health Care	\$2,439,047,853	\$5,855.05	111
Household Furnishings/Equipment	\$836,110,764	\$2,007.12	114
Personal Care Products and Services	\$347,051,923	\$833.11	114
Shelter	\$7,706,500,649	\$18,499.80	115
Support Payments/Cash Contributions/Gifts	\$1,075,667,500	\$2,582.19	111
Travel	\$907,724,065	\$2,179.03	117
Vehicle Maintenance & Repair	\$480,236,593	\$1,152.83	111
Total	\$20,666,865,077	\$49,612	-

Source: ESRI Marketplace Profile - 2016

Higher than average consumer spending across all measures
Regional consumers spend about 50% more than local consumers

A spending potential index of 100 represents the national average household spending in each category.

Regional Retail Trade Area

Leakage Sectors in the Regional Trade Area

Sector	Retail Leakage	Leakage Factor
Furniture & Home Furnishings Stores	\$139,953,471	12.6
Electronics & Appliance Stores	\$45,926,341	2.4
Gasoline Stations	\$92,093,452	5.2
Clothing & Clothing Accessories Stores	\$289,594,563	14.4
Sporting Goods, Hobby, Book & Music Stores	\$60,677,976	5.5
Miscellaneous Store Retailers	\$130,934,581	9.9
Food Services & Drinking Places	\$29,270,278	0.8

Sectors directly captured by the Outlet Shoppes

Source: ESRI Leakage Surplus Assessment: 2016

- Leakage Factor measures the extent of the retail leakage – 100 means all consumer spending is done outside the trade area while a factor of 0 indicates that supply and demand are equal. Most sectors have a small leakage factor
- Outlet Shoppes to capture retail sales in the Clothing & Clothing Accessories sector, Furniture & Home Furnishings, and Sporting Goods, Hobby, Book & Music sectors
- Other sectors may be opportunities for spillover retail in the Silver Lane corridor

Regional Retail Trade Area

Outlet Mall Opportunities

- Surveyed off-site complementary retailers at 5 similar developments – all businesses located between development and highway interchanges. Most likely complementary retailers:
 - Restaurants (Fast Casual, Coffee, National Chains)
 - Electronics Stores (Mobile Phones)
 - Furniture & Home Furnishings
 - Gas Stations
- The top four complementary retailers all have **regional retail leakages** – sales could be captured

Complementary Retailers at Similar Developments, by Sector

NAICS 3- Digit Code	Business Type	Bass Pro Shops Bridgeport, CT	Clinton Crossing Clinton, CT	Tanger Outlets Westbrook, CT	Merimack Outlet Merrimack, NH	Wrentham Village Wrentham, MA	Total
442	Furniture & Home Furnishings Stores		2			1	3
443	Electronics & Appliance Stores	1	2		1		4
447	Gasoline Stations			1		1	2
448	Clothing & Clothing Accessories Stores		1				1
452	General Merchandise Stores					1	1
512	Movie Theater			1			1
522	Bank				1	1	2
621	Medical Offices			1			1
722	Restaurants	2	2	2	2	3	11
Total		3	7	5	4	7	26

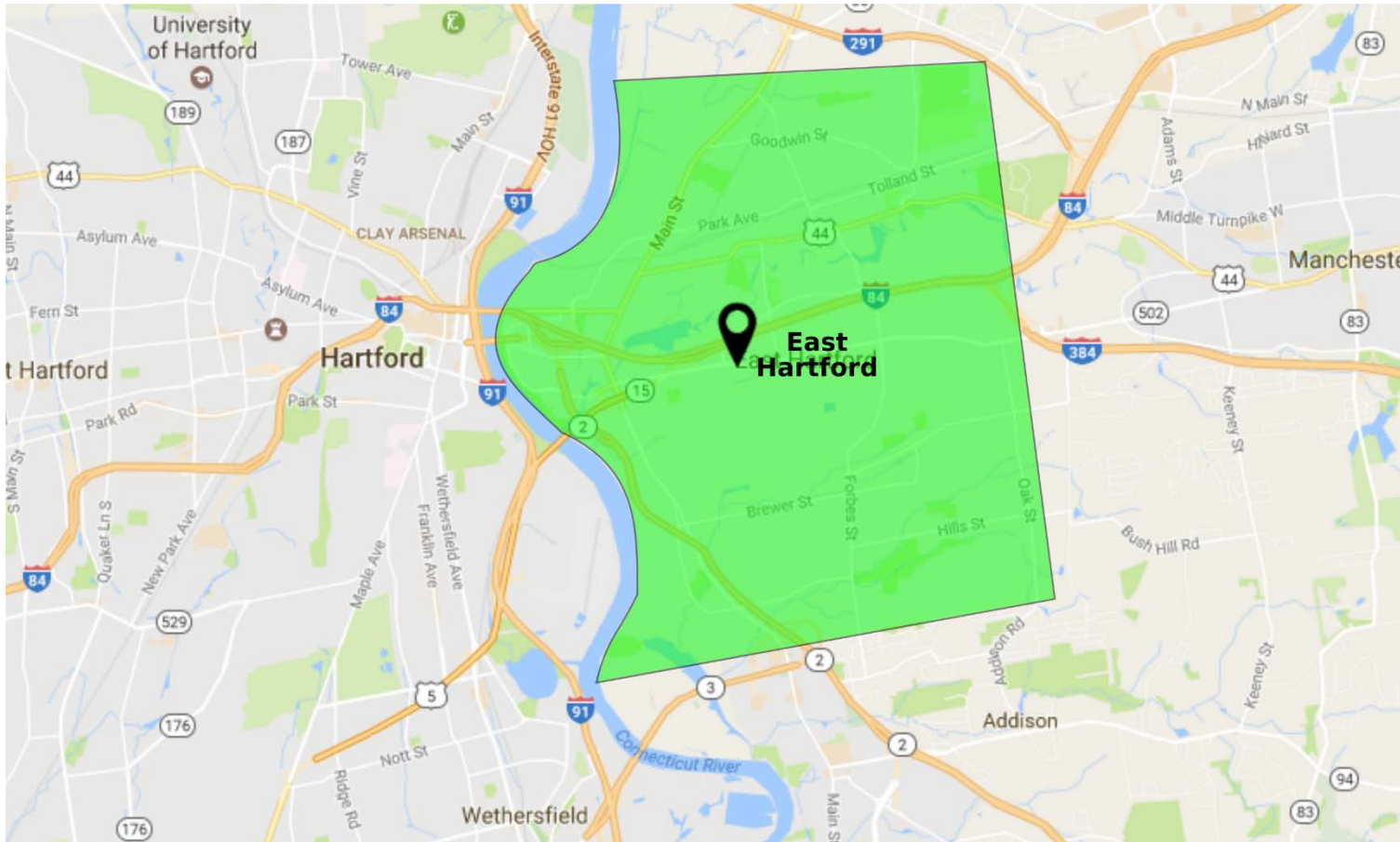
Regional Retail Trade Area

Takeaways

- Outlet Mall to draw in a wealthier regional consumer base
- Opportunity to generate “spinoff” commercial development, particularly for food service & restaurants, gasoline stations, mobile phone stores, furniture stores
 - These businesses frequently locate near outlet malls and also have regional retail leakage
- Most Outlet Mall traffic will bypass Silver Lane
- Greatest opportunity for spinoff commercial development is in the vicinity of the Roberts Street and Silver Lane intersection, which has the greatest **visibility to Outlet Mall traffic**
- Unique, niche use, or cluster of niche uses needed to stimulate the traditional commercial core of Silver Lane

Local Housing Market

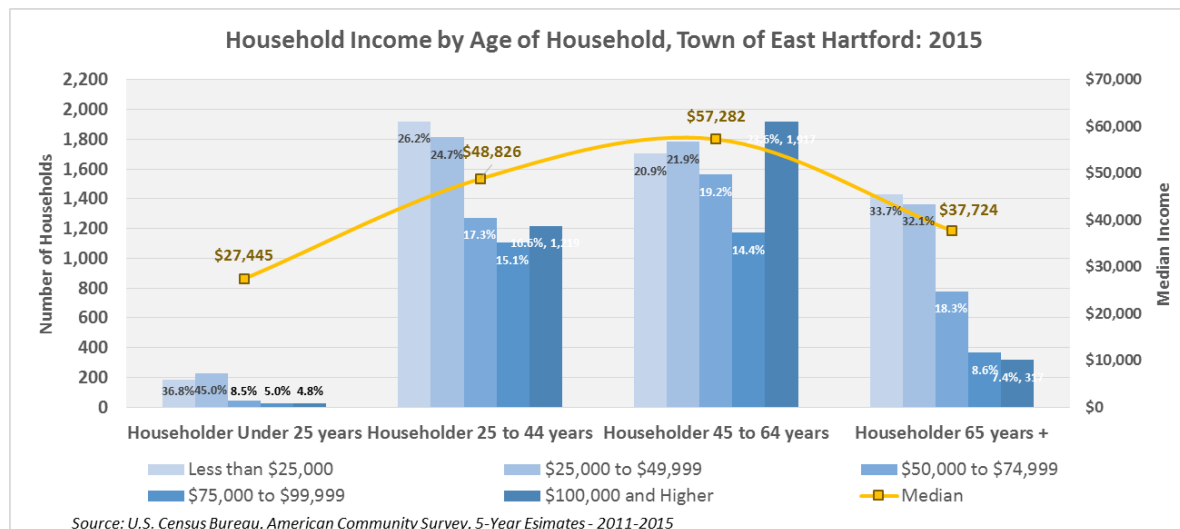
Local Housing Market Area



Local Housing Market

Demographic Trends

- Population growth since 2000 reverses trend of population loss from previous decades
 - Number of households shrunk slightly between 2000 and 2010 limiting demand for new housing – **population growth driven by increasing household size**
- Median household income of \$48,369 – about 40% lower than the county average
- Median household income for homeowners is \$67,199 compared to just \$26,800 for renters
- Younger householders more likely to rent, older householders more likely to own
- Growing number of family households, but fewer number of married-couple families



Local Housing Market

Housing Stock

- Rental Vacancy Rate – 6.8%
- Homeowner Vacancy Rate – 2.2%

Housing Unit Characteristics	Number	Percent of Total	Vacancy Rate
Occupied Housing Units	20,225	91.4%	
Owner Occupied	11,429	51.7%	
Renter Occupied	8,796	39.8%	
Vacant Housing Units	1,891	8.6%	
For rent	598	2.7%	6.8%
Rented, not occupied	265	1.2%	
For Sale only	256	1.2%	2.2%
Sold, not occupied	0	0.0%	
For seasonal, recreational, or occasional use	0	0.0%	
Migrant worker housing	0	0.0%	
Other vacant	772	3.5%	
Total Housing Units	22,116	100.0%	-

Source: American Community Survey 5-Year Estimates: 2011-2015

Local Housing Market

Housing Stock

- Aging housing stock – owner-occupied housing slightly older (1957) than renter-occupied housing (1962)
- Very few renter-occupied units built since 1990

Housing Unit Year Built, by Tenure Status: 2015

Year Built	Owner-Occupied		Renter Occupied	
	Number	Percent	Number	Percent
Built 1939 or earlier	1,272	11.1%	1,467	16.7%
Built 1940 to 1949	1,566	13.7%	633	7.2%
Built 1950 to 1959	3,861	33.8%	1,775	20.2%
Built 1960 to 1969	2,505	21.9%	2,208	25.1%
Built 1970 to 1979	798	7.0%	1,302	14.8%
Built 1980 to 1989	833	7.3%	1,134	12.9%
Built 1990 to 1999	268	2.3%	149	1.7%
Built 2000 to 2009	310	2.7%	89	1.0%
Built 2010 or later	16	0.1%	39	0.4%
Total	11,429	100.0%	8,796	100.0%
Median Year Built	1957		1962	

Source: American Community Survey 5-Year Estimates: 2011-2015

Local Housing Stock



Woodcliff Estates

Address: 181 Nutmeg Lane
Rent Range: \$910 to \$1,100 per month
Year Built: 1971 **Units:** 561



Summerfield Townhouses

Address: 66 Plain Drive
Rent Range: Income dependent
Year Built: 1953 **Units:** 398



Stone Creek Apartments

Address: 126-140 Silver Lane
Rent Range: \$725 to \$950 per month
Year Built: 1966 **Units:** 115

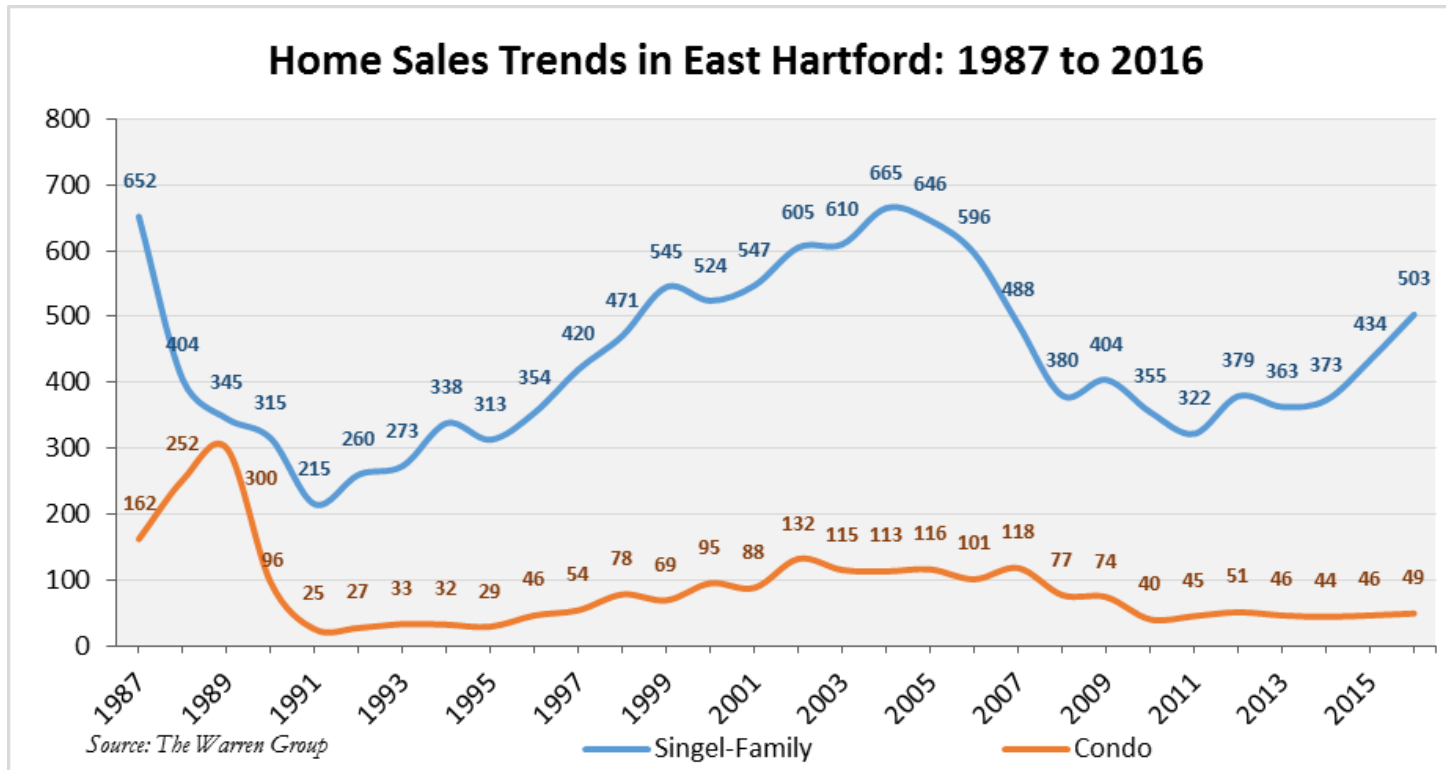


Willow Arms Apartments

Address: 446 Main Street
Rent Range: Income dependent
Year Built: 1980 **Units:** 96

Local Housing Market

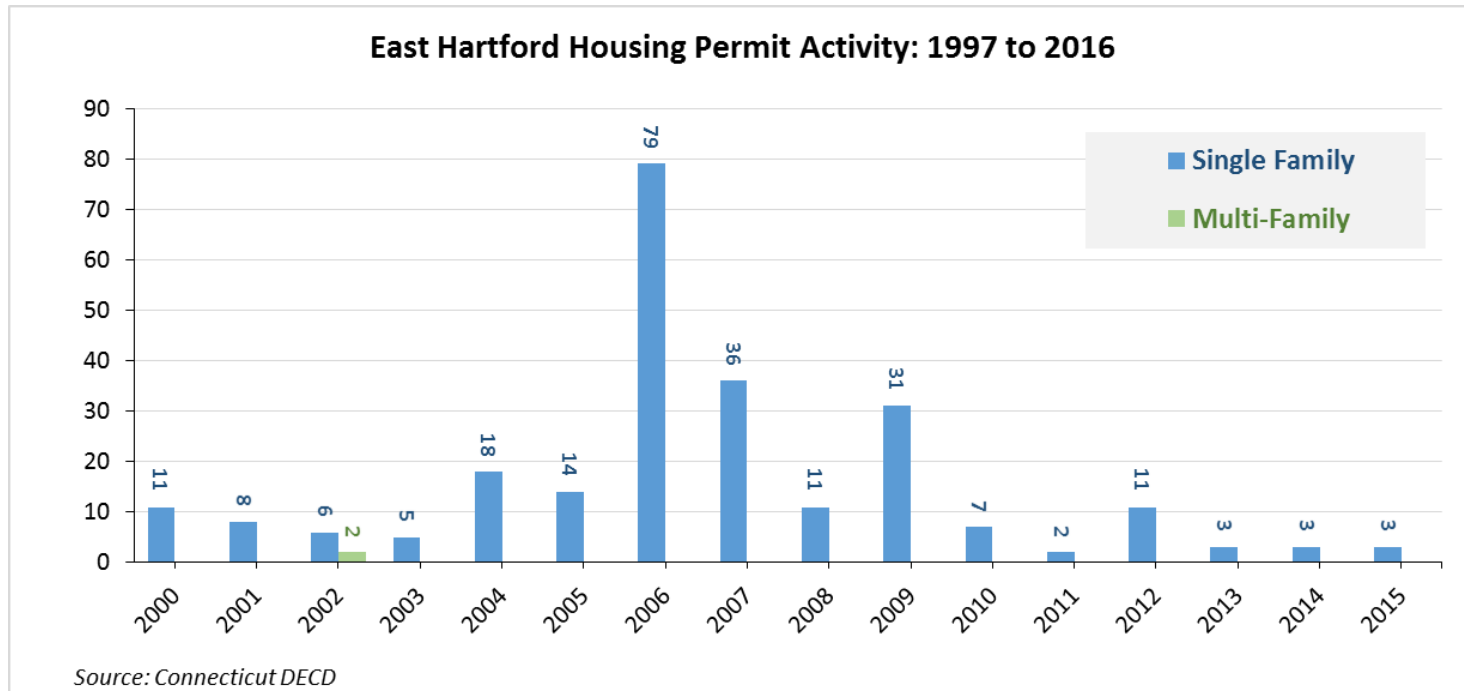
Home Sales



- Strong recovery in single-family home sales over last three years
 - Affordable single-family housing stock – 2016 median sale price was \$146,500 - about 50% lower than county-wide median
- Condominium sales remain well below pre-recession levels

Local Housing Market

Housing Permit Activity



- 261 housing permits issued since 2000 – peaking at 79 permits in 2006
- Almost entirely single-family permits – mostly infill projects on vacant land
- 150 demolition permits issued since 2000 – net gain of 91 housing units
- Net loss of housing units since 2010 – 30 construction permits and 33 demolition permits issued

Residential Development

East Hartford: Recent Major Developments



Phillips Farm (55+)

Address: 973 Silver Lane

Year Built: 2006

Units: 60



Cartway Lane/Footpath Lane

Address: Cartway Lane and Footpath Lane

Year Built: 2006 to 2009 **Units:** 39



Goodwin Village (55+)

Address: Joanne Drive and Vincent Circle

Year Built: 2006

Units: 56

No major residential developments have occurred in East Hartford since the mid 2000s.

Estimate of Local Housing Demand

Assumptions

- East Hartford's population will grow at the same annualized rate (0.21%) as it did from 2000 to 2016. **Town population will grow to 53,377 by 2025**
- Household size will remain stable at 2.50 persons per household
- The same housing tenure and household income distribution as today
- Local Housing Unit Demand only captures units needed to accommodate **natural population growth**. Does not factor in employment growth at Pratt & Whitney

Projected Local Housing Demand: 2025

Population 2025: 53,377

New Residents: 989

Local Housing

Unit Demand: 396

Local Housing Demand

Projected Price Points of New Local Housing Demand

Household Income	Owner-Occupied Unit Demand	Renter-Occupied Unit Demand	Total Unit Demand	Maximum Monthly Housing Costs
Less than \$25,000	24	79	103	Less than \$625
\$25,000 to \$49,999	50	52	102	\$625 to \$1,250
\$50,000 to \$74,999	50	22	72	\$1,250 to \$1,875
\$75,000 to \$99,999	41	11	52	\$1,875 to \$2,500
\$100,000 or more	59	8	67	Greater than \$2,500
Total	224	172	396	-

MMI calculations based on 2015 income and tenure distribution data from American Community Survey

All values are in 2015 dollars (\$)

- Local demand for 224 owner-occupied units and 172 renter-occupied units
- Rental demand caters to low and middle income population – over 75% of projected new rental demand for households who make less than \$50,000 per year (max of \$1,250 per month for housing costs)
- Over two-thirds of homeowner demand is for households making more than \$50,000 per year (greater than \$1,250 per month for housing costs)

Local Housing Demand

Takeaways

- Recent population growth attributed to increasing household size – has not translated into an increased demand for housing units
- Resident renter population has much lower incomes than homeowner population – however, this is likely reflecting the quality of existing multi-family housing stock
 - No large multi-family residential projects built in East Hartford over the last 20 years
- Over the last 20 years, almost all new developments have been single-family infill projects on vacant land
- Local residential demand yields an estimated **396 additional dwelling units by 2025**
 - Owner-occupied units cater towards higher-income households while rental occupied units cater largely towards lower-income households
- Town should continue to encourage diversification of housing stock – demolition of substandard housing and construction of new units, particularly for market rate multi-family

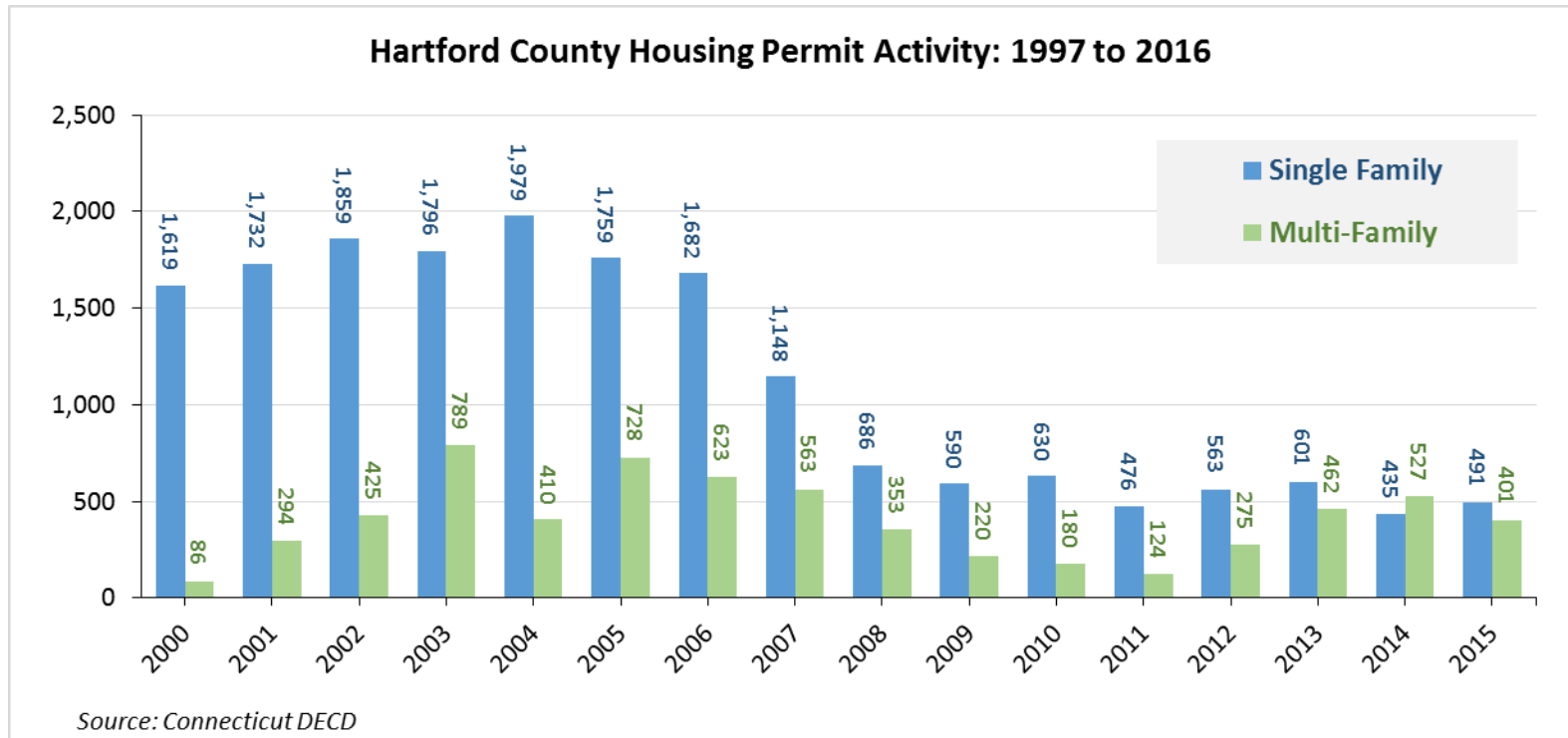
Regional Housing Market

Regional Housing Market Area



Regional Housing Market

Housing Permit Activity



- Historically many more single-family permits than multi-family
- Single-family permits have yet to recover from late 2000s housing market crash
- Uptick in multi-family developments since 2011 – **multi-family developments now make up roughly half of all permits** in Hartford County

Regional Housing Market

Multi-Family Housing Projects in Surrounding Communities

Project	Town	Type	# of Units	Year Built
Tempo Evergreen Walk	South Windsor	Apartments	200	Under Construction
Glastonbury Mews	Glastonbury	Apartments/Condos	145	Under Construction
The Tannery	Glastonbury	Apartments	250	Under Construction
Broadleaf Boulevard (Phase I)	Manchester	Apartments	224	2015
Broadleaf Boulevard (Phase II)	Manchester	Apartments	135	Approved
South Windsor Woods	South Windsor	Condominium	155	2016
Total All Developments			1,109	

- Over 1,100 multi-family units built or approved in surrounding communities
- Market rate developments with on-site amenities (pool, fitness center, etc.) and proximity to shopping, restaurants, and entertainment
- Prices ~\$1,400+ for a 1 BR Apartment and ~\$1,750+ for a 2 BR apartment

Residential Market Analysis

CRDA Housing Projects in Downtown Hartford

Project	Town	Type	# of Units	Year Built	Vacancy Rate ¹
777 Main Street	Hartford	Apartments	285	2015	13%
The Grand on Ann	Hartford	Apartments	26	2014	15%
179 Allyn	Hartford	Apartments	63	2015	3%
Front Street Lofts	Hartford	Apartments	121	2015	35%
Spectra	Hartford	Apartments	190	2015	7%
36 Lewis	Hartford	Apartments	6	2015	67%
38-42 Elm	Hartford	Apartments	6	2015	33%
Capewell Lofts	Hartford	Apartments	72	2017	Now Leasing
Capitol Lofts	Hartford	Apartments	112	2017	Now Leasing
1279-83 Main	Hartford	Apartments	8	Approved	-
370 Asylum	Hartford	Apartments	60	Approved	-
Raddison	Hartford	Apartments	96	Approved	-
CRDA Approved Housing			1,045		

1. Vacancy rate as of June 30, 2016

Source: CRDA Annual Report: 2015-16.

- **All Downtown Hartford projects have received financial assistance from CRDA**
- Most new developments have vacancy rates under 20% as of 6/30/16 - many are still in lease-up period

Regional Housing Market

Pratt & Whitney Impacts

- Pratt & Whitney currently employs approximately 7,000 workers in East Hartford
- Expansion at Pratt & Whitney over next decade - 8,000 new hires in Connecticut
 - Nearly 70% of new hires will replace retiring workers
 - However, still sizable net growth in employment - estimated 2,240 new jobs statewide

Pratt & Whitney Workforce Characteristics, East Hartford Facility: 2014

<u>Worker Age</u>		
2014		
	Count	Share
Age 29 or younger	704	9.5%
Age 30 to 54	3,840	51.8%
Age 55 or older	2,876	38.8%

<u>Worker Educational Attainment</u>		
2014		
	Count	Share
Less than high school	418	5.6%
High school or equivalent, no college	1,572	21.2%
Some college or Associate degree	2,129	28.7%
Bachelor's degree or advanced degree	2,597	35.0%

<u>Earnings</u>		
2014		
	Count	Share
\$1,250 per month or less	80	1.1%
\$1,251 to \$3,333 per month	224	3.0%
More than \$3,333 per month	7,116	95.9%

Source: U.S. Census Bureau LODES Dataset, 2014





Regional Housing Market

Pratt & Whitney Impacts

- About 4.3% of Pratt & Whitney workers at the East Hartford facility and 1.6% of workers at the Middletown facility live in East Hartford

Where do Pratt & Whitney Workers Live?

East Hartford Facility: 2014

	Count	Share
All County Subdivisions	7,420	100.0%
 Glastonbury town (Hartford, CT)	518	7.0%
 Manchester town (Hartford, CT)	507	6.8%
 East Hartford town (Hartford, CT)	322	4.3%
 Middletown town (Middlesex, CT)	315	4.2%
 South Windsor town (Hartford, CT)	259	3.5%
 West Hartford town (Hartford, CT)	256	3.5%
 Vernon town (Tolland, CT)	242	3.3%
 Tolland town (Tolland, CT)	173	2.3%

Source: U.S. Census Bureau LODES Dataset: 2014

Estimate of Regional Housing Demand

Assumptions

- New hires will be younger working adults (under age 45) – housing tenure based on existing distribution for householders under age 45 for Hartford County
 - 52.4% of Hartford County householders under age 45 live in renter-occupied housing
- Made assumptions on salary distribution in order to project maximum monthly housing costs
- Yields demand for **2,240 housing units** – this only accounts for new positions

Job Class	Estimated Percent of New Jobs	Estimated Salary Range
Entry Level Engineer or Skilled Trades	50%	\$50,000 to \$74,999
Mid-Level Engineer	30%	\$75,000 to \$99,999
Management	20%	\$100,000 or more

MMI Assumptions

Median salary at Pratt & Whitney was \$76,000 per year according to payscale.com

Regional Housing Demand

Projected Price Points of Pratt & Whitney Housing Demand

Household Income	Owner-Occupied Unit Demand	Renter-Occupied Unit Demand	Total Unit Demand	Maximum Monthly Housing Costs
Less than \$25,000	-	-	0	Less than \$625
\$25,000 to \$49,999	-	-	0	\$625 to \$1,250
\$50,000 to \$74,999	533	587	1,120	\$1,250 to \$1,875
\$75,000 to \$99,999	320	352	672	\$1,875 to \$2,500
\$100,000 or more	213	235	448	Greater than \$2,500
Total	1,066	1,174	2,240	-

- Yields additional demand of **1,174 rental units** and **1,066 homeowner units** region wide
 - If the same number of new workers live in East Hartford as today, the Town would see a demand for 86 new housing units
- More higher-income rental demand compared to local housing market – **most demand is in the \$1,250 to \$2,500 per month price range**. Rental units in this price range typically have on-site amenities (fitness center, pool, etc.) and proximity to entertainment, dining and shopping.
- East Hartford does not currently have many rentals leasing at these price points – however, the Outlet Shoppes, nearby riverfront and trail amenities, and the potential for CTfastrak expansion in the area could enhance the corridor’s position in the regional multi-family marketplace

Regional Housing Demand

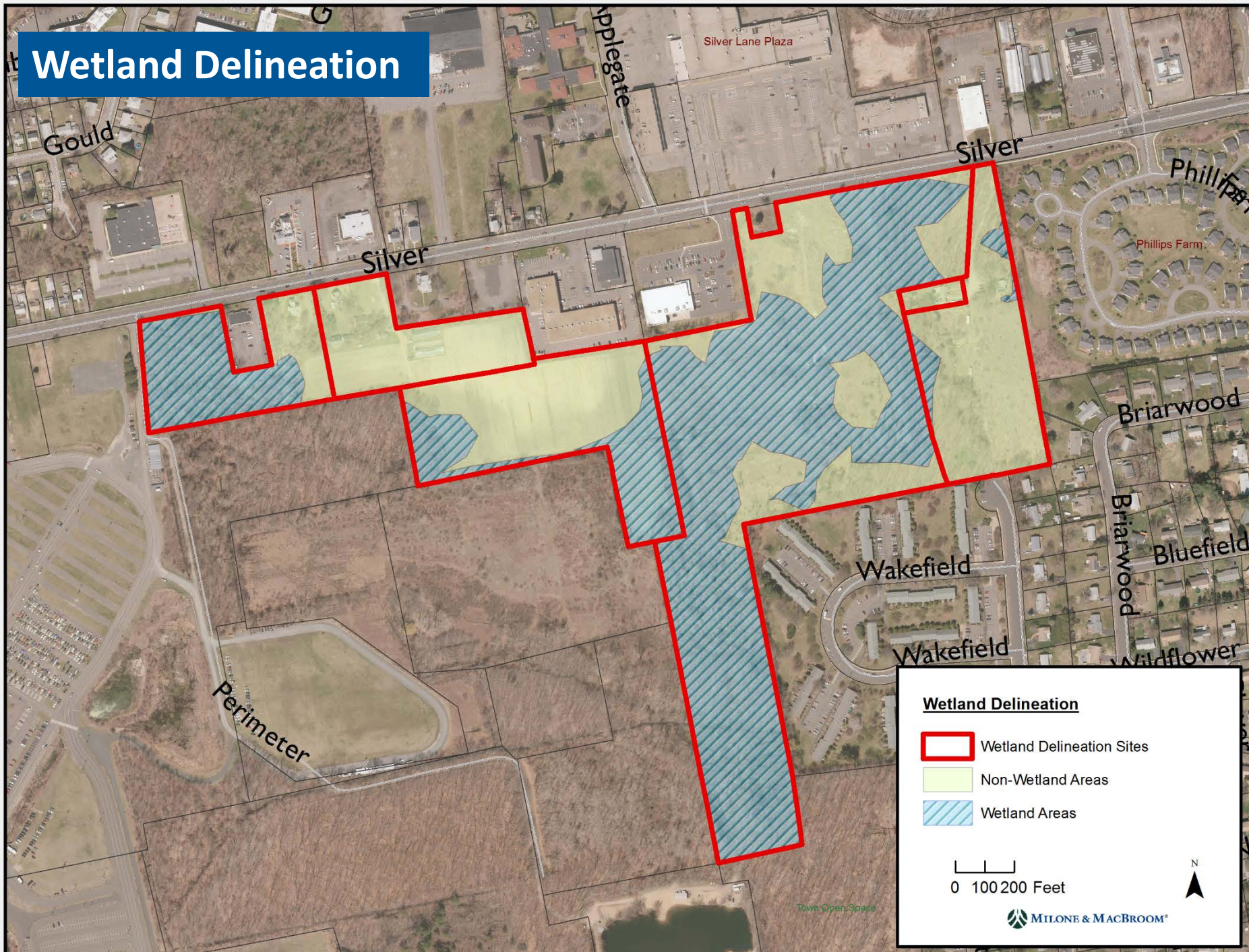
Takeaways

- **Large increase in region's multi-family housing inventory in recent years.** Surrounding communities have added or approved over 2,000 multi-family units since 2014
 - Proximity to shopping, entertainment, and restaurants a key for all recent developments in surrounding towns – can the Outlet Shoppes and *CTfastrak East* help reposition East Hartford within the regional multi-family marketplace?
- Existing zoning steers multi-family developments into Design Development District (DDD) zones
 - No vacant land in the R-5 district (Multi-Family Residential zone)
 - DDD-1 zone permits multi-family development as part of a large, mixed-use, master-planned development (such as Goodwin College/Riverfront Area or Rentschler Field)
 - Riverfront area ripe for market rate housing due to location and nearby amenities
- Pratt & Whitney hiring program to bolster demand for market rate rental housing – East Hartford needs to diversity its multi-family housing stock if it wants to capture

Market Analysis Conclusions

- **Opportunities:** UTC job expansion, Outlets Shoppes at Rentschler Field, *CTfastrak*
- **Challenges:** Current local spending power, lack of connection between Rentschler Field and significant redevelopment sites, Goodwin College/Riverfront capitalizing on potential housing market
- Impact to local area spending power from jobs created by Outlets yet to be determined
- Unique, niche use or cluster of niche uses needed to stimulate the traditional commercial core of Silver Lane
- More local spending power needed to support neighborhood retail in the corridor – new housing development
- Mixed-use redevelopment that capitalizes on UTC employees, recreational amenities (riverfront and greenway), the Outlets, and *CTfastrak* may offer greatest potential for revitalization

Wetland Delineation



Opportunity Areas

NEIGHBORHOOD
NODE

RENTSCHLER
GATEWAY

COMMERCIAL CORE

Development Opportunity Areas

-  Potential Redevelopment Site
-  Potential New Development Site
-  Study Area

0 500 1,000 Feet

 MILONE & MACBROOM®



Development Opportunity Sites

Detailed Map Will Be Reviewed

Next Steps

- Developers Panel
- Branding (Corridor/ Projects)
- Site-Specific Redevelopment Feasibility Analyses