Downtown Housing

Hartford City Wide Housing Study

7/25/2014

City of Hartford, Connecticut

Ninigret Partners, LLC
Utile, Inc.
FHI
Creating Market Rate Housing Downtown
How do you figure out the market potential for the “unknown” when you can’t use history as the guide?

Core Question:
• What is the potential for downtown market rate housing?

Consider this:
• How do you figure out demand for the minivan before there were minivans?
• The smart phone before there were smart phones?
• Personal computers?

The Idea
• Borrow elements of a product development approach rather than the classic real estate approach
  • Identify the profile of the target customer
  • Figure out the product attributes they desire through listening and understanding their lifestyles
  • Look for analogues that can provide insights into desired features and levels of demand
The Downtown Housing Market Analysis Model for Hartford

- Resident Market Research
- Demographic Statistics
- Precedent Case Studies

How Much & What types of Housing
The Housing Market Analysis Model for Hartford - components

- **Resident Market Research**
  - 368 survey respondents
  - 4 formal focus groups
  - 3 informal focus groups
    - Pratt St iConnect
    - Envisionfest
    - Real Artways

- **Demographic Statistics**
  - Baseline demographics of the Downtown
    - Residents
    - Workers
  - City of Hartford
  - Hartford Metro
  - Including psychographic segmentation

- **Precedent Case Studies**
  - Site visits to:
    - Cleveland
    - Milwaukee
    - Kansas City
    - Des Moines
  - Plus secondary research
What We Heard
Common themes from the focus groups

Common Themes

• There is a lot of activity during the week.
• There is not enough to do especially during weekend days.
• “There isn’t enough people like me living downtown.”
• Diversity & culture is a strength of the city.
• The city has an image problem.
• The city needs to do a better job of marketing itself so you don’t have to be “in the know” to know what is going on.
• Finding housing product that is what they want and can afford is hard.
• Place-making to improve walkability is important.
• It's expensive and a hassle to own a car downtown – and you need one in Hartford.

Representative Comments

• “We own a home in Westport and when I’m down there, I can’t wait to get back to Hartford – there is just so much more going on and so many interesting people.”
• “Downtown is a ghost town on the weekends, nothing is open during the day.”
• “I have to intentionally try to meet other young professionals; there is no critical mass that would allow those meetings to happen by chance.”
• “I love living in a multicultural neighborhood; the sound of church bells, the light that filters through the tree canopy and the ability to take it all in while riding my bike is why I enjoy living in Frog Hollow.”
• Hartford has the perception that it is a “nothing city”, that nothing is going on here.”
• “Hartford can’t get out of its own way – the city needs to do a much better job of marketing itself and letting people that aren’t ‘in the know’ know what is going on in the city.”
• “Living Downtown is a lot more expensive than living in one of the City’s neighborhoods. You don’t get a lot for your money in comparison.”
• “I chose to live in a city so that I could walk around to get places, but walking around in Hartford can be a difficult or unpleasant experience given the vast expanses of parking and the disconnectedness caused by the highways.”
• “It’s a hassle to have a car downtown. You have to pay a separate parking fee, insurance is higher, property tax is high for cars in Hartford and you risk your car getting vandalized.”
What we heard

Focus Group 1:

• “I love living in a multicultural neighborhood; the sound of church bells, the light that filters through the tree canopy and the ability to take it all in while riding my bike is why I enjoy living in Frog Hollow”
• “My husband wanted a little bit of green space that was our own, and we plan on having a family; which is why we moved from a brownstone in Downtown to West Hartford.”
• “I chose to live in a city so that I could walk around to get places, but walking around in Hartford can be a difficult or unpleasant experience given the vast expanses of parking and the disconnectedness caused by the highways”
• “A little gentrification would go a long way; Hartford is not sufficiently economically diverse”
• “The media makes Hartford sound like an unsafe place, there is no reporting of the good things going on in the city”
• “While buying a house in Hartford can be a value, there isn’t a sufficient return on investment if you improve your property—you can lose money by investing in your home”
• “Downtown is a ghost town on the weekends, nothing is open during the day”

Focus Group 2:

• “We own a home in Westport and when I’m down there, I can’t wait to get back to Hartford—there is just so much more going on and so many interesting people.”
• “This place is great, it has so much going for it that people just don’t realize, I can go out Downtown just about any night of the week and run into someone I know or meet someone knew.”
• “Hartford is a quirky place—it’s fairly inclusive and culturally rich.”
• “Hartford can’t get out of its own way—the city needs to do a much better job of marketing itself and letting people that aren’t ‘in the know’ know what is going on in the city”
• “Securing downtown housing can be difficult. Apartments at the right price fill up right away; you have to be lucky to get an apartment”
• “I drive to Whole Foods or Trader Joe’s to go grocery shopping, a market downtown would be convenient but I would probably drive to larger stores to get groceries anyway—better price and selection”
• “Where are the groups of friends, women, families, and couples downtown? I usually just see people by themselves and if it’s late at night, just men by themselves”
• “It’s a hassle to have a car downtown. You have to pay a separate parking fee, insurance is higher, property tax is high for cars in Hartford and you risk your car getting vandalized.”
• “The City is plagued by bad publicity. It seems like you only hear bad things about Hartford.”
What we heard (continued)

Focus Group 3:

- Hartford has the perception that it is a “nothing city”, that nothing is going on here.”
- “Why are there no grocery stores”
- “I have to intentionally try to meet other young professionals; there is no critical mass that would allow those meetings to happen by chance.”
- “Having grown up in a rural suburb, I never thought I would live in Hartford. Having lived in the West End for several years, I can’t imagine living anywhere else”.
- “We live in a rural suburb, but we bring our bikes downtown on the weekends to ride around the City and go to the art galleries”
- “When we moved to Hartford from West Hartford, we were able to downsize from three vehicles to one”
- “I work at Trinity and my husband is a graduate student at the University of Hartford, we chose to live in the West End so that we could get to work by taking our bikes”
- “Nobody wants to walk around Hartford because some areas are so ugly -like the Bushnell/MDC complex on Main Street”
- “As a twenty-something educated professional, I feel like there is no one else here like me”
- “We need more “third places” to meet people –someplace besides work or home.”
- “We need a better diversity of housing stock in the downtown”

Focus Group 4:

- “There is a wealth of culture and entertainment if you know where to look”
- “Downtown lacks common amenities”
- “CT Fastrak will hopefully make it easier to access basic needs and services such as a grocery store”
- “Living Downtown is a lot more expensive than living in one of the City’s neighborhoods. You don’t get a lot for your money in comparison.”
- “All of the vacant storefronts gives people the impression that the City is dead”
- “I’ve noticed a lot more activity on the weekends in the past four or five years”
- “It’s critical to maintain a diverse population while expanding housing options. I’m concerned that with new development, lifelong residents such as myself might be priced out of the City”
- “We need police that walk the beat to improve the perception of safety in Hartford”
- “The school system here is so confusing. We are both college educated and we had a difficult time navigating the system and getting our children into the right school”
- “The transit system needs better communication. There is no way to track a bus from your phone like in other places. Also, the bus to the airport is great and is one of Hartford’s best kept secrets.”
People want a mix of housing products...

- A strong preference for townhouse-style housing exists
- Both the survey and discussion groups indicated a preference for that type of housing

### 11. What type of housing would you be interested in? (check all that you would consider)

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family house</td>
<td>45.5%</td>
<td>55</td>
</tr>
<tr>
<td>Townhouse or condo (something with a front door that opens to the street)</td>
<td>61.2%</td>
<td>74</td>
</tr>
<tr>
<td>Apartment in a two or three family house</td>
<td>16.5%</td>
<td>20</td>
</tr>
<tr>
<td>Apartment or condo building (4-10 units)</td>
<td>37.2%</td>
<td>45</td>
</tr>
<tr>
<td>Apartment or condo in a complex of buildings</td>
<td>33.1%</td>
<td>40</td>
</tr>
<tr>
<td>High-rise apartment or condo</td>
<td>45.3%</td>
<td>56</td>
</tr>
<tr>
<td>Loft or something untraditional</td>
<td>46.3%</td>
<td>56</td>
</tr>
</tbody>
</table>

Forecasting absorption difficult because there is likely substantial latent demand for certain types of housing.
Which exist in small quantities throughout Hartford…. 

- Representative examples of housing styles mentioned during focus groups
Proximity to work, city life & culture are key influences on moving to Hartford

- These are aspirational reasons to move into the city

<table>
<thead>
<tr>
<th>Reason</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be closer to work or school</td>
<td>45.5%</td>
<td>56</td>
</tr>
<tr>
<td>To be closer to daily conveniences</td>
<td>16.3%</td>
<td>20</td>
</tr>
<tr>
<td>To have more access to transportation</td>
<td>17.1%</td>
<td>21</td>
</tr>
<tr>
<td>So that I don't have to drive on a daily basis</td>
<td>39.0%</td>
<td>48</td>
</tr>
<tr>
<td>To be closer to cultural resources</td>
<td>45.5%</td>
<td>56</td>
</tr>
<tr>
<td>To be closer to family and friends</td>
<td>16.3%</td>
<td>20</td>
</tr>
<tr>
<td>More affordable housing</td>
<td>9.8%</td>
<td>12</td>
</tr>
<tr>
<td>For the city life</td>
<td>48.8%</td>
<td>60</td>
</tr>
<tr>
<td>The return of the Whalers</td>
<td>8.1%</td>
<td>10</td>
</tr>
<tr>
<td>Sense of community</td>
<td>28.5%</td>
<td>35</td>
</tr>
<tr>
<td>Amenities such as parks and the Connecticut River</td>
<td>30.9%</td>
<td>38</td>
</tr>
<tr>
<td>None of the above</td>
<td>22.0%</td>
<td>27</td>
</tr>
</tbody>
</table>
While urban life is an important driver the perception of lack of things to do on weekends and the housing options are inhibitors to moving into the downtown

- These are practical reasons not to make the decision

<table>
<thead>
<tr>
<th>8. Why wouldn't you move to Hartford? (select all that apply)</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>I wouldn't consider moving anywhere</td>
<td>8.9%</td>
<td>11</td>
</tr>
<tr>
<td>I don't have friends or family in Hartford</td>
<td>17.1%</td>
<td>21</td>
</tr>
<tr>
<td>I work or go to school outside of Hartford</td>
<td>4.9%</td>
<td>6</td>
</tr>
<tr>
<td>I prefer the country</td>
<td>13.0%</td>
<td>16</td>
</tr>
<tr>
<td>I'm more of the suburban type</td>
<td>16.3%</td>
<td>20</td>
</tr>
<tr>
<td>Too expensive</td>
<td>34.1%</td>
<td>42</td>
</tr>
<tr>
<td>Not enough housing options</td>
<td>45.5%</td>
<td>56</td>
</tr>
<tr>
<td>Not enough transportation options</td>
<td>21.1%</td>
<td>26</td>
</tr>
<tr>
<td>Schools</td>
<td>28.6%</td>
<td>35</td>
</tr>
<tr>
<td>Parking hassles</td>
<td>44.7%</td>
<td>55</td>
</tr>
<tr>
<td>I wouldn't feel safe</td>
<td>34.1%</td>
<td>42</td>
</tr>
<tr>
<td>Downtown shops aren't open on the weekend</td>
<td>64.2%</td>
<td>79</td>
</tr>
<tr>
<td>No dog parks</td>
<td>9.8%</td>
<td>12</td>
</tr>
<tr>
<td>I can't think of a reason to move there</td>
<td>6.5%</td>
<td>8</td>
</tr>
</tbody>
</table>
A note on amenities (grocery stores) – what the research found

• “I drive to Whole Foods or Trader Joe’s to go grocery shopping, a market downtown would be convenient but I would probably drive to larger stores to get groceries anyway – better price and selection”
• “Why are there no grocery stores”
• “Downtown lacks common amenities”
• “CT Fastrak will hopefully make it easier to access basic needs and services such as a grocery store”

- A major grocery store is not critical for the success of downtown housing
  - This is different than the “food desert” problem in parts of the city
- Access to some staples and small quantities of fresh foods is highly desirable
- Fastrak and other convenient & frequent (such as weekends) public transit that provides access to nearby shopping plazas would be helpful
- 41% of people surveyed drive more than 10 minutes to grocery shop
- 51% eat out at least once a week with 17% eating out 3 or more times per week
What We Learned
Comparison Cities - Reminder

Cities Selected
• Des Moines
• Milwaukee
• Kansas City
• Cleveland

Why These Cities:
• Similar climates
• Not “university towns”
• Consistently ranked in national lists regarding cities and downtowns
• Had significant growth in downtown residents in last decade
• Competition for similar talent pools
  • Milwaukee and Des Moines are very large insurance centers
  • Kansas City has a substantial financial services industry

Each city was visited to understand what was actually happening on the ground instead of relying solely on published reports
## Comparative statistics of comparison cities

<table>
<thead>
<tr>
<th></th>
<th>Cleveland</th>
<th>Des Moines</th>
<th>Kansas City</th>
<th>Milwaukee</th>
<th>Hartford</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est. Downtown Households</td>
<td>9041</td>
<td>6370</td>
<td>9549</td>
<td>21395</td>
<td>1039</td>
</tr>
<tr>
<td>New Housing Units</td>
<td>1351</td>
<td>1500</td>
<td>1649</td>
<td>1743</td>
<td>1100</td>
</tr>
<tr>
<td>(Opened/Announced) 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typical DTWN Walking</td>
<td>5-7 minutes</td>
<td>7-12 minutes</td>
<td>12-15 minutes</td>
<td>10-15 minutes</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Distance to CBD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Vacancy Rate %</td>
<td>3.8%</td>
<td>2.7%</td>
<td>3.0%</td>
<td>5.2%</td>
<td>&lt; 5%</td>
</tr>
<tr>
<td>Avg 1 Bed Rent per Sq Ft</td>
<td>$1.34</td>
<td>$1.21</td>
<td>$1.20</td>
<td>$1.62</td>
<td>$1.44</td>
</tr>
<tr>
<td>CBD Office Vacancy Rate</td>
<td>20.3%</td>
<td>20.7%</td>
<td>26.7%</td>
<td>16.2%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Retail Activity</td>
<td>12 new openings incl. 7 restaurants</td>
<td>limited</td>
<td>33 stores excluding restaurants</td>
<td>16% vacancy</td>
<td>limited</td>
</tr>
</tbody>
</table>

- Hartford is relatively expensive from a rent perspective
- Lags significantly in population and building activity
Takeaways from the site visits

Takeaways

• The demographic is young and active
  – Average age ranges between 29 and 32
• Downtown housing is primarily on the fringes of downtown not in the central business district
• There are multiple options available including adaptive reuse as well as new 3-4 story garden-style apartments; some have developed townhouse / row house models
• CBD is not necessarily where they work
• Retail shopping is challenging; restaurants are very active
• Groceries and fresh food are addressed by every community with both small farmers market as well as Public Market models
  – 3 of the 4 had major public permanent markets easily accessible from the downtown
• Place-making is happening in parallel with development along 2 dimensions:
  – Aesthetics
  – Activities
The following maps provide context for physical size of the downtown & the location of housing to the central business district and other key locations.
Cleveland – Housing developed around Core

- Emerging Housing area
- Business District
- Emerging Entertainment District
- Principal housing area

About a half mile
Cleveland – Downtown Housing Types
Kansas City – Housing developing around core

Emerging housing area
Emerging housing area
Emerging housing area
Principal housing area
Business District
Entertainment District
Abt 2/3 of a mile
Kansas City – Key locations & housing types
Des Moines – similar to other cities housing surrounds the core with some emerging in the CBD.
Des Moines – key locations and housing types
Milwaukee – housing around the core

Emerging Housing area

Government District

Business District

Principal housing area

About a ½ mile

Principal housing area

Emerging Housing area
Milwaukee – key locations and housing types
Comparison cities: A mix of housing types are being developed – few are high rise style
Food markets in close proximity to downtown fill a portion of the “grocery” need

* Cleveland Market
Food markets in close proximity to downtown fill a portion of the “grocery” need

*Kansas City Market*
Milwaukee
Place-making is a major component of these cities revitalization strategies

- Includes hiding or masking core city infrastructure
- Creation of public spaces and use of public art

The following are images that provide examples of what is taking place on the ground in these communities
Hiding, masking or using infrastructure for place-making
Place-making through public spaces
Who Lives in Downtown Hartford Now And How it Helps Inform Who Might Live in the Downtown Tomorrow
Who lives downtown...

Substantial growth in Downtown residents over 2000...

With growth largely driven by young adults & empty nesters...

Total Population Downtown
2000-2018 est

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>413</td>
</tr>
<tr>
<td>2013</td>
<td>1039</td>
</tr>
<tr>
<td>Proj. 2018</td>
<td>1139</td>
</tr>
</tbody>
</table>

Household Age Distribution

<table>
<thead>
<tr>
<th>Age Group</th>
<th>YR2000</th>
<th>YR2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td></td>
<td>42.16%</td>
</tr>
<tr>
<td>25-34</td>
<td>25.42%</td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>65-74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>75-84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: NP analysis of Nielsen Site Reports
Based on zip code 06103
Downtown Hartford attracts a strong psychographic segment to support market rate housing

**Explanation**

- Psychographic segmentation is an analysis of purchasing patterns, lifestyle, entertainment choices to develop targeted segmentation models more sophisticated than age and income
  - Think soccer moms as an example of psychographic segment
- Nielsen has created 66 segments
- Psychographic research is a mainstay of retail and most consumer product companies to better target amenities, product design, distribution models among others
- These segments are defined on the next page

### Live in Downtown Hartford

<table>
<thead>
<tr>
<th>Grouping</th>
<th>Hartford Total</th>
<th>Downtown Share of Hartford</th>
<th>Median HH Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Second City Elite</td>
<td>594</td>
<td>19%</td>
<td>$79K</td>
</tr>
<tr>
<td>12 Brite Lites, Li’l City</td>
<td>1023</td>
<td>53%</td>
<td>$78K</td>
</tr>
<tr>
<td>24 Up-and-Comers</td>
<td>1421</td>
<td>20%</td>
<td>$51K</td>
</tr>
<tr>
<td>27 Middleburg Managers</td>
<td>2137</td>
<td>6%</td>
<td>$52k</td>
</tr>
</tbody>
</table>

### Work in Downtown Hartford

<table>
<thead>
<tr>
<th>Grouping</th>
<th>Live Hartford</th>
<th>Live Downtown</th>
<th>Work Downtown</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Second City Elite</td>
<td>594</td>
<td>113</td>
<td>468</td>
</tr>
<tr>
<td>12 Brite Lites, Li’l City</td>
<td>1023</td>
<td>542</td>
<td>805</td>
</tr>
<tr>
<td>24 Up-and-Comers</td>
<td>1421</td>
<td>284</td>
<td>901</td>
</tr>
<tr>
<td>27 Middleburg Managers</td>
<td>2137</td>
<td>128</td>
<td>959</td>
</tr>
</tbody>
</table>
Psychographic segments explained

24 - Up-and-Comers

Upper Mid Younger w/o Kids

Up-and-Comers is a stopover for younger, upper-mid-scale singles before they marry, have families, and establish more deskbound lifestyles. Found in second-tier cities, these mobile adults, mostly age 25 to 44, include a disproportionate number of recent college graduates who are into athletic activities, the latest technology, and nightlife entertainment.

Social Group: 09 - City Centers
Lifestage Group: 02 - Young Achievers

Demographics Traits
- Urbanicity: Second City
- Income: Upper Mid
- Income Producing Assets: Moderate
- Age Ranges: 25-44
- Presence of Kids: HH w/o Kids
- Homeownership: Mix, Owners
- Employment Levels: WC, Service, Mix
- Education Levels: College Graduate
- Ethnic Diversity: White, Black, Asian, Hispanic, Mix

Lifestyle & Media Traits
- Shop from priceline.com
- Travel to South America
- Road Cigar Afficionado
- Watch South Park
- Nissan Altima Hybrid

12 - Brite Lites, Li'l City

Upscale Middle Age w/o Kids

Not all of America's chic sophisticates live in major metros. Brite Lites, Li'l City is a group of well-off, middle-aged couples settled in the nation's satellite cities. Residents of this typical DINK (double income, no kids) household have college educations, well-paying business and professional careers, and swank homes filled with the latest technology.

Social Group: 08 - Second City Society
Lifestage Group: 01 - Middle Success

Demographics Traits
- Urbanicity: Second City
- Income: Upscale
- Income Producing Assets: High
- Age Ranges: <55
- Presence of Kids: HH w/o Kids
- Homeownership: Mostly Owners
- Employment Levels: Management
- Education Levels: College Graduate
- Ethnic Diversity: White, Asian, Hispanic, Mix

Lifestyle & Media Traits
- Shop at Costco
- Gamble at Las Vegas
- Read Runner's World
- Watch The Simpsons
- BMW M1

27 - Middleburg Managers

Upper Mid Older w/o Kids

Middleburg Managers arise when empty nesters settled in satellite communities, which offered a lower cost of living and more relaxed pace. Today: segment residents tend to be middle class with solid white-collar jobs or comfortable retirements. In their older homes, they enjoy reading, playing musical instruments, indoor gardening, and refinishing furniture.

Social Group: 09 - City Centers
Lifestage Group: 09 - Conservative Classics

Demographics Traits
- Urbanicity: Second City
- Income: Upper Mid
- Income Producing Assets: Above Avg
- Age Ranges: 45-64
- Presence of Kids: HH w/o Kids
- Homeownership: Mostly Owners
- Employment Levels: White Collar, Mix
- Education Levels: College Graduate
- Ethnic Diversity: White, Black, Mix

Lifestyle & Media Traits
- Shop at Pottery Barn
- Vacation on cruise
- Read Travel + Leisure
- Watch Washington Week
- Hyundai Elantra Touring
Housing price points need to be cognizant of the income differentials across age groups & segments

The largest group of residents (young adults) have incomes 40% lower than the next largest group – late middle age...

Overall 28% of downtown residents have incomes over $100k but varies widely across age categories

Median Income By age category

<table>
<thead>
<tr>
<th>Age 15-24</th>
<th>Age 25-34</th>
<th>Age 35-44</th>
<th>Age 45-54</th>
<th>Age 55-64</th>
<th>Age 65-74</th>
<th>Age 75-84</th>
</tr>
</thead>
<tbody>
<tr>
<td>$52,016</td>
<td>$60,882</td>
<td>$78,804</td>
<td>$104,167</td>
<td>$100,000</td>
<td>$46,250</td>
<td>$21,667</td>
</tr>
</tbody>
</table>

Percentage of Age Cohort with incomes over $100k

<table>
<thead>
<tr>
<th>Age 15-24</th>
<th>Age 25-34</th>
<th>Age 35-44</th>
<th>Age 45-54</th>
<th>Age 55-64</th>
<th>Age 65-74</th>
<th>Age 75-84</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>37%</td>
<td>54%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>
For the young adult group college debt needs to be added to the price point consideration

<table>
<thead>
<tr>
<th>School</th>
<th>Average debt</th>
<th>Percent Graduating with Debt</th>
<th>Undergrad Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yale University</td>
<td>$ 9,254</td>
<td>28%</td>
<td>5282</td>
</tr>
<tr>
<td>Trinity College</td>
<td>$ 20,367</td>
<td>39%</td>
<td>2173</td>
</tr>
<tr>
<td>Southern Connecticut State University</td>
<td>$ 23,753</td>
<td>84%</td>
<td>7494</td>
</tr>
<tr>
<td>University of Connecticut</td>
<td>$ 23,822</td>
<td>63%</td>
<td>16628</td>
</tr>
<tr>
<td>Wesleyan University</td>
<td>$ 25,864</td>
<td>47%</td>
<td>2845</td>
</tr>
<tr>
<td>Eastern Connecticut State University</td>
<td>$ 26,192</td>
<td>75%</td>
<td>4416</td>
</tr>
<tr>
<td>Western Connecticut State University</td>
<td>$ 26,348</td>
<td>66%</td>
<td>4905</td>
</tr>
<tr>
<td>Connecticut College</td>
<td>$ 26,545</td>
<td>39%</td>
<td>1832</td>
</tr>
<tr>
<td>University of Hartford</td>
<td>$ 29,598</td>
<td>68%</td>
<td>4694</td>
</tr>
<tr>
<td>Lyme Academy College of Fine Arts</td>
<td>$ 31,000</td>
<td>64%</td>
<td>66</td>
</tr>
<tr>
<td>Fairfield University</td>
<td>$ 31,099</td>
<td>63%</td>
<td>3388</td>
</tr>
<tr>
<td>Quinnipiac University</td>
<td>$ 39,500</td>
<td>69%</td>
<td>5859</td>
</tr>
<tr>
<td>University of Bridgeport</td>
<td>$ 39,983</td>
<td>86%</td>
<td>1718</td>
</tr>
<tr>
<td>University of New Haven</td>
<td>$ 42,600</td>
<td>48%</td>
<td>3642</td>
</tr>
<tr>
<td>Sacred Heart University</td>
<td>$ 44,538</td>
<td>74%</td>
<td>3511</td>
</tr>
<tr>
<td>Statewide</td>
<td>$ 28,783</td>
<td>64%</td>
<td>87323</td>
</tr>
</tbody>
</table>

Source: NP analysis from Project on College Debt data

Loan Calculator
Loan Balance: $28,000.00
Adjusted Loan Balance: $28,000.00
Loan Interest Rate: 6.80%
Loan Fees: 0.00%
Loan Term: 10 years
Minimum Payment: $50.00
Total Years in College: 4 years
Average Debt per Year: $7,000.00

Monthly Loan Payment: $322.22
Number of Payments: 120
Cumulative Payments: $38,667.25
Total Interest Paid: $10,667.25
Target rents for most of the young adult market need to be between $900 to $1300 per month

- However, price points between $750-$1000 are also critical

<table>
<thead>
<tr>
<th>Median Income Range</th>
<th>$52,016</th>
<th>$60,882</th>
<th>$78,804</th>
<th>$104,167</th>
<th>$100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent @ 30% of income</td>
<td>$15,604.80</td>
<td>$18,264.60</td>
<td>$23,641.20</td>
<td>$31,250.10</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>Rent @ 25% of income</td>
<td>$13,004.00</td>
<td>$15,220.50</td>
<td>$19,701.00</td>
<td>$26,041.75</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Monthly 30%</td>
<td>$1,300.40</td>
<td>$1,522.05</td>
<td>$1,970.10</td>
<td>$2,604.18</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Monthly 25%</td>
<td>$1,083.67</td>
<td>$1,268.38</td>
<td>$1,641.75</td>
<td>$2,170.15</td>
<td>$2,083.33</td>
</tr>
<tr>
<td>30% less $322 college debt</td>
<td>$978.40</td>
<td>$1,200.05</td>
<td>$1,648.10</td>
<td>$2,282.18</td>
<td>$2,178.00</td>
</tr>
<tr>
<td>25% Less $322.00 college debt</td>
<td>$761.67</td>
<td>$946.38</td>
<td>$1,319.75</td>
<td>$1,848.15</td>
<td>$1,761.33</td>
</tr>
</tbody>
</table>

What also needs to be considered is how rent levels will impact discretionary income which is necessary to sustain downtown amenities.
Nearly ½ of the survey respondents had rent price points between $1000 to $1400 per month

**Monthly Rent Distribution:**
- $1500+ = 26%
- $1400 to $1000 = 47%
- $900 to $700 = 20%
What We Think
There is a large pool of residents in the metro area that fit the profile of the downtown Hartford resident.

- It is important to note that the largest pools have median incomes between $51k-$77k.

### Market Potential Measured by Psychographic Fit

<table>
<thead>
<tr>
<th>Household Grouping</th>
<th>Total Metro Area Pool</th>
<th>Hartford Penetration</th>
<th>Hartford Share of Target Pool</th>
<th>Addressable Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Second City Elite</td>
<td>9117</td>
<td>594</td>
<td>6.5%</td>
<td>8523</td>
</tr>
<tr>
<td>12 Brite Lites, Li'l City</td>
<td>10253</td>
<td>1023</td>
<td>10.0%</td>
<td>9230</td>
</tr>
<tr>
<td>24 Up-and-Comers</td>
<td>13088</td>
<td>1421</td>
<td>10.9%</td>
<td>11667</td>
</tr>
<tr>
<td>27 Middleburg Managers</td>
<td>19667</td>
<td>2137</td>
<td>10.9%</td>
<td>17530</td>
</tr>
<tr>
<td>Hartford Share of All Households</td>
<td>46,950</td>
<td></td>
<td>9.10%</td>
<td></td>
</tr>
</tbody>
</table>
Capture potential

Benchmark Based Estimates

- Benchmarks indicate that downtown housing penetration has approached as much as 3.6% of households in those communities
  - For Hartford that would equate to roughly 4400 units
- Another perspective is the percentage of downtown residents as a percent of the metro population
- Benchmarks run between .5% to 1.1%
  - Hartford is approximately .2%
  - Hitting the highest level would equal approximately 13.3K people or 7,400 units
    - 1.8 persons per household
    - At .5% that would equate to 6100 people or approximately 3400 households

This would suggest another 2k to 5k housing units over existing units

Plausibility

- There are 46k households in target segments that have demonstrated an affinity for urban living and match existing Hartford segments
  - These targets would represent approximately 10-16% of the addressable market opportunity in the existing region
  - Our survey suggests that 30-40% would consider downtown Hartford
- IRS data suggests that 12-15k people move into Hartford county every year and 7k-9k on average move within Hartford county
  - Based on present population distributions approximately 1400 to 2000 households per year are in these segments and income categories
It is plausible for the city to add another 1700 - 4700 downtown units above current levels...

Potential Range
4400 to 7400 units

MINUS

1600 Units presently + 1100 units planned

EQUALS

1700 - 4700 additional units
Absorption considerations

Absorption

- The interviews suggest pent up demand for some housing types that could accelerate the existing estimates of absorption rates of 8-10 units per month
- For some housing type / price points combination absorption could lag behind the 8-10 units per month

Capture Success

- Capture success will be driven by several key factors:
  - Desirable housing products at the right price points
    - Note that the income levels are in the $51k to $77k range
    - Pricing needs to reflect income distribution
  - Place-making initiatives to enhance the downtown residential experience

Thought should be given to the size and scale of the next phase of initial projects and their potential impact on absorption over time

These 2 factors are critical to accelerate the absorption rate and get to critical mass
Directions & Initiatives
Potential Directions & Initiatives for the Downtown

- 3 target areas for intervention and focused housing investment to build critical mass in the downtown:
  - Capital District: Capitol Ave-Buckingham linkage to state properties initiative
    - Avoids the state office conversions from becoming residential islands
  - SODO
    - 2 employment anchors Hartford Hospital and State government office complex at either end
    - Some existing housing stock - lots of “missing teeth”
  - Downtown North
- Corridor strategy: Farmington Ave to downtown to maximize potential of an already viable corridor
  - Build on favorable economics, demographics, housing stock
  - Two end anchors – West Hartford & Downtown
- Living in Hartford as product strategy to accelerate organic “growth”
  - Place-making both aesthetics & activities
  - Redoing marketing as a starter
The “Capitol District” provides the best locational opportunity to create a townhouse / row house / brownstone style housing option

Why Here?

- Large parking lots providing potential for neighborhood level scale with relatively low land acquisition costs
- Builds on existing but limited quantity of desired housing stock in the area
- Supportive of building critical mass downtown because of its close proximity to existing housing along Bushnell Park and Pratt St
  - Easily within a 10 minute walk zone
SODO is another option

Why Here?

- Anchored on both ends by two major employment centers
- A number of vacant lots, surface parking and homes presently used as offices
- Reinforces Capitol District
Farmington Ave corridor has rental economics that provide the basis for a corridor improvement strategy

- Rents are among the highest in the city along this corridor
- Has two end anchors – West Hartford and Downtown
- A major commuting route into the city – sets the “image” of the city

Source: NP team analysis of Craigslist Rental Listings
From the surveys – 54% believe the city is becoming a better place to live …

- Only 18% do not believe city is becoming a better place to live
- But 28% are unsure
- However…
- 74% of those who have an interest in moving to Hartford believe the city is becoming a better place to live

Positive momentum can build on the general positive trend toward downtown Hartford as a place to live
Converting the 4Ps of Marketing to accelerate “Living in Hartford”
Place-making serves 2 purposes

Quality of Life Enhancement

Marketing device
- Building a brand is more than just advertising
- It’s a proof point

Experience is Everything

Brand experiences extend far beyond the time spent inside a store or searching a website. They include a brand’s messaging, the events it sponsors, the causes it supports, encounters with its touchpoints—the products themselves, how they feel and function, the associations they create and the subsequent evaluation, recommendation and repeat purchase. It’s an ecosystem that responds best to an overarching brand strategy.

Source: Interbrand, Best Global Retail Brands, 2013
Retail pop ups as a first step to activate streets
Why?

- Leveraging the maker movement and local food movement to create buzz and foot traffic
There are a large number of potential vendors and product offerings made in Connecticut to make it plausible

- Connecticut has 89000 locally made products encompassing every major good category sold through ETSY
- For frame of reference a typical Target has about 80,000 skus

**ETSY CONNECTICUT HANDMADE PRODUCTS**

By Product Category
89883 products

Source: NP manual count of ETSY products by shop location