

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

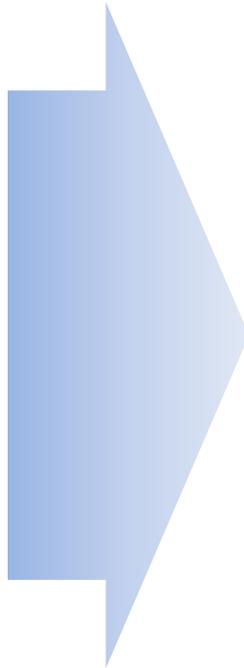
How do you figure out the market potential for the “unknown” when you can’t use history as the guide?

Core Question:

- What is the potential for downtown market rate housing?

Consider this:

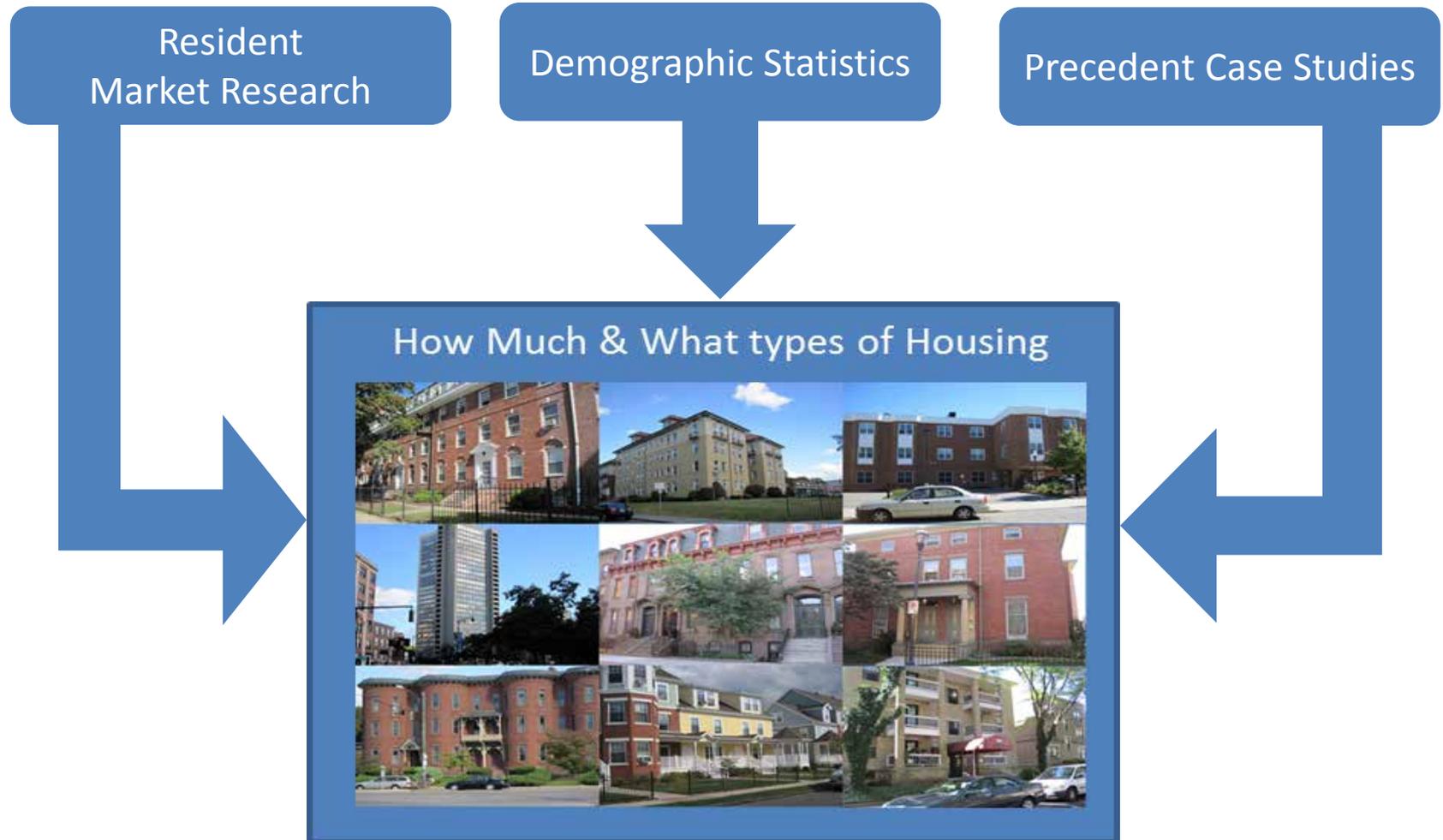
- How do you figure out demand for the minivan before there were minivans?
- The smart phone before there were smart phones?
- Personal computers?



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



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
- Its 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)

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

Forecasting absorption difficult because there is likely substantial latent demand for certain types of housing

Which exist in small quantities throughout Hartford....

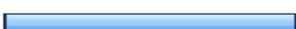
- Representative examples of housing styles mentioned during focus groups



Proximity to work, city life & culture are key influences on moving to Hartford

- These are aspirational reasons to move into the city

7. Why would you choose to move to Hartford? (select all that apply)

		Response Percent	Response Count
To be closer to work or school		45.5%	56
To be closer to daily conveniences		16.3%	20
To have more access to transportation		17.1%	21
So that I don't have to drive on a daily basis		39.0%	48
To be closer to cultural resources		45.5%	56
To be closer to family and friends		16.3%	20
More affordable housing		9.8%	12
For the city life		48.8%	60
The return of the Whalers		8.1%	10
Sense of community		28.5%	35
Amenities such as parks and the Connecticut River		30.9%	38
None of the above		22.0%	27



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

8. Why wouldn't you move to Hartford? (select all that apply)

		Response Percent	Response Count
I wouldn't consider moving anywhere		8.9%	11
I don't have friends or family in Hartford		17.1%	21
I work or go to school outside of Hartford		4.9%	6
I prefer the country		13.0%	16
I'm more of the suburban type		16.3%	20
Too expensive		34.1%	42
Not enough housing options		45.5%	56
Not enough transportation options		21.1%	26
Schools		28.5%	35
Parking hassles		44.7%	55
I wouldn't feel safe		34.1%	42
Downtown shops aren't open on the weekend		64.2%	79
No dog parks		9.8%	12
I can't think of a reason to move there		6.5%	8



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”



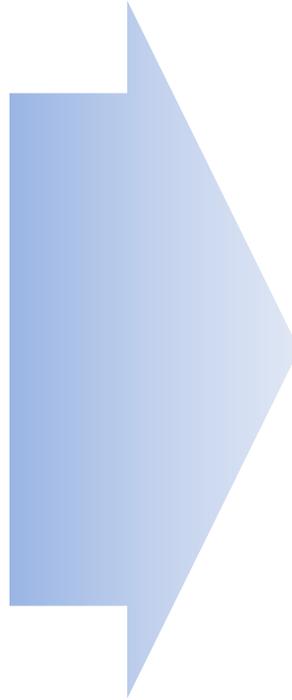
- A major grocery store is not critical for the success of downtown housing
 - This is different than the “food desert” problem in parts of the city
- Access to some staples and small quantities of fresh foods is highly desirable
- Fastrak and other convenient & frequent (such as weekends) public transit 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

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

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

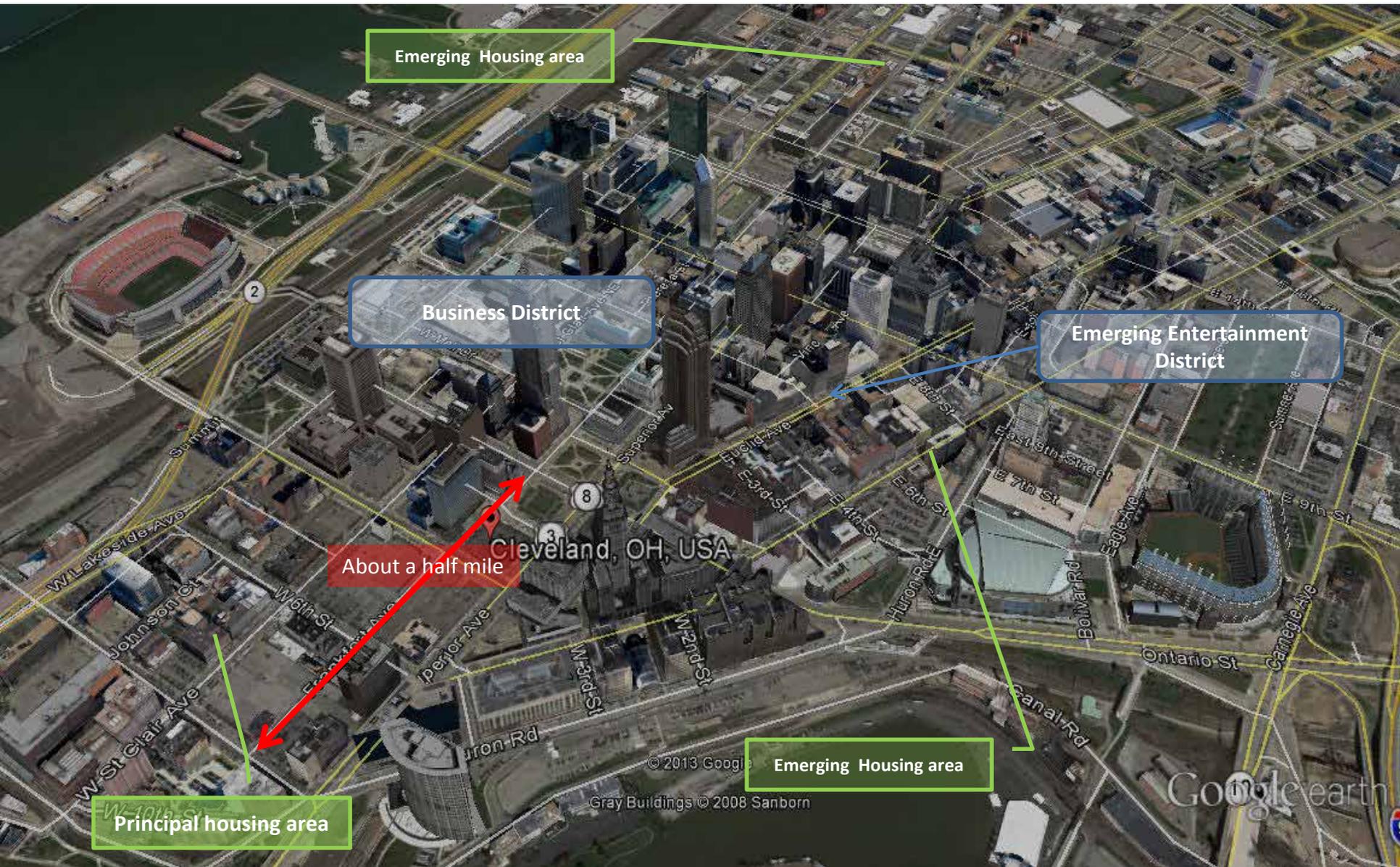
Takeaways from the site visits

Takeaways

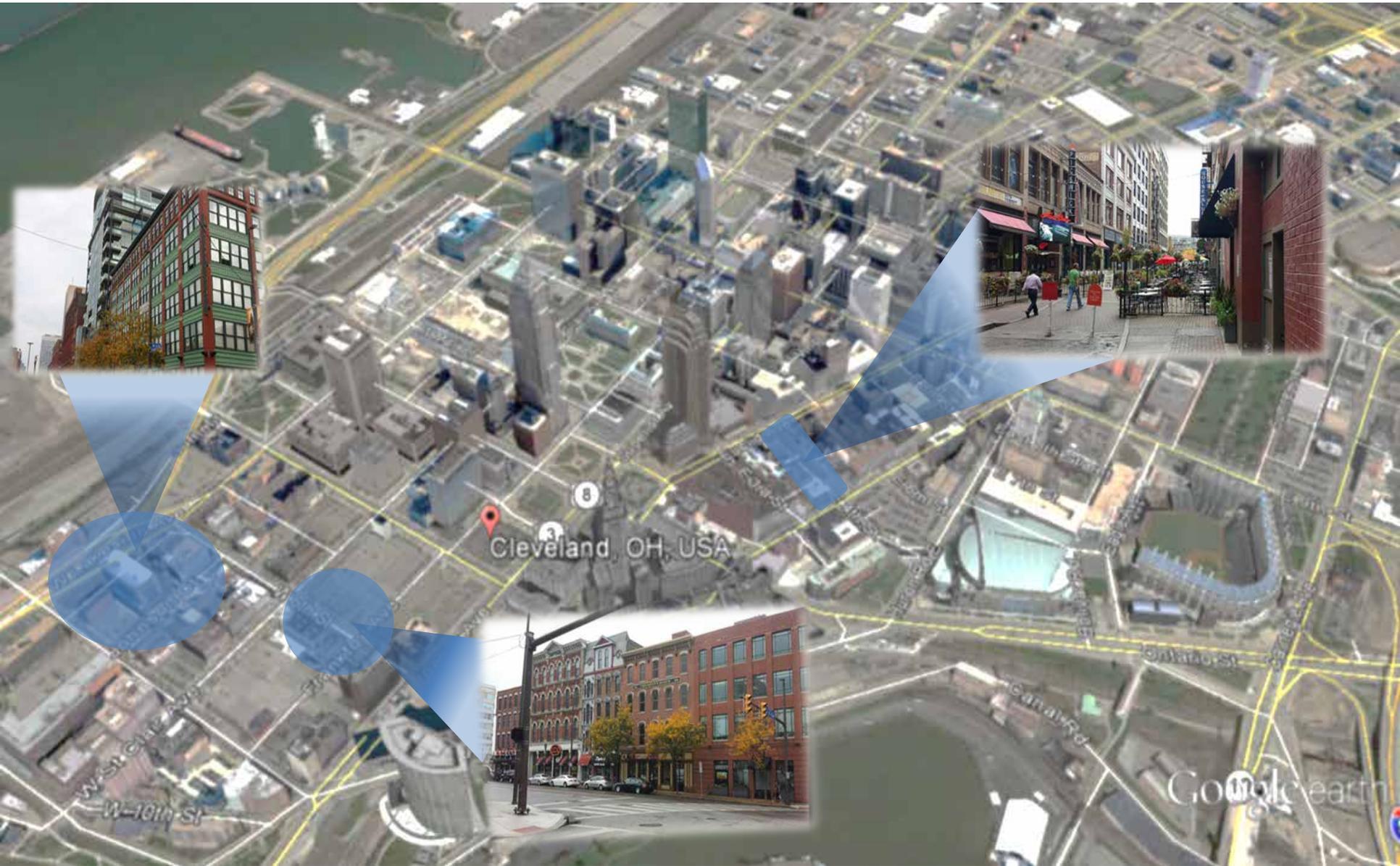
- The demographic is young and active
 - Average age ranges between 29 and 32
- Downtown housing is primarily on the fringes of downtown not in the central business district
- There are multiple options available including adaptive reuse as well as new 3-4 story garden-style apartments; some have developed 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

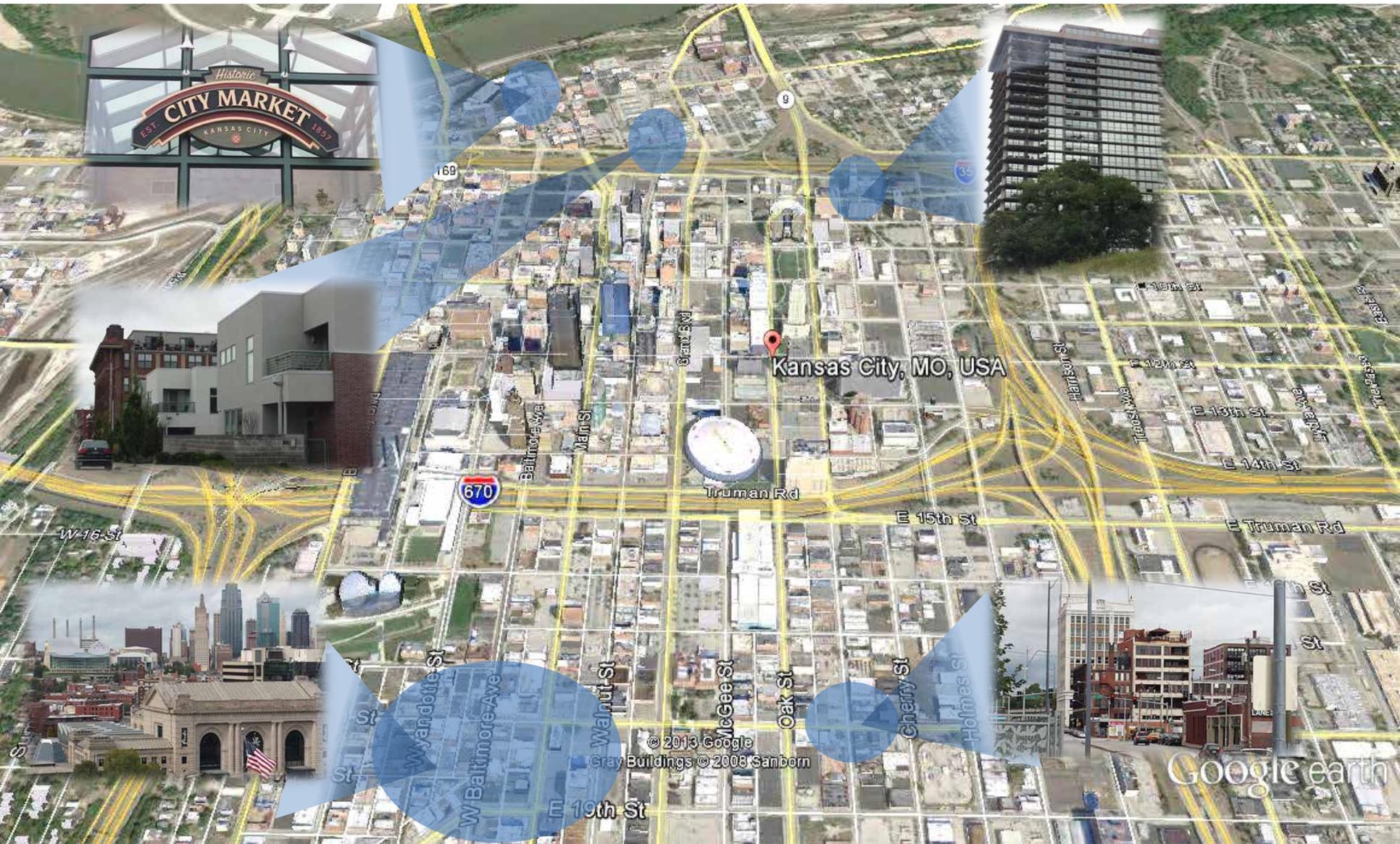
Cleveland – Housing developed around Core



Cleveland – Downtown Housing Types



Kansas City – Key locations & housing types



Des Moines – key locations and housing types



Des Moines, IA, USA

© 2013 Google Earth

Google earth

Milwaukee – housing around the core



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



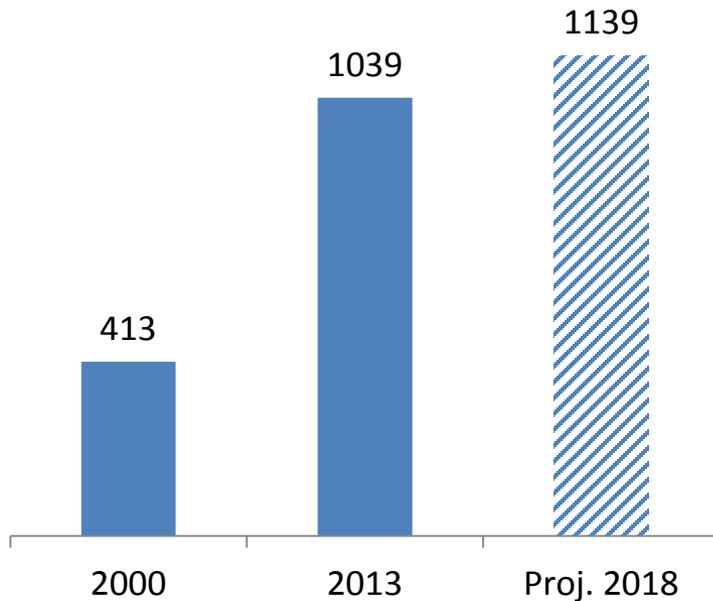
Who Lives in Downtown Hartford Now And How it Helps Inform Who Might Live in the Downtown Tomorrow

Who lives downtown...

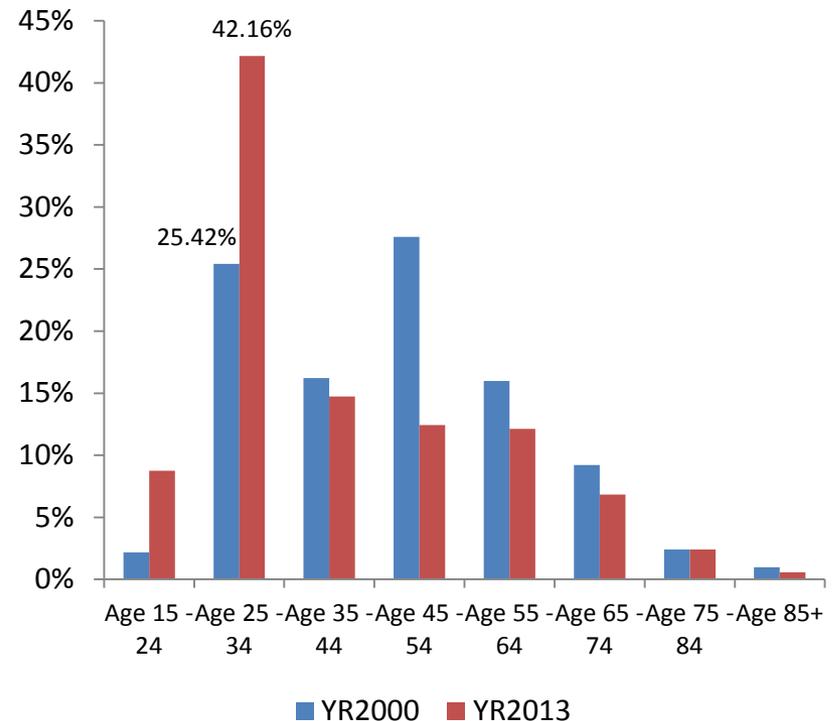
Substantial growth in Downtown residents over 2000 ...

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

**Total Population Downtown
2000-2018 est**



Household Age Distribution



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

Grouping	Hartford Total	Downtown Share of Hartford	Median HH Income
10 Second City Elite	594	19%	\$79K
12 Brite Lites, Li'l City	1023	53%	\$78K
24 Up-and-Comers	1421	20%	\$51K
27 Middleburg Managers	2137	6%	\$52k

Work in Downtown Hartford

Grouping	Live Hartford	Live Downtown	Work Downtown
10 Second City Elite	594	113	468
12 Brite Lites, Li'l City	1023	542	805
24 Up-and-Comers	1421	284	901
27 Middleburg Managers	2137	128	959

Psychographic segments explained

Second City Elite

Upscale Older w/o Kids
 There's money to be found in the nation's smaller cities, and you're most likely to find it in Second City Elite. The residents of these satellite cities tend to be prosperous professionals who decorate their homes with multiple computers, large-screen TV sets, and an impressive collection of wines. With more than half holding college degrees, Second City Elite residents enjoy cultural activities—from reading books to attending theater and dance productions.

Social Group: 08 - Second City Society
Lifestage Group: 08 - Affluent Empty Nests

<p>Demographics Traits</p> <ul style="list-style-type: none"> • Urbanicity: Second City • Income: Upscale • Income Producing Assets: Elite • Age Ranges: 55+ • Presence of Kids: HH w/o Kids • Homeownership: Mostly Owners • Employment Levels: White Collar, Mix • Education Levels: Graduate Plus • Ethnic Diversity: White, Asian, Mix 	<p>Lifestyle & Media Traits</p> <ul style="list-style-type: none"> • Shop at Neiman Marcus • Collect art • Read Smart Money • Watch Live from Lincoln Center • Lexus ES
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Source: Nielsen 2013

12 - Brite Lites, Li'l City

Upscale Middle Age w/o Kids

Not all of America's chic sophisticates live in major metros. Brite Lights, Li'l City is a group of well-off, middle-aged couples settled in the nation's satellite cities. Residents of these typical DINK (double income, no kids) households 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 - Midlife 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

24 - Up-and-Comers

Upper Mid Younger w/o Kids

Up-and-Comers is a stopover for younger, upper-midscale 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

- Order from priceline.com
- Travel to South America
- Read Cigar Aficionado
- Watch South Park
- Nissan Altima Hybrid

27 - Middleburg Managers

Upper Mid Older w/o Kids

Middleburg Managers arose 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

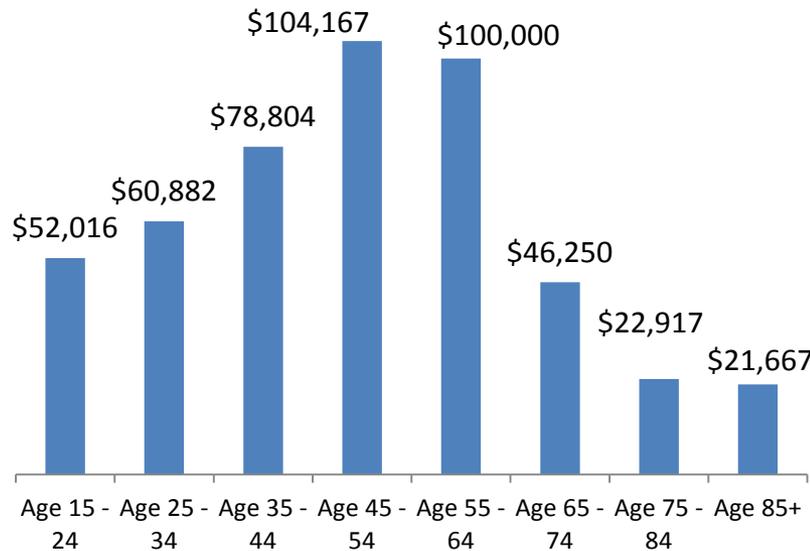
- Shop at Pottery Barn
- Vacation on cruise
- Read Travel + Leisure
- Watch Washington Week
- Hyundai Elantra Touring

Housing price points need to be cognizant of the income differentials across age groups & segments

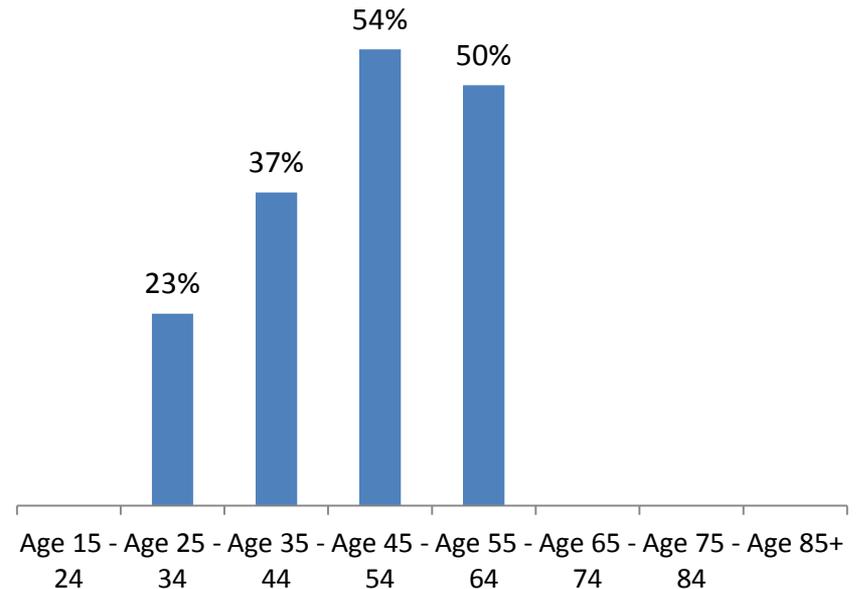
The largest group of residents (young adults) have incomes 40% lower than the next largest group – late middle age...

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

**Median Income
By age category**



**Percentage of Age Cohort with incomes
over \$100k**



For the young adult group college debt needs to be added to the price point consideration

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

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

Source: NP analysis from Project on College Debt data

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

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

What also needs to be considered is how rent levels will impact discretionary income which is necessary to sustain downtown amenities

Nearly 1/2 of the survey respondents had rent price points between \$1000 to \$1400 per month

13. What would be your upper price range for housing? (your share per month including utilities)

		Response Percent	Response Count
\$500 or less		4.2%	5
\$600		2.5%	3
\$700		8.3%	10
\$800		6.7%	8
\$900		5.8%	7
\$1,000		15.0%	18
\$1,100		5.8%	7
\$1,200		15.8%	19
\$1,300		5.0%	6
\$1,400		5.0%	6
\$1,500 or more		25.8%	31

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

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

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



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

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



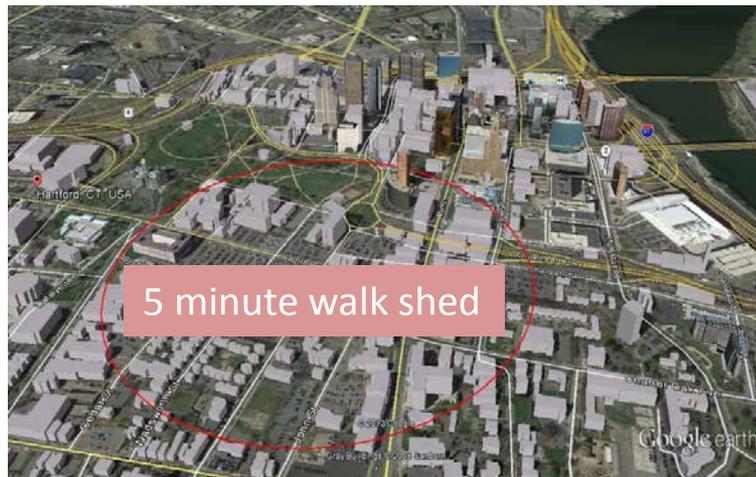
These 2 factors are critical to accelerate the absorption rate and get to critical mass

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

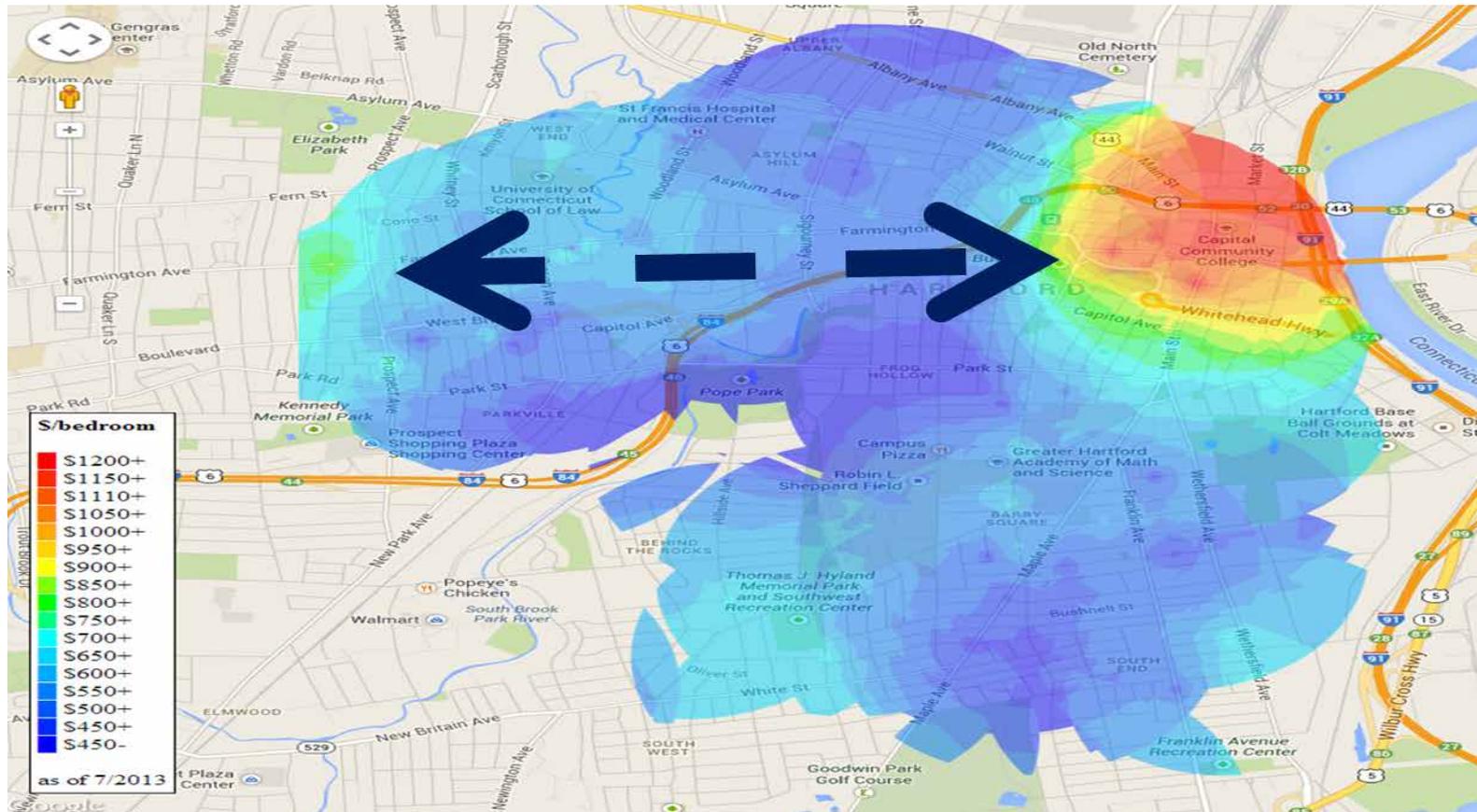


Why Here?

- 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

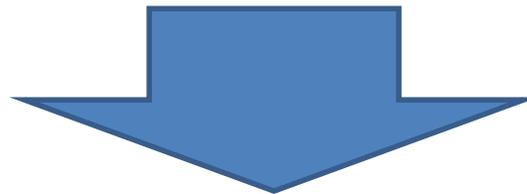
- Rents are among the highest in the city along this corridor
- Has two end anchors – West Hartford and Downtown
- A major commuting route into the city – sets the “image” of the city



Source: NP team analysis of Craigslist Rental Listings

From the surveys – 54% believe the city is becoming a better place to live ...

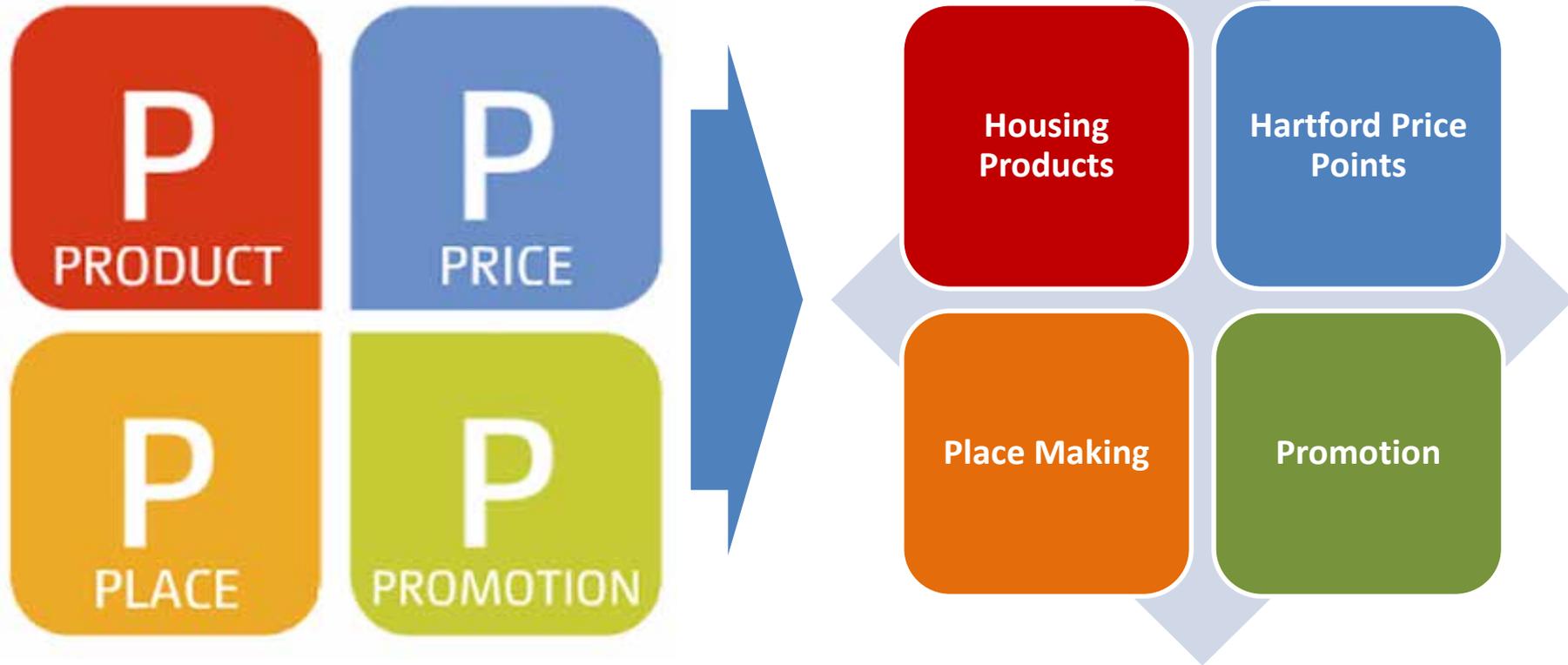
- Only 18% do not believe city is becoming a better place to live
- But 28% are unsure
- However...
- 74% of those who have an interest in moving to Hartford believe the city is becoming a better place to live



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”

Classic Marketing Framework



Place-making serves 2 purposes

Quality of Life Enhancement

7. Why would you choose to move to Hartford? (select all that apply)

		Response Percent	Response Count
To be closer to work or school		45.5%	56
To be closer to daily conveniences		16.3%	20
To have more access to transportation		17.1%	21
So that I don't have to drive on a daily basis		39.0%	48
To be closer to cultural resources		45.5%	56
To be closer to family and friends		16.3%	20
More affordable housing		9.8%	12
For the city life		48.8%	60
The return of the Whalers		8.1%	10
Sense of community		28.5%	35
Amenities such as parks and the Connecticut River		30.9%	38
None of the above		22.0%	27

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



Pop-Up Seasonal Opportunity

- Short Form Lease
- Space Delivered Move-In Ready With:
 - Painted walls
 - Ceilings
 - Bathrooms
 - Carpeted floors
 - HVAC
 - Electrical panels
- Percentage Rent - 10% Gross Sales
- Open By Summer!

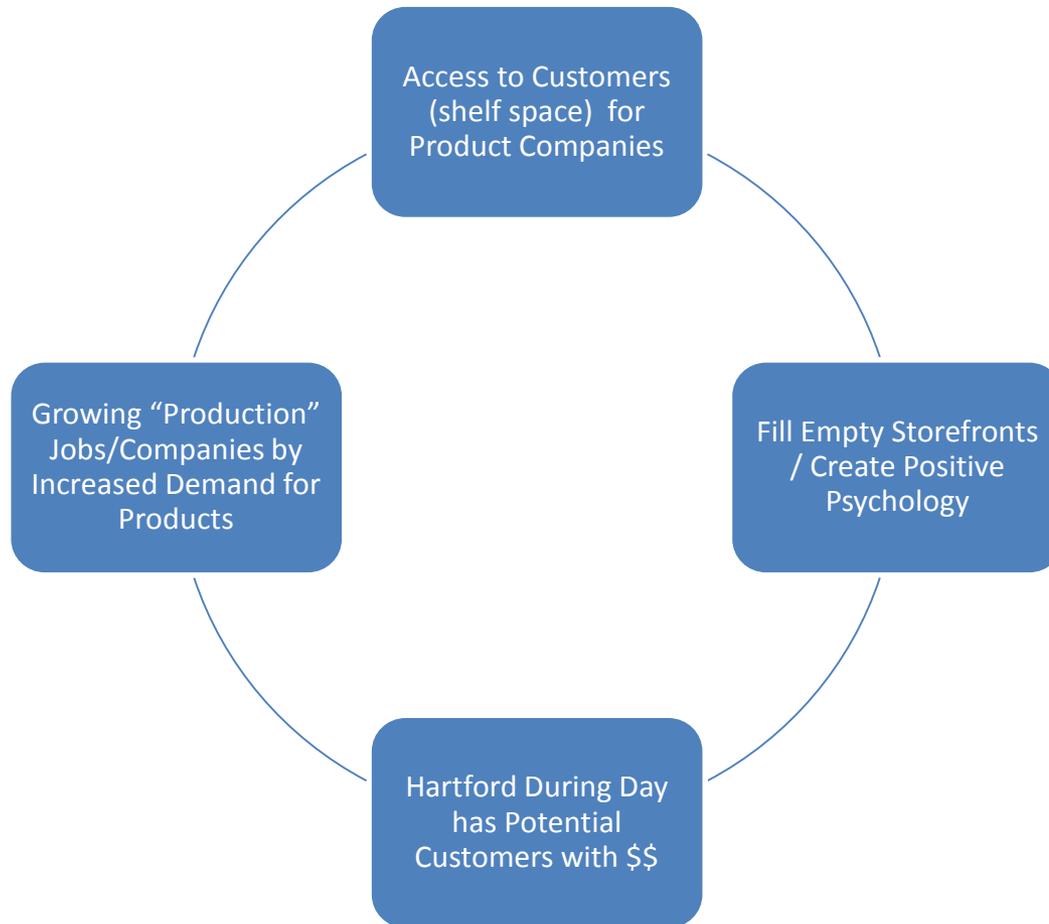
Long Term/Permanent Opportunity

- Space Delivered With:
 - Painted walls
 - Ceilings
 - Bathrooms
 - Carpeted floors
 - HVAC
 - Electrical panels
- Rent: \$15 PSF (per square foot)
 - NNV = \$6.00 PSF
- TI (Tenant Improvement) Allowance Negotiable



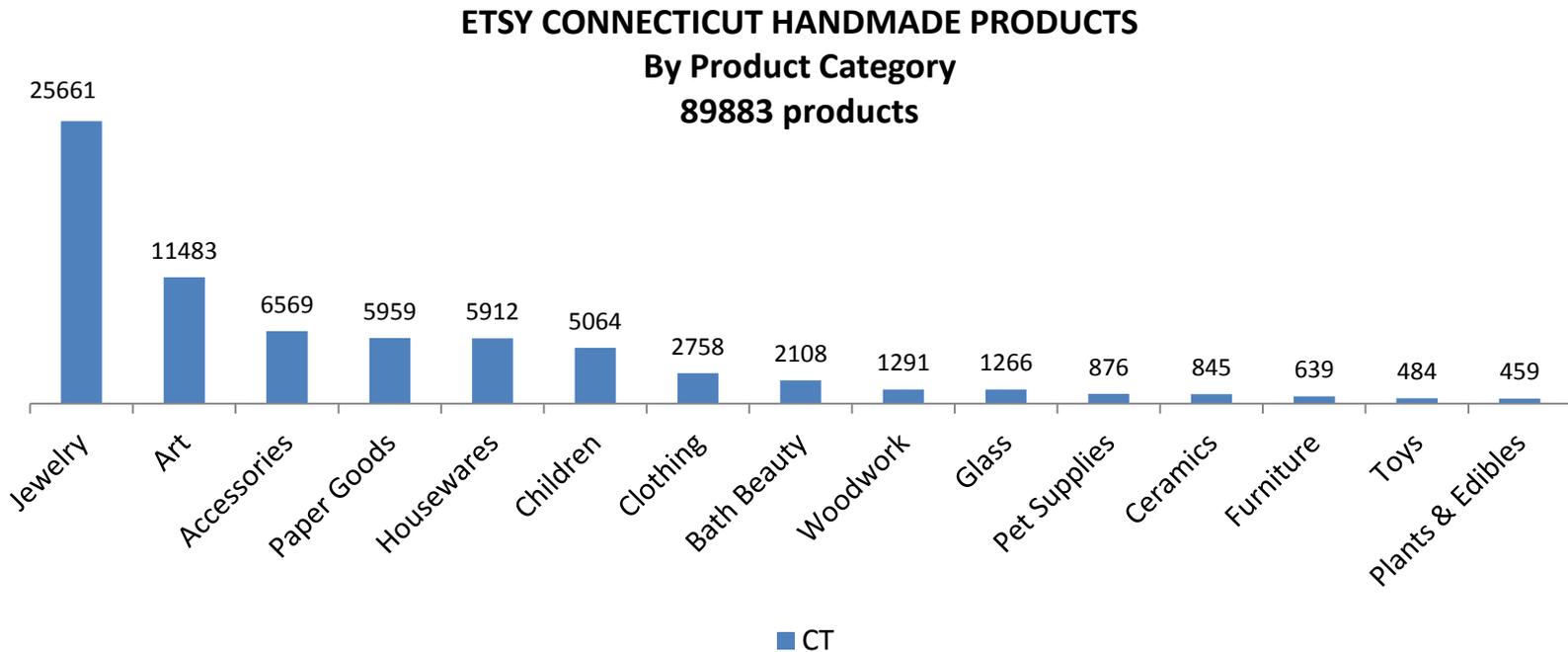
Why?

- 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



Source: NP manual count of ETSY products by shop location