

SUBMITTED TO:

Town of Hamden  
Office of Economic and Community Development  
2750 Dixwell Avenue  
Hamden, CT 06518

# MARKET ANALYSIS

REDEVELOPMENT POTENTIAL OF  
825 HARTFORD TURNPIKE  
*FORMER HIGH MEADOWS SCHOOL*

Town of Hamden, CT

**DRAFT 1**

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# ABOUT CAMOIN 310

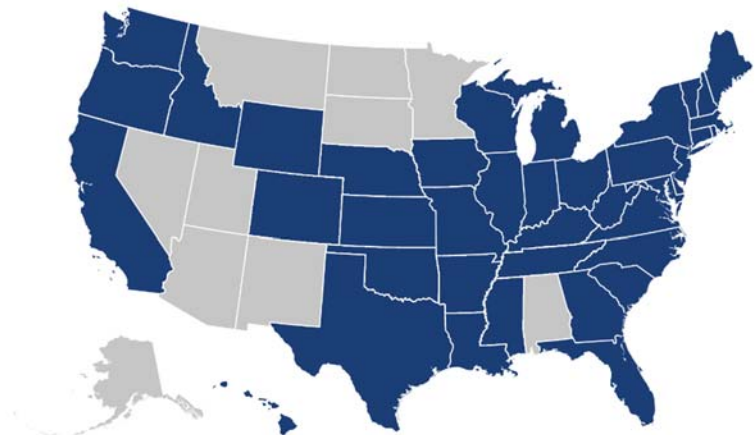
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# EXECUTIVE SUMMARY

The Town of Hamden is considering the acquisition of the former High Meadows School site, located at 825 Hartford Turnpike, from the State of Connecticut. The Town engaged Camoin 310 to conduct a market analysis and financial feasibility assessment to understand the reuse potential of the site. The Town plans to use the results of the study to inform a plan for future land disposition and/or redevelopment on the site.

## RESIDENTIAL POTENTIAL

Among the major real estate sectors (residential, office, industrial, retail), residential represents the highest potential for the study site. Steady population growth is projected for Hamden into the future, with growth expected to outpace New Haven County and the state. Population growth over the last decade has been driven by the 20-34 and 55+ age cohorts, as the large Millennial and Baby Boomer generations have aged into these categories. These groups will continue to drive growth going forward, with the largest increases expected in the 35-54 age category as Millennials reach middle age.

Over the next 5 years, housing types most in demand will be those appealing to young families and seniors. Young families will look for for-sale options, particularly at moderate price points (\$200,000 and below), including modestly sized single-family homes, townhouses, and condominium options. Rental options will continue to be in demand, though a steady pipeline of new multifamily supply in Hamden and the region over the last 5 years and weakening rent growth suggests absorption may begin to slow. The senior segments expected to grow over the next 5 years will be those in 65-79 range. Most seniors in this “middle” range live independently but may begin transitioning to assisted living and nursing care options. A diverse array of senior living options across the continuum of care will be needed, with an ongoing shift toward assisted living options as the large Baby Boomer cohort ages up.

The location of the study site makes it a natural fit for housing of various types. Surrounded almost entirely by single-family residences and located in close proximity to employment and shopping options in Hamden, North Haven, and New Haven, it would be a logical location for single-family homes, townhomes, multifamily rental, senior independent living, assisted living, or other residential/institutional uses. Affordable housing of any type would also be absorbed quickly and contribute to meeting the Town’s 10% affordable housing goal.

## COMMERCIAL POTENTIAL

Commercial use potential for the site is constrained by both overall demand and site-specific characteristics.

### OFFICE

Growth in employment for office-utilizing industries in both Hamden and New Haven County was projected to remain flat or decline, even before considering impacts from COVID-19. Trends indicate the office market will likely see many businesses adapting to remote work permanently, which could have a profound effect on long-term demand for office space. Other predictions suggest that a partial work-from-home model will lower the number of employees in offices at any given time, but the need for more space per worker to allow for safe distancing could potentially neutralize the impact of increased remote working. It remains to be seen what the prevailing trend will be, but in any case, office demand in Hamden is projected to be flat at best. Any need for new office space will likely be satisfied by vacant inventory or renovation of existing space, rather than new construction.

Medical office is the one significant exception to this trend, which continues to perform well nationally as a result of the aging population's increasing health care needs. In addition, a shift away from in-hospital care and toward outpatient and ambulatory care has spurred demand for medical office space. Such space is often sited either adjacent to hospitals, along retail corridors, or co-located with senior living facilities.

## INDUSTRIAL

The industrial market regionally has seen relatively low construction activity, with the key exception of several very large Amazon warehouses and distribution centers. As a result, vacancy rates across space types in Hamden are quite low, at just 3.4%. This is driven primarily by a very low vacancy rate for logistics buildings of just 1.7%. Rents have trended upward over the last five years, pointing to healthy demand and somewhat constrained supply.

Among commercial use types, the industrial market has fared the best in the wake of COVID-19, with the acceleration in the shift to e-commerce providing a buffer against the crisis. Industry sectors occupying industrial space have been better able to institute social distancing protocols without major impacts on operations. Warehousing is anticipated to drive demand over the near to mid-term, though demand for other light industrial use types such as flex space will remain steady.

## RETAIL & RESTAURANT

Regionally, retail space had been underperforming with rents down 6.2% in the last year alone due to COVID-19. Even prior to the pandemic, construction had been fairly minimal in Hamden and the broader New Haven County region. As of 2020, over 150,000 SF of Hamden's retail space is vacant. Vacancies in New Haven County are expected to increase from 5% to 7% by 2021, representing over 1 million SF of newly vacant space over a one-year period.

The retail market has been hit particularly hard by the pandemic. Lenders are avoiding retail assets more than any other and retail delinquencies have spiked dramatically. Restaurants, as widely reported, have suffered tremendously and early estimates have suggested that anywhere from 10% to 40% of restaurants may close permanently. While the full impact of COVID on the retail market is unclear, the shift to e-commerce will continue to accelerate and a sizable segment of retail building stock could be converted entirely or partially to warehousing and fulfillment uses.

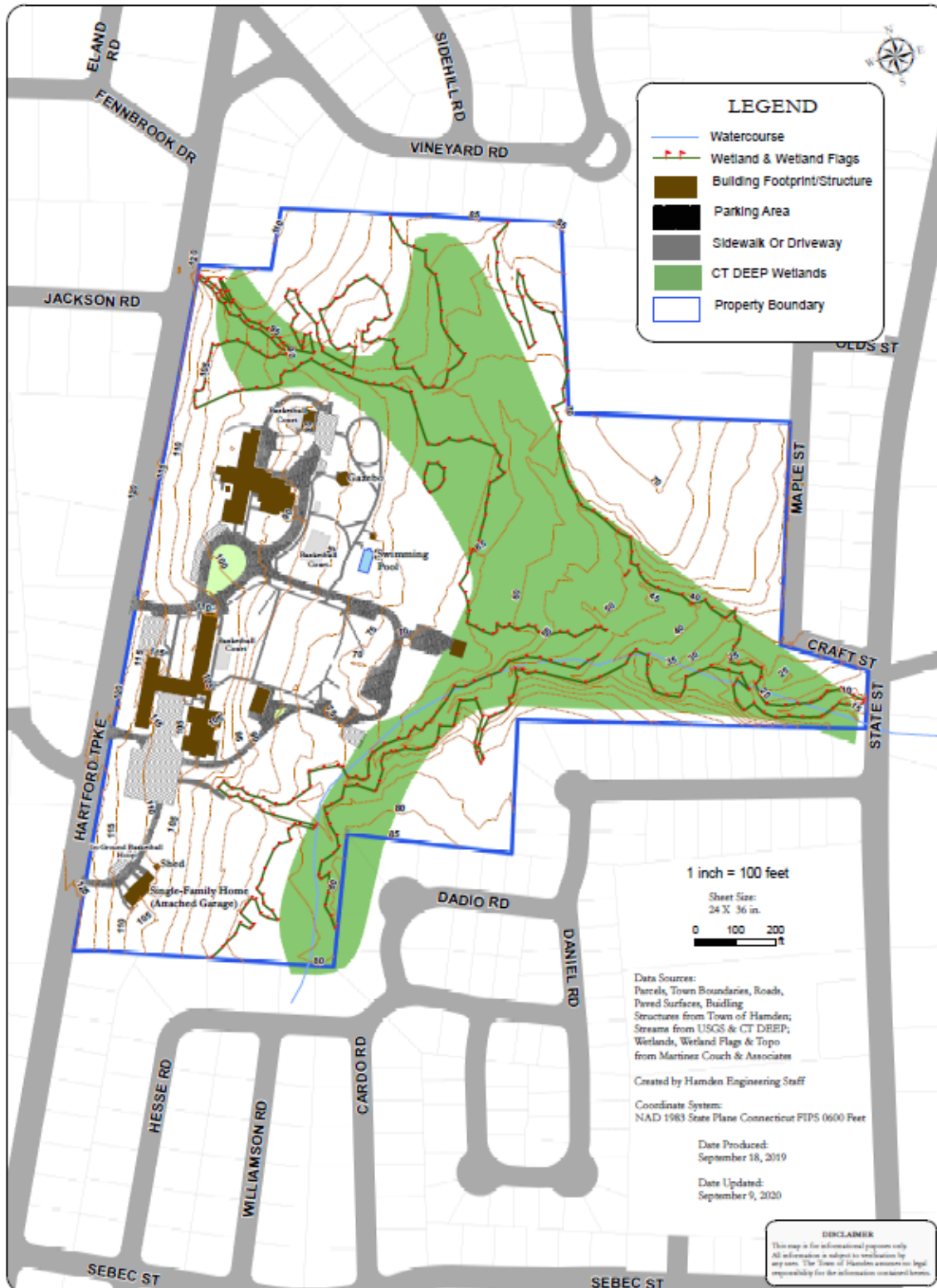
## SITE CONSTRAINTS

Site-specific characteristics, including location, road access, presence of slopes and wetlands, have an impact on the desirability of the site for redevelopment.

The campus portion of the site is largely cleared and measures roughly 16 acres or 30% of the total parcel area (see location of buildings and driveways on map on next page). The remaining 70%+/- of the site is wooded. Of the wooded area, a large portion is designated as wetlands by CT DEEP, which effectively divides the parcel into two non-wetlands areas: the existing campus on the west side, and an undeveloped area of about 4 to 5 acres on the east side, sloping downward to meet Maple Street. The 140-foot frontage along State Street (US-5) is primarily characterized by wetlands and relatively steep slopes.

Transportation and access concerns considerably limit the commercial use potential of the site. While the site does abut State Street, a sizable commercial thoroughfare, any driveway into the site from the State Street side would most likely need to be placed on Maple Street rather than State Street itself, due to the presence of wetlands and steep slopes along the short State Street frontage. This would require vehicle traffic to pass through the Craft Street/Maple Street residential neighborhood in order to access the site. Truck traffic generated by any potential industrial or retail uses would be funneled past existing homes in this neighborhood.





# 825 Hartford Turnpike Property

Site Amenities, Topography & Wetlands

Town of Hamden, CT

This access configuration would effectively obscure any visibility of the parcel from US-5, an important consideration for any consumer-oriented uses reliant on pass-by traffic, such as retail. Moreover, the non-wetland acreage located on this side of the property is fairly small (4-5 acres). After considering parking requirements, the maximum building size that could be placed here would likely not justify the significant site work that would be needed. While the developable area could be expanded by obtaining necessary permits to build on existing wetlands, this would likely be cost prohibitive.

As a result, this eastern portion of the site would not make economic sense for most commercial uses, as there would be no compelling reason to build here rather than on better suited sites in other locations within the region. If developed at all, this area would best accommodate low to moderate density residential uses, such as single-family homes and duplexes.

Therefore, the main developable portion of the parcel would remain the 16 acres where the existing buildings are located. Vehicular access would be from the Hartford Turnpike side only, as is currently the case. Given the fact that the site is surrounded by single-family homes and must be accessed via the residential areas that Hartford Turnpike traverses, the most compatible uses would need to be relatively low impact in terms of traffic and noise. This may include any mix of residential uses, including single-family homes, townhomes, multifamily apartments, or independent senior housing. A senior care facility, with or without associated medical office space, could also be appropriate and consistent with market demand. While potentially feasible from a market demand perspective, industrial uses such as warehouse or flex buildings would likely not be a desirable fit given the site’s residential surroundings.

A summary of reuse potential by use type is presented in the following table.

High Meadows Site Reuse Potential Summary			
Use Type	Market Demand	Site Compatibility	Current Zoning Compliance (R4 Zone)
Single-Family Homes	Moderate	High	Yes
Duplex/Triplex Homes	Moderate	High	No
Townhouses*	Moderate	High	No**
Apartments*	Moderate	High	No**
Senior Apartments*	Strong	High	No**
Senior Care/Assisted Living Facility	Strong	High	Yes***
General Office	Weak	Medium	No
Medical Office	Strong	Medium	No
Warehouse	Strong	Low	No
Light Industrial	Moderate	Low	No
Retail/Restaurant	Weak	Medium	No

\*20% of multifamily units (including apartment and townhouse units) are required to be affordable in buildings with 5 or more units.

\*\*Multifamily (including apartments and townhouses) allowed in R4 zone by special permit, but only along certain streets. Hartford Turnpike is not a permitted street.

\*\*\*Managed residential community allowed by special permit



# 1. INTRODUCTION

The Town of Hamden is considering the acquisition of the former High Meadows School site, located at 825 Hartford Turnpike, from the State of Connecticut. The Town engaged Camoin 310 to conduct a market analysis and financial feasibility assessment to understand the reuse potential of the site. The Town plans to use the results of the study to inform a plan for future land disposition and/or redevelopment on the site.

The report is organized into the following sections:

- **Demographic Profile** – details demographic and socioeconomic trends in Hamden and the surrounding region
- **Economic Profile** – assesses trends in industry and employment growth
- **Site Profile** – discusses site physical and locational characteristics, as well as zoning considerations
- **Real Estate Market Analysis** – analyzes the site’s development potential based on real estate market conditions for several use types: residential, office, industrial, and retail/restaurant
- **Financial Feasibility Assessment** – evaluates the financial return potential of two likely reuse scenarios, in consideration of market-supported uses and community input

[Financial feasibility section is forthcoming, pending input on reuse scenarios from the advisory team and community.]

It should be noted that COVID-19 continues to have extremely significant impacts on economies and real estate markets throughout the world. At the current moment, there remains great uncertainty as to how long the pandemic will last and the magnitude and duration of resulting economic impacts. As noted throughout the report, certain impacts are not yet reflected in economic data due to time lags in data collection. The findings of this study consider viable reuse options for the site given available data and information on continuously unfolding trends.

## GEOGRAPHIES STUDIED

The study examines several geographies to compare local and regional trends and align with available data sources.

### ZIP CODE 06517

The High Meadows School site is located at 825 Hartford Turnpike, within ZIP code 06517. Demographics specific to this ZIP code are analyzed.

### TOWN OF HAMDEN

The Town of Hamden's demographics and markets are examined throughout this report.

### NEW HAVEN COUNTY

The Town of Hamden is located within New Haven County. Employment, demographic, and market trends are examined for the county geography to provide local context.

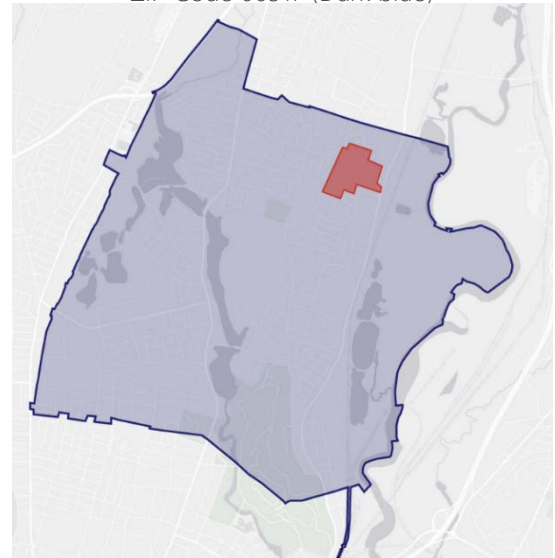
### HOUSING MARKET AREA

The Housing Market Area includes 16 cities and towns and is used to understand residential trends in the area surrounding Hamden. For a detailed map, refer to the residential real estate analysis section.

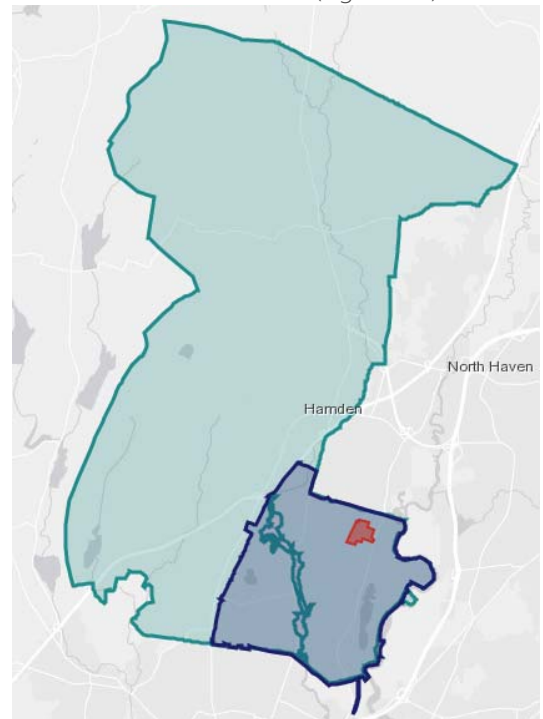
### CONNECTICUT AND THE UNITED STATES

Connecticut and the United States are examined for comparison where applicable to provide broader geographic context.

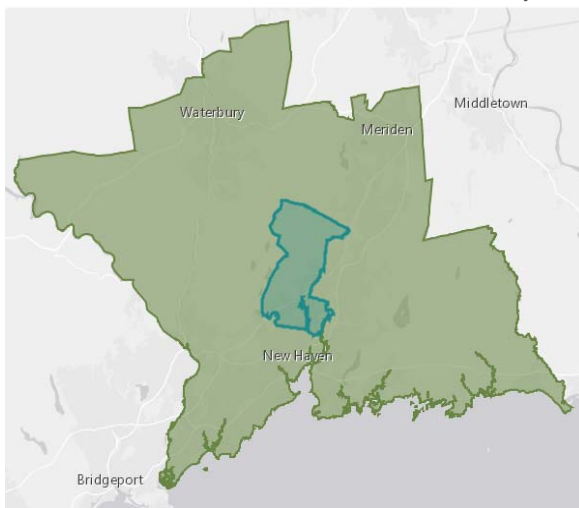
High Meadows School Site (Red) within ZIP Code 06517 (Dark blue)



High Meadows School Site (Red) within ZIP Code 06517 (Dark blue) and the Town of Hamden (Light Blue)



Town of Hamden (Blue) within New Haven County (Green)



## 2. DEMOGRAPHIC PROFILE

### POPULATION GROWTH

Over the last five years, the Town of Hamden’s population is estimated to have increased by about 2% to about 62,500 in 2020, adding approximately 1,200 new residents. The rate of population growth in the town has outpaced that of both New Haven County and Connecticut. According to projections from the State of Connecticut, Hamden’s population growth rate is expected to accelerate through 2030, followed by continued but slowing growth through 2040. Growth in Hamden will continue to outpace the county and state.

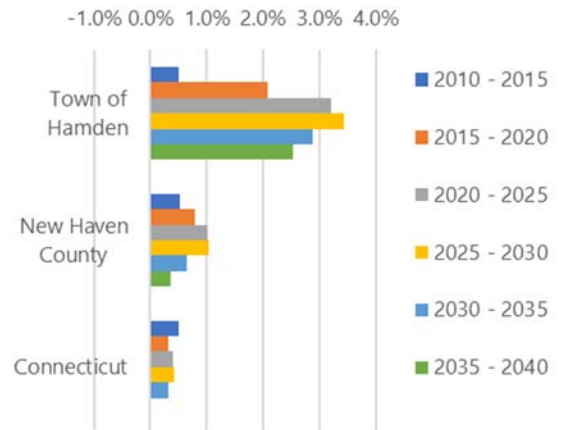
### AGE

Population growth over the last decade has been driven by the 20-34 and 55+ age cohorts, as the large Millennial and Baby Boomer generations have aged into these categories. These groups will continue to drive growth going forward, with the largest increases expected in the 35-54 age category as Millennials reach middle age. All cohorts are expected to grow, with the exception of 55-64, as Baby Boomers age up and are followed by the smaller Generation X. The senior population (65+) in Hamden will peak between 2030 and 2035, as Baby Boomers reach old age. Births in Hamden are anticipated to increase through 2040, with the under-5 cohort projected to expand at the highest rate of any cohort over the coming decade. Deaths will begin to exceed new births once the senior population peaks, but positive net in-migration is expected to contribute to continued population growth over the next 20 years.

As of 2020, the median age in the Town of Hamden was 38.6 years old, ranking younger than the county, state, and on par with the US. Connecticut is an older state with a median age of 40.0 years old, compared to 37.1 nationally.

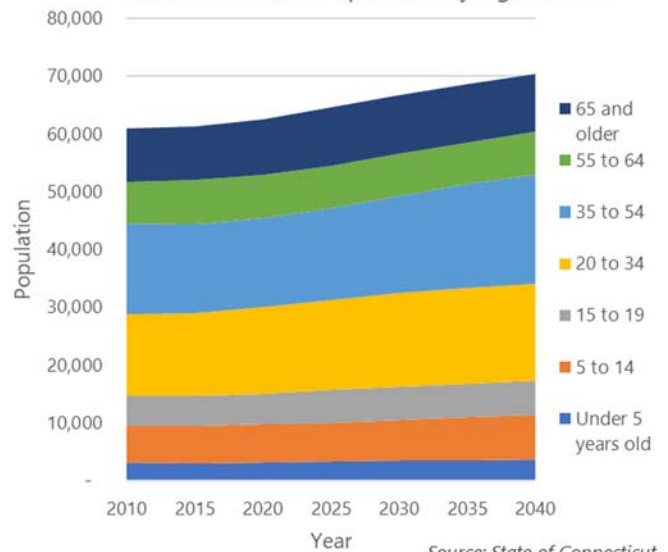
The 06517 ZIP is older than the town as a whole, since it has a smaller student population than other ZIP codes in closer proximity to Quinnipiac University.

Population Growth



Source: State of Connecticut

Town of Hamden Population By Age Cohort



Source: State of Connecticut

Median Age, 2010 - 2025					
	2010	2020	2025	Annual Growth Rate 2010 - 2020	Annual Growth Rate 2020 - 2025
ZIP Code 06517	42.8	44.6	45.0	0.4%	0.2%
Town of Hamden	37.3	38.6	39.5	0.3%	0.5%
New Haven County	39.2	40.7	41.6	0.4%	0.4%
Connecticut	40.0	41.6	42.3	0.4%	0.3%
United States	37.1	38.5	39.3	0.4%	0.4%

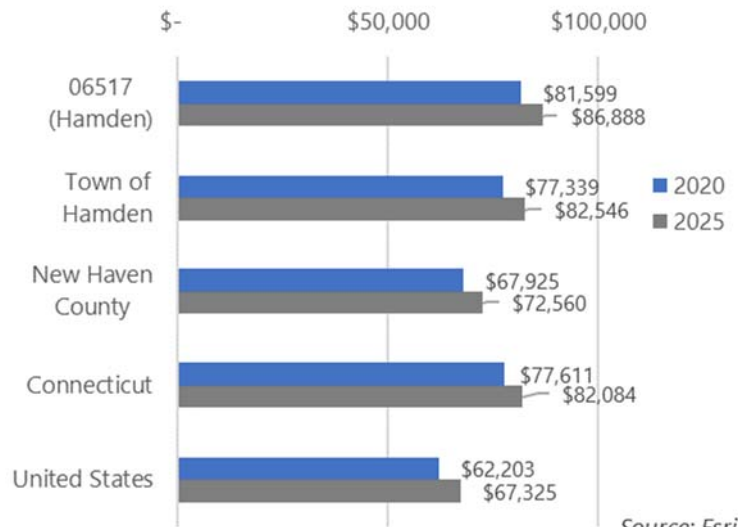
Source: Esri

## INCOME

At nearly \$82,000, median household income is higher in ZIP code 06517 compared to the town (\$77,000), county (\$68,000), state (\$78,000), and nation (\$62,303). Looking forward to 2025, all geographies are expected to see growth in incomes around 6-8%.

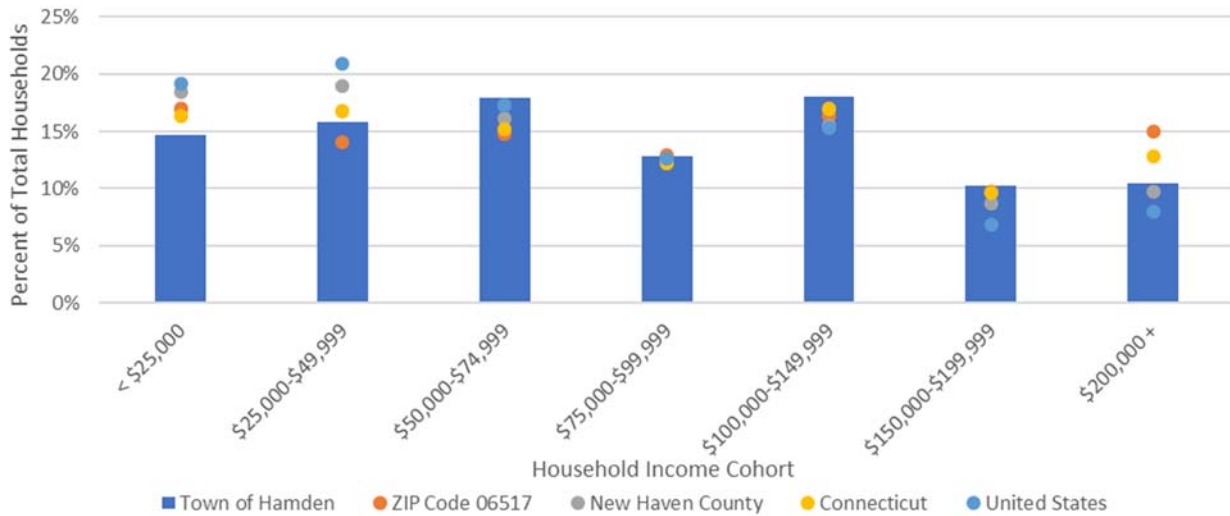
The following figure displays the income distribution by households for the Town of Hamden compared to the ZIP code, county, and state. ZIP code 06517 leads in households earning greater than \$200,000 with 15% of its total households compared to 10% in the town.

Median Household Income, 2020 - 2025



Source: Esri

Income Distribution by Households, 2020



Source: Esri

## HOUSEHOLDS

Households in ZIP code 06517 are expected to grow at an annual rate of 0.74% compared to 0.10% in the town. The average household size in the Town of Hamden is 2.37 people, slightly higher than the ZIP code 06517 at 2.37. Household size is expected to remain relatively stable across all geographies into 2025.

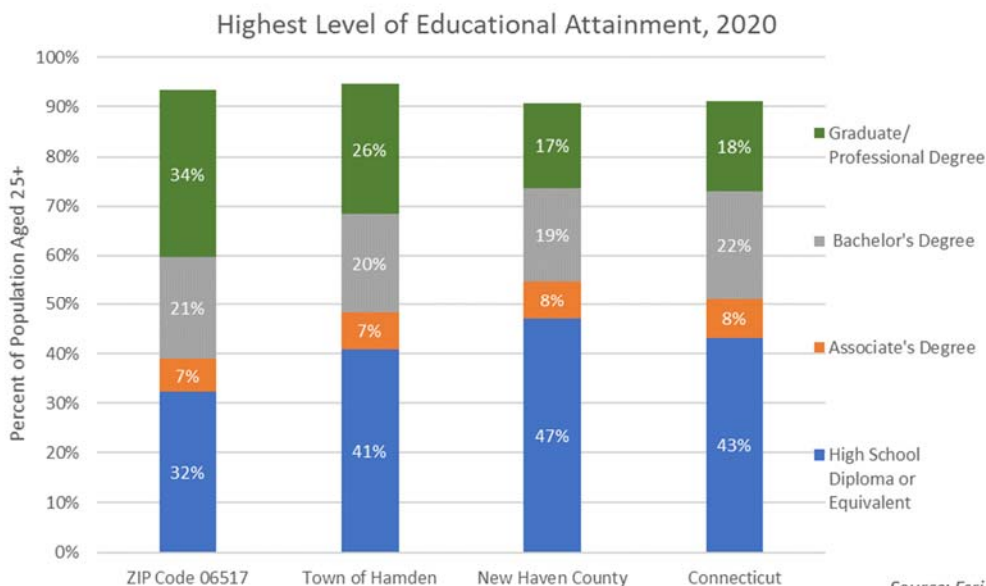
In terms of family households,<sup>1</sup> both the town and county are expected to see a decline while the ZIP code is expected to attract/grow families at a rate of 0.53% per year till 2025.

## EDUCATION

The Town of Hamden and ZIP code 06517 have high educational attainment across their populations aged 25 and older with 26% of the town's population and 34% of the ZIP code's population with a graduate or professional degree compared to 17% in the county and 18% across the state.

Household Demographics, 2020 - 2025			
Households			
	2020	2025	Annual Growth Rate
ZIP Code 06517	6,798	7,054	0.75%
Town of Hamden	23,834	23,951	0.10%
New Haven County	335,940	335,201	(0.04%)
Connecticut	1,390,973	1,396,206	0.08%
United States	126,083,849	130,658,485	0.73%
Average Household Size			
	2020	2025	Annual Growth Rate
ZIP Code 06517	2.25	2.25	0.00%
Town of Hamden	2.37	2.37	0.00%
New Haven County	2.49	2.50	0.08%
Connecticut	2.52	2.52	0.00%
United States	2.58	2.59	0.08%
Family Households			
	2020	2025	Annual Growth Rate
ZIP Code 06517	3,887	3,991	0.54%
Town of Hamden	14,198	14,188	(0.01%)
New Haven County	214,307	213,096	(0.11%)
Connecticut	912,480	913,068	0.01%
United States	82,747,156	85,436,143	0.65%

Source: Esri



<sup>1</sup> Families include a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption; therefore, family households are equal to the number of families. Family households can also include unrelated nonfamily members.

**RACE & ETHNICITY**

Race, ethnicity, and diversity data are displayed for the comparison geographies below. All geographies are majority white with sizable black/African American and Hispanic minorities. Esri’s Diversity Index captures the racial and ethnic diversity of a geographic area in a single number, from 0 (no diversity) to 100 (complete diversity), where an area's index tends toward 100 when the population is more evenly divided across race and ethnic groups.<sup>2</sup> Hamden and New Haven County are slightly more diverse than Connecticut as a whole.

Race/Ethnicity, 2020				
	06517 (Hamden)	Town of Hamden	New Haven County	Connecticut
White	62.9%	62.1%	70.1%	73.1%
Black/African American	24.1%	23.5%	14.1%	11.2%
Asian	5.1%	6.4%	4.3%	4.9%
American Indian/Alaska Native	0.2%	0.2%	0.4%	0.4%
Pacific Islander	0.0%	0.0%	0.0%	0.0%
Other Race	3.9%	4.2%	7.8%	7.1%
Two or More Races	3.7%	3.5%	3.3%	3.2%
Hispanic	12.0%	12.3%	19.7%	17.4%
Minority	43.3%	43.9%	39.4%	35.1%
Diversity Index	64.0	65.1	65.0	60.8

Source: Esri

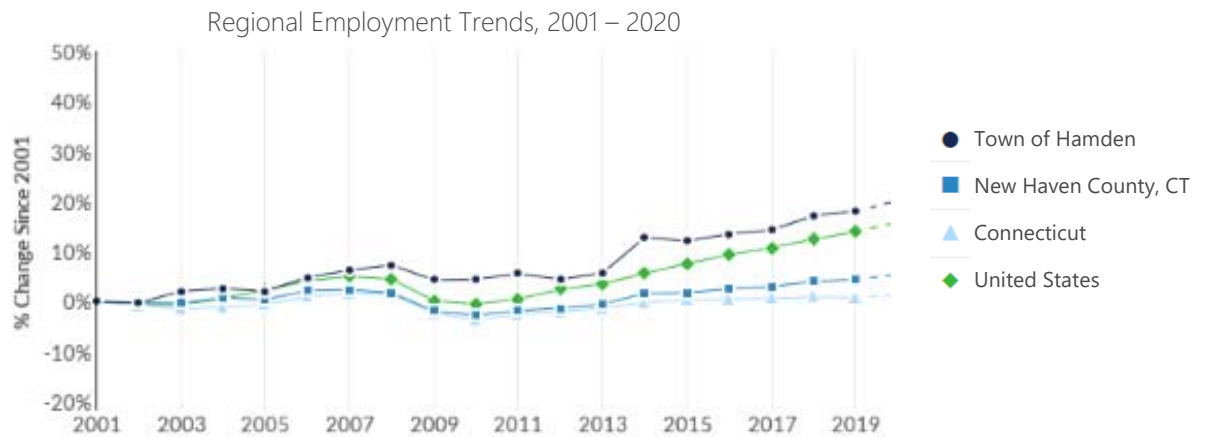
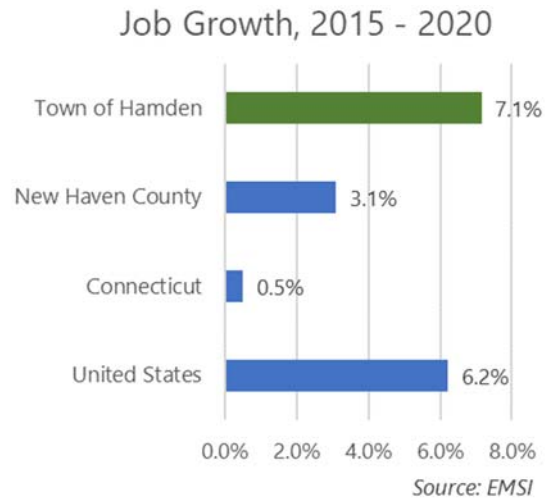
<sup>2</sup> Esri



### 3. ECONOMIC PROFILE

Economic data for the Town of Hamden is gathered for the three ZIP codes that comprise the town: 06517, 06514, and 06518. Before the Great Recession, employment growth in the Town of Hamden, New Haven County, and Connecticut were similar to national growth. Following the 2008 recession employment fell in all geographies until it began rebounding in 2010. Since 2010, growth at the national level has drastically outpaced growth in Connecticut.

During the last five years from 2015 to 2020,<sup>3</sup> national employment grew by 6.2% while growth in Connecticut was a mere 0.5%. Between 2015 and 2020, job growth in New Haven county outpaced state growth at 3.1% and the Town of Hamden grew even greater at 7.1%.

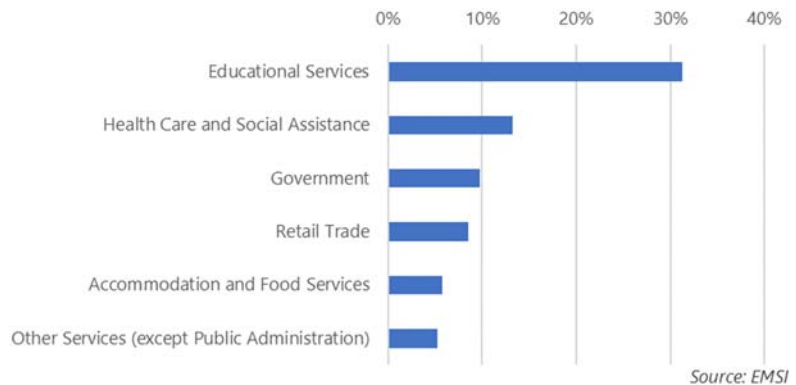


Data for 2020 jobs included in this report reflects average job counts for the first quarter of 2020, and therefore does not capture impacts from COVID-19. Sectors across the economy have been significantly impacted by contractions in investment and spending due to the pandemic. Impacts have been uneven across sectors, with the most significantly impacted sectors being those relying on in-person consumer spending, namely Accommodations and Food Services (e.g. hotels and restaurants), and Arts, Entertainment, and Recreation (e.g. entertainment venues, gyms, movie theaters, etc.). Retail Trade, Wholesale Trade, and Transportation and Warehousing have also been impacted as a result of the shift from in-store to online shopping and overall dip in retail spending.

<sup>3</sup> EMSI’s 2020 employment figures and projections in this report do not factor in impacts from COVID-19.

The Town of Hamden’s top employment sectors include Educational Services (31% of total jobs), Health Care and Social Assistance (13%), Government (10%), Retail Trade (9%), and Accommodation and Food Services (6%). The majority of these sectors primarily serve the local and regional population, meaning they do not export goods and services outside the region or attract significant spending from beyond the region except for Educational Services which includes Quinnipiac University which has a more regional draw. Sectors such as Manufacturing and Professional, Scientific, and Technical Services, which comprise 4% of all jobs in Hamden each, are considered traded sectors and attract spending from outside of the region.

Top Employment Sectors in the Town of Hamden  
(Share of Total Jobs)



Source: EMSI

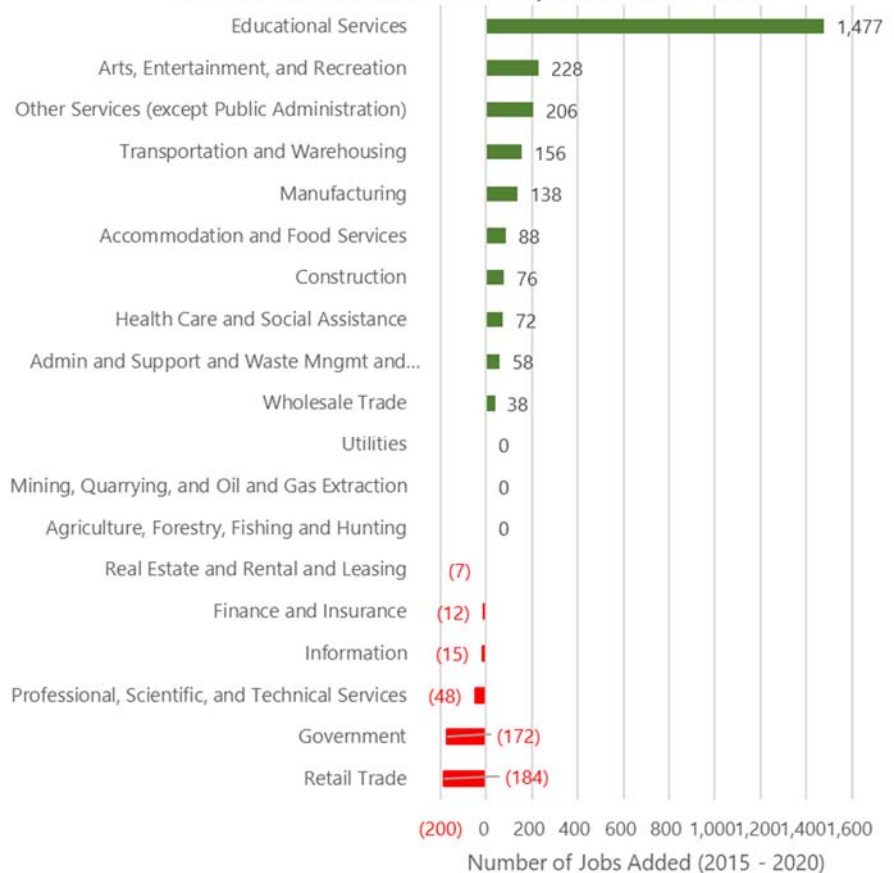
### INDUSTRIES DRIVING GROWTH/DECLINE

Between 2015 and 2020, Hamden’s employment base grew by 2,097 jobs. The top industries driving growth in Hamden are as follows:

- Educational Services (adding 1,477 jobs for a growth of 17.7% in the industry)
- Arts, Entertainment, and Recreation (228 jobs, 66.7%)
- Other Services (except Public Administration) (206 jobs, 14.2%)<sup>4</sup>
- Transportation and Warehousing (156 jobs, 20.3%)
- Manufacturing (128 jobs, 12.3%)

During that same period, several industries remained stagnant with no job gains and other industries shed jobs. Top industries that shed jobs include:

Town of Hamden Job Growth by Sector, 2015 - 2020



Source: EMSI

<sup>4</sup> The largest industries within the Other Services sector in Hamden include personal care services (barbers, salons, etc.); auto repair; religious, civic, and social organizations; and private households.

- Retail Trade (losing 184 jobs for a decline of 3.8%)
- Government (-172 jobs, -5.3%)
- Professional, Scientific, and Technical Services (-48 jobs, -3.4%)
- Information (-15 jobs, -13.2%)

In general, office-space utilizing sectors have trended downward in terms of employment.

## EMPLOYMENT CONCENTRATION

In addition to having a high share of jobs, Educational Services is also the most concentrated sector in Hamden with a location quotient of 11.91.<sup>5</sup> With over 9,800 jobs as of 2020, Educational Services in Hamden comprised nearly a fourth of all Educational Services in the county. As of 2020, there were over 43,800 Educational Service jobs in the county for a location quotient of 3.93. Few sectors in the Town of Hamden has a location quotient greater than 1.00, indicating that the industry is more concentrated than the national average. Other concentrated industries include Other Services (except Public Administration) (LQ 1.11) and Health Care and Social Assistance (LQ 1.04).

Industry Overview, Town of Hamden, CT							
NAICS	Description	2015 Jobs	2020 Jobs	2015 - 2020 Change	2015 - 2020 % Change	Avg. Earnings Per Job	2019 Location Quotient
11	Agriculture, Forestry, Fishing and Hunting	-	-	0	0.0%	\$ -	-
21	Mining, Quarrying, and Oil and Gas Extraction	-	-	0	0.0%	\$ -	-
22	Utilities	-	-	0	0.0%	\$ -	-
23	Construction	970	1,046	76	7.8%	\$ 68,653	0.59
31	Manufacturing	1,126	1,264	138	12.3%	\$ 76,963	0.51
42	Wholesale Trade	668	706	38	5.7%	\$ 94,691	0.63
44	Retail Trade	2,863	2,679	(184)	(6.4%)	\$ 35,061	0.89
48	Transportation and Warehousing	767	923	156	20.3%	\$ 67,515	0.76
51	Information	106	91	(15)	(14.2%)	\$ 90,298	0.17
52	Finance and Insurance	763	751	(12)	(1.6%)	\$ 135,591	0.61
53	Real Estate and Rental and Leasing	337	330	(7)	(2.1%)	\$ 56,099	0.63
54	Professional, Scientific, and Technical Services	1,171	1,123	(48)	(4.1%)	\$ 94,907	0.55
55	Management of Companies and Enterprises	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.01
56	Administrative and Support and Waste Management and Remediation Services	1,382	1,440	58	4.2%	\$ 42,442	0.75
61	Educational Services	8,365	9,842	1,477	17.7%	\$ 76,469	11.91
62	Health Care and Social Assistance	4,086	4,158	72	1.8%	\$ 64,693	1.04
71	Arts, Entertainment, and Recreation	342	570	228	66.7%	\$ 40,962	1.00
72	Accommodation and Food Services	1,710	1,798	88	5.1%	\$ 26,035	0.66
81	Other Services (except Public Administration)	1,452	1,658	206	14.2%	\$ 29,494	1.11
90	Government	3,220	3,048	(172)	(5.3%)	\$ 94,725	0.67
99	Unclassified Industry	<10	<10	Insf. Data	Insf. Data	Insf. Data	0.14
	<b>Total</b>	<b>29,337</b>	<b>31,434</b>	<b>2,097</b>	<b>7.1%</b>	<b>\$ 67,446</b>	

Source: EMSI

<sup>5</sup> Location quotient (LQ) is a method of quantifying how concentrated a particular industry is in a region as compared to the nation. It can reveal what makes a particular region "unique" in comparison to the national average. An LQ of 1 indicates that a particular industry represents the same share of jobs locally as it does nationally, i.e. is equally concentrated. An LQ greater than 1 indicates a higher-than-average level of concentration, while an LQ less than 1 indicates a lower-than-average level of concentration.

Similar to Hamden, New Haven County is also highly concentrated in Educational Services, Health Care and Social Assistance (LQ 1.39), and Other Services (LQ of 1.14). However, New Haven County is also concentrated in Utilities (LQ 1.12) and Retail Trade (1.03).

Industry Overview, New Haven County, CT								
NAICS	Description	2015 Jobs	2020 Jobs	2015 - 2020 Change	2015 - 2020 % Change	Avg. Earnings Per Job	2019 Location Quotient	2019 Establishments
11	Agriculture, Forestry, Fishing and Hunting	1,059	1,104	45	4.2%	\$ 45,104	0.23	48
21	Mining, Quarrying, and Oil and Gas Extraction	193	192	(1)	(0.5%)	\$118,057	0.11	9
22	Utilities	1,582	1,585	3	0.2%	\$169,542	1.12	30
23	Construction	19,006	20,497	1,491	7.8%	\$ 74,040	0.85	2,018
31	Manufacturing	31,204	30,340	(864)	(2.8%)	\$ 88,716	0.94	1,134
42	Wholesale Trade	14,403	14,108	(295)	(2.0%)	\$ 90,683	0.94	1,795
44	Retail Trade	43,853	42,121	(1,732)	(3.9%)	\$ 39,033	1.03	2,879
48	Transportation and Warehousing	10,469	15,690	5,221	49.9%	\$ 59,180	0.94	489
51	Information	4,965	4,627	(338)	(6.8%)	\$101,258	0.63	436
52	Finance and Insurance	12,099	11,117	(982)	(8.1%)	\$112,269	0.67	1,122
53	Real Estate and Rental and Leasing	6,807	6,801	(6)	(0.1%)	\$ 70,919	0.95	826
54	Professional, Scientific, and Technical Services	20,722	18,848	(1,874)	(9.0%)	\$103,719	0.69	2,522
55	Management of Companies and Enterprises	4,849	4,352	(497)	(10.2%)	\$158,476	0.73	180
56	Administrative and Support and Waste Management and Remediation Services	21,407	23,297	1,890	8.8%	\$ 52,257	0.88	1,361
61	Educational Services	37,588	43,828	6,240	16.6%	\$ 74,096	3.93	422
62	Health Care and Social Assistance	71,866	75,322	3,456	4.8%	\$ 65,582	1.39	2,647
71	Arts, Entertainment, and Recreation	5,787	6,817	1,030	17.8%	\$ 31,278	0.91	358
72	Accommodation and Food Services	27,657	29,202	1,545	5.6%	\$ 25,090	0.80	2,101
81	Other Services (except Public Administration)	20,729	22,879	2,150	10.4%	\$ 33,732	1.14	4,185
90	Government	50,950	48,975	(1,975)	(3.9%)	\$ 90,142	0.79	597
99	Unclassified Industry	77	54	(23)	(29.9%)	\$105,717	0.16	90
	<b>Total</b>	<b>407,272</b>	<b>421,756</b>	<b>14,484</b>	<b>3.6%</b>	<b>\$ 68,464</b>		<b>25,249</b>

Source: EMSI

## EARNINGS<sup>6</sup>

Average earnings per job in in Town of Hamden are \$67,446, on par with average earnings in New Haven County (\$68,464). Although historically declining, the Finance and Insurance industry offers the highest earnings per job in Hamden at nearly \$134,000 per job. Overall higher-earning jobs have experienced a decline from 2015 and 2020, and are projected to continue declining into 2025 including Information, Government, and Professional, Scientific, and Technical Services. Educational services have higher than average earnings at approximately \$74,000 and are projected to add 1,280 positions by 2025. It is important to note that this projection is based on pre-COVID trends and is not reflective of government cuts in funding at the state and federal levels.

<sup>6</sup> Industry earnings are the total industry wages, salaries, supplements, and proprietor income divided by the number of jobs in the region.

## COMPETITIVENESS

To understand the competitiveness of a geography we utilize a standard economic analysis method referred to as shift-share analysis. Shift share analysis examines how much of local job growth, or decline, is attributed to national trends and how much is attributed to unique local factors. The “competitive effect” component of shift share is the difference between the expected employment growth in a particular industry within a local area, based on national growth in that industry and overall national economic growth, and actual employment growth experienced by that locality’s industry. If the competitive effect is positive, this means the locality is relatively competitive compared to other metros. A negative competitive effect means it is less competitive.

The competitive effect provides further insight beyond simply looking at the overall growth or decline of an industry. An industry might show growth in given geography but still have a negative competitive effect, indicating it has not grown as much as it has in other parts of the country.

Shift share analysis demonstrates that if employment in the Town of Hamden had grown at the same pace as it did nationally, the town would have added 2,439 jobs between 2015 and 2020. Instead, the town added 2,097,

Town of Hamden Shift Share Analysis, 2015 - 2020						
NAICS	Description	A	B	C	D	E
		National Growth	Ind. Mix Effect	Expected Change (A + B)	Actual Change	Competitive Effect (D - C)
11	Agriculture, Forestry, Fishing and Hunting	-	-	-	-	-
21	Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-
22	Utilities	-	-	-	-	-
23	Construction	74	84	158	76	(83)
31	Manufacturing	86	(30)	56	137	81
42	Wholesale Trade	51	(46)	5	37	32
44	Retail Trade	219	(214)	5	(183)	(189)
48	Transportation and Warehousing	59	118	177	156	(21)
51	Information	8	(3)	5	(15)	(20)
52	Finance and Insurance	58	(4)	54	(13)	(67)
53	Real Estate and Rental and Leasing	26	10	36	(7)	(43)
54	Professional, Scientific, and Technical Services	90	64	154	(47)	(200)
55	Management of Companies and Enterprises	-	-	-	<10	(1)
56	Administrative and Support and Waste Management and Remediation Services	106	(4)	102	58	(44)
61	Educational Services	640	123	763	1,477	714
62	Health Care and Social Assistance	313	207	520	72	(447)
71	Arts, Entertainment, and Recreation	26	20	46	229	182
72	Accommodation and Food Services	131	53	184	88	(96)
81	Other Services (except Public Administration)	111	(27)	84	206	122
90	Government	246	(155)	91	(172)	(263)
99	Unclassified Industry	-	(2)	(2)	<10	1
	<b>Total</b>	<b>2,245</b>	<b>194</b>	<b>2,439</b>	<b>2,097</b>	<b>(341)</b>

Source: EMSI

New Haven County Shift Share Analysis, 2015 - 2020						
NAICS	Description	A	B	C	D	E
		National Growth	Ind. Mix Effect	Expected Change (A + B)	Actual Change	Competitive Effect (D - C)
11	Agriculture, Forestry, Fishing and Hunting	81	(79)	2	45	43
21	Mining, Quarrying, and Oil and Gas Extraction	15	(32)	(17)	(1)	16
22	Utilities	121	(110)	11	3	(7)
23	Construction	1,454	1,649	3,103	1,491	(1,612)
31	Manufacturing	2,388	(833)	1,555	(864)	(2,419)
42	Wholesale Trade	1,102	(994)	108	(295)	(403)
44	Retail Trade	3,356	(3,276)	80	(1,732)	(1,812)
48	Transportation and Warehousing	801	1,608	2,409	5,221	2,813
51	Information	380	(157)	223	(338)	(560)
52	Finance and Insurance	926	(57)	869	(982)	(1,851)
53	Real Estate and Rental and Leasing	521	209	730	(6)	(737)
54	Professional, Scientific, and Technical Services	1,586	1,129	2,715	(1,874)	(4,589)
55	Management of Companies and Enterprises	371	204	575	(497)	(1,073)
56	Administrative and Support and Waste Management and Remediation Services	1,638	(69)	1,569	1,890	321
61	Educational Services	2,876	552	3,428	6,240	2,811
62	Health Care and Social Assistance	5,499	3,635	9,134	3,456	(5,678)
71	Arts, Entertainment, and Recreation	443	343	786	1,030	244
72	Accommodation and Food Services	2,116	861	2,977	1,545	(1,432)
81	Other Services (except Public Administration)	1,586	(384)	1,202	2,150	947
90	Government	3,899	(2,453)	1,446	(1,975)	(3,421)
99	Unclassified Industry	6	(37)	(31)	(23)	8
	<b>Total</b>	<b>31,166</b>	<b>1,710</b>	<b>32,876</b>	<b>14,484</b>	<b>(18,391)</b>

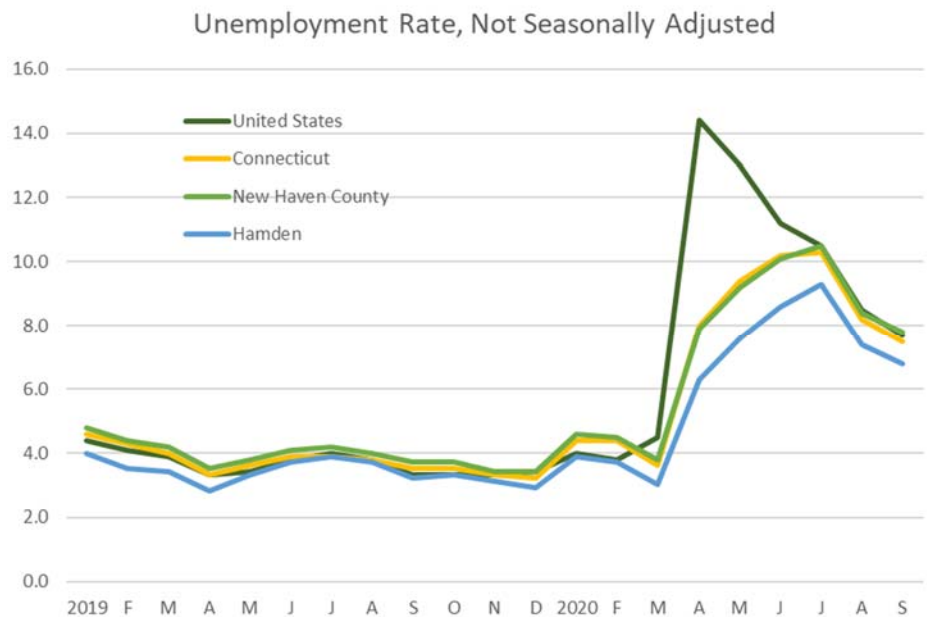
Source: EMSI

leading to a negative competitive effect of 341. Based on actual change in jobs by sector much of the negative competitive effect is led by job declines in Retail Trade and Government as well as weak growth in Health Care and Social Assistance. Hamden has significantly outpaced growth in Educational Services providing a slight boost to competitiveness for the Town of Hamden.

This trend is not unique to New Haven County. New Haven County also displays a negative competitive effect led by job declines in several industries including a large decline in Government; Professional, Scientific, and Technical Services; and Retail Trade.

## UNEMPLOYMENT

The unemployment rate in Connecticut did not spike as immediately in response to COVID as it did in other states. The US unemployment rate (seasonally unadjusted) peaked in April at 14.4% and has fallen by almost half to 7.7%, as of September. The Connecticut unemployment rate peaked in July at 10.3%, and has since tracked the national rate. Unemployment in New Haven County has closely mirrored the state.



Source: US Bureau of Labor Statistics

The unemployment rate in Hamden hovered at between 1 and 2 points lower than the state throughout the spring and summer, with that gap narrowing to about 0.7 points as of September, when the rate was 6.8%. Note that the unemployment rate is calculated base on workers' place of residence (rather than place of employment). Hamden's lower rate implies that Hamden residents hold occupations in industries that have been less impacted by COVID. Prior to the COVID outbreak, Hamden's unemployment rate was also consistently below that of the state by about half a point on average.



## COMMUTER TRENDS

The spatial relationship between job locations and residences influences the ability for employers to attract workers and for residents to find employment, and therefore, the market for real estate in a given area. Major employers located within ZIP code 06517 include small and medium-sized industrial and commercial businesses along State Street (US-5), the CTtransit facility, industrial businesses located in Hamden Business Park, ACES Leeder Hill educational campus, and others.

Note that the most recent data available for commuting is for 2017. COVID-19 has dramatically impacted commute patterns, with many workers switching to remote work either partially or fully. For some this will be a temporary arrangement, and for others it will be permanent. Nationally, it is estimated that about 45% of US workers are in occupations for which telework is feasible,<sup>7</sup> and many of these workers have indeed switched to remote work as a result of COVID.

### LOCATIONS OF WORK FOR HAMDEN (06517) RESIDENTS

Based on 2017 US Census OnTheMap data, over 96% of ZIP code 06517 residents commute out of the ZIP code for work while 4% both live and work within the ZIP. The figure to the right displays the towns and cities that 06517 residents work in. Nearly a third (31%) of residents work within the City of New Haven while 11% work within the Town of Hamden, followed by 5% in North Haven. Approximately 59% of 06517 residents work less than 10 miles away in places such as the Town of Hamden, New Haven, and North Haven. Another 22% travel 10 to 24 miles, 15% travel 25 to 50 miles, and 45% work greater than 50 miles away.

### LOCATIONS OF RESIDENCE FOR HAMDEN (06517) WORKERS

Of the workers employed in Hamden (06517), 94% live outside the ZIP code. Approximately 17% of the ZIP code workers are employed within the Town of Hamden, followed by 17% in New Haven, and 5% in West Haven. Approximately 63% of Hamden (06517) workers live less than 10 miles away, 24% travel 10 to 24 miles, 9% travel 25 to 50 miles, and 4% live greater than 50 miles away.

Where 06517 ZIP Residents are Employed		
Location	#	%
New Haven	1,902	31.3%
Hamden	652	10.7%
North Haven	312	5.1%
Bridgeport	204	3.4%
Wallingford	188	3.1%
Milford	179	2.9%
West Haven	132	2.2%
Shelton	127	2.1%
Branford	125	2.1%
Hartford	118	1.9%
All Other Locations	2,143	35.2%
<b>Total</b>	<b>6,082</b>	<b>100.0%</b>

Source: US Census OnTheMap, 2017

Where Workers Live, 06517 ZIP		
Location	#	%
Hamden	650	17.2%
New Haven	633	16.8%
West Haven	202	5.4%
North Haven	193	5.1%
Wallingford	169	4.5%
Branford	133	3.5%
East Haven	123	3.3%
Meriden	101	2.7%
Milford	97	2.6%
Cheshire	61	1.6%
All Other Locations	1,407	37.3%
<b>Total</b>	<b>3,769</b>	<b>100.0%</b>

Source: US Census OnTheMap, 2017

<sup>7</sup> American Time Use Survey

# 4. SITE PROFILE

The High Meadows School site measures approximately 50.29 acres and is located at 825 Hartford Turnpike in southeastern Hamden. The site is currently vacant and consists of eight buildings, a pool house, an in-ground pool, and a pavilion. The primary structures on site are buildings 1 and 5, which are attached and have a combined area of approximately 27,000 SF; and buildings 3 and 4, also attached and totaling about 30,000 SF. The total existing buildout of the site is approximately 65,000 SF across the eight buildings. The site is laid out as a campus with interior roads connecting the parking areas and buildings.

The existing buildout of the site is oriented toward Hartford Turnpike on its west side, which provides vehicular access. The parcel extends eastward with east-side frontage along Maple Street, Craft Street, and State Street (US-5). It is surrounded by residential land uses (primarily single-family homes) on all sides.

The campus portion of the site is largely cleared and measures roughly 16 acres or 30% of the total parcel area. The remaining 70%+/- of the site is wooded. Of the wooded area, a large portion is designated as wetlands by CT DEEP, which effectively divides the parcel into two non-wetlands areas: the existing campus on the west side, and an undeveloped area of about 4 to 5 acres on the east side, sloping downward to meet Maple Street. The 140-foot frontage along State Street (US-5) is primarily characterized by wetlands and relatively steep slopes.

Existing Buildings	
Buildings	Building Area (SF)
B-1 & B-5	26,749
B-2	-
B-3 & B-4	30,099
B-6	1,984
B-7	4,248
B-8	1,300
B-9	800
<b>Total</b>	<b>65,180</b>

Source: BL Phase 1 ESA



**FIGURE 2 - SITE PLAN**  
**FORMER HIGH MEADOWS SCHOOL**  
**825 Hartford Turnpike**  
**Hamden, Connecticut 06517**

Scale: NOT TO SCALE  
 Project Number: 2000201  
 Date: 04/14/2020

The site is served by public water and sanitary sewer. Natural gas service is provided by East River, and electric service is provided by United Illuminating.

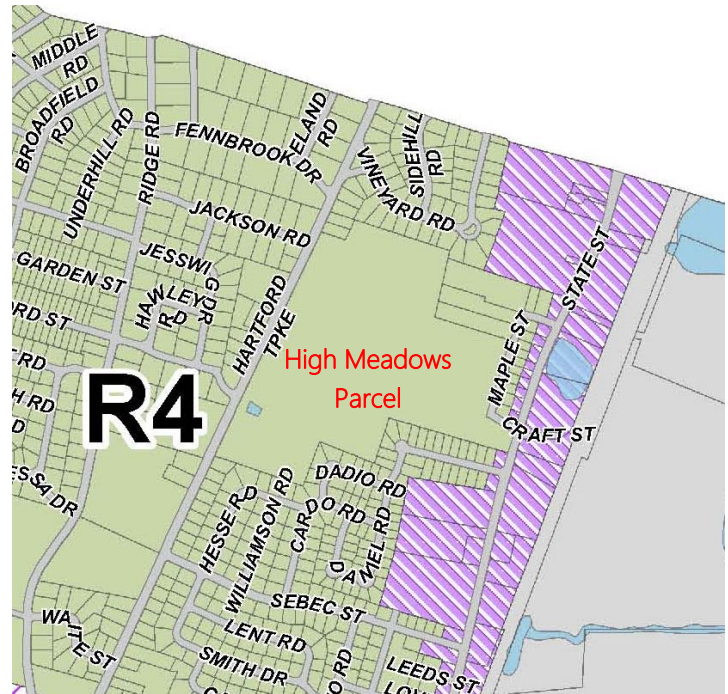
Excerpt from Town of Hamden Zoning Map

## ZONING

The parcel is zoned R4 Residential, described in the Town of Hamden Zoning Regulations as follows:

*The purpose of this zone is to provide for moderate-density one-family dwellings on individual lots where public water supply and public sewage disposal facilities are generally present. A limited number of other uses are permitted provided special conditions are met.*

The parcel is almost completely surrounded by similarly zoned parcels, with the exception of parcels along State Street (US-5). These parcels are shown in purple and white hatching in the map at right, which are zoned as T4 General Urban. This zone is described as follows:



*T3.5 & T-4 General Urban Zones consist of a mixed use but primarily residential urban fabric. They may have a wide range of building types: single, sideyard, & rowhouses. Setbacks & landscaping are variable. Streets with curbs and sidewalks define medium-sized blocks.*

Existing uses along State Street in the immediate vicinity of the subject site include a self-storage facility, warehouse/flex buildings, outdoor vehicle storage, and residences.

## TRANSPORTATION

The site is centrally located among several major transportation corridors. Both I-91 and the Wilbur Cross Parkway (CT-15), the area’s two major thoroughfares, and can be reached within a five-minute drive of the site, providing direct access to points north and south/southwest. Also within 5-10 minutes are major shopping areas and employment centers, along Dixwell Avenue and State Street in Hamden, and Sacket Point Road/Universal Drive in North Haven.

Employment opportunities and entertainment amenities in downtown New Haven can be reached by car within 10-15 minutes, along with New Haven’s State Street and Union train stations. These stations are served by Amtrak, the MetroNorth New Haven Line, Shoreline East, and the CTRail Hartford Line. A future North Haven and/or Hamden train station planned along the Hartford Line would also be located in close proximity to the site.

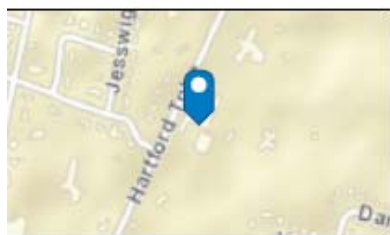
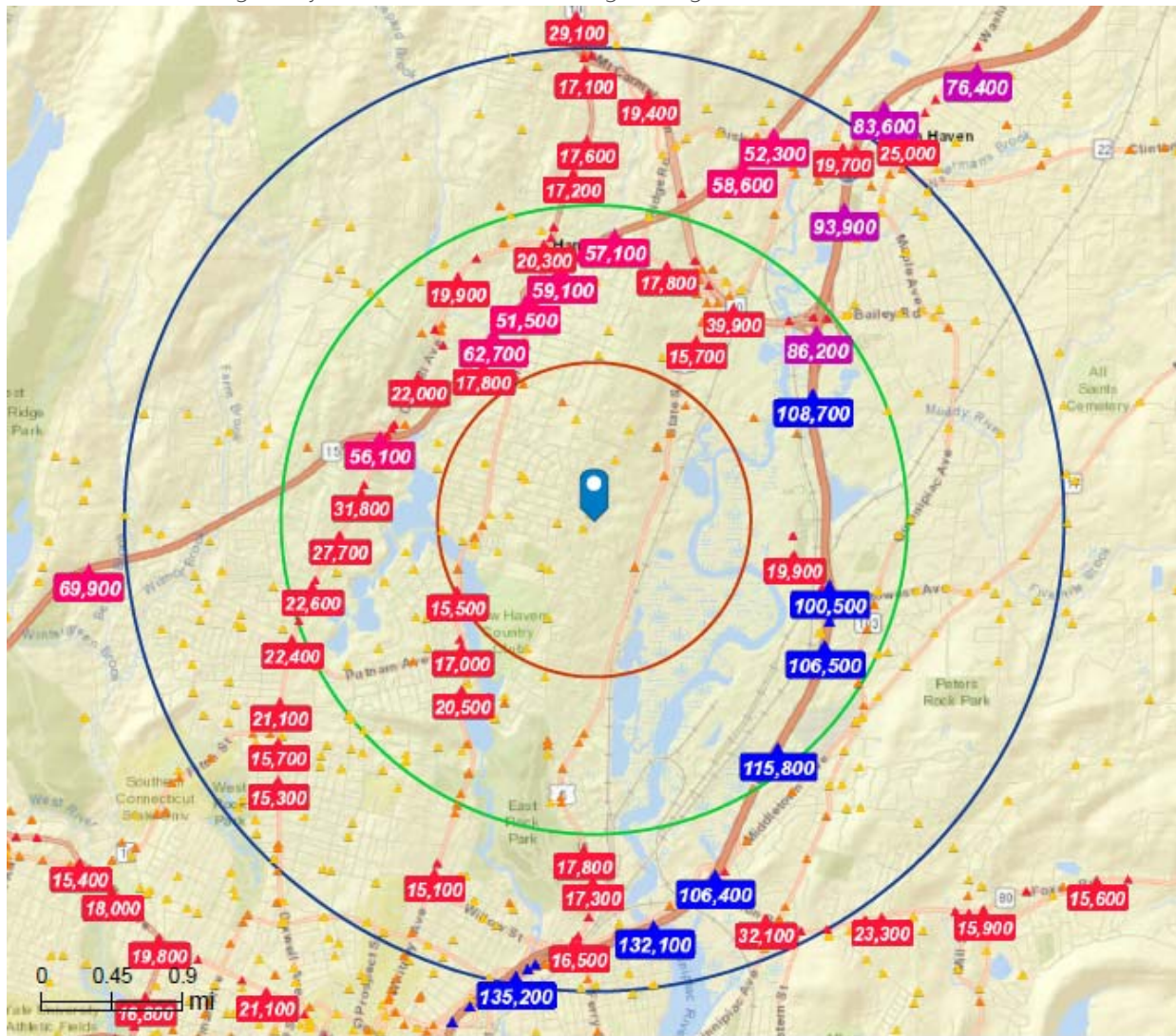
CT Transit’s 224N bus route has stops immediately adjacent to the study site on Hartford Turnpike, providing direct transit access to downtown New Haven. The 224D branch of the route passes along the State Street side of the site and terminates at the Devine Street Park & Ride Lot, about 2 miles to the north, which is served by express bus service to Hartford.



### TRAFFIC VOLUME

Average daily traffic (ADT) volumes along Hartford Turnpike adjacent to the site are under 6,000 vehicles per day. ADT along State Street (US-5) on the east side of the site are in the 6,001-15,000 range. State Street volumes are considerably below those along Dixwell Avenue (CT-10) in Hamden and Universal Drive in North Haven, both major shopping center locations. Though a US highway, State Street has relatively low traffic volumes due to the close proximity of I-91, the region’s major north-south route, located just over a mile to the east.

Average Daily Traffic Volume Surrounding the High Meadows School Site, 2020



- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
  - ▲ 6,001 - 15,000
  - ▲ 15,001 - 30,000
  - ▲ 30,001 - 50,000
  - ▲ 50,001 - 100,000
  - ▲ More than 100,000 per day



Source: Esri

# 5. REAL ESTATE MARKET ANALYSIS

The real estate market analysis evaluates the development potential for various use types on the study site. The analysis explores recent development trends locally, regionally, and nationally, and compares supply and demand for each type of space:

- Residential, including senior living/care
- Office
- Industrial
- Retail & Restaurant

## 5.1 RESIDENTIAL MARKET

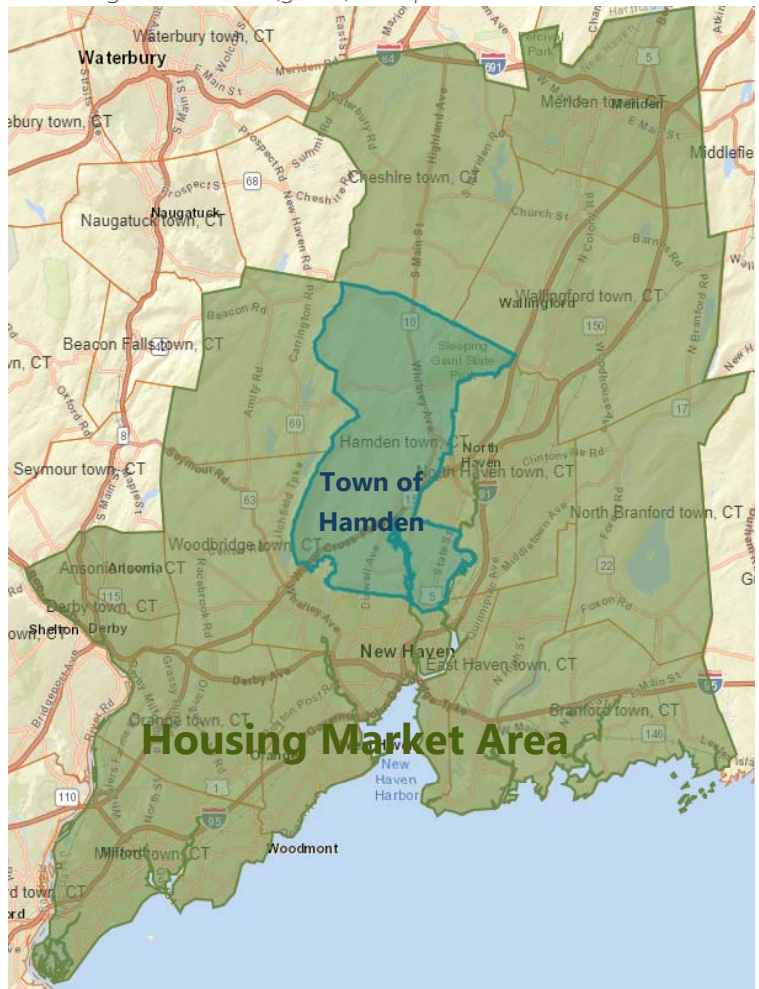
Nationally, the COVID-19 pandemic has resulted in mass unemployment that has impacted the housing market. In early May 2020, over 8% of all mortgages were in the forbearance program and one out of five renters had a missed rent payment.<sup>8,9</sup> The housing markets in the suburbs surrounding major cities benefited from city residents seeking less densely populated areas. As a result, such communities have seen tightened inventory and steeper housing prices.

Construction came to a standstill in many places, but projections from ULI indicate that single family construction can expect a rebound in 2021 with modest pricing increases. Multifamily is also expected to rebound with construction and rental rates picking up in 2021.<sup>10</sup>

To understand the demand for housing surrounding the High Meadows School site we examine several geographies including ZIP code 06517 and the Town of Hamden relative to a designated Housing Market Area (HMA).

The HMA encompasses the geographic area that prospective homebuyers and renters would most likely consider in addition to Hamden when relocating within or moving to the region. Municipalities contained within the HMA are

Housing Market Area (green) Compared to the Town of Hamden



<sup>8</sup> <https://www.marketwatch.com/story/over-4-million-americans-are-now-skipp...>

<sup>9</sup> <https://www.citylab.com/equity/2020/05/rent-payment-apartment-rental-cor...>

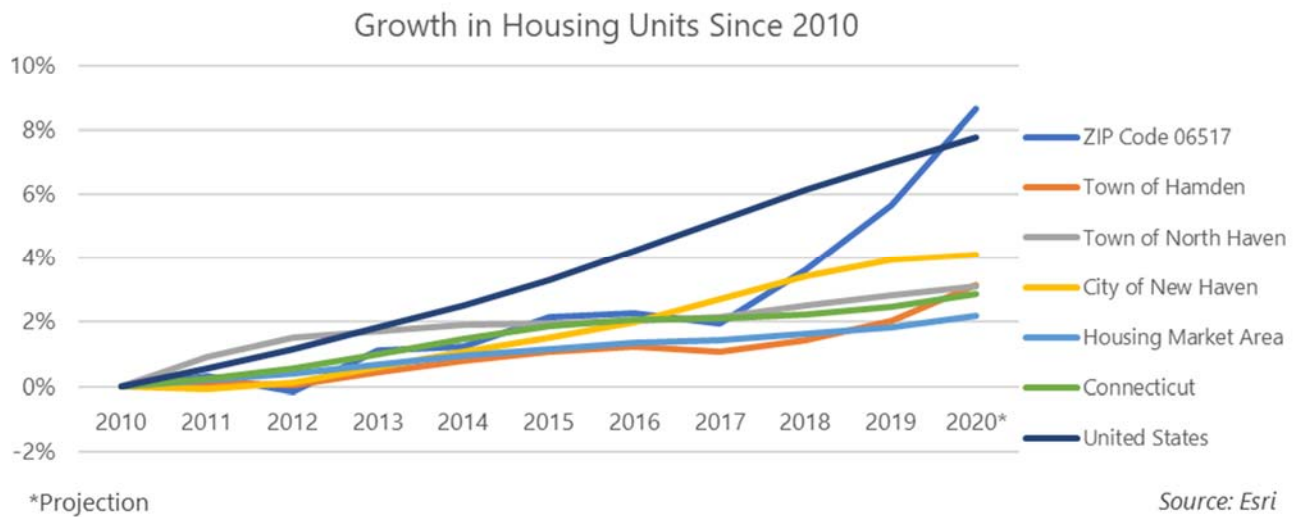
<sup>10</sup> ULI Springs 2020 Real Estate Economic Forecast

within relatively close proximity to Hamden (approximately within a 20-minute drive) and offer comparable commutes to the region’s job centers. The HMA extends from Milford northeast along the Wilbur Cross Parkway and I-95/I-91 to Meriden.

The following 16 cities and towns are included in the HMA, as shown on the HMA map: Ansonia, Bethany, Branford, Cheshire, Derby, East Haven, Hamden, Meriden, Milford, New Haven, North Branford, North Haven, Orange, Wallingford, West Haven, and Woodbridge.

### HOUSING SUPPLY

The figure below displays the growth in housing units for the comparison geographies from 2010 to 2020. In the Town of Hamden, housing units grew from approximately 25,000 units in 2010 to nearly 26,000 in 2020. Housing growth in ZIP code 06517 saw uptick in 2018 after over 100 units were added to the housing stock. Housing growth in the City of New Haven outpaced growth in all comparison geographies except for the United States as a whole, which has produced housing at a consistently high rate. Annual growth for the Housing Market Area and Connecticut have remained largely in line with each other.



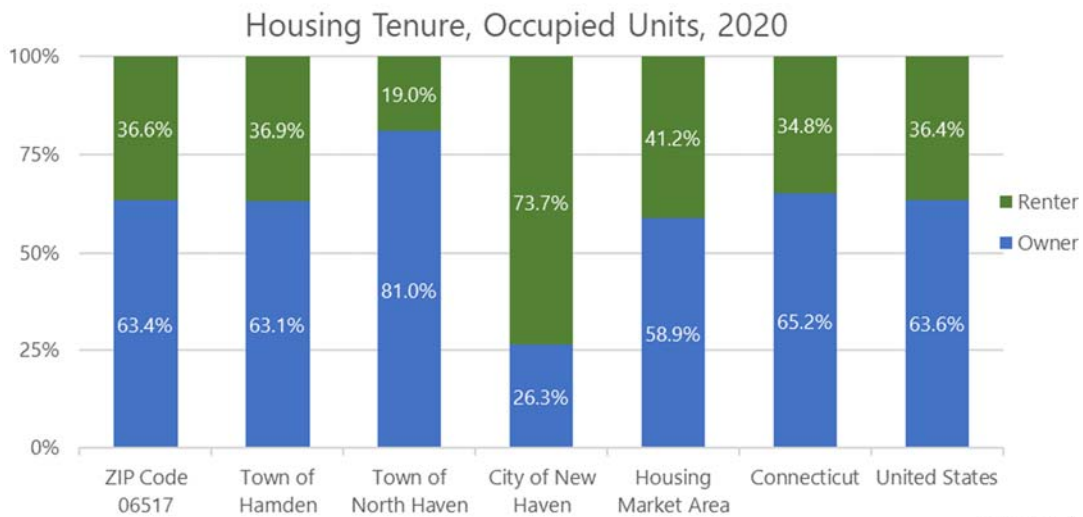
The majority of housing stock in the Town of Hamden, ZIP code 06517, the Town of North Haven, and the Housing Market Area is single family homes. The City of New Haven has a majority of multifamily housing options with 76.5% of its housing stock ranging from 2 to 50+ units. The Housing Market Area has a slightly greater proportion of multifamily housing options with 43.0% of its housing stock having 2 or more units compared to 39.8% in Hamden and 40.9% in the ZIP. North Haven has a markedly lower stock of multifamily housing, at just 14.6%. Multifamily options in the Housing Market Area are concentrated toward smaller builds with 2 to 9 units whereas the town and ZIP have a significant presence of 50 or more unit properties.



Housing Units by Structure Type, 2018										
	ZIP Code 06517		Town of Hamden		Town of North Haven		City of New Haven		Housing Market Area	
	Units	% Total	Units	% Total	Units	% Total	Units	% Total	Units	% Total
1, detached	3,952	56.1%	13,923	55.7%	7,482	81.6%	10,831	19.3%	129,808	51.2%
1, attached	205	2.9%	1,080	4.3%	349	3.8%	2,338	4.2%	13,404	5.3%
2	650	9.2%	1,797	7.2%	97	1.1%	10,176	18.1%	25,792	10.2%
3 or 4	577	8.2%	1,657	6.6%	98	1.1%	13,497	24.1%	27,379	10.8%
5 to 9	268	3.8%	1,056	4.2%	287	3.1%	4,918	8.8%	15,450	6.1%
10 to 19	300	4.3%	1,493	6.0%	166	1.8%	3,271	5.8%	11,055	4.4%
20 to 49	197	2.8%	1,643	6.6%	314	3.4%	3,971	7.1%	13,068	5.2%
50 or more	891	12.6%	2,315	9.3%	374	4.1%	7,070	12.6%	16,376	6.5%
Mobile home	6	0.1%	40	0.2%	-	0.0%	15	0.0%	1,109	0.4%
Boat, RV, van, etc	-	0.0%	-	0.0%	-	0.0%	15	0.0%	43	0.0%
<b>Total</b>	<b>7,046</b>	<b>100.0%</b>	<b>25,004</b>	<b>100.0%</b>	<b>9,167</b>	<b>100.0%</b>	<b>56,102</b>	<b>100.0%</b>	<b>253,484</b>	<b>100.0%</b>

Source: ACS 2018 5-year Estimates

The housing tenure for occupied housing in each of the geographies is displayed below. The Town of Hamden has a similar owner/renter composition to New Haven County, ZIP code 06517, Connecticut, and the United States. The City of New Haven has a significantly high renter tenure with 74% of the occupied housing units being occupied by renters compared to 26% by homeowners. On the opposite end of the spectrum, the North Haven has a significant homeowner presence with 81% of its occupied units being occupied by owners and 19% by renters.



Source: Esri

As of 2020, there are nearly 26,000 housing units in the Hamden with 7.9% being vacant. The Town of Hamden has the second-lowest overall vacancy rate behind the Town of North Haven (4.7%) when compared to the ZIP code 06517 (10.3%), City of New Haven (12.2%), New Haven County (9.0%), Housing Market Area (8.7%), Connecticut (9.1%), and the nation (11.3%).

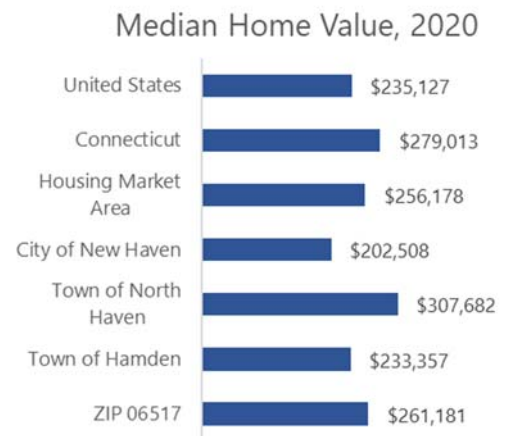
Across geographies, rental units have the highest vacancy rate. This includes units that are waiting to be rented and serves as an indicator of housing supply and affordability. In the Town of Hamden, an estimated 8.1% of rental units are vacant. Neighboring North Haven has a mere 3.0% vacancy rate of its rental units and 0.6% vacancy for its owner occupied units. Overall housing prices are higher in North Haven indicating that the rental housing supply in Hamden may not match the needs of prospective residents although offered at a lower price.

Housing Vacancy Rates, 2018								
	ZIP 06517	Town of Hamden	Town of North Haven	City of New Haven	Housing Market Area	New Haven County	Connecticut	United States
Homeowner vacancy rate	0.6%	1.4%	0.6%	3.2%	3.3%	1.7%	1.8%	1.7%
Rental vacancy rate	8.5%	8.1%	3.0%	7.5%	8.1%	7.6%	6.4%	6.0%

Source: ACS 2018 5-year Estimates

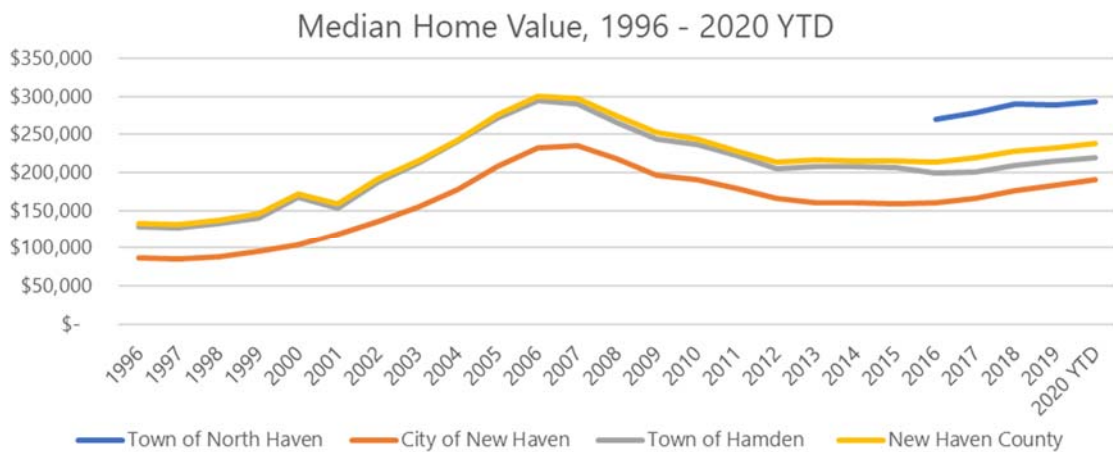
### FOR-SALE MARKET

The median owner-occupied home value in the Town of Hamden is \$233,357, which is below the median value of New Haven County (\$254,179). The neighboring town of North Haven’s median value is over \$74,000 higher at nearly \$308,000. The majority of homes in the comparison geographies are valued between \$150,000 and \$399,999. Few homes in the three geographies are valued over \$750,000.



Source: Esri

The following figure displays the home values for the Hamden, North Haven, City of New Haven, and New Haven County from 1996 to August 2020 (2020 YTD) according to the Zillow Home Value Index.<sup>11</sup> Home values in the geographies peaked during the 2006 housing bubble, declined through 2012, leveled off through about 2016, and have since begun to rise again. According to Zillow, the median home value in 2006 was \$294,000 in the Town of Hamden and \$300,000 in New Haven County. Compared to the 2006 peak, current values are 25% less in Hamden at \$220,000, 18% less in the City of New Haven at \$190,000, and 20% less in the county at \$239,000.



Source: Zillow

<sup>11</sup> Town of North Haven data is provided for context for all available years which includes 2016 to 2020 YTD.

**MULTIFAMILY RENTAL MARKET**

As shown at right, between 2014 and 2020, the Town of Hamden multifamily market experienced both positive and negative absorptions leading to a fluctuating vacancy rate. The Vacant rate peaked in 2018 at approximately 8% in the town and is currently around 5.9% as of 2020.

Recent deliveries include the West Wood Apartments, located near Quinnipiac University, which were fully constructed in August 2020 and brought 50 units to the Town.

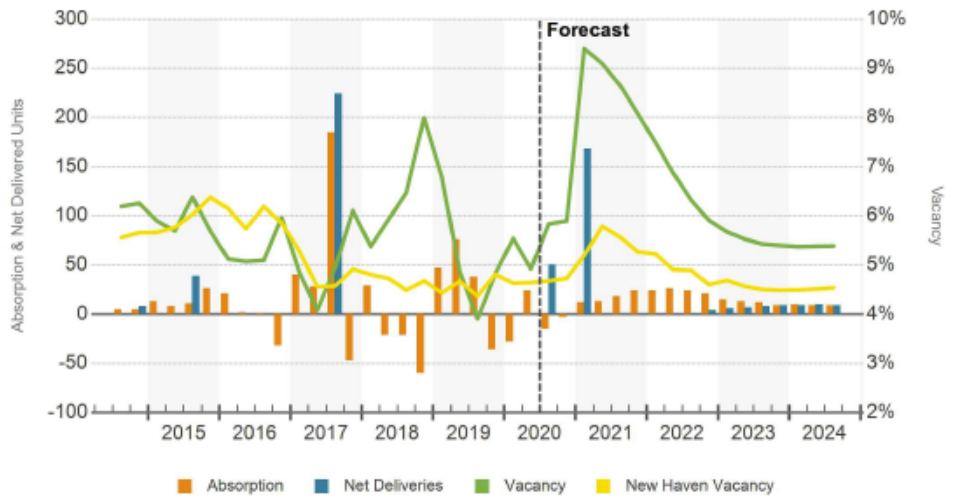
Additionally, as of October 2020 current projects underway in the Town of Hamden include Canal Crossing at Whitney (380 Mather Street) which is expected to bring 168 units to market by March 2021. Additionally, there is a project proposed at 102 Washington Ave which is projected to bring 24 units to the market by November 2021. The delivery of these units will lead to a temporary spike in the town’s vacancy rate, projected to level off by 2023.

In the HMA (including Hamden) there are currently about 1,000 multifamily rental units under construction, most of which are located in New Haven and West Haven. Also of note is a 80-unit project in Milford (Muse Milford) and an 81-unit project in Meriden (11 Crown Street).

Rent growth in Hamden and the broader New Haven is projected to stall through 2021 due to lower demand for multifamily units stemming from COVID-19, followed by recovery in rents by 2022. Asking rent for top-tier properties in Hamden averages \$2.18 per SF per month, and about \$1.59 when all properties are considered. Rents in Hamden average about 20% lower than those in the City of New Haven and are on par with North Haven rents.

Hamden Multifamily Market

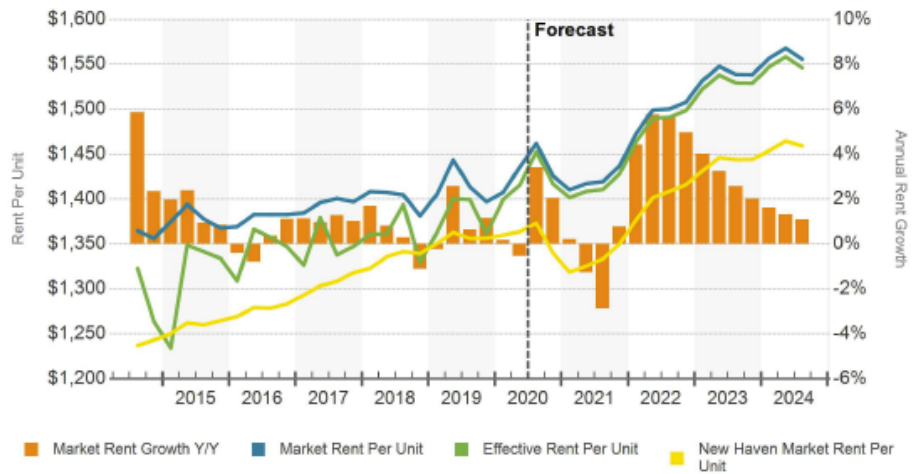
**ABSORPTION, NET DELIVERIES & VACANCY**



Source: CoStar

Hamden Multifamily Rents

**MARKET RENT PER UNIT & RENT GROWTH**



Source: CoStar

## SENIOR HOUSING

There are 298 senior housing (independent living) rental units across three properties in the Town of Hamden, as tracked by CoStar. All three properties are income restricted. The senior housing properties include:

- Davenport Dunbar Residences – 125-135 Putnam Avenue – 218 units
- River Ridge Apartment Homes – 2364 State Street – 62 units
- Highwood Gardens – 324 Goodrich Street – 18 units

River Ridge is the newest of the three, constructed in 2001, and located about 1 mile south of the study site. According to CoStar, the asking rent across the three properties averages \$980 per unit and the vacancy rate for senior housing in the Town of Hamden is 0.8% as of 2020. Neighboring North Haven has a newer senior housing stock of 353 units across three properties constructed between 2004 and 2015. One of these properties is income restricted, and the other two are market rate. Village on State is marketed as a luxury complex and is located about 2 miles north of the study site. Senior housing in New Haven County overall has a low vacancy rate at 2.0%, indicating there are limited options for the aging demographics in the Town of Hamden.

## CONTINUUM OF CARE

There are a number of continuum of care living facilities in Hamden. These facilities offer different combinations of independent living, assisted living, rehabilitation care, skilled nursing, and memory care. Larger facilities include:

- Whitney Center – 200 Leeder Hill Drive – 228,000 SF, full continuum of care
- Arden House – 850 Mix Avenue – 134,000 SF, skilled nursing and memory care
- Atria Larson Place – 1450 Whitney Avenue – 132,000 SF, assisted living and memory care
- Benchmark Senior Living at Hamden – 35 Hamden Hills Drive, full continuum of care

All properties were built prior to 2000. Highvue Manor, a smaller facility established in 1951, is located almost immediately adjacent to the study site along State Street.

## HOUSING AFFORDABILITY

Connecticut General Statutes Section 8-30g indicates that communities where less than 10% of the housing stock is affordable housing are vulnerable to the affordable housing appeal procedure. As of 2018, 8.5% of the housing stock in the Town of Hamden was deemed affordable housing meaning that Hamden remains subject to Section 8-30g.<sup>12</sup> This enables developers seeking to build affordable housing within the Town of Hamden to not have to comply with all local land-use regulations. Therefore, developers cannot be scrutinized for density, height, etc. For the Town of Hamden to gain control back over the development process additional affordable housing (approximately 350-400 units) will need to be added to reach the 10% threshold.

The following figure displays the percent of households spending more than 30% of their household income on housing and housing-related costs as of the 2018 American Community Survey. It is considered that housing that costs over 30% of a household's income is unaffordable. As of 2018, nearly 48% of renters in Hamden spent over 30% of their income on housing. Homeowners are less cost-burdened with 34% of owners with a mortgage paying

<sup>12</sup> Town of Hamden 2019 Plan of Conservation and Development (POCD), September 2019.

<https://www.hamden.com/DocumentCenter/View/1989/Hamden-2019-POCD-Approved-09-17-19-Effective-09-27-19-With-Maps-RFS>

over 30% of their income and 26% of owners without a mortgage paying greater than 30% of their income on housing. In total, nearly 37% of households in the Town of Hamden spend more than 30% of their income on housing, similar to the rate for the HMA as a whole.

Households Paying >30% of Income on Housing, 2018								
	ZIP 06517	Town of Hamden	Town of North Haven	City of New Haven	Housing Market Area	New Haven County	Connecticut	United States
Owners without Mortgage	17.1%	25.8%	23.4%	30.4%	23.0%	23.2%	21.7%	13.7%
Owners with Mortgage	32.6%	34.3%	26.7%	45.6%	33.5%	33.5%	31.7%	28.5%
Renters	52.9%	46.7%	56.7%	56.0%	51.3%	52.0%	51.1%	49.0%
Total	36.3%	36.9%	30.5%	51.8%	38.2%	38.3%	35.9%	32.1%

Source: Esri

## HOUSING DEMAND

The tables below analyze the change in households by income and age of householder for the Town of Hamden and HMA. Esri projects that the Town of Hamden can expect to experience a net increase of 117 households between 2020 and 2025 while the Housing Market Area is projected to see a net decrease of 343 households. *Please note that these figures are projections based on historical trends for the areas and are not reflective of any transformative projects that might occur and those currently proposed and underway detailed above.*

The Town of Hamden can expect to see the largest increase in households with householders aged 65+ and 35 to 44 years old. The HMA displays similar demographic transitions to the Town of Hamden in that it can expect an influx of households aged 35 to 44 and 65+. An overall net decline in the HMA is a result of steep declines in the 45 to 54 and 55 to 64 age cohorts which are expected to decline by over 3,600 and 3,400 households, respectively.

The growth in the 35 to 44 age cohort is represented by the millennial generation aging up. Millennials are driving home purchases with millennials accounting for more than half of all new home loans in 2019.<sup>13</sup> Many are searching

Housing Market Area Projected Change in Households by Income and Age of Householder, 2020 - 2025								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$25K	(240)	(712)	(428)	(650)	(1,221)	(302)	550	(3,003)
\$25K-\$34K	(133)	(258)	(118)	(313)	(347)	26	338	(805)
\$35K-\$49K	(74)	(215)	(97)	(409)	(501)	(2)	456	(842)
\$50K-\$74K	(24)	(270)	(102)	(784)	(806)	266	594	(1,126)
\$75K-\$99K	19	(35)	215	(399)	(577)	444	421	88
\$100K-\$149K	26	188	545	(698)	(406)	715	642	1,012
\$150K-\$199K	12	259	964	(112)	289	407	351	2,170
\$200K+	(1)	40	813	(263)	127	834	613	2,163
Total	(415)	(1,003)	1,792	(3,628)	(3,442)	2,388	3,965	(343)

Source: Esri

Town of Hamden Projected Change in Households by Income and Age of Householder, 2020 - 2025								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$25K	(24)	(88)	(30)	(55)	(95)	(54)	34	(312)
\$25K-\$34K	(9)	(47)	(11)	(25)	(29)	(16)	33	(104)
\$35K-\$49K	(11)	(61)	(3)	(41)	(46)	(19)	46	(135)
\$50K-\$74K	1	(100)	13	(90)	(71)	7	77	(163)
\$75K-\$99K	9	(32)	48	(32)	(29)	62	48	74
\$100K-\$149K	7	(8)	102	(38)	(25)	82	86	206
\$150K-\$199K	3	21	143	22	22	49	43	303
\$200K+	2	(8)	81	7	(1)	86	81	248
Total	(22)	(323)	343	(252)	(274)	197	448	117

Source: Esri

<sup>13</sup> <https://www.wsj.com/articles/millennials-help-power-this-years-housing-market-rebound-11598520601>

for single family homes, which for many of whom will be their first home purchase, as they have put off home buying until being financially ready. In general, Millennials tend to be fiscally mindful when it comes to housing which is attributed to growing up during the Great Recession. While a small portion of these buyers is seeking fixer-uppers, the majority are seeking homes in good condition with updated fixtures. Nationally, builders are working to accommodate this generation by building smaller and affordable homes.

The two age cohorts driving growth in the Town of Hamden and the Housing Market Area create a mismatch between supply and demand that is further exacerbated by the COVID-19 pandemic. While the large Baby Boomer population (age cohort 65+) is reaching retirement and downsizing from their large homes, Millennials are typically searching for entry-level housing. Even before the pandemic, Millennials were shifting away from city living to suburbs, as they sought larger living spaces to raise families. The pandemic is further accelerating trends toward single-family homes and homeownership, and some have decided to act more immediately on what would be an eventual move to the suburbs in order to avoid areas of high density in the near term.

### DEMAND FOR SENIOR LIVING

Nationally, retirement among the Baby Boomer cohort is slowing the housing market – they are downsizing, leaving larger homes that are underperforming in terms of sales as the younger generations are looking for smaller, more affordable homes. Diminishing returns on sales are leading to less in savings for the Baby Boomer generation and thus many are staying in their homes longer. Aging in place often leads to home updates and hiring of outside services to ease mobility and usability. Those that do downsize are looking for one or two bedrooms within locations that offer a sense of community and availability of services. Desirable housing options for aging Baby Boomers include a mix of apartments, retirement communities, and assisted living facilities to accommodate all levels of care.

Within the Town of Hamden, the senior population (55+) is expected to peak in 2030 and begin to level off, an increase of about 300 seniors compared to 2020. While the overall change in seniors represents only about a 2% increase, the population will increasingly skew heavily toward older seniors as the large Baby Boomer generation continues to age. Demand for independent living will begin to dip, while the need for assisted living and memory care will rise. Over the next two decades, specific age cohorts within the 55+ group will peak at different times. For example, the 65-to-74 bracket will be largest in 2025. In 2030, 75-to-79-year-olds will peak, in 2035 the 80-to-84-year-olds will peak, and in 2040 the 85+ year-olds will peak.

Town of Hamden 55+ Population, 2020 - 2040						
Age Bracket	2020	2025	2030	2035	2040	2020-40 Pct. Change
55 to 59	3,723	3,638	3,626	3,598	3,908	5%
60 to 64	3,868	3,675	3,624	3,625	3,582	-7%
65 to 69	2,966	2,974	2,799	2,730	2,729	-8%
70 to 74	2,210	2,431	2,410	2,233	2,179	-1%
75 to 79	1,629	1,933	2,103	2,049	1,901	17%
80 to 84	1,182	1,261	1,504	1,617	1,554	31%
85+	1,562	1,400	1,393	1,515	1,587	2%
<b>Total</b>	<b>17,140</b>	<b>17,312</b>	<b>17,459</b>	<b>17,367</b>	<b>17,440</b>	<b>2%</b>

Peak year for each age bracket highlighted in orange.

Source: State of Connecticut



## OTHER FACTORS INFLUENCING THE HOUSING MARKET

Other factors influencing housing affordability and demand include property taxes and the quality of school districts.

### PROPERTY TAXES

Property tax rates were compared for the cities and towns within the HMA to examine affordability for a median-priced home in each community. A median-priced home in Hamden is estimated to have a tax bill of approximately \$7,163. While the Town of Hamden's median home value ranks 10<sup>th</sup> highest in the HMA, the tax bill in Hamden is the fourth highest, after Woodbridge, Orange, and Bethany. Hamden has the highest equalized mill rate in the HMA. Comparatively low property values accompanied by high taxes can be less sought after when house hunting since a greater share of monthly payments goes toward paying taxes rather than toward building equity.

Property Tax Estimation			
Town	Equalized Mill Rate, 2016-17	Median Home Value, 2018	Tax Bill for Median Home Value
Woodbridge	26.67	\$ 471,400	\$ 12,572
Orange	21.83	\$ 389,800	\$ 8,509
Bethany	23.66	\$ 352,700	\$ 8,345
Hamden	31.64	\$ 226,400	\$ 7,163
Cheshire	21.48	\$ 332,600	\$ 7,144
North Branford	22.47	\$ 282,300	\$ 6,343
North Haven	20.91	\$ 299,500	\$ 6,263
Milford	18.64	\$ 307,300	\$ 5,728
Derby	27.45	\$ 201,500	\$ 5,531
Branford	18.63	\$ 293,900	\$ 5,475
Wallingford	19.64	\$ 270,000	\$ 5,303
Ansonia	24.46	\$ 211,100	\$ 5,164
West Haven	25.04	\$ 194,400	\$ 4,868
New Haven	24.54	\$ 196,600	\$ 4,825
Meriden	27.51	\$ 172,200	\$ 4,737
East Haven	21.91	\$ 212,900	\$ 4,665

Source: Connecticut Data Collaborative Municipal Grand List (2016-17) and Median Home Value by Town from American Community

### School District Accountability Scores, 2018-2019 School Year

School District	Score (out of 100)	Rank (out of 201)
Woodbridge	84.7	23
Cheshire	84.5	25
Region 5*	83.0	43
Milford	81.6	54
Bethany	80.8	64
North Branford	78.0	99
Branford	77.9	100
North Haven	77.2	105
Orange	77.0	109
Wallingford	75.9	120
West Haven	71.4	150
Hamden	71.1	154
East Haven	69.7	160
Meriden	69.4	162
Derby	68.9	164
Ansonia	66.8	172
New Haven	64.7	178
Connecticut	74.2	

\*District serving secondary grades for students residing in Bethany, Orange, and Woodbridge.

Source: Connecticut State Department of Education, Next Generation Accountability Scores

### SCHOOL QUALITY

The table to the left displays school district ratings for the 16 cities and towns within the HMA compared to the State of Connecticut. The ratings are based on the CT Department of Education Next Generation report, which takes into account more than a dozen measures, including standardized test scores, and how many students are chronically absent, enrolled in arts and Advanced Placement courses, graduate from high school and enroll in college within a year of graduation. Out of the 17 school districts, the Hamden ranks 12<sup>th</sup> best with a score of 71.1, with Hamden's school district below the state average of 74.2. The districts statewide ranking is 154 out of 201. School district quality is a critical consideration for households with school-age children.

## 5.2 OFFICE MARKET

The majority of the office inventory in the region is concentrated in the City of New Haven. Within the Town of Hamden, the most office space is located along Whitney Avenue and Dixwell Avenue.

Office properties in the Town of Hamden and surrounding area are displayed in the map to the right with blue pins indicating property that is currently for sale or lease and grey pins indicating property that is not for sale or lease.

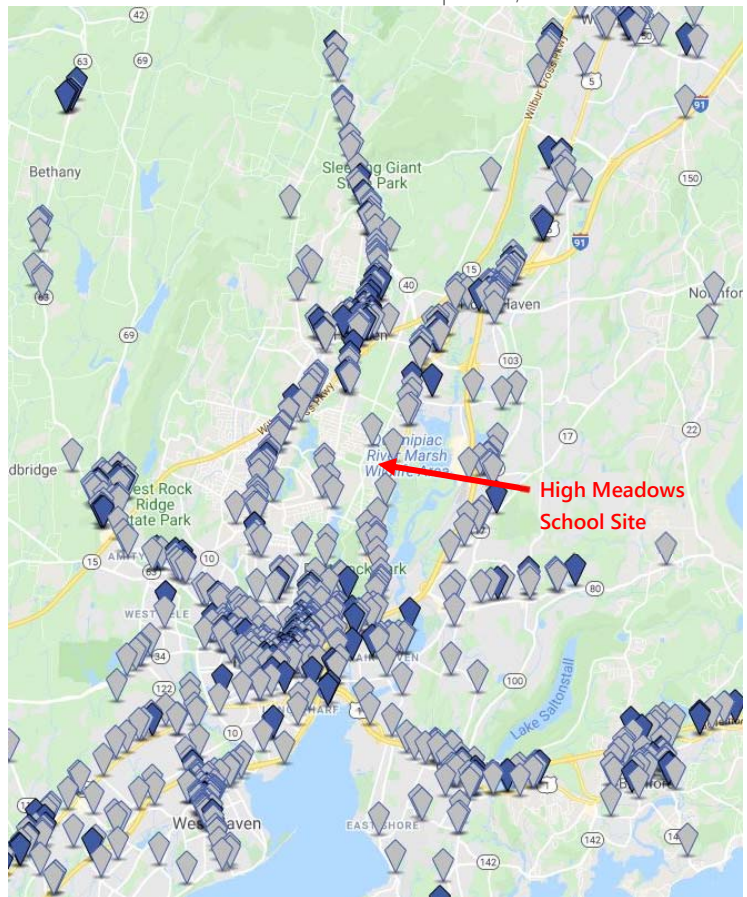
Within New Haven County, office space is concentrated around the City of New Haven with significant inventory along the major highways and roadways. There is a handful of office properties along State Street in the vicinity of the study site, with higher concentrations of office space as one travels north toward CT-15 (Wilbur Cross Parkway) or south toward New Haven.

### OFFICE SUPPLY

As of 2020, the office market in Hamden is comprised of 1.7 million SF, of which 103,000 SF is currently vacant for a town-wide vacancy rate of 6.0%. There have been no office deliveries within the last 12 months and rents have dipped slightly.

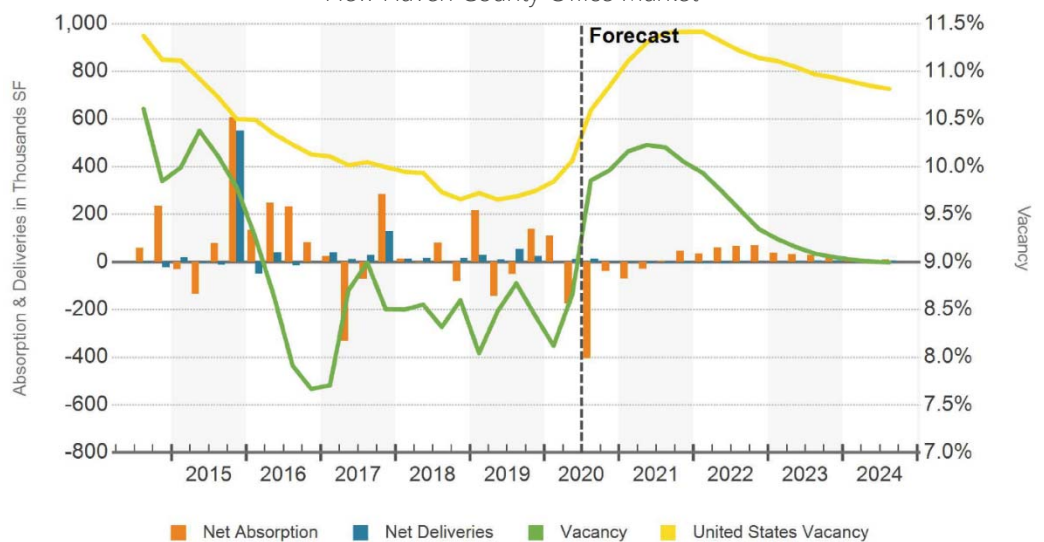
In comparison, New Haven County has a vacancy rate of 9.8%. Within New Haven County, there are only two office properties currently under construction, one of which is located in Hamden at 4224 Whitney Avenue. This is a small 5,900-SF property, expected to be delivered to market in January 2021. The other property being built is located in Milford and is expected to deliver 5,000 SF by Fall 2020.

Hamden Area Office Properties, 2020



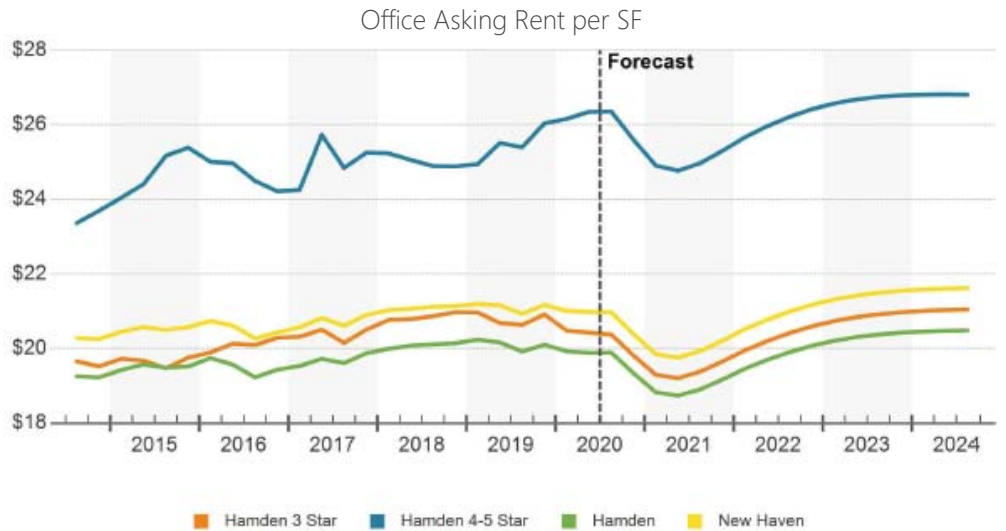
Source: CoStar

New Haven County Office Market



Source: CoStar

Looking forward to 2024, there are expected to be minimal office deliveries while vacancy is expected to continue rising largely due to impacts from COVID-19, albeit New Haven vacancy rates are expected to remain lower than the national average due to relatively constrained inventory. According to current projections from CoStar, office vacancy rates can expect to level off at around 9% in New Haven by 2024.



Source: CoStar

Average rents for Hamden are \$19.92 per SF with higher-quality properties (4- and 5-star ratings) averaging \$26.39 per SF, on par with the county-wide average. The City of New Haven commands a 20% rent premium over Hamden, with an average market rent of \$23.78 per SF. The region’s rents have remained largely unchanged over the last several years and are expected to dip in response to COVID, followed by a gradual increase through 2024.

### MEDICAL OFFICE

Within New Haven County there are nearly 6.5 million SF of medical office space<sup>14</sup> of which 6.9% is vacant. The medical office market in Hamden performs better than the county average with higher market rent at \$19.00 per SF compared to \$17.74 per SF and a slightly lower vacancy rate. From 2015 to 2020, medical office inventory in New Haven County grew at a faster rate than Hamden at 4.1% and 2.0%, respectively. Similarly, rents in New Haven County grew at a faster rate than Hamden at 4.4% compared to 1.5%.

Medical Office Space, 2020						
	2020 Inventory	Change in Inventory 2015 - 2020	Vacancy Rate	Change in Vacancy Rate 2015 - 2020	Market Rent	Change in Market Rent 2015 - 2020
Town of Hamden	499,076	2.0%	6.7%	(2.5%)	\$19.00	1.5%
New Haven County	6,471,687	4.1%	6.9%	(0.9%)	\$17.74	4.4%

Source: CoStar

### OFFICE DEMAND

The COVID-19 pandemic has had a profound impact on the commercial office market. Shifts to remote work and government-mandated closures has led to increasing office vacancy. By the end of March 2020, nearly half of office tenants had requested rent relief from their landlords.<sup>15</sup> Businesses are forgoing downtown leases for alternative options resulting in continued spikes in office space vacancy. Nationally, the market could reach record-high vacancy

<sup>14</sup> CoStar defines medical space as exclusively or primarily for medical offices. Medical offices require special services, laboratory support, etc. They also require a large number of visitors' parking space.

<sup>15</sup> NAREIM

rates by the end of 2020.<sup>16</sup> Future trends indicate the office market will likely see a mix of businesses adapting to remote work permanently while others shift back towards suburban office space to allow for increased space per employee and greater social distancing protocols.

Lower absorptions and increases in vacancy have led to declines in new office construction. With this in mind, office demand was examined for the Town of Hamden and New Haven County based on growth in office-utilizing industries. Looking forward to 2025, Hamden’s office jobs are anticipated to remain flat while New Haven County is expected to see a contraction of approximately 1,000 jobs.<sup>17</sup> Lack of growth in office-utilizing industries, combined with lower occupancy due to COVID, means Hamden and New Haven County are unlikely to experience demand for new office space.

Additionally, existing vacancies are sufficient to support businesses looking to relocate to the area. It is unlikely that any significant office space development will occur within Hamden unless it is for a highly specialized user.

#### MEDICAL OFFICE SPACE

Medical office space is used by healthcare providers and has demonstrated strong growth nationally, especially amid the COVID pandemic. Demand for medical office space is estimated by examining employment projections for medical office users, including physicians’ offices, outpatient care centers, ambulatory care centers, diagnostic laboratories, etc.<sup>18</sup> Looking forward over the next five years, employment in medical office-utilizing industries projected to grow by 100 jobs in Hamden and 2,500+ jobs in New Haven County. Using a standard assumption of 200 rentable square feet per worker, 20,100 SF of medical office space will be needed in Hamden and over 537,000 SF in New Haven County.

As of 2020, there is approximately 452,000 SF of vacant medical office space within New Haven County and approximately 32,000 SF of vacant space within the Town of Hamden. Medical office operators looking to locate in Hamden could utilize existing vacant office space while others may need to build new to accommodate their specialized equipment, locate near patients, etc. An additional 38,000 SF of medical office space will be needed within the county to accommodate the county wide demand.

Projected Employment Change in Office-Utilizing Sectors, 2020 - 2025					
NAICS	Description	Hamden		New Haven Co.	
		2020	2020-25 Change	2020	2020-25 Change
51	Information	91	(12)	4,627	(383)
52	Finance and Insurance	751	(27)	11,117	(668)
54	Professional, Scientific, and Technical Services	1,123	(38)	18,848	(610)
55	Management of Companies and Enterprises	<10	0	4,352	(210)
81	Other Services (except Public Administration)	1,658	137	22,879	1,507
90	Government	3,048	(59)	48,975	(653)
<b>Total</b>	<b>Office-Utilizing Sectors</b>	<b>6,671</b>	<b>1</b>	<b>110,798</b>	<b>(1,017)</b>

Source: EMSI

Projected New Demand for Office Space by 2025				
	2020 Jobs	New Jobs Added	Rentable SF per Worker	New Demand (RSF)
Town of Hamden	6,671	1	175	175
New Haven County	110,798	(1,017)	175	(177,942)

Source: EMSI, Camoin 310

Projected New Demand for Medical Office Space by 2025				
	2020 Jobs	New Jobs Added	Rentable SF per Worker	New Demand (RSF)
Town of Hamden	1,631	101	200	20,130
New Haven County	22,265	2,684	200	536,817

Source: EMSI, Camoin 310

<sup>16</sup> REIS

<sup>17</sup> Employment projections do not factor in impacts from COVID-19 and may understate office job losses.

<sup>18</sup> Includes NAICS 6211 Offices of Physicians, 6212 Offices of Dentists, 6213 Offices of Other Health Practitioners, 6214 Outpatient Care Centers, 6215 Medical Diagnostic Laboratories, and 6219 Other Ambulatory Health Care Services.



### 5.3 INDUSTRIAL MARKET

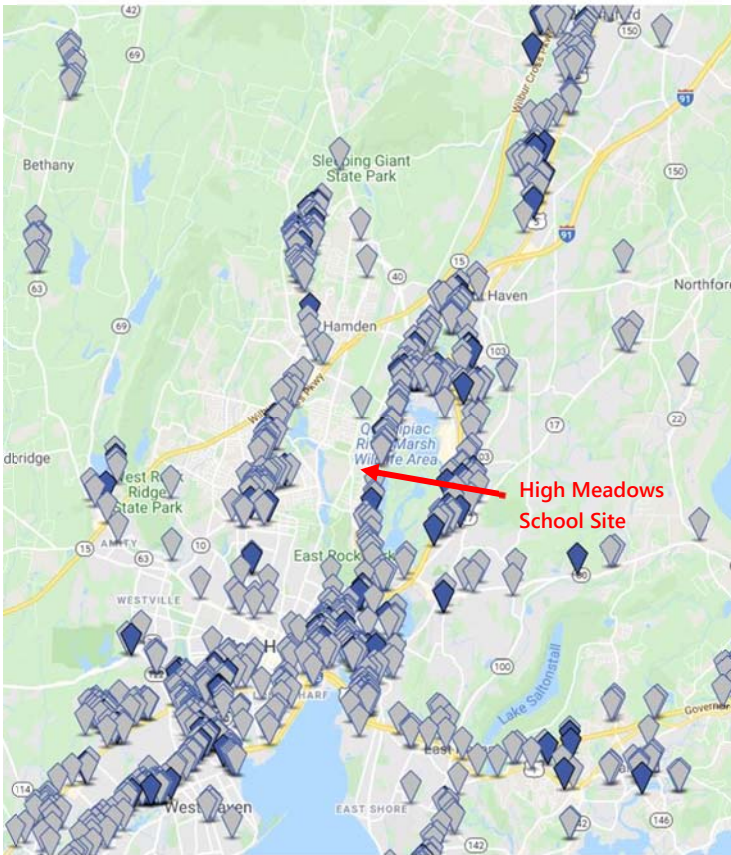
Industrial properties in the area surrounding the High Meadows School site are displayed in the figure to the right with the blue pins indicating available properties for sale or lease and grey pins indicating properties that are not available. The majority of the industrial space in the New Haven County is located along major roadways and urban centers in the City of New Haven, Town of Orange, and the Town of North Haven. Space within the Town of Hamden is marketed by the Town of Hamden’s Economic & Community Development department and includes properties along State Street, Sherman Avenue, and Industrial Circle.

#### INDUSTRIAL SUPPLY

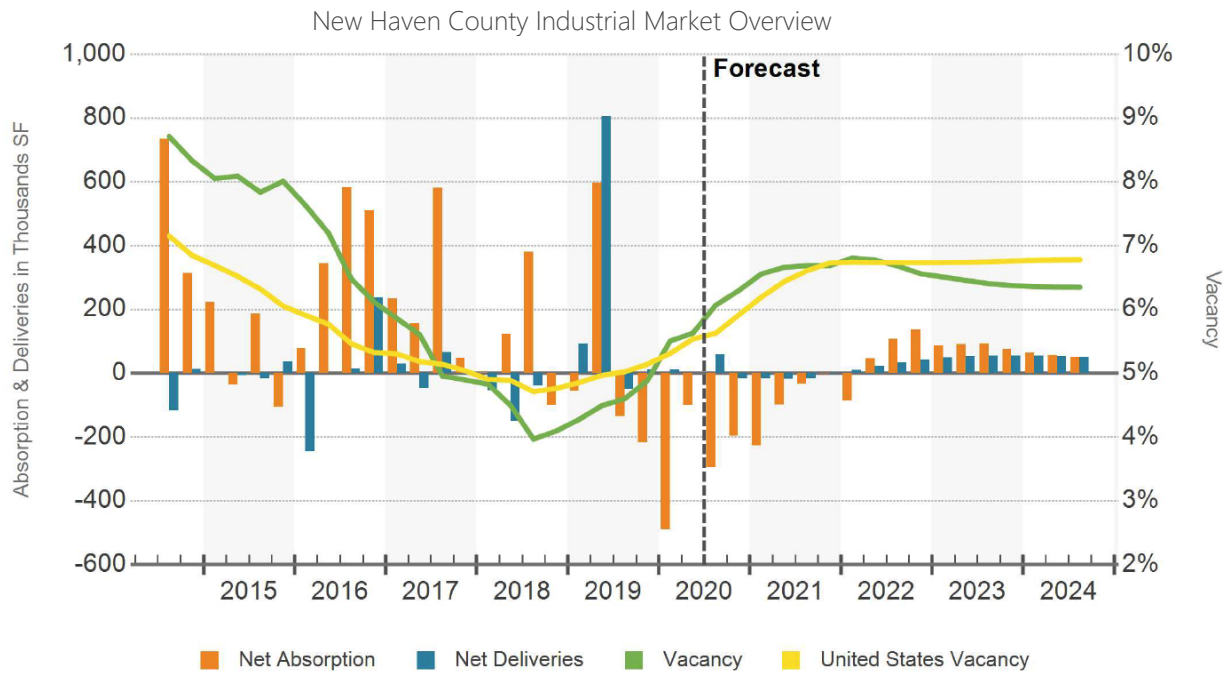
Hamden has nearly 4.1 million SF of industrial space of which 137,000 SF is vacant for a vacancy rate of 3.4%. New Haven County has a higher vacancy rate of 5.9%. Even before COVID-19 industrial job growth was stagnant in New Haven County leading to stagnant or even negative absorption. This is reflected in construction trends as there are currently no industrial deliveries in the pipeline for Hamden. Among the few recent industrial deliveries of significance in the region are the 114,500-SF Amazon distribution center opening in October 2020 in Orange, and the massive 855,000-SF Amazon warehouse that opened in Summer 2019 in North Haven.

The figure below displays New Haven County’s industrial performance from 2014 to 2024. Historically, the area has benefitted from significant absorption of space resulting in a declining vacancy rate. In mid-2018 the vacancy rate for the area started to increase and is projected to continue rising into 2022. Looking forward to 2024, industrial deliveries are anticipated to be minimal.

Hamden Area Industrial Properties, 2020



Source: CoStar



Source: CoStar

The industrial space is broken up into three main use types: logistics space, specialized industrial, and flex space. Overall, the Hamden market outperforms New Haven County in terms of logistics space capturing a higher rent of \$7.79 per SF and a low vacancy rate of 1.7%. For both Hamden and New Haven County, specialized industrial has the lowest rent of the three use types at \$6.70 and \$6.75 per SF, respectively. The flex market in Hamden is tighter than the greater New Haven market with a vacancy rate of 4.4% compared to 8.8%.

New Haven County Industrial Inventory, 2020			
	Rentable Building Area	Vacancy Rate	Market Rent
Logistics	42,413,408	5.5%	\$ 7.23
Specialized Industrial	27,906,142	5.5%	\$ 6.75
Flex	10,156,761	8.8%	\$ 9.71
<b>All Industrial</b>	<b>80,476,311</b>	<b>5.9%</b>	<b>\$ 7.38</b>

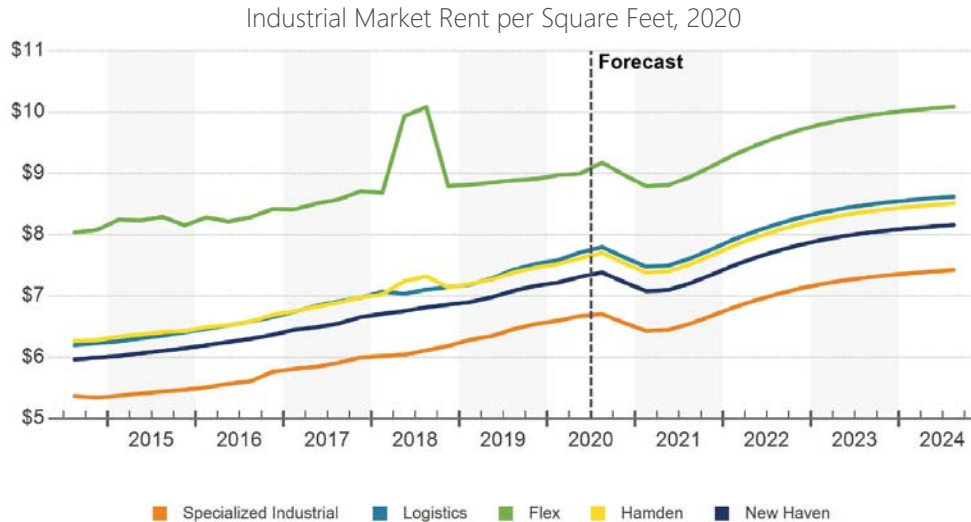
Source: CoStar

Hamden Industrial Inventory, 2020			
	Rentable Building Area	Vacancy Rate	Market Rent
Logistics	2,086,414	1.7%	\$ 7.79
Specialized Industrial	1,251,667	5.9%	\$ 6.70
Flex	712,597	4.0%	\$ 9.15
<b>All Industrial</b>	<b>4,050,678</b>	<b>3.4%</b>	<b>\$ 7.69</b>

Source: CoStar

The average rents for industrial space in Hamden are \$7.69 per SF with flex and logistics properties averaging higher rents. Overall industrial market rents in Hamden have performed better than New Haven County from 2014 to 2020 and are projected to remain above the greater market into 2024. Rental prices for Hamden, New Haven, and each individual industrial use in Hamden are projected to dip between 2020 and 2021 and regain pre-COVID rates by roughly 2020.





Source: CoStar

### INDUSTRIAL DEMAND

The market for industrial properties has been faring perhaps the best among real estate types with the acceleration in the shift to e-commerce providing a buffer against the crisis. Nationally, industrial had also already been very strong going into the crisis with high demand and vacancy rates at record lows. With the crisis exposing the critical importance of supply chains and logistics real estate, these types of industrial properties have seen increased demand. The pandemic has also accelerated existing trends related to e-commerce, including the expansion of online grocery, omnichannel retailing (physical and digital), and the integration of technology into warehousing. As a result, distribution centers supporting large e-commerce users and last-mile facilities are well-positioned. Perhaps the most significant impact on the industrial sector has been in food distribution and cold storage, with vast amounts of additional freezer/cooler space being needed for direct grocery delivery to homes and consumers buying online and picking up at the store. Other potential future changes in the industrial market could include increased demand for manufacturing space due to re-shoring and a higher need for warehousing space due to shifts toward holding more inventory.

A healthy vacancy rate for industrial space is between 5 and 10% to allow for options to attract prospective tenants. The current vacancy rate in Hamden is 3.4%. To reach a vacancy rate of 5% about 65,000 SF of industrial space would need to be added to the town’s inventory. To allow for increased variation in available products to attract prospective businesses/tenants, nearly 277,000 SF of industrial space would need to be added to create a vacancy rate of 10%.

Supportable Industrial Demand in Hamden		
	Low	High
Existing Inventory	4,050,678	4,050,678
Current Vacancy Rate	3.4%	3.4%
Ideal Vacancy Rate	5.00%	10.00%
New Inventory Supportable	65,413	267,947

Source: CoStar, Camoin 310

According to Area Development’s 2019 survey for corporations and consultants<sup>19</sup> to determine the key selection factors, highway accessibility is the most critical factor that industrial users consider in choosing a site.

<sup>19</sup> <https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2020/34th-annual-corporate-survey-16th-annual-consultants-survey.shtml>

## 5.4 RETAIL & RESTAURANT MARKET

### RETAIL SUPPLY

Within New Haven County, there is 54.4 million SF of retail space, of which over 3.0 million SF is located within the Town of Hamden. Retail space within New Haven County is concentrated within the City of New Haven and along major roadways. Similar to the office market, the majority of retail space in Hamden is located along Whitney Avenue, Dixwell Avenue, and State Street. As of 2020, 152,917 SF of that space is vacant within the Town of Hamden for a vacancy rate of 5.0%. The vacancy rate in the Town of Hamden is slightly lower than in New Haven County, which has a vacancy rate of 6.4%.

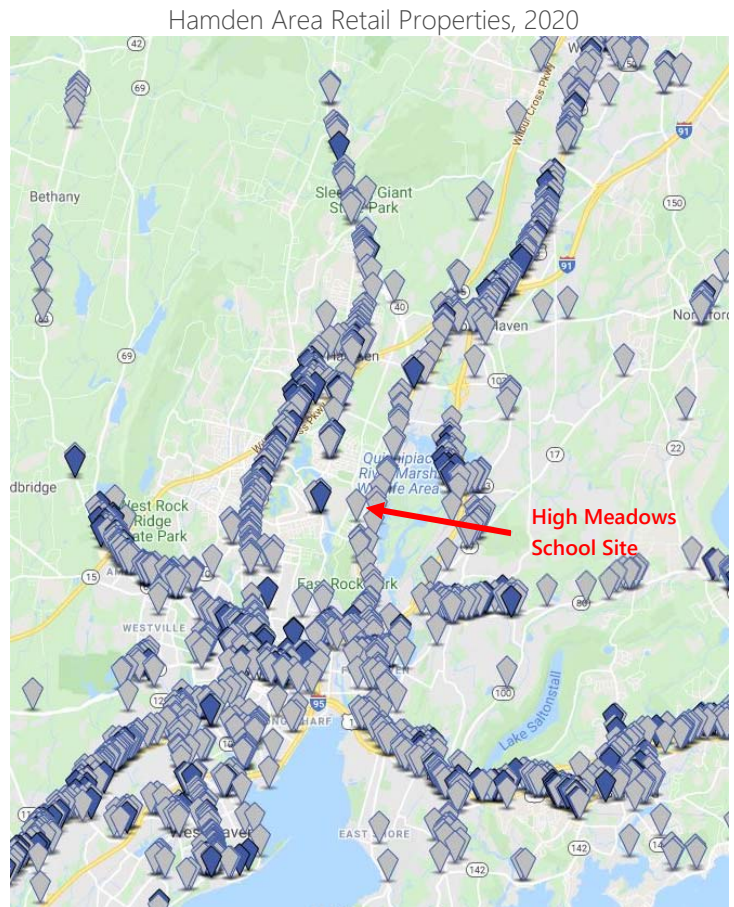
Regionally, retail space had been performing weakly in the last few years with rents down 6.2% in the last year alone due to COVID-19. Hamden's retail market has experienced a similar decline, declining by 6.4% in the last year. Construction has been nonexistent in the Town of Hamden and minimal in the New Haven County region. There are a few areas of New Haven County experiencing retail development including Milford, Naugatuck, and North Haven. Retail construction in Naugatuck and North Haven are relatively small at 4,500 SF and 2,300 SF, respectively. On the other hand, Milford is experiencing a large retail expansion with over 80,000 SF under construction for a Floor & Décor flooring store.

The COVID-19 pandemic led to mandated closures of retail space in many areas throughout the United States. Weakened consumer spending habits further placed stress on the retail market leading to retail space closures. Consumer behavior has transitioned to online shopping, buy-online/pick-up-at-store options, and even shedding of store and brand loyalty. Many consumers are switching retailers due to proximity, availability, ease of use, and safety considerations.

The retail market has been hit particularly hard by the pandemic. Lenders are avoiding retail assets more than any other and retail delinquencies have spiked dramatically. Restaurants, as widely reported, have suffered tremendously and early estimates have suggested that anywhere from 10% to 40% of restaurants may close permanently.

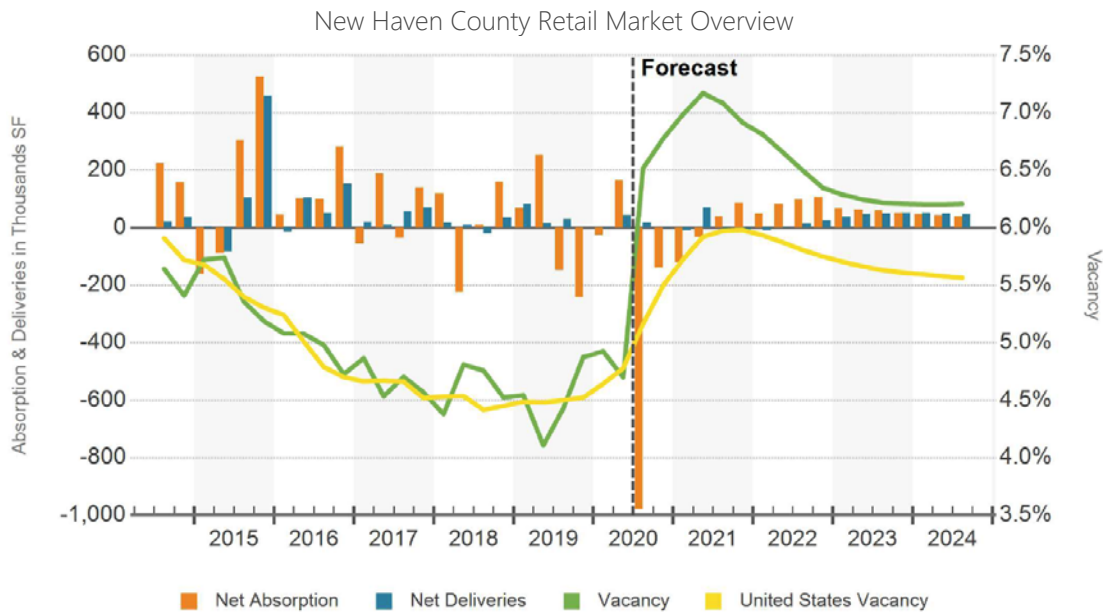
While the full impact of COVID on the retail market is unclear, the shift to e-commerce will continue to accelerate and a sizable segment of retail building stock could be converted entirely or partially for warehousing and fulfillment uses.

The figure below displays the retail market's performance in New Haven County from 2014 to 2020 and projected into 2024. New Haven County has proven to be more volatile than the national retail market with fluctuating vacancy rates. While national retail reached its lowest vacancy rate of 4.4% in 2014, New Haven County dipped to nearly



Source: CoStar

4.0% in 2019. Vacancy rates jumped in 2020, attributed to the COVID-19 pandemic, and are likely to continue negatively impacting the New Haven and national retail markets until 2022. Retail absorption and deliveries are anticipated to be minimal into 2024.



Source: CoStar

The average rent for retail space in New Haven County is \$15.36 per SF with areas such as Southbury and North Haven commanding the highest rents with market rents of \$20.85 and \$19.25 per SF, respectively. The Town of Hamden ranks lower than the regional average with a market rent of \$14.83 per SF.

Malls have consistently achieved higher rents within New Haven County. Power center retail is also a top performer in New Haven County with a market rent of \$21.83 per SF. Within Hamden, neighborhood center retail has consistently achieved higher rents than the other retail uses. General retail, which is typically single-tenant free-standing commercial buildings with parking, have historically had the lowest market rents and are projected to continue to remain the lowest in Hamden. With many retailers turning to their online platform or closing down completely due to the COVID pandemic, it is anticipated that the retail markets may not fully rebound for several years.

New Haven County Retail Market by Subsector						
	Rentable Building Area (SF)	Vacancy Rate	Market Rent	Net Absorption	Deliveries SF	Under Construction
Malls	4,297,634	19.2%	\$ 23.15	(780,871)	-	-
Power Center	2,007,956	6.2%	\$ 21.83	(12,111)	-	4,500
Neighborhood Center	14,469,228	10.1%	\$ 15.29	(148,475)	-	-
Strip Centers	3,254,048	4.9%	\$ 13.95	2,885	-	-
General Retail	30,143,253	3.0%	\$ 14.02	22,743	18,632	82,302
Other	200,308	1.8%	\$ 13.32	-	-	-
<b>Total</b>	<b>54,372,427</b>	<b>6.4%</b>	<b>\$ 15.36</b>	<b>(915,829)</b>	<b>18,632</b>	<b>86,802</b>

Source: CoStar

Town of Hamden Retail Market by Subsector						
	Rentable Building Area (SF)	Vacancy Rate	Market Rent	Net Absorption	Deliveries SF	Under Construction
Malls	-	0.0%	\$ -	-	-	-
Power Center	378,365	2.9%	\$ 14.57	-	-	-
Neighborhood Center	1,107,976	8.2%	\$ 15.68	-	-	-
Strip Centers	172,754	3.9%	\$ 15.21	-	-	-
General Retail	1,373,138	3.2%	\$ 14.18	(7,029)	-	-
Other	-	0.0%	\$ -	-	-	-
<b>Total</b>	<b>3,032,233</b>	<b>5.0%</b>	<b>\$ 14.83</b>	<b>(7,029)</b>	<b>-</b>	<b>-</b>

Source: CoStar

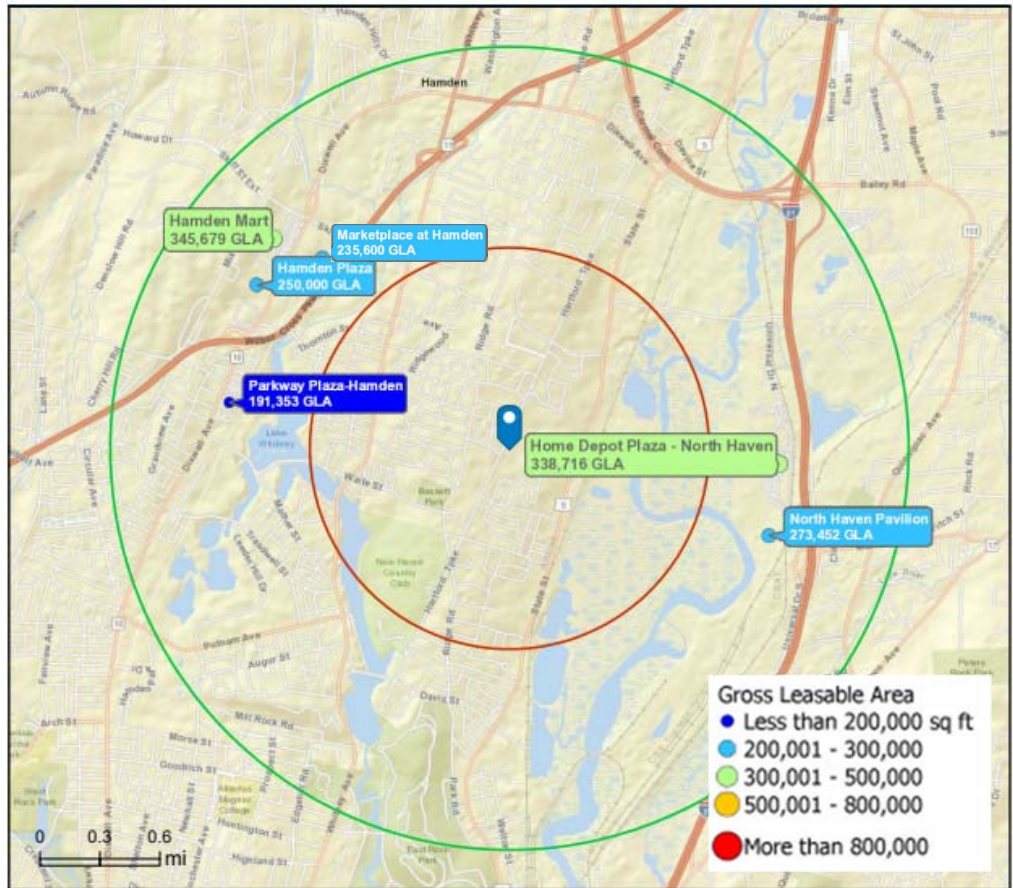




Source: CoStar

There are six major shopping centers within a two-mile radius of the High Meadows School site. The two largest by gross leasable area (GSA) are Hamden Mart in Hamden and Home Depot Plaza in North Haven. Other shopping centers in Hamden include the Marketplace at Hamden, Hamden Plaza, North Haven Pavilion, and Parkway Plaza in Hamden.

Shopping Centers near High Meadows School Site

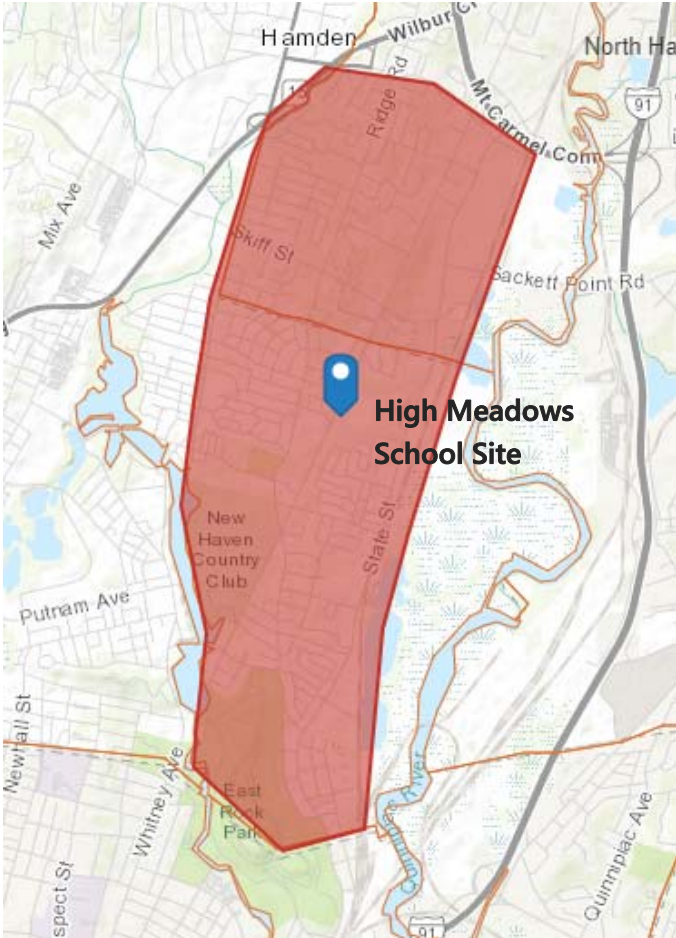


Source: Esri

### RETAIL DEMAND

Retail demand for the High Meadows School Site is determined through examining retail demand and supply within the retail trade area that surrounds the site. Given the lack of major retail in close proximity to the site, any retail onsite would primarily draw from a fairly localized neighborhood area. Retailers requiring a larger draw would typically locate near retail centers along Dixwell Avenue or Universal Drive in North Haven. As shown below, the site’s retail trade area encompasses the area between these two major retail corridors, extending north to Dixwell Avenue in North Haven, south to the New Haven line, east to Whitney Avenue, and along the rail line that parallels State Street to the east. The trade area has a total population of 9,500, and about 3,800 households.

High Meadows School Site Retail Trade Area



Source: Esri, Camoin 310

Retail demand and supply based on the trade area’s residents are outlined in the figure below. The retail gap is calculated based on the demand less than the supply. Retail categories with sales leakage are in green, and those with sales surplus are in red. The lack of existing retail within the trade area point to significant sales leakage, meaning residents of the trade area do their shopping elsewhere.

High Meadows School Site Retail Trade Area Retail Gap					
NAICS		Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
441	Motor Vehicle & Parts Dealers	\$ 39,820,462	\$ 17,262,453	\$22,558,009	8
4411	Automobile Dealers	\$ 32,665,765	\$ 12,011,394	\$20,654,371	4
4412	Other Motor Vehicle Dealers	\$ 4,176,843	\$ -	\$4,176,843	0
4413	Auto Parts, Accessories & Tire Stores	\$ 2,977,854	\$ 2,667,508	\$310,346	3
442	Furniture & Home Furnishings Stores	\$ 7,921,740	\$ -	\$7,921,740	0
4421	Furniture Stores	\$ 4,027,041	\$ -	\$4,027,041	0
4422	Home Furnishings Stores	\$ 3,894,699	\$ -	\$3,894,699	0
443	Electronics & Appliance Stores	\$ 7,356,572	\$ -	\$7,356,572	0
444	Bldg Materials, Garden Equip. & Supply Stores	\$ 12,798,233	\$ 7,313,785	\$5,484,448	5
4441	Bldg Material & Supplies Dealers	\$ 11,458,694	\$ 7,182,795	\$4,275,899	5
4442	Lawn & Garden Equip & Supply Stores	\$ 1,339,539	\$ -	\$1,339,539	0
445	Food & Beverage Stores	\$ 36,122,527	\$ 5,690,140	\$30,432,387	8
4451	Grocery Stores	\$ 30,787,062	\$ 2,628,767	\$28,158,295	4
4452	Specialty Food Stores	\$ 1,456,780	\$ 892,330	\$564,450	1
4453	Beer, Wine & Liquor Stores	\$ 3,878,686	\$ 2,169,044	\$1,709,642	3
446,4461	Health & Personal Care Stores	\$ 12,542,829	\$ 15,172,662	(\$2,629,833)	3
447,4471	Gasoline Stations	\$ 16,559,315	\$ 2,390,799	\$14,168,516	2
448	Clothing & Clothing Accessories Stores	\$ 14,864,204	\$ 834,106	\$14,030,098	3
4481	Clothing Stores	\$ 10,516,869	\$ 467,459	\$10,049,410	1
4482	Shoe Stores	\$ 1,634,416	\$ -	\$1,634,416	0
4483	Jewelry, Luggage & Leather Goods Stores	\$ 2,712,919	\$ 244,274	\$2,468,645	1
451	Sporting Goods, Hobby, Book & Music Stores	\$ 7,067,683	\$ 1,629,564	\$5,438,119	1
4511	Sporting Goods/Hobby/Musical Instr Stores	\$ 6,259,996	\$ 1,629,564	\$4,630,432	1
4512	Book, Periodical & Music Stores	\$ 807,687	\$ -	\$807,687	0
452	General Merchandise Stores	\$ 28,289,299	\$ 1,269,444	\$27,019,855	1
4521	Department Stores Excluding Leased Depts.	\$ 19,120,484	\$ -	\$19,120,484	0
4529	Other General Merchandise Stores	\$ 9,168,815	\$ 1,269,444	\$7,899,371	1
453	Miscellaneous Store Retailers	\$ 7,438,959	\$ 8,449,591	(\$1,010,632)	11
4531	Florists	\$ 645,721	\$ 416,160	\$229,561	1
4532	Office Supplies, Stationery & Gift Stores	\$ 2,039,866	\$ 5,424,746	(\$3,384,880)	1
4533	Used Merchandise Stores	\$ 741,603	\$ 1,557,418	(\$815,815)	6
4539	Other Miscellaneous Store Retailers	\$ 4,011,769	\$ 1,051,267	\$2,960,502	2
454	Nonstore Retailers	\$ 3,005,935	\$ 1,403,795	\$1,602,140	1
4541	Electronic Shopping & Mail-Order Houses	\$ 1,997,900	\$ -	\$1,997,900	0
4542	Vending Machine Operators	\$ 104,166	\$ -	\$104,166	0
4543	Direct Selling Establishments	\$ 903,870	\$ -	\$903,870	0
722	Food Services & Drinking Places	\$ 20,825,707	\$ 5,981,246	\$14,844,461	19
7223	Special Food Services	\$ 582,868	\$ 453,643	\$129,225	2
7224	Drinking Places - Alcoholic Beverages	\$ 329,304	\$ -	\$329,304	0
7225	Restaurants/Other Eating Places	\$ 19,913,534	\$ 5,465,804	\$14,447,730	16

Source: Esri



Sales leakage alone does not indicate if a new business or expansion of an existing business can be supported within a region. To better understand the likely number of supportable businesses within the trade area, we compare the retail spending gap in the trade area to the average sales of similar businesses in Connecticut. This allows us to identify which of the industries with sales leakage in the town may have enough unmet demand to support opening a new store or expanding existing stores. The figure below uses the following assumptions:

1. 10% of the sales leakage is recaptured (this is typical among various retail categories), and
2. New businesses have sales comparable to the average sales of all Connecticut businesses in the same retail category.

The figure below displays the retail categories with the greatest strength in supporting additional business. The only category able to support a full business would be restaurants/eating places. While there is retail leakage across other categories, there is not enough in any one category to support a full additional business.

Supportable Retail in the High Meadows School Site Trade Area, 2020							
A	B	C	D	E	F	G	H
NAICS	Retail Category	Retail Gap	10% Leakage Recapture	Average Sales per Business	Supportable Businesses (D / E)	Average Sales per SF	Supportable SF (D / G)
7225	Restaurants/Other Eating Places	\$14,447,730	\$1,444,773	\$ 588,824	2.5	\$ 350	4,128
4481	Clothing Stores	\$10,049,410	\$1,004,941	\$ 1,305,525	0.8	\$ 300	3,350
4451	Grocery Stores	\$28,158,295	\$2,815,830	\$ 5,176,050	0.5	\$ 500	5,632
4539	Other Miscellaneous Store Retailers	\$ 2,960,502	\$ 296,050	\$ 786,340	0.4	\$ 300	987
4431	Electronics & Appliance Stores	\$ 7,356,572	\$ 735,657	\$ 2,052,544	0.4	\$ 500	1,471
4511	Sporting Goods & Hobby Stores	\$ 4,630,432	\$ 463,043	\$ 1,428,124	0.3	\$ 250	1,852
4422	Home Furnishings Stores	\$ 3,894,699	\$ 389,470	\$ 1,443,255	0.3	\$ 300	1,298
4483	Jewelry, Luggage & Leather Goods Stores	\$ 2,468,645	\$ 246,865	\$ 917,944	0.3	\$ 500	494
4529	Other General Merchandise Stores	\$ 7,899,371	\$ 789,937	\$ 4,061,148	0.2	\$ 500	1,580
4441	Bldg Material & Supplies Dealers	\$ 4,275,899	\$ 427,590	\$ 2,199,844	0.2	\$ 350	1,222
4421	Furniture Stores	\$ 4,027,041	\$ 402,704	\$ 2,087,327	0.2	\$ 300	1,342
4442	Lawn & Garden Equip & Supply Stores	\$ 1,339,539	\$ 133,954	\$ 798,095	0.2	\$ 250	536
4453	Beer, Wine & Liquor Stores	\$ 1,709,642	\$ 170,964	\$ 1,122,600	0.2	\$ 350	488
4482	Shoe Stores	\$ 1,634,416	\$ 163,442	\$ 1,136,078	0.1	\$ 300	545
4521	Department Stores	\$19,120,484	\$1,912,048	\$17,614,901	0.1	\$ 250	7,648
4512	Book, Periodical & Music Stores	\$ 807,687	\$ 80,769	\$ 972,895	0.1	\$ 250	323
7224	Drinking Places - Alcoholic Beverages	\$ 329,304	\$ 32,930	\$ 498,239	0.1	\$ 250	132
4531	Florists	\$ 229,561	\$ 22,956	\$ 378,163	0.1	\$ 200	115
4452	Specialty Food Stores	\$ 564,450	\$ 56,445	\$ 991,113	0.1	\$ 350	161
4413	Auto Parts, Accessories & Tire Stores	\$ 310,346	\$ 31,035	\$ 1,061,258	0.0	\$ 300	103
Total Supportable SF							33,407

Source: Esri, Camoin 310

## 6. FINANCIAL FEASIBILITY ANALYSIS

[forthcoming]

# ATTACHMENT A: DATA SOURCES

## **ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI)**

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see [www.economicmodeling.com](http://www.economicmodeling.com)). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

## **ESRI BUSINESS ANALYST ONLINE (BAO)**

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit [www.esri.com](http://www.esri.com).

## **COSTAR**

CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. CoStar covers office, retail, industrial, and multifamily markets. CoStar data is researched and verified by the industry's largest professional research team. With 1,200 researchers and 130 field research vehicles, CoStar's team makes calls to property managers; reviews court filings, tax assessor records and deeds; visits construction sites; and scans the web to uncover nearly real-time market changes. More at [www.costar.com](http://www.costar.com).

## **AMERICAN COMMUNITY SURVEY (ACS), U.S. CENSUS**

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit <http://www.census.gov/programs-surveys/acs/>

## **ONTHEMAP, U.S. CENSUS**

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: <http://onthemap.ces.census.gov/>.





# Leading action to grow your economy

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