

**DOWNTOWN**TORRINGTON

*It's Happening Here!*

■ **Market Analysis  
Preliminary Results**

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# Office Development Market

*The downtown Torrington market is made up of primarily upper floor space in older often charming or historic buildings:*

- “ The local office space market is limited and high in vacancy
- “ Asking rates are averaging less than \$10/SF for CBD
- “ Actual rates obtained average \$6.7/SF
- “ Downtown office inventory is estimated at 200,000 SF and be over 30% vacant
- “ Suburban space has some class A space asking \$16/SF . ranges \$6 to \$16/sf

# Office Development Market

Findings: No additional office space development is recommended at this time:

- “ Rents are too low and vacancies are too high
- “ However 2500 SF to 3500 SF of co-working space, based on memberships, could provide significant synergy to the arts, retail and housing in downtown and would work well in an older downtown street level space.

Amherst Works co-working space



Water Street- potential co-working space

# Multi-Family Development Market

***Demand: Multi-family inventory has been typically old and lacks amenities; almost no supply to meet demand:***

## **“ Supply/inventory**

- “ Average Torrington rental is old, typically a converted house--62% being built before 1939.
- “ 30% downtown rentals are duplexes or converted houses
- “ Only 2% are legitimate multi family buildings
- “ Average rents \$625 to \$1200/month for studio to 4 bedrooms
- “ Rental \$/SF 0.39/SF to \$1.03

## **• Demand:**

- Affordability is \$1100 to over \$2000/month
- MF with many amenities
- Downtown

# Multi-Family Development Market

## Findings:

- “ Demand Exceeds Supply, 5% of Millennial and Empty Nesters capture @ 10 mile drive supports 288 new units

Example of desirable apartment for Millennials and Empty Nesters



	0.5 mile travel distance from Franklin Ave.	1 mile travel distance from Franklin	10 mile travel distance from Franklin	USA
Household income				
Median HHI	\$ 40,439	\$ 45,623	\$ 74,047	\$ 53,000
monthly affordable rent	\$ 1,112	\$ 1,255	\$ 2,036	\$ 1,458

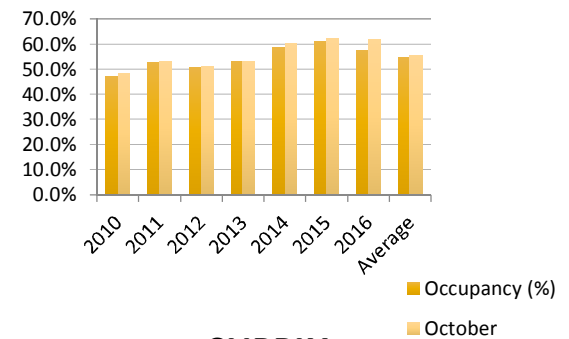
# Hospitality Development Market

***Local hotel demand is well below state averages and national trends:***

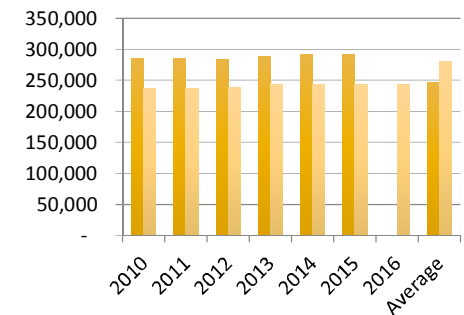
**“ National and state demand/supply:**

- “ Record occupancies at 65% in 2017
- “ ADR was \$125 and increasing
- “ Pipeline of business travelers are growing
- “ Extended stay and upscale are drivers
- “ Regional occupancies are 67% while 12 properties in local market averaged 54%
- “ ADR locally high at \$159

**OCCUPANCY TRENDS**



**SUPPLY**



# Hospitality Development Market

## Findings:

No new rooms are supported but re-instating the existing downtown supply is supportive of downtown revitalization



*Yankee Pedlar has the opportunity to be upscale, historic extended stay linked to conference space in downtown*

# Retail Real Estate Development Market

*Based on an analysis of leakage of retail sales at the 1 and 10 minute drive time, there are several retail sectors where the demand is higher than the sales available in the area*

- “ However, there is a general over supply of retail in most categories
- “ Retail that would typically follow housing, such as grocery, is oversupplied
- “ In the larger area, that encompasses much of the Micropolitan area, there are opportunities for food services, sporting goods, clothes: leakage of 260,000 SF

Capture rate	10%	5%	1.0%	NAP	0.5%
source; Nielsen Clarita's Dec 2016		1 mile drive distance	10 mile drive distance	UNITED STATES	TORRINGTON MPA
Pop facts	0.5 miles				
Actual retail SF supportable based on estimated capture	378 \$	516	12,646	NAP	32,732



# Demographics of Retail

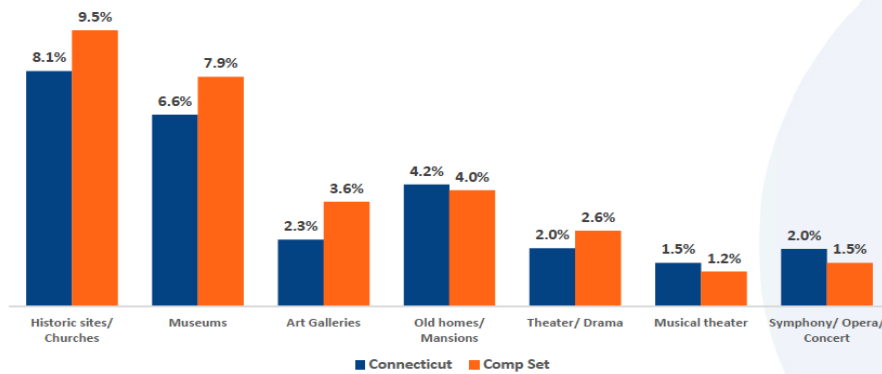
## RETAIL DEMOGRAPHICS

source; Nielsen Clarita's Dec 2016

Pop facts	0.5 miles	1 mile drive distance	10 mile drive distance	UNITED STATES	TORRINGTON MPA
Population	215	491	36,487	330,000,000	187,000
Prime retail population 35 to 54					
Households	98	228	15806		71,550
growth 2016 to 2021	-3%	-3%	-2%		-2.60%
average HH size	2.2	2.2	2.3		2.6
median HHI	\$ 28,960	\$ 33,282	\$ 58,033	\$ 51,900.00	\$ 66,445
Effective Buying Income rate(EBI)	0.80	0.80	0.81	0.81	0.81
EBI per household	\$ 23,168	\$ 26,626	\$ 47,065	\$ 42,039	\$ 53,820
Total Effective Buying Income	\$ 2,270,464	\$ 6,070,637	\$ 743,905,644	\$ -	\$ 3,850,853,198
Retail buying rate	50%	51%	51%	0.51	0.51
Total Retail Buying Income	\$ 1,135,232	\$ 3,096,025	\$ 379,391,878	\$ -	\$ 1,963,935,131
retail buying income per HH	\$ 11,584	\$ 13,579	\$ 24,003	\$ -	\$ 1,001,606,917
Estimated sales per square foot (PS)	\$ 300	\$ 300	\$ 300	300	300
Retail Supportable SF	3,784	10,320	1,264,640	-	6,546,450
Capture rate	10%	5%	1.0%	NAP	0.5%
Actual retail SF supportable based on estimated capture	378	\$ 516	12,646	NAP	32,732

# Tourism Attraction and Development

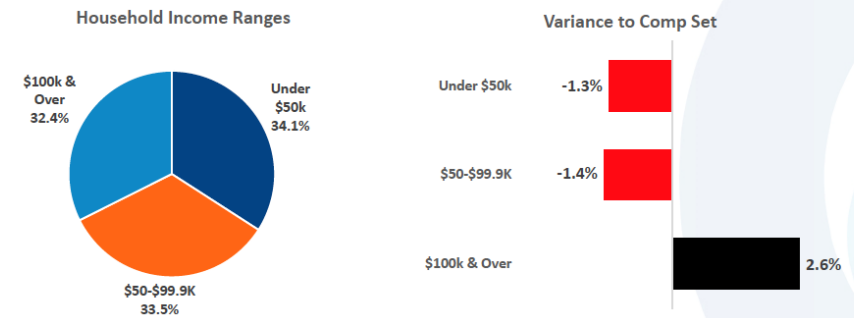
## Activity Participation: Art & Culture



SOURCE: TNS Travels America 2013

## Household Income

The average Connecticut traveler earned \$73.9k in 2013, \$4.8k or 6% more than the comp set average as a whole.



SOURCE: TNS Travels America 2013

# Tourism is Worth the Investment

Spending support by Visitors overnight stays support 4X the real estate

	Day	Overnight
Average HHI	\$73,000	\$73,000
Retail income to spend	\$31,339	\$31,339
spending	\$50	\$200
# of visitors (50% of train per comp)	<u>75000</u>	<u>75000</u>
total spending	\$3,750,000	\$15,000,000
<b>Retail supportabel @\$250/SF</b>	<b>15,000</b>	<b>60,000</b>

# Assets for Development

*In terms of assets, TORRINGTON has many, especially the backbone to attracting visitors and the visual and performing arts communities:*

- Historic fabric of buildings
- Gritty and affordable
- Established ballet, performing arts, and growing visual artist and live-work
- The Naugatuck River and Naugatuck Valley Greenway
- Sue Grossman Still River Greenway
- **Win-win:** Potential to offer better, market rate, yet affordable housing with a country flair but urban feel
- Potential to leverage the arts further with a hospitality venue to support the arts
- Potential to support businesses with an improved CBD and rooms for extended stay business



Greenway and  
downtown  
Torrington



# Retail Real Estate Development Market

## Findings:

- “ Very limited downtown retail is supportable without new residential MF development in downtown
- “ Only 12,000 SF to 32,000 SF of retail without new MF housing
- “ 288 units of housing can support another 23,000 SF

*A vibrant downtown streetscape—voted best small downtown, Deadwood SD*



# What Does This All Mean?

We have TWO paths...and need to pursue BOTH!

- 1 The micropolitan area has comparative wealth: develop strategies to capture this in the arts, culture and tourism to support revitalization and continue absorbing retail. Overnight stays could be a real opportunity.
- 2 Millennials and empty-nesters could be attracted to market-rate but value priced multi-family units. Increasing population in the downtown will cross-pollinate with retail, culture and the arts.