Glastonbury Center 2020

Developing a Shared Vision

Market Analysis

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1.0 Introduction

1.1 Overview

Encompassing approximately 52 square miles with a population of nearly 34,000, the Town of Glastonbury is an affluent Capitol Region suburb located approximately eight miles southeast of Hartford (Connecticut). With its expansive land area, historic charm, and strategic location in the "center of Connecticut" relative to the state's capital city and interstate highways and varied topography, Glastonbury has emerged as one of the region's most desirable communities.

Originally settled by the Wongunks Connecticut Indian tribes, the Town has a strong history and tradition of quality growth and economic development, top notch education opportunities, historic preservation and a vibrant and diverse Town Center. Once primarily a farming community, Glastonbury has attracted many quality businesses including high quality Class A office space and corporate business parks, a variety of retail offerings and entertainment options, traditional manufacturing, and personal service businesses. Today, Glastonbury has the second highest per capita income of any town in the Hartford metropolitan area, with excellent schools, abundant recreational opportunities, upscale retail shopping and a strong residential population base.

The Town recently updated its Plan of Conservation and Development (Plan) for the 10-year period 2007-2017. Prepared as required under Connecticut General Statutes Section 8-23, the Plan outlines the Town's policies, goals and standards for the development of the Town over the next ten years including conservation of existing resources. The Plan was developed and adopted by the Town Plan & Zoning Commission (TP&Z) and received unanimous support of the Town Council (Council). Based on the updated Plan, a joint Council/TP&Z subcommittee was formed to integrate desired and required changes to the Town's Building-Zone Regulation to reflect recommendations identified in the Plan.

Work completed by the Council/TP&Z subcommittee identified the need to better develop a shared vision/concept for the Town Center area including better integration of economic sustainability and development, potential new housing, vehicular and pedestrian circulation, parking and other transportation and land use factors.

1.2 Study Purpose

The purpose of this project is to assist the Town by producing a Town Center shared vision/concept that establishes a foundation for sustainable economic development and business expansion with a built infrastructure that provides safe and efficient vehicular operations; improved pedestrian, public and bicycle access; customer convenient and business friendly parking; enhanced lighting; new streetscape opportunities; and the integration of new residential opportunities.

The *Market Analysis* focuses on the following:

- Summarize economic and demographic conditions and trends in Town Center, Town and Hartford region
- Outline market strengths, challenges and opportunities
- Provide retail, office and residential market data
- Profile development trends
- Identify potential sources of market demand for retail, office and residential uses in the Town Center

- Estimate development potential by market segment (retail, office and residential)
- Describe preliminary development opportunities for potential development and redevelopment sites

1.3 Report Organization

The report is organized into six sections. These sections include:

Section 1	Introduction
Section 2	Economic and Demographic Profile
Section 3	Office Market Overview
Section 4	Retail Market Overview
Section 5	Residential Market Overview
Section 6	Development Opportunities

1.4 Participating Stakeholders

This report was informed by the insight of a variety of stakeholders. Individuals that lent their time and expertise to this project included the following:

Consultant Team
Frank Fish, BFJ Planning
Georges Jacquemart, BFJ Planning
Melissa Kaplan-Macey, BFJ Planning
Gary Sorge, Stantec
Jim Prost, BBP & Associates LLC
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Steering Committee
Richard Johnson, Town Manager
Kenith Leslie, Town Planner
Susan Karp, Town Council Chairperson
Sharon Jagel, Town Plan & Zoning Commission Chairperson
Timothy Coon, Town Council
Pat Low, Town Plan & Zoning Commission

Other Stakeholders
Bruce Sawyer, Grove Properties
Allan Schwartz, Eric Town Square
Charles Davis, Centro Properties
Don Goodwin, Murray Real Estate
Robert Gaucher, O, R & L Realtors
Craig Way, HB Nitkin
David Valente, Town Assessor

Glastonbury Town Green

2.0 Economic and Demographic Profile

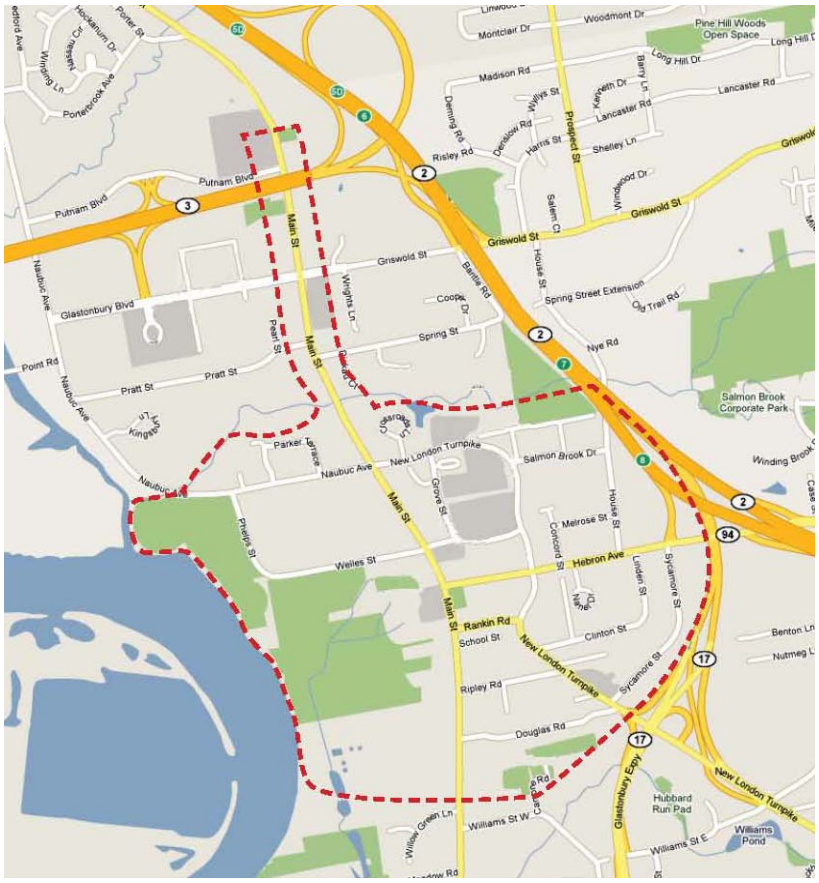
2.1 Overview

To understand the economic and market conditions in which the Town of Glastonbury and the Town Center commercial businesses operate, a baseline economic and demographic profile was performed which examines existing and projected demographic and economic factors for the Town Center, Town of Glastonbury and greater regional geographic area (e.g. Hartford SMSA). Characteristics and trends of households and employment within these areas were then compared to similar characteristics within the predefined broader geographies to identify market opportunities for retail, office and residential development within the study area.

2.2 Analysis Areas

The Glastonbury Town Center study area includes the area generally surrounding Main Street and along New London Turnpike and Hebron Avenue within the municipal boundaries of the Town of Glastonbury.

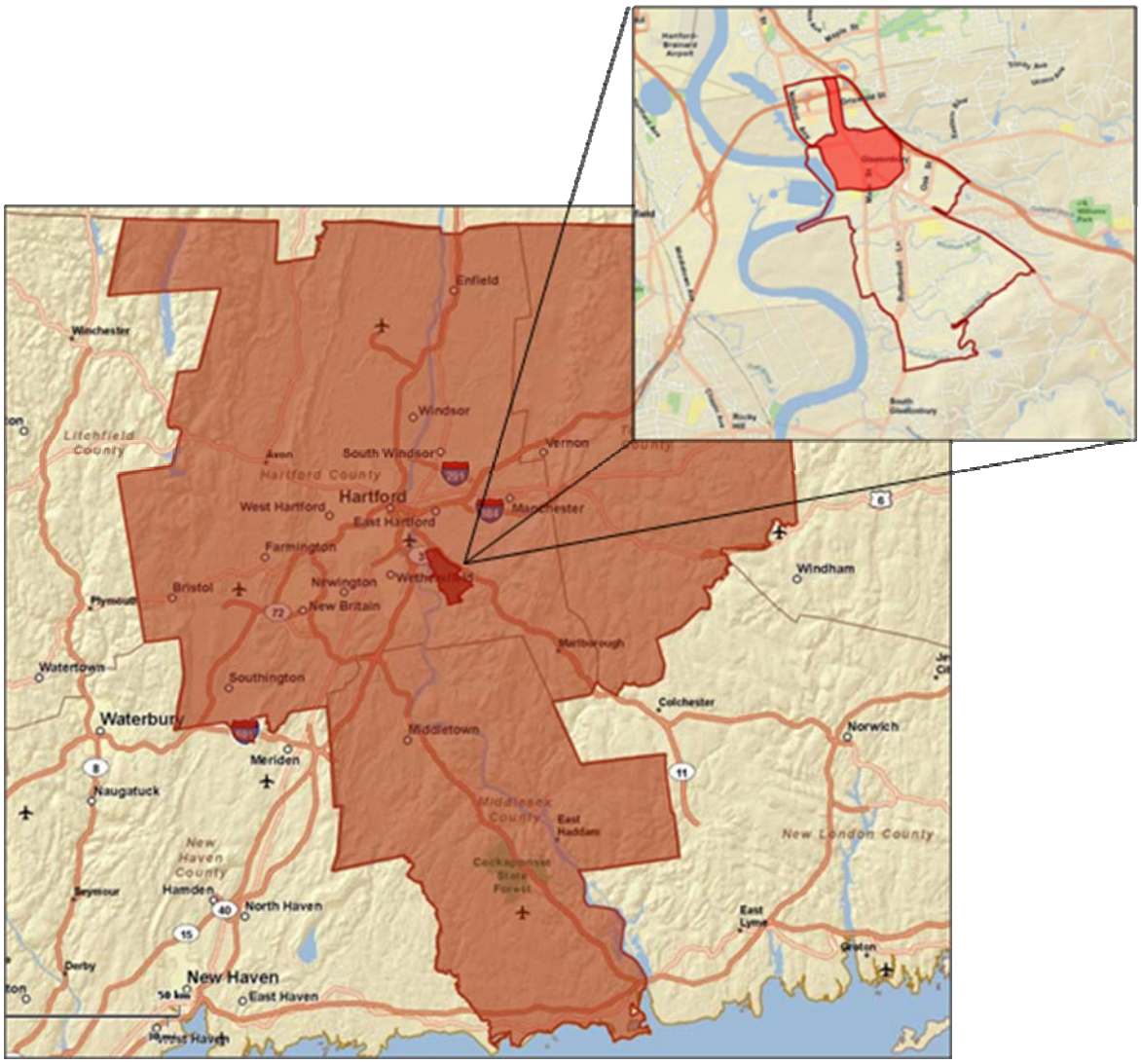
Exhibit 2.0 – Study Area Boundary



Source: Googlemaps

Other geographies assessed as part of this analysis include the Town of Glastonbury, communities east of the Connecticut River (e.g. East Hartford, Manchester and South Windsor) and the Hartford regional SMSA.

Exhibit 2.1 – Town of Glastonbury and Town Center (including Greater Hartford Region)



Source: ESRI Business Information Solutions

2.4 Demographic and Economic Profile

To evaluate the depth and characteristics of potential demand presented by households and businesses for commercial uses, an assessment of the demographic and economic conditions of Glastonbury Town Center and the Town of Glastonbury and its surrounding geographic areas was performed.

Compared to the Town, Glastonbury Town Center has:

- 5% of Town's population
- 7% of Town's households
- 35% of Town's at-place employment (jobs)
- Smaller average household size (1.73) compared to Town (2.56) and region (2.46)
- Higher median age (50) compared to Town (43) and region (40)
- Lower median household income ($58,390) compared to Town ($96,994) and region ($68,289)
- More rental occupied housing (62%) compared to Town as a whole (22%)
- More affordable home values ($257,100) compared to Town ($371,300)

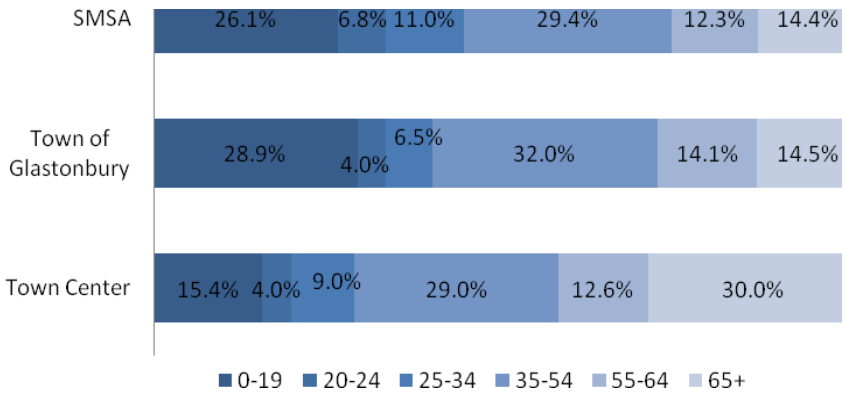
Exhibit 2.1 - Demographic & Economic Profile (2009)

	Town Center	Town of Glastonbury	SMSA	% of Town	% of SMSA
Population	1,683	33,224	1,198,934	5%	0.1%
Households	912	12,846	466,831	7%	0.2%
Average Household Size	1.73	2.56	2.46	68%	70%
Median Household Income	$58,390	$96,994	$68,289	60%	86%
Median Household Value	$257,143	$371,258	$244,857	69%	105%
% Owner Occupied	38%	78%	62%	49%	61%
Labor Force	853	17,278	594,529	5%	0.1%
At-Place Employment	6,476	18,738	658,180	35%	1%
Median Age	50	43	40	116%	125%

Source: ESRI Business Information Solutions, BBPC 2010

Glastonbury Town Center residents are older when compared to the Town and region. 30% of Town Center residents are 65+ years of age compared to 15% in the Town as whole. In addition, 15% are school age (less than 20 years old) compared to 29% for the Town.

Exhibit 2.2 – Age Cohort (2008)



Source: ESRI Business Information Solutions

The average household income ($58,390) of Town Center residents is 67% less compared to the Town of Glastonbury as a whole ($96,994) and 18% less compared to the Hartford region ($68,289). More than 30% of Town Center households earn less than $35,000 compared to 11% for the Town. 50% of Town Center households earn between $35,000 and $100,000 compared to 26% for the Town.

The Town of Glastonbury as a whole is an affluent community with nearly 50% of households earning more than $100,000 compared to 19% of Town Center households and 25% of regional households

Exhibit 2.3 – Households By Income (2009)

	Town Center	Town of Glastonbury	SMSA
< $15,000	11.6%	3.5%	8.6%
$15,000 - $24,999	12.2%	4.3%	7.3%
$25,000 - $34,999	6.5%	3.3%	7.6%
$35,000 - $49,000	11.9%	7.1%	11.8%
$50,000 - $74,999	22.3%	14.0%	18.5%
$75,000 - $99,999	16.4%	19.6%	19.7%
$100,000 - $149,999	12.3%	17.7%	15.1%
$150,000 - $199,999	3.7%	14.7%	6.0%
$200,000 +	3.1%	15.8%	5.2%

Source: ESRI Business Information Solution, BBPC 2010

Households within the Town Center are comprised of fewer families than in surrounding geographies, and contain a higher proportion of people over the age of 65. On average, 67% are family households in the Town Center compared to 73% for the Town as a whole and 43% for the region. Households with persons age 65+ comprise 25% of households in the Town Center compared to 23% for the Town as a whole and 37% for the region

Exhibit 2.4 – Households by Type (2000)

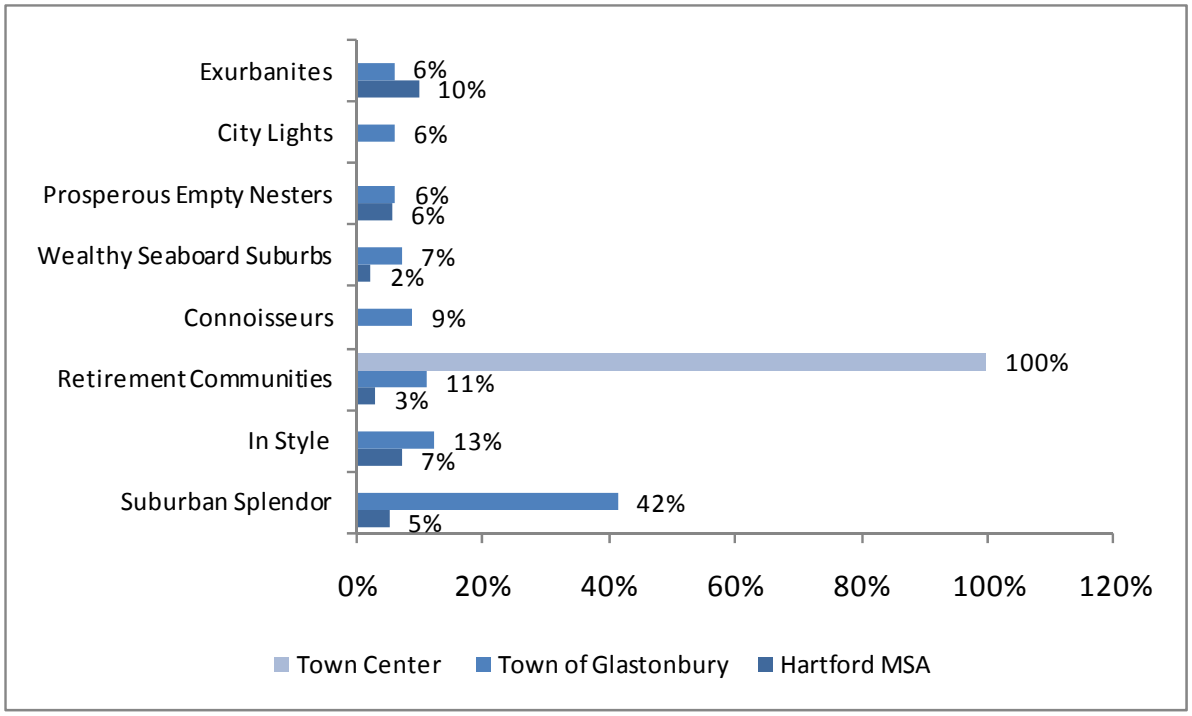
	Family	**Non-Family**	**Households with Persons 65+**
Town Center	67%	33%	25%
Town of Glastonbury	73%	27%	23%
SMSA	43%	57%	37%

Source: ESRI Business Information Solutions, BBPC 2010

To identify the lifestyle characteristics and housing preferences of local residents, an evaluation of top household tapestry segments was performed. *ESRI Business Information Solutions* uses demographic information such as labor force characteristics, median income, age, and spending habits to categorize neighborhoods according to a trademarked Community Tapestry classification system.

The following table identifies the top tapestry segments in the Town Center, Town of Glastonbury and Hartford SMSA. Glastonbury Town residents are affluent, comprised of families, empty nesters, retirees, and young professionals, educated and Internet savvy, well read and active in their communities. Their free time is typically devoted to family, travel, and self-improvement pursuits and their retail spending includes home improvement, electronic gadgets, and upscale retailers.

Exhibit 2.5 – Top Selected Tapestry Segments



Source: ESRI Business Information Solutions

The majority of residents within the Town represent the following tapestry segmentations:

- **Exurbanites** – Exurbanites are typically affluent married-couples, many of which are empty nesters. Most residents work in professional and managerial occupations, though 20% of residents have entered retirement. The typical household lives in an older single-family home in a suburban community. Home and garden improvement and outdoor activities are common leisure time pursuits.

- **City Lights** – The City Lights segment is diverse, consisting of different cultures, household types, and housing preferences. This multiracial segment includes singles as well as families, and residents live in single-family detached homes, townhomes, and apartments. Most residents work in white-collar and service occupations and enjoy comfortable incomes. Residents enjoy shopping, dining out, and fitness activities in their leisure time.

- **Prosperous Empty Nesters** – As the segment's name implies, many Prosperous Empty Nesters are affluent married couples with no children at home. Most residents are age 55 and over, and while most are still working, a large minority (28%) collects retirement income. Most residents live in older single-family detached homes. In their leisure time, residents exercise, golf, attend sporting events, participate in civic organizations, and travel.

- **Wealthy Seaboard Suburbs** – Wealthy Seaboard Suburbs represent affluent, married-couple families living in older communities in coastal metropolitan areas. Just under half of households have children. Approximately 25% of households collect retirement income, while most of the employed residents work in management or professional occupations. These residents are among the top five most likely to commute to work (including community out-of-state to work).

- **Connoisseurs** – Connoisseurs represent somewhat of an older market of residents, where the median age is 46.9 years. 70% of these households are married-couple families. With a median household income of $123,255, these residents rank highest for conspicuous consumption. These residents tend to live in older neighborhoods, where most homes are built before 1970, and are located in densely populated city centers in established affluent areas. These residents also live in a different state from where they work.

- **Retirement Communities** – Retirement Communities residents who are predominately singles who live alone and represent an older market. These residents at the national level have a median age of 51.4 years old with 44% of the households aged 65 years or older. Most residents live in multi-unit structures and spend their free time engaging in leisure activities within their residence.

- **In Style** – In Style residents represent professional couples who are computer savvy and typically in a suburb of a metropolitan area. These residents are comprised of married couple families with a slightly older median age at the national level of 40.2 years old. Known to be more educated compared to the U.S. level, the median household income for this segment at the national level is $72,112.

- **Suburban Splendor** – Suburban splendor represents families in growing neighborhoods, typically located in metropolitan areas. With nearly half of the population aged between 35 and 64 years old, approximately 80% of the households consist of married couple families. Residents have a median household income of $129,931 and work in management, professional, or sales occupations. Compared to all tapestry segments, this tapestry segment leads home-ownership, with 93% of householders owning their houses.

The diverse interest of these tapestry segments indicates they together demand a variety of retail goods and services to meet their unique preferences. This demand is explored further in the retail market analysis section.

Glastonbury Historic District

2.5 Labor and Industry

In 2009, the Town of Glastonbury labor force totaled approximately 17,300 employed residents. Town Center residents comprised approximately 850 employed residents or 5% of the Town's total labor force. The service industry dominates the labor force (46-47 percent) in the Town and Town Center, followed by the finance, insurance and real estate industry (17-18 percent) then retail trade (8-9 percent).

Exhibit 2.6 – Labor Force by Industry (2009)

	Town Center		Town of Glastonbury		Town Center % of Town
	Employees	%	Employees	%	
Agriculture	0	0%	69	0%	0%
Construction	32	4%	657	4%	5%
Manufacturing	89	10%	1,365	8%	6%
Wholesale Trade	28	3%	570	3%	5%
Retail Trade	68	8%	1,624	9%	4%
Transportation / Utilities	44	5%	587	3%	8%
Information	19	2%	346	2%	5%
FIRE	148	17%	3,145	18%	5%
Services	394	46%	8,121	47%	5%
Government	30	4%	795	5%	4%
Total	**853**	**100%**	**17,278**	**100%**	**5%**

Source: ESRI Business Information Solution, BBPC 2010

In terms of at-place employment, the top three job categories in the Town are services (53 percent) followed by retail trade (18 percent) and Finance, Insurance and Real Estate-FIRE (13 percent). The Town Center provides 35% of all jobs in the Town including 31% of all retail jobs, 39% of service jobs (e.g. health, legal, education, other) and 82% of government jobs. Overall, the Town as a whole has more residents than jobs (employee-residential population ratio of 0.57) while the Town Center has more jobs than residents (employee-residential population ratio of 3.85). This suggests that the Town is an out-commuting community (more residents then jobs) while the Town Center is a destination for in-commutes.

Exhibit 2.7 – At-Place Employment by Industry (2009)

	Town Center		Town of Glastonbury		Town Center % of Town
	Employees	%	Employees	%	
Agriculture	28	0.4%	221	1%	13%
Construction	86	1%	719	4%	12%
Manufacturing	113	2%	1,100	6%	10%
Wholesale Trade	27	0.4%	509	3%	5%
Retail Trade	1,154	18%	3,700	20%	31%
Transportation / Utilities	82	1%	255	1%	32%
Information	10	0.2%	37	0.2%	27%
FIRE	874	13%	2,552	14%	34%
Services	3456	53%	8,856	47%	39%
Government	648	10%	789	4%	82%
Total	**6,478**	**100%**	**18,738**	**100%**	**35%**

Source: ESRI Business Information Solution, BBPC 2010

Retail trade and services are among the top two at-place employment categories in the Town of Glastonbury accounting for nearly 70% of the at-place employees in the retail and services industries in the Town. More than 35% of all the Town's jobs are located in the Town Center (31% of retail trade jobs and 39% of services jobs). Other observations include: 53% of the Town's apparel jobs are located in the Town Center, 43% of the Town's legal jobs are located in the Town Center, 38% of health services jobs are located in the Town Center and 49% of the Town's eating and drinking places jobs are located in the Town Center.

Exhibit 2.8 – Retail and Services At-Place Employment by Industry (2009)

	Town Center Employees	Town of Glastonbury Employees	Town Center % of Town
Retail Trade	**1,154**	**3,700**	**31%**
Home Improvement	125	282	44%
General Merchandise Stores	0	1	0%
Food Stores	79	509	16%
Auto Dealers, Gas Stations	10	210	5%
Apparel & Accessory Stores	59	111	53%
Furniture & Home Furnishings	54	683	8%
Eating & Drinking Places	565	1,143	49%
Miscellaneous Retail	262	761	34%
Services	**3,456**	**8,847**	**39%**
Hotels & Lodging	49	102	48%
Automotive Services	41	100	41%
Motion Pictures & Amusements	46	519	9%
Health Services	480	1,270	38%
Legal Services	125	294	43%
Education & Libraries	102	1,084	9%
Other	2,613	5,478	48%
Total	**4,610**	**12,547**	**37%**

Source: ESRI Business Information Solution, BBPC 2010

2.6 Business Inventory – Glastonbury Town Center

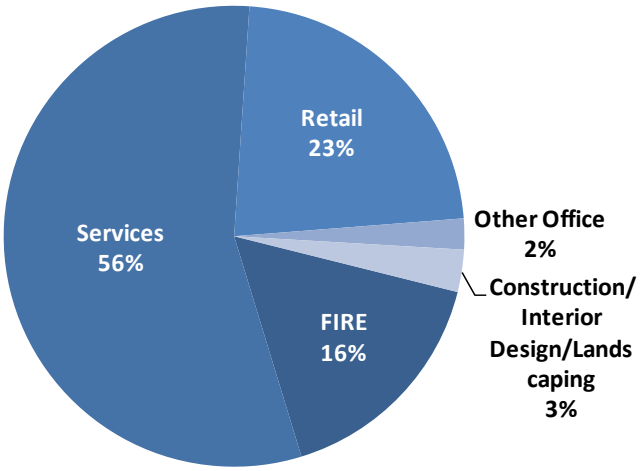
In 2010 the Town of Glastonbury undertook an inventory of businesses located within the boundaries of the Town Center. There were an estimated 505 total businesses in the Town Center. Services businesses are dominant (56%) followed by General Retail (23%) and FIRE (16%). These businesses are primarily located in retail shopping centers and along Main Street, Hebron Avenue and New London Turnpike.

Exhibit 2.9 – Glastonbury Town Center Business Inventory 2010

Business Category	# of Businesses	%
FIRE	**83**	**16%**
Services	**281**	**56%**
Health	109	22%
Legal	42	8%
Personal	62	12%
Hotels & Lodging	1	0%
Other	67	13%
Retail	**115**	**23%**
Eating & Drinking	44	9%
Auto-Related	17	3%
Apparel & Accessories	9	2%
Furniture/Home Furnishing	14	3%
General	5	1%
Food & Beverage Stores	9	2%
Other	17	3%
Other Office	**11**	**2%**
Construction/Interior Design/Landscaping	**15**	**3%**
Total	**505**	**100%**

Source: Town of Glastonbury

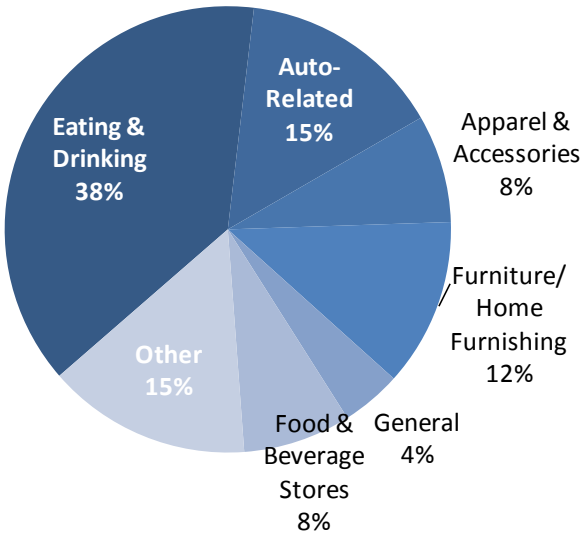
Exhibit 2.10 - Glastonbury Town Center Business Inventory (# of Businesses)



Source: Town of Glastonbury, 2010

In terms of retail businesses, they were dominated by eating and drinking places (44 businesses or 38% of the Town Center's retail inventory), auto related retail (17 businesses or 15 percent) and furniture/home furnishing (14 businesses or 12 percent). Notable observations include that the majority of apparel and accessory businesses are jewelers and other unique retail businesses include photography studios, children's play/party rooms, karate and martial arts and music/guitar lessons shops.

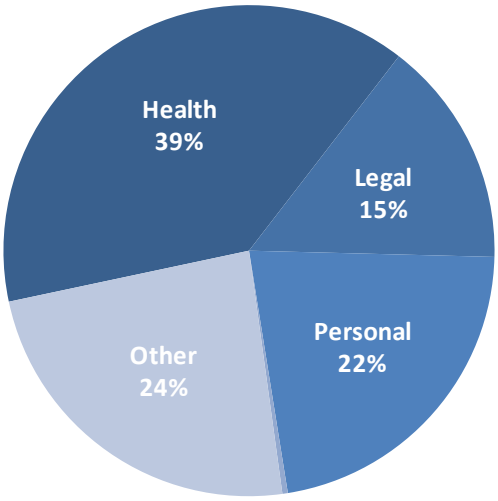
Exhibit 2.11 - Glastonbury Town Center
Retail Business Inventory



Source: Town of Glastonbury, 2010

In terms of services businesses, they were dominated by health services (109 businesses or 39% of the Town Center's services inventory), personal services (62 businesses or 22%) and legal services (42 businesses or 15%). The predominant health related services include medical offices, medical suppliers, physical therapy offices and health related consultants. Personal services are also present in large quantities and include hair and nail salons as well as wellness/massage therapy businesses.

Exhibit 2.12 - Glastonbury Town Center
Services Business Inventory



Source: Town of Glastonbury, 2010

2.7 Summary Economic and Demographic Observations & Findings

The following table summarizes key observations and findings regarding the strengths, constraints, and opportunities related to the demographic and economic characteristics and trends in the Glastonbury Town Center study area.

Exhibit 2.13 – Economic and Demographic Observations

Strengths	Constraints	Opportunities
• Glastonbury is an affluent community comprised of families, empty nesters, retirees and young professionals who are educated and Internet savvy, well read and active in their communities • Town Center is Town's most diverse area in terms of housing and employment opportunities • High incomes of Town households provide strong retail sales expenditure potential relative to the region and surrounding communities	• Lack of specialized retail businesses to cater to local population (e.g. clothing/apparel shops, sporting goods) • Town Center is more of a business/employment center than residential center • Town Center residents are generally less affluent than the Town as a whole	• Growth in selected "tapestry" demographic segments provides opportunities to capture new residential demand in Town Center area - *Suburban Splendor* - *Prosperous Empty Nesters* - *Wealthy Seaboard Suburbs* - *Connoisseurs* - *In Style* • Opportunity to capture leakage of Town residents retail expenditures by providing specialty retail shopping to meet local demand • Opportunity to provide high quality, market rate housing in Town Center area to attract targeted demographic segments

3.0 Retail Market Analysis

3.1 Overview

The Town of Glastonbury offers a wide variety of retail and business services to its residents and visitors in particular in the Town Center area and its environs which is Glastonbury's most diverse area and home to a majority of the Town's retail and service businesses.

The Main Street area is the historical "downtown" of Glastonbury and contains an eclectic range of retail uses as well as neighborhood shopping centers. The area contains a variety of boutique shops, specialty retail, restaurants and entertainment options. The Town Center has seen the most recent retail development in the Town including the opening of Eric Town Square, Glastonbury's newest lifestyle center which offers retail and Class A office space in a mixed use environment, as well as a new Whole Foods supermarket at the Shoppes at Fox Run.

Glastonbury has a number of specialty retail centers that offer local, regional and national chain stores. This includes Somerset Square, off of Glastonbury Turnpike just north of the Town Center, a lifestyle shopping center that has experienced continued development with the completion of two hotels as well as additional retail and office space. The center offers several top national retailers such as: Talbots, Ann Taylor, Chico's, White House/Black Market, Coldwater Creek, J. Jill, Victoria's Secret and Smith & Hawken.

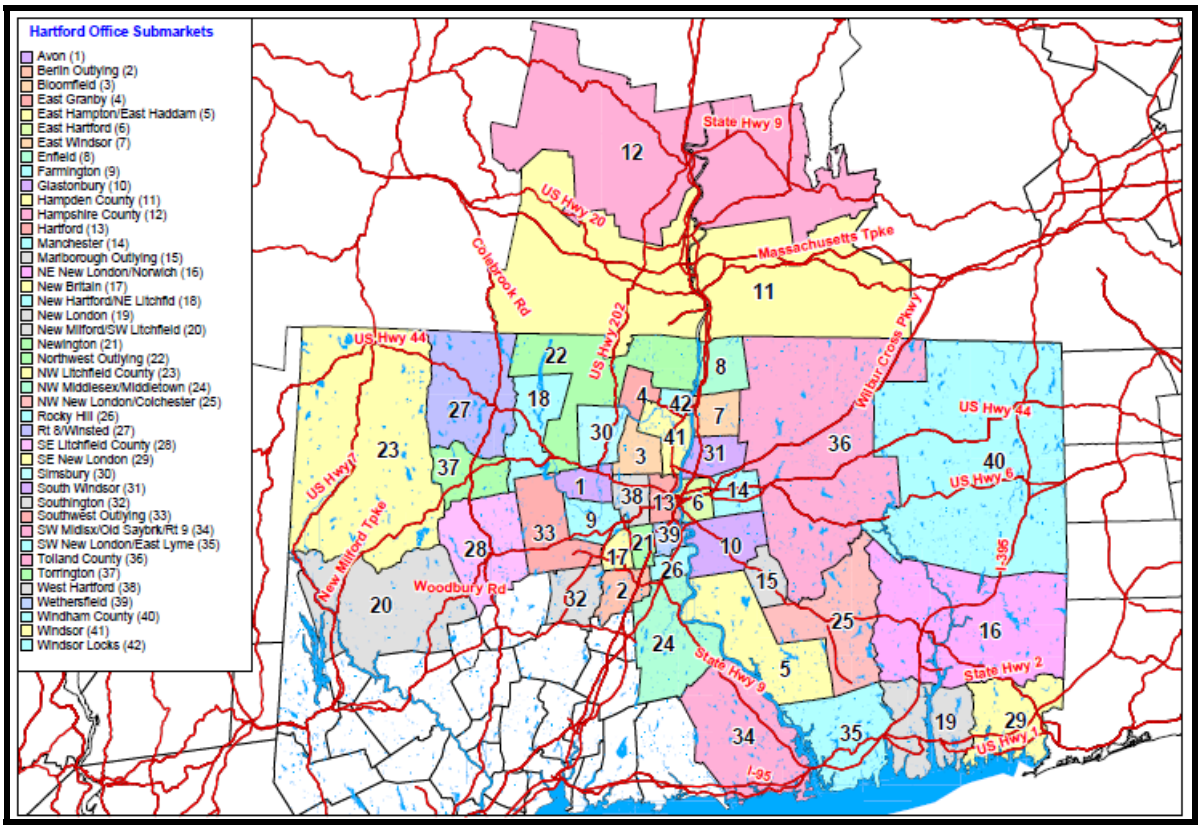
This section provides an overview of the retail market in Glastonbury and in the Town Center as well as the Hartford region. It provides information on existing inventory, development activity, vacancy and absorption. It then summarizes the Town's current market position, strengths, challenges and opportunities in terms of the retail market.

Eric Town Square, Glastonbury Town Center

3.2 Market Areas and Conditions

The Town of Glastonbury is situated within the broad context of the Hartford regional retail market. The Hartford regional retail market encompasses the markets surrounding the City of Hartford and its suburban communities. The retail submarkets most proximate to the Town of Glastonbury include: Manchester, East Hartford, Hartford, Rocky Hill, East Hampton/East Haddam, Marlborough Outlying and Wethersfield.

Exhibit 3.0 – Hartford Regional Retail Market Map



Source: CoStar

Retail Market Overview

The Hartford regional retail submarket comprises more than 138 million square feet of retail space located in shopping centers, power centers, specialty centers, malls and general retail properties which include freestanding retail buildings. The regional retail market has seen a decrease in vacancy rate over the past four quarters dropping from 6.8% in the second quarter of 2009 to 6.2% in the first quarter of 2010.

The Town of Glastonbury's retail market is located in the East market which includes East Hartford, Manchester and South Windsor. The East market totals more than 12.8 million square feet of retail space representing approximately 10% of the total Hartford regional retail market inventory. Glastonbury has 1.6 million square feet of retail space which represents 13% of the retail inventory in the East market. Vacancy rates in the Town of Glastonbury are lower than in the East market and region averaging 5.6% compared to 6.6% for the East market and 6.2% for the region.

Construction and delivery data for first quarter 2010 showed that competing submarkets have very little development activity, if any. There is no retail development activity in the East market, including Glastonbury. The only markets with development activity include City of Hartford, Middlesex County, West, Litchfield County, Southwest, New London County and Windham County. This totals 356,000 square feet of retail development under construction as of the first quarter 2010.

Exhibit 3.1 – Hartford Regional Retail Market Snapshot
1st Quarter 2010

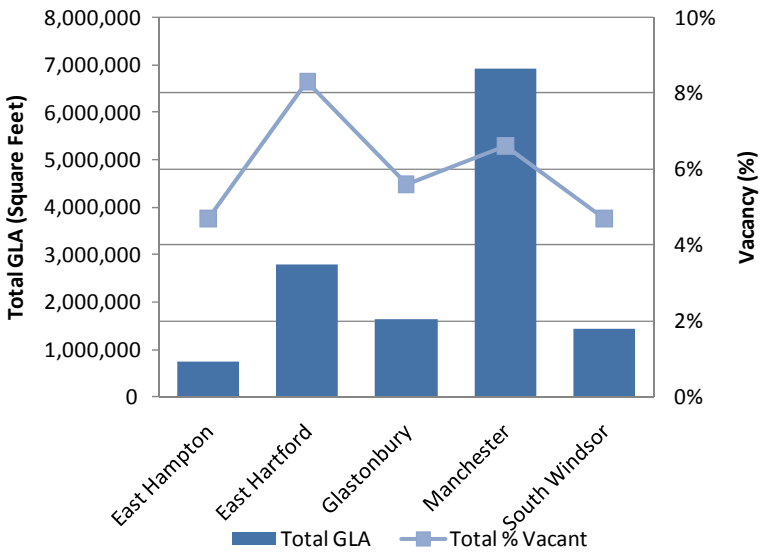
	Existing Inventory			Vacancy		Average Rate
	# of Bldgs	Total GLA	Avg Bldg Size	Total SF Vacant	Total % Vacant	
Town Center	73	756,721	10,366	77,863	10.30%	$19.27
Town of Glastonbury	134	1,628,270	12,151	90,410	5.60%	$20.49
East Market*	984	12,754,587	12,962	845,321	6.60%	$15.47
Hartford Regional Market	12,836	138,773,949	10,811	8,641,564	6.20%	$13.15

** East Market includes East Hartford, Glastonbury, Manchester, and South Windsor*

Source: CoStar, Hartford Retail Market Report, 1st Quarter 2010

Within the eastern Hartford region Glastonbury is a smaller retail center when compared to Manchester (6.9 million square feet) and East Hartford (2.8 million square feet), but larger when compared to East Hampton (753,000 square feet) and South Windsor (1.4 million square feet). The Town of Glastonbury also has a lower vacancy rate (5.6%) compared to Manchester (6.6%) and East Hartford (8.3%) but higher compared to South Windsor (4.7%) and East Hampton/East Haddam (4.7%).

Exhibit 3.2 – Selected Regional Retail Market Overview (2010 1Q)



Source: CoStar

Glastonbury Retail Market

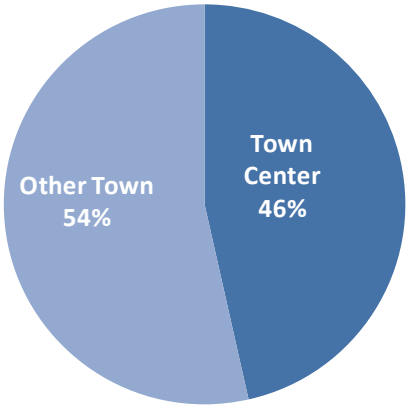
The Town of Glastonbury comprises more than 1.6 million square feet of retail space, of which 756,000 square feet, or 46 percent, is located in the Town Center. 55% of the Town's retail buildings are located in the Town Center. The Town Center has a significantly higher vacancy rate (10.3 percent) compared to other retail space outside of the Town Center (1.3 percent) and region (6.2 percent). Average lease rental rates are lower in the Town Center ($19.27 per square foot) compared to other retail centers outside of the Town Center ($21.45 per square foot) but are higher compared to the East market ($15.47 per square foot) and region ($13.15 per square foot).

Exhibit 3.3 – Glastonbury Retail Market
1st Quarter 2010

	Bldgs	Existing SF	Vacant SF	Vacant %	Rent
Town Center	73	756,721	77,863	10.30%	$19.27
Other Town	61	871,549	12,547	1.44%	$21.45
Town of Glastonbury	134	1,628,270	90,410	5.60%	$20.49

Source: CoStar, Hartford Retail Market Report, 1st Quarter 2010

Exhibit 3.4 Glastonbury Retail Inventory
Square Feet of Space - 2010



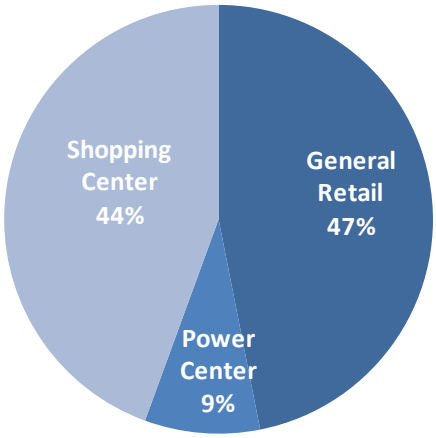
Source: CoStar

The Town of Glastonbury's retail inventory is mainly comprised of shopping center retail (community centers, neighborhood centers and strip centers) and general retail (freestanding retail buildings, except those contained within a center). Shopping centers account for 44 percent, or 723,000 square feet of space and general retail facilities account for 47 percent, or 763,000 square feet of space. Power centers, which typically consist of several freestanding anchors and only a minimum amount of small specialty tenants, account for 9 percent, or 144,000 square feet of space in the Town.

In terms of building type, 84% of the retail centers in the Town of Glastonbury are classified as general retail facilities. Vacancy rates are lowest among general retail (1.7 percent) and power centers (0 percent) with shopping centers showing the highest vacancy rate (10.7 percent).

Exhibit 3.5 – Retail Inventory by Type Town of Glastonbury					
	Existing Inventory		Vacancy		Rental Rate
	# of Bldgs	Total GLA	Total SF Vacant	Total % Vacant	
General Retail	112	763,477	13,110	1.70%	$21.00
Power Center	1	141,416	0	0.00%	$18.51
Shopping Center	21	723,377	77,300	10.70%	$20.33
Total	134	1,628,270	90,410	5.60%	$20.49
Source: CoStar, Hartford Retail Market Report, 1st Quarter 2010					

Exhibit 3.6 - Retail Inventory by Type
Town of Glastonbury



Source: CoStar

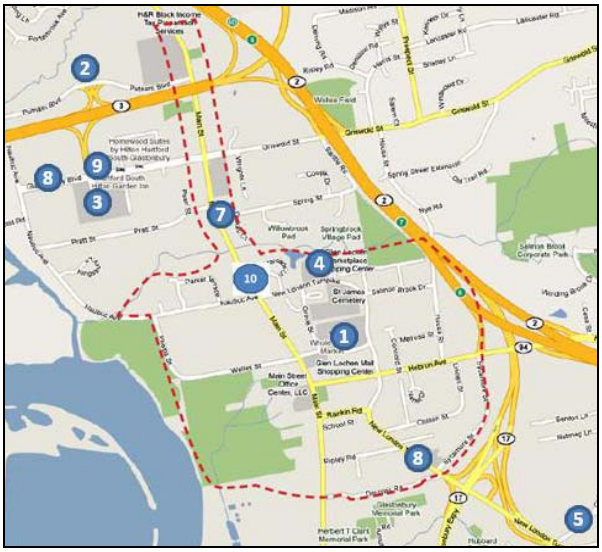
The most recent retail development activity in the Town includes Eric Town Square, a three-story, 85,000 square foot office/retail project located off of Hebron Avenue in the Town Center. This $13 million project, completed in 2007, includes a variety of specialized retail offerings on the ground floor with Class A office above, as well as, a 200-space underground parking garage.

In addition, a new 46,400 square foot Whole Foods supermarket that coincided with the rehab of The Shoppes at Fox Run across from Eric Town Square has provided additional retail/grocery store product to the local community. Other retail tenants in The Shoppes at Fox Run include a variety of personal services (e.g. nail salon, hair salon, bank, eyeglass store, insurance agency), an electronics retailer, and a restaurant.

The largest retail centers in the Town of Glastonbury are scattered within and around the Town Center area along Main Street, Glastonbury Boulevard, Hebron Avenue and New London Turnpike. The largest retail properties are primarily grocery-anchored shopping centers such as The Shoppes at Fox Run (108,785 square feet), Putnam Bridge Shopping Center (97,169 square feet), and Super Stop and Shop (62,900 square feet). The retail centers with the highest vacancies reported include The Shoppes at Fox Run (26%), Glen Lochen (19.3%) and Glastonbury Commons (45%).

The largest non-grocery anchored shopping center in the Town is Somerset Square, a 80,400 square foot lifestyle center located just north of Town Center off of Glastonbury Boulevard. The center has a number of top national retailers such as Talbots, Ann Taylor, Chico's, White House/Black Market, Coldwater Creek, J. Jill, Victoria's Secret and Smith & Hawken.

Exhibit 3.7 – Largest Selected Retail Properties – Town of Glastonbury



Largest Retail Properties Town of Glastonbury			
	Name	**Existing SF**	**Vacancy**
1	The Shoppes at Fox Run	108,785	26.3%
2	Home Depot/ Staples	97,169	0%
3	Somerset Square	80,391	6.8%
4	Glen Lochen	77,914	19.3%
5	Super Stop & Shop	62,900	0%
6	Super Stop & Shop	58,481	0%
7	Griswold Shoppes	56,469	8.3%
8	Glastonbury Commons	42,000	45.2%
9	Barnes & Noble	30,800	0%
10	Glastonbury Goodwill	25,974	0%

Source: CoStar, Hartford Retail Market Report, 1st Quarter 2010

3.3 Retail Development Potential

Demand for retail goods is primarily a function of the spending habits of nearby residents within a defined market area. In addition, future new office employees, as well as, future new households in the Town Center have been taken into consideration as additional sources of retail demand.

The Glastonbury Town Center currently captures a share of the expenditures from existing households; however, the Town Center could capture a larger share with the introduction of new retail goods and services. The Town Center would also benefit from new residential and office development in that the new households and employees associated with such development would serve as a built-in customer base for retail goods and services.

In order to determine the future square footage needed to support this demand and potential future demand, the spending patterns of households and office employees have been analyzed. Expenditures were then converted to supportable square feet using average sales foot data for different types of retail goods (e.g. convenience and shoppers). This section describes the analysis of spending patterns and potential square footage related to existing households, future new households, and future new office employees.

Trade Area Definition

A trade area is the geographic area from which the preponderance of retail establishment's customers originates. Trade areas differ based on the type of products offered at the retail establishment. For example, a trade area for a convenience good such as milk is typically smaller than the trade area for shopper's goods such as furniture or apparel. The distance a consumer will travel to buy a gallon of milk is significantly shorter than the travel distance tolerated to buy a new sofa. Another factor affecting the trade areas for convenience and shoppers goods is comparison shopping. To purchase a gallon of milk, one does not need to compare brands or stores. To purchase a piece of furniture, consumers are willing to travel further distances to compare various merchandise.

Trade areas are also impacted by competitive retail destinations. A shopping district with little nearby competition will have a much larger trade area than a shopping district with significant regional shoppers goods competition.

Defined as the geographic areas within which the majority of likely customers for new retail businesses in the Glastonbury Town Center reside, two market areas for the Town Center have been identified.

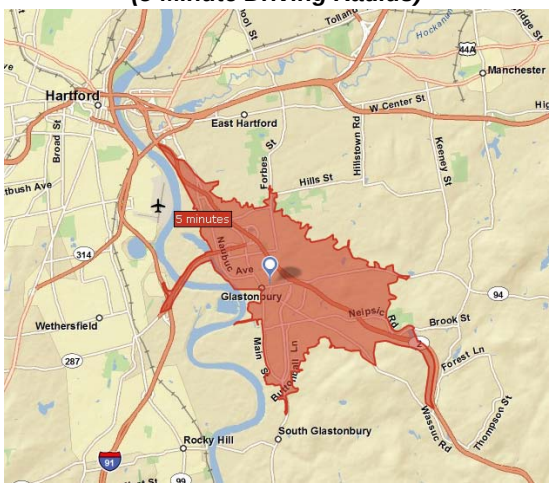
- Convenience Goods Market Area – identified as the area within a 5-minute drive time from the midpoint of the Town Center study area. This area is consistent with the typical trade area for a neighborhood shopping center, which provides everyday convenience goods (foods, drugs, and sundries) to meet the daily needs of residents in the immediate area.

- Shoppers Goods Market Area - identified as the East retail market, which as defined by CoStar includes East Hartford, Manchester, South Windsor and Glastonbury. The East market is within a 15- to 20-minute drive from the midpoint of the Town Center study area. This area is consistent with the typical trade area for a regional shopping center, which provides general merchandise, apparel, furniture, and home furnishings. The area is also based on discussions with local retail brokers and retail center owners.

These trade areas are illustrated in the following maps.

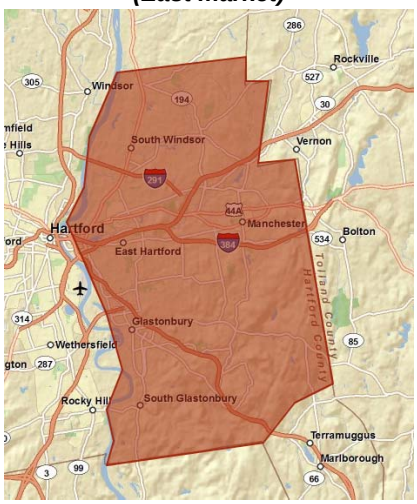
Exhibit 3.8: Glastonbury Town Center Retail Market Areas

Convenience Goods Market Area (5-Minute Driving Radius)



Source: ESRI Business Solutions

Shoppers Goods Market Area (East market)



Source: ESRI Business Solutions

Convenience Goods Analysis

The convenience goods retail analysis evaluated at-place sales within the Glastonbury Town Center, which is termed "supply," and household expenditures in the Convenience Goods Market Area (CGMA, or 5-minute driving radius), called "demand". This allowed an evaluation of any potential leakage that may have occurred outside the Town Center (e.g. demand that was leaked as sales to retailers outside the Town Center).

Convenience goods include:

- Groceries and specialty food items
- Beer, wine and liquor
- Health and personal care
- Flowers
- Office supplies, stationary and gifts
- Limited service restaurants

When comparing the Town Center sales to the CGMA expenditures, the CGMA expenditures (demand) exceed sales (supply) in many convenience goods store groups, indicating sales in these categories are being leaked to retailers outside the Town Center. The largest retail gap of $34 million was for groceries, while the gap for beer, wine and liquor was nearly $1.6 million. Leakage also occurred in the categories of specialty food and flowers. Such leakage indicates potential for increasing the supply of these types of convenience goods within the Town Center to capture a portion of the sales that are currently being made elsewhere.

Exhibit 3.9: Retail Gap – Select Convenience Retail Goods and Services (2010)				
	Glastonbury Town Center (Sales)	CGMA Demand (Expenditures)	Retail Leakage/ Surplus	Capture Rate
Grocery Stores	$2,159,278	$37,036,380	($34,877,102)	5.8%
Specialty Food Stores	$313,588	$579,442	($265,854)	54.1%
Beer, Wine and Liquor Stores	$1,635,893	$3,225,361	($1,589,468)	50.7%
Health and Personal Care Stores	$9,829,055	$8,856,288	$972,767	111.0%
Florists	$334,065	$371,291	($37,226)	90.0%
Office Supplies, Stationary, and Gift Stores	$900,519	$853,827	$46,692	105.5%
Limited Service Eating Places	$14,604,051	$8,805,162	$5,798,889	165.9%
Total	**$29,776,449**	**$59,727,751**	**($29,951,302)**	**49.9%**
Source: ESRI Business Solutions, 2010				

The growth or decline in households and household income within a particular area provides an estimate on future demand. With households in the CGMA projected to grow at 0.08 percent annually, and household income in the CGMA expected to grow at 2.77 percent annually, CGMA household expenditures (demand) will increase by approximately $9 million between 2010 to 2015, from $59.7 million to $68.7 million between 2010 and 2015. Expenditures would then grow approximately $10 million from 2015 to 2020, from $68.7 million to $79.1 million.

Exhibit 3.10: CGMA Household Expenditures (Demand), 2010-2020			
	CGMA Household Expenditures (Demand)		
	2010 (1/)	2015 (2/)	2020 (2/)
Grocery Stores	$37,036,380	$42,630,791	$49,070,248
Specialty Food Stores	$579,442	$666,968	$767,714
Beer, Wine and Liquor Stores	$3,225,361	$3,712,558	$4,273,346
Health and Personal Care Stores	$8,856,288	$10,194,046	$11,733,875
Florists	$371,291	$427,375	$491,931
Office Supplies, Stationary, and Gift Stores	$853,827	$982,799	$1,131,253
Limited Service Eating Places	$8,805,162	$10,135,197	$11,666,137
Total/Average	**$59,727,751**	**$68,749,734**	**$79,134,504**
Source: ESRI Business Solutions, 2010			
1/ ESRI Business Solutions, 2010			
2/ ESRI Business Solutions - based on CAGR of 2.77 percent between 2010 to 2015 of CGMA household income, and CAGR of 0.08 percent between 2010 to 2015 of CGMA households			

The analysis of potential convenience goods retail development and expansion includes low- and high-case market scenarios for the next five years (2010 to 2015) and following five years (2015 to 2020).

- Low-case market scenario – represents existing capture rates of CGMA expenditures
- High-case market scenario – represents a 20 percent increase over 2010 capture rates, taking into account strong market conditions and ability of the study areas to capture a larger share of demand from the trade area.

Contingent upon future market conditions, the Glastonbury Town Center could capture between 49.9 to 59.8 percent of the unmet demand of residents within the convenience goods market area (CGMA).

Exhibit 3.11: Glastonbury Town Center Sales (Supply) vs. CGMA Household Expenditures (Demand) – Capture Rates (2010-2020)

		2015 Capture Rate		2020 Capture Rate	
	2010 Capture Rate (1/)	Low (2/)	High (3/)	Low (2/)	High (3/)
Grocery Stores	5.8%	5.8%	7.0%	5.8%	7.0%
Specialty Food Stores	54.1%	54.1%	64.9%	54.1%	64.9%
Beer, Wine and Liquor Stores	50.7%	50.7%	60.9%	50.7%	60.9%
Health and Personal Care Stores	111.0%	111.0%	133.2%	111.0%	133.2%
Florists	90.0%	90.0%	108.0%	90.0%	108.0%
Office Supplies, Stationary, and Gift Stores	105.5%	105.5%	126.6%	105.5%	126.6%
Limited Service Eating Places	165.9%	165.9%	199.0%	165.9%	199.0%
Total	**49.9%**	**49.9%**	**59.8%**	**49.9%**	**59.8%**

1/ 2010 Glastonbury Town Center Sales / 2010 CGMA Household Expenditures

2/ Low market scenario - maintenance of 2010 capture rate

3/ High market scenario - 20% increase over 2010 capture rate

By applying the low-case and high-case capture rates to the projected 2015 CGMA Household Expenditures (Demand), total 2015 Glastonbury Town Center sales can be estimated. With projections of the Town Center capturing between 49.9 to 59.8 percent of the $68.7 million dollars in CGMA convenience goods demand in 2015, total sales in 2015 in the Town Center are estimated to range between $34 to over $41 million dollars.

Exhibit 3.12: Total Glastonbury Town Center Sales (Supply) - 2015

		2015 Capture Rate		2015 Total Town Center Sales (Supply) (1/)	
	2015 CGMA Household Expenditures (Demand)	Low	High	Low	High
Grocery Stores	$42,630,791	5.8%	7.0%	$2,485,441	$2,982,529
Specialty Food Stores	$666,968	54.1%	64.9%	$360,956	$433,147
Beer, Wine and Liquor Stores	$3,712,558	50.7%	60.9%	$1,882,998	$2,259,597
Health and Personal Care Stores	$10,194,046	111.0%	133.2%	$11,313,751	$13,576,502
Florists	$427,375	90.0%	108.0%	$384,526	$461,431
Office Supplies, Stationary, and Gift Stores	$982,799	105.5%	126.6%	$1,036,544	$1,243,853
Limited Service Eating Places	$10,135,197	165.9%	199.0%	$16,810,019	$20,172,023
Total	**$68,749,734**	**49.9%**	**59.8%**	**$34,274,235**	**$41,129,082**

1/ 2015 CGMA Household Expenditures (Demand) x 2015 Capture Rate

Using the same method of projecting sales for 2020, a low-case market scenario of over $39 million is projected, and a high-case market scenario of over $47 million is projected. These sales figures are based on 2020 capture rates ranging from 49.9 to 59.8 percent and projected 2020 expenditures of $79.1 million in the CGMA.

Exhibit 3.13: Total Glastonbury Town Center Sales (Supply) - 2020

		2020 Capture Rate		2020 Total Town Center Sales (Supply) (1/)	
	2020 CGMA Household Expenditures (Demand)	Low	High	Low	High
Grocery Stores	$49,070,248	5.8%	7.0%	$2,860,871	$3,433,045
Specialty Food Stores	$767,714	54.1%	64.9%	$415,479	$498,575
Beer, Wine and Liquor Stores	$4,273,346	50.7%	60.9%	$2,167,428	$2,600,913
Health and Personal Care Stores	$11,733,875	111.0%	133.2%	$13,022,714	$15,627,256
Florists	$491,931	90.0%	108.0%	$442,609	$531,131
Office Supplies, Stationary, and Gift Stores	$1,131,253	105.5%	126.6%	$1,193,116	$1,431,739
Limited Service Eating Places	$11,666,137	165.9%	199.0%	$19,349,202	$23,219,043
Total	**$79,134,504**	**49.9%**	**59.8%**	**$39,451,419**	**$47,341,703**

1/ 2020 CGMA Household Expenditures (Demand) x 2020 Capture Rate

To determine the net change in sales between 2010 and 2015, we subtract the 2010 sales from the projected 2015 projected sales (supply) to obtain a range of net new sales by 2015. In 2015, the Town Center could capture between $4.5 and $11.4 million in new sales. These sales can then be converted to estimated square feet demanded by applying sales per square foot figures, as based on national data from the Urban Land Institute. Applying such sales per square foot figures results in a projected range of over 15,000 to nearly 39,000 square feet of new convenience retail space demanded from 2010 to 2015.

Exhibit 3.14: Potential Convenience Goods Retail Opportunities in SF (2010-2015)

		2015 New Town Center Sales (Supply)			Total Opportunities in SF	
	2010 Town Center Sales (Supply)	Low	High	Estimated Sales/PSF (1/)	Low	High
Grocery Stores	$2,159,278	$326,163	$823,251	$473	690	1,740
Specialty Food Stores	$313,588	$47,368	$119,559	$151	314	792
Beer, Wine and Liquor Stores	$1,635,893	$247,105	$623,704	$396	624	1,575
Health and Personal Care Stores	$9,829,055	$1,484,696	$3,747,447	$430	3,453	8,715
Florists	$334,065	$50,461	$127,366	$226	223	564
Office Supplies, Stationary, and Gift Stores	$900,519	$136,025	$343,334	$120	1,134	2,861
Limited Service Eating Places	$14,604,051	$2,205,968	$5,567,972	$246	8,967	22,634
Total/Average	**$29,776,449**	**$4,497,786**	**$11,352,633**	**$292**	**15,404**	**38,881**

1/ Urban Land Institute - Median Sales/PSF for respective store group categories

The same method of analysis was used to project net new sales in the Town Center in 2020. Subtracting the 2010 sales from the projected 2020 sales results in $9.6 to over $17.5 million in new sales. After applying sales per square foot figures to these sales, we project total opportunities over the 2010 to 2020 time period of 33,000 to 60,000 square feet of convenience retail space (which includes the new space that could be added from 2010 to 2015). The net opportunities in square feet from 2015 to 2020 are nearly 18,000 to over 21,000 square feet of convenience retail space.

Exhibit 3.15: Potential Convenience Goods Retail Opportunities in SF (2010-2020)

		2020 New Town Center Sales (Supply)			Total Opportunities in SF (2010-2020)		Net Opportunities in SF (2015-2020)	
	2010 Town Center Sales (Supply)	Low	High	Estimated Sales/PSF (1/)	Low	High	Low	High
Grocery Stores	$2,159,278	$701,593	$1,273,767	$473	1,483	2,693	794	952
Specialty Food Stores	$313,588	$101,891	$184,987	$151	675	1,225	361	433
Beer, Wine and Liquor Stores	$1,635,893	$531,535	$965,020	$396	1,342	2,437	718	862
Health and Personal Care Stores	$9,829,055	$3,193,659	$5,798,201	$430	7,427	13,484	3,974	4,769
Florists	$334,065	$108,544	$197,066	$226	480	872	257	308
Office Supplies, Stationary, and Gift Stores	$900,519	$292,597	$531,220	$120	2,438	4,427	1,305	1,566
Limited Service Eating Places	$14,604,051	$4,745,151	$8,614,992	$246	19,289	35,020	10,322	12,386
Total/Average	**$29,776,449**	**$9,674,970**	**$17,565,254**	**$292**	**33,135**	**60,158**	**17,731**	**21,277**

1/ Urban Land Institute - Median Sales/PSF for respective store group categories

Shoppers Goods Analysis

The shoppers goods retail analysis compared at-place sales within the Glastonbury Town Center (supply) to expenditures made by households (demand) in the Shoppers Goods Market Area (SGMA, or East market). Such comparison allowed for the identification of expenditures that were leaked outside the Town Center.

Shopper's goods include:

- Auto parts, accessories and tires
- Furniture
- Home furnishings
- Electronics and appliances
- Building material and supplies
- Lawn and garden equipment
- Clothing
- Shoes
- Jewelry, luggage and leather goods
- Sporting goods, hobbies, and musical instruments
- Books, periodicals and music
- Department stores
- General merchandise
- Used merchandise
- Miscellaneous stores
- Full-service restaurants

For shoppers goods, leakage is occurring in every retail category, and the Town Center is capturing a low share of the overall demand for shoppers goods. Sales leakage is highest in the following categories: full-service restaurants ($187 million); department stores ($98 million); clothing ($69 million); building materials and supplies ($69 million); and general merchandise ($68 million).

Exhibit 3.16: Retail Gap – Select Shoppers Retail Goods and Services (2010)

	Glastonbury Town Center (Sales)	SGMA Demand (Expenditures)	Retail Leakage/ Surplus	Capture Rate
Auto Parts, Accessories and Tire Stores	$214,599	$29,087,655	($28,873,056)	0.7%
Furniture Stores	$1,141,629	$47,196,432	($46,054,803)	2.4%
Home Furnishings Stores	$919,683	$28,067,923	($27,148,240)	3.3%
Electronics and Appliance Stores	$6,820,946	$54,526,517	($47,705,571)	12.5%
Building Materials and Supplies	$11,685,407	$80,926,140	($69,240,733)	14.4%
Lawn and Garden Supplies	$181,172	$2,525,254	($2,344,082)	7.2%
Clothing	$5,926,517	$75,706,424	($69,779,907)	7.8%
Shoes	$0	$8,244,594	($8,244,594)	0.0%
Jewelry, Luggage and Leather Goods	$2,219,736	$14,071,252	($11,851,516)	15.8%
Sporting Goods, Hobbies and Musical Instruments	$1,311,561	$14,540,315	($13,228,754)	9.0%
Books, Periodicals and Music	$2,041,631	$10,622,533	($8,580,902)	19.2%
Department Stores	$0	$98,294,737	($98,294,737)	0.0%
General Merchandise	$1,042,099	$70,027,994	($68,985,895)	1.5%
Used Merchandise	$957,197	$1,214,860	($257,663)	78.8%
Miscellaneous Stores	$280,787	$16,721,415	($16,440,628)	1.7%
Full-Service Restaurants	$14,732,183	$202,138,803	($187,406,620)	7.3%
Total	**$49,475,147**	**$753,912,848**	**($704,437,701)**	**6.6%**

Source: ESRI Business Solutions, 2010

The growth of households and household income in the SGMA will impact opportunities for retail growth in the Town Center. The annual growth rate for household income in the SGMA is projected to be 2.63 percent from 2010 to 2015, and the annual growth rate for households, 0.21 percent. Assuming these growth rates are realized and continue through 2020, SGMA household expenditures (demand) will increase to nearly $870 million in 2015 and nearly $990 million in 2020.

Exhibit 3.17: SGMA Household Expenditures (Demand), 2010-2020

	SGMA Household Expenditures (Demand)		
	2010 (1/)	2015 (2/)	2020 (2/)
Auto Parts, Accessories and Tire Stores	$29,087,655	$33,466,189	$38,100,885
Furniture Stores	$47,196,432	$54,300,861	$61,820,929
Home Furnishings Stores	$28,067,923	$32,292,958	$36,765,175
Electronics and Appliance Stores	$54,526,517	$62,734,336	$71,422,346
Building Materials and Supplies	$80,926,140	$93,107,866	$106,002,274
Lawn and Garden Supplies	$2,525,254	$2,905,378	$3,307,740
Clothing	$75,706,424	$87,102,432	$99,165,154
Shoes	$8,244,594	$9,485,644	$10,799,301
Jewelry, Luggage and Leather Goods	$14,071,252	$16,189,383	$18,431,433
Sporting Goods, Hobbies and Musical Instruments	$14,540,315	$16,729,053	$19,045,842
Books, Periodicals and Music	$10,622,533	$12,221,532	$13,914,078
Department Stores	$98,294,737	$113,090,940	$128,752,782
General Merchandise	$70,027,994	$80,569,234	$91,727,180
Used Merchandise	$1,214,860	$1,397,732	$1,591,302
Miscellaneous Stores	$16,721,415	$19,238,472	$21,902,787
Full-Service Restaurants	$202,138,803	$232,566,543	$264,774,433
Total/Average	**$753,912,848**	**$867,398,550**	**$987,523,641**

Source: ESRI Business Solutions, 2010

1/ ESRI Business Solutions, 2010

2/ ESRI Business Solutions - based on CAGR of 2.63 percent between 2010 to 2015 of SGMA household income, and CAGR of 0.21 percent between 2010 to 2015 of SGMA households

We have identified low- and high- case market scenarios to frame the analysis of opportunities for shoppers goods development in the Town Center for the next five years (2010 to 2015) and following five years (2015 to 2020). We have applied the same assumptions used in framing the convenience goods analysis:

- Low-case market scenario – represents existing capture rates of SGMA expenditures
- High-case market scenario – represents a 20 percent increase over 2010 capture rates, taking into account strong market conditions and ability of the study areas to capture a larger share of demand from the trade area.

Depending upon future market conditions, the Glastonbury Town Center could capture between 6.6 to 7.9 percent of the unmet demand of residents within the shoppers goods market area (SGMA).

Exhibit 3.18: Glastonbury Town Center Sales (Supply) vs. SGMA Household Expenditures (Demand) – Capture Rates (2010-2020)

		2015 Capture Rate		2020 Capture Rate	
	2010 Capture Rate (1/)	Low (2/)	High (3/)	Low (2/)	High (3/)
Auto Parts, Accessories and Tire Stores	0.7%	0.7%	0.9%	0.7%	0.9%
Furniture Stores	2.4%	2.4%	2.9%	2.4%	2.9%
Home Furnishings Stores	3.3%	3.3%	3.9%	3.3%	3.9%
Electronics and Appliance Stores	12.5%	12.5%	15.0%	12.5%	15.0%
Building Materials and Supplies	14.4%	14.4%	17.3%	14.4%	17.3%
Lawn and Garden Supplies	7.2%	7.2%	8.6%	7.2%	8.6%
Clothing	7.8%	7.8%	9.4%	7.8%	9.4%
Shoes	0.0%	0.0%	0.0%	0.0%	0.0%
Jewelry, Luggage and Leather Goods	15.8%	15.8%	18.9%	15.8%	18.9%
Sporting Goods, Hobbies and Musical Instruments	9.0%	9.0%	10.8%	9.0%	10.8%
Books, Periodicals and Music	19.2%	19.2%	23.1%	19.2%	23.1%
Department Stores	0.0%	0.0%	0.0%	0.0%	0.0%
General Merchandise	1.5%	1.5%	1.8%	1.5%	1.8%
Used Merchandise	78.8%	78.8%	94.5%	78.8%	94.5%
Miscellaneous Stores	1.7%	1.7%	2.0%	1.7%	2.0%
Full-Service Restaurants	7.3%	7.3%	8.7%	7.3%	8.7%
Total	**6.6%**	**6.6%**	**7.9%**	**6.6%**	**7.9%**

1/ 2010 Glastonbury Town Center Sales / 2010 SGMA Household Expenditures

2/ Low market scenario - maintenance of 2010 capture rate

3/ High market scenario - 20% increase over 2010 capture rate

Applying these low-case and high-case capture rates to the projected 2015 and 2020 SGMA household expenditures (demand) results in estimates of total Town Center sales in 2015 and 2020. In 2015, the Town Center could capture 6.6 to 7.9% of the nearly $870 million in demand presented by SGMA households in that year. This capture would result in nearly $57 to over $68 million in Town Center sales.

Exhibit 3.19: Total Glastonbury Town Center Sales (Supply) - 2015

		2015 Capture Rate		2015 Total Town Center Sales (Supply) (1/)	
	2015 SGMA Household Expenditures (Demand)	Low	High	Low	High
Auto Parts, Accessories and Tire Stores	$33,466,189	0.7%	0.9%	$246,902	$296,283
Furniture Stores	$54,300,861	2.4%	2.9%	$1,313,477	$1,576,173
Home Furnishings Stores	$32,292,958	3.3%	3.9%	$1,058,122	$1,269,746
Electronics and Appliance Stores	$62,734,336	12.5%	15.0%	$7,847,696	$9,417,235
Building Materials and Supplies	$93,107,866	14.4%	17.3%	$13,444,399	$16,133,279
Lawn and Garden Supplies	$2,905,378	7.2%	8.6%	$208,444	$250,132
Clothing	$87,102,432	7.8%	9.4%	$6,818,629	$8,182,355
Shoes	$9,485,644	0.0%	0.0%	$0	$0
Jewelry, Luggage and Leather Goods	$16,189,383	15.8%	18.9%	$2,553,871	$3,064,645
Sporting Goods, Hobbies and Musical Instruments	$16,729,053	9.0%	10.8%	$1,508,989	$1,810,787
Books, Periodicals and Music	$12,221,532	19.2%	23.1%	$2,348,956	$2,818,747
Department Stores	$113,090,940	0.0%	0.0%	$0	$0
General Merchandise	$80,569,234	1.5%	1.8%	$1,198,965	$1,438,758
Used Merchandise	$1,397,732	78.8%	94.5%	$1,101,283	$1,321,539
Miscellaneous Stores	$19,238,472	1.7%	2.0%	$323,054	$387,664
Full-Service Restaurants	$232,566,543	7.3%	8.7%	$16,949,803	$20,339,763
Total	**$867,398,550**	**6.6%**	**7.9%**	**$56,922,588**	**$68,307,106**

1/ 2015 SGMA Household Expenditures (Demand) x 2015 Capture Rate

Based on capture rates of 6.6 to 7.9%, in 2020, the Glastonbury Town Center could capture between $64 to over $77 million in sales from the nearly $990 million in SGMA household expenditures (demand) in 2020.

Exhibit 3.20: Total Glastonbury Town Center Sales (Supply) - 2020

		2020 Capture Rate		2020 Total Town Center Sales (Supply) (1/)	
	2020 SGMA Household Expenditures (Demand)	Low	High	Low	High
Auto Parts, Accessories and Tire Stores	$38,100,885	0.7%	0.9%	$281,096	$337,315
Furniture Stores	$61,820,929	2.4%	2.9%	$1,495,379	$1,794,455
Home Furnishings Stores	$36,765,175	3.3%	3.9%	$1,204,660	$1,445,592
Electronics and Appliance Stores	$71,422,346	12.5%	15.0%	$8,934,515	$10,721,418
Building Materials and Supplies	$106,002,274	14.4%	17.3%	$15,306,299	$18,367,559
Lawn and Garden Supplies	$3,307,740	7.2%	8.6%	$237,311	$284,773
Clothing	$99,165,154	7.8%	9.4%	$7,762,934	$9,315,521
Shoes	$10,799,301	0.0%	0.0%	$0	$0
Jewelry, Luggage and Leather Goods	$18,431,433	15.8%	18.9%	$2,907,553	$3,489,064
Sporting Goods, Hobbies and Musical Instruments	$19,045,842	9.0%	10.8%	$1,717,967	$2,061,561
Books, Periodicals and Music	$13,914,078	19.2%	23.1%	$2,674,260	$3,209,112
Department Stores	$128,752,782	0.0%	0.0%	$0	$0
General Merchandise	$91,727,180	1.5%	1.8%	$1,365,008	$1,638,010
Used Merchandise	$1,591,302	78.8%	94.5%	$1,253,798	$1,504,558
Miscellaneous Stores	$21,902,787	1.7%	2.0%	$367,793	$441,351
Full-Service Restaurants	$264,774,433	7.3%	8.7%	$19,297,163	$23,156,595
Total	**$987,523,641**	**6.6%**	**7.9%**	**$64,805,736**	**$77,766,884**

1/ 2020 SGMA Household Expenditures (Demand) x 2020 Capture Rate

Calculation of net new sales in the Town Center allows us to identify net opportunities for new retail space. To determine the net change in sales by 2015, the Town Center's 2010 sales are subtracted from the projected 2015 low-case and high-case sales, which results in a range of net new sales by 2015. The net new shoppers goods sales in the Town Center in 2015 are projected to range from over $7 million to over $18.8 million. Applying standard sales per square foot figures to the projected sales results in projected opportunities for between 24,000 to nearly 63,000 square feet of shoppers goods space by 2015.

Exhibit 3.21: Potential Shoppers Goods Retail Opportunities in SF (2010-2015)

		2015 New Town Center Sales (Supply)			Total Opportunities in SF	
	2010 Town Center Sales (Supply)	Low	High	Estimated Sales/PSF (1/)	Low	High
Auto Parts, Accessories and Tire Stores	$214,599	$32,303	$81,684	$173	187	472
Furniture Stores	$1,141,629	$171,848	$434,544	$156	1,102	2,786
Home Furnishings Stores	$919,683	$138,439	$350,063	$216	641	1,621
Electronics and Appliance Stores	$6,820,946	$1,026,750	$2,596,289	$302	3,400	8,597
Building Materials and Supplies	$11,685,407	$1,758,992	$4,447,872	$388	4,533	11,464
Lawn and Garden Supplies	$181,172	$27,272	$68,960	$265	103	260
Clothing	$5,926,517	$892,112	$2,255,838	$269	3,316	8,386
Shoes	$0	$0	$0	$222	0	0
Jewelry, Luggage and Leather Goods	$2,219,736	$334,135	$844,909	$303	1,103	2,788
Sporting Goods, Hobbies and Musical Instruments	$1,311,561	$197,428	$499,226	$183	1,079	2,728
Books, Periodicals and Music	$2,041,631	$307,325	$777,116	$246	1,249	3,159
Department Stores	$0	$0	$0	$116	0	0
General Merchandise	$1,042,099	$156,866	$396,659	$167	939	2,375
Used Merchandise	$957,197	$144,086	$364,342	$206	699	1,769
Miscellaneous Stores	$280,787	$42,267	$106,877	$206	205	519
Full-Service Restaurants	$14,732,183	$2,217,620	$5,607,580	$358	6,194	15,664
Total/Average	**$49,475,147**	**$7,447,441**	**$18,831,959**	**$236**	**24,751**	**62,587**

1/ Urban Land Institute - Median Sales/PSF for respective store group categories

Applying the same method of analysis was for 2020 results in net opportunities for 26,000 to over 31,000 from 2015 to 2020. These figures are based first on subtracting the 2010 sales from the projected 2020 sales, which results in $15.3 to over $28 million in new sales. Applying sales per square foot figures to those net new sales results in 50,000 to over 94,000 in total opportunities for shoppers goods. Finally, subtracting the shoppers goods opportunities in 2015 (24,000 to nearly 63,000 square feet) from these total opportunities (50000 to over 94,000) results in net opportunities for 26,000 to over 31,000 from 2015 to 2020.

Exhibit 3.22: Potential Shoppers Goods Retail Opportunities in SF (2010-2020)

		2020 New Town Center Sales (Supply)			Total Opportunities in SF (2010-2020)		Net Opportunities in SF (2015-2020)	
	2010 Town Center Sales (Supply)	Low	High	Estimated Sales/PSF (1/)	Low	High	Low	High
Auto Parts, Accessories and Tire Stores	$214,599	$66,497	$122,716	$173	384	709	198	237
Furniture Stores	$1,141,629	$353,750	$652,826	$156	2,268	4,185	1,166	1,399
Home Furnishings Stores	$919,683	$284,977	$525,909	$216	1,319	2,435	678	814
Electronics and Appliance Stores	$6,820,946	$2,113,569	$3,900,472	$302	6,999	12,915	3,599	4,318
Building Materials and Supplies	$11,685,407	$3,620,892	$6,682,152	$388	9,332	17,222	4,799	5,758
Lawn and Garden Supplies	$181,172	$56,139	$103,601	$265	212	391	109	131
Clothing	$5,926,517	$1,836,417	$3,389,004	$269	6,827	12,599	3,510	4,213
Shoes	$0	$0	$0	$222	0	0	0	0
Jewelry, Luggage and Leather Goods	$2,219,736	$687,817	$1,269,328	$303	2,270	4,189	1,167	1,401
Sporting Goods, Hobbies, Musical Instruments	$1,311,561	$406,406	$750,000	$183	2,221	4,098	1,142	1,370
Books, Periodicals and Music	$2,041,631	$632,629	$1,167,481	$246	2,572	4,746	1,322	1,587
Department Stores	$0	$0	$0	$116	0	0	0	0
General Merchandise	$1,042,099	$322,909	$595,911	$167	1,934	3,568	994	1,193
Used Merchandise	$957,197	$296,601	$547,361	$206	1,440	2,657	740	888
Miscellaneous Stores	$280,787	$87,006	$160,564	$206	422	779	217	261
Full-Service Restaurants	$14,732,183	$4,564,980	$8,424,412	$358	12,751	23,532	6,557	7,868
Total	**$49,475,147**	**$15,330,589**	**$28,291,737**	**$236**	**50,950**	**94,026**	**26,199**	**31,439**

1/ Urban Land Institute - Median Sales/PSF for respective store group categories

Town Center Households – Convenience Goods

In addition to new opportunities for retail that result from households in the CGMA and SGMA, new households in the Town Center could provide a built-in source of demand for retail goods and services in the Town Center. Our residential market analysis indicated demand for between 11 to 116 new housing units from 2010 to 2015. Assuming a 1:1 ratio between housing units and households, such development would result in 11 to 116 new households. For the purposes of the retail analysis, we have taken the midpoint of this range – 64 households – to estimate the future retail spending associated with the new households.

We estimate that each household could spend over $9,600 per year on convenience goods in 2015, consistent with our projection of average household spending in the CGMA. Assuming the Town Center captures 49.9 to 59.8% of these expenditures (consistent with our low-case and high-case market scenarios for the CGMA), these households could contribute to $300,000 to over $365,000 in annual retail sales in the Town Center. At an average sales per square foot value of $292, such sales would support a modest 1,000 to over 1,200 square feet of retail space.

Exhibit 3.23: New Households and Demand for Convenience Good Retail Development (2010-2020)

	2010-2015		2015-2020	
New Town Center Households (Midpoint)	64		113	
Convenience Goods Expenditure per HH (1/)	$9,605		$11,011	
Average Sales Per Square Foot (2/)	$292		$292	
	Low	High	Low	High
Town Center Capture of New HH's Expenditures	49.9%	59.8%	49.9%	59.8%
New Household Sales in Glastonbury Town Center	$304,293	$365,151	$619,912	$743,894
Convenience Goods Retail Opportunity in SF	1,043	1,252	2,125	2,550

1/ Based on average projected to be spent per household in the CGMA

2/ Urban Land Institute

From 2015 to 2020, we have identified demand for between 22 and 204 units of new housing in the Town Center. Taking the midpoint – 113 housing units – and assuming a 1:1 ratio between housing and households, we have conducted the retail analysis based on 113 new households from 2015 to 2020 (in addition to the 64 households from 2010 to 2015).

Such growth in the Town Center could result in approximately $620,000 to over $740,000 in annual sales. These sales estimates are based on a low-case market scenario where the Town Center captures 49.9% of retail spending, and a high-case market scenario where the Town Center captures 59.8% of retail spending. They are also based on an average household expenditure of over $11,000 per year on convenience retail goods in 2020. Such sales would support, at an average of $292 per square foot, between 2,100 to over 2,500 square feet of new retail space from 2015 to 2020 (in addition to the 1,000 to 1,200 square feet from 2010 to 2015).

Town Center Households – Shoppers Goods

In the shoppers goods category, the 64 new households that could reside in the Town Center in 2015 (the midpoint of our residential market projection) could spend over $13,000 each year on shoppers goods. We believe the Town Center could capture 10 to 20% of this spending, more than the 6.6 to 7.9% under the low-case and high-case market scenarios established for the SGMA, since these residents will be located within the Town Center and more frequently exposed to the shoppers goods offerings than residents living further away in the East market. Such capture would result in $82,000 to nearly $165,300 in new shoppers goods sales in the Town Center in 2015. At an average sales volume of $236 per square foot, such sales would support a modest 350 to 700 square feet of new retail space from 2010 to 2015.

Exhibit 3.24: New Households and Demand for Shoppers Good Retail Development (2010-2020)

	2010-2015		2015-2020	
New Town Center Households (Midpoint)	64		113	
Shoppers Goods Expenditure per HH (1/)	$13,004		$14,651	
Average Sales Per Square Foot (2/)	$236		$236	
	Low	High	Low	High
Town Center Capture of New HH's Expenditures	10.0%	20.0%	10.0%	20.0%
New Household Sales in Glastonbury Town Center	$82,643	$165,287	$165,453	$330,906
Shoppers Goods Retail Opportunity in SF	350	700	701	1,402
1/ Based on average projected to be spent per household in the SGMA				
2/ Urban Land Institute				

From 2015 to 2020, the additional 113 new households in the Town Center (taking the midpoint of our residential market projection) could spend nearly $14,700 per year on shoppers goods. Such spending would result in $165,000 to over $330,000 in new shoppers goods sales per year in the Town Center, as based on the capture of 10 to 20% of the overall spending of these households on shoppers goods. These sales would support a modest amount of new shoppers retail space – from 701 to 1,402 square feet at an average sales per square foot performance of $236.

Town Center Office Employees – Convenience Goods

New office space developed in the Town Center could also provide a future built-in source of retail sales in the form of office employees. Our assessment of the office market included projections of 83 to 125 new office employees in the Town Center from 2010 to 2015. According to the International Council of Shopping Centers, the average office worker spends over $3,900 per year on convenience retail goods near the workplace. If we assume that new employees in the Town Center spend this amount per year in 2015, such spending would result in over $330,000 to nearly $500,000 in annual sales. At an average sales per square foot performance of $292, such spending would support 1,100 to over 1,700 in new convenience retail space.

Exhibit 3.25: New Office Employees and Demand for Convenience Good Retail Development (2010-2020)

	2010-2015		2015-2020	
	Low	High	Low	High
New Town Center Office Employees	83	125	89	134
Convenience Goods Expenditure per Employee (1/)	$3,986		$3,986	
New Office Employee Sales in Town Center	$332,615	$498,923	$356,054	$534,081
Average Sales Per Square Foot (2/)	$292		$292	
Convenience Goods Retail Opportunity in SF	1,140	1,710	1,221	1,831
1/ ICSC Office Worker Retail Spending Pattern				
2/ Urban Land Institute				

From 2015 to 2020, we have projected that the Town Center could add 89 to 134 new office employees. Such growth would result in $356,000 to over $534,000 in annual sales (based on an average expenditure per employee of $3,986). This range of spending would support 1,200 to over 1,800 square feet of new retail space (in addition to the 1,100 to over 1,700 from 2010 to 2015).

Town Center Office Employees – Shoppers Goods

In the shoppers goods category, the average office worker spends nearly $4,800 per year near the workplace. Assuming new office employees in the Glastonbury Town Center spend this amount per year, total spending on shoppers goods from 2010 to 2015 would range from $399,000 to nearly $600,000. At an average sales per square foot volume of $236, such spending would support nearly 1,700 to over 2,500 square feet of shoppers goods space from 2010 to 2015.

Exhibit 3.26: New Office Employees and Demand for Shoppers Goods Retail Development (2010-2020)

	2010-2015		2015-2020	
	Low	High	Low	High
New Town Center Office Employees	83	125	89	134
Shoppers Goods Expenditure per Employee (1/)	$4,783		$4,783	
New Office Employee Sales in Town Center	$399,122	$598,682	$427,247	$640,871
Average Sales Per Square Foot (2/)	$236		$236	
Shoppers Goods Retail Opportunity in SF	1,691	2,537	1,810	2,716

1/ ICSC Office Worker Retail Spending Pattern

2/ Urban Land Institute

From 2015 to 2020, new office employees in Glastonbury could spend over $427,000 to over $640,000 per year on shoppers goods. Such spending, at a sales volume of $236 per square foot, would support from 1,800 to over 2,700 square feet of new shoppers goods space from 2015 to 2020. This space would be in addition to the 1,700 to 2,500 square feet that could be added from 2010 to 2015.

Summary Retail Opportunities

Three sources of market demand – households in surrounding market areas, new households in the Town Center, and new office workers in the Town Center – will shape opportunities for new retail development in Glastonbury Town Center. Our retail market analysis of the demand presented by these three group was broken out into two timeframes: the next five years (2010 to 2015) and the following five years (2015 to 2020). We also provided a low-case and high-case market scenario for each time period to take into account the potential for different future market conditions.

In total, from 2010 to 2020 there are opportunities for between approximately 138,000 to over 220,000 square feet of new retail space in the Town Center. This level of retail space includes from 56,000 to nearly 90,000 square feet of convenience goods space, and 81,000 to over 132,000 square feet of shoppers goods space.

Exhibit 3.27: Summary Potential Retail Opportunities by Source (Square Feet)

	2010-2015		2015-2020		2010-2020	
	Low	High	Low	High	Low	High
Market Area Households						
Convenience Goods	33,135	60,158	17,731	21,277	50,866	81,435
Shoppers Goods	50,950	94,026	26,199	31,439	77,150	125,465
New Town Center Households						
Convenience Goods	1,043	1,252	2,125	2,550	3,168	3,802
Shoppers Goods	350	700	701	1,402	1,051	2,103
New Town Center Employees						
Convenience Goods	1,140	1,710	1,221	1,831	2,361	3,541
Shoppers Goods	1,691	2,537	1,810	2,716	3,502	5,252
Total						
Convenience Goods	35,319	63,120	21,077	25,658	56,395	88,778
Shoppers Goods	52,992	97,263	28,711	35,557	81,702	132,820
Grand Total	**88,310**	**160,383**	**49,787**	**61,215**	**138,098**	**221,598**

3.4 Summary Retail Market Observations & Findings

The following table summarizes key observations and findings regarding the strengths, constraints, and opportunities related to the potential for new retail development in the Glastonbury Town Center study area.

Exhibit 3.28 – Summary Retail Market Observations & Findings

Strengths	Constraints	Opportunities
• Town's lower vacancy rates compared to region indicate strength of local retail market	• Lack of destination serving retail to attract visitors outside of the Town	• Take advantage of need for high quality, mixed-use retail development
• Lower lease rates in Town Center than other areas in Town provide ease of entry for new businesses into the market	• Limited development activity constrains near term retail market opportunities	• Work with existing shopping center and other property owners interested in redeveloping and/or expanding to mixed use development
• Base of residents and employees, which serve as two key sources of demand for retail goods and services	• Town Center's higher vacancy rate compared to other areas in Town and surrounding communities indicates softness in downtown area market	• Desire for more specialty retail that is lacking in Town (e.g. apparel, shoes, sporting goods, general merchandise, furniture and home furnishings)
• High incomes of Town households provide strong retail sales expenditure potential relative to the region and surrounding communities	• Educating and enticing high quality retailers about the opportunities present	• Capture leaked demand, which is most prevalent in the following retail categories: full-service restaurants, department stores, clothing, building materials and supplies, general merchandise, furniture, electronics and appliances, and groceries
	• Relatively high vacancies at the 3 larger retail properties in the Town Center	• Opportunities for re-positioning and redevelopment of underutilized retail properties to capture leaked demand
		• Potential opportunity for additional entertainment uses such as an art guild playhouse or independent movie theater in association with an existing community space and/or organization.

4.0 Office Market Analysis

4.1 Overview

The Town of Glastonbury offers a wide variety of office related uses to its residents and employees with industries such as finance and insurance services, food distribution, and business and professional services. The Town's largest employers include firms such as Amica (175 estimated employees), Bank of America (125 employees), Ikon Office Solutions (225 employees), Kraft (150 employees), Metropolitan Life (200 employees) and Open Solutions (400 employees). The Town offers a number of single and multi-tenant office buildings. The largest of these are Salmon Brook office park, a Class A office park and Somerset Square.

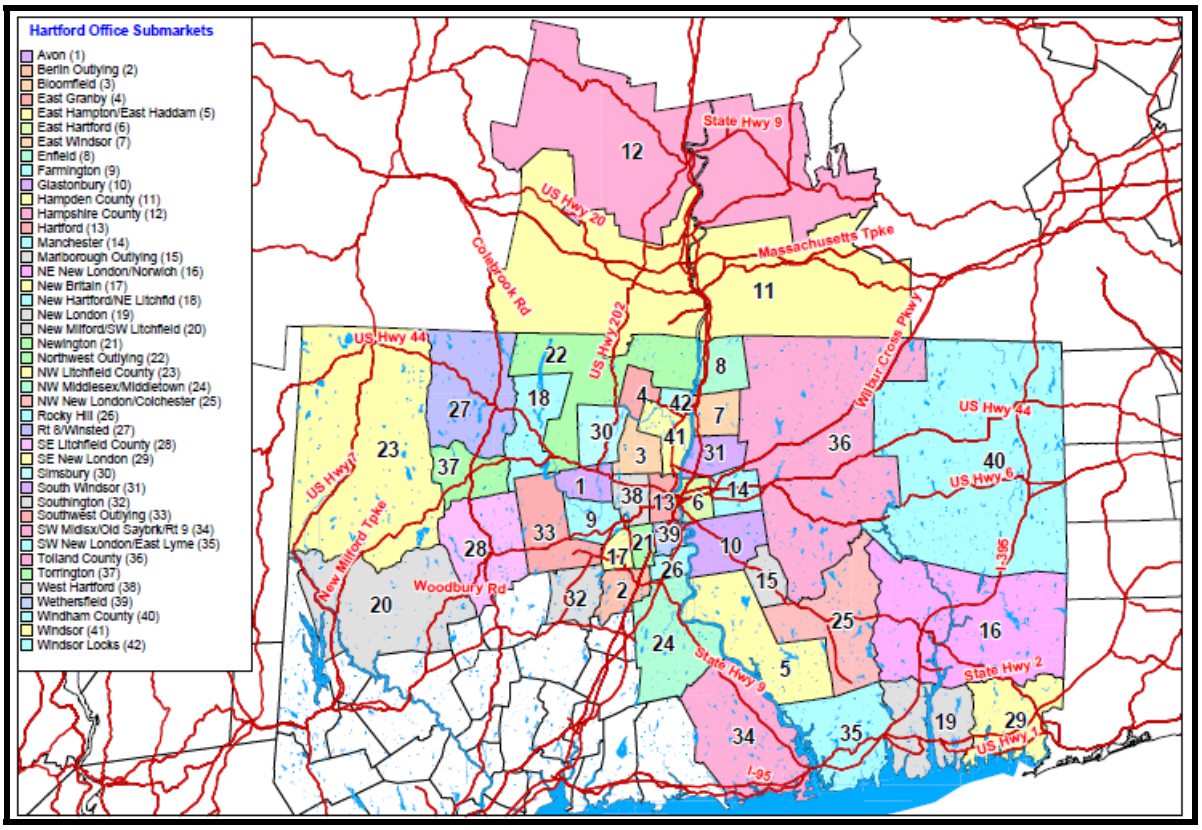
This section provides an overview of the office market in Glastonbury and in the Town Center as well as the Hartford region. It discusses existing inventory, development activity, vacancy and absorption. It then summarizes the Town's current market position, strengths, challenges and opportunities in terms of the office market.

Salmon Brook Office Park, Glastonbury

4.2 Market Areas and Conditions

The Town of Glastonbury is situated within the broad context of the Hartford regional office market. The Hartford regional office market encompasses the markets surrounding the City of Hartford and its suburban communities. The office submarkets most proximate to the Town of Glastonbury include: Manchester, East Hartford, Hartford, Rocky Hill, East Hampton/East Haddam, Marlborough Outlying and Wethersfield.

Exhibit 4.0 – Hartford Regional Office Market Map



Source: CoStar

Regional Office Market

The Hartford regional office market comprises more than 82 million square feet of office space located in a variety of multi-tenant and single tenant buildings, including owner occupied buildings, office condominiums, office lofts and office medical buildings. The regional office market has seen an increase in vacancy rate over the past quarter rising to 10.8% in the first quarter of 2010 from 10.4% at the end of the second quarter of 2009. Rental rates ended the first quarter of 2010 at $17.92, a decrease from the previous quarter.

Glastonbury's office market is located in the East market which includes East Hartford, Manchester and South Windsor. The East market totals more than 5.7 million square feet of office space representing approximately 7% of the total Hartford regional office market inventory.

Construction and delivery data for first quarter 2010 showed very little development activity in the competing submarkets. There is no office development activity in the East market, including Glastonbury. A total of two new buildings (30,160 square feet) were delivered to the regional market during the first quarter of 2010. There is a total of 95,000 square feet of office space under construction during the first quarter of 2010, of which 16,200 square feet is located in the East market. Other markets with development activity include West, Berlin Outlying, New London County and Litchfield County.

Exhibit 4.1 – Hartford Regional Office Market Snapshot
1st Quarter 2010

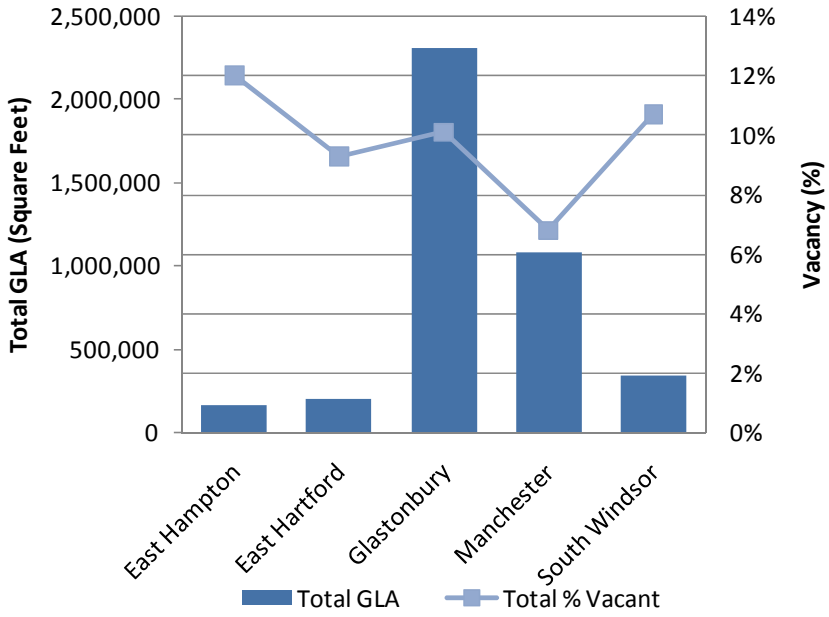
	Existing Inventory			Vacancy		Average Rate
	# of Bldgs	Total GLA	Avg Bldg Size	Total SF Vacant	Total % Vacant	
Town Center	54	419,741	7,773	24,202	5.80%	$18.63
Town of Glastonbury	132	2,309,353	17,495	233,762	10.10%	$21.47
East Market*	472	5,719,559	12,118	432,595	7.60%	$20.13
Hartford Regional Market	4,494	82,396,051	18,335	8,869,677	10.80%	$17.92

** East Market includes East Hartford, Glastonbury, Manchester, and South Windsor*

Source: CoStar, Hartford Office Market Report, 1st Quarter 2010

Relative to other office markets in the eastern Hartford region, Glastonbury is a larger office center compared to nearby communities such as Manchester (1,1 million square feet), East Hartford (1.9 million square feet), East Hampton (163,000 square feet) and South Windsor (347,000 million square feet). The Town of Glastonbury has a higher vacancy rate (10.1%) compared to Manchester (6.8%) and East Hartford (4.4%), but lower compared to South Windsor (10.7%) and East Hampton/East Haddam (12%).

Exhibit 4.2 – Selected Regional Office Market Overview (2010 1Q)



Source: CoStar

Glastonbury Office Market

Glastonbury has 2.3 million square feet of office space which represents 41% of the office inventory in the East market and 3% of the regional office inventory. Vacancy rates in the Town of Glastonbury (10.1%) are higher than in the East market (7.6%) and comparable to the regional average (10.8%). The Glastonbury market has higher office lease rates averaging $21.47 per square foot compared to the East market average of $20.13 per square foot and the regional average of $17.92 per square foot.

Exhibit 4.3 – Glastonbury Office Market
1st Quarter 2010

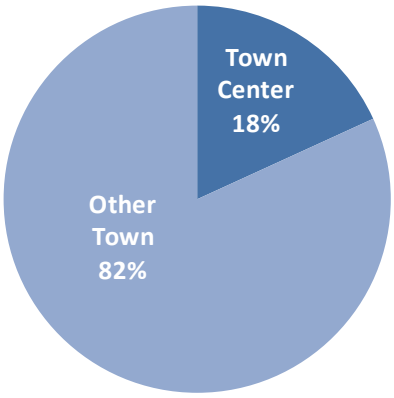
	Bldgs	Existing SF	Vacant SF	Vacant %	Rent
Town Center	54	419,741	24,202	5.80%	$18.63
Other Town	78	1,889,612	209,560	11.10%	$22.14
Town of Glastonbury	132	2,309,353	233,762	10.10%	$21.47

Source: CoStar, Hartford Office Market Report, 1st Quarter 2010

Glastonbury Town Center comprises 18% of Town's office space, or 420,000 square feet, and has a lower vacancy rate (5.8% vs. 11.1%) and lower average lease rate ($18.63 vs. $22.14) compared to other locations in the Town. When compared to the Town, Glastonbury Town Center has:

- Smaller office buildings
- 41% of Town's office buildings, but only 18% of Town's office inventory (square feet)
- Lower vacancy rate (5.8%) compared to other office space outside of Town (11%)

Exhibit 4.4 - Glastonbury Office Inventory Square Feet by Space (2010)



Source: CoStar

Glastonbury's office inventory is mainly comprised of Class B office space, which accounts for 64% or 1.48 million square feet of the Town's total office inventory. Class B office space can be described as buildings that generally qualify as a more speculative investment and command lower rents or sales prices compared to Class A properties. 18%, or 405,000 square feet, are considered Class A space with the balance of 425,000 square feet (18%) classified as Class C space.

In terms of the number of office buildings in Glastonbury, 60% can be classified as Class C space, 37% as Class B space, and only 3% as Class A space. The highest vacancy rates at the end of the first quarter of 2010 are for Class A space (21%) versus 8.8% for Class B and 4.6% for Class C space. However, Class A space has the highest average lease rate, $23 per square foot compared to $21.05 for Class B space and $18.30 per square foot for Class C space.

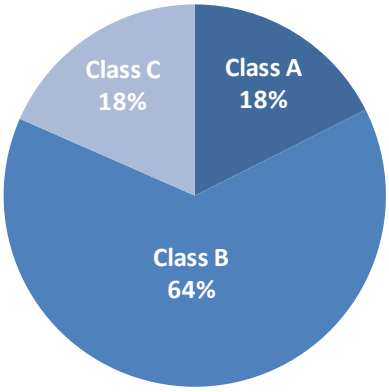
Exhibit 4.5 – Office Inventory by Type
Town of Glastonbury

	Existing Inventory		Vacancy		Rental Rate
	# of Bldgs	Total GLA	Total SF Vacant	Total % Vacant	
Class A	3	405,882	84,055	20.7%	$22.98
Class B	51	1,477,913	130,005	8.8%	$21.05
Class C	78	425,558	19,702	4.6%	$18.31
Total	132	2,309,353	233,762	10.1%	$21.47

Source: CoStar, Hartford Office Market Report, 1st Quarter 2010

In terms of the size of office space, the Town Center has significantly smaller buildings compared to Town. Town Center office buildings average 7,800 square feet in size compared to 24,000 square feet for the Town as a whole.

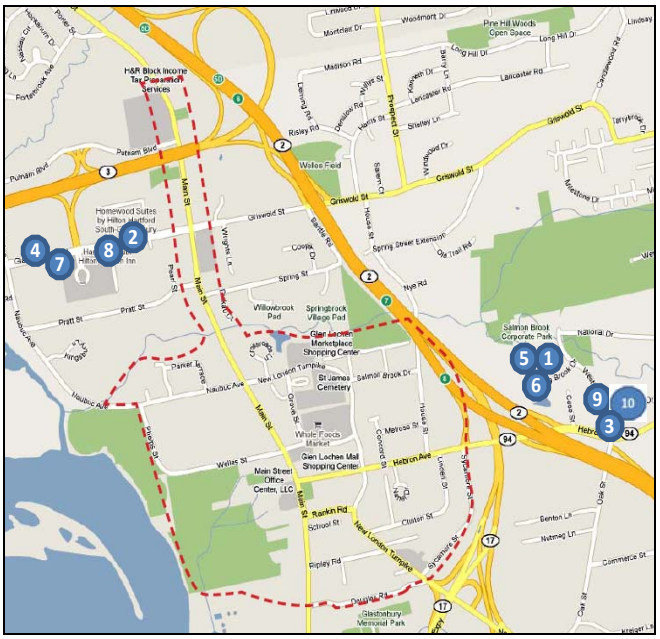
Exhibit 4.6 - Glastonbury Office Inventory by Type



Source: CoStar

Of the 10 largest office buildings in the Town, all are located outside of the Town Center. The largest office properties in Town are located along Glastonbury Blvd and Salmon Brook office park with sizes ranging from 50,000 square feet to 170,000 square feet. The highest reported vacancies are at 628 Hebron Avenue, Bldg II (47%) and 43 Western Blvd (22%).

Exhibit 4.7 – Selected Largest Office Buildings – Town of Glastonbury



Largest Office Properties Town of Glastonbury			
	Name	Existing SF	Vacant %
1	500 Winding Brook Dr	167,112	0.0%
2	95 Glastonbury Blvd	160,000	7.0%
3	628 Hebron Ave	155,000	47.0%
4	180 Glastonbury Blvd	108,668	0.0%
5	655 Winding Brook Dr	103,000	9.5%
6	455 Winding Brook Dr	90,882	0.0%
7	200 Glastonbury Blvd	75,656	0.0%
8	80 Glastonbury Blvd	63,740	0.0%
9	43 Western Blvd	53,000	22.3%
10	628 Hebron Ave	52,586	0.0%

Source: CoStar, Hartford Office Market Report, 1st Quarter 2010

4.3 Office Development Potential

Employment growth in office-based industries – through both recruitment of new firms as well as expansion of existing firms – generally drives opportunities for the development of new office space. Based on this assumption, an evaluation of job growth forecasts for North Central Connecticut Workforce Investment Area (the smallest area for which job growth forecasts are available) was performed in order to assess future office development opportunities in the Glastonbury Town Center.

As projected by the Connecticut Department of Labor, office-based employment in the North Central Workforce Investment Area is projected to grow at a compound annual growth rate of 1.3 percent a year through 2016, from 247,550 in 2006 to 274,256 in 2016. The most rapid growth in jobs is anticipated in the fields of management of companies and enterprises (1.9 percent growth per year), professional, scientific, and technical services (1.7 percent growth per year), administrative support services (1.3 percent growth per year), and administrative support services (1.3 percent growth per year).

Exhibit 4.8: Projected Office-Based Employment, North Central Connecticut Workforce Investment Area, 2006-2016

NAICS	Industry	2006	2016	Change #	Change %
51	Information	23,733	25,780	2,047	0.8%
52	Finance and Insurance	117,926	125,952	8,026	0.7%
53	Real Estate, Rental and Leasing	12,706	14,393	1,687	1.3%
54	Professional, Scientific, and Technical Services	29,590	35,102	5,512	1.7%
55	Management of Companies and Enterprises	7,861	9,467	1,606	1.9%
56	Administrative and Support Services	55,734	63,562	7,828	1.3%
Total/Average		**247,550**	**274,256**	**26,706**	**1.3%**

Source: Connecticut Department of Labor

Assuming the growth rates identified for the 2006-2016 period continue through 2020 (1.3 percent per year), and applies to the Glastonbury Town Center, the Town Center area's estimated 1,733 office-based jobs in 2010 would increase by 216 jobs over the next 10 years and would result in total at-place employment of 1,949 office-based jobs. This would include 104 new jobs over the first five years from 2010 to 2015, an increase to 1,837 office-based jobs compared to 1,733 office-based jobs in 2010.

Exhibit 4.9: Projected Office Employment by Industry Sector Glastonbury Town Center, 2010-2015

Industry	At-Place Employment (2010)	At-Place Employment (2015)	Change #	Change %
Information	129	135	5	0.8%
Finance and Insurance	670	693	22	0.7%
Real Estate, Rental and Leasing	210	223	13	1.3%
Professional, Scientific and Technical Services	648	706	58	1.7%
Administrative and Support Services	76	81	5	1.3%
Total/Average	**1,733**	**1,837**	**104**	**1.2%**

Source: ESRI Business Solutions

From 2015 to 2020, another 112 jobs would be added in the Glastonbury Town Center if the growth rates projected for the North Central WIA are realized in the Town Center area. This would raise the total office-based jobs in the Town Center area from 1,837 in 2015 to 1,949 in 2020.

Exhibit 4.10: Projected Office Employment by Industry Sector
Glastonbury Town Center, 2015-2020

Industry	At-Place Employment (2015)	At-Place Employment (2020)	Change #	Change %
Information	135	140	6	0.8%
Finance and Insurance	693	716	23	0.7%
Real Estate, Rental and Leasing	223	237	14	1.3%
Professional, Scientific and Technical Services	706	769	63	1.7%
Administrative and Support Services	81	87	6	1.3%
Total/Average	**1,837**	**1,949**	**112**	**1.2%**

Source: ESRI Business Solutions

The above projections represent a baseline analysis, that is, the employment that may be captured in the Town Center area if the trends predicted by the Connecticut Department of Labor hold true over the next ten years. Of course, the actual employment captured in the Town Center area is likely to deviate from these projections; for this reason we have estimated a low-case and high-case market scenario to provide a range of potential future employment levels. The low market scenario assumes a challenging market and represents a 20 percent decrease from the baseline scenario. Conversely, a high market scenario assumes strong market conditions and represents a 20 percent increase from the baseline scenario. The following table provides low, baseline, and high scenarios for three time periods: the next five years (2010 to 2015), the following five years (2015 to 2020), and the next ten years in total (2010 to 2020).

Exhibit 4.11: Projected Office Employment and Demand for Office Space
Glastonbury Town Center, 2010-2020

	2010-2015			2015-2020			2010-2020		
	Low	Baseline	High	Low	Baseline	High	Low	Baseline	High
Office Employment	83	104	125	89	112	134	173	216	259
Office Space Demanded (SF)	21,000	26,000	31,000	22,000	28,000	33,000	43,000	54,000	64,000

Source: BBP LLC, 2010

Low case assumes 20% deviation below baseline

High case assumes 20% deviation above baseline

Under the baseline scenario, from 2010 to 2015 the Glastonbury Town Center area could add 104 office-based jobs, which would result in associated demand for 26,000 square feet of new space (assuming 250 square feet per office-based employee, consistent with national industry standards). Under the low scenario of a challenging market, the Town Center would instead add 83 jobs and experience demand for 21,000 square feet of new space. The high scenario of a stronger market indicates demand for 31,000 square feet from 125 office-based employees.

Over the following five year period, from 2015 to 2020, the Town Center area could add between 89 to 134 office-based employees, depending upon whether a low or high scenario is realized. Such employment growth would result in demand for 22,000 to 33,000 square feet of new office space in the Town Center area over that time period.

Altogether, over the next ten years the Town Center area could experience demand for 43,000 to 64,000 square feet of new office space. Such development would represent 10 to 15% of the current inventory of approximately 420,000 square feet of office space in the Town Center. The Town Center area's ability to capture this growth will heavily depend on the availability of space in development or redevelopment projects.

4.4 Summary Office Market Observations & Findings

The following table summarizes key observations and findings regarding the strengths, constraints, and opportunities related to the potential for new retail development in the Glastonbury Town Center study area.

Exhibit 4.12 – Summary Office Market Observations & Findings

Strengths	Constraints	Opportunities
• Low vacancy rate in Town Center shows strength of office market compared to Town and region as a whole	• Town is a small office market relative to surrounding communities	• Current economic downtown provides opportunities to plan for office in the future
• Supportive retail/restaurant uses in Town Center for employees	• Existing office inventory in small sizes (average 7,800 square feet) in Town Center compared to other areas in Town (average 24,000 square feet) limits expansion opportunities for businesses that grow to require more space	• Capitalize on companies that do business with Town and local government
• Lower lease rates in Town Center compared to other areas in Town and surrounding markets provide ease of entry for new firms into the market	• Class A office space in Town exhibiting higher vacancy rates compared to Class B or Class C space	• Increased niche office demand such as finance and insurance, professional business services, medical office
	• Near term economic conditions and job growth limit demand in the near-term	• Work with existing property and business owners interested in redeveloping and/or expanding to mixed use development (e.g. office on top of retail)
		• Opportunities for 43,000 to 64,000 square feet of office development, particularly space that caters to professional service, finance and insurance firms (the industries for which the most growth is projected)

5.0 Residential Market Analysis

5.1 Overview

The Town of Glastonbury is an affluent community that provides some of the most desirable housing in the region. The Town's excellent schools, high quality programs and services, abundant recreational opportunities, and tradition of balancing quality growth with historic preservation make Glastonbury one of the region's most appealing places to live.

The Town Center offers a diverse housing stock including single family homes, multifamily apartments and condominiums, duplexes as well as age restricted and rental subsidized units. With lease rates and sales prices lower in the Town Center relative to Town and a lack of upscale multifamily residential inventory, Glastonbury Town Center can provide an opportunity for new upscale residential development to capture new residential demand from target demographic groups such as empty nesters, young professionals, and families seeking to live in a more pedestrian-oriented environment with proximity to retail and business services, office, entertainment, restaurants and recreational opportunities.

The residential market overview provided in this section evaluates the current housing market in the Town of Glastonbury and Town Center compared to nearby communities in the region such as South Windsor, Manchester and East Hartford. It includes a summary of current housing by type, age of housing stock, home values and rental rates, home sales over time, and locations of existing multifamily complexes. It then summarizes the overall strengths, constraints and opportunities related to residential development in the Town and Town Center.

Colonial Village Apartments, Glastonbury

5.2 Housing Inventory

Key characteristics of the Town's housing stock compared to nearby communities include:

- 78% of the Town's housing units are owner-occupied compared to 60% for the Hartford County average
- The housing market for both for-sale and rental units in the Town are higher value compared to adjacent communities and Hartford County.
    - The median gross rent in Glastonbury $1,146 compared to Hartford County average of $889 a month.
    - The median home value in Glastonbury ($371,258) is higher than all surrounding geographies.
- Glastonbury has a significantly lower percentage of multifamily units (14%) compared to Manchester (46%) and East Hartford (42%), but a similar proportion to South Windsor (12%).

Exhibit 5.1 – Residential Market Overview

	East Hartford	South Windsor	Glastonbury	Manchester	Hartford County
Total Housing Units	**21,273**	**9,635**	**13,363**	**25,570**	**353,022**
Owner-Occupied Units	11,626	8,229	10,407	13,491	215,275
Rental Units	8,580	1,132	2,439	10,556	119,823
Vacant Units	1,067	274	517	1,523	17,924
Vacancy %	6%	3%	4%	6%	7%
Median Home Value	$179,829	$273,856	$371,258	$203,861	$238,597
Median Gross Rent	$847	$1,023	$1,146	$1,018	$889
Single Family (attached/detached) %	56%	87%	86%	54%	61%
Multifamily %	42%	12%	14%	46%	39%
Structure Older than 1970	79%	37%	42%	36%	63%

Source: ESRI Business Information Solutions, American Community Survey, BBPC 2010

Residential Units by Type

Occupancy

More than three quarters of the Town of Glastonbury's housing units are owner-occupied, more than East Hartford (54%), Manchester (53%), and Hartford County (60%) but less than South Windsor (85%). 18% of the Town of Glastonbury's residential units are classified as renter-occupied.

Exhibit 5.2 – Ownership vs. Rental Units (2009)

	Total Units	Ownership Units		Rental Units		Vacant Units	
	#	#	% of total	#	% of total	#	% of total
East Hartford	21,581	11,591	54%	8,600	40%	1,390	6%
South Windsor	9,635	8,229	85%	1,132	12%	274	3%
Glastonbury	13,363	10,407	78%	2,439	18%	517	4%
Manchester	25,570	13,491	53%	10,556	41%	1,523	6%
Hartford County	370,457	222,179	60%	123,764	33%	24,514	7%

Source: ESRI Business Information Solutions, BBPC 2010

Housing Units by Units in Structure

Single family detached structures are the predominant housing type in the Town of Glastonbury. 73% of the Town's housing units are single-family compared to 26% in the Town Center. Attached 1-4 units make up 19% of the Town's housing units but more than 45% of units in the Town Center. Larger 20+ units comprise only 3.5% of the Town's housing units, but make up more than 16% of the housing units in the Town Center.

Exhibit 5.3 – Housing Units by Units in Structure (2000)

	Town Center	Town of Glastonbury
1, Detached	25.7%	73.2%
1 to 4	45.2%	18.5%
5 to 19	13.1%	4.8%
20 +	16.0%	3.5%

Source: ESRI Business Information Solution, BBPC 2010

Number of Bedrooms

More than 70% of Glastonbury housing units have three bedrooms or more compared to East Hartford (50%) and Manchester (53%). Only South Windsor (73%) has a higher percentage of three plus bedroom units than Glastonbury.

Exhibit 5.4 – Housing Units by Number of Bedrooms (2008)

	East Hartford		South Windsor		Glastonbury		Manchester		Hartford County	
	#	%	#	%	#	%	#	%	#	%
Total housing units	**21,061**	**100%**	**9,665**	**100%**	**13,005**	**100%**	**24,622**	**100%**	**363,550**	**100%**
No bedroom	597	3%	52	1%	154	1%	333	1%	8,049	2%
1 bedroom	3,230	15%	957	10%	984	8%	3,227	13%	47,278	13%
2 bedrooms	6,553	31%	1,679	17%	2,682	21%	8,088	33%	104,885	29%
3 bedrooms	8,685	41%	4,127	43%	4,789	37%	10,410	42%	135,363	37%
4 bedrooms	1,746	8%	2,479	26%	3,718	29%	2,172	9%	55,490	15%
5 or more bedrooms	250	1%	371	4%	678	5%	392	2%	12,485	3%

Source: American Community Survey, BBPC 2009

Age of Housing Stock

85% of the Town's residential structures were built prior to 1970. There has been very little residential construction in recent years; only 15% of residential structures in the Town were built after 1990. The housing stock in the Town Center is even older with 59% of structures built in 1969 or earlier. Only 5% of the housing stock in the Town Center was built after 1990.

Exhibit 5.5 – Housing Units by Year Structure Built (2000)

	Town Center	Town of Glastonbury
1999 to March 2000	0.0%	2.2%
1990 to 1998	5.0%	12.9%
1970 to 1989	35.9%	39.2%
1969 or Earlier	59.1%	45.7%
Median Year	1965	1972

Source: ESRI Business Information Solution, BBPC 2010

Home Values

Glastonbury is an affluent community with a median home value of $371,000. This is more than $100,000 more than median value in South Windsor ($273,000) and other nearby communities such as Manchester ($204,000) and East Hartford ($180,000). The majority of homes in Glastonbury are valued between $300,000 and $499,999 (39 percent) with more than 30% valued more than $500,000. 4% of the homes in the Town are valued above $1 million.

Exhibit 5.6 – Owner Occupied Housing Units by Value (2009)

	East Hartford		South Windsor		Glastonbury		Manchester		Hartford County	
	#	%	#	%	#	%	#	%	#	%
Total	**11,591**	**100%**	**8,229**	**100%**	**10,407**	**100%**	**13,491**	**100%**	**222,156**	**100%**
< $50,000	489	4%	114	1%	16	0%	95	1%	2,452	1%
$50,000 - $99,998	382	3%	234	3%	140	1%	380	3%	4,959	2%
$100,000 - $149,998	2,394	21%	568	7%	377	4%	1,776	13%	24,695	11%
$150,000 - $199,999	3,889	34%	849	10%	593	6%	4,263	32%	43,312	20%
$200,000 - $299,999	3,745	32%	3,252	40%	2,321	22%	4,705	35%	76,864	35%
$300,000 - $499,999	515	4%	2,556	31%	4,058	39%	1,809	13%	47,811	22%
$500,000 - $999,999	19	0%	630	8%	2,475	24%	406	3%	16,723	8%
$1,000,000 +	15	0%	26	0%	427	4%	57	0%	3,371	2%
Median Value	$179,829		$273,856		$371,258		$203,861		$238,597	

Source: ESRI Business Information Solutions, BBPC 2009

Glastonbury's home prices are higher than those in adjacent communities and the County. Single family detached homes have the highest mean price ($461,179), followed by attached housing ($290,000), 3-4-unit structures ($280,000),and 5+ unit structures ($200,000).

Exhibit 5.7 – Mean Home Prices by Type (2007)

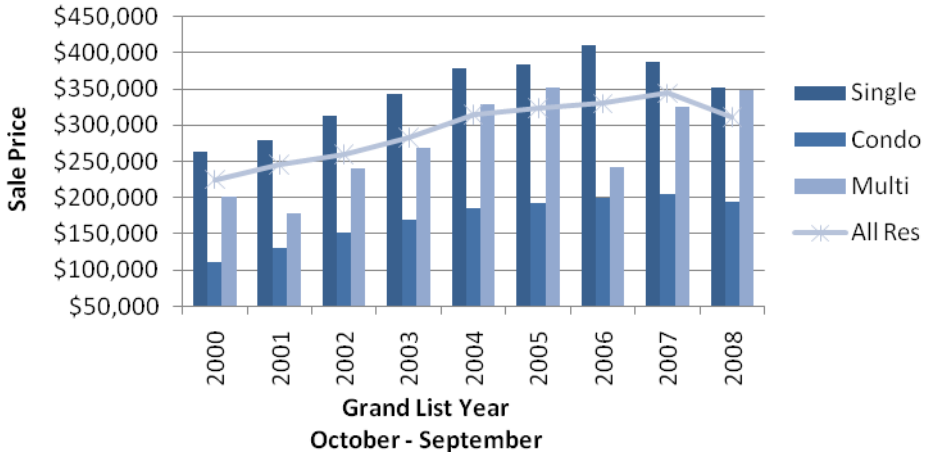
	East Hartford	South Windsor	Glastonbury	Manchester	Hartford County
Mean House or Condo	**$200,079**	**$312,226**	**$434,552**	**$243,865**	**$247,100**
Detached House	$206,899	$337,379	$461,179	$256,757	$313,390
Attached House	$217,410	$234,992	$292,477	$228,214	$256,212
2-Unit Structures	$214,410	$294,420	$406,084	$217,859	$229,987
3-4-Unit Structures	$216,210	$248,727	$280,601	$207,564	$218,987
5+ Units Structures	$129,154	$151,138	$200,737	$128,261	$161,026

Source: City-data.com, BBPC 2009

Homes Sales over Time

Between 2000 and 2008 the median sales price for single family homes in the Town steadily increased. The median housing sales prices for all residential types (single family, condominium, multi-unit) increased from $225,000 in 2000 to $311,000 in 2008, an annual increase of 38%. The median sales price of condominiums and multi-unit homes increased by 76% and 74% respectively during this same period. The median sales price for a condominium increased from $111,000 in 2000 to $195,000 in 2008;the median sales price for multi-unit housing increased from $200,000 in 2000 to $348,000 in 2008.

Exhibit 5.8 – Median Housing Sales Price (2000-2008)
Town of Glastonbury

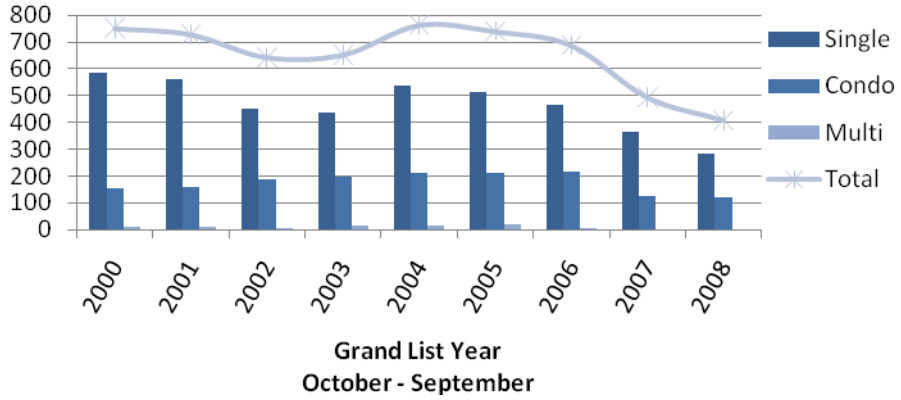


Source: Glastonbury Town Assessor

The number of homes sold in Glastonbury has fluctuated since 2000 and there has been a pronounced drop in the number of homes sold since the peak of the housing market in 2005. Since 2000, the overall number of homes sold dropped 46% (from 752 to 409). Single family homes sales dropped 51% during this period while condo sales dropped 21%.

During the period 2000-2008, the average number of homes sold was 652 of which 72% (or an average of 466 sales) were single family, 27% were condominiums (or an average of 176 sales) and 1% were multi-unit (or an average of 10 sales)

Exhibit 5.9 – Number of Sales (2000-2008)
Town of Glastonbury



Source: Glastonbury Town Assessor

Multi-Unit Housing

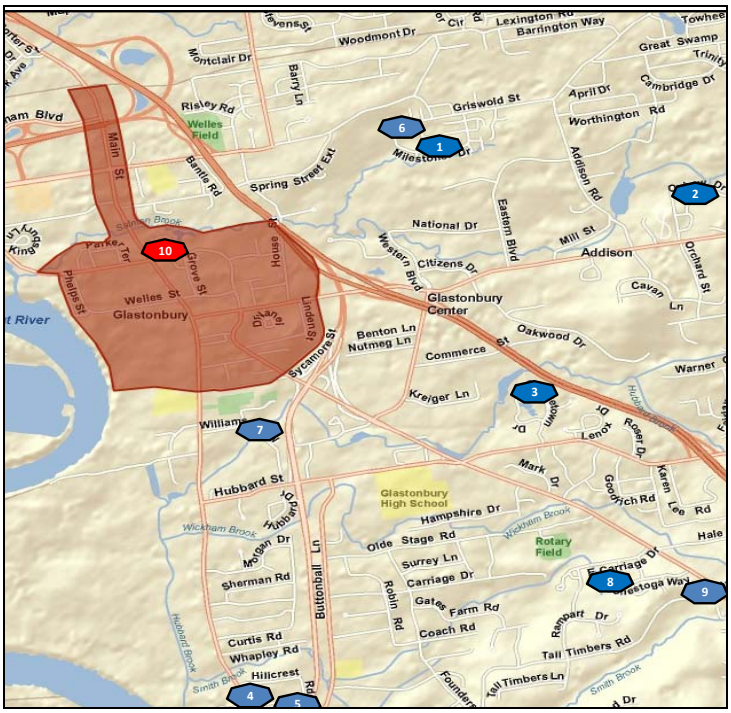
Condominiums (for sale multifamily)

The Town of Glastonbury has 2,234 condominium units in 49 properties ranging in size from 2 units to 245 units. The top 10 largest condominium properties are scattered throughout the Town with most of them located just outside Town Center. The Town's largest condominium complex is Milestone Commons, a 245-unit complex located off Allspice Lane east of the Town Center followed by Hale Farms, a 202-unit complex located off Oxbow Lane.

8.4% of the Town's condominium units, or 188 units, are located within the Town Center. The largest of these complexes are the 70-unit Glen Lochen II and 56-unit Glen Lochen I. Most of these properties are garden-style, walk up units.

Exhibit 5.10 – Selected Largest Condominium Complexes
Town of Glastonbury

Town of Glastonbury Selected Largest Condominiums Complexes		
	Name	**Units**
1	Milestone Commons	245
2	Hale Farms	202
3	Georgetown Village	150
4	Meadow Hill	129
5	South Mill Village	127
6	Milestone	116
7	Soap Factory	116
8	Surry Hill II	90
9	The Woods	74
10	Glen Lochen II	70
Source: Town of Glastonbury, 2010		



Apartments (Multifamily Rental Units)

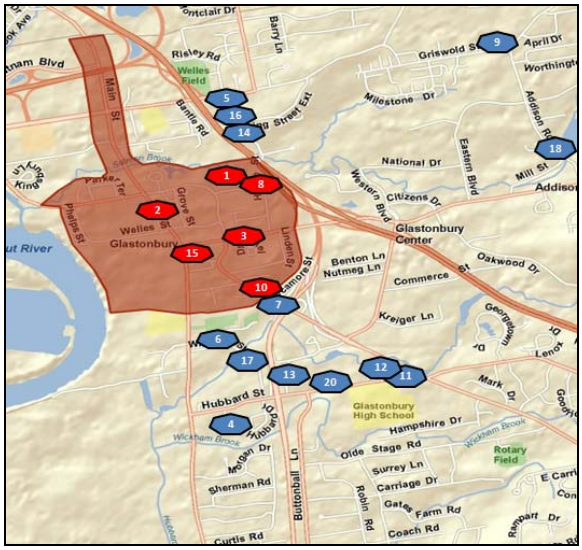
The Town of Glastonbury has 882 multifamily rental apartment units in 23 properties ranging in size from 5 units to 161 units. The top 10 largest apartment properties are scattered primarily in the Town Center and environs. The Town's three largest apartment complexes are located in the Town Center: Colonial Village, a 161-unit complex located off House Street; followed by Naubuc Green, a 111-unit complex located off Welles Street; and a 105-unit complex located off Hebron Avenue.

51% of the Town's apartment units, or 449 units, are located within the Town Center. More than one third of the apartment units in the Town are either rental subsidized or age-restricted units such as Welles Village, Center Village, Knox Lane and Herbert T. Clark Congregate/Assisted Living Housing (managed by the Glastonbury Housing Authority). Units are primarily garden-style, walk ups.

Exhibit 5.11 –Apartment Complexes
Town of Glastonbury

Town of Glastonbury Apartment Complexes			
	Name	**Address**	**Units**
1	Colonial Village	186 House Street	161
2	Naubuc Green	193 Welles Street W	111
3	Nanel Drive	197 Hebron Avenue	105
4	Knox Lane	10 Knox Lane	90
5	Salem Court	197 Griswold Street	82
6	Clark House	45 Canione Road	70
7	Center Village	458 New London Tpk	50
8	Candlelight	80 House Street	41
9	Cobbs Mill	1 Cobbs Mill	33
10	Carter Court	1 Full Circle	20
11	N/A	37 Hubbard Street	18
12	Beechwood	388 Hubbard Street	18
13	N/A	18 Willieb Street	17
14	Ridgeview	186 House Street	12
15	N/A	25 School Street	11
16	N/A	197 Griswold Street	6
17	N/A	36 Hopewell Road	6
18	N/A	185 Williams Street	6
19	N/A	77 Addison Road	5
20	N/A	14 Concord Street	5
21	N/A	42 Fisher Hill Road	5
22	N/A	458 Matson Hill Road	5
23	N/A	247 Hubbard Street	5
Total			**882**

Source: Town of Glastonbury, 2010



5.3 Residential Market Potential

To understand the market potential for residential development in the Glastonbury Town Center, trends in housing development in the Town of Glastonbury, specifically, permit activity, was assessed. Past trends in permit activity serve as an indicator of past demand for housing, and provide the basis for projecting future demand for residential development.

The future demand for housing in the Town as a whole will serve as the market area from which the Glastonbury Town Center may capture a portion of this overall demand.

Over the past ten years, the Town has issued 800 housing permits, including 754 permits for single family detached units and 46 permits for single family attached units (which includes condominiums and apartments as well as townhomes).

Exhibit 5.12: Permit Activity (2000-2010)

	Permits Issued		
Year	Single Family Detached	Single Family Attached	Subtotal (All Dwelling Units)
2000	6	0	6
2001	106	1	107
2002	96	14	110
2003	58	16	74
2004	104	10	114
2005	79	0	79
2006	139	2	141
2007	88	0	88
2008	39	0	39
2009	24	3	27
2010	15	0	15
Total	**754**	**46**	**800**
Total, 2000-2005	449	41	490
Total, 2006-2010	305	5	310

**** Single Family Attached includes condominiums and apartments***
Source: Town of Glastonbury, 2010

More permits were issued in the first half of the decade, when 490 permits were issued from 2000 to 2005 compared to 310 permits from 2006 to 2010. The slowdown in permit activity was evident in the past few years as Glastonbury, as well as the rest of the nation, experienced the housing downturn.

The average number of permits issued per year in the latter half of the decade (62 permits) was also lower than that of the first half of the decade (82 permits).

With the national housing market still dogged by foreclosures, reduced sales volume and falling prices, economists have projected recovery may not occur until 2013 (Moody's Economy, RealtyTrac). Glastonbury has not been immune to the housing downturn, and has experienced decreased permit activity, fewer sales and lower average sales prices.

Over the next five years, the Town of Glastonbury is likely to experience decreased housing starts compared to recent years given these trends. As such, BBP LLC projects that the Town could, on average, issue 50 to 75 percent of the average volume of permits issued per year from 2006 to 2010. Such activity would result in 31 to 47 new dwelling units per year, or 155 to 233 total dwelling units from 2010 to 2015.

Exhibit 5.13: Projected Residential Permit Activity, Town of Glastonbury, 2010-2020

	Average Permits Projected to be Issued		Total Permits Projected to be Issued	
	Low	High	Low	High
2010-2015	31	47	155	233
2015-2020	62	82	310	408
Total (2010-2020)	**-**	**-**	**465**	**641**

Source: BBP LLC

With economists suggesting recovery could occur in 2013, the time period from 2015 to 2020 could feature more housing activity than that which may occur from 2010 to 2015. BBP LLC projects that the Town could issue, under a more conservative scenario, the same number of average permits issued per year from 2006 to 2010 (62 units), or under a more aggressive scenario, the same number of average permits issued per year from 2000 to 2005 (82 units). This level of activity would result in a total of 310 to 408 dwelling units from 2015 to 2020.

In total, these projections indicate 465 to 641 dwelling units could be constructed in the Town over the next ten years (2010 to 2020). The number of units that are captured within the Town Center area will largely hinge on the availability of development and redevelopment sites. Currently, the Town Center area contains approximately 7 percent (995 units) of the total dwelling units located in the town (13,363). Among these units, the Town Center features 51 percent of all apartments in the Town.

Given that the Town Center currently contains 7 percent of all town dwelling units, and 51 percent of apartment units, BBP LLC projects that the Town Center could capture from 7 to 50 percent of future dwelling units to be built in the town. Such capture would result in 11 to 116 dwelling units from 2010 to 2015, and 22 to 204 dwelling units from 2015 to 2020, for a total of 33 to 320 dwelling units from 2010 to 2020.

Exhibit 5.14: Projected Residential Development Potential, Glastonbury Town Center, 2010-2020

	Capture Rate		Dwelling Units	
	Low	High	Low	High
2010-2015	7%	50%	11	116
2015-2020	7%	50%	22	204
Total	**-**	**-**	**33**	**320**

We recommend that multifamily units comprise the bulk of new housing units built in the town. This form of development makes the redevelopment of sites more viable from a financial perspective and responds to a changing market for housing. Multifamily housing (condominiums, apartments, or townhomes), especially housing that is provided in mixed-use development, would provide an alternative to single-family units. Town Center residents are also typically older and with a smaller average household size, indicating that multifamily housing would do well to respond to the desire of older couples and singles to downsize to smaller housing units.

Higher-end multifamily housing would respond to future trends in household growth by income. From 2010 to 2020, all of the household growth projected to occur is within the top income brackets ($100,000 to above $200,000), as illustrated in the following table.

Exhibit 5.15: Households by Income, 2010-2020, Town of Glastonbury

	2010	2015	2020	Change, 2010-2015	Change, 2015-2020	Change, 2010-2020
<$15,000	452	328	238	(123)	(90)	(213)
$15,000-$24,999	439	315	226	(124)	(89)	(212)
$25,000-$34,999	516	354	243	(162)	(111)	(273)
$35,000-$49,000	968	722	539	(246)	(183)	(429)
$50,000-$74,999	2,142	1,759	1,445	(383)	(314)	(697)
$75,000-$99,999	2,271	1,720	1,302	(551)	(417)	(968)
$100,000-$149,999	2,451	3,308	4,464	857	1,156	2,013
$150,000-$199,999	1,716	1,995	2,320	279	325	604
$200,000+	1,948	2,625	3,538	677	913	1,590
Total	**12,902**	**13,127**	**14,316**	**225**	**1,189**	**1,414**

Source: ESRI Business Information Solutions, BBP LLC, 2010

The 33 to 320 dwelling units that could be built in the Town Center, as based on the capture of future Town dwelling units, would represent 2 to 23% of the 1,414 new households projected to live in the Town by 2020.

Providing a rich array of amenities will be important in marketing these new dwelling units. Households interested in more compact, mixed-use environments often prefer urban-style amenities such as proximity to restaurants, shops, and cultural venues. With the retail market analysis having indicated potential for retail and restaurant expansion in the Town Center, such amenities could be included in future mixed-use development.

5.4 Summary Residential Market Observations & Findings

The following table summarizes key observations and findings regarding the strengths, constraints, and opportunities related to the potential for new residential development in the Glastonbury Town Center study area.

Exhibit 5.16 – Residential Market Observations & Findings

Strengths	Constraints	Opportunities
• Town is a highly desirable Capitol Region residential community due to its excellent education system, high quality Town programs and services, recreational opportunities and strong tradition of quality growth and economic development • Town Center offers a diverse housing stock including single family, multifamily apartments, condominiums and multi-unit complexes • Lower rental lease rates and home values in Town Center compared to Town provide ease of entry for new residents looking to live in Glastonbury	• Higher housing values and sales prices in Town relative to surrounding communities • Older, out-dated multifamily housing stock in Town and Town Center • Lack of upscale market rate multifamily residential (e.g. condominiums, apartments) in Town Center • Current economic conditions limit demand for new residential development in the near-term	• Current housing market economic conditions provides opportunities to plan for new upscale residential development in the future • Town Center provides entry point for more "affordable" market rate housing opportunities relative to Town • Growth in selected demographic target segments provides opportunities to capture new residential demand for higher density residential in Town Center area - *In Style* - *City Lights* - *Prosperous Empty Nesters* - *Connoisseurs* • Diverse and mixed use nature of Town Center provides opportunities to integrate new upscale residential with other uses (e.g. retail, office) • Town Center offers potential for 33 to 320 new housing units • Multifamily units (condominiums, apartments, and townhomes) would respond best to changing demographics (older couples, smaller households) and desire for mixed-use living environments

6.0 Development Opportunities

6.1 Overview

The market analysis identified development potential in the retail, office, and residential market sectors for the next five- and ten-year periods. The findings of the market analysis are summarized in the following table. A total of from nearly 230,000 to nearly 770,000 square feet of development was projected from 2010 to 2020.

Exhibit 6.1: Summary Development Potential from Market Analysis

	2010-2015		2015-2020		2010-2020	
	Low	High	Low	High	Low	High
Retail SF	88,310	160,383	49,787	61,215	138,098	221,598
Office SF	21,000	31,000	22,000	33,000	43,000	64,000
Residential Units	11	116	22	204	33	320
Residential SF (1/)	16,275	174,375	32,550	306,250	48,825	480,625
Total SF	**125,585**	**365,758**	**104,337**	**400,465**	**229,923**	**766,223**

1/ Assumes 1,500 square feet per residential unit

Source: BBP LLC, 2010

The Glastonbury Town Center's ability to accommodate this development potential will in part depend on the availability of sites for development. As based on input from the Town and conversations with area property owners, the consulting team has identified several development opportunity sites that could serve as "best practice" examples for development in the Town Center in the future as opportunities for development/redevelopment arise. The top four shorter-term opportunity sites identified by the team include: Glen Lochen, One Stop Shopping Center, St. Paul's (vacant land on Welles), and the site at the intersection of House and Hebron. The Town Center also includes other sites that could serve as opportunities for longer-term development as well as renovation/reuse of existing space.

To better understand how these sites might meet the demand for space identified through the market analysis, we have calculated rough estimates of development capacity by site. We estimate that the four sites together contain the capacity for approximately 1 million square feet of new development, as illustrated in the following table.

Exhibit 6.2: Development Opportunity Sites

Site	Land Acreage	Land SF	Buildable Land SF (1/)	Potential Building SF (2/)
Glen Lochen	4.21	183,388	64,186	256,743
One Stop Shopping Center	2.98	129,809	45,433	181,732
St. Paul's (Vacant Land on Welles)	5.02	218,671	76,535	306,140
Intersection of House & Hebron	4.20	182,952	64,033	256,133
Total	**16.41**	**714,820**	**250,187**	**1,000,747**

1/ Assumes 35% lot coverage, excluding parking

2/ Assumes four stories of development, and floor plate covers 35% of lot

3/ Land acreage of two adjacent parcels total 10.04 acres (9.01 and 1.03 acres), but, as approximately half of the site appears to be wooded, we have assumed 50% should be considered land "in play" for development

With capacity for approximately 1 million square feet, the four sites could absorb the entirety of the market opportunities identified for the Town Center over the next ten years under the high-case market scenario. Of course, the actual capacity of each site will vary depending on site-specific constraints (physical as well as financial) in addition to the desires of individual property owners, and these market opportunities may certainly end up being spread across other sites as well (and/or not realized on these opportunity sites, depending on property owner desires). Sprucing up the facades and renovating existing buildings may be an alternative opportunity for properties if financial constraints do not permit redevelopment.

6.2 Development and Redevelopment Sites

Each of the shorter-term development opportunity sites offers unique opportunities for development and redevelopment.

Glen Lochen

This property currently consists of a nearly 78,000 square foot retail shopping center that is currently nearly 20 percent vacant. An approximately 256,000 square foot mixed-use residential and retail redevelopment project could be accommodated on the site. This could include ground-floor retail (approximately 64,000 square feet) and upper story residential (approximately 192,000 square feet). Depending on unit configuration, such development could range from 128 dwelling units (at an average of 1,500 square feet) to 240 units (at an average of 800 square feet).

Such redevelopment would absorb approximately 30% of the retail market opportunity under the high-case market scenario, and 40% of the residential market opportunity under the high-case market scenario.

One Stop Shopping Center

The One Stop Shopping Center, if redeveloped, could accommodate approximately 182,000 square feet. This would include roughly 45,000 square feet on the ground floor, and 137,000 square feet on upper stories. The market analysis indicates that retail demand, under the high-case market scenario, would be sufficient to support retail on the ground floor. On the upper stories, there is enough residential demand under the high-case scenario to develop three stories of housing. Such redevelopment would comprise 20% of the retail market opportunity, and 28% of the residential market opportunity.

As an alternative, the site could be redeveloped with office atop retail, albeit with fewer upper stories given market constraints. A two-story project with ground floor retail and upper-story office at 45,000 square feet per floor would fit within the market opportunities identified through our analysis. This level of development would comprise 20% of the retail opportunity and 70% of the office market opportunity under the high-case market scenario.

St. Paul's (Vacant Land on Welles)

The vacant land property on Welles Street (across from the Riverfront Community Center) is owned by the Archdiocese of Hartford (St. Paul Church), and with 10.4 acres is the largest of the potential development sites. However, a large portion of the site appears to be wooded, and there could be environmental constraints associated with developing the site. For this reason, we have roughly estimated that 50% of the site should be considered land "in play" for development for the purposes of this analysis. This remaining "in play" land could accommodate approximately 300,000 square feet.

Given the site's ownership by the Archdiocese, we believe there may be opportunities for uses with a social/civic mission, such as senior housing, affordable housing, a non-profit community center, a theater, or other such use (or combination of the above). Such development would be outside of the market-rate development assessed in our market evaluation.

Intersection of House and Hebron

The vacant land at the intersection of House Street and Hebron Avenue includes two adjoining parcels that together comprise 4.2 acres. A mixed-use residential or office project with ground-floor retail could occupy this site, which can accommodate approximately 256,000 square feet. Under the residential mixed-use option, such development would include 64,000 square feet of ground-floor retail (30% of the high-case market opportunity) and 192,000 square feet of upper-story residential (40% of the high-case market opportunity).

As the office market appears to be softer than the residential market, fewer upper stories of office would be developed under the office mixed-use option. An office-led development could include 64,000 square feet of ground floor retail with 64,000 square feet of upper story office in a two-story development project. Such development would comprise all of the office demand presented under the high-case scenario.

Appendix

Town of Glastonbury Condominium Complexes			
	Name	Units	Address
1	10 Commerce Street	5	10 Commerce Street
2	100 Kreiger	8	100 Kreiger Lane
3	109 - 117 New London Turnpike	12	109 - 117 New London Turnpike
4	192 - 206 Oak Street	12	192 - 206 Oak Street
5	206 - 270 New London Turnpike	19	206 - 270 New London Turnpike
6	Addison Pond	24	10 - 152 Addison Pond Road
7	Adenas Walk	17	6 - 33 Adenas Walk
8	Autumn Lane	39	5 - 144 Autumn Lane
9	Beech Tree	18	388 Hubbard Street
10	Brewster Road	60	12 - 54 Brewster Road
11	Center Square	4	26 - 29 Carter Lane
12	C-Glen Lochen	15	41 New London Turnpike
13	Chapin's Corne	32	37 - 95 Copley Road
14	Chestnut Hill	52	2 Chelsey Road
15	Country Club	3	100 - 102 Georgetown Drive
16	Dutton Place Way	32	1 - 32 Dutton Place Way
17	East Carriage	19	7 Montauk Way
18	English Hill	18	28 - 68 Willieb Way
19	Fairfield Village	2	2 Fairfield Court
20	Gamer Complex	60	160 Oak Street
21	Georgetown Village	150	104 - 417 Georgetown Drive
22	Glen Lochen I	56	2 - 88 Crossroads Lane
23	Glen Lochen II	70	1 - 37 Newberry Lane
24	Hale Farms	202	64 Oxbow Lane
25	Hebron Avenue	20	300 Hebron Avenue
26	Hubbard Run	40	1 - 40 Hubbard Run Drive
27	Kingsbury	27	16 - 106 Kingsbury Avenue
28	Linden Hill	4	26 - 34 Linden Street
29	Main Street	9	821 Main Street
30	Meadown Hill	129	7 - 334 Hollister Way
31	Milestone Commons	245	2 Allspice Lane
32	Milestone	116	2 Boxwood Lane
33	Milestone PUD	34	5 Checkerberry Lane
34	Oakwood Drive	7	172 - 182 Oakwood Drive
35	Old Turnpike Commons	4	377 Hubbard Street
36	Orchard	40	320 Cavan Street
37	Rockhaven	22	8 - 57 Rockhaven Drive
38	Rosedale	3	117 Hebron Avenue
39	Soap Factory	116	101 - 431 Williams Street
40	South Mill Village	127	1 Overshot Drive
41	Southgate	36	1 - 36 Southgate Drive
42	Springbrook	23	47 - 130 Springbrook Road
43	Sunset Ridge	18	15 - 53 Norman Drive
44	Surry Hill	54	12 Conestoga Way
45	Surry Hill II	90	66 Conestoga Way
46	The Woods	74	1 - 92 Uplands Way
47	Williams Glen	19	9 Williams Glen Way
48	Willow Brook	25	1 - 25 Willow Brook Drive
49	Willow Green	23	36 Willow Green Lane
	Total	2,234	

Source: Town of Glastonbury, Assessor's Office, 2010