

## MIDDLETOWN STATISTICS REPORT- DECEMBER 2009

### Highlights

- ↔ Local Economy- Unemployment rose by 0.2 of a percent. But a lower increase than the state and national increases. The lower increases are due to modest increases in trade name registrations and job vacancies and a stable workforce in government, and institutions. Aerospace/Defense jobs vacancies crept into the top 5 hiring industries this month, possibly a result of increased federal funding in the defense industry.
- ↓ Housing- Foreclosures are up for a third month, with 1 in 34 homes involved in some stage of the foreclosure process. Inventories have continued to decrease which is positive news. While Single-Family homes sales have seen an increase of 5% in sales price since a year ago, however, condo sales have experienced a 7% decrease.
- ↑ Web Presence- Web presence across search engines has decreased. However, Middletown, as a search term, reached the highest rating of 100 for November showing in the Metro Hartford area and a rating of 90 in Connecticut, showing strong interest in our City throughout the State.

### Local Economy

#### Main Street Storefronts Count (141)

|             | Sept 2009 | June 2009 | Mar 2009 |
|-------------|-----------|-----------|----------|
| Vacancies   | 10%       | 9%        | 8%       |
| Restaurants | 26%       | 20%       | 21%      |
| Retail      | 21%       | 30%       | 29%      |
| Other       | 43%       | 41%       | 42%      |

#### Middletown Business/Economic Confidence Survey

|  | Oct 2009 | April 2009 |                            | Oct 2009 | April 2009 |
|--|----------|------------|----------------------------|----------|------------|
| Business Climate Rating (scale 1-10)     | 6.1      | 5.2        |                            |          |            |
| Bullish about Middletown (score of 8-10) | 27%      | 12%        |                            |          |            |
| Bearish about Middletown (score of 1-3)  | 11%      | 22%        |                            |          |            |
| Report Increasing Revenue                | 28%      | 22%        | Report Growing Workforce   | 24%      | 17%        |
| Report Same Revenue                      | 34%      | 24%        | Report Same Workforce      | 62%      | 59%        |
| Report Declining Revenue                 | 38%      | 51%        | Report Declining Workforce | 14%      | 24%        |

#### Middletown Trade Name Registrations

|                        | Nov   | Oct | Month Diff. | Jan-Nov | 3rd Qtr | 2nd Qtr | Qtr. Diff. |
|------------------------|-------|-----|-------------|---------|---------|---------|------------|
| 2009 New Registrations | 16    | 12  | +33%        | 155     | 41      | 40      | +3%        |
| 2008 New Registrations | 7     | 11  | -36%        | 150     | 41      | 51      | -20%       |
| Difference             | +128% | +9% |             | +3%     | 0%      | -22%    |            |

### Commercial Real Estate

|  | Oct 2009          | July 2009         | Difference | April 2009        |
|--|-------------------|-------------------|------------|-------------------|
| Properties listed with CERC              | 37                | 44                | -16%       | 36                |
| Total Square Feet                        | 390,936 sqft.     | 937,186 sqft.     | -58%       | 510,527 sqft.     |
| Median Asking Lease                      | \$12.00 per sqft. | \$12.00 per sqft. | 0%         | \$12.00 per sqft. |
| Median Asking Sale Price                 | \$694,000         | \$692,000         | +0.3%      | \$699,000         |
| % of total Com. Properties (692)         | 5.3%              | 6.4%              |            | 5.2%              |
| % of total Com. Sqft. (12,687,406sq.ft.) | 3%                | 7.4%              |            | 4%                |

### Employment

|  | Oct 2009 | Month     |       |          | Year   | 94-09 High | 94-09 Low |        |
|--|----------|-----------|-------|----------|--------|------------|-----------|--------|
|  |          | Sept 2009 | % Chg | Dec 2008 |        |            |           |        |
| Labor Force                                | 27,325   | 26,752    | -2%   | 26,952   | 27,384 | -0.2%      | 23,654    | 24,696 |
| Employed                                   | 25,233   | 24,743    | -2%   | 25,066   | 25,850 | -3%        | 21,698    | 24,289 |
| Unemployed                                 | 2,092    | 2,009     | +4%   | 1,886    | 1,534  | +34%       | 1,956     | 375    |
| Unemployment Rate                          | 7.7      | 7.5%      |       | 7.0%     | 5.6%   |            | 8.3%      | 1.5%   |
| % over full employment                     | 1.3%     | 1.1%      |       | 0.6%     | 0%     |            | 1.9%      | 0%     |
| # jobs needed for full employment*         | 356      | 295       | +21%  | 161      | 0      | NA         | 443       | 0      |
| *6.4% or lower is full employment per OECD |          |           |       |          |        |            |           |        |
| State Unemployment Rate                    | 8.8%     | 8.4%      |       | 7.8%     | 6.5%   |            | 5.7%      |        |
| National Unemployment Rate                 | 10.2%    | 9.8%      |       | 8.5%     | 6.5%   |            | 5.6%      | 3.9%   |

### Job Opportunities

|                                    | Nov 2009 | Oct 2009                        | Monthly % Chg |
|------------------------------------|----------|---------------------------------|---------------|
| Total Number of Posted Vacant Jobs | 498      | 470                             | +6%           |
| CT JobBank                         | 107      | 115                             | -7%           |
| Simplyhired.com                    | 319      | 293                             | +9%           |
| Craigslist.org                     | 72       | 62                              | +16%          |
| Vacancies as % of Workforce        | 1.8%     | 1.7%                            |               |
| Overall Jobs Deficit               | 1,594    | 1,530                           | +4%           |
| Top Five Industries (CT JobBank)   |          |                                 |               |
| 1) Health Products/Services        | 43       | 40                              | +8%           |
| 2) Hospital Healthcare             | 42       | 41                              | +2%           |
| 3) Diversified Services            | 19       | 15                              | +27%          |
| 4) Business Services               | 15       | 28                              | -46%          |
| 5) Aerospace/Defense               | 7        | New, Replaced Computer Services |               |
| Middletown Employment Index†       | +1       | +2                              |               |

† Middletown Employment Index- Assess the surplus or deficit of jobs compared to the number of jobs needed to reach full employment by OECD estimates. The index assess the number of jobs available in the region compared to the number of unemployed Middletown residents. A positive number signifies more jobs available than number of unemployed, and vice versa for a negative number.

## Housing

### Affordable Housing Price for Median Income Household

|   | Oct 2009        | Sept 2009       | Monthly %Chg. | Oct 2008         | Annual %Chg |
|---|-----------------|-----------------|---------------|------------------|-------------|
| Median Income                                       | \$60,542 (2008) | \$60,542 (2008) |               | \$58,174 (2007)  |             |
| Affordable Housing Payment (30% of gross income)    | \$1,513         | \$1,513         |               | \$1,454          |             |
| 30 year fix interest rate                           | 5.00%(Oct 16)   | 5.08%(Sept 4)   |               | 6.46% (Aug 2008) |             |
| Max house price 3% down (\$90 PMI, \$333 Taxes p/m) | \$214,000       | \$212,500       | +0.7%         | \$184,500        | +16%        |
| Max house price 20% down (\$333 Taxes p/m)          | \$270,500       | \$269,000       | +0.5%         | \$234,000        | +16%        |

### Current Prices versus Income/Price Ratio\* (2008 median income \$60,542)

|               | Oct 08-09 | Income/Price | Difference       | Current Market |
|---------------|-----------|--------------|------------------|----------------|
| Single Family | \$235,000 | \$200,999    | +\$34,001 (+17%) | Overvalued     |
| Condo         | \$149,000 | \$120,478    | +\$28,522 (+24%) | Overvalued     |

### Current Prices versus Rent/Price Ratio\* (2009 Fair Market 2 bedroom rent \$1,021)

|               | Oct 08-09 | Rent/Price | Difference       | Current Market |
|---------------|-----------|------------|------------------|----------------|
| Single Family | \$235,000 | \$213,184  | +\$21,816 (+10%) | Overvalued     |
| Condo         | \$149,000 | \$129,462  | +\$20,038 (+15%) | Overvalued     |

### Foreclosures- Lis Pendens Deed

|                          | Nov  | Oct  | Month Diff. | Jan-Nov | 3rd Qtr | 2nd Qtr | Qtr. Diff. | Ratio of Homes                |
|--------------------------|------|------|-------------|---------|---------|---------|------------|-------------------------------|
| 2009 Foreclosure Filings | 47   | 43   | +9%         | 339     | 81      | 94      | -14%       | 1 in 34 homes affected (adj.) |
| 2008 Foreclosure Filings | 27   | 32   | -16%        | 284     | 85      | 73      | +16%       | 1 in 42 homes affected        |
| Difference               | +74% | +34% |             | +20%    | -5%     | +11%    |            |                               |

### Building Permits

|                       | Oct  | Sept | Diff | Jan-Sept | (256 permits, 2005)<br>% Below Peak | State Rank          |
|-----------------------|------|------|------|----------|-------------------------------------|---------------------|
| 2009 Building Permits | 7    | 8    | -13% | 67       | -69% (adj.)                         | 6 out of 128 (ytd.) |
| 2008 Building Permits | 9    | 11   | -18% | 164      | -23% (adj.)                         | 5 out of 128        |
| Difference            | -23% | -27% |      | -59%     |                                     |                     |

## Single-Family Housing Market

### Single-Family Sales

|         | Oct 2009 | Oct 2008 | % Change | Jan-Oct 2009 | Jan-Oct 2008 | % Change | Peak       |
|---------|----------|----------|----------|--------------|--------------|----------|------------|
| # Sales | 38       | 27       | +41%     | 240          | 229          | +5%      | 632 (2004) |

### Single Family Median Price

|            | Oct 2009  | Oct 2008  | % Change | Jan-Oct 2009 | Jan-Oct 2008 | % Change | Peak (annual)    |
|------------|-----------|-----------|----------|--------------|--------------|----------|------------------|
| Med. Price | \$239,000 | \$248,000 | -4%      | \$231,551    | \$225,000    | +3%      | \$240,000 (2007) |

### Single Family Inventory

|   | Oct 2009 | Sept 2009 | % Chg | Oct 2008 | %Chg |
|---|----------|-----------|-------|----------|------|
| Inventory                                       | 185      | 192       | -4%   | 194      | +35% |
| % of all Single-Family Dwellings (9,115, 2008)  | 2.0%     | 2.6%      |       | 2.1%     |      |
| Months of Supply (4 month average)**            | 6.4      | 5.9       | +8%   | 7.3      | +12% |
| # of properties above/below historic average*** | -17      | -36       |       | +9       |      |

### Single Family Other Data

|                                 | Oct 2009  | Sept 2009 | %Change | Oct 2008  | %Change |
|---------------------------------|-----------|-----------|---------|-----------|---------|
| 12-Month Median Price           | \$235,000 | \$233,750 | +0.5%   | NA        |         |
| 4-Month Median Price            | \$236,750 | \$232,500 | +2%     | \$225,000 | +5%     |
| 12-Month Average Days on Market | 44        | 44        | 0%      | NA        |         |
| 4-Month Average Days on Market  | 42        | 42        | 0%      | 45        | -7%     |

## Condo Housing Market

### Condo Sales

|         | Oct 2009 | Oct 2008 | % Change | Jan-Oct 2009 | Jan-Oct 2008 | % Change | Peak (annual) |
|---------|----------|----------|----------|--------------|--------------|----------|---------------|
| # Sales | 18       | 9        | -13%     | 121          | 149          | -26%     | 291 (2005)    |

### Condo Median Price

|            | Oct 2009  | Oct 2008  | % Change | Jan-Oct 2009 | Jan-Oct 2008 | % Change | Peak             |
|------------|-----------|-----------|----------|--------------|--------------|----------|------------------|
| Med. Price | \$158,000 | \$160,000 | -9.7%    | \$147,900    | \$154,500    | -6.6%    | \$157,000 (2006) |

### Condo Inventory

|   | Oct 2009 | Sept 2009 | % Chg | Oct 2008 | %Chg |
|---|----------|-----------|-------|----------|------|
| Inventory                                       | 90       | 101       | -11%  | 88       | -16% |
| % of all condos (2,834, 2008)                   | 3.1%     | 3.7%      |       | 3.2%     |      |
| Months of Supply (4 month average)**            | 6        | 6.6       | -9%   | 6.2      | -3%  |
| # of properties above/below historic average*** | -0.5     | +9.3      |       | +3.3     |      |

### Condo Other Data

|                                 | Oct 2009  | Sept 2009 | %Change | Oct 2008  | % Change |
|---------------------------------|-----------|-----------|---------|-----------|----------|
| 12-Month Median Price           | \$149,000 | \$149,500 | -0.3%   | NA        |          |
| 4-Month Median Price            | \$144,000 | \$147,000 | -2%     | \$155,000 | -7%      |
| 12-Month Average Days on Market | 47        | 45        | +4%     | NA        |          |
| 4-Month Average Days on Market  | 52        | 53        | -2%     | 61        | -15%     |

## Web Presence (Name Recognition)

### Search Engine Results

| Search Engine           | Search Phrase          | December 2009 | November 2009 | % Change |
|-------------------------|------------------------|---------------|---------------|----------|
| Google                  | Middletown Connecticut | 711,000       | 695,000       | +2%      |
| Yahoo                   | Middletown Connecticut | 17,700,000    | 22,400,000    | -20%     |
| Ask.com                 | Middletown Connecticut | 383,800       | 401,000       | -4%      |
| Bing                    | Middletown Connecticut | 12,100,000    | 10,800,000    | +18%     |
| Average                 |                        | 7,723,700     | 8,574,000     | -10%     |
| Average by Market Share |                        | 2,357,000     | 2,638,000     | -11%     |

### Google Insight: Rising Search Trends for Middletown in Metro Hartford

(<http://www.google.com/insights/search/#q=middletown&geo=US-CT-533&date=5%2F2009%202m%2Ctoday%203-m%2Ctoday%2012-m%2C1%2F2009%2012m%2C1%2F2008%2012m&cmpt=date>)

| 12-Months Rising Searches       |          | 3-Months Rising Searches  |       | Past 30 Days Rising Searches |      |
|---------------------------------|----------|---------------------------|-------|------------------------------|------|
| 1. esca middletown              | Breakout | 1. wesleyan               | +110% | 1. middletown press          | +50% |
| 2. middletown eye               | +110%    | 2. middletown high school | +80%  | 2.                           |      |
| 3. weather middletown ct        | +60%     | 3. hartford courant       | +50%  | 3.                           |      |
| 4. kidcity middletown ct        | +50%     | 4.                        |       | 4.                           |      |
| 5. destinta theaters middletown | +50%     | 5.                        |       | 5.                           |      |

### Google Insight (<http://www.google.com/insights/search/#>) \*\*\*\*

Web Search Volume (100 is the highest score)

| Region         | Search Phrase          | Nov 2009 | Oct 2009 | Sept 2009 | Nov 2008 | Month % | Year % |
|----------------|------------------------|----------|----------|-----------|----------|---------|--------|
| Hartford Metro | Middletown             | 100      | 84       | 87        | 70       | +19%    | +43%   |
| Connecticut    | Middletown             | 90       | 84       | 87        | 75       | +7%     | +20%   |
| United States  | Middletown Connecticut | 30       | 34       | 37        | 35       | -12%    | -14%   |
| International  | Middletown Connecticut | 23       | 23       | 27        | 29       | 0%      | -21%   |

\* *Housing Historical Trends- This is a attempt at determining if a market is overvalued or undervalued based on historic trends that are tied to either median area income or rents for Middletown. Both methods provide insight, but they are not predictive, in that it can not tell you how far a market will drop or rise in a given time period. It merely assumes that markets will want to revert to their mean. Based on this: any price difference within 5% is considered fairly valued; any price within 5% to 10% is slightly over/under-valued; and, any price over 10% is over/under-valued*

\*\* 6 months supply is average

\*\*\* Positive number represents oversupply possibly leading to weaker prices, and a negative number means undersupply representing strengthening prices.

\*\*\*\* *Google Insight -The numbers represent how many searches have been done for a particular term, relative to the total number of searches done on Google over time. They don't represent absolute search volume numbers, because the data is normalized and presented on a scale from 0-100; each point on the graph is divided by the highest point, or 100. The numbers next to the search terms above the graph are summaries, or totals.*