

MIDDLETOWN STATISTICS REPORT- NOVEMBER 2009

Highlights

Local Economy- Unemployment held steady at 7.5%. The big threat has been the pullback in hiring by employers. There are a third few jobs available and the employment index drop from a positive 7 to a positive 2. If it drops below zero then there are more jobseekers than jobs available.

Housing- We now have four month trend for June-Sept 2008. This allows a better comparison between 2008 and 2009 price. The results show the presence of 2 housing markets. Single family homes have experienced a robust 7% increase, while condos experienced nearly a 6% decline. Foreclosures are up 87% from last month, revealing how weak the real estate market seems to be moving in to the off season.

Web Presence- Middletown's web presence to a nosedive this month dropping 23%. For the first-time another search term has overtaken searches about the Wesleyan shooting. Esca Restaurant took the top spot, revealing significant interest in this new establishment in the metro-Hartford area.

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 | | |
|--|----------|------------|----------------------------|-----|
| 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% |
| Report Same Revenue | 34% | 24% | Report Same Workforce | 62% |
| Report Declining Revenue | 38% | 51% | Report Declining Workforce | 14% |
| | | | | 17% |
| | | | | 59% |
| | | | | 24% |

Middletown Trade Name Registrations

| | Oct | Sept | Month Diff. | Jan-Oct | 3 rd Qtr | 2nd Qtr | Qtr. Diff. |
|------------------------|-----|------|-------------|---------|---------------------|---------|------------|
| 2009 New Registrations | 12 | 13 | -8% | 139 | 41 | 40 | +3% |
| 2008 New Registrations | 11 | 15 | -27% | 143 | 41 | 51 | -20% |
| Difference | +9% | -13% | | -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

| | Month | | | Year | | 94-09 High | 94-09 Low | |
|--|-----------|----------|--------|----------|-----------|------------|-----------|----------|
| | Sept 2009 | Aug 2009 | % Chg. | Dec 2008 | Sept 2008 | %Chg. | Jan 1996 | Oct 2000 |
| Labor Force | 26,752 | 27,249 | -2% | 26,952 | 27,032 | -1% | 23,654 | 24,696 |
| Employed | 24,743 | 25,214 | -2% | 25,066 | 25,536 | -3% | 21,698 | 24,289 |
| Unemployed | 2,009 | 2,035 | -1% | 1,886 | 1,498 | +34% | 1,956 | 375 |
| Unemployment Rate | 7.5% | 7.5% | | 7.0% | 5.5% | | 8.3% | 1.5% |
| % over full employment | 1.1% | 1.1% | | 0.6% | 0% | | 1.9% | 0% |
| # jobs needed for full employment* | 295 | 300 | +21% | 161 | 0 | NA | 443 | 0 |
| *6.4% or lower is full employment per OECD | | | | | | | | |
| State Unemployment Rate | 8.2% | 8.1% | | 7.8% | 6.1% | | 5.7% | |
| National Unemployment Rate | 9.5% | 9.7% | | 8.5% | 6.1% | | 5.6% | 3.9% |

Job Opportunities

| | Oct 2009 | Sept 2009 | Monthly % Chg. |
|--|----------|-------------------------|----------------|
| Total Number of Posted Vacant Jobs | 470 | 708 | -34% |
| CT JobBank | 115 | 129 | -11% |
| Simplyhired.com | 293 | 503 | -42% |
| Craigslist.org | 62 | 76 | -18% |
| Vacancies as % of Workforce | 1.7% | 2.6% | |
| Overall Jobs Deficit | 1,530 | -1,327 | +16% |
| Top Five Industries (CT JobBank) | | | |
| 1) Hospital Healthcare | 41 | 55 | -25% |
| 2) Health Products/Services | 40 | 44 | -9% |
| 3) Business Services | 28 | 26 | +8% |
| 4) Diversified Services | 15 | 20 | -25% |
| 5) Computer Services | 8 | New, Replaced Insurance | |
| Middletown Employment Index [†] | +2 | +7 | |

[†] 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)

| | Sept 08-09 | Income/Price | Difference | Current Market |
|---------------|------------|--------------|------------------|----------------|
| Single Family | \$235,000 | \$200,999 | +\$34,001 (+17%) | Overvalued |
| Condo | \$149,500 | \$120,478 | +\$29,022 (+24%) | Overvalued |

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

| | Sept 08-09 | Rent/Price | Difference | Current Market |
|---------------|------------|------------|------------------|----------------|
| Single Family | \$235,000 | \$213,184 | +\$21,816 (+10%) | Overvalued |
| Condo | \$149,500 | \$129,462 | +\$20,038 (+15%) | Overvalued |

Single-Family Sales

| | Sept 2009 | Sept 2008 | % Change | Jan-Sept 2009 | Jan-Sept 2008 | % Change | Peak |
|---------|-----------|-----------|----------|---------------|---------------|----------|------------|
| # Sales | 23 | 24 | -4% | 202 | 202 | 0% | 632 (2004) |

Single Family Median Price

| | Sept 2009 | Sept 2008 | % Change | Jan-Aug 2009 | Jan-Aug 2008 | % Change | Peak (annual) |
|------------|-----------|-----------|----------|--------------|--------------|----------|------------------|
| Med. Price | \$223,000 | \$252,000 | -12% | \$240,000 | \$220,000 | +9% | \$240,000 (2007) |

Single Family Inventory

| | Sept 2009 | Aug 2009 | Month % Chg | Sept 2008 | Sept 2007 | 07-09 %Chg |
|--|-----------|----------|-------------|-----------|-----------|------------------------------|
| Inventory | 206 | 234 | -12% | 197 | 153 | +35% |
| % of all Single-Family Dwellings (9,115, 2008) | 2.3% | 2.6% | | 2.2% | 1.7% | |
| Months Supply | 9 | 9 | 0% | 8.2 | 7.3 | +23% |
| # of properties above/below historic average | +46 | +52 | | +29 | +6 | (7 months supply is average) |

Single Family Other Data

| | Sept 2009 | Aug 2009 | %Change | Sept 2008 | %Change |
|---------------------------------|-----------|-----------|---------|-----------|---------|
| 12-Month Median Price | \$235,000 | \$233,750 | +0.5% | NA | |
| 4-Month Median Price | \$241,000 | \$244,500 | -1.4% | \$225,000 | +7.1% |
| 12-Month Average Days on Market | 43 | 44 | 2% | NA | |
| 4-Month Average Days on Market | 33 | 42 | -2.1% | 40 | -18% |

Condo Sales

| | Sept 2009 | Sept 2008 | % Change | Jan-Sept 2009 | Jan-Sept 2008 | % Change | Peak (annual) |
|---------|-----------|-----------|----------|---------------|---------------|----------|---------------|
| # Sales | 13 | 15 | -13% | 103 | 140 | -26% | 291 (2005) |

Condo Median Price

| | Sept 2009 | Sept 2008 | % Change | Jan-Sept 2009 | Jan-Sept 2008 | % Change | Peak |
|------------|-----------|-----------|----------|---------------|---------------|----------|------------------|
| Med. Price | \$140,000 | \$155,000 | -9.7% | \$147,950 | \$153,000 | -3.3% | \$157,000 (2006) |

Condo Inventory

| | Sept 2009 | Aug 2009 | Month % Chg | Sept 2008 | Sept 2007 | Month %Chg | 07-09 |
|--|-----------|----------|-------------|-----------|-----------|------------|------------------------------|
| Inventory | 101 | 134 | -25% | 90 | 108 | -6% | |
| % of all condos (2,834, 2008) | 3.7% | 4.7% | | 3.2% | 3.8% | | |
| Months Supply | 7.8 | 7.9 | -1% | 6 | 6.8 | +15% | |
| # of properties above/below historic average | +24 | +16 | | 0 | +13 | | (6 months supply is average) |

Condo Other Data

| | Sept 2009 | Aug 2009 | %Change | Sept 2008 | % Change |
|---------------------------------|-----------|-----------|---------|-----------|----------|
| 12-Month Median Price | \$149,500 | \$151,750 | -1.5% | NA | |
| 4-Month Median Price | \$147,000 | \$147,250 | -0.2% | \$155,500 | -5.5% |
| 12-Month Average Days on Market | 45 | 47 | -4% | NA | |
| 4-Month Average Days on Market | 53 | 54 | -2% | 61 | -13% |

Foreclosures- Lis Pendens Deed

| | Oct | Sept | Month Diff. | Jan-Sept | 3rd Qtr | 2nd Qtr | Qtr. Diff. | Ratio of Homes |
|--------------------------|------|------|-------------|----------|---------|---------|------------|-------------------------------|
| 2009 Foreclosure Filings | 43 | 23 | +87% | 308 | 81 | 94 | -14% | 1 in 36 homes affected (adj.) |
| 2008 Foreclosure Filings | 32 | 31 | +3% | 257 | 85 | 73 | +16% | 1 in 42 homes affected |
| Difference | +34% | -26% | | +20% | -5% | +11% | | |

Building Permits

| | Sept | Aug | Diff | Jan-Sept | (256 permits, 2005) % Below Peak | State Rank |
|-----------------------|------|------|-------|----------|-------------------------------------|---------------------|
| 2009 Building Permits | 8 | 7 | +14% | 60 | -69% (adj.) | 5 out of 128 (ytd.) |
| 2008 Building Permits | 11 | 4 | +175% | 155 | -19% (adj.) | 5 out of 128 |
| Difference | -27% | +75% | | -64% | | |

Web Presence (Name Recognition)

Search Engine Results

| Search Engine | Search Phrase | November 2009 | October 2009 | % Change |
|-------------------------|------------------------|---------------|--------------|----------|
| Google | Middletown Connecticut | 695,000 | 2,070,000 | -66% |
| Yahoo | Middletown Connecticut | 22,400,000 | 17,300,000 | +29% |
| Ask.com | Middletown Connecticut | 401,000 | 691,000 | -42% |
| Bing | Middletown Connecticut | 10,800,000 | 9,120,000 | +18% |
| Average | | 8,574,000 | 7,295,250 | +18% |
| Average by Market Share | | 2,638,000 | 3,425,000 | -23% |

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. middletown nissan | +50% | 1. |
| 2. middletown eye | +110% | 2. middletown toyota | +50% | 2. |
| 3. middletown superior court | +50% | 3. | | 3. |
| 4. middletown fireworks | +50% | 4. | | 4. |
| 5. middletown ct weather | +50% | 5. | | 5. |

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

Web Search Volume (100 is the highest score)

| Region | Search Phrase | Oct 2009 | Sept 2009 | August 2009 | Oct 2008 | Month % | Year % |
|----------------|------------------------|----------|-----------|-------------|----------|---------|--------|
| Hartford Metro | Middletown | 84 | 87 | 92 | 77 | -3% | +9% |
| Connecticut | Middletown | 84 | 87 | 85 | 79 | -3% | +6% |
| United States | Middletown Connecticut | 34 | 37 | 37 | 43 | -8% | -21% |
| International | Middletown Connecticut | 23 | 27 | 24 | 33 | -15% | -30% |

**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*

*** 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.*