

Housing Market Study

TOWN OF GROTON, CT

October 12, 2021



Study Background

- Recognize that housing development is an important component of local economic development and maintaining a vibrant community
- Purpose of the Study:
 - What is the amount and types of housing that the market can support being developed in the Town?
 - Will existing development projects fully meet future demand?

Introductions



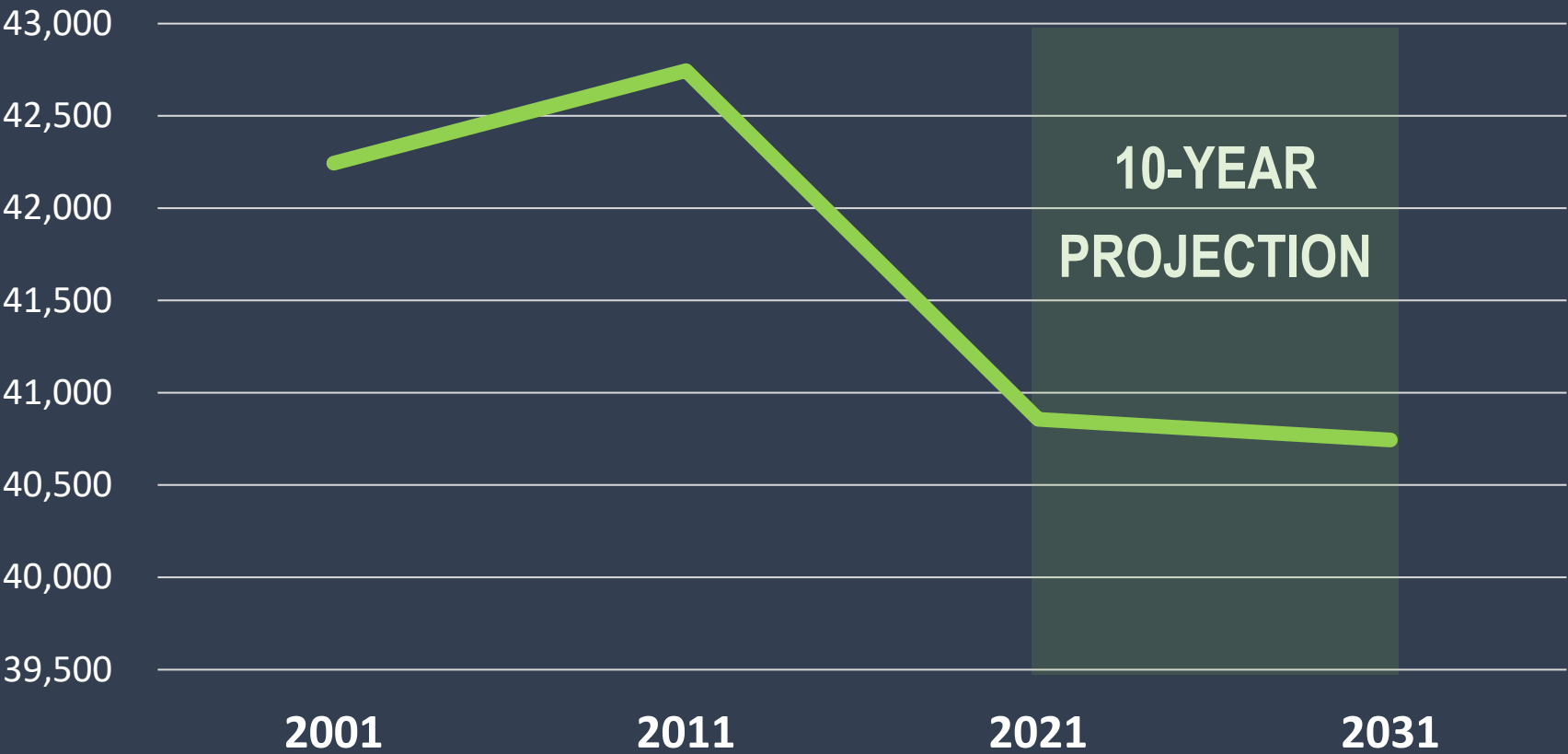
- Full Service Economic Development Consulting Firm
- Long-term relationship with Town of Groton
- Expertise in Real Estate and Housing Development



Dan Stevens, AICP
Sr. Project Manager
Real Estate Team Leader

Key Recent Trends

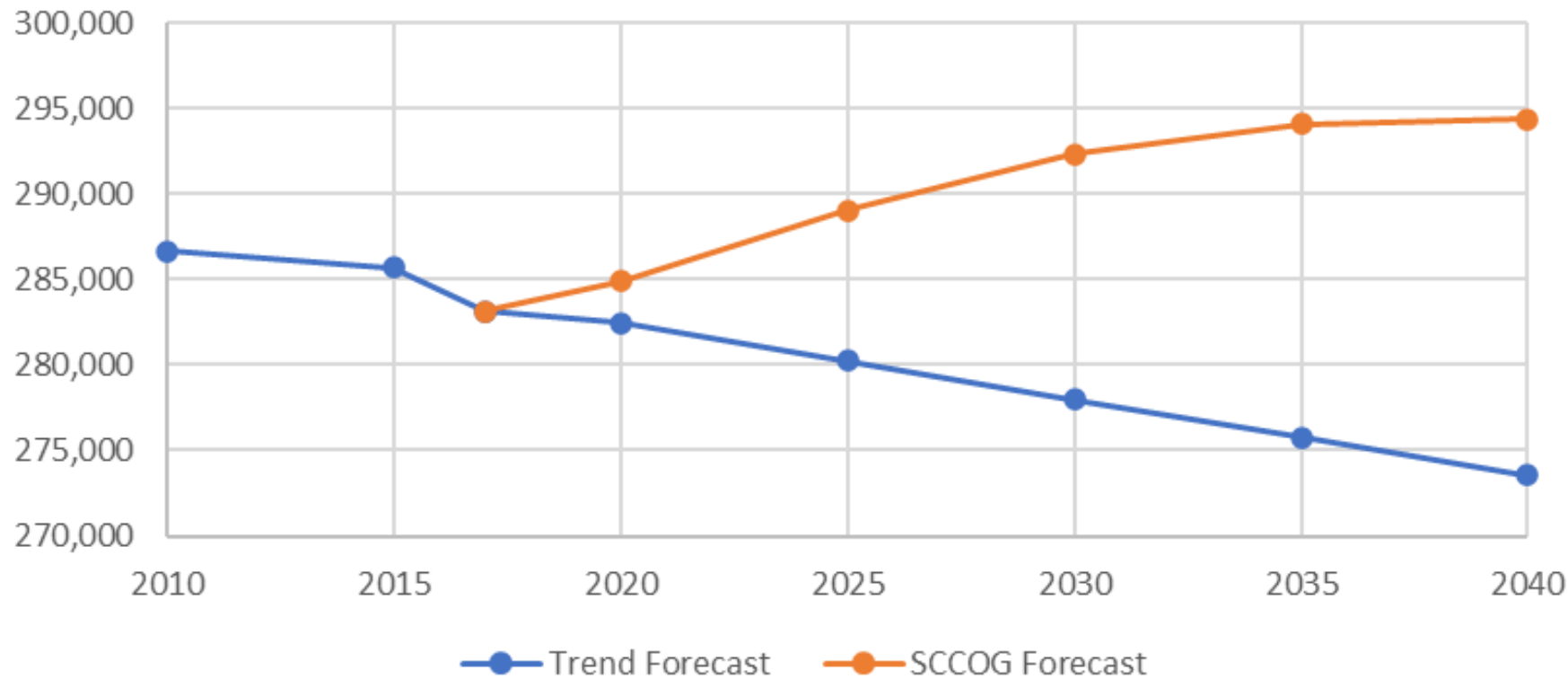
Town of Groton Population



STATUS QUO
=
CONTINUED
POPULATION
LOSS

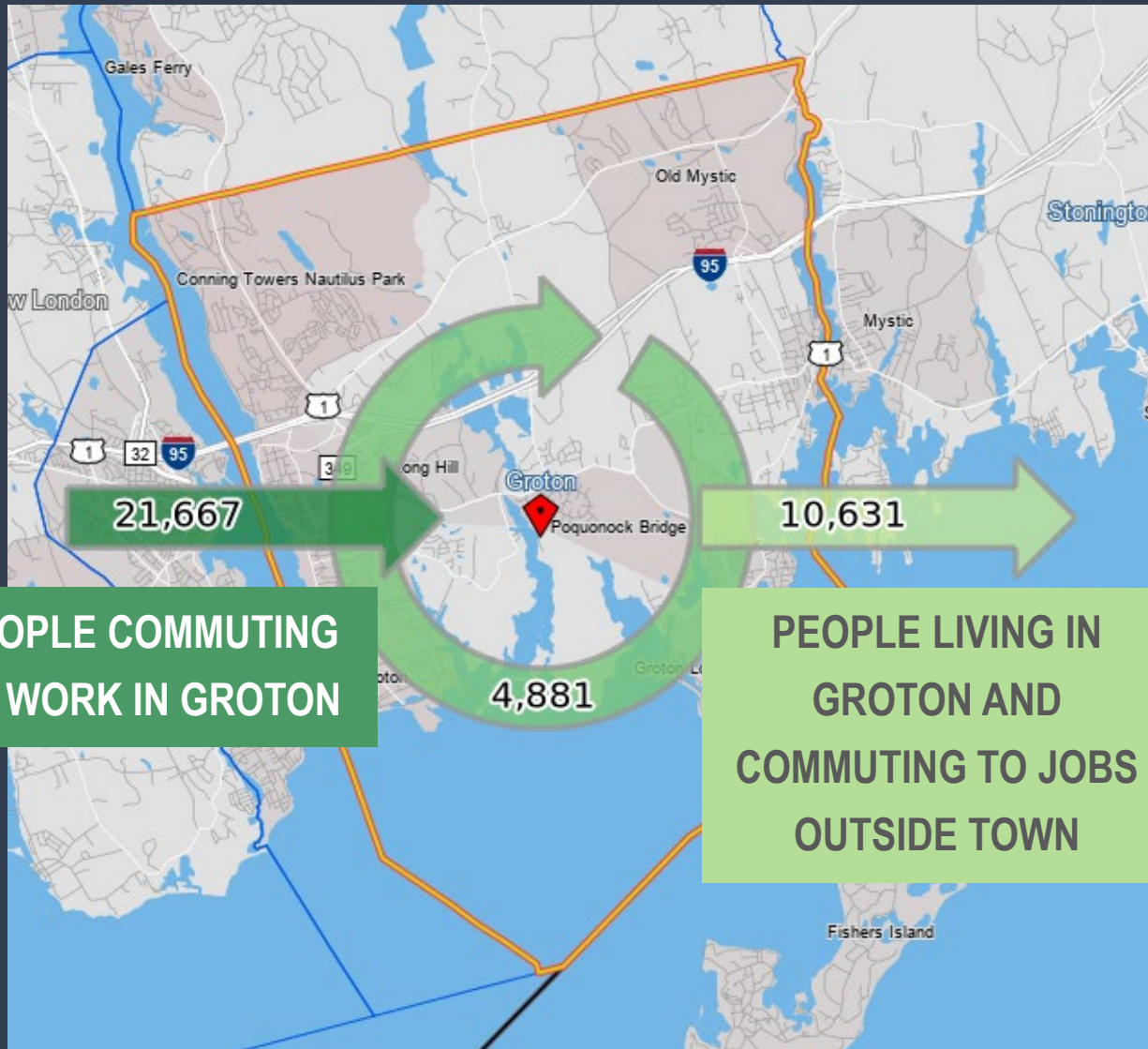
Key Recent Trends

Southeastern Connecticut Regional Population
Projections, 2010-2040



**BUT... REGIONAL
GROWTH ON THE
HORIZON**

Key Recent Trends: **Commuting Patterns**



- 82% of Jobs in Town Filled by People Commuting In
- More than half (52%) of workers in Groton travel more than 10 miles to work

STATUS QUO =
LOCAL WORKERS LIVE IN SURROUNDING COMMUNITIES AND DON'T SUPPORT GROTON'S LOCAL ECONOMY

Key Recent Trends: **Top Jobs in Town**

JOB TYPE	# JOBS	MEDIAN EARNINGS
Production Occupations	4,281	\$44,042
Architecture and Engineering Occupations	3,394	\$108,909
Office and Administrative Support Occupations	2,862	\$41,409
Food Preparation and Serving Related Occupations	2,638	\$25,948
Construction and Extraction Occupations	2,340	\$57,140
Management Occupations	2,190	\$115,905
Military-only occupations	1,929	\$41,967
Sales and Related Occupations	1,899	\$29,679
Transportation and Material Moving Occupations	1,692	\$34,758
Business and Financial Operations Occupations	1,639	\$69,793

**MANY HIGH-INCOME INDIVIDUALS WORKING IN
GROTON – BUT LIVING ELSEWHERE**

Key Recent Trends:

Under Production of Housing

- Pace of housing development in Town has been **40% lower** than Region
- Town would have needed to add **500+ more units** over past decade to keep pace

STATUS QUO =

HOUSING DEVELOPMENT CONTINUES TO OCCUR IN
OTHER COMMUNITIES IN REGION RATHER THAN GROTON

Housing Opportunity: Demand Drivers



**New Electric
Boat Workers**



**Rental
Upgraders**



**Incoming
Commuters**



**New Workers
In Region**



**Living in
Obsolete Units**

Housing Opportunity:

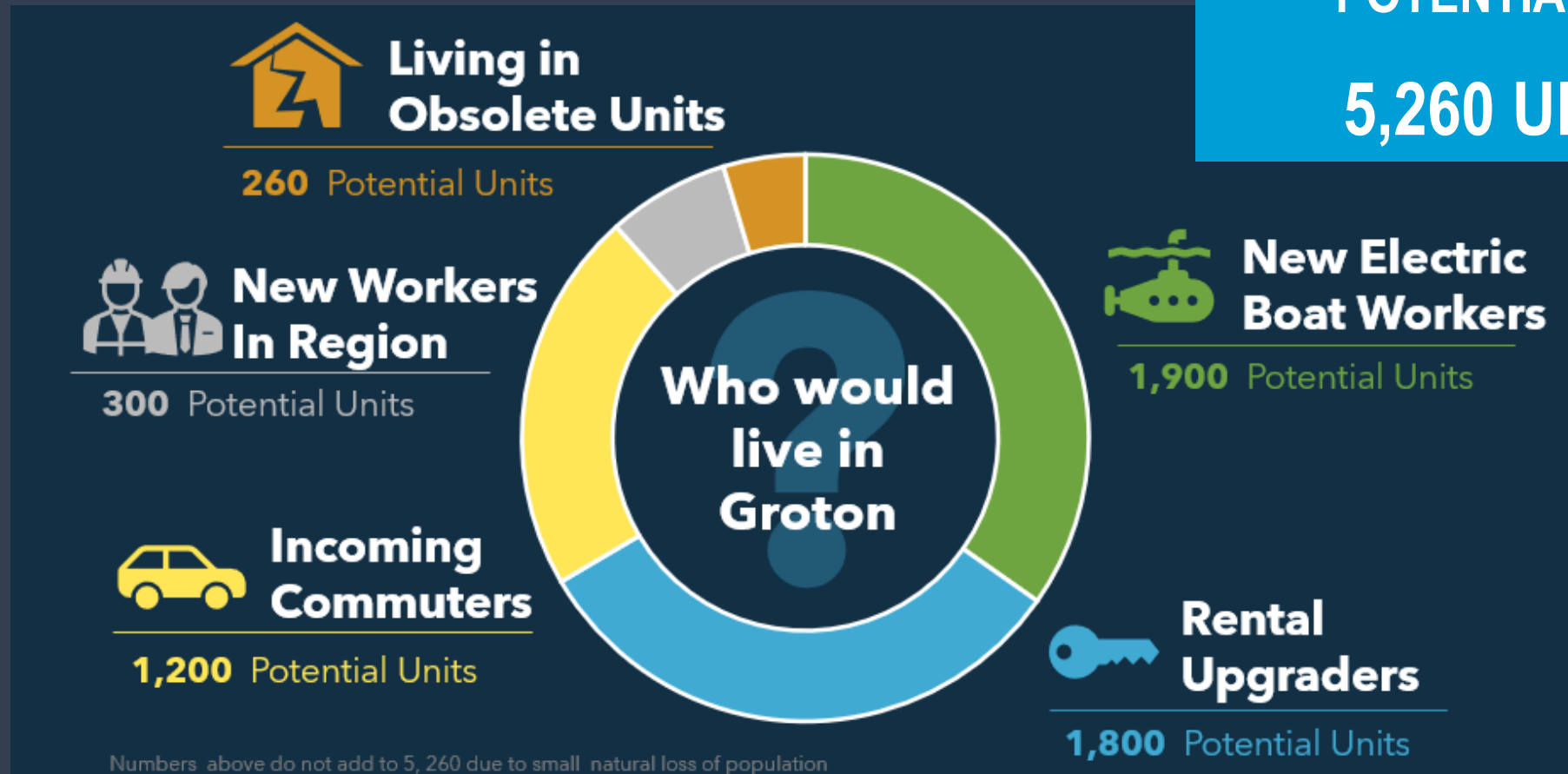
Key Demand Driver: Electric Boat

- Increasing workforce by approximately **2,000 Jobs** (over 10 years)
- But will hire approximately **15,000 workers** (over 10 years)
- What does it mean for housing demand?
 - Portion of new hires from outside of region = need for new housing
 - Some will live elsewhere in region but Groton can “capture” a share
 - Some retirees will stay so not all current worker housing will be available
- **Opportunity for 1,900 units over 10-years (190 annually)**

Housing Opportunity: Overview

Town of Groton 10-Year Housing Demand Potential

10-YEAR HOUSING
POTENTIAL FOR
5,260 UNITS



Housing Opportunity:

What about housing projects being built?

10-Year Housing Opportunity

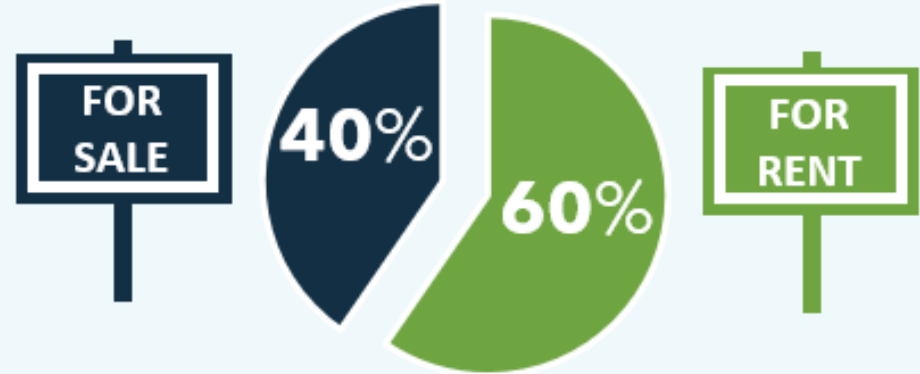


**PLANNED/PROPOSED DEVELOPMENT PROJECTS
WOULD ONLY MEET 20% OF OPPORTUNITY**

Housing Opportunity: Types of Housing

OPPORTUNITY FOR VARIETY OF
HOUSING AND PRICE POINTS


What TYPES OF HOUSING



Household Income Less Than \$50,000

Home Value <\$200,000

Rent <\$1,250

 **360**
Unit Potential

 **540**
Unit Potential

Household Income More Than \$50,000

Home Value >\$200,000

Rent >\$1,250

 **1,900**
Unit Potential

 **2,800**
Unit Potential

Housing Opportunity: **Types of Housing**



OPPORTUNITY FOR
VARIETY OF HOUSING
AND PRICE POINTS



Looking to the Future

- **Market Conditions are Favorable**
 - Demand is Present
 - Developers are Interested
- **Substantial Community Benefit Potential**
 - Workforce housing to support businesses
 - Maintain population
 - Increase tax base
 - Increase spending at local businesses

Thank you!

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