

**MARKET ANALYSIS FOR
POTENTIAL TRANSPORTATION-ORIENTED
DEVELOPMENT (TOD) AT THE
CEDAR PARK MBTA STATION
MELROSE, MASSACHUSETTS
MARCH 29, 2013**

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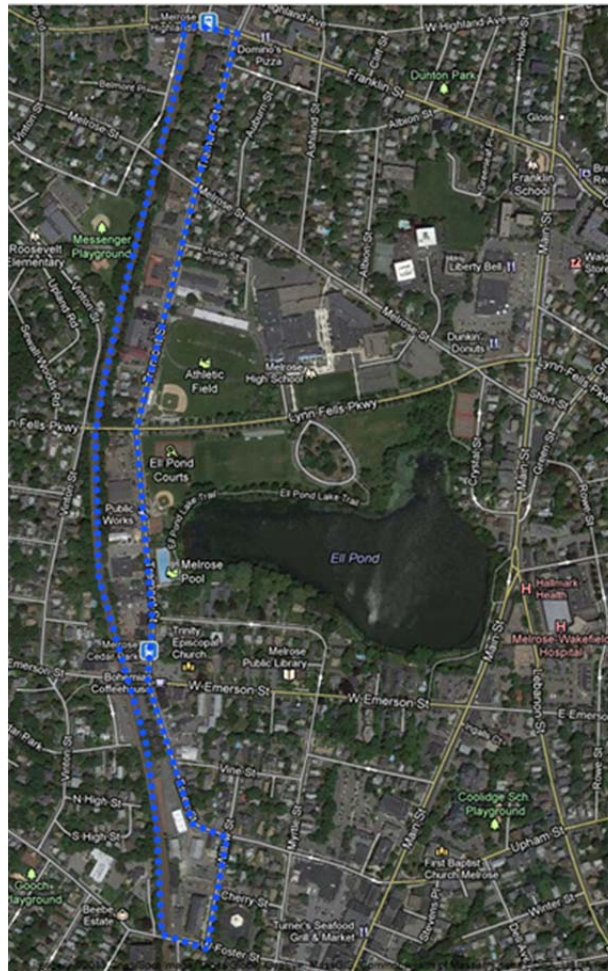
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I. EXECUTIVE SUMMARY

A. Introduction and Overview

RKG Associates, Inc., (RKG), was retained by the Metropolitan Area Planning Council (MAPC) of Boston to assist in providing an overview of the existing market indicators that could affect the potential for transit oriented development (TOD) at the Cedar Park MBTA station in Melrose. As defined by the MAPC, the Cedar Park station area site is generally bounded by Franklin Street to the north; Tremont Street to the east; Foster Street to the south; and, the commuter rail tracks to the west in Melrose as presented in Map I-1.



Map I-1 – Aerial View of Cedar Park Station Area – Melrose, MA

Specifically, this analysis provides a market framework of baseline conditions that could impact the potential development in the vicinity of the southernmost of the two Melrose MBTA stations; Cedar Park and primarily focuses on residential opportunities (refer to Map I-2 for a broader view of the study and comparative area in this analysis).



Map I-2 – Cedar Park Station study area, 1/4 mile radius and census tract 3364.02

B. Key Findings

The key findings of the market analysis are summarized below and are presented in more detail and specifics elsewhere in the report.

1. Location and Site

The Cedar Park MBTA Station is an open air station with on-site surface parking situated near the intersection of Tremont Street and West Emerson Street in Melrose. Surrounding land uses include single-family residential, some limited retail, apartments and office. The Cedar Park Station is within walking distance of the core downtown business district in Melrose.



Figure I-1 – Cedar Park Station – Melrose

There is limited land available for expansion or re-utilization without assembling and redeveloping existing parcels. The MBTA study area, as defined by the MAPC, is very

linear and limited in depth, following the lengths of the rail tracks and Tremont Street. To the north of the Cedar Park Station, along Tremont Street, there is a “pocket” of public works uses followed by auto repair uses, either of which could, in theory, be repositioned for residential development. To the south of the Cedar Park Station there is a lumber yard and hardware store which could also be repositioned for residential development. At the present time the “linear” nature of the Cedar Park Station study area would limit the potential for residential development of any size and density, without assembling parcels for reuse and redevelopment.

2. Demographic Indicators

The population (projected to be 1,540 persons in 2017) within the Cedar Park Station study area has consistently accounted for around 5.5% of the city population. In terms of household income, although the average household income in the ¼-mile radius is slightly less than that for Melrose (projected at \$116,100 versus \$123,100 in 2017); more than one-half of the households in both geographies have earnings exceeding \$75,000.

3. Economic Indicators

The unemployment rate in Melrose has consistently been less than that for Massachusetts and generally equal to or less than that for Middlesex County (2001-2012). In the early part of the decade there was an annual decline in the Melrose labor force (compared to the prior year), but this has changed recently with Melrose exhibiting growth. Overall resident employment in Melrose in 2012 was 14,528, a decline of nearly 530 jobs (a 3.5% drop) since 2001.

Total employment at businesses operating in Melrose declined between 2001 and 2008 (-6.1%) and between 2008 and 2011 (-4.4%) as overall employment lost nearly 670 jobs between 2001 and 2011. However, two industry sectors have experienced continued employment growth since 2001, including wholesale trade (albeit from a small base) and accommodations and food services, up by 100 employees since 2001. Although employment in the health care sector declined between 2008 and 2011, it remains above the 2001 level, but by fewer than 50 employees.

Between 2001 and 2008 the average weekly wage for all industry sectors in Melrose increased by 3.5% (less than inflation) from \$810/week to \$840/week. In comparison the average wage (all sectors) in the county increased by 8% (almost double inflation) and by 5% in the state. The average weekly wage in Melrose actually declined (2008 to 2011) in 7 out of 17 industry sectors. By comparison the only sectors realizing a decline in wage in the county included retail and the arts, while no sectors declined in Massachusetts since 2008.

4. Residential Indicators

The housing supply in the Cedar Park Station study area increased by 78 units over the last decade representing a 3.7% gain; however, household formation failed to keep pace causing the vacancy rate to increase to almost 4%. This trend was similar to that in Melrose and the county, where total housing increased by 4.5% and 6.1% respectively, but the number of vacant units in 2010 was twice that in 2000 for each location. The study area experienced a 5.5% gain in owner households over the last decade (58 households), but a 1% loss in renter households. In Melrose there was a 1.5% increase in owners, and 3.3% increase in renters

occurred. Citywide new housing production over the last decade totaled nearly 460 units, for an average of almost 50 units per year. Most of the increase occurred in condominium development, and most as a result of conversion of multi-family properties.

a) Owner

Over the last decade, the study area experienced a 6% growth in owner households and captured 47% of the increase citywide. All of the growth in owner households in the study area was among those aged 55-to-64. The median household income of owners in the study area was \$111,420, and slightly higher than the city. The median owner value was about \$430,000 in both the study area and city. The owner turnover rate over the last decade was less than 4% indicating an annual average of 270 households in the city.

b) Renter

The Cedar Park Station study area had a higher renter concentration (51%) in 2010 than the city (33%); however the former experienced a 1% decline in renters, while the latter had a 3% gain. Most of the increase in renter households citywide occurred in baby-boom generation (age 45 to 64) and a similar shift occurred in the study area. However, the study area had a higher concentration of elderly renters in 2010 and young professional renters than the city as a whole. Renter turnover in the Cedar Park Station study area and in Melrose averaged about 8% per year over the last decade. This equated to about 280 renter households citywide per year, including 80 renters per year in the study area.

The median renter income was \$36,790 and approximately 28% of total households in the study area were renters earning less than \$50,000. The median rent (\$995) in the study area increased by 44% over the last decade and the number of apartments renting for \$1,000 or more almost tripled over the last decade in the study area and the city. It should be noted that “affording” an average rent of \$995/month requires an annual income of around \$40,000. However, the average renter income is 8% or so less than this benchmark, suggesting that some renters in the study area are incurring housing costs in excess of 30% of their income.

5. Pipeline Projects

Conversations with a leasing representative for the newly opened Alta Stone Place (67-units) indicated that phase 2 is under construction, to include 155-units. These are to be a mix of 1-bedroom and 2-bedroom units. The recently opened units are leasing at a somewhat slow pace (less than 10% occupied within the first few weeks) at the present time. Also, 92-units are planned for Washington Street (with a retail component) near to the Alta Stone Place development. Discussions with the City of Melrose Planner indicated that a developer has expressed interest in multi-family housing near the Cedar Park Station, perhaps as many as 150-units. However, at this time there are no parcels available for development (or redevelopment).

C. Market Conclusions

Based on the research and findings in this analysis, the following reflects RKG’s opinion regarding development potential and considerations for the Cedar Park Station study area. The market findings, inputs and assumptions which are the basis of these conclusions are presented in greater detail elsewhere in this report.

1. Residential

RKG estimates that annual housing demand over the next five years at about 600 households, including 275 owner households and 320 renter households. This represents a 46% owner and 54% renter split, indicating higher demand for rental properties. However, only 3.5% of this total demand is the result of new growth, and the remainder is turnover.

Based on trends in permit data in relationship to household growth over the last five years, RKG estimates new housing would represent about 5% of owner and renter demand, equating to average of about 10 to 15 owner units annually and 15 to 20 renter units, or a combined total of 25 to 35 new units.

Households with annual earnings of \$100,000 or more could afford homes of \$420,000; the median selling price for condominium units was just under \$210,000, which would be affordable to a household earning between \$40,000 and \$60,000. In terms of monthly rents, households with earnings of \$100,000 or more could afford a monthly rent of \$2,500, consistent with average monthly rents for 2-bedroom units in the limited sample inventory.

The reported success of the New Cedar Crossings project indicates that condominium buyers may capture a larger share in the future. In RKG's opinion, any new project built within the Cedar Park Station study area, assuming available sites, should be relatively small (16 to 20 units) given these demand indicators.

In absolute terms, total demand from renter households earning \$75,000 or more equals 104 households (citywide) per year; however, the likelihood of a large project seems unreasonable since only a small amount (5%) would be channeled for new construction, and more reliance of turnover would be needed to support new construction. This seems to be the case, as evident by the successful lease-up of 99 Essex Street where reportedly all 13 market rate apartments were under lease within a month, suggesting that a rental project of 30 to 40 units may be possible in the study area over the near term.

2. Retail Related

Considering the proximity of the Cedar Park Station to the very busy and eclectic downtown business district, coupled with growth in higher income owners and younger renters, there exists, in RKG's opinion, market opportunity for additional retail and storefronts in the downtown district. This could come about as any new residential development comes on line, increased ridership and utilization of the Cedar Park Station and an increased penetration (i.e., market share) among existing households. RKG encourages the sharing of these findings (as presented in Table III-24) with local merchants and/or the Chamber of Commerce.

II. BASELINE SOCIO-DEMOGRAPHICS

This chapter presents selected baseline and projected socio-demographics for the Cedar Park Station study area, Melrose and other appropriate comparative geographic areas.

A. Demographic Indicators

As indicated in Table II-1, the City of Melrose realized a slight decline in population over the last decade, while the population within the ¼-mile radius realized a modest increase. The estimated population for both areas has increased (2012) and is projected to continue to increase through 2017, with the population within the ¼-mile increasing at a faster rate. Nonetheless, this population has consistently accounted for around 5.5% of the city population. In terms of household income, although the average household income in the ¼-mile radius is slightly less than that for Melrose, more than one-half of the households in both geographies have earnings exceeding \$75,000.

Table II-1 – Selected Demographic Characteristics

Selected Characteristics	1/4 mile radius	City of Melrose	Radius as % of City
Population			
2000	1,490	27,252	5.47%
2010	1,499	26,983	5.56%
2012	1,521	27,391	5.55%
2017	1,540	27,516	5.60%
% chge 2012-17	1.25%	0.46%	
% HH > \$75,000			
2000	NA	40.08%	NA
2010	50.78%	53.36%	6.08%
2012	53.85%	56.48%	6.09%
2017	59.91%	62.21%	6.23%
% chge 2012-17	13.79%	11.16%	NA
Avg HH \$ Income			
2000	NA	\$74,257	NA
2010	\$96,748	\$104,050	92.98%
2012	\$101,490	\$108,539	93.51%
2017	\$116,115	\$123,108	94.32%
% chge 2012-17	14.41%	13.42%	
Avg HH \$ 2012			
Food at Home	\$4,009	\$4,123	97.22%
Food away Home	\$3,419	\$3,549	96.34%
Apparel	\$2,415	\$2,441	98.90%
Gifts	\$621	\$631	98.46%

Source : DemographicsNow and RKG Associates, Inc.

B. Labor Force and Unemployment Trends

This section presents an overview of the labor force, employment and unemployment trends for Melrose, comparing them with Middlesex County and Massachusetts as a whole. As indicated in Figure II-2, the trend in the unemployment rate in Melrose is similar to that for Middlesex County and for the state. However, the unemployment in Melrose has consistently been less than that for the state and generally similar to or less than the county.

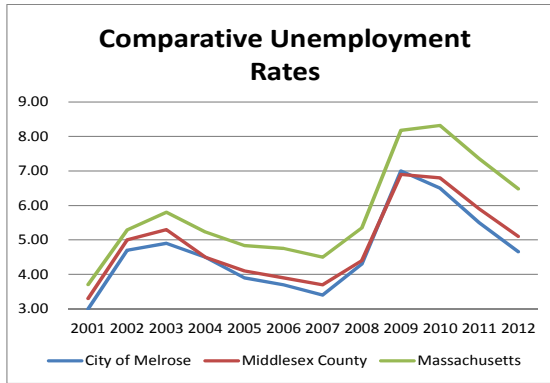


Figure II-2 – Unemployment Rates

Prior to the economic downturn of 2008, unemployment in Melrose was less than 5% and often less than 4%, peaking in the 2009 to 2011 period (Table II-2). Over the entire time period the average unemployment in Melrose was 4.7%, compared with 4.9% countywide and 5.38% statewide. Over the 2001 to 2012 period, there was an annual decline in the Melrose labor force (from the prior year) through 2006 (Figure II-1) and has typically increased thereafter with the exception of the 2010 to 2011 time. The pattern is somewhat similar for the county and the state, although there were a couple of periods where the county labor force declined from the prior year (after 2007). Over the 12-year period the average Melrose labor force was 15,130 persons, accounting for less than 2% of the Middlesex County average of 822,710 persons. In terms of increases in actual employment, as indicated in Table II-3, employment in Melrose in 2012 is 0.8% greater than in 2008 (slightly more than 100 persons), but 3.5% less than the 15,060 persons in 2001. By comparison, the employment in the county and the state in 2012 was less when compared to 2001 but by less than 2% in both instances. During the 2001 to 2012 period, only Massachusetts as a whole realized an increase in employment between 2001 and 2008, and this was a nominal 0.06%.

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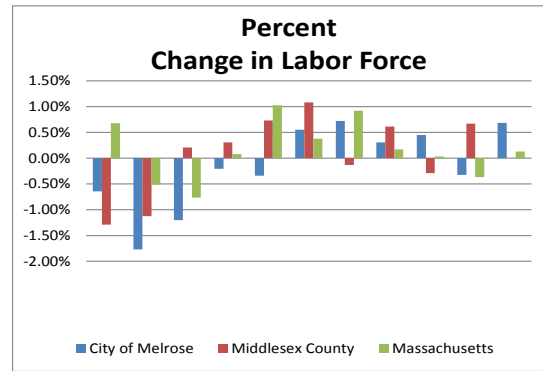


Figure II-1 – Change in Labor Force

Table II-2 – Comparative Unemployment Rates

Unemployment Rate	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Melrose	3.00	4.70	4.90	4.50	3.90	3.70	3.40	4.30	7.00	6.50	5.50	4.66
Middlesex County	3.30	5.00	5.30	4.50	4.10	3.90	3.70	4.40	6.90	6.80	5.90	5.10
Massachusetts	3.70	5.29	5.80	5.23	4.84	4.75	4.50	5.35	8.18	8.32	7.35	6.48

Table II-3 – Comparative Employment Change

Employment	2001	2008	2012	2001 -08	2008-12	2001-12
City of Melrose	15,057	14,422	14,528	-4.22%	0.73%	-3.52%
Middlesex County	803,298	790,968	791,628	-1.53%	0.08%	-1.45%
Massachusetts	3,275,350	3,277,183	3,236,475	0.06%	-1.24%	-1.19%

Source : MA Department of Labor and RKG Associates, Inc.

1. Conclusions

The unemployment rate in Melrose has consistently been less than that for Massachusetts and generally equal to or less than that for Middlesex County (2001-2012). In the early part of the decade there was an annual decline in the Melrose labor force (compared to the prior year), but this has changed recently with Melrose exhibiting growth. Overall employment in Melrose in 2012 was 14,528, a decline of nearly 530 jobs (a 3.5% drop) since 2001.

C. Employment and Wage Trends

This section presents an overview of changes in the number of employees and wages, by industry, for the City of Melrose, Middlesex County and Massachusetts¹. Historic and trend line changes in employment and wages may be indicative of future change and resulting demands, if any, for additional office and/or other non-residential development.

1. Employment

Total employment in Melrose declined between 2001 and 2008 (-6.1%) and between 2008 and 2011 (-4.4%) as overall employment lost nearly 670 jobs between 2001 and 2011 (refer to Table II-4). Both Middlesex County and Massachusetts also experienced a net loss of jobs between 2001 and 2011, -4.6% for the former and -2.6% for the latter. However, two industry sectors in Melrose have experienced continued employment growth since 2001, including wholesale trade (albeit from a small base) and accommodations and food services, up by 100 employees since 2001. Other sectors such as construction, manufacturing, information services and retail trade have lost employment since 2001. Although employment in the health care sector declined in Melrose between 2008 and 2011, current employment remains above the 2001 level, but by fewer than 50 employees. Employment in all of the industry sectors that would typically “occupy” industrial or warehouse type buildings has declined continuously since 2001 in Middlesex County and in the state. Similarly there was continued employment growth the retail and commercial building use sectors except among retail trade workers. Similar to Melrose, county and state level employment in the health care services in 2011 exceeds employment in that sector in 2001.

2. Payroll and Wages

Between 2001 and 2008 the average weekly wage for all industry sectors, in Melrose increased by 3.5% (less than inflation) from around \$810/week to \$840/week (refer to Table II-5). In comparison the average wage (all sectors) in the county increased by 8% (almost double inflation) and by 5% in the state. The average weekly wage in Melrose actually declined (2008 to 2011) for manufacturing, wholesale trade, real estate, professional service, administrative, retail and the arts, or in 7 out of 17 industry sectors. By comparison the only sectors realizing a decline in wage in the county included retail and the arts, while no sectors declined in average weekly wage in Massachusetts since 2008.

3. Conclusions

Total employment in Melrose declined by nearly 670 jobs between 2001 and 2011, however, two industry sectors in Melrose have experienced continued employment growth since 2001, including wholesale trade (albeit from a small base) and accommodations and food services, up by 100 employees since 2001. Although employment in the health care sector declined in Melrose between 2008 and 2011, current employment remains above the 2001 level, but by less than 50 employees. Between 2001 and 2008 the average weekly wage for all industry sectors, in Melrose increased by 3.5% (less than inflation) from around \$810/week to \$840/week, while the average weekly wage actually declined in 7 out of 17 industry sectors.

¹ This information reflects employer reported data for those subject to unemployment compensation which is different from the labor force data in the previous section.

Table II-4: Employment by Industry Sector for Selected Years

Industry Sectors/Building Type	CITY OF MELROSE					MIDDLESEX COUNTY					MASSACHUSETTS				
	2001	2008	2001-08 % Chg	2011	2008-11 % Chg	2001	2008	2001-08 % Chg	2011	2008-11 % Chg	2001	2008	2001-08 % Chg	2011	2008-11 % Chg
	Total Employment, All Industries	6,549	6,151	-6.1%	5,880	-4.4%	850,289	821,771	-3.4%	810,871	-1.3%	3,276,103	3,245,755	-0.9%	3,191,604
23 - Construction	407	292	-28.3%	315	7.9%	40,747	36,095	-11.4%	31,208	-13.5%	151,270	144,233	-4.7%	121,528	-15.7%
31-33 - Manufacturing	329	99	-69.9%	73	-26.3%	117,656	85,439	-27.4%	75,220	-12.0%	389,232	286,458	-26.4%	254,018	-11.3%
42 - Wholesale Trade	68	85	25.0%	88	3.5%	45,983	40,810	-11.2%	36,526	-10.5%	141,086	136,527	-3.2%	123,509	-9.5%
48-49 - Transportation and Warehousing	13	18	38.5%	14	-22.2%	21,873	20,867	-4.6%	19,673	-5.7%	113,128	101,241	-10.5%	96,296	-4.9%
Industrial/Warehouse Buildings	817	494	-39.5%	490	-0.8%	226,259	183,211	-19.0%	162,627	-11.2%	794,716	668,459	-15.9%	595,351	-10.9%
51 - Information	101	83	-17.8%	78	-6.0%	47,784	37,704	-21.1%	39,423	4.6%	117,751	95,197	-19.2%	89,853	-5.6%
52 - Finance and Insurance	161	152	-5.6%	154	1.3%	26,021	26,187	0.6%	25,923	-1.0%	183,989	179,999	-2.2%	168,207	-6.6%
53 - Real Estate and Rental and Leasing	49	86	75.5%	48	-44.2%	9,925	9,357	-5.7%	8,826	-5.7%	44,899	42,454	-5.4%	40,100	-5.5%
54 - Professional and Technical Services	294	302	2.7%	234	-22.5%	106,668	113,405	6.3%	112,668	-0.6%	247,890	262,502	5.9%	261,268	-0.5%
55 - Management of Companies & Enterprises	212	na	na	na	na	20,916	21,387	2.3%	22,499	5.2%	71,925	61,461	-14.5%	58,702	-4.5%
56 - Administrative and Waste Services	360	126	-65.0%	152	20.6%	50,986	45,195	-11.4%	48,897	8.2%	170,152	168,860	-0.8%	163,022	-3.5%
61 - Educational Services	na	na	na	na	na	82,618	89,256	8.0%	88,411	-0.9%	294,213	318,545	8.3%	326,199	2.4%
62 - Health Care and Social Assistance	2,321	2,396	3.2%	2,365	-1.3%	83,109	97,742	17.6%	102,923	5.3%	429,761	500,348	16.4%	531,448	6.2%
Office/Institutional Buildings	3,498	3,145	-10.1%	3,031	-3.6%	428,027	440,233	2.9%	449,570	2.1%	1,560,580	1,629,366	4.4%	1,638,799	0.6%
44-45 - Retail Trade	695	634	-8.8%	557	-12.1%	83,144	78,296	-5.8%	76,645	-2.1%	359,024	348,176	-3.0%	343,688	-1.3%
71 - Arts, Entertainment, and Recreation	74	125	68.9%	112	-10.4%	9,178	10,173	10.8%	10,493	3.1%	46,961	54,391	15.8%	54,669	0.5%
72 - Accommodation and Food Services	309	397	28.5%	409	3.0%	49,758	53,981	8.5%	54,550	1.1%	237,739	257,074	8.1%	266,294	3.6%
81 - Other Services, Ex. Public Admin	472	481	1.9%	441	-8.3%	25,863	26,445	2.3%	27,778	5.0%	113,608	129,707	14.2%	137,221	5.8%
Retail/Commercial & Other Buildings	1,550	1,637	5.6%	1,519	-7.2%	167,943	168,895	0.6%	169,466	0.3%	757,332	789,348	4.2%	801,872	1.6%
92 - Public Administration Govt. Buildings	na	na	na	na	na	24,301	25,445	4.7%	25,158	-1.1%	140,511	137,140	-2.4%	133,612	-2.6%

Source: MA EOLWD (ES-202) & RKG Associates, Inc.

Table II-5: Average Weekly Wage by Industry Sector for Selected Years

Industry Sectors	CITY OF MELROSE					MIDDLESEX COUNTY					MASSACHUSETTS				
	2001	2008	2001-08 % Chg	2011	2008-11 % Chg	2001	2008	2001-08 % Chg	2011	2008-11 % Chg	2001	2008	2001-08 % Chg	2011	2008-11 % Chg
	AVG Weekly Wage: All Industries	\$651	\$809	24.3%	\$837	3.5%	\$995	\$1,255	26.1%	\$1,365	8.8%	\$865	\$1,092	26.2%	\$1,147
23 - Construction	\$975	\$1,093	12.1%	\$1,251	14.5%	\$1,039	\$1,246	19.9%	\$1,253	0.6%	\$963	\$1,178	22.3%	\$1,205	2.3%
31-33 - Manufacturing	\$637	\$865	35.8%	\$702	-18.8%	\$1,287	\$1,685	30.9%	\$1,932	14.7%	\$1,047	\$1,327	26.7%	\$1,495	12.7%
42 - Wholesale Trade	\$1,135	\$1,329	17.1%	\$1,043	-21.5%	\$1,451	\$1,765	21.6%	\$1,853	5.0%	\$1,190	\$1,479	24.3%	\$1,579	6.8%
48-49 - Transportation and Warehousing	\$912	\$601	-34.1%	\$890	48.1%	\$736	\$865	17.5%	\$882	2.0%	\$750	\$899	19.9%	\$931	3.6%
51 - Information	\$830	\$793	-4.5%	\$808	1.9%	\$1,495	\$1,973	32.0%	\$2,266	14.9%	\$1,244	\$1,590	27.8%	\$1,767	11.1%
52 - Finance and Insurance	\$710	\$911	28.3%	\$957	5.0%	\$1,190	\$1,585	33.2%	\$1,789	12.9%	\$1,682	\$2,286	35.9%	\$2,312	1.1%
53 - Real Estate and Rental and Leasing	\$761	\$947	24.4%	\$742	-21.6%	\$826	\$1,109	34.3%	\$1,363	22.9%	\$831	\$1,086	30.7%	\$1,211	11.5%
54 - Professional and Technical Services	\$937	\$1,219	30.1%	\$887	-27.2%	\$1,582	\$2,073	31.0%	\$2,258	8.9%	\$1,428	\$1,855	29.9%	\$1,993	7.4%
55 - Management of Companies & Enterprises	\$860	na	na	na	na	\$1,401	\$2,169	54.8%	2949	36.0%	\$1,280	\$1,934	51.1%	\$2,366	22.3%
56 - Administrative and Waste Services	\$368	\$711	93.2%	\$672	-5.5%	\$602	\$783	30.1%	\$810	3.4%	\$585	\$744	27.2%	\$765	2.8%
61 - Educational Services	na	na	na	na	na	\$819	\$1,069	30.5%	1196	11.9%	\$741	\$977	31.8%	\$1,038	6.2%
62 - Health Care and Social Assistance	\$685	\$909	32.7%	\$1,026	12.9%	\$697	\$936	34.3%	\$968	3.4%	\$698	\$958	37.2%	\$1,012	5.6%
44-45 - Retail Trade	\$410	\$494	20.5%	\$472	-4.5%	\$524	\$551	5.2%	\$544	-1.3%	\$477	\$532	11.5%	\$536	0.8%
71 - Arts, Entertainment, and Recreation	\$372	\$835	124.5%	\$395	-52.7%	\$389	\$633	62.7%	\$444	-29.9%	\$530	\$655	23.6%	\$666	1.7%
72 - Accommodation and Food Services	\$282	\$302	7.1%	\$330	9.3%	\$337	\$393	16.6%	\$397	1.0%	\$311	\$371	19.3%	\$378	1.9%
81 - Other Services, Ex. Public Admin	\$336	\$384	14.3%	\$391	1.8%	\$557	\$641	15.1%	\$648	1.1%	\$477	\$542	13.6%	\$545	0.6%
92 - Public Administration	na	na	na	na	na	\$907	\$1,128	24.4%	1244	10.3%	\$861	\$1,108	28.7%	\$1,221	10.2%

Source: MA EOLWD (ES-202) & RKG Associates, Inc. less than inflation 21.6% and 4.5%, respectively for 2001 to 2008 and 2008 to 2011

III. RESIDENTIAL MARKET INDICATORS

This chapter identifies trends in the housing supply in the study area and in Melrose. Key characteristics of owner households are analyzed as well as conditions in the for-sale market, trends in renter households are identified and current conditions in the rental market. Finally, a discussion of “pipeline” residential projects and retail spending and potential is presented.

A. Housing Supply, Occupancy and Tenure Trends

Total housing in the Cedar Park Station study area (census tract 3364.02) had a net increase of 78 units (3.7%) between 2000 and 2010, while occupied housing increased by 45 units (2.2%), as in Table III-1. Vacant units also increased by over 30 units, resulting in a higher vacancy rate (3.8%) in 2010. A shift in tenure occurred as owner households increased by 53 units while renter households declined by 8 units. As a result, the owner occupancy rate increased to 49% in 2010, while the renter occupancy rate decreased to less than 51%.

Table III-1- Comparative Areas: Housing Supply Statistics

CENSUS TRACT	2000	2010	Change		% of Total [1]	
			#	%	2000	2010
Total Housing Units	2,081	2,159	78	3.7%	100%	100%
Occupied Units	2,031	2,076	45	2.2%	97.6%	96.2%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
Vacant Units	50	83	33	66.0%	2.4%	3.8%
MELROSE, MA	2000	2010	#	%	2000	2010
Total Housing Units	11,248	11,751	503	4.5%	100%	100%
Occupied Units	10,982	11,213	231	2.1%	97.6%	95.4%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
Vacant Units	266	538	272	102.3%	2.4%	4.6%
MIDDLESEX COUNTY	2000	2010	#	%	2000	2010
Total Housing Units	576,681	612,004	35,323	6.1%	100%	100%
Occupied Units	561,220	580,688	19,468	3.5%	97.3%	94.9%
Owner Households	346,529	361,089	14,560	4.2%	61.7%	62.2%
Renter Households	214,691	219,599	4,908	2.3%	38.3%	37.8%
Vacant Units	15,461	31,316	15,855	102.5%	2.7%	5.1%

[1] Owner and Renter households as % of Occupied Units, only
Source: US Census & RKG Associates, Inc.

In the city (Table III-1) the housing supply increased by over 500 units between 2000 and 2010, for a 4.5% gain. Household formation failed to keep pace as occupied housing increased 230 units, less than half the increase in housing. The increase was evenly divided between owner (113) and renter (118) over the last decade, although the ownership rate slipped below 67% in 2010. Vacant housing units doubled over the last decade and by 2010 the overall vacancy rate was 4.6%. Total housing in Middlesex County increased by 6% over the last decade, although household formation failed to keep pace, and the number of vacant units also doubled. Almost 75% of the increase in occupied housing over the last decade occurred in owner units resulting in a higher ownership rate (62%) in 2010.

1. Permit Data & Average Units Costs

Permit data for Melrose indicated that almost 460 units were issued from 2000 through 2009 (Table III-2), representing about 91% of the net increase in housing over the last decade.

Permits for over 330 units were issued in the three years between 2004 and 2006, representing 72% of activity over the last decade. Only 13% of the new housing built over the last decade was single-unit and the rest were multi-unit. Permits for another 110 units have been issued over the last three years in Melrose, including 80 units in 2012 alone.

Table III-2 – Melrose & Middlesex County: Reported Permit Activity by Type (2000-2012)

Year	Number of Reported Units by Year and Type							
	City of Melrose				Middlesex County			
	Single-Family	2 to 4 Family	5 unit or more	Total Units	Single-Family	2 to 4 Family	5 unit or more	Total Units
2000	4	0	0	4	2,084	158	1,003	3,245
2001	3	0	0	3	1,577	156	403	2,136
2002	8	0	5	13	1,555	189	696	2,440
2003	7	0	10	17	1,913	239	1,236	3,388
2004	5	0	48	53	1,814	198	1,117	3,129
2005	11	0	199	210	2,200	189	3,340	5,729
2006	7	4	58	69	1,662	181	959	2,802
2007	6	4	29	39	1,380	123	2,302	3,805
2008	3	4	36	43	973	84	598	1,655
2009	6	0	0	6	987	104	378	1,469
Subtotal	60	12	385	457	16,145	1,621	12,032	29,798
2010	12	0	10	22	1,223	93	586	1,902
2011	6	2	0	8	1,099	47	329	1,475
2012	9	0	71	80	1,242	77	1,145	2,464
Subtotal	27	2	81	110	3,564	217	2,060	5,841

Source: US Census and RKG Associates, Inc.

Referring to Table III-2, a total of 29,800 units were permitted over the last decade in the county, accounting for 84% of the net gain in housing between 2000 and 2009. The peak year was in 2005 when 5,730 units were permitted, and activity between 2000 and 2007 typically exceeded 3,000 units per year. Activity after 2007 has not reached that benchmark, although permits in 2012 were the highest in the last five years. Approximately 54% of the permitted units in the county over the last decade were for single-unit structures, and 61% over the last three years were for single-unit homes.

Table III-3 – Melrose & Middlesex County: Average Unit Cost from Permit Data

Year	Average Unit Cost per Reported Units by Year and Type							
	City of Melrose				Middlesex County			
	Single-Family	2 to 4 Family	5 unit or more	Total Units	Single-Family	2 to 4 Family	5 unit or more	Total Units
2000	\$130,956			\$130,956	\$197,154	\$111,371	\$84,846	\$158,264
2001	\$98,663			\$98,663	\$208,739	\$149,178	\$73,969	\$178,962
2002	\$159,875		\$92,200	\$133,846	\$205,423	\$87,588	\$92,445	\$164,069
2003	\$186,929		\$67,600	\$116,735	\$213,717	\$92,189	\$81,772	\$157,008
2004	\$193,200		\$156,250	\$159,736	\$215,970	\$117,587	\$124,685	\$177,157
2005	\$139,454		\$92,869	\$95,310	\$227,184	\$123,827	\$88,029	\$142,647
2006	\$222,743	\$79,246	\$159,472	\$161,240	\$212,877	\$145,927	\$119,399	\$176,559
2007	\$179,550	\$136,375	\$114,386	\$126,667	\$260,792	\$135,829	\$159,665	\$195,571
2008	\$157,533	\$95,250	\$111,028	\$112,805	\$264,524	\$175,749	\$103,400	\$201,799
2009	\$215,500			\$215,500	\$260,457	\$154,223	\$131,819	\$219,835
Subtotal	\$171,824	\$103,624	\$113,459	\$120,863	\$222,239	\$123,420	\$108,654	\$170,999
2010	\$257,742		\$140,000	\$204,223	\$257,443	\$146,936	\$121,141	\$210,046
2011	\$267,750	\$155,000		\$239,563	\$329,298	\$148,571	\$135,820	\$280,384
2012	\$201,000		\$98,829	\$110,323	\$297,864	\$159,543	\$131,594	\$216,277
Subtotal	\$241,052	\$155,000	\$103,912	\$138,502	\$293,687	\$151,764	\$129,295	\$230,437

Source: US Census and RKG Associates, Inc.

Table III-3 exhibits the average unit cost by type from permit data. In Melrose the overall average over the last decade was \$120,860, ranging from \$103,620 per unit at 2-to-4 family structures to \$171,820 at single-unit structures. In Middlesex County, the overall average was \$171,000 over the last decade, ranging from \$108,650 per unit at 5-or-more unit buildings to \$222,240 for single-family units. The average unit cost over the last three years was about 15% higher in Melrose and 35% higher in Middlesex County.

2. Change in Tax Parcels since 2000

Another way to measure the increase in single-family homes and condominiums is to review changes in the number of tax parcels over the last decade from data obtained from the Massachusetts Division of Local Services.

Table III-4 – Melrose: Change in Residential Tax Parcels (2000 to 2012)

Year	Single-Family	Condo-miniums	2 & 3 Family	4 units & up
Parcels in 2000	6,253	569	1,010	132
Change in Parcels by Year				
2001	0	6	(1)	(2)
2002	5	26	(18)	(2)
2003	7	44	(3)	(3)
2004	7	32	(10)	(2)
2005	6	63	(16)	0
2006	10	121	(18)	(6)
2007	4	38	(10)	(1)
2008	2	31	(3)	(3)
2009	7	18	(7)	2
Subtotal	48	379	(86)	(17)
2010	8	6	(7)	0
2011	11	2	(6)	1
2012	9	8	(10)	2
Subtotal	28	16	(23)	3
Parcels in 2012	6,329	964	901	118
Change from 2000	76	395	(109)	(14)

Source: MA DLS & RKG Associates, Inc.

Referring to Table III-4, the City of Melrose had 6,329 single-family parcels in 2012 (January) which was 76 parcels more than in 2000. There were another 964 condominium parcels in 2012 which was 395 parcels more than in 2000. The two types combined (471 parcels) is fairly similar to the net increase in housing (503 units) in Melrose over the last decade, according to US Census data. Offsetting these gains was a decline in the number of two and three family parcels, and 4 units and up. In many cases, the loss of multi-family parcels resulted in conversions of properties to condominiums.

3. Vacant Housing by Type

The Cedar Park Station study area had 83 units classified as vacant in 2010, which reflected an increase of 33 units since 2000. As shown in Table III-5, 41% of the vacant units were for rent while 13% were for sale. Another 36% of the vacant units in the study area were classified as seasonal or other vacancies and accounted for 1.4% of the housing supply in the census tract. Approximately 540 units were classified as vacant in the City of Melrose, an

increase of 270 vacant units since 2000 and representing 54% of the net change in housing over the last decade.

Table III-5 – Comparative Areas: Vacant Housing by Type

CENSUS TRACT	2000	2010	Change		% of Total [1]	
			#	%	2000	2010
Total housing units	2,081	2,159	78	3.7%	100%	100%
Vacant housing units	50	83	33	66%	2.4%	3.8%
For rent	19	34	15	79%	38.0%	41.0%
For sale only	6	11	5	83%	12.0%	13.3%
Rented or sold, not occupied	10	7	(3)	-30%	20.0%	8.4%
For seasonal use	2	5	3	150%	4.0%	6.0%
All other vacants	13	26	13	100%	26.0%	31.3%
MELROSE, MA	2000	2010	#	%	2000	2010
Total Housing Units	11,248	11,751	503	4.5%	100%	100%
Vacant housing units	266	538	272	102%	2.4%	4.6%
For rent	60	262	202	337%	22.6%	48.7%
For sale only	30	60	30	100%	11.3%	11.2%
Rented or sold, not occupied	37	43	6	16%	13.9%	8.0%
For seasonal use	72	37	(35)	-49%	27.1%	6.9%
All other vacants	67	136	69	103%	25.2%	25.3%
MIDDLESEX COUNTY	2000	2010	#	%	2000	2010
Total Housing Units	576,681	612,004	35,323	6.1%	100%	100%
Vacant housing units	15,461	31,316	15,855	103%	2.7%	5.1%
For rent	5,056	13,353	8,297	164%	32.7%	42.6%
For sale only	1,639	4,803	3,164	193%	10.6%	15.3%
Rented or sold, not occupied	1,578	2,092	514	33%	10.2%	6.7%
For seasonal use	2,903	3,542	639	22%	18.8%	11.3%
All other vacants	4,285	7,526	3,241	76%	27.7%	24.0%

[1] Vacant Housing by Type of Vacancy as % of Vacant Units, only
Source: US Census & RKG Associates, Inc.

Approximately 49% of the vacant units in Melrose were for rent and 11% were for sale, as in Table III-5. Another 32% of the vacant units were classified as seasonal or other, and accounted for almost 1.5% of the housing stock. In the county, 31,320 units were vacant and 43% were for rent while 15% were for sale. Another 35% of the vacant units were classified as seasonal or other vacant units and represented approximately 1.8% of the housing stock.

4. Conclusions

The housing supply in the Cedar Park Station study area increased by 78 units over the last decade representing a 3.7% gain; however, household formation failed to keep pace causing the vacancy rate to increase to almost 4%. This trend was similar to that in Melrose and the county. The study area experienced a 5.5% gain in owner households over the last decade (58 households), but a 1% loss in renter households. This trend was different in the city, where a 1.5% increase in owners, and 3.3% increase in renters occurred. In 2010, the ownership rate in the study area increased to 49%, and citywide it decreased to less than 67%. Citywide new housing production over the last decade totaled nearly 460 units, for an average of almost 50 units per year. Most of the increase occurred in condominiums development, and most a result of conversion of multi-family properties.

B. Owner Household Characteristics and Trends

This section identifies trends and characteristics of owner households in the City of Melrose and the Cedar Park Station study area. Age, household size, income and mobility are examined from a review of decennial census data. This is followed by an analysis of market activity of for-sale housing in Melrose.

1. Owner Age Characteristics

Owner households in the study area had a net gain of 53 units over the last decade for a 5.5% increase (Table III-6). Owners in the cohort aged 55 to 64 exhibited nearly all the gain, and by 2010 this group accounted for 11% of total households. The representation of total households of owners in the four age groups 35+ were fairly even in 2010 (10% - 11%), compared to that citywide, where a higher concentration (13% - 17%) was evident.

Table III-6 – Owners by Age

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
less than 25 yrs	2	1	(1)	-50.0%	0.1%	0.0%
25 to 34 yrs	117	121	4	3.4%	5.8%	5.8%
35 to 44 yrs	249	217	(32)	-12.9%	12.3%	10.5%
45 to 54 yrs	249	246	(3)	-1.2%	12.3%	11.8%
55 to 64 yrs	135	217	82	60.7%	6.6%	10.5%
65 yrs +	217	220	3	1.4%	10.7%	10.6%
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
less than 25 yrs	15	14	(1)	-6.7%	0.1%	0.1%
25 to 34 yrs	777	591	(186)	-23.9%	7.1%	5.3%
35 to 44 yrs	1,755	1,502	(253)	-14.4%	16.0%	13.4%
45 to 54 yrs	1,744	1,859	115	6.6%	15.9%	16.6%
55 to 64 yrs	1,171	1,589	418	35.7%	10.7%	14.2%
65 yrs +	1,897	1,917	20	1.1%	17.3%	17.1%

Source: US Census & RKG Associates, Inc.

2. Owner Household Size and Number of Bedroom Characteristics

The average household size of owners in the study area was 2.65 person in 2010, and more like that citywide (2.69 persons) than in 2000. The study area experienced the highest growth in one-person households over the last decade, followed by 2-person households, similar to the citywide trend. However, one and two-person owner households in the study area accounted for 26% of total households while citywide they represented 35%.

Table III-7 – Owners by Household Size

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
1-person	169	219	50	29.6%	8.3%	10.5%
2-person	308	330	22	7.1%	15.2%	15.9%
3-person	191	200	9	4.7%	9.4%	9.6%
4-person	173	184	11	6.4%	8.5%	8.9%
5 + person	128	89	(39)	-30.5%	6.3%	4.3%
AVG H'hold Size	2.83	2.65	(0.18)	-6.4%	N/A	
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
1-person	1,293	1,498	205	15.9%	11.8%	13.4%
2-person	2,376	2,422	46	1.9%	21.6%	21.6%
3-person	1,446	1,435	(11)	-0.8%	13.2%	12.8%
4-person	1,438	1,400	(38)	-2.6%	13.1%	12.5%
5 + person	806	717	(89)	-11.0%	7.3%	6.4%
AVG H'hold Size	2.78	2.69	(0.09)	-3.2%	N/A	

Source: US Census & RKG Associates, Inc.

Table III-8 exhibits owner households by bedrooms in the study area and the city. The study area experienced an increase in three-bedroom units over the last decade, while citywide most of the increase was in two-bedroom units. In both areas, 3-bedroom units accounted for the largest percentage of the owner housing stock, followed by 4-bedroom or more.

Table III-8 – Owners by Bedrooms

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
No bedroom	0	0			0.0%	0.0%
1 bedroom	25	29	4	16.7%	1.2%	1.4%
2 bedrooms	126	129	3	2.5%	6.2%	6.2%
3 bedrooms	479	580	101	21.1%	23.6%	28.0%
4 + bedrooms	341	283	(58)	-16.9%	16.8%	13.6%
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
No bedroom	17	22	5	27.6%	0.2%	0.2%
1 bedroom	285	145	(140)	-49.2%	2.6%	1.3%
2 bedrooms	1,150	1,302	152	13.2%	10.5%	11.6%
3 bedrooms	3,540	3,520	(20)	-0.6%	32.2%	31.4%
4 + bedrooms	2,373	2,484	111	4.7%	21.6%	22.2%

Source : RKG Associates, Inc., US Census Bureau and American Community Survey

3. Owners by Housing Type

In 2010, almost 39% of total households in the Cedar Park Station study area were owners residing in single unit structures, and another 10% of total households were owners of 2-to-4 unit structures, as shown in Table III-9. Citywide, approximately 57% of total households were owners in single-unit structures, while 7% were in 2-to-4 unit properties.

Table III-9 – Owners by Units in Structure

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
Single unit	736	803	67	9.1%	36.2%	38.7%
2 to 4 units	235	203	(32)	-13.6%	11.6%	9.8%
5 to 9 units	0	0	0	N/A	0.0%	0.0%
10 to 19 units	0	0	0	N/A	0.0%	0.0%
20 units or more	0	16	16	N/A	0.0%	0.8%
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
Single unit	6,188	6,338	150	2.4%	56.3%	56.5%
2 to 4 units	839	792	(47)	-5.5%	7.6%	7.1%
5 to 9 units	15	43	28	189%	0.1%	0.4%
10 to 19 units	53	33	(20)	-37.6%	0.5%	0.3%
20 units or more	270	266	(4)	-1.7%	2.5%	2.4%

Source: US Census; American Community Survey & RKG Associates, Inc.

4. Owners by Income and Values

As shown in Table III-10, the median household income for owners in the study area was \$111,420 in 2010, which was 48% higher than in 2000. Most of the growth in households in the study area was from owners earning \$150,000 or more, and in 2010 this owner cohort represented 17% of total household. Another 11% of total households in the study area were owners earning \$100,000 to \$149,999. Combined, owners earning \$100,000 or more represented 57% of owner households in the study area, while citywide owners earning \$100,000 or more accounted for 53% of owner households.

Table III-10 – Owners by Income Levels

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
less than \$25,000	79	42	(37)	-47.3%	3.9%	2.0%
\$25,000 to \$49,999	194	99	(95)	-49.0%	9.6%	4.8%
\$50,000 to \$74,999	211	105	(106)	-50.1%	10.4%	5.1%
\$75,000 to \$99,999	219	195	(24)	-11.0%	10.8%	9.4%
\$100,000 to \$149,000	174	236	62	35.9%	8.6%	11.4%
\$150,000 or more	94	345	251	266.8%	4.6%	16.6%
Median Owner Income	\$75,309	\$111,424	\$36,115	48.0%	N/A	
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
less than \$25,000	730	532	(198)	-27.1%	6.6%	4.7%
\$25,000 to \$49,999	1,249	802	(447)	-35.8%	11.4%	7.2%
\$50,000 to \$74,999	1,561	1,003	(558)	-35.7%	14.2%	8.9%
\$75,000 to \$99,999	1,535	1,146	(389)	-25.4%	14.0%	10.2%
\$100,000 to \$149,000	1,495	2,002	507	33.9%	13.6%	17.9%
\$150,000 or more	795	1,987	1,192	149.9%	7.2%	17.7%
Median Owner Income	\$77,206	\$104,981	\$27,775	36.0%	N/A	

Source: US Census; American Community Survey & RKG Associates, Inc.

Table III-11 – Owners Housing by Value

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
less than \$100,000	7	29	22	317%	0.3%	1.4%
\$100,000 to \$199,999	278	0	(278)	-100%	13.7%	0.0%
\$200,000 to \$299,999	515	73	(442)	-86%	25.4%	3.5%
\$300,000 to \$499,999	163	715	552	338%	8.0%	34.4%
\$500,000 and up	8	205	197	2465%	0.8%	20.1%
Median Owner Value	\$246,800	\$430,000	\$183,200	74.2%	N/A	
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
less than \$100,000	85	81	(4)	-5%	0.8%	0.7%
\$100,000 to \$199,999	1,651	125	(1,526)	-92%	15.0%	1.1%
\$200,000 to \$299,999	3,721	664	(3,057)	-82%	33.9%	5.9%
\$300,000 to \$499,999	1,742	4,773	3,031	174%	15.9%	42.6%
\$500,000 and up	166	1,829	1,663	1002%	2.3%	24.5%
Median Owner Value	\$252,500	\$428,900	\$176,400	69.9%	N/A	

Source: US Census; American Community Survey & RKG Associates, Inc.

Referring to Table III-11, the median value for owner units in the Cedar Park Station study area was \$430,000 and 74% higher than in 2000. It was also similar to that citywide. In 2010, homes valued at \$300,000 or more accounted for 90% of the owner units in the study area, and 88% of owner units citywide.

5. Owners by Period of Moving into Unit

Approximately 430 owners moved into the Cedar Park Station study area over the last decade, and accounted for nearly 42% of owner households. Citywide 38% of the owner households moved into their unit in Melrose between 2000 and 2010. After accounting for growth, owner turnover over the last decade averaged 3.7% in the study area (40 per year), and 3.6% citywide, or approximately 270 households per year.

Table III-12 – Owners by Move in Period

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Owner Households	969	1,022	53	5.5%	47.7%	49.2%
Owners by Move In (2010 only)			AVG/Yr	%Owner	%Total	
2005 or later		218	44	21.3%	10.5%	
2000 to 2004		209	42	20.5%	10.1%	
1990 to 1999		225	23	22.0%	10.8%	
1980 to 1989		148	15	14.5%	7.1%	
prior to 1980		222	N/A	21.7%	10.7%	
MELROSE, MA			Change		% of Total	
	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Owner Households	7,359	7,472	113	1.5%	67.0%	66.6%
Owners by Move In (2010 only)			AVG/Yr	%Owner	%Total	
2005 or later		1,386	277	18.5%	12.4%	
2000 to 2004		1,432	286	19.2%	12.8%	
1990 to 1999		1,680	168	22.5%	15.0%	
1980 to 1989		1,173	117	15.7%	10.5%	
prior to 1980		1,802	N/A	24.1%	16.1%	

Source: US Census; American Community Survey & RKG Associates, Inc.

6. Conclusions

Over the last decade, the study area experienced a 6% growth in owner households and captured about 47% of the increase citywide. All of the growth in owner households in the study area were among those aged 55-to-64, and in 2010, the study area had a balanced diversity of owners in the four age groups 35 years and older. The median household income of owners in the study area was \$111,420, and slightly higher than for owners in Melrose. The median owner value was about \$430,000 in both the study area and city. The owner turnover rate over the last decade was less than 4% indicating an annual average of 270 households in the city. In short, the study area had a smaller percentage of owner households than citywide, but captured approximately 47% of citywide growth in owners over the last decade. Owner households in the study area appear more evenly divided among the different age cohorts than citywide, and earned relatively high incomes similar to that citywide.

C. For-Sale Market

This section identifies trends in the volume of residential sales in Melrose and median prices. Sales activity of upper-priced condominiums (\$250,000 and up) over the last five years are quantified, as well as recent sales activity at a few of the condominium projects in and around Melrose.

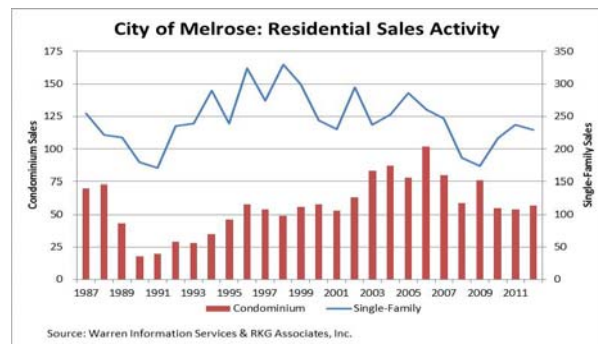


Figure III-1 – Residential Sales Activity

1. Sales Volume & Median Pricing Trend

Figure III-1 exhibits trends in the volume of sales of single-family homes and condominium units in the city. In 2012, single-family home sales totaled 229 transfers which was 3% less than in 2011, and almost 20% lower than in 2005 (286). Condominium sales in 2012 (57) were 6% higher than in 2011 (54), but 44% below the peak in 2007 (102). Over the last five years, condominium sales in Melrose represented 22% of single-family and condominium sales combined. Figure III-2



Figure III-2 – Median Sale Price Trends

exhibits trends in median values of single-family homes and condominiums in Melrose. In 2012, the median single-family price (\$403,000) was 3% higher than in 2011, but the median condominium (\$209,700) price was 13% lower than in 2011. The median price for single-family homes in 2012 although improving, remained 6% below the peak in 2005 (\$428,950) while the median value for condominiums was 28% below the peak in 2006 (\$292,000).

2. Sales of Condominiums \$250,000+ and Current Listings

The annual number of upper-end condominium sales in the city and the study area was quantified by different price ranges (Table III-13). Condominium sales at \$250,000 or more averaged about 28 sales per year, and activity in 2012 (20 sales) was less. About 55% of these sales were in the \$250,000 to \$299,999 price range, while 4% had prices of \$400,000 or more. More than one-fourth of the upper end sales were \$300,000 to \$349,999. Over the last five years, upper-end condominium sales averaged around 47% of total condominium sales in Melrose. In the study area, upper end condominium sales averaged about 10 sales per year, and nearly two-thirds were in the \$250,000 to \$299,999 pricing range. Annual activity of upper-end condominium sales in the Cedar Park Station study area accounted for approximately 34% of upper-end sales citywide. The number of current listings of upper-priced condominiums (8) in the City of Melrose represented about 29% of the average number of sales of upper-end condominium, and 31% of the current condominium listings in Melrose. Three listings were in the study area and represented one-third of annual activity.

Table III-13 – Sales of Condominiums \$250,000 & up

City of Melrose								Current Listings
Price Range	2008	2009	2010	2011	2012	AVG	%	
\$250,000 to \$299,999	21	19	17	9	12	16	55%	2
\$300,000 to \$349,999	10	11	6	6	5	8	27%	3
\$350,000 to \$399,999	2	5	6	5	2	4	14%	3
\$400,000 to \$499,999	2	0	0	2	1	1	4%	0
Total	35	35	29	22	20	28	100%	8
Total Sales	59	76	55	54	57	60		26
% of Total Sales	59%	46%	53%	41%	35%	47%		31%
Study Area								Current Listings
Price Range	2008	2009	2010	2011	2012	AVG	%	
\$250,000 to \$299,999	9	9	6	4	2	6	63%	
\$300,000 to \$349,999	3	1	1	1	3	2	19%	2
\$350,000 to \$399,999			5	1	2	2	17%	1
\$400,000 to \$499,999				1		0	2%	
Total	12	10	12	7	7	10	100%	3
% of City (\$250k+)	34%	29%	41%	32%	35%	34%		38%

Source: Warren Information Services, Realtor.com & RKG Associates, Inc.

1. Select Condominium Sales Activity

Webster Willows: This is a 4-story, 26-unit project at 391 Pleasant Street in Melrose just outside the Cedar Park Station study area, and within walking distance to the downtown and the Wyoming Hill commuter rail station. The building was constructed in 2006 and the sales period took approximately 30 months between July 2007 and December 2009. Four re-sales were also identified at this project. There were various different unit designs (6), ranging from one-bedroom with 1.5 bathrooms (4); two-bedroom flats with two bathrooms (12); and on the upper two floors, two-bedroom townhouse style units with 2.5 bathrooms (6) and three-bedroom townhouse style units with 2 bathrooms. All the 2-bedroom and 3-bedroom units had 2 parking spaces (one garage, one outdoor), while the one-bedroom units were provided one outdoor space. Table III-14 summarizes the sales data of the different unit types during the sell-out period. The average unit price was just about \$307,100, ranging from \$155,000 (affordable) to \$445,000. The townhouse units on the upper two floors had the highest unit price as compared to the flats on the lower two levels. The average price per SF was nearly \$250. Resale activity indicates that unit pricing may have softened somewhat but does not appear to be that significant.



Table III-14 – Webster Willows Condominium: Original Sale & Resale Activity

Original Sales	# of Sales	Range in Sale Price			Range in Unit Size			AVG \$/SF
		AVG \$	Min \$	Max \$	AVG SF	Min SF	Max SF	
1-Bd Flats	4	\$225,625	\$155,000	\$252,500	764	745	785	\$295
2007	2	\$251,250	\$250,000	\$252,500	781	776	785	\$322
2008	2	\$200,000	\$155,000	\$245,000	747	745	749	\$268
2-Bd Flats	12	\$290,867	\$170,000	\$335,000	1,117	1,040	1,193	\$260
2007	7	\$317,271	\$305,900	\$335,000	1,120	1,040	1,193	\$283
2008	4	\$241,125	\$170,000	\$309,500	1,131	1,110	1,149	\$213
2009	1	\$305,000			1,046			\$292
2-Bd THs	6	\$334,833	\$318,000	\$356,000	1,342	1,181	1,478	\$250
2008	2	\$325,000	\$320,000	\$330,000	1,302	1,228	1,375	\$250
2009	4	\$339,750	\$318,000	\$356,000	1,362	1,181	1,478	\$249
3-Bd THs	4	\$395,625	\$362,500	\$445,000	1,884	1,760	1,936	\$210
2007	1	\$445,000			1,936			\$230
2008	1	\$400,000			1,918			\$209
2009	2	\$368,750	\$362,500	\$375,000	1,884	1,760	1,936	\$196
Sales Total	26	\$307,092	\$155,000	\$445,000	1,233	745	1,936	\$249
2007	10	\$316,840	\$250,000	\$445,000	1,117	780	1,936	\$284
2008	9	\$268,278	\$155,000	\$400,000	1,169	740	1,918	\$229
2009	7	\$343,071	\$305,000	\$375,000	1,454	1,050	1,921	\$236
Resales	4	\$316,625	\$290,000	\$369,000	1,188	1,040	1,478	\$267
2-Bd Flats	2	\$296,250	\$290,000	\$302,500	1,046	1,040	1,051	\$283
2-Bd THs	2	\$337,000	\$305,000	\$369,000	1,330	1,181	1,478	\$253

Source: Middlesex County Registry of Deeds; Patriot Properties Melrose & RKG Associates, Inc.

Station Crossing: This 4-story, 48-unit condominium project built in 2006 is located at 16 Willow Street in Melrose and the study area, although in closer proximity to the Wyoming Hill stop. The building was constructed in 2005/2006 and initial sales started in 2006 (August) when 18 sales occurred. Five of the units were affordable including 2 one-bedroom units (\$135,000) and 3 two-bedroom units. MassHousing provided a \$9.7 million construction loan (\$202,100/unit), and also low-interest loans to income-eligible first-time home buyers for 25% of the units (12).



Sales activity, including re-sales are shown in Table III-15, and the overall average unit price was about \$275,000 and recent unit pricing from re-sales indicate an average of \$276,200, suggesting that unit prices had not really softened that much over the last few years.

Table III-15 – Station Landing Condominium: Original Sale & Resale Activity

Type/Year	# of Sales	Range in Sale Price			Range in Unit Sizes			AVG \$/SF
		AVG \$	Min \$	Max \$	AVG SF	Min SF	Max SF	
1-bdrm [1]	13	\$228,987	\$135,000	\$276,000	702	695	726	\$326
2006	8	\$230,822	\$135,000	\$271,219	705	695	726	\$328
2007	1	\$276,000			695			\$397
2009	2	\$216,250	\$215,000	\$217,500	705			\$307
2011	1	\$215,000			695			\$309
2012	1	\$206,750			695			\$297
2-bdrm [1]	31	\$294,283	\$150,000	\$394,900	1,001	880	1,165	\$294
2006	18	\$305,677	\$150,000	\$394,900	1,011	880	1,165	\$302
2007	2	\$377,450	\$360,000	\$394,900	1,153	1,141	1,165	\$327
2009	8	\$261,213	\$240,000	\$293,700	966	880	1,058	\$271
2010	1	\$289,000			1,058			\$273
2011	2	\$243,500	\$240,000	\$247,000	880			\$277
Total Sales [1]	44	\$274,991	\$135,000	\$394,900	913	695	1,165	\$301
Resales	5	\$276,200	\$215,000	\$325,000	940	695	1,165	\$294
2010	2	\$256,500	\$215,000	\$298,000	863	695	1,030	\$297
2011	2	\$271,500	\$268,000	\$275,000	905	880	930	\$300
2012	1	\$325,000			1,165			\$279

[1] Developer has not transferred 4 units including three 1-bdrm units & one 2-bdrm unit
 Source: Middlesex County Registry of Deeds; Patriot Properties Melrose & RKG Associates, Inc.

Cedar Crossing: This is a 16-unit, 4-story condominium project under construction at 185 Essex Street in the study area. It consists of 14 two-bedroom, 2-bathroom units and 2 one-bedroom 1-bath units ranging in price from \$319,000 to \$390,000. According to the broker, all units are reserved except of two, a one-bedroom unit for \$329,000 and a 2-bedroom unit for \$367,500. The reported average price was approximately \$320/SF.



2. Conclusions

The for-sale market in the City of Melrose showed signs of improvement as sales of single-family homes and condominiums were higher than in previous years but still below peak years. Condominium activity accounted for 22% of residential sales over the last five years. The median value for single-family homes stabilized in the last few years but remained about 6% below the peak in 2005. The median value for condominiums, however, declined by 13% in 2012, after stabilizing between 2009 and 2011; but it was about 28% lower in 2012 than at the peak in 2006. Sales of upper-end condominiums (\$250,000 and up) averaged about 28 sales per year over the last five years in Melrose, and about one third of that activity occurred in the Cedar Park Station study area. Pending sales activity at project under-construction in the study area suggests that the condominium market has rebounded due primarily to historic low interest rates. Unit prices at the new project ranged from \$320,000 to \$390,000 and average around \$320/SF. This average appears somewhat higher than sales activity at recently built projects in and around the study area over the last few years.

D. Renter Household Characteristics and Trends

Key characteristics and trends in renter households are analyzed in this section.

1. Renter Age Characteristics

Renter households in the study area declined by less than 1% over the last decade, which counters the 3% increase in renters citywide, as shown in Table III-16. Renters in the two baby-boom generation cohorts (age 45 to 64) experienced gains, while losses were indicated in the two younger cohorts (age 25 to 44) and the elderly (age 65 and older). In 2010, elderly renter households accounted for 17% of total households in the study area, and 9% citywide. Younger professional (age 25 to 34) renters accounted for nearly 11% of total households in the study area, and 8% in the City of Melrose.

Table III-16 – Renters by Age

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
less than 25 yrs	30	31	1	3.3%	1.5%	1.5%
25 to 34 yrs	274	217	(57)	-20.8%	13.5%	10.5%
35 to 44 yrs	185	181	(4)	-2.2%	9.1%	8.7%
45 to 54 yrs	124	159	35	28.2%	6.1%	7.7%
55 to 64 yrs	82	109	27	32.9%	4.0%	5.3%
65 yrs +	367	357	(10)	-2.7%	18.1%	17.2%
MELROSE, MA	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
less than 25 yrs	112	103	(9)	-8.0%	1.0%	0.9%
25 to 34 yrs	952	874	(78)	-8.2%	8.7%	7.8%
35 to 44 yrs	740	706	(34)	-4.6%	6.7%	6.3%
45 to 54 yrs	496	588	92	18.5%	4.5%	5.2%
55 to 64 yrs	325	466	141	43.4%	3.0%	4.2%
65 yrs +	998	1,004	6	0.6%	9.1%	9.0%

Source: US Census & RKG Associates, Inc.

2. Renter Household Size and Number of Bedroom Characteristics

As shown in Table III-17, the average renter household in the study area had 1.65 persons in 2010, and was smaller than the citywide renter household (1.77 persons). Approximately 43% of total households in the study area were one-and-two person renter households in 2010, as compared to 27% of total households citywide. In the study area, one-and-two person renters represented 84% of renter households including 62% one-person renters, while citywide they accounted for 81% and 54% one-person renters.

Table III-17 – Renters by Household Size

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
1-person	656	658	2	0.3%	32.3%	31.7%
2-person	268	232	(36)	-13.4%	13.2%	11.2%
3-person	76	81	5	6.6%	3.7%	3.9%
4-person	42	54	12	28.6%	2.1%	2.6%
5+ person	20	29	9	45.0%	1.0%	1.4%
AVG H'hold Size	1.60	1.65	0.05	3.1%	N/A	
MELROSE, MA	2000	2010	Change		% of Total	
Total Households	10,982	11,213	231	2.1%	100%	100%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
1-person	1,967	2,011	44	2.2%	17.9%	17.9%
2-person	1,052	1,032	(20)	-1.9%	9.6%	9.2%
3-person	326	385	59	18.1%	3.0%	3.4%
4-person	179	219	40	22.3%	1.6%	2.0%
5+ person	99	94	(5)	-5.1%	0.9%	0.8%
AVG H'hold Size	1.75	1.77	0.02	1.1%	N/A	

Source: US Census & RKG Associates, Inc.

Table III-18 – Renters by Bedrooms

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
No bedroom	90	83	(7)	-7.8%	4.4%	4.0%
1 bedroom	599	514	(85)	-14.2%	29.5%	24.8%
2 bedrooms	257	383	126	49.2%	12.7%	18.5%
3 bedrooms	89	60	(29)	-32.9%	4.4%	2.9%
4+ bedrooms	25	14	(11)	-43.4%	1.2%	0.7%
MELROSE, MA	2000	2010	Change		% of Total	
Total Households	10,982	11,213	231	2.1%	100%	100%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
No bedroom	201	159	(42)	-20.7%	1.8%	1.4%
1 bedroom	1,820	1,729	(91)	-5.0%	16.6%	15.4%
2 bedrooms	1,154	1,437	283	24.5%	10.5%	12.8%
3 bedrooms	317	334	17	5.3%	2.9%	3.0%
4+ bedrooms	125	82	(43)	-34.2%	1.1%	0.7%

Source : RKG Associates, Inc., US Census Bureau and American Community Survey

In spite of the high concentration of one-and-two person renters in the study area, there was a larger distribution of two-bedroom or smaller renter units (47%) in the study area, as shown in Table III-18. Over the last decade, most of the increase in rental housing occurred in two-bedroom units, both in the study area and citywide.

3. Renter Households by Housing Type

In 2010, approximately 22% of total households in the study area were renters in 20-unit-or-more buildings, as shown in Table III-19, while another 14% were renters in 2-to-4 unit properties. About 5% of total households were renters in single-unit structures in the study area which was lower than the 3% indicated citywide.

Table III-19 – Renters by Units in Structure

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
Single unit	41	108	67	164%	2.0%	5.2%
2 to 4 units	339	284	(55)	-16.2%	16.7%	13.7%
5 to 9 units	139	142	3	1.9%	6.8%	6.8%
10 to 19 units	115	69	(46)	-40.2%	5.7%	3.3%
20 units or more	426	451	25	5.9%	21.0%	21.7%
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
Single unit	357	336	(21)	-5.9%	3.3%	3.0%
2 to 4 units	1,261	1,280	19	1.5%	11.5%	11.4%
5 to 9 units	312	411	99	31.8%	2.8%	3.7%
10 to 19 units	430	314	(116)	-27.0%	3.9%	2.8%
20 units or more	1,257	1,400	143	11.4%	11.4%	12.5%

Source: US Census; American Community Survey & RKG Associates, Inc.

4. Renter Households by Income and Monthly Rent

The median household income for renters in the study area was almost \$36,790 in 2010 (Table III-20) and was almost 67% less than the median for owners (\$111,420). Despite losses in households earning less than \$50,000 in the study area and citywide over the last decade, approximately 28% of total households in the study area were renters with incomes below \$50,000, as compared to 17% citywide.

Table III-20 – Renter Households by Incomes

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
less than \$25,000	465	455	(10)	-2.1%	22.9%	21.9%
\$25,000 to \$49,999	200	130	(70)	-34.8%	9.8%	6.3%
\$50,000 to \$74,999	157	230	73	46.3%	7.7%	11.1%
\$75,000 to \$99,999	123	99	(24)	-19.4%	6.1%	4.8%
\$100,000 to \$149,000	84	126	42	50.5%	4.1%	6.1%
\$150,000 or more	31	13	(18)	-57.6%	1.5%	0.6%
Median Renter Income	\$32,813	\$36,786	\$3,973	12.1%	N/A	
			Change		% of Total	
MELROSE, MA	2000	2010	#	%	2000	2010
Total Households	10,982	11,213	231	2.1%	100%	100%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
less than \$25,000	1,344	1,216	(128)	-9.5%	12.2%	10.8%
\$25,000 to \$49,999	910	706	(204)	-22.4%	8.3%	6.3%
\$50,000 to \$74,999	746	713	(33)	-4.4%	6.8%	6.4%
\$75,000 to \$99,999	336	566	230	68.3%	3.1%	5.0%
\$100,000 to \$149,000	181	377	196	108.3%	1.6%	3.4%
\$150,000 or more	100	163	63	63.4%	0.9%	1.5%
Median Renter Income	\$39,401	\$47,220	\$7,819	19.8%	N/A	

Source: US Census; American Community Survey & RKG Associates, Inc.

Referring to Table III-21, the median rent in the study area was \$995 in 2010, suggesting an income of around \$40,000 to be considered affordable. However, it is about 8% higher than

the median renter income indicating some renters in the study area may be incurring housing costs in excess of 30% of their income. As shown in Table III-21, median rent in the study area increased by 44% over the last decade, as compared to a 12% increase in median renter income. Housing with rents of \$1,000 or more in the study area and Melrose experienced an almost three-fold increase over the last decade.

Table III-21 – Renter Units by Gross Rent

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
No rent to \$499	396	294	(102)	-26%	19.5%	14.2%
\$500 to \$749	246	56	(190)	-77%	12.1%	2.7%
\$750 to \$999	279	198	(81)	-29%	13.7%	9.5%
\$1,000 to \$1,499	112	377	265	237%	5.5%	18.2%
\$1,500 and up	27	128	101	376%	2.5%	12.2%
Median Gross Rent	\$689	\$995	\$306	44.4%	N/A	
MELROSE, MA	2000	2010	Change		% of Total	
Total Households	10,982	11,213	231	2.1%	100%	100%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
No rent to \$499	1,028	821	(207)	-20%	9.4%	7.3%
\$500 to \$749	789	246	(543)	-69%	7.2%	2.2%
\$750 to \$999	1,247	579	(668)	-54%	11.4%	5.2%
\$1,000 to \$1,499	475	1,236	761	160%	4.3%	11.0%
\$1,500 and up	78	859	781	1002%	2.2%	23.0%
Median Gross Rent	\$760	\$1,116	\$356	46.8%	N/A	

Source: US Census; American Community Survey & RKG Associates, Inc.

5. Renter Households by Move in Period

Approximately 800 renters moved into their unit in the study area over the last decade, which accounted for 76% of renter households or 39% of total households. Citywide, about 79% of the renter households moved into their unit over the last decade, as shown in Table III-22. This includes about 60% that moved into their unit since 2005. On average, renter turnover was 280 households per year in Melrose over the last decade, including 80 renters a year in the study area. This equates to a turnover rate of 7.6% citywide, and 7.7% in the study area.

Table III-22 – Renters by Move in Period

CENSUS TRACT	2000	2010	Change		% of Total	
			#	%	2000	2010
Total Households	2,031	2,076	45	2.2%	100%	100%
Renter Households	1,062	1,054	(8)	-0.8%	52.3%	50.8%
Renters by Move In (2010 only)			AVG/Yr	%Renter	%Total	
2005 or later	530		106	50.3%	25.5%	
2000 to 2004	278		56	26.4%	13.4%	
1990 to 1999	177		18	16.8%	8.5%	
1980 to 1989	14		1	1.3%	0.7%	
prior to 1980	55		N/A	5.2%	2.6%	
MELROSE, MA	2000	2010	Change		% of Total	
Total Households	10,982	11,213	231	2.1%	100%	100%
Renter Households	3,623	3,741	118	3.3%	33.0%	33.4%
Renters by Move In (2010 only)			AVG/Yr	%Renter	%Total	
2005 or later	2,236		447	59.8%	19.9%	
2000 to 2004	714		143	19.1%	6.4%	
1990 to 1999	554		55	14.8%	4.9%	
1980 to 1989	87		9	2.3%	0.8%	
prior to 1980	149		N/A	4.0%	1.3%	

Source: US Census; American Community Survey & RKG Associates, Inc.

6. Conclusions

The Cedar Park Station study area had a higher renter concentration (51%) in 2010 than the City of Melrose (33%); however the former experienced a 1% decline in renters, while the latter had a 3% gain. Most of the increase in renter households citywide occurred in baby-boom generation (age 45 to 64) and a similar shift occurred in the study area. However, the study area had a higher concentration of elderly renters in 2010 and young professional renters than the city as a whole.

In 2010, the average household size of renters in the study area increased but remained less than citywide. Most of the decline in the study area was in two-person households, while gains in 3-person or larger households were experienced. In 2010, one-and-two person renter households represented nearly 43% of total households in the study area, as compared to 27% citywide. In spite of the high concentration on one-and-two person renters in the study area, there was a larger distribution of two-bedroom or smaller units (47%).

The Cedar Park Station study area had a higher concentration of renters living in 20-unit-or-more structures and single-unit structures than citywide. The median renter income (\$36,790) in the study area was 67% less than the owner median income. Approximately 28% of total households in the study area were renters earning less than \$50,000, and this was a higher concentration than citywide (17%). The median rent (\$995) in the study area increased by 44% over the last decade, as compared to a 12% gain in median renter income. The number of apartments renting for \$1,000 or more almost tripled over the last decade in the study area and the city. Renter turnover in the Cedar Park Station study area and the City of Melrose averaged about 8% per year over the last decade. This equated to about 280 renter households citywide per year, including 80 renters per year in the study area.

E. Select Rental Apartment Activity

An inventoried sample of apartment complexes in Melrose is summarized in Table III-23:

- The average complex is about evenly split between 1-bedroom and 2-bedroom units, averaging 830 SF and 1,200 SF, respectively.
- The complex closest to the Cedar Park Station, 99 Essex Street, has relatively few units compared to those with greater land area to develop.
- The average 2-bedroom asking lease rate is \$2,500 and is \$2,000 for a 1-bedroom.
- As of March 2013 the average occupancy rate for the sampled apartments was nearly 96%, but Alta Stone has just opened, reportedly leasing is soft as this time.
- Alta Stone has 155-units under construction, projected to be available within a year.

Table III-23 – Sampled Apartment Inventory - Unit Mix, Size, Pricing

Melrose, MA - Apt Survey	# of Units	Occ % March	Average 1 BR / 1 Bath				Average 2 BR / 2 Bath			
			SF	Lease	\$/SF	% Units	SF	Lease	\$/SF	% Units
Windsor at Oak Grove	550	96.0%	816	\$1,932	\$2.37	50%	1,191	\$2,485	\$2.09	50%
Alta Stone Place /1	67	NA	856	\$2,313	\$2.70	46%	1,211	\$2,649	\$2.19	45%
99 Essex Street	15	86.7%	812	\$1,793	\$2.21	47%	1,191	\$2,350	\$1.97	53%
Average	211	95.8%	828	\$2,013	\$2.43	50%	1,197	\$2,495	\$2.08	50%

Source : RKG Associates, Inc.

/1 Also offers 3-BR units, avg 1,485 SF at \$3,435 or \$2.31/SF

Windsor at Oak Grove – 550 unit apartment community (closer to the Oak Grove Station) built in two phases, one in 2006 and the other in 2009. According to a leasing representative both phases (at 320 units and then 220 units) were fully leased within a year of completion (averaging 45 units per month). Amenities include fitness center, pool, media center, on-site trails and paths, as well as adjacency to the Pine Bank Park. Average 1-bedroom units are \$1,930/month and 2-bedroom units are \$2,485/month.



Figure III-3 – Windsor at Oak Grove

Alta Stone Place – this recent conversion of a former factory into apartments has just completed phase 1 and opened with 67-units, including a 1-bedroom and 2-bedroom mix. Conversations with a leasing agent indicated that perhaps 10% of the units are leased. A second phase calls for an additional 155-units, likely to be completed within a year. Amenities include a clubhouse, fitness center and pool.



Figure III-4 – Alta Stone Place

99 Essex Street – this is a redevelopment of former office space (a church prior to that use) into 15-unit apartments with a mix of 1-bedroom and 2-bedroom. Reportedly the purchase price was \$825,000 and building investment was \$1.5 million (averaging \$155,000/unit). All 13 market units were leased within a month after completion. The property is in easy walking distance to the Cedar Park Station and the core downtown business district. Average lease rates



Figure III-5 – 99 Essex Street

are \$1,790 for 1-bedroom units and \$2,350 for 2-bedroom units. Conversations with a broker representing the property indicated that the two affordable units would soon be going to lottery.

1. Conclusions

Although somewhat limited in size, the inventoried sample of Melrose apartments indicates a high occupancy rate of nearly 96% and average rents for 1-bedroom units at \$2,000 and for 2-bedrooms at \$2,500. The units at Alta Stone have recently been completed and are just

leasing as of this analysis. An additional phase of 155 units is planned for this complex, as well as a potential nearby 92-units on Washington Street (with a retail component).

F. Other Market Indicators

This section identifies other known activity in Melrose, particularly regarding residential development and presents an overview of retail spending demand and potential supportable development.

1. “Pipeline” Projects in Melrose

Conversations with a leasing representative for the newly opened Alta Stone Place (67-units) indicated that phase 2 is under construction, to include 155-units. These are to be a mix of 1-bedroom and 2-bedroom units. The recently opened units are leasing at a somewhat slow pace (less than 10% occupied within the first few weeks) at the present time. Additionally, the City Planner indicated that 92-units were planned for development on Washington Street (with a possible retail component) nearby to the Alta Stone Place. Discussions with the City of Melrose Planner indicated that a developer has expressed interest in multi-family housing near the Cedar Park Station, perhaps as many as 150-units. However, at this time there are no parcels available for development (or redevelopment).

2. Retail Potential

The existing (2010) households in the Cedar Park Station study area account for more than \$58 million in spending demand for selected retail goods and services (Table III-24). Based on average sales volumes (on a per SF Basis) this spending demand equates to an estimated supportable 156,200 SF of retail. Much of this demand may be currently met by existing merchants and retailers in Melrose and neighboring communities, but not likely all, as all markets experience some degree of “sales leakage”. Sales leakage represents the local demand that is not being captured by local merchants.

Considering the proximity of the Cedar Park Station to the very busy and eclectic downtown business district, coupled with growth in higher income owners and younger renters, in RKG’s opinion there exists market opportunity for additional retail and storefronts in the downtown. This could come about as any new residential development comes on line, increased ridership and utilization of the Cedar Park Station and an increased penetration (i.e., market share) among existing households. RKG encourages the sharing of these findings (as in Table III-24) with local merchants and/or the Chamber of Commerce.

Table III-24 – Consumer Spending Demand and Development Potential

Residential Retail Demand Analysis Comparative HH Demand & Sales	Demand per Household	Potential NEW Households	Potential SF Demand
Major Merchandise Line (NAICS code)	\$27,949	\$58,022,291	156,269
Furniture and Home Furnishings Stores-442	\$899	\$1,866,803	7,718
Furniture Stores-4421	\$498	\$1,033,858	3,446
Home Furnishing Stores-4422	\$401	\$832,944	4,272
Electronics and Appliance Stores-443	\$949	\$1,969,216	6,860
Household Appliances Stores-443111	\$160	\$332,608	2,146
Radio, Television, Electronics Stores-443112	\$534	\$1,108,347	3,167
Computer and Software Stores-44312	\$210	\$435,711	1,263
Camera and Photographic Equipment Stores-44313	\$45	\$92,550	285
Building Material, Garden Equip Stores -444	\$3,894	\$8,084,035	24,744
Home Centers-44411	\$1,434	\$2,976,259	8,044
Paint and Wallpaper Stores-44412	\$87	\$181,396	981
Hardware Stores-44413	\$350	\$727,189	3,931
Other Building Materials Dealers-44419	\$1,014	\$2,105,642	4,954
Building Materials, Lumberyards-444191	\$668	\$1,385,991	3,465
Outdoor Power Equipment Stores-44421	\$32	\$67,453	321
Nursery and Garden Centers-44422	\$308	\$640,103	3,048
Food and Beverage Stores-445	\$5,584	\$11,591,743	26,272
Supermarkets, Grocery (Ex Conv) Stores-44511	\$4,816	\$9,997,621	23,524
Convenience Stores-44512	\$251	\$521,085	1,390
Specialty Food Stores-4452	\$161	\$333,921	661
Beer, Wine and Liquor Stores-4453	\$356	\$739,115	697
Health and Personal Care Stores-446	\$2,215	\$4,598,006	9,711
Pharmacies and Drug Stores-44611	\$1,900	\$3,944,358	7,585
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$78	\$161,761	368
Optical Goods Stores-44613	\$95	\$197,252	647
Other Health and Personal Care Stores-44619	\$142	\$294,635	1,112
Clothing and Clothing Accessories Stores-448	\$2,146	\$4,455,650	14,733
Men's Clothing Stores-44811	\$101	\$209,367	665
Women's Clothing Stores-44812	\$388	\$805,747	2,686
Children's, Infants Clothing Stores-44813	\$80	\$165,222	493
Family Clothing Stores-44814	\$814	\$1,689,948	7,191
Clothing Accessories Stores-44815	\$38	\$78,219	372
Other Clothing Stores-44819	\$102	\$211,078	797
Shoe Stores-4482	\$282	\$586,121	1,776
Jewelry Stores-44831	\$318	\$660,118	629
Luggage and Leather Goods Stores-44832	\$24	\$49,830	125
Sporting Goods, Hobby, Book, Music Stores-451	\$851	\$1,766,144	7,590
Sporting Goods Stores-45111	\$301	\$625,808	2,608
Hobby, Toys and Games Stores-45112	\$182	\$378,669	1,993
Sew/Needlework/Piece Goods Stores-45113	\$38	\$78,528	582
Musical Instrument and Supplies Stores-45114	\$55	\$115,165	523
Book Stores-451211	\$182	\$377,291	1,237
News Dealers and Newsstands-451212	\$9	\$19,381	36
Prerecorded Tapes, CDs, Record Stores-45122	\$83	\$171,302	612
General Merchandise Stores-452	\$5,636	\$11,700,489	27,462
Department Stores Excl Leased Depts-4521	\$2,774	\$5,758,840	11,404
All Other General Merchandise Stores-45299	\$2,862	\$5,941,649	16,059
Miscellaneous Store Retailers-453	\$1,123	\$2,330,443	10,040
Florists-4531	\$84	\$174,752	583
Office Supplies and Stationery Stores-45321	\$264	\$548,850	1,996
Gift, Novelty and Souvenir Stores-45322	\$196	\$407,140	2,545
Used Merchandise Stores-4533	\$101	\$208,784	788
Other Miscellaneous Store Retailers-4539	\$477	\$990,917	4,129
Foodservice and Drinking Places-722	\$4,653	\$9,659,764	21,139
Full-Service Restaurants-7221	\$2,106	\$4,372,826	10,052
Limited-Service Eating Places-7222	\$1,954	\$4,055,522	7,510
Special Foodservices-7223	\$384	\$796,211	2,488
Drinking Places -Alcoholic Beverages-7224	\$210	\$435,205	1,088

Source : Claritas and RKG Associates, Inc.

IV. MARKET CONCLUSIONS AND RECOMMENDATIONS

This chapter identifies annual demand for housing in Melrose based on five-year forecasts obtained from *DemographicsNow* and key characteristics from US Census data. The annual demand is allocated to owners and renters by age, income and pricing and includes RKG’s conclusions.

A. Forecasted Annual Household Demand (2012-2017)

In estimating future demand for housing in the City of Melrose, RKG utilized *DemographicNow*’s 5-year household forecasts coupled with turnover rates in housing and other factors derived from US Census data to formulate an annual forecast of housing demand over the next five years.

As shown in Table IV-1, annual demand is estimated at about 600 households, including 275 owner households and 320 renter households. This represents a 46% owner and 54% renter split, indicating higher demand for rental properties over the next five years. However, only 3.5% of this total demand is the result of new growth, and the remainder is turnover.

Based on trends in permit data in relationship to household growth over the last five years, RKG estimates new housing would represent about 5% of owner and renter demand. As shown in Table IV-1 that would equate to an average of about 10 to 15 owner units annually and 15 to 20 renter units annually, or a combined total of 25 to 35 new units per year.

Table IV-1 – City of Melrose: Annual Demand for Housing (2012-2015)

	Owner	Renter	Total
Five-year growth in H'holds	36	69	105
Annual AVG	7	14	21
Annual Turnover	266	308	573
Total Households	273	321	594
New Construction [1]	14	16	30
[1] 5% of households for new construction			
Source: Demographics NOW; US Census & RKG Associates, Inc.			

1. Affordability of Owning and Renting

In order to quantify future demand for housing by different age and income levels, it is necessary to establish a range in home values and monthly rents that would be affordable at different income levels. Based on current financial assumptions as noted in Table IV-2 a range in home values and monthly rents are estimated. As indicated, households with annual earnings of \$100,000 or more could afford homes of \$420,000 and up, noting that the median single-family price in 2012 was \$403,000 in Melrose. The median selling price for condominium units was just under \$210,000, which would be affordable to a household earning between \$40,000 and \$60,000 depending on the down-payment. In terms of monthly rents, households with earnings of \$100,000 or more could afford a monthly rent of \$2,500, which would be consistent with average monthly rents for 2-bedroom (\$2,500) units in the limited sample inventory in Melrose.

Table IV-2 – City of Melrose: Affordability of Owning & Renting (March 2013)

Gross Income	Ownership [1]		Monthly Rent [2]
	Low Value	High Value	
\$40,000	\$165,000	\$200,000	\$1,000
\$60,000	\$245,000	\$305,000	\$1,500
\$75,000	\$315,000	\$380,000	\$1,875
\$100,000	\$420,000	\$510,000	\$2,500
\$125,000	\$525,000	\$635,000	\$3,125
\$150,000	\$625,000	\$765,000	\$3,750
[1] Financial Assumptions			
	Low Value	High Value	
Interest Rate	4.00%	3.25%	
Term	30	30	
Downpayment	5%	20%	
RE TAXES/1000	\$13.03	\$13.03	
Insurance /1000	\$4.00	\$4.00	
Cost as % of Income	30%	30%	
[2] Rental Cost factored at 30% of gross income			
Source: RKG Associates, Inc.			

2. Annual Demand for Units by Price Range and Conclusions

Table IV-3 exhibits average annual owner demand for housing in Melrose over the next five years by age, income and home value. Approximately 82% of demand would be from households earning \$125,000 or more, including 47% of this group in the two baby-boom generation cohorts (age 45 to 64). Another 30% of the demand would come from households earning \$100,000 to \$124,999, including 54% of this group in the two baby-boom generation cohorts. Owner households in the 35 to 44 age group would account for 25% of annual owner demand, while another 19% comes from elderly households.

Table IV-3 – City of Melrose: Annual Owner Demand by Age, Income & Value (2012-2015)

Income Range	< 35	Age 35	Age 45	Age 55	Age 65	Total	% of Total	Home Value Range
	years	to 44	to 54	to 64	& up			
Less than \$40,000	(2)	(0)	(2)	(3)	(3)	(11)	-4%	\$165,000 or less
\$40,000 - \$59,999	(1)	(3)	(5)	(7)	(1)	(18)	-6%	\$165,000 to \$305,000
\$60,000 - \$74,999	(2)	(2)	(4)	(3)	2	(9)	-3%	\$245,000 to \$380,000
\$75,000 - \$99,999	0	(1)	1	(5)	8	4	1%	\$315,000 to \$510,000
\$100,000-\$124,999	9	19	33	11	10	81	30%	\$425,000 to \$635,000
\$125,000 & up	30	53	49	56	35	224	82%	\$525,000 & up
Total	34	67	72	49	51	273	100%	
% of Total	12%	25%	26%	18%	19%	100%		

Source: Demographics NOW; US Census & RKG Associates, Inc.

Assuming that 5% of owner demand would be channeled to new construction most of that would likely be targeted for households earning \$100,000 or more, that could afford new single-family homes in excess of \$420,000, since it represents the largest group of owner activity (304 households per year). Most of this demand (70% to 80%) would seek single-family homes suggesting demand for new condominiums would be much smaller. However, the reported success of the New Cedar Crossings project (14 presales of the 16 units under construction) indicates condominium buyers may capture a larger share in the future. Any new project built within the Cedar Park Station study area, assuming available sites, should be relatively small (16 to 20 units) given these demand indicators. Two-bedroom units appear to be the preference, although a few larger 3-bedroom units may be more desirable for downsizing empty-nesters.

Table IV-4 exhibits average annual renter demand for housing in Melrose over the next five years by age, income and monthly rent. Approximately 58% of demand would come from households earning less than \$60,000 that could afford rents of up to \$1,500/month. Approximately 36% of the renter demand would come from elderly households, with 20% from households younger than age 35. Most (61%) of the former group could afford rent of \$1,000 or less, while most (64%) of the latter group could afford rents of \$1,500 or more.

Table IV-4 – City of Melrose: Annual Renter Demand by Age, Income & Rent (2012-2015)

Income Range	< 35 years	Age 35 to 44	Age 45 to 54	Age 55 to 64	Age 65 & up	Total	% of Total	Monthly Rent Range
Less than \$40,000	15	11	12	24	71	131	40.9%	\$1,000 or less
\$40,000 to \$59,999	9	6	12	11	19	55	17.2%	\$1,000 to \$1,500
\$60,000 to \$74,999	8	3	7	5	8	31	9.6%	\$1,500 to \$1,875
\$75,000 to \$99,999	7	5	4	8	6	30	9.2%	\$1,875 to \$2,500
\$100,000 to \$124,999	13	6	6	4	4	33	10.3%	\$2,500 to \$3,125
\$125,000 & up	14	4	7	7	8	41	12.8%	\$3,125 & up
Total	65	34	48	58	116	321	100%	
% of Total	20%	11%	15%	18%	36%	100%		

Source: Demographics NOW; US Census & RKG Associates, Inc.

Referring to Table IV-4, another 44% of demand would come from renters in the three cohorts, age 35 to 64; however, only 36% of that demand would come from households that could afford rents of \$1,875 or higher. About one-third of total annual demand comes from renters earning \$75,000 or more, and nearly 32% would be younger households (less than 35), and likely the target for any proposed rental project in the Cedar Park Station study area.

In absolute terms, total demand from renter households earning \$75,000 or more equals 104 households per year; however, the likelihood of a large project seems unreasonable since only a small amount (5%) would be channeled for new construction, and more reliance of turnover would be needed to support new construction. This seems to be the case, as evident by the successful lease-up of 99 Essex Street where reportedly all 13 market rate apartments were under lease within a month, suggesting that a rental project of 30 to 40 units may be possible in the study area over the near term.

V. APPENDIX

This chapter offers a comparative review of selected Boston area communities which have completed or are in the process of planning/considering a downtown Transit Oriented Development (TOD) area featuring mixed-use construction. There are “*a number of large scale, amenitized, transit-oriented master planned communities in progress in the Metro Boston suburbs. Three key demographic segments are driving this demand for mixed-use product in the suburbs. These groups – Baby Boomers wishing to ‘age in place’ in the area, maturing Gen-Xers loathe to sacrifice cosmopolitan amenities, and Millenials [or Generation Yers] priced out of closer-in locations – represent strong demand pools for this emerging development type.*”² The communities are located in the suburbs of Boston, have direct access to the MBTA commuter rail system, and may offer some “lessons learned”.

A. Concord, MA

Concord is located 15 miles northwest of Boston, half the way along the Fitchburg MBTA commuter line. The population of Concord is approximately 17,000 with a median annual household income of around \$116,000. In the late 1980’s the Town created a long term development plan intended to outline development in Concord. A parcel of particular interest to the plan was a parcel located adjacent to the Town’s MBTA commuter rail station. The site, which would become the Concord Common development, was approximately 2.7 acres in size and located about one-third mile from the center of the Town.

MBTA Line	Fitchburg
Distance to Boston	15 miles
# Residential Units	20
Office	11,000 sq ft
Retail	11,000 sq ft
Developed Lot Size	2.7 acres

Table V-1 – Concord Common TOD Development

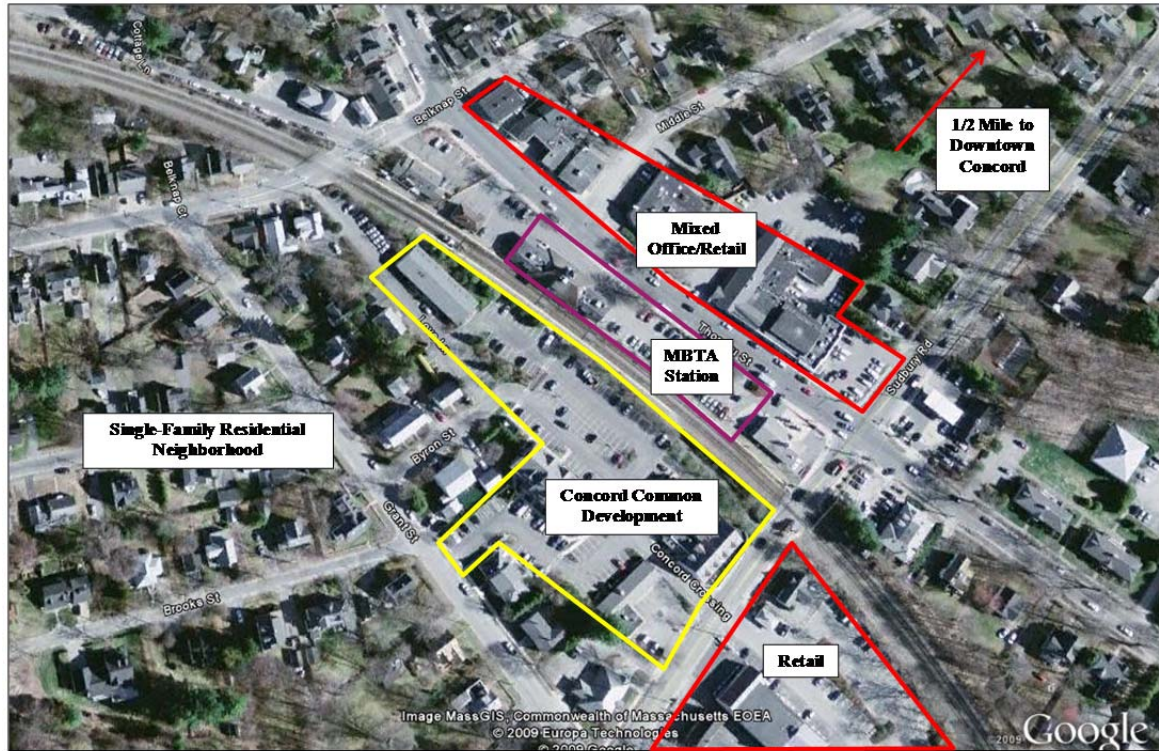
1. Pre Development

Prior to redevelopment, Concord Common was a lumberyard which ceased operation in the early 1990’s. The site stood out as an excellent possibility for redevelopment due to its proximity to the commuter rail station and to the center of Concord. The area surrounding the site was for the most part a single family residential community with scattered retail locations close to the station. These retail sites included a gas station, local grocery store, and a chain restaurant.

2. Post Development

The Concord Common development consists of three mixed-used buildings with retail, office and residential space, including a 180 seat restaurant. The residential section is made up of 20 market rate apartments with adjacent parking. Initially, the Town wanted two of these units to be deemed as affordable, however, after negotiations, the developer agreed to provide four affordable units at a different location in Concord, and all of Concord Common’s units are currently rented at market rates.

² From the *Boston Housing Market Outlook 2010*, December 2009, The Concord Group Real Estate Advisors.



Map V-1 – Concord Commons TOD and Surrounding Area

The site holds approximately 11,000 SF of office space, currently occupied by an insurance company and a non-profit educational facility, with the space along Washington Street currently vacant. There is approximately 11,000 SF of retail space with uses including a computer store, an Italian market, several restaurants and eateries. Redevelopment zoning for the site required that 146 parking spaces be constructed to support the new development, as well as provide commuter parking. The final number of spaces was negotiated down to 126, as the developer was able to show that space sharing could successfully meet the demand for parking. Approximately 15 of these spaces are dedicated to commuter parking. The area surrounding the commuter rail station and the Concord Common development remains a mostly residential community. However, there has been an increase in the amount of retail and office use within 0.2 miles since the Concord Common was completed. Some of these additional retail uses include banks, a pharmacy, gas stations, and grocery and specialty food stores. Whether this additional development is linked to the activity at the Concord Common is difficult to estimate. As part of the development, the Concord Planning Board was also able to negotiate the inclusion of a small garden area adjacent to the development's parking area for residents to enjoy. In addition, the developer agreed to provide a landscaped pathway to the station from Sudbury Road, which runs perpendicular to the rail line.

3. Conclusions

The Concord Common redevelopment represents a small-scale transit oriented development which has met with relative success. The goals which the Town set out to achieve were met, and a vibrant, well-designed mixed-use project was constructed. The area surrounding both the station and the development has seen relatively successful growth since the completion of

the project, contributing to the local economy and increasing the green space within the Town. Some key elements of the Concord Common development's success include:

- The Town's ability to lay out a well-thought out plan of what it wanted to achieve with the redevelopment.
- The selection of a developer who understood what the Town wanted, and was willing to cooperate to insure that all parties benefitted from the project.
- Along with these, the Town also demonstrated a willingness to cooperate with the developer so that the project would move forward.

B. Canton, MA

Canton is a community of approximately 22,000 located 15 miles southwest of Boston. Canton is situated one stop away from the terminus of the Stoughton branch of the Stoughton/Providence commuter line. The Town has a median annual household income of \$70,000.

MBTA Line	Stoughton
Distance to Boston	15 miles
# Residential Units	138
Office/Retail	35,000 sq ft
Developed Lot Size	13 Acres

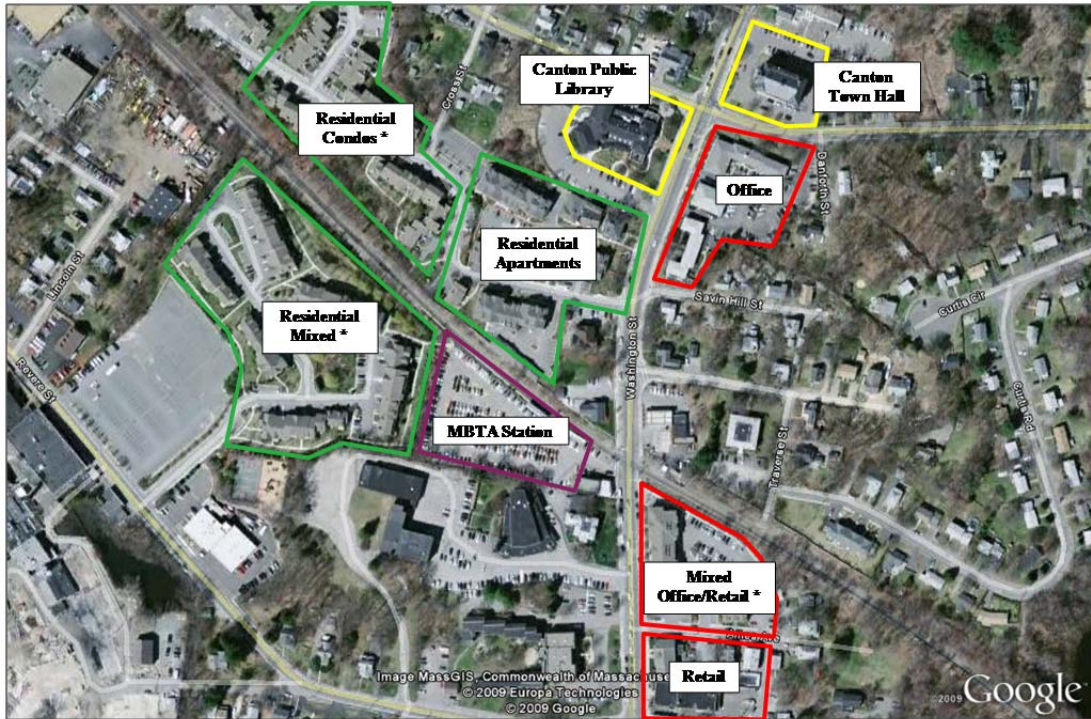
Table V-2 - Canton, MA TOD Development

1. Pre Development

In the late 1990's, in the midst of a local economic decline, Canton saw many of its businesses close or relocate due to competition from nearby malls and office centers. Hoping to stem this economic loss and revitalize the Town's economy, Canton undertook a project to redesign the vision for the Canton Center area, which centers on the MBTA commuter rail station. The result of this effort was the Canton Center Economic Opportunity District Bylaw, a redevelopment initiative which led to significant increase in development around the Canton Center station. The new bylaw increased allowable residential unit density to one per 2,000 SF (approximately 21 units per acre) and allowed for 3,000 SF of commercial space per 10,000 SF of land area. It also encouraged mixed-use development and allowed for shared parking for two or more uses that have different peak demand times.

2. Post Development

The rezoning served as the catalyst for development in the area around the station and downtown. Since the passing of the bylaw, five new housing developments have been constructed within a five minute walk of the station, with three located directly adjacent to it with a combined 138 units, evenly split between apartments and condominiums.



Map V-2 – Canton Center Station TOD and surrounding area

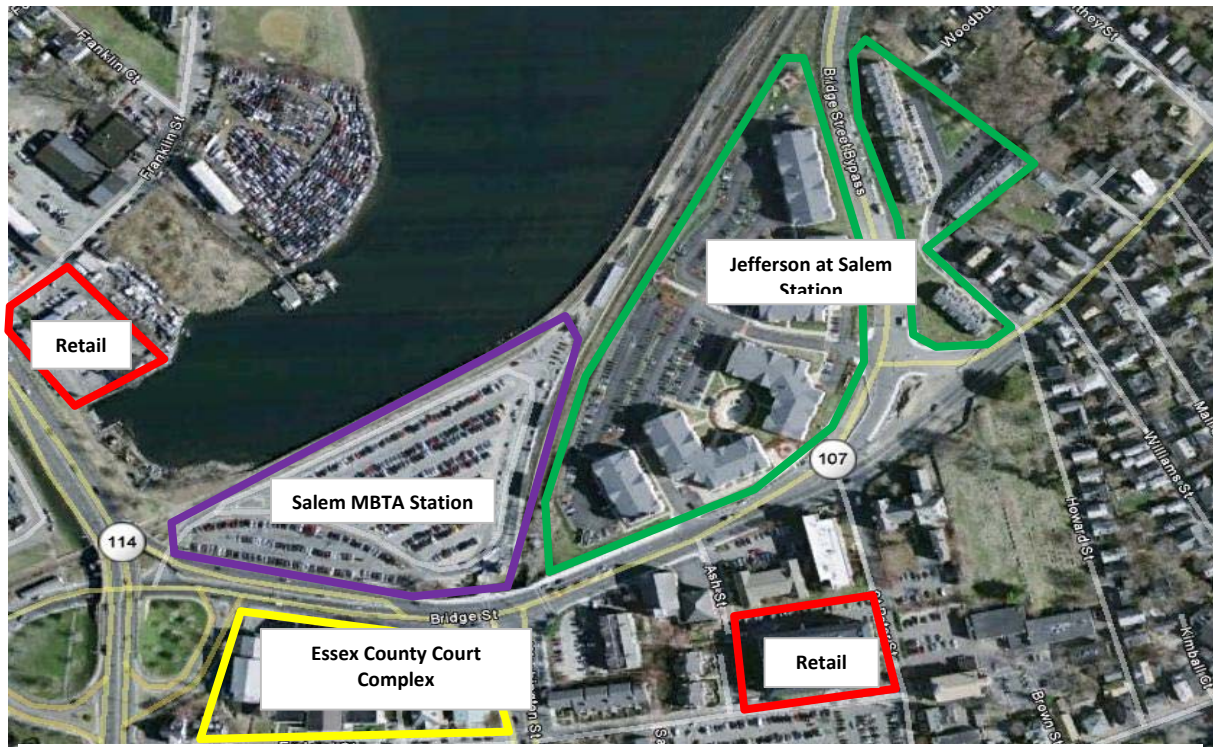
The community adjacent to the commuter parking lot is connected to the commuter station by a paved walkway granting easy access to residents. The new bylaw also led to the development of a mixed-use project along Washington Street, which runs perpendicular to the rail line. The development is approximately 35,000 SF of mixed retail/office space and includes a large adjacent parking lot. Tenants in the building include a law office, dental practice, doctor's office, a local convenience store and food pantry.

3. Conclusions

While not based directly on a single parcel like Concord, the overall redevelopment of the area around Canton Center Station is a good example of how development minded zoning reform can serve as a catalyst for economic and community growth. Through its new bylaw and a strong understanding of the value provided by its commuter rail station, the Town of Canton was able to encourage the conversion of underutilized space to modern, transit oriented development projects.

C. Salem, MA

Salem is a city of approximately 41,000 located 15 miles north of Boston. Its MBTA commuter station lies on the Newburyport/Rockport line, and services both commuters to Boston and tourists visiting Salem's historic sites. The station is located near the center of downtown Salem, close to retail locations and residential districts.



Map V-3 – Salem Station, the Jefferson and Adjacent Uses

Immediately adjacent to the station is the residential complex Jefferson at Salem Station. Reportedly many of the residents utilize the T-station in order to reach jobs and destinations in and around Boston. Given its location, the Jefferson also provides residents with easy access to shops and services in downtown. The Jefferson represents a successful land redevelopment project based largely on the presence of easily accessible public transit. The presence of the MBTA station contributes to the viability and value of the residential project, which in turn contributes to the growth and economic prosperity of downtown Salem. While not a mixed-use project, it demonstrates the benefits of locating residential development adjacent to a mass transit location within a downtown environment.

D. Framingham, MA

The Town of Framingham is located about 20 miles west of Boston on the Worcester MBTA line, with a median household income of \$54,000 per year and a population of approximately 64,000. Framingham embarked upon an effort to identify locations around its downtown area suitable for redevelopment efforts. The study isolated two parcels immediately adjacent to the town's MBTA commuter station as prime locations for potential TOD projects. These parcels have been identified as potential TOD sites, given their proximity to downtown Framingham and its services. The northern parcel is approximately 6-acres in size, while the southern parcel is approximately 5.7-acres. The northern parcel in Framingham is owned by CSX Corporation, and is currently used as an active rail-yard, suggesting that CSX would need to relocate its activities if a mixed-use TOD were to be pursued. The southern parcel is owned by various private entities, with uses ranging from parking lots to commercial retail and office uses.