IV. ECONOMIC MARKET

A. OVERVIEW

The following report summarizes background economic research and analysis to provide a basis for making market-based recommendations relative to the West Rutland & Rutland Town Smart Growth Connection Plan. The analyses and preliminary findings should be regarded as discussion points for further assessment and fact-finding regarding recommendations for Study Area improvements.

The defined corridor is the focus of the study. However, it is important to be aware the Study Area is not an "island" with respect to economic and market forces. Rather, current and potential land uses in the Study Area respond to economic forces that are regional, statewide and national in scope. For that reason, the assessment of current conditions in the market looks well beyond the local area.

This section builds on the Study Area land use characteristics described in **Section II**.

B. BACKGROUND MARKET TRENDS

1. OVERVIEW

Development and related real estate activity are inevitably local affairs. However, there is little doubt that the macro-economy plays a significant role in local events. Ongoing national and regional trends in employment, personal income and housing permitting all exert a strong influence over the rate of development in Rutland County and within the study corridor.

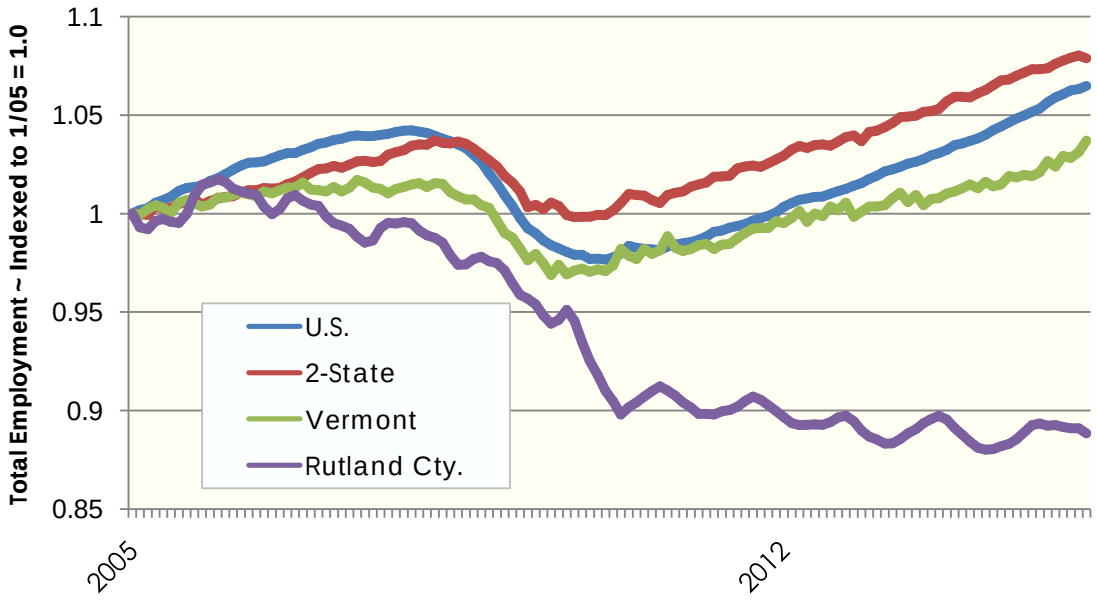
The following series of illustrations and tabular data compare national (U.S.) level trends with trends at the regional, statewide and county level as backdrop to the exploration of potential new development in the study corridor. Where available, the discussion also includes projection-based data.

2. CORE ECONOMIC INDICATORS

a. Employment

Chart A-1 compares recent total employment trends at the U.S. '2-State' (Vermont & New York combined), Vermont and Rutland County levels. In this instance, the data is *indexed* to show January 2005 employment levels equal to 1.0, providing a basis for comparative assessment of trends at all the geographic levels. In this instance, "indexed" means that the levels of employment for the earliest date shown on the Chart are all set equal to 1.0. This provides a basis for comparing ongoing change at each level of geography.

Chart A-1: Indexed Employment Trends: U.S., 2-State, Vermont, Rutland County (January 2005 to April 2015)



Source: U. S. Bureau of Labor Standards, Vermont Department of Employment

While employment at all four geographic levels reflects the impact of the recent recession during the 2008 to 2010 period, U.S., 2-State and Vermont employment levels have all shown steady increases since early 2010, but Rutland County employment has continued to track downward since 2010.

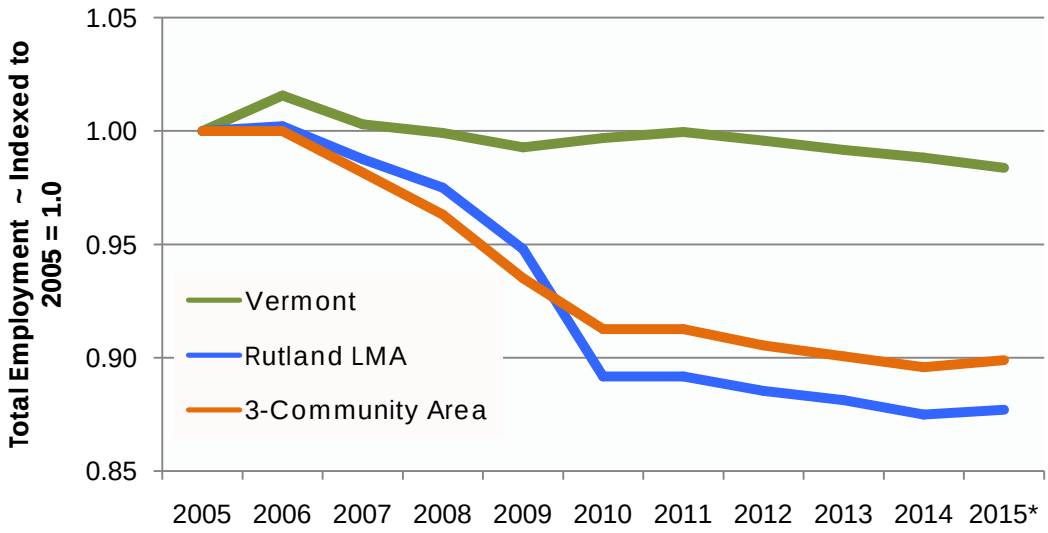
Chart A-2 shows a more localized assessment of comparative employment trends, this time comparing Vermont and the Rutland Labor Market Area (LMA). The Rutland LMA includes: Rutland City, Rutland Town, West Rutland,

Middletown Springs, Ira, Clarendon, Wallingford, Shrewsbury, Mendon, Chittenden, Pittsford, Castleton, Proctor, and Pittsford; and the "3-Community Area" (West Rutland, Rutland Town, Rutland City). Again the data is indexed to 2005 = 1.0 for comparative purposes.

Overall, Vermont's employment level has not changed dramatically since 2005. However, employment levels for the Rutland LMA and 3-Community Area have decreased significantly. On the positive side, year 2015 data appears to indicate that local employment has stabilized.

The employment forecast for Vermont is generally positive; as **Table A-16** on the next page shows.

Chart A-2: Indexed Employment Trends: Vermont, Rutland LMA, 3-Community Area (2005 to April 2015)



Source: Vermont Department of Employment. 2015 data for April. Although Rutland City is not included in the study corridor, employment trends in the city are clearly of significance to the study corridor.

Vermont employment is projected to increase at an average annual rate of 1.5 percent between 2015 and 2018.

Table A-16: Employment Forecast: 2012 – 2018 Forecast Percent Annual Change

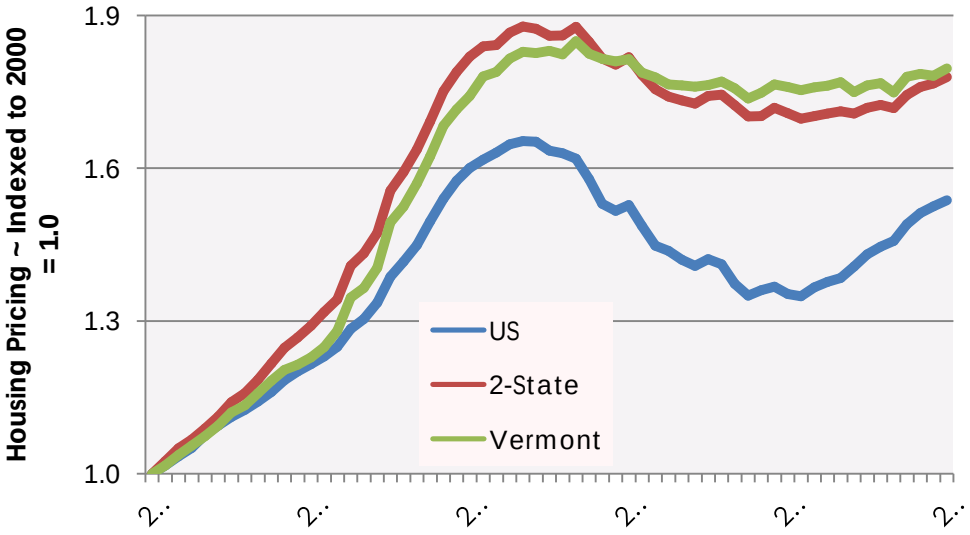
	Recent			Forecast			
	2012	2013	2014	2015	2016	2017	2018
Employment							
U.S.	1.7%	1.7%	1.8%	2.4%	2.4%	1.3%	0.5%
Vermont	1.3%	0.5%	1.2%	2.0%	1.9%	1.5%	0.9%

Source: NEEP October 2014 forecast.

b. Housing – Pricing and Permits

Housing pricing is a key economic statistic, as it serves as a relatively direct indicator of U.S. wealth. **Chart A-3** compares the U.S., 2-State (VT & NY) and Vermont alone in terms of change in housing pricing. The data is indexed to year 2000 = 1.0.

Chart A-3: Indexed Housing Pricing: U.S., 2-State, Vermont (2000 – 1Q 2015)

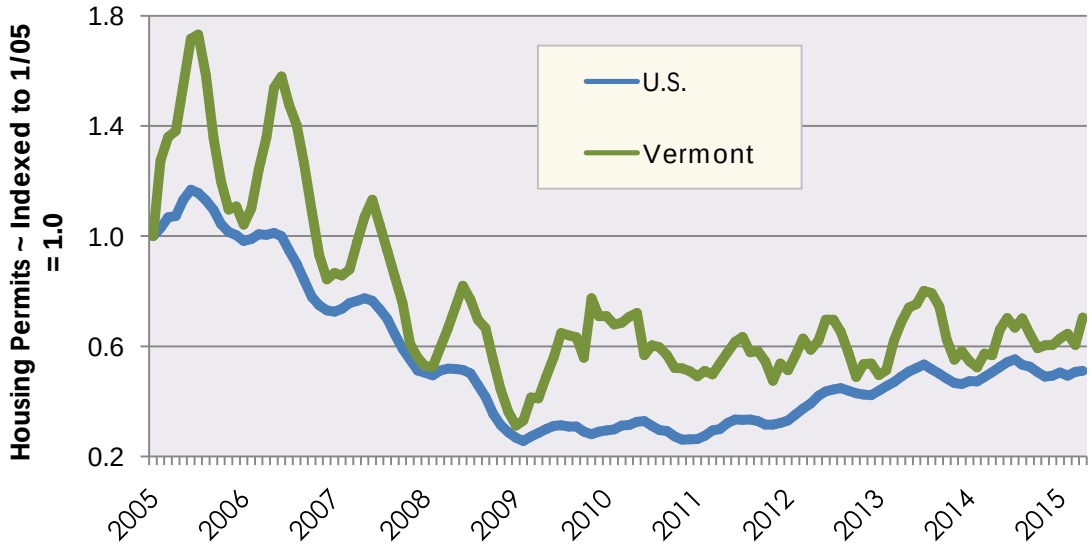


The bottom axis is in three year increments. Source: Federal Housing Finance Agency.

After a steady/strong rate of increase through the mid-2000s, housing pricing fell at all levels through to 2011 – albeit at a less extreme rate in Vermont/New York than for the U.S. as a whole. Since 2012, U.S. housing pricing has improved at a strong rate, while regional pricing (Vermont/New York) has only recently begun to show steady increase.

Chart A-4 below compares trends in housing permits for the U.S. and Vermont for the period January 2005 to current. Again, the data is indexed to year 2005 = 1.0.

Chart A-4: Indexed Housing Permits: U.S., Vermont (2005 – 2015)



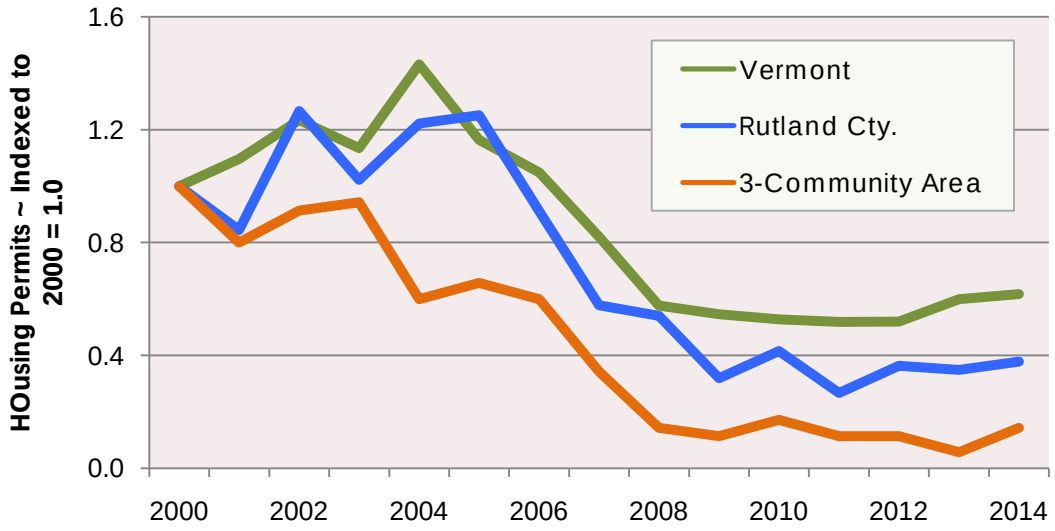
Source: Federal Reserve Bank, Boston. 2015 data through April

Housing permits fell precipitously at both the U.S. and Vermont levels from 2005 to 2009. Since then, both the U.S. and Vermont have experienced only gradual recoveries.

Chart A-5 on the next page takes a more localized view of housing permit trends, comparing indexed trends for Vermont, Rutland County and the 3-Community Area; the data is indexed to year 2000 = 1.0.

The recent decrease in housing development activity has been more pronounced at the local level than at the statewide level. In Rutland County, year 2014 permits were at only 40 percent of the level of year 2000; for the 3-Community Area, 2014 permits were at only 14 percent of the level of year 2000. Local housing permit trends are reflective of population/household trends and regional economic trends. Total employment in the Rutland area decreased since year 2000; with reduced employment opportunities, population has declined, thereby reducing levels of housing demand. It is also noted that home pricing is relatively low in the Rutland region. It is difficult for new home developers to compete in a market with low-priced *existing* home stock, as new housing would have relatively higher pricing.

Chart A-5: Indexed Housing Permits: Vermont, Rutland County 3-Community Area (2000 – 2014)



Source: HUD State of the Cities Database.

c. Area Economy

The analysis of core indicators makes it clear that the Rutland area has lost employment since year 2000 and generally stabilized since year 2010. A more detailed analysis of employment by industry (for the Rutland LMA) provides a better view of the dynamics of change in the region. **Table A-17** on the next page shows year 2000, 2010 and 2014 LMA employment broken down by industry. As **Table A-17** shows, total employment in 2000 was 21,919 jobs, which had dropped in 2014 to 21,371 jobs.

Table A-18 on page 76 shows longer-term change (Year 2000 to 2014) and shorter-term change (Year 2010 to 2014) in employment by industry. The Table highlights industries that have experienced notable employment increases in the short term.

Table A-17: Employment by Industry: Rutland Labor Market Area (LMA)

	2000		2010		2014	
	Employ-ment	% of Total Employ.	Employ-ment	% of Total Employ.	Employ-ment	% of Total Employ.
Natural Resources & Mining	348	2%	274	1%	237	1%
Construction	968	4%	858	4%	916	4%
Manufacturing/Durable	2,578	12%	1,955	9%	2,274	11%
Manufacturing/Non-Durable	448	2%	344	2%	426	2%
Trade/Transportation & Utilities	5,223	24%	5,293	25%	4,787	22%
Wholesale Trade	*866*	*4%*	*852*	*4%*	*692*	*3%*
Retail Trade	*3,422*	*16%*	*3,345*	*16%*	*3,084*	*14%*
Transportation	*460*	*2%*	*568*	*3%*	*596*	*3%*
Information	414	2%	261	1%	263	1%
Financial Activities	742	3%	648	3%	571	3%
Professional & Business Services	1,827	8%	1,471	7%	1,709	8%
Education & Health Services	3,578	16%	4,408	21%	4,455	21%
Education	*157*	*1%*	*152*	*1%*	*125*	*1%*
HealthCare	*3,421*	*16%*	*4,256*	*20%*	*4,329*	*20%*
Leisure & Hospitality	1,960	9%	1,806	8%	1,846	9%
Other Services	765	3%	640	3%	670	3%
Government	3,068	14%	3,398	16%	3,217	15%
Private Sector	18,851	86%	17,958	84%	18,154	85%
Public Sector	3,068	14%	3,398	16%	3,217	15%
Totals	21,919	100%	21,356	100%	21,371	100%

Source: Vermont Department of Employment.

Table A-18: Change in Employment by Industry: Rutland Local Market Area

	Change 2000-'14		*Change 2010-'14*	
	Employ-ment	%	Employ-ment	%
Natural Resources & Mining	(111)	(31.9%)	(37)	(13.5%)
Construction	(52)	(5.4%)	58	**+6.8%**
Manufacturing/Durable	(304)	(11.8%)	319	**+16.3%**
Manufacturing/Non-Durable	(22)	(4.9%)	82	**+23.8%**
Trade/Transportation & Utilities	(436)	(8.3%)	(506)	(9.6%)
Wholesale Trade	(174)	(20.1%)	(160)	(18.8%)
Retail Trade	(338)	(9.9%)	(261)	(7.8%)
Transportation	136	+29.6%	28	**+4.9%**
Information	(151)	(36.5%)	2	+0.8%
Financial Activities	(171)	(23.0%)	(77)	(11.9%)
Professional & Business Services	(118)	(6.5%)	238	**+16.2%**
Education & Health Services	877	+24.5%	47	+1.1%
Education	(32)	(20.4%)	(27)	(17.8%)
HealthCare	908	+26.5%	73	+1.7%
Leisure & Hospitality	(114)	(5.8%)	40	+2.2%
Other Services	(95)	(12.4%)	30	**+4.7%**
Government	149	+4.9%	(181)	(5.3%)
Private Sector	(697)	(3.7%)	196	+1.1%
Public Sector	149	+4.9%	(181)	(5.3%)
Totals	(548)	(2.5%)	15	+0.1%

Source: Vermont Department of Employment.

Although total employment decreased, several industries have shown a positive trend in recent years:

- Construction;
- Manufacturing: Durable;
- Manufacturing: Non-Durable;
- Transportation;
- Professional & Business Services; and
- Other Services.

d. Summary – Core Economic Indicators

A review of the core economic indicator data makes it clear that the Rutland area and by extension, the Study Area, has had a poor economic performance in recent years. In most instances, core indicators for the Rutland area show patterns that have fallen well below statewide levels. While these trends clearly place some constraints on market activity in the area, it is important to note two factors:

- Positive trends at the statewide level will influence economic activity in the Study Area;
- Even in the worst of economies, there are always opportunities; economic development and business opportunity often work on a sector-by-sector and local level.

C. MARKETS & MARKET AREAS

While the study corridor is the focus of this ongoing planning effort, it is apparent that economic markets – and the market for current or potential uses within the Study Area - are not confined by Study Area boundaries. Rather, market/trade areas can be better defined as a series of overlapping economic influences and markets – each with differentiated needs. The BRPD Team assessment of the Study Area indicates the following regarding these markets:

- Study Area Residents – persons living within the defined area, or within easy walking/biking distance of the Study Area. The size and demographic characteristics of this population are assessed under *Market Demographics* below.

- Study Area Workers – persons who work in the Study Area. Based on field surveys and published data, it is estimated that there are currently approximately 72 employers and 595 employees working within the defined Study Area.[1]

- Commuters – persons who regularly drive through the Study Area. While it is difficult to estimate the precise number of commuters passing through the area, traffic volume data does provide some indication of levels of

[1] Sources: Field Observations; Info USA-Business Data; ESRI.

activity and shows that there is substantial traffic moving through at least a portion of the Study Area:[2]

- Traditional Markets – commercial uses within the Study Area have a market influence over the surrounding geographic area. The BRPD Team defined a traditional market area for this project based on an examination of traffic corridors, typical travel routes and potential influence of Study Area businesses. **Illustration A-22** shows the defined traditional market area, consisting of the geographic area within 13 to 15 minutes drive time of the center of the Study Area.

- Regional Market - the geographic area within 35 minutes drive-time of the center of the Study Area. For purposes of demographic comparison and use in the assessment of retail markets, the BRPD Team also defined a 'regional' market. **Illustration A-23** on page 80 shows the limits of the regional market.

- *Non-Local Markets* – the market impact of tourists, through travelers and visitors to the area. Local tourism activity has been estimated as follows:

    - In 2013, Vermont is estimated to have attracted 15.1 million "visitor nights." Rutland County attracted 10 percent of those visitor nights: 1.52 million.
    - Based on a review of Meals/Rooms tax receipts, it is estimated that Rutland Town and West Rutland attracted only 1.96 percent of Rutland County's tourism activity.[3] As such, it is estimated that the Study Area attracts approximately 30,000 tourists on an annual basis.

From a Study Area perspective, it is significant to note that substantial tourist/traveler activity passes through the area via US 4 and that there are no major tourism attractions within the defined area.

Overall, tourism is not a major economic factor in the immediate Study Area. A combination of two factors: 1) the high speed alternative offered by US 4 will always be attractive to tourists/travelers moving in an east-west direction; and 2) in isolation, the study corridor lacks any compelling attraction or service for area

[2]Traffic data source: Vermont Agency of Transportation.

[3]Rutland Town tax receipts adjusted to account for the town's geography – under the assumption that the western portion of the town accounts for approximately 25 percent of total tourism activity.

travelers; while travelers need groceries, gas, retail goods and services, none of the current businesses in the corridor offer something that is unique. Nevertheless, it is clear that there are a substantial number of non-local travelers on US 4 and attracting even a segment of this market would improve business prospects in the corridor.

Illustration A-22: Defined "Traditional" Market Area

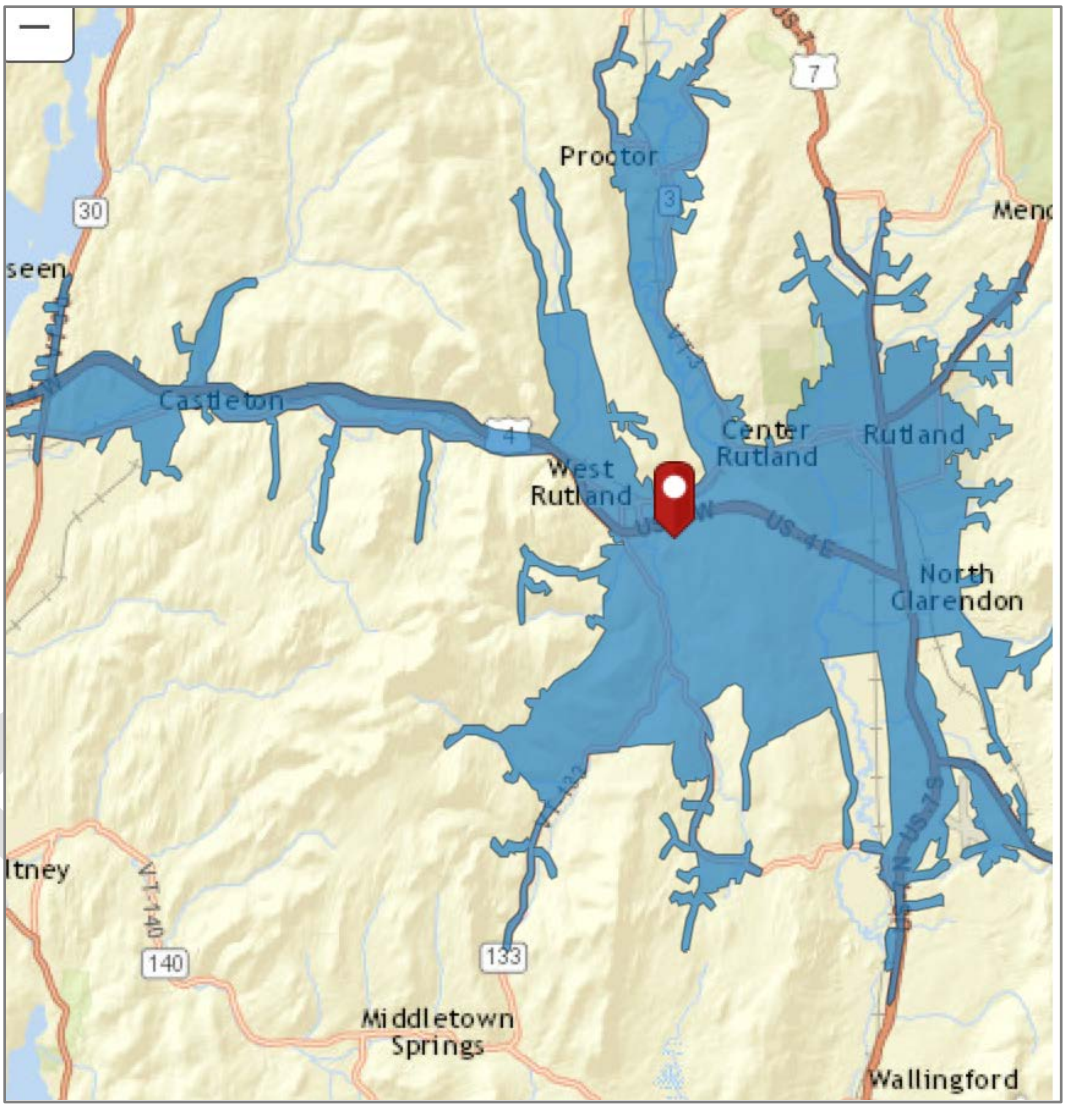
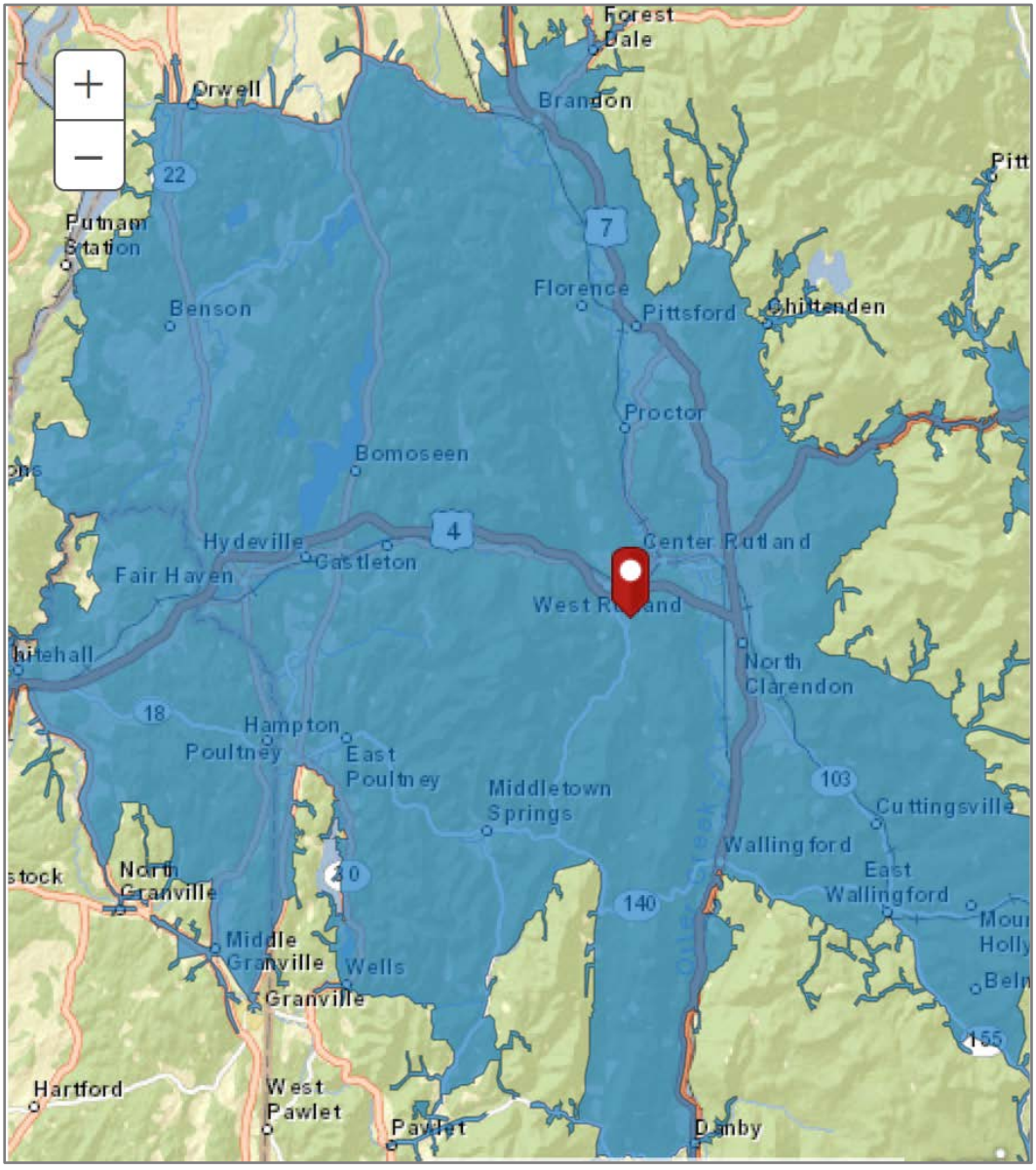


Illustration A-23: Defined "Region"



Market characteristics and demographics of these defined areas are addressed in **Section IV.D. Market Demographics**.

D. MARKET DEMOGRAPHICS

1. OVERVIEW

The Study Area serves several unique markets, ranging from local to non-local. An assessment of the demographics and economic characteristics of the

populations of the Study Area, the trade area and the region provides some perspective on the potentials for support and creation of new activity within the Study Area.

2. POPULATION & HOUSEHOLDS

Table A-19 shows recent and projected population change for the three defined areas (Study Area, Market Area, Region) as well as comparative recent population change for Rutland County and Vermont.

Table A-19: Recent & Projected Population Change

	2000	2010	2015	2020
Study Area	1,273	1,161	1,205	1,238
Change		-112	44	33
% Change		-8.8%	3.8%	2.7%
Market Area (14+/- Min. Drive)	23,348	22,167	22,013	21,983
Change		-1,181	-154	-30
% Change		-5.1%	-0.7%	-0.1%
Region (35+/- Min. Drive)	62,579	60,849	61,270	61,748
Change		-1,730	421	478
% Change		-2.8%	0.7%	0.8%

	2000	2010	2013
Rutland County	63,400	61,642	60,622
Change		-1,758	-1,020
% Change		-2.8%	-1.7%

	2000	2010	2013
Vermont	608,827	624,741	626,855
Change		15,914	2,114
% Change		2.6%	0.3%

Sources: ESRI, Vermont Department of Health, U.S. Census Bureau.

The Rutland area experienced notable population loss during the 2000s. This contrasts with the statewide trend, where slow increase occurred. More recent

data from 2010 to 2015 and projected data from 2015 to 2020 indicates that area population levels have, and will continue to be, stable.

While total population remains stable, the demographics of aging are creating substantial market dynamics in the Rutland area. **Tables A-20** and **A-21** show current and projected (2020) population by age group for the Market Area and Region.

Table 20: Current/Projected Population by Age: Market Area

	Total Persons			
Age Group	*2015*	*2020*	*% Change*	*Change*
0-14	3,236	3,056	(5.6%)	(180)
15-24	2,906	2,770	(4.7%)	(136)
25-34	2,598	2,814	+8.3%	+216
35-44	2,421	2,462	+1.7%	+41
45-54	3,214	2,770	(13.8%)	(444)
55-64	3,434	3,385	(1.4%)	(49)
65-74	2,267	2,638	+16.3%	+371
75-84	1,211	1,363	+12.6%	+152
85+	748	747	(0.1%)	(1)
Total Population	22,013	21,983	(0.1%)	(30)
Population Aged 62+ Years	5,257	5,764	+9.6%	+507
Median Age	44.4	44.6		

Source: ESRI.

Several points regarding the area population stand out.

- Substantial, positive growth will occur among persons aged 65 to 84 years; in large part, this reflects the aging of the "baby boom." While the total population of the Market Area will remain essentially stable between 2015 and 2020, the number of persons aged 62 years or more will increase by 9.6 percent. Even in a market with relatively stable total population, the dynamics of age shifts create market opportunities. The housing,

consumer, service and "lifestyle" preferences of a population that is rapidly aging into the 65^{+} years bracket will differ from their current market needs. As such, opportunities to serve this population will arise in housing, retail, services and other markets.

- Although less pronounced, the number of persons aged 25 to 34 years will increase over the next five years, a positive indicator for new household creation and consumer expenditures.

Table A-21: Current/Projected Population by Age: Region

	Total Persons			
Age Group	*2015*	*2020*	*% Change*	*Change*
0-14	8,823	8,459	(4.1%)	(363)
15-24	8,210	7,657	(6.7%)	(553)
25-34	6,740	7,101	+5.4%	+361
35-44	6,495	6,545	+0.8%	+51
45-54	9,191	7,904	(14.0%)	(1,287)
55-64	10,048	10,127	+0.8%	+78
65-74	6,985	8,336	+19.3%	+1,351
75-84	3,247	3,890	+19.8%	+643
85+	1,593	1,605	+0.8%	+12
Total Population	61,270	61,748	+0.8%	+478
Population Aged 62+ Years	14,840	16,870	+13.7%	**+2,030**
Median Age	45.4	46.3		

Source: ESRI.

Households are the best indicator for activity in a number of consumer categories and for residential markets. Table A-15 shows recent and projected total household change for the Study Area, Market Area and Region. Average household size is shown for each time period.

Total households will increase at a slightly faster rate than population as a result of decreasing average household sizes.

Table A-22: Current/Projected Total Households: Study Area, Market Area, Region (2000 – 2020)

	2000	2010	2015	2020
Study Area	540	513	541	559
Change		(27)	+28	+18
% Change		(5.0%)	+5.5%	+3.3%
Market Area (14+/- Min. Drive)	9,963	9,854	9,923	9,953
Change		(109)	+69	+30
% Change		(1.1%)	+0.7%	+0.3%
Region (35+/- Min. Drive)	25,238	25,497	26,075	26,414
Change		+259	+578	+339
% Change		+1.0%	+2.3%	+1.3%
Average HH Size				
Study Area	2.36	2.26	2.22	2.21
Market Area	2.26	2.16	2.13	2.12
Region	2.4	2.29	2.26	2.25

Source: ESRI.

Tables A-23 and **A-24** show current and projected households by age group for the Market Area and Region. The aging pattern is even more pronounced among households; households aged 62 years or more will increase by 37 and 40 percent in the Market Area and Region, while the total number of households will increase by only small value

Table A-23: Current/Projected Households by Age Group: Market Area

	2015		*2020*		
HH Age Group	*HHs*	*% of Total*	*HHs*	*% of Total*	*Change*
15-24	447	*32.7%*	431	*31.6%*	(16)
25-34	1,235	*90.4%*	1,327	*97.1%*	+92
35-44	1,366	*100.0%*	1,366	*100.0%*	+0
45-54	1,919	*140.5%*	1,627	*119.1%*	(292)
55-64	2,167	*158.6%*	2,107	*154.2%*	(60)
65-74	1,497	*109.6%*	1,726	*126.4%*	+229
75+	1,292	*94.6%*	1,369	*100.2%*	+77
Totals	9,923		9,953		+30
HHs Aged >62 Yrs.	3,439	34.7%	3,727	37.4%	**+288**

Source: ESRI.

Table A-24: Current/Projected Households by Age Group: Region (2015 – 2020)

	2015		*2020*		
HH Age Group	*HHs*	*% of Total*	*HHs*	*% of Total*	*Change*
15-24	951	*28.1%*	880	*26.2%*	(71)
25-34	2,968	*87.6%*	3,098	*92.1%*	+130
35-44	3,388	*100.0%*	3,364	*100.0%*	(24)
45-54	5,137	*151.6%*	4,353	*129.4%*	(784)
55-64	5,948	*175.6%*	5,875	*174.6%*	(73)
65-74	4,434	*130.9%*	5,202	*154.6%*	+768
75+	3,250	*95.9%*	3,642	*108.3%*	+392
Totals	26,076		26,414		+338
HHs Aged >62 Yrs.	9,468	36.3%	10,607	40.2%	**+1,138**

Source: ESRI.

3. HOUSEHOLD CHARACTERISTICS & INCOME

This section summarizes several household characteristics relating to consumer and economic habits. **Table A-25** compares educational attainment in the Study Area, Market Area, Region, statewide for Vermont and for the entire U.S.

Table A-25: Educational Attainment (2014/15)

	% of Population Aged 25+ Years				
	Study Area	Market Area	Region	VT	US
Less than 9th Grade	6.4%	4.2%	3.8%	3.0%	5.9%
High School Graduate	35.3%	32.9%	31.9%	30.8%	28.1%
Bachelors Degree	16.3%	16.9%	16.9%	21.0%	18.0%
Graduate/Professional Degree	9.4%	9.4%	10.2%	13.8%	10.8%

Sources: U.S. Census Bureau, ESRI.

Twenty-six percent of the Market Area population of 25 years or more has a bachelor's degree or higher; this compares to higher levels for the entire state – 35 percent, and U.S. – 29 percent.

Small average household size is a reflection of a number of trends, such as aging population and delayed marriage age. **Table A-26** breaks down households by size, defined by the number of persons, for the Study Area, the Market Area, the Region, Vermont, and the U.S.

Almost 70 percent of the households in the Market Area are composed of only one or two persons, while only 16 percent include four or more persons. Typically, smaller households are younger persons who are in the process of starting up households and older persons (Empty Nesters; Retired; Single). The prevalence of small households points to a need for housing – both rental and ownership – that can accommodate these smaller households.

Table A-26: Household Distribution by Size (2014/15)

	% of Households by HH Size				
	Study Area	Market Area	Region	VT	U.S.
HH Size					
1	27.3%	35.4%	30.2%	28.4%	27.5%
2	38.6%	34.3%	37.3%	38.6%	33.5%
3	15.2%	14.6%	15.2%	15.1%	15.8%
4	11.9%	10.0%	11.0%	11.8%	13.3%
5	4.1%	3.7%	4.1%	4.2%	6.1%
6	1.8%	1.2%	1.4%	1.4%	2.3%
7+	1.2%	0.7%	0.8%	0.5%	1.5%

Sources: U.S. Census Bureau, ESRI.

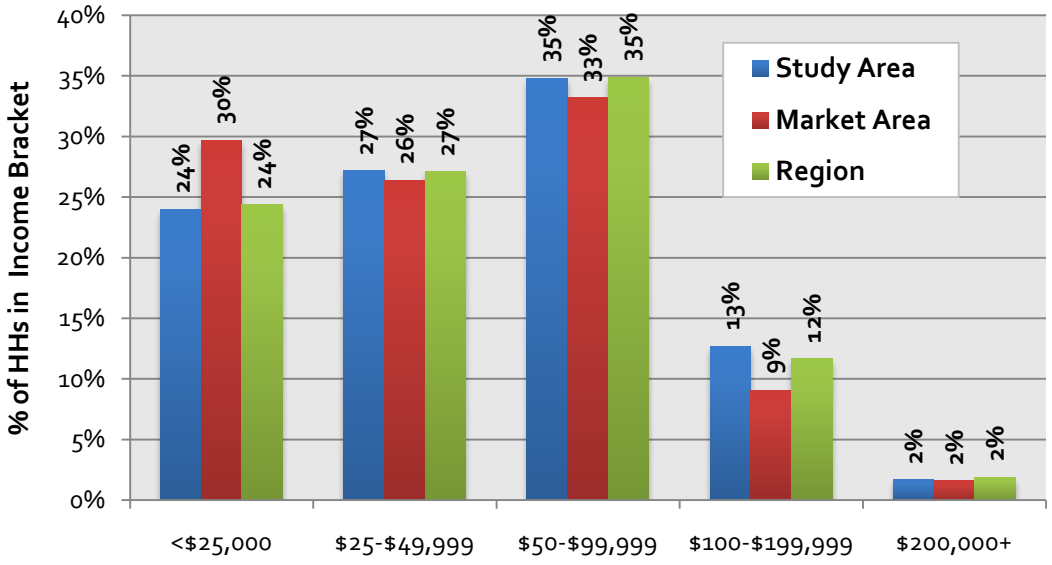
The prevalence of small households is particularly important when addressing the area housing market.

The Market Area, which includes Rutland City, includes a relatively heavy concentration of lower income households with incomes of less than $25,000, which is 30 percent of all households. On the other end of the spectrum, 14.4 percent of the Study Area's households have incomes in excess of $100,000. This compares to 10.7 percent for the Market Area and 13.6 percent for the region. The median income for all Vermont households is $54,267. This compares to:

- Study Area - $48,517;
- Market Area - $42,721;
- Region - $47,990.

Chart A-6 graphically illustrates household distribution by income for the Study Area, Market Area and Region.

Chart A-6: Household Income Distribution (2015)



Source: ESRI.

E. HOUSING STOCK CHARACTERISTICS & MARKET ACTIVITY

Tables A-27, **A-28**, and **A-29** show recent changes in the total number of housing units, the ownership of housing units, and the number rentals of housing units for the Study Area, the Market Area, and the Region for the period 2000 to 2015.

Table A-27: Total Housing Unit Change

Total Housing Units	2000	2010	2015	% Change 2000-'15
Study Area	581	573	605	4.1%
Change		*(8)*	*32*	
Market Area	10,586	10,765	10,989	3.8%
Change		*179*	*224*	
Region	29,954	31,193	32,074	7.1%
Change		*1,239*	*881*	

Source: ESRI

Table A-28: Ownership Housing Unit Change

Ownership Units	2000	2010	2015	% Change 2000-'15
Study Area	397	382	399	0.6%
Change		*(15)*	*17*	
Market Area	5,875	5,727	5,703	(2.9%)
Change		*(148)*	*(24)*	
Region	17,403	17,593	17,865	2.7%
Change		*190*	*272*	

Source: ESRI

Table A-29: Rental Housing Unit Change

Rental Units	2000	2010	2015	% Change 2000-'15
Study Area	143	131	142	(0.5%)
Change		*(12)*	*11*	
Market Area	4,086	4,123	4,220	3.3%
Change		*37*	*97*	
Region	7,818	7,892	8,211	5.0%
Change		*74*	*319*	

Source: ESRI

Overall, there has been relatively little change in the area housing stock, either in absolute terms or in terms of distribution in and near the Study Area. The Region as a whole experienced a relatively significant increase in seasonal/vacation homes over the 2000 to 2015 period, but most of this new development occurred either in the eastern portion, in mountain settings, or near its major lakes.

As noted in **Section IV.B.2. Core Economic Indicators**, the Rutland area has experienced relatively little new housing development in recent years. **Table A-30** shows detailed annual residential building permit data for Rutland County, Rutland Town and West Rutland. The data is broken down by single family and multi-family permits and covers the period 2004 through 2014.

Table A-30: Residential Permits (2004 – 2014)

	Residential Building Permits												
	2004	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	**Totals**	**% of Total**
Rutland County													
Single-Family	151	161	119	76	71	43	54	34	49	47	49	854	96%
Multi-Family	14	8	4	2	2	0	2	2	0	0	2	36	4%
Totals	165	169	123	78	73	43	56	36	49	47	51	890	
Rutland Town												**Totals**	**% of Total**
Single-Family	0	0	0	0	0	0	0	0	0	0	0	0	
Multi-Family	0	0	0	0	0	0	0	0	0	0	0	0	
Totals	0	0	0	0	0	0	0	0	0	0	0	0	
West Rutland Town												**Totals**	**% of Total**
Single-Family	4	8	7	2	0	1	0	0	2	0	2	26	100%
Multi-Family	0	0	0	0	0	0	0	0	0	0	0	0	0%
Totals	4	8	7	2	0	1	0	0	2	0	2	26	

Source: HUD State of the Cities Database

Rutland Town and West Rutland combined generated only 26 residential building permits during the 11 years shown in **Table A-30**. At the county level, there were an average of 109 permits annually between 2004 and 2009; this decreased to 48 annually between 2010 and 2014.

The analysis also included an assessment of residential sales activity in the Study Area communities. **Table A-30** summarizes residential sales activity in Rutland Town and West Rutland for the period 2005 to 2014. **Chart A-7** graphically illustrates the information in **Table A-30**.

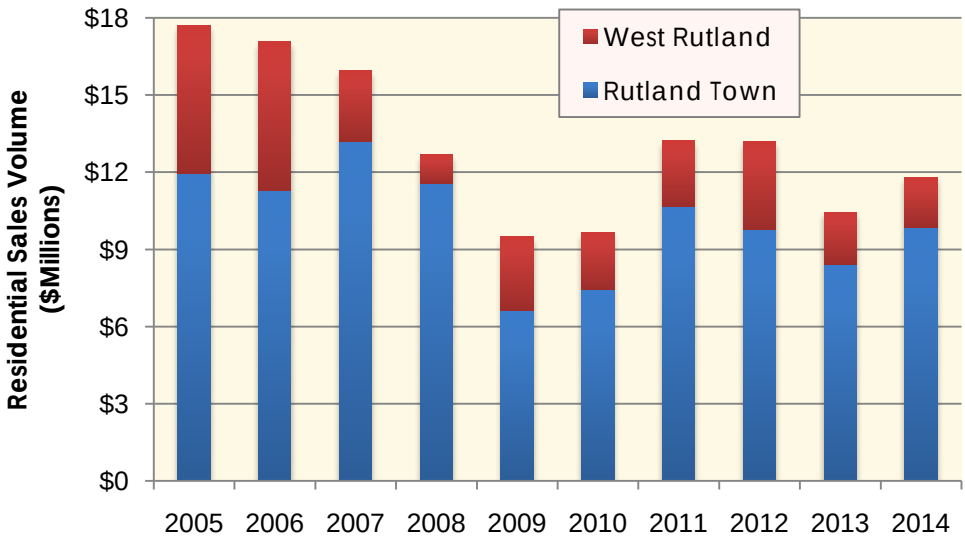
Table A-30: Residential Sales Activity (2005 – 2014)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Rutland Town										
Sales	57	50	55	45	31	27	48	52	39	47
Volume ($Millions)	$11.9	$11.3	$13.2	$11.6	$6.6	$7.4	$10.6	$9.8	$8.4	$9.8
Median Sale	$199,000	$236,523	$228,371	$259,630	$217,824	$241,400	$205,000	$201,000	$199,000	$202,685
West Rutland										
Sales	43	38	19	8	22	18	22	29	18	23
Volume ($Millions)	$5.8	$5.8	$2.8	$1.1	$2.9	$2.2	$2.6	$3.4	$2.1	$2.0
Median Sale	$132,500	$147,950	$157,134	$149,000	$130,000	$148,077	$139,417	$126,000	$108,500	$85,000
Combined										
Sales	100	88	74	53	53	45	70	81	57	70
Volume ($Millions)	$17.7	$17.1	$16.0	$12.7	$9.5	$9.7	$13.2	$13.2	$10.5	$11.8
Median Sale	$170,405	$198,275	$210,081	$242,931	$181,369	$204,071	$184,388	$174,148	$170,421	$164,017

Source: Vermont Department of Taxes. R1 and Other (Condo) categories are included in tabular statistics; only "Market" sales included.

Note that median sales values in West Rutland are particularly low, ranging from $85,000 to $126,000 during the 2012 to 2014 period. These values compare to a median of $185,000 at the statewide level. Extremely low pricing for existing housing makes it difficult to develop new housing, as the comparative costs would be substantially higher.

Chart A-7: Residential Sales Volume (2005 – 2014)



Source: Vermont Department of Taxes

Finally, The BRPD Team assessed current residential listings in the Study Area to provide a picture of housing availability.[4] The review provided the following data.

- Median Property: 3.1 Bedrooms; 1.8 Baths; 1,741 square feet of living area;
- Median Year of Home Construction: 1958 (57 Years Old);
- Median Lot Size: 0.495 acres;
- Median Listing Price: $145,500; Median Listing Price *per square foot* of living space: $104.

In sum, the housing stock in the Study Area is typically older, of moderate size and has moderate/low pricing – when compared with other urbanized markets in Vermont.

[4]Source: NNEREN, residential listings for Rutland Town and West Rutland within Study Area or in immediate vicinity of Study Area.

F. COMMERCIAL ACTIVITY & COMMERCIAL REAL ESTATE

1. SALES ACTIVITY

Table A-31 shows recent trends in annual Gross Receipts collections for West Rutland, Rutland Town and Rutland County; it also shows year-to-year percent change. In reviewing the data, note that only a small portion of the town is located in the defined Study Area. Portions of the town that are quite remote from the Study Area (particularly US 7 south of Rutland City) include retail and service business activity at a substantial scale. Thus, the Rutland Town receipt data overstates the community's impact in the area of the current study.

Table A-31: Gross Receipts Collections: West Rutland, Rutland Town, Rutland County (2007 – 2014)

	Gross Receipts ($Millions)							
	2007	2008	2009	2010	2011	2012	2013	2014*
Rutland Town	$335.9	$302.8	$274.1	$278.7	$287.6	$278.9	$273.4	$275.4
West Rutland	$39.2	$41.5	$33.1	$42.1	$34.5	$41.7	$48.9	$53.0
Towns Combined	$375.1	$344.3	$307.2	$320.7	$322.1	$320.7	$322.4	$328.4
% Change		(8%)	(11%)	+4%	+0%	(0%)	+1%	+2%
Rutland County	$2,217	$1,893	$1,625	$1,701	$1,820	$1,792	$1,539	$1,579
% Change		(15%)	(14%)	+5%	+7%	(2%)	(14%)	+3%

Source: Vermont Department of Taxes. 2014 figures are preliminary calendar year data.

Chart A-8 on page 95 graphically illustrates Gross Receipt trends for West Rutland/Rutland Town, which includes sales and use taxes. Overall, year 2014 Gross Receipts in the combined two towns were down 18 percent from their 2007 level. Receipts have been relatively stable over the past four years. At the county level, Gross Receipts were down 29 percent during the same time period.

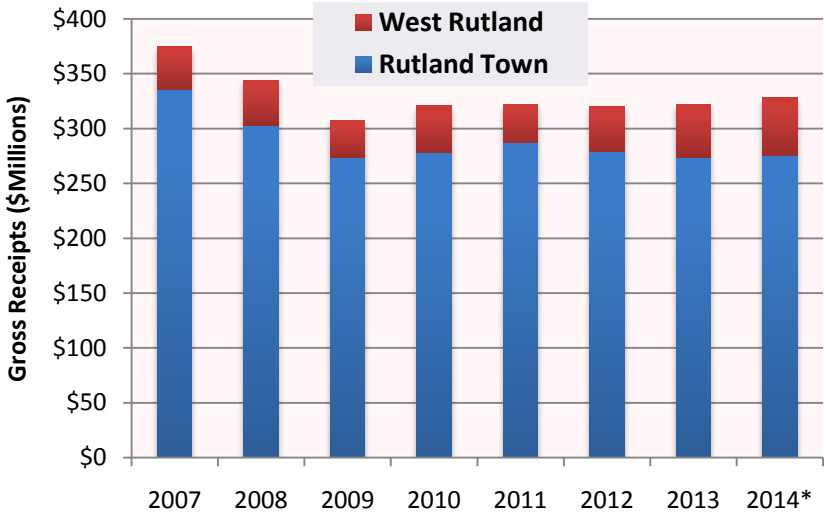
Table A-32 summarizes businesses in the Study Area by type. The inventory might include several businesses located outside but in the immediate vicinity of the defined Study Area.

Table A-32: Study Area Businesses

Business - by NAICS Category	Number of Businesses
Agriculture, Forestry, Fishing & Hunting	2
Mining	0
Utilities	1
Construction	6
Manufacturing	3
Wholesale Trade	4
Retail Trade	16
Motor Vehicle & Parts Dealers	4
Furniture & Home Furnishings Stores	1
Electronics & Appliance Stores	1
Bldg Material & Garden Equipment & Supplies Dealers	0
Food & Beverage Stores	2
Health & Personal Care Stores	2
Gasoline Stations	1
Clothing & Clothing Accessories Stores	0
Sporting Goods, Hobby, Book, & Music Stores	2
General Merchandise Stores	2
Miscellaneous Store Retailers	1
Non-store Retailers	0
Transportation & Warehousing	3
Information	3
Finance & Insurance	6
Central Bank/Credit Intermediation & Related Activities	5
Funds, Securities, Commodity Contracts & Other Financial	0
Insurance Carriers & Related Activities;	1
Real Estate, Rental & Leasing	2
Professional, Scientific & Tech Services	2
Legal Services	0
Management of Companies & Enterprises	0
Waste Management & Remediation	7
Educational Services	2
Health Care & Social Assistance	3
Arts, Entertainment & Recreation	2
Accommodation & Food Services	5
Accommodation	1
Food Services & Drinking Places	4
Other Services (except Public Administration)	12
Automotive Repair & Maintenance	4
Totals - Private Sector	***110***
Public Administration	6

Source: Field Observations and ESRI, based on both published and observed data.

Chart A-8: Gross Receipts Collections: West Rutland, Rutland Town (2007 – 2014)



Source: Vermont Department of Taxes.

2. COMMERCIAL REAL ESTATE

A review of commercial listing data (LoopNet; NNEREN) and field reconnaissance revealed the following with respect to available commercial buildings in the Study Area.

- Four commercial buildings available for sale – all in the West Rutland village commercial core area.
- Buildings ranging from 2,200 to 2,900 square feet, typically with existing multi-family residential units on the second floor and vacant commercial/office type space on the first floor.
- Pricing ranging from $58 to $90 per square foot.

G. RETAIL MARKET ANALYSIS & GAP ESTIMATES

1. OVERVIEW

While many factors play a role in the success or failure of a retail/commercial business, it is essential that market demand for goods or a service exist as a

prerequisite of success. Even in the presence of significant demand, substantial competition that "absorbs" all of the available demand can be a barrier to entry. The following analyses show the results of the *Retail Gap Analysis* – a detailed analysis of how retail sales compare to retail demand in the defined market areas. While the results are highly quantitative, they are a significant component of any retail analysis. The gap analysis includes three major steps:

- Estimate of sales occurring within the defined areas – gross revenues at businesses located within the defined areas;

- Estimate of sales generated by persons living within the defined areas – at any location; and

- A comparison of sales and sales generation as a means of identifying potential opportunities in the retail market.

While there is clearly retail activity within the defined Study Area, the retail gap analysis is primarily focused on current deficiencies in the broader Market Area, as the identification of potentials for the Market Area will offer development ideas for the Study Area corridor.

2. RETAIL SALES

Table A-33 on page 98 shows estimates of gross, annualized retail sales by detailed retail category for the Study Area, the Market Area and the Region. Sales estimates include all sales occurring within the defined areas. The estimates are based on an inventory of retail spaces within the defined areas, as well as a series of research/analytical steps to calculate sales levels. Note that sales levels are shown in millions of dollars. In instances where $0 sales are shown, there is no business within the retail category. Note that category totals may not be consistent with sub-sector totals, due to lack of reporting or non-disclosure at micro levels; this is the case for *Miscellaneous Store Retailers.*

It is estimated that the Study Area accounts for an annual total of $20.5 million in retail sale. Gross revenues in the Market Area total almost $483 million annually and are dominated by Motor Vehicle & Parts dealers.

3. RETAIL DEMAND

Area residents make substantial expenditures on retail goods. While sales per household vary significantly dependent on household demographics and income levels, all households make expenditures in major retail categories. This *demand* for retail goods can be quantified based on historic spending patterns and resident demographics/incomes. **Table A-34** on page 100 shows estimated annual retail demand generated by the residents of the Market Area and Region.[5] Keep the following in mind in reviewing the estimates.

- The estimates reflect dollars expended by residents. These dollars are not necessarily expended within the defined area. A segment of the demand generated by residents of the two areas will typically be satisfied outside the geographic limits of the defined areas by activities such as driving to remote locations, internet shopping, or spending while traveling.

- The figures include only the demand generated by *residents* of the two areas. Purchases made by Vermont residents from outside the defined areas and sales generated by tourists/travelers also contribute to business activity within Walking Area and Trade Market.

Market Area residents generate annual demand in excess of $225 million in retail goods, while Region residents generate annual demand for $667 million in retail goods.

[5]Sources: ESRI; Infogroup; Census of Business.

Table A-33: Estimated Annual Gross Retail Sales

	Gross Annual Sales - 2015 ($Millions)					
	Study Area		Market Area		Region	
	Sales	% of Total	Sales	% of Total	Sales	% of Total
Motor Vehicle & Parts Dealers	**$7.50**	**36.7%**	**$94.51**	**19.6%**	**$166.41**	**19.4%**
Automobile Dealers	$6.83		$73.50		$132.63	
Other Motor Vehicle Dealers	$0.00		$5.14		$9.87	
Auto Parts, Accessories & Tire Stores	$0.54		$15.86		$23.92	
Furniture & Home Furnishings Stores	**$0.10**	**0.5%**	**$17.42**	**3.6%**	**$24.39**	**2.8%**
Furniture Stores	$0.00		$5.54		$7.91	
Home Furnishings Stores	$0.09		$11.87		$16.48	
Electronics & Appliance Stores	**$0.00**	**0.0%**	**$12.40**	**2.6%**	**$14.89**	**1.7%**
Bldg Materials, Garden Equip. & Supply Stores	**$0.00**	**0.0%**	**$27.82**	**5.8%**	**$40.64**	**4.7%**
Bldg Material & Supplies Dealers	$0.00		$24.82		$32.58	
Lawn & Garden Equip & Supply Stores	$0.00		$3.00		$8.06	
Food & Beverage Stores	**$2.27**	**11.1%**	**$45.49**	**9.4%**	**$98.22**	**11.5%**
Grocery Stores	$2.22		$43.59		$91.59	
Specialty Food Stores	$0.00		$1.90		$2.84	
Beer, Wine & Liquor Stores	$0.00		$0.00		$3.80	
Health & Personal Care Stores	**$2.36**	**11.5%**	**$27.71**	**5.7%**	**$46.33**	**5.4%**
Gasoline Stations	**$0.00**	**0.0%**	**$34.72**	**7.2%**	**$66.71**	**7.8%**
Clothing & Clothing Accessories Stores	**$0.27**	**1.3%**	**$19.07**	**3.9%**	**$24.90**	**2.9%**
Clothing Stores	$0.27		$12.37		$16.51	
Shoe Stores	$0.00		$1.43		$2.20	
Jewelry, Luggage & Leather Goods Stores	$0.00		$5.27		$6.19	
Sporting Goods, Hobby, Book & Music Stores	**$0.00**	**0.0%**	**$11.09**	**2.3%**	**$19.62**	**2.3%**
Sporting Goods/Hobby/Musical Instr Stores	$0.00		$10.74		$18.27	
Book, Periodical & Music Stores	$0.00		$0.34		$1.35	
General Merchandise Stores	**$0.78**	**3.8%**	**$35.72**	**7.4%**	**$42.09**	**4.9%**
Department Stores Excluding Leased Depts.	$0.00		$33.11		$35.73	
Other General Merchandise Stores	$0.00		$2.62		$6.36	

Miscellaneous Store Retailers	**$1.61**	**7.9%**	**$16.29**	**3.4%**	**$30.73**	**3.6%**
Florists	$0.00		$1.28		$1.56	
Office Supplies, Stationery & Gift Stores	$0.00		$7.58		$10.11	
Used Merchandise Stores	$0.00		$0.55		$2.67	
Other Miscellaneous Store Retailers	$0.43		$6.87		$16.39	
Non-store Retailers	**$0.00**	**0.0%**	**$107.82**	**22.3%**	**$221.43**	**25.8%**
Electronic Shopping & Mail-Order Houses	$0.00		$72.75		$164.39	
Vending Machine Operators	$0.00		$0.00		$0.58	
Direct Selling Establishments	$0.00		$35.03		$56.46	
Food Services & Drinking Places	**$0.97**	**4.7%**	**$32.79**	**6.8%**	**$61.15**	**7.1%**
Full-Service Restaurants	$0.49		$16.01		$30.82	
Limited-Service Eating Places	$0.00		$14.66		$26.11	
Special Food Services	$0.00		$1.36		$2.01	
Drinking Places - Alcoholic Beverages	$0.00		$0.76		$2.21	
Total Retail Trade and Food & Drink	**$20.46**		**$482.86**		**$857.50**	
Total Retail Trade	***$19.50***	**95.3%**	***$450.07***	**93.2%**	***$796.35***	**92.9%**
Total Food & Drink	***$0.97***	**4.7%**	***$32.79***	**6.8%**	***$61.15***	**7.1%**

Sources: ESRI; Infogroup; Census of Business.

Table A-34: Estimated Annual Retail Demand Generated by *Residents* of Market Area & Region (2015)

	Estimated Annual Demand 2015 - ($Millions)			
	Market Area		Region	
	Demand	% of Total	Demand	% of Total
Motor Vehicle & Parts Dealers	**$42.42**	**18.8%**	**$127.25**	**19.1%**
Automobile Dealers	$36.28		$108.64	
Other Motor Vehicle Dealers	$2.62		$8.52	
Auto Parts, Accessories & Tire Stores	$3.52		$10.08	
Furniture & Home Furnishings Stores	**$5.70**	**2.5%**	**$16.25**	**2.4%**
Furniture Stores	$2.59		$7.33	
Home Furnishings Stores	$3.11		$8.92	
Electronics & Appliance Stores	**$5.15**	**2.3%**	**$15.40**	**2.3%**
Bldg Materials, Garden Equip. & Supply Stores	**$7.90**	**3.5%**	**$24.51**	**3.7%**
Bldg Material & Supplies Dealers	$5.11		$16.10	
Lawn & Garden Equip & Supply Stores	$2.79		$8.41	
Food & Beverage Stores	**$39.15**	**17.3%**	**$114.87**	**17.2%**
Grocery Stores	$37.05		$108.15	
Specialty Food Stores	$0.96		$3.01	
Beer, Wine & Liquor Stores	$1.14		$3.70	
Health & Personal Care Stores	**$16.95**	**7.5%**	**$50.66**	**7.6%**
Gasoline Stations	**$23.31**	**10.3%**	**$68.33**	**10.2%**
Clothing & Clothing Accessories Stores	**$16.43**	**7.3%**	**$46.35**	**6.9%**
Clothing Stores	$12.39		$34.73	
Shoe Stores	$2.25		$6.39	
Jewelry, Luggage & Leather Goods Stores	$1.79		$5.23	
Sporting Goods, Hobby, Book & Music Stores	**$6.33**	**2.8%**	**$18.27**	**2.7%**
Sporting Goods/Hobby/Musical Instr Stores	$5.20		$15.23	
Book, Periodical & Music Stores	$1.12		$3.05	
General Merchandise Stores	**$18.78**	**8.3%**	**$55.55**	**8.3%**
Department Stores Excluding Leased Depts.	$9.01		$26.11	
Other General Merchandise Stores	$9.77		$29.44	

Miscellaneous Store Retailers	**$5.17**	**2.3%**	**$15.82**	**2.4%**
Florists	$0.28		$0.88	
Office Supplies, Stationery & Gift Stores	$1.85		$5.40	
Used Merchandise Stores	$0.91		$2.53	
Other Miscellaneous Store Retailers	$2.14		$7.01	
Nonstore Retailers	**$16.98**	**7.5%**	**$52.33**	**7.8%**
Electronic Shopping & Mail-Order Houses	$12.01		$37.13	
Vending Machine Operators	$0.38		$1.12	
Direct Selling Establishments	$4.58		$14.08	
Food Services & Drinking Places	**$21.37**	**9.5%**	**$61.56**	**9.2%**
Full-Service Restaurants	$12.22		$34.85	
Limited-Service Eating Places	$7.80		$22.69	
Special Food Services	$0.78		$2.40	
Drinking Places - Alcoholic Beverages	$0.57		$1.61	
Total Retail Trade and Food & Drink	**$225.63**		**$667.15**	
Total Retail Trade	***$204.27***	**90.5%**	***$605.59***	**90.8%**
Total Food & Drink	***$21.37***	**9.5%**	***$61.56***	**9.2%**

Sources: ESRI; Infogroup; Census of Business.

4. IMPACT OF TOURISM AND OTHER TRAVEL ACTIVITY

Travel has a significant impact on business activity in Rutland County. A recent study by the Vermont Tourism Data Center placed annual visitor trips, including day-trippers, overnight visitors and second home owners, at approximately 1.5 million, accounting for $152 million in annual spending. Broken down even further, travel activity can be estimated to have the following impacts in business categories that are relevant to the Study Area:

- Food & Beverage - $39.6 million in annual spending;
- Groceries - $23.3 million in annual spending;
- Other Retail - $18.8 million in annual spending;
- Gasoline - $28.8 million in annual spending.

These expenditure figures were added to the *demand* figures shown above in order to estimate total demand for the Region.

5. RETAIL GAP

Retail gap analysis is a simple comparison of *Demand* and *Sales* that can serve as a means of identifying opportunities for new retail businesses within a defined area. When applied to demand generated in the Region by residents and tourism/travel activity and actual sales for the Region, the gap analysis helps to identify retail categories where current sales (supply) is insufficient to meet demand. There is potential for retail growth in all these "positive gap" areas.

The analysis indicates that there are positive gaps where *Demand* exceeds *Sales* in the following retail categories:

- Lawn & Garden Equipment & Services – the analysis shows that there is a positive gap (Demand exceeds Supply) of approximately $5.4 million at the region to market level. A Lawn/Garden Equipment business would be an appropriate use in the study corridor.

- Food & Beverage Stores (Grocery Stores) - the analysis shows that there is a positive gap of approximately $2.01 million at the region to market level. This suggests that there is demand for expansion of the existing Price Chopper store, or that a competitive business could be a potential.

- Clothing & Clothing Accessories Stores (Clothing, Shoes) - the analysis shows that there is a positive gap of approximately $1.6 million at the region to market level. The Study Area is an unlikely location for retail stores in this category, as clothing shoppers usually seek comparative shopping, such as that in a shopping center environment. However, a "destination" store – one which is well known for excellence in a particular clothing category – might choose to locate in this highly accessible corridor.

- Book, Periodical & Music Stores - the analysis shows that there is a positive gap of approximately $7.85 million at the region to market level. This is a significant gap; however, it appears unlikely that either a large or small scale business would choose this location.

- Used Merchandise Stores - the analysis shows that there is a positive gap of approximately $3.6 million at the region to market level. "Upscale" used

clothing stores are increasingly becoming a part of the shoppers' experience. If completed at sufficient scale, this category could have potential in this accessible corridor.

- Food Services & Drinking Places (Specific to: Full Services Restaurants, Drinking Places) - the analysis shows that there is a combined positive gap of approximately $2.3 million at the region to market level, for Full Services Restaurants and Drinking Places. Consumers are willing to drive to quality eating/drinking places. As such, the study corridor offers opportunity in this category.

H. PRELIMINARY RESIDENTIAL MARKET ASSESSMENT

1. HOUSING STOCK

Field observations and reviews of U.S. Bureau of the Census and ESRI published data reveal the following regarding the housing stock within the Study Area. (The housing inventory may include small areas located outside the defined Study Area.):

- Approximately 605 total housing units;
- 66 percent of the total (399 Units) occupied on an ownership basis;
- 23.5 percent of the units (142 Units) occupied on a rental basis;
- 10.6 percent of the units (64 Units) are currently vacant – including units intended for ownership and rental – as well as units that may be held as second homes.
- The estimated median value of ownership units in the Study Area is $147,600.

It is also noted that the Study Area's housing stock includes a number of projects/units that are oriented toward subsidized/affordable rents, as recorded by the Housing Trust of Rutland County. All of these units are located in West Rutland and include:

- Colonial West Apartments, Marble & Barnes Street, West Rutland – includes 12 one- and two-bedroom units with an orientation toward elderly and disabled renters;

- 259 Marble Street, West Rutland – includes two one-bedroom and two three- bedroom units;

- Stanislaus Apartments, 113 Barnes Street, West Rutland – includes one one-bedroom and four two-bedroom units;

- Stanislaus Apartments, 95 Barnes Street, West Rutland – includes nine one-bedroom and three two-bedroom units.

It is also significant to note that Jen's Motel, located on the northerly side of BR 4, is owned by BROC (Community Action in Southwestern Vermont) and is used as a shelter housing/transitional housing facility. This has been a successful use for the property and there is interest in expansion.

2. RESIDENTIAL MARKET DEMOGRAPHICS

Household age by income data is by far the most instructive indicator of household decision-making/behavior regarding moves and housing preferences. Not surprisingly, a young, relatively low income household's housing need is substantially different from that for an upper age, upper income bracket household. **Tables A-35** shows three sets of household age/income data for the Market Area:

- Current (2015) number of households by age/income bracket;

- Projected (2020) number of households by age/income bracket; and

- Change in number of households by age/income bracket over the 2015 to 2020 period.

The third component of the Table highlights Age and Income by household groups that are projected to experience the largest absolute increases during the five-year projection period.

Table A-35: Household Age X Income: Market Area (2015, 2020 and Change)

2015		HH Age Group						
		25-34	35-44	45-54	55-64	65-74	75+	**Totals**
HH Income Group	$0-$34,999	490	416	567	805	650	853	3,781
	$35-$74,999	456	495	671	701	572	311	3,206
	$75-$99,999	181	223	412	384	172	63	1,435
	$100-$149,999	65	152	174	180	61	36	668
	$150-$199,999	28	37	68	55	20	18	226
	$200,000+	15	44	27	42	22	10	160
	Totals	1,235	1,367	1,919	2,167	1,497	1,291	**9,476**

2020		HH Age Group						
		25-34	35-44	45-54	55-64	65-74	75+	**Totals**
HH Income Group	$0-$34,999	478	349	414	652	638	824	3,355
	$35-$74,999	464	445	496	646	651	346	3,048
	$75-$99,999	238	280	420	457	272	99	1,766
	$100-$149,999	96	208	196	240	108	64	912
	$150-$199,999	31	40	72	64	28	23	258
	$200,000+	19	44	29	49	30	13	184
	Totals	1,326	1,366	1,627	2,108	1,727	1,369	**9,523**

Change 2015-'20		HH Age Group						
		25-34	35-44	45-54	55-64	65-74	75+	**Totals**
HH Income Group	$0-$34,999	(12)	(67)	(153)	(153)	(12)	(29)	(426)
	$35-$74,999	+8	(50)	(175)	(55)	+79	+35	(158)
	$75-$99,999	+57	+57	+8	+73	+100	+36	+331
	$100-$149,999	+31	+56	+22	+60	+47	+28	+244
	$150-$199,999	+3	+3	+4	+9	+8	+5	+32
	$200,000+	+4	+0	+2	+7	+8	+3	+24
	Totals	+91	(1)	(292)	(59)	+230	+78	

Source: ESRI. Market Area demographics assessed as the best indicator of area housing needs.

Consistent with area demographics, the most significant 2015 to 2020 increases will occur among households aged 65 to 74 years; an increase of 230 households. Also note that the households in the $75,000 to $99,999 income group are projected to experience the greatest increase during the projection period. Although the most substantial increases will clearly occur among moderate income upper age bracket households, it is significant to note that there will be increases among moderate income younger (25 to 34 years) households as well.

3. PRELIMINARY RESIDENTIAL MARKET SUMMARY

A primary housing professional in the Rutland area notes that the Study Area corridor is not "ripe for housing in general."[6] Observations along the BR 4 corridor proper are consistent with this assessment; given high traffic volumes and lack of current pedestrian facilities, the corridor does not present a market-ready location for new housing. Further, the relatively poor current Rutland area housing market and low pricing for the existing housing stock make the economics of new housing development treacherous at best, as new housing would have to sell at a substantial premium to the existing stock.

Although the current housing market seems limited and the BR 4 corridor appears ill-fit for new housing development, existing housing stock and vacant commercial buildings in both Center Rutland and particularly in West Rutland offer future potential for redevelopment/rehabilitation as housing units. As noted above, small households and an aging population are combining to increase the area need for smaller rental and ownership units.

[6] Source: Elisabeth Kulas, Executive Director of the Housing Trust of Rutland County, Inc. Ms. Kulas does note that the current use of Jen's Motel – as a shelter/transitional facility – is successful and that there is potential for expansion of this use.