

MIDDLETOWN STATISTICS REPORT- MAY 2009

Highlights

Local Economy- Unemployment continues to grow. Trade name registration has slowed from previous March.

Housing- April sales for single-family homes are starting to go up. Condo sales have gone down and a staggering 33 month inventory exists. April foreclosures were up 138% from a year ago. Building permits are down 36% from a year ago. But the bright side is that Middletown's construction market is better than at least 123 other communities (Ranked 5th).

Web Interest- Web interest is up. (Numbers are prior to Wesleyan shooting.)

MAY HIGHLIGHT- Treasury Department Stress Test Scenario

Variables	Stress Test	Middletown	Effect on Middletown
Drop in Median House Prices	-22%	\$174,720 (-\$50k)	As many as 72% (9,181) of all house could be underwater.
Unemployment	10.3%	2,776	As many as 13.7% households could loose an income earner.

Local Economy

Main Street Storefront Vacancies

	Sept 2009	Mar 2009	Sept 2008
% of total Storefronts (135)	NA	8%	NA

Middletown Business/Economic Confidence Survey

	Oct 2009	April 2009	October 2008
Business Climate Rating (scale 1-10)	NA	5.2	NA
Report Increasing Revenue	NA	22%	NA
Report Same Revenue	NA	24%	NA
Report Declining Revenue	NA	51%	NA
Report Growing Workforce	NA	17%	NA
Report Same Workforce	NA	59%	NA
Report Declining Workforce	NA	24%	NA

Middletown Trade Name Registrations

	Apr 2009	Mar 2009	Apr 2008	Peak- 202 (2007)	1st Qtr. 2009	4th Qtr. 2008
Number of New Registrations	12	17	19	17 (adj.)	46	37
% Difference with most recent month		-29%	-37%	-29%		
Number of Cancelled Reg.	3	3	1	2 (adj.)	5	5

Commercial Real Estate

	July 2009	April 2009	Difference
Properties listed with CERC	NA	36	NA
Total Square Feet	NA	510,527 sqft.	NA
Median Asking Lease	NA	\$12.00 per sqft.	NA
Median Asking Price	NA	\$699,000	NA
% of total Com. Properties (692)	NA	5.2%	NA

Employment

	Apr 2009	Mar 2009	Dec 2008	Apr 2008	94-09 High Jan 1996	94-09 Low Oct 2000
Labor Force	27,073	26,952	26,759	26,729	23,654	24,696
Employed	25,112	25,066	25,166	25,617	21,698	24,289
Unemployed	1,961	1,886	1,593	1,112	1,956	375
Unemployment Rate	7.2%	7.0%	6.0%	4.2%	8.3%	1.5%
% over full employment	0.8%	0.6%	0%	0%	1.9%	0%
# jobs needed for full employment*	228	161	0	0	443	0
*6.4% or lower is full employment per OECD						
State Unemployment Rate	7.9%	7.8%	7.1%	4.7%	5.7%	
National Unemployment Rate	8.9%	8.5%	7.2%	5.0%	5.6%	3.9%

Housing

Affordable Housing Price for Median Income Household

	May 2009	April 2009	May 2008
Median Income	\$60,542 (2008)	\$60,542 (2008)	\$58,174 (2007)
Affordable Housing Payment (30% of gross income)	\$1,513	\$1,513	\$1,454
30 year fix interest rate	5.1%(May 26)	4.91% (Apr 25)	6.1% (Jun 2008)
Max house price 3% down (\$90 PMI, \$333 Taxes p/m)	\$207,000	\$211,000	\$175,000
Max house price 20% down (\$333 Taxes p/m)	\$271,000	\$277,000	\$231,000

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

	Apr 2009	Income/Price	Difference	Current Market
Single Family	\$235,000	\$200,999	+\$34,001 (+14%)	Overvalued
Condo	\$155,000	\$120,478	+\$34,522 (+22%)	Overvalued

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

	Apr 2009	Rent/Price	Difference	Current Market
Single Family	\$235,000	\$213,184	+\$21,816 (+9%)	Slightly Overvalued
Condo	\$155,000	\$129,462	+\$25,538 (+16%)	Overvalued

Single-Family Sales

	Jan-Apr 2009	Jan-Apr 2008	% Change	Peak (annual)	% below peak
# Sales	62	71	-12.7%	632 (2004)	-70% (adj.)

Single Family Median Price

	Apr 2009	Apr 2008	% Change	Peak (annual)	% below peak
Med. Price	\$235,000	\$235,000	-0%	\$240,000 (2007)	-2%

Single Family Inventory

	Apr 2009	Mar 2009	Apr 2008	Apr 2007	%Chg 07-09
Inventory	209	192	189	176	+18.7%
% of all Single-Family Dwellings (9,115, 2008)	2.3%	2.1%	2.1%	1.9%	
Months Supply	10.5	10.7	9.9	6.8	+54.4%
# properties above/below historic average	+70	+66	+55	-5	(7 months supply is average)

Condo Sales

	Jan-Apr 2009	Jan-Apr 2008	% Change	Peak (annual)	% below peak
# Sales	26	61	-57%	291 (2005)	-73% (adj.)

Condo Median Price

	Apr 2009	Apr 2008	% Change	Peak (annual)	% below peak
Med. Price	\$155,000	\$146,000	+6%	\$157,000 (2006)	-1%

Condo Inventory

	Apr 2009	Mar 2009	Apr 2008	Apr 2007	%Chg 07-09
Inventory	133	118	104	77	+72.7%
% of all condos (2,239, 2008)	5.9%	5.3%	4.6%	3.7%	
Months Supply	33.3	14.8	6.5	4.9	+579.6%
# properties above/below historic average	+109	+70	+8	-17	(6 months supply is average)

Foreclosures

	Apr	Mar	Diff	Jan-Apr	1st Qtr.	4th Qtr.	(38, Aug 2008) % Below Peak
2009 Foreclosure Filings	38	28	+36%	116	78	64	0%
2008 Foreclosure Filings	16	24	-33%	75	59	NA	-58%
Difference	+138%	+16%		+55%	32%		

Building Permits

	Mar	Feb	Diff	Jan-Mar	(256 permits, 2005) % Below Peak	State Rank
2009 Building Permits	7	6	+17%	15	-68% (adj.)	5 out of 128 (ytd.)
2008 Building Permits	11	9	+22%	22	-50% (adj.)	5 out of 128
Difference	-36%	-33%		-31%		

Web Interest (Name Recognition)

Search Engine Results

Search Engine	Search Phrase	Jun 2009	May 2009	% Change
Google	Middletown Connecticut	NA	227,000	NA
Yahoo	Middletown Connecticut	NA	714,000	NA
Ask.com	Middletown Connecticut	NA	40,200	NA
Msn Live Search	Middletown Connecticut	NA	12,300,000	NA

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

Web Search Volume

Region	Search Phrase	Apr 2009	Mar 2009	Feb 2009	Apr 2008	Short-term	Long-term
Hartford Metro	Middletown	76	76	74	72	+2.7%	+5.6%
Connecticut	Middletown	79	79	77	73	+2.5%	+5.5%
United States	Middletown Connecticut	36	34	35	47	+2.8%	-23.0%
International	Middletown Connecticut	27	26	29	35	-6.8%	-22.9%

Google Trends (<http://www.google.com/trends>) ***

Region	Search Phrase	Apr 2009	Mar 2009	Feb 2009	Apr 2008	Short-term	Long-term
Connecticut Subregion	Middletown	1.1	1.09	1.09	1.00	+0.9%	+10.0%
United States	Middletown Connecticut	0.62	0.56	0.60	0.82	+3.3%	-24.3%
International	Middletown Connecticut	0.50	0.50	0.52	0.74	-3.8%	-32.4%

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

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

**** Google Trends- The data is scaled to the average search traffic for your term (represented as 1.0) during the time period you've selected. For example, if you entered the term Middletown, the numbers would be scaled to the average of all search traffic for Middletown from January 2004 to present. A spike in the numbers to 3.5 for example would mean that the traffic is 3.5 times the average.*