

SURVEY OF DOWNTOWN RENTAL HOUSING

2008, First Quarter
(Version #1, June 2008)



Rochester Downtown Development Corporation

100 Chestnut Street, Suite 1910 ~ Rochester, New York 14604

Phone (585) 546-6920 ~ Fax (585) 546-4784

rddc@rddc.org ~ www.rochesterdowntown.com

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SURVEY OF DOWNTOWN RENTAL HOUSING, 2008

EXECUTIVE SUMMARY, 2007-08

In 2007 and early 2008, the PAETEC and ESL headquarters announcements, as well as the refocusing of the Renaissance Square development team, eclipsed housing as the lead downtown stories for the first time in several years. At the same time, increased media and public attention to the "inner core" broadened the audience for a downtown housing development story that continued unabated.

New units came on-line across the breadth of downtown, beginning with Belmont Properties' 80 refurbished units on Alexander Street, for-sale townhomes on Union Lafayette, and additional lofts at High Falls and the Cascade District.

The overall market-rate vacancy rate fell from 6.6 percent in 2007 to 4.9 in early 2008, and property owners and managers reported continued high demand for their units, particularly those new and dramatically refurbished since 1999-2000. The absorption rate for those units reportedly neared 95.3% (or 4.7% vacant).

Although slightly less feverish than in the previous two years, out-of-town investor interest in the downtown housing market and potential housing sites continued, with the promise of mixed-use development at the Midtown and neighboring sites fueling purchase offers and speculation.

NATIONAL PICTURE: LITTLE CHANGE IN VACANCY RATES BETWEEN 2007 AND 2008

2008 1st Quarter Snapshot

The national vacancy rate for all multi-family rental units remained at 10.1% in the first quarter of 2008, unchanged from a year earlier, according to a U.S Department of Commerce report.

The South continued to experience the highest vacancy rates at 12.7%, followed by the Midwest at 11.8%, the Northeast at 7.3%, and the West at 7.0%.

According to the Commerce Department, homeowners as "shares of total households" continued its decline from a 2005 high of 69.1% to 67.8% in early 2008. Collaterally, the percentage of "renter household" units rose 2.8% in 2007-08 in a survey of "all housing units", a full 2.0% gain over 2006-2007, and at 32.2% of total households, the renter percentage reached its highest rate since 2002, although still below the mid-30% rates of the 1980s and 1990s.

On a regional level, between 2006 and the 1st quarter of 2008 the West experience the greatest shift from “homeownership” to “rental share of households”, moving from 64.4% homeownership to 62.8% renters. For the same period, the Northeast experienced little change in the renter share of households (35.3, 35.2, and 35.3% for the last three years), while the South and Midwest reported changes of less than 1% for the same reporting period. In early 2008 the South reported a renter share of 30.3%, and the Midwest market renter share-hold came in at 28%.

National and regional economic volatility and the roiling sub-prime market crisis rolled through the national rental market in the first quarter of 2008 as “median asking rents” rose for the year from \$659 1st quarter 2007 to \$665 in 1st quarter 2008. After reaching a high of \$700 in 4th quarter of 2006, the “asking rents” fell, rose, and fell again on a quarterly basis, before spiking to \$673 in the 4th quarter of 2007.

Although holding most of their rent gains since 2000, the Northeast at \$787 and the Midwest at \$569 tumbled from 2006 highs of \$825 and \$574, respectively. The South average fell from \$654 in the 4th quarter of 2007 to \$640 in the 1st quarter of 2008, but held its overall gains from 2006.

Meanwhile, in the West, 1st quarter 2008 median-asking-rents fell to \$838 after reaching a record, national height of \$877 in 2007.

In May 2008 the Commerce Department reported that home builders had “broke ground on 8.2%” more homes in April 2008 than in April 2007, led by a 36% percent increase in multi-family housing units. However, according to experts at *MarketWatch*, getting a clear picture of the housing industry remained difficult.

Some experts expressed wariness of both the value of new construction or predicting any discernable market pattern, noting the following: 1) a 26% decline in new home sales in 2007; 2) the recent volatility of the multi-family starts (*with percentage swings of more than 20% reported in each of the previous five months*), and, 3) continued decline of single-family-home starts (*the 12-consecutive month in decline reaching a 1991 low*). On the other hand, other analysts chose to see the Commerce Department’s April report on overall housing starts as evidence that the bottom of the housing slump may be in the past.

In mid-May 2008 *Standard and Poors* reported that nationwide housing prices had fallen 14.1% from early 2007 to the same period in 2008.

Understanding the Multi-family and Downtown Populations: Background

The following excerpt is courtesy of the US Census Bureau, American Housing Survey Report: In an effort to provide illuminating angles of inquiry into the rental housing market, RDDC provides views from a variety of sources. The following is courtesy of the National Apartment Association, and the chronological lag reflects the timing of the Census Bureau research:

Reasons for Moving

The most often reported main reason for renters to move in 2003, was to establish their own household. It was the second most reported reason in 1999. In 2003, 11.7 percent of renters moved for this reason compared to 11.5 percent in 1999.

Among the 16 specific reasons presented in the reports, a new job or job transfer was the second most reported reason for renters to move in 2003, at 10.5 percent. In 1999, it was 12.5 percent. The weaker labor market in 2003 probably accounted for the change.

Survey respondents could give more than one reason for why they moved from their previous unit. Renters gave an average of 1.3 reasons per response. Homeowners gave an average of 1.9 reasons.

The need for larger units was third most reported main reason given among renter movers in 2003, at 9.5 percent. This was up slightly from 9.2 percent in 1999. Aging of the Baby Boomers generates demand for more space, because, as they move toward their highest income age cohorts, they feel that they need more space and they can afford it.

Choice of Location

Additional data related to the choice of residence for recent movers are also provided in the AHS, including choice of present neighborhood, neighborhood search, and choice of present home. Highlights include:

- The top four main reasons for choosing their present neighborhood included convenience to job (22.5 percent), convenience to friends or relatives (16.1 percent), looks and design of neighborhood (11.7 percent), and in the case of homebuyers, the house was most important consideration (11.6 percent).
- Slightly less than half (49 percent) of renter movers looked only at the neighborhood to which they moved in 2003, compared to a little over a third (39.5 percent) of homebuyers.
- A financial reason was the most reported main reason for the selection of current units among renter movers in the 2003 survey, at 32.2 percent, meaning they selected what they could afford. The next two most reported reasons among renters were size (14.3 percent) and room layout and design (14.1 percent).

As reported by RDDC in 2007, a recent US Census Bureau *Survey of Market Absorption of Apartments* cited the following demographic factors as influencing trends in household formation rates:

- Age at first marriage (expected to increase, although slower than previously);
- Divorces (trending down since 1979 heights);

- Non-marital childbearing;
- Postponed or foregone childbearing; and,
- Longer life expectancy.

All these demographic factors may be accentuated by changes in the ‘age composition of the population’.

UPSTATE & LOCAL MARKETS

Upstate New York

In its’ most direct expression, the housing and subprime mortgage crisis resulted in increased foreclosure rates in 46 out of 50 states and in 90 of the nation’s largest metro areas in 2007-2008, according to a April 2008 *RealtyTrac* report.

The average rate of foreclosures throughout New York State was 9.7% in early 2008, according to the Federal Reserve Bank. Although that figure was approximately 2% above the national average, the foreclosure rate in upstate New York hovered at approximately 2% below the national average.

Within that context, in early 2008 Rochester reported a decline of 11% in the foreclosure rate compared to the 1st quarter of 2007, with one foreclosure per 446 households. Although each had recently experienced enormous percentage spikes, Albany reported one foreclosure per 622 households; Buffalo one per 768; and Syracuse one per 909.

On the other hand, in May 2008 Rochester’s real estate fundamentals caught the attention of *Money Magazine*, which ranked it number two in its list of “10 fastest growing real estate markets”. Syracuse ranked fourth, and Buffalo followed at fifth.

Representatives of the *Greater Syracuse Association of Realtors* took the favorable ranking in stride, as reported by *Syracuse.com*, noting that single digit growth rates in housing prices weren’t going to have anybody “doing high-fives with each other”. At the same time, *Money* reported that 75 percent of the biggest U.S. cities would likely see price decreases in 2008.

Affordable housing ranked near the top of a list of reasons why Rochester, Syracuse, and Buffalo, were named by *PrimacyRelocation.com* as among their top-five, mid-size cities to relocate a family. Other reasons included reasonable commute times, educational opportunities, and the local economy.

In March 2008 the *Buffalo News* reported that 118 new rental units had opened in downtown Buffalo in 2007-2008, and it projected that a total of 700 new units will have been introduced between 2004-2009.

Meanwhile, Albany’s recent biotechnology advances, and subsequent real and projected employment growth, made the state capital’s economy the envy of the other big three thruway cities – Syracuse, Rochester, and Buffalo -- as population growth and multi-family housing construction starts continue to escape the western three. However, according to analysts at

Marcus and Milichap and the *Greater Rochester Area Association of Realtors*, multi-family rents continued to rise in the region and occupancy rates in the multi-family market tightened.

Greater Rochester Region

The Rochester multi-family rental market should expect to experience a “boom” – within the constrained limits of the national and upstate economy – according to a December 2007 *Rochester Business Journal* article. According to local analysts cited by the *RBJ*, the rental housing market had already begun to tighten in the second half of 2007 as would-be home purchasers without “exceptional” credit ratings were forced to rent rather than buy. (In December 2007 the *Greater Rochester Area Association of Realtors* reported that home sales had fallen 12% compared to the same month in 2006.)

Furthermore, in January 2008 *NuWire Investor* ranked Rochester number one on its list of “10 Top Cash Flow Property Markets”, setting aside what it described as the region’s relative high multi-family vacancy rates and declining population. *NuWire* based its ranking on cash flow fundamentals – affordability, median monthly upkeep costs, and low mortgage payments (revenue coming in versus going out, without accounting for appreciation).

DOWNTOWN ROCHESTER MARKET

June 2008 Update

As of June 2008, 377 residential units were either under active construction (250) or proposed (127). Furthermore, since 2000 approximately 582 new rental and owner-occupied housing units have been constructed downtown. By the end of 2007-08 these additional housing units -- recently built, under construction, and proposed -- will have translated into approximately 2,927 downtown rental units, bringing the total residential population to well over 4,000.

The 2008 survey accounted for approximately 92% of the 2,505 known rental units in the market, 822 (or 36%) of which are subsidized. (Only vacancy figures reported by March 31, 2008, were used for this survey’s computations; however, interview and anecdotal survey work continued through the end of May 2008.)

Downtown Market Rate Vacancy measures 4.9%

According to the residential rental property owners and managers, the vacancy rate for downtown’s market-rate rental housing market was 4.9% in the 1st quarter of 2008. The rate fell from 6.7% in 2007, according to information provided to the Rochester Downtown Development Corporation (RDDC) in the first quarter of 2008 by property owners and managers. Of the 2,343 total units surveyed, 75 market-rate and 138 subsidized units were reported vacant.

The overall vacancy rate for subsidized units was reportedly 16%; however, included in that figure are 100 units at the Andrews Terrace complex on St. Paul Street, where dramatic renovation work is expected to continue until October 2008.

The 5% vacancy mark is considered a bellwether in the real estate industry, reflecting a healthy market wherein a would-be, first-time tenant can find a unit, and once in the marketplace, a downtown resident has the option of either increasing their unit size or downsizing.

Absorption

Since the commencement of its residential survey work, RDDC has sought to track the “unit style” and “amenities” interests of downtown residential tenants. Furthermore, property owners and managers have been polled annually regarding their perception of the demand for their respective products – anecdotally and statistically – as expressed by the maintenance of waiting lists and/or lack of demand.

More recently, RDDC has sought to better understand the absorption rate of both new residential products and those units that become available across the course of the year. Regarding the former, accessing “real-time” numerical feedback on the lease-up rates of new units has been slowed by proprietary issues, “overloaded” leasing agents, and varied tracking processes.

Regarding the lease-up rates of existing units, in 2008 RDDC surveyors for the second time asked owners and managers how long it was taking them to re-lease vacated units. Of the 26 respondents, 20 reported that were refilling units *immediately or within two to three weeks*; 5 reported that their units were re-leasing in *two weeks to a month*; and 1 reported units sitting vacant for a *month or more*.

Additional Findings

Among the other key findings from the 2008 Survey were the following:

- For those categories where results for more than 100 units were reported, vacancy figures were the tightest for one-bedroom and loft units (3.0%), and two-bedrooms followed at 5.0%.
- The 265 two-bedroom units surveyed commanded the highest average monthly rents at \$1,155.
- Occupancy rates in the Upper East End (96.0%), East End (95.8%), and the St. Paul Quarter (95.6%), were the strongest among residential neighborhoods with a significant amount of market-rate units (more than 100).
- In early 2008 professionals, students, and empty nesters continued to comprise a large majority of the market-rate downtown tenancy (approximately 81%), according to the descriptions of property owners and managers. “Seniors”, families, and ADA tenants followed in rank order and totaled a large percentage of some of the bigger subsidized apartment units and complexes.
- Secure parking facilities again topped the list of amenities most desired by existing and would-be residents. Free utilities, laundry facilities, and internet-connectivity followed in apparent order of importance, with security systems and hardwood floors also noted.

Rent Price-Per-Square-Foot

Property owners and managers reported that tenants were paying an average of \$1.17 per square foot in 2007-2008. (In early 2007, 23 properties responded to this query, reporting an average of approximately \$1.10 psf.)

The reported pricing range for 2008 started at \$.65 psf (\$.50/2007) and reached as high as \$2.00 psf (\$1.76/2007).

Background: In response to the urging of developers and lenders, property owners were first queried regarding their price-per-square-foot (psf) rents in 2004. According to those surveyed for this study and throughout the year, the \$1.00 psf return is seen as a minimum requirement for building renovators. For developers of new construction units, the psf requirement is seen as hovering at approximately \$1.35 or greater. Property owners receiving \$1.00 or greater are universally located in updated structures or prestigious locations. In those cases where the psf is reportedly \$1.25 and/or greater, the psf reportedly declines as the unit size crests 1,500 square feet.

A BRIEF TOUR OF DOWNTOWN: Project Updates 2008-09

Cascade District

At mid-2008 much of the interest in residential life in the Cascade District focused on two, much anticipated, City of Rochester Request for Proposals (RFP). First, the Josh Lofton High School redevelopment site on the corner of Cascade Drive and Main Street has long been seen as a potential cap to the residential development efforts further down the street (led by the Loftus Brothers, Buckingham Properties, the Daily Record Building Lofts, and at Andy Olenick's studio/former city morgue). In addition, the Lofton High site could serve as a linchpin between the district's ongoing residential successes and the hopes it has for the Open Door Mission block and the gateway "triangle" building on the corner of Main and Broad.

The second site expected to capture developers' attention – currently a surface parking lot fronting the Hochstein Building - runs from Main Street to the Buckingham Commons Building along Plymouth Avenue. Planners see this site as linking the energy of the Four Corners and Cascade districts.

Four Corners

The capture of Restore NY monies continues to buoy the redevelopment enthusiasm that developer George Traikos has for the much-beloved Academy Building on Fitzhugh Street. His plan there includes residential rentals, commercial office space, and destination eateries.

High Falls Village

Construction Underway! RG&E, the Urban League of Rochester, and Kend Enterprises all have rolled trucks into the High Falls Village. RG&E's efforts are regional in nature, but include the demolition of a number of street-level structures --- several buildings and two of three

smokestacks have already come down, and new landscaping is expected to enhance their site besides the Urban League's 67-unit, 'Mills at High Falls' complex. Meanwhile, at the Parazin Building the High Falls-based Kend Enterprises team reports that their Phase 1, work-live lofts have begun to take shape. The Parazin renovation occurs immediately besides the recently completed and now fully occupied Parry Building Lofts.

St. Paul Quarter & St. Joseph's Neighborhoods

Renovations should be finished by October 2008 at the newly christened Andrews Terrace complex on St. Paul Street, where ten new units have been added to the preexisting 518, and the new façade and fencing create a welcoming entrance and sense of security.

At the same time, Restore NY grants fuel Mark IV's redevelopment at Warner Place, and at the Cox Building planning continues in efforts to add to the eleven new lofts already in place. The Kirstein Building redevelopment effort moved forward in 2007-2008 with extensive demolition and remediation work reported. (In 2007 the Kirstein was being offered on Loop.net as 61 for-sale units - by adding a new building on Bittner Street, and the property listed for \$75,000 per unit, or \$4.575 million for the site.)

Rentals in the St. Joseph's neighborhood continue to go slowly, with owners wrestling with redevelopment plans. On the other hand, several years worth of residential redevelopment work neared fruition on Liberty Pole and Pleasant, where new units in the shadow of the Temple Building are expected to come on-line.

Grove Place

The Cultural Commission's Block F site remains the center of attention in this neighborhood, as a first round of responses to a request for proposal failed to provide a "winner"; thus, sparking a reworked, second round request. Meanwhile, the creation of three eclectic, new townhomes neared completion on Windsor Street. The site enjoys two "traditional" residences linked by a modern loft-style home.

Washington Square extension, East End, & Upper East End

At one of the highest profile sites underway, construction crews under direction from both the City and Plan Architectural Studios' are reworking the former natatorium pumphouse into a mixed-use commercial and residential building on South Avenue. Five residences will occupy floors two, three, and the penthouse, and a commercial studio is slated for the first floor. No new progress has been reported at the neighboring Capron South redevelopment site that was purchased by Belmont Properties two years ago.

Over in the East End, progress has temporarily stalled at the Charlotte Square housing site; however, on East Avenue construction is underway at two former commercial buildings (230 & 250) now earmarked for housing. In the Upper East End, Belmont Properties continues to lease up its 80 thoroughly overhauled East End Lofts units on Alexander Street.

ABOUT THE 2008 SURVEY

RDDC surveyed downtown rental properties between January 1 and March 31, 2008, located as follows:

- All “Inner Loop” addresses
- In the High Falls Historic Village
- Corn Hill rental properties border on either side of Exchange Street
- Market-rate units in the Alexander and Upper East End districts

Representatives of 72 total buildings were contacted, representing 2,570 total units. There are approximately 1,748 market-rate units and 822 subsidized units in the study area, partitioned into 68% and 32% of the market, respectively. The 2,389 units surveyed is the largest total surveyed to date and represents 92% of the total housing market. In 2008 RDDC tracked an additional 50 units that have been withdrawn from the marketplace for renovation.

The subsidized units are concentrated in three buildings and were identified by property owners and managers.

Eight different unit styles were tracked in this survey, including:

1. Studio apartments
2. One-bedroom units
3. Two-bedroom units
4. Three-bedroom units
5. Four-bedroom units
6. Lofts
7. Work/live combinations
8. Penthouse units

Any properties under renovation at the time of the study were not included in the vacancy analysis, although their feedback regarding demand and amenities are reflected in this text wherever pre-occupancy leasing activity was underway.

This survey is based on the following chronological compilations: a list of downtown rental properties prepared in 1995 by the Cultural Center Commission; edited and expanded by RDDC in 2000 under a City of Rochester-funded downtown housing study; updated by RDDC in advance of the mid-2002 launch of its www.rochesterdowntown.com website; and newly surveyed on an annual basis in 2003-2008.

RDDC tracks the increasingly diverse product offerings in the downtown rental market as part of a larger effort to provide investors and lenders with detailed and relevant data, thereby encouraging the development of more market-rate housing in the Center City core.

Using direct input from individual property owners and managers, RDDC regularly updates information for residential rental units on its www.rochesterdowntown.com website. In addition to listing all of the rental units downtown, the properties listed in the “Living” section of the website can be searched using a number of different variables, such as: bedroom configuration, unit type, pricing, and neighborhood.



APPENDIX A

***** PLEASE MAKE ANY CORRECTIONS NEEDED AND ADD 2008 INFORMATION *****

2008 Rental Housing Survey

Property Address _____

Owner Name: _____

Contact Name: _____

Contact Company: _____

Contact Address: _____

City, State, Zip: _____

Contact Phone No.: _____

Contact e-mail: _____

SAMPLE DOCUMENT

Type of Unit	<i># of Units</i>	# of Units Available	Rent Range
Studio			
1-Bedroom			
2-Bedroom			
3-Bedroom			
4-Bedroom			
Loft			
Penthouse			
Townhouse			

Amenities:

Please check which of the following are available.

- | | |
|---|--|
| <input type="checkbox"/> Cable Hook-Up | <input type="checkbox"/> Shared Common Space |
| <input type="checkbox"/> High Speed Internet Access | <input type="checkbox"/> Balcony |
| <input type="checkbox"/> Security | <input type="checkbox"/> Elevators |
| <input type="checkbox"/> Doorman | <input type="checkbox"/> ADA |
| <input type="checkbox"/> Concierge | <input type="checkbox"/> Near Mass Transit |
| <input type="checkbox"/> Laundry Hook-Up in units | <input type="checkbox"/> Utilities Included |
| <input type="checkbox"/> Laundry Room | <input type="checkbox"/> Covered Parking |
| <input type="checkbox"/> Storage Space | <input type="checkbox"/> Parking Lot |
| <input type="checkbox"/> Updated Kitchen | <input type="checkbox"/> On-street Parking |
| <input type="checkbox"/> Health Club | <input type="checkbox"/> |
| <input type="checkbox"/> Fireplace | |

Additional amenities: _____

Thank you for participating.

2008 DOWNTOWN RENTAL HOUSING SURVEY

Tenant Profile: (Please describe your current tenant profile):

Young professionals _____%

Empty-nesters, older professionals _____%

Students _____%

Seniors _____%

Families with children _____%

Disabled _____%

Corporate units _____%

Market Demand: (please check one)

More applicants than units available _____

Experiencing "hard-to-fill" vacancies _____

Absorption:

On average, how many weeks does it take to fill an available apartment?

Additional Questions

1. For which unit style do you get the greatest demand (e.g. *1-bed, loft*, etc.)?

2. Which types of amenities are in the greatest demand? _____

3. What is your approximate price-per-square-foot rent range (eg. \$.75-\$1.35)?

Additional comments? Question suggestions? Write on back.

APPENDIX B

Rochester Downtown Development Corporation

2008 DOWNTOWN RENTAL HOUSING SURVEY - Rochester, New York

Market-Rate Units By Neighborhood

	<i>TOTAL UNITS</i>	<i>UNITS</i>	<i>NUMBER</i>	<i>PERCENT</i>	<i>RENT</i>
<i>NEIGHBORHOOD</i>	<i>TRACKED</i>	<i>SURVEYED</i>	<i>VACANT</i>	<i>VACANT</i>	<i>RANGE</i>
Cascade District	59	59	4	3%	\$825 - 2,900
Corn Hill	222	222	11	5.0%	\$695-1,950
East End	527	521	22	4.2%	\$350-2,200
Four Corners	5	5	0	0.0%	\$850
Grove Place	147	86	1	1.2%	\$400-1,650
High Falls	9	7	2	29%	\$780-1700
Manhattan Square	250	250	0	0.0%	\$375-583
St. Joseph's Park	57	25	9	36.0%	\$550-625
St. Paul Quarter	251	251	11	4.4%	\$435-1,200
Upper East End	191	111	15	4%	\$400 - 2,200
MARKET RATE	1,718	1,537	75	4.9%	\$250-3,200
SUBSIDIZED	852	852	138	16.2%	n/a
TOTALS	2,570	2,389	(92% of the units represented in the survey)		

(RDDC - First Quarter 2008)

APPENDIX C

Downtown Rochester, New York

LOFT LIVING UNITS, JUNE 2008

	<u>UNITS</u>	
<i>EXISTING</i>		
Michaels/Stern Bldg.	45	
Temple Building	40	
Buckingham Commons	36	
Riverview Lofts. (Water St.)	36	
Smith-Gormley Bldg.	22	
East End Lofts	17	
Knowlton Bldg.	17	
Halo Lofts @ 60 Grove	12	
Cox Bldg.	10	
Parry Bldg. (High Falls)	6	
116 St. Paul (Harry Forman Bldg.)	5	
Andrews Bldg.	5	
Cascade Center Lofts	3	
54 University Ave.	3	
Searle Bldg	3	
Gauss Bldg.	3	
High Falls Lofts@104 Platt Street	2	
Daily Record Bldg.	2	
State Street Bldgs. (121 &139)	3	
234 Mill Street	1	
TOTAL, EXISTING		271
 <i>UNDER CONSTRUCTION</i>		
TOTAL, UNDER CONST.		
Parazin Building (Phase 1)	6	
Natatorium (250 South Ave.)	5	
		11
 <i>PROPOSED</i>		
Capron & South Ave. Lofts	22	
State St. Bldgs. (143 &151)	19	
TOTAL, PROPOSED		41
 <i>TOTAL, EXISTING, UNDER CONSTRUCTION, & PROPOSED</i>		
		323

APPENDIX D

2008 Downtown Rental Housing Survey

TENANT PROFILE, MARKET DEMAND, & AMENITIES ANALYSIS

TENANT PROFILE (All units)

When asked to describe their tenant composition, owners and managers of market-rate units described their residents as follows: (2007 figures in parenthesis)

- Professionals **25%** (42%)
- Students **19%** (27%)
- Seniors **25%** (11%)
- ADA **13%** (4%)
- “Empty Nesters” **8%** (14%)
- Families w/children **5%** (1%)
- Corporate **1%** (1%)
- Other **4%** (n/a)

APARTMENT STYLE DEMAND (All Units)

When asked to describe overall demand for their units, the respondents indicated as follows:

- More inquiries than available product -- 21
- Experiencing “hard-to-fill” vacancies -- 3

When asked which unit size or type was in the greatest demand, the respondents (50) indicated the following order of preference:

- 1-bedrooms (21)
- Loft-style (5)
- Studios (3)
- 2-bedrooms (3)

AMENITIES DEMAND ANALYSIS (All Units)

When asked which type of amenities were in greatest demand, the respondents indicated the following (in order of frequency):

- Off-street parking
- Utilities included in monthly rent
- Laundry facilities, hook-ups or laundry rooms
- High Speed Internet
- Wireless Internet Access
- Updated Kitchens/New Appliances (stainless)
- Security
- Hardwood floors
- Disposal systems
- Balconies/Outdoor decks
- Air conditioning
- Storage space
- Cable
- Waterviews

CURRENT AMENITIES OFFERED (All Units)

When asked which type of amenities they currently offer tenants, the respondents indicated the following (in order of frequency):

- Cable TV (66)
- Access to mass transit (65)
- Street Parking (50)
- Storage Space (49)
- Fast Internet Service available (49)
- Surface Parking Lot available (49)
- Laundry Room (48)
- Security System (48)
- Updated Kitchens (44)
- Utilities included in monthly rent (42)
- Elevators (29)
- Laundry Hook-ups in units (25)
- Shared Common Areas (24)
- Fireplaces (24)
- ADA accessible (19)
- Covered Parking (19)
- Balconies (14)
- Exercise Rooms (7)
- Concierge (2)
- Doorman (2)

APPENDIX F

Rochester Downtown Development Corporation **DOWNTOWN RENTAL HOUSING MARKET, 1995-2008**

	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003**</i>	<i>2000*</i>	<i>1995</i>
LEASEABLE RENTAL HOUSING UNITS	2,570	2,434	2,339	2,181	2,095	2,012	2,012	1,748
PERCENT INCREASE IN UNIT NUMBER	5%	4%	2%	8%	4%	n.a.	15%	n.a
RENTAL HOUSING UNITS SURVEYED	2,389	2,204	2,094	2,052	1,975	1899***	n.a	n.a
TOTAL VACANCIES (REPORTED)	75 (mr)****	146(all)	98	81	90	67	72	55
MARKET RATE UNIT VACANCY RATE	4.90%	6.70%	5.7%	5.2%	5.3%	3.5%	3.6%	3.1%
SUBSIDIZED RATE UNIT VACANCY RATE	16.2%*v	6.50%	3.0%	2.0%	3.4%			

* In early January RDDC sends all rental property owners a survey with instructions to both update data reported the previous year and include new vacancy and rent rates. While anecdotal descriptions of the marketplace are included in the text of the survey up to the midyear publication date, vacancy and rent data are accepted only up to a predetermined mid-March date.

** Funded by a City of Rochester contract, RDDC conducted its first formal survey in 2000-2001, basing its work on data gathered by previous researchers. Beginning in 2003 RDDC took complete responsibility for the survey process and any errors.

*** There are 822 self-described, subsidized rental units distributed across three complexes. Residents in the single-room-only (SRO) units in the Cadillac and Elk Hotels, for example, are not reflected in this survey, nor are students in the Eastman School dormitory units.

**** The 2008 total vacancies, as noted, reflects market-rate (mr) units only. "All" in years 2000-2007 includes subsidized vacancies in the totals.

*v The 16.2% vacancy rate reflects the reemergence into the market of 100 renovated units at Andrews Terrace just as the survey work was performed.