FEASIBILITY ANALYSIS

Dunstable Village

Dunstable, Massachusetts



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Dunstable Town Hall

RB Development Solutions, LLC

September 15, 2021

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FEASIBILITY ANALYSIS
DUNSTABLE VILLAGE

EXECUTIVE SUMMARY

Dunstable Village is a proposed Active Adult (55+) Condominium project located near the Town Center in Dunstable Massachusetts. Brattle Development, LLC (Brattle) retained RB Development Solutions, LLC (RBDS) to conduct a feasibility analysis to confirm market viability, unit design, unit mix and pricing for the proposed project. Dunstable Village is projected to be developed as an Inclusionary Zoning project, incorporating no fewer than 25% affordably priced units in order to comply with Massachusetts' Section 40B Affordable Housing Regulations.

Dunstable Massachusetts is a rural community in Middlesex County, Massachusetts and is located just south of the Nashua, New Hampshire border. Encompassing about 17 square miles, the majority of the town is zoned single family and farming with an estimated population count of fewer than 3,300 people.

The proposed development site is located less than one-half mile east of the Dunstable Town Center, and, while located within a rural community, it still enjoys outstanding access to amenities and services in adjoining municipalities, especially Nashua, NH. The Primary Market Area (PMA) was established as a 10-mile radius from the site. Demographics are favorable, with population increasing generally. Even more significantly, population is increasing in the age-specific segments of the population towards which the proposed project is targeted. Incomes and house values within 5 miles of the project site are 17 to 21% higher than potential competing locations in nearby New Hampshire.

Sixty-one existing and four proposed age-restricted, for-sale communities, totaling more than 4,300 units, were identified in Massachusetts and New

Hampshire within approximately 15 miles of the site. These projects include garden style condominiums, townhouses, and single-family homes. A lack of garden style units and moderately priced town/single-family age-restricted homes was identified within the Massachusetts portion of the PMA. More than one-half of the existing units were found to be located between 10 and 15 miles from the project site. A Penetration Rate Analysis indicates a favorable market situation exists for a proposed age-restricted development on the Dunstable site.

Six projects were selected for more detailed consideration in order to develop recommendations for unit sizes and prices. Recommendations for the proposed project were established as follows:

Type	***Area (sf)***	***Price***
Affordable One-Bedroom Garden	980	$210,000
Market-Rate One-Bedroom Garden	980	$374,000
Affordable Two-Bedroom Garden	1400	$245,000
Market-Rate Two-Bedroom Garden	1400	$480,000
Affordable Two-Bedroom TH/Single	1600	$245,000
Market-Rate Two-Bedroom TH/Single	1600	$520,000

As many as 160 units are planned for Dunstable Village. Several concepts are under consideration, ranging from 100% garden style units to varying mixes of garden style, townhomes and/or single-family homes. Projected absorption during the initial marketing and construction period is expected to range from 1.5 to 3 units per month, on average. Pre-sales will be a key to maintaining an ideal construction schedule. This will enable the contractor to maintain the work crew and sub-contractors for the project, enhancing schedule, quality, and cost control for the overall project.

INTRODUCTION

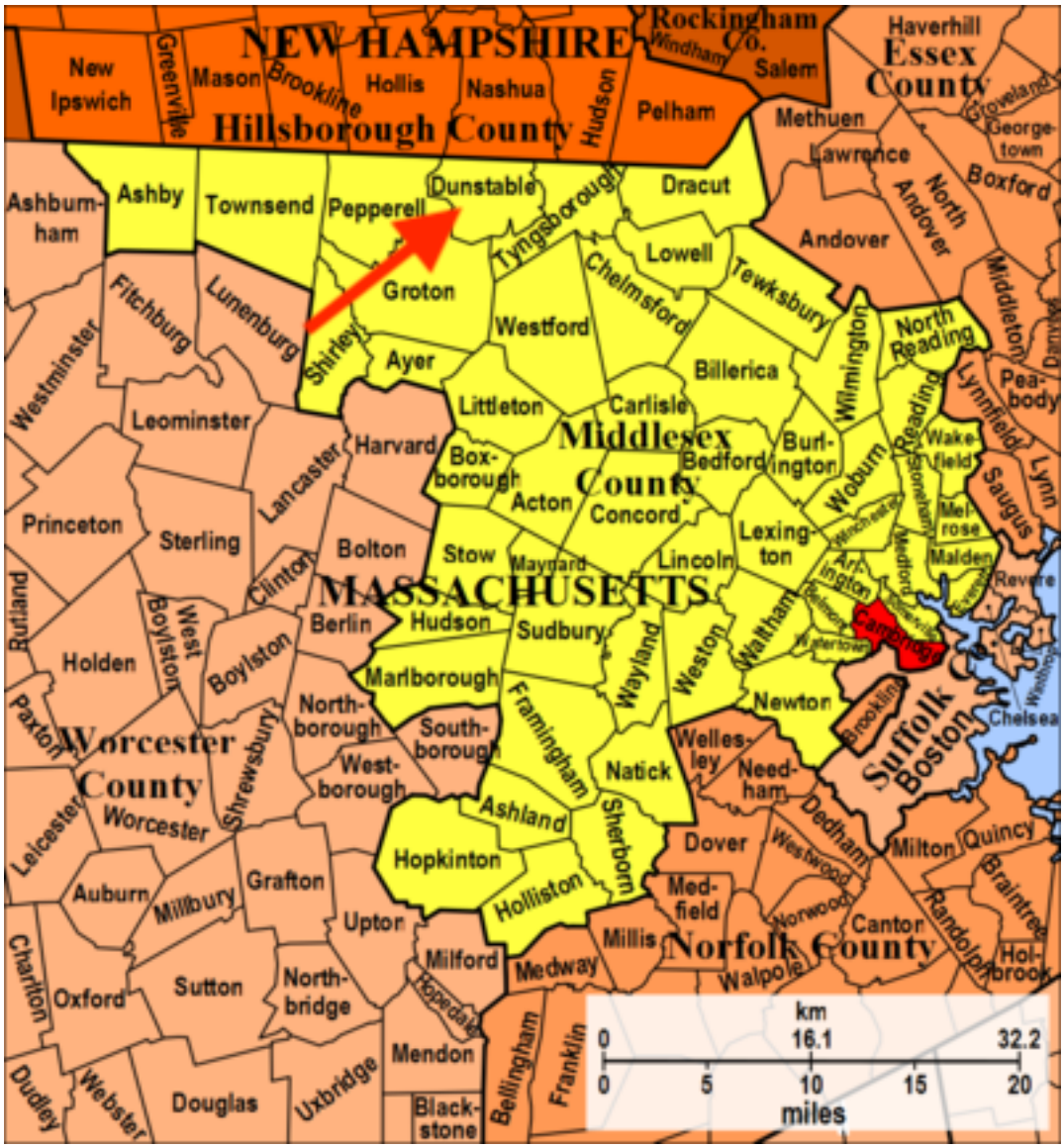
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- *Site Location (Locus)*
- *Market Area*
- *Demographics*
- *Amenities, and*
- *Comparable Communities*

RBDS then established recommendations for unit mix, unit sizing and unit pricing.

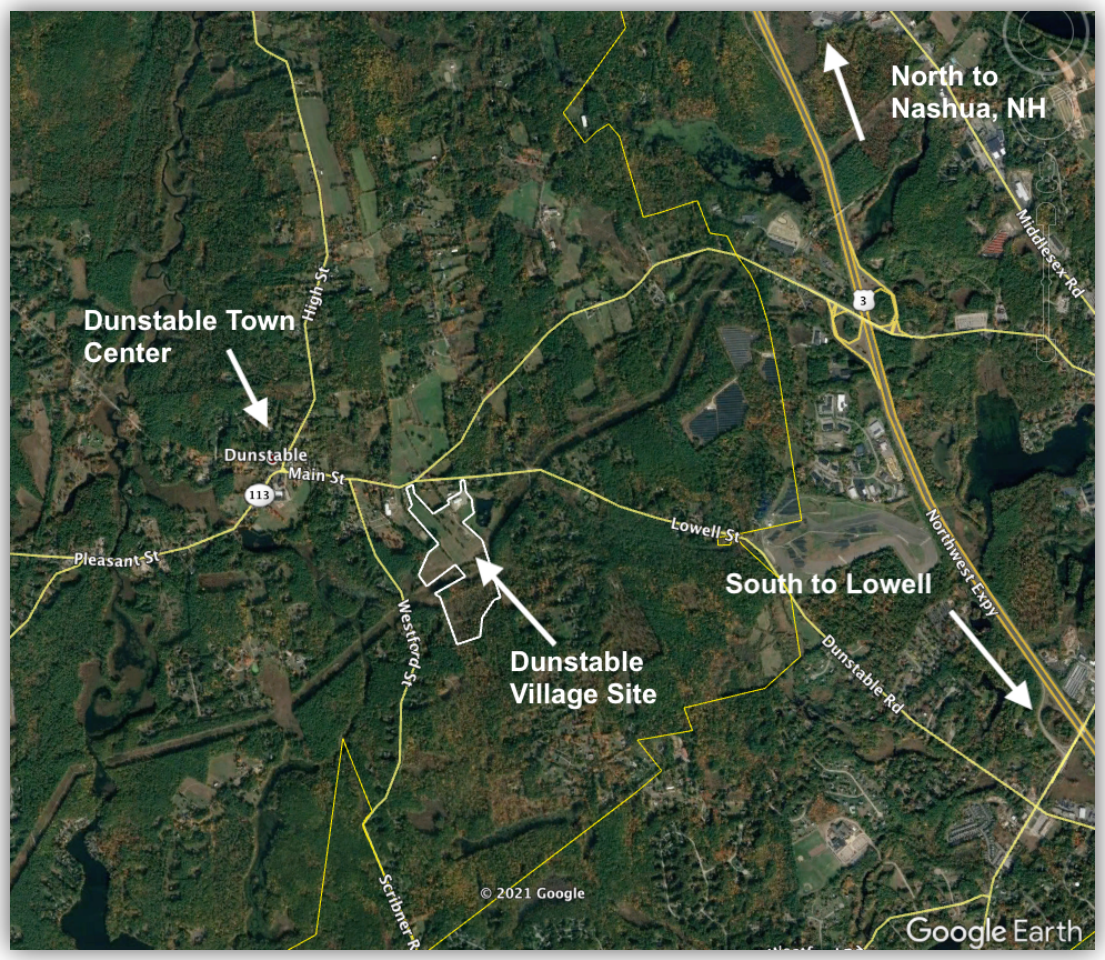
LOCUS

Dunstable Massachusetts is a rural community in Middlesex County located just south of the Nashua, New Hampshire border. It encompasses a little under 17 square miles. Besides Nashua, Dunstable is also bordered by Hollis, New Hampshire at its northwest edge, Pepperell to the west, Tyngsborough to the east and Westford and Groton to the south. The majority of the town is zoned single family and farming with an estimated population count of fewer than 3,300 people spread out among some 1000 +/- households. (Ref. www.dunstable-ma.gov)



Dunstable – Middlesex County, Massachusetts

Services within the Town limits themselves are somewhat limited. There are a "…couple of variety stores…a Dunkin' Donuts… a flower shop & small auto repair within the town." (Ref. www.dunstable-ma.gov) There is no public bus service or train access available. These potential deficiencies, however, are more than offset by the site's location on the eastern edge of Town and just two miles from the Northeast Expressway (US Rt. 3.) This North-South highway provides ready access to services and amenities in Tyngsborough, Chelmsford and Lowell, MA and Nashua, NH.

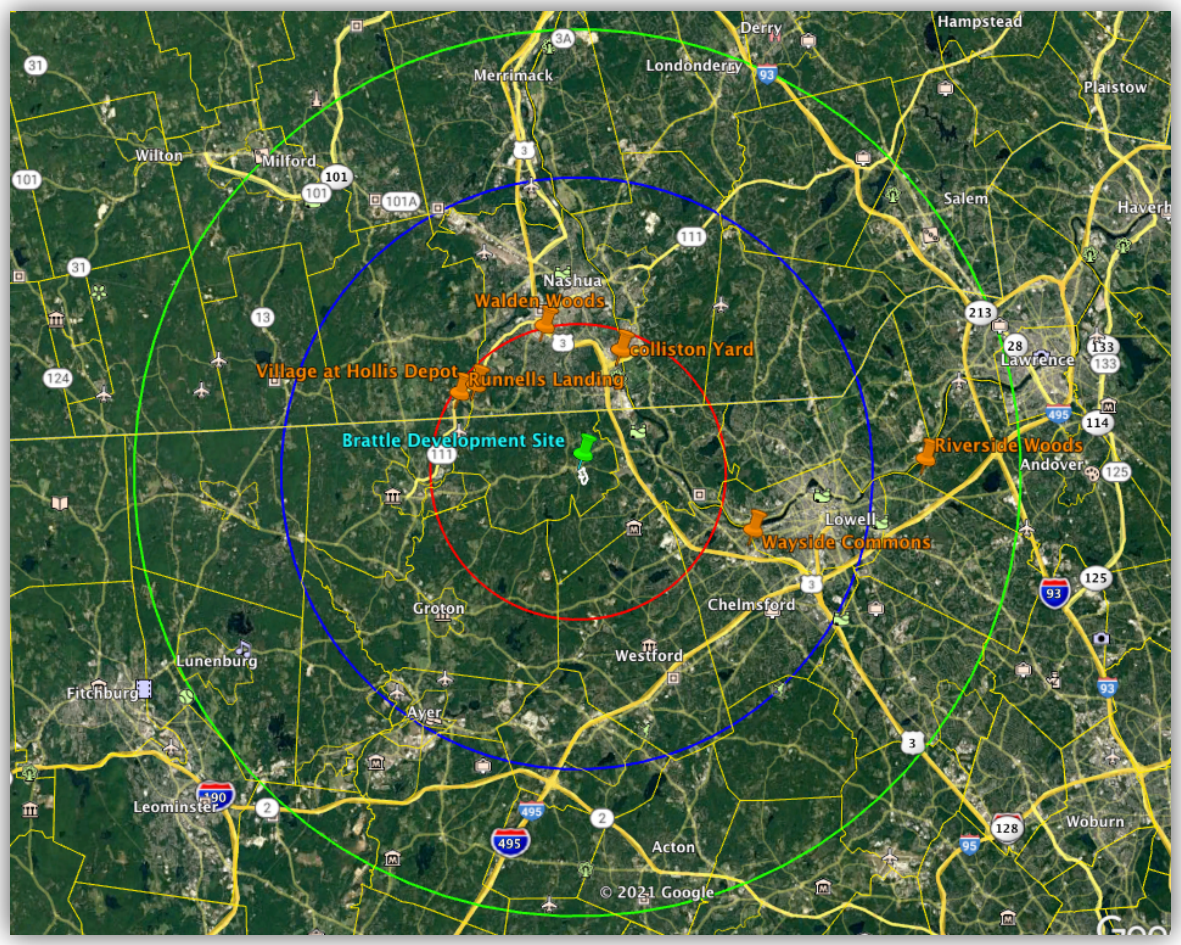


Development Site Locus

The proposed development site is located less than one-half mile east of the Town center, including notably Town Hall and the Town Library. It is located south of the intersection of Main Street with Lowell Street, with frontage on both roads. The site enjoys ideal highway access; there are two interchanges on US Route 3 (Northwest Expressway) to the east. Main Street (MA 113) intersects Rt. 3 two miles east of the site. Lowell Street (becoming Dunstable Road at the Westford line) provides access via Westford Road about 3 miles to the southeast. Rt. 3, in turn, provides excellent access to Nashua, Bedford and Manchester (and its airport) to the north, and Lowell, Chelmsford, Burlington and ultimately Boston to the south.

MARKET AREA

Traditionally, senior housing providers focus on a Primary Market Area (PMA) with a radius of 10 miles from the site locus when considering a suburban or ex-urban site. This is primarily related to the fact that 70 to 75% of residents of a proposed project move from locations within that distance. The remaining percentage comes from beyond, but typically have a connection to the locus, such as the presence of adult children and grandchildren. Analysts also typically consider the 5-mile radius in order to understand the immediate area and the 15-mile radius to place the PMA in wider context within the region. Based on the above trends, and on review of the various elements to follow (demographics, amenities, existing senior communities…) a 10-mile PMA was selected for this analysis.



Primary Market Area

5-Mile Radius
10-Mile Radius
15-Mile Radius

DEMOGRAPHIC ANALYSIS

Census and demographic data for this analysis was sourced from United States Census ACS (American Community Survey) Data Reports and Maps. (www.meridianecon.com) Data was reviewed for 2013 and 2018 (most recent available) to determine the size of the overall PMA, targeted demographic segments, and trends.

The overall size of the Dunstable PMA grew from 2013 to 2018. Total population and total households increased 3% and 5%, respectively. Significantly, the targeted age cohorts (55+, 65+ and 65 to 79) in the PMA grew 19 to 25% during this time period, indicating that both the number and percentage of seniors in the PMA are increasing faster than the general population. The values for the various population cohorts, median HH income and median home value are supportive of a 55+ community in the PMA. (See Table A.)

Detailed demographic comparisons were completed relative to two existing 55+ communities similar to the proposed Dunstable project: Colliston Yard in Nashua, NH and Riverside Woods in Andover, MA. The number of 55+, 65+ and aged 65 to 79 seniors in the 10-mile PMA for the Dunstable Village site are nearly equal to that of the Nashua project. Note that the numbers of these cohorts in the 5-mile radius are approximately 40% less than for the Nashua 5-mile radius. This finding was expected given the more rural nature of the subject site. Marketing efforts should therefore concentrate on the 5-to-10-mile population in acknowledging that roughly 80% of the target market lives within this segment of the PMA. Note also that, favorably, the median household income and median home values in the 5-mile portion of the PMA are 17 to 21% higher than the Nashua project's similar sector. Therefore, a higher percentage of seniors nearer the site can be expected to be able to afford the market-rate units in the proposed project when compared to Nashua. (See Table B.) In another positive finding, incomes in the 5-mile PMA are 24% higher than the state-wide median.

	MA	5-mile	Difference
Median HH Income	$79,835	$99,330	24%

The size of the population (total population, as well as age-specific cohorts) for the Riverside Woods project in Andover is larger than for the proposed Dunstable project. 10-mile totals are approximately 30% larger; 5-mile demographics for Riverside Woods are 47 to 65 % larger than for Dunstable. These findings are expected given Riverside Wood's somewhat more favorable location near the interchange of I-93 and I-495, and its proximity to additional urban areas such as Lawrence and the more densely populated suburbs along I-93. Positively, and similar to the finding in the Colliston Yard comparison, Dunstable enjoys superior household (32% higher) incomes in the 5-mile PMA relative to Riverside Woods. (See Table B.)

Note regarding Table A and B: "Target Market" is a blended criterion considering people 45+ in age (captures adult children in the PMA toward whom seniors might consider moving) and incomes $40,000 or higher (includes retired seniors who tend to own homes free of debt and might be "right-sizing" to the new development.)

Table A

Demographic Criteria	Main Street - Dunstable, MA - 2013			Main Street - Dunstable, MA - 2018			% Change 2013 to 2018		
	5	10	15	5	10	15	5	10	15
Target Market	23.8 K	106.1 K	198.7 K	27.5 K	119.9 K	223.7 K	116%	113%	113%
Total Populaton	68.1 K	363.7 K	624.3 K	70.2 K	377.3 K	648.1 K	103%	104%	104%
Total Households	25.6 K	136.1 K	230.9 K	27.0 K	140.4 K	237.4 K	105%	103%	103%
55+	18.1 K	88.7 K	156.1 K	21.5 K	105.2 K	186.5 K	119%	119%	119%
65+	8.7 K	43.7 K	76.1 K	10.7 K	52.3 K	93.0 K	123%	120%	122%
65 to 79	6.4 K	31.9 K	56.0 K	8.0 K	39.6 K	71.1 K	125%	124%	127%
Median Household Income	$89,145	$76,269	$83,529	$99,330	$86,120	$95,412	111%	113%	114%
Median Home Value	$329,832	$317,684	$343,064	$357,957	$350,320	$375,216	109%	110%	109%

Table B

Demographic Criteria	Main Street - Dunstable, MA - 2018			Coliston Yard - Nashua, NH			Dunstable vs. Colliston Yard - 2018		
	5	10	15	5	10	15	5	10	15
Target Market	27.5 K	119.9 K	223.7 K	39.3 K	119.3 K	243.7 K	70%	101%	92%
Total Populaton	70.2 K	377.3 K	648.1 K	116.4 K	376.0 K	753.7 K	60%	100%	86%
Total Households	27.0 K	140.4 K	237.4 K	45.8 K	138.9 K	275.3 K	59%	101%	86%
55+	21.5 K	105.2 K	186.5 K	34.6 K	104.4 K	209.9 K	62%	101%	89%
65+	10.7 K	52.3 K	93.0 K	18.1 K	52.1 K	104.9 K	59%	100%	89%
65 to 79	8.0 K	39.6 K	71.1 K	13.6 K	39.9 K	80.1 K	59%	99%	89%
Median Household Income	$99,330	$86,120	$95,412	$84,758	$86,495	$88,274	117%	100%	108%
Median Home Value	$357,957	$350,320	$375,216	$294,865	$337,448	$355,415	121%	104%	106%

Demographic Criteria	Main Street - Dunstable, MA - 2018			Riverside Woods - Andover, MA			Dunstable vs. Riverside Woods		
	5	10	15	5	10	15	5	10	15
Target Market	27.5 K	119.9 K	223.7 K	51.8 K	170.2 K	346.4 K	53%	70%	65%
Total Populaton	70.2 K	377.3 K	648.1 K	200.0 K	556.2 K	1,035.0 K	35%	68%	63%
Total Households	27.0 K	140.4 K	237.4 K	70.4 K	195.7 K	375.6 K	38%	72%	63%
55+	21.5 K	105.2 K	186.5 K	49.7 K	150.0 K	296.4 K	43%	70%	63%
65+	10.7 K	52.3 K	93.0 K	24.9 K	76.9 K	153.7 K	43%	68%	60%
65 to 79	8.0 K	39.6 K	71.1 K	18.8 K	56.7 K	113.1 K	43%	70%	63%
Median Household Income	$99,330	$86,120	$95,412	$75,119	$89,948	$96,539	132%	96%	99%
Median Home Value	$357,957	$350,320	$375,216	$371,503	$399,792	$432,554	96%	88%	87%

AMENITIES

The Dunstable project location is very well situated, especially considering the rural character of the Town of Dunstable itself, with respect to highway access, food stores, pharmacies, dining, personal and medical services. See Exhibit A.

Grocery Stores

Multiple large and regional chain grocery stores are located within 10 minutes' drive of the site along the Daniel Webster (DW) Highway in Nashua, NH. 11 minutes' drive to the west is high-end grocer Donelan's of Pepperell.

Medical

Two major hospital centers are within 10 miles of the site:

- *St. Joseph's Hospital, Nashua, NH*
- *Lowell General Hospital, Lowell, MA*

Urgent care centers are also conveniently located in Nashua, NH and Chelmsford, MA

Pharmacies

Major chains Walgreens and CVS have locations in Pepperell and Nashua. Hannaford Food Stores (Nashua and Chelmsford) also provide pharmacy services.

General Shopping, Dining and Cinema

A multitude of retail shopping options are available along the Daniel Webster (DW) Highway in south Nashua. This shopping area serves the greater Nashua market and, more significantly, attracts a high volume of Massachusetts shoppers given New Hampshire's lack of sales tax (vs. 6.25% in MA.) The largest retail center in Nashua is Pheasant Lane Mall. The Dunstable site's easy access to Rt. 3 makes these centers extremely convenient.

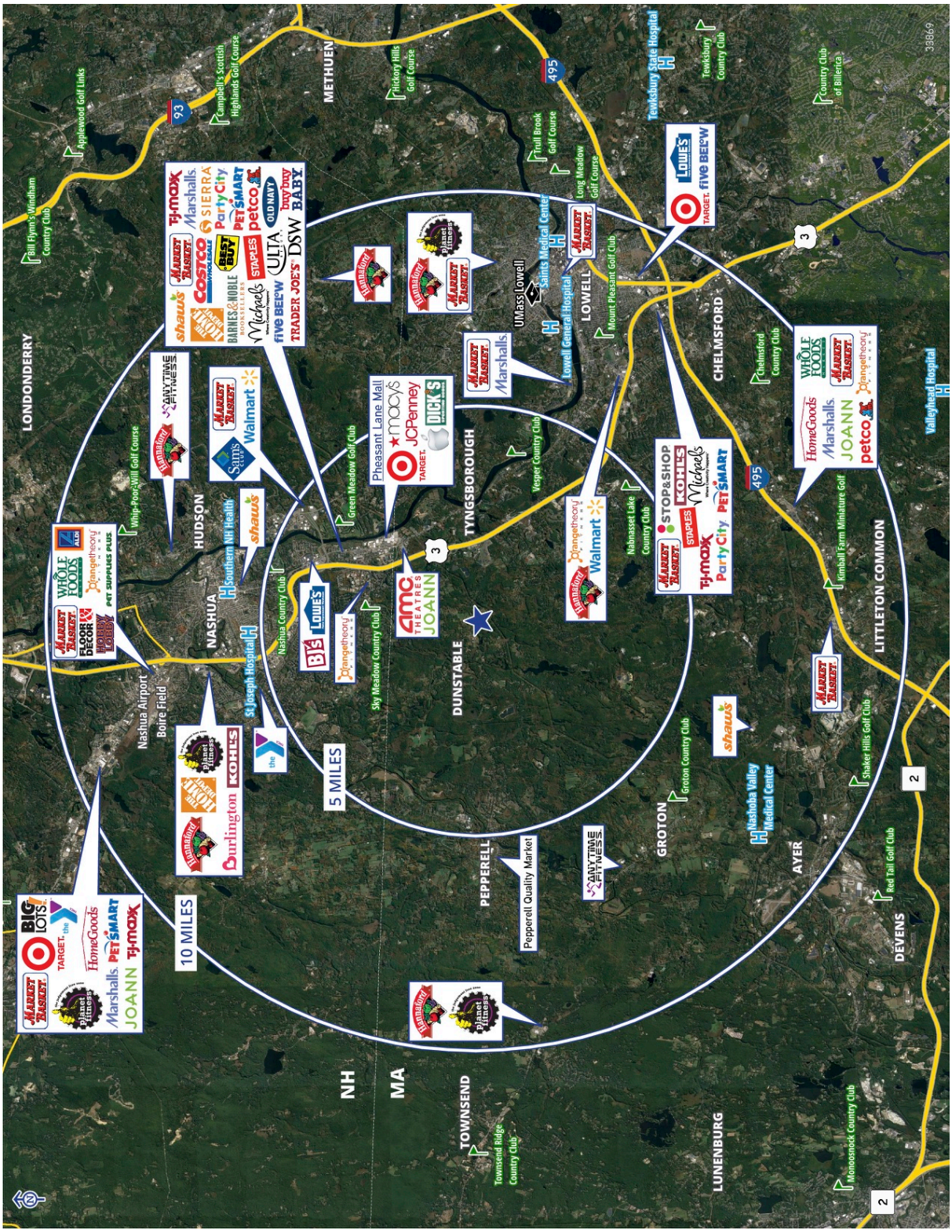
Dozens of local, regional and national chain dining venues are located along DW Highway in Nashua and its continuation in Tyngsborough, MA, Middlesex Road.

Cinema multiplexes are located in both Nashua and Lowell.

Libraries

Public libraries are convenient to the site in Dunstable and Tyngsborough.

Next Page: **Exhibit A – Amenities and Services Map**


10 MILES
5 MILES
NH
MA
LONDONDERRY
METHUEN
HUDSON
NASHUA
TYNGSBOROUGH
DUNSTABLE
LOWELL
CHELMSFORD
LITTLETON COMMON
GROTON
PEPPERELL
TOWNSEND
LUNENBURG
AYER
DEVENS
Nashua Airport
Boire Field
Pheasant Lane Mall
UMass Lowell
Saints Medical Center
Lowell General Hospital
Mount Pleasant Golf Club
Tewksbury State Hospital
Valleyhead Hospital
St Joseph Hospital
Southern NH Health
Nashua Country Club
Sky Meadow Country Club
Green Meadow Golf Club
Whip-Poor-Will Golf Course
Vesper Country Club
Nabnasset Lake Country Club
Chelmsford Country Club
Tewksbury Country Club
Country Club of Billerica
Trull Brook Golf Course
Long Meadow Golf Course
Hickory Hills Golf Course
Campbell's Scottish Highlands Golf Course
Applewood Golf Links
Bill Flynn's Windham Country Club
Kimball Farm Miniature Golf
Shaker Hills Golf Club
Red Tail Golf Club
Groton Country Club
Nashoba Valley Medical Center
Pepperell Quality Market
Townsend Ridge Country Club
Monoosnock Country Club
93
495
3
2
38869

COMPARABLE COMMUNITIES

Sixty-one existing age-restricted for-sale communities, totaling 4,158 units, were identified in both Massachusetts and New Hampshire within approximately 15 miles of the Dunstable site locus.

Style	MA	NH	Total
Garden	6	3	9
Town/Duplex	20	7	27
Single	11	14	25
Total	37	24	61

Four proposed such communities were identified via a canvas of regional planning departments in the PMA. These included:

- *24 units (gardens and towns) in Littleton, MA.*
    - *Projected start of construction Q3 2021*
- *100 units (singles) by Toll Brothers in Tyngsborough, MA*
    - *Projected start of construction Q3 or Q 4 2021*
    - *Projected sales price - $590,000 each*
    - *Two and three-bedroom units with two-car garages*
- *50 units (singles) in Hollis, NH*
    - *Projected approval date Q1 2022*
- *12 units submitted to Planning Board in Nashua, NH for review.*
    - *Rental/For Sale undetermined – assumed to be for sale, singles.*
    - *Projected start of construction - TBD*

Please refer to Table C.

With the exception of the City of Nashua projects, the age-restricted projects in New Hampshire tend to be THs and Singles. There are no existing or planned garden units in MA within the 5-mile PMA. Gardens otherwise represent 36% of total age-restricted units in Massachusetts, suggesting a lack of such units in this state's portion of the PMA. The age-restricted TH and Singles projects in MA tend to be luxury/high-end homes, targeted to seniors in the top quartile of incomes. The median price of these homes in MA is $483,750, 35% higher than in NH ($357,622). There is a lack of more affordable THs and Singles in the MA portion of the PMA.

Table C

	5 Mi			10 Mi			15 Mi				
Competing Units in Market Area	MA	NH	Total	MA	NH	Total	MA	NH	Total		
Existing Singles	152	81	233	156	366	522	370	250	620		
Existing THs	178	105	283	169	0	169	670	194	864		
Existing Gardens	0	238	238	192	0	192	851	0	851		
Total	330	424	754	517	366	883	1891	444	2335	Total:	3972
Proposed	100		100	24	62	86					
Total	430	424	854	541	428	969	1891	444	2335	Total:	4158
% of Total			20.54%			23.30%			56.16%		
Gardens as % of Total	0.00%	56.13%	27.87%	35.49%	0.00%	19.81%	45.00%	0.00%	36.45%		
% Gardens in MA - Total PMA	36.44%										
% Gardens in 5 mi PMA	0.00%										
TH/Singles as % of Total	100.00%	43.87%	72.13%	64.51%	100.00%	80.19%	55.00%	100.00%	63.55%		
% TH/Singles in MA - Total PMA	43.75%										
% TH/Singles in 5 mi PMA	72.13%										
Existing Penetration Rate (Total/Target Market)			3.10%			1.52%			1.86%		
Existing Penetration Rate (Total/65 to 79)			10.71%			4.60%			5.84%		
Existing Penetration Rate (Total/55 to 79)			4.55%			1.97%			2.53%		

Penetration Rate (see bottom of Table C) is a statistic used to assess the condition of a proposed project's viability within the PMA. Penetration Rate (excluding the proposed project) was calculated for three different market cohorts within each of the radial market rings. It is useful to compare the rates within the 5-mile and 10-mile rings to the 15-mile ring in order to assess the project's rating relative to the wider regional market. This comparison for the 5-mile radius suggests a potentially unfavorable market condition, although this finding is not unexpected given the Dunstable site's location in a more rural, less densely populated, setting. The comparison for the 10-mile radius, however, is much more favorable, consistent with the discussion above when establishing the 10-mile PMA.

Significantly, Table C shows a complete dearth of garden type units in Massachusetts within the 5-mile PMA. Garden units otherwise represent between 35% (10-mile) and 45% (15-mile) of the total number of 55+ units in the study area. This finding suggests that a proposed garden unit project should be well-received as addressing an unmet need in the immediate locus relative to the remainder of the PMA and wider study area.

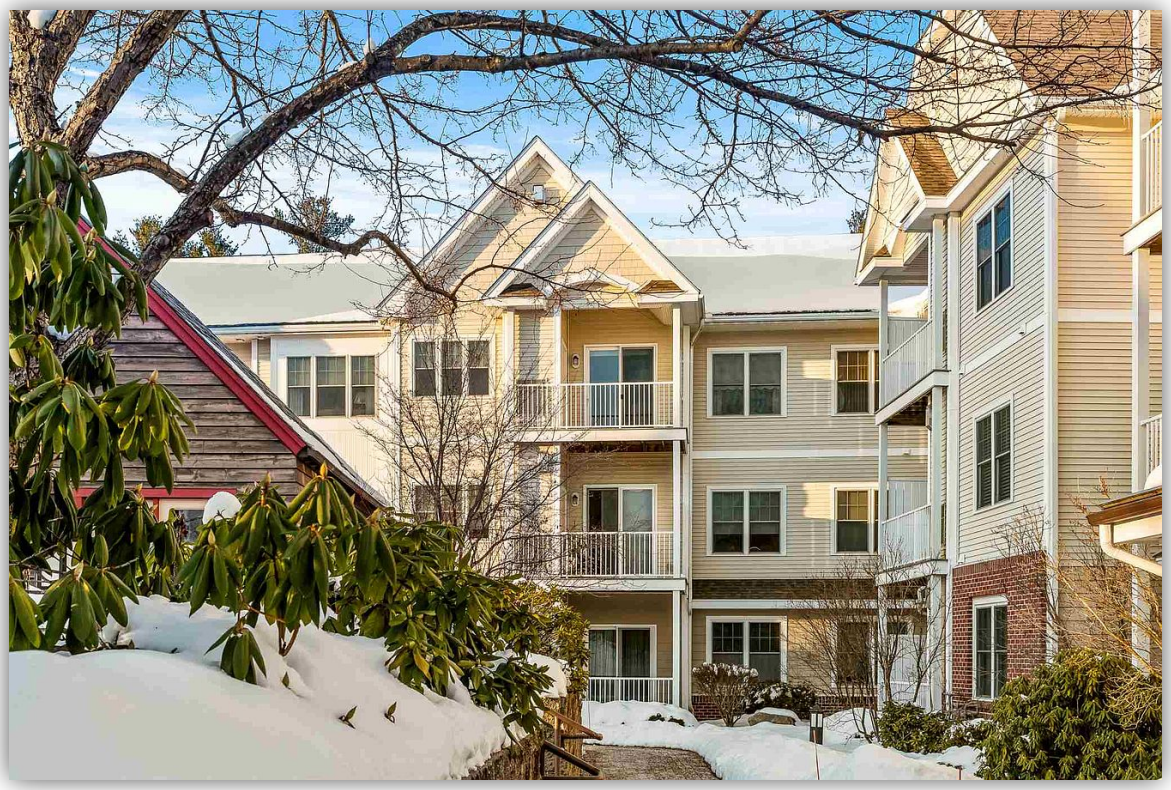
In addition, the data indicates that more than one-half (56%) of the total number of 55+ for-sale units in the study area are located from 10 to 15 miles away from the project site. This is a positive finding bolstering other findings suggesting a lack of 55+ units in the primary PMA. Keep in mind also that both the number and percentage of seniors within the total population are increasing, and the incomes and house values are high. To the extent that moderately priced/affordable THs or Single style units are also considered for the project, the combination of overall need for 55+ units in the PMA, plus the lack of affordability of such units in the MA portion of PMA, represent an additional positive finding for the feasibility of the proposed project.

Four existing garden-style projects were selected for more detailed analysis based on their type, (garden) location, (two each in Massachusetts and New Hampshire) and age (two built 16 to 21 years ago; two new construction.) Two existing TH/Singles projects were selected for more detailed analysis based on style, location and age (newer construction.) Both are in NH because, in the author's opinion, the design and size are more representative of recommended characteristics for the proposed project. See PMA Map on page 7 for locations.

Colliston Yard – 160 DW Highway, Nashua NH

Built in 2005 and 2006, Colliston Yard features 75 one and two-bedroom units. The project is well situated on DW Highway just north of the major retail core in South Nashua at the interchange with the Rt. 3A Connector. However, it is also "tucked" into the ramps of the interchange, making for less than desirable views and potential noise issues. Parking is provided in a heated garage beneath the units. A free-standing clubhouse provides access to an exercise room, library and multi-purpose room. There are no exterior amenities. There are no units presently available for sale.

SF	BR	BA	Recent Sale Price	Price/SF	HOA/mo
850	1	1	$269,900	$318	$340
1456	2	2	$326,500	$224	$340



Colliston Yard – Zillow Image

Wayside Commons – 6 Technology Drive, Chelmsford MA

Built in 2000, Wayside Commons features 72 units, very few of which have recently sold. It is also well situated; Technology Drive runs parallel to a primary shopping and retail corridor on Drum Hill Road. There is easy access onto US. Rt. 3 at the Drum Hill Road interchange. It is a podium style building with garage parking under the units and a clubhouse/common area in the building. Units are larger than average. The HOA fee is 40% larger than otherwise similar projects.

SF	BR	BA	Price	Price/SF	HOA/mo
1745	2	2	$370,000	$212	$502



Wayside Commons – Zillow Image

Walden Woods – 2 Henry David Drive, Nashua, NH

Walden Woods consists of two garden style buildings offering One and Two-Bedroom units ranging from 950 to 1,519 SF. It is being built by Etchstone Properties, developer of "…more than six communities specifically designed for clients aged 55+ and 62+." (www.etchstoneproperties.com) It is also a podium style building with heated garage parking beneath the units, elevator access, and a community center. Walden Woods enjoys relatively good access to US Rt. 3 via Northeastern Boulevard and NH Rt. 111A (Main Dunstable Road.) However, its location is less desirable in terms of access to shopping and services. While the project is immediately surrounded by wooded open space, access to the project along Northeastern Boulevard, an office park and light industrial corridor in North Nashua, is a less than ideal neighborhood setting.

SF	BR	BA	Price	Price/SF	HOA/mo
950	1	2	$283,900	$299	$279
1116	1	2	$292,000	$262	$279
1378	2	2	$329,900	$239	$279



The Alcove at Walden Woods – Etchstone Properties

Riverside Woods – 4 Francis Drive, Andover MA

Riverside Woods is a Pulte Homes development adjacent to the Merrimack River and consisting of 168 One and Two-Bedroom Garden Style Condominium units in four buildings. There is a free-standing clubhouse containing a fitness center and community room. Prices listed are "…starting from" and do not reflect the cost of available upgrades or premium locations/views. (For example – there is a 2 BR 2 BA, 1,469 sf unit on the 3rd floor listed at $507,910 - $346/SF.) While the Town of Andover is recognized as a "premium" address in the region, and Riverside Woods enjoys an idyllic setting adjacent to the Merrimack River and between an elementary school and church, it does not have the ready access to shopping and services the Dunstable site enjoys. One-BR units range in size from 956 to 1,030 sf. Two-BR units range in size from 1,326 to 1,495 sf. HOA fees average $284/month. A review of 2020 closings yields the following:

Type	Price (Avg.)	Price/SF (Avg.)
One-BR	$355,015	$364
Two-BR	$455,022	$339

Contracts scheduled to close in 2021 indicate that prices are increasing by approximately 5%:

Type	Price (Avg.)	Price/SF (Avg.)	Increase %
One-BR	$374,059	$378	5.4%
Two-BR	$480,560	$363	5.6%



Riverside Woods – Pulte Homes

Village at Hollis Depot – Rail Way at South Depot Road
Hollis, NH

The Village at Hollis Depot is a 60-unit 55+ community of townhouse style condominiums. All units have a first-floor master bedroom suite, living room, dining area, first floor laundry, central air conditioning, full basement and garage. The community includes a clubhouse with multi-purpose gathering rooms. It is situated in an otherwise rural community but is located, similarly to Dunstable Village, just five minutes to Route 3 with access to the amenities in Nashua. There are two- and three-bedroom models, ranging from 1,294 to 1,988 sf. A recent (10/2020) transaction traded a 2 Bedroom, 2 Bath, 1,952 sf home at $359,900 ($184.38/sf). The monthly HOA fee is $340. Access to the Nashua River Rail Trail multi-purpose path is nearby.



The Village of Hollis Depot – Zillow Image

Runnells Landing – Terrell Lane – Hollis, NH

Runnells Landing is a 45-unit 55+ community near The Village at Hollis Depot. Each unit includes a first-floor master with a walk-in closet and a large attached bath that includes a tub and shower. There are two-car garages; kitchens open to a large living room that includes a gas fireplace and cathedral ceilings. The second floor includes another bedroom and full bath. Units are larger than The Villages at Hollis Depot, ranging from 2,160 to 2,245 sf. A 2,160 sf duplex unit is currently listed for sale on Zillow for $410,900 ($190.23/sf). The monthly HOA fee is $390.



Runnells Landing – Zillow Image

RECOMMENDATIONS

Unit Mix

Unit mix is a function of target market and regional preferences. In many cases, large multi-family buildings containing 50 or more units tend to have at least 50% one-bedroom units. (www.renx.ca) According to Multifamily Unit Mix and Size Trends, by Allen Shayanfekr, (www.sharestates.com) "…many boomers are moving out of their single-family suburban homes into multifamily properties, and they're looking at bigger apartments with nice amenities. They want apartment units with layouts similar to single-family homes, but they don't want the responsibility of maintaining the property. Even if they downsize from a large single-family home, many baby boomers still want to live in a large apartment unit. They like the spaciousness." This author's experience in the 55+ sector suggests that most multi-family buildings target no more than 40% of the units as one-bedroom.

For age restricted THs and Singles, the design preferences stated above still apply. These units, while still containing no more than 2 bedrooms, are desired by residents who prefer, and can afford, even larger in-unit amenity space, more privacy, and closer access to parking. The author's experience suggests that all TH/Single style units considered for the Dunstable Village project be two-bedroom units.

Unit Size

Units designed for Boomers should be larger than those targeted to millennials, and should contain in-unit laundries, a designated dining space and potentially a den, especially for one-bedroom units. All bedrooms should include walk-in closets; two-bedroom units should include two full baths. All units should include patios or balconies and contain generous window sizing and placement to optimize natural light.

One-bedroom units in the selected garden style competitive projects range from 850 to 1,116 sf in size, averaging 980 sf. Proposed one-bedroom units should range between 930 and 1030 sf.

Two-bedroom units in the selected garden style competitive projects range from 1,326 to 1,745 sf in size. The Wayside Commons project in Chelmsford, however, appears to be an outlier. The range decreases to 1,326 to 1,495 sf when excluding Wayside Commons. The average size is 1,413 sf. Proposed two-bedroom units should range between 1,340 to 1,480 sf.

Two-bedroom THs/Singles in existing communities range from 1600 (NH) to 2000 (MA) sf in size. Proposed TH/Singles should be approximately 1600 sf in size, targeting the more affordable sizing evident in the NH projects.

The project architect should recommend specific unit layout and specifications based on regional experience and best practices.

Unit Price

The planned project will be submitted to the municipality as an inclusionary project, meaning 25% of the units will be affordable to families making 80% or less of area median income. The following discussion addresses market-rate units only. Please see Appendix A for allowable pricing for affordable units. The current construction projects (Walden Woods in Nashua, NH and Riverside Woods in Andover, MA) represent the most appropriate garden style projects within the PMA upon which to recommend pricing.

One-bedroom units in Walden Woods range from $283,900 to $284,900, and from $229 to $299/sf.

One-bedroom units in Riverside Woods range from $336,995 to as much as $413,856 (2021 average $374,059) and from $336 to $413/sf (2021 average $378.) Unit prices in MA are about 31% higher than NH. SF prices in MA are about 26% higher than in NH.

The selected two-bedroom unit in Walden Woods was priced at $329,900 (not including upgrades) or $239/sf.

Two-bedroom units in Riverside Woods range from $416,995 to as much as $503,165 (2021 average $480,560) and from $288 to as much as $376/sf

(2021 average $363.) Unit prices are 45% higher than the NH project; SF prices are about 52% higher.

A third garden style project, Highcrest at Meadow Walk, (Sudbury, MA) also a Pulte Homes Active Adult project, was also considered to provide broader insight into the current Active Adult offerings in northern Massachusetts. Sudbury is a Town of 18,000+ residents in Boston's MetroWest area. It is generally acknowledged to be a desirable location in which to live and is more suburban in character, with a decidedly denser Town Center area relative to Dunstable. Highcrest at Meadow Walk is part of a circa 2018 mixed-use redevelopment of a former Raytheon manufacturing facility. The condominium building includes 50+ one and two-bedroom units in a four-story podium style building over parking. Two-bedroom units in Highcrest range from 1,312 to as much as 1,720 sf; $491,945 to $605,660 in price (2019 closings); and $320 to $379/sf. Median cost/sf in 2019 was $366 – on par with Pulte's Andover project, albeit 2021 contracts. Based on current trends, and date-similar comparisons, Highcrest can be expected to trade at a 6 to 7% premium over Riverside Woods. Highcrest is 22 miles south of Dunstable Village. It enjoys a superior setting to the proposed Dunstable project and to the other comparable projects considered. It is a "higher end" town and enjoys walkable access to a variety of desirable shopping and dining venues. It is the author's opinion that Highcrest represents a superior project and location relative to Dunstable Village. While located well outside of the PMA, it should be considered from the perspective of establishing a high-end limit against which proposed pricing should be established. It should not be considered primary competition to the proposed project.

The proposed Dunstable Village project enjoys several unique advantages relative to its primary competition (Walden Woods, Riverside Woods, and luxury 55+ TH/Singles in MA). It enjoys outstanding highway access, in turn providing excellent proximity to a wide variety of shopping, dining and services options. It will have an extraordinary setting as an age-restricted multi-family community within a Town perceived to enjoy a rural, quintessentially small-town setting. Market-rate garden style unit pricing should be established at or slightly above Riverside Woods, but below Highcrest at Meadow Walk. Additional consideration of the full range of pricing to assess floor setting and views should be completed prior to final marketing of the project. Final pricing for TH/Single style units should consider competing prices of a planned Toll

Brothers age restricted single-family home project in Tyngsborough, MA along Middlesex Road at the site of former Tyngsborough Country Club. Construction and marketing are expected to begin in late Q3 or in Q4 2021. Assuming pricing for the Tyngsborough project will be consistent with Toll Brothers' Preserve at Emerald Pines project in Methuen, MA, ($655,995 to $830,995), pricing for TH/Singles in the proposed project should be established at approximately a 20% discount to the luxury Toll Brothers product. The Tyngsborough project will likely be the primary competitor for the proposed Dunstable project during the marketing period.

Final pricing should also consider Dunstable Village's status as an inclusionary (affordable component) project. Market-rate units must effectively subsidize the affordable units to generate suitable financial returns for the project's investors. See Appendix A for an example of a potential project pricing strategy.

Project building and interior design should emphasize the small-town character of Dunstable. Site design should optimize natural light and multi-season outdoor activities. Site design should also provide screening from the proposed Town Highway Department facility adjacent and to the north of the project site (as shown on current conceptual plans.)

Phasing

As many as 160 units are planned for the proposed Dunstable project. Penetration Rates for the 10-mile PMA were recalculated to include the proposed project's units.

	10-mile PMA (including proposed project)	15-mile (excluding proposed project)
Total/Target Market	1.65%	1.86%
Total/65 to 79	4.98%	5.84%
Total/55 to 79	2.13%	2.53%

Penetration rates for each of the three segments analyzed remain below the corresponding rate in the broader 15-mile project region, confirming that the market in the PMA has capacity to absorb the proposed project.

A detailed review of unit closings in the Riverside Woods project (MLS Listings) yields the following:

Year	Number of Closings
2018 (includes 8 in December 2017)	32
2019	18
2020	15
2021 (pending thru June)	12

2019 and 2020 (Covid Pandemic) represent the low end of absorption for Riverside Woods, at 1.25 to 1.5 sales per month. 2018 (including apparent pre-sales in December 2017) and 2021 (to date) represent the high end of absorption at 2.0 to 2.7 units/month. Please note that Riverside Woods is not an inclusionary project and does not include any affordable units associated with MA 40B Regulations. Therefore, these absorption rates most closely represent the expected rate for the market-rate units in the Dunstable project. Given the overall lack of affordable units in Dunstable (and Massachusetts in general) the author expects that the presence of affordable units in the mix will accelerate overall absorption in the project. A 25% inclusion rate would project to a 25% acceleration in overall absorption for the project. Therefore, the projected absorption rate for the project can be expected to range from 1.5 to 3 units per month, on average.

If the project is developed as a 100% garden-style community, we recommend four buildings be planned, with approximately 38 units each, depending on final design. Each building can be expected to sell out in about 12 to 24 months. Assuming each building will take approximately 12 months to construct and secure occupancy permits, each subsequent building should start no earlier than 12 months after its predecessor. Pre-sales will be a key to maintaining the ideal schedule of starting each building as the previous building in completed. This will enable the contractor to maintain the work crew and sub-contractors for the project, enhancing schedule, quality and cost control for the overall project. To the extent alternative concepts are considered, including a mix of garden style, townhomes and/or singles family style homes, the overall absorption rate is expected to be similar. Phasing should be adjusted dependent on the final mix selected.

APPENDIX A

Pricing Example

Affordable Units - Allowable Income				
BR	***Median Income***	***80%***	***Monthly***	***30%***
1	$ 78,500	$ 62,800	$ 5,233	$ 1,570
2	$ 88,313	$ 70,650	$ 5,888	$ 1,766

Allowable Costs - Affordable Units											
	30% of Monthly Median	*Principal & Interest*	*Property Taxes*	*Homeowner's Insurance (Est.)*	*PMI (Est.)*	*HOA Fee (Est.)*	*Mortgage Amount*	*Down Payment*	*Home Price*	*Interest Rate*	*Total Mo Cost*
1 BR	$ 1,570	$ 880	$ 250	$ 90	$ 90	$ 250	$ 199,000	$ 11,000	$ 210,000	3.375%	$ 1,560
2 BR	$ 1,766	$ 1,029	$ 300	$ 95	$ 95	$ 250	$ 232,750	$ 12,250	$ 245,000	3.375%	$ 1,769

Recommended Development

(Concept A – 100% Garden Style Condominium)

Type	*No.*	*Price*	*Size*	*Price/SF*	*Total Sellable SF*	*Total $*
1 MR	45	$ 374,000	980	$ 381.63	44,100	$ 16,830,000
1 Aff	15	$ 210,000	980	$ 214.29	14,700	$ 3,150,000
2 MR	66	$ 480,000	1400	$ 342.86	92,400	$ 31,680,000
2 Aff	22	$ 245,000	1400	$ 175.00	30,800	$ 5,390,000
	148				182,000	$ 57,050,000
				Efficiency	70%	
			Est. Residential Building SF		260,000	

Recommended Development

(Alternative Townhome and Single-Family Units)

Type	*No.*	*Price*	*Size*	*Price/SF*
2 MR	TBD	$ 520,000	1600	$ 325.00
2 Aff	TBD	$ 245,000	1600	$ 153.13