

**REUSE STRATEGY MARKET ASSESSMENT
MEDFIELD STATE HOSPITAL
MEDFIELD, MA**

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I. EXECUTIVE SUMMARY

RKG Associates, Inc. (RKG) was retained by VHB Inc. to assist in preparing a reuse strategy for the former Medfield State Hospital, which closed in April 2003 and which the Town of Medfield recently acquired. This report contains a market overview for different residential and non-residential sectors that may be incorporated as part of a redevelopment strategy for the former Hospital site. The key findings and conclusions are presented in this Executive Summary followed by the supporting data and statistics.

RKG reviewed the 2102 Market Analysis prepared by Jones Lang Lasalle and evaluated current demographic and housing conditions and trends as well as real estate market conditions in Medfield and the surrounding communities. This included an analysis of sales activity at upper-end housing projects in Medfield and at a select number of condominium projects. RKG also assessed conditions in the for-rent market as well as identified land sales activity at major projects in Medfield and the region to ascertain pricing per acre values for different uses and the relation between acquisition costs and sales pricing per unit, and absorption of transferred units.

RKG also evaluated labor force, business formation and employment trends in Medfield and its region in order to understand the strength of its economic base and how it has changed over time. Future demand for new non-residential product in Medfield was also estimated based on 10-year employment forecasts. Vacancy and pricing characteristics within 8 miles of the Hospital site were also evaluated in the office and industrial/flex sectors for comparison purposes with the local submarket and Boston Metropolitan region in order to understand how these fit within the context of the local and regional markets.

1. Demographic & Household Projections

Medfield's 2014 population (12,155) and households (4,177) are forecasted to increase by 2 percent over the next five years and projections indicate a gain in millennials, the baby-boom generation and the advanced elderly age cohorts. Gains in households will come from those earning \$100,000 or more. The statistics also indicate a growing elderly sector over the next five years, with the largest growth of households being those aged 55 and above and with incomes of \$60,000 or more. While these forecasts are positive, most of the changes are associated with aging in place and the near-term projections do not support any large-scale residential projects unless additional demand from outside Medfield is imported.

2. Housing Supply and Demand Indicators

Medfield had nearly 4,240 housing units in 2010 and the supply increased by 189 units since 2000, which was nearly two-third less than the increase in the 1990s (550 units). Since 2010, the pace of development ranged from 10 to 16 units per year with an average of 12 new units per year. The housing stock in Medfield is primarily single-family homes, although the development of condominiums appears to be the preference in terms of new housing production over the last eight years or so. Nearly all the new housing in Medfield was targeted for ownership, since the rental supply experienced declines over the last 20 plus years,

including some through condominium conversion. As a result, the owner-occupied rate increased to 88 percent in 2010.

The median owner value increased to \$590,000 in 2010 and appears in balance with median income for owner households (\$136,200). Median monthly gross rent in Medfield increased to \$1,000 in 2010 and appears affordable to the median income of renter households (\$40,900). However, current average asking rents are substantially higher at approximately \$1,600.

Over the next five years, RKG estimates annual housing demand in Medfield to average about 220 households per year, divided between owner (160) and renter (60) households. Nearly all the demand would be a result of turnover (86 percent), as compared to new growth (14 percent). RKG estimates annual new construction would range between 15 and 30 units per year over the next five years, including new owner units of 10 to 20 units per year, while new renter units may average between 5 and 10 units per year. This estimate would total between 75 and perhaps 150 units by 2019, representing between 40 and 75 percent of the residential projects presently under-construction or in the planning process in Medfield (200 units) and excluding any potential units developed at the former State Hospital.

Developers would need to import additional growth in order to have these projects completed and occupied by 2019, or target additional internal turnover. However, existing housing could remain unoccupied since growth to backfill these homes is not projected and therefore causing the vacancy rate to increase. Developers might also target seasonal home buyers, but that sector was relatively small according to 2010 census data.

There are two projects currently being planned in Medfield. When completed, the Parc at Medfield (92 units) would reduce the Town's shortfall of Chapter 40B housing to 145 units, based on the 2010 statistics. That Chapter 40B project would also expand the renter base in Medfield by 18 percent. It is likely that addition demand for this new project would have to be imported from elsewhere in the region.

The proposed LCB assisted-care project of 74 units, when approved, would represent 16 percent of the age 75-and-older households in Medfield, or more than 32 percent of the forecasted age 85-and-older population in 2019 (220 persons). These factors suggest that additional demand would also need to be generated from outside of Medfield to support this project.

3. Residential Market Characteristics and Land Pricing

The for-sale market in Medfield appears to have recovered from the recession as the median value for single-family sales (\$607,500) in 2015 (April) was marginally below the prior peak in 2005, and the median sale value for condominiums (\$472,000) was about 50 percent higher than indicated in 2005. Sales activity of upper-end condominiums (\$500,000 plus) averaged about seven units per year over the last five years, although it was more product-sensitive since 17 units sold in one year (2013) but only seven in 2015.

The sales history at two condominium projects in Medfield averaged about 4 to 5 sales per year at average prices ranging from \$560,000 to \$850,000. This pace was much slower than

at a 72-unit mixed-income (Chapter 40B) project in Holliston that averaged 12 sales per year at an average unit price of \$380,000; or at a 138-unit project in Norfolk that averaged 18 sales per year at an average unit price of \$425,000. Lower pricing would suggest a higher sales pace, but that was not evident at a 32-unit project at the former Foxborough State Hospital, which had a similar sales pace (4 per year) as the projects in Medfield, but with an average pricing (\$470,000) that was about 16 percent lower. This slower pace may be attributed to the phasing of the project and a builder with development options elsewhere within the overall project (which included single family subdivisions).

The apartment market fundamentals continue to be strong while the owner market recovers. Rental pricing and vacancy fluctuates between those projects in more centralized locations convenient to local services where rents were higher and vacancy lower, in comparison to those in more remote areas removed from convenient services. However, locally there remains a short supply of modern (post 2000) apartment complexes, and many of the new projects in the region are usually a result of a comprehensive permit (Chapter 40B), as was the case with the Parc at Medfield, where 100 percent of those units are affordable, as compared to 10 to 25 percent in most cases elsewhere. Rental demand in Medfield appears relatively weak, and any success indicated from a fast lease up at the Parc at Medfield would be a good indicator for the possibility of additional affordable rental housing at the former State Hospital site.

RKG research indicated that acquisition land sales for a variety of projects, including six for condominium projects; three for apartment projects; and five for assisted-care facilities, vary widely and were more prevalent in the last few years than earlier. Value for for-sale residential land appears higher than for most non-residential uses in Medfield as higher per acre factors ranging from \$400,000 to \$600,000 were indicated and equated to land values of \$60,000 to \$100,000 per unit, or 7 to 17 percent of the completed unit sale price.

Land for apartments in Medfield, as indicated by the Parc at Medfield sale (\$17,900/unit), was much lower on a per units basis than Avalon Bay purchases in Natick (\$37,800/unit) or Framingham (\$49,300/unit). Land value at the Parc at Medfield equated to almost 10 percent of its leveraged costs (\$195,650/unit), which was 14 percent higher than the leveraged amount (\$171,850/unit) provided to Beacon Communities for its acquisition and construction/renovation for Wilkins Glen, a 103-unit Chapter 40B project in Medfield.

Land for assisted-care, as indicated by four recent sales ranged, from \$22,500 per unit to nearly \$39,000 per unit, or from \$510,000 to \$1.5 million per acre. A sale for a land-locked portion of a project in Medfield was also identified for an effective value of \$220,000 per acre (\$7,000/unit) for a non-frontage site, however it is understood that an additional land/building purchase is required for this project.

4. Non-Residential Market

Employment trends in Medfield have not been positive and some of this could be attributed to the closure of the State Hospital in 2003. In comparison, employment trends in the region were more cyclical in nature following the overall economic performance of the Commonwealth. Regional employment in 2013 surpassed pre-recession levels (2008) by 3

percent, whereas employment in Medfield was 3 percent lower than in 2008, and 23 percent lower than in 2001 when the Hospital was operational.

Medfield's economic strengths are in those industry sectors that occupy commercial-type buildings, namely Retail Services; Arts, Entertainment and Recreation; Accommodation and Food Services; and Other Services. Another key sector in Medfield is Government and more than likely is attributed to the public school system. However, other traditional institutional or office sectors such as Finance and Industrial, Professional and Education (private) Services, and Health Care and Social Assistance appear under-represented in the local economy, and more likely attributed to the relatively remote location away from major highways. Similarly, industry sectors that occupy industrial or flexible-type buildings appear weak in relation to the region, except for the Construction and Administrative and Waste Services sectors.

Private employers in Medfield paid a much lower wage rate than in the region as the overall average weekly wage (\$841) in 2013 was 39 percent below that in the region, and almost 60 percent below the median household income (\$106,870) in 2014. This wage to income difference is reflected in commuting patterns, as 77 percent of Medfield's resident labor force commutes outside of town for work while only 23 percent work locally, which in turn represents about 39 percent of the local jobs. This also reflects Medfield's strong local retail/services base.

RKG estimates non-residential building demand in Medfield would range between 60,000 and 90,000 square feet (SF) to support employment projections to 2022, recognizing that only a portion of this demand would result in new buildings, as compared to re-occupying available space. RKG identified a sample of 77,000 SF of available non-residential space in Medfield, suggesting a sufficient supply exists for the near term to support local employment growth.

In RKG's opinion there are some opportunities for additional retail development in Medfield, mostly of a small scale and serving a local, neighborhood customer base. Potential retail development on the site of the former Medfield State Hospital property would fit into this category. It may be possible for one or more specialty or destination restaurants to be developed at the site, as the local demand could support such growth and a unique or specialty brand restaurant could draw from a broader geography.

5. Conclusions

The Medfield State Hospital represents a key asset for the Town of Medfield to plan and phase its redevelopment over the next two decade or so, in reaction to market shifts and the public vision. The forecasted demand for residential and non-residential sectors over the next five to ten years are not sufficiently strong to suggest a single reuse option but rather a mix of different uses with long-term absorption. The residential for-sale sector, and more specifically the condominium sector, is and likely will remain the strongest market component in Medfield, and the Town's shifting demographics and developers' interest in senior housing also makes this a logical choice.

The Town needs to be strategic in the phasing of potential development given the weak demand indicators and the supply currently under-construction or planned. The Town should be patient

for desirable types of uses, even if not present today. A key initial component could possibly be to attract the local nursing home operator with his near-term plan to relocate his current operation into a more expanded assisted care/nursing home facility, perhaps on Parcel 3, taking advantage of its proximity to the Senior Center and the Kingsbury Club. RKG believes these are key amenities in place to support not only additional senior housing but also housing for maturing “millennials”.

In this manner, a planned location for late-in-life senior/care housing would be in place, and alternative age and life-style housing could be planned around the rest of the campus, and infeasible, readapting existing buildings. Different parcels should be created that vary in size (2 to 10 acres), design (town-houses, detached and/or attached, multi-level flats) and density (6 to 12 units per acre), taking advantage of the infrastructure in place. Alternative uses should also be considered such as a small, boutique-type hospitality, restaurant and function facility that would benefit toward the end of the build-out, when a greater critical mass would be in place.

Only a very small portion of the reuse should be set aside for non-residential uses, since any commercial uses at the former hospital site would draw activity away from the village area in downtown Medfield. Development to consider would include a destination restaurant, some convenience service and retail, and some medical office use. Collectively, it would likely not exceed 10,000 SF for planning purposes, and more than likely be targeted for later phases.

A reuse plan designed to capture a large-scale office, high-tech or institutional user would not be supported by current market evidence, and considered unreasonable given the shift in users wanting to be located within major urban areas complete with entertainment and social options for the work force. Many suburban business parks in Greater Boston are re-positioning themselves with more restaurant, retail and entertainment options in order to meet the changing demands of the office/high-tech user of the 21st century. In addition, Medfield has a location disadvantage in terms its access to interstate highways and the former hospital site is even more remotely located.

The state-owned agricultural lands abutting the Medfield Hospital campus, and the facility’s history as a self-contained community, may also be conducive to the development of a locally serving Community Supported Agriculture (CSA) operation, or a farm-to-table dining and farmer’s market type retail facility. These uses could be incorporated into the overall development and serve as an amenity to any residential components.

II. MARKET & ECONOMIC DATA

RKG Associates, Inc. (RKG) was retained by VHB Inc. on behalf of the Town of Medfield to assist in the preparation of a reuse and development strategy for the Medfield State Hospital. This chapter includes detailed statistics and data used by RKG to formulate options for the Town to consider. This chapter is presented in a number of sections outlined below

- Demographic Characteristics and Forecasts
- House Supply Characteristics and Trends
- For-sale Residential Market Conditions
- For-rent Residential Market Conditions
- Selected Acquisition Sales of Residential Projects
- Economic Conditions and Forecasts
- Office Market Conditions
- R&D/Flex Market Conditions
- Non-Residential Building Sales and Availabilities
- Retail Indictors

The sources utilized for this report vary depending on subject. The data obtained from these sources are considered accurate and correct. Key sources of data include

- Decennial census data for US Census and American Community Survey (ACS)
- Alteryx, Inc.- a private firm that specialized in modeling demographic estimates and forecast and retail demand indicator
- Commonwealth of Massachusetts including housing data from the Department of Housing and Community Development (DHCD); labor force (LAUS) and employment (ES-202) data from the Executive Office of Labor and Workforce Development (EOL&WD); historic tax base and assessment data from the Division of Local Service (DLS).
- Town of Medfield provided information of key projects under construction or in the planning process
- The Warren Group provided residential sales data for Medfield
- Norfolk County Registry of Deeds and others provided additional sales information
- REIS Reports were obtained for the apartment, office and R&D/Flex sectors
- Anecdotal information was obtained from discussions with different real estate brokers and developers to understand better the development climate in Medfield

A. Demographic Characteristics and Forecasts

Medfield's population was 12,020 persons in 2010 and declined nominally since 2000, due in part to the closing of the Medfield State Hospital in 2003. Households on the other hand increased to 4,120 units or by 3 percent (115 units) during the decade as shown in Table 1. In 2010, the median age in Medfield was 42.6 years, and all of the growth in population since

2000 occurred in the age 54-to-74 cohort, followed by those in the age 75 and up group. This was mostly a result of aging in place, as younger persons shifted into older age groups, as declines were evident in all the younger age groups.

All the growth in households during the 2000s occurred in the two affluent income groups earning \$100,000 or more. Median household income increased by 17 percent over the decade and by 2010 exceeded \$113,700. Declines were evident in all groups earning less than \$100,000.

Table 1 – Town of Medfield- Select Census Statistics

Category/Cohort	Census 2000	Census 2010	# Δ	% Δ	Estimate 2014	Forecast 2019	# Δ	% Δ	% in 2019
Population by Age	12,076	12,024	(52)	0%	12,155	12,359	204	2%	100%
Less than 20	4,247	4,009	(238)	-6%	4,011	3,705	(306)	-8%	30%
20 to 34	1,139	947	(192)	-17%	1,119	1,475	356	32%	12%
35 to 54	4,535	4,131	(404)	-9%	3,754	3,277	(477)	-13%	27%
54 to 74	1,671	2,301	630	38%	2,620	3,180	560	21%	26%
75 and older	484	636	152	31%	651	722	71	11%	6%
Median Age	37.9	42.6	4.7	12%	43.2	44.5	1.4	3%	
Households by Income	4,002	4,117	115	3%	4,177	4,256	79	2%	100%
less than \$50,000	872	803	(69)	-8%	771	660	(111)	-14%	16%
\$50,000 to \$74,999	559	437	(122)	-22%	387	309	(78)	-20%	7%
\$75,000 to \$99,999	622	476	(146)	-23%	434	348	(86)	-20%	8%
\$100,000 to \$150,000	891	999	108	12%	952	1,054	102	11%	25%
\$150,000 & up	1,058	1,402	344	33%	1,633	1,885	252	15%	44%
Median Household Income	\$97,555	\$113,713	\$16,158	17%	\$121,338	\$135,714	\$14,376	12%	

Source: US Census, Alteryx Inc. & RKG Associates, Inc.

Referring to Table 1, five-year forecasts indicate that Medfield's population and households would both increase by 2 percent. Projections indicate a recovery of population in the family-formation age group or the millennials (age 20 to 34), and continued gains from the baby-boom generation (age 54 to 74) and the advanced elderly (age 75 and older) due primarily to aging in place. Households are forecasted to increase by 80 units over the next five year, or roughly sixteen units per year, and households earning \$100,000 or more will surpass all losses of those households earning less.

In 2019, approximately 44 percent of the households in Medfield would earn \$150,000 or more, and 16 percent less than \$50,000. Approximately 53 percent of the population would be evenly divided in the two age groups age 35-to-74, and another 30 percent would be younger than age 20. In effect, continued declines are forecasted in the school-age population, as it did during the 2000s,¹ while the aging in place of the older population would continue.

1. Mature Demographic Profile

In 2014, approximately 27 percent of the population in Medfield was age 55 and older, including almost 2 percent age 85 and older. By 2019, the population age 55 and older is

¹ This decline in school-age children is confirmed by enrollment data for Medfield, which has fallen from 3,099 at the peak in 2005 to 2,674 in 2014.

forecasted to increase by 630 persons (19 percent) while the overall population is forecasted to increase by only 200 persons, as shown in Table 2, indicating that most of the increases in the mature population in Medfield would be a result of aging in place. A similar phenomenon is forecasted in the comparative region, as the total population is forecasted to increase by nearly 2,080 persons, while the mature population would increase by almost 4,690 persons. Most of the growth in Medfield would come from those age 55 to 64, while in the region a higher concentration would come from those age 65 to 74.

Table 2 – Medfield and It Surrounding Town: Mature Demographic Profiles and Forecast

	Medfield			2014-2019		Comparative Region [1]			2014-2019		Medfield Δ as % of Region Δ
	2010	2014	2019	# Δ	% Δ	2010	2014	2019	# Δ	% Δ	
Total Population	12,024	12,155	12,359	204	1.7%	108,140	110,858	112,936	2,078	1.9%	10%
Pop Age 55 & Older	2,937	3,271	3,902	631	19%	29,895	32,272	36,961	4,689	15%	13%
% age 55 to 64	13%	15%	17%	320	18%	13%	14%	15%	1,670	11%	19%
% age 65 to 74	6.1%	6.9%	8.7%	240	29%	7.1%	7.7%	9.5%	2,250	26%	11%
% age 75 to 84	3.8%	3.8%	4.1%	44	10%	5.0%	4.9%	5.3%	519	9%	8%
% age 85 & up	1.5%	1.6%	1.8%	27	14%	2.4%	2.5%	2.7%	250	9%	11%
Total Households	4,117	4,177	4,256	79	1.9%	39,399	40,535	41,426	891	2.2%	9%
Median H'hold \$	\$113,713	\$121,338	\$135,714	\$14,376	12%	\$92,000	\$97,580	\$112,570	\$14,990	15%	96%
H'holds age 55 to 64	890	1,041	1,205	164	16%	8,001	8,936	9,774	838	9%	20%
<\$20,000	0.2%	0.3%	0.2%	(5)	-42%	1.1%	1.2%	1%	(110)	-22%	5%
\$20,000-\$39,999	2.1%	2.1%	1.6%	(17)	-20%	1.4%	1.5%	1%	(109)	-18%	16%
\$40,000-\$59,999	1.1%	1.0%	0.9%	(3)	-7%	2.4%	2.3%	2%	(170)	-18%	2%
\$60,000 & up	18%	22%	26%	189	21%	15%	17%	20%	1,227	18%	15%
Median Income	\$135,154	\$150,927	\$165,119	\$14,192	9%	\$104,068	\$111,828	\$130,607	\$18,780	17%	76%
H'holds age 65 to 74	473	545	681	136	25%	4,613	5,151	6,428	1,277	25%	11%
<\$20,000	8.0%	0.9%	0.8%	(5)	-14%	1.7%	1.6%	1.6%	1	0%	-499%
\$20,000-\$39,999	1.8%	2.0%	1.8%	(7)	-8%	2.4%	2.5%	2.6%	57	6%	-12%
\$40,000-\$59,999	1.9%	2.0%	2.0%	(1)	-1%	2.4%	2.3%	2.3%	29	3%	-3%
\$60,000 & up	6.9%	8.1%	11%	149	44%	5.2%	6.2%	9.0%	1,190	47%	13%
Median Income	\$93,732	\$102,486	\$118,000	\$15,514	15%	\$66,546	\$73,543	\$90,422	\$16,879	23%	92%
H'holds age 75 & up	401	408	442	34	8%	5,319	5,411	5,801	390	7%	9%
<\$20,000	1.7%	1.4%	1.4%	1	2%	3.4%	3.0%	2.7%	(110)	-9%	-1%
\$20,000-\$39,999	2.7%	2.5%	2.5%	1	1%	3.7%	3.5%	3.4%	(19)	-1%	-5%
\$40,000-\$59,999	2.6%	2.5%	2.5%	(2)	-2%	2.6%	2.4%	2.3%	(41)	-4%	5%
\$60,000 & up	2.7%	3.4%	4.2%	34	24%	3.8%	4.4%	5.6%	560	32%	6%
Median Income	\$41,698	\$43,091	\$44,508	\$1,417	3%	\$36,793	\$40,748	\$46,119	\$5,371	13%	26%

[1] Includes Medfield, Dover, Millis, Norfolk, Norwood, Sherborn, Walpole & Westwood

Source: US Census, Alteryx Inc. & RKG Associates, Inc.

Referring to Table 2, households in Medfield are forecasted to increase by nearly 80 over the next five years; however, households age 55 and older are forecasted to increase by over 330 units over the this timeframe and nearly all this increase would come from those earning \$60,000 or more. A similar pattern is forecasted for the comparative region, as total households are forecasted to increase by 840 households, while senior households increase by 2,500 units; however, most of this growth in the region and Medfield would be associated with aging in place, rather than net new growth.

2. Conclusion

Five-year forecasts indicate that Medfield's population and households would both increase by 2 percent. Projections indicate an increase in millennials and gains from the baby-boom generation (age 54 to 74) and the advanced elderly (age 75 and older). Households are

forecasted to increase by 80 units over the next five years, or roughly sixteen units per year, and all this increase would come from households earning \$100,000 or more. These projections do not support the need for any large-scale residential projects unless additional demand is attracted from outside Medfield (and most likely the comparative region as well).

While the mature market statistics indicate a growing elderly market over the next five years, including most growth occurring with incomes of \$60,000 or more, the absolute number of households in Medfield age 75 and older (440 in 2019) also do not suggest sufficient demand for assisted care locally without drawing households from outside of the town.

B. Housing Supply Characteristics and Trends

Medfield had nearly 4,240 housing units in 2010, and about 97 percent was occupied, as shown in Table 3. Between 1990 and 2010, the housing stock increased by nearly 740 units for an annual average of 37 units per year; however, the average in the 1990s (57/year) was almost three times the average in the 2000s (19/year). All the growth in occupied units over the last two decades occurred in owner units, as renter households declined. Some of the decline in renter households may be associated with the closing of the Medfield State Hospital in 2003.

The median owner household income increased from \$109,300 in 2000 to \$136,200 in 2010 for a 25 percent gain. In comparison, median owner home value increased by 64 percent during the 2000s, after a 48 percent increase during the 1990s. The median owner value in 2010 (\$590,000) appeared statistically in balance with median owner household income.

The median gross rent increased at a faster pace in the 2000s (32 percent) than in the 1990s (14 percent). By 2010, the median rent (\$1,001) was statistically affordable with the median renter household income.

Table 3 – Town of Medfield: Housing Characteristics

Criteria	Medfield			1990-2000		2000-2010	
	1990	2000	2010	# Δ	% Δ	# Δ	% Δ
Total Housing Units	3,501	4,048	4,237	547	15.6%	189	4.7%
Occupied Units	3,428	4,002	4,117	574	16.7%	115	2.9%
Owner Units	2,832	3,444	3,618	612	21.6%	174	5.1%
% Owners	82.6%	86.1%	87.9%	3.4%		1.8%	
Median Owner \$ (000s)		\$109.3	\$136.2			\$26.8	24.6%
Median Value (000s)	\$242.2	\$358.7	\$589.5	\$116.5	48.1%	\$230.8	64.3%
Renter Units	596	558	499	(38)	-6.4%	(59)	-10.6%
% Renters	17.4%	13.9%	12.1%	-3.4%		-1.8%	
Median Renter \$ (000s)		\$37.7	\$40.9			\$3.2	8.6%
Median Rent (G)	\$662	\$756	\$1,001	94	14.2%	245	32.4%
Chapter 40B SHI	162	179	185	17	10.5%	6	3.4%
% of Year-Round	4.6%	4.4%	4.4%	-0.2%		-0.1%	
Vacant Units	73	46	120	(27)	-37.0%	74	160.9%
Overall Vacancy Rate	2.1%	1.1%	2.8%	-0.9%		1.7%	
Owner Units	31	15	22	(16)	-51.6%	7	46.7%
Owner Vacancy Rate	1.1%	0.2%	0.6%	-0.9%		0.4%	
Renter Units	24	16	51	(8)	-33.3%	35	218.8%
Renter Vacancy Rate	3.6%	2.1%	9.1%	-1.5%		7.0%	
Seasonal Units	3	15	17	12	400%	2	13.3%
% Seasonal	0.1%	0.4%	0.4%	0.3%		0.0%	
Other Vacant Units	15	0	25	(15)	-100%	25	
% Other	0.4%	0.0%	0.6%	-0.4%		0.6%	

Source: US Census; ACS; MA DHCD & RKG Associates, Inc.

Referring to Table 3, the supply of Chapter 40B housing increased by 23 units over the two decades, and by 2010, the 185 affordable units equated to 4.4 percent of the year-round housing. The increase in affordable housing did not keep pace with market housing development since 1990, and Medfield was nearly 240 units short of the 10 percent mandate.

Referring to Table 3, the overall vacancy rate increased to nearly 3 percent by 2010, as household growth failed to keep pace with new housing development. Almost 42 percent of the vacant units were in renter units, due primarily to a decline in renters over the last part of the decade as they sought housing elsewhere because of the recession.

1. Housing by Type and Residential Tax Parcel Changes

Table 4 indicates that almost 85 percent of the housing supply in Medfield was in single-unit structures (detached and attached) in 2010, while the remainder was in multi-unit structures.

Table 4 – Town of Medfield: Housing by Type

Units in Structure	Medfield			1990-2000		2000-2010		% of Total		
	1990	2000	2010	# Δ	% Δ	# Δ	% Δ	1990	2000	2010
Single-detached	2,830	3,287	3,530	457	16%	243	7.4%	81%	81%	83%
Single-attached	85	75	78	(10)	-12%	3	3.7%	2%	2%	2%
Two units	144	155	144	11	7.6%	(11)	-6.9%	4%	4%	3%
3-4 units	78	117	81	39	50%	(36)	-31%	2%	3%	2%
5-9 units	111	126	116	15	14%	(10)	-7.9%	3%	3%	3%
10-19 units	133	178	178	45	34%	0	0.0%	4%	4%	4%
20+ units	103	110	110	7	6.8%	0	0.0%	3%	3%	3%
MH & Other	17	0	0	(17)	-100%	0	0%	0%	0%	0%
Total	3,501	4,048	4,237	547	15.6%	189	4.7%	100%	100%	100%

Source: US Census; ACS; MA DHCD & RKG Associates, Inc.

Table 5 – Town of Medfield: Tax Base Characteristics by Parcel Types

Parcel by Use	As of January 1,				Average Annual # Δ		
	1990	2000	2010	2014	1990-00	2000-10	2010-14
Residential	3,446	3,887	4,089	4,110	44	20	5
Single Family	2,808	3,359	3,486	3,510	55	13	6
Condominiums	167	203	273	299	4	7	7
Multi Family	101	88	76	67	(1)	(1)	(2)
Apartments	19	20	17	16	0	(0)	(0)
Misc. Parcels	0	5	5	4	1	0	(0)
Vacant Land	351	212	232	214	(14)	2	(5)
Mixed-Use	57	36	30	29	(2)	(1)	(0)
Commercial	120	108	116	115	(1)	1	(0)
Industrial	50	46	43	40	(0)	(0)	(1)
Open Space	205	116	0	0	(9)	(12)	0
Total	3,878	4,193	4,278	4,294	32	9	4

Source: MA DLS; Town of Medfield & RKG Associates, Inc.

Table 5 exhibits the changes in the number of tax parcels by different uses and type for corresponding census periods and for 2014. Residential parcels represent almost 96 percent of the total tax parcels in 2014, and 89 percent were single-family or condominium parcels. The supply of multi-family parcels (2 and 3 family) declined over all periods, while apartment parcels (4 units or more) declined over the last two periods. Some of this change may be attributed to condominium conversions.

Figure 1 displays the net change in single-family and condominium parcels by year between 1990 and 2014. During the 1990s, new housing production ranged between 37 (1999) and 132 (1994) units per year, averaging over 60 units per year. During the 2000s, annual housing production ranged from 8 units (2006) to 31 units (2000 and 2001) per year and averaged almost 22 units per year, or one-third the pace during the 1990s. Since 2010, sixty-one units were added, averaging 12 units per year.

During the 1900s, single-family development accounted for over 91 percent of the new units, and that declined to 69 percent during the 2000s. Since 2010, single-family development represented about 41 percent of the average housing production during that period.

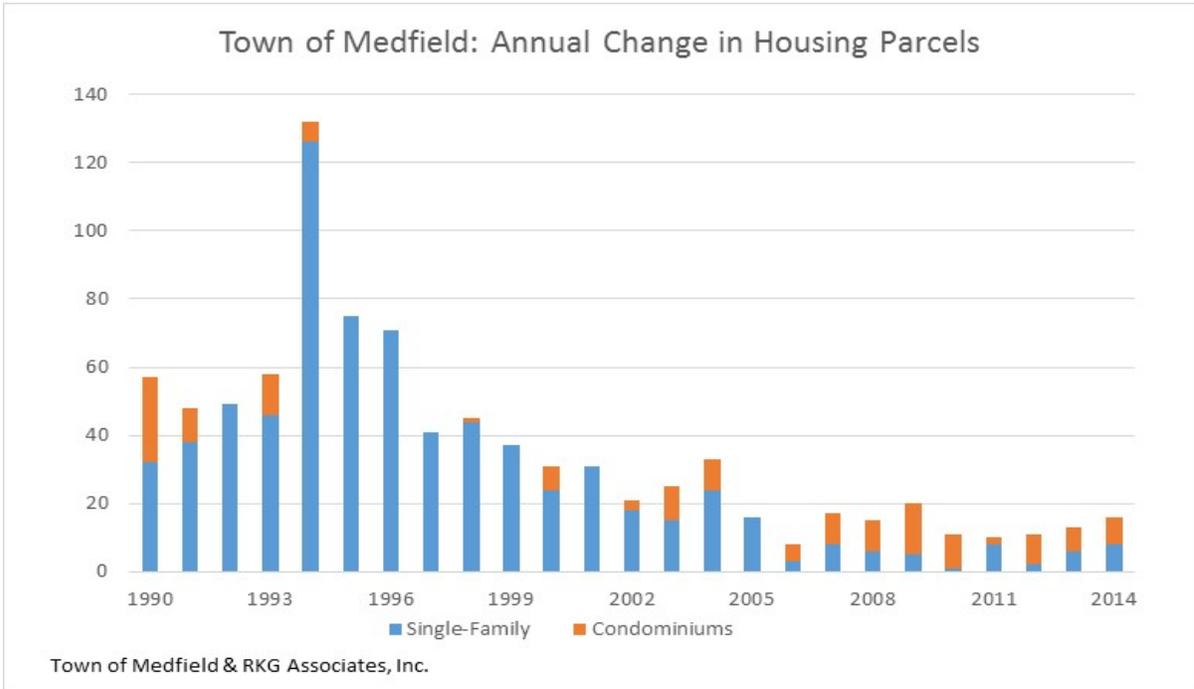


Figure 1

2. Assessment Trends

Table 6 displays the trends in Medfield tax base of select years, and the average assessment of a residential parcel increased from \$226,880 in 1990 to \$549,400 in 2014. During the 1990s, residential assessment increased at nearly 6 percent per year (compounded), and about 4.5 percent per year during the 2000s. Since 2010, the annual growth rate dropped below 1 percent per year.

In 2014, residential assessment accounted for nearly 95 percent of total taxable assessment, up from a 91 percent representation in 1990. The tax rate in Medfield ranged from \$12.08 per 1000 in 1990 to \$16.04 per 1000 in 2014, as shown in Table 6.

Table 6 – Town of Medfield: Assessment Characteristics & Trends

Assessment (\$mil)	As of January 1,				Annual % Δ (Cmpd)		
	1990	2000	2010	2014	1990-00	2000-10	2010-14
Residential	\$781.82	\$1,364.53	\$2,117.75	\$2,258.11	5.7%	4.5%	0.6%
Open Space	\$7.58	\$4.61			-4.8%		
Commercial	\$39.36	\$40.78	\$67.71	\$73.10	0.4%	5.2%	0.8%
Industrial	\$26.07	\$31.31	\$27.21	\$26.48	1.8%	-1.4%	-0.3%
Personalty	\$7.11	\$14.52	\$33.44	\$31.36	7.4%	8.7%	-0.6%
Total	\$861.94	\$1,455.76	\$2,246.11	\$2,389.05	5.4%	4.4%	0.6%
AVG Parcel Value	1990	2000	2010	2014	1990-00	2000-10	2010-14
Residential	\$226,876	\$351,049	\$517,913	\$549,418	4.5%	4.0%	0.6%
Open Space	\$36,966	\$39,741			0.7%		
Commercial	\$328,040	\$377,621	\$626,906	\$635,674	1.4%	5.2%	0.1%
Industrial	\$521,484	\$680,730	\$777,686	\$662,035	2.7%	1.3%	-1.6%
Total	\$220,431	\$343,724	\$517,220	\$549,066	4.5%	4.2%	0.6%
Tax Rate/1000	\$12.08	\$13.75	\$15.02	\$16.04	1.3%	0.9%	0.7%

Source: MA DLS; Town of Medfield & RKG Associates, Inc.

3. Residential Projects in Medfield Under-Construction or in the Planning Process

In Medfield, there are approximately 200 units either under-construction at previously approved projects or those in the planning or conceptual phase as shown in Table 7. The Parc at Medfield is a Chapter 40B project planned in four buildings (two phases) with an opening date set for fall 2015. Eighty-two units are targeted to low-income households with earnings of a maximum of 60 percent (\$50,800) of the area median income (\$98,500) depending on family size; and the remaining 10 units are targeted to the extremely low-income households with earnings of a maximum of 30 percent (\$25,400).

Table 7 – Medfield: Residential Project Under-Construction or Planned

Project	Units	Type	Status
Olde Village Square	12	Condominium	U/C
Glover Place/North S	9	Condominium	U/C
		Chap 40B	Fall 2015
Parc at Medfield	92	Apartments	Opening
Scattered		Single-Family	
Subdivisions	12	Lots	On-Going
LCB-Medfield	74	Assisted Living	Proposed
			Possible
Thomas Upham		Nursing/	Relocation/
House	N/A	Assisted Care	Expansion
Total	199		

Source: Town of Medfield; Rehab Associates & RKG Associates, Inc.

Referring to Table 7, seventy-four units of assisted-living is proposed for Medfield by LCB, which recently opened new facilities in Ashland and Easton as well as in other location in eastern Massachusetts. RKG also learned that the Thomas Upham House may be seeking a new site to relocate and possibly expand its nursing home operation (42 beds) with additional units for assisted and rehabilitation care, similar to its operation in Uxbridge (Lydia Taft House), provided a site at the State Hospital next to the Senior Center becomes available

(Parcel C). The size of this project is unknown and reflects the only potential of housing proposed for the Medfield State Hospital shown in Table 7.

4. Annual Demand for Housing

This section estimates annual demand for housing in Medfield over the next five years based on household forecasts obtained from Alteryx and key characteristics from US Census data. The annual demand is also allocated to owners and renters, and exhibited in Table 8.

Households in Medfield are forecasted to increase to 4,260 unit in 2019, indicating a net gain of almost 80 households since 2014. Owner households are anticipated to increase by almost 60 units, while renter households are also forecasted to increase by over 20 units, unlike trends indicated in the 1990s or 2000s.

Table 8 – Town of Medfield: Annual Demand for Housing (2104-2019)

Household Projections	Owner	Renter	Total
2014	3,609	568	4,177
2019	3,665	591	4,256
Five-year growth In H'holds	56	23	79
Annual Average	11	5	16
Annual Turnover [1]	144	57	201
Total Annual H'hold Demand	156	61	217
Range in Annual New Construction			
	Owner	Renter	Total
Low [2]	11	4	15
High [3]	23	9	33
[1] 4% of owners and 10% of renters in 2014			
[2] 7% of owner & renter demand for new construction			
[3] 15% of owner & renter demand for new construction			
Source: Alteryx, US Census & RKG Associates, Inc.			

Annual housing demand is estimated to average about 220 households per year, divided between owner (160) and renter (60) households, and nearly all the demand would be a result of turnover. RKG estimates annual new construction would range between 15 and 30 units per year over the next five years to support this demand. As a result annual demand for new owner units may range from 10 to 20 units, while new renter unit demand may average between 5 and 10 units per year.

5. Conclusion

The housing stock in Medfield is primarily single-family homes, although the development of condominiums appears to be the preference of new housing production over the last eight to ten years. New housing production since 2005 average between 10 and 20 units per year, well below the pace experienced during the 1990s of nearly 60 units per year. Nearly all the new housing in Medfield was targeted for ownership, since the rental supply experienced declines over the last 20 plus years, including some through condominium conversion.

Median owner values increased to nearly \$590,000 by 2010, but any increase growth over the last five years has been much lower as evident by assessment data. Medfield's tax base is

heavily dependent on residential properties, as it contributes 95 percent to the taxable assessment.

Annual housing demand is estimated to range between 15 and 30 units per year over the next five years, indicating from 75 to perhaps 150 new units developed in Medfield by 2019. This represents between 38 and 75 percent of the residential project presently under-construction or in the planning process in Medfield (200 units).

Developers would need to import additional growth in order to have these projects completed and occupied by 2019, or target internal turnover, but existing housing units would remain unoccupied since the growth to backfill the homes is not projected, causing the vacancy rate to increase. Developers may also target seasonal home buyers, but that sector was relatively small according to 2010 census data.

The Parc at Medfield (92 units) when completed would reduce the Town’s shortfall of Chapter 40B housing to 145 units, based on the 2010 statistics. That Chapter 40B project would also expand the renter base in Medfield by 18 percent. It is likely the additional demand for this new project will have to be imported from elsewhere.

The proposed LCB assisted-care project of 72 units when approved would represent 16 percent of the age75-and-older households in Medfield, or more than 32 percent of the forecasted age 85-and-older population in 2019 (220 persons). These factors suggest that additional demand would need to be generated from outside of Medfield to support this project.

C. Residential For-Sale Market Characteristics

Figure 2 displays the number of residential sales by type (single-family and condominium) and year between 1987 and 2014. During the 1990s, single family sales ranged from 145 to 230 sales per year, and average at about 185 sale per year.

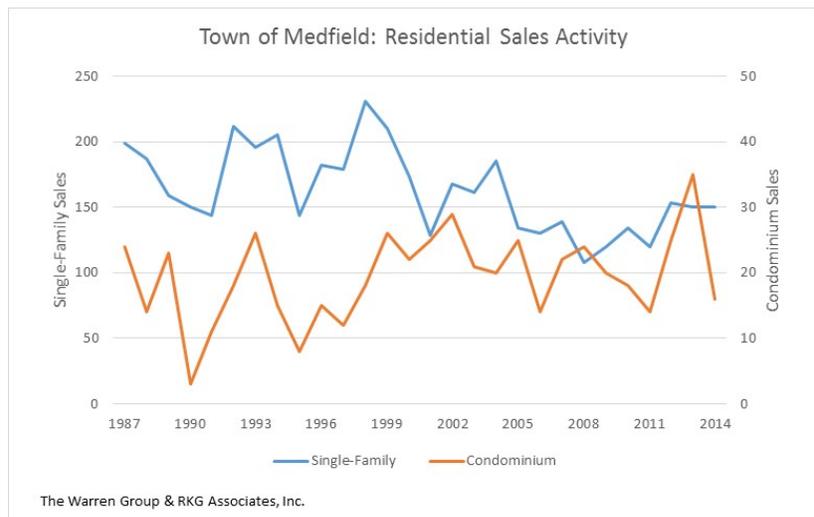


Figure 2

Since 2000, the pace started to drop, and during that decade ranged between 110 sales and 185 sales per year, and average at 145 single-family sales per year.

Since 2010, the pace ranged from 120 to 150 sales and averaged at 140 sales per year. The slow decline in sales is attributed to the lower amount of new production of single-family homes over the last 10 or 15 years, as compared to the pace during the 1990s.

The trend in condominium sales was different, and more erratic due to a smaller supply. During the 1990s condominium sales ranged from less than 5 sales per year to over 25 sales, and average at 15 sales per year. In the 2000s, the pace increase from about 15 sales to nearly 30 sales per year, averaging at 22 sales per year. This pace continued since 2010, as sale range from 14 to 35 sales per year and average at 22 per year. In effect, the condominium market since 2010 accounted for between 10 and 20 percent of residential sales, while prior to 2000, condominiums accounted for 5 and 10 percent of residential sales in Medfield.

Figure 3 displays the trends in the median sales price of single-family homes and condominium units in Medfield between 1987 and 2015 (through April). During the 1990s, prices fluctuated to a low point around 1991/1992 coinciding with the end of an earlier recession. By the mid-to late 1990s, median prices exceeded the prior high levels of the late 1980s depending on type, and continued to increase until 2005 after which price

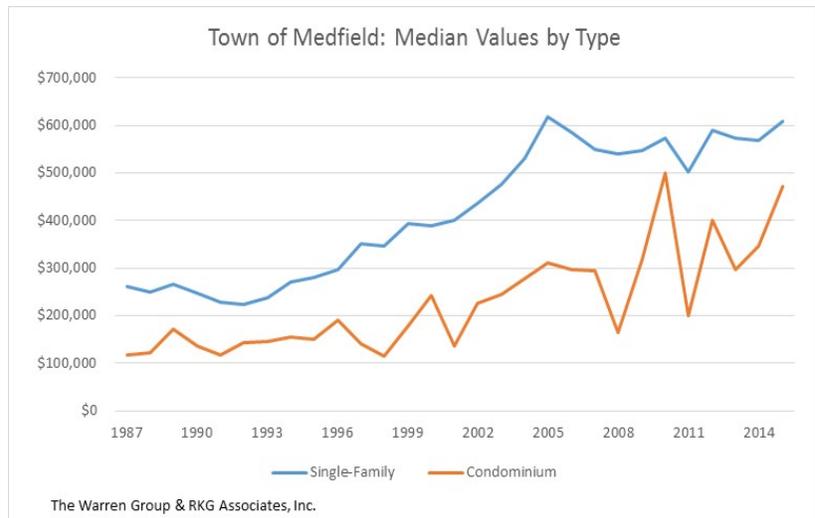


Figure 3

adjustments occurred. For single-family homes, the median sale price peaked at \$617,500 in 2005, and pricing fluctuated at lower levels and by 2011 it bottomed at \$501,000 nearly 20 percent below the peak. The 2015 median price (April) of \$607,500 indicates pricing for single-family homes had almost recovered, as it was about 2 percent below the prior peak. The trend in median prices for condominiums was different, as it peaked in 2005 at nearly \$310,000, and subsequently declined to below \$164,000 in 2008. However, a new high point of \$500,000 was set in 2010, followed by a median of \$400,000 in 2012, and \$472,500 in 2015 (April). The large fluctuation in condominium pricing was due in part to new product being added in the last few years, outpacing new single-family construction.

1. Upper-End Residential Market Trends

Table 9 exhibits the sales volume of single-family homes and condominiums over the last five years by different upper-end price ranges. The sales of single family homes priced at \$500,000 or more accounted for between 56 and 71 percent of single-family sales activity during this period. The number of sales in the three price groups between \$500,000 and \$999,999 ranged on average between 25 and 28 sales per year per group, while the sales of single-family homes in excess of \$1 million averaged at 13 sales per year over the last five years in Medfield.

Comparing the annual average historic sales activity to current listings of single-family homes in Medfield for \$500,000 or more indicate a 7-month supply overall; however, homes prices in the two lower groups equate to a 3- or 4-month sales period. The current listings in the

\$750,000 to \$999,999 range equate to an 8-month supply, and listings for \$1 million or more equate to an 18-month supply.

Condominium sales priced at \$300,000 or more in Medfield are also shown in Table 9 represented on average about 56 percent of total condominium sales. On an absolute basis, however, an average of 13 units per year for all price points above \$300,000 was relatively small. Condominiums in the three groups between \$300,000 and \$599,999 averaged at 3 sales per year per group over the last five years, while sales in the upper two price points averaged 2 sales per year per group.

Table 9 – Town of Medfield: Upper end Sale by Type & Price Range

Single-Family Sales by Price Range	Year Ending April 30,					AVG	Current Listings
	2011	2012	2013	2014	2015		
\$1 million +	11	7	11	19	17	13	20
\$750,000-\$999,999	19	21	34	27	35	27	18
\$600,000-\$749,999	24	31	24	25	36	28	8
\$500,000 - \$599,999	19	16	23	39	29	25	8
Subtotal	73	75	92	110	117	93	54
All S-F Sales	131	131	152	156	172	148	62
Percent of Total	2011	2012	2013	2014	2015	AVG	Listings
\$1 million +	8%	5%	7%	12%	10%	9%	9%
\$750,000-\$999,999	15%	16%	22%	17%	20%	18%	29%
\$600,000-\$749,999	18%	24%	16%	16%	21%	19%	13%
\$500,000 - \$599,999	15%	12%	15%	25%	17%	17%	13%
Subtotal	56%	57%	61%	71%	68%	63%	87%
Condominium Sales by Price Range	Year Ending April 30,					AVG	Current Listings
	2011	2012	2013	2014	2015		
\$750,000 & up	4	2	3	1	2	2	8
\$600,000 - \$749,999			7	1	3	2	8
\$500,000 - \$599,999	3	4	7	1	2	3	0
\$400,000 - \$499,999			6	4	3	3	1
\$300,000 - \$399,999	4		1	3	5	3	2
Subtotal	11	6	24	10	15	13	19
All Condo Sales	17	18	36	28	19	24	21
Percent of Total	2011	2012	2013	2014	2015	AVG	Listings
\$750,000 & up	24%	11%	8%	4%	11%	10%	38%
\$600,000 - \$749,999	0%	0%	19%	4%	16%	9%	38%
\$500,000 - \$599,999	18%	22%	19%	4%	11%	14%	0%
\$400,000 - \$499,999	0%	0%	17%	14%	16%	11%	5%
\$300,000 - \$399,999	24%	0%	3%	11%	26%	11%	10%
Subtotal	65%	33%	67%	36%	79%	56%	90%

Source: The Warren Group; Realtor.com & RKG Associates, Inc.

Comparing current listing with the historic sales averages suggests that the eight listings in each of the two groups of \$600,000 or more suggest a 48-month supply, although that may be reduced given the activity of seven sales in 2013 in the \$600,000 to \$749,999 price range in 2013. The listing of units in the two lower price ranges suggest a 4- to 8-month supply.

2. Sales Activity at Select Condominium Projects

This section identifies sales trends at select residential condominium projects in Medfield and some of its surrounding communities. When possible the site acquisition date and price for a project was identified.

a) Olde Village Square

This project developed by Unique Homes of Medfield consists of 44 units in multiple buildings in a “traditional neighborhood design”, including 22 attached and 22 detached units, with 36 townhouse style units and 8 flats. The project, on 6.9 acres (6.4 units per acre), is located in the village off Spring Street and was approved in July 2005. The custom designed units range in size from nearly 1,900 SF to almost 3,500 SF, and average 2,480 SF. Two, three or four bedrooms homes were marketed depending on type including attached garages, and many had first floor master bedrooms. Research indicates that 32 units have transferred since 2007, indicating 27 percent of the units remain. Annual sales activity and pricing at this project is shown in Table 10. The site was an assemblage of eight parcels including seven transferred in April 2000 or earlier, and one in May 2006. Acquisition cost totaled \$2.62 million, equating to \$382,000 per acre and nearly \$59,600 per unit, effectively 7 percent of the average sale price (\$850,000) of the units.



Table 10 – Sales Summary at Olde Village Square

Year	# of Sales/ Month	Range in Sale Price		AVG Sale Price	
		Low	High		
2007	3	0.4	\$817,500	\$990,737	\$875,279
2008	3	0.3	\$734,623	\$904,417	\$833,276
2009	6	0.5	\$679,659	\$1,032,031	\$825,678
2010*	6	0.5	\$785,693	\$895,072	\$833,141
2011	2	0.2	\$773,800	\$1,166,392	\$970,096
2012	4	0.3	\$619,586	\$1,085,650	\$813,391
2013	6	0.5	\$680,000	\$985,902	\$834,384
2014	1	0.1		\$1,050,000	\$1,050,000
2015	1	0.3		\$816,000	\$816,000
Total	32	0.3	\$619,586	\$1,166,392	\$848,758

Source: Norfolk Co. Registry of Deeds & RKG Associates, Inc.

b) Thurston Place

This is an eleven-unit condominium project developed on a 2-acre (5.5 units per acre) assemblage at 52-54 Brook Street in Medfield by Vinebrook Village LLC and approved in December 2008. The units were attached and detached, primarily two-story buildings with two or three bedrooms, two plus bathrooms, basements, two-car garages, and an average living area of about 2,000 SF.



Table 11 – Thurston Place Sales Activity

Year	# of Sales	Sales/ Month	Range in Sale Price		AVG Sale Price
			Low	High	
2011	2	0.3	\$549,900	\$549,900	\$549,900
2012	5	0.4	\$549,900	\$588,000	\$564,360
2013	4	0.6	\$549,900	\$583,000	\$563,025
Total	11	0.4	\$549,900	\$588,000	\$561,245

Source: Norfolk Co. Registry of Deeds & RKG Associates, Inc.

Land acquisition occurred in 2008 and 2009 at \$1.06 million or \$533,400 per acre or \$96,360 per unit, which equated to 17 percent of the average sale price per unit.

c) Grover Place

This is a recently approved (2014), 11-unit project on a 1.6 acre assemblage (6.9 units per acre) at 90-96 North Street, that consists of two units in a converted three-family home, a single unit at a converted two-family home, six townhouse units in three new duplex buildings, and a detached single-unit building. Two units in a renovated home recently sold for an average price of nearly \$370,000 (\$204/SF), and others are under contract or being marketed ranging in price from \$679,000 to \$729,000 (\$360 and \$304/SF, respectively). The units in the new buildings have two or three bedrooms, two plus bathrooms, one-or-two car garages, and average sizes ranging from 1,795 SF to 2,400 SF. The two sites/homes on North Street were acquired in April 2014 by Larkin Holdings LLC for \$956,500 or \$614,320 per acre or \$86,955 per unit, effectively 14 percent of the average unit value.



Table 12 Grover Place Condominiums

Year	# of Sales	Sales/ Month	Range in Sale Price		AVG Sale Price
			Low	High	
2015	2	0.4	\$350,000	\$387,000	\$368,500
Listings	9		\$649,000	\$729,000	\$656,200
Total	11		\$350,000	\$729,000	\$603,891

Source: Norfolk Co. Registry of Deeds, Realtor.com & RKG Associates, Inc.

d) Orchards at Holliston

This 72-unit, Chapter 40B condominium project developed on 14.7 acres (4.9 units per acre) off Highland Street in Holliston by the Rubing Companies was approved in 2007, but initial sales did not start until July 2010. Research indicated that 59 units had transferred through May 2015, including 15 affordable units, as shown in Table 13. The remaining units are being marketed or under contract as construction on the final phase is almost complete. The units are typically contained in two-story structures and available in three design options ranging in size from 1,600 to 2,000 SF, with one-or-two car garages. The pace of sales and average price at this project is shown in Table 13. The site was acquired in 2008 for \$1.55 million or \$105,720 per acre and \$21,510 per unit, effectively 6 percent of the average sale price (\$380,000).



Table 13 – The Orchards at Holliston

Year	Market Rate		Affordable		All Sales		
	# of Sales	AVG Price	# of Sales	AVG Price	# of Sales	Sales/ Month	AVG Price
2010	5	\$419,760	3	\$166,500	8	1.0	\$324,788
2011	7	\$474,698	4	\$166,500	11	0.9	\$362,626
2012	7	\$426,343	2	\$166,500	9	0.8	\$368,600
2013	14	\$446,636	2	\$166,500	16	1.3	\$411,619
2014	10	\$463,444	3	\$166,500	13	1.1	\$394,918
2015	1	\$463,764	1	\$166,500	2	0.3	\$315,132
Total	44	\$449,027	15	\$166,500	59	1.0	\$377,198

Source: Norfolk Co. Registry of Deeds & RKG Associates, Inc.

e) Residences at the Village at River’s Edge

This mixed-use project on 52.5 acres off Rockwood Road (Route 115) and Holbrook Street in Norfolk was approved in 2006. It consisted of 138-units in duplex style buildings restricted to households age 55 and older, developed by Diplacio Development Corporation on 48 acres (2.9 unit per acre), and a commercial component with 25,000 SF retail/service building and a 150-seat restaurant (5,530 SF) on 4.5 acres. Six residential designs were offered, all marketed with single-level living and with one-or-two-car garages. Options for a finished area in the basements or a second level loft/bedroom suite were available. First-floor living area typically ranged in size from 1,100 to 1,500 SF depending on style, while overall gross sizes (including basement and garage) ranged from less than 2,800 to over 5,100 SF. Trends in sales and average prices are shown in Table 14



Table 14 – Residences at the Village at River’s Edge

Year	# of Sales	Sales/ Month	Range in Sale Price		AVG Sale Price
			Low	High	
2007	10	1.7	\$399,641	\$550,976	\$478,479
2008	11	0.9	\$417,840	\$534,000	\$489,167
2009	15	1.3	\$287,948	\$435,000	\$369,035
2010	21	1.8	\$334,426	\$570,284	\$388,033
2011	17	1.4	\$349,000	\$535,722	\$411,253
2012	13	1.1	\$363,500	\$509,900	\$430,451
2013	25	2.1	\$350,000	\$486,200	\$409,071
2014	23	1.9	\$334,900	\$538,900	\$442,367
2015	3	1.5	\$507,600	\$561,200	\$533,933
Total	138	1.5	\$287,948	\$570,284	\$423,479

Source: Norfolk Co. Registry of Deeds & RKG Associates, Inc.

f) Village Townhomes

Village Townhomes is a 32-unit condominium development in seven buildings on a 4.8-acre (6.7 units per acre) portion of the former Foxborough State Hospital developed by Douglas King Builders, and part of Chestnut Green. It is mostly built out, as the final phase is underway; however, 28 percent of the units were not transferred, as they are being market or rented. The two-story townhouses, typically had one- or two-car garage, a full basement, and a living area ranging from 2,000 to 2,600 SF. Table 15 displays the pace of



sales and average price of transferred units. This project was part of a multi-parcel acquisition that included an 11 lot, single-family subdivision (Highland Farm) at a cost of \$1.89 million or \$150,950 per acre, or \$43,870 per unit, effectively 8 percent of the retail sale value when the single-family sales (4 sales in 2014 at an average price of \$870,200) are included.

Table 15 – Village Townhomes

Year	# of Sale	Sale/ Month	Range in Price		AVG Sale Price
			Low	High	
2008	2	0.7	\$439,000	\$442,000	\$440,500
2009	0	0.0			
2010	1	0.1			\$425,000
2011	2	0.2	\$425,000	\$450,000	\$437,500
2012	9	0.8	\$419,000	\$492,775	\$460,759
2013	7	0.6	\$409,900	\$599,900	\$493,500
2014	2	0.2	\$490,500	\$560,000	\$525,250
Total	23	0.3	\$409,900	\$599,900	\$470,993

Source: Norfolk Co. Registry of Deeds & RKG Associates, Inc.



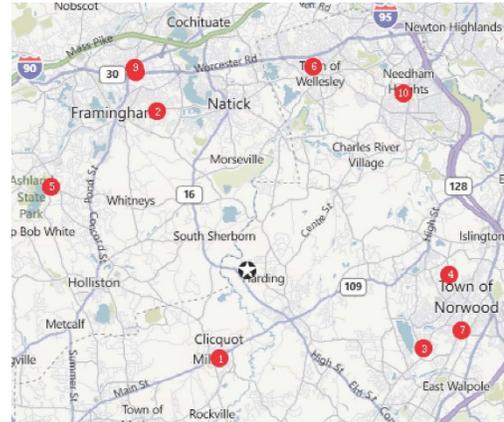
3. Conclusion

The for-sale market in Medfield appears to have recovered from the recession as the median value for single-family sales (\$607,500) in April 2015 was marginally below the prior peak in 2005, and the median sale value for condominiums (\$472,000) was about 50 percent higher than indicated in 2005. Sales activity of upper-end condominiums (\$500,000 plus) over the last five years, averaged about 7 units per year, although it was more product-sensitivity since 17 units sold in one year (2013) but only seven in 2015.

The sales history at two condominium projects in Medfield averaged about 4 to 5 units per year at average prices ranging from \$560,000 to \$850,000, which was much slower than at a 72-unit Chapter 40B project in Holliston that averaged 12 units per year at \$380,000; or at a 138-unit project in Norfolk that average 18 units per year at an average unit price of \$425,000. Lower pricing suggests greater sales but that was not evident at a 32-unit project at the former Foxborough State Hospital, which had a similar sale pace (4 per year) as indicated in Medfield, with average pricing (\$470,000) was about 16 percent lower. This slower pace may be attributed to the phasing of the project and a builder with development options elsewhere.

D. Residential Rental Market Conditions

RKG obtained a REIS Report of ten select apartment projects with 2.5 and 7.5 miles of the former Medfield Hospital site to gauge local rental markets conditions in comparison to the submarket (South/Southeast Suburban) and the Boston Metro. Table 16 exhibits current pricing and vacancy at these project.



- The 10 projects had over 3,011 units ranging in counts from 64 to 914 units, and all built prior to 1985 and most in the early 1970s.
- The overall vacancy rate was 4 percent, ranging from zero to 11 percent, with the more remote locations (Millis and Ashland) having the highest vacancy rates.
- Rents at studio apartments (0-bdrm) ranged from \$1,005 (Ashland) to \$1,142 (Framingham), and average at \$1,120 per month
- One-bedroom rents ranged from \$1,130 (Ashland) to \$1,546 (Needham), and average at \$1,409 per month
- Two-bedroom rents ranged from \$1,456 (Framingham) to \$2,615 (Wellesley), and averaged at \$1,722 per month
- Three-bedroom rents ranged from \$1,975 (Norwood) to \$2,628 (Needham) and averaged at \$2,038 per month

Table 16 – Rent Summary at Select Apartment Complexes

Map Key	Name	City	# of Units	Year Blt	Vacancy Rate	Asking Rent by Type				
						AVG	0-bdrm	1-bdrm	2-bdrm	3-bdrm
1	Stoney Brook Village	Millis	202	1973	10.4%	\$1,452		\$1,300	\$1,575	
2	Natick Village	Natick	260	1975	0.0%	\$1,437		\$1,275	\$1,575	
3	Windsor Gardens	Norwood	914	1968	2.5%	\$1,699		\$1,467	\$1,824	\$1,984
4	Norwest Woods	Norwood	415	1970	5.8%	\$1,801		\$1,705	\$1,748	\$1,975
5	Chestnut Place	Ashland	207	1970	11.1%	\$1,373	\$1,005	\$1,130	\$1,465	
6	Linden Square	Wellesley	64	1965	4.7%	\$2,615			\$2,615	
7	Stonebridge	Norwood	69	1985	0.0%	\$1,461		\$1,191	\$1,473	
8	Bayberry Hills	Framingham	425	1970	4.2%	\$1,577	\$1,142	\$1,435	\$1,692	\$2,238
9	Lord Chesterfield	Framingham	250	1972	1.6%	\$1,323	\$1,017	\$1,134	\$1,456	
10	Rosemary Lake	Needham	205	1970	1.5%	\$1,887		\$1,546	\$2,017	\$2,628
Sample Total/AVG			3,011	1972	4.0%	\$1,630	\$1,120	\$1,409	\$1,722	\$2,038

Source: REIS Reports & RKG Associates, Inc,

Table 17 presents a comparison of current (April, 2015) characteristics from the local sample with the regional and metro markets. In nearly all cases, the local sample had higher rents/factors that the regional submarket, but lower than the Boston Metro market. Most of the rents locally ranged between \$1.60 and almost \$2.00/SF; while in the Boston Metro they ranged between \$2.00 and almost \$3.00/SF. The local sample also had a higher concentration of three-bedroom units than elsewhere, while its one-bedroom concentration was less than the Metro but nearly identical to the regional submarket.

Table 17 – Local, Regional and Metro Comparison

Type	Rent	Size	Rent/SF	Mix
Medfield Sample				
0-Bdrm	\$1,120	718	\$1.56	3%
1-bdrm	\$1,409	718	\$1.96	34%
2-bdrm	\$1,722	951	\$1.81	55%
3-bdrm	\$2,038	1,228	\$1.66	9%
South/Southeastern Suburban Submarket				
0-Bdrm	\$1,011	420	\$2.41	2%
1-bdrm	\$1,265	756	\$1.67	34%
2-bdrm	\$1,441	999	\$1.44	62%
3-bdrm	\$1,807	1,193	\$1.51	2%
Boston Metro Market				
0-Bdrm	\$1,432	493	\$2.90	5%
1-bdrm	\$1,797	768	\$2.34	40%
2-bdrm	\$2,143	1,076	\$1.99	52%
3-bdrm	\$2,795	1,336	\$2.09	4%
Source: REIS Reports & RKG Associates, Inc.				

Table 18 displays trends in the various rental markets over the last 5 plus years. The vacancy rate at the Medfield sample has slowly started to increase to 4 percent in 2015 from a low point of 3.2 percent in 2010. Asking rents increased from \$1,360 in 2010 to \$1,630 in 2015 for a 20 percent gain, and most of the gain happened in 2012 and later, and has had little if any effect on the vacancy rate. The percentage increases in asking rents at the local sample was greater in many periods than indicated in the other markets.

The Boston Metro market experienced 5 plus years of unit expansion totaling almost 11,900 units and the impact on the vacancy rate was nominal as absorption exceeded 14,600 units; however much of that change occurred in the earlier years. A similar phenomenon was indicated in the regional submarket, and annual absorption exceeded the completions of new units, and the vacancy rate declined from nearly 6 percent in 2010 to less than 4 percent in 2015. At the same time, annual increases of 1 to 4 percent occurred in rents.

Table 18 – 5-year Trends in Rental Characteristic by Area

Medfield Sample						
Year	New Units	Vacancy Rate	# Δ	Absorption	AVG Ask Rent	% Δ
2010	0	3.2%	-3.1%	93	\$1,361	5.2%
2011	0	3.6%	0.4%	(12)	\$1,379	1.3%
2012	0	3.7%	0.1%	(3)	\$1,459	5.8%
2013	0	3.7%	0.0%	0	\$1,536	5.3%
2014	0	4.0%	0.3%	(8)	\$1,600	5.7%
2015	0	4.0%	0.0%	(1)	\$1,630	1.9%
South/Southeastern Suburban Submarket						
Year	New Units	Vacancy Rate	# Δ	Absorption	AVG Ask Rent	% Δ
2010	168	5.7%	-1.9%	436	\$1,227	2.4%
2011	180	5.2%	-0.5%	238	\$1,274	3.8%
2012	180	5.5%	0.3%	128	\$1,320	3.6%
2013	90	4.7%	-0.8%	206	\$1,356	2.7%
2014	37	4.3%	-0.4%	95	\$1,370	1.0%
2015	0	3.9%	-0.4%	61	\$1,375	0.4%
Boston Metro Market						
Year	New Units	Vacancy Rate	# Δ	Absorption	AVG Ask Rent	% Δ
2010	1,331	5.1%	-1.3%	3,768	\$1,738	2.5%
2011	627	4.0%	-1.1%	2,699	\$1,773	2.0%
2012	1,551	3.8%	-0.2%	1,969	\$1,825	3.0%
2013	2,250	3.9%	0.1%	2,253	\$1,886	3.4%
2014	4,424	4.5%	0.6%	2,914	\$1,978	4.9%
2015	1,710	4.8%	0.3%	1,060	\$1,996	0.4%

Source: REIS Reports & RKG Associates, Inc.

1. Conclusion

In short, the apartment market fundamentals continue to be strong, while the owner market continues to recover. Rental pricing and vacancy locally fluctuates between those projects in more centralized locations convenient to local service where rents were higher and vacancy lower in comparison to those in more remote areas removed from convenient services. However, locally there remains a short supply of modern (post 2000) apartment complexes, and any new project is usually a result of a comprehensive permit (Chapter 40B) as was the case with the Parc at Medfield, although 100 percent of the units at this project are affordable, as compared to 10 to 25 percent elsewhere. Rental demand in Medfield appears relatively weak, and any success indicated from a fast lease up at the Parc at Medfield would be a good indicator for the possibility of additional affordable rental units at the former State Hospital site.

E. Selected Acquisition Sales of Residential Projects

This section reconciles the project acquisition sales in Medfield and other surrounding communities with other land sales in order to gauge potential pricing for development at the former State Hospital site. Key sales characteristics from a sample of sales of different property types are shown in Table 19. The following highlights key findings from a review of the data.

- Nearly all the sales for condominium projects occurred in the early part of the 2000s, and in most cases the actual development of a project did not begin in earnest until after the recession ended in June, 2009. The acquisition cost for the three larger projects (44 units or more) ranged from \$21,500 per unit to \$59,600 per unit, and the per unit land value ranged from 6 to 8 percent of the average unit value.
 - The acquisition cost for the two smaller projects (11 units each and both in Medfield) had per unit costs ranging from nearly \$87,000 to \$96,400 per unit, equating for between 14 and 17 percent of sale price. The value per acre was also at the high end of the range from \$533,400 to \$614,300/acre, and density ranged from 5.5 to 7.1 units per acre. Although the average retail unit price at Thurston Place (\$561,250) was one-third lower than at the Olde Village Square (\$848,760) the pace of sales was not that much faster (less than 5 per year versus 4 per year).
 - A 59-unit portion of the Danforth Green PUD in Framingham was transferred in 2014 for \$4.12 million, indicating a factor of over \$70,000 per unit. Pricing of the for-sale units, constructed by Brendon Homes, start at \$429,900 for attached homes and \$529,900 for detached units, and six units are priced as affordable unit, suggesting an average unit price of approximately \$430,000. This equates to about 16 percent of the land acquisition factor.
 - The age-restricted project (Village at River's Edge) in Norfolk had the highest sale activity (18 per year) and a lower average price (\$423,500), while the Chapter 40B project in Holliston (The Orchards) had a sales pace of 12 unit per year, and an average market unit price (\$449,000) slightly higher than in Norfolk.
 - The pace of sales at the Village Townhomes at Chestnut Green were similar to the Olde Village Center (4 per year) with an average price (\$471,000) that was 45 percent lower.
 - The density of these project ranged from 3.5 to 4.9 units per acres
- Sales of three sites for apartments were identified including the acquisition of a 5.7-acre site near the Natick Mall for \$15.4 million, for the development of 407 units by Avalon Bay, indicating a value of \$37,840 per unit.
 - Avalon Framingham also purchased a 180-unit portion of Danforth Green, a 61-acre Planned Unit Development with an adjacent 180-unit condominium project (Montage at Danforth Green). The \$8.87 million acquisition cost for the apartments equates to nearly \$50,000 per unit, and units are now available being marketed starting at \$1,800 per month and up, with affordable ones at \$1,259 and up, subject to income limits (80 percent).
 - A third sale is of 9.2 acres of industrial land in Medfield for a Chapter 40B project presently under construction. The indicated value was about \$18,000 per unit or more than 50 percent less than indicated in Natick. The land acquisition factor represents about 9 percent of the mortgage (\$18 million or \$195,650/unit) leveraged for this project.

Table 19 – Sales Data for Selected Residential Project

Name	Location	Town	Buyer	Sale Date	Sale Price	Acres	\$/Acre	Units	\$/Unit	Units/ acre	% of \$
Land or Assemblages for Condominiums											
Olde Village Square	Spring Street	Medfield	Olde Village Square	2000&2006	\$2,622,000	6.9	\$382,084	44	\$59,591	6.4	7%
Thurston Place	52-54 Brook St	Medfield	Vinebrook Village LLC	2008&2009	\$1,060,000	2.0	\$533,447	11	\$96,364	5.5	17%
Grover Place	90-96 North St	Medfield	Larkin Holdings LLC	4/25/2014	\$956,500	1.6	\$614,322	11	\$86,955	7.1	14%
Danforth Green/Brendon	Riverpath St	Framingham	Brendon Properties	10/30/2014	\$4,162,000			59	\$70,542		16%
The Orchards	Highland St	Holliston	Highland Meadows	9/8/2008	\$1,548,737	14.7	\$105,716	72	\$21,510	4.9	6%
Village TH & Highland Farm	Dexter/Capone	Foxborough	King-Foxboro	7/27/2007	\$1,886,364	12.3	\$153,948	43	\$43,869	3.5	8%
Land For Apartments											
The Parc at Medfield	West Street	Medfield	Parc at Medfield LP	10/20/2014	\$1,650,000	9.2	\$178,959	92	\$17,935	10.0	
Danforth Green/Avalon	40 Riverpath St	Framingham	Avalon Fram. LLC	8/26/2014	\$8,870,000			180	\$49,278		
Avalon Natick	5 Chrysler Rd	Natick	Avalon Natick LLC	7/13/2011	\$15,400,000	5.7	\$2,680,808	407	\$37,838	70.8	
Apartment Project											
4-Unit Apt	20 Frairy St	Medfield	A. Kramer	9/24/2014	\$335,000	0.6	\$598,214	4	\$83,750	7.1	
Wilkins Glen	377 Main St	Medfield	BC Wilkins Glen LP	4/20/2012	\$6,435,000	14.9	\$431,879	103	\$62,476	6.9	
Land For Assisted Care											
Residence at Five Corners	678 Depot St	Easton	VRS/LCB Easton	6/16/2014	\$3,275,000	2.9	\$1,129,310	84	\$38,988	29.0	
Residence at Valley Farm	369 Pond St	Ashland	VRS/LCB Ashland	6/10/2014	\$1,800,000	3.5	\$511,364	80	\$22,500	22.7	
Cornerstone at Canton	175 Rever St	Canton	Cornerstone at Canton	3/14/2014	\$2,400,000	2.4	\$998,336	100	\$24,000	41.6	
Arbors Assisted Living	140 Franklin St	Stoneham	Stoneham AL LP	5/15/2013	\$2,800,000	1.9	\$1,458,333	84	\$33,333	43.8	
LCB Senior Living [1]	363A Main St	Medfield	LCB Medfield LLC	12/23/2014	\$500,000	2.3	\$217,391	74	\$6,757	32.2	
[1] LCB proposes a 74-unit assisted care facility & bought a 9-acre tract with 6.7 acres in conservation easement, or effectively 2.3 acres (as shown); LCB has an option for 361 Main St with 1.8 acres & frontage											
Source: Bristol, Middlesex and Norfolk County Registries of Deeds and RKG Associates, Inc.											

- The acquisition of Wilkins Glen, a Chapter 40B project in Medfield, by Beacon Communities indicated a depreciated value (-63 percent) of nearly \$63,500 per unit, since the acquisition, construction and long-term financing amount provided by Mass Housing totaled \$17.7 million or \$171,850 per unit. This suggests that the indicated land acquisition factor for The Parc at Medfield (\$17,935) would equate to about 10 percent of the financing factor for Wilkins Glen.
 - A 4-unit “market” sale in Medfield indicated a price of \$83,750 per unit
- Sales data for assisted-care facilities represented the strongest sector as all sales and most occurred within 2013 and 2014, for facilities that are either under construction, recently opened or remain in the planning/approval process, such as LCB Medfield plan of 74 units proposed for a site off Main Street. To date, LCB purchased some back land with an effective size of 2.3 acres as noted above, for \$500,000. Another parcel with frontage on Main Street remains under option, as LCB seeks approval. LCB recently completed projects in Easton and Ashland, with 84 and 80 units respectively, and acquisition cost ranged from \$22,500 per unit (Ashland) to nearly \$39,000 per unit (Easton). Cornerstone at Canton recently opened a 100-unit facility on 2.4 acres adjacent to an independent living/age-restricted project (213 units) planned at the former Plymouth Rubber site in Canton for \$24,000 per unit. Arbors Assisted Living acquired a 1.9 acre site in Stoneham for an 84-unit assisted care facility for \$33,330 per unit.

F. Economic Conditions and Forecasts

The section identifies trends in the economic conditions in the Town of Medfield and its comparison area. For this analysis, the Metro South West Workforce Investment Area (Metro S/W WIA) is used for a comparative geography, and consists of many cities and towns

extending from Littleton along I-495 in the north, to Foxborough along I-95 in the south, to Brookline (and Route 9) in the East and Marlborough and I-90 to the west. ²

1. Labor Force and Unemployment Rate Trends

The resident labor force in Medfield declined by 3 percent between 2000 and 2009, similar to the 3 percent decline in population during this period. As shown in Figure 4, the labor force in Medfield was at its highest in 2001, and subsequently declined by 2009. However, by the end of 2010, an increase of 280 persons occurred reversing the decline of 190 persons from 2000. By 2014, the labor force in Medfield experienced an 8 percent gain since 2009, or a 5 percent increase since 2000.

In comparison, the labor force in Metro South West WIA trended similar to that in Medfield during the early 2000s, but at the start of the recession (2008) a 2 percent increase occurred as a decline was evident in Medfield. By 2011, the labor force in the Metro South West WIA dropped while an increase occurred in Medfield. Since 2011, the labor force increased and by 2014 surpassed prior high levels, similar to Medfield.

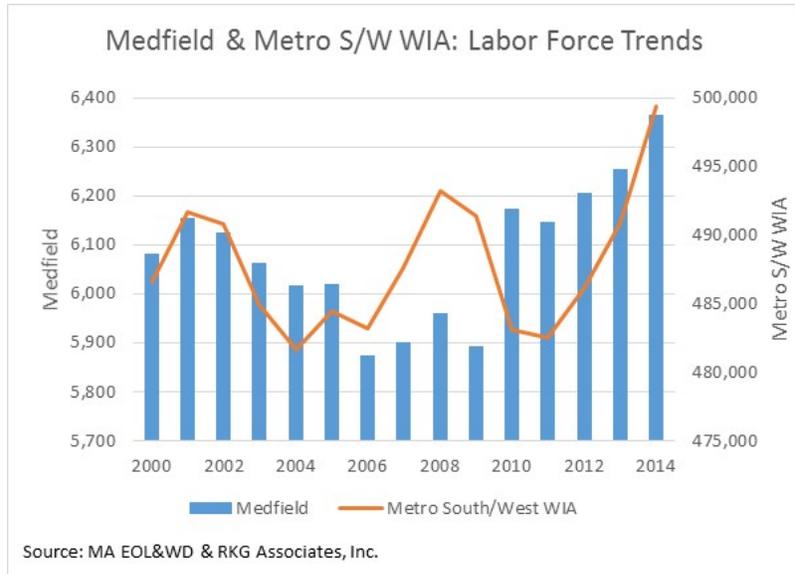


Figure 4

² Metro South West WIA includes: Acton; Ashland; Bedford; Bellingham; Boxborough; Brookline; Canton; Carlisle; Concord; Dedham; Dover; Foxborough; Framingham; Franklin; Holliston; Hopkinton; Hudson; Lexington; Lincoln; Littleton; Marlborough; Maynard; Medfield; Medway; Millis; Natick; Needham; Newton; Norfolk; Norwood; Plainville; Sharon; Sherborn; Southborough; Stow; Sudbury; Walpole; Waltham; Wayland; Wellesley; Weston; Westwood; and Wrentham.

Figure 5 compares the unemployment rates in Medfield between 2000 and 2014 with the Metro South West WIA and Commonwealth of Massachusetts. In essence, Medfield's rate despite different trends in the labor force, was very similar to the Metro South West WIA, which paralleled the State but was typically 1 to 1.5 percentage points lower.

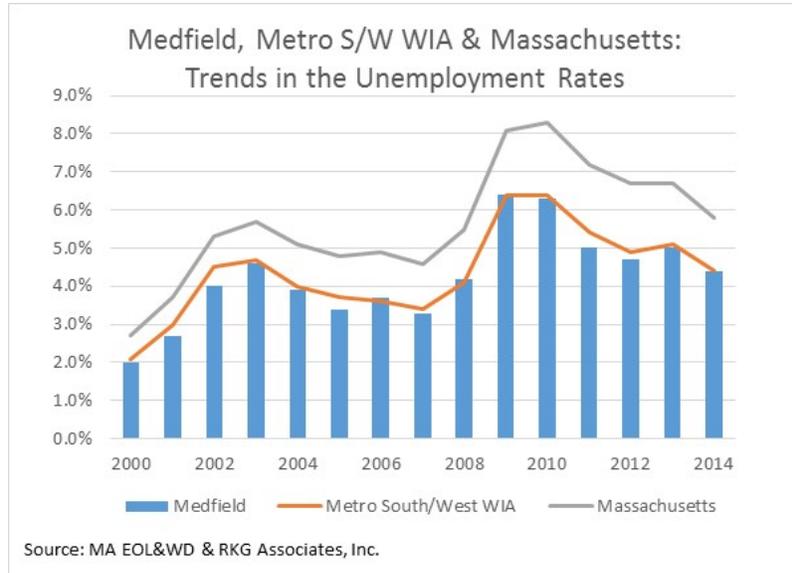


Figure 5

2. Commuting Patterns

Table 20 identifies the outflow of the resident workforce to specific cities and towns, and inflow of local worker at jobs in Medfield in 2010. Only 23 percent of the resident workforce actually had a job in Medfield, and the remaining 77 percent commuted out of town for work, including 23 percent that held jobs in Boston. The 23 percent of the resident workforce that worked in Medfield accounted for 39 percent of the local jobs in Medfield, indicating another 61 percent of the local jobs was filled by a person that commuted from out of town, including many from the surrounding towns.

Table 20 – Town of Medfield: Commuting Patterns

WORKERS IN RESIDENCE & PLACE WHERE THEY WORK				JOBS IN PLACE & PLACE WHERE WORKERS RESIDE				
Workers in Residence	#	Workplace of Medfield, MA - Working Residents	% of Residents	Local Jobs	#	Jobs in Medfield, MA - Held by Workers from	% of Jobs	
Medfield	5,608	Medfield	1,269	22.6%	Medfield	3,249	1,269	39.1%
		Top Tier	2,358	42.0%		Top Tier	676	20.8%
		Boston	1,274	22.7%		Boston	139	4.3%
		Needham	282	5.0%		Millis	129	4.0%
		Norwood	262	4.7%		Norfolk	113	3.5%
		Newton	225	4.0%		Medway	111	3.4%
		Wellesley	178	3.2%		Walpole	102	3.1%
		Framingham	137	2.4%		Holliston	82	2.5%
		Selected Other	734	13.1%		Selected Other	446	13.7%
		Quincy	109	1.9%		Woburn	81	2.5%
		Cambridge	107	1.9%		Framingham	73	2.2%
		Waltham	98	1.7%		Stoughton	60	1.8%
		Natick	93	1.7%		Bellingham	53	1.6%
		Bellingham	88	1.6%		Foxborough	49	1.5%
		Canton	87	1.6%		Hopkinton	44	1.4%
		Braintree	78	1.4%		Wrentham	44	1.4%
		Dedham	74	1.3%		North Attleborough	42	1.3%
		Remainder	1,247	22.2%		Remainder	858	26.4%

Source: American Community Survey (2006-2010); & RKG Associates, Inc.

3. Employment Trends

Figure 6 shows Medfield’s employment reached a peak in 1995 at 3,820 jobs and by 2003 it declined to 3,270 jobs. By 2007, employment dropped below 2,900 jobs, and additional declines continued, and in 2013 (2,770) the base was 27 percent lower than the peak. A different trend was indicated in the Metro South West WIA after its peak (2001) as job levels fluctuated with economic cycles; and by 2013 its employment surpassed the prior peak by 3 percent.

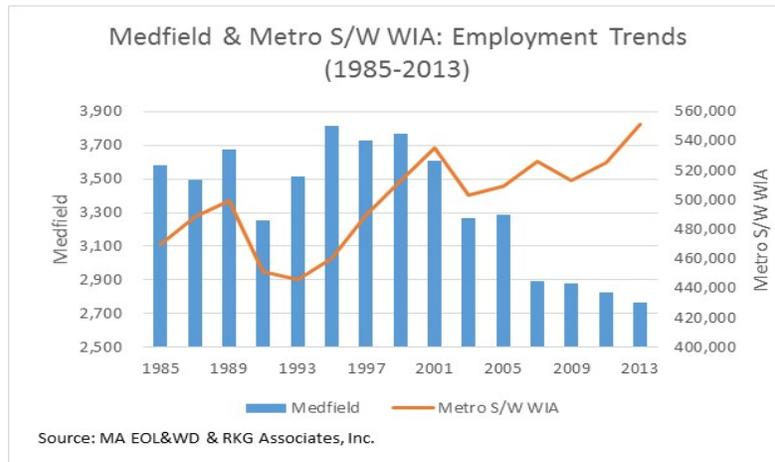


Figure 6

Figure 7 displays that in 1985, Medfield’s employment base was fairly evenly divided between the Goods-Producing domain (35 percent), Government (34 percent) and Service-Providing (31 percent). This make-up shifted at its peak in 1995 to 48 percent in the Service-Providing domain and 26 percent each of the others. A continued transition resulted and by 2013, Goods-Producing accounted for 10 percent of the total; Government, 21 percent and Service-Providing, 69 percent.

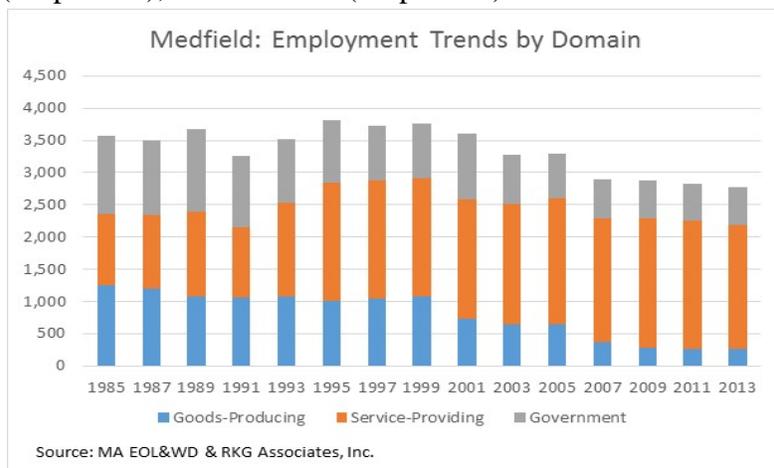


Figure 7

A high concentration of Government employment prior to 2003 was associated with the former state hospital.

A similar but somewhat less drastic shift occurred in the employment base in the Metro South West WIA, as shown in Figure 8. The Service-Providing domain increased from 60 percent in the late 1980s, to 76 percent in 2013; while Goods-Producing declined from 33 percent in 1985 to 13 percent in 2013. Employment in the Government domain generally average around 10 percent of the total in the Metro South West WIA.

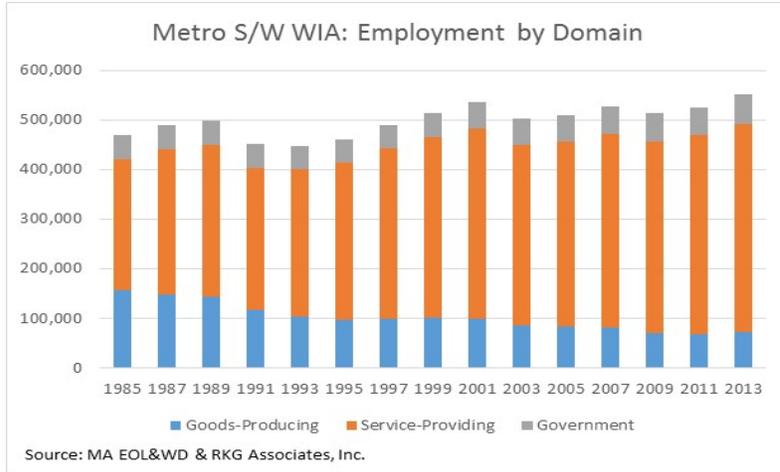


Figure 8

4. Business Formation Trends by Sector

Between 2001 and 2013, the number of operating businesses in Medfield fluctuated between 351 and 343 firms, respectively, with a peak of 358 firms in 2008. Table 21 displays the trends in the number of businesses by industry sectors that are grouped by different building types.

Table 21 – Town of Medfield: Trends in Number of Businesses

Average Annual Number of Firms					Percent Change			% of Total			
Building Type/Industry Sector	2001	2005	2008	2013	01-05	05-08	08-13	2001	2005	2008	2013
Industrial/Flex Building Sectors	131	133	132	125	2%	-1%	-5%	37%	38%	37%	36%
Construction	45	50	46	42	11%	-8%	-9%	13%	14%	13%	12%
Manufacturing	19	11	9	7	-42%	-18%	-22%	5%	3%	3%	2%
Wholesale Trade	33	32	32	32	-3%	0%	0%	9%	9%	9%	9%
Transportation and Warehousing	6	8	7	5	33%	-13%	-29%	2%	2%	2%	1%
Information	10	7	5	7	-30%	-29%	40%	3%	2%	1%	2%
Administrative & Waste Services	18	25	33	32	39%	32%	-3%	5%	7%	9%	9%
Office/Institutional Building Sectors	121	132	134	130	9%	2%	-3%	34%	38%	37%	38%
Finance and Insurance	14	21	20	12	50%	-5%	-40%	4%	6%	6%	3%
Real Estate and Rental and Leasing	7	7	7	7	0%	0%	0%	2%	2%	2%	2%
Professional and Technical Services	64	64	66	58	0%	3%	-12%	18%	18%	18%	17%
Educational Services	2	3	4	6	50%	33%	50%	1%	1%	1%	2%
Health Care and Social Assistance	22	23	24	34	5%	4%	42%	6%	7%	7%	10%
Government	12	14	13	13	17%	-7%	0%	3%	4%	4%	4%
Commercial/Other Building Sectors	96	86	92	85	-10%	7%	-8%	27%	24%	26%	25%
Retail Trade	44	31	32	20	-30%	3%	-38%	13%	9%	9%	6%
Arts, Entertainment, & Recreation	0	3	6	7		100%	17%	0%	1%	2%	2%
Accommodation and Food Services	13	17	16	21	31%	-6%	31%	4%	5%	4%	6%
Other Services, Ex. Public Admin	39	35	38	37	-10%	9%	-3%	11%	10%	11%	11%
Total Businesses	351	352	358	343	0%	2%	-4%	100%	100%	100%	100%

Source: MA EOL&WD and RKG Associates, Inc.

Referring to Table 21, businesses in the Construction, Wholesale Trade and Administrative and Waste Services sectors accounted for nearly 31percent of total businesses in Medfield in

2013, and these firms typically occupy industrial-type buildings. Collectively, businesses in industrial-type buildings declined over the last two periods, including Manufacturing, which declined in each of the three periods.

Businesses in the Professional and Technical Services sector, followed by those in the Health Care and Social Assistance sector, collectively, represented 27 percent of all businesses in Medfield in 2013, and businesses in the former declined by 12 percent since 2008, while in the latter a 42 percent increase was indicated. A big loss in businesses in the Finance and Insurance sector also happened in Medfield as a result of the recession. These types of businesses typically occupy office and/or institutional-type buildings.

Businesses in Other Services, Accommodation and Food Services, and Retail Trade accounted for 23 percent of total businesses in 2013; and a large loss in Retail businesses occurred since 2008, while a gain in Accommodation and Food Services (restaurants) also happened. New businesses were also created in the Arts, Entertainment and Recreation sector since 2005.

5. Employment Trends by Sector

Medfield employment base accounted for 2,770 jobs in 2013, and nearly 47 percent were in industry sectors that occupy office building, another 28 percent that occupy commercial building; and the remaining 25 percent in industrial-type buildings, as shown in Table 22.

Table 22 – Town of Medfield: Employment Trends by Industry Sector and Building Types

Average Annual Employment					Percent Change			% of Total			
Building Type/Industry Sector	2001	2005	2008	2013	01-05	05-08	08-13	2001	2005	2008	2013
Industrial/Flex Building Sectors	1,043	965	682	684	-7%	-29%	0%	29%	29%	24%	25%
Construction	186	242	198	167	30%	-18%	-16%	5%	7%	7%	6%
Manufacturing	539	409	175	106	-24%	-57%	-39%	15%	12%	6%	4%
Wholesale Trade	173	103	85	106	-40%	-17%	25%	5%	3%	3%	4%
Transportation and Warehousing	23	45	40	28	96%	-11%	-30%	1%	1%	1%	1%
Information	27	27	21	30	0%	-22%	43%	1%	1%	1%	1%
Administrative and Waste Services	95	139	163	247	46%	17%	52%	3%	4%	6%	9%
Office/Institutional Building Sectors	1,588	1,347	1,336	1,295	-15%	-1%	-3%	44%	41%	47%	47%
Finance and Insurance	92	130	133	92	41%	2%	-31%	3%	4%	5%	3%
Real Estate and Rental and Leasing	50	31	42	17	-38%	35%	-60%	1%	1%	1%	1%
Professional and Technical Services	189	199	209	167	5%	5%	-20%	5%	6%	7%	6%
Educational Services	12	20	46	83	67%	130%	80%	0%	1%	2%	3%
Health Care and Social Assistance	232	287	310	358	24%	8%	15%	6%	9%	11%	13%
Government	1,013	680	596	578	-33%	-12%	-3%	28%	21%	21%	21%
Commercial/Other Building Sectors	776	763	825	788	-2%	8%	-4%	22%	23%	29%	28%
Retail Trade	510	455	436	319	-11%	-4%	-27%	14%	14%	15%	12%
Arts, Entertainment, and Recreation	0	12	32	81		167%	153%	0%	0%	1%	3%
Accommodation and Food Services	147	184	220	244	25%	20%	11%	4%	6%	8%	9%
Other Services, Ex. Public Admin	119	112	137	144	-6%	22%	5%	3%	3%	5%	5%
Private Employment	2,591	2,605	2,247	2,190	1%	-14%	-3%	72%	79%	79%	79%
Total Employment	3,604	3,285	2,843	2,768	-9%	-13%	-3%	100%	100%	100%	100%

Source: MA EOL&WD and RKG Associates, Inc.

Employment in the Government sector, despite a 43 percent decline since 2001 due to the closing of the former state hospital, accounted for 21 percent of total employment in 2013.

Employment in the Health Care and Social Assistance (13 percent) and Retail Trade (12 percent) sectors represented the next highest concentration in 2013, followed by the Accommodation and Food Services (9 percent) and Administrative and Waste Services (9 percent) sectors

Employment growth in the Educational Services and Health Care and Social Assistance sectors was positive in Medfield since 2008, and represented the only office-type building sectors to have higher employment levels in 2013 than in any prior period. Employment growth in the Administrative and Waste Service and Information sectors was also positive since 2008, with the highest levels reported in 2013 in these sectors than in the prior years. Employment growth was also positive in the Wholesale Trade sector since 2008; however, levels in 2013 were below higher levels reports in 2001, as shown in Table 22.

6. Location Quotient

A key understanding of the strength of a local economy is to measure its distribution of employment by industry sectors with that of a larger area, or the “location quotient”. If a quotient of the local area is around 1.0, then the local area performs on par with the region. However, if the resulting quotient is 1.3 or higher means the local economy outperforms its region in this industry sector, and conversely if the quotient is 0.7 or lower, then the local economy underperforms. In this instance, Medfield is measured against that in the Metro South West WIA, and the resulting location quotients are shown in Table 23.

Table 23 – Town of Medfield’s Location Quotient

Medfield's Location Quotient to				
Metro S/W WIA & Trends	2001	2005	2008	2013
Industrial/Flex Building Sectors	0.8	0.9	0.8	0.8
Construction	1.3	1.7	1.7	1.7
Manufacturing	1.0	1.1	0.6	0.4
Wholesale Trade	0.8	0.6	0.5	0.8
Transportation and Warehousing	0.5	1.0	1.2	0.7
Information	0.1	0.2	0.2	0.2
Administrative and Waste Services	0.5	0.8	1.1	1.5
Office/Institutional Building Sectors	1.0	0.9	1.0	1.0
Finance and Insurance	0.7	0.9	1.2	0.9
Real Estate and Rental and Leasing	1.0	0.6	1.1	0.5
Professional and Technical Services	0.5	0.6	0.6	0.5
Educational Services	0.1	0.2	0.4	0.7
Health Care and Social Assistance	0.7	0.9	1.1	1.1
Government	2.9	2.0	2.0	2.0
Commercial/Other Building Sectors	1.0	1.0	1.3	1.3
Retail Trade	1.3	1.2	1.5	1.1
Arts, Entertainment, and Recreation	0.0	0.2	0.6	1.6
Accommodation and Food Services	0.7	0.9	1.2	1.3
Other Services, Ex. Public Admin	1.0	1.1	1.6	1.8
Private	0.8	0.9	0.9	0.9
Total Employment	1.0	1.0	1.0	1.0
1.3 or higher: Medfield overperforms the region				
0.7 or lower: Medfield underperforms the region				
Source: MA EOL&WD and RKG Associates, Inc.				

Referring to Table 23, Medfield's location quotient in 2013 was 1.3 or higher in three of the four industry sectors that occupy commercial buildings, indicating this cluster is a strength in Medfield's economy, and for the most part conditions have improved since 2001.

Those industry sectors that collectively occupy office-type buildings in Medfield measured on par with the region, although the Government sector outperformed the region, while three sectors (Real Estate and Rental and Leasing; Professional and Technical Services; and Educational Services) underperformed the region, and have for multiple years. Most sectors in this underperforming group are key sectors in which future employment growth are forecasted in Massachusetts, but the likelihood of capturing this cluster in Medfield would counter trends indicated since 2001.

Referring to Table 23, two sectors that occupy industrial-type buildings, namely Construction and Administration and Waste Services, over-performed the region in 2013, while the other four exhibited weaknesses. This is likely attributed to the lack of direct interstate access that many businesses in these underperforming sectors typically require. Medfield's strength in the Construction sector has been on-going since 2001, and in 2013, the Administrative and Waste Services sector became another of Medfield's key economic contributor.

7. Average Wage Comparison

Table 24 exhibits the average weekly wage data for in Medfield, which was \$841 in 2013, ranging from \$317 (Accommodation and Food Services) to \$1,678 (Wholesale Trade)

Table 24 – Town of Medfield's & Metro S/W WIA: Average Weekly Wage (2013)

Average Weekly Wage (2013) by Building	Metro	
Type & Industry Sector	Medfield	S/W WIA
Industrial/Flex Building Sectors	\$1,027	\$1,607
Construction	\$947	\$1,385
Manufacturing	\$1,090	\$1,924
Wholesale Trade	\$1,678	\$1,765
Transportation and Warehousing	\$969	\$816
Information	\$530	\$2,120
Administrative and Waste Services	\$834	\$876
Office/Institutional Building Sectors	\$993	\$1,615
Finance and Insurance	\$1,391	\$2,247
Real Estate and Rental and Leasing	\$1,070	\$1,720
Professional and Technical Services	\$1,343	\$2,324
Management of Companies & Enterprises	N/A	\$2,310
Educational Services	\$551	\$1,085
Health Care and Social Assistance	\$658	\$1,032
Government	\$1,098	\$1,135
Commercial/Other Building Sectors	\$432	\$567
Retail Trade	\$482	\$606
Arts, Entertainment, and Recreation	\$336	\$742
Accommodation and Food Services	\$317	\$407
Other Services, Ex. Public Admin	\$572	\$695
Total Employment	\$841	\$1,384
Source: MA EOL&WD and RKG Associates, Inc.		

The average wage in Medfield calculates to \$43,730 per year, which is 59 percent lower than the 2014 median household income (\$106,870). The average wage in Medfield was almost 40 percent lower than the average weekly wage in the Metro South West WIA (\$1,384). A person earning the average wage in Medfield in 2013 would afford housing cost of \$1,090 per month and remain within the 30 percent guideline, while an average wage earner in the Metro South West WIA would afford \$1,800 per month in housing costs.

8. Forecasted Employment and Building Demand

RKG utilized the 10-year employment forecasts (2012 to 2022) for the Metro South West WIA, prepared by the Massachusetts Executive Office of Labor and Workforce Development, as a basis with which to forecast employment changes and resulting building needs for the Town of Medfield, and adjusted for select industries to a base year of 2013. As shown in Table 25, total employment in the select industries in the Metro South West WIA is forecasted to increase by over 6 percent by 2022, for a net gain of over 30,350 jobs from 2013. The select industries that use office-type buildings are forecasted to increase by 10 percent, while select industries that use commercial-type buildings are forecasted to increase by 8.5 percent. The sectors that use industrial-type buildings are collectively forecasted to decline by 1 percent.

Applying a range in capture rates reflective of Medfield's representation of employment in the Metro South West WIA against the forecasted employment gains by select industry sectors, provides an indication of new employment that may occur in Medfield by 2022. This may range from 150 to 230 jobs by 2022, or an increase of 5.5 to 8.2 percent from 2013, noting that no allocation was factored on the two sectors where regional employment is forecasted to decline (Manufacturing and Other Services).

Table 25 – Town of Medfield: Forecasted Employment Gains & Building Demand (2013-2022)

Employment Forecasts for Metro South West WIA to 2022			Forecasted Δ		Medfield Capture [1]		Employment Δ		Space Needs [2]	
	2013	2022	#	%	Low	High	Low	High	Low	High
Industrial/Flex Buildings	167,093	166,101	(992)	-0.6%			36	53	27,326	39,826
Construction	21,001	24,091	3,090	14.7%	0.9%	1.1%	27	33	20,016	24,871
Manufacturing	51,720	44,034	(7,686)	-14.9%	N/A	N/A				
Wholesale Trade	25,629	28,197	2,568	10.0%	0.3%	0.6%	7	14	5,398	10,807
Transportation and Warehousing	9,859	10,345	486	4.9%	0.3%	0.7%	1	3	1,116	2,456
Information	26,794	27,099	305	1.1%	0.1%	0.1%	0	0	203	276
Administrative and Waste Services	32,090	32,335	245	0.8%	0.3%	0.8%	1	2	593	1,417
Office /Institutional Buildings	213,240	234,354	21,114	9.9%			67	94	20,129	28,166
Finance and Insurance	20,299	21,535	1,236	6.1%	0.4%	0.6%	5	8	1,625	2,305
Real Estate and Rental and Leasing	7,484	7,653	169	2.3%	0.2%	0.7%	0	1	115	342
Professional and Technical Services	69,733	79,289	9,556	13.7%	0.2%	0.4%	23	34	7,022	10,216
Educational Services	23,756	25,942	2,186	9.2%	0.1%	0.3%	1	8	383	2,291
Health Care and Social Assistance	67,556	75,190	7,634	11.3%	0.5%	0.6%	37	43	10,984	13,012
Commercial/Other Buildings	120,588	130,817	10,229	8.5%			48	79	11,885	19,716
Retail Trade	55,487	58,657	3,170	5.7%	0.6%	0.9%	18	28	4,573	6,912
Arts, Entertainment, and Recreation	11,054	12,397	1,343	12.1%	0.0%	0.8%	0	11	0	2,707
Accommodation and Food Services	37,664	43,888	6,224	16.5%	0.5%	0.6%	29	40	7,312	10,097
Other Services, Ex. Public Admin	16,383	15,875	(508)	-3.1%	N/A	N/A				
Total Select Industries	500,921	531,271	30,350	6.1%	0.5%	0.7%	151	226	59,340	87,708

[1] Medfield's range in capture is based on the low/high representation of Metro S/W WIA employment over the 2001 to 2013 period

[2] Building space needs (in square feet) are factored at 750 SF per employee for industrial; 300 SF for office; 250 SF for commercial

Source: MA EOL&WD; Urban Land Institute & RKG Associates, Inc.

These employment forecasts in turn yield potential building space needs to accommodate this change, and the results of the calculations are displayed in Table 25. An estimated 60,000 to 90,000 square feet (SF) of building area would be needed to support the employment forecast to 2022 in Medfield; however, some portion of this demand, say perhaps 30 to 60 percent, may go to existing businesses with buildings in place, but 40 to 70 percent may be for new construction, depending on current availabilities.

About 30,000 to 40,000 SF would be for industrial-type buildings and mostly for the Construction and Wholesale Trade sectors by 2020. Another 20,000 to 30,000 SF would be for office-type buildings and most allocated to the Health Care and Social Assistance sector and Professional and Technology Services. Another 12,000 to 20,000 SF would be for commercial buildings, with the Retail Trade and Accommodation and Food Services sector having the most demand.

9. Conclusions

Medfield experienced continued declines in its employment since the early 2000s, attributed in part to the closing of the State Hospital, and Medfield did not benefit from the recent recovery as much as the region has. In 2013, most of the employment base in Medfield was concentrated by industry sectors that occupy office-type buildings (47 percent), as compared to commercial-type buildings (28 percent) or industrial/flex building (25 percent). Medfield's economic strength, however, was in those industries that occupy commercial buildings, as compared to office or industrial, where Medfield under performs the region.

Ten-year employment projections indicate Medfield has a potential to capture between 150 and 230 new jobs by 2020. This in turn would equate to building demand of 60,000 to 90,000 SF. However, most of the demand would likely be channeled into existing vacancy, although some new construction would be needed.

G. Office Market Characteristics

RKG obtained a REIS Report to ascertain conditions in the office sector in and around the Town of Medfield for comparison purposes with conditions in a regional submarket as well as for the Boston Metro area. Current conditions at a sample of 10 office buildings within 3 to 7 miles of the Medfield State Hospital (45 Hospital Road) were obtained and summarized in Table 26. Figure 9 displays the location of the office properties in the sample. The following highlights key findings from a review of the data:

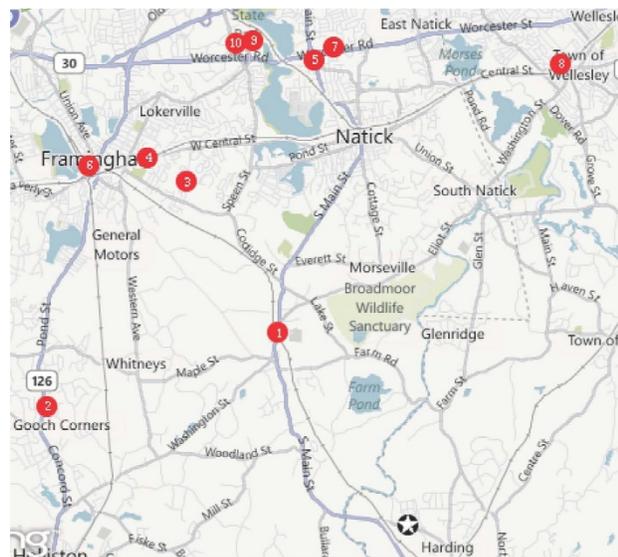


Figure 9 – Office Sample

- Asking rents at this office sample ranged from almost \$8.25/SF to nearly \$31/SF, and averaged at almost \$21/SF.
- The current vacancy rate ranged from zero to almost 53 percent, and averaged at over 40 percent.
- All the buildings were constructed in the early to mid-1980s, and are mostly Class B/C type buildings with two to three floors.

Table 26 – Conditions at a Sample of Office Buildings near Medfield (May 2015)

Map Key	Address	City	Asking Rent	Vacancy Rate	Distance to MSH *	Bldg Size in SF	Year Built	# of Floors	Class
1	20 N Main St	Sherborn	\$30.96	40.1%	3.13	11,400	1984	2	BC
2	1 Kuniholm Dr	Holliston	\$8.23	0.0%	5.12	10,800	1982	1	BC
3	1 HF Brown Way	Natick	\$16.36	15.4%	5.52	31,581	1984	1	BC
4	88 Waverly St	Framingham	\$14.00	31.3%	6.08	12,000	1984	2	BC
5	1090 N Main St	Natick	\$17.50	11.0%	6.40	30,000	1984	3	BC
6	46 Park St	Framingham	\$14.00	38.0%	6.49	25,000	1984	3	BC
7	2 Vision Dr	Natick	\$17.98	18.7%	6.52	78,520	1982	3	BC
8	1 Hollis St	Wellesley	\$35.40	0.0%	6.55	36,848	1982	4	A
9	1 Boston Scientific Pl	Natick	\$21.50	52.8%	6.86	510,878	1984	2	BC
10	313 Speen St	Natick	\$19.08	24.7%	6.90	58,842	1984	2	BC
Average			\$20.88	40.3%		80,587	1983		

[1] Distance in miles to 45 Hospital Dr, Medfield, MA

Source: REIS Reports & RKG Associates, Inc.

Figure 10 displays the Framingham/West Suburban submarket in relation to the Boston Metro market. Statistics regarding current conditions and trends for these comparative geographies are exhibited in Table 27 in comparison to conditions from the local sample. The following highlights findings from a review of the data.

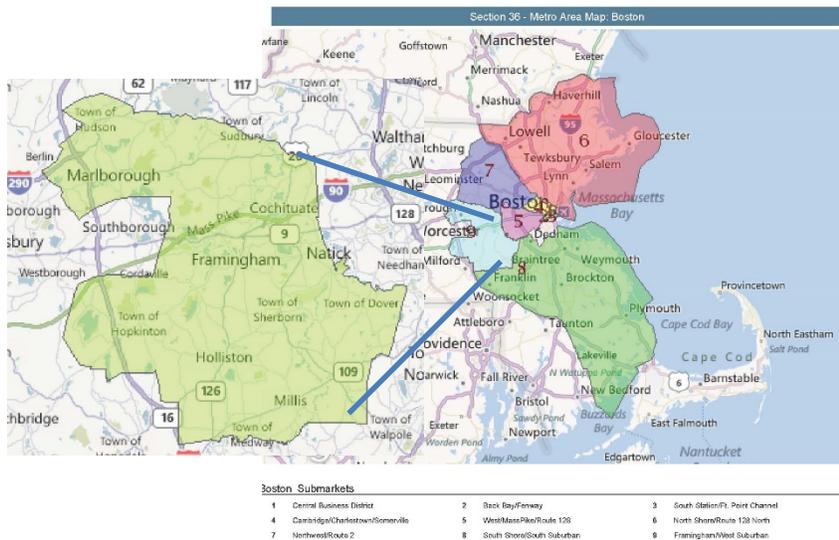


Figure 10 – Framingham/West Suburban & Boston Metro

- The Boston Metro market had 128.5 million SF of rental office space in May 2015, the vacancy rate was 13.2 percent, and the average rent was almost \$40/SF. The vacancy rate declined from a high of 14.7 percent in 2011, and absorption was positive over the last five plus years, range from 50,000 SF (2010) to 1.8 million SF (2013). New office completions were experienced in each year totaling over 4 million SF. The average asking rent increased over the five years from \$35/SF in 2010 to \$39.50 in 2015.

Table 27 – Boston Metro Office Market: Current Conditions and Trends

10 Bldg Sample near						
Medfield [1]	2010	2011	2012	2013	2014	2015
Office Supply (m SF)	0.08	0.08	0.08	0.08	0.08	0.08
Asking Rent	\$20.55	\$19.76	\$20.31	\$20.87	\$20.83	\$20.88
Vacancy Rate	26.3%	22.6%	26.2%	29.0%	30.9%	40.3%
Absorption (m SF)		0.04	(0.04)	(0.03)	(0.02)	(0.09)
Framingham/West						
Suburban Submarket	2010	2011	2012	2013	2014	2015
Office Supply (m SF)	5.65	5.65	5.65	5.65	5.65	5.65
Asking Rent	\$23.54	\$23.29	\$23.43	\$23.88	\$24.03	\$23.96
Vacancy Rate	19.6%	20.9%	20.0%	22.1%	21.9%	21.6%
Absorption (m SF)	(0.15)	(0.07)	0.06	(0.13)	0.01	0.17
Boston Metro Market						
	2010	2011	2012	2013	2014	2015
Office Supply (m SF)	125.05	126.15	126.28	127.51	128.31	128.53
Completions (m SF)	0.58	1.09	0.14	1.23	0.98	0.23
Asking Rent	\$34.93	\$35.93	\$36.56	\$37.64	\$39.05	\$39.46
Vacancy Rate	14.1%	14.7%	14.2%	13.6%	13.5%	13.2%
Absorption (m SF)	0.05	0.20	0.80	1.80	0.84	0.61
[1] Within 3 to 7 miles of 45 Hospital Road, Medfield						
Source: REIS Reports & RKG Associates, Inc.						

- The Framingham/West Suburban submarket has nearly 5.7 million SF of rental office supply representing 4.4 percent of the Boston Metro, and is the smallest of the nine geographic submarkets of the Boston Metro. The current vacancy rate was below 22 percent, and a slight improvement from 2014. However, it was higher than in 2010, and indicates that absorption over the past 5 years was mostly negative. Rents have ranged between \$23 and \$24/SF, and no significant increase was evident.
- Since 2010, no major expansion occurred in this submarket except for a recently completed 180,000 SF end-user office building at the Mathworks campus in Natick. In the prior five years, new additions totaled nearly 270,000 SF, which were offset by a loss (conversion) of over 300,000 SF. Four additional buildings are proposed or planned in this submarket totaling 700,000 SF.
- Sale of three office buildings in the local submarket over the past year indicated a value range of \$96/SF to \$163/SF, with an average of \$138/SF, based on an average building size of 7,670 SF.
- Conditions at the local Medfield sample were in most cases worse than in the Framingham/West Suburban submarket, as asking rents were lower in most cases and the vacancy rates were higher. Absorption was also negative in four of the last five periods, suggesting limited demand locally as compared to the relatively strong demand throughout the Metro Boston office market.

H. Flex/R & D Market Conditions

RKG obtained a REIS Report to ascertain conditions in the flex/ R&D sector in and around the Town of Medfield for comparison purposes with conditions in a regional submarket as well as for the Boston Metro area. Current conditions at a sample of 10 flex/R&D buildings within 1 to 6 miles of the Medfield State Hospital (45 Hospital Road) were obtained and summarized in Table 28. The following highlights key findings from a review of the data:

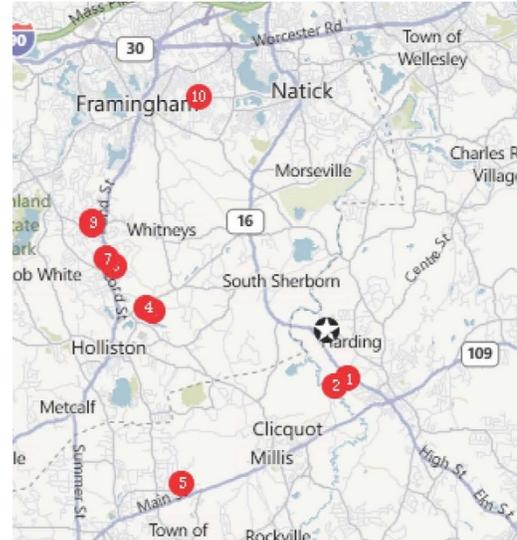


Figure 11 – Flex/R & D Sample

- The building range in size from 11,500 to nearly 113,000, and averaged at almost 38,800 SF.
- All the buildings were constructed between the 1976 and 1987, and the average was 1984.
- Asking rents range from \$5/SF to \$12.50/SF, and average at \$7.20/SF
- The overall vacancy rate from the sample was 28 percent ranging from zero to 100 percent.

Table 28 – Conditions at a Sample of Flex/R&D Buildings in & near Medfield (May 2015)

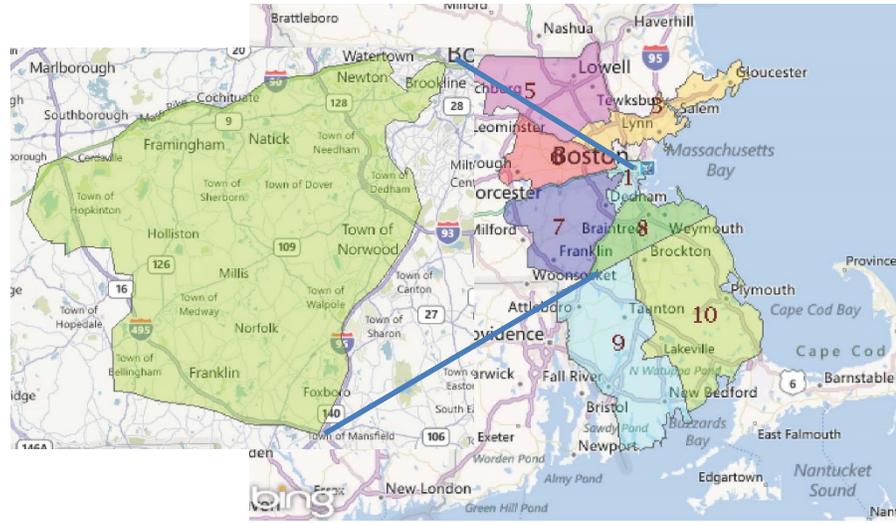
Map Key	Address	City	Asking Rent	Vacancy Rate	Distance to MSH *	Bldg Size in SF	Year Built
1	71 West St/N. Meadow	Medfield	\$8.96	0.0%	1.16	15,250	1979
2	99 West St	Medfield	\$12.50	8.3%	1.25	14,880	1982
3	120 Jeffrey Ave	Holliston	\$8.00	16.6%	3.86	15,050	1987
4	9 Whitney St	Holliston	\$8.96	0.0%	4.00	11,448	1976
5	4 Marc Rd	Medway	\$9.00	99.2%	4.65	28,800	1984
6	84 October Hill Rd	Holliston	\$6.00	22.6%	4.89	112,998	1984
7	150 Kuniholm Dr	Holliston	\$5.25	24.3%	5.09	21,000	1984
8	260-270 Eliot St	Ashland	\$5.00	0.6%	5.66	78,500	1985
9	250 Eliot St	Ashland	\$8.97	3.6%	5.70	45,000	1986
10	245 W Central St	Natick	\$8.97	100%	5.84	44,950	1981
Average			\$7.20	28.4%		38,788	1983

[1] Distance in miles to 45 Hospital Dr, Medfield, MA
 Source: REIS Reports & RKG Associates, Inc.

The Town of Medfield is located within the I-90 South/I-495 Corridor submarket as defined by REIS, which is one of eight submarkets that make up the Boston Metro. Current conditions and trends of the flex/R&D sector for the submarket and the Boston Metro since 2010 are exhibited in Table 29, and the geographic areas of each are displayed in Figure 12. The following highlights a review of the data:

- The I-90 South/I-495 Corridor contains 5.2 million SF of flex/R&D rental space and represents 8 percent of the Boston Metro market. Since 2010, no major expansion has

occurred in this submarket, and no proposed or planned expansions were identified within 10 miles of the former Medfield State Hospital.



1 Central Boston	3 Route 128/Northeast Corridor	5 Chelmsford/Lowell
6 Route 20 West	7 I-90 South/I-495 Corridor	8 South Norfolk County
9 Bristol County	10 Plymouth County	

Figure 12 – I-90 South/I-495 Corridor & Boston Metro

- As shown in Table 29, the asking rent in 2015 was nearly \$8.90/SF for the submarket, which was 23 percent higher than at the Medfield sample (\$7.20/SF). Current rents in the submarket are almost 2 percent higher than in previous years, but remain nearly 3 percent below the average in 2010. In comparison, the average 2015 rent in the Boston Metro (\$12.32) was 6 percent higher than in 2010.
- The 2015 vacancy rate in the I-90 South/I-495 Corridor (19.5 percent) was higher than in 2014, but lower than indicated in the four prior periods. The 2015 vacancy rate in the Boston Metro (13.8 percent) was at its lowest level over all periods. In comparison, the 2015 vacancy rate at the Medfield sample (28.4 percent) was higher than both comparative geographies.

Table 29 - Boston Metro Flex/R&D Market: Current Conditions and Trends

I-90 South/I-495 Corridor	2010	2011	2012	2013	2014	2015
Flex/R&D Supply (m SF)	5.18	5.18	5.18	5.18	5.18	5.18
Asking Rent	\$9.15	\$8.72	\$8.75	\$8.75	\$8.83	\$8.88
Vacancy Rate	22.8%	23.0%	21.6%	21.3%	19.0%	19.5%
Absorption (m SF)	(0.08)	(0.01)	0.07	0.02	0.12	(0.02)
Boston Metro Market	2010	2011	2012	2013	2014	2015
Flex/R&D Supply (m SF)	64.49	64.63	64.63	64.63	64.63	64.63
Completions (m SF)	0.37	0.14	0.00	0.00	0.00	0.00
Asking Rent	\$11.66	\$11.93	\$12.00	\$12.08	\$12.25	\$12.32
Vacancy Rate	17.6%	17.2%	15.6%	14.7%	14.3%	13.8%
Absorption (m SF)	(0.77)	0.43	1.02	0.55	0.28	0.30

[1] Within 1 to 6 miles of 45 Hospital Road, Medfield
 Source: REIS Reports & RKG Associates, Inc.

- Referring to Table 29, absorption in the I-90 South/I-495 Corridor was negative (-20,000 SF) in 2015 after three years of positive absorption (210,000 SF). A faster pace of absorption was indicated in the Boston Metro over the last four periods, indicating the local submarket did not benefit as much as other areas in this sector.
- Sales of ten flex/R&D building over the last three years in the I-90 South/I-495 Corridor submarket indicated a value range of \$26/SF to \$171/SF, having an average of \$51/SF based on an average building size of 95,170 SF. For buildings where data was available, the indicated capitalization rates ranged from 6 percent to 10 percent, with the Boston Metro cap rate averaging around 8.0 percent at the period.
- Conditions in 2015 at the local Medfield sample of flex/R&D properties were much weaker than indicated for the submarket or the Boston Metro. The vacancy rate was much higher, and it was trending in the opposite direction based on conditions in the submarket. In addition, average rents locally were much lower than indicated in the submarket and the Boston Metro.

I. Non-Residential Buildings Sales and Availabilities

RKG obtained a sample of non-residential building sales in Medfield that occurred over the last ten years, and key characteristics are summarized in Table 30. /

Table 30 – Town of Medfield: Non-Residential Building Sales

Address	Sale Date	Sale Price	USE	Acres	Bldg SF (G)	Year	\$/BSF(G)
454 Main Street	3/31/2015	\$798,000	Retail	0.1	7,322	1900	\$109
18 N Meadows Road	1/7/2015	\$4,000,000	Retail	3.0	26,567	1980	\$151
36 Janes Avenue #2	11/26/2013	\$225,000	Ret-Condo		2,183	1900	\$103
467 Main St	1/17/2013	\$400,000	Fmr Gas/Rest	0.3	1,777	2013	\$225
446 Main Street	12/31/2012	\$1,725,000	Retail	0.9	14,321	1957	\$120
230 Main St	5/9/2007	\$19,000,000	Retail	10.0	99,142	1966	\$192
258 Main St	10/31/2006	\$2,000,000	Retail	1.2	21,684	1980	\$92
		\$28,148,000			172,996		\$163
5 N Meadows Rd # B	9/29/2014	\$117,700	Office Condo		1,077	1982	\$109
5 W Mill Street #4	7/6/2012	\$80,000	Office Condo		789	1984	\$101
15 Brook Street #5	2/15/2012	\$100,000	Office Condo		1,985	1988	\$50
15 Brook Street #4	10/1/2010	\$122,000	Office Condo		1,061	1988	\$115
266 Main St #1	11/25/2009	\$140,000	Office Condo		1,064	1986	\$132
266 Main St #22	5/12/2008	\$57,500	Office Condo		454	1986	\$127
5 W Mill St #1	4/25/2008	\$40,000	Office Condo		544	1984	\$74
		\$657,200			6,974		\$94
6 West Mill Street	11/1/2013	\$490,000	Office Bldg	0.3	4,800	1983	\$102
4 West Mill Street	5/9/2013	\$500,000	Office Bldg	0.3	4,800	1983	\$104
2 West Mill Street	6/29/2012	\$335,000	Office Bldg	0.3	1,596	1985	\$210
504 Main Street	12/21/2012	\$895,000	Office Bldg	0.3	4,922	1923	\$182
		\$2,220,000			16,118		\$138
50 Park Street	11/18/2014	\$675,000	Ind-Str	0.4	10,728	1950	\$63
104 Adams Street	8/22/2013	\$390,000	Ind-Mfg	0.9	7,074	1960	\$55
108 Adams St	2/23/2011	\$540,000	Ind-Flx	0.5	6,980	1969	\$77
99 West St	7/30/2010	\$1,200,000	Ind-Mfg	2.6	14,880	1980	\$81
10 W Mill St	6/4/2010	\$1,010,000	Ind-WHS	3.4	18,056	1966	\$56
45 West St	4/27/2010	\$400,000	Ind-Mfg	2.5	13,900	1973	\$29
105 Adams St	11/9/2009	\$850,000	Ind-Mfg	3.6	11,170	1957	\$76
45 West St	11/22/2006	\$900,000	Ind-Mfg	2.5	13,900	1973	\$65
120 N Meadows Rd	2/15/2005	\$3,590,000	Ind-WHS	18.1	79,998	1986	\$45
		\$8,880,000			165,958		\$54

Source: LoopNet; The Warren Group; Town of Medfield (Patriot Properties) & RKG Associates, Inc.

- The sample of retail building sales indicate a range of \$92/SF to \$225/SF and had an average of \$163/SF. Two sales in 2015 indicated a tighter range of \$109 to \$151/SF.
- Seven sales were office condominiums ranging in size from 450 SF to 1,985/SF, having a range in price of \$50/SF to \$132/SF with an average of \$94/SF.
- Four sales were office buildings ranging in size from 1,600 to 4,920 SF. Sale prices ranged from \$102/SF to \$210/SF and averaged at \$138/SF.
- Nine sales of industrial-type building indicated a range of \$29/SF to \$77/SF with an average of \$54/SF, as shown in Table 30. Most of these sales occurred prior to 2011, including two in the mid-2000s.

1. Sample of Available Non-Residential Buildings

Table 31 identifies pricing at a sample of available commercial and industrial building in Medfield and surrounding communities. In Medfield, rental prices range from \$6.50/SF to \$25/SF, with the low-end indicative of industrial space, while the high-end is reflective of retail/commercial space. The sample of eight listings in Medfield totaling over 77,000 SF of available space indicates a relatively competitive supply of availabilities at the current time. This available supply in Medfield would be sufficient to support potential building demands (60,000 to 90,000 SF) from forecasted employment growth to 2022.

Table 31 – Medfield & Surrounding Towns: Sample of Available Commercial & Industrial Space

Address	City	Type	Acre	Total Bldg SF	# of Spaces	Avail-able SF	Range in Rent		For Sale \$/SF
							Low \$	High \$	
120 North Meadows	Medfield	Ind-Flex	18	81,572	2	45,769	\$6.50		\$42.91
93 West Street	Medfield	Ind-Flex	5	48,000	2	14,600	\$9.80	\$11.00	
108A Adams St	Medfield	Ind-Flex		3,254	2	5,694	\$19.75		
Medfield Crsg - 18 N Meadows	Medfield	Ret-Srv		24,000	3	5,300	\$22.50	\$25.00	
18 N Meadows	Medfield	Frm-Bnk		2,400	1	2,400	\$20.00		
99 West Street	Medfield	Ind-Flex		14,880	1	1,240	\$12.50		
15 Brook St, #3	Medfield	Off-Cnd		1,061	1	1,061	\$13.52		
266 Main St	Medfield	Off-Cnd		958	1	958	\$12.53		
	Total	N-8		176,125	13	77,022	\$6.50	\$25.00	\$42.91
725 Main Street	Millis	Ind-Mfg	18	318,995	1	233,430	\$2.95		
1073 Main St	Millis	Ind-WHS	79	72,000	1	72,000	\$5.50		
114 Union Street	Millis	Ind-WHS	2	47,998	5	1,905	\$10.53	\$13.20	
Shoppes @ River's Edge	Norfolk	Ret-Srv	5	7,500	5	7,179	\$14.00	\$20.00	
9 Davis Street	Norwood	Ind-Off	1	6,000	1	2,000	\$12.00		
Walpole Ctr - 55 West St	Walpole	Mill-Flex	11	315,000	5	100,565	Neg		
3 Walpole Park South	Walpole	Ind-Flex		30,000	1	18,990	\$8.95		
763 Main Street	Walpole	Ret-WHS	1	13,000	1	13,000	Neg		
600 Providence Hwy	Walpole	Off-Flex	2	67,708	4	10,750	\$15.00	\$18.00	
1600 Providence Highway	Walpole	Off-Flex	11	65,000	4	7,610	\$15.00	\$51.18	
	Total	N=9	129	943,201	28	467,429	\$2.95	\$51.18	

Source: LoopNet.com & RKG Associates, Inc.

In the region, another 467,000 SF was identified as available with 71 percent concentrated in two industrial listings. Pricing ranges from less than \$3/SF to over \$50/SF. Most of the industrial listings were below \$12/SF, while commercial listings (office and retail) were typically \$15/SF or more. Size, location, costs included in the rent, to name a few, influences rates.

J. Retail Indicators

In 2015, the estimated local consumer demand for a selected variety of retail goods and services is \$43.4 million in Medfield (as presented in Table 32), or approximately \$17,700 per household. All markets experience some degree of sales leakage, meaning that there is a gap between local demand and locally captured sales. Conversely, nearly all store types draw from a generally tight geographic area for much of their sales.

Table 32 : Estimated Retail Spending Demand and Supportable Development

Household - Retail Demand and Supportable SF (2015) by Merchandise Line	Medfield, MA		
	Demand	SF @ 45%	SF @ 65%
Major Merchandise Line	\$43,386,143	49,960	72,165
Motor Vehicle and Parts Dealers -441	\$514,193	873	1,261
Automotive Parts/Accsrs, Tire Stores-4413	\$514,193	873	1,261
Furniture and Home Furnishings Stores -442	\$1,534,067	2,690	3,886
Furniture Stores-4421	\$1,052,550	1,579	2,281
Home Furnishing Stores-4422	\$481,517	1,111	1,605
Electronics and Appliance Stores -443	\$1,380,861	2,615	3,778
Household Appliances Stores-443111	\$514,739	1,494	2,159
Radio, Television, Electronics Stores-443112	\$656,761	844	1,220
Computer and Software Stores-44312	\$167,141	218	315
Camera and Photographic Equipment Stores-44313	\$42,220	58	84
Building Material, Garden Equip Stores -444	\$2,654,386	3,939	5,690
Home Centers-44411	\$1,180,612	1,436	2,074
Paint and Wallpaper Stores-44412	\$110,436	269	388
Hardware Stores-44413	\$150,276	366	528
Other Building Materials Dealers-44419	\$673,635	713	1,030
Outdoor Power Equipment Stores-44421	\$74,761	160	231
Nursery and Garden Centers-44422	\$464,667	996	1,438
Food and Beverage Stores -445	\$11,621,245	9,471	13,680
Supermarkets, Grocery (Ex Conv) Stores-44511	\$10,249,149	8,386	12,113
Convenience Stores-44512	\$398,860	479	691
Specialty Food Stores-4452	\$414,501	369	534
Beer, Wine and Liquor Stores-4453	\$558,735	237	343
Health and Personal Care Stores -446	\$1,844,032	1,753	2,533
Pharmacies and Drug Stores-44611	\$1,571,673	1,360	1,965
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$68,192	70	101
Optical Goods Stores-44613	\$104,224	154	222
Other Health and Personal Care Stores-44619	\$99,943	170	245
Clothing and Clothing Accessories Stores -448	\$2,937,378	4,598	6,641
Men's Clothing Stores-44811	\$104,696	150	216
Women's Clothing Stores-44812	\$472,987	709	1,025
Children's, Infants Clothing Stores-44813	\$188,737	254	366
Family Clothing Stores-44814	\$1,096,962	2,101	3,034
Clothing Accessories Stores-44815	\$63,693	136	197
Other Clothing Stores-44819	\$127,894	217	314
Shoe Stores-4482	\$676,478	922	1,332
Jewelry Stores-44831	\$177,019	76	110
Luggage and Leather Goods Stores-44832	\$28,912	33	47
Sporting Goods, Hobby, Book, Music Stores -451	\$1,113,399	2,161	3,122
Sporting Goods Stores-45111	\$493,445	925	1,336
Hobby, Toys and Games Stores-45112	\$228,383	541	781
Sew/Needlework/Piece Goods Stores-45113	\$53,755	179	259
Musical Instrument and Supplies Stores-45114	\$43,147	88	127
Book Stores-451211	\$245,625	362	523
News Dealers and Newsstands-451212	\$17,011	14	20
Pre-recorded Tapes, CDs, Record Stores-45122	\$32,033	51	74
General Merchandise Stores -452	\$9,563,960	10,650	15,383
Department Stores Excl Leased Depts-4521	\$3,020,371	2,691	3,888
All Other General Merchandise Stores-45299	\$6,543,589	7,958	11,495
Miscellaneous Store Retailers -453	\$1,535,646	2,969	4,289
Florists-4531	\$84,505	127	183
Office Supplies and Stationery Stores-45321	\$297,508	487	703
Gift, Novelty and Souvenir Stores-45322	\$229,695	646	933
Used Merchandise Stores-4533	\$128,221	218	315
Other Miscellaneous Store Retailers-4539	\$795,717	1,492	2,155
Foodservice and Drinking Places -722	\$8,686,975	8,240	11,902
Full-Service Restaurants-7221	\$4,199,445	4,344	6,275
Limited-Service Eating Places-7222	\$4,010,076	3,342	4,827
Special Foodservices-7223	\$59,857	84	122
Drinking Places -Alcoholic Beverages-7224	\$417,597	470	679

Source : Alteryx and RKG Associates, Inc.

Assuming that local stores in Medfield captured 45 to 65 percent of the resident demand, this could translate to an estimated 50,000 SF to 72,000 SF of in-town retail development. This estimate varies by merchandise line (as in Table 32) from less than 1,000 SF for auto parts to more than 15,000 SF for general merchandisers. It is beyond the scope of this analysis to inventory existing retail development in Medfield, however, several stores and services are present including groceries, drugstore, apparel and appliances. In RKG's opinion, any significant increase the amount of retail development in Medfield would require drawing customers from a much broader geography than the Town, which in RKG's opinion is not generally supported by the site and locational characteristics afforded by the Medfield State Hospital site. From a retailer's perspective, in addition to demand indicators, the opportunity for additional retail development in Medfield would also depend on favorable site location criteria, typically including traffic counts, population density and access/visibility to name a few. While such criteria are not the end all and be all in determining new sites, they are important, and "standard" criteria are shown in Table 33.

Table 33 : Typical Retail Site Location Criteria

Store Type	Typical Market (examples)	Typical Market (miles)	Desired Population	Traffic Counts		Desired Co-Tenant	Store Size SF	
				Low	High		Low	High
Supermarket	Kroger	4	60,000	20,000	40,000	Discounter	50,000	70,000
Drugstore	Rite Aid	3	25,000			Varies	10,000	15,000
Wholesale Club	Costco	10	75,000	Major arterial		Freestanding	80,000	135,000
Discounter	Target	10	40,000	40,000			135,000	200,000
Department Store	Macy's	12	250,000	Regional access		Malls	125,000	260,000
Apparel Specialty	Kohl's	10	125,000	Regional access		Varies	75,000	20,000
Apparel (small)	The Gap	8	100,000			Malls	1,500	12,000
Linens	Bed, Bath & Beyond	6	125,000			Power centers	35,000	45,000
Home Improvement	Home Depot	7	150,000	Major arterial		Freestanding	110,000	135,000
Electronics	Best Buy	8	250,000	Major arterial		Freestanding	35,000	45,000
Toys	Toys R Us	8	Hi-density	Major arterial		Malls	35,000	45,000
Sporting Goods	Sports Authority	8	400,000	Major arterial		Strip centers	40,000	45,000
Books	Barnes & Noble	5	Hi-density	Major arterial		Strip centers	25,000	45,000
Fast Food	McDonald's	3	25,000	20,000	35,000	Freestanding	2,500	3,000
Restaurant	Olive Garden	3	50,000	30,000		Varies	5,700	9,200

Source : Urban Land Institute (ULI) and RKG Associates, Inc.

Conclusions – In RKG's opinion there are some opportunities for additional retail development in Medfield, mostly of a small scale and serving a local, neighborhood customer base. Potential retail development on the site of the former Medfield State Hospital property would fit into this category. It may be possible for one or more specialty and destination restaurants to be developed at the site, as the local demand could support such growth and a unique or specialty brand restaurant could draw from a broader geography.