## Baseline Conditions

Population Trends

Berlin's population grew at a steady rate in the 30 years between 1980 and 2010, but growth has slowed since 2010. Population growth generally places pressure on housing supply, increasing demand and often increasing housing rental cost and purchase prices. Berlin has experienced most of its population growth in age cohorts 60 and older. These households are smaller in size than younger households which implies that Berlin's housing stock is accommodating fewer people. Combined with population growth, an aging population with fewer persons per household increases housing demand and places upward pressure on housing costs.
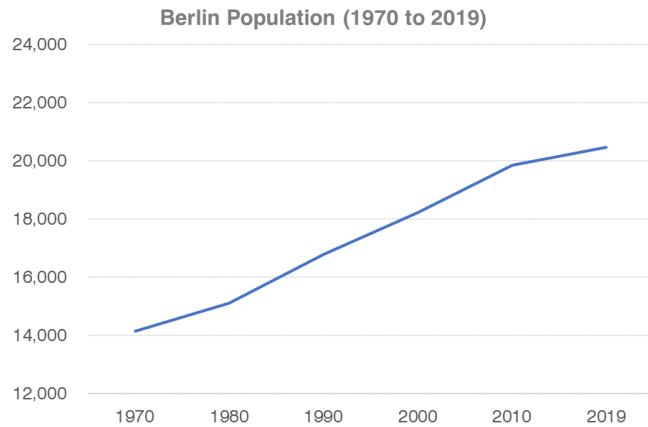

Source: US Census and American Community Survey
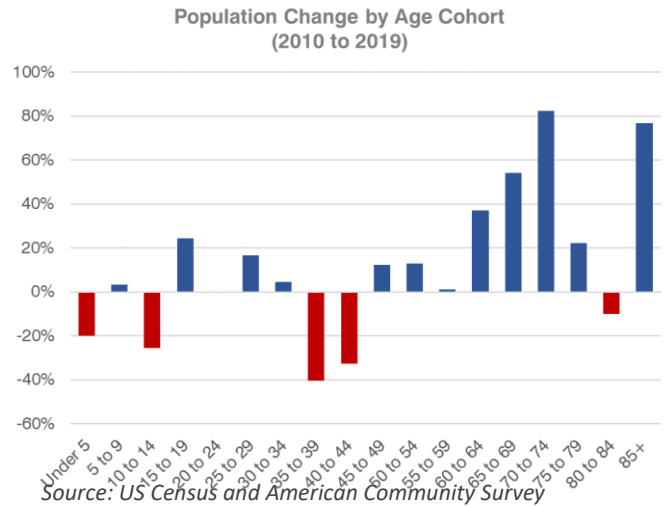
Source: US Census and American Community Survey

According to population projections conducted by the State of Connection, Berlin's population is expected to continue to grow over the next decade, although modestly (by approximately 200 residents). Population is expected to peak in 2030 at 20,468 and according to projections will recede from those levels following 2030. These projections do not account for either the population shifts attributed to COVID-19 or the significant recent increase in approved, but yet unbuilt, apartments.
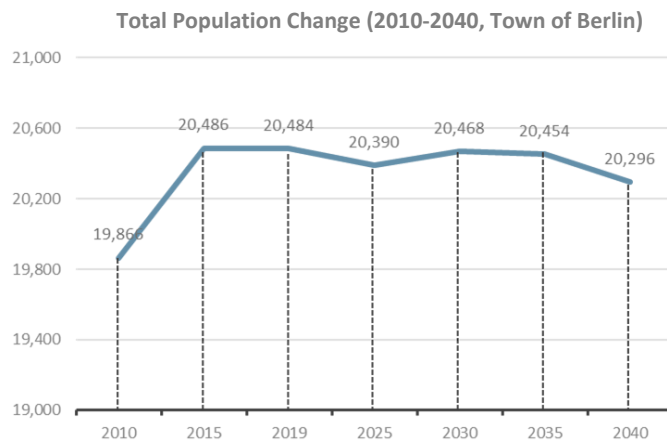

*Source: CT State Data Center, ACS 5-Year Estimates*

Population Race and Ethnicity

Berlin is less racially and ethnically diverse than the State and Hartford County and has a smaller share of residents with less than "very well" English proficiency. Between 2010 and 2019, the Town's population has remained relatively stable but the racial and ethnic composition of residents has shifted. As of 2019, there are fewer residents who identify as White only, and more residents who identify as Black or African American, Asian American, and those who identify as Some Other Race.

Over this time, there was a significant gain in residents who identify as Latinx. Residents identifying with this ethnicity increased 32%, or a gain of about 274 people. Berlin also saw an increase of 128 residents identifying as "Some Other Race". In many communities across Connecticut and the United States, demographic trends are very similar with many communities seeing an increase in residents who identify as Latinx and those who are identifying as Some Other Race. It is also worth noting that the percentage of Black and African American residents, as well as Asian American residents experienced increases of 52% and 8%, respectively.
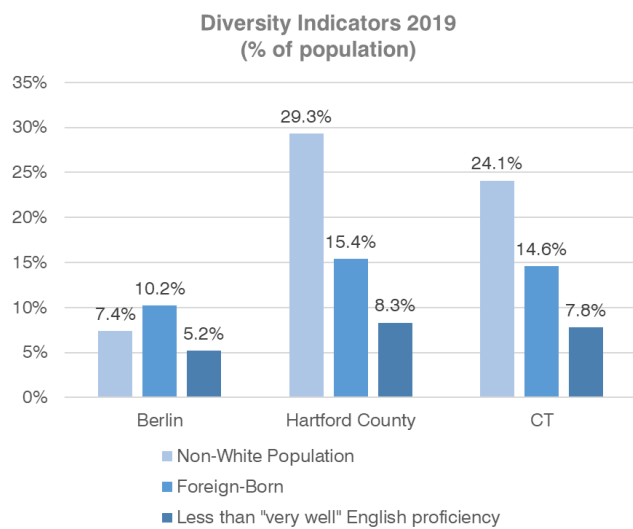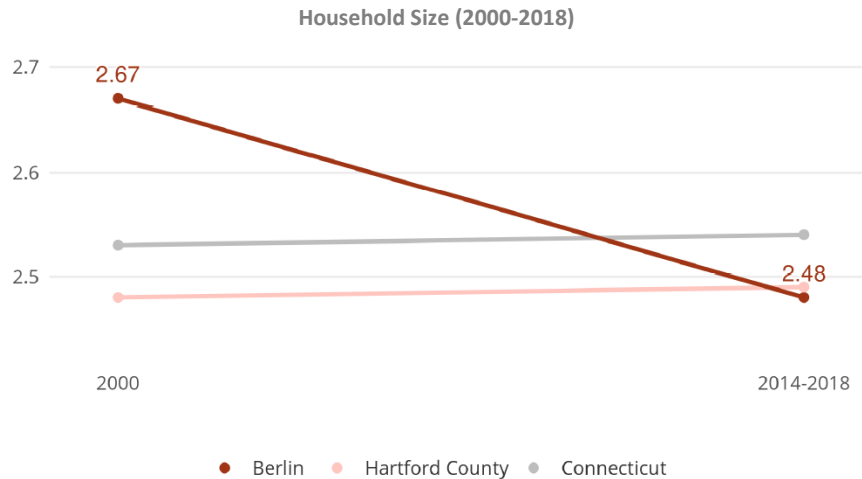

Source: American Community Survey
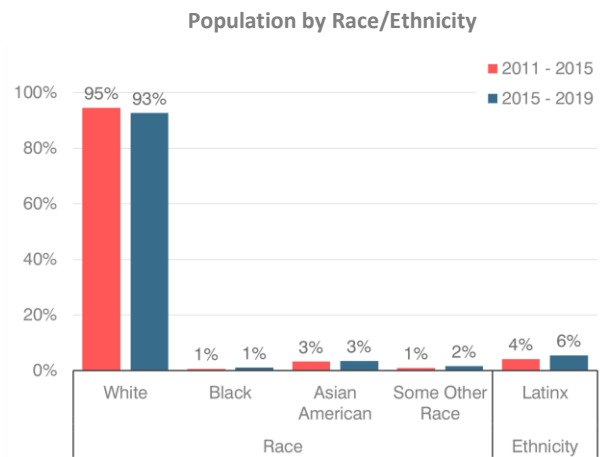
Source: American Community Survey

Household Characteristics

As suggested by age cohort trends, the average household size in Berlin declined from 2.67 to 2.48 between 2000 and 2018. Household size in both Hartford County and the State increased slightly over that period.


Household Size (2000-2018)

Source: US Census and American Community Survey

Between 2011 and 2019, Berlin saw a 3% increase in family households and in non-family households. Family households are households with two or more related individuals living together, while a non-family household represents a single-person or two or more unrelated individuals living together such as roommates or unmarried couples. This growth in family households is largely driven by other family and female family households. Approximately 57% of all households were family households in 2019, which coupled with the age distribution data suggests that the primary driver of family household growth is in older populations, which may not have any children.

Between 2010 and 2019, the number of households in Berlin increased by 270 while population increased by 379. Household composition has remained largely unchanged meaning that these small increases in population and new households have been spread across household types.

Despite the largest percent increases in 3- and 4- person renter households at +85% (+53) and +190% (+57) respectively, the largest growth in absolute terms was in 2-person owner households which grew by 25.7% or 596 households. Based on the shifts in age composition it would suggest that older populations and younger wealthy households could be migrating into Berlin to achieve or maintain homeownership. Additionally, Berlin has experienced net increases of 423 households headed by a resident 60 years or older which is most likely growth in 2-person family households.
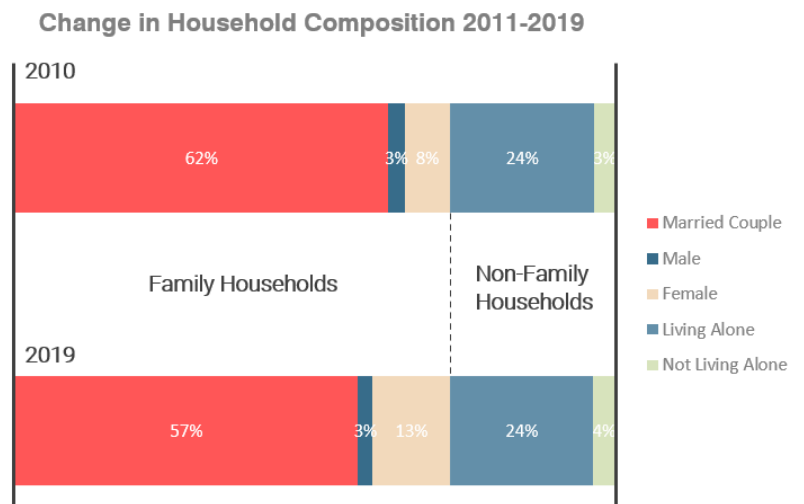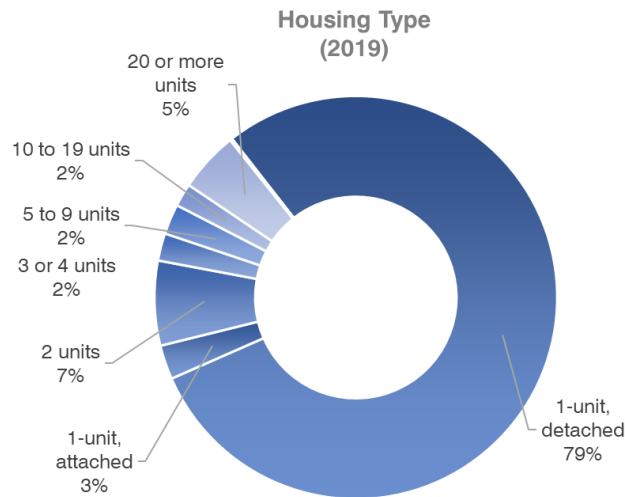

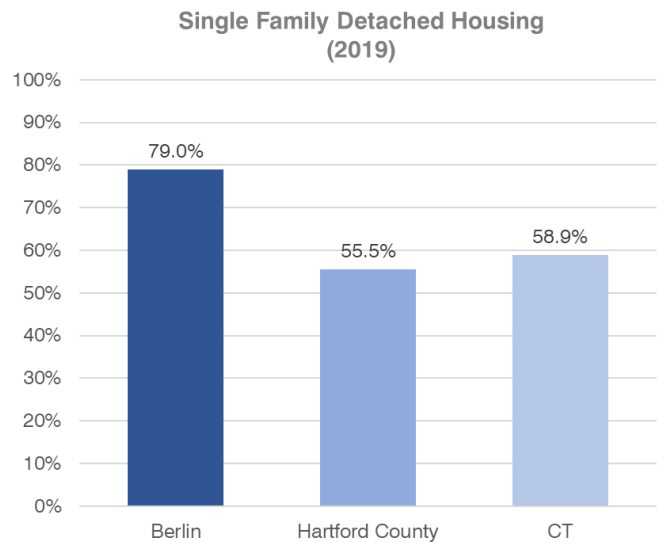*Source: US Census and American Community Survey*

Housing Supply

Most (79%) of Berlin's housing is single-family detached housing. Housing with 20 or more units comprises 5% of the town's housing. Berlin's housing supply is oriented more towards single-family housing than Hartford County or the State. Compared to both Hartford County and the State, Berlin has a much higher share of single-family detached housing. Single-family detached housing typically has a higher housing cost (both rental and ownership) than other forms of housing.

Housing Type (2019)

20 or more units 5%
10 to 19 units 2%
5 to 9 units 2%
3 or 4 units 2%
2 units 7%
1-unit, attached 3%
1-unit, detached 79%

Source: American Community Survey

Single Family Detached Housing (2019)

Berlin 79.0%
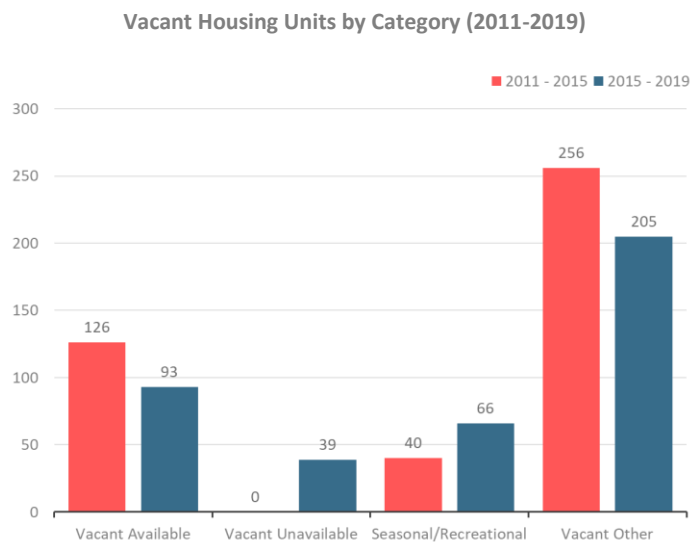Hartford County 55.5%
CT 58.9%

Source: American Community Survey

Housing Vacancy

In 2019, 4.7% of Berlin's housing stock was classified as vacant. This was a lower rate of vacancy than the 2011 – 2015 ACS Estimates of 5.1%. Berlin's vacancy rate when looking at only owner and renter units actively being marketed is much lower at 1.1% out of the total housing units in 2019. A healthy vacancy rate for a community is typically between 4% and 6%.

The inventory of vacant units that are for sale or for rent in Berlin is in a relatively unhealthy range. In 2019, there were 81 units listed as vacant for sale and 45 vacant for rent. This is out of a total housing stock of 8,584 units. Despite the declines in total employment, CT State Population projections estimate that Berlin will add over 200 residents over the next two decades. The projections from the state do not reflect the recently approved, but not yet permitted residential units in Berlin. These units will add to the current housing stock which will help reduce some pressures on housing demand and are clearly responding to the strong market for rental housing we are seeing not only in Berlin, but across the United States.

Vacant Housing Units by Category (2011-2019)

■ 2011 - 2015 ■ 2015 - 2019

| Category	2011 - 2015	2015 - 2019
Vacant Available	126	93
Vacant Unavailable	0	39
Seasonal/Recreational	40	66
Vacant Other	256	205

Source: American Community Survey

Housing Characteristics

Most (84%) of Berlin's housing stock is owner occupied. 16% of housing is renter occupied. The home ownership rate is twenty percentage points higher in Berlin that it is in Hartford County.
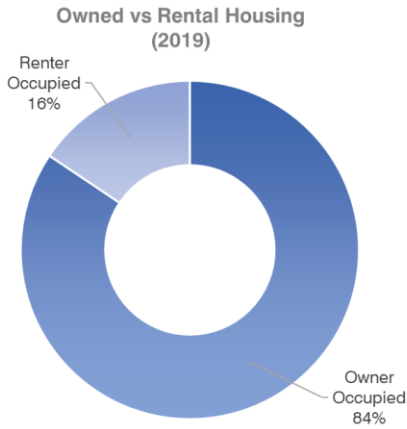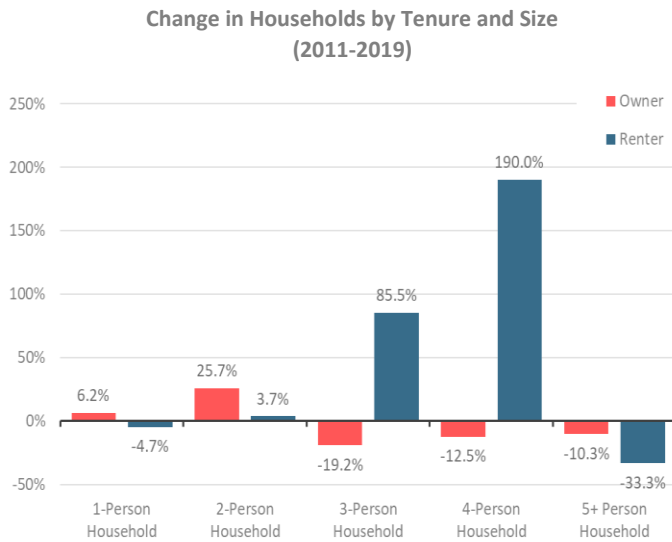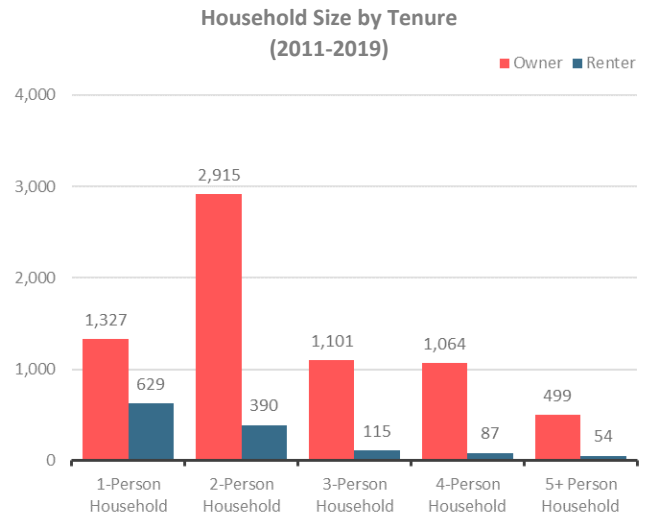

Source: American Community Survey
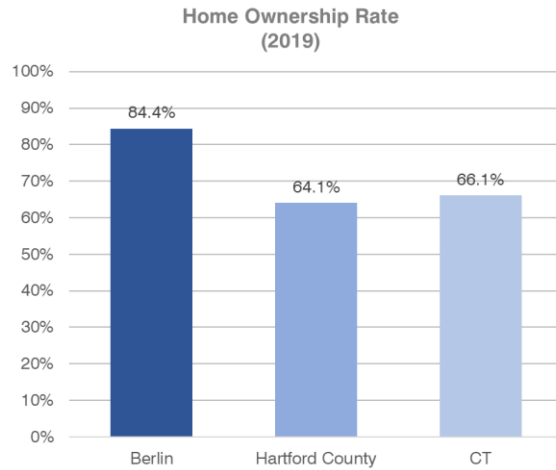
Source: American Community Survey

Change in Households by Tenure and Size

Despite the large percentage increases in renter households over the past decade, in absolute terms the largest increases in households have been in 2-person owner households (+596). For renters, the large percentage increases in 3- and 4- person households nets to a growth of 110 households. The total number of households in Berlin grew by 3% meaning that despite this small total gain, the composition of renters and owners shifted enough for renters to take a one percentage point increase in share of households by tenure. Yet despite this shift, Berlin households by tenure are dominated by higher-income 2-person owner households, which are driving growth in town.
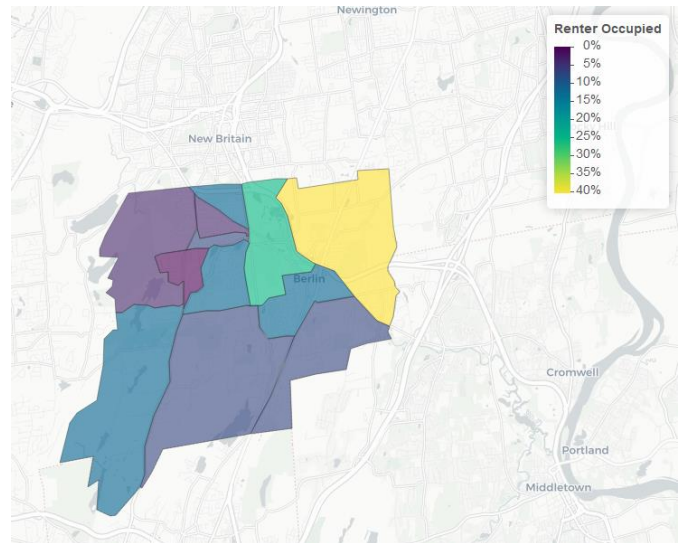

Source: American Community Survey

Source: American Community Survey

Renter Households

Block groups in Berlin where renter households comprise more than 25% of all households have median incomes averaging from $70,000 - $80,000 which is 70% - 80% of the Town's median household income of $101,127.

As rent rates continue to climb in Berlin, it is possible that some renter households in these block groups could have a more difficult time finding housing that is affordable to their incomes. In addition, the continued increase of higher income renter households in Berlin may encourage property managers to steadily increase rents which higher income renter can afford. This could place added price pressure on low- and moderate-income households as housing becomes more expensive over time.

*Share of Renter Households by Census Tract (2019)*

Source: American Community Survey

Household Income

Berlin households have become increasingly wealthier with the fastest growth occurring in households earning more than $200,000 per year. Since 2011, Berlin saw a 38% growth in households earning more than $150,000 per year. This was a faster rate than Hartford County (29%).

Across all races and ethnicities, where data was available, median household incomes have increased over the past decade. This suggests an increasing concentration of wealth in Berlin, which will likely continue the trend of increasing prices for both owner and renter units. For lower income households, this widening income gap could impact their ability to find affordable housing options and remain in town. These trends may also be impacting the ability of lower income households to enter the homeownership market over time as prices continue to rise.

Change in Household Income (2011-2019)
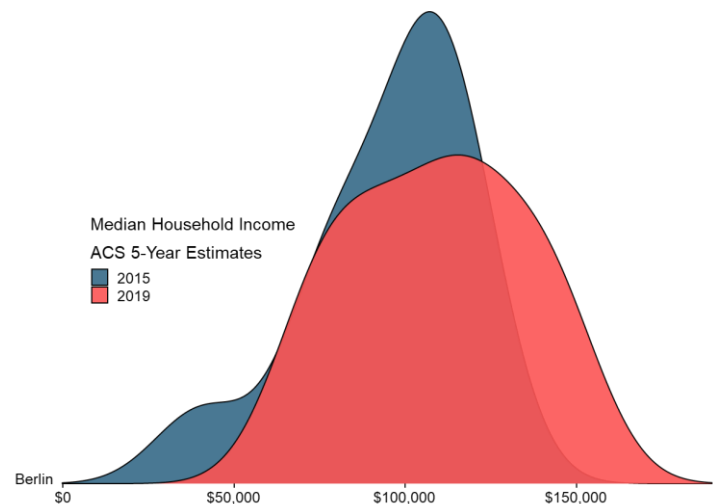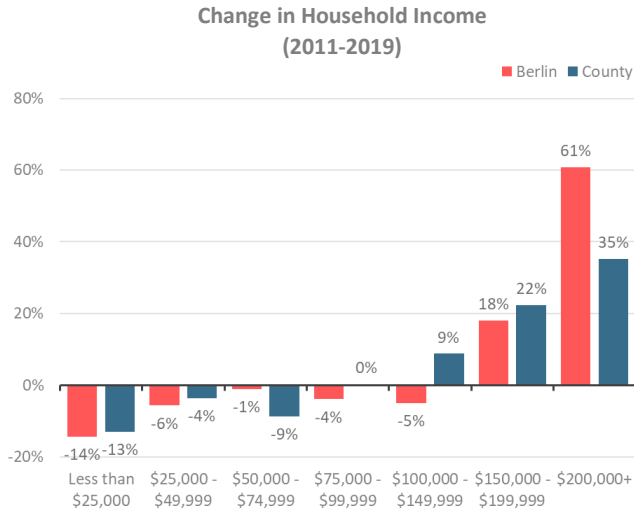
Source: American Community Survey

Berlin's owner households earning $150,000+ have increased by 38% or 618 households. Renters in this same income band increased by only 6 households (40%). For renters in the middle-income bands, $50k - $74.9 & $75-$99.9, the number of households have increased by 104% (159) and 60% (48) respectively. The Town does not currently have a large stock of luxury rental units which creates a situation where higher income renter households reside in units that are priced lower than what they technically could afford. This creates added competition for middle-market rental units which a larger share of the town's renter population may be vying for.

Household Income

Census blocks across Berlin have relatively high household incomes with the lowest income blocks falling within the range of $70k - $80k. Although these median incomes are lower compared to other parts of Berlin, they are in line with the median household income for the county at $75,381. The highest household incomes are found on the west and south sides of town.

Median Household Income by Race/Ethnicity (2011-2019)
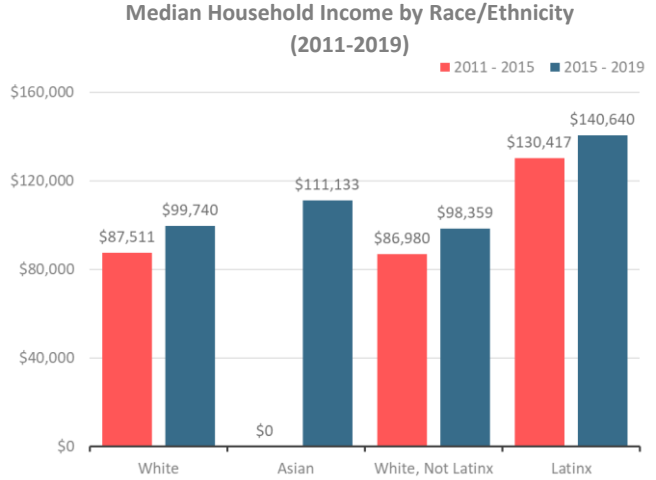
Asian household count was too low to record sufficient data in 2011.
Source: American Community Survey

Change in Household Income by Tenure (2011-2019)

Source: American Community Survey

Median Household Income by Census Block (2019)

Source: American Community Survey

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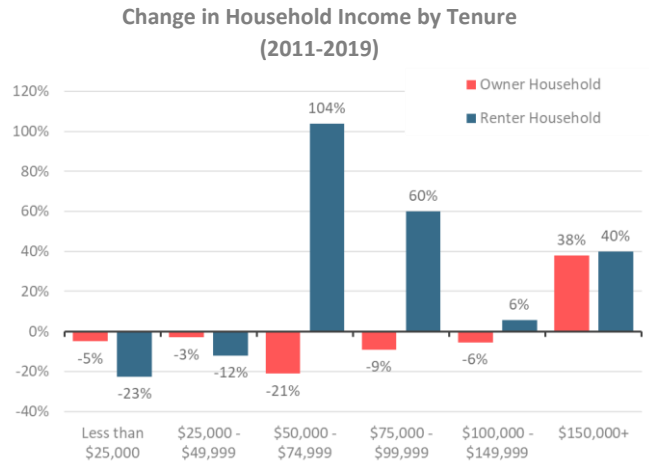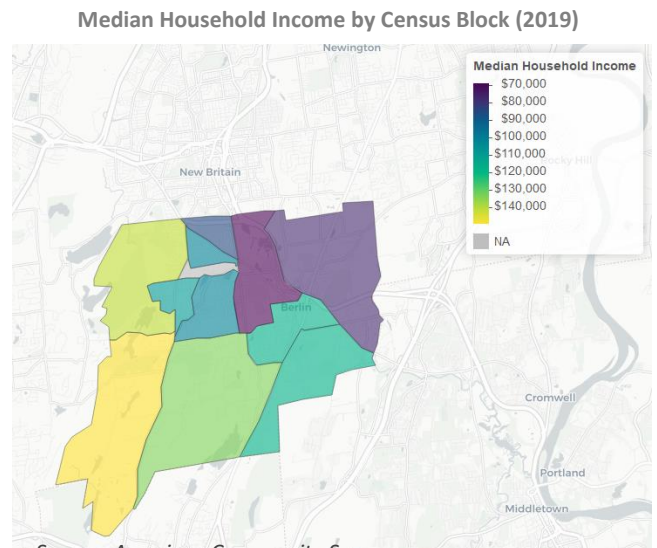
Household Tenure by Income

Renters compose a higher share of lower income households in Berlin, but a much lower percentage when compared to Hartford County. Most renters fall within the three lowest income brackets which are below $75,000 a year. Lower income renter households face numerous challenges ranging from paying rent, containing cost burdening as prices escalate and finding affordable housing options in an increasingly expensive market. Low incomes increasingly impact a household's ability to enter the homeownership market over time as prices continue to rise.
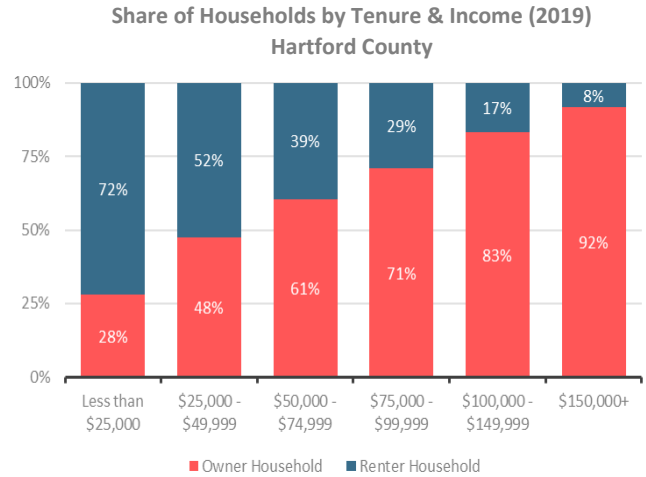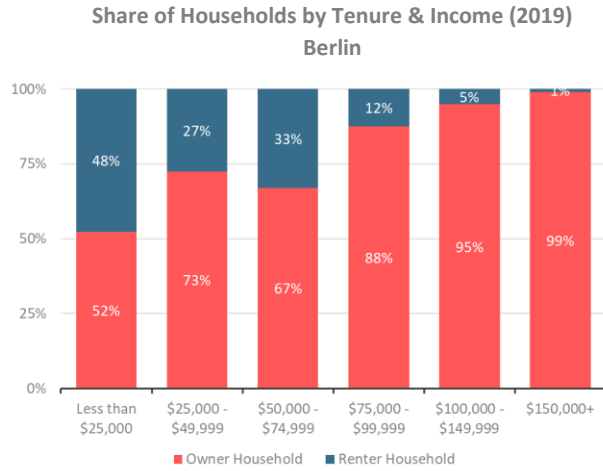
Housing Permit Activity

Since 2012, housing permit activity in Berlin has been at its lowest levels over the past 30 years. Permit activity followed similar trends as both Hartford County and the State between 1990 and 2018. Looking at the changes in supply and demand of housing over the past two decades provides insight into the dynamics that affect housing market prices and affordability. Over the past two decades, housing production activity, based on building permits issued for new construction were exceptionally high in the early 2000's particularly for large multi-unit structures but dropped off significantly following the Great Recession (2007 – 2009). Permits for new housing construction have not returned to prerecession levels, however, Berlin has seen steady permitting levels for single unit structures over the latter part of the last decade and a recent spike in multifamily structures in the last three years.

Source: CT DECD, Town of Berlin

Source: CT DECD, Town of Berlin

Housing Permits Activity in Berlin vs. Region (1990-2018)

Berlin

Hartford County

Connecticut
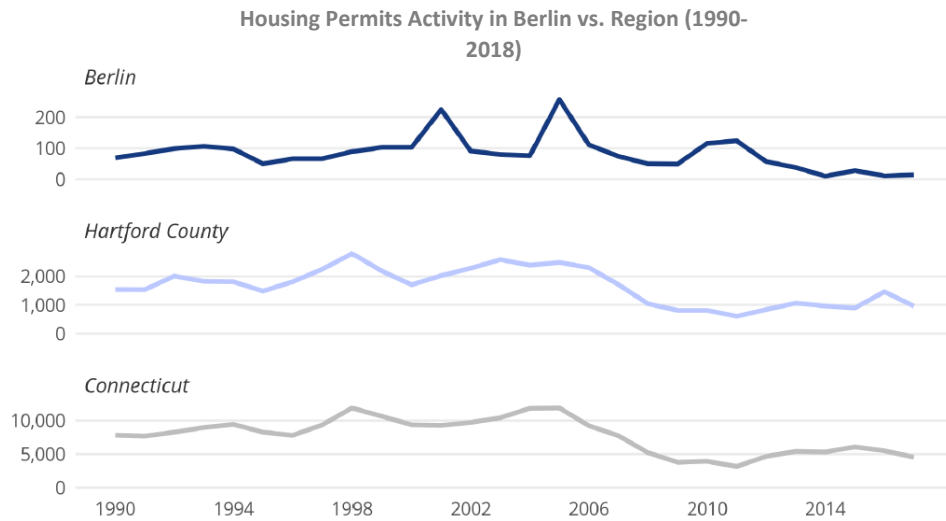
Source: CT DECD

According to construction and demolition permit data from the CT Department of Economic and Community, Berlin has consistently seen increases in available housing units since 2000 including during and after the Great Recession. This suggests a strong housing market driven by demand from higher income households.

Net Change in Total Housing Units (2000-2020)

Source: CT DECD

Multifamily Rental Development

Most of Berlin's multi-family rental unit development has been approved, is under development, or has been built within the past two decades. Approximately half (530 units) of multi-family rental residential units in the town have been approved, built, or are under development in Berlin since 2014. Built and approved developments include a mixture of market rate, mixed income, age restricted mixed income, and age restricted affordable apartments. most of the Town's affordable housing stock (423 units) was built between 2001 and 2013,.
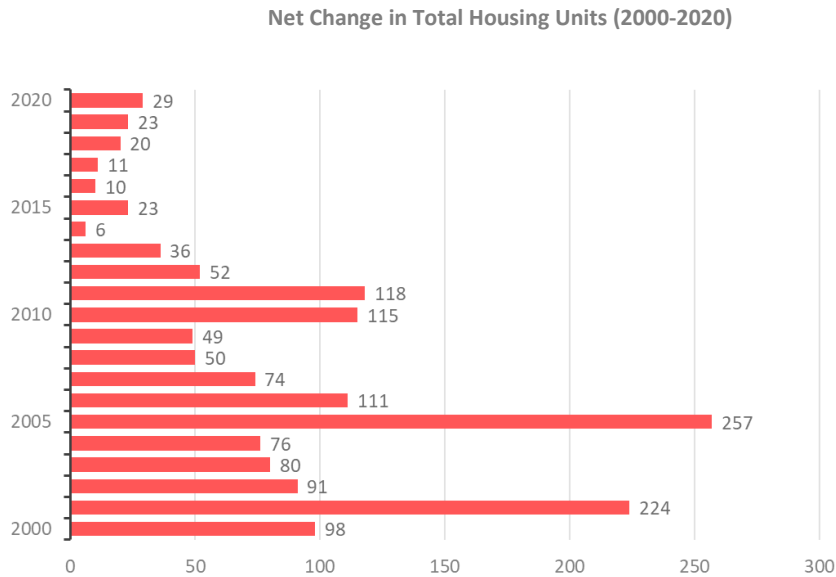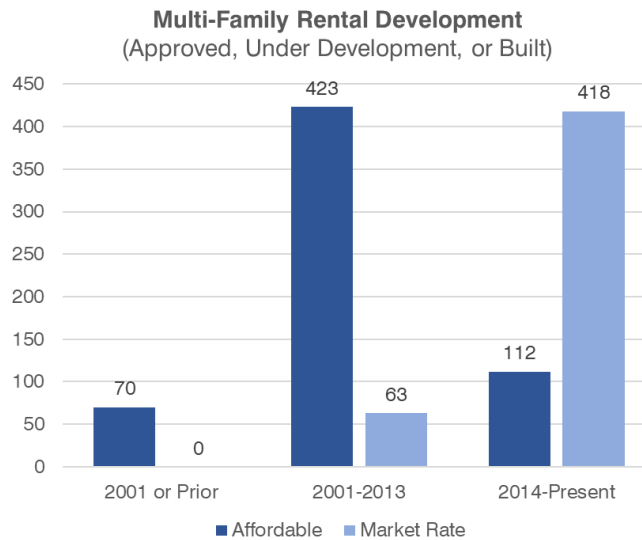
Multi-Family Rental Development
(Approved, Under Development, or Built)

Year	Affordable	Market Rate
2001 or Prior	70	0
2001-2013	423	63
2014-Present	112	418

Source: Town of Berlin

Housing Age

Berlin's housing ranges in age with nearly half (47%) of housing constructed more than 50 years ago. After decades of double-digit percentage housing growth in the decades following 1950, only 3% of the town's housing has been constructed since 2010.

Housing by Year Built
(2019)

- 1939 or earlier: 15%
- 1940 to 1949: 4%
- 1950 to 1959: 17%
- 1960 to 1969: 11%
- 1970 to 1979: 13%
- 1980 to 1989: 14%
- 1990 to 1999: 10%
- 2000 to 2009: 13%
- Since 2010: 3%
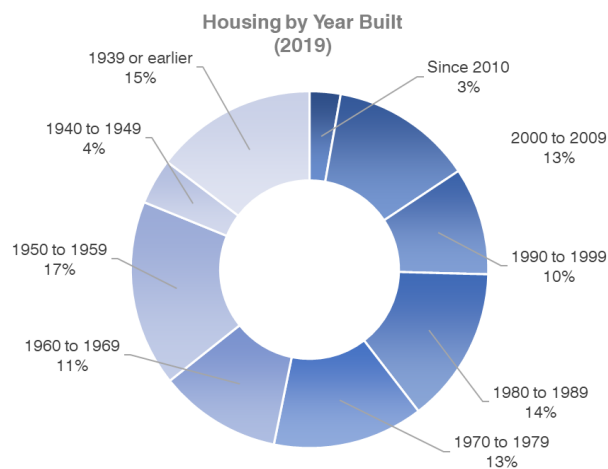
Source: American Community Survey

Like other high-income towns in Hartford County, Berlin's proportion of single-family homes in 2019 was roughly 82% of the town's total housing stock. The town has also seen an increase in residential structures with 10 to 19, 20 to 49 and 50+ units suggesting that an emerging segment of Berlin's housing portfolio are larger multi-family developments. This trend is likely to continue with the recent approvals of multi-family rental housing.

Single-family housing comprises 85.75% of Berlin's residential land area but only comprises 28.5% of the Town's total land area. The second largest portion of residential land

Source: American Community Survey

area is condominiums which comprise 5.83% of residential land area and 1.93% of total land area. Single family homes and condos comprise the largest portion of residential units with 72% being single-family and 10% being condos. Residential development as a component of mixed use in other zoning districts is a growing share of the housing stock in Berlin.
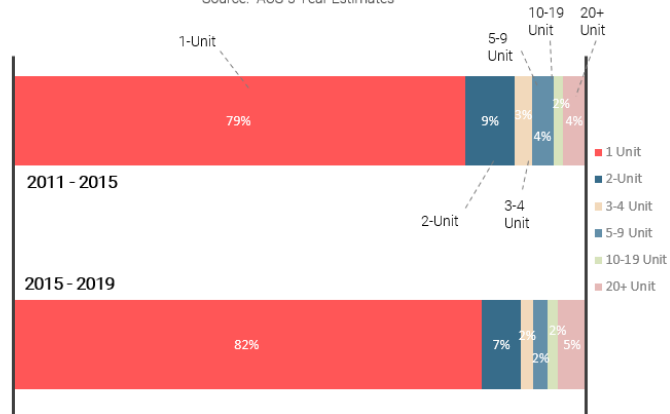
Residential Land Area to Unit Count Comparison

Structure Type	% of Total Land Area	% of Res. Land
Single Family	28.46%	85.75%
Two-Family	1.56%	4.71%
Three-Family	0.12%	0.35%
Four Family	0.03%	0.10%
Apartment MDL-94	0.50%	1.52%
Apts 5 - 8 Units	0.00%	0.00%
SFR w/Apt	0.57%	1.72%
Condominium	1.93%	5.83%
Mobile Home	0.01%	0.03%

Source: RKG Associates, Town of Berlin
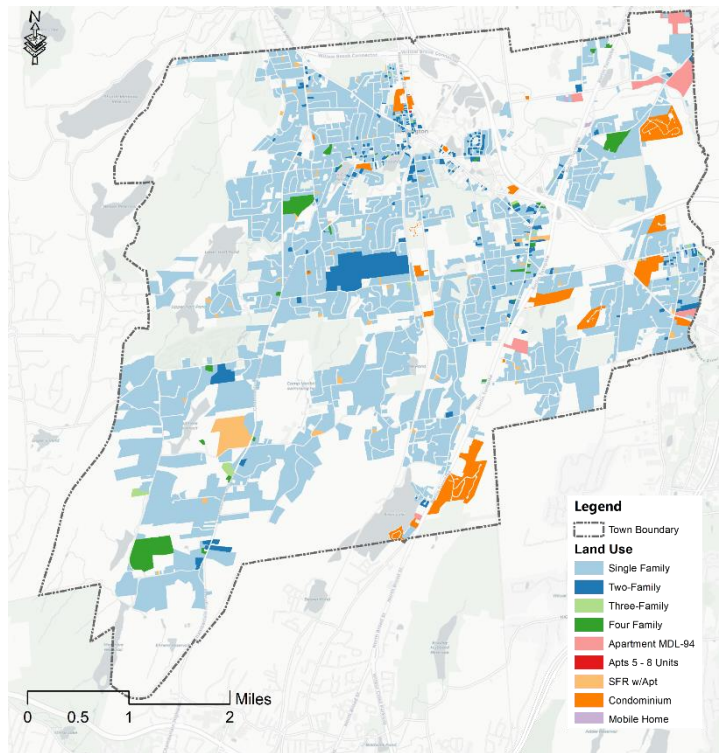
Source: Town of Berlin, NE GEO, RKG Associates

Housing Cost

Households that spend more than 30% of their income on housing costs are considered housing cost burdened households. One quarter (25%) of ownership households in Berlin with a mortgage spend 30% or more of their household income on housing costs. The share of housing cost burdened households is lower among homeowners without a mortgage with 15% of households spending 30% or more of their income on housing costs. Housing cost burden among renters in Berlin is much higher with nearly half (49%) of rent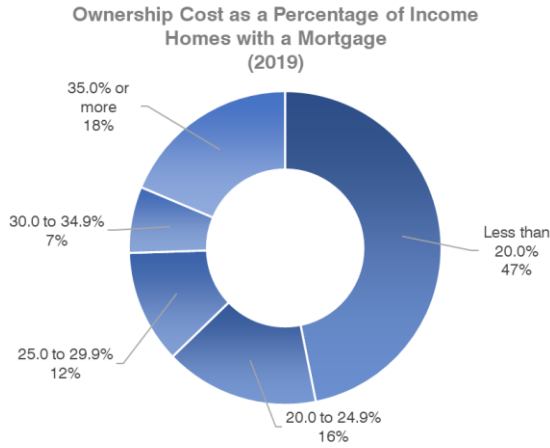ers spending 30% or more of their household income on housing. Housing cost burden is, however, lower in Berlin than in Hartford County or the State.

Source: American Community Survey
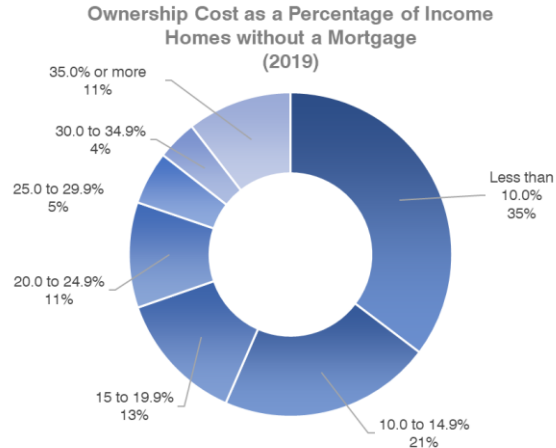
Source: American Community Survey
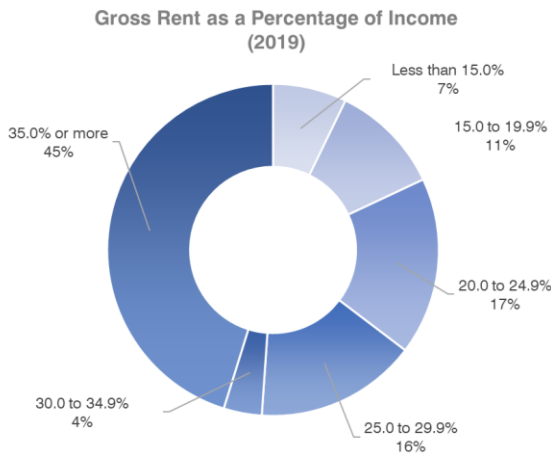
Source: American Community Survey

Source: American Community Survey

The average renter in Berlin spends 25% of their income on housing, compared to the average owner who spends 15% of their income on housing.

Source: American Community Survey

Housing Cost Burden

Many renter households in Berlin are considered housing cost burdened. HUD considers a household to be cost burdened if it spends more than 30% of its monthly income on housing costs. About 48.9% of all renter households in Berlin are cost burdened which is slightly below state averages.

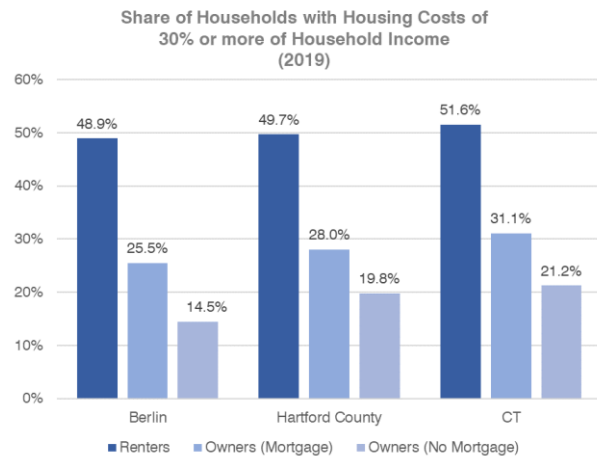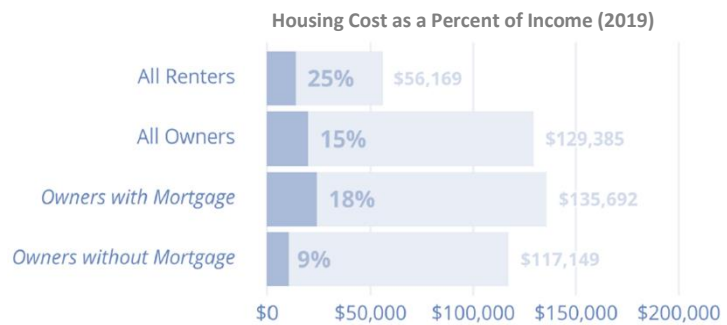The challenge for households spending more than 30% of their income on housing costs is it leaves less money for spending on other necessities such as food, transportation, education, healthcare, and childcare. Finding ways to build more housing that is affordable to renters is one way of helping to keep cost burdening down.

Renters in Berlin are more likely to be cost burdened compared to owners. According to data from HUD, 47% of renters were spending more than 30% of their income on housing costs compared to only 21% of homeowners in 2018. 27% of those renters were spending more than 50% of the income compared to only 10% of homeowners.

Renter Income by Cost Burden (2018)
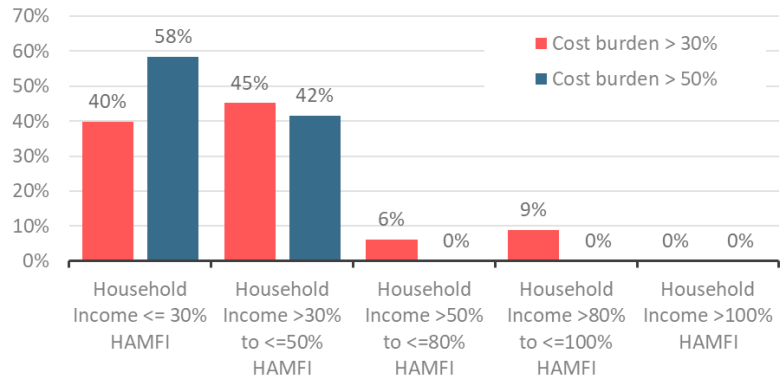
Source: CHAS

Cost Burdened Owner vs Renter Households (2018)

Source: CHAS

Housing Cost Wage

Berlin's housing cost wage is $23.65 per hour. This is the amount that a household needs to earn to afford market rate housing in the community. It is one of 52 towns in Connecticut with an hourly housing wage of that median value.

Housing Cost Wages in Connecticut (2019)

Source: National Low Income Housing Coalition

Rental Cost

Most (85%) of Berlin's rental housing costs more than $1,000 per month. Rents at or above $1,000 have increased by 39.1% between 2011 and 2019. In Berlin, the largest share of rental units are those priced between $1,000 and $1,499, comprising 71% of rentals. Only 15% of rental units have a gross rent under $1,000 per month.

Prior to 2015, there were not rental units priced above $2,000 a month according to data from the American Community Survey. By 2019, there were 45 units priced at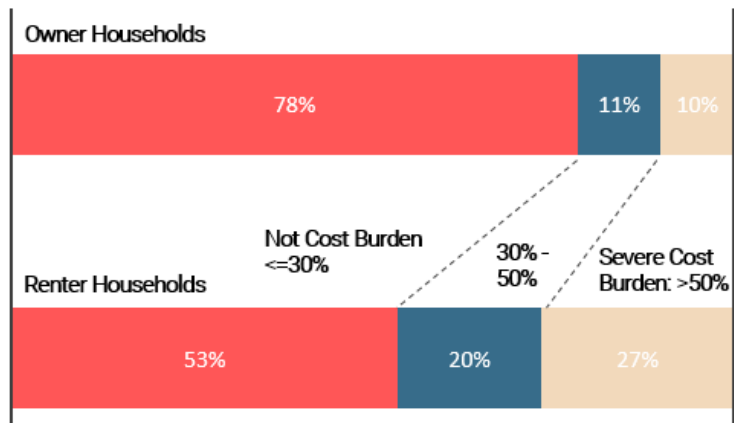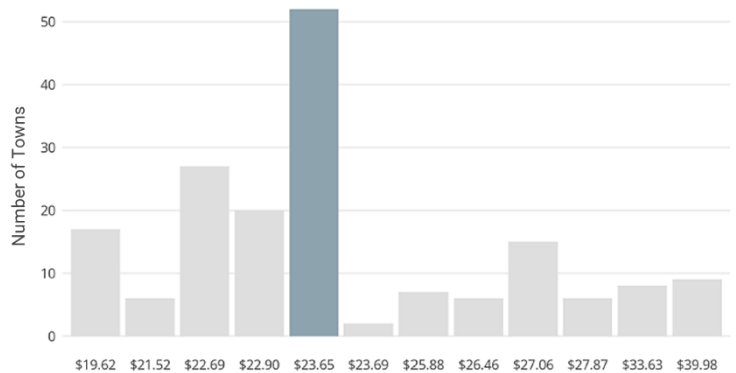 or above $2,000 a month. At the same time, rents for units priced below $1,000 fell by 47.8% (loss of 166 units). There was also a 134% increase (increase of 79 units) in rental units charging $1,500-$1,999 per month. Based on the gross rent distribution, most rents are shifting to higher costs particularly in units charging more than $1,500.

Gross Monthly Rent (2019)

- $3,000 or more 1%
- $2,500 to $2,999 0%
- $2,000 to $2,499 2%
- $1,500 to $1,999 11%
- Less than $500 6%
- $500 to $999 9%
- $1,000 to $1,499 71%

Source: American Community Survey

Between 2015 and 2021, average rents for two-bedroom units in Berlin were up 71%. Similarly, ACS 5-Year estimates suggest that over the past decade gross rents across all unit types have increased by 10.4%. According to rental information from Zillow, the Hartford Metro Area also experienced an increase in observed rents for all units going from an average of $1,261 a month in 2015 to $1,465 a month in 2021.
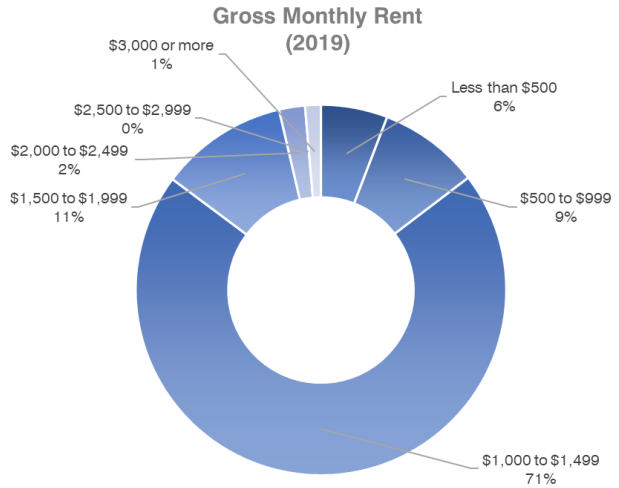
Average Change in Rent for a 2-Bedroom (2015-2021)

Source: Zumper 2015-2021

Change in Gross Rent Distribution (2011-2019)

- 2011 - 2015
- 2015 - 2019

Category	2011-2015	2015-2019
Less than $500	5%	6%
$500-$999	26%	9%
$1,000-$1,499	63%	71%
$1,500-$1,999	5%	11%
$2,000 or More	0%	4%
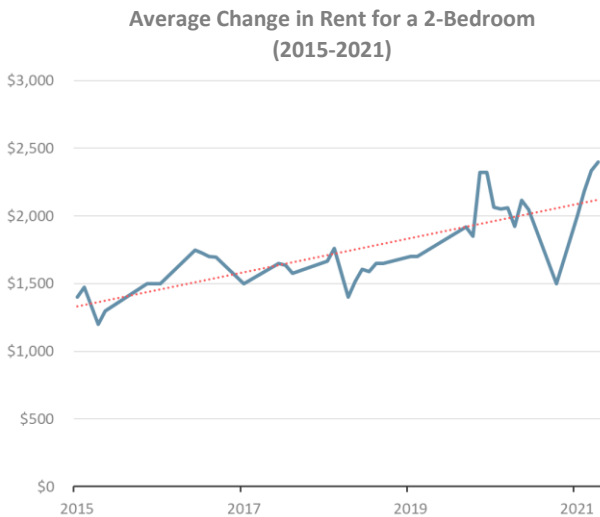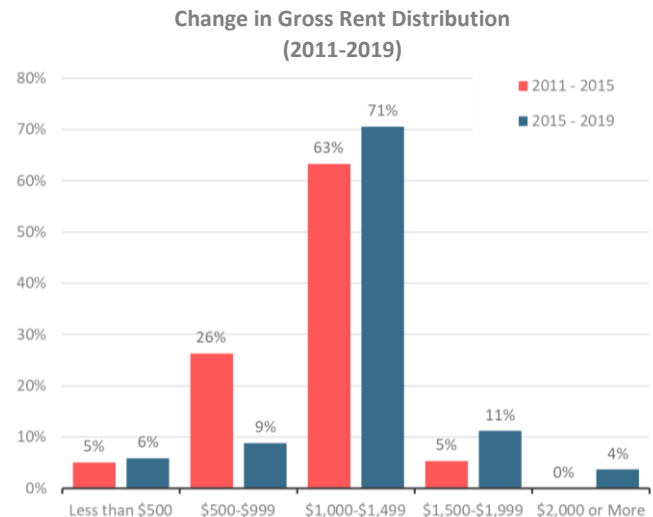
Source: American Community Survey

Home Value

Berlin's median owner-occupied home value is $283,300, which is higher than both Hartford County and the State. Across Berlin, the highest home values are concentrated in the southern part of town boarding Southington and Meriden while those bordering New Britain and Newington are of relatively lower value.

Median Owner-Occupied Home Value (2019)

Source: American Community Survey
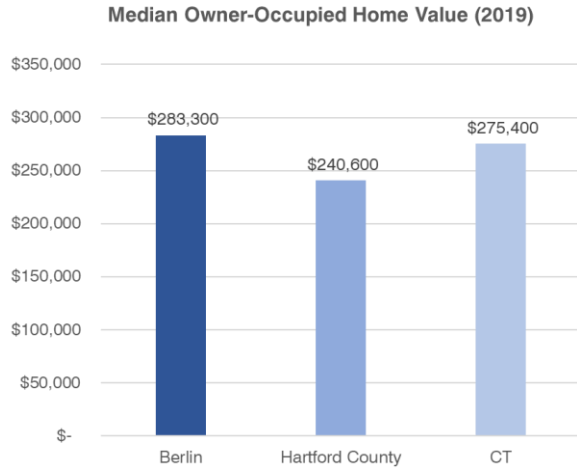
Median Home Value (2019)
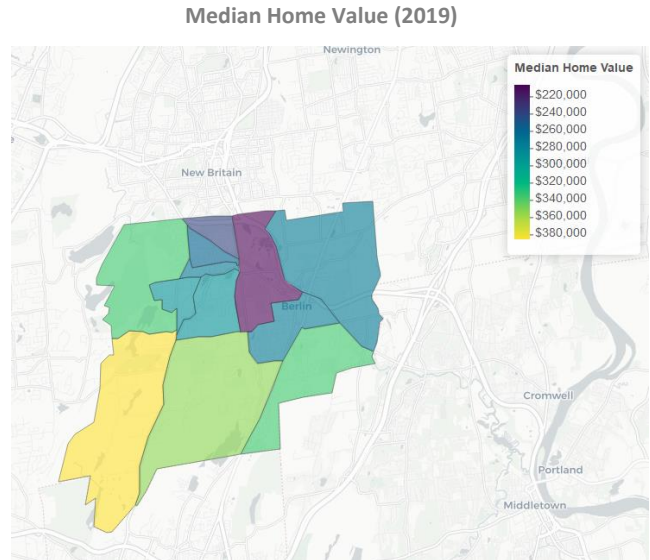
Source: American Community Survey

Median home value has increased in Berlin. Approximately 69% of Berlin's owner-occupied housing stock is valued at or above $250,000. Over the past decade the number of homes valued at $250,000+ has increased by 5.6%. The fastest growth occurred for homes valued between $250,00 - $499,999 which increased by 6% (225 homes). Berlin's median home value is higher than Hartford County by nearly $43,000 and higher than Connecticut by about $8,000.

The value of per unit construction has increased over the past two decades. Since the Great Recession (2007-2009), the value of new single family residential construction has been dramatically increasing with a total value increase of 147% over the past decade. With consistently lower mortgage rates and increases in home equity for higher income households, demand for homes has been driven by higher income households and existing homeowners leading to higher prices for new construction. This trend poses challenges for first time homebuyers and renters seeking homeownership since they have not experienced the same gains in real wealth.

Change in Home Value Distribution (2011-2019)
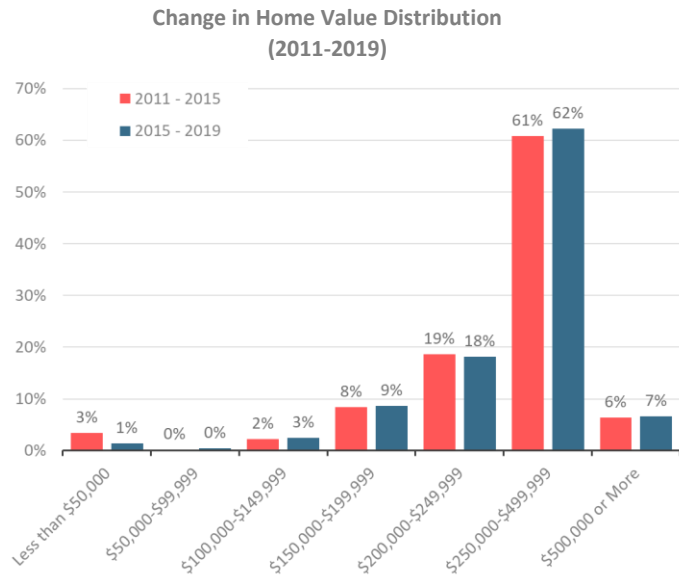
Source: American Community Survey

Since 2000, Zillow Housing Research estimates that the median home value in Berlin has experienced a 92% increase. Berlin has experienced fairly consistent new construction suggesting that lack of available housing is not the primary driver of this increase in home values but rather a result of an influx in household wealth.

Median sales prices in Berlin are rising. This trend has occurred in many cities and towns in Connecticut, particularly in 2020 and 2021 with existing homeowners selling at top of market prices to higher income households looking for single-family homes in suburban communities. Like many communities in Connecticut, Berlin saw an influx of residents coming from larger urban areas like New York City to find less expensive housing with more space.

Valuations per Unit of Residential Construction in Berlin (Single Family)
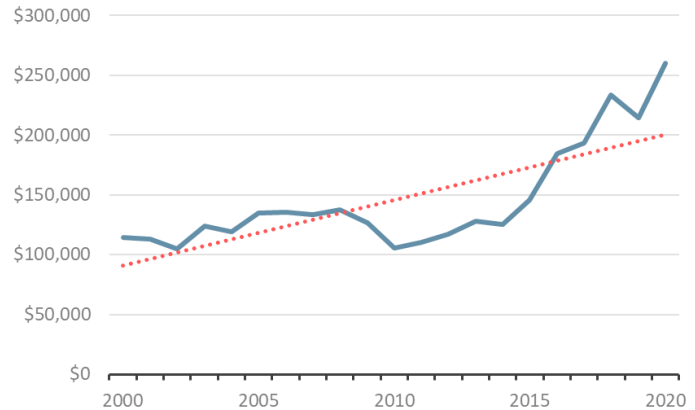
Source: CT DECD

Zillow Home Value Index (2000-2020)
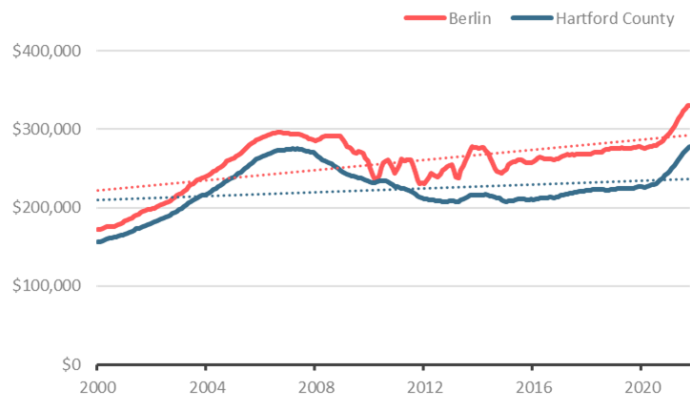
Source: Zillow.com

Average Price per Square Foot (All Residential) in Berlin (2012-2021)

Source: Redfin

16
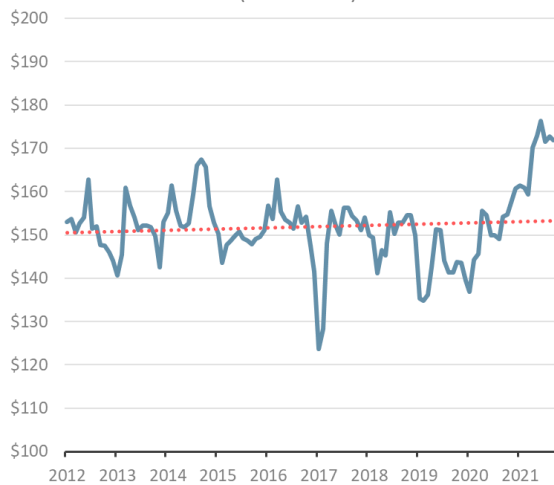
As noted above, home sales prices in Berlin are rising. This trend has primarily emerged since 2019, with Berlin seeing median home sales price increase from $246,000 in 2019 to $302,000 in 2021 (a 22.7% increase). Prior to 2019, median sales prices fluctuated on a seasonal basis, but had held steady since 2012.

Median Home Sales Price
(Berlin 2019-2021)

Source: Town of Berlin

Median Sales Price of All Homes in Berlin
(2012-2021)
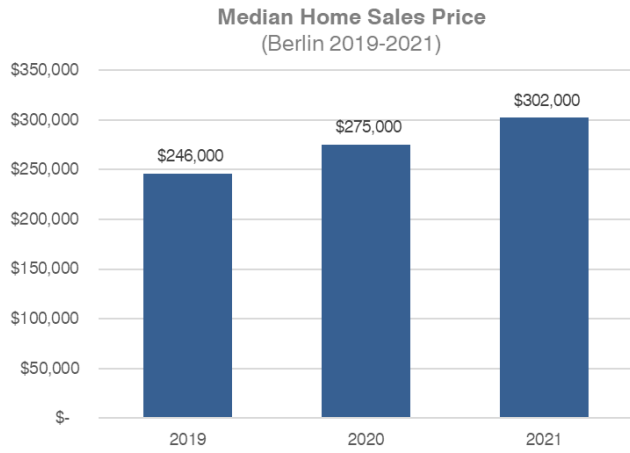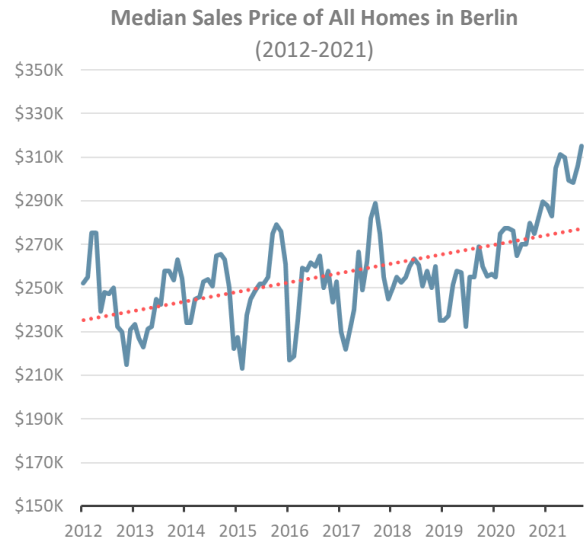
Source: Redfin

Housing Affordability Gap

Based on the data collected and analyzed for Berlin, households were divided into three distinct groups covering both renters and owners: upper income buyers and renters, moderate income, and lower income. The upper income group accounts for 56% of all households, while the moderate or middle-income comprise about 24%, with the lower income households accounting for 21% when categorized by household income.

The purchasing power of the top 47% of households is over $275,000 greater than the maximum value for the bottom 53% of households based on what these households could technically afford to pay for a home. These households could afford purchase prices starting at $615,150 which is a higher price point than what most homes in Berlin sell for. This means there are higher income households purchasing or renting homes at prices below what they can technically afford, should they choose to do so.

Conversely, households in the middle- and lower-income brackets must compete with greater numbers of households looking for rental and for-sale product given the overall lack of supply at the high end possibly suggesting greater supply is needed for low- to moderate-income households.

To put this in perspective, the median sales price of a housing unit sold in Berlin was $315,000 while the median gross rent was $1,200 in 2019.

Renting and Purchasing Capacity of Berlin Households (2019)

	Household Income	Households %	Households #	Maximum Affordable Rent Range	Home Purchasing Power
Upper	$109,081+	47%	3,816	$2,425+	$615,150+
Upper	$90,901 - $109,080	9%	731	$2,021 - $2,424	$338,002 - $615,149
Moderate	$67,951 - $90,900	12%	967	$1,511 - $2,020	$252,665 - $338,001
Moderate	$45,451 - $67,950	12%	943	$1,011 - $1,510	$169,002 - $252,664
Lower	$27,251 - $45,450	12%	958	$606 - $1,010	$101,327 - $169,001
Lower	$0 - $27,250	9%	767	$0 - $605	$0 - $101,326

Source: HUD 2021, ACS, RKG Associates

There is still a great need for affordable housing in Berlin. About 45.1% of renter households and 16.7% of owner households earn less than 50% of the area median income (AMI), totaling 1,725 households. These households often experience housing instability, may rely on housing assistance, and typically spend more on housing as a percentage of their overall income.

Housing Affordability for Berlin Households (2019)

Area Median Income Threshold	Income	Owner Households #	Owner Households %	Affordable Home Purchase Price FHA Single Family	FHA Condo	Conventional Single Family	Conventional Condo
30% AMI (Extremely Low Income)	$27,250	440	6.4%	$83,685	$51,350	$101,326	$60,858
50% AMI (Very Low Income)	$45,450	709	10.3%	$139,577	$107,243	$169,001	$128,532
80% AMI (Low Income)	$67,950	670	9.7%	$208,675	$176,340	$252,664	$212,196
100% AMI (Moderate Income)	$90,900	755	10.9%	$279,155	$246,820	$338,001	$297,533
120% AMI (Moderate Income)	$109,080	648	9.4%	$460,312	$415,880	$615,149	$553,773
Above 120% AMI (Middle Income +)	109,080+	3,684	53.3%	$460,313+	$415,881+	$615,150+	$553,774+

Area Median Income Threshold	Income	Renter Households #	Renter Households %	Affordable Monthly Rent
30% AMI (Extremely Low Income)	$24,200	327	25.6%	$605
50% AMI (Very Low Income)	$40,400	249	19.5%	$1,010
80% AMI (Low Income)	$60,400	273	21.4%	$1,510
100% AMI (Moderate Income)	$80,800	212	16.6%	$2,020
120% AMI (Moderate Income)	$96,960	83	6.5%	$2,424
Above 120% AMI (Middle Income +)	$96,961+	132	10.3%	$2425+

Source: HUD 2021, ACS, RKG Associates

Below we have created an affordable housing gap analysis for Berlin that looks at the number of owner and renter households in the community and groups them into six different income cohorts organized by area median income. We then compare the households in each income bracket to the number of units affordably priced to them. By subtracting the number of households from the total number of units priced to each income cohort a gap or surplus is derived for each income cohort. If the number in the graph is negative, that means there are more households at that income cohort than there are affordably priced units. If the number is positive, it means there are more units than households at that income cohort.

For the owner affordability gap, maximum purchase prices for each income category are calculated using both FHA and Conventional mortgage options. This is done because the FHA has a lower down payment requirement which reduces the amount of debt a borrower can take on. The conventional mortgage option assumes a minimum 20 percent down payment.

In the case of Berlin, there are more potential buyers in the higher income brackets than there are housing units that match their maximum affordable housing prices . For households earning at or below 50% of AMI, there is a shortage of 740 housing units in the conventional lending scenario, and a shortage of 900 units in the FHA lending scenario. The maximum affordable home price for households earning below 50% of AMI is $139,577 in the FHA scenario, and $169,001 in the conventional lending scenario. Only about 7% of the homes were valued below $175,000 in 2019, but 16.7% of the owner households earn at or below 50% of AMI.

Units valued at prices affordable to households with incomes between 50-100% of AMI account for 42% of Berlin's owner units in the FHA lending scenario and 61% in the conventional lending scenario, yet only 21% of owner households have incomes that fall within this grouping. There is a net surplus of 1,464 units in the FHA scenario, and 2,816 units in the conventional lending scenario, indicating higher income households are likely buying down in Berlin's market since overall vacancy for homeowner units is relatively healthy.

Households in Berlin earning more than 100% of AMI account for 63% of households. The supply of units priced to meet that demand account for 55% of all owner units in the Federal Housing Authority (FHA) scenario and 33% in the conventional lending scenario. There is a deficit of 564 units in the FHA scenario and a deficit of 2,077 units in the conventional lending scenario for households above 100% AMI. This indicates a potential market for new higher priced housing that could ease the competition for high-to-moderate income units.


Supply and Demand Gap for Ownership Housing Units
(2019)
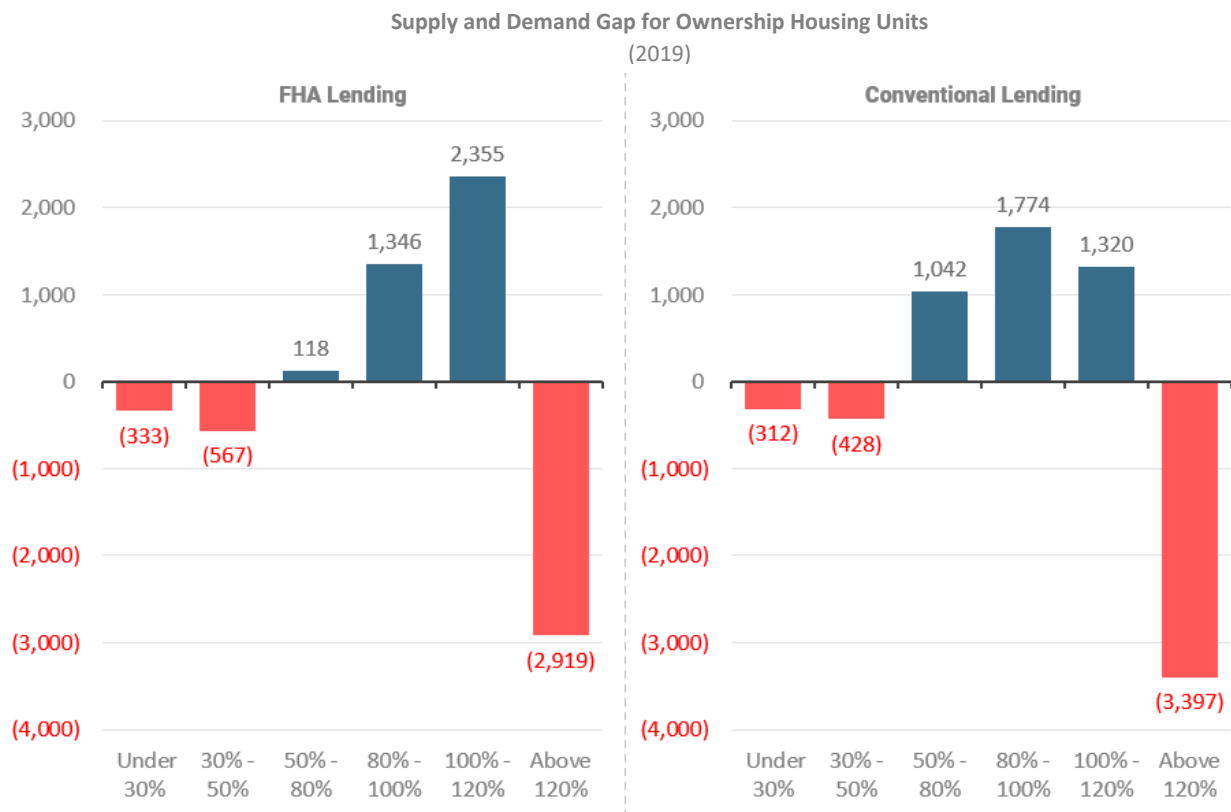
Source: HUD, ACS

The rental supply is tight at both the lowest end and high end of the income spectrum. For extremely low-income renter households, the supply of affordable and available units is especially limited. There are 252 more households earning less than 30% of AMI than available affordably priced units with monthly gross rents at or below $605. Only 6.1% of occupied rental units have monthly rents below $605, while 25.6% of renter households earn at or below 30% of AMI. Units priced to households at or below 30% of AMI are typically provided by government organizations like housing authorities and non-profit affordable housing developers. These can also be provided using financial subsidies like housing vouchers.

Units priced between 50-100% of AMI account for 80% of all rental units, while only 40% of renter households have incomes corresponding to this price bracket. Hence, there are 505 units that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

Renter households earning more than 100% of AMI account for 16.9% of all households, but the supply of units at this price point accounts for only 3.6% of the rental stock. The gap between potential demand and actual supply for households above 100% AMI is 171 units. Some of this gap may be mitigated if and when the new approved multi-family rental developments are permitted, constructed, and occupied.

The lack of higher priced rental units in Berlin puts downward pressure on the supply of housing priced for lower income households. Higher income households have more choices in the housing market and are likely renting units at a lower price point than they can afford.

Rental Supply and Demand Gap (2019)
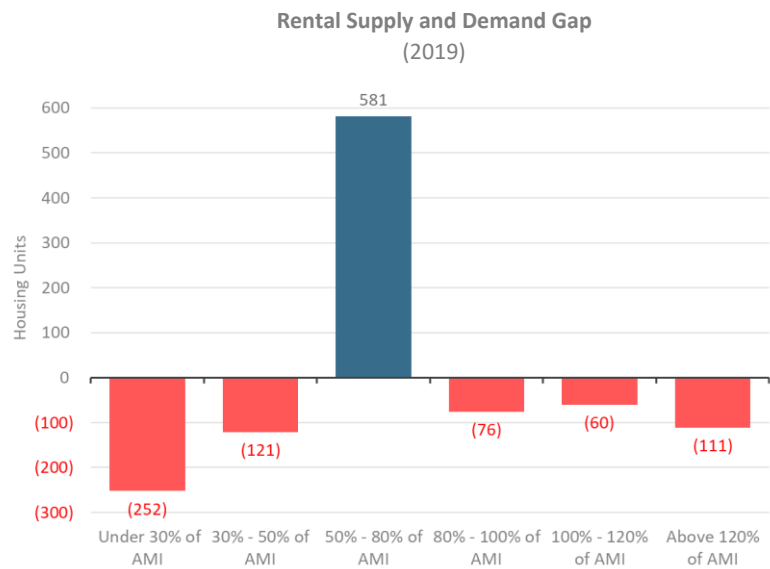
Source: HUD, ACS

Affordable Housing Supply

Based upon the 2010 US census (2020 data is not yet available), Berlin has 8,140 housing units. Of those units, 9.2% (752 units) meet the State of Connecticut's definition of affordable. This places Berlin 62 units short of the State's 10% affordable housing mandate as of 2021.

Berlin's affordable units include the following:

- 556 government assisted
- 50 tenant rental assistance
- 142 CHFA/USDA mortgages
- 4 deed restricted
- 752 total assisted units

Berlin's share of affordable housing exceeds the statewide average by 3.1 percentage points. The town's share of affordable housing increased by two percentage points between 2011 and 2020. More substantial gains were experienced over the 19-year period between 2002 and 2020, with a 6.3 percentage point increase in the town's affordable housing supply over that period.
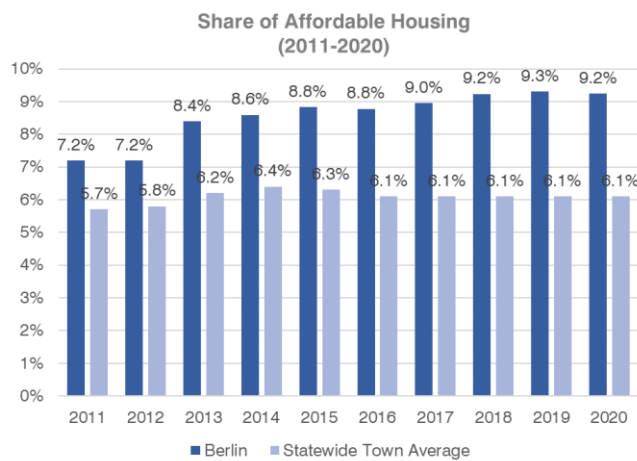
Source: CT Department of Housing
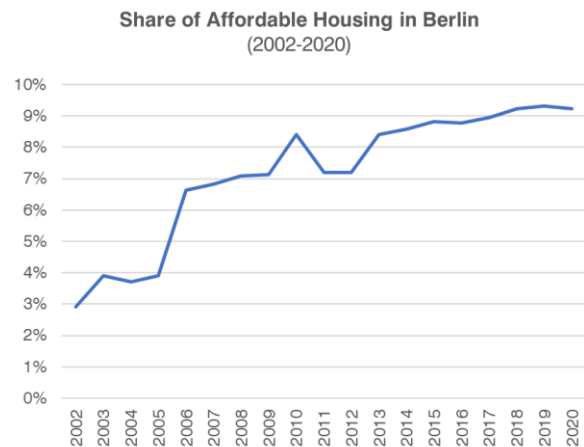
Source: CT Department of Housing

Of the affordable units identified above, 639 of those units are located in 13 developments in Berlin. These developments include age restricted and not age restricted apartments and affordable and mixed income units (see table below).

Project Name	Address	Affordable Units	Market Rate Units	Total Number of Units	Status
Affordable apartments, not age restricted					
Fieldstone Crossing	Deming Road	72		72	complete
River's Edge	Bacon Lane	16		16	complete
Subtotal		**88**		**88**	
Mixed income apartments, not age restricted					
Newport Center	848 Farmington Avenue	4	12	16	complete
Deming Ridge	Deming Road	27	61	88	approved
404 Berlin Turnpike	404 Berlin Turnpike	40	160	200	approved
550 Berlin Turnpike	550 Berlin Turnpike	32	74	106	application pending
Subtotal		**103**	**307**	**410**	
Mixed income apartments, age restricted					
Orchard Ridge	Webster Street	96	24	120	complete
Stonebridge I	Stonebridge Way	88	22	110	complete
Stonebridge II	Stonebridge Way	67	17	84	complete
Subtotal		**251**	**63**	**314**	
Affordable apartments, age restricted					
Sage Pond Place	Berlin Turnpike	77	7	84	complete
Marjorie Moore	Kensington Road	40		40	complete
Percival Heights	Colonial Drive	30		30	complete
Berlin Housing Authority	Percival Avenue	50		50	approved
Subtotal		**197**	**7**	**204**	
Total Units		**639**	**377**	**1,016**	

Source: Town of Berlin

Recent Trends in Multifamily and Affordable Housing Development

The Town of Berlin is currently experiencing a rapid growth in applications for multi-family development projects in response to recent zoning amendments that have allowed multi-family residential development at new locations or at significantly higher densities as compared to what has been done historically in town.

Below is a summary of recent Town and development activity:

- In January of 2019, the Berlin Planning and Zoning Commission approved an expansion of Core Area 1 in the Kensington Overlay Zone as well as an increase in permitted density in the Core Area 1 from 4 to 26 units per acre. Core Area 1 is contiguous to the Berlin Train Station. The purpose of this amendment was, in part, to promote housing in the transit-oriented development area in the vicinity of the Berlin Train Station. Subsequent to this amendment to the zoning regulations, a mixed-use project with 76 units of market rate rental housing (Steele Center) was approved in the Core Area 1 and the first building in the project is under construction.
- In May of 2019, the Berlin Planning and Zoning Commission approved the Berlin Turnpike Development Zone (BTD). This zone was intended to stimulate redevelopment of the Berlin Turnpike and allows for the modification of the use and dimensional standards for parcels that meet certain area and dimensional criteria, which are located on the Berlin Turnpike and that have an underlying zoning classification of BT-1, BT-2 or PS-B. None of these underlying zoning classifications allowed residential development before the addition of the BTD. The BTD zone permits multi-family residential development as part of a mixed-use project with a density of 4 units per acre or 8 units per acre if at least 20% of the units are designated as deed restricted affordable units. Since the creation of the BTD zone, a mixed-use project with 72 multi-family market rate units has been approved at 196 & 224 Berlin Turnpike (Turnpike Ridge). The commercial portion of this mixed-use development has been completed, but construction has not yet started on the residential portion of the project. The Berlin Planning and Zoning Commission also approved a mixed-use project at 404 Berlin Turnpike that would include 200 residential rental units. 80% of the units would be market rate and 20% deed restricted affordable. Another mixed-use project at 550 Berlin Turnpike project has been approved by the Berlin Inland Wetlands and Water Courses Commission and has an application pending before the Planning and Zoning Commission. It would for a include 102 residential rental units, 80% market rate and 20% affordable. Turnpike Ridge development has approximately 13% of its square footage in commercial use and has completed all of its commercial development in the first phase of the project. The proposed 404 Berlin Turnpike project has approximately 11.5% of its square footage in commercial use. The 550 Berlin project proposes to merge vacant land with an adjacent lot containing an existing warehouse and distribution business that would be the non-residential portion of the development.
- In August of 2020 the Planning and Zoning Commission approved a zoning map and text amendment to allow workforce housing at a site on Deming Road. An 88-unit mixed income rental project was approved at this site. The developer (Metro Realty) is seeking financing for this project through the Connecticut Housing Finance Authority (CHFA). If CHFA finances the project, then all these units would count toward the Town's 10% affordable housing goal per section 8-30g of the Connecticut general statutes.
- Another development pending before the Berlin Inland Wetlands and Watercourses Commission (The Preserve) proposes 76 detached units in a planned unit development on a large site off West Lane. The Zoning Map amendment to allow for the proposed multi-unit development was approved last year.
- In addition to these recent projects, the Planning and Zoning Commission approved a 50-unit senior affordable rental project on Percival Avenue for the Berlin Housing Authority. The Housing Authority is continuing to seek financing for this project. There is also a proposed zone change for a potential 300+ unit Rio Vista apartment rental project on Atkins Street. That application was denied by the Planning and Zoning Commission and is now in an 8-30g appeal process.