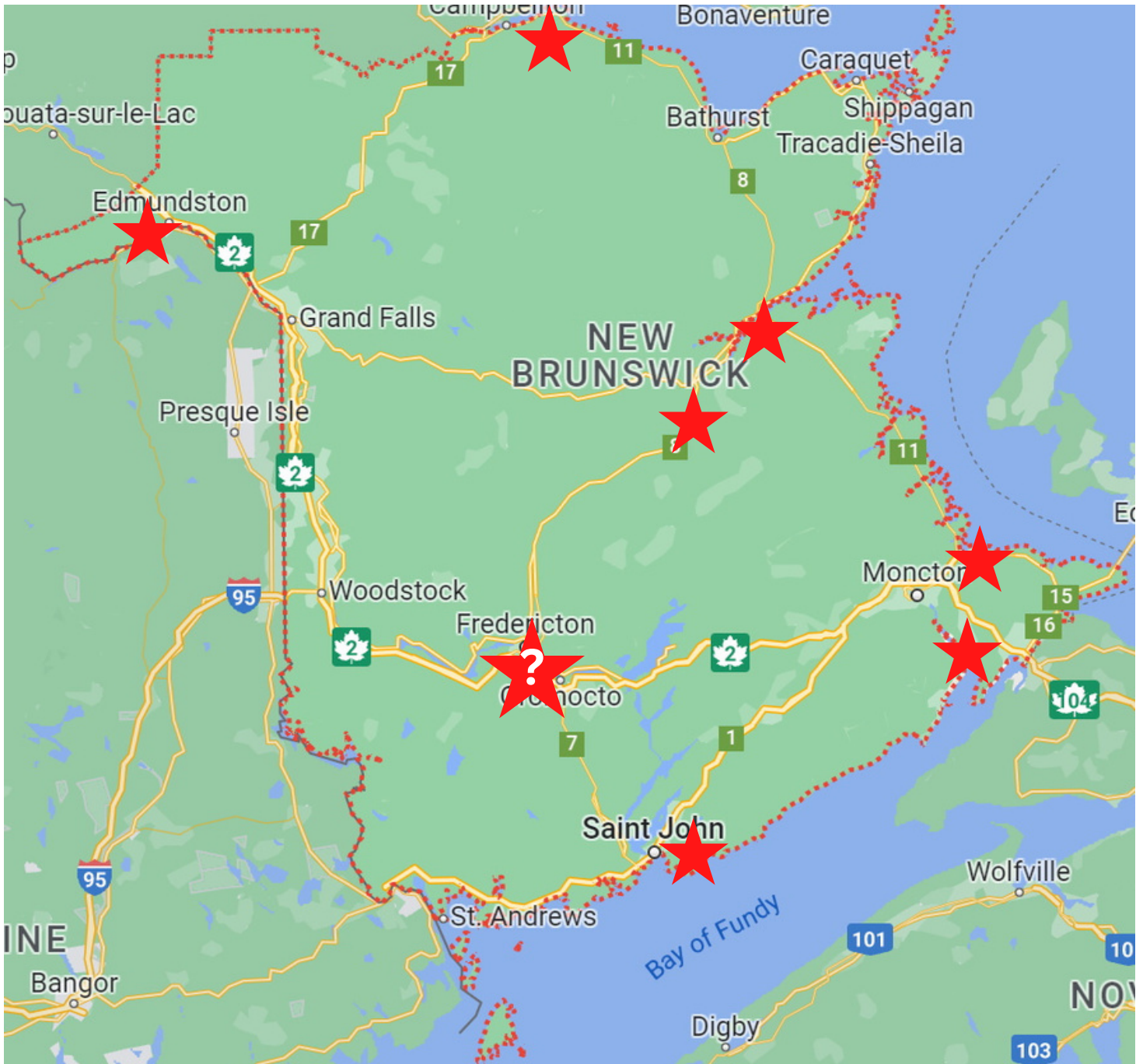


Location, Location, Location

The three most important words in Real Estate

Report compiled by:
Rob Hamel - REALTOR® with Exit Realty Advantage



My wife and I moved to the Lincoln Heights neighbourhood in October of 2009 after a fire in our building at Forest Hill Towers. The entire building had to be relocated during the building remodel and a townhouse in Lincoln Heights was the only suitable apartment we could find. We quickly learned what a blessing that fire was for us. Shortly after moving to Lincoln Heights, we were amazed at all the children outside playing and riding their bikes so freely and neighbours walking their dogs and chatting. As we walked the neighbourhood in the evenings that November and December, looking at the holiday lights, we realized how beautiful the neighbourhood truly is and the pride people take in their properties. It was on one of those evening walks looking at the lights that we decided this was the neighbourhood we wanted to start and raise our family in.

Fast forward to 2013, we had been living in our first home on Leisure Ave for a couple of years, our daughter was born, and I obtained my Real Estate License. Since receiving my Real Estate License, I have sold more homes in the Lincoln Heights neighbourhood than any other REALTOR® in Fredericton, so it is safe to say that I know the neighbourhood very well and the people who live in it. Lincoln Heights is a diverse middle/upper-middle-class family-oriented neighbourhood where parents put their children first. Our schools are of the highest ranked in the province (English and French) and that is what also attracts families to the area. We have Doctors, Lawyers, Company Owners, Nurses, Engineers, Police, Fire Fighters, Tech developers, University professors, Educators, Military members, and the list goes on who make up the fabric of our community. Many families are also immigrants who recently moved to the area.

We have a relatively low crime rate, as we are a vigilant neighbourhood and look out for one another, so hearing the news of a potential provincial jail being constructed within a short walking distance of our family-oriented neighborhood has us all up in arms. We are concerned for our family's safety, as well as the largest investment in our lives... our homes.

Thankfully, since I am a licensed REALTOR® I have access to every real estate transaction in the province of New Brunswick and since becoming aware of the committee's proposed location, I have spent countless hours researching this topic. I have painstakingly gone through property assessment values, list-to-sold homes, and cancelled/expired home listings in all jail locations throughout the province and compiled the data.

In my research, I have learned from looking at the five provincial correctional centers and the two federal penitentiaries that a correction center should have quick access to the highway for the transportation of inmates, quick access to a fire station and police services in case of emergencies, and be located away from the

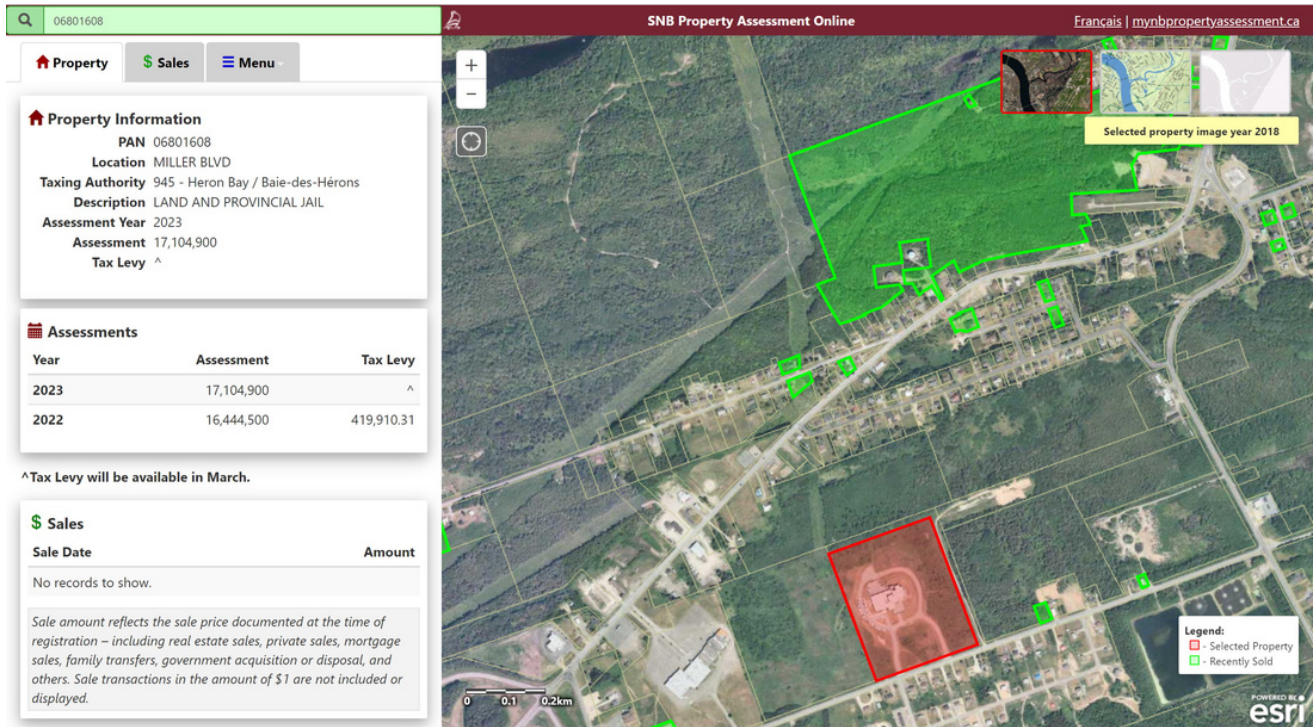
community center.

I also found that of the seven corrections facilities, only the Saint John Regional Correctional Center is located next to a residential neighbourhood. All of the other facilities are located a minimum of 1.6km away from a residential neighbourhood, mostly along a main highway/route, or road just off of a highway/route, and generally have between 25-50 homes within a 2km distance from the facility, not 700+ homes like Lincoln Heights. The average assessed value of homes around other corrections facilities is \$128,000, whereas the average assessed value of a Lincoln Heights homes is \$317,000.

As well, I have identified two prominent characteristics that play a major factor in residential real estate near correction centers in New Brunswick. The first is *distance*, the further a residential neighbourhood is from a correctional center, the less impact the center has on the neighbourhood's home value. In fact, I've found neighbourhoods further than 2km away do not have any impact on their home's value and sales. The second characteristic is *natural barriers* between a correction center and a residential neighbourhood. A natural barrier could be a waterway, a significant amount of land and/or wooded area, valleys/hills, highways, roads, or a combination of these barriers.

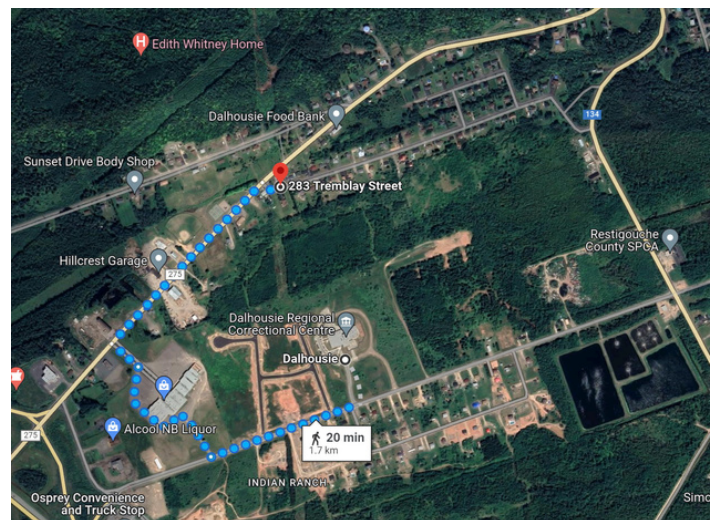
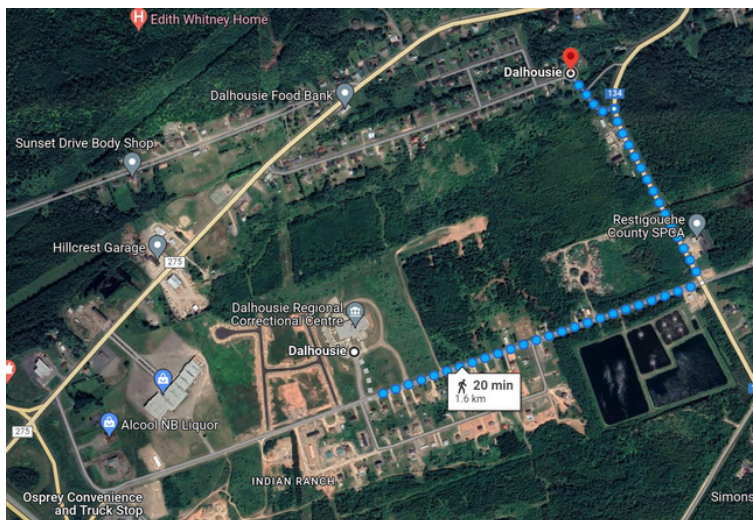
Based on my research of residential real estate sales and the compilation of data, I have used my findings to provide three other potential locations in Fredericton where a correctional center would be more suitable and in unison with the other correctional centers in New Brunswick. After reviewing my research, I hope that you will also agree that if a correctional center is needed in the capital region, it should not be located within 2kms of a residential neighbourhood and should also have natural barriers in place for added reassurance to the public. These factors help public perception and reduce stigmatization of the area, and people will be more likely to want to live and buy homes in the area.

Dalhousie Regional Correctional Center



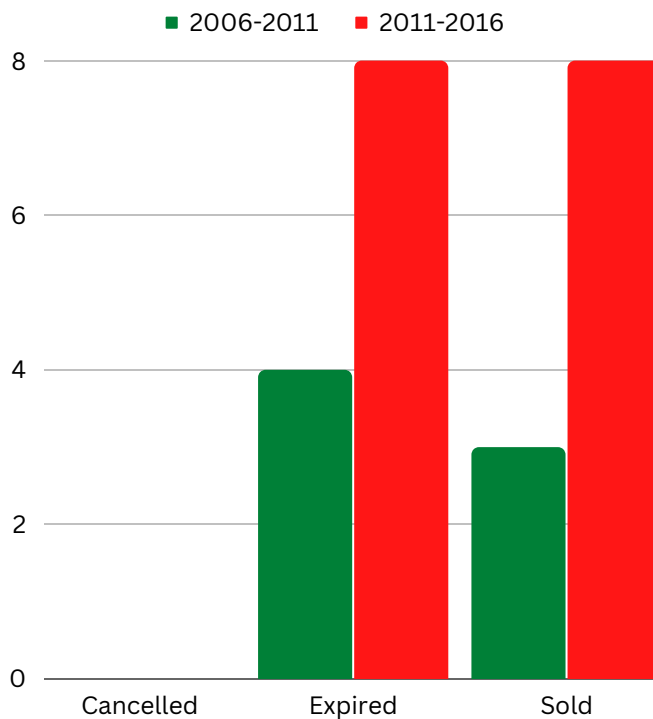
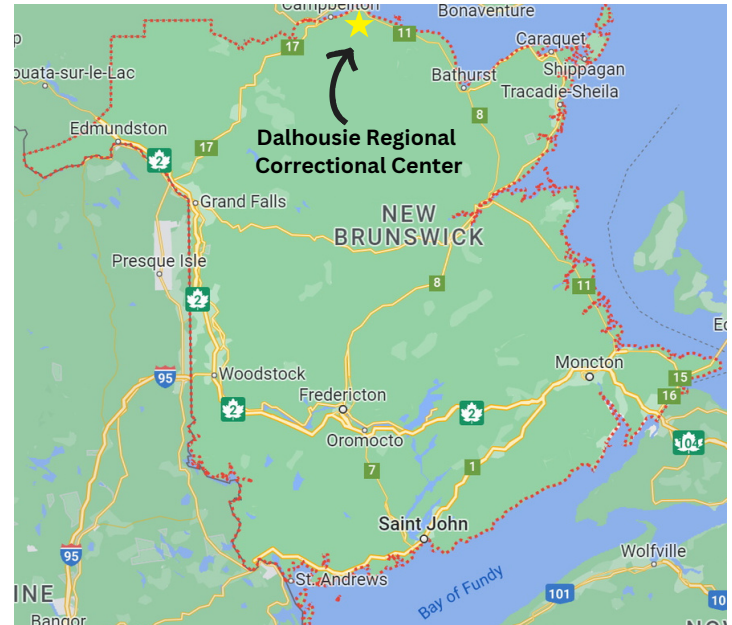
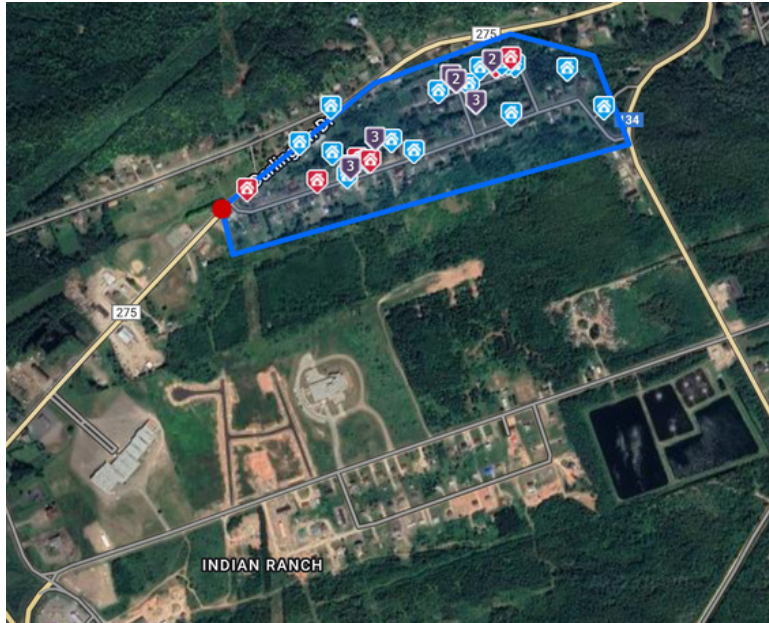
The Dalhousie Regional Correctional Center has a residential neighbourhood of roughly **75+/- homes** 1.6km to the north of the facility and has a natural barrier of woods with a few trails and roads cutting through. The nearby homes have an average property assessment value of **\$131,000**. To the south, directly across the entrance is First Nations Land and housing (*No data for First Nations Land)

- Inmate escaped August 3, 2022
- Two inmates escaped June 2011



Dalhousie Regional Correctional Center

MLS Data



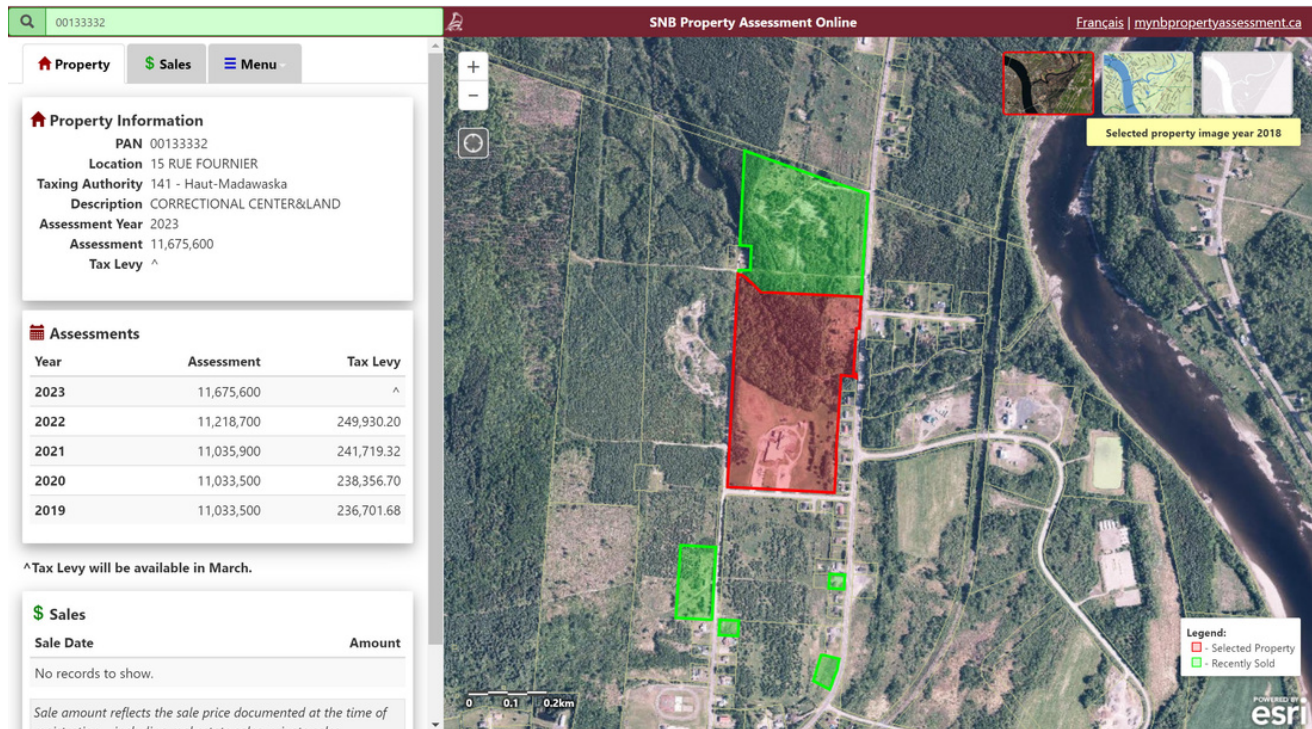
MLS Data shows that in the first 5yrs after the jail was opened, expired listings in the highlighted neighbourhood doubled, and although sales doubled, it is significantly important to note that **4 of the 8 sold homes were bank repos** and another 2 of the reported solds were the same house, which was bought in 2012 for \$350,000 and sold again in 2014 for \$276,000, a **LOSS of \$74,000**.

Dalhousie Regional Correctional Center

Homes near jail vs Homes in Lincoln Heights

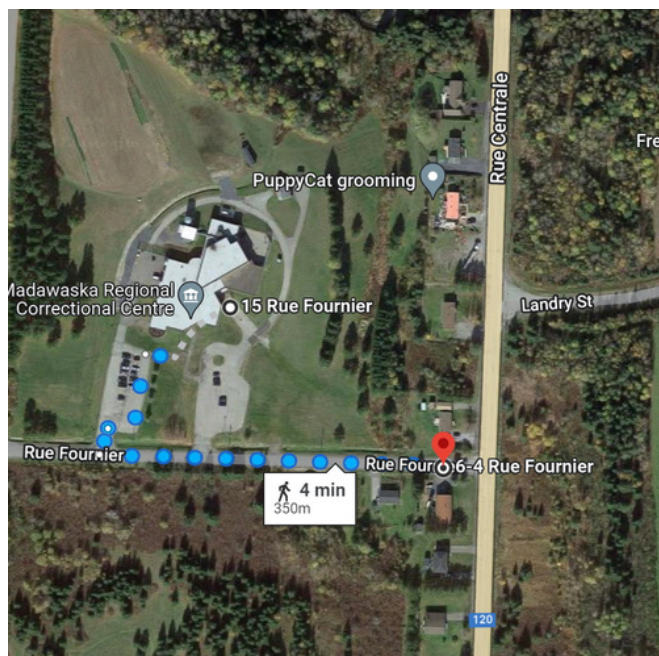


Madawaska Regional Correctional Center



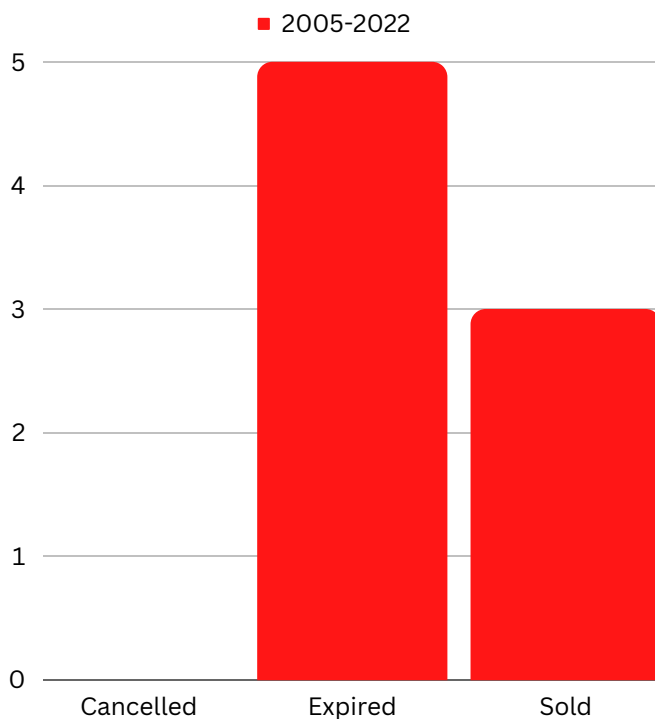
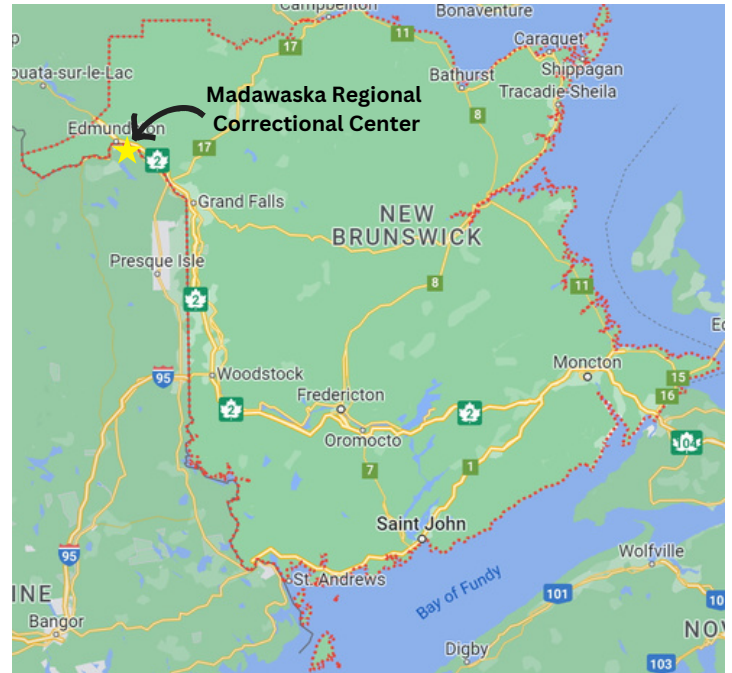
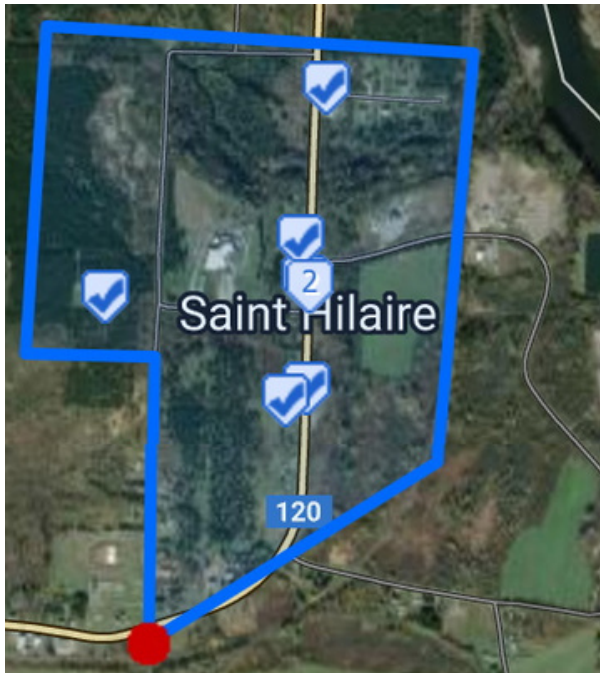
The Madawaska Regional Correctional Center has roughly **40+/- residential homes** within 1km in either direction with an average property assessment value of **\$128,000**.

- Inmate escaped in August 2018



Madawaska Regional Correctional Center

MLS Data



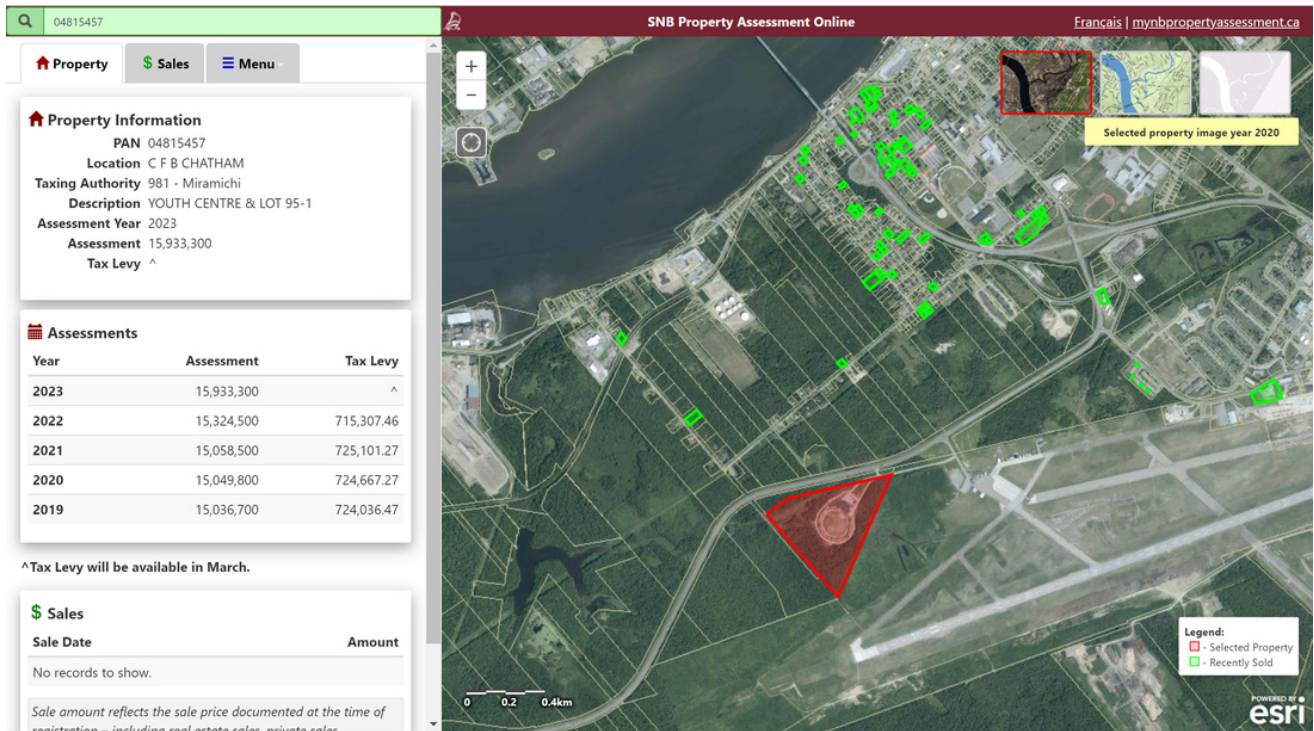
- Correctional Center was built in 1985. Only 50% of the residential properties that are currently near the correctional center were built after 1985. Due to the age of the center, my database does not have information from the time period.
- The highlighted area shows all available MLS data.
 - Very few real estate transactions.
- In 17 years, of the 3 Sold properties, 1 was a bank repo.

Madawaska Regional Correctional Center

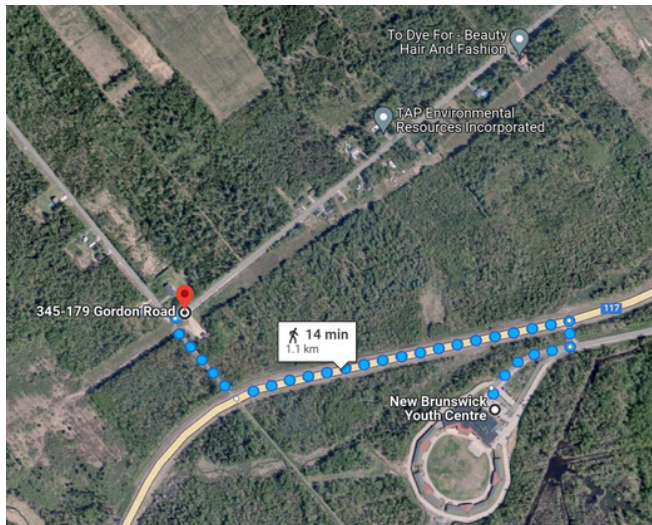
Homes near jail vs Homes in Lincoln Heights



New Brunswick Youth Center

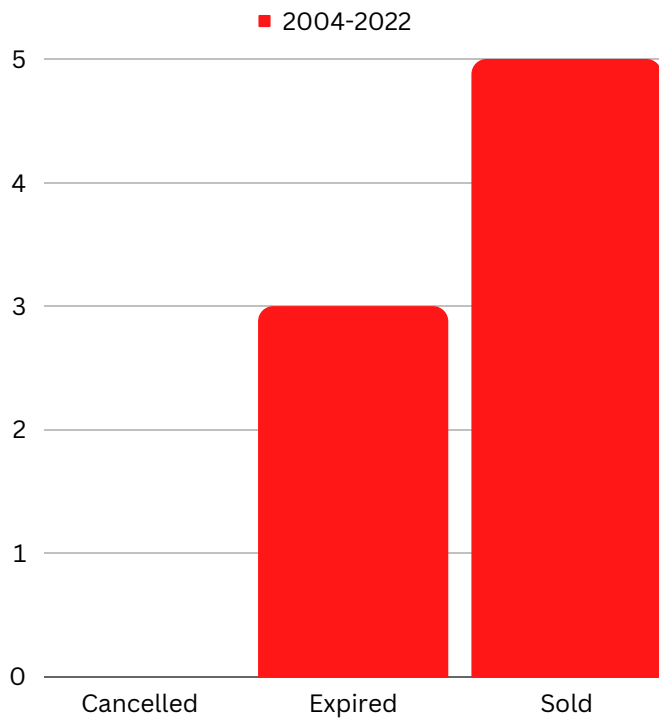
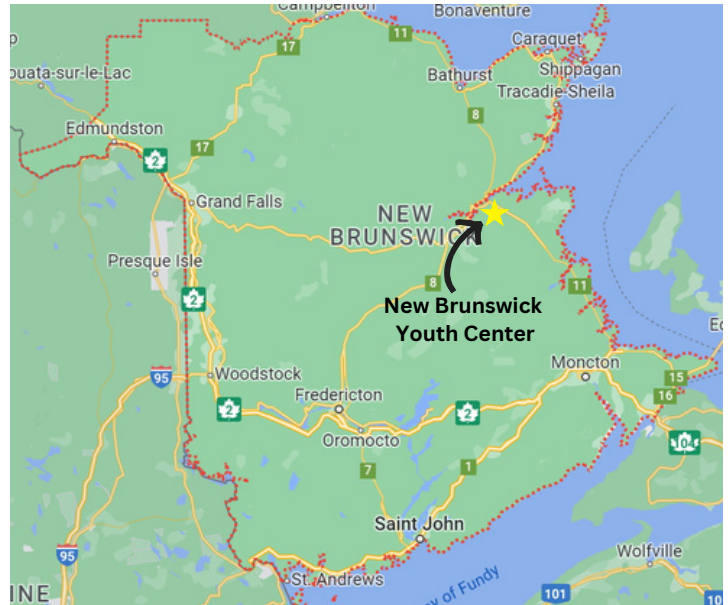
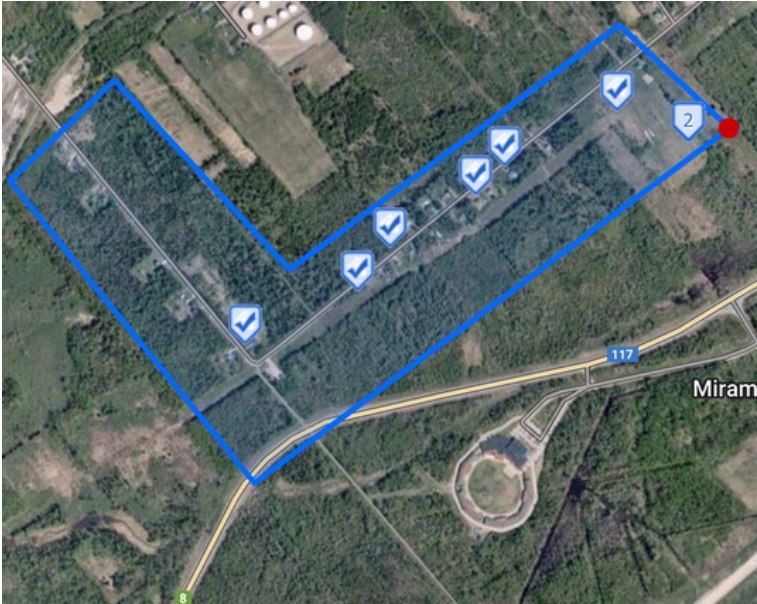


The New Brunswick Youth Center is located next to the airport, and has roughly **25+/- residential homes** to the north of the center with a natural barrier of woods, with a road cutting through. The homes have an average property assessment value of **\$130,000**.



New Brunswick Youth Center

MLS Data



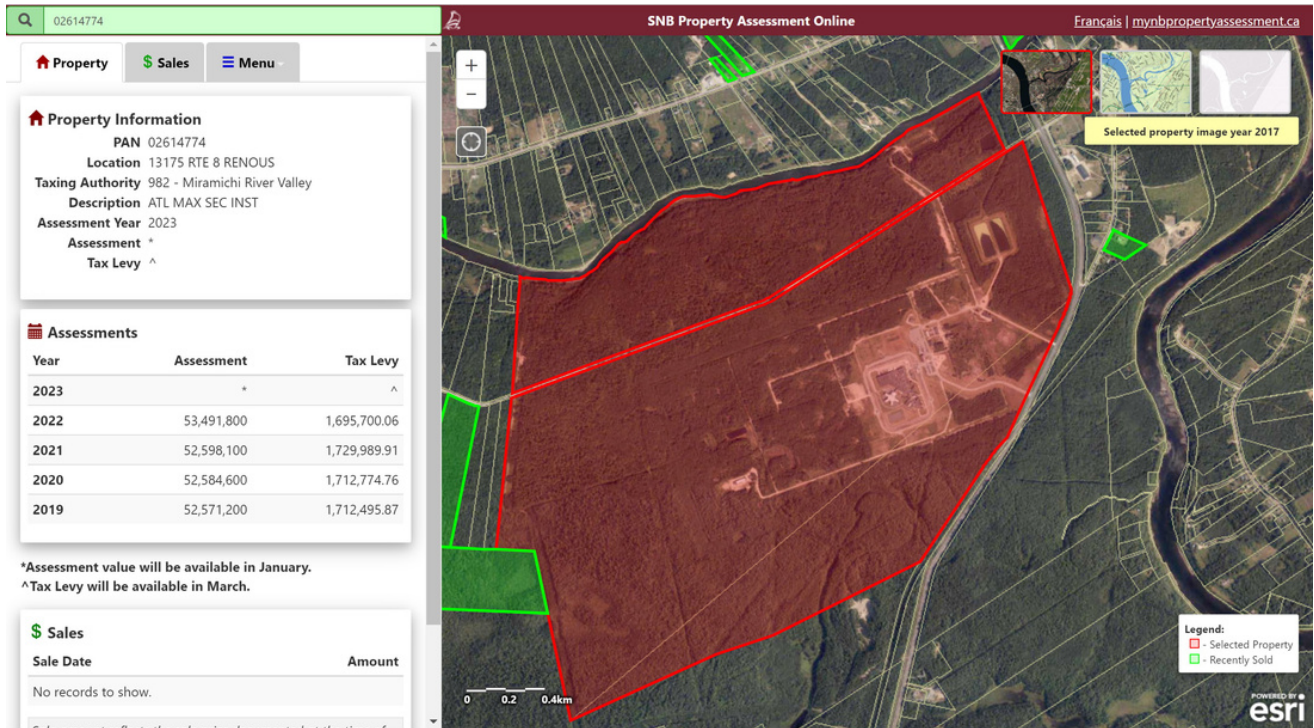
- Correctional Center was built in 1996.
- The highlighted area shows all available MLS data.
 - Very few real estate transactions.
- In 18 years, of the 5 Sold properties, 1 was a bank repo.

New Brunswick Youth Center

Homes near jail vs Homes in Lincoln Heights



Atlantic Institution



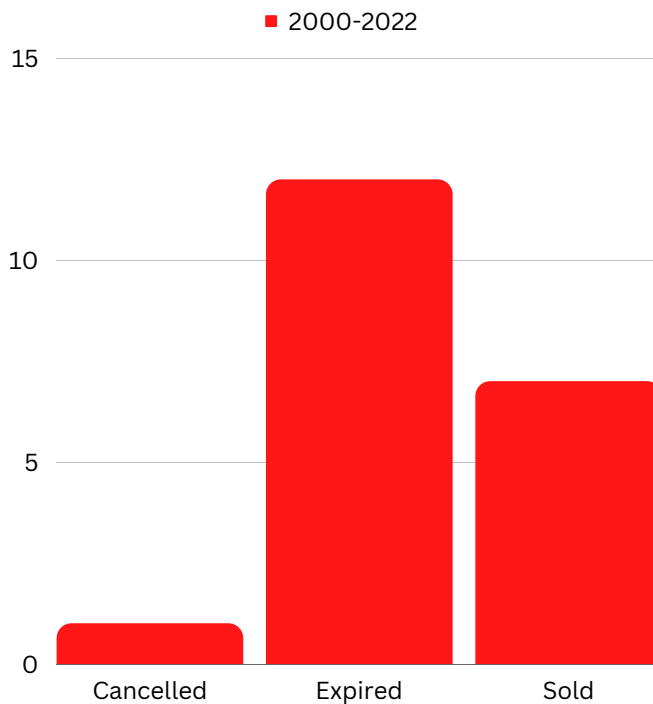
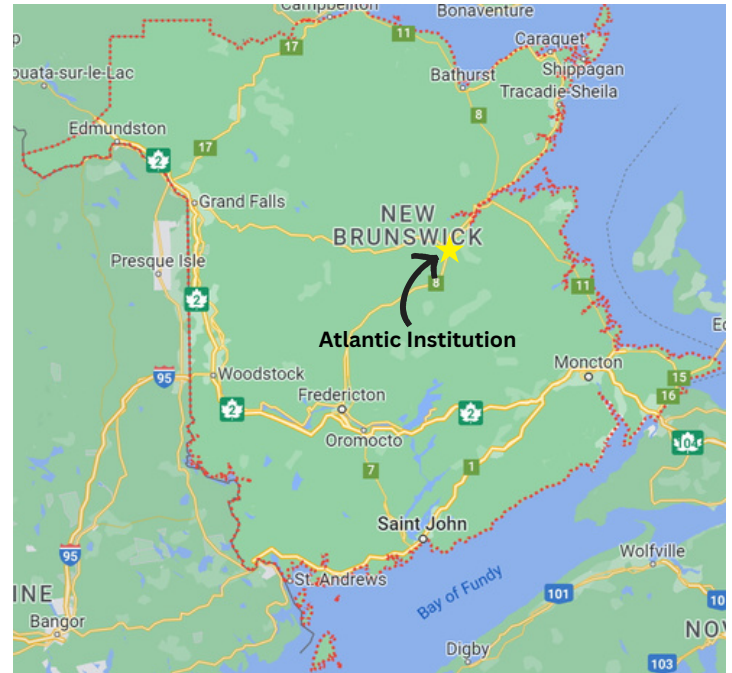
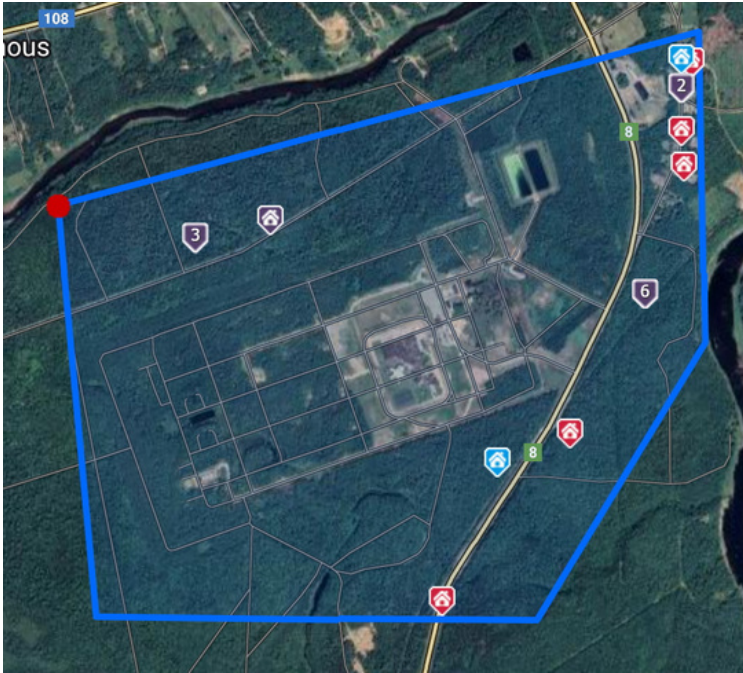
The Atlantic Institution has no residential neighbourhoods near it and **24 residential homes** within 2km in either direction, with an average property assessment value of **\$117,000**.

- Inmate escaped in May 1989 (201 days)



Atlantic Institution

MLS Data



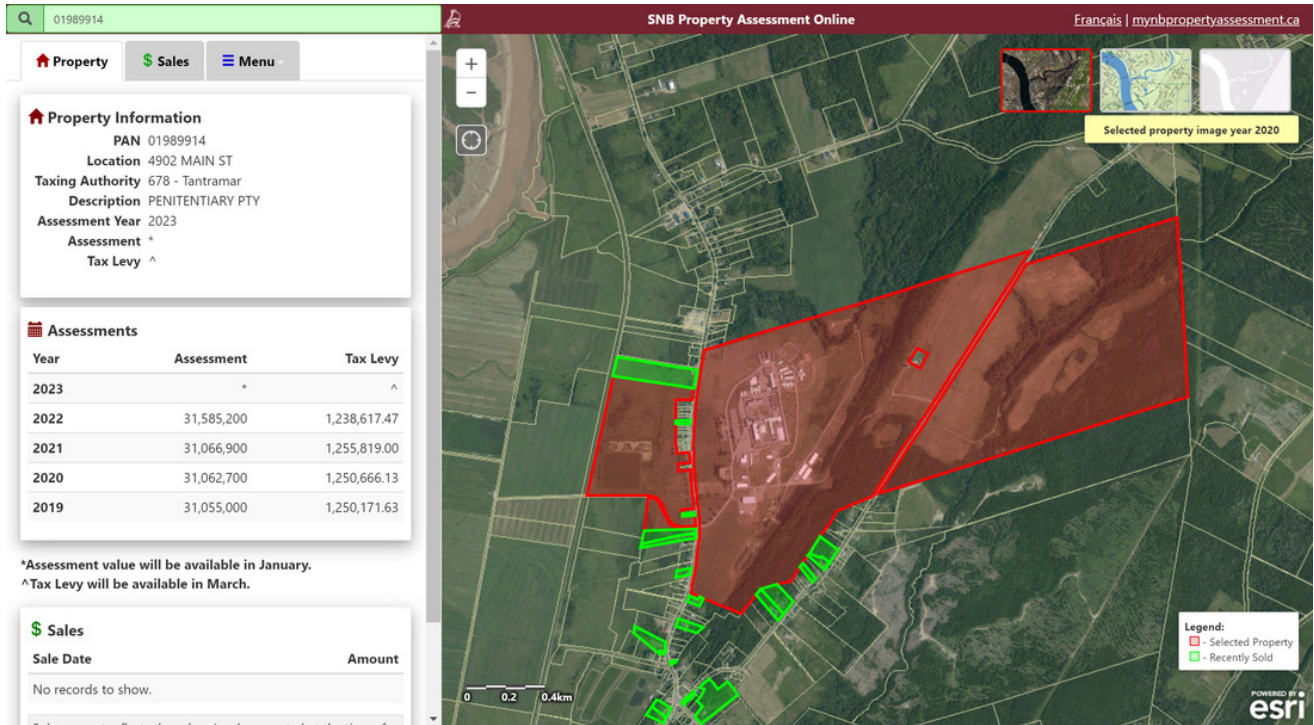
- Correctional center was built in 1987. Due to the age of the center, my database does not have information from the time period.
- The highlighted area shows all available MLS data.
 - Very few real estate transactions.
- In 22 years, only 7 homes have sold in this area.

Atlantic Institution

Homes near jail vs Homes in Lincoln Heights

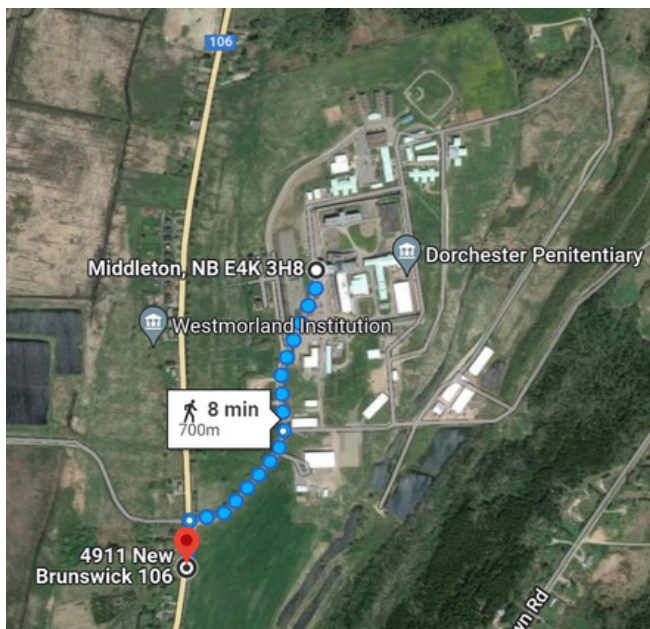


Dorchester Penitentiary



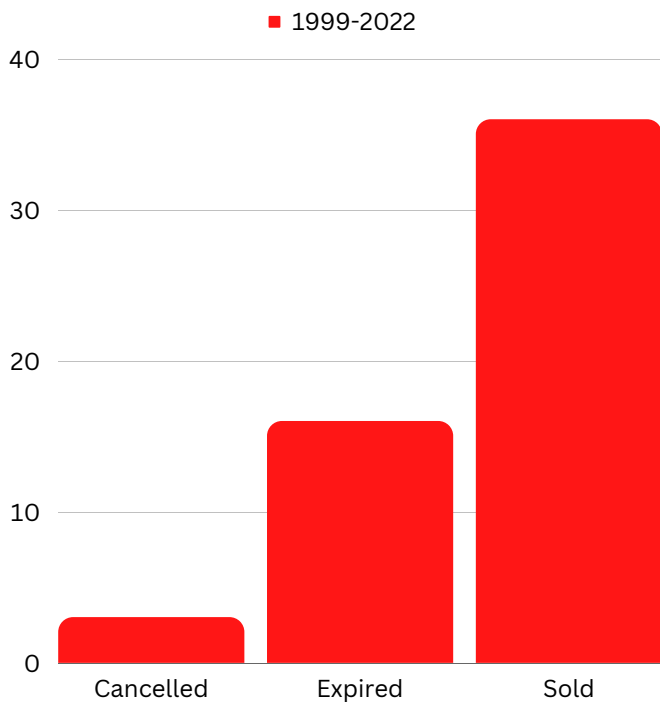
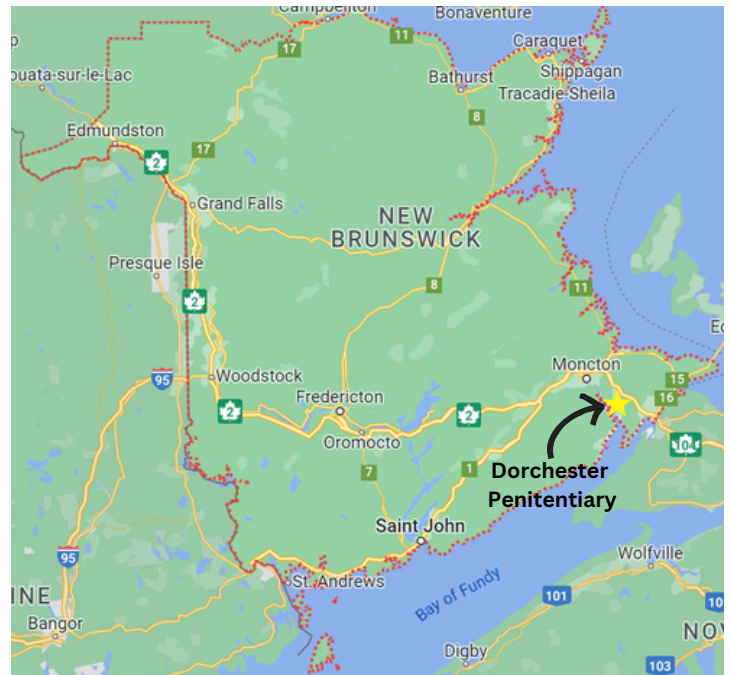
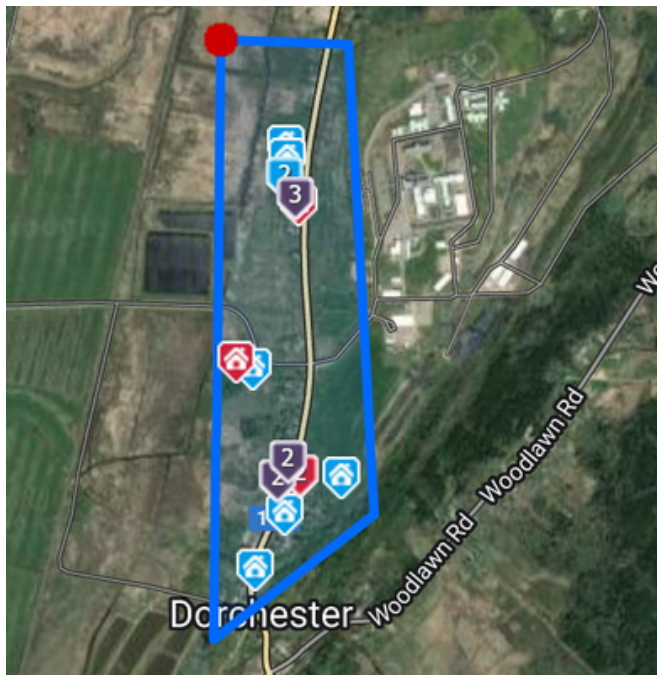
The Dorchester Penitentiary has **57 residential homes** within 1.5km in either direction of the jail with an average property assessment value of **\$90,000**.

- Inmate escaped in August 2019
- Inmate escaped in February 2018
- Inmate escaped in September 2017
- Inmate escaped in February 2016
- 2 inmates escaped in May 2012



Dorchester Penitentiary

MLS Data



- Correctional center was built in 1980. Due to the age of the center, my database does not have information from the time period.
- The highlighted area shows all available MLS data.
 - Very few real estate transactions.
- In 23 years, there have been 36 home sales in the area.

Dorchester Penitentiary

Homes near jail vs Homes in Lincoln Heights

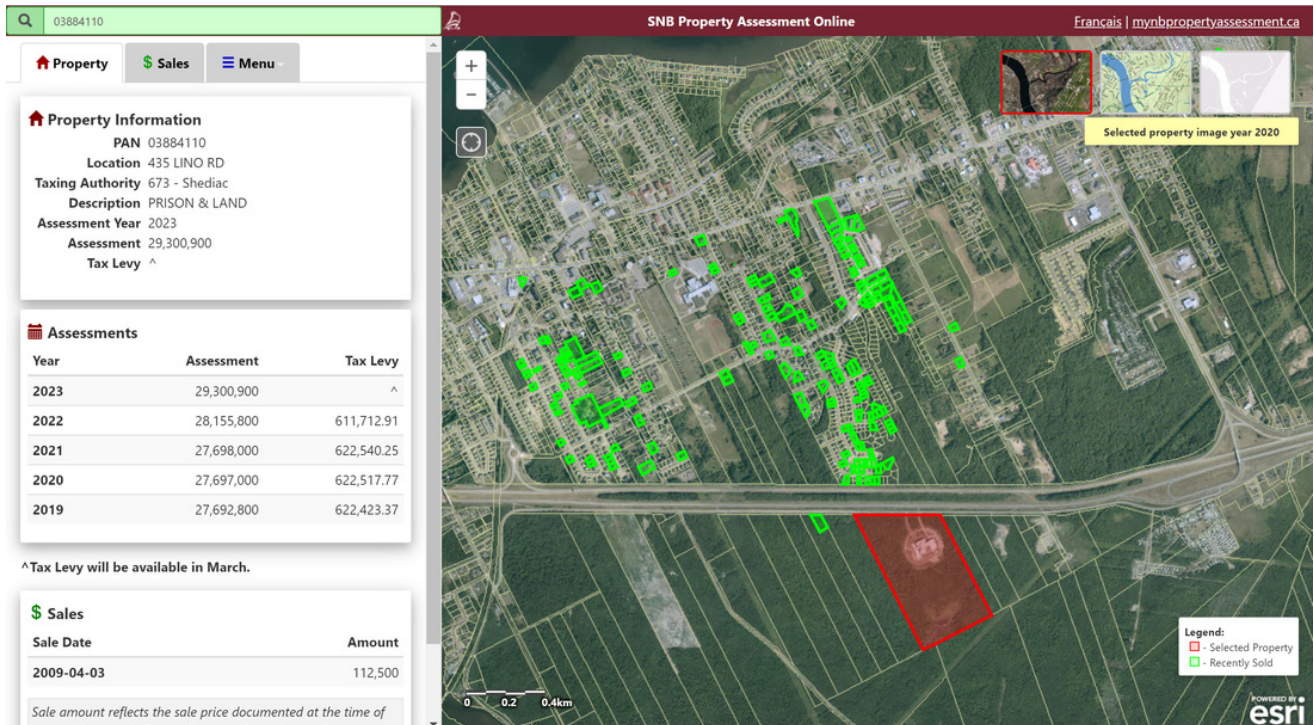
Moss and plants growing on roof



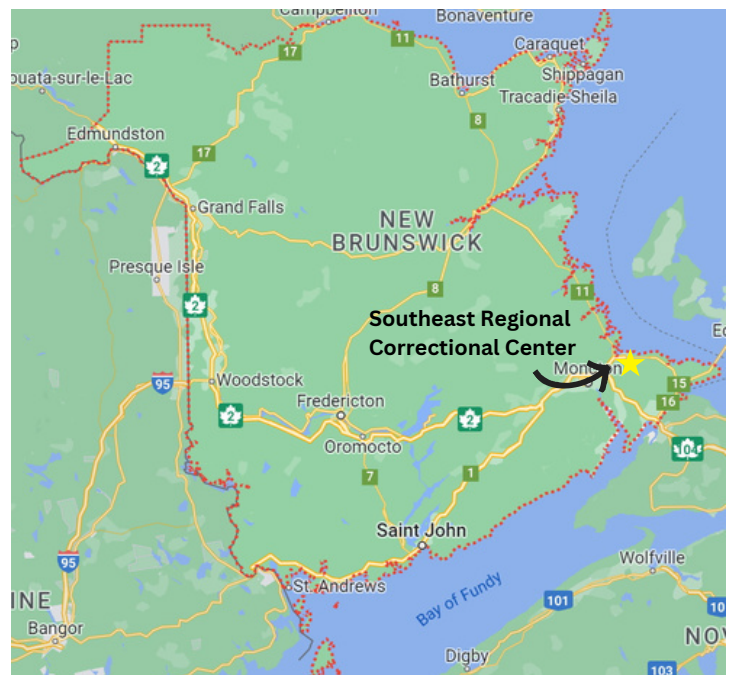
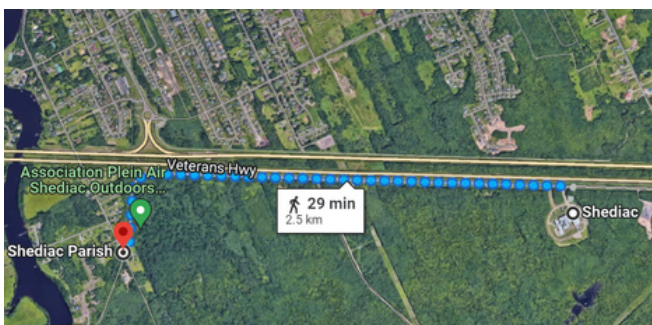
Camera directed towards the jail



Southeast Regional Correctional Center

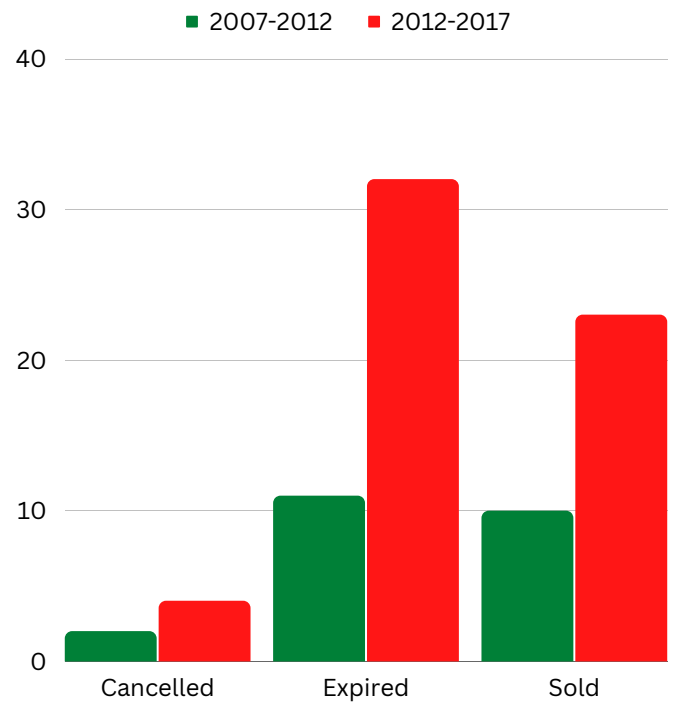
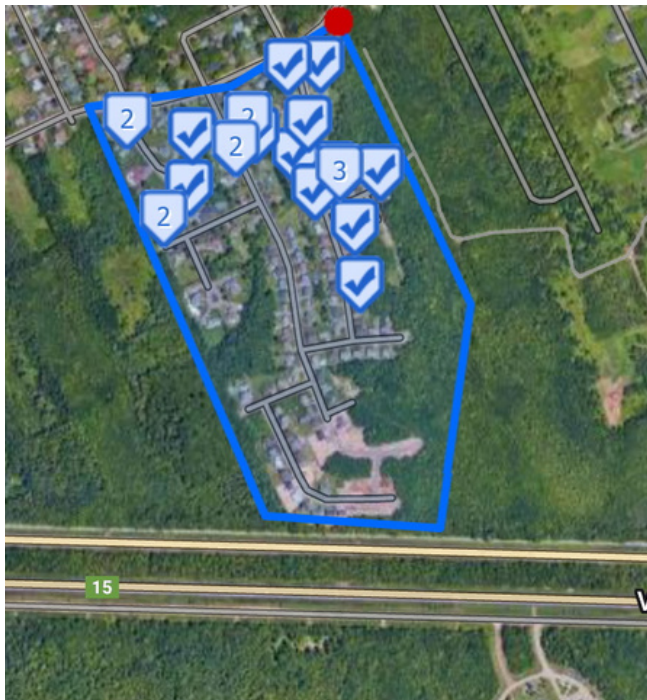


The Southeast Regional Correctional Center has no immediate residential neighborhoods near it. To the north of the center with a natural barrier of woods, a road, and two double lane highways cutting through, is a large growing neighborhood of roughly **166+ residential homes** with an average property assessment value of **\$369,000**, with serviced *municipal lots* selling for **\$48,000**. To the west 2.5km from the jail, is a residential neighborhood of **45 homes** with an average property assessment value of **\$265,000**.

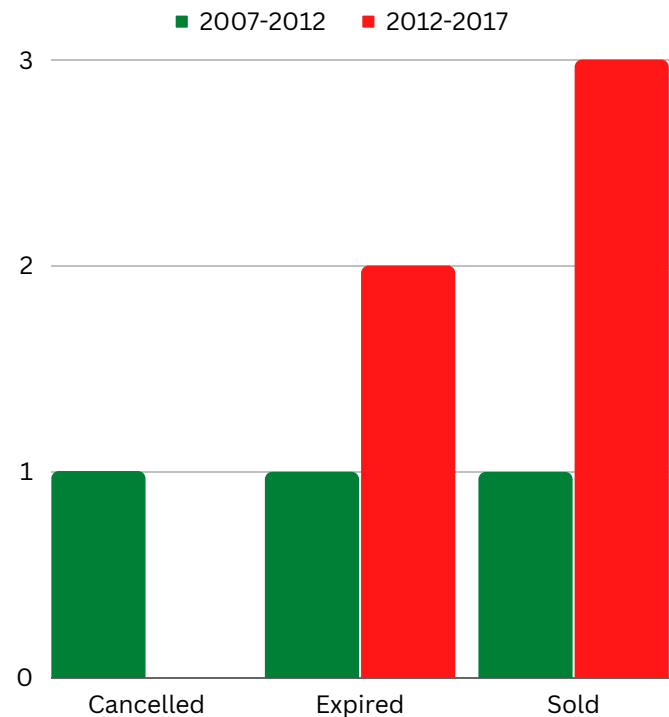
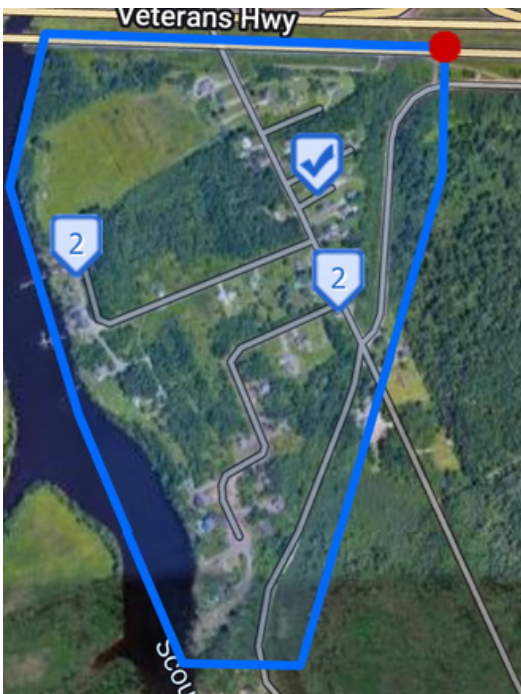


Southeast Regional Correctional Center

MLS Data



With several natural barriers in place, buyers were comfortable buying to the north of the correctional center after it opened in 2012. The neighborhood to the west of the center is distanced far enough away that there was no impact to the values of the homes.

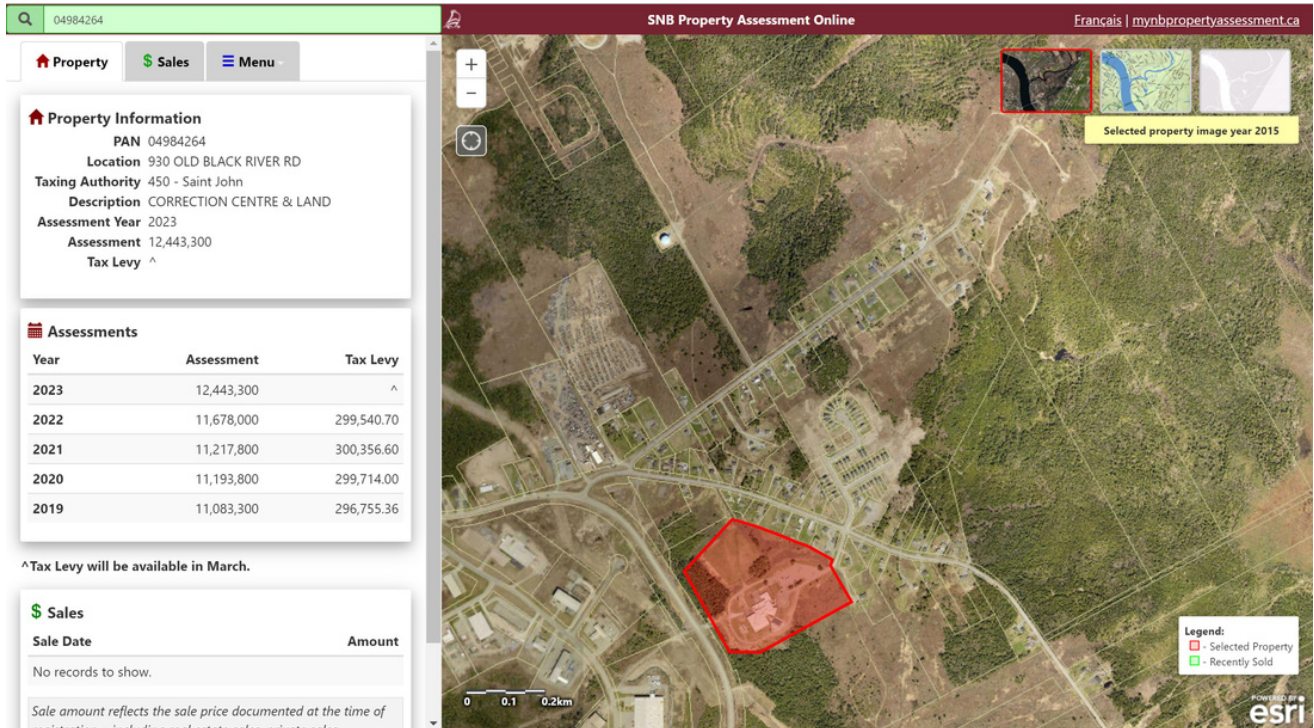


Southeast Regional Correctional Center

Homes near jail vs Homes in Lincoln Heights

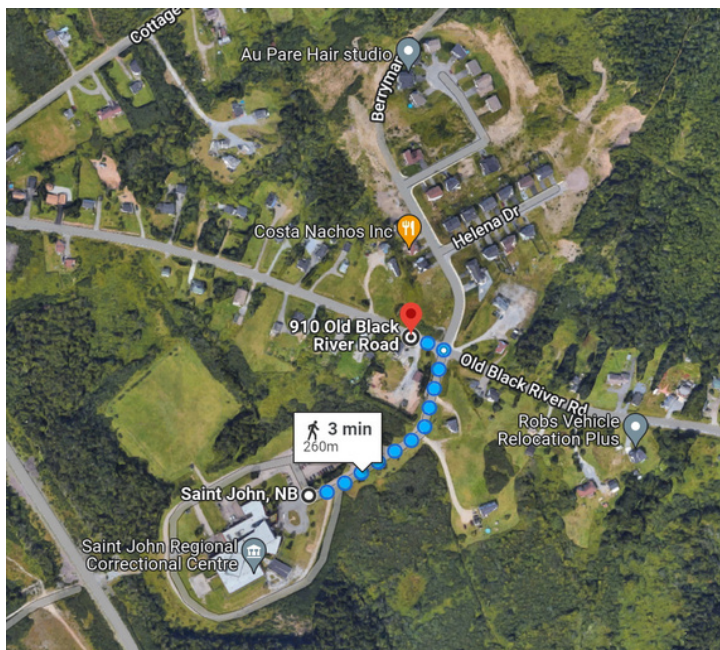


Saint John Regional Correctional Center



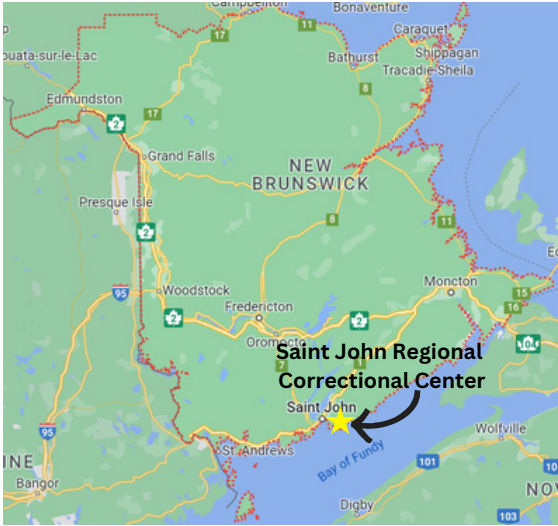
The Saint John Regional Correctional Center is located between the Irving Oil Refinery and Saint John LNG (Liquified Natural Gas). It sits next to a very industrial area, but has a neighborhood of **112+/- residential homes**, most of which are semi-detached properties with an average property assessment value of **\$170,000**.

- Inmate escaped October 2021 (4 days)
- Inmate escaped February 2017
- Inmate escaped August 2013



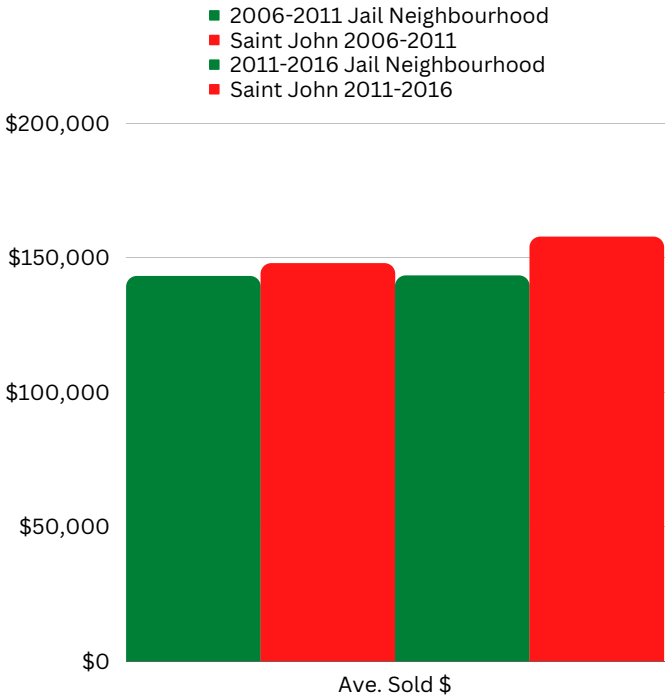
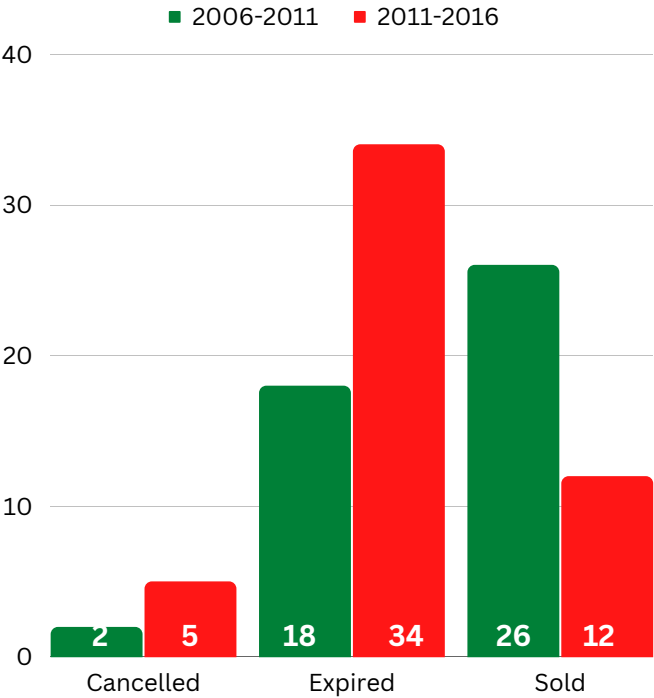
Saint John Regional Correctional Center

MLS Data



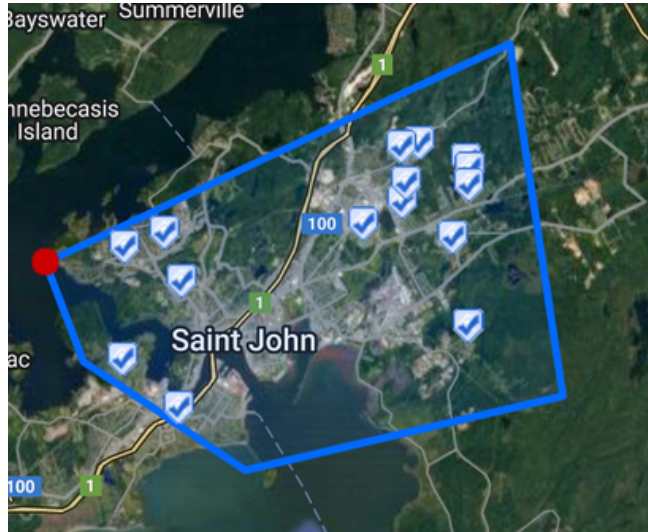
The graph below to the left shows MLS data from the 5yrs before and after the correction center opened. The results show that with ***no natural barriers and within walking distance to a residential neighbourhood***, that the **cancelled listings over doubled, the expired listings almost doubled, and the sold properties dropped by over 50%.**

The graph to the right shows how the highlighted neighbourhood's sales before and after the correction center was built, compared to the rest of Saint John's sales. Prior to the facility being built, the neighbourhood's average selling price was **\$143,063** and **Saint John's was \$147,823**. After the correction center opened, the highlighted neighbourhood's average selling price was **\$143,266** and **Saint John's was \$157,669**. While the rest of **Saint John saw an increase of almost \$10,000, the highlighted neighborhood only increased \$203 for the same time period.**



Saint John Regional Correctional Center

MLS Data



2020-2022 has been the hottest real estate market in New Brunswick, as well as Canada. New Brunswick led real estate growth sales for all of Canada in those years. So how did the Semi-Detach market in Saint John compare to the newer construction across from the Saint John Correctional Center? Using the highlighted map to the left from January 1, 2020 - December 31, 2022 there were **55 Semi-detached homes sold** in Saint John. **4 were across from the jail and 51 were located all over the city.** In the hottest real estate market Saint John has ever seen, the **51 Semi-detached homes sold for 104%** to list price and the **4 Semi-detached next to the jail sold for 99% (-5%).**

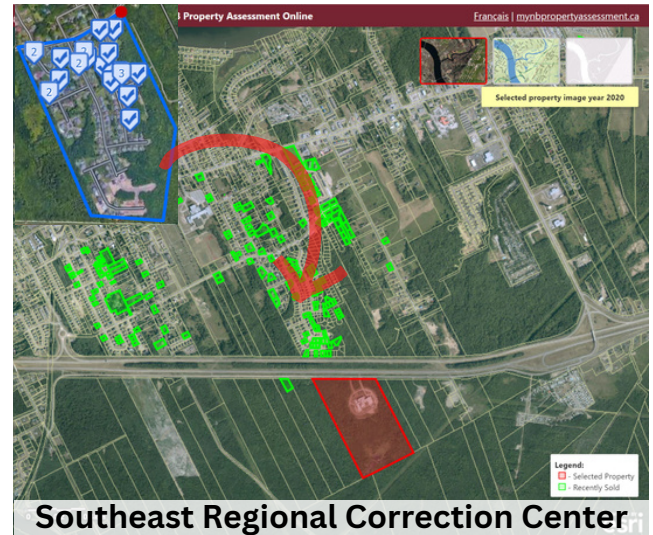
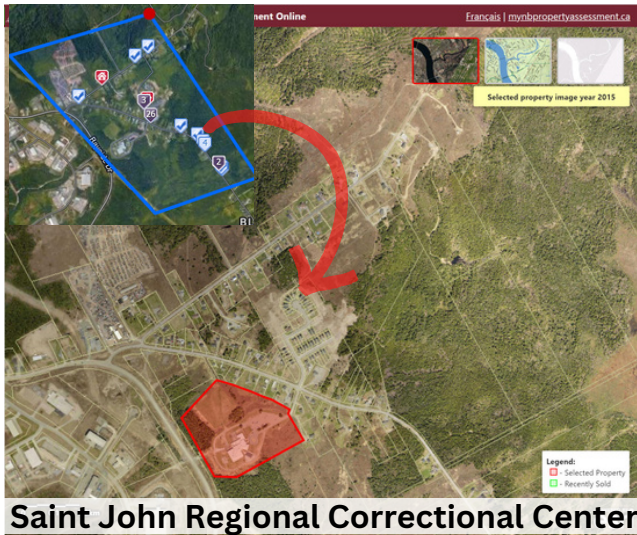
When comparing against the other 10 Semi-detached homes of the same age (2009-2022) **the other 10 homes, not in close proximity to the jail, sold for over \$80,000 more.**

Saint John Regional Correctional Center

Homes near jail vs Homes in Lincoln Heights



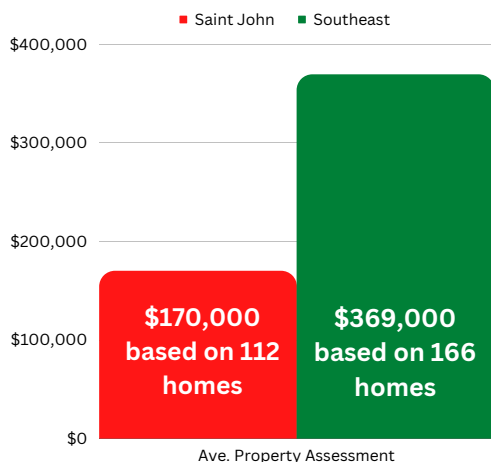
Saint John Regional Correctional Center Vs. Southeast Regional Correction Center



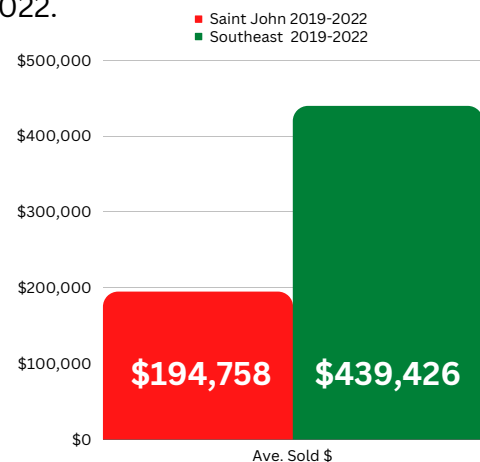
When comparing the residential real estate sales of Fredericton to all of the locations that currently have either a provincial correction center, or a federal penitentiary, the Saint John Regional Correctional Center and the Southeast Regional Correction Center are the two closest comparable markets, and are great examples as to why **distance** and **natural barriers** should always be considered when proposing a location for a future correction center or penitentiary. When the appropriate distance and natural barriers exist, buyers are more comfortable purchasing/building. As well, when buyers are more comfortable, the value of homes that can be built is greater. Both highlighted neighbourhoods are similar in size and have the same amount of new construction. However, the neighborhood in Saint John (within walking distance and no natural barriers) consists of mostly semi-detached homes worth 50% less than the homes that have been built near the Southeast Center, which has distance and several natural barriers in place separating the neighborhood from the correctional center.

MLS Data

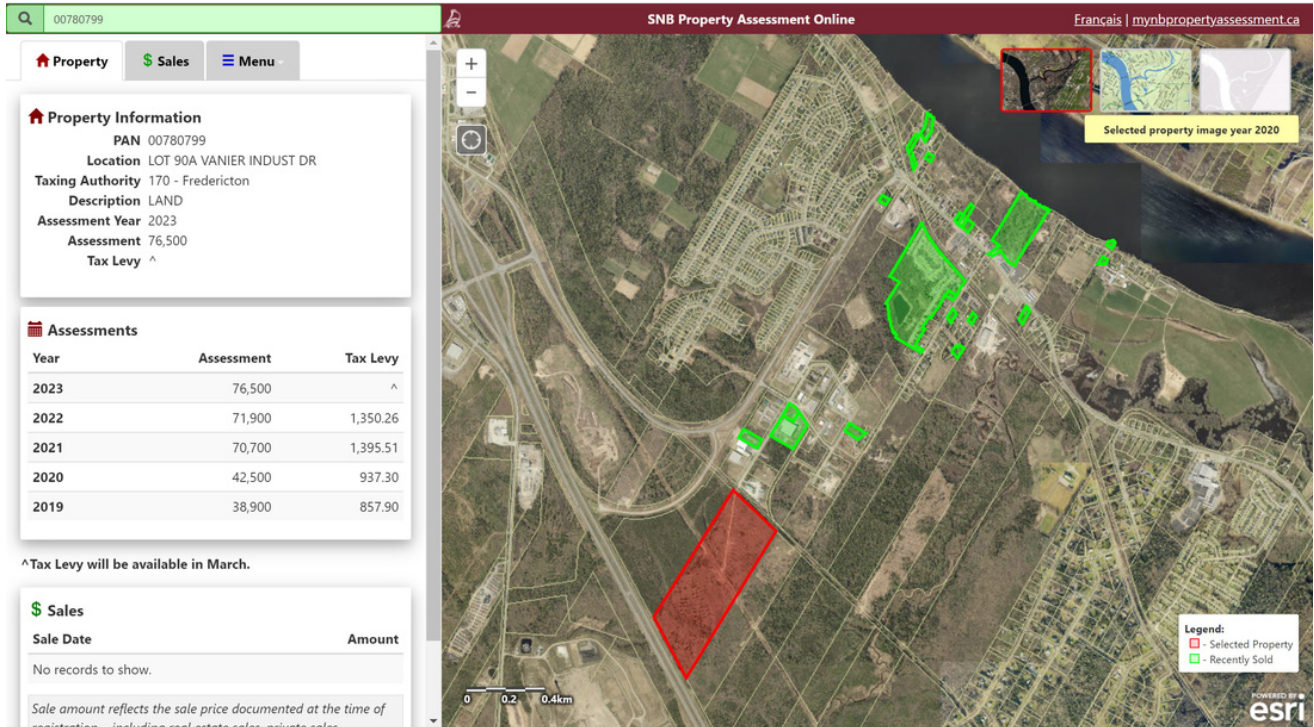
The chart below shows the highlighted neighbourhoods in both locations' average property assessment value (2022).



The chart below shows the highlighted neighborhoods in both locations' average selling prices from January 1, 2019, to December 31, 2022.



Fredericton Regional Correctional Center



The Fredericton Regional Correctional Center will be a correctional facility designed to house **(no one knows yet what type)** inmates. It is potentially being located in a business park in between two very prominent neighbourhoods (Lincoln Heights to the west and Lincoln Park Gardens to the east).

The business park in recent years has seen several new businesses, including one newly constructed construction supplier, Kerr Smart Energy, which would be located 100m from the potential jail location. Across from Kerr Smart Energy and also 100m from the potential jail location is Capital City Paintball and Archery facility, which is a widely used recreational facility, of which many of its patrons are children.

The Lincoln Heights neighborhood currently has **600+ residential homes** and condos with a rough average property assessment value of **\$317,000** along with several apartment buildings and townhouses. In recent years, phase 1 has developed, with future development to the wooded area closest to the potential jail location, adding roughly 125+ detached homes, plus more apartment buildings, condos, and townhouses. With the average cost of construction of a single detached home in 2022 between \$450,000-500,000, the undeveloped areas will have a higher property assessment value.

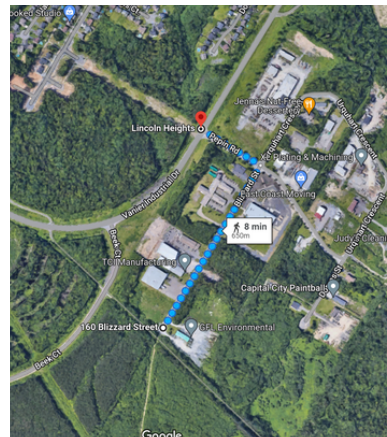
The Lincoln Park Gardens Neighborhood has roughly **350+/- residential homes** with a rough average property assessment value range of **\$325,000-350,000**. This neighbourhood has also been expanding at a rapid rate towards the back of the neighbourhood, which would be closest to the potential jail location.

Lincoln Heights Subdivision Plan



The Lincoln Heights expansion phase 1 is already underway and every available lot has been sold. With the completion of the expansion, the neighbourhood will add an additional 125+ residential homes, plus condos, apartment buildings and townhouses, and an additional park. With the average cost to build a detached residential home in 2022 between \$450,000-500,000 the neighborhood extension will bring in over \$600,000/yr in property taxes for the city, plus the taxes on the apartment buildings, condos, and townhouses.

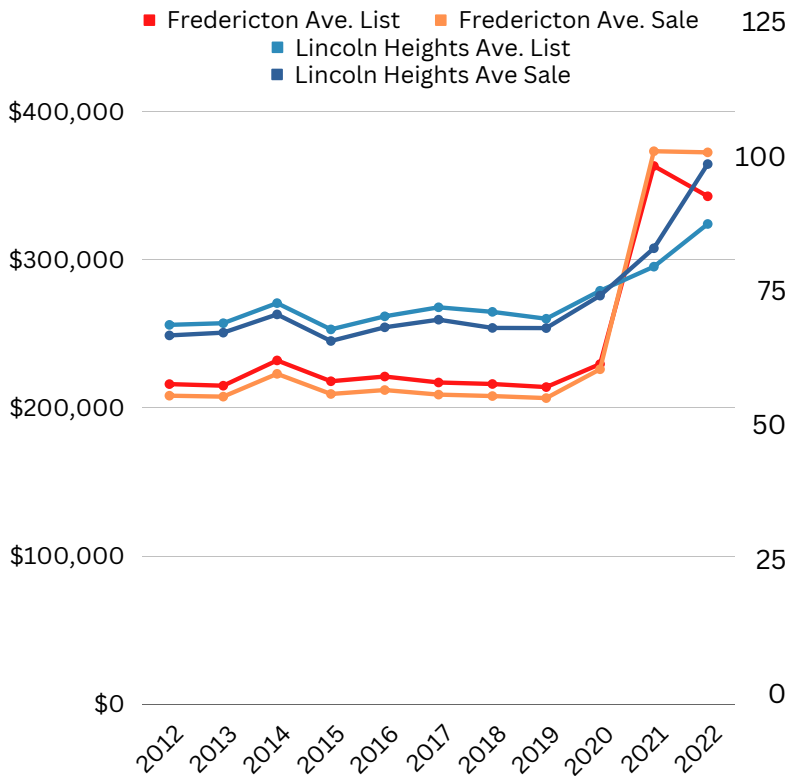
The proposed location will also be located 500m to the backyards of future homes, and 700m to the future park.



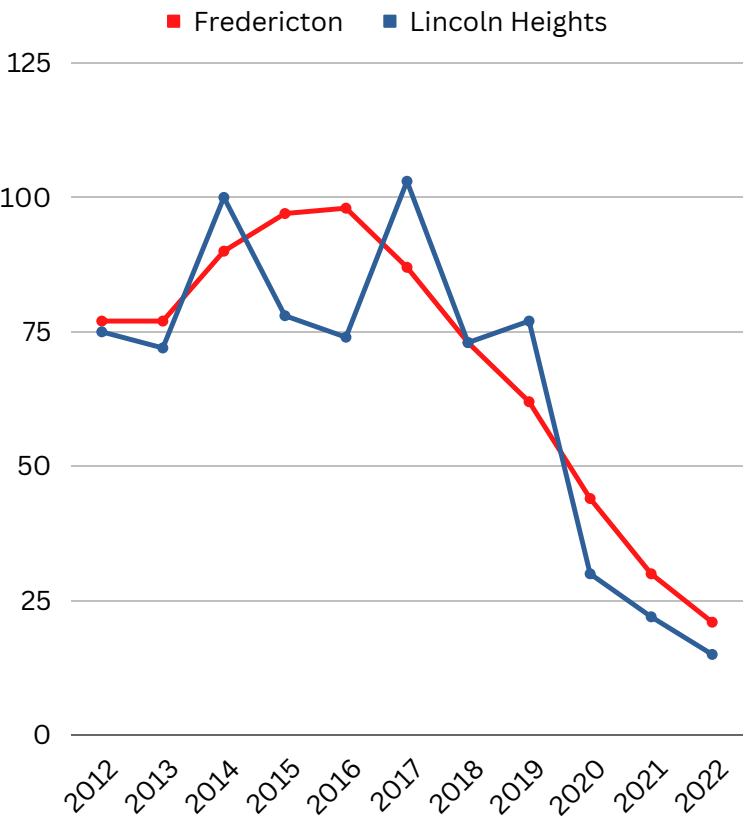
10yr Residential Real Estate Sales History

Fredericton vs. Lincoln Heights

Average List Price vs. Average Sale Price



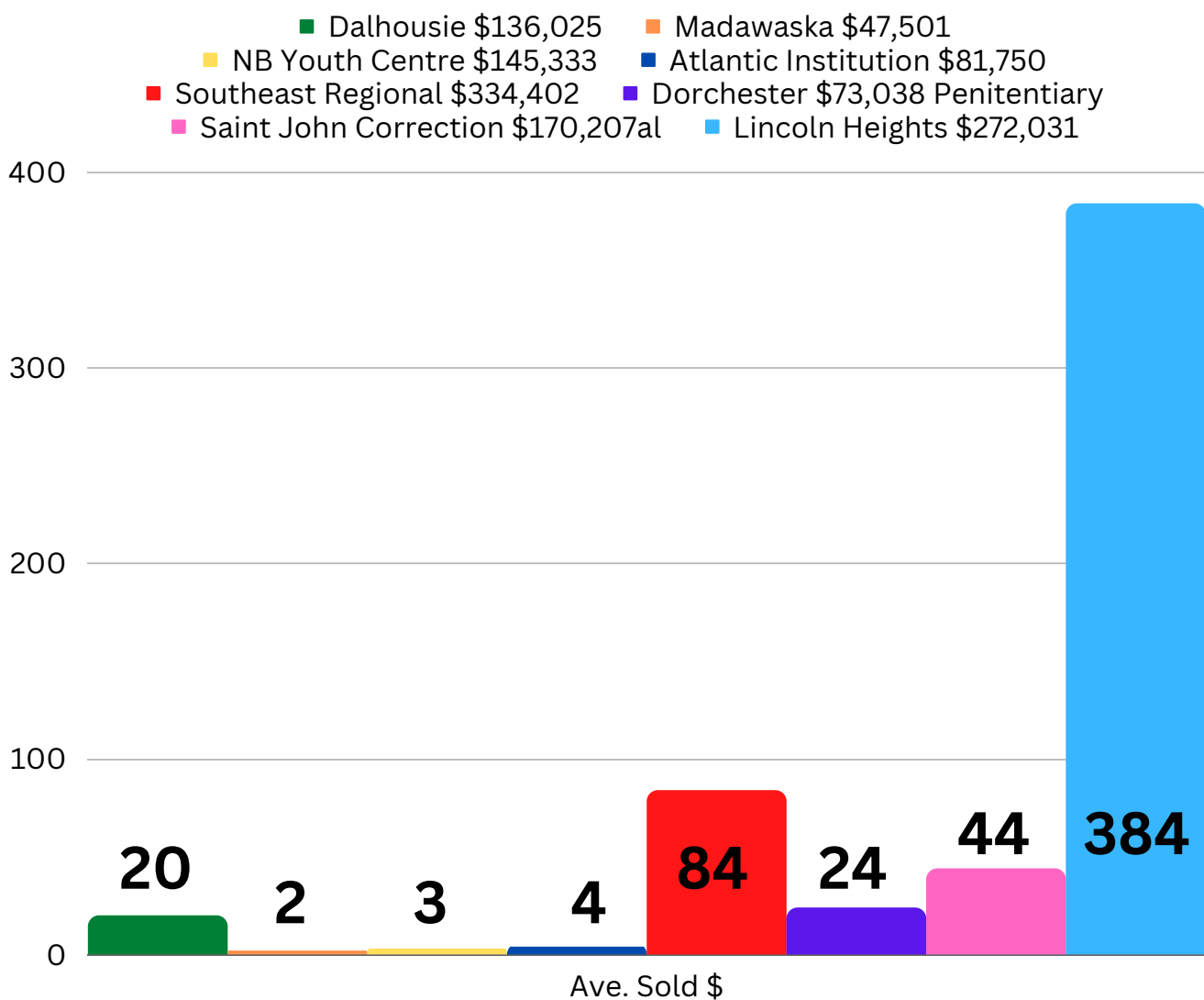
Average Days on Market



Sales data from the Real Estate Board of the Fredericton Area Inc. shows that the neighborhood of Lincoln Heights (blue square in the graphic to the left) has historically always had a higher listing price and selling price compared to the Fredericton average. The only dip in the averages came in 2021 and 2022, which are due to high condo sales on Goodine St. The condo sales represented 15% and 20% for each year's sales in Lincoln Heights. With those condos removed from the data, the neighborhood's average list and sale prices would have been above the Fredericton Average. As well, the chart shows that 7 of the last 10yrs, Lincoln Heights properties sold in fewer days compared to the Fredericton Average.

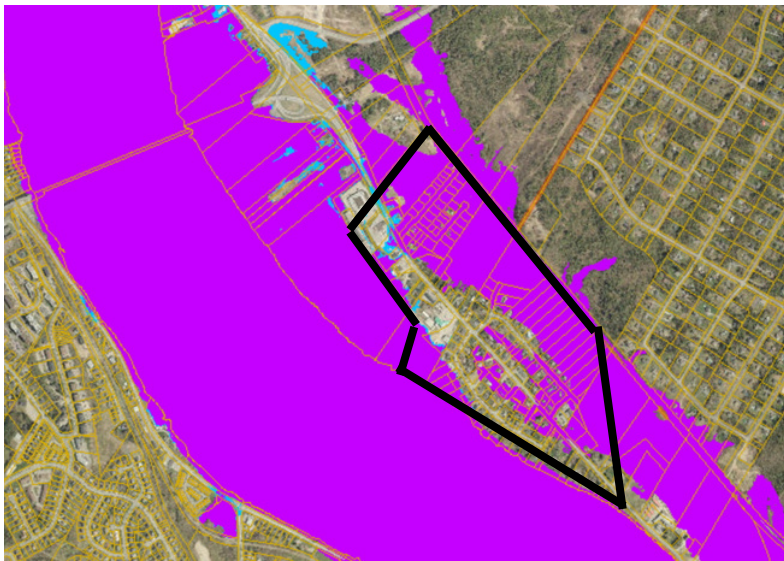
10+yr Residential Real Estate Sales History of All Locations vs. Lincoln Heights

The chart below shows the average selling price and the number of sales from January 1, 2012-December 31, 2022 for each neighbourhood around a correctional facility and Federal Penitentiary in New Brunswick, compared to sales in the Lincoln Heights neighbourhood. As the graph indicates, in the same time period, there have been 300 more homes sold in Lincoln Heights than the next closest neighborhood near a jail elsewhere. As the Saint John data shows, locating a correctional facility within walking distance and with no natural barriers is likely to negatively impact public perception of our area, resulting in reduced sales, lowered home prices, and lower taxes for the city. The neighbourhood would ultimately become less attractive to current home owners and potential home buyers.



Stigmatization

Neighborhoods get stigmatized all the time for many different reasons. Once a stigma has been placed on an area, it is really hard to remove it. Take, for example, these neighborhoods, just south of the Princess Margaret bridge. **Why do the highlighted neighborhoods sell for far less money and take much longer to sell than homes of similar size in other Fredericton neighborhoods?**

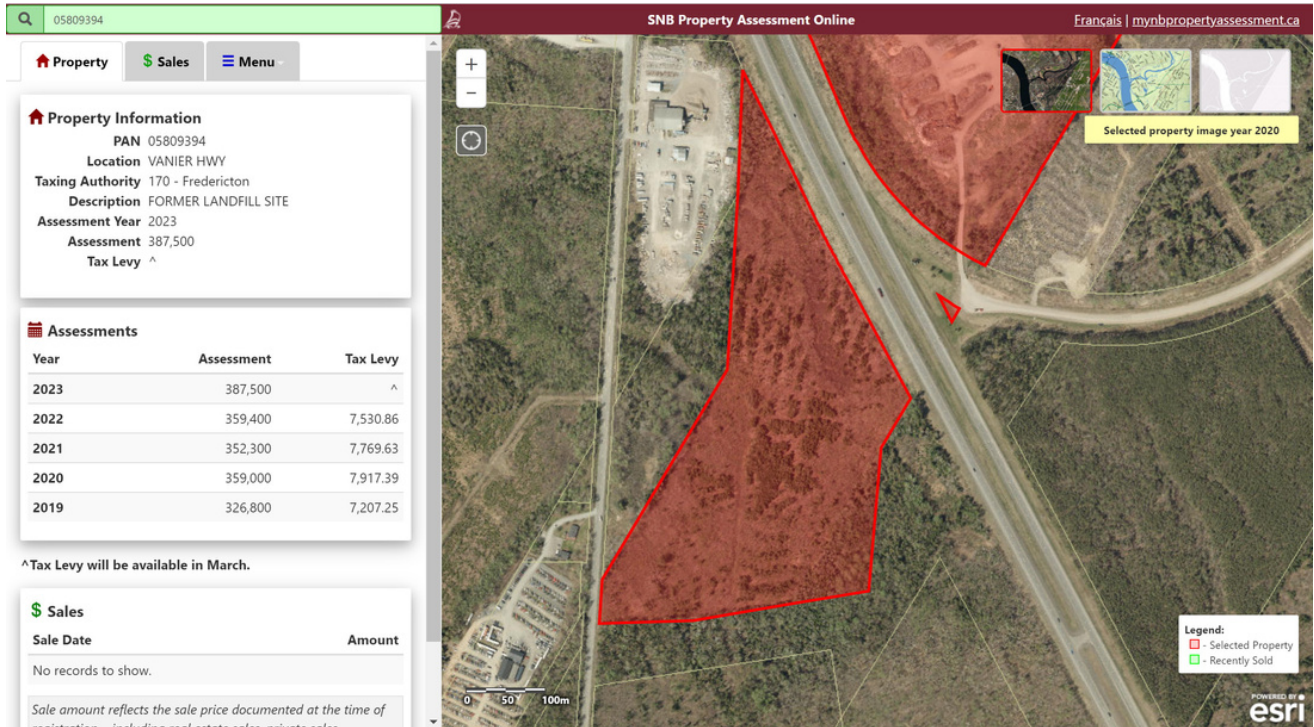


You probably answered *because it is in a flood area* and you would be correct. BUT the area has only flooded three times in the last 40yrs (2019, 2018, 2008), yet this negative association sticks and home owners suffer the effects and ultimately the cost.

The last thing the 700+ homes of Lincoln Heights want is a negative stigma being placed on our neighborhood and suffering financially when it is completely avoidable. Inmates escape very rarely in New Brunswick, but it does happen. Even if an inmate escapes three times in a 40 year period, as seen with the flood example, it does impact people's perception of the neighbourhood. Many people would not be comfortable buying and raising a family in a neighbourhood where at any time, an inmate could escape and have quick access to their families and homes.

The following are other locations I have found which meet all the same criteria as the proposed location, but also follow the distance and natural barrier model.

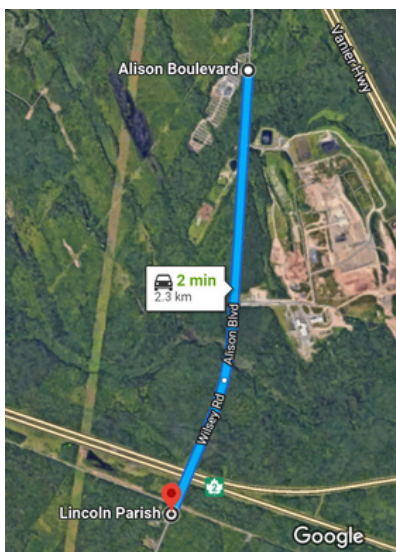
Other Potential Locations



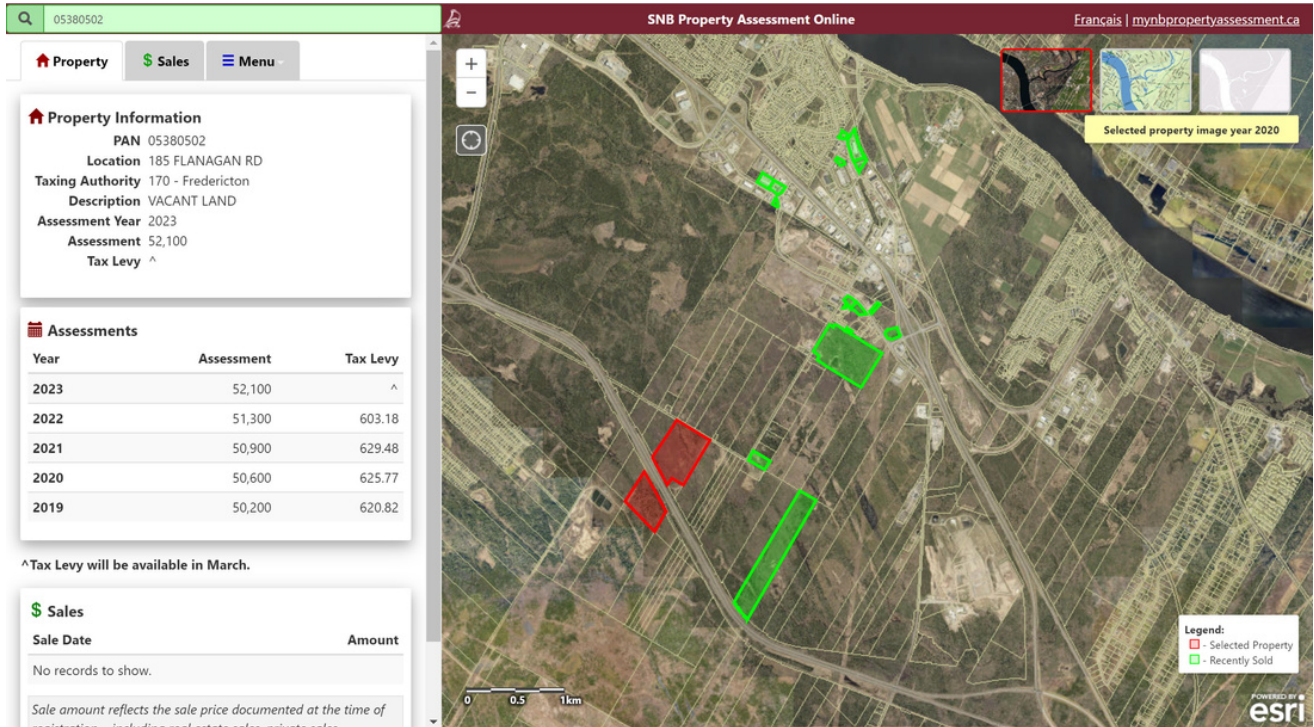
Wilsey Rd offers almost all of the same benefits as the proposed location at the end of Dorcas St.

- The land is owned by the City of Fredericton, therefore the city benefits from the sale.
- The property is located inside the city zoning, therefore the city would receive the taxes from the location.
- City police will patrol the area
- Kimble Fire Department is closer 5.1km vs 6.8km (plus backup stations are closer).
- **0 residential properties** near the location.
- **Closest residential house is 2km away therefore, this location meets both the distance and natural barriers (large land/woods) characteristics needed for a correctional center location.**

Southeast Correction Center to scale on lot

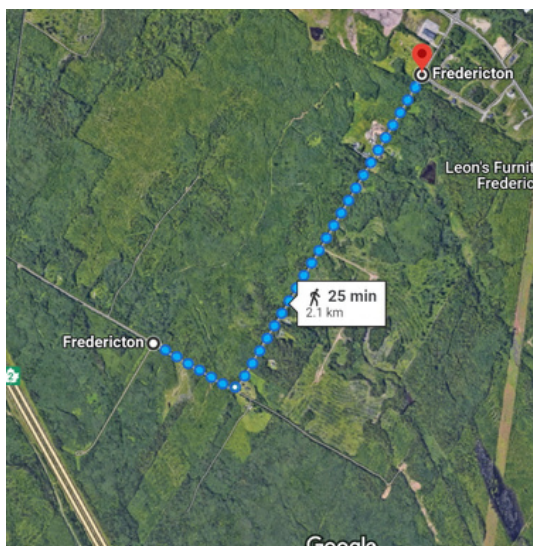


Other Potential Locations



185 Flanagan Rd offers almost all of the same benefits as the proposed location at the end of Dorcas St.

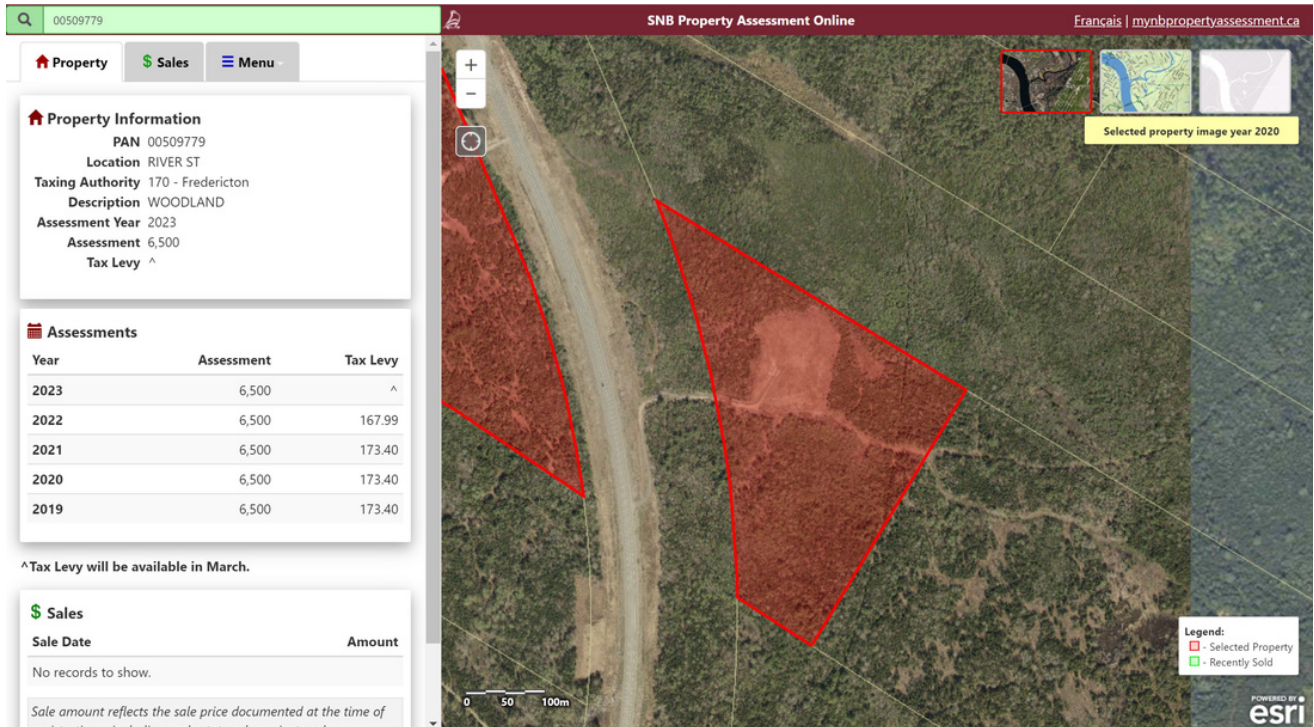
- The land is owned by the City of Fredericton, therefore the city benefits from the sale.
- The property is located inside the city zoning, therefore the city would receive the taxes from the location.
- City police will patrol the area.
- Kimble Fire Department is closer at 5.4km vs 6.8km (plus backup stations are closer).
- Only **10 residential properties** near the location with an average property assessment value of **\$136,000**.
- **Closest residential neighborhood is 2km away; therefore, this location meets both the distance and natural barriers (large land/woods) characteristics needed for a correctional center location.**



Southeast Correction Center to scale on lot

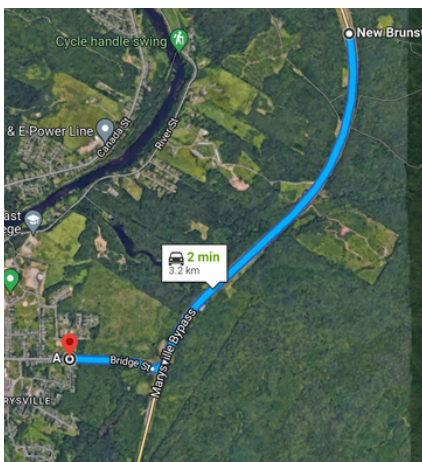


Other Potential Locations



Route 8, past the Marysville bypass, offers almost all of the same benefits as the proposed location at the end of Dorcas St.

- The land is privately owned; however, the owner has worked with the Department of Transportation and Infrastructure to sell land for previous road projects and is left with a small piece which is separated from the main portion of their land off River St.
- The property is located inside the city zoning, therefore the city would receive the taxes from the location.
- City police will patrol the area.
- Two Nations Fire Department is 6.4km away.
- **0 residential properties** near the location.
- **Closest residential house is 3.2km away, therefore, this location meets both the distance and natural barriers (large land/woods) characteristics needed for a correctional center location.**



Southeast Correction Center to scale on lot

