

MARKET ANALYSIS
FOR THE
CITY OF FREDERICKSBURG
AREAS 3 & 6
RESIDENTIAL, OFFICE, HOTEL, AND RETAIL

FREDERICKSBURG, VA | SEPTEMBER 2016

PREPARED FOR THE CITY OF FREDERICKSBURG

streetsense.



EXECUTIVE SUMMARY

RESIDENTIAL

There is a steady demand for housing in the Fredericksburg region:

- Urban infill townhomes and senior housing are the most supportable forms of residential development in Areas 3 and 6.
- Both areas support new development of rental apartments including senior options.
- There is demand for traditional single-family subdivisions in Area 3.

OFFICE

- Current office market dynamics highlight a high vacancy rate across the Fredericksburg region with the potential demand from traditional office-using industries remaining stable. The large overhang of available space and Area 6's position within the market suggest potential for new office development will be led by neighborhood-serving office space. Within Area 3, a major anchor tenant interested in visibility along I-95 may be attracted to undeveloped land with significant economic incentives beyond traditional infrastructure investments.
- There is demand for 10,000 to 15,000 square feet of new neighborhood-serving office development every three years in either Area 3 or Area 6.

HOTEL

AREA 3

- Area 3 has many of the traditional criteria for hotel industry site criteria, as it has good accessibility and access to the Interstate.
- However, the competitive offerings at exits 126 and 130 limit the potential for new hotel development in this neighborhood. The existing supply needs to be downsized to accommodate another lodging operation.

AREA 6

- National hotel trends demonstrate that there is an increasing demand for unique hotel experiences that target local historic assets, such as The Inn at the Olde Silk Mill.
- The market would support an inn with 25-50 rooms within the next three years.

RETAIL

AREA 3

- Currently, Area 3 is oversupplied in both General Merchandise, Apparel, Furnishings, and Other (GAFO) and Food & Beverage (F&B) retail. By 2026, there will be enough demand to support the existing supply of NG&S retail.
- The ability of the existing shopping centers to maintain viability is limited by the success of nearby regional centers Central Park and Spotsylvania Town Center.
- Building new retail space without redeveloping existing shopping centers will drive down rents and increase vacancy.

In the event there is further development beyond the existing pipeline, the following incremental demand projections may be applied to existing retail projections:



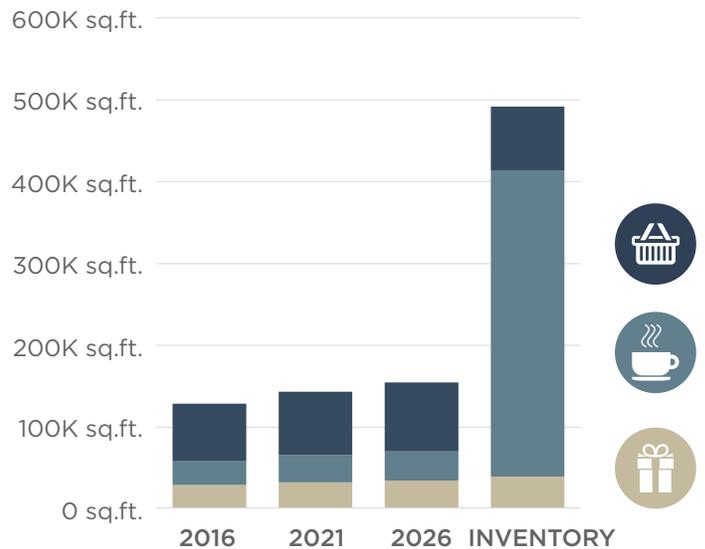
AREA 6

- Similarly to Area 3, there is an oversupply of F&B and GAFO retail, while by 2021 the current Neighborhood Goods & Services (NG&S) supply will be satisfied by the demand.
- Redevelopment of existing retail space to non-retail uses would increase the efficiency of remaining retail in Area 6.

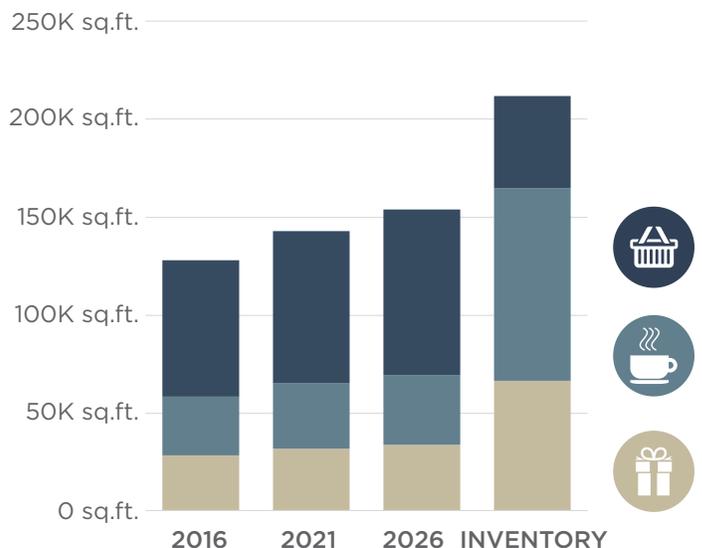
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DEMAND PROJECTIONS



DEMAND PROJECTIONS



Information conveyed, data gathered and analyzed, and recommendations made within this report are intended to provide information in regard to the subject matter covered. The content presented and conclusions reached are, on the date presented, believed to be an accurate representation of facts and conditions. No part of this document may be copied or duplicated within the context of any other report.

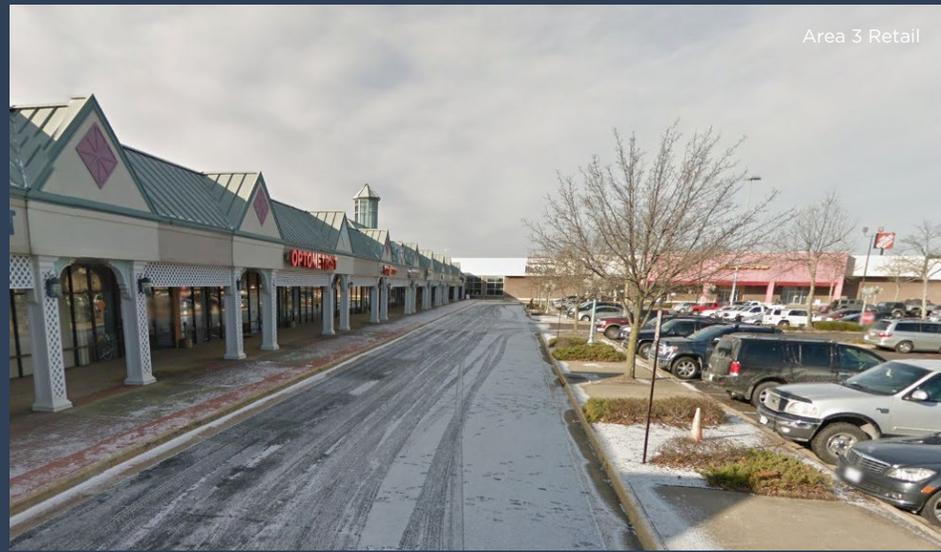
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INTRODUCTION



Area 6 Landmark



Area 3 Retail

The City of Fredericksburg is comprised of 10 areas, each distinct in its makeup and composition.

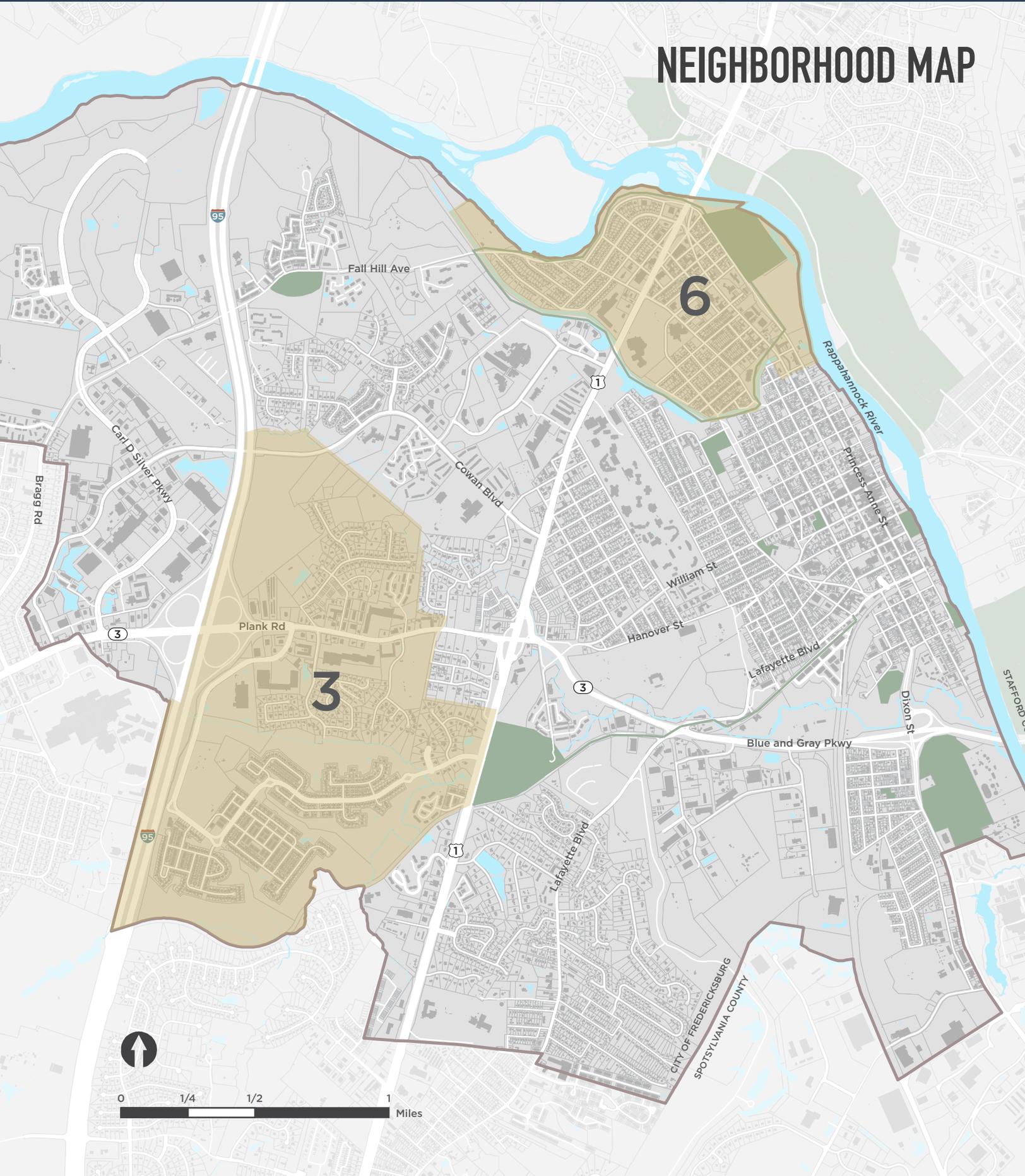
Fredericksburg has continued to grow and thrive throughout its history. In the post-Civil War era, the city grew as an industrial hub with the arrival of the railroad in 1872. The formation of University of Mary Washington and Mary Washington Hospital created new industry hubs within Fredericksburg. The completion of the Route 1 Bypass in 1946 increased Fredericksburg's accessibility and contributed to its growth through the latter half of the twentieth century. The completion of Interstate 95 in 1964 and Virginia Rail Express commuter service in 1992 contributed to the redevelopment of the fringes of Fredericksburg into automobile-oriented suburbs, and have helped make Fredericksburg a viable hometown for Washington, DC and Richmond commuters.

Due to some of the unique conditions caused by the Rappahannock River, the central location of University of Mary Washington, and the access/barrier created by I-95, Fredericksburg can be seen as tale of two cities. To the east, a historic downtown environment is supported by a grid system of roads, a dense retail core, closely situated single-family residential neighborhoods, and an urban-esque lifestyle. To the west, suburban development borders exits off I-95 with curving streets, large-format retail development, and clusters of hotels associated with national brands.

Although they are about two miles apart, Areas 6 and 3 are quite different, primarily because they each embody different neighborhood qualities—emblematic of Fredericksburg's diverse character.

STUDY AREA OVERVIEW

NEIGHBORHOOD MAP



METHODOLOGY & TERMINOLOGY

METHODOLOGY & TERMINOLOGY

For the purposes of this analysis, the following methodologies were employed to measure retail estate demand in the studied Fredericksburg neighborhoods.

RESIDENTIAL

Residential demand is primarily impacted by access and the context of the surrounding neighborhood, as prospective homebuyers will consider a large range of factors when selecting the appropriate housing unit for their needs. Although monetary considerations are typically primary, physical and social factors also play a determining role. Neighborhood conditions, schools, proximity to retail and services, community amenities, religious institutions, public transit options and highway access are among the most influential factors.

In order to determine the residential demand, existing competitive residential development was inventoried in terms of type, year built, size, occupancy and rents/sale prices. New and proposed competition was identified through plan submissions to the City and the two counties as well as developer and rental agent interviews.

Rental housing demand considers the potential for household growth, replacement of existing dilapidated units and a structural vacancy rate of five percent. Data on recent apartment trends from national data providers and direct interviews with local rental and property management officials provided inputs into the rental housing demand analysis. These interviews offered qualitative information about concession offers and other unique demand factors.

Each neighborhood's demand figures estimate the share of city growth that could be captured. The capture rates considered the availability of sites, current development activity and the full range of competitive factors, including access to the riverfront highways and historic downtown amenities.

OFFICE

The potential for office development in neighborhoods 3 and 6 must be considered within the context of the regional office market. Office markets rarely consist of one type of office space; rather, distinct users create space needs which vary greatly in character and construction type, impacting rents and location. Industries that use office space most heavily include: Information; Finance and Insurance; Professional, Scientific and Technical Services; Health Care and Social Assistance; Other Services; and Government. Typically the first three types are most important for the general office market occupancy.

For the existing conditions review of Neighborhoods 3 and 6, the office market assessment included general office market insights and a review of neighborhood-serving offices.

- 1 Neighborhood-serving office space represents demand from businesses that need to be located in close proximity to their customer base, usually local residents. This analysis focuses on the individual neighborhoods and their surrounding submarkets. The analysis reviews anticipated employment growth in relevant industries and the potential to leverage the presence of anchor institutions to create a competitive advantage.
- 2 Historical trends for office occupancy and employment projections, along with direct information from area brokers and office developers, helped provide insight into the amount of demand anticipated in the short- and long-term. The translation into square feet of demand considered the changing ratios of square feet of space per employee.

METHODOLOGY & TERMINOLOGY

- 3 From the historic absorption data, the employment analysis and an assessment of vacant space, the office properties within each neighborhood were compared with other submarkets. These factors helped determine if speculative office development might be supportable and what share of the market it might represent.
- 4 The competitive marketing strength of each neighborhood was related to typical office location criteria: accessibility; image and quality of the surrounding environment; proximity to retail and restaurants; walkability; visibility; and proximity to major activity generators and other offices.

The demand for office space in each neighborhood was identified in five-year increments.

The majority of the office buildings (54 percent) are classified as Class B, 28 percent are Class A, and 19 percent are Class C. Classing of commercial space aids in properly evaluating existing supply by differentiating buildings by physical condition and operating performance. Class A represents those buildings that command the highest rents, and Class C represents those properties in average condition receiving lower than average rents.

OFFICE SPACE CLASSIFIED:

Class A office space consists of investment-grade properties that receive the highest rents and/or sales prices when compared to other buildings. These buildings have an exemplary location, tenant layout or floor plan, offer quality finishes, modern mechanical systems, and are architecturally or historically significant.

Class B office space consists of more speculative properties that receive lower rents and/or sales prices when compared to Class A buildings. These buildings have a good location, standard design, average to good maintenance and average finishes. They are not able to attract the most prestigious tenants due to more modest finishes, mechanical systems, and sometimes the condition of the building.

Class C office space consists of older building stock that receives lower rents and/or sales prices when compared to Class B buildings. These buildings offer no additional amenities (with inferior elevators or mechanical systems) and typically have below average maintenance and upkeep. They compete for tenants based on rent levels.

METHODOLOGY & TERMINOLOGY

HOTEL

The hotel market analysis included the following tasks to evaluate the lodging potential within each neighborhood:

First, a review of the existing competitive environment for Areas 3 and 6 included a review of those lodging operations within the market. This review included those within each neighborhood as most relevant and a selection of those lodging clusters along I-95 that relate more specifically to interstate travel. An inventory of competitive lodging facilities within this broader trade area by number of rooms, year built, room rates, and occupancy established the baseline for the supply calculation.

The demand analysis focused on a broad customer base including business travelers, area visitors and tourists. This involved an inventory of existing lodging operations and categorization of these operations by type of hotel, price point, and location relative to each area.

Hotel development patterns reflect not only accessibility and visibility but also proximity to retail and restaurants and the quality and/or image of the surrounding environment.

Each category of lodging establishment is defined based on the quality of the space and finishes and service level, which are both reflected in the room rates. Operators of lodging operations include chain management and independently operated hotels.

For this analysis, hotels can be grouped into four broad categories: Economy, Midscale, Upper Midscale, and Upscale.



Economy: Lowest priced lodging with limited service options. Value Place and the Super 8 are examples of this type in the Fredericksburg market.



Midscale: More moderately priced with limited service options. These hotels may be older with frequent upgrades to the furnishings and finishes keeping them competitive. An example of this type is the Best Western Inn on Plank Road.



Upper Midscale: Able to attract clientele based on added features compared to midscale operations. These tend to be newer facilities. Within the Fredericksburg area, these operations tend to include extended stay alternatives or guest suites with one or more bedrooms, separate living areas and kitchenettes or mini-refrigerators. Fredericksburg's upper midscale example is the Residence Inn.



Upscale: The highest priced product in the marketplace with amenities and desirable location. In general this operation includes major chains as well as specialty or boutique hotel offerings.

METHODOLOGY & TERMINOLOGY



SURVEY & INVENTORY



IDENTIFY TRADE AREAS



TRACK EXPENDITURES BY CUSTOMER TYPE

RETAIL

To evaluate Area 3 and 6's ability to command competitive retail rent rates and terms, the presence of a market (unmet) demand for future retail offerings must be established. For the purposes of this assessment, the following tasks were undertaken to evaluate the retail potential for the site.

First, a retail inventory is conducted to record each retail appropriate space's address, class of space, retail category (as defined below), and square feet. From this information, modified inventory is calculated based upon a proprietary model that attributes a percentage likelihood each retail space will remain retail once new, ideally constructed space enters the market.

A summary and assessment are undertaken of the existing competition for customers in the area's market. As these neighborhoods are near several super centers, the level of impact for these competitive retail destinations is studied.

Boundaries for trade areas are then determined for primary, secondary, and tertiary levels of customer draws. Trade areas are impacted by competition, drive times, sociological and geographical boundaries, shopping patterns by customer type, pedestrian volumes, and other factors. This information provides a starting point for understanding the existing and potential customer base for the retail market.



NEIGHBORHOOD GOODS & SERVICES (NG&S)

GROCERY STORES · DRUGSTORES · FLORISTS · BAKERIES · SPECIALTY FOOD STORES · DELICATESSENS · BUTCHERS · DRY CLEANERS · LAUNDROMATS · HAIR AND NAIL SALONS · DAY SPAS · PRINTERS · PET SALONS · MACHINE REPAIR SHOPS · SHOE REPAIR SHOPS · GYMS

Neighborhood Goods & Services retailers rely on spending from a nearby residents, students, and employees generally located within a one-mile radius. NG&S is "convenience-based" retail - it must be close with easy access and parking.



FOOD & BEVERAGE (F&B)

SIT-DOWN RESTAURANTS · CAFES, BARS · COFFEE SHOPS · SANDWICH SHOPS · ICE CREAM SHOPS · "QUICK-BITE" ESTABLISHMENTS · FAST-FOOD RESTAURANTS

Food & Beverage establishments can attract customers from a larger trade area than NG&S retailers, especially when they are clustered. A greater number of patrons will be interested in a collection of F&B establishments that offer a variety of options. This category includes establishments that serve food and/or alcohol consumed on premises.



ASSIGN CAPTURE RATES

The Primary Trade Area (PTA) identifies the segments from which the district’s establishments draw a majority of their regular sales. The percentage of household expenditures captured by retailers is expected to be highest in its PTA. Additionally, convenience is a major factor for sales generated locally. Secondary and Tertiary Trade Areas delineate market segments that will also attribute to sales generated at respectively lower capture rates.

Demand from the workplace population is taken into account in each area’s PTA only. The International Council of Shopping Centers (ICSC) estimates that office workers with easy access to retail convenience goods and places to eat spend an average of \$7,075.50 annually near their workplaces.¹



TRANSLATE DEMAND INTO SQUARE FEET OF RETAIL SUPPORTED



FORECAST DEMAND

Expenditures are determined from information gathered from the U.S. Census Bureau, ESRI, and Claritas, Inc., as appropriate. These total estimated expenditures are multiplied by a capture rate to estimate total captured expenditures. Capture rates are set by evaluating the amount, accessibility, and quality of existing and proposed retail development on the study area’s ability to draw customer expenditures within the context of the larger market.

Total estimated, captured expenditures in each retail category are divided by expectations for sales per square foot by retail tenant type. From this information, an ideal retail merchandising mix can be considered in the calculation of market-appropriate rent rates and tenant improvement allowances.



GENERAL MERCHANDISE, APPAREL, FURNISHINGS & OTHER (GAFO)

CLOTHING STORES · FURNITURE STORES · BOOKSTORES · JEWELRY STORES · GIFT BOUTIQUES · PET STORES · SPORTING GOODS STORES · HOME GOODS STORES · CRAFT STORES · ANTIQUE SHOPS · ELECTRONICS STORES

GAFO retailers face a tremendous amount of competition, both in stores and online, for a relatively small percentage of household expenditures. Successful GAFO stores attract customers from long distances. However, these stores also rely on the exposure and foot traffic generated by an anchor that draws people with the same customer profile.

HIGH AND LOW SALES PRODUCTIVITY

Under the condition of “high productivity,” retail sales are high, thus consumer expenditures are concentrated on a smaller amount of total retail space. “Low productivity” conditions assign lower potential sales per square foot to each type of retail; therefore, a greater amount of retail space is supported but with significantly less profitability divided by expected sales per square foot for that retail category, according to Urban Land Institute (ULI) standards and International Council of Shopping Centers (ICSC) reports.

1. ICSC Office-Worker Retail Spending in a Digital Age, 2015

RESIDENTIAL MARKET ANALYSIS

RESIDENTIAL MARKET ANALYSIS

INTRODUCTION

As prices for land and housing have risen steadily over the recent decades throughout most of the country, (Northern Virginia in particular), prospective house purchasers have gravitated to exurban, commuter towns along the fringe of metropolitan areas in search of affordably priced housing. Consequently, many communities in the Fredericksburg region experienced residential development and sales activity due to the influx of commuters to Washington, DC up until mid-year 2006 when the housing boom began to turn. Following the Great Recession, the economic recovery and low interest rates have again spurred housing production, though at a slower pace. High gas prices and tighter lending standards in recent years dampened demand for buying homes with long commutes.

Demographic shifts within the United States show several new trends that impact the demand for residential development. Since the 1970s, the share of households that consists of married couples with children dropped by half to 20 percent of all US households. Demographers project that this number will drop to 14 percent by the year 2030.

The aging of the population is rapidly increasing the number of senior households, some of whom are seeking senior housing. Within the senior housing market, many homebuyers must first make the choice to sell their current home and then consider other factors such as price, design, proximity to public transportation, accessibility to services and entertainment, neighborhood amenities and quality of life (e.g., parks, street lighting, etc.). Typically, these empty nesters want to downsize in an amenity-rich environment, reducing the burden of maintaining their current housing. However, only two percent of homeowners over the age of 65 move in any year and many postpone retirement. With married couples, the decision to retire and move is complicated as one spouse may continue working beyond the other's retirement.

RESIDENTIAL MARKET ANALYSIS

FOR-SALE RESIDENTIAL CONDITIONS

Fredericksburg continues to reign as the fastest-growing locality in Virginia with a 15-percent population gain from 2010 to 2014 according to the U.S. Census.

Housing prices in the greater Fredericksburg area rose rapidly from 2000, averaging 16.1 percent annually until 2006, when they plateaued and then fell 22.0 percent in 2007 and 2008. Prices stabilized in 2009. Much of the price declines with the bursting of the housing bubble were associated with mortgage foreclosures as overstretched households failed to keep up their mortgage payments. The resulting national recession then boosted unemployment, undercutting the ability of many households to pay their mortgages. Generally, the market has now reached pre-recession prices.

During the last six months, Fredericksburg home sales averaged \$270,000 for a four-bedroom house consisting of roughly 2,038 square feet. Over the last three years, the for-sale housing market began to splinter into three pricing segments throughout the Fredericksburg region. Myriad new suburban single-family housing developments with homes selling for more than \$400,000 have become available, fueling a strong buyers' market. Within this price category existing housing stock in more urban locations like downtown Fredericksburg neighborhoods sold well. Demand and supply are in balance for homes priced between \$300,000 and \$400,000. Price-sensitive buyers searching for homes for less than \$300,000 competed for both older housing stock and smaller infill homes. Those homes priced between these two extremes sold within an average of 40 to 50 days on the market.

A review of recent sales activity within Area 6 indicates that house prices average roughly \$325,000 for three-bedroom two-bath house. The majority of these home sales are of existing homes. Within this neighborhood, smaller developments with attached housing or smaller format patio style homes/villas attempting to attract urban professionals and empty nesters alike sold on average of \$155 per square foot.

The sales of homes in Area 3 have focused on several existing residential subdivisions north and south of Plank Road and the newly built Village of Idlewild community. On average, these neighborhood homes sell for \$340,000 to \$360,000 with four bedrooms. Smaller townhouses in that community with an average of 2,087 square feet and three bedrooms sell for \$270,000 as compared to \$347,450 for four-bedroom, 3,370 square-foot detached homes. The successful sales of these townhouses suggest additional potential for infill townhouse development in this neighborhood.

The region's existing stock of condominium units includes only a few newly constructed condominiums. Recent projects cluster around downtown Fredericksburg due to its exemplary transit accessibility, a restaurant rich-environment, and both cultural and historic assets. Built in 2015, JON Properties' small offering of four upscale condominiums at William and Prince Edward streets, Park View, sold well with an average price of \$187 per square foot up to \$435 per square foot for the penthouse unit. The demand for these smaller luxury condominiums may exist elsewhere in downtown Fredericksburg, but it is unlikely to translate to locations in Area 6 or Area 3.

COMPETITIVE FOR-SALE RESIDENTIAL PROJECTS

Nationally and regionally, the majority of new residential projects consists of previously planned greenfield projects in suburban neighborhoods with good access to existing commercial communities and I-95. A number of planned and proposed developments are currently underway in these areas or will be on line over the next 12 months. The following list summarizes some of the competitive subdivisions and infill development projects:

EXAMPLES OF FOR-SALE RESIDENTIAL PROJECTS:

1. **Cowan Crossing** - This residential project started in 2014 as one component of the Silver Cos. mixed-use project. The residential portion includes 62 townhouse units and six single-family homes. The subdivision is located between US Route 1 and Keeneland Road with nearby convenience retail including a Starbucks. The townhouses range from 2,123 to 3,432 square feet for the three-bedroom, two-and-half bath, two-car garage homes. The sales prices range from \$289,990 to \$309,990, depending on finishes.
2. **Governors Row** - This townhouse development near Westwood West area consists of 36 units along Hays Street in the Great Oaks neighborhood. Ryan Homes is constructing three-story, three-bedroom homes with sales prices starting at \$289,900. These townhouses range from 1,701 square feet up to 2,332 square feet for these luxury two-car-garage homes.
3. **Stonewall Heights** - This small infill development on Lafayette Boulevard includes two different types of homes on small lots ranging from 7,500 to 9,000 square feet. The larger four-bedroom homes sell for an estimated \$200 per square foot or \$349,900. The Charleston Company also offers smaller three-bedroom rambler-style homes with two-car-garages, prices starting at \$299,900.
4. **Liberty Place** - This development contains 41 units, with 30,000 square feet of office/retail space that is currently under construction.
5. **Amelia Square** - This downtown residential building will contain 23 units (18 units are currently finished).
6. **The Mill District** - This proposed mixed-use complex will contain 90 units.



Source: Bryton Homes

Source: Amelia Square Townhomes - Simply Home, Inc.

RESIDENTIAL MARKET ANALYSIS

RENTAL

Within the City of Fredericksburg, CoStar has identified 49 multi-family buildings with 4,917 units. These properties range from older garden apartments with minimal amenities to luxury complexes with a wide array of offerings. Over the last five years, the vacancy rate for these multi-family units has declined to 3.0 percent in 2015 from a spike of 6.7 percent in 2011. The higher vacancy in 2011 reflected the impact of new units entering the market with construction of roughly 800 units in 2010 and 2011. The average size per unit remained unchanged at 909 square feet with an asking rent of \$1.18 per square foot. Rent trends for Fredericksburg multi-family units highlight growth of 2.1 percent over the last year. This positive trend, along with the addition of 128 units in 2016, demonstrates steady demand. The higher vacancies and lower rents shown for June 2016 reflect lower demand in summer months after classes end at Mary Washington University.

The recent regional surge in residential development includes new multi-family apartment complexes, responding to demographic shifts and demands within the City of Fredericksburg. The majority of new residential projects are infill developments, including projects in Neighborhood 6.

TABLE 1: CITY OF FREDERICKSBURG MULTI-FAMILY INVENTORY (2007-JUNE 2016)

Year	Total Buildings	Units						Asking Rent	
		Total	Vacant	Percent Vacant	Net Absorption	Under Construction	Average Square Feet	Per Unit	Per Square Foot
2007	47	3,976	215	5.8%	-33	314	901	\$892	\$0.99
2008	47	3,976	235	6.4%	-20	470	901	\$906	\$1.00
2009	47	3,976	219	5.9%	16	470	901	\$904	\$1.00
2010	48	4,132	196	5.3%	23	796	901	\$918	\$1.02
2011	48	4,603	280	6.7%	398	314	905	\$1,001	\$1.10
2012	49	4,917	119	2.7%	475	-	908	\$1,012	\$1.11
2013	49	4,917	133	3.0%	-14	-	908	\$1,016	\$1.12
2014	49	4,917	153	3.4%	-20	-	908	\$1,021	\$1.12
2015	49	4,917	136	3.0%	17	128	908	\$1,079	\$1.18
Jun-16	49	4,917	217	4.8%	-82	-	908	\$1,021	\$1.12
2007-2015 Change/Average									
Number	2	941		-2.8%	94	277	7	\$187	\$0.19
Percent	4.3%	23.7%					0.8%	21.0%	19.2%

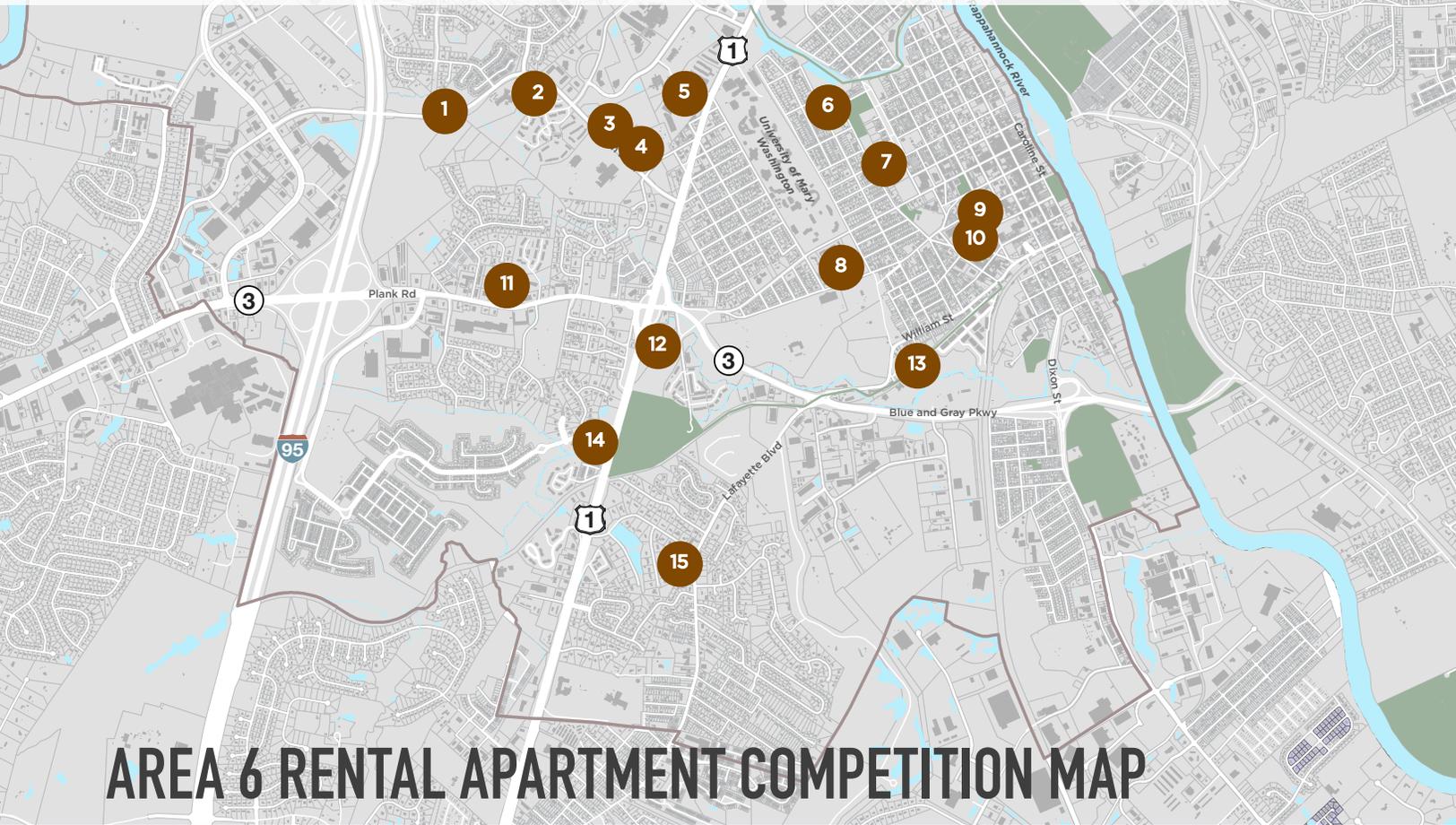
Source: CoStar, 2016; Partners for Economic Solutions (PES), 2016.

The following maps and legend identifies 14 existing Class B rental apartment buildings and one Class A rental building within Neighborhood 6. They range in size up to 300 units, comprising a total of 2,174 apartments with an overall vacancy rate of 2.3 percent. The majority of the units (53 percent) have two bedrooms. Among buildings for which age data are available, slightly more than one quarter of the units were built during the 1950s and 1960s. Another 26 percent were built in the 1970s and 22 percent in the 1980s. Another 20 percent of apartments have been built since 2003 with 444 units.

RESIDENTIAL MARKET ANALYSIS

LEGEND

- | | | |
|----------------------------------|------------------------------|--|
| 1 Evergreens at Smith Run | 6 Kenmore Apartments | 11 Riverwoods Apartments of Fredericksburg |
| 2 The Residences at Belmont | 7 1200 Kenmore Avenue | 12 Colonial Village at Greenbrier |
| 3 The Commons at Cowan Boulevard | 8 UMW Apartments | 13 The Apartments at Cobblestone Square |
| 4 Monticello Square Apartments | 9 700 Jackson Street | 14 Kendalwood Apartments |
| 5 Eagle Landing | 10 Jackson Street Apartments | 15 Wellington Woods Apartment |

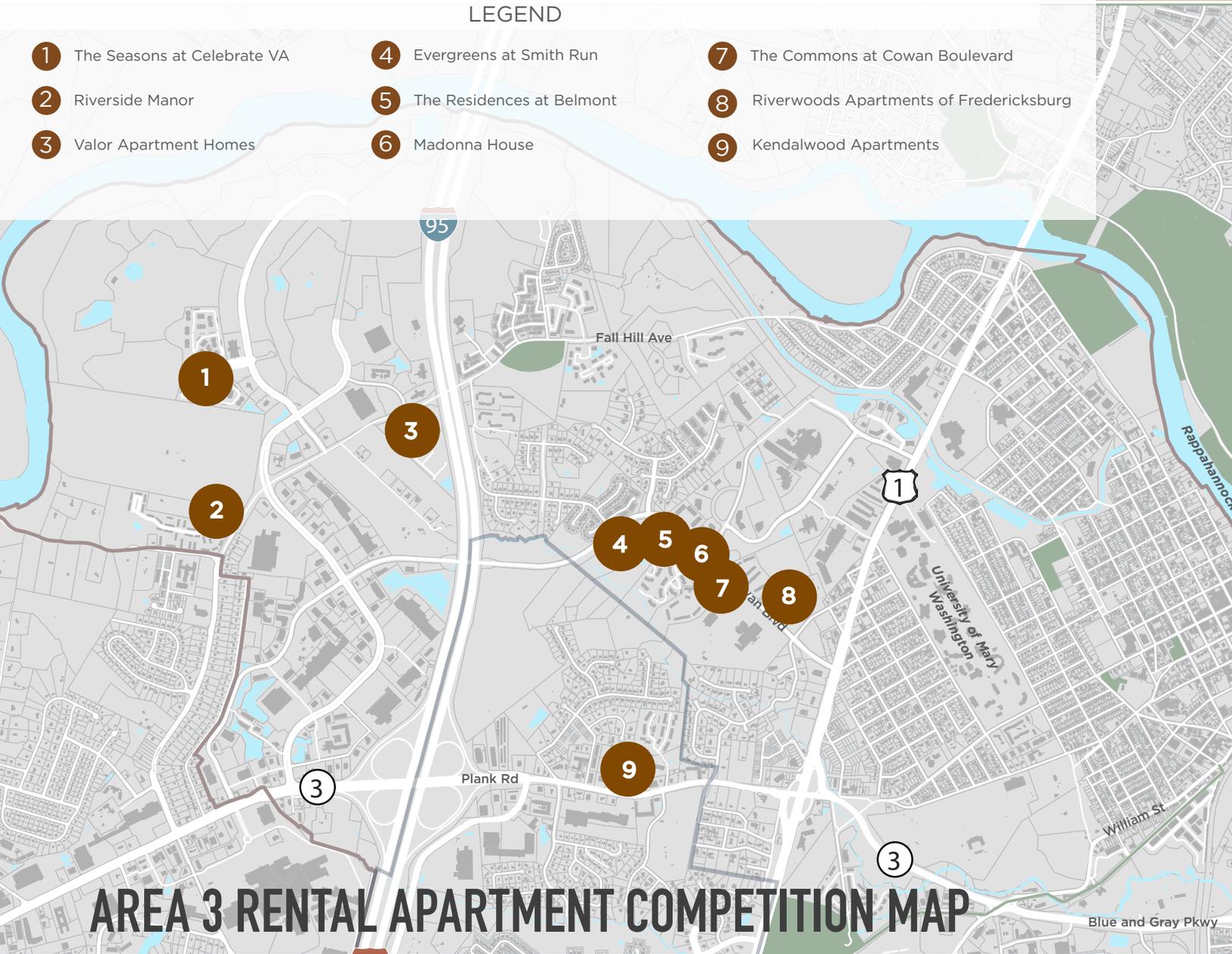


AREA 6 RENTAL APARTMENT COMPETITION MAP

New rental residential options continue to receive approval in neighboring jurisdictions, especially those within close proximity to transit locations. Silver Cos. plans to build 278 apartments on 24 acres in southern Stafford County near Celebrate VA Parkway. Robert Pence's plan for Stafford Village Center, a mixed-use development, includes 500,000 square feet of commercial space and 453 apartment units.

LEGEND

- | | | |
|-------------------------------|-----------------------------|---|
| 1 The Seasons at Celebrate VA | 4 Evergreens at Smith Run | 7 The Commons at Cowan Boulevard |
| 2 Riverside Manor | 5 The Residences at Belmont | 8 Riverwoods Apartments of Fredericksburg |
| 3 Valor Apartment Homes | 6 Madonna House | 9 Kendalwood Apartments |



For Area 3, the 10 existing multi-family buildings provide 2,229 units in Class A and B buildings. These properties range in size from 120 units to 482 units. The Area 3 inventory has a current vacancy rate of 3.2 percent, reflecting strong demand.

RESIDENTIAL MARKET ANALYSIS

RESIDENTIAL MARKET CONCLUSIONS

While there is a constant demand for for-sale housing in the Fredericksburg region, both Area 6 and Area 3 offer few opportunities for traditional single-family subdivisions. The best opportunities for for-sale housing in Area 3 and Area 6 lie in urban infill townhouses, where land limitations will restrict potential development. There is minimal demand for condominium apartments; greater demand exists for rental apartments and senior housing.

The existing Area 6 and Area 3 neighborhoods, with their convenient access to public transportation as well as walkable, amenity-filled urban environments, offer the potential for new infill multi-family housing centered around the most desirable neighborhood assets.

As the population in Fredericksburg continues to age, many seniors will choose to age in place, preferring to stay in their neighborhoods even if they are unable to continue maintaining their single-family homes. These seniors desire housing that has easy access to transportation networks and supportive services.

Mobility statistics for Fredericksburg households suggest that 23 percent of all Fredericksburg renter households move in any particular year. Applying that ratio to the number of households suggests that 1,400 such households move annually in the city. Within the Fredericksburg region an estimated 6,700 renter households move annually.

These are the renters for which both Area 6 and Area 3 corridors would compete in filling new residential units. Of those renter households, 189 Fredericksburg households moving in any year (14 percent) would have incomes between \$75,000 and \$150,000, allowing them to pay rents for newly built infill products. An estimated 1,327 income-qualified renter households move in any year in the counties surrounding Fredericksburg. Of those, approximately eight percent would consider rental housing within Area 3 or Area 6, resulting in demand for an additional 106 units. Based on the competitive environment, locations and neighborhood quality of both Area 6 and Area 3 allow them to compete effectively, resulting in the capture of eight percent of the market.

TABLE 2: RESIDENTIAL CONCLUSIONS (2017-2020)

Demand (Units)	Area 6		Area 3	
	2017-2021	2022-2027	2017-2021	2022-2027
For-Sale				
Single Family Detached	50	30	20	10
Single Family Attached	125	100	75	120
Condominium	0	0	0	0
Subtotal	175	130	95	130
Rental				
Apartments	350	300	225	200
Age-restricted	150	100	200	175
Subtotal	500	400	425	375
Total	675	530	520	505

OFFICE MARKET ANALYSIS

OFFICE MARKET ANALYSIS

The office market assessment includes general office market insights and review of neighborhood-serving offices in less traditional space. Much of the general market office space exists in commercial buildings along major thoroughfares and in traditional business parks with access and visibility along I-95. Within the City of Fredericksburg, office space accounts for approximately 2.6 million square feet with a reasonably healthy 92-percent occupancy rate. Fredericksburg's office spaces rent for \$22 to \$24 per square foot on average.

Fredericksburg's office market grew slowly over the last six years from approximately 2.57 million square feet in 2006 to 2.63 million square feet currently. Development began to slow after 2006, and the vacancy rate declined from the 11.5-percent peak in 2011. Today, there is limited new office product in the pipeline, and the majority of the office activity clusters around institutions and high traffic areas, such as Princess Anne Street and Fall Hill Avenue.

REGIONAL EMPLOYMENT TRENDS

The Fredericksburg region remains reliant on defense-related firms and government contractors as well as the health and wellness industries. Employment and absorption of space for these sectors of the economy continue to rise, particularly after the relocation of military operations to Fort Belvoir and Quantico.



Area 6 Office Space

Current employment projections provided by the Fredericksburg Area Metropolitan Planning Organization (FAMPO) reflect the strong historic population growth

in the Fredericksburg region. Growth in office-generating industries was expected to more than double by 2020, reaching 19,830 jobs in these sectors. Mirroring this same trend, FAMPO projected that regional employment within Information, Finance and Insurance; Professional, Scientific and Technical Services would gain more than a third, with roughly 29,000 new jobs, to reach a total of 77,450 jobs. These projections represent a relatively aggressive view of employment growth.

Separate from the number of workers in office-using industries, major shifts in the amount of space occupied per employee have been underway nationally for the last decade or two as technology and design changes have affected tenant layouts. Typical employee space allocations of 250 rentable square feet per employee of previous decades have declined to 180 square feet per employee.

Across most industries, technology is reducing the number of employees actually working in the office and the amount of space they require. Many workers telework from home or local coffee shops, and employers reacting to the high costs of office leases no longer provide permanent desk assignments. Information management technology also has significantly reduced the amount of space required for file and information storage. Co-working office space, such as The Foundry in Area 3, accommodates entrepreneurs and other workers needing a desk away from their office or home.

OFFICE MARKET ANALYSIS

Strategies to enhance collaboration and teamwork have led many companies to move away from the traditional pattern of private offices to large shared workplaces. New office designs have responded to the work preferences of many millennials (born between 1982 and 2004) and other workers. The newest office designs provide open plan spaces for individual work stations or a collection of tables and couches where people can work on their laptops.

COMPETITION

Within Area 6, the 41 existing office buildings consist of roughly 630,000 square feet of space are clustered along Route 1 and Princess Anne Street. As a whole, this subarea had a positive net absorption of 10,000 square feet this year and a vacancy rate of 4.3 percent, which reflects the strength of the predominantly medical and neighborhood-service office market. These office buildings rent space for \$19 per square foot (full service), but some of the newly built or well-maintained spaces receive higher rents.



Area 3 Office Space

Area 3's visibility and proximity to I-95 create a competitive locational advantage for office space. The 17 office buildings along the corridor consist of 127,049 square feet in mainly class C condition. Built in the late 1960s and 1970s, the office buildings offer mainly single-occupancy or small neighborhood multi-tenant buildings. Newly constructed space consists of roughly 10,000 to 12,500 square-foot medical office buildings along major thoroughfares.

Responding to the overhang of high vacancies in office buildings over the near term, some property owners of older Class B or C office buildings across the country have converted their buildings to other uses. Within the Fredericksburg region office tenants continue to migrate to quality office space leaving behind less modern and even obsolete office buildings. Most often this occurs in downtown settings with buildings that have experienced high vacancies and low rents for a long period of time and are facing major capital costs to bring them up to modern standards. Most conversions have been to residential or hotel uses. The key for conversion to residential lies in the building's ability to be adapted, so it remains an individual property decision.

Within Area 3 the existing stock of the commercial office space is highly unlikely to create any opportunities for office building conversion.

New development of office space within the city of Fredericksburg includes more mixed-use projects with major institutions providing anchor tenancy. For example, the Eagle Village redevelopment near the University of Mary Washington consists of a 22-acre redevelopment of a former shopping center. The new mixed-use project includes 624 student housing units, 30,000 square feet of retail space and 36,000 square feet of Class A office space, portions of which are leased by the University of Mary Washington. The second phase of the redevelopment includes a 93-room Hyatt hotel. Beyond these specialty projects, the office market's demand in both Areas 3 and 6 is too weak to justify the cost of new construction.

CONCLUSION

Office demand is projected at roughly 10,000 to 15,000 square feet every three years in either Area 6 or Area 3.

HOTEL MARKET ANALYSIS

HOTEL MARKET ANALYSIS

Hotel travel to Fredericksburg is particularly driven by business travel, but also includes visitors to a region for a variety of reasons (e.g., passing through, visiting family, tourism, visiting higher education facilities). The hospitality industry is linked closely with the economy and follows its highs and lows, especially as it relates to business travel.

Hotel development needs close proximity to its customer base and tends to locate on well traveled routes or near employment centers and tourist attractions, depending on the market segment of the particular hotel. Visibility from the highway, aesthetics of the area and perceived safety rank top in factors considered by hotel operators when selecting a location. For these reasons interstate hotels, unlike resort hotel operations, cluster around highway exits with easy access. Co-location with retail, restaurants and entertainment enhances a hotel's appeal to potential customers.

Hotel operations segments are based primarily on size and price. These distinctions by price include economy, (for lower priced lodging options), graduating to midscale, upper midscale and upscale as price and associated hotel features increase. Hotel performance varies based on the segment and operating style of each hotel. Often these categories reflect both the age and investment in specific properties. In addition, some hotels serve special niches, including extended stay facilities that serves business travelers or new residents still searching for a permanent home. Other subcategories include specialty hotel operations, such as a lifestyle hotel or a boutique hotel.

The Fredericksburg regional area draws tourists for heritage tourism associated with the national battlefields and historic downtown Fredericksburg. The area is home to several Civil War battlefields, the Fredericksburg and Spotsylvania National Military Park, and a variety of historic bed and breakfast operations catering to these sites.

COMPETITION

The majority of hotel development within the Fredericksburg region centers on the institutional anchors (Quantico, University of Mary Washington, Mary Washington Hospital) and interstate travel. University of Mary Washington's presence impacts hotel demand with peak demand during graduation and other large events. Area hotels cluster near the institutional anchors and along interstate exits, offering coupons at rest stops and enticing visitors. Interstate 95 (I-95) travelers, who includes area visitors/tourists and those traveling to other destinations, are area hotels' major client base, followed by business travelers. A close review of these competitive hotels provides an inventory (shown below) by exit numbers along Interstate 95.

TABLE 3: COMPETITIVE LODGING INVENTORY

Hotel	Number of Rooms	Year Built
Courtyard Fredericksburg Historic District (620 Caroline St.)	98	2009
Hyatt Place Fredericksburg (1241 Jefferson Davis Hwy.)	93	2014
Dunning Mills Suites (2305 Jefferson Davis Hwy.)	52	1980
The Inn at the Olde Silk Mill (1707 Princess Anne St.)	27	1930
Fredericksburg Colonial Motel (1914 Princess Anne St.)	30	1925
Total:	300	

TABLE 4: INTERSTATE EXIT 126 (US 1 & US 17)

Hotel	Number of Rooms	Year Built
Comfort Inn Southpoint	125	1989
Sleep Inn Southpoint Fredericksburg	67	2004
Fairfield Inn & Suites	73	1996
Country Inn & Suites	119	1967
Econo Lodge Fredericksburg	175	1975
Super 8 Fredericksburg	35	1994
Days Inn Fredericksburg	156	1973
Motel 6 Fredericksburg	100	1970
Hampton Inn Suites Fredericksburg	121	2006
TownePlace Suites Fredericksburg	93	2004
Total:	1,064	

TABLE 5: INTERSTATE EXIT 130 (US 3)

Hotel	Number of Rooms	Year Built
Best Western Fredericksburg	108	1972
Super 8 Fredericksburg Central Plaza	58	1987
Quality Inn Near Central Park	125	1986
Homewood Suites Fredericksburg	124	2007
Hilton Garden Inn	148	2005
Residence Inn	124	2008
Fredericksburg Hospitality House	194	1967
Hampton Inn & Suites at Celebrate VA	122	2007
Total:	1,003	

TABLE 6: INTERSTATE EXIT 133 (US 17)

Hotel	Number of Rooms	Year Built
Days Inn Fredericksburg North	116	1973
Holiday Inn Express & Suites Fredericksburg	120	2010
Quality Inn Fredericksburg	61	1969
Knights Inn Fredericksburg	94	1975
Motel 6	119	1987
Clarion Inn	110	1973
Comfort Suites Fredericksburg	77	2007
Super 8 Fredericksburg	80	1988
Wingate by Wyndham Fredericksburg	129	2000
Sleep Inn Fredericksburg	68	1992
Country Inn & Suites Fredericksburg	85	2009
Total:	1,059	

HOTEL MARKET ANALYSIS

Throughout the Fredericksburg region, the Great Recession's negative effect on lodging operations slowed the pace of new hotel development. Along the I-95 corridor, hotels struggled, with occupancy rates below 60 percent during 2007 - 2009. In 2011, occupancy recovered even amidst small additions to the hotel marketplace.

Currently, the development of new hotels has focused away from the Interstate traveler market. The recent development of the Hyatt Place hotel near the University of Mary Washington and the Courtyard by Marriott in downtown Fredericksburg highlight the shift in focus. Those hotels close to downtown Fredericksburg or near mixed-use developments, such as the Marriott, Hampton Inn, and Hilton Garden Inn near Central Park/Celebrate VA, report higher levels of occupancy—reflecting the strength of locating in a vibrant urban setting.

Hotel facilities need to be upgraded frequently to remain competitive over time. This requires major reinvestment, such as the investment made to renovate to Fredericksburg Hospitality House, originally built in 1967. Some of the existing hotels without strong occupancy cannot afford to invest in the necessary upgrades to remain competitive in the face of new hotel development and reduced demand and slowly decline into obsolescence. For example, the former Holiday Inn, built in 1963 south of Fredericksburg, was demolished and is in the process of being redeveloped into a gas station and convenience store. Continued replacement of older hotels would tighten supply, increasing occupancy overall.

Within the broader Fredericksburg area, the upper-scale and mid-scale lodging facilities include the Hilton Garden Inn, Homewood Suites, Hampton Inn Suits, Residence Inn, Courtyard Fredericksburg and Hyatt Place Fredericksburg, and they represent the most direct competition for Area 3 and Area 6. Data from STR Global show an increase in occupancy from 69 percent to 73 percent for the 709 rooms within this competitive mix over the past three years, indicating a healthy market for this type of hotel. Occupancy data by day of the week suggests that non-business visitors boost occupancy rates during the weekends with Friday and Saturday night peaks.

AREA 3 CONCLUSION

In general, the lodging industry prefers Area 3 as it meets many of the hotel industry target site selection criteria. This neighborhood has good access and visibility, with ample traffic counts, strong median household income for nearby residents, and clusters of retail and businesses. The existing occupancy levels suggest a stable lodging market for those hotels catering to Interstate travelers and neighborhood visitors.

Unfortunately, the competitive offerings at exits 126 and 130 limit the potential for new hotels. In this case, the existing supply or total number of rooms would need to be reduced to provide an opportunity for another lodging operation.

AREA 6 CONCLUSION

National hotel trends show growing demand for hotels that offer more unique experiences related to historic assets rather than standard hotel products. A boutique hotel operation offered within a historic building, such as The Inn at the Olde Silk Mill, would be the only hotel potential supported by the market in this neighborhood. The Princess Anne corridor's access to the river, its amenities and proximity to the historic downtown provide a competitive draw for visitors, particularly heritage visitors. Such a hotel would require a unique operator with experience in small-scale lodging. The market would support an inn with 25 to 50 rooms within the next three years.

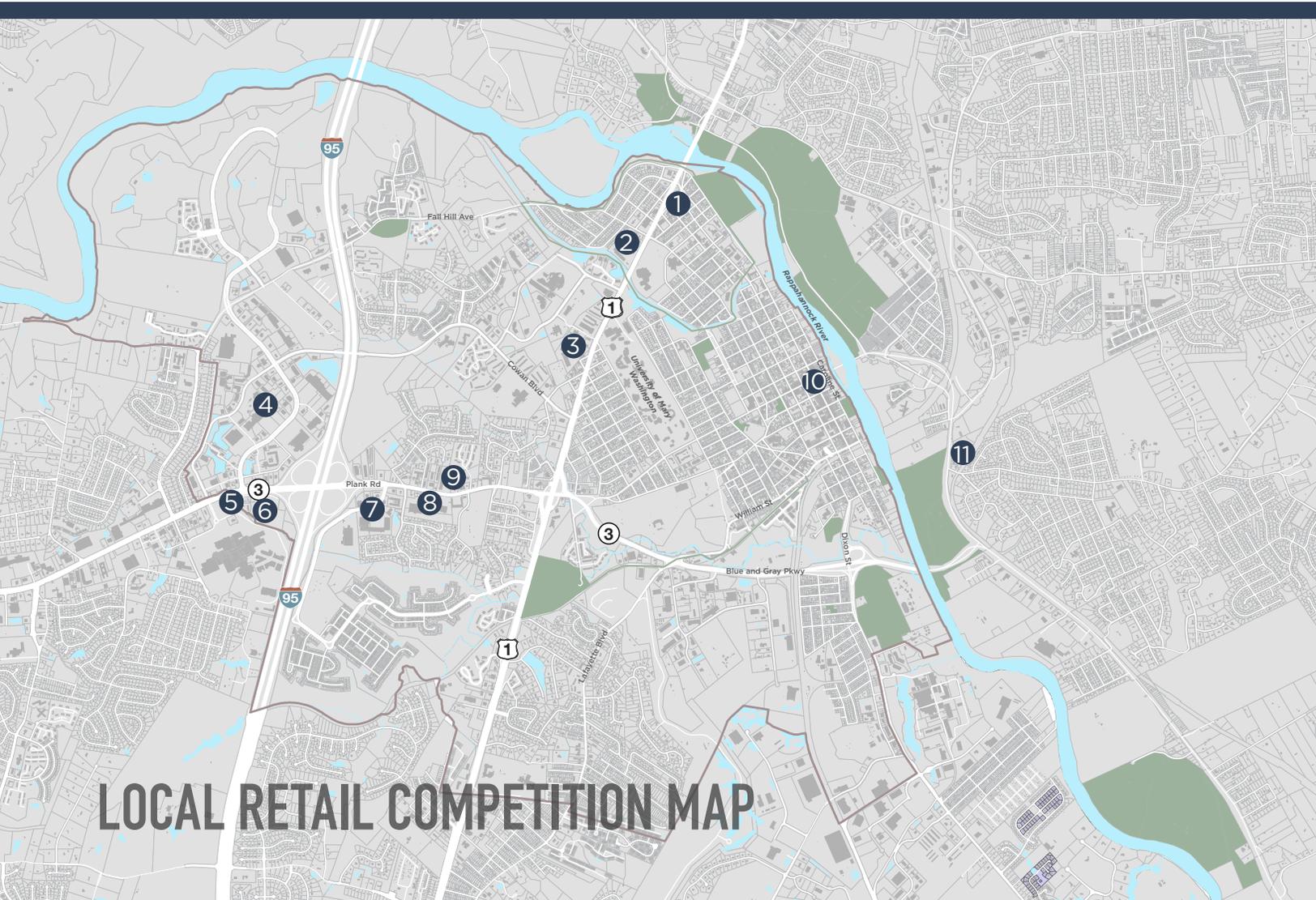
RETAIL MARKET ANALYSIS

LOCAL RETAIL COMPETITION

Fredericksburg's location at the intersection of two major thoroughfares, I-95 and Route 3, create ideal conditions for retail super centers. Central Park and Spotsylvania Towne Center are regionally competitive centers, drawing customers from beyond local communities as well as serving commuters and travelers moving through the city. The local neighborhoods are also served by several area centers such as Westwood Shopping Center and Greenbrier Shopping Center.

Local competitors for the Fredericksburg areas include a variety of shopping centers of varying ages, sizes, and physical conditions. Power centers such as Central Park neighbor aging community-centric centers like Village Square Shopping Center.

The existing large, successful retail centers limit the demand potential of retail in the studied areas.



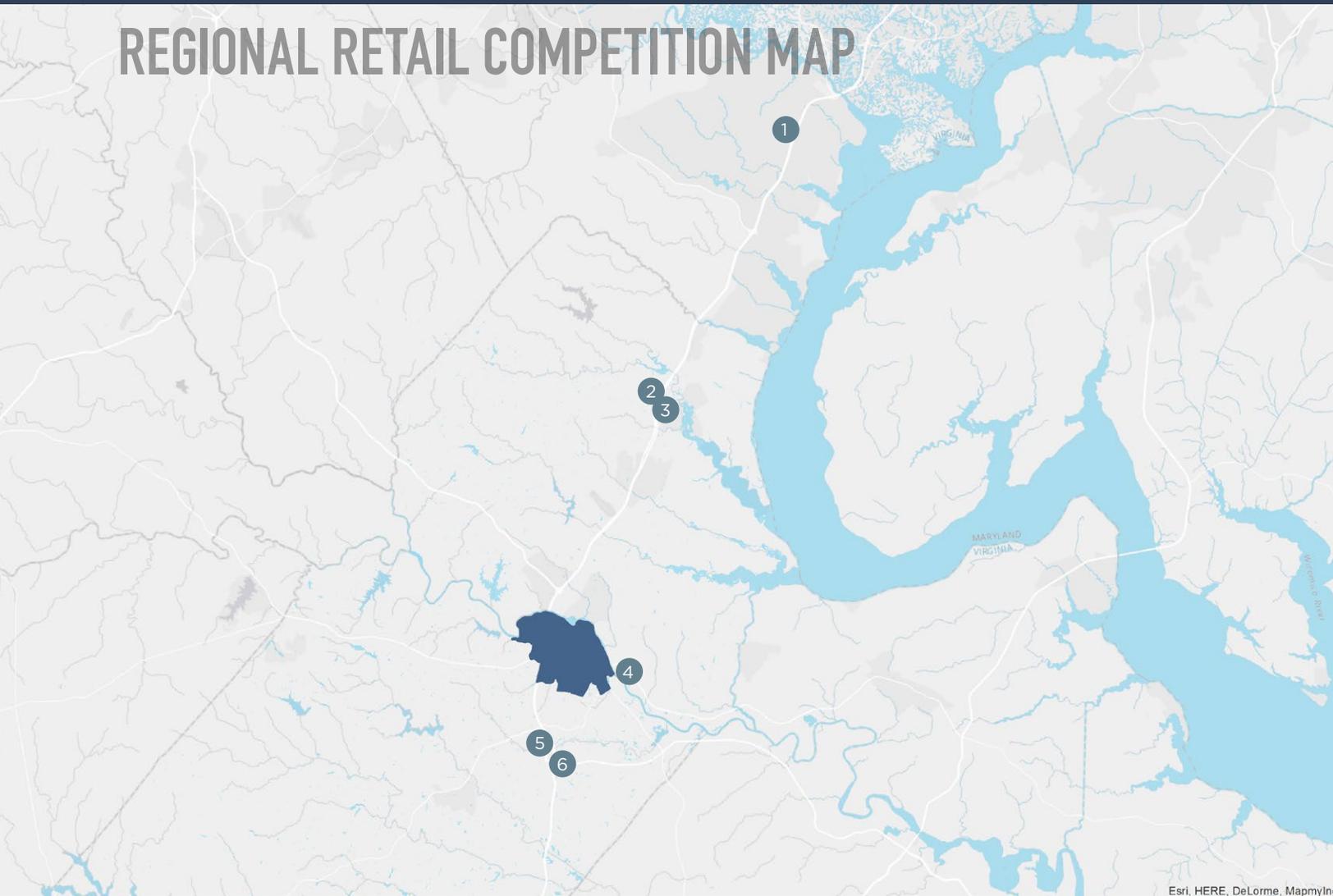
- 1 **Lee Plaza Shopping Center** contains a Hard Times Cafe, several local restaurants, and a hair salon. The center is located off Route 1, and has stores along both Route 1 and the back-facing street, Forbest Street.
- 2 **Fredericksburg Shopping Center** is located at the intersection of Jefferson Davis Highway and Fair Hill Avenue. The center contains a Family Dollar, Food Lion, Verizon Wireless, Subway, as well as a thrift shop.
- 3 **Eagle Plaza**, located along Route 1, is anchored by Giant. Other tenants include Play It Again Sports, Country Cookin', Mexican grocer La Surianita, and Planet Fitness.
- 4 **Central Park** is an office and retail power center located off of Route 3 and I-95. Major tenants include Target, Walmart, and Wegmans. The retail mix includes restaurants such as Bonefish Grill, Chick-fil-A, and IHOP; several hair and nail salons; and general goods stores such as Kohl's, Best Buy, and DSW.
- 5 **Village Square Shopping Center** is a dated shopping center that contains various retailers such as a piano outlet, barber, Dollar General, and a pizzeria.
- 6 **Spotsylvania Towne Center** is anchored by Belk, Costco, Dick's Sporting Goods, JC Penny, Macy's, and Sears. The interior mall is comprised of approximately 1.1 million square feet, and also contains an exterior plaza containing an entertainment complex and hotel. There are over 150 tenants, including Express, Guitar Center, GNC, and Kay Jewelers.
- 7 **Gateway Village Shopping Center** is an aging center located at the southeast corner of the intersection of I-95 and Plank Road/Route 3. The center contains a Pep Boys Auto Parts & Service, Habitat for Humanity, Goodwill, and Fredericksburg Shoe Repair.
- 8 **Greenbrier Shopping Center** contains 173,647 square feet of retail space, and is anchor tenanted by Big Lots! and Burlington Coat Factory. Other tenants include Boost Mobile, Decatur's Crabs, Taj Indian Cuisine, and a laundromat.
- 9 **Westwood Shopping Center**, with major tenants such as Staples, AutoZone, and Starbucks, is located along Plank Road. The center contains a variety of general goods stores such as the Fredericksburg Golf Center, Benjamin Moore, and Harbor Freight Tools, as well as restaurants such as Popeyes and Philly Pretzel Factory.
- 10 **Downtown Fredericksburg** is comprised of 40 blocks neighboring the Rappahannock River. Downtown contains over 100 retailers, including boutique restaurants and clothing stores, markets, and salons.
- 11 **Ferry Farm Center**, a neighborhood-serving center, contains a variety of local businesses such as Vinny's Italian Grill, The Finishing Touch Florist, and Smyrna Mediterranean Cuisine. Other tenants include 7-Eleven and Dairy Queen.

RETAIL MARKET ANALYSIS

REGIONAL RETAIL COMPETITION

The site is relatively central to several destination retail sites, both in Stafford and Woodbridge. These centers will serve as regional competition to the study site. Regional competition has an impact on the breadth of the trade areas, as these regional centers limit the potential for the studied areas to support retail that draws from larger areas, particularly GAFO retail (clothes, furniture, etc.).

REGIONAL RETAIL COMPETITION MAP



Esri, HERE, DeLorme, MapmyIn

- 1 Currently the largest outlet center in Virginia, **Potomac Mills** features approximately 1.5 million square feet of retail space, including numerous “one in a market” tenants including IKEA, Neiman Marcus Last Call, The Disney Store, and Gander Mountain.
- 2 **Stafford Marketplace** is a power center that includes a variety of large-format and junior anchor tenants, such as Lowe’s, Best Buy, Kohl’s, Target, and Bed Bath & Beyond.
- 3 In 2017, **Aquia Town Center** will contribute an additional 160,000 square feet of grocery- and theater-anchored retail space to the offerings located immediately off I-95’s Exit 143.
- 4 **Washington Square Plaza** contains a Walmart Supercenter, Dollar Tree, Sally Beauty Supply, and Advance Auto.
- 5 **Southpoint Shoppes** contains two sections: Southpoint I and II along Route 17, and Southpoint Shoppes north along Southpoint Parkway. The Southpoint development contains a Walmart Supercenter, various national retailers such as Chipotle, Tropical Smoothie, Steak n’ Shake, and Lowe’s Home Improvement.
- 6 **Cosner’s Corner** is a power shopping center located at the intersection of Route 1 and Spotsylvania Parkway containing 628,090 square feet of retail space. The anchors tenants include Super Target, Ross, Rack Room Shoes, World Market, PetSmart, Marshalls, Justice, Dressbarn, and Five Below. The center also contains Dick’s Sporting Goods and several available spaces.

RETAIL MARKET ANALYSIS – NEIGHBORHOOD 3

RETAIL SUPPLY

As the first step in understanding the retail potential for Neighborhood 3, an inventory of all retail-appropriate and retail-occupied space was surveyed and recorded in July 2016. This retail is concentrated along Plank Road complementing the retail mix on the west side of I-95 at Central Park and Spotsylvania Towne Centre.

The total inventory included five shopping centers, and numerous pad sites which host 115 retail-appropriate and/or occupied spaces. Major anchors within Neighborhood 3 include tenants such as Home Depot, Staples, and Big Lots, among others. As a point of market distinction, the neighborhood is home to many discount retailers, such as the Goodwill, and others.

There are a total of 74 retail establishments and 41 retail-appropriate spaces that are currently vacant or occupied by a non-retail uses. For the purposes of the supply analysis, total square footages are the prevailing source of data and analysis.

The total amount of retail-appropriate space in Neighborhood 3 is estimated at 652,802 square feet.

Of the total amount of retail-appropriate space, approximately 114,219 square feet (17.5 percent) are currently occupied by non-retail users. An additional estimated 46,173 square feet (7.1 percent) are vacant. When combined, these two figures constitute an “underutilized space rate” of 24.6 percent. More precisely, approximately 160,392 square feet of retail-appropriate space located in the Neighborhood 3 is not occupied by retail tenants.

Retail-appropriate space is ideally located on the ground floor with the purposes of being occupied by a retail use; however, these spaces are occasionally tenanted by non-retail tenants, such as banks, offices, and others. Conversely, retailers might occupy spaces that are not appropriate for a retail business, including retail located in areas of indirect visibility and access (e.g. basements, alleys, and second floors).

TABLE 7: RETAIL INVENTORY BY USE

USE	INVENTORY (2016)
Retail	492,410
Non-Retail	114,219
Vacant	46,173
TOTAL:	652,802

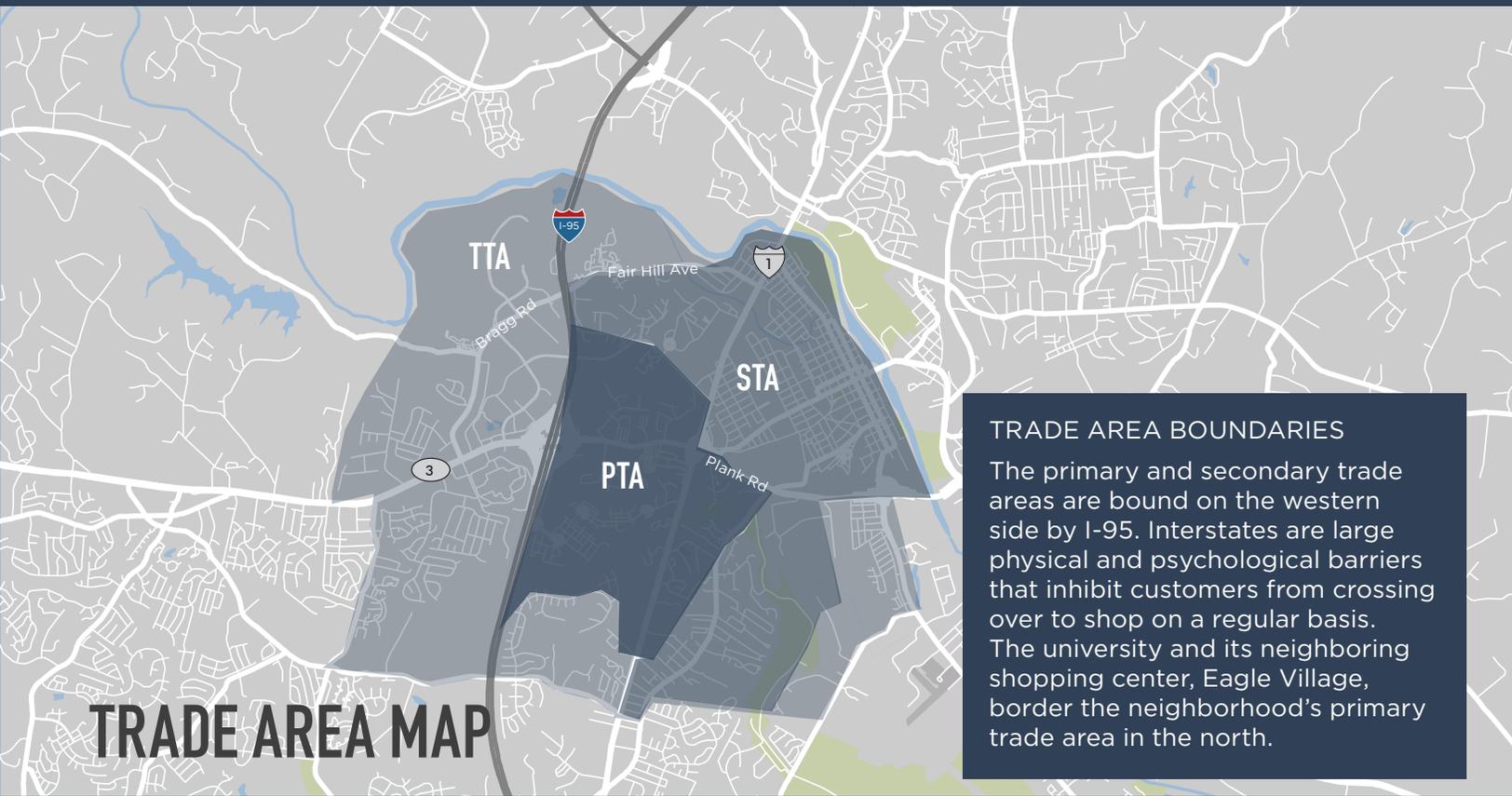
The total amount of space currently occupied by retail establishments is approximately 544,797 square feet. The majority of this retail-occupied supply exists within the General Merchandise category at approximately 375,000 square feet (76 percent). Food and Beverage and Neighborhood Goods & Services retail follows with 78,215 square feet (16 percent) and 38,367 square feet (8 percent), respectively.

TABLE 8: RETAIL INVENTORY BY CATEGORY

CATEGORY	INVENTORY (2016)
Neighborhood Goods & Services	78,215
Food & Beverages	375,828
General Merchandise	38,367
TOTAL:	492,410

CUSTOMER TRADE AREAS

For the purposes of this assessment, the trade areas below—impacted by competition, drive times, sociological and geographical boundaries, shopping patterns by customer type, pedestrian volumes, and other similar factors—were utilized as boundaries for the primary trade area (PTA) and secondary trade area (STA). The trade areas identify the customer segments from which Area 3's retail establishments are likely to draw a majority of their regular sales.



TRADE AREA MAP

	 POPULATION	 NUMBER OF HOUSEHOLDS	 MEDIAN HOUSEHOLD INCOME	 WORKFORCE POPULATION
PRIMARY TRADE AREA (PTA)	8,532	3,646	\$59,221	4,559
SECONDARY TRADE AREA (STA)	16,829	6,412	\$49,865	N/A
TERTIARY TRADE AREA (TTA)	13,533	4,570	\$56,363	N/A

Source: U.S. Census Bureau, US Bureau of Labor Statistics, Nielsen Company/Claritas Demographics and Business Facts reports created for Streetsense, August 2016. Figures for each trade area are recorded exclusive of one another (i.e. STA figures do not include PTA)

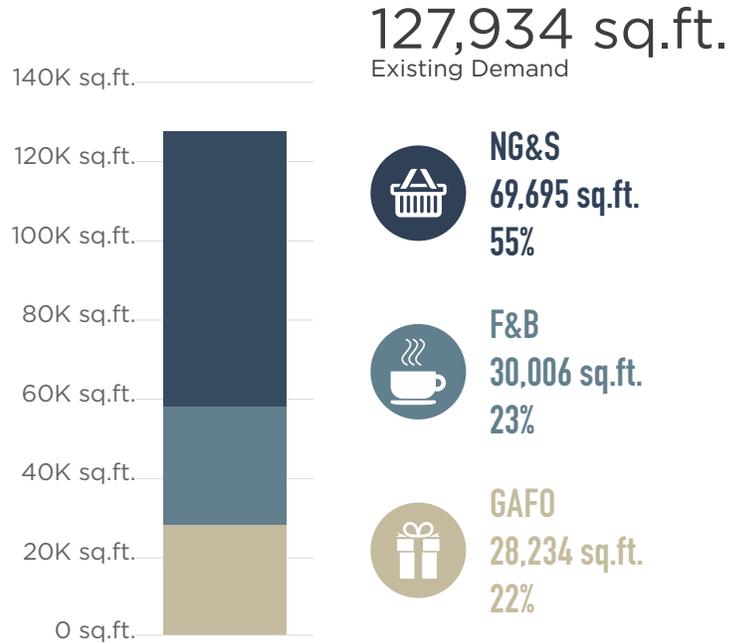
RETAIL MARKET ANALYSIS – AREA 3

EXISTING DEMAND (2016)

Each of the three major retail categories has distinctive characteristics that influence tenant location decisions and shopping patterns. These factors significantly affect Area 3's capture rates for customer expenditures generated within the trade areas.

Majority of the retail demand for Area 3 is driven by the surrounding residential population. This population type drives demand for convenience-based retail, which is directly correlated with higher demand in the Neighborhood Goods & Services and Food & Beverage categories.

Overall the existing customer base is able to support 127,934 square feet of retail demand.



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc.



NEIGHBORHOOD GOODS & SERVICES (NG&S)

As a convenience based retail option, this retail category is often supported by nearby residential populations. Although there are several large-format groceries in the Fredericksburg area, including Costco at Spotsylvania Town Centre and the Super Target, there is still potential for a quality neighborhood-serving grocery store, such as a Giant or Safeway. In addition to a grocery store, there will also be demand remaining for neighborhood services such as dry cleaners and florists.



FOOD & BEVERAGE (F&B)

Although Food & Beverage establishments are often able to attract customers from a larger trade area than NG&S retailers, this site will primarily draw customers from its primary trade area. Community-centric restaurants or diners and cafes targeting the surrounding residents would work well in this neighborhood.



GENERAL MERCHANDISE, APPAREL, FURNISHINGS & OTHER (GAFO)

The super centers, particularly Spotsylvania Towne Centre, limit the potential for large GAFO retailers in neighborhood 3. The current demand is enough for one or two smaller stores that sell items needed on a more regular basis, such as a paper/office supply store.

GROWTH PROJECTIONS

The anticipated residential and workforce populations for Neighborhood 6's trade areas are all slated to increase.

TABLE 9: RESIDENTIAL AND WORKFORCE GROWTH POPULATIONS			
HOUSEHOLDS	2016	2021	2026
PTA	3,646	4,166	4,671
STA	6,412	7,087	7,617
TTA	4,570	4,970	5,634
Employees (PTA Only)	4,559	5,207	5,498

Source: Nielsen Company/Claritas Demographics and Business Facts reports created for Streetsense, August 2016. Please note the growth projections are cumulative.

PROJECTED RETAIL DEMAND BY RETAIL CATEGORY

Changes in the population and income levels of the trade areas impact the total amount of retail demand for Area 3. In the tables below, the total amount of retail demand generated by retail category is projected.

Beginning in 2016, the retail demand is estimated at 127,934 square feet with the majority in the Neighborhood Goods & Services category. By 2026, the overall demand increase by about 26,000 square feet to 153,923 square feet. The demand continues to be largest in the NG&S category through the next 10 years.

TABLE 10: PROJECTED DEMAND (SF)				
CATEGORY	INVENTORY (2016)	2016 DEMAND	2021 DEMAND	2026 DEMAND
NG&S	78,215	69,695	77,910	84,532
F&B	375,828	30,006	33,338	35,719
GAFO	38,367	28,234	31,588	33,671
TOTAL:	492,410	127,934	142,836	153,923

Source: Appendix Tables 8, 19, and 29; Streetsense Inventory

RETAIL MARKET ANALYSIS – AREA 3

CONCLUSION

As Area 3 stands today, there is no additional demand for new retail development. The total amount of existing retail space in this area simply cannot be supported by the amount of expenditures reasonably available to it. The ability for these centers to maintain their viability is greatly limited by the immense competition from the nearby Central Park and Spotsylvania Towne Centre. This contributes to a current and future oversupply of retail that will subsequently drive down retail lease rates, and drive up vacancy. The current mix of discount retailers are ideal for this space, as well as an option for a mix of street-activating, non-retail uses.

As new development occurs nearby, additional demand will be generated. The amount of retail demand this new development or redevelopment will generate is often overestimated. For this reason, incremental amounts of new retail demand created by real estate projects can be used to more accurately assess the amount of supportable retail in future years.

As of the release of this report, the demand projections reflect the development pipeline. With the addition of new developments, the figures below show the additional supportable square feet of retail demand generated by new, on-site uses.



11 sq.ft.
PER RESIDENTIAL UNIT



20 sq.ft.
PER 1,000 SQUARE FEET OF
OFFICE SPACE



21 sq.ft.
PER HOTEL ROOM

RETAIL MARKET ANALYSIS – AREA 6

As the first step in understanding the retail potential for Neighborhood 6, an inventory of all retail- appropriate and retail-occupied space was surveyed and recorded in July 2016. This retail is concentrated along Route 1 and Princess Anne Street.

The total inventory included two strip centers and numerous pad sites which host 81 retail-appropriate and/or -occupied spaces. Well-known anchors within Neighborhood 6 include tenants such as Mason Dixon, Carl’s, and Food Lion, among others. As a point of market distinction, the neighborhood is home to many retailers that support surrounding automobile and industrial needs.

Retail-appropriate space is ideally located on the ground floor with the purposes of being occupied by a retail use; however, these spaces are occasionally tenanted by non-retail tenants, such as banks, offices, and others. Conversely, retailers might occupy spaces that are not appropriate for a retail business, including retail located in areas of indirect visibility and access (e.g. basements, alleys, and second floors).

There are a total of 63 retail establishments and 18 retail-appropriate spaces that are currently vacant or occupied by a non-retail uses. For the purposes of the supply analysis, total square footages are the prevailing source of data and analysis.

The total amount of retail-appropriate space in Neighborhood 6 is estimated at 252,859 square feet.

Of the total amount of retail-appropriate space, approximately 25,500 square feet (10.1 percent) are currently occupied by non-retail users. An additional estimated 15,400 square feet (6.1 percent) are vacant. When combined, these two figures constitute an “underutilized space rate” of 16.2 percent. More precisely, approximately 41,000 square feet of retail-appropriate space located in the Neighborhood 6 is not occupied by retail tenants.

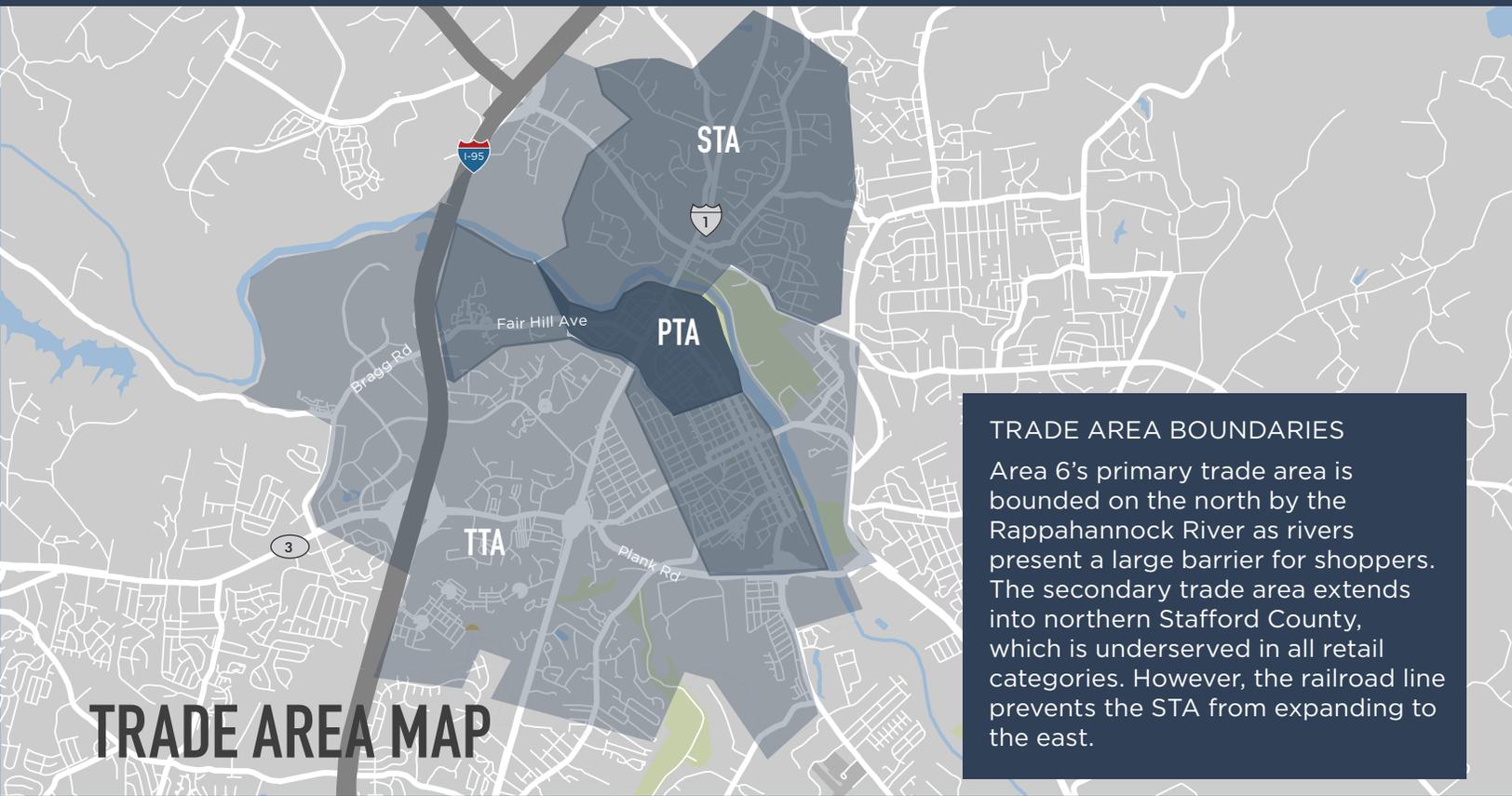
USE	INVENTORY (2016)
Retail	211,938
Non-Retail	25,521
Vacant	15,400
TOTAL:	252,859

The total amount of space currently occupied by retail establishments is approximately 211,938 square feet. The majority of this retail-occupied supply exists within the General Merchandise category at approximately 98,425 square feet (46.4 percent). Food and Beverage and Neighborhood Goods & Services retail follows with approximately 67,000 square feet (22.2 percent) and 66,445 square feet (31.4 percent), respectively.

CATEGORY	INVENTORY (2016)
Neighborhood Goods & Services	47,068
Food & Beverages	98,425
General Merchandise	66,445
TOTAL:	211,938

CUSTOMER TRADE AREAS

For the purposes of this assessment, the trade areas below - impacted by competition, drive times, sociological and geographical boundaries, shopping patterns by customer type, pedestrian volumes, and other similar factors - were utilized as boundaries for the primary trade area (PTA, secondary trade area (STA), and tertiary trade area (TTA). The trade areas identify the customer segments from which Area 6's retail establishments are likely to draw a majority of their regular sales.



TRADE AREA MAP

	 POPULATION	 NUMBER OF HOUSEHOLDS	 MEDIAN HOUSEHOLD INCOME	 WORKFORCE POPULATION
PRIMARY TRADE AREA (PTA)	2,308	1,194	\$41,047	6,150
SECONDARY TRADE AREA (STA)	12,403	4,991	\$57,503	N/A
TERTIARY TRADE AREA (TTA)	21,676	7,804	\$55,241	N/A

Source: U.S. Census Bureau, US Bureau of Labor Statistics, Nielsen Company/Claritas Demographics and Business Facts reports created for Streetsense, August 2016. Figures for each trade area are recorded exclusive of one another (i.e. STA figures do not include PTA)

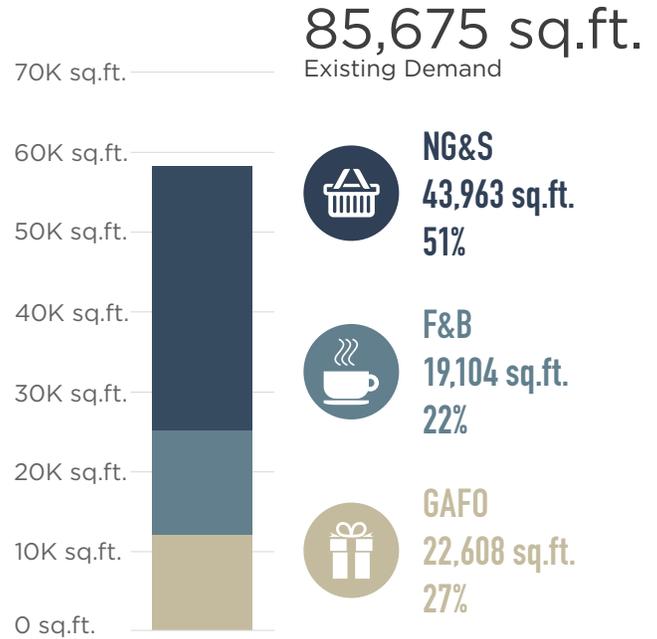
RETAIL MARKET ANALYSIS – AREA 6

EXISTING DEMAND (2016)

Each of the three major retail categories has distinctive characteristics that influence tenant location decisions and shopping patterns. These factors significantly affect Area 6’s capture rates for customer expenditures generated within the trade areas.

The majority of the retail demand for Area 6 is driven by the surrounding residential and workforce population. This population type has a desire for convenience-based retail, which is directly correlated with higher demand in the Neighborhood Goods & Services and Food & Beverage categories.

Overall the existing customer base is able to support 85,675 square feet of retail demand.



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc.



NEIGHBORHOOD GOODS & SERVICES (NG&S)

As a convenience based retail option, this retail category is often supported by nearby residential populations. The Food Lion within Area 6 adequately serves the local population. This demand can support retail consisting of a smaller grocery option, in addition to other neighborhood service retail such as dry cleaners, hair and nail salons, or drugstores.



FOOD & BEVERAGE (F&B)

Several local restaurants or cafes would adequately serve the demand for this category. F&B retailers that serve quick service food would appeal to populations such as the local workforce and the students attending James Monroe High School.



GENERAL MERCHANDISE, APPAREL, FURNISHINGS & OTHER (GAFO)

Similarly to Area 3, the super centers limit the potential in Area 6 for GAFO retail to 22,608 square feet.

AREA 6: MARKET ANALYSIS

GROWTH PROJECTIONS

The anticipated residential and workforce populations for Area 6’s trade areas are all slated to increase, with the exception of the Secondary Trade Area.

TABLE 13: RESIDENTIAL AND WORKFORCE GROWTH POPULATIONS

HOUSEHOLDS	2016	2021	2026
PTA	1,194	1,869	2,399
STA	4,991	5,041	5,091
TTA	7,804	8,489	9,483
Employees (PTA Only)	6,150	6,558	6,881

Source: Nielsen Company/Claritas Demographics and Business Facts reports created for Streetsense, August 2016. Please note the growth projections are cumulative.

PROJECTED RETAIL DEMAND BY RETAIL CATEGORY

Changes in the population and income levels of the trade areas impact the total amount of retail demand for Area 6. In the tables below, the total amount of retail demand generated by retail category is projected.

Beginning in 2016, the retail demand is estimated at 85,675 square feet with the majority in the Neighborhood Goods & Services category. The demand continues to be largest in this category through 10 years.

TABLE 14: PROJECTED DEMAND (SF)

CATEGORY	INVENTORY (2016)	2016 DEMAND	2021 DEMAND	2026 DEMAND
NG&S	47,068	43,963	48,819	53,030
F&B	98,425	19,104	21,004	22,689
GAFO	66,445	22,608	24,671	26,450
TOTAL:	211,938	85,675	94,494	102,168

Source: Appendix Tables 9, 19, and 29; Streetsense Inventory

CONCLUSION

Similar to Area 3, the total amount of the retail supply has outpaced the total amount of money available for purchases.

Area 6 has retail potential with the opportunity to be unlocked. As the population of the primary trade area has increased in size and income, the retail located within it has not responded accordingly. Particularly along Route 1, outdated and under-productive retail centers should be identified as potential redevelopment sites. Rather than continuing to build new and more space, the retail market in Area 6 will respond positively to the reconstruction and retenanting of Route 1 spaces, especially those located in a mixed-use condition.

Additional density within the neighborhood will also increase the total amount of retail that can be supported. The amount of retail demand this new development or redevelopment will generate is often overestimated. For this reason, incremental amounts of new retail demand created by real estate projects can be used to more accurately assess the amount of supportable retail in future years.

As of the release of this report, the demand projections reflect the development pipeline. With the addition of new developments, the figures below show the additional supportable square feet of retail demand generated by new, on-site uses.



9 sq.ft.
PER RESIDENTIAL UNIT



20 sq.ft.
PER 1,000 SQUARE FEET OF
OFFICE SPACE



10 sq.ft.
PER HOTEL ROOM

TECHNICAL APPENDIX

NEIGHBORHOOD 3

2016 - EXISTING DEMAND

TABLE 1. RESIDENT-GENERATED RETAIL DEMAND WITHIN PRIMARY TRADE AREA (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$11,596,522	45.00%	\$5,218,435	\$498	10,479	\$612	8,527
Prepared Foods	\$2,705,823	40.00%	\$1,082,329	\$360	3,006	\$385	2,811
Alcohol at Home	\$1,051,867	40.00%	\$420,747	\$254	1,656	\$310	1,357
Personal/Household Care Products and Services	\$5,535,270	45.00%	\$2,490,872	\$320	7,784	\$340	7,326
NG&S SUBTOTAL	\$20,889,482		\$9,212,382		22,926		20,021
Food Away from Home	\$9,143,679	30.00%	\$2,743,104	\$320	8,572	\$460	5,963
Alcohol Away from Home	\$612,990	30.00%	\$183,897	\$270	681	\$336	547
F&B SUBTOTAL	\$9,756,669		\$2,927,001		9,253		6,511
Apparel, Accessories and Similar	\$6,744,204	17.00%	\$1,146,515	\$315	3,640	\$343	3,343
Reading Materials, Music and Similar	\$247,418	17.00%	\$42,061	\$290	145	\$313	134
Home Furnishings and Décor and Similar	\$3,477,673	17.00%	\$591,204	\$322	1,836	\$380	1,556
Electronics, Technology and Similar	\$4,622,378	15.00%	\$693,357	\$560	1,238	\$690	1,005
GAFO SUBTOTAL	\$15,091,673		\$2,473,137		6,859		6,038
RESIDENT-GENERATED RETAIL DEMAND (PTA):					39,038		32,570

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 2. RESIDENT-GENERATED RETAIL DEMAND WITHIN SECONDARY TRADE AREA (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$24,895,146	30.00%	\$7,468,544	\$498	14,997	\$612	12,204
Prepared Foods	\$6,013,282	30.00%	\$1,803,985	\$360	5,011	\$385	4,686
Alcohol at Home	\$2,689,932	30.00%	\$806,980	\$254	3,177	\$310	2,603
Personal/Household Care Products and Services	\$11,345,227	30.00%	\$3,403,568	\$320	10,636	\$340	10,010
NG&S SUBTOTAL	\$44,943,587		\$13,483,076		33,821		29,503
Food Away from Home	\$21,323,789	20.00%	\$4,264,758	\$320	13,327	\$460	9,271
Alcohol Away from Home	\$1,866,354	20.00%	\$373,271	\$270	1,382	\$336	1,111
F&B SUBTOTAL	\$23,190,143		\$4,638,029		14,710		10,382
Apparel, Accessories and Similar	\$14,983,360	10.00%	\$1,498,336	\$315	4,757	\$343	4,368
Reading Materials, Music and Similar	\$623,457	10.00%	\$62,346	\$290	215	\$313	199
Home Furnishings and Décor and Similar	\$6,892,946	10.00%	\$689,295	\$322	2,141	\$380	1,814
Electronics, Technology and Similar	\$10,185,629	8.00%	\$814,850	\$560	1,455	\$690	1,181
GAFO SUBTOTAL	\$32,685,392		\$3,064,827		8,567		7,562
RESIDENT-GENERATED RETAIL DEMAND (STA):					57,099		47,447

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 3. RESIDENT-GENERATED RETAIL DEMAND WITHIN TERTIARY TRADE AREA (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$16,361,886	15.00%	\$2,454,283	\$498	4,928	\$612	4,010
Prepared Foods	\$3,667,168	15.00%	\$550,075	\$360	1,528	\$385	1,429
Alcohol at Home	\$1,280,516	15.00%	\$192,077	\$254	756	\$310	620
Personal/Household Care Products and Services	\$7,291,681	15.00%	\$1,093,752	\$320	3,418	\$340	3,217
NG&S SUBTOTAL	\$28,601,251		\$4,290,188		10,630		9,276
Food Away from Home	\$11,225,117	15.00%	\$1,683,768	\$320	5,262	\$460	3,660
Alcohol Away from Home	\$726,554	15.00%	\$108,983	\$270	404	\$336	324
F&B SUBTOTAL	\$11,951,671		\$1,792,751		5,665		3,985
Apparel, Accessories and Similar	\$9,197,821	8.00%	\$735,826	\$315	2,336	\$343	2,145
Reading Materials, Music and Similar	\$294,124	8.00%	\$23,530	\$290	81	\$313	75
Home Furnishings and Décor and Similar	\$4,520,155	8.00%	\$361,612	\$322	1,123	\$380	952
Electronics, Technology and Similar	\$5,990,134	8.00%	\$479,211	\$560	856	\$690	695
GAFO SUBTOTAL	\$20,002,234		\$1,600,179		4,396		3,867
RESIDENT-GENERATED RETAIL DEMAND (TTA):					20,692		17,127

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 4. SUMMARY OF RESIDENT-GENERATED RETAIL DEMAND (2016)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	67,378	58,800
FOOD & BEVERAGES	29,629	20,877
GAFO	19,822	17,467
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	116,828	97,144

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 5. WORKPLACE-BASED RETAIL DEMAND (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$7,982,826	50.00%	\$3,991,413	\$358	11,149	\$412	9,694
Food and Beverage	\$3,959,223	65.00%	\$2,573,495	\$295	8,724	\$398	6,466
GAFO	\$8,754,955	45.00%	\$3,939,730	\$372	10,598	\$432	9,130
TOTAL DEMAND BY EMPLOYEES:					30,471		25,290

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 6. SUMMARY OF WORKPLACE-GENERATED RETAIL DEMAND (2016)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	11,149	9,694
FOOD & BEVERAGES	8,724	6,466
GAFO	10,598	9,130
TOTAL ESTIMATED WORKPLACE-BASED RETAIL DEMAND	30,471	25,290

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 7. VISITOR-BASED RETAIL DEMAND (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$824,122	60.00%	\$494,473	\$358	1,381	\$412	1,201
Food and Beverage	\$1,765,977	60.00%	\$1,059,586	\$295	3,592	\$398	2,662
GAFO	\$1,412,781	50.00%	\$706,391	\$372	1,900	\$432	1,637
TOTAL DEMAND BY VISITORS:					6,873		5,500

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 8. NEIGHBORHOOD 6 EXISTING RETAIL DEMAND (2016)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	79,908	69,695
FOOD & BEVERAGES	41,944	30,006
GAFO	32,320	28,234
TOTAL PROJECTED RETAIL DEMAND	154,172	127,934

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

NEIGHBORHOOD 3

2021 DEMAND

TABLE 9. RESIDENT-GENERATED RETAIL DEMAND WITHIN PRIMARY TRADE AREA (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$13,250,642	45.00%	\$5,962,789	\$498	11,973	\$612	9,743
Prepared Foods	\$3,091,663	40.00%	\$1,236,665	\$360	3,435	\$385	3,212
Alcohol at Home	\$1,201,627	40.00%	\$480,651	\$254	1,892	\$310	1,550
Personal/Household Care Products and Services	\$6,324,630	45.00%	\$2,846,084	\$320	8,894	\$340	8,371
NG&S SUBTOTAL	\$23,868,562		\$10,526,188		26,195		22,877
Food Away from Home	\$10,447,839	30.00%	\$3,134,352	\$320	9,795	\$460	6,814
Alcohol Away from Home	\$700,350	30.00%	\$210,105	\$270	778	\$336	625
F&B SUBTOTAL	\$11,148,189		\$3,344,457		10,573		7,439
Apparel, Accessories and Similar	\$7,706,204	17.00%	\$1,310,055	\$315	4,159	\$343	3,819
Reading Materials, Music and Similar	\$282,778	17.00%	\$48,072	\$290	166	\$313	154
Home Furnishings and Décor and Similar	\$3,973,753	17.00%	\$675,538	\$322	2,098	\$380	1,778
Electronics, Technology and Similar	\$5,282,258	15.00%	\$792,339	\$560	1,415	\$690	1,148
GAFO SUBTOTAL	\$17,244,993		\$2,826,004		7,838		6,899
RESIDENT-GENERATED RETAIL DEMAND (PTA):					44,606		37,215

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 10. RESIDENT-GENERATED RETAIL DEMAND WITHIN SECONDARY TRADE AREA (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$27,515,496	30.00%	\$8,254,649	\$498	16,576	\$612	13,488
Prepared Foods	\$6,646,432	30.00%	\$1,993,930	\$360	5,539	\$385	5,179
Alcohol at Home	\$2,973,432	30.00%	\$892,030	\$254	3,512	\$310	2,878
Personal/Household Care Products and Services	\$12,539,302	30.00%	\$3,761,791	\$320	11,756	\$340	11,064
NG&S SUBTOTAL	\$49,674,662		\$14,902,399		37,382		32,609
Food Away from Home	\$23,568,839	20.00%	\$4,713,768	\$320	14,731	\$460	10,247
Alcohol Away from Home	\$2,062,779	20.00%	\$412,556	\$270	1,528	\$336	1,228
F&B SUBTOTAL	\$25,631,618		\$5,126,324		16,259		11,475
Apparel, Accessories and Similar	\$16,560,835	10.00%	\$1,656,084	\$315	5,257	\$343	4,828
Reading Materials, Music and Similar	\$688,932	10.00%	\$68,893	\$290	238	\$313	220
Home Furnishings and Décor and Similar	\$7,617,896	10.00%	\$761,790	\$322	2,366	\$380	2,005
Electronics, Technology and Similar	\$11,257,529	8.00%	\$900,602	\$560	1,608	\$690	1,305
GAFO SUBTOTAL	\$36,125,192		\$3,387,369		9,469		8,358
RESIDENT-GENERATED RETAIL DEMAND (STA):					63,109		52,442

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 11. RESIDENT-GENERATED RETAIL DEMAND WITHIN TERTIARY TRADE AREA (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$17,794,921	15.00%	\$2,669,238	\$498	5,360	\$612	4,362
Prepared Foods	\$3,988,110	15.00%	\$598,217	\$360	1,662	\$385	1,554
Alcohol at Home	\$1,392,566	15.00%	\$208,885	\$254	822	\$310	674
Personal/Household Care Products and Services	\$7,930,364	15.00%	\$1,189,555	\$320	3,717	\$340	3,499
NG&S SUBTOTAL	\$31,105,960		\$4,665,894		11,561		10,088
Food Away from Home	\$12,207,952	15.00%	\$1,831,193	\$320	5,722	\$460	3,981
Alcohol Away from Home	\$790,182	15.00%	\$118,527	\$270	439	\$336	353
F&B SUBTOTAL	\$12,998,135		\$1,949,720		6,161		4,334
Apparel, Accessories and Similar	\$10,003,378	8.00%	\$800,270	\$315	2,541	\$343	2,333
Reading Materials, Music and Similar	\$319,735	8.00%	\$25,579	\$290	88	\$313	82
Home Furnishings and Décor and Similar	\$4,915,930	8.00%	\$393,274	\$322	1,221	\$380	1,035
Electronics, Technology and Similar	\$6,514,766	8.00%	\$521,181	\$560	931	\$690	755
GAFO SUBTOTAL	\$21,753,810		\$1,740,305		4,781		4,205
RESIDENT-GENERATED RETAIL DEMAND (TTA):					22,504		18,627

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 12. SUMMARY OF RESIDENT-GENERATED RETAIL DEMAND (2021)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	75,138	65,573
FOOD & BEVERAGES	32,993	23,248
GAFO	22,087	19,462
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	130,218	108,283

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 13. WORKPLACE-BASED RETAIL DEMAND (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$9,170,409	50.00%	\$4,585,204	\$358	12,808	\$412	11,136
Food and Beverage	\$4,548,226	65.00%	\$2,956,347	\$295	10,022	\$398	7,428
GAFO	\$10,057,406	45.00%	\$4,525,833	\$372	12,174	\$432	10,489
TOTAL DEMAND BY EMPLOYEES:					35,004		29,053

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 14. SUMMARY OF WORKPLACE-GENERATED RETAIL DEMAND (2021)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	12,808	11,136
FOOD & BEVERAGES	10,022	7,428
GAFO	12,174	10,489
TOTAL ESTIMATED WORKPLACE-BASED RETAIL DEMAND	35,004	29,053

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 15. VISITOR-BASED RETAIL DEMAND (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$824,122	60.00%	\$494,473	\$358	1,381	\$412	1,201
Food and Beverage	\$1,765,977	60.00%	\$1,059,586	\$295	3,592	\$398	2,662
GAFO	\$1,412,781	50.00%	\$706,391	\$372	1,900	\$432	1,637
TOTAL DEMAND BY VISITORS:					6,873		5,500

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 16. NEIGHBORHOOD 3 RETAIL DEMAND (2021)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	89,327	77,910
FOOD & BEVERAGES	46,606	33,338
GAFO	36,162	31,588
TOTAL PROJECTED RETAIL DEMAND	172,095	142,836

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

NEIGHBORHOOD 3

2026 DEMAND

TABLE 17. RESIDENT-GENERATED RETAIL DEMAND WITHIN PRIMARY TRADE AREA (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$14,857,047	45.00%	\$6,685,671	\$498	13,425	\$612	10,924
Prepared Foods	\$3,466,373	40.00%	\$1,386,549	\$360	3,852	\$385	3,601
Alcohol at Home	\$1,347,067	40.00%	\$538,827	\$254	2,121	\$310	1,738
Personal/Household Care Products and Services	\$7,091,220	45.00%	\$3,191,049	\$320	9,972	\$340	9,385
NG&S SUBTOTAL	\$26,761,707		\$11,802,096		29,370		25,649
Food Away from Home	\$11,714,379	30.00%	\$3,514,314	\$320	10,982	\$460	7,640
Alcohol Away from Home	\$785,190	30.00%	\$235,557	\$270	872	\$336	701
F&B SUBTOTAL	\$12,499,569		\$3,749,871		11,855		8,341
Apparel, Accessories and Similar	\$8,640,454	17.00%	\$1,468,877	\$315	4,663	\$343	4,282
Reading Materials, Music and Similar	\$317,118	17.00%	\$53,910	\$290	186	\$313	172
Home Furnishings and Décor and Similar	\$4,455,523	17.00%	\$757,439	\$322	2,352	\$380	1,993
Electronics, Technology and Similar	\$5,923,103	15.00%	\$888,465	\$560	1,587	\$690	1,288
GAFO SUBTOTAL	\$19,336,198		\$3,168,692		8,788		7,736
RESIDENT-GENERATED RETAIL DEMAND (PTA):					50,012		41,726

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 18. RESIDENT-GENERATED RETAIL DEMAND WITHIN SECONDARY TRADE AREA (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$29,572,956	30.00%	\$8,871,887	\$498	17,815	\$612	14,497
Prepared Foods	\$7,143,572	30.00%	\$2,143,072	\$360	5,953	\$385	5,566
Alcohol at Home	\$3,196,032	30.00%	\$958,810	\$254	3,775	\$310	3,093
Personal/Household Care Products and Services	\$13,476,872	30.00%	\$4,043,062	\$320	12,635	\$340	11,891
NG&S SUBTOTAL	\$53,389,432		\$16,016,830		40,177		35,047
Food Away from Home	\$25,331,619	20.00%	\$5,066,324	\$320	15,832	\$460	11,014
Alcohol Away from Home	\$2,217,009	20.00%	\$443,402	\$270	1,642	\$336	1,320
F&B SUBTOTAL	\$27,548,628		\$5,509,726		17,474		12,333
Apparel, Accessories and Similar	\$17,799,445	10.00%	\$1,779,945	\$315	5,651	\$343	5,189
Reading Materials, Music and Similar	\$740,342	10.00%	\$74,034	\$290	255	\$313	237
Home Furnishings and Décor and Similar	\$8,187,116	10.00%	\$818,712	\$322	2,543	\$380	2,155
Electronics, Technology and Similar	\$12,099,169	8.00%	\$967,934	\$560	1,728	\$690	1,403
GAFO SUBTOTAL	\$38,826,072		\$3,640,624		10,177		8,983
RESIDENT-GENERATED RETAIL DEMAND (STA):					67,829		56,364

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 19. RESIDENT-GENERATED RETAIL DEMAND WITHIN TERTIARY TRADE AREA (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$20,171,767	15.00%	\$3,025,765	\$498	6,076	\$612	4,944
Prepared Foods	\$4,520,428	15.00%	\$678,064	\$360	1,884	\$385	1,761
Alcohol at Home	\$1,578,412	15.00%	\$236,762	\$254	932	\$310	764
Personal/Household Care Products and Services	\$8,989,690	15.00%	\$1,348,453	\$320	4,214	\$340	3,966
NG&S SUBTOTAL	\$35,260,297		\$5,289,045		13,105		11,435
Food Away from Home	\$13,838,093	15.00%	\$2,075,714	\$320	6,487	\$460	4,512
Alcohol Away from Home	\$895,717	15.00%	\$134,357	\$270	498	\$336	400
F&B SUBTOTAL	\$14,733,810		\$2,210,071		6,984		4,912
Apparel, Accessories and Similar	\$11,339,483	8.00%	\$907,159	\$315	2,880	\$343	2,645
Reading Materials, Music and Similar	\$362,215	8.00%	\$28,977	\$290	100	\$313	93
Home Furnishings and Décor and Similar	\$5,572,367	8.00%	\$445,789	\$322	1,384	\$380	1,173
Electronics, Technology and Similar	\$7,384,927	8.00%	\$590,794	\$560	1,055	\$690	856
GAFO SUBTOTAL	\$24,658,991		\$1,972,719		5,419		4,767
RESIDENT-GENERATED RETAIL DEMAND (TTA):					25,509		21,114

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 20. SUMMARY OF RESIDENT-GENERATED RETAIL DEMAND (2026)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	82,653	72,132
FOOD & BEVERAGES	36,313	25,587
GAFO	24,384	21,485
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	143,350	119,204

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 21. WORKPLACE-BASED RETAIL DEMAND (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$9,222,939	50.00%	\$4,611,469	\$358	12,881	\$412	11,200
Food and Beverage	\$4,574,279	65.00%	\$2,973,282	\$295	10,079	\$398	7,471
GAFO	\$10,115,017	45.00%	\$4,551,758	\$372	12,244	\$432	10,549
TOTAL DEMAND BY EMPLOYEES:					35,204		29,219

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 22. SUMMARY OF WORKPLACE-GENERATED RETAIL DEMAND (2026)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	12,881	11,200
FOOD & BEVERAGES	10,079	7,471
GAFO	12,244	10,549
TOTAL ESTIMATED WORKPLACE-BASED RETAIL DEMAND	35,204	29,219

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 23. VISITOR-BASED RETAIL DEMAND (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$824,122	60.00%	\$494,473	\$358	1,381	\$412	1,201
Food and Beverage	\$1,765,977	60.00%	\$1,059,586	\$295	3,592	\$398	2,662
GAFO	\$1,412,781	50.00%	\$706,391	\$372	1,900	\$432	1,637
TOTAL DEMAND BY VISITORS:					6,873		5,500

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 24. NEIGHBORHOOD 3 RETAIL DEMAND (2026)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	96,915	84,532
FOOD & BEVERAGES	49,984	35,719
GAFO	38,528	33,671
TOTAL PROJECTED RETAIL DEMAND	185,428	153,923

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

NEIGHBORHOOD 6

2016 - EXISTING DEMAND

TABLE 25. RESIDENT-GENERATED RETAIL DEMAND WITHIN PRIMARY TRADE AREA (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$3,417,892	45.00%	\$1,538,051	\$498	3,088	\$612	2,513
Prepared Foods	\$801,649	40.00%	\$320,660	\$360	891	\$385	833
Alcohol at Home	\$308,493	40.00%	\$123,397	\$254	486	\$310	398
Personal/Household Care Products and Services	\$1,562,612	45.00%	\$703,175	\$320	2,197	\$340	2,068
NG&S SUBTOTAL	\$6,090,646		\$2,685,284		6,662		5,812
Food Away from Home	\$2,531,822	30.00%	\$759,547	\$320	2,374	\$460	1,651
Alcohol Away from Home	\$170,533	30.00%	\$51,160	\$270	189	\$336	152
F&B SUBTOTAL	\$2,702,355		\$810,707		2,563		1,803
Apparel, Accessories and Similar	\$1,651,539	17.00%	\$280,762	\$315	891	\$343	819
Reading Materials, Music and Similar	\$88,434	17.00%	\$15,034	\$290	52	\$313	48
Home Furnishings and Décor and Similar	\$954,674	17.00%	\$162,295	\$322	504	\$380	427
Electronics, Technology and Similar	\$1,261,421	15.00%	\$189,213	\$560	338	\$690	274
GAFO SUBTOTAL	\$3,956,068		\$647,303		1,785		1,568
RESIDENT-GENERATED RETAIL DEMAND (PTA):					11,011		9,184

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 26. RESIDENT-GENERATED RETAIL DEMAND WITHIN SECONDARY TRADE AREA (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$16,483,286	30.00%	\$4,944,986	\$498	9,930	\$612	8,080
Prepared Foods	\$3,812,910	30.00%	\$1,143,873	\$360	3,177	\$385	2,971
Alcohol at Home	\$1,478,415	30.00%	\$443,525	\$254	1,746	\$310	1,431
Personal/Household Care Products and Services	\$7,789,132	30.00%	\$2,336,740	\$320	7,302	\$340	6,873
NG&S SUBTOTAL	\$29,563,743		\$8,869,123		22,156		19,355
Food Away from Home	\$12,452,710	20.00%	\$2,490,542	\$320	7,783	\$460	5,414
Alcohol Away from Home	\$837,320	20.00%	\$167,464	\$270	620	\$336	498
F&B SUBTOTAL	\$13,290,030		\$2,658,006		8,403		5,913
Apparel, Accessories and Similar	\$9,182,988	10.00%	\$918,299	\$315	2,915	\$343	2,677
Reading Materials, Music and Similar	\$389,635	10.00%	\$38,964	\$290	134	\$313	124
Home Furnishings and Décor and Similar	\$4,948,150	10.00%	\$494,815	\$322	1,537	\$380	1,302
Electronics, Technology and Similar	\$6,451,978	8.00%	\$516,158	\$560	922	\$690	748
GAFO SUBTOTAL	\$20,972,751		\$1,968,236		5,508		4,852
RESIDENT-GENERATED RETAIL DEMAND (STA):					36,067		30,119

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 27. RESIDENT-GENERATED RETAIL DEMAND WITHIN TERTIARY TRADE AREA (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$30,286,955	6.00%	\$1,817,217	\$498	3,649	\$612	2,969
Prepared Foods	\$7,174,173	5.00%	\$358,709	\$360	996	\$385	932
Alcohol at Home	\$3,061,448	5.00%	\$153,072	\$254	603	\$310	494
Personal/Household Care Products and Services	\$13,717,833	4.00%	\$548,713	\$320	1,715	\$340	1,614
NG&S SUBTOTAL	\$54,240,409		\$2,877,712		6,963		6,009
Food Away from Home	\$25,013,858	5.00%	\$1,250,693	\$320	3,908	\$460	2,719
Alcohol Away from Home	\$2,108,131	5.00%	\$105,407	\$270	390	\$336	314
F&B SUBTOTAL	\$27,121,989		\$1,356,099		4,299		3,033
Apparel, Accessories and Similar	\$18,466,660	3.00%	\$554,000	\$315	1,759	\$343	1,615
Reading Materials, Music and Similar	\$662,997	3.00%	\$19,890	\$290	69	\$313	64
Home Furnishings and Décor and Similar	\$8,309,346	2.00%	\$166,187	\$322	516	\$380	437
Electronics, Technology and Similar	\$12,188,541	2.00%	\$243,771	\$560	435	\$690	353
GAFO SUBTOTAL	\$39,627,544		\$983,847		2,779		2,469
RESIDENT-GENERATED RETAIL DEMAND (TTA):					14,040		11,511

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 28. SUMMARY OF RESIDENT-GENERATED RETAIL DEMAND (2016)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	35,781	31,176
FOOD & BEVERAGES	15,265	10,749
GAFO	10,072	8,889
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	61,118	50,813

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 29. WORKPLACE-BASED RETAIL DEMAND (2016)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$10,530,159	50.00%	\$5,265,080	\$358	14,707	\$412	12,787
Food and Beverage	\$5,116,196	65.00%	\$3,325,528	\$295	11,273	\$398	8,356
GAFO	\$13,155,106	45.00%	\$5,919,798	\$372	15,924	\$432	13,719
TOTAL DEMAND BY EMPLOYEES:					41,904		34,862

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 30. SUMMARY OF WORKPLACE-GENERATED RETAIL DEMAND (2016)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	14,707	12,787
FOOD & BEVERAGES	11,273	8,356
GAFO	15,924	13,719
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	41,904	34,862

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 31. NEIGHBORHOOD 6 EXISTING RETAIL DEMAND (2016)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	50,488	43,963
FOOD & BEVERAGES	26,538	19,104
GAFO	25,996	22,608
TOTAL PROJECTED RETAIL DEMAND	103,022	85,675

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

NEIGHBORHOOD 6

2021 DEMAND

TABLE 32. RESIDENT-GENERATED RETAIL DEMAND WITHIN PRIMARY TRADE AREA (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$5,350,417	45.00%	\$2,407,688	\$498	4,835	\$612	3,934
Prepared Foods	\$1,254,574	40.00%	\$501,830	\$360	1,394	\$385	1,303
Alcohol at Home	\$482,643	40.00%	\$193,057	\$254	760	\$310	623
Personal/Household Care Products and Services	\$2,446,187	45.00%	\$1,100,784	\$320	3,440	\$340	3,238
NG&S SUBTOTAL	\$9,533,821		\$4,203,359		10,429		9,098
Food Away from Home	\$3,962,822	30.00%	\$1,188,847	\$320	3,715	\$460	2,584
Alcohol Away from Home	\$267,058	30.00%	\$80,117	\$270	297	\$336	238
F&B SUBTOTAL	\$4,229,880		\$1,268,964		4,012		2,823
Apparel, Accessories and Similar	\$2,585,064	17.00%	\$439,461	\$315	1,395	\$343	1,281
Reading Materials, Music and Similar	\$138,384	17.00%	\$23,525	\$290	81	\$313	75
Home Furnishings and Décor and Similar	\$1,494,674	17.00%	\$254,095	\$322	789	\$380	669
Electronics, Technology and Similar	\$1,974,221	15.00%	\$296,133	\$560	529	\$690	429
GAFO SUBTOTAL	\$6,192,343		\$1,013,214		2,794		2,454
RESIDENT-GENERATED RETAIL DEMAND (PTA):					17,235		14,375

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 33. RESIDENT-GENERATED RETAIL DEMAND WITHIN SECONDARY TRADE AREA (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$16,648,139	30.00%	\$4,994,442	\$498	10,029	\$612	8,161
Prepared Foods	\$3,851,041	30.00%	\$1,155,312	\$360	3,209	\$385	3,001
Alcohol at Home	\$1,493,188	30.00%	\$447,957	\$254	1,764	\$310	1,445
Personal/Household Care Products and Services	\$7,866,992	30.00%	\$2,360,097	\$320	7,375	\$340	6,941
NG&S SUBTOTAL	\$29,859,360		\$8,957,808		22,377		19,548
Food Away from Home	\$12,577,235	20.00%	\$2,515,447	\$320	7,861	\$460	5,468
Alcohol Away from Home	\$845,705	20.00%	\$169,141	\$270	626	\$336	503
F&B SUBTOTAL	\$13,422,940		\$2,684,588		8,487		5,972
Apparel, Accessories and Similar	\$9,274,822	10.00%	\$927,482	\$315	2,944	\$343	2,704
Reading Materials, Music and Similar	\$393,528	10.00%	\$39,353	\$290	136	\$313	126
Home Furnishings and Décor and Similar	\$4,997,661	10.00%	\$499,766	\$322	1,552	\$380	1,315
Electronics, Technology and Similar	\$6,516,512	8.00%	\$521,321	\$560	931	\$690	756
GAFO SUBTOTAL	\$21,182,523		\$1,987,922		5,563		4,900
RESIDENT-GENERATED RETAIL DEMAND (STA):					36,427		30,420

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 33. RESIDENT-GENERATED RETAIL DEMAND WITHIN TERTIARY TRADE AREA (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$32,946,330	6.00%	\$1,976,780	\$498	3,969	\$612	3,230
Prepared Foods	\$7,803,899	5.00%	\$390,195	\$360	1,084	\$385	1,013
Alcohol at Home	\$3,330,058	5.00%	\$166,503	\$254	656	\$310	537
Personal/Household Care Products and Services	\$14,921,781	4.00%	\$596,871	\$320	1,865	\$340	1,756
NG&S SUBTOTAL	\$59,002,067		\$3,130,349		7,574		6,536
Food Away from Home	\$27,210,018	5.00%	\$1,360,501	\$320	4,252	\$460	2,958
Alcohol Away from Home	\$2,293,143	5.00%	\$114,657	\$270	425	\$336	341
F&B SUBTOTAL	\$29,503,161		\$1,475,158		4,676		3,299
Apparel, Accessories and Similar	\$20,087,912	3.00%	\$602,637	\$315	1,913	\$343	1,757
Reading Materials, Music and Similar	\$721,241	3.00%	\$21,637	\$290	75	\$313	69
Home Furnishings and Décor and Similar	\$9,039,115	2.00%	\$180,782	\$322	561	\$380	476
Electronics, Technology and Similar	\$13,258,869	2.00%	\$265,177	\$560	474	\$690	384
GAFO SUBTOTAL	\$43,107,138		\$1,070,234		3,023		2,686
RESIDENT-GENERATED RETAIL DEMAND (TTA):					15,273		12,521

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 34. SUMMARY OF RESIDENT-GENERATED RETAIL DEMAND (2021)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	40,380	35,182
FOOD & BEVERAGES	17,175	12,094
GAFO	11,380	10,041
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	68,935	57,317

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 35. WORKPLACE-BASED RETAIL DEMAND (2021)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$11,229,506	50.00%	\$5,614,753	\$358	15,684	\$412	13,636
Food and Beverage	\$5,455,982	65.00%	\$3,546,388	\$295	12,022	\$398	8,911
GAFO	\$14,028,785	45.00%	\$6,312,953	\$372	16,982	\$432	14,630
TOTAL DEMAND BY EMPLOYEES:					44,687		37,177

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 36. SUMMARY OF WORKPLACE-GENERATED RETAIL DEMAND (2021)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	15,684	13,636
FOOD & BEVERAGES	12,022	8,911
GAFO	16,982	14,630
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	44,687	37,177

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 37. NEIGHBORHOOD 6 RETAIL DEMAND (2021)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	56,064	48,819
FOOD & BEVERAGES	29,197	21,004
GAFO	28,362	24,671
TOTAL PROJECTED RETAIL DEMAND	113,622	94,494

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

NEIGHBORHOOD 6

2026 DEMAND

TABLE 38. RESIDENT-GENERATED RETAIL DEMAND WITHIN PRIMARY TRADE AREA (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$6,867,807	45.00%	\$3,090,513	\$498	6,206	\$612	5,050
Prepared Foods	\$1,610,204	40.00%	\$644,082	\$360	1,789	\$385	1,673
Alcohol at Home	\$619,383	40.00%	\$247,753	\$254	975	\$310	799
Personal/Household Care Products and Services	\$3,139,957	45.00%	\$1,412,981	\$320	4,416	\$340	4,156
NG&S SUBTOTAL	\$12,237,351		\$5,395,329		13,386		11,678
Food Away from Home	\$5,086,422	30.00%	\$1,525,927	\$320	4,769	\$460	3,317
Alcohol Away from Home	\$342,848	30.00%	\$102,854	\$270	381	\$336	306
F&B SUBTOTAL	\$5,429,270		\$1,628,781		5,149		3,623
Apparel, Accessories and Similar	\$3,318,054	17.00%	\$564,069	\$315	1,791	\$343	1,645
Reading Materials, Music and Similar	\$177,604	17.00%	\$30,193	\$290	104	\$313	96
Home Furnishings and Décor and Similar	\$1,918,674	17.00%	\$326,175	\$322	1,013	\$380	858
Electronics, Technology and Similar	\$2,533,901	15.00%	\$380,085	\$560	679	\$690	551
GAFO SUBTOTAL	\$7,948,233		\$1,300,522		3,586		3,150
RESIDENT-GENERATED RETAIL DEMAND (PTA):					22,122		18,451

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 39. RESIDENT-GENERATED RETAIL DEMAND WITHIN SECONDARY TRADE AREA (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$16,814,640	30.00%	\$5,044,392	\$498	10,129	\$612	8,242
Prepared Foods	\$3,889,554	30.00%	\$1,166,866	\$360	3,241	\$385	3,031
Alcohol at Home	\$1,508,109	30.00%	\$452,433	\$254	1,781	\$310	1,459
Personal/Household Care Products and Services	\$7,945,630	30.00%	\$2,383,689	\$320	7,449	\$340	7,011
NG&S SUBTOTAL	\$30,157,933		\$9,047,380		22,601		19,744
Food Away from Home	\$12,703,006	20.00%	\$2,540,601	\$320	7,939	\$460	5,523
Alcohol Away from Home	\$854,174	20.00%	\$170,835	\$270	633	\$336	508
F&B SUBTOTAL	\$13,557,180		\$2,711,436		8,572		6,031
Apparel, Accessories and Similar	\$9,367,575	10.00%	\$936,758	\$315	2,974	\$343	2,731
Reading Materials, Music and Similar	\$397,460	10.00%	\$39,746	\$290	137	\$313	127
Home Furnishings and Décor and Similar	\$5,047,667	10.00%	\$504,767	\$322	1,568	\$380	1,328
Electronics, Technology and Similar	\$6,581,691	8.00%	\$526,535	\$560	940	\$690	763
GAFO SUBTOTAL	\$21,394,392		\$2,007,805		5,619		4,949
RESIDENT-GENERATED RETAIL DEMAND (STA):					36,792		30,725

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 40. RESIDENT-GENERATED RETAIL DEMAND WITHIN TERTIARY TRADE AREA (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Groceries, Sundries and Similar	\$36,801,500	6.00%	\$2,208,090	\$498	4,434	\$612	3,608
Prepared Foods	\$8,716,782	5.00%	\$435,839	\$360	1,211	\$385	1,132
Alcohol at Home	\$3,719,449	5.00%	\$185,972	\$254	732	\$310	600
Personal/Household Care Products and Services	\$16,667,087	4.00%	\$666,683	\$320	2,083	\$340	1,961
NG&S SUBTOTAL	\$65,904,818		\$3,496,585		8,460		7,301
Food Away from Home	\$30,393,687	5.00%	\$1,519,684	\$320	4,749	\$460	3,304
Alcohol Away from Home	\$2,561,346	5.00%	\$128,067	\$270	474	\$336	381
F&B SUBTOTAL	\$32,955,033		\$1,647,752		5,223		3,685
Apparel, Accessories and Similar	\$22,438,166	3.00%	\$673,145	\$315	2,137	\$343	1,963
Reading Materials, Music and Similar	\$805,676	3.00%	\$24,170	\$290	83	\$313	77
Home Furnishings and Décor and Similar	\$10,097,027	2.00%	\$201,941	\$322	627	\$380	531
Electronics, Technology and Similar	\$14,810,473	2.00%	\$296,209	\$560	529	\$690	429
GAFO SUBTOTAL	\$48,151,342		\$1,195,465		3,376		3,000
RESIDENT-GENERATED RETAIL DEMAND (TTA):					17,060		13,986

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 41. SUMMARY OF RESIDENT-GENERATED RETAIL DEMAND (2026)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	44,447	38,722
FOOD & BEVERAGES	18,945	13,340
GAFO	12,582	11,100
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	75,973	63,162

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 42. WORKPLACE-BASED RETAIL DEMAND (2026)

CATEGORY	TOTAL EXPENDITURES	CAPTURE RATE	TOTAL CAPTURED EXPENDITURES	SALES PER SF (LOW)	TOTAL DEMAND LOW (SF)	SALES PER SF (HIGH)	TOTAL DEMAND HIGH (SF)
Neighborhood Goods & Services	\$11,782,066	50.00%	\$5,891,033	\$358	16,455	\$412	14,307
Food and Beverage	\$5,724,449	65.00%	\$3,720,892	\$295	12,613	\$398	9,349
GAFO	\$14,719,087	45.00%	\$6,623,589	\$372	17,817	\$432	15,350
TOTAL DEMAND BY EMPLOYEES:					46,886		39,006

Source: U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.

TABLE 43. SUMMARY OF WORKPLACE-GENERATED RETAIL DEMAND (2026)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	16,455	14,307
FOOD & BEVERAGES	12,613	9,349
GAFO	17,817	15,350
TOTAL ESTIMATED HOUSEHOLD-BASED RETAIL DEMAND	46,886	39,006

Source: U.S. Census Bureau, Claritas, Inc., Streetsense.

TABLE 44. NEIGHBORHOOD 6 RETAIL DEMAND (2026)

CATEGORY	TOTAL DEMAND-LOW PRODUCTIVITY (SF)	TOTAL DEMAND-HIGH PRODUCTIVITY (SF)
NEIGHBORHOOD GOODS & SERVICES	60,902	53,030
FOOD & BEVERAGES	31,558	22,689
GAFO	30,399	26,450
TOTAL PROJECTED RETAIL DEMAND	122,859	102,168

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Claritas, Inc., Streetsense.