



# City of Morrow Portfolio Strategy – Final Presentation

**Newmark Grubb  
Knight Frank**

## Municipal Advisory Group

Rod Mullice  
Romel Canete  
Eric Murphy

Presented to: Downtown Development Authority

Michael McLaughlin

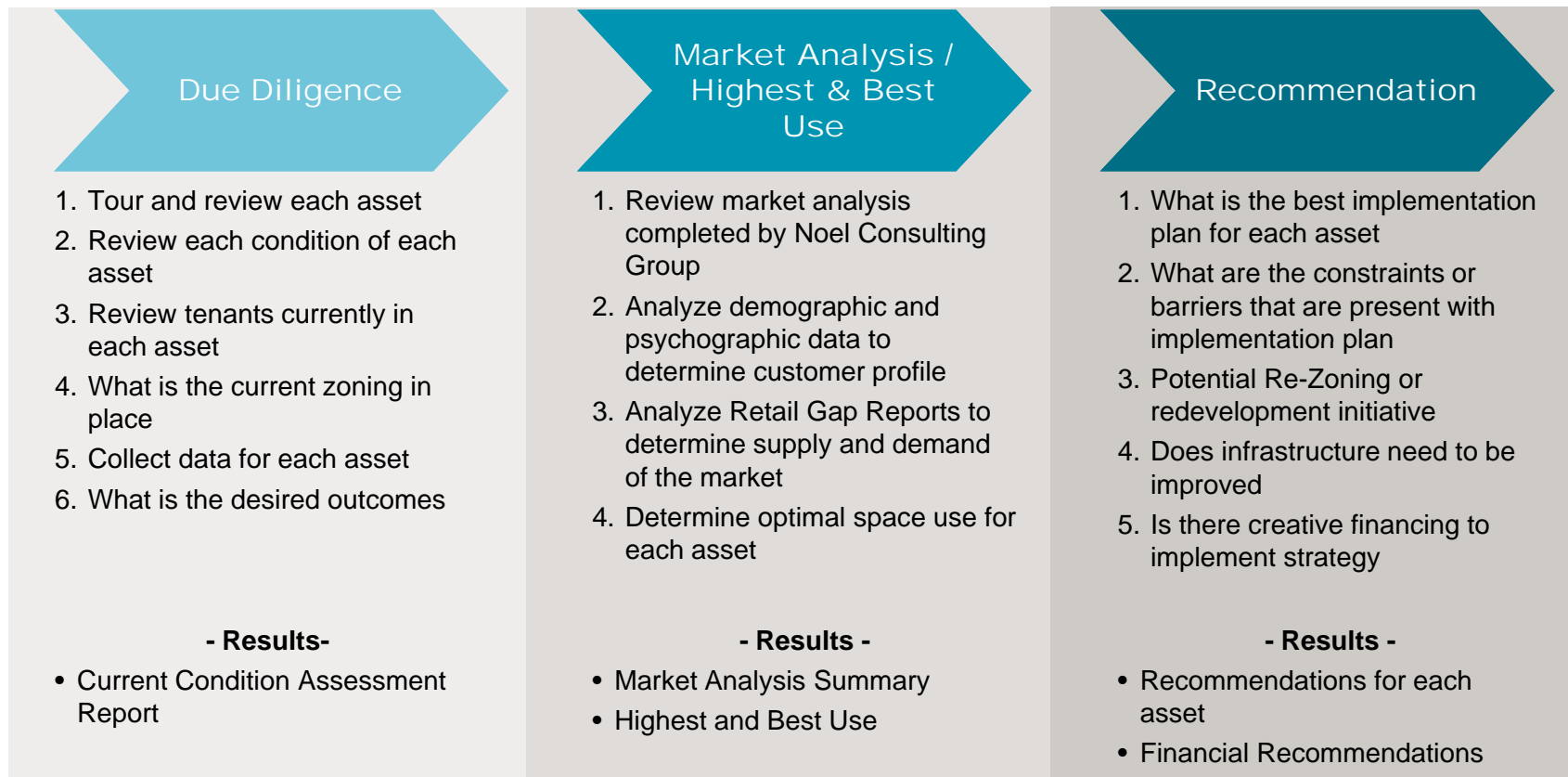


December 18, 2012

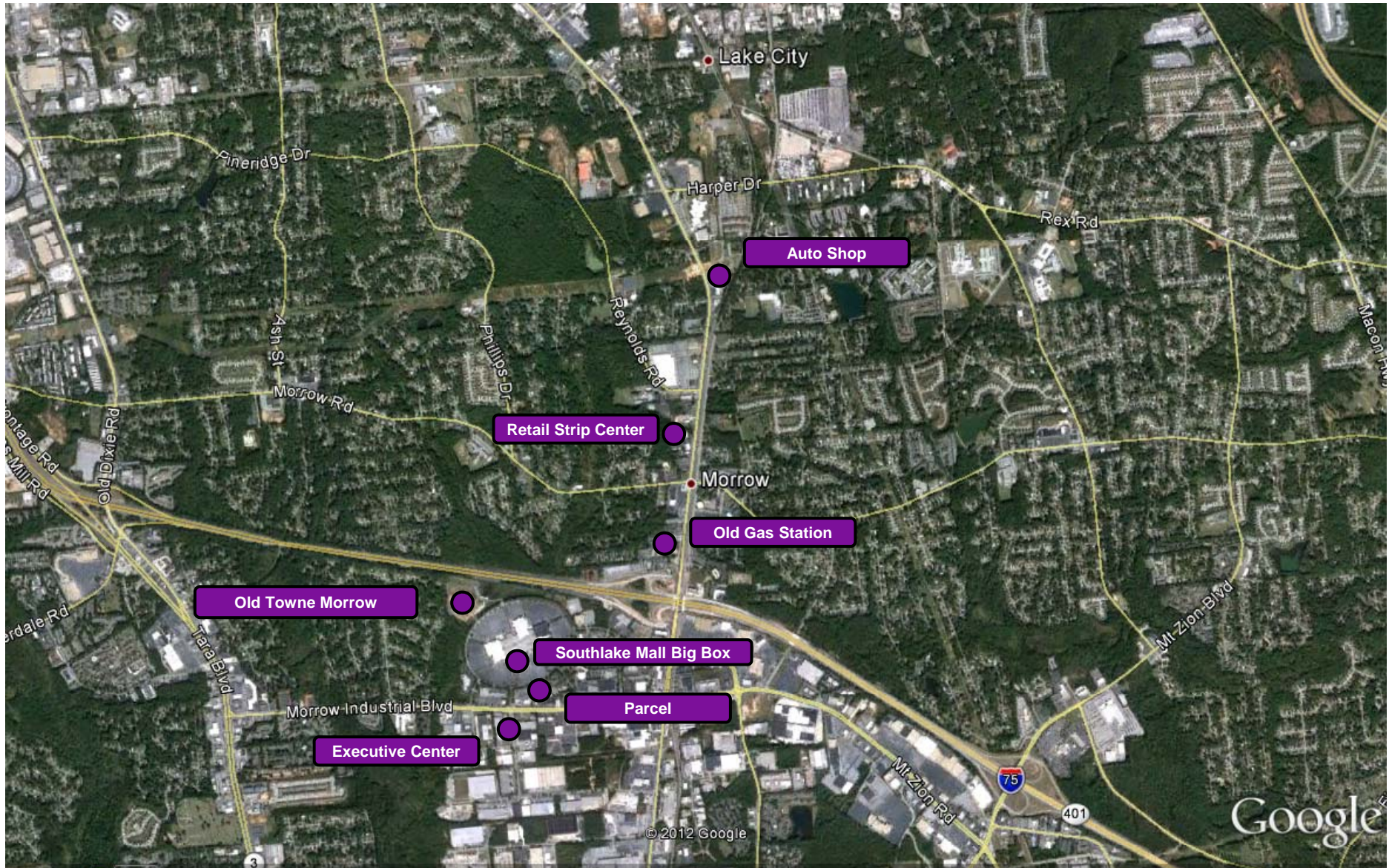


# Project Overview

The City of Morrow has engaged Newmark Grubb Knight Frank to evaluate the current properties the city owns and develop a strategy for each property. Newmark Grubb Knight Frank's Municipal Advisors Group will analyze the surrounding market to determine the best use for each property and the value of the property to the City of Morrow for disposition purposes. Newmark Grubb Knight Frank's leasing advisors will work in parallel of the portfolio strategy to continue the leasing activities on behalf of the City of Morrow and alleviate the attention needed to actively pursue tenants and accommodate current tenants needs at each property.



# Properties



# Executive Summary

## Market Analysis



### Overview

The market analysis was conducted to determine the potential opportunities that exist for businesses in the retail and services industry to succeed based on different factors within the market

- Data that was collected and analyzed to determine the market potential include:
  - Demographic – (Age, Income, Population, Ethnicity)
  - Psychographics – Consumer Attitude and Habits of the Population
  - Retail Supply and Demand
  - Consumer Spending Potential
  - Actual Sales Volume in the City of Morrow by Business
- The different data sets were collected for multiple trade areas
- Multiple trade areas were analyzed based on the properties that the City of Morrow owns and the potential consumer base that the properties would reach
  - Southlake Mall Trade Area
  - 1 Mile, 3 Mile Radius Rings
  - Zip Code – 30260

# Market Analysis

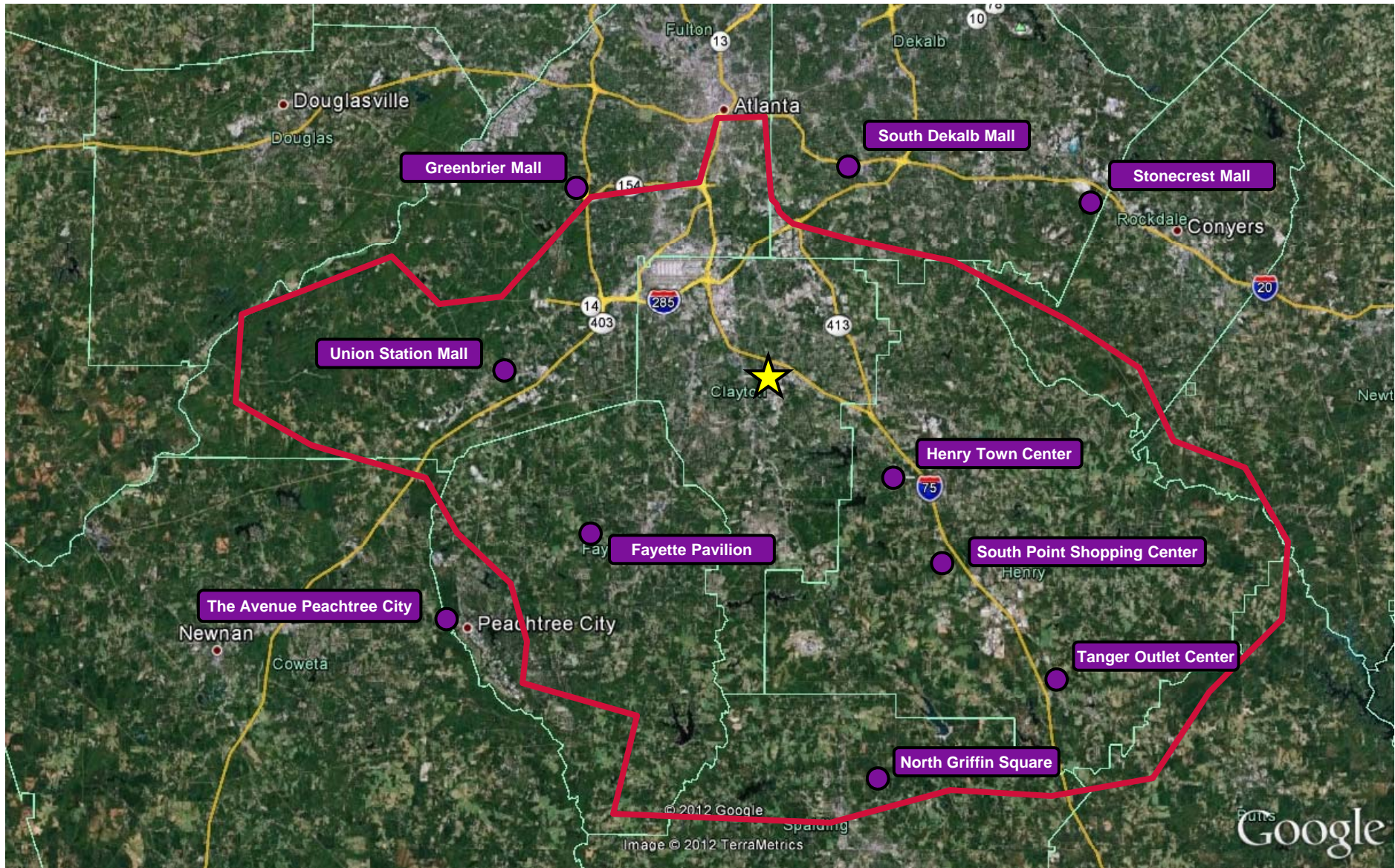
## Defining the Trade Area



- The trade area was determined based on the potential consumer base that could be drawn to each of the property
- For example - The big box at Southlake Mall has a different trade area than the auto shop
- The Trade Areas that data were collected for are:
  - Huff Equal Probability Model – Distance decay probability model incorporating competing stores and one or more weighted values such as sales volume or square footage
    - Provides the population base that would be attracted to Southlake Mall with consideration of the competing malls and shopping centers
  - Radius Rings (1 and 3 Mile)
    - Locally focused retail operations opportunities
  - Zip Code – Zip Code 30260
    - The actual sales volume was analyzed with this trade area

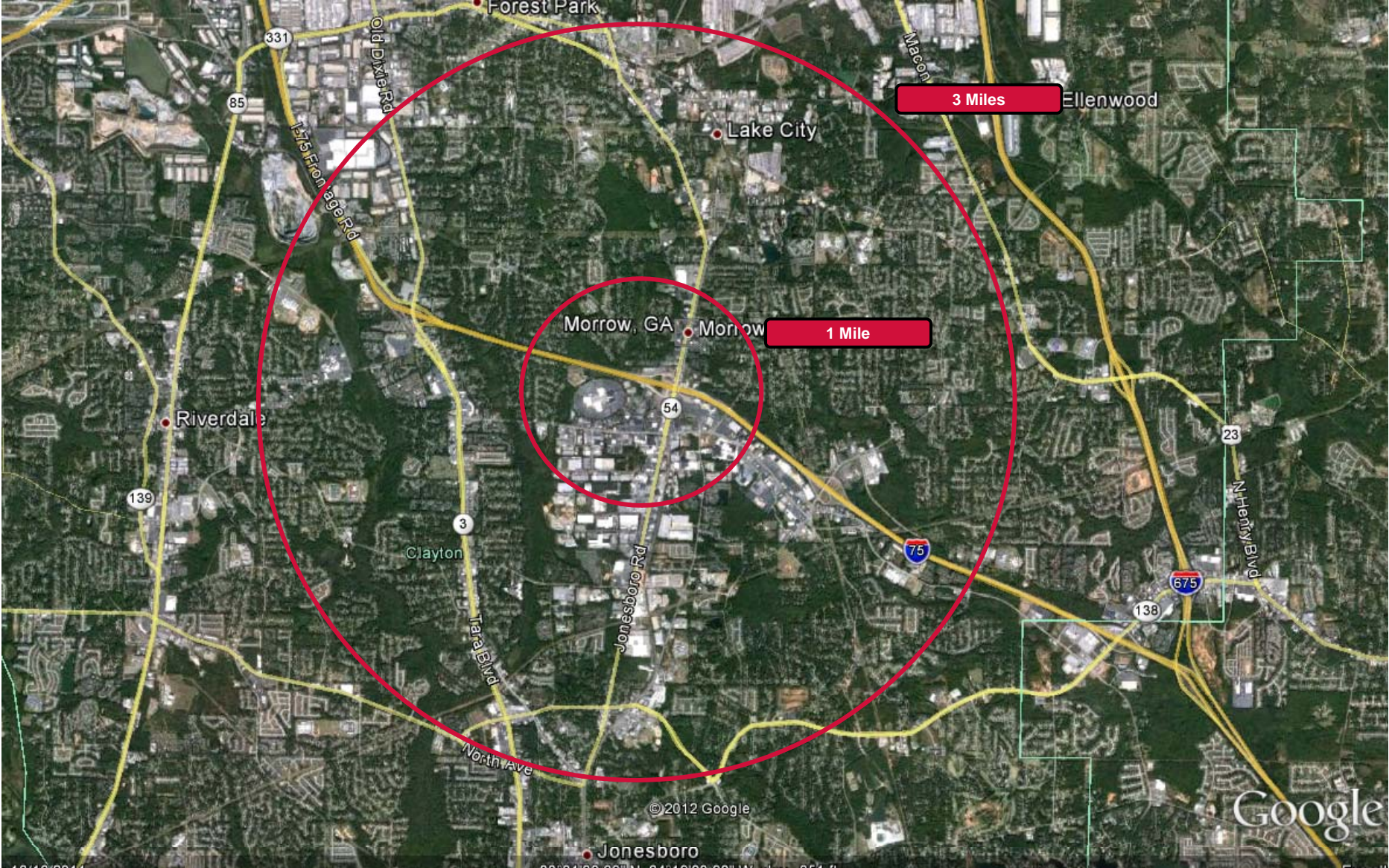
# Market Analysis

## Trade Area – Southlake Mall



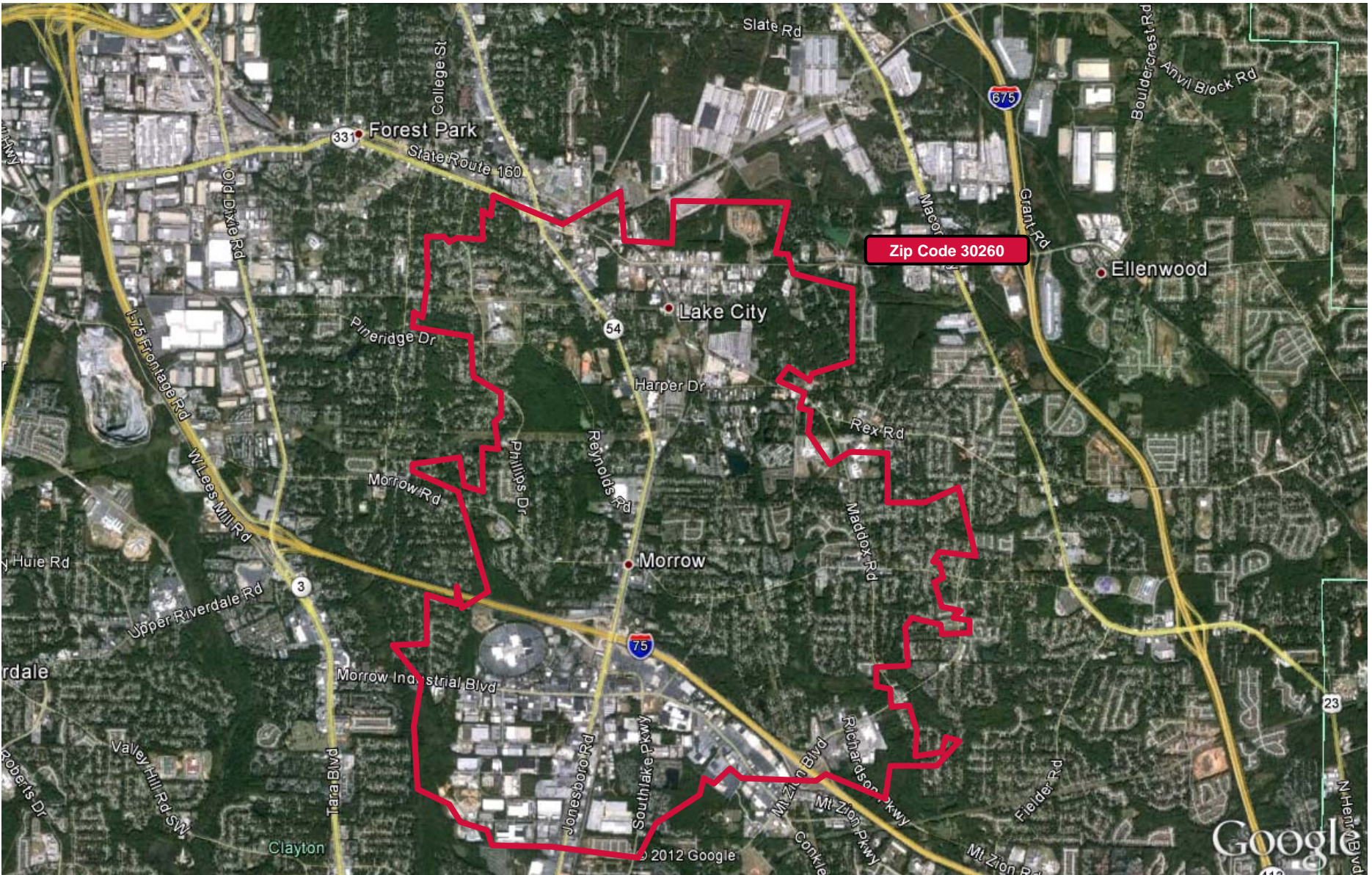
# Market Analysis

## Trade Area – Radius Rings



# Market Analysis

## Trade Area – Zip Code





# Executive Summary

## Market Analysis – Demographics/Psychographics



### Summary

- The population profile for the trade areas consists of:
  - Mid to lower 30's
  - Some families or mixed household
  - Considered middle to lower middle class
  - High school graduate or some college level attainment
  - Have professional, skilled or service level occupations
- The population growth has stabilized and has minimal projected growth from 2010 – 2016:
  - The Southlake Mall trade area grew by 25% and the zip code 30260 grew by 19% from 2000 to 2010, but each trade area is projected to grow by only 4-5% from 2010 – 2016
  - Clayton State University has an enrollment of 6,900 students
- The population within each trade area is aging:
  - For each trade area, the population age of 65 – 74 is projected to grow the fastest between 2010 to 2016. Range of growth for each trade area is between 31% and 43%

# Executive Summary

## Market Analysis – Demographics/Psychographics



### Summary

- The family size increased and the median age and household income decreased as the trade area narrows (Southlake Mall trade area to 3 or 1 mile trade area) down into the City of Morrow
- From 2000 to 2010 the Hispanic origin grew between 86% and 163% and is currently 19% of the population in the 1 mile, 3 mile, and zip code trade areas
- The White ethnicity has declined within the City of Morrow and is expected to continue to decline to 2016
- Currently the Asian ethnicity makes up 8% to 13% of the population in the 1 mile, 3 mile, and zip code trade areas
- The daytime population change due to commuting is +5,612

# Executive Summary

## Market Analysis – Demographics/Psychographics



	Southlake Mall Trade Area		
	Milk and Cookies	Up and Coming Families	Aspiring Young Families
Household Type	Married Couples with Kids	Married Couples with Kids	Family Mixed
Median Age	33.8	31.9	30.5
Income	Middle (\$57,170 Median)	Upper Middle (\$69,522 Median)	Middle (\$46,275 Median)
Employment	Professional/Management/Services	Professional/Management	Professional/Management/Services
Education	Some College	Some College, Bachelor Degree	Some College, Bachelor Degree
Residential	Single Family	Single Family	Multiunits; Townhome
Race/Ethnicity	White	White	White, Black
Activities	Frequent Fast-Food, Buy Children's Toys	Eat at Chick-fil-A, Own a Dog	Go to the Movies, Play Frisbee
Financial	Have Mortgage Insurance	Have a New Car Loan	Use a Credit Union
Media	Watch Education Channels, Cartoons	Watch Cable TV	Watch Comedies on TV
Vehicle	Own/Lease Nissan	Drive 20,000 + Miles Annually	Own/Lease Sedan

- The population's consumer characteristics most prominent in the Southlake Mall trade area

# Executive Summary

## Market Analysis – Demographics/Psychographics



	3 Mile, 1 Mile, Zip Code Trade Area		
	Inner City Tenants	Rustbelt Traditions	Aspiring Young Families
Household Type	Mixed	Mixed	Family Mixed
Median Age	34.5	36.7	30.5
Income	Lower Middle (\$30,873 Median)	Middle (\$42,337 Median)	Middle (\$46,275 Median)
Employment	Services/Professional/Management/Skilled	Skilled/Professional/Management/Services	Professional/Management/Services
Education	No HS Diploma, HS, Some College	HS Grad; Some College	Some College, Bachelor Degree
Residential	Multiunit Rentals	Single Family	Multiunits; Townhome
Race/Ethnicity	White, Black, Hispanic	White	White, Black
Activities	Play Football, Basketball, and Go Dancing	Buy Children's and Baby Products	Go to the Movies, Play Frisbee
Financial	Have Personal Education Loan	Use Credit Union	Use a Credit Union
Media	Read Music, Baby, and Fashion Magazines	Watch Cable TV	Watch Comedies on TV
Vehicle	Own/Lease Honda	Own/Lease Domestic Vehicle	Own/Lease Sedan

- The population's consumer characteristics most prominent in the City of Morrow's focused trade areas

# Executive Summary

## Market Analysis – Retail and Consumer Analysis



The following retail categories are not meeting the demand in each trade area

- Each trade area’s supply and demand were analyzed to determine the opportunity gap
- The opportunity gap is the difference in the estimated consumer expenditures in the trade area and the estimated retail sales in the trade area
- The number reflects the potential consumer spend that is not captured
- The City of Morrow focused trade areas are the 1 mile, 3 mile and zip code
  - The numbers represent the 3 mile trade areas opportunity
- **Due to proximity to interstate 75 and Hartsfield-Jackson Airport, a hotel and hospitality establishment would be an opportunity to analyze further**

Southlake Mall Trade Area Opportunities	Opportunity Gap
Pharmacies and Drug Stores	\$242,354,238
Sporting Goods, Hobby, Musical Stores	\$60,099,601
Clothing Stores	\$42,565,047
Furniture, Home Furnishing Stores	\$40,010,040
Household Appliances	\$8,945,956
Lawn, Garden Equipment, Supplies Stores	\$6,107,495
Used Merchandise	\$6,032,133

City of Morrow Focused Trade Areas	Opportunity Gap
Grocery Stores	\$38,294,140
Pharmacies and Drug Stores	\$8,899,477
Gas Stations	\$8,128,328
Lawn, Garden Equipment, Supplies Stores	\$4,582,119
Convenience Stores	\$970,914
Used Merchandise	\$635,371
Other Health and Personal Care Stores	\$1,346,729

# Executive Summary

## Market Overview



### Advantages

- Morrow has been a major commercial center south of Atlanta
- Close proximity to Interstate 75
- 13.6 miles to Hartsfield-Jackson International Airport
- Home of Clayton State University – 6,900 Students
- Mt Zion Road and Jonesboro Road traffic count – 56,000

### Challenges

- Perceived lack of political stability
- High foreclosure rate – 9.9% (Clayton County)
- Lack of strong positive brand
- High unemployment – 11.2%
- Perceived crime rate
- Perceived weak educational system

### Potential Economic Opportunities

- Retail Categories identified in the gap analysis
  - Pharmacies, Lawn and Garden, Used Merchandise, Clothing Stores
- Hotel Establishment
- Medical Facilities
- Student Housing
- Clayton State University

### Next Steps

- Work collaboratively with the local economic development departments south of the airport to develop a community improvement district
- Work proactively with the local media to project a positive image of the City of Morrow
- Participate in the Urban Land Institute, ICSC, NAIOP, and partner with Clayton State University

# Executive Summary

## Property Recommendations



Property	Potential Use	Advantages	Constraints	Next Steps
<b>Southlake Mall</b>	<ul style="list-style-type: none"> <li>Find large retailer to occupy space. Department Store or Sporting Goods</li> </ul>	<ul style="list-style-type: none"> <li>Regional Mall</li> <li>Close proximity to Clayton State</li> </ul>	<ul style="list-style-type: none"> <li>GGP Refinance</li> </ul>	HOLD
<b>Executive Center</b>	<ul style="list-style-type: none"> <li>Continue to lease out space to small retailers or professional services</li> <li>Find healthcare tenant to redevelop space into medical facility</li> </ul>	<ul style="list-style-type: none"> <li>Small offices for professional services</li> </ul>	<ul style="list-style-type: none"> <li>Multi-Use Space</li> </ul>	Put Property on Market
<b>Former Gas Station Lot</b>	<ul style="list-style-type: none"> <li>Sell property and develop into a commercial use establishment</li> </ul>	<ul style="list-style-type: none"> <li>Great proximity to Interstate 75</li> <li>Ready to develop</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	Property on Market
<b>Retail Strip Center</b>	<ul style="list-style-type: none"> <li>Continue to lease out space and sell to local investor</li> </ul>	<ul style="list-style-type: none"> <li>Low upkeep</li> <li>Consistently occupied</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	Property on Market
<b>Auto Center</b>	<ul style="list-style-type: none"> <li>Continue to lease out space and sell to local investor</li> <li>City of Morrow take over and use for fleet services</li> </ul>	<ul style="list-style-type: none"> <li>Minimal upkeep</li> <li>Good frontage on Jonesboro Road</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	Property on Market
<b>Parcel Next to Mall</b>	<ul style="list-style-type: none"> <li>Sell and develop a bank or fast food restaurant</li> </ul>	<ul style="list-style-type: none"> <li>Proximity to the Southlake Mall</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	Property on Market
<b>Old Towne Morrow</b>	<ul style="list-style-type: none"> <li>Sell land and infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Frontage to Interstate-75</li> </ul>	<ul style="list-style-type: none"> <li>GGP Refinance</li> </ul>	HOLD

# Executive Summary

## Next Steps



### Next Steps/Action Items

- Pursue further analysis of a hotel feasibility study
- Actively market and sell the properties
- Work collaboratively with the local economic development departments south of the airport to develop a community improvement district
- Work proactively with the local media to project a positive image of the City of Morrow
- Participate in the urban land institute, ICSC, NAIOP, and partner with Clayton State University



# Market Analysis

## Demographics <sup>(1)</sup>



### Overview

- ◆ Demographics define the population profile and specific variables of the population base
- ◆ Projected demographics provide an estimate on the growth of each demographic variable
- ◆ Demographic variables include:
  - ◆ Key Demographics:
    - ◆ Population, Households, Families, Median Age, Median Income, Population Growth
  - ◆ Age Distribution (Male, Female, Total)
  - ◆ Income Distribution (Population & Household)
  - ◆ Education Attainment (High School, Associates, Bachelor)
  - ◆ Labor Industry and Occupation Skills
  - ◆ Ethnicity

### Data source

- ◆ ESRI ArcGIS provides over 37,000 demographic variables that are based on 2010 US Census Data
- ◆ Updated annually

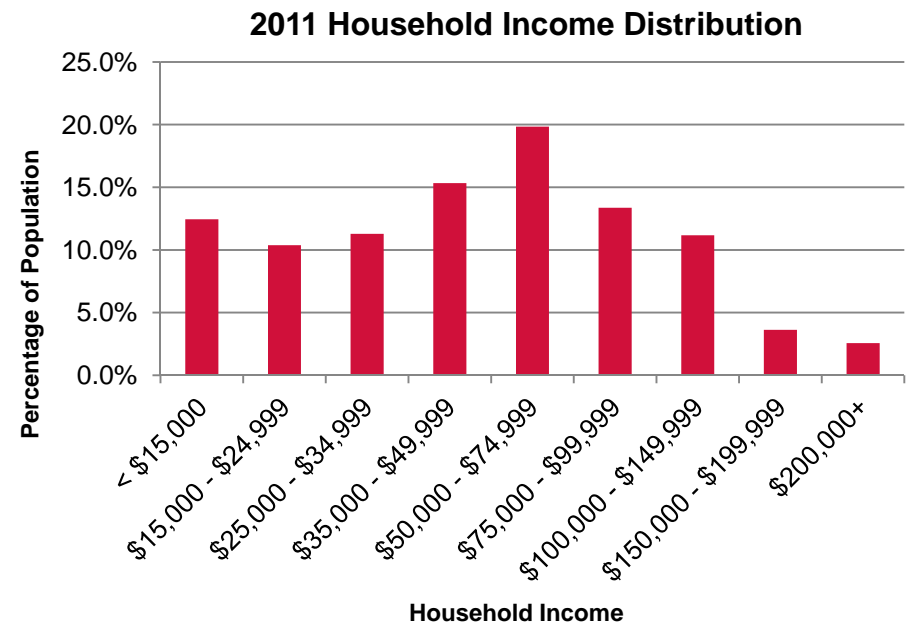
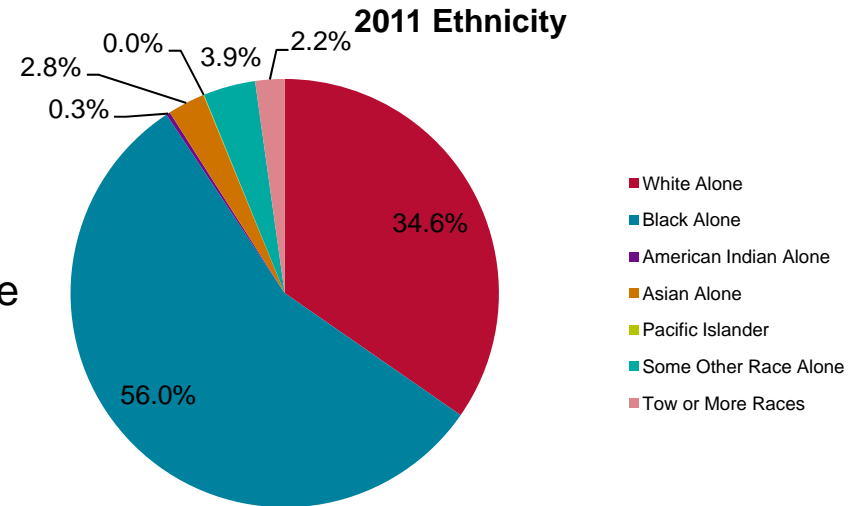
# Market Analysis

## Demographics – Southlake Mall Trade Area



### Overview

- ◆ The trade area covers a population of 920,667
  - ◆ 329,824 Households
  - ◆ 232,109 Families
- ◆ The population is forecasted to grow at an annual rate of 0.92% between 2011 to 2016
- ◆ Average Statistics
  - ◆ Average Household Size – 2.76
  - ◆ Median Age – 34.3
  - ◆ Median Household Income \$50,459
- ◆ There is a 27% projected increase in population between the ages of 65 – 74 from 2010 - 2016
- ◆ The Black Ethnicity make up half of the population
- ◆ The Hispanic Origin is projected to grow 27% from 2010 - 2016

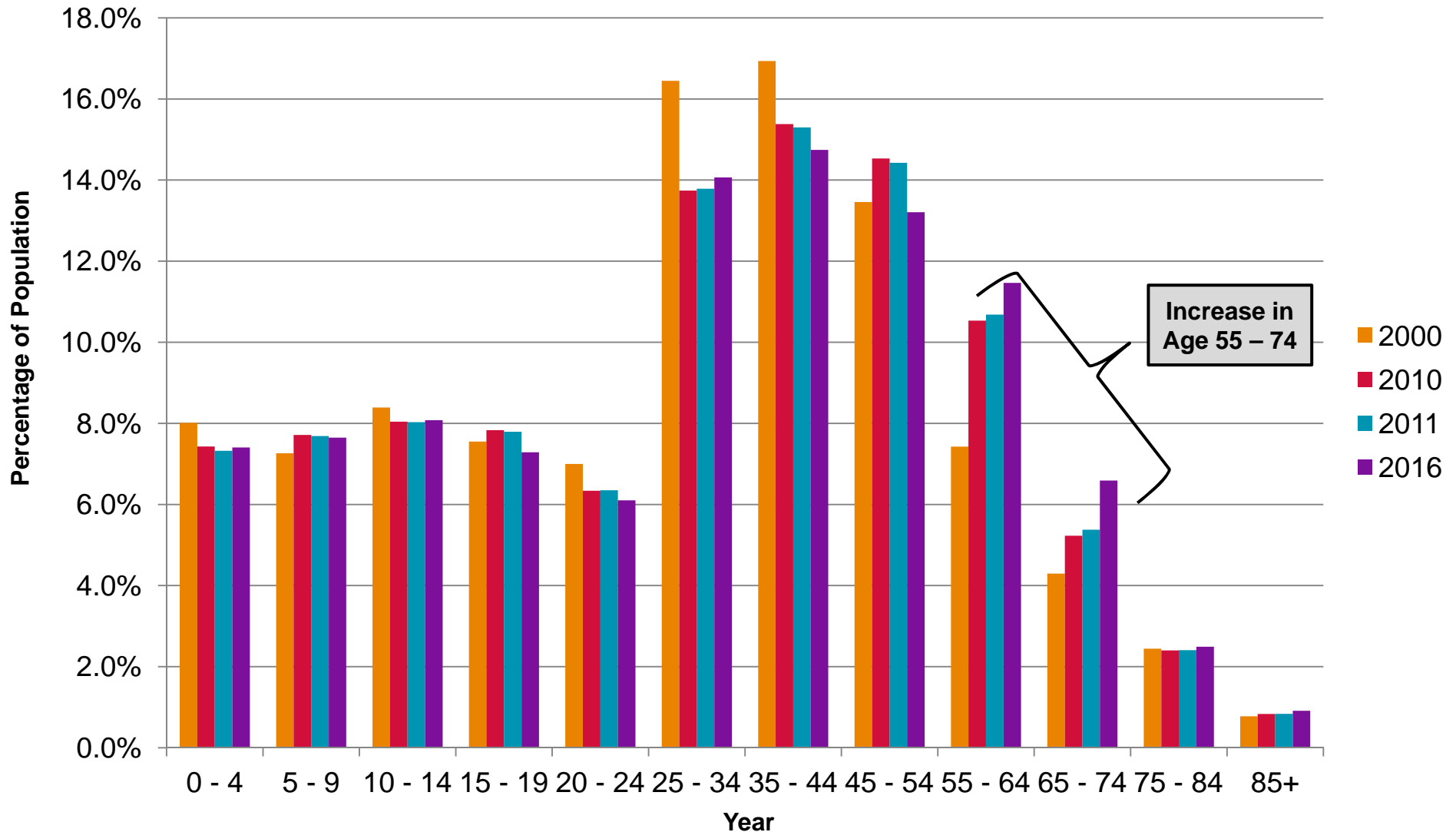


# Market Analysis

## Demographics – Southlake Mall Trade Area



Percentage of Population by Age Distribution

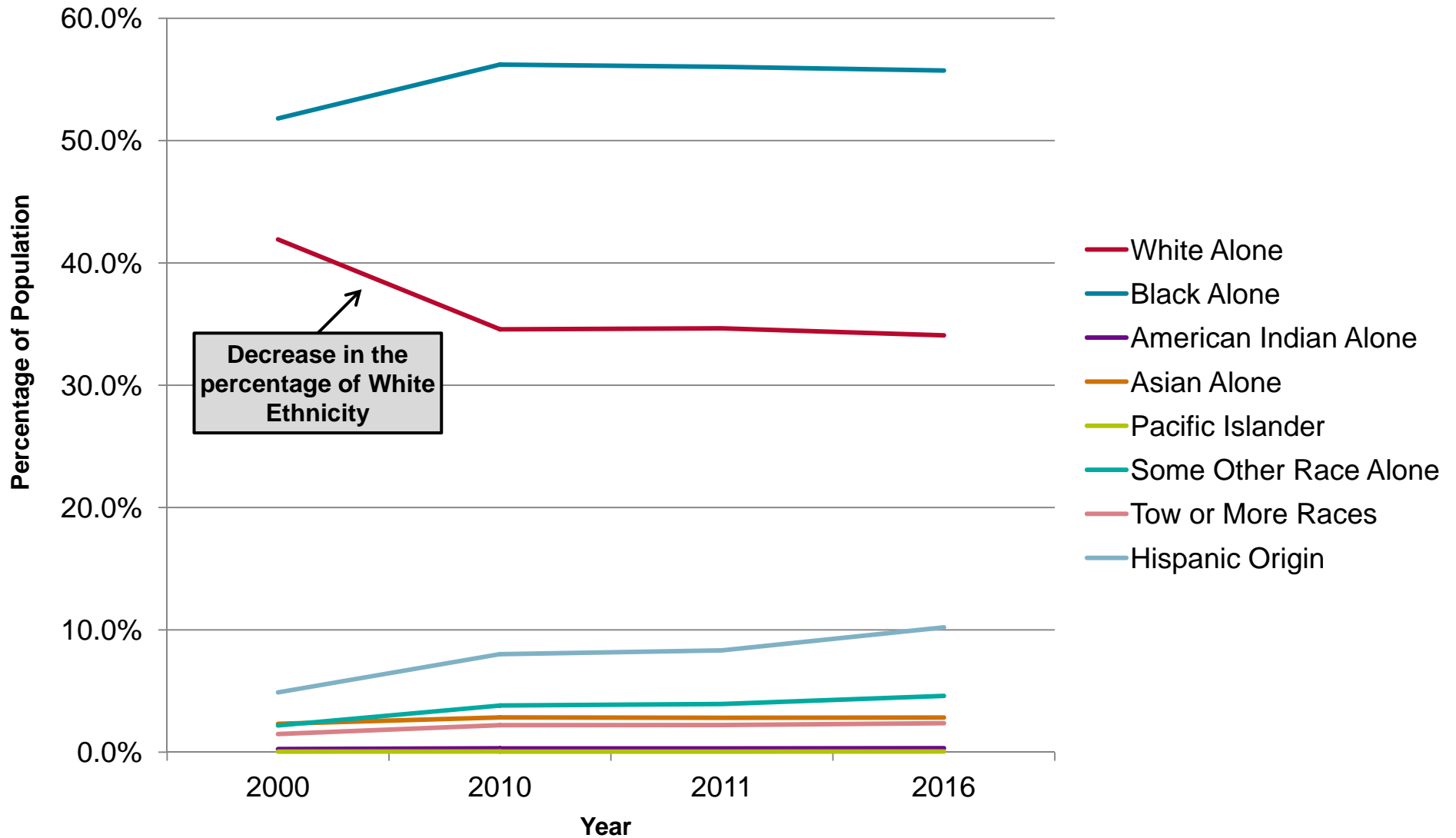


# Market Analysis

## Demographics – Southlake Mall Trade Area



### Percentage of Population by Ethnicity



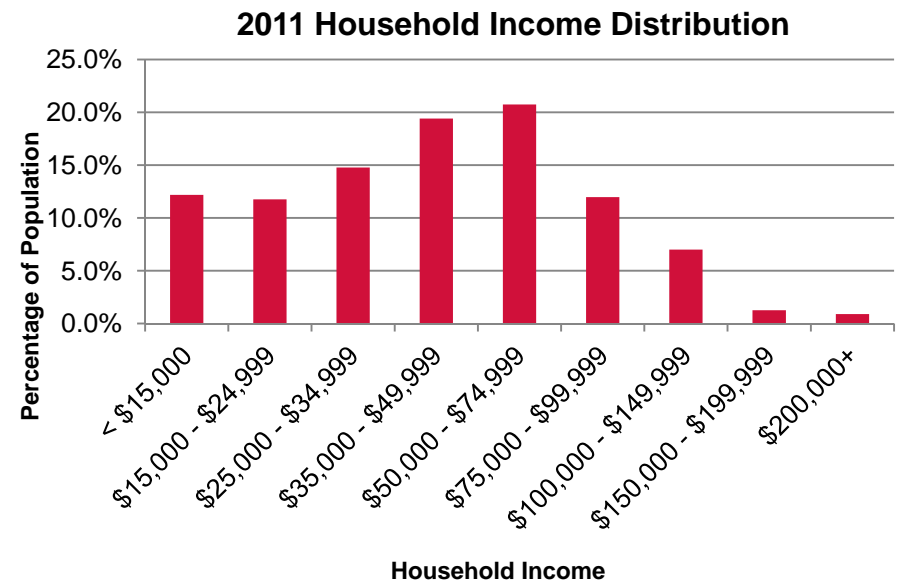
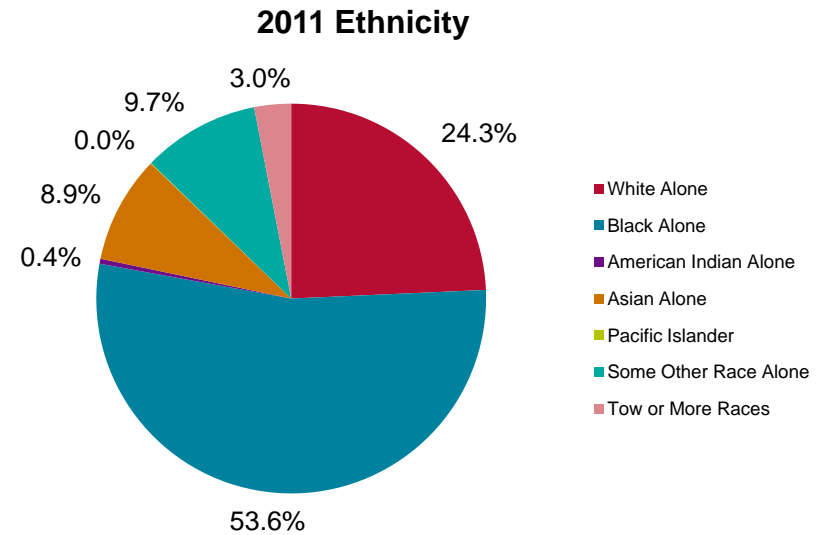
# Market Analysis

## Demographics – 3 Mile Trade Area



### Overview

- ◆ The trade area covers a population of 70,323
  - ◆ 24,588 Households
  - ◆ 16,294 Families
- ◆ The population is project to grow at an annual rate of 0.64% from 2011 – 2016
- ◆ Average Statistics
  - ◆ Average Household Size – 2.83
  - ◆ Median Age – 30.6
  - ◆ Median Household Income \$42,347
- ◆ There is a 31% projected increase in population between the ages of 65 – 75 from 2010 – 2016
- ◆ Currently, Black and Asian Ethnicity make up two thirds of the population
- ◆ The Hispanic Origin is projected to grow by 26% from 2010 to 2016

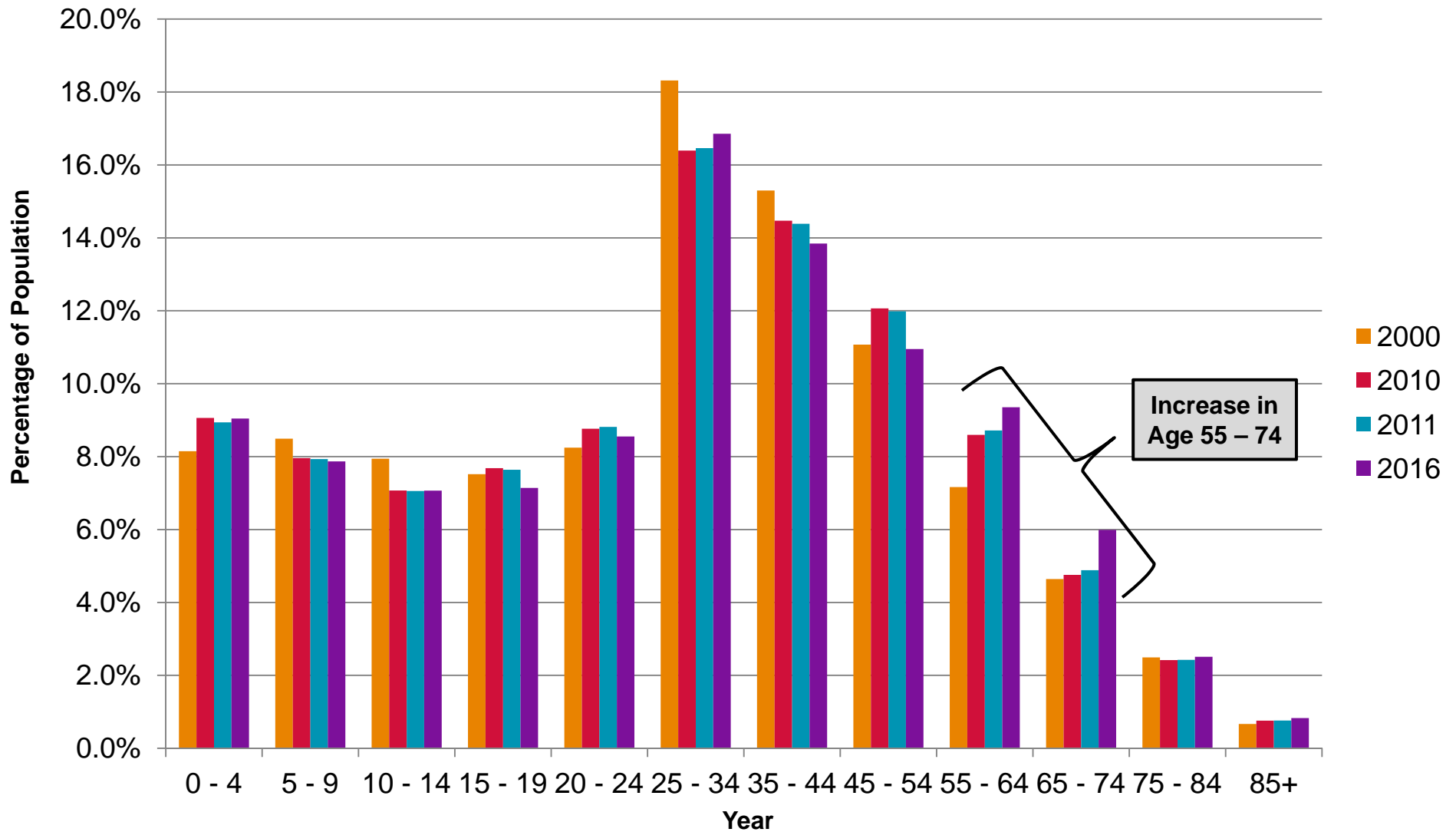


# Market Analysis

## Demographics – 3 Mile Trade Area



Percentage of Population by Age Distribution

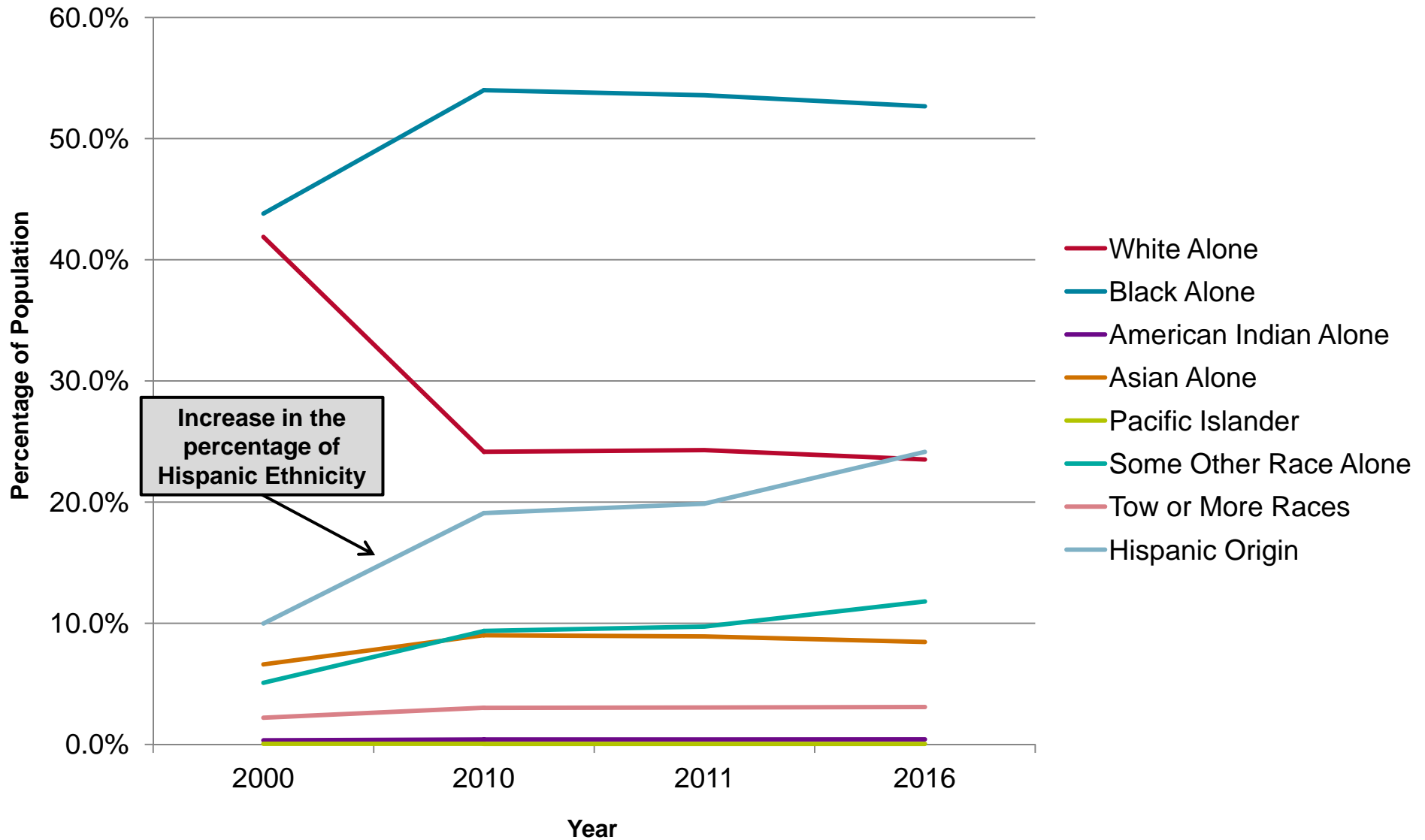


# Market Analysis

## Demographics – 3 Mile Trade Area



Percentage of Population by Ethnicity



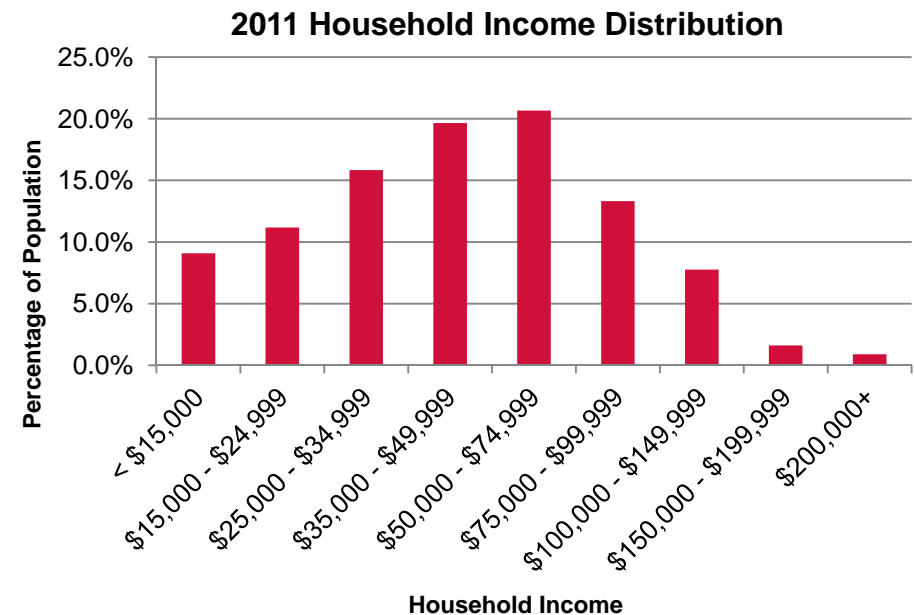
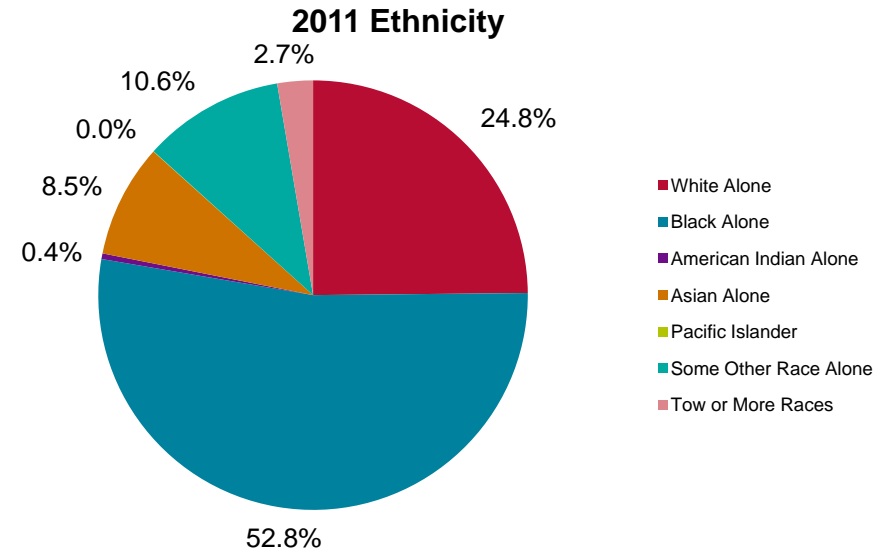
# Market Analysis

## Demographics – 1 Mile Trade Area



### Overview

- ◆ The trade area covers a population of 4,930
  - ◆ 1,675 Households
  - ◆ 1,139 Families
- ◆ The population is projected to grow at an annual rate of 1.37% between 2011 - 2016
- ◆ Average Statistics
  - ◆ Average Household Size – 2.94
  - ◆ Median Age – 30.1
  - ◆ Median Household Income \$44,423
- ◆ There is a 43% projected increase in population between the ages of 64 – 75 from 2010 - 2016
- ◆ Currently, Black and Asian Ethnicity make up two thirds of the population
- ◆ The Hispanic ethnicity is projected to increase by 37% from 2010 – 2016



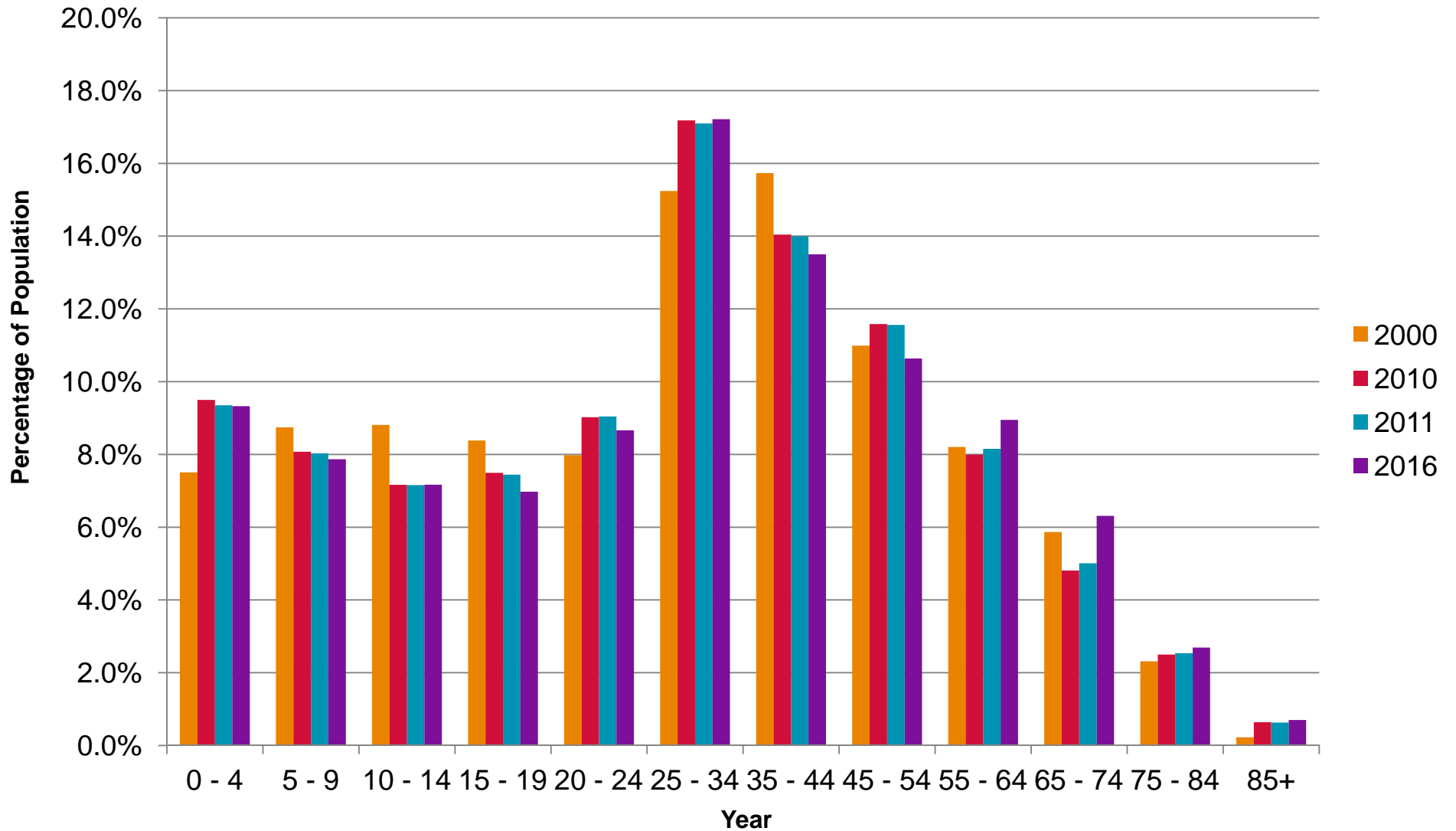


# Market Analysis

## Demographics – 1 Mile Trade Area



Percentage of Population by Age Distribution

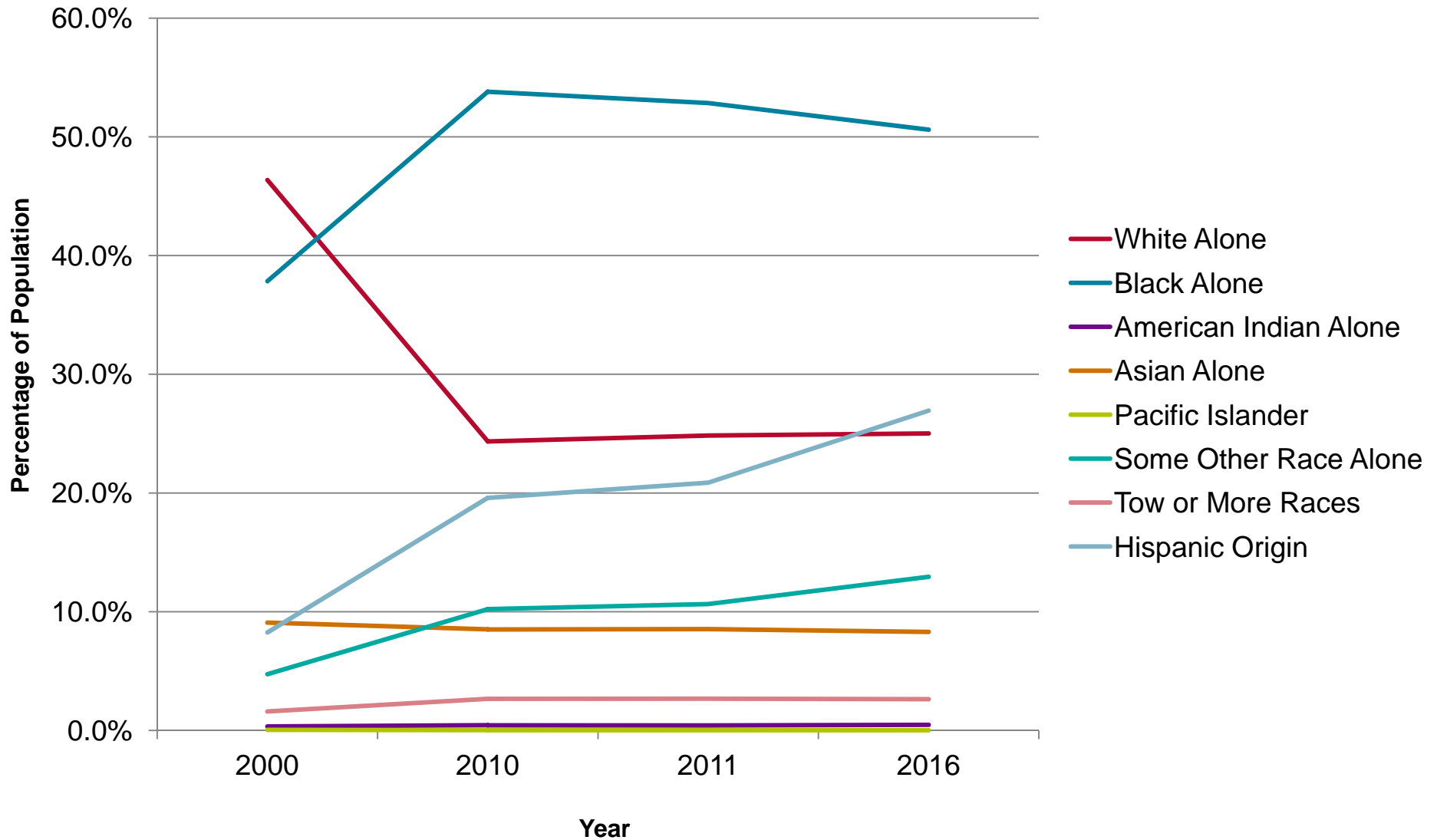


# Market Analysis

## Demographics – 1 Mile Trade Area



### Percentage of Population by Ethnicity



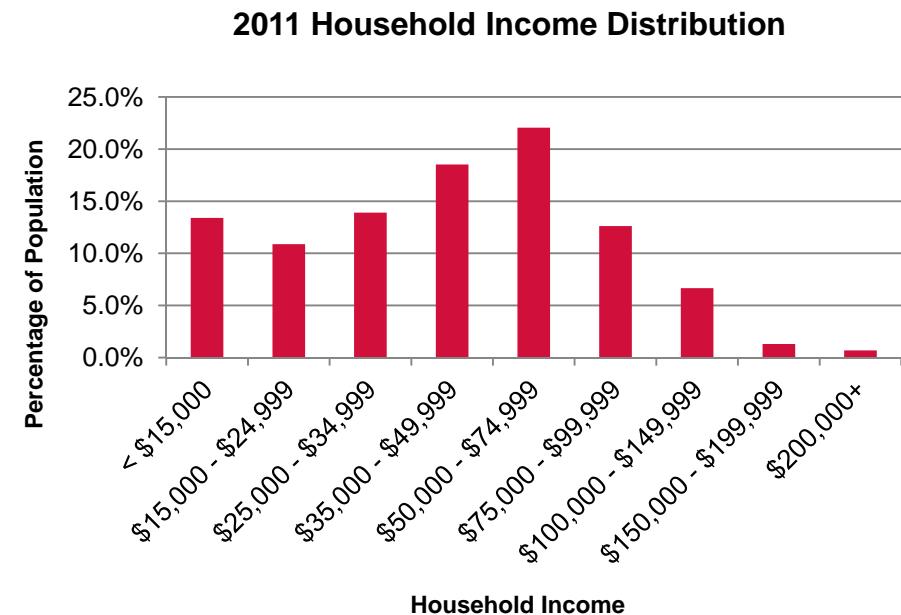
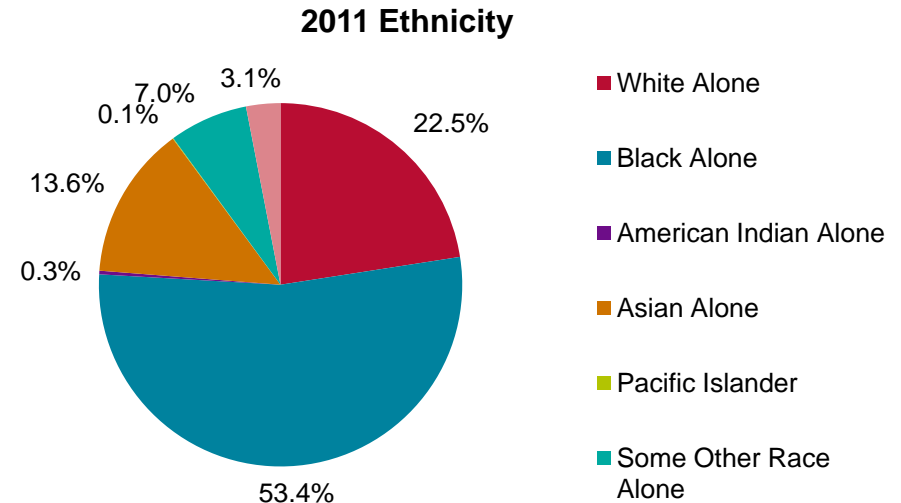
# Market Analysis

## Demographics – Zip Code Trade Area



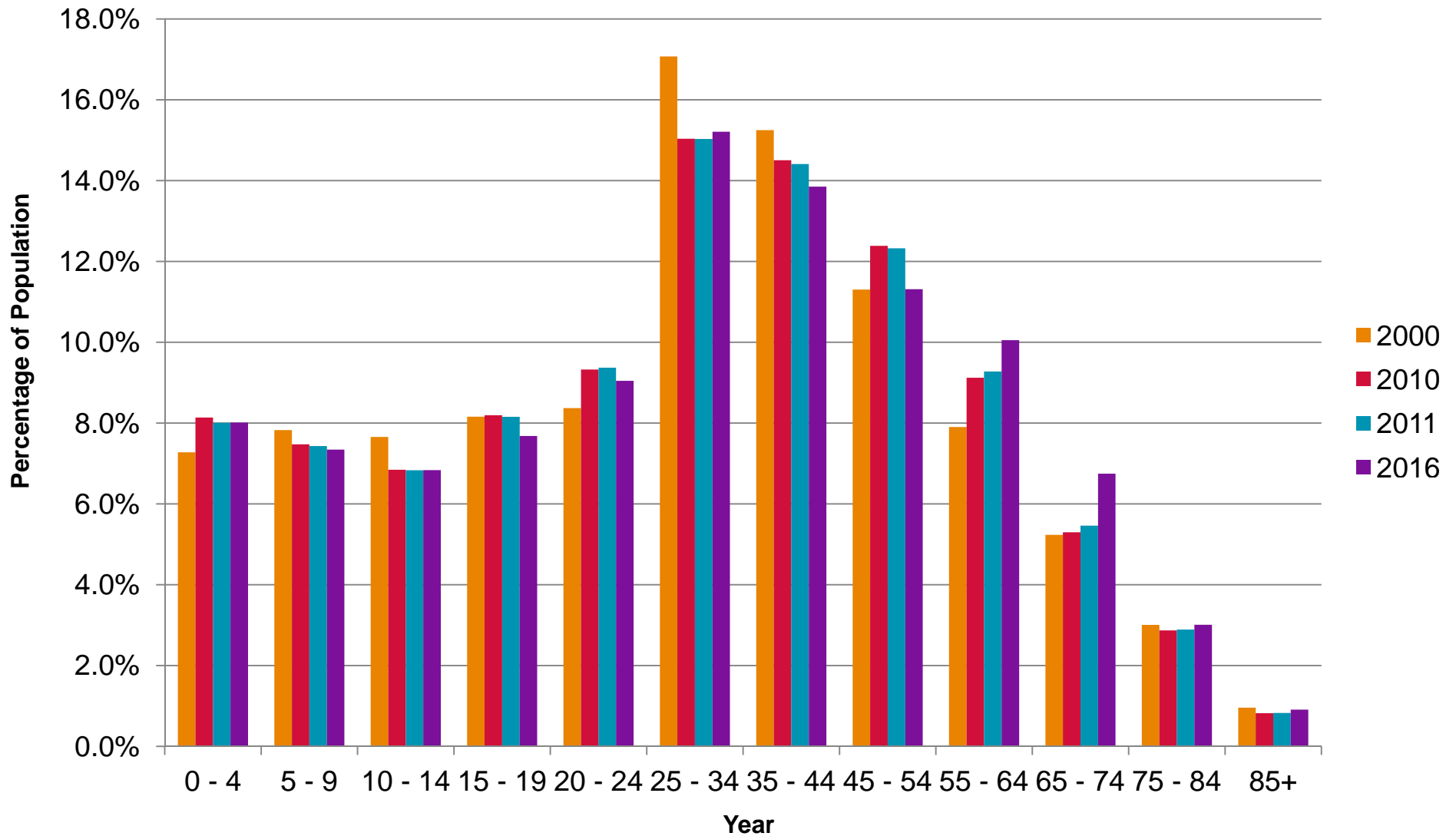
### Overview

- ◆ The trade area covers a population of 26,812
  - ◆ 9,445 Households
  - ◆ 6,164 Families
- ◆ The population is projected to grow at an annual rate of 0.70% between 2011 - 2016
- ◆ Average Statistics
  - ◆ Average Household Size – 2.76
  - ◆ Median Age – 32
  - ◆ Median Household Income \$43,314
- ◆ There is a 32% projected increase in population between the ages of 64 – 75 from 2010 - 2016
- ◆ Currently, Black and Asian Ethnicity make up two thirds of the population
- ◆ The Hispanic ethnicity is projected to increase by 37% from 2010 – 2016
- ◆ The Asian Alone Ethnicity is 13.1%



# Market Analysis

## Demographics – Zip Code Trade Area

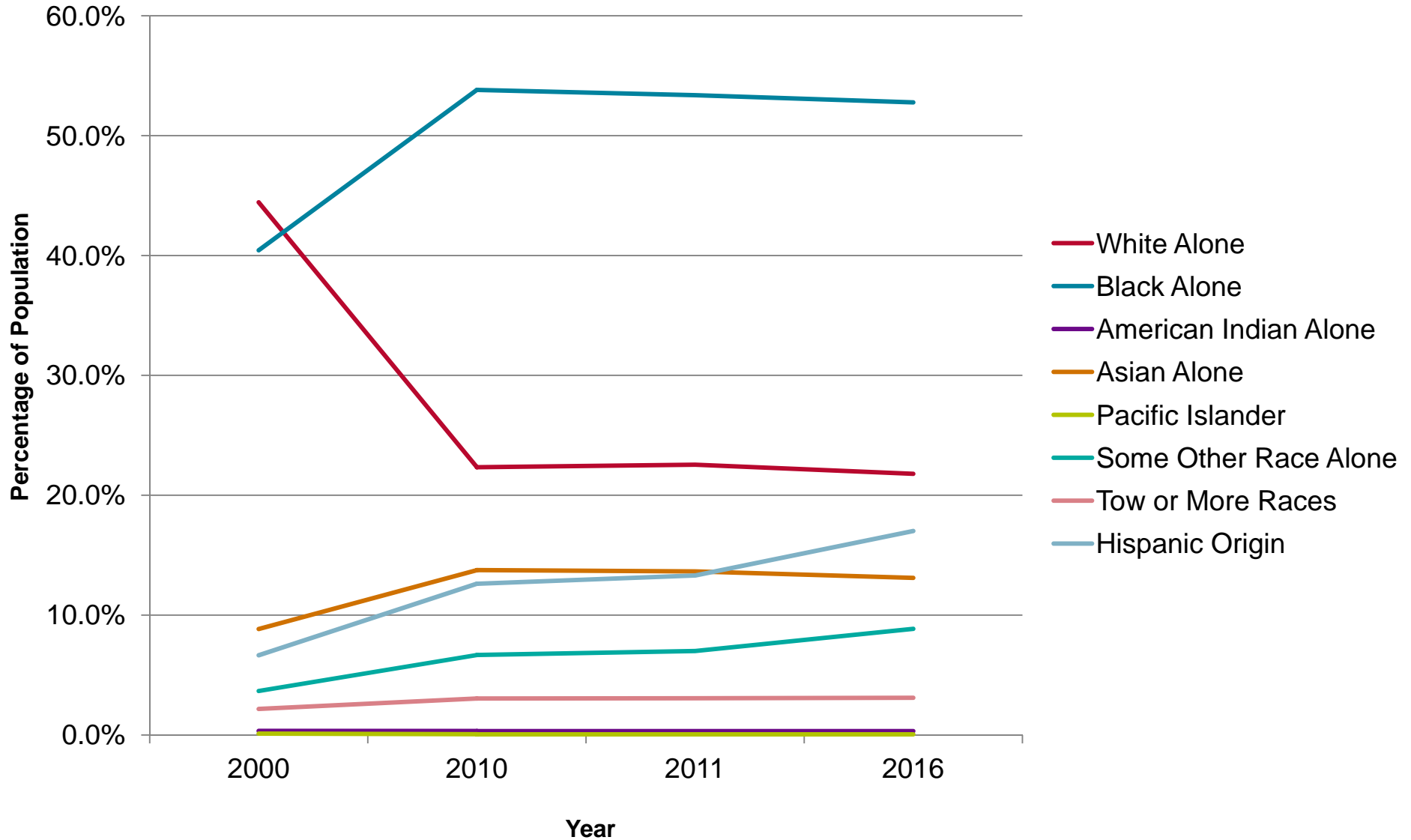


# Market Analysis

## Demographics – Zip Code Trade Area



### Percentage of Population by Ethnicity



# Market Analysis

## Psychographics



### Overview

- ◆ NGKF utilizes ESRI's tapestry segments for its psychographic analysis
- ◆ There are 66 tapestry segments that identify the consumer profile and spending characteristics
- ◆ The tapestry segments identify the populations lifestyle choices and the propensity to spend on those choices
- ◆ Data characteristics include:
  - ◆ Household Type
  - ◆ Median Age & Income
  - ◆ Employment
  - ◆ Activities
  - ◆ Financial characteristic
  - ◆ Media
  - ◆ Vehicle

### Data sources

- ◆ ESRI ArcGIS
- ◆ Updated annually

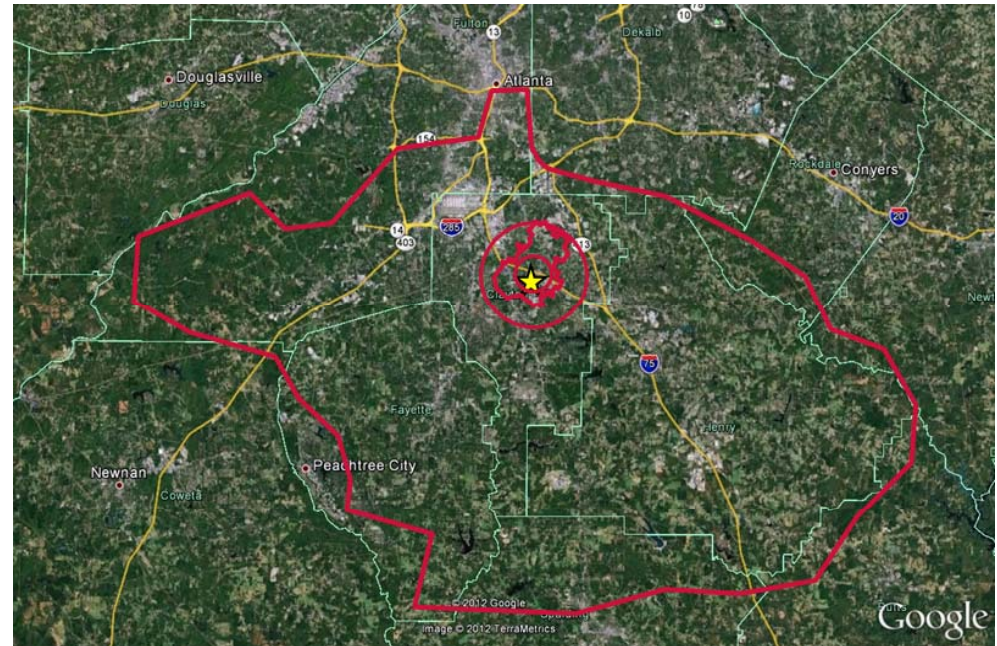
# Market Analysis

## Psychographics



### Summary

- ◆ The Psychographic profile for the trade area includes:
  - ◆ Young 30 year olds
  - ◆ Family with kids households
  - ◆ Middle to Upper Middle Class
  - ◆ Have some college or bachelors degree
  - ◆ Have professional and management occupations
- ◆ The Psychographic profile for the radius rings includes:
  - ◆ Upper 30 years olds
  - ◆ Mixed household type
  - ◆ Middle to Lower Middle Class
  - ◆ High School graduate level education attainment
  - ◆ Skilled or Service oriented occupations



- ◆ The top three tapestry segments were profiled for each trade area on the following slides

# Market Analysis

## Psychographics – Southlake Mall Trade Area



	Milk and Cookies	Up and Coming Families	Aspiring Young Families
Households	48,814	46,835	25,726
% of Total HH	14.8%	14.2%	7.8%
Household Type	Married Couples with Kids	Married Couples with Kids	Family Mixed
Median Age	33.8	31.9	30.5
Income	Middle	Upper Middle	Middle
Employment	Professional/Management/Services	Professional/Management	Professional/Management/Services
Education	Some College	Some College, Bachelor Degree	Some College, Bachelor Degree
Residential	Single Family	Single Family	Multiunits; Townhome
Race/Ethnicity	White	White	White, Black
Activities	Frequent Fast-Food, Buy Children's Toys	Eat at Chick-fil-A, Own a Dog	Go to the Movies, Play Frisbee
Financial	Have Mortgage Insurance	Have a New Car Loan	Use a Credit Union
Media	Watch Education Channels, Cartoons	Watch Cable TV	Watch Comedies on TV
Vehicle	Own/Lease Nissan	Drive 20,000 + Miles Annually	Own/Lease Sedan



# Market Analysis

## Psychographics – 3 Mile Trade Area



	Milk and Cookies	Up and Coming Families	Aspiring Young Families
Households	8,065	6,024	2,065
% of Total HH	32.8%	24.5%	8.4%
Household Type	Mixed	Mixed	Family Mixed
Median Age	34.5	36.7	30.5
Income	Lower Middle	Middle	Middle
Employment	Services/Professional/Management/ Skilled	Skilled/Professional/Management/ Services	Professional/Management/Services
Education	No HS Diploma, HS, Some College	HS Grad; Some College	Some College, Bachelor Degree
Residential	Multiunit Rentals	Single Family	Multiunits - Townhome
Race/Ethnicity	White, Black, Hispanic	White	White, Black
Activities	Play Football, Basketball, and Go Dancing	Buy Children's and Baby Products	Go to the Movies, Play Frisbee
Financial	Have Personal Education Loan	Use Credit Union	Use a Credit Union
Media	Read Music, Baby, and Fashion Magazines	Watch Cable TV	Watch Comedies on TV
Vehicle	Own/Lease Honda	Own/Lease Domestic Vehicle	Own/Lease Sedan

# Market Analysis

## Psychographics – 1 Mile Trade Area



	Milk and Cookies	Up and Coming Families	Aspiring Young Families
Households	685	453	313
% of Total HH	40.9%	27.0%	18.7%
Household Type	Mixed	Mixed	Family Mix
Median Age	36.7	34.5	29
Income	Middle	Lower Middle	Middle
Employment	Skilled/Professional/Management/Services	Services/Professional/Management/Skilled	Skilled Services
Education	HS Grad; Some College	No HS Diploma, HS, Some College	No HS Diploma, HS Grad
Residential	Single Family	Multiunit Rentals	Single Family
Race/Ethnicity	White	White, Black, Hispanic	White; Hispanic
Activities	Buy Children's and Baby Products	Play Football, Basketball, and Go Dancing	Order Products from Avon, Play Soccer
Financial	Use Credit Union	Have Personal Education Loan	Use Credit Union
Media	Watch Cable TV	Read Music, Baby, and Fashion Magazines	Listen to Hispanic Radio
Vehicle	Own/Lease Domestic Vehicle	Own/Lease Honda	Own/Lease SUV

# Market Analysis

## Psychographics – Zip Code Trade Area



	Milk and Cookies	Up and Coming Families	Aspiring Young Families
Households	3,561	1,388	1,124
% of Total HH	37.7%	14.7%	11.9%
Household Type	Mixed	Mixed	Single / Shared
Median Age	36.7	34.5	28.6
Income	Middle	Lower Middle	Middle
Employment	Skilled/Professional/Management/Services	Services/Professional/Management/Skilled	Professional / Management
Education	HS Grad; Some College	No HS Diploma, HS, Some College	Some College, Bachelor / Grad
Residential	Single Family	Multiunit Rentals	Multiunit Rentals
Race/Ethnicity	White	White, Black, Hispanic	White, Black
Activities	Buy Children's and Baby Products	Play Football, Basketball, and Go Dancing	Play Tennis, Lift Weights, Attend Sporting Events
Financial	Use Credit Union	Have Personal Education Loan	Have Renter's Insurance
Media	Watch Cable TV	Read Music, Baby, and Fashion Magazines	Watch Sports on TV
Vehicle	Own/Lease Domestic Vehicle	Own/Lease Honda	Own/Lease Honda

# Market Analysis

## Retail Gap Analysis <sup>(3)</sup>



### Summary

- ◆ The Retail Gap Analysis provides the opportunity gap between the demand of consumer spending vs the supply of retail trade
- ◆ Data variables that were analyzed include:
  - ◆ Demand – The estimated consumer spend is derived from the consumer expenditure survey (BLS)
  - ◆ Supply – The estimated retail sales derived from the 2010 Census of Retail Trade
  - ◆ Opportunity Gap/Surplus – The Gap or Surplus is determined by the difference in the demand and supply of the trade area
- ◆ This data analysis will determine the largest total demand for a retail good or service and largest percentage of demand

# Market Analysis

## Retail Gap Analysis – Southlake Mall Trade Area



### Summary

- ◆ Overall the trade area is meeting the supply and demand estimations
- ◆ Specific Retail Categories that have shortage in supply that are not meeting the demand are
  - ◆ Camera and Photographic Stores
  - ◆ Other Health and Personal Care Stores
  - ◆ Sporting Goods
  - ◆ Home Furnishing Stores
  - ◆ Computer and Software Stores
  - ◆ Office Supplies, Stationary and Gift Stores

Overall Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Non-Store Retailers	\$207,658,237	\$851,923,481	\$644,265,244	76%
Health and Personal Care Stores	\$438,736,584	\$691,765,544	\$253,028,960	37%
Miscellaneous Store Retailers	\$185,343,277	\$277,632,242	\$92,288,965	33%
Food and Beverage Stores	\$1,016,522,153	\$1,485,727,061	\$469,204,908	32%
Furniture and Home Furnishings Stores	\$175,778,470	\$215,788,510	\$40,010,040	19%
Sporting Goods, Hobby, Book, Music Stores	\$182,160,828	\$208,380,831	\$26,220,003	13%
Clothing and Clothing Accessories Stores	\$546,393,458	\$573,719,796	\$27,326,338	5%
Electronics and Appliance Stores	\$234,843,174	\$241,239,425	\$6,396,251	3%
Gasoline Stations	\$1,150,110,674	\$1,139,868,987	(\$10,241,687)	-1%
GAFO *	\$3,278,937,237	\$2,895,156,096	(\$383,781,141)	-13%
Building Material, Garden Equip Stores	\$1,152,047,185	\$962,569,408	(\$189,477,777)	-20%
Foodservice and Drinking Places	\$1,470,709,731	\$1,165,710,222	(\$304,999,509)	-26%
Motor Vehicle and Parts Dealers	\$2,475,632,250	\$1,880,674,074	(\$594,958,176)	-32%
General Merchandise Stores	\$2,054,018,234	\$1,547,354,881	(\$506,663,353)	-33%
<b>Total</b>	<b>14,568,891,492</b>	<b>14,137,510,558</b>	<b>-431,380,934</b>	<b>-3%</b>

# Market Analysis

## Retail Gap Analysis – Southlake Mall Trade Area



Subset Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Drinking Places-Alcoholic Beverages	\$11,833,059	\$50,462,341	\$38,629,282	77%
Camera and Photographic Equipment Stores	\$3,103,250	\$11,653,813	\$8,550,563	73%
Other Health and Personal Care Stores	\$15,289,927	\$44,680,298	\$29,390,371	66%
Specialty Food Stores	\$17,010,624	\$42,879,725	\$25,869,101	60%
Other Gasoline Stations	\$146,512,410	\$294,559,480	\$148,047,070	50%
Clothing Accessories Stores	\$5,200,857	\$9,784,454	\$4,583,597	47%
Other Miscellaneous Store Retailers	\$65,951,619	\$123,726,752	\$57,775,133	47%
Beer, Wine and Liquor Stores	\$47,955,830	\$82,674,108	\$34,718,278	42%
Pharmacies and Drug Stores	\$355,398,079	\$597,752,317	\$242,354,238	41%
Sew/Needlework/Piece Goods Stores	\$7,948,427	\$12,260,332	\$4,311,905	35%
Sporting Goods Stores	\$49,145,220	\$75,161,573	\$26,016,353	35%
Supermarkets, Grocery (Ex Conv) Stores	\$882,680,807	\$1,295,035,288	\$412,354,481	32%
Grocery Stores	\$951,555,699	\$1,360,173,227	\$408,617,528	30%
Office Supplies and Stationery Stores	\$42,621,093	\$60,440,763	\$17,819,670	29%
Home Furnishing Stores	\$71,055,314	\$98,905,474	\$27,850,160	28%
Florists	\$14,879,123	\$20,431,242	\$5,552,119	27%
Used Merchandise Stores	\$18,769,464	\$24,801,597	\$6,032,133	24%
Sportng Goods, Hobby, Musical Inst Stores	\$117,423,694	\$151,506,942	\$34,083,248	22%
Household Appliances Stores	\$32,281,607	\$41,227,563	\$8,945,956	22%
Computer and Software Stores	\$41,931,488	\$53,439,991	\$11,508,503	22%
Office Supplies, Stationery, Gift Stores	\$85,743,072	\$108,672,652	\$22,929,580	21%
Other Clothing Stores	\$22,647,978	\$27,751,647	\$5,103,669	18%
Jewelry Stores	\$54,512,502	\$66,067,816	\$11,555,314	17%
Musical Instrument and Supplies Stores	\$10,918,696	\$13,191,069	\$2,272,373	17%
Family Clothing Stores	\$186,190,688	\$221,699,708	\$35,509,020	16%
Jewelry, Luggage, Leather Goods Stores	\$62,508,401	\$71,875,068	\$9,366,667	13%
Gift, Novelty and Souvenir Stores	\$43,121,979	\$48,231,890	\$5,109,911	11%
Furniture Stores	\$104,723,156	\$116,883,036	\$12,159,880	10%
Clothing Stores	\$373,543,972	\$416,109,019	\$42,565,047	10%
Nursery and Garden Centers	\$73,827,229	\$80,476,390	\$6,649,161	8%
Lawn, Garden Equipment, Supplies Stores	\$81,528,088	\$87,635,583	\$6,107,495	7%
Department Stores Excl Leased Depts	\$727,775,376	\$772,928,718	\$45,153,342	6%
Women's Clothing Stores	\$101,894,611	\$106,008,559	\$4,113,948	4%
Hobby, Toys and Games Stores	\$49,411,350	\$50,893,969	\$1,482,619	3%
Other Building Materials Dealers	\$404,960,303	\$408,129,202	\$3,168,899	1%
Prerecorded Tapes, CDs, Record Stores	\$19,722,511	\$19,764,637	\$42,126	0%

# Market Analysis

## Retail Gap Analysis – 3 Mile Trade Area



### Summary

- ◆ Overall the 3 mile radius is over supplied
- ◆ Specific Retail Categories within the overall categories that have shortage in supply that are not meeting the demand are:
  - ◆ Camera and Photographic Stores
  - ◆ Special Food Services
  - ◆ Lawn, Garden, and Equipment Stores
  - ◆ Clothing Accessories Stores
  - ◆ Florists
  - ◆ Other Health and Personal Stores

Overall Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Non-Store Retailers	\$9,052,308	\$59,341,536	\$50,289,228	85%
Food and Beverage Stores	\$64,162,057	\$108,569,655	\$44,407,598	41%
Miscellaneous Store Retailers	\$19,285,278	\$18,639,031	(\$646,247)	-3%
Health and Personal Care Stores	\$51,796,124	\$50,047,990	(\$1,748,134)	-3%
Gasoline Stations	\$107,479,861	\$83,139,065	(\$24,340,796)	-29%
Sporting Goods, Hobby, Book, Music Stores	\$21,678,896	\$13,870,598	(\$7,808,298)	-56%
Clothing and Clothing Accessories Stores	\$87,118,636	\$39,710,968	(\$47,407,668)	-119%
Building Material, Garden Equip Stores	\$145,446,912	\$60,621,175	(\$84,825,737)	-140%
Furniture and Home Furnishings Stores	\$32,982,934	\$13,592,955	(\$19,389,979)	-143%
Electronics and Appliance Stores	\$41,749,515	\$16,236,805	(\$25,512,710)	-157%
Foodservice and Drinking Places	\$219,062,725	\$82,828,855	(\$136,233,870)	-164%
GAFO *	\$561,983,627	\$200,354,792	(\$361,628,835)	-180%
General Merchandise Stores	\$366,385,684	\$109,743,091	(\$256,642,593)	-234%
Motor Vehicle and Parts Dealers	\$521,989,511	\$126,552,040	(\$395,437,471)	-312%
<b>Total</b>	<b>2,250,174,068</b>	<b>983,248,556</b>	<b>-1,266,925,512</b>	<b>-129%</b>

# Market Analysis

## Retail Gap Analysis – 3 Mile Trade Area



Subset Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Camera and Photographic Equipment Stores	\$31,684	\$739,491	\$707,807	96%
Special Foodservices	\$320,169	\$6,829,726	\$6,509,557	95%
Drinking Places-Alcoholic Beverages	\$209,085	\$3,552,703	\$3,343,618	94%
Lawn, Garden Equipment, Supplies Stores	\$951,207	\$5,533,326	\$4,582,119	83%
Specialty Food Stores	\$562,179	\$3,153,661	\$2,591,482	82%
Beer, Wine and Liquor Stores	\$2,296,821	\$5,818,796	\$3,521,975	61%
Clothing Accessories Stores	\$282,596	\$660,188	\$377,592	57%
Florists	\$592,270	\$1,279,436	\$687,166	54%
Prerecorded Tapes, CDs, Record Stores	\$640,076	\$1,314,974	\$674,898	51%
Other Health and Personal Care Stores	\$1,905,949	\$3,252,678	\$1,346,729	41%
Supermarkets, Grocery (Ex Conv) Stores	\$57,485,794	\$94,809,020	\$37,323,226	39%
Grocery Stores	\$61,303,057	\$99,597,197	\$38,294,140	38%
Other Gasoline Stations	\$13,231,494	\$21,359,822	\$8,128,328	38%
Used Merchandise Stores	\$1,037,266	\$1,672,637	\$635,371	38%
Other Miscellaneous Store Retailers	\$5,587,780	\$8,486,583	\$2,898,803	34%
Pharmacies and Drug Stores	\$34,475,962	\$43,375,439	\$8,899,477	21%
Convenience Stores	\$3,817,263	\$4,788,177	\$970,914	20%
Household Appliances Stores	\$2,429,419	\$2,675,057	\$245,638	9%
Home Furnishing Stores	\$6,167,865	\$6,356,582	\$188,717	3%



# Market Analysis

## Retail Gap Analysis – 1 Mile Trade Area



### Summary

- ◆ Overall the 1 mile radius is over supplied
- ◆ Specific Retail Categories within the overall categories that have shortage in supply that are not meeting the demand are:
  - ◆ Special Food Services
  - ◆ Lawn, Garden, and Equipment Stores
  - ◆ Convenience Stores
  - ◆ Pharmacies and Drug Stores
  - ◆ Household Appliance Stores
  - ◆ Clothing Accessories Stores

Overall Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Non-Store Retailers	\$119,492	\$5,564,780	\$5,445,288	98%
Food and Beverage Stores	\$6,821,130	\$9,828,441	\$3,007,311	31%
Health and Personal Care Stores	\$3,964,875	\$4,704,083	\$739,208	16%
Gasoline Stations	\$9,308,513	\$7,586,413	(\$1,722,100)	-23%
Motor Vehicle and Parts Dealers	\$18,233,432	\$12,021,980	(\$6,211,452)	-52%
Miscellaneous Store Retailers	\$2,765,325	\$1,770,315	(\$995,010)	-56%
Foodservice and Drinking Places	\$21,212,993	\$7,798,488	(\$13,414,505)	-172%
Building Material, Garden Equip Stores	\$18,199,700	\$5,932,617	(\$12,267,083)	-207%
Sporting Goods, Hobby, Book, Music Stores	\$5,039,766	\$1,311,385	(\$3,728,381)	-284%
Furniture and Home Furnishings Stores	\$5,642,459	\$1,304,506	(\$4,337,953)	-333%
Clothing and Clothing Accessories Stores	\$15,722,669	\$3,623,151	(\$12,099,518)	-334%
Electronics and Appliance Stores	\$7,055,332	\$1,542,634	(\$5,512,698)	-357%
GAFO *	\$89,161,449	\$18,495,516	(\$70,665,933)	-382%
General Merchandise Stores	\$54,204,040	\$10,021,424	(\$44,182,616)	-441%
<b>Total</b>	<b>257,451,175</b>	<b>91,505,733</b>	<b>-165,945,442</b>	<b>-181%</b>

# Market Analysis

## Retail Gap Analysis – 1 Mile Trade Area



Subset Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Special Foodservices	\$33,652	\$642,782	\$609,130	95%
Specialty Food Stores	\$19,323	\$283,574	\$264,251	93%
Lawn, Garden Equipment, Supplies Stores	\$79,806	\$530,445	\$450,639	85%
Convenience Stores	\$124,426	\$434,721	\$310,295	71%
Prerecorded Tapes, CDs, Record Stores	\$36,565	\$126,654	\$90,089	71%
Other Gasoline Stations	\$689,232	\$1,953,410	\$1,264,178	65%
Pharmancies and Drug Stores	\$1,501,295	\$4,077,687	\$2,576,392	63%
Used Merchandise Stores	\$61,404	\$155,830	\$94,426	61%
Household Appliances Stores	\$110,377	\$257,954	\$147,577	57%
Home Furnishing Stores	\$394,429	\$614,206	\$219,777	36%
Clothing Accessories Stores	\$40,833	\$61,407	\$20,574	34%
Grocery Stores	\$6,236,076	\$9,006,281	\$2,770,205	31%
Supermarkets, Grocery (Ex Conv) Stores	\$6,111,650	\$8,571,560	\$2,459,910	29%
Other Health and Personal Care Stores	\$289,312	\$304,858	\$15,546	5%
Computer and Software Stores	\$361,741	\$347,188	(\$14,553)	-4%
Office Supplies and Stationery Stores	\$429,311	\$385,634	(\$43,677)	-11%
Other Miscellaneous Store Retailers	\$1,011,777	\$796,888	(\$214,889)	-27%
Automotive Dealers	\$15,906,546	\$11,006,400	(\$4,900,146)	-45%
Gasoline Stations With Conv Stores	\$8,619,280	\$5,633,003	(\$2,986,277)	-53%
Florists	\$194,962	\$125,182	(\$69,780)	-56%
Other Building Materials Dealers	\$4,919,026	\$2,524,000	(\$2,395,026)	-95%
Building Materials, Lumberyards	\$1,923,343	\$944,176	(\$979,167)	-104%
Automotive Parts/Accsrs, Tire Stores	\$1,618,094	\$790,833	(\$827,261)	-105%
Office Supplies, Stationery, Gift Stores	\$1,497,182	\$692,415	(\$804,767)	-116%
Sporting Goods Stores	\$1,045,225	\$456,641	(\$588,584)	-129%
Outdoor Power Equipment Stores	\$79,806	\$31,413	(\$48,393)	-154%
Women's Clothing Stores	\$1,865,869	\$670,109	(\$1,195,760)	-178%
Jewelry, Luggage, Leather Goods Stores	\$1,241,662	\$429,987	(\$811,675)	-189%
Sportng Goods, Hobby, Musical Inst Stores	\$2,935,292	\$946,205	(\$1,989,087)	-210%
Other Motor Vehicle Dealers	\$708,792	\$224,747	(\$484,045)	-215%
Jewelry Stores	\$1,241,662	\$392,972	(\$848,690)	-216%
Building Material and Supply Dealers	\$18,119,894	\$5,402,172	(\$12,717,722)	-235%
Gift, Novelty and Souvenir Stores	\$1,067,871	\$306,782	(\$761,089)	-248%
Limited-Service Eating Places	\$11,558,892	\$3,305,897	(\$8,252,995)	-250%
Other General Merchandise Stores	\$20,093,416	\$5,065,801	(\$15,027,615)	-297%

# Market Analysis

## Retail Gap Analysis – Zip Code Trade Area



### Summary

- ◆ Overall the zip code radius is over supplied
- ◆ Specific Retail Categories within the overall categories that have shortage in supply that are not meeting the demand are:
  - ◆ Special Food Services
  - ◆ Lawn, Garden, and Equipment Stores
  - ◆ Outdoor Power Equipment
  - ◆ Convenience Stores
  - ◆ Pharmacies and Drug Stores
  - ◆ Household Appliance Stores
  - ◆ Clothing Accessories Stores

Overall Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Non-Store Retailers	\$470,303	\$21,402,014	\$20,931,711	98%
Food and Beverage Stores	\$32,566,073	\$38,266,924	\$5,700,851	15%
Miscellaneous Store Retailers	\$12,121,188	\$6,777,435	(\$5,343,753)	-79%
Health and Personal Care Stores	\$32,307,015	\$17,936,696	(\$14,370,319)	-80%
Gasoline Stations	\$54,739,793	\$29,970,432	(\$24,769,361)	-83%
Building Material, Garden Equip Stores	\$74,045,624	\$22,269,094	(\$51,776,530)	-233%
Sporting Goods, Hobby, Book, Music Stores	\$38,182,168	\$10,118,140	(\$28,064,028)	-277%
Furniture and Home Furnishings Stores	\$46,167,470	\$9,801,422	(\$36,366,048)	-371%
Foodservice and Drinking Places	\$163,591,180	\$29,762,933	(\$133,828,247)	-450%
Clothing and Clothing Accessories Stores	\$155,929,082	\$27,868,920	(\$128,060,162)	-460%
GAFO *	\$419,290,529	\$71,083,281	(\$348,207,248)	-490%
Electronics and Appliance Stores	\$69,615,314	\$11,753,836	(\$57,861,478)	-492%
General Merchandise Stores	\$513,587,218	\$77,379,276	(\$436,207,942)	-564%
Motor Vehicle and Parts Dealers	\$419,952,322	\$46,997,385	(\$372,954,937)	-794%
<b>Total</b>	<b>2,032,565,279</b>	<b>421,387,788</b>	<b>-1,611,177,491</b>	<b>-382%</b>

# Market Analysis

## Retail Gap Analysis – Zip Code Trade Area



Subset Category	Supply	Demand	Opportunity Gap	Opp. Gap %
Lawn, Garden Equipment, Supplies Stores	\$39,091	\$2,026,368	\$1,987,277	98%
Special Foodservices	\$108,956	\$2,449,127	\$2,340,171	96%
Specialty Food Stores	\$198,237	\$1,105,062	\$906,825	82%
Outdoor Power Equipment Stores	\$39,091	\$128,446	\$89,355	70%
Used Merchandise Stores	\$319,181	\$602,379	\$283,198	47%
Beer, Wine and Liquor Stores	\$1,133,502	\$2,100,610	\$967,108	46%
Prerecorded Tapes, CDs, Record Stores	\$264,698	\$479,607	\$214,909	45%
Convenience Stores	\$1,228,799	\$1,700,853	\$472,054	28%
Grocery Stores	\$31,234,334	\$35,061,252	\$3,826,918	11%
Supermarkets, Grocery (Ex Conv) Stores	\$30,005,535	\$33,360,399	\$3,354,864	10%
Other Gasoline Stations	\$6,971,287	\$7,726,958	\$755,671	10%
Office Supplies and Stationery Stores	\$1,406,955	\$1,450,723	\$43,768	3%
Florists	\$466,569	\$468,244	\$1,675	0%
Pharmancies and Drug Stores	\$17,624,880	\$15,556,998	(\$2,067,882)	-13%
Clothing Accessories Stores	\$282,295	\$234,868	(\$47,427)	-20%
Other Miscellaneous Store Retailers	\$3,785,535	\$3,084,328	(\$701,207)	-23%
Other Health and Personal Care Stores	\$1,615,831	\$1,164,477	(\$451,354)	-39%
Home Furnishing Stores	\$3,777,438	\$2,310,980	(\$1,466,458)	-63%
Household Appliances Stores	\$1,776,351	\$972,859	(\$803,492)	-83%
Other Building Materials Dealers	\$19,361,990	\$9,416,485	(\$9,945,505)	-106%
Gasoline Stations With Conv Stores	\$47,768,506	\$22,243,474	(\$25,525,032)	-115%
Building Materials, Lumberyards	\$7,570,547	\$3,496,296	(\$4,074,251)	-117%
Sporting Goods Stores	\$4,485,356	\$1,742,906	(\$2,742,450)	-157%
Women's Clothing Stores	\$7,249,790	\$2,574,542	(\$4,675,248)	-182%
Office Supplies, Stationery, Gift Stores	\$15,099,806	\$5,244,968	(\$9,854,838)	-188%
Sportng Goods, Hobby, Musical Inst Stores	\$11,106,884	\$3,605,875	(\$7,501,009)	-208%
Building Material and Supply Dealers	\$74,006,533	\$20,242,726	(\$53,763,807)	-266%
Full-Service Restaurants	\$50,574,396	\$13,415,649	(\$37,158,747)	-277%
Family Clothing Stores	\$25,811,053	\$5,419,967	(\$20,391,086)	-376%
Clothing Stores	\$50,982,922	\$10,157,438	(\$40,825,484)	-402%
Computer and Software Stores	\$6,977,850	\$1,333,648	(\$5,644,202)	-423%
Gift, Novelty and Souvenir Stores	\$6,142,948	\$1,171,761	(\$4,971,187)	-424%
Hobby, Toys and Games Stores	\$6,621,528	\$1,255,981	(\$5,365,547)	-427%
Book, Periodical and Music Stores	\$7,984,200	\$1,453,195	(\$6,531,005)	-449%
Jewelry, Luggage, Leather Goods Stores	\$8,956,861	\$1,598,501	(\$7,358,360)	-460%

# Market Analysis

## Consumer Spending (4)



### Summary

- ◆ The consumer spending report provides the spending patterns of the consumers within the trade areas
- ◆ Consumer Spending data is derived from the 2006 and 2007 consumer expenditure surveys, bureau of labor statistics
- ◆ Consumer Spending Potential aligns with the consumer habits aligned with the tapestry segments
- ◆ Data variables that were analyzed include:
  - ◆ Spending Potential Index – Based on a national average of 100, the variable determines the spending potential per consumer category. If the SPI is above 100 the consumer spend for that category is above the national average
  - ◆ Average Household Spend – Average spend per household by consumer category

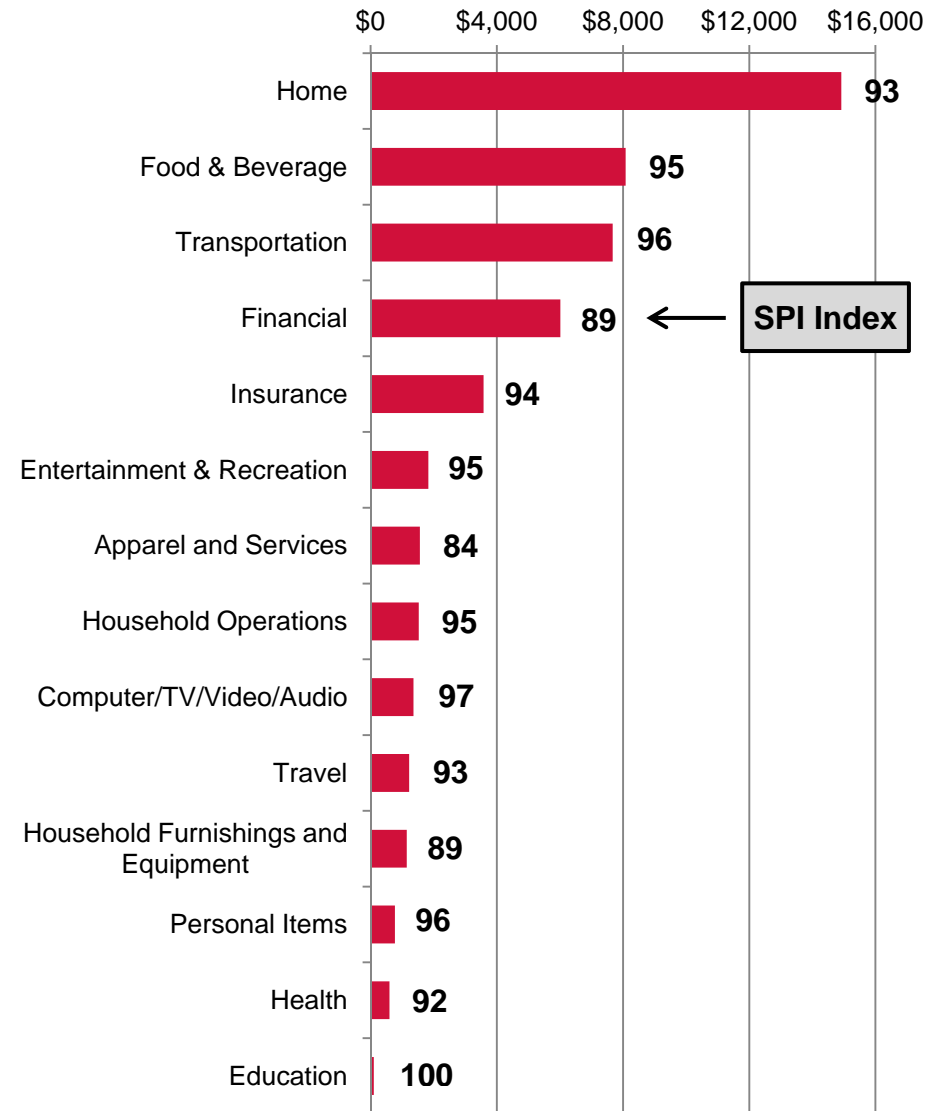
# Market Analysis

## Consumer Spending – Southlake Mall Trade Area



### Summary

- ◆ All consumer spending groups are at or slightly below the national average for the spending potential index
- ◆ Education and Computer/TV/Video/Audio are the highest in the trade area
- ◆ The trade area has the strongest spending potential among all trade areas



# Market Analysis

## Consumer Spending – Southlake Mall Trade Area



### Top 20 Consumer Categories by Average HH Spend

Consumer Group	Consumer Category	SPI	Average HH Spend
Home	Mortgage Payment and Basics (11)	96	\$8,671.17
Food & Beverage	Food	96	\$7,137.46
Financial	Vehicle Loans	98	\$4,659.15
Home	Utilities, Fuel, and Public Services	95	\$4,178.83
Transportation	Vehicle Purchases (Net Outlay) (20)	97	\$4,115.30
Food & Beverage	Food at Home	95	\$4,114.66
Food & Beverage	Food Away from Home	97	\$3,022.80
Entertainment & Recreation	Entertainment & Recreation	96	\$2,986.71
Transportation	Gasoline and Motor Oil	97	\$2,688.76
Home	Maintenance and Remodeling Services	91	\$1,750.15
Insurance	Health Insurance	91	\$1,703.92
Apparel and Services	Apparel and Services	67	\$1,562.60
Food & Beverage	Snacks and Other Food at Home (10)	96	\$1,444.16
Financial	Investments	80	\$1,356.61
Computer/TV/Video/Audio	TV/Video/Audio	96	\$1,153.21
Insurance	Vehicle Insurance	96	\$1,079.56
Food & Beverage	Meats, Poultry, Fish, and Eggs	95	\$958.55
Transportation	Vehicle Maintenance and Repairs	95	\$870.00
Food & Beverage	Fruits and Vegetables	94	\$714.78
Computer/TV/Video/Audio	Community Antenna or Cable TV	95	\$662.62

# Market Analysis

## Consumer Spending – Southlake Mall Trade Area



### Top 20 Consumer Categories by SPI Index

Consumer Group	Consumer Category	SPI	Average HH Spend
Apparel and Services	Apparel Products and Services (1)	165	\$149.63
Entertainment & Recreation	Pets	115	\$479.36
Entertainment & Recreation	Catered Affairs (9)	108	\$25.92
Household Operations	Child Care	104	\$463.84
Computer/TV/Video/Audio	Video and Computer Game Hardware and Software	103	\$55.84
Computer/TV/Video/Audio	Rental of Video Cassettes and DVDs	101	\$40.19
Education	School Books and Supplies (19)	100	\$104.20
Computer/TV/Video/Audio	Televisions	99	\$184.93
Entertainment & Recreation	Admission to Sporting Events, excl. Trips	99	\$57.01
Computer/TV/Video/Audio	Video Cassettes and DVDs	99	\$50.73
Financial	Vehicle Loans	98	\$4,659.15
Computer/TV/Video/Audio	VCRs, Video Cameras, and DVD Players	98	\$19.39
Computer/TV/Video/Audio	Satellite Dishes	98	\$1.20
Transportation	Vehicle Purchases (Net Outlay) (20)	97	\$4,115.30
Food & Beverage	Food Away from Home	97	\$3,022.80
Transportation	Gasoline and Motor Oil	97	\$2,688.76
Food & Beverage	Alcoholic Beverages	97	\$539.10
Personal Items	Personal Care Products (18)	97	\$376.57
Computer/TV/Video/Audio	Computers and Hardware for Home Use	97	\$179.44
Entertainment & Recreation	Toys and Games (4)	97	\$137.14



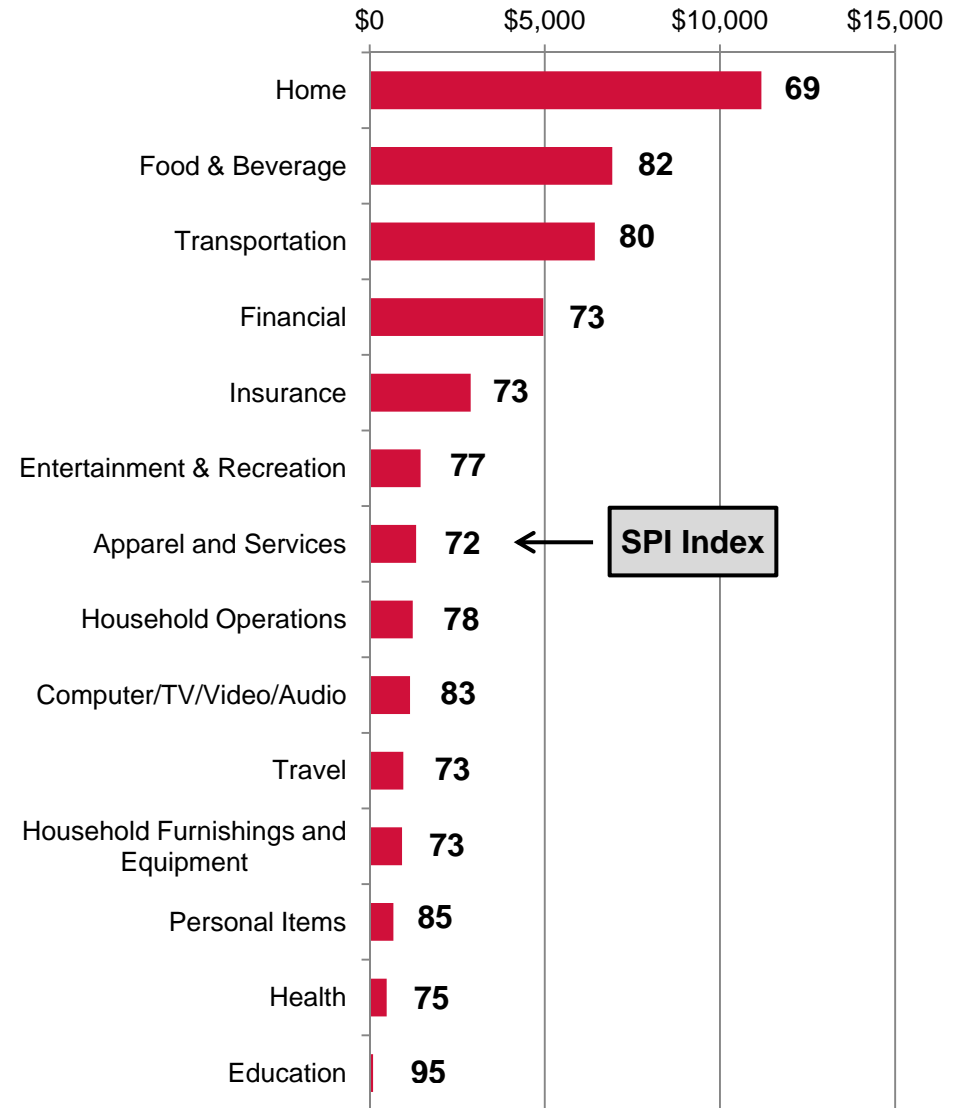
# Market Analysis

## Consumer Spending – 3 Mile Trade Area



### Summary

- ◆ All consumer spending groups are below the national average for the spending potential index
- ◆ Education and Personal Items are the highest in the trade area for Spending Potential Index
- ◆ Home and Food & Beverage make up half of the total household spend



# Market Analysis

## Consumer Spending – 3 Mile Trade Area



### Top 20 Consumer Categories by Average HH Spend

Consumer Group	Consumer Category	SPI	Average HH Spend
Home	Mortgage Payment and Basics (11)	69	\$6,223.93
Financial	Vehicle Loans	81	\$3,864.20
Home	Utilities, Fuel, and Public Services	80	\$3,490.97
Transportation	Vehicle Purchases (Net Outlay) (20)	80	\$3,420.26
Food & Beverage	Food Away from Home	82	\$2,564.39
Transportation	Gasoline and Motor Oil	82	\$2,282.76
Insurance	Health Insurance	74	\$1,387.99
Food & Beverage	Snacks and Other Food at Home (10)	82	\$1,242.81
Home	Maintenance and Remodeling Services	64	\$1,234.98
Financial	Investments	65	\$1,092.07
Insurance	Vehicle Insurance	80	\$903.86
Food & Beverage	Meats, Poultry, Fish, and Eggs	82	\$825.53
Transportation	Vehicle Maintenance and Repairs	79	\$724.17
Food & Beverage	Fruits and Vegetables	81	\$612.72
Computer/TV/Video/Audio	Community Antenna or Cable TV	80	\$559.40
Household Operations	Housekeeping Supplies (17)	79	\$539.49
Food & Beverage	Alcoholic Beverages	86	\$475.28
Food & Beverage	Bakery and Cereal Products	80	\$462.88
Household Furnishings and Equipment	Furniture	77	\$447.72
Apparel and Services	Women's	50	\$400.04

# Market Analysis

## Consumer Spending – 3 Mile Trade Area



### Top 20 Consumer Categories by SPI Index

Consumer Group	Consumer Category	SPI	Average HH Spend
Apparel and Services	Apparel Products and Services (1)	149	\$135.20
Entertainment & Recreation	Catered Affairs (9)	96	\$22.99
Education	School Books and Supplies (19)	95	\$97.54
Entertainment & Recreation	Pets	91	\$381.27
Computer/TV/Video/Audio	Rental of Video Cassettes and DVDs	90	\$36.06
Computer/TV/Video/Audio	Video and Computer Game Hardware and Software	89	\$48.10
Computer/TV/Video/Audio	Video Cassettes and DVDs	89	\$45.47
Entertainment & Recreation	Dating Services	88	\$0.66
Personal Items	Smoking Products	87	\$361.75
Computer/TV/Video/Audio	VCRs, Video Cameras, and DVD Players	87	\$17.23
Food & Beverage	Alcoholic Beverages	86	\$475.28
Household Operations	Child Care	84	\$375.22
Computer/TV/Video/Audio	Software and Accessories for Home Use	84	\$23.11
Food & Beverage	Nonalcoholic Beverages at Home	83	\$351.00
Computer/TV/Video/Audio	Computers and Hardware for Home Use	83	\$153.69
Food & Beverage	Food Away from Home	82	\$2,564.39
Transportation	Gasoline and Motor Oil	82	\$2,282.76
Food & Beverage	Snacks and Other Food at Home (10)	82	\$1,242.81
Food & Beverage	Meats, Poultry, Fish, and Eggs	82	\$825.53
Personal Items	Personal Care Products (18)	82	\$316.59

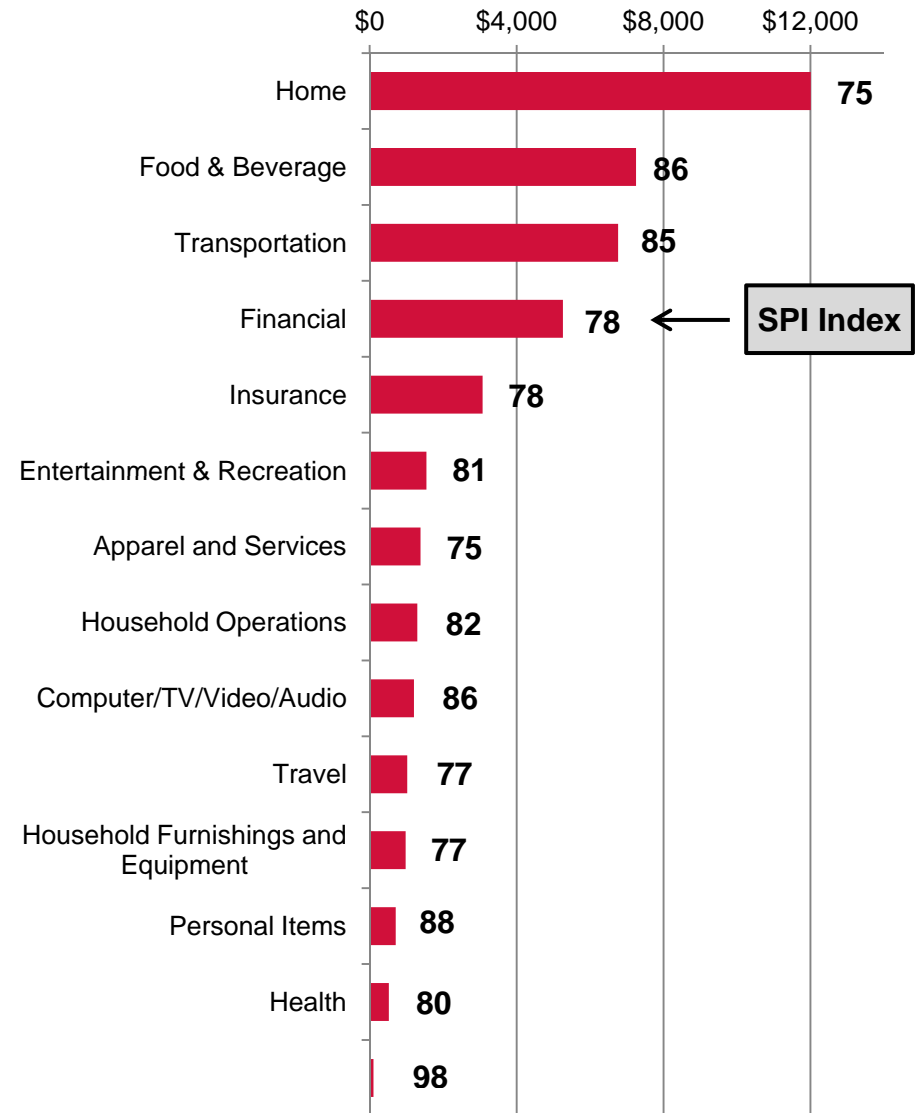
# Market Analysis

## Consumer Spending – 1 Mile Trade Area



### Summary

- ◆ All consumer spending groups are below the national average for the spending potential index
- ◆ Education and Computer/TV/Video/Audio are the highest in the trade area



# Market Analysis

## Consumer Spending – 1 Mile Trade Area



### Top 20 Consumer Categories by Average HH Spend

Consumer Group	Consumer Category	SPI	Average HH Spend
Home	Mortgage Payment and Basics (11)	74	\$6,738.76
Financial	Vehicle Loans	85	\$4,061.82
Home	Utilities, Fuel, and Public Services	84	\$3,675.66
Transportation	Vehicle Purchases (Net Outlay) (20)	85	\$3,603.57
Food & Beverage	Food Away from Home	86	\$2,681.13
Transportation	Gasoline and Motor Oil	86	\$2,399.25
Insurance	Health Insurance	79	\$1,487.41
Home	Maintenance and Remodeling Services	70	\$1,339.40
Food & Beverage	Snacks and Other Food at Home (10)	86	\$1,303.96
Financial	Investments	71	\$1,199.17
Insurance	Vehicle Insurance	84	\$949.67
Food & Beverage	Meats, Poultry, Fish, and Eggs	86	\$863.39
Transportation	Vehicle Maintenance and Repairs	83	\$761.65
Food & Beverage	Fruits and Vegetables	85	\$643.30
Computer/TV/Video/Audio	Community Antenna or Cable TV	84	\$585.05
Household Operations	Housekeeping Supplies (17)	84	\$569.32
Food & Beverage	Alcoholic Beverages	90	\$496.19
Food & Beverage	Bakery and Cereal Products	84	\$486.80
Household Furnishings and Equipment	Furniture	81	\$471.02
Apparel and Services	Women's	52	\$419.00

# Market Analysis

## Consumer Spending – 1 Mile Trade Area



### Top 20 Consumer Categories by SPI Index

Consumer Group	Consumer Category	SPI	Average HH Spend
Apparel and Services	Apparel Products and Services (1)	152	\$138.08
Entertainment & Recreation	Catered Affairs (9)	100	\$23.96
Education	School Books and Supplies (19)	98	\$101.24
Entertainment & Recreation	Pets	97	\$404.14
Computer/TV/Video/Audio	Rental of Video Cassettes and DVDs	95	\$37.75
Computer/TV/Video/Audio	Video and Computer Game Hardware and Software	93	\$50.26
Computer/TV/Video/Audio	Video Cassettes and DVDs	92	\$47.07
Computer/TV/Video/Audio	VCRs, Video Cameras, and DVD Players	91	\$18.00
Food & Beverage	Alcoholic Beverages	90	\$496.19
Personal Items	Smoking Products	90	\$374.62
Computer/TV/Video/Audio	Software and Accessories for Home Use	88	\$24.27
Entertainment & Recreation	Dating Services	88	\$0.66
Household Operations	Child Care	87	\$388.73
Food & Beverage	Nonalcoholic Beverages at Home	87	\$367.67
Computer/TV/Video/Audio	Computers and Hardware for Home Use	87	\$161.36
Food & Beverage	Food Away from Home	86	\$2,681.13
Transportation	Gasoline and Motor Oil	86	\$2,399.25
Food & Beverage	Snacks and Other Food at Home (10)	86	\$1,303.96
Food & Beverage	Meats, Poultry, Fish, and Eggs	86	\$863.39
Personal Items	Personal Care Products (18)	86	\$332.32

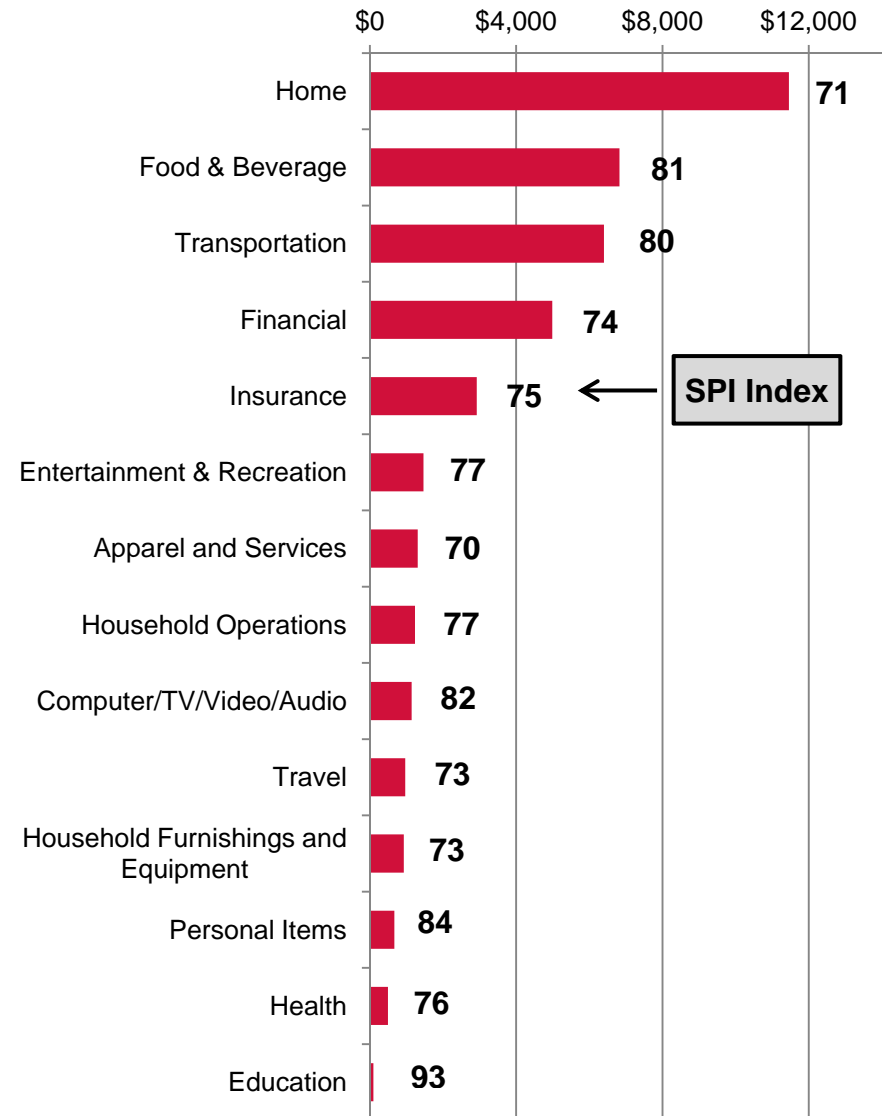
# Market Analysis

## Consumer Spending – Zip Code Trade Area



### Summary

- ◆ All consumer spending groups are below the national average for the spending potential index
- ◆ Education and Personal Items are the highest in the trade area
- ◆ The zip code trade area has the weakest spending potential index



# Market Analysis

## Consumer Spending – Zip Code Trade Area



### Top 20 Consumer Categories by Average HH Spend

Consumer Group	Consumer Category	SPI	Average HH Spend
Home	Mortgage Payment and Basics (11)	71	\$6,450.92
Financial	Vehicle Loans	81	\$3,865.21
Home	Utilities, Fuel, and Public Services	79	\$3,482.05
Transportation	Vehicle Purchases (Net Outlay) (20)	80	\$3,411.29
Food & Beverage	Food Away from Home	81	\$2,533.35
Transportation	Gasoline and Motor Oil	82	\$2,271.06
Insurance	Health Insurance	75	\$1,411.86
Home	Maintenance and Remodeling Services	67	\$1,282.03
Food & Beverage	Snacks and Other Food at Home (10)	81	\$1,225.28
Financial	Investments	67	\$1,121.17
Insurance	Vehicle Insurance	80	\$897.80
Food & Beverage	Meats, Poultry, Fish, and Eggs	80	\$807.77
Transportation	Vehicle Maintenance and Repairs	79	\$719.35
Food & Beverage	Fruits and Vegetables	79	\$599.92
Computer/TV/Video/Audio	Community Antenna or Cable TV	79	\$555.03
Household Operations	Housekeeping Supplies (17)	79	\$537.36
Food & Beverage	Alcoholic Beverages	85	\$470.36
Food & Beverage	Bakery and Cereal Products	79	\$457.91
Household Furnishings and Equipment	Furniture	77	\$446.38
Apparel and Services	Women's	49	\$396.34



# Market Analysis

## Consumer Spending – Zip Code Trade Area



### Top 20 Consumer Categories by SPI Index

Consumer Group	Consumer Category	SPI	Average HH Spend
Apparel and Services	Apparel Products and Services (1)	142	\$128.56
Entertainment & Recreation	Catered Affairs (9)	97	\$23.26
Education	School Books and Supplies (19)	93	\$95.99
Entertainment & Recreation	Pets	92	\$384.19
Computer/TV/Video/Audio	Video and Computer Game Hardware and Software	89	\$48.09
Computer/TV/Video/Audio	Rental of Video Cassettes and DVDs	89	\$35.53
Computer/TV/Video/Audio	Video Cassettes and DVDs	87	\$44.38
Personal Items	Smoking Products	86	\$355.32
Computer/TV/Video/Audio	VCRs, Video Cameras, and DVD Players	86	\$16.89
Food & Beverage	Alcoholic Beverages	85	\$470.36
Household Operations	Child Care	83	\$372.86
Computer/TV/Video/Audio	Software and Accessories for Home Use	83	\$22.79
Transportation	Gasoline and Motor Oil	82	\$2,271.06
Computer/TV/Video/Audio	Computers and Hardware for Home Use	82	\$151.93
Entertainment & Recreation	Dating Services	82	\$0.62
Financial	Vehicle Loans	81	\$3,865.21
Food & Beverage	Food Away from Home	81	\$2,533.35
Food & Beverage	Snacks and Other Food at Home (10)	81	\$1,225.28
Food & Beverage	Nonalcoholic Beverages at Home	81	\$345.09
Personal Items	Personal Care Products (18)	81	\$313.04

# Market Analysis

## City of Morrow Net Receipts for 2011 (5)



### Summary

- ◆ City of Morrow provided actual net receipts of the businesses in the city
- ◆ The businesses were categorized and aligned with the retail and consumer reports analyzed
- ◆ An analysis was performed on what was actually reported in the city and what the data is indicating on where the opportunities exist
- ◆ The businesses in the chart on the left are the top businesses in the City of Morrow by net receipts
- ◆ The top 20 businesses make up ½ of the net receipts for 2011
- ◆ Total Net Reported Receipts for 2011 = \$669,497,334

Top 20 Net Receipts for 2011 by Business	2011 Net Sales Receipts
COSTCO BUSINESS DELIVERY #579	\$73,475,243
WAL-MART SUPERCENTER #1047	\$69,269,060
MACY'S #55	\$28,914,549
BEST BUY STORES, LP #505	\$17,545,435
PACCAR PARTS DIVISION	\$16,247,817
STRAYER UNIVERSITY-MORROW CAMPUS	\$15,149,038
TARGET #T0748	\$15,017,826
ROOFING SUPPLY OF ATLANTA LLC	\$14,249,000
J. C. PENNEY #1600-6	\$13,941,546
D/B/A UNITED EDUCATION INSTITUTE	\$13,202,408
SOUTHLAKE MALL, LLC	\$12,756,220
SEARS ROEBUCK AND COMPANY #1565/6095	\$12,268,746
SHERWIN WILLIAMS CO.	\$11,206,619
BURLINGTON COAT FACTORY W/H OF MORROW	\$9,804,669
DRIVE TIME	\$8,998,143
A M C THEATRES SOUTHLAKE 24	\$8,910,231
ROOMS TO GO #1704	\$8,594,558
ORTHOPAEDIC SOUTH SURGICAL CENTER	\$8,437,569
MURPHY USA #6960	\$7,341,903
K & G MEN'S COMPANY, INC. #14	\$7,318,553

# Market Analysis

## City of Morrow Net Receipts for 2011



Category	Avg HH Spend	Projected Spend	Actual City of Morrow Sales
Clothing and Clothing Accessories	\$1,307	\$12,345,748	\$66,092,106
Cosmetics, Beauty Supplies, Personal Care	\$313	\$2,956,285	\$6,797,916
Book Stores	\$96	\$906,626	\$4,259,881
Electronics and Appliances	\$1,119	\$10,570,088	\$26,949,725
Full Service Restaurants	\$2,533	\$23,927,491	\$42,582,011
Furniture and Home Furnishings	\$926	\$8,748,809	\$26,666,311
Gasoline Stations	\$2,271	\$21,450,162	\$16,161,234
Home Improvement	\$1,525	\$14,402,114	\$25,773,959
Hospitality	\$299	\$2,824,055	\$7,889,086
Jewelry Store	\$141	\$1,333,351	\$7,001,536
Shoe Store	\$164	\$1,547,469	\$15,160,860
Health and Personal Care	\$493	\$4,653,740	\$39,798,321

RMP Report Demand	RMP Report Supply
\$13,934,460	\$77,964,541
\$1,820,115	\$5,962,371
\$973,588	\$7,719,502
\$5,876,918	\$34,807,657
\$13,415,649	\$50,574,396
\$4,900,711	\$23,083,735
\$29,970,432	\$54,739,793
\$1,598,501	\$8,956,861
\$2,178,521	\$18,024,758
\$17,936,693	\$32,307,015

- ◆ Each business was aligned with an estimated consumer spend and a retail store demand and supply from the data collected
- ◆ The projected spend was taken from the average household spend multiplied by the number of households within the zip code trade area
- ◆ A majority of the categories align with what the demand and supply was estimated from the opportunity gap report
- ◆ The retail goods and services of the market are oversupplied within the city and most supply must be fulfilled from consumers coming into the City of Morrow from other markets

# Market Analysis

## City of Morrow Net Receipts for 2011



Business Category	Net Receipts	Number of Businesses
Discount Department Store	\$91,733,316	5
Warehouse Clubs and Supercenters	\$73,475,243	1
Clothing and Clothing Accessories	\$66,092,106	57
General Merchandise Store	\$55,124,841	3
Other	\$42,959,871	54
Food and Beverage, Restaurant	\$42,582,011	52
Health and Personal Care	\$39,798,321	29
Education	\$33,100,238	4
Furniture	\$26,666,311	13
Home Improvement	\$25,773,959	5
Electronics and Appliance Stores	\$25,611,831	6
Industrial	\$22,439,567	5
Motor Vehicles and Parts	\$17,607,275	15
Gasoline Station	\$16,161,234	5
Professional Services	\$15,470,694	32
Shoe Store	\$15,160,860	13
Entertainment	\$9,636,830	3
Hospitality	\$7,889,086	6
Jewelry Stores	\$7,001,536	11
Cosmetics, Beauty Supplies, and Perfume, Salons, Barbers	\$6,797,916	78
Bookstore	\$4,259,881	4
Pets	\$3,683,105	1
Telecommunications	\$3,683,018	7
Fitness	\$3,434,869	1
Office Supplies	\$2,619,739	1
Outlet Store	\$2,613,900	1
Gift and Souvenir Stores	\$2,417,329	1
Electronics and Appliance Stores	\$1,337,894	1
Grocery Store	\$1,259,257	3
Gift, Novelty and Souvenir Stores	\$1,031,227	2
Postage and Shipping	\$831,059	1
Residential	\$788,010	1
Banking	\$455,000	1

# Market Analysis

## Healthcare Opportunity



### Overview

- ◆ The trade areas identify an aging population and there is an opportunity for health and personal care related businesses in the surrounding area
- ◆ The next slide's map displays the origin of patients that come from the surrounding hospitals
  - ◆ There is a high density of patients south, southeast and southwest of the city of Morrow
- ◆ The chart below represents the number of physicians in the surrounding counties and how many physicians there are per 100,000 people
- ◆ The national average is 261 physicians per 100k
  - ◆ Clayton County is well below the national average

Physician Type <sup>(6)</sup>	Clayton	Henry	Fayette	Total
General Practice/Family Practice Physicians	23	35	44	102
Pediatricians	19	26	24	69
Physicians	216	234	248	698
Primary Care Physicians	76	88	117	281
<b>Total</b>	<b>334</b>	<b>383</b>	<b>433</b>	<b>1150</b>

<b>Population</b>	<b>261,532</b>	<b>207,360</b>	<b>107,784</b>	<b>576,676</b>
-------------------	----------------	----------------	----------------	----------------

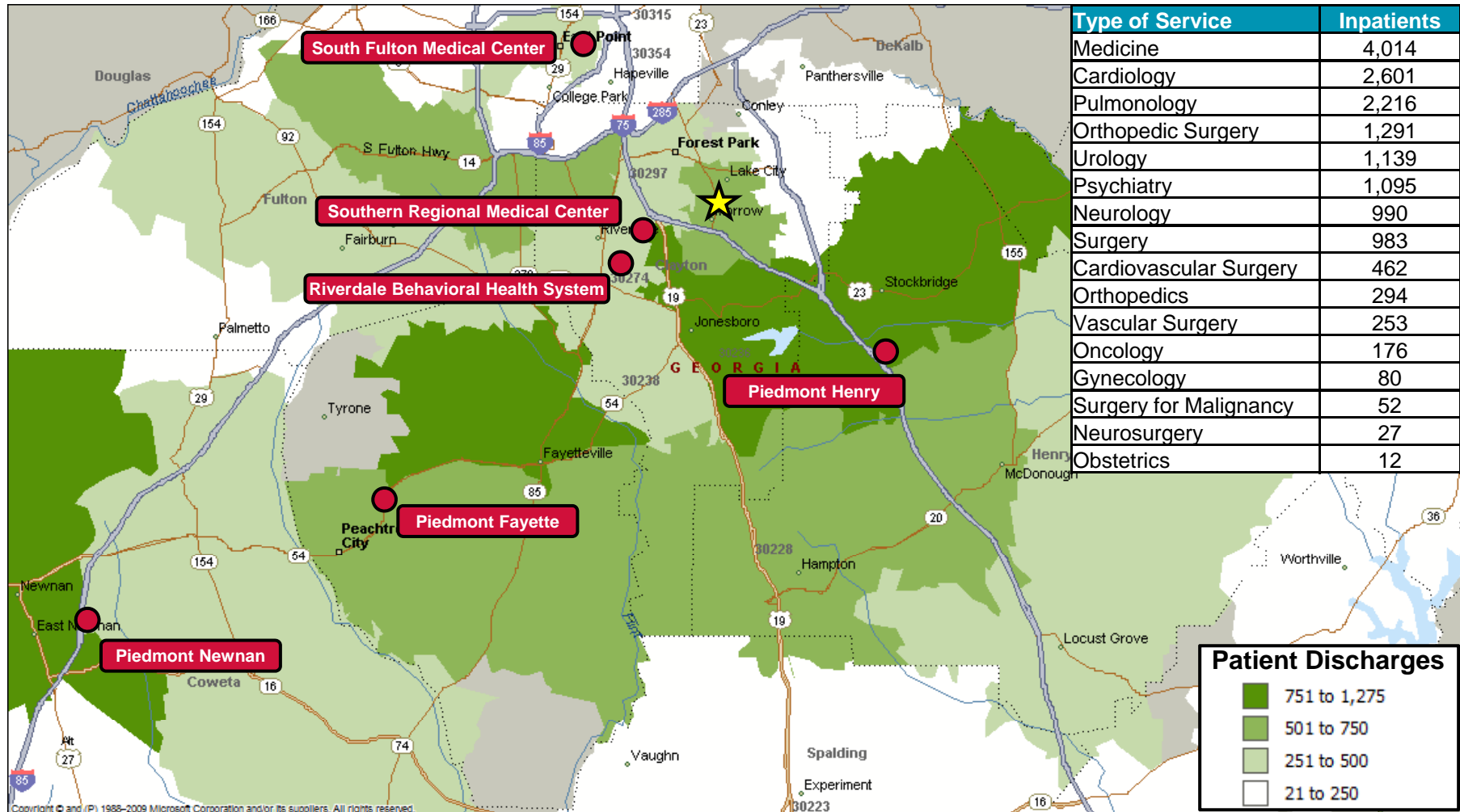
<b>Physicians per 100K (US Average = 261)</b>	<b>128</b>	<b>185</b>	<b>402</b>	<b>199</b>
---	------------	------------	------------	------------

# Market Analysis

## Healthcare Opportunity



Patient Discharges by Zip Code (7)



Type of Service	Inpatients
Medicine	4,014
Cardiology	2,601
Pulmonology	2,216
Orthopedic Surgery	1,291
Urology	1,139
Psychiatry	1,095
Neurology	990
Surgery	983
Cardiovascular Surgery	462
Orthopedics	294
Vascular Surgery	253
Oncology	176
Gynecology	80
Surgery for Malignancy	52
Neurosurgery	27
Obstetrics	12

Patient Discharges	
<span style="display:inline-block; width:15px; height:15px; background-color:#006400;"></span>	751 to 1,275
<span style="display:inline-block; width:15px; height:15px; background-color:#388E3C;"></span>	501 to 750
<span style="display:inline-block; width:15px; height:15px; background-color:#90EE90;"></span>	251 to 500
<span style="display:inline-block; width:15px; height:15px; background-color:#FFFFFF;"></span>	21 to 250



# Data Sources

- 1) ESRI ArcGIS, Demographic Variables. Based on US Census Bureau, Census 2010 Data. ESRI forecasts for 2011 and 2016
- 2) ESRI ArcGIS, Tapestry Segmentation
- 3) Nielsen Claritas Site Reports, Retail RMP Opportunity Gap Report
- 4) ESRI ArcGIS, Retail Goods and Services Expenditures. Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics
- 5) City of Morrow Net Sales Receipts
- 6) Bureau of Labor Statistics
- 7) American Hospital Directory



# Property Overview



# Property Overview

## *Southlake Mall Big Box*



### Southlake Mall – 1200 Southlake Circle

Total Square Feet	138,000
Number of Tenants	0
Number of Suites	0
Occupied SF	0
Vacant SF	138,000
Current Monthly Income	0
Operating Expenses	\$10,400 CAM
Financial Positions	Bond Debt \$8,234,000
Type of Tenants	Previously Macys



### Potential Use and Recommendations

- Southlake Mall is a regional mall
- The big box space will need to be marketed to a national retailer
- There is an opportunity for a department store or a sporting good store within the surrounding area
- The space has potential to be split into two separate suites
- There is one entrance to the mall
- Constraint – Legal issues with GGP and CIII

# Property Overview

## *Southlake Mall Big Box*



### Findings/Facts/Observations

- ◆ Space is in Southlake Mall
  - ◆ Key anchors – Sears and Macy's
- ◆ Originally was 164K SF
- ◆ Carved out 26,000 SF for Morrow Conference Center
- ◆ The CAM to GGP is \$10,400 per month
  - ◆ Currently not paying CAM charges
  - ◆ Currently Owe \$900,000 in CAM charges to GGP
- ◆ With Morrow Center carved out the CAM would be estimated at \$2,500 - \$4,100
- ◆ The space is currently gutted and all furniture and other items are removed from what was left over from the Macy's move
- ◆ Space is two floors with two entrances to the outside, both on top floor
- ◆ Lower floor does not have entrance to the outside
- ◆ Two entrances to the mall, lower and upper floor
- ◆ Financial Position for the City of Morrow
  - ◆ Bond Debt \$8,234,000

# Property Overview

## *Old Towne Morrow*



### Old Towne Morrow

Size	16 Acres
Number of Tenants	0
Number of Suites	0
Occupied SF	0
Vacant Space	16 Acres
Current Monthly Income	0
Operating Expenses	
Financial Positions	\$14 (Infrastructure / Ops)
Type of Tenants	Restaurants, small retail



### Potential Use and Recommendations

- TBD

# Property Overview

## *Old Towne Morrow*



### Findings/Facts/Observations

- ◆ Area next to the mall on 16 acres where previous city manager envisioned relocating historical homes to build a mixed use area
- ◆ Vision for site was to have professional offices located in historic houses as well as restaurants, retail, possible hotel / senior center
- ◆ Historic houses moved to location were not kept historic on the outside, remodeling took place on the outside and inside more original with minimal remodeling
- ◆ In addition to the houses a retail strip center with same design as the historic house theme
- ◆ Land the buildings are on was land used to dump trash on when building the mall
  - ◆ Soil not in adequate shape
- ◆ All the buildings do not meet commercial fire code, they were built to residential fire code
- ◆ Old Town Morrow was opened from 2009 – 2011 – 13 Months then shut down
- ◆ Goal of Sale would be to recapture cost of Infrastructure
- ◆ Development is right next to the worst crime neighborhood in Clayton County

# Property Overview

## Executive Center



### Executive Center

Square Feet	31,565
Number of Tenants	14
Number of Suites	37
Occupied SF	8,270
Vacant Space	26,077
Annual Income	164,361
Operating Expenses	TBD
Financial Positions	TBD
Type of Tenants	Professional Services



### Potential Use and Recommendations

- Actively pursue tenants to accommodate the executive suites and independent suites
- The large executive suite space could attract an household furnishings or appliance store or a used merchandise retailer
- Market the property for sale
- From the market analysis, there is a potential for a medical facility to accommodate the aging population
- The independent suites could be remodeled and turned into a medical facility

# Property Overview

## *Executive Center*



### Findings/Facts/Observations

- ◆ Mix of retail suites and internal executive suites (Offices)
- ◆ Executive suites pay flat rent fee. Morrow pays for operating costs (phone, power, cleaning)
- ◆ Brick wall in closed area next to executive center used to be a tow service lot.
  - ◆ Morrow does not want a tow service in here
- ◆ Former Aarons rent a center used to be located in large retail space in front of executive center, 7,400 SF. Currently vacant
- ◆ Improvements that are scheduled to make are
  - ◆ Painting
  - ◆ Repairing Tiles
  - ◆ Carpet replaced in some area
- ◆ Financial standing is that the revenue brought in is just covering cost of operating facility
- ◆ Traffic count estimates are 40 - 50K cars at the intersection of Jonesboro
- ◆ Estimated 30,000 across the executive center
- ◆ Quality Polygraph tenant left but is looking to come back
- ◆ 3 Tenants are ready to resign

# Property Overview

## Auto Shop



### Auto Shop

Square Feet	15,075
Number of Tenants	3
Number of Suites	5
Occupied SF	7,029
Vacant Space	8,046
Annual Income	30,600
Operating Expenses	TBD
Financial Positions	TBD
Type of Tenants	Auto Repair



### Potential Uses or Recommendations

- The auto shop is in close proximity to Clayton State University
- The property has great frontage on Jonesboro Road
- Actively pursue and investor to purchase the property
- Potential use of the property consist of: Gas station, continue using auto shop but make improvements, convenience store
- City of Morrow could take over and use for repair and maintenance of their fleet property

# Property Overview

## Retail Strip



### Retail Strip Center

Square Feet	7,498
Number of Tenants	3
Number of Suites	4
Occupied SF	6,554
Vacant Space	944
Annual Income	\$67,940
Operating Expenses	TBD
Financial Positions	TBD
Type of Tenants	Insurance, Hair, Food



### Potential Uses and Recommendations

- Actively market and pursue an investor to purchase the property
- The suites are consistently occupied
- Tenants pay rent on time
- Minimal up-keep



# Property Overview

## Gas Station Lot



### Gas Station Lot

Size	.824 Acres
Number of Tenants	0
Number of Suites	0
Occupied SF	0
Vacant Space	.824 Acres
Annual Income	\$0
Operating Expenses	\$0
Financial Positions	\$0
Type of Tenants	



### Potential Use or Recommendations

- Empty lot, previously a gas station
- Great location near highway
- Site is ready for development
- Potential developments include: Gas station, convenience store, food and beverage locations