



APPENDIX A

MARKET STUDY

Draft Market Analysis for the Avondale Estates Downtown Master Plan



For the City of Avondale Estates, Georgia
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1. Framework

Marketek, Inc. was retained by Pond and Company to prepare a market analysis for the Avondale Estates Downtown Master Plan being conducted on behalf of the City of Avondale Estates. The primary objective of the market analysis is to determine the potential market depth for new residential, retail and office space in the Master Plan Study Area and to determine how this potential could be most realistically achieved. The following tasks were performed as part of this effort:

- **Study Area Overview:** The Study Area's current position in the marketplace was assessed in terms of the quality and level of existing supply and in how it relates to competitive markets.
- **Demographic and Economic Profile:** Analysis of demographic and economic trends in and around the Study Area, as well as larger geographic areas from which customers and new residents are likely to emanate.
- **Market Analysis:** Analysis of the competitive supply of residential, retail and office uses. Estimates of potential market support for new or rehabbed residential, retail and office development, phased over a 10-year period.
- **Economic Development & Housing Recommendations:** Based on community input and findings of the market analysis, Marketek will provide redevelopment considerations for residential, retail and office uses, including housing opportunities, retail positioning/market niches, developer/business attraction and other economic development considerations.

Methodology

While redevelopment activity throughout the Study Area will be phased over time and build out will likely extend beyond ten years, the market analysis is focused on the 2014-2024 timeframe, a realistic period for demand projections. The results of this study are based on:

- Site visits conducted by Marketek, Inc.
- Analysis of secondary data including the U.S. Census, the Atlanta Regional Commission, ESRI Business Information Solutions, building permit data, and others;
- Input from local residents and property owners, public officials and real estate professionals;
- Statistical estimates of potential supportable space;
- Business inventory and mapping of key shopping centers; and
- The professional and technical expertise of Marketek, Inc.

Study Area

The Downtown Master Plan Study Area (shown in Map 1 below) includes approximately 135 acres of land roughly bounded by the rail line to the north and east, US 278 to the south and Sams Crossing to the west. The Avondale MARTA Station is adjacent to the Study Area boundary, just west of Sams Crossing.

Study Area land uses vary, including a mix of retail, office, residential, light industrial, auto-oriented uses, and recreation/open space. Land use on US 278 is predominately commercial, with a commercial and residential mix in the neighborhood to the north. There are several large vacant and/or bank-owned properties in the Study Area, two of which are currently under contract to be purchased. Additionally, the former Fenner Dunlop site at the northwest corner of Laredo Drive and Parry Street includes 13 acres of vacant land, for which the DeKalb Planning and Development Division prepared a Vision Plan calling for mixed-use development. The City of Avondale Estates recently purchased a 4.09-acre site on US 278, which creates additional development opportunities.

Map 1. Avondale Estates Downtown Master Plan Study Area



Assets and Challenges

Based on interviews with several real estate professionals working in the Decatur/Avondale Estates area, key strengths and weaknesses for development/redevelopment in downtown Avondale Estates are summarized below.

Assets

- Charming, small town ambience
- Excellent location with easy access to the interstate system
- Close to downtown Atlanta and Decatur, but feels like a traditional small town
- Close to metro area's cultural and entertainment opportunities
- Offers an escape from the hassles of city life

- “Tudor Revival” architecture is unique in metro area
- Known as one of “the Safest Cities in the USA”
- Diverse, high-quality housing stock
- Scenic, walkable, easily-accessed neighborhoods with parks, lake, waterfowl
- Creative residents with opportunity to target young creative class
- Great potential for expanding emphasis on the arts
- Easy access to Your DeKalb Farmers Market
- Revitalization is likely do-able given the town center’s modest size
- Charter school – the Museum School
- Many metro area buyers are looking for something genuine, unique and meaningful

Challenges

- Town center currently lacks a vision
- Insufficient marketing of the City’s strengths and assets
- Lack of interesting restaurants; could draw from a large area, including south and east of the City
- For-sale houses and the neighborhoods are not widely marketed, despite their attributes
- Some blighted areas proximate to the City, to the east and south
- Commercial/downtown area is often “dead and deserted”
- Concern about local schools; admission to Museum School is not guaranteed
- Downtown not well-connected to MARTA station

2. Target Market Profile

Primary target markets for new residential, retail, service and entertainment uses in the Avondale Estates Downtown Master Plan Study Area include existing and future local residents and employees. This section provides an in-depth look at these markets, which provide the greatest potential opportunity for a dependable source of year-round sales and of potential buyers of newly-developed housing.

Resident Markets

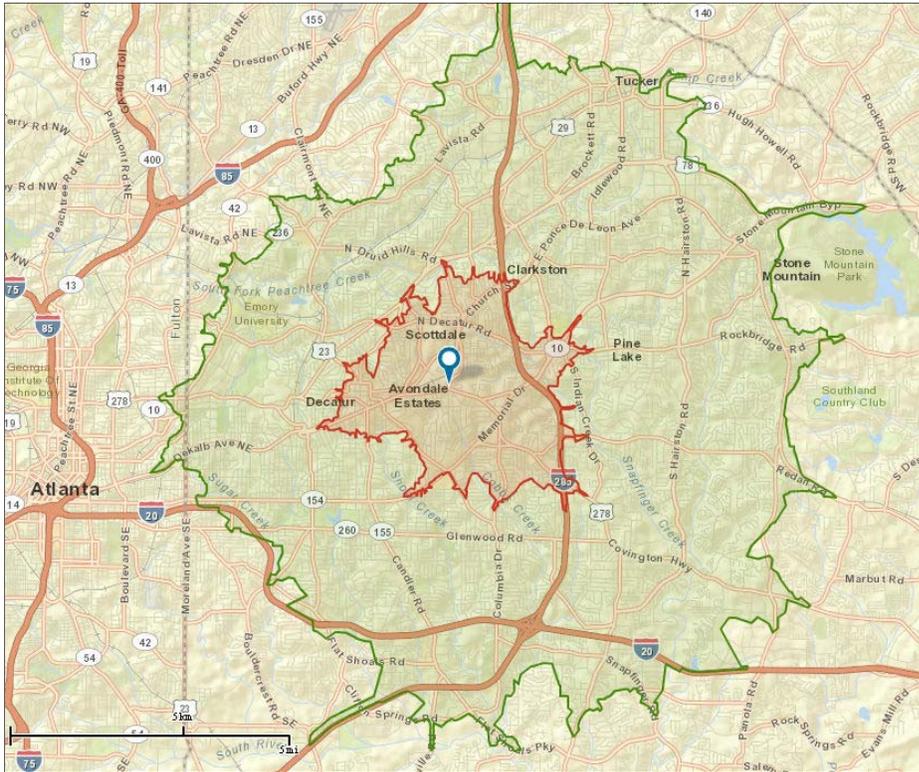
Marketek delineated Retail and Residential Market Areas, which are the geographic areas from which the large majority of potential retail customers and residents of new housing will emanate. They are based on drive time estimates, geographic and man-made boundaries and the location of existing competitive supply.

Downtown Avondale Estates' market areas include:

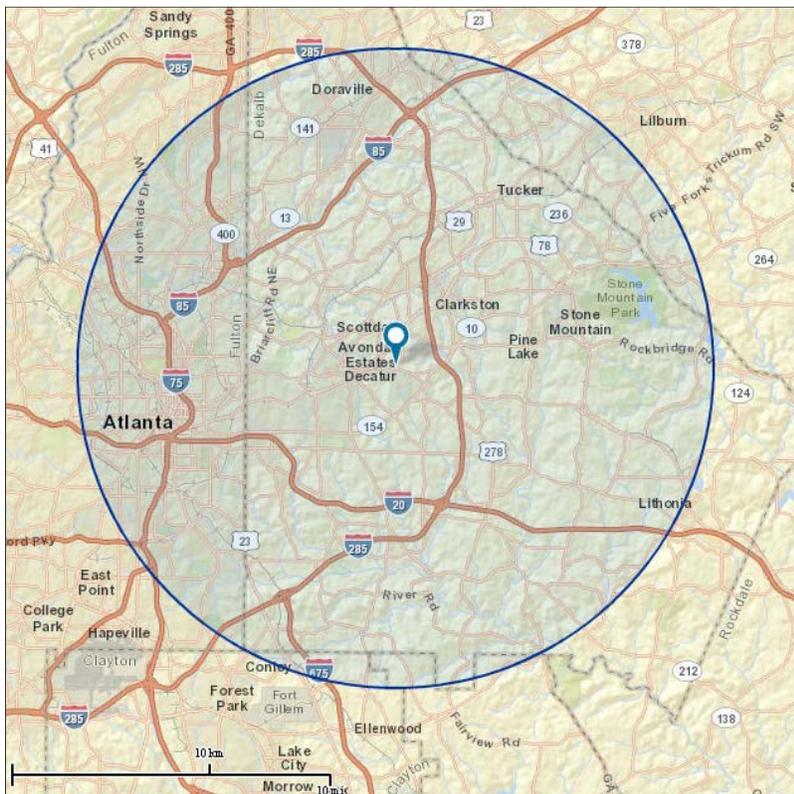
- **Local Retail Market Area:** Approximately a 5- to 7-minute drive from the intersection of US 278 and N Clarendon Avenue. Residents will visit the Study Area for convenience-related goods and services (such as groceries, dry cleaning, etc.), as well as for specialty shopping, dining and entertainment. Shown in red on Map 2 on following page.
- **Greater Retail Market Area:** Approximately a 12- to 15-minute drive from the intersection of US 278 and N Clarendon Avenue. Residents will visit the downtown Avondale Estates for destination shopping, dining and entertainment. Shown in green on Map 2.
- **Residential Market Area:** Ten-mile radius from the intersection of US 278 and N Clarendon Avenue. The majority of new Study Area residents will move from within this area. Shown in blue on Map 3 on following page.

Demographic trends are analyzed for the 2000 to 2018 time period and comparisons to the City of Avondale Estates and the Atlanta Metropolitan Statistical Area are made where appropriate. Figure 1 provides several major demographic and economic indicators with more detailed information available in Appendix A.

Map 2. Local & Greater Retail Market Areas – 5 & 12 Minute Drives



Map 3. Residential Market Area – 10 Mile Radius



- Downtown Avondale Estates' local retail market area has an estimated population of 37,272 as of 2013, and the greater retail market area has an estimated population of 313,200. Both retail market areas showed a population loss from 2000 to 2013, although the greater retail market area gained about 635 households due to a decline in household sizes. Population losses reflect the overall slow growth DeKalb County experienced from 2000 to 2010. In that time the County's population grew by only 3.9 percent, the lowest growth rate for any county in the 20-county metro Atlanta area.
- The residential market area, a larger geography than the retail market areas, has an estimated population of 967,125. It added 44,147 residents since 2000 for an average annual growth rate of 0.4 percent. By comparison, the Atlanta Metropolitan Statistical Area (MSA) grew at an average annual rate of 2.1 percent from 2000 to 2013.
- Population and household growth is projected to increase in both the retail and residential market areas over the next five years. The greater retail market area is expected to add 9,596 persons and the residential market area to add 50,141 persons. In all market areas, household growth rates will likely outpace population growth rates as household sizes continue to fall.
- Median household incomes in the market areas range from \$40,666 in the local retail market area to \$47,418 in the residential market area. All are below the MSA median of \$54,635. Households with incomes above \$100,000 make up one-sixth of greater retail area households (17.0 percent) and one-fifth of residential market area households (20.5 percent).
- Age trends are similar across the retail and residential market areas and metro Atlanta. Median ages range from 33.8 years in the residential market area to 35.4 years in the MSA. In each geography, seniors (age 65 and up) constitute between 9-11 percent of the population and children (under age 20) make up 24-28 percent.

Nationally, aging baby boomers are projected to fuel increases in the senior population over the next few decades. Strong growth in the metro Atlanta senior population is also expected. According to the Atlanta Regional Commission (ARC), DeKalb County's 55 plus population is anticipated to increase by 118 percent from 2005 to 2030, which translates to an additional 138,060 residents over the age of 55. As DeKalb's older adult population grows, Avondale Estates' town center atmosphere is likely to be an increasingly attractive location for seniors and retirees.

- African Americans make up the largest shares of the population in all market areas (from 49.0 percent of the residential market area to 58.3 percent of the greater retail market area). By comparison, black residents make up 27.3 percent of Avondale Estates and 32.4 percent of the MSA. The proportion of white persons ranges from 31.8 percent in the greater retail market area to 67.7 percent of Avondale Estates. Hispanic residents make up a small share of residents in the retail market areas (4 percent) and a larger proportion of the residential market area and MSA (11 percent).

Figure 1. Demographic Snapshot: City of Avondale Estates, Retail & Residential Market Areas, Atlanta MSA

Demographic Indicator	City of Avondale Estates	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
Population					
2013	2,908	37,272	313,200	967,125	5,420,859
2018 (forecast)	2,909	38,068	322,796	1,017,266	5,736,389
Avg. Ann. % Change ('00 -'13)	0.88%	-0.56%	-0.37%	0.37%	2.12%
Avg. Ann. % Change ('13 -'18)	0.01%	0.43%	0.61%	1.04%	1.16%
Households					
2013	1,341	15,278	124,111	392,600	1,991,823
2018 (forecast)	1,350	15,797	129,139	417,898	2,112,918
Avg. Ann. % Change ('00 -'13)	0.72%	-0.28%	0.04%	0.81%	2.17%
Avg. Ann. % Change ('13 -'18)	0.13%	0.68%	0.81%	1.29%	1.22%
Average Household Size	2.17	2.19	2.45	2.36	2.68
Median Household Income	\$58,674	\$40,666	\$43,670	\$47,418	\$54,635
Median Age (Years)	43.9	34.6	35.3	33.8	35.4
Race					
Percent White Alone	67.7%	38.8%	31.8%	37.5%	54.7%
Percent Black Alone	27.3%	49.9%	58.3%	49.0%	32.4%
Percent Hispanic	2.6%	4.1%	4.3%	11.4%	11.6%
Educational Attainment					
No High School Degree	3.0%	13.3%	11.9%	12.6%	13.5%
High School Degree	27.0%	42.3%	44.8%	39.2%	46.1%
Associate Degree	10.2%	6.6%	6.6%	5.9%	6.4%
Four Year Degree or More	59.8%	37.8%	36.7%	42.3%	34.0%

Source: 2000 and 2010 U.S. Census; ESRI Business Information Solutions

Market Segmentation Data

Recognizing that people who share the same demographic characteristics may have widely divergent interests and shopping preferences, Community Tapestry data (developed by ESRI Business Information Solutions) categorizes neighborhoods throughout the nation into 65 consumer groups or market segments. Neighborhoods are defined by census blocks and are analyzed by a variety of demographic and socioeconomic characteristics and other determinants of consumer behavior.

Figure 2 shows the top Community Tapestry market segments in the Downtown Avondale Estates market areas. While the characteristics of each vary, households tend to be a mix of singles or childless couples (predominately young professionals and retirees) and young families (whose spending reflects family needs – purchases for babies/children, home improvement and gardening and big-ticket home items). Appendix B provides detailed descriptions of each market segment.

Figure 2. Top Ten Tapestry Market Segments: Retail and Residential Market Areas, 2013

Market Segment	% of Local Retail Market Area	% of Greater Retail Market Area	% of Residential Market Area
Metropolitans	25.1%	13.5%	6.5%
Inner City Tenants	16.8%	9.3%	
Metro Renters	8.6%	5.3%	17.2%
Metro City Edge	8.5%	7.0%	4.0%
Retirement Communities	8.1%	2.7%	
Young and Restless	7.8%	6.4%	6.0%
Enterprising Professionals	5.5%	3.6%	4.9%
Rustbelt Traditions	4.5%		
City Dimensions	3.5%		
Aspiring Young Families	3.5%	7.8%	5.9%
Milk and Cookies		13.1%	8.2%
Family Foundations		8.8%	4.7%
Laptops and Lattes			4.2%
Up and Coming Families			4.1%
Total Households	91.9%	77.5%	65.7%

Source: ESRI Business Information Solutions

Employee Market

Market research conducted by the Business Owners and Managers Association of America demonstrates that office workers (as one segment of the workforce) spend between 10 and 15 percent of their expendable income in and near their places of work.

A survey by the International Council of Shopping Centers found that downtown workers spent an average of \$130 per week during lunch and after work. This survey further revealed that:

- The majority of workers (76 percent) prefer to walk to lunch, up to three blocks.
- Top items purchased were cards, stationery, gifts, drugstore items, books and magazines.
- Workers also buy office supplies, jewelry, apparel, accessories, housewares and arts/crafts items, but with less frequency.

An estimated 108 businesses with 455 employees operate within the Study Area. Within a five-minute drive of the Study Area, there are an additional 3,273 businesses and 23,882 jobs (Figure 3). Services (including professional, administrative, education, health care and social assistance, and food services and accommodation services) make up 52.3 percent of employment in the five-minute area. Other key sectors include public administration (16.2 percent) and retail trade (15.6 percent).

Figure 3. Employment by Industry: Study Area and 5-Minute Drive Time, 2013

Industry	Study Area		5-Minute Drive	
	#	%	#	%
Agriculture & Mining	6	1.3%	216	0.9%
Construction	84	18.5%	1,008	4.2%
Manufacturing	14	3.1%	532	2.2%
Transportation	5	1.1%	344	1.4%
Communication	3	0.7%	87	0.4%
Utilities	8	1.8%	93	0.4%
Wholesale Trade	7	1.5%	501	2.1%
Retail Trade	71	15.6%	3,724	15.6%
Finance/Insurance/Real Estate	28	6.2%	1,018	4.3%
Services	218	47.9%	12,479	52.3%
Public Administration	11	2.4%	3,880	16.2%
Total Employment	455	100.0%	23,882	100.0%
Total Businesses	108		3,273	

Note: Drive time is from the intersection of US 278 & N Clarendon Avenue.

Source: ESRI Business Information Solutions

3. Residential Market Analysis

This section provides an overview of the existing housing market, along with a statistical demand analysis to estimate potential market depth for for-sale and rental housing in the Study Area. Forthcoming recommendations will identify key target markets for new housing.

National Trends

During the spring and early summer of 2013, there was a widespread surge in home appreciation nationally ending several years of declining home prices. In July 2013, the Case-Shiller home price index revealed double digit growth in major metros when year over year home prices increased an average of 12.4 percent. In August 2013, Metro Atlanta home values were up 31 percent from February 2012, according to the Case-Shiller Index.

While there are some positive and welcome changes, the overall picture of the for-sale housing market is still mixed. Housing prices are rising nationally, but a slowdown is expected as rising mortgage rates cut into demand due to an increase in the cost of borrowing. A modest increase in inventory levels is expected, as well as a slowdown in investor activity in the dwindling distressed market.

Over the next year, some stabilization in home values is anticipated as appreciation rates slow, investors begin to exit the market, mortgage interest rates rise, builders ramp up and more homes come onto the market.

On average, buying is still cheaper than renting and will remain so until mortgage rates reach 10.5 percent, a level we have not seen since 1990 and may not see again. Renting a home means greater mobility than owning a home, and younger consumers, the ones most likely to add to housing demand, seem more inclined to live in urban areas where apartments and condominiums are concentrated.

Uncertainty derives from worries that some individual purchasers may have rushed into the market to beat the increase in interest rates, plus the presence of hedge funds and other investors who helped push prices up. The weakness in the economic recovery and continued higher-than-frictional unemployment reinforce these concerns.

An apparent shift toward renting in some areas is likely not permanent. Housing prices are starting to rise, and if rents continue to rise, some consumers will revert to the idea that owning a home is a "better investment," even though the recent crash in housing values rattled many long-held assumptions about homeownership.

However, on the rental side, the tight lending environment and unresolved issues relating to foreclosures and distressed sales are a source of continuing demand for rental units. Apartment markets continued to improve in 2013 across the nation, according to the National Multi Housing Council (NMHC), with continued strength predicted in the multifamily sector for the next two years.

The dynamic that began in 2010 remains in place: the increase in prospective apartment residents continues to outpace the number of new apartments completed. While development activity has picked up considerably since 2010, financing for both acquisition and construction remains constrained, flowing mainly to the best properties in the top markets.

Overall, forecasts for the multifamily market and demand for rental housing remain strong for the next couple of years, according to the Freddie Mac Multifamily Research Group. Their data indicates that current rental markets are very strong with low vacancy rates, rising rents and solid demographic trends.

Local Housing Supply

Figure 4 summarizes the characteristics of the existing housing supply in the City of Avondale Estates, the Residential Market Area and the Atlanta MSA. Please see Appendix C for more detailed data regarding the existing housing stock.

- *Tenure*: In Avondale Estates, the majority of homes are owner occupied (57.7 percent), compared to the residential market area, where most are renter occupied (51.7 percent). In each of these geographies, renters make up a larger share of households than they do throughout the metro (36.8 percent).
- *Vacancy*: Residential vacancy rates range from 9.0 percent in Avondale Estates to 12.8 percent in the residential market area. Vacancy rates in the market area and MSA have fallen slightly since 2010, but increased in Avondale Estates (from 7.6 percent).
- *Home Values*: Of the three geographies, estimated median home values are highest in Avondale Estates at \$285,000. The median home value in the surrounding residential market area is considerably lower at \$177,665, although this figure is above the metro median of \$158,071.
- *Rental Rates*: Median contract rent is highest in Avondale Estates at \$996; residential market area and MSA median rents are lower (\$760 and \$733, respectively).
- *Structure Type*: Detached single family housing constitutes the largest share of housing in all geographies, from 49 percent of housing in the residential market area to 84 percent in Avondale Estates. While not a significant share of housing in the City, apartments with 10 or more units make up over quarter of units in the residential market area (27 percent) and 14 percent of units in the metro area.
- *Age of Housing*: The housing stock in Avondale Estates and the residential market area is older than that of the MSA. Throughout metro Atlanta, 22 percent of housing was built since 2000, compared to only 3 percent in Avondale Estates and 15 percent in the residential market area. Notably, 62 percent of housing in the City was built prior to 1960.

Figure 4. Summary of Existing Housing Supply: Avondale Estates, Residential Market Area, Atlanta MSA

Housing Characteristic	City of Avondale Estates	Residential Market Area	Atlanta MSA
Occupied Units (2013)	1,342	392,600	1,991,823
Owner occupied	57.7%	48.3%	63.2%
Renter occupied	42.3%	51.7%	36.8%
Vacancy Rate (2013)	9.0%	12.8%	10.0%
Median Owner Occupied Unit Value (2013)	\$285,000	\$177,665	\$158,071
Median Contract Rent (2005-2009)	\$996	\$760	\$733
Units in Structure (2005-2009)			
Single Family Detached	84%	49%	67%
Single Family Attached	4%	6%	5%
2-4 Units	3%	7%	4%
5-9 Units	8%	10%	6%
10+ Units	0%	27%	14%
Other (mobile home, boat, RV, etc.)	2%	1%	3%
Median Year Structure Built (2005-2009)	1957	1976	1987

Source: 2010 U.S. Census; 2005-2009 American Community Survey; ESRI Business Information Solutions

For-Sale Supply

In DeKalb County, home sales increased by almost one-fifth over the last three years, compared to a 14 percent increase metro-wide. Real estate owned (REO) sales during the three year period were down slightly in DeKalb (by 1 percent) and in the metro area (by 4 percent). Record low mortgage interest rates are clearly encouraging homebuying in DeKalb County, but the tight mortgage market and restrictive mortgage underwriting standards are limiting sales, particularly outside I-285, which is still regarded as a “difficult” market by real estate salespeople.

DeKalb County home sales by price (Figure 5) reflect the influence of foreclosures, REO sales and depressed resale prices. In 2012, 46 percent of home sales were under \$100,000. For comparison, only 13 percent of sales were below \$100,000 in 2007. One-fifth of sales in 2012 were from \$100,000 to \$199,999 and 15 percent were from \$200,000 to \$299,999. Both sales and median sales price increased from 2011 to 2012.

The starter home and lower end of the move-up market are providing the most opportunities for homebuilders. The 50+ market has outperformed the overall market since the housing downturn began and continued vibrancy is anticipated going forward. There is a huge wave of baby boomers who no longer want a 4,000 square foot house: this active-adult market segment is looking for a smaller, attractive, one-story home convenient to a variety of amenities including golf courses, community centers, etc.

According to the Multiple Listing Service, as of April 2103, the average single-family home sales price in the Decatur/Avondale Estates area for the last year was approximately \$280,000. This figure is up significantly (16-24 percent) from 12-month moving averages of \$225,000 to \$240,000 from July 2009 through June 2012. Prices have yet to reach pre-recession levels, when they averaged over \$300,000.

Number of sales has also seen positive movement, increasing by over 20 percent from 2011 to 2013. In 2011, the average number of sales per month was below 100; by spring of 2013 the average moved to about 130 sales per month.

Figure 5. DeKalb County Home Sales, 2011 and 2012

Sales Price	2012		2011	
	Number	Percent	Number	Percent
Under \$50,000	1,791	26%	1,864	31%
\$50,000 to \$99,999	1,366	20%	1,105	18%
\$100,000 to \$124,999	398	6%	350	6%
\$125,000 to \$149,999	307	4%	319	5%
\$150,000 to \$174,999	300	4%	275	5%
\$175,000 to \$199,999	271	4%	240	4%
\$200,000 to \$224,999	287	4%	217	4%
\$225,000 to \$249,999	295	4%	197	3%
\$250,000 to \$274,999	237	3%	193	3%
\$275,000 to \$299,999	241	4%	186	3%
\$300,000 to \$349,999	353	5%	293	5%
\$350,000 to \$399,999	282	4%	243	4%
\$400,000 to \$499,999	334	5%	291	5%
\$500,000 to \$749,999	294	4%	231	4%
\$750,000+	85	1%	69	1%
Total Sales	6,841	100.0%	6,073	100.0%
Median Price	\$116,582		\$104,786	

Source: Georgia First Multiple Listing Service

Rental Apartment Supply

Databank, Inc., a real estate research firm specializing in analysis of the multifamily rental market in metro Atlanta, reports that the market is strengthening daily although at a slow pace. As of the second quarter of 2013, metro Atlanta's apartment occupancy rate is estimated to be 92.8 percent with an average rental rate of \$774; both represent small increases over the previous quarter and highs for the last 4-5 years. Databank projects occupancy will continue to rise until reaching about 94-95 percent, at which point an influx of new construction is likely to halt its growth.

Databank reports that one of the main factors contributing to local rental market strength is demand created by former homeowners who are renting following having faced a foreclosure experience. On the other hand, many renters are "doubling up" or living with relatives due to unemployment/underemployment. Both situations are expected to ease as the economy improves, but are likely to continue influencing the rental market in the near future. Additionally, as the economy improves and home values stabilize, many renters who put off buying during the recession will likely look for homeownership opportunities, either in single family homes or condominiums.

In their Third Quarter 2013 Apartment Market Report, Marcus & Millichap project delivery of 6,000 apartment units throughout the metro in 2013, up from 2,100 in 2012 and the highest level of construction since 2009. While investors and developers have focused on intown neighborhoods

in Buckhead and Downtown/Midtown submarkets, interest is now shifting towards finding opportunities in secondary markets.

Marcus & Millichap estimate rental apartment vacancy in the Decatur/Avondale Estates submarket at 9.1 percent as of 2012. Databank provides a vacancy rate of 8.0 percent for DeKalb County as of 2013, which is the fifth highest of the 14 markets they track. Lowest vacancies are in north Fulton, Fayette and Coweta Counties.

Marketek surveyed several apartment communities located near the Study Area to get a sense of local rents and occupancy rates. Occupancy ranged from the high 80s to high 90s, with stronger occupancies in communities located near town centers (i.e., downtown Avondale Estates and downtown Decatur). Rental rates vary considerably, but are centered in the \$600 to \$850 range for one-bedroom units and the \$700 to \$1,000 range for two-bedroom units. Again, properties in walking distance to shopping, dining and entertainment tended to command higher price points.

Most properties offer one and two bedroom units, while about half offered three bedroom units. Studios and four bedroom units were not common. Typical amenities include balconies, cable and internet readiness, fitness centers, playgrounds, laundry facilities and washer/dryer connections. Several communities also offer garages or other covered parking.

Housing Demand

A statistical demand analysis was performed for the residential market area to estimate the potential market depth for for-sale and rental product in the Study Area. Even though the analysis uses finite numbers, the end result (i.e., potential market support) should be interpreted as an approximation of market depth that is balanced with the characteristics of the competitive supply.

The two main sources of annual potential demand for housing are new household growth and turnover. New household growth is traditionally used to project market expansion and is based on projected household growth rates for the residential market area. The owner and renter analyses use the average annual increase in households beginning with the estimated household base in 2013 and the projected 2014-2024 annual number of new households.

In both the owner and the renter demand analysis, the more quantitatively significant source of potential demand, turnover, has as a base the estimated number of owner or renter occupied units currently existing within the residential market area. Projected owner and renter occupied households are qualified or segmented by turnover rates (from the American Community Survey), as well as by income and household size. It is assumed that a majority of prospective households will have one to three persons. In terms of income, the bulk of potential homebuyers will likely have annual incomes of \$50,000 or higher, while prospective renters will have annual incomes between \$25,000 and \$60,000.

Households that will potentially be owners or renters are qualified by income, household size and Tapestry market segmentation data. Recognizing that estimated potential demand will depend on housing preferences of new and existing market area households, Tapestry data is used to narrow demand estimates to include households that would be most attracted to new housing developed in a town center atmosphere. For example, the appeal of residential development in the town center will vary depending on a household's characteristics or preference/lifestyle

choice. A large family, for instance, may prefer a house with a big yard as opposed to a loft-style condominium in a mixed-use setting.

Estimated Potential Demand

Over the next ten years, 2,939 residential market area households will be potential buyers of newly developed or rehabilitated market rate housing annually. An estimated 5,128 households in the residential market area will be potential renters at market rate rental projects annually (see Appendix C for demand calculations).

Based on an evaluation of the surrounding housing market, the competitive supply, the attributes of the Study Area and Marketek’s experience in facilitation of residential development, we estimate that during the next ten years of development, approximately 750 for-sale and 807 rental units could be absorbed in the Study Area (see Appendix C). In other words, the Study Area has the potential to capture 2.6 percent of for-sale market demand and 1.6 percent of rental market demand over a ten year period. Combined, there is demand for 1,557 housing units in the Avondale Estates Downtown Master Plan Study Area, 48 percent ownership and 52 percent rental (Figure 6).

The projection for potential demand for housing in the Study Area assumes that there will exist marketable rental and for-sale housing product and that an aggressive marketing program for new housing will be underway. The recommended housing types would include primarily newly constructed apartments, condominiums and townhouses, with a small share of small-lot single-family detached homes.

Figure 6. Summary of Potential New Residential Units, Avondale Estates Downtown Master Plan Study Area

	10-Year Market Area Potential Demand	Study Area Capture	10-Year Study Area Potential Demand	Product Types
For-Sale Product	29,391 Units	2.6%	749 Units	Condominiums and townhomes Small-lot single-family homes
Rental Product	52,080 Units	1.6%	807 Units	One, two and three bedrooms apartments

4. Retail Market Analysis

The supply and demand analysis estimates the amount of potential new retail space that can be supported in the Avondale Estates Downtown Master Plan Study Area now and over the next ten years by merchandise type.

Market Overview

The national commercial real estate market is recovering slowly after experiencing declines in consumer spending and tightening lending markets. After being down by \$45 billion, retail sales have almost returned to pre-recession levels and are anticipated to grow over this year and next. Nationwide occupancy rates are recovering, and are now estimated at 93 percent. Positive absorption has continued, although retail market expansion is projected to continue at a slow pace as consumers remain cautious and spending makes incremental increases, according to the National Retail Federation.

In Atlanta, the retail sector is improving as vacancy rates edge downward and absorption increases in response to lower lease rates. The Atlanta market has worked its way through an oversupply of mid-sized and larger boxes, especially in 2012, but there is still concern in the outlying markets. Rents have stabilized and are rising in some submarkets, with prospective tenants finding top-quality space in major submarkets. There continues to be difficulty in finding big box space throughout the market and there is an abundance of small shop space in neighborhood and suburban markets.

Marcus and Millichap estimates that, in metro Atlanta, 880,000 square feet of retail space will come online in 2013, compared to 615,000 square feet in 2012. Strong demand, however, should cause vacancy rates to continue to fall (to about 10.7 percent) and asking rents to rise (to \$14.40 per square foot).

Significant new developments that will happen in 2014 include the 350,000 square foot Buckhead Atlanta; the 300,000 square foot retail component of Ponce City Market; and retail portions of Avalon, the \$600 million, 87-acre mixed-use project underway in Alpharetta.

Retail Supply

The DeKalb County retail market is faring slightly better than metro-wide (i.e., lower vacancy, higher rents and absorption). CoStar estimates that the DeKalb retail market includes approximately 13.9 million square feet of space with a vacancy rate of 6.0 percent and average asking lease rate of \$11.61 per square foot.

Destination Shopping Supply

The destination shopping supply in the greater retail market area includes several enclosed shopping malls and big box retail centers, along with downtown Decatur:

- *Northlake Mall*: At Briarcliff and Lavista Roads. Anchors are JCPenney, Sears, Macy's and Kohl's. Approximately 962,000 square feet of retail space and 90 stores and restaurants.

Surrounding Northlake Mall are several big box retail centers with tenants that include Target, Toys R Us, Michael's and Party City.

- *North DeKalb Mall:* At North Druid Hills Road and Lawrenceville Highway. Anchors are Macy's, Burlington Coat Factory, Marshall's, Ross and AMC 16 Theaters. Approximately 628,000 square feet of retail space and 65 stores and restaurants.
- *Gallery at South DeKalb:* At I-285 and Candler Road. Retail anchors include Macy's and Big 12 Cinemas, but there is also a heavy concentration of office space users, among them a DeKalb County tag office. Approximately 700,000 square feet of space and over 100 stores, restaurants or offices.
- The *Edgewood Retail District* near DeKalb and Moreland Avenues is at the western edge of the greater retail market area and offers approximately 500,000 square feet of retail and restaurant space. Anchors include Target, Lowe's, Best Buy, Ross, Petco, Barnes and Noble and Kroger.
- *Downtown Decatur:* Within a five-minute drive of the Study Area. Includes over 200 mostly independent shops, restaurants, galleries, entertainment, salons and other service businesses.

While the Mall at Stonecrest falls outside of the greater retail market area boundary, it does draw shoppers from the market area's southeast portion.

Convenience Shopping Supply

Much of the retail surrounding the Study Area is suburban-style shopping plazas and free-standing stores or restaurants, including national fast food and casual dining chains. Nearby grocery stores include three Kroger stores (in downtown Decatur, on North Decatur Road and at Belvedere Plaza) and a free-standing Aldi and WalMart Supercenter on Memorial Drive. Two Publix stores (Shamrock Plaza and Emory Commons) fall just outside of the five-minute drive time. Additionally, the 140,000 square foot Your DeKalb Farmers Market is just north of the Study Area on E Ponce De Leon Avenue. The Farmers Market is planning to expand with an additional 500,000 square feet of retail space and 700,000 square feet of warehouse space.

Study Area Supply

Figure 7 summarizes retail/service space in the Study Area, showing that services make up the largest share of businesses (27 establishments or 39 percent of the total). Restaurants make up the second largest share at 17 percent, including Pallookaville, which will serve as a permanent location growing out of its success as a food truck. Notably, eight shops are high-quality consignment or thrift stores, representing a potential niche that Avondale Estates could grow/market.

The Study Area also includes several retail vacancies. A partially-constructed bank-owned building at US 278 and Maple Street was recently placed under contract, although two other bank-owned properties, a restaurant site at Pine Street and half of the building containing Jack and Jill Consignment Boutique, are still available. The City has recently purchased 4.09 acres of land on US 278. Three retail spaces and five office spaces in the Tudor Village are currently being marketed by Oakhurst Realty, with asking lease rates ranging from \$8.50 to \$16.00 per square foot.

Figure 7. Avondale Estates Downtown Master Plan Study Area Retail Businesses, 2013

Business Type	Number	Share
Apparel	4	6%
Home Goods/Furniture	3	4%
Art	4	6%
Specialty Stores	8	12%
Grocery	2	3%
Restaurants	12	17%
Services	27	39%
Financial/Insurance	5	7%
Legal	3	4%
Veterinary	2	3%
Personal Services	17	25%
Auto-Related	9	13%
Total Retail/Service Businesses	69	100.0%

Source: Marketek, Inc.

Retail Demand

Marketek estimated potential demand for additional retail, restaurant and service space in the Study Area based on existing and future resident spending. In each case, spending potential by merchandise type is converted to square feet of store space using sales per square foot standards taken from the Urban Land Institute's Dollars and Cents of Shopping Centers.

Existing Retail Demand

"Existing demand" is demand for retail goods by current market area households that is now being met outside of the market area. Existing demand is found by comparing retail supply (i.e., actual retail sales) with retail demand (i.e., the expected amount spent by market area residents based on consumer expenditure patterns). When demand outweighs supply, a leakage occurs, indicating that consumers are spending outside of the market area for retail goods or services. While consumers will always do a certain amount of shopping away from home, this comparison provides a reasonable indication of the availability of goods in the local market.

Figure 8 shows the existing retail supply and demand balance for the local and greater retail market areas by store type. Sales leakages are occurring in six of ten store categories, reflecting the fact that residents are leaving the area to shop, likely heading to commercial hubs in Atlanta or Decatur or the Mall at Stonecrest, depending on in what part of the market area they live. The most significant sales dollars lost are in general merchandise (i.e., department stores) (\$181.9 million) and home furnishings (\$27.2 million). Converting sales leakage to square feet of store space (based on sales per square foot standards) translates to support for 842,110 square feet of general merchandise space and 194,527 square feet of restaurants.

Combining the sales leakage for all categories totals \$249.6 million in sales outside of the market area, or about 1.3 million square feet of store space. While this figure is substantial, it is important to note that given the density of development in DeKalb and Fulton Counties, the market area is not isolated from other retail centers and it is not unexpected for residents to do some shopping outside of the market area.

Figure 8. Retail Supply and Demand Balance: Local and Greater Retail Market Area, 2013

Merchandise Category	Demand/ Spending Potential	Supply/ Retail Sales	Leakage (or Surplus)	Target Sales (\$/SF)*	Potential Space
Local Retail Market Area					
Grocery	\$52,545,333	\$95,365,164	(\$42,819,831)		
Health & Personal Care	\$23,182,314	\$17,503,322	\$5,678,992	\$365	15,559
Greater Retail Market Area					
Apparel	\$169,665,80	\$250,216,37	(\$80,550,571)		
Home Furnishings	\$62,904,059	\$35,670,282	\$27,233,777	\$140	194,527
Electronics & Appliances	\$85,607,826	\$72,198,231	\$13,409,595	\$199	67,385
Home Improvement & Gardening	\$83,924,259	\$65,120,285	\$18,803,974	\$140	134,31
Sporting Goods, Books & Music	\$61,202,061	\$61,245,374	(\$43,313)		
General Merchandise	\$501,379,45	\$319,483,64	\$181,895,812	\$216	842,110
Miscellaneous Specialty Retail	\$57,363,871	\$54,823,261	\$2,540,610	\$216	11,762
Restaurants	\$304,850,85	\$439,944,48	(\$135,093,62)		
Total Leakage					\$249,562,760
Estimated Supportable Sq. Ft.					1,265,657

* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Source: ESRI BIS; Marketek, Inc.; Urban Land Institute

Future Retail Demand

The second source of resident demand is "future demand," or demand based on projected household growth and spending patterns in the market areas over the next ten years. Potential retail sales are found by applying expenditure potential¹ by type of merchandise to market area population figures and are divided among five merchandise categories: *shoppers' goods, convenience goods, restaurant, entertainment and personal services*.² Based on standards sales per square foot of store space, potential sales are converted to supportable space.

Potential sales and supportable retail space for the Local and Greater Retail Market Areas over the next ten years were calculated by merchandise type (see Appendix D). In 2014, total retail sales of \$1.15 billion would support 5.6 million square feet of store space. By 2019, market area growth has the potential to support an additional 232,931 square feet of store space, with another 260,275 square feet through 2024, for a total of 493,206 square feet of potential new retail space over ten years. It is important to note that invariably some level of potential expenditures by residents will occur outside of the retail market areas – including online – if desirable goods and services are not available.

The share of this demand that the Avondale Estates Downtown Master Plan Study Area can ultimately capture depends on its success at implementing a comprehensive development program with a wide variety of retail, entertainment, housing and office uses and on its ability to

¹ Consumer spending is estimated from the Bureau of Labor Statistics' Consumer Expenditure Surveys. The CEX surveys have been used for over a century to provide data to study consumer spending and its effect on gross domestic product.

² Please refer to Appendix D for examples of store types within each retail category.

establish a robust business recruitment system. In other words, a passive or segmented approach would result in the Study Area achieving only a fraction of its estimated potential.

Avondale Estates Downtown Study Area Retail Potential

Based on the assumption that a comprehensive business development program is underway, Marketek estimates that over the next ten years, the Avondale Estates Downtown Master Plan Study Area has the potential to capture 20 percent of new market area demand (or 99,621 square feet of commercial space) and 8 percent of existing market area demand (103,120 square feet). Combined, these form potential for 202,621 square feet of retail space in the Study Area over ten years. Figure 9 summarizes this potential demand by merchandise category, as described below:

- Convenience Goods & Services: Study Area capture of 50-70 percent of new local retail market area demand translates to potential support for 23,285 square feet of additional convenience goods stores space and 5,611 square feet of personal services. This figure includes grocery demand that will be generated by potential residents of new Study Area housing (assuming two-thirds of estimated potential residential demand was achieved). This level of demand would be enough to accommodate a small market, and would likely be augmented by Study Area employee spending.
- Shoppers' Goods: Potential Study Area capture of 8 percent of existing and 12-18 percent of new retail market area demand, or 141,815 square feet of store space for apparel, home goods and miscellaneous retail.³
- Restaurants & Entertainment: Downtown Avondale Estates has the potential to be a top destination for dining. Potential capture of 18-20 percent of new market area demand over the next ten years would result in 31,910 square feet of restaurant and entertainment space.

Estimates of potential new retail space in the Study Area should be considered conservative based on the fact that expenditures of a key market – employees – fall outside the model.

³ To put demand estimates into context, Appendix D shows the average size of several types of businesses that may be appropriate in downtown. In addition to the median size of all businesses within a particular category, the median size of national, local chain and independent retailers is also shown.

Figure 9. Summary of Potential Supportable Retail Space: Avondale Estates Downtown Master Plan Study Area, 2013-2024

Merchandise/Service Category	Existing Unmet Demand		New Supportable Retail Space in Study Area				Total New Supportable Space in Study Area
	2013		2019		2024		
	Capture	Sq Ft	Capture	Sq Ft	Capture	Sq Ft	
Local Retail Market Area							
Convenience Goods							
Grocery			65%	9,028	70%	8,322	17,350
Health & Personal Care	20%	3,112	65%	1,469	70%	1,354	5,935
Subtotal	20%	3,112	65%	10,497	70%	9,676	23,285
Personal Services			50%	2,890	55%	2,721	5,611
Greater Retail Market Area							
Shoppers' Goods							
Apparel			15%	4,258	18%	5,848	10,106
Home Furnishings	8%	18,258	12%	2,529	16%	3,859	24,645
Home Improvement	8%	10,745	12%	4,736	16%	7,228	22,709
Electronics	8%	2,695	12%	1,683	16%	2,568	6,947
General Retail/Specialty	8%	68,310	12%	3,602	16%	5,497	77,408
Subtotal	8%	100,008	13%	16,807	16%	25,000	141,815
Restaurants			18%	10,317	20%	13,121	23,438
Entertainment			18%	3,729	20%	4,743	8,472
Total	8%	103,120	19%	44,241	21%	55,260	202,621

Note: Because demand for Convenience Goods and Personal Service businesses is derived primarily from nearby residents, captures are based predominately on Local Retail Market Area demand. Grocery demand includes spending by potential residents of new Study Area housing.

Source: ESRI; Urban Land Institute; Marketek, Inc.

5. Office Market Overview

This section provides an overview of office space supply trends in metro Atlanta and in DeKalb County, along with a summary of potential for new office space development in the Study Area.

Supply Overview

The metro Atlanta office market ended the third quarter of 2013 with a vacancy rate of 20.3 percent, down slightly from 21.1 percent in mid 2012. While the bulk of leasing activity had previously been the result of relocations, job growth and corporate expansions have fueled much of the office market activity in 2013. Class A office space has consistently outperformed Class B and C space and vacancy in Class A space is at its lowest in the last five years (18.7 percent). Limited construction is further tightening the market, pushing average lease rates up to approximately \$20 per square foot.

Central Perimeter, North Fulton and Buckhead remain the most favorable markets, and together they absorbed 1.3 million square feet in the first three quarters of 2013. While there is over 14 million square feet of office space in the pipeline, much of this development stalled with the recession. Only two major office projects are currently under construction – 550,000 square feet at Ponce City Market and Buckhead Atlanta – both of which are expected to be nearly completely leased when they deliver in 2014.⁴

CBRE estimates that the Northlake/Decatur office submarket (which includes the Study Area) contains 8.6 million square feet and has a vacancy rate of 18.2 percent, the fourth lowest for the 18 submarkets they track, as of Q3 2013. Average asking lease rate is lower than most submarkets at \$17.94 and the area has experienced a negative net absorption of 48,000 square feet thus far in 2013. No new construction is underway.

There is no large-scale office space in the Avondale Estates Study Area. Small office users occupy several former residential properties; they include Arboguard tree care specialists, masonry contractors and several professional service providers (legal, financial, etc.). Office vacancies include 1,710 square feet at 89 N Clarendon Ave and several spaces (~12,000 square feet) in the Tudor Village. Asking lease rates range from \$8 to \$16 per square foot. Three vacant, bank-owned office buildings on US 278 between Lake and Oak Streets are currently under contract.

Office space concentrations closest to the Study Area are downtown Decatur, which includes municipal and county offices along with several private buildings, and a concentration of DeKalb County office uses near the Kensington MARTA station (Juvenile Justice Center, Sheriff's offices, county tag office and others). Private office space along Memorial Drive tends to be limited to older, multi-tenant buildings with modest vacancies.

⁴ From Q3 2013 Atlanta Office reports by Jones Lang LaSalle, CB Richard Ellis and Marcus & Millichap.

Office Demand

Accurately forecasting demand for leasable office space is difficult at best, especially so in an office market where speculative building has halted and in an area where small-scale product and small tenants predominate. The proceeding methodology uses forward-looking demand projections, based on estimates of employment growth, to forecast potential demand for office over the next ten years.

Based on the Atlanta Regional Commission's PLAN 2040 job growth forecasts for DeKalb County, potential future demand for office space in DeKalb County is estimated at 3.9 million square feet from 2014 to 2024, as shown in Figure 10. While some demand will also be generated by turnover of existing office space, this is likely to be negligible considering the vacancy levels in the market at present.

The degree to which the Study Area will be able to capture office space demand generated in DeKalb County will depend largely on the success of ongoing redevelopment efforts there. Based on existing development patterns, Marketek estimates that the majority of new Study Area office space tenants will be professional/service users. If the Study Area captured between 3 and 5 percent of potential office space demand generated by projected increases in service employment in DeKalb County, this would translate to potential support for 74,255 to 123,760 square feet of new office space in the Study Area over the next ten years.

Figure 10. Potential Annual Demand for Office Space: DeKalb County, 2014-2024

Employment Category	10-Year Employment Change (1)	Office Space User Ratio (2)	Office Space Users	Sq. Ft. Per Employee	10-Year Demand (Sq. Ft.)
Construction	1,351	10%	135	215	29,051
Manufacturing	235	10%	23	215	5,048
Transpo., Comm., Utilities	2,024	20%	405	215	87,041
Wholesale Trade	1,024	10%	102	215	22,016
Retail Trade	1,958	5%	98	215	21,051
Finance, Insurance, Real Estate	6,622	80%	5,297	215	1,138,915
Services	28,781	40%	11,512	215	2,475,183
Government	3,297	25%	824	215	177,214
TOTAL	45,292			215	3,955,518

(1) Net change in employment from Atlanta Regional Commission Employment Forecasts (prepared February 2011).

(2) Based on standards developed by the Urban Land Institute.

Sources: Marketek, Inc.; Atlanta Regional Commission; Urban Land Institute

6. Economic Development Recommendations

Commercial & Residential Mix

A. Recommended Business Mix

Nationally and locally, there is a growing interest in mixed-use town centers as places to shop, live and work. While often including national retailers and/or restaurants, the most successful downtown streets are lined with a preponderance of independent, creative dining and shops.

The substantial population base surrounding downtown Avondale Estates – over 300,000 people live within a 12-minute drive – represents a strong market for future commercial development there. Likewise, the results of the statistical market analysis, community survey and design charrette indicate that downtown Avondale Estates has considerable opportunity to grow its retail base, filling marketplace voids and building on existing niches. Potential target businesses for the Study Area are listed below.

Figure 11. Target Business Mix for the Downtown Avondale Estates Study Area

Merchandise	Apparel for men, women, teens & children (casual, trendy) Shoes Home décor Kitchen & tabletop items Bed/bath/linens	Home furnishings Gifts/cards/stationery Pet supplies & grooming Unique children's toys & games Lawn & garden accessories
Restaurants	Outdoor dining/cafés Deli/sandwich shop Food trucks/carts Ice cream/yogurt/smoothies	Brewpub Healthy/natural food Casual dining Ethnic cuisines
Convenience	Neighborhood grocery Pharmacy	
Arts & Entertainment	Art galleries/studios Festivals/community events	Live music venue
Services	Consumer services (dry cleaning, alterations, hair salon) Child care Fitness center	Professional services (banking, insurance, real estate, legal) Copy center

Source: Marketek, Inc.

B. Target Markets for Commercial Development

The following figure provides a recap of downtown Avondale Estates target market segments and identifies types of businesses typically desired by each.

Figure 12. Primary Target Markets for Downtown Commercial Development

	Local Market Residents	Greater Market Residents	Area Employees
Market Size	Apx. 37,300 people in the Local Market Area. New residential development in downtown will bolster local market.	Over 313,000 people and 124,000 households in the Greater Market Area.	Apx. 450 employees in the Study Area and over 24,000 workers within a 5-minute drive.
Motivations	Within a short drive or walk of downtown Avondale Estates, will look to it for day to-day convenience goods and services, as well as specialty goods and services, entertainment and restaurants.	Willing to drive to downtown Avondale Estates for destination goods/services and restaurants and entertainment.	Employees who work in or close to downtown Avondale Estates are generally there five days a week and, consequently, are likely to shop, run errands and dine out in the district if these options are available.
Business Mix	<p>Apparel (Women's, Men's, Children's)</p> <p>Shoes</p> <p>Home Furnishings</p> <p>Home Accessories</p> <p>Garden Supplies</p> <p>Gifts/Cards</p> <p>Specialty Market/Grocer*</p> <p>Child Care</p> <p>Drugstore</p> <p>Drycleaner/Alterations</p> <p>Barber Shop/Salon</p> <p>Electronics (Sales/Repair)</p> <p>Mail/Copy Center</p> <p>Restaurants:</p> <ul style="list-style-type: none"> Family Dining Ethnic Cuisine Southern Cuisine Deli Bar/Grille/Pub Fine Dining <p>Live Entertainment</p> <p>Art Studios/Galleries</p> <p>Coffee Shop</p> <p>Professional Services (legal, real estate, financial, insurance)</p>	<p>Apparel (trendy, vintage, locally designed)</p> <p>Jewelry</p> <p>Unique Restaurants (local, non-chain, outdoor dining)</p> <p>Bar/Grille/Pub</p> <p>Gifts/Cards</p> <p>Home Accessories/Furniture</p> <p>Art Studios/Galleries</p> <p>Antiques</p> <p>Handcrafted Goods</p> <p>Live Entertainment</p> <p>Specialty Food Stores</p>	<p>Restaurants/Bars (casual, fine dining, outdoor dining)</p> <p>Specialty Market/Grocer</p> <p>Drugstore Items</p> <p>Mail/Copy Center</p> <p>Banks/Financial Services</p> <p>Drycleaner/Alterations</p> <p>Child Care</p> <p>Health Club/Gym</p> <p>Apparel/Accessories</p> <p>Live Entertainment</p> <p>Housewares</p>

*As residential development in downtown proceeds.

C. Target Markets for Residential Development

A large share of early residents of newly-developed Study Area housing are likely to be young, well-educated and relatively mobile, with few or no children. Young professionals and baby boomers/early retirees are key target markets, and are typically singles (with or without roommates) or couples.

Empty nesters and childless couples who are in their prime career and pre-elderly years are significantly more flexible in terms of housing and migration patterns than were previous generations at this age. Many are eager to leave behind a big house and yard in exchange for a smaller home in an urban, vibrant, mixed-use setting.

Small, young families will be another key target market for downtown housing and will typically prefer small-lot single-family detached homes. The figure on the following page summarizes the major target markets for new downtown housing and identifies potential price points and motivations for each.

Figure 12. Primary Target Markets for Downtown Residential Development

For-Sale Housing				
	Entry-Level Professionals	Mid-Career Professionals	Empty Nesters/Retirees	Small Families
Age	25 to 35	30 to 50	55+	30 to 50
Household Size	1 to 2 persons, few with kids	1 to 2 persons, few with kids	1 to 2 persons	3-4 persons
Income	\$40,000 - \$65,000	\$60,000+	\$45,000+/available equity	\$50,000+
Price Points	\$125,000 - \$165,000	\$130,000 - \$240,000	\$115,000 - \$160,000	\$150,000 - \$200,000
Housing Types	Condominiums, lofts, townhouses	Condominiums, lofts, Townhouses	Condominiums, townhouses, lofts small-lot single-family homes	Townhouses, small-lot single-family homes
Motivations/ Preferences	Access to work/downtown/ shopping & dining/parks Tired of rentals/first time buyer Investment & resale important Seek vibrant, mixed-use setting Relatively mobile	Access to work/downtown/ shopping & dining/parks Move-up or move-over buyer Seek vibrant, mixed-use setting Value authenticity/community Investment & resale important Relatively mobile	Possibly close to children Access to work/downtown/ public transit/pedestrian trails Proximity to cultural activities Less maintenance, more security Move-over, move-down buyer Highly settled Value over investment	Access to work/schools/parks/ shopping/family/friends May require larger units for kids Relatively settled Investment important
Rental Housing				
	Entry-Level Professionals	Mid-Career Professionals	Empty Nesters/Retirees	Small Families
Age	25 to 35	30 to 50	55+	20 to 60
Household Size	1 to 2 persons, few with kids	1 to 2 persons, few with kids	1 to 2 persons	3-4 persons
Income	\$35,000-\$55,000	\$50,000-\$75,000	\$30,000+/available equity	\$45,000+
Price Points	\$800 Alone/\$1,000+ Roommate	\$900-\$1,300	\$750-\$1,150	\$800-\$1,150
Housing Types	Lofts, low-rise apartments, townhouses	Lofts, low-rise apartments, Townhouses	Apartments, townhouses, lofts	Apartments, townhouses
Motivations/ Preferences	Access to work/downtown/ shopping & dining/parks Seek vibrant, mixed-use setting Highly mobile	Access to work/downtown/ shopping & dining/parks Seek vibrant, mixed-use setting Relatively mobile	Possibly close to children Access to work/downtown/ public transit/pedestrian trails Proximity to cultural activities Less maintenance, more security Seeking town center atmosphere Relatively settled	Access to work/shopping/ family/friends/parks Not ready for homeownership May require larger units for kids Relatively mobile

Source: Marketek, Inc.

Business Development Strategy

Successful implementation of downtown Avondale Estates’ business development program requires strong coordination, consistent communication and a commitment to a unified vision for a more cohesive district. The steps outlined below assume that a collaborative team spearheaded by the City of Avondale Estates will work together on the downtown commercial base. Team members should include the Downtown Development Authority and a range of individuals (real estate professionals, property owners, business owners and marketing professionals). Figure 13 provides an overview of the business development plan components.

Figure 13. Business Development Strategies Overview

Primary Program Goals	<ul style="list-style-type: none"> • Retain, strengthen and expand the existing business base in downtown Avondale Estates • Recruit and encourage businesses that will complement and improve the existing commercial mix and enhance downtown’s attractiveness • Increase local spending by trade area shoppers and employees working nearby
Program Elements	<ol style="list-style-type: none"> 1. Real Estate Product Readiness 2. Business Retention & Expansion 3. Business Recruitment 4. Marketing & Customer Attraction
Core Strategies	<ul style="list-style-type: none"> • Develop positive downtown image through continuous public relations, sales and marketing • Continue to enhance downtown Avondale Estates’ physical image and core properties • Encourage, support and assist existing businesses • Target new businesses to add to the business mix and strengthen the overall economic base • Encourage residents, businesses, students, visitors and area employees to shop in downtown • Attract developers, investors and residents to opportunities for new and rehabbed housing in the downtown

A. Real Estate Product Readiness

Downtown Avondale Estates’ economic development program is as much tied to the availability of attractive, appropriately sized commercial space in the right location as it is to market opportunity. Independent, specialty shops generally seek small square footages – usually 500 SF to 2,500 SF – whereas national retailers may need several thousand square feet. Vacant space is available throughout the Study Area in varying size, condition and location. Several large properties that are vacant or targeted for redevelopment will need a unique marketing approach.

Key Actions

1. Available Property Database

Develop a database of vacant and/or available commercial properties (including both unoccupied/obsolete buildings and vacant lots). Work with property owners and real estate agents to determine which are ready for occupants and what work needs to be done to make key properties 'retail-ready." From this inventory, prepare and keep up-to-date a webpage showing available properties (ideally available as a link from the City's website) with pertinent information about each (size, location, lease/sale terms, parking, photos, target business type and any other key features/attributes).

2. Link Properties to Target Businesses

To significantly influence the retail mix, cross match properties to specific store types and tenants, creating site-specific business targets for key properties in the Study Area. Discuss business targets with property owners, brokers and all those promoting downtown's vision. For example, Oakhurst Realty Partners has targeted its 5,600-square-foot vacancy in the Tudor Village for a live entertainment use, such as a concert venue, and is actively working to bring such a tenant to that space.

B. Business Retention & Expansion

Helping downtown Avondale Estate's existing business base succeed will be the underpinning of successful economic development. Two-way communication to build trust and one-on-one problem-solving to increase profitability are the tried and true most effective approaches to business retention and assistance.

Key Actions

1. Market Opportunities and Vision for Downtown

Distribute highlights of the market analysis, survey and Master Plan to Study Area business/property owners. The market analysis may reveal new products or services that an existing business could add, or suggest the need for enhanced marketing. This is a chance to educate about market opportunities, to let stakeholders know the City is working on their behalf and to encourage additional volunteers to get involved with improving the downtown.

2. Business Assistance Team

Avondale Estates' Downtown Development Authority will continue to rely on volunteers to do a lot of heavy lifting when it comes to business development. Volunteers should organize a local business assistance team to keep in touch with existing businesses on a regular basis. Each team member would be responsible for a small part of the Study Area – monitoring business activity, property redevelopment, real estate transactions, business owner interests and other key factors to stay on top of how downtown Avondale Estates is faring. Team members should identify any businesses in need of assistance so the DDA may reach out to them and determine the best method of support.

3. Build on Existing Market Niches

As downtown Avondale Estates grows its commercial base, the opportunity to add new businesses that complement existing ones is likely to bolster sales for current stores. For example, additional specialty food stores could enhance Avondale Estates' reputation as a center for gourmet items, consequently bringing new shoppers to existing businesses such as

the Pine Street Market or the Little Wine Shop. Other existing market niches in Avondale Estates that may represent opportunities for growth include the artist studios/galleries and high-quality consignment/antiques/vintage items.

4. Downtown Business Recognition Program

Each quarter, celebrate one Study Area business for its exceptional service, business improvement, community service/leadership, new initiatives/product lines or other positive endeavor. Such a program is an opportunity for existing businesses to get press along with new businesses, and allows for additional positive PR for downtown overall.

C. Business Recruitment

The City and the Downtown Development Authority will need to work hard and smart about how to encourage quality development and businesses to locate in Avondale Estates. Business attraction efforts should emphasize unique, locally-owned businesses while also carefully targeting national retailers and regional chains that fit Avondale Estates consumer markets.

Recruitment involves two strategic efforts – marketing and sales. Marketing without follow-up and personal meetings with businesses, brokers and developers is not an aggressive program. Important to this effort is a clear understanding of:

- Vision – where are we headed?
- Product – what do we have to offer?
- Audience – whom are we targeting?
- Benefit – why should a business be located here?

The Downtown Master Plan and the market analysis address these questions and lay a foundation for a solid marketing program. The goal is to have consistent, frequent and meaningful messages that demonstrate why the target audience should consider a location in downtown Avondale Estates.

Key Actions

1. Sales Package

Create a simple sales package to share with business and/or developer prospects and other marketing contacts. At a minimum it should include:

- A map showing the vision for downtown and location of recently completed or anticipated new development (for example, the Wild Heaven Brewery and Your DeKalb Farmers Market expansion). This should be a simple, visual representation of the Master Plan for downtown;
- A 1-2 page market opportunity factsheet highlighting downtown Avondale Estates' consumer markets, the estimated potential demand for downtown and key business targets;
- Property sheets for key sites from the 'available properties' database;
- Resources for new business development (or business expansion), including financial incentives available from the City, state or national level and any non-financial assistance, such as permitting assistance or other help; and
- Contact information for the City and Downtown Development Authority.

Prepare a similar package for communicating downtown housing opportunities. Include a map of the downtown vision and catalytic projects, a market opportunity factsheet

highlighting residential potential, any incentives available for new housing and contact information.

2. Referral Network

Organize a referral database of leading Realtors/brokers, developers/builders, small business resource providers and community and business leaders. Educate them regarding the market study findings, types of businesses and housing most appropriate for downtown and related information. Develop a schedule for electronic communications and events to keep the group informed about business openings, development initiatives and opportunities.

3. Recruitment Campaigns

Develop business recruitment campaigns for up to three key business opportunities outlined in the market analysis. Top candidates may include restaurants, a live music venue and apparel stores. The campaign may include mailings, phone calls, one-on-one contact, third party outreach, hosted site visits, targeted marketing materials and related activities.

4. Manage the Business Development Process

Like all good sales efforts, the devil is in the details of managing the prospect pipeline and following through on needs and interests of serious prospects in a timely fashion. Create a simple electronic database/file to track leads and follow-up with those who may be interested in a downtown location at a future date.

5. Measure Progress

Publish a simple annual report of key economic indicators that promotes downtown Avondale Estates’ vitality and progress. Data may include: jobs, employment, private/public investment, businesses recruited/retained, special events/promotions, traffic counts, retail impacts, etc. Demonstrating success is critical to encouraging investment. Figure 14 identifies a sample of key benchmarks.

Figure 14. Sample Business Development Benchmarks

Public Investment	<ul style="list-style-type: none"> Funding for capital improvement, property acquisition, new building, other
Private Investment	<ul style="list-style-type: none"> Funding for new business and property investment
Business Mix	<ul style="list-style-type: none"> Number and distribution of new businesses Target niches filled
Real Estate	<ul style="list-style-type: none"> Retail and office square footage (developed and leased) New housing units Occupancies Lease rates
Economic Vitality	<ul style="list-style-type: none"> New full and part time jobs Customer counts Retail sales growth Parking spaces Business inquiries
Promotion/Marketing	<ul style="list-style-type: none"> Customer counts – events, new visitors Sales impacts

D. Marketing & Customer Attraction

The most inviting, well-maintained and smartly tenanted shopping districts must continuously work hard to develop and promote the image and promise they offer to shoppers and residents. Downtown Avondale Estates must continue to market its unique characteristics to local and regional shoppers, and to create an effective strategy to promote a positive image and engaging atmosphere of fun and activity. Avondale Estates already offers several events throughout the year – including the Art-B-Que, AutumnFest and other, smaller art-related activities – the City needs to increase customer foot traffic on a regular basis.

Key Actions

1. Connection with Your DeKalb Farmers Market

A key asset identified during the LCI visioning workshop was downtown’s proximity to Your DeKalb Farmers Market (YDFM), and the potential for an easy and attractive route from the market to the Study Area along Laredo Drive. Avondale Estates is already home to several specialty food and drink retailers (such as Pine Street Market and the Beer Growler) and has the potential to expand this niche. If the City further develops as a hub for gourmet food products, reaching out to YDFM customers could enable it tap into a market already traveling to the area, sometimes from considerable distances, for specialty food items. Regardless, Avondale Estates should explore opportunities to draw farmers market customers to downtown, whether by improved wayfinding signage along Laredo, placing downtown rack cards or other advertisement at YDFM or reaching out regarding potential joint marketing opportunities.

2. Consumer-Oriented Downtown Avondale Estates Website

While it provides a wealth of information about the City, the Avondale Estates website is geared more towards resident interests than visitors. Likewise, the Avondale Arts Alliance and Art-B-Que websites are attractive and informative, but neither is devoted specifically to downtown Avondale Estates. A consumer-oriented website communicating the shopping/dining/entertainment experience of downtown to Avondale Estates residents, residents of the surrounding area and visitors is needed, and will become increasingly important as new development occurs. The website should provide a list of businesses with web links, a calendar of special events, parking information and other related info. See the Virginia Highland Business Association’s site(www.virginiahighland.com) or downtown Decatur’s site (www.visitordecaturgeorgia.com) as examples.

Potential Tax Increment at Mill District at Build-Out

This section estimates the potential additional annual tax revenue generated by new development in Avondale Estates' Mill District (see Map 4).⁵ The district is approximately 13.5 acres and consists of 5 vacant parcels with a total fair market value of \$3.5 million that generated \$74,400 in taxes in 2013.⁶

Land use plans developed by Pond & Company include residential (482 units) and retail (30,000 square feet) uses. Figure 15 summarizes these uses and the potential value of new development, based on a survey of home sales prices and property values for retail/restaurant space in comparable developments.

Map 4. Mill District



Figure 15. Potential New Development in the Mill District

Residential	432 multifamily units 50 townhouses	Potential average value of \$185,000 Potential average value of \$225,000
Commercial	30,000 square feet of retail space	Potential average value of \$100/SF

Note that actual values will vary based on unit sizes, features, amenities and market conditions at time of development. This analysis assumes that the multifamily units are developed as condominiums.

Sources: Pond & Company, DeKalb County Tax Assessor, Marketek, Inc.

Based on the projected potential value of new development, Figure 16 estimates the potential increase in the tax base from new development in the Mill District at build-out. As shown, the tax base has the potential to add \$90.6 million in market value and \$36.3 million in assessed value. These increases result in an estimated potential addition of \$1.57 million in property tax annually in the Mill District.

⁵ The Mill District includes the former Fenner Dunlop site and is bounded by the railroad tracks to the north, Laredo Drive to the east, Parry and Franklin Streets to the south and Oak Street to the west.

⁶ Not including stormwater fees.

Figure 16. Potential Tax Base Increase in the Mill District at Build-Out

Existing Tax Base (2013)	Market Value (100%): \$3,542,100 Assessed Value (40%): \$1,409,628 2013 Property Tax: \$74,382*
Tax Base at Build-Out	Market Value (100%): \$94,170,000 Residential Market Value (100%): \$91,170,000 Retail Market Value (100%): \$3,000,000 Assessed Value (40%): \$37,668,000 Residential Assessed Value (40%): \$36,468,000 Retail Market Value (100%): \$1,200,000 Estimated Annual Property Tax: \$1,639,458** Estimated Annual Residential Property Tax: \$1,574,688 Estimated Annual Retail Property Tax: \$64,770
Tax Base Increase	Market Value (100%): \$90,627,900 Assessed Value (40%): \$36,258,372 Estimated Annual Property Tax: \$1,565,076

*At total millage rate of 0.052767. Does not include stormwater fee.

**At total millage rate of 0.053975. Includes estimated residential property tax credits of \$393,672. Does not include stormwater or city sanitation fees.

Sources: Pond & Company, DeKalb County Tax Assessor, Marketek, Inc.

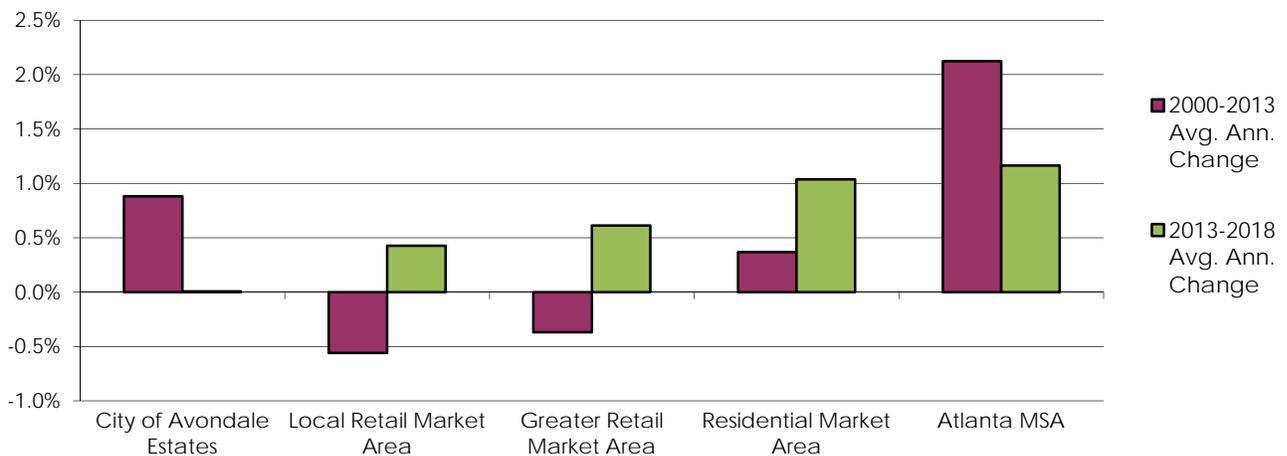
Appendix A: Demographic Profile

Population and Household Growth:

City of Avondale Estates, Retail & Residential Market Areas and Atlanta MSA, 2000-2018

Geographic Area	2000	Avg. Ann. Change 2000-2013			Avg. Ann. Change 2013-2018		
		2013	Number	Percent	2018 (Forecast)	Number	Percent
City of Avondale Estates							
Population	2,609	2,908	23	0.88%	2,909	0	0.01%
Households	1,226	1,341	9	0.72%	1,350	2	0.13%
Avg. Household Size	2.11	2.17	0.005		2.15	-0.004	
Local Retail Market Area							
Population	40,196	37,272	-225	-0.56%	38,068	159	0.43%
Households	15,858	15,278	-45	-0.28%	15,797	104	0.68%
Avg. Household Size	2.31	2.19	-0.009		2.17	-0.004	
Greater Retail Market Area							
Population	328,954	313,200	-1,212	-0.37%	322,796	1,919	0.61%
Households	123,476	124,111	49	0.04%	129,139	1,006	0.81%
Avg. Household Size	2.59	2.45	-0.011		2.43	-0.004	
Residential Market Area							
Population	922,978	967,125	3,396	0.37%	1,017,266	10,028	1.04%
Households	355,164	392,600	2,880	0.81%	417,898	5,060	1.29%
Avg. Household Size	2.48	2.36	-0.009		2.33	-0.006	
Atlanta MSA							
Population	4,247,981	5,420,859	90,221	2.12%	5,736,389	63,106	1.16%
Households	1,554,154	1,991,823	33,667	2.17%	2,112,918	24,219	1.22%
Avg. Household Size	2.68	2.68	0.000		2.67	-0.002	

Average Annual Population Growth Rates, 2000-2018



Source: 2000 and 2010 U.S. Census, ESRI Business Information Solutions

Household Income Distribution:

City of Avondale Estates, Retail & Residential Market Areas and Atlanta MSA, 2013

Income	City of Avondale Estates	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
Less than \$15,000	16.9%	19.6%	16.6%	15.6%	11.6%
\$15,000 - \$24,999	9.8%	12.9%	12.8%	11.5%	9.8%
\$25,000 - \$34,999	8.7%	11.1%	11.5%	10.9%	10.0%
\$35,000 - \$49,999	7.0%	13.8%	13.9%	13.8%	13.6%
\$50,000 - \$74,999	17.4%	16.7%	18.7%	18.1%	19.5%
\$75,000 - \$99,999	11.8%	8.7%	9.5%	9.6%	11.9%
\$100,000 - \$149,999	16.0%	8.7%	9.4%	10.5%	13.4%
\$150,000 - \$199,999	6.7%	5.0%	4.1%	4.6%	5.4%
\$200,000 or More	5.7%	3.5%	3.5%	5.4%	4.8%
Total	1,341	15,278	124,111	392,600	1,991,823
Median Household Income	\$58,674	\$40,666	\$43,670	\$47,418	\$54,635

Household Income Distribution, 2013



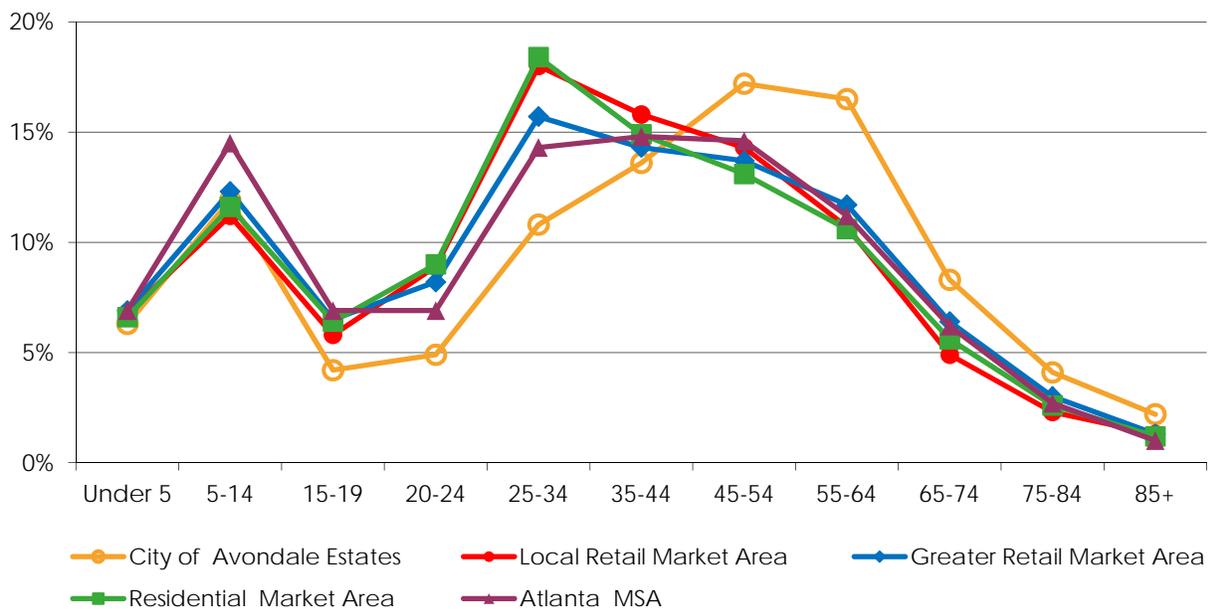
Source: ESRI BIS

Age Distribution of the Population:

City of Avondale Estates, Retail & Residential Market Areas and Atlanta MSA, 2013

Age	City of Avondale Estates	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
Under 5	6.3%	6.8%	6.9%	6.6%	6.9%
5-14	11.9%	11.2%	12.3%	11.6%	14.5%
15-19	4.2%	5.8%	6.5%	6.4%	6.9%
20-24	4.9%	8.9%	8.2%	9.0%	6.9%
25-34	10.8%	18.0%	15.7%	18.4%	14.3%
35-44	13.6%	15.8%	14.3%	14.9%	14.8%
45-54	17.2%	14.3%	13.7%	13.1%	14.6%
55-64	16.5%	10.7%	11.7%	10.6%	11.2%
65-74	8.3%	4.9%	6.4%	5.6%	6.2%
75-84	4.1%	2.3%	3.0%	2.6%	2.7%
85+	2.2%	1.3%	1.3%	1.2%	1.0%
Total	2,908	37,272	313,200	967,125	5,420,859
Median Age	43.9	34.6	35.3	33.8	35.4

Age Distribution of the Population, 2013



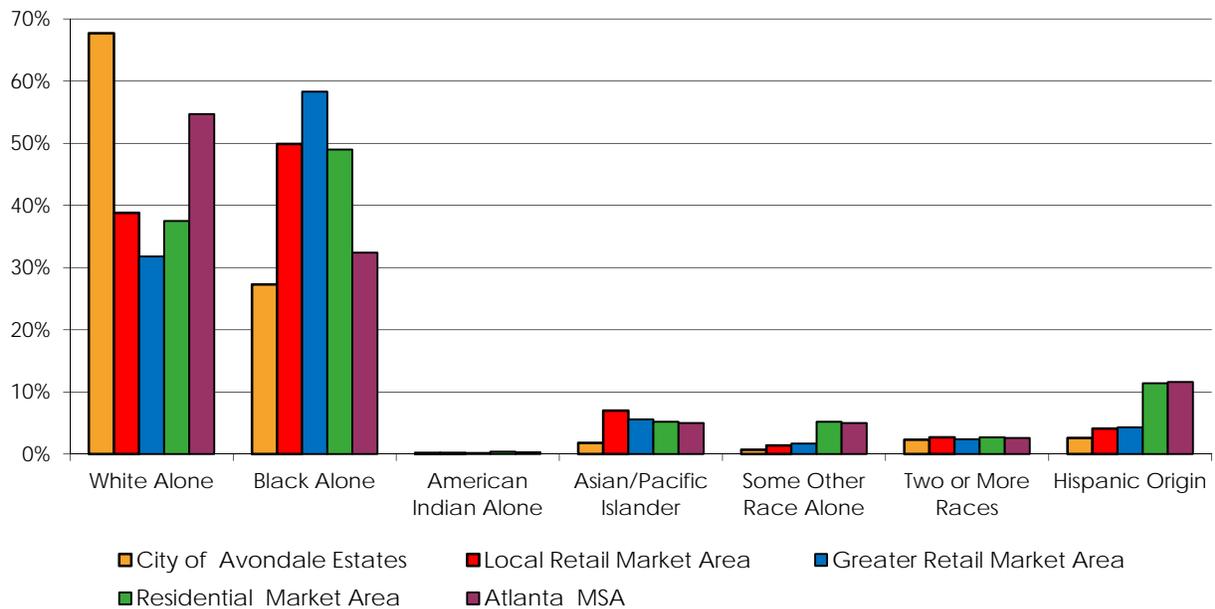
Source: ESRI BIS

Racial and Ethnic Composition of the Population:

City of Avondale Estates, Retail & Residential Market Areas and Atlanta MSA, 2013

Race & Ethnicity	City of Avondale Estates	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
White Alone	67.7%	38.8%	31.8%	37.5%	54.7%
Black Alone	27.3%	49.9%	58.3%	49.0%	32.4%
American Indian Alone	0.2%	0.2%	0.2%	0.4%	0.3%
Asian/Pacific Islander	1.8%	7.0%	5.6%	5.2%	5.0%
Some Other Race Alone	0.7%	1.4%	1.7%	5.2%	5.0%
Two or More Races	2.3%	2.7%	2.4%	2.7%	2.6%
Hispanic Origin	2.6%	4.1%	4.3%	11.4%	11.6%
Total	2,908	37,272	313,200	967,125	5,420,859

Racial & Ethnic Composition, 2013



Source: ESRI BIS

Appendix B: Tapestry Market Segments

Metropolitans

- Local Retail Market Area: 25.1% of households
- Greater Retail Market Area: 13.5% of households
- Residential Market Area: 6.5% of households

Demographic

Residents of *Metropolitans* communities prefer to live in older City neighborhoods. Approximately half of these households are singles who live alone or with others; 40 percent are married-couple families. One in four of the residents are aged 20–34 years; the median age is 37 years. Diversity is low; most of the population is white.

Socioeconomic

Half of the residents who are employed work in professional or managerial positions. More than 75 percent of the population aged 25 years and older have attended college or completed a degree program. Thirty percent have earned a bachelor's degree, and 23 percent hold a graduate degree. The median household income is \$53,486. Nearly half of the households earn extra income from interest, dividends, and rental properties.

Residential

Distributed throughout the country, residents of *Metropolitans* neighborhoods live in an eclectic mix of single-family homes and multiunit buildings. Sixty percent of the housing units were built before 1960. These neighborhoods change slowly; since 2000, the annual household growth is 0.28 percent. The home ownership rate is 59 percent.

Preferences

Metropolitans residents are no different from other owners of older homes who incur costs for maintenance and remodeling. They will contract for lawn maintenance and professional housecleaning services. Many will own or lease a station wagon. Planning for the future, residents own shares in investment funds, contribute to IRA savings accounts, and hold large life insurance policies.

These residents pursue an active, urbane lifestyle. They travel frequently for business and pleasure. They listen to jazz, classical, public, and alternative music radio. They go to rock concerts, watch foreign films on DVD, read women's fashion magazines, and play a musical instrument. They also practice yoga and go kayaking, hiking/backpacking, and water and snow skiing.

Active members of their communities, *Metropolitans* residents join civic clubs, volunteer for environmental causes, address public meetings, and work for a political party or candidate. They also belong to business clubs and contribute to PBS. They prefer to own and use a laptop computer, preferably an Apple. They go online daily to download music and buy books, airline tickets, CDs, and clothes.

Inner City Tenants

- Local Retail Market Area: 16.8% of households
- Greater Retail Market Area: 9.3% of households

Demographic

Inner City Tenants residents are a microcosm of urban diversity; their population is represented primarily by white, black, and Hispanic cultures. Three in ten residents are Hispanic. This multicultural market is younger than average, with a median age of 28.8 years. The household composition also reflects their youth. Household types are mixed; 34 percent are singles, 28 percent are married-couple families, 21 percent are single parents, and 10 percent share housing. Turnover is high in these neighborhoods because many are enrolled in nearby colleges and work part-time. These neighborhoods are also a stepping-stone for recent immigrants, with an annual population growth of 0.6 percent.

Socioeconomic

The median household income is \$30,873. Because few own their homes, most of their net worth comes from savings. Eighty-three percent earn income from wages and salaries; 7 percent receive public assistance. Forty-five percent of the population aged 25 and older has attended college; 5 percent hold a graduate or professional degree. Earning a college degree is at the forefront of their goals, so many work part- and full-time to fund their college education. Approximately half of the employed residents work in white-collar occupations. This market has twice the national level of residents who work in the accommodation/food services industry.

Residential

These neighborhoods are located primarily in the South and West. Most *Inner City Tenants* residents rent economical apartments in mid- or high-rise buildings. One-fifth of the housing is owner-occupied. Most of the housing units were built in the 1960s, 1970s, and 1980s. For their average commute to work of 25 minutes, many residents drive their vehicle or depend on other modes of transportation. Seventeen percent of the households do not own a vehicle.

Preferences

With their busy lifestyle, *Inner City Tenants* residents frequently eat at fast-food restaurants and shop for groceries at nearby stores such as Albertson's. They prefer easy-to-prepare frozen and canned foods. Internet access at home is not typical in this market, but those who have no access at home will surf the Internet at school or at the library. Playing games and checking e-mail are typical online activities. Households have recently bought video game systems and baby items such as food, products, furniture, and equipment. They prefer to shop at Target and Walgreens.

They go to the movies and professional football and basketball games, play football and basketball, and go bowling. They read magazines, particularly news and *Entertainment Weekly*, and listen to urban or contemporary hits radio. Some enjoy the nightlife, visiting bars and going dancing at nightclubs.

Metro Renters

- Local Retail Market Area: 8.6% of households
- Greater Retail Market Area: 5.3% of households
- Residential Market Area: 17.2% of households

Demographic

Young, educated singles, residents of *Metro Renters* neighborhoods are just beginning their professional careers in some of the largest US cities such as New York, Chicago, and Los Angeles. Residents will sometimes share housing with a roommate to help defray the cost of their high rent. Households are either single person or shared. The median age of 32.1 years is younger than the US median of 37 years. Approximately 30 percent are in their 20s; 14 percent are in their early 30s. This younger population is also more diverse than the US population; 11.5 percent of the residents are Asian.

Socioeconomic

The median household income is \$48,211. Approximately 60 percent of employed residents work in professional and management occupations, most in the service industry sector. One of Tapestry Segmentation's most educated markets, more than one in four *Metro Renters* residents aged 25 years or older holds a graduate degree; one in three has earned a bachelor's degree. More than 80 percent of these residents have attended college; 17 percent are still enrolled in undergraduate or graduate school.

Residential

Metro Renters neighborhoods are found in the largest metropolitan centers across the United States, with the highest concentrations in California, New York, and Illinois. Approximately 90 percent of the housing is apartments; 37 percent in high-rise buildings.

Preferences

Because they rent, "home and hearth" products are low priority, although they will buy new furniture from stores such as Crate & Barrel or Pier One Imports. Most of them have renter's insurance. They buy clothes and other merchandise from traditional stores or online from favorites such as Banana Republic, Gap, Nordstrom, amazon.com, and barnesandnoble.com. They take their clothes to dry cleaners.

Active *Metro Renters* residents work out regularly at clubs, play tennis and volleyball, practice yoga, ski, and jog. They take advantage of their urban milieu; they go dancing, visit museums, attend classical or rock concerts, go to karaoke nights and the movies, and eat out. Painting and drawing are favorite hobbies. Residents enjoy traveling domestically and overseas and drinking domestic and imported beer and wine. They read two or more daily newspapers; history books; and airline, fashion, epicurean, travel, and business/finance magazines. They listen to alternative, jazz, classical music, all-news, and public radio. They seldom watch TV; most households own only one set so they can watch movies and news programs. They rent foreign and classic films on DVD.

They go online frequently to look for jobs, make travel arrangements, download music, research real estate, watch videos, and shop. Many buy their PCs online; they prefer laptops, although many also own PDAs. Politically, these neighborhoods are liberal.

Metro City Edge

- Local Retail Market Area: 8.5% of households
- Greater Retail Market Area: 7.0% of households
- Residential Market Area: 4.0% of households

Demographic

Married couples, single parents, and multigenerational families are the household types found in *Metro City Edge* neighborhoods. Grandparents are caregivers in 4 percent of these households, twice the US rate. The median age of this segment is 30.8 years because of the children, including adult children who still live at home. The average family size of 3.5 is slightly higher than the US average. Seventy-two percent of the residents are black; 17.3 percent are white; and 4 percent are American Indian—four times the US level.

Socioeconomic

The median household income for this segment is \$29,269. Although 78 percent of households derive income from wages and salaries, 9 percent receive public assistance and 9 percent receive Supplemental Security Income. Nearly half of employed residents work in service industries. One in ten residents aged 25 years or older have a bachelor's or graduate degree; four in ten have attended college.

Residential

Metro City Edge residents live in older suburban neighborhoods of large metropolitan cities, primarily in the Midwest and South. Sixty-eight percent live in single-family homes; 14 percent live in buildings with two to four units. The home ownership rate is 49 percent. Although home prices are relatively inexpensive, many families are young, unsettled, and still renting. Seventy percent of the housing units were built before 1970.

Preferences

Metro City Edge residents must spend their money wisely to ensure the welfare of their children. They tend to shop for groceries at Piggly Wiggly, Kroger, and Aldi but will go to superstores and wholesalers for bulk purchases of household and children's items. Some will have their vehicles serviced at auto parts chains. They eat at fast-food or family-style restaurants such as Old Country Buffet or Ryan's.

They watch sitcoms, movies, news programs, courtroom shows, and sports such as pro wrestling on TV. Accessing the Internet at home isn't important. They go to the movies and professional football games and play basketball. They read music and baby magazines and listen to urban and contemporary hit radio.

Retirement Communities

- Local Retail Market Area: 8.1% of households
- Greater Retail Market Area: 2.7% of households

Demographic

Most of the households in *Retirement Communities* neighborhoods are single seniors who live alone; a fourth is married couples with no children living at home. This older market has a median age of 50.3 years. One-third of the residents and 44 percent of householders are aged 65 years or older. Twenty-three percent of the population and 31 percent of householders are aged 75 years or older. Most of the residents are white.

Socioeconomic

The median household income for *Retirement Communities* is \$46,251, slightly below the US median. Nearly half of the households earn income from interest, dividends, and rental properties; 45 percent receive Social Security benefits; and 26 percent receive retirement income. Most of those still working are employed in white-collar occupations. *Retirement Communities* residents are an educated group: 14 percent of the residents aged 25 years and older hold a graduate degree, 35 percent have a bachelor's degree, and more than 60 percent have attended college.

Residential

Retirement Communities neighborhoods are found mostly in cities scattered across the United States. Most housing was built after 1959. Congregate housing with meals and other services included in the rent is a feature of these neighborhoods. Fifty-seven percent of the households live in multiunit buildings; however, 34 percent of the housing is single-family structures, and 8 percent is townhouses. The home ownership rate is 53 percent.

Preferences

With more time to spend on leisure activities and hobbies, residents play musical instruments, paint or draw, work crosswords, play bingo, or attend adult education classes. They also visit museums, attend the theater, go dancing, practice yoga, go canoeing, and play golf. They will travel to gamble in Atlantic City or to visit Disney World. They attend sports events such as golf tournaments, tennis matches, and baseball games. They spend time with their grandchildren and spoil them with toys. Politically active, these residents are "joiners" and belong to civic clubs and charitable organizations. They own stocks and bank online. They prefer to own or lease a domestic vehicle.

These residents describe themselves as moderate or frequent viewers of daytime and primetime TV. They watch news programs and baseball games, tennis matches, and golf tournaments. Cable channel favorites are Bravo, truTV, ESPN news, and Travel Channel. They listen to classical and public radio. Avid readers, they regularly read daily newspapers.

Young and Restless

- Local Retail Market Area: 7.8% of households
- Greater Retail Market Area: 6.4% of households
- Residential Market Area: 6.0% of households

Demographic

Change is the constant for *Young and Restless* households. This young, on-the-go population has a median age of 28.9 years. Approximately two-thirds of them are younger than 35. Fifty-eight percent of these households are either single person or shared. Neighborhoods are diverse. Fifty-six percent of the residents are white; however, an above-average representation of blacks, Hispanics, and Asians also live in these neighborhoods.

Socioeconomic

The median household income is \$39,765. Although the median household income is below the US median; only 23 percent of these residents have children, giving them more disposable income than segments with similar income levels. They are educated; 36 percent aged 25 years or older hold a bachelor's or graduate degree; 69 percent have attended college. These ethnically diverse folks are very career-oriented. Most employed residents have professional, sales, service, or office/administration support jobs.

Residential

These neighborhoods are in metropolitan areas in the South, West, and Midwest; the highest concentration is in Texas. Ranked fifth of the Tapestry segments for renters, 85 percent rent apartments in multiunit buildings. Most of the housing was built in the 1970s and 1980s. They don't mind moving for better jobs; 85 percent have moved in the last five years.

Preferences

These young, single professionals are pursuing their careers and living a busy lifestyle. They are technologically savvy and take advantage of the convenience provided by many products and services. They go online to communicate with friends and family, shop, bank, and look for jobs.

They read magazines to stay current on the latest lifestyle and entertainment trends and are just as likely to read a music magazine as a business publication. They go online for the latest news and sports. Television viewing is average. Radio is a good way to reach them; they listen to urban and contemporary hit music.

Seeing movies at theaters and on DVD is a major source of entertainment. They also enjoy going to bars or nightclubs. Their busy schedule also includes working out at the gym and playing various sports. Domestic vehicles have a slight edge in this market.

Enterprising Professionals

- Local Retail Market Area: 5.5% of households
- Greater Retail Market Area: 3.6% of households
- Residential Market Area: 4.9% of households

Demographic

Young, educated, single, married, working professionals, residents of *Enterprising Professionals* neighborhoods have a median age of 32.8 years. Forty-three percent of the households are singles who live alone or share housing with roommates, and 43 percent are married couple families. With an annual household growth of 1.95 percent per year since 2000, the households in this segment comprise approximately 2 percent of total US households. The diversity of the population is similar to that of the United States. Most of the residents are white; however, 12.4 percent are Asian.

Socioeconomic

Median household income is \$63,837. Ninety percent of the households earn income from wages and salaries; 39 percent receive income from investments. This is an educated group: approximately half of the population aged 25 years and older hold a bachelor's or graduate degree; more than three in four have attended college. These working professionals are employed in various jobs, especially in management, finance, computer, sales, and office/administrative support.

Residential

Enterprising Professionals residents move frequently to find growth opportunities and better jobs, especially in cities such as Chicago, Atlanta, and Seattle. Forty-six percent of the households are located in the South, 29 percent are in the West, and 20 percent are in the Midwest. They prefer to own instead of rent in newer neighborhoods of townhouses or apartments. For those who rent, the average gross rent is 36 percent higher than the US average.

Preferences

They are young and mobile with growing consumer clout. Those who rent hold renter's insurance policies. They rely on cell phones and e-mail to stay in touch. They go online to download videos and music, track their investments, and shop for items, including personal computers and software. They own laptops, video game systems, and digital camcorders.

They love to travel abroad and in the United States often. They play video games, visit theme parks, jog, and swim. They read computer, science, and technology magazines and listen to alternative, public-all-talk, and sports radio. They eat out at Cheesecake Factory and Chili's Grill and Bar. They shop for groceries at stores such as Publix and Albertson's.

Rustbelt Traditions

- Local Retail Market Area: 4.5% of households

Demographic

These neighborhoods are primarily a mix of married-couple families, single parents, and singles who live alone. With a population of 8.4 million, this segment is one of Tapestry Segmentation's largest. The median age is 35.9 years, just below the US median. There is little diversity in these communities.

Socioeconomic

The median household income is \$42,337. Half of the employed residents work in white-collar jobs. For years, these residents sustained the manufacturing industry that drove local economies. Now, the service industry predominates, followed by manufacturing and retail trade. Their education attainment is improving; more than 84 percent of residents aged 25 years and older have graduated from high school, 15 percent hold a bachelor's or graduate degree, and 44 percent have attended college.

Residential

The backbone of older industrial cities in the Great Lakes border states, residents of these neighborhoods live in modest, single-family homes. Home ownership is 70 percent. The relatively low median home value is because nearly two-thirds of the housing was built before 1960.

Preferences

These residents stick close to home; for years, they've lived, worked, shopped, and played in the same area. Not tempted by fads, they stick to familiar products and services. They drive domestic cars. They will spend money on their families, yard maintenance, and home improvements. They will hire contractors for special projects such as the installation of roofing, carpet, and flooring.

These financially conservative residents prefer to bank at a credit union and have personal savings. They might carry a personal loan and hold low-value life and homeowner's insurance policies. They're frugal and shop for bargains at Sam's Club, JCPenney, and Kmart. They go online weekly to play games and shop.

They go bowling, fishing, and hunting and attend car races, country music shows, and ice hockey games. They're big TV fans; they watch sitcoms and sports events. They also subscribe to cable and watch it regularly. Favorite channels are truTV, the Game Show Network, and the Disney Channel.

City Dimensions

- Local Retail Market Area: 3.5% of households

Demographic

Diversity in household type and ethnicity characterizes *City Dimensions* neighborhoods. Most of these residents are young, with a median age of 29.5 years. Households are a mix of types; most are singles who live alone (31 percent), married-couple families (30 percent), and single-parent families (23 percent). Ethnic diversity is high. Nearly half of the residents are white and one-fourth are black; however, higher-than-average proportions of other race populations are also represented. Three in ten residents are of Hispanic origin.

Socioeconomic

The median household income is \$26,283. Ten percent of the households receive Supplemental Security Income; 11 percent receive public assistance. Employed residents work full-time or part-time, primarily in the service, manufacturing, and retail trade industry sectors. Overall, 35 percent of residents aged 25 years and older have graduated from high school; 9 percent hold a bachelor's or graduate degree.

Residential

Although *City Dimensions* neighborhoods have a mix of housing types, more than half of the residents rent apartments in multiunit buildings. Most of the real estate is older; approximately 70 percent of the housing units were built before 1960; 42 percent are pre-1940 structures. Average gross rent in these older buildings is 17 percent below the US average. Housing types are split between single-family homes and apartments in two- to four-unit buildings. Although most households have a vehicle, residents seek jobs near their homes, commuting an average of 22 minutes to work.

Preferences

City Dimensions residents watch cable TV often, preferring movies and news programs to documentaries. Most households own more than one television set. They also like gaming systems. Residents are big-time sports fans and loyal team supporters; this is a top market for buying and wearing sports team clothes.

Because few homes are equipped with central air conditioning, they rely on room air conditioners if necessary. Many have recently moved, so they bought household furnishings such as area rugs and sofas. Families with children spend wisely for children's and baby products, preferring to shop at discount stores. They use store brands, particularly for expensive items such as disposable diapers.

Households that own vehicles prefer domestic cars and buy used vehicles. If they have automotive repair expertise, they service their own cars; others rely on the car dealership or a nearby garage. They eat out and go to the movies.

Aspiring Young Families

- Local Retail Market Area: 3.5% of households
- Greater Retail Market Area: 7.8% of households
- Residential Market Area: 5.9% of households

Demographic

Most of the residents in these neighborhoods are young, startup families, married couples with or without children, and single parents. The average family size of 3.1 people matches the US average. Approximately two-thirds of the households are families, 27 percent are single person, and 9 percent are shared. Annual population growth is 1.13 percent, higher than the US figure. The median age is 31.1 years; nearly 20 percent of the residents are in their 20s. Typical of younger populations, *Aspiring Young Families* residents are more ethnically diverse than the total US population.

Socioeconomic

The median household income is \$46,275; wages provide the primary source of income. Approximately 60 percent of employed residents work in professional, management, sales, or office/administrative support positions. Overall, 87 percent of residents aged 25 years and older have graduated from high school, 58 percent have attended college, and 24 percent hold a bachelor's or graduate degree.

Residential

In large, growing southern and western metropolitan areas, the highest concentrations of these neighborhoods are found in California, Florida, and Texas. Twenty percent are located in the Midwest. Tenure is nearly even; 51 percent of the households rent; 47 percent own their homes. Residents live in moderately priced apartments, single-family houses, and startup townhouses. Most of the housing was built after 1969. The average gross rent is comparable to the US average.

Preferences

Focused on family and home, residents of *Aspiring Young Families* communities spend most of their discretionary income for baby and children's products, toys, home furnishings, cameras, and video game systems. They go online to look for jobs, play games, and buy personal preference items such as music and computer equipment.

These residents would probably go to a theme park while on vacation. They play video games, watch TV, eat out, and go to the movies. They also play basketball and go bowling and biking. They listen to urban stations and professional basketball games on the radio and watch sports, news, entertainment, and courtroom shows on TV. They eat out at family restaurants such as Chili's or IHOP and go to Jack in the Box or Sonic for fast food.

Milk and Cookies

- Greater Retail Market Area: 13.1% of households
- Residential Market Area: 8.2% of households

Demographic

Upscale living on a family allowance, *Milk and Cookies* represents young, affluent married couples who are starting their families or already have young children. The median age of 34.1 years represents the presence of kids; nearly half of the households include children. One in four householders is between the ages of 45 and 54. The population diversity is comparable to that of the United States, and the proportions of the population by race approximate the US distributions with slightly above-average ratios of black and Hispanic residents.

Socioeconomic

Ninety percent of *Milk and Cookies* households earn income from wages. The median household income is \$57,170. Fifty-eight percent have attended college; more than 20 percent hold bachelor's or graduate degrees.

Residential

Milk and Cookies residents prefer single-family homes in suburban neighborhoods of cities, largely in the South, particularly in Texas. Smaller concentrations of households are located in the West and Midwest. Housing units are generally 20–30 years old. Given the concentration of dual-income families, 71 percent of households have at least two vehicles. A family with two or more workers, more than one child, and two or more vehicles is the norm for these neighborhoods.

Preferences

As *Milk and Cookies* residents settle into their family-oriented lifestyle, they focus on family and the future. They are properly insured, carrying life and accidental death and dismemberment policies. They use a credit union, have overdraft protection, and usually have a new car loan. Although they may still own a motorcycle or small car, they prefer larger vehicles. When they move, they rent a U-Haul and move their own belongings. Many households own a dog. The presence of children in *Milk and Cookies* households drives their large purchases of baby and children's products including baby food, baby equipment, clothes, shoes, medicine, vitamins, board games, bicycles, toys, video games, and children's DVDs. Most households own one of the latest video game systems and a large-screen TV.

To save time in their busy lives, they frequently buy prepared dinners from the grocery store and fast food. They play video games, go bowling, and visit theme parks such as Six Flags and Sea World. They watch professional football and basketball games. Favorite cable channels include Cartoon Network, Discovery Channel, National Geographic Channel, and BET. They also work on their lawns, tackle interior painting projects, or do minor maintenance on their vehicles.

Family Foundations

- Greater Retail Market Area: 8.8% of households
- Residential Market Area: 4.7% of households

Demographic

Family is the cornerstone of life in these neighborhoods that are a mix of married couples, single parents, grandparents, and young and adult children. The average family size is 3.3. The median age is 39.1 years, slightly older than the US median; 7 in 10 are aged 45 or older. Diversity is low; 84 percent of the population is black.

Socioeconomic

The median household income is \$38,460. Some workers are retiring. More than 20 percent of the employed residents work for the government. Approximately one-third of the households are on Social Security or public assistance. Although education attainment levels are below the US level, a slightly higher proportion of residents aged 25 or older have graduated from high school.

Residential

These small urban communities are located in large metropolitan areas, primarily in the South and Midwest. Because these residents tend to stay put, very little household growth has occurred since 2000. Sixty-eight percent own their homes. Most of their houses are single-family, built before 1970.

Preferences

Active in their communities, *Family Foundations* residents attend church, serve on church boards, help with fund-raising projects, and participate in civic activities. They spend money on their families and home maintenance projects. Careful consumers, they watch their budgets. They eat at home, shop at discount stores such as Marshalls and T.J. Maxx, and take advantage of savings at Sam's Club.

They're big TV fans; they watch courtroom shows, sports, and news programs. Viewership rates are very high; cable subscriptions are near the US level. Many households own multiple sets so they won't miss anything. They listen to gospel, urban, and jazz radio and read newspapers, *Entertainment Weekly*, and general editorial and newsmagazines. Basketball is a favorite sport; they play, attend professional games, watch games on TV, and listen to games on the radio.

Laptops and Lattes

- Residential Market Area: 4.2% of households

Demographic

With no home ownership or child-rearing responsibilities, residents of *Laptops and Lattes* neighborhoods enjoy single life in the big City. Most households are singles who live alone or with a roommate. The average household size remains constant at 1.8. Although this segment is slowly increasing, it is maturing and diversifying more quickly. The median age is 37.6 years. Although most of the population is white, Asians represent 10.4 percent of the total population.

Socioeconomic

This segment is affluent; the median household income of \$84,612 supports these residents. *Laptops and Lattes* residents are highly educated. More than 70 percent of residents aged 25 years and older hold a bachelor's or graduate degree; approximately 90 percent have attended college. The percentage enrolled in college or graduate school is more than three times the national level. Two-thirds of the employed residents work in professional or management positions, especially in the scientific, technical, finance, insurance, educational services, health care, and information industry sectors. More than half receive investment income; 19 percent earn self-employment income.

Residential

Laptops and Lattes residents prefer to live in major metropolitan areas such as New York City, Los Angeles, San Francisco, Boston, and Chicago. They are more likely to rent than own their homes; home ownership is at 39 percent. The majority of housing is apartments in multiunit buildings, especially those with 20 or more units. These neighborhoods are older and virtually untouched by urban renewal. Although 38 percent of the housing units were built before 1940, they are not inexpensive. The average gross rent is 85 percent higher than the US level, third highest of the Tapestry segments. Thirty percent do not own a vehicle.

Preferences

Cosmopolitan, connected, and politically liberal, *Laptops and Lattes* residents rely on their web-enabled cell phones instead of laptops to communicate. After the college segments, this is the top market to own an iPod and laptop or notebook computer. They go online to check e-mail, trade and track investments, review the latest news, arrange travel, and shop on sites such as amazon.com, ebay.com, and barnesandnoble.com. These residents travel, especially abroad, and enjoy a variety of vacations, such as backpacking, hiking, and beach trips. They stay at upscale hotels and rent cars when on vacation.

Laptops and Lattes residents go to the movies, the theater, dance performances, rock concerts, museums, bars, nightclubs and sporting events. They watch foreign films or movie classics on DVD and news and music channels on cable TV. *Saturday Night Live* is a favorite program. They eat out frequently and take adult education classes. They shop at Target for essentials and luxuries at high-end department and home stores.

Residents exercise regularly at a health club and practice yoga, go downhill skiing, play tennis, jog, and bike. They listen to public radio and contribute to PBS. They read a variety of books such as history, biographies, and self-help; and travel, epicurean, airline, fashion, finance, and business magazines. They tend to buy organic and low fat/high fiber food. They eat nutrition/energy bars and take vitamins regularly. They get involved in community activities, write to elected officials, write articles that are published, and participate in environmental groups.

Up and Coming Families

- Residential Market Area: 4.1% of households

Demographic

With an annual household growth rate of 4.56 percent, *Up and Coming Families* represents Tapestry Segmentation's second highest household growth market. A mix of Generation Xers and Baby Boomers with a median age of 32.6 years, this segment is the youngest of Tapestry Segmentation's affluent family markets. Residents of these neighborhoods are young, affluent families with younger children. Eighty percent of the households are families. Most of the residents are white; however, diversity is increasing as the segment grows.

Socioeconomic

Beginning their careers, residents of *Up and Coming Families* are earning above-average incomes. The median household income is \$69,522, higher than the national median. Nearly two-thirds of the residents aged 25 years and older have attended college; more than one in five holds a bachelor's degree. Ninety-one percent of households earn income from wages and salaries. Although half of the households have children, they also have working parents.

Residential

In the suburban outskirts of midsized metropolitan areas with populations higher than 250,000, approximately half of *Up and Coming Families* neighborhoods are concentrated in the South, the other half in the West and Midwest. Most residents live in new single-family housing; more than half the housing units were built in the last 10 years. Home ownership is at 80 percent.

Preferences

Family and home dictate the products these residents buy. Many are beginning or expanding their families, so baby equipment, children's clothing, and toys are essential purchases. Because many are first-time homeowners, basic household furniture and lawn fertilizer, weed control, and insecticide products are important. Car loans and mortgage payments are major household budget items. They are most likely to own or lease an SUV or a minivan. They eat out at family restaurants, especially on the weekends, and buy fast food at the drive-through or for takeout.

They play softball, take the kids to the zoo, and visit theme parks (generally Sea World or Disney World) where they make good use of their digital camera or camcorder. They rent comedy, family, and action/adventure DVDs. Cable station favorites include Country Music Channel, ESPN news, The Learning Channel, and the Disney Channel. They listen to country, soft rock, and contemporary hit radio.

Appendix C: Residential Market Analysis Tables

Existing Housing: City of Avondale Estates, Residential Market Area and Atlanta MSA

Housing Characteristic	City of Avondale Estates	Residential Market Area	Atlanta MSA
Occupied Units (2013)	1,342	392,600	1,991,823
Owner occupied	57.7%	48.3%	63.2%
Renter occupied	42.3%	51.7%	36.8%
Vacancy Rate (2013)	9.0%	12.8%	10.0%
Owner Occupied Unit Value (2013)			
Under \$100,000	2%	17%	22%
\$100,000 to \$149,999	10%	23%	25%
\$150,000 to \$199,999	14%	17%	18%
\$200,000 to \$249,999	13%	10%	11%
\$250,000 to \$299,999	15%	7%	7%
\$300,000 to \$399,999	24%	9%	8%
\$400,000 to \$499,999	12%	5%	4%
\$500,000 or more	10%	10%	6%
Median Owner Occupied Unit Value (2013)	\$285,000	\$177,665	\$158,071
Contract Rent (2005-2009)			
Less than \$400	12%	9%	9%
\$400 to \$599	0%	16%	17%
\$600 to \$799	0%	31%	33%
\$800 to \$999	40%	21%	21%
\$1,000 to \$1,249	49%	11%	10%
\$1,250 or more	0%	9%	6%
No cash rent	0%	3%	4%
Median Contract Rent (2005-2009)	\$996	\$760	\$733
Units in Structure (2005-2009)			
Single Family Detached	84%	49%	67%
Single Family Attached	4%	6%	5%
2-4 Units	3%	7%	4%
5-9 Units	8%	10%	6%
10+ Units	0%	27%	14%
Other (mobile home, boat, RV, etc.)	2%	1%	3%
Year Structure Built (2005-2009)			
Built since 2000	3%	15%	22%
Built 1990 to 1999	3%	13%	23%
Built 1980 to 1989	18%	16%	20%
Built 1970 to 1979	3%	15%	14%
Built 1960 to 1969	11%	14%	9%
Built prior to 1960	62%	26%	13%
Median Year Structure Built	1957	1976	1987

Source: 2010 U.S. Census; 2005-2009 American Community Survey; ESRI Business Information Solutions

Ten-Year Potential Demand for For-Sale Units: Residential Market Area

New Household Demand		Demand from Turnover	
Annual New Households (1)	5,060	Total Households (1)	392,600
Owner Propensity (2)	63%	Owner Propensity (2)	48%
Number	3,198	Number	190,018
Income Qualified (3)	55%	Turnover Rate (6)	9%
Number	1,759	Number	17,102
Household Size Qualified (4)	80%	Income Qualified (3)	48%
Number	1,404	Number	8,243
Target Market Adjustment (5)	18%	Household Size Qualified (4)	72%
Number	255	Number	5,894
		Target Market Adjustment (5)	41%
		Number	2,416
Adjustment Factor (7)		10%	
Total Annual Potential Market Demand		2,939	

1. ESRI BIS.
2. Estimated proportion of owner households in MSA and market area in 2013 from ESRI BIS.
3. Estimated proportion of households in the MSA and market area with annual incomes of \$50,000 or more.
4. Estimated proportion of owner households in the MSA and market area with 1 to 3 persons.
5. Based on Tapestry data, estimated proportion of MSA and market area households to whom the proposed type of housing would appeal.
6. Estimated proportion of owner households in the market area that turnover within a 12-month period, based on the American Community Survey.
7. Adjustment factor to take into account households that fall outside of this model.

Sources: Marketek, Inc.; 2010 U.S. Census; American Community Survey; ESRI BIS

Ten-Year Potential Demand for Rental Units: Residential Market Area

New Household Demand		Demand from Turnover	
Annual New Households (1)	5,060	Total Households (1)	392,600
Renter Propensity (2)	37%	Renter Propensity (2)	52%
Number	1,862	Number	202,582
Income Qualified (3)	31%	Turnover Rate (6)	22%
Number	585	Number	44,163
Household Size Qualified (4)	75%	Income Qualified (3)	32%
Number	439	Number	14,088
Target Market Adjustment (5)	18%	Household Size Qualified (4)	81%
Number	79	Number	11,355
		Target Market Adjustment (5)	41%
		Number	4,655
Adjustment Factor (7)		10%	
Total Annual Potential Market Demand		5,208	

1. ESRI BIS.
2. Estimated proportion of renter households in MSA and market area in 2012 from ESRI BIS.
3. Estimated proportion of households in the MSA and market area with annual incomes from \$25,000-\$60,000.
4. Estimated proportion of renter households in the MSA and market area with 1 to 3 persons.
5. Based on Tapestry data, estimated proportion of MSA and market area households to whom the proposed type of housing would appeal.
6. Estimated proportion of renter households in the market area that turnover within a 12-month period, based on the American Community Survey.
7. Adjustment factor to take into account households that fall outside of this model.

Source: Marketek, Inc.; 2010 U.S. Census; American Community Survey; ESRI BIS

Potential Supportable For-Sale and Rental Product: Study Area Capture over Ten Years

Year	For-Sale Units ¹			Rental Units ²			Total Potential Supportable Units
	Potential Demand	Study Area Capture		Potential Demand	Study Area Capture		
	Units	Rate	Units	Units	Rate	Units	
Year 1	2,939	2.0%	59	5,208	1.0%	52	111
Year 2	2,939	2.0%	59	5,208	1.0%	52	111
Year 3	2,939	2.0%	59	5,208	1.0%	52	111
Year 4	2,939	2.5%	73	5,208	1.5%	78	152
Year 5	2,939	2.5%	73	5,208	1.5%	78	152
Year 6	2,939	2.5%	73	5,208	1.5%	78	152
Year 7	2,939	3.0%	88	5,208	2.0%	104	192
Year 8	2,939	3.0%	88	5,208	2.0%	104	192
Year 9	2,939	3.0%	88	5,208	2.0%	104	192
Year 10	2,939	3.0%	88	5,208	2.0%	104	192
Total	29,391	2.6%	749	52,080	1.6%	807	1,557

1. As shown in "Ten-Year Potential Demand for For-Sale Units."

2. As shown in "Ten-Year Potential Demand for Rental Units."

Source: Marketek, Inc.

Appendix D: Retail Market Analysis Tables

Summary of Merchandise and Service Categories

Merchandise/Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's, Footwear, Watches, Jewelry
Home Furnishings	Furniture, Floor Coverings, Major and Small Appliances, Household Textiles, Floor Coverings, Housewares, Dinnerware
Home Improvement	Maintenance and Remodeling Materials, Lawn & Garden
Electronics	PC Software and Hardware, Telephones, DVDs/CDs/Video Games, Audio Equipment
Misc. Specialty Retail	Pet Care, Books & Periodicals, Sporting Equipment, Toys & Hobbies, Luggage, Eyeglasses, Office/School Supplies
Groceries	Food at Home, Nonalcoholic Beverages at Home, Alcoholic Beverages, Smoking Products
Restaurants	Food Away From Home, Alcoholic Beverages
Entertainment	Admission to Movie/Theater/Opera/Ballet, Recreational Lessons, Participation in Clubs
Personal Services	Shoe Repair, DVD Rental, Laundry & Dry Cleaning, Alterations, Clothing Rental, Storage, Watch & Jewelry Repair, Photo Processing & Supplies, Child Care

Retail Expenditure Potential: Local & Greater Retail Market Areas, 2014-2024

Merchandise or Service Category	Spend- ing per Hhold	Target Sales* (\$/SF)	2014 Retail Potential	2019 Retail Potential	2024 Retail Potential

			Sales (in mill)	Space (SF)	Sales (in mill)	Space (SF)	Sales (in mill)	Space (SF)
Local Retail Market Area**								
Grocery	\$5,744	\$390	\$87.8	225,025	\$93.2	238,914	\$97.8	250,802
Health & Personal Care	\$875	\$365	\$13.4	36,620	\$14.2	38,881	\$14.9	40,815
Convenience Goods			\$101.1	261,646	\$107.4	277,795	\$112.7	291,618
Personal Services	\$926	\$151	\$14.1	93,645	\$15.0	99,425	\$15.8	104,372
Greater Retail Market Area								
Apparel	\$1,180	\$209	\$146.4	700,705	\$152.4	729,092	\$159.2	761,582
Home Furnishings	\$834	\$199	\$103.5	520,125	\$107.7	541,196	\$112.5	565,314
Home Improvement	\$1,099	\$140	\$136.4	974,192	\$141.9	1,013,658	\$148.2	1,058,830
Electronics	\$602	\$216	\$74.8	346,172	\$77.8	360,196	\$81.3	376,248
Misc. Specialty Retail	\$1,289	\$216	\$160.0	740,909	\$166.5	770,925	\$173.9	805,280
Shoppers' Goods			\$621.1	3,282,102	\$646.3	3,415,067	\$675.1	3,567,254
Restaurants	\$2,998	\$263	\$372.1	1,414,837	\$387.2	1,472,155	\$404.4	1,537,759
Entertainment	\$371	\$90	\$46.0	511,420	\$47.9	532,139	\$50.0	555,853
Total			\$1,154.5	5,563,650	\$1,203.8	5,796,581	\$1,258.0	6,056,856
Five Year Net Gain					\$49.2	232,931	\$54.3	260,275

* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

Typical Sizes of Selected Businesses

Merchandise or Service Category	Median	National	Local Chain	Independent
Specialty Retail				
Art Gallery	1,802	~	1,802	1,907
Arts/Crafts Supplies	8,928	20,957	~	3,070
Beauty Supplies	1,807	1,634	2,450	1,829
Bike Shop	3,440	~	~	2,596
Bookstore	10,093	23,000	9,990	2,740
Cameras	2,000	2,000	~	~
Children's Wear	3,913	4,879	3,054	2,105
Family Shoe Store	4,000	4,113	5,100	2,460
Gift/Cards	4,200	4,900	3,780	1,653
Hardware	13,200	13,900	~	~
Home Accessories	7,595	10,215	5,365	2,462
Jewelry	1,500	1,610	1,968	1,200
Luggage	2,500	2,499	~	~
Men's Clothing Store	3,500	4,319	3,065	2,750
Pet Supplies	7,995	17,600	3,201	3,200
Music	4,464	6,178	~	2,017
Sporting Goods	8,465	22,000	4,980	2,995
Toys	7,855	12,000	~	3,344
Women's Clothing Store	4,400	4,503	3,960	2,145
Convenience				
Drugstore/Pharmacy	10,920	10,860	16,668	4,977
Supermarket	50,420	49,071	51,495	23,300
Bakery	1,990	4,000	~	1,700
Gourmet Grocery	18,000	~	~	~
Wine/Liquor	3,440	~	6,237	2,920
Personal Services				
Day Spa	2,875	~	2,563	3,060
Women's Hair Salon	1,400	1,450	1,250	1,361
Nail Salon	1,200	~	1,200	1,200
Picture Framing	1,600	1,703	~	1,588
Health Club	10,249	9,548	5,508	10,249
Mail/Packaging/Photocopying	1,278	1,240	~	1,236
Tailor/Alteration	950	~	900	1,035
Movie Rental	6,000	6,333	4,240	4,733
Shoe Repair	855	~	~	795
Drycleaners	1,800	~	1,800	1,649
Day Care	4,000	~	~	3,901
Laundry	2,114	~	2,150	1,955
Restaurants				
Restaurant with Liquor	5,204	6,669	5,600	3,362
Restaurant without Liquor	3,581	6,500	3,025	2,625
Bar/Cocktail Lounge	3,821	~	~	3,821
Ice Cream Parlor	1,137	1,144	1,137	1,116
Coffee/Tea	1,578	1,650	1,624	1,400

Source: Urban Land Institute, "Dollars and Cents of Shopping Centers"

