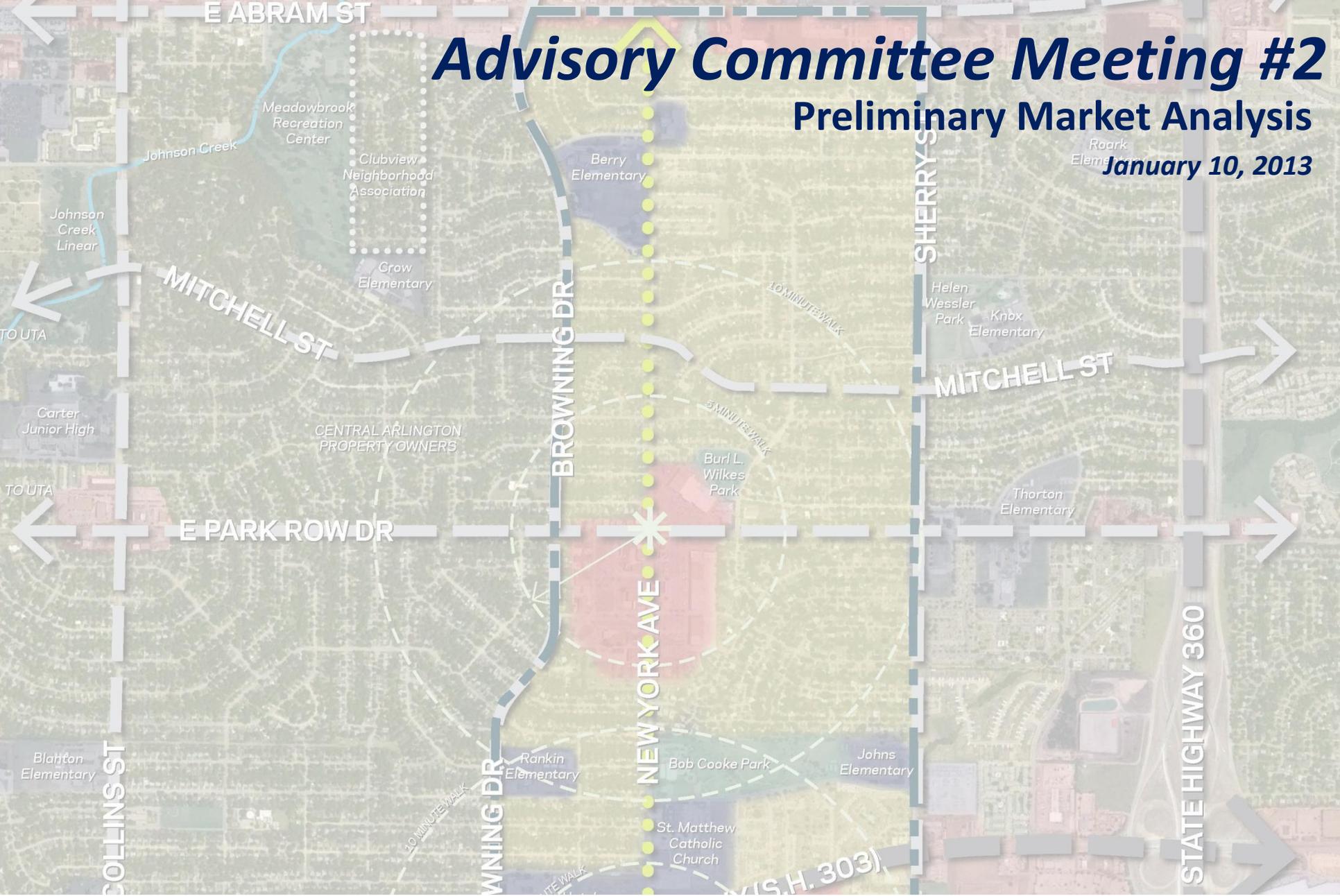


Advisory Committee Meeting #2

Preliminary Market Analysis

January 10, 2013



NEW YORK AVENUE CORRIDOR STRATEGY



Agenda

- Market Analysis Overview
- Property Characteristics
- Demographic and Economic Characteristics
- Market Demand
- Psychographic Segment Definitions
- Questions / Discussion
- Next Steps



Market Analysis Overview

Purpose and Intentions

The New York Avenue Corridor Strategy is intended to generate ideas and identify key goals and strategies to create a comprehensive vision to maximize the corridor's potential for redevelopment.

Project Intentions

- Support strong neighborhoods
- Create a functional corridor for all users (residents, business owners, consumers, commuters) and add value and improved quality of life to the adjacent neighborhoods and the City as a whole
- Provide the necessary guidance to direct the public and private investments in the corridor that leverage resources



Purpose and Intentions

Market Analysis Purpose

- to ensure planning decisions are grounded in market and economic reality
- to provide an understanding of the private sector's likely response to targeted public sector initiatives
- to “ready the environment for investment”



Methodology

Demand Analyses

Within a study area, project area and trade area ...

- What are the existing conditions which impact the study area's current condition (physical, market, social, etc.)
- What are prevailing uses that have influenced the study area's evolution
- What is the profile of the area beyond the study area (the distance and magnitude to different market segments)
- What are the psychographic segments present that may or may not be served by existing uses
- How much demand will there be near- and long-term for select market segments


Stakeholder Vision

Methodology (cont'd)

Stakeholder Vision



Feasibility Analyses

Based on market demand and an expressed vision ...

- What is the physical capacity of the area to accommodate development
- Will the existing building inventory accommodate redevelopment
- Do current regulations present potential barriers to investment and reinvestment
- Are there property assemblages significant enough to accommodate catalyst investment
- If not, are property ownership patterns favorable for assemblages
- What has acquisition and disposition activity been in the study area
- What are the economic factors that impact feasibility (hard and soft costs)

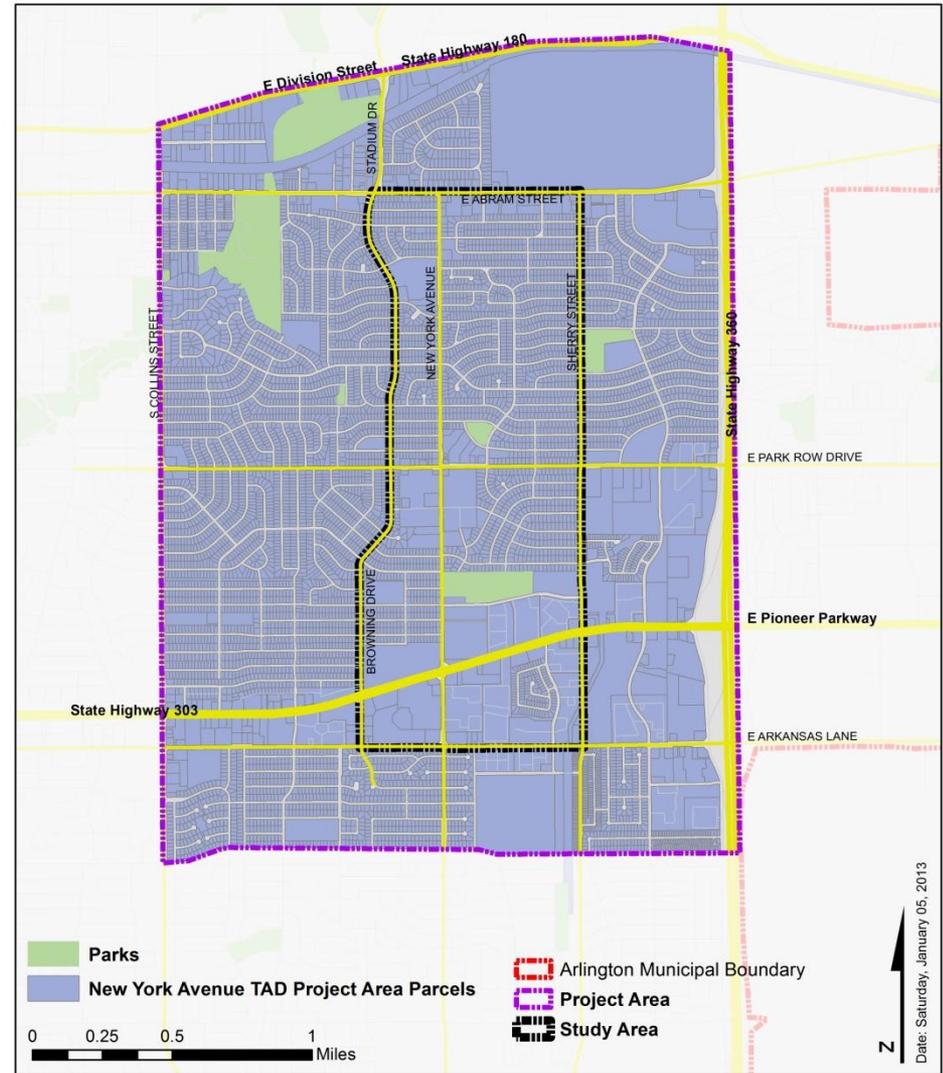


Levels of Geography

Study Area: that area which is the subject of this redevelopment strategy (East Arkansas Lane, Browning Drive, Sherry Street and East Abram Street)

Project Area: that area which includes properties which could influence redevelopment initiatives within the study area (East Division Street / State Highway 180, State Highway 360, East Mayfield Road, South Collins Street)

Trade Area: that area from which land uses and products will capture and compete for a share of market demand (a map of the trade area is presented later in this presentation)



Property Characteristics

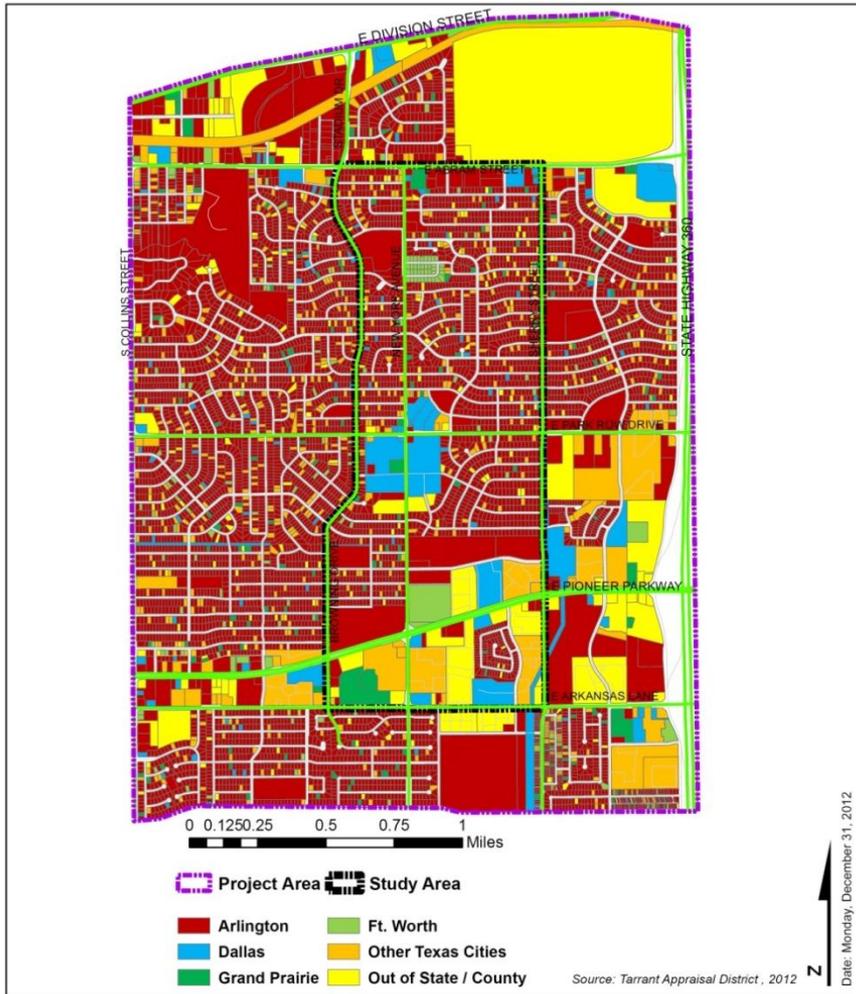
Study Area Investment Climate

Property conditions such as those presented here may not be obvious through visual inspection, but nonetheless impact investment and reinvestment decisions. This information will assist in identifying and locating potential challenges to, and opportunities for, reinvestment or new investment. Understanding them will also provide a foundation for stakeholder education (what is possible given existing “realities”).

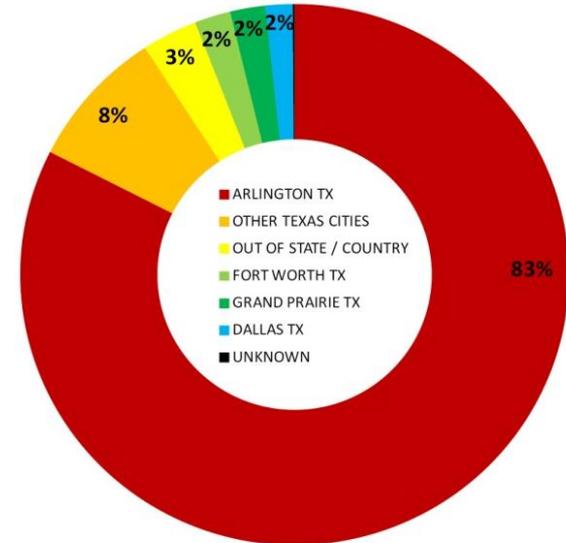


Property Ownership

Thematic Map of Parcels by Ownership Geography



Percent of Parcels by Ownership Geography



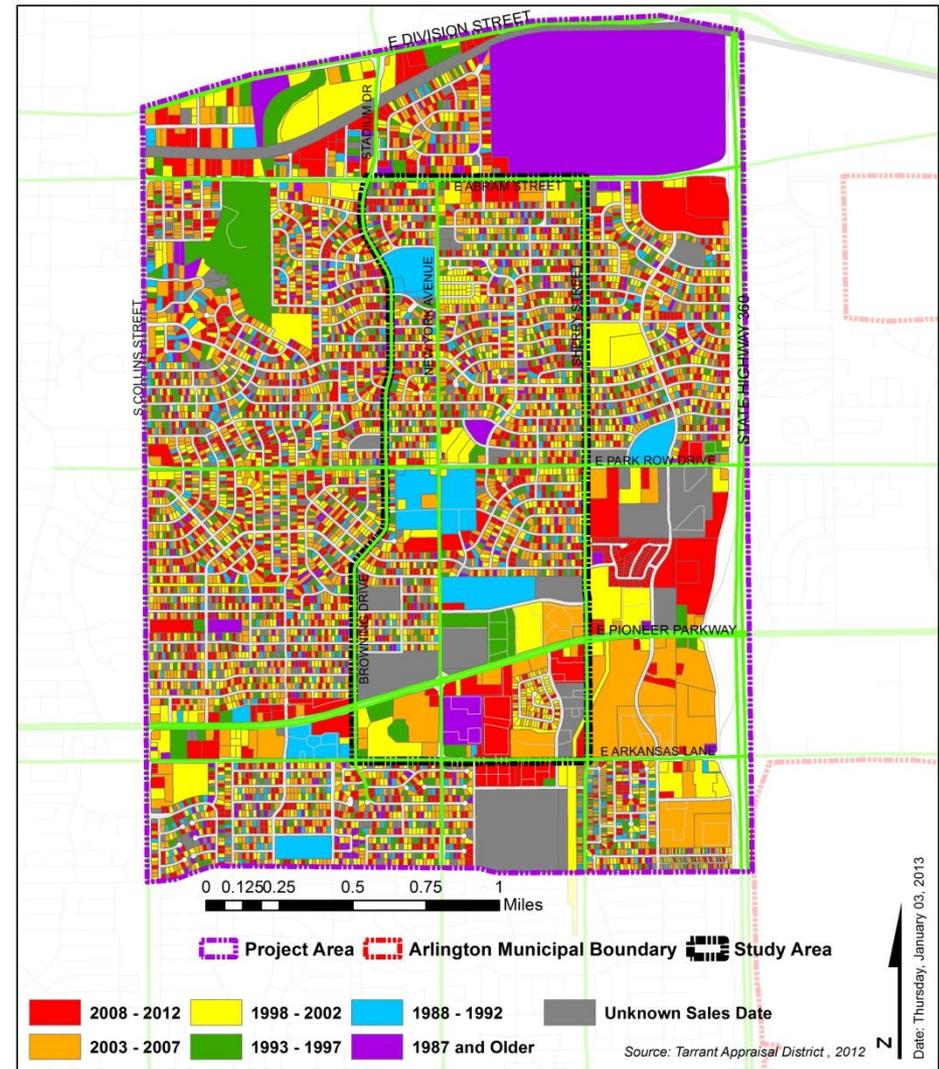
GEOGRAPHY	RECORDS	ACRES	LAND VALUE	IMPROVEMENT VALUE	TOTAL ASSESSED VALUE
ARLINGTON TX	6,723	1,831	\$ 118,436,474	\$ 400,765,296	\$ 519,201,770
OTHER TEXAS CITIES	679	274	\$ 25,053,724	\$ 88,687,278	\$ 113,741,002
OUT OF STATE / COUNTRY	267	509	\$ 38,198,076	\$ 126,873,518	\$ 165,071,594
FORT WORTH TX	173	57	\$ 5,153,430	\$ 12,473,722	\$ 17,627,152
GRAND PRAIRIE TX	169	58	\$ 5,709,933	\$ 10,784,045	\$ 16,493,978
DALLAS TX	130	159	\$ 16,020,819	\$ 28,509,336	\$ 44,530,155
UNKNOWN	9	105	\$ 256,400	\$ 263,012	\$ 519,412
TOTAL	8,150	2,994	\$ 208,828,856	\$ 668,356,207	\$ 877,185,063



Sales Date

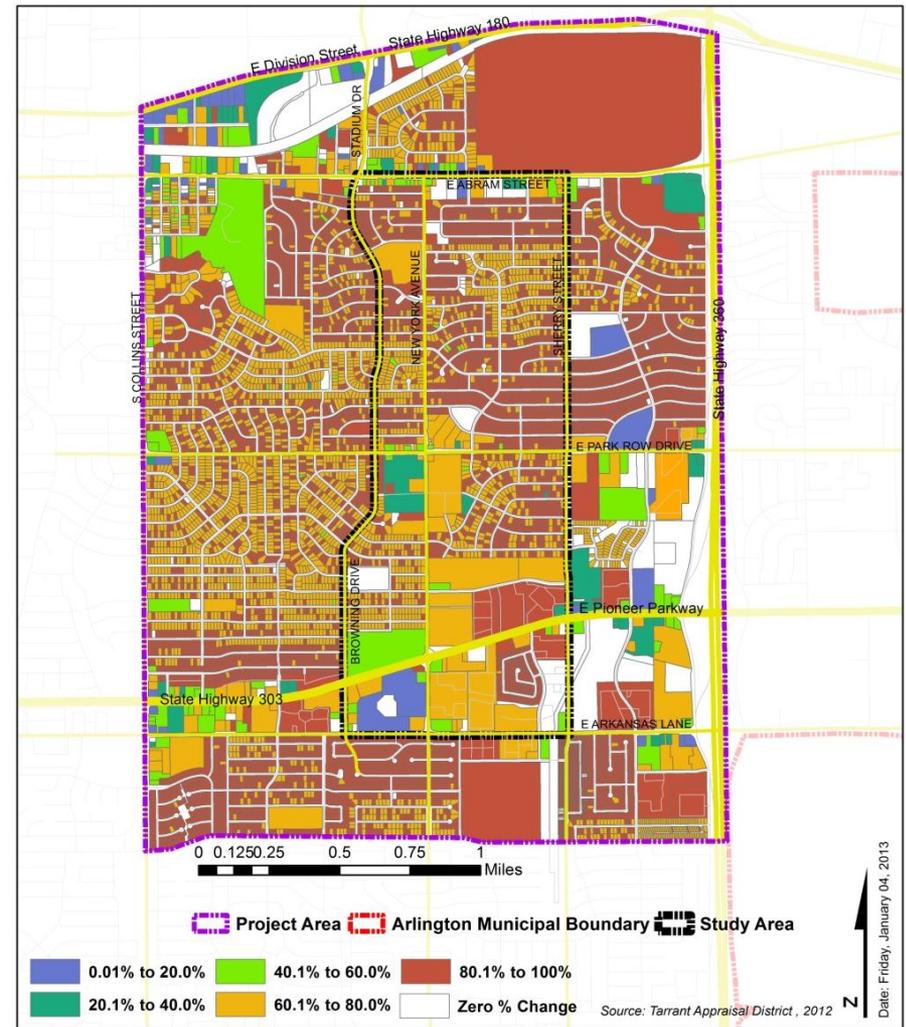
- Property sales dates influence individual site's ability to redevelop
- Parcels that have been held for longer periods of time are more likely to have had outstanding loans paid in full, allowing owners to look at options for re-investment

Number of Parcels by Sales Date



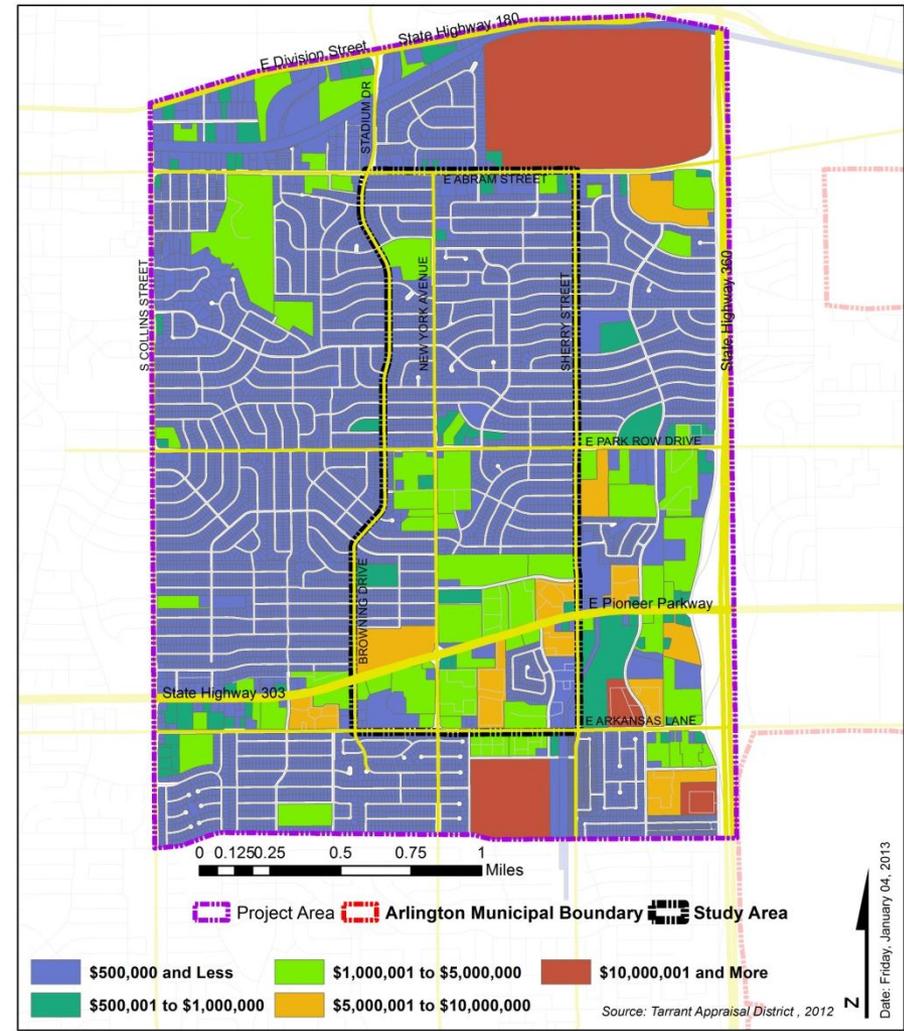
Parcel Utilization

- Measure of an area's or parcel's "ripeness" for revitalization and / or redevelopment
- Reflects the ratio of improvement value to total value
- When the land value represents a disproportionate share of total value, these parcels often become targets for redevelopment or assembly for new development
- Study Area shows a number of parcels, most located along primary and secondary arterials, which could be considered "under-utilized" (i.e., improvements represent less than 60% of total value)



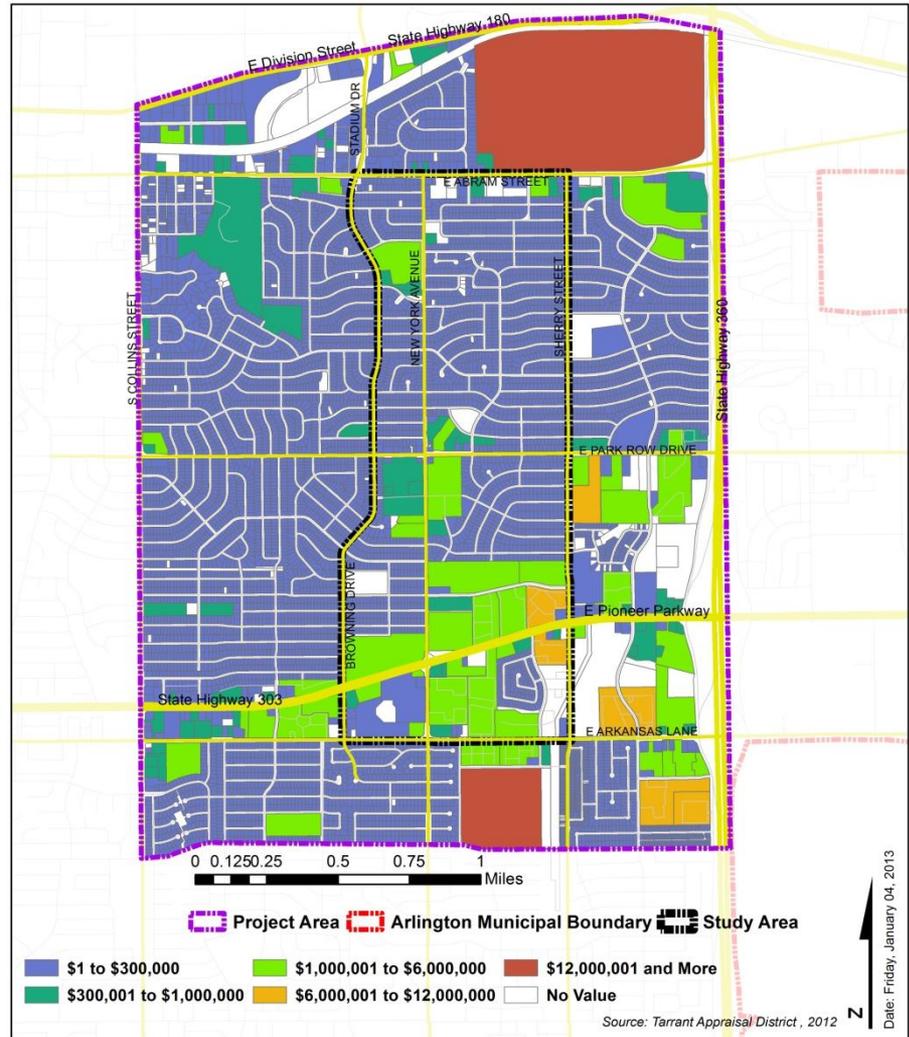
Total Value

- Measure of value (land + improvement)
- High value parcels are less likely to be considered near-term redevelopment opportunities given their high acquisition cost
- Study Area maintains some parcels valued in excess of \$10 m, however these include the GM plant and high school which are unlikely to be redeveloped
- Several commercial properties located adjacent to the southern edge of East Abram Street are valued below \$500,000 and could present opportunities for redevelopment



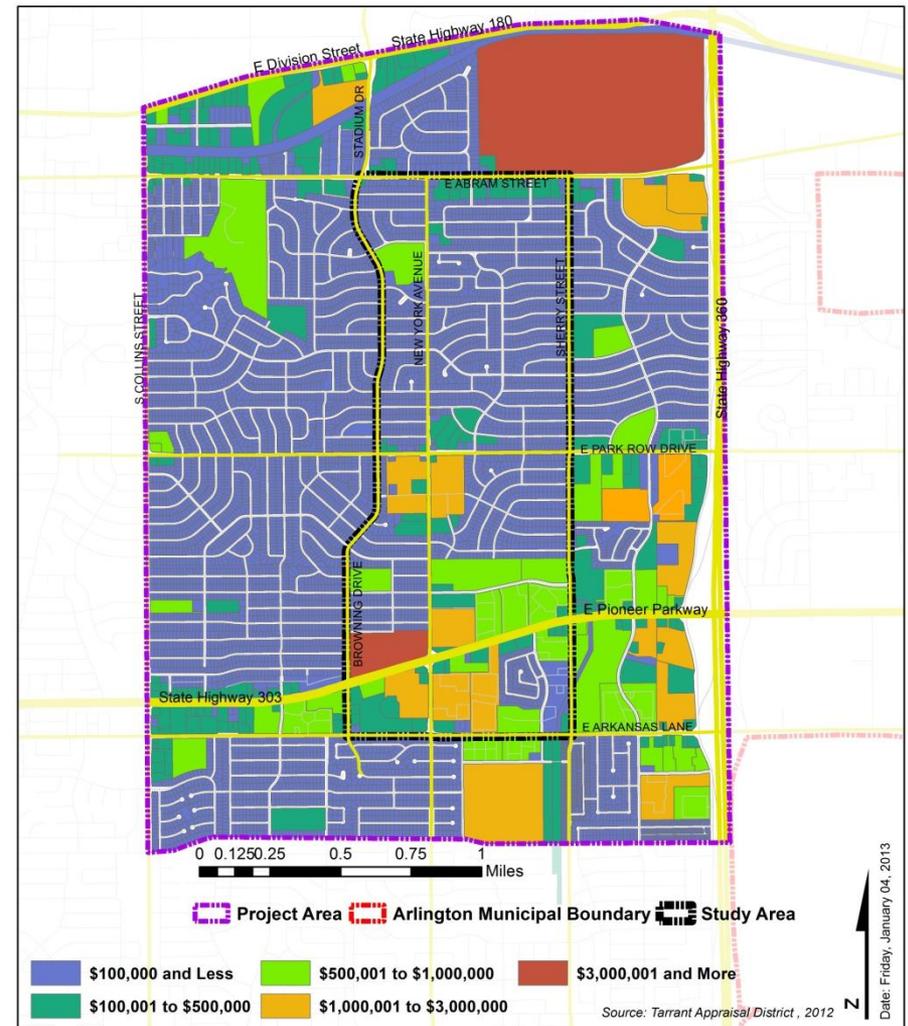
Improvement Value

- Measure of improvement value only
- High improvement values can also present a barrier to reinvestment given the combined impact of high acquisition and potential demolition costs
- Most of the commercial improvements located adjacent to the southern edge of East Abram Street are valued below \$300,000 making them financially feasible for redevelopment (other tests of feasibility would have to be completed prior to acquisition)
- Parcels with an improvement value of \$0 can be assumed to be vacant.



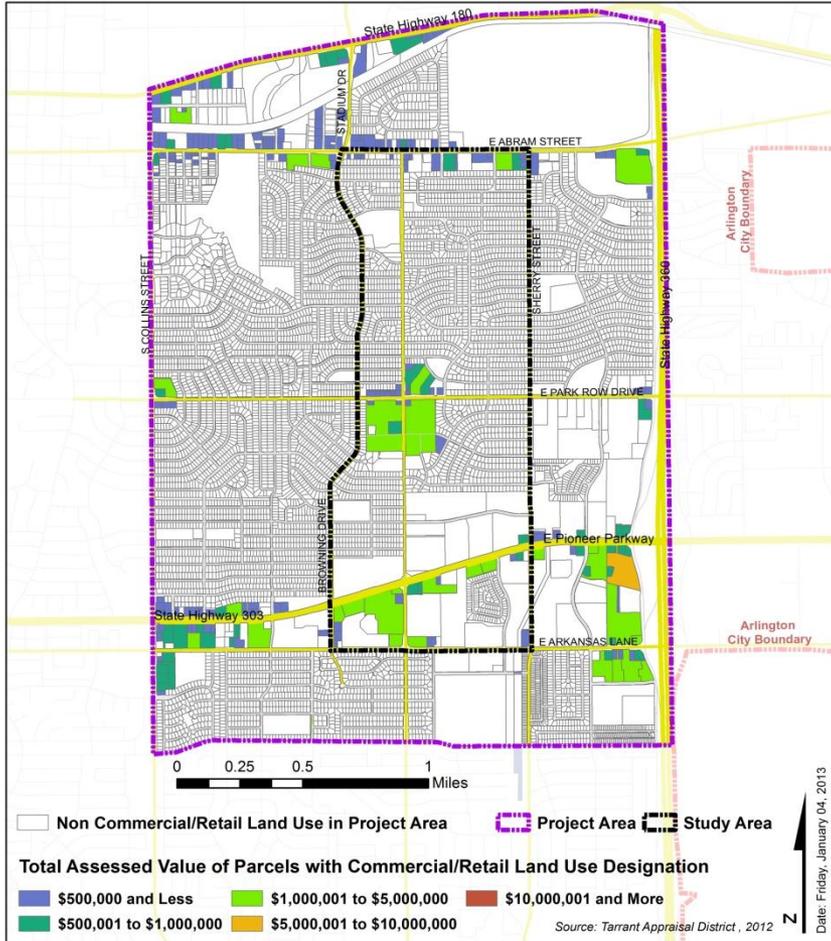
Land Value

- Measure of land value only
- Non-residential parcels located along New York Avenue, State Highway 303 (East Pioneer Parkway) and State Highway 360 range in value from \$100,000 to \$3,000,000 with the vast majority below \$1,000,000 and several others below \$500,000 suggesting a significant inventory of properties with potential for redevelopment as measured by value

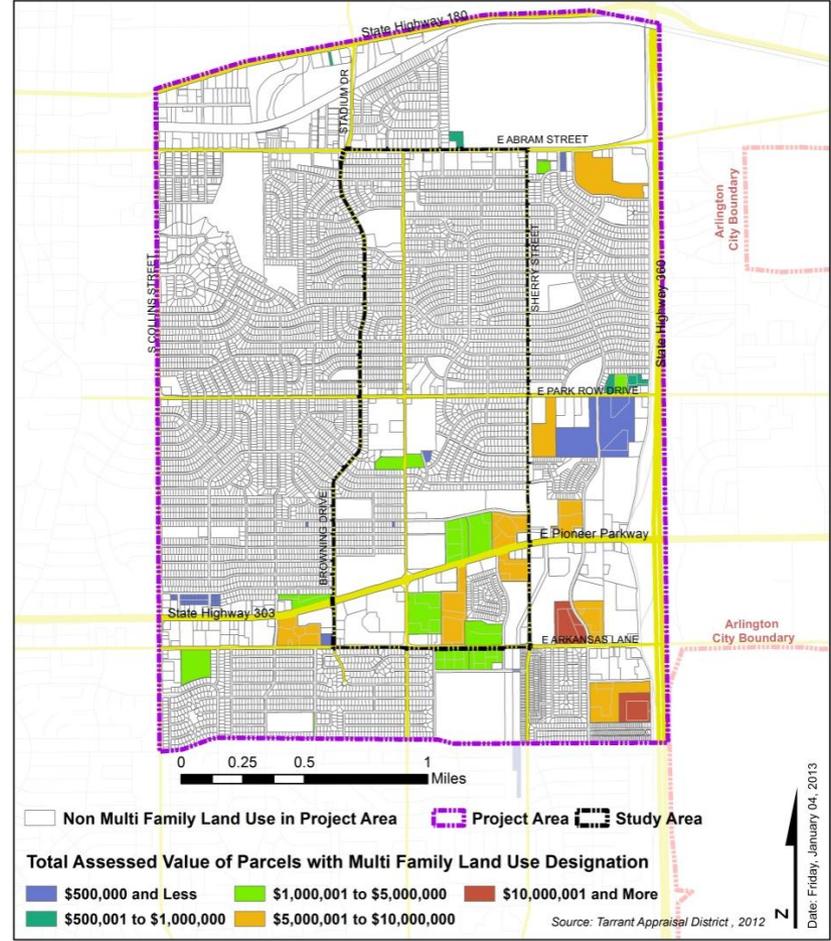


Total Value By Land Use Type

Commercial

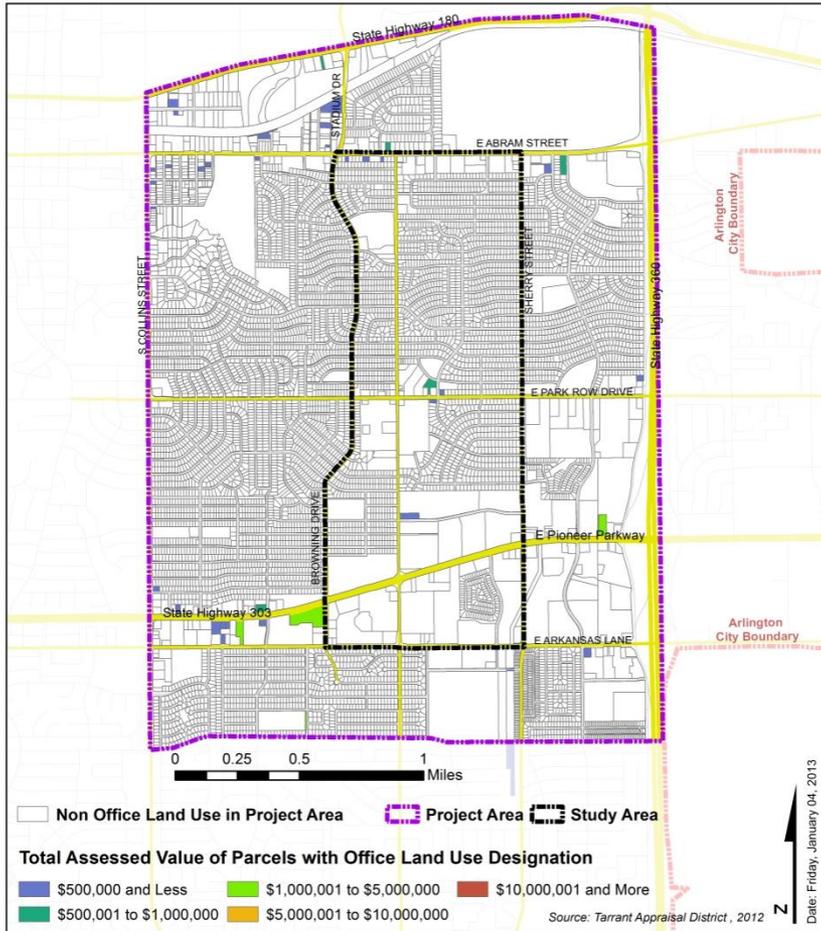


Multifamily

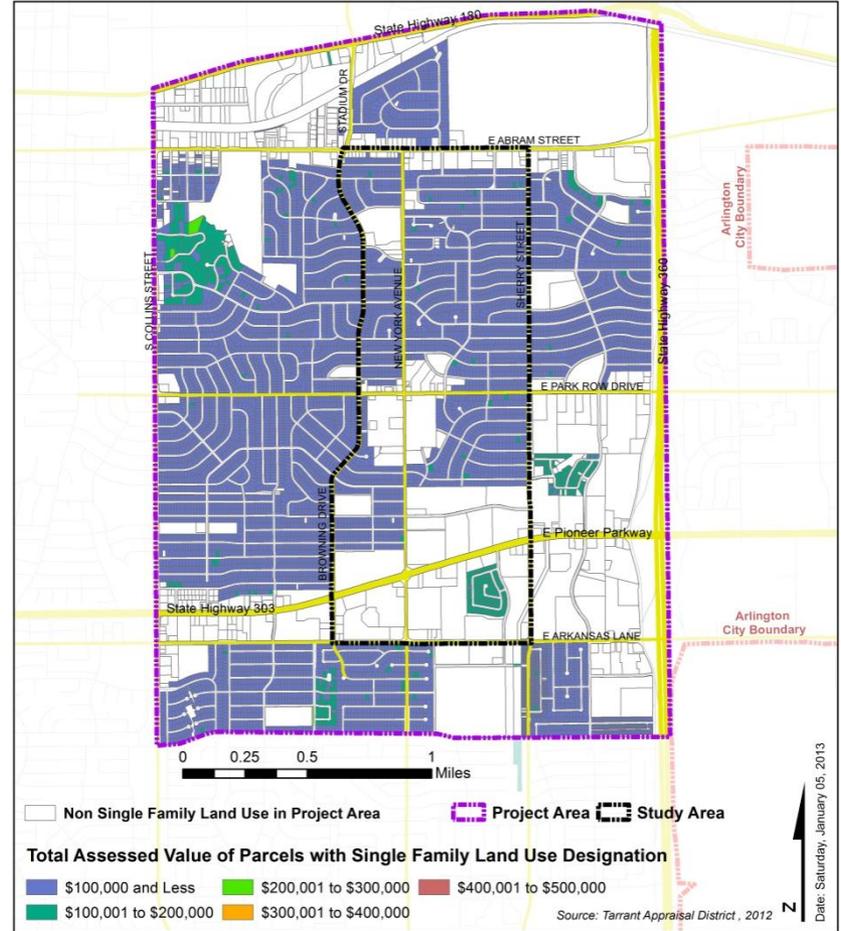


Total Value By Land Use Type

Office

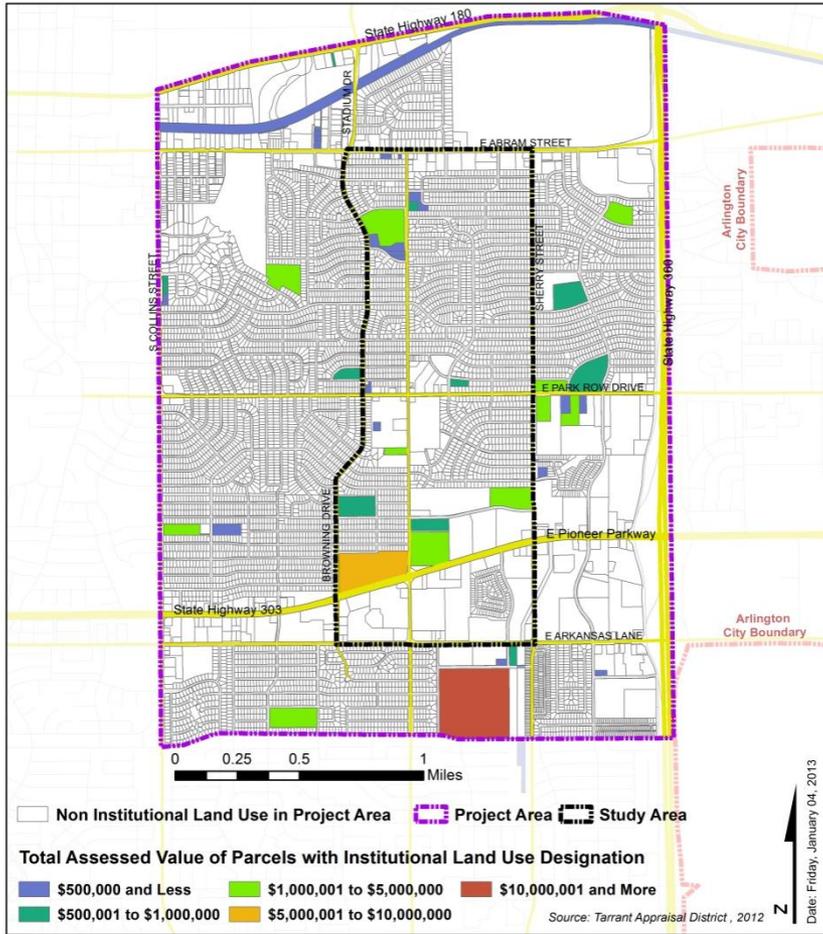


Single Family

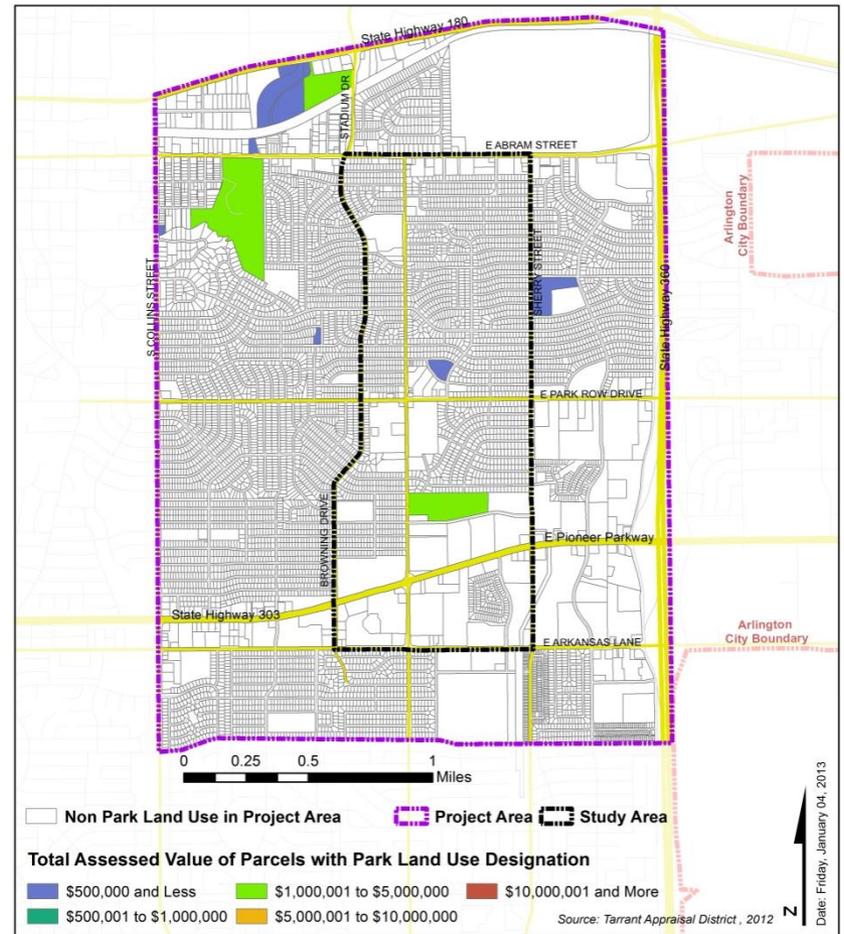


Total Value By Land Use Type

Institutional

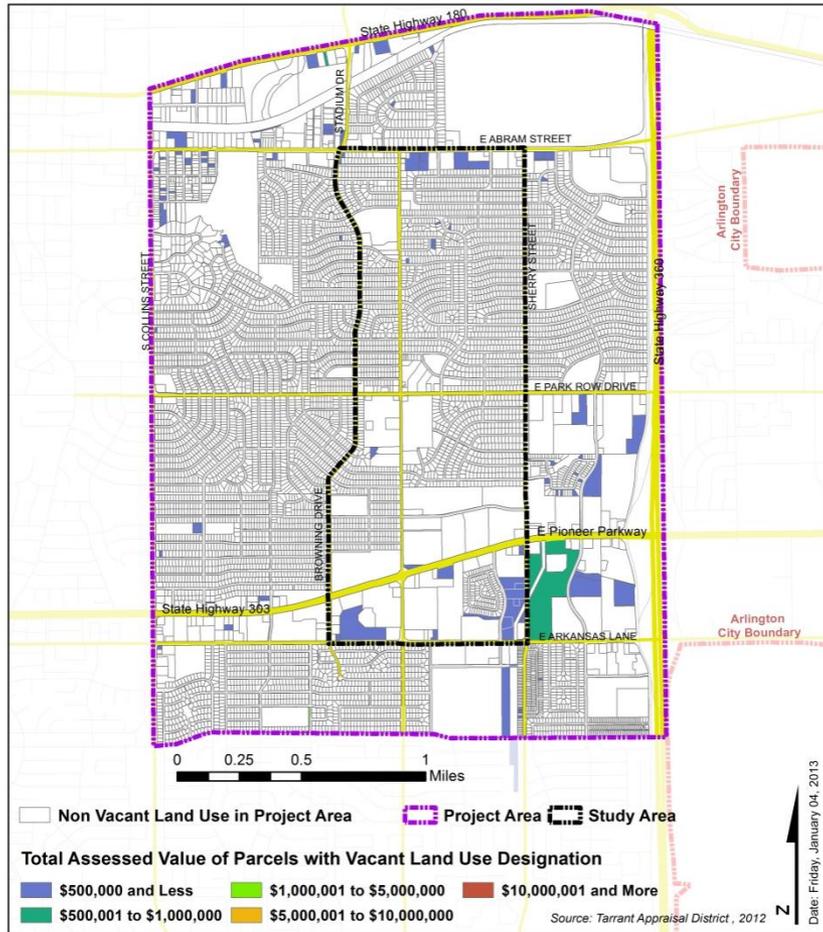


Park



Total Value By Land Use Type

Vacant



Demographic and Economic Characteristics

Demographic and Economic Characteristics

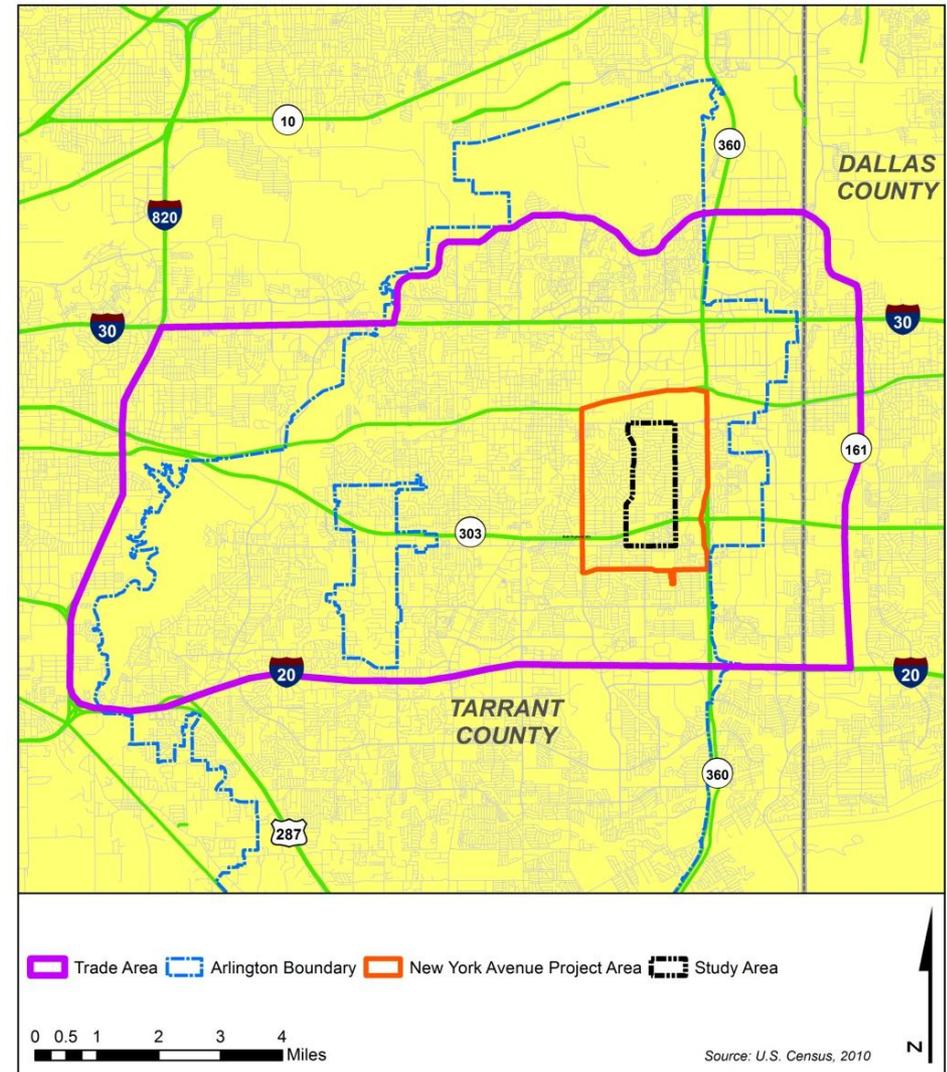
Economic and demographic characteristics in a market are indicators of overall trends and economic health which may affect private and public sector investment. The following maps and tables highlight select trends expected to affect development and redevelopment demand within the New York Avenue Trade Area, Project Area and Study Area over the next several years.



Trade Area

A Trade Area is intended to represent that area from which land uses and products will capture and compete for a share of market demand.

Factors that influence the shape of a trade area include: physical and psychological barriers, presence of activity generators, travel patterns and right-of-ways, and competition.



Demographic Profile

- The Project Area and City are projected to grow at considerably slower rates than the DFW Metroplex overall.
- The Project Area has a higher share of renter-occupied households, but still shows a higher average household size than either the City or the DFW Metroplex.
- The Project Area skews younger than either the City or the DFW Metroplex, with a greater share of school-aged children.

data for 2010 unless noted	New York Avenue Project Area	City of Arlington	DFW Metroplex
2012 Population	48,661	367,450	5,197,317
2012 Households	15,118	133,700	2,475,000
Annual Household Growth (2012-2022)	0.6%	1.0%	1.8%
Average Household Size	3.16	2.72	2.73
Percent Non-Family Households	29%	32%	31%
Percent Renters	50%	43%	38%
Percent Age 65+	7%	8%	9%
Percent Age 0 - 19	34%	31%	30%
Median Age	29.9	32.1	33.8

Source: U.S. Census Bureau; NCTCOG; Claritas, Inc. and Ricker|Cunningham



Demographic Profile (cont'd)

- Education levels and household and per capita incomes in the Project Area are considerably lower than in the City and Metroplex overall. The Project Area also contains a higher concentration of lower-income (<\$25,000) households.
- The Project Area has a significantly higher concentration of Hispanic residents than either the City or Metroplex, and a similar concentration of African-American and Asian-American residents.

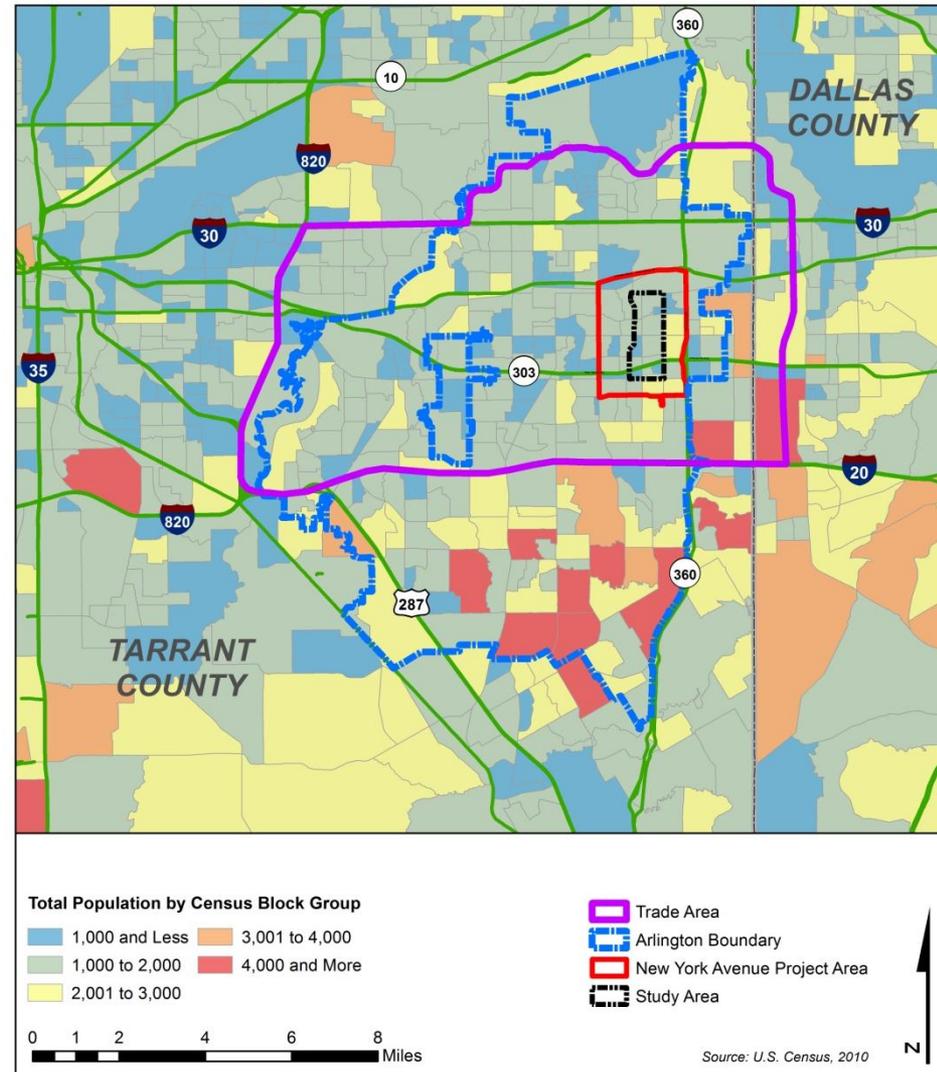
data for 2010 unless noted	New York Avenue Project Area	City of Arlington	DFW Metroplex
Percent w 4-yr College Degree	8%	28%	29%
Percent Self-Employed (16+)	5%	6%	6%
Median Household Income	\$38,300	\$52,100	\$53,600
Per Capita Income	\$13,600	\$25,000	\$26,800
Percent with Income <\$25K	29%	21%	21%
Percent with Income \$100K+	4%	20%	23%
Percent Hispanic (of any race)	58%	27%	27%
Percent African-American	15%	19%	14%
Percent Asian-American	6%	7%	6%

Source: U.S. Census Bureau; NCTCOG; Claritas, Inc. and Ricker|Cunningham



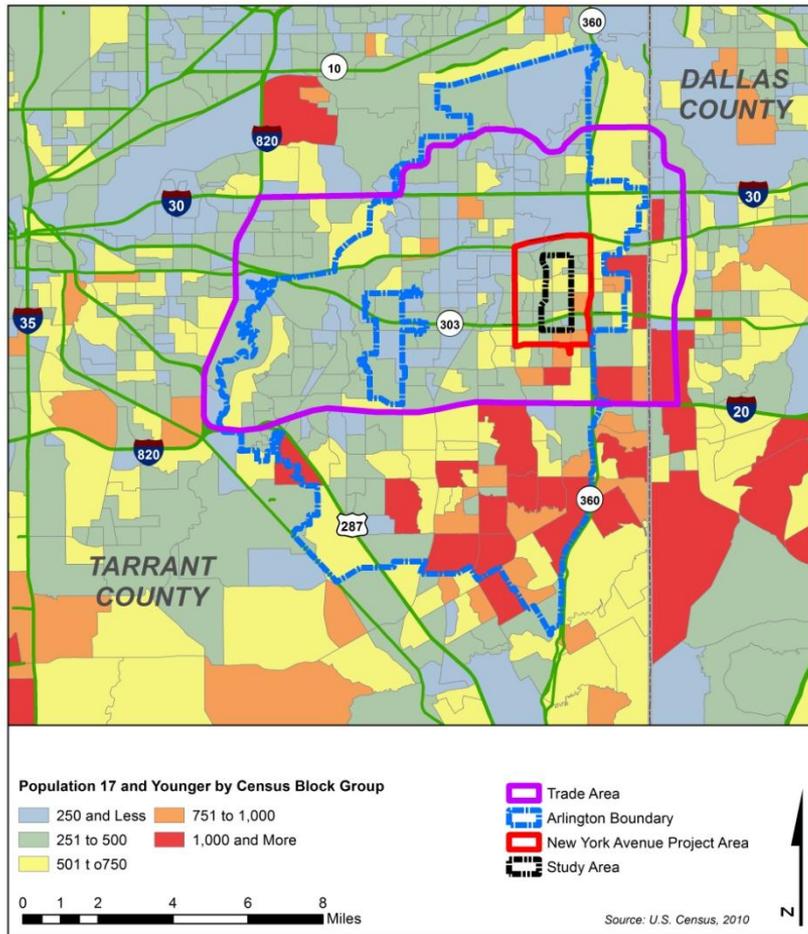
Population

- Census blocks within the Project Area could be described as comparatively low density with the majority having fewer than 2,000 people per block group.
- There are no census blocks within the Project Area that have more than 3,000 people per block group.
- The highest concentrations of people in the region are located south of the Trade Area between State Highway 360 and U.S. Highway 287 and east of State Highway 360.

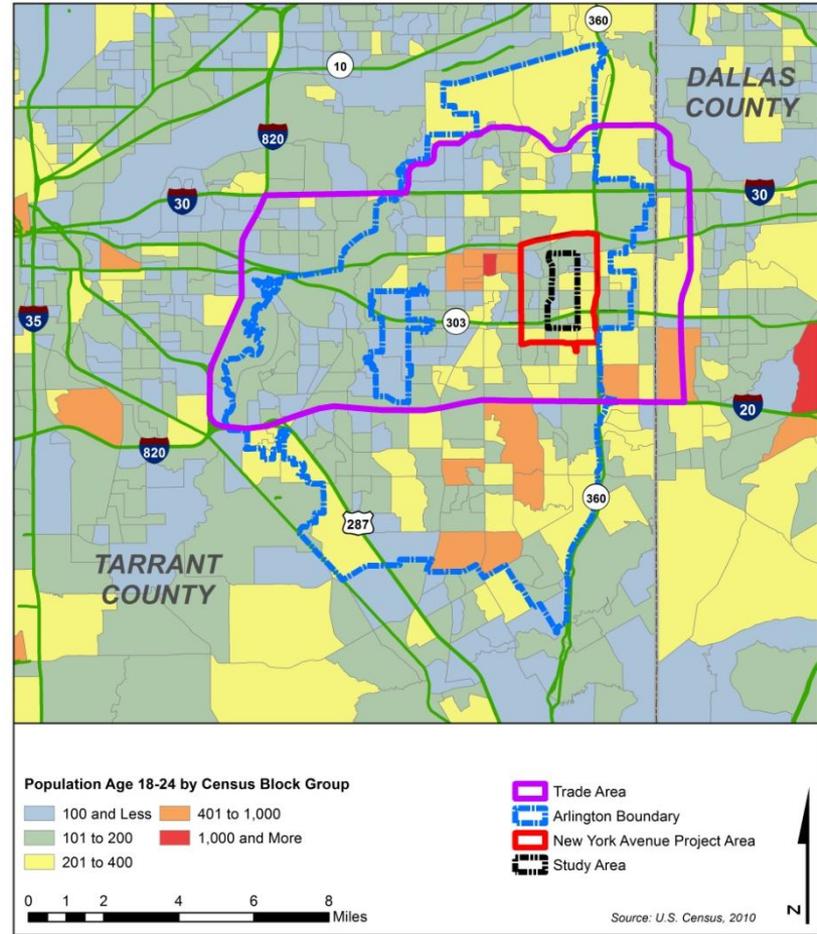


Population Under 17 - 24

Population Age 17 and Younger

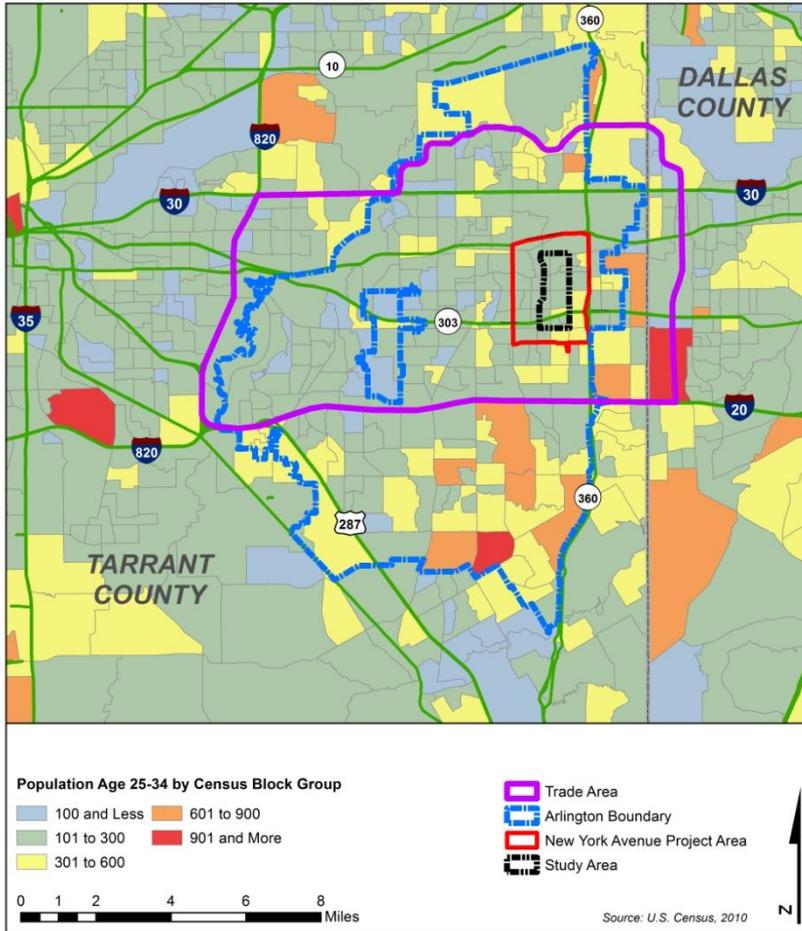


Population Age 18 - 24

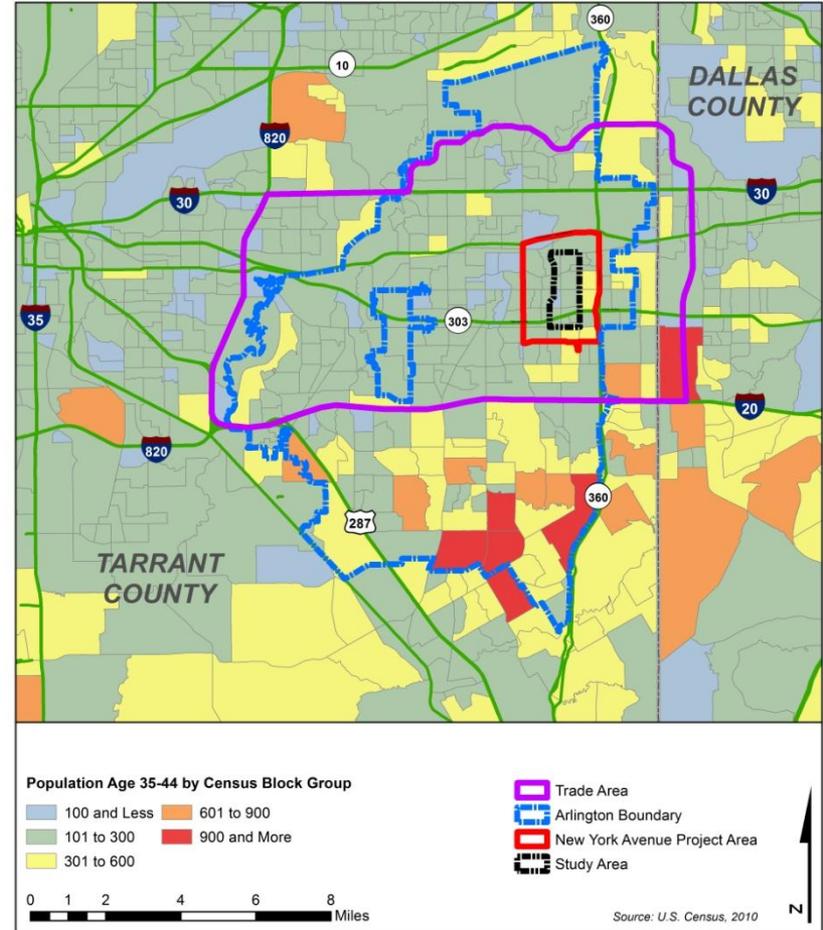


Population 25 - 44

Population Age 25 - 34

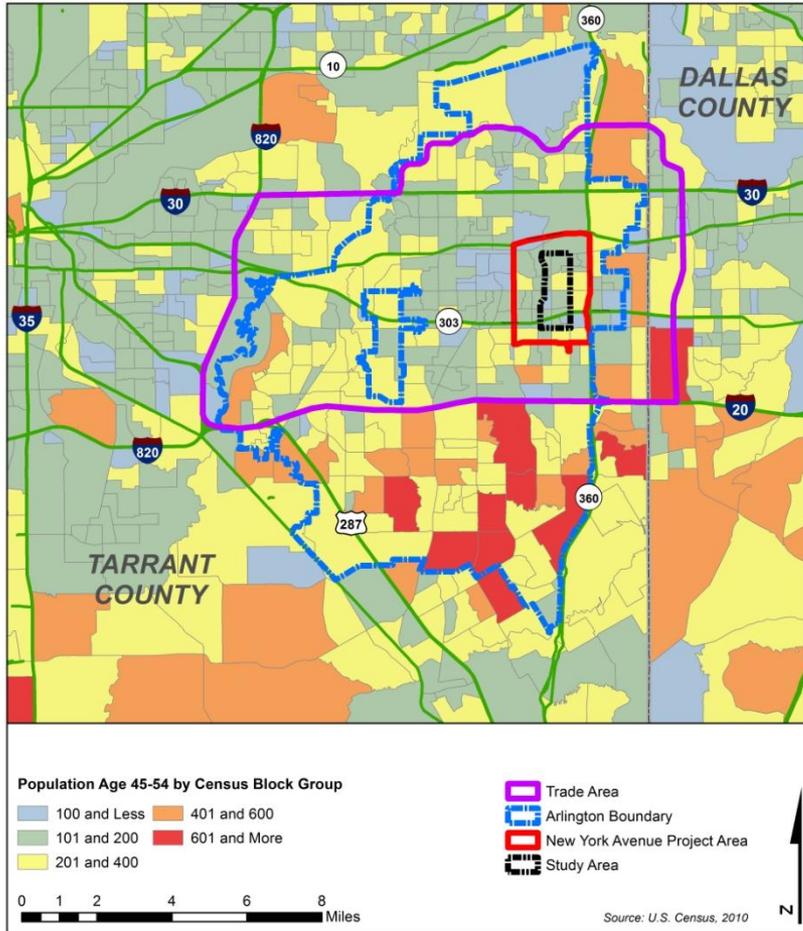


Population Age 35 - 44

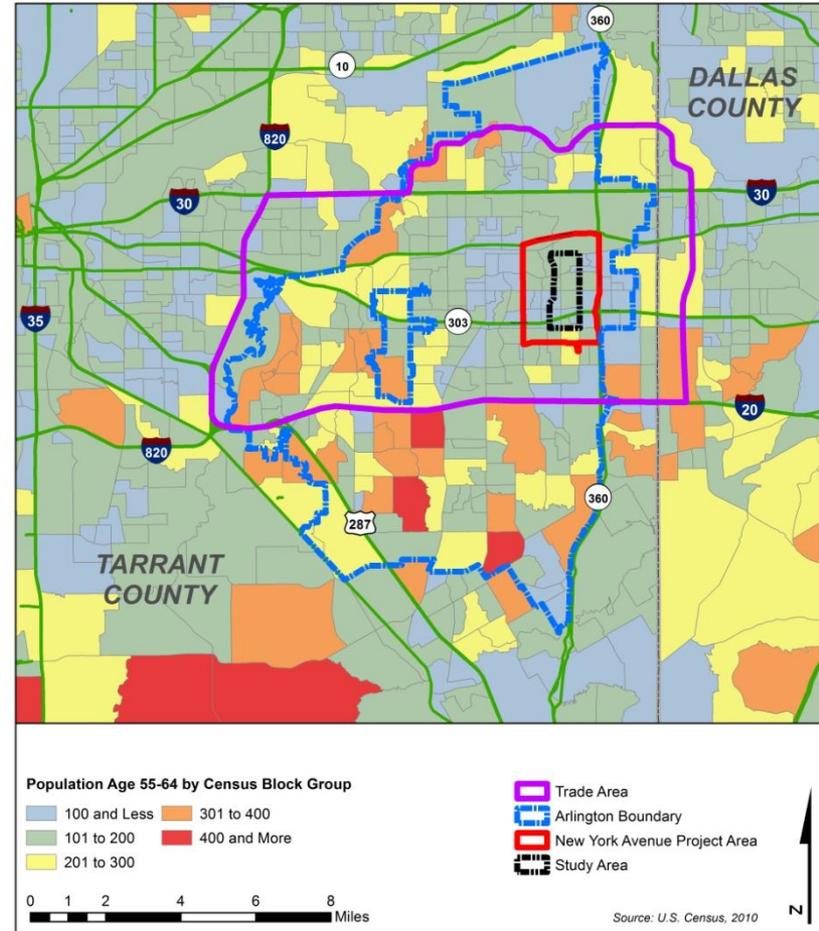


Population Age 45 - 64

Population Age 45 - 54

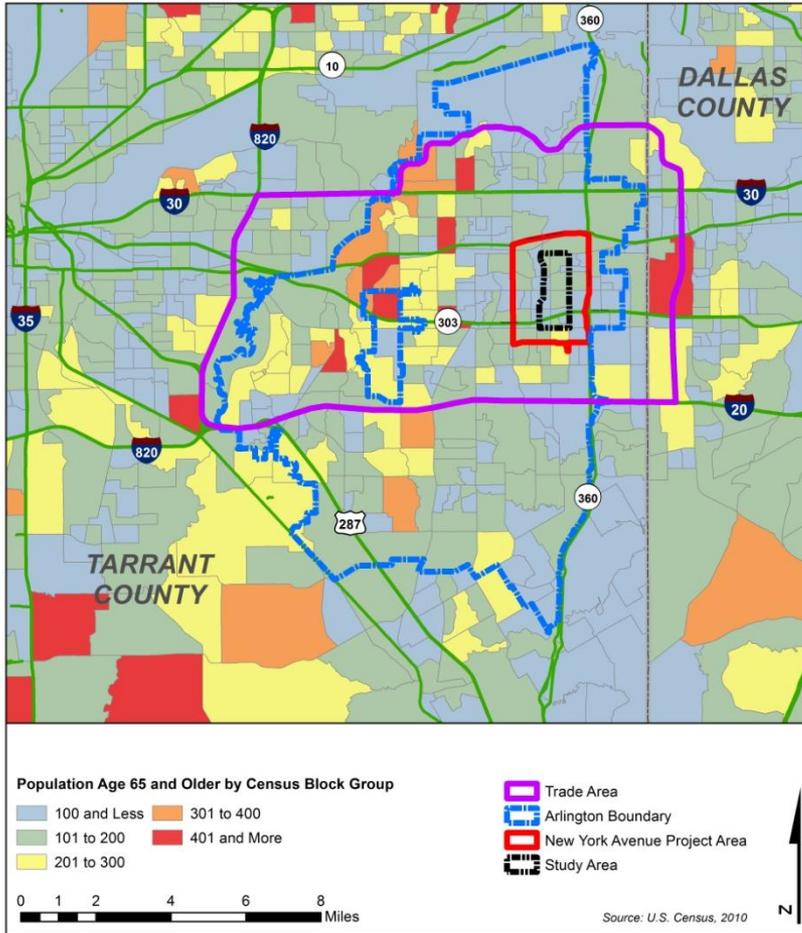


Population Age 55 - 64



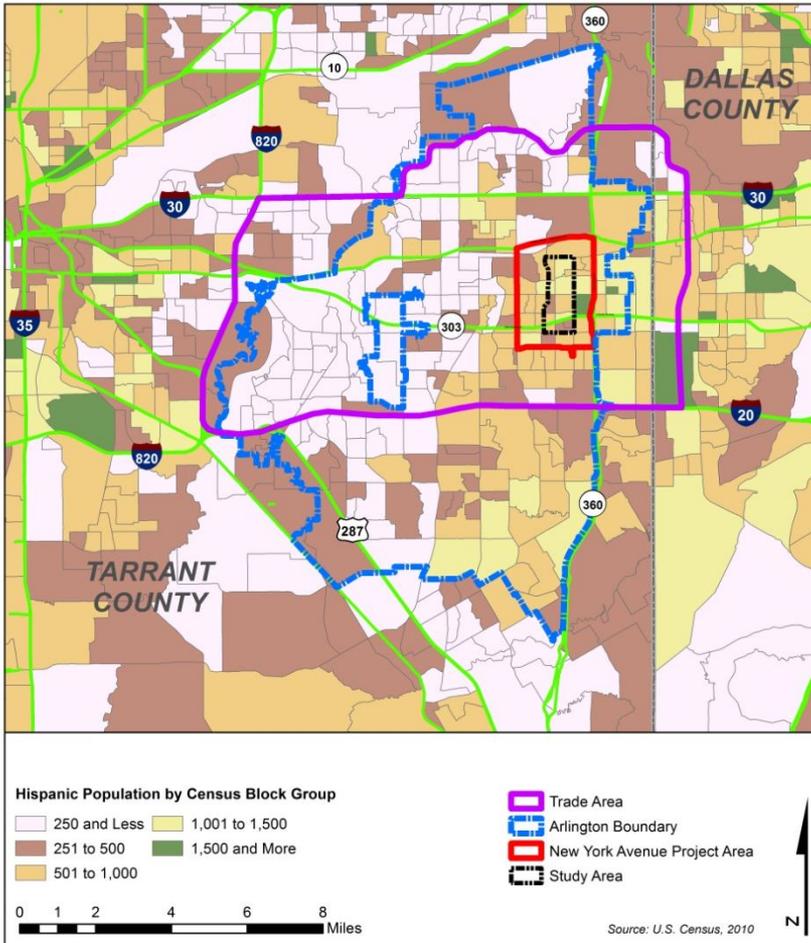
Population 65 and Over

Population Age 65 and Over

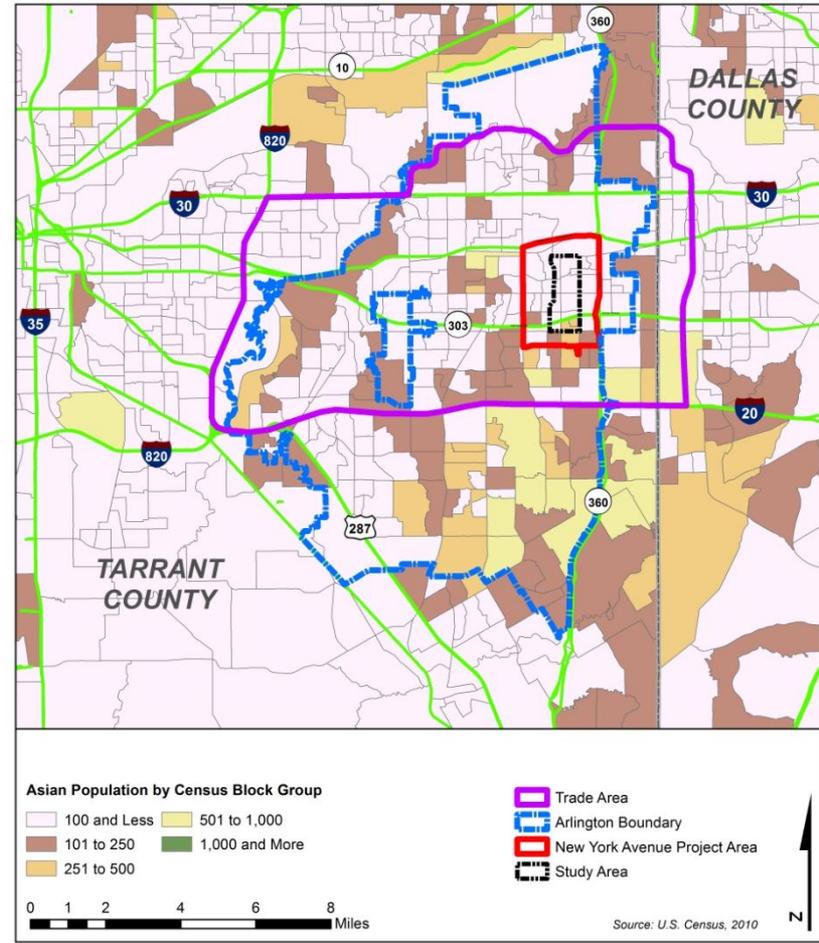


Ethnicity

Hispanic Population

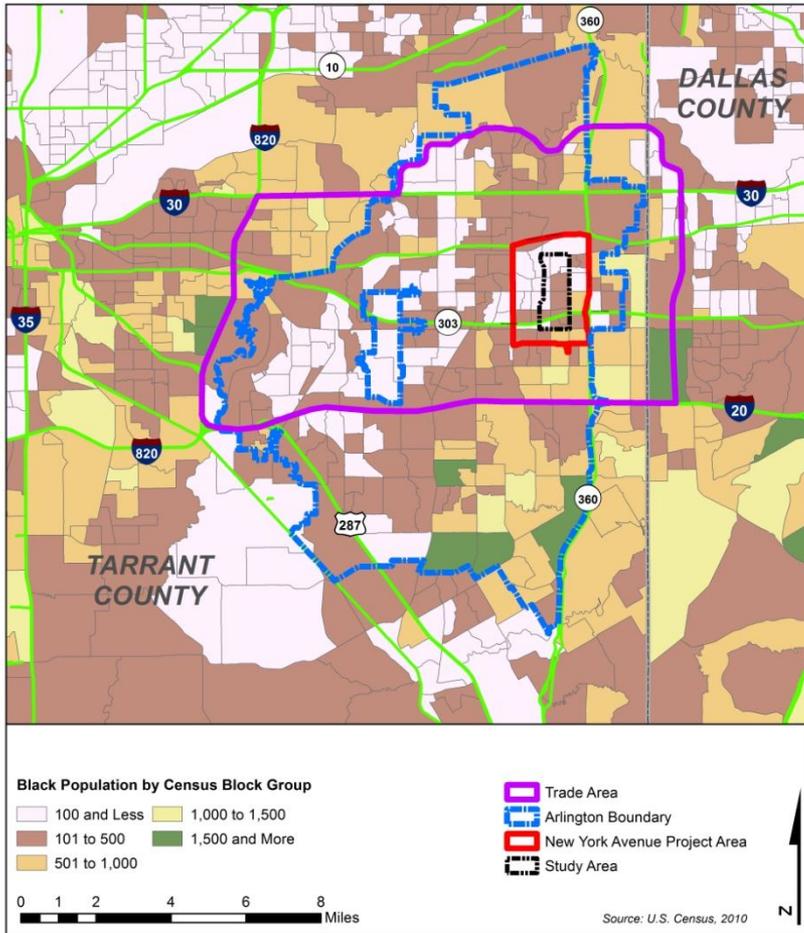


Asian Population

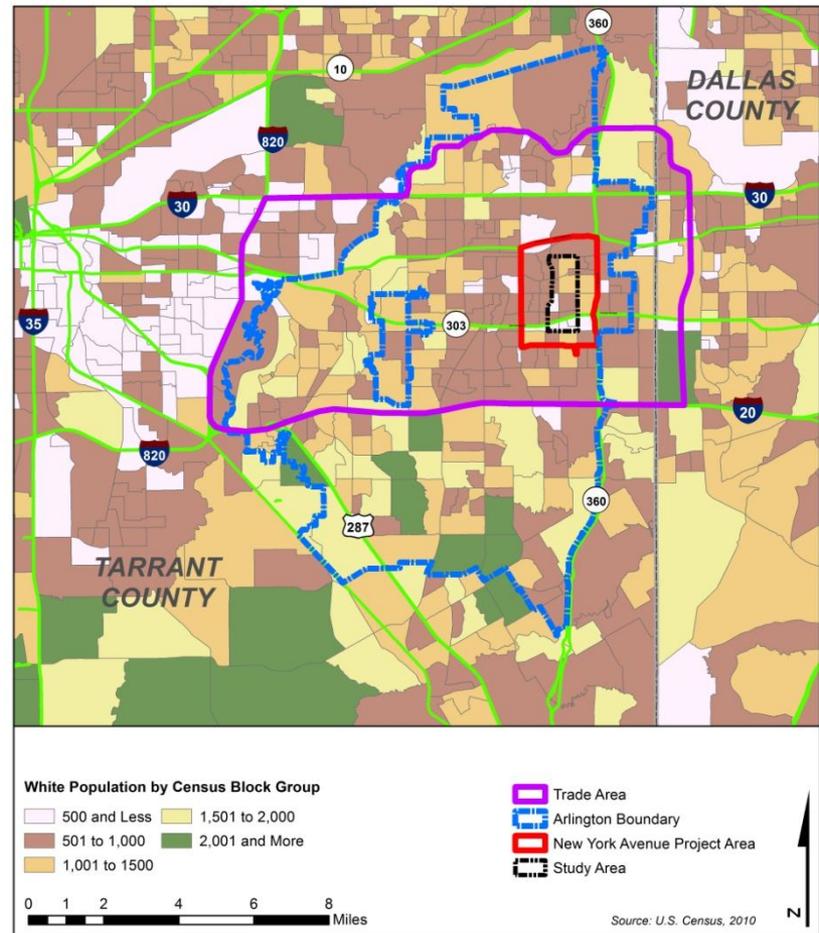


Ethnicity

African American Population

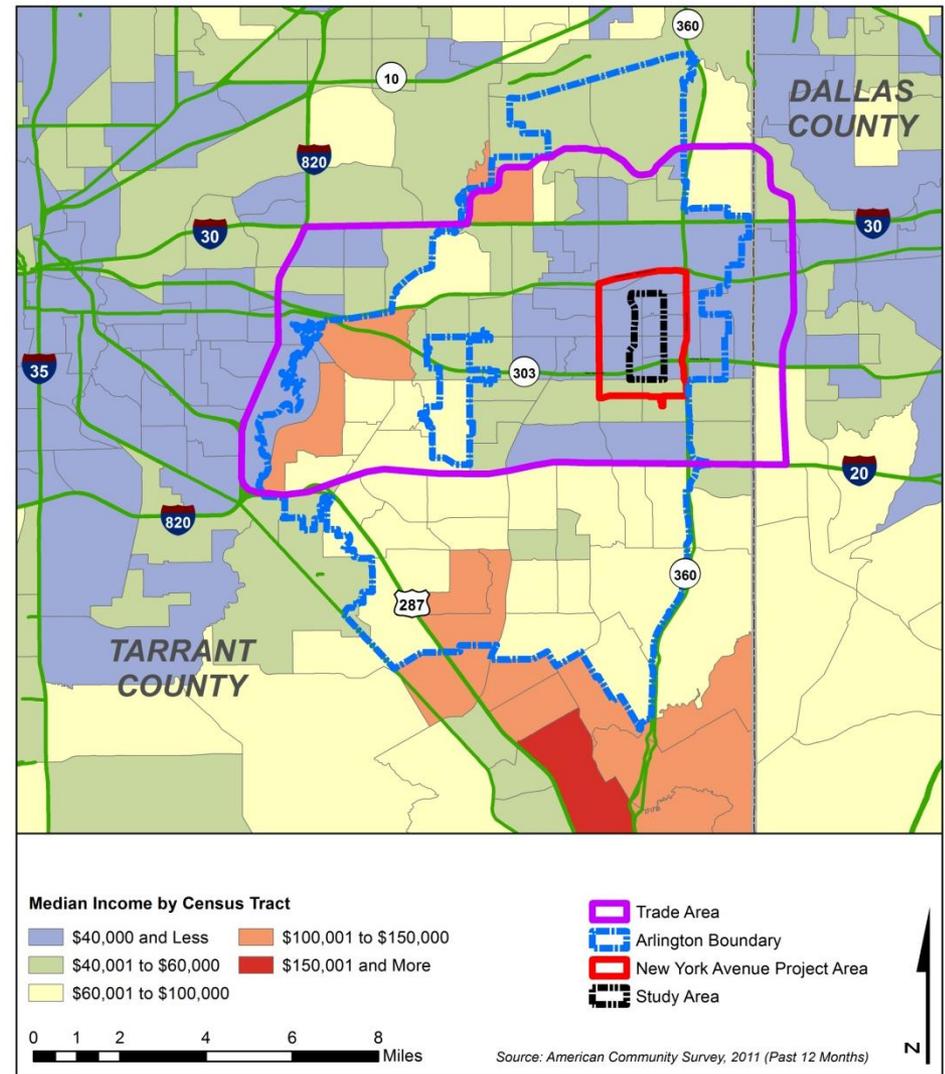


White Population



Median Household Income

- Incomes within the Study Area are moderate with the majority of census blocks with a median household income of \$40,000 or less.
- Concentrations of wealthy households (median household income of \$100,000 to \$150,000) are located within the Trade Area, west of downtown.



Psychographics

Psychographics is a term used to describe the characteristics of people and neighborhoods which, instead of being purely demographic, speak more to attitudes, interests, opinions and lifestyles. PRIZM (Claritas, Inc.) is a leading system for characterizing neighborhoods and the local workforce into one of 65 distinct market segments.

Commercial retail developers are interested in understanding a community's psychographic profile, as this is an indication of its resident's propensity to spend across select retail categories. Residential developers are also interested in understanding this profile as it tends to suggest preferences for certain housing product types.

Top Trade Area Psychographic Groups

Segment	Number of Trade Area Households	Percent of Trade Area HHs	As Compared to Pct. Of State
New Beginnings	11,542	9.8%	420%
Family Thrifts	9,416	8.0%	254%
White Picket Fences	9,062	7.7%	305%
Young Influentials	8,364	7.1%	382%
City Startups	8,176	6.9%	503%
Boomtown Singles	5,668	4.8%	339%
Blue Chip Blues	5,092	4.3%	150%
Upward Bound	4,517	3.8%	122%
Home Sweet Home	4,448	3.8%	199%
Kids and Cul-de-Sacs	4,123	3.5%	112%



Psychographics (cont'd)

- Trade Area psychographics groups are further segregated here by “lifestyle.”
- Lifestyle groups reflect household affluence , head of householder age and household composition.
- As shown, the majority of Trade Area households fall into the “Younger Years” and “Family Life” lifestyle groups.

Lifestyle Segment	Area Households	% of Total Households	State of Texas Index=100*
New Beginnings	11,542	9.8%	420.3
Young Influentials	8,364	7.1%	381.9
City Startups	8,176	6.9%	503.4
Boomtown Singles	5,668	4.8%	339.2
Home Sweet Home	4,448	3.8%	198.7
Younger Years Subtotal	38,198	32.4%	--
Family Thrifts	9,416	8.0%	254.2
White Picket Fences	9,062	7.7%	305.5
Blue-Chip Blues	5,092	4.3%	150.5
Upward Bound	4,517	3.8%	122.0
Kids and Cul-de-Sacs	4,123	3.5%	111.6
Family Life Subtotal	32,210	27.3%	--
Middleburg Managers	3,388	2.9%	168.6
Sunset City Blues	3,122	2.6%	144.3
Pools and Patios	2,661	2.3%	272.5
Second City Elite	2,641	2.2%	171.8
Old Glories	2,565	2.2%	170.5
Mature Years Subtotal	14,377	12.2%	--
Total Top Segments	84,785	71.8%	--
Total Trade Area	118,004	100.0%	--

* Indicates concentration of this segment relative to U.S. average. A segment index of 200 would mean that this group contains 2 times the concentration of households compared to the average U.S. community.

Source: Claritas, Inc. and Ricker | Cunningham.

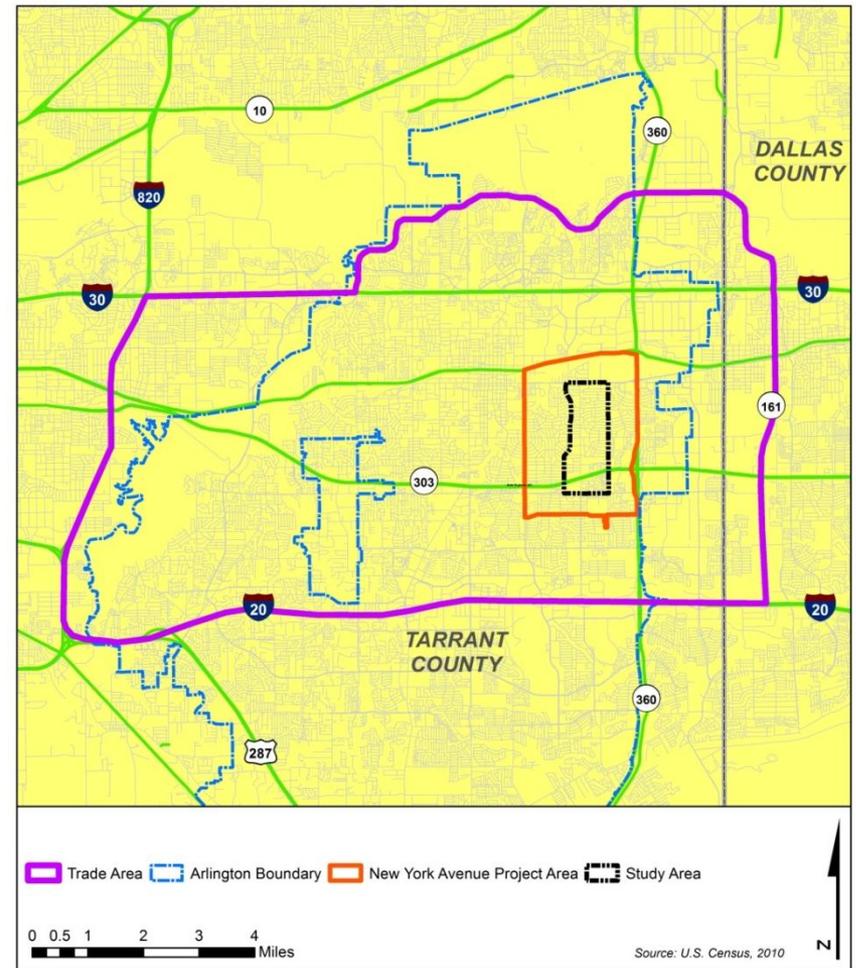


Market Demand

Market Demand for the Trade Area

Over the next 10 years, our analysis estimates the following demand for the Trade Area:

- Residential units: approximately 35,000 units
- Retail space: approximately 1.4 million square feet
- Office space: approximately 1.5 million square feet
- Industrial space: approximately 3.6 million square feet



Questions / Discussion

Next Steps

Next Steps

- Public Meeting #1
 - Saturday, January 12, 2013 - 9:30 am - Senior Recreation Center
- 3rd Advisory Committee Meeting
 - February 28, 2013 – 4:30 pm - Johns Elementary School Library
- Public Meeting #2
 - Saturday, March 2, 2013 - 9:30 am - Senior Recreation Center

