Market Analysis of project site at 63rd and Hickman
RDG Planning and Design for City of Windsor Heights
UPDATED DRAFT 1.10.12

The following report analyzes market support for commercial and residential development for the project site at 63rd and Hickman. The report contains the elements listed below:

1. Definition of primary, secondary and tertiary market areas

2. Demographic analysis of residents in all three market areas

3. Analysis of market potential for 3 categories of site use:

    Retail - Gap Analysis, Inventory, Recommendations
    Office - Inventory and Recommendations
    Residential - Inventory and Recommendations

4. Summary of Recommendations

RDG drew on multiple sources of data to complete this study, including Claritas Site Reports, The Urban Land Institute's 2008 Dollars and Cents of Shopping Centers, Polk County Assessor records, the Iowa Department of Transportation, the 2011 Real Estate Market Survey from CB Richard Ellis, the DART Forward 2035 plan, input from city staff (Windsor Heights, Des Moines and Clive), traffic modeling from the Des Moines Metropolitan Planning Organization (MPO) and field study.

1. MARKET AREA DEFINITION

RDG defined a primary, secondary and tertiary market area for the purposes of this analysis. Figure 1 illustrates these market areas, which are described below.

1. The **Primary Market** is a ½ mile ring around the project site. This market area is particularly significant due to the interest in using the project site for neighborhood commercial.
2. The **Secondary Market** covers a 1 mile ring around the project site, providing a larger customer base for potential commercial uses.
3. The **Tertiary Market** includes portions of five municipalities (Des Moines, West Des Moines, Urbandale, Clive, and Windsor Heights) and a small portion of unincorporated area. The boundaries were drawn based primarily on prevailing traffic patterns, which dictate that these areas are the most likely to produce traffic that will pass the project site. The Tertiary market is bounded by I-235 on the south, I-35 / I-80 on the west and north, and 30th Street (Des Moines) on the east.

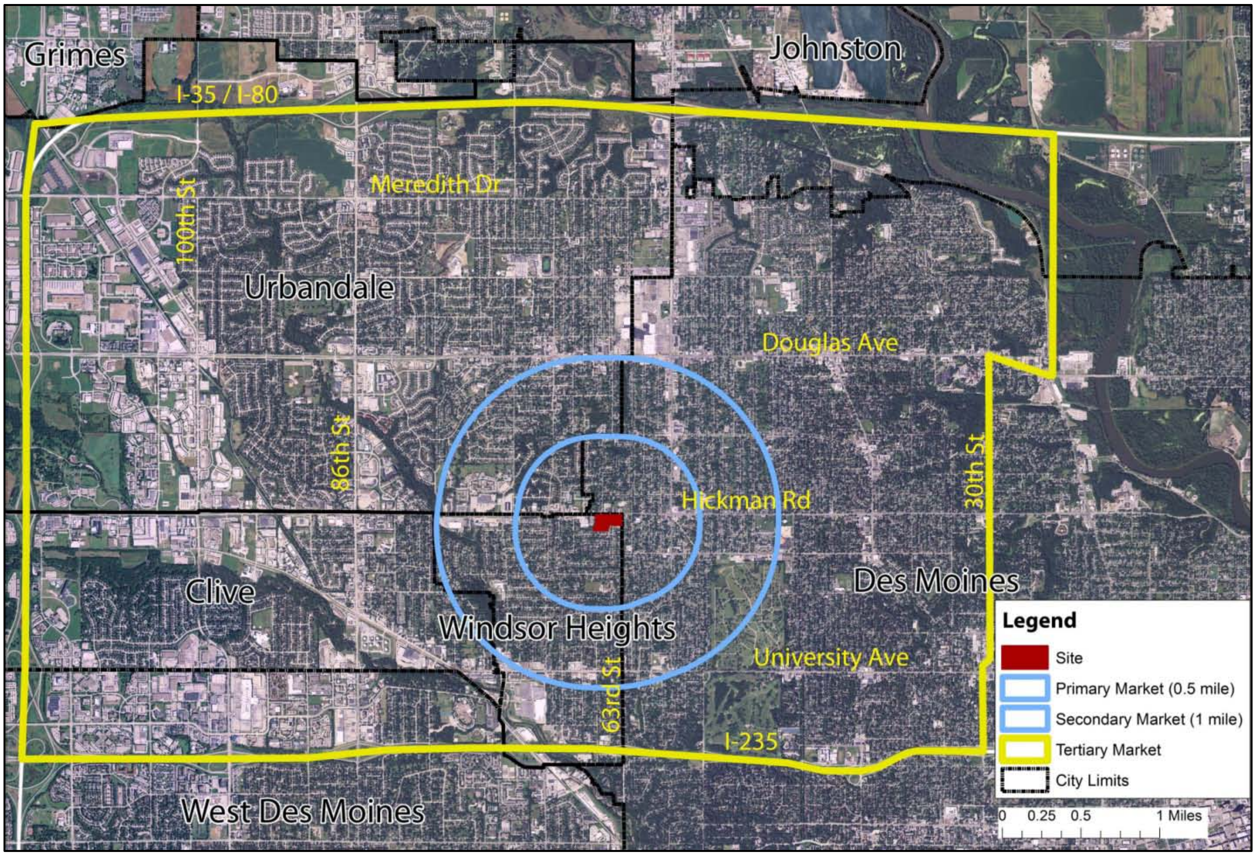

Figure 1 – Market Areas

2. DEMOGRAPHICS

Population: Total and Household–

The primary market contains 4,058 residents, with a density of 6.1 persons per acre. The secondary market adds approximately 10,000 residents for a total of 14,144 (also 6.1 persons per acre). From 2000 to 2011, the primary and secondary markets lost population at a rate of -3.4% and -0.37%, respectively. However, the tertiary market grew 7.92% for a total of 87,122 residents. In comparison, the core metro area (defined for the purposes of this analysis as the cities of Des Moines, West Des Moines, Urbandale, Clive and Windsor Heights) grew 9.57% during the same time period.

The population loss in the primary and secondary markets was due primarily to a decline in household size (see next section). From 2000 to 2011, the number of *households* in the primary market was steady, and the number of households in the secondary market grew by 2.6%. This trend reflects the character of these two markets as an inner-ring suburban area with stable households. The average length of residence for owner occupied households is 18 years in the primary market area and 17 years in the secondary area. This rate is 15 years for the tertiary market.

Table 1: Population Statistics for Market Areas, 2000-2011			
	2011 Population Est.	**2000-2011 Growth Est. (%)**	**Residents per acre**
Primary	4,058	-3.40%	6.1
Secondary	14,144	-0.37%	6.1
Tertiary	87,122	7.92%	5.3
Metro Area	319,733	9.57%	

Table 2: Household Statistics for Primary and Secondary Market Areas, 2000-2011			
	Number of Households 2000	**Number of Households 2011**	**% Change**
Primary	1,929	1,918	-0.6%
Secondary	6,383	6,549	2.6%

Household Size –

The average estimated 2011 household sizes of the primary and secondary markets (2.11 and 2.15) are low as compared to the tertiary market and metro area (2.27 and 2.37). The metro area household size is approximately 12% larger than the primary market household size. Household size in all areas dropped from 2000 to 2011, with the largest decreases occurring in the primary and secondary markets.

Table 3: Household Size Statistics for Market Areas, 2000-2011			
	Average Household Size 2000	**Average Household Size 2011 (Est.)**	**% Change 2000-2011**
Primary	2.17	2.11	-2.6%
Secondary	2.21	2.15	-2.8%
Tertiary	2.32	2.27	-1.9%
Metro	2.40	2.37	-1.0%

Income –

Estimated per capita income (2011) was similar in all three market areas, ranging from $29,622 in the primary market to $30,712 in the secondary market (range of $1,090). Per capita income in all three markets was higher than the metro per capita income of $27,436 ($2,186 lower than the primary market). Median income by household was significantly more divergent among market areas, due to varying household sizes in each market area. Per Capita and Median household incomes rose from 2000 to 2011 in all market areas, with the highest increases occurring in the secondary market. The primary and secondary markets experienced a greater percent increase in per capita income than the metro area. These trends show that this is a financially strong area that is keeping up with incomes in other areas of the metro (West Des Moines, Clive, Urbandale and Des Moines). This financially strong customer base contributes to the potential for success for new commercial or residential development at the project site.

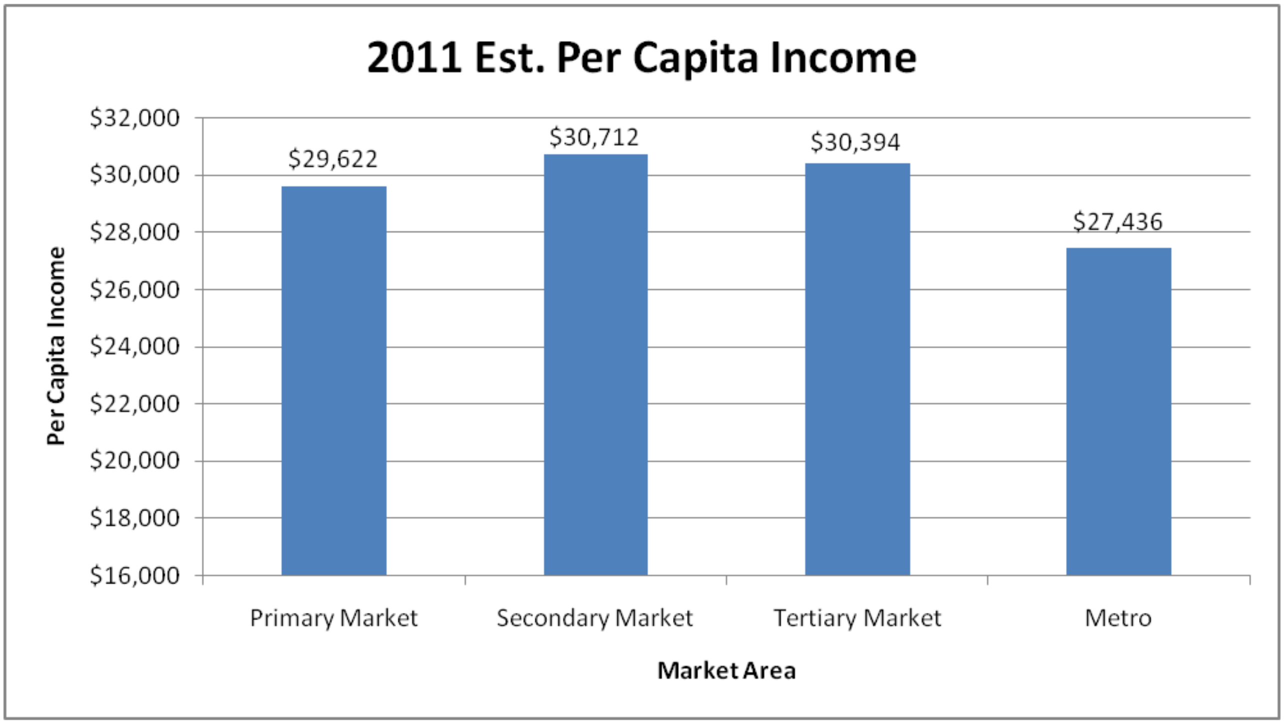

Figure 2: Estimated Per Capita Income for the three market areas and the metro area in 2011

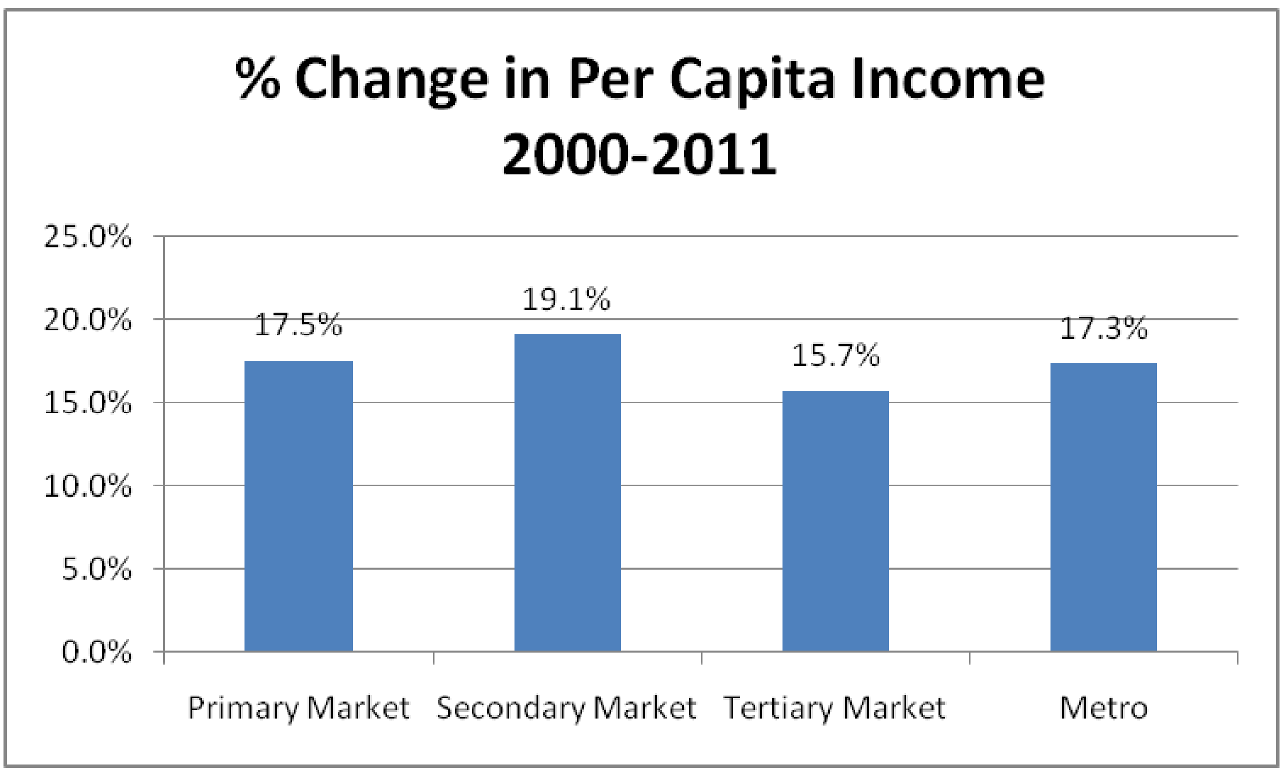

Figure 3: Estimated Change in Per Capita Income for the three market areas and the metro area in 2011

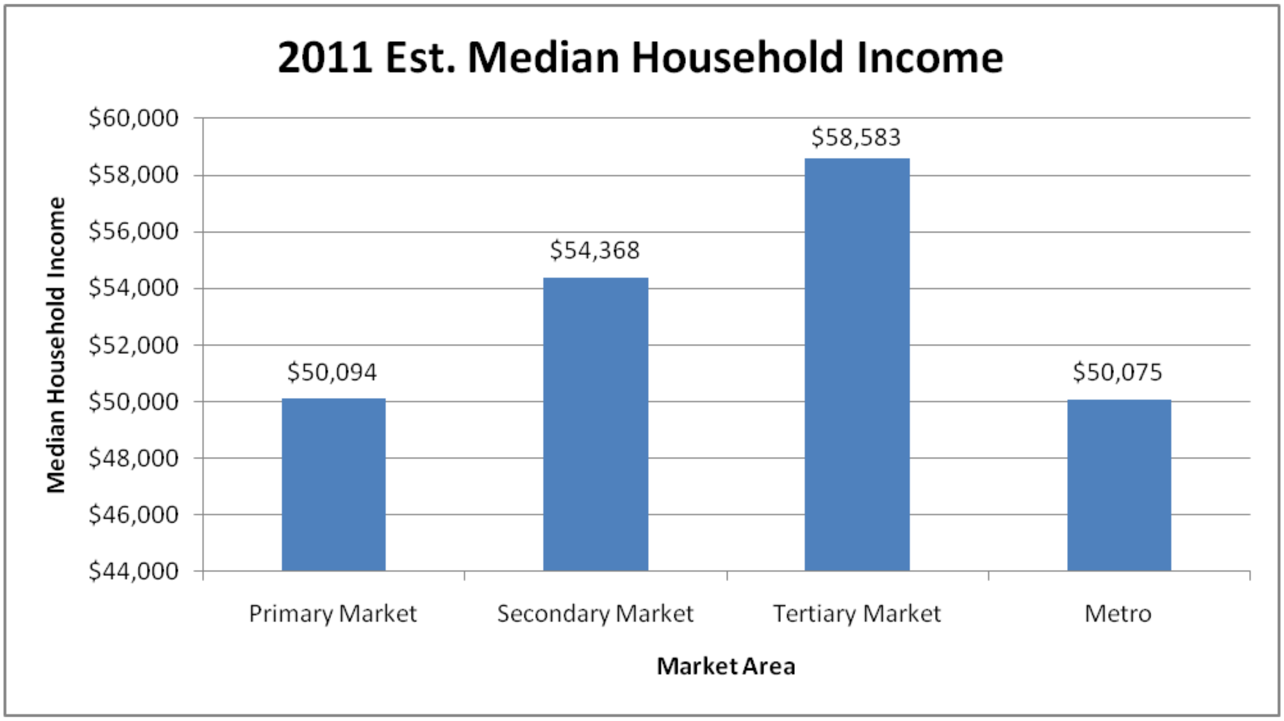

Figure 4: Estimated Median Household Income for the three market areas and the metro area in 2011

Age –
The median age (estimated 2011) of the three market areas was between 37 and 38 years, more than two years higher than the metro median age of 34.9. The age distribution is similar for all three market areas. In comparison to the metro area, the three market areas have a lower percentage of their population in the under 17 and young adult age categories, and a higher percentage of their population in the adult, early retirement, and older adult age categories.

Median age increased between 2-3% for all market areas and the metro area from 2000 to 2011. However, during the same time period, the under 17 population increased its share (%) of the population in both the primary and secondary markets. This trend suggests that the neighborhood is in the process of cycling from older residents without children, to new child-bearing age young adults. This is a promising trend for potential new development, as it suggests both a stable population base from long time older residents, and a growing new population of young families.

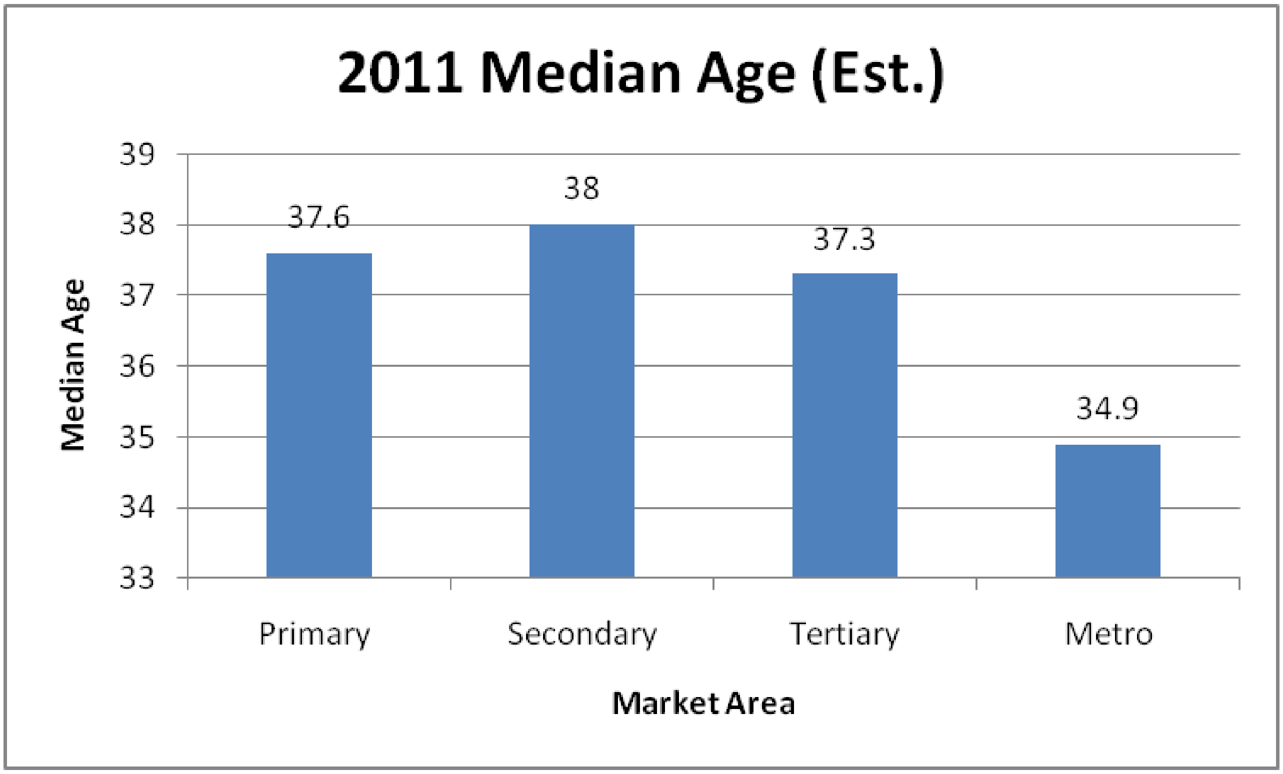

Figure 5 – Estimated Median Age in 2011 in Market Areas and Metro

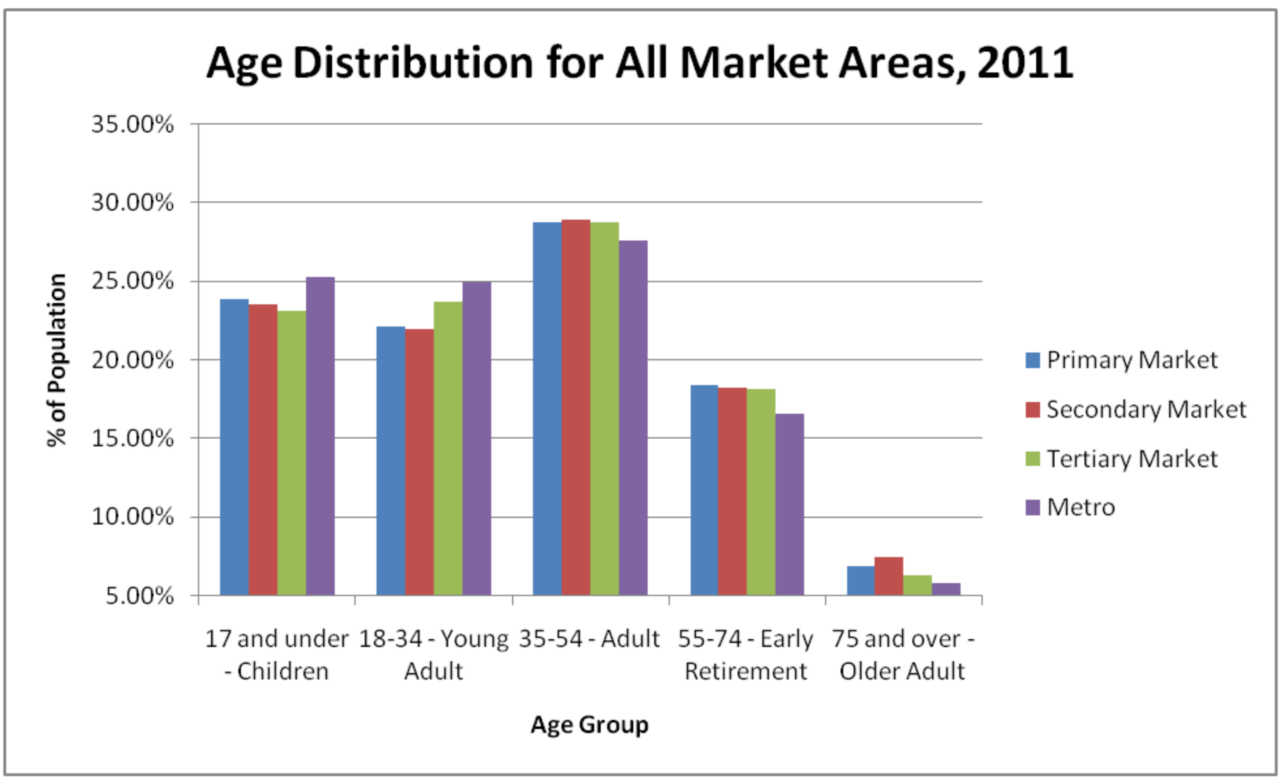

Figure 6 – Age Distribution for All Market Areas and Metro in 2011

Table 4: Change in Under 17 population as percent of total, 2000 to 2011			
Market Area	**Under 17 residents as % of Population 2000**	**Under 17 residents as % of Population 2011**	**Change**
Primary	21.16%	23.85%	2.69
Secondary	21.43%	23.53%	2.1
Tertiary	23.27%	23.11%	-0.16
Metro	25.07%	25.24%	0.17

Traffic –

Traffic counts from the Iowa Department of Transportation show an average daily count of 19,900 on Hickman to the west of 63rd, 20,500 on Hickman to the east of 63rd, and 12,300 on 63rd south of Hickman (Figure 7). For comparison purposes, the traffic count on 63rd just north of the I-235 interchange is 23,900 cars per day – the traffic count for I-235 near the 63rd exit is approximately 100,000 cars per day. According to the Des Moines Metropolitan Planning Organization, by 2035 the traffic at the intersection of 63rd and Hickman is expected to increase to 21,900 on Hickman to the west of 63rd (10% increase), 27,200 on Hickman to the east of 63rd (33% increase), and 24,400 on 63rd south of Hickman (98% increase). High traffic exposure will provide continued support for development at the project site. Recent street improvements to Hickman enhanced safety around the project intersection, and established a traffic signal at Westover Boulevard that will greatly improve access to this site. These street changes also increase the importance of developing this site in an integrated manner. Because the new traffic median on Hickman restricts west-bound traffic turning out of the site, access points should be coordinated to achieve good traffic flow.

2009 2035

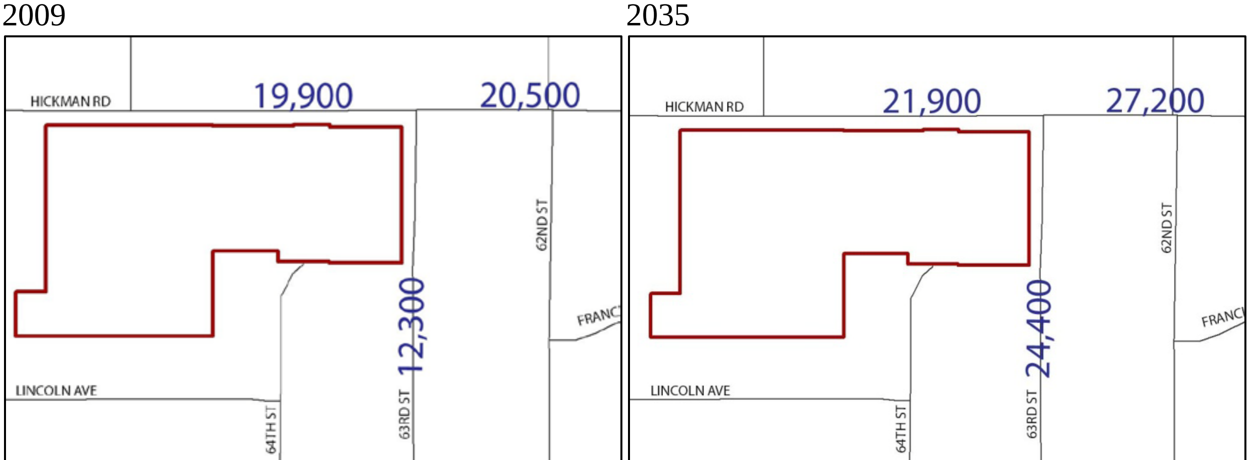

Figure 7 – 2009 Traffic Counts and 2035 traffic projections near intersection of 63rd St and Hickman Rd.

Source: Iowa Department of Transportation, Des Moines Metropolitan Planning Organization

3. ANALYSIS OF MARKET POTENTIAL

RETAIL

Recommendations:
The following types of retail establishments have the greatest potential for success on this project site, based on desired neighborhood character, amount of space available, and retail market conditions:

- Pharmacies and Drug Stores
- Supermarkets, Grocery Stores
- Full Service Restaurants
- Misc. Retail, especially: Convenience Stores; Florists; Beer, Wine & Liquor; Appliances
  - Due to relatively smaller market demand for each category, misc. retail uses would work best as part of a neighborhood strip center and/or in retail bays adjacent to larger anchor use.

The rationale for these recommendations is outlined in the following section.

Retail Gap Analysis
This market demand and supply assessment analyzes retail supply and demand in the market areas, to identify types of retailers that would have the greatest chance for success on the project site. In this assessment, the supply is defined as total annual sales (in $) by businesses located in the market area, while demand is defined as total annual consumer expenditures ($) of residents living in the market area. The demand numbers are based on average consumer spending numbers multiplied by the population of the market area. The current sales and expenditures are identified for various retail categories using data from Claritas, and then compared. When consumer spending (demand) exceeds retail sales (supply) there is a retail "gap," indicating that the market area is losing resident consumer spending to surrounding areas. When retail sales (supply) exceed consumer spending (demand) there is a retail "surplus", indicating that the market area is attracting spending from outside of the area. Gaps reveal opportunities for retail growth, while surpluses indicate areas in which the market may already have a competitive advantage. For some markets, competitive advantages may result in opportunities to build on those strengths with additional co-location of similar businesses. A good example of this is the tendency for auto dealerships to concentrate on particular corridors. Conversely, in other markets surpluses can be an indication that market demand is already satisfied and additional supply would not be supported. The retail gaps and surpluses should not be read as a guarantee of success or failure of a specific business or development, but are meant rather to reflect general retail trends for the market areas.

When looking at total retail sales for all categories, the data reveal that the primary and secondary markets have an overall retail gap, indicating that the area is losing resident consumer spending to the surrounding area. The tertiary market, in contrast, has an overall surplus, due to the presence of several large commercial attractors, such as the Merle Hay mall.

There are a number of retail categories in which all three market areas have a "gap," indicating that there may be opportunity for a new business to fill that gap. These categories and their associated spending gaps are listed in Table 5, in order of the size of spending gap. The table lists the approximate square footage that could be supported by the spending gap, using an average of $320 sales/square foot, based on averages contained in the Urban Land Institute's (ULI) Dollars and Cents of Shopping Centers, 2008. Approximate square footages of existing stores in the metro area are listed for most categories, to illustrate if the spending gap can support a typical store of this type.

Note: It's important to keep in mind that the estimates of the spending gap and associated square footage for each category are estimates for the *entire* market area. The amount of the spending gap that could be captured at the project site is difficult to pin-point, and will vary depending on the nature of the retail category, the quality of the proposed development and competition from other sites in the market area being developed now or in the future.

The project site is approximately 7.9 acres, which would accommodate approximately 103,000 square feet of retail, office, or residential space (given a typical FAR of 0.3).

Not all of the categories listed below would fit with the city's expressed desire for a "neighborhood retail" use. Home Centers, Building Materials Dealers, and Other Motor Vehicle Dealers demonstrate a market gap, but are not well suited for a neighborhood use and are therefore shown in gray.

Table 5 – Retail Categories Experiencing a Gap in All Three Market Areas

Retail Category	**Gap for Tertiary Market ($)***	**Approx. Sq Ft that could be supported by gap (*estimate for entire market area*)***	**Approx. Sq Ft of existing stores in metro area**
Home Centers	$46,191,754	144,349	Home Depot (Urb), ~109,000 Lowe's (WDM), ~129,000 Menards (DM), ~ 160,000
Pharmacies and Drug Stores	$24,024,251	75,076	Hy-Vee (University, drug/grocery combo) ~24,000 Richard's (Hickman) ~1,500 Walgreens (University) ~15,000
Other Building Materials Dealers (e.g. Lumberyards)	$20,088,962	62,778	Nationwide Lumber ~49,000 Millard Lumber ~30,000
Other motor vehicle dealers (e.g. motorcycles, boats)	$8,487,420	26,523	Struthers Kawasaki ~23,000
Convenience Stores (not including convenience stores with gas stations)	$8,041,461	25,130	Git 'n Go (42nd) – 2,900** Oasis (Payne) – 2,600** Kum & Go (86th) – 5,000** Kum & Go (University) – 3,800**
Nursery and Garden Centers	$7,480,821	23,378	Earl May (Douglas) – 7,300
Beer, Wine and Liquor Stores	$5,964,387	18,638	Central City Liquors – 4,000
Florists	$2,165,860	6,768	Boesen Florist – 5,100

Household Appliances Stores	$1,793,303	5,604	Metro Appliance – 2,100
Misc. Store Retailers	$1,729,786	5,406	-
Pre-recorded Tapes, CDs, Record Stores	$1,438,431	4,636	-
Paint and Wallpaper Stores	$1,299,741	4,062	Sherwin Williams – 14,600
Luggage and Leather Goods Stores	$795,795	2,487	-
Specialty Food Stores	$569,602	1,780	Graziano Bros – 6,900
Used Merchandise Stores	$634,719	1,984	Goodwill – 11,250
News Dealers and Newstands	$327,831	1,025	-

**The retail gap and approximate square footage listed in this table are the numbers for the entire tertiary market area, and do not necessarily reflect the amount of square footage that could be captured by development on the project site.*
***There are few local examples of convenience stores not attached to gas stations. The examples provided are for convenience stores attached to gas stations.*

In addition to the stores listed above with retail gaps in all three market areas, most other retail categories had gaps in both the primary and secondary markets. Of these categories, only a few had both sufficient gaps to support a new store, and fit the category of neighborhood retail. These categories are listed in Table 6, along with the spending gap for the secondary market, the approximate square footage of retail space that could be supported by the the spending gap, and a comparison of approximate square footage of existing stores of that type in the metro area.

Table 6 – Retail Categories Experiencing a Gap in the Primary and Secondary Markets

Category	**Gap for Secondary Market ($)***	**Approx. Sq Ft that could be supported by gap (*estimate for entire market area*)***	**Approx. Sq Ft of Existing Stores in metro Area**
Supermarkets, Grocery Stores (Excluding Convenience)	$25,614,810	80,046	Hy-Vee (University) – 67,492 Dahl's (Merle Hay) – 72,518 *Smaller Groceries* Aldi's (Douglas) – 14,860 Hy-Vee (University/42nd) – 24,000 Beaverdale Dahl's – 26,000
Foodservice and Drinking Places**	$11,695,140	36,547	Mustard's ~4,700 Baru ~ 2,200 Grounds for Celebration ~ 1,500 Flying Mango ~3,900
Full-Service Restaurants (Sub Category of above)	*$4,659,836*	*14,561*	

** The retail gap and approximate square footage listed in this table are the numbers for the entire secondary market area, and do not necessarily reflect the amount of square footage that could be captured by development on the project site.*

***The primary and secondary markets have a retail **surplus** in the foodservice subcategory: "Drinking Places – Alcoholic Beverages"*

Past inquiries into the project site reinforce the potential success of several of the above retail categories. As of 10.31.11, Ruhl & Ruhl reported that inquiries had been made for both a Pharmacy/Drug Store and a Supermarket/Grocery Store.

Figure 8 shows the location of supermarket/grocery stores, including specialty grocery, in the market area. As shown in the figure, there are several major grocery stores within a short distance of the secondary market boundary, including Wal-Mart Super Center and Sam's Club in Windsor Heights, just south of the market area. These groceries draw, in part, from the primary and secondary market areas. Any new facility would need to compete with these existing establishments. While a standard-sized supermarket may be possible, a smaller scale supermarket (of similar scale to the Hy-Vee at University and 42nd, or the Beaverdale Dahl's) or specialty grocery store is likely the most practical grocery use, given the market conditions and the size of the project site.

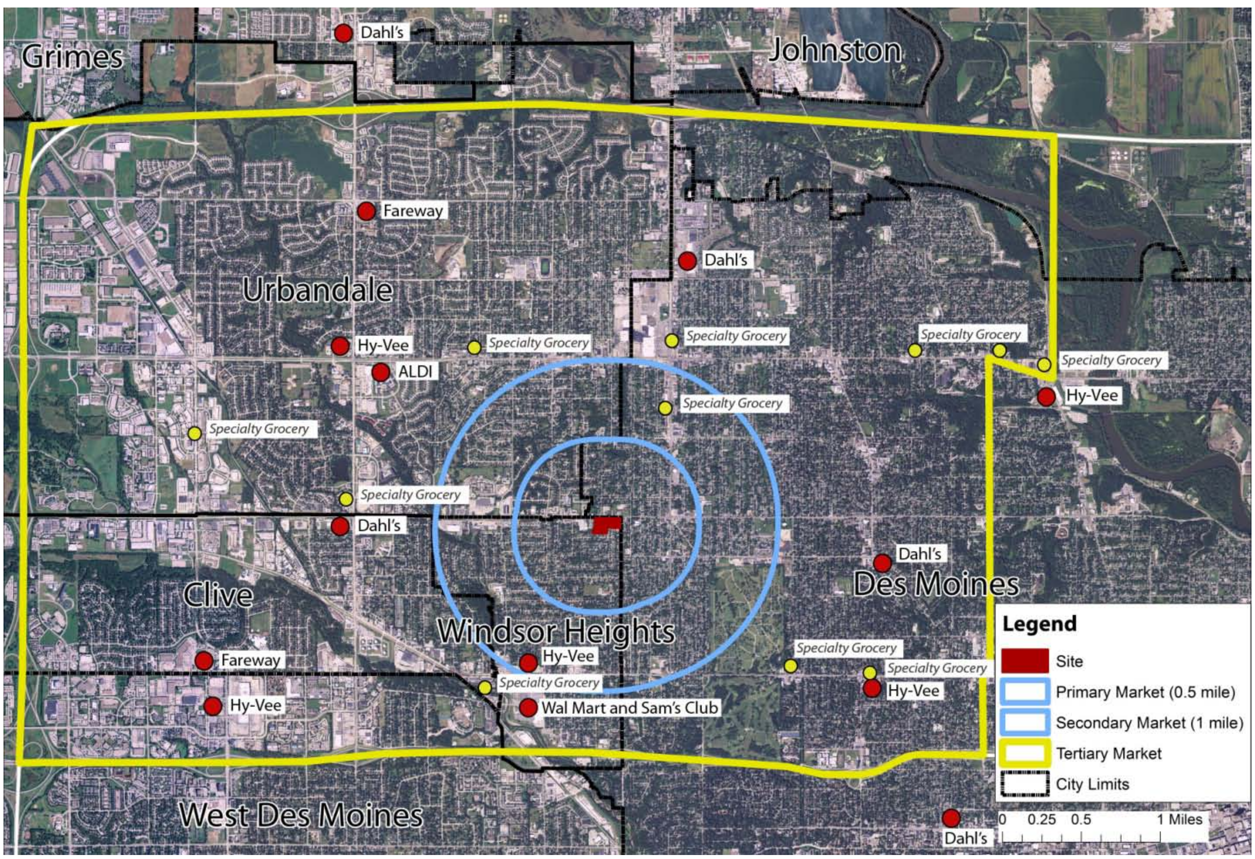

Figure 8 – Supermarket and specialty grocery store locations in the market area

An inquiry has also been made regarding a convenience store/gas station combination on the site. Although the market analysis shows a gap for convenience stores, convenience store/gas station combinations are categorized separately. In the secondary market, the combination store/gas station category has a *surplus* of $11,574,101 and a surplus of $31,897,608 in the tertiary market.

However, the primary market, when taken alone, has a *gap* of $3,720,386 for combination gas stations/convenience stores. Similarly, the Nursery and Garden Center gap may be somewhat misleading. In the metro area, many garden centers are included as part of larger home centers (e.g. – Menard's). Therefore, this demand may not be best met by a free-standing garden center, particular in light of the nearby Earl May on Douglas.

As noted above, the recommended uses are therefore as follows: pharmacies and drug stores, supermarkets, full service restaurants and misc. retail, especially: Convenience Stores; Florists; Beer, Wine & Liquor; Appliances. Hypothetically, if these needs were fulfilled on the site, they could take the following approximate square footage (based on square footage in tables 5 and 6): *(Note: This hypothetical scenario is included only for the purposes of illustration, and is not meant to imply a recommendation of the exact mix and/or square footage of uses on the site.)*

- Pharmacy (1) = 15,000-24,000 sq ft
- Supermarket (1) = 25,000-75,000 sq ft
- Restaurants (2) = 3,000-9,400 sq ft
- Misc. Retail (4; 1 of each recommended category) = 13,600-16,000 sq ft
- TOTAL POTENTIAL RETAIL SPACE = 56,600 – 124,400 sq ft

If developed at a typical FAR for this area (0.3), the site can host approximately 103,000 sq ft of retail. The hypothetical retail mix noted above could equal or exceed this capacity. However, the site could also host a mix of uses, including retail, residential and office. The council has expressed a desire to explore having a mix of uses on this property. The capacities for the latter two use categories are outlined later in this report.

Commercial/Retail Inventory and Conditions

The primary market contains more than 40 commercial uses, with approximately 85-90% occupancy. Of the retail categories mentioned above, the following are already represented in the primary market area:

- Used Merchandise (2)
- Drug Stores/Pharmacies (1 – Richard's Pharmacy on Hickman)
- Misc Retailers (2)
- Foodservice and Drinking Places (5)

The average construction date for all commercial properties in the primary market is 1965, with half of properties being built before 1961. Approximately 60% of these commercial properties have had renovations since initial construction, with half of those renovations occurring in 1992 or later. Construction dates for all properties range from 1940 to 2006. According to the Polk County assessor ratings for building conditions, 15% of commercial properties in the primary market are "above normal" condition, 18% are rated "below normal," and the remainder are rated "normal." (Note: For the purposes of this analysis, any properties containing two buildings with the same ownership and use were listed as a single "property.") Thus, the area appears to be "ripe" for redevelopment/revitalization. This is supported by the revitalization that has taken place along University Avenue in Windsor Heights as well as revitalization efforts along 86th Street in Clive. Two new commercial developments were constructed in 2011 at Merle Hay Road and Douglas Avenue, a promising sign for the health of the market. The development at

3737 Merle Hay Road offers 9,300 square feet of space and already has multiple tenants just a few months after completion. At the time of the writing of this report, the 3801 development had just opened and welcomed its first tenant (Burger King). Square footage for the building was not yet available from assessor records.

There are a number of large retail attractors in the tertiary market area, including Merle Hay Mall, Valley West Mall, the Sherwood Forest Center, and commercial development along 100th St/Urbandale Drive. These areas pose significant competition, which provides the rationale for developing the project area as neighborhood commercial that appeals chiefly to the primary and secondary market areas (1-mile radius). At the same time, these competing commercial areas provide the benefit of increasing drive-through traffic past the project site along Hickman Road.

OFFICE

Recommendations

Office development is not a recommended primary use for the project site. According to the 2011 Real Estate Market Survey for the Greater Des Moines area, the competitive office market (office space that is competing for tenants) is not expected to add inventory until existing vacant spaces are filled and rental rates improve. The report expects that demand to fill office spaces currently available will not pick up until the general economy and Iowa's unemployment rate improve. Occupancy in the greater Des Moines area was 78.8% in 2011, down from 79.4% in 2010 and 81.1% in 2009. The only market to add competitive office space from 2010 to 2011 was the western suburbs market. If the property is developed with smaller spaces for rent, some office tenants could be a possibility. However, the market is clear that office can not be the primary development focus.

Office Inventory and Conditions

The primary market area contains approximately 60,000 square feet of office space on 10 different properties. Half of these properties were constructed before 1982, with construction dates ranging from 1956 to 1993. A brand new mixed-use building at 6500 University adds approximately 20,000 square feet of commercial space. According to the building official, office tenants are already lined up for the space. Two new commercial developments at Merle Hay Road and Douglas Avenue have recently been occupied, with portions of the new space used for office.

RESIDENTIAL

Recommendations

A multi-family/condo-style residential development, particularly one which appeals to seniors, is likely to be supported by the market. As outlined below, there is demonstrated demand for multi-family residential development in the tertiary market area and the larger metro area. At the same time, the demographic trends outlined earlier in this document show an aging population that will likely be looking for housing options other than single family homes. There has been very little multi-family housing construction in the primary or secondary market areas over the past few decades and housing in Windsor Heights is mostly single-family detached homes. The project site is in a good location to add diversity to the housing stock, thus allowing aging

Windsor Heights residents to “downsize” without leaving their community, while providing options for new younger residents. At a recent public meeting to identify issues for the community, the need for diversity of housing to allow seniors to “age in place” was identified as a priority.

Multi-Family Residential Inventory and Conditions

The primary and secondary markets contain approximately 1,140 multi-family residential units on 30 different properties. The average construction date for these properties was 1969, with half of properties constructed in 1967 or earlier. Only 1 of these properties was constructed within the past 25 years. Thus, there is a likely demand for new, modern residential units for rent.

1 of the 30 multi-family properties in the primary and secondary markets was rated “below normal” according to the assessor rating system, with two properties rated “above normal” and the remainder rated as “normal.” (Note: For the purposes of this analysis, any properties containing two or more buildings with the same ownership and use were listed as a single “property.”)

The primary and secondary market areas have a higher percentage of single family detached homes than the tertiary or metro areas (Table 7). The same is true for Windsor Heights in relation to the neighboring municipalities of Des Moines and West Des Moines. The relatively small proportion of attached or multi-family units in the primary and secondary markets could indicate an unfulfilled demand for that type of housing. The following section describes recent developments in the market areas that reflect this demand.

Table 7: Housing Units by Units in Structure			
	1 unit detached	**1 or 2 unit attached**	**3 or more units**
Primary Market	74.0%	8.8%	10.8%
Secondary Market	74.1%	10.7%	13.3%
Tertiary Market	67.9%	10.7%	20.9%
Metro	62.5%	9.6%	26.0%
Windsor Heights	77.2%	12.6%	10.1%
Des Moines	65.4%	7.1%	24.9%
West Des Moines	47.4%	13.5%	38.0%

Residential Development Trends

Several prominent residential developments have occurred in the market areas in the past several years, most of which are geared toward seniors.

The *Walnut Ridge Senior Community* at 1701 Campus Avenue in Clive is a 250,000 square foot building with approximately 170 residential units for senior living, with the majority of these designated as independent living units. The complex was built in 2007.

The *Cottages at Johnston Commons* is a 3.9 acre townhouse development on NorthGlenn Drive in Johnston that opened its first units for occupancy in October of 2011. The development is marketed for adults 55 years and older.

The *South View Senior Apartments* at 1900 SE 6th St, which began construction in 2011, is a 2.3 acre site featuring 40 units in 3 buildings. This is a tax credit project which is the model for the proposed Franklin Field Senior Apartments discussed below.

A new mixed-use building is currently finishing construction on *6500 University Ave* in Windsor Heights and will feature 16,000 square feet of "executive condos" above commercial/office space. Unlike the three developments listed above, this space is not geared exclusively to seniors.

An 8 unit townhouse development was constructed in 2007 just south of the project site, at *2004 63rd street*. According to Windsor Heights city staff, the units have been popular and well-received by neighbors.

Franklin Field Senior Apartments is a 40-unit multiple-family senior living apartment complex planned for a site near the Franklin Library in Des Moines, on Franklin Avenue between 52nd St and 55th St. The development received a green light in late November 2011, when the proposed site was approved for re-designation to 'high density residential' by the Des Moines City Council.

These developments reflect the popularity and potential success of high quality multi-family or single-family-attached housing in the area. Although several of these developments are marketed exclusively toward seniors, a new housing development on the project site could also reach out to a wider market by building in a way that is senior *friendly* (e.g. - adding accessibility features) but still welcoming to other potential occupants, such as young professionals just entering the housing market.

Accessibility

Accessibility is important when locating any residential development, particularly those which are geared to seniors who may not be able to (or choose not to) drive. DART bus route #5 connects the project site to sites in Des Moines including the Franklin Public Library, Mercy-Franklin Medical Center, Dahl's Grocery, Drake University, and Downtown Des Moines. A new route is planned that will connect Clive to downtown Des Moines. The line will go directly by the project site on Hickman before turning south on 63rd. The line will be implemented as part of the first phase of the *DART Forward 2035* plan (adopted September 2011).

Changing Demographics

As noted in the demographics sections the primary, secondary and tertiary markets have a higher percentage of early retirement and older adult age groups than the metro area as a whole. Median age in the markets areas has been increasing at a faster rate than the metro area over the past decade. National trends indicate that seniors will continue to represent a growing percentage of the population in the coming decades as the baby boomers move through the life-cycle. National and regional housing trends show that many seniors are interested in simplifying their living situation by “downsizing” to a smaller unit and leaving behind the maintenance hassles that come with owning or living in a single family home. Providing a variety of housing options within a single community is critical to allowing residents to “age in place,” a term that is taking hold with developers and planners across the nation. The project site is well located to take advantage of this emerging trend, due to its high accessibility and the current lack of housing diversity in the primary and secondary market areas.

4. SUMMARY POINTS

- **Demographics**: Relative to the metro area, the market areas have slower population growth, smaller household size, higher incomes, and an older population. The customer base in this area is promising for new development, with a financially strong and stable household population of long term residents, plus evidence of new younger families moving into the area.

- **Traffic**: Traffic counts at the intersection of Hickman and 63rd are high and are expected to rise in the coming years.

- **Retail**: The following types of retail establishments have the greatest potential for success on this project site: Pharmacies and Drug Stores; Supermarkets, Grocery Stores; Full Service Restaurants; Misc. Retail, especially: Convenience Stores; Florists; Beer, Wine & Liquor; Appliances

- **Retail** demand is large enough to meet the capacity of the site at standard development density (103,000 square feet on 7.9 acres at FAR 0.3). However, the site could also work well with a mix of uses that include retail.

- **Office**: Office development is not a recommended primary use for the project site.

- **Residential**: A multi-family/condo-style residential development, particularly one which appeals to seniors, is likely to be supported by the market.