Albemarle County, VA

There's a lot of potential here.

retail strategies
Why should a community invest in retail?
We surround your community with the resources and actions needed to create the desired results.
why retail
- retail is economic development
- retail trends

process
- partnership
- your team

discover
- your research
- focus categories

interpret
- boots on the ground

connect
- top recruitment categories

grow
- marketing resources
- trade show representation
- reporting
Retail’s Impact

1 in 4 jobs are retail

Source: National Retail Federation
Average Wages*

Full-time Non-Retail Workers (25-54 years old)
$37,968

Full-time Retail Workers (25-54 years old)
$38,376

*2016

Source: National Retail Federation
Why Should a Municipality Invest Resources in Retail?

Retail builds on retail. Retail economic impact adds up quickly. Retail attracts the workforce that attracts the primary jobs. Retail influences executives looking to locate their company in your community. Retail enhances quality of life that brings your children home.

Retail builds tax base. --- Retail adds jobs from entry level to managerial. --- Retail builds communities.
Online sales have increased dramatically with the advent of new technology.

However, e-commerce is still a relatively small portion of all retail sales, capturing 9.4% of sales in 2019.

More importantly we need to recognize the trend and be aware of retailer reactions.
Rise of the Millennial

83 Million Millennials (1982 - 2004)
75 Million Baby Boomers (1946 - 1964)
63 Million Gen X (1965 - 1985)
Over half of MILLENNIALS said they would rather give up their SENSE OF SMELL than their TECHNOLOGY.

~ Rosetta
technology

Retail Consolidation
Omni-Channel

bricks

clicks
78% of consumers prefer to shop **in-store**

- **7.5x** per month in store
- **2.2x** per month online

**Average time spent**

- **54 min** brick-and-mortar store
- **38 min** single retail website

**In-store**

- $1,710 per month

**Online**

- $247 per month

73% want to try-on or touch merchandise before a purchase
Our Partnership

Retail Strategies is very pleased to partner with Albemarle County for a common goal to generate new retail communication that would not otherwise happen. Albemarle County engaged Retail Strategies to market the community to key retail real estate industry contacts. Although we cannot guarantee success, we do guarantee you will be better off with us than without us.

Albemarle County will have multiple dedicated staff members working on behalf of the community in their areas of expertise. A Portfolio Director will serve as the primary Point of Contact (POC) to interact with Albemarle County’s primary POC. Additional team members include: company executives, retail development team, marketing, research and legal teams. Confidential and non-confidential information will be communicated with the POC.

It is Retail Strategies goal to spend our time doing the job you hired us to do and allow the local POC to navigate the local political landscape and communication flow. Local feedback and communication sharing from the primary point of contact working with Retail Strategies is a critical part of the engagement.

The initial 90 business days after engaging in our partnership have been spent on due diligence for the discovery phase. The following information is a highlight of key information collected that will be used as a starting point to begin the proactive marketing to a national network of retailers, brokers, developers and key industry contacts on behalf of the community. Additional materials will be created throughout the course of the engagement.

Project specific materials and reports will be created on a case-by-case basis as needed for effective information sharing, data analysis and marketing efforts.

The discovery is an ongoing process that will not stop.
We are retail real estate professionals.

We will tell your story in a way that matters to retailers.
Albemarle County is the local expert.

Retail Strategies is the retail real estate expert.
Research Partners &
Geographic Information
Systems

Memberships,
Subscriptions &
Customized Reports
where does all this information come from?

Here are a few of the demographic data sources used.
9,703 retailers’ contact information & site selection criteria
3,365 unique variables

7 geographies per variable

87 category specific reports

23,555 variables to analyze
discover: research

You have at your disposal thousands of variables from population and household incomes to spending patterns by retail category.

The information covered in this document represents the key highlights for your community. Retail Strategies has provided the Albemarle County’s primary point of contact an electronic copy of each of these reports from multiple geographic parameters online on our project management site, Basecamp.

In addition to these reports, our partnership with Albemarle County features on-demand reporting where we will run data on behalf of the county at any point during our engagement to help identify and execute against opportunities within the market.

The following are the highlights from a data and analytic perspective.
State of Virginia
Population 8.518 million

Albemarle County, VA
Population 111,294
discover

Residential Population Density
1 dot = 100

Daytime Employee Population Density
1 dot = 100

Median Household Income
- $0-$25,000
- $25,000-$50,000
- $50,000-$75,000
- $75,000-$100,000
- $100,000-$150,000
- > $150,000

Study Area
- 3.00 mi
- 5.00 mi
- 0-5 min
- 0-10 min
## Discover Demographics – Costco, Charlottesville, VA

<table>
<thead>
<tr>
<th>Category</th>
<th>5-Mile Radius</th>
<th>10-Mile Radius</th>
<th>15-Mile Radius</th>
<th>10-Minute Drive Time</th>
<th>15-Minute Drive Time</th>
<th>20-Minute Drive Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Year Estimated Population</strong></td>
<td>104,909</td>
<td>134,995</td>
<td>186,551</td>
<td>84,564</td>
<td>116,419</td>
<td>143,377</td>
</tr>
<tr>
<td><strong>Number of Households</strong></td>
<td>42,043</td>
<td>53,590</td>
<td>72,657</td>
<td>33,755</td>
<td>46,390</td>
<td>56,707</td>
</tr>
<tr>
<td><strong>Projected Annual Growth (5 YR)</strong></td>
<td>5.98%</td>
<td>6.65%</td>
<td>7.31%</td>
<td>5.40%</td>
<td>6.43%</td>
<td>7.10%</td>
</tr>
<tr>
<td><strong>Median HH Income 2019</strong></td>
<td>$65,189</td>
<td>$69,776</td>
<td>$70,525</td>
<td>$62,772</td>
<td>$66,779</td>
<td>$70,484</td>
</tr>
<tr>
<td><strong>Current Year Average Age</strong></td>
<td>36.2</td>
<td>37.7</td>
<td>38.7</td>
<td>35.7</td>
<td>36.6</td>
<td>37.7</td>
</tr>
<tr>
<td><strong>Average Home Value</strong></td>
<td>$459,998</td>
<td>$494,913</td>
<td>$460,012</td>
<td>$462,592</td>
<td>$465,894</td>
<td>$486,202</td>
</tr>
<tr>
<td><strong>Current Year % Bachelor's Degree</strong></td>
<td>17%</td>
<td>17%</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Daytime Population</strong></td>
<td>157,644</td>
<td>179,064</td>
<td>215,020</td>
<td>142,037</td>
<td>168,033</td>
<td>188,573</td>
</tr>
<tr>
<td><strong>Labor Force</strong></td>
<td>85,574</td>
<td>110,561</td>
<td>152,390</td>
<td>69,300</td>
<td>94,827</td>
<td>117,103</td>
</tr>
</tbody>
</table>
Mobile Data Collection

This mobile tracking service uses data collected from mobile phone users who have agreed within their apps and phone settings to enable location information. By drawing a polygon around a specific business or location we are able to gather valuable data about the customer base that has actively used their mobile device while in the identified location. This tool allows us to see where customers are coming from to shop in your market using actual data. This information is used to optimize your trade area, analyze business locations, compare frequency of visitors, and assist retailers in site selection. This is intended to support the trade area, but does not solely define the trade area.

The location tracked was **Albemarle County Target** for the time period of **October 2018** to **October 2019**.
Customized Trade Area

Each retailer has a specific set of site selection criteria they use to determine if they will have a profitable store. Municipal boundaries, radius rings and drive times are a start to evaluating the information sought by these decision makers. A customized trade area is the next step to analyzing a market. A trade area defines a core customer base of consumers highly likely to shop and eat in the market at least once a month. Your trade area has been created by combining the mobile tracking data with drive times, geographic boundaries, and proximity to neighboring shopping destinations. Each retailer will analyze their own trade area based on their existing stores, their competition and site selection criteria.

Retail Strategies has created the customized core trade area shown in the map here which is focused on a consumer who might travel to the market to shop ordine.
Customized Trade Area

158,279
2019 estimated population

170,190
projected 2024 population

7.5%
projected growth rate 2019-2024

37
male average age

39
female average age
Current Year Estimated Population by Race

- Asian: 3%
- Black: 13%
- Latino: 6%
- White: 73%
- Other: 5%
Customized Trade Area

**CURRENT YEAR ESTIMATED HOUSEHOLDS BY HOUSEHOLD SIZE**

- **$70,682** median household income
- **67,182** number of households

1-person household: 18,465 (30%)
2-person household: 21,248 (34%)
3-person household: 9,504 (15%)
4-person household: 7,947 (13%)
5-person household: 3,017 (5%)
6-person household: 1,106 (2%)
7 or more person household: 630 (1%)
Customized Trade Area

2019 ESTIMATED HOUSING UNITS BY TENURE

- Vacant Housing Units: 5,266
- Occupied Housing Units: 61,917
- Owner-Occupied: 36,083
- Renter-Occupied: 25,834

Average housing unit value: $475,731
Customized Trade Area

CURRENT YEAR ESTIMATED HOUSEHOLD BY TYPE

- Nonfamily Households: 12%
- No own children under 18 years: 4%
- With own children under 18 years: 5%
- Female Householder: no husband present:
  - No own children under 18 years: 9%
  - With own children under 18 years: 2%
- Male Householder: no wife present:
  - No own children under 18 years: 1%
  - With own children under 18 years: 2%
- Married-couple family: 46%
- Family Households: 58%
- 1 Person Households: 30%

2.39 people per household
Discover
Customized Trade Area

DAYTIME POPULATION

- Children at home: 4%
- Retired/Disable persons: 12%
- Homemakers: 13%
- Work at Home: 3%
- Employed: 41%
- Unemployed: 27%

198,312 daytime population
Discover
Customized Trade Area

Average employee salary: $55,043

- White Collar: 40%
- Blue Collar: 59%
- Unclassified: 1%
Discover
Customized Trade Area

CURRENT YEAR ESTIMATED POPULATION AGE 25+ BY EDUCATIONAL ATTAINMENT

- Doctorate Degree: 5,688
- Professional School Degree: 5,470
- Master's Degree: 15,352
- Bachelor's Degree: 25,581
- Associate Degree: 5,071
- Some College, No Degree: 16,511
- High School Graduate (or GED): 18,167
- Some High School, No Diploma: 4,960
- Less Than 9th Grade: 3,533
Discover
Customized Trade Area

Current Year Estimated Population by Enrollment

- Nursery school/preschool: 2,794
- Kindergarten/Elementary School: 15,706
- High School: 25,035
- College/Graduate/Professional school: 6,286
Discover

Lifestyle reports allow BIG DATA to be summed up into a simple narrative on the personality of the majority of your households.

When asked to describe “Who is Albemarle County?”, often times the community leadership describes themselves rather than the dominate personality of the area. Understanding consumer spending behavior based on personality allows Retail Strategies to better align the retail prospects with the purchasing patterns of the consumers in your market.

ESRI Tapestry Segmentation is a geodemographic segmentation system that integrates consumer traits with residential characteristics to identify markets and classify US neighborhoods. Neighborhoods with the most similar characteristics are grouped together, while neighborhoods with divergent characteristics are separated. Internally homogenous, externally heterogeneous market segments depict consumers' lifestyles and life stages. Tapestry Segmentation combines the "who" of lifestyle demography with the "where" of local geography to create a classification model with 67 distinct, behavioral market segments.

Selection of the variables used to identify consumer markets begins with data that includes household characteristics such as single person or family, income, relationships (married or multigenerational), and tenure; personal traits such as age, sex, education, employment, and marital status; and housing characteristics like home value or rent, type of housing (single family, apartment, town house, or mobile home), seasonal status, and owner costs relative to income. In essence, any characteristic that is likely to differentiate consumer spending and preferences is assessed for use in identifying consumer markets.
Discover: Psychographic Profile

ESRI Tapestry Segmentation

ALBEMARLE COUNTY

- Exurbanites (1E): 16.2%
- Soccer Moms (4A): 9.4%
- In Style (5B): 7.3%
- The Great Outdoors (6C): 6.9%
- Top Tier (1A): 14%

esri.com/tapestry
Discover: Psychographic Profile

ESRI Tapestry Segmentation

**LifeMode Group: Affluent Estates**

**Exurbanites**

- Households: 2,398,200
- Average Household Size: 2.50
- Median Age: 51.0
- Median Household Income: $103,400

**LifeMode Group: Family Landscapes**

**Soccer Moms**

- Households: 3,541,300
- Average Household Size: 2.97
- Median Age: 37.0
- Median Household Income: $90,500
Discover: Psychographic Profile

ESRI Tapestry Segmentation

-LifeMode Group: GenXurban-
In Style

Households: 2,764,500
Average Household Size: 2.35
Median Age: 42.0
Median Household Income: $73,000

-LifeMode Group: Cozy Country Living-
The Great Outdoors

Households: 1,908,600
Average Household Size: 2.44
Median Age: 47.4
Median Household Income: $56,400
discover

focus categories
Discover

Understanding the GAP Analysis:
The GAP Analysis helps us uncover the number of dollars being spent outside of the community on an annual basis from a categorical perspective.

The difference between demand and supply represents the opportunity gap or surplus available for each merchandise line in the specified reporting geography. When the demand is greater than (less than) the supply, there is an opportunity gap (leakage) for that merchandise line. For example, a positive value signifies an opportunity gap, while a negative value signifies a surplus.

Retail Strategies uses STI:PopStats as our provider of the consumer demand and supply by establishment (or GAP) information. Several demographers provide the data in a variety of ways. Following are the sources and methodologies used by STI:PopStats and Retail Strategies to draw conclusions for you.

The market supply data is derived from annual retail sales and expenditures from the source data. The source for market supply is U.S. Census Bureau’s monthly and annual Census of Retail Trade (CRT) Reports; U.S. Census Bureau’s Economic Census. The source for the establishment is Bureau of Labor Statistics (BLS). The consumer demand data by establishment is derived from the BLS Consumer Expenditure Survey (CE).

Industries for the consumer expenditures survey are categorized and defined by the North American Industry Classification System (NAICS). Retail Strategies has narrowed down the categories to only those with real estate growth potential based on national trends.

Data is rarely perfect, but with proper analysis it can get us a lot closer to the answer than we would be without it. This is one of several tools used to identify focus categories for recruitment. Our focus in this area is more on the category than the actual dollar amounts.
Discover: Consumer Demand & Supply

Customized Retail Category GAP Analysis

- Building Material and Garden Equipment Stores: $49,044,603
- Health & Personal Care Stores: $20,340,861
- General Merchandise Stores: $15,356,636
- Electronics & Appliance Stores: $8,785,867
## Retail Node Comparison Report – 10 Minute Drive Time

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Residential Population</th>
<th>Daytime Population</th>
<th>Median HH Income</th>
<th>Market Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costco/Target</td>
<td>Charlottesville</td>
<td>VA</td>
<td>84,860</td>
<td>142,762</td>
<td>$62,656</td>
<td>$1,916,541,230</td>
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<tr>
<td>8040 Ray Mears Blvd</td>
<td>Knoxville</td>
<td>TN</td>
<td>93,294</td>
<td>149,651</td>
<td>$58,106</td>
<td>$2,880,956,844</td>
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<tr>
<td>6150 Bayfield Pkwy</td>
<td>Concord</td>
<td>NC</td>
<td>97,550</td>
<td>115,392</td>
<td>$63,118</td>
<td>$2,993,080,703</td>
</tr>
<tr>
<td>4801 McKnight Rd Ste 3</td>
<td>Pittsburgh</td>
<td>PA</td>
<td>87,445</td>
<td>125,063</td>
<td>$64,066</td>
<td>$3,429,448,854</td>
</tr>
<tr>
<td>315 Colonnade Blvd</td>
<td>State College</td>
<td>PA</td>
<td>79,470</td>
<td>135,871</td>
<td>$56,469</td>
<td>$1,068,588,666</td>
</tr>
<tr>
<td>201 W Beaver Ave</td>
<td>State College</td>
<td>PA</td>
<td>86,640</td>
<td>145,965</td>
<td>$58,336</td>
<td>$1,303,398,569</td>
</tr>
<tr>
<td>5437 Urbana Pike</td>
<td>Frederick</td>
<td>MD</td>
<td>82,900</td>
<td>126,333</td>
<td>$71,007</td>
<td>$3,185,215,829</td>
</tr>
<tr>
<td>3835 Dryland Way</td>
<td>Easton</td>
<td>PA</td>
<td>98,142</td>
<td>118,736</td>
<td>$67,977</td>
<td>$2,031,136,154</td>
</tr>
</tbody>
</table>
Discover: Peer Analysis

PEER RETAILERS

- Arts & Entertainment: 1 (Albemarle County), 2 (Peer Average)
- Automotive: 19 (Albemarle County), 20 (Peer Average)
- Coffee, Juice & Smoothie: 14 (Albemarle County), 15 (Peer Average)
- Full Service Restaurants: 12 (Albemarle County), 19 (Peer Average)
- General Merchandise: 8 (Albemarle County), 13 (Peer Average)
- Health & Medicine: 24 (Albemarle County), 30 (Peer Average)
- Quick Service Restaurants: 52 (Albemarle County), 56 (Peer Average)
- Specialty Grocery: 2 (Albemarle County), 3 (Peer Average)
- Sports & Recreation: 1 (Albemarle County), 3 (Peer Average)

Legend:
- Green: Albemarle County
- Dark Grey: Peer Average
Putting our boots on the ground in your community to identify strategic and underutilized real estate assets.
We identify and record the primary real estate opportunities within the market.

This analysis is performed by licensed real estate professionals with more than 15 years of experience with development, leasing, and redevelopment.

### Information Collected

- Address
- Property Description
- Coordinates
- Listing Agent (if possible)
- Contact Info for Agent or Owner
- Web Address for Agent or Owner
- Link to Property Info on Agent or Owner’s Website
- Google Earth Link to Aerial Photo
- Google Earth Link to Ground Photo
- Total Size of Center (if existing)
- Available Space in Center
- Parcel Size (if vacant land)
- Existing Tenants (if existing)
- Traffic Count at Property
- Summary of Recruitment
- Opportunities Specific to Property
- Specific Prospects for Property
- Overall Strategy for Property
- General Comments
Home Run Real Estate

Parking
High Visibility/Signage
Easy Access

Traffic Count
Co-tenancy
Convenience
Current Real Estate Overview
Focus Zones for Recruitment
After discovering your community’s data and interpreting it into zones for recruitment we need to focus on which retailers and retail categories have the highest odds of success.
connect
Your Top Categories for Recruitment

Restaurants
Building Supply & Garden
General Merchandise
Health & Personal Care
Retail Real Estate Process: Terms

Connect

Retailers
- Corporate Real Estate Directors
- Tenant Representatives
- Franchisees
- Franchisee brokers

Sites
- Property Owners
- Brokers
- Bank-owned
- Local Government
- Underperforming Businesses

Matchmaking
Retailer Drives the Decision
Small percentage of proposed sites equal new openings
Long Process

It’s all about PROFIT
Albemarle County, VA
Persistence and education are key to growth. We have developed tools that help us stay in constant contact, sharing our efforts and current retail trends with you, as well as strong marketing, we increase our odds of success.
Reporting Information

Monthly updates through Basecamp to a single Contact Person who disseminates information to the Community leaders.

Retail Assets

Retail Webinars
  a. National Retailers
  b. Industry Experts
  c. Broker Representatives

Recruitment Tools

1. Marketing Flyer
2. City Sites
3. Conference Recruitment
Retail Webinars are a monthly series of interviews with retail insiders focusing on a specific retail category, such as exercise and fitness or quick service restaurants.

Hosted by our President & COO, Lacy Beasley, these brief webinars pair well with our Focus Trends articles as a way to gain specific knowledge on the real estate choices and logic for expansion and closure that guides a single retail concept.
Marketing your community is of vital importance. Ease of access to the right information in a convenient manner is key to growing your community.
You need a document that showcases critical market intelligence, real estate assets, and compelling data that speaks the retail real estate language. This should include an aerial map with the national retailers plotted and traffic counts.
City Sites

Any retail real estate focused online presence should include the following:

- Map
- Demographics
- Schools
- Major Employers
- Retail Sites w/ size & location
- Ordinances & Codes
- Contact Information
Connect with industry decision makers through International Council of Shopping Centers. Public Sector receives a discounted membership of $100/year. Dozens of networking events are held with thousands of retailers, brokers, developers and communities in attendance.
Conference Recruitment

We attend 15+ conferences per year to recruit retail to specific sites in our communities.

Las Vegas  New York City  Dallas  Atlanta  Chicago
Orlando  New Orleans  Charlotte  Nashville  San Diego
On-going Effort

**Strategy Update**
Continuously improving our efforts to maximize the retail potential in your community

**Retail Expansion & Trends**
Appropriately position your community
Update City leaders on the latest in retail

**On Demand Reporting**
Your research concierge.
1. Contact developers, retailers, tenant representatives and franchisee groups regionally and nationally.

2. Make direct and indirect connections through conferences, in person meetings, phone calls, and emails.

3. Coordinate and communicate our efforts regularly with local brokers, property owners, and city staff.

4. Follow industry trends as well as changes in your local market to adjust our strategy and improve our efforts to maximize the retail potential in your community.
Thank You.

There’s a lot of potential here.