A light blue silhouette of a city skyline, featuring various building shapes and heights, serves as the background for the slide.

# BERRY CORRIDOR PRELIMINARY MARKET ANALYSIS

October 2014

# Our Work

- Current Market Conditions
  - Leakage analysis
  - Business inventory
  - Development trends with no substantial changes
  - Residential
- Looking Forward
  - We will evaluate the prospects for additional commercial development in scenarios as they develop



# RETAIL LEAKAGE

# Leakage Analysis

- **Demand**
- What is the total spending on retail and eating & drinking by residents in the neighborhoods most directly served by the study area?
- **Supply**
- To what extent are businesses in the study area capturing that spending?

# Measurements

- DEMAND:  
NielsenClaritas
- Utilizes census data, so ...
  - Useful only at larger geographies
  - We looked at 1 and 3 mile radii
  - Immediate neighborhood can't be measured well
- SUPPLY:  
Civic Economics
- We developed our own estimate of sales at each
  - Chain store averages
  - Sector averages psf
  - Eyeball test

# Demand

## COMMERCIAL DEMAND One Mile Radius (\$ millions)

All Retail *	\$	132.73
Restaurants and Bars	\$	40.50
Total	\$	173.23

*\* All Retail excludes motor vehicle sales, gasonline stations, and general merchandise stores*

*Source: Nielsen Claritas, Civic Economics*

## COMMERCIAL DEMAND Three Mile Radius (\$ millions)

All Retail *	\$	659.30
Restaurants and Bars	\$	182.32
Total	\$	841.62

*\* All Retail excludes motor vehicle sales, gasonline stations, and general merchandise stores*

*Source: Nielsen Claritas, Civic Economics*

# Supply

## COMMERCIAL SUPPLY Berry Street Study Area (\$ millions)

Civic Economics estimate of study area sales:

Motor vehicle parts dealers	\$2.5
Furniture and home furnishings stores	\$2.5
Electronics and appliance stores	\$1.5
Building material and garden equipment and supplies dealers	\$0.0
Food and beverage stores	\$26.0
Health and personal care stores	\$17.5
Convenience Stores	\$2.0
Clothing and clothing accessories stores	\$6.5
Sporting goods, hobby, musical instrument, and book stores	\$4.0
General merchandise stores	\$3.5
Miscellaneous store retailers	\$1.5
<b>Retail Total</b>	<b>\$67.5</b>
Restaurants and Bars	\$36.0
<b>Total</b>	<b>\$103.5</b>

*\* All Retail excludes motor vehicle sales, gasoline stations, and general merchandise stores*

*Source: Nielsen Claritas, Civic Economics*

## COMMERCIAL SUPPLY Three Mile Radius (\$ millions)

All Retail *	\$	1,071.51
Restaurants and Bars	\$	235.45
<b>Total</b>	<b>\$</b>	<b>1,306.96</b>

*\* All Retail excludes motor vehicle sales, gasoline stations, and general merchandise stores*

*Source: Nielsen Claritas, Civic Economics*

# Eating & Drinking Market

- Berry Street fares well in eating & drinking, as would be expected
  - College and urban
- The broader area does as well, though, which limits expansion opportunities in the study area
- Strong, very different clusters at University Park and South Side

# Retail Market

- Few urban neighborhoods are in surplus for retail
  - Residents have ample opportunities and attractions by car
  - University Park, West 7<sup>th</sup> compete strongly, as well

# Market Opportunities

- Eating & Drinking
  - Better opportunities than the numbers might indicate
  - Agglomeration effect is strong, which implies niche markets
  - Built in student base that currently drives off to eat and drink
- Retail
  - Data indicate opportunities to stop leakage
  - Leakage likely to suburban shopping centers, University Park
  - Local-serving to include students

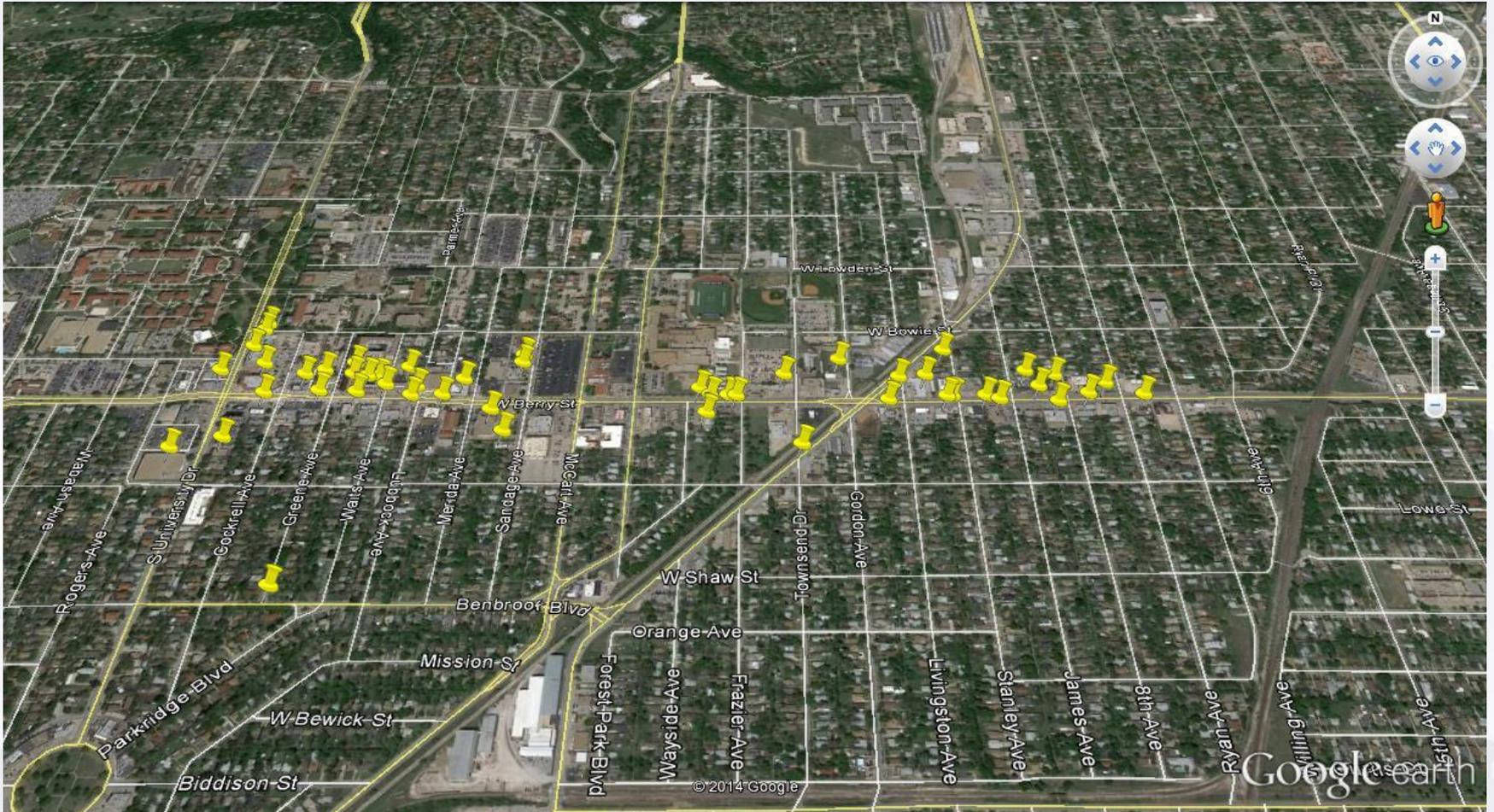


# **BUSINESS INVENTORY**

# Business Inventory

- 110 Individual Businesses
  - 37 Eating & Drinking establishments
    - Of which 6 are freestanding fast food
  - 27 Retail Stores in operation, +5 vacant
  - “13” alternative financial institutions
    - Payday and title loans
- Let’s see how it maps out:
  - Subject to my GIS ineptitude ...

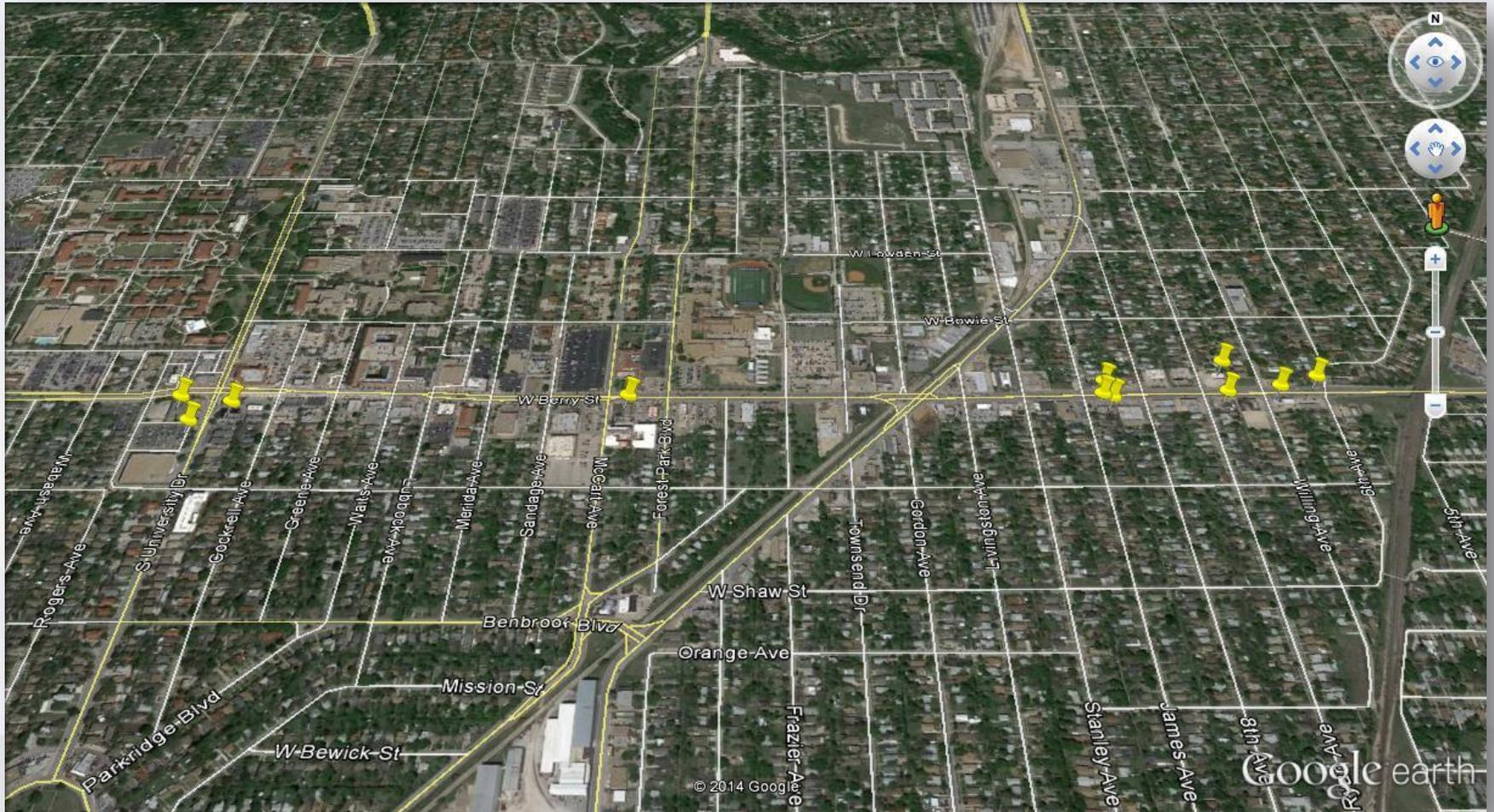
# Retail



# Eating & Drinking



# Banking and Alternative Finance



# Three Identifiable Zones



# College Town Today

- Generally successful as a traditional college district
  - Pedestrian friendly with shopping, eating and drinking, and services
  - Bluebonnet Circle is closely related as a destination

# College Town Opportunities

- With suitable spaces, might attract additional typical college town retailers
  - Gap, American Apparel
  - Preppy or fashionable independents
- Limited opportunities for development
  - Small parcels on south side of Berry
  - University control on north side of Berry
- Potential for growth
  - Side streets
  - To the east ...

# College Town



# Paschal/Transitional Zone

- Auto driven with weakening pedestrian environment
  - It may not be pretty, but it is generally successful in serving the local market
  - Drug stores, fast food, services
- Pedestrian amenities probably cannot draw foot traffic beyond surface lots and driveways after Merida

# Paschal Transitional Zone

- Strong potential for redevelopment with some challenges
  - University PAC will attract new visitors to the area
  - Dueling drug stores – something's got to give and likely will from market to market
- Transit and stormwater improvements would jumpstart development

# Paschal Transitional Zone

- Chance to out-funk Magnolia at low cost



# Financial District

- Entirely auto driven and only slightly neighborhood-serving
  - Laundry, convenience stores, dollar and thrift
  - Payday and title loan agglomeration functions as a regional draw for its customers
    - These businesses cluster naturally, but many communities are working to break that up
- We would love more input from neighbors in this stretch – What do they want to see?

# Financial District

- Gentrification in Ryan Place may present an opportunity for a small move upmarket
- Larger parcels can be assembled
- Substantial redevelopment will likely require strong intervention
  - Rail, stormwater mitigation, neighborhood amenities

# Current Opportunity Summary



## COLLEGE TOWN:

- Meet more University demand for bars and restaurants
- Create spaces suitable for retailers that want students/ pedestrians

## PASCHAL:

- Potential to expand college town activity
- PAC and drug store shakeout
- Deep-pocketed, motivated developer
- Low investment, funk factor

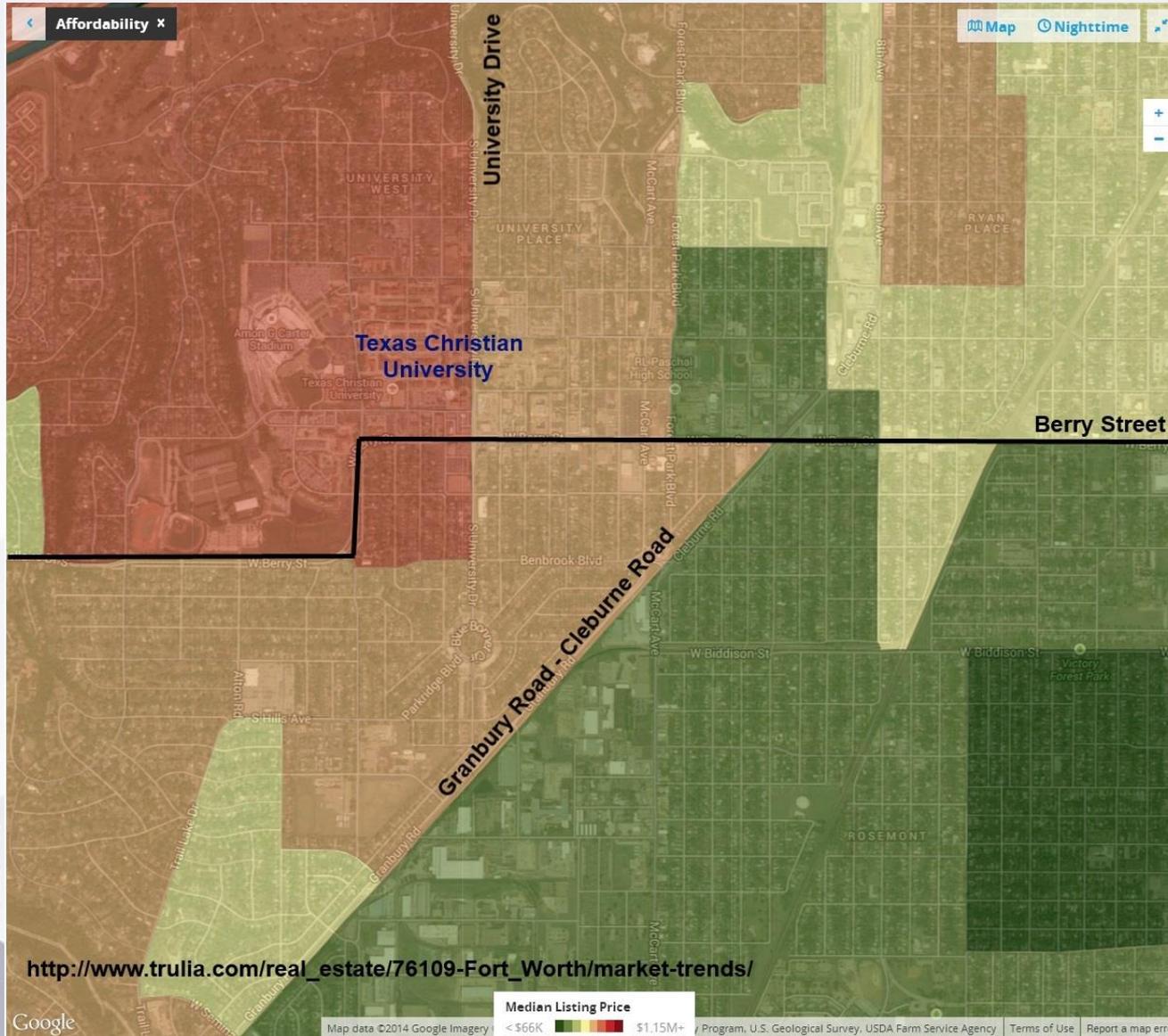
## FINANCIAL DISTRICT:

- Neighborhood serving business both north and south
- Regulate finance businesses to make room
- Public investment will need to precede private

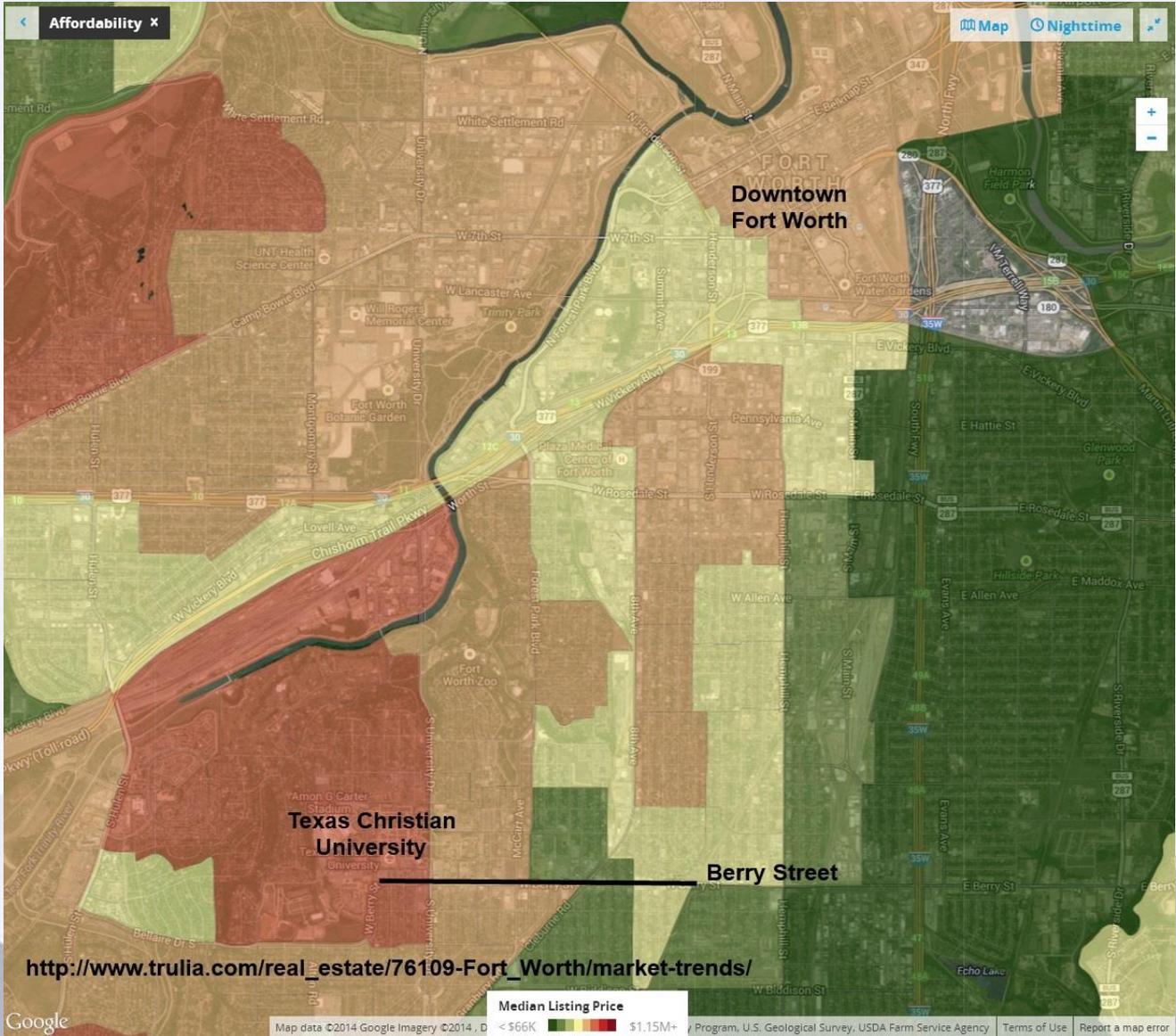


# RESIDENTIAL REAL ESTATE

# Residential Values - Local



# Residential Values - Wider



# Residential Considerations

- Study area connects some of the lowest- and highest- value neighborhoods in FTW
  - East-West trends on the street reflect that clearly
  - Issues of gentrification and affordability merit attention
- Will students will long remain the dominant market opportunity/curse?
  - TCU clearly building alternatives to bring more on campus

# What's Next?

- I will be at my desk tomorrow to think through evolving plans from the studio
- Discussions with developers to understand:
  - Cost-sensitivity and interest by segment
  - Competitive areas for investment

# For follow up:

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