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GUIDE TO INTERPRETING STATISTICAL SUPPLY AND DEMAND FINDINGS OF THE RETAIL OPPORTUNITY ANALYSIS

The Retail Opportunity Analysis in the preceding material is a diagnostic report which measures the balance between retail supply and retail demand in a designated geographic trade area. Dollar figures in the shaded column, "Trade Surplus or Trade Deficit," signal facts about consumer spending patterns and existing sales in the area designated for measurement.

Zero Dollars represents retail equilibrium, or economic balance between retail demand and retail supply in the trade area as geographically defined.

Negative Dollars signal potential retail opportunity, or unmet retail demand. Unless compelling reasons prohibit retail uses in this category, for example, unmet liquor demand in an area where liquor sales are not allowed, this is likely to present a retail opportunity.

Positive Dollars indicate that basic demand is met and that sales in the trade area as defined exceed expectations.

Should positive dollars result from the retail supply/demand diagnostic, the degree to which opportunity may still be present is dependent on two factors:

- A. The accuracy of the geographic trade area specified for measurement, and/or
- B. The type of goods or services as defined by industrial classification being measured.

Positive dollar figures for locally provided services, such as Personal Service, signal little retail opportunity, except in the case of a strong local competitor who might offer a clearly different product or service.

Positive dollar figures for destination draw are regionally appealing retail goods and services, such as Restaurants, General Merchandise and Miscellaneous Retail, indicate that the area serves as a destination draw effective at the time of measurement. In this case, educated consumers regularly come into the area for specific kinds of goods and services.

Amounts of positive dollars of more than twice the amount of retail demand mean that a well established draw pattern is in place. Additional restaurants with a different concept or exceptional service and food quality may do well in this retail environment. However, only exceptionally strong retail draw tenants are likely to succeed under such circumstances.

Limitations of the Uses of the Retail Opportunity Analysis:

This retail diagnostic report is intended for the use of retail professionals only.

1. Competitive trade areas for each type of retail goods or services vary substantially. The trade area designated for measurement should be specified by a retail marketing professional familiar with the retail draw patterns of the classified goods or services being tested.
2. Retail supply, represented by sales data, is drawn from data bases which are current to the end of the preceding tax year in which this analysis is being performed. Sales estimate adjustments for additional retail establishments, or those which have closed, should be made to the appropriately classified supply data, and Trade Surplus or Deficits be adjusted accordingly.
3. Due to available source data, results of this analysis are limited to the categories specified. Additional category refinement may be achieved through a detailed retail analysis by SIC code type within each broad retail classification.

RETAIL CATEGORIES WITHIN THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS)

A. **Hardware, Garden**

Building Materials, Hardware Stores, Paint Stores, Wallpaper, Nurseries, Household Services, Lawn Mowers, Decorative Hardware, Portable Building, Fencing, Bricks, and Lumber Yards.

B. **Grocery**

Supermarket, Convenience Stores, Bakeries, Food Retail Specialties, Delicatessen, Gourmet Shops, Meat and Seafood, Fruit and Vegetable Markets, Dairy Product Stores, Health Food Stores, Candy, Nuts, Cheeses.

C. **Automotive Services, Repair, Parking & Rental**

Automotive Services: Car, Truck and RV Rental/Lease, Parking Lots, Paint, Repair and Body Shops, Car Washes, Auto Detailing, Towing and Wrecking, Brake, Muffler Lube Services.

D. **Men's & Boy's Clothing**

Men's & Boy's Clothing, Work Clothes, Boy's Clothes, Upscale Men's Wear, Apparel accessory.

E. **Women's Clothing & Accessories**

Upscale Women's, Maternity, Women's Sportswear, Women's Specialty, Discount Apparel, Accessories, Hosiery, Discount Shoes, Dance Wear, Formal Wear, Larger Sizes, Resale Shops, Bridal Shops.

F. **Children's & Infant's Wear**

Children's Clothing, Children's Furnishings, Children's Accessories, Infants' Clothing, Infants' Furnishings, Infants' Accessories.

G. **Misc Apparel & Accessories**

Upscale Shoes, Discount Shoes, Sports Shoes, Boots, Family Clothing Stores, Jeans, Custom Tailors, Clothing Designers, Caps & Gowns, Uniforms, Wigs & Hair Goods

H. Furniture & Home Furnishing

Rattan, Bedding, Unfinished Furniture, Discount Furniture, Modern Furnishings, Flooring, Drapes and Upholstery, Design Studios, Upscale Furniture, Period Furnishings.

I. Appliances & Electronics

Vacuum, Electronics, Radio-Stereo/Television, Music Stores, Lighting, Piano and Organ, Major Appliance, Computer and Computer Software, Music and Video Tape Sales.

J. Restaurants

Restaurants, Sandwich Shops, Bakeries with seated service, Fast Food (with drive thru), Ice Cream, Hot Dog Stands, Drive-in Restaurants, Yogurt, Caterers, Cafes and Bars, Specialty Restaurants, including Barbecue, Chinese, Oriental, Polynesian, Mexican, American, Burgers, Steak Houses, Seafood, Italian, Cafeterias, Chicken, French, German, etc.

K. Drugs & Sundries

Drugstores, Proprietary, Pharmacy, Sundries

L. Liquor Stores, Beer & Wine Sales

Package Stores, Liquor Stores, Beer and Wine Sales, Liquor Sales at Eating and Drinking Establishments

M. Miscellaneous Retail

Miscellaneous Retail: Sporting Goods, Bookstores, Christian Books, Jewelry, Watches and Watch Repair, Toys, Games and Hobbies, Specialty Hobbies, Photo Developing, Cameras, Cards and Gifts, Imports, Paper Goods, Antiques, Home Accents, Leather Goods, Fabrics, Florists, Silk Flowers, Tobacco, Video, Frame Art and Galleries, Pool Supplies, Pet Stores, Pet Supplies, Photo Supplies, Health and Beauty, Bicycles, News Stands, Mail Order Houses, Direct Selling Organizations, Medical Retail, Feed and Farm Supplies, Farm Machinery and Tractors.

N. Personal Services

Personal Services: Shoe Repair, Tanning, Dance Studio, Health Studios, Rental Shops, Vision and Eyeglasses, Print Shops, Sign Shops, Mail Services, Dry Cleaners, Carpet Cleaning, Beauty Shops, Barber Shops, Nail and Manicures, Educational Centers, Locksmiths, Photo Studios, Funeral Homes, Tax Return Preparation.

O. Miscellaneous Entertainment

Movie Theaters, Video Rentals, Dancing Schools, Billiards, Amusement Parks, Membership Sports Clubs, Galleries, Museums, Martial Arts, Exercise Studios, Golf Ranges, Miniature Golf, Driving Ranges, Batting Cages, Video Arcades, Stables, Bowling Alley, Community Theater, Live Theatrical Performances, Concerts, Tourist Attractions.