



Downtown Howell Howell, Michigan Market Profile

Prepared for:



Howell Main Street/DDA

A service provided by:



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Introduction

Howell Main Street/DDA, the non-profit organization spearheading downtown enhancement and economic development efforts in the community of Howell, Michigan – a Michigan Main Street community – is taking a proactive and catalytic approach to planning for the future prosperity of downtown Howell.

This market profile has been prepared in conjunction with advanced level market study and business development services being provided by Michigan Main Street Center. Technical assistance is specifically designed for communities which have previously completed a market study; have a need to update market information; and/or are seeking to take the scope of economic restructuring and business development efforts to a new level. The advanced level program is designed to capitalize upon Howell Main Street’s past investment of time and effort, to re-energize local staff and volunteers participating in the process, and to optimize the products of these efforts to elevate local business improvement and economic development initiatives.

The timing for considering opportunities for business expansion, development and investment is opportune. The process is designed to build upon successes and momentum realized since the completion of a downtown Howell market analysis project completed in 2007 which, according to Howell Main Street officials, includes:

- ▶ Identifying and developing the niche for downtown, and using the information and a spring board for development of a downtown marketing strategy and the launch of the “Shop Different” branding campaign.
- ▶ The production of business recruitment collateral material, including a brochure and promotional video which present data and findings in a more useful and user friendly way – and have positively influenced prospects in making decisions to locate their businesses in downtown Howell.
- ▶ The relocation of the Howell Main Street/DDA office to a more visible downtown location to serve as a central information source for downtown business owners, prospective businesses and visitors.
- ▶ Active involvement and assistance in downtown business recruitment, expansion and relocation efforts, with more than a dozen new businesses utilizing assistance and services available from Howell Main Street/DDA.

Moving forward, it will be important for the community to capitalize upon and leverage these investments and results to position downtown Howell as a local and regional attraction, an economic engine, and a center for commerce.

The information and direction gained from this Market Profile is an important step in laying the groundwork for current and future enhancement and business development strategies. Findings from the study can be used to establish benchmarks and to help provide direction for Howell Main Street/DDA downtown business and economic development initiatives.

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Downtown Howell Trade Area

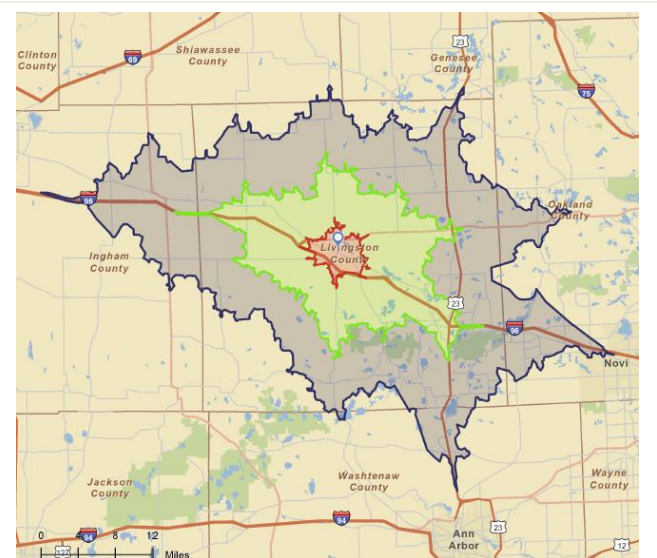
Drive Time Geographies

The profile assembled for the Downtown Howell Drive Time Market is based upon information contained in a series of ESRI reports generated for a 5, 15, and 25 minute drive time area originating from the center of the downtown Howell business district.

The **five minute drive time** market profiles a “captive” resident and convenience-oriented market for downtown Howell. The population residing in the five-minute area would also be more likely access downtown on foot, bicycle and via other alternative modes of transportation. Demographic and psychographic data could be particularly useful for assessing performance and expansion opportunities for convenience and clientele-oriented businesses and uses, and for analyzing and profiling the composition of the current and potential downtown Howell area housing market.

The area plotted for the **fifteen minute drive time** geography includes areas that span along major travel routes in the Howell vicinity and includes all and part of the communities of Brighton, Fowlerville and Oak Grove. Data and information for the fifteen-minute drive time area could be helpful for comparing and contrasting the traits and characteristics of the five-minute “close to downtown” population with that in the wider local region – or what could represent a primary trade area for downtown Howell. The consumer profile for the fifteen minute drive time may also be indicative of the “comparison market” for Howell area service, retail and eating & drinking uses.

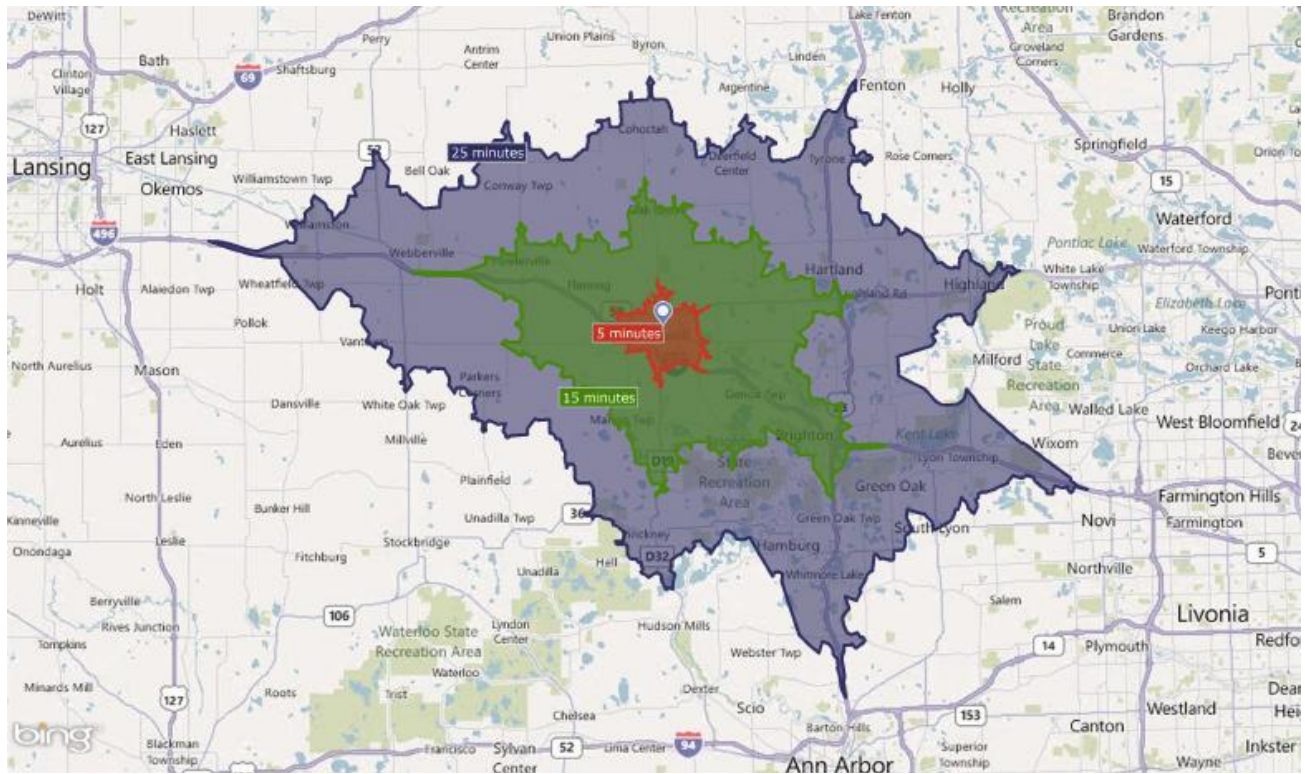
The **twenty-five minute drive time** area is generally more expansive and representative of a regional market, capturing both rural areas and stretching toward the more urban markets of Ann Arbor, Lansing/East Lansing, Farmington Hills and Livonia. Consumers in this regional market, all things being equal, may be more naturally inclined to frequent commercial areas in other communities, based on convenience. Opportunities for downtown Howell to capture consumers from the broader regional market, and to increase its retail market share, will most likely revolve around retail and service anchors; specialty retail and destination-oriented eating & drinking places; recreational attractions and venues; and events.



Downtown Howell Drive Time Markets

Fast Facts

Population	5 Min	15 Min	25 Min
2000 Estimate	14,813	61,344	162,976
2010 Estimate	18,216	79,735	194,517
2015 Projection	18,926	84,195	201,365
Change: 2010 – 2015	+ 3.9%	+ 5.5%	+ 3.5%
Households	5 Min	15 Min	25 Min
2000 Estimate	5,847	22,937	59,132
2010 Estimate	7,517	30,632	72,554
2015 Projection	7,881	32,514	75,591
Change: 2010 – 2015	+ 4.8%	+ 6.0%	+ 4.1%
2010 Est. Income	5 Min	15 Min	25 Min
Average Household	\$76,747	\$91,751	\$94,789
Median Household	\$65,815	\$76,036	\$78,950
Per Capita	\$31,430	\$35,330	\$35,440
Source: ESRI Market Profile, 2010.			



Reports generated and used to examine the Howell Drive Time Markets are based on 2010 ESRI data and include:

ESRI Market Profile

The Market Profile report provides current-year and five-year projections for U.S. demographics. The annual updates include information about population, households, housing, occupancy, income, age, race, Hispanic origin, and more.

ESRI Tapestry Segmentation Area Profile

The analysis of geodemographic and lifestyle characteristics of trade area households provides for an enhanced view of the market and its “personality.” The examination of prevalent market segments as defined in the ESRI Community Tapestry segmentation system can reveal consumer lifestyle characteristics and traits that are important to the consideration of downtown business development strategies, including targeted consumer segments, business types, product lines, price points and marketing strategies.

ESRI Retail MarketPlace Report

The ESRI Retail MarketPlace Report provides a means of gauging the trade area’s retail performance. Estimates of potential sales are compared to estimates of actual sales, and the variance is expressed in terms of a “sales surplus” or “sales leakage.” Deviations from potential sales may reveal areas of opportunity in the trade area’s retail sectors, keeping in mind any extenuating circumstances that may be driving the results.

Demographic Snapshot

The ESRI Market Profile report generated for the Downtown Howell Drive Time Markets provides extensive data to profile, benchmark and track the market. Analysis and comparison of data for the three drive time areas reveals some interesting characteristics and trends including:

- ▶ Trends and projections for the population and households within the drive time geographies point to a market with five-year increases of 3.5% to 5.5% projected for population; and about 4% to 6% for households. Projected trends, while positive, anticipate that growth will occur at a slower rate than the rates ranging from about 20% to 30% in the drive time areas between 2000 and 2010.
- ▶ Approximately 29% of housing units in the five minute drive time area are denoted as renter occupied, as compared to about 18% and 14% in the 15- and 25-minute drive time areas, respectively. Average monthly rent reported in 2000 is generally consistent across all areas, estimated in a range of \$625 to \$655. Projections expect the percentage of renter occupied units to decrease by about 1.5% or less across all drive time areas.
- ▶ The percentage of vacant housing units in 2010 is estimated at about 8.5% to 8.8% across the drive time areas and is expected to increase by about 2% by 2015.
- ▶ Median household and per capita income data shows relatively substantial increases occurred between 2000 and 2010 – ranging from about 24% to 36%. Median household income trends are expected to continue, with 5-year projected increases of about 13% to 16% anticipated from 2010 to 2015, while increases in per capita income are anticipated to slow to a 5-year rate of about 12% to 14%.
- ▶ The percentage of the civilian population age 16+ years in the labor force is generally consistent at about 86% to 87% across the drive time areas and is anticipated to increase by about 2% to 3% over the next five years.
- ▶ Employment by occupation is generally consistent across the drive-time areas, with about 65% employed in White Collar occupations; 15% employed in Service occupations; and about 20% employed in Blue Collar occupations.

	5 Minutes	15 Minutes	25 Minutes
Population			
2000 Estimate	14,813	61,344	162,976
2010 Estimate	18,216	79,735	194,517
2015 Projection	18,926	84,195	201,365
2010 – 2015 Change	+ 3.9%	+ 5.5%	+ 3.5%
Households			
2000 Estimate	5,847	22,937	59,132
2010 Estimate	7,517	30,632	72,554
2015 Projection	7,881	32,514	75,591
2010 – 2015 Change	+ 4.8%	+ 6.0%	+ 4.1%
Median Age			
2010 Estimate	34.9	37.5	38.1
2015 Projection	35.2	37.6	38.2
Housing Units – 2010			
2010 Housing Units	8,245	33,514	79,321
Owner Occupied Units	61.8%	73.4%	77.4%
Renter Occupied Units	29.4%	18.0%	14.1%
Vacant Units	8.8%	8.6%	8.5%
Housing Units – 2015			
2015 Housing Units	8,847	36,261	84,268
Owner Occupied Units	61.1%	72.2%	75.9%
Renter Occupied Units	28.0%	17.4%	13.8%
Vacant Units	10.9%	10.3%	10.3%
Est. Median HH Income			
2000	\$50,751	\$60,290	\$63,902
2010	\$65,815	\$76,036	\$78,950
2015	\$76,558	\$86,041	\$88,994
Est. Per Capita Income			
2000	\$23,125	\$26,841	\$27,404
2010	\$31,430	\$35,330	\$35,440
2015	\$35,694	\$39,641	\$39,601
Pop. 16+ in Labor Force			
2010 Civilian Employed	85.6%	87.4%	87.0%
2015 Civilian Employed	88.4%	89.8%	89.5%

Source: ESRI Market Profile, 2010.
Percentages may not equal 100% due to rounding.

Consumer Spending Potential

The ESRI Market Profile report obtained for the Downtown Howell drive time areas shows 2010 estimated amounts spent on a variety of goods and services by households within the defined drive time areas. Overall, the data is indicative of an attractive consumer market with spending at or above the national average in nearly all categories; and with exceptional strength shown, in particular, at the 15- and 25-minute drive time geographies.

Spending Category	5 Minutes	15 Minutes	25 Minutes
Apparel & Services: Total \$	\$14,046,367	\$67,482,974	\$164,455,295
Average Spent	\$1,868.61	\$2,203.02	\$2,266.66
Spending Potential Index	78	92	95
Computers & Accessories: Total \$	\$1,865,677	\$8,948,943	\$21,846,918
Average Spent	\$248.19	\$292.14	\$301.11
Spending Potential Index	113	133	137
Education: Total \$	\$10,464,923	\$51,596,952	\$126,624,345
Average Spent	\$1,392.17	\$1,684.41	\$1,745.24
Spending Potential Index	114	138	143
Entertainment/Recreation: Total \$	\$27,166,912	\$133,150,824	\$326,350,375
Average Spent	\$3,614.06	\$4,346.79	\$4,498.03
Spending Potential Index	112	135	140
Food at Home: Total \$	\$36,465,481	\$173,774,851	\$422,291,119
Average Spent	\$4,851.07	\$5,672.98	\$5,820.37
Spending Potential Index	108	127	130
Food Away from Home: Total \$	\$26,937,631	\$129,051,203	\$314,402,607
Average Spent	\$3,583.56	\$4,212.95	\$4,333.36
Spending Potential Index	111	131	135
Health Care: Total \$	\$29,489,807	\$144,023,654	\$351,219,207
Average Spent	\$3,923.08	\$4,701.74	\$4,840.80
Spending Potential Index	105	126	130
Household Furnishings & Equip: Total \$	\$15,107,047	\$74,319,533	\$182,421,486
Average Spent	\$2,009.72	\$2,426.21	\$2,514.29
Spending Potential Index	98	118	122
Investments: Total \$	\$13,375,831	\$67,878,546	\$167,711,329
Average Spent	\$1,779.41	\$2,215.94	\$2,311.54
Spending Potential Index	102	127	133
Retail Goods: Total \$	\$195,432,809	\$952,327,617	\$2,328,844,064
Average Spent	\$25,998.78	\$31,089.31	\$32,098.08
Spending Potential Index	105	125	129
Shelter: Total \$	\$134,734,641	\$650,461,766	\$1,591,184,418
Average Spent	\$17,923.99	\$21,234.71	\$21,931.04
Spending Potential Index	114	135	139
TV/Video/Audio: Total \$	\$10,208,180	\$48,789,694	\$118,643,232
Average Spent	\$1,358.01	\$1,592.77	\$1,635.24
Spending Potential Index	109	128	132
Travel: Total \$	\$16,025,403	\$79,850,626	\$196,848,733
Average Spent	\$2,131.89	\$2,606.77	\$2,713.13
Spending Potential Index	113	138	143
Vehicle Maintenance & Repairs: Total \$	\$7,774,747	\$37,636,032	\$91,920,610
Average Spent	\$1,034.29	\$1,228.65	\$1,266.93
Spending Potential Index	110	130	134

Source: ESRI Market Profile, 2010.

Data Notes: Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. The Spending Potential Index represents the amount spent in the area relative to a national average of 100. Expenditure data are derived from Consumer Expenditure Surveys, Bureau of Labor Statistics.

Lifestyle Profile

The ESRI Community Tapestry segmentation system classifies U.S. neighborhoods by 65 market segments using proven methodology introduced more than 30 years ago by the ACORN segmentation system. Segmentation and geodemographic systems are stable and reliable because the characteristics that define a neighborhood change slowly. The stability of a neighborhood comes from its fixed features: location, housing, transportation, schools, places of worship, and employment. Self-organization and self-perpetuation also figure into the stability of a neighborhood, patterns which we refer to as “keeping up with the Joneses.”

U.S. consumer markets are different and diverse. Capturing the essence of each market to characterize those differences requires sorting the most accurate and powerful data available using a wide array of attributes. Each neighborhood is analyzed and sorted by more than 60 attributes including income, source of income, employment, home value, housing type, occupation, education, household composition, age, and other key determinants of consumer behavior. To capture the subtlety and vibrancy of the U.S. marketplace, data sources include Census 2000, proprietary ESRI BIS demographic updates, the Acxiom InfoBase consumer database, the Mediamark Research Inc. national consumer survey, and other sources.

Comparative View of Predominant Tapestry Household Segments

The following table shows and compares concentrations of the top five Tapestry household segments found within each of the downtown Howell drive time areas.

Households	5 Minute Drive Time			15 Minute Drive Time			25 Minute Drive Time		
	Count	Pct.	Rank	Count	Pct.	Rank	Count	Pct.	Rank
36. Old and Newcomers	1,360	18.1%	1	2,627	8.6%	4	2,627	3.6%	9
22. Metropolitans	1,119	14.9%	2	1,119	3.7%	13	1,119	1.5%	14
06. Sophisticated Squires	1,040	13.8%	3	5,634	18.4%	1	18,332	25.3%	1
12. Up and Coming Families	849	11.3%	4	1,324	4.3%	9	5,767	7.9%	4
24. Main Street, USA	847	11.3%	5	1,563	5.1%	8	2,760	3.8%	8
17. Green Acres	346	4.6%	9	3,072	10.0%	2	9,126	12.6%	2
07. Exurbanites	441	5.9%	8	2,720	8.9%	3	6,118	8.4%	3
04. Boomburbs	0	0.0%	--	2,542	8.3%	5	4,677	6.4%	6
02. Suburban Splendor	0	0.0%	--	2,005	6.5%	7	5,630	7.8%	5
Count/Pct of Area	6,002	79.9%		22,606	73.8%		56,156	77.3%	

Descriptions for the top five Tapestry segments found within each of the drive time areas follow. Information on ESRI Tapestry methodology and applications, along with descriptions for Tapestry’s 65 segments, are contained in the ESRI Community Tapestry Handbook available for download at <http://www.esri.com/library/brochures/pdfs/community-tapestry-handbook.pdf>.

Snapshot Descriptions of Prevalent Howell Drive Time Tapestry Segments

Segment 02 – Suburban Splendor

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	0 – 0.0% (–)	2,005 – 6.5% (7)	5,630 – 7.8% (5)

Demographic

Suburban Splendor residents are families who live in growing suburban neighborhoods. Married couple families with and without children comprise 8 in 10 of these households. Household growth in these suburbs is 2 percent annually. The median age is 41.6 years, and half of the population is aged 35–64 years. These low-diversity neighborhoods are predominantly white.

Socioeconomic

These successful suburbanites are the epitome of upward mobility, just a couple of rungs below *Top Rung* in affluence. *Suburban Splendor* residents have a median household income of \$121,661 and a median net worth of \$621,888. The wealth of *Suburban Splendor* residents is more than double that of the US median. Labor force participation rates are high for both men and women; many households are two income. Most employed residents work in management, professional positions, and sales. They supplement their salaries with income from interest, dividends, and rental property at a rate much higher than the national level. Well educated, more than half the population aged 25 years and older hold a bachelor's or graduate degree.

Residential

Sharing the lead with *Top Rung* for home ownership at 91 percent, *Suburban Splendor* neighborhoods are located in metropolitan areas throughout the United States. Their large, luxurious homes have a median home value of \$388,380. Located in growing neighborhoods, 60 percent of the houses are relatively new, built after 1979. Because two-income households commonly require multiple vehicles, it is not surprising that 85 percent of these households own two or more vehicles.

Preferences

Hot tubs, espresso machines, granite countertops, and the latest interior design amenities are featured in *Suburban Splendor* homes. A main focus is home improvement and remodeling projects done mostly by contractors, although residents will tackle interior painting jobs. They own a wide array of electric tools that they may or may not use regularly. Residents hire a lawn maintenance service to cut the grass but like to plant their own shrubs and trees; treat their lawn with fertilizer, weed control, or insecticide; and sow grass seed. They have all the latest electronic gadgets including digital camcorders, video game systems, projection screen TVs, and numerous cell phones. This market prefers to own or lease a minivan or full-size SUV and is one of the top markets for owning or leasing a luxury car.

They devote free time to family; travel; and self-improvement pursuits such as physical fitness, reading, visiting museums, and attending the theater. They keep fit by working out weekly at a club or exercising on a treadmill or stationary bike at home in addition to skiing, ice skating, playing tennis and golf, and bicycling. They read the newspaper, books, and magazines (particularly epicurean, airline, travel, business, finance, and boating). Because they travel extensively in the United States and overseas for business and pleasure, they rack up the miles in frequent flyer programs. A favorite hobby is furniture refinishing. When listening to the radio, they prefer classical music as well as all-news, all-talk, news/talk, and sports programs.

Suburban Splendor residents are members of business clubs and are active investors, using the Internet to track and trade their stocks, bonds, and funds. They hold home equity credit lines, consult with financial planners, use stock rating services, and own life insurance policies valued at approximately \$500,000. They shop at upscale retailers, home stores, and wholesalers. They order items over the phone and shop online for airline tickets, flowers, and computer equipment.

Demographic Traits

Household Income:	High
Median Age:	41.6
Family/Household Type:	Married-couple Families
Housing Style:	Single Family
Employment Levels:	Professional/Management
Education Levels:	Bachelor's/Graduate Degree
Ethnic Diversity:	White

Lifestyle Traits

1. Gardening
2. Hold large life insurance policies
3. Stay at Hilton hotels
4. Listen to all-news radio
5. Read travel, sports magazines

Segment 04 – Boomburbs

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	0 – 0.0% (–)	2,542 – 8.3% (5)	4,677 – 6.4% (6)

Demographic

The newest additions to the suburbs, these communities are home to busy, affluent young families. Both the neighborhoods and the families are growing. *Boomburbs* is the fastest-growing market in the United States; the population has been growing at a rate of 4.51 percent annually since 2000. It is also home to one of the highest concentrations of young families with children. The median age is 33.8 years; one-fifth of *Boomburbs* residents are between 35 and 44 years of age. There is little ethnic diversity in the population; most of the residents are white.

Socioeconomic

The *Boomburbs* market includes one of the highest concentrations of two-income households, complemented by one of the highest rates of labor force participation, at 71 percent. Residents are well educated: more than 50 percent of the population aged 25 years and older hold a bachelor's or graduate degree. They work primarily in management, professional, and sales occupations. The median household income is \$110,681, more than double that of the US median. More than half of these households receive additional income from interest, dividends, and rental property. The median net worth is \$387,651.

Residential

The newest developments in growing areas, *Boomburbs* neighborhoods are concentrated in the South, West, and Midwest; the highest state concentrations are found in Texas and California. Approximately three-quarters of the housing units in *Boomburbs* neighborhoods were built after 1989; most are single-family houses. These are the newest developments in growing areas. The home ownership rate is 88 percent, compared to 66 percent for the United States. The median home value of \$282,689 is also high compared to the US median of \$157,913. Commuting links these dual-career households with their suburban lifestyle. Many work outside their resident county; 35 percent cross county lines to work (compared to 23 percent for the United States).

Preferences

Residents' product preferences reflect their suburban lifestyle. *Boomburbs* is the top segment for buying household furnishings, toys and games, men's business and casual clothes, big-screen TVs, cars, and trees. This is also the top market to own big-screen TVs, DVD players, digital camcorders, video game systems, and scanners as well as owning or leasing full-size SUVs. Residents own laptop computers, all kinds of software, and two or more cell phones. They are well-insured, holding life insurance policies worth \$500,000 or more. They go online frequently to buy flowers and tickets to sports events, trade and track their investments, do their banking, and make travel plans. Personal computer use by children younger than 18 years is the highest of all the Tapestry segments.

Boomburbs residents prefer homes with fireplaces and hot tubs. They tend to employ professional household cleaning services. They will do home improvement projects themselves or hire a contractor for more complicated work. For property maintenance, they hire lawn care and landscaping services, but will also do some lawn care themselves.

Family vacations are a top priority; trips to Disney World, Sea World, and other theme parks are popular destinations. For exercise, they play tennis and golf, ski, lift weights, and jog. They watch family videos on DVD, attend baseball and basketball games, and go to golf tournaments. They will readily spend more than \$250 a year on high-end sports equipment and buy family DVDs for their collections. Favorite types of radio programs include alternative, soft contemporary, sports, and all-talk. They read parenting, finance, and business magazines and watch newer sitcoms and dramas on TV.

Demographic Traits

Household Income:	High
Median Age:	33.8
Family/Household Type:	Married Couples w/ Kids
Housing Style:	Single Family
Employment Levels:	Professional/Management
Education Levels:	Some College; Bachelor's/Graduate
Ethnic Diversity:	White

Lifestyle Traits

1. Shop online
2. Bank online
3. Visit Disney World (FL)
4. Listen to sports on radio
5. Own/lease SUV

Segment 06 – Sophisticated Squires

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	1,040 – 13.8% (3)	5,634 – 18.4% (1)	18,332 – 25.3% (1)

Demographic

Residents of *Sophisticated Squires* neighborhoods enjoy cultured country life on the urban fringe. These city escapees accept longer commutes to live near fewer neighbors. Mostly married couple families; more than 40 percent of the households are married couples with children that range from toddlers to young adults. The median age is 38.4 years. Most are Baby Boomers and are aged between 35 and 54 years. This segment is not ethnically diverse; most residents are white.

Socioeconomic

These residents are educated; more than one-third of the population aged 25 years or older holds a bachelor's or graduate degree; another third has attended college. Labor force participation rates are high; occupations range from management to unskilled labor positions. Most work in white-collar jobs. The median household income is \$85,144. Nearly 90 percent of the households earn wage or salary income; nearly half supplement their wages and salaries with interest, dividends, or rental income. The median net worth is \$287,727.

Residential

Sophisticated Squires live in less densely populated areas concentrated along the Atlantic coast and around the Great Lakes. Approximately 90 percent of the housing is single-family homes; the median home value is \$230,333. Seventy-four percent of the housing was built before 1990; 55 percent was built between 1970 and 1989. More than 80 percent of the households own at least two vehicles. They prefer compact SUVs; however, many drive minivans or full-size SUVs.

Preferences

Do-it-yourselfers, *Sophisticated Squires* residents take care of their lawns and landscaping; home improvements; and remodeling projects such as bathroom remodeling, installing new light fixtures, painting home interiors, staining decks, and cleaning carpets with their steam cleaners. They like to barbecue on their gas grills and make bread with their bread-making machines. Many households own a motorcycle. A typical household will own three or more cell phones. Looking toward the future, many residents own stocks, bonds, and large life insurance policies. When dieting, they go on Weight Watchers; many own a treadmill or stationary bike to stay fit.

They go power boating, play board and word games, do woodworking projects, and attend football and baseball games. Adults also take photos, play golf, and ride their motorcycles. Children play games on the home personal computer and typically own a video game system. Residents listen to soft adult contemporary music; classic hits; news; all-talk; and sports radio, including broadcasts of professional games. Although many households have four or more TVs, residents watch as much television as typical US households. Favorite programs include news, comedies, dramas, and programs on Home & Garden Television.

Demographic Traits

Household Income:	Upper Middle
Median Age:	38.4
Family/Household Type:	Married-couple Families
Housing Style:	Single Family
Employment Levels:	Professional/Management
Education Levels:	Some College; Bachelor's/Graduate
Ethnic Diversity:	White

Lifestyle Traits

1. Home improvement
2. Hold large life insurance policies
3. Landscaping
4. Listen to classic hits radio
5. Own 3+ vehicles

Segment 07 – Exurbanites

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	441 – 5.9% (8)	2,720 – 8.9% (3)	6,118 – 8.4% (3)

Demographic

Exurbanites residents prefer an affluent lifestyle in open spaces beyond the urban fringe. Although 40 percent are empty nesters, another 32 percent are married couples with children still living at home. Half of the householders are aged between 45 and 64 years. They may be part of the “sandwich generation,” because their median age of 45.5 years places them directly between paying for children’s college expenses and caring for elderly parents. To understand this segment, the lifestage is as important as the lifestyle. There is little ethnic diversity; most residents are white.

Socioeconomic

The 65.2 percent labor force participation rate is slightly higher than the US rate of 62.4 percent. Approximately half work in substantive professional or management positions. These residents are educated; more than 40 percent of the population aged 25 years and older hold a bachelor’s or graduate degree; approximately three in four have attended college. The median net worth is \$368,532, approximately four times the national figure. The median household income is \$84,522. More than 20 percent earn retirement income; another 57 percent receive additional income from investments.

Residential

Although *Exurbanites* neighborhoods are growing by 1.61 percent annually, they are not the newest areas. Recent construction comprises only 22 percent of the housing. Seventy percent of the housing units were built after 1969. Most are single-family homes. The median home value is \$248,490, more than one-and-one-half times the national median. Because *Exurbanites* cannot take advantage of public transportation, nearly 80 percent of the households own at least two vehicles. Their average commute time to work is comparable to the US average.

Preferences

Because of their lifestage, *Exurbanites* residents focus on financial security. They consult with financial planners; have IRA accounts; own shares in money market funds, mutual funds, and tax-exempt funds; own common stock; and track their investments online. Between long-term care insurance and substantial life insurance policies, they are well insured. Many have home equity lines of credit.

To improve their properties, *Exurbanites* residents work on their homes, lawns, and gardens. They buy lawn and garden care products, shrubs, and plants. Although they will also work on home improvements such as interior and exterior painting, they hire contractors for more complicated projects. To help them complete their projects, they own all kinds of home improvement tools such as saws, sanders, and wallpaper strippers.

They are very physically active; they lift weights, practice yoga, and jog to stay fit. They also go boating, hiking, and kayaking; play Frisbee; take photos; and go bird watching. When vacationing in the United States, they hike, downhill ski, play golf, attend live theater, and see the sights. This is the top market for watching college basketball and professional football games. They listen to public and news/talk radio and contribute to PBS. They participate in civic activities, serve on committees of local organizations, address public meetings, and help with fundraising. Many are members of charitable organizations.

Demographic Traits

Household Income:	Upper Middle
Median Age:	45.5
Family/Household Type:	Married-couple Families
Housing Style:	Single Family
Employment Levels:	Professional/Management
Education Levels:	Some College; Bachelor’s/Graduate
Ethnic Diversity:	White

Lifestyle Traits

1. Enjoy photography
2. Consult financial planner
3. Play golf, bicycle, hike
4. Read 2+ Sunday newspapers
5. Own/Lease SUV

Segment 12 – Up and Coming Families

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	849 – 11.3% (4)	1,324 – 4.3% (9)	5,767 – 7.9% (4)

Demographic

With an annual household growth rate of 4.56 percent, *Up and Coming Families* represents Tapestry Segmentation’s second highest household growth market. A mix of Generation Xers and Baby Boomers with a median age of 31.9 years, this segment is the youngest of Tapestry Segmentation’s affluent family markets. Residents of these neighborhoods are young, affluent families with younger children. Eighty percent of the households are families. Most of the residents are white; however, diversity is increasing as the segment grows.

Socioeconomic

Beginning their careers, residents of *Up and Coming Families* are earning above-average incomes. The median household income is \$76,135, higher than the national median. The median net worth is \$175,142. Nearly two-thirds of the residents aged 25 years and older have attended college; more than one in five holds a bachelor’s degree. Labor force participation is well above average at 71 percent; unemployment is low. Ninety-one percent of households earn income from wages and salaries. Although half of the households have children, they also have working parents.

Residential

In the suburban outskirts of midsized metropolitan areas with populations higher than 250,000, approximately half of *Up and Coming Families* neighborhoods are concentrated in the South, the other half in the West and Midwest. Most residents live in new single-family housing; more than half the housing units were built in the last 10 years. Home ownership is at 83 percent. The median home value is \$175,637.

Preferences

Family and home dictate the products these residents buy. Many are beginning or expanding their families, so baby equipment, children’s clothing, and toys are essential purchases. Because many are first-time homeowners, basic household furniture and lawn fertilizer, weed control, and insecticide products are important. Car loans and mortgage payments are major household budget items. They are most likely to own or lease an SUV or a minivan. They eat out at family restaurants, especially on the weekends, and buy fast food at the drive-through or for takeout.

They play softball, take the kids to the zoo, and visit theme parks (generally Sea World or Disney World) where they make good use of their digital camera or camcorder. They rent comedy, family, and action/adventure DVDs. Cable station favorites include Country Music Channel, ESPN news, The Learning Channel, and the Disney Channel. They listen to country, soft rock, and contemporary hit radio.

- Eat at Chick-fil-A
- Have new car loan
- Own a dog
- Watch cable TV
- Drive 20,000+ miles annually

Demographic Traits

Household Income:	Upper Middle
Median Age:	31.9
Family/Household Type:	Married Couples w/ Kids
Housing Style:	Single Family
Employment Levels:	Professional/Management
Education Levels:	Some College; Bachelor’s Degree
Ethnic Diversity:	White

Lifestyle Traits

1. Eat at Chick-fil-A
2. Have new car loan
3. Own a dog
4. Watch cable TV
5. Drive 20,000+ miles annually

Segment 17 – Green Acres

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	346 – 4.6% (9)	3,072 – 10.0% (2)	9,126 – 12.6% (2)

Demographic

Seventy-one percent of the households in *Green Acres* neighborhoods are married couples with and without children. Many families are blue-collar Baby Boomers, many with children aged 6–17 years. With more than 10 million people, *Green Acres* represents Tapestry Segmentation’s third largest segment, currently more than 3 percent of the US population and growing by 1.92 percent annually. The median age is 41 years. This segment is not ethnically diverse; 92 percent of the residents are white.

Socioeconomic

Educated and hard-working, more than one-fourth of *Green Acres* residents hold a bachelor’s or graduate degree; more than half have attended college. Labor force participation is 67.5 percent, with higher employment concentrations in the manufacturing, construction, health care, and retail trade industry sectors. Occupation distributions are similar to those of the United States. Seventeen percent of the households earn income from self-employment ventures. The median household income is \$63,430; the median net worth is \$174,417.

Residential

Although *Green Acres* neighborhoods are located throughout the country, they are found primarily in the Midwest and South, with the highest concentrations in Michigan, Ohio, and Pennsylvania. A “little bit country,” these residents live in pastoral settings of developing suburban fringe areas. Home ownership is at 86 percent, and median home value is \$179,073. Typical of rural residents, *Green Acres* households own multiple vehicles; 78 percent own two or more vehicles.

Preferences

Country living describes the lifestyle of *Green Acres* residents. Pet dogs or cats are considered part of the family. These do-it-yourselfers maintain and remodel their homes; projects include roofing and installing carpet or insulation. They own all the necessary power tools, including routers, welders, sanders, and various saws, to finish their projects. Residents also have the right tools to maintain their lawns, flower gardens, and vegetable gardens. They own riding lawn mowers, garden tillers, tractors, and even separate home freezers for the harvest. Continuing the do-it-yourself mode, it is not surprising that *Green Acres* is the top market for owning a sewing machine. A favorite pastime is using their ice cream maker to produce homemade ice cream. They prefer motorcycles and full-size pickup trucks.

For exercise, *Green Acres* residents ride their mountain bikes and go fishing, canoeing, and kayaking. They also ride horseback and go power boating, bird watching, target shooting, hunting, motorcycling, and bowling. They listen to auto racing and country music on the radio and read fishing and hunting magazines. Many own satellite dishes so they can watch news programs, the Speed Channel, and auto racing on TV. A favorite channel is Country Music Television.

Demographic Traits

Household Income:	Upper Middle
Median Age:	41.0
Family/Household Type:	Married Couple Families
Housing Style:	Single Family
Employment Levels:	Professional/Management/Skilled
Education Levels:	Some College
Ethnic Diversity:	White

Lifestyle Traits

1. Do gardening, woodworking
2. Have home equity credit line
3. Attend country music shows
4. Watch auto racing on TV
5. Drive 20,000+ miles annually

Segment 22 – Metropolitans

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	1,119 – 14.9% (2)	1,119 – 3.7% (13)	1,119 – 1.5% (14)

Demographic

Residents of *Metropolitans* communities prefer to live in older city neighborhoods. Approximately half of these households are singles who live alone or with others; 40 percent are married-couple families. One in four of the residents is aged 20–34 years; the median age is 37.7 years. Diversity is low; most of the population is white.

Socioeconomic

The labor force participation rate of 67.2 percent is well above average; the unemployment rate is 8.3 percent. Half of the residents who are employed work in professional or managerial positions. More than 75 percent of the population aged 25 years and older have attended college or completed a degree program. Thirty percent have earned a bachelor’s degree, and 23 percent hold a graduate degree. The median household income is \$60,191; the median net worth is \$102,460. Nearly half of the households earn extra income from interest, dividends, and rental properties.

Residential

Distributed throughout the country, residents of *Metropolitans* neighborhoods live in an eclectic mix of single-family homes and multiunit buildings. Sixty percent of the housing units were built before 1960. These neighborhoods change slowly; since 2000, the annual household growth is 0.28 percent. The home ownership rate is 60 percent, and the median home value is \$192,372.

Preferences

Metropolitans residents are no different from other owners of older homes who incur costs for maintenance and remodeling. They will contract for lawn maintenance and professional housecleaning services. Many will own or lease a station wagon. Planning for the future, residents own shares in investment funds, contribute to IRA savings accounts, and hold large life insurance policies.

These residents pursue an active, urbane lifestyle. They travel frequently for business and pleasure. They listen to jazz, classical, public, and alternative music radio. They go to rock concerts, watch foreign films on DVD, read women’s fashion magazines, and play a musical instrument. They also practice yoga and go kayaking, hiking/backpacking, and water and snow skiing.

Active members of their communities, *Metropolitans* residents join civic clubs, volunteer for environmental causes, address public meetings, and work for a political party or candidate. They also belong to business clubs and contribute to PBS. They prefer to own and use a laptop computer, preferably an Apple. They go online daily to download music and buy books, airline tickets, CDs, and clothes. They also order merchandise by mail or over the phone.

Demographic Traits

Household Income:	Middle
Median Age:	37.7
Family/Household Type:	Singles; Shared
Housing Style:	Single Family; Multi-units
Employment Levels:	Professional/Management
Education Levels:	Some College; Bachelor’s/Graduate
Ethnic Diversity:	White

Lifestyle Traits

1. Visit museums
2. Have personal education loan
3. Participate in water sports
4. Listen to public radio
5. Own/Lease station wagon

Segment 24 – Main Street, USA

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	847 – 11.3% (5)	1,563 – 5.1% (8)	2,760 – 3.8% (8)

Demographic

Main Street, USA neighborhoods are a mix of household types, similar to the US distribution. Approximately half of the households are composed of married-couple families, nearly one-third are single-person or shared households, and the rest are single-parent or other family households. The median age of 36.8 years nearly matches the US median. These residents are less diverse than the US population.

Socioeconomic

The median household income is \$57,196, derived from wages, interest, dividends, or rental property. Their median net worth is \$84,763. More than one in five residents aged 25 years and older hold a bachelor's or graduate degree; half of the residents have attended college. Occupation and industry distributions are similar to those of the United States.

Residential

A mix of single-family homes and multiunit buildings, these neighborhoods are located in the suburbs of smaller cities in the Northeast, West, and Midwest. Nearly two-thirds of the housing was built before 1970. The home ownership rate is 63; the median home value is \$174,970.

Preferences

Family-oriented and frugal, these residents may occasionally go to the movies or eat out at a family restaurant, such as Friendly's or Red Robin, but are most likely to stay home and watch a rental movie or play games with their children. They own pet cats. They play baseball and basketball and go swimming. They listen to classic hits and rock radio and watch cartoons and courtroom shows on TV. They go to the beach and theme parks or take domestic vacations to visit with family or see national parks.

They go online periodically to look for jobs, research real estate, and play games and are beginning to shop online. Those who do not have Internet access at home will go online at school or the public library. They use the Yellow Pages to find veterinarians or stores. They will invest in small home improvement and remodeling projects, usually doing the work themselves instead of hiring a contractor. They buy the tools and supplies for these projects from Home Depot or Ace Hardware. They keep up their lawns and gardens by planting bulbs, fertilizing, and applying lawn care products regularly.

Demographic Traits

Household Income:	Middle
Median Age:	36.8
Family/Household Type:	Mixed
Housing Style:	Single Family; Multi-units
Employment Levels:	Prof/Mgmt/Skilled/Service
Education Levels:	Some College
Ethnic Diversity:	White

Lifestyle Traits

1. Buy children's toys, games, clothes
2. Consult financial planner
3. Rent movies on DVD
4. Watch court shows on TV
5. Own/Lease sedan

Segment 36 – Old and Newcomers

	5 Minutes	15 Minutes	25 Minutes
Drive Time Households : Count – Pct. (Rank)	1,360 – 18.1% (1)	2,627 – 8.6% (4)	2,627 – 3.6% (9)

Demographic

Residents of these transitional neighborhoods are either beginning their careers or retiring. They range in age from their 20s to 75 and older. Their median age of 37.2 years splits this disparity. There are more singles and shared households than families in these neighborhoods. Most of the residents are white; however, the diversity closely resembles that of the United States.

Socioeconomic

Sixty-four percent are in the labor force; the unemployment rate is 10.6 percent. The median household income of \$44,601 and the median net worth of \$23,498 are below the US medians. Educational attainment, college, and graduate school enrollment are above average. The distribution of employees by occupation is similar to that of the United States.

Residential

Spread throughout metropolitan areas of the United States, *Old and Newcomers* neighborhoods sustain a lot of transition. More than half the population aged five years and older has moved in the last five years. More than 60 percent rent; approximately half in mid- or high-rise buildings, with nearly 14 percent in two- to four-unit buildings. Six in ten housing units were built between 1969 and 1989. The average gross rent in these neighborhoods is similar to the US average. The median home value is \$149,772.

Preferences

Their purchases reflect the unencumbered lifestyles of singles and renters. They spend less at the grocery store than larger households. A domestic subcompact or compact car serves them well. They arrange their vacations to keep in touch with out-of-town relatives and friends.

They read fiction and nonfiction, newspapers, and magazines. They watch TV, listen to contemporary hits radio, go to the movies, and rent DVDs to view at home.

Their leisure activities are as varied as their ages. They exercise by walking, swimming, and going bowling. They also cook at home.

Demographic Traits

Household Income:	Middle
Median Age:	37.2
Family/Household Type:	Singles; Shared
Housing Style:	Multi-unit Rentals
Employment Levels:	Professional/Mgmt/ Service
Education Levels:	Some College; Bachelor's/Graduate
Ethnic Diversity:	White

Lifestyle Traits

1. Go dancing; attend concerts
2. Have renter's insurance
3. Play volleyball, word games
4. Watch cable TV
5. Own/Lease sedan

Retail Market Performance

ESRI's Retail MarketPlace data provides a direct comparison between retail sales and consumer spending by industry. To capture a snapshot of an area's retail market place, the leakage and surplus factor summarizes the relationship between supply (retail sales by businesses) and demand (consumer spending by household). Deviations from potential sales may reveal areas of opportunity in the trade area's retail sectors, keeping in mind any extenuating circumstances that may be driving the results.

ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups within Retail Trade sector, and four industry groups within the Food Services & Drinking Establishments subsector. To estimate sales, the Retail MarketPlace database combines a number of data sources, including

- ▶ Census Bureau's Census of Retail Trade (CRT)
- ▶ Census Bureau's Nonemployer Statistics (NES)
- ▶ ESRI's demographic data
- ▶ *infoUSA's* business database
- ▶ Bureau of Labor Statistics

All estimates of actual sales (supply) reflect current dollars derived from receipts of businesses primarily engaged in selling merchandise. Potential sales (demand) is estimated by using ESRI's consumer spending data which provides estimated expenditures for more than 700 products and services that are consumed by U.S. households. The estimate of a trade area's demand is based upon estimated expenditures by households within the trade area.

Leakage within a specified trade area represents a condition where supply is less than demand. Retailers outside of the trade area are fulfilling demand for retail products. Surplus within a specified trade area represents a condition where supply exceeds the area's demand. Thus retailers are attracting customers that reside outside the trade area.

Sales Surplus and Leakage Estimates

Total Retail Food & Drink estimates for the drive times show sales surpluses ranging of approximately \$23 million for the five minute drive time and \$128 million for the fifteen minute drive time, while sales leakage is estimated at more than \$633 million in the twenty-five minute drive time. The estimates suggest that, to some degree, residents in the extended 15-minute drive time market are traveling inward – to the area encompassed within the five and fifteen minute drive time areas, to purchase certain retail goods.

	5 Minutes	15 Minutes	25 Minutes
	Surplus/(Leakage)	Surplus/(Leakage)	Surplus/(Leakage)
NAICS Code: Business Description			
Total Retail Trade and Food & Drink (NAICS 44 – 45, 722)	\$22,959,973	\$128,473,492	(\$633,654,273)
Total Retail Trade (NAICS 44 – 45)	\$26,403,483	\$139,851,305	(\$501,136,055)
Total Food & Drink (NAICS 722)	(\$3,443,510)	(\$11,377,813)	(\$132,518,218)

Drive time estimates show sales surpluses in Total Retail Trade estimated at more than \$26 million and \$139 million in the five and fifteen minute drive time areas, respectively; and leakage of more than \$500 million in the twenty-five minute area. Estimates for Food & Drink sector sales, in comparison to projected demand, show sales leakage occurring in all drive time geographies, with estimates ranging from about \$3.4 million in the five minute geography, to more than \$132 million in the twenty five minute drive time area.

Sales surplus and leakage estimates for the drive time areas could point to opportunities for expansion and recruitment in a broad variety of Retail and Food & Drink categories. The following table presents a detail of sales surplus and leakage estimates for 27 industry groups in the Retail Trade sector and for the four industry groups within the Food Services & Drinking Places subsector for the Downtown Howell drive time markets.

Downtown Howell • ESRI Retail MarketPlace Report Summary

NAICS Code: Business Description	5 Minutes	15 Minutes	25 Minutes
	Surplus/(Leakage) Estimate	Surplus/(Leakage) Estimate	Surplus/(Leakage) Estimate
Total Retail Trade and Food & Drink (NAICS 44 – 45, 722)	\$22,959,973	\$128,473,492	(\$633,654,273)
Total Retail Trade (NAICS 44 – 45)	\$26,403,483	\$139,851,305	(\$501,136,055)
Total Food & Drink (NAICS 722)	(\$3,443,510)	(\$11,377,813)	(\$132,518,218)
441: Motor Vehicle & Parts Dealers	\$4,522,121	\$18,085,512	(\$127,714,959)
4411: Automobile Dealers	(\$4,813,099)	(\$66,870)	(\$115,755,100)
4412: Other Motor Vehicle Dealers	\$7,130,764	\$19,555,911	\$713,311
4413: Auto Parts, Accessories, and Tire Stores	\$2,204,456	(\$1,403,529)	(\$12,673,170)
442: Furniture & Home Furnishings Stores	(\$353,054)	\$3,859,736	(\$19,251,223)
4421: Furniture Stores	\$192,560	\$4,970,971	(\$17,864,237)
4422: Home Furnishings Stores	(\$545,614)	(\$1,111,235)	(\$1,386,986)
443/4431: Electronics & Appliance Stores	(\$3,221,381)	(\$7,695,419)	(\$21,352,051)
444: Bldg Materials, Garden Equip. & Supply Stores	\$6,550,330	\$15,425,283	(\$10,256,235)
4441: Building Material and Supplies Dealers	\$7,268,168	\$16,415,631	(\$7,422,178)
4442: Lawn and Garden Equipment and Supplies Stores	(\$717,838)	(\$990,348)	(\$2,834,057)
445: Food & Beverage Stores	\$18,101,661	\$23,842,905	(\$22,814,605)
4451: Grocery Stores	\$18,239,959	\$24,277,469	(\$21,011,296)
4452: Specialty Food Stores	\$258,887	\$1,087,585	\$348,957
4453: Beer, Wine, and Liquor Stores	(\$397,185)	(\$1,522,149)	(\$2,152,266)
446/4461: Health & Personal Care Stores	\$1,042,876	\$318,889	(\$28,084,426)
447/4471: Gasoline Stations	\$8,267,508	\$31,800,817	(\$66,694,766)
448: Clothing and Clothing Accessories Stores	(\$3,126,516)	(\$3,577,568)	(\$33,542,371)
4481: Clothing Stores	(\$2,732,306)	(\$5,153,365)	(\$24,198,670)
4482: Shoe Stores	\$208,134	\$1,403,658	(\$3,474,286)
4483: Jewelry, Luggage, and Leather Goods Stores	(\$602,344)	\$172,139	(\$5,869,415)

Data Source: ESRI Retail MarketPlace Profile, 2010.

Data Note: The polarity of surplus/leakage estimates shown in this report (as compared to those shown in the original ESRI reports) have been reversed to show a surplus as a positive value, and to show a leakage as a negative value. The Retail Gap (Sales Surplus/Leakage) represents the difference between Retail Potential and Retail Sales. A positive value represents a surplus in retail sales, often indicating a market where customers are drawn in from outside the defined trade area.

Sales Surplus & Leakage Analysis NAICS Code: Business Description	5 Minutes	15 Minutes	25 Minutes
	Surplus/(Leakage) Estimate	Surplus/(Leakage) Estimate	Surplus/(Leakage) Estimate
451: Sporting Goods, Hobby, Book, and Music Stores	\$95,902	\$400,561	(\$3,906,287)
4511: Sporting Goods/Hobby/Musical Instrument Stores	\$916,643	\$1,370,153	\$3,278,333
4512: Book, Periodical, and Music Stores	(\$820,741)	(\$969,592)	(\$7,184,620)
452: General Merchandise Stores	(\$3,467,229)	\$64,825,942	(\$121,796,721)
4521: Department Stores (Excluding Leased Depts.)	\$4,969,701	\$9,570,766	(\$11,772,600)
4529: Other General Merchandise Stores	(\$8,436,930)	\$55,255,176	(\$110,024,121)
453: Miscellaneous Store Retailers	(\$330,291)	(\$550,644)	(\$22,901,387)
4531: Florists	\$956,416	\$807,406	(\$105,415)
4532: Office Supplies, Stationery, and Gift Stores	(\$1,076,156)	(\$4,278,763)	(\$16,163,950)
4533: Used Merchandise Stores	(\$40,471)	\$211,842	(\$389,049)
4539: Other Miscellaneous Store Retailers	(\$170,080)	\$2,708,871	(\$6,242,973)
454: Nonstore Retailers	(\$1,678,444)	(\$6,884,709)	(\$22,821,024)
4541: Electronic Shopping and Mail-Order Houses	(\$614,564)	(\$2,975,261)	(\$8,113,195)
4542: Vending Machine Operators	(\$1,050,250)	(\$3,854,941)	(\$9,313,727)
4543: Direct Selling Establishments	(\$13,630)	(\$54,507)	(\$5,394,102)
722: Food Services & Drinking Places	(\$3,443,510)	(\$11,377,813)	(\$132,518,218)
7221: Full-Service Restaurants	(\$963,214)	(\$5,414,386)	(\$60,768,138)
7222: Limited-Service Eating Places	(\$688,701)	\$2,758,762	(\$51,667,613)
7223: Special Food Services	(\$2,009,360)	(\$8,256,397)	(\$17,407,790)
7224: Drinking Places (Alcoholic Beverages)	\$217,765	(\$465,792)	(\$2,674,677)

Data Source: ESRI Retail MarketPlace Profile, 2010.

Data Note: The polarity of surplus/leakage estimates shown in this report (as compared to those shown in the original ESRI reports) have been reversed to show a surplus as a positive value, and to show a leakage as a negative value. The Retail Gap (Sales Surplus/Leakage) represents the difference between Retail Potential and Retail Sales. A positive value represents a surplus in retail sales, often indicating a market where customers are drawn in from outside the defined trade area.

Sales Surplus/Leakage Factors

Sales Surplus/Leakage Factors present a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total surplus) to -100 (total leakage). A positive value represents a surplus of retail sales (often indicative of a market where customers are drawn in from outside the trade area). Categories showing the highest surplus factors may be indicative of relative strength in the market. Negative leakage factors may reveal retail opportunity outside the trade area, with the lowest values indicating possible targets for retail expansion or recruitment.

The following table shows drive time estimates for ten of the highest and lowest Surplus/Leakage Factors for select Retail and Food & Drink categories and subcategories at the five minute drive time level.

Downtown Howell • ESRI Retail MarketPlace Report Summary

Sales Surplus/Leakage Factors – Select Categories	5 Minutes		15 Minutes		25 Minutes	
	Factor	# Biz	Factor	# Biz	Factor	# Biz
Florists (NAICS 4531)	67.2	5	25.2	14	(1.7)	21
Building Material and Supplies Dealers (NAICS 4441)	35.7	11	19.9	44	(4.8)	106
Grocery Stores (NAICS 4451)	30.1	7	10.8	23	(4.5)	45
Sporting Goods/Hobby/Musical Instruments (NAICS 4511)	26.4	13	9.9	44	9.4	78
Specialty Food Stores (NAICS 4452)	25.4	2	23.2	8	2.8	18
Drinking Places - Alcoholic Beverages (NAICS 7224)	24.1	1	(17.1)	6	(35.2)	13
Department Stores Excluding Leased Depts. (NAICS 4521)	15.4	2	6.7	10	(3.9)	17
Shoe Stores (NAICS 4482)	9.7	3	13.2	16	(18.7)	22
Health & Personal Care Stores (NAICS 446/NAICS 4461)	6.2	13	0.4	59	(18.1)	94
Furniture Stores (NAICS 4421)	2.7	2	12.8	16	(27.5)	19
Lawn and Garden Equip and Supplies Stores (NAICS 4442)	(59.0)	2	(11.1)	19	(13.7)	37
Book, Periodical, and Music Stores (NAICS 4512)	(58.0)	2	(10.0)	7	(36.2)	14
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	(47.9)	3	1.8	18	(34.9)	24
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	(38.1)	10	(15.7)	38	(17.4)	73
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	(30.8)	8	(23.7)	31	(45.4)	42
Clothing Stores (NAICS 4481)	(30.8)	10	(10.1)	45	(21.0)	79
Home Furnishings Stores (NAICS 4422)	(19.1)	3	(7.0)	20	(3.3)	44
Other General Merchandise Stores (NAICS 4529)	(16.9)	3	16.5	11	(19.7)	19
Beer, Wine, and Liquor Stores (NAICS 4453)	(16.3)	2	(12.7)	9	(6.2)	22
Used Merchandise Stores (NAICS 4533)	(15.7)	3	12.8	18	(11.7)	30

Synopsis: Focus Groups

A series of focus groups was conducted to collect local input on issues and opportunities that could impact Howell Main Street/DDA business development programs and strategies. Focus group sessions highlighted several common themes. Among the most prevalent were:

Assets: History, Friendliness, Walkability, and Location, Location, Location

Focus group participants consistently pointed to the downtown's historic atmosphere and aesthetic appeal, its walkability – particularly its walkability for students at the high school and for the daytime population, including county government employees – and the friendliness of its occupants as appealing attributes. Participants frequently referenced the sense of liveliness that the downtown's events and activities, and the district's use as a community meeting and gathering place, fosters in the downtown. Participants in several focus groups noted that the community's centralized location within the region and the easy access it affords to surrounding cities and urban areas make it an ideal location from which to commute. The location is also ideal for telecommuter because it is relatively easy to set up shop as a resident/business owner in the downtown, or work at home and/or in local establishments, while still being close enough to easily travel to Lansing or Ann Arbor for meetings with clients and customers. Even participants who were not engaged in such commerce offered location as an asset, indicating they felt a part of the larger communities in the region, while retaining the ability to enjoy Howell's small town atmosphere.

Core: Reputation

When questioned as to what downtown Howell is “known for,” participants almost universally noted the charm and historic atmosphere of the district, as well as its friendliness and growing reputation as a social hub for the community. Of interest is that several participants noted that downtown Howell's reputation is in the process of shifting and evolving, and/or that it may have shifted insufficiently to match the current reality. These participants noted that while the district and indeed the community retain a regional reputation as being a very rural “folksy-country” location, recent population growth and population shifts are changing that reality.

Competition

When discussing places they shop and do business, other than downtown Howell, participants were most likely to cite Brighton. When queried further about Brighton, participants noted Brighton as the shopping location in the area as having more “upscale” shopping options, along with more dining and entertainment options.

Action

When asked for the first thing they would do to improve the downtown, participants indicated they would expand store hours; install new signage (especially signage pointing to parking); clean up the gateway to downtown along the first few blocks of Clinton Street when coming in from the north; move the homecoming parade back to Grand River from Clinton; and, in general, add more activity and “hang-outs” for teens and for families. Examples of new business types desired, or that participants felt would have the best chance to succeed in downtown Howell included:

- ▶ Co-working space
- ▶ More restaurants/more variety of restaurants/more menu variety
- ▶ “Nightlife” entertainment options
- ▶ Entertainment/participatory retail, such as pottery painting
- ▶ Specialty foods: bakery/deli/meat market/cheeses
- ▶ General store – groceries, greeting cards, other convenience items
- ▶ Men's clothing
- ▶ Men's stores – i.e. stores to attract and occupy men
- ▶ Shoes

Location, Location, Location Revisited

Virtually all groups noted that the community had grown at a rapid pace prior to the beginning of the recession and attributed this to the ability to locate in Howell and feel a part of both Lansing and Ann Arbor without having to actually live in either. Group participants were clearly frustrated at the “arrested development” nature of the community's growth, but nevertheless seemed to be hopeful that this pattern of growth will resume.

Conclusions and Directions

The preparation of this Market Profile document is only the beginning of an ongoing process to study, analyze and interpret the market and to identify and capitalize upon emerging opportunities that are consistent with the community's vision for downtown Howell.

The Market Profile presents a snapshot of the downtown Howell trade area today and, for certain demographic characteristics, anticipates changes that could occur over the next five years. Important demographic and lifestyle data analyzed reveal a growing and attractive consumer market for downtown Howell.

- ▶ Trends and projections for the population and households within the trade area anticipate a continued increase in both population and households at a five-year rate of about 4% to 6% at all drive time area geographies. Projected trends, while positive, anticipate that growth will occur at a rate slower than the 20% to 30% gains seen from 2000 to 2010 and give credence to the “arrested development” phenomenon cited by local project team leaders. Going forward, it will be important to track changes in the trade area’s demographic profile in order to better understand how the market is changing and to assess implications for downtown commerce and housing.
- ▶ Nearly 30% of housing units in the five minute drive time area are renter occupied, as compared to about 18% and 14% in the 15- and 25-minute drive time areas, respectively. The percentage of the drive time areas’ vacant housing units in 2010 was estimated at about 8.5% to 9% and is expected to increase to about 10% to 11% across the drive times by 2015.
- ▶ Moderate growth is expected to occur in the number of drive time area housing units through 2015, with an increase of 602 units anticipated in the five minute drive time area; 2,747 units within the 15-minute drive time area; and 4,947 units in the 25-minute drive time area. On a percentage basis, gains in housing units are anticipated to range from about 6% to 8%.
- ▶ The drive time areas saw relatively sizable growth in median household and per capita income from 2000 to 2010, with median household income increases ranging from about 23% to 30%, and per capita increases ranging from about 29% to 36% according to ESRI estimates. ESRI projections suggest growth trends in median household and per capita income will continue, with five-year increases of about 12% to 16% projected across the drive time areas from 2010 to 2015. The largest percentage increases in median household and per capita income are anticipated to occur at the five-minute drive time geography.
- ▶ The percentage of the civilian population age 16+ years in the labor force is generally consistent at about 86% to 87% across the drive time areas and is anticipated to increase by about 2% to 3% from 2010 to 2015.
- ▶ There is general consistency and diversity in the composition of employment by occupation across the drive-time areas, with approximately 65% employed in White Collar occupations; 15% employed in Service occupations; and about 20% employed in Blue Collar occupations.
- ▶ Consumer Spending Potential data is indicative of an attractive consumer market with spending potential at or above the national average in nearly all categories across the drive time geographies. Consumer Spending Potential Indices for the five-minute drive time area range from a low of 78 in the Apparel & Services category to a high of 114 in the Education and Shelter categories (where 100 is the national average). Spending potential Indices are especially strong at the 15- and 25-minute geography levels and, comparatively, are about 15% to 25% higher than indices reported for the 5-minute drive time area.
- ▶ Nearly 70% of households within the five-minute drive time area are characterized by four Tapestry lifestyle groups – Old and Newcomers, Metropolitans, Sophisticated Squires, Up and Coming Families, and Main Street, USA. A divergence occurs at the 15- and 25-minute drive time levels where the Sophisticated Squires Tapestry Lifestyle Group is most prevalent and represents more than 18% of 15-minute drive time area households and more than 25% on households in the 25-minute drive time area.

The data and findings suggest that opportunities and strategies to increase downtown Howell’s market share might be focused in three areas:

1. Local, client and convenience-oriented marketing and business development strategies which appeal to characteristics and traits common to the Old and Newcomers, Metropolitans, Up and Coming Families and Main Street, USA Tapestry market segments dominating the five-minute drive time area. These strategies are likely to emphasize local personalities, hometown customer service, local traditions and convenience.
2. Extending regional reach through intentional marketing, messages and events specifically designed to appeal to the lifestyle characteristics of the Sophisticated Squires, Green Acres, Exurbanites and Up and Coming Families lifestyle groups –perhaps with particular emphasis on characteristics associated with the Sophisticated Squires and Green Acres tapestry market segments which, cumulatively, represent about 28% to 38% of 15- and 25-minute drive time area household, respectively.
3. Capitalizing on existing and evolving downtown Howell business niches which offer particular appeal for targeted Tapestry lifestyle consumer segments.

Analysis of retail data and sales surplus & leakage estimates reveals areas of retail strength, and other areas that might represent prime opportunities for expansion and/or complementary product and service lines. Retail categories and subcategories which, based strictly on the analysis of ESRI Retail MarketPlace report data, appear to be areas of relative strength in the community and/or downtown include:

- | | |
|--|---|
| ▶ Florists | ▶ Drinking Places – Alcoholic Beverages |
| ▶ Grocery Stores | ▶ Shoe Stores |
| ▶ Sporting Goods/Hobby/Musical Instruments | ▶ Health & Personal Care Stores |
| ▶ Specialty Food Stores | ▶ Furniture Stores |

Retail categories, subcategories and product lines which, based solely on the analysis of ESRI data, might represent some of the best and most immediate opportunities for growth and expansion include:

- | | |
|---------------------------------------|---|
| ▶ Lawn, Garden Equipment and Supplies | ▶ Office Supplies, Stationery and Gift Stores |
| ▶ Book, Periodical and Music Stores | ▶ Clothing Stores |
| ▶ Jewelry, Luggage and Leather Goods | ▶ Home Furnishings Stores |
| ▶ Electronics and Appliance Stores | |

Ideas and suggestions offered by focus group participants for desired retail business types and concepts, and for new and expanded retail business types identified as having the best chance to succeed in downtown Howell, could offer additional insight and direction for “top prospects.” The list includes:

- | | |
|----------------------------|--|
| ▶ Art & Framing | ▶ Men’s Clothing |
| ▶ Cards and Gifts | ▶ Restaurants – Upscale, Ethnic |
| ▶ General Store | ▶ Shoes |
| ▶ Groceries | ▶ Soda Fountain |
| ▶ “Make & Take” Art/Crafts | ▶ Specialty Foods – Bakery, Deli/Meats, Cheese & Wine, Candy |
| ▶ “Man” Stores | |

Retail MarketPlace report data and findings, along with input from focus groups, provide a good starting point for the design of an effective, market-driven business development strategy for downtown Howell. Still, retail categories and subcategories showing potential for expansion and growth based on ESRI data must be further analyzed and, with the contribution of local expertise, interpreted to better understand the local and regional conditions and factors that could be driving the results.

Identified areas of retail strength must also be further assessed to better understand and identify potential opportunities for complementary businesses and uses; opportunities for existing business to expand or introduce new product and service lines; potential opportunities for location-neutral businesses and enterprises; and potential business niche/clustering opportunities that capitalize upon existing retail sector strengths, retail and non-retail anchors, and area attractions.