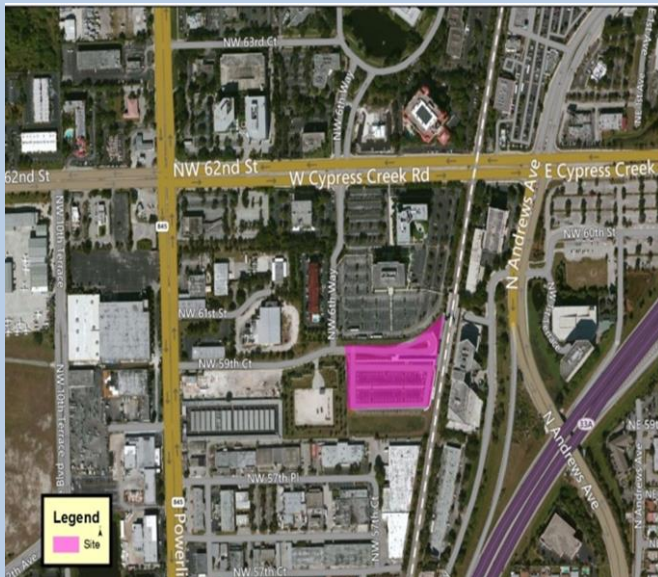


# CYPRESS CREEK MOBILITY HUB MASTER PLAN ECONOMIC & MARKET ANALYSIS

MARCH 2015



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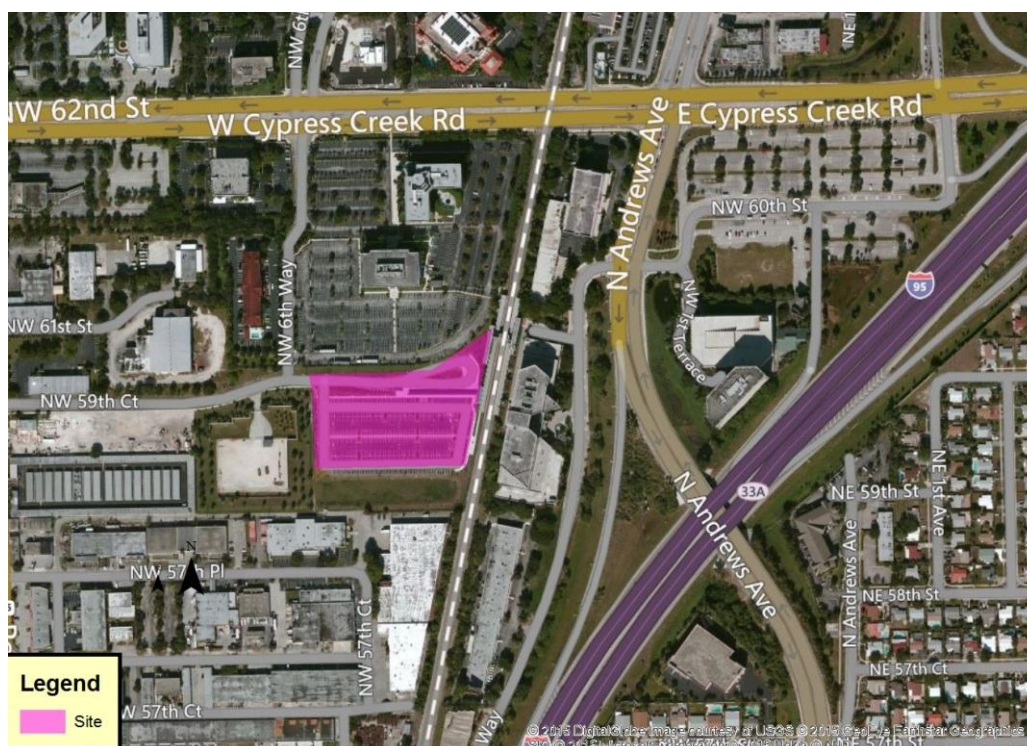
**Attachment 1: Study Area Resident Retail Trade Model**

## Executive Summary

### Overview

Lambert Advisory (Lambert) was engaged by HNTB (Prime Consultant to the South Florida Regional Transportation Authority) to provide the economic and market analysis associated with the Cypress Creek Mobility Hub Master Plan (herein referred to as Cypress Creek Mobility Hub). The Cypress Creek Mobility Hub site is a 3.5 acre parcel (not including the drainage area to the south) situated along Northwest 59<sup>th</sup> Court and Northwest 6<sup>th</sup> Way and immediately west of the Cypress Creek Tri-rail Station.

**Figure 1: Cypress Creek Mobility Hub Site Location/Boundary Map**



A primary objective of the Cypress Creek Mobility Hub master planning process is to identify the opportunity for a transit oriented development connected to the Cypress Creek Tri-Rail Station. The economic and market analysis completed herein is intended to help guide the planning team with an understanding of market-driven development opportunities for the site, including a mix of uses such as residential, retail, office, and hotel. Based upon the potential development opportunities and findings derived in this report, the planning team will prepare alternative conceptual site plans and provide an understanding of any physical and/or regulatory challenges associated with the site concepts. Lastly, the planning team will then conduct a preliminary financial evaluation for each of the concepts in the effort to establish potential joint development opportunities.

As the SFRTA recognizes, demographic and lifestyle changes are fueling the revitalization of Downtowns, neighborhoods and corridors across the nation; particularly, as it pertains to transit-oriented development. The Cypress Creek market area surrounding the subject site has a unique opportunity to realize its own revitalization. This is in fact what many community stakeholders are preparing for, and they have set this in motion with Envision Uptown, Inc. – a non-profit organization comprised of landowners, businesses, and public officials. Envision Uptown has already embarked on a process to develop a physical plan intended to guide subsequent regulatory initiatives aimed at transforming the area known as Uptown Village into a walkable, transit-ready urban neighborhood. Envision Uptown’s first major step was a visioning process conducted by the Urban Land Institute (ULI) in August 2014 and titled: *The Uptown Urban Village – Technical Assistance Panel* (referred to as the ULI TAP). While the ULI TAP can certainly be regarded as a beneficial start to Envision Uptown, the process was completed in the absence of an economic and market analysis, consideration for regulatory policy, property ownership/control, and other relevant factors that must be considered when preparing a comprehensive master plan. All the while, FDOT is currently moving forward with a roadway master plan for Cypress Creed Road (and its connectivity to I-95) which is independent of the Uptown Envision effort. Though we are confident the goals and objectives of Envision Uptown and FDOT will be aligned over time, there is considerable uncertainty as to how the overall physical plan will impact access and visibility to key properties adjoining and/or surrounding the Mobility Hub site.

Therefore, while we recognize Envision Uptown’s effort to this point, it must be stated that the scope of service for the economic/market component of the Mobility Hub master plan is specifically focused on identifying opportunities for the Mobility Hub site considering the existing regulatory environment (ie. land use, zoning), existing land uses, and land availability within the surrounding market area. We clearly understand that the Mobility Hub’s potential site development must contemplate the broader planning efforts; however, the methodology for analyzing potential housing and commercial development at the Mobility Hub site herein is primarily based upon population, employment, and related economic/demographic projections that are predicated upon the existing conditions. Should alternative regulatory policies (ie. land use, zoning change) be implemented to encourage broader redevelopment opportunities for the Uptown Village area, than the opportunity for population and economic growth within the area may be significantly enhanced beyond that which is projected herein. Regardless, and in consideration of the fact that the Uptown Envision planning process is in the very early stages, the implementation of any substantive regulatory modifications will likely be long term in nature.

The body of this report details our research and analysis of market conditions and trends which we believe will impact development of the Mobility Hub site. The economic and market analysis is based upon demand within the subject property’s Study Area – which is discussed in detail in Section 1 of this report and illustrated in the Figure below.

Figure 2: Cypress Creek Mobility Hub Site – Study Area Boundary Map



Therefore, the recommendations and findings for the conceptual site planning process will be derived from the Mobility Hub site's potential capture of Study Area demand (by use). Trends within the Study Area will also provide the basis for determining estimates of performance (by use) that will be used for subsequent financial evaluations and joint development opportunities. Notably, any financial feasibility and/or land evaluation prepared on the basis of this analysis is subject to design, building cost, parking and regulatory requirements that have not been made a part of this analysis. Furthermore, the analysis herein does not consider alternative joint development opportunities with adjoining properties (which are not owned or controlled by a public entity). These joint development options, however, may be pursued as subsequent phases of the master plan process.

#### Findings and Recommendations

The following provides a summary of findings and conclusions related to the economic and market analysis, including program recommendations by use. These recommendations provide the basis for evaluating program densities for the subject site as part of the subsequent planning phases. Furthermore, for purposes of this analysis, it is presumed that regulatory and/or land use policy will allow for the uses proposed herein – some of which may require a land use change. Lastly, it is important to recognize that the subject site on its own has certain challenges associated with its ability to support housing and/or commercial development given either its relatively remote positioning (or lack of direct access and/or visibility to major thoroughfares), and/or the condition and use of surrounding properties which may or may not be fully compatible with the uses proposed herein. Nonetheless, we provide an overview of potential development programs (by use), as well as the opportunities and constraints, that will be used to guide the conceptual site plan process.

- **Population, Income and Employment Trends (Section 2):** The Study Area comprises portions of three municipalities including Fort Lauderdale, Oakland Park, and Pompano Beach. The City of Oakland Park and City of Fort Lauderdale experienced relatively strong population growth from 2000 to 2010 (2.9 percent average annually and 2.5 percent average annually, respectively) compared to Broward County (0.7 percent average annually) and Pompano Beach (0.8 percent average annually). The Study Area's population, however, actually declined during the decade (-0.5 percent average annually) – most of which occurred around Fort Lauderdale Executive Airport. According to the Broward County projections, the Study Area's population is projected to increase by 114 persons average annually (or a 0.4 percent average annual growth rate) through 2040. As noted above, we believe that activity associated with a successful implementation of the Uptown Envision strategy would likely improve the area's chances of exceeding County projections.

The Study Area has an estimated median household income of \$43,282, compared to \$51,250 for Broward County. This is relatively similar to the Pompano Beach (\$40,500) and Oakland Park (\$45,000), and lower than Fort Lauderdale (\$49,200).

While roughly 66,456± persons are employed within the Study Area, very few people can claim they both live and work within the Study Area. According to data from the US Census Center for Economic Studies (2011) 96.5 percent, or 64,126 of the persons employed in the Study Area lived outside of it. Only 2,330 people, or 3.5 percent of persons employed in the Study Area also lived there. It is also worth noting that there are 15,622 people who live in the Cypress Creek Mobility Hub Study Area and must travel outside the Study Area for work. The Study Area and Mobility Hub site should be in a position to capitalize on this existing base of economic activity.

- **Residential (Section 3):** Following several years of decline and bottoming out of the housing market following the national/global economic crisis in 2007, there are clear signs of sustain growth in Broward County's housing market. In terms of condominium activity within the Study Area, sales volumes continue to increase from a low of 257 sales in 2008 to approximately 780 in 2014. Sale prices continue to increase as well, though the average sale price in 2014 (\$114,000) remains well below peak periods in 2007 (\$190,000). The Study Area's rental market is performing relatively well, with occupancy in the 95 percent range and rental rates within the premium properties achieving average monthly rental rates (among all unit types) between \$1,500 and \$1,600 (or roughly \$1.40 to \$1.50 per square foot). In spite of the Study Area's relatively stable rental market over the past several years, there have been no new market rate rental units built since 2000; the only new development has been four affordable housing developments totaling 869 units. However, rental rates among the upper tier of the market rate apartments within (or immediately surrounding) the Study Area are beginning to push near the thresholds of supporting new market rate development. This is substantiated by recent development plans for 350± residential units at the FDOT site, though the plan was subsequently terminated during the negotiation process.

From a broader perspective, there has been a fundamental shift in housing demand over the past five to six years that has led to increased demand for rental housing, while demand for for-sale housing has been flat

and only improving marginally over the past two to three years. The shift has been facilitated by a combination of factors including:

- The recession and collapse of the housing market in 2008, which has contributed to an increase in the rental of single family homes and other traditional for-sale housing, mostly by three and 4+ person family households;
- The advent of the Millennial population (“Gen Y”), which is among the strongest cohorts for renter household years; and,
- Increase in the popularity of urban style rental communities in urban and some suburban locations with consumers/renters attracted to a lifestyle that these projects provide including, walkable services, shopping and entertainment and/or shortened commute time to employment centers.

Section 3 provides a detailed profile of the methodology for evaluating demand for market rate multifamily housing within the Study Area and considers historical and projected population for the broader region, combined with demand capture rates. There is estimated demand for between 400 and 600 multifamily (market rate) housing units within the Study Area solely from resident growth (and limited pent up demand) during the next 5± year period.

That said, economic and market conditions affecting apartment rental development indicate an opportunity to develop market rate rental housing at the Mobility Hub site. This is particularly in light of the potential of incorporating rail transit into the subject property. That said, the site does lack direct access and/or visibility to major thoroughfares which can be important to the marketability of higher density housing developments. Furthermore, the current condition of surrounding properties (and particularly the industrial buildings to the south and west) along with the condition of the entrance along N.W. 59<sup>th</sup> Court is not conducive to supporting higher quality housing product. However, some of these issues can be mitigated through infrastructure improvements, certain building design and signage. While further conceptual planning is required, we believe a prototypical market rate rental development program would include:

- 200 to 250 rental apartment units comprising one bedroom units (40 to 45 percent of unit mix), two bedroom units (40 to 45 percent of unit mix) and three bedroom units (10-15 percent of unit mix). Average unit sizes is recommended to be between 950 to 1,100 square feet;
- Stabilized occupancy of 95 percent, with year one (lease up) occupancy of 70 percent; and,
- Average rental rate of \$1.55± per square foot (in 2015 \$'s), which is slightly above the range of the comparable/competitive market for new, quality rental product which takes into account the national trend of transit oriented residential development beginning to perform better than their peers.

- Based upon the program outlined herein, amenities, lobby finishes, and unit features need to be consistent with the market for similar higher end units in the comparable/competitive submarket. Accordingly, adequate dedicated and available on-site parking will be required and, for planning purposes at this stage, we estimate a *minimum* on-site parking requirement of 1.0 space per available unit. Furthermore, the design and construction of the development would need to ensure that noise from Fort Lauderdale Executive Airport and the rail station are mitigated to every extent possible.

There is an additional consideration for the rental housing opportunity at the Mobility Hub site, which is a *mixed income* housing development; or, development that would have market rate units, with 20 to 40 percent of the units set aside for affordable housing. It is well documented that affordable housing is under-supplied in Broward County and a transit-oriented development presents a tremendous opportunity for this type of housing. Additionally, the financial subsidies obtained for affordable housing development (ie. low income housing tax credits) may prove essential to any development of critical mass built on the Mobility Hub site. This is due to the fact that building to a density of 200 to 250 units would require garage parking that is very costly to a project of this size. The fact is, market rental rates of \$1.55± per square foot are likely not high enough to support this density of development cost from a financial perspective. However, the financing incentives obtained through the development of a mixed income development may help to achieve financial feasibility.

- **Office (Section 4):** As of December 2014, Broward County had an unemployment rate of 4.5 percent. According to the Florida Department of Economic Opportunity (FDEO), Broward County is projected to add more than 33,000 total office related jobs from 2014 to 2022 (3,580 per year), a growth rate of 1.4 percent average annually. While the County's strong employment growth forecast is presumed to represent a trend to steady economic growth, there still remains a small amount of uncertainty within the regional, national and global economy that may naturally impact the timing and/or pace of employment recovery. Regardless, the County has successfully implemented economic initiatives to encourage growth and positive trends are forecast over the next several years.

In the 1980's and 1990's, the Cypress Creek office submarket (and collectively the Study Area) was one of the fastest growing and strongest submarkets in Broward County. Cypress Creek is now the 4th largest in Broward County and it is home to some of the largest private companies in the County, along with serving as a local office to numerous national/multinational corporations. The total inventory of office space in the Cypress Creek office submarket is estimated at 8.1± million square feet (including public and private office users). Nearly 77 percent (6.2± million square feet) of the submarket's office space was built before 1990. While there was virtually no new development delivered to the market between 1990 and 2000, the market has delivered roughly 1.0 million square feet in the past 14 years.

As of the 4Q 2014, the vacancy rate for all office space in the Cypress Creek submarket was 17.2 percent, with the average quoted full service rent at \$22.25 per square foot. Comparisons by Class of space show that



the vacancy rate among Class A buildings is 14.7 percent, with the average quoted full service rent at \$28.26. The vacancy rate for Class B buildings is 21.3 percent, with average quoted full service rent at \$20.12. The overall vacancy rate for Class C buildings is the lowest at 6.7 percent, with the average quoted full service rent also the lowest at \$18.72. As discussed in detail in Section 4, current occupancy and lease rates are below the County average, and well off of the submarket's historical performance levels. From 1999 to 2014 the Cypress Creek office market captured a little more than 5 percent of office demand (net absorption) in Broward County (or 339,000 square feet average annually). However, over the past five years, from 1Q 2009 to 4Q 2014, the Cypress Creek office submarket had negative net absorption and therefore, a negative net market share of county demand.

Based upon broader office market and local submarket office development trends, and based upon projections of office employment, office demand for the Study Area is estimated to be between 185,000 and 420,000 square feet during the next five years. It is very important to note that this does not represent demand that solely supports new future office development because absorption of existing space needs to be considered. There is nearly 1.6 million square feet of vacant office space within the Cypress Creek submarket. However, Class A office space is much less at 350,000 square feet. As a matter of fact, the Class A market is not particularly far from stabilized levels, which is considered to be around 90 percent occupancy; or, 240,000 square feet of vacant space (2.41 million square feet x 10 percent vacancy). Therefore, assuming that a measurable portion of the net new demand is positioned for Class A space, then we believe there may be an opportunity to deliver 150,000 to 250,000 square feet to the Study Area over the next four to five years, which means planning can begin in earnest within 12 to 24 months.

Importantly, we recognize that the Study Area may have the opportunity to exceed this level of demand by capturing a major tenant that is not yet in the Broward County market but may enter the regional market during the next few years with continued corporate relocation efforts of the County. The Cypress Creek Mobility Hub site should be in a strong position to compete for a portion of the new demand within the Study Area given that it is readily available land that is connected to transit. However, the site does lack direct access to major thoroughfares and, therefore, infrastructure improvements along N.W. 59<sup>th</sup> Court along with adequate building signage is highly recommended as part of the conceptual planning process. Considering this, the opportunity for office development as a mid-term option (4 to 5 years) suggests a prototypical program as follows:

- An office program of 150,000± square feet;
- Average lease rates (full service) estimated to be in the range of \$30 to \$32 (in 2015 \$'s);
- An 18 to 24 month lease-up with 92 percent stabilized occupancy; and,
- Adequate dedicated and available on-site parking for office users will need to be provided or roughly 4 spaces per 1,000 square feet of space.

As noted in the residential section above, the financial viability of the supporting this level of office development at the Mobility Hub site will require further evaluation; particularly, if garage parking is required since the current level of lease rates are likely below those needed to support overall development costs.

- **Retail (Section 5):** As it relates specifically to the Cypress Creek Mobility Hub site, stand-alone retail own is not considered to be viable from a market perspective given its lack of access and visibility to any major roadway – a key requirement for retail site location. Comparatively, the FDOT site is far better suited for retail given its access and exposure to Cypress Creek Road and I-95. However, demand for limited retail at the subject site may be driven by the rail station, along with an opportunity to incorporate retail within a mixed use development on the site; although, this would require a development of critical mass (or large in scale) that can provide a substantive retail expenditure base. Nonetheless, Section 5 provides a comprehensive retail supply and demand analysis for the Study Area, which may be beneficial to potential joint development with adjacent sites and/or longer-term planning initiatives.

According to CoStar, the total inventory of retail space in the Study Area is estimated at 1.4± million square feet, which is supported by a sizable resident population and significant employment base. Interestingly, though, Cypress Creek Road is a major thoroughfare that is largely underserved by retail that directly fronts the street (50,000 square feet), when comparing parcels directly fronting Atlantic Boulevard to the north (190,000± square feet and Commercial Boulevard (135,000± square feet) to the south.

From 2008 to 2014, average quoted triple net (NNN) rental rates for retail space in the Study Area ranged from a low of \$10.25 per square foot in 2013, to a high of \$14.90 per square foot as of the 4Q 2014. This is due in part to the relatively strong rates within Cypress Creek Station and the newly built Uptown Center, which is reportedly achieving rates of nearly \$40 per square foot. In spite of the overall area's strong recent lease rate growth, these rates remain well below that of the County's average \$19.50 per square foot lease rate. Occupancy within the Study Area remains at a fairly stable level of 91 percent, though below the County average of nearly 94 percent.

The demand potential for retail demand within the Study Area comes from three primary demand generators, including: primary area resident (and visitors); non-resident workers; and rail ridership. Based upon Lambert's retail trade model, net new retail demand growth within the entire Study Area from primary residents alone is estimated to be 90,000 square feet between 2015 and 2020, with additional retail demand of 60,000 square feet from non-resident workers. While the transit component is a key piece to the Mobility Hub site's redevelopment, the fact is that projected daily (station) ridership of 1,200 persons provides limited support for retail demand (or less than 4,000 square feet). In all, the resident, worker, and limited ridership demand represents the "universe" of retail demand from which the Cypress Creek Mobility Hub site may capture. However, as noted, stand-alone retail at the site is not recommended given its current lack of access and exposure to major thoroughfares. Therefore, at this point, retail may be considered a marginal use within a potential mixed use development at the subject property.

- **Hotel:** Despite economic instability during the past several years, South Florida’s visitor market is as robust as ever. There are approximately 2,900 rooms among 21 hotel properties in the Study Area, of which nearly 2,300 rooms (80 percent) of the hotel inventory was built before 1990 and essentially no new hotel supply added after 2000. For this analysis, we profiled seven select properties within the Study Area including: Extended Stay; Holiday Inn Express; Courtyard; Sheraton Suites; Westin; Marriott; and Hampton Inn. These seven hotels with a total 1,296 rooms are considered to represent a solid benchmark for a three- to four-star limited service hotel for the Study Area and subject site. The select hotels were able to achieve a very solid ADR of \$115 in 2008, though occupancy was a modest 65 percent. Following the recession, ADR’s dropped to \$91 in 2010, while occupancy actually ticked up to 68 percent. Since that time, both occupancy and rate have been on an upward trend to reach 77 percent and \$108, respectively in 2014. The Study Area’s hotel market benefits greatly from the surrounding business demand segmentation, but is also becoming slightly more balanced with the leisure sector.

Although difficult to ascertain at this stage of the process (in the absence of design, building and land cost assumptions) there is consensus that as the comparable/competitive market steadily approaches an ADR of \$125± and occupancy remains above 75± percent, the addition to supply within the Study Area is potentially warranted. Therefore, assuming that broader economic conditions continue to strengthen and the comparable/competitive hotel market continues a steady climb toward the thresholds identified above, then we believe there is an opportunity for a select service hotel development within the Study Area in a 3 to 5 year time frame. And, given its location, the Cypress Creek Mobility Hub site should compete very well for this demand; however, issues associated with access and exposure to surrounding major thoroughfares will need to be addressed. A few key development and performance assumptions for a prototypical hotel include: a 150± key limited (or select) service, branded hotel; and, with a quality product, and strong brand recognition, we estimate ADR at \$130± (2015 \$’s) with stabilized occupancy of 75 percent. As with residential and office above, the ability to support garage parking on the site significantly challenges financial feasibility at these performance thresholds. Furthermore, the lack of access/visibility to major thoroughfares along with the condition of surrounding industrial uses presents challenges to a hotel’s marketability which will need to be addressed through planning and design.

Based upon the analysis above, the near to mid-term term potential development options for the Study Area primarily targets residential (rental) housing, office and/or hotel development. To that, the Cypress Creek Mobility Hub site is well positioned to capture a portion of this demand given the transit connection. As noted above, any financial feasibility and/or land evaluation prepared on the basis of the analysis herein is subject to design, cost and regulatory requirements that have not been made a part of this analysis. Furthermore, adequate dedicated and available on-site parking will be required for all uses, and the structure of which can ultimately be determined upon subsequent phases of the planning process (ie. shared parking with transit use, and/or neighboring properties). The following is a summary of demand by use for the Study Area, along with a preliminary conceptual programming for the Cypress Creek Mobility Hub site.

**Figure 3: Cypress Creek Mobility Hub Site – Summary of Estimated Demand by Use and Conceptual Programming**

<b>Use</b>	<b>Study Area Demand</b>	<b>Mobility Hub Site Concept</b>
<b>Residential</b>	<b>400-600 Rental Units Near-term (1-5 years)</b>	<b>200-250 Rental Apartments (Market Rate at \$1.55+ per sq.ft.; or, Mixed Income)</b>
<b>Office</b>	<b>150,000 to 250,000± square feet Mid-term (4 to 6 years)</b>	<b>125,000 to 150,000 square feet (\$30-\$32 per sq.ft., 92% Stabilized Occ.)</b>
<b>Hotel</b>	<b>150 room select service, branded Mid-term (3 to 5 years)</b>	<b>150 room select service, branded (ADR - \$130±; 75% Stabilized Occupancy)</b>
<b>Retail</b>	<b>125,000 to 175,000 square feet Near-term (1 to 5 years)</b>	<b>Supporting use within Mixed Use Development</b>

## Section 1: Study Boundaries and Definitions

As the basis for evaluating the market potential and real estate development opportunities for the Cypress Creek Mobility Hub site, Lambert examined demographic, economic, and real estate market trends and forecasts (both residential and commercial) for several geographic areas including Broward County at the broadest of range, narrowing into small geographies/submarkets; and, specifically, our Cypress Creek Mobility Hub Study Area (which is referred to as Study Area in this report). The geographic boundaries of the Study Area, as illustrated in the map below are as follows: Located in central Broward County, Florida, Atlantic Boulevard forms the northern boundary of the Study Area, running east to west from Dixie Highway to the Florida Turnpike. The Florida Turnpike acts as the western boundary of the Study Area, running south from Atlantic Boulevard until a point where the Turnpike and US 441 intersect; at this point the western boundary runs south along US 441 to Commercial Boulevard. The Study Area boundary then runs east along Commercial Boulevard until the intersection with Prospect Road; at this intersection, the southern boundary of the Study Area continues east along Prospect Road until reaching the intersection with Dixie Highway. Serving as the eastern boundary of the Study Area, Dixie Highway runs south from Prospect Road north to Atlantic Boulevard. The Study Area boundaries fall between four Broward County municipalities: City of Fort Lauderdale, City of Oakland Park (generally the southeastern portion of the Study Area), the City of Pompano Beach (generally the northern portion of the Study Area), and the City of Tamarac (small sections in the southwest portion of the Study Area).

**Figure 4: Study Area Boundary Map**



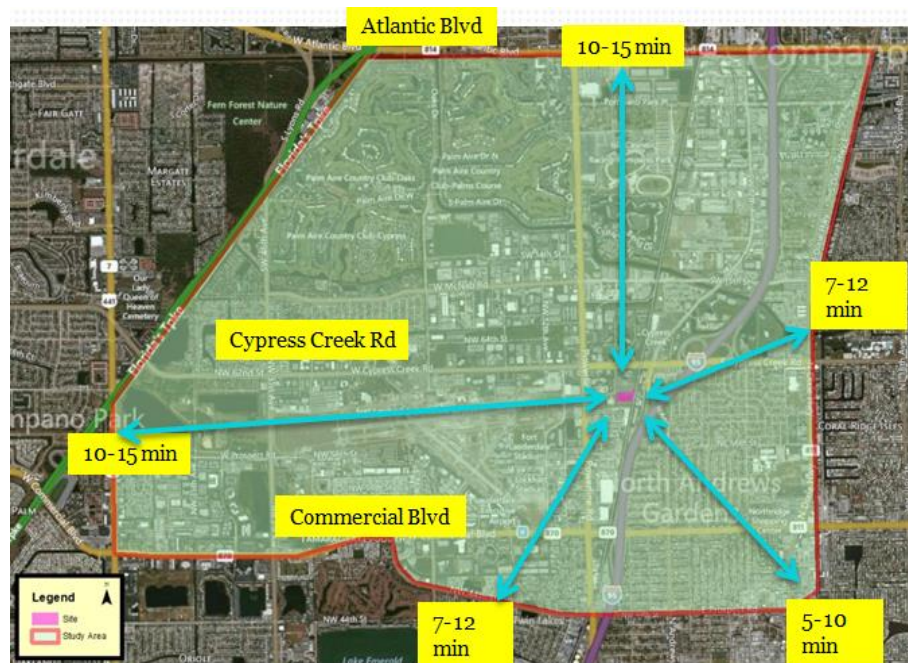
The Cypress Creek Mobility Hub Site is located within the Study Area south of Cypress Creek Road, on the southeast corner of the intersection between NW 59<sup>th</sup> Court and NW 6<sup>th</sup> Way, as shown in the figure below.

Figure 5: Cypress Creek Mobility Hub Site Location Map



The Mobility Hub Site is located centrally with the Study Area, as demonstrated by the following drive time map, which is a key factor to defining the subject property’s trade area (discussed further below).

Figure 6: Estimated Select Drive Times from Mobility Hub Site



Additionally, historic data, estimates, and projections for the broad range of information in this market study – demographics, income, residential and commercial real estate, among others – are available based of varying

geographies. Demographic information, for instance, is most widely available for the set hierarchy of US Census geographies. Residential real estate and property valuation data, on the other hand, is available from the Broward County Property Appraiser's (BCPA) data. Commercial real estate data (office and retail) is available from CoStar and hotel data from STR – both resources are globally recognized industry research firms. Importantly, the research and data collection for rental housing, office, retail and hotel is further supported by Lambert's independent field research.

For these reasons, different sections of this study refer to multiple an/or different geographic areas (e.g. County, Study Area, Cypress Creek Office Submarket) based on different geographic definitions. These areas are listed below, by section of this report, and shown graphically and defined in more detail in each respective section.

- **Section 2, Demographic and Economic Profile**, refers to a variety of different areas, based on political boundaries and Census geographies: Broward County, City of Fort Lauderdale, City of Oakland Park, City of Pompano Beach, Cypress Creek Mobility Hub Study Area (Study Area), as data permits. For the purposes of demographic and economic analysis, the Study Area is defined by 26 Census Block Groups.
- **Section 3, Residential Market Analysis**, utilizes data for residential rental and sales data for Broward County based upon data gathered from BCPA, housing industry reports for the region, and a survey of rental properties within (and immediately) surrounding the Study Area.
- **Section 4, Office Market Analysis**, considers office market trends in Broward County, but focuses intently on the supply and demand activity within CoStar's defined Cypress Creek Office Submarket, which is one of the larger office submarkets in Broward County.
- **Section 5, Retail Market Analysis**, represents retail supply and demand trends within Broward County with a specific focus on the Study Area. This area is the primary area from which the Cypress Creek Mobility Hub will draw resident, visitor and worker expenditure. It is important to note that the Study Area is regarded as a primary area for expenditure capture; however, the *Lambert Advisory Retail Trade Model* takes into account expenditures by residents outside of the Study Area (or commonly referred to as secondary and/or tertiary Trade Areas) by utilizing inflow factors – discussed in detail within this section.
- **Section 6, Hotel Market Analysis**, refers to the Greater Fort Lauderdale area (as defined by the Convention and Visitor's Bureau), and narrows the focus to hotel performance trends within a select set of comparable/competitive properties to the Cypress Creek Mobility Hub site.

## Section 2: Economic and Demographic Profile

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As basis for evaluating market potential and opportunities for the Cypress Creek Mobility Hub Site, Lambert examined population, household and economic trends and forecasts for several geographic areas – Broward County, City of Fort Lauderdale, and the Cypress Creek Mobility Hub Study Area (Study Area). We also analyzed these trends for the cities of Oakland Park and Pompano Beach, as the Study Area falls within the boundaries of the City of Fort Lauderdale, as well as the City of Oakland Park and the City of Pompano Beach. Though there is a very small section of the Study Area that includes the City of Tamarac, it was not profiled herein given its marginal area. The demographic and economic profile herein focuses on those variables that “drive” demand for residential, retail, hotel and office uses within the Study Area (and estimates of which are found in the following sections of this report). The demand drivers include population and household growth trends, household income growth, employment trends and real estate market trends.

### 2A: Population

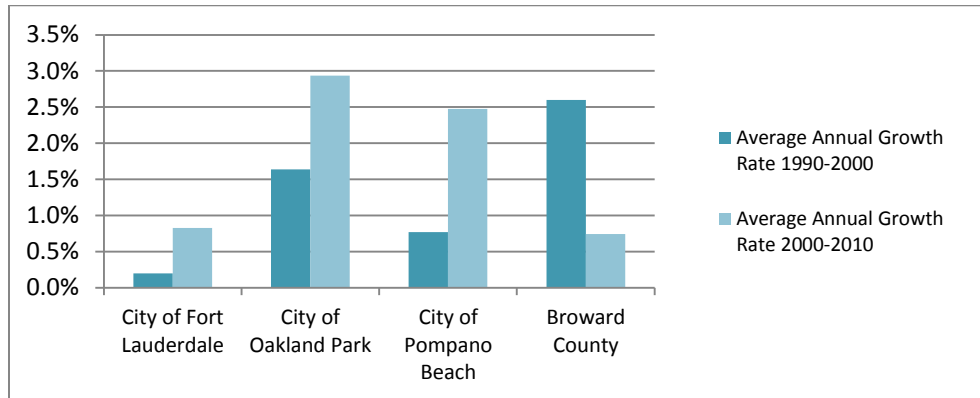
Based upon 2010 US Census data, Broward County grew from 1.25 million residents in 1990 to 1.62 million residents in 2000, or an average 38,600 persons per annum and 2.6 percent average annual growth rate. From 2000 to 2010, population increased to 1.75 million residents, or an average of 12,505 residents per year and 0.7 percent annual growth. According to the Broward Metropolitan Origination (Broward MPO), the County’s growth rate is projected to be 0.4 percent on an average annual basis, or a slight increase to 1.81 million residents by 2020, roughly 6,816 residents per annum.

The cities of Fort Lauderdale, Oakland Park and Pompano Beach also went through a period of population increase between 1990 and 2010, though at varying rates. Between 1990 and 2010, Fort Lauderdale increase 0.2 percent, Oakland Park at 1.6 percent and Pompano Beach at 0.8 percent. This compares to the County which increased 2.4 percent. Unlike the growth rate of Broward County overall, the cities of Fort Lauderdale, Oakland Park and Pompano Beach achieved increases in their respective average annual population growth rates for the period between 2000 and 2010. The City of Fort Lauderdale’s population grew by 0.8 percent on an average annual basis during this time period, while the City of Oakland Park saw substantial growth, increasing by an average of 2.9 percent annually, while the City of Pompano Beach increased by 2.5 percent on an average annual basis during the same period. During this period, Broward County’s population grew at a modest 0.7 percent. The following figure illustrates the average annual growth rate for each of the three municipalities along with Broward County, for 1990 to 2000 and 2000 to 2010.

**Figure 7: Average Annual Population Growth Rate (1990-2000; 2000 to 2010)**



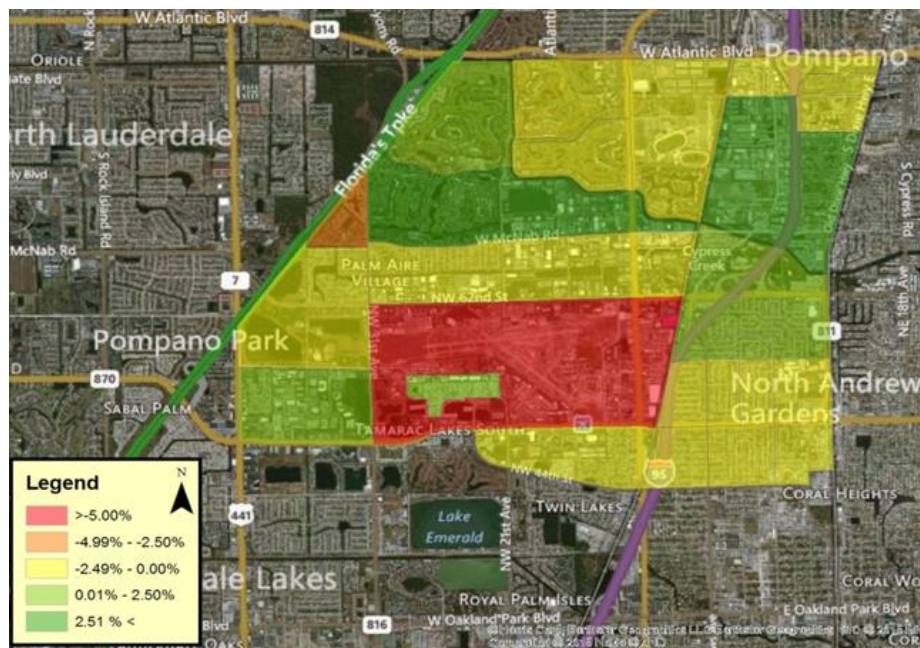
Source: US Census



In comparison, the population of that of the Study Area increased from a population of 34,862 persons in 1990 to 43,300 persons in 2000, which translates to an average annual growth rate of 2.2 percent per year, higher than that of the growth achieved by the three municipalities during this period, and slightly less than the average annual growth rate for the County. Between 2000 and 2010 however, the population of the Study Area actually declined to 41,381 persons according to 2010 US Census figures, or a loss of 0.5 percent per year during the period. The following map highlights the areas of the population trend between 2000 and 2010 for the Census Block Groups in the Study Area.

**Figure 8: Average Annual Population Growth Map: Study Area 2000-2010**

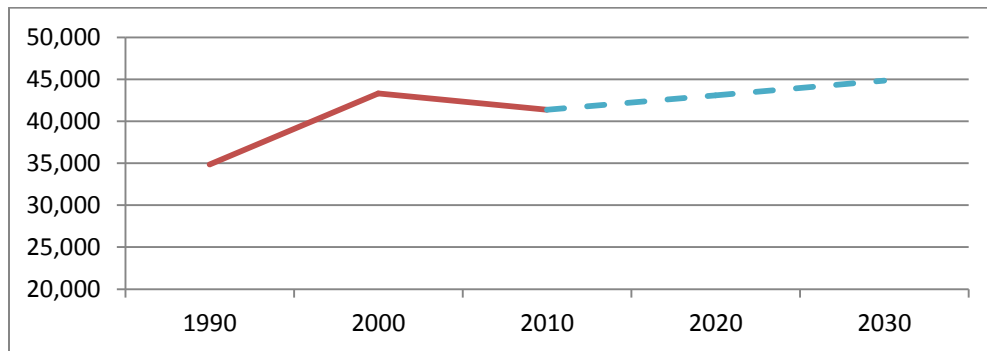
Sources: US Census



Based on Broward MPO TAZ projections, the Study Area is projected to grow at the same rate as the County, or 0.4 percent on an average annual basis for the foreseeable future. The following graph illustrates the Study Area’s population trend from 1990 to 2010, along with projected population growth through 2030.

**Figure 9: Study Area Historical Population Growth and Population Projection**

Sources: US Census, Broward MPO



## 2B: Population Characteristics

**Figure 10: Study Area Demographic Profile**

Sources: US Census, American Community Survey

	Study Area	Broward County
<b>2000 Population</b>	43,300	1,623,018
<b>2010 Population</b>	41,381	1,748,066
<b>2000-2010 CAGR</b>	-0.5%	0.7%
<b>2000 Households</b>	19,200	654,445
<b>2010 Households</b>	18,347	686,047
<b>Owner/Renter</b>	56.6%/43.4%	66.6%/33.4%
<b>2010 Avg. Household Size</b>	2.21	2.52
<b>Median Age</b>	42.5	39.7
<b>Population Under 19</b>	20.2%	24.8%
<b>20 to 39</b>	27.7%	25.7%
<b>40 to 64</b>	33.0%	35.2%
<b>65+</b>	19.1%	14.3%
<b>2009-2013 ACS Median Household Income</b>	\$43,282	\$51,251
<b>2009-2013 ACS Per Capita Income</b>	\$23,060	\$28,205

Information from the 2010 Census indicates that the Study Area had a median age of 42.5 years old in 2010, which is slightly higher than the median age of Broward County overall at 39.7 years old. This is mainly due to

the fact that the Study Area has a lower percentage of its population of persons under age 19 in comparison to the County as well as possession a higher percentage of persons aged 65 or over living in the Study Area than the County overall.

Between the years 2000 and 2010, the household growth trend in the Study Area mirrored that of the population trend. The number of total households in the Study Area declined from 19,200 total households in 2000, to 18,347 households in 2010. It is important to note that between 1990 and 2000, the number of total households in the Study Area increased, from 15,881 in 1990 to 19,200 by 2000.

The household tenure for the Study Area according to US Census 2010 figures expresses that 56.6 percent of all households in the Study Area are owner occupied, as opposed to 43.4 percent of the households being renter occupied. The rate of homeownership in the Study Area falls below that of the County overall, which reports a homeownership rate of 66.6 percent, leaving 33.4 percent of all households in Broward County as renter occupied.

As part of our demographic and economic profile, Lambert analyzed household and per capita income, which represents a critical element of retail and housing demand as it indicates the amount and nature of expenditure potential in a given market.

As detailed in the Figure on the previous page, the Study Area reported a median household income of \$43,282 according to the latest figures from the American Community Survey (ACS). This is lower than the median household income of Broward County overall (\$51,251). We must note that while the median household income for the Study Area is lower than that of the County, the Study Area does have a higher median household income than the City of Pompano Beach (\$40,221), a slightly lower household income than the City of Oakland Park (\$44,971) while the median household income of the City of Fort Lauderdale (\$49,119) is higher and close to that of Broward County than the other geographies.

In terms of per capita income, the Study Area has a per capita income of \$23,060 according to the 2009-2013 ACS, which is lower than the per capita income of Broward County (\$28,205) and of the City of Fort Lauderdale (\$35,605), City of Oakland Park (\$24,971) and the City of Pompano Beach (\$25,559).

## 2C: Employment Overview

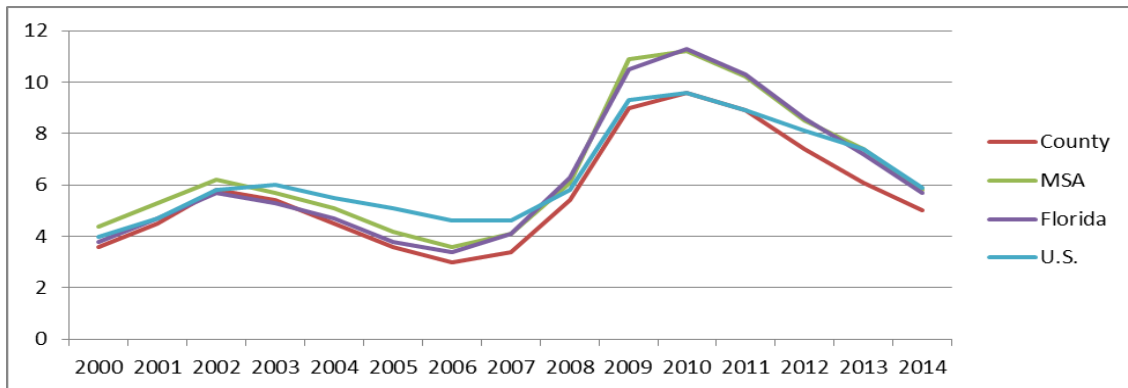
Development strategies rely heavily upon employment and employment growth. From a broad perspective, labor trends among certain employment sectors in Broward County, including employment and unemployment, have a notable impact on office demand.

As highlighted below unemployment locally, regionally and nationally experienced a sharp rise during the period following the recession, but are now starting to show signs of a steady sustained decline. Broward County has

historically maintained lower unemployment rates than the US, State and MSA. As of December 2014, Broward County had an unemployment rate of 4.5 percent.

**Figure 11: Historical Unemployment Statistics**

Sources: Florida Department of Economic Opportunity, Bureau of Labor Statistics



In terms of labor force, Broward County experienced relatively strong employment growth from 2001 to 2007. The County’s non-agricultural and mining labor force increased from 652,000 in 2001 to 751,000 in 2007; or, an average annual growth of more than 16,000 jobs (2.4 percent growth per annum)<sup>1</sup>. However, following the recession in 2007, Broward County’s employment base fell significantly in both 2008 (to 726,000) and 2009 (to 686,000). In 2010, the decline continued, but at a notably slower pace (to 676,000). However, by the end of the second quarter of 2014 (the latest employment data available), Broward County’s employment actually ticked up to 737,000, which hopefully signifies that a low-point has been reached and a turn to positive job growth is underway.

According to the Florida Department of Economic Opportunity (FDEO), Broward County is projected to add more than 95,422 jobs from 2014 to 2022 (11,900 per year), a growth rate of 1.4 percent average annually. While the County’s strong employment growth forecast is presumed to represent a trend to steady economic growth from a current low point, there still remains some uncertainty within the regional, national and global economy that may naturally impact the timing and/or pace of employment recovery. Regardless, the County has successfully implemented economic initiatives to encourage growth and positive trends are forecast over the next several years.

Specific to office employment, which is a key factor in determining office space demand within the Mobility Hub Site, the County is projected to add 33,000 office jobs between 2014 and 2022. The following table summarizes the estimated office employment growth for the Broward County.

**Figure 12: Broward County Office Employment Projections (2014-2022)**

Sources: Florida Department of Economic Opportunity

<sup>1</sup> Based upon FDEO and represents average monthly employment during the respective year.

				<b>Total</b>	<b>Avg. Annual</b>
		<b>2014</b>	<b>2022</b>	<b>Change</b>	<b>Change</b>
<b>Code</b>	<b>Industry Sector</b>				
115	Support Activities for Ag. & Forestry	100	93	-7	-0.9%
213	Support Activities for Mining	50	61	11	2.5%
42, 428, 488	Wholesale Trade, Support Transportation	51,823	55,151	3,328	0.8%
515, 517, 518, 519, 52, 53, 54, 55, 561	Telecom, Data, Info Serv., FIRE, Management	198,268	221,976	23,708	1.4%
61	Education Services	21,256	25,622	4,366	2.4%
813	Membership Associations	<u>13,006</u>	<u>14,701</u>	<u>1,695</u>	<u>1.5%</u>
	<b>Total</b>	<b>284,503</b>	<b>317,514</b>	<b>33,011</b>	<b>1.4%</b>

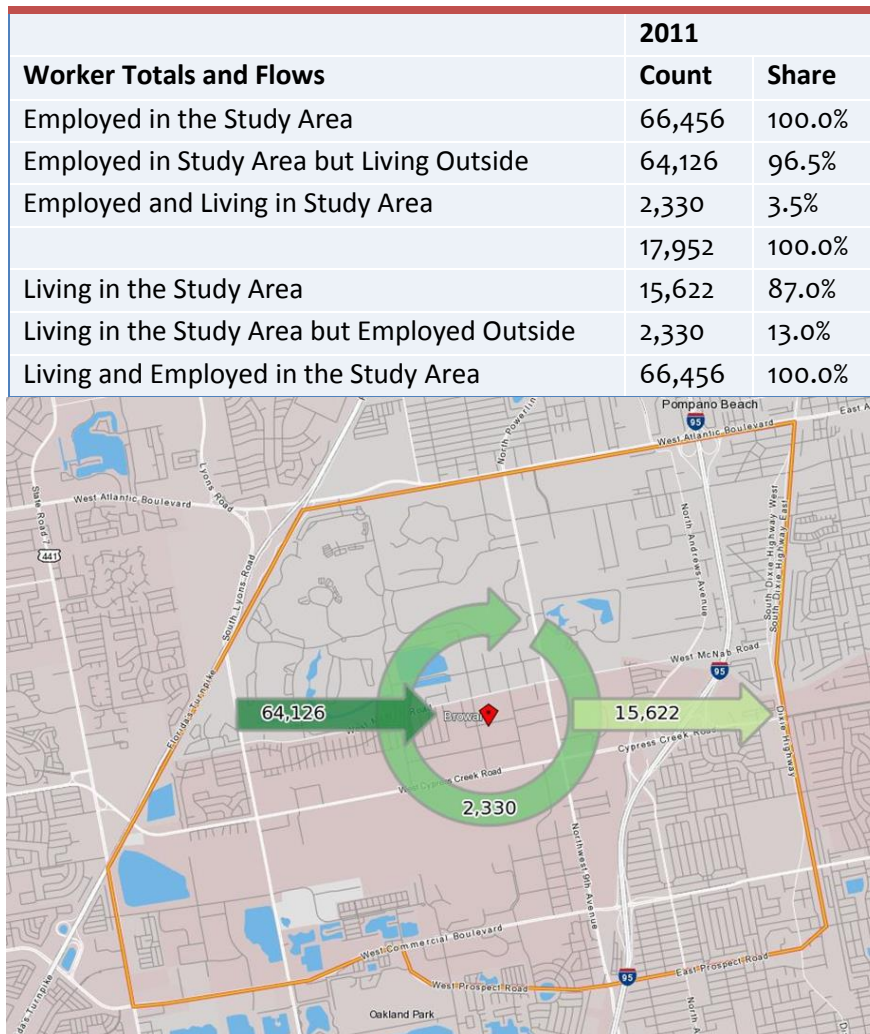
According to the most recent from the US Census Center for Economic Studies (2011), there are 66,456 persons privately employed and working within the Study Area. The largest employment sectors in the Study Area include Administration and Support (16.3 percent), Health Care and Social Assistance (10.7 percent) Professional, Scientific, and Technical Services (8.9 percent) and Wholesale Trade (8.5 percent). According to the Greater Fort Lauderdale Alliance<sup>2</sup>, Kaplan is the largest employer in the Study Area with 2,000 employees followed by Citrix (1,802), Randstad (1,208), Aviall (842) and American Changer Corp (590). It is important to note that the Fort Lauderdale Executive Airport, located within the Study Area, employs approximately 5,178 persons.

While roughly 66,456± persons are employed within the Study Area, very few people can claim they both live and work within the Study Area. According to data from the US Census Center for Economic Studies (2011) 96.5 percent, or 64,126 of the persons employed in the Study Area lived outside of it. Only 2,330 people, or 3.5 percent of persons employed in the Study Area also lived there. It is also worth noting that there are 15,622 people who live in the Cypress Creek Mobility Hub Study Area and must travel outside the Study Area for work. The following table summarizes the inflow/outflow of private job employees for the Study Area. These are all very important factors in evaluating the potential redevelopment strategy for the area both short term and long term.

<sup>2</sup> Excludes retail and hospitality companies unless headquarters is in Greater Fort Lauderdale

**Figure 13: Inflow/Outflow of Private Job Employees, Cypress Creek Mobility Hub Study Area, 2011**

Source: US Census OnTheMap



## 2D: Transportation Overview

The Cypress Creek Mobility Sub Site is located across the tracks of the Cypress Creek Tri Rail Station, and currently serves as a parking lot for Tri Rail passengers. The station itself is located on North Andrews Way just south of West Cypress Creek Road. Via the Tri Rail station at Cypress Creek, one can directly access major international transportations hubs, such as Fort Lauderdale-Hollywood International Airport Miami International Airport. Tri-Rail runs a 70.9 mile long system and provides further connects to the Metrorail system in Miami-Dade County to the south (which provides a direct link to Downtown Miami) with station in other major regional employment centers such as Boca Raton and West Palm Beach in Palm Beach County to the north. Tri Rail connections at stations in Miami-Dade, Broward and Palm Beach counties also connect passengers to Amtrak,

which connects passengers to the national rail network. The Cypress Creek Tri Rail Station is also serviced by Broward County Transit Bus routes 60 and 62.

Locally, traffic within near Mobility Hub site is very steady, as illustrated by the traffic county map of the Study Area in the following figure. Cypress Creek Road averages 44,000 cars per day between Powerline Road on the west and Interstate 95 to the east, which itself has moves anywhere from 235,000 to 290,00 vehicles on average a day through the Study Area. The following map highlights the traffics counts for the area immediately surrounding the Mobility Hub Site

**Figure 14: Average Daily Traffic Counts**

Source: Florida Department of Transportation



## 2E: Economic and Demographic Conclusions

Based upon the economic and demographic profile above, following is a summary of key findings for the Study Area:

- Population in the Study Area decreased between the years 2000 and 2010, after witnessing strong growth between 1990 and 2000.

- The Study Area has a slightly older population than Broward County overall in terms of median age; this is most likely attributed to the Study Area having a smaller percentage of persons under age 19 and a larger percentage of persons over 65 than Broward County overall.
- Households, like population, witnessed a decrease in total number between 2000 and 2010 after achieving growth between 1990 and 2000.
- Both the median household and per capita incomes of the Study Area are lower than that of Broward County overall.
- The Study Area employs a large number of people, benefitted by the presence of large employers and the Fort Lauderdale Executive Airport.
- Employment growth is expected to continue during the next several years and provide solid demand for on-going office development throughout the broader region.
- The Study Area and more specifically the Mobility Hub Site provide great transportation connections, through major roadways, highways and public transportation connections.



## Section 3: Residential Supply and Demand Analysis

The Cypress Creek Mobility Hub Study Area comprises a diverse mix of single family and multi-family housing. The focus of the Mobility Hub site will be on mid- to higher-density housing, therefore, Lambert completed an overview of the local condominium and rental housing (multi-family) market in the Study Area and surrounding areas. The following provides an analysis of the condominium and rental markets, including estimates of demand for housing within the Trade Area.

At the outset, we profile the housing composition within the Study Area and Broward County. As shown below, the composition of housing within the study area represents nearly 70 percent multi-family housing (defined herein as two units or more). This compares to nearly 50 percent multi-family housing for Broward County as a whole.

**Figure 15: Broward County and Study Area – Number of Housing Units by Housing Units in Structure**

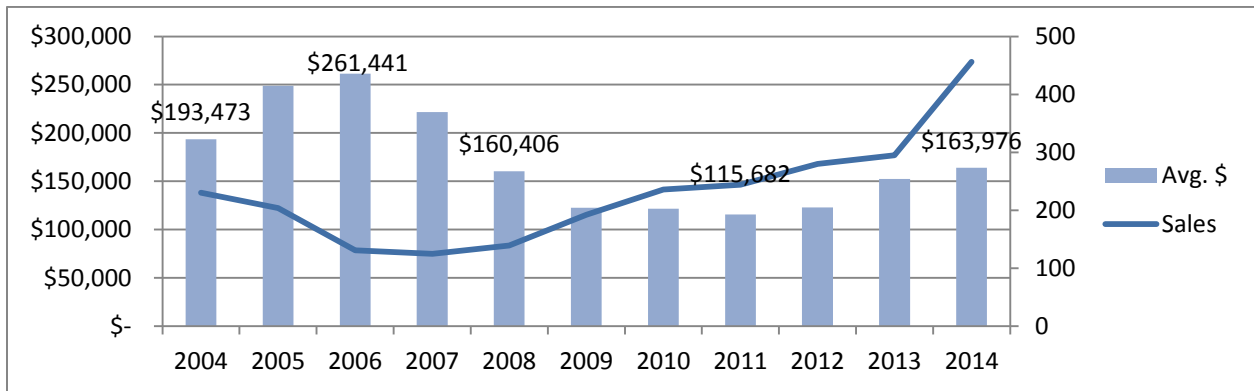
Source: ACS 2009-2013

Number of Units in Structure/ Type of Unit	Study Area		Broward County	
	Number Of Units	% of Total Units	Number of Units	% of Total Units
1, detached	6,008	24.5%	332,959	41.1%
1, attached	946	3.8%	65,003	8.0%
2	363	1.5%	22,420	2.8%
3-4	1,132	4.6%	35,645	4.4%
5-9	1,620	6.6%	46,889	5.8%
10-19	2,320	9.4%	56,842	7.0%
20 or more	11,218	45.7%	227,835	28.1%
Mobile Home	906	3.7%	22,080	2.7%
Other	60	0.2%	537	0.1%
<b>Total:</b>	<b>24,573</b>	<b>100%</b>	<b>810,210</b>	<b>100%</b>

From a vary broader perspective, single family housing trends within the Study Area reached peak average pricing in 2006 (\$261,000) before plummeting to \$116,000 in 2011. Since that time, pricing has been on a steady increase, though 2014 levels (\$164,000) are still well below peak periods.

**Figure 16: Cypress Creek TOD Trade Area – Single Family Sales Trends (2004 – Forecast 2014)**

Source: Lambert Advisory; BCPA



As evidenced within the analysis of broader single family housing trends, there are strong indications that the region’s housing market in general is beginning to achieve sustained (albeit modest) positive growth. Given its location, the potential transit linkage, and prospective housing market stabilization, the opportunity for multi-family housing is considered relatively strong for the TOD site. The following provides a profile of multi-family housing conditions for both for-sale and rental product.

The following is a detailed profile of the Study Area’s multi-family market analysis.

### 3A: For-Sale (Condominium) Market Overview

According to RPW, in the few years leading up to the peak of the housing boom in 2006/7, new condominium sales in all of Broward County generally ranged between roughly 1,500 and 3,500. From 2004 to 2006, new condominium sales skyrocketed from 3,700 to more than 14,000. By 2009, and after the regional/national housing collapse, new condominium sales dropped to 635, and steadily declined to 84 total sales in 2013. Based upon partial year data, 2014 is estimated to tick up slightly to 125± new sales. In terms of pricing, new condominium sales in Broward County peaked at an average \$399,360, before reaching a low of approximately \$190,000 in 2012, the decline of which is in large part due to foreclosure activity during the period. During the past two to three years, new condominium values have inched up to just under \$225,000.

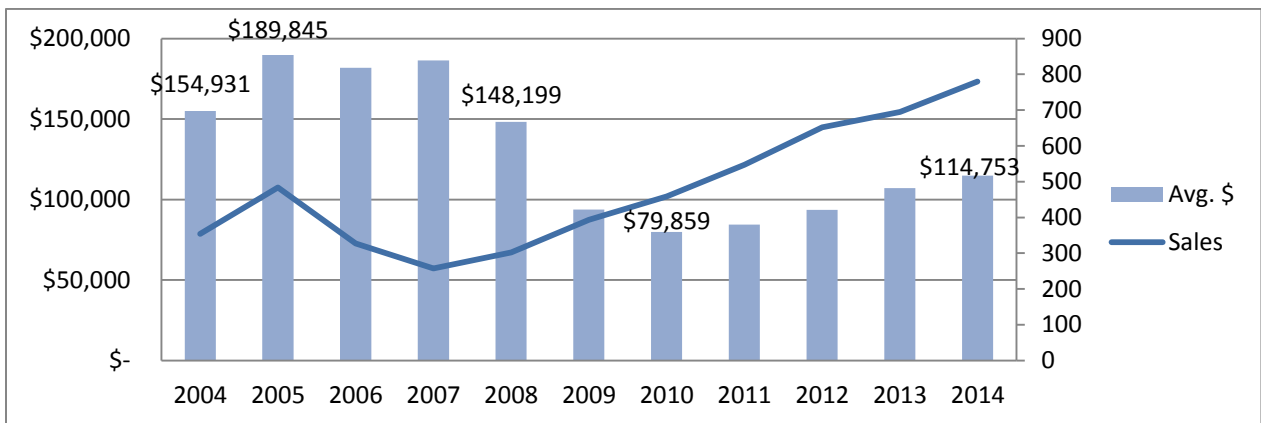
For condominium re-sales, Broward County reached peak levels in 2003 at more than 29,000 sales, before going through a steady decline to 9,900 sales in 2008. The decline in re-sale activity correlates to the increase in new condominium inventory during that period. Since 2008, the re-sale market has picked up and is estimated to reach roughly 15,000 sales in 2014. Accordingly, pricing has dropped from more than \$150,000 during peak periods prior in 2007/8, to a low of \$75,000 in 2010. Since 2010, condominium re-sales pricing have steadily increased to an estimated \$105,000, which indicates sustained growth, but levels that remain well below historic activity.

As of the 3<sup>rd</sup> Quarter 2014, there were only 7 active condominium development in Broward County, and none of which are in, or in close proximity to, the Trade Area. According to BCPA, there are approximately 15,100 total condominium units within the Trade Area, and the majority of which were built more than 20 years ago.

Based upon an evaluation of condominium sales within the Trade Area from the BCPA database<sup>3</sup>, there were 354 total sales in 2004 and 460 sales in 2005. Sales activity dropped to 250 to 300 sales during the following two to three years, before steadily escalating from 302 in 2008 to 780 sales in 2014. The Trade Area benefitted greatly from the regional/national housing boom, with a combination of unprecedented economic growth, advantageous lending environment and, particularly in South Florida, a strong second home, retiree and investor market. During this time, average condominium pricing within the Trade Area jumped from \$140,000 to nearly \$190,000 from 2004 to 2005, remaining at that level through 2007.

**Figure 17: Cypress Creek TOD Trade Area – Condominium Sales Trends (2004 – Forecast 2014)**

Source: Lambert Advisory; BCPA



However, as a result of the US recession, average pricing dropped by more than 50 percent by 2010 to reach a low of less than \$80,000. Since that time, condominium pricing within the Trade Area has been on a steady increase to reach roughly \$115,000 by 2014. Again, sale activity during the past few years was heavily impacted by the foreclosure market which is still exists today – although at a more modest level. Nonetheless, pricing remains well below pre-recession levels, and levels well below that of the cost of new construction.

### 3B: Rental Market Overview

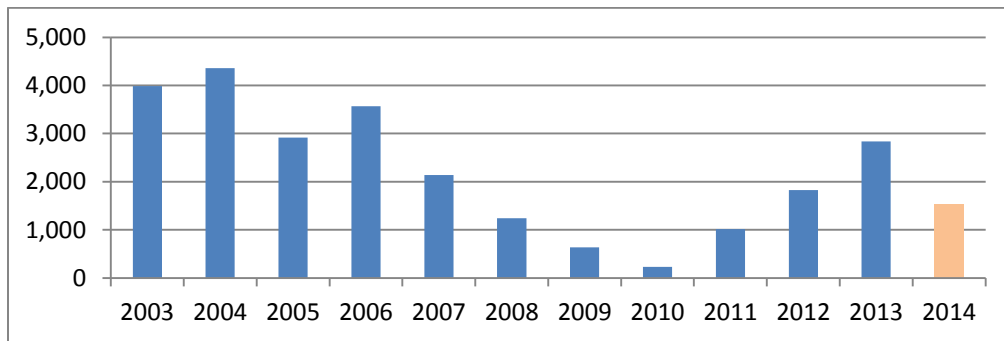
In terms of rental housing opportunity, we focus on market rate rental housing and it begins with a broad overview of the local and regional rental housing market, then narrowing into the comparable/competitive market. The rental housing market analysis is based upon BCPA data, as well as, rental housing market industry resources such as Reinhold P. Wolff (RPW), and key support from our discussion with select rental housing developments within the surrounding market area.

<sup>3</sup> Sales activity represents Lambert evaluation of “arm’s length” transactions and does not account for units with Quick Claim Deeds or recorded with sales price below \$25,000; 2012 represents forecast based on sales activity through June 2012

According to RPW data, Broward County’s annual multi-family housing permit activity reached 4,539 units in 2004, but experienced a relatively steady decline to only 228 units in 2010 – regarded as a period near the bottom of the region’s housing market. However, from 2011 to 2013, permit activity picked up pace to reach 2,835 units, much of it driven by increased rental development as a result of the tight lending environment for homeownership.

**Figure 18: Broward County Multifamily Permit Trends 2003 to Forecast 2014**

Source: RPW

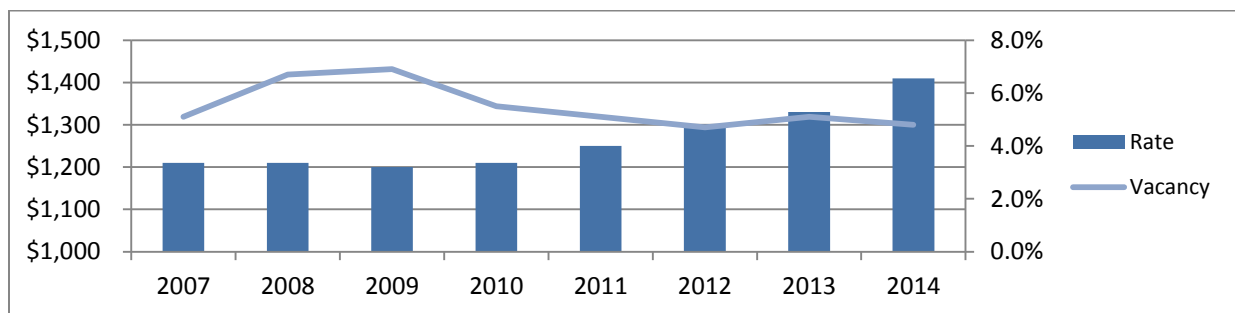


From 2011 to 2013, there were 4,085 rental units introduced to the Broward County market. The majority of rental development activity occurred within the western sectors of the County, including Pembroke Pines, Miramar, Davie, Weston, and Sunrise. There have been approximately 836 rental apartment units introduced within the subject’s Study Area since 2000; however, none of which are market rate developments (and further discussed below).

The Broward County rental market overall has had steady growth in rental rates, with corresponding decrease in vacancy.

**Figure 19: Broward County Apartment Market - Rental Rate and Vacancy Trends**

Source: RPW



The Study Area is enveloped by two major apartment submarkets: Pompano Beach and North Lauderdale/Tamarac. Both of these submarkets are stable in terms of occupancy which was 95 percent collectively as of Q2 2014; however, Pompano Beach reported occupancy of 94 percent, which is the only submarket in Broward County below 95 percent. In terms of rental rates, the Pompano Beach submarket is outperforms the County as a whole, and largely the result of premium pricing for inventory near the coast. The North Lauderdale/Tamarac submarket performs slightly below that of the County. A comparison of the broader submarkets and Broward County follows:

**Figure 20: Pompano Beach, North Lauderdale/Tamarac Submarket and Broward County Apartment Rental Rates (Q2 2014)** Source: RPW

Submarket	Unit Mix by Percent			Average Monthly Rent			Average Rent per SF		
	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR
<b>Pompano Beach</b>	53.2%	44.8%	2.0%	\$1,329	\$1,525	\$1,856	\$1.96	\$1.47	\$1.46
<b>North Lauderdale/ Tamarac</b>	42.4%	48.4%	9.2%	\$1,032	\$1,318	\$1,561	\$1.39	\$1.27	\$1.21
<b>Broward County Overall</b>	44.2%	44.2%	11.6%	\$1,191	\$1,458	\$1,850	\$1.51	\$1.33	\$1.34

The mid-2000's ushered in a period of strong demand toward homeownership, as the speculative environment was fueled by the lending industry. After the economic downturn in 2007, the housing market overall took a major hit among both homeownership and rental product. While the homeownership market has been on a long and slow recovery pattern, the rental market overall has experienced a much stronger recovery. There are a number of perceived reasons the rental market has tightened this much during the past few years, including but not limited to: people being forced out of foreclosure homes; an increasing preference to rent versus own given uncertainty in the housing market, a desire for no/low maintenance housing, and stringent lender requirements for homeownership compared to previous years.

Figure 21: Location Map of Select Rental Apartment Communities within Study Area



Relative to the Study Area’s rental market, BCPA data indicates there are approximately 25 rental communities with more than 10 units per complex, and only 8 of those complexes have more than 100 apartment units. There have been four rental developments built within the Study Area since 2000; however, all of these projects are affordable (mixed income) developments financed through low income housing tax credits (LIHTC). The most recent market-rate development within the Study Area was in 1998 (Lakeview Apartments). However, there was one newer development (Avana at Cypress Creek built in 2009) which sits just outside of the area’s boundary to the west. For this analysis, we focus on operating trends within the select market rate developments (including Avana). The table below provides an aggregated summary of the select comparable/competitive rental housing set.

Figure 22: Study Area Market Rate Rental Housing Snapshot

Source: Lambert Advisory

<b>Total Units</b>	<b>1,052</b>
<i>Est. Unit Mix</i>	<i>1’s: 40-45%; 2’s: 40-45%; 3’s: 15-20%</i>
<i>Total Occupancy</i>	<i>95+%</i>
<i>Avg. \$ - 1 BDR Unit (825± sf)</i>	<i>\$1,150-\$1,250 (\$1.40-\$1.50/sf)</i>
<i>Avg. \$ - 2 BDR Unit (1,050± sf)</i>	<i>\$1,300-\$1,450 (\$1.25-\$1.45/sf)</i>

As summarized above, the unit mix for the select properties comprises roughly 40 to 45 percent one bedroom units, 40 to 45 percent two bedroom units, and 15 to 20 percent three bedroom units. This unit mix is generally in line with most suburban rental markets in Broward County. Based upon a survey of select properties, the market overall is estimated to be 95 percent occupied. Average rental rates for one bedroom units are in the range of \$1,200 per month (or nearly \$1.45 per square foot based on an average unit size of roughly 825 square feet square feet). Two bedroom units average approximately \$1,375 per month (or roughly \$1.35 per square foot based on an average 1,050 square foot unit). Only two of the five properties have three bedroom units have been estimated to average more than \$1,700 per month, or \$1.30± per square foot. Importantly, St. Andrews at Palm Aire, built in 1996 and located along the golf course in St. Andrew's at Palm Aire, has the highest rental in the market, including: one bedroom units that average roughly \$1,325± (\$1.60± per square foot); two bedroom units that average roughly \$1,600 (\$1.55± per square foot); and three bedroom units that average roughly \$2,100. The performance of the competitive set as a whole, as well as performance among the premium properties, will help to define the estimates of performance for the subject site.

### 3C: Residential Demand Analysis

From a broader perspective, there has been a fundamental shift in housing demand over the past five to six years that has led to increased demand for rental housing, while demand for for-sale housing has been flat and only improving marginally over the past two years. The shift has been facilitated by a combination of factors including:

- The recession and collapse of the housing market in 2008, which has contributed to an increase in the rental of single family homes and other traditional for-sale housing, mostly by three and 4+ person family households.
- The advent of the Millennial population (“Gen Y”), which nationally is estimated at 75-80 million, rivaling the size of the “baby boom” generation. The Millennial population generally coincides with the 15-34 year old age group born between 1984 and 2002. As of the 2010 Census there were 41.06 million people in the U.S. between 25 and 34 years old, the prime renter household years. This number is expected to increase by 8.4 percent to 44.5 million over the next ten years as the 15-24 year old age group moves into the prime renter household years.
- There has been an increase in the popularity of urban style rental communities in urban and some suburban locations with consumers/renters attracted to a lifestyle that these projects provide including, walkable services, shopping and entertainment and/or shortened commute time to employment centers. This new urban style product is typically three to six stories with elevators and includes a full complement of state-of-the-art amenities and upgraded interior unit finishes. Units are generally smaller and higher priced than traditional garden style walk-up rental apartments. The new

urban style product is popular among the Millennial population, but has also attracted a cross section of middle and higher income renters in all age groups.

In the effort to identify the level of demand for residential development expected to occur during the next few years within the Study Area, we consider the economic, demographic, and overall housing market and economic conditions as outlined in this section as well as in preceding sections. The demand analysis methodology herein is used to identify the broader parameters of residential demand that support potential housing demand within broader region and locally, and has been prepared in the effort to provide order of magnitude estimates of future housing demand.

The methodology for evaluating demand considers growth historical population trends and projections for the Study Area, surrounding municipalities, and Broward County. However, household growth activity in north Broward County is a very important part of this analysis considering it is the broader market from which the City and Study Area will draw demand; particularly upper income households.

The details of the housing demand analysis (model) is included in the Appendix, with a summary of the key assumptions provided as follows:

*Household Growth:* Based upon 2010 Census, and MPO population projections, we estimate approximately 18,500 households in 2014. The area's household growth is projected to grow at slightly less than 1.0 percent per annum for the next five to ten year period.

*Household Income:* Based upon US Census data, approximately 48 percent of all households in the Study Area have annual household income greater than \$45,000, a minimum threshold considered to adequately support monthly payments required to underwrite new, market rate multi-family/condominium housing development; or, minimum average monthly housing payment estimated to be in the range of \$1,400 to \$1,600.

*Multi-family Units:* The housing demand for the Study Area considers propensity of demand for mid- to higher density multi-family housing that provides the critical mass needed to encourage a dynamic, mixed use area. Based upon US Census housing data for Broward County, roughly 65 percent of all dwelling units are multifamily. Importantly, for this analysis, we assume that the proportion of multifamily development will continue to outpace single family development given current and near term trends and therefore we apply a modest increase to the model.

Based upon the assumptions above, and detailed in the housing demand model in the Appendix, there is estimated to be approximately 400 new households with incomes greater than \$45,000 within the Study Area during the next 5± years from population growth alone; or, demand for 400. However, as noted, we also assume that the propensity for Study Area households with income greater than \$45,000 seeking to live in quality multifamily housing in the area will increase modestly – as opposed to single family home. Therefore,



the model indicates demand for roughly 400 to 500 multifamily (market rate) housing units within the next 5+ year period.

**Figure 23: Summary of Multifamily (Market Rate) Housing Demand – Study Area (2015 to 2020)**

Source: US Census; Lambert Advisory

	2014	2015	2020	Change
<b>Population</b>	41,266	41,596	43,287	<b>2,021</b>
<b>Total Households</b>	18,291	18,437	19,187	<b>896</b>
<b>Persons per HH</b>	2.3	2.3	2.3	
<i>% Study Area HH w/Income &gt; \$45K (Future Demand)</i>	48.0%	48%	48%	
<b>No. HH with Income &gt; \$45,000</b>	8,780	8,850	9,210	<b>430</b>
<b>% MF Dwelling</b>	65.0%	65.0%	67.0%	
<b>Total Demand for New MF Dwelling Units</b>	<b>5,707</b>	<b>5,752</b>	<b>6,170</b>	<b>464</b>
Potential HH Demand:	5,707	5,752	6,170	
<b>Net New HH Annual Demand:</b>	0	<b>46</b>	<b>140</b>	<b>464</b>

In addition to the demand from new household growth within the area, we believe that proposed housing at the Cypress Creek TOD station could enhance demand for housing beyond that of natural resident growth (and termed “pent up” demand) within the Study Area. This implies that transit-oriented development could be a strong draw for residents outside of the Study Area. While it is difficult to assess how much additional demand is created, quality transit-oriented housing (and potentially mixed use) development at the TOD site helps to ensure its fair share (or more than its fair share) of near term housing demand within the Study Area. It is important to note that in the determination of prospective multi-family housing demand for the Study Area, we do not make a definitive distinction between homeownership (condominium) and rental product. This is due to the likelihood that multi-family demand in the Study Area could represent a mix of condominium and rental as is currently the case. However, in light of the site’s location, along with the homeownership lending environment that remains relatively tight, we believe the subject site is best suited for rental development.

Lastly, and as set forth in the Executive Summary, the methodology for analyzing of housing demand herein is primarily based upon on population/household growth trends within the Study Area as set forth by current population growth projections from Broward County (at the TAZ level). As such, it is presumed that the County’s growth projections are largely predicated upon the existing regulatory environment (ie. land use, zoning) and land availability within the Study Area. However, as part of the broader long term planning for the Cypress Creek corridor as envisioned by Envision Uptown, the goal is to revise the regulatory environment within parts of the Study Area. The regulatory change contemplated by the community stakeholders is to allow for more housing, commercial, and mixed use opportunities through land use, height, and other related zoning policies. Should these regulatory policies be successfully implemented, than the opportunity for population and economic growth within the area may be significantly enhanced.

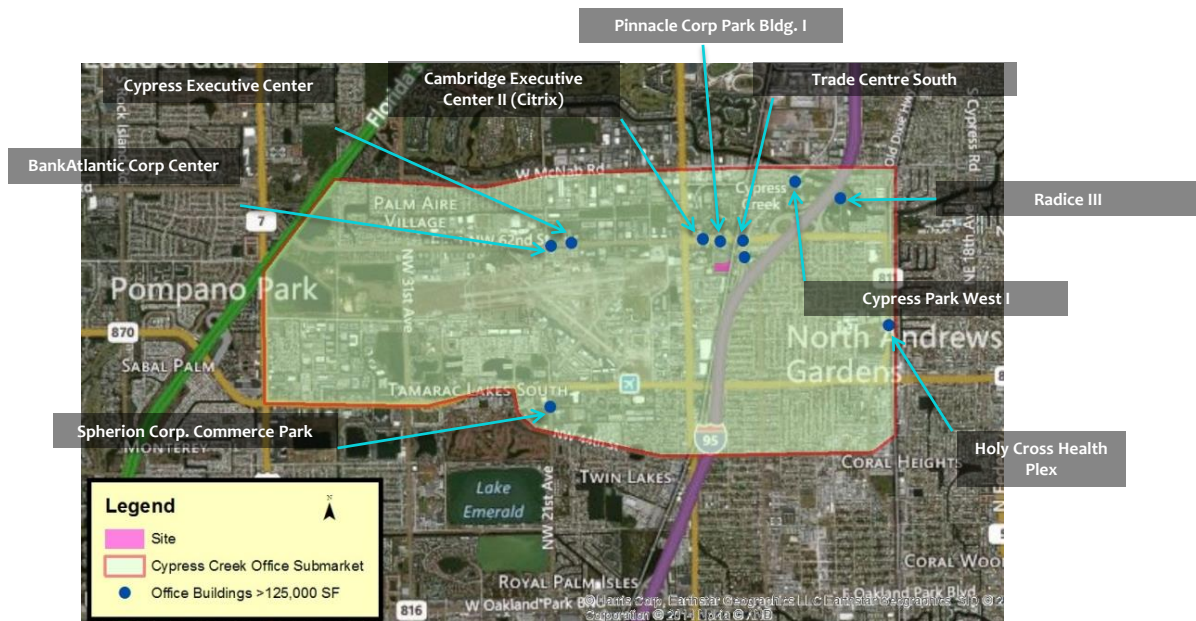
## Section 4: Office Supply and Demand Analysis

The Cypress Creek Office submarket is situated in the northeast sector of Broward County. The submarket is approximately ±12 square miles and extends west from Old Dixie Highway (HWY 811) to the Florida Turnpike, follows the turnpike southwest for approximately one mile, before extending south on US Hwy 441/SR 7 to HWY 870/Commercial Boulevard. From that point the submarket’s southern boundary extends east ±5 miles back to Old Dixie Highway.

The following map displays the Cypress Creek Office submarket, which is generally represented by the Study Area. The map also shows the location of significant office parks/buildings in the submarket greater than 125,000 square feet. Accordingly, there are ten (10) such office parks/buildings greater than 125,000 square feet in the submarket. Six (6) of the ten (10) are located along the Cypress Creek Road (62<sup>nd</sup> Street) corridor including, Bank Atlantic Corporate Center, Cambridge Executive Center II, Cypress Executive Center, Cypress Financial Center, Pinnacle Corporate Park and Trade Centre South. Of this six (6), four (4), including, Cambridge Executive Center II, Cypress Financial Center, Pinnacle Corporate Park and Trade Centre South, are located less than one-mile due north of the subject site.

**Figure 24: Cypress Creek Office Sub-Market Map (Buildings > 125,000 square feet)**

Source: Costar; Lambert Advisory



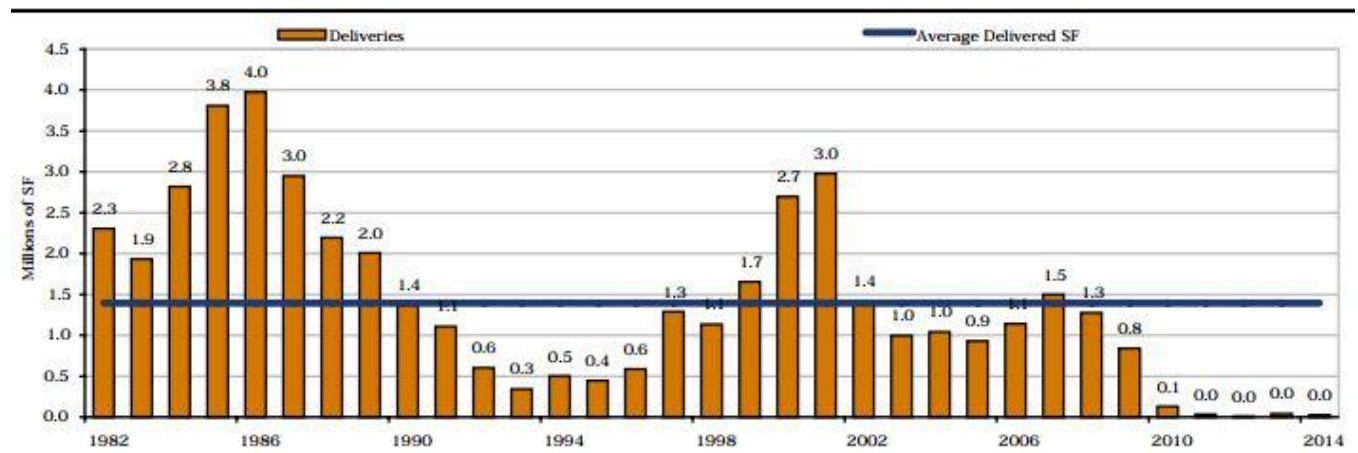
The following sections provide a comprehensive profile of local and regional office supply and demand trends, as well as estimates of office demand for the Study Area.

4A: Office Supply Overview

According to CoStar<sup>4</sup>, the inventory of office space in Broward County is estimated at 68 million square feet. CoStar estimates that the Broward County market constructed roughly 23 million square feet of new office space (all office space) between 1990 and 2010, equal to an average 1.2 million square feet of new office space per year during that time.

**Figure 25: Broward County Office Supply Delivery Trend (1982-2014)**

Source: Costar



Estimates from Costar also show that between 2007 and 2014, the Broward market delivered 3.7 million square feet of new office space, or 528,500 square feet per year, with almost no new office added between 2010 and mid-year 2012. In conjunction with the notable slowdown in office development during the past few years, the economic downturn of the past few years moderated leasing activity as well as vacancy climbed from 7.4 percent in 2006 to 12.7 percent by the end of Q2 2012. Accordingly, office full service lease rates Countywide fell from nearly \$26 per square foot in 2007 to less than \$24 per square foot in Q2 2012. However, during the past 18 to 24 months, Broward County’s office vacancy rate has decreased, while lease rates have increased. Currently, there are four new office developments under-construction which are located in Plantation, Pompano Beach and the Southwest Broward submarkets.

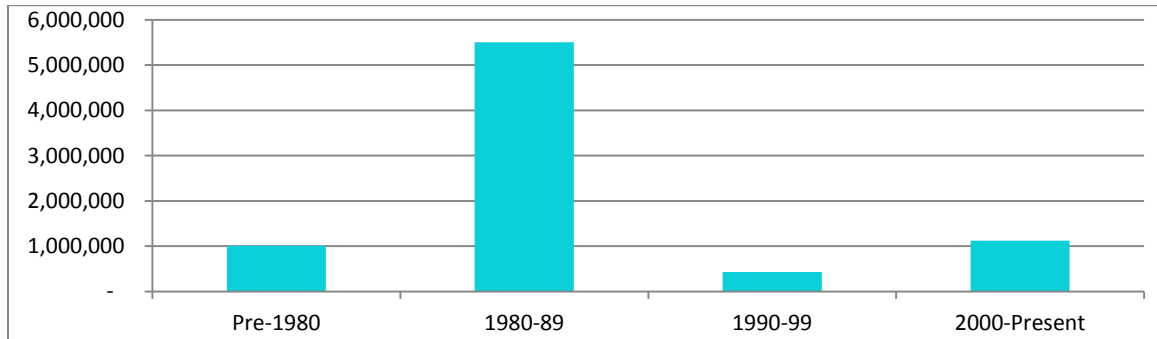
According to CoStar, the Cypress Creek office submarket is the 4th largest in Broward County. As noted, it is home to some of the largest private companies in the County, along with serving as a local office to numerous national/multinational corporations. The total inventory of office space in the Cypress Creek office submarket is estimated at 8.1± million square feet (including public and private office users), which is slightly less than the downtown Fort Lauderdale office market 9.2 million square feet). There are 242 total buildings in the Cypress Creek office submarket, comprising an average 33,300 square feet of space per building. As shown below, nearly 77 percent (6.2± million square feet) of the submarket’s office space was built before 1990. While there was virtually no new development delivered to the market between 1990 and 2000, the market has delivered

<sup>4</sup> CoStar is an internationally recognized as an industry leading real estate data service provider.

roughly 1.0 million square feet in the past 14 years, equal to approximately 70,000 square feet per year on average.

**Figure 26: Cypress Creek Office Sub-market Delivery by Year**

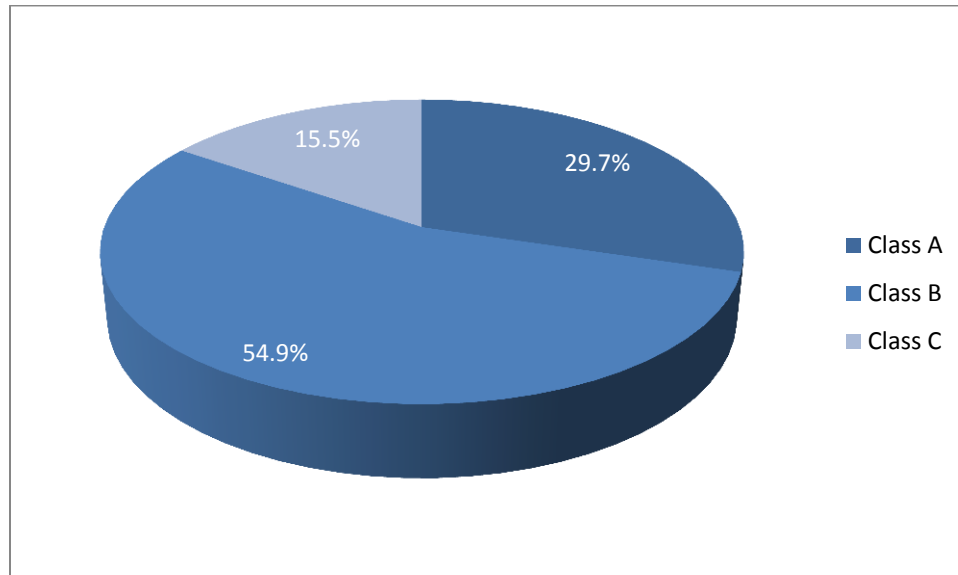
Source: Costar



Of the 8.1± million square feet of office space in the submarket: 2.41 million square feet (29.9%) is considered to be Class A space; 4.45 million square feet (55.2%) is Class B space; and, 1.2 million square feet is Class C space.

**Figure 27: Cypress Creek Office Market (Space by Class)**

Source: Costar



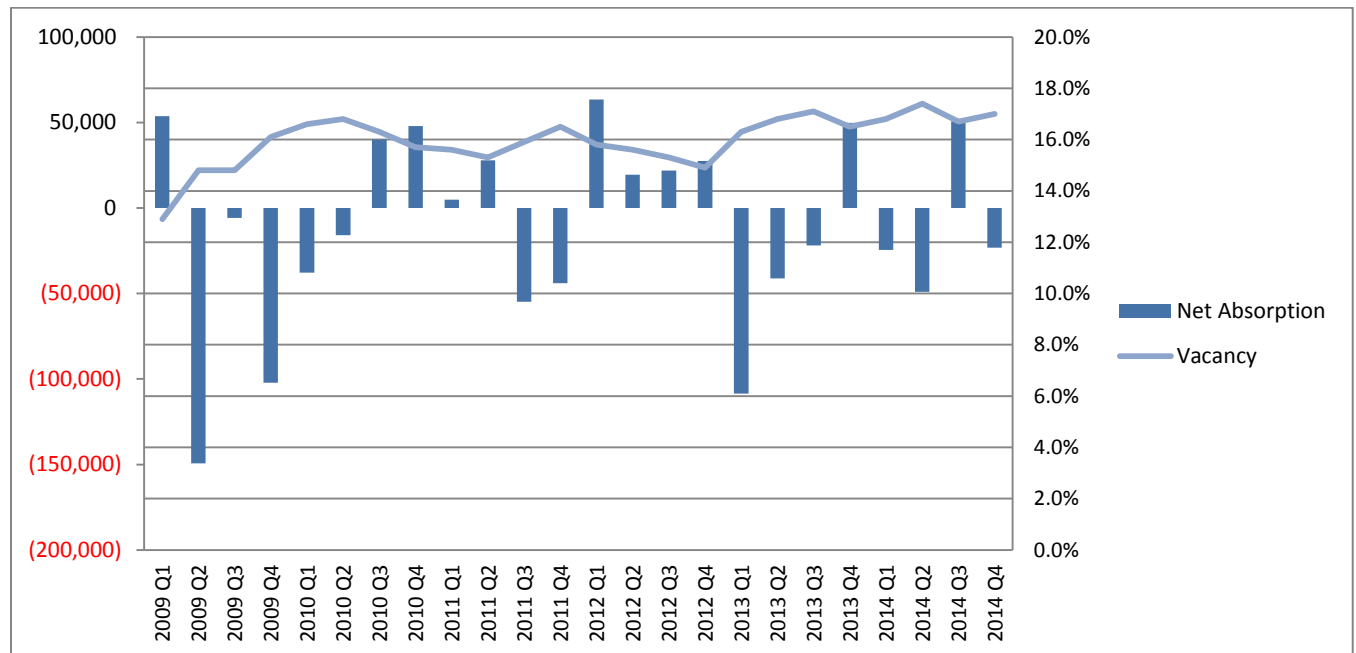
As noted, the average size office building in the submarket is 33,299 square feet. Class A buildings are the largest, averaging 120,596 square feet and Class C buildings the smallest, averaging 11,081 square feet. As of

the 4Q 2014, the vacancy rate for all office space in the Cypress Creek submarket was 17.2 percent, with the average quoted full service rent at \$22.25 per square foot. Comparisons by Class of space show that the vacancy rate among Class A buildings is 14.7 percent, with the average quoted full service rent at \$28.26. The vacancy rate for Class B buildings is 21.3 percent, with average quoted full service rent at \$20.12. The overall vacancy rate for Class C buildings is the lowest at 6.7 percent, with the average quoted full service rent also the lowest at \$18.72.

As of the 4Q 2014, there was approximately 1.6 million square feet of vacant office in the Cypress Creek submarket. However, there is approximately ±350,000 square feet was Class A space, which is somewhat encouraging from the context of potential planning for new development during the next few years (as discussed further below). Over the past five years, from 1Q 2009 to 4Q 2014, the Cypress Creek office submarket experienced a net negative absorption 339,215 square feet of office space. This impacted the office vacancy rate, which trended upward from ±13 percent in 2009 to ±17 percent as of the 4Q 2014.

**Figure 28: Cypress Creek Submarket Office Absorption and Vacancy Trend**

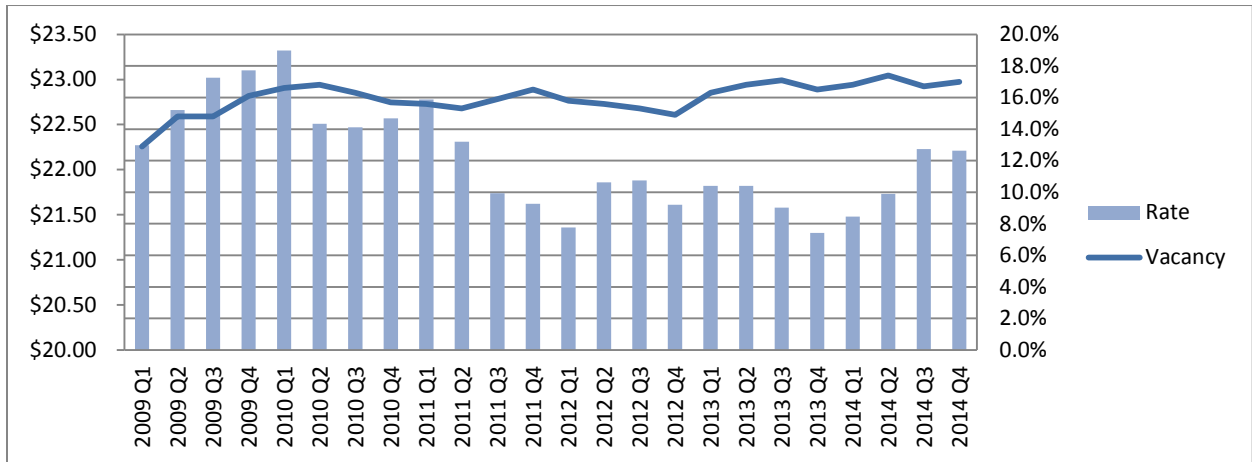
Source: Costar



As a result of rising vacancy rates and negative net absorption, quoted rental rates for office in the Cypress Creek submarket declined from ±\$23.25 per square foot full service as of the 1Q 2010, to ±\$21.40 per square foot as of the 1Q 2014; or about ±8 percent. However, from the 1Q 2014 to the 4Q of 2014, quoted rental rates increased by 4.4% to just over \$22.35 per square foot in less than a year, perhaps a sign that the market is beginning to improve.

**Figure 29: Cypress Creek Submarket Office Vacancy and Rent Trends**

Source: Costar



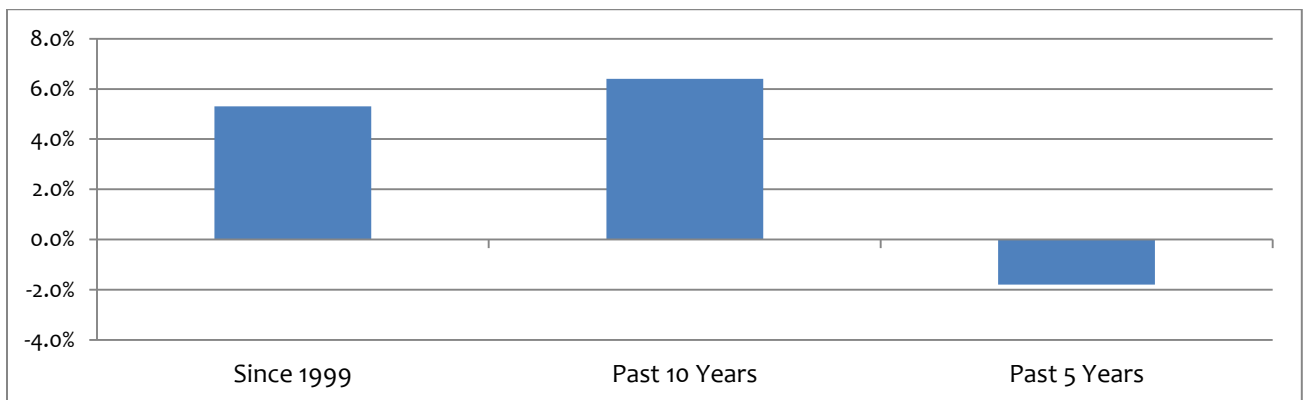
The discussion of office supply trends above will provide the basis for establishing performance parameters for the subject site’s potential development as discussed further below.

#### 4B: Office Demand Analysis

The figure below presents estimates of office demand (absorption) market capture for the Cypress Creek office submarket as a share of Broward County since 1999, over the past 10 years and over the past five years. Accordingly, Cypress Creek captured a little more than 5 percent of office demand (net absorption) in Broward County from 1999 to the 4Q 2014 and more than 6 percent from 1Q 2005 to 4Q 2014. However, over the past five years, from 1Q 2009 to 4Q 2014, the Cypress Creek office submarket had negative net absorption and therefore, a negative net market share of county demand.

**Figure 30: Cypress Creek Office Submarket Percent Capture of County’s Office Demand (Net Absorption)**

Source: Costar



To get a basic understanding of future office market demand that will drive the need for new office development in the Cypress Creek submarket, Lambert applied an office demand model that examines projected office demand related employment growth set against an office demand per employee ratio derived from the Building Managers and Owners Association (BOMA). The analysis commences with projected office employment growth. As previously noted, office demand related employment in Broward County is estimated to increase by roughly 3,850 average annually during next several years; or an estimated 16,000 to 18,000 office jobs from 2015 to 2020.

According to BOMA, among other industry benchmark indicators, the office space per employee ratio in Broward County is in the range of 230± square feet per employee. Based upon the 16,000 to 18,000 office employment demand over a five-year projection period, then multiplying this range by 230 square feet per employee, results in net demand for new office space in Broward County estimated to range between 3.7 and 4.2 million square feet over the next 5± years.

Referencing the historic capture rate and trends above for Cypress Creek as it relates to Broward County, and applying a capture rate ranging between 5 and 10 percent of the County’s total demand over the projection period, the Cypress Creek office submarket is forecast to have demand for roughly 185,000 to 420,000 square feet during the next 5± years.

**Figure 31: Cypress Creek Submarket (Study Area) Office Demand Projections**

Source: Costar; Lambert Advisory

	Low	High
Estimated County Office Job Growth (2015 to 2020)	16,000	18,000
Sq.Ft. Office Net Demand @ 230± sf per employee	3,700,000	4,200,000
% Cypress Creek Submarket/Study Area Capture	5%	10%
<b>Submarket Total Potential - Office Demand (Sq.Ft.)</b>	<b>185,000</b>	<b>420,000</b>

It must be noted, though, that as discussed in Section 4a above, there is nearly 1.6 million square feet of vacant office space within the Cypress Creek submarket. However, Class A office space is much less at 350,000 square feet. As a matter of fact, the Class A market is not particularly far from stabilized levels, which is considered to be around 90 percent occupancy; or, 240,000 square feet of vacant space (2.41 million square feet x 10 percent vacancy). Therefore, if a portion of the net new demand is positioned for Class A space, then we believe there may be an opportunity to deliver 150,000 to 250,000 square feet to the Study Area over the next four to six years, which means planning can begin in earnest within 12 to 24 months. Importantly, we also must recognize that the Study Area may have the opportunity to exceed this level of demand by capturing a major tenant that is

not yet in the Broward County market but may enter the market during the next few years should economic conditions continue to strengthen. Furthermore, the Cypress Creek Mobility Hub site should be in a strong position to compete for a portion of the new demand within the Study Area given it has readily available land and location/proximity to transit.



## Section 5: Retail Supply and Demand Analysis

As it relates specifically to the Cypress Creek Mobility Hub site, stand-alone retail development is not considered viable from a market perspective given its lack of access and visibility to any major roadway – a key determinant to retail site location. However, demand for limited retail may be driven by the rail station, along with an opportunity to incorporate retail within a mixed use development on the site; although, this would require a development of critical mass (or large in scale) that can provide a substantive retail expenditure base. Nonetheless, we have completed a comprehensive retail supply and demand analysis for the Study Area, which may be beneficial to potential joint development with adjacent sites and/or longer-term planning initiatives.

The following figure displays the Study Area’s retail submarket along with the location of significant major shopping centers and retailers. Accordingly, Lambert identified six (6) significant shopping centers/retailers in the Study Area. Two (2) of the shopping centers/retailers are located along the Commercial Boulevard corridor, including BJ’s Wholesale Club and Northridge Plaza, anchored by a Publix Supermarket and Ross Dress for Less clothing store. Another two significant shopping centers/retailers are located along the Cypress Creek Road corridor, including Cypress Creek Station, anchored by Office Depot and Regal Cinemas, and Uptown Centre, anchored by Chipotle and Saladworks restaurants. The other two significant centers are located along the Atlantic Boulevard corridor and include, Palm Aire Marketplace, anchored by Winn-Dixie and CVS drugstore, and a Walmart Supercenter.

**Figure 32: Cypress Creek Retail Submarket Map**

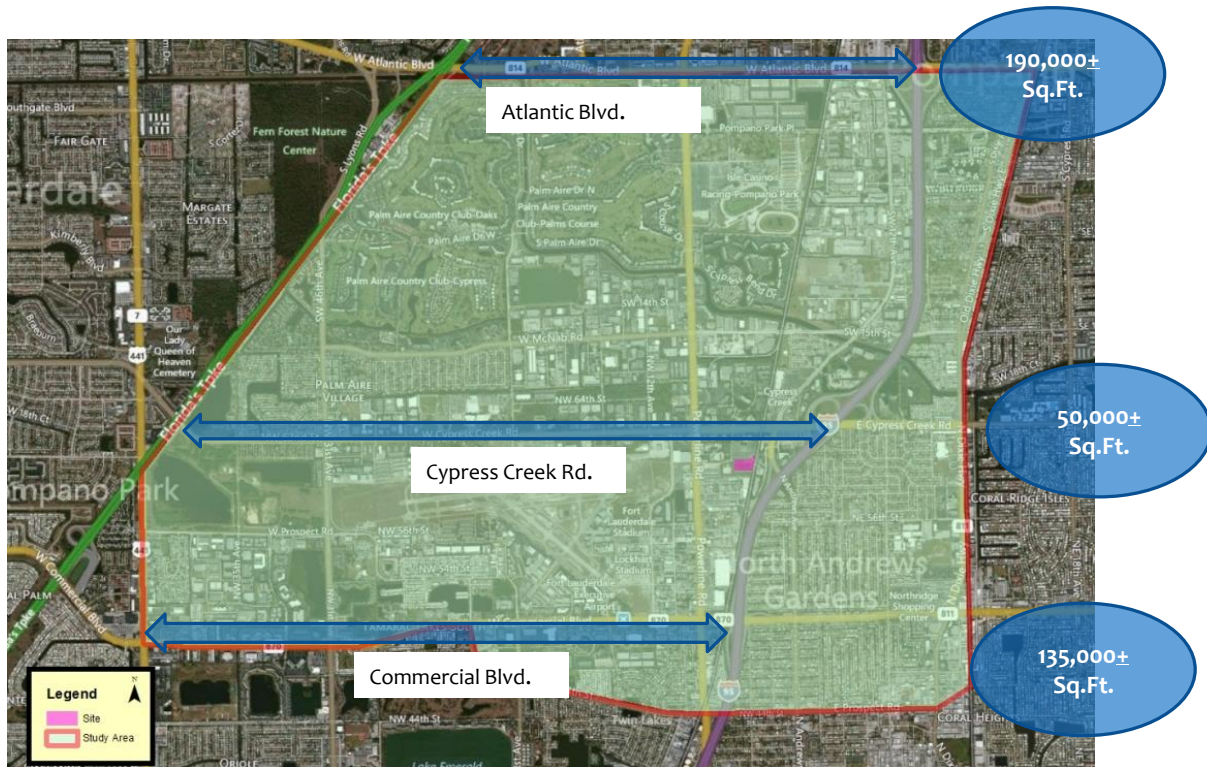


5A: Retail Supply Overview

According to CoStar<sup>5</sup>, the total inventory of retail space in the Study Area is estimated at 1.4± million square feet. While this appears to be a considerable amount of retail, in the context of the area’s size, population, and employment, it is relatively modes. Particularly, when considering that Cypress Creek Road is a major thoroughfare that is largely underserved by retail. The following figure is a retail corridor comparison map which shows estimates of square feet of significant retail along Cypress Creek Road with two other major retail corridors: Atlantic Boulevard to the north, and Commercial Boulevard to the south. These three corridors share similar traffic counts (above 40,000 square feet), though Cypress Creek (50,000 square feet) has far less retail than Atlantic Boulevard (190,000± square feet and Commercial Boulevard (135,000± square feet). This is due in large part to the heavy utilization of office development along Cypress Creek Road, but underscores the fact that retail may be underserved since the most traveled thoroughfare in the Study Area has limited retail development.

**Figure 33: Cypress Creek Retail Corridor Comparison Map**

Source: Costar



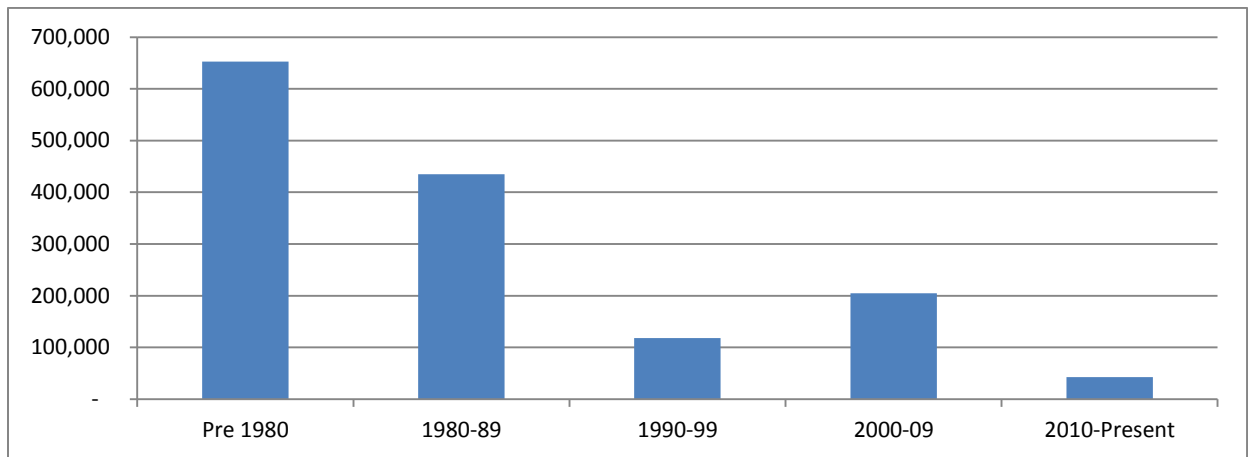
Specific to the Study Area’ retail, approximately 640,000± square feet (+46%) was built before 1980 and another 420,000± square feet (+30%) built from 1980 to 1989. Thus, ±76% of the retail space in Cypress Creek was built prior to 1990. Since 1990 another 340,000± square feet of retail has been delivered to the Cypress Creek

<sup>5</sup> CoStar is an internationally recognized as an industry leading real estate data service provider.

market, including 110,000± square feet from 1990 to 1999 (11,000 ± per year, on average), 200,000± square feet from 2000 to 2009 (20,000± annual average) and approximately 40,000± square feet from 2010 to the 4Q 2014 (4,000± square feet per year, on average).

**Figure 34: Cypress Creek/Study Area Retail - Supply Delivery Trend (1990-2014)**

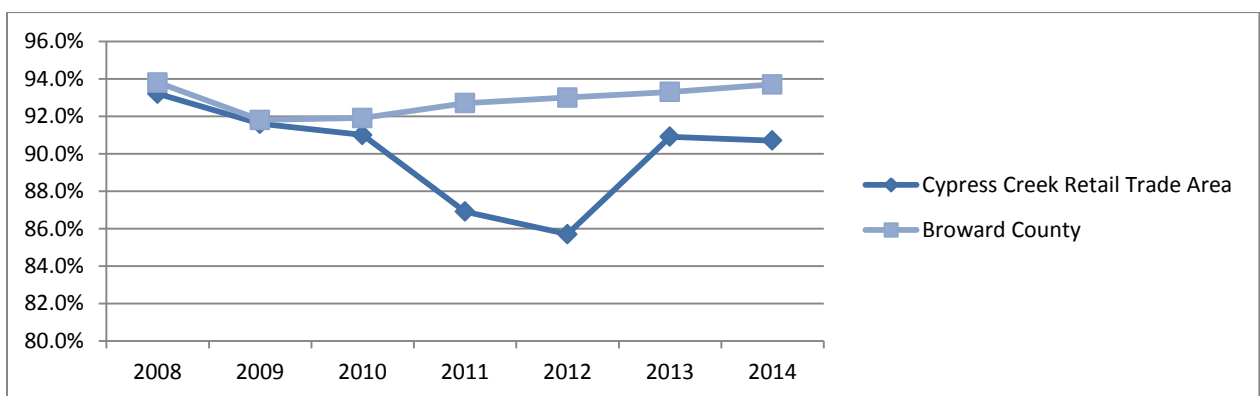
Source: Costar



The figure below compares occupancy rate trends for retail in Broward County and the Study Area from 2008 to 2014. As depicted in the graph, the occupancy rate for retail in the Study Area, which was above 93 percent in 2008, declined precipitously to less than 86 percent in 2012. The occupancy rate jumped up to 91 percent in 2013, where it is currently. By comparison, the occupancy rate for retail in Broward County was at 94 percent in 2008, declined to 92 in 2009 and has since trended upward, estimated at 94 percent as of the 4Q 2014.

**Figure 35: Cypress Creek VS Broward County Retail Occupancy Trends, 2008-2014**

Source: Costar; Lambert Advisory



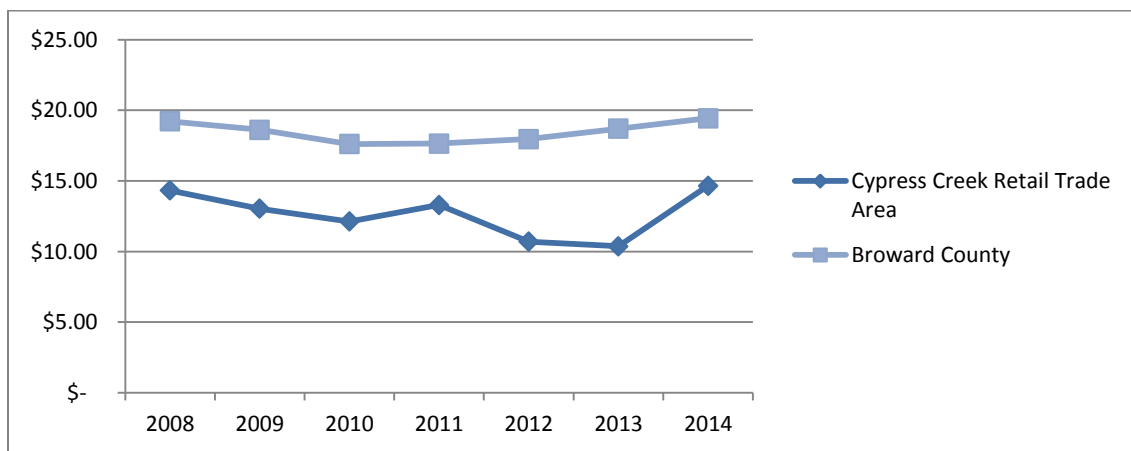
Based on estimates from CoStar, from 2008 to 2014, average quoted triple net (NNN) rental rates for retail space in Broward County ranged from a low of \$18.00 per square foot in 2010, to a high of \$19.90 per square

foot as of the 4Q 2014. The average quoted rental rate for retail space in Broward County was at \$19.75 per square foot NNN in 2008. The county’s retail rental rate dipped to \$18.00 per square foot in 2010, but has increased every year since then, estimated at \$19.90 per square foot as of the 4Q 2014. This average is only slightly higher than the average quoted rental rate of \$19.75 in the county in 2008.

By comparison, from 2008 to 2014, average quoted triple net (NNN) rental rates for retail space in the Study Area ranged from a low of \$10.25 per square foot in 2013, to a high of \$14.90 per square foot as of the 4Q 2014. The quoted average rental rate for retail space in the Study Area was at \$14.75 per square foot NNN in 2008, before trending down to a low point of \$10.25 per square foot NNN in 2013. Over the past year, however, the average quoted rental rate for retail in Cypress Creek spiked up 45 percent to \$14.95 per square foot NNN. Importantly, this is due in part to the relatively strong rates within Cypress Creek Station and, notably, the newer Uptown Center which is reportedly achieving rates of nearly \$40 per square foot.

**Figure 36: Study Area/Broward County Retail Asking NNN Rental Rates 2008-2014**

Source: Costar; Lambert Advisory



### 5B: Retail Demand Analysis

In the effort to assess the retail opportunity for the Study Area and Hub Mobility site, Lambert applied a retail demand model based on three retail demand generators. The three demand generators include: Residents living in the Study Area, Workers working in the Study Area and thirdly, demand generated from the Cypress Creek Station Ridership, which is a unique demand driver relative to the subject site.

Utilizing a variety of data sources, Lambert built a series of models that estimates expenditures by each of these groups and translates it into demanded square feet of retail space by merchandise category.

Demand for retail in the Study Area is for the five-year projection period 2015-2020. A summary of our analysis for each demand group is presented as follow. The detailed models can be found in the Attachment section.

The Study Area is considered to represent the area from which business in the Cypress Creek submarket will draw patrons on a regular basis for convenience goods stores such as groceries and drug stores, shoppers goods, including clothing stores, furniture, electronics and other general merchandise stores, and food and beverage establishments. Additionally, the model accounts for expenditure inflow potential from demand outside of the Study Area, as well as outflow (or leakage) from demand within the Study Area as discussed further below.

### 1.) Study Area Retail Demand from Residents

Local residents' expenditures are a key potential driver of demand for retailers within the Cypress Creek trade area. Although utilizing large amounts of data from a variety of sources, the way the retail trade model derives the estimated space demand is based on the methodology described below.

- **Total Personal Income** – The projected total population in the Cypress Creek submarket in 2015 is estimated at approximately 41,600, and is projected to increase to nearly 42,200 by 2020. Per capita income in the submarket is estimated at \$23,500 in 2015 and projected to increase to \$25,566 in 2020. Total personal income in 2015 then is equal to \$978 million (41,611 X \$23,500), increasing to \$1.08 billion in 2020.
- **Total Retail Expenditure** – An estimate of total retail expenditures (also referred to as Total Non-Auto Retail Expenditures) for the trade area is calculated by multiplying the Total Personal Income by the percent of income that is spent on non-auto retail purchases in a given year. The percent of household income spent on non-auto retail purchases was derived from the Department of Commerce 2009-2010 Consumer Expenditure Survey (Southern Region), which is both region- and income cohort-specific based upon data from the Department of Commerce. Applying this to the Study Area, residents are estimated to spend nearly 27 percent of their income on non-auto related retail goods.
- **Expenditure by Store Type** – Non-auto expenditure by store type for the market area is estimated using the percentage of total non-auto store sales by store type from the Census of Retail Trade. For this analysis, we combined subcategories into three main categories including, Convenience Goods, Shoppers Goods and Food Service and Drinking Establishments.
- **Primary Market Area Retention** – This is estimated based upon fieldwork and experience, and is an estimate of the degree of leakage which may occur from primary Cypress Creek trade area. Most merchandise categories have relatively low retention rates due to the size of the trade area and the fact that surrounding retail nodes have considerable retail development including for example, regional malls, power centers and other “big box” retail.

- **Percent Sales Inflow from Secondary Market** – While there is resident expenditure leakage from the Study Area there is also inflow from residents that live outside the bounds of the trade area; particularly, for the Wal-Mart Supercenter located on the northern edge of the Study Area. This is accounted for in the resident model. However, a large portion of inflow demand will come from non-resident daytime workers in the County, which has been separated out of the resident model and into specific segment models summarized below.
- **Sales per Square Foot** – The sales per square foot figures are estimated for stores in the Study Area based on interviews and other sources of information, including but not limited to the Urban Land Institute’s Dollars & Cents of Shopping Centers.
- **Warranted Square Feet** – Is calculated using the following formula: Net Sales Potential (by category)/ Sales per Square Foot (by category).
- **Non-Retail Space** – Is calculated assuming that there is an additional 10-15 percent of “retail” space demanded in traditional retail space that is utilized for non-retail uses such as doctor’s offices, hair salons, or other personal services.

Based on application of the aforementioned demand model, Total Retail Expenditures in the Cypress Creek Trade Area is projected to increase from \$264 million in 2015 to \$291 million in 2020. This represents an increase of 10.3 percent (1.9 percent annual average growth) over the five-year projection period, with Total Retail Expenditures increasing by \$27.18 million. Of the \$27.18 million projected increase in retail expenditures by Cypress Creek residents, 42.5 per cent, equal to \$11.55 million, would be Shoppers Goods Retail; 28.6 percent, equal to \$7.77 million, would be for Convenience Goods Retail; and 13.9 percent, equal to \$3.77 million, would be for Food Services and Drinking Establishments.

The next step included dividing the expenditure potential for each retail category by the estimated sales per square foot factor for each retail category. This step provided an estimate of supportable square feet for each category generated by Study Area resident. For the Food Services and Drinking Establishments, there is current estimated demand for 105,000 square feet of supportable retail space, increasing by 10,800 square feet by 2020. Convenience Goods results in 249,000 square feet of supportable retail space presently, increasing by 25,700 square feet by 2020. Shoppers Goods increases from 450,000 to 497,000 during the five year period, or nearly 47,000 square feet.

The last step included applying a 10 percent factor to the total square feet of supportable retail space to account for non-retail space and adding this to the total supportable square feet for all retail categories. Thus, as summarized in the table below, total supportable retail space in the Cypress Creek Trade Area increases from roughly 885,000 square feet in 2015, to 975,000 square feet in 2020. This represents an increase of nearly 90,000 square feet of additional retail demand that may be supported in the Study Area from resident retail expenditures.

**Figure 37: Study Area Retail Demand Projections (Residents)**

Source: Lambert Advisory; BLS; EDR; ULI; US Census

	2015	2020	Change
Estimated Population	41,611	42,186	575
Per Capita Income	\$23,500	\$25,566	\$2,066
<b>Total Retail Expenditure Potential</b>	<b>\$264,021,795</b>	<b>\$291,199,418</b>	<b>\$27,177,623</b>
<b>Expenditure Potential by Category</b>			
Food Services & Drinking Places	\$36,612,847	\$40,381,665	\$3,768,818
Shoppers Goods	\$112,177,093	\$123,724,271	\$11,547,178
Convenience Goods	\$75,520,457	\$83,294,309	\$7,773,852
<b>Sales per Square Foot by Category</b>			
Food Services & Drinking Places	\$350	\$350	\$0
Shoppers Goods	\$259	\$259	\$0
Convenience Goods	\$317	\$317	\$0
<b>Supportable Square Footage by Category</b>			
Food Services & Drinking Places	104,608	115,376	10,768
Shoppers Goods	450,559	497,202	46,642
Convenience Goods	249,232	274,888	25,655
Non-Retail Space	80,440	88,747	8,307
<b>Total Supportable Retail Space</b>	<b>884,840</b>	<b>976,212</b>	<b>91,372</b>

## 2.) Cypress Creek Trade Area Non-resident Worker Retail Demand

As detailed in Section 2 above, there are approximately 67,000 office (daytime) workers and other employees in the Study Area in 2015, which is estimated to increase to nearly 71,000 in 2020. Of this total it is estimated that approximately 90 percent live outside the trade area.

Periodically, the International Council of Shopping Centers (ICSC) conducts a survey of annual spending patterns and expenditures by retail category of office workers in downtown and suburban locations. The results of their latest survey were published in a 2011 report entitled “Office Worker Retail Spending in a Digital Age.” Estimates of annual retail expenditure potential and capture rates by merchandise category for the non-resident workers in the Study Area were derived from the ICSC report. Capture rates of retail spending by merchandise category report were applied to estimates of annual expenditures among non-resident daytime workers, to arrive at estimates of retail spending by non-resident daytime workers within the Study Area in 2015 with projection estimates for 2020.

Based on the applications described above, Total Retail Expenditures among non-resident workers in the Cypress Creek Trade Area is projected to increase from \$314 million in 2015 to \$333 million in 2020. This

represents an increase of 6.0 percent (1.2 percent annual average growth) over the five-year projection period, with Total Retail Expenditures among the non-resident workers increasing by \$18.9 million. Of the \$18.9 million projected increase in retail expenditures by non-residents, 42.1 percent, equal to \$7.9 million, would be Convenience Goods Retail; 33.9 percent, equal to \$6.4 million, would be for Comparison Shoppers Goods Retail; and 24.0 percent, equal to \$4.5 million, would be for Food Services and Drinking Establishments.

The next step included dividing the expenditure potential for each retail category, by the estimated sales per square foot factor for each category. This step provided an estimate of supportable square feet for each retail category generated by Non-resident based upon expenditure and retail sales data. Food Services and Drinking Establishments is project to increase from 188,000 square feet of supportable retail space in 2015 to 199,000 square feet of supportable retail for this category in 2020. Convenience Goods increase from 378,000 square feet of supportable retail space in 2015 to 401,000 square feet in 2020. Shoppers Goods generated by non-resident workers in the Study Area, increases from 328,000 in 2015 to 347,000 in 2020, or nearly square feet over the five-year projection period.

**Figure 38: Study Area Retail Demand Projections (Workers)**

Source: Lambert Advisory; ISCC

	2015	2020	Difference
Total Number of Employees	67,000	71,020	4,020
Percent Living in Trade Area	10.00%	10.00%	15.00%
Number living outside trade area	60,300	63,918	3,618
<b>Purchases by Category:</b>			
Food Service & Drinking Places	\$1,250	\$1,250	
Shoppers Goods	\$1,768	\$1,768	
Convenience Goods	\$2,194	\$2,194	
Total	\$5,212	\$5,212	
<b>Purchases by Category:</b>			
Food Service & Drinking Places	\$75,376,688	\$79,899,290	\$4,522,601
Shoppers Goods	\$106,616,671	\$113,013,671	\$6,397,000
Convenience Goods	\$132,297,235	\$140,235,069	\$7,937,834
Total	\$314,290,595	\$333,148,030	\$18,857,436
Total Retail Purchases	\$314,290,595	\$333,148,030	\$18,857,436
<b>Annual Sale Per Foot:</b>			
Food Service & Drinking Places	\$400	\$400	
Shoppers Goods	\$325	\$325	
Convenience Goods	\$350	\$350	
<b>Square Feet Demanded</b>			
Food Service & Drinking Places	188,442	199,748	11,307
Shoppers Goods	328,051	347,734	19,683
Convenience Goods	377,992	400,672	22,680
plus: Non-retail (Services)	111,811	118,519	6,709
<b>Total Square Feet</b>	<b>1,006,296</b>	<b>1,066,674</b>	<b>60,378</b>

Thus, total supportable retail space in the Study Area generated from non-resident workers increases from roughly 1.01 million square feet in 2015, to 1.07 million square feet in 2020. This represents an increase of



approximately 60,000 square feet of additional retail space that may be supported in the Cypress Creek Trade Area from non-resident worker retail expenditures.

### 3.) Study Area Transit Retail Demand

Based upon data provided to Lambert Advisory by HNTB, estimates of demand from Cypress Creek Station ridership is projected to stabilize at approximately 1,200 total riders. Based upon the stabilized ridership, we applied estimates of annual retail expenditure potential by merchandise category against the estimated annual ridership. These estimates were derived from the ICSC worker expenditure report referenced above. Annual expenditures were divided by productivity factors (retail sales per square feet) for each of the selected merchandise categories based on discussion with retail industry professionals and resources including ULI. The result of these applications provided an estimate of square feet of retail that would be supported by merchandise category, from Cypress Creek Station ridership presented below.

**Figure 39: Estimated Retail Demand from the Cypress Creek Station Ridership**

Source: ICSC; HNTB; Lambert Advisory

Estimated Worker Expenditure	
Food Service & Drinking Places	\$1,389
Shoppers Goods	\$1,965
Convenience Goods	\$2,438
<b>Total</b>	<b>\$5,792</b>

Est. Daily Ridership	1,200				
	Ann. Purchases by Category	% Capture Station Site	Total Purchases by Category	Annual Sale Per Sq.Ft.	Estimated Potential Demand
Food Service & Drinking Places	\$1,389	20%	\$333,360	\$425	800
Shoppers Goods	\$1,965	15%	\$353,700	\$350	1,000
Convenience Goods	\$2,438	25%	\$731,400	\$382	1,900
<b>TOTAL</b>	<b>\$5,792</b>		<b>\$1,418,460</b>		<b>3,700</b>

As shown in the figure above, the demand for retail from a stabilized daily ridership base of 1,200 generates total retail expenditure of \$1.42 million per annum, which translate to demand for a marginal 3,700 square feet of retail space. This level of ridership simply does not generate a significant amount of retail demand, even if both the ridership and capture rate for expenditure at the station were doubled. Nonetheless, the ridership does support the demand for small convenience and food/beverage products, which we understand has been expressed by numerous transit riders.

The following provides a summary of supportable square feet as a result of retail expenditures generated from each of the three consumer groups in 2015, with projections to 2020.

**Figure 40: Cypress Creek Study Area – Summary of Retail Demand/Projections: 2015-2020**

Source: ULI; ICSC; HNBT, Lambert Advisory

	2015	2020	Difference
Resident	867,000	956,000	89,000
Worker	1,005,000	1,065,000	60,000
Rail	<u>3,700</u>	<u>4,000</u>	<u>300</u>
<b>Total</b>	<b>1,875,700</b>	<b>2,025,000</b>	<b>149,300</b>

As shown above, there is currently an estimated demand for 1.8 million square feet of retail space within the Study Area. This compares to the 1.4 million square feet of retail that actually serves the Study Area at this time. While there is certainly a degree of variability in the direct comparison of supply and demand, there is evidence that the Study Area’s retail is currently underserved. Moreover, based upon potential growth from residents, workers and ridership, there is an estimated demand for an additional 150,000 square feet of retail during the next 5± years. Importantly, though, a portion of this net new retail demand presumes absorption of existing vacant space, as well as support for repositioning of older retail product within the market area that is well beyond its useful life. Regardless, we believe there is an opportunity for measurable retail development during the next few years.

As noted above, the Cypress Creek Mobility Hub site is not a desirable location for retail given its lack of access and visibility. The FDOT site to the east is more appropriate given its access and exposure to Cypress Creek Road and I-95. However, should the opportunity arise for an expanded joint development opportunity that would allow for the subject property to tie itself into the frontage along Cypress Creek Road, then the opportunity for retail is significantly enhanced.

## Section 6: Hotel Supply and Demand Analysis

South Florida in general is an international tourism destination and Broward County gets its fair share of regional visitor demand. According to the Greater Fort Lauderdale Convention and Visitors Bureau (CVB), Broward County has steadily increased its visitor base from 7.5 million in 2000 to 13.3 million in 2013. Total visitor expenditures in the County currently exceed \$10 billion. The ratio of domestic visitors to foreign visitors has been for the most part consistently 75/25. The top domestic markets represent Florida (35 percent), New York (10 percent) and New Jersey (5 percent), while the top foreign visitor markets comprise Canada (36 percent), Latin America (28 percent) and Europe (13 percent).

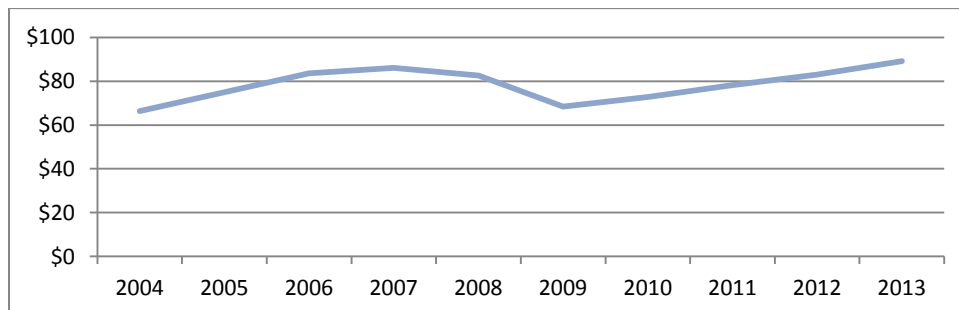
The Study Area is well represented with a mix of hotel development, much of which services the surrounding corporate demand, but also the leisure visitor market. Following is a summary of hotel supply and demand trends locally and regionally, as well as demand and findings for the Study Area and Cypress Creek Mobility Hub site.

### 6A: Hotel Market/Supply Overview

Broward County’s total hotel inventory comprises more than 34,000 hotel rooms among more than 570 hotel properties. The region’s occupancy from 2000 to 2007 mostly remained in the low- to mid-70 percent range, while average daily rates (ADR) climbed during the same period to \$125. Since peak periods, occupancy dropped to the upper 60 percent range, while ADR declined to roughly \$106. However, according to GFCVB, occupancy rates reached 72.4 percent in 2012 and increased further to 74.7 percent in 2013. ADR meanwhile has climbed back to \$119 in 2013. Based upon preliminary data from GFCVB and other industry resources, the County’s hotel market is expected to further in 2014 albeit modestly. The following chart provides a summary trend of the revenue per available room (RevPar) for Broward County – RevPar is an industry performance metric representing the combination of ADR and occupancy.

**Figure 41: Greater Fort Lauderdale Hotel Trends (2004 to 2013)**

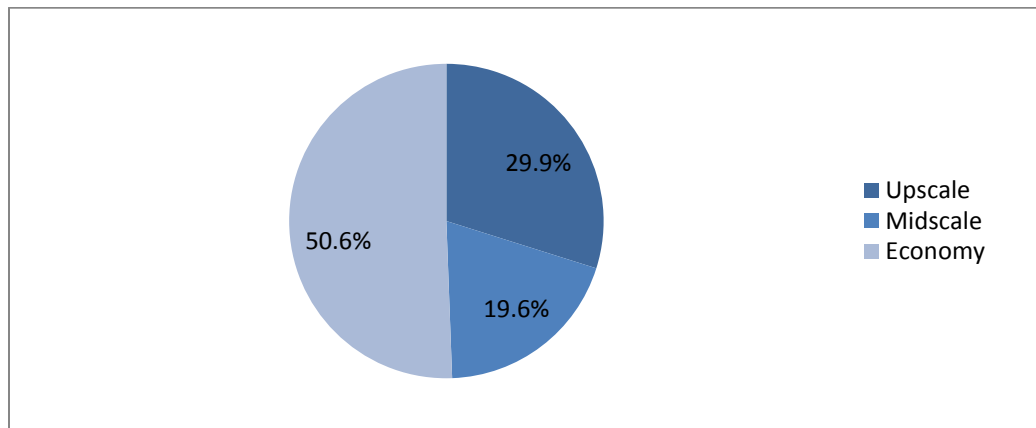
Source: Greater Fort Lauderdale CVB



According to STR, there are approximately 2,900 rooms among 21 hotel properties in the Study Area. The following chart illustrates the general characteristics of the Study Area hotel market in terms of product type. As shown, more than 50 percent of the hotel development is considered economy class, which is indicative of the fact that nearly 2,300 rooms (80 percent) of the hotel inventory was built before 1990.

**Figure 42: Study Area Hotel Overview**

Source: STR

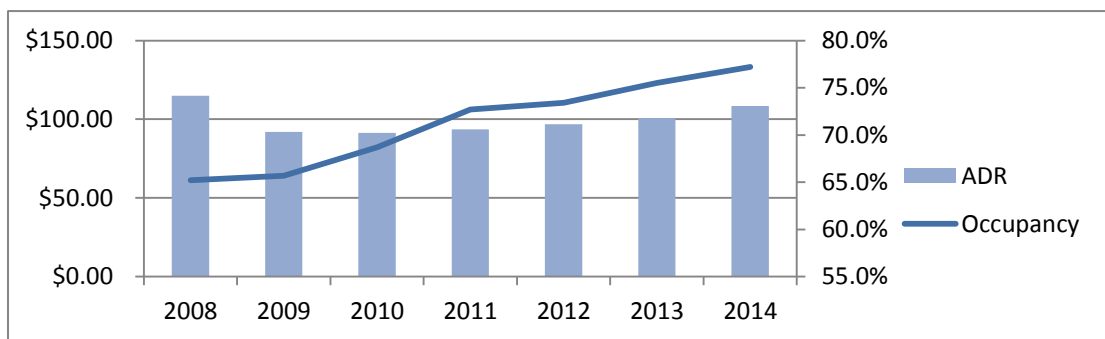


As a matter of fact, there has essentially been no new hotel development built after 2000, with Extended Stay America (two properties), Comfort Suites and Town Place representing the most recent development and all completed in 1999. Accordingly, the majority of the hotel Study Area is limited service hotel product, which is dominated by mid-scale product (generally 3-star) quality properties. However, there are three larger full-service hotels including Westin, Marriott and Sheraton Suites.

In the effort to better understand the comparable/competitive hotel conditions impacting potential hotel within the Study Area, performance data was purchased from STR providing ADR, occupancy, and room night demand for seven select properties including: Extended Stay; Holiday Inn Express; Courtyard; Sheraton Suites; Westin; Marriott; and Hampton Inn. These seven hotels with a total 1,296 rooms are considered to represent a solid benchmark for a three- to four-star limited service hotel for the Study Area and subject site.

**Figure 43: Study Area Comparable/Competitive Hotel Profile**

Source: STR



Based upon STR, the select hotels were able to achieve a very solid ADR of \$115 in 2008, though occupancy was a modest 65 percent. Following the recession, ADR’s dropped to \$91 in 2010, while occupancy actually ticked up to 68 percent. Since that time, both occupancy and rate have been on an upward trend to reach 77 percent and \$108, respectively in 2014. The Study Area’s hotel market benefits greatly from the surrounding business demand segmentation, but is also becoming slightly more balanced with the leisure sector.

Overall, the comparable/competitive market is relatively strong and reaching market stabilization in terms of occupancy. However, ADR overall is still considered to be relatively low. Nonetheless, the market continues to strengthen and should this trend be on-going for the next year or two, the opportunity for hotel development within the Study Area becomes more viable.

#### 6B: Hotel Demand Analysis

In the effort to better understand the opportunity for new hotel product within the Study Area and the Cypress Creek Mobility Hub site, Lambert frequently speaks with a select group of hotel development companies and industry analysts to identify performance thresholds for new hotel development. Although difficult to ascertain at this stage of the process (in the absence of design, building and land cost assumptions) there is consensus that as the comparable/competitive market steadily approaches an ADR of \$125± and occupancy remains above 75± percent, the addition to supply is potentially warranted. Therefore, assuming that broader economic conditions continue to strengthen, there is no new supply added within the trade area, and the comparable/competitive hotel market continues a steady climb toward the thresholds identified above, then we believe there is an opportunity for hotel development within the Study Area and, given its location, the Cypress Creek Mobility Hub site should compete very well for this demand. Importantly, the opportunity for hotel product is primarily going to be limited service, as opposed to full-service hotel. A full service hotel would require significantly higher ADR within the area, which would be needed to services such as a full scale restaurant (serving all three meals) which is ordinarily a “loss leader.” Furthermore, a full service hotel typically requires a minimum room count of 200 to 225 rooms, which is not currently feasible at the subject site.

## **ATTACHMENT**

### **(Study Area Resident Retail Trade Model)**



Resident Expenditure Estimate, By Major Retail Category, Cypress Creek Mobility Hub

DRAFT

Expenditure by Store Type - Summary

	2015	2016	2017	2018	2019	2020
General merchandise stores	\$ 41,038,361	\$ 41,851,359	\$ 42,973,905	\$ 43,781,491	\$ 44,516,116	\$ 45,262,729
Clothing & clothing accessories stores	\$ 38,489,837	\$ 39,252,347	\$ 40,305,182	\$ 41,062,616	\$ 41,751,620	\$ 42,451,867
Furniture & home furnishings stores	\$ 12,096,738	\$ 12,336,382	\$ 12,667,271	\$ 12,905,321	\$ 13,121,864	\$ 13,341,940
Electronics & appliance stores	\$ 17,435,381	\$ 17,780,787	\$ 18,257,708	\$ 18,600,815	\$ 18,912,925	\$ 19,230,127
Sporting goods, hobby, book, & music stores	\$ 6,620,073	\$ 6,751,221	\$ 6,932,304	\$ 7,062,579	\$ 7,181,085	\$ 7,301,524
Home Centers, Paint & wallpaper stores, Hardware Stores	\$ 9,226,588	\$ 9,226,588	\$ 9,474,066	\$ 9,652,107	\$ 9,814,063	\$ 9,978,662
Miscellaneous store retailers	\$ 8,434,820	\$ 8,601,919	\$ 8,832,642	\$ 8,998,629	\$ 9,149,620	\$ 9,303,075
<b>Shoppers Goods Subtotal</b>	<b>\$ 133,341,799</b>	<b>\$ 135,800,605</b>	<b>\$ 139,443,079</b>	<b>\$ 142,063,559</b>	<b>\$ 144,447,292</b>	<b>\$ 146,869,925</b>
Food & beverage stores	\$ 45,925,149	\$ 46,834,957	\$ 48,091,175	\$ 48,994,927	\$ 49,817,030	\$ 50,652,548
Food services & drinking places	\$ 40,680,941	\$ 41,486,858	\$ 42,599,628	\$ 43,400,180	\$ 44,128,407	\$ 44,868,517
Health & personal care stores	\$ 30,935,064	\$ 31,547,909	\$ 32,394,094	\$ 33,002,859	\$ 33,556,625	\$ 34,119,428
<b>Convenience Goods Subtotal</b>	<b>\$ 117,541,155</b>	<b>\$ 119,869,724</b>	<b>\$ 123,084,897</b>	<b>\$ 125,397,967</b>	<b>\$ 127,502,062</b>	<b>\$ 129,640,494</b>
<b>Building material &amp; garden equipment</b>	<b>\$ 13,138,842</b>	<b>\$ 13,581,916</b>	<b>\$ 13,946,213</b>	<b>\$ 14,208,297</b>	<b>\$ 14,446,703</b>	<b>\$ 14,688,999</b>

Primary Market Area Retention

General merchandise stores	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Clothing & clothing accessories stores	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Furniture & home furnishings stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Electronics & appliance stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Sporting goods, hobby, book, & music stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Home Centers, Paint & wallpaper stores, Hardware Stores	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Miscellaneous store retailers	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Food & beverage stores	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Food services & drinking places	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Health & personal care stores	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Building material & garden equipment	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

Inflow from Secondary Market

General merchandise stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Clothing & clothing accessories stores	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Furniture & home furnishings stores	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Electronics & appliance stores	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Sporting goods, hobby, book, & music stores	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Home Centers, Paint & wallpaper stores, Hardware Stores	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Miscellaneous store retailers	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Food & beverage stores	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Food services & drinking places	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Health & personal care stores	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Building material & garden equipment	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Net Sales Potential

General merchandise stores	\$46,168,156	\$47,082,779	\$48,345,644	\$49,254,178	\$50,080,631	\$50,920,570
Clothing & clothing accessories stores	\$37,527,591	\$38,271,038	\$39,297,553	\$40,036,051	\$40,707,829	\$41,390,571
Furniture & home furnishings stores	\$7,258,043	\$7,401,829	\$7,600,363	\$7,743,193	\$7,873,118	\$8,005,164
Electronics & appliance stores	\$10,461,228	\$10,668,472	\$10,954,625	\$11,160,489	\$11,347,755	\$11,538,076
Sporting goods, hobby, book, & music stores	\$3,972,444	\$4,050,733	\$4,159,382	\$4,237,548	\$4,308,651	\$4,380,914
Home Centers, Paint & wallpaper stores, Hardware Stores	\$7,427,404	\$7,427,404	\$7,626,623	\$7,769,946	\$7,900,321	\$8,032,823
Miscellaneous store retailers	\$6,790,030	\$6,924,545	\$7,110,277	\$7,243,896	\$7,365,444	\$7,488,975
<b>Shoppers Goods Subtotal</b>	<b>\$112,177,093</b>	<b>\$114,399,397</b>	<b>\$117,467,843</b>	<b>\$119,675,354</b>	<b>\$121,683,428</b>	<b>\$123,724,271</b>
Food & beverage stores	\$46,843,652	\$47,771,656	\$49,052,998	\$49,974,826	\$50,813,370	\$51,665,599
Food services & drinking places	\$36,612,847	\$37,338,172	\$38,339,665	\$39,060,162	\$39,715,566	\$40,381,665
Health & personal care stores	\$28,676,805	\$29,244,911	\$30,029,325	\$30,593,650	\$31,106,992	\$31,628,710
<b>Convenience Goods Subtotal</b>	<b>\$112,133,304</b>	<b>\$114,354,740</b>	<b>\$117,421,988</b>	<b>\$119,628,638</b>	<b>\$121,635,928</b>	<b>\$123,675,975</b>
<b>Building material &amp; garden equipment</b>	<b>\$2,010,243</b>	<b>\$2,078,033</b>	<b>\$2,133,771</b>	<b>\$2,173,869</b>	<b>\$2,210,346</b>	<b>\$2,247,417</b>



## Resident Expenditure Estimate, By Major Retail Category, Cypress Creek Mobility Hub

Sales Per Square Foot	2015	2016	2017	2018	2019	2020
General merchandise stores	\$250	\$250	\$250	\$250	\$250	\$250
Clothing & clothing accessories stores	\$275	\$275	\$275	\$275	\$275	\$275
Furniture & home furnishings stores	\$225	\$225	\$225	\$225	\$225	\$225
Electronics & appliance stores	\$300	\$300	\$300	\$300	\$300	\$300
Sporting goods, hobby, book, & music stores	\$225	\$225	\$225	\$225	\$225	\$225
Home Centers, Paint & wallpaper stores, Hardware Stores	\$225	\$225	\$225	\$225	\$225	\$225
Miscellaneous store retailers	\$250	\$250	\$250	\$250	\$250	\$250
<b>Shoppers Goods Subtotal</b>	<b>\$259</b>	<b>\$259</b>	<b>\$259</b>	<b>\$259</b>	<b>\$259</b>	<b>\$259</b>
Food & beverage stores	\$280	\$280	\$280	\$280	\$280	\$280
Food services & drinking places	\$350	\$350	\$350	\$350	\$350	\$350
Health & personal care stores	\$350	\$350	\$350	\$350	\$350	\$350
<b>Convenience Goods Subtotal</b>	<b>\$317</b>	<b>\$317</b>	<b>\$317</b>	<b>\$317</b>	<b>\$317</b>	<b>\$317</b>
<b>Building material &amp; garden equipment</b>	<b>\$115</b>	<b>\$115</b>	<b>\$115</b>	<b>\$115</b>	<b>\$115</b>	<b>\$115</b>
<b>Average Per Square Foot Sales</b>	<b>\$281</b>	<b>\$281</b>	<b>\$281</b>	<b>\$281</b>	<b>\$281</b>	<b>\$281</b>
<b>Warranted Square Feet</b>						
General merchandise stores	184,673	188,331	193,383	197,017	200,323	203,682
Clothing & clothing accessories stores	136,464	139,167	142,900	145,586	148,028	150,511
Furniture & home furnishings stores	32,258	32,897	33,779	34,414	34,992	35,579
Electronics & appliance stores	34,871	35,562	36,515	37,202	37,826	38,460
Sporting goods, hobby, book, & music stores	17,654	18,003	18,486	18,834	19,150	19,471
Home Centers, Paint & wallpaper stores, Hardware Stores	33,011	33,011	33,896	34,533	35,113	35,701
Miscellaneous store retailers	27,160	27,698	28,441	28,976	29,462	29,956
<b>Shoppers Goods Subtotal</b>	<b>433,079</b>	<b>441,659</b>	<b>453,505</b>	<b>462,027</b>	<b>469,780</b>	<b>477,659</b>
Food & beverage stores	167,299	170,613	175,189	178,482	181,476	184,520
Food services & drinking places	104,608	106,680	109,542	111,600	113,473	115,376
Health & personal care stores	81,934	83,557	85,798	87,410	88,877	90,368
<b>Convenience Goods Subtotal</b>	<b>353,841</b>	<b>360,850</b>	<b>370,529</b>	<b>377,492</b>	<b>383,826</b>	<b>390,264</b>
<b>Building material &amp; garden equipment</b>	<b>17,480</b>	<b>18,070</b>	<b>18,555</b>	<b>18,903</b>	<b>19,220</b>	<b>19,543</b>
<b>Total Warranted Retail Space</b>	<b>804,400</b>	<b>820,579</b>	<b>842,589</b>	<b>858,423</b>	<b>872,827</b>	<b>887,466</b>
<b>Non-Retail Space (Services)</b>	<b>80,440</b>	<b>82,058</b>	<b>84,259</b>	<b>85,842</b>	<b>87,283</b>	<b>88,747</b>
<b>Non-Retail Percent</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>
<b>Total</b>	<b>884,840</b>	<b>902,637</b>	<b>926,847</b>	<b>944,265</b>	<b>960,109</b>	<b>976,212</b>
<b>Annual Net New Demand</b>		<b>17,797</b>	<b>24,211</b>	<b>17,418</b>	<b>15,844</b>	<b>18,274</b>
<b>Cumulative Net New Demand</b>		<b>17,797</b>	<b>42,008</b>	<b>59,425</b>	<b>75,269</b>	<b>91,372</b>