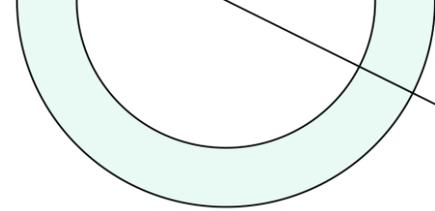




IMMOKALEE RETAIL DEMAND ASSESSMENT
Florida Heartland Economic Region of Opportunity
April 2021



Background/Objectives, Key Contacts & Limiting Conditions

BACKGROUND & OBJECTIVES

Florida Heartland Economic Region of Opportunity (“FHERO” or “Client”) is analyzing the potential retail development (or redevelopment) opportunity within the Immokalee Community. The objective of this assignment is to analyze relevant economic and demographic trends in the Immokalee Community to identify the need (if any) for additional retail establishments.

Key elements to define and address in this research:

- Demographic profile: Immokalee Community
- Demographic comparison benchmark profile: Lehigh Acres
- Current Retail concentration and health of the retail market
- Ability of current Retail concentration to satisfy future demand
- Need/opportunity for supplemental retail establishments

Note: This report was completed during the ongoing global health crisis created by the COVID-19 (coronavirus) outbreak, the duration and consequences of which are still largely unknown. Our research and conclusions are based upon the best information available to us at the time of publication.

LIMITING CONDITIONS

Client is responsible for representations about the development plans, marketing expectations and for disclosure of any significant information that might affect the ultimate realization of the projected results. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the difference may be material. We have no responsibility to update our report for events and circumstances occurring after the date of our report. Payment of any and all of our fees and expenses is not in any way contingent upon any factor other than our providing services related to this report.

KEY CONTACTS

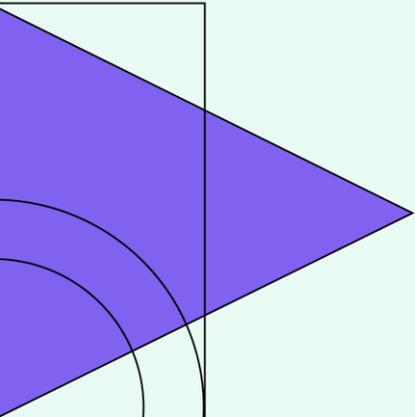
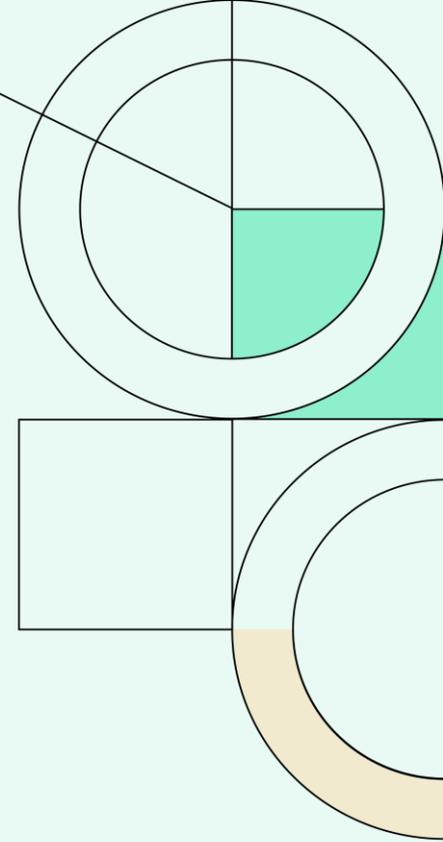
The following key team members participated on this analysis:

Tim Sullivan, Senior Managing Principal, oversees our Advisory practice. With over 38 years of experience, Mr. Sullivan is an expert in residential and mixed use feasibility studies, strategic planning and product development, and regularly conducts market analyses around the United States and internationally.

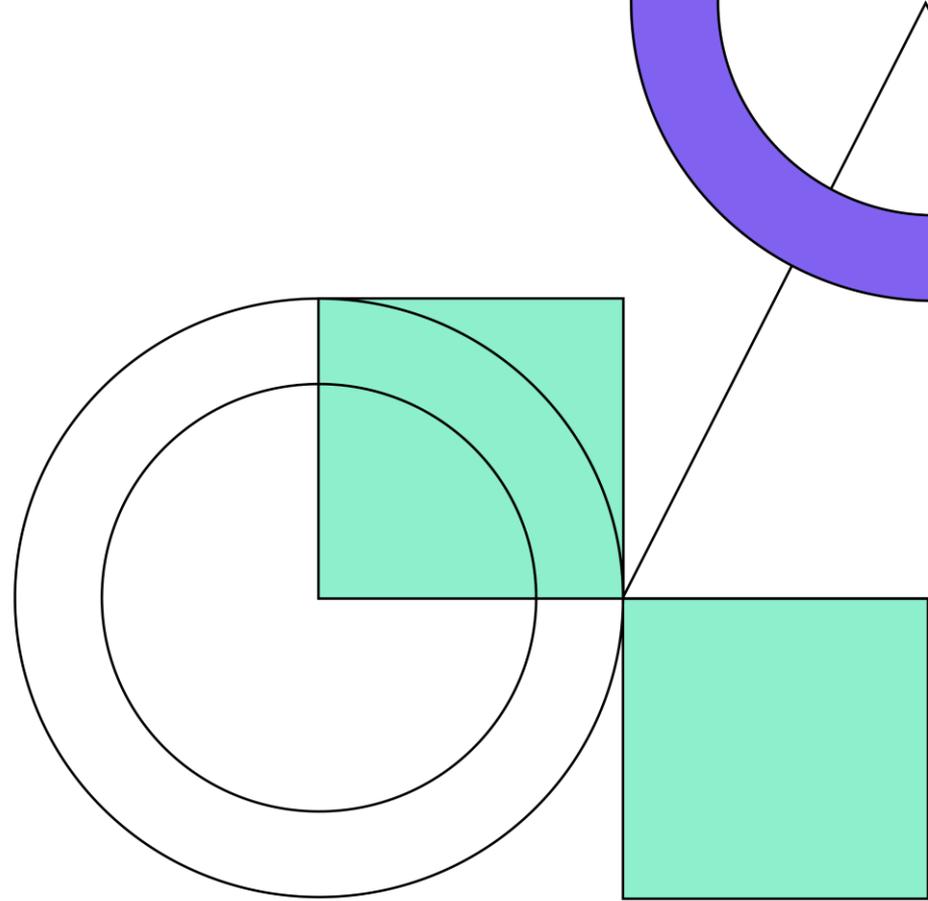
Kristine Smale, Senior Vice President, managed the assignment. Ms. Smale has 16 years of experience in real estate strategy and market analysis. She has worked for two public home builders and performed market and financial analyses on commercial projects throughout the U.S., including apartments, retail, industrial and office buildings.

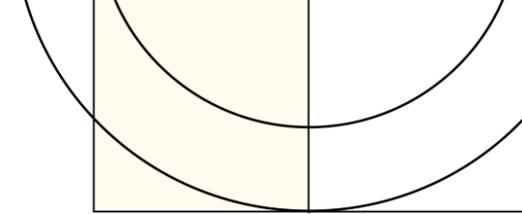
Nicole Ernst, Senior Manager, has over 25 years of strategic market research experience in both the residential and commercial real estate arenas. Nicole’s feasibility expertise includes extensive work for large-scale master-planned amenity-rich communities in Florida and the Southern region of the U.S. Nicole also brings more than 10 years of commercial real estate valuation with a concentration in tactical value-add, exit/disposition strategies for investment grade assets.

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Key Findings



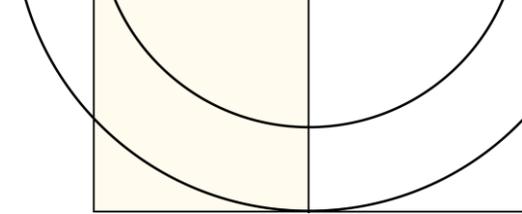


Summary of Key Findings

Key Findings

Opportunity:

- **Our research and analysis within the Immokalee area and surrounding market supports an opportunity for additional new retail to satisfy current, near-term, and future demand.** Several factors play an integral role in this conclusion specifically:
 - ✓ **Current retail occupancy in Immokalee is the highest reported in the past five years:** Occupancy of retail space in Immokalee is currently 96%—the highest reported since 2016 showing both post-recessionary resiliency and high demand for retail in the market. A vacancy rate of only 4% is a distinct indicator of the need for more retail inventory.
 - ✓ **Lack of new supply added consistent with population:** Despite an increase in population of approximately 2.0% annually in the Immokalee market area, the total retail SF of inventory (721,000 sf) has seen no change since 2015 when that threshold was reached. In contrast, the competitive and benchmark market areas have experienced growth of 5.0% to over 7.0% in the same timeframe, adding 16,000 – 30,000 square feet to their retail inventory.
 - ✓ **Existing inventory is dated and insufficient from a functionality/sustainability standpoint:** Much of the existing retail inventory is older and may possess deferred maintenance and lack of functionality to support current and future retail demand.
 - ✓ **Existing inventory is small in size:** Nearly 70% of Immokalee’s current retail inventory is under 5,000 sqft in size, due to an unbalanced distribution of retail center types which in part, hinders the ability for larger-well capitalized national brands to enter the market if they cannot operate inside such a condensed footprint.
 - ✓ **Distribution of retail center type is highly unbalanced in Immokalee:** Traditionally, retail square footage configured in community centers, neighborhood centers, storefront retail and strip malls allows for synergistic co-tenancy—a proven revenue-enhancing business advantage. Immokalee’s allocation in these retail center types is approximately 50% deficient when compared to the surrounding and benchmark market areas. This significantly hinders Immokalee’s ability to attract national retailers. It also impacts the success of local and regional retailers who require this synergy.
 - ✓ **Reconfiguring existing retail inventory is economically infeasible:** A fair percentage of the retail inventory in the Immokalee Community is single-tenant and configured for a specific retail use. Reconfiguring these structures to allow for multi-tenancy and a more general retail use may be cost prohibitive; therefore, while currently functional as-is, this inventory is not considered a usable part of the trade area’s “retail universe” for future use.
 - ✓ **Lack of for lease options available:** At the time of this report, there were only two retail assets with space available for lease: Lake Trafford Center 28,051 sf available in three suites, and one freestanding retail structure of 1,450 sf on S 1st St.
 - ✓ **Available space for lease is overpriced:** The space available for lease is nearly all priced above market—thus not affordable retail supply for new business entrants who may otherwise consider the retail arena in the trade area.



Summary of Key Findings

Key Findings

Retail Demand Model Key Findings: Deficit & Oversupply

Current deficits in numerous retail industry groups in Immokalee were identified during our analysis.

- ✓ Our proprietary retail demand model identified support for approximately 111,515 square feet of retail **today**. Without the addition of supplemental retail, this gap/deficit will be nearly 125,000 square feet of retail by 2025 based on corresponding population and income projections.
- ✓ The Retail GAP analysis shows a “leakage” (opportunity where demand exceeds supply) in the following retail industry groups sub-groups. **Note: These categories may not necessarily align with retailer’s requirements for traffic counts, rooftop counts and income targets—thus not all are considered feasible for the Immokalee market.**

Primary GAPS: (More than 50% of Primary Market Area Expenditures)

- ✓ Sporting Goods/Hobby/Books/Music
- ✓ Furniture and Home Furnishings
- ✓ Entertainment/Electronics/Appliances
- ✓ Department Store

Secondary GAPS: (More than 20% - 50% of Primary Market Area Expenditures)

- ✓ Office Supplies/Gifts/Used Merchandise
 - ✓ Clothing and Accessories Stores
- ✓ Gaps of less than 20% in the market are generally not high enough to consider additional supply warranted; however, in the case of the Immokalee market area, the economic, demographic and workforce profile may align well with the category of Building Materials, Garden Supplies, and General Supply Stores. These categories post an 11.3% gap (equating to a deficit of approximately \$850,000 in annual expenditures).
 - ✓ The Retail GAP analysis shows a “surplus” (where supply exceeds demand) in the following retail industry groups sub-groups including Food and Beverage Stores, Grocery Stores/Specialty Food Stores, and Gas Stations; **however, given the high ratio of cash businesses in the Immokalee market area, demand may not be accurately captured and reflected. In this circumstance, the actual spending (supply) may be a more accurate indication of actual demand, which could be underreported for the local population.**

Summary of Key Findings

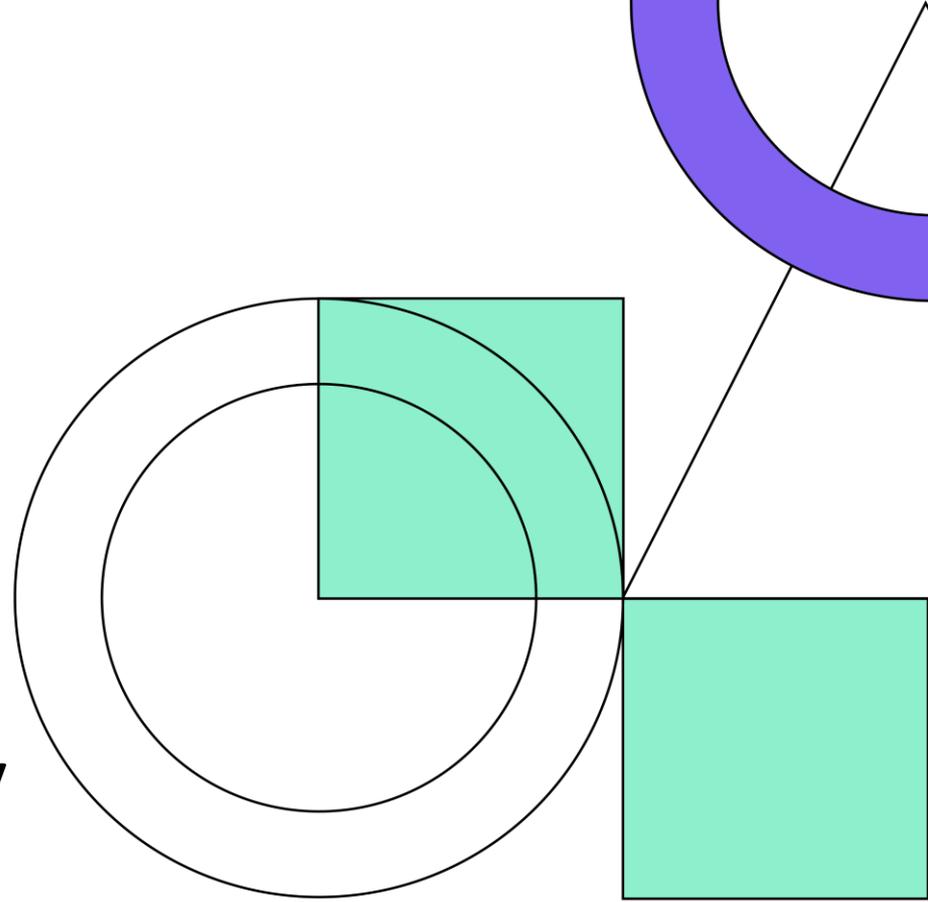
Key Findings

Challenges:

The primary market area has some challenges which include:

- ✓ **Lower income base than elsewhere in the county:** This may be impactful to the success of certain community-supported retail. Incentives, including rent subsidies, may be required to spur a new wave of growth in the retail arena. However, it is acknowledged and considered throughout this analysis that reported incomes for both incomes and business revenues may not be all-inclusive given the abundance of all-cash business in the trade area. As such, statistical incomes and business revenues included herein may be understated. **An income inflator of 20% was applied to the retail demand model used in this report to account mitigate this factor.**
- ✓ **Current underutilization of existing retail base:** The Immokalee market area has a higher-than-average inventory of existing retail structures that are not optimized and/or utilizing current space and lot allocation to the highest and best use. As new retail is built and added to the market's inventory, an opportunity exists to ensure efficient space utilization/coverage ratios to optimize the area's retail concentration and avoid furthering this inefficiency.
- ✓ **No retail options for sale:** Further limiting new, community-supportive retail establishments is the lack of available retail inventory for sale—hindering business owners who wish to invest into the community with longevity of ownership. At the time of this research, there was only one vacant property for sale for an owner/user to consider. This asset is also on the market for lease. Both the for lease and for sale price are unaligned with market supportable comparables and considered overpriced. This factor provides further support the need for new retail development to augment and diversify Immokalee's current retail inventory.
- ✓ **Data Disclaimer:** *Due to the size and localized nature of the Immokalee community, a certain amount of "shadow inventory" exists which is not publicly advertised. This may include both for sale and for lease assets as well as properties which may have leased and/or sold which may not be reported in third party data sources used herein.*
- ✓ *Costar, the foremost a third party data supplier was used as the primary source for data relating to existing retail inventory, distribution of inventory by property type, and all leasing and sales activity including properties for lease and for sale. Identified submarkets and retail inventory in the market may differ from Costar definitions.*

Primary Methodology



Methodology

Primary Methodologies

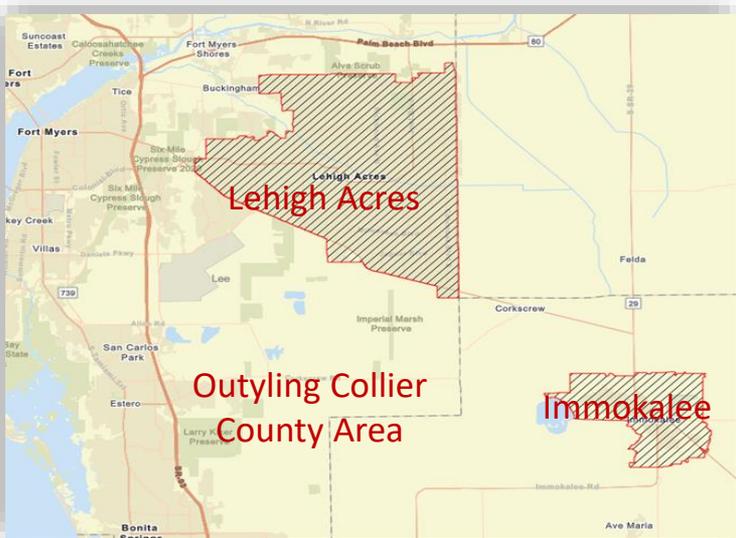
Sources

In addition to proprietary Zonda data, two primary third-party data sources were used in this report: Costar & ESRI. Market/Submarket definitions and geography differ slightly between the two sources and are described below.

COMPETITIVE LANDSCAPE:

Market Areas	Area Description
Immediate Market Area	Immokalee Submarket
Adjacent Market Area	Outlying Collier County Submarket
Benchmark Market Area	Lehigh Acres Submarket

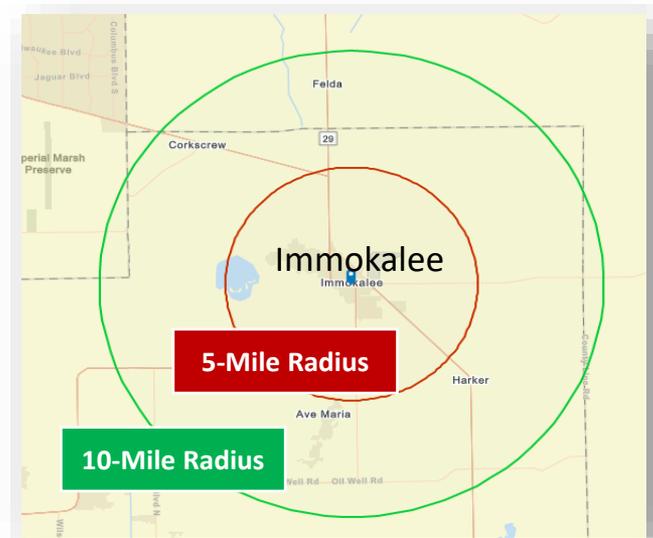
Source: Costar, Zonda



RETAIL DEMAND MODEL:

Market Areas	Area Description
Primary Market Area (PMA)	5-Mile Radius
Secondary Market Area (SMA)	10-Mile Radius

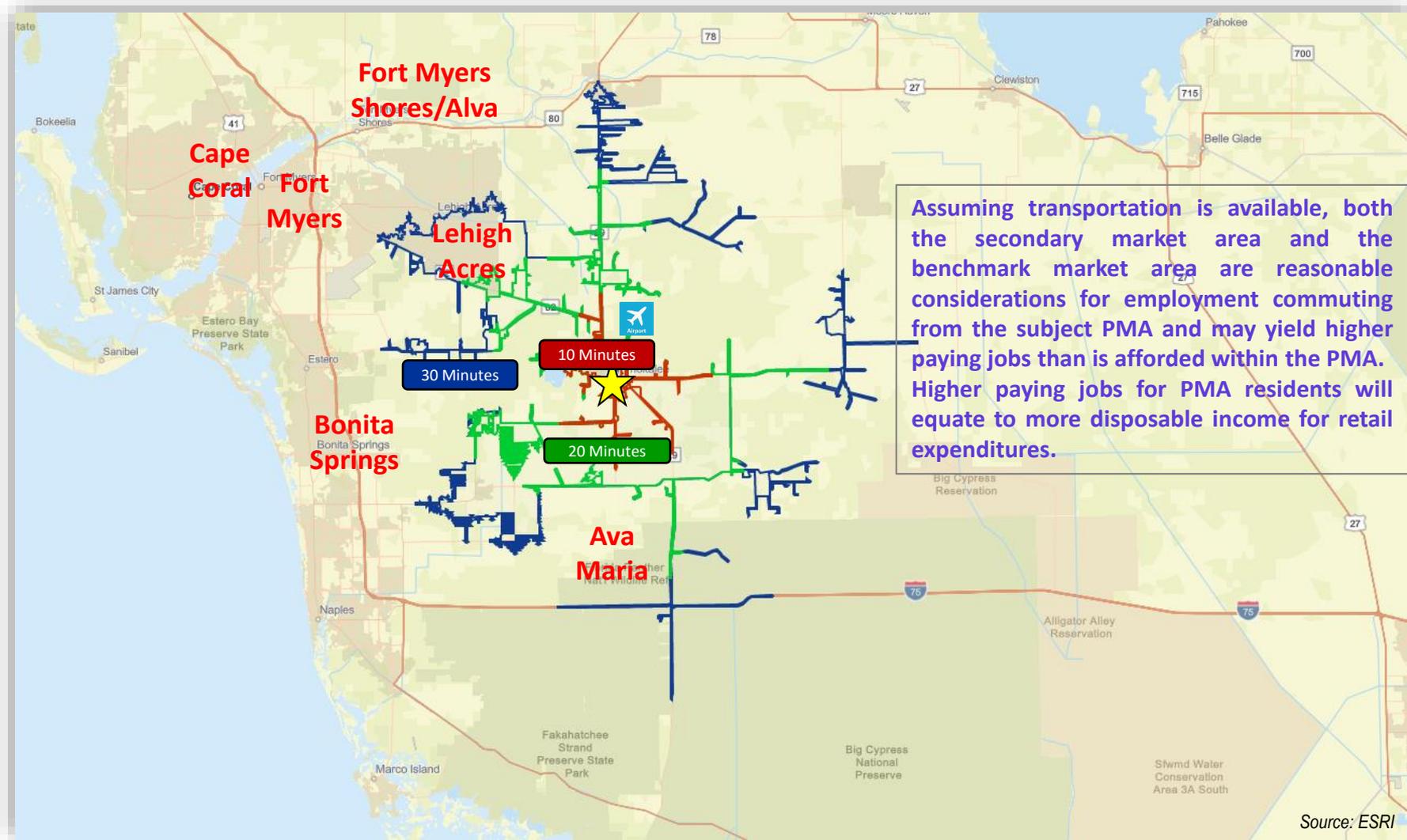
Source: ESRI, Zonda



Regional Drive-Times from the Subject

Location Analysis

A 30-minute drive from the subject Immediate Market Area will allow commuters to reach 3 counties (Collier, Hendry and Lee). The Adjacent market area of Outlying Collier is mostly reachable in 20 minutes with some areas taking 30 minutes to reach. Similarly, the Benchmark market area of Lehigh Acres is partially reachable in 20 minutes and reachable in its entirety in a 30-minute drive time.

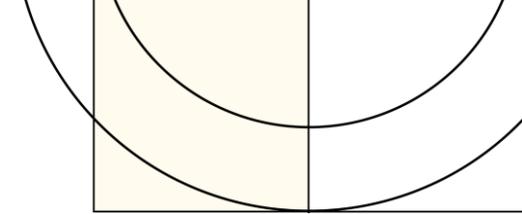


Methodology

Competitive Landscape

A geographic representation of the Costar-defined market areas referenced in the analysis is shown below:





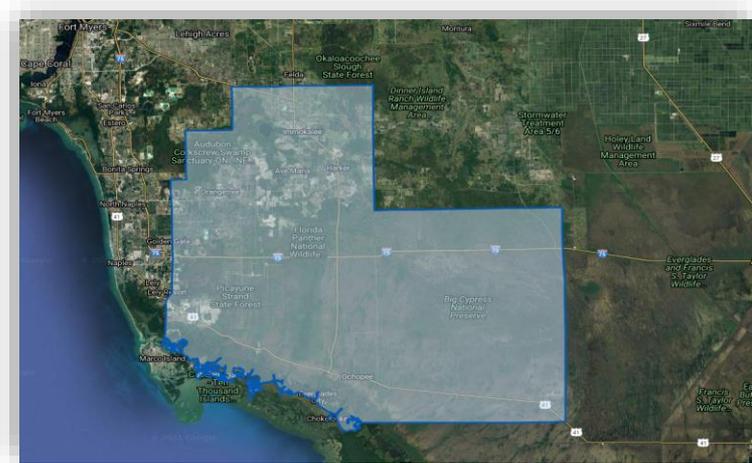
Methodology

Competitive Landscape

Source: Costar | Adjacent and Benchmark Market Areas

The Immediate market area as defined by third-party source Costar is the Immokalee Community.

The geographic boundaries for the Adjacent and Benchmark market areas are described below:



ADJACENT MARKET AREA | Outlying Collier County

The submarket defined by source Costar as “Outlying Collier County” is identified in this study as the Adjacent Market Area. The Immediate Market Area of the Immokalee Community is located within the Outlying Collier County submarket. This submarket is bounded by the following:

- **North:** Slightly North of SR 82, South of town of Felda
- **East:** East of Big Cypress Preserve, Intersecting SR 93 on north side
- **South:** South of US 41 (Chololoskee)
- **West:** Collier Blvd



BENCHMARK MARKET AREA | Lehigh Acres

The community of Lehigh Acres is identified in this study as the Benchmark Market Area. Though located in central/east Lee County, Lehigh Acres is nearly adjacent to the Primary Market Area of the community of Immokalee. Lehigh Acres is a 96 square mile, pre-platted residential community comprised mostly of quarter and half-acre single-family lots. Lehigh Acres is bounded by the following:

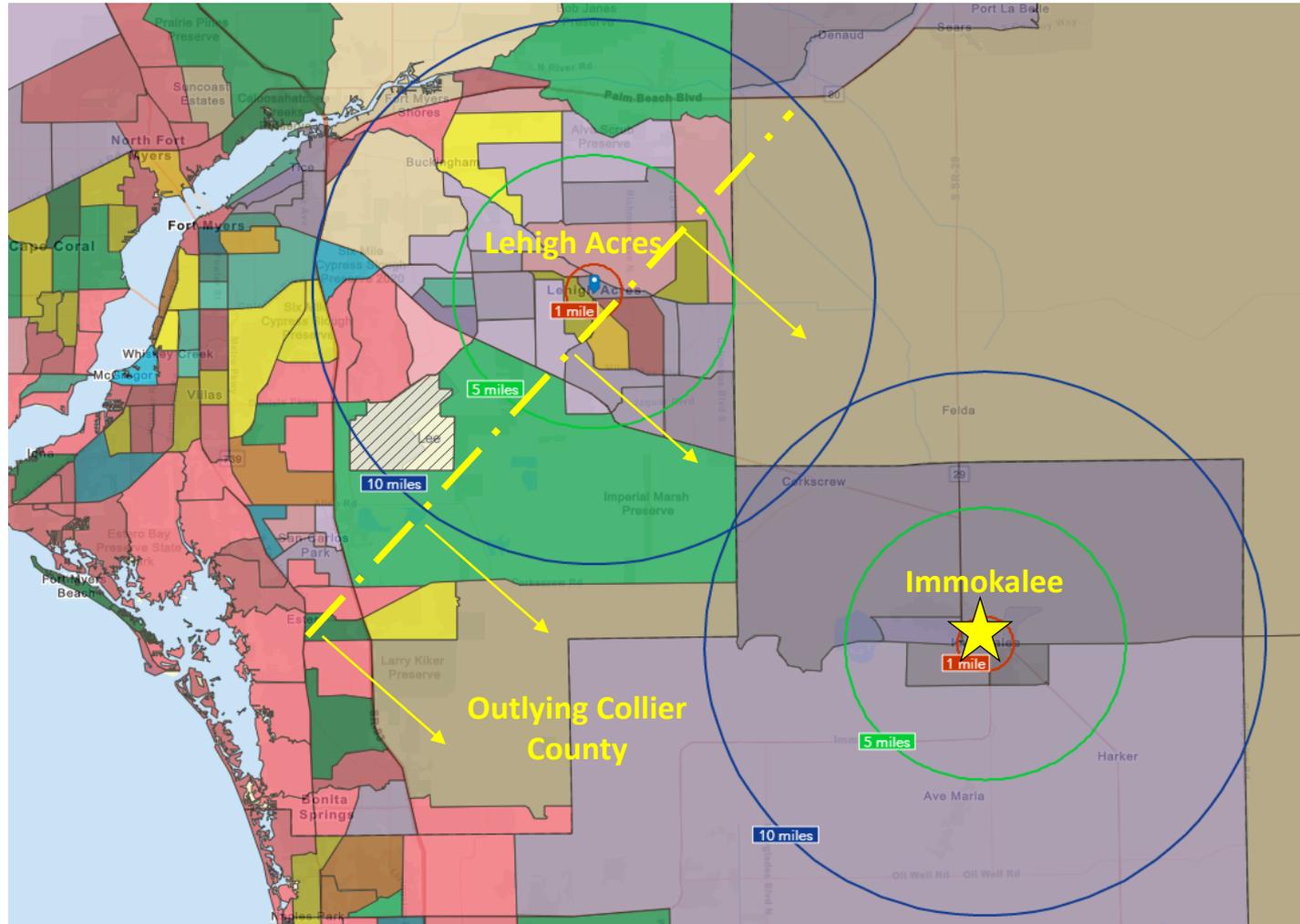
- **North:** Just S of Buckingham Rd on the NW, just N of E 12th St on the NE
- **East:** Running parallel to the Dog Canal, east of Joel Blvd
- **South:** Just South of the Eisenhower area, north of Jaquar Blvd, along the Milwaukee Blvd line
- **West:** Fronting SR82 on the west

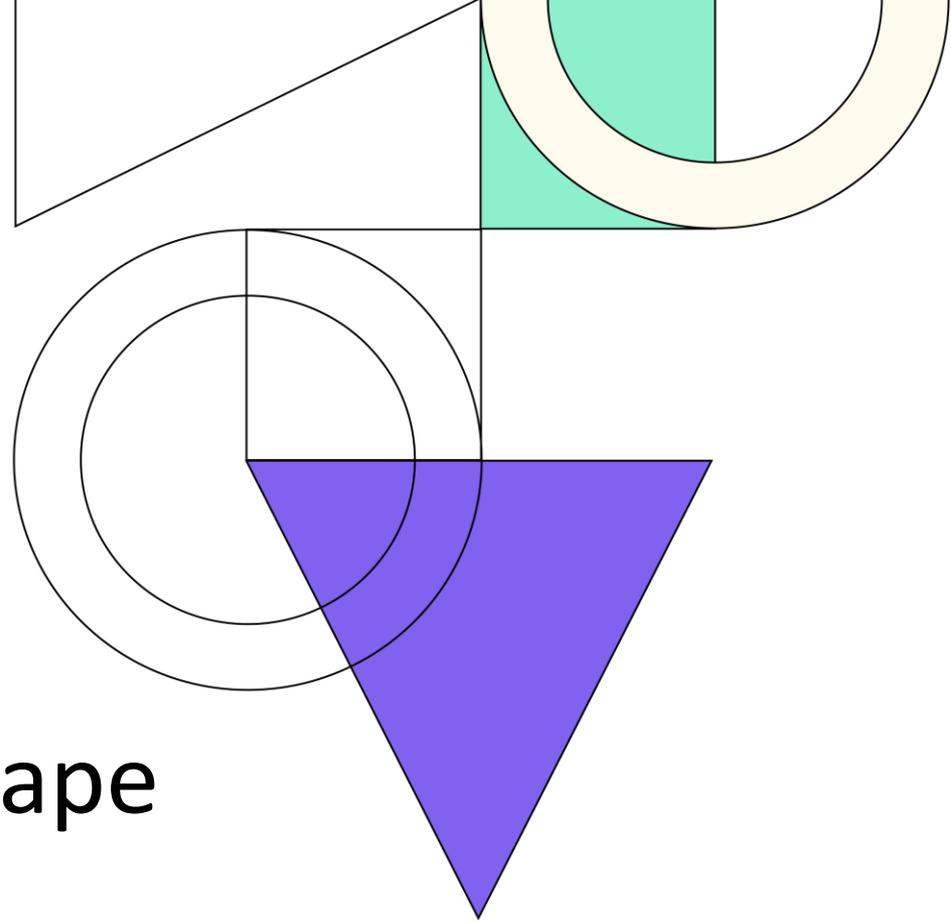
Methodology

Competitive Landscape

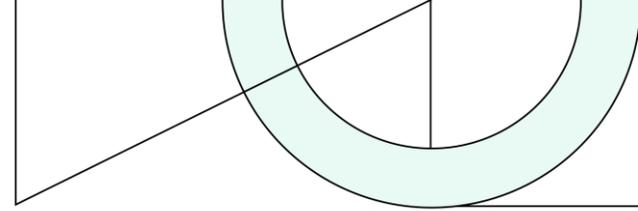
Benchmark Market Area | Lehigh Acres

The resident tapestry profile (detailed starting on page 50) of the immediate market area, the adjacent market area and the benchmark market area shows a distinct parallel. The map below clearly demonstrates the geographic proximity and the similarity in resident tapestry profile between the market areas. Tapestry segments become more diverse in the Lehigh Acres market as you head more central and westward, yet the portion of Lehigh that abuts the Immokalee subject market (southeast/west of the yellow demarcation line) has a very similar profile and as such, is considered a benchmark area.





Existing Retail Landscape



Existing Retail Landscape

Current Properties Available for Lease

The Immokalee Retail market is made up of 134 assets totaling approximately 721,000 square feet; though minimal space is available for lease. Current occupancy rates are 96% which is the highest reported since 2016. Only **two** of the 134 retail assets have space available for lease at the time of this research: 1) A center with up to 28,051 sf available in a variety of sizes and 2) A 1,450 sf freestanding retail structure of which all 1,450 sf is available for lease.

#1 of 2 Retail assets with space available to lease



#2 of 2 Retail assets with space available to lease



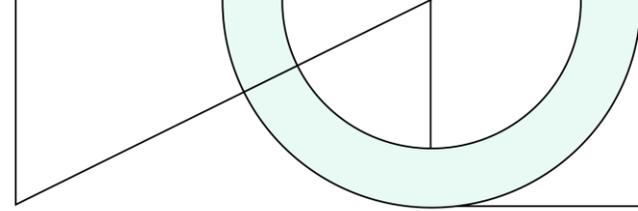
Immokalee Plaza | Lake Trafford Rd
95,829 SF RBA | Built 1998 | 70% Occupied

Spaces 1,600 to 28,051 SF Available
Avg. Asking Rate: \$7.00 - \$15.00 NNN
OPEX: \$5.00 psf = \$12.00 - \$20.00 PSF

Freestanding Retail | S 1st St
1,450 SF RBA | Built 1975 | 0% Occupied

1,450 SF Available
Asking Rate: \$24.83 NNN
OPEX: Unavailable

Source: CoStar, Zonda



Existing Retail Landscape

Lease Analysis | Executed and for Lease

Overall, due to limited supply, lease demand was shallow in Immokalee over the past two years—executing only four leases. Further, active for lease inventory on the market is both scarce and overpriced in relation to market conditions.

Target Market Area Retail Rent:

Spaces Under 5,000 SF: \$7.00 to \$10.00 NNN with a benchmark rate of \$8.00 to \$9.50 NNN PSF.

Spaces above 5,000 SF (if available) would likely see a discount in rent PSF based on agreed upon services and executed term.

Recent Retail Executed Leases

We reviewed recent lease transactions that occurred in the Primary Market Area to submarket to determine appropriate rental rates for the retail in the market. Given the small depth of executed lease volume in the market area, a period of two years was surveyed. There were only four leases executed in Immokalee over the past 24 months however, given the limited inventory, this is not a function of a lack of demand, but rather, a lack of available properties to lease which are functional, well-located, and priced within market range.

EXECUTED LEASES IMMOKALEE RETAIL PAST 2 YEARS												
Property Name	Address	Property Type	Year Blt	Class	Lease Type	Sign Date	SF Leased	Lease Rate	Services	Pass Thru (CAM)	Tenant	Lease Term
None	5340 Useppa Drive Unit 102	Office/Retail/Medical	2008	B	New, Direct	1/7/2021	2,704	\$15.00	NNN	n/a	Davita Dialysis	1 Year
Immokalee Plaza	1500-1630 Lake Trafford Rd Unit 14	Retail Community Center	1988	C	New, Direct	11/10/2020	8,876	\$11.00	NNN	\$5.00	Withheld	3 Years
None	612 N 15th St	QSR (Quick Service Restaurant)	2015	n/a	New, Direct	10/1/2020	4,115	\$19.44	NNN	n/a	Kentucky Fried Chicken	10 Years
None	1117 E Main St	Gas Station/Convenience Store	1981	n/a	Renewal	3/19/2020	2,600	withheld (estimated at \$20.00 NNN)			Circle K	Withheld

Current Retail Spaces for Lease

We also reviewed retail spaces currently on the market for lease. As previously-referenced only two retail lease opportunities exist at the time of this research.

ACTIVE FOR LEASE IMMOKALEE RETAIL												
Property Name	Address	Property Type	Year Blt	Class	Lease Type	Occupancy	SF Available	Lease Rate	Services	Pass Thru (CAM)	Market Time	Desired Term
None	305 S 1st St	Retail Freestanding	1975	C	New, Direct	Immediate	1,450	\$24.83	NNN	n/a	15 Days	5 Years
Immokalee Plaza	1500-1630 Lake Trafford Rd Unit 14	Retail Community Center	1988	C	New, Direct	Immediate	1,600, 6,106, & 13,775	\$7.00, \$15.00, \$7.00	NNN	n/a	40 Mths	3-5 Years

Existing Retail Landscape

Current Properties Available for Sale

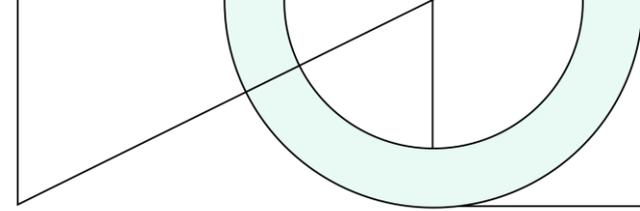
No inventory exists for new retail establishments. At the time of this research, the structure below was the only, for sale, owner-user (vacant) retail offering listed for sale. This asset is also listed for lease. Both lease and sale prices are considerably above market, and the asset size is only 1,450 square feet. Further, the property has no windows and needs other capital improvements and dollars to cure deferred maintenance—rendering this property economically infeasible for most business owners considering new retail in the Immokalee Community.

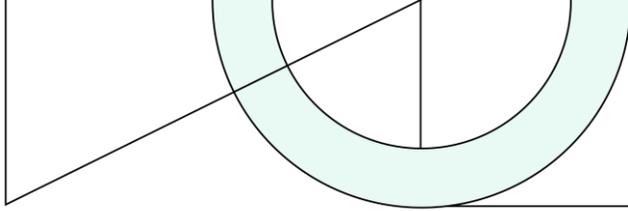
Only Vacant User Option Available For Sale



Freestanding Retail | S 1st St
1,450 SF RBA | Built 1975 | 0% Occupied

Available For Sale
Asking Price: \$675,000 (\$465.52 PSF)





Existing Retail Landscape

Segmentation of Retail Inventory

Current retail space in Immokalee is dated, which may limit its appeal.

The average year-built date for the retail structures in Immokalee is 1973—thus increasing the likelihood for more significant deferred maintenance which limits the appeal of a retail structure from both a tenant standpoint and consumer one. As a comparison, the average year-built date for retail assets in the Lehigh Acres market area is 1995.

Representative Samples of Avg. Year Built Retail



Current Retail Inventory Distribution by Size Range

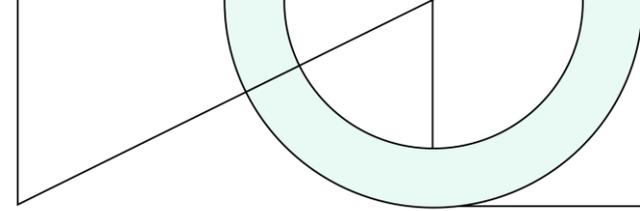
Size Category	# of Retail Structures	% of Total Retail
Under 5,000 sf	92	68.7%
5,000 to 9,999 sf	25	18.6%
10,000 to 19,999 sf	15	11.2%
20,000 sf+	2	1.5%
Total	134	100.00%

Current retail space in Immokalee is also smaller in size, somewhat limiting retail use.

A very distinct size segmentation exists in the market area’s retail inventory upon a closer look. Of the 134 retail properties, almost 70% of them are under 5,000 sqft in size. This segmentation is likely largely due to an older inventory and the repurposing of some assets not initially intended or formerly utilized as retail as a mitigating factor to satisfy retail demand in the market area.

Existing Retail Landscape

Impacts to Primary Market Area’s overall “Retail Universe”



Single-Tenant Retail: Not all structures designated as retail present a true retail opportunity in the market going forward.

The market possesses many single-tenant retail structures, most of which are currently fully-leased but which cannot be considered part of Immokalee’s “retail universe” as they fall into two categories rendering them economically infeasible for future repurposing into general retail.

1. Older retail assets that are functional as they are currently being used, but which possess significant deferred maintenance and are not in **good enough condition** to be reconfigured and repurposed if current tenant vacates.
2. Older retail assets that are functional as they are currently being used and ARE in good condition but would be **cost-prohibitive to reconfigure** and repurpose if current tenant vacates.

Deferred Maintenance



Cost-Prohibitive



Source: CoStar

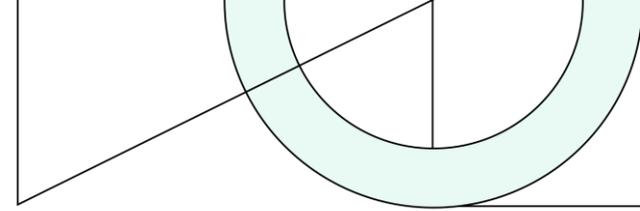
Existing Retail Landscape

Impacts to Primary Market Area’s overall “Retail Universe”

Single-Tenant Retail: Conversely, some inventory of single-tenant retail can be repurposed in an economically feasible manner.

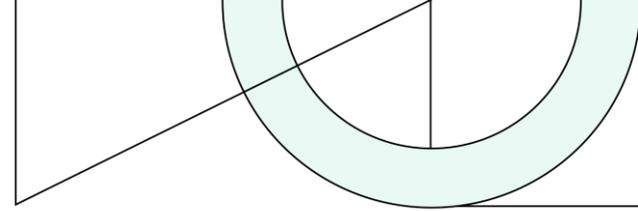
Certain single-tenant retail structures have newer year-built dates, more flexible interior/exterior configurations, ample parking allotments, and are in good physical condition; therefore, these assets can typically be repurposed for new tenancy at an economically feasible cost.

This portion of single-tenant retail **CAN be considered** part of Immokalee’s “retail universe” for future use. (examples below).



Current Retail Landscape | Net Effective Usable Retail Inventory

Primary Market Area

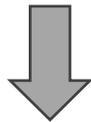
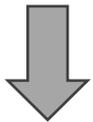


Residual net effective usable retail universe is only approximately 65% of the market area’s total existing retail inventory.

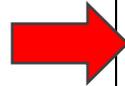
Much of the current retail inventory in the PMA is freestanding, and/or single-tenant, and as such, most likely configured for a specific use. Should the current owner or tenant vacate the space, reconfiguring these structures to allow for multi-tenancy or a more general retail use may be cost prohibitive; therefore, while currently functional as-is, this inventory is not considered a usable part of the trade area’s “retail universe” for future use.

Total Existing Retail Inventory	
Total Retail Structures	134
Total Retail SF	721,000

Spaces Not Feasible for Reconfiguration	
# of Spaces	67
Total Retail SF	261,786



Net Effective Usable Retail Inventory	
# of Spaces	67
Total Retail SF	459,214

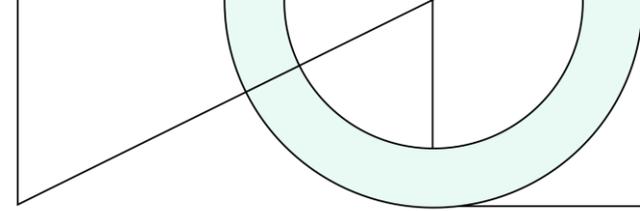


- Older retail assets that are functional as they are currently being used, but which possess significant deferred maintenance and are not in **good enough condition** to be reconfigured and repurposed if current tenant vacates.
- Older retail assets that are functional as they are currently being used, and ARE in good condition but would be **cost-prohibitive to reconfigure** and repurpose if current tenant vacates.
- **An estimated 261,786 sqft (36% of total RBA) falls into this category and are not considered economically feasible to reconfigure to an alternate use.**

- **Essentially, the above ratio renders only 65% of the retail RBA SF usable for future planning without significant capital expenditure for retrofitting.**

Existing Retail Landscape

Under-Utilized Existing Retail Inventory



Instances of Under-Utilization of large, optimally-located parcels

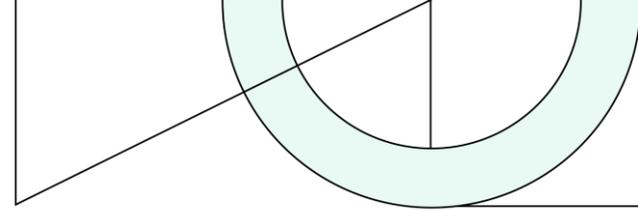
In addition to few available retail properties to lease, the primary market area has a fair amount of retail properties which are not optimizing their parcel sizes or are not the highest and best use for high traffic corners (known as Main and Main).

2393 Lake Trafford Rd
Freestanding Retail
Convenience Store with Drive Thru

1,128 SF RBA | 0.90 Acres

More than half of lot size under utilized





Competitive Retail Landscape | Market Areas

Immediate, Adjacent, and Benchmark Market Areas

A summary of current competitive market conditions in the Immediate, Adjacent, & Benchmark market areas is shown below.

Data for the Immokalee market shows strong demand in occupancy and leasing probability as well as the lack of new retail construction compared to the other two submarkets which have all added to their retail stock.

Immediate Market Area: Immokalee

INVENTORY	
Existing Buildings	134
Inventory SF	721,000
Under Construction SF	0
12 Mo Delivered SF	0

SUPPLY	
Market Rent PSF (NNN)	\$9.33
Vacancy Rate	3.90%
Vacant SF	27,900
Availability Rate	4.10%
Avg. Months on Market (Lease)	47.4

DEMAND	
12 Mo Leased SF	13,000
12 Mo Net Absorption	12,100
24 Mo Leasing Probability	99.1%

Adjacent Market Area: Oulying Collier County Submarket

INVENTORY	
Existing Buildings	222
Inventory SF	2,210,625
Under Construction SF	113,000
12 Mo Delivered SF	2,500

SUPPLY	
Market Rent PSF (NNN)	\$11.20
Vacancy Rate	11.40%
Vacant SF	251,000
Availability Rate	12.30%
Avg. Months on Market (Lease)	18.9

DEMAND	
12 Mo Leased SF	91,600
12 Mo Net Absorption	-17,000
24 Mo Leasing Probability	78.8%

Benchmark Market Area: Lehigh Acres

INVENTORY	
Existing Buildings	151
Inventory SF	1,694,270
Under Construction SF	30,000
12 Mo Delivered SF	11,900

SUPPLY	
Market Rent PSF (NNN)	\$13.62
Vacancy Rate	1.90%
Vacant SF	31,800
Availability Rate	1.80%
Avg. Months on Market (Lease)	20.4

DEMAND	
12 Mo Leased SF	30,100
12 Mo Net Absorption	27,600
24 Mo Leasing Probability	88.1%

Source: CoStar

Existing Retail Landscape

Distribution of Retail by Property Type

IMMEDIATE MARKET AREA: IMMOKALEE

Current Retail Inventory Distribution by Property Type

Immokalee			
Secondary Type	Count of Structures	Total RBA	% of RBA
Freestanding	57	306,785	43%
Community/Neighborhood Center	1	95,829	13%
Gas Station/Convenience Store	18	86,600	12%
Restaurant	15	43,783	6%
Strip Center	5	42,017	6%
Storefront Retail/Office	8	30,383	4%
Drug Store	3	28,722	4%
Bank	3	23,838	3%
Fast Food	7	22,212	3%
Auto Repair	8	19,620	3%
Supermarket	2	12,186	2%
Bar/Nightclub	3	8,811	1%
*Sorted by Total RBA	130	720,786	100%

The Immediate Market Area is heavily weighted by freestanding retail and underserved by community, neighborhood, and strip center retail where residents can visit multiple retailers at once and where retailers can benefit from synergistic co-tenancy revenue.

Other than freestanding “destination retail” such as fast food, car washes, entertainment, etc, most retailers find significant revenue generation from a location in a center with synergistic tenants—those who don’t compete directly with them but who offer a product of service appealing to the same target consumer.

The Immediate market area’s heavy concentration in freestanding structure limits retailers’ ability to accomplish this. Both consumers and retailers would benefit from more options in the community, neighborhood, and strip center retail categories.

The Immediate market’s ratio in the aforementioned optimal center types is **23%**--with **13% of the 23% (95,829 sf of 168,229 sf) housed in one center, Lake Trafford Plaza.**

Source: Costar

Source: CoStar

Existing Retail Landscape

Distribution of Retail by Property Type

ADJACENT MARKET AREA: OUTLYING COLLIER COUNTY

Current Retail Inventory Distribution by Property Type

Outlying Collier County Inclusive of Immokalee				Outlying Collier Less Immokalee	
Secondary Type	Count of Structures	Total RBA	% of RBA	Total RBA	% of RBA
Freestanding	77	625,563	28%	318,778	21%
Storefront Retail/Office	18	469,078	21%	438,695	29%
Community/Neighborhood Center	8	323,572	15%	227,743	15%
Outlet Center	4	185,402	8%	185,402	12%
Gas Station/Convenience Store	34	125,597	6%	38,997	3%
Supermarket	5	106,656	5%	94,470	6%
Restaurant	27	101,208	5%	57,425	4%
Drug Store	7	85,300	4%	56,578	4%
Strip Center	5	42,017	2%	0	0%
Auto Repair	9	32,420	1%	12,800	1%
Fast Food	11	31,023	1%	8,811	1%
Bank	5	28,338	1%	4,500	0%
Garden Center	5	28,165	1%	28,165	2%
Bar/Nightclub	3	8,811	0%	0	0%
Veterinarian/Kennel	1	8,800	0%	8,800	1%
Specialty/Recreation	3	8,675	0%	8,675	1%
*Sorted by Total RBA	222	2,210,625	100%	1,489,839	100%

 **Healthy Distribution**

The Adjacent market area is more evenly-distributed in retail center type. The adjacent market (Outlying Collier County) area’s distribution of retail (with Immokalee market removed) is considered a healthy, supportable ratio of storefront, community, and neighborhood categories—making up **45% of the area’s total retail square footage**.

Existing Retail Landscape

Distribution of Retail by Property Type

BENCHMARK MARKET AREA: LEHIGH ACRES

Current Retail Inventory Distribution by Property Type

Lehigh Acres			
Secondary Type	Count of Structures	Total RBA	% of RBA
Freestanding	52	540,821	31%
Community/Neighborhood Center	5	394,559	22%
Storefront Retail/Office	27	343,301	19%
Strip Center	6	91,418	5%
Auto Repair	17	86,706	5%
Restaurant	8	86,315	5%
Gas Station/Convenience Store	17	63,716	4%
Bank	11	57,982	3%
Supermarket	1	30,000	2%
Fast Food	10	26,654	2%
Day Care Center	1	12,336	1%
Bowling Alley	1	11,470	1%
Drug Store	1	11,168	1%
Funeral Home	1	3,612	0%
Auto Dealership	1	3,004	0%
*Sorted by Total RBA		1,763,062	100%



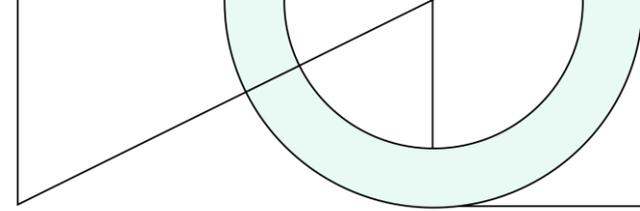
Healthy Distribution

The Benchmark market area also shows an optimal and supportable distribution in retail center type.

Similar to the Adjacent market area, the benchmark market (Lehigh Acres) shows an optimal distribution of retail in the storefront, community, and neighborhood categories—making up **47% of the area’s total retail square footage.**

Existing Retail Landscape

Distribution of Retail by Property Type



TARGET RETAIL DISTRIBUTION BY CENTER TYPE

Current Retail Inventory Distribution by Property Type

% of Total Retail	Immediate Market Area (Immokalee)	Adjacent Market Area (Outlying Collier)*	Benchmark Market Area (Leigh Acres)
Freestanding Retail	43%	21%	31%
Community/Neighborhood/Storefront/Strip	23%	45%	47%

← Target Distribution for Immokalee Area

* Less Immokalee

The Benchmark Market Area of Leigh Acres is a foundational target for distribution of retail product types which are both consumer-supportable by resident population and economically feasible for business to enter the commercial arena.

Retail product types of Community/Neighborhood retail and Storefront retail are typically above 10,000 sqft in size yet smaller than 50,000 sqft—typically in the range of 30,000 – 40,000 sqft (Storefront retail can be a bit smaller if it is located in an urban infill location). They possess ample parking allocations and a variety of unit sizes and locations from more expensive “end caps” to standard “in line” spaces—affording a price point and unit size to fit all business types. There is often some quasi-office users (tax service, insurance agents) who benefit from a retail exposure and in some cases, a sprinkling of what is referred to in the industry as “Medtail” (medical users who also benefit from the foot traffic of a retail center (Miracle Ear, General dentistry, Weight Loss etc...)).

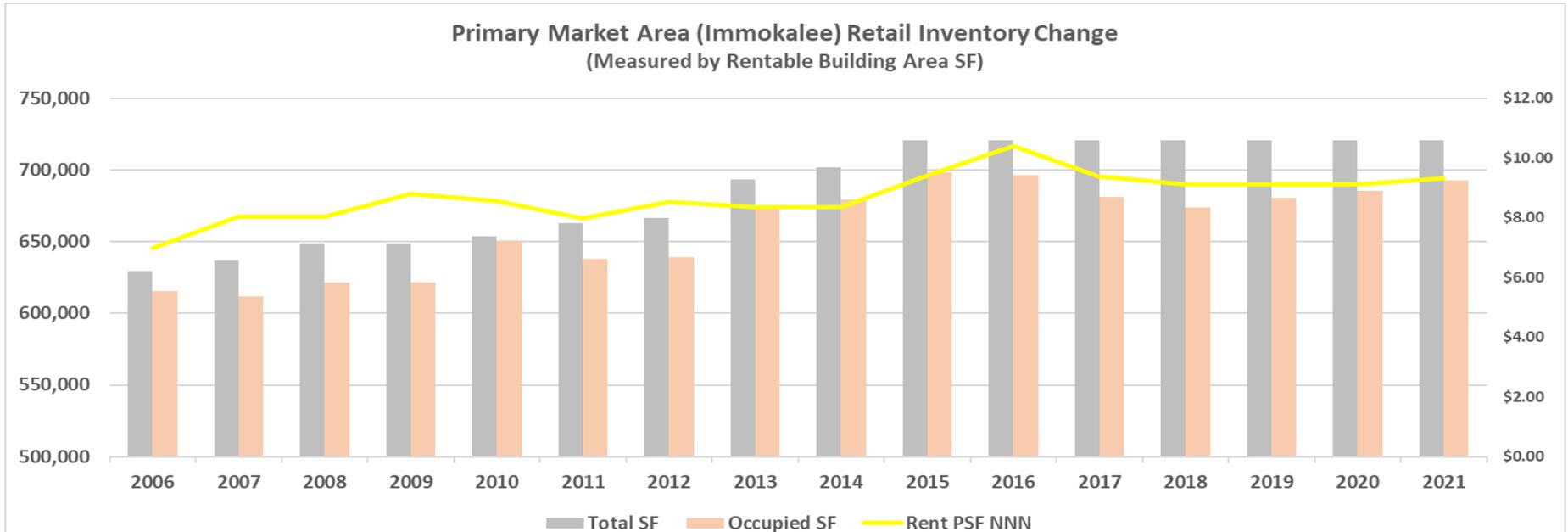
The key to the success of retailers in these centers is synergistic tenancy.

The percent distribution of these Community/Neighborhood/Storefront centers in the Benchmark Market Area is a good target for the Immediate Market Area for future planning of the addition of supplemental retail.

Existing Retail Landscape | Immediate Market Area: Immokalee

Inventory Analysis

There has been no change in retail SF in the immediate market area since 2015— a factor which is inconsistent with population growth patterns of approximately 2% annualized increase in population. The retail market in Immokalee grew nearly a 15% increase in total square footage from 2006 to 2015—adding just under 100,000 sqft of inventory but growth has ben stagnant since 2015. More than half of the 15% gain occurred in the 3-year period between 2012 and 2015. The average asking NNN rental rate PSF appears to be flatlined since 2017, yet this is more likely a function of a lack of available spaces to lease which hinders the data set.



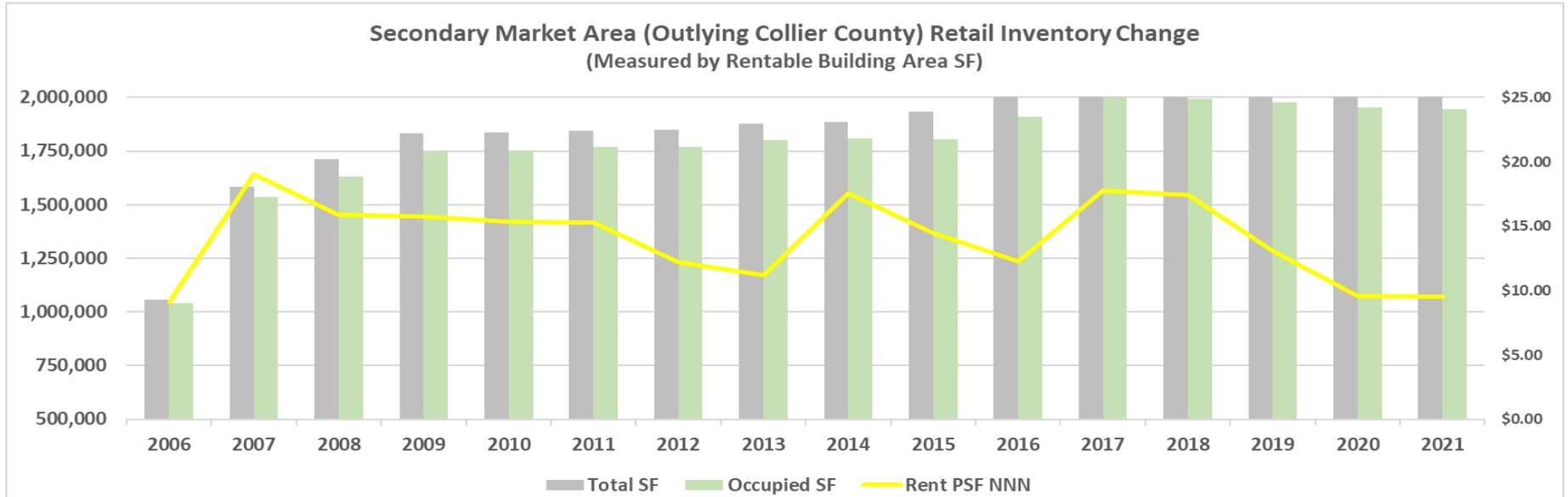
Primary Market Area: Immokalee

Sector: Retail

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total SF	629,400	636,760	649,155	649,155	653,727	662,827	666,397	693,550	701,950	720,786	720,786	720,786	720,786	720,786	720,786	720,786
Occupied SF	615,625	612,060	621,455	621,480	650,702	638,052	639,069	673,528	679,628	698,464	696,211	681,205	674,021	680,705	685,429	692,855
Rent PSF NNN	\$7.00	\$8.03	\$8.03	\$8.80	\$8.58	\$7.97	\$8.54	\$8.36	\$8.36	\$9.42	\$10.40	\$9.37	\$9.11	\$9.11	\$9.11	\$9.33

Existing Retail Landscape | Adjacent Market Area: Outlying Collier County Inventory Analysis

Steep decline in asking NNN rental rate could be a function of a heavier percentage of local and regional tenants unable to weather sharp declines in retail over the past year. The average asking NNN rental rate PSF saw a definite sharp decline in mid 2020 and continues to remain at that level in the 1Q of 2021. The Outlying portion of Collier County is a good distance away from the high rent retail districts in North and Central Naples and more apt to be occupied by a larger segment of local and regional retail tenants rather than national credit tenants. Higher rent areas draw the national tenants at a faster rate. As such, local and regional tenants may not be as liquid or well-capitalized to handle an unprecedented drop in retail sales and traffic. Consistent with a 12% current vacancy rate, the decline in rents may also be a functional of landlord's efforts to entice new tenants to backfill vacated spaces from failed businesses. From a growth in square foot perspective, the Adjacent market area experienced a 7.18% growth rate in the past 5 years—adding just under 30,000 square feet to the overall retail inventory.



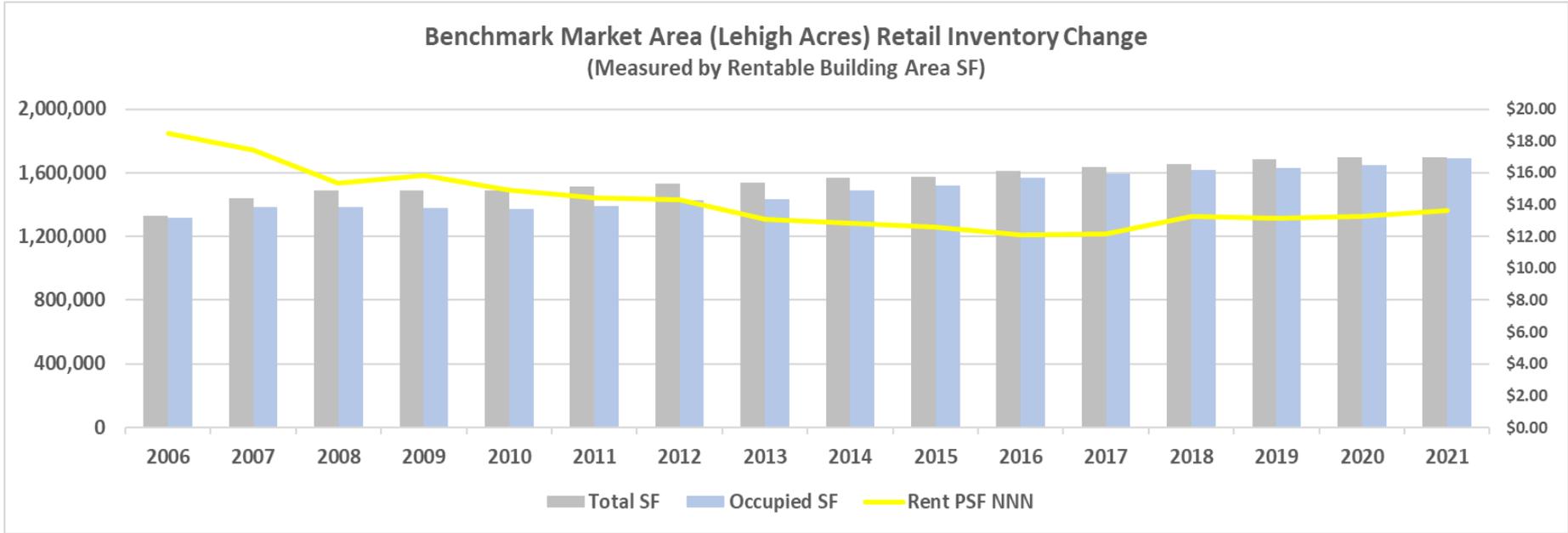
Secondary Market Area: Outlying Collier County Submarket

Sector: Retail

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total SF	1,055,238	1,582,765	1,713,202	1,831,873	1,836,445	1,845,545	1,849,115	1,876,268	1,884,668	1,934,924	2,062,615	2,145,931	2,180,271	2,208,125	2,210,625	2,210,625
Occupied SF	1,041,463	1,534,765	1,632,284	1,749,556	1,753,437	1,766,875	1,767,692	1,801,196	1,809,740	1,805,106	1,910,514	2,073,930	1,994,411	1,975,596	1,953,848	1,944,991
Rent PSF NNN	\$9.10	\$19.05	\$15.91	\$15.77	\$15.35	\$15.27	\$12.20	\$11.18	\$17.57	\$14.49	\$12.26	\$17.78	\$17.45	\$13.10	\$9.56	\$9.54

Existing Retail Landscape | Benchmark Market Area: Lehigh Acres Inventory Analysis

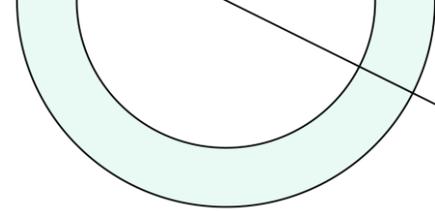
The Benchmark Market Area of Lehigh Acres shows the least volatility in average NNN rental rates of all three market areas. The average asking NNN rental rate PSF showed standard and expected standard market fluctuations since late 2012 (noted bottom of the market) yet has remained at a healthy stable level free of significant spikes and dips. Overall retail occupancy is currently reported at a staggering 98.1% with only 31,800 square feet of the total 1.7M square feet available for lease—an indicator that supplemental retail is likely warranted for this market area. The retail inventory in Lehigh Acres has seen a consistent and sustainable growth of approximately 1% annually over the past 5 years adding just over 80,000 square feet in total.



Benchmark Market Area: Lehigh Acres

Sector: Retail

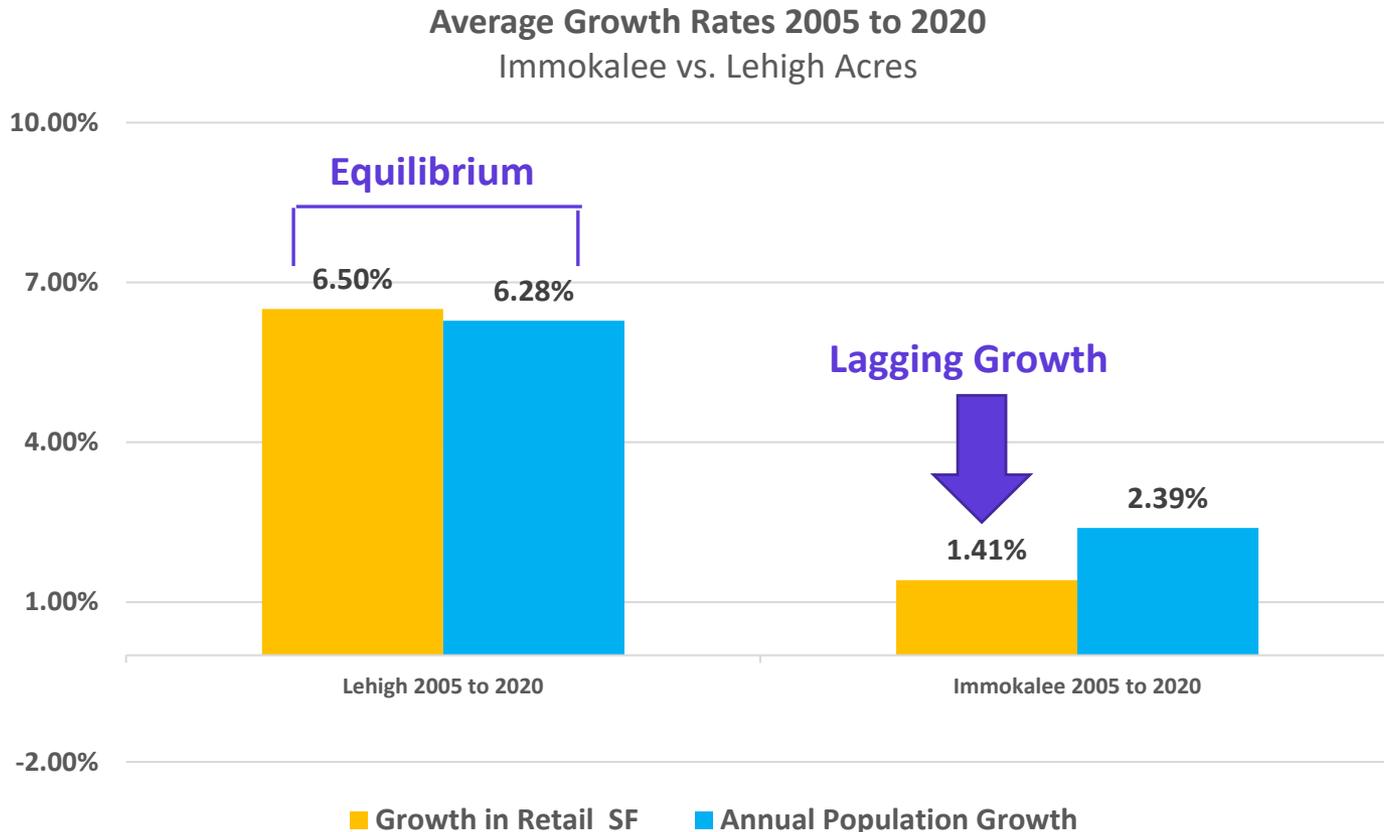
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total SF	1,327,458	1,438,075	1,487,371	1,487,371	1,487,371	1,514,340	1,532,671	1,536,930	1,565,687	1,575,660	1,613,931	1,635,081	1,655,650	1,681,770	1,694,270	1,694,270
Occupied SF	1,316,328	1,384,510	1,381,486	1,379,690	1,370,562	1,390,661	1,426,996	1,431,660	1,486,584	1,518,975	1,567,870	1,590,677	1,615,741	1,630,501	1,645,445	1,662,470
Rent PSF NNN	\$18.50	\$17.40	\$15.36	\$15.82	\$14.89	\$14.45	\$14.32	\$13.10	\$12.84	\$12.56	\$12.11	\$12.18	\$13.29	\$13.15	\$13.25	\$13.62

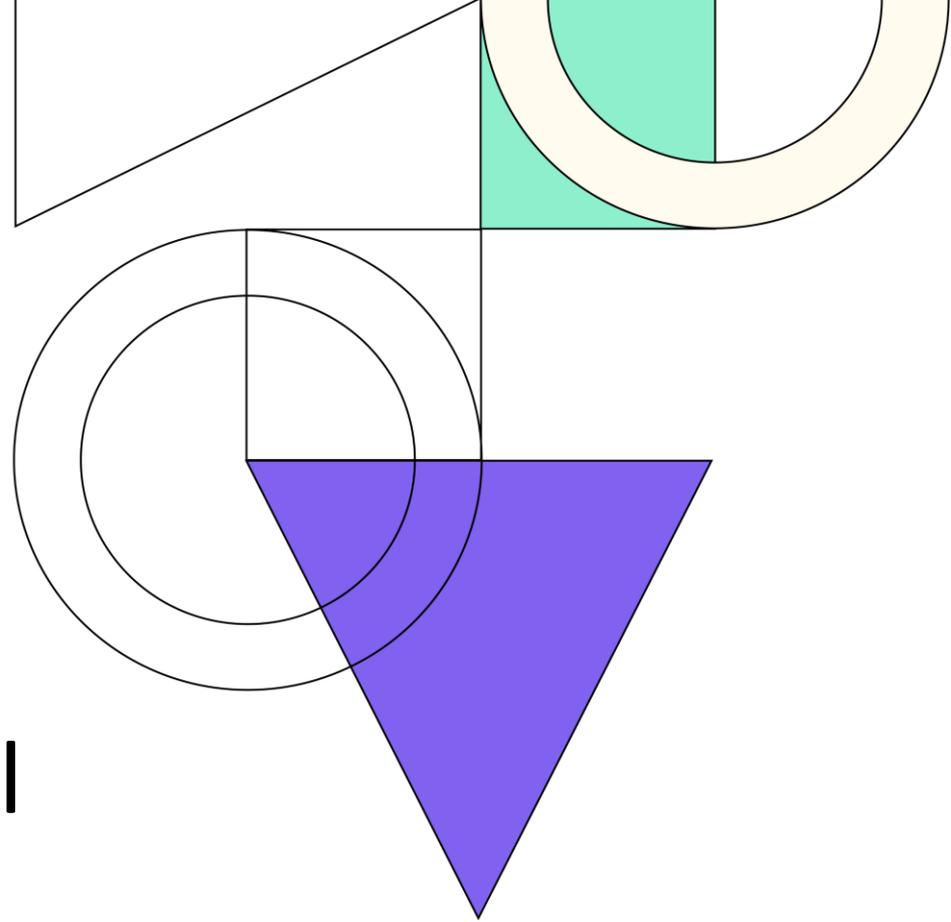


Existing Retail Landscape

Correlation of Growth Rates | Population and Retail Inventory

Benchmark area Lehigh Acres’s retail has grown a rate consistent with its population, yet Immokalee’s retail inventory growth has lagged population growth. Benchmark market area Lehigh Acres has seen an average population growth rate of 6.28% from 2005 to 2020, and its retail inventory increased at a similar rate over the same time period. Contrastingly, the Immokalee market’s population increased at an average annual rate of 2.39% but its retail inventory growth rate lagged, increasing only at a rate 1.9% annually.

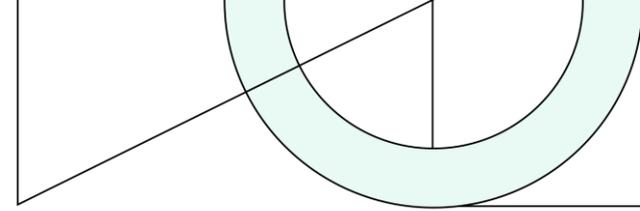




Retail Demand Model

Retail Demand

Retail Analysis



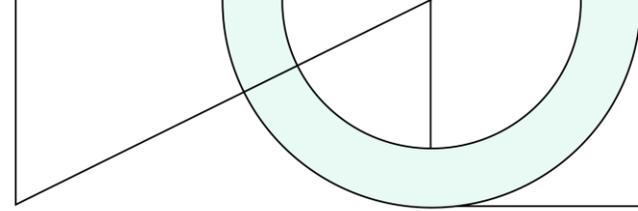
The charts below translate Meyers' conclusions on supportable square footage by retail type into a realistic buildout the PMA today and in 2025 based on household and income growth projections. The total square footage of these uses equates to 123,752 square feet of retail space by 2025. In part, this large gap can be attributed to a lack of new supplemental retail added over the past five years to correlate with population increases and changing demographic landscape. While the demand model generates opportunity in many industry groups in the PMA, certain uses are more well-aligned with the subject's demographics and will be most viable.

Hypothetical Retail Center Demand by Supportable SF - 2020	
Tenant Type	100% Capture Rate Supportable SF (2020)
Department Store/ General Merchandise	31,271
Supermarket (Food and Drug)	21,743
Grocery	20,062
Drugs/Pharmacy	1,681
Food Service	7,675
Telephone Store/ Electronics	6,201
Home Improvement/ Furniture/ Garden	10,141
Clothing and Accessories	8,289
Sporting Goods/ Hobby / Book/ Music/ Other	12,407
Auto Parts/ Accessories/ Tire Stores	1,937
Office Supplies/Gifts/Used Merchandise/Othe	10,170
Personal Service	1,681
RETAIL SUBTOTAL	111,515

Hypothetical Retail Center Demand by Supportable SF - 2025	
Tenant Type	100% Capture Rate Supportable SF (2025)
Department Store/ General Merchandise	35,210
Supermarket (Food and Drug)	22,068
Grocery	20,207
Drugs/Pharmacy	1,861
Food Service	9,044
Telephone Store/ Electronics	6,179
Home Improvement/ Furniture/ Garden	12,629
Clothing and Accessories	9,495
Sporting Goods/ Hobby / Book/ Music/ Other	13,473
Auto Parts/ Accessories/ Tire Stores	2,019
Office Supplies/Gifts/Used Merchandise/Othe	11,774
Personal Service	1,861
RETAIL SUBTOTAL	123,752

PMA Retail Demand - 2020

Retail Analysis



Our retail demand model shows greater retail spending (Supply) in the PMA than retail potential (Demand) from existing residents. This may be due in part, to a workforce population which spends time in the PMA during and after work hours but does not reside in the PMA. Additionally, the analysis shows an opportunity (positive GAP) in many categories such as General Merchandise, Furniture, Sporting Goods, etc.

RETAIL GAP ANALYSIS BY CATEGORY Primary Market Area 2020

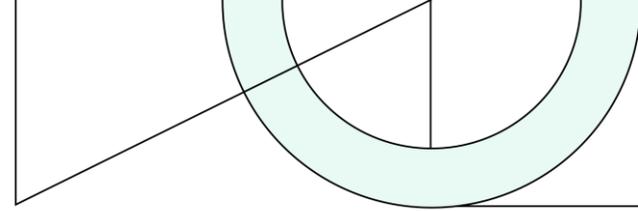
Retail Categories	Retail Potential	Retail Sales	GAP	
			Difference \$	Difference %
Motor Vehicle Parts	\$2,465,365	\$2,770,566	(\$305,201)	-12.4%
Furniture and Home Furnishings Stores	\$4,521,670	\$1,847,871	\$2,673,799	59.1%
Electronics and Appliance Stores	\$3,868,034	\$1,687,497	\$2,180,537	56.4%
Building Material, Garden Equip Stores	\$7,527,893	\$6,678,719	\$849,174	11.3%
Food and Beverage Stores	\$24,280,602	\$60,937,004	(\$36,656,402)	-151.0%
Drug, Health and Personal Care Stores	\$8,336,482	\$10,069,916	(\$1,733,434)	-20.8%
Clothing and Clothing Accessories Stores	\$7,018,907	\$4,161,967	\$2,856,940	40.7%
Sporting Goods, Hobby, Book, Music Stores	\$3,376,937	\$263,130	\$3,113,807	92.2%
General Merchandise Stores	\$22,644,830	\$10,257,871	\$12,386,959	54.7%
Miscellaneous Store Retailers	\$5,096,095	\$2,707,991	\$2,388,104	46.9%
Food Service and Drinking Places	\$14,299,352	\$14,921,714	(\$622,362)	-4.4%
Total	\$103,436,167	\$116,304,246	(\$12,868,079)	-12.4%

Comparing total retail expenditures by local residents (demand) with the amount of retail spending in the area (supply) is perhaps the most direct method for defining "retail leakage" in a given geography. These data indicate that on a broad level, that there is retail opportunity (leakage) in a number of categories and an over-supply categories (surplus) in a number of categories. Other categories, including bank, financial and gas stations were not included in the total counts.

PMA Retail Demand - 2020

Retail Analysis

When accounting for SMA inflow spending, the retail demand model shows an opportunity of approximately 111,515 square feet of retail space in the Subject's PMA today. Notable gaps (opportunity) exist in multiple industry groups, yet the PMA's population, traffic counts, rooftops and demographic profile may not be consistent with many opportunistic industry groups. Well-aligned groups may include Furniture and Home Furnishings, Office Supplies/Gifts/Used Merchandise, and Sporting Goods/Hobby/Books and Music, and to a smaller extent, Building Materials/Garden Equipment/Supply Stores.



Retail Gap Analysis								
Expenditure Categories	PMA Retail Potential	Estimated Retail Sales	PMA Gap	Gap (% of PMA Expenditures)	SMA Inflow Factor	SMA Spending Propensity by Use	SMA Inflow (\$)	PMA Reconciliation (Inflow + Outflow)
Food Service/Eating and Drinking Places	\$14,299,352	\$14,921,714		0.0%	50.00%	13.8%	\$3,117,365	\$3,117,365
Food and Beverage Stores	\$24,280,602	\$60,937,004		0.0%	115.00%	23.2%	\$12,060,592	\$12,060,592
Clothing and Accessories Stores	\$7,018,907	\$4,161,967	\$2,856,940	40.7%	28.00%	6.7%	\$846,487	\$3,703,427
Motor Vehicle Parts	\$2,465,365	\$2,770,566		0.0%	52.00%	2.4%	\$561,893	\$561,893
Health and Personal Care Stores	\$8,336,482	\$10,069,916		0.0%	55.00%	8.1%	\$2,017,543	\$2,017,543
Furniture and Home Furnishings Stores	\$4,521,670	\$1,847,871	\$2,673,799	59.1%	19.00%	4.5%	\$383,819	\$3,057,618
Bldg Materials, Garden Equip. & Supply Stores	\$7,527,893	\$6,678,719	\$849,174	11.3%	40.00%	7.7%	\$1,389,373	\$2,238,547
Entertainment/Electronics/Appliances	\$3,868,034	\$1,687,497	\$2,180,537	56.4%	20.00%	3.7%	\$338,111	\$2,518,648
Sporting Goods/Hobby/Book/Music	\$3,376,937	\$263,130	\$3,113,807	92.2%	3.70%	3.2%	\$54,046	\$3,167,853
Department Store	\$22,644,830	\$10,257,871	\$12,386,959	54.7%	21.00%	21.7%	\$2,057,054	\$14,444,013
Office Supplies/Gifts/Used Merchandise/Other	\$5,096,095	\$2,707,991	\$2,388,104	46.9%	25.00%	5.0%	\$562,538	\$2,950,642
Total	\$103,436,167	\$116,304,246	\$26,449,320	25.6%	38.97%	100%	\$23,388,821	\$49,838,141

Sources: ESRI, ULI Dollars & Cents

The PMA Retail Demand is a calculation of the total population of the Primary Market Area, multiplied by the per capita income (per ESRI), multiplied by the spending propensity for various retail uses (per ESRI).

There are currently numerous retail categories with a positive spending gaps. The higher amount of estimated retail sales than is warranted by the current population indicates that the area has a high "inflow" factor (people from outside the PMA contribute a large amount to retail sales).

The SMA Inflow is a calculation of the total population of the Secondary Market Area (per ESRI), multiplied by the per capita income (per ESRI), to equal total income for the SMA. After subtracting PMA total income (to isolate only the SMA), we multiply the SMA total income by spending propensity for various retail uses (per ESRI).

OPPORTUNITY FOR ADDITIONAL RETAIL SPACE AT SUBJECT SITE (PER GAP ANALYSIS)

Expenditure Categories	PMA Reconciliation (Inflow + Outflow)	Revenue Per SF Avg	PMA Reconciliation Opportunity (SF)	SUBJECT PROJECT CAPTURE			
				Low		High	
				Subject Site Capture	Demand (SF)	Subject Site Capture	Demand (SF)
Food Service/Eating and Drinking Places	\$3,117,365	\$406	7,675	100.0%	7,675	100.0%	7,675
Food and Beverage Stores	\$12,060,592	\$601	20,062	100.0%	20,062	100.0%	20,062
Clothing and Accessories Stores	\$3,703,427	\$447	8,289	100.0%	8,289	100.0%	8,289
Motor Vehicle Parts	\$561,893	\$290	1,937	100.0%	1,937	100.0%	1,937
Health and Personal Care Stores	\$2,017,543	\$600	3,363	100.0%	3,363	100.0%	3,363
Furniture and Home Furnishings Stores	\$3,057,618	\$522	5,855	100.0%	5,855	100.0%	5,855
Bldg Materials, Garden Equip. & Supply Stores	\$2,238,547	\$522	4,286	100.0%	4,286	100.0%	4,286
Entertainment/Electronics/Appliances	\$2,518,648	\$406	6,201	100.0%	6,201	100.0%	6,201
Sporting Goods/Hobby/Book/Music	\$3,167,853	\$255	12,407	100.0%	12,407	100.0%	12,407
Department Store	\$14,444,013	\$462	31,271	100.0%	31,271	100.0%	31,271
Office Supplies/Gifts/Used Merchandise/Other	\$2,950,642	\$290	10,170	100.0%	10,170	100.0%	10,170
Total	\$49,838,141	\$437	111,515	--	111,515	100.0%	111,515
AVERAGE SUPPORTABLE SIZE FOR THE SUBJECT SITE (SF):					111,515		

2020 Retail Demand at Subject

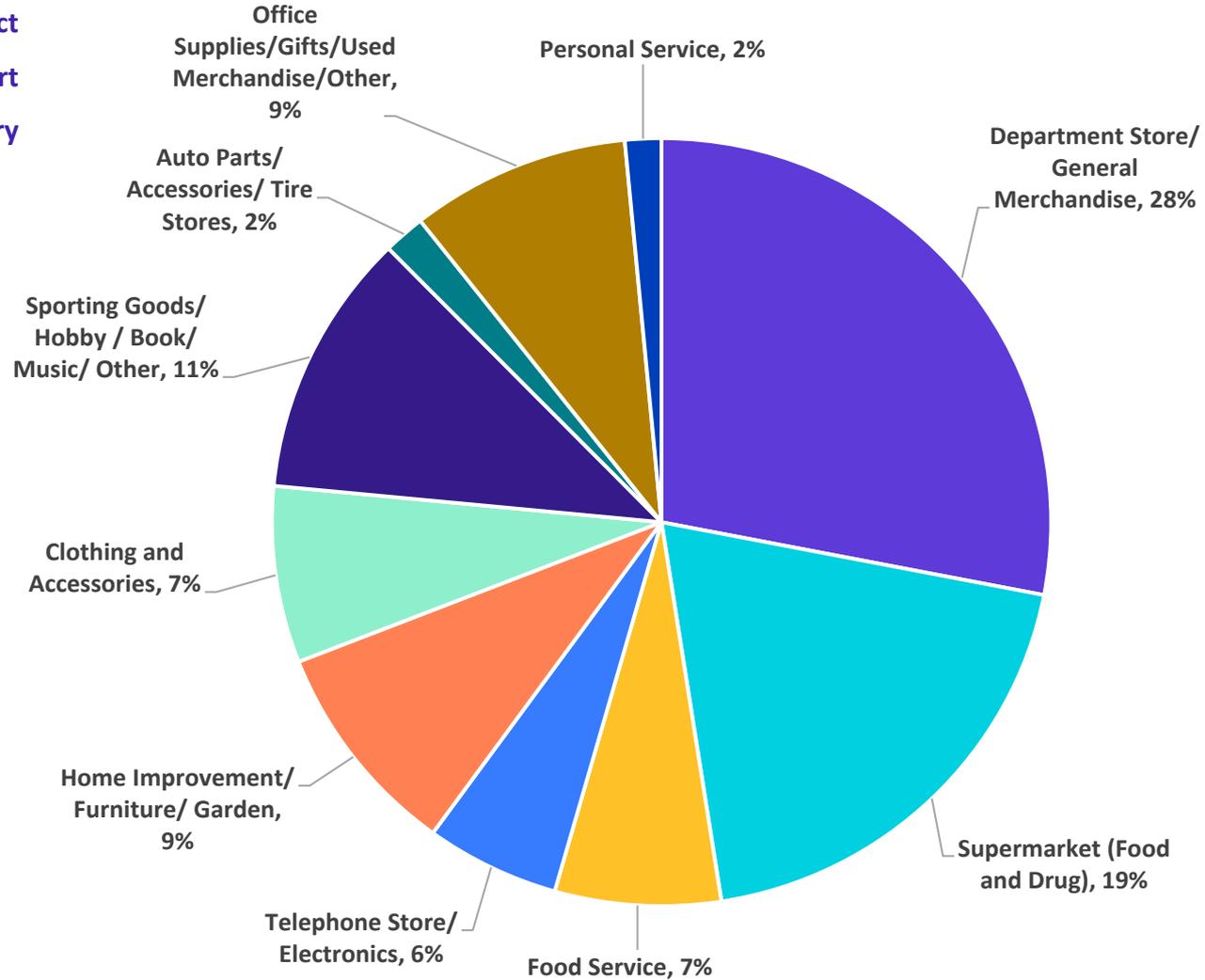
Source: ESRI, Zonda

PMA Retail Demand - 2020

Retail Analysis

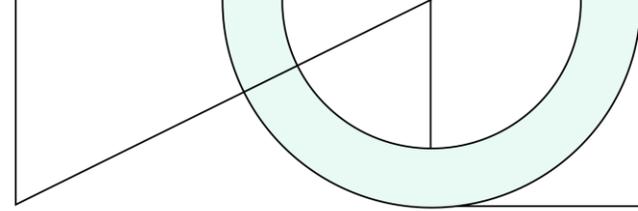
The categories of opportunity at the Subject are diverse and could include and support the following primary and ancillary community-supported retail today.

Potential Retail Categories



PMA Retail Demand - 2025

Retail Analysis



When accounting for SMA inflow spending, the retail demand model shows an opportunity of approximately 123,752 square feet of retail space in the Subject's PMA by 2025. A gap exists by 2025 in the same retail industry groups as seen in the 2020 model with an addition of a small gap surfacing in in the Food Service/Eating and Drinking Places. The gap in the Building Materials/Garden Equipment/Supply Stores category, which is a use well-aligned with the PMA demographically and from a workforce standpoint widens to over \$3.0M by 2025—significant enough to be seriously considered by retailers in this industry group.

RETAIL GAP ANALYSIS (2025)								
Expenditure Categories	PMA Retail Potential	Estimated Retail Sales	PMA Gap	Gap (% of PMA Expenditures)	SMA Inflow Factor	SMA Spending Propensity by Use	SMA Inflow (\$)	PMA Reconciliation (Inflow + Outflow)
Food Service/Eating and Drinking Places	\$16,648,255	\$16,074,924	\$573,331	3.4%	50.00%	13.5%	\$3,383,944	\$3,957,276
Food and Beverage Stores	\$28,269,089	\$65,646,460		0.0%	115.00%	22.6%	\$13,086,415	\$13,086,415
Clothing and Accessories Stores	\$8,171,878	\$4,483,620	\$3,688,257	45.1%	28.00%	6.3%	\$881,872	\$4,570,129
Motor Vehicle Parts	\$2,870,342	\$2,984,686		0.0%	52.00%	2.4%	\$631,139	\$631,139
Health and Personal Care Stores	\$9,705,886	\$10,848,159		0.0%	55.00%	8.7%	\$2,405,903	\$2,405,903
Furniture and Home Furnishings Stores	\$5,264,428	\$1,990,682	\$3,273,747	62.2%	19.00%	4.6%	\$441,898	\$3,715,644
Bldg Materials, Garden Equip. & Supply Stores	\$8,764,473	\$7,194,877	\$1,569,596	17.9%	40.00%	9.0%	\$1,820,161	\$3,389,757
Entertainment/Electronics/Appliances	\$4,503,422	\$1,817,914	\$2,685,509	59.6%	1.00%	3.6%	\$18,166	\$2,703,675
Sporting Goods/Hobby/Book/Music	\$3,931,654	\$283,466	\$3,648,189	92.8%	3.70%	3.1%	\$57,595	\$3,705,783
Department Store	\$26,364,615	\$11,050,640	\$15,313,974	58.1%	21.00%	20.9%	\$2,206,246	\$17,520,220
Office Supplies/Gifts/Used Merchandise/Other	\$5,933,212	\$2,917,275	\$3,015,937	50.8%	25.00%	5.3%	\$664,216	\$3,680,152
Total	\$120,427,254	\$125,292,704	\$33,768,539	28.0%	37.25%	100%	\$25,597,554	\$59,366,093

Sources: ESRI, ULI Dollars & Cents

The PMA Retail Demand is a calculation of the total population of the Primary Market Area, multiplied by the per capita income (per ESRI), multiplied by the spending propensity for various retail uses (per ESRI).

There are currently numerous retail categories with a positive spending gaps. The higher amount of estimated retail sales than is warranted by the current population indicates that the area has a high "inflow" factor (people from outside the PMA contribute a large amount to retail sales).

The SMA Inflow is a calculation of the total population of the Secondary Market Area (per ESRI), multiplied by the per capita income (per ESRI), to equal total income for the SMA. After subtracting PMA total income (to isolate only the SMA), we multiply the SMA total income by spending propensity for various retail uses (per ESRI).

OPPORTUNITY FOR ADDITIONAL RETAIL SPACE AT SUBJECT SITE (PER GAP ANALYSIS)

Expenditure Categories	PMA			SUBJECT PROJECT CAPTURE			
	Reconciliation (Inflow + Outflow)	Revenue Per SF Avg	PMA Reconciliation Opportunity (SF)	Conservative		Optimistic	
				Subject Site Capture	Demand (SF)	Subject Site Capture	Demand (SF)
Food Service/Eating and Drinking Places	\$3,957,276	\$438	9,044	100.0%	9,044	100.0%	9,044
Food and Beverage Stores	\$13,086,415	\$648	20,207	100.0%	20,207	100.0%	20,207
Clothing and Accessories Stores	\$4,570,129	\$481	9,495	100.0%	9,495	100.0%	9,495
Motor Vehicle Parts	\$631,139	\$313	2,019	100.0%	2,019	100.0%	2,019
Health and Personal Care Stores	\$2,405,903	\$646	3,722	100.0%	3,722	100.0%	3,722
Furniture and Home Furnishings Stores	\$3,715,644	\$563	6,604	100.0%	6,604	100.0%	6,604
Bldg Materials, Garden Equip. & Supply Stores	\$3,389,757	\$563	6,025	100.0%	6,025	100.0%	6,025
Entertainment/Electronics/Appliances	\$2,703,675	\$438	6,179	100.0%	6,179	100.0%	6,179
Sporting Goods/Hobby/Book/Music	\$3,705,783	\$275	13,473	100.0%	13,473	100.0%	13,473
Department Store	\$17,520,220	\$498	35,210	100.0%	35,210	100.0%	35,210
Office Supplies/Gifts/Used Merchandise/Other	\$3,680,152	\$313	11,774	100.0%	11,774	100.0%	11,774
Total	\$59,366,093	\$470	123,752	--	123,752	--	123,752
AVERAGE SUPPORTABLE SIZE FOR THE SUBJECT SITE (SF):				123,752			

2025 Retail Demand at Subject

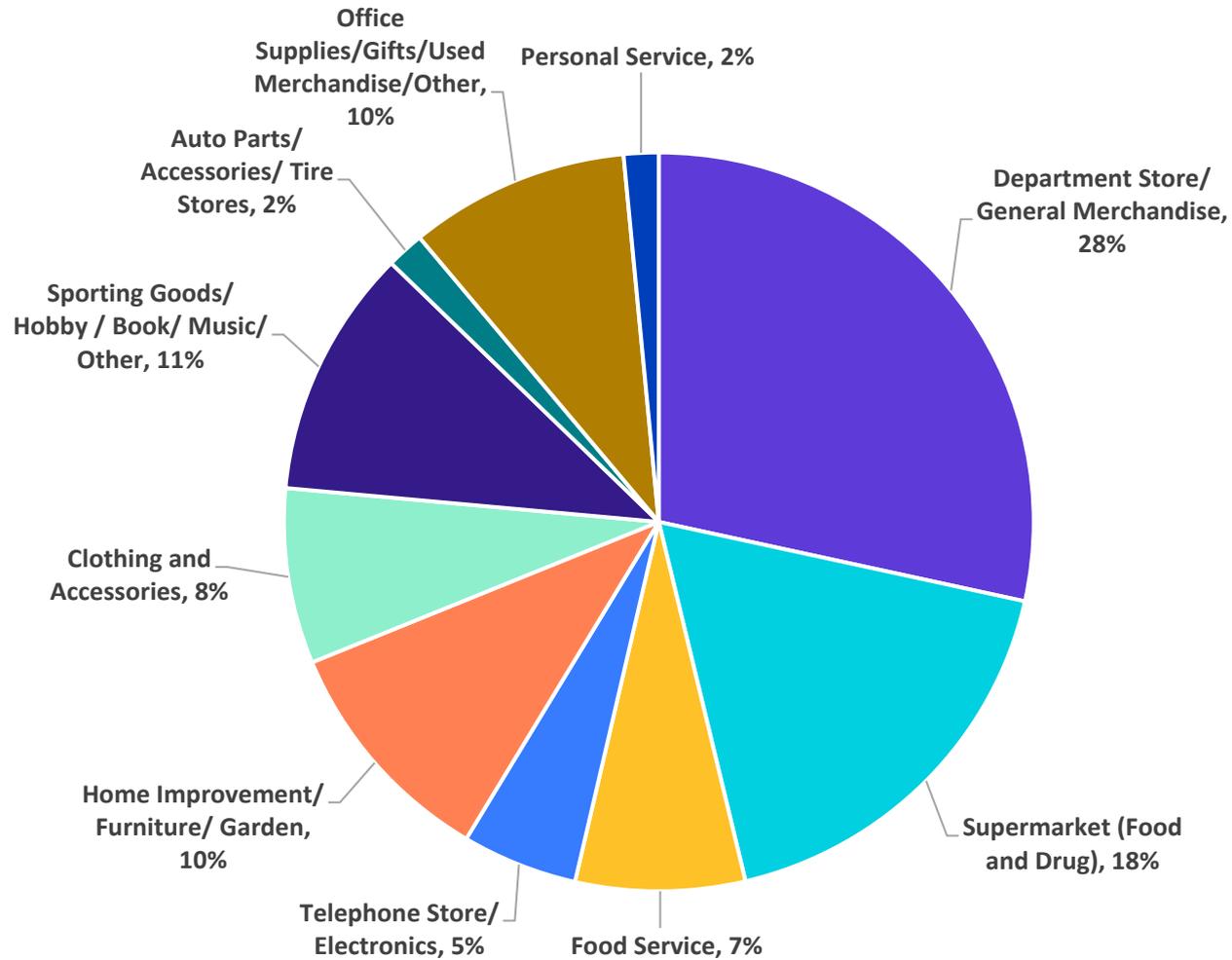
Source: ESRI, Zonda

PMA Retail Demand - 2025

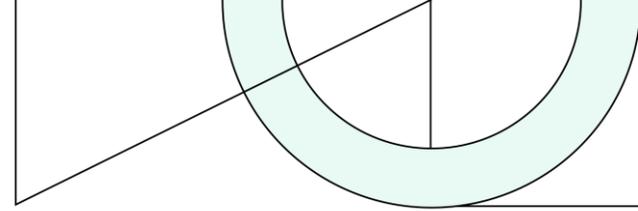
Retail Analysis

The categories of opportunity at the Subject are diverse and could include and support the following primary and ancillary community-supported retail by 2025.

Potential Retail Uses at Subject



PMA Retail Demand - 2025
Retail Analysis



When accounting for future population and income growth within the PMA over the next five years, the area is expected to continue to be “undersupplied” with retail space based on the local population in numerous industry categories.

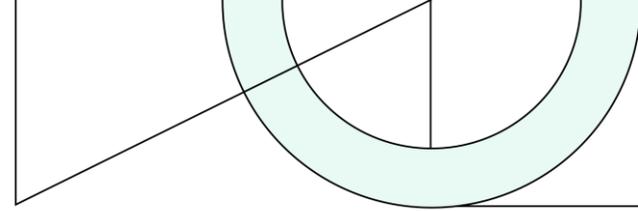
RETAIL SUPPLY AND DEMAND RECONCILIATION BY CATEGORY
Primary Market Area
2025

Retail Categories	<u>DEMAND</u>	<u>SUPPLY</u>	<u>LEAKAGE</u>	
	Retail Expenditures by Area Residents	Retail Spending Within the Area	Difference \$	Difference %
Motor Vehicle Parts	\$2,870,342	\$2,984,686	(\$114,345)	-4.0%
Furniture and Home Furnishings Stores	\$5,264,428	\$1,990,682	\$3,273,747	62.2%
Electronics and Appliance Stores	\$4,503,422	\$1,817,914	\$2,685,509	59.6%
Building Material, Garden Equip Stores	\$8,764,473	\$7,194,877	\$1,569,596	17.9%
Food and Beverage Stores	\$28,269,089	\$65,646,460	(\$37,377,371)	-132.2%
Drug, Health and Personal Care Stores	\$9,705,886	\$10,848,159	(\$1,142,274)	-11.8%
Clothing and Clothing Accessories Stores	\$8,171,878	\$4,483,620	\$3,688,257	45.1%
Sporting Goods, Hobby, Book, Music Stores	\$3,931,654	\$283,466	\$3,648,189	92.8%
General Merchandise Stores	\$26,364,615	\$11,050,640	\$15,313,974	58.1%
Miscellaneous Store Retailers	\$5,933,212	\$2,917,275	\$3,015,937	50.8%
Food Service and Drinking Places	\$16,648,255	\$16,074,924	\$573,331	3.4%
Total	\$120,427,254	\$125,292,704	(\$4,865,450)	-4.0%

Comparing total retail expenditures by local residents (demand) with the amount of retail spending in the area (supply) is perhaps the most direct method for defining "retail leakage" in a given geography. These data indicate that on a broad level, most general sectors show opportunity. When specific sectors are analyzed, however, some opportunity may emerge, and other opportunities deemed inconsistent and unaligned with PMA market fundamentals.

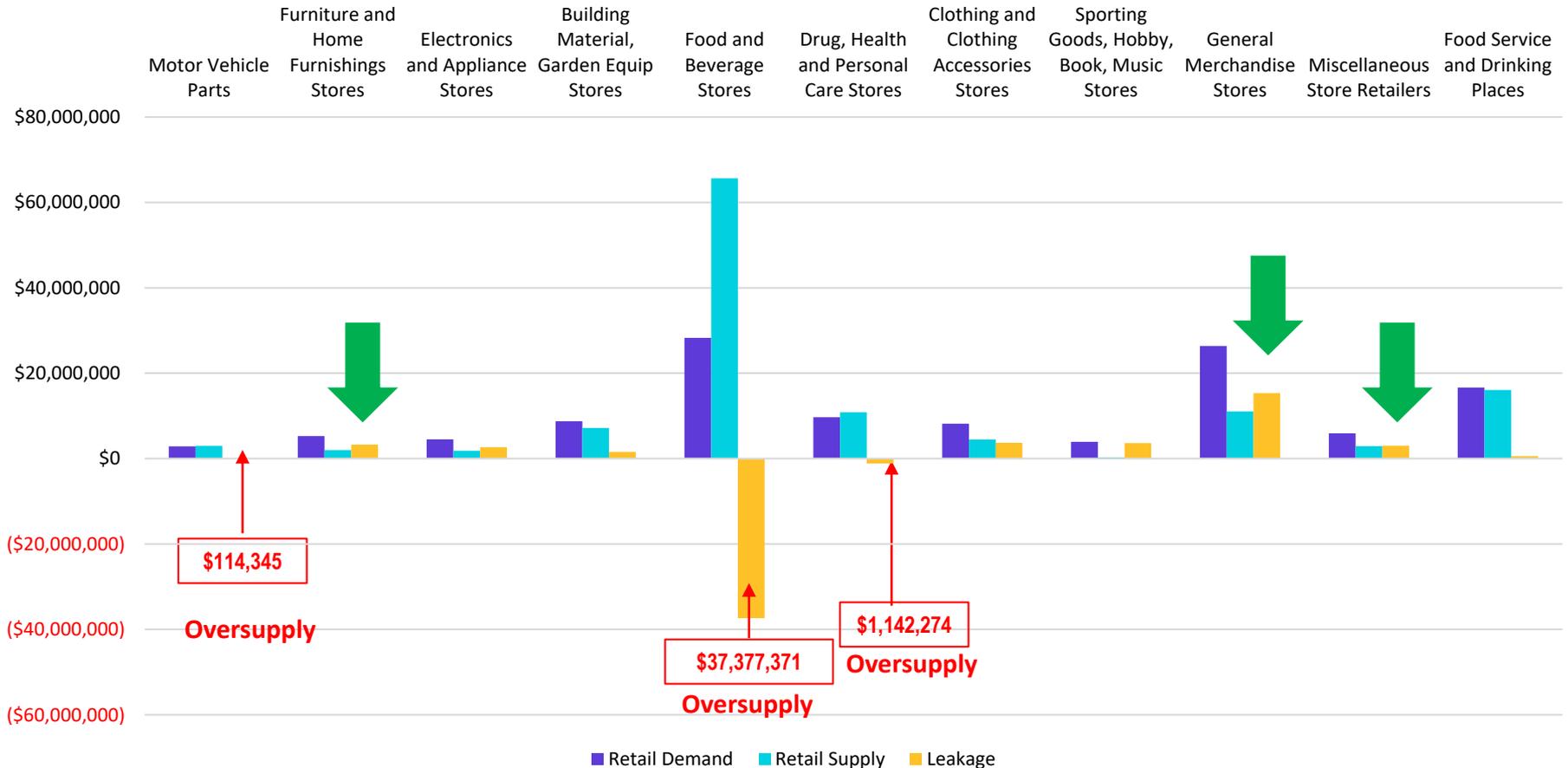
PMA Retail Demand - 2025

Retail Analysis



The oversupplied sectors within the PMA in 2025 are designated highlighted below in red. Significant oversupply exists in Food and Beverage Stores, while only a nominal oversupply exists in the categories of Motor Vehicle Parts and Drug/Health/and Personal Care Stores—an indication that some opportunity may be found in these groups. **General Merchandise Stores, Miscellaneous Store Retailers and Furniture and Home Furnishings Stores emerge as prime industry groups for supplemental retail supply.**

2025 PMA Demand, Spending & Leakage



PMA Retail Demand | Surplus

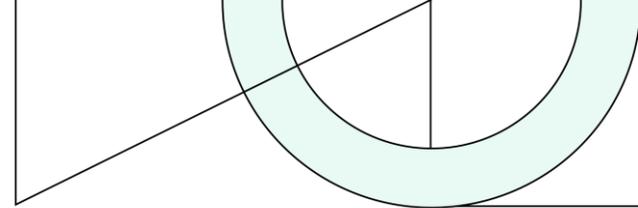
Grocery & Specialty Foods

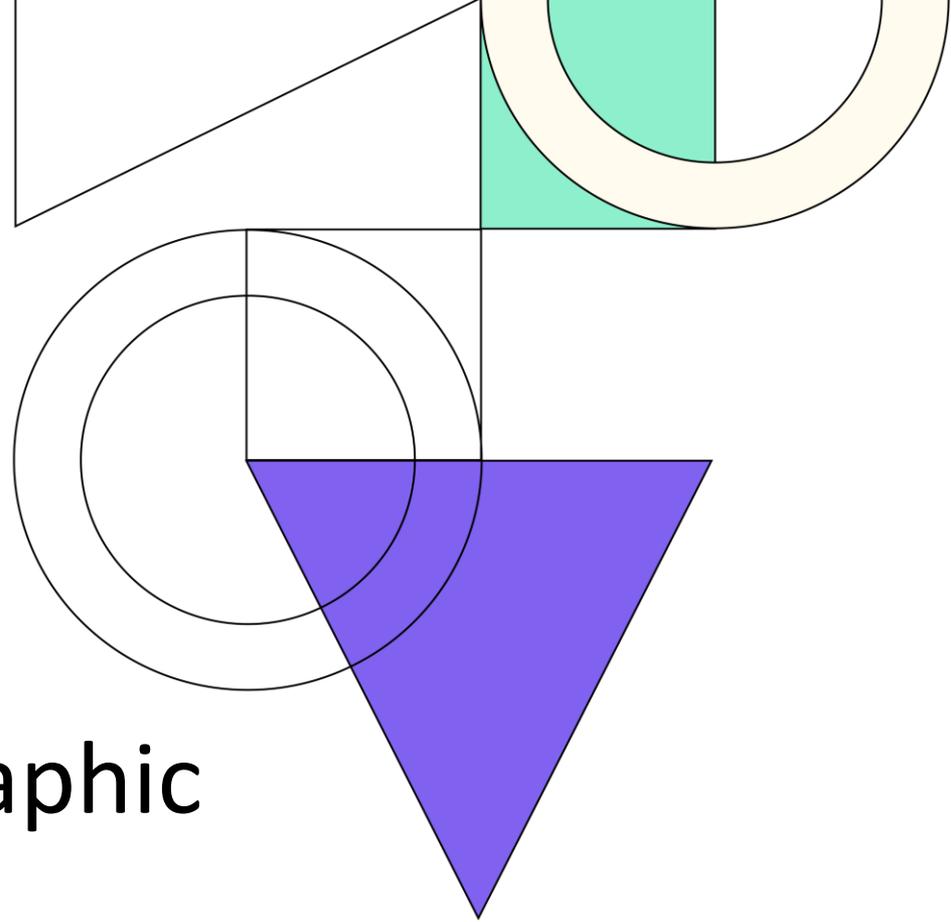
The Retail GAP analysis showed a significant surplus and oversupply for food and beverage stores. This is likely due, in part, to residents frequenting grocery superstores outside the PMA.

Though not particularly close to the subject, there are a number of grocery superstores and wholesale clubs in the expanded area which service the residents of Immokalee and which offer a better value due to their size and economies of scale than can be achieved within the trade area's smaller grocery establishments.

Supercenters Servicing Area

Store	Location	Distance to Subject
Wal-Mart	North Naples	34.0 Miles 50 Min
Wal-Mart	Labelle	25.0 Miles 32 Min
Wal-Mart	Lehigh Acres	26.0 Miles 40 Min
Sam's Club	North Naples	32.0 Miles 50 Min



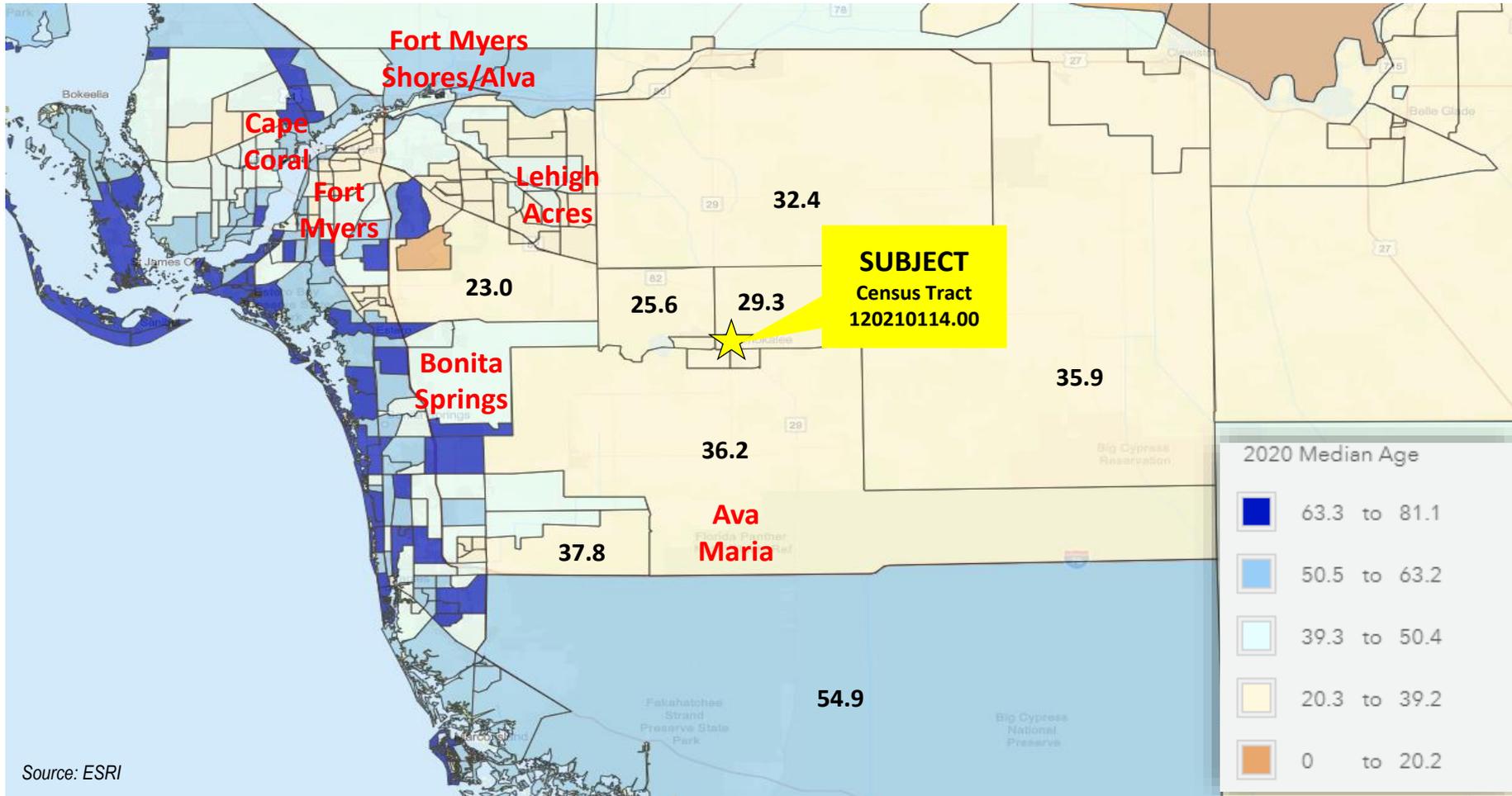


Economic & Demographic Overview

Median Age by Census Tract

Economic & Demographic Overview

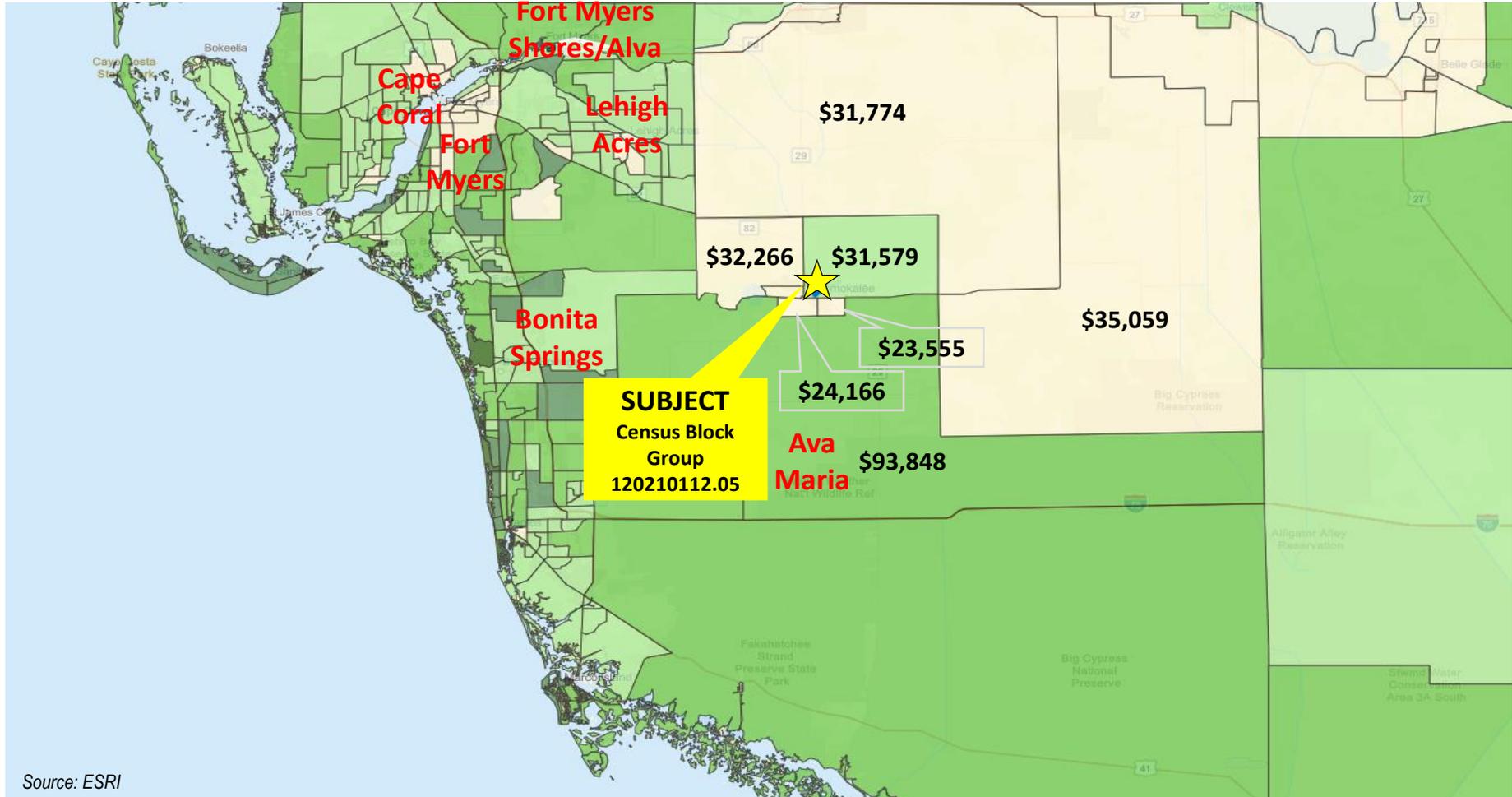
Immokalee has a relatively low median age due largely to a higher percentage of children. As is typical, the median age increases along with the median household income in the geographies to the west closer to central and North Naples and to the Gulf of Mexico.



Median Household Income by Census Block Group

Economic & Demographic Overview

Median household income in the Immokalee subject market area is approximately \$23,500 – \$32,000 with a slight uptick in one census tract reporting HH income around \$35,000. Higher HH income is reported within the adjacent town of Ava Maria due largely to university employees residing in the town as well as Collier County employees seeking a better housing value than can be achieved elsewhere in the County. **Additionally, local incomes in Immokalee are likely underreported given the amount of cash employment available to residents.**

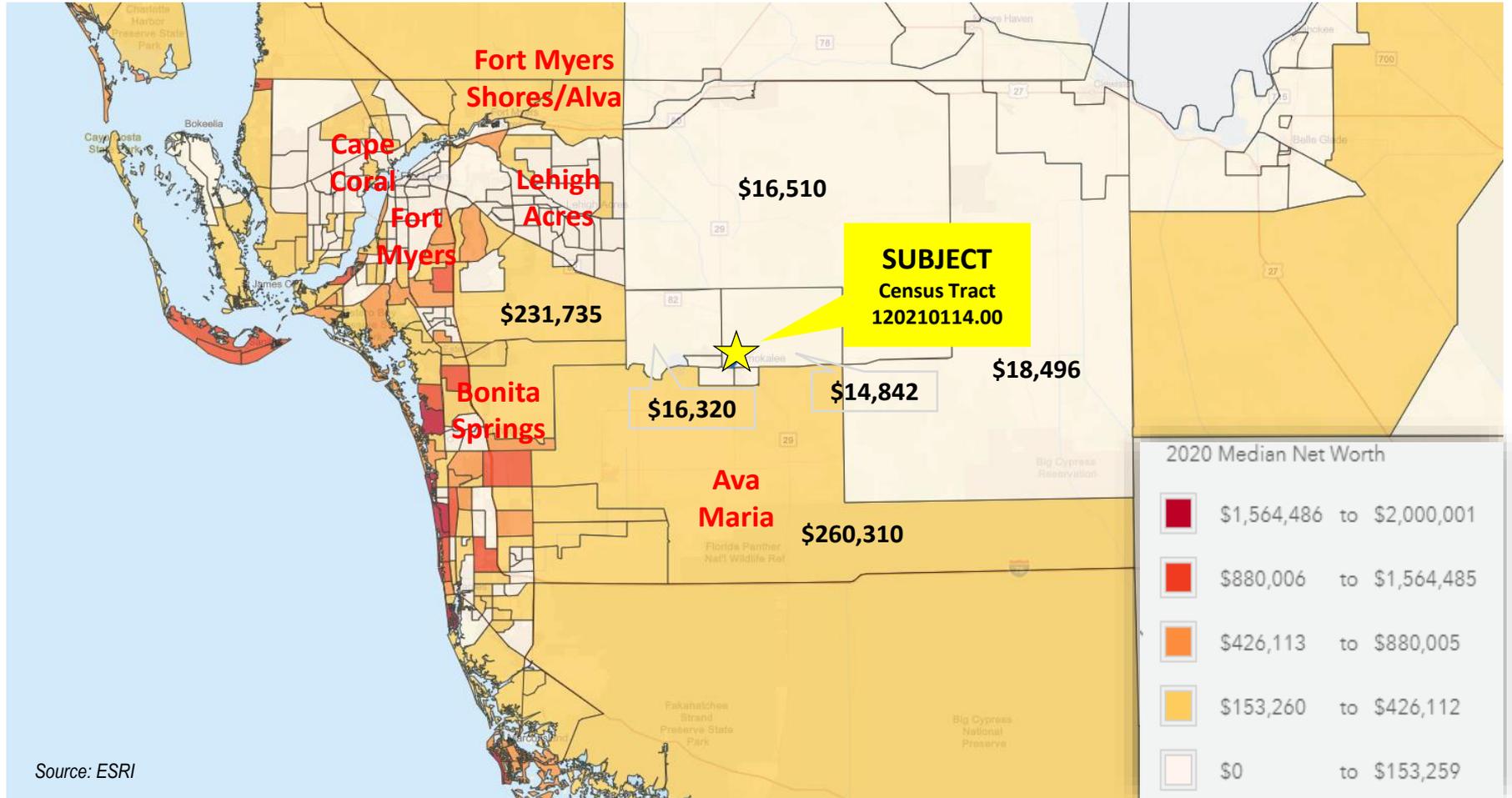


Source: ESRI

Median Net Worth by Census Tract

Economic & Demographic Overview

Pursuant to a relatively low HH income, correspondingly, the median net worth in the subject market area is also on the low end of the range. Following a similar pattern to the median income concentration, net worth increases rapidly further west into central and north Naples—with spikes in net worth seen along the Gulf areas.

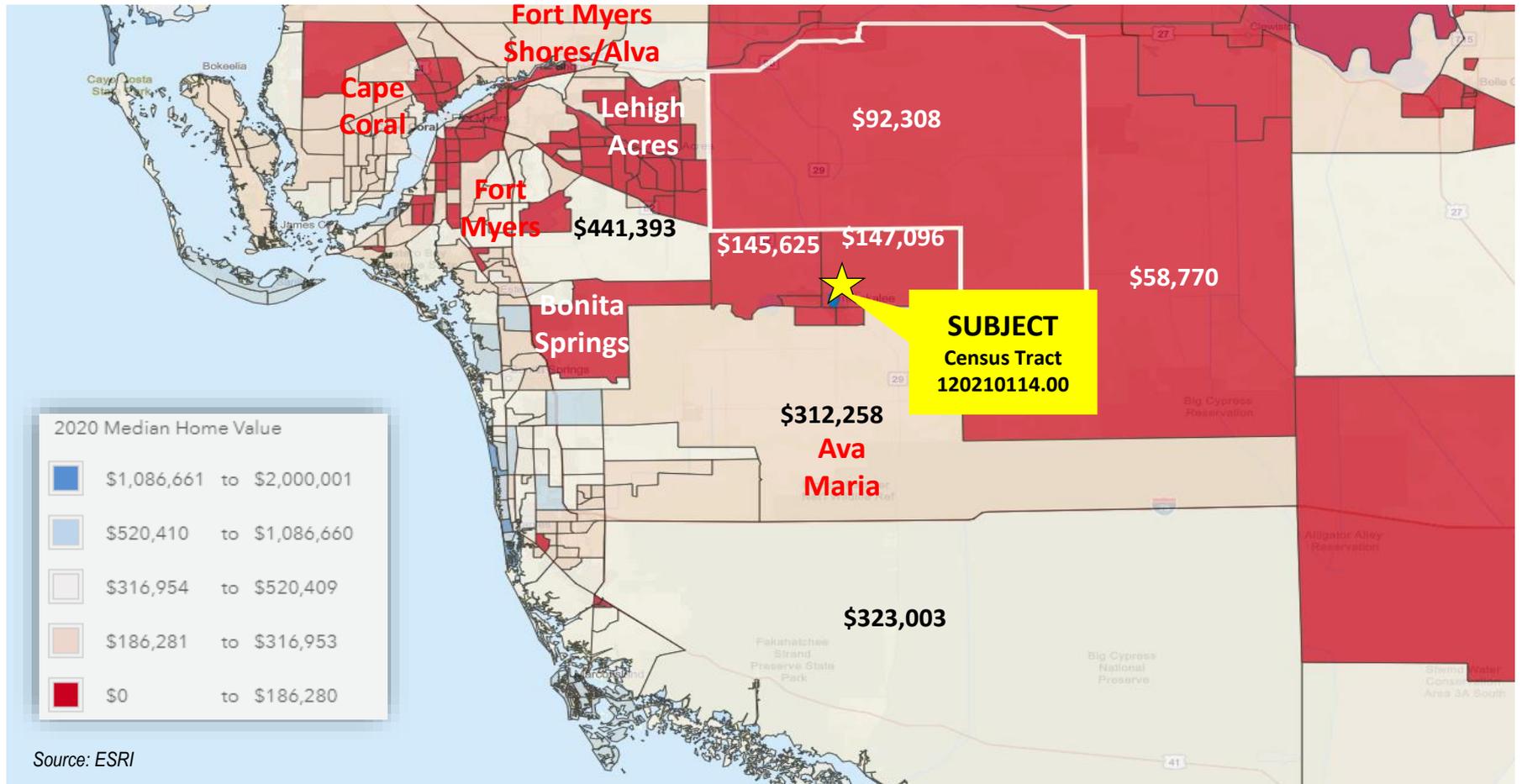


Source: ESRI

Median Home Values by Census Tract

Economic & Demographic Overview

Median home values in the subject market area are highest in coastal areas and further north where properties often include more acreage. The Subject area's median home price is just shy of \$150,000 while home values to the northwest and south average in the mid \$300,000's to mid \$400,000's. The Primary market area of Immokalee may be somewhat constrained in growth in median price due to an older housing stock, lower median income, and although growing, an overall lower homeownership rate as compared to nearby markets.

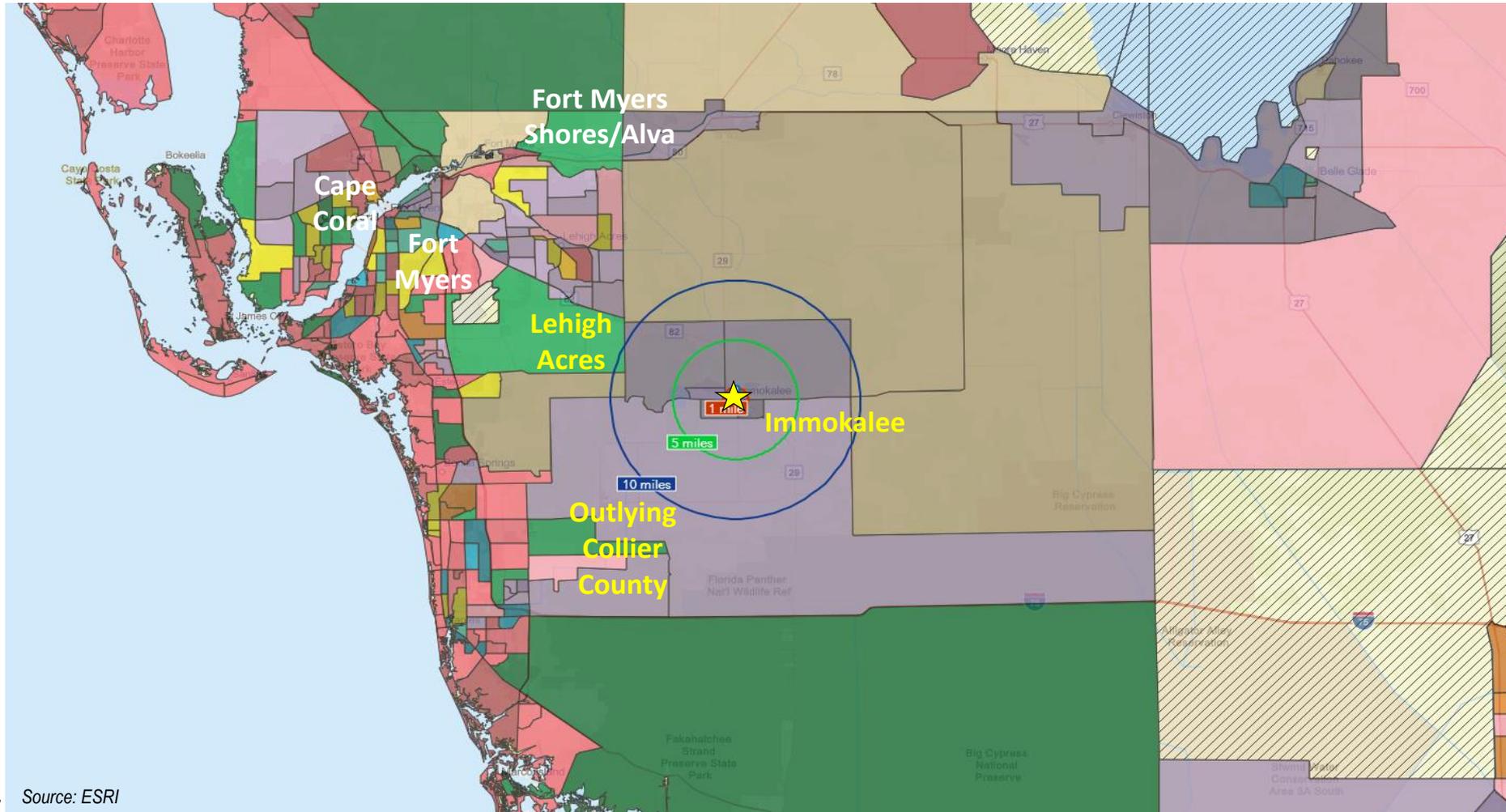


Target Consumer

Economic & Demographic Overview

The subject's surrounding market including the Adjacent market area and Benchmark market area have a very similar tapestry segment.

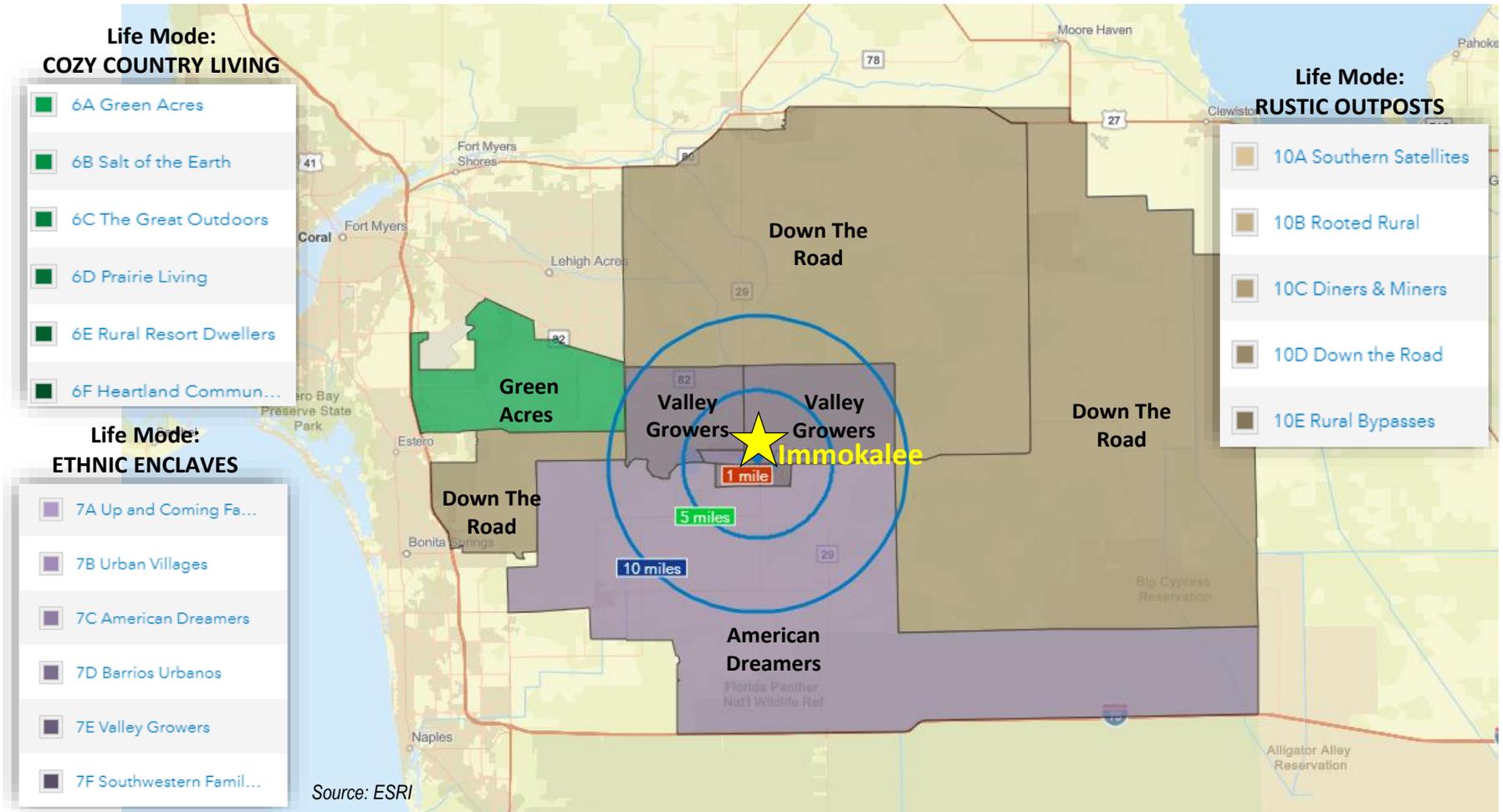
Tapestry segmentation is a market segmentation system designed to identify consumer markets in the United States. It incorporates the effects of growth and decline over the last decade on established consumer markets, as well as the emergence of new markets populated by millennials and immigrants. The map below shows a color concentration of the tapestry segments making up the subject market area and surrounding market areas (*detailed on following page*).

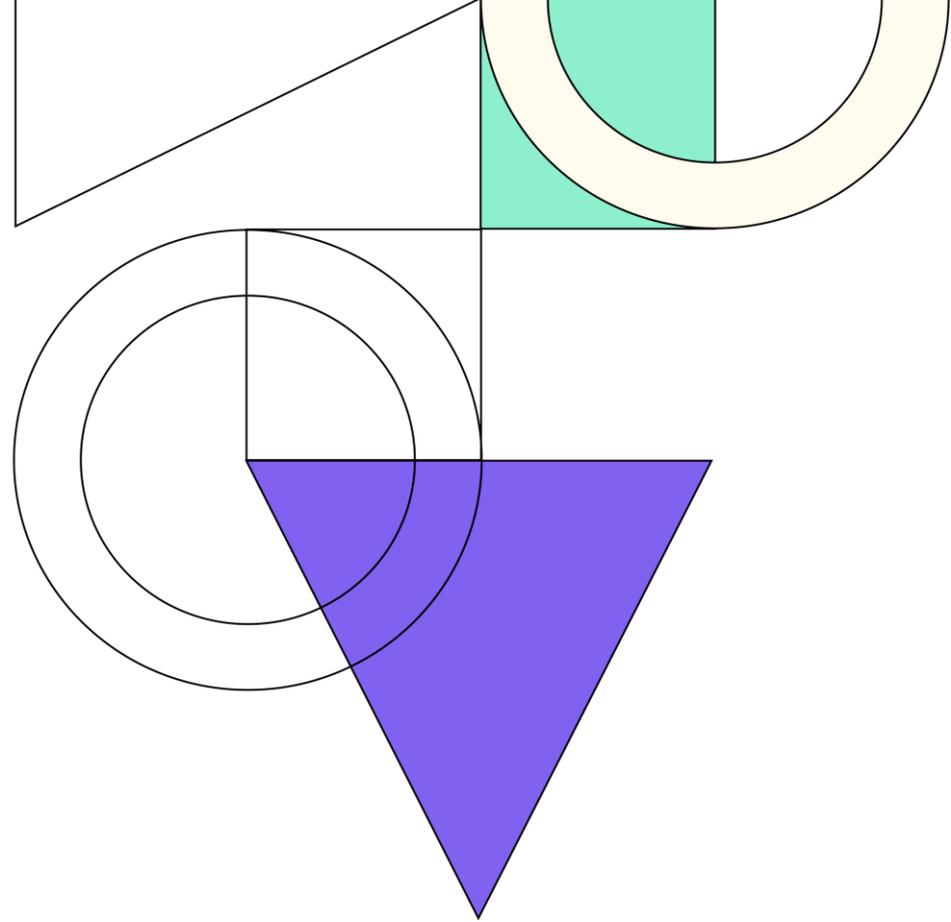


Target Consumer

Economic & Demographic Overview

The subject market area shows very little diversity in tapestry segments—made up entirety of 3 categories. The map below shows the dominant life position and tapestry segment for a 10-mile radius from the subject. Just over 70% of the households fall into 2 categories: Valley Growers and American Dreamers—both a subset of the Ethnic Enclave Life Mode. Residual households within the 10-mile radius ring fall into the “Down the Road” sub-set of the Rustic Outpost Life Mode group.

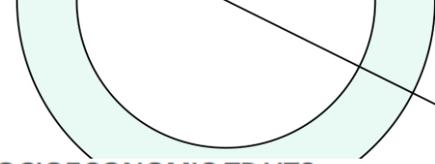




Appendix

6A: Green Acres

Psychographic Analysis of Residents in CMA



WHO ARE WE?

The *Green Acres* lifestyle features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of *Green Acres* remain pessimistic about the near future yet are heavily invested in it.



OUR NEIGHBORHOOD

- Rural enclaves in metropolitan areas, primarily (not exclusively) older homes with acreage; new housing growth in the past 15 years.
- Single-family, owner-occupied housing, with a median value of \$235,500.
- An older market, primarily married couples, most with no children.

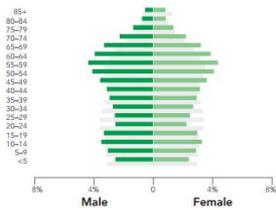
SOCIOECONOMIC TRAITS

- Education: More than 60% are college educated.
- Unemployment is low at 3.8% (Index 70); labor force participation rate is high at 66.8% (Index 107).
- Income is derived not only from wages and salaries but also from self-employment (more than 13% of households), investments (27% of households), and increasingly, from retirement.
- They are cautious consumers with a focus on quality and durability.
- Comfortable with technology, more as a tool than a trend: banking or paying bills online is convenient; but the Internet is not viewed as entertainment.
- Economic outlook is professed as pessimistic, but consumers are comfortable with debt, primarily as home and auto loans, and investments.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.

AGE BY SEX (Est. data)

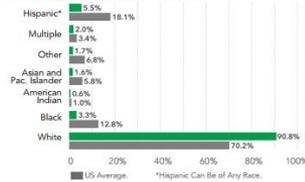
Median Age: **43.9** US: 38.2
 ■ Indicates US



RACE AND ETHNICITY (Est. data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: **26.0** US: 64.0



INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.



MARKET PROFILE (Consumer preferences are estimated from data by GfK MRI)

- Purchasing choices reflect *Green Acres'* residents country life, including a variety of vehicles from trucks and SUVs to ATVs and motorcycles, preferably late model.
- Homeowners favor DIY home improvement projects and gardening.
- Media of choice are provided by satellite service, radio, and television, also with an emphasis on country and home and garden.
- Green Acres residents pursue physical fitness vigorously, from working out on home exercise equipment to playing a variety of sports.
- Residents are active in their communities and a variety of social organizations, from charitable to veterans' clubs.

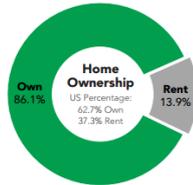
HOUSING

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



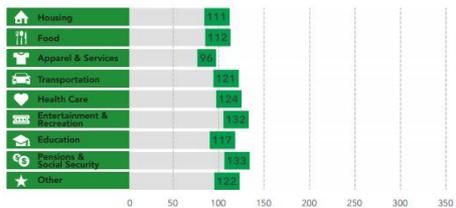
Typical Housing:
Single Family

Median Value:
\$235,500
US Median: \$207,300



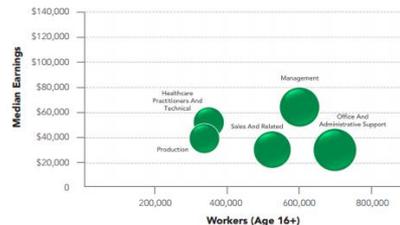
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



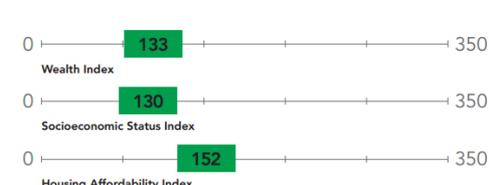
POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



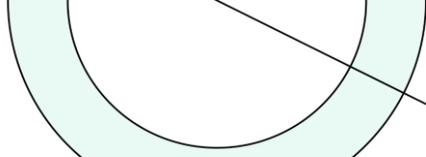
ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



7C: American Dreamers

Psychographic Analysis of Residents in CMA



WHO ARE WE?

Located throughout the South and West, most *American Dreamers* residents own their own homes, primarily single-family housing—farther out of the city, where housing is more affordable. Median household income is slightly below average (Index 91). The majority of households include younger married-couple families with children and, frequently, grandparents. Diversity is high; many residents are foreign born, of Hispanic origin. Hard work and sacrifice have improved their economic circumstance as they pursue a better life for themselves and their family. Spending is focused more on the members of the household than the home. Entertainment includes multiple televisions, movie rentals, and video games at home or visits to theme parks and zoos. This market is connected and adept at accessing what they want from the Internet.



OUR NEIGHBORHOOD

- American Dreamers residents are family-centric and diverse. Most are married couples with children of all ages or single parents; multigenerational homes are common (Index 201).
- Average household size is higher at 3.19 (Index 123).
- Residents tend to live further out from urban centers—more affordable single-family homes and more elbow room.
- Tenure is slightly above average with 64% owner occupancy; primarily single-family homes with more mortgages (Index 114) and slightly higher monthly costs (Index 115).
- Three quarters of all housing were built since 1970.
- Many neighborhoods are located in the urban periphery of the largest metropolitan areas across the South and West.
- Most households have one or two vehicles available and a longer commute to work.

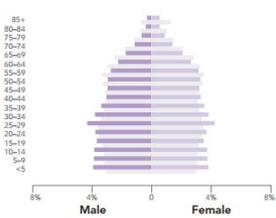
SOCIOECONOMIC TRAITS

- While nearly 17% have earned a college degree, the majority, or 63%, hold a high school diploma only or spent some time at a college or university.
- Unemployment is higher at 7.4% (Index 136); labor force participation is also higher at 66%.
- Most *American Dreamers* residents derive income from wages or salaries, but the rate of poverty is a bit higher in this market (Index 116).
- They tend to spend money carefully and focus more on necessities.
- They are captivated by new technology, particularly feature-rich smartphones.
- Connected: They use the Internet primarily for socializing but also for convenience, like paying bills online.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GRK MRL.

AGE BY SEX (Esri data)

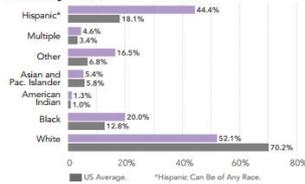
Median Age: 32.5 US: 38.2



RACE AND ETHNICITY (Esri data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 84.1 US: 64.0



INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.



MARKET PROFILE (Consumer preferences are estimated from data by GRK MRL)

- When dining out, these residents favor fast-food dining places such as Taco Bell or Little Caesar's, as well as family-friendly restaurants like Olive Garden, Denny's, or IHOP.
- Cell phones are preferred over landlines.
- Favorite channels include Animal Planet, MTV, ABC Family Channel, Bravo, and Nick Jr., as well as programming on Spanish TV.
- Residents listen to urban or Hispanic radio.
- During the summer, family outings to theme parks are especially popular.

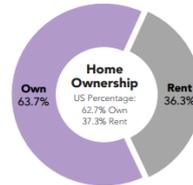
HOUSING

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



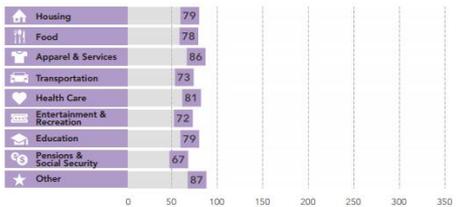
Typical Housing:
Single Family

Median Value:
\$145,900
US Median: \$207,300



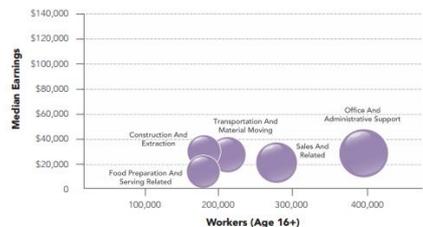
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



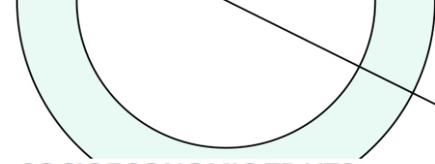
ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



7E: Valley Growers

Psychographic Analysis of Residents in CMA



WHO ARE WE?

Valley Growers is a small, but distinctive market, located almost entirely in the West (primarily in California and Washington). These neighborhoods are home to young, Hispanic families with children and, frequently, multiple generations living in single-family homes. Most residents are Hispanic (mostly of Mexican origin). A third is foreign born; 32% of households are linguistically isolated. This market is all about spending time with family, taking care of family and home, and following the Hispanic heritage. More homes are rented than owned, located in semirural areas where agriculture dominates. Unemployment is high, and household income is much lower than the US, supplemented by self-employment, home-grown products, and some public assistance. Consumers favor Spanish language media and watching sports on television.



OUR NEIGHBORHOOD

- Young families dominate this market, with a median age less than 28 and an average household size of 3.98 (Index 154). Average family size is also higher, at 4.26 (Index 134), with a number of multigenerational households (Index 266).
- Dominant household types: 38% are married-couple families with children (Index 173) and 21% are single-parent families (Index 181).
- Most households (about 57%) rent their homes.
- Homes are primarily single family homes (60%), with a large share of mobile homes (more than twice the US) and multiunit (2-4 units) dwellings (Index 146).
- Nearly three-fifths of homes were built before 1980.

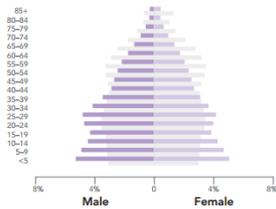
SOCIOECONOMIC TRAITS

- Only 24% have a high school diploma; almost half of the high school graduates have completed some college or a degree.
- 30% of households have members who speak only Spanish (Index 595).
- Primarily skilled work force, in agriculture; unemployment is high at 9% (Index 157).
- Median household income is lower, primarily from wages with assistance from Supplemental Security Income (Index 157) and public assistance income (Index 327).
- They are cost-conscious consumers, willing to shop around to obtain the best price, as their number one goal when shopping is to save as much money as possible.
- Spending time with family is a top priority.
- They use TV more than any other media to stay informed.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.

AGE BY SEX (Esti data)

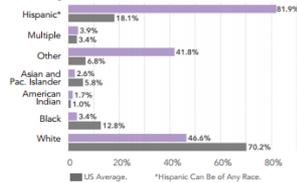
Median Age: 27.4 US: 38.2
Indicates US



RACE AND ETHNICITY (Esti data)

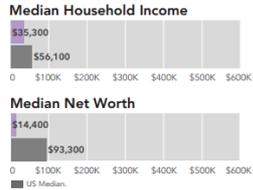
The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 84.6 US: 64.0



INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.



MARKET PROFILE (Consumer preferences are estimated from data by GfK MRI)

- Commonly own a truck or subcompact car, serviced by an HH member.
- Many pay bills in person and prepare their taxes manually.
- Work on home improvement projects, such as painting the house.
- Key expenditures include groceries and children's products.
- Favor shopping at Costco, Home Depot, Old Navy, Sears, Walmart, Dollar Tree, and Target.
- Minimal online usage, but visit Spanish language websites.
- Enjoy listening to the radio, going to movie theaters, or watching at home, dancing, and playing pool, the lottery, video games, and football.
- Prefer to watch programs on Spanish TV networks and Discovery Channel, and read parenting and automotive magazines.
- Listen to a variety of music, especially Spanish/Latin music.

HOUSING

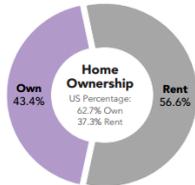
Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



Typical Housing: Single Family

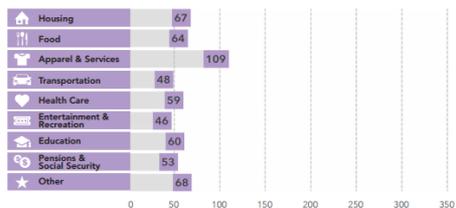
Average Rent: \$825

US Average: \$1,038



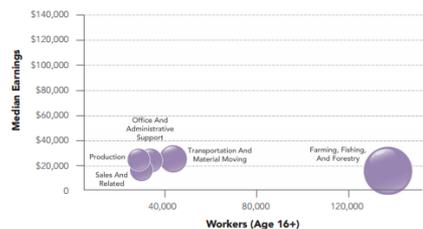
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



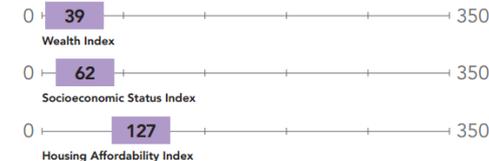
POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.

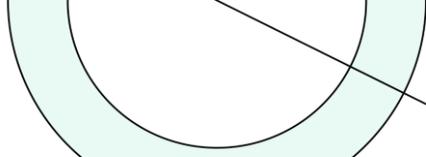


ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



10D: Down the Road Psychographic Analysis of Residents in CMA



WHO ARE WE?

Down the Road is a mix of low-density, semirural neighborhoods in large metropolitan areas; half are located in the South, with the rest chiefly in the West and Midwest. Almost half of householders live in mobile homes; more than two-fifths live in single-family homes. These are younger, diverse communities, with the highest proportion of American Indians of any segment. These family-oriented consumers value their traditions. Workers are in service, retail trade, manufacturing, and construction industries, with higher proportions in agriculture and mining, compared to the US. This market has higher unemployment, much lower median household income and home value, and more than a fifth of households with income below poverty level.



OUR NEIGHBORHOOD

- Nearly two-thirds of households are owned.
- Family market, primarily married couples or single-parent households (Index 145).
- Close to half of all households live in mobile homes (Index 780).
- Four-fifths of households were built in 1970 or later.
- About 32% of homes are valued under \$50,000 (over 4 times the US percentage).

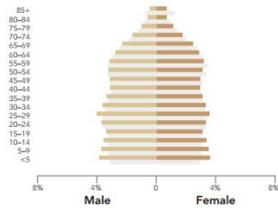
SOCIOECONOMIC TRAITS

- Education completed: 36% with a high school diploma only, 41% with some college education or a degree.
- Unemployment rate is 7.8%, higher than the US rate.
- Labor force participation rate is 59.0%, slightly lower than the US.
- Family-oriented, outgoing consumers; they place importance on preserving time-honored customs.
- They put a premium on convenience rather than health and nutrition.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MR.

AGE BY SEX (Esti data)

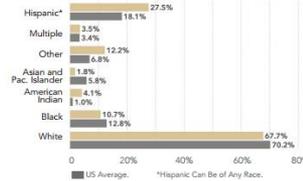
Median Age: 35.0 US: 38.2



RACE AND ETHNICITY (Esti data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 71.7 US: 64.0



INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.

Median Household Income



Median Net Worth



MARKET PROFILE (Consumer preferences are estimated from data by GfK MR)

- Purchased a used vehicle in the past year, likely maintaining the vehicle themselves.
- Routinely stop by the convenience store to purchase gas, lottery tickets, and snacks.
- Participate in fishing and hunting.
- Use the Internet to stay connected with friends and play online video games.
- Listen to the radio, especially at work, with a preference for rap, R&B, and country music.
- Enjoy programs on Investigation Discovery, CMT, and Hallmark, typically watching via satellite dish.
- Often prepare quick meals, using packaged or frozen dinner entrees.
- Favorite fast food: burgers and pizza.
- Frequent Walmart Supercenters, Walgreens, dollar stores, K-Marts, and Big Lots for all their shopping needs (groceries, clothing, pharmacy, etc.).

HOUSING

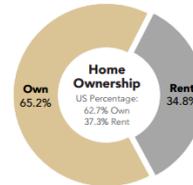
Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



Typical Housing: Mobile Homes; Single Family

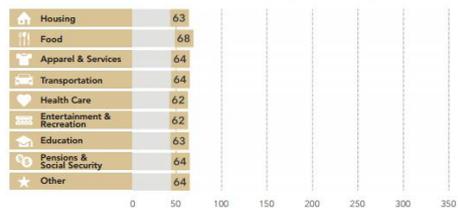
Median Value: \$89,800

US Median: \$207,300



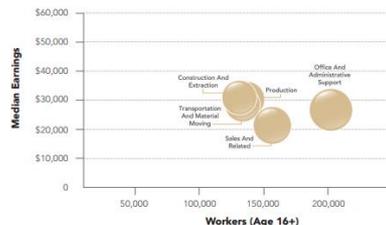
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



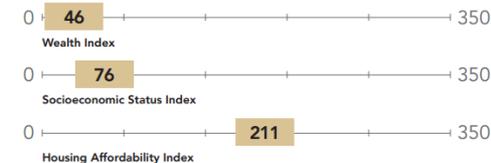
POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



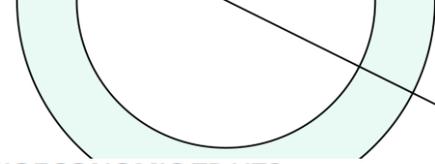
ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



12C: Small Town Simplicity

Psychographic Analysis of Residents in CMA



WHO ARE WE?

Small Town Simplicity includes young families and senior householders that are bound by community ties. The lifestyle is down-to-earth and semirural, with television for entertainment and news, and emphasis on convenience for both young parents and senior citizens. Residents embark on pursuits including online computer games, renting movies, indoor gardening, and rural activities like hunting and fishing. Since 1 in 4 households is below poverty level, residents also keep their finances simple—paying bills in person and avoiding debt.



OUR NEIGHBORHOOD

- They reside in small towns or semirural neighborhoods, mostly outside metropolitan areas.
- Homes are a mix of older single-family houses (61%), apartments, and mobile homes.
- Half of all homes are owner-occupied (Index 79).
- Median home value of \$92,300 is about half the US median.
- Average rent is \$639 (Index 62).
- This is an older market, with half of the householders aged 55 years or older, and predominantly single-person households (Index 139).

SOCIOECONOMIC TRAITS

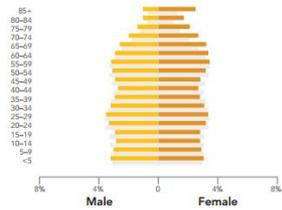
- Education: 67% with high school diploma or some college.
- Unemployment higher at 7.7% (Index 141).
- Labor force participation lower at 52% (Index 83), which could result from lack of jobs or retirement.
- Income from wages and salaries (Index 83), Social Security (Index 133) or retirement (Index 106), increased by Supplemental Security Income (Index 183).
- Price-conscious consumers that shop accordingly, with coupons at discount centers.
- Connected, but not to the latest or greatest gadgets; keep their landlines.
- Community-orientated residents; more conservative than middle-of-the-road.
- Rely on television or newspapers to stay informed.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.



AGE BY SEX (Esri data)

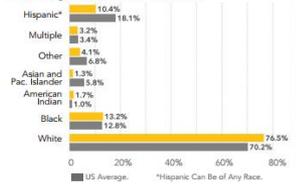
Median Age: **40.8** US: 38.2
■ Indicates US



RACE AND ETHNICITY (Esri data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: **51.0** US: 64.0



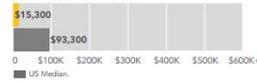
INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.

Median Household Income



Median Net Worth



MARKET PROFILE (Consumer preferences are estimated from data by GfK MRI)

- *Small Town Simplicity* features a semirural lifestyle, complete with trucks and SUVs (domestic, of course), ATVs, and vegetable gardens.
- Residents enjoy outdoor activities like hunting and fishing as well as watching NASCAR and college football and basketball on TV.
- A large senior population visit doctors and health practitioners regularly.
- However, a largely single population favors convenience over cooking—frozen meals and fast food.
- Home improvement is not a priority, but vehicle maintenance is.

HOUSING

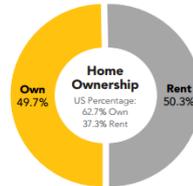
Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



Typical Housing: Single Family

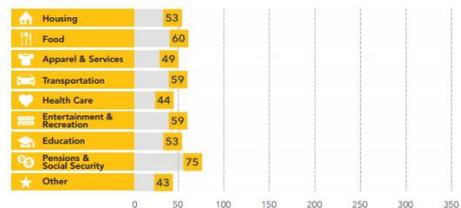
Median Value: \$92,300

US Median: \$207,300



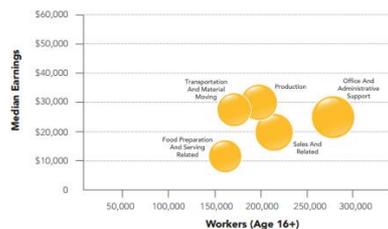
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.





North American Industry Classification System - Retail Categories		
Category Name	NAICS Code	Definition
Auto Parts, Accessories & Tire	4413	This industry group comprises establishments primarily engaged in retailing new, used, and/or rebuilt automotive parts and accessories, including tires and tubes. Included in this industry group are establishments primarily engaged in retailing automotive parts and accessories in combination with automotive repair services.
Beer, Wine & Liquor Stores	4453	This industry comprises establishments primarily engaged in retailing packaged alcoholic beverages, such as ale, beer, wine, and liquor.
Bldg. Material & Supplies Dealers	4441	This industry group comprises establishments primarily engaged in retailing new building materials and supplies. Includes home centers, paint and wallpaper stores, hardware, and other building material dealers.
Book, Periodical & Music	4512	This industry comprises establishments primarily engaged in retailing new books, newspapers, magazines, and other periodicals.
Clothing Stores	4481	This industry group comprises establishments primarily engaged in retailing new clothing. Includes men's, women's children's and infants clothing
Dept. Stores Excluding Leased Depts.	4521	This industry comprises establishments known as department stores that have separate departments for general lines of new merchandise, such as apparel, jewelry, home furnishings, and toys, with no one merchandise line predominating. Department stores may sell perishable groceries, such as fresh fruits, vegetables, and dairy products, but such sales are insignificant. Department stores may have separate customer checkout areas in each department, central customer checkout areas, or both.
Direct Selling Establishments	4543	This industry group comprises establishments primarily engaged in nonstore retailing (except electronic, mail-order, or vending machine sales). These establishments typically go to the customers' location rather than the customer coming to them (e.g., door-to-door sales, home parties). Examples of establishments in this industry are home delivery newspaper routes; home delivery of heating oil, liquefied petroleum (LP) gas, and other fuels; locker meat provisioners; frozen food and freezer meal plan providers; coffee-break supplies providers; and bottled water or water softener services.
Drinking Places - Alcoholic Beverages	7224	This industry comprises establishments known as bars, taverns, nightclubs, or drinking places primarily engaged in preparing and serving alcoholic beverages for immediate consumption. These establishments may also provide limited food services.
Electronics & Appliance Stores	443	Industries in the Electronics and Appliance Stores subsector retail new electronics and appliances from point-of-sale locations. Establishments in this subsector often operate from locations that have special provisions for floor displays requiring special electrical capacity to accommodate the proper demonstration of the products. The staff includes sales personnel knowledgeable in the characteristics and warranties of the line of goods retailed and may also include trained repair persons to handle the maintenance and repair of the electronic equipment and appliances. The classifications within this subsector are made principally on the type of product and knowledge required to operate each type of store.
Florists	4531	This industry comprises establishments known as florists primarily engaged in retailing cut flowers, floral arrangements, and potted plants purchased from others. These establishments usually prepare the arrangements they sell.
Furniture Stores	4421	Industries in the Furniture subsector retail new furniture from fixed point-of-sale locations. Establishments in this subsector usually operate from showrooms and have substantial areas for the presentation of their products. Many offer interior decorating services in addition to the sale of products.
Grocery Stores	4451	This industry group comprises establishments primarily engaged in retailing a general line of food products. Includes supermarkets and convenience stores.
Health & Personal Care Stores	446, 4461	This industry comprises establishments known as pharmacies and drug stores engaged in retailing prescription or nonprescription drugs and medicines. Includes Cosmetics, beauty supplies, optical goods and health supplement stores.
Home Furnishings Stores	4422	This industry group comprises establishments primarily engaged in retailing new home furnishings (except furniture). Includes floor covering stores, window treatment stores, and all other home furnishings.

Source: US Census, ESRI

https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart_code=44&search=2017%20NAICS%20Search



North American Industry Classification System - Retail Categories		
Category Name	NAICS Code	Definition
Jewelry, Luggage & Leather Goods	4483	This industry group comprises establishments primarily engaged in retailing new jewelry (except costume jewelry); new sterling and plated silverware; new watches and clocks; and new luggage with or without a general line of new leather goods and accessories, such as hats, gloves, handbags, ties, and belts.
Lawn & Garden Equip & Supply	4442	This industry group comprises establishments primarily engaged in retailing new lawn and garden equipment and supplies.
Office Supplies, Stationery & Gifts	4532	This industry group comprises establishments primarily engaged in retailing new office supplies, stationery, gifts, novelty merchandise, and souvenirs.
Other General Merchandise Stores	4529	This industry comprises establishments primarily engaged in retailing new goods in general merchandise stores (except department stores). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, groceries, housewares, and home furnishings, with no one merchandise line predominating. Establishments known as warehouse clubs, superstores, or supercenters are included in this industry. Examples include Dollar stores, General merchandise catalog showrooms (except catalog mail-order), General merchandise trading posts, General stores, Home and auto supply stores, Superstores (i.e., food and general merchandise), Variety stores, Warehouse clubs (i.e., food and general merchandise)
Other Miscellaneous Store Retailers	4539	This industry group comprises establishments primarily engaged in retailing new miscellaneous specialty store merchandise (except motor vehicle and parts dealers; furniture and home furnishings stores; consumer-type electronics and appliance stores; building material and garden equipment and supplies dealers; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; florists; office supplies, stationery, and gift stores; and used merchandise stores). This industry group also includes establishments primarily engaged in retailing a general line of new and used merchandise on an auction basis (except electronic auctions).
Restaurants/Other Eating Places	7225	This industry comprises establishments primarily engaged in one of the following: (1) providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating; (2) providing food services to patrons who generally order or select items (e.g., at a counter, in a buffet line) and pay before eating; or (3) preparing and/or serving a specialty snack (e.g., ice cream, frozen yogurt, cookies) and/or nonalcoholic beverages (e.g., coffee, juices, sodas) for consumption on or near the premises.
Shoe Stores	4482	This industry comprises establishments primarily engaged in retailing all types of new footwear (except hosiery and specialty sports footwear, such as golf shoes, bowling shoes, and spiked shoes). Establishments primarily engaged in retailing new tennis shoes or sneakers are included in this industry.
Special Food Services	7223	This industry group comprises establishments primarily engaged in providing food services at one or more of the following locations: (1) the customer's location; (2) a location designated by the customer; or (3) from motorized vehicles or nonmotorized carts.
Specialty Food Stores	4452	This industry group comprises establishments primarily engaged in retailing specialized lines of food, including meat, seafood, fruit and vegetable, baked goods, confectionary and nuts and other specialty food stores.
Sporting Goods/Hobby/Musical Instr.	4511	This industry group comprises establishments primarily engaged in retailing new sporting goods, games and toys, and musical instruments.
Used Merchandise Stores	4533	This industry comprises establishments primarily engaged in retailing used merchandise, antiques, and secondhand goods (except motor vehicles, such as automobiles, RVs, motorcycles, and boats; motor vehicle parts; tires; and mobile homes).

Source: US Census, ESRI

https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart_code=44&search=2017%20NAICS%20Search



Retail Property Type Descriptions

Appendix

Retail Type	Description
Freestanding	A stand-alone structure, not attached to a center. These may front current retail centers.
Community/Neighborhood Center	<p><u>Neighborhood Centers:</u> typically configured as an outside straight line configuration. Typically include one anchor store which may a grocery store. The anchor is usually at least 30,000 to 50,000 sf yet the center as a whole is usually under 100,000 sf.</p> <p><u>Community Centers:</u> similar profile yet typically in excess of 100,000 sqft. Both types are neighborhood "centric" and offer day to day conveniences, personal servies, pharmaceuticals, and other health related items. Neighborhood Centers drive their consumer base from a radius of about 3 miles and Community Centers from approximately an 8 mile radius. Both centers may have national and regional tenants.</p>
Strip Center	Outside access centers usually configured in a straight line, L or U-shaoed layout. Smaller sized and include a variety of services but typoiically not many national tenants unless franchises.



Thank you!

Zonda

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