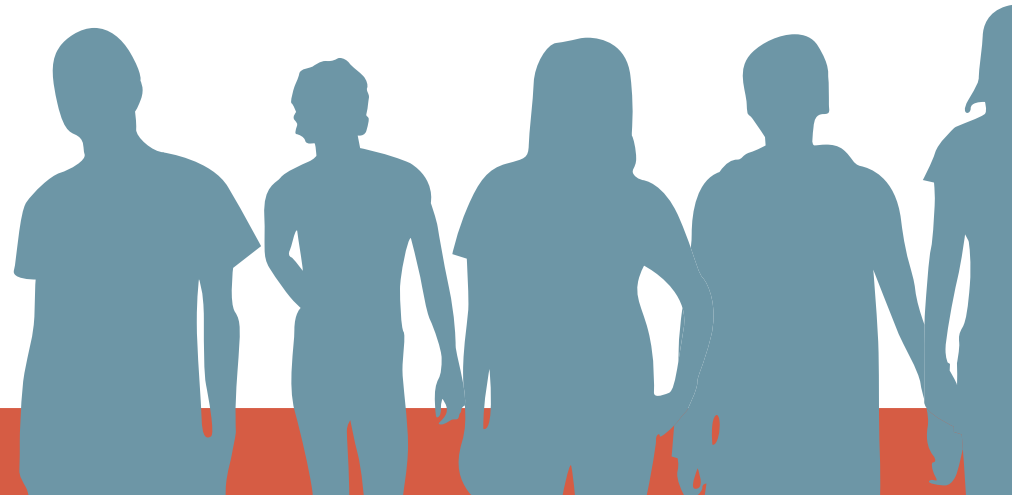


BUILD ON STRENGTHS



WHAT WE HEARD

+ RETAIL:

- + Better, full-service grocery store
- + More service retail to support neighborhood
- + Affordable options for all income levels
- + Health food options
- + Yoga, gym, spa, dance studio
- + Bakery, donut, bagel, sub shop
- + Music shop, bookstore
- + Men's and kid's wear

+ HOUSING:

- + Mixed-use development
- + Apartments
- + Affordable live/work units
- + New homes other than townhomes
- + Resources for renovations and upgrades

"Have to get a local grocer"

"Service retail: Tailors, shoes/cobbler, athletic apparel..."

"Would love to see some sandwich style cafe's in the district that are low key but interesting, quirky...affordable, and OPEN during lunch."

"...new construction housing at costs of \$100,000-\$150,000 to cater to middle class workers with families"

"Could use more rental housing, apartments or multi-unit buildings"

"I would like to see more new single family homes constructed that had more room for new children"

The world is reordering itself economically and socially.

Demographics



72% non-family households by 2025*

Preferences



66% prefer attached or small lot housing*

Internet Trends



3,700% increase in web-based electronic sales*

* Martha Farnsworth Riche

* If it puts them closer to work, mix of uses, etc. National Association of Realtors

* 1999-2010 Census



Housing: The Demographic Shift



URBAN PROFESSIONALS Metropolitans

Median Household Income
\$62,800

Average Age
38

Percentage of Ownership
62%

Average Household Size
2.09

Predominant Household Type
Singles, Couples, Roommates



URBAN PROFESSIONALS Metro Renters

Median Household Income
\$59,700

Average Age
34

Percentage of Ownership
22%

Average Household Size
1.61

Predominant Household Type
Singles, Roommates



DISPLACED URBANITES Young and Restless

Median Household Income
\$45,200

Average Age
28

Percentage of Ownership
15%

Average Household Size
2.00

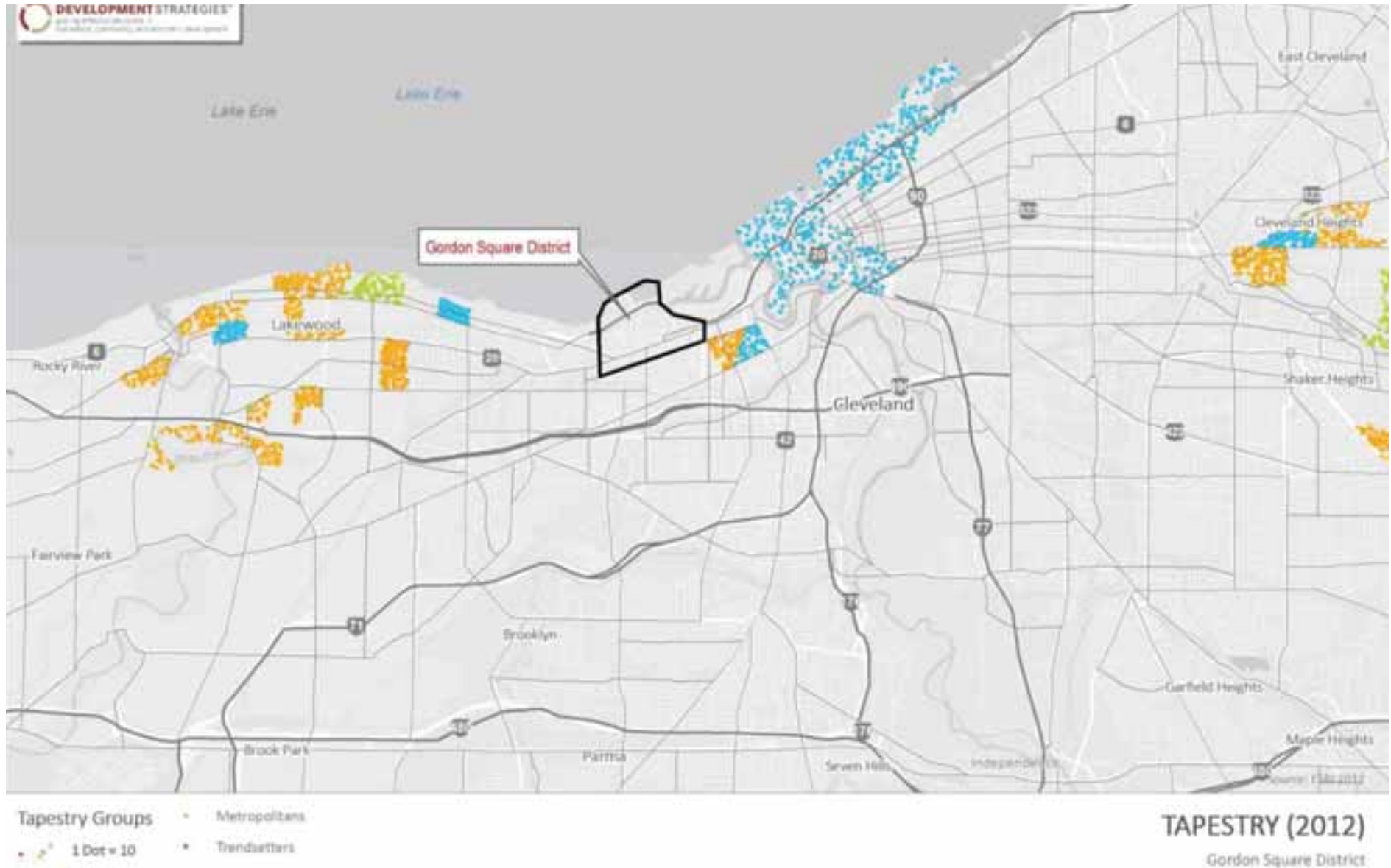
Predominant Household Type
Singles, Roommates

DEVELOPMENT STRATEGIES

Source: ESRI Business Analyst 2011. Data Presented are national figures.



Residential Demand: Displaced Urbanites



Residential

	Gordon Square	Ohio City	Tremont	Cleveland	Pittsburgh	St. Louis
< \$15,000	38%	41%	35%	31%	22%	25%
< High School Diploma	19%	23%	20%	23%	10%	17%
Unemployment	15%	18%	10%	20%	9%	14%
Per Capita Income	\$17,000	\$19,000	\$27,000	\$16,000	\$25,000	\$22,000



Residential



Residential



Retail Marketability Overview



Market Analysis: Retail Demand



Future Retail Demand: Population and Income Growth



So, how much retail demand do new households generate?

(100 Households @ \$75,000 = 7,500 s.f.)

Retail Tenanting: Demand and Strategy



No Subsidy

Market Demand

- Utrecht/Blick Art Supplies
- Game Stop
- Pizza Restaurant
- Quiznos
- Apparel Store
- Bank Branch
- Cell Phone Store
- Smoothie Store

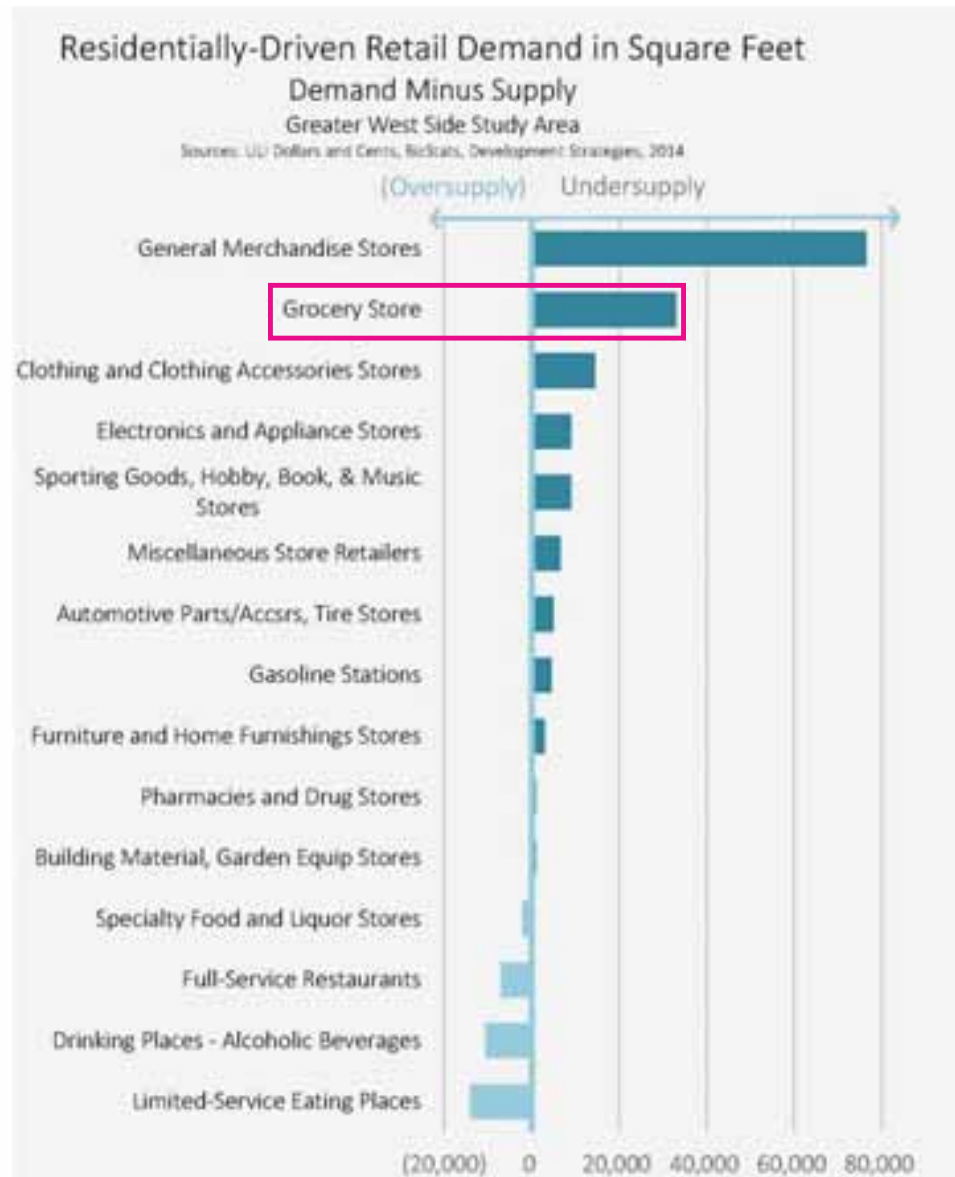
Requires Subsidy

Market Strategy

- Coffee Roaster
- Breakfast Diner
- Bicycle Shop
- Bakery/Craft Pastries
- Micro Brewery
- Barbeque Restaurant
- Craft Donut Shop
- Art Galleries



Demand Gap Analysis: Greater West Side



Retail Demand: Theatre Attendees

Gordon Square Arts District Theater Attendees 2013

Cleveland Public Theater:	11,500
Capitol Theater:	63,000
Near West Theater:	6,000
Total:	+/-80,500



AVERAGE PER PERSON AUDIENCE EXPENDITURES: \$24.60



Retail Demand: Theatre Attendees



Attendee-Supported Retail

Restaurants/Bars/Cafes	3,000 Sq Ft
Apparel/Boutiques:	1,000 Sq Ft
Total:	+/- 4,000 Sq Ft



Retail Demand: Neighborhoods and Market Areas



Retail Demand: Conclusions

Larger Market Area



Grocery Store
30,000-40,000 s.f.



Pharmacy
10,000-15,000 s.f.



Electronics
2,500-5,000 s.f.



Fast Casual
Ethnic Rest.
3,000 s.f.

Arts District Core

Apparel
5,000 s.f.



Cafe
2,500 s.f.



Bakery
2,500 s.f.



Gastropub
2,500 s.f.



Bar
2,500 s.f.



Conclusions: Retail

Larger Market Area

- Underserved market in Detroit-Shoreway, Ohio City, and Tremont
- Grocery store anchor is viable, making a site like Max Hayes attractive for other tenants
- Certain tenants would likely pay high rents and require minimal subsidy in a development

Gordon Square @ 65th

- Focus on strength of theater anchors, placemaking, and local retail
- Dependent on increased arts traffic (subsidizing galleries is an attractive market strategy)
- Growth may be incremental as neighborhood population base builds



Conclusions: Housing

For-Sale Market

- Continued townhome development in \$300,000-plus price range north of Detroit is likely
- Demand exists for \$180,000 to \$240,000 price points, but difficult to deliver new product to market
- \$180,000 to \$240,000 market would be better served in rehabs between Detroit and Franklin and east of 65th.
- Due to bluffs and views, Max Hayes site could accommodate very high end condos

Rental Market

- Artist rehabs attractive on Detroit between 58th and 48th.
- Long-term strategy of Main Street residential between 58th and 48th,
- Market for young professionals, but need more rentals in Ohio City (@ \$1.30+ psf) first

