#### The Art & Science Of Shopping Center Development

David Z. Beitz, Edens & Avant Steve Lackow, RPM Consulting





#### If You Build It They Will Come





# Well... Maybe Not!









# **Make The Right Decision**

- The Wrong Process & Decision Can Cost You & Your Company Dearly
- Let's Spend A Few Minutes On "The Right Stuff"
- And Then We'll Look At An Actual Case Study

# **Art & Science**

- The Art Knowing What To Include In The DSS Model & How To Include It
- The Science How DSS Elements Are Included, Integrated, Accessed & Applied

# **Locations & Sites**

- Locations, The General Trade Or Market Areas
  - Key: "Harmonize" Anchor & Primary Store
    Demographics To Community Demographics
- Sites, The Specific Physical Footprints
  - Key: Make Sure Site Characteristics Complement
    The Business & Community Composition

# **Location Analysis Data Elements**

- Econometrics & Cycle Forecasts
- Residential Demographics &.
  Trends
- Lifestyle Demographics
- Daytime Population & Employment
- Social Class & Shopping Patterns
- Consumer Expenditures
- "Single –Source" (Scanner) Data
  - Coming Attraction, RFID

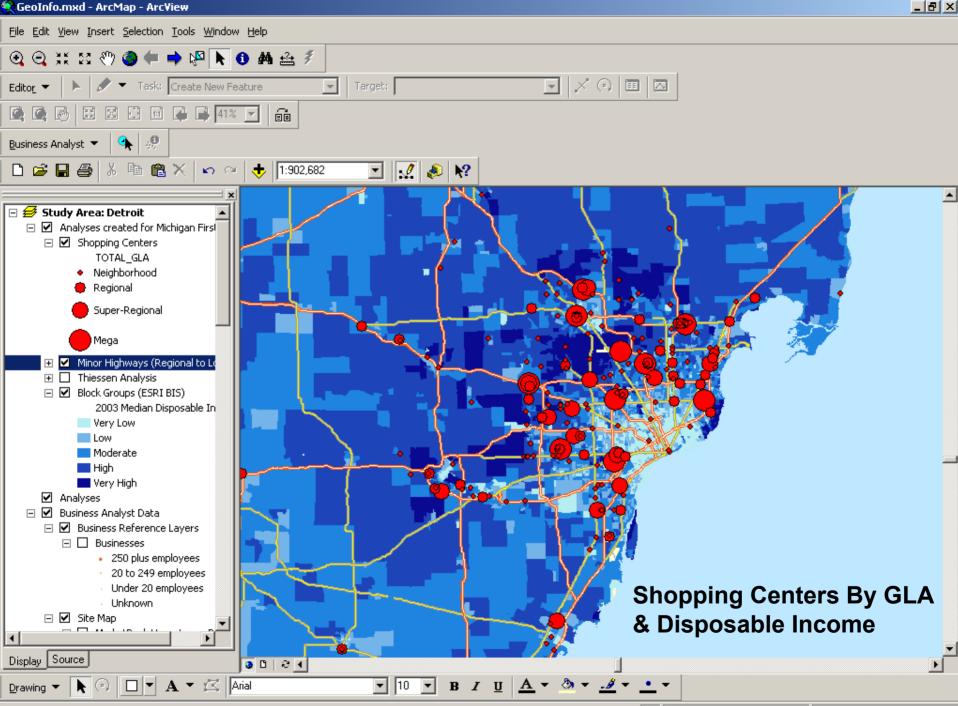
- Syndicated Consumer Research
  - Simmons, MRI, Gallup, etc.
  - Primary Consumer Research
- Business Info
  - By SIC Code
  - By Employee Count
  - By Annual Sales Revenue
- Shopping Center Info
  - Key Anchors
  - Primary Stores
- Geographic Info
  - Points (e.g. Sites & Associated Info)
  - Lines (e.g. Streets, Highways & Traffic)
  - Polygons (e.g. Block Groups)

Is there any question that shopping centers can dramatically influence society, as well as vice-versa?

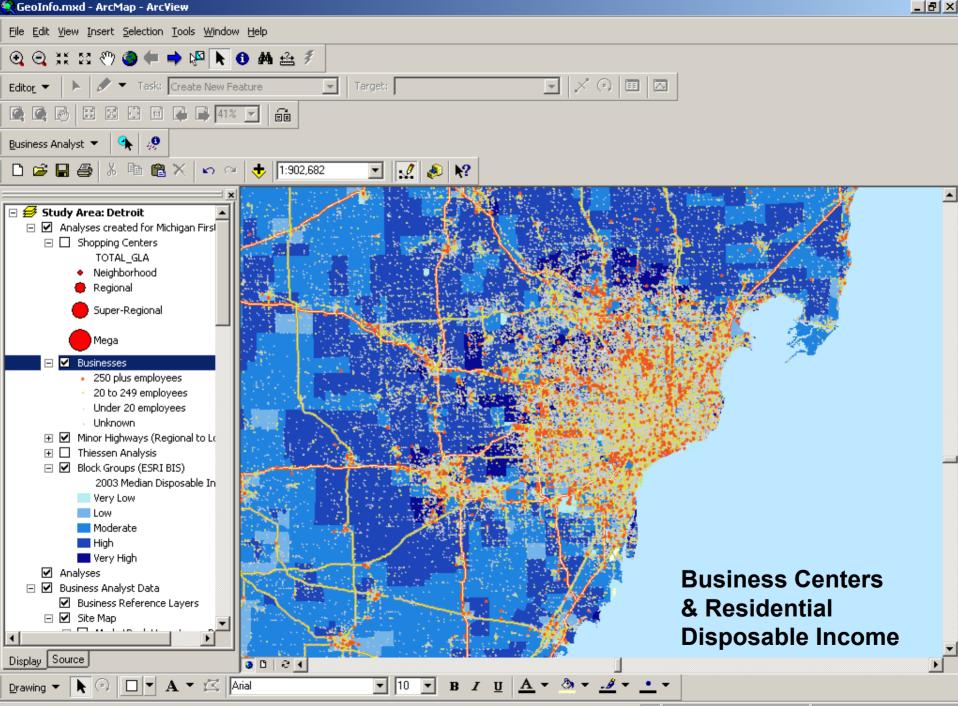
SWENSENS

# How Do We Integrate Location Data?

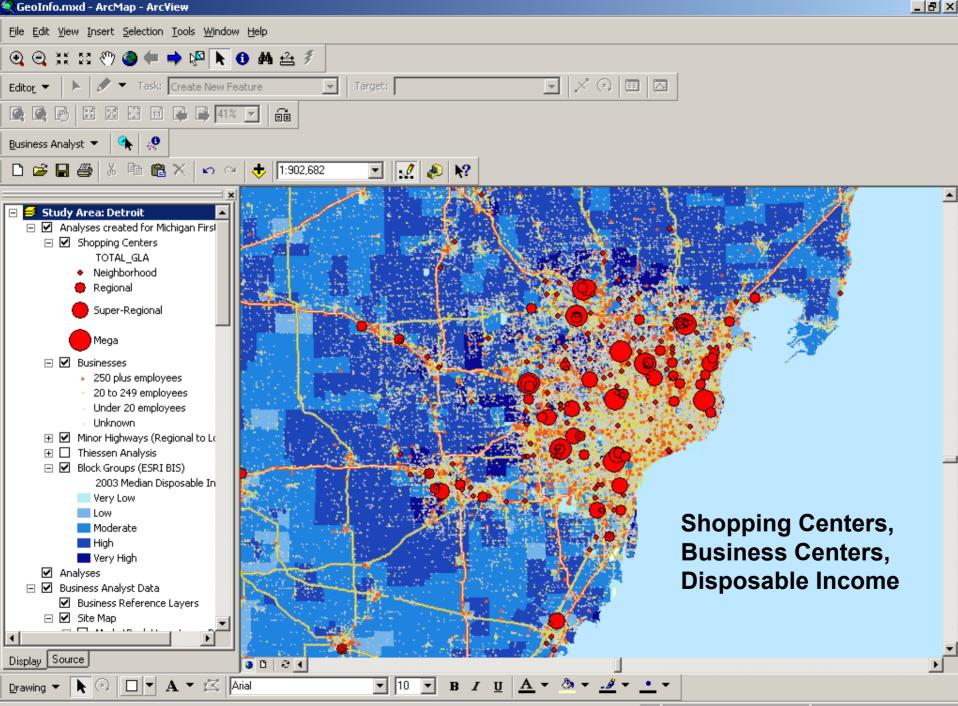
#### • With A GIS, Of Course!



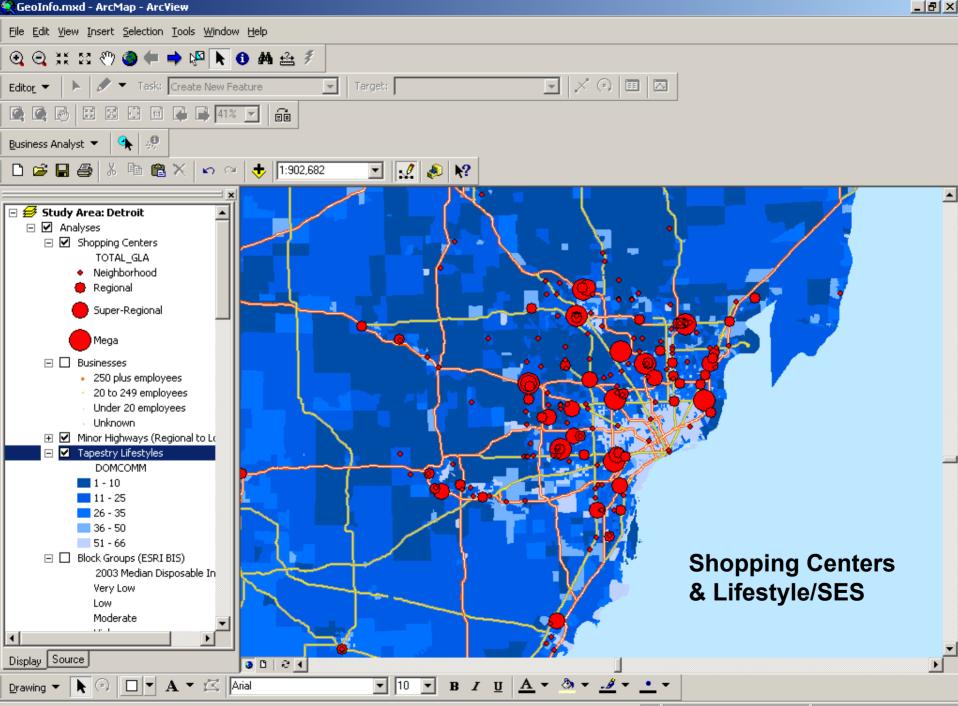
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-88369.01 4709059.42 Meters



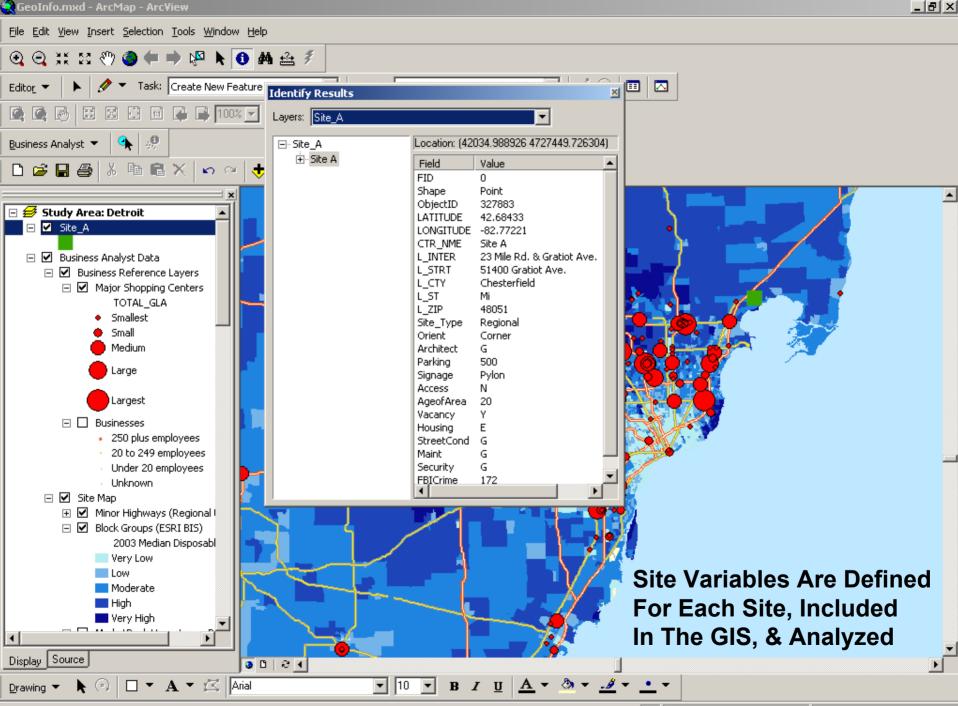
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# **Site Analysis Data Elements**

- Site Type
- Site Orientation
- Accessibility
- Signage
- Vacancy Rate
- Business Compatibility & Retail Mix
- Architectural Compatibility
- Age Of Surroundings
- Quality Of Area Housing
- Maintenance & Appearance
- Parking
- Traffic & Street Conditions
- Environmental Assessment & Impacts
- Security & Safety

#### And How Do We Integrate Site Data?

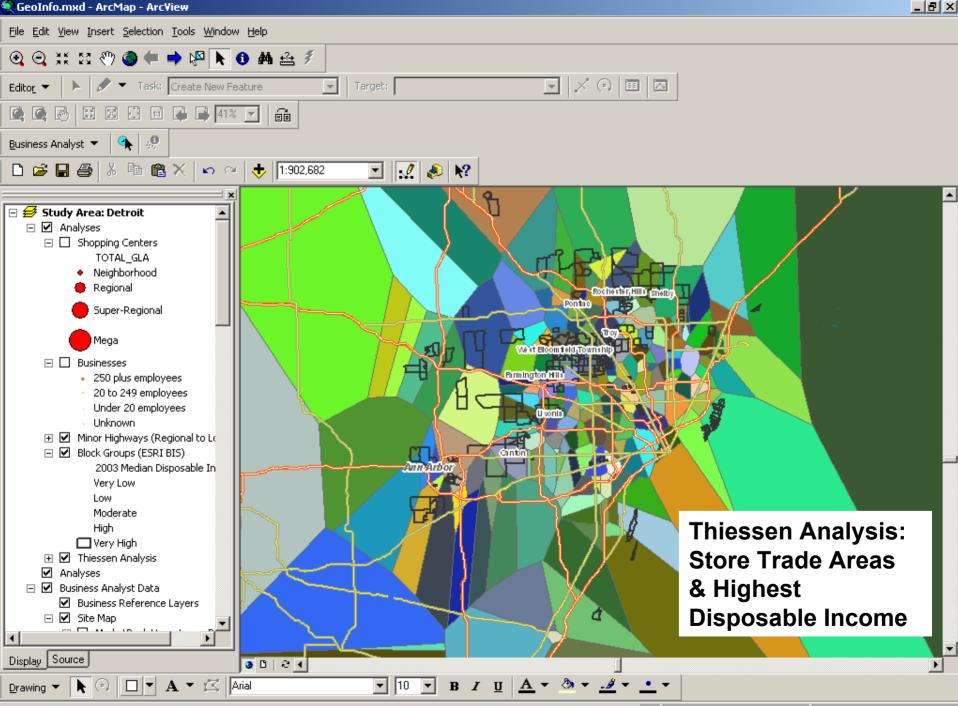
• In The GIS, Of Course!



<sup>-37258.29 4638841.88</sup> Meters

# **Analysis Tools**

- Trade Area Modeling
  - Drive Time & Walk Time Analysis
  - Thiessen & Other Competitive Analysis
  - Market Rings
  - Distance Decay
  - Gravity Modeling
- Predictive Modeling
- "Find Similar"
- Thematic Mapping
- Reporting



-89324.35 4738197.31 Meters

# Now, In The Real World

- Introducing David Beitz, of Edens & Avant
- Dave Will Walk You Through A Real Case Study On How Theory Translates Into Reality In The Art & Science Of Shopping Center Location

#### Edens & Avant

• Who we are

• What we do

EDENS AVANT Home   Our Centers   Necessity Retail   Our Retailers   About Us   Employment	Center Quick Pick Fast access to one of our 250+ shopping centers Center Name			
Retail Speed. Retail Smart. <sup>TM</sup> Edens & Avant, one of the nation's premier retail real estate	News 06/01/2004 Real Estate Forum : Opportunities Abound			
companies, is a market leader in the grocery-anchored sector	■ 05/26/2004 Edens & Avant CEO elected to board			
with its dynamic Necessity Retail® Centers.	■ 05/05/2004 Edens & Avant Names New Vice President of Finance and Capital Markets			



# What anchor(s) do I picture here?

 An experienced developer can envision what anchors might be interested in the site

- Anchors always do their own research

– Our research has three purposes:

- To pre-qualify the site
- To understand the dynamics of the site
- To market the site

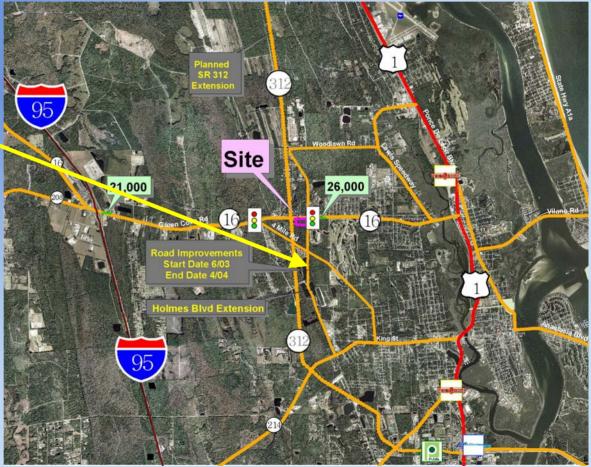
# Case Study – Start with an Anchor

- What do anchor stores look for?
  - Demographics ring and trade area
  - Competition existing
  - Competition other sites
  - Traffic counts
  - Schools
  - Residential growth
  - Road Projects

## Case Study – Florida Site

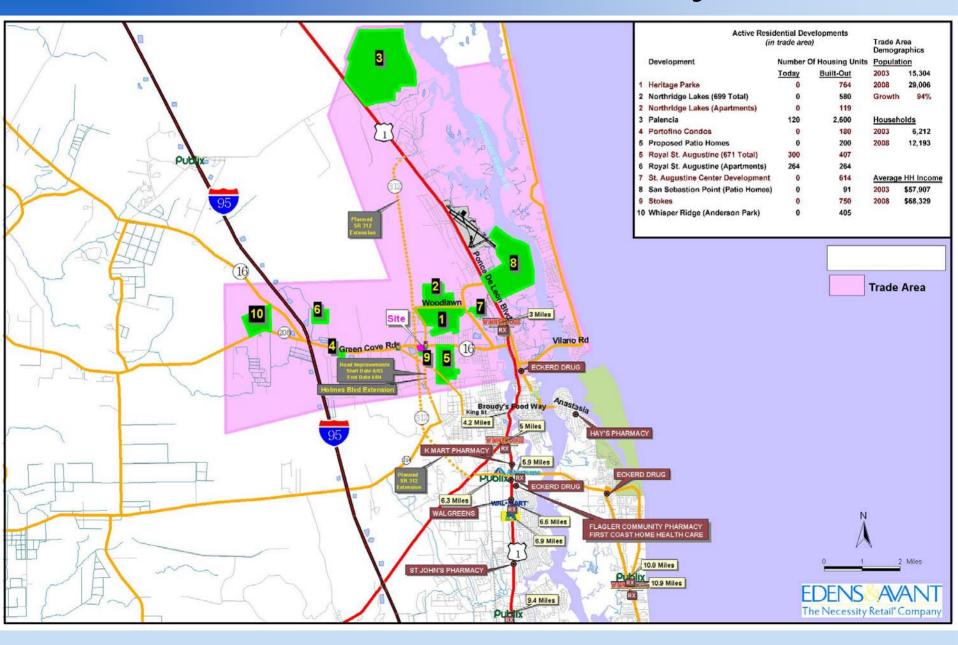


A BULLDOZER RESTS at the side of what will become an extension of **Kenton Morrison Road** that will connect to Holmes Boulevard thus providing an almost direct route between S.R. 16 and S.R. 207. Kenton Morrison Road will be extended south from Four Mile Road and connect with an extended Holmes **Boulevard.** The Holmes **Boulevard project will** cost \$1.6 million and the first road the county has paid for since S.R. 312 in the early 1990s. By JUSTIN YURKANIN, Staff

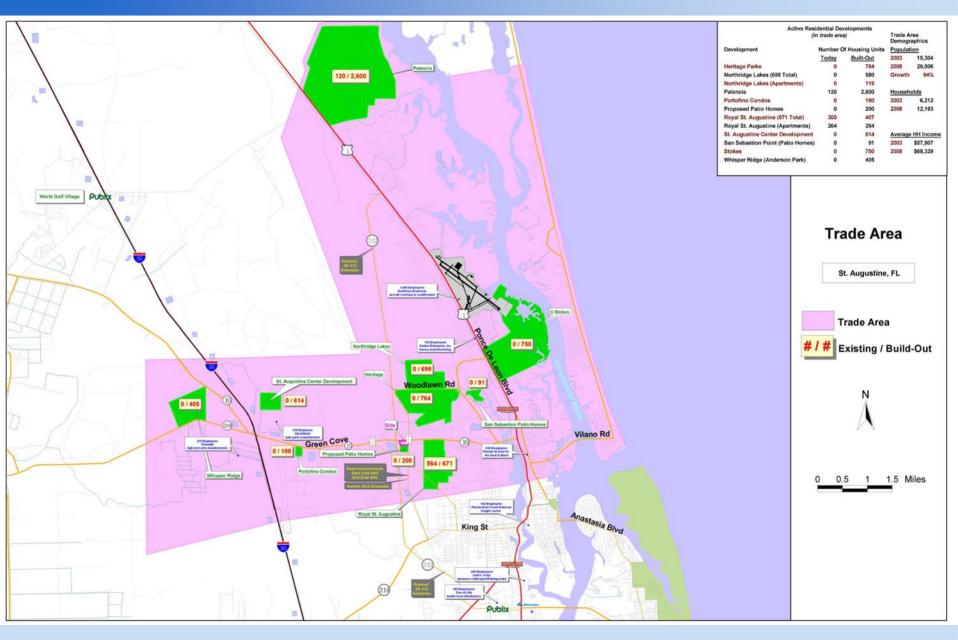


**September 21, 2003** 

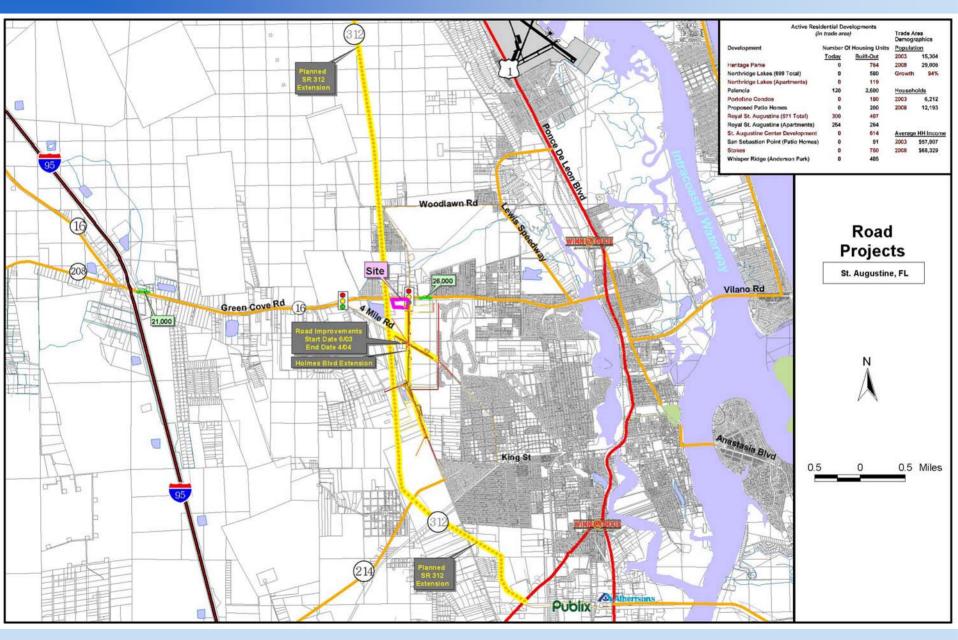
#### Homes & Pharmacy's



# **Subdivisions**



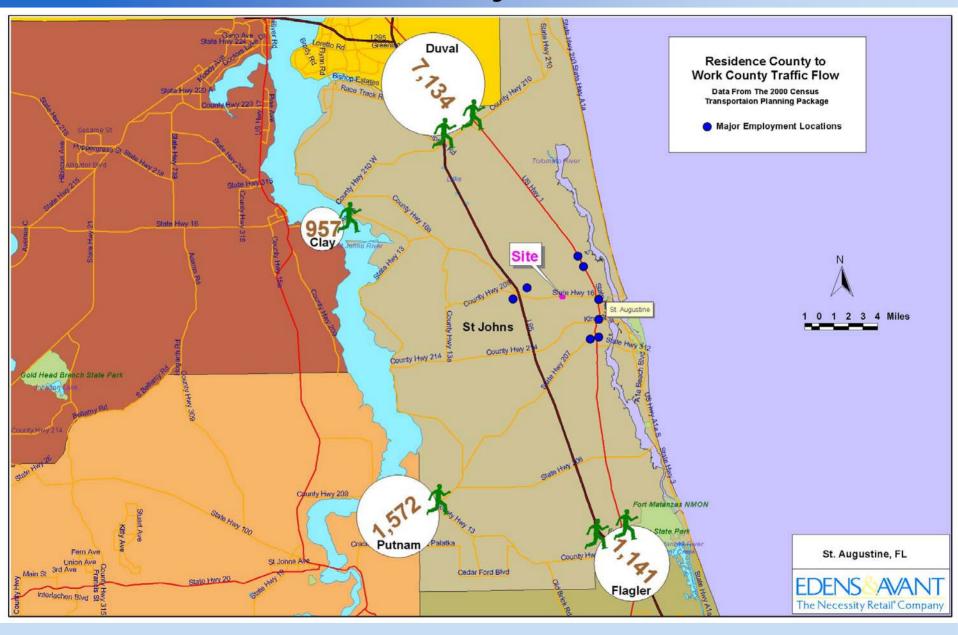
# **Road Projects**



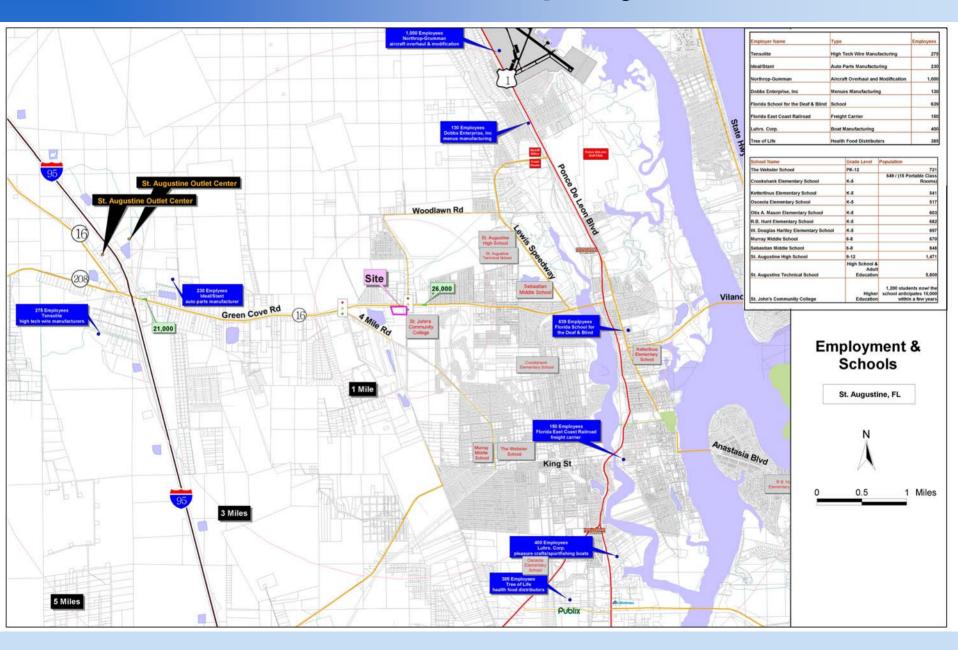
# Schools

				EDENS&AVANT
School Name	Grade Level	Population	Address	LDLI NO AVAINI The Necessity Retail Company
The Webster School	PK-12	721	420 North Orange Street, Saint Augustine, FL 32095	Site St. Augustine High School St. Augustine Technical School Middle School
Crookshank Elementary School	K-5	649 / (15 Portable Class Rooms)	1455 N. Whitney Street, Saint Augustine, FL 32095	St. John's Community College
Ketterlinus Elementary School	K-5	541	67 Orange Street, Saint Augustine, FL 32084	Holmer Elvd Extension
Osceola Elementary School	к-5	517	1605 Osceola Elementary Road, Saint Augustine, FL 32084	Murray Middle School
Otis A. Mason Elementary School	K-5	603	207 Mason Manatee Way, Saint Augustine, FL 32086	R.B. Hunt Elementary School
R.B. Hunt Elementary School	K-5	682	125 Magnolia Drive, Saint Augustine, FL 32084	31) School
W. Douglas Hartley Elementary School	K-5	697	260 Cacique Drive, Saint Augustine, FL 32086	Planned SR 312 Extension Publix
Murray Middle School	6-8	670	150 N. Holmes Boulevard, Saint Augustine, FL 32095	
Sebastian Middle School	6-8	848	2955 Lewis Speed Way, Saint Augustine, FL 32084	
St. Augustine High School	9-12	1,471	3205 Varella Avenue, Saint Augustine, FL 32095	
St. Augustine Technical School	High School & Adult Education	5,800	2980 Collins Avenue, Saint Augustine, FL 32095	Otis A. Mason Elementary School
St. John's Community College	Higher Education	1,200 students now/ the school anticipates 10,000 within a few years	4 Mile Rd & Holmes Blvd, Saint Augustine, FL 32095	W. Douglas Hartley Elementary School

#### **Census Journey to work data**



# Schools & Employment



# **Subdivisions**

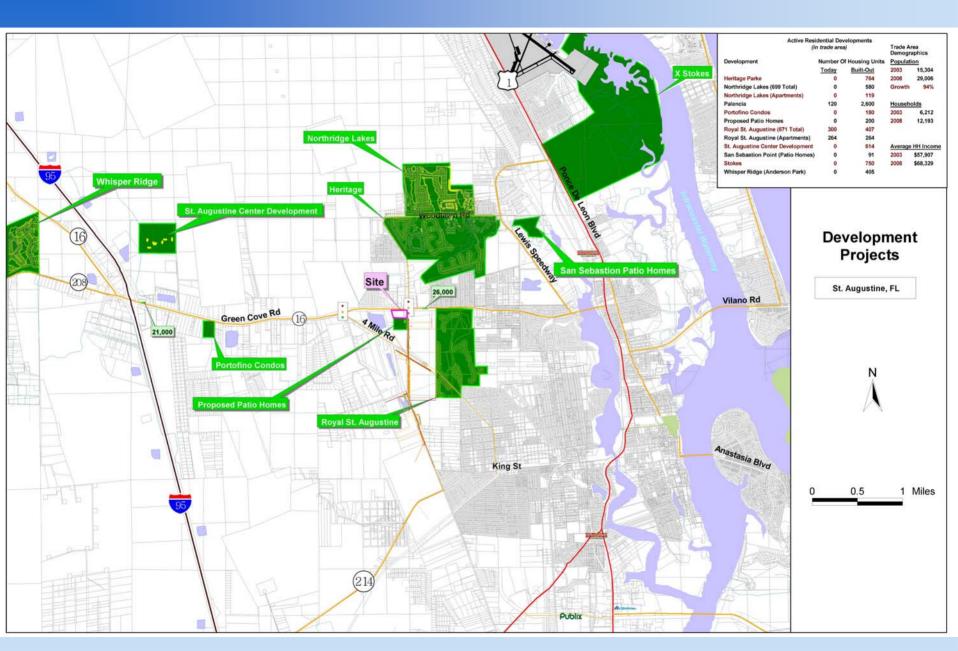
			Development Commenceme	Projected Completion	Buildout #	Current # of	# of Units Under			
Map #	Quadrant	Name of Development	nt Date	Date	of Units	Units	Construction	Typical Package Price	Contact Name	Contact Phone
1	NE	Heritage Parke	2003	2008	764	0		\$140,000 to \$250,000	Mike Hefferon	904-808-9977
2	NE	Northridge Lakes (699 Total)	2003		580	0		\$81,900 to \$133,000	Robert Graubard	904-797-5077
2	NE	Northridge Lakes (Apartments)	2003		119	o			Robert Graubard	904-797-5077
3	NW	Palencia	2001		2,600	120		\$255,000 to \$3,000,000	Naomie Lumley	904-810-0500
4	NW	Portofino Condos	2003		180	o		\$115,000 to \$200,000	Betty Riley	800-808-8199
5	SE	Royal St. Augustine (671 Total)	1999	2005	407	300		\$130,000 to \$400,000	www.royalstaug.com	1
5	SE	Royal St. Augustine (Apartments)	1999	2001	264	264		1 br \$739, 2br \$950, 3br \$1160	www.royalstaug.com	1
6	NW	St. Augustine Center Development	2003	2004	614	0			Spencer Philips	407-804-8949
7	NE	San Sebastion Point (Patio Homes)		2005	91	0				
8	NE	Stokes			750	o		\$500,000 and above	Chester Stokes	904-482-1100
9	SE	Proposed Patio Homes (under contract)	2004	2005	200	0			Chester Stokes	904-482-1100
10	NE	Whisper Ridge (Anderson Park)	2003		405	0		\$200,000	Bill Shaffer	904-346-1777
				TOTAL	6,974	684				
		Curre	ent # units(684) x	2000 Persons pe	er househole	d (2.4):	1,642			

	Curre	ent#units(684)x	2000 Persons p	1,642							
			Trade Area 200	0 Census Population:	13,662						
		Total current population: =			15,304						

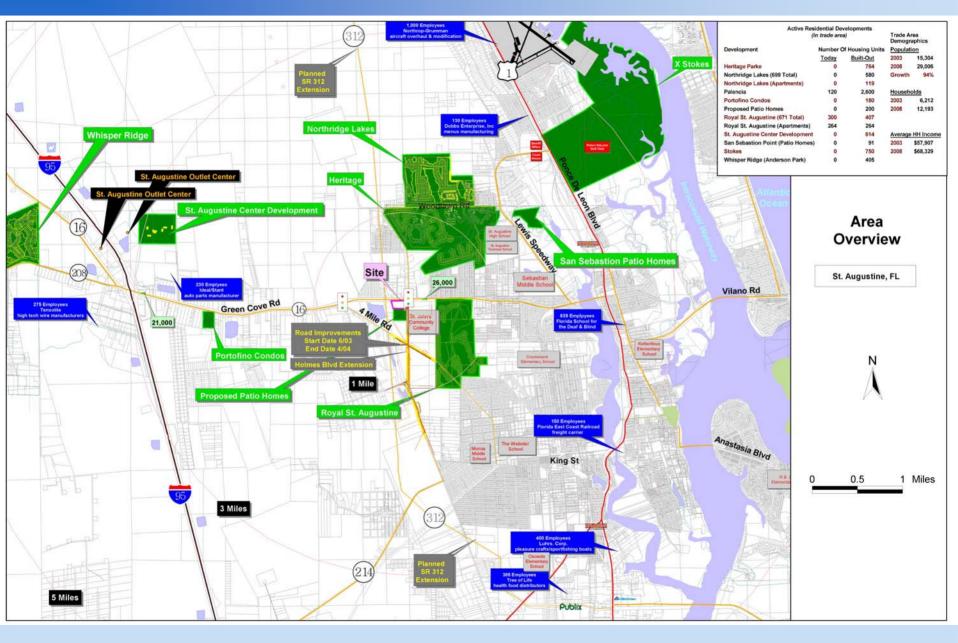
# **Trade Area Demographics**

Active Residential Developments (in trade area)			EDENS AVANT The Necessity Retail" Company	Trade Area Demographics		
Development	Number	Of Hou	sing Units	Price Range	Population	
	Today	2006	Built-Out		2003	15,304
Heritage Parke	0	458	764	\$140,000 to \$250,000	2008	29,006
Northridge Lakes (699 Total)	0	500	580	\$81,900 to \$133,000	Growth	90%
Northridge Lakes (Apartments)	0	119	119			
Palencia	120	1,500	2,600	\$255,000 to \$3,000,000	Households	
Portofino Condos	0	180	180	\$115,000 to \$200,000	2003	6,212
Proposed Patio Homes	0	200	200		2008	12,193
Royal St. Augustine (671 Total)	300	407	407	\$130,000 to \$400,000	Growth	96%
Royal St. Augustine (Apartments)	264	264	264	1 br \$739, 2br \$950, 3br \$1160		
St. Augustine Center Development	0	614	614		АНІ	
San Sebastion Point (Patio Homes)	0	91	91		2003	\$57,907
Stokes	0	200	750	\$500,000 and above	2008	\$68,329
Whisper Ridge (Anderson Park)	0	405	405	\$200,000	Growth	18%
Total	684	4,938	6,974			

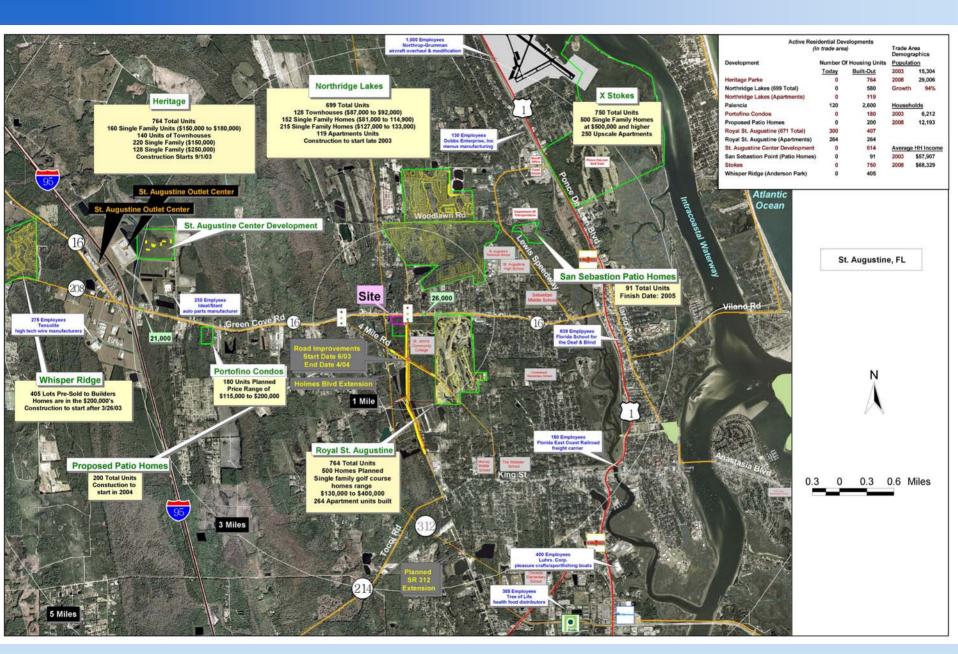
# **Development Projects**



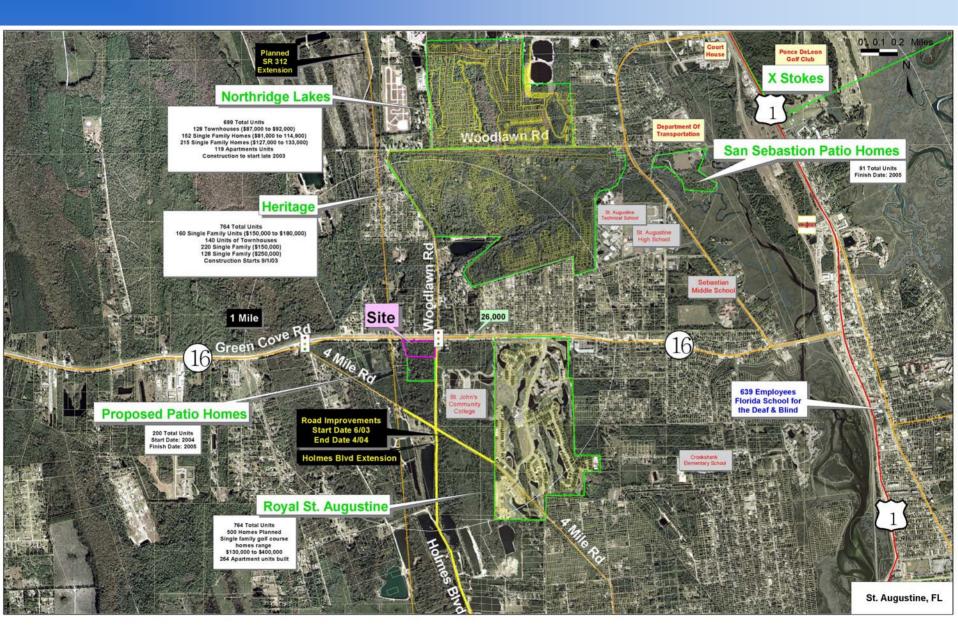
### **Overview**



## **Aerial Overview**



## **Aerial Site Overview**



# **Demographics** – Business Analyst

Source: ESRI BIS

#### FDENS&AVANT The Necessity Retail<sup>®</sup> Company

**Trade Area Demographic Profile** State Hwy 16 & Morrison Road - St. Augustine, FL MSA : Jacksonville, FL

Trade Area

11,508

13 662

14,965

17.649

17.9%

5.7%

2.9%

2.6%

4.312

5.528 6.071 7.255

> 2.5 2.4

2.4 2.4

\$31.517 \$57,907 \$68,329

\$24,724 \$45,582 \$53.817

25.8%

30.8% 18.9% 11.4% 13.1%

5.774



#### 1990 ----

2000			
2003			
2008			

Average	House	hold	Size

1990
2000
2003
2008

Average	Household	Income
1000		

1000		
2003		
2008		

#### Median Household Income

1990			
2003			
2008			

Per Capita	Household	Income
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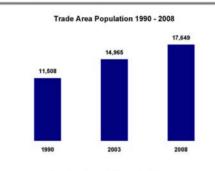
1990	\$12,591
2003	\$24,900
2008	\$29,727

#### 2003 Household Income Distribution

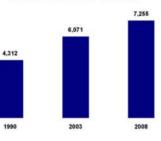
Under \$25,000	
\$25,000 - \$50,000	
\$50,000 - \$75,000	
\$75,000 - \$100,000	
Over \$100.000	

#### **Daytime Employment**

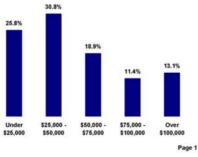
2003 Source: ESRI BIS



Number of Households - Trade Area



Household Income Distribution - Trade Area



FUEND AVAINT	Area Demogra				Transfer and		Sec.	-	
The Necessity Retail Company State	Hwy 16 & M	Iorris	son I	Road	- St. Au	igus	tine	, FL	
2003 Dist. by Race	Trade Area							_	_
White	91.6%		100,000				1000	-	
Black	5.2%		2003	8 Populat	tion Distrib	ution -	Trade	Area	
Am.Indian/Ak. Native	0.4%								
Asian	0.7%			White					91.6
Pacific Islander	0.1%				New York New York				-
Other	0.7%			Black	5.2%				
Two or More Races	1.4%								
Hispanic	3.0%	Am.In	idian/Ak.	Native 0	.4%				
				Asian 0	.7%				
2003 Age Distribution									
0 to 9	11.0%		Pacific Is	lander 0.	.1%				
10 to 19	12.3%				-				
20 to 29	11.9%			Other 0	.1%				
30 to 39	13.6%	Two	or More	Races 1	4%				
40 to 49	16.6%								
50 to 59	15.2%								
60 to 69	9.9%								
70 to 79	6.4%		2	2003 Age	Distributio	on - Tra	ade An	ea	
80 Plus	3.1%				16.6%				
						15.2%			
Median Age					3.6%		Î.		
1990	34.7	0912271	12.3%	11.9%					
2003	41.4	11.0%					9.9%		
2008	43.3								
								6.4%	
2000 Educational Attainment								0.4%	
No H.S. Diploma	22.5%								3,19
High School Grad.	28.6%								3.19
Some College	22.0%								
Associates Degree	4.8%								
Bachelors	14.4%	0-9	10-19	20-29	30-39	40-49	50-59	60-69	70-7
Grad./ Professional	7.7%								
2002 Octometionel Berfile									
2003 Occupational Profile	15 501		200	3 Occupa	tional Distrit	oution -	Trade /	Area	
Mgmt./Prof./Related	15.5% 32.2%		020					100000	
Service					Production Transporation				
Sales and Office	26.3%				11.2%	Ma	nagement		
Farm/Fish/Forest	0.9%						15.5%		
Construction & Maint.	14.0%		Con	struction					
Prod./Transp./Moving	11.2%			tainance					
2002 Sectoral Employment Brofile									
2003 Sectoral Employment Profile	0.50/								
Agriculture/Mining	0.5%		Farming Fis	shing					
Construction	11.4%		Forestr 0.9%	y				Service	
Manufacturing	8.6%		0.9%					32.2%	
Wholesale/Retail Trade	16.0%				Sector Sector				
Transport/Utilities	4.9%			ales and Offic					
Information	2.9%		1	26.3%					
Finance/Ins./Real Est.	6.1%								
Services	45.8%								
Public Administration	3.7%								

## Competition

Illano Beach

Franci

n Man

NMON Anastasia State Park

0

1

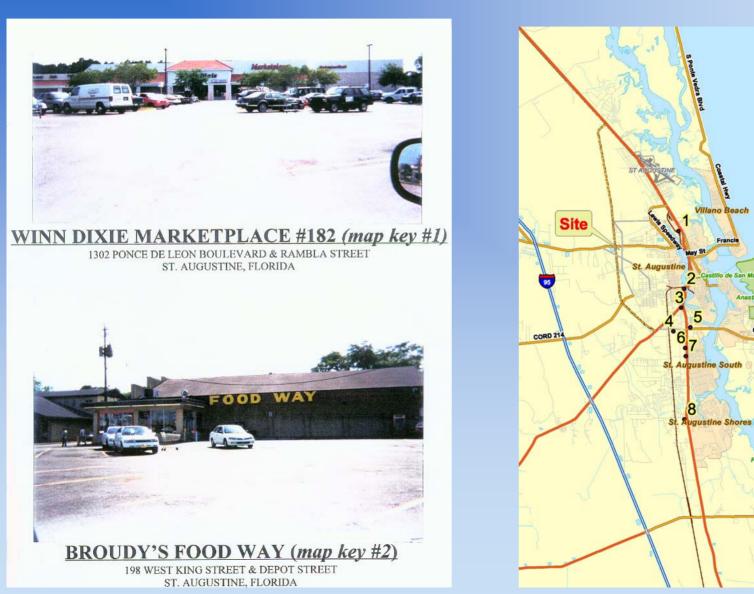
**Butler Beach** nk B Butler, State Park

St. Augustine Beach

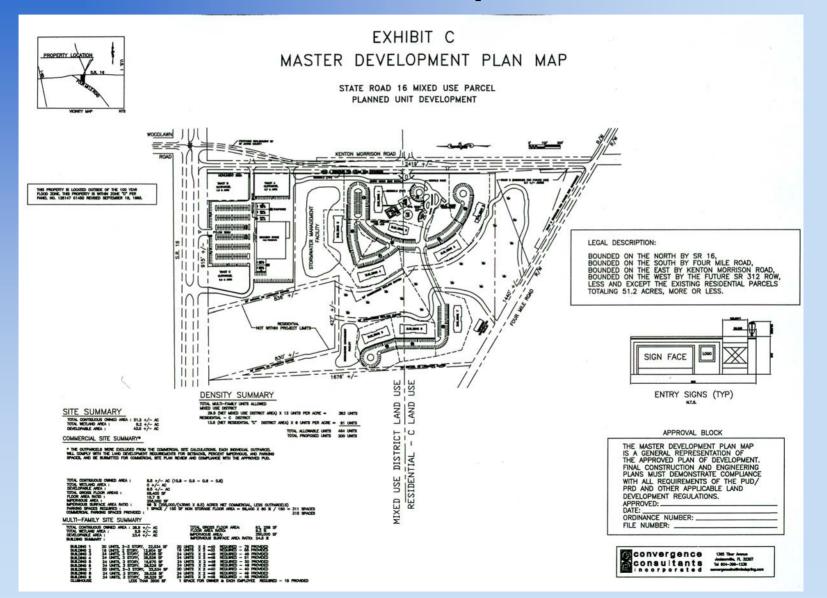
**Crescent Beach** 

Fort Matanzas NMON

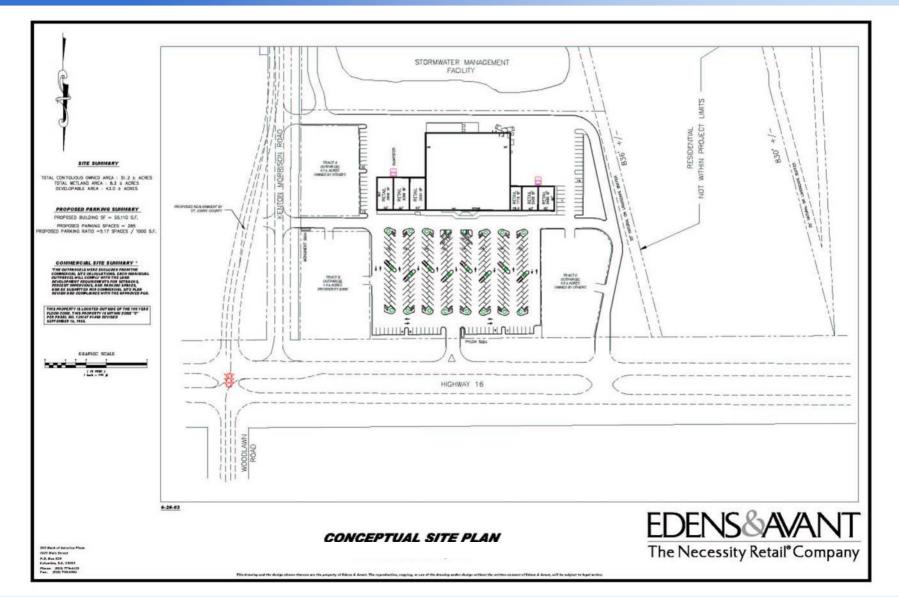
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### **Other Developments**



# Site Plan

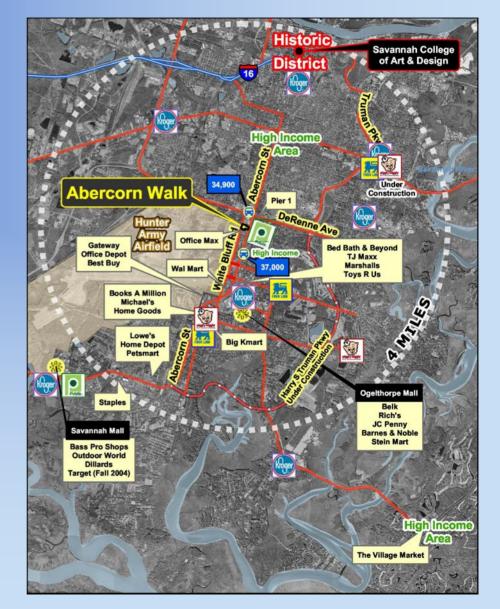


### End result that retailers want to see

- Lots of housing existing and planned
- Competition doing well this means there are dollars in the market
- Easy access to the site
- Good traffic counts
- That the site is on the "going home" side of the road
- Gravity model taking into account the dollars in the market and strength of competition – Sites Plus is most popular by Gravitec Development
- Other sites and why they don't work.
- Other sites that a competitor might locate
- Where is the Super-Wal Mart?
- Zoning and timing

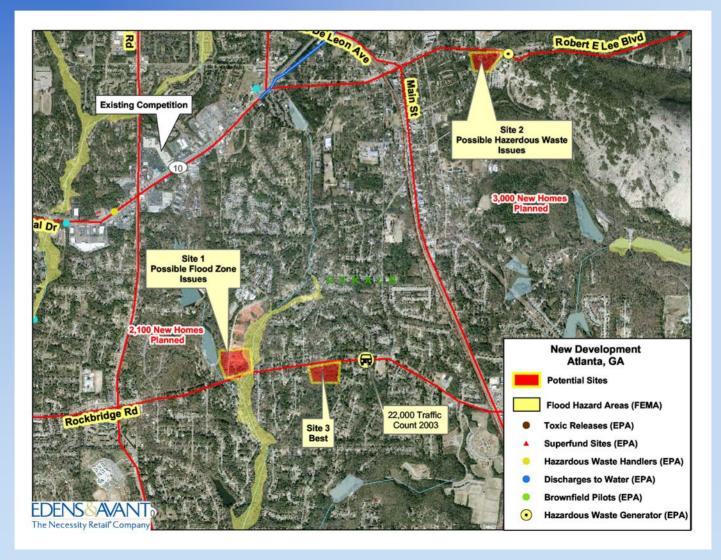
#### Where is the GIS advantage for developers?

- Can integrate County GIS data into the project
- Make great looking maps



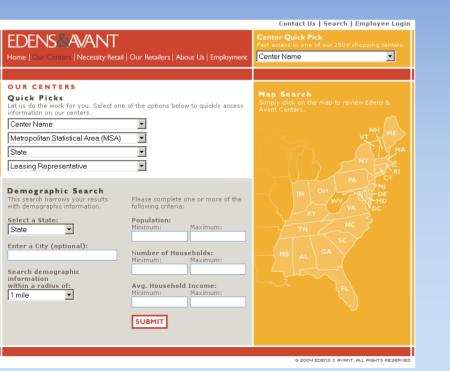
#### Where is the GIS advantage for developers?

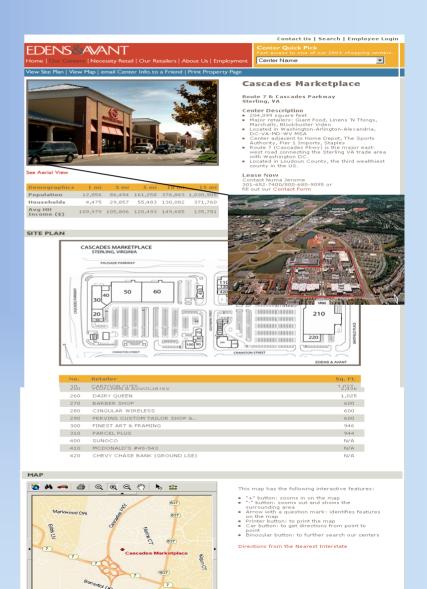
• Take advantage of GIS web services



#### Where is the GIS advantage for developers?

- Publish data on the internet
- www.edensandavant.com
- Site takes advantage of Business Analyst and RouteMap IMS





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Learn more about GIS at Edens & Avant in this afternoon's presentation: Session Title: Marketing Analysis and Applications III GIS In Action at Edens & Avant-The Necessity Retail Company 1:30 p.m.-3:00 p.m.

**Room: Venetian** 

### **Questions?**

## The Art & Science Of Shopping Center Development

- David Z. Beitz, Edens & Avant
- Steve Lackow, RPM Consulting



