

# Market Study for Gloucester County and Market Update for Gloucester Main Street Gloucester, Virginia

Prepared for the:  
Gloucester Main Street Preservation Trust and Gloucester County

Prepared by:



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## *1.0 Background and Purpose*

The Main Street Preservation Trust completed a market study, marketing plan, and branding strategy in 2008/09. This report is designed to present an update of this market research recognizing that the economic climate of 2014 is dramatically different than it was in 2008/09. The analysis looks at retail leakage in the five zip codes determined to be Gloucester's primary zip code based on survey data conducted in 2008. These geographic zip codes are as follows:

- 23061 Gloucester
- 23050 Dutton
- 23128 North
- 23056 Foster
- 23109 Mathews

In addition to providing market data for the five zip codes that were found to comprise the primary trade area for Gloucester Village, Gloucester County desired a countywide examination of the retail trade patterns within the county itself. Both analyses are detailed below.

## *2.0 Report Organization*

The report presents the findings of the retail market research for Gloucester County as a whole and the market area defined for Gloucester Village based on survey work completed by merchants in 2008/09. The research sets the stage for further analysis that can be used to recruit businesses, help existing businesses target customers, and implement marketing strategies.

This report is divided into three subsequent sections:

- Section 3.0 describes the market definition based on the five ZIP codes that comprise the primary trade area for Gloucester Village as well as Countywide data. This information provides insight into each trade area's demographics and market characteristics.
- Section 4.0 presents the retail market analysis that shows the retail market potential of both the Gloucester Village trade area and the Gloucester County market. This information is based on the most recent data available and is a reliable source for understanding broad market patterns.
- Section 5.0 summarizes current retail opportunities that could be leveraged to enhance existing businesses and recruit additional businesses to the Gloucester Main Street District.

## *3.0 Market Definition*

Unlike radial and drive time studies that use arbitrarily chosen boundaries for customer trade zones, the market definition exercise for Gloucester is based on ZIP code survey work completed by cooperative merchants in Gloucester village in 2008/09. Trade areas seldom take dramatic changes over a five to six year period and this original trade area boundary is used for this report. Having said that, ZIP code surveys have their own limitations, as ZIP code geographies can be

fairly large and stretch beyond typical market boundaries. It is the only technique, however, that correlates clearly with customer traffic collected by merchants. Recorded ZIP codes are used to define primary trade areas, which are then analyzed in terms of demographics and economic activity.

Following the Gloucester Village Data is information about Gloucester County as a whole. Examining countywide trade areas does present unique challenges. First, markets seldom follow political boundaries. Second, Gloucester County is situated with easy access to large retail markets in Newport News, Williamsburg, and other Hampton Roads markets. Finally, the unique position of Mathews County on a peninsula positions Gloucester to capture that market's spending as well. With those considerations in mind, the data does provide leaders in Gloucester an overview of the market dynamics within the County.

### ***3.1 Gloucester Village Code Trade Area Demographics***

Exploring demographic trends can help inform the position of retail markets as these data often drive spending habits. For Gloucester Village, there are three major trends to monitor: population growth, age, and income. The source for this data is Nielsen a nationally known global information company that comprises data on markets across the United States.

#### *Population*

The population in the five zip code geography has been on a continuous climb since 2000 with over 2,400 residents moving to the area between 2000 and 2010. The population growth is expected to continue to grow albeit at a slower pace in the coming years with an additional 1000 residents coming to the five zip code area.

|                  |        |
|------------------|--------|
| 2019 Projection  | 25,625 |
| 2014 Estimate    | 24,984 |
| 2010 Census      | 24,674 |
| 2000 Census      | 22,240 |
| Growth 2014-2019 | 2.57%  |
| Growth 2010-2014 | 1.26%  |
| Growth 2000-2010 | 10.94% |

Household growth has followed population growth trends with 13.87% growth between 2000 and 2010. Households are expected to grow to 9,832 by 2019 a 2.82% growth over current projections. Household growth rates slightly exceed population growth rates because household size in America has been declining across the board.

#### *Age Characteristics*

The median age in the five zip code trade area is considerably higher than Virginia and the United States as shown below.

- Five Zip Code Trade Area: 44.9
- Virginia: 37.2
- USA: 36.8

One in every three residents of the five zip code trade area is over age 55 and 18% are over 65. This data is reflected in household composition as well. 52% of the households in the five zip code geography are married couples with no children in the home. By contrast 39% of all households have children in the home.

### *Income*

The 2014 estimated median household income in the five zip code trade area is \$70,545. This compares to \$65,940 in Virginia and \$51,579 in the United States. In fact 30% of the households in the five zip code geography earn over \$100,000 per year.

### *Conclusions*

The quick analysis of demographics of both the five zip code trade area present a mixed picture for Gloucester Village. Most importantly, the population of the area has and is expected to continue to grow. This is probably the most important demographic change to note.

The median age at 44.9 and limited number of families does inhibit some of the market opportunities particularly with larger items such as appliances and traditional furniture (sofas, beds, etc.) as older customers tend to already have these items.

Having said that, the income levels offset the higher age demographics presenting an great opportunity to continue niche retail, arts related retail, highly specialized services, and dining. These opportunities will be explored in greater detail in subsequent sections.

## **3.2 Gloucester County Trade Area Demographics**

As with Gloucester Village, we examine three major trends in Gloucester County: population growth, age, and income.

### *Population*

The population in the County has also been on a continuous climb since 2000 though at half the pace of the Gloucester Village trade area. Just like the five zip codes, the population growth is expected to continue to grow at a slower pace in the coming years with and less than 700 residents coming to the County between 2014 and 2019. (Please note that the 5 zip code trade area above included zip codes outside of Gloucester County)

|                  |        |
|------------------|--------|
| 2019 Projection  | 37,609 |
| 2014 Estimate    | 36,985 |
| 2010 Census      | 36,858 |
| 2000 Census      | 34,780 |
| Growth 2014-2019 | 1.69%  |
| Growth 2010-2014 | 0.34%  |
| Growth 2000-2010 | 5.97%  |

Household growth has mirrored population growth trends with 8.88% growth between 2000 and 2010. Households are expected to grow to 14,731 by 2019 a 2.19% growth over current projections. As mentioned before, household growth rates slightly exceeds population growth rates because household size in America has been declining across the board.

### *Age Characteristics*

The median age in the County is also very high outranking both Virginia and the United States as shown below. (As an aside, the highest median age states in the Union are Maine and Vermont each with median ages lower than Gloucester County)

- Five Zip Code Trade Area: 43.8
- Virginia: 37.2
- USA: 36.8

One in every three residents of the County trade area is over age 55 and 17% are over 65. This data is reflected in household composition as well. 60% of the households in the County have no children in the home.

### *Income*

The median household income in the County is similar to that of the five zip code trade area at \$69,006. This compares favorably to \$65,940 in Virginia and \$51,579 in the United States. In fact 30% of the households in the County earn over \$100,000 per year (just the same as the five zip code trade area).

### *Conclusions*

By and large, the demographics of the County mirror that of Gloucester Village's trade area. Stable growth, higher ages, smaller number of families, and median household income levels above the Commonwealth characterize a population with disposable income though generally past the acquisition phase of large items for the home.

## 4.0 Market Analysis

In this section, both the five zip code primary trade area market and Gloucester County retail markets will be examined to identify potential opportunities for new or expanded stores by examining retail market potential. This will allow the community to assess what kind of additional stores might be attracted to Gloucester and will help individual existing businesses understand how they might diversify product lines. Again Nielsen data is the source for the information presented.

### **Retail Market Potential in the Trade Areas**

The tables illustrated on the following pages details the individual retail categories in which Gloucester is leaking and gaining sales in it's the five zip code trade area defined in the prior market study and for all of Gloucester County.

*These data should be used as an overall guide to retail market potential and should not substitute for detailed market research on the part of any business wishing to open in the area.* Another important note is that the retail gap analysis uses an allocation model that becomes a bit less reliable when used in smaller geographies which warrants that individual businesses do additional market research and gives credence to cross referencing the five zip code trade area and the County as a whole. A sound individual analysis would also look at markets beyond Gloucester County to ensure that competition is not readily available nearby.

In both tables the left hand column indicates retail store types along with North American Industrial Classification System (NAICS) codes for these stores. Please note that some categories are subsets of larger categories. The other columns represent the consumer demand in Gloucester's two defined trade areas. Red numbers indicate an inflow of dollars and black numbers indicate market leakage. It is interesting to note that both inflow and leakage present ample opportunity if interpreted appropriately within the context of the existing market.

Retail leakage refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be "leaking" retail sales. Even large communities may see leakage in certain retail categories while some small communities may be attractors in categories.

Such an analysis is not an exact science. In some cases, large outflow may indicate that money is being spent elsewhere (drug store purchases at a Walmart or apparel purchases through the Internet). It is important to note that this analysis accounts best for retail categories where households – rather than businesses – are essentially the only consumer groups. For example, lumberyards may have business sales that are not accounted for in consumer expenditures. Stores such as jewelry shops and clothing stores are more accurately analyzed using this technique.

In some cases, a significant gain in a particular retail category represents a clustering opportunity. For Gloucester, however, this was not readily apparent, as the gain sales don't represent categories the community would necessarily encourage to cluster in the area.

The retail market potential study for Gloucester is a “snapshot” in time. Consequently, there are factors that point to this being a more conservative look at retail potential depending on what factors are examined. For example, population growth would mean that there would be more customers in the future resulting in greater demand for certain retail categories.

This retail market potential study examines only the trade areas identified for Gloucester. A successful store model might capture from well beyond this geography and could foster a burgeoning visitor market as well.

In Gloucester’s five ZIP Code trade area, selected store sales equaled \$410.9 million. Same-year annual consumer expenditures were \$640.5 million. This represents annual retail GAIN of \$114.2 million. In Gloucester County, annual retail sales were \$854.9 million. Same-year annual consumer expenditures were \$665.4 million. This represents annual retail GAIN of \$185.9 million. Although the market represents an overall gain in sales, there are significant retail categories still leak sales.



## RMP Opportunity Gap - Retail Stores

Area ZIP Codes (see below for zip code listing)

**Total**

|                                                     | <b>2014 Demand<br/>(Consumer<br/>Expenditures)</b> | <b>2014 Supply<br/>(Retail Sales)</b> | <b>Opportunity<br/>Gap/Surplus</b> |
|-----------------------------------------------------|----------------------------------------------------|---------------------------------------|------------------------------------|
| <b>Retail Stores</b>                                |                                                    |                                       |                                    |
| Total Retail Sales Incl. Eating and Drinking Places | 296,711,716                                        | 410,878,348                           | (114,166,632)                      |
| Furniture and Home Furnishings Stores-442           | 9,750,561                                          | 10,514,478                            | (763,917)                          |
| Furniture Stores-4421                               | 5,254,735                                          | 4,596,350                             | 658,385                            |
| Home Furnishing Stores-4422                         | 4,495,826                                          | 5,918,128                             | (1,422,302)                        |
| Electronics and Appliance Stores-443                | 8,764,757                                          | 9,193,144                             | (428,387)                          |
| Appliances, TVs, Electronics Stores-44311           | 6,367,907                                          | 9,193,144                             | (2,825,237)                        |
| Household Appliances Stores-443111                  | 1,196,139                                          | 37,207                                | 1,158,932                          |
| Radio, Television, Electronics Stores-443112        | 5,171,768                                          | 9,155,937                             | (3,984,169)                        |
| Computer and Software Stores-44312                  | 2,133,871                                          | 0                                     | 2,133,871                          |
| Camera and Photographic Equip. Stores-44313         | 262,979                                            | 0                                     | 262,979                            |
| Building Material, Garden Equip Stores -444         | 51,727,225                                         | 195,418,059                           | (143,690,834)                      |
| Building Material and Supply Dealers-4441           | 43,828,127                                         | 183,988,382                           | (140,160,255)                      |
| Home Centers-44411                                  | 17,667,069                                         | 147,109,667                           | (129,442,598)                      |
| Paint and Wallpaper Stores-44412                    | 768,728                                            | 304,814                               | 463,914                            |
| Hardware Stores-44413                               | 4,248,721                                          | 21,752,872                            | (17,504,151)                       |
| Other Building Materials Dealers-44419              | 21,143,609                                         | 14,821,029                            | 6,322,580                          |
| Building Materials, Lumberyards-444191              | 7,799,885                                          | 5,546,546                             | 2,253,339                          |
| Lawn, Garden Equipment, Supplies Stores-4442        | 7,899,098                                          | 11,429,677                            | (3,530,579)                        |
| Outdoor Power Equipment Stores-44421                | 2,897,273                                          | 1,910,688                             | 986,585                            |
| Nursery and Garden Centers-44422                    | 5,001,825                                          | 9,518,989                             | (4,517,164)                        |
| Food and Beverage Stores-445                        | 56,305,380                                         | 77,713,950                            | (21,408,570)                       |
| Grocery Stores-4451                                 | 36,176,580                                         | 44,665,676                            | (8,489,096)                        |
| Supermarkets, Grocery Stores-44511                  | 33,778,997                                         | 38,262,514                            | (4,483,517)                        |
| Convenience Stores-44512                            | 2,397,583                                          | 6,403,162                             | (4,005,579)                        |
| Specialty Food Stores-4452                          | 4,316,591                                          | 1,377,541                             | 2,939,050                          |
| Beer, Wine and Liquor Stores-4453                   | 15,812,209                                         | 31,670,733                            | (15,858,524)                       |
| Health and Personal Care Stores-446                 | 28,077,618                                         | 24,863,253                            | 3,214,365                          |
| Pharmacies and Drug Stores-44611                    | 22,467,057                                         | 3,097,464                             | 19,369,593 <sup>1</sup>            |
| Cosmetics, Beauty Supp, Perfume Stores-44612        | 2,007,817                                          | 21,137,803                            | (19,129,986)                       |
| Optical Goods Stores-44613                          | 1,097,527                                          | 314,094                               | 783,433                            |
| Other Health and Personal Care Stores-44619         | 2,505,217                                          | 313,892                               | 2,191,325                          |
| Clothing and Clothing Accessories Stores-448        | 21,270,549                                         | 4,934,928                             | 16,335,621                         |
| Clothing Stores-4481                                | 11,267,178                                         | 853,583                               | 10,413,595                         |
| Men's Clothing Stores-44811                         | 572,124                                            | 0                                     | 572,124                            |
| Women's Clothing Stores-44812                       | 2,765,062                                          | 431,997                               | 2,333,065                          |
| Children's, Infants Clothing Stores-44813           | 619,244                                            | 166,707                               | 452,537                            |
| Family Clothing Stores-44814                        | 5,818,020                                          | 106,970                               | 5,711,050                          |
| Clothing Accessories Stores-44815                   | 500,001                                            | 147,909                               | 352,092                            |

## RMP Opportunity Gap - Retail Stores

Area ZIP Codes (see below for zip code listing)

Total

|                                               | 2014 Demand<br>(Consumer Expenditures) | 2014 Supply<br>(Retail Sales) | Opportunity<br>Gap/Surplus |
|-----------------------------------------------|----------------------------------------|-------------------------------|----------------------------|
| <b>Retail Stores</b>                          |                                        |                               |                            |
| Other Clothing Stores-44819                   | 992,727                                | 0                             | 992,727                    |
| Shoe Stores-4482                              | 1,593,524                              | 0                             | 1,593,524                  |
| Jewelry, Luggage, Leather Goods Stores-4483   | 8,409,847                              | 4,081,345                     | 4,328,502                  |
| Jewelry Stores-44831                          | 7,559,140                              | 4,081,345                     | 3,477,795                  |
| Luggage and Leather Goods Stores-44832        | 850,707                                | 0                             | 850,707                    |
| Sporting Goods, Hobby, Book, Music Stores-451 | 8,901,895                              | 4,371,040                     | 4,530,855                  |
| Sporting Goods, Hobby, Musical Inst-4511      | 7,801,531                              | 3,967,659                     | 3,833,872                  |
| Sporting Goods Stores-45111                   | 4,093,478                              | 2,561,534                     | 1,531,944                  |
| Hobby, Toys and Games Stores-45112            | 2,164,144                              | 1,406,125                     | 758,019                    |
| Sew/Needlework/Piece Goods Stores-45113       | 765,970                                | 0                             | 765,970                    |
| Musical Instrument Supplies Stores-45114      | 777,939                                | 0                             | 777,939 <sup>2</sup>       |
| Book, Periodical and Music Stores-4512        | 1,100,364                              | 403,381                       | 696,983                    |
| Book Stores and News Dealers-45121            | 933,154                                | 403,381                       | 529,773                    |
| Book Stores-451211                            | 819,500                                | 403,381                       | 416,119                    |
| News Dealers and Newsstands-451212            | 113,654                                | 0                             | 113,654                    |
| Prerecorded Music Stores-45122                | 167,210                                | 0                             | 167,210                    |
| General Merchandise Stores-452                | 53,994,119                             | 37,383,794                    | 16,610,325 <sup>3</sup>    |
| Department Stores Excl Leased Depts-4521      | 23,177,567                             | 22,883,439                    | 294,128                    |
| Other General Merchandise Stores-4529         | 30,816,552                             | 14,500,355                    | 16,316,197                 |
| Miscellaneous Store Retailers-453             | 12,926,492                             | 11,495,327                    | 1,431,165                  |
| Florists-4531                                 | 502,188                                | 582,843                       | (80,655)                   |
| Office Supplies, Stationery, Gift Stores-4532 | 5,980,098                              | 666,661                       | 5,313,437                  |
| Office Supplies and Stationery Stores-45321   | 2,945,926                              | 276,864                       | 2,669,062                  |
| Gift, Novelty and Souvenir Stores-45322       | 3,034,172                              | 389,797                       | 2,644,375                  |
| Used Merchandise Stores-4533                  | 885,118                                | 2,173,390                     | (1,288,272)                |
| Other Miscellaneous Store Retailers-4539      | 5,559,088                              | 8,072,433                     | (2,513,345)                |
| Foodservice and Drinking Places-722           | 44,993,120                             | 34,990,375                    | 10,002,745                 |
| Full-Service Restaurants-7221                 | 20,337,666                             | 14,948,106                    | 5,389,560                  |
| Limited-Service Eating Places-7222            | 17,955,813                             | 18,806,117                    | (850,304)                  |
| Special Foodservices-7223                     | 4,824,547                              | 1,236,152                     | 3,588,395                  |
| Drinking Places -Alcoholic Beverages-7224     | 1,875,094                              | 0                             | 1,875,094                  |
| <b>Geography Code</b>                         | <b>Geography Name</b>                  | <b>Geography Code</b>         | <b>Geography Name</b>      |
| Dutton                                        | 23050                                  |                               |                            |
| Gloucester                                    | 23061                                  |                               |                            |
| North                                         | 23128                                  |                               |                            |
| Foster                                        | 23056                                  |                               |                            |
| Mathews                                       | 23109                                  |                               |                            |
| Prepared On: January 19, 2015                 | Wed Jan 21, 2015                       |                               |                            |

## RMP Opportunity Gap - Retail Stores

Area ZIP Codes (see below for zip code listing)

Total

| Retail Stores                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2014 Demand<br>(Consumer Expenditures)                                                                         | 2014 Supply<br>(Retail Sales) | Opportunity<br>Gap/Surplus |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------|
| <p>Project Code: Gloucester</p> <p>Prepared For: Gloucester Main Street Preservation Trust</p> <p><sup>1</sup>In reviewing the data it appears that cosmetic stores and pharmacies are cross-pollinated. We consider pharmacies saturated in the market.</p> <p><sup>2</sup>There is a musical instrument store in Gloucester Point that is likely not registering on the study.</p> <p><sup>3</sup>Arnett Muldrow considers this number misrepresented as a typical Walmart store has larger sales.</p> | <p>© 2015 The Nielsen Company. All rights reserved.<br/>Prepared By: Arnett Muldrow &amp; Associates, Ltd.</p> |                               |                            |

### 4.1 Capture Scenario for Gloucester Village

The table above provides an overall view of retail opportunities for Gloucester Village. While the table does not reflect service businesses such as pet grooming or day spas, some degree of support for these businesses can be gleaned from retail data. The table below represents the categories most suited to Gloucester Village. It can be considered a “balanced” analysis based on the following factors:

1. The leakage shown is based solely on the five zip code local market and does not account for a retailer marketing to areas beyond those zip codes.
2. The leakage does not account for growth (which is projected to be positive but slower than in the decade between 2000 and 2010.)
3. The supportable square footage depends on a 20% capture scenario from the local market meaning that the store will be able to attract one in every five dollars currently leaking from the market. This may be an aggressive or conservative scenario based on the store type and warrants further exploration by a potential merchant.
4. The sales per square foot is developed through research by Arnett Muldrow & Associates, Ltd. and combines data from the Urban Land Institute’s *Dollars and Cents of Shopping Centers* and primary research by Arnett Muldrow & Associates.
5. The North American Industrial Classification System code is shown next to each store type. For a further description of the store type please visit [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/).

|                                             | Total Retail Leakage | 20% Capture Scenario | Supportable Square Footage |
|---------------------------------------------|----------------------|----------------------|----------------------------|
| Furniture Stores-4421                       | 658,385              | 131,677              | 658                        |
| Computer and Software Stores-44312          | 2,133,871            | 426,774              | 853                        |
| Specialty Food Stores-4452                  | 2,939,050            | 587,810              | 1,959                      |
| Other Health and Personal Care Stores-44619 | 2,191,325            | 438,265              | 1,461                      |
| Women's Clothing Stores-44812               | 2,333,065            | 466,613              | 1,866                      |
| Children's, Infants Clothing Stores-44813   | 452,537              | 90,507               | 362                        |
| Men's Clothing Stores-44811                 | 572,124              | 114,425              | 381                        |
| Family Clothing Stores-44814                | 5,711,050            | 1,142,210            | 7,139                      |
| Clothing Accessories Stores-44815           | 352,092              | 70,418               | 282                        |
| Other Clothing Stores-44819                 | 992,727              | 198,545              | 794                        |
| Shoe Stores-4482                            | 1,593,524            | 318,705              | 637                        |
| Jewelry, Luggage, Leather Goods Stores-4483 | 4,328,502            | 865,700              | 1,154                      |
| Sporting Goods Stores-45111                 | 1,531,944            | 306,389              | 1,135                      |
| Hobby, Toys and Games Stores-45112          | 758,019              | 151,604              | 551                        |
| Sew/Needlework/Piece Goods Stores-45113     | 765,970              | 153,194              | 557                        |
| Office Supplies and Stationery Stores-45321 | 2,669,062            | 533,812              | 3,050                      |
| Gift, Novelty and Souvenir Stores-45322     | 2,644,375            | 528,875              | 1,511                      |
| Full-Service Restaurants-7221               | 5,389,560            | 1,077,912            | 3,080                      |

Based on this table and a list of potential properties provided by the Main Street Preservation Trust, Arnett Muldrow recommends the following uses as being most suited for future investment:

1. Specialty Furniture: A degree of specialty furniture is supportable though a full-scale furniture store is unlikely for Gloucester Village. This category is likely to be sustainable in Gloucester Village because of the high-income levels and potential for the tourism market.
2. Computer Stores: This category is sustainable in Gloucester Village based on the leakage analysis. A computer store may offer repair services, software, and technology services.
3. Specialty food: this category continues to enjoy considerable consumer growth and can be highly tailored to a local and visitor market and complementary of existing food retailers already in Gloucester. An individual store would need to complete a thorough analysis of the local conditions to determine what they market. A possible combination of dining and specialty food might also be considered.
4. Health and Personal Care Stores: day spas along with bath and body store types could be supported in Gloucester Village based on the leakage shown.
5. Clothing stores: while some categories of clothing show limited support in and of themselves, a well merchandised store that features clothing types for a variety of family members may be a likely candidate for Gloucester. Men's clothing and women's clothing would need to be a specialty niche understanding the market.
6. Clothing accessories and jewelry: stores of this nature tend to benefit from clustering. Any new store should complement existing retailers to build critical mass.
7. Sporting goods, hobby stores: this segment represents an opportunity if carefully merchandised and targeted to the local population.
8. Gift stores: there is room for additional gift stores based on the local demand. Furthermore, these stores tend to draw from a large geography.

## RMP Opportunity Gap - Retail Stores

Gloucester County  
County Total

| Retail Stores                                      | 2014 Demand<br>(Consumer Expenditures) | 2014 Supply<br>(Retail Sales) | Opportunity<br>Gap/Surplus |
|----------------------------------------------------|----------------------------------------|-------------------------------|----------------------------|
| Total Retail Sales Incl Eating and Drinking Places | 665,432,904                            | 854,867,963                   | (189,435,059)              |
| Motor Vehicle and Parts Dealers-441                | 152,018,043                            | 179,315,307                   | (27,297,264)               |
| Automotive Dealers-4411                            | 121,865,017                            | 136,163,338                   | (14,298,321)               |
| Other Motor Vehicle Dealers-4412                   | 19,379,083                             | 30,445,472                    | (11,066,389)               |
| Automotive Parts/Accsrs, Tire Stores-4413          | 10,773,943                             | 12,706,497                    | (1,932,554)                |
| Furniture and Home Furnishings Stores-442          | 14,623,280                             | 14,169,232                    | 454,048                    |
| Furniture Stores-4421                              | 7,894,541                              | 4,599,587                     | 3,294,954                  |
| Home Furnishing Stores-4422                        | 6,728,739                              | 9,569,645                     | (2,840,906)                |
| Electronics and Appliance Stores-443               | 13,190,934                             | 13,534,806                    | (343,872)                  |
| Appliances, TVs, Electronics Stores-44311          | 9,588,069                              | 13,534,806                    | (3,946,737)                |
| Household Appliances Stores-443111                 | 1,791,493                              | 0                             | 1,791,493                  |
| Radio, TV, Electronics Stores-443112               | 7,796,576                              | 13,534,806                    | (5,738,230)                |
| Computer and Software Stores-44312                 | 3,211,848                              | 0                             | 3,211,848                  |
| Camera and Photograp Equip. Stores-44313           | 391,017                                | 0                             | 391,017                    |
| Building Material, Garden Equip Stores -444        | 77,079,830                             | 193,031,848                   | (115,952,018)              |
| Building Material and Supply Dealers-4441          | 65,284,238                             | 177,245,152                   | (111,960,914)              |
| Home Centers-44411                                 | 26,344,305                             | 153,103,919                   | (126,759,614)              |
| Paint and Wallpaper Stores-44412                   | 1,139,046                              | 304,814                       | 834,232                    |
| Hardware Stores-44413                              | 6,352,561                              | 888,165                       | 5,464,396                  |
| Other Building Materials Dealers-44419             | 31,448,326                             | 22,948,254                    | 8,500,072                  |
| Building Materials, Lumberyards-444191             | 11,661,312                             | 8,588,036                     | 3,073,276                  |
| Lawn, Garden Equip., Supplies Stores-4442          | 11,795,592                             | 15,786,696                    | (3,991,104)                |
| Outdoor Power Equipment Stores-44421               | 4,331,543                              | 716,550                       | 3,614,993                  |
| Nursery and Garden Centers-44422                   | 7,464,049                              | 15,070,146                    | (7,606,097)                |
| Food and Beverage Stores-445                       | 84,325,394                             | 180,456,141                   | (96,130,747)               |
| Grocery Stores-4451                                | 54,088,192                             | 111,934,907                   | (57,846,715)               |
| Supermarkets, Grocery Stores-44511                 | 50,487,073                             | 99,194,637                    | (48,707,564)               |
| Convenience Stores-44512                           | 3,601,119                              | 12,740,270                    | (9,139,151)                |
| Specialty Food Stores-4452                         | 6,457,214                              | 2,643,011                     | 3,814,203                  |
| Beer, Wine and Liquor Stores-4453                  | 23,779,988                             | 65,878,223                    | (42,098,235)               |
| Health and Personal Care Stores-446                | 41,589,825                             | 49,222,763                    | (7,632,938)                |
| Pharmacies and Drug Stores-44611                   | 33,274,896                             | 5,518,798                     | 27,756,098 <sup>1</sup>    |
| Cosmetics, Beauty Supp., Perfume -44612            | 2,971,035                              | 42,275,606                    | (39,304,571)               |
| Optical Goods Stores-44613                         | 1,632,895                              | 663,607                       | 969,288                    |
| Other Health and Personal Care Stores-44619        | 3,710,999                              | 764,752                       | 2,946,247                  |
| Gasoline Stations-447                              | 68,901,265                             | 101,463,624                   | (32,562,359)               |
| Gasoline Stations With Conv Stores-44711           | 50,127,151                             | 94,433,915                    | (44,306,764)               |

## RMP Opportunity Gap - Retail Stores

Gloucester County  
County Total

| Retail Stores                                 | 2014 Demand<br>(Consumer Expenditures) | 2014 Supply<br>(Retail Sales) | Opportunity<br>Gap/Surplus |
|-----------------------------------------------|----------------------------------------|-------------------------------|----------------------------|
| Other Gasoline Stations-44719                 | 18,774,114                             | 7,029,709                     | 11,744,405                 |
| Clothing and Clothing Accessories Stores-448  | 32,083,252                             | 7,986,250                     | 24,097,002                 |
| Clothing Stores-4481                          | 16,944,397                             | 846,256                       | 16,098,141                 |
| Men's Clothing Stores-44811                   | 864,220                                | 0                             | 864,220                    |
| Women's Clothing Stores-44812                 | 4,153,457                              | 548,301                       | 3,605,156                  |
| Children's, Infants Clothing Stores-44813     | 929,697                                | 150,046                       | 779,651                    |
| Family Clothing Stores-44814                  | 8,754,982                              | 0                             | 8,754,982                  |
| Clothing Accessories Stores-44815             | 751,573                                | 147,909                       | 603,664                    |
| Other Clothing Stores-44819                   | 1,490,468                              | 0                             | 1,490,468                  |
| Shoe Stores-4482                              | 2,408,634                              | 2,718,537                     | (309,903)                  |
| Jewelry, Luggage, Leather Goods Stores-4483   | 12,730,221                             | 4,421,457                     | 8,308,764                  |
| Jewelry Stores-44831                          | 11,449,697                             | 4,421,457                     | 7,028,240                  |
| Luggage and Leather Goods Stores-44832        | 1,280,524                              | 0                             | 1,280,524                  |
| Sporting Goods, Hobby, Book, Music Stores-451 | 13,403,758                             | 6,681,525                     | 6,722,233                  |
| Sporting Goods, Hobby, Musical Inst.-4511     | 11,742,119                             | 5,864,681                     | 5,877,438                  |
| Sporting Goods Stores-45111                   | 6,162,118                              | 2,173,576                     | 3,988,542                  |
| Hobby, Toys and Games Stores-45112            | 3,265,145                              | 2,403,632                     | 861,513                    |
| Sew/Needlework/Piece Goods Stores-45113       | 1,138,258                              | 0                             | 1,138,258                  |
| Musical Instrument Supplies Stores-45114      | 1,176,598                              | 1,287,473                     | (110,875)                  |
| Book, Periodical and Music Stores-4512        | 1,661,639                              | 816,844                       | 844,795                    |
| Book Stores and News Dealers-45121            | 1,408,970                              | 816,844                       | 592,126                    |
| Book Stores-451211                            | 1,237,840                              | 816,844                       | 420,996                    |
| News Dealers and Newsstands-451212            | 171,130                                | 0                             | 171,130                    |
| Prerecorded Tapes, CDs, Record -45122         | 252,669                                | 0                             | 252,669                    |
| General Merchandise Stores-452                | 80,835,569                             | 57,106,778                    | 23,728,791 <sup>2</sup>    |
| Department Stores Excl Leased Depts-4521      | 34,737,913                             | 24,479,065                    | 10,258,848                 |
| Other General Merchandise Stores-4529         | 46,097,656                             | 32,627,713                    | 13,469,943                 |
| Miscellaneous Store Retailers-453             | 19,393,166                             | 7,551,064                     | 11,842,102                 |
| Florists-4531                                 | 747,805                                | 485,800                       | 262,005                    |
| Office Supplies, Stationery, Gift Stores-4532 | 8,977,260                              | 1,456,944                     | 7,520,316                  |
| Office Supplies and Stationery Stores-45321   | 4,421,730                              | 338,389                       | 4,083,341                  |
| Gift, Novelty and Souvenir Stores-45322       | 4,555,530                              | 1,118,555                     | 3,436,975                  |
| Used Merchandise Stores-4533                  | 1,332,500                              | 2,690,912                     | (1,358,412)                |
| Other Miscellaneous Store Retailers-4539      | 8,335,601                              | 2,917,408                     | 5,418,193                  |
| Foodservice and Drinking Places-722           | 67,988,588                             | 44,348,625                    | 23,639,963                 |
| Full-Service Restaurants-7221                 | 30,744,837                             | 20,564,043                    | 10,180,794                 |

## RMP Opportunity Gap - Retail Stores

Gloucester County  
County Total

| Retail Stores                                                                                                                                           | 2014 Demand<br>(Consumer Expenditures)           | 2014 Supply<br>(Retail Sales) | Opportunity<br>Gap/Surplus |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------|----------------------------|
| Limited-Service Eating Places-7222                                                                                                                      | 27,126,155                                       | 18,583,957                    | 8,542,198                  |
| Special Foodservices-7223                                                                                                                               | 7,285,392                                        | 5,200,625                     | 2,084,767                  |
| Drinking Places -Alcoholic Beverages-7224                                                                                                               | 2,832,204                                        | 0                             | 2,832,204                  |
| Prepared On: January 19, 2015                                                                                                                           | Wed Jan 21, 2015                                 |                               |                            |
| Project Code: Gloucester                                                                                                                                | © 2015 The Nielsen Company. All rights reserved. |                               |                            |
| Prepared For: Gloucester Main Street Preservation Trust and Gloucester County                                                                           | Prepared By: Arnett Muldrow & Associates, Ltd.   |                               |                            |
| <sup>1</sup> In reviewing the data it appears that cosmetic stores and pharmacies are cross-pollinated. We consider pharmacies saturated in the market. |                                                  |                               |                            |
| <sup>2</sup> Arnett Muldrow considers this number misrepresented as a typical Walmart store has larger sales.                                           |                                                  |                               |                            |

### 4.2 Capture Scenario for Gloucester County

The table above provides an overall view of opportunities for Gloucester County. The table below represents the categories most suited for development in Gloucester County. It can be considered a “balanced” analysis based on the following factors:

1. The leakage shown is based solely on the County geography and does not account for stores that will attract from outside of Gloucester County.
2. The leakage does not account for growth (which is projected to be positive but slower than in the decade between 2000 and 2010.)
3. The supportable square footage depends on a 20% capture scenario from the local market meaning that the store will be able to attract one in every five dollars currently leaking from the market. This may be an aggressive or conservative scenario based on the store type and warrants further exploration by a potential merchant.
4. The sales per square foot is developed through research by Arnett Muldrow & Associates, Ltd. and combines data from the Urban Land Institute’s *Dollars and Cents of Shopping Centers* and primary research by Arnett Muldrow & Associates.
5. The North American Industrial Classification System code is shown next to each store type. For a further description of the store type please visit [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/).

All of the categories listed above for Gloucester Village might be successful at the County level as well but are included in section 4.1 as they fit well with the existing merchandise mix in the village. The uses below, due to their size and desire for more highway presence are more suited

for outside of the Village area. Arnett Muldrow would recommend exploring the potential of the following business types in the County:

|                                                 | Total Retail Leakage | 20% Capture Scenario | Supportable Square Footage |
|-------------------------------------------------|----------------------|----------------------|----------------------------|
| Furniture Stores-4421                           | 3,294,954            | 658,991              | 2,636                      |
| Family Clothing Stores-44814                    | 8,754,982            | 1,750,996            | 5,837                      |
| Office Supplies, Stationery, Gift Stores-4532   | 7,520,316            | 1,504,063            | 3,342                      |
| Sporting Goods, Hobby, Musical Inst Stores-4511 | 5,877,438            | 1,175,488            | 3,918                      |
| Full-Service Restaurants-7221                   | 10,180,794           | 2,036,159            | 5,818                      |
| Limited-Service Eating Places-7222              | 8,542,198            | 1,708,440            | 4,271                      |

1. Furniture Stores: A small furniture store is likely to be successful in Gloucester County. It would need to carefully consider the older age of the market and furniture competition from nearby larger markets.
2. Family clothing: This store type as depicted above is typically a store such as an Old Navy or TJ Maxx. It isn't to be confused with a specialty store that might cater to men, women, and children.
3. Office supply and stationers: while a well merchandised store may work, the national office supply chains are now encountering major problems and downsizing as a result of online ordering. Independent merchants face even tougher challenges though franchise options may be worth exploring for shipping, packing, copying, etc.
4. Sporting goods: While the data doesn't indicate enough demand for a major chain store, a highly tailored sporting goods store shows potential within the County.
5. Full service restaurants: The demand indicates the potential for an additional restaurant (or two depending on size). However, restaurants are very capital intensive at start up. Experienced operators with a proven track record (and that do not directly compete with existing restaurants) are most likely to succeed in this category.
6. Limited service restaurants: There is demand that indicates additional limited service restaurants in Gloucester County.

### 5.0 Concluding Remarks

Gloucester Village and Gloucester County continue to show a net positive gain in sales revealing the success of the overall retail market in the community. With ongoing growth, high median household incomes, and a strong position regionally, Gloucester Village and Gloucester County are expected to remain strong retail centers for the coming years. New and proposed stores throughout the community indicate a rebound from the recession with both development in the Village and on the corridor.

An ongoing partnership between the County and the Gloucester Main Street Preservation trust will ensure continued retail success allowing Gloucester County to have a balanced tax base of residential and commercial development.