

Main Street Corridor Market Study

Presentation of Findings

March 2014

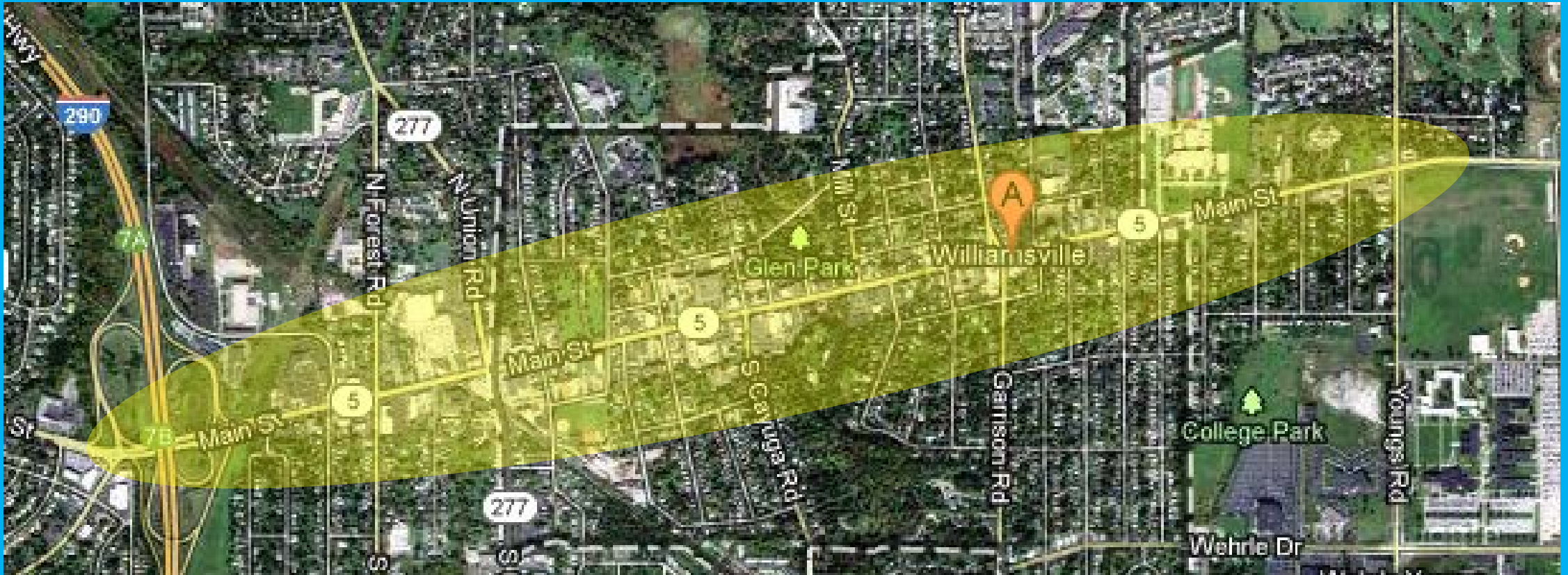
By David E. Versel, AICP

Market & Feasibility Advisors



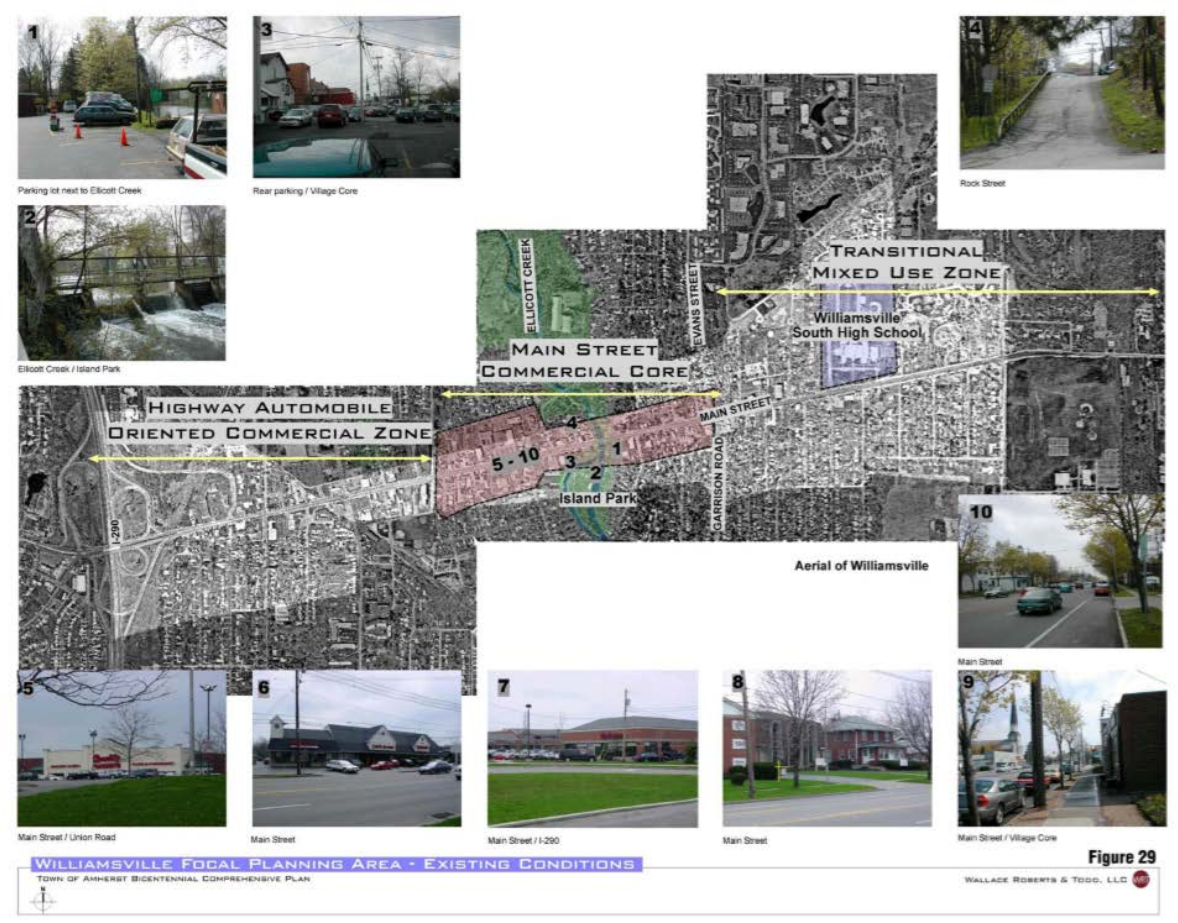
Purpose

Understand market potential of entire two-mile corridor between I-290 and Youngs Road



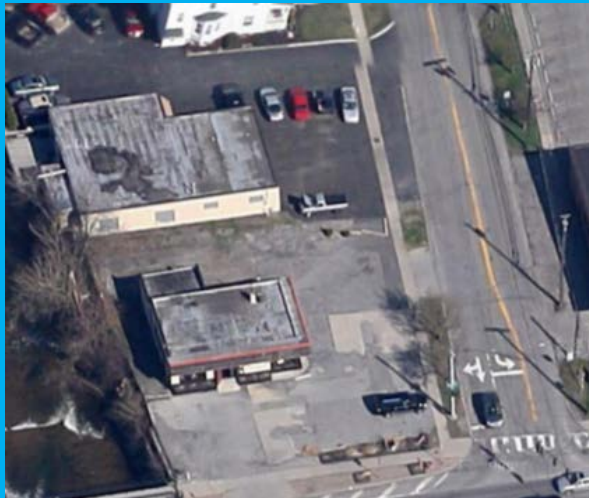
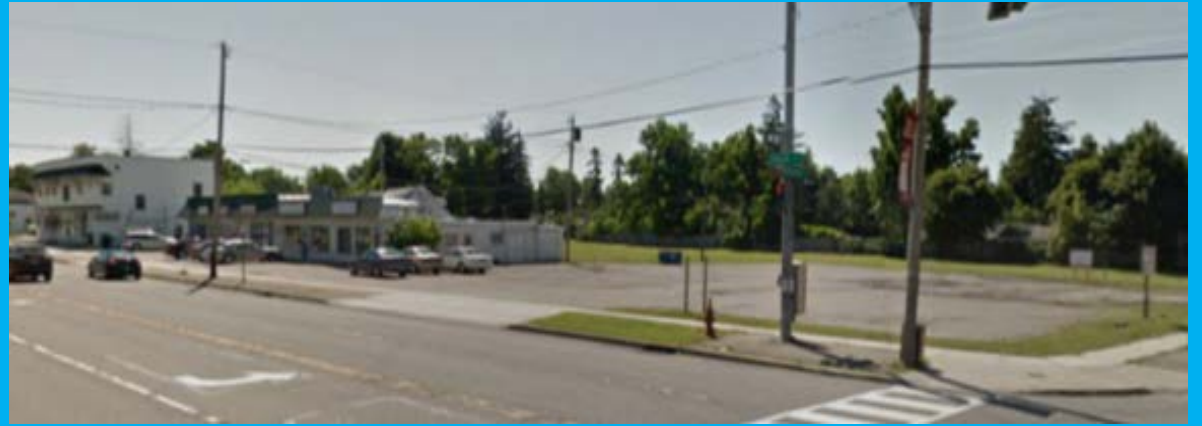
Purpose

Lay foundation to integrate Town and Village visions for corridor



Purpose

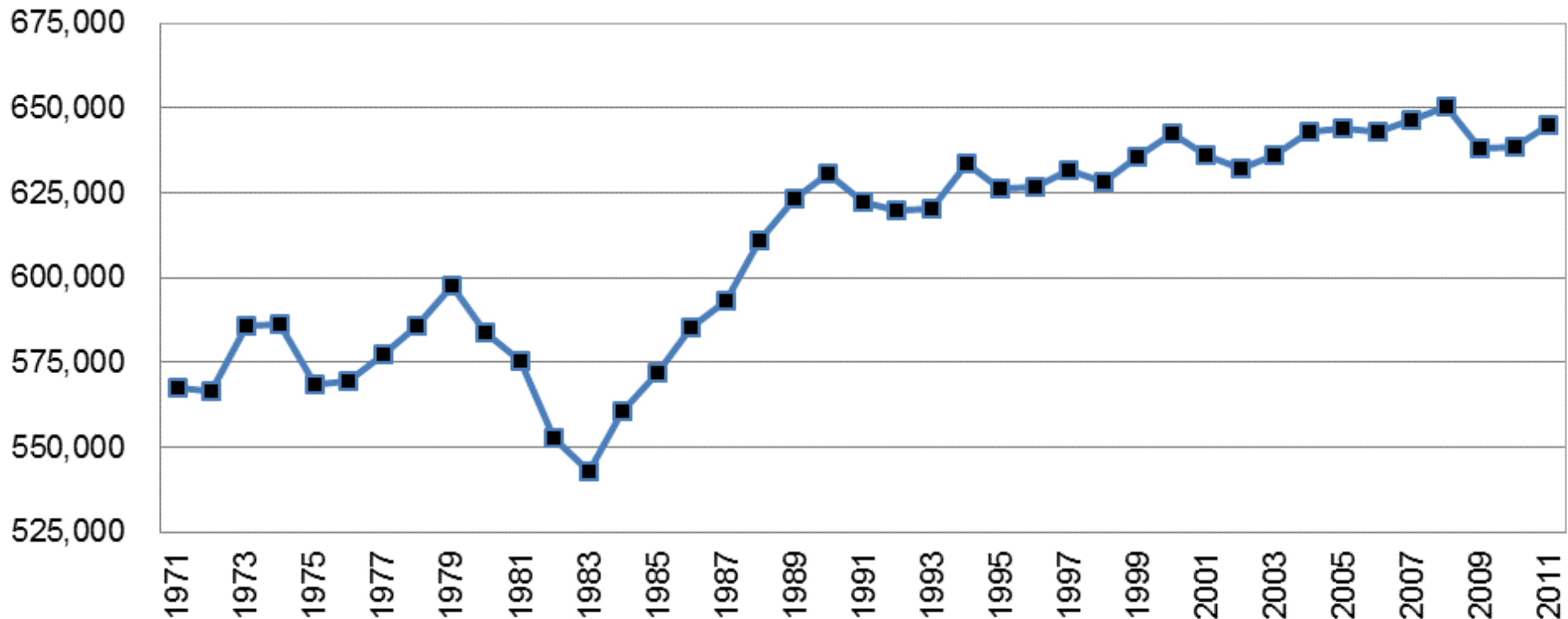
Assess potential of redevelopment sites in Town and Village



Regional Economic Trends

Little regional job growth since 1980s, not much lost in recession

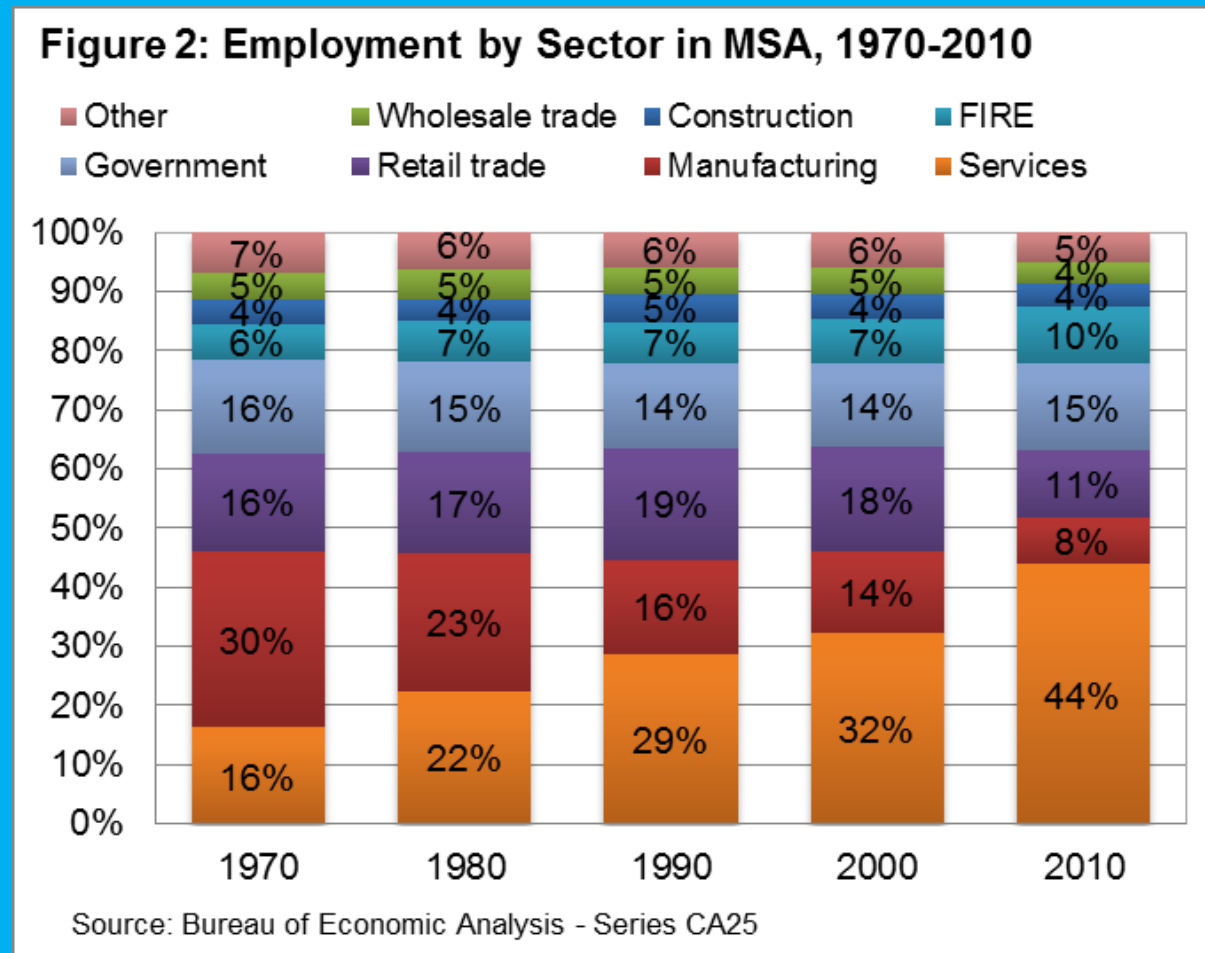
Figure 1: Employment in the Buffalo-Niagara Falls, NY MSA



Source: U.S. Bureau of Labor Statistics

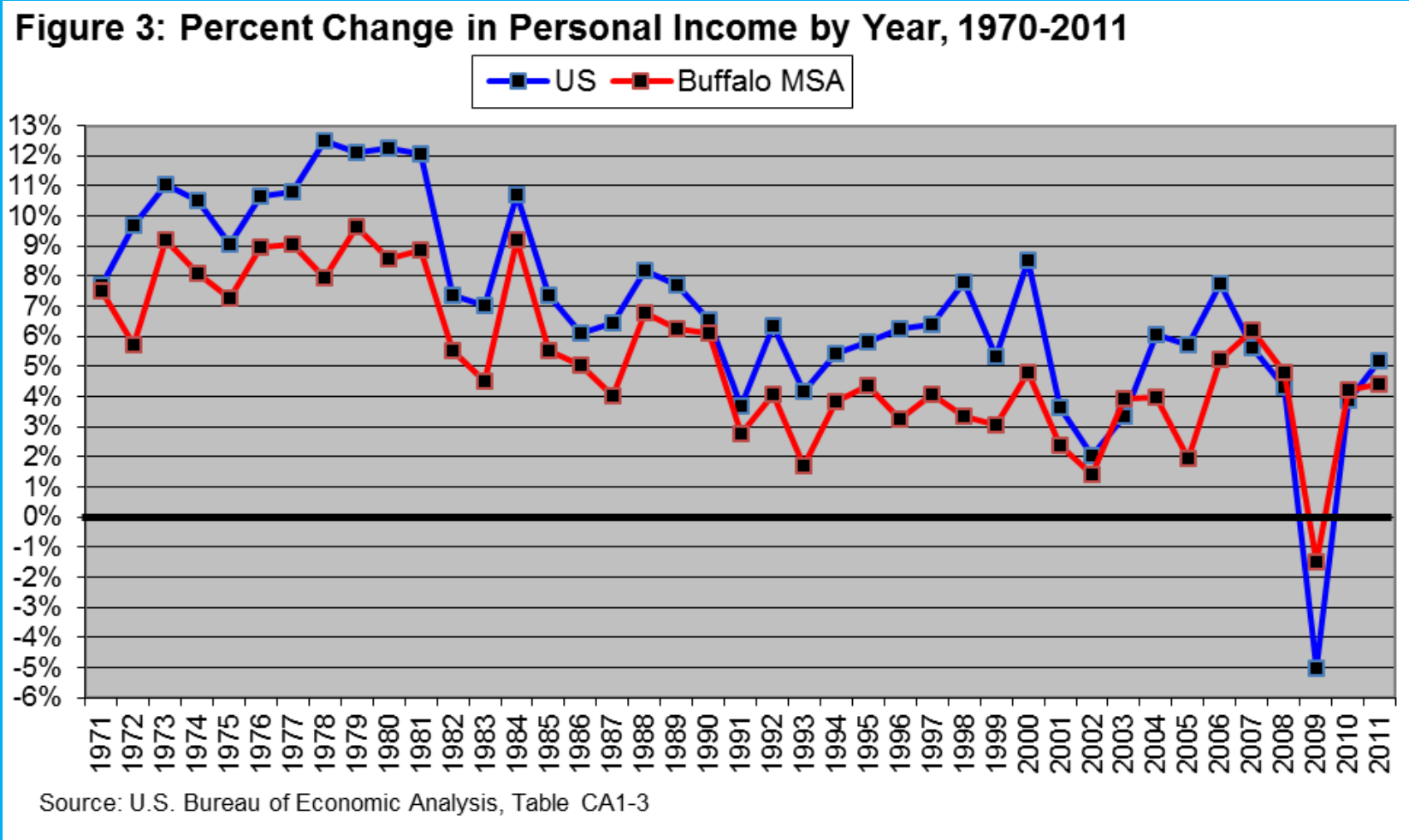
Regional Economic Trends

Shift from Manufacturing to Services economy



Regional Economic Trends

Personal income growth has lagged US total, less so since 2006



Regional Economic Trends

Slow growth in retail sales

Erie County Retail Sales, 2001-2011 (\$000s)

Period	Taxable Sales & Purchases	Change from Previous Period	
		Amount	Percent
3/01 - 2/02	\$11,009,803	\$9,965	0.09%
3/02 - 2/03	\$11,330,625	\$320,850	2.91%
3/03 - 2/04	\$11,600,942	\$270,290	2.39%
3/04 - 2/05	\$11,956,767	\$355,825	3.07%
3/05 - 2/06	\$12,342,595	\$384,969	3.22%
3/06 - 2/07	\$12,500,402	\$157,806	1.28%
3/07 - 2/08	\$13,348,618	\$848,216	6.79%
3/08 - 2/09	\$13,451,665	\$103,047	0.77%
3/09 - 2/10	\$12,894,176	(\$557,489)	-4.14%
3/10 - 2/11	\$13,363,031	\$741,855	5.75%
Total/CAGR	\$2,353,228	\$263,533	2.18%

Source: New York State Department of Taxation & Finance

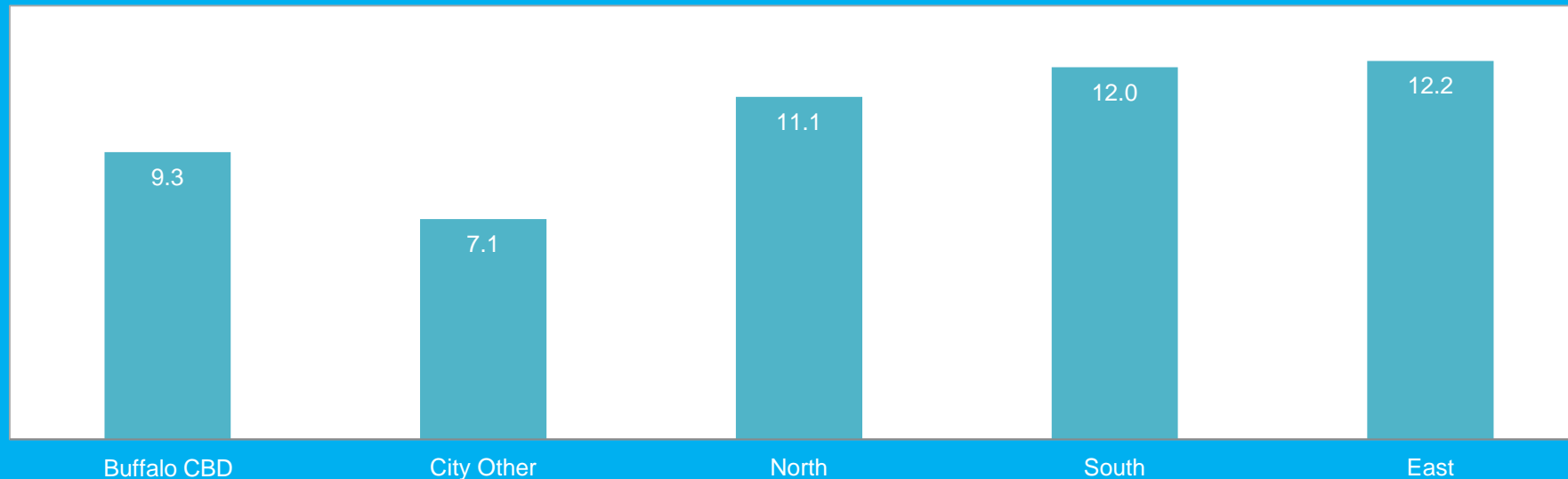
Real Estate Market: Office

Region: Little office absorption, flat rents, modest vacancy

East: Somewhat higher rents, but higher vacancy

Most demand from small users (<5,000 SF)

Office Vacancy Rate by Submarket

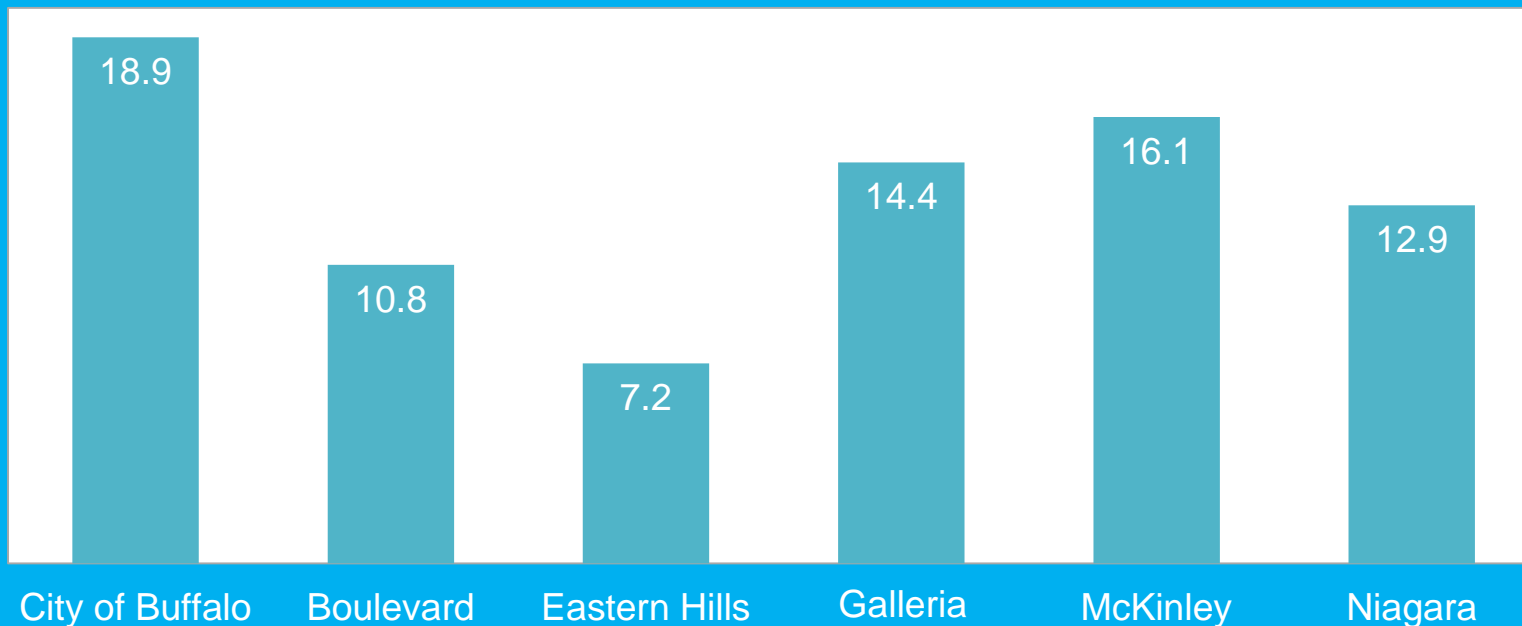


Real Estate Market: Retail

Region: Increased demand from Canadians, but flat rents

Eastern Hills: Low vacancy, but not a regional/tourist draw

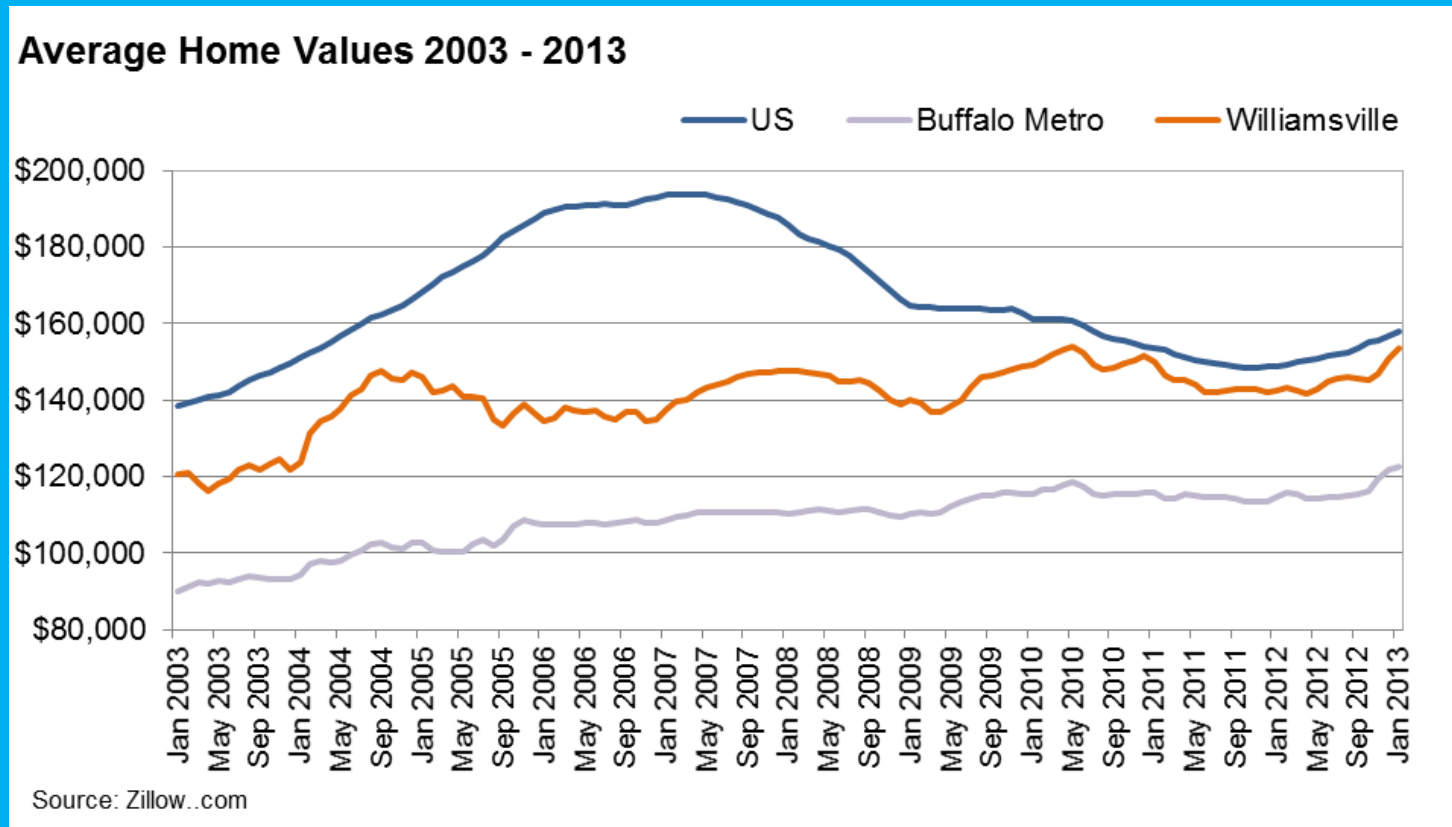
Figure 5: Retail Vacancy Rate by Submarket



Real Estate Market: Residential Sales

No boom...but no bust either

Williamsville has maintained strength relative to region



Real Estate Market: Residential Rental

Low rents in region: less than \$1.00/SF

Very little new product in Williamsville area since 1990

New units rent for slightly more: up to \$1.20/SF

Market has appetite for new units, but is largely untested



*Performance of
The Mosey is critical*

Real Estate Market: Hotel

Regional market is strong due to Canadian influence

1.2 million overnight visits/year from Canadians

Occupancy and room rates are both rising

Hotel Market Performance in Erie County, 2009-2012

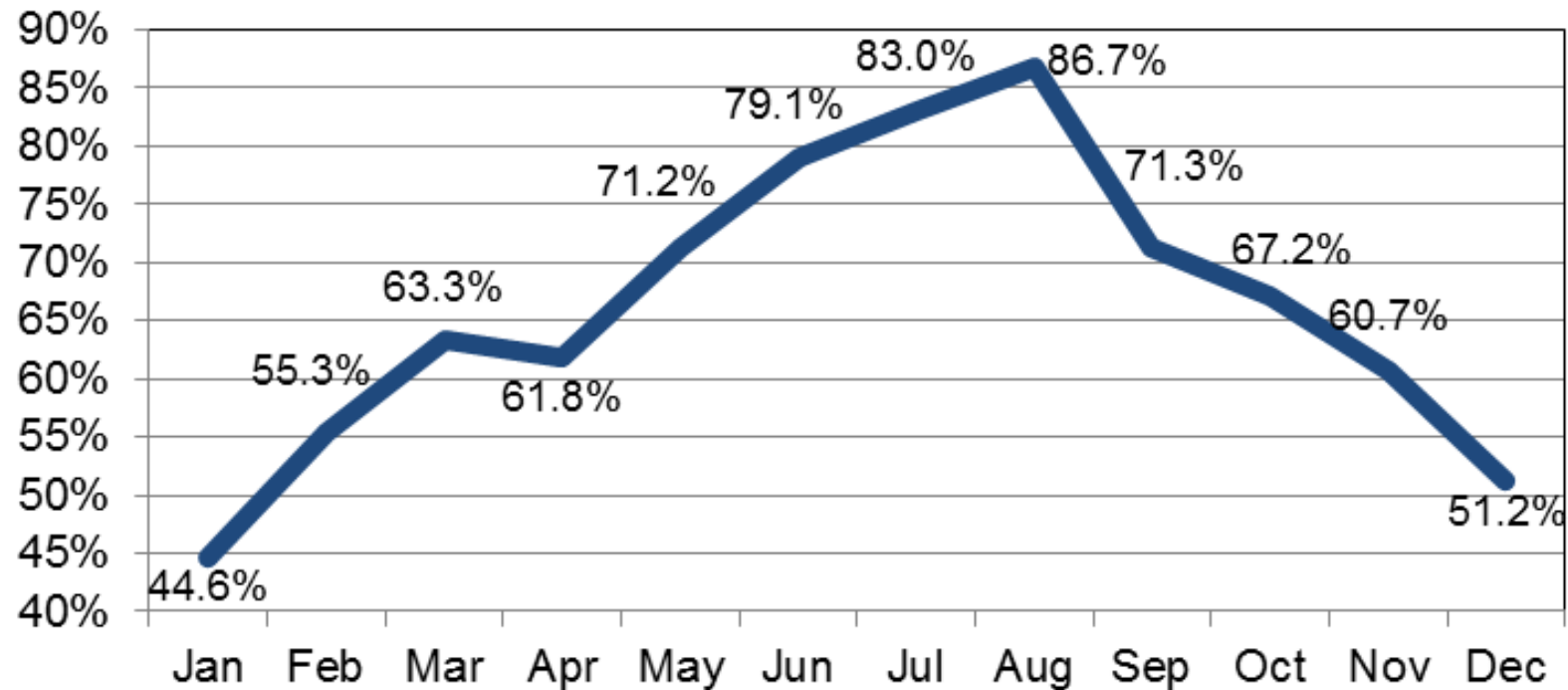
Year	Occupancy Rate	Average Daily Room Rate (ADR)
2009	63.3%	\$ 87.09
2010	64.7%	\$ 87.45
2011	66.1%	\$ 90.96
2012	66.4%	\$ 93.92

Source: Visit Buffalo Niagara; Smith Travel Research

Real Estate Market: Hotel

Seasonality remains a major challenge

Erie County Average Occupancy by Month, 2012



Source: Visit Buffalo Niagara; Smith Travel Research

Real Estate Market: Hotel

Local market is attractive, but is it getting overbuilt?

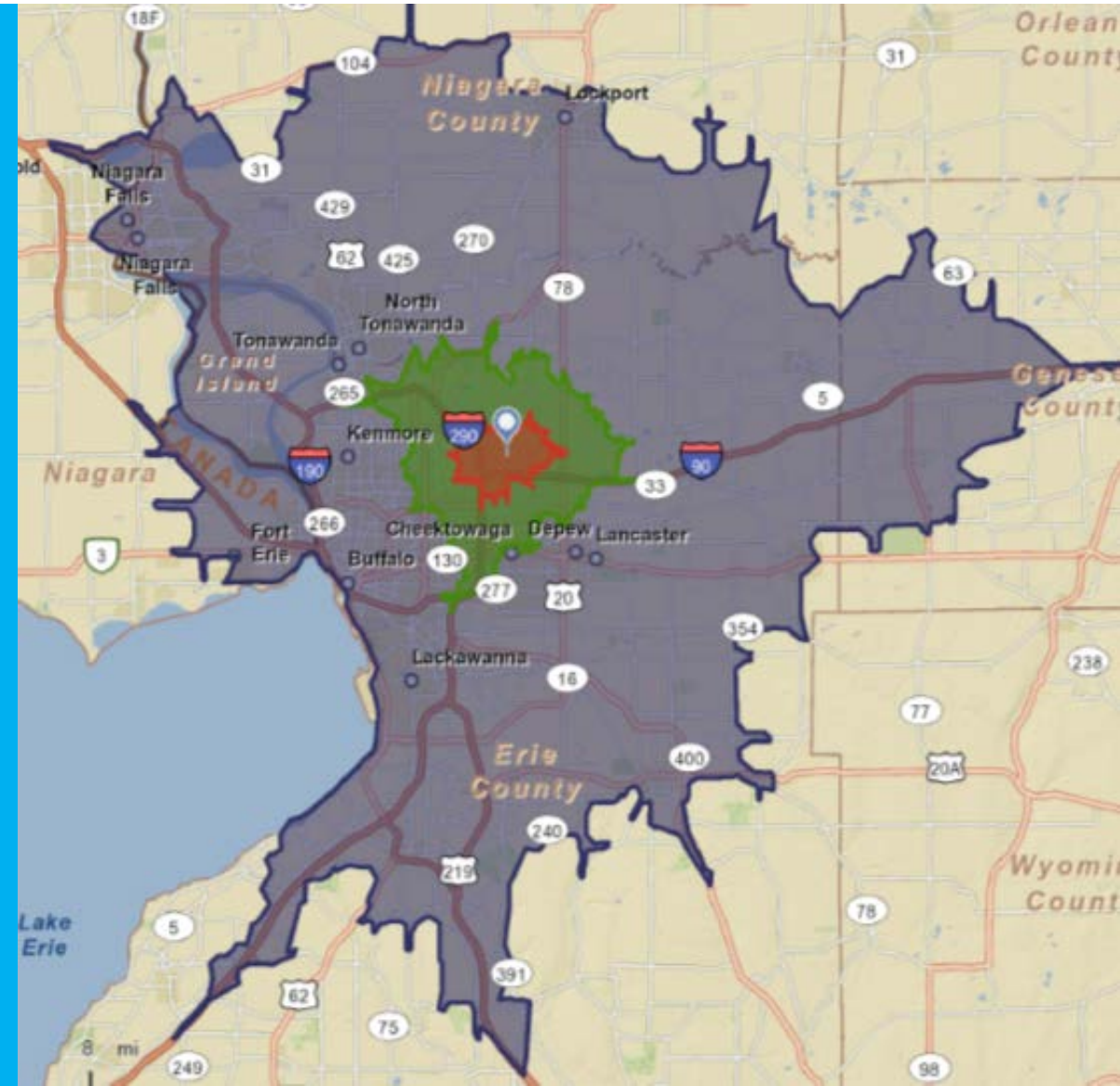


Residential Market Area Profiles

Williamsville (5 min): *Primary market for retail and services*

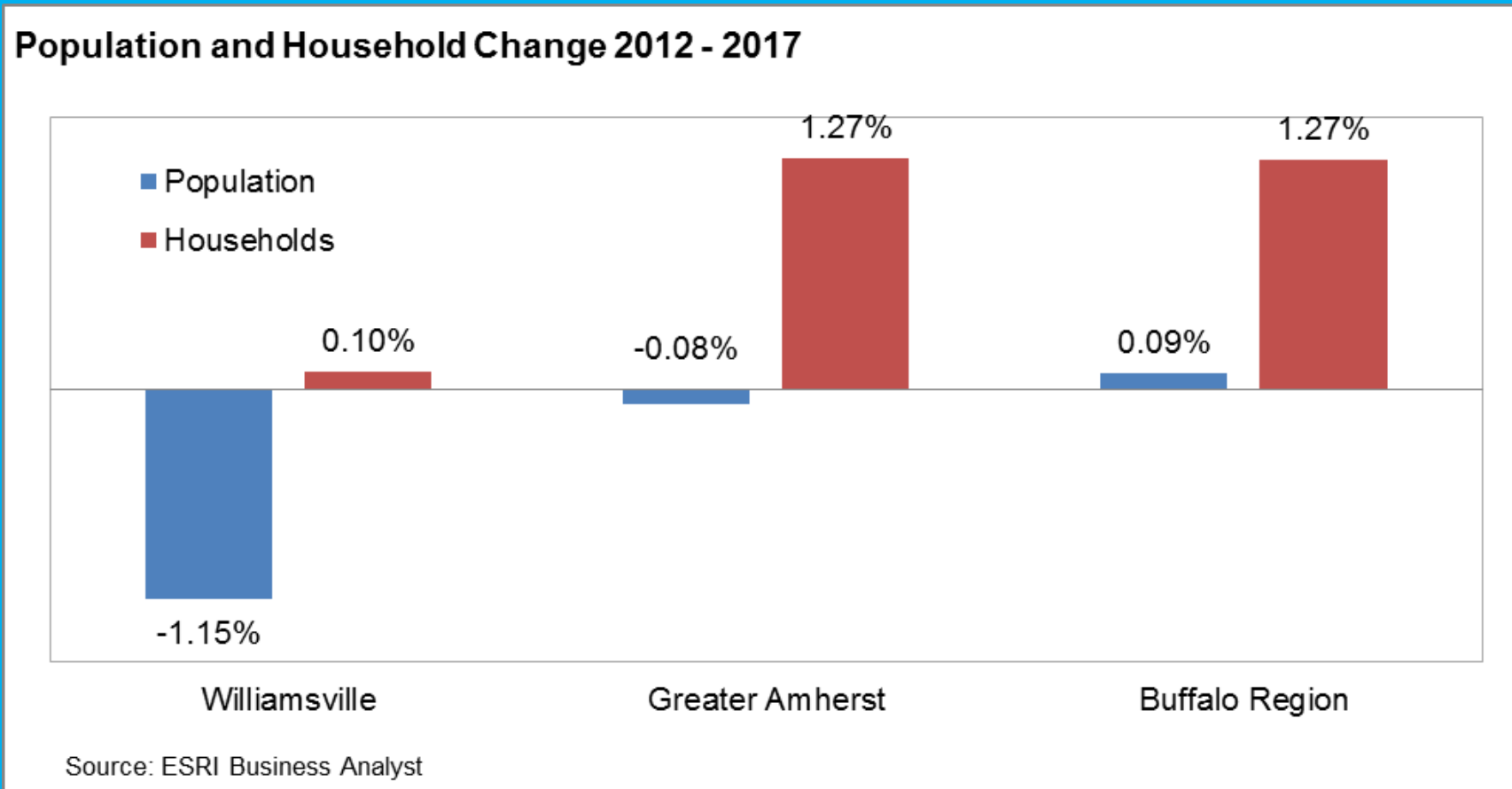
Greater Amherst (10 min): *Meals, shopping, entertainment, some services*

Buffalo Region (30 min): *Specialty retail, dining, entertainment*



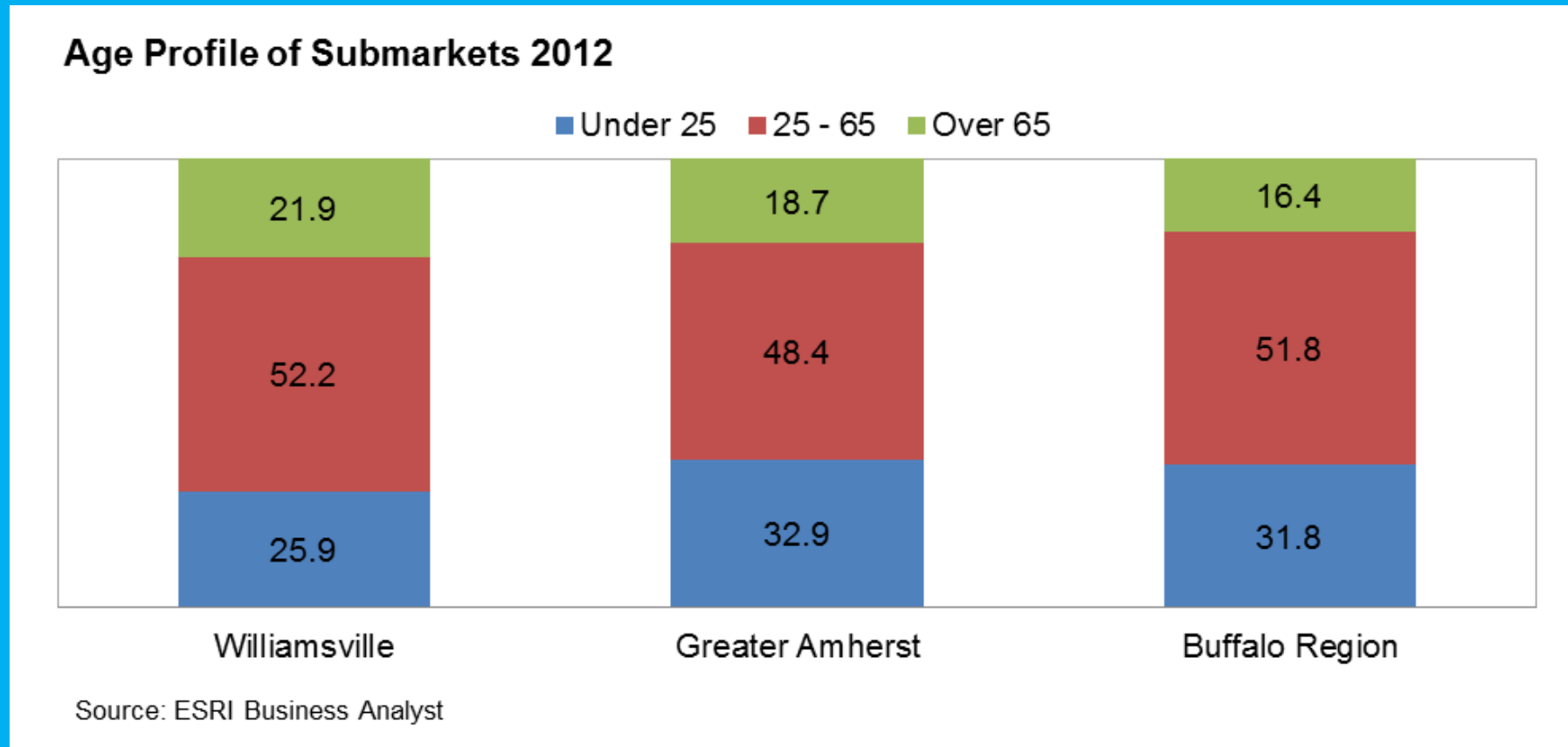
Residential Market Area Profiles

Flat population, but increasing number of households
(+5,000 regionally from 2012-2017)



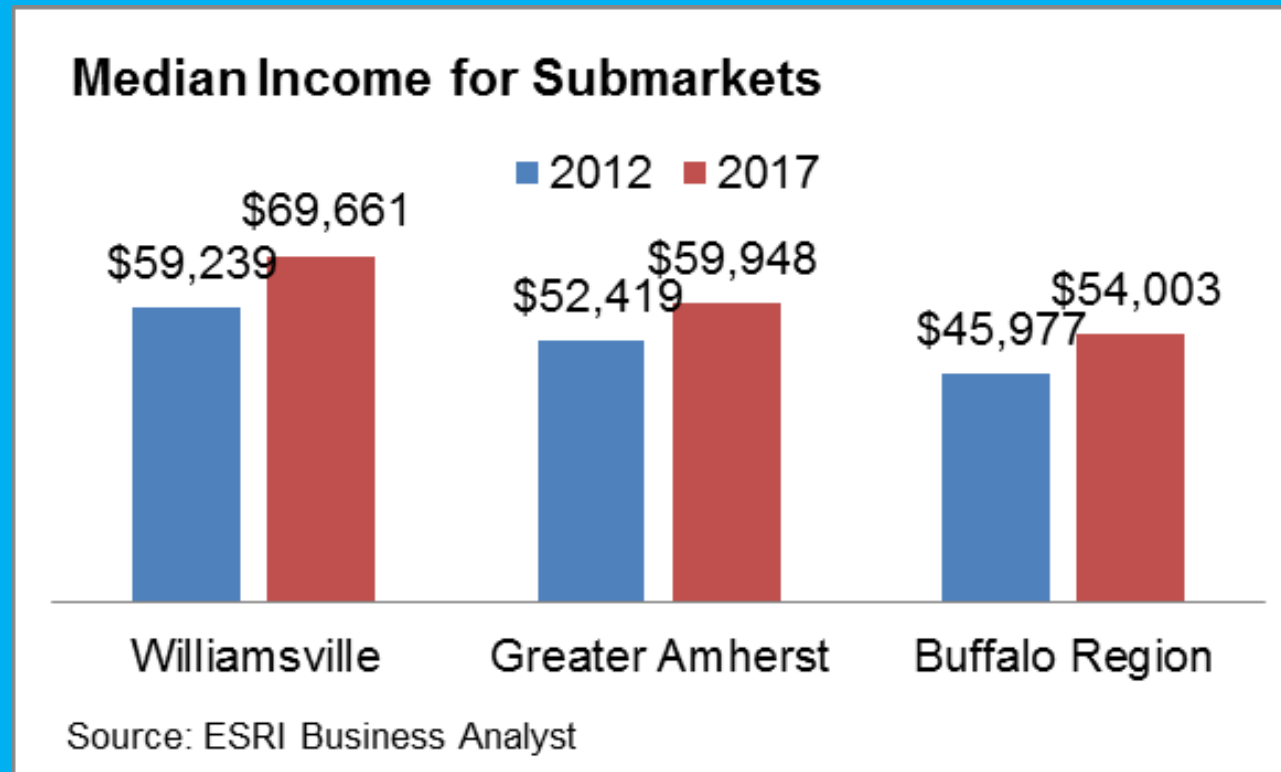
Residential Market Area Profiles

Williamsville has a much older population base (median 45.4):
Greater Amherst is 32.9, Buffalo region is 40.7



Residential Market Area Profiles

Williamsville market more affluent than surrounding areas:
39% of local households have income of >\$75K

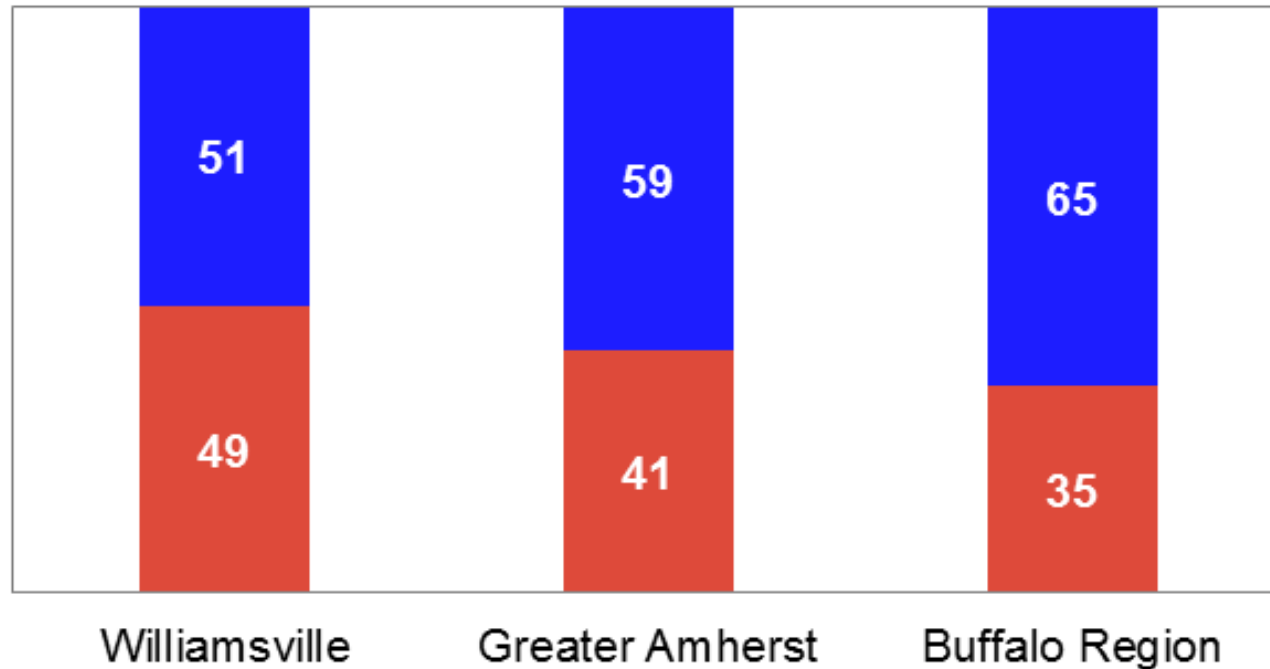


Residential Market Area Profiles

Williamsville's labor force is much more white collar than region

Labor Force Share by Job Type, 2012

■ White Collar ■ Blue Collar



Source: US Census American Community Survey, ESRI Business Analyst

Market Capture: Retail

Current market: Personal Services are regional draw, some pull from GAFO and Accommodation/Dining

Retail Category	Current Draw Factor	Current Draw Type
General, Apparel, Furniture and Other (GAFO)	2.10	Sub-Regional
Home Improvement	0.23	Neighborhood
Food & Drugs	0.58	Neighborhood
Accommodation and Dining	1.06	Sub-Regional
Personal Services	11.07	Regional

Market Capture: Retail

Total annual market potential for all sales is \$7.6 Billion:

Williamsville: \$228M, Greater Amherst: \$1.3B, Region: \$6.1B

Potential Retail Spending by Market Area

	GAFO	Home Improvement	Food & Drugs	Eating & Drinking	Personal Services	TOTAL	Households	Spending per HH
Williamsville Market	\$69,696	\$26,717	\$85,391	\$42,073	\$4,211	\$228,089	11,463	\$19,898
Greater Amherst Market	\$390,191	\$146,354	\$476,504	\$236,072	\$22,918	\$1,272,040	69,741	\$18,239
Buffalo Regional Market	\$1,680,546	\$1,277,939	\$2,070,482	\$1,021,368	\$96,952	\$6,147,288	345,269	\$17,804
Total Potential Spending	\$2,140,433	\$1,451,010	\$2,632,378	\$1,299,514	\$124,082	\$7,647,416	426,473	\$17,932

Source: ESRI Business Analyst; Market & Feasibility Advisors LLC

Market Capture: Retail

Main Street can capture significant share of regional demand for Personal Services, strong local share of Eating & Drinking and Home Improvement, less for GAFO and Food & Drugs

Estimated Capture Range by Market for Williamsville

Retail Category	Williamsville (0-5 min)		Amherst (5-10 min)		Regional (10-30 min)		Inflow Potential	
	Low	High	Low	High	Low	High	Low	High
CAPTURE RATES								
GAFO	8.0%	10.0%	2.0%	3.0%	0.4%	0.6%	4.0%	5.0%
Home Improvement	15.0%	20.0%	4.0%	6.0%	0.1%	0.2%	2.0%	3.0%
Food & Drugs	12.0%	15.0%	2.0%	3.0%	0.1%	0.2%	1.0%	1.5%
Eating & Drinking Places	15.0%	20.0%	5.0%	6.0%	0.2%	0.3%	5.0%	7.0%
Personal Services	40.0%	50.0%	10.0%	12.0%	2.0%	3.0%	8.0%	10.0%

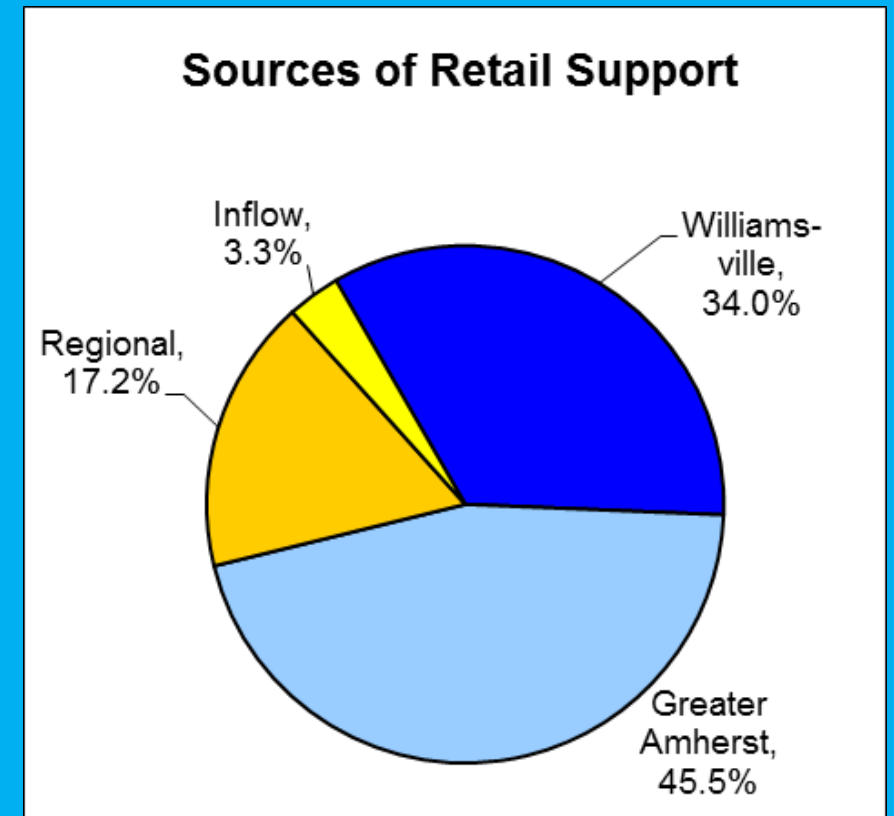
Source: Market & Feasibility Advisors LLC

Market Capture: Retail

Williamsville can support between \$81.9 and \$115.1 million in annual retail sales.

Estimated current sales: \$77.2 M

80 percent of sales potential is from local market (Williamsville + Greater Amherst)



Source: Market & Feasibility Advisors LLC

Market Capture: Retail

Williamsville can support between 257,250 and 363,300 square feet of retail space

Current inventory: 300,300 SF

Market can support up to 61,610 SF of General Retail and Service, 7,560 SF of Eating & Drinking

Market for Personal Services is saturated

Potential Need for Retail Development by Type: Main Street Corridor

	Low	High
ESTIMATED SUPPORTABLE SQUARE FOOTAGE		
General Retail & Service	181,110	263,640
Eating & Drinking Places	52,910	68,600
Personal Services	23,230	31,060
Total	257,250	363,300

ESTIMATED CURRENT INVENTORY OF SPACE (SQ. FT.)		
	Current Sales (\$000)	Current Square Ft
General Retail & Service	\$50,508	202,030
Eating & Drinking Places	\$18,312	61,040
Personal Services	\$8,376	37,230
Total	\$77,196	300,300

ADDITIONAL SUPPORTABLE SPACE		
General Retail & Service	0	61,610
Eating & Drinking Places	0	7,560
Personal Services	0	0
Total	0	69,170

Market Capture: Retail

Key caveats:

1. There are opportunities to improve/redevelop existing retail spaces without adding to overall inventory
2. Improved visual/pedestrian environment will enhance Williamsville's retail appeal and expand market potential
3. Additional residential development would increase retail market potential

Market Capture: Residential

Five target markets for Main Street residential units:

1. Baby Boomer Homeowners in Greater Amherst
2. Retirees and Snowbirds in Buffalo Region
3. Affluent Multi-Family Dwellers in Buffalo Region
4. New Gen Y Households in Buffalo Region
5. Households Relocating to Erie County

Total of 460,000 Households

Average of 41,000 Households Moving per Year

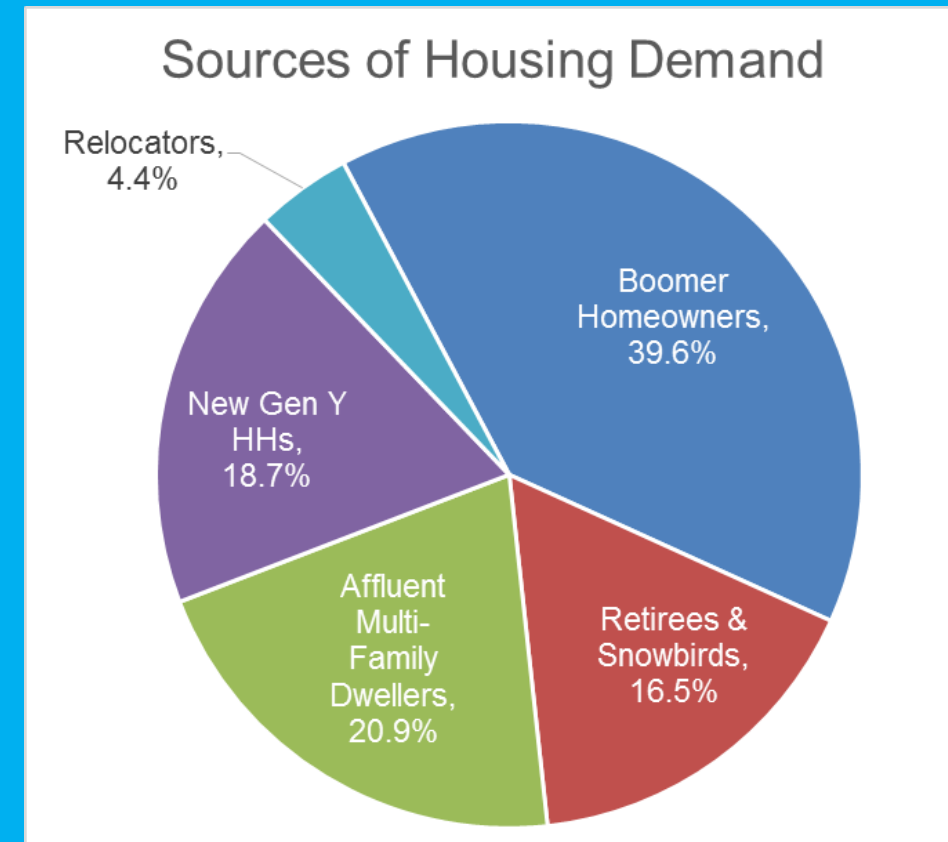
Market Capture: Residential

Projected annual unit capture in Main Street corridor:
91 units (0.22% of total regional housing demand)

Boomer Homeowners (trade-downs)
are largest group

Rest of demand split among other
Current residents of region

Relocators are mostly lower-income



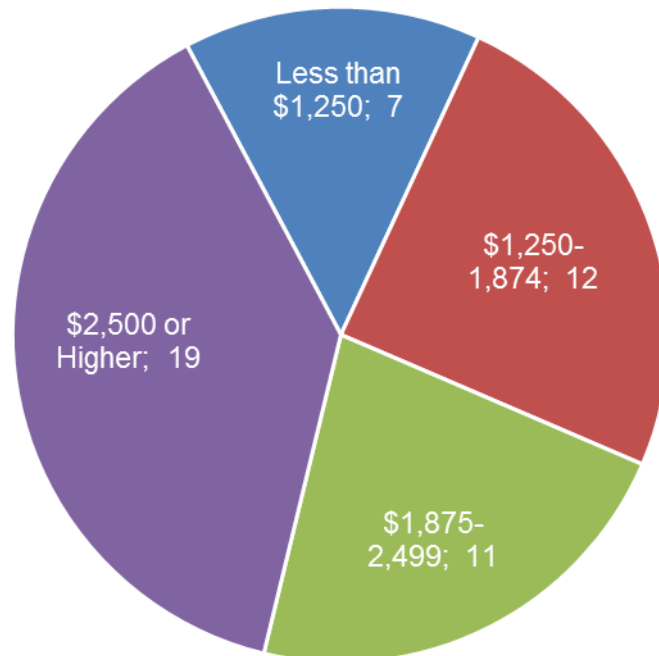
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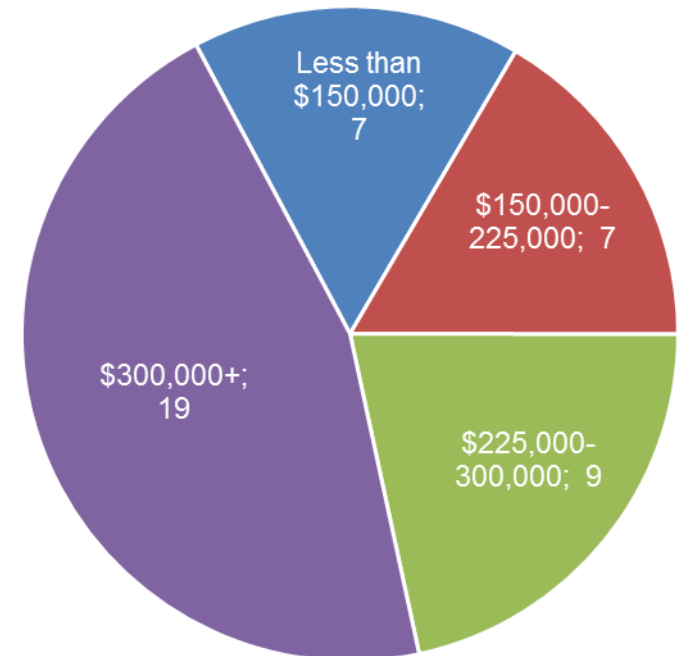
54% rental
46% for-sale

Most demand in
upper half of
market

Annual Rental Demand by Price Point



Annual For-Sale Demand by Price Point



Market Capture: Office

Only potential is for build-to-suit or building with 50% space pre-leased

Not likely given limited market demand from large users

Redevelopment of Water Mill and other improvements would increase likelihood of attracting top-end tenants

Market Capture: Hotel

Wyndham Garden and redevelopment of Lord Amherst will soak up demand for the next few years

Additional lodging demand would require enhancing tourist appeal of village center

Smaller lodging properties may have potential: Water Mill could be good test for this market

Redevelopment Site Assessments

Spring Street: Williamsville Water Mill

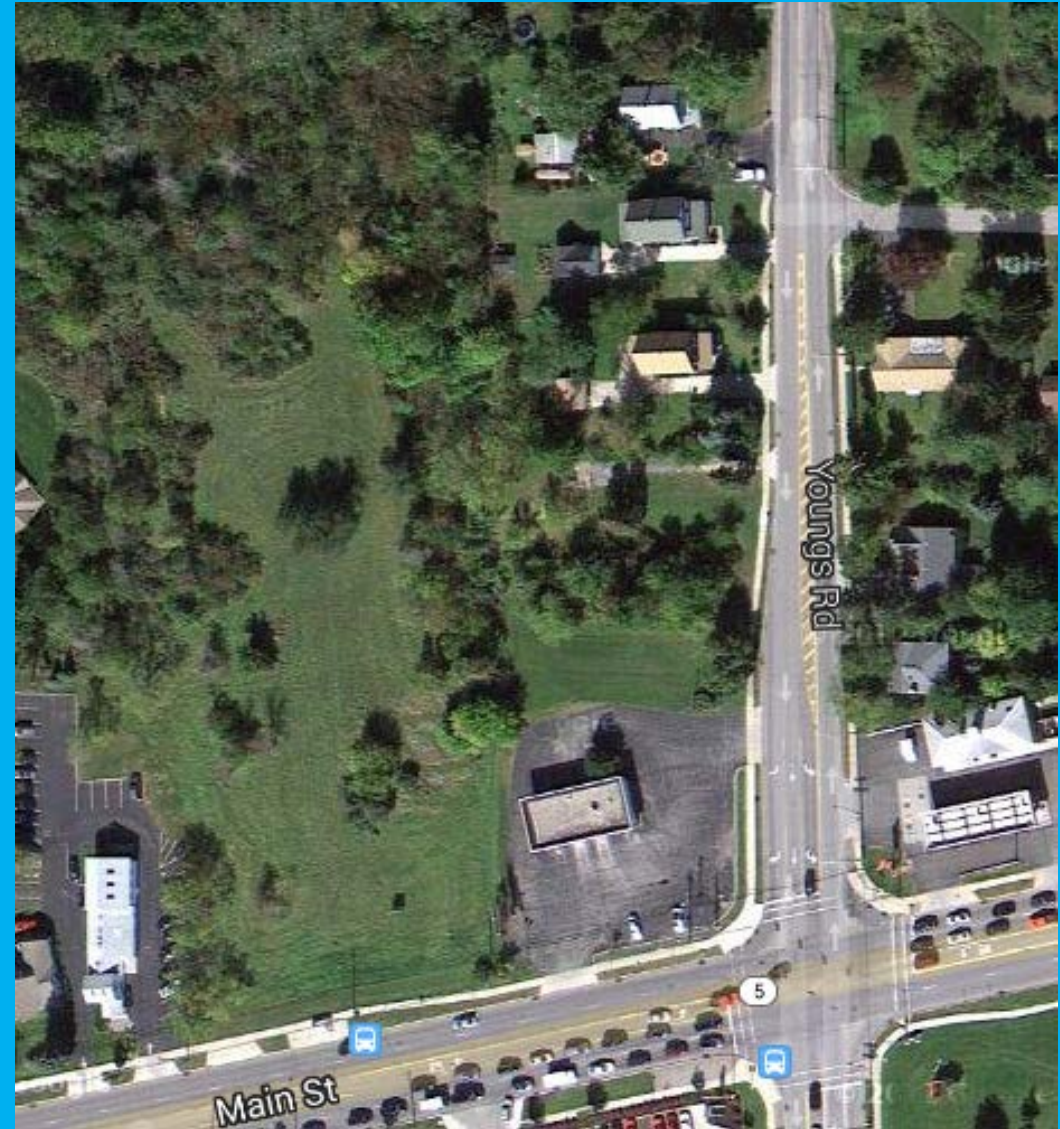
Proposed plan should generate visitation and drive demand for additional retail, dining and lodging



Redevelopment Site Assessments

6120 Main Street @ Youngs

Premier site for new office development; important test of market appeal to major office users



Redevelopment Site Assessments

Williamsville Executive Center: 5500 Main Street

Great potential for residential, retail, or office, but building is mostly leased, so no market pressure to redevelop



Redevelopment Site Assessments

Iskalo site at Main & Garrison

Very desirable location for residential/retail development, but small site would likely require structured parking



Redevelopment Site Assessments

Northeast corner of Main & N. Forest

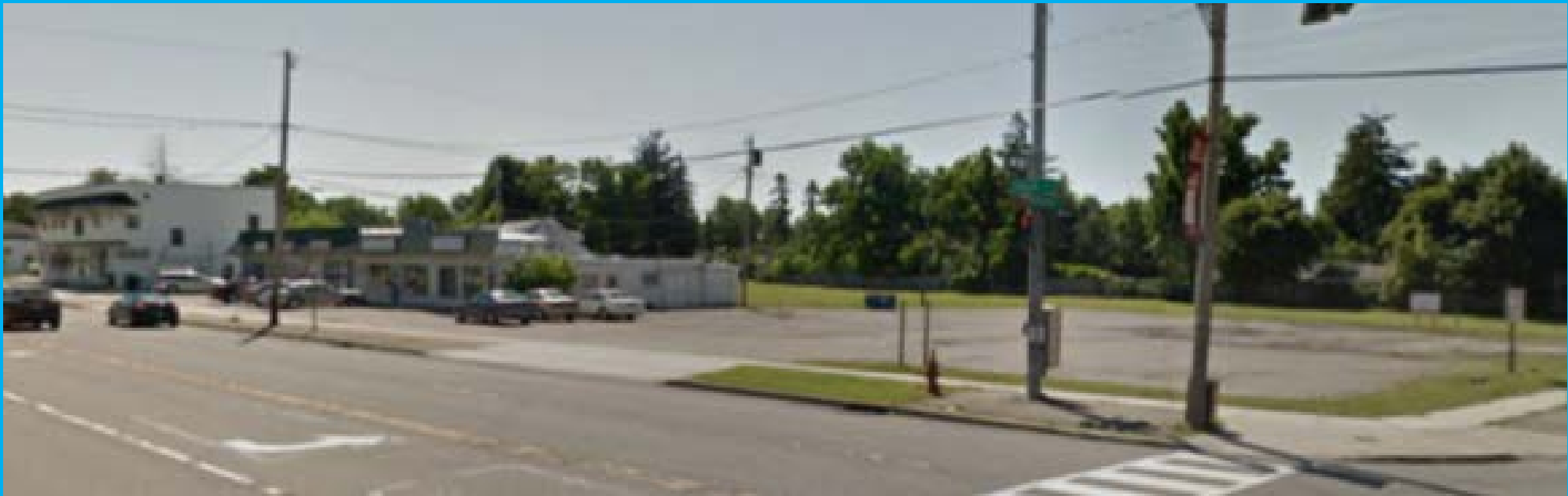
Attractive site for high-density residential, important gateway location; existing businesses make redevelopment less likely in short term



Redevelopment Site Assessments

Hirschfield/Richfield Site

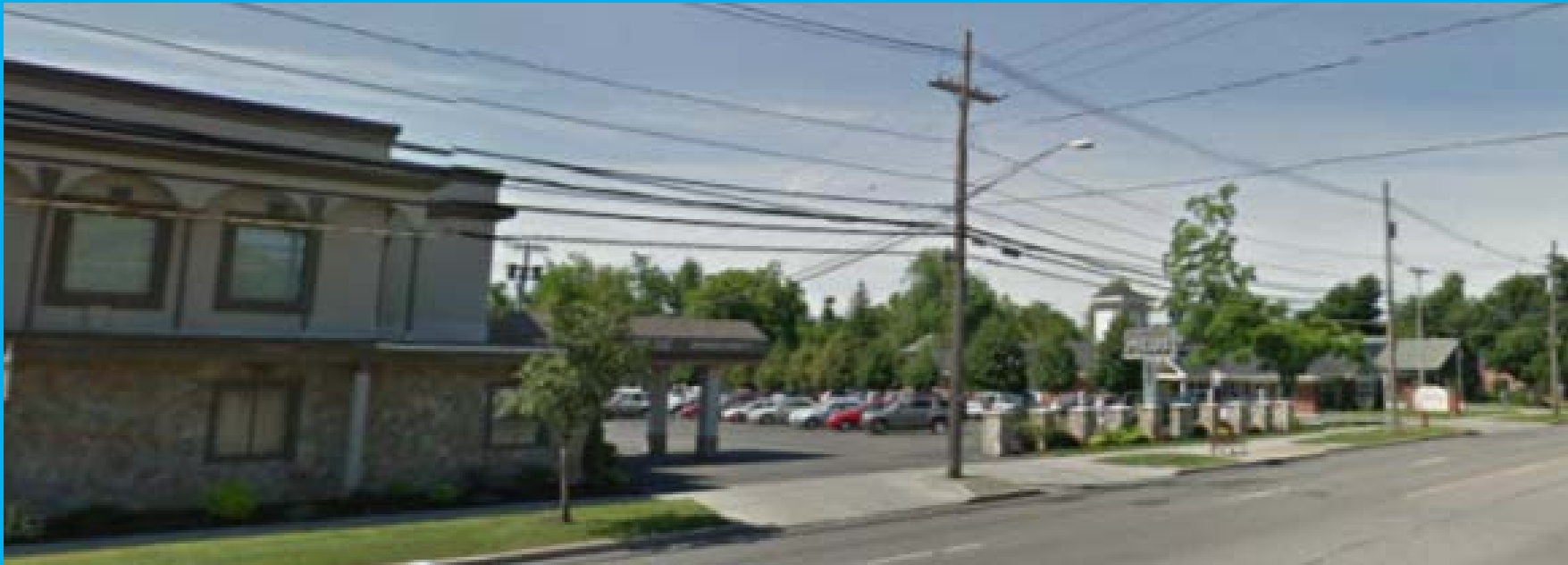
Good site for residential/retail development; current plans do not utilize full potential of site



Redevelopment Site Assessments

South side of Main between Pfohl and Highland

Lot is prime for mixed-use redevelopment; may be able to do partial redevelopment to preserve Milos and medical building



Redevelopment Site Assessments

Touch of Brass/Hettig's Service

Very small site, environmental concerns, popular local business; only realistic re-use is for park/civic purpose



Redevelopment Site Assessments

Ed Youngs/Read's Cleaners

Extremely attractive site for mixed-use development, but likely needs structured Parking and would need to preserve Ed Youngs, Creekview, etc.



Redevelopment Site Assessments

Talbots/Original Pancake House

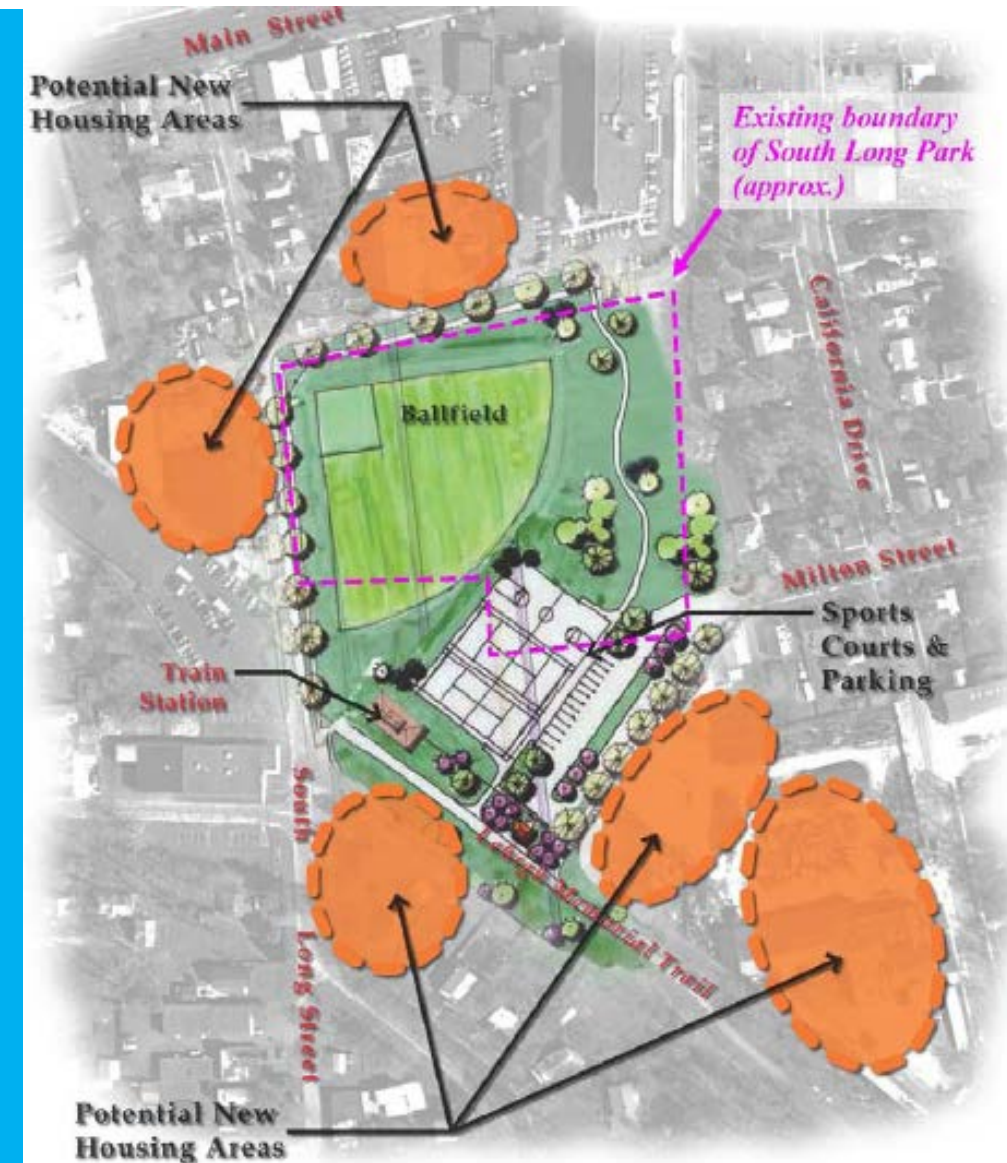
Very good site for potential residential/retail, but two anchors are integral to Village's current market appeal: redevelopment is unlikely in short term



Redevelopment Site Assessments

South Long Street

Very strong potential for higher-end, for-sale housing, but will need to achieve top-of-the-market pricing and likely to face neighborhood opposition; public-private partnership is likely needed for this area



Redevelopment Site Assessments

Evaluation of Potential Redevelopment Sites in Main Street Corridor

No.	Site Name	Jurisdiction	Potential End Uses	Timing
1.	Williamsville Water Mill	Village	Arts, event, retail, lodging	3-5 years
2.	6126 Main @ Youngs	Town	Office Hotel Retail	0-2 years 3-5 years 3-5 years
3.	Williamsville Exec Center	Village	Office (continued use) Retail Residential	0-2 years 3-5 years 5+ years
4.	Main/Garrison	Village	Residential	0-2 years
5.	NE corner of Main/Forest	Town	Residential	5+ years
6.	Hirschfield/Richfield site	Village/Town	Residential/Retail	0-2 years
7.	Pfohl/Highland site	Village	Residential/Retail	3-5 years
8.	Touch of Brass/Hettig's	Village	Civic/Park	5+ years
9.	Ed Youngs/Read's	Village	Residential/Retail	5+ years
10.	Talbots/Pancake House	Village	Residential/Retail	5+ years
11.	South Long Street	Village	Residential	3-5 years

Source: Market & Feasibility Advisors LLC

Final Thoughts

Each sub-area has unique advantages and disadvantages

Market perceives Williamsville as one area: town/village boundary is not obvious

Williamsville faces little competition for new housing types serving affluent, older residents

Difficulty of redeveloping many sites will limit competition within market area: success of individual projects is more likely

Questions

Thank you!!!

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