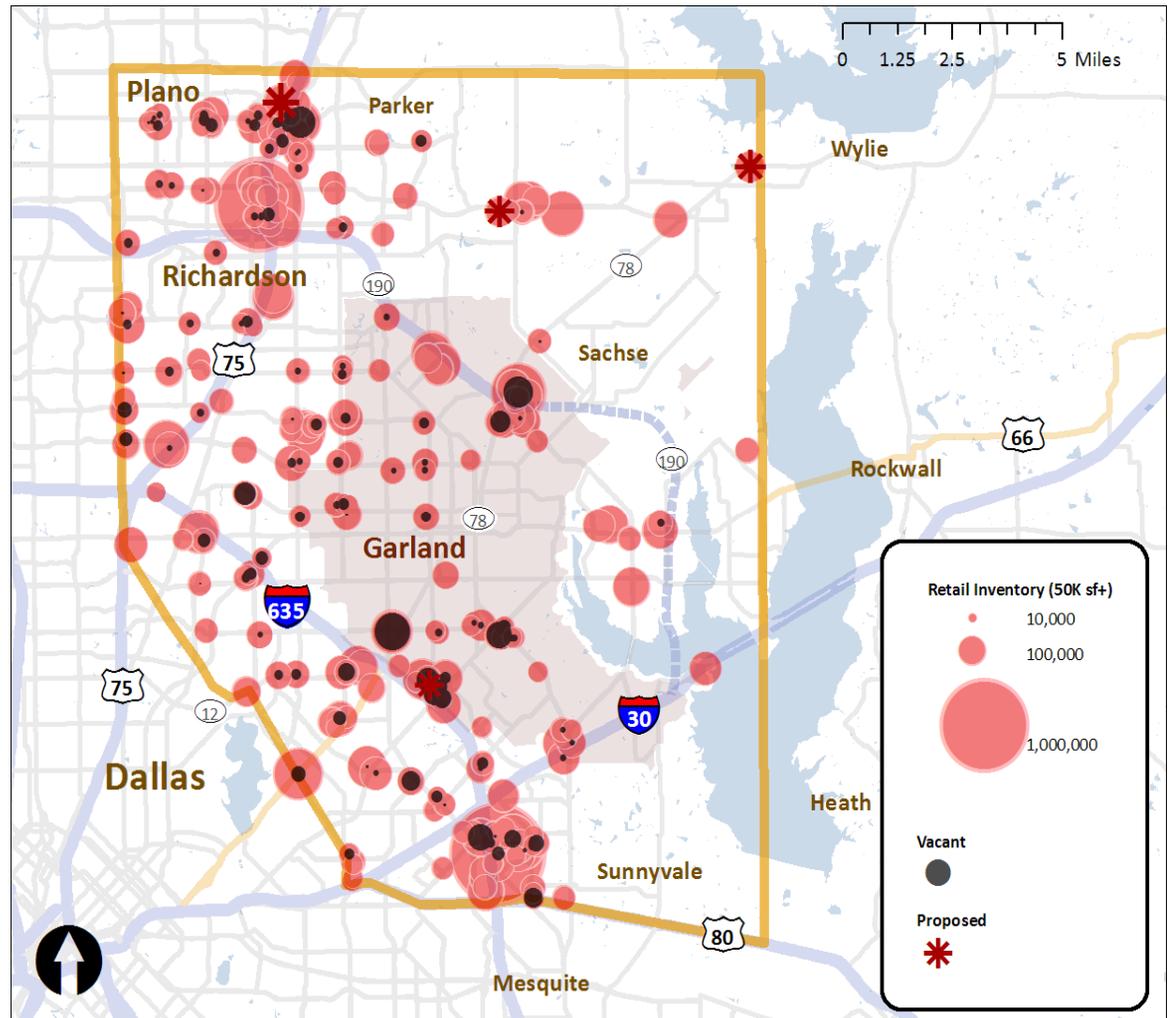


## Retail Inventory and Vacancies - Trade Area

The map presented here shows both total retail inventory, in red, and vacant inventory, in black, for stores over 25,000 square feet in the Trade Area.

Garland's largest vacant space is the former Wal-Mart "hypermart" at Shiloh & Garland Rd / 78, followed closely by a cluster of vacancies near Broadway & Centerville and Centerville Marketplace.

One can see vacancies prevalent in smaller centers located throughout the Trade Area, with large clusters in central Plano at Central / 75 and in Mesquite south of LBJ and I-30.



Source: Costar, Inc. and Leland Consulting Group.

## 10-Year Retail Demand – Garland Trade Area

	2010 est. Sales	Projected Trade Area HH Growth Rate	2020 Projected Sales Potential	Growth in Sales	Est. Sales/s.f.	10-yr New Demand from HH Growth (s.f.)
Furniture and Home Furnishings	\$302,625,985	0.7%	\$325,134,748	\$22,508,764	\$200	112,544
Electronics and Appliance	\$469,001,459	0.7%	\$503,884,924	\$34,883,465	\$225	155,038
Building Material, Garden Equip	\$1,042,657,161	0.7%	\$1,120,208,081	\$77,550,920	\$300	258,503
Food and Beverage	\$1,417,294,622	0.7%	\$1,522,710,386	\$105,415,765	\$375	281,109
Health and Personal Care	\$366,529,092	0.7%	\$393,790,851	\$27,261,759	\$325	83,882
Clothing and Accessories	\$618,580,953	0.7%	\$664,589,866	\$46,008,913	\$225	204,484
Sporting Gds, Hobby, Book, Music	\$242,483,562	0.7%	\$260,519,043	\$18,035,481	\$225	80,158
General Merchandise	\$986,522,603	0.7%	\$1,059,898,338	\$73,375,735	\$300	244,586
Misc. Store Retailers	\$274,533,418	0.7%	\$294,952,709	\$20,419,290	\$200	102,096
Foodservice and Drinking Places	\$1,350,277,588	0.7%	\$1,450,708,749	\$100,431,161	\$325	309,019
Excluded Categories (including cinema, prof./med. office, consumer banks, etc.) @ 20% of above	\$1,414,101,289	0.7%	\$1,519,279,539	\$105,178,251	\$200	525,891
<b>Totals</b>	<b>\$8,400,601,715</b>		<b>\$9,115,677,235</b>	<b>\$631,069,503</b>		<b>2,357,310</b>

With household growth of approximately 0.7% annually, the Trade Area should see demand for approximately 2.4 million square feet of new retail space by 2020, based on consumer expenditure patterns.

## 10-Year Retail Attainable Capture – City of Garland

	10-yr New Demand from HH Growth (s.f.)	Plus Recapture-able Existing Void (s.f.)	Plus Replacement of Obsolete Space (s.f.)	Total New Demand by 2020 (s.f.)	Attainable City of Garland Capture Rate	Garland Attainable Capture (s.f.)
Furniture and Home Furnishings	112,544	37,305	75,656	225,505	15%	33,826
Electronics and Appliance	155,038		104,223	259,260	15%	38,889
Building Material, Garden Equip	258,503	325,770	173,776	758,049	15%	113,707
Food and Beverage	281,109	132,175	188,973	602,256	15%	90,338
Health and Personal Care	83,882	266,354	56,389	406,626	15%	60,994
Clothing and Accessories	204,484	73,377	137,462	415,324	15%	62,299
Sporting Gds, Hobby, Book, Music	80,158		53,885	134,043	15%	20,106
General Merchandise	244,586	583,194	164,420	992,200	15%	148,830
Misc. Store Retailers	102,096	70,079	68,633	240,809	15%	36,121
Foodservice and Drinking Places	309,019		207,735	516,754	15%	77,513
Excluded Categories (including cinema, prof./med. office, consumer banks, etc.) @ 20% of above	525,891		353,525	879,417	15%	131,912
<b>Totals</b>	<b>2,357,310</b>	<b>1,488,254</b>	<b>1,584,679</b>	<b>5,430,242</b>	<b>15%</b>	<b>814,536</b>

In categories where Claritas shows higher Trade Area-generated demand (in \$) than estimated trade sales, that suggests a “void” or leakage of sales to stores outside the area. We assume that over 10 years, the Trade Area, as part of a continuing transition from bedroom to full-service region, should be able to recapture 30% of existing voids (50% in the case of grocery).

Assuming additional demand from replacement of obsolete space (1.6 million square feet) and the recapture of a portion of existing leakage to outlying jurisdictions (1.5 million square feet) the **City of Garland could realistically capture over 800,000 square feet, at a 15% share by 2020.**

## Implications for Economic Development - Retail

- While there is a degree of retail “leakage” occurring in Garland (the City comprises 28% of Trade Area retail inventory and 33% of Trade Area population), recent developments such as Firewheel have helped to diversify the City’s retail base. Even with such new developments, the City is likely has a surplus of retail in a number of retail categories and formats. The recent closings of major national retailers (and potentially more to come in 2011), as well as the significant amount of underutilized or obsolete space, could characterize Garland as a failing retail market.
- Despite growing vacancies and stagnancy in rent levels, Garland is likely underserved by newer retail formats and product mixes. This concept of being “under-stored” is not uncommon in “inner ring” communities. Within the Metro Area, the preponderance of commercially-zoned land has contributed to the development of a relatively homogenous retail market. In association with the increased diversity of housing products and targeted demographic groups, Garland could accommodate a wider variety of retail product types and formats.
- Because retail tends to “change its face every 7 years”, it is important, from an economic development perspective, to aggressively anticipate new trends and put in place strategies to capitalize on those trends. Critical to this effort will be the strategic linkage between housing, employment and shopping, and how the development of all three creates a synergistic and sustainable effect within the community.