Business District Conditions and Market Assessment

Codman Square Business District

Prepared for and Sponsored by:

Boston Redevelopment Authority
One City Hall Square, 9th Floor
Boston, MA 02201
Jeremy Rosenberg, Project Manager
Jeremy.Rosenberger.bra@cityofboston.gov
(617) 918-4431

Department of Neighborhood Development
26 Court Street, 9th Floor
Boston, MA 02201
Carl Hyman, Senior Project Manager
chyman.dnd@cityofboston.gov
(617) 635-0465

In Collaboration with:

Codman Square Neighborhood Development Corporation
587 Washington Street
Dorchester, MA 02124
(617) 825-4224

March 2009

FinePoint Associates, LLC, 137 Freeman Street, Unit 3, Brookline, MA 02446, 617-763-5952
Project Director: Peg Barringer, pegsquare@aol.com, www.FinePointAssociates.com

Contents

List of Tables and Figures

Tables

Figures

Summary of the Findings

Summary of Business Conditions

In total, the Codman Square Business District encompasses 387,000 square feet of commercial and institutional space "under roof". This includes 110 establishments in total. Approximately one-half of the space is devoted to retail and services traditionally found in commercial districts or shopping centers (including personal services, food service and professional services). A large portion (41%) is comprised of community/institutional uses such as churches and community nonprofits.

Approximately 1% of the first floor commercial space is vacant (3 commercial units, totaling 3,200 square feet). Commercial rents in the Business District run approximately $23 to $26 per s.f.

Compared to typical similar-size shopping centers, Codman Square contains a higher percentage of service businesses and a lower percentage of retailers. The Business District has a smaller proportion of both convenience goods and shoppers goods compared to typical community shopping centers. The biggest difference in the Business District is the relative lack of 1) food, 2) general merchandise, and 3) home furnishings. Other categories in which the District has a smaller percentage include: clothing, building materials/hardware, food service, hobby/special interest/sporting goods, and auto related retail.

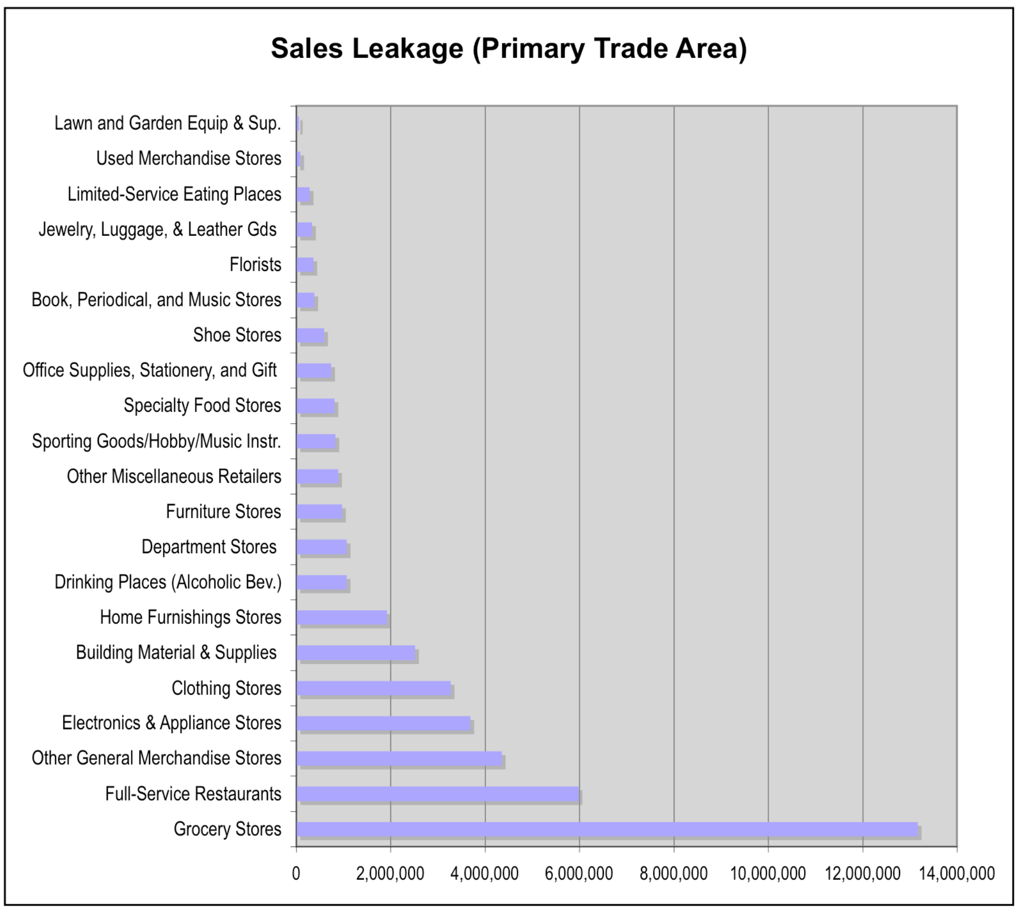
For analysis purposes, it is also useful to compare the business district being studied with other neighborhood commercial districts. Compared to three other selected Boston business districts, the categories that are under-represented in Codman Square include: general merchandise, food service, home furnishings, auto related retail, gifts/specialty and personal services.

Summary of Market Assessment/Business Development Opportunities

The major potential customer base for the Business District is the adjacent residential population. The primary trade area (where most of the sales would be expected to generate from) contains approximately 17,000 residents. The population consists primarily of moderate-income families. The estimated median household income for 2008 is $41,213, about 77% of the City-wide median. The population is diverse; 77% is African American, 8% is White, 2% is Asian and 14% is some other race or more than one race. 15% of the population is Hispanic. Compared to Boston overall, the primary trade area population, on average, is slightly younger and much more likely to have children in the household. 52% of the households contain children compared to only 25% City-wide. Approximately one-third of the households do not own a vehicle, representing a market segment that is more likely to make purchases close to home. The residents of the primary trade area spend approximately $78 million annually at retail stores and restaurants. They are making more than one-half of these purchases outside of the primary trade area.

There are 344 businesses located in the primary trade area employing 2,560 people. The industry categories with the largest numbers of employees are: 1) Health Care and Social Assistance, 2) Educational Services and 3) Other Services. The primary trade area contains a below-average number of businesses per person in the following categories: Restaurants & Bars, Banks, Miscellaneous Retail, General Merchandise, Sporting Goods & Hobby, Books & Music, Clothing & Accessories, Gas Stations, Heath & Personal Care, Food & Beverage, Building Materials, Electronics/Appliance, Furnishings and Motor Vehicle & Parts.

The largest City-owned vacant property is near the Intersection of Washington Street and Euclid Street, therefore, for the purpose of this study, we also examined potential trade areas specifically around this intersection, including a .5 mile and 1-mile radius. These trade areas contain approximately 15,000 and 60,000 residents respectively. The median household income and home-ownership rate is higher in these areas than the primary trade area. The residents that live within 1/2 mile from the intersection spend $76 million annually at retail stores and restaurants and make approximately one-half of their purchases outside of the trade area. The residents that live within a 1-mile radius spend $326 million and make more than one-half of their purchases outside of the trade area.



The leakage analysis shows that the existing supply of businesses is not meeting the current market demand. In the primary trade area, there is approximately $43 million of sales leakage capable of supporting approximately 151,000 sq. ft. of additional commercial space. It is not expected that businesses within a trade area would capture 100% of the expenditures, however, if the businesses could capture 10% of this leakage, it would support another 15,100 sq. ft. of commercial space; 20% additional capture would support an additional 30,200 sq. ft.

The total sales leakage is spread over many retail and restaurant categories, therefore it is useful to examine the sales leakage by category and then compare the amount of leakage to the sales thresholds necessary to support new businesses. In the primary trade area, the most significant leakage is in the categories of: Full-Service Restaurants, Other General Merchandise Stores, Electronics/Appliance Stores, and Home Furnishings Stores. In the .5-mile trade area (around the intersection of Washington Street and Euclid Street), the most significant leakage is in the categories of: Full-Service Restaurants, Clothing Stores, and Home Furnishings Stores. In addition, there might be opportunity to draw customers from a 1-mile trade area for new businesses that have unique offerings. In the 1-mile trade area, the most significant leakage is in: Full-Service Restaurants, Clothing Stores, Other General Merchandise Stores, Electronics/Appliance Stores, Building Material & Supplies, Home Furnishings Stores, Furniture Stores, and Books/Periodical/Music Stores, Drinking Places (Alcoholic Bev.), Specialty Food Stores, Other Miscellaneous Retailers, Sporting Goods/Hobby, Office Supplies, Stationery, Gifts, and Florist. The other categories that show more modest amounts of leakage may also offer opportunities, but it would require an aggressive market capture scenario to support a new business.

In the categories that show very little or no leakage, the market opportunity for new businesses would depend on their ability to: attract customers from beyond the trade area, attract expenditures from non-residential market segments or offer higher quality, better priced or otherwise, more desirable products or services and therefore overtake/replace less desirable existing businesses.

In addition to residents, there are 2,560 employees that work within the primary trade area representing market opportunity for breakfast and lunchtime meal purchases as well as other convenience goods and services purchased before and after work. However, it is not clear that this represents opportunity for <u>new</u> restaurants because, although there is significant sales leakage in the full service restaurant category (based solely on resident expenditures), there is practically no leakage in the limited service restaurant category. It is likely that the limited service restaurants are already capturing a large portion of the employee market segment.

The following chart provides an evaluation of new business opportunities based on current sales leakage and under-representation.

<table>
<tr><th colspan="7">Business Opportunity Assessment</th></tr>
<tr><th rowspan="2"></th><th colspan="3">Most Significant Sales Leakage</th><th colspan="2">Under-Represented in the District by Comparison</th><th rowspan="2">Under-Represented in PTA[2] Compared to National Average

(# of businesses per person)</th></tr>
<tr><th>Primary Trade Area</th><th>.5-Mile Radius</th><th>1-Mile Radius</th><th>Selected Boston Business Districts</th><th>U.S. Shopping Centers</th></tr>
<tr><td>Furniture Stores</td><td></td><td></td><td>*</td><td rowspan="2">Y</td><td rowspan="2">Y</td><td rowspan="2">Y</td></tr>
<tr><td>Home Furnishings Stores</td><td>*</td><td>*</td><td>*</td></tr>
<tr><td>Electronics & Appliance</td><td>*</td><td>*</td><td>*</td><td>N</td><td>N</td><td>Y</td></tr>
<tr><td>Bldg. Material & Supplies</td><td></td><td></td><td>*</td><td rowspan="2">N</td><td rowspan="2">Y</td><td rowspan="2">Y</td></tr>
<tr><td>Lawn & Garden Equip/Sup.</td><td></td><td></td><td></td></tr>
<tr><td>Grocery Stores</td><td></td><td></td><td></td><td rowspan="2">N</td><td rowspan="2">Y</td><td rowspan="3">Y</td></tr>
<tr><td>Specialty Food Stores</td><td></td><td></td><td>*</td></tr>
<tr><td>Beer, Wine, and Liquor</td><td></td><td></td><td></td><td>N</td><td>N</td></tr>
<tr><td>Health & Personal Care</td><td></td><td></td><td></td><td>N</td><td>N</td><td>Y</td></tr>
<tr><td>Clothing Stores</td><td></td><td>*</td><td>*</td><td>N</td><td>Y</td><td rowspan="3">Y</td></tr>
<tr><td>Shoe Stores</td><td></td><td></td><td></td><td>N</td><td>N</td></tr>
<tr><td>Jewelry, Luggage, Leather</td><td></td><td></td><td></td><td>N</td><td>N</td></tr>
<tr><td>Sport Goods/Hobby/Mus. Inst</td><td></td><td></td><td>*</td><td rowspan="2">N</td><td rowspan="2">Y</td><td rowspan="2">Y</td></tr>
<tr><td>Book, Periodical, and Music</td><td></td><td></td><td>*</td></tr>
<tr><td>Department Stores</td><td></td><td></td><td></td><td rowspan="2">Y</td><td rowspan="2">Y</td><td rowspan="2">Y</td></tr>
<tr><td>Other General Merchandise</td><td>*</td><td></td><td>*</td></tr>
<tr><td>Florists</td><td></td><td></td><td>*</td><td rowspan="4">Y</td><td rowspan="4"></td><td rowspan="4">Y</td></tr>
<tr><td>Office Sup, Stationary, Gift</td><td></td><td></td><td>*</td></tr>
<tr><td>Used Merchandise Stores</td><td></td><td></td><td></td></tr>
<tr><td>Other Misc. Retailers</td><td></td><td></td><td>*</td></tr>
<tr><td>Full-Service Restaurants</td><td>*</td><td>*</td><td>*</td><td rowspan="3">Y</td><td rowspan="3">Y</td><td rowspan="3">Y</td></tr>
<tr><td>Limited-Service Restaurants</td><td></td><td></td><td></td></tr>
<tr><td>Drinking Places (Alcoholic)</td><td></td><td></td><td>*</td></tr>
<tr><td>Financial/Insur./Real Estate</td><td></td><td></td><td></td><td>N</td><td>N</td><td>Y</td></tr>
<tr><td>Other Offices/Prof. Services</td><td></td><td></td><td></td><td>N</td><td>N</td><td>NA</td></tr>
</table>

1. Leakage amount sufficient to support a new business (typical store size) under a 60% capture rate scenario

2. PTA = Primary Trade Area

Part One: Purpose of the Study and Area Description

I. Purpose of the Study

This study is part of the Mid-Dorchester Action Plan being undertaken by the Boston Redevelopment Authority and the Department of Neighborhood Development. The purpose of the study is to provide information about existing conditions that will help inform the planning process. The objective is primarily two-fold: 1) to evaluate the business mix to determine what types of businesses might be under represented, and 2) to analyze the market in order reveal information about the district's potential customers and opportunities for new and existing businesses.

II. Area Description

The Mid-Dorchester Action Plan study area contains three business districts in the Dorchester area of Boston: the Four Corners Main Street District, the Bowdoin Geneva Main Street District and the Codman Square Business District.

This report covers the Codman Square Business District. The commercial district is located along Washington Street between Park Street and Rockwell Street and along Talbot Avenue between Aspinwall Road and Lithgow Street. The boundaries of this District are illustrated in Figure 1.

Figure 1.
Business District Map (*Source: Boston Redevelopment Authority)*

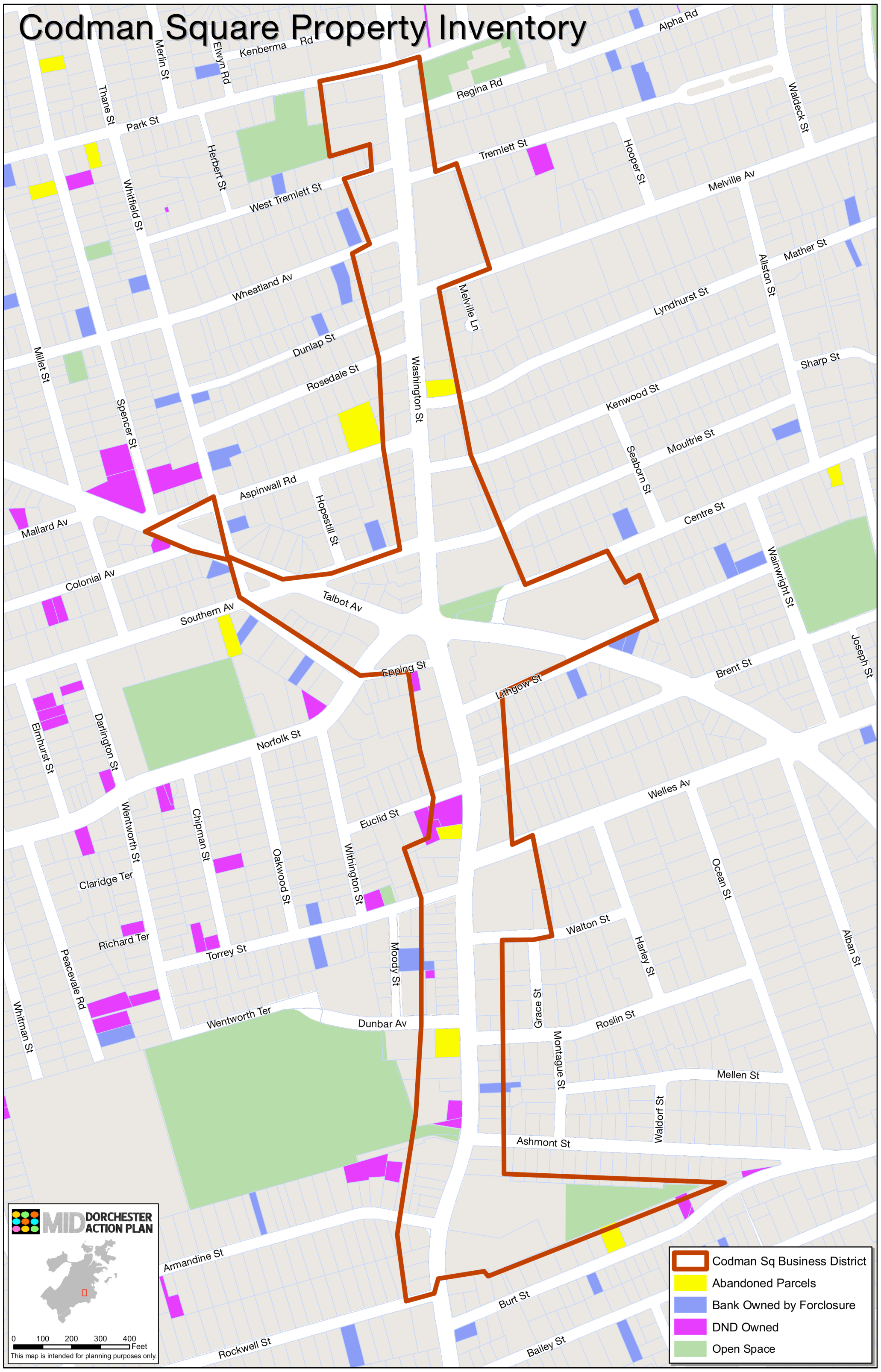


Figure 2.

Business District Images

Part Two: Business District Profile and Analysis of Commercial Mix

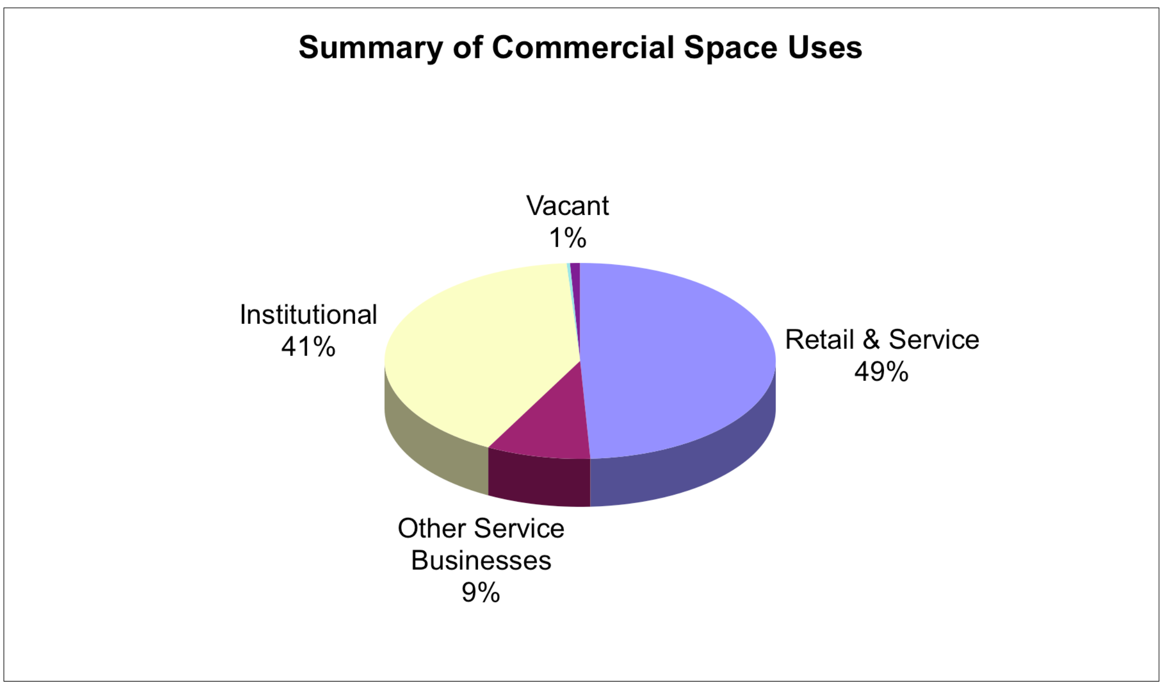
I. Commercial District Profile

A. Overview

In total, the Codman Square Business District encompasses approximately 387,000 square feet of commercial and institutional space "under roof" and contains approximately 110 establishments. A large percentage of the space (41%) is devoted to community uses such as nonprofit organizations and churches.

Approximately 49% of the space is devoted to the types of retail and services traditionally found in commercial districts or shopping centers (including stores, personal services, restaurants and professional services).   Other service businesses account for 9%. About 3 commercial units are vacant totaling 3,200 square feet.

Figure 3.



B. Business Mix

The businesses in Codman Square are mostly independently owned establishments with several notable national chains and franchises (e.g., KFC, McDonalds, Subway, Payless Shoe Source, Walgreens). Most businesses appear to draw their customers from the immediate surrounding neighborhood. There are a few businesses that appear to specifically serve Hispanic and Caribbean market segments.

The District contains 85 retail and service establishments. The retail stores include a large drug store, a small supermarket, several small convenience/food stores, 6 clothing stores, 3 beauty supply stores, a shoe store, jewelry store, furniture store, electronics store, music store, liquor store, and a few others. There are 10 restaurants in the District -- predominantly small casual limited-service dining places. Dining cuisines include Caribbean, barbeque, soul food, fast food/burgers/sandwiches and fried chicken. There is only one full service restaurant in the District, Lorenz Island Cuisine, which has table service and serves beer and wine. There is a strong complement of personal services. In total, there are 15 beauty salons, barbershops and nail salons, 4 laundromats and 2 dry cleaners. There are 2 large health care centers and several small health service businesses. Finance, insurance and real estate services are fairly well represented with 2 banks, an ATM, and a few insurance and real estate businesses.

In addition to the retail and service businesses, the District has a very strong presence of community institutions including a court house, post office, library, 9 churches, schools and non-profit organizations. There are 3 auto related business in the District and a painting and cleaning contractor.

C. Composition Analysis

Table 1.
Business District Composition

Retail, Personal and Professional Service	# of Businesses	GLA	Share of GLA
Retail	**34**	**63,558**	**33%**
Convenience Goods	**17**	**39,106**	**21%**
Food, Liquor	13	27,774	15%
Drugs, Health, Beauty	4	11,332	6%
Florist	0	-	0%
Shoppers Goods	**17**	**24,452**	**13%**
Apparel, Footwear, Jewelry	8	15,349	8%
Furniture, Home Furnishings	1	1,280	1%
Hobby/Special Interest	0	-	0%
Sporting Goods	0	-	0%
Gifts, Party Supply, Luggage, Trophies	0	-	0%
Hardware, Bldg. Materials, Paint	0	-	0%
Home Appliances/Computer/Music	2	2,293	1%
General Merchandise, Department Stores	1	886	0%
Other Retail (eyeglasses, fabric, office supply, pets, telecom.)	5	4,644	2%
Used Goods	0	-	0%
Auto Related Retail	0	-	0%
Services (Food Service, Personal and Professional)	**51**	**126,224**	**67%**
Food Service and Personal Services	**32**	**38,086**	**20%**
Restaurants and Bars	10	13,914	7%
Beauty, barber, nails, skin	15	13,837	7%
Laundry, dry cleaning	6	9,135	5%
Tailoring, shoe repair	0	-	0%
Printing, copying, packaging, delivery	0	-	0%
Video Rental	0	-	0%
Travel	0	-	0%
Other Personal Services	1	1,200	1%
Professional Services	**19**	**88,138**	**46%**
Health Care	7	65,751	35%
Finance, Insur, RE, Legal, Acctg	12	22,387	12%
Other Professional Services	0	-	0%
Total Retail and Services (Food, Personal and Prof.)	**85**	**189,782**	**100%**

GLA = Gross Leasable Area

**Analysis is based on business data provided by Boston Redevelopment Authority*

Other Service Businesses	# of Businesses	GLA
Entertainment, Fitness, Function Halls	1	29,491
Hotels/Lodging	0	-
Auto Related Service	3	4,265
Total Other Service Businesses	**4**	**33,756**

Institutions	# of Businesses	GLA
Community/Government/Nonprofit	7	61,469
Religion	11	93,112
Schools/Education	2	4,536
Hospitals/Large Health Centers/Nursing Homes	0	-
Total Institutional	**20**	**159,117**

Manufacturing, Construction, Misc.	# of Businesses	GLA
Manufacturing	0	-
Construction/Contractors	1	850
Miscellaneous	0	-
Communications	0	-
Recycling	0	-
Utilities/Heating Oil	0	-
Other	0	-
Total Manufacturing, Construction, Misc.	**1**	**850**

All Businesses	# of Businesses	GLA
Retail and Services (incl. personal, prof. and food)	85	189,782
Other Service Businesses	4	33,756
Institutional	20	159,117
Manufacturing, Construction, Misc.	1	850
Total all Businesses	**110**	**383,505**

D. District Businesses by Type

Table 2.
Business Listing by Type

General Merchandise
RENEL BARGAIN

Food
ALEX MARKET
CARIBBEAN MARKET
CODMAN SQ. MARKET
COURTHOUSE CONVENIENCE
D&S VARIETY STORE & MULTI-SERVICE
DOMINICAN GROCERY
KIM'S FISH MARKET
KOOL STOP CONVIENENT
MELI-MELO MARKET
PEOPLE'S TROPICAL FOOD SUPERMARKET
RESIDENTIAL & ROSARIO GROCERY
ROSEDALE GROCERY

Food Service/Bars
BILLY'S TEXAS BBQ & PIZZA
CARIBE RESTAURANT
KFC
LORENZ ISLAND CUISINE
MCDONALD'S
NIKISHA'S ROTI SHOP
PERRY'S
SAINT DINER
SUBWAY
X.O. RESTAURANT

Clothing and Accessories
AIR ART
ANTONIO ANSALDI
JORDY'S MEN STORE
MONA FASHION
NORTH SIDE FAMILY SPORTSWEAT
SHIN SHIN DISCOUT STORE - CLOTHING STORE

Shoes
PAYLESS SHOE SOURCE

Home Furnishings
JERUSALEM DISCOUNT FURNITURE

Home Appliances/Computer/Music
AMICAL RECORDS
MR. KOOL ELECTRONICS

Jewelry
LONG TRON JEWELRY

Liquour
MOD LIQUORS

Drugs, Health & Beauty
CODMAN SQUARE BEAUTY SUPPLY
FLORA'S BEAUTY SUPPLY
KIKI BEAUTY SUPPLY
WALGREENS

Other Retail and Used Goods
ESSENTIAL BODY HERBS
JAA DESIGN
NADIA'S
ORIENTAL HOUSE
T MOBILE

Personal Care/Salon
A&M - AFRICAN HAIR BRAIDING & MORE
ANNA'S NAIL DESIGN
BARBER SHOP
BETTY'S BEAUTY SPA
CUT TO FIT
JANET'S AFRICAN HAIR BRAIDING
KETTA'S HAIR SALON
LAWSON BROS. UNISEX HAIR DESIGN
LAWSON'S HAIR STUDIO
LV NAILS
NAMEL'S BARBER SALON
PRINCEY'S HAIR SALON
SAJA'S HAIR CARE SALON INC.
SIMPLY EVLA'S HAIR & SKIN CARE INC.
TAMMY'S NAILS

Laundry, Cleaning, Tailor, Shoe Repair
C.S.C. LAUNDROMAT
CODMAN SQUARE LAUNDRY
LAUNDRY CENTER FOR RESIDENTS OF PROPERTY
SPECIALTY DRY CLEANERS
SPECIALTY LAUNDERERS
SPOTS CLEANERS

Other Personal Services
A LITTLE RED HOUSE

Auto Related Services
GARCIA
HARDY AUTO CENTER
TONY'S AUTO REPAIR

Entertainment, Fitness, Functions
BOSTON Y M C A

Finance, Insur, R.E., Legal, Acctg
BANK OF AMERICA ATM
BLAKE SERVICES
CITIZENS BANK
ELDA S. JAMES ATTORNEY AT LAW
LAW OFFICE-JOHN DABROWSKI
MR. ALLEYEN'S PROPERTY MANAGEMENT
MT. WASHINGTON BANK
THEODAT INSURANCE
THOMAS J. BENNETT INSURANCE AGENCY
WESTERN UNION
WINN RESIDENTIAL OFFICE & APARTMENTS

Health Care
A. SWARTZ M.D. PHYSICIAN SURGEN
ACTIVE CHIROPRATIC CENTER
ATLANTIS PHYSICAL THERAPY
A-Z PHYSICAL THERAPY
BOSTON HEALTH CARE ASSOCIATES INC.
CODMAN HEALTH CENTER
KIT CLARK

Community, Gov., Nonprofits, Institutions
STRIVE BOSTON EMPLOYMENT SERVICE
ASHMONT NURSERY SCHOOL
BETHLEHEM APOSTOLIC FAITH
COURT HOUSE
CITY OF BOSTON-GREAT HALL
CITY OF BOSTON-LIBRARY
CODMAN SQ. NEIGHBORHOOD
DEVELOPMENT CORPORATION
DELIVERANCE SHILOH
DOOR OF SALVATION PENTECOSTAL
DOR TEMPLE BAPTST CH
FREEDOM CHRIST MINISTRY
FULL LIFE GOSPEL CENTER INC
GREATER LIFE BAPTIST CHURCH
MT CALVARY HOLY ASSEMBLY #1
POLUS CENTER
POST OFFICE
SECOND CHURCH IN DORCHESTER
TEMPLE OF RESTORATION CHURCH
THE JOY OF LEARNING MONTESSORI
INSTITUTE INC.

Other Businesses
MASS PAINTING & CLEANING CO.

E. Real Estate Conditions

Approximately 1% of the first floor commercial space is vacant (3 commercial units, totaling 3,200 square feet). A representative of Commonwealth Realty Services estimates that commercial rents in the Codman Square Business District are approximately $23 - $26 per s.f. including expenses ($18 – $19 triple net).

There were 6 commercial property sales in the Codman Square Business District between 2003 and 2008 as illustrated in Table 3. All of the sales were sites with buildings; there were no sales of vacant lots during the period. The median price per interior s.f. was $131 compared to $120 per s.f. in the overall Mid Dorchester Study Area. The median s.f. price by category for the Mid Dorchester area is illustrated in Table 4.

Table 3.

Commercial Sales 2003 -2008

ADDRESS	Price	Usage	Lot Size S.F.	Interior S.F.	Price Per Interior S.F.	Date
651 Washington St	$1,250,000	General Office	10,463	7,615	$164	5/2/07
316-324 Talbot Ave	$1,150,000	Mixed Comm. & Resid.	4,121	11,232	$102	5/11/05
777 Washington St	$560,000	Retail Store	4,780	3,628	$154	6/1/07
481 Washington St	$280,000	Shopping Center/Mall	3,549	2,600	$108	6/28/07
521-527 Washington St	$475,000	Shopping Center/Mall	2,487	2,280	$208	9/29/05
571-573C Washington St	$252,000	Shopping Center/Mall	3,473	2,479	$102	12/16/04

Table 4.

Mid Dorchester Study Area Sales Prices 2003 -2008

Property Usage	Median Price Per Interior S.F.		Property Usage	Median Price Per Interior S.F.
Auto Repair	$56		Mixed Use Comm. & Resid.	$106
Commercial Condo	$221		Nursing Home	$63
Fraternal Organization	$55		Restaurant/Bar	$140
Gas/Service Station	$615		Retail Store	$370
General Office	$191		Shopping Center/Mall	$167
Laundry	$324		Treatment Facility	$86
Manufacturing	$50		Warehouse	$77
Mixed Use Resid. & Comm.	$126		All	$120

Commercial Land	$61	**Per Lot S.F.**

II. Analysis of Business Mix Compared to Other Commercial Centers

A. Shopping Center Typology and Comparison

One way to analyze a business district is to examine its size and tenant mix and then compare this data to information we can obtain about comparable shopping centers. In this section, we are only analyzing the retail and service portion of the Business District; we are not including institutional uses (community, government, etc.). To begin, it is helpful to identify the type of center that the business district most closely resembles. The Urban Land Institute distinguishes several types of shopping centers as illustrated below.

Type of Shopping Centers[1]

Type of Center	Approximate Size (sq. ft. floor area)	Tenant Types
Convenience	< 30,000	Personal services (beauty, laundry) & convenience goods (food, drugs), possible mini market anchor
Neighborhood	30,000 – 100,000	Personal services and convenience goods for day to day living needs; often including dry cleaning, beauty shops, small restaurants and take-outs
Community	100,000 – 500,000 or more	In addition to personal & convenience goods, wider range of soft lines (apparel) and hard lines (appliance, hardware). Often has discount, junior department, variety store or super drug addition to supermarket. Although, no full–line department store, may have strong specialty stores.
	250,000 +	Super Community Center- community center that contains over 250,000 sq. ft.
Power Center	250,000 - 1,000,000	Community Center that contains ≥4 category-specific, off-price anchors of 20,000 sq. ft. or more; typically electronics, sporting goods, home improvement, furnishings, drugs, HBA, toys, computers, narrow focus, "category killers" along with more broadly merchandised stores
Regional	Typically around 500,000 (250,000 – 900,000)	General merchandise, apparel, furnishings. In-depth variety of retail, services and recreation facilities, may have 1 – 2 department stores
Super Regional	Typically around 1,000,000 (500,000 – 1,500,000)	Extensive variety of general merchandise, apparel, furnishings as well as services & recreation facilities. Three or more department stores.

In size, the type of center that Codman Square Business District most closely resembles is a Community Shopping Center. The retail and service portion of the District fits within the typical range for a community shopping center. . The following section of this report compares the tenant mix of the Business District to a typical community shopping center.

[1] Dollars and Cents of Shopping Centers, Urban Land Institute, Washington, DC 2006

B. Mix of Convenience Goods, Comparison Goods and Services

To start, we can compare the Business District to typical shopping centers by reviewing the broad categories of convenience goods, shoppers goods and services. Definitions for these terms are provided below.

Convenience Goods: Goods that people buy often and don't travel far to acquire (e.g., food, drugs, health and beauty aids. People typically purchase where it is most convenient near home, work, or temporary residence when traveling.

Shoppers Goods: Goods which consumers spend the most effort to acquire and have the greatest desire for comparison shopping. Trade area is often governed by desire to comparison shop and therefore size is affected by availability of such goods. (e.g. clothing, furniture, etc.)

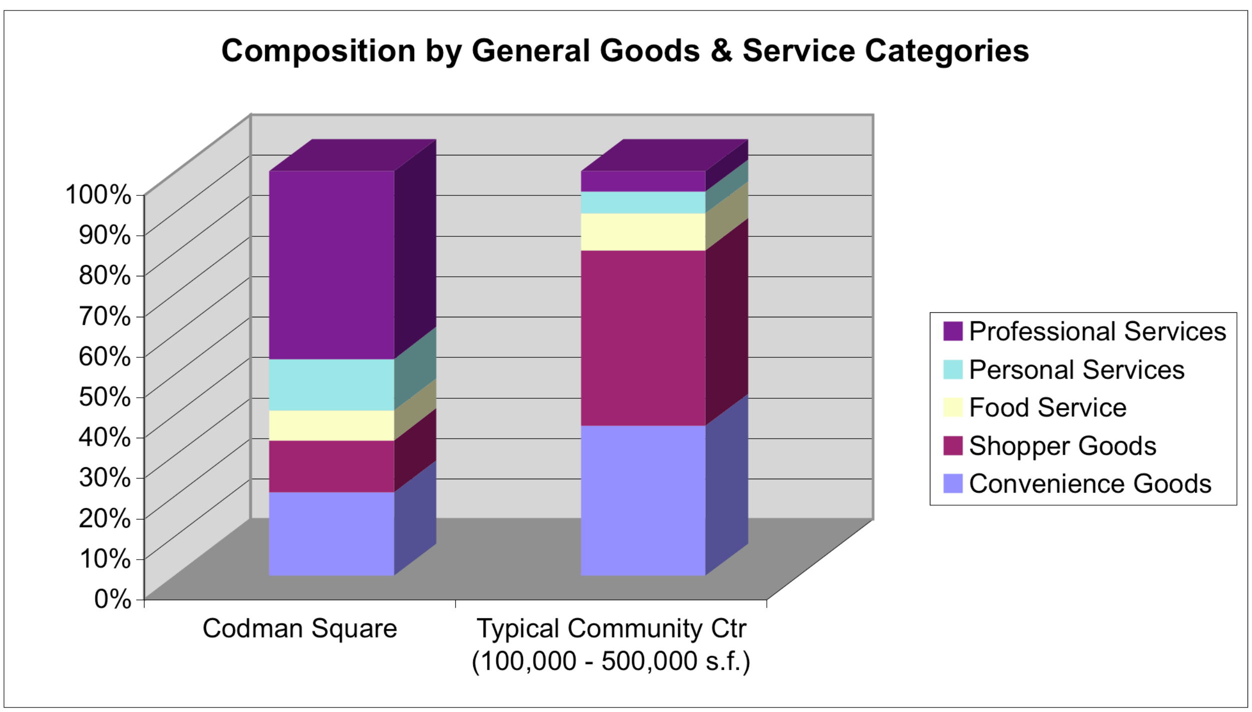
Personal Services: Services required on a frequent basis and acquired where it is most convenient (e.g. dry cleaners, beauty/barber/nail salon, etc.)

Food Services: Eating and drinking establishments

Professional Services: Services such as financial, insurance, legal, medical, dental, etc.

As the following chart indicates, the Business District contains a much higher percentage of service businesses than typical shopping centers. Conversely, it has a much smaller percentage of retailers. This would be expected to some degree, as Business Districts often contain more services than other commercial shopping centers. However, it is useful to note how small a percentage of retail there is compared to services. Approximately 34% of the space is occupied by retail uses compared to approximately 80% in typical shopping centers. The Business District has a much smaller proportion of both convenience and shoppers goods compared to typical community centers.

Figure 4.

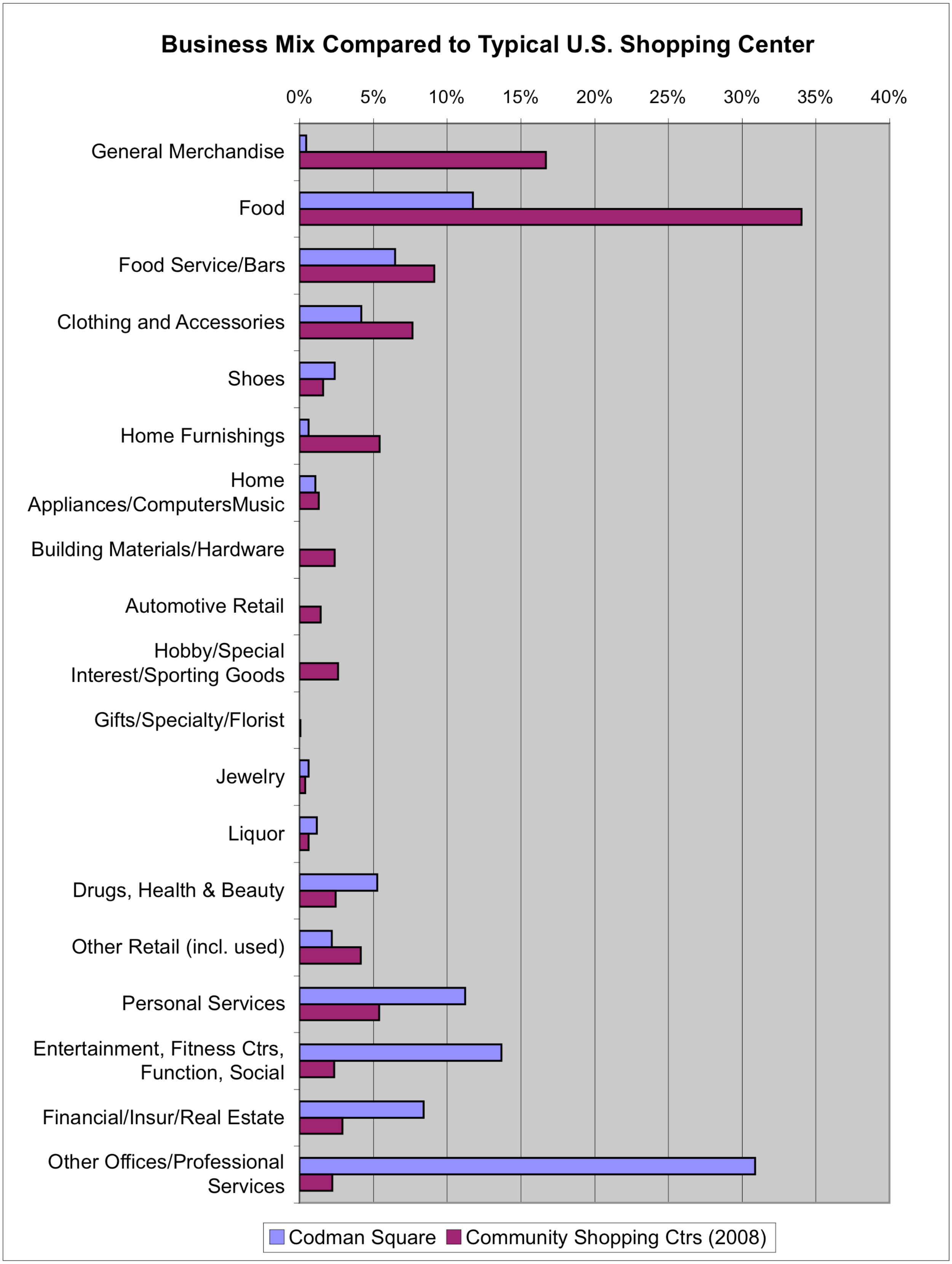


The Business District is composed of only about 13% shoppers goods compared with 43% in typical community centers. Establishments that sell shoppers goods are particularly important as they tend to draw customers into the area from greater distances and expand the trade area for other businesses in the District. Customers often go to an area to purchase shoppers goods and, while in the area, also buy convenience goods and services. The depth of shoppers good offerings is often tied to the center's ability to maintain its customer base and generate crossover shopping patronage for other businesses. Therefore, encouraging the recruitment/expansion of shoppers goods businesses is one strategy that should be considered.

C. Tenant Category Comparison

The following chart shows the current mix of businesses in the Business District compared to a typical community shopping center. The biggest difference in the Business District is the relative lack of 1) food, 2) general merchandise, and 3) home furnishings. Other categories in which the District has a smaller percentage include: clothing, building materials/hardware, food service, hobby/special interest/sporting goods, and auto related retail.

Figure 5.


Business Mix Compared to Typical U.S. Shopping Center
0%
5%
10%
15%
20%
25%
30%
35%
40%
General Merchandise
Food
Food Service/Bars
Clothing and Accessories
Shoes
Home Furnishings
Home Appliances/ComputersMusic
Building Materials/Hardware
Automotive Retail
Hobby/Special Interest/Sporting Goods
Gifts/Specialty/Florist
Jewelry
Liquor
Drugs, Health & Beauty
Other Retail (incl. used)
Personal Services
Entertainment, Fitness Ctrs, Function, Social
Financial/Insur/Real Estate
Other Offices/Professional Services
Codman Square
Community Shopping Ctrs (2008)

D. Comparison of Most Frequently Found Tenants

The chart below contains a list of the most frequently found tenants in U.S. Shopping Centers. The District contains a many of these frequently found tenant types, however it is missing several common tenants as indicated below.

Table 5.

Most Frequently Found Tenants in U.S. Community Centers		Present in Business District
Rank	Business Type	
1	Restaurant with liquor	Y, only 1
2	Supermarket	Y, (small - 12,000 s.f)
3	Medical and dental	Y
4	Nail salon	Y
5	Unisex hair salon	Y
6	Women's ready-to-wear	N
7	Bank	Y
8	Cosmetics/beauty supplies	Y
9	Family shoes	Y
10	Sandwich shop	Y
11	Telephone/Telecom store	Y
12	Restaurant without liquor	Y
13	Pizza	N
14	Dollar store/novelties	Y
15	Dry Cleaner	Y
16	Electronics - general	Y
17	Furniture	Y
18	Chinese Fast Food	N
19	Women's specialty	Y
20	Mexican Fast Food	N

Source: Dollars and Sense of Shopping Centers, Urban Land Institute, Washington, DC 2008

E. Comparison to Other Business Districts

For analysis purposes, it is also useful to compare the business district being studied with other neighborhood business districts. In the following chart, the mix of businesses in Codman Square is compared with Upham's Corner, Egelston Square, and Hyde/Jackson Square.

Compared to these other business districts, the categories that appear to be under-represented include: general merchandise, food service, home furnishings, auto related retail, gifts/specialty and personal services.

Table 6.
Comparison with Other Commercial Districts

Business Type	Codman Square	Upham's Corner	Egleston Square	Hyde/ Jackson
	Share of Sq. Ft.	Share of Sq. Ft.	Share of Sq. Ft.	Share of Sq. Ft.
General Merchandise	0%	4%	1%	1%
Food	12%	3%	7%	34%
Food Service/Bars	6%	8%	8%	15%
Café/Coffe Shops	0%	0%	0%	1%
Ice Cream/Yogurt	0%	0%	0%	0%
Other Restaurants	6%	7%	7%	13%
New Clothing and Accessories	4%	4%	1%	8%
Shoes	2%	2%	0%	2%
Home Furnishings Retail	1%	10%	3%	5%
Home Appliances/Computer/Music	1%	1%	1%	2%
Home Appliances	1%	1%	0%	0%
Computers/Software	0%	0%	0%	0%
Music	0%	0%	1%	1%
Building Materials/Hardware	0%	0%	5%	0%
Automotive Retail	0%	0%	1%	2%
Hobby/Special Interest/Sporting Gds	0%	0%	0%	0%
Art	0%	0%	0%	0%
Books/Comics	0%	0%	0%	0%
Collectibles	0%	0%	0%	0%
Photography/Film	0%	0%	0%	0%
Toys	0%	0%	0%	0%
Sporting Goods	0%	0%	0%	0%
Gifts/Specilaty/Florist	0%	1%	0%	2%
Gifts	0%	0%	0%	0%
Party Goods	0%	1%	0%	2%
Luggage	0%	0%	0%	0%
Trophies	0%	0%	0%	0%
Florists	0%	0%	0%	0%
Jewelry	1%	0%	1%	0%
Liquour	1%	1%	1%	3%
Drugs, Health & Beauty	5%	5%	6%	1%
Other Retail and Used Goods	2%	0%	1%	2%
Fabric/Sewing	0%	0%	0%	0%
Office Supplies	0%	0%	0%	0%
Pet Sales/Supply	0%	0%	0%	0%
Beepers/Cellular	1%	0%	1%	2%
Eyeglasses-Optician	0%	0%	0%	0%
Other-Retail	2%	0%	1%	1%
Used Goods	0%	0%	0%	0%
Personal Services	11%	14%	56%	14%
Entertainment, Fitness, Function Halls	14%	18%	0%	0%
Financial/Insur/Real Estate	8%	14%	6%	6%
Other Offices/Health Care/Prof. Serv.	31%	15%	2%	3%
Health Care	30%	15%	2%	3%
Other Professional Services	0%	0%	0%	0%
Total	100%	100%	100%	100%

Part Three: Market Area Assessment

I. Overview of the Market

The Business District is positioned to be able to serve surrounding residents as well as employees of area businesses.

A. Residents of the Surrounding Area
The major potential customer base for the Business District is the adjacent residential population. The primary trade area (where most of the sales would be expected to generate from) contains approximately 17,000 residents.

For the purpose of this study, because the largest vacant city-owned property is near the Intersection of Washington Street and Euclid Street, we also examined potential trade areas specifically around this intersection including a .5 mile and 1-mile radius. These trade areas contain approximately 15,000 and 60,000 residents respectively. Potential market capture would, of course, depend on the quality and uniqueness of the proposed new retail/service offering and its ability to attract customers from these distances.

B. Employees of Area Businesses
In addition to the residential customer base, there is a daytime population of employees that work within close proximity to the business district. Approximately 2,600 employees work within the Primary Trade Area. This segment represents opportunity for breakfast and lunchtime meal purchase as well as other convenience goods and services purchased before and after work.

Each of these markets is described in more detail in the following sections of this report.

II. Customer Base Analysis and Market Segmentation

A. Trade Area Definition

Defining the trade area is the first step in determining market potential for a commercial district. Once the trade area is defined, we can quantify the amount of potential customers that live within the area as well as examine their lifestyle characteristics and buying habits to provide a picture of the potential market.

<u>Business District Primary Trade Area</u>
The term retail trade area refers to the geographic area from which a retail entity generates its sales. The <u>primary</u> trade area for a commercial center, such as a business district, downtown or shopping plaza is the area where most of the steady, repeat customers live (typically, where 65-80% of the total sales are generated). A combination of factors determines the size and boundaries of the primary trade area including: travel time and distance for shoppers, travel patterns, location of competing commercial centers, physical barriers that might effect access, socio economic characteristics, and the size and scope of the commercial center itself. (Generally, the larger the variety,

breadth and uniqueness of the merchandise offerings, the greater distance that customers are willing to travel, and therefore, the larger the trade area will be.)

Consumer surveys and customer spotting analyses can help to determine the existing primary trade area for a business district, however, these research activities are beyond the scope of this study. Therefore, an estimation regarding the primary trade area boundaries was based upon information from community representatives and the Boston Redevelopment Authority. Representatives from Four Corners Main Street, Bowdoin Geneva Main Street and Codman Square Neighborhood Development Corporation provided information about competing commercial facilities, socioeconomic barriers, and local shopper/travel patterns in order to determine the estimated trade area boundaries. The Codman Square Business District is closely surrounded by several other neighborhood commercial centers including: Bowdoin Geneva, Four Corners, Fields Corner, St Mark's/Ashmont and the Dorchester Avenue Corridor. It was determined that the likely primary trade area for the Codman Square Business District is the area illustrated in Figure 6.

It should be noted that a primary trade area for a business district is defined based on the aggregate of all businesses in the District and represents the trade area for most businesses. This does not mean that all businesses in the District draw from exactly the same area. A few businesses that have unique offerings might be drawing from beyond the primary trade area.

Site-Specific Potential Trade Areas

Although, in general, the potential for new retail development in a business district is based upon the market demand in the primary trade area, it should be noted that in some cases, the potential might not necessarily be limited to the primary trade area. First, a new business could draw from beyond the primary trade area if the use is a very unique specialty offering or, if the use, by its nature, has an established name and strong destination draw, essentially bringing a market with it (such as a chain restaurant). Second, depending on the location of a particular site within the District, the market access for a business located on that site could be somewhat different than in the rest of the business district. For example, the potential customer draw for a site at the north end of the district could be different from a site at the south end of the District located ½ mile away. In dense urban environments, potential retail developers often look at the potential expenditures of the population located within a .5 mile radius or 1 mile radius of the site.

Therefore, for the purposes of this study, in order to provide additional information that could be useful to potential developers, we also examined potential site-specific trade areas -- a .5 mile and 1 mile radius around the intersection of Washington Street and Euclid Street (where the largest city-owned property is located). (See Figure 7)

The demographic and consumer characteristics of the population in the trade areas are described throughout this section.

Figure 6.
Business District Primary Trade Area

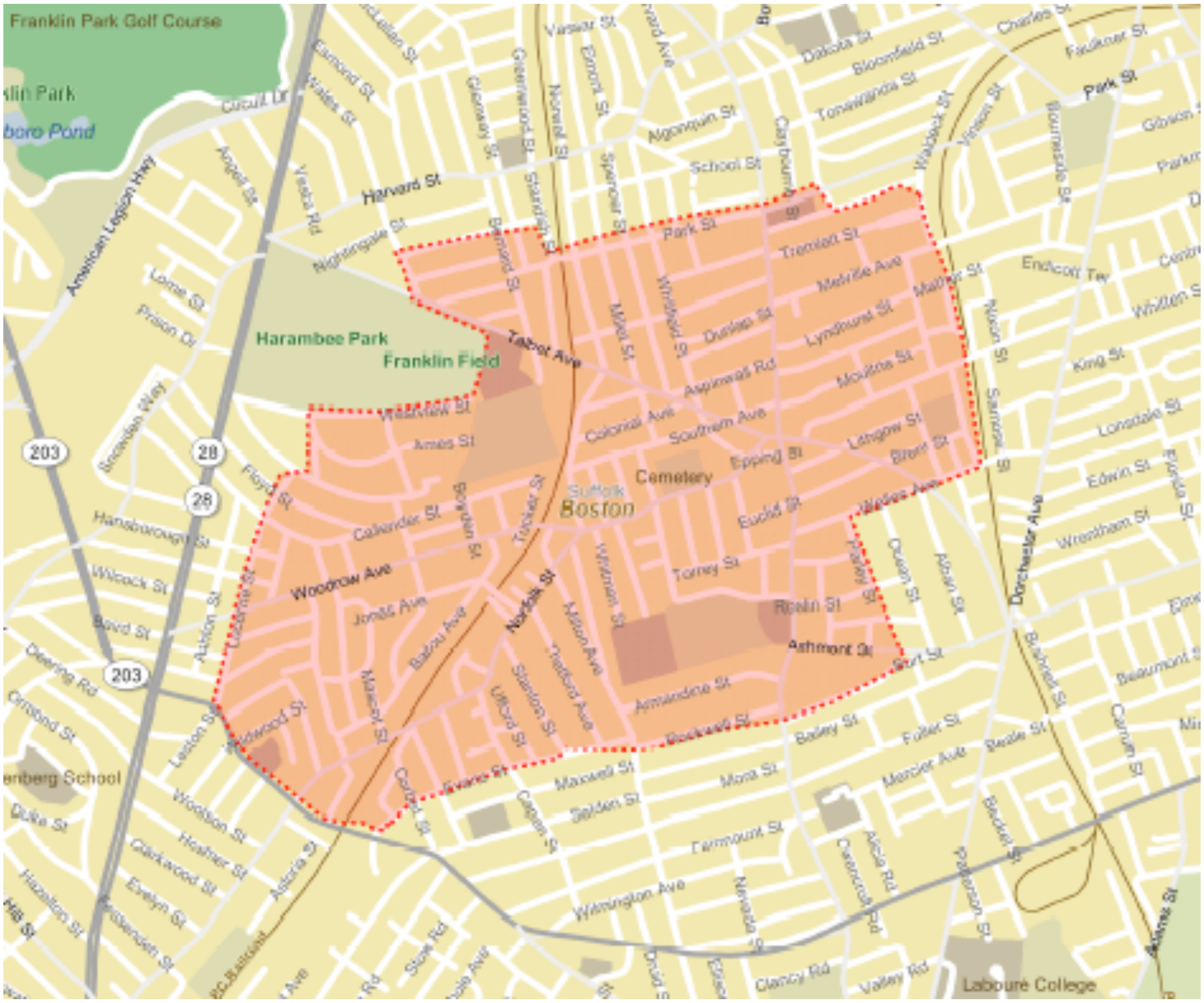
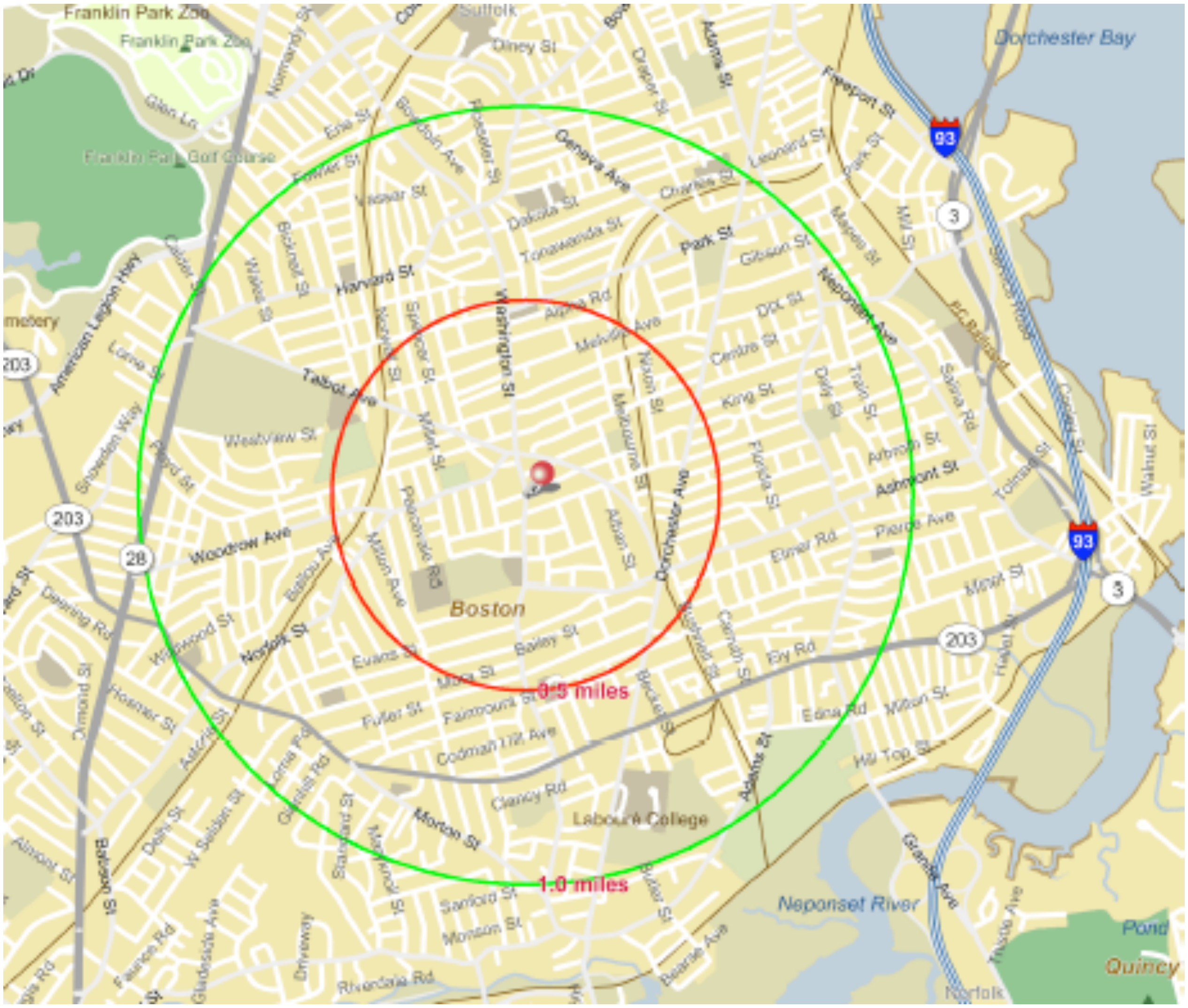


Figure 7.

Site-Specific Potential Radius Trade Areas (intersection of Washington Street and Euclid)



. 5-Mile Radius

1-mile Radius

B. Demographics of Trade Area Residents

A demographic summary of the trade areas is presented in Table 7. Demographics for the City of Boston are included for comparison purposes.

Business District Primary Trade Area

There are approximately 16,961 people living within the primary trade area. The population consists primarily of moderate-income families. The estimated median household income for 2008 is $41,213, about 77% of the City-wide median. Just over 20% of the households earn over $75,000 per year. 43% of the population over the age of 25 has at least some college education (compared to 55% in Boston). The population is diverse. 77% of the population is African American, 8% is White, 2% is Asian and 14% is some other race or more than one race. In addition, 15% of the population is Hispanic.

Compared to Boston overall, the primary trade area population, on average, is slightly younger and much more likely to have children in the household. The population is comprised predominantly of family households (74%). 52% of the households contain children compared to only 25% City-wide. The median age of the population is 29.6, about 8% lower than in Boston. 33% of the homes are owner-occupied, very similar to city-wide rate.

Approximately one-third of the households do not have a vehicle and therefore are dependent on public transportation or walking to acquire goods and services. This represents a market segment that is more likely to make purchases close to home.

Site-Specific Potential Trade Areas

There are approximately 14,722 people living within ½ mile of the intersection of Washington and Euclid Streets and 59,747 residents living within 1 mile. The median household income among the residents in these areas is higher than the primary trade area population -- $46,629 in the ½-mile and $48,948 in the 1-mile trade areas. The rate of owner-occupied housing is 37% and 39% in the ½-mile and 1-mile trade areas respectively, higher than both the primary trade area and the City of Boston.

Table 7.
Demographic Summary

Demographics	Primary Trade Area	.5 Mile Radius	1 Mile Radius	Boston
Population				
Population (2000)	17,198	15,112	61,109	589,141
Population (2008)	16,961	14,722	59,747	582,723
Population (2013)	16,877	14,604	59,328	580,878
Households				
Households (2000)	5,606	4,990	20,385	239,528
Households (2008)	5,587	4,890	20,056	239,438
Households (2013)	5,579	4,862	19,964	239,324
Income				
Median HH Income (2000)	$32,545	$35,993	$37,948	$39,634
Median HH Income (2008)	$41,213	$46,629	$48,948	$53,574
Median HH Income (2013)	$49,282	$54,636	$57,953	$65,562
Average HH Income (2000)	$41,118	$44,878	$47,220	$55,865
Average HH Income (2008)	$52,218	$58,544	$61,424	$77,922
Average HH Income (2013)	$59,231	$66,096	$69,725	$95,551
Per Capita Income (2000)	$13,562	$15,407	$15,912	$23,353
Per Capita Income (2008)	$17,253	$19,620	$20,824	$32,873
Per Capita Income (2013)	$19,634	$22,212	$23,704	$40,337
Characteristics				
Median Age (2008)	29.6	31.9	31.6	32.1
Avg. persons per Household (2008)	3.03	2.99	2.96	2.30
Married Couple Households (2000)	29%	32%	32%	27%
Other Family (no spouse) (2000)	45%	38%	38%	21%
Single Person Households (2000)	20%	22%	23%	37%
Roommate Households (2000)	6%	8%	8%	15%
Households with Children (2000)	51%	46%	45%	25%
Households with Persons Over 65	15%	17%	18%	19%
Households with no vehicle (2000)	32%	31%	29%	35%
Educational Attainment (25+) (2000)				
Less than High School	25%	22%	22%	17%
High School Graduate	32%	30%	32%	25%
Some College, No Degree	17%	16%	18%	13%
Associate Degree	7%	8%	6%	5%
Bachelor's Degree	13%	16%	14%	22%
Master's/Prof/Doctorate Degree	6%	9%	8%	18%
Race & Ethnic Origin[2] (2008)				
White Alone	7%	12%	18%	49%
Black/African American Alone	77%	68%	60%	27%
Native American Alone	0%	0%	1%	0%
Asian Alone	2%	8%	9%	10%
Some Other Race Alone	8%	6%	7%	9%

Two or More Races	6%	6%	6%	5%
Hispanic	15%	11%	13%	17%
Housing Tenure (2008)				
Owner Occupied Housing	33%	37%	39%	32%
Renter Occupied Housing	59%	55%	54%	60%
Vacant Housing Units	8%	8%	8%	7%

D. Resident Lifestyle Segmentation

Businesses use "segmentation" to identify their best customers and determine the best way to market to them. The segmentation theory is based on the premise that people with similar lifestyle characteristics tend to make purchases in a similar manner. For example, young renters spend less money on home furnishings and home improvement and more money on clothing and eating out. Segmentation information is useful in projecting consumer expenditures and determining appropriate retail strategies for an area. Knowing information about lifestyle segmentation can help businesses locate appropriate sites and choose appropriate advertising media.

This section provides descriptive information about the residents of the trade area. The Tapestry™ consumer classification system was applied in order to identify and illustrate the types of consumer clusters that are present. These clusters are demographically and behaviorally distinct consumer groups with specific buying preferences. The Tapestry™ classification system includes 65 consumer groups in all; the following chart includes the most prevalent clusters present in the trade area.

Table 8.

Most Prevalent Tapestry Market Segments *			
Top Segments	**Primary Trade Area**		**U.S.**
City Strivers	4,525	81.0%	0.7%
High Rise Renters	430	7.7%	0.7%
City Lights	391	7.0%	1.0%
City Commons		4.3%	0.7%
Subtotal		100%	3.1%
Top Segments	**.5 Mile Radius**		**U.S.**
City Strivers	3,399	69.5%	0.7%
City Lights	1,002	20.5%	1.0%
Urban Melting Pot	440	9.0%	0.7%
International Marketplace	39	0.8%	1.3%
City Commons		0.3%	0.7%
Subtotal		100%	4.4%
Top Segments	**1 Mile Radius**		**U.S.**
City Strivers	10,850	54%	0.7%
City Lights	4,974	25%	1.0%
International Marketplace	2,367	12%	1.3%
High Rise Renters	521	3%	0.7%
Urban Melting Pot	441	2%	0.7%
Subtotal		96%	4.4%

Trade Area - Most Prevalent Tapestry Market Segments *

City Strivers City Striver households are composed of a mix of family types. Half of employed residents work in the service industry, particularly in health care. Primary spending is for groceries, baby products, and children's essentials. Residents enjoy going to dance performances, football and basketball games, and Six Flags theme parks. They listen to urban, all-news, and jazz radio formats and watch TV, especially movies, sitcoms, news programs, courtroom TV and talk shows, tennis, and wrestling.

High Rise Renters Predominantly renters, they represent a diverse mix of cultures; many speak a language other than English. Mainly single parent and single person households. Residents engage in fitness activities/ aerobics and play soccer. They enjoy dancing; attending basketball and football; watching movies on DVD; and listening to all-news, urban, and Hispanic radio. They watch a variety of news and are avid daytime TV viewers.

City Lights City Lights neighborhoods are diverse. This dense, urban market is a mixture of housing, household types, and cultures, sharing the same city sidewalks. Households include both families and singles. City Lights residents are more likely to spend for household furnishings than home maintenance. They shop at a variety of stores, especially Macy's, Lord & Taylor, The Disney Store, The Gap, and BJ's Wholesale Club. They favor overseas travel.

City Commons Single-parent families or singles who live alone comprise most of these very young households. (median age of 24.6) Approximately half of the households have children. Some homes are multigenerational. Household size is larger than national average. Most are renters. More residents work part time instead of full time. Unemployment rate is above average. Baby and children's products are the major purchases. They shop primarily at discount stores. Most families enjoy fast food several times per month. Most households do not rent videos; some go to the movies occasionally. They prefer to watch courtroom TV shows; listen to gospel, urban, and jazz programs on the radio.

Urban Melting Pot The ethnically rich neighborhoods are made up of recently settled immigrants; more than half of whom were born abroad. Half of the foreign-born residents immigrated to the United States in the last 10 years. Most rent apartments in high-density areas. Median age is 35.7 years. These fashion- and cost conscious residents love to shop, from upscale retailers to warehouse/club stores. Distance does not deter these residents from contacting family living outside the United States. They keep in touch with phone calls and overseas travel.

International Marketplace They are a rich blend of cultures and household types. Married couples with children and single parents with children represent 44 percent of households. Top purchases include groceries and children's clothing. Residents shop at stores such as Marshalls and Costco, but for convenience, also stop at 7-Eleven or other similar stores. They are loyal listeners of Hispanic radio programs and prefer to watch movies and sports on TV.

* This data was purchased form ESRI Business Information Solutions which updates Tapestry™ data annually using a variety of national and local sources.

E. Trade Area Resident Expenditures

Given the demographic, lifestyle and other consumer characteristics of the trade area population (presented in the previous section), their total annual expenditures for a variety of retail goods and services can be estimated. Table 9 represents the annual retail market demand. These expenditures are currently being made by residents at a variety of locations both inside and outside of the identified trade area. The residents of the primary trade area spend approximately $78 million at retail stores and restaurants. The residents that live within 1/2 mile from the intersection of Washington and Euclid Streets spend $76 million and the residents that live within 1 mile spend $326 million.

Table 9.

Resident Annual Expenditures

	Primary Trade Area	.5 Mile Radius	1 Mile Radius
	$ Amount	$ Amount	$ Amount
Furniture & Home Furnishings Stores	$3,891,119	$3,854,991	$16,874,128
Furniture Stores	$1,983,790	$1,957,879	$8,578,154
Home Furnishings Stores	$1,907,329	$1,897,112	$8,295,974
Electronics & Appliance Stores	$4,080,426	$4,006,982	$17,423,778
Bldg Materials, Garden Equip.	$2,689,790	$2,736,783	$11,919,457
Building Material & Supplies	$2,654,376	$2,701,428	$11,767,351
Lawn and Garden Equip & Sup.	$35,414	$35,355	$152,106
Food & Beverage Stores	$23,197,750	$22,464,824	$95,946,849
Grocery Stores	$19,994,967	$19,352,143	$82,651,984
Specialty Food Stores	$1,071,417	$1,037,721	$4,435,514
Beer, Wine, and Liquor Stores	$2,131,366	$2,074,960	$8,859,351
Health & Personal Care Stores	$5,434,621	$5,262,745	$22,484,740
Clothing & Clothing Accessories	$9,044,633	$8,739,610	$37,354,210
Clothing Stores	$7,432,422	$7,176,613	$30,647,417
Shoe Stores	$898,724	$856,490	$3,633,504
Jewelry, Luggage, & Leather Gds	$713,487	$706,507	$3,073,289
Sporting Goods, Hobby, Book, Music	$2,171,184	$2,111,059	$9,143,656
Sporting Goods/Hobby/Music Instr.	$858,100	$841,023	$3,653,295
Book, Periodical, and Music Stores	$1,313,084	$1,270,036	$5,490,361
General Merchandise Stores	$7,388,499	$7,176,646	$30,841,753
Department Stores	$1,765,047	$1,725,150	$7,468,078
Other General Merchandise Stores	$5,623,452	$5,451,496	$23,373,675
Miscellaneous Store Retailers	$2,160,142	$2,115,478	$9,104,862
Florists	$345,054	$344,620	$1,481,769
Office Supplies, Stationery, and Gift	$758,239	$744,990	$3,208,374
Used Merchandise Stores	$65,218	$63,478	$274,961
Other Miscellaneous Retailers	$991,631	$962,390	$4,139,758
Food Services & Drinking Places	$17,904,290	$17,434,407	$74,414,756
Full-Service Restaurants	$10,001,331	$9,736,193	$41,543,928
Limited-Service Eating Places	$5,403,790	$5,258,266	$22,448,001
Special Food Services	$1,448,486	$1,409,516	$6,016,942
Drinking Places (Alcoholic Bev.)	$1,050,683	$1,030,432	$4,405,885
Total	$77,962,454	$75,903,525	$325,508,189

Source: ESRI Business Information Solutions

III. Other Primary Trade Area Economic Conditions

A. Businesses and Employment

There are 344 businesses located in the primary trade area employing 2,560 people. The industry categories with the largest numbers of employees are: 1) Health Care and Social Assistance, 2) Educational Services, and 3) Other Services.

Table 10.

Businesses and Employment by Industry Category	Businesses		Employees	
	#	%	#	%
Agriculture, Forestry, Fishing and Hunting	.5	0.0%	0	0.0%
Mining	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%
Construction	20	5.8%	40	1.6%
Manufacturing	4	1.2%	6	0.2%
Wholesale Trade	14	4.1%	83	3.2%
Retail Trade	48	14.0%	93	3.6%
Motor Vehicle and Parts Dealers	1	0.3%	1	0.0%
Furniture and Home Furnishings Stores	1	0.3%	1	0.0%
Electronics and Appliance Stores	1	0.3%	0	0.0%
Building Material and Garden Equipment and Supplies Dealers	1	0.3%	2	0.1%
Food and Beverage Stores	14	4.1%	33	1.3%
Health and Personal Care Stores	6	1.7%	29	1.1%
Gasoline Stations	1	0.3%	0	0.0%
Clothing and Clothing Accessories Stores	14	4.1%	22	0.9%
Sporting Goods, Hobby, Book, and Music Stores	4	1.2%	3	0.1%
General Merchandise Stores	2	0.6%	1	0.0%
Miscellaneous Store Retailers	2	0.6%	0	0.0%
Nonstore Retailers	0	0.0%	0	0.0%
Transportation and Warehousing	7	2.0%	96	3.8%
Information	7	2.0%	8	0.3%
Finance and Insurance	14	4.1%	27	1.1%
Central Bank; Credit Intermediation and Related Activities	9	2.6%	18	0.7%
Securities, Commodity Contracts, and Other Financial & Related	0	0.0%	2	0.1%
Insurance Carriers and Related Activities; Funds, Trusts & Other	5	1.5%	7	0.3%
Real Estate and Rental and Leasing	18	5.2%	59	2.3%
Professional, Scientific, and Technical Services	13	3.8%	65	2.5%
Management of Companies and Enterprises	5	1.5%	13	0.5%
Administrative, Support and Waste Management/Remediation	0	0.0%	0	0.0%
Legal Services	10	2.9%	0	0.0%
Educational Services	15	4.4%	566	22.1%
Health Care and Social Assistance	29	8.4%	629	24.6%
Arts, Entertainment, and Recreation	6	1.7%	63	2.5%
Accommodation and Food Services	18	5.2%	112	4.4%
Accommodation	0	0.0%	0	0.0%
Food Services and Drinking Places	18	5.2%	112	4.4%
Other Services (except Public Administration)	99	28.8%	554	21.6%
Automotive Repair and Maintenance	21	6.1%	66	2.6%
Public Administration	8	2.3%	159	6.2%
Unclassified Establishments	14	4.1%	0	0.0%
Totals	344	100.0%	2,560	100.0%

Source: Business data provided by InfoUSA, Omaha NE Copyright 2008, all rights reserved.

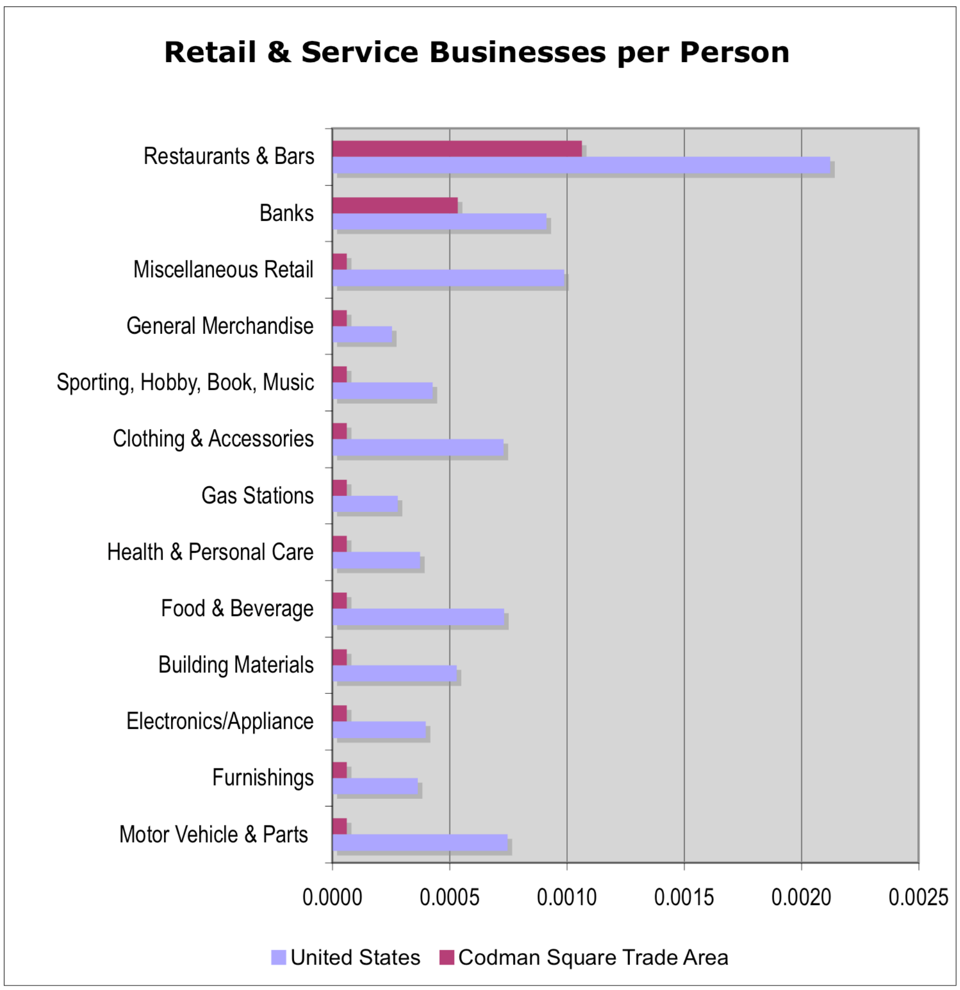
B. Availability of Retail and Services

Figure 8 illustrates the number of businesses per person in the primary trade area compared to the United States overall. The primary trade area (PTA)contains fewer businesses per person in the following categories:

- Restaurants & Bars
- Banks
- Miscellaneous Retail
- General Merchandise
- Sporting, Hobby, Book, Music
- Clothing & Accessories
- Gas Stations*
- Health & Personal Care
- Food & Beverage
- Building Materials
- Electronics/ Appliance
- Furnishings
- Motor Vehicle & Parts*

*(*It should be noted that fewer gas stations and auto retailers coincides with the below average vehicle ownership rate in the area.)*

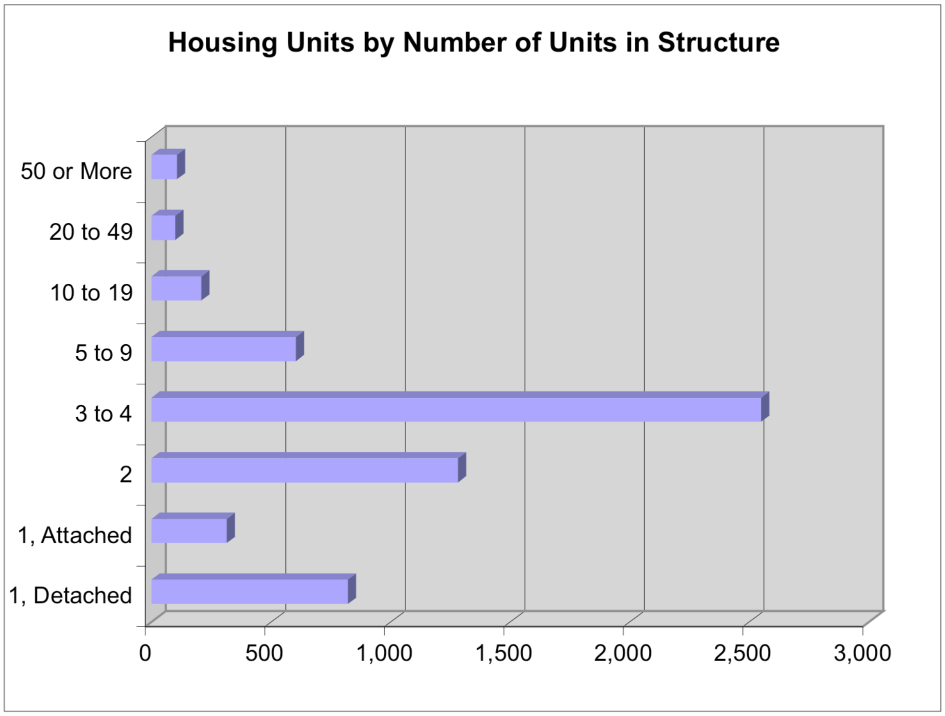
<u>Figure 8.</u>



C. Housing Characteristics

There are approximately 6,052 housing units in the primary trade area (ESRI forecast for 2008). Approximately 59% are renter-occupied, 33% are owner-occupied and 8% are vacant. The housing stock is predominantly small multi-family buildings. Approximately 64% of the units are in buildings with a total of 2 to 4 units.

Figure 9.



Data Source: U.S. Census 2000

IV. Sales Leakage Analysis and Unmet Market Demand

A. Leakage Analysis

A leakage analysis estimates the amount and type of annual purchases that residents are currently making outside of the trade area. If the analysis shows significant leakage within certain retail categories, it points to possible opportunities for new development or expansion of existing businesses within those categories.

Table 11 shows the estimated sales of businesses located in the trade areas. Table 12 compares the estimated annual market demand in each category with the total sales of the businesses within the same trade area. The difference between what the residents spend and what the local businesses are capturing is called "leakage". This is also sometimes referred to as the retail/opportunity gap. The leakage indicates the amount of market demand that is not being captured – the amount of sales that are being lost because trade area residents are going outside of the trade area to make purchases.

For example. . . residents in the Primary Trade Area (PTA), spend an estimated $10 million per year at full service restaurants, but the businesses within the PTA are only capturing $4 million in sales, therefore the residents are spending approximately $6 million at full service restaurants outside of the PTA.

The leakage amount is presented in two ways in the table. The dollar figure represents the volume of lost sales and the square foot number represents the estimated amount of commercial space that could be supported by those lost sales. Although large leakage amounts indicate potential opportunities, it should be noted that 100% capture is not expected. Given the mobility of the population and the variety of shopping options, consumers are likely to continue to purchase a portion of their goods and services outside the trade area (e.g., during shopping trips to regional malls, at businesses near where they work, or while traveling for pleasure and business).

When the leakage is presented as a negative number, this indicates a surplus. In these categories, the amount of current business sales exceeds the amount required to meet the market demand of trade area residents. In most cases, the likely explanation for negative leakage is that the businesses are drawing sales from non-resident market segments such as area employees, business-to-business sales, etc. and/or from customers beyond the identified trade area. In these categories, there is no evidence of unmet demand based on resident expenditures.

<u>Important Notes About Sales Leakage</u>
In addition to the businesses located in the Business District, there are numerous businesses located within the identified trade area. The trade area sales illustrated in the following table include all of the businesses in the trade area, not just those of the District businesses.

This analysis examines market demand of trade area residents only. The expenditures are resident expenditures only and do not include expenditures made by other market segments (i.e. employees that reside beyond the trade area, visitors, or sales made to businesses).

This analysis is based on the most current information available. Businesses could have moved into the area or left since these figures were compiled.

Table 11.

Estimated Trade Area Sales

	Primary Trade Area	.5 Mile Radius	1 Mile Radius
	$ Amount	$ Amount	$ Amount
Furniture & Home Furnishings Stores	$1,028,698	$2,281,467	$4,059,279
Furniture Stores	$1,028,698	$2,281,467	$3,004,610
Home Furnishings Stores	$0	$0	$1,054,669
Electronics & Appliance Stores	$403,901	$674,128	$3,673,242
Bldg Materials, Garden Equip.	$151,278	$64,760	$2,884,772
Building Material & Supplies	$151,278	$64,760	$2,884,772
Lawn and Garden Equip & Sup.	$0	$0	$0
Food & Beverage Stores	$9,475,155	$12,484,419	$36,576,591
Grocery Stores	$6,837,703	$9,525,169	$21,783,094
Specialty Food Stores	$278,390	$226,304	$927,603
Beer, Wine, and Liquor Stores	$2,359,062	$2,732,946	$13,865,894
Health & Personal Care Stores	$7,839,907	$9,218,479	$15,317,200
Clothing & Clothing Accessories	$4,888,187	$4,243,409	$20,165,814
Clothing Stores	$4,172,985	$3,245,177	$15,479,190
Shoe Stores	$320,675	$320,675	$2,886,075
Jewelry, Luggage, & Leather Gds	$394,527	$677,557	$1,800,549
Sporting Goods, Hobby, Book, Music	$990,436	$595,767	$1,684,481
Sporting Goods/Hobby/Music Instr.	$44,704	$44,704	$726,750
Book, Periodical, and Music Stores	$945,732	$551,063	$957,731
General Merchandise Stores	$2,001,635	$2,969,833	$12,894,985
Department Stores	$715,789	$0	$4,078,493
Other General Merchandise Stores	$1,285,846	$2,969,833	$8,816,492
Miscellaneous Store Retailers	$155,164	$460,566	$2,251,458
Florists	$0	$3,455	$310,290
Office Supplies, Stationery, and Gift	$34,200	$119,272	$802,412
Used Merchandise Stores	$0	$0	$72,506
Other Miscellaneous Retailers	$120,964	$337,839	$1,066,250
Food Services & Drinking Places	$11,095,344	$16,905,251	$60,537,573
Full-Service Restaurants	$4,030,609	$3,682,662	$18,348,851
Limited-Service Eating Places	$5,140,511	$8,027,166	$22,939,934
Special Food Services	$1,924,224	$5,195,423	$18,530,062
Drinking Places (Alcoholic Bev.)	$0	$0	$718,726
Total	$38,029,705	$49,898,079	$160,045,395

Source: InfoUSA® and ESRI

Table 12.

Sales Leakage Analysis

	Primary Trade Area		.5 Mile Radius		1 Mile Radius	
Business Type	$ Amount	Sq. Ft	$ Amount	Sq. Ft	$ Amount	Sq. Ft
Furniture Stores	955,092	3,460	(323,588)	(1,172)	5,573,544	20,194
Home Furnishings Stores	1,907,329	10,538	1,897,112	10,481	7,241,305	40,007
Electronics & Appliance	3,676,525	11,141	3,332,854	10,100	13,750,536	41,668
Bldg. Material & Supplies	2,503,098	10,979	2,636,668	11,564	8,882,579	38,959
Lawn & Garden Equip/Sup.	35,414	155	35,355	155	152,106	667
Grocery Stores	13,157,264	32,013	9,826,974	23,910	60,868,890	148,099
Specialty Food Stores	793,027	1,983	811,417	2,029	3,507,911	8,770
Beer, Wine, and Liquor	(227,696)	(813)	(657,986)	(2,350)	(5,006,543)	(17,881)
Health & Personal Care	(2,405,286)	(5,867)	(3,955,734)	(9,648)	7,167,540	17,482
Clothing Stores	3,259,437	13,196	3,931,436	15,917	15,168,227	61,410
Shoe Stores	578,049	2,359	535,815	2,187	747,429	3,051
Jewelry, Luggage, Leather	318,960	938	28,950	85	1,272,740	3,743
Sport Goods/Hobby/Mus. In	813,396	3,583	796,319	3,508	2,926,545	12,892
Book, Periodical, and Music	367,352	1,469	718,973	2,876	4,532,630	18,131
Department Stores	1,049,258	5,409	1,725,150	8,893	3,389,585	17,472
Other General Merchandise	4,337,606	25,515	2,481,663	14,598	14,557,183	85,630
Florists	345,054	1,302	341,165	1,287	1,171,479	4,421
Office Sup, Stationary, Gift	724,039	2,896	625,718	2,503	2,405,962	9,624
Used Merchandise Stores	65,218	326	63,478	317	202,455	1,012
Other Misc. Retailers	870,667	3,483	624,551	2,498	3,073,508	12,294
Full-Service Restaurants	5,970,722	15,922	6,053,531	16,143	23,195,077	61,854
Limited-Service Restaurants	263,279	702	(2,768,900)	(7,384)	(491,933)	(1,312)
Special Food Services	(475,738)	N/A	(3,785,907)	N/A	(12,513,120)	N/A
Drinking Places (Alcoholic)	1,050,683	3,562	1,030,432	3,493	3,687,159	12,499

B. Unmet Market Demand

The leakage analysis shows that, in many retail categories, the existing supply of businesses are not meeting the current market demand of trade area residents. In the primary trade area, there is approximately $43 million of sales leakage capable of supporting approximately 151,000 sq. ft. of commercial space. However, because this sales leakage is spread over many retail and restaurant categories, it is more useful to look at sales leakage by category and then compare the amount of leakage to the sales thresholds necessary to support new businesses. This analysis is provided in the next section. The specific retail categories with sales leakage are listed in Table 13 in order of descending leakage.

As previously stated, it is not expected that businesses within in a trade area would necessarily achieve 100% capture, much depends on the quality and proximity of available offerings beyond the trade area, however, the categories with large sales leakage represent market opportunities that should be further explored. Residents are currently traveling beyond the trade area to acquire these goods and services. It might be possible to capture those sales if comparable offerings could be developed within the trade area. The following table also illustrates the approximate amount of square footage that could be supported given various market capture scenarios. This information is useful as it indicates how large a portion of the market would have to be captured in order to support the square footage. Generally, a smaller required capture rate indicates greater market feasibility for a new outlet.

Table 13.
Summary of Unmet Market Demand

Primary Trade Area

	Unmet Demand/ Leakage			Additional Supportable S.F. Given Various Market Capture Scenarios			Most Signif.
Business Type	$ Amount	Square Feet	-	30%	60%	90%	
Grocery Stores	13,157,264	32,013		-2,042	12,553	27,148	
Full-Service Restaurants	5,970,722	15,922		-2,747	5,254	13,255	*
Other General Merchandise Stores	4,337,606	25,515		2,360	12,284	22,207	*
Electronics & Appliance Stores	3,676,525	11,141		2,486	6,195	9,904	*
Clothing Stores	3,259,437	13,196		-7,867	1,160	10,187	
Building Material & Supplies	2,503,098	10,979		2,829	6,322	9,814	
Home Furnishings Stores	1,907,329	10,538		3,161	6,323	9,484	*
Drinking Places (Alcoholic Bev.)	1,050,683	3,562		1,068	2,137	3,205	
Department Stores	1,049,258	5,409		-960	1,769	4,499	
Furniture Stores	955,092	3,460		-1,571	585	2,742	
Other Miscellaneous Retailers	870,667	3,483		706	1,896	3,086	
Sporting Goods/Hobby/Music Instr.	813,396	3,583		937	2,071	3,205	
Specialty Food Stores	793,027	1,983		108	911	1,715	
Office Supplies, Stationery, Gifts	724,039	2,896		773	1,683	2,593	
Shoe Stores	578,049	2,359		-208	892	1,993	
Book, Periodical, and Music Stores	367,352	1,469		-2,207	-632	944	
Florists	345,054	1,302		391	781	1,172	
Jewelry, Luggage, & Leather Gds	318,960	938		-531	99	728	
Limited-Service Eating Places	263,279	702		-9,385	-5,062	-739	
Used Merchandise Stores	65,218	326		98	196	293	
Lawn and Garden Equip & Sup.	35,414	155		47	93	140	
Total	43,041,469	150,931					

.5 Mile Radius

	Unmet Demand/ Leakage			Additional Supportable S.F. Given Various Market Capture Scenarios			Most Signif.
Business Type	$ Amount	Square Feet	-	30%	60%	90%	
Grocery Stores	9,826,974	23,910		-9,050	5,076	19,201	
Full-Service Restaurants	6,053,531	16,143		-2,031	5,757	13,546	*
Clothing Stores	3,931,436	15,917		-4,422	4,295	13,011	*
Electronics & Appliance Stores	3,332,854	10,100		1,600	5,243	8,885	*
Building Material & Supplies	2,636,668	11,564		3,270	6,825	10,379	
Other General Merchandise Stores	2,481,663	14,598		-7,849	1,771	11,391	
Home Furnishings Stores	1,897,112	10,481		3,144	6,289	9,433	*
Department Stores	1,725,150	8,893		2,668	5,336	8,003	
Drinking Places (Alcoholic Bev.)	1,030,432	3,493		1,048	2,096	3,144	
Specialty Food Stores	811,417	2,029		213	991	1,769	

Sporting Goods/Hobby/Music Instr.	796,319	3,508		915	2,026	3,138	
Book, Periodical, and Music Stores	718,973	2,876		-680	844	2,368	
Office Supplies, Stationery, Gifts	625,718	2,503		417	1,311	2,205	
Other Miscellaneous Retailers	624,551	2,498		-196	958	2,113	
Shoe Stores	535,815	2,187		-260	789	1,837	
Florists	341,165	1,287		377	767	1,157	
Used Merchandise Stores	63,478	317		95	190	286	
Lawn and Garden Equip & Sup.	35,355	155		47	93	140	
Jewelry, Luggage, & Leather Gds	28,950	85		-1,369	-746	-123	
Total	37,497,561	132,544					

1 Mile Radius

	Unmet Demand/ Leakage			**Additional Supportable S.F. Given Various Market Capture Scenarios**			**Most Signif.**
Business Type	$ Amount	Square Feet	-	**30%**	**60%**	**90%**	
Grocery Stores	60,868,890	148,099		7,330	67,660	127,990	
Full-Service Restaurants	23,195,077	61,854		-15,695	17,540	50,775	*
Clothing Stores	15,168,227	61,410		-25,445	11,778	49,002	*
Other General Merchandise Stores	14,557,183	85,630		-10,614	30,634	71,881	*
Electronics & Appliance Stores	13,750,536	41,668		4,709	20,549	36,388	*
Building Material & Supplies	8,882,579	38,959		2,831	18,314	33,798	*
Home Furnishings Stores	7,241,305	40,007		7,923	21,674	35,424	*
Health & Personal Care Stores	7,167,540	17,482		-20,907	-4,455	11,998	
Furniture Stores	5,573,544	20,194		-1,562	7,762	17,086	*
Book, Periodical, and Music Stores	4,532,630	18,131		2,758	9,346	15,934	*
Drinking Places (Alcoholic Bev.)	3,687,159	12,499		2,044	6,525	11,005	*
Specialty Food Stores	3,507,911	8,770		1,008	4,334	7,661	*
Department Stores	3,389,585	17,472		-9,475	2,074	13,623	
Other Miscellaneous Retailers	3,073,508	12,294		703	5,670	10,638	*
Sporting Goods/Hobby/Music Instr.	2,926,545	12,892		1,627	6,455	11,283	*
Office Supplies, Stationery, Gifts	2,405,962	9,624		640	4,490	8,340	*
Jewelry, Luggage, & Leather Gds	1,272,740	3,743		-2,584	128	2,839	
Florists	1,171,479	4,421		507	2,184	3,862	*
Shoe Stores	747,429	3,051		-7,331	-2,882	1,568	
Used Merchandise Stores	202,455	1,012		50	462	875	
Lawn and Garden Equip & Sup.	152,106	667		200	400	600	
Total	183,474,390	619,879					

Summary of Market Opportunity Indicated by Leakage Analysis

There is sales leakage in all of the categories listed in the previous table. The categories with the most significant leakage are indicated with an asterisk. For the purposes of this analysis, "most significant leakage" is defined as a leakage amount sufficient to support a new business (given typical store size) under a 60% capture rate scenario for the category. In other words, even with 40% sales leakage in the category, there would still be enough market support for a new store.

In the **primary trade area,** the most significant leakage is in the following categories:

- Full-Service Restaurants[1]
- Other General Merchandise Stores

- Electronics & Appliance Stores
- Home Furnishings Stores

In the **.5 mile trade area**, the most significant leakage is in the following categories:

- Full-Service Restaurants[1]
- Clothing Stores[2]
- Electronics & Appliance Stores
- Home Furnishings Stores

In the **1 mile trade area**, the most significant leakage is in the following categories:

- Full-Service Restaurants[1]
- Clothing Stores[2]
- Other General Merchandise Stores
- Electronics & Appliance Stores
- Building Material & Supplies
- Home Furnishings Stores
- Furniture Stores
- Book, Periodical, and Music Stores[3]
- Drinking Places (Alcoholic Bev.)
- Specialty Food Stores
- Other Miscellaneous Retailers
- Sporting Goods/Hobby/Music Instr.
- Office Supplies, Stationery, Gifts
- Florists

Notes About Specific Categories

1. *It should be noted that full service restaurants often want to locate near other restaurants and businesses that are open in the evening.*
2. *Clothing stores typically perform better when they are present with other clothing and accessory stores.*
3. *Due to the significant increase in book purchasing over the Internet coupled with the existence of very large retailers such as Barnes & Noble, there has been a significant decrease in small independent bookstores.*

Important Note About Opportunities Based on Sales Leakage

These results only indicate that there is sales leakage in these categories. To determine the feasibility of capturing this leakage, it is necessary to evaluate the strength of the competing businesses outside of the trade area that are currently attracting these sales (which is beyond the scope of this analysis). If it can be determined that is possible to locate businesses in the business district that offer comparable merchandise, service, pricing and convenience (compared with what consumers are now traveling further to obtain) it is likely that there is market potential for new outlets in the category.

The following table illustrates the approximate typical store sizes for the categories that show most significant sales leakage in the primary trade area. Note that store size can vary depending on the specific type of business and operating format.

Table 14.

Typical Store Size for Categories with Greatest Sales Leakage (in primary trade area)

Categories with Most Significant Sales Leakage	Typical Store Size (sq. ft.)
Full Service Restaurants	3,200 independent; 3,500 local chain, 5,000 – 9,000 national chain
Other General Merchandise	6,000 dollar stores; 11,000 variety store
Electronics & Appliance Stores	3,400 appliances; 2,800 audio/video; 2,900 computer/software; 2,400 electronics general
Home Furnishings	4,800 accessories; 9,800 linens/bath; 2,200 curtains; 3,500 kitchen; 3,800 floor covering

The other categories that show more modest amounts of leakage may also offer opportunities, but it would require an aggressive market capture scenario to support a new outlet. Or, if the opportunity does not rise to the threshold of supporting a new outlet, it may indicate potential for an expansion of offerings in existing businesses.

In the categories that show very little or no leakage, the market opportunity for new businesses would depend on their ability to:

- attract customers from beyond the trade area,
- attract expenditures from non-residential market segments (e.g., students, visitors, employees, business-to-business);
- offer higher quality, better priced or otherwise, more desirable product or service and therefore overtake/replace less desirable current businesses

Another strategy to consider for categories with no significant leakage is to encourage businesses that are currently located inside the trade area but outside of business district to relocate within the district. This sometimes can improve the mix of businesses but not require additional market capture.

C. Non Resident Market Segment -- Employees of Surrounding Businesses

In addition to residents, there are many employees that work within close proximity to the business district. There are 344 businesses with 2,560 employees within the primary trade area. This represents a market opportunity for breakfast and lunchtime meal purchases as well as other convenience goods and services purchased before and after work. This number of employees represents approximately $2.6 million of potential spending each year on breakfast and lunch, capable of supporting around 6,800 s.f. of restaurant space, however, it is not clear that this represents opportunity for new restaurants. The sales leakage analysis (based solely on resident expenditures) indicates significant sales leakage in the full service restaurant category but practically no leakage in the limited service restaurant category. It is likely that the limited service restaurants are already capturing a large portion of the employee market segment.

D. Business Opportunity Assessment

The following chart provides an evaluation of new business opportunities based on current sales leakage and under-representation.

Table 15.

Business Opportunity Assessment						
	Most Significant Sales Leakage			Under-Represented in the District by Comparison		Under-Represented in PTA[2] Compared to National Average (# of businesses per person)
	Primary Trade Area	.5-Mile Radius	1-Mile Radius	Selected Boston Business Districts	U.S. Shopping Centers	
Furniture Stores			*	Y	Y	Y
Home Furnishings Stores	*	*	*			
Electronics & Appliance	*	*	*	N	N	Y
Bldg. Material & Supplies			*	N	Y	Y
Lawn & Garden Equip/Sup.						
Grocery Stores				N	Y	Y
Specialty Food Stores			*			
Beer, Wine, and Liquor				N	N	
Health & Personal Care				N	N	Y
Clothing Stores		*	*	N	Y	Y
Shoe Stores				N	N	
Jewelry, Luggage, Leather				N	N	
Sport Goods/Hobby/Mus. Inst			*	N	Y	Y
Book, Periodical, and Music			*			
Department Stores				Y	Y	Y
Other General Merchandise	*		*			
Florists			*	Y		Y
Office Sup, Stationary, Gift			*			
Used Merchandise Stores						
Other Misc. Retailers			*			
Full-Service Restaurants	*	*	*	Y	Y	Y
Limited-Service Restaurants						
Drinking Places (Alcoholic)			*			
Financial/Insur./Real Estate				N	N	Y
Other Offices/Prof. Services				N	N	NA

1. Leakage amount sufficient to support a new business (typical store size) under a 60% capture rate scenario
2. PTA = Primary Trade Area

Appendix A

Mid Dorchester Business Districts *(Source: Boston Redevelopment Authority)*


Mid-Dorchester
Action Plan
Business District
0 250 500 750 1,000 Feet
Proposed
Four Corners/Bowdoin
Station
Bowdoin/Geneva
Main Streets District
Four Corners
Main Streets
District
Proposed
Talbot Avenue/
Codman Square
Station
Codman Square
Business District
Fields Corner
Shawmut
Ashmont
MBTA Red Line
MBTA Fairmount CR Line
Franklin
Park
Ceylon
Park
Columbia
Road Mall
Ronan
Park
Allen
Park
Harambee
Park
St. Mary's
Cemetery
Codman
Burying
Ground
Roberts
Playground
Doherty
Gibson
Playground