

Center City Charlotte

# Market Assessment & Strategy

**Media Briefing**

December 6, 2007

# National Retail Consultant

**Blount Hunter,  
Hunter Retail & Real Estate Research Co.**

- **30 years experience**
- **12 years - The Rouse Company**
- **Retail studies in top 50 US metro areas**

# Project Purpose

- **Understanding Customer Segments**
- **Retail Market Assessment**
- **Strategic Direction**

# A New Perspective

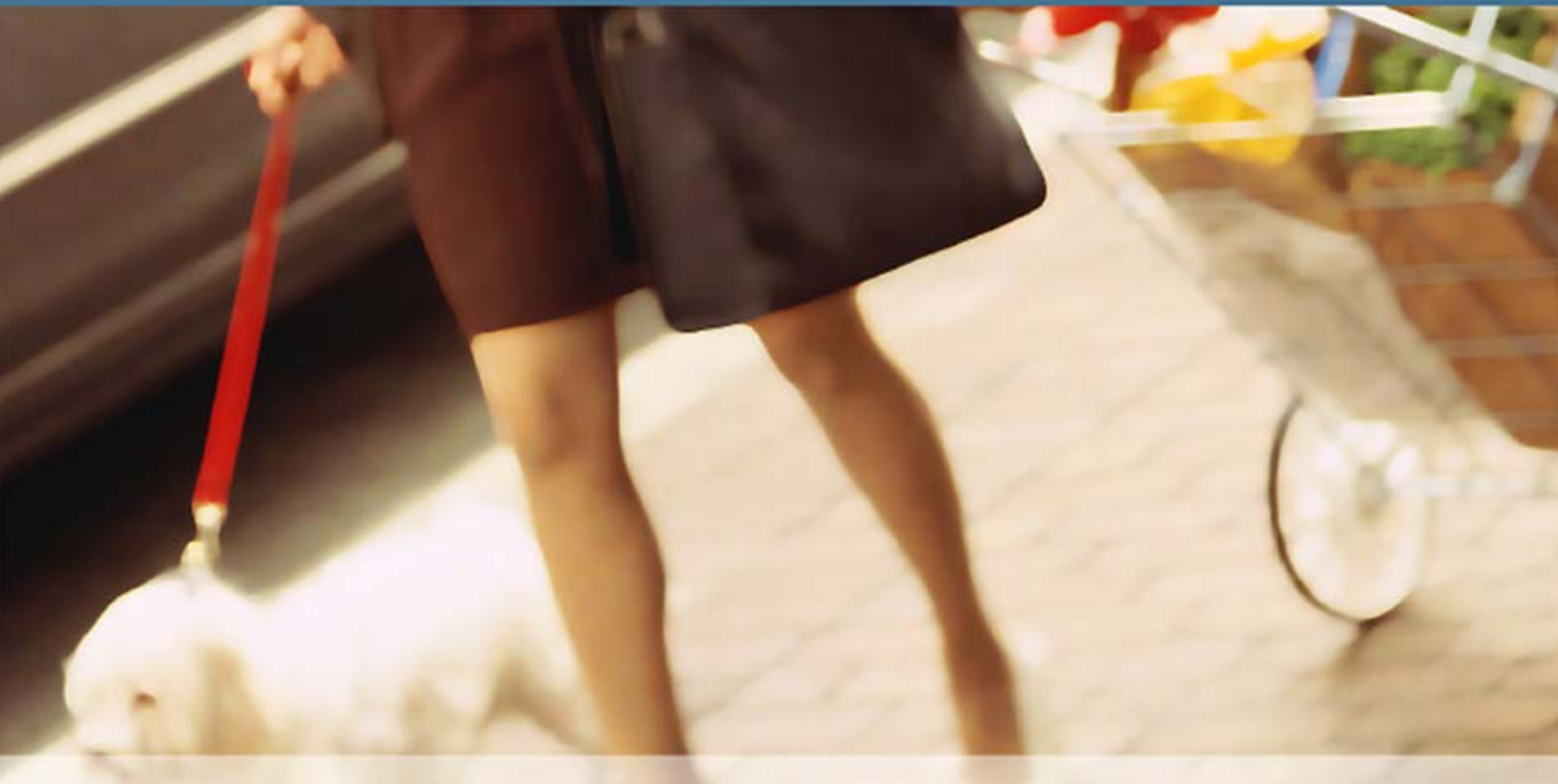
- What is Center City's sustainable niche opportunity?
- What is spending potential of current patrons?
- What customer segments are most important in the short-term? Long-term?

# Center City's Dynamics are Changing

- Discretionary **destination** for local adults
- Growing **visitor destination**
- Emerging **residential** base
- Increasing **worker** base
- Regional **transit** hub



# Uptown Charlotte is Ready for Retail



# Customer Segments



# Customer Segments

- Office Workers
- Local Residents
- Out-of-town Visitors

# Office Workers

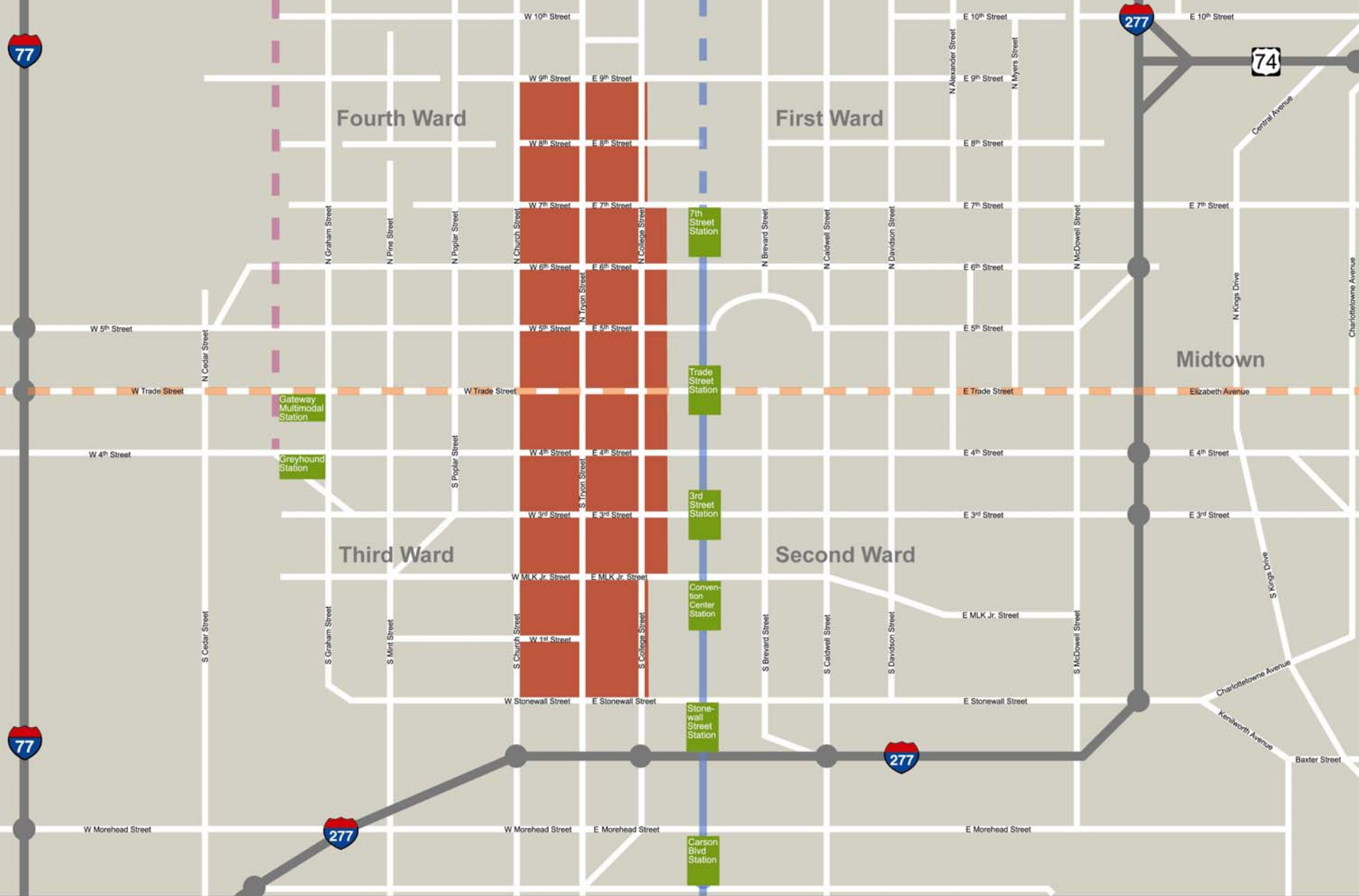
- 2006: 65,000      2020: 95,600
- 70% females
- Majority earn \$50,000+
- 85% concentrated in 20 multi-tenant buildings with “heart” at Trade and Tryon
- \$2,350 average annual “at work” spending (\$900 “shopper’s goods” spending when available)

# Local Resident Patrons

- 891,900 adults 18-64
- 52% visit at least once/year
- Average 11 discretionary visits/year
- Peak use: 25 to 34 year olds  
\$60,000+ households
- Greatest reason for visits: dining, museums, cultural / arts, sports, festivals

# Out-of-Town Visitors

- 16.6 million visitors (overnight and daytrip)
- 600,000 hotel guests in Center City
- Growing segment (conventioners, families, business travelers)
- NASCAR Hall of Fame and other new attractions underway
- Assume 30% interaction with Center City



# Retail Study Area

# Uptown's Patrons--2006

Uptown currently attracts  
**25 million** person-trips annually


	Segment Size	Annual Trips
MSA Residents 18-64	891,900	5,101,700
Office Workers	65,000	15,275,000
Visitors	16,600,000	4,980,000
<b>Total Visits</b>		<b>25,356,700</b>

# How Does 25 Million Visits Compare to Malls?

- Strong regional malls: 8 - 12 million visits annually—generally from nearby residential trade areas
- SouthPark: 12 - 15 million visits; annual sales exceeding \$500 million
- Spending (\$100/visit): reflects “purposeful” shopping as primary trip motivation

# Uptown's Patrons--2020

Uptown may attract  
**37-50 million** person-trips in 2020

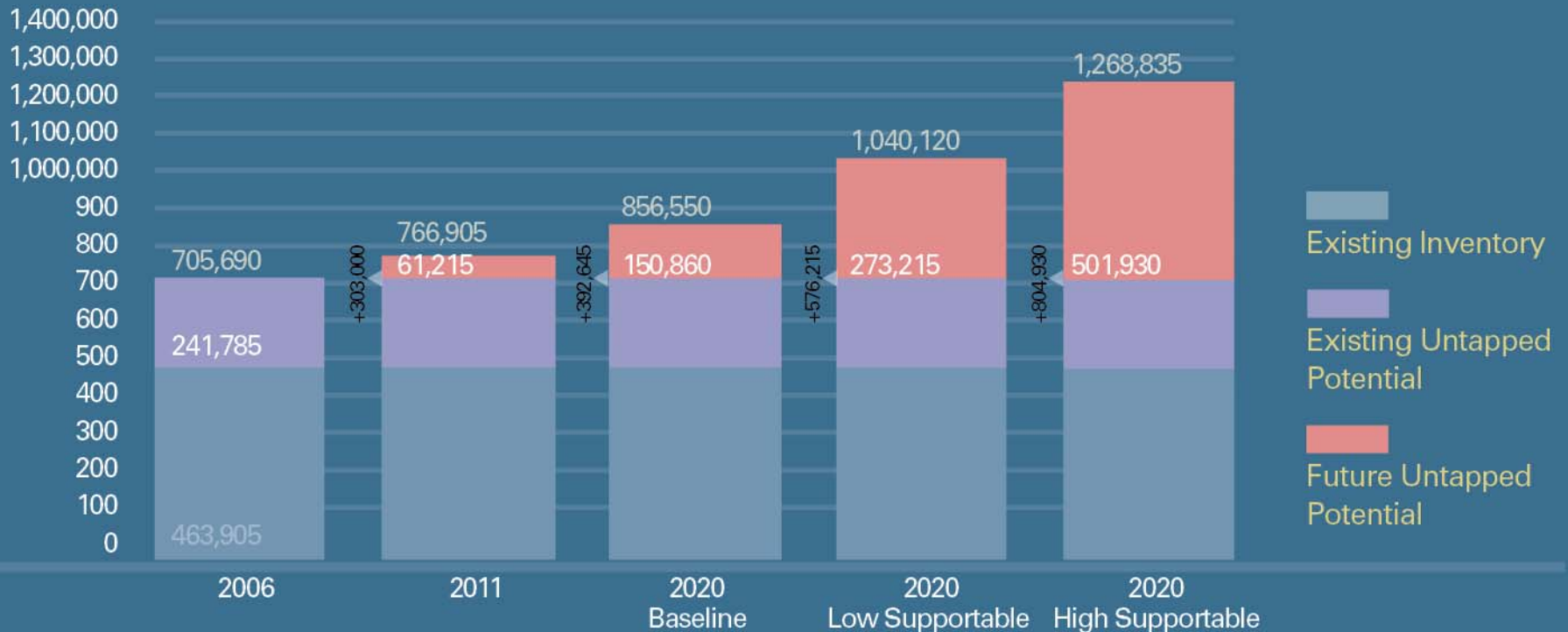


	Segment Size	Annual Trips
MSA Residents 18-64	1,409,250	8,061,000 -13,740,000
Office Workers	95,600	22,466,000
Visitors	23,901,850	7,170,500 -14,341,100
<b>Total Visits</b>		<b>37,679,500 - 50,547,356</b>

# Supportable Retail Footage - 2020

- 25 % “capture” of untapped potential =  
392,645 – 804,930 SF
- 856,550 – 1,268,835 SF = total supportable SF
- Requires combination of increased penetration, usage frequency, or average expenditure by each customer segment

# Incremental Supportable Square Footage @ \$350 PSF



# Strategy



# Short-term Strategy: Serve current patrons

Add “shopping” as complement to millions of visits already occurring for a variety of reasons...



# Longer-term Strategy: Build “destination” retail offering

Evolve retail mix into “critical mass” of  
consumer goods shopping with destination  
appeal





## Next Steps

- Communicate retail market potential to developers and retailers
- Develop a 2020 Center City Retail Vision by April 2008

# Uptown Charlotte is Ready for Retail

