

# Market Profile

## The New Ave Retail Opportunity Analysis

### Secrets of success

3 factors have shaped New Hampshire Avenue's success as a regional and east coast destination:

*Accessibility to arterials*, including the Washington beltway and the east coast corridor of I-95, and public transportation. Transit ridership strongly influenced Maryland's decision to build a transit center at New Hampshire Avenue and University Boulevard that will be linked to the future Purple Line.

*Resident population of diverse origins* which supports specialized goods and services attractive to international diasporas from Asia, Africa, Central and South America, and the Caribbean. With ample housing, adjacent neighborhoods are a primary international landing point, and with each successive wave, unique businesses have flourished which continue to draw successive generations who have since moved to other regional suburbs or along the east coast.

*Proximity to major employment and entertainment attractors* that are easily accessible by car and transit, including Washington, D.C. A stone's throw from the University of Maryland, Silver Spring, White Oak, and Prince George's Plaza, Takoma Park also hosts multiple college campuses and a hospital. The Food and Drug Administration recently relocated to New Hampshire Avenue north of Takoma Park; they've already added 5,000 jobs to their new White Oak campus which will top out at 20,000 employees. The proposed Purple Line will better connect the New Ave to Bethesda, University of Maryland, Silver Spring and New Carrollton employment centers.

### Unmet residential retail demand within 5 miles

Although New Hampshire Avenue is a busy commercial corridor, there is still excess demand making the corridor ripe for new retailers. The chart below highlights demand for select retail services in total dollars. The types of retail opportunities that are listed are complementary to the economy at the five-mile radius and within the zoning regulations on The New Ave.

The large scale of consumer demand unserved by the local retail market is not surprising. The dearth of retail and sit-down restaurants (despite many affluent and educated households) in NE Washington, D.C. to the east in Prince George's County has long been recognized.

*New Ave Trade Area 5 Mile Radius Opportunities*

Selected Retail Store Categories	2010 Demand (Consumer Expenditures)	2010 Supply (Retail Sales)	Unmet Demand
Sporting Goods Stores	\$66,684,945	\$17,430,867	\$49,254,078
Office Supplies, Stationery, Gift Stores	95,917,969	35,896,826	60,021,143
Nursery and Garden Centers	62,152,553	1,069,128	61,083,425
Furniture Stores	116,763,217	47,868,627	68,894,590
Family Clothing Stores	180,588,905	90,864,061	89,724,844
Radio, Television, Electronics Stores	136,719,999	45,406,945	91,313,054
Pharmacies and Drug Stores	468,790,866	355,758,852	113,032,014
Full-Service Restaurants	441,045,002	327,620,960	113,424,042
Department Stores Excl Leased Depts	621,642,065	189,505,405	432,136,660

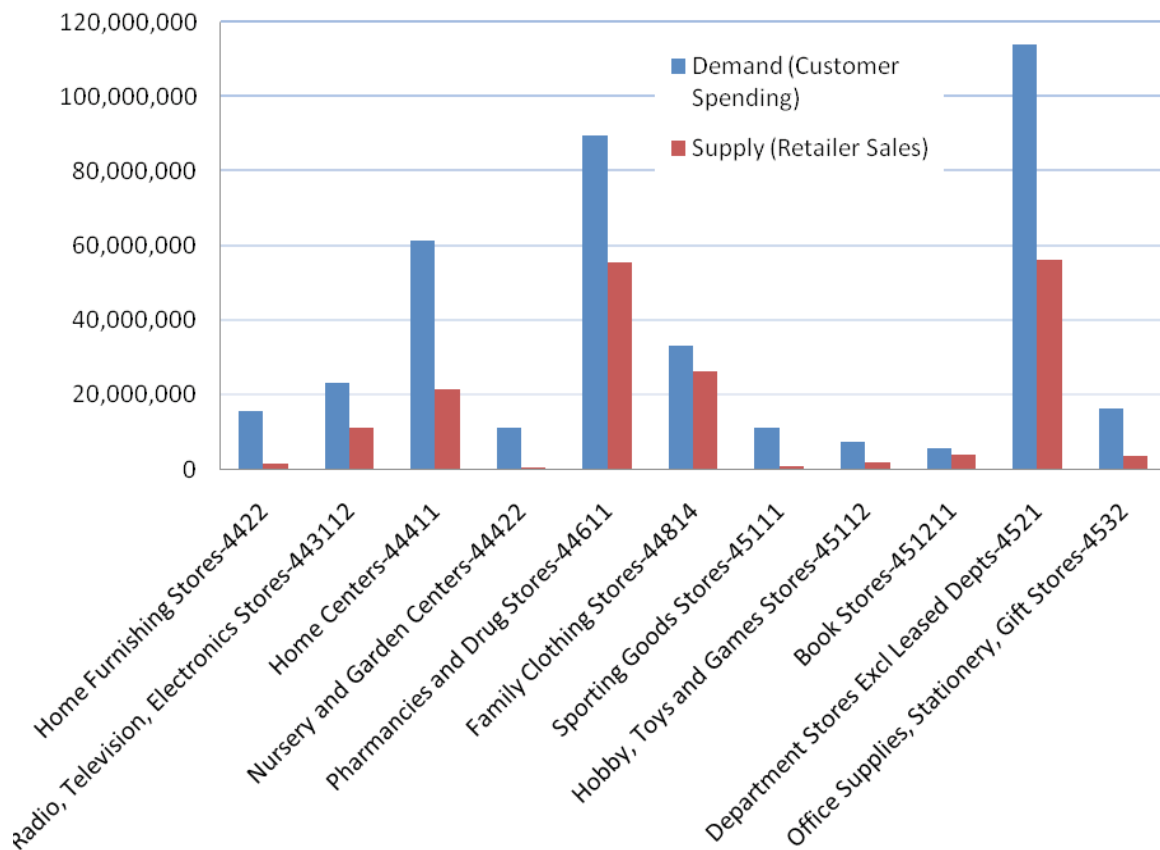
### Local Opportunity

As convenience is a strong determinant in consumer choice, the extensive use of public transportation by area residents and visitors further supports locally focused businesses. When comparing the opportunity gaps at a two mile scale with the five mile scale, some of the large gaps are repeated.

On top of having a local advantage, new businesses in these categories will also enjoy a regional market that is not saturated with competitors.

Some are identified in the accompanying graphic with sporting goods, family clothing, electronics, pharmacies, garden centers, full-service restaurants, and bars. The demand for day-to-day essentials will continue to be strong given the New Ave’s high population density.

*New Ave Trade Area  
2 Mile Radius Opportunities*



### Destination Retail Clusters

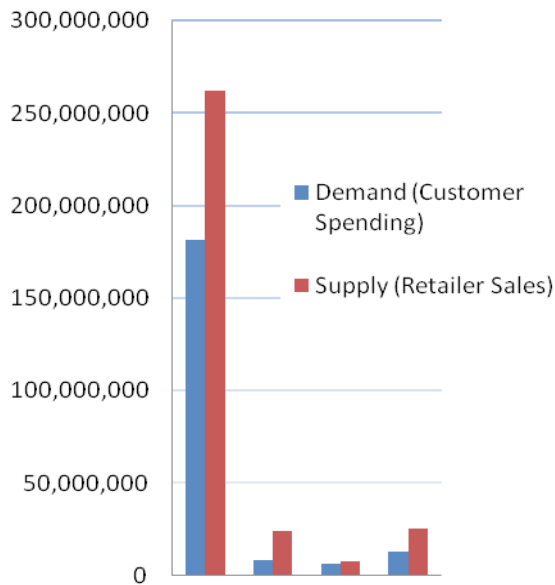
The New Ave has several concentrations of businesses creating a shopping mecca for our region’s residents. With the addition of the Purple Line, the accessibility of the Crossroads shopping district is only expected to grow by drawing more buyers from outside the five mile radius. Visitor shopping is already evident in the food and beverage retail sector.

Large supermarkets, represented by regional and national chains such as Shoppers Food Warehouse make up some of these sales. International supermarkets are a clear destination on Thursday through Sunday, packing the New Ave with shoppers at the more than 15 supermarkets selling African, Cambodian, Caribbean, Indian, and Hispanic goods. The gap between what is sold versus local spending

only grows at the five mile radius with the exception of Specialty Food Stores, in which local spending outpaced sales by \$6.5 million.

Additional retail categories in which retailers reported more in sales than consumers spent within two miles of the corridor include Men’s Clothing (\$1M), Women’s Clothing (1M), Shoe Stores (10M), and Sew/Needlework/Piece Goods (2M). This gap is continued at the much larger 5 mile radius for Shoe Stores (\$15M), and Sew/Needlework/Piece goods (\$.8M).

*New Ave Trade Area Destination Retail  
2 Mile Radius*



Supermarkets, Grocery (Ex Conv) Stores-44511  
 Convenience Stores-44512  
 Specialty Food Stores-4452  
 Beer, Wine and Liquor Stores-4453

## Consumers within a Two-Mile Radius

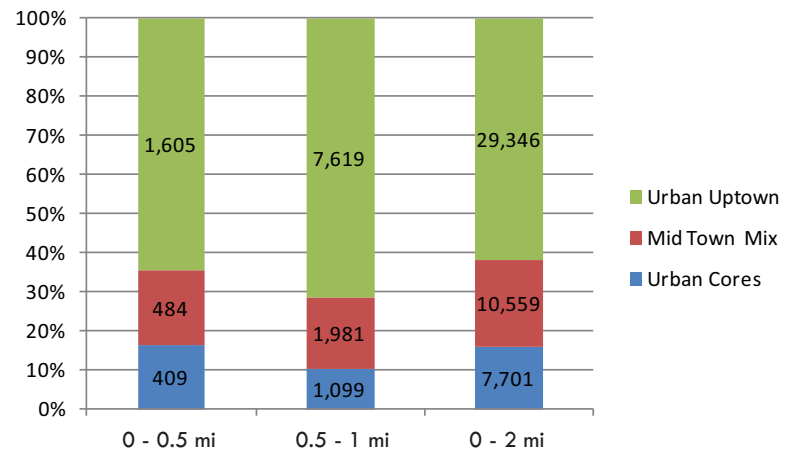
The Claritas PRIZM 2010 data shows that the neighborhoods along the Corridor have more wealth than is visible from New Hampshire Avenue and demonstrated by the current retail mix. Ethnic diversity is the constant theme in nearly all categories.

See following page for market segment descriptions.

The Maryland Gateway .5 mile, 10-minute walking shed (2,498 households) is **Urban Uptown** - solidly affluent at nearly 64%, with about 20% of the total population as **Midtown Mix** (middle class) and 16% **Urban Core**. This low income population at all distances is substantially seniors that live on fixed income or are otherwise struggling economically.

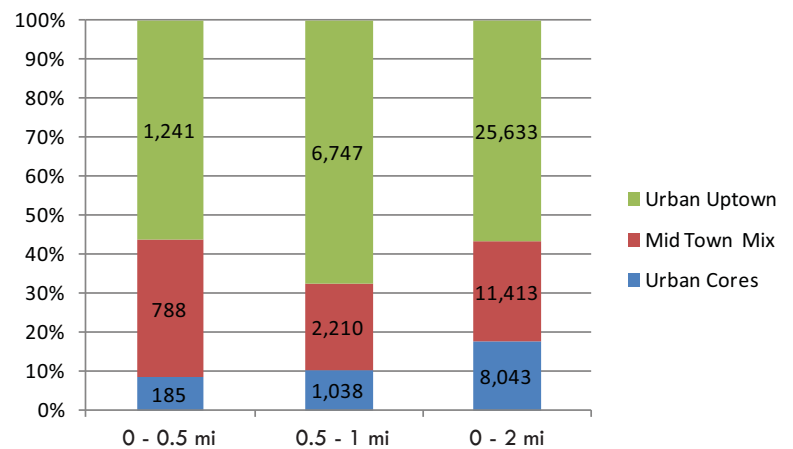
The most affluent residents are also seniors, classified as **Money and Brains** at 20% of the population and **Cosmopolitans**, the largest group, at 29%.

Maryland Gateway



The .5 mile, 10-minute walking shed (2,214 households) for the Ethan Allen Gateway is also predominantly affluent compared to the national average. The area has a high number of college-educated, ethnically diverse singles and couples. **Money and Brains** makes up almost all of the **Urban Uptown**, while **Urban Achievers** - up and coming typically college educated immigrants, at 33.4% make up the almost all of the moderately affluent mid town mix.

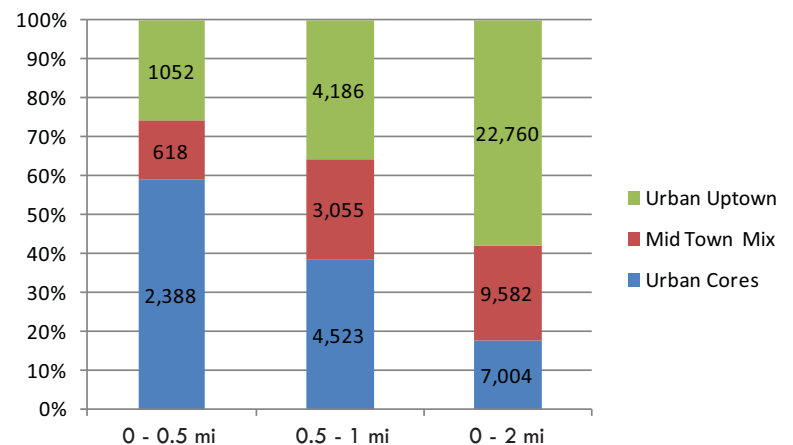
Ethan Allen Gateway



The amount of low-income households, similar to in the Maryland Gateway, hovers at about 8% of the total population.

The .5 mile, 10-minute walking shed (4,058 households) for the Takoma/Langley Crossroads has nearly twice as many households as the Maryland Gateway.

Takoma Langley Crossroads



Ten percent of the population is categorized as **Money and Brains**, 11% **Urban Achievers**, and 58% **Low Rise Living**.

While **Low Rise Living** makes up the bulk of the population in the immediate vicinity, at the .5 to 1 mile radius 40% of households are affluent with just over 26% low income, while within a two mile radius, lower income residents make up under 18% of the population.

## Claritas PRIZM Categories

### Urban Uptown

*Young Digerati* are the nation's tech-savvy singles and couples living in fashionable neighborhoods on the urban fringe. Affluent, highly educated and ethnically mixed, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars.

The residents of *Money & Brains* seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these city dwellers—predominantly white with a high concentration of Asian Americans—are married couples with few children who live in fashionable homes on small, manicured lots.

A collection of young, mobile urbanites, *Bohemian Mix* represents the nation's most liberal lifestyles. Its residents are a progressive mix of young singles and couples, students and professionals, Hispanics, Asians, African-Americans and whites. In their funky rowhouses and apartments, Bohemian Mixers are the early adopters who are quick to check out the latest movie, nightclub, laptop and microbrew.

Educated, midscale and multi-ethnic, *The Cosmopolitans* are urbane couples in America's fast-growing cities. Concentrated in a handful of metros—such as Las Vegas, Miami and Albuquerque—these households feature older home-owners, empty-nesters and college graduates. A vibrant social scene surrounds their older homes and apartments, and residents love the nightlife and enjoy leisure-intensive lifestyles.

*American Dreams* is a living example of how ethnically diverse the nation has become: more than half the residents are Hispanic, Asian or African-American. In these multilingual neighborhoods—one in ten speaks a language other than English—middle-aged immigrants and their children live in middle-class comfort.

### Midtown Mix

Concentrated in the nation's port cities, *Urban Achievers* is often the first stop for up-and-coming immigrants from Asia, South America and Europe. These young singles and couples are typically college-educated and ethnically diverse: about a third are foreign-born, and even more speak a language other than English.

*Close-In Couples* is a group of predominantly older, African-American couples living in older homes in the urban neighborhoods of mid-sized metros. High school educated and empty nesting, these 55-year-old-plus residents typically live in older city neighborhoods, enjoying secure and comfortable retirements.

An immigrant gateway community, *Multi-Culti Mosaic* is the urban home for a mixed populace of younger Hispanic, Asian and African-American singles and families. With nearly a quarter of the residents foreign born, this segment is a mecca for first-generation Americans who are striving to improve their lower-middle-class status.

### Urban Cores

For *Urban Elders*—a segment located in the downtown neighborhoods of

such metros as New York, Chicago, Las Vegas and Miami—life is often an economic struggle. These communities have high concentrations of Hispanics and African-Americans, and tend to be downscale, with singles living in older apartment rentals.

Found in urban neighborhoods, *City Roots* is a segment of lower-income retirees, typically living in older homes and duplexes they've owned for years. In these ethnically diverse neighborhoods—more than a third are African-American and Hispanic—residents are often widows and widowers living on fixed incomes and maintaining low-key lifestyles.

With a population that's 50 percent Latino, *Big City Blues* has the highest concentration of Hispanic Americans in the nation. But it's also the multiethnic address for downscale Asian and African-American households occupying older inner-city apartments. Concentrated in a handful of major metros, these young singles and single-parent families face enormous challenges: low incomes, uncertain jobs and modest educations. More than 40 percent haven't finished high school.

The most economically challenged urban segment, *Low-Rise Living* is known as a transient world for young, ethnically diverse singles and single parents. Home values are low—about half the national average—and even then less than a quarter of residents can afford to own real estate. Typically, the commercial base of Mom-and-Pop stores is struggling and in need of a renaissance.

Transportation & Traffic

**New Hampshire Avenue Corridor Location**

- 2 miles south of the Capital Beltway
- 2 miles from the main campus of the University of Maryland
- Flows *directly* into Washington, D.C.
- Intersected midway by East-West Highway, a major connector to downtown Silver Spring, Old Town Takoma Park, and Prince George’s Plaza.

**Public Transportation**

The New Hampshire - University Boulevard crossroads is the “busiest non-Metro-rail transit hub in the region ...”

- Michael Madden,  
Maryland Transit Administration

- 61 buses serve the Takoma/ Langley Crossroads area each hour during rush hour.
- Buses link residents and employees to Silver Spring, Bethesda, Wheaton, Twinbrook, Takoma, Fort Totten, Greenbelt, College Park/ UMD, and Prince George’s Plaza metro rail stations.

**Mass Transit Projects**

- The Purple Line transit line on University Boulevard, with stops at Carroll Avenue, New Hampshire Avenue and Riggs Road connecting to Bethesda and New Carrollton, is expected to begin construction in 2014.
- A major bus transit center at University and New Hampshire Avenues is planned and funded. Design work has been completed and negotiations for the purchase of the property are underway.
- The K6 Bus Priority Corridor Study proposes Express Bus service.
- New Hampshire Avenue is included in the BRT study underway in Montgomery County.

*Average Daily Vehicle Traffic at Key Intersections (2010)*

University Blvd. at New Hampshire Ave. Takoma Langley Crossroads	37,531
New Hampshire Ave. at University Blvd. Takoma Langley Crossroads	35,661
East-West Hwy. at New Hampshire Ave. Ethan Allen Gateway	20,520
New Hampshire Ave. (from Poplar Ave. to East-West Hwy.) Ethan Allen Gateway/Maryland Gateway	41,111
New Hampshire Ave. (from Eastern Ave. to Poplar Ave.) Maryland Gateway	34,081



**Bus Use**

The area is served by Metrobus (WMATA), Ride-On (Montgomery County), TheBus (Prince George's County), and the University of Maryland Shuttle. The following figures do not include the University of Maryland Shuttle or TheBus.

*Daily Totals (March 2007)*

<b>Street/Intersection</b>	<b>Ridership</b>
<b>On University Boulevard at:</b>	
Riggs Road	1,547
15 <sup>th</sup> Avenue	288
14 <sup>th</sup> Avenue	545
New Hampshire Avenue	2,493
Lebanon Street	830
Merrimac Drive	385
<b>On New Hampshire Avenue at:</b>	
Lebanon Street	1,064
University Boulevard	1,146
Holton Lane	540
Kingwood Drive	82
Merwood Drive	425
Glenside Drive	28
Erskine Street	82
Sligo Creek Parkway	51
Linden Avenue	31
Larch Avenue	66
Kentland Avenue	21
Devonshire Road	47
Auburn Avenue	138
East-West Highway (410)	688
#6830/Belford Place	272
Poplar Avenue/Ray Road	247
Cockerville Avenue/Sheridan	460
Eastern Avenue	534

## Commercial Rents

The City completed a Census of all businesses within the City commercial districts in 2010. The City is in the process of developing a report based on the results, which included rent per square foot.

A survey of commercial rents in the Takoma Park Enterprise Zone was also undertaken by the City in 2006. The rents between the two surveys did not differ substantially.

Existing commercial structures are older with highly varied levels of maintenance. Generally, the New Hampshire Avenue Corridor has few vacancies and is 99% occupied. The 2006 survey indicated that more recent leases obtained may command higher rates than older leases, location is important, and that price varied by lessee within buildings.

The response rate for the rent question on the survey was low, and the results are not statistically representative of the whole; rather they hint at existing market variations.

The overall findings indicate the Maryland Gateway (Eastern Avenue) and the Sligo Creek commercial centers have the lowest rents within the Enterprise Zone. The Maryland Gateway also has a high percentage of owner-occupied commercial buildings. The upper and lower bounds rents for Maryland Gateway are between \$14 to \$16 dollars.

Businesses near Sligo Creek (wholesale and office) pay similar rents ranging from \$13 to \$17 dollars per square foot.

The shopping center located on Ethan Allen and New Hampshire Avenue, which has a larger cluster of businesses, is recorded as having rents between \$16 and \$23 dollars per square foot (no restaurant or service business responses were received for this area).

The businesses reporting highest rents were located near or on University Boulevard. Businesses along University Boulevard up to Merrimac Drive (small office and service businesses) pay between \$19 and \$35 dollars per square foot.

The highest rents per square foot can be found in the University Boulevard/New Hampshire Avenue Crossroads commercial area. The area's rent also spans a wide range, depending on the business use. Restaurants reported rents ranging from \$21 per square foot to \$39 per square foot. Rents for retail uses in the area range from \$18 to \$32 dollars per square foot. Office spaces are rented for between \$16 to \$35 dollars per square foot.

Tenants on the northwest and southwest quadrants of the Crossroads report the highest rent, with costs comparable to more attractive commercial areas at \$49 dollars per square foot.





## Single Family Home Values

Numbers below represent closing price of single family homes sold in the City in 2010. There were 20 houses sold in the Takoma/Langley Crossroads, 34 at the Ethan Allen Gateway, and 17 at the Maryland Gateway.



### *Closing value of single family homes sold in Takoma Park (2010)*

<b>Neighborhood</b>	<b>High</b>	<b>Low</b>	<b>Average</b>	<b>Median</b>
Maryland Gateway				
Pinecrest and Circle Woods	\$755,000	\$225,000	\$465,000	\$486,000
Ethan Allen Gateway				
South of Sligo Creek	\$837,000	\$224,000	\$470,000	\$461,000
Takoma/Langley Crossroads				
New Hampshire Gardens	\$610,000	\$183,000	\$346,000	\$332,000

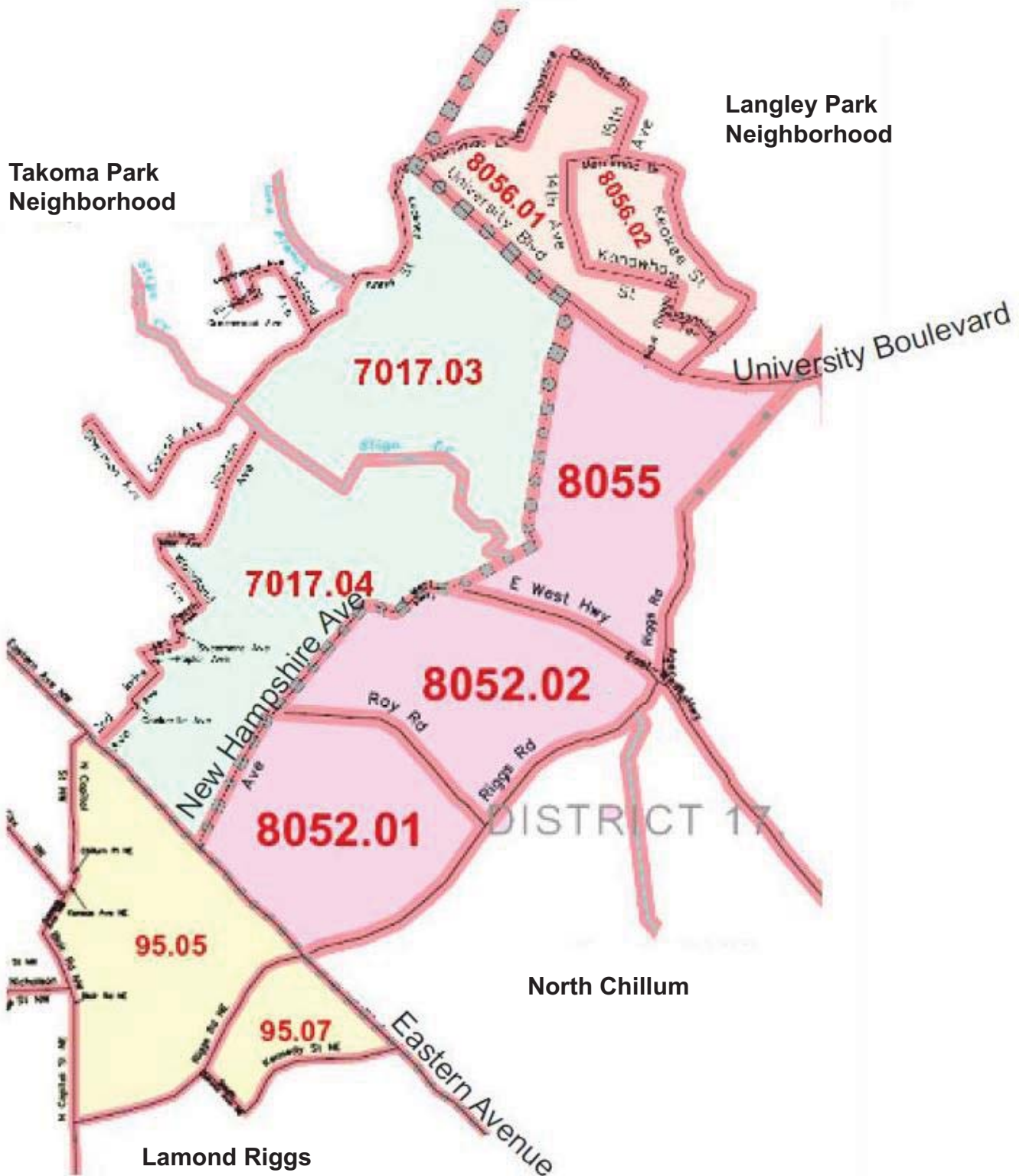
- Most Maryland Gateway homes were built in the 1920s, with those in Ethan Allen and the Takoma/Langley Crossroads neighborhoods in the early 1940s and late 1940s, respectively.
- The home with the highest closing value is a historic property that was built in 1925.
- There is little correlation between values and age of homes: upkeep, styling and amenities/upgrades play far greater roles.

## Excellent School District

- All Takoma Park Elementary Schools have 90% or more of their teachers ranked as “highly qualified,” and in all cases student-teacher ratios are 9:1 or better.
- Takoma Park Middle School’s Mathematics, Science, and Computer Science Magnet Program is nationally recognized for student achievement. Since 1983, the Takoma Park Middle School math team has placed first in the state of Maryland. In 2005, it tied for first in the United States at the American Math Contest (8<sup>th</sup> grade level), achieving a perfect score. The school has also been extensively renovated and expanded in 2010.
- City residents attend Montgomery County’s largest school - Blair High School - site of another prestigious Science, Mathematics, and Computer Science Magnet Program, and Communication Arts Program. The school is also a member of the National Consortium for Specialized Secondary Schools of Mathematics, Science and Technology.
- Montgomery County Public Schools, for the third year in a row (2009-2011), has the highest graduation rate among the nation’s largest school districts, at 85.7%.



# Map of Census Tract Areas in Adjacent Neighborhoods



# Census

## Population by Age

Source: Census 2010

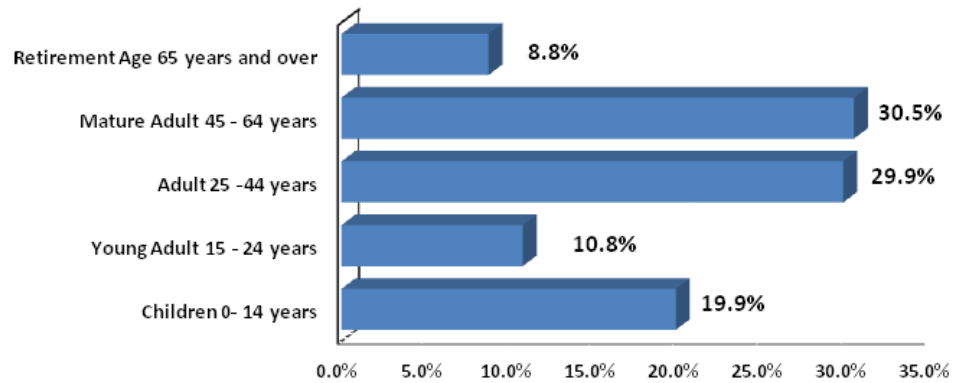
The Takoma Park neighborhood (population 6,485) is a relatively middle aged population compared to North Chillum and Langley Park, with 60% of its population in the workforce age (between 25 to 64 years old). The size of the children population group (under 15 years old) is consistent with the other neighborhoods.

North Chillum (population 11,931), similar to Takoma Park, is a relatively middle aged population with over half of its population in the workforce age (between 25 to 64 years old). The size of its children population group (under 15 years old) is the largest when compared to the other neighborhoods.

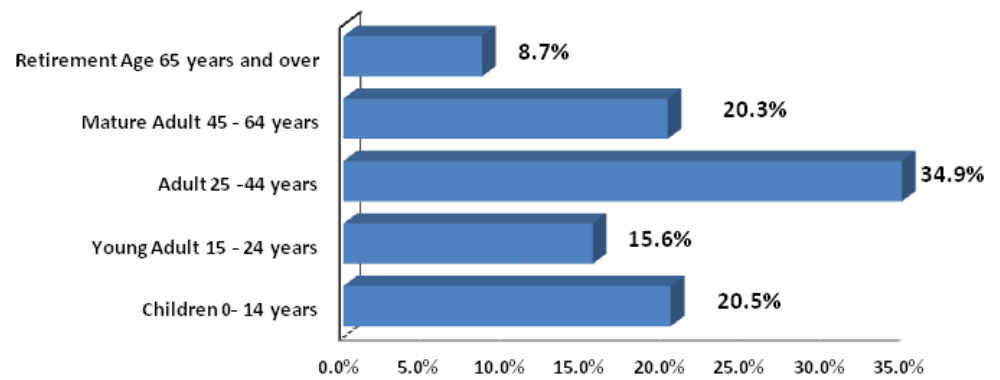
Langley Park (population 9,609) is characterized by having younger residents with 86% of its population under the age of 45. This may imply the area's attractiveness to younger families. It also has a very small group of residents in retirement age (over 65 years old). The area is also characterized by a large (70%) male population.

The largest share of Lamond Riggs' population falls under the Mature Adult category, similar to the Takoma Park neighborhood. The area features a large number (23 %) of retirement age of residents resulting in a higher median age than surrounding neighborhoods. Compared to the last census, there has been a significant increase in childhood population (under 15 years old).

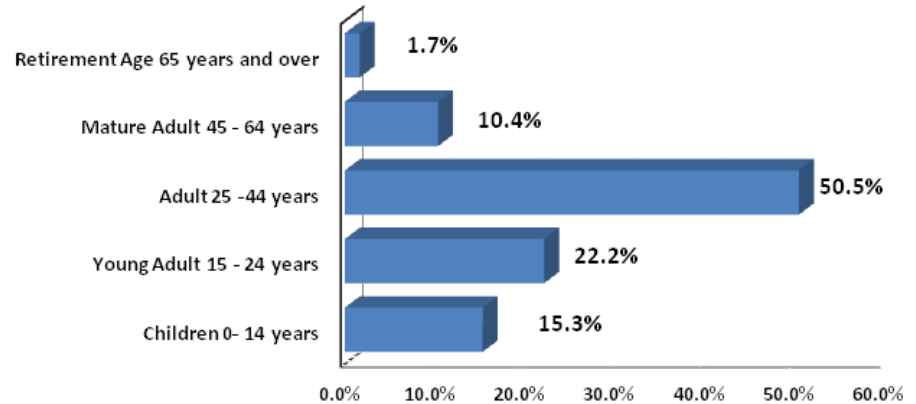
Population by Age: Takoma Park Neighborhood



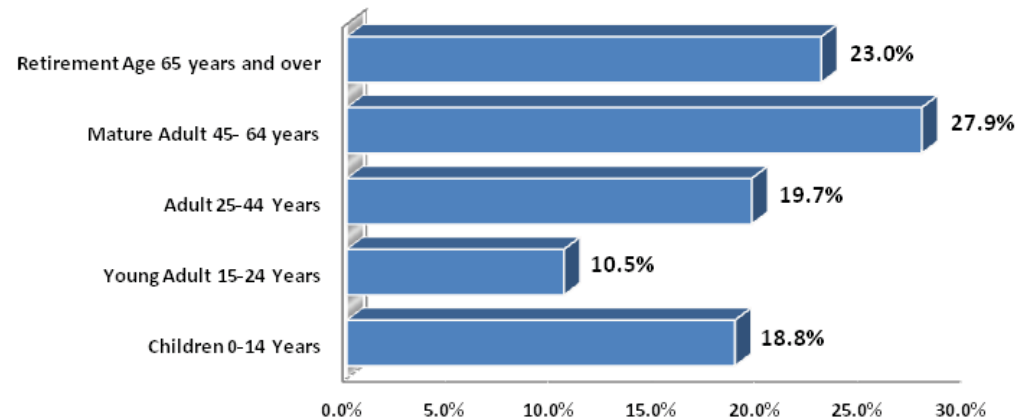
Population by Age: North Chillum



Population by Age: Langley Park



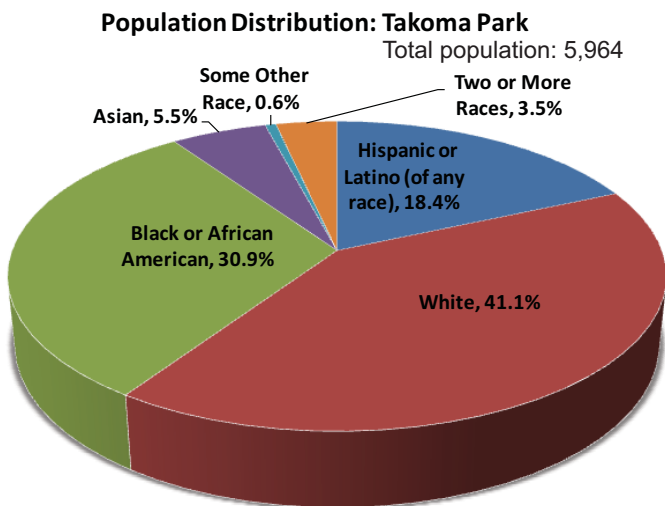
Population by Age: Lamond Riggs



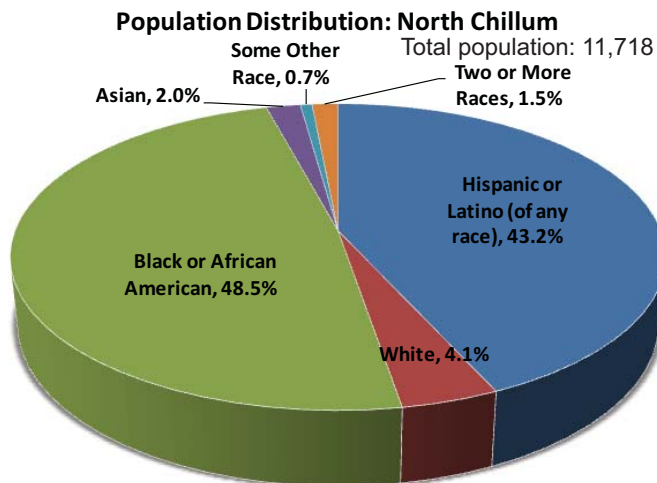
Population by Race or Ethnicity

Source: American Community Survey 2005 - 2009

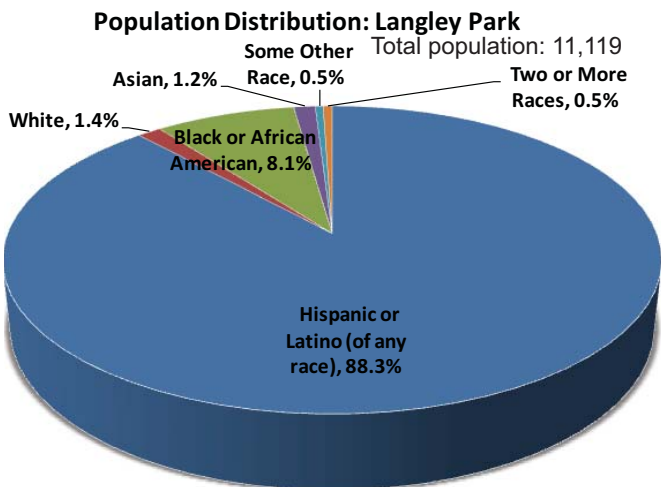
The Takoma Park neighborhood (population 5,964) has the most balanced representation of races with about 40% Caucasians, 30% African American, and 20% Hispanics. The other noticeable demographic group is Asian.



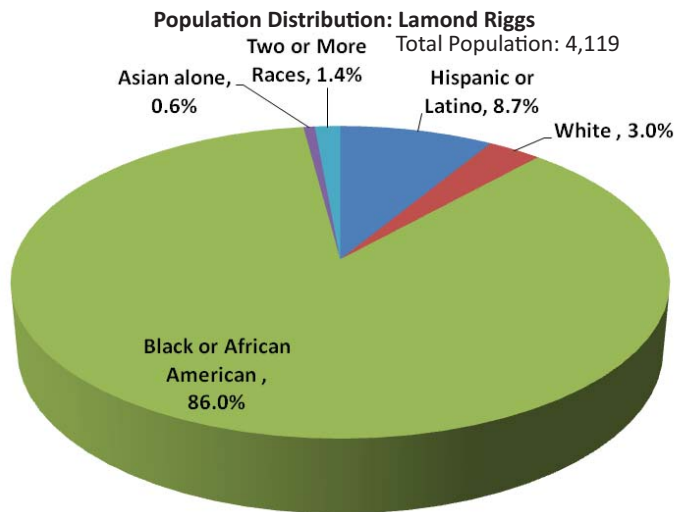
North Chillum (population 11,718) is distinguished from the adjacent two neighborhoods by having an almost equal representation of African Americans and Hispanics. Caucasians made up 4% of the area population while the remaining 4% is composed of Asian, two or more races, and some other race alone.



The Langley Park neighborhood (population 11,119) is predominately Hispanic with the majority of its residents originally from El Salvador and Guatemala. Close to 90% of the population speaks Spanish. African Americans make up the second largest population group. Most of these residents are from the African, the Caribbean, and Central American countries.



Lamond Riggs (population 4,119) was, and still is a predominantly African American neighborhood. Hispanic or Latinomake up the second largest population group. The African American/ Hispanic ratio is similar to the Hispanic/ African American ratio of the Langley Park neighborhood.

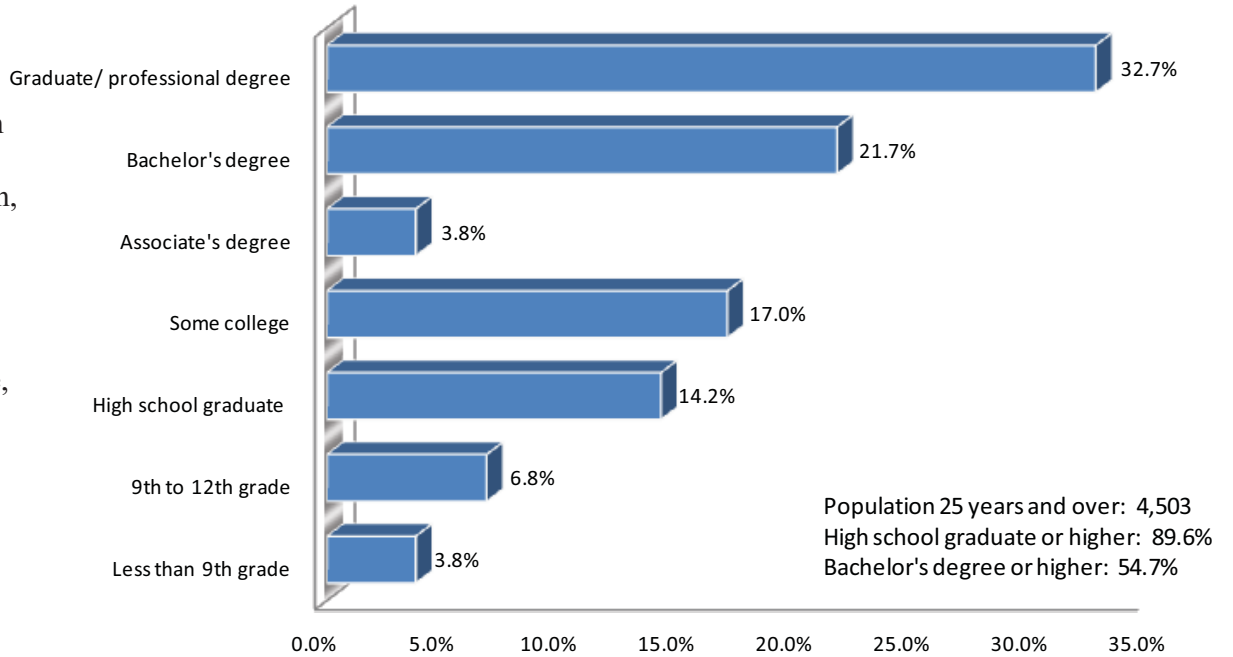


Educational Attainment

Source: American Census Survey 2005 - 2009

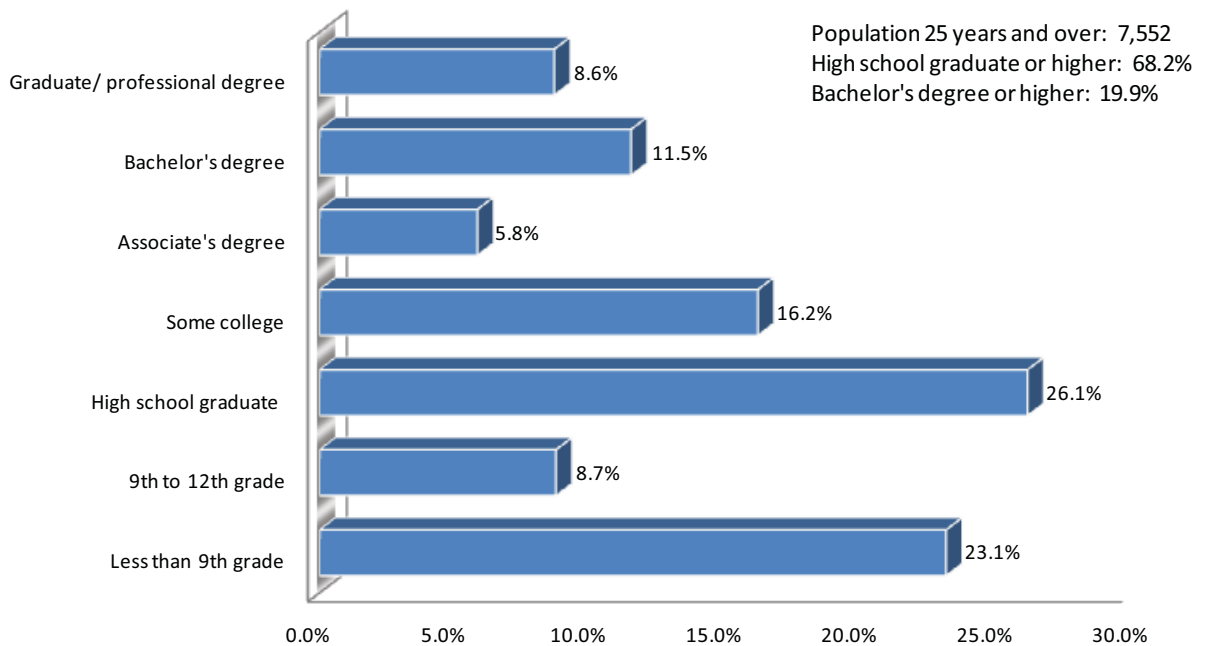
**Educational Attainment: Takoma Park**

The Takoma Park neighborhood (over 25 population 4,503) has a highly educated population, of which over 50% of residents has attained a bachelor, graduate, or professional degree, 32% of which are professional or graduate level.



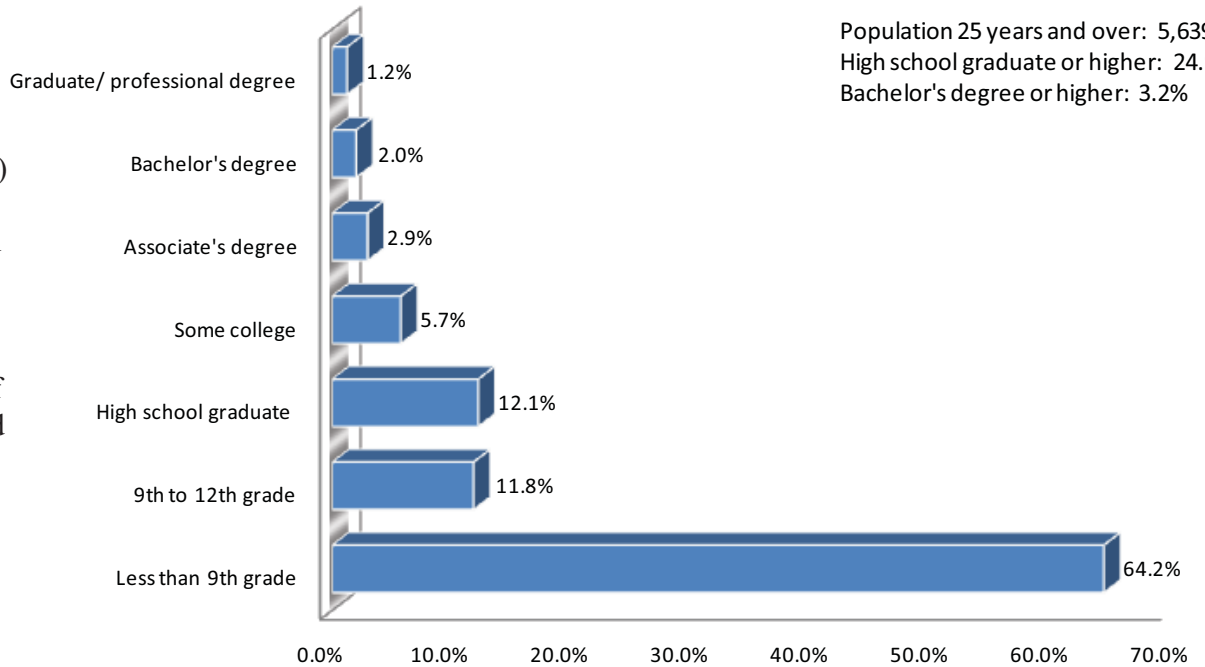
**Educational Attainment: North Chillum**

Residents from North Chillum (over 25 population 7,552) are mixed in their educational attainment levels. Approximately 30% of its residents have completed high school, and 20% have received a bachelor or higher education.



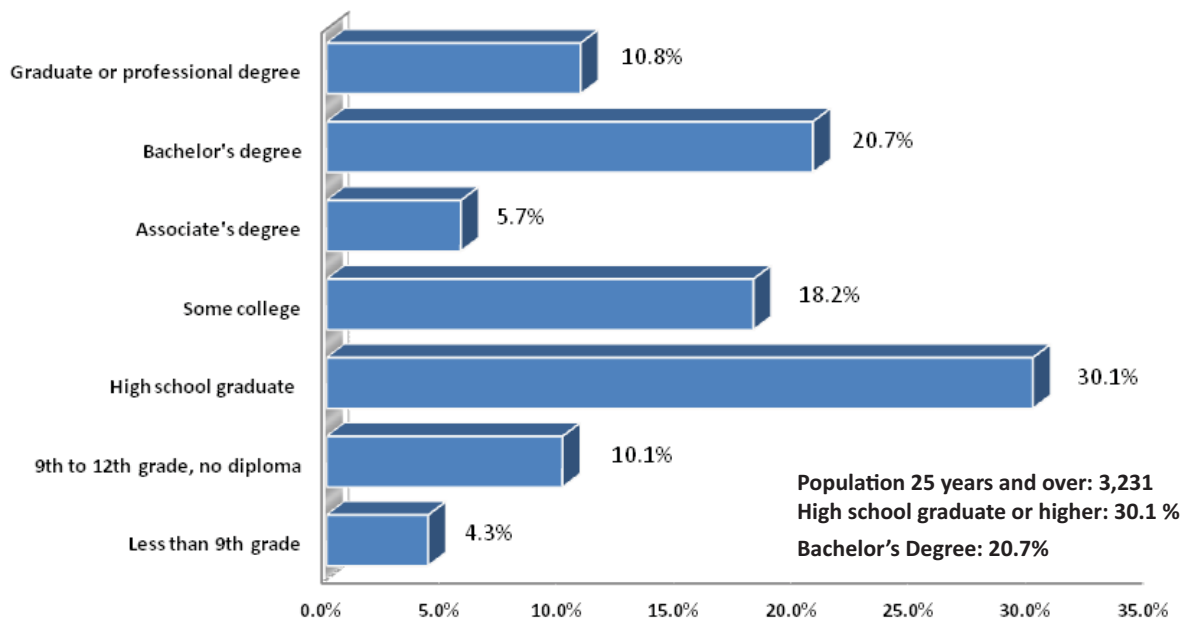
### Educational Attainment: Langley Park

Less than one in four residents of Langley Park (over 25 population 5,939) are likely to have graduated from high school, with 65% of its population having less than 9th grade education. Of those who graduated from high school, they were likely to have at least started college, with 6% of the residents overall having achieved an associate, bachelor, or a graduate/professional degree.



### Education Attainment: Lamond Riggs

Lamond Riggs neighborhood (over 25 population 3,231) has higher number of high school graduates. While twenty percentage (20%) of resident have a Bachelor's Degree. The percentage of population with Graduate or professional degree (10.8%) is similar to the national average (10.4%).

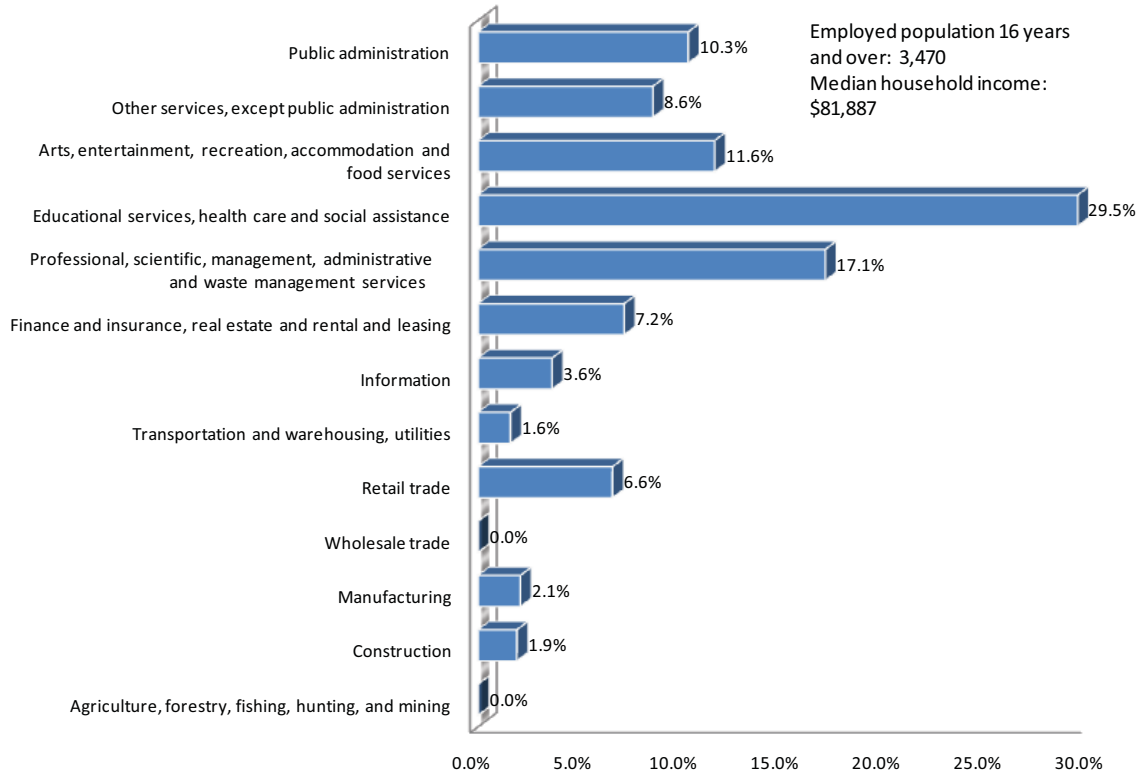


## Employment by Industry

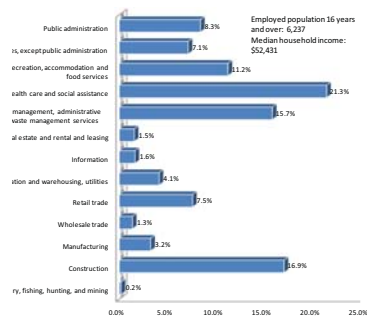
### Takoma Park

Source: American Community Survey 2005 - 2009

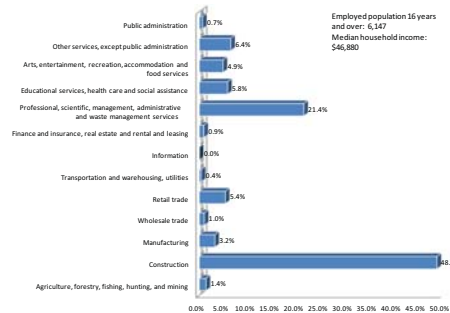
### Employment by Industry: Takoma Park



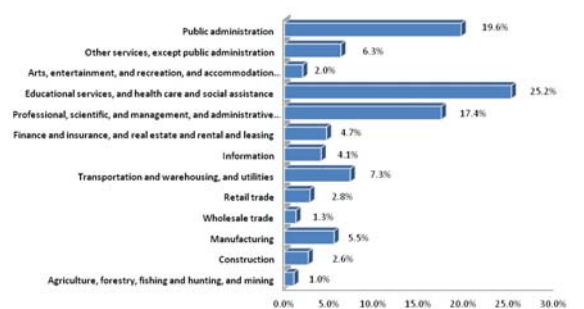
#### Employment by Industry: North Chillum



#### Employment by Industry: Langley Park



#### Employment by Industry: Lamond Riggs



Residents from the Takoma Park neighborhood (over 16 employed population 3,740) are predominately engaged in professional services such as education and health, and science and management. About 10% of its residents are in the public administration industry. The median household income is also significantly higher than the North Chillum and the Langley Park neighborhoods.

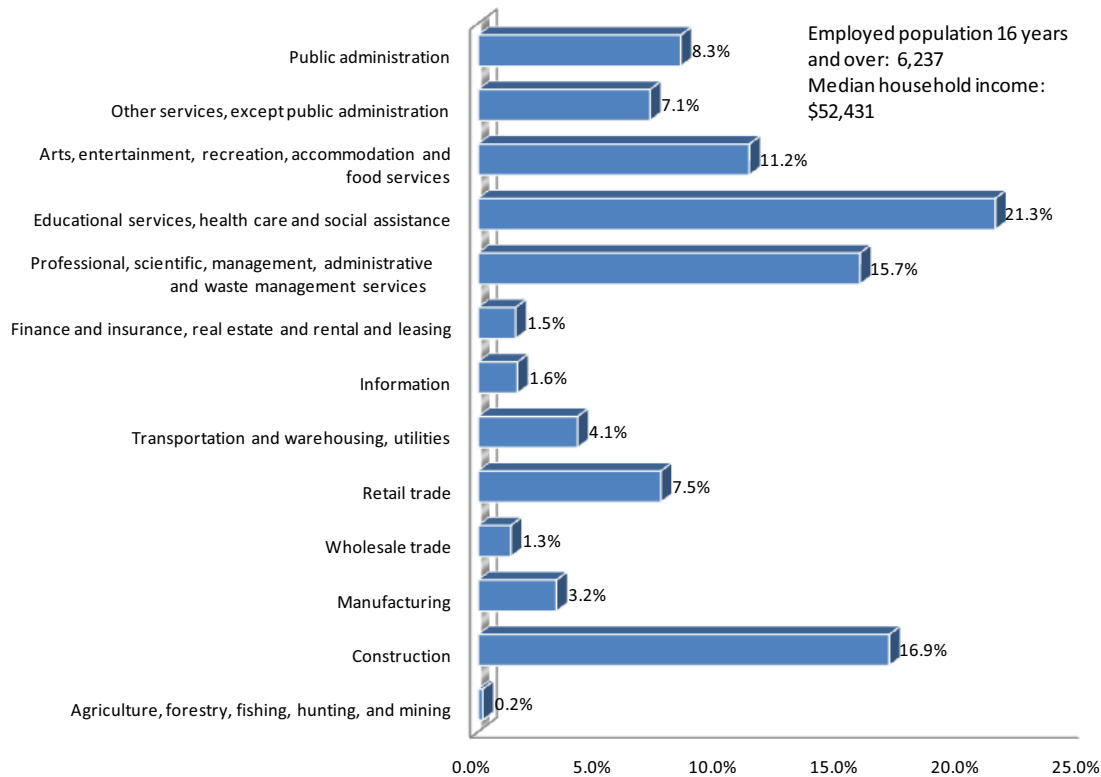


## Employment by Industry

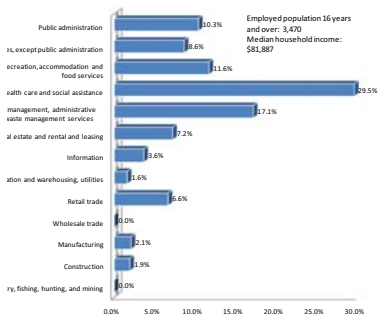
### North Chillum

Source: American Community Survey 2005 - 2009

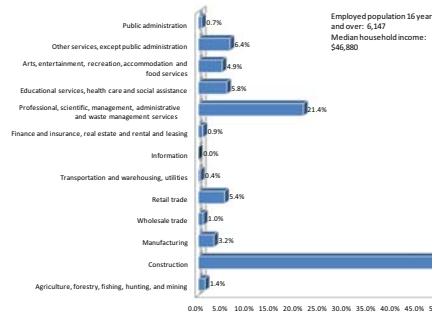
### Employment by Industry: North Chillum



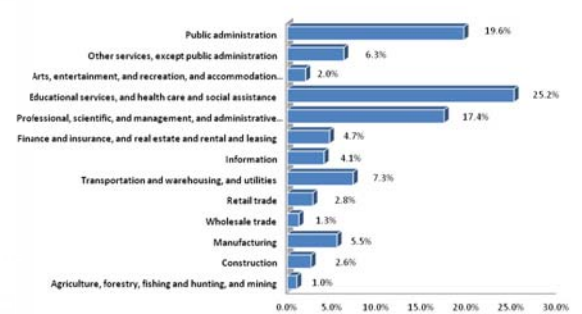
Employment by Industry: Takoma Park



Employment by Industry: Langley Park



Employment by Industry: Lamond Riggs



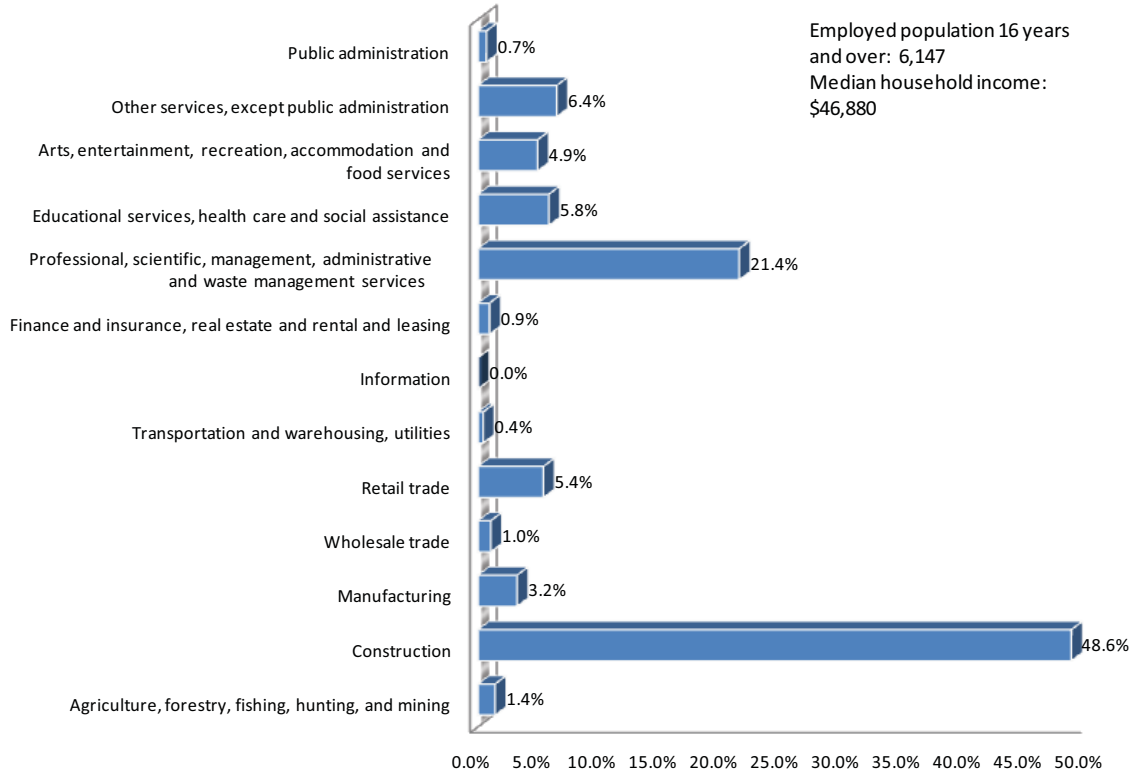
North Chillum (over 16 employed population 6, 237) represents a middle ground between the Takoma Park and Langley Park neighborhoods in its employment composition. Similar to Langley Park, a moderate percentage (17%) of residents are in the construction industry. On the other hand, North Chillum has a large population (35%) working in professional services. The median household income is about 110% of the Langley Park median income and 64% of the Takoma Park neighborhood household median incomes.

## Employment by Industry

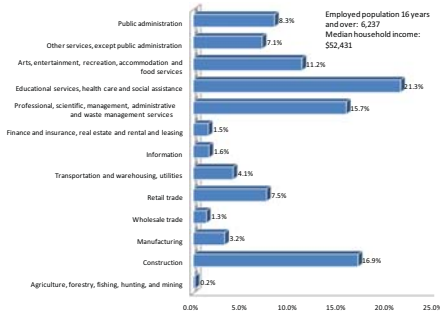
### Langley Park

Source: American Community Survey 2005 - 2009

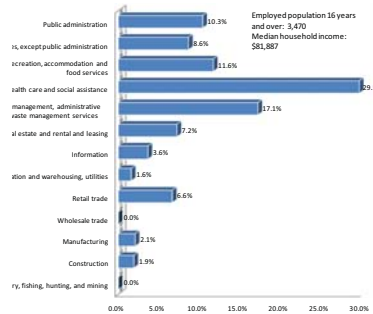
### Employment by Industry: Langley Park



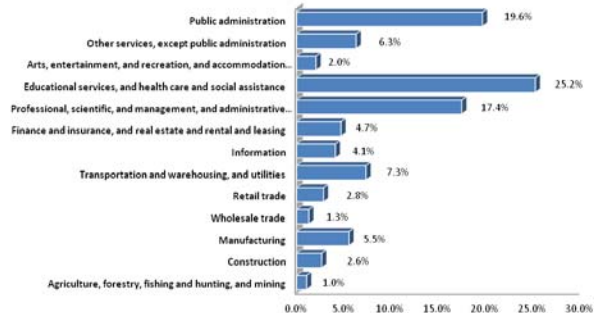
Employment by Industry: North Chillum



Employment by Industry: Takoma Park



Employment by Industry: Lamond Riggs



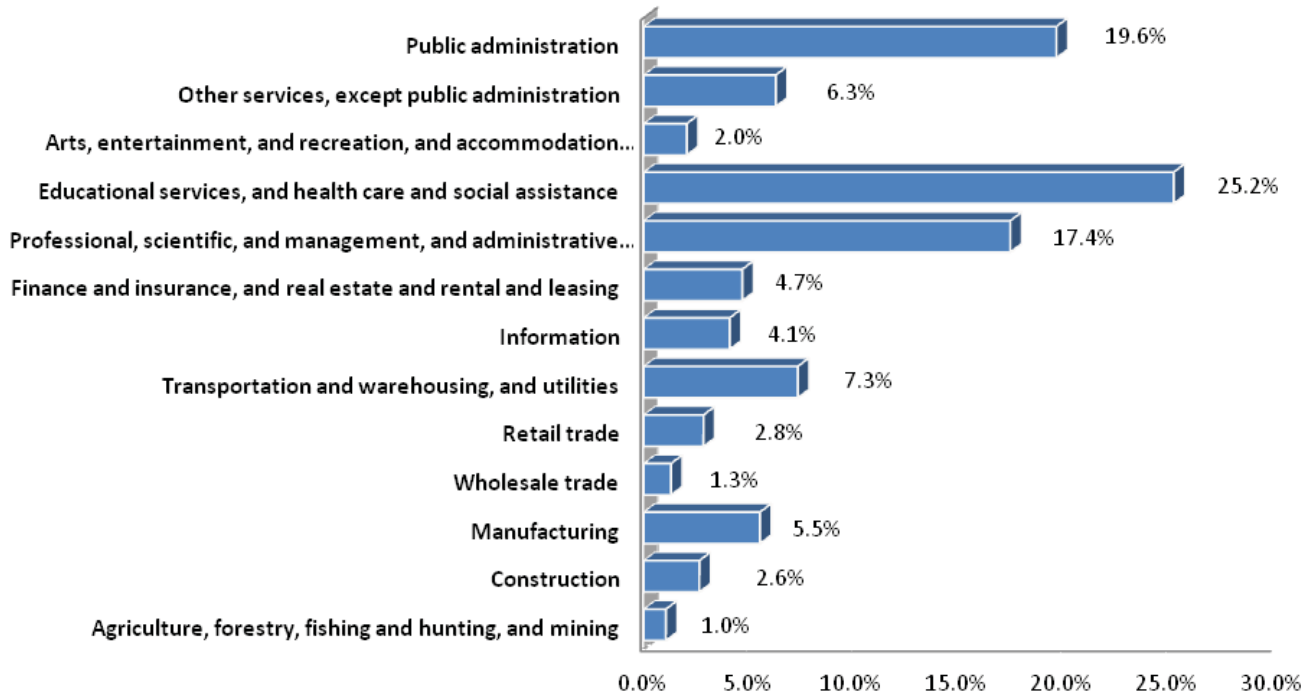
The Langley Park neighborhood (over 16 employed population 6, 147) is unique in that close to 50% of its residents were estimated to participate in the construction industry. The median household income is the lowest when compared to North Chillum and the Takoma Park neighborhood.

Employment by Industry

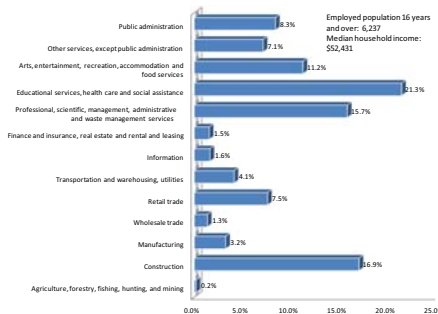
Lamond Riggs

Source: American Community Survey 2005 - 2009

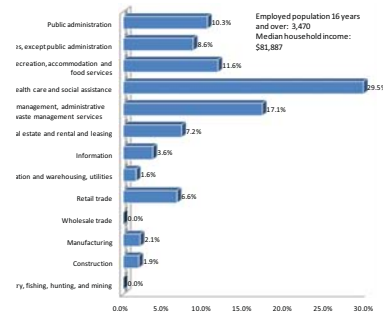
Employment by Industry: Lamond Riggs



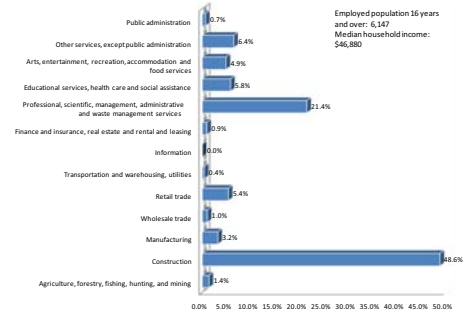
Employment by Industry: North Chillum



Employment by Industry: Takoma Park



Employment by Industry: Langley Park



The largest share of Lamond Riggs neighborhood (over 16 employed population 3,665) are engaged in professional services such as education, health care, and social assistance. This is similar to the Takoma Park neighborhood. About 20 % of residents here work in public administration. The median household income is higher than North Chillum and Langley Park.