Market Analysis 201

Downtown Business Recruitment
Training Recap

Entrepreneuza - Fall 2017

Mount
Vernon Lisbon
COMMUNITY DEVELOPMENT GROUP

MAIN STREET
IOWA

IOWA
economic development

Market Analysis 201

The Process:

- Review current market conditions
- Update Market Snapshot
- Prepare for community driving & walking tours
- Review & update collateral materials
- Community survey
- Identify business types & available spaces
- Participate in a recruitment test

Partnership Effort

Downtown Professionals Network
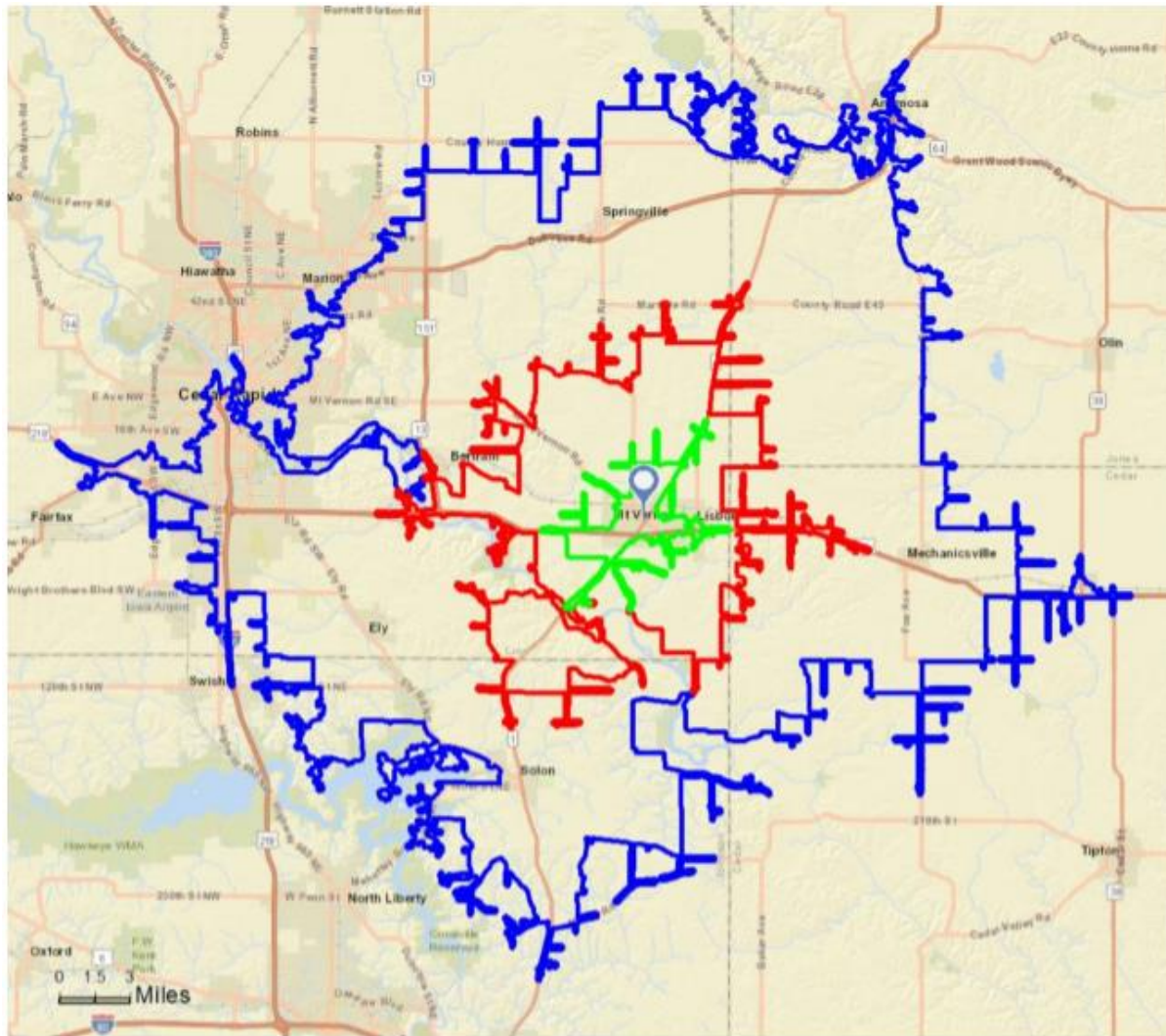
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Drive time Analysis – 5, 10, & 20 minutes

Demographic Snapshot

Reports generated and used to examine the Downtown Mount Vernon Drive Time Markets are based on current Esri data and include:

Esri Market Profile
The Market Profile report provides current-year and five-year projections for U.S. demographics. The annual updates include information about population, households, housing, occupancy, income, age, race, Hispanic origin, and more.

Esri Tapestry Segmentation Area Profile
Tapestry classifies U.S. residential neighborhoods into 14 LifeMode Groups and 67 unique market segments based on socioeconomic and demographic characteristics.

Esri Retail MarketPlace Profile
Retail MarketPlace data provides a measure of retail activity by trade area and compares retail sales to consumer spending by NAICS industry classification.

Demographic Snapshot

Median HH Income

Median HH Income			
2016 Estimate	$67,389	$67,265	$57,790
2021 Projection	$72,711	$72,330	$64,941
Change: 2016 – 2021	7.9%	7.5%	12.4%
Per Capita Income			
2016 Estimate	$27,621	$28,639	$30,149
2021 Projection	$29,823	$30,878	$32,961
Change: 2016 – 2021	8.0%	7.8%	9.3%

Iowa	2016	2021	+ %
Median HH	$53.7K	$60.3K	12.2%
Per Capita	$28.5K	$31.5K	10.3%

Drive Time	5 Minutes	10 Minutes	20 Minutes
Population			
2000 Census	4,020	7,073	64,358
2010 Census	5,005	8,388	71,819
2016 Estimate	5,194	8,811	75,790
2021 Projection	5,373	9,171	79,222
Change: 2016 – 2021	3.4%	4.1%	4.5%
Daytime Population	4,061	6,314	78,264
2016 Workers	1,512	1,967	41,175
2016 Residents	2,549	4,347	37,089
2016 Daytime Change	-21.8%	-28.3%	3.3%
Households			
2000 Census	1,390	2,443	25,471
2010 Census	1,599	2,811	28,888
2016 Estimate	1,662	2,959	30,368
2021 Projection	1,726	3,088	31,694
Change: 2016 – 2021	3.9%	4.4%	4.4%
Median Age			
2016 Estimate	30.0	33.5	37.1
2021 Projection	30.6	33.8	37.8
Housing Units – 2016	1,727	3,084	32,662
Owner Occupied Units	72.6%	74.1%	66.3%
Renter Occupied Units	23.7%	21.8%	26.7%
Vacant Housing Units	3.8%	4.1%	7.0%
Housing Units – 2021	1,798	3,223	34,008
Owner Occupied Units	71.3%	73.2%	66.1%
Renter Occupied Units	24.7%	22.6%	27.1%
Vacant Housing Units	4.0%	4.2%	6.8%

Lifestyle Profiles
- Integrates consumer traits with residential markets
- Tapestry Segmentation combines the "who" with the "where"
- Classified into 14 LifeMode groups
- Looks at spending patterns & lifestyle choices
- Helpful for directing marketing & messaging

Top 3 Tapestry LifeMode Groups | Downtown Mount Vernon Drive Time Areas | 2016 Households					
5 Minute Drive Time		10 Minute Drive Time		20 Minute Drive Time	
GenXurban (LM5)		GenXurban (LM5)		GenXurban (LM5)	
HH Count	HH Percent	HH Count	HH Percent	HH Count	HH Percent
1,250	75.2%	1,677	56.7%	8,186	27.0%
Family Landscapes (LM4)		Family Landscapes (LM4)		Family Landscapes (LM4)	
HH Count	HH Percent	HH Count	HH Percent	HH Count	HH Percent
412	24.8%	1,017	34.4%	7,945	26.2%
		Cozy Country Living (LM6)		Cozy Country Living (LM6)	
		HH Count	HH Percent	HH Count	HH Percent
		266	9.0%	3,300	10.9%

Prevalent Drive Time Tapestry LifeMode Group Descriptions

LifeMode 5: GenXurban

	5 Minutes	10 Minutes	20 Minutes
Drive Time Households: Count – Pct. (Rank)	1,250 – 75.2% (1)	1,677 – 56.7 (1)	8,186 – 27.0% (1)

- ► Gen X in middle age; families with fewer kids and a mortgage
- ► Second largest Tapestry group, comprised of Gen X married couples, and a growing population of retirees
- ► About a fifth of residents are 65 or older; about a fourth of households have retirement income
- ► Own older single-family homes in urban areas, with 1 or 2 vehicles
- ► Live and work in the same county, creating shorter commute times
- ► Invest wisely, well-insured, comfortable banking online or in person
- ► News junkies (read a daily newspaper, watch news on TV, and go online for news)
- ► Enjoy reading, photo album/scrapbooking, playing board games and cards, doing crossword puzzles, going to museums and rock concerts, dining out, and walking for exercise

Tapestry Segments ID and Name
5A Comfortable Empty Nesters

5B In Style

5C Parks and Rec

5D Rustbelt Traditions

5E Midlife Constants

LifeMode 4: Family Landscapes

	5 Minutes	10 Minutes	20 Minutes
Drive Time Households: Count – Pct. (Rank)	412 – 24.8% (2)	1,017 – 34.4% (2)	7,945 – 26.2% (2)

- ► Successful young families in their first homes
- ► Non-diverse, prosperous married-couple families, residing in suburban or semirural areas with a low vacancy rate (second lowest)
- ► Homeowners (80%) with mortgages (second highest %), living in newer single-family homes, with median home value slightly higher than the U.S.
- ► Two workers in the family, contributing to the second highest labor force participation rate, as well as low unemployment
- ► Do-it-yourselfers, who work on home improvement projects, as well as their lawns and gardens
- ► Sports enthusiasts, typically owning newer sedans or SUVs, dogs, and savings accounts/plans, comfortable with the latest technology
- ► Eat out frequently at fast food or family restaurants to accommodate their busy lifestyle
- ► Especially enjoy bowling, swimming, playing golf, playing video games, watching movies rented via Redbox, and taking trips to a zoo or theme park

Tapestry Segments ID and Name
4A Soccer Moms

4B Home Improvement

4C Middleburg
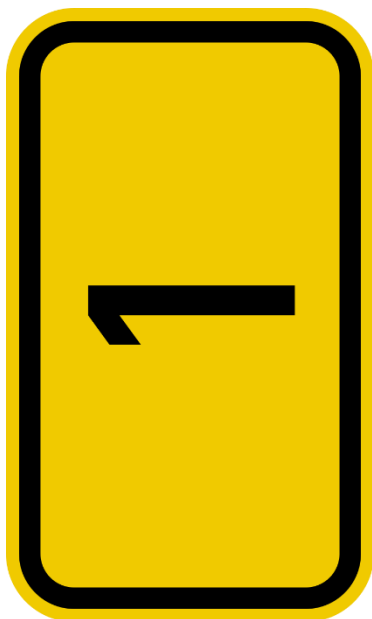
In Style (5B)

	5 Minutes	10 Minutes	20 Minutes
Study Area Households: Count – Pct. (Rank)	1,250 – 75.2% (1)	1,533 – 51.8% (1)	2,399 – 7.9% (4)

Who We Are

In Style denizens embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are connected and make full use of the advantages of mobile devices. Professional couples or single households without children, they have the time to focus on their homes and their interests. The population is slightly older and already planning for their retirement.

Our Neighborhood

▶ City dwellers of large metropolitan areas.
▶ Married couples, primarily with no children (Index 112) or single households (Index 109); average household size at 2.33.
▶ Home ownership average at 69% (Index 108); more than half, 51%, mortgaged (Index 112).
▶ Primarily single-family homes, in older neighborhoods (built before 1980), with a mix of town homes (Index 133) and smaller (5 –19 units) apartment buildings (Index 110).
▶ Median home value at $213,500.
▶ Vacant housing units at 8.8%.

Socioeconomic Traits

▶ College educated: 46% are graduates (Index 162); 75% with some college education.
▶ Low unemployment is at 5.6% (Index 65); higher labor force participation rate is at 68% (Index 108) with proportionately more 2-worker households (Index 112).
▶ Median household income of $65,600 reveals an affluent market with income supplemented by investments (Index 143) and a substantial net worth (Index 179).
▶ Connected and knowledgeable, they carry smartphones and use many of the features.
▶ Attentive to price, they use coupons, especially mobile coupons.

Market Profile

▶ Partial to late model SUVs or trucks.
▶ Homes integral part of their style; invest in home remodeling/maintenance, DIY or contractors; housekeeping hired.
▶ Prefer organic foods, including growing their own vegetables.
▶ Financially active, from a variety of investments to home equity lines of credit.
▶ Meticulous planners, both well insured and well invested in retirement savings.
▶ Generous with support of various charities and causes.
▶ Actively support the arts, theater, concerts, and museums.

In Style (5B)

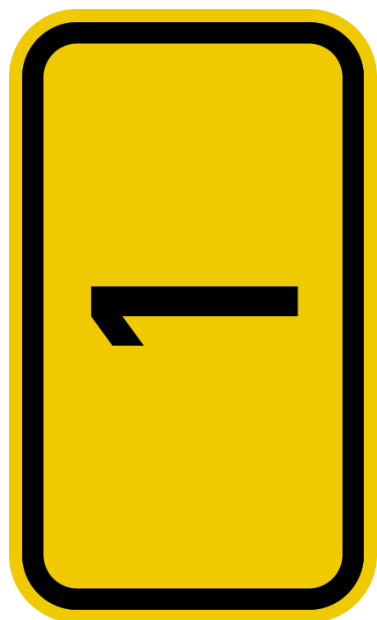| Study Area Households: Count – Pct. (Rank)	5 Minutes	10 Minutes	20 Minutes
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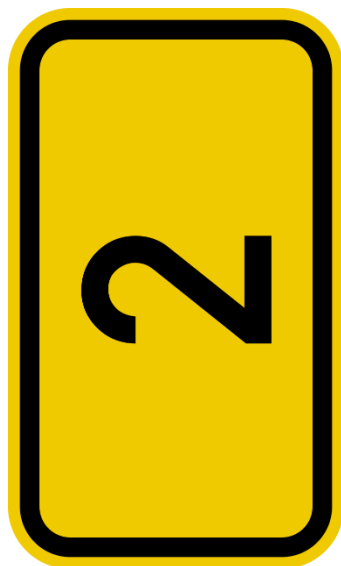
Demographic Traits

Median Household Income:	$66,000 (US: $51,000)
Average Household Size:	2.33
Median Age:	41.1 (US: 37.6)
Median Net Worth:	$128,000 (US: $71,000)
Median Home Value:	$214,000 (US: $177,000)
Housing Style:	Single Family
Diversity Index:	36.9 (US: 62.1)

Average Household Budget Index (US Average = 100)

Housing	122
Food	119
Apparel & Services	81
Transportation	119
Health Care	122
Entertainment & Recreation	125
Education	125
Pensions & Social Security	124
Other	120

Middleburg (4C)

	5 Minutes	10 Minutes	20 Minutes
Study Area Households: Count – Pct. (Rank)	412 – 24.8% (2)	993 – 33.6% (2)	6,322 – 20.8% (1)

Who We Are

Middleburg neighborhoods transformed from the easy pace of country living to semirural subdivisions in the last decade, when the housing boom reached out. Residents are conservative, family-oriented consumers. Still more country than rock and roll, they are thrifty but willing to carry some debt and are already investing in their futures. They rely on their smartphones and mobile devices to stay in touch and pride themselves on their expertise. They prefer to buy American and travel in the US. This market is younger but growing in size and assets.

Our Neighborhood

- ► Semirural locales within metropolitan areas.
- ► Neighborhoods changed rapidly in the previous decade with the addition of new single-family homes.
- ► Include a number of mobile homes (Index 152).
- ► Affordable housing, median value of $158,000 (Index 89) with a low vacancy rate.
- ► Young couples, many with children; average household size is 2.73.

Socioeconomic Traits

- ► Education: 66% with a high school diploma or some college.
- ► Unemployment rate lower at 7.4% (Index 85).
- ► Labor force participation typical of a younger population at 66.7% (Index 106).
- ► Traditional values are the norm here—faith, country, and family.
- ► Prefer to buy American and for a good price.
- ► Comfortable with the latest in technology, for convenience (online banking or saving money on landlines) and entertainment.

Market Profile

- ► Residents are partial to trucks, SUVs, and occasionally, convertibles, or motorcycles.
- ► Entertainment is primarily family-oriented, TV and movie rentals or theme parks and family restaurants.
- ► Spending priorities also focus on family (children's toys and apparel) or home DIY projects.
- ► Sports include hunting, target shooting, bowling, and baseball.
- ► TV and magazines provide entertainment and information.
- ► Media preferences include country and Christian channels.

2

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Demographic Traits

Median Household Income:	$55,000 (US: $51,000)
Average Household Size:	2.73
Median Age:	35.3 (US: 37.6)
Median Net Worth:	$89,000 (US: $71,000)
Median Home Value:	$158,000 (US: $177,000)
Housing Style:	Single Family
Diversity Index:	46.3 (US: 62.1)

Average Household Budget Index *(US Average = 100)*

Housing	94
Food	94
Apparel & Services	62
Transportation	97
Health Care	96
Entertainment & Recreation	98
Education	87
Pensions & Social Security	98
Other	93

2

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Sales Surplus and Leakage Estimates

Total Retail Trade and Food & Drink demand versus sales comparisons show sales leakage occurring at the five- and ten-minute drive time levels, reaching to nearly $45.3 million for the ten-minute drive time; and a sales surplus of nearly $181.9 million at the twenty-minute drive time level. The figures and pattern are likely indicators of the neighboring Cedar Rapids area marketplace's strong retail pull.

NAICS Code: Business Description	5 Minutes Surplus/(Leakage) Estimate	10 Minutes Surplus/(Leakage) Estimate	20 Minutes Surplus/(Leakage) Estimate
Total Retail Trade and Food & Drink (NAICS 44 – 45, 722)	($8,438,506)	($45,255,017)	$181,859,979
Total Retail Trade (NAICS 44 – 45)	($6,663,513)	($40,135,305)	$202,578,208
Total Food & Drink (NAICS 722)	($1,774,994)	($5,119,712)	($20,718,229)

Leakage = OPPORTUNITY!

Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups within Retail Trade sector, and four industry groups within the Food Services & Drinking Establishments subsector. To estimate sales, the Retail MarketPlace database combines a number of data sources, including

- ► Census Bureau's Census of Retail Trade (CRT) and Monthly Retail Trade (MRT)
- ► Census Bureau's Nonemployer Statistics (NES)
- ► Esri's demographic data
- ► Infogroup
- ► Consumer Expenditure surveys from the Bureau of Labor Statistics

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What the numbers mean . . .

- The community is growing
- The demographics are changing slightly
- There is opportunity to capture lost sales

Secondary data + Survey results = A PLAN

BUSINESS RECRUITMENT OPPORTUNITIES