

Appendix: Harper's Choice Village Center, Detailed Market Analysis



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Project Team

Columbia Association, Howard County Department of Planning and Zoning, and Howard County Economic Development Authority

Consultant Team

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Documentation and Distribution

This **Columbia Market Study Appendix** supplements the separately bound final Columbia Market Study report. There is an appendix for each village center studied and for the former GE Appliance site, Dobbin Road and Snowden River Parkway study area (GEDS). Each appendix includes extensive location-specific data analysis and documentation of market conditions, which support the findings in the final Columbia Market Study report.

In keeping with Columbia Association's sustainability practices, a limited number of copies of this report and the appendix materials were printed. The **Columbia Market Study** and **Technical Appendix** are available online at: www.columbiaassociation.org/marketstudy.

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Introduction

This appendix supplements the separately bound Columbia Market Study final report. There is an appendix for each village center included in the market study as well as for the “GEDS” study area (defined as the former GE Appliance site, Dobbin Road and Snowden River Parkway areas). This appendix includes detailed market analysis, demographics, existing conditions and findings for Harper’s Choice Village Center. This information provides the basis for the findings and recommendations in the Columbia Market Study report. The report and the supplementary appendices are available online at: www.columbiaassociation.org/marketstudy.

Property Description

Harper’s Choice Village Center comprises 114,719 gross sq. ft. of commercial space located at 5485 Harpers Farm Road in the Village of Harper’s Choice. The village center was the second to be developed in Columbia after Wilde Lake, opening in 1971 with 10 in-line retail tenants and a Super Thrift grocery store as the center’s primary anchor to serve its three residential neighborhoods (Longfellow, Hobbit’s Glen and Swansfield).

Key community and recreational uses adjacent or proximate to Harper’s Choice Village Center include the following facilities owned by Columbia Association: Kahler Hall, which houses the village association and community center functions, the Columbia Athletic Club, the SportsPark, a multi-use athletic facility opened in 1998, and the Columbia DogPark, opened in 2014. Also located near the retail center is the Howard County Florence Bain Senior Center and the privately-owned Winter Growth.

Interestingly, rental apartments were located above the center’s street-level retail shops when Harper’s Choice opened. Harper’s Choice Village Center is the only village center originally designed with residences. There are currently nine residential loft units and a ballet studio on the second floor of the center. The village center includes:

- A core retail center containing 96,642 sq. ft. of gross leasable area (GLA), including a 55,164 sq. ft. Safeway supermarket; 15,374 sq. ft. of pad retail uses; and, a 2,703 sq. ft. BP gas station. There is also a Howard County Police Department sub-station in the center.
- Current retailers include: four national fast food chains (Dunkin Donuts, McDonald’s, Papa John’s Pizza and Subway) and four local/regional food service tenants (Rita’s Ice, Maiwand

Kabob, Zapata's Traditional Mexican Cuisine and Hunan Diamond); convenience and service businesses (e.g., two banks, two hair/nail salons, a liquor store, and dry cleaners).

According to property tax data provided by the Howard County Department of Finance, there are 23 parcels under multiple ownership and uses that comprise the Harper's Choice Village Center, for a combined site size of 88.84 acres. These include:

- Columbia Association owns eight parcels with approximately 22.58 acres of open space and recreational facility land in the vicinity of the village center;
- Howard County Board of Education owns one parcel with 30.67 acres for two schools; and
- The retail center and outparcels are located on five parcels totaling 12.32 acres.

Howard County survey data indicate a total of 1,053 surface parking spaces associated with various uses in the village center. This would suggest a gross parking ratio of approximately 9.2 spaces per 1,000 sq. ft. of building area, which is higher than the typical parking ratio associated with suburban community retail centers, which generally fall in the range of 4.0 to 5.0 spaces per 1,000 sq. ft.-GLA.

The center was renovated in 1998, and subsequently sold by The Rouse Company and acquired by Kimco Realty Corp. in 2002 (identified in the property tax data as Village Center Business Trust). Out-parcels are in private ownership.

Figure 1: Aerial View—Harper's Choice Village Center



Source: www.Bing.com/maps.

Occupancy Patterns

According to CoStar, Inc., overall retail occupancies at Harper's Choice Village Center over the past two years have been stable. As of the November 15, 2013, CoStar property profile provided by Howard County, there was a total of **8,576 sq. ft. of vacant retail space, resulting in an overall vacancy rate of 7.5%**. Of this amount, CoStar data indicate that approximately 63% of the village center's 15,374 sq. ft. of pad retail uses are reportedly vacant. Use mix, and vacancy rates are illustrated in Table 1.

By comparison, the overall retail vacancy rate for the 801,312 sq. ft. of core and pad retail space located in the eight village centers under study is 10.1%, which is elevated due to the vacant supermarket space at Long Reach Village Center. Without Long Reach, the village center retail vacancy rate is low (2.8%) and comparable to the overall Columbia retail vacancy rate of 2%.

Table 1: Market & Land Use Profile—Harper’s Choice Village Center

Village Center	Year Built & Parking	Land Use Mix (In Sq. Ft.)				TOTAL AREA	Vacant Space & % Vacant				TOTAL VACANT
		Core Retail	Pad Retail	Office	Other		Core Retail	Pad Retail	Office	Other	
Harper's Choice Village Center	Original:	96,642	15,374	-	2,703	114,719	3,176	5,400	-	-	8,576
5485 Harpers Farm Road	1971		McDonald's		BP Gas		3.3%	35.1%	0.0%	0.0%	7.5%
Columbia	Renovated:				Station	Land Area:		Average			
	1998					12.32		Rents:			
Owner:	Parking:					acres		N/A			
Kimco Realty Corp. (2002)	1,053					Density:					
Anchor:	Ratio/1,000:					0.21					
Safeway	9.2					FAR					

Source: Columbia Association; Howard County Department of Economic Development; CoStar, Inc.; RDS; WTL+a, updated June 2014.

Harper's Choice Village Center is located in the Columbia Town Center retail submarket (as defined by Costar, Inc., a national real estate database). The village center's 114,719 sq. ft. of retail space comprises only 5.4% of the submarket's roughly 2.1 million sq. ft. of gross retail inventory.

Demand Potentials: Retail

The following analyzes potential market support for retail space at Harper's Choice Village Center. While it is important to examine the individual village center markets, the final analysis also compares important market indicators for each of the village centers studied. This is critical given the close proximity of some of the village centers, overlapping trade areas, market competition, and the changing dynamics of the retail environment.

As discussed later in the section entitled Existing Market Support/Trade Areas, variations in the number, proximity, and typical drive times to competing grocery offerings are significant factors in the viability of village center grocery anchors.

Types of Retail Centers

The village centers in Columbia were developed as **neighborhood retail centers**, or retail centers anchored by a supermarket with ancillary retail space (typically between 50,000 and 100,000 sq. ft.).

By comparison, **community retail centers** are larger, containing from 120,000 sq. ft. to as much as 400,000 sq. ft., and anchored by a discount store, junior department store, or variety store. The largest retail centers are regional or **super-regional malls**, with over 500,000 sq. ft. of retail space and multiple department store and entertainment (e.g. theaters) anchors. The Mall at Columbia is a 1.4 million sq. ft. super-regional mall.

Retail typologies have evolved over the past several years to include variations of the major retail center types identified above; these include **lifestyle centers** (typically outdoor settings with unique and/or upscale tenants); **power centers** (250,000 to 750,000 sq. ft. of unenclosed retail space, typically with three or more big box anchors); and **outlet centers** (typically unenclosed retail centers in which manufacturers sell products directly to the public). As might be expected, the trade areas, or geographic reach, of each of these centers vary widely depending upon size, critical anchors, road network, and competitive environment.

Supermarket Potentials

The following examines overall market potential for a supermarket at Harper's Choice Village Center based on an analysis of the competitive environment and identification of a viable trade area. A retail trade area delineates the physical/geographic boundaries from which a retail center

is drawing the majority of its customers. It typically includes both a primary and secondary trade area. The trade area typically accounts for about 90% of total sales, with an additional 10% attributed to “in-flow”, or sales outside of the defined trade area.

Existing & Planned Competitive Environment

Table 2 below illustrates the competitive environment generated by existing and proposed grocery stores near Harper’s Choice Village Center. The center is anchored by a 55,164 sq. ft. Safeway. The closest competitor is David’s Natural Market which is located at Wilde Lake Village Center (approximately 1.0 mile (driving) from Harper’s Choice). While there is some overlap with the trade area for David’s Natural Market, it does not carry the same variety as a traditional grocery store such as Safeway and serves a slightly different market given its focus on organic foods. The next closest supermarkets include: Giant, located at Hickory Ridge, and the new Whole Foods at the former Rouse Headquarters building. Similar to David’s Natural Market (but with a broader market awareness and overall brand), Whole Foods competes to some degree with the Safeway at Harper’s Choice but also targets a different market.

Existing Market Support/Trade Areas

Different retailers determine market support in different ways. Since the village center prototype was established to provide a supermarket anchor and smaller service and retail tenants, our analysis of retail market potentials is focused on demographics of village residents (which are important to smaller service and retail tenants such as cleaners and salons) as well as demographics for a viable trade area for a supermarket (which is based primarily on existing and planned supermarket competition).

Table 2: Competitive Supermarkets—Harper’s Choice Village Center

Retail Center	Location	Store	Distance (1)	
			Miles	Minutes
Wilde Lake Village Center 10451 Twin Rivers Road	Columbia	David's Natural Market	4.0	1.4
Hickory Ridge Village Center 6410-30 Freetown Road	Columbia	Giant	5.0	2.3
Former Rouse Headquarters 10275 Little Patuxent Parkway	Columbia	Whole Foods	6.0	2.4
Clarksville Square 5805 Clarksville Sq. Drive	Clarksville	Roots Market	6.0	3.8
River Hill Village Center 6030 Daybreak Circle, Clarksville	Columbia	Giant	7.0	4.0
Dorsey's Search Village Center 4715 Dorsey Hall Road	Columbia	Giant	8.0	4.4
Oakland Mills Village Center 5880 Robert Oliver Place	Columbia	Food Lion	10.0	4.5

(1) Drive times and distances are from MapQuest.

Source: RDS; Folan Consulting, March 2014.

As illustrated in Table 3, demographic characteristics of the population of the Village of Harper’s Choice in 2010 include:

- 7,646 residents in 3,230 households;
- A mean household income of \$120,485, this is higher than that for Columbia as a whole (\$112,900);
- Relative to Columbia, the Village of Harper’s Choice has a lower percentage of owner-occupied housing units (63% versus 68%);
- The percentage of Harper’s Choice “family” households as defined by the Census is slightly lower than that for Columbia as a whole (64% versus 66%).

Table 3: Demographic Characteristics, 2010—Harper’s Choice Village Center

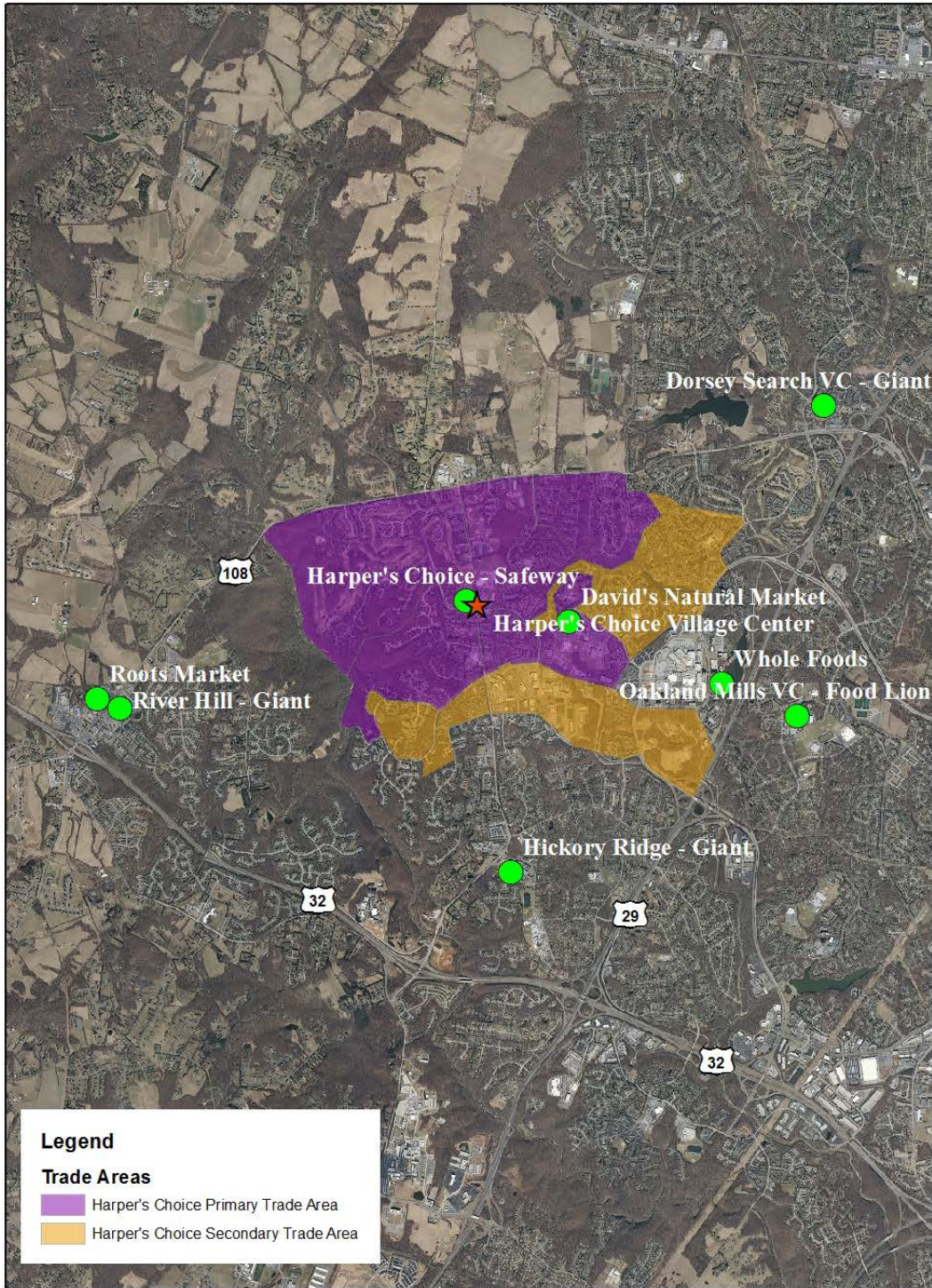
	Village of Harper’s Choice		Columbia	
		%		%
Race & Hispanic Ethnicity				
White	3,824	50%	51,150	57%
African American or Black	2,489	33%	22,201	25%
American Indian & Alaska Native	24	0%	368	0%
Asian	685	9%	9,955	11%
Native Hawaiian & Other Pacific Islander	1	0%	29	0%
Some Other Race	229	3%	2,579	3%
Population of Two or More Races	394	5%	4,033	4%
Total Population:	7,646	100%	90,315	100%
Hispanic or Latino	707	9%	7,146	8%
Non-Hispanic or Latino	6,939	91%	83,170	92%
Mean Household Income	\$ 120,485		\$ 112,900	
Total Occupied Housing Units	3,082		35,811	
Owned	1,934	63%	24,198	68%
Renter-Occupied	1,148	37%	11,613	32%
Total Households	3,230		35,812	
Total Families (1)	2,059	64%	23,770	66%
Husband/Wife Family	1,457	71%	18,190	77%
Husband/Wife with Children < 18	615	30%	8,441	36%
Other Family	602	29%	5,579	23%
Other Family with Children < 18	377	18%	3,516	15%
% 25+ with Bachelor's Degree	60%		61%	
% 25+ with Graduate/Prof Degree	30%		30%	

(1) A family consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.

Source: Columbia Association; RDS; Folan Consulting, January 2014.

Figure 2 below illustrates the potential trade area by Census Block Group. It is important to note that this is the supermarket trade area and reflects the location of competitive supermarkets. As a result, it does not necessarily follow village boundaries.

Figure 2: Trade Areas—Harper's Choice Village Center



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Determining a Viable Trade Area & Estimated Supermarket Sales

Primary and secondary trade areas for Harper's Choice Village Center have been estimated based on the location of existing and planned competition, as detailed above, and the existing road network. Retailers will often evaluate access to a major arterial and traffic counts when determining site location decisions.

Harper's Choice Village Center is located along Harpers Farm Road, which connects to the north to Route 108 (Clarksville Pike). Average daily traffic counts along Harpers Farm Road are 11,431 (2012 data). Harpers Farm Road also connects with Cedar Lane, which intersects with Little Patuxent Parkway to the south. The trade area data illustrated below suggest:

- The primary trade area includes 8,711 residents; and
- The secondary trade area contains an additional 7,696 residents.

Notably, **a population of between 10,000 and 12,000 residents in the total trade area is required to support a supermarket of 50,000 to 60,000 sq. ft.** Total trade area demographics should support a traditional grocery store at Harper's Choice, which has a population of greater than 16,400 residents. While there is some trade area overlap with Wilde Lake, as already noted, there is no traditional supermarket located at Wilde Lake, and David's does not offer the same variety as a Safeway store.

Table 4: Supermarket Trade Area Demographics—Harper’s Choice Village Center

Census Block Group	Total Population	Housing Units
Primary Trade Area		
6055021	1,837	763
6055031	1,150	427
6055033	2,006	860
6054022	2,425	1,265
6054021	1,293	523
Subtotal:	8,711	3,838
Secondary Trade Area		
6054022	2,125	981
6054014	797	360
6056021	1,305	667
6056012	1,565	778
6056011	1,904	1,042
Subtotal	7,696	3,828
TOTAL:	16,407	7,666

Source: U.S. Census Bureau, 2010 Census; RDS; Folan Consulting, January 2014.

Other Retail Potentials

Inventory of Existing & Planned Retail

The larger competitive retail environment for the Village of Harper’s Choice includes Columbia Mall and the major big box and discount retailers located at Dobbin Center, Columbia Crossing I and II, Gateway Overlook, Dobbin Station, and Snowden Square. While the major retailers located along Snowden River Parkway are located a greater distance from the Harper’s Choice Village Center than some of the other Columbia village centers located east of Route 29, they are still located within a 15-minute drive of the site.

Major discount and big box retailers, such as Wal*Mart, Costco, Lowe's, Home Depot, Target, and BJ's Wholesale, are represented in the Columbia market. The Mall at Columbia, with 1.4 million sq. ft. of existing retail space including recent additions, is a super-regional mall with a large trade area. Notably, the presence of Nordstrom as an anchor tenant typically extends the reach of a regional or super-regional mall. Many of the major big box/discount retailers are located at one of the nearby regional shopping centers. An inventory of nearby regional retail centers is detailed in Table 5 below.

Table 5: Nearby Regional Retail Centers—Harper's Choice Village Center

Competitive Retail Centers	Size (SF) & % Leased	Properties & Year Built	Average Rents	Major Tenants	Other
Dobbin Center 6435 Dobbin Road Columbia Manager: Rosenthal Properties	295,159 96%	12 1982	\$ 39.00	Wal*Mart, Ross Dress for Less, Offenbachers, Haverty's	Six non-owned outparcels include: bank, McDonald's, Chik-fil-A, Wendy's Starbucks
Columbia Crossing I & II Dobbin Rd & Rte. 175 Columbia Manager: Kimco Realty Corp. (majority of center)	495,953 100%	16 1996/1997	\$ 28.00	Big Lots, Nordstrom Rack, Books-A-Million, Dick's Sporting Goods, TJ Maxx, Staples, Jo-Ann Fabrics, Old Navy, Target, REI, Toys R Us, Babies R Us	Restaurant cluster includes La Madeleine, Famous Dave's Ribs, Don Pablo's, Macaroni Grill
Gateway Overlook Off I-95 at Rte. 175 & Rte. 108 Columbia Manager: Washington Real Estate Investment Trust (214,281 SF) & General Growth Properties	528,350 99%	9 2007	\$ 23.00	Costco, Lowe's, Trader Joe's, Best Buy, Office Depot, Golf Galaxy	Restaurants include: Houlihan's, Mimi's Café. Paragon at Gateway Overlook (340 apartments)
Snowden Square Snowden River Pkwy & Robert Fulton Columbia Manager: Manekin LLC	500,000 100%	17 1993	\$ 28.00	United Artists 14 Theaters, Bed Bath & Beyond, Marshalls, BJ's, Michael's, Home Depot, PetSmart	Built to complement the 295,200 SF Dobbin Center
Dobbin Station 6781 Dobbin Road Columbia	N/A 100%	4 N/A	N/A	Petco, LaZBoy	Food service tenants include: Chipotle, Noodles and Company
Columbia Mall 10300 Little Patuxent Parkway Columbia Manager: General Growth Properties	1,390,000 N/A	1 1971	N/A	Lord & Taylor, Macy's, Nordstrom, Sears, AMC Theaters, JC Penney	Expansion added 40,000 SF; Restaurant cluster includes: Cheesecake Factory, PF Chang's, Uno Chicago Grill, Champs Americana
Long Gate Shopping Center 4310 Montgomery Road Ellicott City Manager: Kimco Realty Corp.	595,410 100%	11 1996/1997	N/A	Target, Safeway, Kohl's, Barnes & Noble, Michaels	Originally developed by Opus

Source: Various centers; CoStar, Inc.; RDS; Folan Consulting, January 2014.

Drive Time Demographics

In order to better understand the potential market for other retail (e.g., alternative retail anchors, food service, other general merchandise, etc.) at the Harper's Choice Village Center, a five-, 10- and 15-minute drive time analysis was conducted. The reach of larger retail anchors and restaurants (especially restaurant clusters) is typically wider than that for supermarkets or smaller service-oriented retailers.

As illustrated in Figure 3 below, a five-minute drive time from the Village of Harper's Choice extends to the east to Route 29 and to the west to Route 108. Demographic characteristics and forecasts for 2012—2017 in the five-minute drive time from ESRI Business Analyst suggest:

- An estimated 24,290 residents, with a median household income slightly below that for the 10-minute drive (\$92,533 versus \$102,613); and
- A lower percentage of owner-occupied households than for Columbia as a whole (55% versus 67%).

The 10-minute drive from the Village of Harper's Choice extends south past Route 32 and to the east to portions of Snowden River Parkway. The 10-minute drive also includes new housing being developed at Downtown Columbia, and it also encompasses several of the larger regional retail centers. The 10-minute drive time includes a total of 82,055 residents and encompasses most of the Columbia Villages.

The 15-minute drive time trade area was not considered relevant since it encompasses the broader region surrounding Columbia and is more reflective of the trade area for a regional or super-regional mall and/or large-scale big box shopping centers.

Figure 3: Five-, 10- & 15-Minute Drive Times—Harper's Choice Village Center

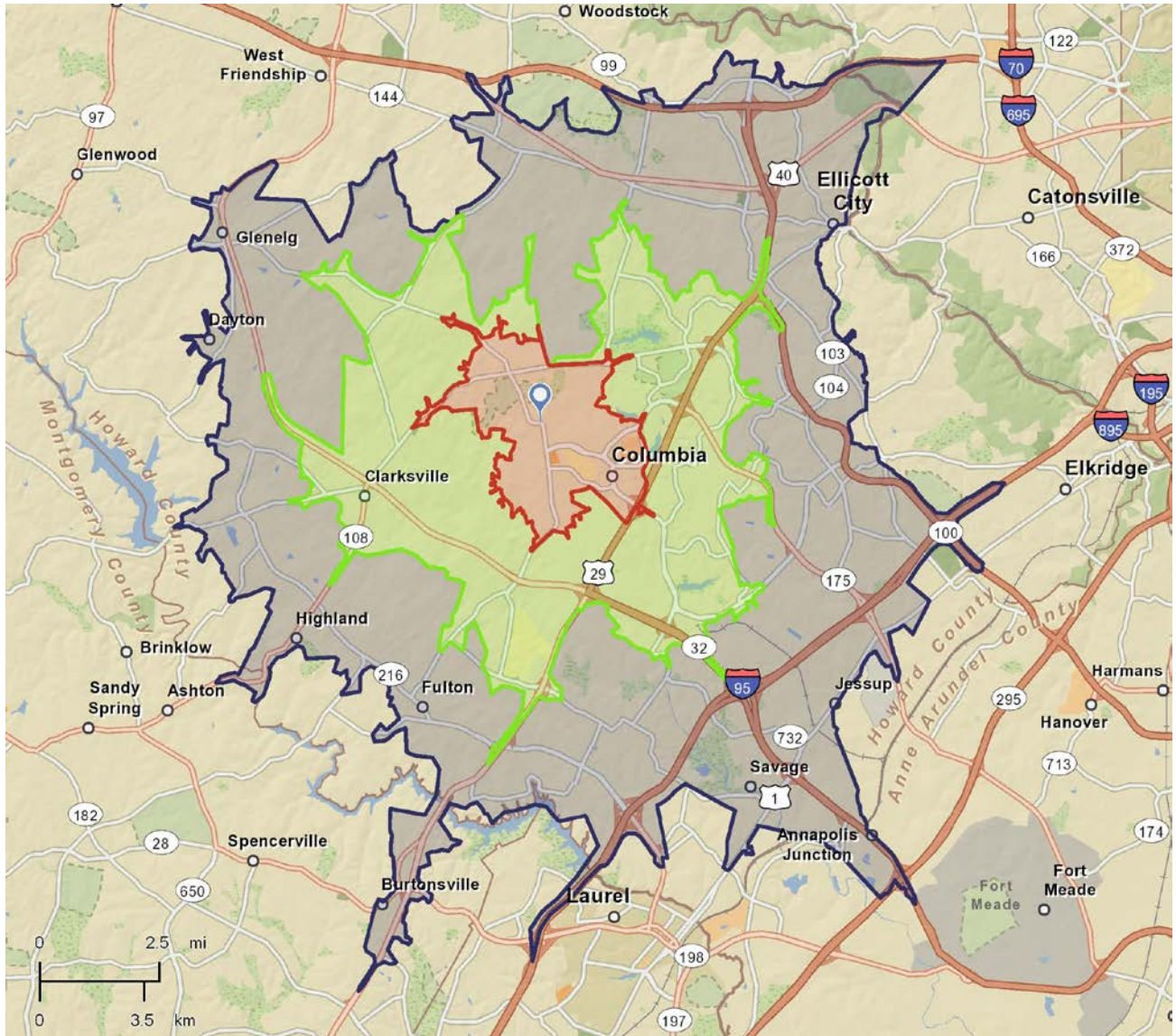


Table 6: Five & 10-Minute Drive Time Demographics—Harper’s Choice Village Center

	0 - 5 Minutes	0 - 10 Minutes
Population		
2010	24,468	81,118
2012	24,290	82,055
2017 Forecast	24,707	85,732
Total Change 2012 - 2017	417	3,677
Annual Growth Rate, 2012 - 2017	0.34%	0.88%
Households		
2010	10,431	31,917
2012	10,394	32,393
2017 Forecast	10,629	33,967
Total Change 2012 - 2017	235	1,574
Annual Growth Rate, 2012 - 2017	0.45%	0.95%
Median Household Income		
2012	\$ 92,533	\$ 102,613
2017	\$ 105,351	\$ 110,168
Median Age		
2012	38.4	39.2
2017	39.0	39.5
2010 Housing Tenure		
Owner-Occupied Households	55.3%	63.5%
Renter-Occupied Households	38.8%	32.6%

Source: ESRI Business Analyst; RDS; Folan Consulting, March 2014.

Potential Buying Power: Food Service

As noted previously, it is anticipated that the Safeway supermarket will continue to serve as an important anchor for the Harper's Choice Village Center.

Market potentials for food service tenants are quantified below. The total amount of supportable space for food service is based on capturing a small percentage of total spending (typically 5% or less) on "Food Away from Home," as defined by the U.S. Census Bureau, within a five- to 10-minute drive of the village center. This is a reasonable assumption given the number of competitive food & beverage tenants in the surrounding area. We have also assumed that a percentage of sales will be generated by nearby employees. Consumer research from the International Council of Shopping Centers (ICSC) shows that trade areas can be expanded during weekdays due to nearby worker expenditures.

As illustrated in Table 7, the analysis estimates that Harper's Choice Village Center could **potentially support approximately 13,066 sq. ft. of food service space**. Currently, there is approximately 14,000 sq. ft. of existing food service tenants, **suggesting that, on balance, there is an adequate amount of leasable space dedicated to food and beverage tenants at Harper's Choice.**

Capture rates are based on those of similarly sized retail centers in highly competitive environments. To estimate the amount of supportable food service space at the village center, an average sales productivity for food service tenants was applied. It should be stressed that this is an average. For example, McDonald's average sales are about \$600 per sq. ft., while fast food restaurants in regional malls average \$450 per sq. ft. and national chain restaurants can average from \$400 to \$800+ per sq. ft. It should be noted that locally-owned and independent retailers may operate with lower sales productivities. Supportable retail space based on this average sales productivity may be considered conservative.

Table 7: Potential Food & Beverage Capacity—Harper’s Choice Village Center

5-Minute Drive-time		
Total Households		10,629
Median Household Income		\$ 105,351
Gross Household Income:		\$ 1,119,775,779
x % Spent on Food Away from Home	(2)	4.4%
Total Spending on Food:		\$ 49,270,134
x Capture Rate		5%
Estimated Spending Potential (5-Minute):		\$ 2,463,507
5- to 10-Minute Drive-time		
Total Households		23,338
Median Household Income	(1)	\$ 110,168
Gross Household Income:		\$ 2,571,100,784
x % Spent on Food Away from Home	(2)	4.4%
Total Spending on Food:		\$ 113,128,434
x Capture Rate		2.5%
Estimated Spending Potential (5-10 Minute):		\$ 2,828,211
TOTAL - Resident Spending on Food:		\$ 5,291,718
+ Inflow @ 10%		587,969
TOTAL - Spending Potentials:		\$ 5,879,686
/ Average Sales (Per SF)		\$ 450
TOTAL SUPPORTABLE SPACE (In SF):		13,066

(1) Reflects median income for 0-10 mile drive time.

(2) Reflects average spending based on disposable income allocated to Food Away from Home from U.S. Census Consumer Expenditure Survey and average spending potential assumptions.

Source: ESRI Business Analyst; RDS; Folan Consulting, February 2014.

Table 8 summarizes existing retail and office tenants. Table 9 is an overview of key market indicators for each village center considered in the study.

Table 8: Existing Retail & Office Tenants—Harper’s Choice Village Center

Food Service	General Service	Business/Office	Other	Anchors
Dunkin Donuts	Harper's Choice Cleaners	Bank of America	Harper's Choice Liquors	Safeway Foods
Maiwand Kabob	Nail Center	Columbia Bank	Misako Ballet Studio	Kahler Hall Community Center
McDonald's	Strands Hair Studio II	HCPSS offices	Tuesday Morning	CA Athletic Club
Pap John's Pizza			Harper's Farm BP	Bain Center
Rita's Ice				Columbia SportsPark
Subway				Ruth Keeton House
Zapata's Traditional Mexican Cuisine				Howard County Police Department
Hunan Diamond				Community Action Center

Source: Columbia Association; Howard County; RDS; Folan Consulting, August 2014.

Table 9: Comparison of Retail Market Indicators—Columbia Village Centers

Village Center	Competitive Supermkt & Size (In SF)	Non-Trad'l Grocers W/ 5-6 Minute Drive	Potential Res'l Market Growth	Competitive Environment	Visibility & Access Ratings	Average Daily Traffic (2012)	Population Density - 2012		Med HH Income 5-Min Drive	Notes
							5-Min Drive	10-Min Drive		
Dorsey's Search (Kimco Realty Corp.)	2: Giant (Columbia Palace): 56,000 SF; Whole Foods: 45,000 SF	None	Limited in 5-minute drive-time, plus growth in Downtown Columbia & planned units in Ellicott City	Limited	Moderate: near intersection of Rte 29 & Rte 108; direct access from Dorsey Hall Rd, Old Annapolis Rd.	Old Annapolis Rd: 9,422; Columbia Rd near Old Annapolis Rd: 23,850	8,865	124,909	\$ 101,059	Relatively affluent, well leased, minimal competition
Harper's Choice (Kimco Realty Corp.)	3: Giant (Hickory Ridge): 58,000 SF; Whole Foods: 45,000 SF; Roots Market (Clarksville Square)	None	Strong in 5-minute drive-time due to growth in Downtown Columbia; impacts unknown	Limited	Poor to Moderate: direct access to Harper's Farm Rd, which connects to Rte 108 (approximately 1-mile)	Harper's Farm Rd: 11,431	24,290	82,055	\$ 92,533	High, close-in density
Hickory Ridge (Kimco Realty Corp.)	4: Whole Foods: 45,000 SF; Safeway (Harper's Choice); Harris Teeter (Kings Contrivance); David's Natural Market (Wilde Lake)	None	Moderate in 5-minute drive-time, plus growth in Downtown Columbia	Moderate	Poor to Moderate: direct access off Freetown Road, connects to Cedar Lane & to Rte 32 to the south	Freetown Rd: 5,061; Cedar Lane: 21,960	18,993	93,887	\$ 102,053	Proximity to new development in Town Center
Kings Contrivance (Kimco Realty Corp.)	2: Giant (Owen Brown); Giant (Hickory Ridge): 58,000 SF	None	Moderate in 5-minute drive-time, plus in-fill housing growth along Rtes 29 & 216	Limited	Poor to Moderate: Guilford Rd connects to Broken Land Pkwy & Rte 32	Guilford Rd: 7,620	15,365	148,272	\$ 99,180	Safeway lease not renewed in 2005; leased to Harris Teeter with newly-built store; well-leased
Long Reach (Howard County)	5: Giant (Columbia Palace): 56,000 SF; Giant (Lynwood Sq.); Wegmans: 135,000 SF; Food Lion; Trader Joe's	4: Wal*Mart, BJ's, Costco & Target	Moderate in 5-minute drive-time	High	Poor to Moderate: major access off Tamar Drive, proximate to Snowden River Pkwy, Rte 175	Tamar Drive @ Rte 175: 12,081	17,061	107,005	\$ 82,417	Lost supermarket anchor
Owen Brown (Fleur Associates LLC)	4: Food Lion (Oakland Mills); Harris Teeter (Kings Contrivance); Wegmans: 135,000 SF; Whole Foods: 45,000 SF	1: BJ's	Strong in 5-minute drive-time due to growth in Downtown Columbia; potential growth on Route 1 Corridor	Moderate	Poor to Moderate: access to Cradlerock Way, which connects to Broken Land Pkwy; access limited across Route 29	Broken Land Pkwy @ Cradlerock Way: 31,120	17,356	138,696	\$ 88,292	Long-term impacts of Wegman's; weak Food Lion at Oakland Mills; proximity to commercial centers along Snowden River Parkway
Oakland Mills (Cedar Realty Trust, Inc.)	3: Giant (Dorsey's Search); Giant (Owen Brown); Whole Foods: 45,000 SF	1: Wal*Mart	Limited in 5-minute drive-time, plus growth in Downtown Columbia	Moderate	Poor to Moderate: access to Stevens Forest Rd, which connects to Broken Land Pkwy; access limited across Route 29	Stevens Forest Rd: 11,821	6,989	94,525	\$ 73,246	Two prior supermarket operators closed at this location
River Hill (Kimco Realty Corp.)	1: Roots Market (Clarksville Square)	None	Limited in 5-minute drive time; some new, low-density housing expected	Limited	Good: borders Rte 108	Rte 108: 19,220	5,252	66,628	\$ 170,708	County's largest Giant (63,000 SF); borders non-New Town zoned land; highest income levels; best visibility; typically well leased

Source: Retail Development Strategies; Folan Consulting; WTL+a, updated November 2014.

Appendix: Columbia Market Analysis & Economic Development Services Study

Demand Potentials: Office

As defined by CoStar, Inc., a national real estate market database, Columbia's office building inventory is distributed over three geographic areas—Columbia North, South and Town Center. However, Harper's Choice Village Center is one of only two village centers that contain no office space; Hickory Ridge is the other. The office demand and allocation analysis that was completed for village centers containing office space is based on a *fair share* analysis of future employment growth in Columbia. That is, the analysis assumes that each village center captures its proportional share of future office space generated by job growth in office-using sectors based on its current share. As there is no office space in Harper's Choice Village Center, a fair share analysis is unable to be completed.

From an investment risk perspective, however, whether any new office space is built at Harper's Choice will depend on whether available sites can be identified and whether new office space can be financed by the capital markets. Typically, smaller office buildings are more difficult to finance, particularly on a multi-tenant/speculative basis. Currently, the office buildings in the other village centers would be characterized in the industry as "garden" office buildings. The industry defines this product as generally containing from 5,000 to 25,000 sq. ft. of space, and investment risk is carefully weighed against building size, potential net absorption, competition and other market factors. Moreover, another factor affecting overall market potentials for development of new office space in the village centers is site capacity, that is, whether there is sufficient space available to accommodate new office buildings that consider key issues such as availability of surface parking.

Demand Potentials: Housing

The consultants considered two data sources to estimate future demand for new housing at Harper's Choice Village Center. In the first, five-year forecasts for 2012—2017 from ESRI Business Analyst, a private data forecasting service, were reviewed. The second data source considers short- and long- term forecasts through 2020 for housing units prepared by Howard County for its growth management planning purposes, including the Adequate Public Facilities Ordinance and other infrastructure planning purposes, such as schools and water/sewer lines.

In the first source, ESRI forecasts suggest up to 231 new owner- and renter-occupied units through 2017 (plus an increase in vacancies of 50 units), while Howard County's planning estimates suggest more significant potentials for new housing of upwards of 2,200 new units through 2020 within approximately a five-minute drive of Harper's Choice Village Center. This is

attributable to the first phases of new residential construction in Downtown Columbia (Town Center). ESRI's forecasts are based on current and past trends and do not distinguish by product type. Sources used to develop ESRI housing estimates are: construction data from Metrostudy, Census Bureau data, and building permits.

Table 10: 5-Minute Drive-time—ESRI Housing Forecasts, 2012 & 2017

	2012	% of Total	2017	% of Total	Change
Harper's Choice					
Housing Units					
Owner-Occupied	6,044	54.9%	6,244	55.3%	199
Renter-Occupied	4,349	39.5%	4,381	38.8%	32
Vacant Units	617	5.6%	666	5.9%	50
Total:	11,010	100.0%	11,291	100.0%	281

Source: ESRI Business Analyst; RDS; WTL+a, July 2014.

Table 11: 5-Minute Drive-time—Howard County Planning Estimates, 2015 & 2020

	2015	% of Total	2020	% of Total	Total
Harper's Choice					
Housing Unit by Product					
Single-family Detached	7	0.0%	-	0.0%	7
Single-family Attached	-	0.0%	-	0.0%	-
Multi-family	470	0.0%	1,782	100.0%	2,252
Total:	477	0.0%	1,782	0.0%	2,259

Source: Howard County; RDS; WTL+a, July 2014.

Characteristics of the Housing Market

In terms of the character of housing in the Village of Harper's Choice, the 2010 U.S. Census reported a total of 3,212 housing units. As reported in the "Characteristics of Columbia" report (Columbia Association, 2012), the housing stock is comprised of single-family detached (33%); townhouses/attached (32%); and multi-family dwellings (35%). Approximately 60% of the housing units in Harper's Choice are owner-occupied versus 36% that are renter-occupied. The report also

indicates 130 vacant units, for an overall vacancy rate of 4%, which is on par with Columbia's 4% vacancy levels. Notably, the true vacancy, which includes units available for rent/unoccupied and other vacant, is lower—with 92 true vacant units reflecting a vacancy rate of 2.9%. According to the “Sales Price Trends Report” (Columbia Association, 2013), between 2000 and 2010, the average sales price of housing units in Harper’s Choice increased by 105%—from \$175,996 in 2000 to \$361,268 in 2010. This increase was above the rate of change for all of Columbia’s villages as well as Howard County, which increased by 84% and 82%, respectively, during this period. As a result of stabilized occupancies and a solid increase in housing values, the Village of Harper’s Choice is expected to remain a strongly marketable location for new housing.

Howard County planning estimates suggest the development of significantly more new housing units than ESRI’s forecasts—upwards of 2,200 new units versus ESRI’s 231 new units—that could be built within approximately a five-minute drive-time of the Harper’s Choice Village Center. As noted, this is attributable to the first phases of new residential construction in Downtown Columbia. Several factors are likely to determine the overall marketability of any new housing at Harper’s Choice village center, including:

- Site carrying capacity, including the amount of land available to accommodate new housing development as well as densities that assume continued availability/use of surface parking;
- The pace of unit absorption/leasing after delivery of the multi-family units under construction at Wilde Lake Village Center. Wilde Lake is the most recent and market-relevant example of newer, freestanding multi-family development introduced to the village centers. Its overall market success, therefore, is relevant as a comparison to housing potentials at Harper’s Choice;
- Competition with initial phases of multi-family development planned in Downtown Columbia;
- The availability of construction and permanent financing available for new housing construction; and
- Continued population and household growth and net new job creation in Howard County and Columbia, including employment growth among nearby employers such as Howard County General Hospital.

As a result of these factors, the consultant team does not believe that there is adequate market support for new housing at Harper’s Choice Village Center in the near-term (i.e., over the next five years). Additional detailed feasibility studies will be required to determine phasing/timing, and whether any new housing product at Harper’s Choice is rental or fee simple.

Appendix: Columbia Market Analysis & Economic Development Services Study

Key Market Findings, Strengths & Weaknesses

The market analysis of Harper's Choice Village Center draws the following key market conclusions as well as observations of the center's major strengths and weaknesses:

- Harper's Choice contains a population of 7,646 residents in 3,082 households, comprising 8.5% of Columbia's total population according to "Characteristics of Columbia";
- Overall retail occupancies at Harper's Choice Village Center over the past two years have fluctuated. As of the November 15, 2013 CoStar property profile provided by Howard County, there are currently **8,576 sq. ft. of vacant retail space, resulting in a vacancy rate of 7.5%**. According to CoStar, the lion's share of vacant space at Harper's Choice is in its pad retail uses (which comprises 5,400 sq. ft. of the total amount of vacant space);
- The overall retail vacancy rate for the 801,312 sq. ft. of core and pad retail space located in the eight village centers under study is 10.1%, which is elevated due to the vacant supermarket space at Long Reach Village Center. Without Long Reach, the village center retail vacancy rate is low (2.8%) and comparable to the overall Columbia retail vacancy rate of 2%;
- The village center is anchored by a 55,164 sq. ft. Safeway supermarket. The closest competitor is David's Natural Market which is located at Wilde Lake Village Center (approximately 1.0 driving miles from Harper's Choice). While there is some overlap with the trade area for David's Natural Market, it does not carry the same variety as a traditional grocery store such as Safeway and serves a slightly different market given its focus on organic foods. The next closest supermarkets include: Giant, located at Hickory Ridge, and the new Whole Foods at the former Rouse Headquarters building;
- Notably, **a population of between 10,000 and 12,000 residents in the total trade area is required to support a supermarket of 50,000 to 60,000 sq. ft.** Total trade area demographics should support a traditional grocery store at Harper's Choice, which has a population of more than 16,400 residents;
- The analysis also estimates that Harper's Choice Village Center could **potentially support approximately 13,066 sq. ft. of food service space**. Currently, there is approximately 14,000 sq. ft. of existing food service tenants, **suggesting that, on balance, there is an adequate amount of leasable space dedicated to food and beverage tenants at Harper's Choice;** and

- Key community and recreational uses adjacent or proximate to Harper's Choice Village Center include the following facilities owned by Columbia Association: Kahler Hall, which houses the village association, the Columbia Athletic Club, the SportsPark, a multi-use athletic facility, and the Columbia DogPark. Also located near the retail center is the Howard County Florence Bain Senior Center and the privately-owned Winter Growth.
- Notably, Harper's Choice is one of only two village centers that contain no office space; Hickory Ridge is the other. The office demand and allocation analysis that was completed for village centers containing office space is based on a *fair share* analysis of future employment growth in Columbia. That is, the analysis assumes that each village center captures its proportional share of future office space generated by job growth in office-using sectors based on its current share. As there is no office space in Harper's Choice Village Center, a fair share analysis is unable to be completed. However, the office analysis for the other village centers revealed only limited demand for new office space over the next five or so years. Since this near-term demand can be accommodated in existing vacant office space at other village centers, it is unlikely to spin-off any demand for new office space at Harper's Choice over the next five years.
- Howard County's forecasts suggest that more than 2,200 new housing units could be built through 2020 within approximately a five-minute drive of Harper's Choice Village Center. As noted, this is attributable to the first phases of new residential construction in Downtown Columbia. However, several factors are likely to determine the overall marketability of any new housing at the village center, including: site carrying capacity, the amount of land available to accommodate new housing development, the pace of unit absorption/leasing after delivery of the multi-family units under construction at Wilde Lake Village Center, competition from new housing in Downtown Columbia, the availability of financing, and continued population and job growth in Columbia. As a result, the consultant team believes that market opportunities for new housing at Harper's Choice Village Center will be limited for the foreseeable future.