

# Appendix: Owen Brown Village Center, Detailed Market Analysis



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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](http://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 Owen Brown 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](http://www.columbiaassociation.org/marketstudy).

## Property Description

Owen Brown Village Center comprises 128,700 gross sq. ft. of retail and office space located at 7100-7290 Cradlerock Way in the Village of Owen Brown. Owen Brown, which is comprised of three neighborhoods (Dasher Green, Hopewell and Elkhorn), was built in phases; the first residents arrived in 1973. The village center opened in 1978 with seven in-line retail tenants and a Giant grocery store. The Owen Brown Tennis Club, a Columbia Association facility, opened in 1975, and the Owen Brown Interfaith Center opened in 1983. A 19,900 sq. ft. office building with six office condominium units opened in 1984.

An aerial view of the village center is shown in Figure 1. The village center includes the following:

- A core retail center containing 73,380 sq. ft. of gross leasable area (GLA), which includes a Giant supermarket;
- Approximately 33,057 sq. ft. in six pad/outparcel retail uses, plus a 2,365 sq. ft. Shell gas station;
- Six food service tenants (including three national tenants: McDonald’s, Jerry’s Subs & Pizza, and Subway); convenience and service businesses (e.g., Bank of America and a veterinary clinic, eight hair/nail salons, and a liquor store and dry cleaners); and a discount store (Dollar Tree). One pad retail building comprises a 9,085 sq. ft. strip center with multiple tenants. Howard County Police Department has a sub-station in the center. A public library and a senior center are located nearby; and

- Columbia Association has 12 tennis courts adjacent to the village center (including five indoor and seven outdoor courts) and, in 2014, constructed a new tennis clubhouse building, which replaced an older structure with a new one.

According to property tax data provided by the Howard County Department of Finance, there are approximately eight parcels associated with the village center, for a combined site size of 14.32 acres. Columbia Association also owns 8.1 acres for the tennis club and ancillary parcels. The Interfaith Center is located on 4.3 acres. The main portion of the shopping center is located on an 8.09-acre site. Giant Supermarket is located on a 1.9-acre pad connected to the shopping center. Howard County survey data suggest 927 surface parking spaces associated with the village center. This would suggest a gross parking ratio of roughly 7.2 spaces per 1,000 sq. ft. of GLA, 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.

**Figure 1: Aerial View—Owen Brown Village Center**



**Source:** [www.Bing.com/maps](http://www.Bing.com/maps).

Owen Brown Village Center was last renovated and expanded in 2002, and the space occupied by Giant Supermarket doubled in size. The center is currently owned by GFS Realty Incorporated. Each outparcel, including the freestanding, 9,085 sq. ft. strip center, is separate, and in private ownership.

## **Occupancy Patterns**

According to CoStar, Inc., overall retail and office occupancies at Owen Brown Village Center over the past two years have been stable. As of the November 15, 2013 CoStar property profile provided by Howard County, there were **5,855 sq. ft. of vacant retail space, resulting in a vacancy rate in the core shopping center of 8.0%**. Use mix, and vacancy rates are illustrated in Table 1. The village center's office and pad retail uses are 100% occupied, which yields an overall vacancy rate of only 4.5% in Owen Brown's 128,700 sq. ft. of commercial retail and office uses.

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%.

Owen Brown Village Center is located in the Columbia South retail submarket (as defined by CoStar, Inc., a national real estate database; see Figure 4). The village center's 108,802 sq. ft. of retail space (including the gas station) comprises only 4.4% of the submarket's roughly 2.5 million sq. ft. of gross retail inventory.

**Table 1: Market & Land Use Profile—Owen Brown Village Center**

Village Center (1)	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	
<b>Owen Brown Village Center</b>	<b>Original:</b>	73,380	33,057	19,898	2,365	<b>128,700</b>	5,855	-	-	-	<b>5,855</b>
7100 Cradlerock Way	1979-1987		McDonald's		Shell		8.0%	0.0%	0.0%	0.0%	<b>4.5%</b>
Columbia	<b>Renovated:</b>		Bank of			<b>Land Area:</b>		<b>Average</b>			
	<b>All Parking:</b>		America			14.32		<b>Rents:</b>			
<b>Owner:</b>			Others			acres		\$ 25.00			
Fleur Associates LLC/GFS Realty	<b>Core Parking:</b>					<b>Density:</b>		NNN			
<b>Anchor:</b>	927					0.21					
Giant	<b>Ratio/1,000:</b>					FAR					
	7.2										

(1) As reported by CoStar, Inc. as part of a property profile prepared on November 15, 2013 by Howard County Economic Development Authority.

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



# Demand Potentials: Retail

The following analyzes potential market support for retail space at Owen Brown 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 Owen Brown 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.

## **Existing & Planned Competitive Environment**

Table 2 illustrates the competitive environment generated by existing grocery stores near the Owen Brown Village Center, including Oakland Mills Food Lion, Kings Contrivance Harris Teeter and Wegmans. Table 2 also documents drive time distances.

The Owen Brown Giant grocery store is located within a five-minute drive of two other village center supermarkets, including the Food Lion at Oakland Mills and the Harris Teeter at King's Contrivance (Harris Teeter was recently purchased by Kroger). While the 43,000 sq. ft. Food Lion is an older store, the Harris Teeter is newer and strongly competitive.

Moreover, the Owen Brown Giant also faces strong competition from the 135,000 sq. ft. Wegmans, which opened in June 2012. This has likely had significant impacts on sales volumes at the supermarkets located at Owen Brown and King's Contrivance. Additional competition is also generated by the other non-grocery store options (e.g., Target, Wal\*Mart, Costco), which are all located within five- to nine-minute drive times of the Owen Brown Village Center.

## **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).

As reflected in Table 3, demographic characteristics of the current population of the Village of Owen Brown suggest:

- 9,785 residents in 3,815 households;
- A mean household income of \$96,894, this is lower than that for Columbia as a whole (\$112,900);
- Relative to Columbia, the Village of Owen Brown has a slightly higher percentage of owner-occupied housing units (71.0% versus 68%);
- The percentage of families, husband/wife families with children, and other families with children in the Village of Owen Brown is similar to that for Columbia as a whole.

Figure 2 (which follows Table 3) 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.

**Table 2: Competitive Supermarkets—Owen Brown Village Center**

Retail Center	Location	Store	Distance (1)	
			Minutes	Miles
<b>8855 McGaw Road</b>	Columbia	Wegmans	4.0	1.8
<b>Snowden Square</b> 9011 Snowden River Parkway	Columbia	BJ's Wholesale Club	5.0	2.2
<b>Kings Contrivance Village Center</b> 8620 Guilford Road	Columbia	Harris Teeter	5.0	2.5
<b>Oakland Mills Village Center</b> 880 Robert Oliver Place	Columbia	Food Lion	5.0	2.6
<b>Dobbin Center</b> Dobbin Road @ Route 175	Columbia	Wal*Mart (2) (Not a Super Center)	7.0	2.7
<b>Columbia Crossing</b> 6161 Columbia Crossing Drive	Columbia	Target	8.0	3.0
<b>Former Rouse Headquarters</b> 10275 Little Patuxent Parkway	Columbia	Whole Foods	6.0	3.5
<b>Wilde Lake Village Center</b>	Columbia	David's Natural Market	7.0	3.8
<b>6551 Waterloo Road</b>	Elkridge	Food Lion	8.0	3.9
<b>Gateway Overlook</b> 6675 Marie Curie Drive	Elkridge	Costco	9.0	4.0
<b>Gateway Overlook</b> 6610 Marie Curie Drive	Elkridge	Trader Joe's	9.0	4.1
<b>Hickory Ridge Village Center</b> 6410 Freetown Road	Columbia	Giant	9.0	4.5

(1) Drive times and distances are from MapQuest.

(2) Wal\*Mart does not include a full-sized supermarket but does sell many grocery items.

**Source: RDS; Folan Consulting, March 2014.**

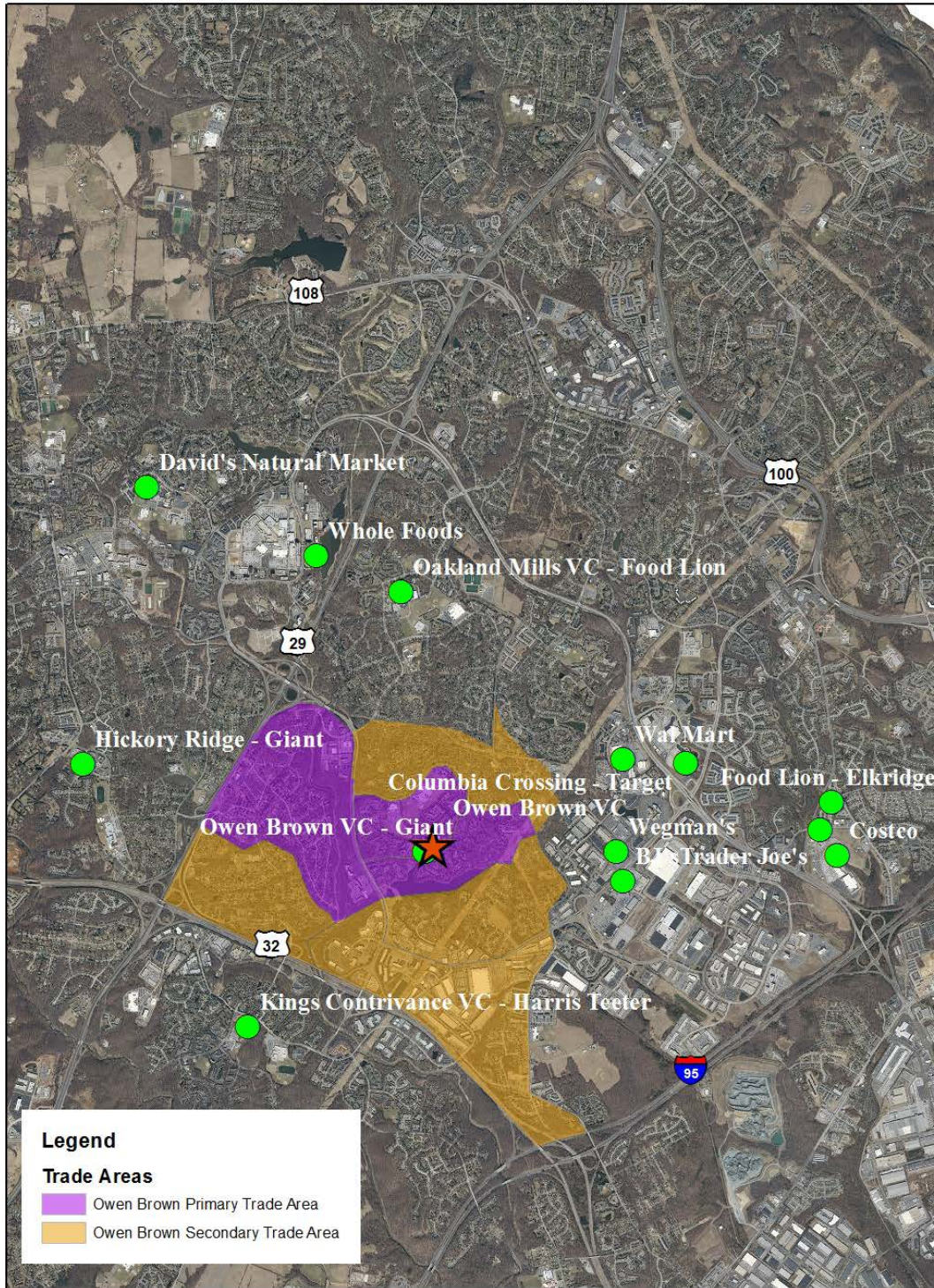
**Table 3: Demographic Characteristics, 2010—Owen Brown Village Center**

	Village of Owen Brown		Columbia	
		%		%
<b>Race &amp; Hispanic Ethnicity</b>				
White	5,124	52%	51,150	57%
African American or Black	2,707	28%	22,201	25%
American Indian & Alaska Native	39	0%	368	0%
Asian	1,064	11%	9,955	11%
Native Hawaiian & Other Pacific Islander	4	0%	29	0%
Some Other Race	399	4%	2,579	3%
Population of Two or More Races	448	5%	4,033	4%
<b>Total Population:</b>	<b>9,785</b>	<b>100%</b>	<b>90,315</b>	<b>100%</b>
Hispanic or Latino	902	9%	7,146	8%
Non-Hispanic or Latino	8,882	91%	83,170	92%
<b>Mean Household Income</b>	<b>\$ 96,894</b>		<b>\$ 112,900</b>	
<b>Total Occupied Housing Units</b>	<b>3,815</b>		<b>35,811</b>	
Owned	2,709	71%	24,198	68%
Renter-Occupied	1,106	29%	11,613	32%
<b>Total Households</b>	<b>3,815</b>		<b>35,812</b>	
<b>Total Families (1)</b>	<b>2,488</b>	<b>65%</b>	<b>23,770</b>	<b>66%</b>
Husband/Wife Family	1,898	76%	18,190	77%
Husband/Wife with Children < 18	859	35%	8,441	36%
Other Family	590	24%	5,579	23%
Other Family with Children < 18	364	15%	3,516	15%
<b>% 25+ with Bachelor's Degree</b>	<b>52%</b>		<b>61%</b>	
<b>% 25+ with Graduate/Prof Degree</b>	<b>N/A</b>		<b>30%</b>	

(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: Trade Areas—Owen Brown Village Center**



**Columbia Market Analysis and Economic Development Services Study**

**Columbia Association**   
Created February 18, 2014

## **Determining a Viable Trade Area & Estimated Supermarket Sales**

Primary and secondary trade areas for Owen Brown 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. Notably, the Owen Brown Village Center does not have direct access to a major arterial. However, the center does have an entrance off of Cradlerock Way, which provides relatively quick access to Broken Land Parkway (with average daily traffic counts near the intersection of Cradlerock Way of 31,120 vehicles per day). Average daily traffic counts are a key factor in location decisions for major retail tenants; for example, large retail chains often require a minimum of 20,000 to 25,000 vehicles per day as a baseline criterion for a favorable site location decision.

The trade area data illustrated in Table 4 below suggest:

- The primary trade area includes 5,834 residents; and
- There are an additional 7,239 residents living in the secondary trade area.

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 Owen Brown, which has a population of greater than 13,000 residents. While the secondary trade area has likely been impacted by the addition of the Wegmans supermarket, the Giant at Owen Brown effectively serves the trade area located north of Route 32.

**Table 4: Supermarket Trade Area Demographics—Owen Brown Village Center**

<b>Census Block Group</b>	<b>Total Population</b>	<b>Housing Units</b>
<b>Primary Trade Area</b>		
6067042	2,707	1,133
6067043	1,812	701
6067011	1,315	493
<b>Subtotal:</b>	<b>5,834</b>	<b>2,327</b>
<b>Secondary Trade Area</b>		
6067012	1,288	470
6067072	1,387	493
6067051	2,011	859
6067041	2,553	936
<b>Subtotal:</b>	<b>7,239</b>	<b>2,758</b>
<b>TOTAL:</b>	<b>13,073</b>	<b>5,085</b>

*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 Owen Brown is similar to that for the other village centers located east of Route 29, including the Village of Long Reach and the Village of Oakland Mills. Most major big box and discount retailers are located within a six- to nine-minute drive to the east of Owen Brown Village Center at Dobbin Center, Columbia Crossing I and II, Gateway Overlook, Dobbin Station, and Snowden Square.

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. Long Gate Shopping Center, which is located to the north in Ellicott City, is anchored by Safeway, Target, Barnes & Noble, and Michael’s Stores. The Mall at Columbia, with 1.4 million sq. ft. of existing retail space (including its recent expansion), 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.

There are also a number of national chain restaurants located in close proximity to Owen Brown, including: Fuddruckers, Olive Garden, On the Border, Bertucci's, Ruby Tuesday, Red Lobster, and Longhorn Steakhouse. Fast, casual dining tenants located nearby include: Chipotle, Noodles and Company, Pei Wei, and Boston Market.

An inventory of nearby regional retail centers is detailed in Table 5.

## **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 Owen Brown 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, a five-minute drive time from the Village of Owen Brown extends just south of Route 32, west to Route 29, and to the east almost to Snowden River Parkway.

Demographic characteristics and forecasts for 2012—2017 in the five-minute drive time from ESRI Business Analyst suggest:

- An estimated 17,356 residents with a median household income slightly below that for the 10-minute drive (\$88,292 versus \$91,677); and
- A greater percentage of owner-occupied households than for Columbia as a whole (71% versus 67%).

The 10-minute drive from the Village of Owen Brown extends north to Route 100, and to the Route 1 corridor to the south and east. The 10-minute drive also includes the new growth occurring at Downtown Columbia as well as the larger regional retail centers such as Columbia Crossing and Dobbin Center. The 10-minute drive time includes a total of 138,696 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.

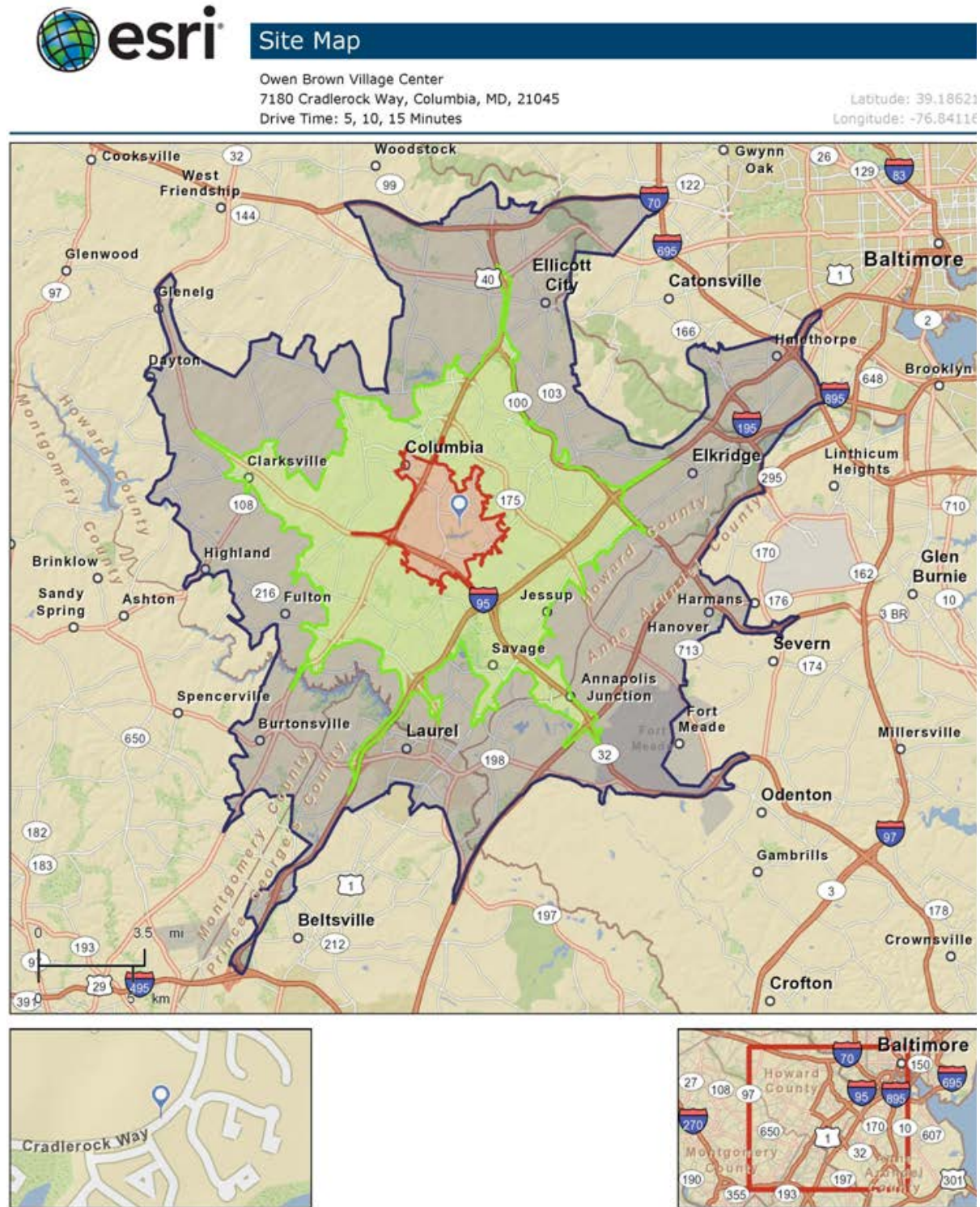


**Table 5: Nearby Regional Retail Centers—Owen Brown Village Center**

Competitive Retail Centers	Size (SF) & % Leased	Properties & Year Built	Average Rents	Major Tenants	Other
<b>Dobbin Center</b> 6435 Dobbin Road Columbia Manager: Rosenthal Properties	295,159 96%	12 1982	\$ 39.00	Wal*Mart, Ross Dress for Less, Offenbachers, Haverly's	Six non-owned outparcels include: bank, McDonald's, Chik-fil-A, Wendy's Starbucks
<b>Columbia Crossing I &amp; II</b> 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, T.J. 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
<b>Gateway Overlook</b> 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)
<b>Snowden Square</b> 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
<b>Dobbin Station</b> 6781 Dobbin Road Columbia	N/A 100%	4 N/A	N/A	Petco, LaZBoy	Food service tenants include: Chipotle, Noodles and Company
<b>Columbia Mall</b> 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
<b>Long Gate Shopping Center</b> 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.

Figure 3: Five-, 10- & 15-Minute Drive Times—Owen Brown Village Center



**Table 6: Five & 10-Minute Drive Time Demographics—Owen Brown Village Center**

	0 - 5 Minutes	0 - 10 Minutes
<b>Population</b>		
2010	17,281	135,290
2012	17,356	138,696
2017 Forecast	18,035	147,521
Total Change 2012 - 2017	679	8,825
Annual Growth Rate, 2012 - 2017	0.77%	1.24%
<b>Households</b>		
2010	6,820	52,940
2012	6,869	54,330
2017 Forecast	7,197	57,825
Total Change 2012 - 2017	328	3,495
Annual Growth Rate, 2012 - 2017	0.94%	1.25%
<b>Median Household Income</b>		
2012	\$ 88,292	\$ 91,677
2017	\$ 97,807	\$ 101,679
<b>Median Age</b>		
2012	39.2	36.5
2017	39.6	36.7
<b>2010 Housing Tenure</b>		
Owner-Occupied Households	71.0%	67.0%
Renter-Occupied Households	29.0%	33.0%

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

### Potential Buying Power: Food Service

As noted previously, the Giant supermarket serves as an important anchor for the Owen Brown Village Center (and appears to be in a stronger competitive position than the Food Lion supermarket at Oakland Mills). Based on data provided by CoStar, Inc., and highlighted in Table 1, the village center's core retail space is 8% vacant, based on existing space comprising 73,380 sq. ft. of core retail space, and an additional 35,422 sq. ft. of pad retail space.

Market potentials for food service tenants are quantified in Table 7 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 **Owen Brown Village Center could potentially support approximately 17,800 sq. ft. of food service** space. Currently, there is approximately 12,000 sq. ft. of existing food service tenants, **suggesting demand for an additional 5,800 sq. ft. of food service space at the village center.**

Capture rates are based on capture rates for similarly sized retail centers in highly competitive environments. In order 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—Owen Brown Village Center**

<b>5-Minute Drive-time</b>			
Total Households			7,197
Median Household Income	(1)	\$	97,807
<b>Gross Household Income:</b>		\$	<b>703,916,979</b>
x % Spent on Food Away from Home	(2)		4.4%
<b>Total Spending on Food:</b>		\$	<b>30,972,347</b>
x Capture Rate			5%
<b>Estimated Spending Potential (5-Minute):</b>		\$	<b>1,548,617</b>
<b>5- to 10-Minute Drive-time</b>			
Total Households			50,628
Median Household Income		\$	101,679
<b>Gross Household Income:</b>		\$	<b>5,147,804,412</b>
x % Spent on Food Away from Home	(2)		4.4%
<b>Total Spending on Food:</b>		\$	<b>226,503,394</b>
x Capture Rate			2.5%
<b>Estimated Spending Potential (5-10 Minute):</b>		\$	<b>5,662,585</b>
<b>TOTAL - Resident Spending on Food:</b>		\$	7,211,202
+ Inflow (Nearby Employees) @ 11%			793,232
<b>TOTAL - Spending Potentials:</b>		\$	<b>8,004,434</b>
/ Average Sales (Per SF)		\$	450
<b>TOTAL SUPPORTABLE SPACE (In SF):</b>			<b>17,788</b>

(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 this study.

**Table 8: Existing Retail & Office Tenants—Owen Brown Village Center**

<b>Food Service</b>	<b>General Service</b>	<b>Business/Office</b>	<b>Other</b>	<b>Anchors</b>
Happy Garden/Chinese Gourmet	Elegant Twist Hair Salon	Bank of America	Dollar Tree	Giant Food
Jerry's Subs & Pizza	Future Nails	Allstate Insurance - Wale Brown	Owen Brown Wine & Spirits	Owen Brown Interfaith Center
McDonald's	Hair Cuttery	Cat & Dog Hospital of Columbia	Shell Gas/Subway	Community Action Ctr.-
Sonoma's Bar & Grill	Owen Brown Village Cleaners	Columbia Dental Excellence	Permanent Cosmetics	Howard County
Shell Gas/Subway	Warren's Barbershop	Columbia Eye Associates	The Nine Oasis	Police Department
Vocelli Pizza	Julio & Alain's Hair Studio	Dodek Dentistry		
	Original African Hair Braiding	Dr. Bryon Bonebreak Orthodontist		
	Rochelle Le Hair Savor	Essential Family Chiropractic		
	Stillwater Massage	Anxiety Solutions		
	Rxmom			

**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		
<b>Dorsey's Search (Kimco Realty Corp.)</b>	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
<b>Harper's Choice (Kimco Realty Corp.)</b>	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
<b>Hickory Ridge (Kimco Realty Corp.)</b>	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
<b>Kings Contrivance (Kimco Realty Corp.)</b>	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
<b>Long Reach (Howard County)</b>	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
<b>Owen Brown (Fleur Associates LLC)</b>	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
<b>Oakland Mills (Cedar Realty Trust, Inc.)</b>	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
<b>River Hill (Kimco Realty Corp.)</b>	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

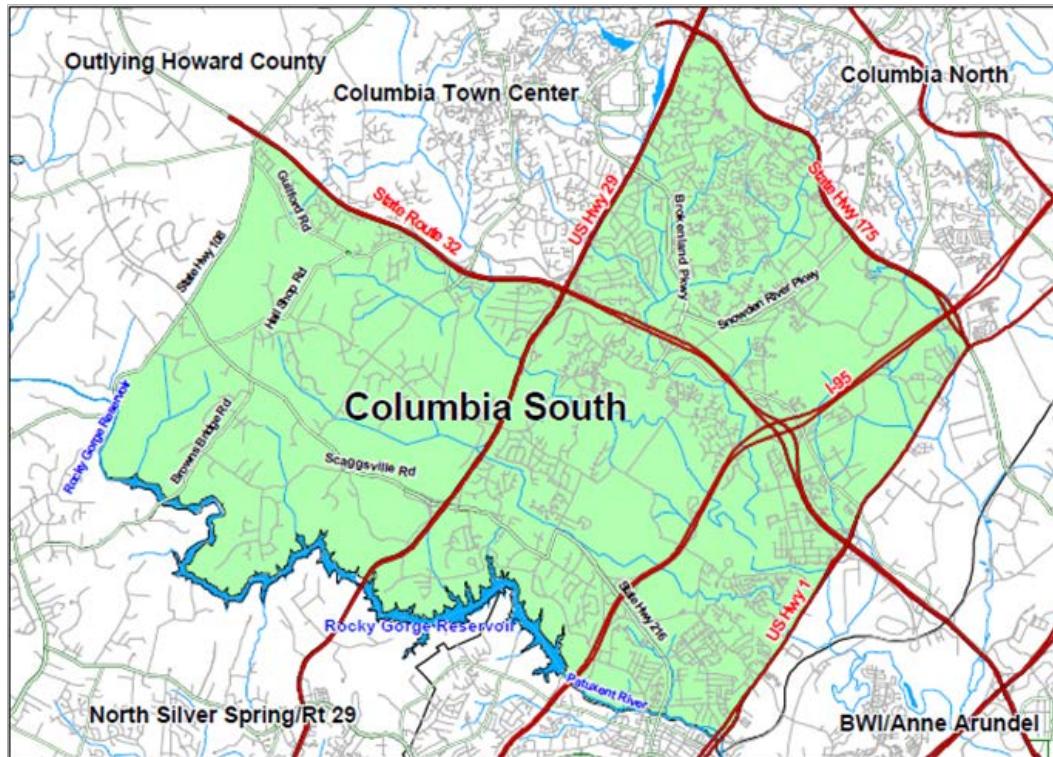
Source: Retail Development Strategies; Folan Consulting; WTL+a, updated November 2014.

**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. Owen Brown Village Center, which includes 19,898 sq. ft. of condominium office space in a freestanding building, is located in the Columbia South submarket.

**Figure 4: Columbia South Office Submarket Boundaries**



**Source: CoStar, Inc.**

## Office Market Performance: 2005—2013

The consulting team examined office market trends in the Columbia South submarket between 2005 and 2013. This period was chosen because it includes multiple economic cycles—from the 2005—2007 boom to the late 2007 to late 2009 downturn and subsequent recovery. Office market trends are documented in Table 10. Market performance over the past nine years in Columbia South suggests:



- An inventory of **almost 9.5 million sq. ft. of office space**, which comprises 66% of the entirety of Columbia’s 14.3 million sq. ft. office market. In fact, Columbia South is the largest office submarket in Howard County. Since 2005, Columbia South’s share of the Columbia-wide inventory has increased as a result of new construction—from 60% to 66% of the total;
- There has been a significant increase in the amount of vacant office space—from 620,000 sq. ft. in 2005 to 1.5 million sq. ft. in 2013, reflecting an increase in the vacancy rate from 9.5% in 2005 to almost 16% in 2013;

The increase in vacant office space in Columbia South is the result of several factors, including: delivery of more than 3.4 million sq. ft. of newly-built office space across the submarket, but net absorption (i.e., leasing activity) that totaled 2.4 million sq. ft. during this period. In other words, **new office space in Columbia South was built faster than it was leased**;

- From a financing perspective, assuming that the average annual pace of absorption—267,500 sq. ft. per year—is sustained, **approximately five years will be required to achieve industry-standard levels for stabilized occupancies of 93%**. In other words, it could take fully five years to lease 93% of the existing 1.5 million sq. ft. of vacant office space in Columbia South;
- Average rents have increased only slightly —from \$21.50 per sq. ft. in 2005 to \$24 per sq. ft. in 2013 on a full-service basis; and
- Today, Columbia South is by far the largest and strongest of the three office submarkets in Columbia. Despite current high levels of vacant office space, Columbia South has captured fully 81% of the total net absorption/leasing of office space across the three submarkets since 2005. The future impacts of concentrating up to 4.3 million sq. ft. of new office development in Downtown Columbia could change the competitive market position of Columbia South and other office submarkets in Columbia in the future.

**Table 10: Office Market Trends—Columbia, 2005—2013**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change: 2005-2013		
										Total	Ann'l Avg.	%
<b>Columbia North</b>												
Inventory	1,827,197	1,865,647	1,998,092	2,068,519	2,087,392	2,087,392	2,087,392	2,156,171	2,248,171	<b>420,974</b>		
As % of Total	17%	16%	16%	16%	16%	15%	15%	15%	16%			
Vacant Stock (1)	260,607	264,674	352,939	317,599	316,756	303,797	266,540	295,693	385,438	<b>124,831</b>		
% Vacant	14.3%	14.2%	17.7%	15.4%	15.2%	14.6%	12.8%	13.7%	17.1%			<b>2.3%</b>
Total Net Absorption	164,778	34,383	44,180	105,767	19,716	12,959	37,257	39,626	2,255	<b>460,921</b>	<b>51,200</b>	
New Construction	314,531	38,450	134,045	70,427	18,873	-	-	68,779	92,000	<b>737,105</b>		
<b>Years to Stabilized Occupancy (2)</b>											<b>7</b>	
<b>Columbia South</b>												
Inventory	6,516,434	7,358,129	7,811,182	8,373,967	8,475,468	8,827,497	8,980,997	9,090,997	9,493,297	<b>2,976,863</b>		
As % of Total	60%	62%	63%	64%	64%	65%	65%	65%	66%			
Vacant Stock (1)	619,926	858,850	867,396	1,310,509	1,009,920	1,370,405	1,232,215	1,086,610	1,500,059	<b>880,133</b>		
% Vacant	9.5%	11.7%	11.1%	15.6%	11.9%	15.5%	13.7%	12.0%	15.8%			<b>6.5%</b>
Total Net Absorption	311,870	602,771	444,507	119,672	402,090	(8,456)	291,690	255,605	(12,049)	<b>2,407,700</b>	<b>267,500</b>	
New Construction	374,960	841,695	453,053	562,785	178,451	352,029	153,500	110,000	402,300	<b>3,428,773</b>		
<b>Years to Stabilized Occupancy (2)</b>											<b>5</b>	

(1) Includes existing vacant relet and sublet space.

(2) Illustrates the required number of years necessary to achieve stabilized occupancies (93%) based on historic annual net absorption/leasing activity.

Source: CoStar Realty; RDS; WTL+a, January 2014.

**Table 10 (Continued): Office Market Trends—Columbia, 2005—2013**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change: 2005-2013			
										Total	Ann'l Avg.	%	
<b>Columbia Town Center</b>													
Inventory	2,592,316	2,592,316	2,592,316	2,592,316	2,756,130	2,756,130	2,756,130	2,756,130	2,629,130		<b>36,814</b>		
As % of Total	24%	22%	21%	20%	21%	20%	20%	20%	18%				
Vacant Stock (1)	324,692	338,922	317,195	479,522	547,728	467,316	453,871	333,220	237,150		<b>(87,542)</b>		
% Vacant	12.5%	13.1%	12.2%	18.5%	19.9%	17.0%	16.5%	12.1%	9.0%				<b>-4.0%</b>
Total Net Absorption	(11,443)	(14,230)	21,727	(162,327)	95,608	80,412	13,445	120,651	(30,930)		<b>112,913</b>	<b>12,500</b>	
New Construction	-	-	-	-	163,814	-	-	-	-		<b>163,814</b>		
<b>Years to Stabilized Occupancy (2)</b>											<b>18</b>		
<b>All Columbia Submarkets</b>													
Inventory	10,935,947	11,816,092	12,401,590	13,034,802	13,318,990	13,671,019	13,824,519	14,003,298	14,370,598		<b>3,434,651</b>		
Vacant Stock (1)	1,205,225	1,462,446	1,537,530	2,107,630	1,874,404	2,141,518	1,952,626	1,715,523	2,122,647		<b>917,422</b>		
% Vacant	11.0%	12.4%	12.4%	16.2%	14.1%	15.7%	14.1%	12.3%	14.8%				<b>3.7%</b>
Total Net Absorption	465,205	622,924	510,414	63,112	517,414	84,915	342,392	415,882	(40,724)		<b>2,981,534</b>	<b>331,300</b>	
New Construction	689,491	880,145	587,098	633,212	361,138	352,029	153,500	178,779	494,300		<b>4,329,692</b>		
<b>Years to Stabilized Occupancy (2)</b>											<b>6</b>		

(1) Includes existing vacant relet and sublet space.

(2) Illustrates the required number of years necessary to achieve stabilized occupancies (93%) based on historic annual net absorption/leasing activity.

Source: CoStar Realty; RDS; WTL+a, January 2014.

As noted, the at Owen Brown Village Center contains 19,898 gross sq. ft. of condominium office space oriented to professional and business service tenancies supporting the surrounding neighborhood. According to the November 15, 2013 property profile by CoStar, Inc., and provided by Howard County, the office space is fully leased. The village center's office space accounts for only 4.4% of the Columbia South office inventory.

## Office Market Potentials

Job growth in specific office-using employment/industry sectors is a key barometer of demand for future office space. The following examines market potentials for future office development using a *fair* share analysis through 2020. Fair share assumes that, all else being equal, the current share, or ratio, of space is maintained at a future point in time as growth occurs. Key findings are summarized below and illustrated in Tables 11 and 12.

- As illustrated in **Table 11**, the Round 8A employment forecasts, prepared by the Howard County Department of Planning & Zoning (DPZ), and used by the Baltimore Metropolitan Council (BMC) suggest that Howard County will add 30,000 new jobs for the 2010 to 2020 forecast period. The BMC forecasts do *not* distinguish what types of new jobs will be created beyond "Retail" and "Non-Retail" employment, which is a limitation in the analysis;
- Currently, the Columbia CDP (Census-Designated Place) comprises 38% of Howard County's total jobs. Presuming that Columbia maintains its fair share of the county total suggests that **more than 9,100 new jobs would be created in Columbia by 2020**; and

The next step estimates how many new jobs will be office-using jobs. Currently, office-using jobs in Columbia comprise roughly 67% of total jobs, translating into more than 47,600 office jobs across Columbia. If the share of office-using jobs is maintained at 67%, this translates into approximately 6,100 new jobs in office-using sectors of the economy by 2020.

The final step allocates new office jobs to the Owen Brown Village Center. This scenario considers that the office space in the village center is primarily oriented to nearby households with a mix of professional and service office tenants.

**Table 11: Employment Forecasts & Allocation to Columbia**

	2010	2012	As % of Total	2020	2012-2020 Forecast
<b>Howard County: All Jobs</b>					
BMC Round 8 Total Jobs (1)	181,381	187,381	100.0%	211,381	24,000
Less Self-Employed/Part-time (2)		38,151	20.4%	43,037	4,886
<b>Total - Full-time Jobs (2012-2020):</b>		<b>149,230</b>	<b>79.6%</b>	<b>168,344</b>	<b>19,114</b>
<b>Howard County: Full-time Jobs Only (3)</b>					
Mining & Natural Resources		2,522	1.7%	2,845	323
Construction		11,031	7.4%	12,444	1,413
Manufacturing		10,675	7.2%	12,042	1,367
Transportation & Warehousing		3,879	2.6%	4,376	497
Communications		2,195	1.5%	2,476	281
Utilities		594	0.4%	670	76
Wholesale & Retail Trade		31,496	21.1%	35,530	4,034
Finance/Insurance/Real Estate		9,308	6.2%	10,500	1,192
Services		66,790	44.8%	75,345	8,555
Government		10,740	7.2%	12,116	1,376
<b>Total - Full-time Jobs (2012-2020):</b>		<b>149,230</b>	<b>100.0%</b>	<b>168,344</b>	<b>19,114</b>
<b>Columbia (CDP)</b>					
<b>FAIR SHARE:</b>			(4)		
<b>Total Jobs (2012-2020):</b>		<b>71,153</b>	<b>38%</b>	<b>80,266</b>	<b>9,113</b>

(1) Reflects Round 8 employment forecasts for "Retail" and "Non-Retail" jobs for 2010-2020, as prepared by the Howard County Department of Planning & Zoning, and used by the Baltimore Metropolitan Council (BMC). BMC does not prepare job forecasts by industry sector.

(2) The forecasts include both part-time and self-employment jobs. These are excluded from the analysis because it is unknown how many part-time and self-employed jobs will demand workplace real estate such as office or industrial space.

(3) This illustrates the distribution of jobs, by industry sector, in 2012. The analysis assumes that the distribution of jobs, by industry sector, will remain the same in 2020.

(4) Columbia's current (2012) share of all jobs in Howard County was 38%. The analysis assumes that Columbia maintains its share in 2020.

**Source: Baltimore Metropolitan Council (BMC) Round 8 Forecasts; ESRI Business Analyst; RDS; WTL+a, revised April 2014.**

## Office Demand from Fair Share Growth

- The village center captures its fair share of new job growth based on the share of its occupied office space (18,898 sq. ft.) relative to the amount of office space in Columbia (12.2 million sq. ft.), or 0.16%. This yields approximately 10 new office jobs by 2020 based on Owen Brown's fair share; and
- Using an *average* occupancy factor of approximately 250 sq. ft. per employee yields **estimated demand for 2,550 sq. ft. of additional office space at Owen Brown by 2020**. Since the existing office building is 100% leased, this may represent a market opportunity;
- However, from an investment risk perspective, it is unlikely that such a small amount of office space could be built (i.e., financed), particularly on a multi-tenant/speculative basis. Currently, the office buildings in each of the village centers—including Owen Brown—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; and
- 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.

**Table 12: Office Demand Analysis, 2020**

<b>Employment Forecasts</b>		
<b>Total Employment-Columbia CDP</b>		
2012		71,153
2020		80,266
<b>New Jobs:</b>		<b>9,113</b>
<b>2012 Office Jobs-All Columbia Submarkets</b>		
Occupied Office Inventory		12,247,951
Occupancy Ratio Per SF		257
<b>Total:</b>		<b>47,673</b>
<i>As % of Total Jobs</i>		<b>67%</b>
<b>2020 Office Jobs-Columbia TAZ Zones</b>		
Existing Jobs		47,673
+ Share of New Jobs @	67%	6,106
<b>Total:</b>		<b>53,778</b>
<b>Office Market Potentials-Owen Brown</b>		
<b>Fair Share Analysis</b>		
<b>Occupied Office Space-Owen Brown</b>		<b>19,898</b>
<i>As % of Columbia (Fair Share)</i>		<b>0.16%</b>
<b>2020 Office Jobs to Columbia</b>		<b>6,106</b>
Fair Share		0.16%
<b>Allocation to Owen Brown:</b>		<b>10</b>
Existing Jobs		77
<b>2020 Office Jobs-Owen Brown:</b>		<b>87</b>
Occupancy Ratio Per SF		257
<b>Gross Demand (SF):</b>		<b>22,447</b>
Occupied Office Space		19,898
<b>Net Demand (SF):</b>		<b>2,549</b>
<b>Existing Vacant Office Space:</b>		-

**Source: ESRI Business Analyst; CoStar, Inc.; RDS: WTL+a, revised February 2014.**

## Demand Potentials: Housing

The consultants considered two data sources to estimate future demand for new housing at Owen Brown 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 service.

In the first source, ESRI forecasts suggest 331 new owner- and renter-occupied units through 2017 (ESRI) (plus a reduction in existing vacancies of 11 units), while Howard County's planning estimates suggest significantly greater construction of new housing (likely associated with a portion of Downtown Columbia) of more than 1,500 multi-family units through 2020 within approximately a five-minute drive of Owen Brown Village 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. Forecasts for new housing within a five-minute drive-time of Owen Brown account for new units to be built in Downtown Columbia as well as several new homes anticipated near Kings Contrivance. Tables 13 and 14 illustrate housing forecasts based on ESRI and Howard County estimates, respectively.



**Table 13: 5-Minute Drive-time—ESRI Housing Forecasts, 2012 & 2017**

	2012	% of Total	2017	% of Total	Change
<b>Owen Brown</b>					
<b>Housing Units</b>					
Owner-Occupied	4,716	66.2%	4,898	57.6%	182
Renter-Occupied	2,151	30.2%	2,300	39.2%	149
Vacant Units	256	3.6%	246	3.2%	(11)
<b>Total:</b>	<b>7,124</b>	<b>100.0%</b>	<b>7,444</b>	<b>100.0%</b>	<b>331</b>

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

**Table 14: 5-Minute Drive-time—County New Housing Estimates, 2015 & 2020**

	2015	% of Total	2020	% of Total	Total
<b>Owen Brown</b>					
<b>Housing Unit by Product</b>					
Single-family Detached	6	1.6%	-	0.0%	6
Single-family Attached	-	0.0%	-	0.0%	-
Multi-family	380	98.4%	1,162	100.0%	1,542
<b>Total:</b>	<b>386</b>	<b>0.0%</b>	<b>1,162</b>	<b>0.0%</b>	<b>1,548</b>

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

## Characteristics of the Housing Market

In terms of the character of housing in the Village of Owen Brown, the 2010 U.S. Census reported a total of 3,937 housing units. As reported in the “Characteristics of Columbia” report (Columbia Association, 2012), the housing stock is comprised of single-family detached (31%); townhouses/attached (46%); and multi-family dwellings (23%). Fully 71% of the housing units in Owen Brown are owner-occupied versus 29% that are renter-occupied. The report also indicates 122 vacant units, for an overall vacancy rate of 3.1%, which is below Columbia as a whole. However, the true vacancy, which includes units available for rent/unoccupied and other vacant, is significantly lower—with only 74 true vacant units reflecting a vacancy rate of 2%. According to the “Sales Price Trends” Report (Columbia Association, 2013), between 2000 and 2010, the average

sales price of housing units in Owen Brown increased by 71%—from \$168,935 to \$289,447 in 2010. This increase was not as high as that which occurred for all of Columbia’s villages, which increased by 84% during this period, as compared to 82% countywide.

As a result of stabilized occupancies and a solid increase in housing values, the Village of Owen Brown is expected to remain a strongly marketable location for new housing.

Howard County planning estimates suggest a higher number of new housing units—upwards of 1,500 units—could be built within approximately a five-minute drive-time of the Owen Brown Village Center, a portion of which is likely to be some portion of the planned new housing in Downtown Columbia to be delivered in phases. However, several factors are likely to determine the overall marketability of any new housing at Owen Brown 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 Owen Brown;
- 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.

Additional detailed feasibility studies will be required to determine phasing/timing, and whether new housing product at Owen Brown is rental or fee simple.

## Key Market Findings, Strengths & Weaknesses

The market analysis of Owen Brown Village Center draws the following key market conclusions as well as observations of the center’s major strengths and weaknesses:

- Owen Brown contains a population of 9,785 residents in 3,815 households, comprising fully 11% of Columbia’s total population according to “Characteristics of Columbia”;
- Overall retail and office occupancies at Owen Brown Village Center over the past two years have been stable. As of the November 15, 2013 CoStar property profile provided by Howard

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**Appendix: Columbia Market Analysis & Economic Development Services Study**

County, there are currently **5,855 sq. ft. of vacant retail space, resulting in a vacancy rate in the core shopping center of 8.0%**. The village center's office and pad retail uses are 100% occupied, which yields an overall vacancy rate of only 4.5% in Owen Brown's 128,700 sq. ft. of commercial retail and office uses;

- 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 underwent a major renovation in 2002, at which time the Giant was expanded (doubled in size) and a new building was developed in order to accommodate those businesses that were displaced by the expansion;
- The village center is located next to Lake Elkhorn, which is a recreational destination for the area. Proximity to outdoor destinations could be expected to provide incremental market support for nearby retail/dining tenants, such as those located at Owen Brown;
- The Wegmans store is located only a four-minute drive from the village center, thus significantly limiting the drawing power of the existing Giant store to the south and east;
- The Owen Brown Giant supermarket is located within a five-minute drive of two other village center supermarkets—Food Lion at Oakland Mills and Harris Teeter (recently purchased by Kroger) at King's Contrivance. While Food Lion is an older store, the Harris Teeter is newer and strongly competitive;
- The primary trade area for the Giant at Owen Brown includes 5,834 residents, with an additional 7,239 residents in the secondary trade area. Total trade area demographics support a traditional grocery store, with a population of more than 13,000 residents;
- While the secondary trade area has likely been impacted by the addition of Wegmans supermarket, the Giant at Owen Brown effectively serves the trade area located north of Route 32. While both the Oakland Mills and Owen Brown supermarkets are challenged by new competitors, the Owen Brown location appears more viable than Oakland Mills given that Oakland Mills is surrounded by numerous competitive supermarkets;
- The retail demand analysis estimates **Owen Brown Village Center could potentially support approximately 17,800 sq. ft. of restaurants/food service space**. Currently, there is

approximately 12,000 sq. ft. of existing food service tenants, suggesting demand for an **additional 5,800 sq. ft. of food service tenant space;**

- The increase in vacant office space in Columbia South is the result of several factors, including: delivery of more than 3.4 million sq. ft. of newly-built office space across the submarket, but net absorption (i.e., leasing activity) that totaled 2.4 million sq. ft. during this period. In other words, **new office space in Columbia South was built faster than it was leased;**
- From a financing perspective, assuming that the average annual pace of absorption—267,500 sq. ft. per year—is sustained, **approximately five years will be required to achieve stabilized occupancies of 93%.** In other words, it could take fully five years to lease 93% of the existing 1.5 million sq. ft. of vacant office space in Columbia South;
- Currently, Columbia comprises 38% of Howard County’s total jobs. Presuming that Columbia maintains its fair share of any future job growth in Howard County suggests that more than **9,100 new jobs would be created in Columbia by 2020;**
- **The office demand analysis suggests limited additional support for approximately 2,550 sq. ft. of professional office space by 2020.** Since the existing office building is 100% leased, this may represent a market opportunity. However, **from an investment risk perspective, it is unlikely that such a small amount of office space could be built (i.e., financed),** particularly on a multi-tenant/speculative basis. Currently, the office buildings in each of the village centers—including Owen Brown—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; and
- 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; and
- Several factors are likely to determine the overall marketability of any new housing at Owen Brown 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.