

Appendix: King's Contrivance Village Center, Detailed Market Analysis



November 2014

Project Team

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

Consultant Team

Retail and Development Strategies, LLC *in association with* WTL+a, and Folan Consulting

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 Kings Contrivance 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

King’s Contrivance Village Center is a 143,689 gross sq. ft. mixed-use village center located at 8620 Guilford Road, near the intersection of Eden Brook Drive in the Village of King’s Contrivance. The Village is composed of three neighborhoods (Dickinson, Huntington and MacGill’s Common). The village center, which opened in 1986 with 14 in-line retail tenants and a “Valu Food” grocery store, comprises a number of commercial buildings, including:

- A core retail center of 114,377 sq. ft. of gross leasable area (GLA) , which includes a 56,900 sq. ft. Harris Teeter Supermarket that opened in 2008 as part of a major renovation of the center;
- Three outparcel/pad retail sites along Eden Brook Drive and containing 8,040 sq. ft. of additional retail tenants. Outparcel retailers include Bank of America, an Exxon gas station, and McDonald’s;
- Community and recreational facilities, such as Amherst House, which opened in 1988 and houses the King’s Contrivance Community Association, and the King’s Contrivance Interfaith Center (and two additional churches), which opened in 2003; and
- 20,772 sq. ft. of office space on the second floor of the center, and St. Matthew’s House, a residence for the disabled.

According to property tax data provided by the Howard County Department of Finance, the main portion of King’s Contrivance Village Center and the office building are located on three parcels containing 13.17 acres. Howard County survey data indicate that King’s Contrivance village center contains a total of 675 surface parking spaces. This would suggest a gross parking ratio of roughly 4.7 spaces per 1,000 sq. ft. of building area for all uses in the village center.

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The center is owned by Kimco Realty Corp., LLC (identified in the property tax data as KCVC Limited Partnership). The office building and outparcels are owned by others.

Figure 1: Aerial View—King’s Contrivance Village Center



Source: www.Bing.com/maps

Occupancy Patterns

According to CoStar, Inc., overall retail and office occupancies at King’s Contrivance Village Center over the past two years have been stable. As of the November 15, 2013 CoStar property profile provided by Howard County, there are only 565 sq. ft. of vacant space in the center’s core retail center. Pad retail uses are 100% occupied, and there are 2,570 sq. ft. of vacant office space, resulting in a 12.4% vacancy rate. Overall, however, the vacancy rate at King’s Contrivance is only 2.2%. By comparison, the overall retail vacancy rate of 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%. Use mix, and vacancy rates are illustrated in Table 1.

Table 1: Market & Land Use Profile—King's Contrivance 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	
King's Contrivance Village Center Original:		114,377	5,676	20,772	2,864	143,689	565	-	2,570	-	3,135
8620 Guilford Road	1986		McDonald's		Exxon		0.5%	0.0%	12.4%	0.0%	2.2%
Columbia	Renovated 2007-08		Bank of America			Land Area: 13.17 acres	Average Rents: \$ 32.00				
Owner: Kimco Realty Corp.	Parking: 675					Density: 0.25 FAR			NNN		
Anchor: Harris Teeter/CVS	Ratio/1,000: 4.7										

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

King's Contrivance Village Center is located in the Columbia South retail submarket (as defined by CoStar, Inc., a national real estate database). The village center's 120,053 sq. ft. of core and pad retail space comprises approximately 3.8% of the submarket's 3.15 million sq. ft. of gross retail inventory.

Demand Potentials: Retail

The following analyzes potential market support for retail space at King's Contrivance 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 as currently configured 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 King's Contrivance 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 and proposed grocery stores near King's Contrivance Village Center. The village center is anchored by a 56,900 sq. ft. Harris Teeter supermarket, and the center has achieved stabilized occupancies with vacancies of 2.2%. The closest competitor is the Giant located at the Owen Brown Village Center. There are five additional grocery stores located within a five-mile driving distance of the Kings Contrivance Village Center. This includes the new Whole Foods Market, which will serve a slightly different market in Downtown Columbia and two other grocery stores located to the south and west (including another Harris Teeter located at the West Market Place center in Fulton, and a Food Lion store located in Scaggsville). The Food Lion at Oakland Mills also serves a different market niche. The closest competitive stores are Wegmans, located at the intersection of McGaw Road and Snowden River Parkway, and Giant located at Hickory Ridge Village Center, at a distance of 3.6 miles and 3.9 miles, respectively.

Table 2: Competitive Supermarkets—King’s Contrivance Village Center

Retail Center	Location	Store	Distance (1)	
			Miles	Minutes
Owen Brown Village Center 7100 Cradlerock Way	Columbia	Giant	5.0	2.7
8855 McGaw Road 8855 McGaw Road	Columbia	Wegmans	7.0	3.6
Hickory Ridge Village Center 6410-30 Freetown Road	Columbia	Giant	6.0	3.9
Oakland Mills Village Center 5880 Robert Oliver Place	Columbia	Food Lion	8.0	3.9
Dobbin Center Dobbin Road @ Rte. 175	Columbia	Wal*Mart (2) (Not a Super Center)	8.0	4.4
Former Rouse Headquarters 10275 Little Patuxent Parkway	Columbia	Whole Foods	8.0	4.6
8300 Ice Crystal Drive Center 8300 Ice Crystal Drive	Scaggsville	Food Lion	7.0	5.6
West Market Place 8184 Westside Boulevard	Fulton	Harris Teeter	8.0	5.9

(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.

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, the 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). The village resident geography represents the most immediate and smallest trade area. The trade area for the supermarket *typically* extends 1.5 to 3 miles from the village center site (these boundaries can change based on the competitive context). It should be noted that most national chain general merchandise and apparel tenants

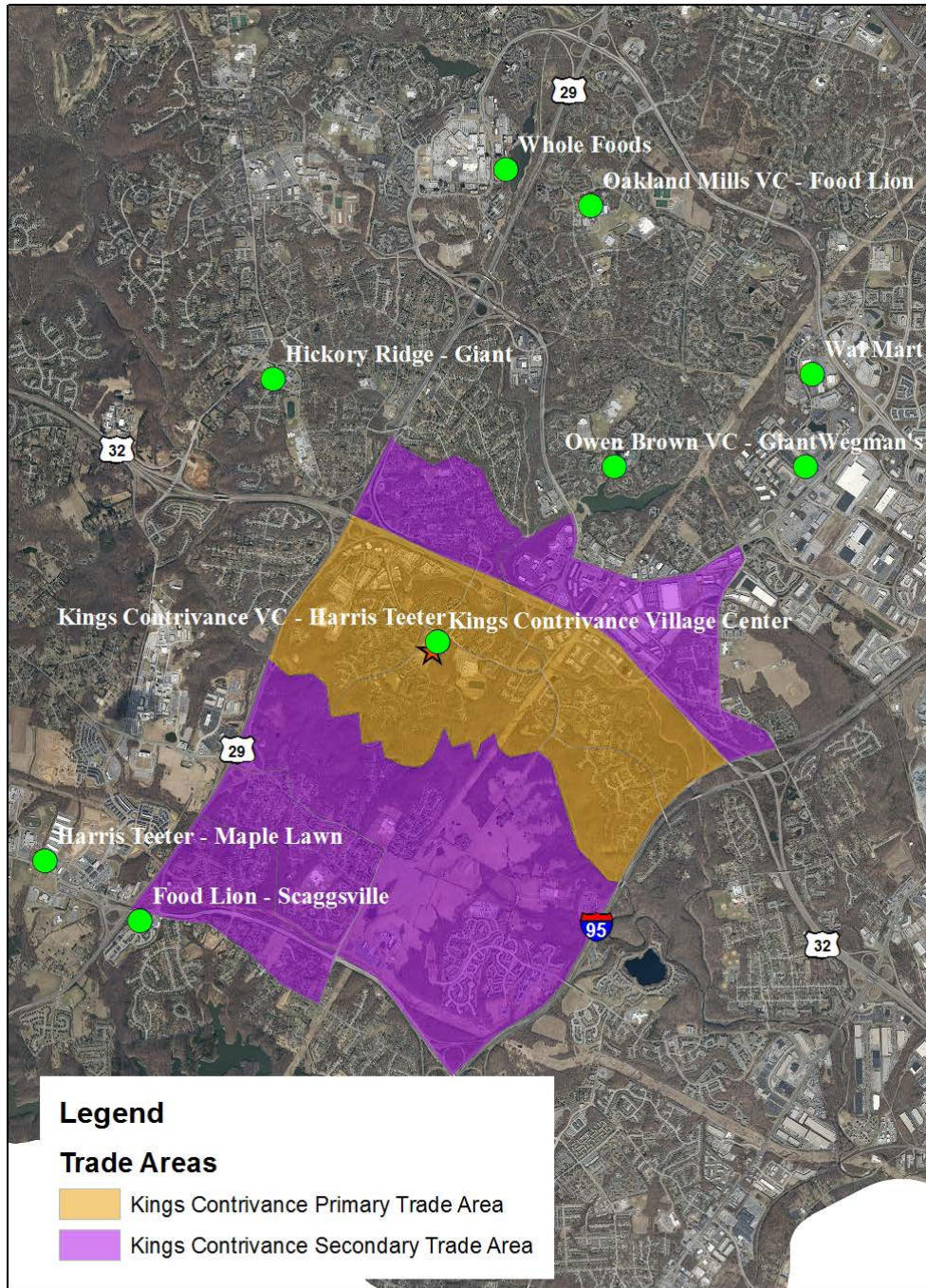
Appendix: Columbia Market Analysis & Economic Development Services Study

will typically not locate at village centers; the key reasons include a lack of visibility from internal residential roadways and the competitive context, which includes a nearby regional mall (Columbia Mall) with a critical mass of national retailers and anchor tenants that serve a much broader trade area (typically a 10- to 15-minute drive from the site of a regional mall). Figure 2 illustrates the trade areas for the King's Contrivance Village Center.

As reflected in Table 3, demographic characteristics of the resident population of the Village of King's Contrivance in 2010 include:

- 8,500 residents in 3,434 households;
- A mean household income of \$122,519, this is notably higher than that for Columbia as a whole (\$112,900);
- The percentage of owner-occupied housing units is similar to that for Columbia as a whole (69% versus 68%);
- The percentage of total households that are family households living within Kings Contrivance is the same as it is for Columbia as a whole (66%).

Figure 2: Trade Areas—King’s Contrivance Village Center



Columbia Market Analysis and Economic Development Services Study

Columbia Association
 Created February 12, 2014

Table 3: Demographic Characteristics, 2010—King’s Contrivance Village Center

	Village of King's Contrivance		Columbia	
		%		%
Race & Hispanic Ethnicity				
White	5,761	68%	51,150	57%
African American or Black	1,649	19%	22,201	25%
American Indian & Alaska Native	28	0%	368	0%
Asian	550	6%	9,955	11%
Native Hawaiian & Other Pacific Islander	2	0%	29	0%
Some Other Race	144	2%	2,579	3%
Population of Two or More Races	367	4%	4,033	4%
Total Population:	8,500	100%	90,315	100%
Hispanic or Latino	420	5%	7,146	8%
Non-Hispanic or Latino	8,080	95%	83,170	92%
Mean Household Income	\$ 122,519		\$ 112,900	
Total Occupied Housing Units	3,434		35,811	
Owned	2,362	69%	24,198	68%
Renter-Occupied	1,072	31%	11,613	32%
Total Households	3,434		35,812	
Total Families (1)	2,277	66%	23,770	66%
Husband/Wife Family	1,808	79%	18,190	77%
Husband/Wife with Children < 18	790	35%	8,441	36%
Other Family	469	21%	5,579	23%
Other Family with Children < 18	294	13%	3,516	15%
% 25+ with Bachelor's Degree	59%		61%	
% 25+ with Graduate/Prof Degree	25%		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.

Determining a Viable Trade Area & Estimated Supermarket Sales

Primary and secondary trade areas for King’s Contrivance 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.

Appendix: Columbia Market Analysis & Economic Development Services Study

King's Contrivance Village Center is located at the intersection of Eden Brook Drive and Guilford Road, to the west of Broken Land Parkway. Eden Brook Drive recorded an average annual traffic count of 4,721 vehicles per day in 2012. Guilford Road recorded an average annual traffic count of 7,620 per day in 2012. 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 comprises 8,725 residents; and
- The secondary trade area includes an additional 9,116 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 Kings Contrivance, which has a population of greater than 17,000 residents.

Table 4: Supermarket Trade Area Demographics—King's Contrivance Village Center

Census Block Group	Total Population	Housing Units
Primary Trade Area		
6055051	3,632	1,120
6055052	2,537	754
6055041	2,737	778
6051042	2,389	809
6051031	2,219	734
6051032	2,856	959
Subtotal:	16,370	5,154
Secondary Trade Area		
6051021	2,358	752
6055021	1,837	763
6056011	1,904	1,042
6055023	1,220	453
Subtotal:	7,319	3,010
TOTAL:	23,689	8,164

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 King's Contrivance is similar to that for the other village centers located east of Route 29. Most major big box and discount retailers are located within a 10-minute drive of King's Contrivance 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. The Mall at Columbia, located west of Route 29, 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).

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

Table 5: Columbia Area Regional Retail Centers—King’s Contrivance 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 King's Contrivance Village Center, a five-, 10- and 15-minute drive time analysis was conducted. The reach of other retail anchors and restaurants (especially restaurant clusters) is typically wider than that for supermarkets or smaller service-oriented retailers.

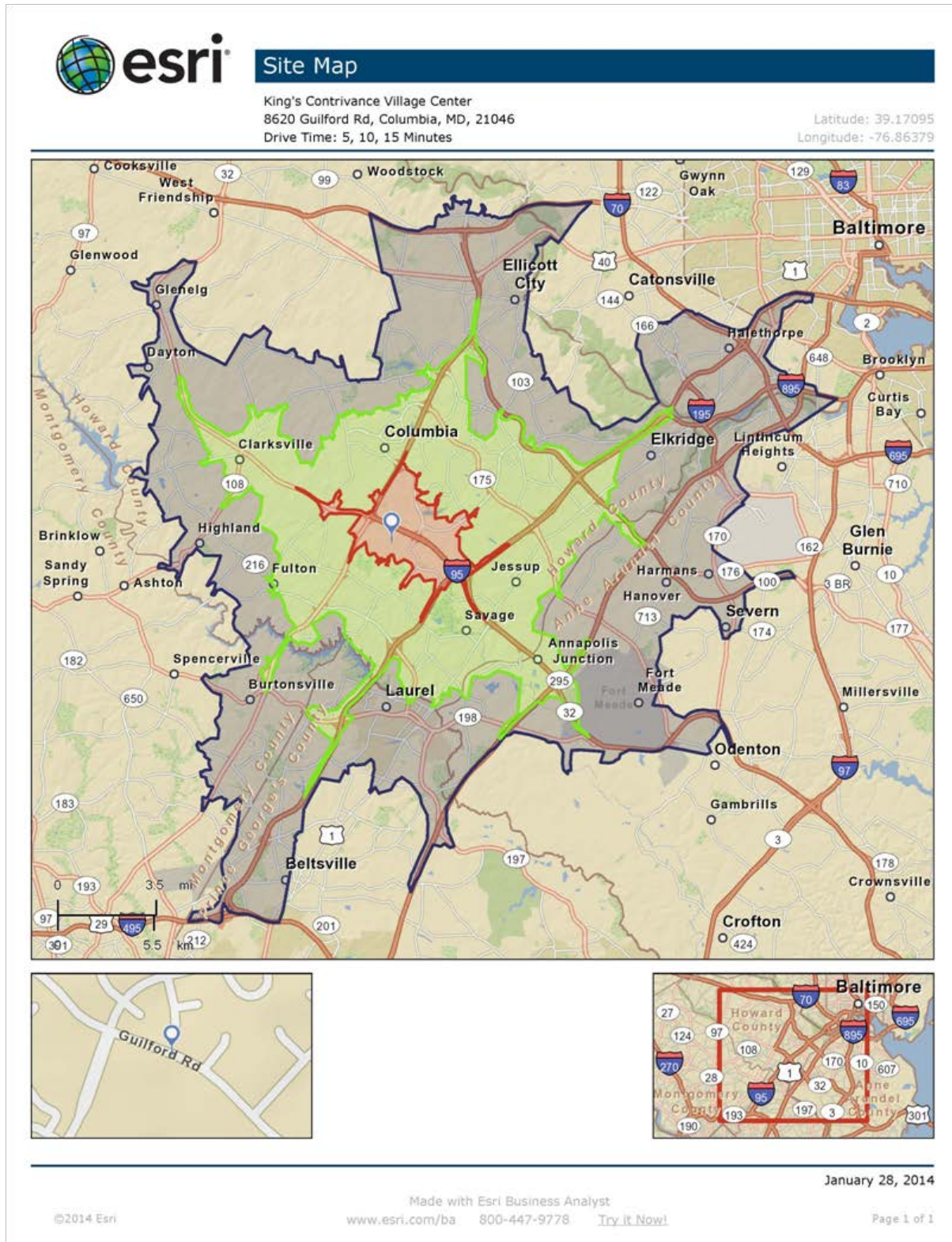
Figure 3 illustrates the 5-, 10- and 15-minute drive times for the Kings Contrivance Village Center. Table 6 documents the drive time area demographics. As illustrated in Figure 3, a five-minute drive time from the Village of King's Contrivance extends primarily west to Route 29 and east to I-95. Demographic characteristics and forecasts for 2012—2017 in the five-minute drive time from ESRI Business Analyst suggest:

- An estimated 15,365 residents with a median household income above that for the 10-minute drive (\$99,180 versus \$89,529); and
- A greater percentage of owner-occupied households than for Columbia as a whole (69% versus 67%).

The 10-minute drive from the Village of Kings Contrivance extends north to Route 100 and west to Clarksville. The 10-minute drive also includes new residential development underway in Downtown Columbia (Town Center) and the larger regional retail centers such as Columbia Crossing and Dobbin Center. The 10-minute drive time includes a total of 148,272 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—King's Contrivance Village Center



Appendix: Columbia Market Analysis & Economic Development Services Study

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

	0 - 5 Minutes	0 - 10 Minutes
Population		
2010	15,173	144,274
2012	15,365	148,272
2017 Forecast	16,111	158,253
Total Change 2012 - 2017	746	9,981
Annual Growth Rate, 2012 - 2017	0.95%	1.31%
Households		
2010	6,039	54,863
2012	6,131	56,423
2017 Forecast	6,434	60,230
Total Change 2012 - 2017	303	3,807
Annual Growth Rate, 2012 - 2017	0.97%	1.31%
Median Household Income		
2012	\$ 99,180	\$ 89,529
2017	\$ 105,276	\$ 100,213
Median Age		
2012	37.9	36.2
2017	38.1	36.4
2010 Housing Tenure		
Owner-Occupied Households	68.6%	54.0%
Renter-Occupied Households	27.6%	30.4%

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

Potential Buying Power: Food Service

As noted previously, the Harris Teeter supermarket serves as an important anchor for King’s Contrivance 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 the 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 King's Contrivance Village Center could **potentially support approximately 18,000 sq. ft. of food service** space. Currently, there is approximately 11,000 sq. ft. of existing food service tenants, **suggesting demand for an additional 7,000 sq. ft. of food service space at the village center.**

Capture rates are based on those of 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—King’s Contrivance Village Center

5-Minute Drive-time		
Total Households		6,434
Median Household Income		\$ 105,276
Gross Household Income:		\$ 677,345,784
x % Spent on Food Away from Home	(2)	4.4%
Total Spending on Food:		\$ 29,803,214
x Capture Rate		5%
Estimated Spending Potential (5-Minute):		\$ 1,490,161
5- to 10-Minute Drive-time		
Total Households		53,796
Median Household Income	(1)	\$ 100,213
Gross Household Income:		\$ 5,391,058,548
x % Spent on Food Away from Home	(2)	4.4%
Total Spending on Food:		\$ 237,206,576
x Capture Rate		2.5%
Estimated Spending Potential (5-10 Minute):		\$ 5,930,164
TOTAL - Resident Spending on Food:		\$ 7,420,325
+ Inflow @ 10%		824,481
TOTAL - Spending Potentials:		\$ 8,244,806
/ Average Sales (Per SF)		\$ 450
TOTAL SUPPORTABLE SPACE (In SF):		18,322

(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—King’s Contrivance Village Center

Food Service	General Service	Medical	Business/Office	Other	Anchors
Bagel Bin and Deli	Glamour Salon	Amado, Alfred Ph.D.	Allstate Amshey Agency	Boliwalou	Harris Teeter
Best Hunan	Kings Cobbler	Licensed Psychologist	Bank of America	Kings Contrivance Exxon	Community Center Building
McDonald's	Kings Contrivance Cleaners	Byron & David Bonebreak D.D.S., M.S.	M&T Bank	Kings Contrivance Formal	Hammond High School
Rita's Ice	Kings Contrivance Liquor	Deborah S. Cole, Psy.D.	State Farm Insurance	& Bridal Wear	Interfaith Center
Subway	& Smoke Shop	Columbia Mental Health Services, LLC	Allstate	Camp Attaway	CVS Pharmacy
Sushi Nari	Master Barber	Donald Hudson, PhD. & Irfan Saeed MD	Bellwether Publishing Ltd		
Corner Stable	The UPS Store	Family Dentistry	Cellar Door Selections LLC		
	Wellness Evolution	LAR Physical Therapy	Colette Brunell, LCSW-C		
		Terrye Mowatt, M.D.	Columbia Sales International, Inc.		
		Maria Mouratidis, Psy.D.	Intuitive Building Concepts		
		Zero Balancing Health Association	Saul Lieberman Ph.D.		
			KMR Industries LLC		
			R.B. Services Corporation		
			Ed Pigott, Ph.D.		
			Sparrow Kathleen Ph.D.		
			State Farm Insurance		
			Sandler & Associates		

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'I 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

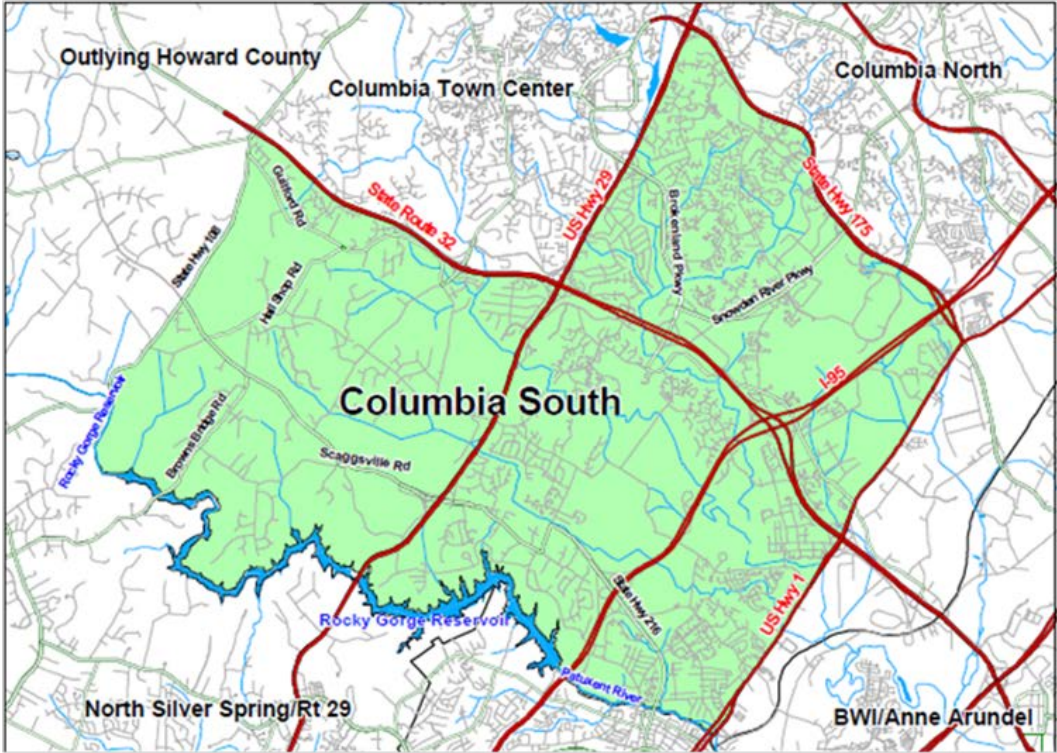
Source: Retail Development Strategies; Folan Consulting; WTL+a, updated November 2014.

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. King’s Contrivance Village Center, which includes 20,772 sq. ft. of professional office space, 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 for the time period 2005 to 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. As 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 fully 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 of 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.	%
Columbia North												
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	420,974		
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	124,831		
% Vacant	14.3%	14.2%	17.7%	15.4%	15.2%	14.6%	12.8%	13.7%	17.1%			2.3%
Total Net Absorption	164,778	34,383	44,180	105,767	19,716	12,959	37,257	39,626	2,255	460,921	51,200	
New Construction	314,531	38,450	134,045	70,427	18,873	-	-	68,779	92,000	737,105		
Years to Stabilized Occupancy (2)											7	
Columbia South												
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	2,976,863		
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	880,133		
% Vacant	9.5%	11.7%	11.1%	15.6%	11.9%	15.5%	13.7%	12.0%	15.8%			6.5%
Total Net Absorption	311,870	602,771	444,507	119,672	402,090	(8,456)	291,690	255,605	(12,049)	2,407,700	267,500	
New Construction	374,960	841,695	453,053	562,785	178,451	352,029	153,500	110,000	402,300	3,428,773		
Years to Stabilized Occupancy (2)											5	

(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.	%
Columbia Town Center												
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	36,814		
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	(87,542)		
% Vacant	12.5%	13.1%	12.2%	18.5%	19.9%	17.0%	16.5%	12.1%	9.0%			-4.0%
Total Net Absorption	(11,443)	(14,230)	21,727	(162,327)	95,608	80,412	13,445	120,651	(30,930)	112,913	12,500	
New Construction	-	-	-	-	163,814	-	-	-	-	163,814		
Years to Stabilized Occupancy (2)											18	
All Columbia Submarkets												
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	3,434,651		
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	917,422		
% Vacant	11.0%	12.4%	12.4%	16.2%	14.1%	15.7%	14.1%	12.3%	14.8%			3.7%
Total Net Absorption	465,205	622,924	510,414	63,112	517,414	84,915	342,392	415,882	(40,724)	2,981,534	331,300	
New Construction	689,491	880,145	587,098	633,212	361,138	352,029	153,500	178,779	494,300	4,329,692		
Years to Stabilized Occupancy (2)											6	

(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 Village Center at King's Contrivance contains 20,772 gross sq. ft. of 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, there are 2,570 sq. ft. of vacant office space, reflecting a 12.4% vacancy rate. The village center's office space accounts for approximately 0.22% of Columbia South's total 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 Howard County's 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 DPZ 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.

Table 11: Employment Forecasts & Allocation to Columbia

	2010	2012	As % of Total	2020	2012-2020 Forecast
Howard County: All Jobs					
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
Total - Full-time Jobs (2012-2020):		149,230	79.6%	168,344	19,114
Howard County: Full-time Jobs Only (3)					
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
Total - Full-time Jobs (2012-2020):		149,230	100.0%	168,344	19,114
Columbia (CDP)					
FAIR SHARE:			(4)		
Total Jobs (2012-2020):		71,153	38%	80,266	9,113

(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.

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

Appendix: Columbia Market Analysis & Economic Development Services Study

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 (18,202 sq. ft.) relative to the amount of occupied office space in Columbia (12.2 million sq. ft.), or 0.15%. This allocates approximately nine new office jobs to King's Contrivance by 2020 based on its current fair share; and
- Using an *average* occupancy factor of approximately 250 sq. ft. per employee yields **estimated demand for 2,331 sq. ft. of additional office space at King's Contrivance by 2020.** However, there are currently 2,570 sq. ft. of vacant space. If vacancies remain unchanged, new demand can be accommodated in the building's existing vacant space;
- 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 King's Contrivance—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

Employment Forecasts	
Total Employment-Columbia CDP	
2012	71,153
2020	80,266
New Jobs:	9,113
2012 Office Jobs-All Columbia Submarkets	
Occupied Office Inventory	12,247,951
Occupancy Ratio Per SF	257
Total:	47,673
<i>As % of Total Jobs</i>	67%
2020 Office Jobs-Columbia TAZ Zones	
Existing Jobs	47,673
+ Share of New Jobs @ 67%	6,106
Total:	53,778
Office Market Potentials-King's Contrivance	
Fair Share Analysis	
Occupied Office Space-King's Contrivance	18,202
<i>As % of Columbia (Fair Share)</i>	0.15%
2020 Office Jobs to Columbia	6,106
Fair Share	0.15%
Allocation to King's Contrivance:	9
Existing Jobs	71
2020 Office Jobs-King's Contrivance:	80
Occupancy Ratio Per SF	257
Gross Demand (SF):	20,533
Occupied Office Space	18,202
Net Demand (SF):	2,331
Existing Vacant Office Space:	2,570

Source: ESRI Business Analyst; CoStar, Inc.; RDS: WTL+a, April 2014.

Demand Potentials: Housing

The consultants reviewed two data sources to consider future demand for new housing at King’s Contrivance 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.

As illustrated in Table 13, ESRI forecasts suggest 340 new owner- and renter-occupied units through 2017 (plus a slight increase in existing vacancies of 21 units), while Howard County’s planning estimates suggest that up to 363 single-family (both detached and attached) units could be built through 2020 within approximately a five-minute drive of King’s Contrivance Village Center. Tenure forecasts suggest almost 64% of all housing units within five minutes of King’s Contrivance Village Center will be owner-occupied. 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.

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
King's Contrivance					
Housing Units					
Owner-Occupied	4,233	66.0%	4,485	66.6%	252
Renter-Occupied	1,899	29.6%	1,987	29.5%	88
Vacant Units	282	4.4%	303	4.5%	21
Total:	6,414	100.0%	6,734	100.0%	340

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

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

	2015	% of Total	2020	% of Total	Total
King's Contrivance					
Housing Unit by Product					
Single-family Detached	9	0.0%	171	61.7%	180
Single-family Attached	77	0.0%	106	38.3%	183
Multi-family	-	0.0%	-	0.0%	-
Total:	86	0.0%	277	0.0%	363

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

Characteristics of the Housing Market

In terms of the character of housing in the Village of King's Contrivance, the 2010 U.S. Census reported a total of 3,564 housing units. As reported in the "Characteristics of Columbia" report (Columbia Association, 2012), the housing stock is comprised of single-family detached (50%); townhouses/attached (22%); and multi-family dwellings (28%). Fully 66% of the housing units in King's Contrivance are owner-occupied versus 30% that are renter-occupied. The report also indicates 128 vacant units, for an overall vacancy rate of 4%, which is on par with Columbia as a whole (4%). According to the "Sale Price Trends" report (Columbia Association, 2013) between 2000 and 2010, the average sales price of housing units in King's Contrivance increased by 80%—from \$165,543 to \$298,482 in 2010, as compared to 84% for Columbia villages overall and 82% for Howard County. The rate of increase in average sales prices in King's Contrivance mirrored that of both Columbia and Howard County, which increased by rates of 84% and 82%, respectively, during this period. However, the rate of increase in average sales prices in King's Contrivance was well-below that of many of Columbia's other villages, which ranged from a low of 37% in River Hill to a high of 120% in Oakland Mills between 2000 and 2010.

For planning purposes only, Howard County planning estimates suggest that up to 363 single-family (detached and attached) units could be built within approximately a five-minute drive-time of the King's Contrivance Village Center. Several factors are likely to determine the overall marketability of any new housing at King's Contrivance Village Center, including:

- Site carrying capacity, including the amount of land available to accommodate new housing at the village center 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 Village Center redevelopment is the most recent and market-relevant example of newer, freestanding multi-family development introduced to the village centers. Its overall market success, therefore, will be relevant as a comparison to future housing potentials at King's Contrivance;
- Competition with initial phases of multi-family development in Downtown Columbia;
- Continued strong operating performance (i.e., sales, rental occupancy, etc.) of multi-family housing located elsewhere in Columbia, particularly those complexes adjacent/proximate to village centers, such as the Villas at River Hill;
- 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 King's Contrivance Village Center is rental or fee simple.

Key Market Findings, Strengths & Weaknesses

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

- King's Contrivance contained a 2010 population of 8,500 residents in 3,434 households, comprising approximately 9.4% of Columbia's total population according to "Characteristics of Columbia" prepared by Columbia Association;
- Demographic characteristics of residents of the Village of King's Contrivance in 2010 suggest:
 - A mean household income of \$122,519, this is notably higher than that for Columbia as a whole (\$112,900);
 - The percentage of owner-occupied housing units is similar to that for Columbia as a whole (69% versus 68%);
 - The percentage of family households as a percentage of total households living within Kings Contrivance is the same as that for Columbia as a whole (66%

- The King's Contrivance Village Center is anchored by a 56,900 sq. ft. Harris Teeter and the center has stabilized occupancies. The closest competitor is the Giant supermarket located at the Owen Brown Village Center.
- There are five additional grocery stores located within a five-mile driving distance of the village center. This includes the new Whole Foods Market, which will serve a slightly different market in Downtown Columbia and two other grocery stores located to the south and west (including another Harris Teeter located at the West Market Place center in Fulton, and a Food Lion store located in Scaggsville). The Food Lion at Oakland Mills also serves a different market niche. The closest competitive stores are Wegmans, located at the intersection of McGaw Road and Snowden River Parkway, and Giant located at Hickory Ridge Village Center, at a distance of 3.6 miles and 3.9 miles, respectively.
- 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 continue to support a traditional grocery store at King's Contrivance, which has a population of greater than 17,000 residents.
- The demand analysis for food service suggests that **King's Contrivance Village Center could potentially support approximately 18,322 sq. ft. of food service** space. Currently, there is approximately 11,000 sq. ft. of existing food service tenants, **suggesting demand for an additional 7,000 sq. ft. of food service space at the village center.**
- According to CoStar, Inc., overall retail and office occupancies at King's Contrivance Village Center over the past two years have been stable. As of the November 15, 2013 CoStar property profile provided by Howard County, there are only 565 sq. ft. of vacant space in the center's core retail center. Pad retail uses are 100% occupied, and there are 2,570 sq. ft. of vacant office space, resulting in a 12.4% vacancy rate. Overall, however, the vacancy rate at King's Contrivance is only 2.2%.
- By comparison, the overall retail vacancy rate of 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%. Key findings from the office analysis suggest:

- An inventory of almost **9.5 million sq. ft. of office space in Columbia South**, which comprises fully 66% of Columbia’s 14.3 million sq. ft. office market. In fact, Columbia South is the largest office submarket in Howard County.
- A significant increase in the amount of vacant office space—from 620,000 sq. ft. in 2005 to fully 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 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 2,331 sq. ft. of professional office space in the village center by 2020.** Since the existing office building has 2,570 sq. ft. of existing vacant space, near-term demand could potentially be accommodated in existing space, if vacancies remain unchanged.
- Currently, the office buildings in each of the 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; and
- Another factor affecting overall market potentials for development of new office space in the village centers—including King’s Contrivance—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.
- Howard County’s forecasts suggest that more than 360 new housing units could be built through 2020 within approximately a five-minute drive of King’s Contrivance Village Center.

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 King's Contrivance Village Center will be limited for the foreseeable future.

