



## Market Analysis

- Zip Code Survey
- Trade Area Definition
- Demographics
- Retail Leakage Analysis
- Conclusions

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This presentation shares a summary of the zip code survey completed by the merchants of Old Town Ellicott City. The zip code survey serves at the foundation for defining the trade area for the Old Ellicott City. Once the trade area is established then demographics, retail leakage, and ultimately market conclusions can be drawn. This analysis will be used to guide recommendations in the plan to ensure they are based on a grasp of the market conditions.

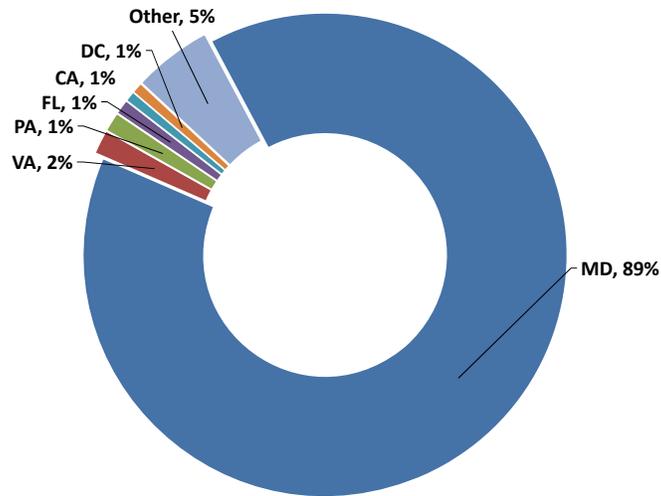
## Zip Code Survey

- **July Survey**
  - 12 participating businesses
  - 1,114 visitors
- **September Survey**
  - 21 participating businesses
  - 1,159 visitors
- **Total**
  - 2,272 visitors
  - 396 Unique zip codes
  - 38 States plus Washington DC
  - 4 foreign countries

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The zip code survey was conducted through the assistance of the Howard County Department of Planning and Zoning and the Ellicott City Partnership. The merchants completed two surveys – one in July and a follow up in September. The results of each survey is shown above. The number of unique zip codes, states, and foreign countries captured during the survey period confirm that Ellicott City is indeed a strong visitor destination. Having completed surveys of this nature in over 200 communities across the United States, these results place Old Ellicott City in the top 20% of communities that have conducted the survey as far as breadth of visitors.

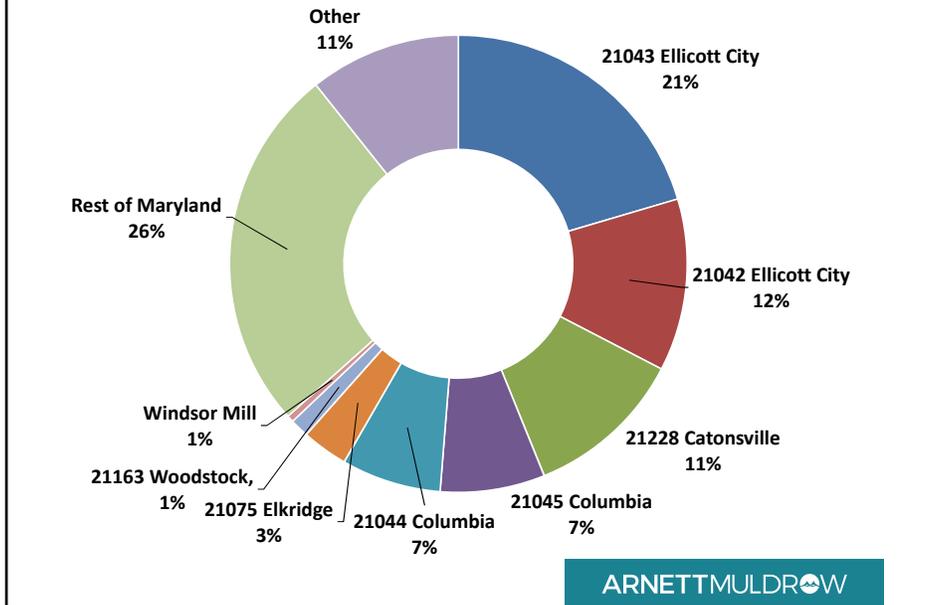
## Customer Origin by State



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Having affirmed that visitors comprise an important portion of the market, it is important to recognize that Old Ellicott City remains primarily a regional destination where the independent merchants and restaurants serve customers in Howard and Baltimore County. In fact, 89% of the visitors to Old Ellicott City had a Maryland zip code. This does not diminish the importance of the broader visitor market but does point to an opportunity to market Old Ellicott City as a destination in the region and ultimately capture visitors to the area.

## Customer Origin Detail



A more detailed look at customer origin reveals that Ellicott City remains a center of retail activity for local residents. In fact, one-third of customer visits come from the Ellicott City Zip codes of 21043 (21%) and 21042 (12%). Catonsville and Columbia that flank Ellicott City account for another 25% of the customers. True out of town “visitors” are not easy to determine because that definition is fluid but an estimate is about 20% of the customers are those who have done a “day trip” from outside of the immediate area.

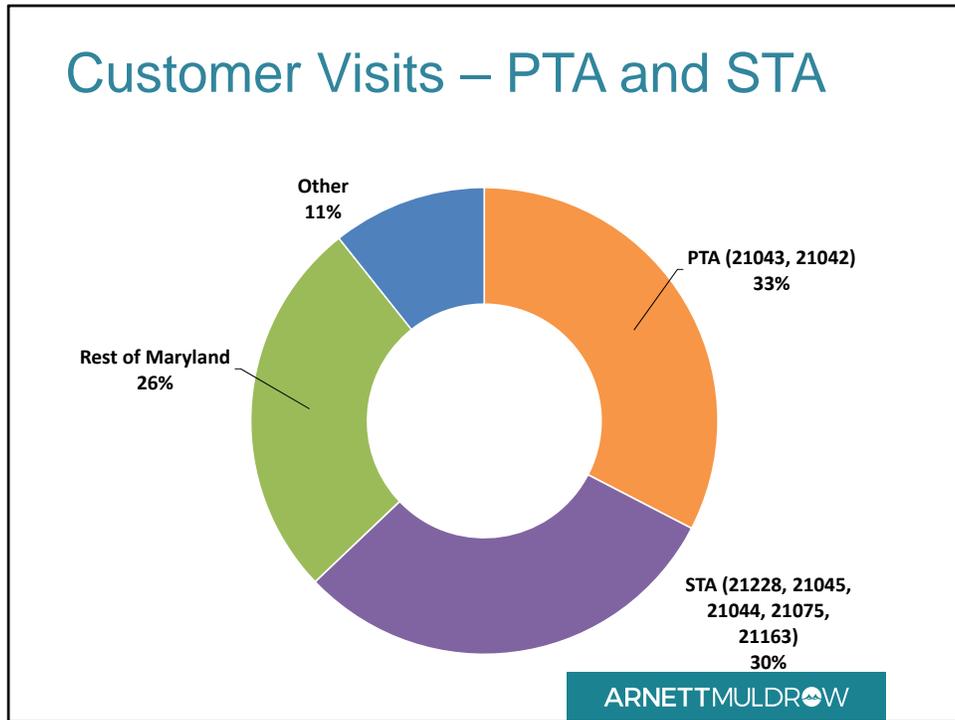
## Trade Area Definition

Zip Code	Area	2017 Population	Visits	Visits/1000 Pop
21043	Ellicott City	48,640	464	9.54
21042	Ellicott City	41,345	277	6.70
21228	Catonsville	49,910	256	5.13
21045	Columbia	40,309	168	4.17
21044	Columbia	44,371	160	3.61
21163	Woodstock	8,338	30	3.60
21075	Elkridge	32,062	74	2.31
21029	Clarksville	12,913	20	1.55
21090	Linthicum Heights	9,832	9	0.92
21797	Woodbine	9,164	8	0.87
20755	Fort George G Meade	9,600	8	0.83
21076	Hanover	15,556	12	0.77
21046	Columbia	15,939	11	0.69
21227	Halethorpe	34,310	21	0.61
20723	Laurel	33,241	18	0.54
21784	Sykesville	38,242	18	0.47

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In order to define the trade area, the customer visits should be weighted in comparison with the population of the zip code where the originate. This is done by calculating visits-per-thousand residents. The two Ellicott City zip codes are the primary trade area and five additional zip codes comprise the secondary trade area as shown in the chart above. It is important to note that the “break points” for the trade areas in Ellicott City are less pronounced than many communities showing an opportunity to further market the area as a regional destination.

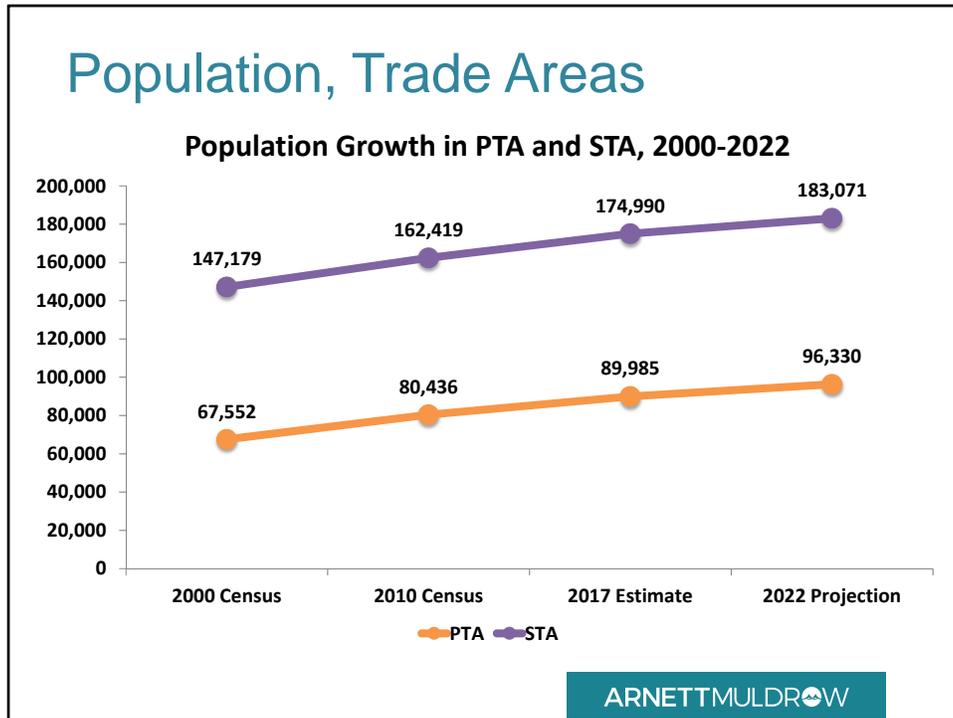
## Customer Visits – PTA and STA



This chart simply affirms that the prior table accounts for a significant proportion of the customer visits in the survey. It also points to a very important consideration: from this point forward in the presentation, the numbers being showed represent only 63% of the most loyal customer base for Ellicott City. Any opportunities, market data, and growth point to conservative estimates of the potential for Ellicott City to sustain a strong retail and restaurant base.

With that said, market forces alone will not sustain a unique district like Ellicott City – the community must continually evolve and change to retain existing customers, attract new customers to be the vibrant district it is today.

## Population, Trade Areas



Population growth in both the primary and secondary trade areas has been robust. The two Ellicott City zip codes (the primary trade area) grew over 12% with 9,500 moving in between 2010 and 2017. It is expected to grow by another 6,000 people by 2022. 12,500 people moved into the secondary trade area zip codes between 2010 and 2017 and the population expected to increase by another 8,000 by 2022.

This population growth in both trade areas indicates that Old Ellicott City can continue to play a key role serving as the single greatest concentration of independent shops and restaurants in Howard County. It also indicates potential for additional housing options, non-retail businesses, and a continuously “curated” selection of options for a changing community.

## Age & Household Size, PTA

Number of Households, 2017

**32,290**

Average Household Size

**2.78**

Median Age

**40.65**



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The number of households in the market is 32,290 and is growing at a rate reflective of the community. The average household size is similar to that of Maryland and the United States while the median age is slightly higher than the country (37.8).

## Income & Employment, PTA

Median Household Income

**\$121,296**

Families Below Poverty

**3.56%**

Unemployment Rate

**3.07%**



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The median household income for the trade area is \$121,296 which is over 60% higher than that of Maryland which is \$75,847. Maryland is the highest median household income state in the United States. The key observation here is that median household income for the Ellicott City trade area is near the top in the United States further accenting the potential for Old Ellicott City to continue to thrive in the local market.

## Retail Leakage Analysis

### **RETAIL LEAKAGE**

When local consumers  
buy more than stores sell

OR

### **RETAIL GAIN**

When stores sell more  
than locals buy



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Retail leakage is an indicator of whether a particular geography has a retail base that equals the spending power of the people who live in the same geography. Retail leakage is a dynamic situation where shoppers and diners can spend money across a large area particularly in an urban area where work patterns and transportation networks create broad travel and commuting patterns.

## Retail Leakage, Primary Trade Area

Stores Sell

**\$1.17 billion**

Consumers Buy

**\$1.93 billion**

Market LEAKS

**\$761 million**



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In the two Ellicott City zip codes, stores sell \$1.17 billion in merchandise while consumers spend \$1.93 billion in goods. With no growth and no accounting for visitor traffic coming into the area – the Old Ellicott City trade area leaks \$761 million per year in retail sales.

Again, in an urban market, it is unlikely that the community can reach “retail equilibrium.” Having said that, Old Ellicott City can reasonably expect to capture some degree of the sales back into the market and into the local area. This, of course, is contingent on the broader geography not having a substantial retail gain.

## Retail Leakage, Secondary Trade Area

Stores Sell

**\$3.11 billion**

Consumers Buy

**\$3.62 billion**

Market LEAKS

**\$510 million**



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The secondary trade area that includes the Columbia zip codes as well as the Catonsville, Woodstock, and Elkridge zip codes accounts for a much larger retail market and consumer buying power. However, these geographies also leak sales to the tune of \$510 million per year. This retail leakage further emphasizes Old Ellicott City's role as a specialty market for the greater region.

## Retail Leakage, Combined Trade Area

Stores Sell

**\$4.27 billion**

Consumers Buy

**\$5.54 million**

Market LEAKS

**\$1.27 billion**



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Combined the entire market leaks sales to the tune of \$1.27 billion per year. Even if Old Ellicott City were to capture only 2% of this loss, it would represent increased sales of over \$25 million for the district NOT accounting for growth or visitors. The next slides will delve deeper into the finer grain of market categories where leakage is occurring.

Retail Store Types	PTA			STA		
	2017 Consumer Expenditures	2017 Retail Sales	2017 Opportunity Gap/Surplus	2017 Consumer Expenditures	2017 Retail Sales	2017 Opportunity Gap/Surplus
<b>Demand by Store Type</b>						
Total Retail Sales (incl. Food/Drink)	1,927,472,381	1,166,136,283	761,336,098	3,617,090,793	3,106,884,165	510,206,628
Total Retail Sales	1,692,157,454	1,063,335,123	628,822,331	3,172,001,714	2,674,877,246	497,124,468
<b>Motor Vehicle &amp; Parts Dealers</b>						
Motor Vehicle & Parts Dealers - 441	377,321,382	320,130,174	57,191,208	693,765,966	327,586,160	366,179,806
Automotive Dealers - 4411	324,869,013	312,252,708	12,616,305	600,042,568	278,798,690	321,243,878
Other Motor Vehicle Dealers - 4412	23,485,808	3,726,030	19,759,778	36,287,679	2,554,084	33,733,595
Automotive Parts, Accessories, & Tire Stores - 4413	28,966,561	4,151,436	24,815,125	57,435,719	46,233,386	11,202,333
<b>Furniture &amp; Home Furnishings Stores</b>						
Furniture & Home Furnishings Stores - 442	44,446,732	6,987,258	37,459,474	81,212,066	72,315,912	8,896,154
Furniture Stores - 4421	24,694,731	3,593,227	21,101,504	44,768,442	41,500,976	3,267,466
Home Furnishing Stores - 4422	19,752,001	3,394,031	16,357,970	36,443,624	30,814,936	5,628,688
<b>Electronics &amp; Appliance Stores</b>						
Electronics & Appliance Stores - 443	36,057,236	11,771,154	24,286,082	68,021,412	83,058,618	(15,037,206)
Household Appliances Stores - 443141	5,055,568	573,967	4,481,601	9,561,254	9,647,444	(86,190)
Electronics Stores - 443142	31,001,668	11,197,187	19,804,481	58,460,158	73,411,174	(14,951,016)
<b>Building Material &amp; Garden Equipment &amp; Supply Dealers</b>						
Building Material & Garden Equipment & Supply Dealers - 444	212,171,926	98,863,418	113,308,508	395,212,700	184,300,231	210,912,469
Building Material & Supply Dealers - 4441	196,487,484	97,550,142	98,937,342	365,255,726	182,882,089	182,373,637
Lawn and Garden Equipment and Supplies Stores - 4442	15,684,442	1,313,276	14,371,166	29,956,974	1,418,142	28,538,832
<b>Building Material &amp; Supply Dealers</b>						
Home Centers - 44411	80,148,662	19,267,172	60,881,490	149,116,927	93,968,923	55,148,004
Paint and Wallpaper Stores - 44412	4,601,238	3,462,313	1,138,925	8,195,159	2,890,620	5,304,539
Hardware Stores - 44413	18,976,643	64,210,164	(45,233,521)	35,744,832	1,975,698	33,769,134
Other Building Materials Dealers - 44419	92,760,941	10,610,493	82,150,448	172,198,808	84,046,848	88,151,960
Building Material Dealers, Lumberyards - 444191	33,081,945	3,958,794	29,123,151	62,747,063	31,358,069	31,388,994
Outdoor Power Equipment Stores - 44421	3,269,499	0	3,269,499	5,881,033	0	5,881,033
Nursery and Garden Centers - 44422	12,414,943	1,313,276	11,101,667	24,075,941	1,418,142	22,657,799
<b>Food &amp; Beverage Stores</b>						
Food & Beverage Stores - 445	227,027,613	187,319,358	39,708,255	430,647,853	417,464,050	13,183,803
Grocery Stores - 4451	204,132,716	170,724,631	33,408,085	387,206,461	372,655,059	14,551,402
Supermarkets and Other Grocery (except Convenience) Stores - 44511	191,515,372	165,390,586	26,124,786	362,837,755	359,806,412	3,031,343
Convenience Stores - 44512	12,617,344	5,334,045	7,283,299	24,368,706	12,848,647	11,520,059
Specialty Food Stores - 4452	7,497,619	418,970	7,078,649	14,148,406	2,861,184	11,287,222
Beer, Wine, & Liquor Stores - 4453	15,397,278	16,175,757	(778,479)	29,292,986	41,947,807	(12,654,821)

The tables here provide a specific breakdown of retail sales according to North American Industrial Classification System (NAICS) codes. These codes are used to classify businesses. Several notes are important in understanding these tables:

1. The opportunity gap or surplus shown in black represents a gap or leakage. If it is shown in red, the market gains sales in that category.
2. These categories are what stores report sales to be. Sometimes, wholesale sales are conflated with retail sales creating a misread in the data. This should be noted.
3. Some people will trade shopping as expected if a particular store type is not available in the area – for instance, a shopper will buy groceries at a discount store (such as Target) or people will buy online in lieu of shopping in a brick and mortar store.
4. Online sales are accounted for in this estimate but the retail dynamics in the country are changing fast – consumers are shopping online more and more. This appears to be impacting traditional big box stores more than experiential retail such as that found in Old Ellicott City.
5. Beer, wine, and liquor stores are highly impacted by individual state laws and should be understood as such.

Retail Store Types	PTA			STA		
	2017 Consumer Expenditures	2017 Retail Sales	2017 Opportunity Gap/Surplus	2017 Consumer Expenditures	2017 Retail Sales	2017 Opportunity Gap/Surplus
<b>Health &amp; Personal Care Stores</b>						
Health & Personal Care Stores - 446	116,555,714	81,523,336	35,032,378	222,029,266	198,504,960	23,524,306
Pharmacies and Drug Stores - 44611	95,526,707	61,624,051	33,902,656	182,401,025	120,721,517	61,679,508
Cosmetics, Beauty Supplies and Perfume Stores - 44612	9,741,396	3,189,750	6,551,646	18,598,859	43,182,713	(24,583,854)
Optical Goods Stores - 44613	4,189,234	8,969,008	(4,779,774)	7,493,496	27,645,466	(20,151,970)
Other Health and Personal Care Stores - 44619	7,098,377	7,740,527	(642,150)	13,535,886	6,955,264	6,580,622
<b>Gasoline Stations</b>						
Gasoline Stations - 447	107,223,381	52,108,918	55,114,463	210,784,321	59,454,572	151,329,749
Gasoline Stations with Convenience Stores - 44711	53,623,890	48,287,588	5,336,302	105,413,076	46,516,456	58,896,620
Other Gasoline Stations - 44719	53,599,491	3,821,330	49,778,161	105,371,245	12,938,116	92,433,129
<b>Clothing &amp; Clothing Accessories Stores</b>						
Clothing & Clothing Accessories Stores - 448	101,228,000	21,941,914	79,286,086	180,285,414	302,364,094	(122,078,680)
Clothing Stores - 4481	69,769,075	12,133,739	57,635,336	127,239,584	226,263,447	(99,023,863)
Men's Clothing Stores - 44811	2,994,863	15,067	2,979,796	5,533,707	7,380,292	(1,846,585)
Women's Clothing Stores - 44812	15,885,474	3,267,811	12,617,663	28,698,609	45,896,741	(17,198,132)
Children's and Infants' Clothing Stores - 44813	3,624,885	0	3,624,885	6,679,718	8,681,406	(2,001,688)
Family Clothing Stores - 44814	37,672,751	6,271,829	31,400,922	68,867,261	137,663,568	(68,796,307)
Clothing Accessories Stores - 44815	3,787,839	1,939,247	1,848,592	6,769,096	12,677,306	(5,908,210)
Other Clothing Stores - 44819	5,803,263	639,785	5,163,478	10,691,193	13,964,134	(3,272,941)
Shoe Stores - 4482	12,007,703	3,356,119	8,651,584	22,241,539	47,039,244	(24,797,705)
Jewelry, Luggage, & Leather Goods Stores - 4483	19,451,222	6,452,056	12,999,166	30,804,291	29,061,403	1,742,888
Jewelry Stores - 44831	18,513,817	6,452,056	12,061,761	29,028,602	25,601,455	3,427,147
Luggage, & Leather Goods Stores - 44832	937,405	0	937,405	1,775,689	3,459,948	(1,684,259)
<b>Sporting Goods, Hobby, Book, &amp; Music Stores</b>						
Sporting Goods, Hobby, Book, & Music Stores - 451	39,100,371	35,179,582	3,920,789	72,107,614	106,476,318	(34,368,704)
Sporting Goods, Hobby, & Musical Instrument Stores - 4511	32,250,475	25,043,734	7,206,741	59,695,549	96,701,710	(37,006,161)
Sporting Goods Stores - 45111	21,632,236	10,489,619	11,142,617	39,527,109	67,199,033	(27,671,924)
Hobby, Toys and Games Stores - 45112	7,189,274	14,102,103	(6,912,829)	13,807,900	21,375,730	(7,567,830)
Sew/Needlework/Piece Goods Stores - 45113	1,213,811	33,153	1,180,658	2,359,937	2,507,929	(147,992)
Musical Instrument and Supplies Stores - 45114	2,215,154	418,859	1,796,295	4,000,603	5,619,018	(1,618,415)
Book, Periodical, & Music Stores - 4512	6,849,896	10,135,848	(3,285,952)	12,412,065	9,774,608	2,637,457
Book Stores and News Dealers - 45121	6,849,896	10,135,848	(3,285,952)	12,412,065	9,774,608	2,637,457
Book Stores - 451211	6,222,742	10,135,848	(3,913,106)	11,199,774	5,998,809	5,200,965

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5. The secondary trade area is showing large surpluses in clothing sales. It is very likely that Arundel Mills' store sales are accruing to the secondary trade area. This is a typical "read" when large outlet malls are in a geography. This could also account for the large surplus in sporting goods stores (Cabela's).

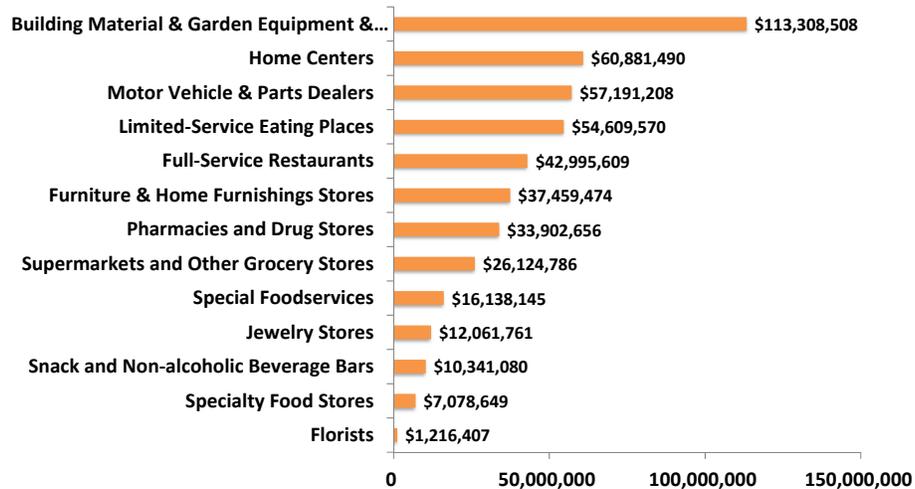
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<b>General Merchandise Stores</b>						
General Merchandise Stores - 452	210,606,859	120,486,523	90,120,336	396,914,154	517,856,086	(120,941,932)
Department Stores excluding leased depts. - 4521	115,457,472	118,713,266	(3,255,794)	216,601,410	217,396,921	(795,511)
Other General Merchandise Stores - 4529	95,149,387	1,773,257	93,376,130	180,312,744	300,459,165	(120,146,421)
<b>Miscellaneous Store Retailers</b>						
Miscellaneous Store Retailers - 453	48,210,999	30,679,237	17,531,762	92,379,708	79,218,490	13,161,218
Florists - 4531	2,568,735	1,352,328	1,216,407	4,801,586	2,018,504	2,783,082
Office Supplies, Stationery, & Gift Stores - 4532	18,114,115	13,941,317	4,172,798	34,685,244	43,307,398	(8,622,154)
Office Supplies and Stationery Stores - 45321	10,501,362	3,700,376	6,800,986	20,217,815	27,211,900	(6,994,085)
Gift, Novelty, and Souvenir Stores - 45322	7,612,753	10,240,941	(2,628,188)	14,467,429	16,095,498	(1,628,069)
Used Merchandise Stores - 4533	7,868,165	8,631,579	(763,414)	14,340,042	7,006,947	7,333,095
Other Miscellaneous Store Retailers - 4539	19,659,984	6,754,013	12,905,971	38,552,836	26,885,641	11,667,195
<b>Non-store Retailers</b>						
Non-store Retailers - 454	172,207,241	96,344,251	75,862,990	328,641,240	326,277,755	2,363,485
<b>Foodservice &amp; Drinking Places</b>						
Foodservice & Drinking Places - 722	235,314,927	102,801,160	132,513,767	445,089,079	432,006,919	13,082,160
Special Foodservices - 7223	17,394,401	1,256,256	16,138,145	32,885,230	18,084,619	14,800,611
Drinking Places -Alcoholic Beverages - 7224	7,628,395	1,245,450	6,382,945	14,589,917	12,215,444	2,374,473
Full-Service Restaurants - 722511	117,475,351	74,479,742	42,995,609	222,183,323	220,165,078	2,018,245
Limited-Service Eating Places - 722513	79,653,704	25,044,134	54,609,570	150,551,414	166,074,196	(15,522,782)
Cafeterias, Grill Buffets, and Buffets - 722514	2,098,562	52,144	2,046,418	3,966,446	5,881,139	(1,914,693)
Snack and Non-alcoholic Beverage Bars - 722515	11,064,514	723,434	10,341,080	20,912,749	9,586,443	11,326,306
<b>GAFO</b>						
GAFO (General merchandise, Apparel, Furniture & Other) - (452, 448, 442, 443, 451, 4532)	449,553,313	210,307,748	239,245,565	833,225,904	1,125,378,426	(292,152,522)

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4. Online sales are accounted for in this estimate but the retail dynamics in the country are changing fast – consumers are shopping online more and more. This appears to be impacting traditional big box stores more than experiential retail such as that found in Old Ellicott City.
5. The general merchandise category is of note here – large big box stores sell more than consumers buy indicating that as a suburban location these stores are performing as a retail magnet.
6. An interesting note is that both the primary and secondary trade areas leak sales retaurants.

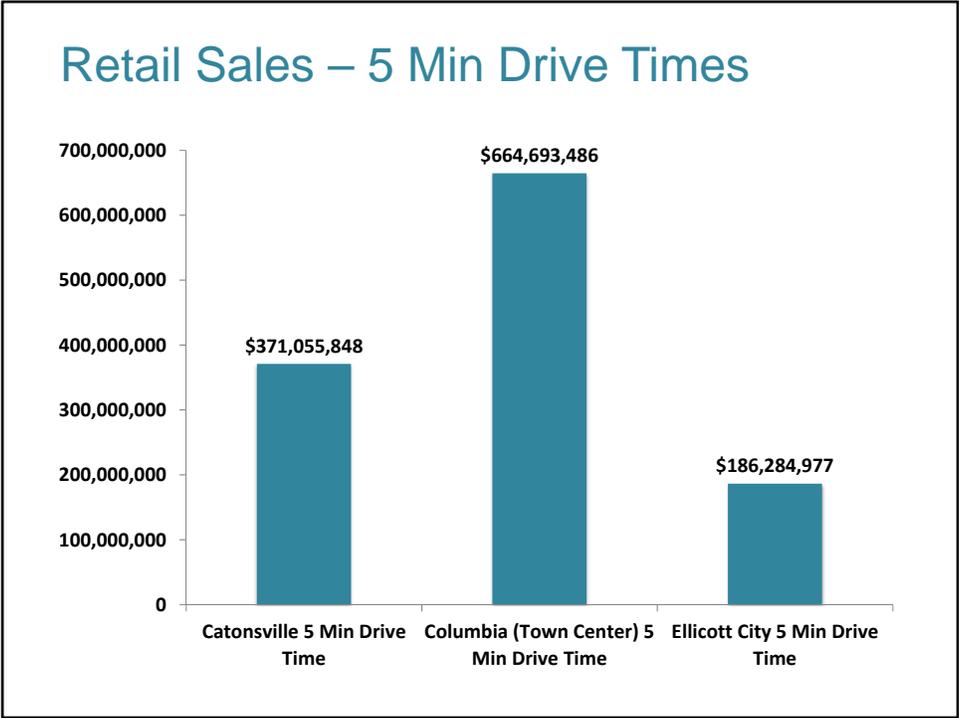
# Key Opportunities, PTA

## Retail Leakage in the PTA, Select Categories



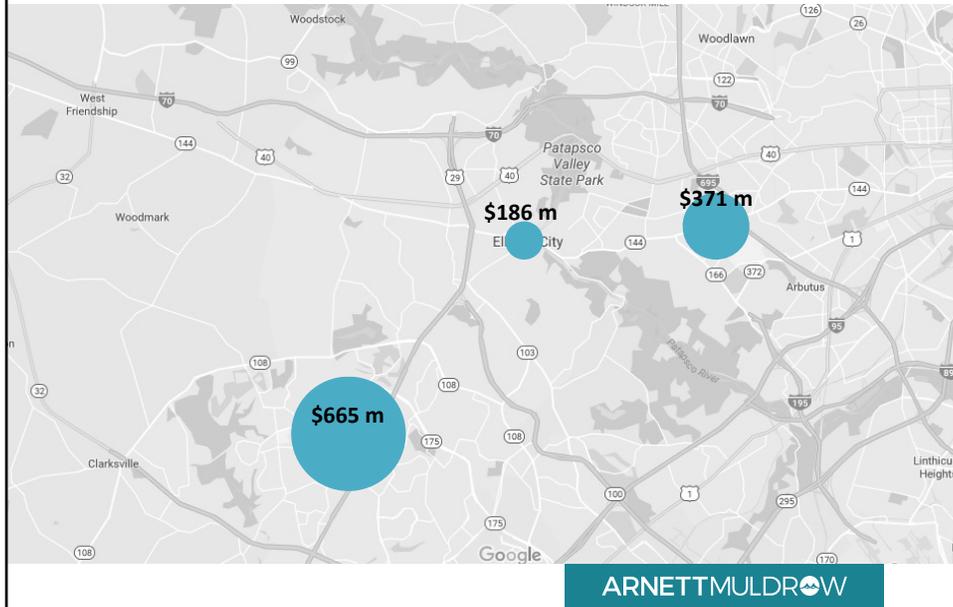
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This table indicates retail leakage in the primary trade area for categories that also experienced retail leakage in the combined trade area. While Building Material, Home centers, and Motor Vehicle parts are not good matches with Old Ellicott City; restaurants, furniture and home furnishings (accessories), grocers (specialty), special food services, and jewelry all represent opportunities for the district. Further analysis will take place on capture potential as the plan proceeds.

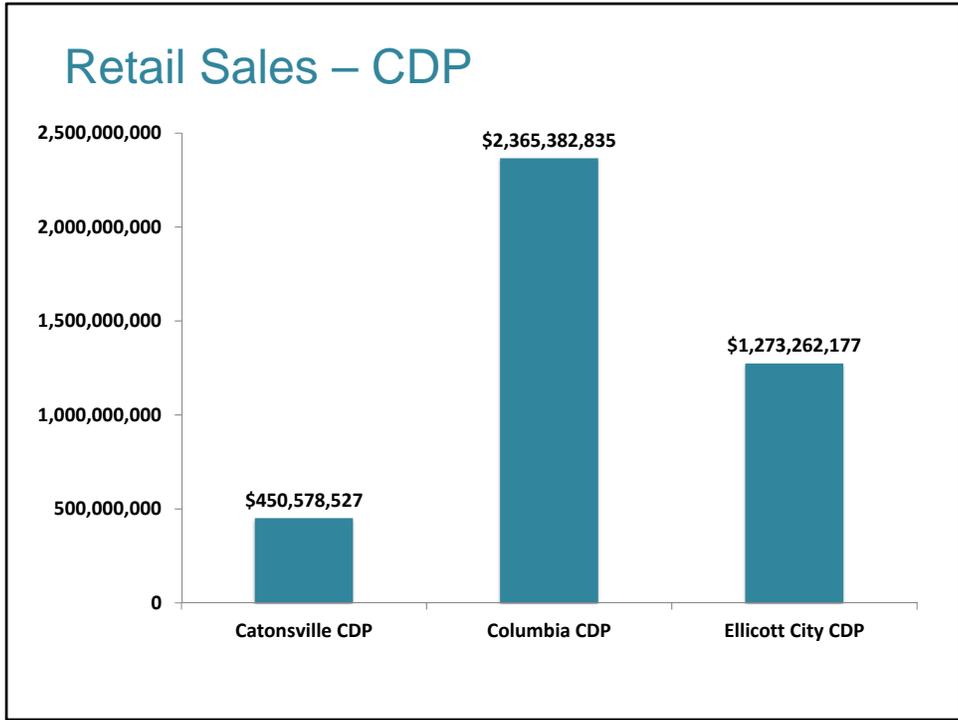


This is a place marker slide that analyzed the retail sales volume in a five minute radius of a “pin drop” in the center of each district’s downtown. This was used to evaluate the strength of each downtown district when isolated.

## Retail Sales, 5 Min Drive Time

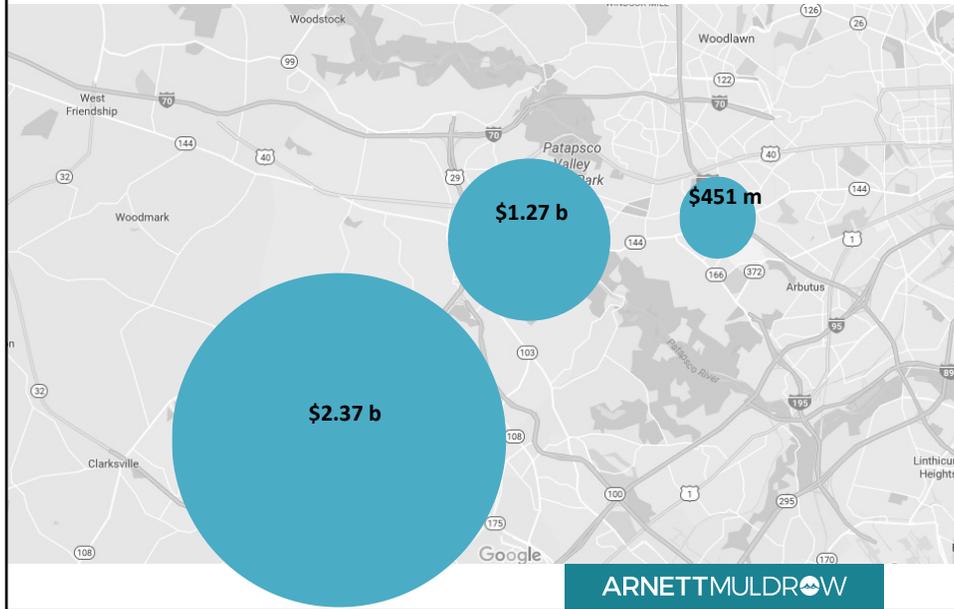


This is a place marker slide that analyzed the retail sales volume in a five minute radius of a “pin drop” in the center of each district’s downtown. This was used to evaluate the strength of each downtown district when isolated.



This is a place marker slide that analyzed the retail sales volume in Census Designated Place for Ellicott City as compared with Catonsville and Columbia. This was used to evaluate the strength of the broader geography.

## Retail Sales, CDP



This is a place marker slide that analyzed the retail sales volume in Census Designated Place for Ellicott City as compared with Catonsville and Columbia. This was used to evaluate the strength of the broader geography.

## Findings

- Ellicott City attracts a significant amount of customers from outside the region (396 zip codes, 38 states)
- However, the trade areas still experience leakage
  - PTA leaks \$761 m
  - STA leaks \$510 m
  - Combined trade area leaks \$1.27 b
- Opportunities for **downtown** exist in key categories
  - Restaurants (both full-service and limited service)
  - Home Furnishings
  - Jewelry Stores
  - Grocery Stores
  - Specialty Food Stores

## Findings

- Other retail opportunities exist but these are not likely to locate in downtown:
  - Building supply
  - Home centers
  - Auto dealerships
- Arundel Mills skews the clothing data for the Secondary Trade Area, but the mall should not be viewed as a direct competitor with the specialty shopping in Ellicott City.
- Food and food related businesses represent a significant opportunity for Ellicott City (note that even with Catonsville's growth in food related retail that both trade areas leak full service restaurant sales).