



Market Analysis Summary

Attached is an executive summary of the *Elizabeth Area Plan* market analysis. The entire study is available on the plan website:

<http://www.charmeck.org/Departments/Planning/Area+Planning/Plans/Elizabeth+Area+Plan.htm>.

When developing area plans, Planning staff often contracts with a consultant to prepare a market analysis for the study area. The analysis looks at the area and its context, demographics and employment, and then forecasts potential market opportunities and potential demand for residential, retail and employment growth in that area. This information is then used as one of a number of tools helping to develop and evaluate future land use recommendations.

When reviewing the summary, please keep the following in mind:

- The market study does not include recommendations, but rather is an analysis of potential market opportunities over the next 20+ years. This analysis does not take into account the specific vision for the area, the broader policy context, or public input.
- It is only one of many tools that will be used to help determine future land use recommendations for the Elizabeth area;
- The potential development numbers that are shown are factored over a 20+ year timeframe;
- The potential development numbers include pipeline development (projects that have already been planned and/or permitted);
- The analysis looks at potential demand not only for the Elizabeth area, but also for a 2-1/2 mile ring around Elizabeth that includes Uptown.

This analysis was prepared by the Noell Consulting Group. Noell Consulting Group has 18 years of experience in providing market analysis services to both the public and private sector in Southeast. They have worked on a variety of projects for several City departments including Planning, CATS and CDOT.

City of Charlotte

Elizabeth Area Market Analysis Executive Summary

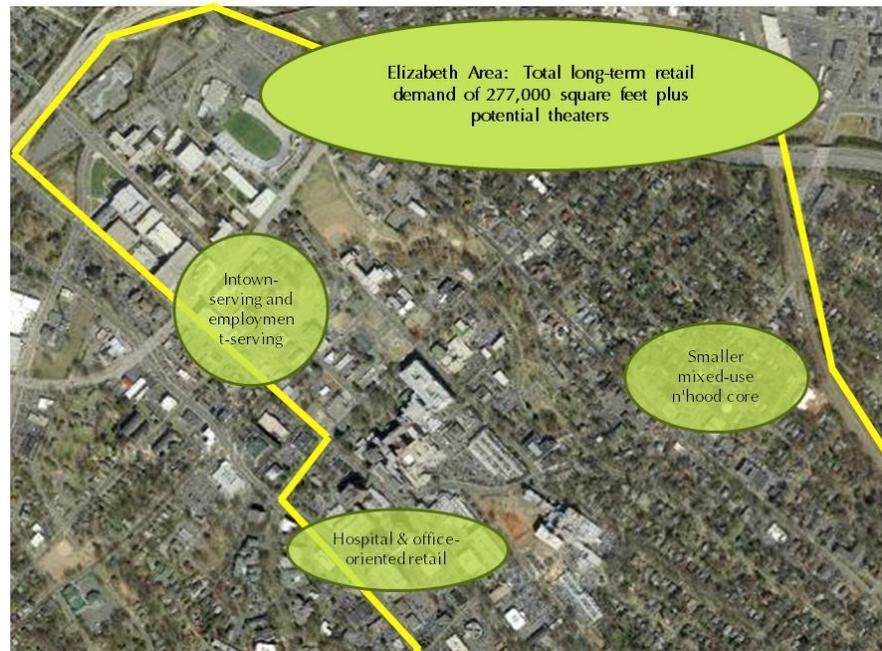
The Elizabeth area is well positioned to continue its evolution as one of Charlotte's premier urban neighborhoods in the coming two decades. The neighborhood benefits from: its strong centrality to many of the region's major employment cores; proximity to major demand generators such as the hospitals, CPCC and Center City offices; an historic neighborhood providing an authentic charm; and areas that are highly walkable and engaging.

In planning for the future of the Elizabeth study area, it is important to understand the potential market opportunities at hand and how these opportunities can positively impact Elizabeth's evolution. The following summarizes a market analysis for the Elizabeth area conducted by Noell Consulting Group for the Charlotte-Mecklenburg Planning Department. The recommendations included within this executive summary are intended to enhance larger planning efforts in the study area being conducted by The City for Charlotte and are not, themselves, plan recommendations. The following represents these identified market opportunities for retail, office, rental and for-sale residential.

Retail

Opportunities for retail in intown locations have grown significantly in the last decade;

Intown Charlotte has seen strong retail growth (Midtown, South End, etc) and is poised to see ongoing demand for both local-serving (grocery, drug stores) and regional-serving (big box retailers) retail in the coming two decades;



Retail demand in Elizabeth is expected to average 13,000 square feet annually over the next 21 years



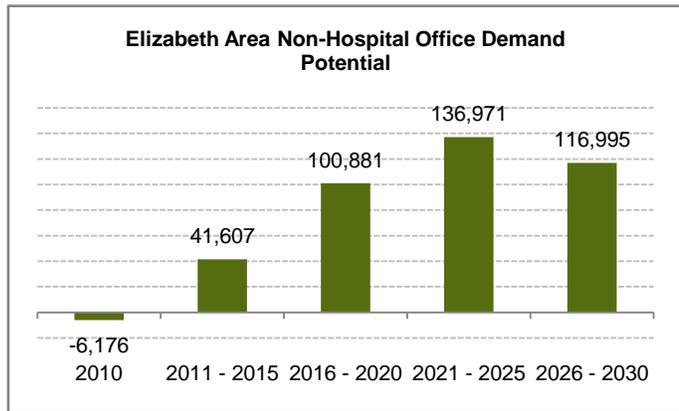
(for reference typical grocery stores feature 15,000 to 40,000 sf) and potential for up to six theater screens. Demand estimates are gross and do not net out potential projects in the pipeline;

Office

During the past decade a fairly significant near-Uptown office market has emerged, driven by smaller office users often seeking a walkable, mixed-use environment with Uptown proximity.

Elizabeth has the ability to capture a significant share of this growth, particularly among smaller creative (architects, marketing, technology, etc) tenants as well as medical tenants seeking proximity to the hospital.

Demand in the near-term tempered by economy and glut of space Uptown--estimated to be roughly 500,000 square feet (25,000 SF per year) for non-hospital space over the coming two decades (again gross estimates not netting out pipeline projects);



Elizabeth opportunities:

1. Potentially more intense, regional-serving office space (both medical and non-medical) along Elizabeth Avenue and Randolph between the hospital and I-277;
2. Medical-oriented tenants along Randolph Road/Third Street; and
3. Smaller office tenants in mixed-use buildings around key Seventh Street intersections.

Rental Residential

National trends shifting more in favor of renting in near-term—should achieve more sustainable balance over time than seen in the past 8 years;

Demand fundamentals intown strong for rental apartments as younger renters and lifestyle renters become increasingly attracted to intown’s lifestyle, character and access;

Higher land costs and the need for structured parking will push development intensities upwards, with typical intensities reaching 40 to 75 units per acre;

Over the next two decades we estimate demand potential for new apartments in the Elizabeth study to average approximately 115 new apartment units annually (gross, not netting out projects in pipeline).

Three opportunities for rental apartments in the coming years:



1. Rental apartments in mixed-use projects in the Elizabeth Avenue project and along Third Street and adjacent to CPCC;
2. Mid-rise development around Independence Park, possibly with ground floor retail along Seventh Street;
3. Selective redevelopment of aging properties along major thoroughfares—possibly including apartments attractive to independent seniors.

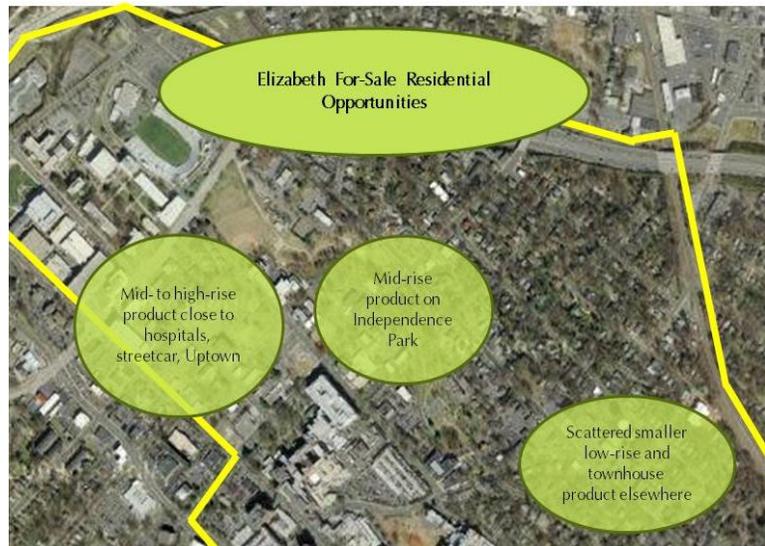
For-Sale Residential

Short-term dynamics obviously very challenging, although long-term trends are highly favorable; Demand for new residential units in Elizabeth will be generated by both younger and more mature buyers seeking greater lifestyle options, authenticity, convenience, and walkability; Over the next 20 years, we estimate demand for new attached condominiums and townhouses will average around 30 units annually in Elizabeth with single-family demand being quite limited; The large majority of projects developed in Elizabeth will be smaller in scale and not able to achieve high levels of absorption like towers in Uptown.

Key to new for-sale housing in Elizabeth is planning for projects that can further enhance the character of the area and better take advantage of the amenities the study area has to offer.

Opportunities for new for-sale residential product are shown on the map at right and include:

1. Mid-rise to high-rise infill close to major employers and proximate to the planned streetcar line and I-277;
2. Mid-rise development around Independence Park, taking advantage of an underutilized asset and the strong regional access of the locale;
3. Scattered low-density infill townhouses and low-rise flats along major corridors and on underutilized properties.



Demand Summary

Demand for commercial and residential products in Elizabeth is potentially significant over the next two decades.



Given increasing development intensities required for project feasibility in the coming years, gross acreage needs in the area for private development are relatively low, totaling roughly 71 acres. In almost all cases, this acreage is already developed (some being parking lots or demolished structures) and represents intensification of existing sites. Residential uses, including attached rental and for-sale product, will account for a greater share of land demand, accounting for more than 51 of the 71 acres demanded, with commercial uses accounting for the remaining 20 or so acres.

Land Use	Metric	Average Annual	21-Year Totals
Retail	Square Feet	13,856	277,118
	Acres	.6	11.8
Office, inc.	Square Feet	51,973	1,039,455
Hospitals	Acres	.4	7.9
Rental	Units	115	2,562
Residential	Acres	1.7	33.9
For-Sale	Units	2	39
Detached	Acres	.3	5.6
For-Sale	Units	27	536
Attached	Acres	.6	12.2
Total	Square Feet	65,829	1,316,573
	Units	144	3,137
	Acres	3.6	71.3

NOTE: Retail average annual includes existing pent-up demand.

