

Market Analysis Executive Summary

Below is a summary of the Blue Line Extension (BLE) Station Area Plans market analysis. 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:

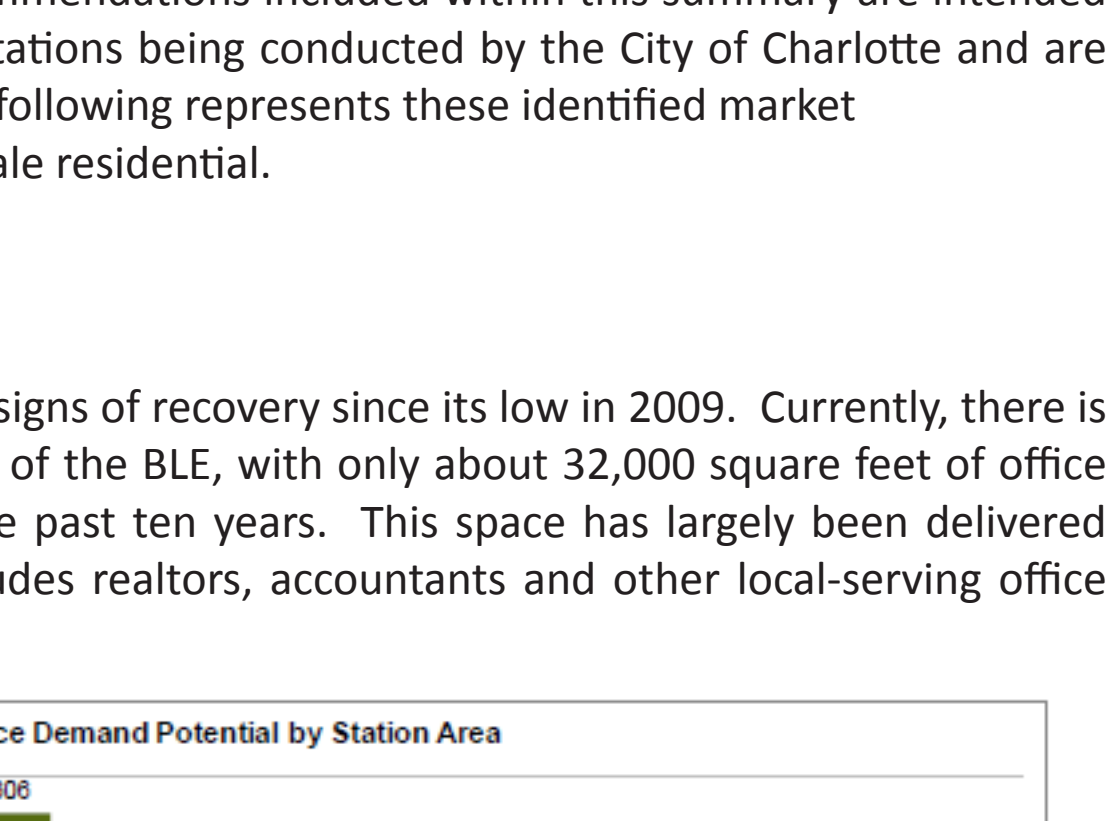
- o The market study does not include recommendations, but rather is an analysis of potential market opportunities over the next 20+ years. This analysis does not take into account the specific vision for the area, the broader policy context, or public input.
- o It is only one of many tools that will be used to help determine future land use recommendations for the BLE Station Areas;
- o The potential development numbers that are shown are factored over a 20+ year time frame;
- o The potential development numbers include pipeline development (projects that have already been planned and/or permitted);
- o The analysis looks at potential demand not only for the BLE Station Areas, but also for a ½ mile ring around each transit station

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.



The opening of the LYNX Blue Line (South Corridor) Light Rail Transit (LRT) line marked the turning of a page in Charlotte's history. This transportation option provides a competitive alternative to the automobile. With it comes the opportunity to enhance the City's existing growth pattern by promoting higher intensity development where transportation infrastructure capacity is greatest, such as around rapid transit stations.

In planning for future development and redevelopment around the transit stations, it's important to understand the key trends and conditions for residential, office and retail uses, particularly as they relate to this portion of the BLE, as well as specific development opportunities and demand potential for each of the six station areas.



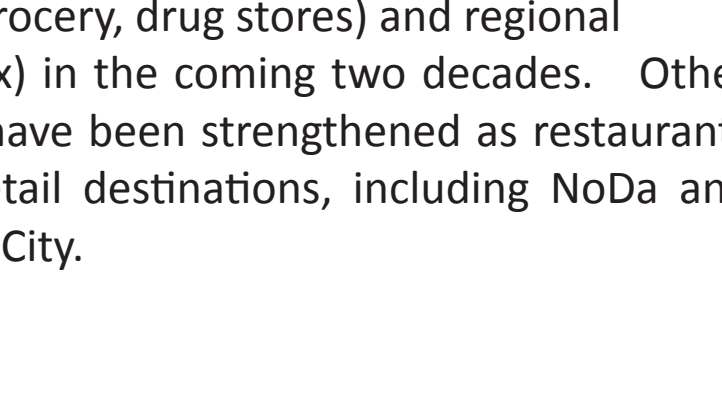
The following summarizes a market analysis for the Parkwood through Tom Hunter transit station areas conducted by the Noell Consulting Group (NCG) for the Charlotte-Mecklenburg Planning Department. NCG last analyzed development/redevelopment potential around these stations in late 2010, as Charlotte was still struggling with the effects and impacts of the housing downturn and recession that began in 2007/2008. The recommendations included within this summary are intended to enhance larger planning efforts for these stations being conducted by the City of Charlotte and are not, themselves, plan recommendations. The following represents these identified market opportunities for retail, office, rental and for-sale residential.

Office Development

Charlotte's office market has shown definitive signs of recovery since its low in 2009. Currently, there is very little office space along the inner portion of the BLE, with only about 32,000 square feet of office space being delivered in the corridor over the past ten years. This space has largely been delivered around the 36th Street station area and includes realtors, accountants and other local-serving office users.



As the BLE project is constructed and the economy continues to recover, some of these stations will be well-poised to capture office demand by virtue of their proximity to the Center City and to the residential growth expected to occur along the corridor. Development opportunities for this portion of the BLE should be most significant around the Parkwood and 36th Street stations.



Retail Development



Opportunities for retail in intown locations have grown significantly in the past 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) in the coming two decades. Other intown cores have been strengthened as restaurants and lifestyle retail destinations, including NoDa and parts of Center City.

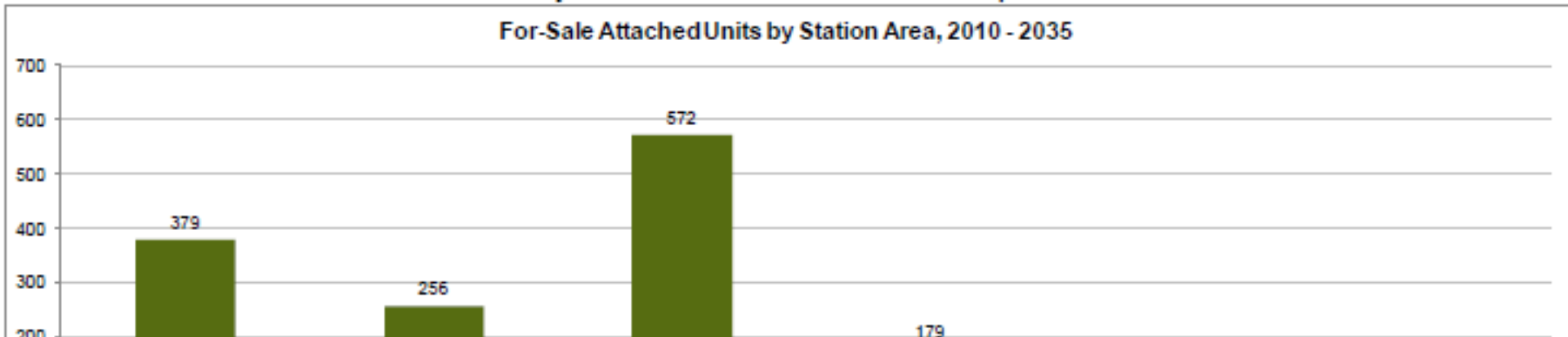
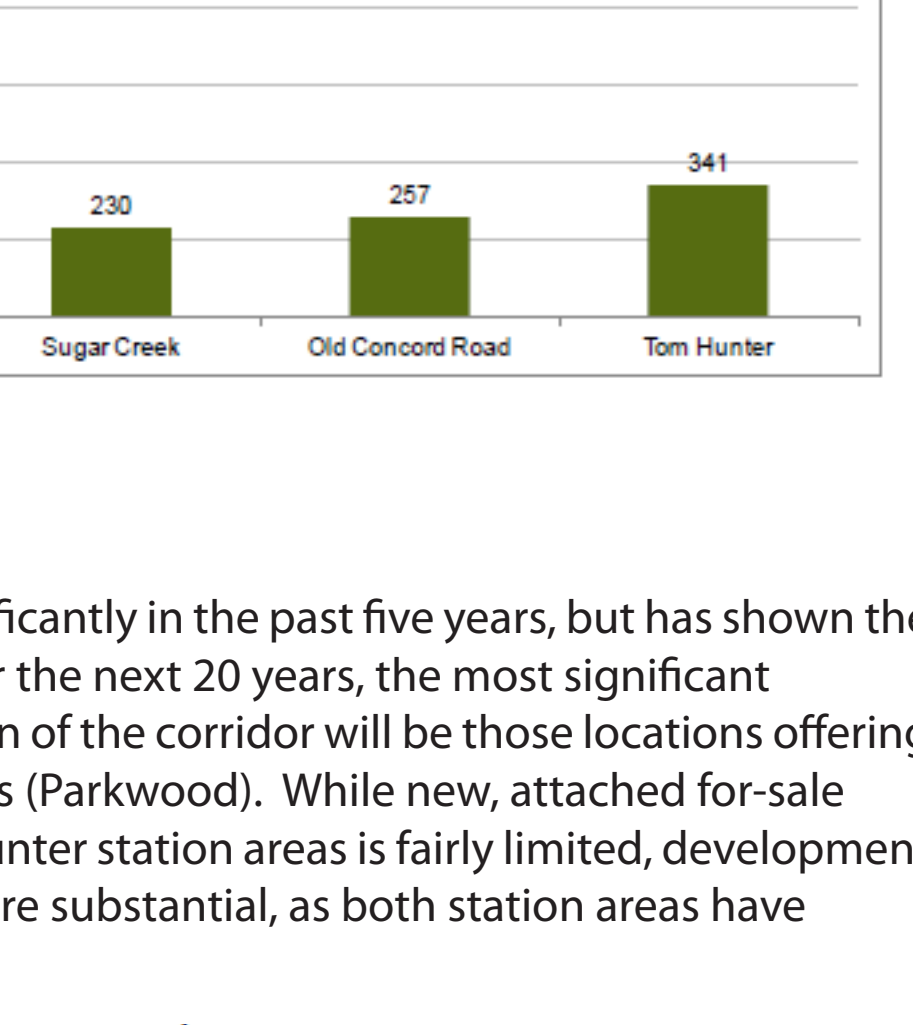


Moderate opportunities for retail will continue to emerge, based on underserved existing populations and growth occurring along the line. Demand is estimated to be most significant around the Parkwood, 36th Street and Old Concord Road stations.

Rental Residential

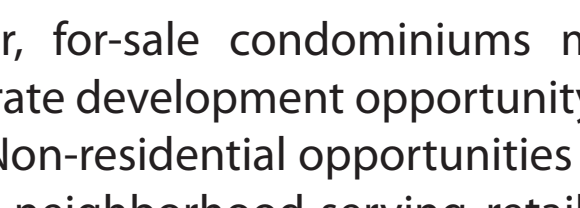
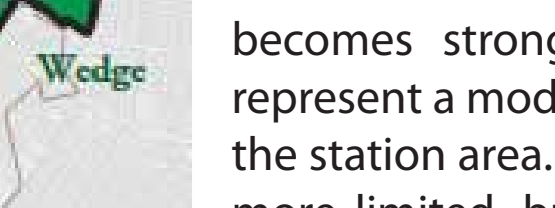
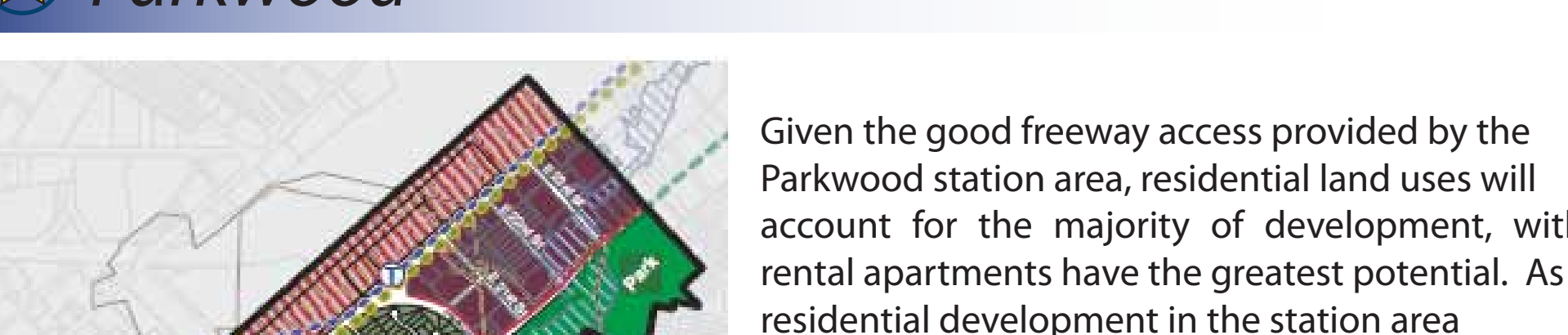
The rental apartment market has been the strongest real estate product in Charlotte and the U.S. over the last five years, driven by struggles in the for-sale housing market and tighter lending practices since 2008.

Rental apartment development potential represents a strong opportunity in this portion of the corridor, with opportunities being strongest between Center City and 36th Street. The 36th Street station area will be particularly attractive for rental apartment development, with the Parkwood and 25th Street stations also having strong opportunities. Rental development opportunities are more challenging for the Sugar Creek through Tom Hunter stations and value creation should be a focus to create greater potential interest.



For Sale Residential

Charlotte's for-sale housing market has struggled significantly in the past five years, but has shown the initial stages of recovery over the last 12 months. Over the next 20 years, the most locations offering opportunities for new, for-sale residential in this portion of the corridor will be those offering good walkability (36th Street) or strong regional access (Parkwood). While new, attached for-sale development potential in the Old Concord and Tom Hunter station areas is fairly limited, development potential for new, single-family detached homes is more substantial, as both station areas have significant vacant land still available for development.



Station Area Summaries

★ Parkwood

Given the good freeway access provided by the Parkwood station area, residential land uses will account for the majority of development, with rental apartments having the greatest potential. As residential development in the station area becomes stronger, for-sale condominiums may represent a moderate development opportunity in the station area. Non-residential opportunities are more limited, but neighborhood-serving retail or small office uses could represent an opportunity.

	New Conv SFD Units	New Small Lot SFD	New TH Units	New Condo Units	New Apt. Units	New Retail SF	New Office SF
2010-2015	6	17	19	19	126	4,775	4,028
2015-2020	6	18	46	46	180	16,047	7,325
2020-2025	4	19	62	62	207	20,312	11,271
2025-2030	3	13	24	36	128	23,893	24,477
2030-2035	2	9	27	40	126	24,785	35,498
Total/Avg.	22	77	177	202	767	89,812	82,599

★ 25th Street

Like Parkwood, the greatest redevelopment potential in this station area will be for new rental and for-sale attached residential uses with more limited opportunities existing for non-residential uses. Local serving offices uses also represent an opportunity that will gradually increase as the station becomes more established residentially.

	New Conv SFD Units	New Small Lot SFD	New TH Units	New Condo Units	New Apt. Units	New Retail SF	New Office SF
2010-2015	0	0	9	0	76	0	2,014
2015-2020	0	0	18	0	144	0	2,930
2020-2025	0	0	25	50	166	5,247	5,635
2025-2030	0	0	15	59	128	12,066	13,987
2030-2035	0	0	17	67	158	12,516	20,285
Total/Avg.	0	0	84	177	671	29,830	44,851

★ 36th Street

The 36th Street station has fairly significant opportunities for both residential and non-residential infill development. The station area has already experienced significant infill residential development and significant neighborhood revitalization. It has also seen resurgence in its retail environment. Ongoing infill of retail and local-serving office uses could be supportable over the next twenty years.

	New Conv SFD	New Small Lot SFD	New TH Units	New Condo Units	New Apt. Units	New Retail SF	New Office SF
2010-2015	6	30	26	24	202	19,098	5,035
2015-2020	6	31	51	24	252	25,675	7,325
2020-2025	4	39	60	24	290	24,374	11,271
2025-2030	3	26	39	32	192	28,672	24,477
2030-2035	2	23	37	32	158	29,742	35,498
Total/Avg.	22	149	213	137	1,093	127,561	83,606

★ Sugar Creek

Residential opportunities will be moderate in this station area, likely a mix of rental apartments and for-sale residential uses over the next twenty years. Non-residential opportunities are also limited and likely long-term local-serving retail and office uses.

	New Conv SFD	New Small Lot SFD	New TH Units	New Condo Units	New Apt. Units	New Retail SF	New Office SF
2010-2015	18	4	9	0	25	2,387	1,007
2015-2020	19	4	18	0	36	3,209	2,930
2020-2025	12	13	25	0	41	12,187	3,757
2025-2030	10	13	59	0	64	14,336	6,993
2030-2035	7	14	67	0	63	14,871	10,142
Total/Avg.	67	49	179	0	230	46,991	24,830

★ Old Concord

This station area features the second most vacant and underutilized acreage (138 acres) of the six stations being studied; likely most suitable as for-sale residential development. The bigger, high visibility intersections in this station area are more conducive for retail development and, over time, greater retail support will exist. Office development will be limited over the next twenty years.

	New Conv SFD	New Small Lot SFD	New TH Units	New Condo Units	New Apt. Units	New Retail SF	New Office SF
2010-2015	14	15	8	0	0	0	0
2015-2020	30	30	8	0	0	18,048	0
2020-2025	37	29	11	0	64	33,163	0
2025-2030	38	35	13	0	65	29,246	17,608
2030-2035	21	37	28	0	128	43,051	17,765
Total/Avg.	140	145	67	0	257	123,509	35,373

★ Tom Hunter

Like Old Concord, this station features significant amounts of underutilized and undeveloped parcels (172 acres). Over the next twenty years, there will be support for residential land uses with limited support for new retail and local-serving office land uses.

	New Conv SFD	New Small Lot SFD	New TH Units	New Condo Units	New Apt. Units	New Retail SF	New Office SF
2010-2015	7	22	8	0	85	0	0
2015-2020	15	30	8	0	63	0	0
2020-2025	18	29	11	0	64	0	0
2025-2030	19	26	13	0	65	29,246	14,087
2030-2035	11	27	14	0	64	28,701	17,765
Total/Avg.	70	134	53	0	341	57,947	31,851

