



Kimley»Horn

Albemarle Road/Central Avenue Corridors of Opportunity Market Analysis



Table of Contents

1.0 Introduction	1
2.0 Demographic Characteristics	4
3.0 Economy Characteristics	12
4.0 Real Estate Market Considerations	18
5.0 Development Opportunities and Strategies	49

1.0 Introduction

The City of Charlotte believes that strong and vibrant business corridors are the cornerstone of healthy neighborhoods, supplying basic needs and opportunities for the community. Six corridors were identified for further study as part of the Corridors of Opportunity program to encourage renewed commitment to their ongoing vitality: Beatties Ford Road/Rozzelles Ferry Road, Albemarle Road/Central Avenue, Freedom Drive/Wilkinson Boulevard, Graham Street/North Tryon Street, West Boulevard, and Sugar Creek Road/I-85. The 2007 *Business Corridor Revitalization Strategic Plan* called for the City to take a leadership role in developing and implementing public and private collaborative strategies and investments that aim to:

- Expand the tax base in the corridors;
- Attract private sector investment to grow jobs, businesses, and services; and
- Support the revitalization of the corridors into mixed-use areas promoting the adjacent neighborhoods as safe, livable, and sustainable.

To support this initiative, the City of Charlotte has benchmarked \$38.5 million to support the renewal of these corridors, focusing on affordable housing, community safety, infrastructure, transportation, workforce and business development, and urban design strategies. As previously noted, Albemarle Road/Central Avenue was identified as one of the six corridors in the Corridors of Opportunity program. The process focuses on the development of a corridor playbook to articulate the shared community vision for the Albemarle Road/Central Avenue corridor.

Kimley-Horn prepared this real estate market analysis to support the playbook process. This analysis documents existing conditions from a demographic and real estate market perspective, providing baseline market statistics to inform future development opportunities. Ultimately, short- and long-term implementation strategies and initiatives have been highlighted to support revitalization along the corridor.

1.1 DEFINING THE ALBEMARLE RD/CENTRAL AVE CORRIDOR

The Albemarle Rd/Central Ave Corridor Study Area generally extends from North Sharon Amity Road and Independence Boulevard, west along Central Avenue and Albemarle Road to Idlewild Road. The Study Area primarily focuses parcels on directly to the north and south of Albemarle Road, but also includes properties with frontage on US 74 (Independence Boulevard), Central Avenue, N. Sharon Amity Road, E W.T. Harris Boulevard, and Idlewild Road. The Eastland Mall redevelopment is not included in the corridor Study Area but is incorporated into the Area of Influence and the Trade Area, as described below. The Study Area is shown in **Figure 1**.

Figure 1: Albemarle Rd/Central Ave Corridor Study Area

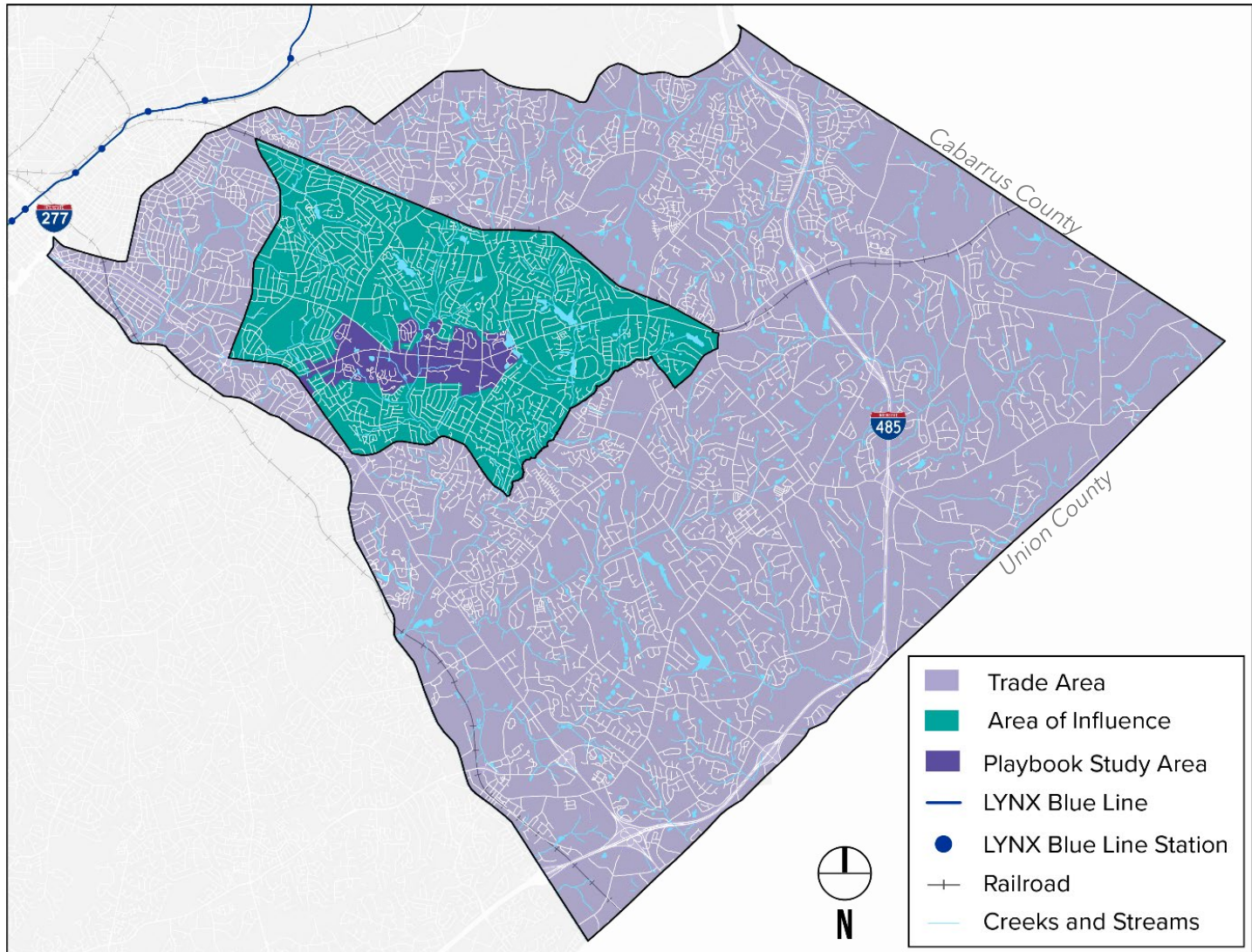


Source: ESRI; City of Charlotte; Kimley-Horn

1.2 OTHER STUDY GEOGRAPHIES

This market analysis reviews data for multiple geographies, allowing for a more comprehensive understanding of trends region-wide, as well as how performance differs across the region. Demographic and employment profiles consider geographies based on Census-designated boundaries for the Charlotte metropolitan statistical area (MSA) and Mecklenburg County. Information is also provided for custom-defined Area of Influence and Real Estate Trade Area geographies surrounding the Albemarle Rd/Central Ave corridor. These areas are described in more detail below and shown on **Figure 2**.

Figure 2: Albemarle Rd/Central Ave Corridor Area of Influence and Trade Area



Source: City of Charlotte; Mecklenburg County; Kimley-Horn

Area of Influence

The Area of Influence is leveraged throughout this analysis to better understand local opportunities and constraints around the Albemarle Rd/Central Ave corridor. The area contains approximately 15.4 square miles and encompasses portions of several neighborhoods, including Windsor Park, Eastland, Idlewild, Marlwood, and Hickory Ridge. It is bounded by Eastway Drive to the west, Norfolk-Southern railroad to the north, Wilson Grove Road and McAlpine Creek to the east, and Independence Boulevard/US 74 to the south.



Trade Area

A competitive Real Estate Trade Area was defined for this analysis based on drive times from the corridor and natural and man-made barriers. The Trade Area for the Albemarle Rd/Central Ave corridor encompasses a large portion of east Charlotte and Mecklenburg County, extending from I-277 to the west, The Plaza to the north, the Mecklenburg-Cabarrus County line to the east, and Monroe Road to the south. This geography was primarily utilized to understand bigger picture real estate dynamics.

Charlotte Metropolitan Statistical Area (MSA)

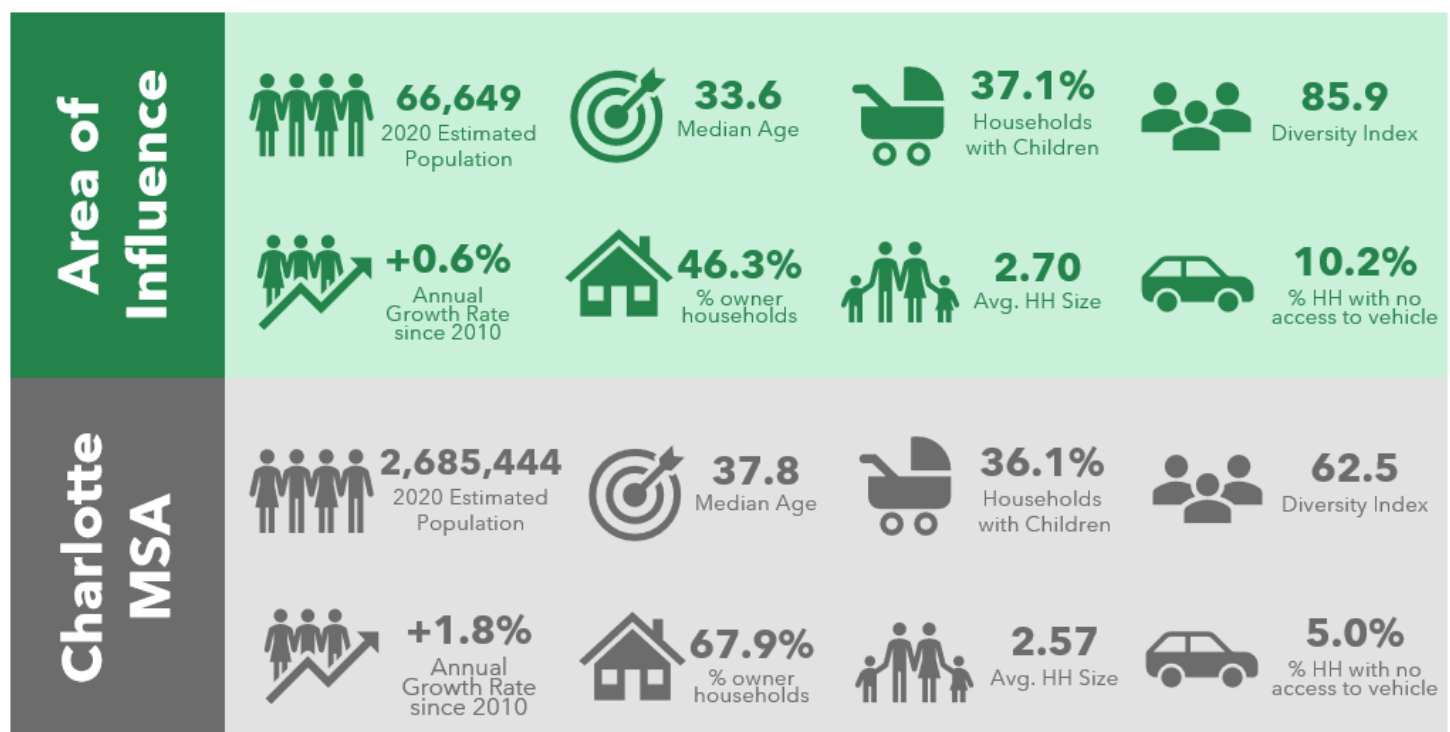
The Charlotte MSA is a ten-county United States Census designated area anchored by job centers in the cities of Charlotte, Concord, Gastonia, and Rock Hill. The MSA includes the following counties in North Carolina: Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, and Union, as well as three counties in South Carolina: Chester, Lancaster, and York.

2.0 Demographic Characteristics

To better understand dynamics impacting the real estate market, both now and in the future, this section highlights key demographic trends that are driving change in the profile of area residents with a focus on population and household trends by age, income, and tenure. Ethnic diversity and educational attainment metrics are also highlighted for the current population base.

2.1 DEMOGRAPHIC OVERVIEW

The graphic below compares key high-level indicators between the Area of Influence and the Charlotte MSA. On average, the nearly 67,000 people that live within the Area of Influence tend to be younger, have larger household sizes and more children living at home, and are less likely to own their home when compared to the region. These metrics are likely influenced by the comparatively urban nature of the Albemarle Road Area of Influence, which offers young singles, couples, and families comparatively affordable housing options with easy access to employment, services, and entertainment in Uptown Charlotte.



Source: US Census; ESRI Business Analyst Online; Kimley-Horn

2.2 POPULATION TRENDS

The Area of Influence has grown by nearly 4,000 residents since 2010, reaching an estimated 66,649 people in 2021 (**Table 1**). This growth equates to a 6.4% increase over the last decade. It should be noted that at the time of this analysis results from the 2020 US Census have not been comprehensively released; population estimates are based on Environmental Systems Research Institute's (ESRI) interpretation of American Community Survey data. Comparatively, the Trade Area added more than 14,000 new people, growing to almost 200,000 residents, and the Charlotte MSA added nearly 470,000 residents, reaching over 2.7 million residents.

Table 1: Comparison of Population Trends, 2010-2021

Area	2010	2021	2010-2021 Δ		
			#	%	CAGR
Area of Influence	62,655	66,649	3,994	6.4%	0.6%
Trade Area	185,218	199,560	14,342	7.7%	0.7%
Charlotte MSA	2,243,960	2,713,817	469,857	20.9%	1.7%
Area of Influence % MSA	2.8%	2.5%	0.9%		

Source: ESRI Business Analyst Online; Kimley-Horn

The Area of Influence comprised 2.5% of the regional population base in 2021, a slight decline in capture from 2.8% in 2010. The decline is consistent with established neighborhoods within the City of Charlotte that primarily offer opportunities for redevelopment or infill compared to more suburban locations that support larger-scale greenfield development that allows for continued population growth.

Population by Age

As shown in **Table 2**, population growth in the Area of Influence during the 2010s was primarily driven by Baby Boomers (represented by the age cohorts 55-64 and 65-74), which reported the strongest absolute growth between 2010 and 2021 with an addition of more than 2,350 residents between 2010 and 2021. However, it's important to note that young children, less than 14 years old, make up the largest population group in the area. The younger segment of the Millennial generation, encompassed within the age cohort 25-34, posted the second strongest absolute growth, with 624 additional residents since 2010. The cohorts of residents aged 45-54 and 15-24 lost population over the decade, while the number of children aged 0-14 only increased by 0.3%.

Table 2: Population by Age Cohort, Area of Influence, 2010-2021

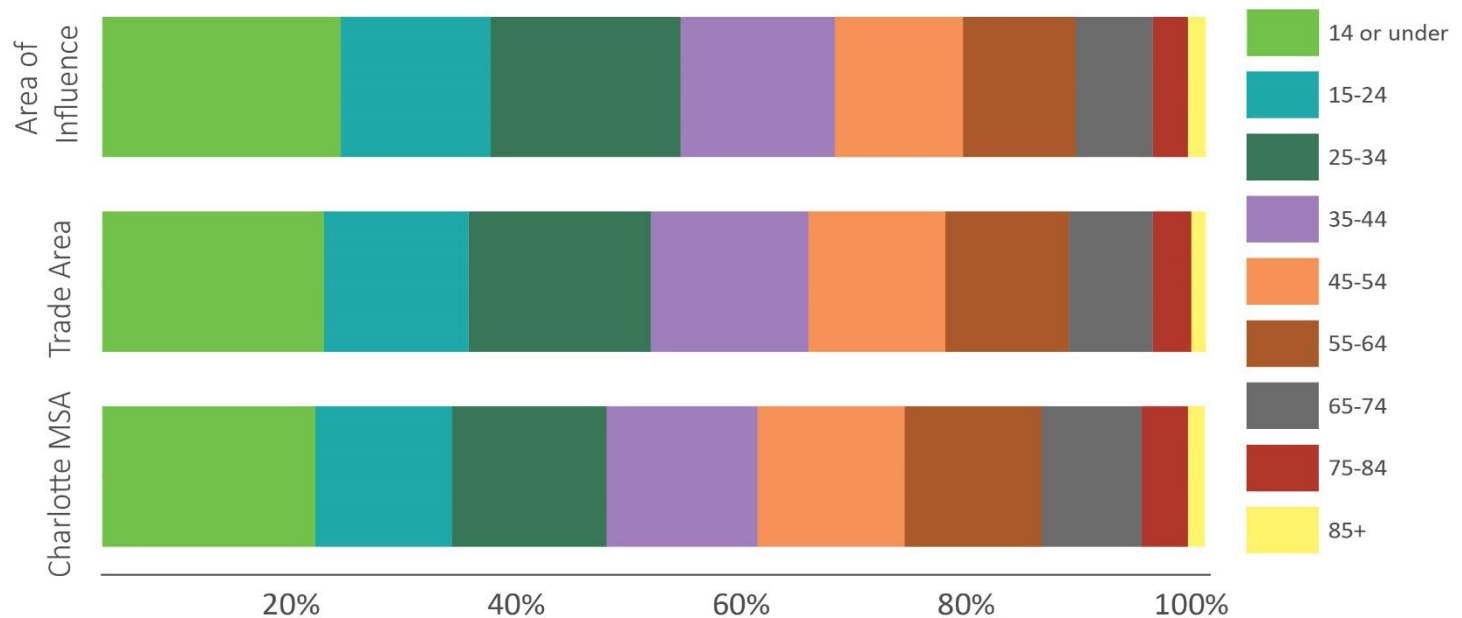
Cohor	2010	2021	2010-2021 Δ	
			#	%
0 - 14	14,348	14,396	48	0.3%
15 - 24	9,210	9,064	-146	-1.6%
25 - 34	10,839	11,464	624	5.8%
35 - 44	9,273	9,331	58	0.6%
45 - 54	7,957	7,731	-226	-2.8%
55 - 64	5,388	6,798	1,410	26.2%
65 - 74	2,819	4,665	1,846	65.5%
75 - 84	1,880	2,133	253	13.5%
85+	1,002	1,066	64	6.4%
Total	62,655	66,649	3,994	6.4%

Source: ESRI Business Analyst Online; Kimley-Horn

When compared to the Charlotte MSA, the Area of Influence has higher shares of younger residents, aged less than 34 years, and lower shares of older residents (**Graph 1**). Approximately 66% of Area of Influence residents are under age 35, while only 50% of MSA residents are. The largest age cohort in both the Area of Influence and the Charlotte MSA are residents less than 14 years old, comprising 21.6% and 19.6% of the total, respectively. The Area of Influence has comparatively more residents aged less than 35, comprising approximately 50% of the area residents.



Graph 1: Comparison of Age Cohorts, 2021



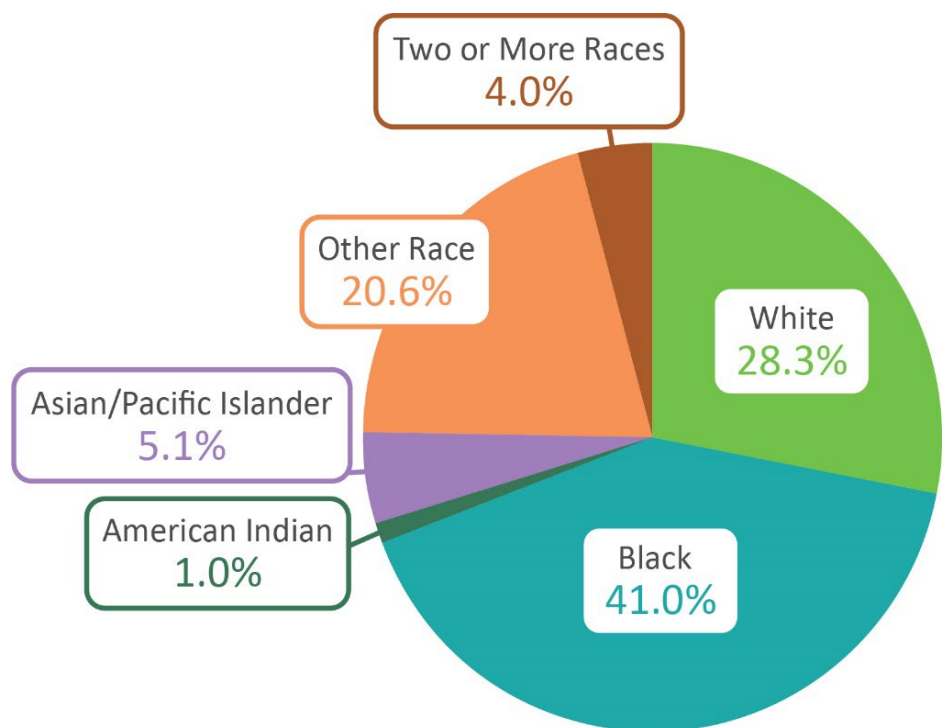
Source: ESRI Business Analyst Online; Kimley-Horn

Racial and Ethnic Diversity

As shown in **Graph 2**, approximately 41% of the total population in the Area of Influence identifies as Black, followed by 28.3% that identify as White or Caucasian. Another 20.6% of the Area of Influence residents are listed under Other Race.

Based on US Census reporting, people of Hispanic origin may identify with any race and may select one or more categories. While you can't easily compare the overall share of residents who have Hispanic origin to other races, the Area of Influence hosts a significant concentration of residents with Cuban, Mexican, Puerto Rican, South or Central American or Spanish culture or origin. As of 2020, approximately 32.5% of the population in the Area of Influence identified as Hispanic, a higher share than 22.9% for the Trade Area and 11.1% for the Charlotte MSA (**Graph 3**).

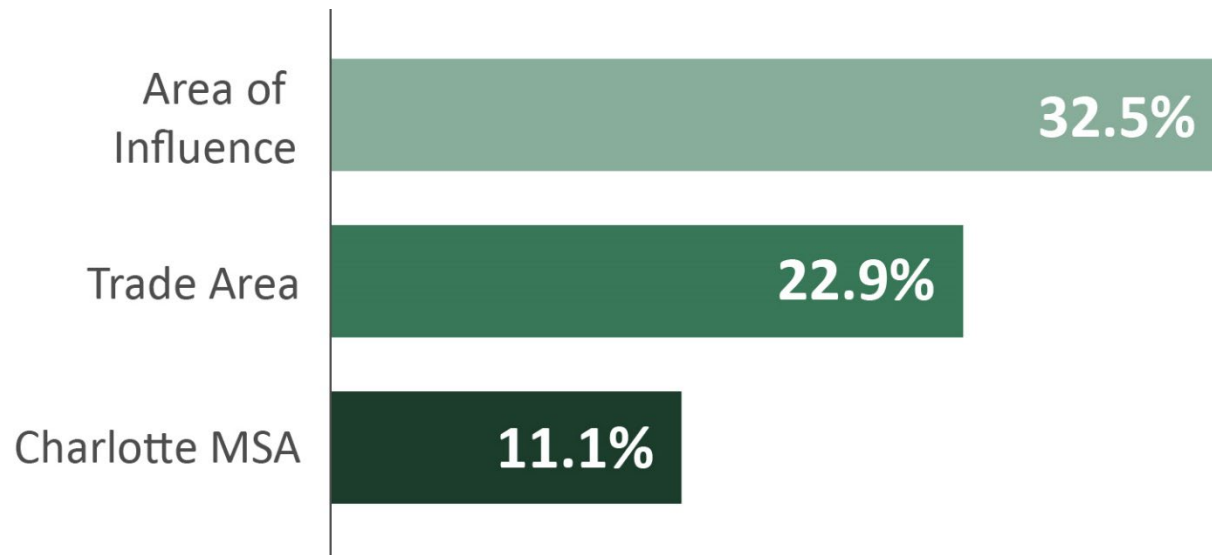
Graph 2: Population Racial Diversity, Area of Influence, 2021



Source: ESRI Business Analyst Online; Kimley-Horn



Graph 3: Comparison of Residents with Hispanic Origin, 2021



Source: ESRI Business Analyst Online; Kimley-Horn

ESRI's Diversity Index can also be used to measure an area's racial and ethnic diversity. The Diversity Index provides a score between 0 (all residents belong to one racial/ethnic group) and 100 (many racial/ethnic groups represented). The Area of Influence has a Diversity Index of 85.9, higher than 80.4 for the Trade Area and 62.9 for the Charlotte MSA.

Educational Attainment

Graph 4 demonstrates a comparison of educational attainment for the Area of Influence and the Charlotte MSA for population over the age of 25. Area of Influence residents have achieved lower levels of educational attainment when compared to the larger region. More than 20% of the Area of Influence residents did not complete High School or a GED program, compared to just 10% of the regional population. Approximately 36.8% of residents in the MSA have at least a Bachelor's Degree, roughly consistent with the 33.2% share in the Area of Influence.

Graph 4: Comparison of Educational Attainment for Residents Aged 25+, 2021



Source: ESRI Business Analyst Online; Kimley-Horn

2.3 HOUSEHOLDS TRENDS

The Area of Influence had an estimated 24,445 households in 2021, comprising 2.3% of the regional total (**Table 3**). Households in the Area of Influence increased 3.6% from 2010 to 2021. Comparatively, the Trade Area increased by 12.2% and the Charlotte MSA grew by 21.2%. The Compound Annual Growth Rates, or CAGRs, were 0.3% in the Study Area, 1.1% in the Trade Area, and 1.8% across the region.

Table 3: Comparison of Household Trends, 2010-2021

Area	2010	2021	2010-2021 Δ		
			#	%	CAGR
Area of Influence	23,593	24,445	852	3.6%	0.3%
Trade Area	71,047	79,713	8,666	12.2%	1.1%
Charlotte MSA	858,500	1,040,283	181,783	21.2%	1.8%
Area of Influence % MSA	2.7%	2.3%	0.5%		

Source: ESRI Business Analyst Online; Kimley-Horn

Household Size

Households in the Area of Influence grew at a slightly slower rate than population between 2010 and 2021, indicating an increasing household size over the last decade. The average household size in the Area of Influence was estimated at 2.70 persons in 2021, greater than 2.62 in the larger Trade Area, and 2.47 for the MSA. This finding speaks to a comparatively higher concentration of family households in the area surrounding the Albemarle corridor.



Source: ESRI Business Analyst Online; Kimley-Horn

Household Income

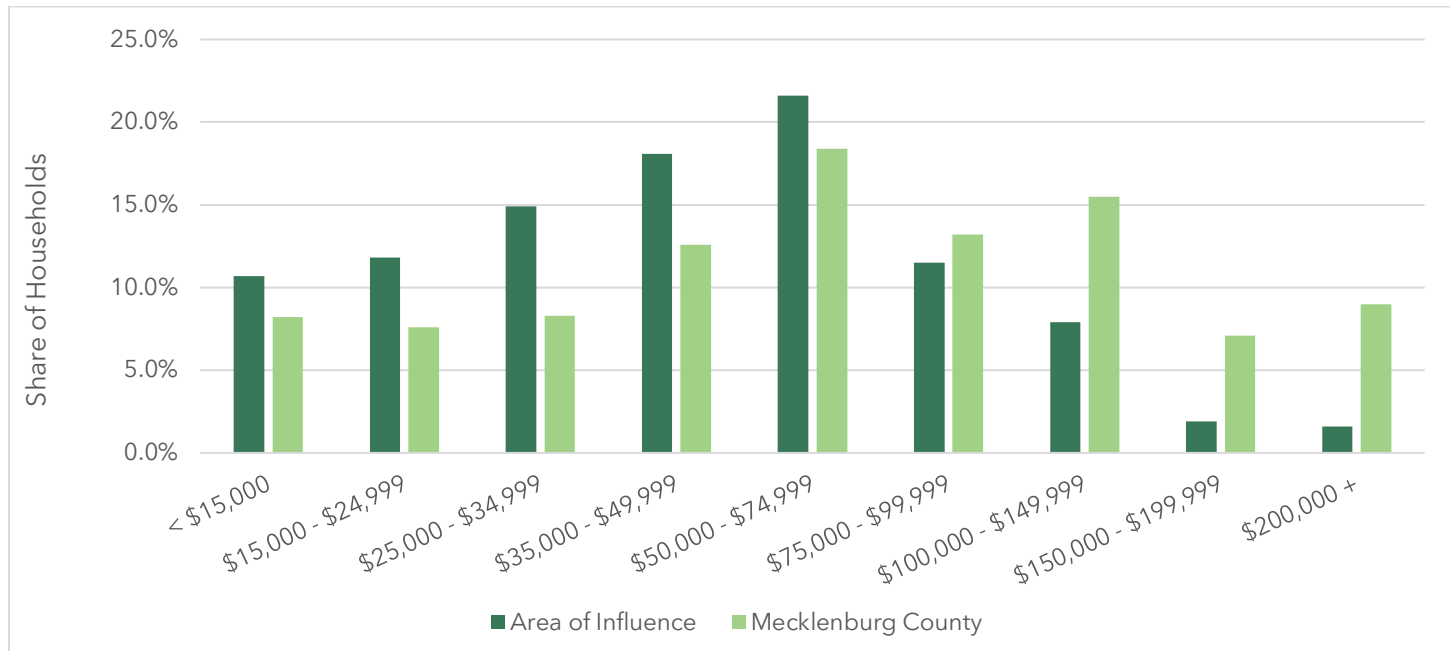
The Area of Influence has an estimated median household income of \$44,270 in 2021, lower than reported measures for the Trade Area (\$54,402) and the Charlotte MSA (\$66,142).



Source: ESRI Business Analyst Online; Kimley-Horn

Households earning between \$50,000 and \$74,999 annually represent the most common income grouping in both the Area of Influence and the Charlotte MSA (**Graph 5**). However, higher-earning households are more prevalent in the MSA. Approximately 77% of all households in the Area of Influence earn less than \$75,000 per year, compared to a 55% share for the MSA.

Graph 5: Comparison of Households by Income Cohort, 2021



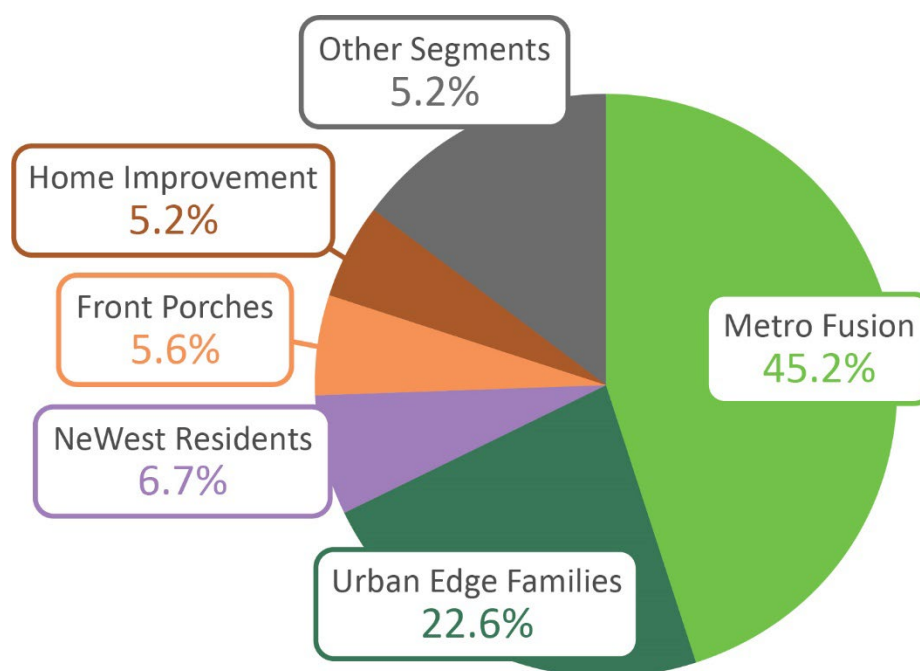
Source: ESRI Business Analyst Online; Kimley-Horn

2.4 PSYCHOGRAPHICS

Tapestry segmentation, provided by ESRI, divides households into 67 groups based on consumer spending patterns and lifestyle attributes. Data provided in this type of analysis is increasingly being used by developers, builders, and retail tenants in the site selection and due diligence process.

The tapestry segments represented in the Area of Influence represent a diverse grouping of residents with varying housing and shopping preferences. Metro Fusion comprises the largest tapestry segment in the Area of Influence at 45.2%, followed by Urban Edge Families at 22.6% and NeWest Residents at 6.7% (**Graph 6**). The top three segments all represent up-and-coming families that desire a range of housing options in comparatively affordable areas of the community. Descriptions of the three most common tapestries in the Area of Influence are provided below.

Graph 6: Share of Households by Tapestry Segment, Trade Area, 2020



Source: ESRI Business Analyst Online; Kimley-Horn

METRO FUSION (45.2%)

Metro Fusion is a young market. Many residents do not speak English fluently and have moved into their homes recently. They are highly mobile and over 75% of households are renters. Many households have young children. Most residents live in midsize apartment buildings. This is a hard-working market with residents that are dedicated to climbing the ladders of their professions and social lives.

DEFINING TRAITS:

- Comparably more diverse than the national average.
- Single-parent and single-person households make up over half.
- Work hard to advance in their professions, including working weekends.
- Most common occupations are in Office & Administrative Support and Sales.
- Spend money readily on what's popular unless households are saving for something big.



Typical Housing:

Multi-unit rentals; single-family

Median Income:

\$35,700

Predominant Tenure:

76.0% renter-occupied

URBAN EDGE FAMILIES (22.6%)

Located throughout the South and West, Urban Edge Families own their own homes, primarily single-family housing—out of city center where housing prices are more affordable. Median incomes are slightly below average. The majority of households are younger with children and, frequently, grandparents. Many residents are foreign born. Spending is more focused on members of the household than the home.

DEFINING TRAITS:

- Family-centric households, many are married couples with children.
- Average household size is larger than national average at 3.19.
- Approximately 2/3 of the households are owner-occupied.
- Most households have multiple vehicles and commute longer distances for work.
- Labor force participation is higher than average.
- Spend money carefully and focus on necessities.



Typical Housing:

Single-family

Median Income:

\$50,900

Predominant Tenure:

63.7% owner-occupied

NEWEST RESIDENTS (6.7%)

NeWest Residents are new to America and their careers, often with new, young families. Many are new to the English language; nearly one-third of households are linguistically isolated. As residents adopt the American way of life, many pursue risky employment opportunities for the benefit of their extended families. Long hours in blue collar jobs, primarily in the service industry, are common. Skilled workers steer toward construction and manufacturing sectors

DEFINING TRAITS:

- Half of all households have children, in either married-couple or single-parent families.
- Reside in mostly renter-occupied apartments in older buildings.
- Female labor participation is slightly lower than US average.
- Primarily work in blue-collar jobs but dream big and take risks to better their families.



Typical Housing:

Single-family

Median Income:

\$30,200

Predominant Tenure:

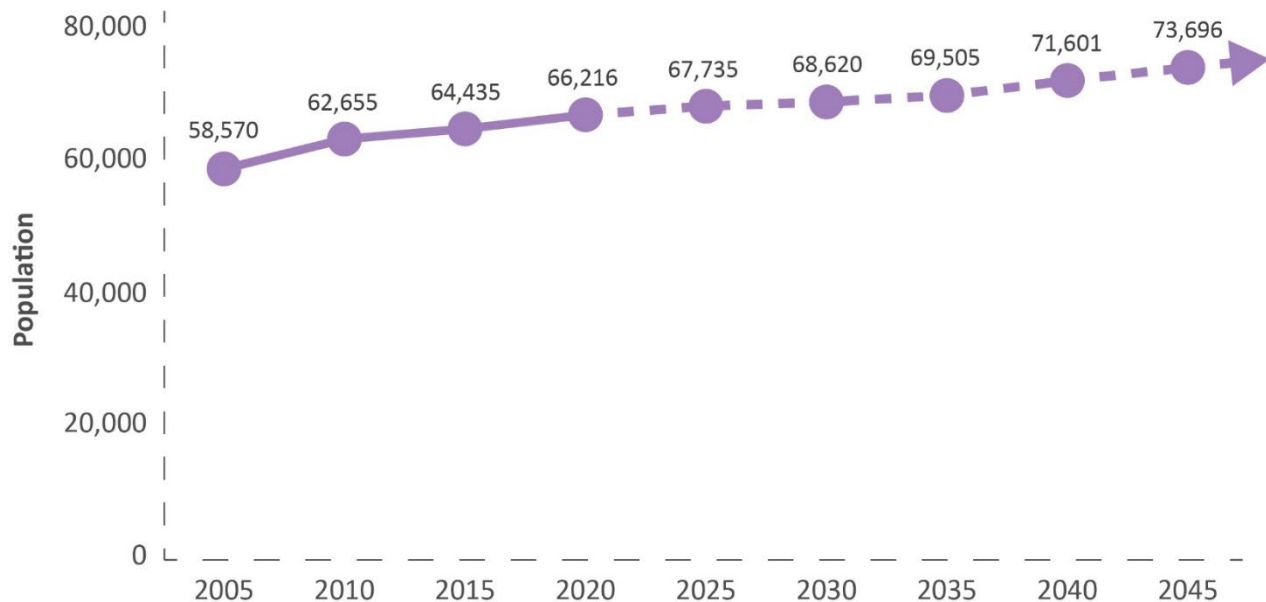
83.4% renter-occupied

2.5 POPULATION FORECASTS

Population forecasts in this section of the report consider the Area of Influence's geographic location in the region and recent trends and consider data provided by the Charlotte Regional Transportation Planning Organization (CRTPO) and Woods & Poole, a national demographic and economic forecasting firm. The forecasts are presented through 2045 based on the transportation demand model for the region. Future population growth is utilized in this analysis to understand residential and retail demand potential along the Albemarle Rd/Central Ave corridor.

As shown in **Graph 7**, population in the Area of Influence increased by approximately 5.7% between 2010 and 2020. Based on forecasts prepared by CRTPO, the Area of Influence is expected to grow at a slower rate of 3.6% over the next 10 years. This equates to just over 2,400 new residents through 2030. The Area's population is expected to increase by nearly 11.3% through 2045, with the addition of nearly 7,500 residents.

Graph 7: Comparison of Population Forecasts, Area of Influence, 2005-2045



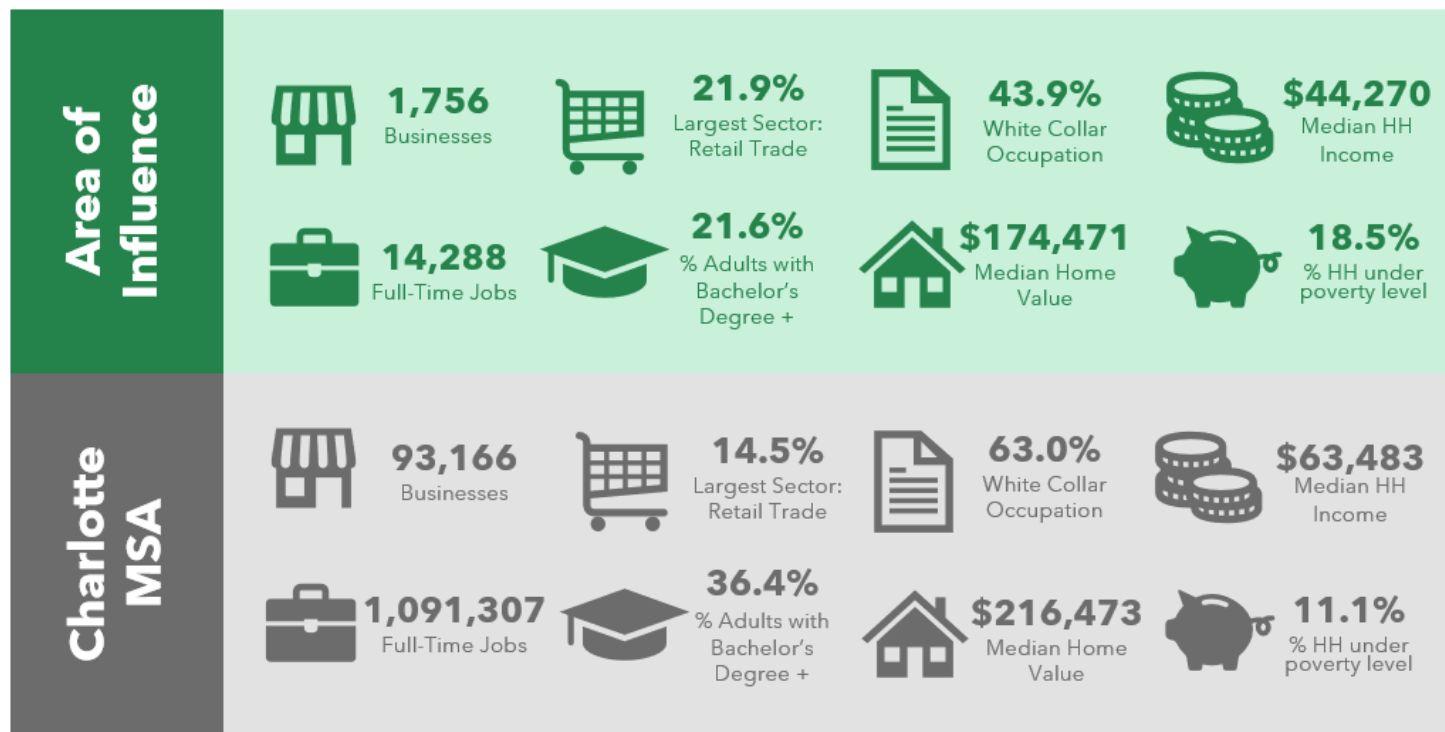
Source: CRTPO; Woods & Poole; Kimley-Horn

3.0 Economy Characteristics

This section of the report analyzes annual employment trends by industry over the last five years for the ten-county Charlotte MSA, and more specifically for the Area of Influence, describing overall growth and shifts between sectors. Major industry sectors, unemployment rates and labor force participation, and commuting patterns are also presented.

3.1 ECONOMIC OVERVIEW

Located just east of Uptown Charlotte, the Albemarle Rd/Central Ave Corridor's Area of Influence supports a large concentration of Retail Trade and Professional Service jobs. From a prosperity perspective, residents in the Area of Influence have achieved comparatively lower levels of education, have lower median home values, and earn less than the region collectively. Approximately 18.5% of Area of Influence residents fall under the poverty level.



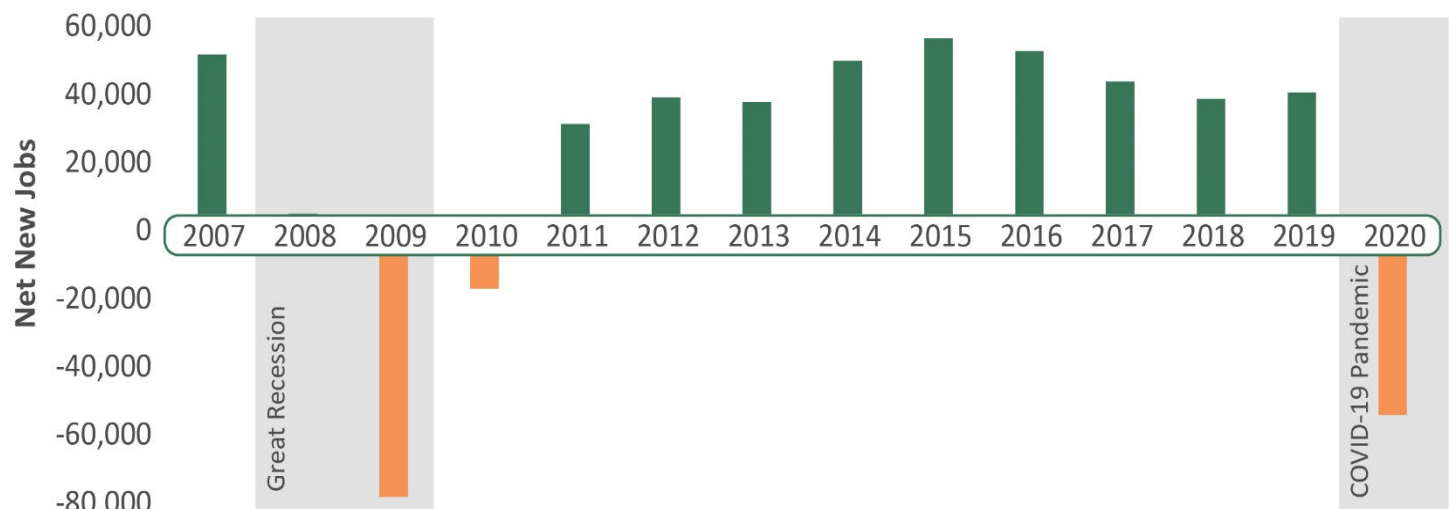
Source: US Census; ESRI Business Analyst Online; Kimley-Horn

3.2 ANNUALIZED REGIONAL EMPLOYMENT

Consistent with national trends, the Charlotte MSA economy was interrupted by the 2007-2009 Great Recession, reporting annual net job losses during and immediately after this period (**Graph 8**). The largest annual loss was demonstrated in 2009 with a net loss of more than 58,000 jobs across the region. In the years between 2011 and 2019, the MSA strongly recovered from the impacts of the Recession, posting annual net job gains averaging 32,000 jobs per year.

Beginning in March 2020, the United States was heavily impacted by the COVID-19 pandemic, which resulted in significant job losses in every major metropolitan region of the country. Retail Trade, Entertainment, Hospitality and Food Services have been hit particularly hard as many establishments were required to close or restrict business to stop the spread of the virus. Recovery from the pandemic has not been uniform across the United States.

Graph 8: Annual Net New Job Growth, Charlotte MSA, 2007-2020



Source: Bureau of Labor Statistics; Kimley-Horn

Between March 2020 and April 2020, which includes the initial onset of COVID-19 and widespread stay-at-home orders, the ten-county Charlotte MSA lost over 144,000 jobs. Total jobs for the region recovered through the balance of 2020, adding approximately 126,700 jobs back into the economy, reaching 1.18 million total jobs. This is approximately 40,000 jobs less than the annual average total for 2019. The Charlotte MSA has experienced strong recovery following the onset of the pandemic, but like many major metropolitan areas across the United States, has yet to exceed pre-pandemic job levels. Between January 2021 and March 2021, the MSA has continued recovery, adding another 10,500 jobs.

As shown in **Table 4**, employment in the eleven-county Charlotte MSA increased by 83,990 jobs, or 7.9%, between 2015 and 2020. Total annual employment in 2020 was approximately 1.14 million. Health Care and Social Assistance, which represents jobs in medical-related fields, represented the largest share of employment in the region at 11.8%, followed by Retail Trade (10.6%) and Manufacturing (8.5%). Partially influenced by impacts of the COVID-19 pandemic, six of twenty industries experienced declines during the five-year period: Accommodation and Food Services, Information, Manufacturing, Arts, Entertainment, and Recreation, Educational Services, and Agriculture.

The following industries showed the most significant employment during the five-year period:

- Finance and Insurance (+22,282 jobs)
- Transportation and Warehousing (+20,295 jobs)
- Professional and Technical Services (+12,933 jobs)
- Construction (+11,829 jobs)
- Healthcare and Social Assistance (+9,248 jobs)



Table 4: Annualized Employment by Industry, Charlotte MSA, 2015-2020

Industry Classification	2015	2020	2015-2020 Δ	
			#	%
Finance and Insurance	66,122	88,404	22,282	33.7%
Transportation and Warehousing	48,389	68,684	20,295	41.9%
Professional and Technical Services	62,486	75,419	12,933	20.7%
Construction	54,116	65,945	11,829	21.9%
Health Care and Social Assistance	125,262	134,510	9,248	7.4%
Management of Companies and Enterp	36,220	43,049	6,829	18.9%
Public Administration	36,600	40,271	3,671	10.0%
Real Estate and Rental and Leasing	15,890	18,395	2,505	15.8%
Administrative and Waste Services	83,537	85,944	2,407	2.9%
Other Services, Ex. Public Admin	26,738	28,786	2,048	7.7%
Utilities	3,265	4,458	1,193	36.5%
Wholesale Trade	54,759	55,791	1,032	1.9%
Retail Trade	119,628	120,381	753	0.6%
Mining	579	644	65	11.2%
Agriculture, Forestry, Fishing & Hunting	3,090	3,012	-78	-2.5%
Educational Services	72,990	71,939	-1,051	-1.4%
Arts, Entertainment, and Recreation	23,955	21,776	-2,179	-9.1%
Manufacturing	98,820	96,572	-2,248	-2.3%
Information	26,221	23,487	-2,734	-10.4%
Accommodation and Food Services	98,093	93,283	-4,810	-4.9%
Total	1,056,760	1,140,750	83,990	7.9%

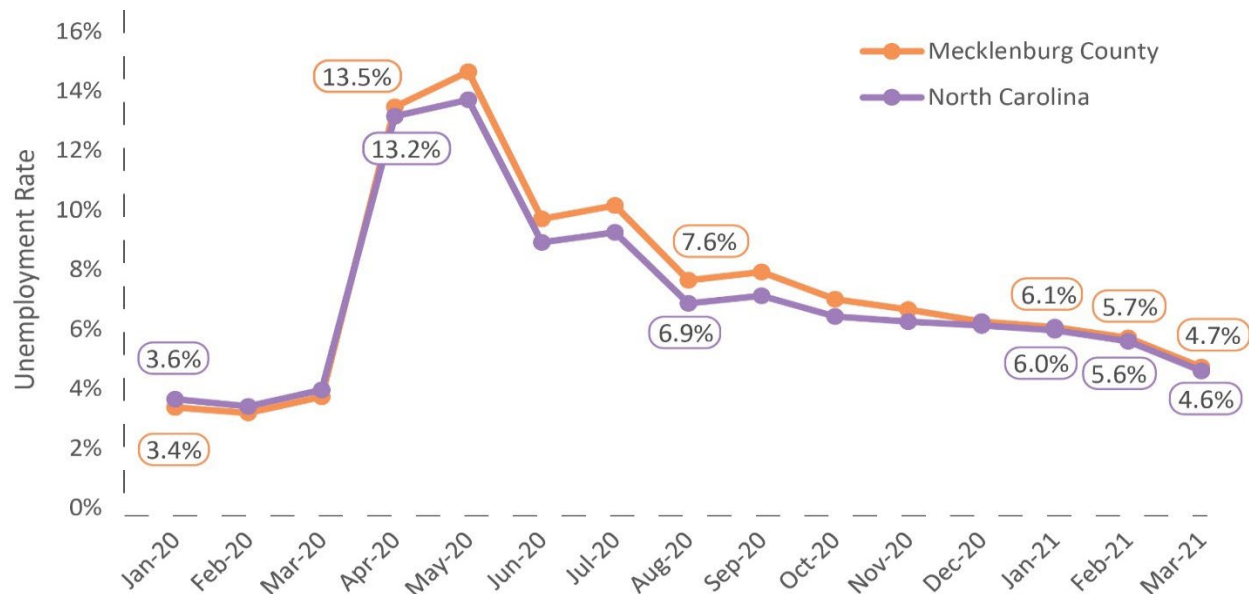
Source: Bureau of Labor Statistics; Kimley-Horn

The most recently reported average annual wage for the Charlotte MSA was \$63,715 in 2020, representing an increase of 19.2% over five years. The largest employment industry in the region, Healthcare and Social Assistance, reported an average annual wage of \$61,445, slightly lower than the overall MSA average. The highest average wages were \$135,337 for Management of Companies and Enterprises, which comprise 3.8% of the regional employment base, and \$129,996 for Finance and Insurance, which comprises 7.7%.

3.3 UNEMPLOYMENT RATE COMPARISON

Like other major metropolitan areas, Mecklenburg County has been vulnerable to economic impacts during the pandemic. Initial impacts were significant with unemployment rates in the County peaking in May 2020 at nearly 15%. However, recovery occurred quickly through the summer of 2020, with unemployment rates declining to approximately 7.6% three months later (**Graph 9**). Since that time, unemployment rates in the County have continued to improve, reaching 4.6% in March 2021. During the onset of the pandemic in March/April 2020, the County reported higher unemployment rates than the State of North Carolina, but the measures became similar in the last four months analyzed.

Graph 9: Comparison of Unemployment Rates, 2020-2021

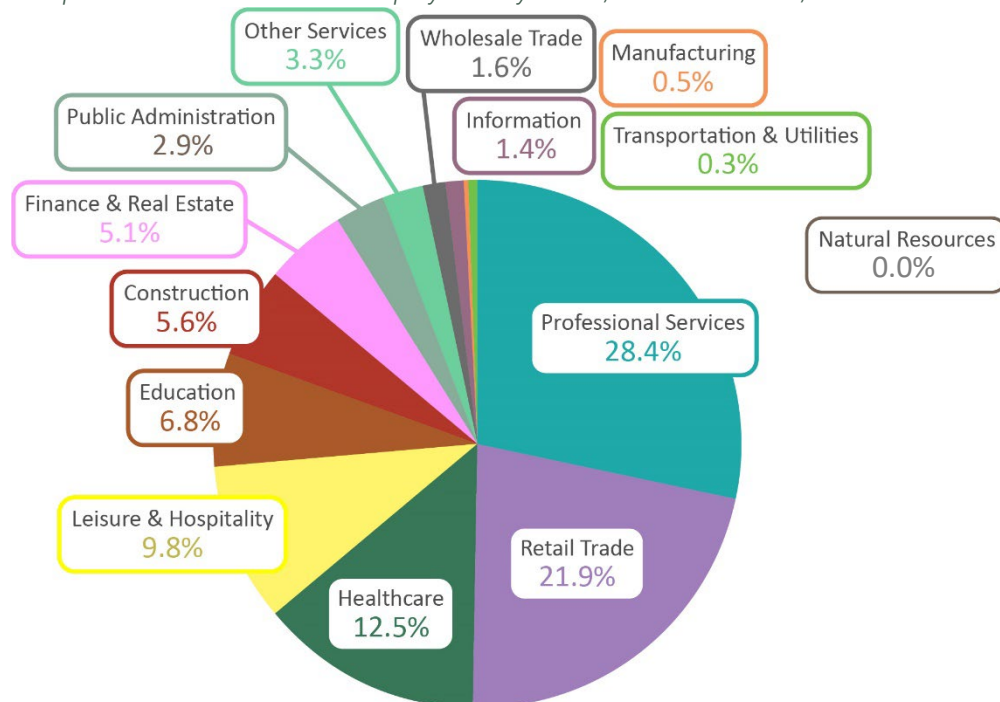


3.4 AREA OF INFLUENCE EMPLOYMENT

Employment data for the Area of Influence is provided by the US Census Longitudinal Employer-Household Dynamics dataset. As of 2019, the most recent year for which data is available, the Area of Influence hosted almost 14,300 jobs. Professional Services represents the largest sector in the Area of Influence, comprising 28.4% of jobs. Retail Trade (21.9%), Healthcare (13.7%), and Leisure and Hospitality (9.8%) represent the next largest sectors (**Graph 10**).

Combined, these four sectors comprised nearly three-quarters of the total jobs in the Area of Influence. Professional and Technical Services typically refer to white-collar jobs requiring office space, ranging from management to administrative positions. Retail Trade positions are hosted by businesses selling goods and services directly to customers, like a grocery store, restaurant, pharmacy, or local boutique, while Healthcare jobs are those related to the medical field. Area of Influence jobs in the Leisure and Hospitality sector are primarily in food service.

Graph 10: Estimated Shares of Employment by Sector, Area of Influence, 2020

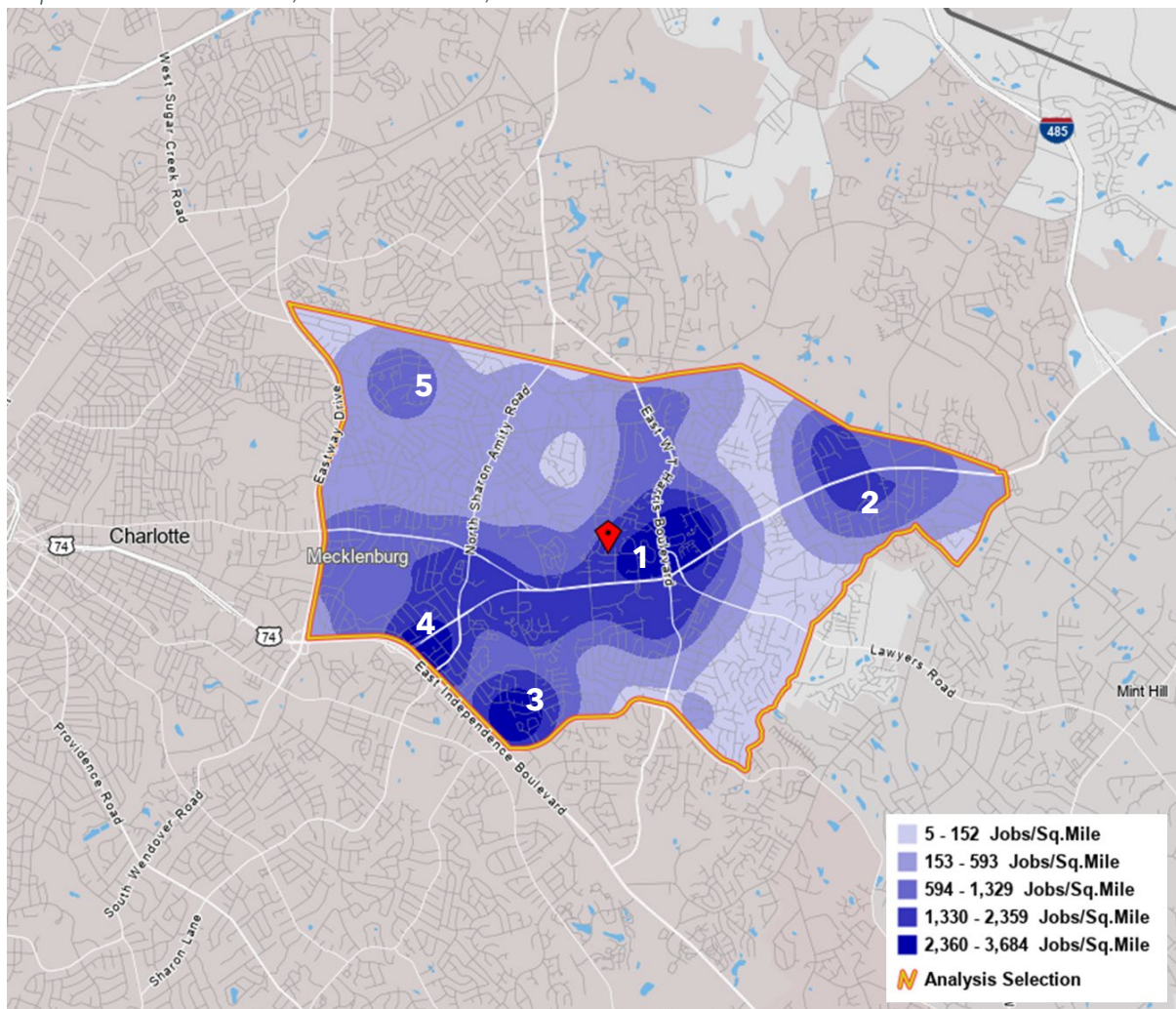


Source: US Census LEHD; Kimley-Horn

The distribution of jobs in the Area of Influence is shown in **Map 1**. Most jobs are located along Albemarle Road, especially around the western half of the corridor. Employment in the Area of Influence is primarily concentrated along Albemarle Road, as well as Central Avenue and East W.T. Harris Boulevard, and Independence Boulevard. The densest job nodes include:

- 1. East W.T. Harris Boulevard/Albemarle Road Intersection:** This node primarily hosts retail, food service, and education jobs. It is anchored by a Walmart Neighborhood Market. There is a mix of fast food and sit-down restaurants, pharmacy, discount stores, and auto-oriented retailers. Additionally, Albemarle Road Elementary and Middle Schools are located south of the intersection.
- 2. Big Box Shopping Destination:** This node encompasses a concentration of big box shopping stores hosting a large base of retail jobs. Employers include Walmart, Home Depot, Lowe's Home Improvement, and Target. Additionally, there are several other smaller retailers, including Food Lion and Goodwill, fast food restaurants, and auto-oriented retailers.
- 3. East Independence Boulevard/Idlewild Road Intersection:** Employment in this node is primarily in auto sales and service, with several car dealerships located along East Independence Boulevard.
- 4. East Independence Boulevard/Albemarle Road/North Sharon Amity Road:** A mix of retail and food service jobs are offered at this employment center. Businesses include Rooms To Go, Dollar General, fast food and sit-down restaurants, personal care services, and auto dealers and parts.
- 5. Eastway Drive/Shamrock Drive:** This job node is centered on the Asbury Health and Rehabilitation Center, Aldersgate Nursing Facility, and Levine & Dickson Hospice House. Employment in this node is primarily in healthcare and social assistance.

Map 1: Distribution of Jobs, Area of Influence, 2020



Source: US Census LEHD; Kimley-Horn



Based on data from the US Census LEHD dataset more than 44,500 people travel into the Area of Influence for employment daily and approximately 78,800 of the employed population commute out (**Figure 3**). The Area of Influence has an estimated 9,700 people who both live and work there, making up approximately 11% of workforce. These figures are based on the most recent commuting patterns as presented by the US Census.

Figure 3: Inflow/Outflow Job Counts, Area of Influence, 2018



Source: US Census LEHD; Kimley-Horn

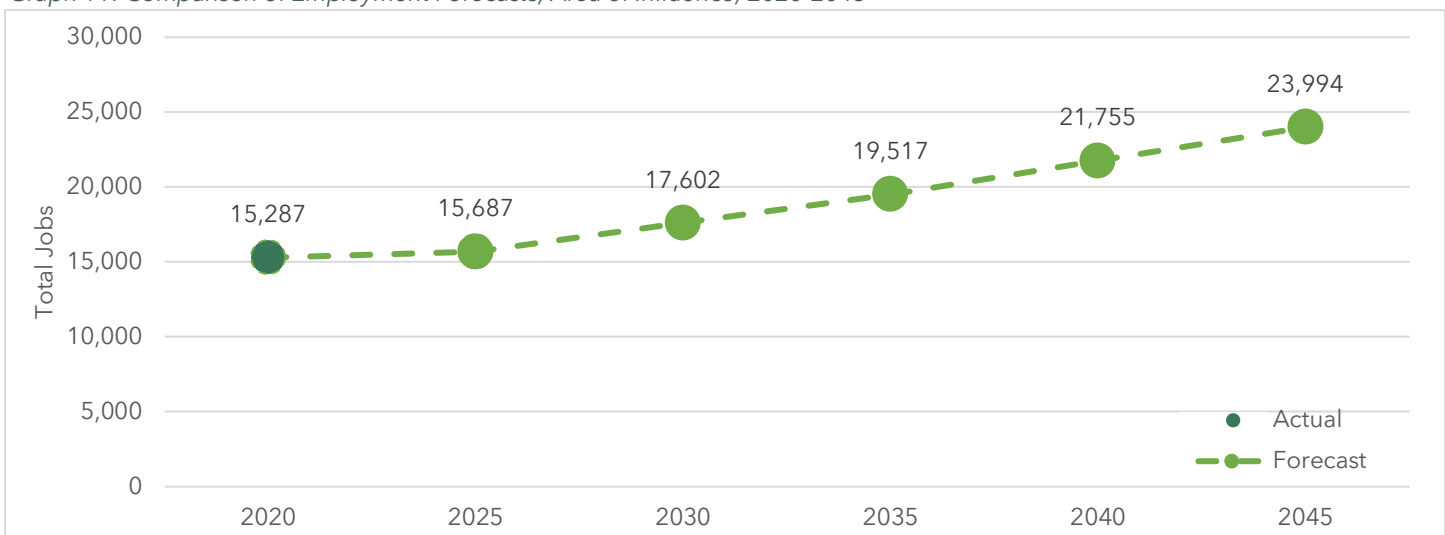
Approximately 60% of the employed residents of the Area of Influence work within the City of Charlotte. The next most popular out-commuting location are Matthews (3.0%) and Concord (2.5%). For employees commuting into the Area of Influence, 38.1% live elsewhere in the City of Charlotte, 2.9% live in Mint Hill, and 2.9% live in Matthews. The remainder live in a mix of other locations.

3.5 EMPLOYMENT FORECASTS

Like the population forecasts in section 2.5, the employment forecasts in this section of the report also consider data provided by CRTPO and Woods & Poole. The forecasts are presented through 2045 based on the transportation demand model for the region. Projected employment growth is utilized in this analysis to understand office and industrial demand potential along the Sugar Creek/I-85 corridor.

As shown in **Graph 11**, employment in the Area of Influence is expected to increase approximately 57% between 2020 and 2045. In recent years, retail, administrative, and professional jobs have grown the most. Over the next 25 years, employment in highway-oriented services, office workers, and warehouse/flex space jobs are forecasted to grow at the fastest rate. Ten-year growth is forecasted to be approximately 2,300 jobs.

Graph 11: Comparison of Employment Forecasts, Area of Influence, 2020-2045



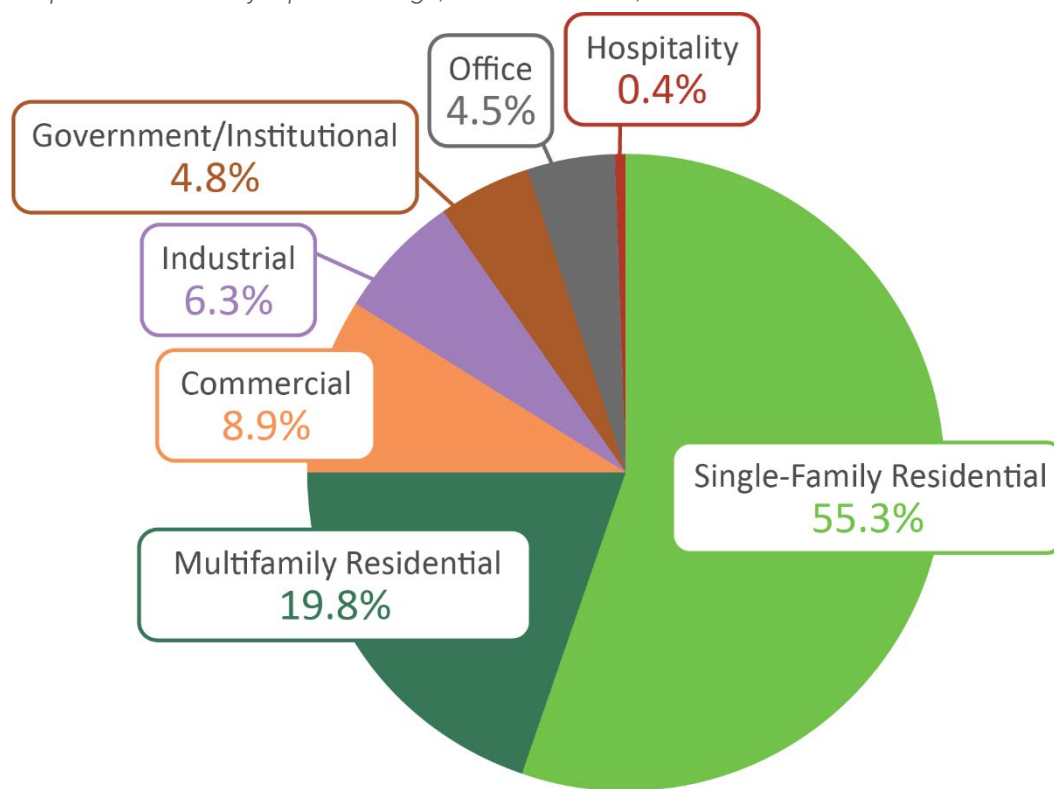
Source: CRTPO; Woods & Poole; Kimley-Horn

4.0 Real Estate Market Conditions

This section presents real estate performance profiles for residential, retail, office, and light industrial/flexible workspace sectors. Trends relating to net absorption, lease rates, and vacancy were analyzed for the Trade Area and compared with the larger Charlotte market to demonstrate the areas positioning within the larger region. Performance trends and local product highlights are based on data provided by REIS, a third-party commercial real estate data company, and various online commercial real estate marketplaces. Additionally, details on land use and inventory were obtained from Mecklenburg County tax assessor data.

Based on square footage, the most prevalent land use in the Area of Influence is single-family residential, followed by multifamily residential (**Graph 12**). Together, single- and multifamily residential uses comprise approximately 75% of all square footage. Commercial, largely represented by retail space, is the third largest use, representing 8.9% of all square footage.

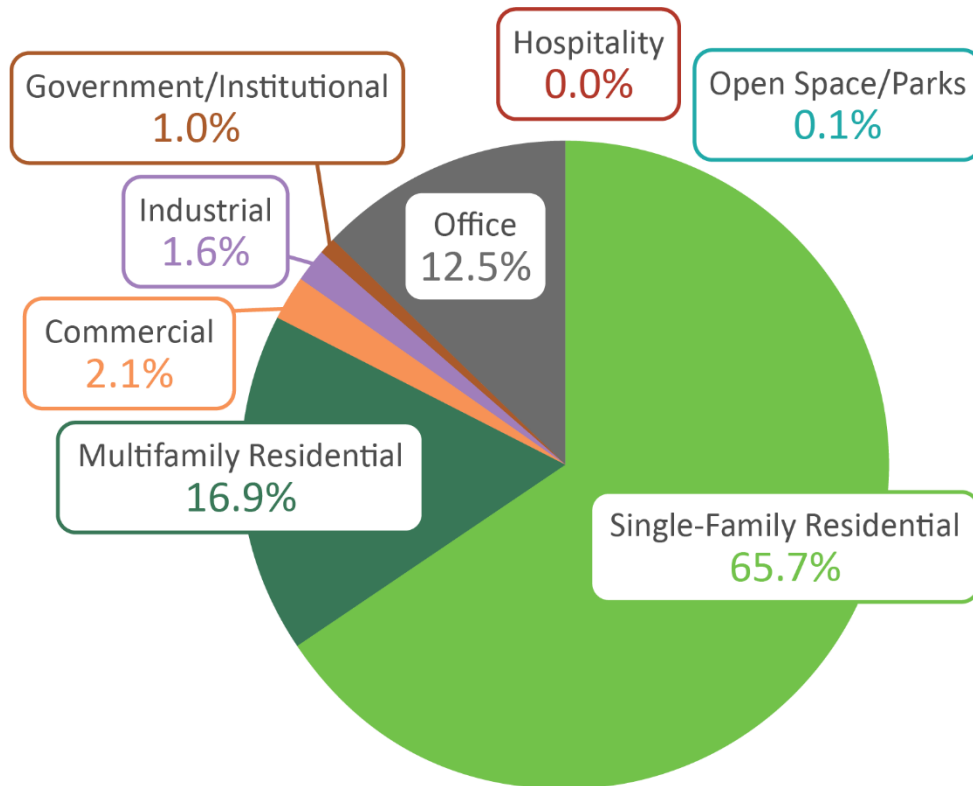
Graph 12: Land Use by Square Footage, Area of Influence, 2021



Source: Mecklenburg County; Kimley-Horn

When considering land use by acreage, the most prevalent uses in the Area of Influence are still residential, with single-family comprising nearly 66% of the Area's land (**Graph 13**). Multifamily residential represents the second largest amount of acreage (16.9%), followed by office (12.5%). The number of acres categorized as commercial, industrial, government/institutional, or open space/parks is limited at about 2% or less each.

Graph 13: Land Use by Acreage, Area of Influence, 2021



Source: Mecklenburg County; Kimley-Horn

4.1 RESIDENTIAL PERFORMANCE

This section provides an overview of the residential market in the Trade Area and Charlotte Market. Data points include building permitting activity, housing units by type and value, and for-sale and multi-family rental trends.

Housing Overview

As shown on **Map 2**, single-family housing is the dominant land use in the Area of Influence and is located throughout the area. Multi-family residential units are more concentrated within nodes along Albemarle Road, Central Avenue, and Eastway Drive.

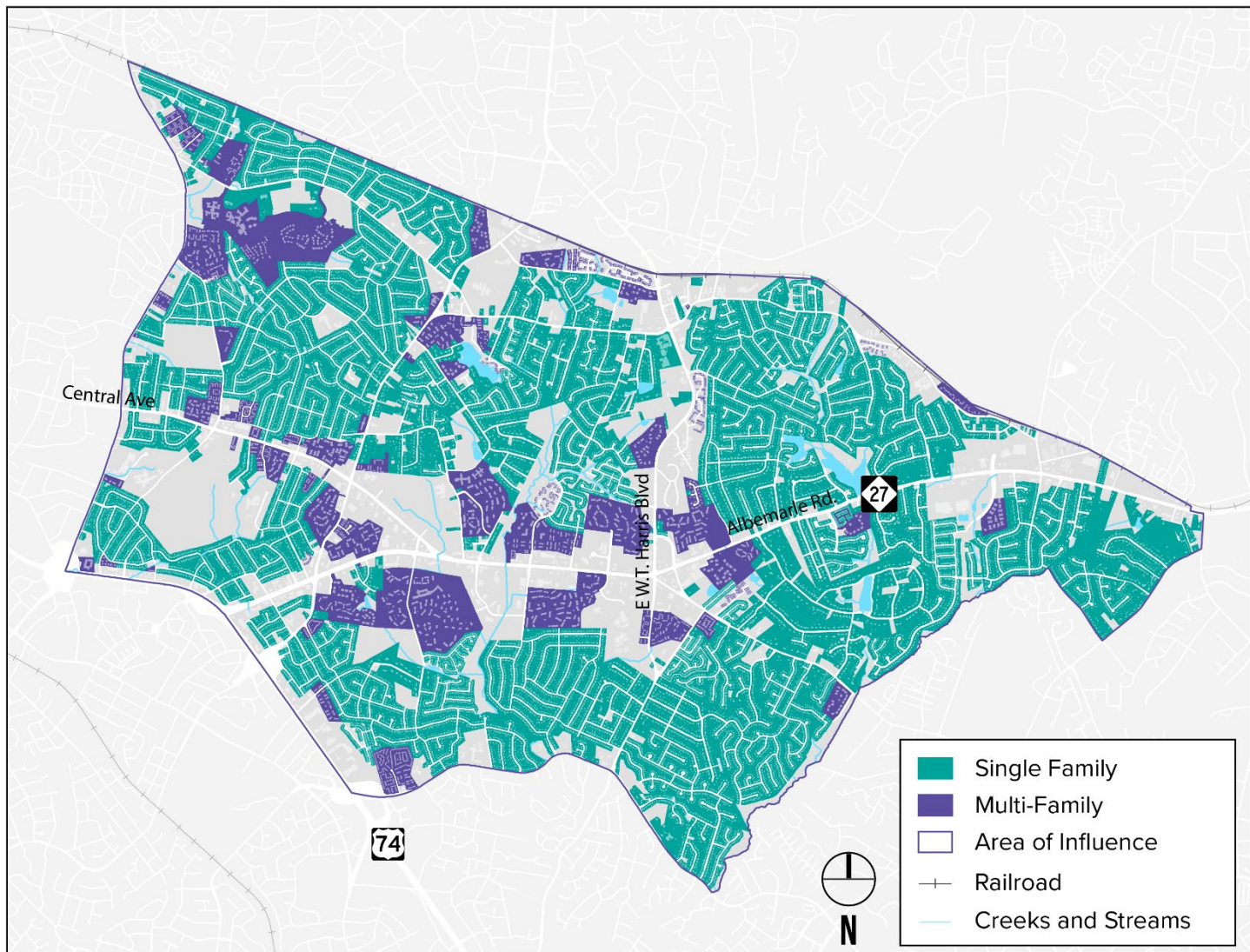
As shown in **Table 5**, the Area of Influence had an estimated 27,658 housing units in 2021, an increase of 3.3% from 2010, or nearly 900 units. During the same time period, the Charlotte MSA added approximately 187,840 housing units, reaching more than 1.1 million in 2021. This equates to a 19.8% overall growth rate since 2010. The Trade Area grew at a rate in between the other geographies at 10.9%. The Area of Influence comprised 2.4% of the total housing units in the MSA in 2021 but captured only 0.5% of the growth since 2010.

Table 5: Comparison of Housing Unit Trends, 2010-2021

Area	2010	2021	2010-2021 Δ		
			#	%	CAGR
Area of Influence	26,770	27,658	888	3.3%	0.3%
Trade Area	78,848	87,407	8,559	10.9%	0.9%
Charlotte MSA	948,028	1,135,868	187,840	19.8%	1.7%
Area of Influence % MSA	2.8%	2.4%	0.5%		

Source: ESRI; Kimley-Horn

Map 2: Residential Parcels, Area of Influence, 2021



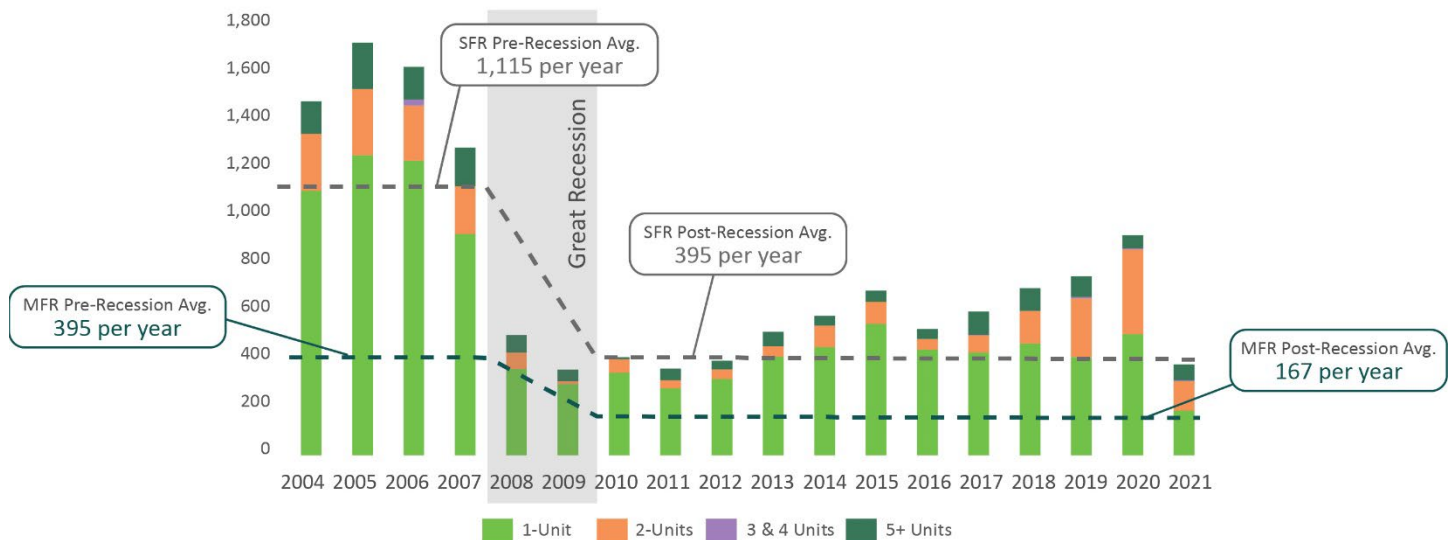
Source: City of Charlotte; Mecklenburg County; Kimley-Horn

RESIDENTIAL BUILDING PERMITS

As shown in **Graph 14**, residential building permitting was significantly disrupted by the 2007-2009 Great Recession and have not returned to pre-Recession levels. Prior to the Great Recession, the Trade Area averaged approximately 1,500 buildings permits per year. In the years since, permits have averaged 561 annually. The share of single-family permits has varied widely, ranging from 55% to 84% of all permits each year. The share of permits for multi-family units declined during the Recession and the years immediately following. Levels have picked up in recent years but have not returned to pre-Recession levels. Permits for duplex units make up most of the multi-family units, followed by structures containing at least five units, and very few for buildings with three or four units.



Graph 14: Residential Building Permit Trends, Trade Area, 2004 - April 2021



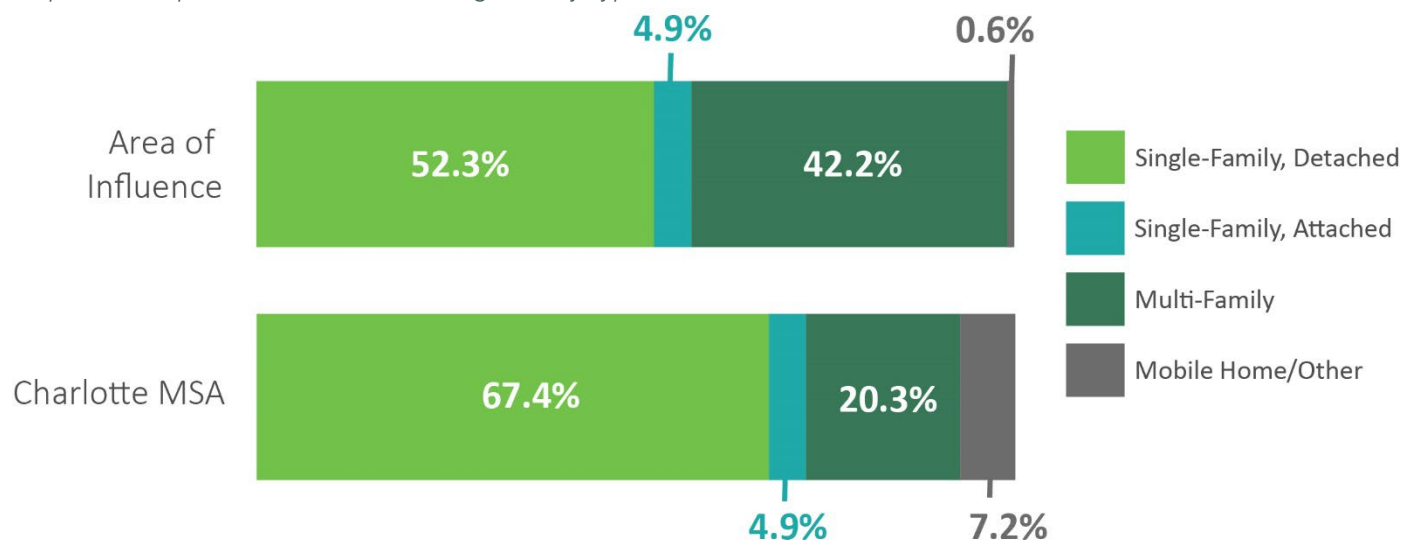
Source: US Census; Kimley-Horn

Housing permits in the first half of 2021 were on pace to lag some of the recent annual totals. This is likely influenced by supply chain issues resulting from the COVID-19 pandemic. It also has caused many areas across the United States to have rapidly increasing price points due to restricted inventory of available units.

HOUSING UNITS BY TYPE

In the Area of Influence, more than 50% of all the housing units are detached single-family, lower than the 67% share reported for the Charlotte MSA (**Graph 15**). Comparatively, multi-family units are more prevalent in the Area of Influence, which is focused on a more densely developed portion of the larger region. Under 6% of housing units in the Area of Influence are single-family attached/townhome-style units or mobile home/other units.

Graph 15: Comparison of Shares of Housing Units by Type, 2019



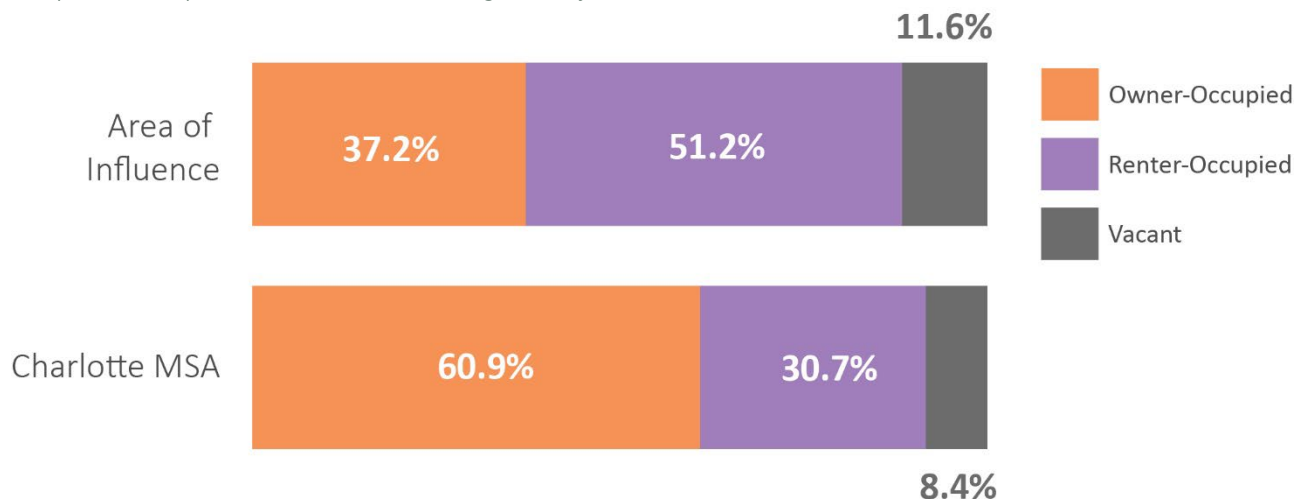
Source: US Census, Kimley-Horn

HOUSING UNITS BY TENURE

Approximately 37% of the housing units in the Area of Influence are owner-occupied, compared to almost 61% of the units in the larger region (**Graph 16**). The Area of Influence has a larger share of renter-occupied units at 51.2%, compared with 30.7% in the MSA. While 42% of the housing units in the Area are multi-family, the overall share of housing units by tenure indicates that many of the single-family houses are also renter-occupied. Nearly 12% of the housing units in the Area of Influence are vacant, an elevated rate compared to 8.4% in the region.



Graph 16: Comparison of Shares of Housing Units by Tenure, 2020



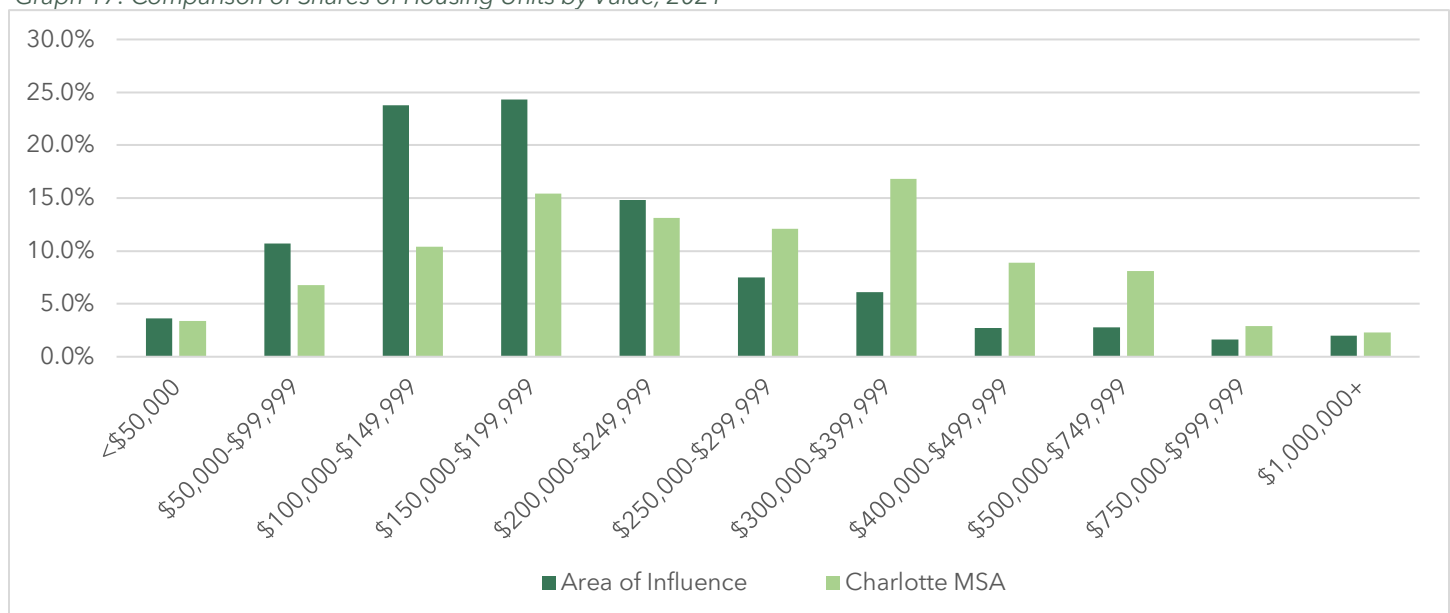
Source: ESRI BAO; Kimley-Horn

For-Sale Housing

MEDIAN HOME VALUE

In 2021, the median home value was \$174,471 in the Area of Influence, almost 31.4% lower than \$254,235 for the Charlotte MSA. As shown in **Graph 17**, the most common range of housing value in the Area of Influence is between \$100,000 and \$149,999, comprising nearly one-quarter of all housing units. In comparison, housing value in the MSA is more balanced with the most prevalent range between \$300,000 and \$399,999. Approximately 15% of units in the Area of Influence are valued above \$250,000, compared with 39% of units in the MSA. The lower median value in the Area of Influence is due in part to a comparably older age (1978 median age in the Area of Influence versus 1992 for the MSA), coupled with less investment in updating the older properties.

Graph 17: Comparison of Shares of Housing Units by Value, 2021



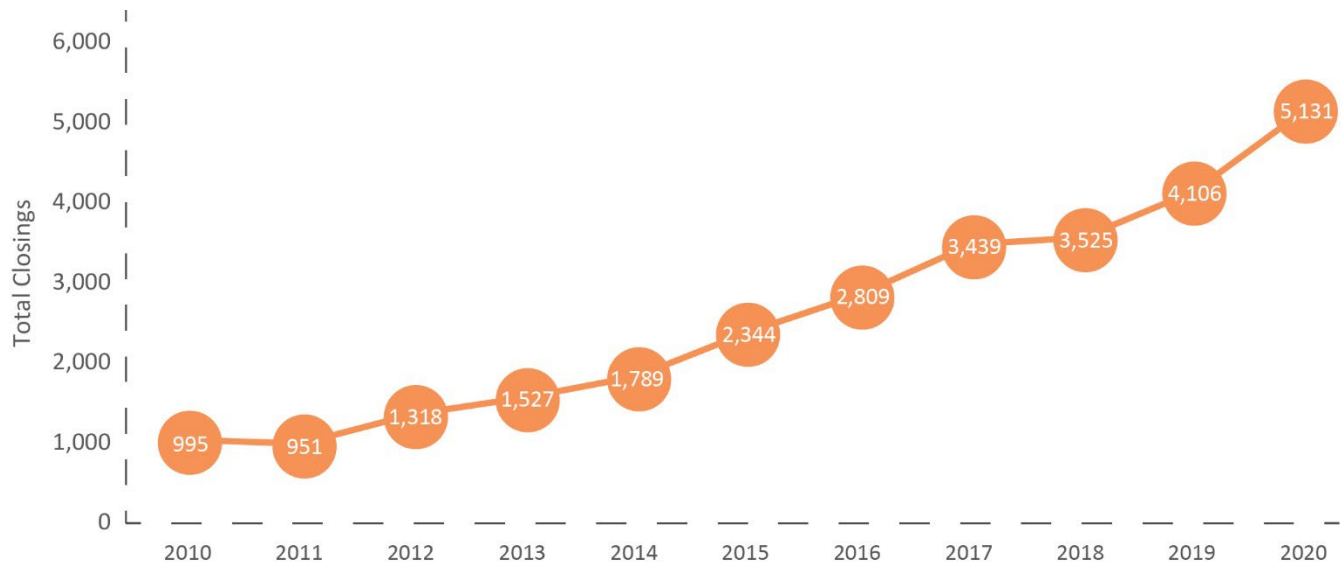
Source: ESRI BAO; Kimley-Horn

SINGLE-FAMILY RESIDENTIAL MARKET ACTIVITY

Parcel sales data was obtained from Mecklenburg County to analyze recent trends for single-family residential in the Trade Area. Between 2010 and 2020 the number of closings in the Trade Area steadily increased from 995 to 5,131 annually, representing an overall increase of more than 400% (**Graph 18**). Annual sales in 2020 represented an eleven-year high, despite the COVID-19 pandemic. It suggests that the area's proximity to major job centers in the City has made the surrounding neighborhoods increasingly competitive.



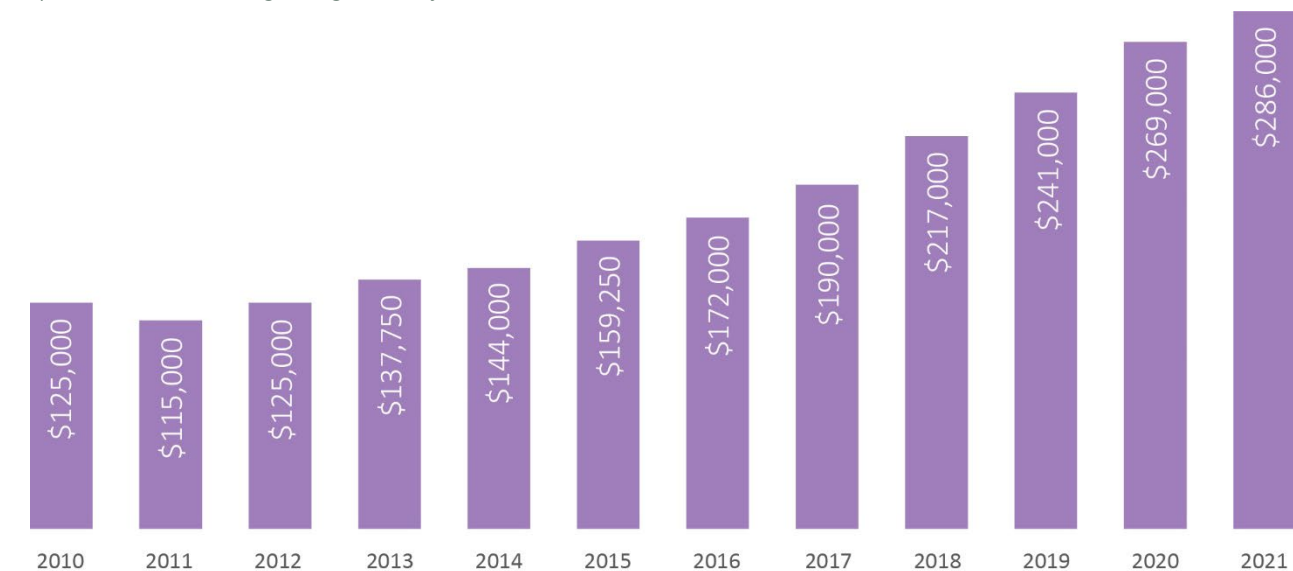
Graph 18: Total Annual Single-Family Closings, Trade Area, 2010-2020



Source: Mecklenburg County; Kimley-Horn

As shown in **Graph 19**, sale prices in the Trade Area have also increased significantly since 2010. Prices dipped after 2010 and have steadily increased in the years following the Great Recession. Since 2011, the average year-over-year increase was nearly 10%. Between 2010 and 2021, the average sale price grew approximately 56%, from \$125,000 to \$286,000.

Graph 19: Annual Average Single-Family Sale Price, Trade Area, 2010-2021



Source: Mecklenburg County; Kimley-Horn

Multi-Family Rental Housing

The inventory presented in this section focuses on market-rate units in professionally managed communities of at least 25 units. The most active decade for apartment development in the Trade Area was the 1980s, comprising nearly 40% of the inventory (**Table 6**). Since 2010, approximately 3,000 units have been completed, making up 13% of the total inventory.

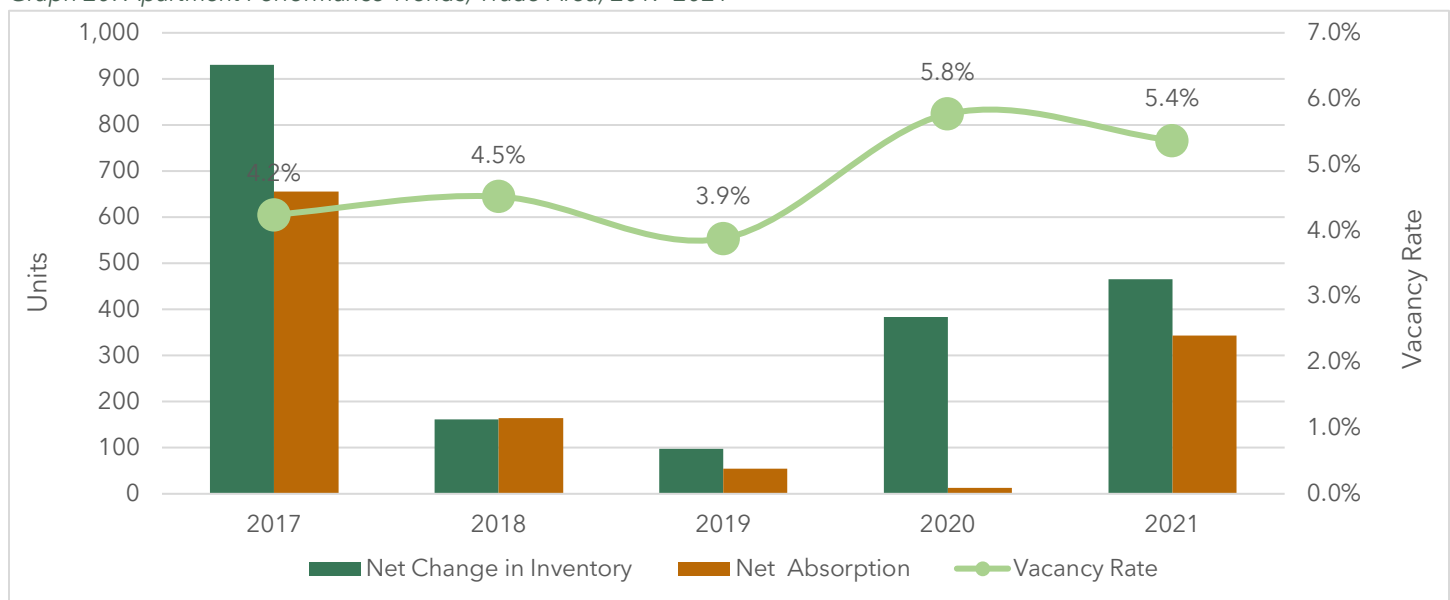
Table 6: Inventory by Decade Completed, Trade Area, 2021

Decade Completed	Inventory (Units)	% of Total
Before 1970	2,717	11.8%
1970s	3,582	15.6%
1980s	8,979	39.1%
1990s	2,199	9.6%
2000s	2,497	10.9%
2010s	2,540	11.1%
2020s	428	1.9%
Total	22,942	100.0%

Source: Real Data; Kimley-Horn

As shown in **Graph 20**, the Trade Area has added more than 2,000 apartments since 2017, with nearly half completed between March 2016 and March 2017. Four apartment communities were completed during this period. Momentum of new completions has picked up in the last two years. Overall, occupancy of new units, also known as net absorption, has lagged the pace of new completions over the last five years. The large deliveries of new units in the past two years caused a jump in vacancy to from 3.9% in 2019 to above 5% in 2020 and 2021. However, this is still lower than the 7.0% industry-standard often used to represent a healthy market. Typically, markets with vacancy rates at or near 7.0% offer opportunities for inter- and intra-market moves. As a point of comparison, the larger Charlotte apartment market reported a higher 6.8% vacancy rate in March 2021.

Graph 20: Apartment Performance Trends, Trade Area, 2017-2021



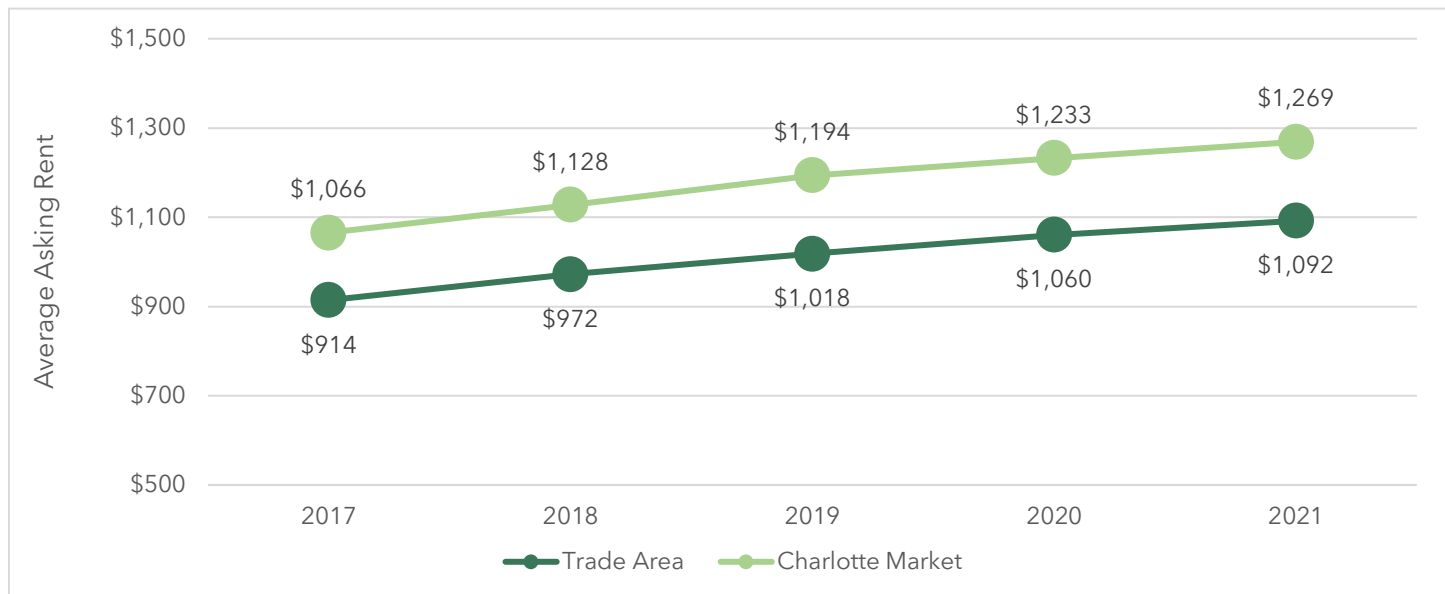
Note: Trends are from March to March

Source: Real Data; Kimley-Horn

Average monthly rents in the Trade Area increased 19.4%, from \$914 in March 2017 to \$1,269 in March 2021 (**Graph 21**). While rents in the Trade Area have followed the same growth pattern as the larger Charlotte market since 2017, the larger market has maintained an average premium of 16.5% over the Trade Area's inventory.



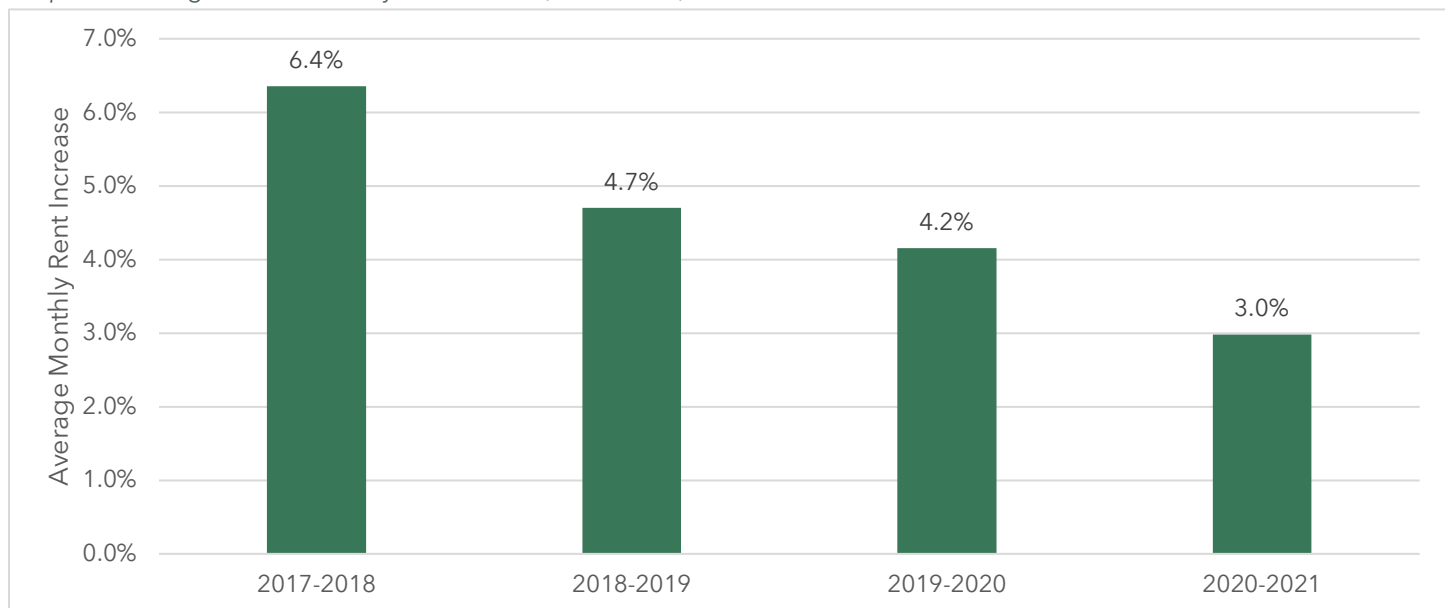
Graph 21: Comparison of Apartment Monthly Rent Trends, 2017-2021



Note: Trends are from March to March
Source: Real Data; Kimley-Horn

Annual monthly rent growth has steadily declined from 6.4% between 2017 and 2018 to 3.0% between 2020 and 2021 (**Graph 22**). Rent growth in the past few years has slowed, likely influenced in part by the increased vacancy resulting from a large influx of newly completed units. Additionally, concessions offered during the COVID-19 pandemic may have also resulted in downward pressure on rental rate growth.

Graph 22: Average Annual Monthly Rent Increase, Trade Area, 2017-2021



Source: Real Data; Kimley-Horn

COMPARABLE MARKET-RATE MULTI-FAMILY RENTAL COMMUNITIES

A total of 117 market-rate apartment communities were identified in the Trade Area. The thirteen communities completed since 2010 are profiled in **Table 7**. In 2021, three of the communities had additions under construction: Bainbridge Matthews, Broadstone Lemmond Farm, and Address Galleria. While the inventory in the Trade Area is a mix of garden-style and mid-rise product, the newest completions are primarily mid-rise structures with structured parking located closer to the urban core of Charlotte, more specifically the Plaza Midwood neighborhood. When compared with the Trade Area, the inventory in the Area of Influence is relatively older. The average 938-square-foot apartment in the Trade Area rents for \$1,557 per month, which equates to \$1.66 per square foot.

Table 7: Competitive Market-Rate Multi-Family Rental Communities, Trade Area, 2021

Community	Location	Management	Year Open	Unit Mix				Total	Avg. Sq.Ft.	Avg. Rent	Rent/ Sq.Ft.
				EFF	1BR	2BR	3BR				
Village at Commonwealth	1215 Morningside Dr	Northwood Ravin	2016	162	234	324	103	823	1,065	\$1,794	\$1.68
Venue	2512 Weddington Ave	Tribridge Residential	2014	27	157	182	0	366	934	\$1,505	\$1.61
M Station	6423 Monroe Rd	Greystar	2015	16	91	145	8	260	883	\$1,397	\$1.58
Fountains Matthews	10624 Parrish St	Greystar	2016	0	114	126	18	258	972	\$1,464	\$1.51
The Gibson	1000 Central Ave	Rangewater Real Estate	2016	0	177	73	0	250	810	\$1,552	\$1.92
Metro 808	808 Hawthorne Ln	Greystar	2011	41	109	82	5	237	926	\$1,445	\$1.56
Bainbridge Matthews	4010 Waiting St	Bainbridge Companies	2021	0	96	85	19	200	985	\$1,547	\$1.57
Broadstone Lemmond Farm	12009 Lemmond Farm Dr	Greystar	2021	0	96	63	9	168	924	\$1,437	\$1.56
Julien	2142 Commonwealth Ave	Greystar	2016	0	85	17	3	105	734	\$1,379	\$1.88
Midwood Station	2027 Central Ave	RKW Residential	2018	0	77	20	0	97	762	\$1,481	\$1.94
The Langston	1905 E 7th St	Trademark Residential	2017	0	72	19	0	91	751	\$1,383	\$1.84
Address Galleria	10252 Monroe Rd	Taft Management Group	2021	0	26	30	4	60	946	\$1,427	\$1.51
The Edison	1800 Commonwealth Ave	RKW Residential	2013	12	31	10	0	53	659	\$1,331	\$2.02
Total/Avg.				258	1,365	1,176	169	2,968	938	\$1,557	\$1.66
Share				8.7%	46.0%	39.6%	5.7%				

Source: Real Data; Kimley-Horn

Vacancy in the competitive set is elevated at 13.7% due to a few communities still in lease-up (**Table 8**). The aggregate vacancy for the stabilized communities is 6.1%, below the industry standard of 7% that indicates a healthy market. This equates to 156 units available out of 2,540 total stabilized units. Stabilized communities are defined as those who are no longer in active lease-up of a new property. This usually occurs when overall property vacancy drops below 10%. Vacancy rates range from 4.0% at The Gibson to 73.3% at Address Galleria, which was one of two projects that delivered in 2021.

Table 8: Comparison of Vacancy Rates, Trade Area, 2021

Community	Location	Owner/ Manager	Year Open	Total Units	Vac. Units	Vac. Rate
Village at Commonwealth	1215 Morningside Dr	Northwood Ravin	2016	823	62	7.5%
Venue	2512 Weddington Ave	Tribridge Residential	2014	366	24	6.6%
M Station	6423 Monroe Rd	Greystar	2015	260	11	4.2%
Fountains Matthews	10624 Parrish St	Greystar	2016	258	15	5.8%
The Gibson	1000 Central Ave	Rangewater Real Estate	2016	250	10	4.0%
Metro 808	808 Hawthorne Ln	Greystar	2011	237	13	5.5%
Bainbridge Matthews	4010 Waiting St	Bainbridge Companies	2021	200	129	64.5%
Broadstone Lemmond Farm	12009 Lemmond Farm Dr	Greystar	2021	168	77	45.8%
Julien	2142 Commonwealth Ave	Greystar	2016	105	5	4.8%
Midwood Station	2027 Central Ave	RKW Residential	2018	97	8	8.2%
The Langston	1905 E 7th St	Trademark Residential	2017	91	4	4.4%
Address Galleria	10252 Monroe Rd	Taft Management Group	2021	60	44	73.3%
The Edison	1800 Commonwealth Ave	RKW Residential	2013	53	4	7.5%
Stabilized Subtotal/Avg.				2,540	156	6.1%
Total/Avg.				2,968	406	13.7%

Source: Real Data; Kimley-Horn

Affordable Housing Provision

Housing affordability needs to be a focused consideration for the Albemarle Rd/Central Ave Corridor Playbook. Existing residents have income levels below the regional average and heavily rely on the mobility benefits that are often not available in more suburban locations. It is well documented that large-scale public investments can make an area more desirable for development often due to increased mobility options, such as the LYNX Silver Line light rail, and ease of accessibility to jobs, services and amenities. However, the benefits associated with private investment can also bring challenges, particularly with respect to housing affordability and displacement. More amenities, better transportation access, including transit routes, and higher property values can more disproportionately impact low-income households by increasing their housing costs.

When considering future housing demand along the Albemarle Rd/Central Ave Corridor, the City of Charlotte needs to incorporate strategies for both development of new housing options that are attainable to a wide range of income levels, ages, and abilities, as well as the protection of naturally occurring affordable housing, which is defined as housing that is affordable without public subsidy. In a time when public subsidies for affordable housing are declining, protecting naturally occurring affordable housing is critical in expanding housing options that allow people to live near where they work and shop. Much of the existing housing stock in the Area of Influence qualifies as "naturally occurring".



Neighborhood stability is not solely dependent on housing options. Identifying ways to leverage public investments to increase connectivity, create safe bicycle and pedestrian routes, and provide open space can also be used to stabilize and enhance neighborhoods by offering improvements to quality of life. Additionally, a deliberate focus on anti-displacement policies, will help to further stabilize neighborhoods.

A focus on partnerships with local housing organizations and private developers to incorporate affordable housing options into future development should remain a priority for the Area of Influence, particularly with the continued development around the new light rail stations.

COVID-19 and Residential

While the full impact of COVID-19 remains to be seen, it is certain that the pandemic has influenced growth and development in the near-, and likely, long-term. Residential experienced limited impact in the short-term. However, supply of new for-sale and rental units have been impacted by supply chain issues. In most markets, for-sale residential inventories were low before the pandemic, and demand has remained consistent. Established long-term trends influencing for-sale residential demand have not been significantly impacted by COVID-19.

One of the biggest questions that could influence future demand for residential is if there will be a reversal in the desire for urban living by people seeking more space. Rental multi-family residential has experienced notable momentum in recent years as Millennials form new households. These young people have typically been more willing to rent longer-term than previous generations.

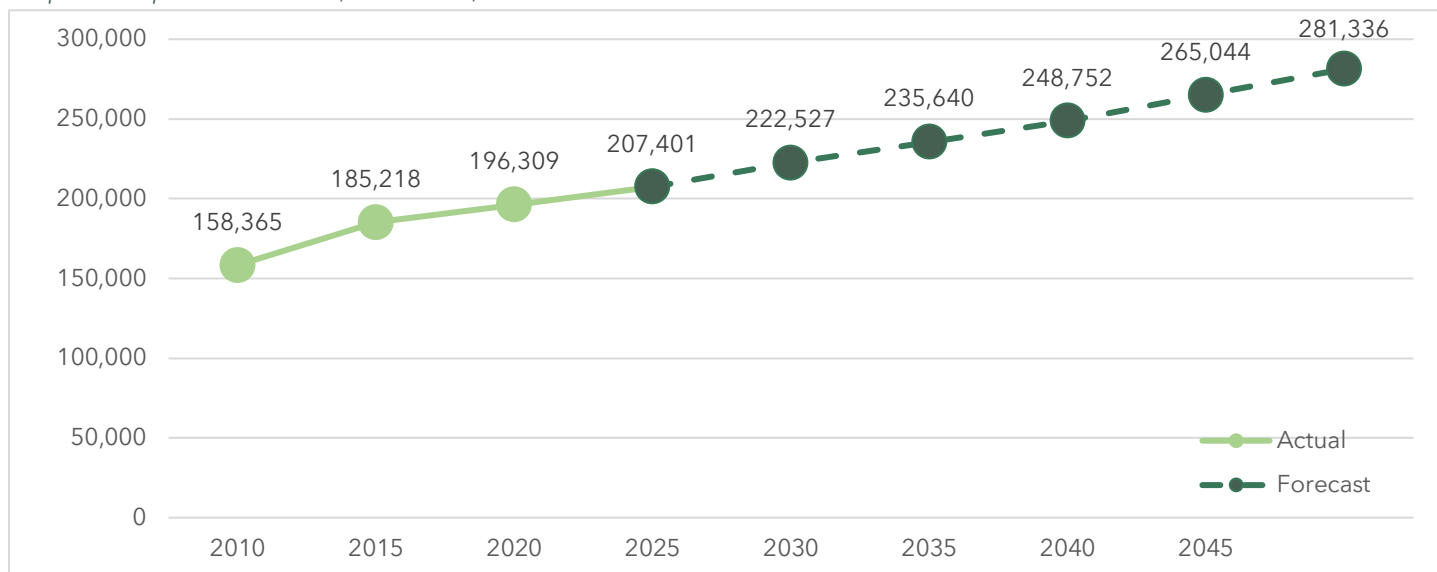
Given the strong increase in inventory experienced in markets there was some initial softness in the rental market in the short-term. Absorption of new units was delayed in some markets as existing tenants struggle to make rent payments or new residents delay household formation. This trend drove new rent specials and reduce annual rent increases. These impacts, although notable, were quickly reversed as demonstrated by recent performance metrics.

Residential Demand

Residential demand in the Trade Area is based on population projections guided by data from CRTPO. The demand forecasts presented in this section provide a range for future housing demand in order to mitigate for uncertainties in the market moving forward related to the current COVID-19 pandemic, future economic cycles, as well as local policy decisions, development appetites, and investments that could change over the next decade.

The Trade Area is expected to add nearly 59,000 people between 2020 and 2045, equating to a growth rate of 26.4%. Housing unit forecasts are based on average household sizes and a 7.5% vacancy rate. This analysis assumes that the average household size will increase slightly over the next ten years from 2.64 to 2.69 people per household. Household unit vacancy was estimated at 7.5%, lower than the 2021 average of 8.8%.

Graph 23: Population Forecast, Trade Area, 2010-2045



Source: CRTPO; Woods & Poole; Kimley-Horn

Based on the assumptions outlined above, housing in the Trade Area could increase by between 10,000 and 12,000 units between 2020 and 2030. Future residential demand will likely be accommodated in a variety of product types. Based on American Community Survey data, approximately 60% of the total housing stock in the Trade Area is single-family detached, townhouses represent 5%, and multifamily units comprise 33% of the total. Higher density residential developments will gravitate to major throughfares and commercial nodes, while single-family detached will continue to evolve in and around existing neighborhood clusters.

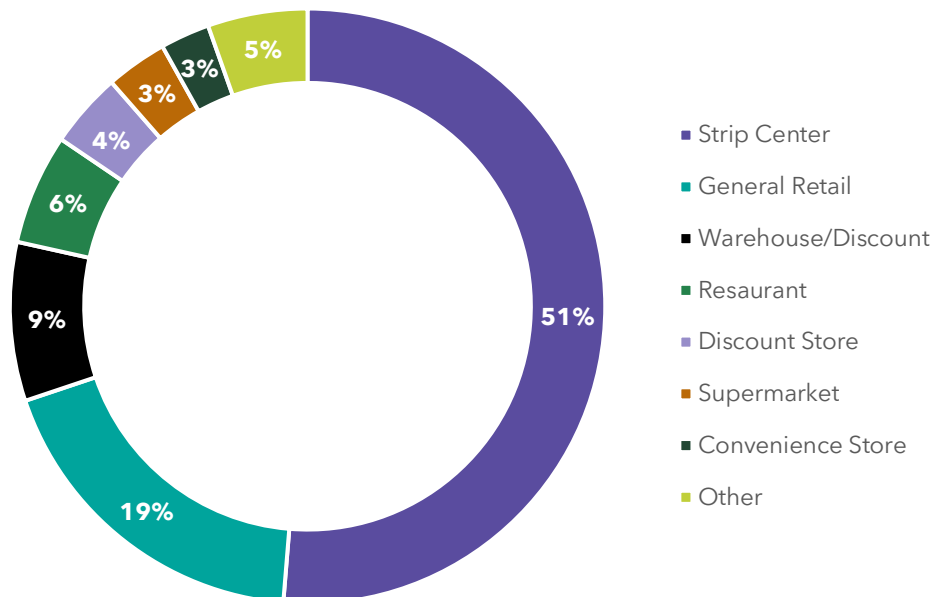
4.2 RETAIL PERFORMANCE

This section provides an overview of the retail real estate market performance trends, including a review of competitive local retail properties, for the Area of Influence, Trade Area, and Charlotte market. A retail gap analysis is also presented to identify future demand potential based on supply and demand in the Area of Influence.

Retail Overview

Based on an analysis of parcel data from Mecklenburg County, there is more than 3.2 million square feet of commercial retail space in the Area of Influence. About half of all retail square footage is in strip shopping centers (**Graph 24**). The next largest category is general retail (19%), followed by warehouse/discount (9%).

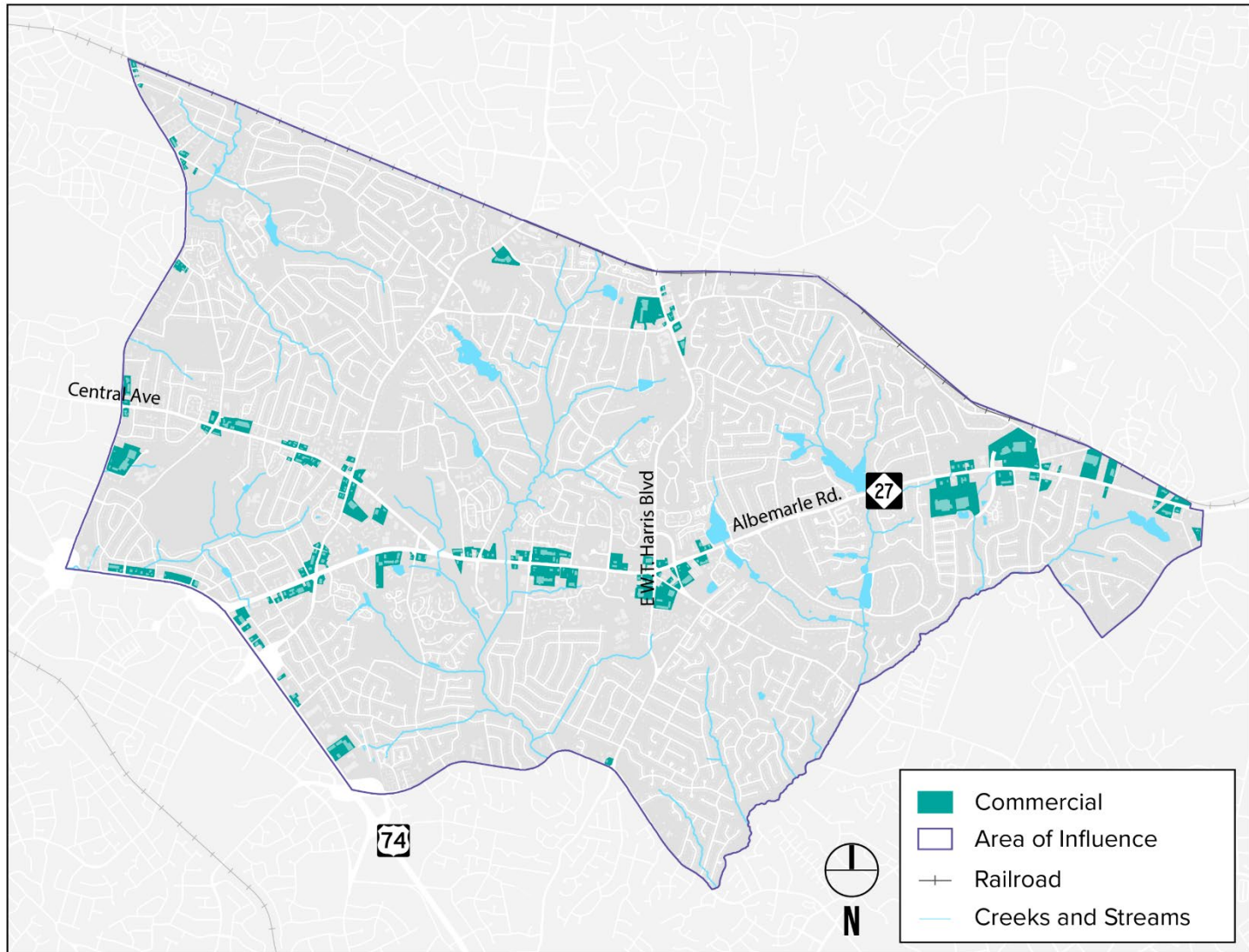
Graph 24: Share of Retail Inventory Square Footage by Type, Area of Influence, 2021



Source: Mecklenburg County; Kimley-Horn

Retail offerings are primarily concentrated primarily concentrated along Albemarle Road, Central Avenue & US 74/Independence Boulevard. The Albemarle Rd/Central Ave corridor hosts a diverse range of destinations offering foods and goods from around the world. Retail offerings are a mix of fast-food and sit-down restaurants, international grocery stores, convenience stores, and pharmacies. Big box stores, including Target, Walmart, and Home Depot, anchor shopping centers at the eastern end of Albemarle Road in the Area of Influence. Retail uses along Independence Boulevard are primarily locally owned restaurants and auto oriented, including several car dealerships. Recent construction in the Area of Influence is limited to free-standing convenience stores and fast-food restaurants

Map 3: Commercial Retail Parcels, Area of Influence, 2021



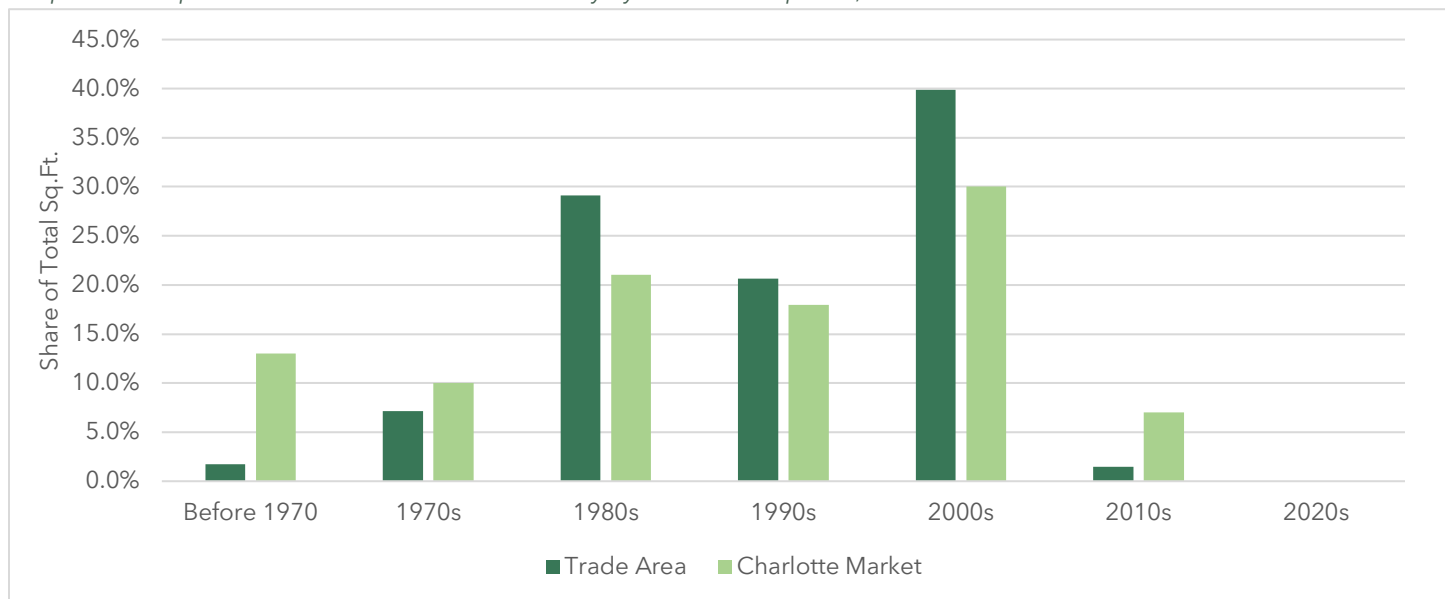
Source: City of Charlotte; Mecklenburg County; Kimley-Horn

Nationally, retail has been one of the most volatile sectors as consumer preferences have shifted in recent years. The COVID-19 pandemic exacerbated these trends as more choose to shop online than in brick-and-mortar stores. Retail performance presented by REIS focuses on multi-tenant shopping center spaces, excluding free-standing, often owner-occupied buildings.

As shown in **Graph 25**, most of the multi-tenant retail space in the Trade Area was completed between 1980 and 2009, with the 2000s being the most active decade for retail development followed by the 1980s. Market-wide, the most active decade was also the 2000s. Less than 2.0% of space in the Trade Area was completed prior to 1970. The Area of Influence has an older inventory that may not be as attractive to modern tenants, but it could be a more affordable option for unique and local retailers, non-traditional leases, and tenants priced out of other neighborhoods.



Graph 25: Comparison of Multi-Tenant Retail Inventory by Decade Completed, 2021

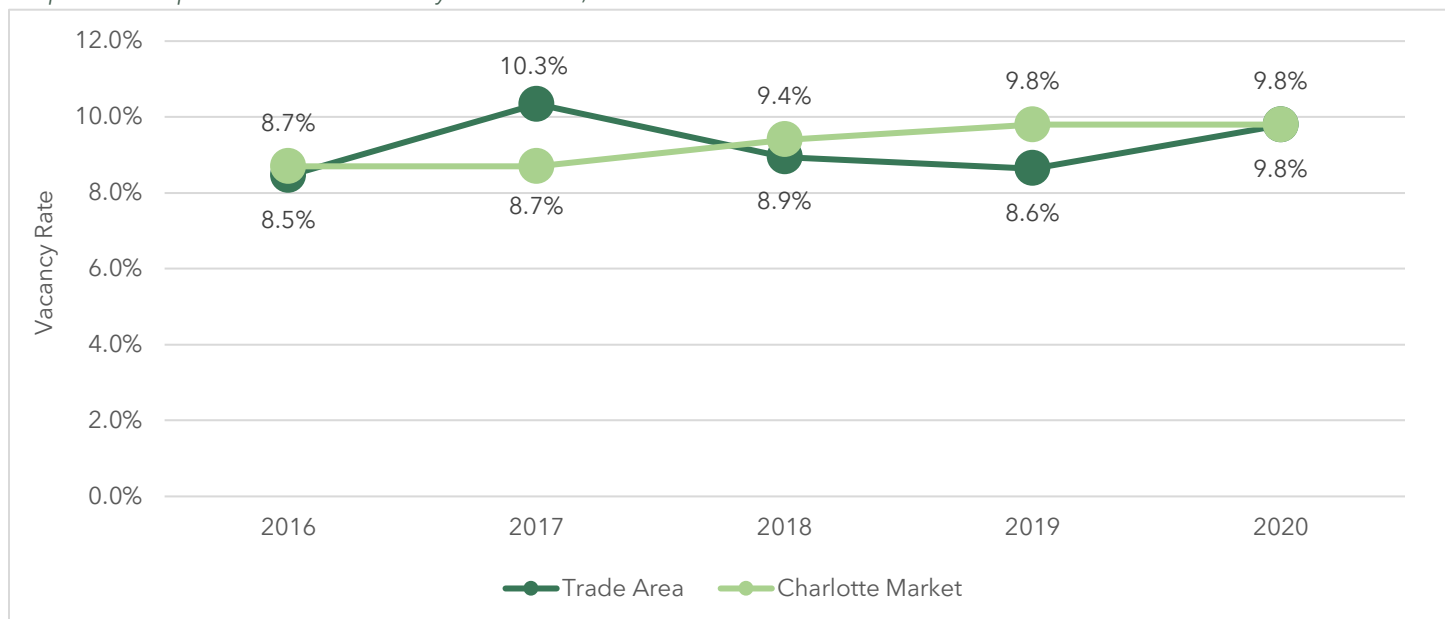


Source: REIS; Kimley-Horn

Performance Trends

Multi-tenant retail vacancy fluctuated in the Trade Area from a five-year low of 8.5% in 2016 to 9.8% in 2020 (**Graph 26**). This equates to an overall increase of 130 basis points. Vacancy in the Charlotte market experienced a similar overall increase of 110 basis points. The rate has been stagnant at 9.8% the last two years, the same as the Trade Area in 2020.

Graph 26: Comparison of Retail Vacancy Rate Trends, 2016-2020

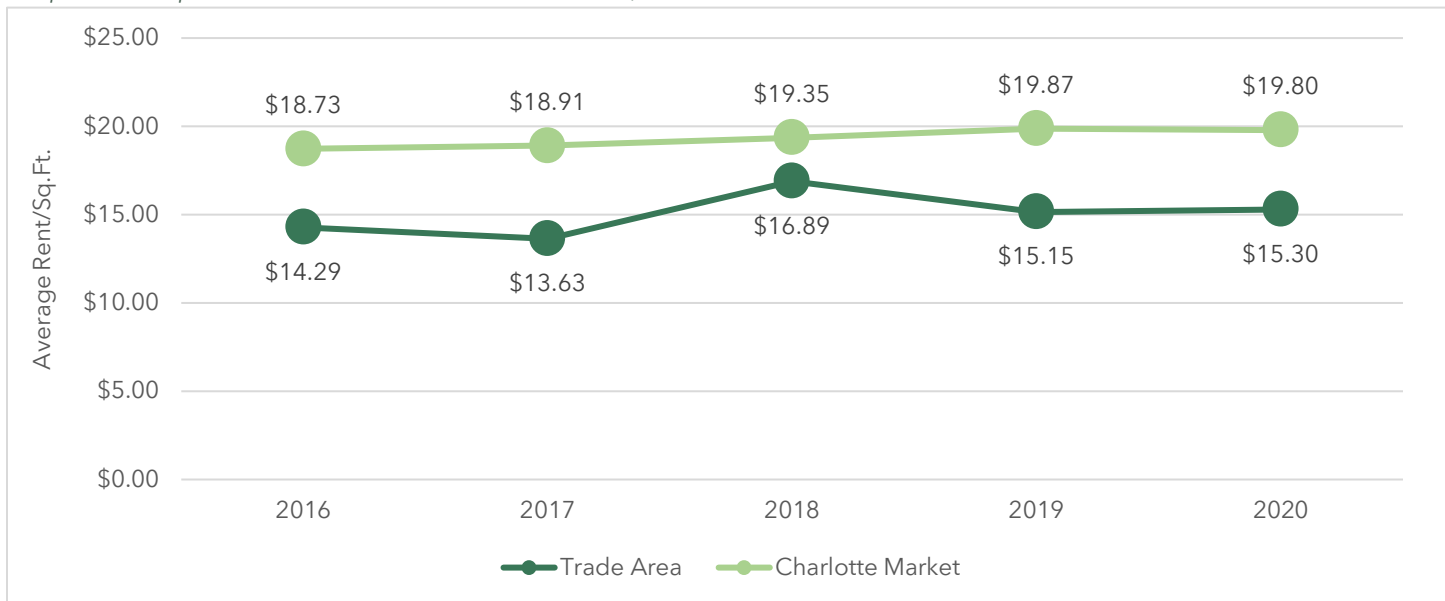


Source: REIS; Kimley-Horn

Average rental rates for retail space in the Trade Area increased 7.1% from \$14.29 in 2016 to \$15.30 in 2020 (**Graph 27**). In comparison, the larger Charlotte market reported an overall increase of 5.7% from \$18.73 in 2016 to \$19.80 in 2020. The Charlotte market averaged a premium of 29.0% over the Trade Area during this five-year period.



Graph 27: Comparison of Multi-Tenant Retail Rent Trends, 2017-2020



Source: REIS; Kimley-Horn

Retail Gap Analysis

Retail gap refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be "leaking." If a community is a major retail center with a variety of stores it will be "attracting" rather than "leaking" retail sales.

The numbers are not meant as accurate accounts of individual stores, but taken as an aggregate, they provide reasonable estimates of expenditures and sales. Equally important, this type of data is reviewed by national chains when deciding whether to move into a new area.

The graphic to the right shows total annual retail sales, consumer expenditures, and retail leakage in the Trade Area. The defined Trade Area had a \$973 million retail surplus, which means people are attracted from outside the Trade Area for shopping. Proximity to major transportation thoroughfares and employment centers helps bolster sales within the Trade Area from non-residents.

While this data can reveal opportunities for new businesses, it should serve only as a starting point and does not guarantee a "sure thing." It should be noted that this list does not represent a complete inventory of all potential retail categories but focuses on those that have the most potential to gravitate to a redeveloping corridor. The categories with the biggest leaks (where the most money is spent outside the Trade Area) and the estimated amounts leaked annually are:



Source: ESRI; Kimley-Horn



- Gasoline Stations (\$60.8 million)
- Clothing & Clothing Accessory Stores (\$38.4 million)
- Non-store Retailers (\$19.9 million)
- Furniture & Home Furnishings (\$4.4 million)

To identify optimal locations, retailers depend on certain indicators of commercial success. Three primary criteria considered when selecting a location include income, density, and traffic. As the scale of the retail development increases so must the measures of income, rooftops, and traffic to support the larger supply. A traditional rule of thumb is the 50/50/50 rule which proposes the ideal urban or “Main Street” retail location as having access to 50,000 people within a reasonable distance, with a median income of at least \$50,000, and 50,000 average daily traffic (ADT); however, this is not applicable to all scenarios. Rather than a one-size-fits-all formula, it is important to understand the relationship between the indicators. While the most successful retail locations will have high numbers for all three indicators, some businesses can survive by relying on only one or two. If a location is weak in one category, it must offset the deficiency by strong measures for the others.

Comparable Multi-Tenant Retail Space

Table 9 provides a profile of select competitive shopping centers in the Trade Area, including power centers, community centers, and neighborhood centers. The top performing multi-tenant shopping centers were identified. Together, the competitive set contains nearly 3.9 million square feet of multi-tenant retail space. Shopping centers range in size from approximately 12,500 to over 660,000 square feet. The aggregate vacancy rate is 10.2%. The oldest center is Central Square, a neighborhood center that was built in 1970 and renovated in 2005. The newest shopping center is Oakhurst on Monroe, a neighborhood center completed in 2019.

Table 9: Competitive Retail Centers, Trade Area, 2021

Development Name	Address	Jurisdiction	Year Built/Reno	Leasable Area		Vacancy Rate	Lease Rate/Sq.Ft.	Key Tenants
				Total	Available			
Windsor Square Shopping Center	1801 Windsor Square Dr	Matthews	1987/2006	661,156	164,191	24.8%	\$18.38	Sam's Club, Kohl's, JC Penny
Crown Point Plaza	2516 Sardis Rd N	Charlotte	1989/1990	321,000	18,361	5.7%	\$10.31	Burlington Coat Factory
Matthews Festival	1811 Matthews Township Pkwy	Matthews	1991	322,579	39,851	12.4%	\$15.83	Home Depot, Harris Teeter, Big Lots
Sycamore Commons	10530 Northeast Pkwy	Matthews	2002	548,910	5,769	1.1%	\$18.43	Costco, Lowe's, Dicks Sporting Goods
The Galleria Shopping Center	1854 Galleria Blvd/Monroe Rd/S	Charlotte	2004	323,915	25,742	7.9%	\$18.53	Walmart, Retro Fitness, Party City
Power Center Subtotal				2,177,560	253,915	11.7%	\$16.85	
Eastway Crossing	3122 Eastway Dr	Charlotte	1959/2001	255,828	9,458	3.7%	\$14.46	Atlantic Farmers Market, Family Dollar
Independence Shopping Center	5606 E Independence Blvd	Charlotte	1971	208,751	41,084	19.7%	\$11.11	Conn's, Value Village, Citi Trends
East Town Market	5820 E W T Harris Blvd	Charlotte	1986/2018	142,250	2,970	2.1%	\$13.18	Compare Foods, Octapharma Plasma
Independence Square East	7211 E Independence Blvd	Charlotte	1989/2012	190,269	3,600	1.9%	\$14.03	Walmart
Eastway Square	3207 Eastway Dr	Charlotte	1992	135,762	0	0.0%	\$11.18	Food Lion, Ross Dress for Less
Albemarle Square	9021 Albemarle Rd	Charlotte	1992	192,000	2,548	1.3%	\$10.42	Food Lion
The Crossing Shopping Center	10046 E Independence Blvd	Matthews	1997	95,410	23,489	24.6%	\$15.77	The Tile Shop
Albemarle Crossing	9010 Albemarle Rd	Charlotte	2003	106,828	1,200	1.1%	\$17.79	AT&T, T Mobile, H&R Block, State Farm
Community Center Subtotal				1,327,098	84,349	6.4%	\$13.18	
Stevens Mill	7900 Stevens Mill Rd	Matthews	2001	70,000	8,000	11.4%	\$17.31	Harris Teeter, CVS Pharmacy
Quorum Marketplace	7300 E Independence Blvd	Charlotte	1987/2010	69,000	12,477	18.1%	\$20.53	Lebo's, K&W Cafeterias, Family Dollar
Mintworth Commons	5706 Wyalong Dr	Charlotte	2006	64,080	2,500	3.9%	\$17.51	Harris Teeter, Western Union
Central Square	1322 Central Ave	Charlotte	1970/2005	42,250	19,155	45.3%	\$33.28	ABC Store, Family Dollar
Central 4808	4808 Central Ave	Charlotte	1974	30,000	0	0.0%	\$15.70	Quick Trip Convenience Store
Fullwood Commons	1323 Matthews Mint Hill Rd	Charlotte	2005	27,500	2,307	8.4%	\$15.14	Fast Cuts, Visual Expressions
The Colonnade	5847 Albermarle Rd	Charlotte	1984/2006	20,320	0	0.0%	\$15.04	Arch Insurance Group, Healthchoice
Pecan Point	2001 E 7th St	Charlotte	1987/2013	16,527	0	0.0%	\$34.58	Pet Supplies Plus, Sunflower Bakery
Oakhurst on Monroe	4701 Monroe Rd	Charlotte	2019	14,800	10,000	67.6%	\$29.00	Anytime Fitness, Jersey Mike's Subs
East Village Shopping Center	1905 Rice Rd	Matthews	1998	14,800	0	0.0%	\$14.83	Abundant Life Church International
Independence Shops	6138 E Independence Blvd	Charlotte	1973	12,726	4,935	38.8%	\$15.57	L&G Mart Groceries, Independence Arcade
Newell Hickory Square	5724 E Wt Harris Blvd	Charlotte	1987	12,545	0	0.0%	\$18.62	Easy Shop, Fast Fare
Neighborhood Center Subtotal				394,548	59,374	15.0%	\$20.28	
Total/Average				3,899,206	397,638	10.2%	\$15.95	

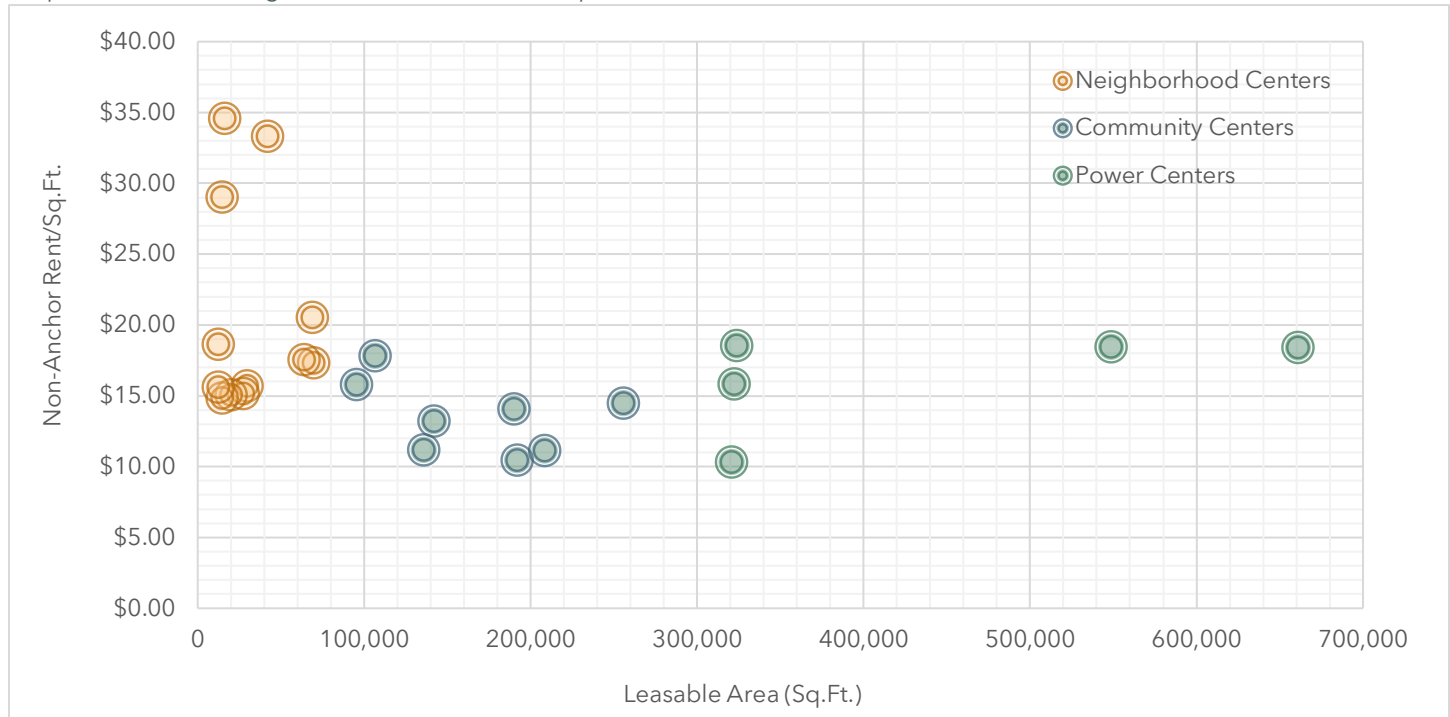
Source: REIS; Kimley-Horn

The competitive shopping centers were also analyzed by type. Five power centers and eight community shopping centers were identified, which are larger in size and have a more widespread service area than neighborhood centers. The power centers have a total of nearly 2.2 million square feet, while the community centers have a total square footage of more than 1.3 million. The twelve neighborhood centers analyzed contain nearly 400,000 square feet. The aggregate vacancy rate is lowest for the community centers at 6.4%, followed by power centers (11.7%), leaving neighborhood centers with the most vacancy (15.0%). The vacancy rate is elevated for the community centers due to low occupancy at Oakhurst on Monroe, Central Square, and Independence Shops. It should be noted that the shopping centers along Albemarle Road are more stabilized when compared with the larger Trade Area.



As shown in **Graph 28**, retail space in the shopping centers ranges from \$10.42 per square foot at Albemarle Square to \$34.58 at Pecan Point. Lease rates are highly dependent on year built, recent renovation, location, and anchor tenant, with the highest rates generally achieved at neighborhood and power centers built since 2000.

Graph 28: Retail Building Size v. Non-Anchor Rent/Sq. Ft, Trade Area, 2021



Source: REIS; Kimley-Horn

COVID-19 and Retail

Retail has been one of the most impacted industries during the COVID-19 pandemic. Not only were retail businesses and restaurants required close in many states across the country to support social distancing, but many also had to reopen to capacities that are 50% or less than pre-pandemic levels. Local, or independent, retailers have been hit particularly hard, with many having to shutter their doors as consumer spending and store traffic plummeted. It should be noted that some retailers, primarily grocery, pharmacy, and building supply stores that offer essential services, have fared well during this time.

On top of the direct closure impacts related to COVID-19, it is not disputed that consumer preferences were already shifting. COVID-19 has amplified trends that were already impacting retail, particularly as it relates to the influence of online shopping. Online shopping has increased rapidly since the beginning of March 2020. As local economies reopen, brick and mortar sales are expected to experience some rebound, which can already be demonstrated in retail receipt indexes. However, online retailers will be positioning to sustain their newfound capture. Locations that offer experiential retail options will be well positioned to attract initial momentum during recovery from the COVID-19 pandemic.

Retail Demand

Retail demand for the Trade Area considers increases in population density and area income to estimate future spending potential through 2030. The methodology for determining future retail demand in the Trade Area is based on a combination of population growth, income levels, and inflow/outflow purchases from the influx of employees and visitors that travel into the Trade Area.

Based on defined retail categories that are most likely to be represented in the Trade Area, the expenditure potential of local households could increase from nearly \$1.5 billion in 2020 to almost \$1.7 billion in 2030 (**Table 10**). These forecasts are derived from percentages of income spent on specific types of goods and services, as reported by ESRI from interpretation of U.S. Census data. As previously noted, these sales reflect Trade Area household and income

increases. The sales also consider the performance of retail already existing in the area, as well as impacts from spending by employees and visitors.

Table 10: Consumer Spending Forecast, Trade Area, 2020-2030

Business Category	Consumer Spending (2020)	Forecasted Demand (2030)	2020-2030 Δ	
			#	%
Apparel and Services	\$141,068,472	\$162,813,255	\$21,744,783	15.4%
Computer/TV/Video	\$92,119,660	\$108,367,505	\$16,247,845	17.6%
Pets	\$43,269,112	\$51,903,607	\$8,634,495	20.0%
Toys/Games/Crafts/Hobbies	\$7,884,967	\$8,756,084	\$871,117	11.0%
Sports/Exercise Equipment	\$11,572,111	\$13,629,337	\$2,057,226	17.8%
Reading	\$15,411,146	\$17,444,570	\$2,033,424	13.2%
Food at Home	\$356,435,319	\$395,630,893	\$39,195,574	11.0%
Food Away	\$293,565,516	\$329,777,638	\$36,212,122	12.3%
Furniture/Furnishings/Household	\$141,602,677	\$147,868,767	\$6,266,090	4.4%
Pharmacy/Personal Care	\$93,492,041	\$112,023,765	\$18,531,724	19.8%
Automotive	\$235,008,487	\$260,861,904	\$25,853,417	11.0%
Home Improvement	\$63,403,516	\$73,391,932	\$9,988,416	15.8%
Total	\$1,494,833,024	\$1,682,469,255	\$187,636,231	12.6%

Source: ESRI; REIS; Kimley-Horn

This analysis forecasts 10-year spending potential for the Trade Area at over \$187.6 million. Based on average sales per square foot figures, this analysis equates to net square footage demand of approximately 581,812 in the Trade Area through 2030 (**Table 11**). Note that this household-generated demand could be spent anywhere, but a substantial portion would be spent within or close to the Trade Area, particularly for food, convenience, and drug store purchases.

Table 11: Retail Demand Potential, Trade Area, 2020-2030

Business Category	Net New Spending Potential	Sales per Ten-Year Retail	
		Sq.Ft.	Demand (SF)
Apparel and Services	\$21,744,783	\$280	77,660
Computer/TV/Video	\$16,247,845	\$400	40,620
Pets	\$8,634,495	\$245	35,243
Toys/Games/Crafts/Hobbies	\$871,117	\$150	5,807
Sports/Exercise Equipment	\$2,057,226	\$150	13,715
Reading	\$2,033,424	\$150	13,556
Food at Home	\$39,195,574	\$400	97,989
Food Away	\$36,212,122	\$350	103,463
Furniture/Furnishings/Household	\$6,266,090	\$180	34,812
Pharmacy/Personal Care	\$18,531,724	\$300	61,772
Automotive	\$25,853,417	\$440	58,758
Home Improvement	\$9,988,416	\$260	38,417
Total	\$187,636,231	\$323	581,812

Source: ESRI; REIS; Kimley-Horn

It is important to note that these forecasts represent net retail demand growth, and do not capture sales that would transfer internally from within the Trade Area. As the retail market evolves, some locations and retail concepts could become more successful and capture sales from existing competitors, particularly those that are obsolete.

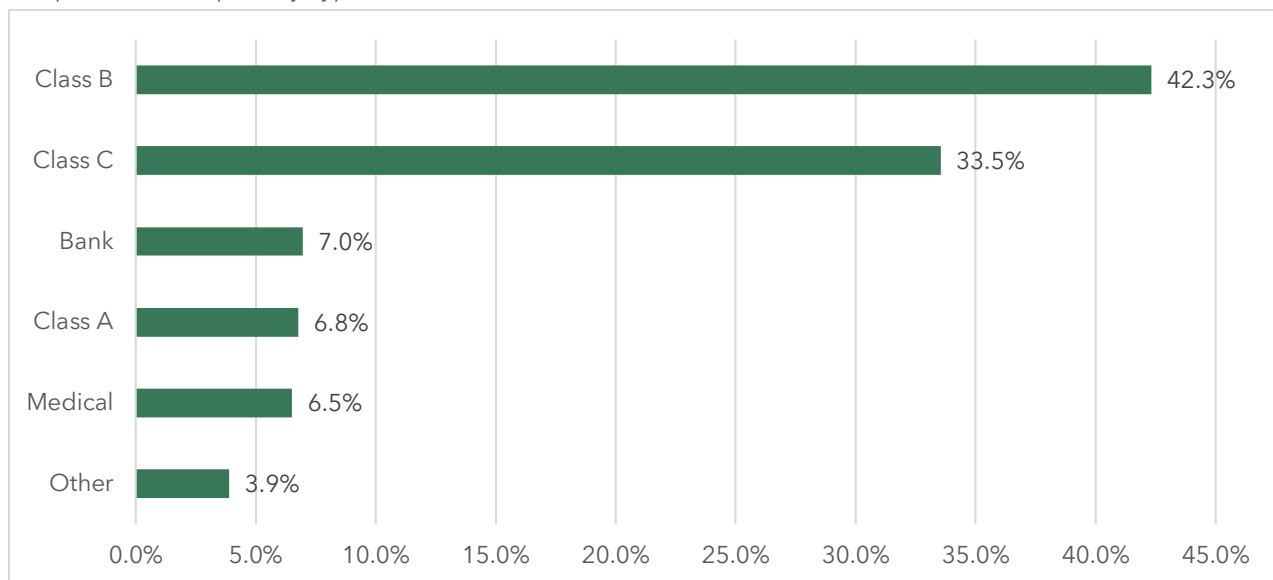
4.3 OFFICE PERFORMANCE

This section of this report presents details about the office inventory in the Area of Influence and performance trends including vacancy and average rent per square foot for the Trade Area. These trends are compared to the performance of the larger Charlotte office market to demonstrate the Trade Area's positioning in the region. A summary of competitive office product in the Trade Area has also been prepared to determine current lease rates and occupancy. It is important to note that the data presented in this section focuses on multi-tenant office buildings, often excluding owner-occupied spaces.

Office Overview

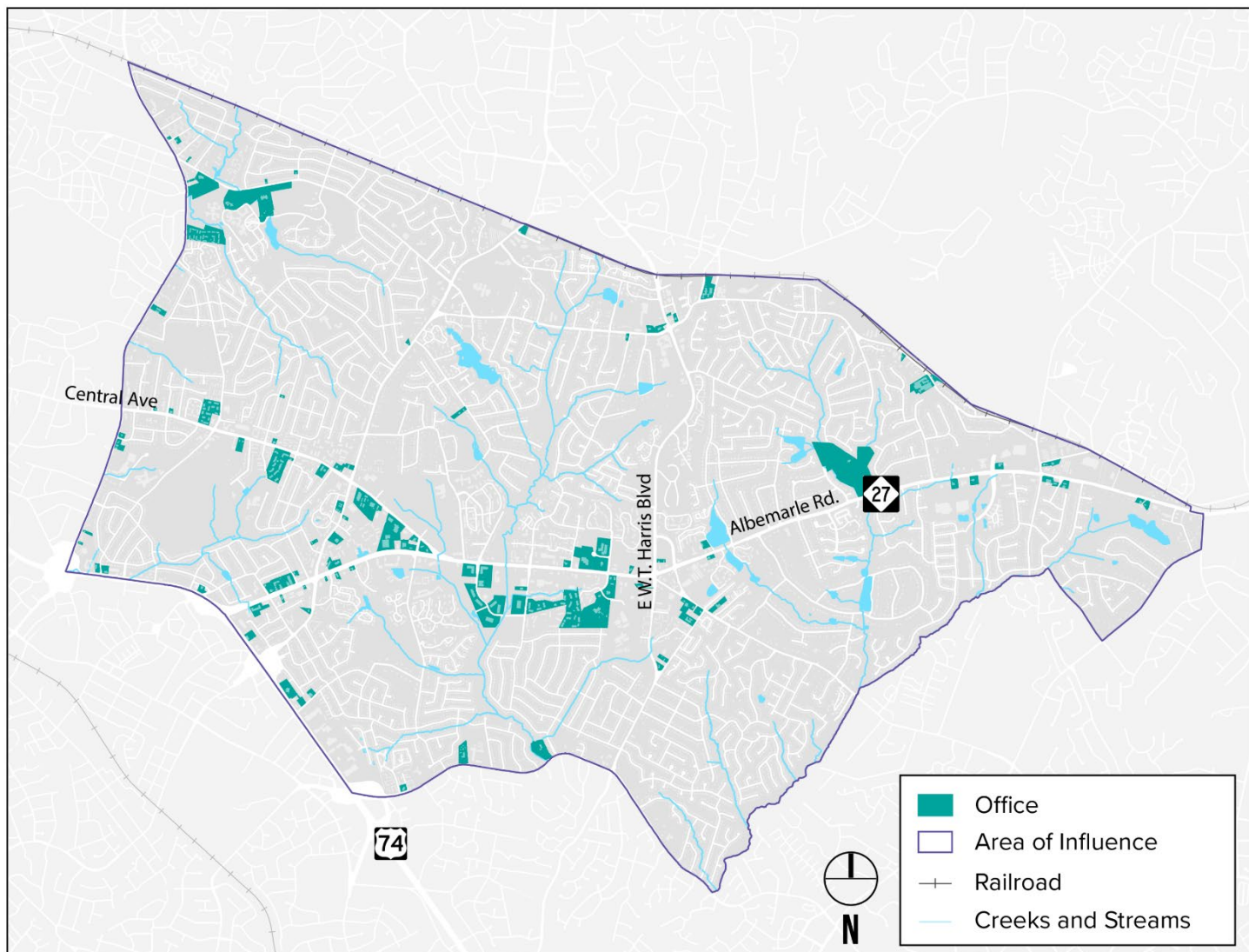
Most of the parcels of land categorized as office are primarily located along Albemarle Road. Based on data supplied by Mecklenburg County, there is approximately 1.84 million square feet of office space in the Area of Influence. As shown in **Graph 29**, three-quarters of the office space in the Area of Influence is classified as Class B or C space, which are typically older properties with less desirable locations. Less than 7% is Class A, which is defined as buildings that represent the newest and highest qualities, have premier locations, and attract top tenants and command high rents. Office space in the Area of Influence categorized below includes a wide variety of user profiles, such as single-tenant owner occupied buildings, multi-tenant leased buildings, and public administration. Recent office space construction in the Area of Influence is limited to smaller office buildings, such as medical, veterinarian, bank branches, and daycare uses. Office tenants in the Area of Influence are heavily represented by government and non-profits.

Graph 29: Office Space by Type, Trade Area, 2021



Source: City of Charlotte; Mecklenburg County; Kimley-Horn

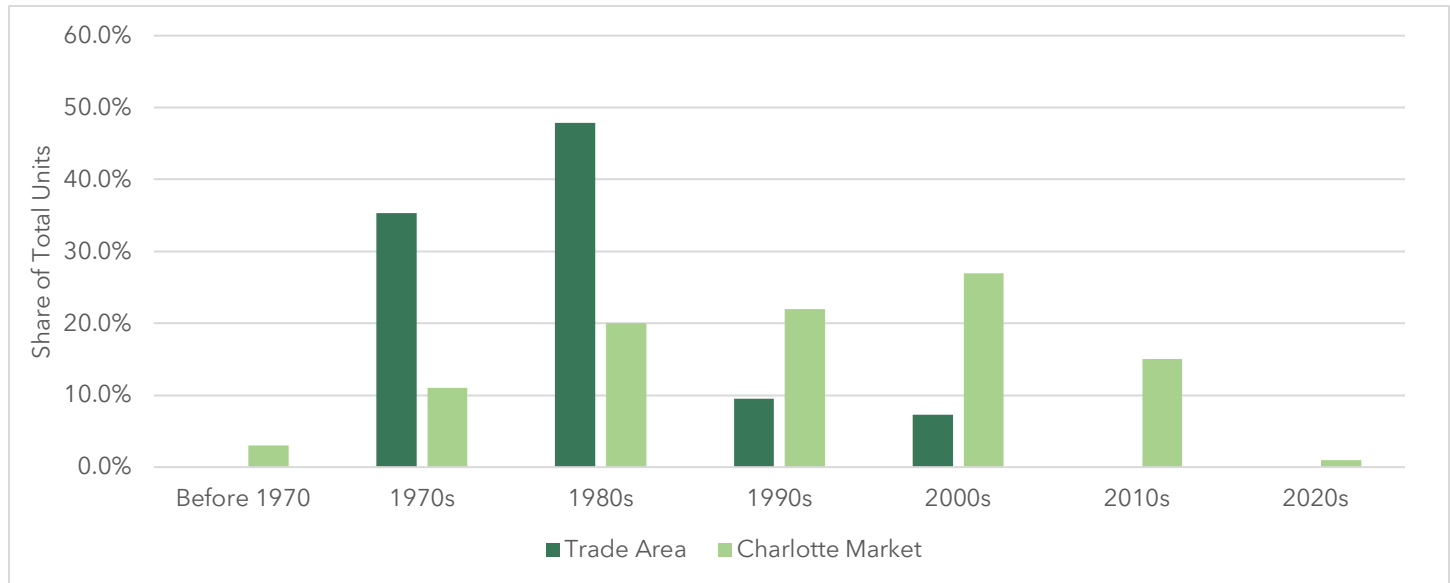
Map 4: Office Parcels, Area of Influence, 2021



Source: City of Charlotte; Mecklenburg County; Kimley-Horn

There is approximately 1.17 million square feet of multi-tenant office space in the larger Trade Area, representing just 2.3% of square footage within the Charlotte office market. There has been no new multi-tenant office space completed in the last five years. The most recently constructed multi-tenant office development in the Trade Area delivered in 2007. As shown in **Graph 30**, the most active decade for office development in the Trade Area was the 1980s, followed by the 1970s. Only 16.8% of the Trade Area's multi-tenant office space was built since 1990. The larger Charlotte market has a comparatively newer inventory of office space with 65.0% completed since 1990.

Graph 30: Comparison of Multi-Tenant Office Inventory by Decade Completed, 2021

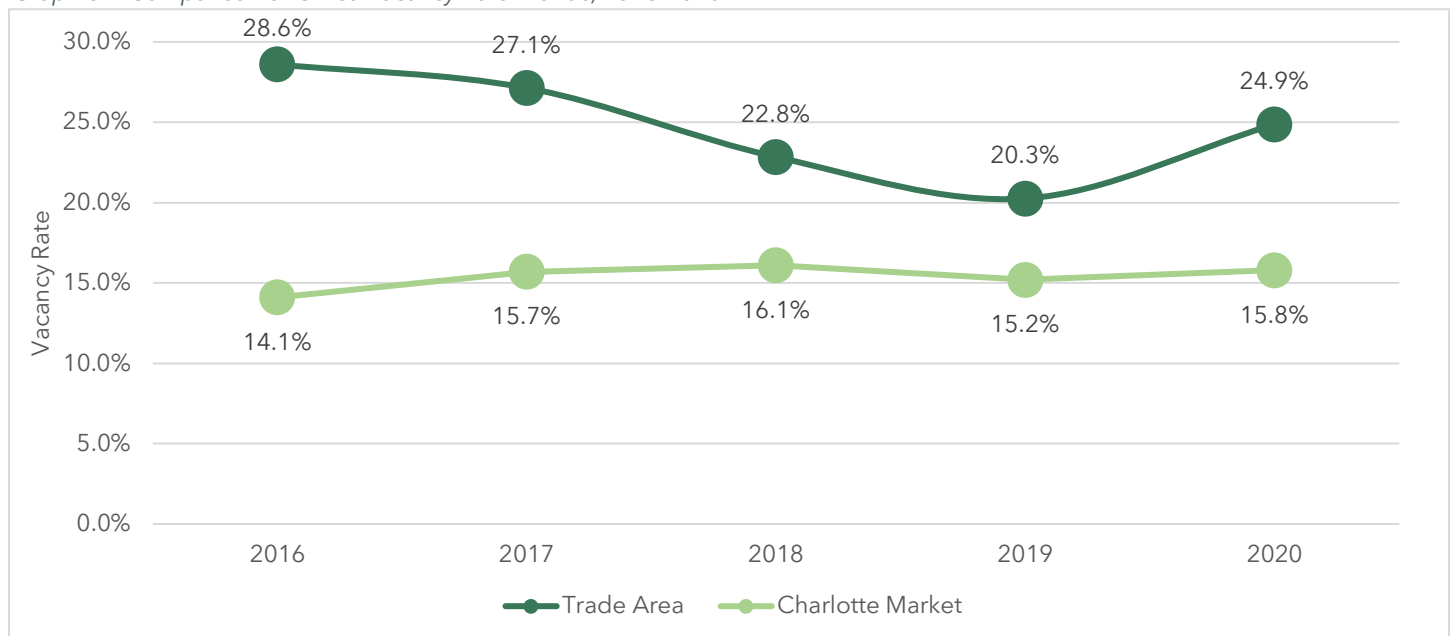


Source: REIS; Kimley-Horn

Performance Trends

When compared to the larger Charlotte office market, the Trade Area has consistently reported a higher vacancy rate. As shown in **Graph 31**, vacancy in the Trade Area had steadily declined from 28.6% in 2016 to a five-year low of 20.3% in 2019 before spiking to 24.9% in 2020. This was likely influenced by the impacts of the COVID-19 pandemic. Vacancy also increased in the Charlotte market between 2019 and 2020, but by a much smaller margin. The elevated vacancy in the Trade Area is driven by the age and quality of the inventory.

Graph 31: Comparison of Office Vacancy Rate Trends, 2016-2020

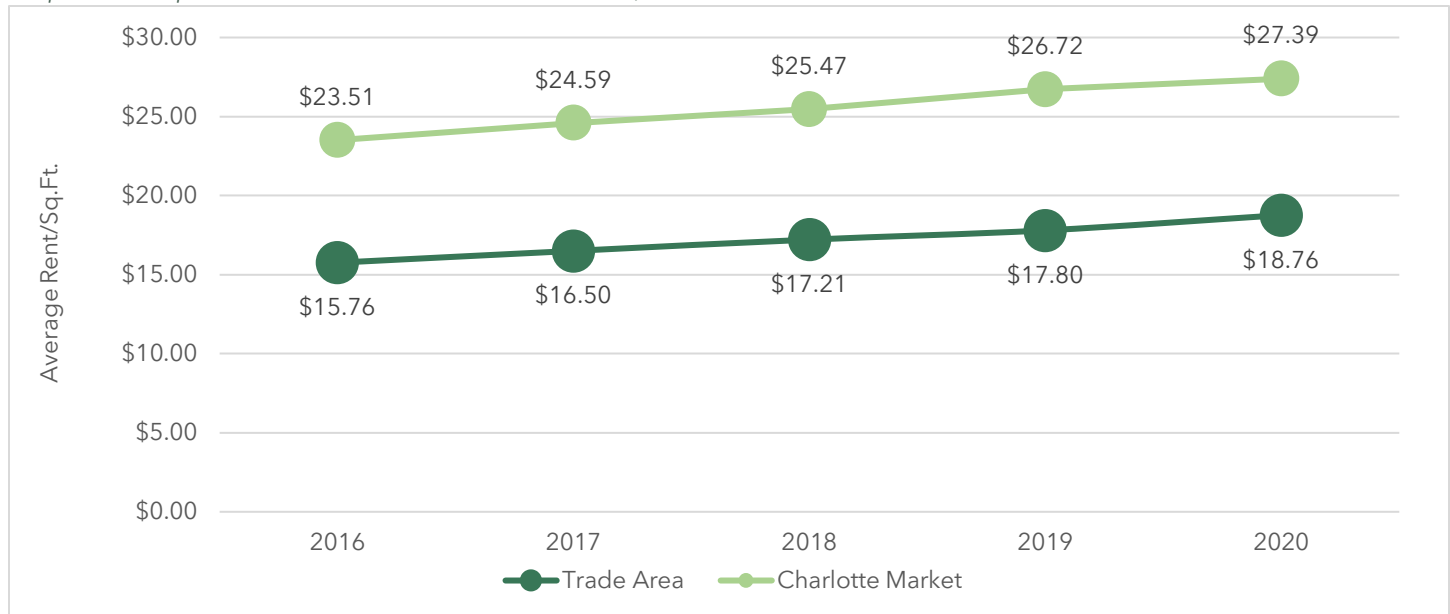


Source: REIS; Kimley-Horn

The Trade Area reported growth in the average office rent per square foot over the last five years, increasing approximately 19% from \$15.76 in 2016 to \$18.76 in 2020 (**Graph 32**). This equates to an average annual growth rate of 4.5%. The larger Charlotte office market experienced a similar growth pattern, increasing 16.5% to reach \$27.39 in 2020. Historically, the larger Charlotte market, which includes Charlotte's central business district, has reported significantly higher average rents than the Trade Area, with annual premiums averaging 48.4% since 2016.



Graph 32: Comparison of Multi-Tenant Office Rent Trends, 2016-2020



Source: REIS; Kimley-Horn

Comparable Multi-Tenant Office Space

A selection of the 25 top performing office buildings in the Trade Area have been compiled to further demonstrate performance metrics (**Table 12**). This is not meant to represent a comprehensive inventory of office buildings in the Trade Area, but a representative set. The set of 25 buildings total more than one million square feet of office space. Based on data provided by REIS, the competitive buildings have more than 250,000 square feet of available space, resulting in a 24.3% vacancy rate, similar to the measure of 24.9% reported for the Trade Area.

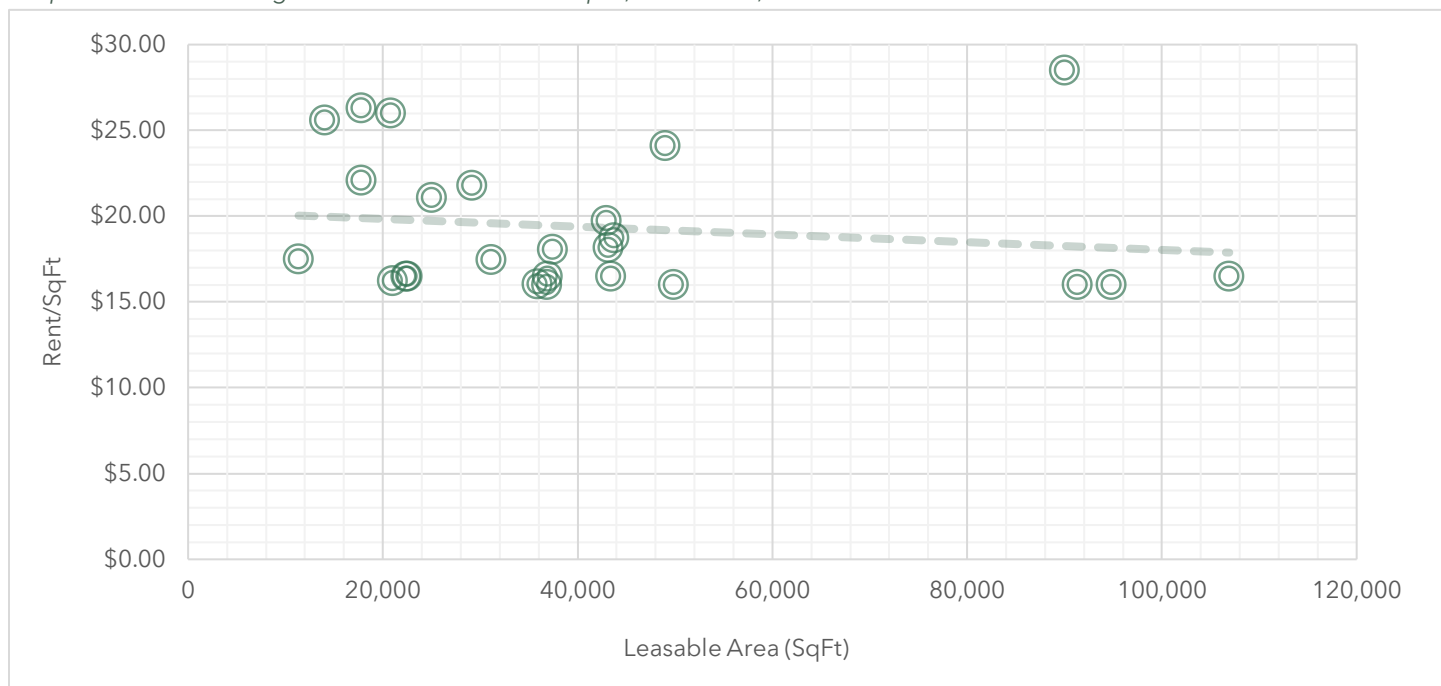
Table 12: Competitive Office Buildings, Trade Area, 2021

Development Name	Address	Jurisdiction	Year Built	Leasable Area		Vacancy		Ask. Lease	
				Total	Available	Rate	Rate/SqFt	Floors	Class
Independence Tower	4801 E Independence Blvd	Charlotte	1972	106,919	21,559	20.2%	\$16.49	11	BC
Charlotte East Center	5855 Executive Center Dr	Charlotte	1987	94,844	20,439	21.6%	\$16.00	2	BC
Charlotte East Center	5800 Executive Center Dr	Charlotte	1989	91,298	10,892	11.9%	\$16.01	2	BC
Adbel Plaza	1401 Matthews Township Pkwy	Matthews	1999	90,000	4,113	4.6%	\$28.50	3	BC
Charlotte East Office Park-The Rutherford Building	5701 Executive Center Dr	Charlotte	1980	49,827	5,740	11.5%	\$16.00	4	BC
Albemarle Center	4822 Albemarle Rd	Charlotte	1970	48,994	48,994	100.0%	\$24.09	2	BC
Charlotte East Center	5500 Executive Center Dr	Charlotte	1976/2006	43,759	13,298	30.4%	\$18.74	2	BC
Charlotte East Center	5601 Executive Center Dr	Charlotte	1978	43,422	10,278	23.7%	\$16.50	2	BC
The Koger Building	5501 Executive Center Dr	Charlotte	1979	43,151	2,412	5.6%	\$18.17	2	BC
The Quorum Bus Park Ph	7520 E Independence Blvd	Charlotte	1989	42,925	3,571	8.3%	\$19.75	4	BC
Charlotte East Office Park	5624 Executive Center Dr	Charlotte	1978	37,447	502	1.3%	\$18.07	2	BC
Charlotte East Office Park	5801 Executive Center Dr	Charlotte	1982	36,890	11,351	30.8%	\$16.50	2	BC
Charlotte East Office Park	5835 Executive Center Dr	Charlotte	1981	36,831	29,818	81.0%	\$16.00	2	BC
Charlotte East Center	5700 Executive Center Dr	Charlotte	1981	35,848	10,995	30.7%	\$16.05	2	BC
8501 Tower Point Drive	8501 Tower Point Dr	Charlotte	1987	31,111	1,873	6.0%	\$17.47	1	BC
Crews Business Pk Ph 1	855 Sam Newell Rd	Matthews	2002	29,170	10,449	35.8%	\$21.80	1	BC
Eastland Business Commons	3549 N Sharon Amity Rd Ste 2	Charlotte	1972	25,000	0	0.0%	\$21.06	2	BC
The Quorum Bus Park Ph 1	7508 E Independence Blvd	Charlotte	1978	22,532	4,651	20.6%	\$16.50	1	BC
The Quorum Bus Park	7506 E Independence Blvd	Charlotte	1985	22,401	5,159	23.0%	\$16.50	1	BC
2400 Crownpoint	2400 Crownpoint Executive Dr	Charlotte	1988	21,000	8,933	42.5%	\$16.22	1	BC
10801 Monroe Road	10801 Monroe Rd	Matthews	2002/2015	20,800	7,540	36.3%	\$26.00	2	BC
Matthews Station Ph1	110+130+131 Matthews Station	Charlotte	2002	17,800	3,458	19.4%	\$22.07	2	BC
Piazza Center	2925 Senna Dr	Matthews	2007	17,761	3,684	20.7%	\$26.31	2	BC
Eastway Executive Office	3125-3127 Eastway Dr	Charlotte	1987	14,064	0	0.0%	\$25.60	2	A
8100 Tower Point Drive	8100 Tower Point Dr	Charlotte	1994	11,340	11,340	100.0%	\$17.50	1	BC
Overall Subtotal/Average				1,035,134	251,049	24.3%	\$18.98		

Source: REIS; Kimley-Horn

The competitive building set has an average lease rate of \$18.98 per square foot, which is slightly higher than the Trade Area's average rate of \$18.76. As shown in **Graph 33**, the multi-tenant office buildings are a variety of sizes, ranging from 11,340 square feet at 8100 Tower Point Drive to 106,919 square feet at Independence Tower. The average lease rates in the set range from \$16.00 to \$28.50 per square foot.

Graph 33: Office Building Size v. Non-Anchor Rent/Sq. Ft, Trade Area, 2021



Source: REIS; Kimley-Horn

COVID-19 and Office

As the COVID-19 pandemic began, many companies moved to a remote platform to allow for social distancing. For those companies that were able, allowing employees to work from home provided maximum flexibility to respond to the pandemic. However, industries are craving the benefits that come from idea sharing and collaboration that can only truly be realized through face-to-face interaction. It is certain that the office sector will not stay fully remote in the long-term.

While companies are highly likely to retain space to support collaboration, it is unlikely to return to the same format prior to the COVID-19 pandemic. Now that companies know that their employees can work remotely, it is expected that many will offer this as a benefit moving forward. The results in the longer-term may be a reduced amount of space that a company needs. Organizations had already been shrinking their space foot prints so they had less than one desk per person and the COVID-19 pandemic is likely to accelerate that. What makes this situation unique is that while companies were previously shrinking their space per employee, they now may seek more space per employee, but with fewer people occupying the office.

Office Demand

Office demand in the Trade Area is based on employment growth, and, more specifically in increases in jobs that require office space. As shown in **Table 13**, the Trade Area is expected to grow by more than 5,700 jobs through 2030, an overall increase of 8.8%. The industries that are expected to experience the strongest growth over the next decade include Retail Trade, Accommodation and Food Services, and Administrative and Waste Services.

Table 13: Job Forecast by Industry Sector, Trade Area, 2020-2030

Total Industry	2020	2030	2020-2030 Δ	
			#	%
Retail Trade	11,778	12,375	597	5.1%
Accommodation and Food Services	6,632	7,213	581	8.8%
Administrative and Waste Services	1,883	2,440	557	29.6%
Other Services	6,351	6,894	543	8.6%
Finance and Insurance	2,315	2,828	513	22.2%
Professional and Technical Services	4,244	4,738	494	11.6%
Health Care and Social Assistance	10,158	10,607	449	4.4%
Educational Services	5,157	5,516	359	7.0%
Construction	4,208	4,561	353	8.4%
Wholesale Trade	3,086	3,359	273	8.8%
Real Estate and Rental and Leasing	1,824	2,051	227	12.4%
Information	1,521	1,697	176	11.6%
Government	1,530	1,697	167	10.9%
Manufacturing	1,772	1,930	158	8.9%
Arts, Entertainment, and Recreation	1,351	1,485	134	9.9%
Transportation and Warehousing	984	1,096	112	11.4%
Management of Companies and Enterprises	93	106	13	14.1%
Mining	47	49	2	5.3%
Utilities	14	14	0	1.0%
Forestry, Fishing, and Related Activities	57	57	0	-0.8%
Total	65,005	70,712	5,707	8.8%

Source: CRTPO; Woods & Poole; Kimley-Horn

To forecast the increase in office-occupying employment, office shares were applied to each industry projection for the Trade Area. Finance and Insurance, Professional and Technical Services, Management of Companies and Enterprises, and Real Estate and Rental and Leasing have the highest shares of office-occupying employment with shares ranging from 85% to 90%.

Between 2020 and 2030, the Trade Area is projected to have an increase of more than 2,000 office-occupying employees, equating to a growth rate of 12.1% (**Table 14**). Office-occupying jobs in Finance and Insurance and Professional and Technical Services could comprise approximately 43% of the total increase. Overall, office-occupying jobs could account for an estimated 36% of all new jobs added through 2030. The balance is heavily weighted towards service-sector industries, with a distinct focus on Retail Trade and Accommodation and Food Services.

Table 14: Office-Occupying Job Forecast, Trade Area, 2020-2030

Total Industry	Office Share	2020	2030	2020-2030 Δ	
				#	%
Forestry, Fishing, and Related Activities	5.0%	3	3	0	-0.8%
Mining	5.0%	2	2	0	0.0%
Utilities	5.0%	1	1	0	1.0%
Construction	5.0%	210	228	18	8.4%
Manufacturing	5.0%	89	97	8	8.9%
Wholesale Trade	15.0%	463	504	41	8.8%
Retail Trade	5.0%	589	619	30	5.1%
Transportation and Warehousing	15.0%	148	164	17	11.4%
Information	40.0%	608	679	70	11.6%
Finance and Insurance	90.0%	2,084	2,546	462	22.2%
Real Estate and Rental and Leasing	75.0%	1,368	1,538	170	12.4%
Professional and Technical Services	85.0%	3,607	4,027	420	11.6%
Management of Companies and Enterprises	90.0%	84	95	12	14.1%
Administrative and Waste Services	65.0%	1,224	1,586	362	29.6%
Educational Services	15.0%	774	827	54	7.0%
Health Care and Social Assistance	30.0%	3,047	3,182	135	4.4%
Arts, Entertainment, and Recreation	10.0%	135	148	13	9.9%
Accommodation and Food Services	10.0%	663	721	58	8.8%
Other Services	15.0%	953	1,034	82	8.6%
Government	70.0%	1,071	1,188	117	10.9%
Total		17,122	19,190	2,067	12.1%

Source: CRTPO; Woods & Poole; Kimley-Horn

The office-occupying jobs forecast was utilized to project future demand for office space in the Trade Area. Long-established trends indicated that companies have been gradually seeking to more efficiently utilize space, demonstrating a declining amount of office space per employee. However, as previously noted, COVID has also influenced overall space needs by companies and has recalibrated the long-term trends. Given the uncertainties related to COVID-19, this analysis uses a standard 225 square feet per employee and holds it constant over the forecast horizon.

The Trade Area is forecasted to add more than 2,000 new office-occupying jobs between 2020 and 2030. At an average space per employee of 225 square feet, this finding equates to demand of approximately 465,161 square feet of new office space (**Table 15**). Additionally, it is important to account for vacant space to support inter- and intra-market moves. This analysis assumes an average vacancy rate of 10% to determine total net new office space demand. Applying this vacancy rate, the Trade Area could support over 360,000 square feet of new office space through 2030.

Table 15: Office Demand Forecast, Trade Area, 2020-2030

Measure	Net New Demand (SF)
Office-Occupying Jobs	2,067
Square Feet/Employee	225
Net Demand (Sq.Ft.)	465,161
Vacancy Rate	10.0%
Net Office Space Demand	511,677
Vacancy Rate Correction	(150,000)
Trade Area Total Net Demand	361,677

Source: CRTPO; Woods & Poole; Kimley-Horn

Vacancy rates in the Trade Area are estimated at nearly 25% based on the review multi-tenant office product. From a financing perspective, some portion of the Trade Area's vacant office inventory would need to be leased before lenders consider investing in new properties, particularly for multi-tenant space. It should be noted that a portion of the vacant inventory has reached obsolescence and might have potential to be converted to other uses or demolished. For this analysis, it is assumed that 150,000 square feet of existing space would need to be leased before financing is viable for new construction. This would reduce the overall Trade Area vacancy rate to measures more in-line with industry standards. This results in total net demand, less leasing of existing space to reach a sustainable vacancy rate, of over 360,000 square feet for the Trade Area through 2030.

4.4 WAREHOUSE/FLEX PERFORMANCE

This section provides an overview of the industrial real estate market performance trends for the Trade Area and Charlotte market. It focuses on flex and research and development (R&D) space, as well as warehouse and distribution space, representing the most common types of industrial space that would be attracted to an urban fringe area like the Albemarle Rd/Central Ave Area of Influence. A profile of competitive local product is also provided.

The City of Charlotte recently hired Cushman & Wakefield to complete the *Charlotte Mecklenburg Industrial Land Use and Jobs Analysis*. This analysis provides insight into Charlotte's positioning in the regional industrial market and identifies common location attributes based on industrial users that closely align with key industry targets. Based on the attributes of the Albemarle Rd/Central Ave study area, construction and/or wholesale users would be the most likely to locate in this area of Charlotte. Land availability will likely be the key constraint.

Figure 4: Industrial Real Estate Requirements, 2021

	MANUFACTURING	MATERIAL MOVING/ WAREHOUSE	CONSTRUCTION/ WHOLESALE
TYPICAL SIZE	100,000 – 300,000 SF (regardless of existing user or new entrant to market)	200,000 – 2,000,000 SF (most users are new to market)	<100,000 SF (regardless of existing user or new entrant to market)
ONSITE FEATURE	<ul style="list-style-type: none"> • Deeper building requirements (compared to distribution) • Some require lower ceiling height for less space to heat/cool 	<ul style="list-style-type: none"> • Minimum 32' clear ceiling height • Ample car parking and trailer storage • Rectangular bldg. with ample docks 	<ul style="list-style-type: none"> • Small front office and/or customer-facing area
AREA INFRA-STRUCTURE	<ul style="list-style-type: none"> • Access to interstates and highways • Access to fiber • Heavy power capacity and redundancy (<i>some users</i>) • Heavy water capacity (<i>some users</i>) 	<ul style="list-style-type: none"> • <u>Immediate</u> access to interstates and highways 	<ul style="list-style-type: none"> • None
LOCATION PREFERENCE	<ul style="list-style-type: none"> • Less sensitivity to geography within a metro region • Access to skilled labor pool • Site where the economics of building cost and size are aligned 	<ul style="list-style-type: none"> • Access to low-skilled labor pool • Periphery of a metro area where large land sites are plentiful and access to regional markets w/o congestion 	<ul style="list-style-type: none"> • Access to population density in an in-market location

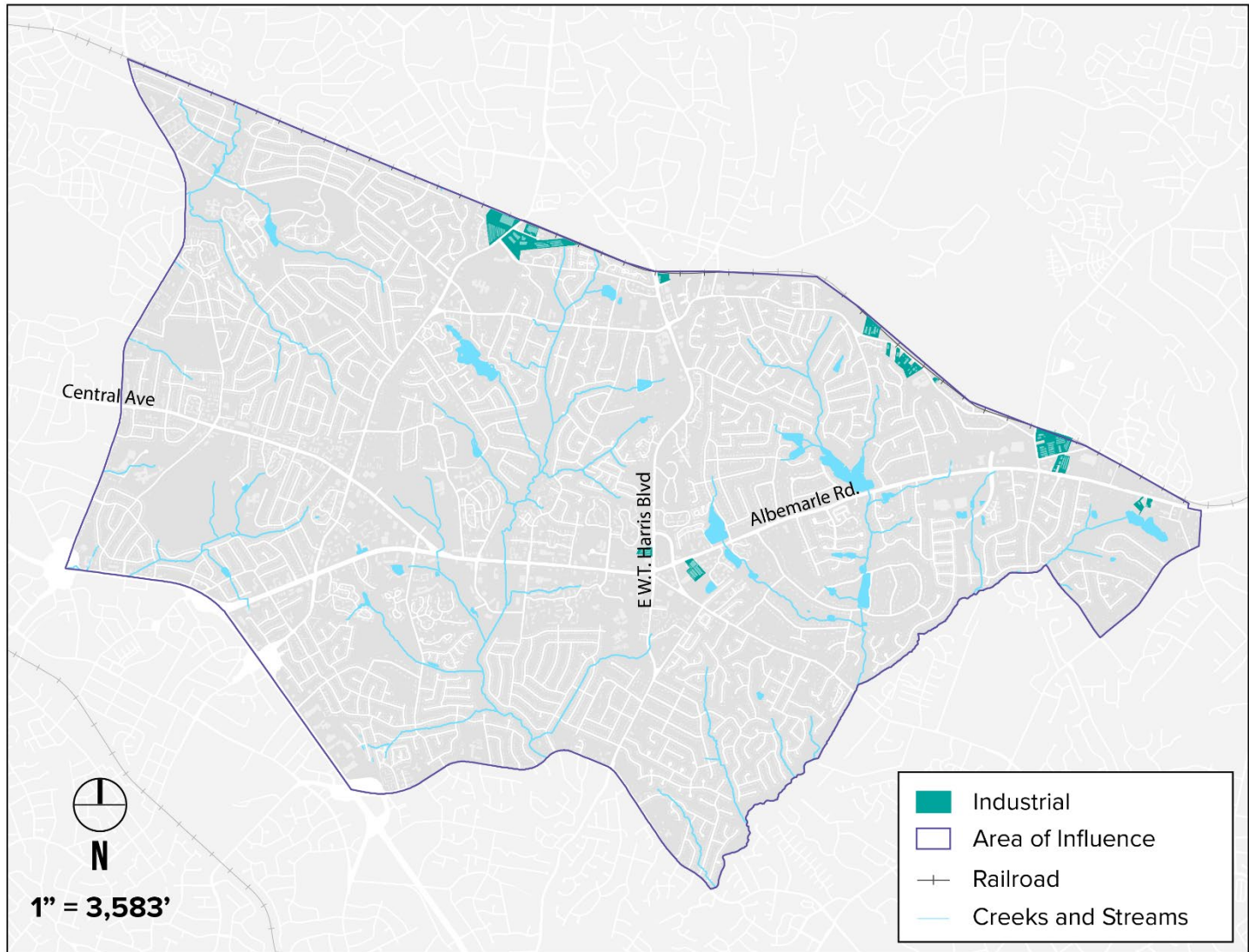
Source: Charlotte Mecklenburg Industrial Land Use and Jobs Analysis; Cushman & Wakefield

The Charlotte Mecklenburg Industrial Land Use and Jobs Analysis divided Mecklenburg County into six districts with "East" covering the Albemarle Rd/Central Ave study area. A key finding related to this area was that while industrial development has largely been absent in this area, future opportunities could be supported near the I-485 interchanges. There is an inventory of large parcels near an I-485 interchange that could support future development of industrial space.

Industrial Overview

Most industrial uses are concentrated along the northern edge of the Area of Influence, along the Norfolk-Southern railroad (**Map 5**). The industrial parcels are located primarily along North Sharon Amity and Pence roads. Businesses in existing industrial properties relate to building materials, automobiles, and self-storage.

Map 5: Industrial Parcels, Area of Influence, 2021

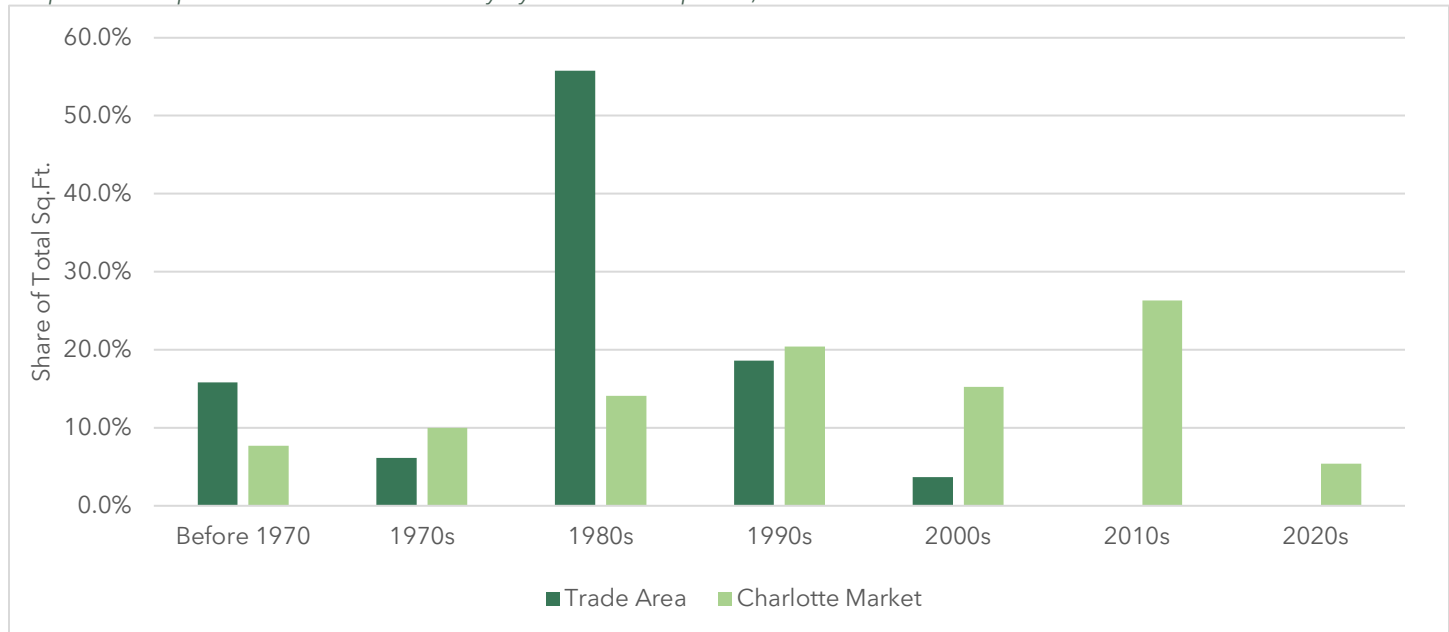


Source: City of Charlotte; Mecklenburg County; Kimley-Horn

The Trade Area has nearly one million square feet of industrial space, which includes warehouse and distribution space as well as flex/research and development space. Like other commercial sectors, REIS only includes non-owner-occupied buildings in their inventory. As shown in **Graph 34**, the most active decade for development of industrial space in the Trade Area was the 1980s, comprising more than 55% of the industrial inventory. Market-wide, the most active decade was the 2010s. There have been no new completions of industrial space since the 2000s.



Graph 34: Comparison of Industrial Inventory by Decade Completed, 2021

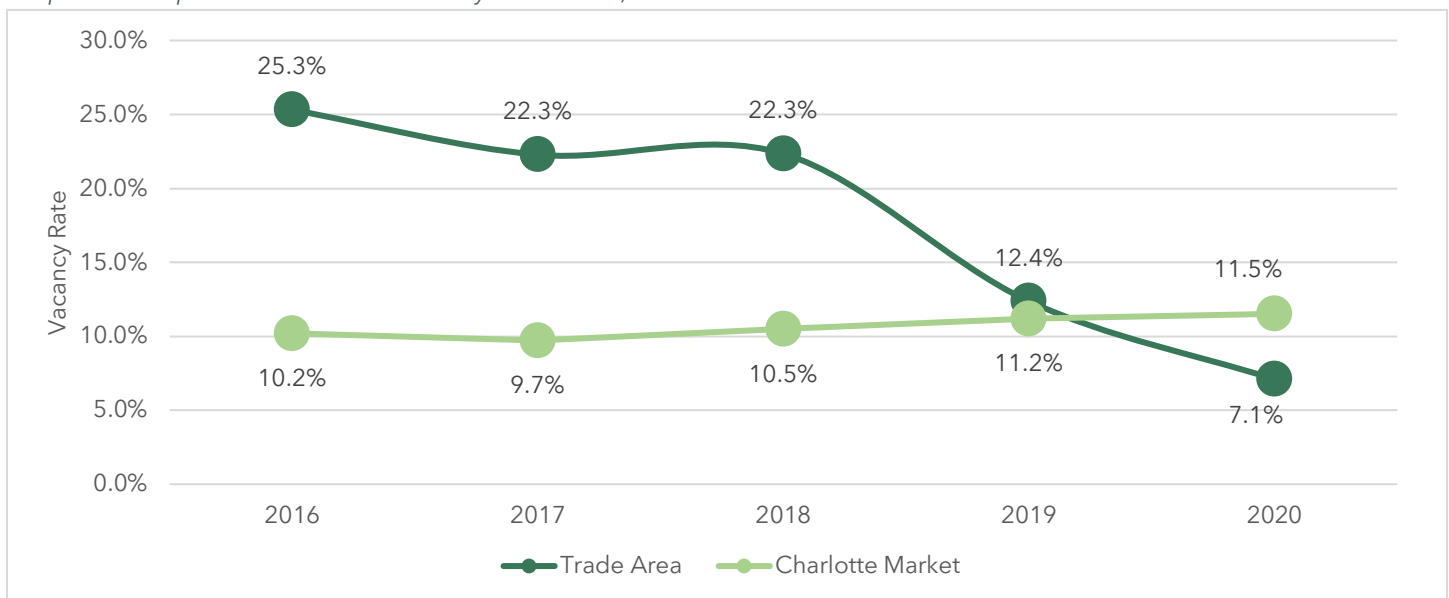


Source: REIS; Kimley-Horn

Performance Trends

Vacancy in the Trade Area fell significantly between 2016 and 2020, from 25.3% to 7.1% (**Graph 35**). Vacancy in the Charlotte market experienced a moderate increase of 130 basis points during the five-year period. As of 2020, vacancy in the Trade Area was lower than market wide for the first time in five years.

Graph 35: Comparison of Industrial Vacancy Rate Trends, 2016-2020

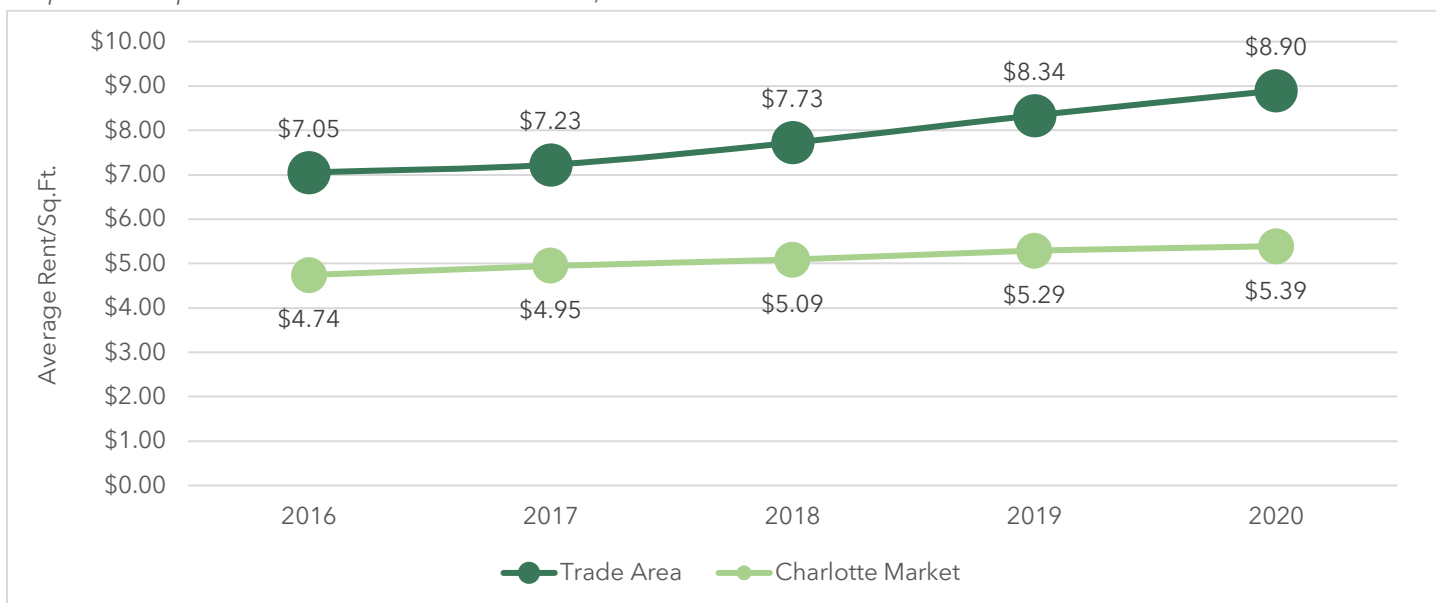


Source: REIS; Kimley-Horn

As shown in **Graph 36**, rents in the Trade Area for industrial space are higher than those reported for the larger Charlotte industrial market. Between 2016 and 2020, lease rates in the Trade Area increased from \$7.05 per square foot in 2016 to \$7.14 in 2020. This represents an increase of nearly 30% over the five-year period. In comparison, the rent in the Charlotte market grew at a more moderate rate of 13.7%, from \$4.74 in 2016 to \$5.39 in 2020. As of 2020, the industrial space in the Trade Area reported a 32.3% premium over the average rate market wide.



Graph 36: Comparison of Industrial Lease Rate Trends, 2016-2020



Source: REIS; Kimley-Horn

Comparable Industrial Space

Table 16 provides a profile of the top performing flex and R&D properties in the Trade Area, as well as the top warehouse and distribution properties. Together, the competitive set contains more than 2.6 million square feet of industrial space. Properties range in size from approximately 10,000 square feet to 500,000 square feet. The aggregate vacancy rate is 7.0%, with higher vacancy in warehouse and distribution properties. The oldest property was built in 1960 and the newest was completed in 2000.

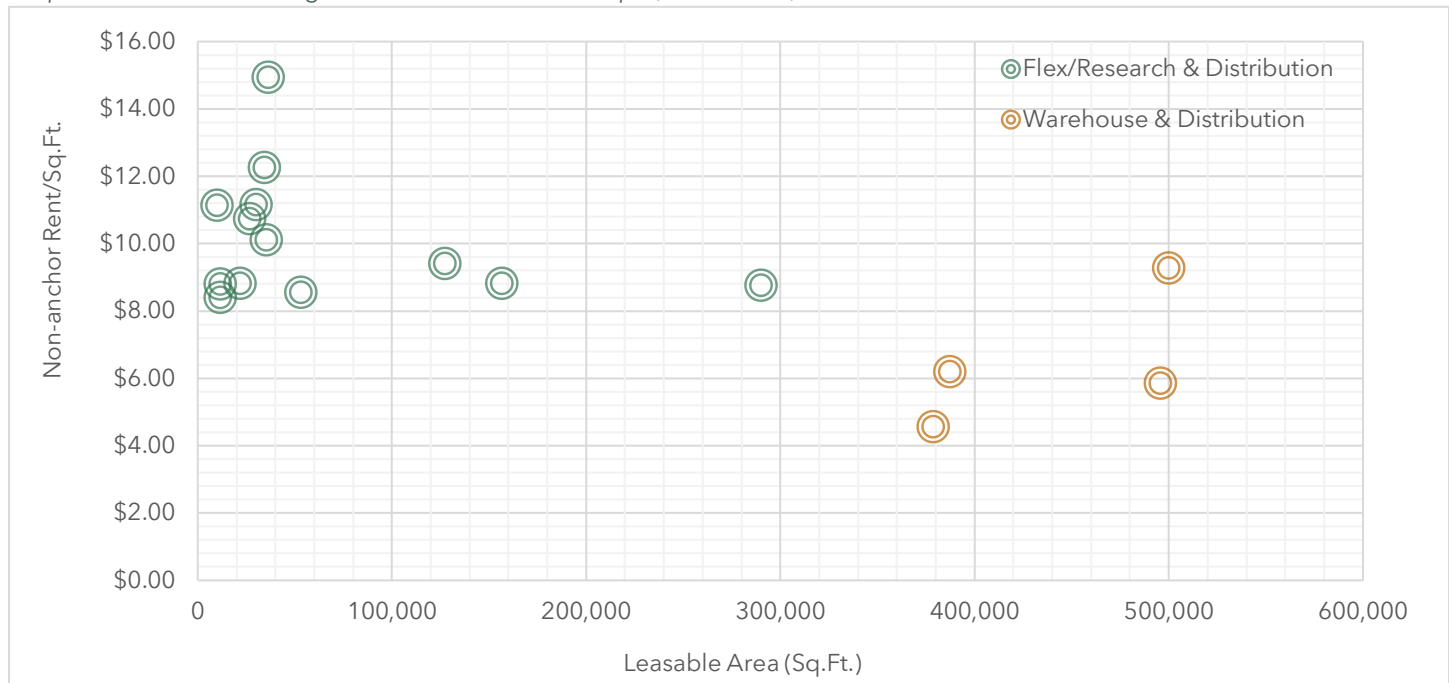
Table 16: Competitive Industrial Properties, Trade Area, 2021

Development Name	Address	Jurisdiction	Year Built/Reno	Leasable Area		Vacancy Rate	Lease Rate/Sq.F
				Total	Available		
701 Matthews-Mint Hill Road	701 Matthews Mint Hill Rd	Matthews	1960	156,870	0	0.0%	\$8.82
Greylyn Business Park	9317 Monroe Rd	Charlotte	1973	35,518	0	0.0%	\$10.12
626 West Charles Street	626 W Charles St	Matthews	1977	11,700	3,563	30.5%	\$8.40
Crown Point Executive Park 1	2300 Sardis Rd	Charlotte	1986	30,197	0	0.0%	\$11.15
Crown Point Executive Park 2	2201 Crownpoint Executive Dr	Charlotte	1987	27,020	0	0.0%	\$10.73
N/A	9303 Monroe Rd	Charlotte	1987	290,141	11,591	4.0%	\$8.77
N/A	9313 Monroe Rd	Charlotte	1987	53,101	6,778	12.8%	\$8.55
Greylyn Business Park	9305 Monroe Rd	Charlotte	1989	21,902	0	0.0%	\$8.82
8505 Crown Crescent Ct	8505 Crown Crescent Ct	Charlotte	1997	10,168	0	0.0%	\$11.13
Greylyn Business Park	9105 Monroe Rd	Charlotte	1998	11,747	0	0.0%	\$8.79
N/A	6636 E Wt Harris Blvd	Charlotte	1998	34,616	2,417	7.0%	\$12.25
N/A	9129 Monroe Rd	Charlotte	1999	127,245	8,058	6.3%	\$9.41
8012 Tower Point Dr	8012 Tower Point Dr	Charlotte	2000	36,479	8,220	22.5%	\$14.94
Flex/R&D Subtotal				846,704	40,627	4.8%	\$9.50
6420 Albemarle Road	6420 Albemarle Rd	Charlotte	1978	500,000	13,360	100.0%	\$9.27
2215 Crown Centre Dr	2215 Crown Centre Dr	Charlotte	1984	495,950	19,242	0.0%	\$5.85
3121 Amity Ct	3121 Amity Ct	Charlotte	1984	387,500	52,000	0.0%	\$6.20
8001 Tower Point Dr	8001 Tower Point Dr	Charlotte	1988	378,800	58,414	0.0%	\$4.56
Warehouse & Distribution Subtotal				1,762,250	143,016	8.1%	\$6.62
Total/Average				2,608,954	183,643	7.0%	\$7.55

Source: REIS; Kimley-Horn

Graph 37 shows the distribution of the leasable area by non-anchor rent per square foot for the Trade Area industrial inventory. Generally, warehouse and distribution properties fetch lower rents and are 375,000 to 500,000 square feet but have more variety in size. Flex and R&D space is almost all under 200,000 square feet and has a larger range in rents per square foot. Lease rates are highly dependent on year built, location, and anchor tenant.

Graph 37: Industrial Building Size v. Non-Anchor Rent/Sq. Ft, Trade Area, 2021



Source: REIS; Kimley-Horn

COVID-19 and Industrial

Light industrial development, particularly warehouse and distribution space, has been bolstered by the COVID-19 pandemic, largely driven by the increase in online shopping as brick-and-mortar retailers closed and consumers were minimizing their time in public spaces. Pre-pandemic, the light industrial sector had been experiencing strong growth as people sought to obtain their online orders quicker and distribution companies competed to address last-mile distribution gaps. This trend is expected to continue in the short- and long-term.

Industrial Demand

Like office demand, industrial forecasts for the Trade Area are based on employment growth through 2030. New industrial jobs in Trade Area are based on shares of industrial-occupying employees by industry. These shares range from 0% for Financial Activities and Professional-focused Services to 90% for Manufacturing and Wholesale Trade.

To forecast the increase in industrial-occupying employment, industrial shares were applied to each industry projection for the Trade Area. Between 2020 and 2030, the Trade Area is projected to have an increase of nearly 900 industrial-occupying employees, equating to a growth rate of 9.1% (**Table 17**). Industrial-occupying jobs in Wholesale Trade is expected to represent more than one-quarter of the increase.

Table 17: Industrial-Occupying Job Forecast, Trade Area, 2020-2030

Total Industry	Industrial Share	2020	2030	2020-2030 Δ	
				#	%
Forestry, Fishing, and Related Activities	5.0%	3	3	0	-0.8%
Mining	5.0%	2	2	0	0.0%
Utilities	25.0%	4	4	0	1.0%
Construction	15.0%	631	684	53	8.4%
Manufacturing	90.0%	1,595	1,737	143	8.9%
Wholesale Trade	90.0%	2,777	3,023	246	8.8%
Retail Trade	10.0%	1,178	1,237	60	5.1%
Transportation and Warehousing	40.0%	394	438	45	11.4%
Information	65.0%	989	1,103	114	11.6%
Finance and Insurance	0.0%	0	0	0	0.0%
Real Estate and Rental and Leasing	0.0%	0	0	0	0.0%
Professional and Technical Services	0.0%	0	0	0	0.0%
Management of Companies and Enterprises	0.0%	0	0	0	0.0%
Administrative and Waste Services	15.0%	282	366	83	29.6%
Educational Services	5.0%	258	276	18	7.0%
Health Care and Social Assistance	5.0%	508	530	22	4.4%
Arts, Entertainment, and Recreation	5.0%	68	74	7	9.9%
Accommodation and Food Services	5.0%	332	361	29	8.8%
Other Services	10.0%	635	689	54	8.6%
Government	5.0%	77	85	8	10.9%
Total		9,731	10,614	882	9.1%

Source: CRTPO; Woods & Poole; Kimley-Horn

Forecasted industrial-occupying jobs have been used to estimate square footage demand for the Trade Area. Estimates for industrial demand are based on an average of 600 square feet per employee. Square feet per employee estimates vary from 300 square feet to 1,000 square feet, depending on use. Typically, Manufacturing and Wholesale Trade sectors require the most industrial space per employee.

The Trade Area is forecasted to add approximately 882 new industrial-occupying jobs between 2020 and 2030. At an average space per employee of 600 square feet, this finding equates to demand of nearly 573,600 square feet of new industrial space (**Table 18**). Additionally, it is important to account for vacant space to support inter- and intra-market moves. This analysis assumes an average vacancy rate of 10% to determine total net new industrial space demand, slightly higher than the Trade Area measure. Applying this vacancy rate, the Trade Area could support nearly 631,000 square feet of new industrial space through 2030.





Table 18: Industrial Demand Forecast, Trade Area, 2020-2030

Measure	Net New Demand (SF)
Industrial-Occupying Jobs	882
Square Feet/Employee	650
Net Demand (Sq.Ft.)	573,594
Vacancy Rate	10.0%
Net Industrial Space Demand	630,953

Source: CRTPO; Woods & Poole; REIS; Kimley-Horn

4.5 FUTURE DEMAND SUMMARY

Based on demand forecasts for the various real estate sectors, the Trade Area could support a variety of land uses through the 10-year planning horizon. Demand in the Trade Area is most heavily weighted towards residential in the short-term. The success of future retail and office development hinges on bringing more residents to the area to increase rooftops and consumer spending potential. Future warehouse/flex industrial potential will gravitate towards areas with easy access to major transportation corridors, namely interchanges on I-485. To the extent that land is unavailable to accommodate warehouse/flex projects, this demand will shift to other areas of the region.

Ten-Year Trade Area Net Real Estate Demand (2020-2030)				
				
	HOUSING	RETAIL	OFFICE	WAREHOUSE/FLEX
Gross Demand	10,000 – 12,000 Units	575,000 – 600,000 Square Feet	350,000 – 375,000 Square Feet	625,000-650,000 Square Feet
Planned Supply	~4,000 Units	~350,000 Square Feet	~200,000 Square Feet	~0 Square Feet
Net Demand	6,000 – 8,000 Units	225,000 – 250,000 Square Feet	150,000 – 175,000 Square Feet	625,000-650,000 Square Feet

The demand forecasts above take into consideration known development activity regarding projects that are either under construction or entitled for future development. Announced new supply totals are based on feedback by the City of Charlotte and third-party real estate firms that track development projects that are underway. Planned supply includes initial phases of the Eastland Mall redevelopment. The build-out of that project is expected to continue beyond the 10-year forecast period, so only a portion of the planned retail and office space has been included.

The net demand totals are the result of subtracting the gross demand from known new supply. The demand forecasts presented in this analysis is primarily based on organic growth of people and jobs and are unlikely to capture large-scale “drop in” projects. This is particularly influential in the office and industrial land use categories where large users can enter a market and impact the needs for housing, retail, and hospitality.

5.0 Development Opportunities and Strategies

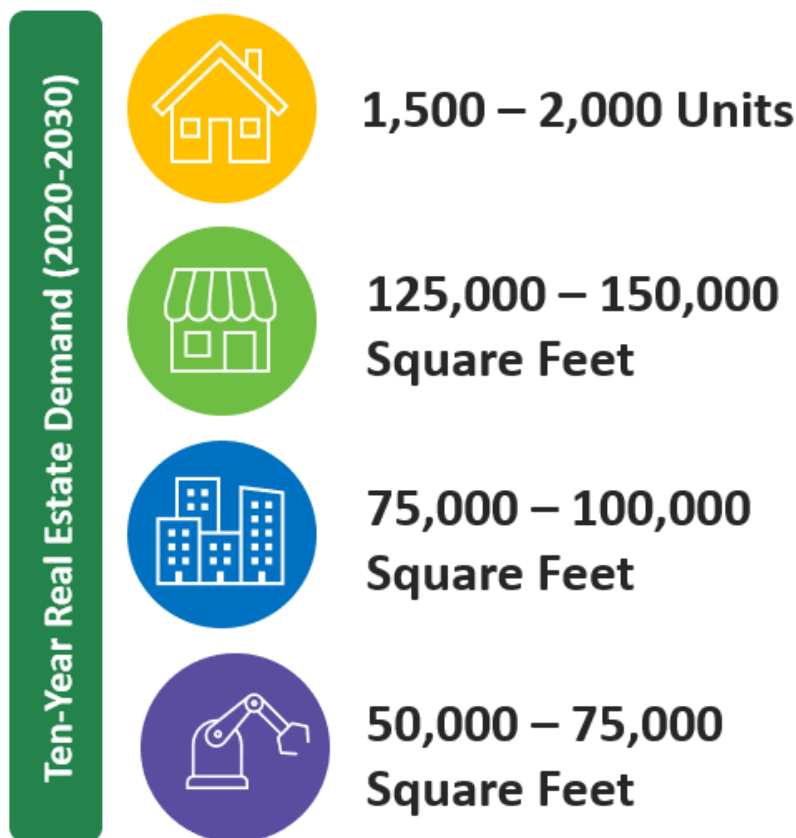
This section identifies development opportunities in the more specific Albemarle Rd/Central Ave Area of Influence based on demand forecasts prepared for the larger Trade Area. Opportunities further are divided across segments of the corridor and future strategies are outlined that should be considered to support future growth and investment.

5.1 AREA OF INFLUENCE FUTURE DEMAND

The graphic to the right demonstrates expected demand in the Area of Influence around the Albemarle Rd/Central Ave Corridor. Demand represents captures of the Trade Area demand based on physical attributes of the corridor (access, visibility, land availability) and demonstrated market dynamics.

Residential

Residential represents a strong development opportunity for the Area of Influence. Overall, the housing market in the area is strong with price points on the rise and low vacancy rates. Adding additional residential inventory could be effective in supporting more modest increases in price points and limiting displacement. The Albemarle Rd/Central Ave Area of Influence remains comparatively more affordable than other areas of Charlotte so maintaining a balanced housing base is critical. Residential development will also act as an initial driver for future commercial demand. Growth in housing is usually followed by commercial development in the form of retail, dining, entertainment, and employment.



A review of both for-sale and rental apartment opportunities in the Trade Area and Area of Influence supports consideration a wide variety of housing types. Future opportunities should be positioned to allow flexibility for changes in the real estate market, as well as creation of site concepts and proformas by potential developers. The Area of Influence has a notably higher share of renter-occupied housing units when compared to the Charlotte region. Identifying ways to increase home ownership options should be a focus along this corridor. It should be noted that the Eastland Mall redevelopment is planned to contain a mixture of residential units, including for-sale and rental options. Units will be offered a variety of price points, including new market-rate for-sale options, which have been limited in the area in recent years. Development at this property will likely be a catalyst for projects elsewhere in the Area of Influence.

The Area of Influence is forecasted to support approximately 1,500 to 2,000 residential units over the next decade. Densities and intensities will vary along the corridor and Area of Influence, from single-family infill potential in the surrounding neighborhoods to higher-density multifamily that will likely gravitate towards areas with accessibility to major transportation corridors and bus transit options.

Retail

Retail is currently undergoing a significant evolution based on a macro-level shift in shopper preferences, as well as changes to how goods are viewed and delivered and the COVID-19 pandemic. The significance of online shopping is an influencer in how retail is changing across the United States. However, while online sales have grown significantly in the last 15 years, outside of the peak of store closings during the pandemic, most non-grocery sales still take place in



stores. Recent research shows that many customers shop and compare online but make final purchases in stores. It is projected that online sales will reach \$500 billion by 2020, or about 20% of all non-grocery purchases.

The Albemarle Rd/Central Ave Area of Influence presents a unique retail offering for the City of Charlotte, highlighting international grocers, bakeries, and dining establishments. Reflecting the diversity of east Charlotte, many retail tenants are locally owned and operated and represent a wide array of cultures and attract shoppers from across the region. Overall, the shopping centers along the corridor are highly occupied, although rents are approximately \$5 per square foot lower than the market-wide average. The area has also provided space options for local tenants that are migrating from other high-rent areas of Charlotte. New construction retail has totaled approximately 50,000 square feet since 2015 and has largely been comprised of free-standing fast food, restaurants, and convenience stores.

This analysis forecasted Area of Influence demand for approximately 125,000 to 150,000 square feet of retail space over the next ten years. Retail demand will likely gravitate to properties with frontage along the key transportation corridors, offering access and visibility. Planned development at the Eastland Mall site will likely include new construction retail offerings but will also bring soccer practices and games to the area, increasing visitor traffic and inflow retail demand. Smaller scale service retailers will also seek locations along the corridor serving nearby neighborhoods and new residential developments in the area.

Office

Location has been a crucial driver of new office space development in recent years. Attractive office space typically is close to cafes, restaurants, retail shops, personal and business services, hospitality, and civic uses. Premier locations are compact, walkable places near housing and public transit. Tenants expect their employees to be more satisfied in places that offer diverse, connected land uses. As a result, these companies anticipate higher productivity, less turnover, and more innovation.

As demonstrated in Section 4, existing office space in the Trade Area has an elevated vacancy rate and has experienced little new development in recent years. Office space in the Area of Influence is anchored by the Charlotte East Business Park that hosts nearly 500,000 total square feet across nine buildings that were primarily constructed in the 1970s. Charlotte East Business Park represents Class B space that hosts a high proportion of government, administrative, and service office spaces that attract customers. From a financing perspective, existing vacant office space would have to be leased to increase the attractiveness of an investment in new office development in the Trade Area. As such, office would be a longer-play than other land uses. Likely requiring an improvement in the Trade Area market dynamics.

The Area of Influence is forecasted to have ten-year office demand of approximately 75,000 to 100,000 square feet. Demand for this space will likely require improvement of the current market dynamics and would likely occur later in the ten-year forecast period. The market has experienced some office momentum, taking the form of rehabilitations of existing space to better align with what modern tenants are seeking. The redevelopment of the Eastland Mall site will likely include an initial phase of office space to support the Charlotte Football Club (FC) Academy's headquarters.

Industrial

Industrial demand could be driven by a wide variety of end-users; however, the type of development would influence the potential for the site to offer integrated land uses. Nationally, industrial and manufacturing spaces are getting a new reputation with the increase in advanced technology and the increased use of robotics. The historic image of 'dirty' factories is evolving towards facilities that rely heavily on research and technology. This new branding is being leveraged to attract top talent and is critical as many experts agree there is a current skills gap in manufacturing, which could result in two million unfulfilled jobs in this sector by 2025. It should also be noted that many manufacturing facilities are now leveraging data centers to help with management of technology, "smart" machinery, and analytics, creating the potential for clustering in areas with concentrations of these types of facilities. This new trend can also result in a decline in the number of employees users host on-site.

Flexible workspace is also a growing sector allowing for a combination of professional office space and warehousing, manufacturing, or distribution space in one building. This product type would be most conducive to integration with other land use types in the Area of Influence. Tenants would likely be involved in research, development, or technology, and are typically willing to pay more per acre for well-located land that has strong access to skilled labor.

Retailers and other warehouse occupiers are growing distribution center footprints nationally, seeking locations near urban centers that have high concentrations of people. Seeking to enhance customer service, companies are opting for locations near urban cores that can help facilitate rapid deliveries or even same-day services. Operations located within the 20-mile ring of major cities typically handle fast-moving, high-cost and time-sensitive products like mobile phones and groceries, while those located more than 75 miles outside of those areas tend to be “big box” distribution or fulfillment centers that handle slower moving, lower cost, less time sensitive products like furniture and discount apparel. Users in this segment are constantly balancing land price with access to skilled labor and accessibility to major transportation infrastructure, including ports and airports.

The larger Trade Area demonstrated ten-year demand for more than 600,000 square feet of space. Much of this demand would gravitate to sites on the urban fringe that offer access to major transportation corridors. The Albemarle Rd/Central Ave Area of Influence is projected to have demand for approximately 50,000 to 75,000 square feet of demand for industrial users through 2030. This demand would likely take the form of smaller-scale warehouse/distribution spaces that house businesses that serve the surrounding neighborhoods, including automotive uses, construction, and landscaping and home services support. Many of these users would require front-office space, as well as warehousing or storage.

Hospitality

Hospitality uses were not a direct focus of this analysis due to the extremely limited inventory of hotels in the Area of Influence. In fact, only one hotel was identified in the Area of Influence: a 121-room InTown Suites located at the intersection of Albemarle Road and Lawyers Road, which was completed in 1997. Future demand for additional hotel rooms is expected to be limited along the corridor. As the Eastland Mall redevelopment occurs, the project could generate enough activity to support a new hotel facility. While sports tournaments are important generators of hotel demand, much of the soccer activity at the site is expected to be local.

5.2 DEVELOPMENT OPPORTUNITIES & STRATEGIES

Development opportunities have been further defined for the specific Albemarle Rd/Central Ave corridor study area. The corridor is influenced by a variety of anchors so two separate segments are reviewed: East Corridor and West Corridor. The segments are shown in **Map 6** below.

Map 6: Albemarle Rd/Central Ave Corridor Segments, 2021

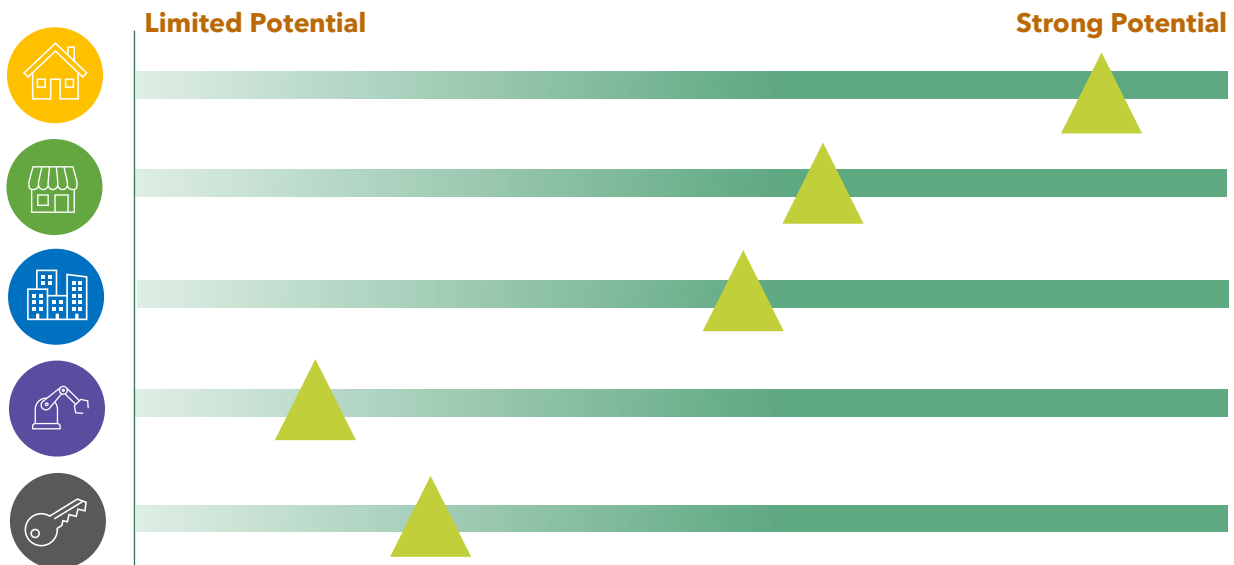


West Corridor Opportunities

The western portion of the Albemarle Rd/Central Ave study area benefits from different anchors, both existing and planned that influence the pace and intensity of growth. This segment includes frontage on Independence Boulevard, a major east-west corridor across the state, as well as Central Avenue, N Sharon Amity Road, and Albemarle Road. It is closer to the urban core of Charlotte, including the rapidly evolving Plaza Midwood neighborhood, has proximity to

several projects that could draw additional development to the study area, including the Eastland Mall redevelopment, a future streetcar transit corridor that would terminate at the Eastland Mall site, and the planned Silver Line light rail corridor, which is expected to run parallel to US 74.

Given the activity around the study area, development pressure in the western segment is already in process. The following graphics demonstrate development opportunities for the West Corridor segment by real estate sector. Sectors “Limited Potential” are either not an appropriate for the segment based on access, visibility, established densities, and land use pattern or would likely require incentivization. Sectors identified as “Strong Potential” will naturally gravitate to the area and are likely to be driven by private investment.



One of the defining traits of the Albemarle Rd/Central Ave study area is the significant commercial presence, including retail shopping centers and office parks. Aging commercial corridors across the country have been the focus of efforts to reimagine their function and design. However, transforming auto-oriented, retail-focused strips into vibrant multi-modal destinations where people can gather and complete a variety of errands is not easy. The growing desire for walkable live-work-play environments is at odds with traditional single-use, auto-oriented suburban development patterns. Commercial strips have dual roles – providing primary mobility and highly visible settings for specific land uses – that are often in conflict, and enhancements to one may result in the deterioration of the other.



Strategy #1: Support Rehabilitation and Reimagining of Under-Utilized Properties

Opportunity Statement: Investment in under-utilized properties along the Albemarle Road corridor can play an important role in neighborhood stabilization; creating momentum to improve existing real estate inventory will likely require access to incentives, grant access, and economic development tools.

Affected Segments: West, East

Key Tools: Communicate existing economic development tools available, ensure zoning regulations encourage desired development, purchase catalytic sites and help with assemblage of parcels, incentivize public-private partnerships

Implementation timing: Mid-term (3-5 years)



Strategy #2: Enhance Safety and Attractiveness of the Public Realm

Opportunity Statement: Improving the safety and attractiveness of the public realm will demonstrate City investment and focus along the corridor and help to bolster private sector confidence.

Affected Segments: West, East

Key Tools: Improve streetscape and sidewalk connectivity and buffers, collaborate with NCDOT on safety enhancements, enhance transit facilities and last mile connectivity, support public art installations, increase connectivity of City-maintained street network surrounding Albemarle Road

Implementation timing: Short- to mid-term (1-5 years)

A key design challenge is the integration both internally and externally over time and over multiple parcels due to the fragmentation of ownership. Strategies to transform the built environment and 'connect the dots' often focus on either expanding transit to improve access and support densification or retrofitting the commercial corridor through context-sensitive street improvements that enhance the pedestrian experience and efficiency of the local road network that surrounds arterial roads. Redevelopment could include adaptive reuse of obsolete buildings or urbanization by increasing density, walkability, and use mix.

Local governments play a critical role in facilitating the process and implementing improvements to help position these corridors to attract reinvestment from the private sector. Based on a review of white paper research and case studies, there are some key roles that the local government can play: assembling property for catalytic sites, investing in new infrastructure, implementing regulations and financial mechanisms to support redevelopment, and assisting with placemaking efforts to help define the area. These roles can help address common challenges and barriers to redevelopment, such as fractured property ownership and varying parcel size, disconnected land uses, dangerous pedestrian conditions, lack of comfortable transit facilities, and outdated policies.

One of the primary challenges that will limit the ability of the City to help transform the Albemarle Rd/Central Ave is the fact that the roadway is owned and maintained by NCDOT. Approval from NCDOT is required for many of the most effective improvements for creating a more pedestrian friendly environment with compact development, such as lower speed limits, smaller and enhanced pedestrian crossings, on-street parking, biking and bus lanes, and more connectivity with a complete street network surrounding the corridor. The existing land use pattern evolved to its existing conditions due to it being complementary to a high-volume commuter corridor. Without some changes to the design of Albemarle Road, it is unlikely that the surrounding built environment will be reoriented to a smaller scale that can be served by multimodal transportation options.

Case studies are provided to demonstrate the approaches that other places have taken to address these issues and revitalize corridors in their community. Two profile planning efforts focused on the transformation of auto-oriented corridors and the third is focused on the retrofitting of a strip retail center.

Opelika Road – Auburn, Alabama

During the early 2010s, the City of Auburn, Alabama prioritized Opelika Road, one of the City's principal commercial arterials, for revitalization and redevelopment. The commercial corridor had experienced aesthetic and economic decline, and it was lined with underutilized properties that presented opportunities for redevelopment. Early on, the City assumed ownership and maintenance responsibility for the road from the Alabama Department of Transportation. This allowed for more local control of the roadway design and



*Renew Opelika Road, City of Auburn, AL
Source: City of Auburn; Design Workshop*

made the local government more willing to invest in improvements. The corridor was identified in the City's 2011 comprehensive plan as a priority for redevelopment and the City Council allocated \$5 million toward capital improvements.

Next the City undertook an iterative planning process that began with analyzing existing conditions and real estate market demand to determine the corridor's potential. Feedback from the community was gathered and informed the development of a transportation plan, market-based land use plan, and conceptual streetscape recommendations. The transportation plan included the development of complete streets guidelines and recommended a new roadway design that included a planted median, multiuse trail, and enhanced street trees and planting areas. Additionally, a series of backstreets and side streets featuring on-street parking and wide sidewalks. The City worked with the Opelika Road Merchants Association to establish an effective access pattern and guide the placement of new back- and side-streets. This collaboration had the unintended effect of increasing the business community's support of the revitalization process.



Key sites were identified for assembly by the City to encourage desirable forms of private development. The Planning Department led the land assembly and demolition to establish a more feasible catalyst site for a developer willing to assume the risk. Zoning regulations that required large parking lots and unnecessary setbacks were also revised to improve the interface with the right-of-way and support a more walkable environment. This made the former parking lots prime opportunities for outparcel development. A positive return on investment was calculated for the City's construction investment based on the growth in property values and retail sales tax base, which further bolstered support for the plan and justified the capital improvement program. An outcome of the plan implementation was the partnership between the City and a developer on the construction of a mixed-use development in the center of the corridor that offers a live-work-play environment.

CENTRAL AVENUE – ST. PETERSBURG, FLORIDA

Central Avenue in St. Petersburg, Florida was the focus of a multi-year redevelopment effort that resulted in the corridor experiencing renewed investment in diversifying and intensifying the land uses and development pattern. Three city departments helped lead the effort: Planning and Economic Development, Transportation and Parking Management, and Marketing and Communications. The roadway is one of St. Petersburg most prominent corridors that connects the downtown area to beaches and began as the City's Main Street. The nine-mile corridor varies from a two-lane main street style character with on-street parking to a five-lane roadway with auto-suburban character and single-story retail and office uses served by surface parking lots. Existing multi-modal facilities include bike lanes and trolley service, and a bus rapid transit (BRT) station is planned. Goals of the revitalization project included improving the image and identity of the corridor, improving transit opportunities, increasing the mix of land uses, upgrading the streetscape, improving safety and security, and recruiting new businesses and reducing vacancies.

The first focus of the planning process was evaluation of the corridor's land use, urban design, and transportation. A higher intensity mixed-use development pattern with consistent architectural and landscape standards was envisioned for the corridor. The need to strengthen design standards for the ground-level was also identified to enhance the pedestrian experience. To achieve these goals, it was recommended that the land development regulations be changed to allow higher floor-to-area ratios to support more transit-oriented development. More residential uses incorporated into mixed-use projected were prioritized to support the expansion in commercial activity.



West Central Avenue Streetscape & Design

Source: City of St. Petersburg

West Central Avenue Streetscape

Project Information - 90% Plans

Section 1

Park Street to 66th Street



LEGEND

- Median Upgrades
- Enhanced Crosswalks
- Install Signal Mast Arms
- Enhanced Crossing w/ RSFB (Rectangular Rapid Flashing Beacon)
- Existing Trail
- Trail Extension in Complete Streets Plan
- Future Bus Rapid Transit (BRT)
- Future Neighborhood Greenway
- Existing Bus Stop/New Shelter
- Existing Bus Stop/New Pad
- Planned BRT Stations
- Approximate location of Watermain Replacement

LAND USE

- Residential/Single-Family
- Residential/Multi-Family
- Vacant - Residential
- Commercial
- Vacant - Commercial
- Institutional
- Industrial
- Vacant - Industrial
- Miscellaneous



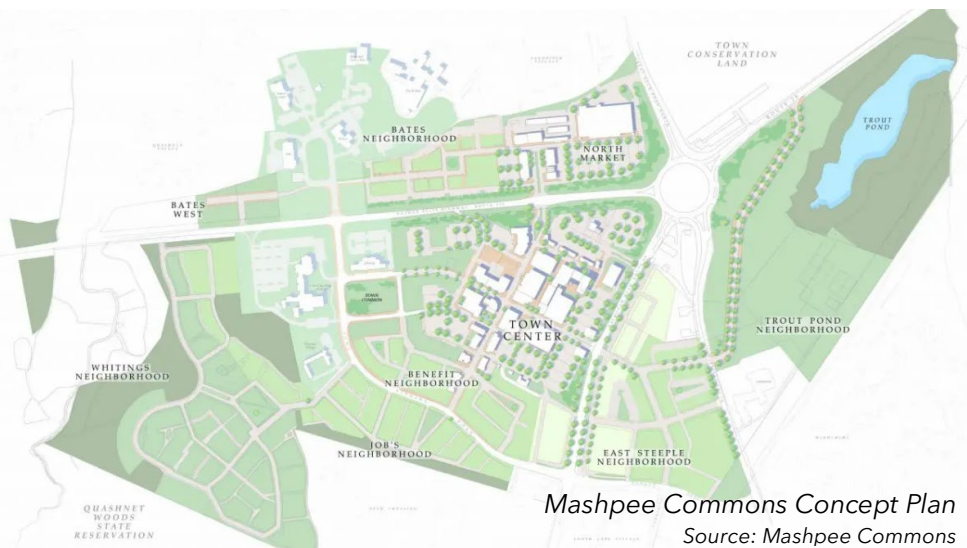
Analyses of the area's transit system, bike infrastructure, and pedestrian connections were also completed. Recommendations that came out of these evaluations included additional BRT stations, signalized intersections, bulb-outs to reduce crossing distances, and specialized crosswalks. Additionally, the sidewalk system was repaired, maintained, and upgraded to ensure connectivity and ADA compliance. An analysis of the streetscape found the need for improvements to the maintenance of landscaping, lighting in public places, and intersection treatments. A brick-topped median was installed in the sections of Central Avenue that spanned five lanes. Maintenance of existing street plantings was improved by sharing responsibility with private property owners through dedicated funding techniques such as assessments and voluntary programs. To help create a sense of arrival and improve corridor's identity, themed signage was attached to the mast arms at major gateway intersections.

The next phase of the revitalization effort focused on marketing the corridor. The Central Avenue Council was created using a "Main Street Program" structure that focuses on economic vitality, design, organization, and promotion to guide the branding and marketing of the corridor. The City also worked with the Council to identify existing economic development support services and incentives that were available to the local business community and property owners but were not being fully leveraged due to the lack of awareness. These included enterprise zones, brownfields incentive program, and historic underutilized business zones.

Three phases of capital projects were designed to execute the redevelopment plan, including \$5.88 million for the first phase an \$33 million for the second and third phases. Funding came from the St. Petersburg Water Resources Department and Penny for Pinellas tax, a 1% sales tax that was extended through 2030 and funds capital improvements to infrastructure. As mentioned, the priority projects included the installation of mast arms, BRT enhancements, and streetscape improvements. After the land development regulations were amended to increase allowances of density, intensity, and the mix of uses, several mixed-use projects were completed along the corridor that added hundreds of new residential units and thousands of square feet of retail.

MASHPEE COMMONS – MASHPEE, MA

Over the past few decades, a strip shopping center in Cape Cod has incrementally been transformed into a vibrant mixed-use, pedestrian-friendly town center called Mashpee Commons. It is considered the pioneer in suburban retrofitting. The strip retail center, known originally as the New Seabury Shopping Center, was built in the early 1960s and contained 62,000 square feet of retail. It was served by a large asphalt parking lot fronting the street.



The Town of Mashpee lacked a true center and, instead, was home to a variety of retail areas surrounded by parking. One of the owners of the shopping center now known as Mashpee Commons proposed the conversion of the shopping center into a mixed-use town center integrated with residential uses. To help activate the traditional suburban design and foster a more enjoyable pedestrian experience, liner buildings measuring 22- to 24-feet deep were sited along the edges of parking lots to hide them. New construction and the redevelopment of existing buildings were guided by a detailed design code that encourages a traditional Cape Cod architectural style.

The mix of uses includes retail, civic, and residential. The town's civic buildings and public spaces were sited at the new town center, including the post office, town hall, library, and town green. Retailers range from national chains like Pottery Barn and Panera Bread to locally owned businesses. It has also become a destination for entertainment with regular programming of events and live music, a bowling alley, galleries, and movie theaters. The development benefits from multi-family units that target a mix of tenants, including subsidized, starter, senior, and luxury units. After development slowed down in part due to the Great Recession, activity has picked back up with additional housing units and retail uses underway to expand the pedestrian-scale village that has evolved from the original strip center.



Strategy #3: Leverage Corridor's Unique Assets and Publicly Owned Properties

Opportunity Statement: The Albemarle Road corridor has a unique identity which can be leveraged to position the area as a destination, by increasing visitors, improving sales, and creating a brand.

Affected Segments: West

Key Tools: Support redevelopment of Eastland Mall site, promote multicultural offerings of corridor, create business owner's associations, market publicly owned properties for redevelopment, support branding efforts to communicate corridor identity, develop gateway monuments to contribute to placemaking

Implementation timing: Short-term (1-3 years)

The Albemarle Rd/Central Ave study area is rich with unique assets that can and should be leveraged to promote economic development opportunities, this includes (but is not limited to) the Eastland Mall redevelopment, plans for enhanced transit in the area, and the diverse inventory of ethnic retail, dining, and nightlife options hosted along the corridor. These assets have played a continuous role in the evolution of the corridor and will continue to serve residents and employees, as well as attract visitors to the area.

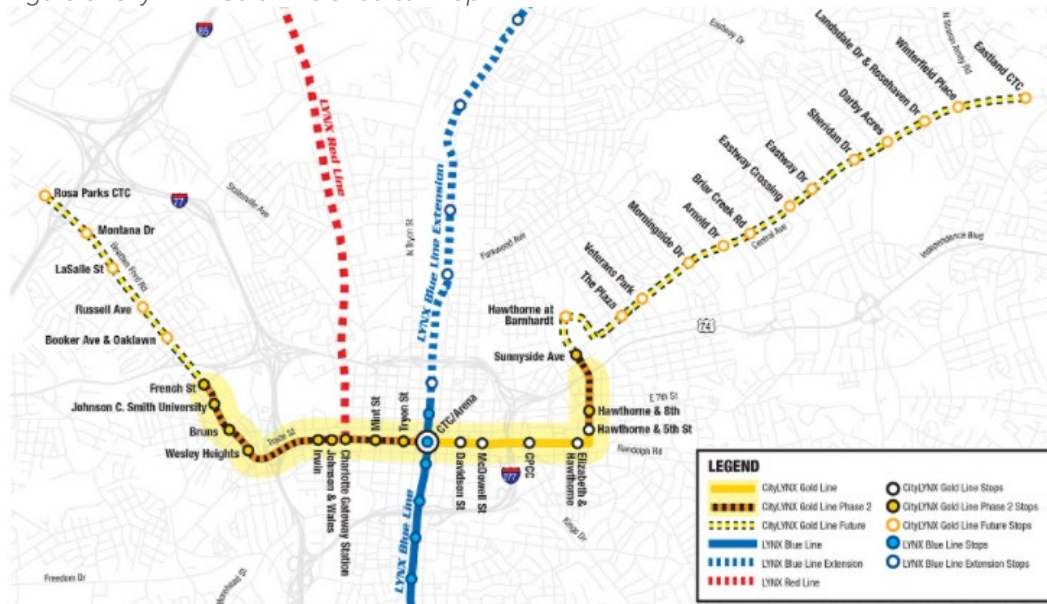
Eastland Mall Redevelopment. Eastland Mall, once a premiere attraction in the City of Charlotte, closed in 2010 and was subsequently purchased by the City in 2012. The original mall structure has been demolished and Charlotte-Mecklenburg Schools built a language academy on the northern-most portion of the site in 2018. The remaining 78-acre property is planned to be redeveloped in phases and will include approximately 90,000 square feet of retail and restaurants, 240,000 square feet of office space, and 485 single-family and multifamily housing units, including for-sale and rental options. The private development is planned for approximately 51 acres, with the balance including a 2.8-acre park and a youth soccer academy managed by Tepper Sports & Entertainment. The academy will include 13 playing fields.

Figure 5: Eastland Mall Redevelopment Concept



Gold Line Streetcar. A future phase of Charlotte's CityLYNX Gold Line Streetcar is planned to run along Central Avenue and would extend service from the current terminal station in Elizabeth at Sunnyside Avenue and Hawthorne Lane to the Eastland mall site. The first phase of the Gold Line was completed in 2015 and included a 1.5-mile route with six stations from Uptown at the Charlotte Transportation Center to Hawthorne Lane and 5th Street. The second phase, which was completed in 2021, extended service from Johnson C. Smith University and French Street on the west side to Sunnyside Avenue in Plaza Midwood on the east side. The future third phase is planned to stretch the route to 10 miles, from west of I-85 along Beatties Ford Road to a new Eastland Community Transit Center (CTC) east of North Sharon Amity Road (**Figure 6**). Stations along the future eastern segment that would serve the Area of Influence include Eastway Drive, Sheridan Drive, Darby Acres, Landsdale and Rosehaven Drives, Winterfield Place, and Eastland CTC.

Figure 6: CityLYNX Gold Line Streetcar Map



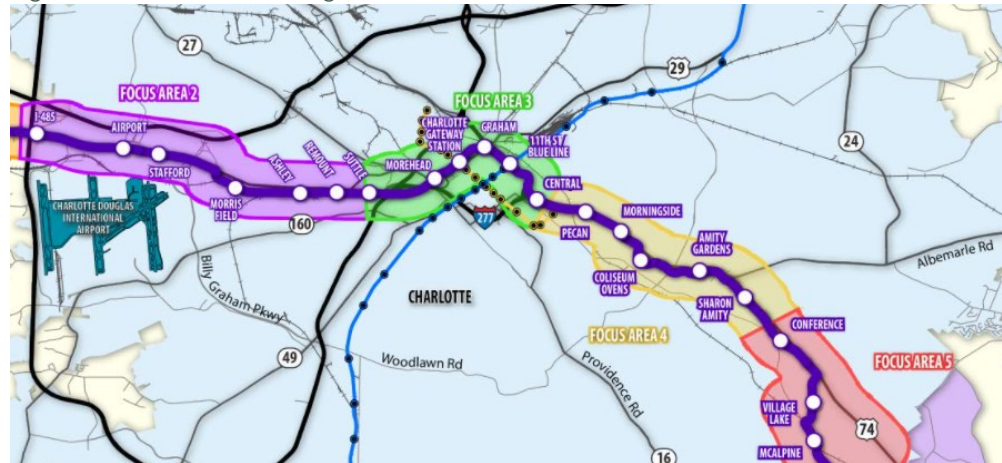
Source: Charlotte Area Transportation System (CATS)

Silver Line. The Silver Line is a new east-west light rail line that is being planned for Charlotte and would run through a portion of the Trade Area. The 29-mile LYNX Silver Line would extend from Gaston County, past the Charlotte-Douglas International Airport, along the northern end of Uptown, and southeast along Independence Road then Monroe Road into Matthews or Unions County. The project is proposed to be constructed in two phases, with the first phase focused on the southeast segment east of the proposed Charlotte Gateway Station. The \$5.1 billion Phase A is expected to

open in 2036. Phase B would focus on the corridor running west to the airport. This second phase is expected to cost \$3 billion and open in 2039. By 2050, an average of 19,000 riders per day is projected for the 15-mile southeast portion.

While the alignment and station locations are still being refined, three stations are proposed with proximity to the Area of Influence: Amity Gardens Station near North Wendover Road, Sharon Amity Station near Albemarle and Sharon Amity roads, and Conference Station near Idlewild Road (**Figure 7**). The station areas are the focus of a transit-oriented development study that is analyzing opportunities for implementing improvements along the LYNX Silver Line corridor that integrates the new transit service with the existing surrounding neighborhoods and enhances connectivity. While the light rail will increase transportation choices for residents and workers in the surrounding areas, it will also incentivize new development opportunities for more density and additional amenities.

Figure 7: LYNX Silver Line Alignment, 2021



Source: CATS

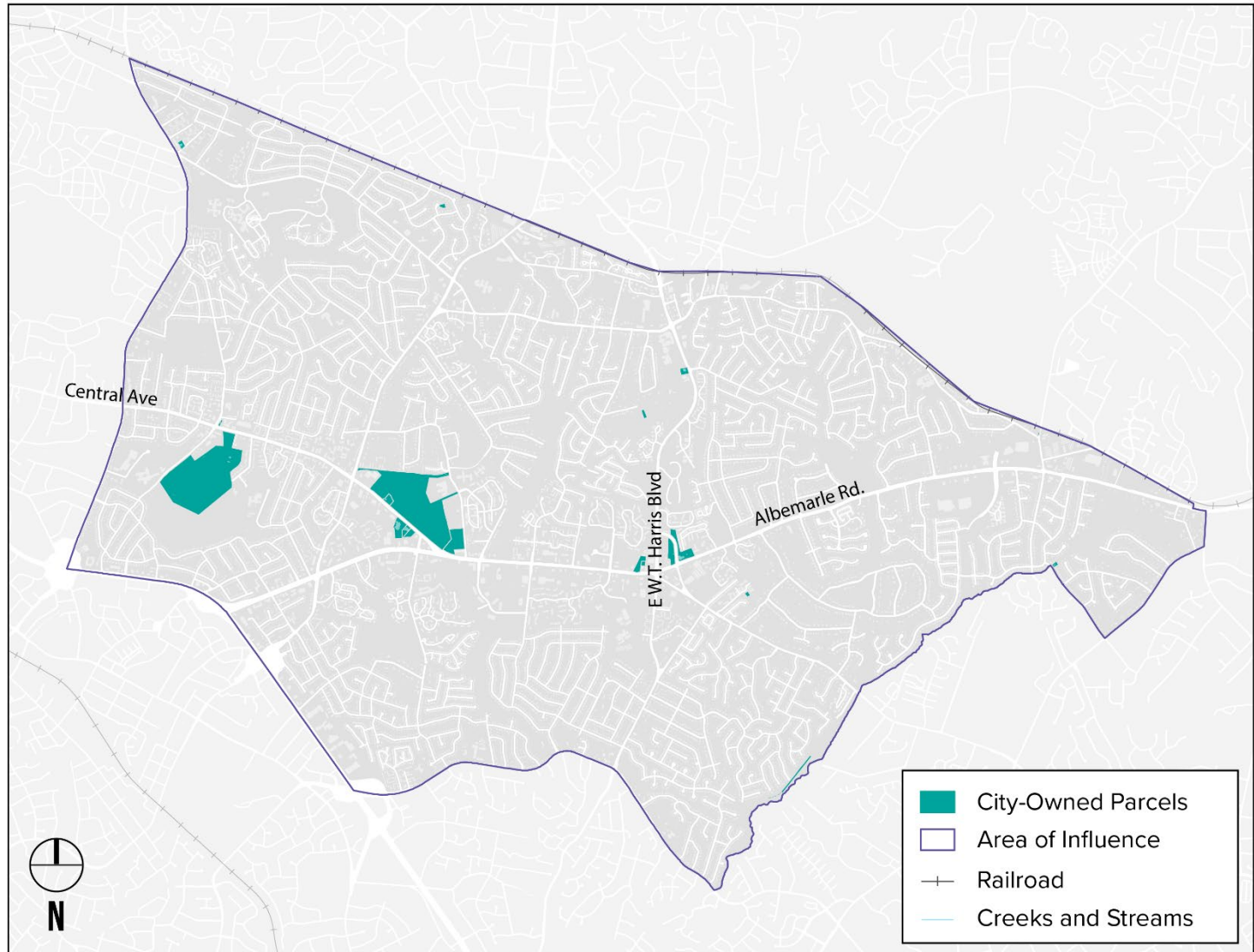
While the Eastland Mall redevelopment is eminent, the transit corridors are in early planning stages and are unlikely to be substantially complete within the ten-year timeframe of this analysis. However, long-term planning to increase connections between people and businesses in the Area of Influence and, more specifically, along the corridor can be a useful strategy in accelerating private investment.

Already existing along the corridor is a rich destination for unique cultural offerings. Establishing a brand around the cultural aspects of the corridor can be a useful tool in marketing the area to people who live and work beyond the boundaries of the area, increasing visitors and their spending potential to support local businesses. A strong, recognizable, well-marketed is critical for these areas and helps to create cohesion among business owners. Many cultural districts across the country have used resources to create websites that provide information about the district and promote events and have created clear branding guidelines and incorporated those into wayfinding and gateway signage. These activities will likely require leveraging partners including the City of Charlotte, Mecklenburg County, non-profit organizations, artists, entrepreneurs, existing businesses and employers, residents, and real estate developers.

During the Playbook process, community feedback continuously highlighted the unique food scene that currently exists in the study area. Additional research should be done on the feasibility of creating a food incubator space along the Albemarle Rd/Central Ave corridor to support existing and future entrepreneurial restaurateurs. Creating a “food hall” space to highlight the food and culture of the area could be leveraged to promote existing businesses, increase community awareness, and support new business owners.

Government-owned properties can also be leveraged as a catalyst for development. The Eastland Mall project is a large-scale example of this type of catalyst, but smaller properties in key locations can also be important to demonstrate momentum and demonstrate public “skin in the game.” As demonstrated in **Map 7**, the City of Charlotte owns several concentrations of property along the corridor that could be considered to catalyze private projects and highlight the unique nature of the corridor. The Eastland Mall site is one of the largest and has been engaged through a public private partnership with Crosland Southeast. Other nearby properties should also be considered for opportunities.

Map 7: City-Owned Properties, Albemarle Rd/Central Ave Area of Influence, 2021



Office space along the corridor is largely concentrated in the West segment, anchored by Charlotte East Business Park. As previously noted, office space along the corridor has an elevated vacancy rate, but also hosts long-term stable tenants that serve the immediate surrounding population. The area has recently experienced an increase in rehabilitation of existing office space to meet more modern tenant demands.



Strategy #4: Support Growth in Employment Opportunities

Opportunity Statement: Already an important employment center, the Albemarle Road corridor will benefit from connecting residents to nearby jobs and services.

Affected Segments: West

Key Tools: Help customers connect to services offered by non-profit office tenants, acquire under-performing office properties for redevelopment, support the expansion of existing and attraction of new employers; support reinvestment of office buildings that can be part of a live-work-play environment

Implementation timing: Short- to mid-term (1-5 years)



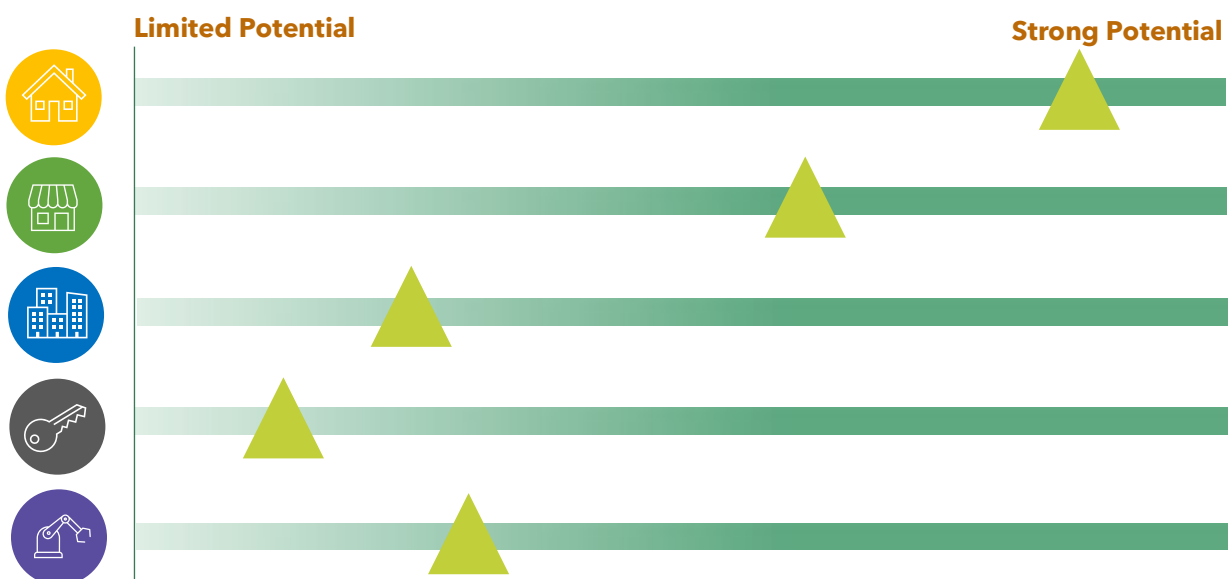
The COVID-19 pandemic has given suburban office space new momentum, as employees seek to reduce commute times and employers seek competitive rates with access to amenities. According to a study by NAIOP, nearly one-third of Americans are considering moving to a less densely populated area in the wake of the pandemic, which could shift demand from employers in regard to space needs and location. Office space in the Albemarle Road/Central Ave study area is anchored by the Charlotte East Business Park, but also host freestanding, low-intensity buildings, which have received recent attention for rehabilitation and upgrades.

Developers have targeted suburban office parks, like Charlotte East, for reinvestment as they typically have excess land available and surface parking that presents opportunities for intensification and inclusion of other land uses and upgraded amenities. Key considerations when considering a reimagining of employment-generating uses include:

- **Know your audience.** Many of the existing major employers in the Albemarle Rd/Central Ave study area are there to serve surrounding clients or are government/administrative based. Focused market research can help direct the needs of existing and future employers with amenities and space design modifications that would support increased activity.
- **Build flexibility into future modifications.** The COVID-19 pandemic has taught us that changes can happen instantaneously. Redevelopment or rehabilitation plans should respond to the local market, but developers should be prepared to adjust initial plans to secure anchoring tenants or adapt to changing market conditions.
- **Placemaking is critical.** Leverage design, amenities, and technology to refresh the identify of office concentrations, focusing on a sense of place. This idea can be used to maximize the value of an aging office park through architectural features and amenities that support modern tenants. This could include incorporating recreational facilities, food and beverage offerings, and green spaces and trail systems.
- **Rebranding to raise profile.** Revitalizing an aging office park may require rebranding as part of a successful strategy. Prospective tenants and brokers may hold a negative perception of an older office park based on its earlier uses and its condition before redevelopment. Changing these perceptions generally requires devoting time and resources to building a new brand identity for the property that reflects its new uses, design elements and amenities.

East Corridor

Although the corridor does not have a clear demarcation, the eastern portion beyond E W.T. Harris Boulevard shifts to a more residential focus with neighborhood access directly fronting on the corridor. This shift to a more residential land use pattern continues as you travel outside of the study area along Albemarle Road. Non-residential development is primarily retail and is clustered around key intersections.



Residential development opportunities in the East Corridor segment represents a short-term opportunity for the corridor. Residential opportunities in this area will be incredibly varied, both in unit type (single-family and multifamily), tenure (owner and renter), and development type (both small infill projects and larger-scale developments). Housing needs to remain varied to support inventory that serves a diverse population at different ages and income levels. This includes protecting the area against the impacts of gentrification that could be accelerated by the corridor's proximity to the urban core of Charlotte, comparably more affordable housing stock, and access to major transportation infrastructure connecting Albemarle Road with other employment centers in the region.



Strategy #5: Protect Naturally Occurring Affordable Housing Stock

Opportunity Statement: The Albemarle Road corridor hosts a wide variety of housing that is accessible to various income levels; protecting an inventory of naturally occurring affordable housing stock will promote neighborhood stability and discourage displacement.

Affected Segments: East, West

Key Tools: Create NOAH inventory, support land acquisition and trusts, provide public subsidy, draft community benefits agreements

Implementation timing: Short-term (1-3 years)

An early, but critical, step in the protection of existing stock, both subsidized and naturally occurring, is to develop a clear inventory of these units. An inventory of US Department of Housing and Urban Development-assisted or -insured projects, Low-Income Housing Tax Credit properties and unsubsidized housing can be useful in identifying types of properties and strategic locations to target.

Inventorying NOAH can be more challenging. Common methodology to inventory NOAH incorporates analyzing property age (typical targets are units built more than 40 years ago) and reviewing the level of amenities (focusing on properties that have no or limited offerings). Using this methodology, CoStar, a third-party real estate data source, estimates that approximately 36 percent of all rental product in the United States can be classified as NOAH.

Once an inventory is created, several strategies can be leveraged to help preserve existing housing, including:

- Proactive acquisition of NOAH by public or non-profit entities to preserve it. Acquisition strategies can be developed to target key geographies that are in jeopardy of experiencing gentrification, including transit station areas.
- Acquire public subsidy properties that have expiring income restrictions (i.e., older US Department of Housing and Urban Development properties). US Department of Housing and Urban Development limits on income targets are tied to a timeframe. Creating an inventory and tracking those properties that are nearing expiration could help identify priority properties for acquisition.
- Leverage property records and local neighborhood organizations to identify long-term owners of NOAH. As appropriate, facilitate exit strategies for owners seeking to sell subsidized housing projects.
- Draft community benefits agreements with existing neighborhoods to limit displacement when new construction development occurs along the corridor.

Local governments have also found success in establishing affordable housing protection districts to help preserve existing units. For example, Arlington County, VA has instituted a Special Affordable Housing Protection District. This district protects affordable housing sites along transit corridors by requiring that removal of affordable units must be replaced on a one-for-one basis. If a new development involves demolition of affordable units, the project's developer must include at least that many new affordable units in the new project.

Additionally, the city of Denver has instituted an Early-Warning System that requires owners of US Department of Housing and Urban Development-assisted properties to notify the city at least one year before opting out of subsidy contracts. This provides the community with additional time to establish a strategy and attempt to work with owners to preserve these units.

In addition to protecting the natural affordability of the Albemarle Rd/Central Ave study area, a focus on improving paths to homeownership will also help to further stabilize the surrounding neighborhoods. Residential closing transactions in this area have increased dramatically in the last five years, and price points have also experienced growth. Owning a home is the largest generator of wealth for families and monthly housing costs for homeowners are on average 10% lower for homeowners than renters. Access to homeownership highlights inequities with the rate of ownership for Black families estimated at 44% in 2020, compared to 75% for white families. With the high shares of minority families, including Hispanic ethnicities, in the study area support on homeownership accessibility should be a critical strategy.



Strategy #6: Improve Paths to Homeownership

Opportunity Statement: The Albemarle Road corridor has higher than average levels of renter-households; providing opportunities for increased levels of homeownership will benefit overall neighborhood stability.

Affected Segments: East, West

Key Tools: Partner with neighborhood organizations to communicate existing programs and assistance for homebuyers and homeowners, including financial assistance to overcome hurdles to homeownership, offer housing education and counseling for residents, create a housing trust fund for down payment and closing cost assistance

Implementation timing: Short- to mid-term (1-5 years)

Research prepared for the Urban Land Institute by Mike Loftin, chief executive officer at Homewise, found that among households earning less than \$50,000 per year, renters spend 34% of their income on housing compared with 24% of income for owners, even after accounting for the difference in income levels among different racial or ethnic groups. Additionally, 31% of low-income owners spend less than 20% of their income on housing compared with only 7% of low-income renters, demonstrating a strong connection between ownership and the prevalence of housing cost burdens. Across locations the following strategies have been consistent in helping to elevate the homeownership rate in an area:

- Enhance targeted outreach through culturally competent, trusted community organizations
- Create new approaches to mortgages that account for historic mechanisms of maintaining disparities, such as a reliance on credit scores for mortgage underwriting
- Grow down payment assistance and housing counseling programs for historically marginalized groups
- Enforce current laws on fair housing and fair lending

5.3 SUMMARY OF STRATEGIES



Strategy #1: Support Rehabilitation and Reimagining of Under-Utilized Properties

Opportunity Statement: Investment in under-utilized properties along the Albemarle Road corridor can play an important role in neighborhood stabilization; creating momentum to improve existing real estate inventory will likely require access to incentives, grant access, and economic development tools.

Key Tools: Communicate existing economic development tools available, ensure zoning regulations encourage desired development, purchase catalytic sites and help with assemblage of parcels, incentivize public-private partnerships

Implementation timing: Mid-term (3-5 years)



Strategy #2: Enhance Safety and Attractiveness of the Public Realm

Opportunity Statement: Improving the safety and attractiveness of the public realm will demonstrate City investment and focus along the corridor and help to bolster private sector confidence.

Key Tools: Improve streetscape and sidewalk connectivity and buffers, collaborate with NCDOT on safety enhancements, enhance transit facilities and last mile connectivity, support public art installations, increase connectivity of City-maintained street network surrounding Albemarle Road

Implementation timing: Short- to mid-term (1-5 years)



Strategy #3: Leverage Corridor's Unique Assets and Publicly Owned Properties

Opportunity Statement: The Albemarle Road corridor has a unique identity which can be leveraged to position the area as a destination, by increasing visitors, improving sales, and creating a brand.

Key Tools: Support redevelopment of Eastland Mall site, promote multicultural offerings of corridor, create business owner's associations, market publicly owned properties for redevelopment, support branding efforts to communicate corridor identity, develop gateway monuments to contribute to placemaking

Implementation timing: Short-term (1-3 years)



Strategy #4: Support Growth in Employment Opportunities

Opportunity Statement: Already an important employment center, the Albemarle Road corridor will benefit from connecting residents to nearby jobs and services.

Key Tools: Help customers connect to services offered by non-profit office tenants, acquire underperforming office properties for redevelopment, support the expansion of existing and attraction of new employers; support reinvestment of office buildings that can be part of a live-work-play environment

Implementation timing: Short- to mid-term (1-5 years)



Strategy #5: Protect Naturally Occurring Affordable Housing Stock

Opportunity Statement: The Albemarle Road corridor hosts a wide variety of housing that is accessible to various income levels; protecting an inventory of naturally occurring affordable housing stock will promote neighborhood stability and discourage displacement.

Key Tools: Create NOAH inventory, support land acquisition and trusts, provide public subsidy, draft community benefits agreements

Implementation timing: Short-term (1-3 years)



Strategy #6: Improve Paths to Homeownership

Opportunity Statement: The Albemarle Road corridor has higher than average levels of renter-households; providing opportunities for increased levels of homeownership will benefit overall neighborhood stability.

Key Tools: Partner with neighborhood organizations to communicate existing programs and assistance for homebuyers and homeowners, including financial assistance to overcome hurdles to homeownership, offer housing education and counseling for residents, create a housing trust fund for down payment and closing cost assistance

Implementation timing: Short- to mid-term (1-5 years)