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NW 79th Street CRA Target Market Area: Economic, Market and Strategic Planning Study

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EXECUTIVE SUMMARY

i. Introduction

Lambert Advisory (Lambert) was engaged by Neighborhood Housing Services of South Florida (NHSSF) to provide a real estate market analysis of the N.W. 79th Street CRA's Target Market Area (referred to herein as the CRA Target Market Area). Specifically, the key objectives of the analysis are to evaluate the economic, demographic and real estate market conditions within the CRA Target Market Area, to determine the potential demand for residential and retail uses during both the short and longer term, as well as make recommendations of how NHSSF and their partners in government could hasten the revitalization of the area.

The work completed as part of this scope of services represents an independent and comprehensive evaluation of economic and market conditions that will help guide strategic redevelopment and investment initiatives within the CRA Target Market Area. Our analysis also highlights notable challenges that will need to be mitigated in order to effectuate the redevelopment effort.

Figure 1: N.W. 79th Street CRA Target Market Area (Boundary Map)

Specific to the economic, market and strategic analysis herein, our analysis:

1. Identifies the CRA Target Market's and N.W. 79th Street corridor's existing economic base;

2. Identifies the market potential for future redevelopment within the CRA Target Market Area;

3. Identifies redevelopment and investment strategies that could act as catalysts for redevelopment in the CRA Target Market Area; and

4. Makes preliminary recommendations and delineate next steps for NHSFF to consider as part of their planning efforts.

Positive economic growth during the past several years through Miami-Dade County has provided the basis for certain communities within the County to revisit their revitalization plans in light of the improved market conditions. This is especially true in areas such as the CRA Target Market Area which have often struggled in good times and bad but which are well located as it relates to access to jobs, services and the region's transit network.

There are two noteworthy conclusions or findings that drive the recommendations for the study area:

1. Existing market demand and growth for the foreseeable future is adequate to support sustained improvement in the retail and residential sector over the longer term.

2. Despite current investment to date, there continues to be a number of challenges to investment in the CRA Target Market Area; some based on perceptions of the area, some economic in nature, and others principally requiring a refocus of existing resources. The CRA can play a role in mitigating a number of these hindrances.

The remainder of the Executive Summary provides an overview of conclusions associated with the underlying market conditions and support for CRA Target Market Area investment, as well as preliminary recommendations based on these findings and conclusions. A detailed discussion (and maps) of the study area boundaries, retail trade area boundaries, and other relevant geographies is provided in **Section 1** of this report.

ii. Market Conclusions and Estimates of Demand

- **Population Trends (Section 2):** Miami Dade County's population grew at a modest 1.0 percent average annual growth from 2000 to 2010, while the CRA Target Market Area decreased from 23,369 residents in 2000 to 20,248 residents in 2010, or a 1.4 percent average annual decline (312 persons average annually). However, much of the decrease is attributed to the demolition of the Scott Carver Homes public housing communities. As of the latest American Communities Survey

2008-2012 data, the CRA Target Market Area experienced further decline to a population of 19,037. However, according to the Miami Dade County Planning Department (TAZ Projection) the CRA Target Market Area's population is projected to increase 1.8 percent average annually during that period or 150 persons average annually for the next 10 years. This is nearly double the rate of growth expected for the County overall. While the analysis herein must consider historical and projected trends from established institutional/planning resources, we believe that activity associated with a successful strategic redevelopment plan for the CRA Target Market Area will improve the area's chances of exceeding the County's projections; particularly, as transit within the immediate surrounding area is improved. As it relates to the age profile of the area, the CRA Target Market is slightly younger in terms of median age when compared to the County.

- **Income and Employment Trends (Section 2):** As of the ACS 2008-2012 data, the CRA Target Market Area has an estimated median household income of $29,783, compared to $43,464 for Miami Dade County and $47,300 for the State. The CRA Target Market Area's per capita income is $13,142, compared to $23,304 for the County. The modest income level within the CRA Target Market Area and its surrounding Trade Area – as defined in Section 1 – presents notable challenges to expanding market rate housing and viable commercial development within the area. This is reflected in the housing market with the majority (52 percent) of households living in rental housing within the CRA.

  While 2,776 persons are private (non-agricultural) employees within the CRA Target Market Area, very few both live and work within the CRA Target Market Area. According to US Census data as of 2011, 98.4 percent, or 2,741 of the persons employed in the Target Market Area lived outside of the area. Only 44 people, or 1.6 percent of persons employed in the CRA Target Market Area also lived there. It is also worth noting that there are 2,403 people who live in the Target Market Area and must travel outside the area for work. These are important factors in evaluating the potential redevelopment strategies for the area both short term and long term, as there is an opportunity to attract workers to live closer to their place of employment.

- **Residential Market (Section 3):** Following years of declining conditions following the US "housing recession" starting in 2007/8, there appears to be tangible signs of sustained housing market growth on a broader scale. For the CRA Target Market Area, the larger shares of the housing units (56 percent) are single family homes (one-unit, detached housing units). Accordingly, 56 percent of the housing stock in the CRA Market Area was built before 1960, compared to 25 percent for Miami-Dade County. In the CRA Target Market Area, less than 16 percent of the total housing stock was built after 1990 and 42 percent of the single family homes are smaller, 2 bedroom homes with an average 1,421 square feet. This compared to the County where over 75 percent of homes have in excess of 2 bedrooms and the average home size is closer to 2,000 square feet.

  Existing single family home sales activity and pricing in Miami-Dade County peaked at nearly $350,000 in 2007 before plummeting to $150,000 in 2010 as a result of the housing crash. Within the CRA Target Market Area, average single family home prices peaked at $190,000, before bottoming out at $41,000 in 2009 and fluctuating between roughly $50,000 and $60,000 since. Notably, single family sale prices in the CRA Target Market Area were generally 50 percent below the County prior to the housing crisis, but during the past three to five years the CRA's homes have tracked closer to 65 percent lower than the County.

For the CRA Target Market Area rental market, the NW 79th Street CRA also has a larger share of duplex rental housing units/households, at 16 percent, relative to Miami-Dade County, at 4.3 percent and the City of Miami, at 6.8 percent. It also has a larger proportionate share of rental apartment complexes of 50 units or more at 35.7 percent, compared to Miami-Dade at 23 percent and the City of Miami at 24 percent. For the larger apartment communities (greater than 50 units), we identified seven larger apartment communities in the CRA Target Market Area and three developments outside the CRA. The ten developments surveyed combine for 2,165 units and all are income restricted properties with the exception of units within Northpark @ Scott Carver (87 market rate units, 1,864 LIHTC units, 214 Section 8 units). Importantly, we did not identify any mid- to large-scale market rate rental properties in the CRA Target Market or the immediate surrounding area. The occupancy rate among the developments surveyed is at 100 percent, with a waiting list in several cases. The average unit size among the survey group is at 845 square feet, with average rent at $823, yielding an average rent per square foot of $0.97. Comparatively, the average rent in Miami Dade County is $1,413, or $1.61 per square foot.

While the for-sale housing market has been reasonably weak over the past few years, based upon the housing demand analysis (detailed in Section 3), there is estimated to roughly 150 to 250 new market rate housing units (or demand among households with incomes greater than $45,000) demanded within the CRA Target Market Area within the next 5 to 10 year period. While there remains to be considerable demand for very low and low income housing, there is considerable demand for moderate and workforce multi-family housing; which actually has "pent up" demand that not only results from the growth of new households, but families currently living in the area in older and, in many cases, reasonably obsolete housing. The level of current and recent mixed income housing development within the CRA Target Market Area is making great strides in improving the area's housing stock and economic stability. Continued focus on providing these mixed income developments is recommended as a strategic investment priority. Accordingly, broadening the type and mix of housing to include for-sale townhome presents a strong opportunity within specific nodes of the CRA Target Market Area (and discussed further below as part of the strategic recommendations.

- **Retail Market (Section 4):** Nearly five years after the depths of the economic downturn, the market continues to improve in select areas of the County. Specific to the CRA Target Market Area, Costar estimates indicate 845,000 square feet of retail space, which is approximately 30 percent of the Greater TMA Trade Area (which is defined and discussed in detail in Section 4). The vacancy rate in the CRA Target Market Area is reportedly less than 5 percent, although many smaller older, buildings which are likely not included within the survey remain vacant and/or abandoned (such as small standalone buildings on N.W. 18th Avenue). However, the quoted NNN rent (prior to pass through and utility charges) in the Target Market Area generally ranges from $8.00 to $14.00 per square foot and averaged $12.50 per square foot, which is significantly lower than the surrounding and broader markets.

There are only two significant shopping centers in the CRA Target Market Area. The largest shopping center, by far, is the Northside Shopping Center a 450,000 square feet community shopping center anchored by Presidente Supermarket, Dot's Fashion, Foot Locker, Payless Shoes, Dollar Tree, Walgreens and Wells Fargo Bank. The next largest center is the Miami Merchants Mart (also known as Flea Market USA), which is a 217,000 square foot enclosed flea market featuring a variety of vendors, services and a food court. Other than those two centers, most other retail is small strip centers, stand-alone retail, including two stand-alone Family Dollar Stores and fast food restaurants. In addition to the two major centers, Section 4 provides a survey of other significant retail centers in relative proximity to the CRA (or a roughly 3 to 6 mile radius). Notably, though, is the addition of an 180,000 square foot Wal-Mart located on N.W. 79th Street and N.W. 32nd Avenue, which is planning to be open by year end 2014. This is a major new retail investment in the area and the impact can be considered both an opportunity and challenge to the area's retail sector as discussed further below.

The CRA Target Market Area retail opportunity is primarily driven by residents within the Greater Retail Trade Area. Based upon the Greater Retail Trade Area model (fully explained in Section 4, page 57), retail demand from resident expenditure (which accounts for inflow and outflow demand factors) is estimated to be 2.0 million square feet, which is in line with the 2.3 million square feet total retail inventory (and much of which is near or past its useful life). As such, the CRA Target Market Area's 845,000 square feet of retail space comprises approximately 30 percent of total supply in the broader trade area. Based upon the retail trade model, retail demand within trade area is estimated to increase 360,000 square feet by 2019 or net of 180,000 square feet when accounting for the new Wal-Mart; however, a portion of this net new retail demand presumes absorption of existing vacant space, as well as support for a reposition of existing tenants that may shift out of the market as rental rates increase to more stabilized levels. This is likely the opportunity that Wal-Mart appreciated as part of its expansion into the neighborhood. In any case, the CRA Target Market Area will likely capture its proportionate share of future retail demand. The strategic challenge, though, is to identify the nodes (and sites) that present the best near term opportunities so that the CRA target Market area can then build off of the investment.

- **Industrial and Office Market Highlights (Section 5):** Although the focus of the economic and market analysis for the CRA Target Market Area primarily focuses on the housing and retail strategies, the strategic recommendations for the study area naturally take into account trends and impacts from other uses such as office and industrial development. In particular, the industrial market is a notable use within the CRA Target Market Area, and surrounding trade area. Similar to that of the housing and retail, the inventory is aging with very limited development in more than 30 years. Most of the industrial buildings within the CRA Target Market Area are relatively smaller in size (or less than 50,000 square feet), but it is home to a niche of food manufacturing/distribution companies. In terms of office, the CRA Target Market Area has an extremely limited supply. In all, the strategic planning initiative herein for the CRA Target Market is not focused on expanding the industrial base; however, it is a relevant use within the study area and an effort to support, enhance, and/or improve industrial facilities and their surrounding environments would be a beneficial element to the overall revitalization plan.

- **Discussion of Select Strategic Nodes/Corridors (Section 6):** During the course this study, the planning team inquired about a few select Strategic Node/Corridors within the Study Area. There are three specific nodes/corridors that have been included herein and referred to as: Poinciana Park Nodal Area; N.W. 18th Avenue Corridor; and Northside Shopping Center Vacant Parcel. Section 6 provides a descriptive overview of each area (including boundary maps), and key aspects of the opportunities for the select nodes/corridors are part of the strategic recommendations below. However, following is an overview of findings:

    - *Poinciana Park* - Poinciana Park is characterized by mostly residential and industrial uses, as well as a large amount of vacant land. Notably, Poinciana Park is the nodal area that is home to the newly developed North Park at Scott Carver development. At this point, the development has very limited exposure directly along N.W. 27th Avenue, with no community presence. Given Miami Dade County's ownership of parcels at the intersection of N.W. 27th Avenue and N.W. 75th Street, there may be an opportunity to enhance the NW 27th Avenue corridor with retail along its frontage, and continued townhome and multi-family development within the infill sites including homeownership product - discussed further below.

    - *N.W. 18th Avenue* – At one point in time, N.W. 18th Avenue served as a "backbone" to the surrounding residential community. It has since fallen into a state of disrepair, though activity still remains. There are numerous vacant parcels, and there does not appear to be a single owner with relatively large control. This makes the redevelopment opportunity extremely difficult at least from a unified revitalization approach. Accordingly, without assimilation of large parcels, the ability to develop measurable and viable commercial development is increasingly complicated given the small parcel configurations, shallow parcel depths and the ability thereof to provide adequate parking. At this point, the only recommendation is to consider assistance to improve the commercial buildings and enhancements to open space - further discussed in the recommendations below.

    - The Northside Shopping Center Vacant Parcel (Northside) is approximately 4.4 acres located just north of the main complex. It is zoned high-density residential (up to approximately 270 units) and represents a good location for that type of use. The property is privately owned and, the consulting team is currently in the process of learning more about the opportunity for the site from the current owners.

iii. Findings and Strategic Recommendations

Based upon the analysis summarized above, and our experience in other redevelopment and CRA's facing similar challenges which successfully mitigated similar hurdles, we provide the recommendations and "next steps" as to how the community, its planning team and CRA can continue to promote a vision for revitalization of the N.W. 79th Street CRA Target Market Area over the next five to ten year period. As observed within this report, there has been some recent redevelopment activity both in the housing sector (new affordable housing development) and commercial sector (Wal-Mart) and the recommendations noted herein remain the key areas of focus for sustaining redevelopment efforts.

Continue to Focus on Nodal Redevelopment – The CRA Target Market Area is a relatively large study area with many pockets of differentiating characteristics. With somewhat limited redevelopment funding available to support major capital improvements/investment, it becomes increasingly important to focus the redevelopment effort in concentration areas (nodes), with a focus on prioritization. The western sector of the CRA Target Market has a concentration of activity from anchors such as the Northside Shopping Center, the newly developed Northpark @ Scott Carver, and the nearly completed Wal-Mart – all of which is generally built around the Northside Metrorail Station. To the extent the CRA can continue to encourage investment within this area should only strengthen the momentum.

In reference to Section 4 (Retail Market Analysis), with the increased traffic volume that Wal-Mart alone with likely generate for the area, there appears to be a solid opportunity to introduce quality (branded) food and beverage establishments including casual sit-down dining restaurants such as Applebee's, Chili's, Denny's, among others. Although these restaurants would not normally excite government officials as economic development or community development generators, we believe that it would be wise to develop an assistance program aimed at attracting and sustaining sit down restaurants of a certain size within the CRA area to provide "proof of concept" for future investment in the area.

This is not to say that investment or focus along other parts of N.W. 79th Street should be strictly focused to the west. Master planning efforts often start with creating a sense of place for the subject area. The CRA Target Area begins to the east at N.W. 7th Avenue and currently there is no sense of arrival in this area. Indeed, the corner of N.W. 7th Avenue and N.W. 79th Street is an excellent retail corner if enough land can be assembled. The ability to support business growth and redevelopment at "gateway" intersections along the N.W. 79th Street from east (such as N.W. 7th Avenue) and west (such as N.W. 37th Avenue) will become key redevelopment nodes anchoring redevelopment along their respective borders. Eventually, N.W. 79th Street impose it's stature as the main thoroughfare linking "sub-districts" within the CRA Target Market area, upon which streets such as N.W. 22nd Avenue and N.W. 27th Avenue, which are commercial thoroughfares that can then start to see pockets of redevelopment.

Continue Focus on New Housing Development: Since 2000, the CRA Target Market Area (and the Greater TMA Trade Area for that matter), has experienced a notable decline in population. This trend naturally poses a threat to any redevelopment effort. While an overall loss has occurred, the loss would have been much worse had it not been for the more than 1,500 new affordable housing units built within the CRA Target Market Area. We likewise believe there is a strong opportunity to expand the homeownership market with townhome product that is desirable for young families, while at the same time potentially creating development of critical mass – in contrast to larger single family housing development that requires significantly more land to build a relevant household base. There does appear to be a relatively solid opportunity to build townhome product within the $120,000 to $130,000 range that would likely require economic assistance through a 2nd home loan funding or similar program. This type of development introduces moderate and workforce housing families to the area that would greatly help to grow the consumer expenditure base that would ultimately support on-going investment in retail and commercial development.

Opportunities from Potential Demand and Additional Impact from Transit Development: South Florida's transit infrastructure continues to improve and expand. The CRA Target Market Area is well-served with Metrorail and Tri-Rail. Accordingly, new developments such as Northside Transit Village are taking advantage of this important transit link. Although the impacts of an expanding transit infrastructure evolve over an extended period of time, planning for this growth during the next few years is key so that the area is in a competitive position (relative to surrounding communities) to adequately capture this growth.

Strategic Investment Programs by County, CRA and/or Other Entities – The County, CRA and other community redevelopment entities naturally play a role in the redevelopment effort. Although further evaluation of costs and CRA (or other) funding availability is required, there are two key areas where we believe the County, CRA and other organizations can play a central role in improving the investment climate in the CRA Target Market Area:

1. Enforcing Property Maintenance: There are a considerable number of vacant parcels throughout the CRA Target Market, including the primary N.W. 79 Street corridor. Though much of this is privately owned, it is important that these properties (along with existing buildings) are adequately maintained. To the extent the County, CRA and other partners can control the image and appearance throughout the area goes a long way to lifting pride within a neighborhood. This does not mean that capital intensive landscaping, lighting and/or other improvements are needed; rather, simple property maintenance (ie. manicured lawn) and clean-up are recommended improvements.

2. Tenant Improvement Support: The second area where the County, CRA and participating entities can provide targeted investment is supporting the cost of tenant build out and improvements. However, in this case, the support may be capital intensive as there should be funding availability for restaurant users as discussed above. Restaurants require venting, appropriate locations for kitchens, upgraded bathroom facilities, etc., and these are significantly more expensive than the build out requirements for apparel retailers or furniture stores, as examples. We recommend that over time the County and CRA establish and promote a tenant

improvement fund/loan program that would be targeted to helping landlords and tenants reduce the cost of converting existing space for food and beverage users. This specific investment by the County and CRA is recognizably higher risk; therefore, the program will need to have defined parameters to ensure that only appropriately capitalized, reasonably experienced tenants that have a specific business plan of some quality will obtain funds.

3. Commercial Facade Improvement Program: Already a widely utilized program within many municipalities in Miami Dade County, this program is intended to strengthen and expand the CRA Target Market Area's commercial and retail base. Moreover, the objective is to reduce evidence of blight by improving the architectural and aesthetic appearance of the project area and spur additional development and private investment. The opportunity to expand and/or refine the program may be warranted based upon the visioning effort setting forth matching programs and caps, as well as prioritizing the program in areas where there are contiguous parcels that would have the ability to form a critical mass of investment activity over improvement of isolated parcels.

4. Use of Increment to Encourage Property Assemblage***:*** A preferred assemblage strategy may be considered within the context of a "land cost markdown." Within these programs, approved important investment projects in the CRA would be eligible to receive a portion of the tax increment revenue generated by the project itself as a reimbursement of expenses.

5. Job Creation/Job Training: One of the more aggressive employment creation strategies in urban areas is often the most direct way of building wealth and jobs from within the community. Risk capital is one of the great challenges skilled and experienced workers face in starting their own business. In the wake of the economic downturn, investment capital has been difficult to come by regardless of a community's economic profile and condition. However, as the economy continues to show signs of stability, the opportunity for new business creation should continue to improve. Nonetheless, the CRA should consider a structure for a CRA Target Market Area capital investment fund which utilizes tax increment dollars in a way that mitigates the CRA's investment exposure. The program's structure is intended to ensure that TIF funds essentially serve as a mechanism to fill certain business and/or development funding gaps that are needed to support economic viability. It is important that the investment programs set forth by the CRA be organized and managed in a way that small businesses can adequately obtain these resources by clearly outlining investment criteria as well as provide guidance to professional service providers (e.g., administrative, legal, and/or accounting) to help small business applicants submit an effective funding application. Additionally, job training, which is a key to job creation, has been voiced strongly by community stakeholders. While this report does not specifically address job training programs, the data and analysis herein is intended to provide NHSSF, the South Florida Regional Planning Council, and other community groups with information that may be needed to initiate job training programs that mitigate the gap between skills and employment. As discussed in Section 2c below, one potential focus of the broader planning effort is to diversify the access to private sector employment that is not currently well represented within the community, such as Professional/Scientific and Trade.

SECTION 1: STUDY AREA DEFINITIONS

As a basis for evaluating the market potential and real estate development opportunities for the N.W. 79th Street Corridor Target Market Area, Lambert Advisory examined demographic, economic and real estate market trends (both residential and commercial) for several geographic areas including Miami Dade County at the broadest of ranges, narrowing into several smaller geographies/submarkets, and specifically the N.W. 79th Street Target Market Area (which is also referred to interchangeably in this report as the Study Area, or the CRA TMA). The geographic boundary for the CRA Target Market Area (Study Area) was provided by Neighborhood Housing of South Florida (NHSSF), within which includes select nodes and corridors upon which we focus on more defined strategies. As shown in the figure below, the CRA Target Market Area is irregular shaped stretching east and west along N.W. 79th Street, from N.W. 7th Avenue on the east to N.W. 37thth Avenue on the west. The northern boundary jogs west two to eight blocks north of N.W. 79th Street to a point just after N.W. 27th Avenue, before jogging south and west to point ending at the intersection of N.W. 37th Avenue and N.W. 80th Street. The southern boundary jogs west three to 17 blocks south of N.W. 79th Street to N.W. 27th Avenue, before jogging north and west to point ending at the intersection of N.W .37th Avenue and N.W. 71th Street.

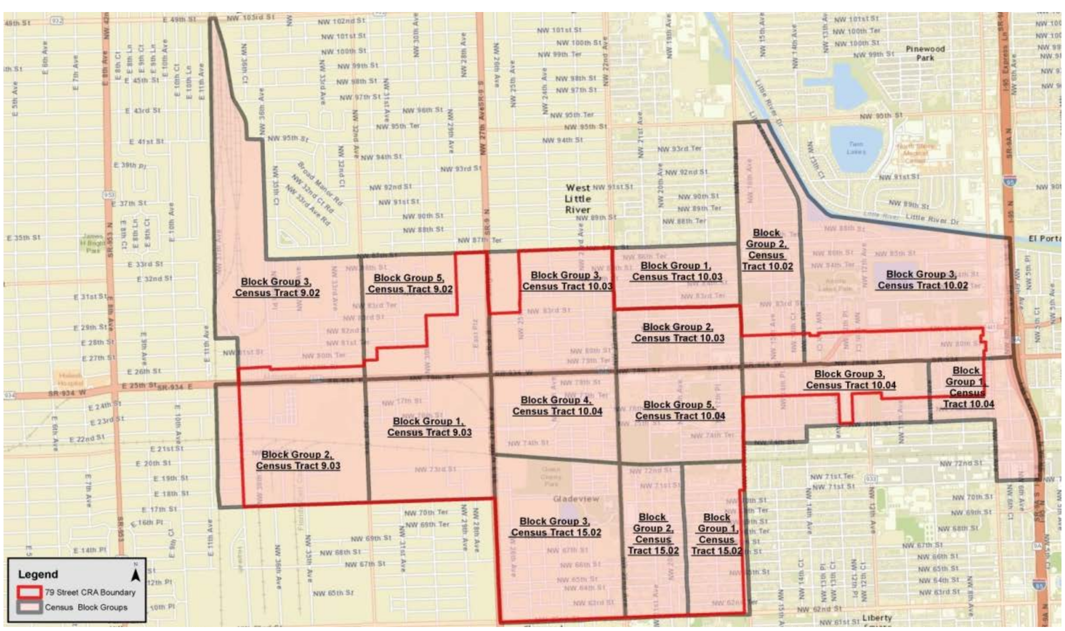
Figure 2: 79th Street CRA (Target Market Area) Boundary Map

Additionally, historic data, estimates, and projections for the broad range of information in this market study – demographics, income, residential and commercial real estate, among others – are available based on varying geographies. Demographic information, for instance, is most widely available for the set hierarchy of US Census geographies. Residential real estate and property valuation data, on the other hand, is available for specifically defined boundaries by integrating our GIS with the Miami Dade County Property Appraiser (MDPA) data.

For these reasons, different sections of this study refer to multiple and/or different geographic areas (e.g., County, City, Trade Area, and CRA Target Market Area), based on different geographic definitions (e.g., zip code, census block group). These areas are listed below, by section of this report, and shown graphically and defined in more detail in each respective section.

Section 2, Demographic and Economic Profile, primarily refers to three different areas, based on political boundaries and census geographies: Miami Dade County, the Greater TMA Trade Area (as detailed further in Section 3 below), and the CRA Target Market Area, as data permits. For the Economic and Demographic discussion, in order to examine population, household, economic and employment trends and forecasts for the CRA Target Market Area, Lambert identified sixteen (16) US Census Block Groups that include all residents of the Study Area; however, nine (9) of the US Census Block Group boundaries extend slightly beyond the boundary of the actual Study Area. Importantly, we believe it's beneficial to include these Block Groups because removing them would severely under-report the data for the Study Area. Moreover, given the limited number and relative common nature of housing stock across the Block Group boundaries, the inclusion of the very small areas beyond the Study Area is not expected to have any appreciable impact on the demographic profile of the area. The following figure is an illustration of the 16 Block Group boundaries in comparison with the boundaries of the CRA.

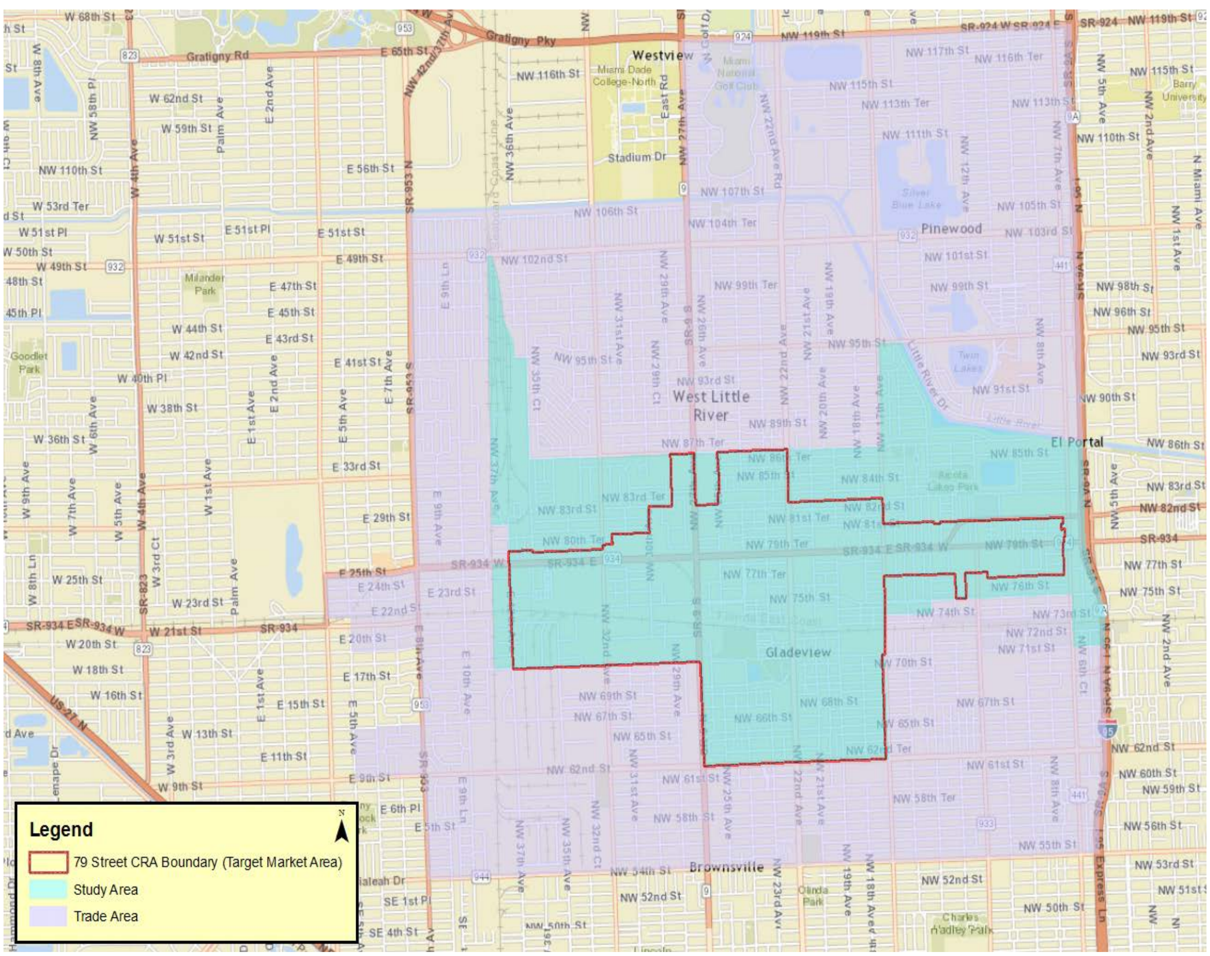
Figure 3: US Census Block Group Used for the CRA Target Market Area Demographics (Study Area)



Section 3, Residential Market Analysis, utilizes data for residential rental and sales data for Miami Dade County based upon data gathered from MDPA, housing industry reports for the region, and a survey of multi-family (rental and condominium) properties within and immediately surrounding the CRA Target Market Area.

Section 4, Retail Market Analysis and Demand Estimate, refers to Miami Dade County and critically, the subject area's retail trade area (and referred to herein as the **Greater TMA Trade Area**). The Greater TMA Trade Area uses geographic information system (GIS) technology, according to block groups and street boundaries, and represents behavioral boundaries based on prospective retail patrons' propensity to shop in a given area. These behavioral boundaries are based both on distance and access to the CRA Target Market Area, as well as distance and access to competitive retail inventory in the area. As stated in the Summary of Conclusions and Recommendations, this area is <u>the primary area from which CRA Target Market Area businesses will draw resident expenditure</u>. An illustration of the boundaries for both the Greater TMA Trade Area and the CRA Target Market Area follows:

Figure 4: Map of the Greater TMA Trade Area and CRA Target Market Area



We recognize that the Greater TMA Trade Area is not the *only* area from which CRA retailers will draw patrons. The *Lambert Advisory Retail Trade Model* takes into account expenditures by residents outside the retail trade area by utilizing inflow factors, as described in detail in Section 4. Traditionally, the retail demand analysis also takes into account expenditures by visitors and employees, which is further discussed in following sections as well.

Section 5, Industrial and Office Market Highlights, refers to a snapshot of Miami Dade County's industrial and office market, with a closer look at activity in the Greater TMA Trade Area and Study Area.

Section 6, Discussion of Select Strategic Nodes/Corridors, discusses and illustrates (with maps and photographs) select nodes and corridors as indicated by NHSFL, including but not necessarily limited to: Poinciana, N.W. 18th Avenue, and the Northside Shopping Center Vacant Parcel.

SECTION 2: ECONOMIC AND DEMOGRAPHIC OVERVIEW

As the basis for evaluating market potential and opportunities for the N.W. 79th Street CRA Target Market Area (Study Area), Lambert examined population, household and economic trends and forecasts for several geographic areas as noted in Section 1 above. The demographic and economic profile herein focuses on those variables that "drive" demand for residential, retail, and commercial uses (estimates of which are found in the following sections of this report), including population and household growth trends, household income growth, and employment trends and forecasts.

2a: Population and Households Overview

In order to provide comparative context for the economic and demographic profile of the Study Area, Lambert examined select economic and demographic conditions in Miami-Dade County and the Greater TMA Trade Area. The following table displays select economic and demographic data for both the Study Area and the Trade Area. This data is the latest economic and demographic data available, from both the 2010 US Census and the 2008-2012 American Community Survey.

Figure 5: CRA Target Market Area, Greater TMA Trade Area and Miami-Dade County Economic and Demographic Profile

Sources: 2010 US Census, 2008-2012 American Community Survey

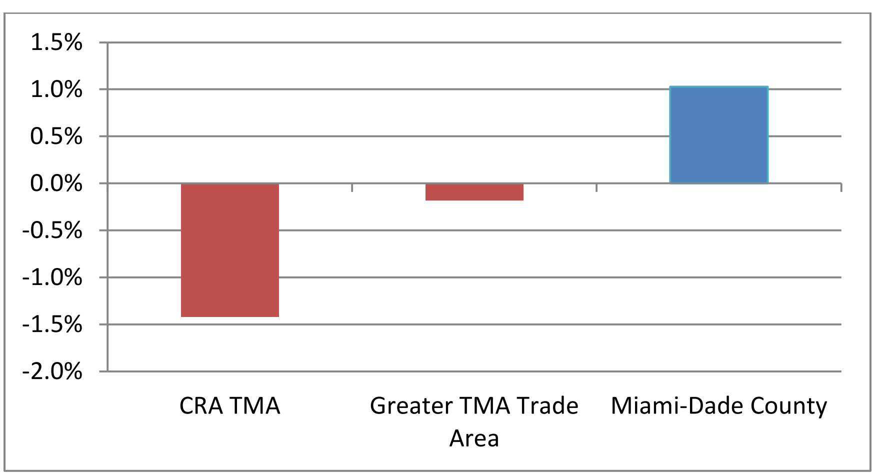
	CRA Target Market Area	Greater TMA Trade Area	Miami-Dade County
2010 Total Population	20,248	94,628	2,496,435
2010 Total Households	6,436	29,210	867,352
2010 Median Age	33.9	35.9	38.2
Under 5	7.5%	7.1%	6.0%
5 to 19	23.0%	21.2%	18.7%
20 to 34	21.2%	20.5%	20.7%
35 to 49	19.4%	20.3%	22.8%
50 to 64	16.7%	17.4%	17.7%
65+	12.1%	13.5%	14.1%
White	22.7%	36.4%	73.8%
Black	69.9%	57.4%	18.9%
All Others	7.3%	6.2%	7.3%
Hispanic of Any Race	29.7%	41.8%	65.0%

	CRA Target Market Area	Greater TMA Trade Area	Miami-Dade County
2008-2012 ACS Average Household Income	$37,339	$36,508	$65,799
2008-2012 ACS Median Household Income	$29,783	$28,371	$43,464
2008-2012 ACS Per Capita Income	$13,142	$12,483	$23,304
2010 Owner-Occupied Households	48.1%	48.4%	55.8%
2010 Renter-Occupied Households	51.9%	51.6%	44.2%

Based upon 2010 US Census Data, the population of the Study Area was 20,248. This figure represents a loss in population as reported by 2000 US Census Data, where the Study Area was reported to have a population of 23,369, a loss of about 1.4 percent on an average annual basis. The latest American Community Survey figures place the population even lower, at 19,037 people. Between 2000 and 2010, the Trade Area also experienced a loss in population. The population of the Trade Area declined from 96,391 in 2000 to 94,628 in 2010. This represents a loss of 0.2 percent on an average annual basis. The 2008-2012 ACS reports a total population for the Trade Area of 92,457 people, lower than what was reported by the 2010 US Census. Miami-Dade County between 2000 and 2010 however experienced an annual population growth rate of 1.0 percent, increasing from 2.25 million residents in 2000 to 2.49 million residents in 2010. Current ACS figures are reporting an even higher population for Miami-Dade County of 2.51 million people. The following graph illustrated the average annual growth rate for each of the three geographies.

Figure 6: Population Average Annual Growth Rate, 2000-2010 (Select Geographies)

Sources: 2010 US Census, 2000 US Census



On average, the CRA Target Market Area is populated by slightly younger residents in terms of median age in comparison with the Greater TMA Trade Area and Miami-Dade County. The Study Area reported a median age of 33.9 years old in 2010, 4.5 years older than the reported median age of 29.4 years old in 2000. The Trade Area reported a median age in 2010 of 35.9 years old, an increase from 32.2 years old in 2000. The median age in Miami-Dade County increased from 35.6 years old in 2000 to 38.2 years old in 2010. It is also important to note that approximately 51.7 percent of residents within the Study Area were reported to be less than 34 years old, compared to only 44.4 percent of residents in the Trade Area, and 45.4 percent of residents in Miami-Dade County.

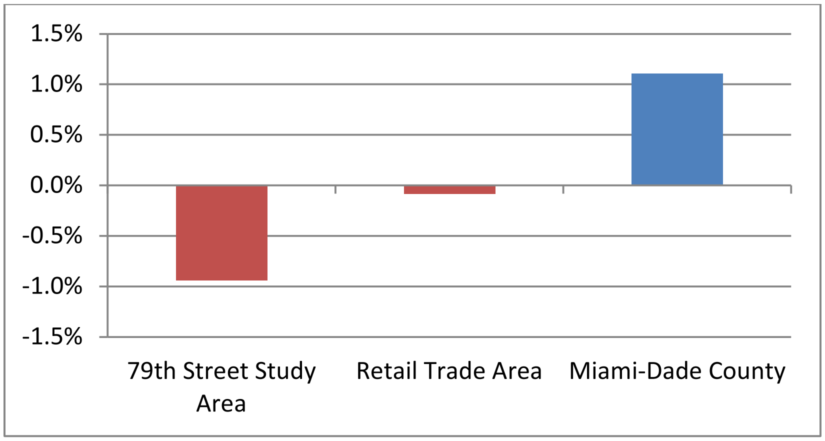
The Miami-Dade County Department of Regulatory and Economic Resources has completed county-wide projects using Traffic Area Zones (TAZ) to determine what the population will be in 2040, using 2010 as a base year. Based upon these TAZ projections, Miami-Dade County is projected to grow by 0.9 percent on an average annual basis through 2040. The Study Area however, is projected to grow at double the annual average rate of the County, and which we believe to be attributed to the redevelopment of the Northpark Scott Carver redevelopment (discussed further in Section 3). The following graph shows the projected average annual growth rate from 2010 through 2040 for the Study Area, Trade Area and County.

Figure 7: TAZ Population Average Annual Growth Rate Projections (by Select Geographic Area)

Sources: Miami-Dade County Dept. of Regulatory and Economic Resources

In addition to experiencing a loss in population between 2000 and 2010, the Study Area experienced a loss in the number of households during this same period. According to 2000 US Census figures, the Study Area declined from 7,073 households to 6,436 households as reported by the 2010 US Census. This represents an average annual loss of 0.9 percent or roughly 64 households per annum on average. The latest ACS data places the total households number at an even lower 5,920. Similar to the Study Area, the Greater TMA Trade Area experienced a loss in households as well, although not as significant as the loss experienced by the Study Area. The Trade Area decreased from 29,454 households in 2000 to 29,210 households in 2010, a small decrease of 0.1 percent on an average annual basis, or roughly a loss of 24 households per annum on average, compared to a loss of approximately 63 households per annum on average in the Study Area. Latest ACS figures reported an even lower figure for households in the Trade Area, placing the figure at 92,457. Households in Miami-Dade County increased by 1.1 percent on an average annual basis, increasing from 776,774 households in 2000 to 867,352 households in 2010, an increase of roughly 9,058 households per annum on average. However, the 2008-2012 ACS reports that there are only 826,179 households in Miami-Dade County. The following graph illustrates household loss/growth on an average annual basis for each of the three geographies.

Figure 8: Households Average Annual Growth Rate, 2000-2010 (Select Geographies)
Sources: 2010 US Census, 2000 US Census



The vast majority of the housing units built in the Study Area and Trade Area are 1 unit, detached housing units, or more commonly known as single-family homes. The following chart shows the distribution of the numbers of units per housing structure among the three geographies.

Figure 9: Units in Structure, 2008-2012
Sources: American Community Survey, 2008-2012

Number of Units in Structure/ Type of Unit	**CRA TMA**	***Percent of Total Units***	**Trade Area**	***Percent of Total Units***	**Miami-Dade County**	***Percent of Total Units***
1 unit, detached	3,841	*55.9%*	18,314	*57.9%*	405,737	*41.0%*
1, attached	476	*6.9%*	2,473	*7.8%*	103,180	*10.4%*
2 units	448	*6.5%*	2,134	*6.7%*	21,148	*2.1%*
3 to 4 units	450	*6.5%*	1,396	*4.4%*	33,902	*3.4%*
5 to 9 units	160	*2.3%*	1,611	*5.1%*	50,276	*5.1%*
10 to 19 units	349	*5.1%*	1,556	*4.9%*	60,498	*6.1%*
20 or more units	392	*5.7%*	3,101	*9.8%*	300,861	*30.4%*
Mobile Home	759	*11.0%*	1,065	*3.4%*	13,262	*1.3%*
Other	0	*0.0%*	0	*0.0%*	500	*0.1%*
Totals	**6,875**	***100.0%***	**31,650**	***100.0%***	**989,364**	*100.0%*

In terms of housing units built by year the vast majority of housing units in both the Study Area (55.7 percent) and Trade Area (54.8 percent) were built pre-1960, compared to Miami-Dade County overall (25.6 percent). The following chart provides a detailed breakdown of year built for housing units across the three geographies.

Figure 10: Housing Units by Year Built, 2008-2012 (Select Geography)

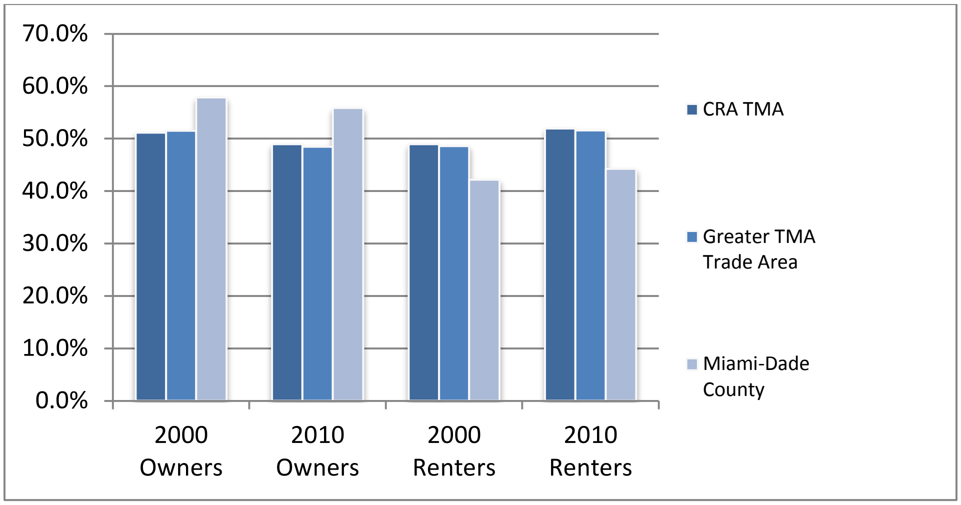
Sources: American Community Survey, 2008-2012

Year Built	CRA Target Market Area	*% of Total*	Greater TMA Trade Area	*% of Total*	Miami-Dade County	*% of Total*
2010 or later	30	*0.4%*	30	*0.1%*	1,453	*0.1%*
2000 to 20009	820	*11.9%*	2,202	*7.0%*	134,391	*13.6%*
1990 to 1999	272	*4.0%*	1,441	*4.6%*	118,063	*11.9%*
1980 to 1989	403	*5.9%*	1,648	*5.2%*	153,142	*15.5%*
1970 to 1979	584	*8.5%*	3,888	*12.3%*	195,759	*19.8%*
1960 to 1969	938	*13.6%*	5,114	*16.2%*	133,365	*13.5%*
1950 to 1959	2,569	*37.4%*	11,470	*36.2%*	151,064	*15.3%*
1940 to 1949	745	*10.8%*	4,290	*13.6%*	64,514	*6.5%*
1939 or earlier	514	*7.5%*	1,567	*5.0%*	37,613	*3.8%*
Totals	**6,875**	***100.0%***	**31,650**	***100.0%***	**989,364**	***100.0%***

Households on average tend to be larger in the Study Area and Greater TMA Trade Area in comparison to Miami-Dade County overall. While the 2010 US Census reported the average household size of 2.83 persons for Miami-Dade County, the Study Area had a reported average household size of 3.13 persons while the Trade Area had a slightly larger average household size of 3.21

2010 US Census figures reported a decrease in the homeownership rate across the Study Area, the Greater TMA Trade Area and Miami-Dade County during the previous decade, partly due to the economic downturn in late 2008 and subsequent crash of the real estate market not only locally, but nationwide (and discussed in more detail in the residential section below). The homeownership rate for the Study Area decreased from 51.1 percent in 2000, to 48.1 percent in 2010. Likewise, the CRA Target Market Area experienced a decrease in overall homeownership rates, shrinking from 51.5 percent in 2000 to 48.4 percent in 2010. It is important to note that the overall loss in the number of owner-occupied households in the Study Area between 200 and 2010, 517, accounts for roughly 50 percent of all the owner-occupied household loss in the Trade Area during this time period. The trend in loss of owner-occupied households also continued at the County level, with Miami-Dade County experiencing a slight decrease in its homeownership rate, dropping from 57.8 percent according to the 2000 US Census to 55.8 percent in 2010. As a result in the decrease of homeownership rates across the board, the percentage of renter-occupied households in each of these areas has shown an increase. The following graph represents the changes in housing tenure between 2000 and 2010 for owner-occupied households and renter-occupied households among all three geographies.

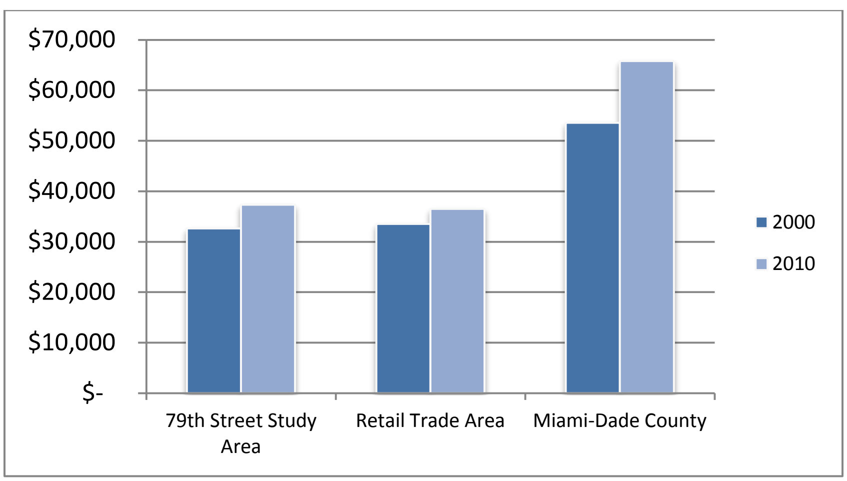
Figure 11: Household Tenure, 2000-2010 (by Select Geography)
Sources: 2010 US Census, 2000 US Census



2b. Household and Per Capita Income Profile

As part of our economic and demographic profile, Lambert analyzed household income, which represents a critical element of retail and housing demand, as it indicates the amount and nature of expenditure potential in a given market.

Figure 12: Average Household Income, 2008-2012 (by Select Geography)
Sources: 2008-2012 American Community Survey, 2000 US Census

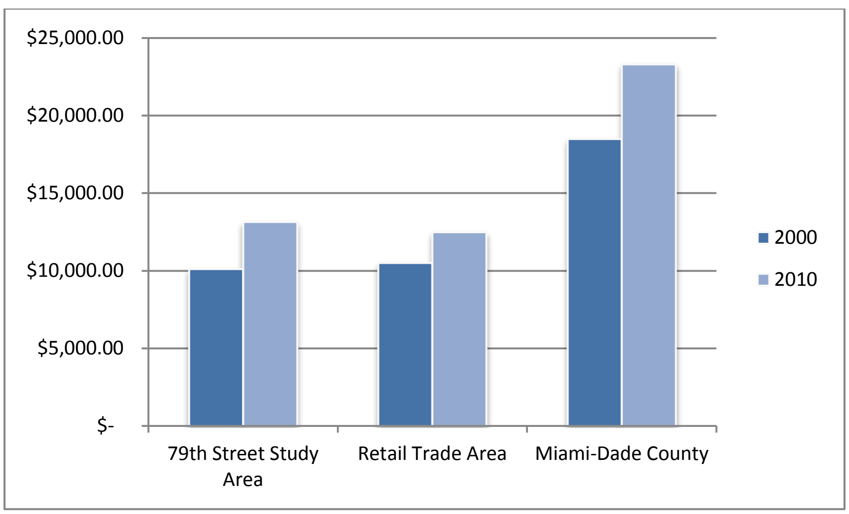


As detailed in the figure above, according to the 2008-2012 American Community Survey (ACS) the average household income for the CRA Target Market Area is $37,339, a nominal increase from the reported average household income of $32,648 according to the 2000 US Census. The represents a nominal average annual growth rate of 1.4 percent. However, this figure places the average household income of the Study Area as lower than the County, and marginally higher than the average household income of the Trade Area. The Trade Area has an average household income of $36,508 according to the latest ACS figures, a nominal increase from an average household income of $33,543 in 2000. This increase represents a nominal average annual growth rate of 0.9 percent for the Trade Area. Lastly, Miami-Dade County reported a higher average household income than both the Study Area and the Trade Area, of $65,799, up from $53,580 reported in 2000. This represents a nominal average annual growth rate of 2.1 percent.

Similar to average household income trends, the Study Area has a lower per capita income than the County overall, and marginally higher per capita income reported for the Trade Area. The 2008-2012 ACS reported a per capita income for the Study Area of $13,142. This represents a nominal increase from the per capita income reported by the 2000 US Census of $10,115. In comparison, the Trade Area reported a per capita income of $12,483 based on 2008-2012 ACS data, a nominal increase from the reported per capita income in 2000 of $10,516. During this same period, the per capita income for Miami-Dade County nominally increased from $18,497 in 2000 to $23,304 based upon the most recent ACS data. The graph on the following page illustrates the nominal change in per capita income between 2000 and 2010 for the Study Area, Trade Area and Miami-Dade County.

Figure 13: Per Capita Income, 2008-2012

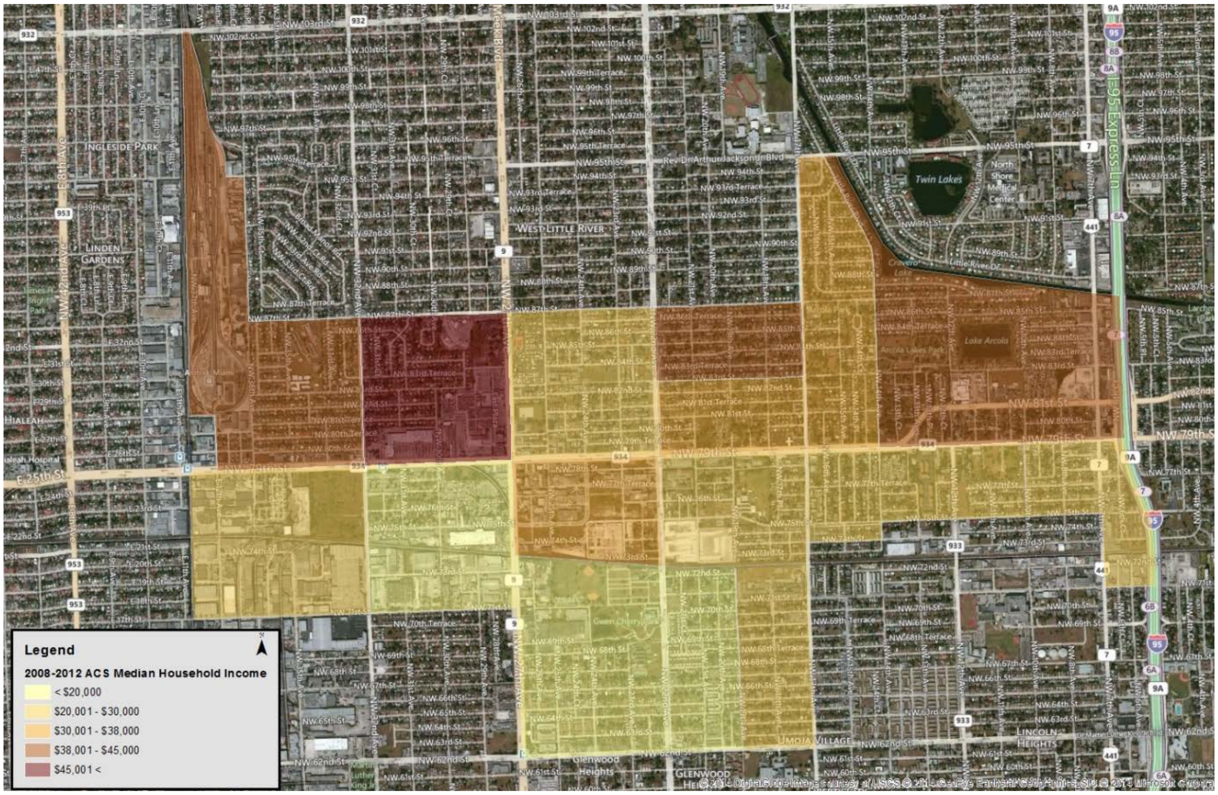
Source: 2008-2012 American Community Survey, 2000 US Census



Currently, median household incomes in both the Study Area ($29,783) and Trade Area ($28,371) sit well below the median household income reported for Miami-Dade County ($43,464), according to the latest American Community Survey figures. As shown below, it appears that households with higher median incomes fall in the neighborhoods north of NW 79th Street.

Figure 14: Median Household Incomes by Census Block Group

Source: 2008-2012 American Community Survey

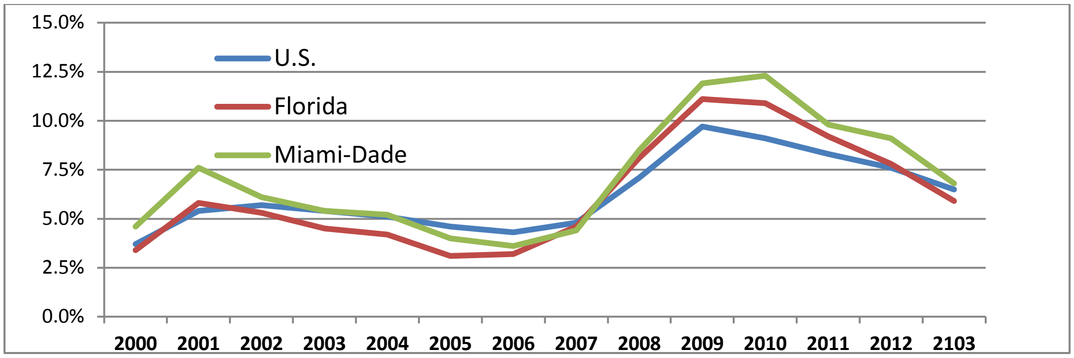


2c. Employment

Development strategies rely heavily upon employment and employment growth. From a broad perspective, labor trends among all sectors in Miami-Dade County, including employment and unemployment, have a notable impact on retail demand. From 2000 to 2007, the unemployment rate in Miami-Dade County was relatively low, which was in line with trends on a State and national level. Outside of the 12 to 18 month period following the calamitous events of 9/11, the State and County unemployment rates remained below 6.0 percent and dipped to 3.3 percent in the State and 4.1 percent in Miami-Dade County during 2007. However, commencing with economic recession in 2007/2008, the unemployment rate in the US and throughout Florida began trending upward, reaching 9.7 percent in the US in 2009 and double digit levels in the State and Miami-Dade County. The State's unemployment rate peaked in 2009 at 11.1 percent, but unemployment in Miami-Dade has since decline steadily, with the rate dropping to 6.8 percent as of year-end 2013.

Figure 15: National, State and County Historical Unemployment Rate, January 2000-December 2013

Source: Florida Department of Economic Opportunity; BLS; Lambert Advisory



Unfortunately, the latest American Community data survey for the CRA Target Market Area based upon 2008-2012 ACS, with a reported unemployment rate of approximately 23 percent – a peak period for national, State and County. While we are confident that unemployment trended down in tandem with the nation, State and County, it is likely to still be considerably higher than the region. Accordingly, area developments such as Northside Transit Village and Regency Point will likely provide a relevant employment boost to the CRA Target Market Area. Based upon a figure of 8,280 persons over age 25 reported to be in the labor force living in the Study Area, 6,384 were employed, while 1,869 were unemployed.

According to the Florida Department of Economic Opportunity (FDEO), Miami Dade County's total non-agricultural employment base is approximately 1.07 million, of which more than 82 percent is private sector employment. Miami-Dade County's total private employment is more than 875,000. The largest private employment sectors in Miami-Dade County are Health Care and Social Assistance at 15.3 percent, Retail Trade at 15.2 percent and Accommodation and Food Services at 11.5 percent. The Professional and Business Services, Finance and Insurance, Real Estate (FIRE), and Information Services, which are primary the sectors for office based employment, collectively represent approximately 17 percent of total private employment in Miami-Dade County.

According to the most recent data from the US Census, there were a total of 2,776 persons privately employed in non-agricultural sectors within the Target Market Area in 2011. This is a significant decrease from 2002, when 3,532 persons where privately employed in non-agricultural sectors within the Target Market Area. Retail Trade was the sector was the largest number of persons employed in 2011, with 20.8 percent of total private non-agricultural employment, followed by Transportation and Warehousing, which accounted for 19.3 percent of private non-agricultural. Wholesale Trade (16.2 percent), Accommodation and Food Services (9.7 percent) and Manufacturing (8.5 percent) along with Retail Trade and Transportation and Warehousing accounted for nearly 75 percent of all private non-agricultural employment within the Target Market Area. The following figure summarized private non-agricultural sector employment within the Target Market Area between 2002 and 2011.

Figure 16: Target Market Area Private Sector Employment

Source: US Census Center for Economic Studies

NAICS Sector	Count By Year			Actual Change		Percent Change	
	2002	2007	2011	2002-2007	2002-2011	2002-2007	2002-2011
Utilities	26	42	23	16	-3	61.5%	-45.2%
Construction	100	110	67	10	-33	10.0%	-39.1%
Manufacturing	477	439	238	-38	-239	-8.0%	-45.8%
Wholesale Trade	677	506	452	-171	-225	-25.3%	-10.7%
Retail Trade	611	590	580	-21	-31	-3.4%	-1.7%
Transportation and Warehousing	836	660	538	-176	-298	-21.1%	-18.5%
Information	10	3	2	-7	-8	-70.0%	-33.3%
Finance and Insurance	133	137	144	4	11	3.0%	5.1%
Real Estate and Rental and Leasing	124	90	142	-34	18	-27.4%	57.8%
Professional, Scientific, and Technical Services	61	165	22	104	-39	170.5%	-86.7%
Management of Companies and Enterprises	98	39	14	-59	-84	-60.2%	-64.1%
Administration & Support, Waste Management and Remediation	46	257	90	211	44	458.7%	-65.0%
Educational Services	6	0	0	-6	-6	-100.0%	-100.0%
Health Care and Social Assistance	19	123	117	104	98	547.4%	-4.9%
Arts, Entertainment, and Recreation	1	6	20	5	19	500.0%	233.3%
Accommodation and Food Services	238	250	270	12	32	5.0%	8.0%
Other Services (excluding Public Administration)	69	63	57	-6	-12	-8.7%	-9.5%
Totals:	**3,532**	**3,480**	**2,776**	**-52**	**-704**	**-1.5%**	**-20.2%**

As noted in the table above, the employment sectors that experienced the strongest growth within the Target Market Area between 2002 and 2011 were Arts, Entertainment and Recreation, Real Estate and Rental and Leasing, Accommodation and Food Services, and Finance and Insurance. It is important to note that these were the only sectors to show employment growth during this period, as overall private non-agricultural employment in the Target Market Area fell by 20.2 percent overall.

According to the US Census Center for Economic Studies (2011) there are 2,447 Target Market Area residents employed in the private sector, either inside or outside of the Target Market Area. The sectors most represented in the employment profile for residents in the Target Market Area are as follows: Accommodation and Food Services accounted for 15.8 percent, followed closely by Health Care and Social Assistance (14.8 percent) and Retail Trade (14.7 percent). Other private sector employment for Target Market Area residents is Administration & Support, Waste Management and Remediation, which accounts for 11.2 percent. These four sectors account for nearly 60 percent of all total private employment of Target Market Area residents. While these sectors provide the Target Market Area residents with a strong base of employment, elements of the broader planning effort for the Target Market Area is to diversify the access to private sector employment through job training. Other sectors to consider include Professional, Scientific, and Technological Services, and the Transportation and Trade sectors.

Inflow/Outflow of Private Employment

Figure 17: Inflow/Outflow of Private Employment in the Target Market Area Map, 2011
Source: US Census Center for Economic Studies

While 2,776 persons are private non-agricultural employees within the Target Market Area, or 2,785 persons privately employed included agricultural related jobs in the Target Market Area, very few people can claim that they both live and work within the Target Market Area. According to US Census data as of 2011, 98.4 percent, or 2,741 of the persons employed in the Target Market Area lived outside of it. Only 44 people, or 1.6 percent of persons employed in the Target Market Area also lived there. It is also worth noting that there are 2,403 people who live in the Target Market Area and must travel outside the area for work. The following chart summarizes the inflow/outflow of private job employees for the Target Market. These are all very important factors in evaluating the potential redevelopment strategy for the area both short term and long term.

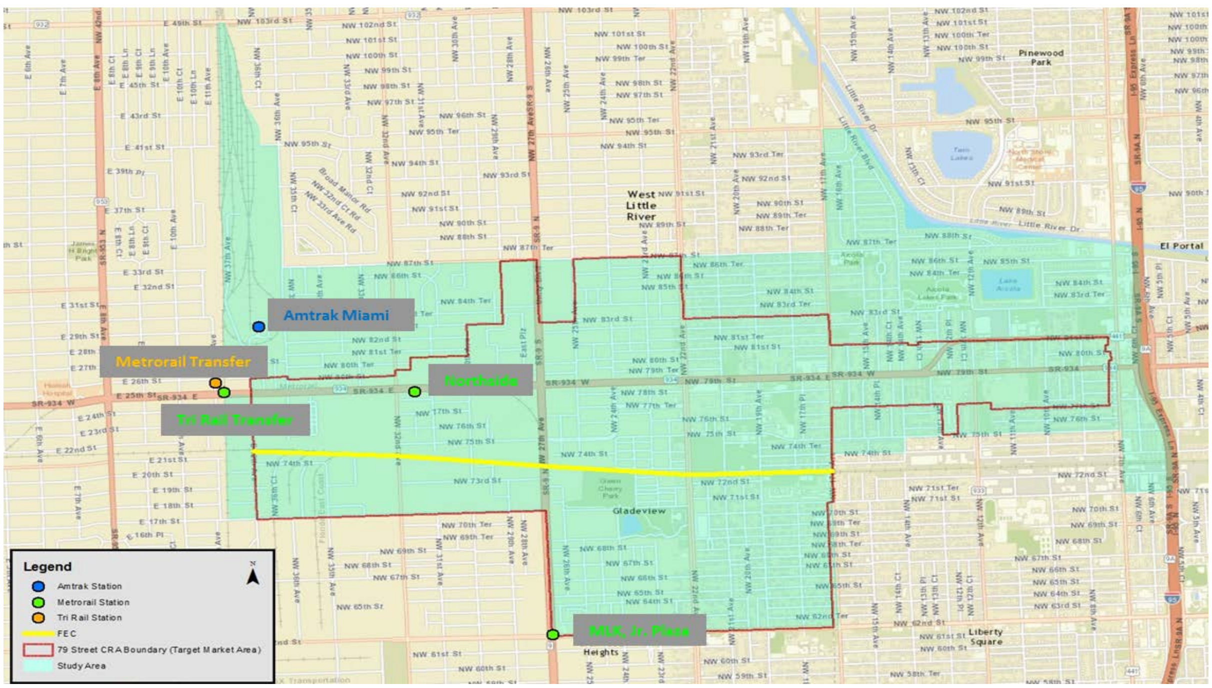
Figure 18: Inflow/Outflow of Private Employment in the Target Market Area Map, 2011
Source: US Census Center for Economic Studies

	2011	
Worker Totals and Flows	**Count**	**Share**
Employed in the Study Area	2,785	100.0%
Employed in Study Area but Living Outside	2,741	98.4%
Employed and Living in Study Area	44	1.6%
Living in the Study Area	2,447	100.0%
Living in the Study Area but Employed Outside	2,403	98.2%
Living and Employed in the Study Area	44	1.8%

2d. Transportation

The Target Market Area is well served by a variety of major streets and avenues, as well local, regional, and public transportation systems such as the Miami-Dade Metrorail operated by Miami-Dade Transit, and the Tri-Rail, operated by the South Florida Regional Transit Authority (located just outside of the Target Market Area). The Metrorail provides the Target Market Area with a direct link to Downtown Miami, and both the Metrorail and Tri- Rail provide the Target Market Area with direct links to other major employment nodes such as Miami International Airport. Also outside of the Target Market Area is an Amtrak station, linking the area to the national commuter rail transportation network. A Florida East Coast (FEC) Railway also passes through the Target Market Area, which links the area to a number of important transportation hubs such as PortMiami, the 11th largest container port in the United States, Port Everglades in Broward County, as well as the entire Atlantic Coast of Florida north to Jacksonville.

Figure 19: CRA Target Market Area – Surrounding Rail Infrastructure Map



Amtrak is currently in the process of relocating its operations to the Miami Intermodal Center at Miami International Airport, slated to be completed by the end of 2014/early 2015. The map on above displays the location of the various transit stations in and around the Target Market Area, as well as highlighting the Florida East Coast Railway within the boundaries.

Figure 20: FY 2012-2013 Metrorail Ridership Figures

Source: Miami-Dade County Transit Division of Performance Analysis

Stations	Average Weekday	Average Saturday	Average Sunday	Total Boardings	Rank
Dadeland South	7,976	3,506	2,479	205,911	2
Dadeland North	6,996	3,031	1,866	179,200	3
South Miami	3,799	1,866	1,228	98,963	7
University	2,588	991	588	65,694	8
Douglas	4,453	2,033	1,350	115,371	6
Coconut Grove	2,026	1,230	850	54,767	10
Vizcaya	1,576	767	493	41,170	16
Brickell	5,600	2,548	1,883	145,592	5
Government Center	11,854	6,004	3,428	307,963	1
Overtown/ Arena	2,012	717	534	50,547	12
Culmer	1,553	771	561	40,925	17
Civic Center	6,336	1,046	755	151,363	4
Santa Clara	951	527	345	25,255	23
Allapattah	2,234	1,353	991	60,546	9
Earlington Heights	1,869	1,127	831	50,645	11
Brownsville	1,084	649	426	29,164	22
Miami Int. Airport	1,493	1,242	1,266	44,472	15
MLK, Jr. Plaza	**1,559**	**884**	**604**	**41,520**	**18**
Northside	**1,685**	**1,027**	**710**	**45,456**	**14**
Tri-Rail	**1,509**	**851**	**655**	**40,668**	**19**
Hialeah	1,792	981	607	47,445	13
Okeechobee	1,502	551	313	37,751	21
Palmetto	1,536	489	265	38,084	20
Total	**73,983**	**34,191**	**23,028**	**1,918,472**	

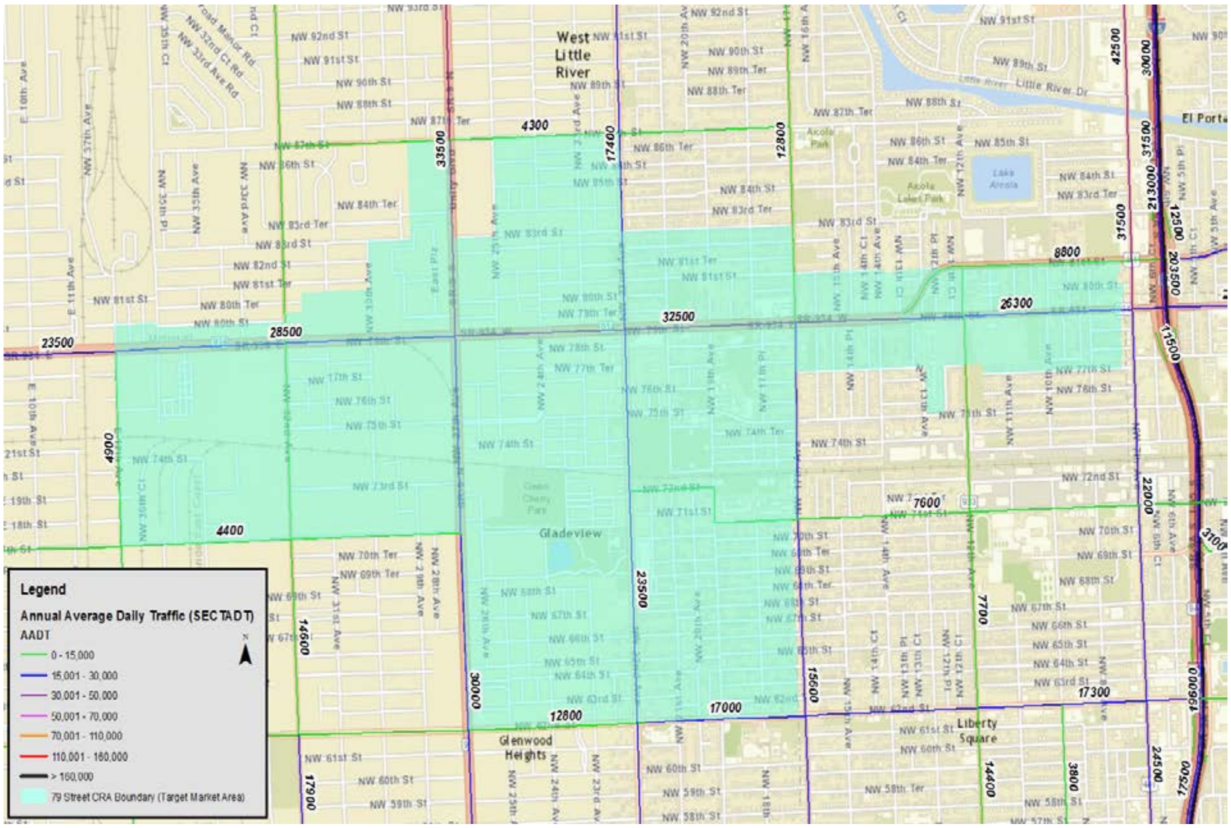
As shown in the table above, the Metrorail stations which are located in and around the Target Market Area and Study Area rank in the bottom half of Metrorail stations in terms of total boarding numbers. However, in the case of Northside, this number is expected to rise once the new Northside Transit Village multifamily residential development is delivered to the market. The Northside Transit Village development is discussed in further detail in the latter sections of this report.

The Target Market Area is also well served in terms of Metro buses operated by Miami-Dade Transit. Some of the major bus routes are the following: 27 (operating north and south along NW 27th Avenue), 12 (operating mainly on SW/NW 12th Avenue and terminates at Northside station), 21 (operating from Northside station to Downtown Miami), 79th Street Max (operating during rush-hour along NW 79th Street), L (operating along NW 79th Street, terminating at Lincoln Road Mall on Miami Beach), and the 42 (operating north and south along 42nd Avenue/LeJeune Road).

The Target Market Area is centered on NW 79th Street, which runs from east to west. NW 79th Street is bisected by a number of major avenues running north to south, such as (from east to west) NW 7th Avenue (US 441), NW 17th Avenue, NW 22nd Avenue, NW 27th Avenue (State Road 9), and NW 32nd Avenue. Another major east to west road, NW 62nd Street runs along the southern border of the Target

Market area for a one-mile stretch between NW 17th and NW 27th Avenues. Interstate 95 passes just east of the Target Market Area, with an exit on NW 79th/81st Street. The following map displays the average annual daily traffic counts in and around the Target Market Area reported by the Florida Department of Transportation (FDOT).

Figure 21: Average Annual Daily Traffic Counts - Select Corridors within the CRA Target Market Area
Source: Florida Department of Transportation



According to FDOT Traffic Count Data, an average of 30,000+ vehicles travel along NW 79th Street between NW 17th and 27th Avenues daily. Another 31,000+ vehicles travel Along NW 27th Avenue between NW 62nd and NW 87th Streets.

FDOT also has roadwork and street landscaping improvements scheduled to begin on NW 79th Street in the very near future. Slated to begin on December 19, 2014 and scheduled to be completed by December 13, 2015, FDOT plans to resurface NW 79th Street starting from East 5th Avenue in Hialeah, 1-mile west of the Target Market Area, all the way east along 79th Street to North Bayshore Drive, roughly 2.5 miles east of the Target Market Area. There is also roadside landscaping planned for the stretch of NW 79th Street between NW 14th Avenue on the west to North Bayshore Drive on the east. The roadside landscaping is scheduled to commence on August 29, 2016, and end on February 4, 2017.

2e. Economic and Demographic Profile Conclusions

As noted above, the economic and demographic trends of the region are key determinants to possible development opportunities both in the near term and long term. It is not only important to analyze economic and demographic trends in order to comprehend current market conditions, but also to adequately support a strategy based on what is projected going forward. A summary of key economic/demographic characteristics within the local and regional market include:

- While total population and total households have declined in the CRA Target Market Area and Greater TMA Trade Area between 2000 and 2010, population is expected to growing through 2040. In the case of the CRA Target Market Area, population growth is expected to outpace that of Miami-Dade County.

- The majority of the housing stock of the CRA Target Market Area and Greater TMA Trade Area is older compared to Miami-Dade County. Most of the housing units in both the Study Area and Trade Area were constructed pre-1960.

- Although incomes in the CRA Target Market Area and Greater TMA Trade Area are substantially less than those of Miami-Dade County, the Study Area has shown positive income growth on a nominal average annual basis.

- Private-sector employment within the CRA Target Market Area has shown a decline between 2002 and 2011, demonstrating the strong effect the most recent economic recession has had upon the area. However, near term large scale transit related development should have a positive impact during the next few years.

- The US Census Center for Economic Studies' most recent figures (2011) report that only 1.4 percent of all persons privately employed within the CRA Target Market Area actually reside in the Target Market Area.

- Although the area is well serviced by transportation in terms of buses and commuter rail, average daily ridership numbers for Metrorail stations in and near the Target Market Area rank in the bottom half among all stations. Northside Station in particular is expect to experience an increase in ridership numbers after a Transit Oriented Development project, Northside Transit Village, is completed and opened.

- The heart of the CRA Target Market Area along NW 79th Street between NW 17th and 27th Avenues experiences upwards of 30,000+ vehicles traveling along that stretch per day, which is relatively strong for regional (and potentially national) retailer site location purposes.

SECTION 3: RESIDENTIAL MARKET ANALYSIS

The opportunity for strategic redevelopment within the N.W. 79th Street CRA Target Market Area will be heavily influenced by the on-going improvement of the housing market and, importantly, the opportunity to continue to provide new quality housing to the area. Lambert completed an overview of the singe family and multi-family housing market from both a regional perspective and local perspective, which includes a detailed profile of existing and recently developed complexes within the CRA Target Market Area. The following provides an analysis of the housing market (ownership and rental), including estimates of demand for housing within the Target Market Area.

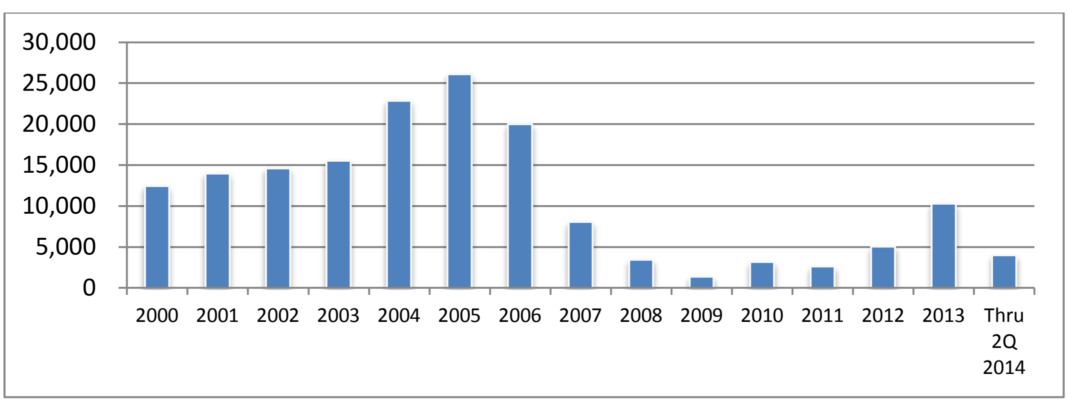
3a. Overview of Residential Housing Supply

Residential Building Permit Trends

Based on residential building permit trends from 2000 to the 2Q 2014, new residential development in Miami-Dade County averaged 11,292 units per year over the reporting period. The peak years were from 2004 to 2006, with an average of 22,998 permits per year issued over the three-year period. The number of permits declined to 8,082 in 2007 as the specter of overbuilding became apparent. The housing bubble burst in 2008 and with it the beginning of the Great Recession, leading to a decline in the number of residential permits issued in that year to 3,464. The number of permits issued declined again to 1,395 in 2009 as the full impact of the recession took hold. Since 2009 there has been a gradual increase in the number of residential permits issued, increasing to 5,069 units in 2012 and then spiking up to 10,316 units in 2013. Thus far, thru the 2nd Quarter 2014, 3,996 residential units have been permitted.

Figure 22: Residential Building Permits - Miami-Dade County, 2000-2Q 2014

Source: US Census Residential Building Permits, 2000-2Q 2014



In terms of housing type, the housing profile completed in Section 2 above identifies the mix of single family, multi-family, ownership and rental composition for Miami Dade County, the Greater TMA Trade Area and the CRA Target Market Area. As noted, the vast majority of the housing units built in the Study Area and Greater TMA Trade Area are one-unit, detached housing units, or more commonly known as single-family homes.

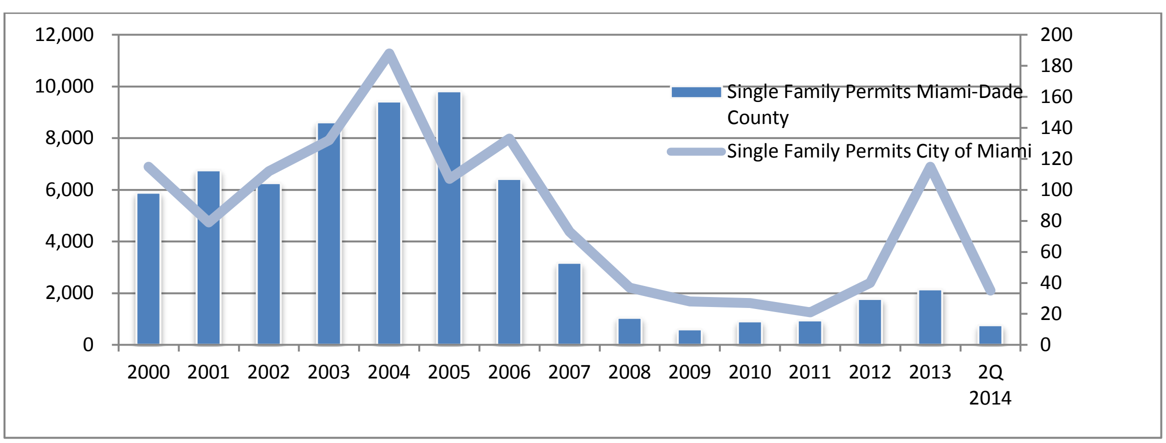
In terms of housing units built by year, the vast majority of housing units in both the Study Area (55.7 percent) and Trade Area (54.8 percent) were built pre-1960, compared to Miami-Dade County overall (25.6 percent). In both the CRA Target Market Area and the Greater TMA Trade area, less than 16 percent of the total housing stock was built after 1990.

The following sections provide a more comprehensive outlook for both single family and multi-family housing market trends, and the resultant impact on strategic opportunities for the CRA Target Market Area.

3b. Single Family Housing Trends

For single family housing permit, the County experienced strong and steady growth from 2000 to 2005 before dropping off considerably at the time of the Great Recession. This is illustrated by the fact that there were nearly 10,000 single family permits issued in 2005, and then falling to less than 500 in 2009. While the County's single family development/permit activity has steadily risen since, it reached only slightly more than 2,000 units 2013, with the same level of activity projected for 2014 based upon mid-year activity. For the City of Miami, which is the primary geographic area from which to measure permitting activity for the CRA Target Market Area (since permit activity is issued at the municipality level), single family permit activity represents less than 2 percent of the County's during the past 14 year period. The vast majority of single family development is occurring in southwest Dade County where the bulk of the County's large tracts of vacant land are located.

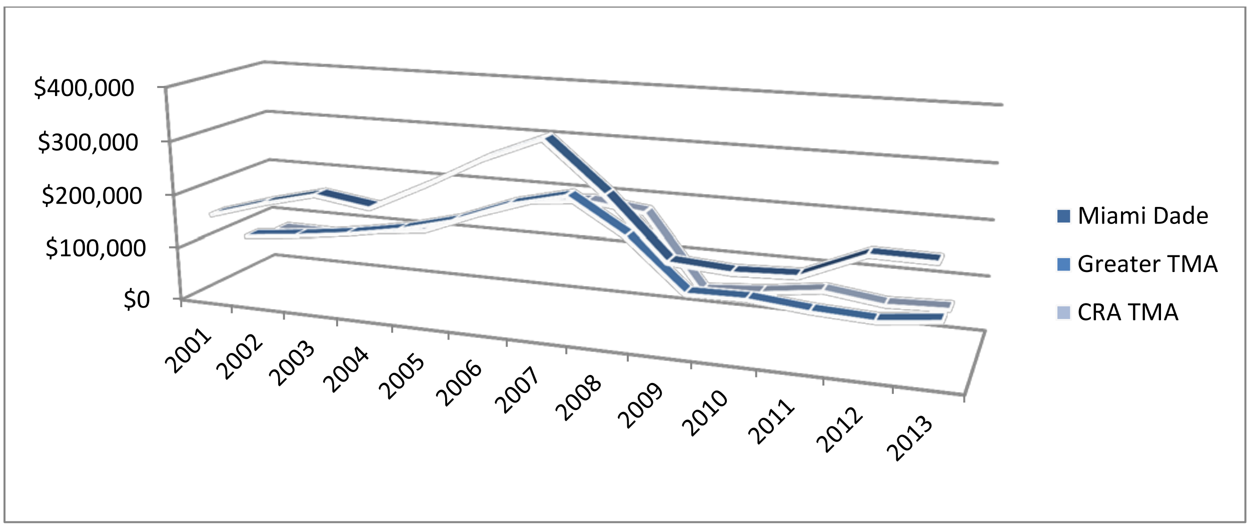
Figure 23: Single Residential Building Permits - Miami-Dade County and City of Miami, 2000-2Q 2014



In terms of existing single family home sales activity and pricing since 2001, the average sale price in Miami Dade County peaked at nearly $350,000 in Miami Dade County in 2007 before plummeting to $150,000 in 2010 as a result of the housing crash. Within the Greater TMA Trade Area, single family home average prices reached more than $220,000 in 2007, before plummeting to $55,000 2012, with an increase to $68,000 in 2013. For the CRA Target Market Area, average single family home prices peaked at $190,000, before bottoming out at $41,000 in 2009 and fluctuating between roughly $50,000 and $60,000 since. Notably, single family sale prices in both the Greater TMA Trade Area and the CRA Target Market Area were generally 50 percent below the County prior to the housing crisis, but during the past few years these areas have tracked closer to 65 percent lower than the County. The following table provides a highlight of existing average home price trends for the three respective areas.

Figure 24: Existing Single Family Sale Price Trends – Miami Dade County, Greater TMA Trade Area, and CRA Trade Market Area - __ to 2013[1]

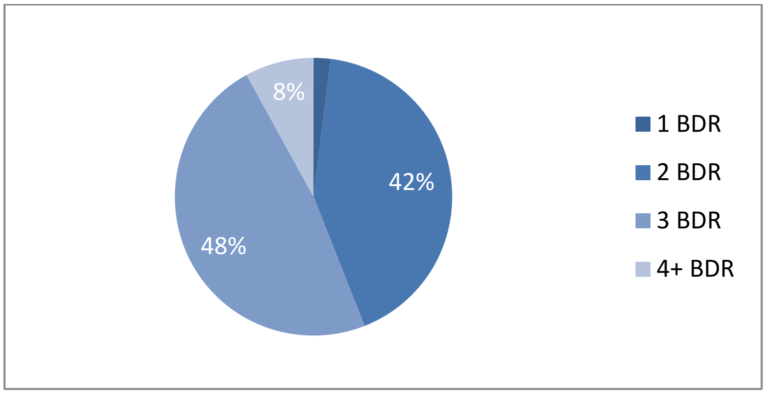
Source: MDPA; RPW



Specific to the CRA Target Market Area, we completed a profile of 1,825 single family homes from the MDPA database, and observed the following unit mix:

[1] For existing single family home sales in both the Greater TMA Trade Area and the CRA Target Market Area, sales exclude transactions below $10,000 which is considered to represent several "non-arm length" transactions such as quit claim deeds or other non-traditional transfer of title.

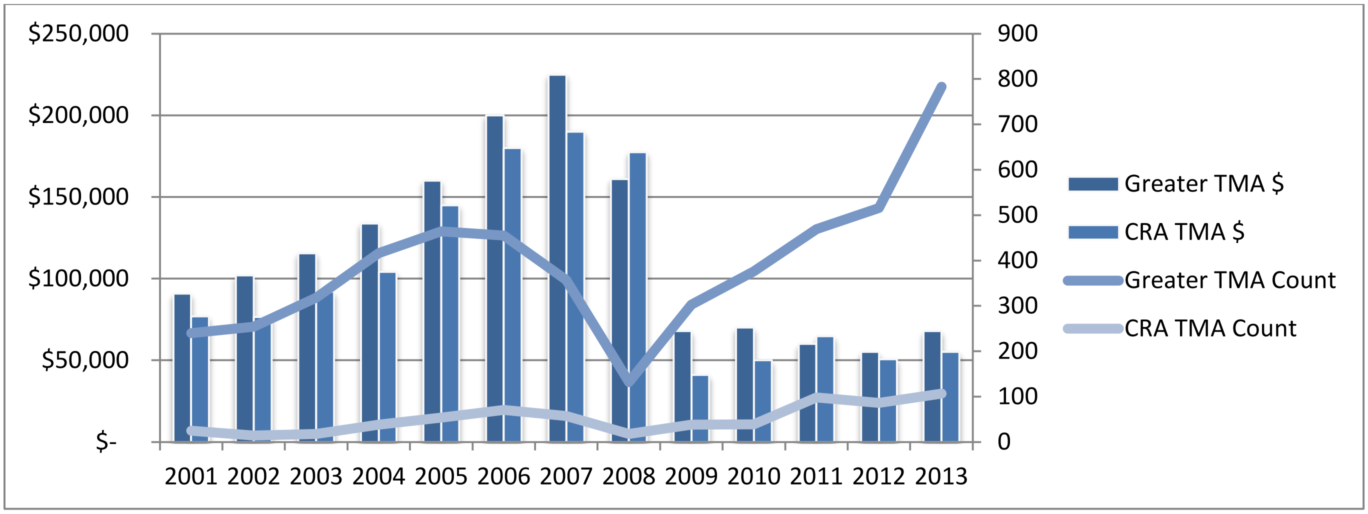
Figure 25: Unit Mix by Bedroom Type – CRA Target Market Area (Select Survey)
Source: MDPA



As shown above, there is a considerable amount of 2 bedroom units within the CRA Target Market Area single family home market, which is well above the County's mix of roughly 30 percent two bedroom units. Accordingly, the average size single family home in the CRA Target Market Area is 1,420 square feet, compared to nearly 2,000 square feet for the County. This relatively large share of two-bedroom, smaller homes creates challenges creating a vibrant single family housing market; particularly, in the effort to support families with more than three persons.

The figure below provides a more focused look at average single family home prices in the Greater TMA Trade Area and for the CRA Trade Market Area, comparing pricing and sales volume. In 2001, the Greater TMA Trade Area had an average existing single family home price of $90,000 and recorded approximately 240 transactions. During the next five years, the average price in the Greater TMA increased to a peak of $224,000, with sales volume exceeding 400 sales per year. By 2008, the average sales prices dropped to $161,000 as did sales volume (132 transactions). From 2008 to 2012, average sale prices continued to decline to as low as $50,000 to $60,000, though sales volume reached their highest levels reaching over 500 transactions. This is largely the result of the foreclosure activity that has actually reached 783 transactions in 2013. It is very difficult to ascertain how much of the buying activity is from speculative investors buying troubled assets from the bank versus primary resident; but, it is our assumption that it is likely a combination of both. The trend in pricing within the CRA Target Market Area has for the most part tracked along the Greater TMA; though, pricing is consistently 10 to 20+ percent lower. At the same time, sales volume for the CRA Target Market Area has tracked along the Greater TMA, although the volume in the CRA did not spike as much as it did for the Greater TMA area during the past two years.

Figure 26: Existing Single Family Sale Price Trends and Sale Count–Greater TMA Trade Area and CRA Trade Market Area - __ to 2013



The "Great Recession," which unofficially began at the end of 2007 and ended in 2009, contributed to a crash in the housing market of historical proportions. Florida has had the dubious honor of being the leading state for the highest number of foreclosures starting from the beginning of the recession and remaining a leading state for foreclosures today, trading the number one spot with Nevada during any given time.

While Florida has been the number one state for foreclosures in the Nation, Miami-Dade County has been the number one county for foreclosures in the state. As of July 2104, RealtyTrac estimates that there are still over 221,000 foreclosures (all property types) in the state, equal to approximately 20 percent of the foreclosures nationwide. In Miami-Dade County the number of residential units, including single family and condominiums/townhomes, in some stage of foreclosure (default, bank owned or auction) is estimated at ±29,330, equal to ±19 percent of the state. The next highest is Broward County with ±22,000 foreclosures.

The "good news," the number of foreclosure filings in the Miami-Dade County has steadily declined, with the most recent year over year decline of ±40 percent.

As part of our analysis we reviewed residential foreclosures for single family and condominiums/townhomes for Miami-Dade County, with comparisons for the City of Miami and the 33147 Zip Code. In this case, the 33147 Zip Code includes the NW 79th Street CRA Target Market Area, but extend north to NW 107th Street, South to NW 62nd Street, East to NW 12th Avenue and West to NW 38th Avenue.

Figure 27: Foreclosures by Unit Type, Miami-Dade County, City of Miami and 33147 Zip Code, as of July 2014
Source: RealtyTrac

Market Area	Miami-Dade		City of Miami			33147 Zip Code		
	Number	% of Total	Number	% of Total	% of County	Number	% of Total	% of County
Single Family	18,050	61.5%	10,470	63.9%	58.0%	2,770	93.3%	15.3%
Condos & THs	11,280	38.5%	5,920	36.1%	52.5%	200	6.7%	1.8%
Total	29,330	100.0%	16,390	100.0%	55.9%	2,970	100.0%	10.1%

The most significant finding from the Table above is that there are very few condominium/townhome foreclosures in the 33147 Zip Code relative to Miami-Dade County and the City of Miami. This lack of condominium/townhome foreclosures in 33147 Zip Code reflects the overall lack of this product type in the for-sale market and not a measure of performance. Accordingly, the 33147 Zip Code for-sale market is dominated by single family housing as is the NW 79th Street CRA Target Market Area. Additionally, the ratio of foreclosures to total housing units is lowest in the 33147 Zip Code at 1 per 264 units, compared to Miami-Dade County at 1/404 units and the City of Miami at 1 per 389 units. While this may appear as a positive trend, foreclosures are a significant problem in the 33147 Zip Code.

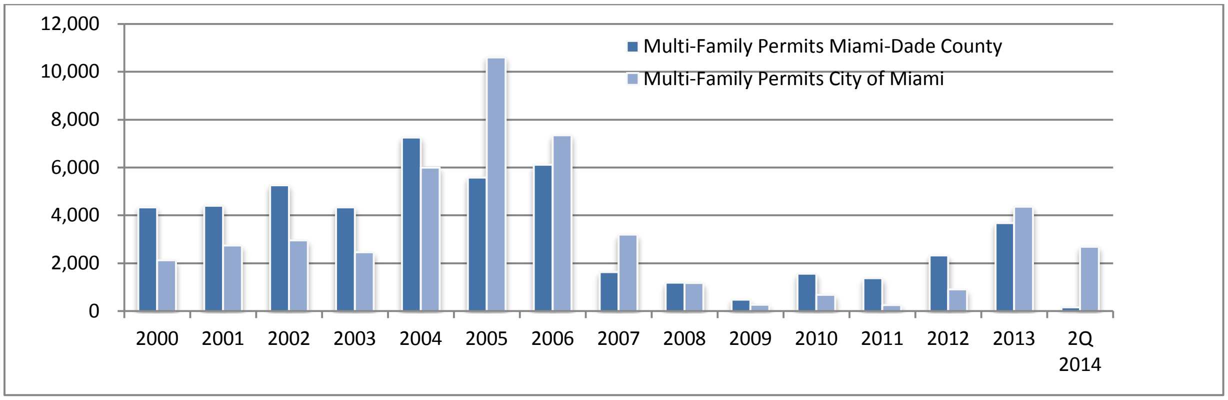
Overall, the single family home market conditions within the Greater TMA Trade Area and CRA Target Market Area have become very weakened in the wake of the housing crisis. Even during the period leading up to the *housing boom,* single family home values in both areas were well below the County, and generally below a level that supports new construction. This is in large part attributed to the relatively large proportion of smaller homes, which is difficult to address without consideration for making substantive changes to the area's housing stock. However, this should help set the framework for addressing the need for larger housing product, and discussed further below.

3c. Multi-Family Housing Trends

Since 2000, the largest share of residential permits issued by type of housing in Miami Dade County was for multi-family, with the City of Miami capturing the lion's share. Accordingly, from 2000 to the 2Q 2014, there were 97,983 multi-family permits issued in Miami-Dade County, including 50,154 (3,459 annual average) multi-family permits issued in the City of Miami alone, equal to 51 percent of the total, and 47,829 multi-family permits issued in the county (exclusive of the City of Miami), equal to 49 percent of the total. The dramatic increase in recent multi-family development in the City of Miami is due almost entirely to the resurgence of condominium development in the Downtown/Brickell area, which is predominately fueled by foreign investment, and reportedly more than 80 percent of the buyer pool. The following figure shows the number of multi-family building permits issued in Miami-Dade County and the City of Miami from 2000 to the 2Q 2104.

Figure 28: Multi-Family Residential Building Permits - Miami-Dade County and City of Miami, 2000-2Q 2014

Source: US Census Residential Building Permits, 2000-2Q 2014



In terms of condominium pricing within Miami Dade County, the median price for new condominium sales reached over $350,000 in 2008, before heading on a slow, but generally steady decline to less than $300,000 in 2013. This trend in new condominium sales was nothing like the trend in the existing condominium market, which reported median sales of $255,000 in 2008, before dropping precipitously to roughly $100,000 two years later. This was in large part due to the dramatic increase in condominium conversions (or conversion of older multi-family rental building into ownership units) that was fueled by speculative buying during the housing boom and turned out to be a serious problem as buyers were "stuck" with an investment property that was severely overvalued – eventually ending up in foreclosure. While the existing condominium market in Miami Dade County is actually on a steady rebound, reaching a median sale price of $175,000 in 2013, it is heavily influenced by activity within Downtown Miami, as well as the coastal areas such as Miami Beach, Sunny Isles, and Aventura.

For the CRA Target Market Area, there is very limited condominium product for which to profile and compare to the broader area. As a matter of fact, we do not believe that higher density, "stacked" condominium housing will be a recommended housing strategy for the CRA Target Market Area, which is explained in following sections.

The rental housing market analysis presented herein includes an overview of supply and demand trends for rental housing in the Miami-Dade County, the City of Miami and NW 79th Street CRA Target Market, with projections and estimates of the potential demand for new rental housing.

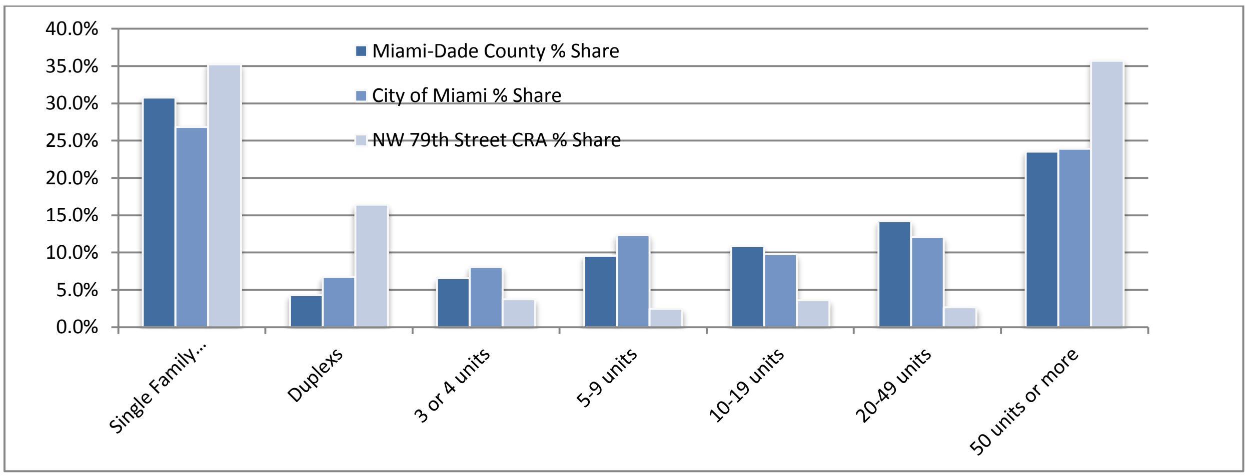
Based on 2012 data from the American Community Survey, there are approximately 352,303 rental housing units/households (excluding Mobile Homes & Other) in the Miami-Dade County. Of the total number of rental housing units/households in Miami-Dade County, 31 percent, equal to 108,563 units/households are single family detached/attached, which is the largest share of rental housing units/households by "units in structure" in the county. By comparison, 27 percent of the rental housing units/household in City of Miami, equal to 26,685 units/households, is single family. While the NW 79th

Street CRA has the largest share of single family rental housing units/household at 35 percent of all rental housing units/households.

The NW 79th Street CRA also has a larger share of duplex rental housing units/households, at 16 percent, relative to Miami-Dade County, at 4.3 percent and the City of Miami, at 6.8 percent, as well as a larger share of rental apartment complexes of 50 units or more at 35.7 percent, compared to Miami-Dade at 23 percent and the City of Miami at 24 percent. The figure below compares the share of rental housing units/households by "units in structure."

Figure 29: Percent Share of Rental Housing/Households by Units in Structure - Miami-Dade County, City of Miami and CRA Target Market Area

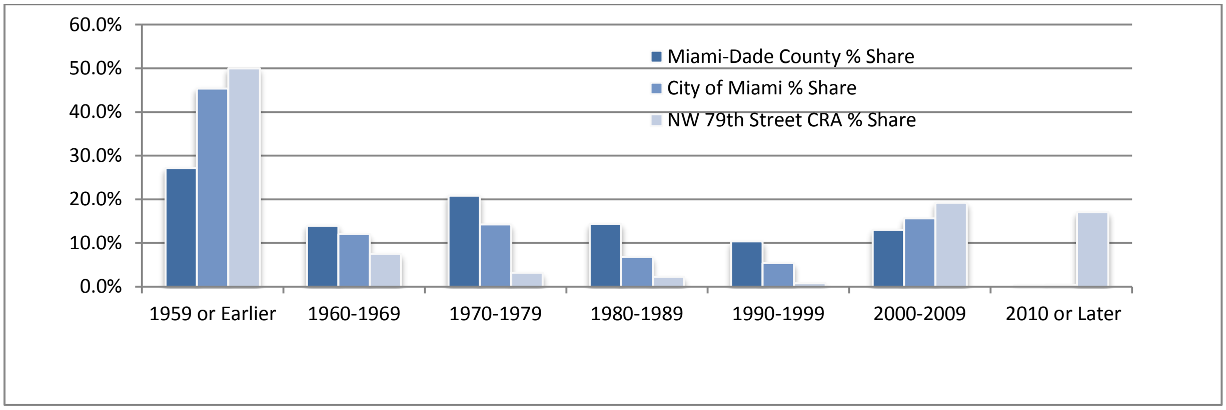
Sources: US Census, American Community Survey; Miami-Dade County Property Appraiser



According to the Miami-Dade Property Appraiser, 50 percent of the rental housing units in the CRA Target Market Area were built prior to 1960. By comparison, 27 percent of the rental housing inventory in Miami-Dade County was built before 1960 and 45 percent in the City of Miami. The CRA Target Market Area also has the highest share of newer rental housing product compared to Miami-Dade County and the City of Miami, as a result of several newer affordable housing development introduced to the market (and detailed further below). Accordingly, 36 percent of the rental housing inventory in the NW 79th Street CRA has been built since the year 2000, including 19 percent from 2000 to 2009 and 17 percent since the year 2010. In Miami-Dade County, 13 percent of the rental housing inventory has been built since the year 2000 and only 0.3 percent from 2010 to the present, while 16 percent of the rental housing inventory in the City of Miami has been built since the year 2000 and only 0.4 percent since the 2010.

Figure 30: Age of Rental Housing Inventory - Miami-Dade County, City of Miami and NW 79th Street CRA

Sources: US Census, American Community Survey; Miami-Dade County Property Appraiser



Based on data from Reinhold P. Wolff 's (RPW) quarterly survey of the rental apartment market in Miami-Dade County, the occupancy rate for rental apartments in county as of the 4th Quarter 2013 is approximately 97 percent. This is based on a survey of 34,174 units of which 1,066 units (3.1 percent) were reported as vacant. The average rent for all rental apartments in the county is estimated $1,413, with an average unit size of 880 square feet and yielding an average rent per square foot of $1.61.

In the effort to utilize comprehensive data from RPW as a starting point for analyses, we evaluated the Northwest Miami submarket which essentially represents the area of Miami bound by N.W. 95th Street on the north, West Flagler Street on the south, I-95 on the east and N.W. 42nd Avenue (LeJeune Road) on the west. The CRA Target Market Area is included in this broader area.

According to the data form RPW as of the 4th Quarter 2013, the occupancy rate for rental apartments in the Northwest Miami submarket is estimated at 97.5 percent. The average rent for rental apartments in the submarket is $1,147, for an average unit size of 810 square feet, yielding an average rent per square foot of $1.38. This is considerably lower than that of the County as a whole, and well below rental rate levels supportive of new development, which is generally considered to be at least $1,400.

Specific to the subject's market area, Lambert conducted a separate survey of rental apartment communities in the NW 79th Street CRA Target Market Area as well as projects outside of the Target Market Area, but within the Greater Trade Area. We identified seven larger apartment communities in the CRA Target Market Area and three projects outside the CRA. The ten projects surveyed combine for 2,165 units including two projects under construction (totaling 204 units), six "newer" projects built since 2002 (with a total 1,317 units) and two projects combining for 644 units, built pre-1970. *All of the projects surveyed include income restricted units.* Importantly, we did not identify any mid- to large-scale market rate rental properties in the CRA Target Market or the immediate surrounding area.

Figure 31: NW 79th Street CRA Target Market Area Rental Apartment Profiles

Source: Lambert Advisory

Map Key	Name of Project	Address	Year Built	Floors/ Style	Total Units	Floor Plans	Mix	Unit Size AC-Sq. Ft	Base Asking Rent	Base Asking Rent/Sq. Ft.	Current Occp.	Amenities/Features	Comments
1	Northside Transit Village Income Restricted (1)	3100 NW 77th St. Miami 33147	2013/ 2014 UC	8/Mid-rise	100	1/1	20%	589	$689	$1.17	UC - Pre-leasing	Clubhouse, Playgrond, Fitness Center, Recreation Area, Business Center, Walk-in Closets, Washer/Dryer Hook-ups	Atlantic/Pacific 8-Story located adjacent to Northside Transit Station (1) Unit mix, size & oricing are preliminray estimates
						1/1	20%	568	$689	$1.21			
						2/2	20%	810	$812	$1.00			
						2/2	20%	812	$812	$1.00			
						3/2	20%	969	$913	$0.94			
						Average	**100%**	**750**	**$783**	**$1.04**			
2	Regency Point-UC Income Restricted	1320 NW 79th St., Miami 33147	2014/ 2015-UC	3/Walk-up	104	1/1	30%	689	$770	$1.12	UC - 24 units Pre-leased	Gated, Clubhous, Business Center, Washer/Dryer Hook-ups, Walk-in Closets. First Move-in 4Q 2014	Carlisle Developemnt Group
						2/2	41%	927	$911	$0.98			
						3/2	29%	1,197	$1,030	$0.86			
						Average	**100%**	**934**	**$903**	**$0.97**			
3	Northpark at Scott Carver Apartments Income Restricted*	2341 NW 74t St. Miami 33147	2011/ 2012	2/Walk-up & THs	88 - TC	1/1 -TC	15%	652	$675	$1.04	100% with waiting list	Gated Parking, Clubhouse, Fitness Center, Pool, Tot Lots, Washer/Dryer	*Total of 347 units ownded by Miami-Dade Public Housing and includes 88 tax credit units, 87 market rate units and 172 HUD subsidized public housing units.
						2/1-TC	40%	888	$790	$0.89			
						2/2.5 TH-TC	10%	938	$810	$0.86			
						3/2-TC	25%	1,224	$861	$0.70			
						3/2.5 TH-TC	10%	1,298	$930	$0.72			
						Average -TC	**100%**	**983**	**$807**	**$0.82**			
					87-Mkt.	1/1 -Mkt.	11%	882	$855	$0.97			
						2/1-Mkt.	40%	908	$950	$1.05			
						2/2.5 TH-Mkt.	10%	996	$1,102	$1.11			
						3/2-Mkt.	20%	1,298	$1,096	$0.84			
						3/2.5 TH-Mkt.	10%	1,298	$1,130	$0.87			
						4/2-Mkt.	9%	1,500	$1,250	$0.83			
						Average -Mkt.	**100%**	**1,084**	**$1,029**	**$0.95**			
					175	**Total/Avg. All**		**1,033**	**917**	**$0.89**			
4	Valencia Pointe Income Restricted	2640 NW 79 St., Miami 33147	2009	3/Walk-up	148	1/1	32%	700	$796	$1.14	100.0%	Controlled access, Clubhouse, Fitness Center, Tot Lot, Playground, Washer/Dryer	Carlisle Development Group
						2/2	43%	925	$923	$1.00			
						3/2	25%	1,100	$1,013	$0.92			
						Average	**100%**	**897**	**$905**	**$1.01**			
5	The Corinthian Income Restricted	7705 NW 22nd Ave. Miami 33147	2006	2 & 3/ Walk-up	126	1/1	24%	630	$777	$1.23	100.0%	Clubhouse, Pool, Playgrond, Fitness Center, Business Center	Corinthian Apartments, LTD
						2/2	48%	785	$928	$1.18			
						3/2	14%	1,060	$1,054	$0.99			
						3/2	14%	1,155	$1,174	$1.02			
						Average	100%	838	$944	$1.13			
6	Hibiscus Pointe	1250 NW 79th St., Miami 33147	2004	3/Walk-up	236	1/1	28%	697	$762	$1.09	100.0%	Gated, Clubhouse, Fitness Center, Pool, Tot Lots, Washer/Dryer	Carlisle Development Group
						2/2	39%	927	$913	$0.98			
						3/2	33%	1,154	$1,021	$0.88			
						Average	100%	938	$906	$0.97			
7	Lincoln Fields Section 8 Housing	2020 NW 63rd St., Miami 33147	1949	2/Walk-up	303 89-TC 214-SEC 8	1/1	21%	750	$713	$0.95	100% with waiting list	Playground, Fitness Center, Business Center, Car Wash	KCD Invesment 214 of the 303 units are Section 8. Unit size are estimates
						2/2	21%	950	$874	$0.92			
						3/2	26%	1,150	$1,037	$0.90			
						4/2	23%	1,250	$1,101	$0.88			
						Average	100%	944	856	$0.91			
Located in Proximity to CRA													
Map Key	**Name of Project**	**Address**	**Year Built**	**Floors/ Style**	**Total Units**	**Floor Plans**	**Mix**	**Unit Size AC-Sq. Ft**	**Base Asking Rent**	**Base Asking Rent/Sq. Ft.**	**Current Occp.**	**Amenities/Features**	**Comments**
8	LaFayette Square Income Restricted	1250 NE 79th St., Miami 33138	2008	14-19/ High-rise	296	1/1	16%	575	$721	$1.25	100.0%	Controlled Acess, Clubhouse, Fitness Center, Washer/Dryer, Furnished Units Available Structured Parking	LaFayette Square, LTD
						2/1	47%	802	$853	$1.06			
						3/2	37%	1,063	$983	$0.92			
						Average	**100%**	**862**	**$880**	**$1.02**			
9	Miami Stadium Apartments Income Restricted	2421 NW 10th Ave., Miami 33127	2002	3/Walk-up	336	1/1	7%	649	$760	$1.17	100% with waiting list	Gated, Clubhouse, Fitness Center, Pool, Playground, Washer/Dryer	St. Martin Affordable Housing, LTD
						2/2	54%	839	$894	$1.07			
						3/2	39%	1,082	$1,016	$0.94			
						Average	**100%**	**920**	**932**	**$1.01**			
10	Silver Blue Lake Income Restricted	1401 NW 103rd St., Miami 33147	1964	3/Walk-up	341	1/1	51%	660	$675	$1.02	100.0%	Lakeviews	TIBA Group LLC
						2/1	17%	845	$875	$1.04			
						2/1	17%	980	$875	$0.89			
						3/1	8%	1,000	$975	$0.98			
						3/1	7%	1,020	$975	$0.96			
						Average	**100%**	**798**	**$788**	**$0.99**			
Totals/Avg					2,165			**845**	**$823**	**$0.97**	**100.0%**		

The occupancy rate among the projects surveyed is at 100 percent, with a waiting list in some cases. The average unit size among the survey group is at 845 square feet, with average rent at $823, yielding and average rent per square foot of $0.97.

Of the seven rental apartment developments located in the Study Area, four communities, combining for 857 units, have been built since 2004, including Hibiscus Pointe (2004), the Corinthian (2006), Valencia Pointe (2009) and Northpark at Scott Carver (2011/2012). In addition to the four new projects, two projects, including Regency Pointe, with 104 units, and Northside Transit Village, with 100 units are currently under construction. The Northside Transit Village project begun taking applications in the first week of August and anticipates their first move-in the 4th Quarter of 2014. Regency Pointe have pre-leased 24 units to date and expects their first move-in by 4th Quarter 2014 or 1st Quarter 2015.

Four of the seven projects in the study area were or are being developed by the Carlisle Development Group, including Hibiscus Pointe, Valencia pointe, Regency Pointe and the Northside Transit Village. The Northside Transit Village has since been sold to Atlantic/Pacific Companies. As previously referenced, all of the projects in the Study Area as well as the three projects in the in the Trade Area are income restricted. Both the Lincoln Fields and Northpark Scott Carver rental communities offer Section 8 housing.

The five of the seven projects in the Study Area are contemporary 2 and/or 3-story, garden-style walk-up rental apartments, as is Miami Gardens and Silver Blue Lake Apartments located outside of the Study Area. Northpark at Scott Carver offers cluster units built in as separate two-story flats with four units per building and/or townhomes. The Northside Transit Village is an eight-story mid-rise and Lafayette Square, is a 14-19-story high-rise located outside the study area.

According to data from the Miami-Dade Property Appraiser, there are 3,811 rental apartment units in the NW 79th Street CRA Target Market Area. Of this total, the six new projects delivered or to be delivered to the Study Area since 2004, including the two projects under construction, represent 27.8% of the inventory of rental apartments in the Study Area. As a group, these projects are the first significant rental apartments delivered to the market in 50+ years and underscore a transition in the market from duplex, three and four unit rental apartments to more modern rental communities that include features and amenities sought by renters including, for example, walk-in closets, dish washers, washer/dryers or washer/dryer hook-ups, business center, fitness center, playgrounds and/or recreation area and in some new developments a swimming pool. The 100% occupancy rate with waiting lists among these new projects indicates that demand currently exceeds supply. The lease-up velocity and performance of Northside Transit Village and Regency Pointe will provide and good barometer of the depth of pent-up demand.

The following Figure compares of occupancy, for Miami-Dade County, the Northwest Miami submarket and the NW 79th Street CRA Target Market Area as of the 4th Quarter 2013.

Figure 32: Comparison of Occupancy by Market Area - Miami-Dade County, Northwest Miami Submarket and NW 79th Street CRA, 4Q 2013

Source: RPW; Lambert Advisory

Market Area	Total Units	Occupancy Rate	Vacancy Rate	# Vacant Units
Miami-Dade County	34,174	96.9%	3.1%	1,066
NW Miami Submarket (Sample of Market Rate Only)	782	97.5%	2.5%	20
NW 79th Street CRA	1,961	100.0%	0.0%	0

The following Figures present a comparison of, unit mix, unit size and units rents for Miami-Dade County, the Northwest Miami Submarket and the NW 79th Street CRA Target Market Area as of the 4th Quarter 2013.

Figure 33: Comparison of Unit Mix by Unit Type - Miami-Dade County, East Central Miami Trade Area and NW 79th Street CRA, 4Q 2013

Sources: RPW; Lambert Advisory

Unit Type	MD County	NW Miami Submarket	CRA Target Market Area
Efficiency	5.1%	0.0%	0.0%
1 BDR	44.1%	36.7%	25.9%
2 BDR	44.1%	58.0%	41.5%
3 BDR	6.7%	5.3%	28.9%
4 BDR	0.04%	0.0%	3.7%

The unit mix in the Northwest Miami submarket is more heavily weighted with two-bedroom units at 60 percent, compared to Miami-Dade County at 44 percent and the NW 79th Street CRA at 42 percent. The figures also show the NW 79th Street CRA has greater share of three and four-bedroom units than Miami-Dade and the Northwest Miami submarket. This underscores the findings that the inventory of rental apartments in the NW 79TH Street CRA is income restricted, which are generally predisposed to providing a greater share of units supporting low and moderate income families.

The following figure presents a comparison of Unit Size and Rents by Unit Type for Miami-Dade County, the Northwest Miami submarket and the NW 79th Street CRA. Given that the inventory of rental apartment units in the CRA Target Market Area are income restricted, it is not surprising that the average rent is lower by as much as 38 percent in the NW 79th Street CRA compared to Miami-Dade and by nearly 23 percent compared to the Northwest Miami submarket.

Figure 34: Unit Size, Rent and Rent/Sq. Ft. Comparisons, by Unit Type - Miami-Dade County, Northwest Miami and NW 79th Street CRA, 4Q 2013

Sources: RPW; Lambert Advisory

Unit Type	Average Size			Average Rent			Avg. rent/Sq. Ft.		
	Miami-Dade	NW Miami	CRA TMA	Miami-Dade	NW Miami	CRA TMA	Miami-Dade	NW Miami	CRA TMA
Efficiency	458	-	-	$1,037	-	-	$2.26	-	-
1 Bedroom	731	690	668	$1,235	$991	$723	$1.69	$1.43	$1.08
2 Bedrooms	1,018	894	873	$1,576	$1,210	$886	$1.55	$1.35	$1.01
3 Bedrooms	1,264	1,108	1,112	$1,797	$1,496	$981	$1.42	$1.35	$0.88
4 Bedrooms	1,194	-	1,275	$1,376	-	$1,116	$1.15	-	$0.88
All Units	**880**	**810**	**905**	**$1,413**	**$1,147**	**$881**	**$1.61**	**$1.38**	**$0.97**

Overall, it is largely apparent that the homeownership housing values and rental rate levels are well below that of the County and the submarkets surrounding the CRA Target Market Area. In terms of the rental segment, affordable housing has dominated new development for many years and, in effect, set the limits for market rent in the area. In fact, there are currently 87 "market rate" rental units within the Northpark @ Scott Carver development that are fully leased and priced from $855 for a one bedroom unit to $1,250 for a four bedroom unit. Unfortunately, this level of rent remains below the level needed to support traditional market rate (non-subsidized housing), but is indicative of a rent level that is approaching rents that can support market rate housing.

3d. Residential Demand Analysis

As set forth in the demographic and housing supply analyses above, the N.W. 79th Street CRA Target Market Area is facing some challenges in the way of economic stability and support for new market rate (or non-subsidized) housing development. Nonetheless, there have been more than 1,500 affordable rental housing units introduced to the market during the past 10 to 15 years, which have provided quality housing with a strong demand base. The residential demand analysis herein provides an overview of our traditional methodology for assessing demand for market-rate (non-subsidized housing), followed by a discussion of support for new housing development that may require some measurable "gap" funding.

From a broad national housing perspective, there has been a fundamental shift in housing demand over the past five to six years that has led to increased demand for rental housing, while demand for for-sale housing has been flat and only improving marginally over the past two years. The shift has been facilitated by a combination of factors including:

- The recession and collapse of the housing market in 2008, which has contributed to an increase in the rental of single family homes and other traditional for-sale housing, mostly by three and 4+ person family households.

- The advent of the millennial population ("Gen Y"), which nationally is estimated at 75-80 million, rivaling the size of the "baby boom" generation. The Millennial population generally coincides with the 15-34 year old age group born between 1984 and 2002. As of the 2010 Census there were 41.06 million people in the U.S. between 25 and 34 years old, the prime renter household years. This number is expected to increase by 8.4 percent to 44.5 million over the next ten years as the 15-24 year old age group moves into the prime renter household years.

- There has been an increase in the popularity of urban style rental communities in urban and some suburban locations with consumers/renters attracted to a lifestyle that these projects provide including, walkable services, shopping and entertainment and/or shortened commute time to employment centers. This new urban style product is typically three to six stories with elevators and includes a full complement of state-of-the-art amenities and upgraded interior unit finishes. Units are generally smaller and higher priced than traditional garden style walk-up rental apartments. The new urban style product is popular among the millennial population, but has also attracted a cross section of middle and higher income renters in all age groups.

The recent recession had a noticeable impact on the distribution of renter households in Miami Dade County and the Greater TMA Trade Area. As discussed in Section 2 above, single family homes as a share of rental housing increased in both Miami Dade County and the Greater TMA Trade Area between 2000 and 2012. Accordingly, between 2000 and 2012, the share of renter households in multifamily housing of 5 to 50 units declined in both Miami Dade County and the Greater TMA Trade Area.

In the effort to identify the level of demand for residential (for-sale and rental) development expected to occur during the next few years within the broader market area and the CRA Target Market Area, we consider the economic, demographic, and overall housing market and economic conditions as outlined in this section as well as in preceding sections. The demand analysis methodology herein is used to identify the broader parameters of residential demand that support potential housing demand within the broader region and locally, and has been prepared in the effort to provide order of magnitude estimates of future housing demand.

The methodology for evaluating demand considers growth historical population trends and projections for the Miami Dade County and, more specific, the Greater TMA Trade Area. The details of the housing demand analysis (model) is included in the Appendix, with a summary of the key assumptions provided as follows:

Household Growth: As set forth in preceding sections, Miami Dade County's population grew an average annual 1.0 from 2000 to 2010, and is expected to grow at a 0.9 percent average annual rate during the next several years. In contrast, population within the Greater TMA Trade area actually declined from 2000 to 2010, but in part due to the loss of the Scott Carver Homes community (which was subsequently redeveloped in 2011). As highlighted in Section 2, the Greater TMA Trade Area is projected to grow at a rate of nearly 0.8 percent, but the broader area's growth is greatly attributed to the TAZ's within the CRA Target Market Areas. Therefore, we forecast households within the Greater TMA Trade Area to increase from roughly 28,559 in 2014 to 30,682 in 2023; or 2,350± total households.

Household Income: Based upon US Census data, approximately 29 percent of all households in the Greater TMA Trade Area have annual household income greater than $45,000, a minimum threshold considered to adequately support monthly payments required to underwrite new, market rate multi-family/condominium housing development; or, minimum average monthly housing payment estimated to be in the range of $1,400 to $1,600. This is well below the level the County as a whole, which has nearly 50 percent of households with income greater than $45,000.

Capture of New Housing Demand: The CRA Target Market Area total population represents roughly 20 percent of the Greater TMA Trade Area; though, it was the geographic boundary that suffered the majority of loss within the broader area. However, based upon the projected growth rate for the CRA Target Market TAZ's, which is set to outpace that of the Trade Area, we assume that the CRA Trade Area will capture more than its fair share of the population growth, which we believe can actually be increased in tandem with a successful redevelopment strategy for the area. As a result, we project the CRA Target Market Area should be in a position to capture 25 percent of the Greater TMA's housing demand during the next 5 to 10 years.

Based upon the assumptions above, and detailed in the housing demand model in the Appendix, there is estimated to be approximately 150 to 250 new family housing units with household incomes greater than $45,000 demanded within the CRA Target Market Area within the next 5 to 10 year period.

To a large extent, this level of demand does not support housing redevelopment of critical mass within the CRA Target Market Area. The fact is, based upon the demographics and housing trends within the Greater TMA Trade Area and the CRA Target Market Area, the near-term focus (within 5 to 10 years) will likely continue to be affordable housing. However, there is a relatively significant amount of demand for moderate and workforce housing, and for which economic subsidies are less extensive than that for low and very low income groups. Therefore, it may be helpful to better understand the demand for housing among the relatively large proportionate number of lower and moderate income households.

As summarized above, there is an estimated 2,982 new households projected for the Greater TMA trade Area during the next ten years, of which 1,550 (52 percent) will be renter households. With a current average household income of $28,750, the following table provides a summary of the monthly rental rate and home value thresholds for low (50 percent of area median area income –AMI), moderate (80 percent of AMI) and workforce housing (120 percent of median of AMI) in the Greater TMA Trade Area.

Figure 35: Estimate of Greater TMA Trade Area Housing Costs by Income Category (at 30% Cost Burden) Source: 2008-2012 ACS; Lambert Advisory

	Low 50% of AMI	Moderate 80% of AMI	Workforce 120% of AMI
HH Income	$14,370	$29,200	$43,800
Est. Rental Housing Cost Burden (30%)	$360	$580	$865
Est. Owner Housing Cost Burden (30%)	$40,000	$75,000	$130,000

As illustrated above, supporting new development for low and some moderate income families within the Greater TMA Trade Area and CRA Target Market Area will require significant economic subsidy, which is an issue that extends well beyond the subject's trade area. However, there does appear to be an opportunity to focus new rental and for-sale housing that targets (some) moderate and workforce household segmentation. As a matter of fact, the newer affordable housing rental developments have successfully provided considerable inventory that supports moderate to workforce housing families within the Greater TMA Trade Area and CRA Target Market Area. However, what has not been focused upon is the development of for-sale housing that accommodates these households. Considering this, we believe that there should be a concerted effort to identify opportunities to provide townhome (ownership) product as well as affordable rental that can be supported by a number of housing objectives, policies and/or initiatives including but not limited to:

- Land development regulations which promote the availability of affordable housing such as reduced lot size and floor area for dwelling units, construction of zero lot line and cluster housing, vertical integration of residential units with non-residential uses, and the allowance of accessory dwelling units.

- The use of flex units or reserve units for affordable housing projects is generally a positive provided that appropriate public services, such as public transit, will be available.

- Impact fees, in-lieu fees, and/or public funds which provide for the construction or supply of affordable housing as well as to facilitate the affordable purchase or renting of housing.

- Property tax abatement programs and/or reduced cost procedures for affordable housing.

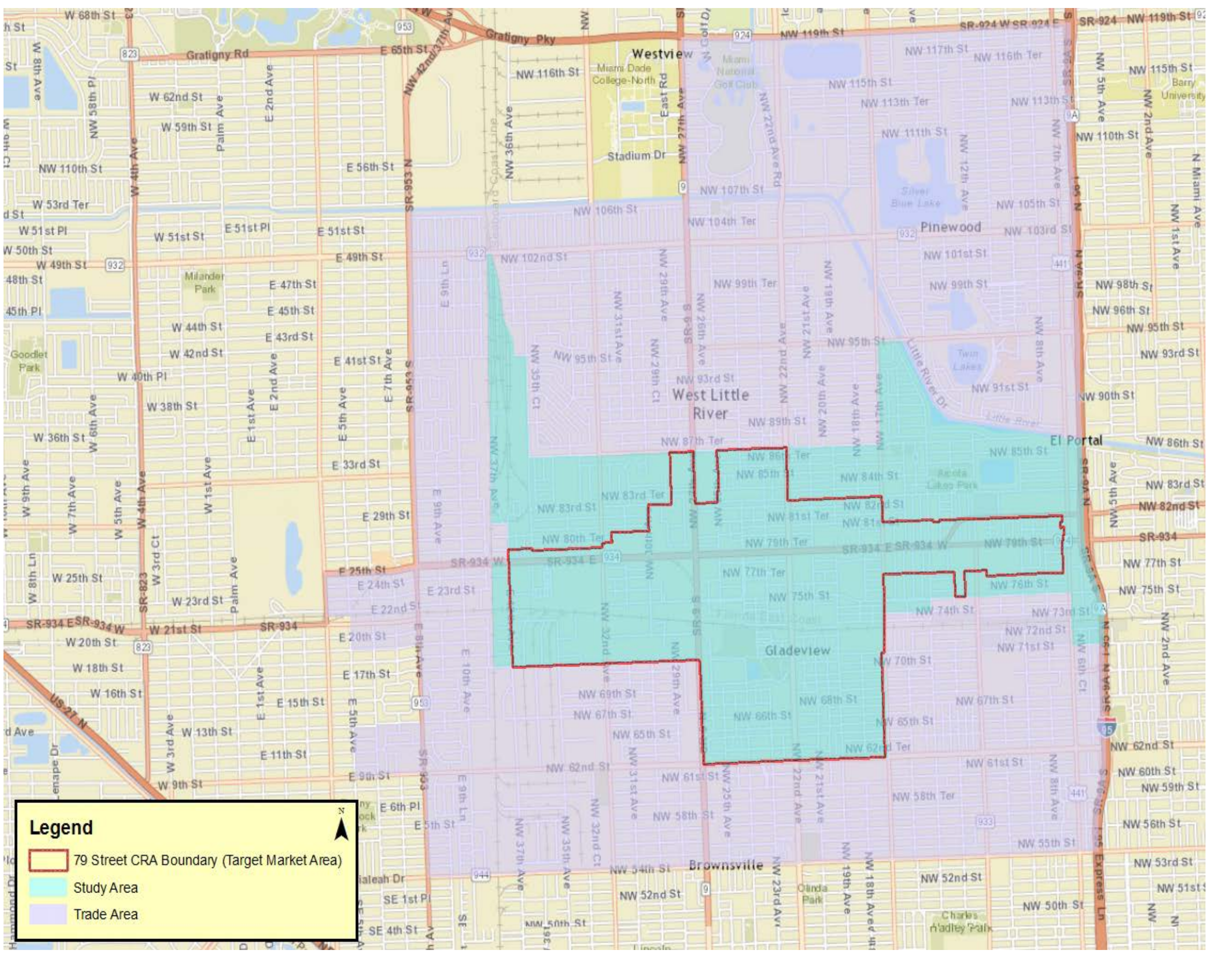
Importantly, for both rental and homeownership opportunities, the target remains to be families and, therefore, focus on larger bedroom mix. Accordingly, the extent to which townhome pricing can be targeted within the $120,000 to $130,000 range (that would likely require economic assistance through a 2nd home loan funding or similar program) would accommodate a working family that can possibly work, live and shop within the CRA Target Market Area.

SECTION 4: RETAIL MARKET ANALYSIS AND DEMAND ESTIMATE

4a.: Retail Market Overview

The focus of the retail analysis herein is to review and summarize retail market trends in Miami-Dade County, the NW 79th Street CRA Target Market Area and the Greater TMA Trade Area as defined in Section 1. The following provides another illustration of the Greater TMA Trade and CRA Target Market Area boundaries.

Figure 36: Map of the Greater TMA Trade Area and CRA Target Market Area



As with most metropolitan markets in Florida, the economic downturn in real estate markets significantly impacted the retail sector in Miami-Dade County. Starting in 2007, declining retail sales brought on by high unemployment and shaken consumer confidence, combined with tight credit markets and a "wait and see" strategy among retailers with regard to expansion plans, contributed to a fragile real estate market for retail. In general, vacancies increased, rental rates declined and tenant prospects diminished. However, the market overall is improving; particularly, in select areas of the county, where significant amounts of retail development is occurring such as in Downtown Miami, in the Miami Design District area and Northeast Miami Dade (and namely the proposed expansion to Bal Harbour Shops and Aventura Mall).

The analysis herein begins with a brief snapshot of both the broader region (Miami Dade County) and narrows the focus to the Greater TMA Trade Area and CRA Target Market Area. Further below, we discuss in greater detail the trends within each area and, specifically, those that will impact the CRA Target Market Area. From a very broad perspective, as of the 2nd Quarter of 2014 According to CoStar[2]), there are 9,807 retail buildings in Miami-Dade County combining for 122.6 million square feet of retail space. The average building size is roughly 12,500 square feet. The vacancy rate is currently at 3.7 percent and the average quoted triple net (NNN) rent[3] is at $29 per square foot.

Within the Greater TMA Trade Area, there is approximately 2.3 million square feet of retail space in 1,491 buildings, which equates to an average building size of 5,406 square feet. The vacancy rate in this area is 4.0 percent, which is in line with the County overall. Average quoted triple net (NNN) rent is at $17.80 per square foot, which is significantly lower than the County overall.

Specific to the CRA Target Market Area, and according to Costar survey, there is 845,000 square feet of retail space, which is approximately 30 percent of the Greater TMA Trade Area inventory and less than 1 percent of the County's total inventory. The vacancy rate in the Target Market Area, as of the 2nd Quarter 2014 is a relatively stable 4.1 percent, which is on par with the vacancy rate for both the Greater TMA and County. However, the quoted NNN rent in the Target Market Area generally ranges from $8.00 to $14.00 per square foot and averaged $12.50 per square foot, which is significantly lower than the surrounding and broader market.

Figure 37: Retail Market Snapshot (2Q 2014) Miami-Dade County, Greater TMA Trade Area and the NW 79th Street CRA Target Market Area

Source: Costar

Market Area	Number of Buildings	Avg. Size Bldg. Sq. Ft.	Total Inventory Sq. Ft.	Vacancy Rate	Rent/Sq. Ft. NNN
Miami-Dade County	**9,807**	**12,501**	**122,602,100**	**3.7%**	**$28.94**
Greater TMA Trade Area	**394**	**5,750**	**2,263,000**	**4.0%**	**$17.80**
CRA TMA	**113**	**8,866**	**845,000**	**4.0%**	**$12.50**

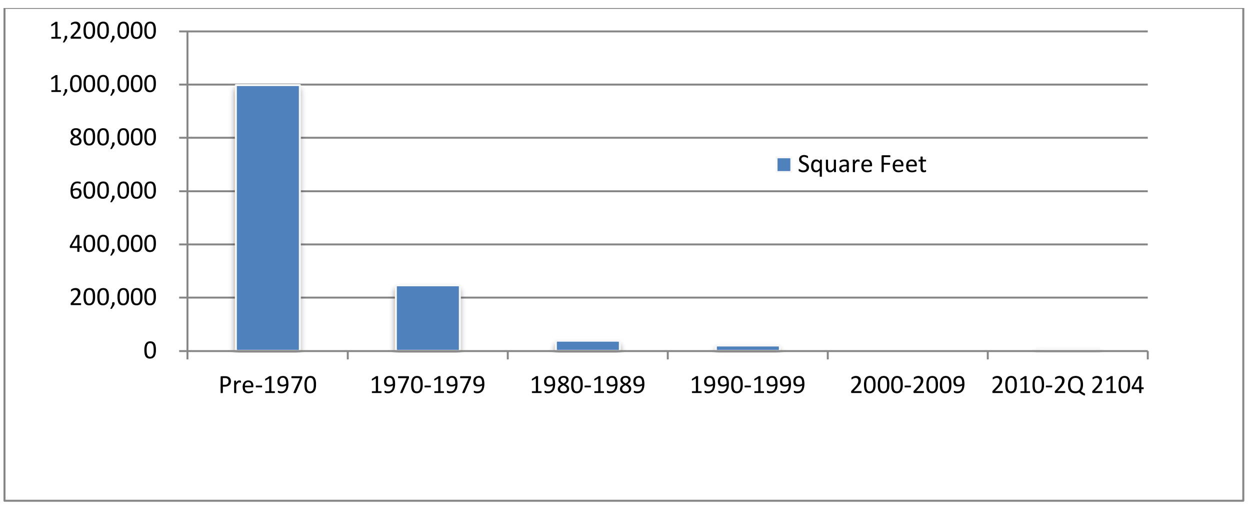
[2] CoStar is an internationally recognized as an industry leading real estate data service provider.
[3] NNN represents a lease agreement on a property where the tenant or lessee agrees to pay all real estate taxes, building insurance, and maintenance (the three 'Nets') on the property in addition to any normal fees that are expected under the agreement (rent, etc.)

Of the 845,000 square feet of retail space in the CRA Target Market, approximately 75 percent (or roughly 640,000 square feet), was built before the 1970s. As a matter of fact, since the year 2000, there has only been 6,300 square feet delivered and that was in 2013. However, the CRA Target Market Area will be getting its first new major retail development with Wal-Mart, which will have an estimated 180,000 square feet of space and planned to open in by the end of 2014. The impact of the new Wal-Mart within the CRA Target Market Area is evaluated and discussed further below.

The limited volume of retail space delivered to the CRA Target Market Area over the past 10+ years is generally from the combination of a few reasons, including but not necessarily limited to: 1.) lack of land for any significant retail with most new development limited to in-fill sites or razing and redevelopment of existing buildings; 2.) the recession of 2008/2009, which crippled the real estate industry; and, 3.) the low rents for retail in the CRA Target Market Area do not justify new development.

Figure 38: Age of Retail Inventory in the NW 79th Street CRA Target Market Area

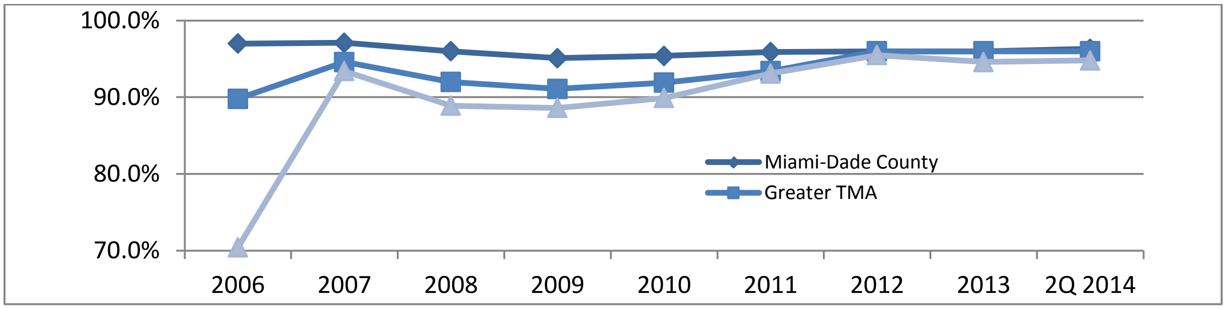
Source: Costar



The following figure presents occupancy rate trends for Miami-Dade County, the Greater TMA Trade Area and the CRA Target Market Area. The analysis shows that the occupancy rate for retail space in all Miami-Dade County has hovered around 95 percent since 2006, with slight increases or decreases annually over the reporting period. The Greater TMA Trade Area, by comparison, actually experienced a steady trend of occupancy growth from a relatively low 86 percent in 2006 to 96 percent currently. Accordingly, the occupancy rate for retail in the CRA Target Market Area shot up from 75 percent in 2006 to 93.4 percent in 2007 as the result of the Target Market Area absorbing over 165,000 square feet of retail space over a two year period. Since 2007, the occupancy rate in the CRA Target Market Area has hovered between 93 and 95 percent.

Figure 39: Retail Occupancy Trends: 2006-2Q 2014 - Miami-Dade County, Greater TMA Trade Area and CRA Target Market Area

Source: Costar

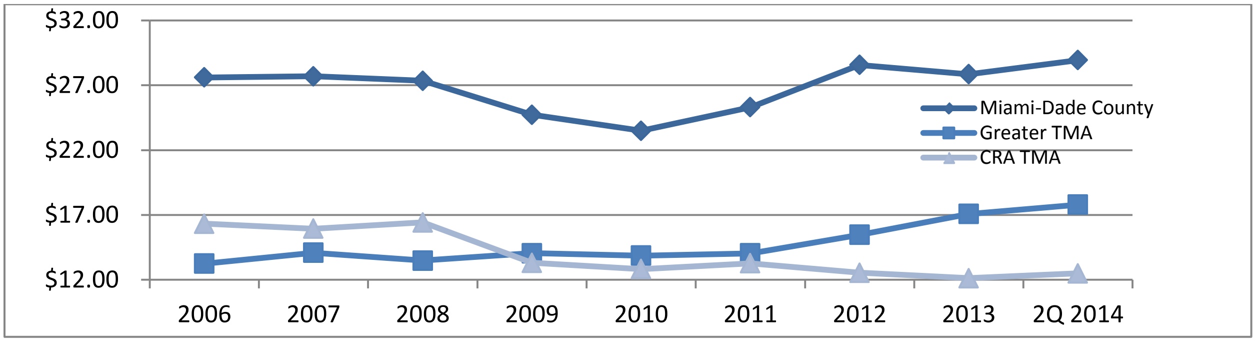


As noted, rental rates for retail space in Miami-Dade County are quoted on a triple net (NNN) basis, equal to rent plus expense for taxes, insurance and common area maintenance. It stands to reason that rental rates typically track with occupancy, with higher rental rates quoted when occupancy rates are high and lower rental rates quoted when occupancy rates decline. In Miami-Dade County the quoted NNN rental rate for retail was at $27.60 per square foot in 2006 and remained relatively flat over the next two years, before declining for two straight years to a low of $23.49 per square foot by year-end 2010. Since 2010 the asking rental rate for retail in Miami-Dade has generally trended upward, increasing to $28.94 per square foot by the 2nd Quarter 2014.

The quoted NNN rental rate for retail in the Greater TMA Trade Area was at $14 per square foot in 2006, with a steady increase to $17.50 per square foot presently. The average quoted NNN rental rates in the NW 79th Street CRA Target Market Area was at approximately $14 per square foot in 2006, and remained in that range until a down-tick occurred at the end of 2013. The $12.50 per square foot average NNN quoted rental rate in the CRA Target Market Area is nearly 60 percent lower than that of Miami-Dade and more than 25 percent lower than that for the Greater TMA Trade Area. This modest level of rental rates is indicative of the condition, quality, and underlying economics of the subject's retail market. While this does not portend well for assessing current market conditions, it can be very supportive of redevelopment opportunities as discussed in more detail below.

Figure 40: Retail Asking NNN Rental Rates: 2006-2Q 2014 - Miami-Dade County, Greater TMA Trade Area and the CRA Target Market Area

Source: Costar

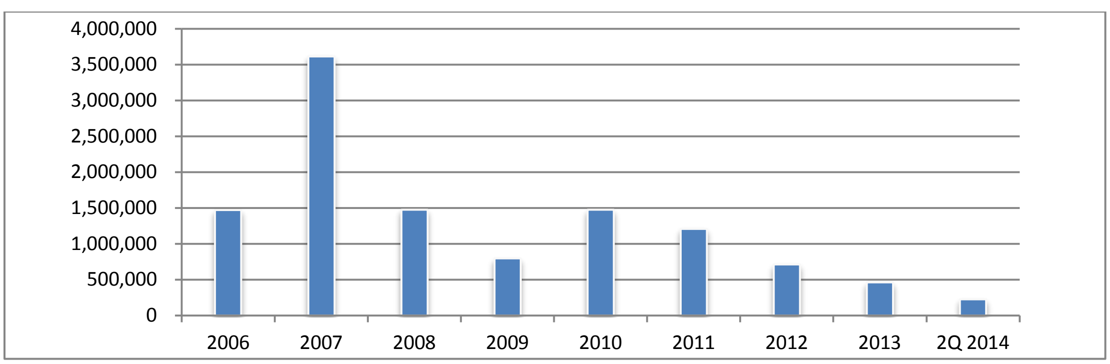


The analysis of net absorption is a very important component of any commercial space demand analysis, as it is the key barometer for understanding timing associated with new development. At the outset, we believe it's important to gain insight into long term absorption trends, narrowing into more recent activity.

Miami-Dade County absorbed approximately 11.46 million square feet of retail space (net) over the 8.5 year reporting period, equal to an annual average of 1.35 million square feet from 2006 to the 2nd Quarter 2014. The strongest year for retail leasing was 2007, when Miami-Dade absorbed 3.62 million square feet, while the weakest was 2013 with the absorption for the county estimated at 463,540 square feet. Net absorption of retail space in Miami-Dade has declined each year since 2010, as summarized in the following tables. For 2014 thus far (through the 2nd Quarter), Miami-Dade County has absorbed 228,500 square feet, putting it on pace for 457,000 net square feet absorbed for the year.

Figure 41: Annual Retail Net Sq. Ft. Absorption: 2006-2Q 2014 - Miami-Dade County

Source: Costar



Over the 8.5 year reporting period, from 2006 to the 2nd Quarter 2014, the Greater TMA Trade Area had a positive net absorption of 263,000 square feet of retail space, equal to an annual average of 30,000 square feet. Although activity has slowed somewhat during the past two years (eight quarterly periods) with slightly more than 70,000 square feet of net absorption.

The CRA Target Market Area had net positive absorption of 223,000 square feet over the past 8.5 years, which is the lion's share the broader trade area. During the past two years (eight quarterly periods), there has been very little activity amounting to a total 26,000 square feet of net absorption. This is due in part to the lack of available space within the area, along with an aging inventory that likely requires considerable capital improvements to provide retail space readily available for occupancy.

The figure below compares annual net absorption of retail space in the Greater TMA Trade Area and the NW 79th Street CRA Target Market Area from 2006 to the 2nd Quarter 2014. Thereafter, the following figure shows net absorption in in the Greater TMA Trade Area and the CRA Target Market Area as a share of Miami-Dade County annually from 2006 to the 2nd Quarter 2014.

Figure 42: Annual Retail Net Sq. Ft. Absorption: 2006-2Q 2014 – Greater TMA Trade Area and CRA Target Market Area

Source: Costar

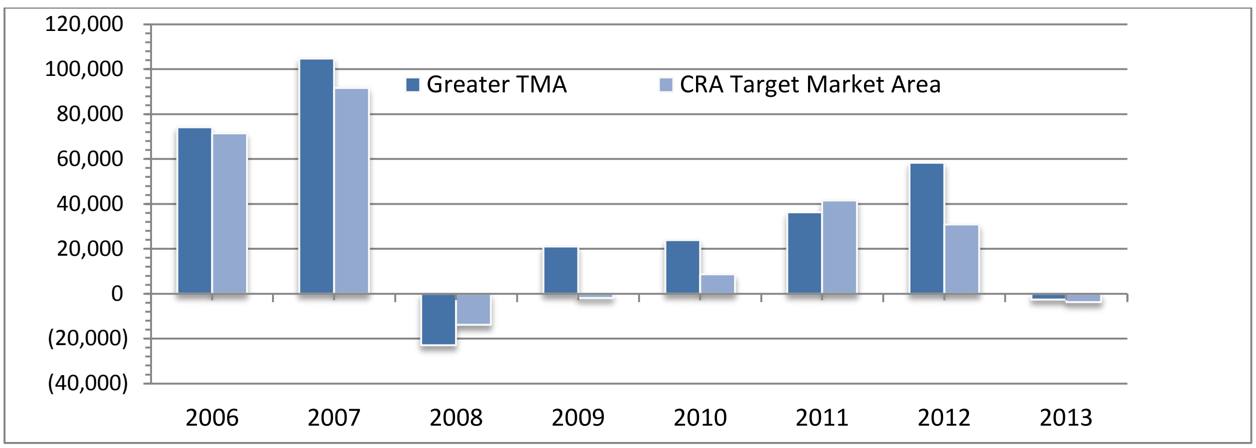


Figure 43: Annual Retail Net Sq. Ft. Absorption and Market Share: 2006-2Q 2014 – Greater TMA Trade Area and CRA Target Market Area

Source: Costar

	Miami Dade	Greater TMA		CRA TMA	
Year	*Net SF Absorbed*	*Net SF Absorbed*	*% County*	*Net SF Absorbed*	*% County*
2006	1,472,000	74,091	5.0%	71,391	4.8%
2007	3,616,345	104,773	2.9%	91,710	2.5%
2008	1,479,300	-22,997	-1.6%	-13,912	-0.9%
2009	797,400	21,050	2.6%	-1,835	-0.2%
2010	1,475,800	23,887	1.6%	8,578	0.6%
2011	1,211,249	36,217	3.0%	41,564	3.4%
2012	713,800	58,332	8.2%	30,883	4.3%
2013	463,540	-2,547	-0.5%	-3,724	-0.8%
2Q 2014	228,500	12,549	5.5%	-1,008	-0.4%
Total	**11,457,934**	**305,355**	**2.7%**	**223,647**	**2.0%**
8.5 Year Annl.Avg	1,347,992	53,588	3.98%	22,772	1.69%

There are only two significant shopping centers in the CRA Target Market Area, and one of which is a Flea Market. The largest shopping center, by far, is the Northside Shopping Center, located at 7900 NW 27th Avenue (at the northwest corner of NW 79th Street and 27th Avenue). The shopping center is a 452,450 square feet community shopping center anchored by Presidente Supermarket, Dot's Fashion, Foot Locker, Payless Shoes, Dollar Tree, and Walgreens.

The next largest center is the Miami Merchants Mart (also known as Flea Market USA). Located at 3017 NW 79th Street, this 217,450 square foot enclosed flea market features a variety of vendors, services and a food court. They are closed on Monday and Tuesday. Other than those two centers, most other retail is small strip centers, stand-alone retail, including two stand-alone family Dollar Stores and fast food restaurants.

As part of our analysis of the retail market in the CRA Target Market Area, Lambert identified significant retail centers in relative proximity to the CRA (or a roughly 3 to 6 mile radius). These centers, along with the two significant centers in the CRA Target Market are presented in the following Table. In addition to the name and location of each center, there is reference to direction, distance and drive time from the CRA, where distance and drive time were estimated from within the CRA at the intersection of NW 79th Street and NW 22nd Avenue, which we essentially utilize as the center-point for uniform distance measurement around the district. We have included this particular drive time indicator to provide a sense of timing from each of the centers to the core of the CRA Target Market Area.

Figure 44: MAJOR RETAIL CENTERS IN AN AROUND THE 79TH STREET TRADE AREA (Malls, Major Shopping Centers and Retailers and)

Source: Costar

Map Code	Name	Address	Distance, Drivetime & Direction	Est. Square Feet	Major Tenants
Inside the Trade Area					
1	Northside Shopping Center	7900 NW 27th Ave.	N/A	475,600	President Supermarket, DOTS Fashions, Foot Locker, Payless Shoes, Walgreens
2	Miami Merchant's Mart	3017 NW 79th Ave.	N/A	217,450	Flea Market
Outside the Trade Area					
3	Shops at Liberty City	1100 NW 54th St.	3+ miles, 8 minutes SE	82,420	Winn Dixe, Athelet's Foot, Payless Shoes, Radio Shack
4	Save-A-Lot	8890 NW 7th Ave.	3+ miles, 10 minutes SE	44,000	Save-A-Lot Supermarket
5	Biscayne Plaza	8020 NE 5th Ave.	3.4+ miles, 11 minutes SE	347,000	Tropical Supermarket, Family Dollar, dd's Discount
6	Shops at Midtown	3401 N. Miami Ave.	5.3+ miles, 13 minutes SE	645,000	Target, Walmart, PetSmart, Sports Authority, Ross Dress for Less, Marshalls,
7	Westland Promenade	3705 W. 20th Ave.	6.0+ miles, 18 minutes West	326,000	Big Lots, Office Max, Sports Authority, Chuck E. Cheese
8	Westland Mall	1675 W 49th St.	6.0+ miles, 20 minutes West	513,500	J.C. Penney's, Macy's, Aeropostale, Bath & Body Works, Champs Sports
(1) Distance, Drivetime & Direction From Trade Area from Intersection of NW 79th Street & NE 22 22nd Ave.					

As summarized above, there is very little in the way of larger, anchored shopping centers within a 3 mile radius of the subject's area, which would naturally be less when accounting for distance to periphery. Stretching out to the 5-6 mile radius, there are a few major center (and retailers) and namely Midtown and Westland Mall. These are major retail centers that sit outside of the boundary of the CRA Target Market Area, but may be close enough to leverage from as part of a strategic redevelopment plan for the area.

Two of the most significant retail centers located in proximity to the CRA Target Market Area includes The Shops at Midtown and the Westland Mall. The Shops at Midtown is located 3+ miles and a 8+ drive time southeast of the CRA Target Market Area It is a 645,000 square feet regional/power center that includes "big box" discount departments stores Target and Wal-Mart and an array of other "category killer" retailers including, for example, PetSmart, Ross Dress for Less, Marshall's, Home Goods and West Elm. The Westland Mall is located 6+ miles and an 18 minute drive time west of the CRA Target Market Area. The mall is anchored by J.C. Penney's, and Macy's.

The forthcoming opening to the new Wal-Mart located at N.W. 32nd Avenue and N.W. 79th Street, is a key indicator of the gap in retail supply within the CRA Target Area by virtue of the fact that Wal-Mart ordinarily draws from a 3+ mile radius. Importantly, the addition of Wal-Mart presents both opportunities and challenges to the retail redevelopment strategy for the N.W. 79th Street CRA as discussed in following sections.

4b. Estimate of Retail Demand

As discussed in Section 1, Lambert has defined the CRA N.W. 79th Street Target Market Area based upon boundaries for the Target Market Area which is considered to represent the area from which we believe businesses will draw patrons for food and beverage establishments, local stores and boutiques, and specialty businesses on a regular basis. While retail trade area boundaries are ordinarily defined by drive times, the boundaries set forth herein consider drive time, proximity to surrounding competitive commercial nodes, and have clear delineation around Census Block Groups to allow for comprehensive economic and demographic analyses. We clearly recognize that the Trade Area described herein is not the only area from which the Target Market area and retailers will draw patrons. The *Lambert Advisory Retail Trade Model* takes into account expenditures by residents outside the retail Trade Area by utilizing inflow factors, as described in detail below. We have estimated demand for the current year and for 2019. Importantly, the retail trade model is not represented as an exact science; rather, it is a measurement for generally defining household expenditure capacity within a defined trade area, as well as an indicator for observing if there is an over or under supply of retail goods and services within that area. Lastly, the retail trade model is most effective at when it encompasses a larger area and for which there is a relevant basis for evaluating supply and demand. Therefore, it is not ordinarily used for a specific property or smaller node (such as the Poinciana and the N.W. 18th Street corridor) as the opportunity for retail redevelopment within these highly defined locations will be based upon their potential capture of surrounding demand.

Local residents' expenditures are the primary potential driver of demand for retailers within the Target Market Area's retail trade area. Although utilizing large amounts of data from a variety of sources, the way the retail trade model derives the estimated space demand is actually quite simple. The methodology is described in detail below.

Total Personal Income – For this analysis, we are assuming that population has experienced modest growth since 2010, and have set the 2014 base population for the Target Market retail trade area at approximately 97,000 residents, with an average per capita income of approximately $13,500 (distinct from average household income), which yields $1.3 billion in total personal income.

Total Non-Auto Retail Expenditure – An estimate of non-automobile retail expenditure for the Trade Area is made by multiplying the Total Personal Income by the percent of income that is spent on non-auto retail purchases in a given year. The percent of household income spent on non-auto retail purchases was derived from the Department of Commerce 2009-2010 Consumer Expenditure Survey (Southern Region), which is both region- and income cohort-specific based upon data from the Department of Commerce, and residents are estimated to spend nearly 33 percent of their income on non-auto related retail goods. This yields total annual non-auto retail expenditure for the Greater TMA Trade Area at $427 million.

Expenditure by Store Type – Non-auto expenditure by store type for the market area is estimated using the percentage of total non-auto store sales by store type for the State of Florida (as a proportion of total non-auto sales) based on an analysis of the 2007 Census of Retail Trade. County level data is available to some degree but many retail categories are not separable due to the fact that the Census Bureau maintains limits on how much data is provided at the county level for categories where there are only a few competitors.

Primary Market Area Retention – This is estimated based upon fieldwork and experience, and is an estimate of the degree of leakage which may occur from the Target Market Area by store type. Merchandise categories such as shopper's goods (including convenience), food and beverage stores and health and personal care have relatively high retention rates given the mix of retail within the trade area, while other categories such as electronics, furniture and sporting goods is lower given the supply of these retail categories in areas outside of the Target Market Area (such as Midtown Miami).

Percent Sales Inflow from Secondary Market – While there is resident expenditure leakage from the Trade Area there is also inflow from residents that live outside the bounds of the Trade Area. This is accounted for in the resident model. However, additional inflow demand (albeit marginal) will come from non-resident daytime workers in the area, which are also accounted for in the model and into specific segment models detailed below.

Sales per Square Foot – The sales per square foot figures are estimated for stores in the Trade Area based on interviews and other sources of information, including but not limited to the Urban Land Institute's Dollars & Cents of Shopping Centers.

Warranted Square Feet – Is calculated using the following formula: Net Sales Potential (by category)/ Sales per Square Foot (by category).

Non-Retail Space – Is calculated assuming that there is an additional 10-15 percent of "retail" space demanded in traditional retail space that is utilized for non-retail uses such as doctor's offices, hair salons, or other personal services.

Figure 45: N.W. 79th Street CRA Target Market Area – Retail Trade Area Estimated Retail Demand (by Category)

Source: Lambert Advisory

	2014	2019	Change
Estimated Population	97,693	101,664	3,971
Per Capita Income	$13,500	$15,274	$1,774
Total Retail Expenditure Potential	$435,222,315	$512,428,342	$77,206,027
Expenditure Potential by Category			
Food Services & Drinking Places	$99,311,389	$116,928,679	$17,617,290
Shoppers Goods	$229,305,460	$269,982,978	$40,677,518
Convenience Goods	$174,769,963	$205,773,186	$31,003,223
Sales per Square Foot by Category			
Food Services & Drinking Places	$395	$395	$0
Shoppers Goods	$307	$307	$0
Convenience Goods	$347	$347	$0
Supportable Square Footage by Category			
Food Services & Drinking Places	251,421	296,022	44,601
Shoppers Goods	746,412	878,821	132,409
Convenience Goods	538,959	634,567	95,608
plus: Building Material & Garden Equipment	240,500	283,555	43,056
plus: Non-Retail Space (Services)	266,594	313,945	47,351
Total Supportable Retail Space	**2,043,886**	**2,406,911**	**363,025**

Based upon the retail trade area model, retail demand from resident expenditure (which accounts for inflow and outflow demand factors) is estimated to be 2.0 million square feet. This is regarded to be in line with total retail inventory estimated for the trade area as noted above (2.3 million). In some regard, some may view that the Trade Area is actually over-supplied with retail. However, accounting for a natural 5 percent vacancy (which is the mark for a very healthy retail area), and considering that more than 75 percent of the Trade Area's retail is more than 40 years old (and much of which is in fair to poor condition), there is actually a need for new supply which is likely what Wal-Mart viewed in its site location analysis.

As highlighted in the figure above, Food Services and Drinking Places category includes restaurants and bars and accounts for 12.5 percent of total retail demand. The Shoppers Goods category includes clothing, accessories, general merchandise, and miscellaneous goods such as sporting goods, books, toys, office supplies, art, fabric/sewing materials, and souvenirs (36 percent of total retail demand). The Convenience category, which accounts for 26 percent of total square footage demand, includes pharmacy, personal care products, and supermarket spending (e.g., groceries, cosmetics, prescription drugs, and optical goods).[4]

[4] Percentages are rounded; therefore, they do not add to 100%

Importantly, based upon the retail trade model, retail demand within trade area is estimated to increase by 360,000 square feet by 2019; however, a relatively large portion of this net new retail demand is being absorbed within the new Wal-Mart store, as well as support the repositioning of existing tenants that may shift out of the market as rental rates increase to more stabilized levels (in other words, businesses that are occupying space that has an extremely low rental rate). Regardless, the CRA Target Market Area is in a position to capture a share of the balance of future retail demand.

As a matter of fact, the new Wal-Mart will absorb lion's share of the 130,000 square feet of shopper's goods demand noted above, as well as a portion of the convenience 93,000 square feet of convenience goods. Considering this, we believe that the near term opportunity for the CRA Target Market Area is in the food and beverage places (dining establishments); particularly, if it can be positioned in close proximity to the new Wal-Mart where higher volume traffic and consumer activity will be drawn. National brand restaurants such as Appleby's, TGIF, Red Lobster, and Olive Garden are quality full-service restaurants that add value to the area, and upon which to leverage to attract other convenience retail and/or retail services (such as bank branches).

SECTION 5: OFFICE AND INDUSTRIAL MARKET HIGHLIGHTS

Although the focus of the economic and market analysis for the N.W. 79th Street corridor primarily focuses on the housing and retail strategies, the strategic recommendations for the study area naturally take into account trends and impacts from other uses such as office and industrial development. In this case in particular, the industrial market is a notable use within the CRA Target Market Area, and surrounding trade area.

5a. Industrial Market Summary

According to Costar, Miami-Dade County's industrial market comprises a total 229 million square feet of space, that is currently 94.4 percent occupied and achieving overall asking lease rents of $8.38. Approximately 95 percent of the overall industrial market is warehouse space, 5 percent is flex-space.[5]

For the Greater TMA Trade Area, there is 11.5 million square feet of industrial space, and encompasses portions of the Hialeah submarket. The market is currently 93.4 percent occupied, with average asking NNN lease rates of $5.92.

Specific to the CRA Target Market Area, there is 4.7 million square feet of industrial space, which includes a portion two submarkets: Hialeah and Central Miami. As of the 2nd Quarter 2014, the industrial market is reporting a very stable 97 percent occupancy rate, with asking NNN lease rates of approximately $7.00 per square foot. Historically, the CRA Target Market Area industrial has been relatively strong, with occupancy that dipped to 93 percent during the lowest period (in 2010) following the recession.

Similar to that of the housing and retail, there has been very limited new industrial development in the last several years. To that, only 137,000 square feet of space has been built since 1980, and the largest of which was a 32,000 square foot building in 2004. Accordingly, most of the industrial buildings within the CRA Target Market Area are relatively smaller in size (or less than 50,000 square feet). There is one major industrial facility, which is a 500,000 square foot complex (located at 7100 N.W. 32nd Avenue), with a small sample of other larger facilities including: EconoCaribe Consolidators Building (165,000 square feet), Unitech Industries (82,000 square feet) and Builders Depot (55,000 square feet).

As noted above, the strategic planning initiative herein for the CRA Target Market is not focused on expanding the industrial base; however, it is a relevant use within the study area and effort to support, enhance, and/or improve industrial facilities and there surrounding environments would be a beneficial effort to the overall revitalization plan.

[5] Flex space is generally defined as light industrial warehouses being converted to open area office space and catering to businesses such as new dotcoms, mechanic shops, construction. (ie. plumbing, pest, electrical), and sometimes churches and related services.

5b. Office Market Summary

There is effectively no office market that currently exists within the CRA Target Market Area. Costar identifies 15 office buildings comprising a total 57,000 square feet of space – this in relation to Miami Dade County's office market that exceeds 100 million square feet, or even some of the County's smallest office submarkets such as Coconut Grove, with 1.9 million square feet.

For this analysis, the office sector has marginal impact on the overall strategic planning effort. However, it is important to note that as part of a broader mixed use planning effort in the longer term, office space can be a solid supporting use that can serve the local community with smaller professional, social/civic, and other business services.

SECTION 6: DISCUSSION OF SELECT STRATEGIC NODES/CORRIDOR

During the course of our work for the N.W. 79th Street CRA Target Market Area study, NHSSFL inquired about a few select Strategic Node/Corridors within the Study area. There are three specific nodes/corridors that have been included herein and referred to as: Poinciana Park Nodal Area; N.W. 18th Avenue Corridor; and Northside Shopping Center Vacant Parcel.

The strategic opportunities and challenges for these select areas are directly tied to the economic, demographic and real estate market trends that have been established in the preceding sections of this report. At this point, the discussion and analysis of the select three nodes/corridors is not intended to provide NHSSFL with a detailed development program; rather, it is to provide an overview of each area, as well as highlight the opportunities and constraints associated with their redevelopment.

A summary of the three areas' follows:

6a. Poinciana Park Nodal Area

The Poinciana Park Nodal Area (Poinciana Park), as defined by NHSFF, is a roughly 115 acre section of the 79th Street Target Market Area. Poinciana Park is bounded by NW 79th Street to the north, NW 22nd Avenue to the east. The Florida East Coast Railroad tracks form the southern boundary, while NW 27th Avenue forms the western boundary. The map following illustrates the boundaries of the Poinciana Park Study Area, which is outlined in red. *Note, the aerial used in the following maps is from 2011 and is not current which is the latest aerial map provided by ESRI's ArcGIS.*

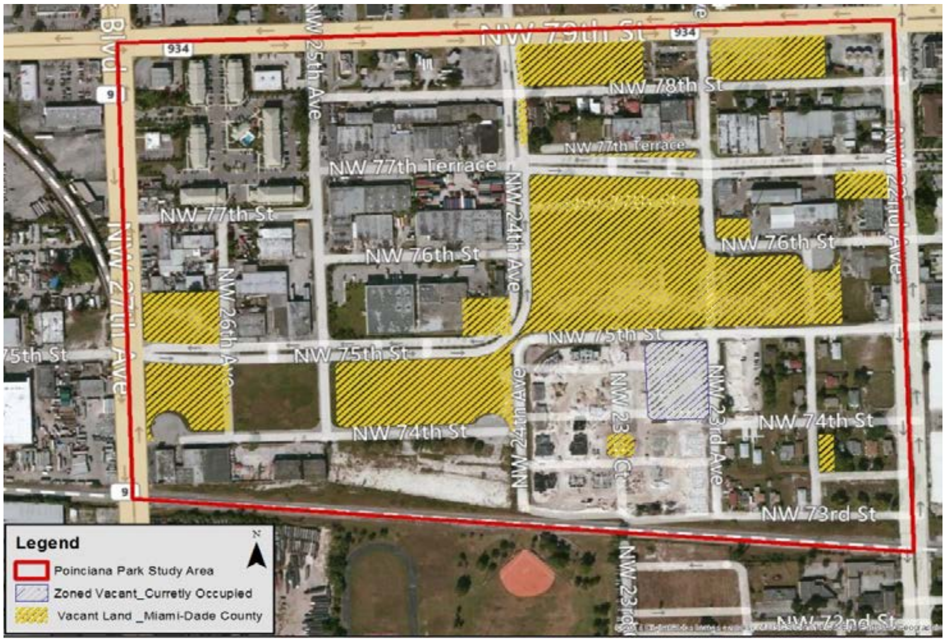
Figure 46: Poinciana Park Study Area Map

Poinciana Park is characterized by mostly residential and industrial uses, as well as a large amount of vacant land. Notably, it is Poinciana Park is the nodal area that is the home to the newly developed North Park at Scott Carver, a master planned community apartment community (and discussed in preceding sections). According to 2011 data from the Census Center for Economic Studies, approximately 50 percent of private-sector employees who work within the Poinciana Park area primarily work in the Manufacturing sector. LEASA Industries Co., Inc., a 19,000 square foot food manufacturing plant within the nodal area employs approximately 50 persons.

According to the Miami-Dade County Property Appraiser's Tax Roll data, Miami-Dade County owns roughly 50 percent of the land within Poinciana Park, 22.6 acres of which are currently vacant. It is presumed that a large portion this available land will be developed by Miami Dade County's Public Housing and Community Development Department. The following map displays the location of vacant land within the Poinciana Park Study Area that is owned by Miami-Dade County.

Figure 47: Vacant Government Land

Source: Miami-Dade County Property Appraiser, ESRI ArcGIS



Poinciana Park also contains 5.2 acres of vacant industrial land spread among several properties and owned privately, 2.3 acres of vacant residential land owned privately, and 1.6 acres of vacant commercial land for which the majority is privately owned. The following map highlights these industrial commercial and residential properties.

Figure 48: Residential, Industrial and Commercial Vacant Land

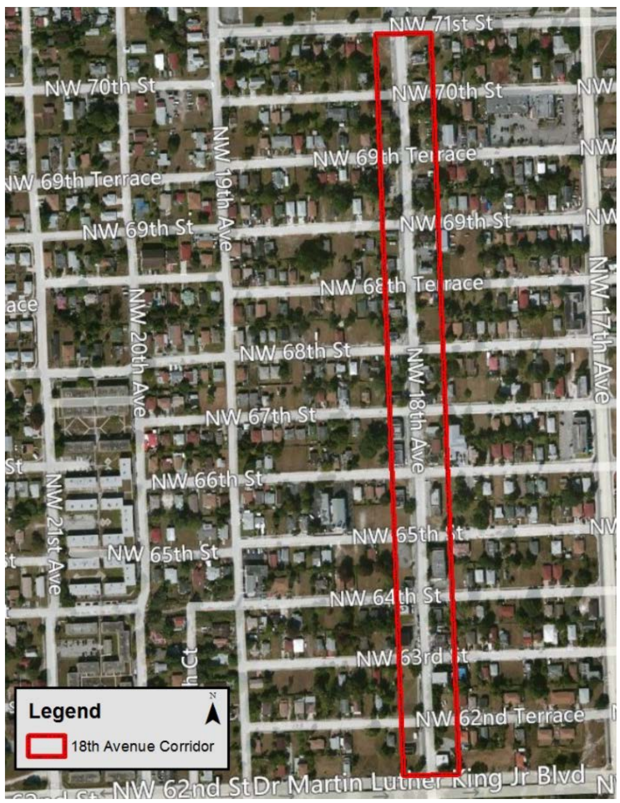
Source: Miami-Dade County Property Appraiser, ESRI ArcGIS

Based upon the economic and market findings, at this point, the housing development has very limited exposure directly along N.W. 27th Avenue, with no community presence. Given Miami Dade County's ownership of parcels at the intersection of N.W. 27th Avenue and N.W. 75th Street, there may be an opportunity to the NW 27th Avenue corridor with retail along its frontage, and continued townhome and multi-family development within the infill sites including homeownership product.

6b. N.W. 18th Avenue Corridor

The NW 18th Avenue corridor is a 9-block stretch along N.W . 18th Avenue between NW 62nd and NW 71st Streets. At one point in time, N.W. 18th Avenue served as a "backbone" to the surrounding residential community. It has since fallen into a state of disrepair, though activity still remains.

Figure 49: NW 18th Avenue Corridor Map



The corridor is surrounded by residential areas, and characterized by mostly vacant land, with some businesses located along NW 18th Avenue. These businesses include several small grocery/convenience stores, dry cleaner/laundry, hair salon and the Elks Lodge. The Corridor contains approximately 133 parcels which add up to 7.4 acres of land in total. Miami-Dade County owns 20 parcels along NW 18th Avenue, all of which is vacant land.

There are approximately 63 vacant commercial parcels along NW 18th Avenue, which is 47.4 percent of the total parcels in the Corridor, or 3.04 acres of vacant commercial land. The corridor also contains 8 vacant residential parcels. In total, 91 out of 133 parcels are vacant, an overwhelming 68.4 percent of the total parcels in the Corridor. The following map displays the location of the various vacant parcels along NW 18th Avenue.

Figure 50: NW 18th Avenue Vacant Parcel Map

Sources: Miami-Dade County Property Appraiser, ESRI ArcGIS

NHSSF has completed at least two previous studies for this specific corridor in 2011 and 2013 prepared by Miami Dade County. In 2011, the recommendation was "no additional commercial square footage along the N.W. 18th Avenue corridor is warranted." In 2013, the study is more design-oriented without any market based recommend specifically cited to support the design initiatives. The fact is, Northwest 18th Avenue in its current condition is not a viable commercial corridor – as least currently or during the near term. There are numerous vacant residential parcels, and for which there does not appear to be a single owner with relatively large control. This makes the redevelopment opportunity extremely difficult at least from a uniform approach. Accordingly, without assimilation of large parcels, the ability to develop measurable and viable commercial development is increasingly complicated given the small parcel configurations, shallow parcel depths and the ability thereof to provide adequate parking. At this point, the only recommendation is to consider assistance to consider assistance to improve the commercial buildings and enhancements to open space.

6c. Northside Shopping Center Vacant Parcel

The Northside Shopping Center Vacant Parcel (Northside) is approximately 4.4 acres located at 2795 NW 84th Street.

Figure 51: Northside Shopping Center Vacant Parcel Map

Source: Miami-Dade County Property Appraiser

The parcel was purchased along with the Northside Shopping Center in 2010, for a total $18 million; or $40 per square foot of existing leasable building area. For measurement, the purchase price for the existing building alone is more than 75 percent below the cost to replace the shopping center with a new structure. Regardless, the vacant parcel is positioned just north of the shopping center and is zoned for high density multi-family residential (up to 270± units). This would be a strong location for this type of use, the challenge being whether or not it is affordable housing or market rate housing.

APPENDIX

APPENDIX 1

Summary of Multi-family Residential Housing Demand Analysis

(Greater TMA Trade Area and CRA Target Market Area)

N.W. 79th Street CRA Target Market Area
Multifamily Housing Demand Projections (Market Rate Housing)
2014 through 2023

		2010	2011	2012	2013	2014	2015	2020	2021	2022	2023	Change
Population (Greater TMA Trade Area)		94,628	95,385	96,148	96,917	97,693	98,474	102,477	103,296	104,123	104,956	8,039
Total Households		27,663	27,884	28,107	28,332	28,559	28,787	29,957	30,197	30,439	30,682	2,350
% Greater TMA HH w/Income > $45K (Future Demand)					30.0%	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*	
No. HH with Income > $45,000					8,500	8,568	8,636	8,987	9,059	9,132	9,205	705
SF, MF Dwelling		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Total Demand for New MF Dwelling Units		**27,663**	**27,884**	**28,107**	**8,500**	**8,568**	**8,636**	**8,987**	**9,059**	**9,132**	**9,205**	**705**
CRA TMA Mid Point Capture:	*e HH Capture:*				***25.0%***	*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*	
	Potential HH Demand:				**2,125**	**2,142**	**2,159**	**2,247**	**2,265**	**2,283**	**2,301**	
	Net New HH Annual Demand:				0	**17**	**17**	**1,244**	**18**	**18**	**18**	176
	Net New HH Cumulative Demand:				-	**17**	**34**	**122**	**140**	**158**	**176**	
Total Potential Annual Demand (Mid Point)		-	-	-	-	**17**	**17**	**1,244**	**18**	**18**	**18**	**176**
Total Potential Cumulative Demand (Mid Point)		-	-	-	-	**17**	**34**	**122**	**140**	**158**	**176**	

APPENDIX 2

Greater TMA Retail Trade Area Resident Demand Model

Resident Expenditure Estimate, By Major Retail Category, NW 79th St. CRA Taget Market Area

	2014	2015	2016	2017	2018	2019
Total Population	97,693	98,475	99,262	100,056	100,857	101,664
Per Capita Income	$13,500	$13,838	$14,183	$14,538	$14,901	$15,274
Total Income	$1,318,855,500	$1,362,641,503	$1,407,881,200	$1,454,622,856	$1,502,916,335	$1,552,813,158
% of Total Income Expended on Non-Auto Retail Expenditure	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Total Non-Auto Retail Expenditure	$435,222,315	$449,671,696	$464,600,796	$480,025,543	$495,962,391	$512,428,342

Distribution by Store Type - 2007 Census; Miami DadeCounty

Expenditure by Store Type - Detail

	2014	2015	2016	2017	2018	2019
General merchandise stores	**$ 77,969,660**	**$ 80,558,253**	**$ 83,232,787**	**$ 85,996,116**	**$ 88,851,187**	**$ 91,801,046**
Department stores	$ 33,765,149	$ 34,886,152	$ 36,044,372	$ 37,241,045	$ 38,477,448	$ 39,754,899
Other general merchandise stores	$ 44,204,512	$ 45,672,101	$ 47,188,415	$ 48,755,070	$ 50,373,739	$ 52,046,147
Clothing & clothing accessories stores	**$ 40,250,926**	**$ 41,587,257**	**$ 42,967,954**	**$ 44,394,490**	**$ 45,868,387**	**$ 47,391,218**
Clothing stores	$ 29,493,209	$ 30,472,383	$ 31,484,067	$ 32,529,338	$ 33,609,312	$ 34,725,141
Men's clothing stores	$ 1,601,711	$ 1,654,888	$ 1,709,830	$ 1,766,597	$ 1,825,248	$ 1,885,846
Women's clothing stores	$ 6,295,640	$ 6,504,655	$ 6,720,610	$ 6,943,734	$ 7,174,266	$ 7,412,452
Children's & infants' clothing stores	$ 1,696,141	$ 1,752,453	$ 1,810,635	$ 1,870,748	$ 1,932,856	$ 1,997,027
Family clothing stores	$ 16,416,955	$ 16,961,998	$ 17,525,137	$ 18,106,971	$ 18,708,123	$ 19,329,232
Clothing accessories stores	$ 1,002,433	$ 1,035,714	$ 1,070,099	$ 1,105,627	$ 1,142,334	$ 1,180,259
Other clothing stores	$ 2,480,328	$ 2,562,675	$ 2,647,756	$ 2,735,661	$ 2,826,485	$ 2,920,324
Shoe stores	$ 5,663,615	$ 5,851,647	$ 6,045,922	$ 6,246,647	$ 6,454,035	$ 6,668,309
Jewelry, luggage, & leather goods stores	$ 5,094,102	$ 5,263,226	$ 5,437,965	$ 5,618,506	$ 5,805,040	$ 5,997,768
Jewelry stores	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Luggage & leather goods stores	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Furniture & home furnishings stores	**$ 24,982,722**	**$ 25,812,148**	**$ 26,669,111**	**$ 27,554,526**	**$ 28,469,336**	**$ 29,414,518**
Furniture stores	$ 15,433,001	$ 15,945,377	$ 16,474,764	$ 17,021,726	$ 17,586,847	$ 18,170,730
Home furnishings stores	$ 9,549,720	$ 9,866,771	$ 10,194,348	$ 10,532,800	$ 10,882,489	$ 11,243,788
Floor covering stores	$ 3,135,587	$ 3,239,689	$ 3,347,247	$ 3,458,375	$ 3,573,193	$ 3,691,823
Other home furnishings stores	$ 6,414,133	$ 6,627,082	$ 6,847,101	$ 7,074,425	$ 7,309,296	$ 7,551,964
Electronics & appliance stores	**$ 24,456,366**	**$ 25,268,317**	**$ 26,107,225**	**$ 26,973,985**	**$ 27,869,521**	**$ 28,794,789**
Appliance, television, & other electronics stores	$ 19,919,355	$ 20,580,677	$ 21,263,956	$ 21,969,919	$ 22,699,320	$ 23,452,938
Computer & software stores	$ 4,284,717	$ 4,426,969	$ 4,573,945	$ 4,725,800	$ 4,882,696	$ 5,044,802
Camera & photographic supplies stores	$ 252,294	$ 260,670	$ 269,324	$ 278,266	$ 287,505	$ 297,050
Sporting goods, hobby, book, & music stores	**$ 11,903,605**	**$ 12,298,805**	**$ 12,707,125**	**$ 13,129,002**	**$ 13,564,885**	**$ 14,015,239**
Sporting goods, hobby, & musical instrument stores	$ 9,519,647	$ 9,835,700	$ 10,162,245	$ 10,499,632	$ 10,848,219	$ 11,208,380
Sporting goods stores	$ 5,899,229	$ 6,095,083	$ 6,297,440	$ 6,506,515	$ 6,722,531	$ 6,945,719
Hobby, toy, & game stores	$ 2,080,935	$ 2,150,022	$ 2,221,403	$ 2,295,154	$ 2,371,353	$ 2,450,082
Sewing, needlework, & piece goods stores	$ 483,577	$ 499,632	$ 516,220	$ 533,359	$ 551,066	$ 569,361
Musical instrument & supplies stores	$ 1,055,906	$ 1,090,962	$ 1,127,182	$ 1,164,605	$ 1,203,270	$ 1,243,218
Book, periodical, & music stores	$ 2,383,958	$ 2,463,105	$ 2,544,880	$ 2,629,370	$ 2,716,665	$ 2,806,859
Book stores & news dealers	$ 2,018,376	$ 2,085,386	$ 2,154,621	$ 2,226,155	$ 2,300,063	$ 2,376,425
Prerecorded tape, compact disc, & record stores	$ 365,582	$ 377,719	$ 390,259	$ 403,216	$ 416,602	$ 430,434
Miscellaneous store retailers	**$ 14,919,682**	**$ 15,415,016**	**$ 15,926,794**	**$ 16,455,564**	**$ 17,001,889**	**$ 17,566,351**
Florists	$ 780,212	$ 806,115	$ 832,878	$ 860,529	$ 889,099	$ 918,617
Office supplies, stationery, & gift stores	$ 6,750,872	$ 6,975,001	$ 7,206,571	$ 7,445,829	$ 7,693,031	$ 7,948,439
Office supplies & stationery stores	$ 4,399,802	$ 4,545,876	$ 4,696,799	$ 4,852,733	$ 5,013,843	$ 5,180,303
Gift, novelty, & souvenir stores	$ 2,351,069	$ 2,429,125	$ 2,509,772	$ 2,593,096	$ 2,679,187	$ 2,768,136
Used merchandise stores	$ 1,302,167	$ 1,345,399	$ 1,390,066	$ 1,436,216	$ 1,483,899	$ 1,533,164
Other miscellaneous store retailers	$ 6,086,432	$ 6,288,502	$ 6,497,280	$ 6,712,990	$ 6,935,861	$ 7,166,131
Pet & pet supplies stores	$ 2,170,089	$ 2,242,136	$ 2,316,575	$ 2,393,485	$ 2,472,949	$ 2,555,050
Art dealers	$ 575,144	$ 594,239	$ 613,968	$ 634,352	$ 655,412	$ 677,172
All other miscellaneous store retailers	$ 2,994,617	$ 3,094,038	$ 3,196,760	$ 3,302,893	$ 3,412,549	$ 3,525,845
Food & beverage stores	**$ 85,566,544**	**$ 88,407,354**	**$ 91,342,478**	**$ 94,375,048**	**$ 97,508,300**	**$ 100,745,575**
Grocery stores	$ 80,688,725	$ 83,367,590	$ 86,135,394	$ 88,995,090	$ 91,949,727	$ 95,002,457
Supermarkets & other grocery (except convenience) stores	$ 77,226,904	$ 79,790,837	$ 82,439,893	$ 85,176,897	$ 88,004,770	$ 90,926,528
Convenience stores	$ 3,461,821	$ 3,576,754	$ 3,695,502	$ 3,818,193	$ 3,944,957	$ 4,075,929
Specialty food stores	$ 2,031,200	$ 2,098,636	$ 2,168,311	$ 2,240,299	$ 2,314,677	$ 2,391,524
Beer, wine, & liquor stores	$ 2,846,619	$ 2,941,127	$ 3,038,772	$ 3,139,660	$ 3,243,896	$ 3,351,594
Food services & drinking places	**$ 68,966,242**	**$ 71,255,921**	**$ 73,621,618**	**$ 76,065,856**	**$ 78,591,242**	**$ 81,200,471**
Full-service restaurants	$ 35,150,317	$ 36,317,308	$ 37,523,043	$ 38,768,808	$ 40,055,932	$ 41,385,789
Limited-service eating places	$ 24,557,373	$ 25,372,678	$ 26,215,051	$ 27,085,391	$ 27,984,626	$ 28,913,715
Drinking places	$ 4,009,969	$ 4,143,100	$ 4,280,651	$ 4,422,768	$ 4,569,604	$ 4,721,315
Health & personal care stores	**$ 43,892,687**	**$ 45,349,924**	**$ 46,855,542**	**$ 48,411,146**	**$ 50,018,396**	**$ 51,679,007**
Pharmacies & drug stores	$ 36,845,560	$ 38,068,832	$ 39,332,717	$ 40,638,564	$ 41,987,764	$ 43,381,758
Cosmetics, beauty supplies, & perfume stores	$ 2,387,602	$ 2,466,870	$ 2,548,770	$ 2,633,389	$ 2,720,818	$ 2,811,149
Optical goods stores	$ 1,868,155	$ 1,930,177	$ 1,994,259	$ 2,060,469	$ 2,128,876	$ 2,199,555
Other health & personal care stores	$ 2,791,371	$ 2,884,045	$ 2,979,795	$ 3,078,725	$ 3,180,938	$ 3,286,545
Home Centers, Paint & wallpaper stores, Hardware Stores	**$ 1,749,617**	**$ 1,749,617**	**$ 1,807,705**	**$ 1,867,720**	**$ 1,929,729**	**$ 1,993,796**
Building material & garden equipment & supplies dealers	**$ 42,313,879**	**$ 43,718,700**	**$ 45,170,161**	**$ 46,669,810**	**$ 48,219,248**	**$ 49,820,127**
Other building material dealers	$ 14,474,033	$ 14,954,571	$ 15,451,063	$ 15,964,038	$ 16,494,044	$ 17,041,646
Lawn & garden equipment & supplies stores	$ 1,256,383	$ 1,298,095	$ 1,341,192	$ 1,385,720	$ 1,431,726	$ 1,479,259
Outdoor power equipment stores	$ 447,968	$ 462,841	$ 478,207	$ 494,083	$ 510,487	$ 527,435
Nursery, garden center, & farm supply stores	$ 808,415	$ 835,255	$ 862,985	$ 891,636	$ 921,239	$ 951,824

Resident Expenditure Estimate, By Major Retail Category, NW 79th St. CRA Taget Market Area

Expenditure by Store Type - Summary	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
General merchandise stores	$ 77,969,660	$ 80,558,253	$ 83,232,787	$ 85,996,116	$ 88,851,187	$ 91,801,046
Clothing & clothing accessories stores	$ 40,250,926	$ 41,587,257	$ 42,967,954	$ 44,394,490	$ 45,868,387	$ 47,391,218
Furniture & home furnishings stores	$ 24,982,722	$ 25,812,148	$ 26,669,111	$ 27,554,526	$ 28,469,336	$ 29,414,518
Electronics & appliance stores	$ 24,456,366	$ 25,268,317	$ 26,107,225	$ 26,973,985	$ 27,869,521	$ 28,794,789
Sporting goods, hobby, book, & music stores	$ 11,903,605	$ 12,298,805	$ 12,707,125	$ 13,129,002	$ 13,564,885	$ 14,015,239
Home Centers, Paint & wallpaper stores, Hardware Stores	$ 1,749,617	$ 1,749,617	$ 1,807,705	$ 1,867,720	$ 1,929,729	$ 1,993,796
Miscellaneous store retailers	$ 14,919,682	$ 15,415,016	$ 15,926,794	$ 16,455,564	$ 17,001,889	$ 17,566,351
Shoppers Goods Subtotal	**$ 196,232,579**	**$ 202,689,413**	**$ 209,418,702**	**$ 216,371,403**	**$ 223,554,933**	**$ 230,976,957**
Food & beverage stores	$ 85,566,544	$ 88,407,354	$ 91,342,478	$ 94,375,048	$ 97,508,300	$ 100,745,575
Food services & drinking places	$ 68,966,242	$ 71,255,921	$ 73,621,618	$ 76,065,856	$ 78,591,242	$ 81,200,471
Health & personal care stores	$ 43,892,687	$ 45,349,924	$ 46,855,542	$ 48,411,146	$ 50,018,396	$ 51,679,007
Convenience Goods Subtotal	**$ 198,425,474**	**$ 205,013,200**	**$ 211,819,638**	**$ 218,852,050**	**$ 226,117,938**	**$ 233,625,053**
Building material & garden equipment	**$ 40,564,262**	**$ 41,969,083**	**$ 43,362,456**	**$ 44,802,090**	**$ 46,289,519**	**$ 47,826,331**
Primary Market Area Retention						
General merchandise stores	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Clothing & clothing accessories stores	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Furniture & home furnishings stores	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Electronics & appliance stores	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Sporting goods, hobby, book, & music stores	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Home Centers, Paint & wallpaper stores, Hardware Stores	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Miscellaneous store retailers	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Food & beverage stores	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Food services & drinking places	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Health & personal care stores	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Building material & garden equipment	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Inflow from Secondary Market						
General merchandise stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Clothing & clothing accessories stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Furniture & home furnishings stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Electronics & appliance stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Sporting goods, hobby, book, & music stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Home Centers, Paint & wallpaper stores, Hardware Stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Miscellaneous store retailers	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Food & beverage stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Food services & drinking places	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Health & personal care stores	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Building material & garden equipment	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Net Sales Potential						
General merchandise stores	$105,259,042	$108,753,642	$112,364,263	$116,094,756	$119,949,102	$123,931,412
Clothing & clothing accessories stores	$42,263,473	$43,666,620	$45,116,352	$46,614,215	$48,161,806	$49,760,778
Furniture & home furnishings stores	$26,231,858	$27,102,755	$28,002,567	$28,932,252	$29,892,803	$30,885,244
Electronics & appliance stores	$22,010,729	$22,741,485	$23,496,503	$24,276,586	$25,082,569	$25,915,310
Sporting goods, hobby, book, & music stores	$10,713,245	$11,068,924	$11,436,413	$11,816,102	$12,208,396	$12,613,715
Home Centers, Paint & wallpaper stores, Hardware Stores	$1,837,098	$1,837,098	$1,898,090	$1,961,106	$2,026,215	$2,093,485
Miscellaneous store retailers	$22,827,114	$23,584,974	$24,367,996	$25,177,013	$26,012,890	$26,876,518
Shoppers Goods Subtotal	**$229,305,460**	**$236,918,401**	**$244,784,092**	**$252,910,924**	**$261,307,567**	**$269,982,978**
Food & beverage stores	$115,514,835	$119,349,928	$123,312,345	$127,406,315	$131,636,205	$136,006,527
Food services & drinking places	$99,311,389	$102,608,527	$106,015,130	$109,534,832	$113,171,389	$116,928,679
Health & personal care stores	$59,255,128	$61,222,398	$63,254,981	$65,355,047	$67,524,834	$69,766,659
Convenience Goods Subtotal	**$274,081,351**	**$283,180,852**	**$292,582,457**	**$302,296,194**	**$312,332,428**	**$322,701,864**
Building material & garden equipment	**$30,423,197**	**$31,476,812**	**$32,521,842**	**$33,601,567**	**$34,717,140**	**$35,869,749**

Resident Expenditure Estimate, By Major Retail Category, NW 79th St. CRA Taget Market Area

Sales Per Square Foot	2014	2015	2016	2017	2018	2019
General merchandise stores	$300	$300	$300	$300	$300	$300
Clothing & clothing accessories stores	$330	$330	$330	$330	$330	$330
Furniture & home furnishings stores	$270	$270	$270	$270	$270	$270
Electronics & appliance stores	$350	$350	$350	$350	$350	$350
Sporting goods, hobby, book, & music stores	$280	$280	$280	$280	$280	$280
Home Centers, Paint & wallpaper stores, Hardware Stores	$260	$260	$260	$260	$260	$260
Miscellaneous store retailers	$330	$330	$330	$330	$330	$330
Shoppers Goods Subtotal	**$307**	**$307**	**$307**	**$307**	**$307**	**$307**
Food & beverage stores	$300	$300	$300	$300	$300	$300
Food services & drinking places	$395	$395	$395	$395	$395	$395
Health & personal care stores	$385	$385	$385	$385	$385	$385
Convenience Goods Subtotal	**$347**	**$347**	**$347**	**$347**	**$347**	**$347**
Building material & garden equipment	**$127**	**$127**	**$127**	**$127**	**$127**	**$127**
Average Per Square Foot Sales	**$300**	**$300**	**$300**	**$300**	**$300**	**$300**
Warranted Square Feet						
General merchandise stores	350,863	362,512	374,548	386,983	399,830	413,105
Clothing & clothing accessories stores	128,071	132,323	136,716	141,255	145,945	150,790
Furniture & home furnishings stores	97,155	100,381	103,713	107,156	110,714	114,390
Electronics & appliance stores	62,888	64,976	67,133	69,362	71,664	74,044
Sporting goods, hobby, book, & music stores	38,262	39,532	40,844	42,200	43,601	45,049
Home Centers, Paint & wallpaper stores, Hardware Stores	7,066	7,066	7,300	7,543	7,793	8,052
Miscellaneous store retailers	69,173	71,470	73,842	76,294	78,827	81,444
Shoppers Goods Subtotal	**746,412**	**771,193**	**796,797**	**823,250**	**850,582**	**878,821**
Food & beverage stores	385,049	397,833	411,041	424,688	438,787	453,355
Food services & drinking places	251,421	259,768	268,393	277,303	286,510	296,022
Health & personal care stores	153,909	159,019	164,299	169,753	175,389	181,212
Convenience Goods Subtotal	**790,380**	**816,621**	**843,733**	**871,744**	**900,686**	**930,589**
Building material & garden equipment	**240,500**	**248,829**	**257,090**	**265,625**	**274,444**	**283,555**
Total Warranted Retail Space	**1,777,292**	**1,836,642**	**1,897,619**	**1,960,620**	**2,025,712**	**2,092,966**
Non-Retail Space (Services)	**266,594**	**275,496**	**284,643**	**294,093**	**303,857**	**313,945**
Non-Retail Percent	**15.00%**	**15.00%**	**15.00%**	**15.00%**	**15.00%**	**15.00%**
Total	**2,043,886**	**2,112,139**	**2,182,262**	**2,254,713**	**2,329,569**	**2,406,911**
Annual Net New Demand		**68,253**	**70,123**	**72,451**	**74,856**	**72,605**
Cumulative Net New Demand		**68,253**	**138,376**	**210,827**	**285,684**	**363,025**