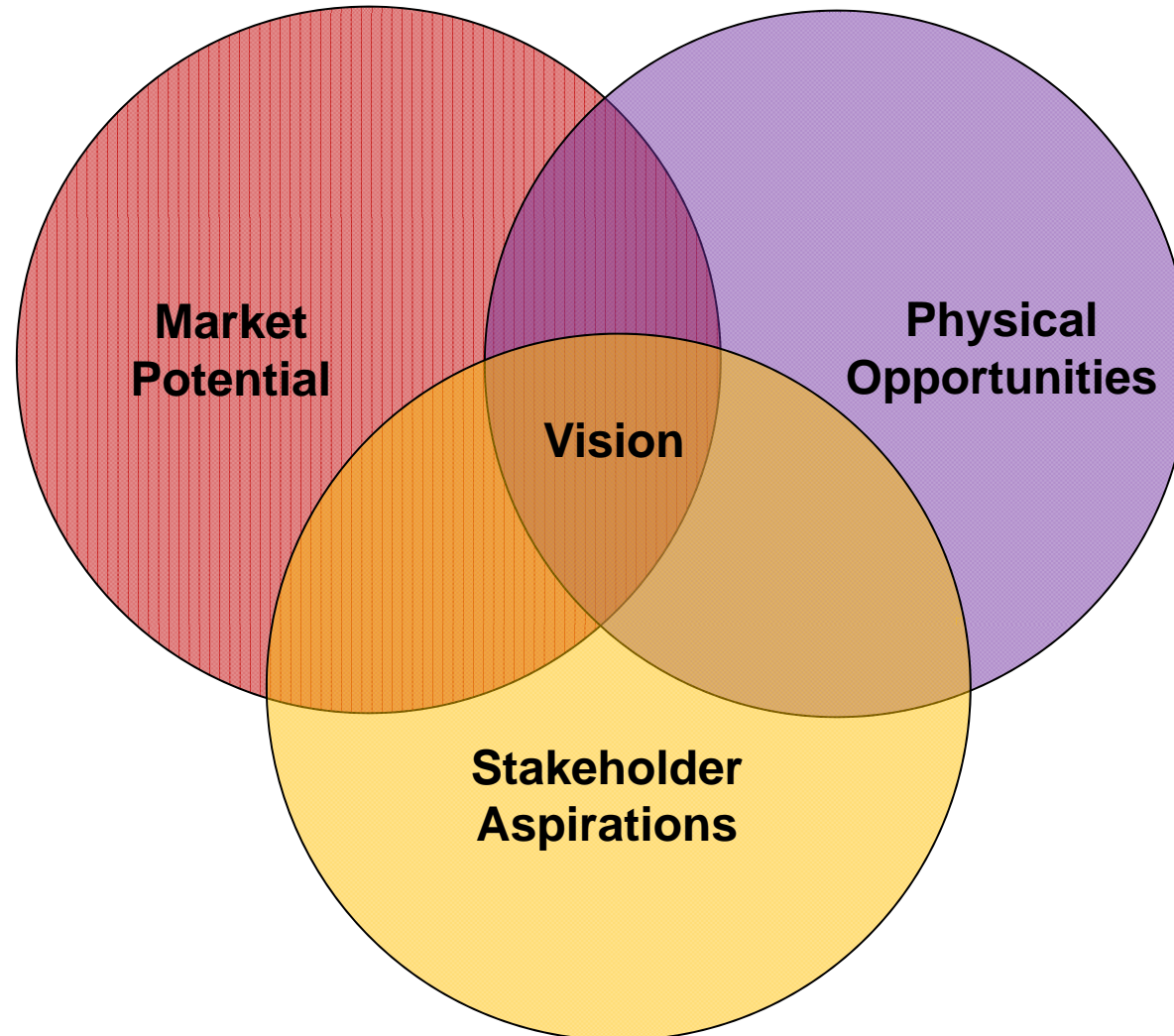
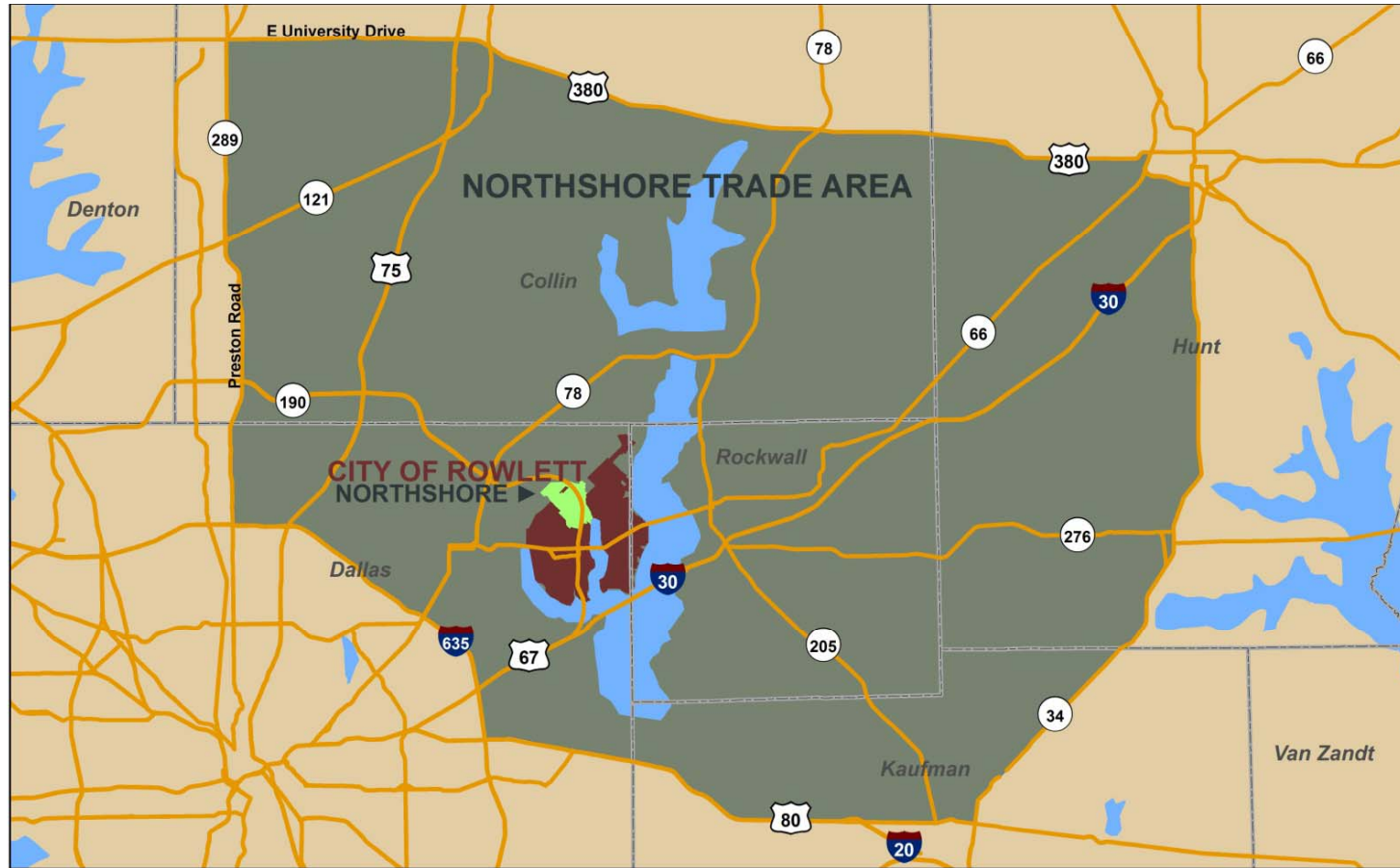


Market Potential

Project Planning Process



North Shore Trade Area



Northshore Trade Area Rowlett Municipal Boundary Northshore

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8200 South Quebec Street, Suite A3-104 - Centennial, CO 80112-4411



ROWLETT | NORTH SHORE MASTER PLAN

Rowlett JACOBS TOWNSCAPE
Rowlett, Texas

Trade Area Market Opportunity

Market Demand by Land Use

Land Use Type	Trade Area Demand (20 Year)
Residential (Units):	
Single Family Detached	28,500
Single Family Attached	15,300
Rental Apartments	14,700
Residential Total	58,500
Non-Residential (Sq Ft):	
Retail	15,258,500
Office	15,096,500
Industrial	24,232,400
Nonresidential Total	54,587,400
Total All Land Uses	

Source: Ricker | Cunningham.

Large Trade Area due to:

- Access to regional and interstate transportation network and transit (PGBT, I-30, DART)
- Land inventory both available and diminishing along major transportation corridors (US 75)
- Untapped market niches relative to demographics, psychographics and supply
- Development response to completion of PGBT – Rowlett now “eastern gateway to Metroplex” rather than “back door”



Market Forces – Office Development

Opportunity

- New State Farm development at PGBT and US 75 “moved the line southern line for new development”
- Limited inventory of available land under either a single or few owners, 50+ acres and zoned for something other than residential and / or retail
- Disconnect between demand for retail space (given industry needs) and municipal inventories of commercially-zoned land

Trends

- “Green” LEED credentials no longer an amenity, rather an expectation
- Finish and adaptability of flex office (industrial product) making this a more desirable product than Class B office for users
- Desire by corporate users to offer environment of co-uses for employees (e.g., State Farm)
- Hospital presence and limited inventory of developable lots in close proximity

Challenges

- “Changing face of office space” – ULI forecast that within the decade 100 psf per employee vs. 180 psf in 2014
- Much of available inventory is already obsolete given evolving needs of work space setting challenging perceptions of demand given supply
- Most development activity among build-to-suit users given limited availability of capital and extraordinary underwriting criteria
- Availability of capital for residential development

North Shore Offerings

- Limited number of owners allowing for significant assemblages
- Leadership commitment to long-term vision
- Fiscal challenges which require a larger inventory of income-producing and higher-value products
- Access and visibility along a major transportation corridor with access to transit and interstate system
- Market-supported vision



Market Forces – Office Images



Market Forces – Industrial Development

Opportunity

- Industrial products considered best development opportunity in 2014 (replacing apartments)
- Limited inventory of available land under either a single or few owners, 50+ acres and zoned for something other than residential and / or retail
- Expectation that manufacturing will keep Dallas / Fort Worth economy expanding – benefiting from high concentrations of technology, corporate headquarters operations, excellent distribution infrastructure and above-average population gains

Trends

- Growth of Generation Y's impact on real estate sectors – collaborative office space, close-in warehousing to ensure same-day delivery from on-line retailers (Enrichment Centers)
- Finish and adaptability of flex office (industrial product) making this a more desirable product than Class B office for users
- Desire by corporate users to offer environment of co-uses for employees (e.g., State Farm)

Challenges

- Vacant land with visibility and access, yet unimproved (infrastructure)
- Availability of capital for residential development
- Ensuring high quality sustainable products compatible with surrounding uses and priced appropriately for the market and product
- Balancing demand with long-term vision and diversity of product types

North Shore Offerings

- Acreage (once assembled) to support development of a business park (120+ acres)
- Leadership commitment to long-term vision (competitive communities giving into to “bird in the hand” opportunities)
- Fiscal challenges which require a larger inventory of income-producing and higher-value products
- Opportunity to be “eastern gateway to Metroplex” rather than “back door”



Market Forces – Industrial Images



Market Forces – Industrial Flex Images



Market Forces – Retail Development

Opportunity

- High population growth in Texas markets – a rate more than double the national average at 78,000 new residents each year
- Local experience with packaging complex incentive agreements
- Adaptability of vacant land versus retrofit or infill sites

Trends

- Growth of Generation Y's impact on real estate sectors – close-in warehousing to ensure same-day delivery from on-line retailers (Enrichment Centers)
- Retailers' desire for more urban formats
- Greater involvement by retail tenants in types and terms of incentives
- Shorter bay-depths (given limited if any on-site inventory), more display space

Challenges

- Vacant land with visibility and access, yet unimproved (infrastructure)
- Availability of capital for residential development
- Much of available inventory is already obsolete given industry trends challenging perceptions of demand given supply
- Preserving visible and accessible uses for primary job users and supporting and smaller scale retail, rather than larger “boxes” with “limited shelf-life”
- “Clouds” left on retail leases which limit later phases
- Avoiding users and uses which could compete with other commercial concentrations within city

North Shore Offerings

- Parcels with access and visibility (5 minute drive from Merritt Road to US 75)
- Retail spending, yet revenue leakage
- Expanding daytime population
- Fiscal challenges which require a larger inventory of income-producing and higher-value products



Market Forces – Retail Images



Market Forces – Residential Development

Opportunity

- High population growth in Texas markets – a rate more than double the national average at 78,000 new residents each year
- Market analysis that shows less than one-quarter of existing residents residing in a residential product type that is their first choice
- Ample locations for traditional products in other locations of the city
- Mix of school districts – marginal and favorable

Trends

- Growth of Generation Y's impact on real estate sectors – more urban and less suburban, but less driving
- Demand / desire for smaller spaces (micro housing)
- Investment and development support for transit-accessible housing
- Corporate users desiring co-uses in the same environment (e.g., State Farm)

Challenges

- Availability of capital for residential development
- Pressure by merchant builders to deliver products, rather than market-supported neighborhoods
- Lag time between new neighborhood approvals and building which will serve to “prove up” market support for new and different housing types
- Familiarity with the “sins of the past” and fear of negative impacts
- Mix of school districts – marginal and favorable

North Shore Offerings

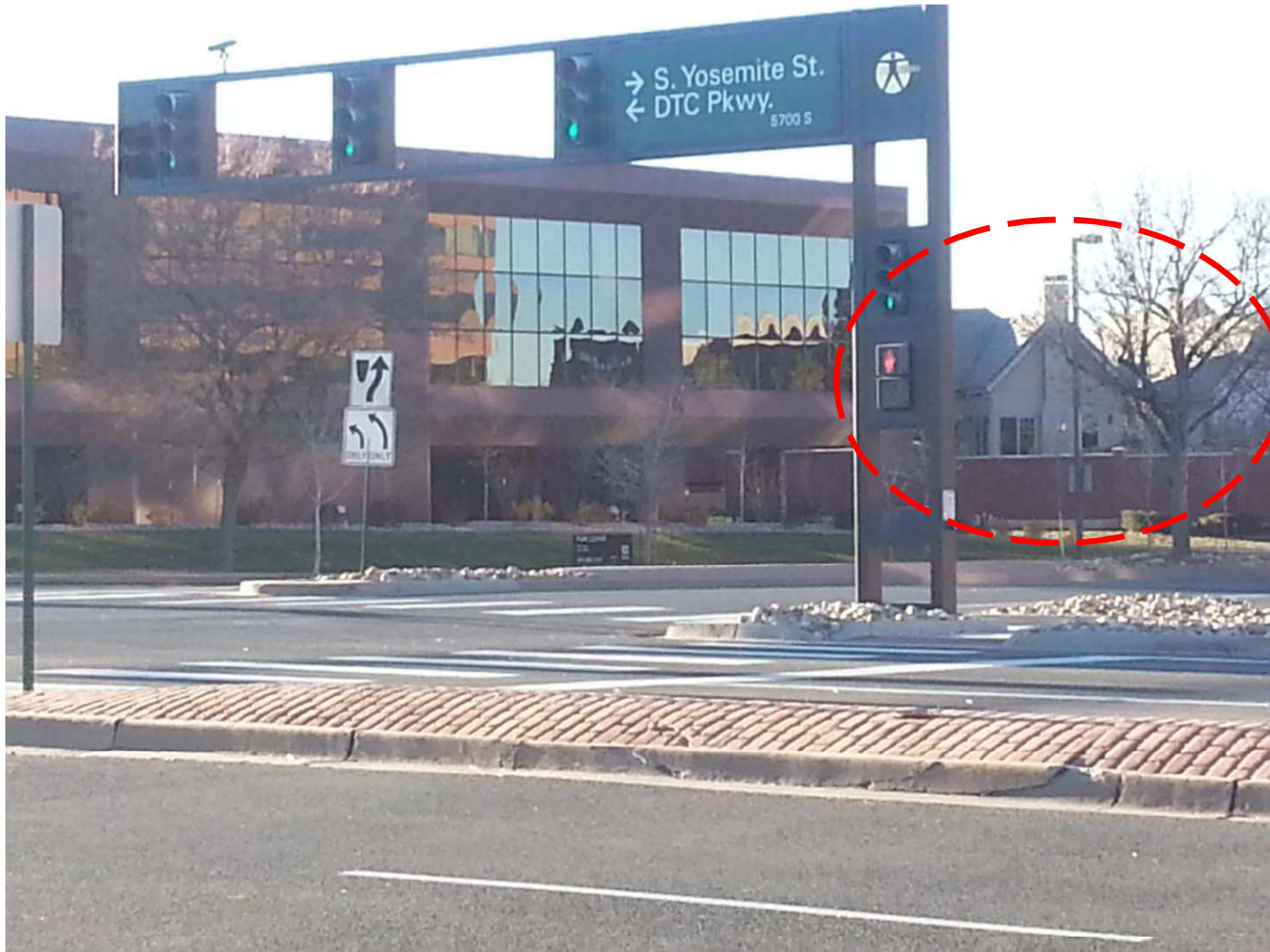
- Expressed vision for co-uses in the same setting
- Existing uses which will require transitional uses between established neighborhoods and non-residential uses
- Fiscal challenges which require a larger inventory of income-producing and higher-value products



Transitions Between Land Uses



Transitions Between Land Uses



Transitions Between Land Uses



Transitions Between Land Uses

