

Market Analysis

- Residential
- Office
- Retail
- Hotel
- Destination

Background

Comparably-Sized CBSAs 2005

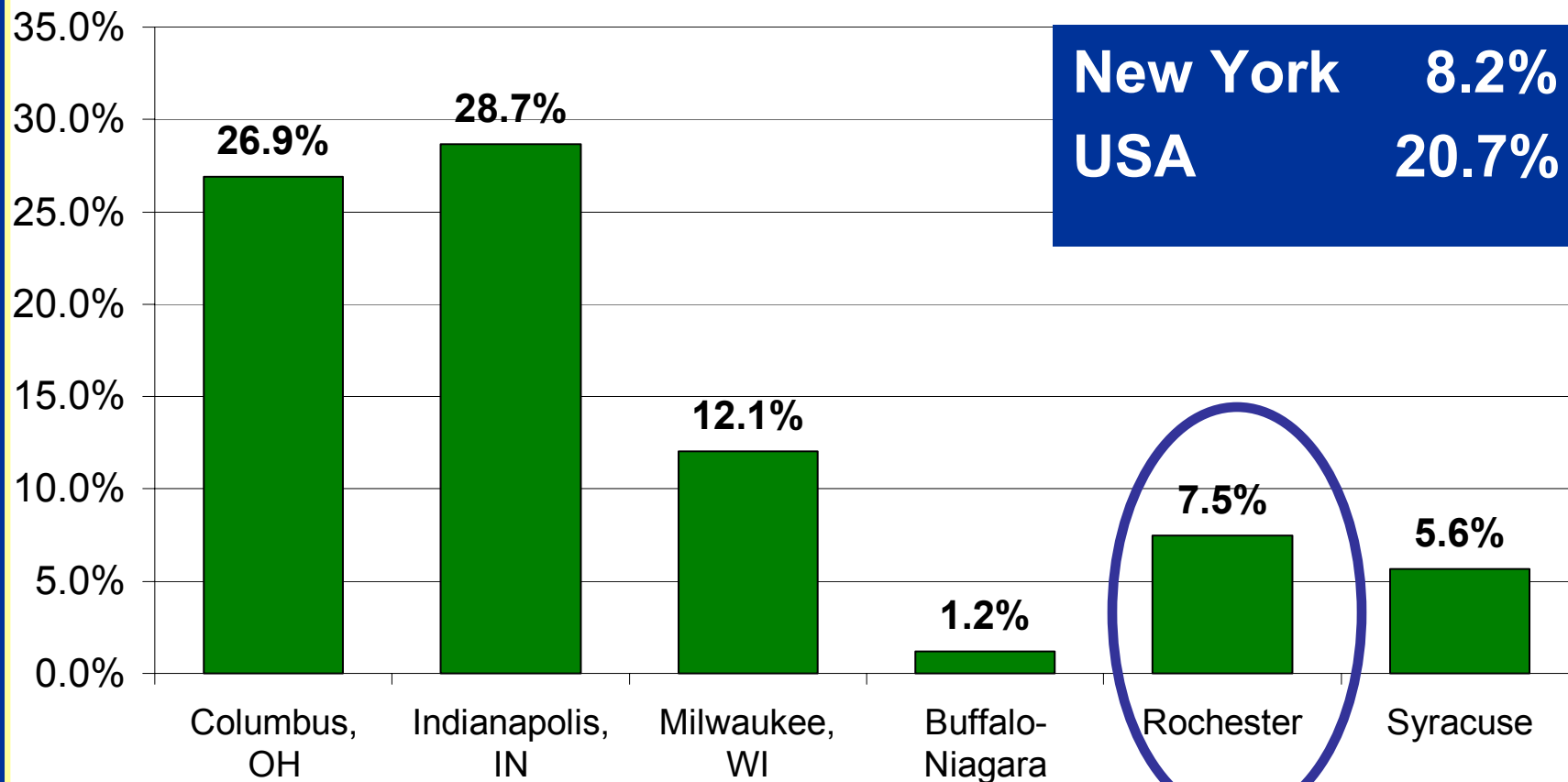
	Population	Rank
Columbus, OH	1,701,300	31
Indianapolis, IN	1,626,200	35
Milwaukee, WI	1,518,800	36
Buffalo-Niagara Falls	1,156,300	46
Rochester	1,043,300	49
Syracuse	656,900	76

Median HH Income Comparison Rochester and Nearby Metro Areas

	1990	2000	2005	Change in Median HH Income 1990- 2005	% Change
Rochester	\$34,227	\$44,345	\$48,740	\$14,513	42.4%
Buffalo	\$28,084	\$38,638	\$43,284	\$15,200	54.1%
Syracuse	\$31,048	\$40,057	\$44,581	\$13,533	43.6%

Residential

Comparative Metro Growth 90-05



	<u>2005 HH</u>	<u>Growth 1990-2005</u>	<u>% Growth 1990-2005</u>
Rochester	86,356	(7,256)	-7.8%
Metro (net of city)	316,050	35,187	12.5%

Development Trends

National

- Young professionals and empty nesters looking for “lifestyle”
- Empty nesters cashing in on home equity and downsizing into luxury units

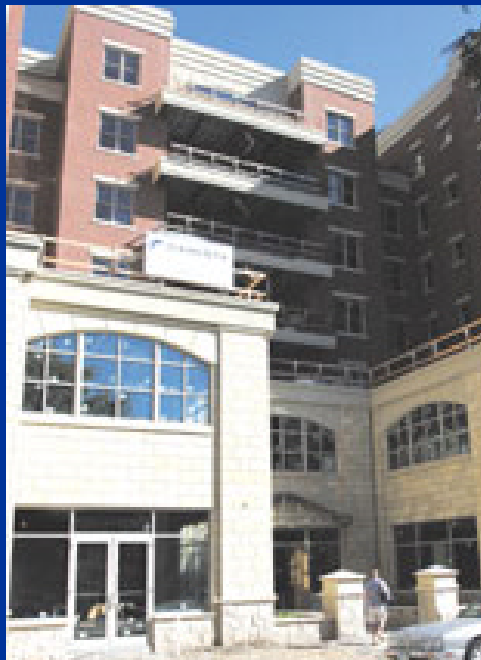
Local

- Seeing resurgence in downtown living

Trend: Living Downtown

Sagamore on East

- 23 luxury condominium units
- Most pre-sold for \$150-175/sf
- Retail/Office



Corn Hill Landing

- 127 Rental Units
- Waterfront
- Rent:\$1-\$1.50 /sf
- 29,000 sf retail/office



Target Market

- **Product Driven: Need to create product to capture demand**
- **Condos and apartments attracting “renter by choice” and downsizing market**
- **Attracted to amenities not found in typical subdivisions**

	<u>Age Range</u>	<u>Housing Type</u>	<u>% of Monroe Co HH</u>
Young Professional Single/Couples	<40	Mostly Rent	21%
Empty Nest	45-55+	Own	14%
Retirement	55-65+	Mostly Own	18%

Opportunity: Strong, Waterfront Village

Multifamily for Rent	306
Multifamily for Sale	440
Townhome/Live-Work	80
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Total	826

- Multifamily—up to 5 stories
- Rent--\$1-1.50/sf
- Sale--\$150/sf

Issues

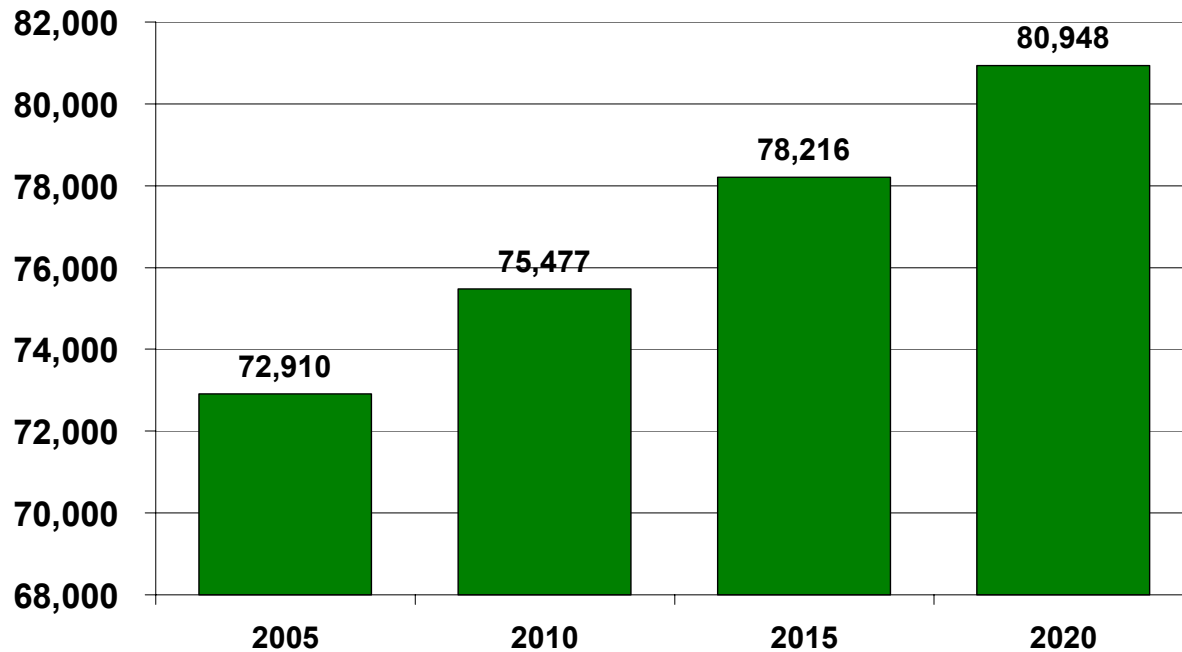
- Housing Appreciation vs Cost of New Construction
- Placemaking vs Market Risk
- Structured Parking/Phasing
- Terminal Reuse

***Rochester Metro's housing appreciation ranked
200th of 235 nationwide***

Office

Background: Job Growth

Monroe County Office-Using Employment



- 2005--14 million SF of office space in Rochester market

Net New Employees

2010
2,567

2015
2,738

2020
2,732

Opportunities

- Unique product--Waterfront office space
- Service office

		<u>2010</u>
Employment	72,910	75,477
Total Metro Office SF	14,400,000	14,906,997
Net New Employees		2,567
Net New Office Space		506,997
Port Capture (SF)	51,000 -	76,000

Issues

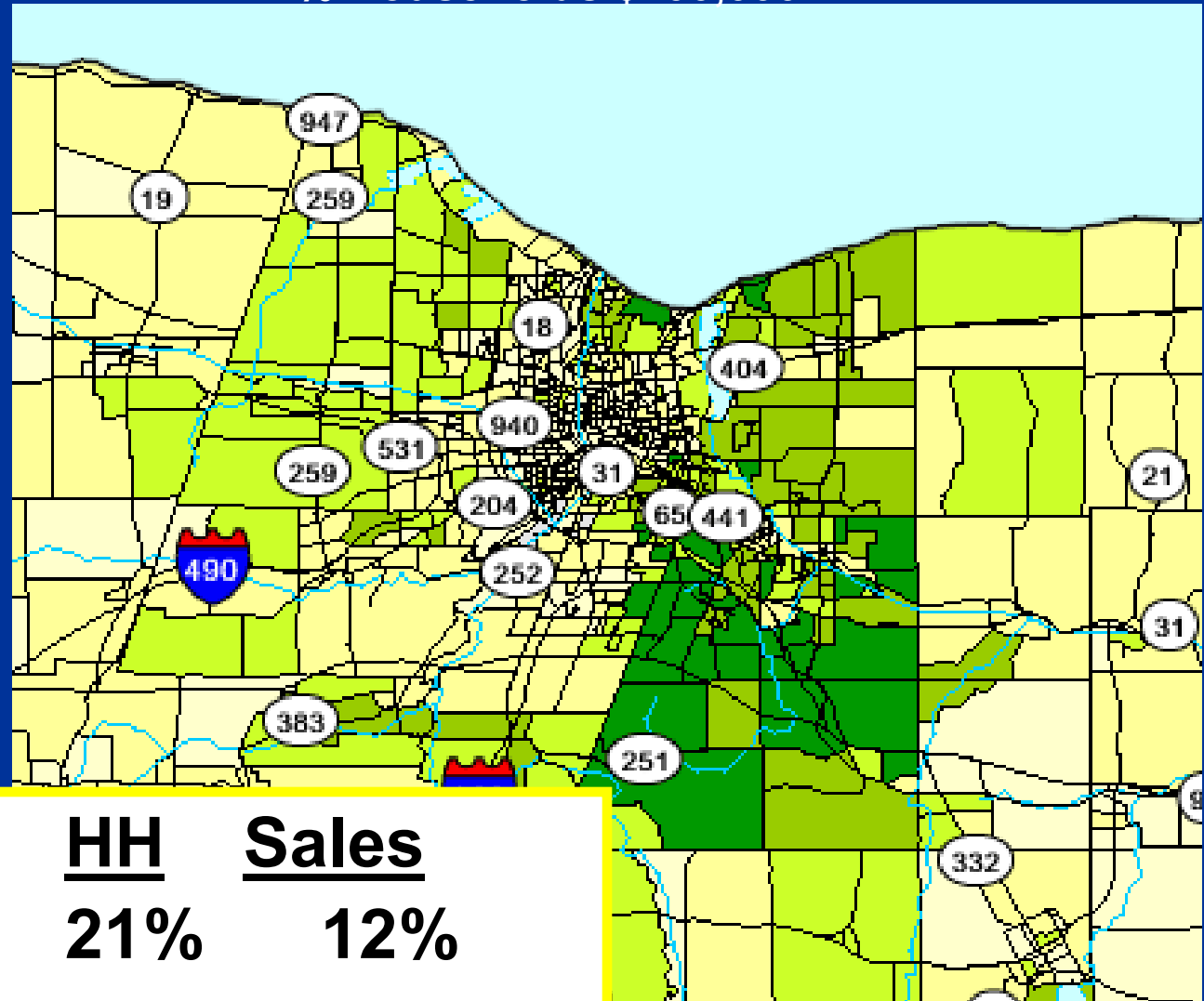
- Daytime Population to Support Restaurants and Convenience
- Parking

Retail

Background

- Retail growth happening in suburbs
- Retail follows income

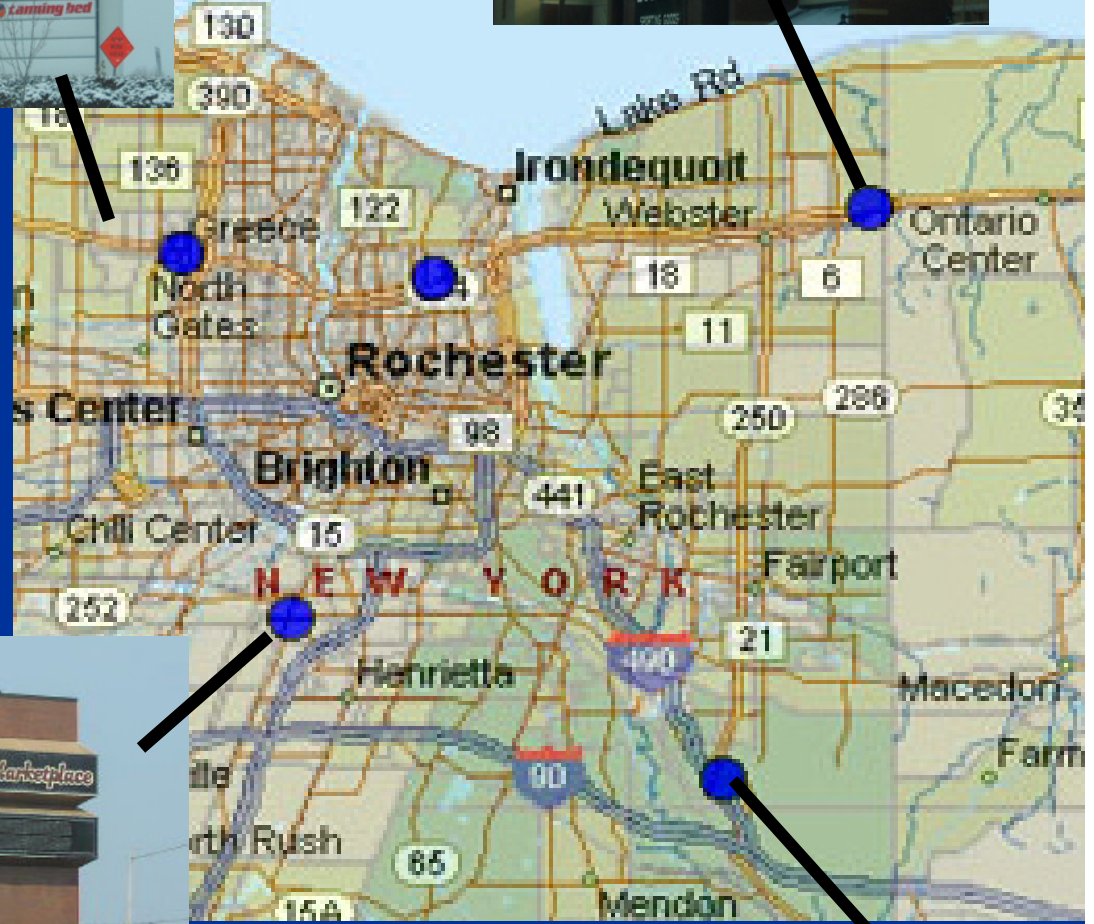
% Households \$100,000+



	<u>HH</u>	<u>Sales</u>
City	21%	12%
Remaining		
Metro	79%	88%

Shoppers Goods

- New development of shoppers goods happening on fringe of Monroe County area—Victor, Western Greece, Webster
- Follow income, easy access to interstate



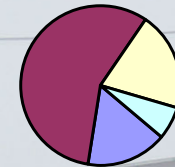
Eastview Mall

Destination Centers

Square Ft

Charlotte

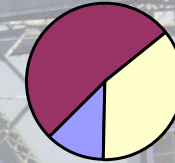
143,000



Downtown

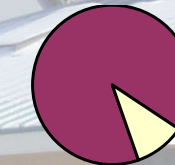
(incl. East End)

703,000



High Falls

25,000



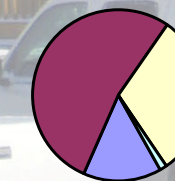
Monroe/Park Ave

670,000



Total

1,541,000



■ Convenience ■ Eating and Drinking ■ GAFO ■ Home Improvement

Opportunity: Build on Destination

- Retail on key corners
- Retail street perpendicular street to Lake Ave.

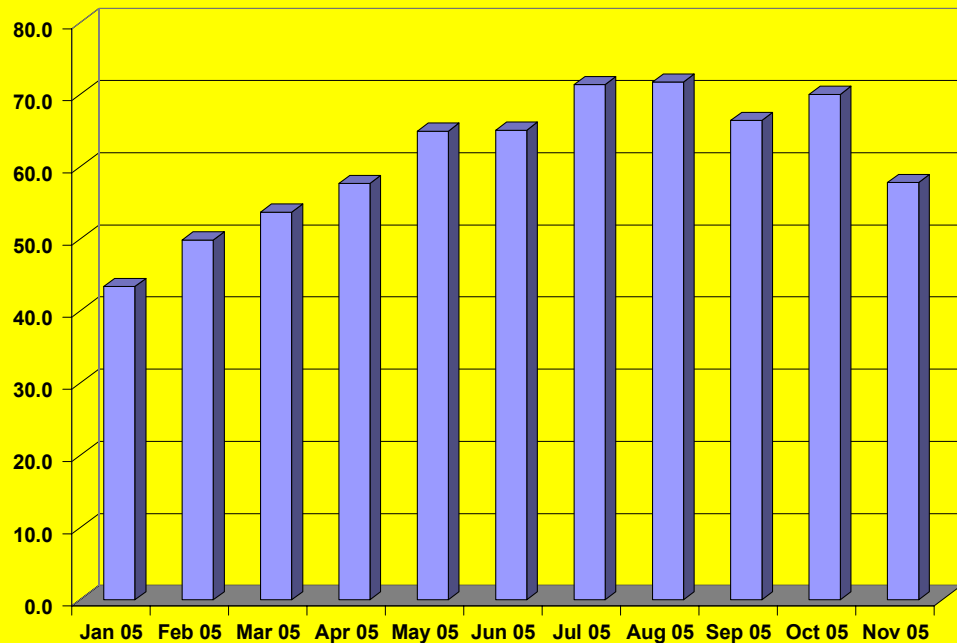
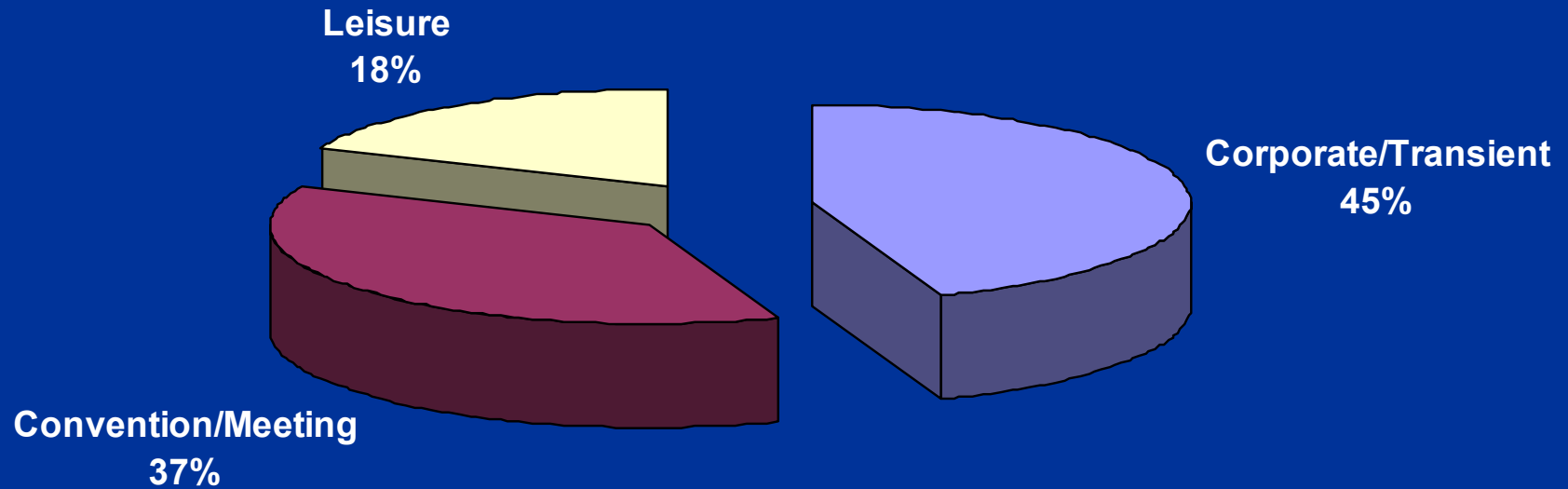
	Square Feet
GAFO	17,000
Eating and Drinking	33,000
Convenience	28,000
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	78,000

Issues

- Placemaking
- New Construction Rents
- Access & Visibility
- River Street Connection
- Terminal Reuse
- Phasing/Don't over program

Hotel

Background: Visitor Market



**1.6 million
visitors /year**

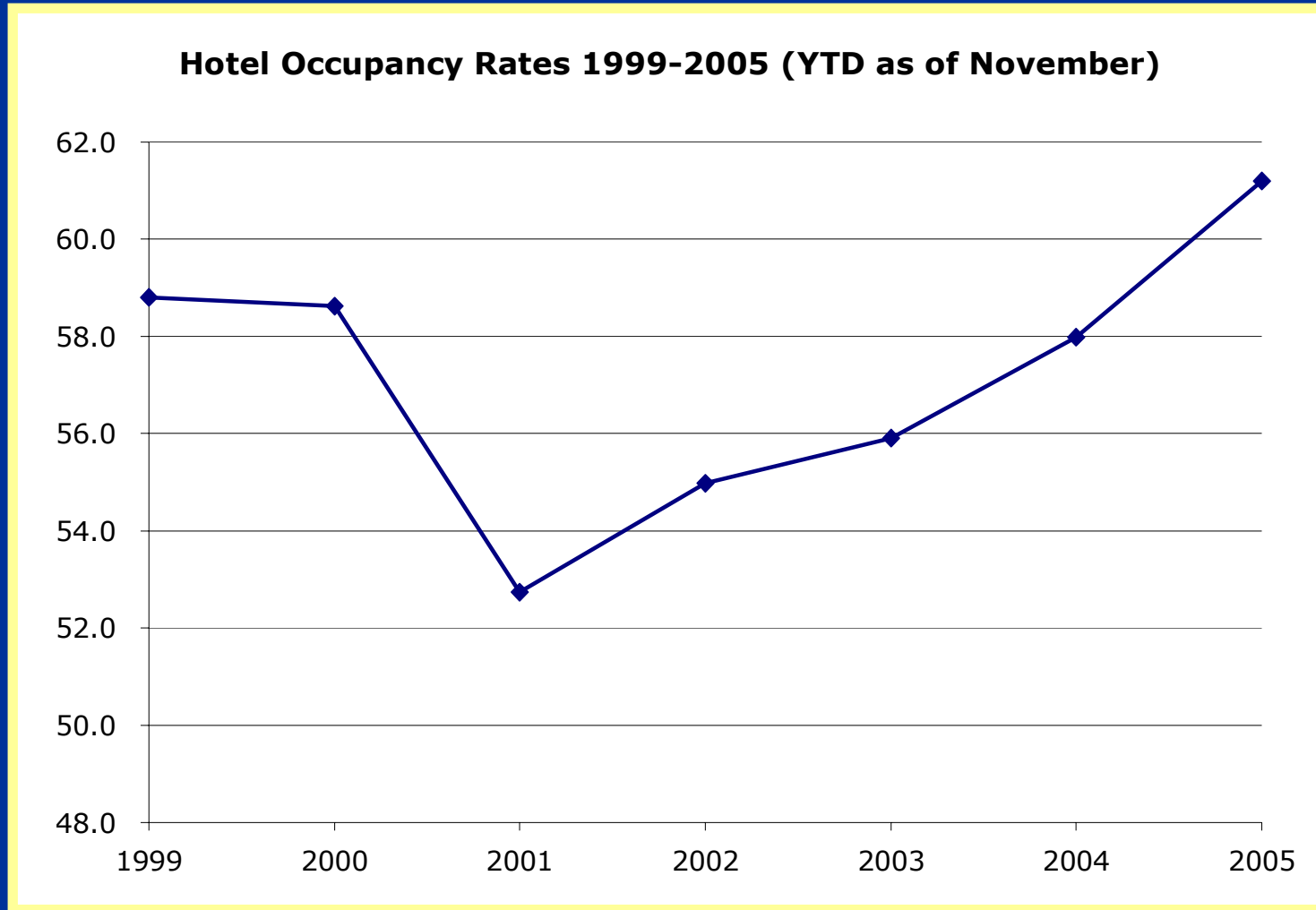
**275,000 –300,000 visitors
Ontario Beach Park**

Market Is Still Relatively Weak

- Upper upscale (Marriott, etc) hotels in Rochester compare poorly to national figures

	Rochester	National
Revenue per Avail. Room Occupancy	\$55	\$99
ADR	61%	70%
	\$90	\$140

Market Is Getting Better



- Indicators on upswing
- National trend—also improving

Opportunity:Limited, Condo

- Limited opportunity for small condo hotel—60-100 rooms
- No waterfront properties—capitalize on location
- Few “boutique” properties—appeal to leisure visitors and business travelers

Issues

- Market
- Phasing

Destination

Background—Indoor Waterparks

- Relatively new trend
- Attracting Excursion Market—3-4 hour drive
- Family attraction
- 9/10 acres
- 90,000 sq. ft. waterpark



Opportunity—Marginal

- Development of Great Wolf in Niagara Falls, Ont. Next closest in Pocono Mountains, PA
- Other parks in Erie, PA and Sandusky, Ohio



Issues

- Strong Competition
- Land Consumption
- Trend that will Pass?

Summary: Potential

- 800+ Residential Units
- 78,000 SF Retail
- 51,000-76,000 SF Office Space
- Condo Hotel Limited
- Waterpark Marginal