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# Market Analysis



The market analysis for this study was conducted by GEM Public Sector Services. The purpose of this analysis was to determine the range of potential land uses that can be accommodated in the study corridor now and in the future, based on the needs demonstrated by the marketplace. The objective of the analysis is to provide market-based information that will enable officials of Crescent Springs to develop realistic and achievable plans for the future of the city. The analysis will assist the city in developing strategies, initiatives, and plans to serve the needs of residents of the community and provide for business opportunities which meet current and potential market demand. The entire *Crescent Springs Gateway Study Area* market analysis can be found at the NKAPC project website. The full study provides detailed descriptions of the market as well as definitions of many of the terms found within this chapter of the *Crescent Springs Gateway Study*.

## Demographics

Crescent Springs is a rather affluent community with a median household income of \$73,361 in 2008 compared to \$56,479 for the Cincinnati metro area and \$52,599 nation wide. Per Capita income is also very strong in Crescent Springs with a city average of \$46,368 compared to \$26,426 for the Cincinnati metro area and \$26,464 for the nation in 2008. This strong level of income makes the area a desirable place for commercial development. Average household incomes in the City of Crescent Springs escalated well ahead of the pace of inflation and the estimated pace of household income growth between 2000 and 2008 has also escalated faster than the pace of inflation. Projected income growth for city households between 2008 and 2013 is also expected to outpace inflation. This indicates that Crescent Springs' households will have more income to spend in the future. This additional income could attract new businesses to the area and enable local businesses to expand.

## Residential

Land in such close proximity to an interstate highway interchange is typically of such high value that residential uses are often not feasible. The noise produced by the railroad and interstate also reduces the likelihood of residential development in the study area.

## Professional Office

The location dynamics of the study area provide prime opportunities for the development of office uses. Quality office buildings can typically afford the high cost of land along a major interstate interchange. The location provides a high level of public exposure and easy access into and out of the area for employees and customers. For these reasons professional office is a recommended use. The market analysis found a potential demand for 47,000 to 82,000 square feet of additional office space if the city aggressively recruits employers in "Advertising", "Health and Medical Services", "Other Business Services", and "Social Services" categories. An additional 9,000 to 27,000 square feet of office space could be needed in the consumer services categories of "Auto Repair/Services", "Beauty and Barber Shops", "Dry Cleaning and Laundry", and "Other Personal Service." These categories show unmet market demand in Crescent Springs or within the 15 minute drive time market.

Some of the growth in the consumer services sector could come from expansion of exiting businesses and not necessarily from the introduction of new businesses, especially in the near term. The City of Crescent Springs will be competing for these businesses with surrounding municipalities and should not expect to capture all the unmet demand. It is reasonable to reduce the amount of additional office space by 50 percent to accommodate for this competition. Therefore, the total estimated need for new office space is between 23,000 and 54,500 square feet.

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## Retail/Services

Similar to professional office use, the high visibility and ease of access make the study area well suited for retail/service uses. This is especially true for retail that targets the interstate user. The key to future growth will be to maintain and enhance the business base in the vicinity of the study area while attempting to create a sense of destination.

A detailed review of drive-time markets reveals a local market that has abundant competitive retail outlets for most categories of retail goods. However, there are a limited number of categories of retail goods which appear to be underserved in the local market. The local market is defined as households within the city and the “five minute, drive-time” areas (see Map 3). The following categories of retail goods appear to offer some opportunity to expand existing retail market capture or allow for the introduction of new competitors to the local market; “Clothing Stores,” “Electronics and Computer Stores,” “General Merchandise Stores,” and “Specialty Stores.” Given the unmet demand, the amount of income within Crescent Springs, and the five minute drive time area it is estimated that approximately 17,500 to 47,000 square feet of retail space could be needed. These numbers include a 50 percent reduction on the amount of space for a conservative estimate. Currently there appears to be sufficient vacant storerooms and developed retail lots to meet any expansion of retail enterprises in Crescent Springs at this time. However, retail space could become functionally obsolete long before it is physically worn out. This means that a building is structurally sound but its design and/or size makes it unsuitable for current commercial use.

## Industrial

Typically, industrial uses locate on lower valued land; however, given the traffic flow limitations entering and exiting Sub Area A, industrial uses may be necessary to achieve full development of the area. Industrial uses can take up quite a bit of space without generating much vehicular traffic. Low traffic generation will be the critical factor for industrial uses. These uses could include small manufacturing enterprises, wholesalers, small warehouses, and storage facilities.



**Map 3: Five-minute drive time area**

## Land Use and Transportation

The road network within Sub Area A is inefficient compared to comparable areas. There is more roadway than necessary for the size of the area due to the layout of existing uses. Many of the existing businesses found within the study area claim their own individual access points to existing roadways. Also, the current road system makes reaching some locations difficult, thus rendering them less desirable for development. The existing system is a combination of old residential streets, developed prior to construction of the interstate as well as later roadway additions as the area developed. A single road could provide more efficient access to the entire area while using less acreage for right-of-way.

Within Sub Area A the number of lots is high compared to the number of acres. This makes redevelopment more complicated due to increase acquisition costs and logistics. Currently there are 89 parcels averaging a little over a half acre per lot. A typical lot size for highway retail uses is one to two acres and three to five acre lots for office buildings. For redevelopment to take place, parcel consolidation will need to occur.