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I-435 Corridor Demographic Market

Purpose/Method of Evaluation

The purpose of this study is to evaluate the general demographic composition surrounding the intersection of I-435 and Shawnee Mission Parkway in Shawnee, Kansas.

Specifically, we want to assess past, current, and projected demographics for the one, three, and five mile radii surrounding our center reference point. By examining the demographic composition of the target population, growth and lifestyle trends shall be uncovered to allow for appropriate infrastructure and ancillary services such as an appropriate retail mix for the market.

The center reference point for evaluation purposes is the intersection of I-435 and Shawnee Mission Parkway in Shawnee, Kansas. A map with the radii boundaries can be viewed on the next page. A verbal representation is as follows:

One-mile radius: Northernmost boundary lies north of Johnson Dr. in Shawnee, KS.
Easternmost boundary lies east of Maurer Rd. in Shawnee, KS.
Southernmost boundary lies south of Midland Dr. in Shawnee, KS.
Westernmost boundary lies along Warwick St. in Shawnee, KS.

Three-mile radius: Northernmost boundary lies immediately north of Woodend Rd. in Edwardsville, KS.
Easternmost boundary lies along Long St. in Shawnee, KS.
Southernmost boundary lies south of W 89th St. in Lenexa, KS.
Westernmost boundary lies along Monticello Rd. in Shawnee, KS.

Five-mile radius: Northernmost boundary lies south of Kansas Ave. in Kansas City, KS.
Easternmost boundary lies along I-35 in Mission, KS.
Southernmost boundary lies immediately south of K-10 Hwy. in Lenexa, KS.
Westernmost boundary lies along Claire Rd. in Shawnee, KS.

We have gathered our projections on demographics, retail trade potential, and actual retail sales data from ESRI, infoUSA, and Site to Do Business Online.

¹ Market niche descriptions are taken from the www.census.gov website, 2002 NAICS definitions.

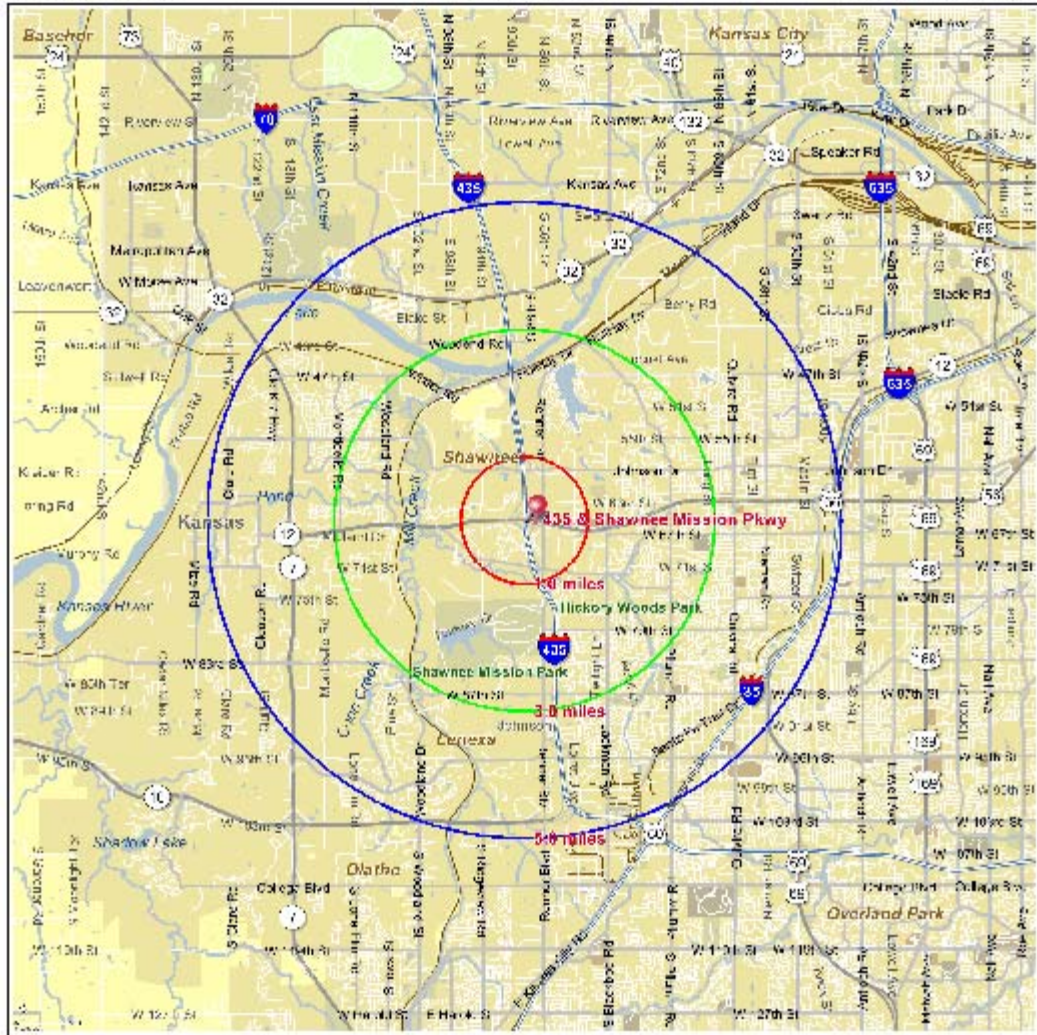
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I-435 and Shawnee Mission Pkwy
 I 435 & Shawnee Mission Pkwy
 Shawnee, KS 66217

Site Map

Prepared by Zimmer Real Estate Svcs., L.C.
 February 21, 2009

Latitude: 39.010512
 Longitude: -94.785295



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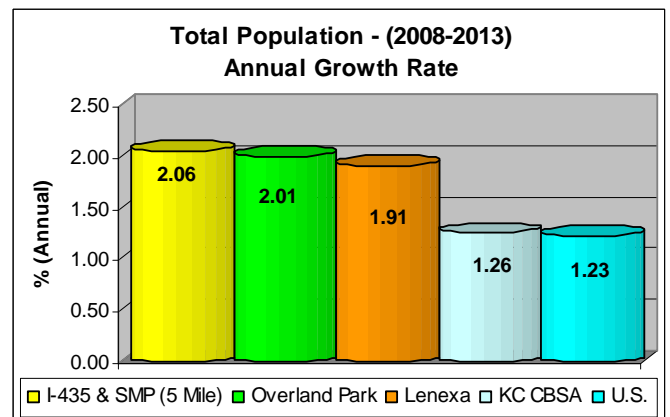
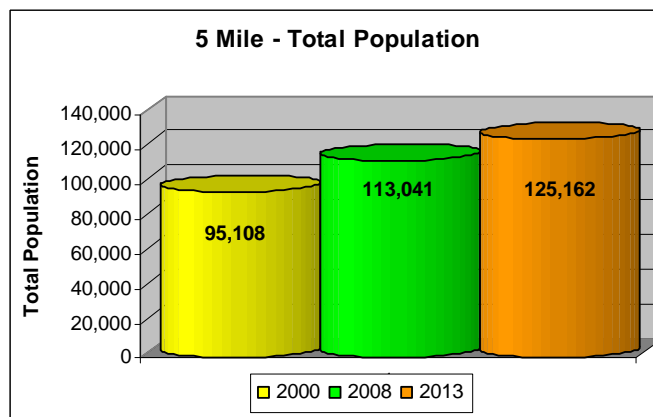
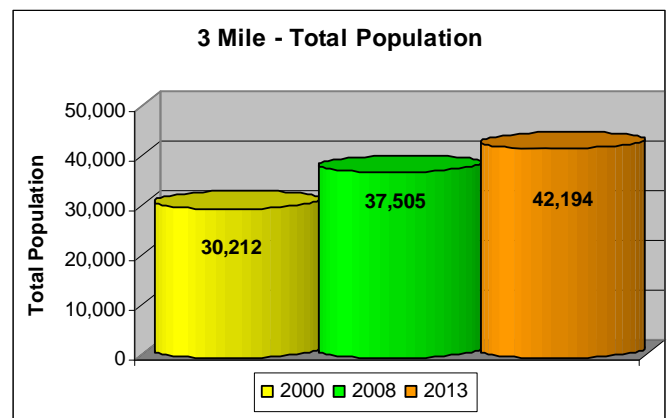
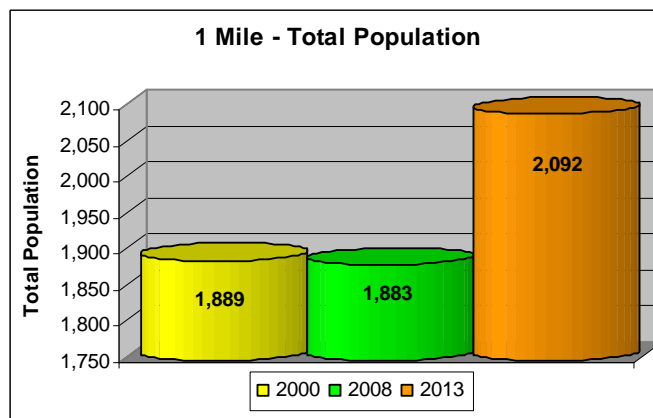


Demographic Composition

We will begin by evaluating the demographics as provided by ESRI. In this particular section we will examine past (2000) and current (2008) statistics along with future projections (2013) to locate any distinctive trends. Radii data is gathered from the center reference point of I-435 & Shawnee Mission Parkway in Shawnee, KS.

1. Total Population:

The total population for the one, three, and five mile radii from the intersection of I-435 & Shawnee Mission Parkway is projected to increase 2.13%, 2.38%, and 2.06% annually from 2008 to 2013. The subject five mile population growth compares favorably to all other comparable standard geography measures as observed in the accompanying graph titled 'Total Population - (2008-2013) Annual Growth Rate'.



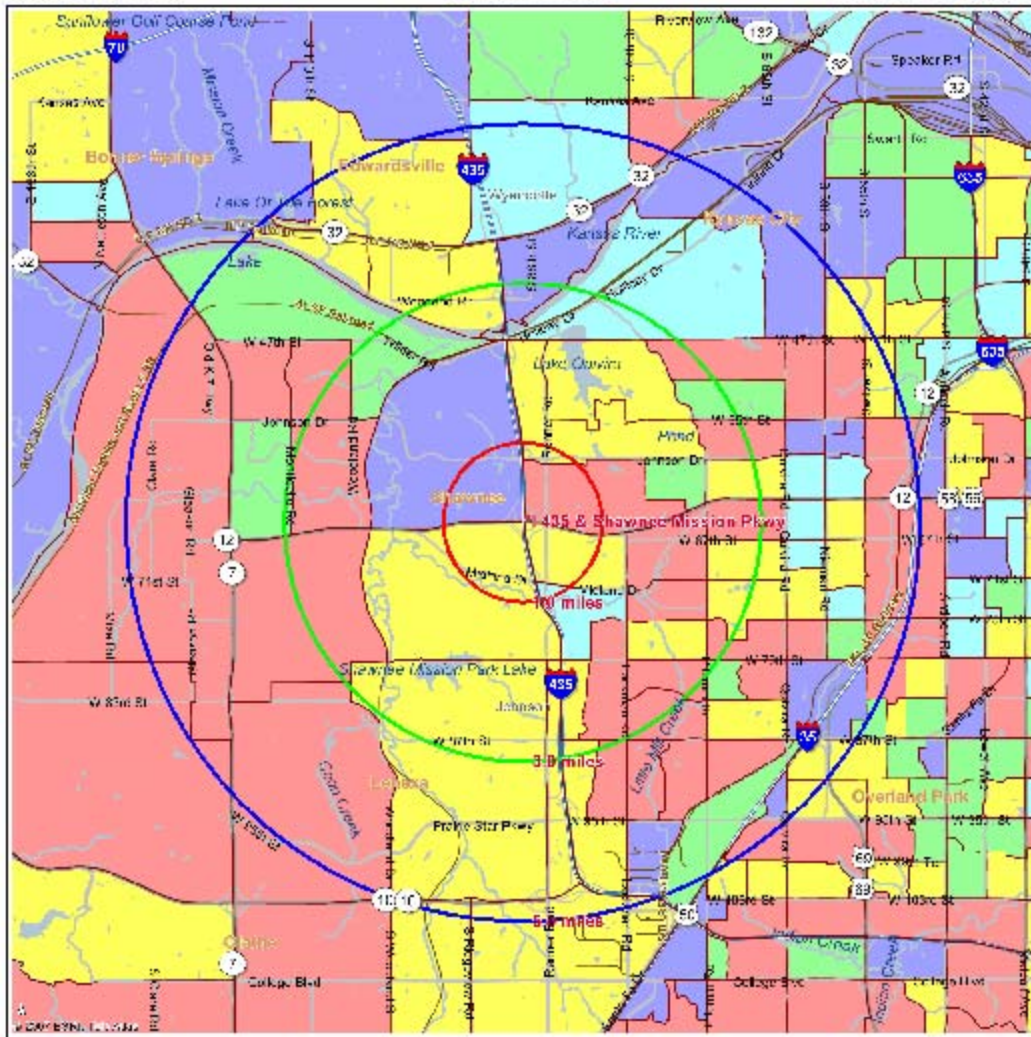
As observed on the subsequent page, the '2008 'Total Population 18+' map, segmented by census block groups, displays very low population concentrated to the immediate northwest of the intersection of I-435 & Shawnee Mission Parkway due to the magnitude of the nearby landfill. Population trends along the I-435 corridor display the second highest of five population groupings.

2008 Total Population 18+ by Census Block Group

I-435 and Shawnee Mission Pkwy
I-435 & Shawnee Mission Pkwy
Shawnee, KS 66217

Prepared by Zimmer Real Estate Svcs., L.C.
February 26, 2009

Latitude: 39.010512
Longitude: -94.785295



2008 Total Population 18+
by Census Block Group

- 1,332 - 5,289
- 952 - 1,332
- 728 - 952
- 553 - 728
- 0 - 553

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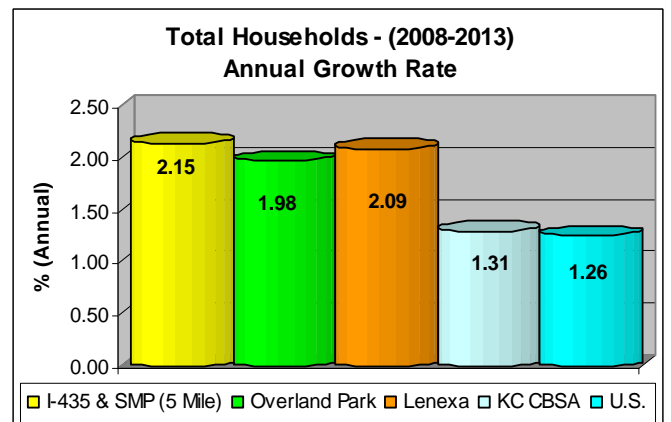
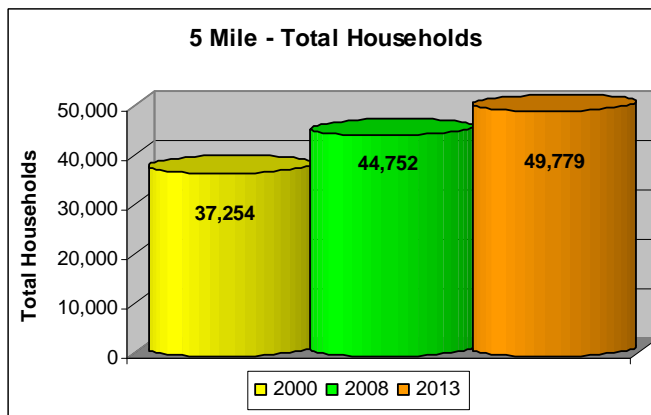
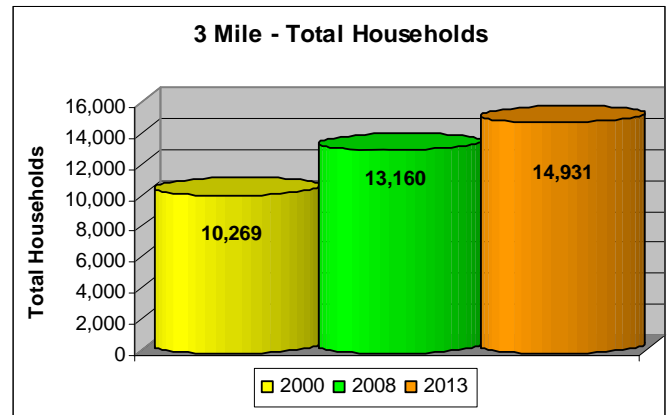
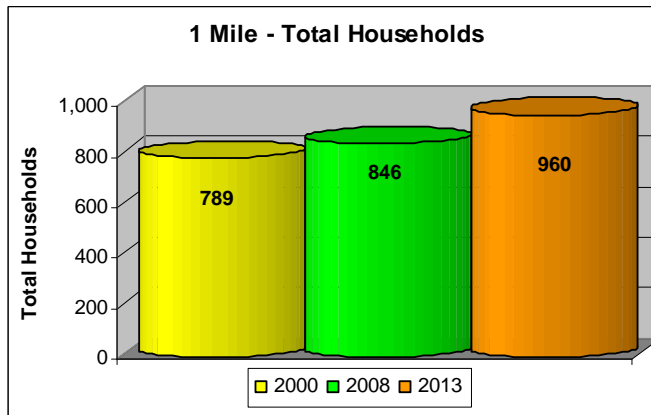
About Your Map...

This map shows 2008 Total
Population 18+ by Census
Block Group.

The map divides the range of values
into quantiles — each class contains
an equal number of features.

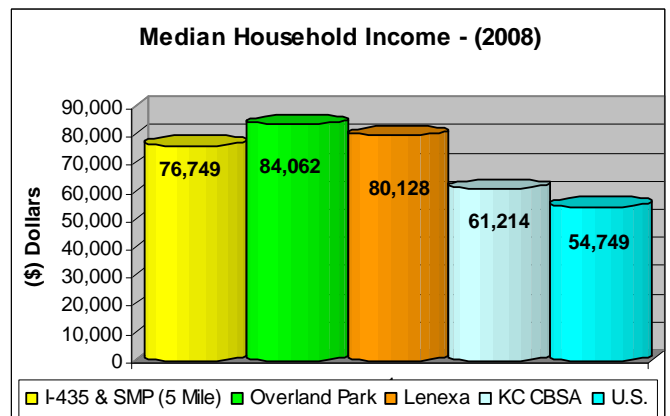
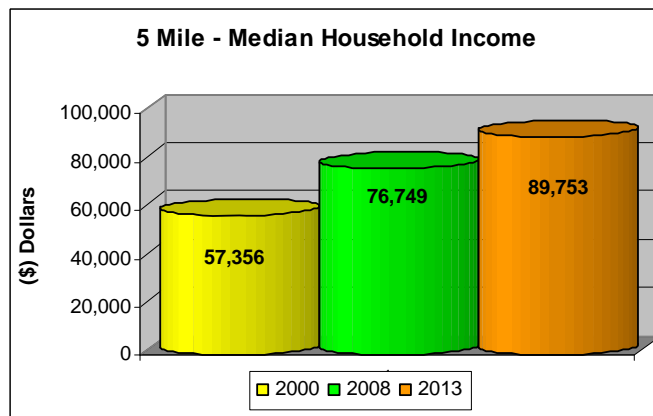
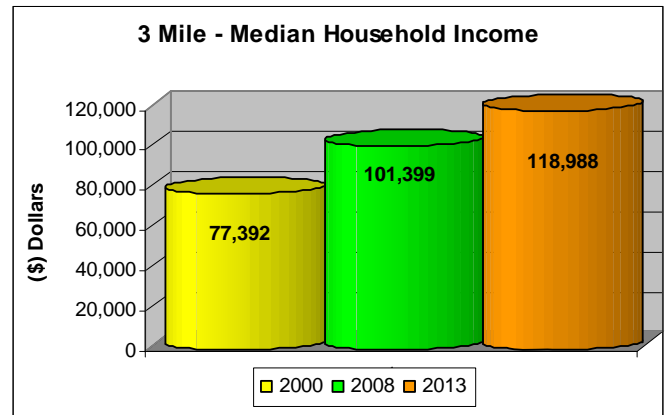
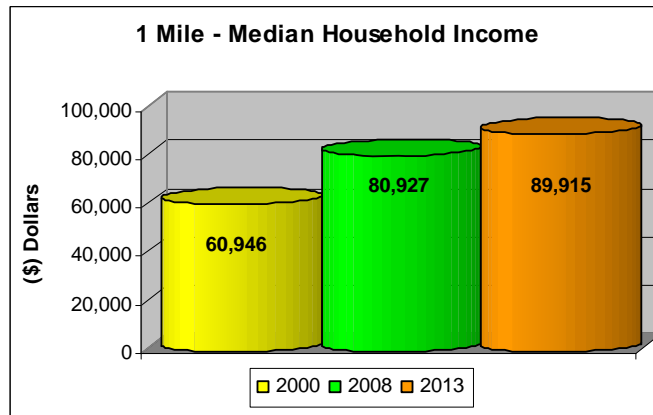
2. Total Households:

The total households for the one, three, and five mile radii from the intersection of I-435 & Shawnee Mission Parkway is projected to increase 2.56%, 2.56%, and 2.15% annually from 2008 to 2013. The subject five mile population growth compares favorably to all other comparable standard geography measures as observed in the accompanying graph titled 'Total Households – (2008-2013) Annual Growth Rate'.



3. Median Household Income:

The current median household income for the one, three, and five mile radii from the intersection of I-435 & Shawnee Mission Parkway is \$80,927, \$101,399, and \$76,749 respectively. The subject five mile median household income ranks higher than the Kansas City CBSA and the United States comparable standard geography measures as observed in the accompanying graph titled ‘Median Household Income – (2008)’.



As observed on the subsequent page, the ‘2008 Median Household Income’ map, segmented by census block groups, suggests high income households in the nearest vicinity of the intersection of I-435 and Shawnee Mission Parkway and extending primarily to the immediate southwest and south.

2008 Median Household Income by Census Block Group

I-435 and Shawnee Mission Pkwy

I 435 & Shawnee Mission Pkwy

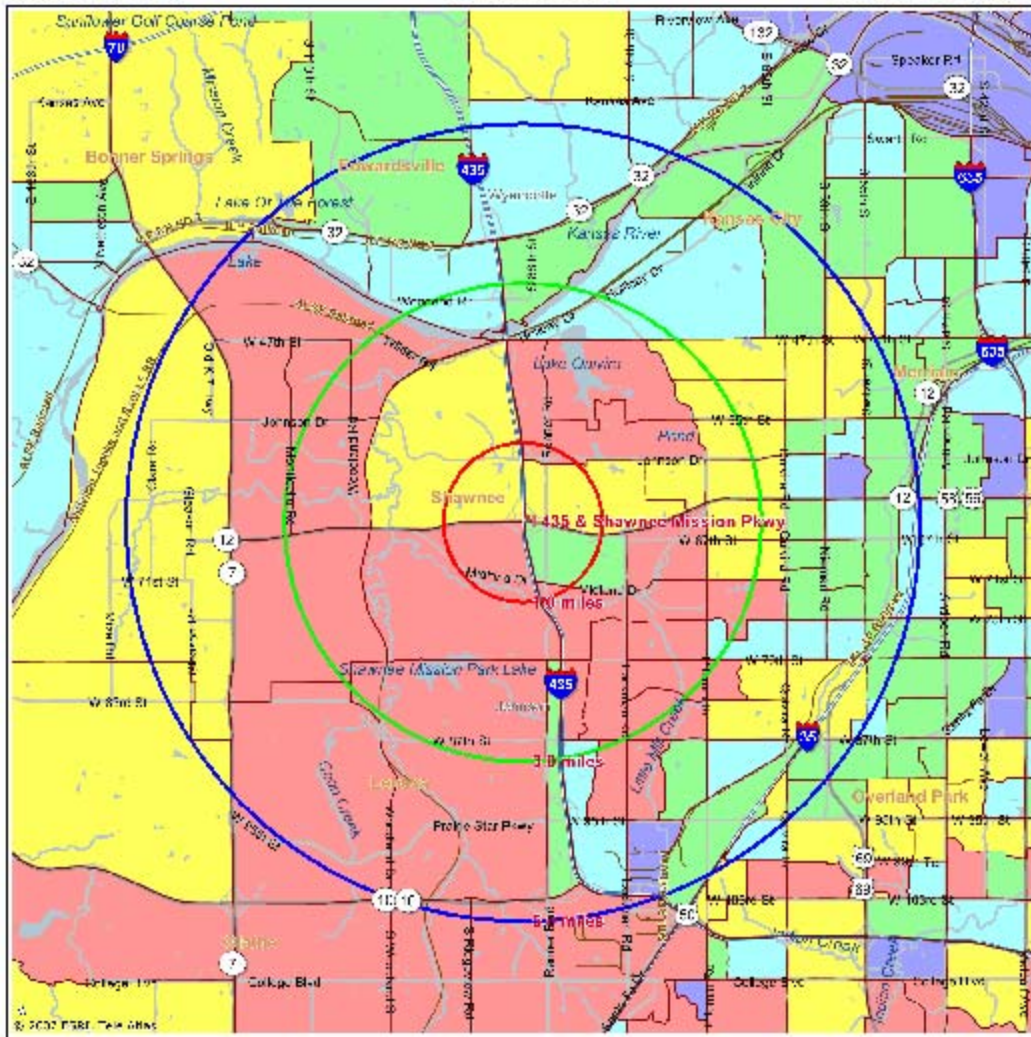
Shawnee, KS 66217

Prepared by Zimmer Real Estate Svcs., L.C.

February 21, 2009

Latitude: 39.010512

Longitude: -94.785295



2008 Median Household Income
by Census Block Group

- \$89,736 - 223,835
- \$68,373 - 89,736
- \$55,551 - 68,373
- \$40,088 - 55,551
- \$0 - 40,088

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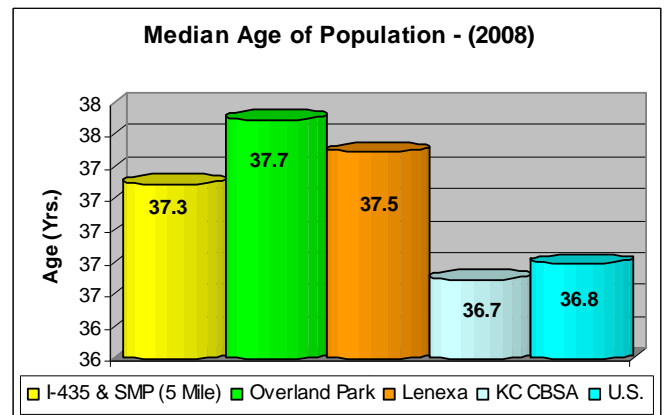
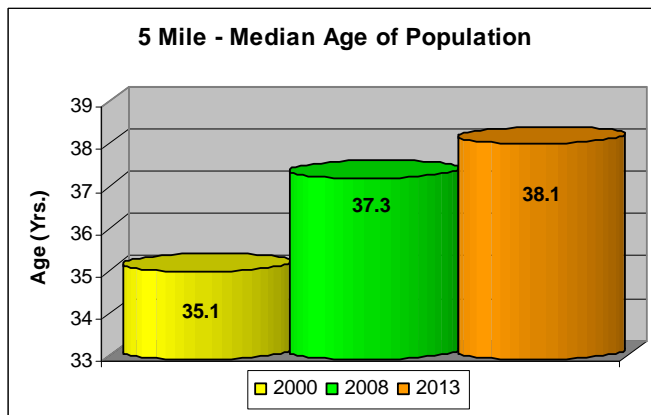
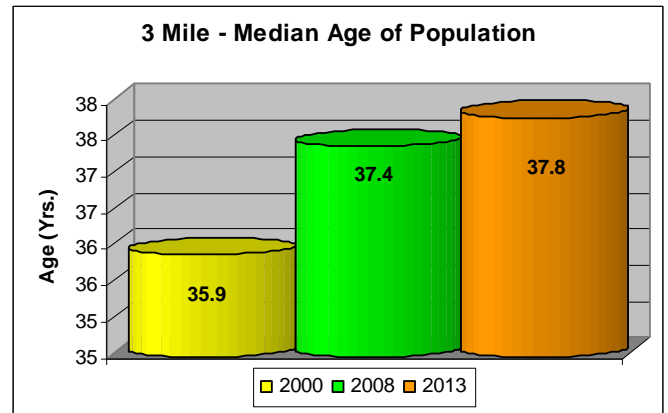
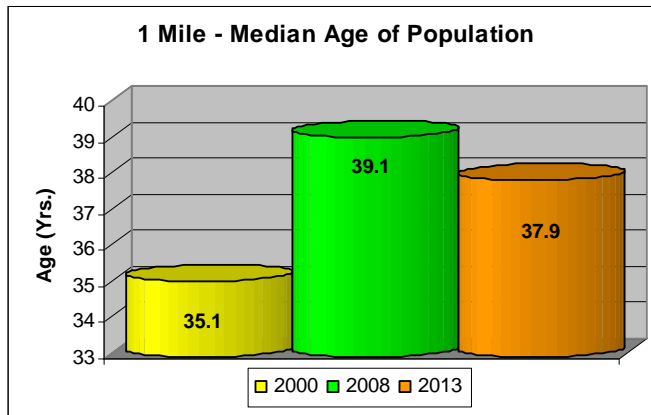
About Your Map...

This map shows 2008
Median Household Income
by Census Block Group.

The map divides the range of values
into quantiles — each class contains
an equal number of features.

4. Median Age of Population:

The current median age of population for the one, three, and five mile radii from the intersection of I-435 & Shawnee Mission Parkway is 39.1, 37.4, and 37.3 years respectively. The subject five mile median age of population ranks younger than the Overland Park, KS and Lenexa, KS comparable standard geography measures as observed in the accompanying graph titled ‘Median Age of Population – (2008)’.



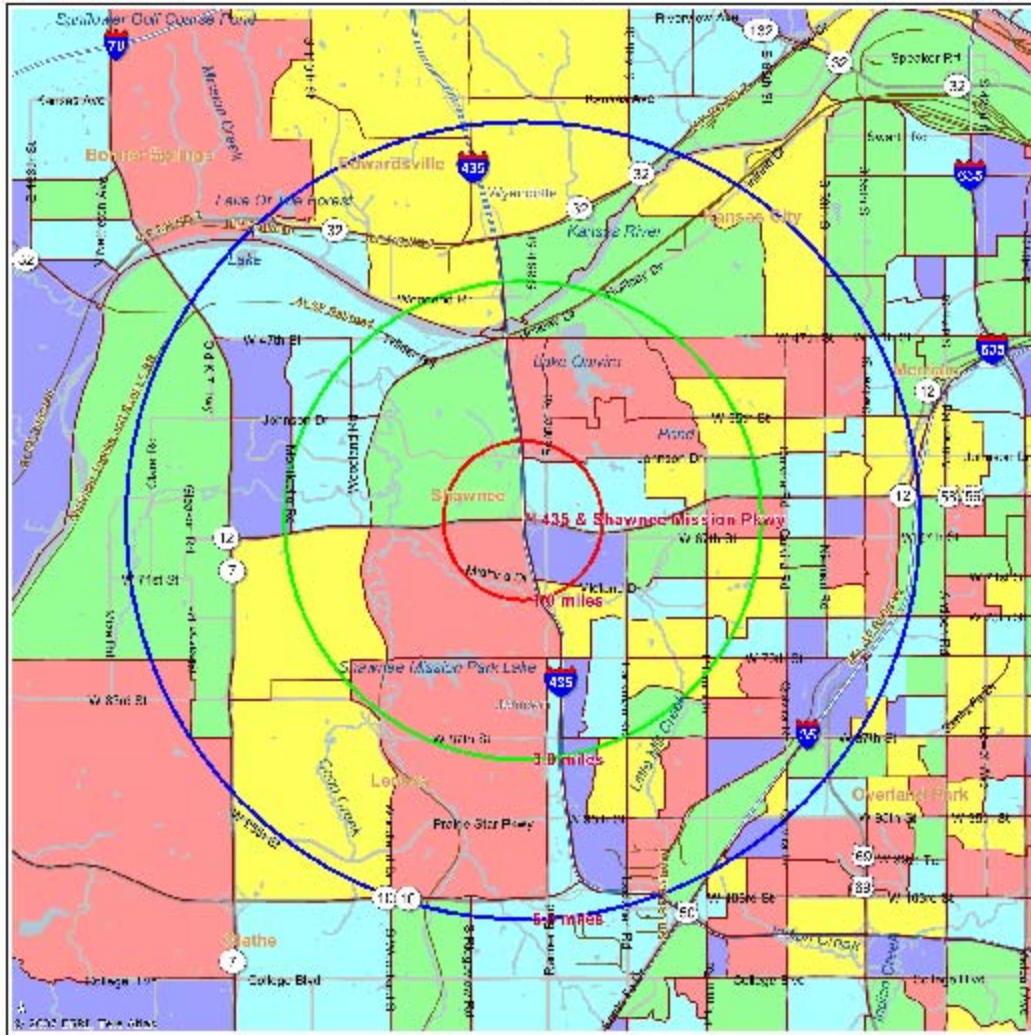
As observed on the subsequent page, the ‘2008 Median Age’ map, segmented by census block groups, suggests an older population resides to the west of the I-435 corridor and a younger population resides to the east of the I-435 corridor.

2008 Median Age by Census Block Group

I-435 and Shawnee Mission Pkwy
I 435 & Shawnee Mission Pkwy
Shawnee, KS 66217

Prepared by Zimmer Real Estate Svcs., L.C.
March 12, 2009

Latitude: 39.010512
Longitude: -94.785295



2008 Median Age
by Census Block Group

- 44.7 - 86
- 39.4 - 44.7
- 35.1 - 39.4
- 31.1 - 35.1
- 0 - 31.1

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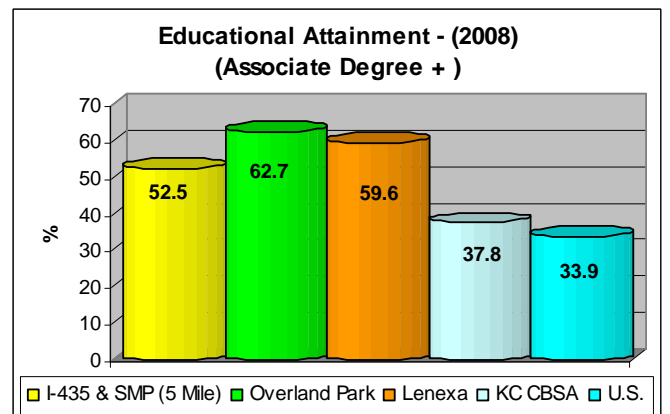
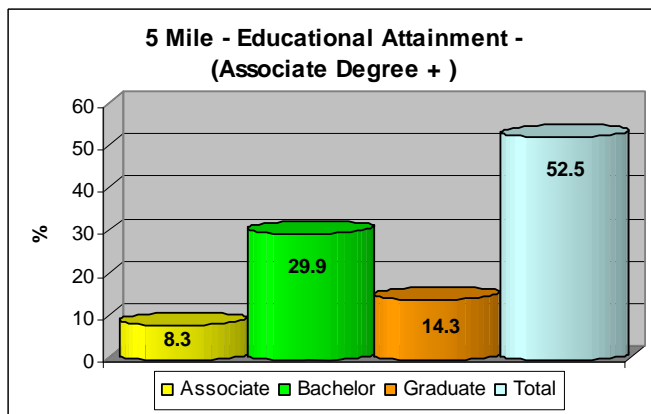
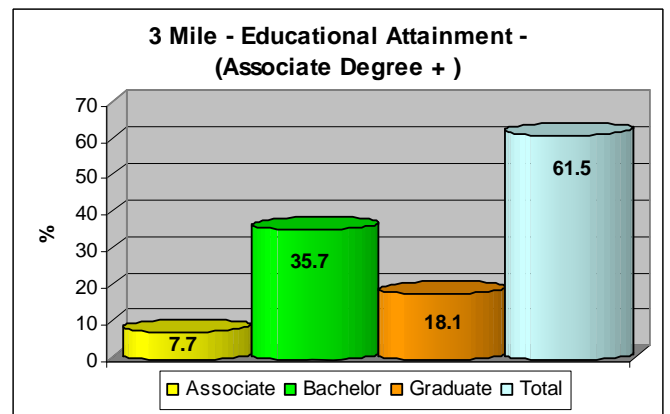
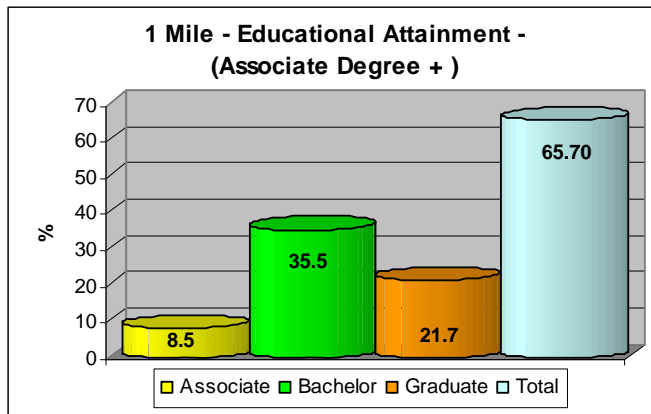
About Your Map...

This map shows 2008
Median Age by Census Block
Group.

The map divides the range of values
into quantiles — each class contains
an equal number of features.

5. Educational Attainment:

The current educational attainment of residents with an associates degree or higher for the one, three, and five mile radii from the intersection of I-435 & Shawnee Mission Parkway is 65.7%, 61.5%, and 52.5% respectively. The subject five mile educational attainment of residents ranks higher than the Kansas City CBSA and the United States comparable standard geography measures as observed in the accompanying graph titled 'Educational Attainment – (2008) – (Associate Degree +)'.



6. Tapestry Segmentation:

The current lifestyle segmentation of residents within the one, three, and five mile radii from the intersection of I-435 & Shawnee Mission Parkway are composed of the following top tapestries:

1 Mile Radius

A. Suburban Splendor	51.4%
B. Young and Restless	46.2%
C. Milk and Cookies	1.9%
D. Sophisticated Squires	0.5%

3 Mile Radius

A. Suburban Splendor	28.3%
B. Boomburbs	21.9%
C. Sophisticated Squires	14.1%
D. Milk and Cookies	8.2%
E. Exurbanites	7.4%
F. Enterprising Professionals	7.0%
G. Cozy and Comfortable	6.5%
H. Young and Restless	4.7%
I. Aspiring Young Families	1.6%
J. Midland Crowd	0.3%

5 Mile Radius

A. Suburban Splendor	13.3%
B. Young and Restless	13.1%
C. Boomburbs	12.8%
D. Sophisticated Squires	9.7%
E. Exurbanites	8.5%
F. Cozy and Comfortable	7.4%
G. Aspiring Young Families	7.2%
H. Midlife Junction	3.9%
I. Milk and Cookies	3.5%
J. All Others	15.3%

On the following page we have provided a brief demographic description of the top five tapestry segments for the five mile radius extending from the intersection of I-435 & Shawnee Mission Parkway. Additional detailed descriptions of all tapestry segments can be found at:

<http://www.esri.com/library/whitepapers/pdfs/community-tapestry.pdf>

Suburban Splendor (02)

Suburban Splendor residents are in families in growing neighborhoods. Approximately 80 percent of the households consist of married-couple families, with or without children. Household growth in these suburbs is 2 percent annually. The median age is 41.2 years, and half of the population is aged 35–64 years. Diversity is low, with a predominantly white population.

Young and Restless (39)

Change is the constant for *Young and Restless* households. This young, on-the-go population has a median age of 28.9 years. Approximately two-thirds of them are younger than 35. Fifty-nine percent of these households are either single person or shared. Neighborhoods are diverse. Almost 60 percent of the residents are white; however, there is an above-average representation of other cultures including 20 percent who are black, 8 percent who are Asian, and 19 percent who are Hispanic.

Boomburbs (04)

The newest additions to the suburbs, these communities are home to young families who are living a busy, upscale lifestyle. Both the neighborhoods and the families are growing. *Boomburbs* is the fastest-growing market in the United States; the population has been growing at 5.57 percent annually since 2000. It is also home to one of the highest concentrations of young families with children. The median age is 33.8 years; more than one-fifth of *Boomburbs* residents are between 35 and 44 years of age. There is little ethnic diversity in the population; white is the predominant race.

Sophisticated Squires (06)

Sophisticated Squires residents enjoy cultured country living in newer home developments on the fringe of urbanized areas. They now have longer commutes but fewer neighbors. These urban escapees are mostly married-couple families. The median age is 38.3 years. More than 40 percent of the households consist of married couples with children that range from toddlers to young adults. The majority of householders are between 35 and 54 years old; most are baby boomers. This segment is not ethnically diverse; most residents are white.

Exurbanites (07)

Exurbanites residents live beyond the urban fringe, preferring open space with affluence. Empty nesters (married couples with no children living at home) comprise 40 percent of these households, yet married couples with children occupy 32 percent. Half of the householders are between 45 and 64 years old. Their median age of 44.6 years places these residents directly between paying college expenses and caring for elderly parents. Their lifestage is as important to understanding this market as their lifestyle. There is little ethnic diversity; most residents are white.

On the subsequent two pages we have provided a ‘Dominant Tapestry Segmentation Map’ along with a description of the various tapestry codes.

I-435 and Shawnee Mission Dominant Tapestry Segmentation Map

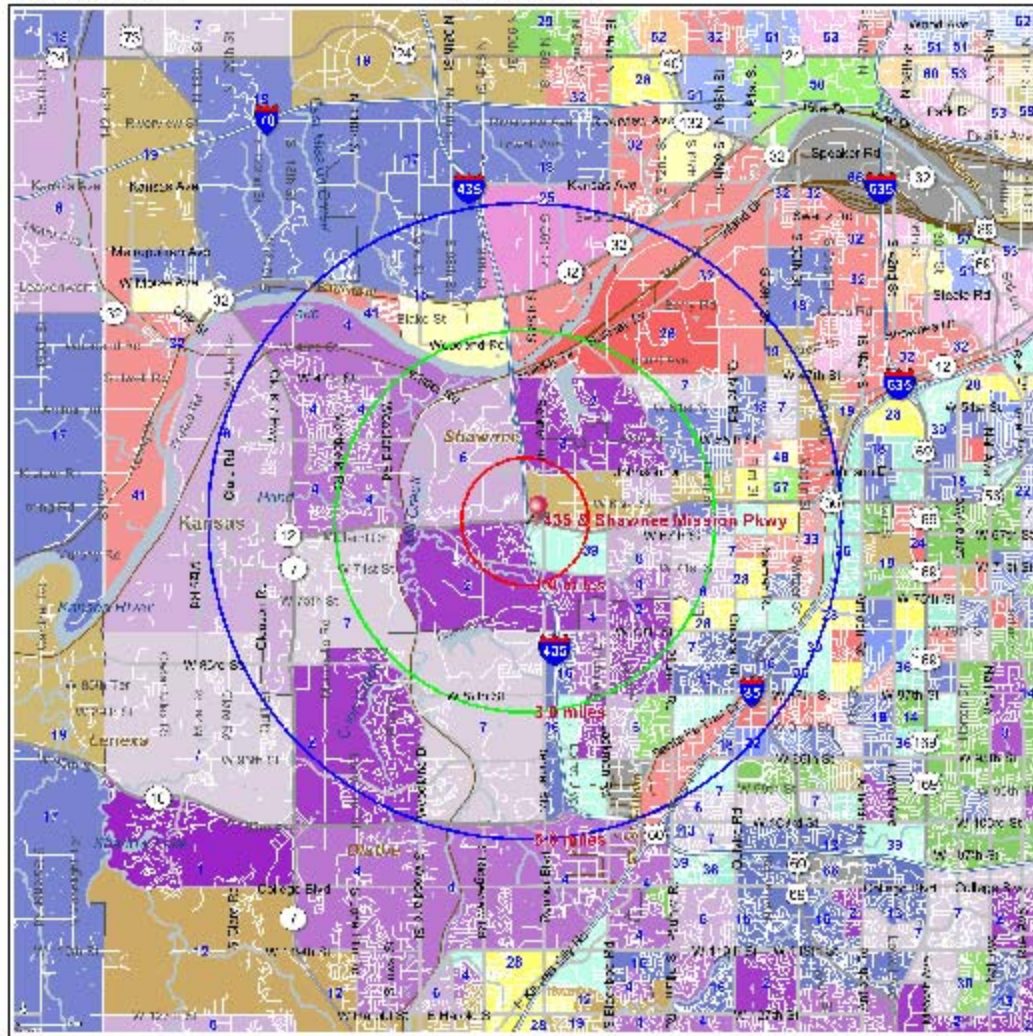
I 435 & Shawnee Mission Pkwy Prepared by Zimmer Real Estate Svcs., L.C.

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Shawnee, KS 66217

February 21, 2009



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Tapestry segment descriptions can be found at <http://www.esri.com/library/whitepapers/pdfs/community-tapestry.pdf>

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Page 1 of 2

Tapestry Segmentation

Tapestry Segmentation represents the fourth generation of market segmentation systems that began 30 years ago. The 85-segment Tapestry Segmentation system classifies U.S. neighborhoods based on their socioeconomic and demographic composition. Each segment is identified by its two-digit Segment Code. Match the two-digit segment labels on the map to the list below. A longer description of each segment is available at:

<http://www.esri.com/library/whitepapers/pdfs/community-tapestry.pdf>

Segment 01: Top Rung	Segment 34: Family Foundations
Segment 02: Suburban Splendor	Segment 35: International Marketplace
Segment 03: Connoisseurs	Segment 36: Old and Newcomers
Segment 04: Boomburbs	Segment 37: Prairie Living
Segment 05: Wealthy Seaboard Suburbs	Segment 38: Industrious Urban Fringe
Segment 06: Sophisticated Squires	Segment 39: Young and Restless
Segment 07: Exurbanites	Segment 40: Military Proximity
Segment 08: Laptops and Lattes	Segment 41: Crossroads
Segment 09: Urban Chic	Segment 42: Southern Satellites
Segment 10: Pleasant-Ville	Segment 43: The Elders
Segment 11: Pacific Heights	Segment 44: Urban Melting Pot
Segment 12: Up and Coming Families	Segment 45: City Strivers
Segment 13: In Style	Segment 46: Rooted Rural
Segment 14: Prosperous Empty Nesters	Segment 47: Las Casas
Segment 15: Silver and Gold	Segment 48: Great Expectations
Segment 16: Enterprising Professionals	Segment 49: Senior Sun Seekers
Segment 17: Green Acres	Segment 50: Heartland Communities
Segment 18: Cozy and Comfortable	Segment 51: Metro City Edge
Segment 19: Milk and Cookies	Segment 52: Inner City Tenants
Segment 20: City Lights	Segment 53: Home Town
Segment 21: Urban Villages	Segment 54: Urban Rows
Segment 22: Metropolitans	Segment 55: College Towns
Segment 23: Trendsetters	Segment 56: Rural Bypasses
Segment 24: Main Street, USA	Segment 57: Simple Living
Segment 25: Salt of the Earth	Segment 58: NeWest Residents
Segment 26: Midland Crowd	Segment 59: Southwestern Families
Segment 27: Metro Renters	Segment 60: City Dimensions
Segment 28: Aspiring Young Families	Segment 61: High Rise Renters
Segment 29: Rustbelt Retirees	Segment 62: Modest Income Homes
Segment 30: Retirement Communities	Segment 63: Dorms to Diplomas
Segment 31: Rural Resort Dwellers	Segment 64: City Commons
Segment 32: Rustbelt Traditions	Segment 65: Social Security Set
Segment 33: Midlife Junction	Segment 66: Unclassified

Summary of Demographics

The area extending from the intersection of I-435 and Shawnee Mission Parkway in Shawnee, Kansas has great potential for expansion of its population base along with a high level of disposable income. These factors, in turn, provide a positive landscape and outlook for future retail expansion.

From the six demographic composition variables we have observed the following trends:

1. **Total Population** – Annual 2.0% + growth rates which are greater than comparable Overland Park, Lenexa, Kansas City CBSA, and U.S. rates. Currently the five mile radius contains ~113,000 residents.
2. **Total Households** – Annual 2.0% + growth rates which are greater than comparable Overland Park, Lenexa, Kansas City CBSA, and U.S. rates. Currently the five mile radius contains ~44,752 households.
3. **Median Household Income** – Currently, the median household income within the five mile radius is 25.4% and 40.2% higher than the Kansas City CBSA and the U.S. national average respectively. Currently the five mile radius median household income is \$76,749.
4. **Median Age of Population** – Currently, the median age of population within the five mile radius is 37.3 years old. This median age is 0.4 and 0.2 younger than the Overland Park, Kansas and the Lenexa, Kansas municipalities.
5. **Educational Attainment** – Currently, the percent of residents with an associate, bachelor, or graduate degree is 52.5%. This percentage is 38.9% and 54.9% higher than the Kansas City CBSA and the U.S. national average respectively.
6. **Tapestry Segmentation** – Currently, the top tapestry segments in the five mile radius display a younger, faster-growing, predominately white population, who are living a faster paced lifestyle than the national average.

I-435 Corridor Retail Market

Purpose/Method of Evaluation

The purpose of this study is to evaluate the market demand for various retail sectors surrounding the intersection of I-435 and Shawnee Mission Parkway in Shawnee, Kansas.

Specifically, we want to compare the retail buying power of households to the actual retail sales for the one, three, and five mile radii surrounding our center reference point. By examining the supply and demand for each retail sector, niche retail development opportunities should be uncovered.

The center reference point for evaluation purposes is the intersection of I-435 and Shawnee Mission Parkway in Shawnee, Kansas. A map with the radii boundaries can be seen on the next page. A verbal representation is as follows:

One-mile radius: Northernmost boundary lies north of Johnson Dr. in Shawnee, KS.
Easternmost boundary lies east of Maurer Rd. in Shawnee, KS.
Southernmost boundary lies south of Midland Dr. in Shawnee, KS.
Westernmost boundary lies along Warwick St. in Shawnee, KS.

Three-mile radius: Northernmost boundary lies immediately north of Woodend Rd. in Edwardsville, KS.
Easternmost boundary lies along Long St. in Shawnee, KS.
Southernmost boundary lies south of W 89th St. in Lenexa, KS.
Westernmost boundary lies along Monticello Rd. in Shawnee, KS.

Five-mile radius: Northernmost boundary lies south of Kansas Ave. in Kansas City, KS.
Easternmost boundary lies along I-35 in Mission, KS.
Southernmost boundary lies immediately south of K-10 Hwy. in Lenexa, KS.
Westernmost boundary lies along Claire Rd. in Shawnee, KS.

We have gathered our projections on demographics, retail trade potential, and actual retail sales data from ESRI, infoUSA, and Site to Do Business Online.

¹ Market niche descriptions are taken from the www.census.gov website, 2002 NAICS definitions.

The information presented herein, while not guaranteed, was obtained from sources we believe to be reliable. Zimmer Real Estate Services, L.C. does not assume any liability for errors or omissions.

Shawnee, KS

I 435 & Shawnee Mission Pkwy

Shawnee, KS 66217

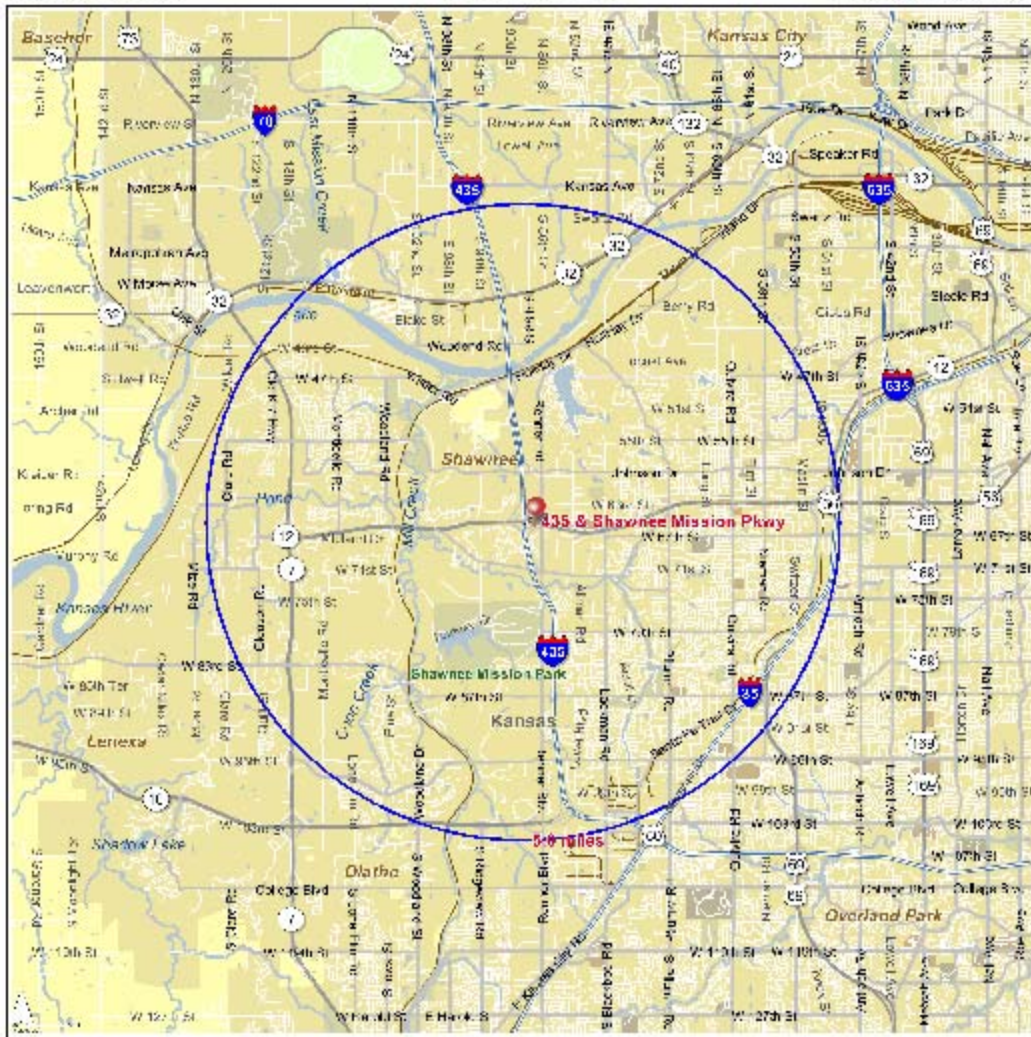
Enhanced Site Map

Prepared by Zimmer Real Estate Svcs., L.C.

February 25, 2009

Latitude: 39.010512

Longitude: -94.785295

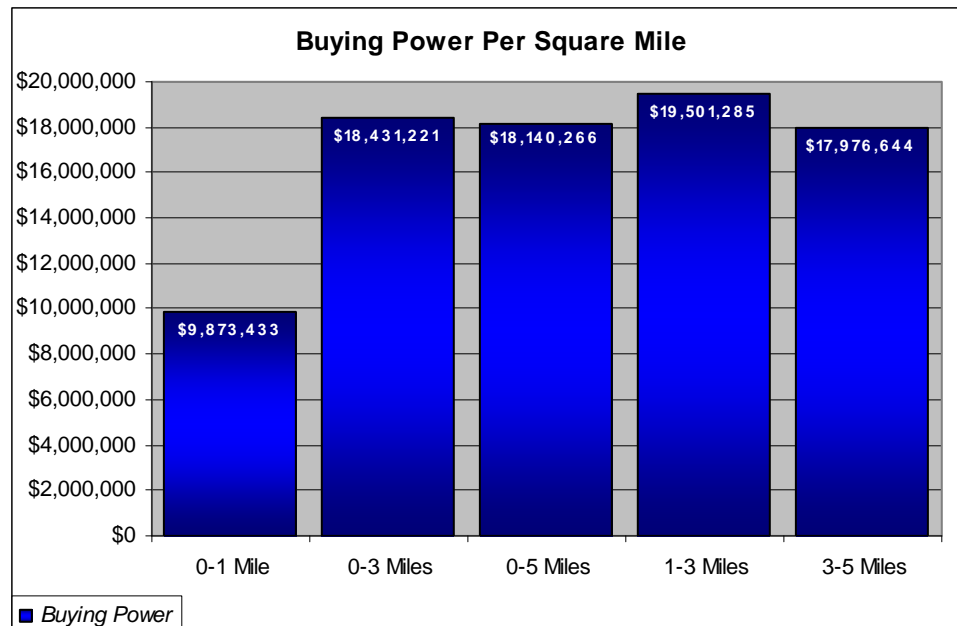


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Retail Buying Power

1. Turning our focus towards the retail market, it is important to evaluate our area's potential buying power. Taking ESRI's projected aggregate demand, which represents the expected amount spent by consumers at retail establishments, and dividing by the total square miles within each individual radius, we can calculate the "density of buying power" per square mile. Thus, we will be able to compare the buying power between not only the standard one, three, and five mile radii but also for the one-to-three and three-to-five mile ranges as seen in the chart at the bottom of the page.
 - a. The one mile radius, which captures the area from zero to one mile, suffers from low consumer demand and residential population. Even though it has a high median income of \$80,927 per household, with only 1,883 residents, the unattractive buying power of ~\$9.9 million per square mile falls drastically behind all other ranges of inquiry.
 - b. The three mile radius, representing the area from zero to three miles, has a buying power of ~\$18.4 million per square mile. This is an \$8.5 million difference between the one and three mile radii partly due to the density of population found in the one to three miles range.
 - c. The five mile radius, which captures the area between zero to five miles, has a buying power of ~\$18.1 million per square mile. If a new retail area of attraction is going to flourish, a focus will need to be put upon drawing the surrounding high buying power population area in the one to three range. The one to three mile range shows the highest buying power per square mile at ~\$19.5 million.



Total Retail Trade

NAICS (44-45)

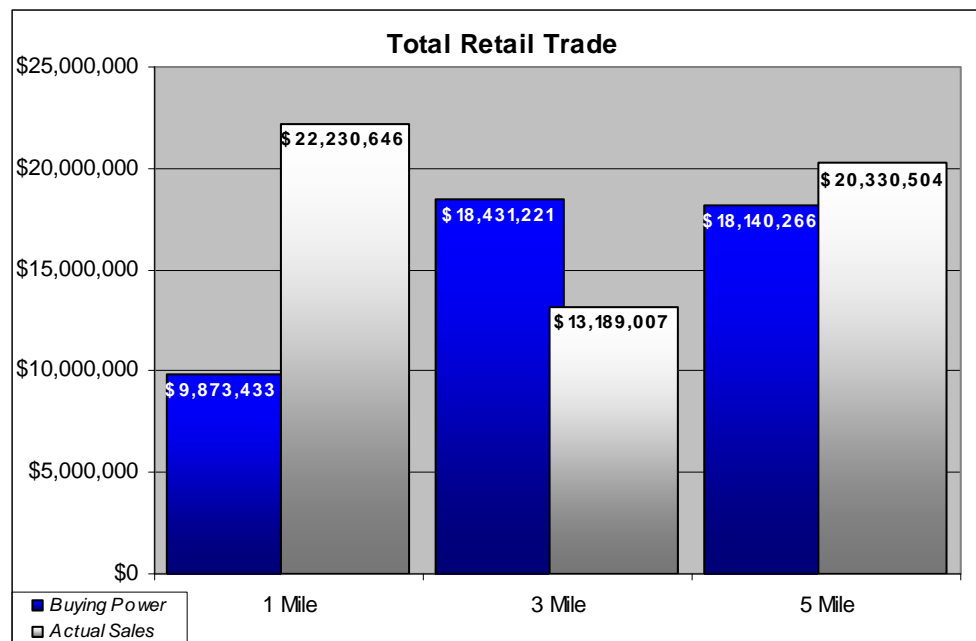
Now we will turn our attention to comparing the potential buying power to actual sales for each of the one, three, and five mile radii. First, however, to better understand the two types of graphs displayed throughout this study we need to look at a couple of terms as defined by ESRI.

Supply (Retail Sales) – Estimates sales to consumers by establishments.

Demand (Retail Potential) – Represents the expected amount spent by consumers at retail establishments.

Leakage/Surplus Factor – A measure of consumer demand relative to supply, ranging from 100 (total leakage) to -100 (total surplus). Thus, positive numbers will be looked upon favorably and negative numbers unfavorably.

The first graph, displayed below, will be used during the study to compare relative buying power (Demand) to actual sales (Supply). All figures will take the aggregate amounts found in each separate radius and divide by their corresponding total square mileage. Again, this procedure allows us to compare the density of buying power and actual sales across the one, three, and five mile radii.



In this particular example, we observe the one mile radius' buying power is less than actual sales. This tells us that demand is less than supply. That is, consumers are projected to spend annually only ~\$9.9 million per square mile, but retail stores within this same area generate sales above ~\$22.2 million. Thus, the one mile radius has ~\$12.3 million in surplus 'Retail Trade'. Although initially this is an unfavorable finding for the target area, we can not put major emphasis towards the one mile radius

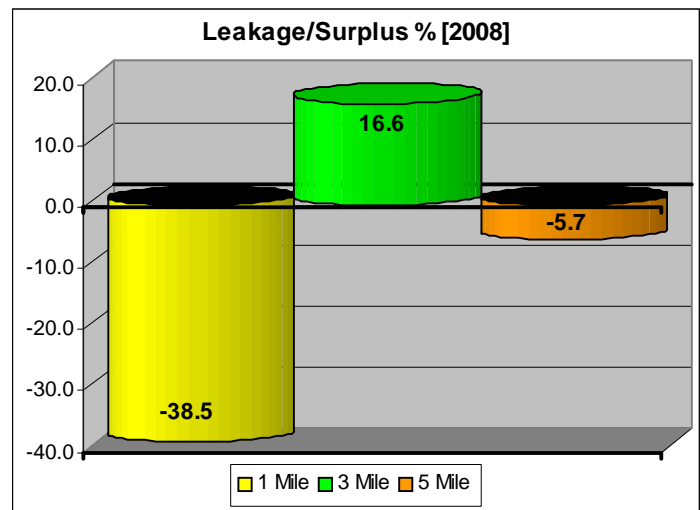
statistics due to the lack of population density. We also note a surplus of 'Retail Trade' of ~\$2.2 million in the five mile radius.

However, in analyzing the three mile radius we notice buying power is greater than actual sales by ~\$5.2 million per square mile. Therefore, the overall demand is higher than the actual supply of retail goods. This suggests there are various market niche opportunities that have not been addressed for 'Retail Trade'.

The second type of graph, displayed below, will also be used throughout the study. It compares the percentage of leakage or surplus found in each of the one, three, and five mile radii. Again, a value of 100 conveys total leakage or a definite need, a value of -100 conveys total surplus or no need, and a value of zero means equilibrium.

As we observe, the one mile radius has a surplus of 38.5%. This indicates the retail market in this area is oversaturated; there is more supply than what is being demanded. The five mile radius also displays a surplus in the amount of 5.7%.

On the other hand, in the three mile radii there is a leakage of 16.6%. This suggests the overall 'Retail Trade' market is favorable and in demand for the area ranging from one to three miles from our center point. Again, the three mile and five mile radii are our better areas of reference to draw solid conclusions due to the greater number of consumers and residents found in these areas. The accompanying moderate (+15.0%) leakage in the three mile radius provides a positive outlook for the viability of a retail center at our center point.



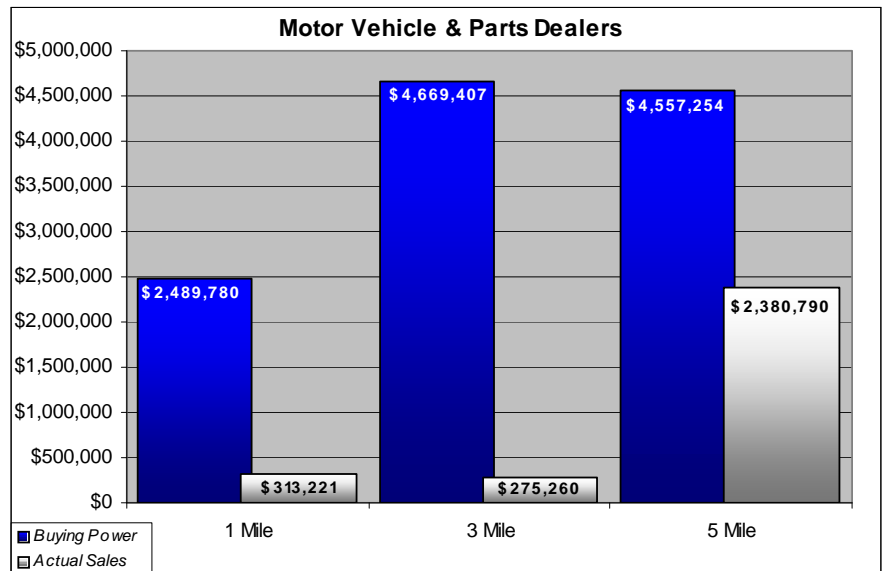
With this stated, for the remaining portion of the study, it is our goal to first, uncover and analyze which retail sectors would have the most potential of success; second, evaluate the overall 'Food Services & Drinking Places' retail trade and lastly, provide conclusions and suggestions from our findings.

Market Segments: Motor Vehicle & Parts Dealers

NAICS (4411-4413)

‘Motor Vehicle & Parts Dealers’ include automobile dealers, auto parts, accessories, and tire stores.

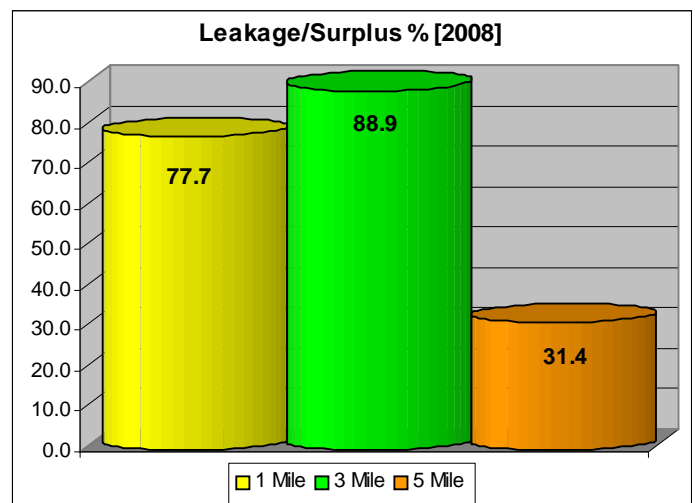
The one mile radius around I-435 and Shawnee Mission Parkway has \$2,489,780 of buying power per square mile annually. This represents the typical proportion of income spent by consumers in the area. Comparing this number to the \$313,221 in actual sales in the same one mile radius, we note a large leakage. This immediately suggests a market niche may exist for ‘Motor Vehicle & Parts Dealers’. Even though the leakage in the one mile radius is 77.7%, we have to take into account only 1,883 people are spending the majority of their money outside of the one mile radius.



Looking at the three mile radius, we notice buying power rises by ~\$2.2 million to \$4,669,407 per mile yet actual sales decrease ~\$38,000 to \$275,260 per mile. Again, this is a major gap between the expected amount spent by consumers versus the actual sales at ‘Motor Vehicle & Parts Dealers’. In fact, there are currently only six businesses falling under this category found in the three mile radius. Contrasting the year 2008 population density of 1,883 found in the one mile area to the 37,505 found in the three mile area, we notice a larger sample and therefore can rely more heavily on the data. This stated, we also see there is a leakage of 88.9% in the three mile radius. This percentage is more than the one mile radius, and shows very high consumer demand relative to supply.

The five mile radius contains 58 ‘Motor Vehicle & Parts Dealers’ with annual sales of \$2,380,790 million per square mile. Comparing this to the buying power of \$4,557,254 we see another large gap of ~\$2.2 million. With a year 2008 population of 113,041, the leakage percentage is still considered very high measuring 31.4%.

Even though this market segment shows great potential demand, we have to consider the fact that the majority of the sub-niche ‘Automobile Dealers’ (NAICS codes 4411 and 4412) locate



along the same corridor. For example, in the Kansas City metropolitan area, the Noland Road, Metcalf, Tiffany Springs Corridors are known for having multiple dealerships. Because of this fact, most areas outside these concentrated dealerships are going to display leakages. Thus, although few dealerships are present around our target area, it would be harder to persuade new dealerships to relocate or move operations. Another, factor to take into consideration is the tax implications a dealership would have upon the city of Shawnee versus for example, a Best Buy. Consumers will pay taxes in their respective cities, not in Shawnee unless the consumer is from Shawnee.

Furniture & Home Furnishings Stores

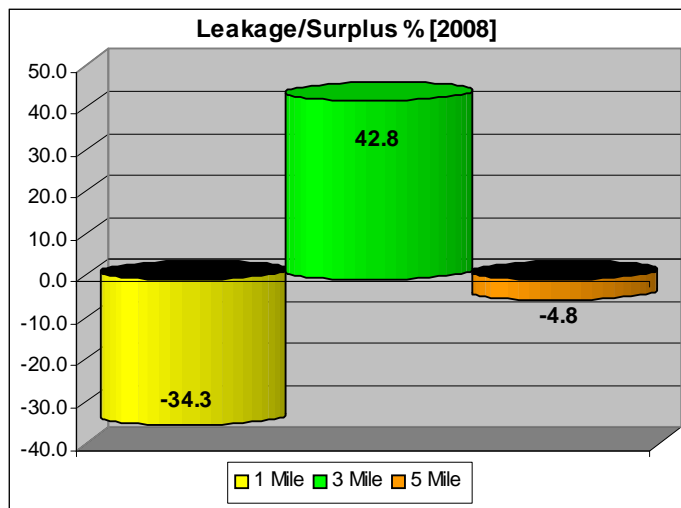
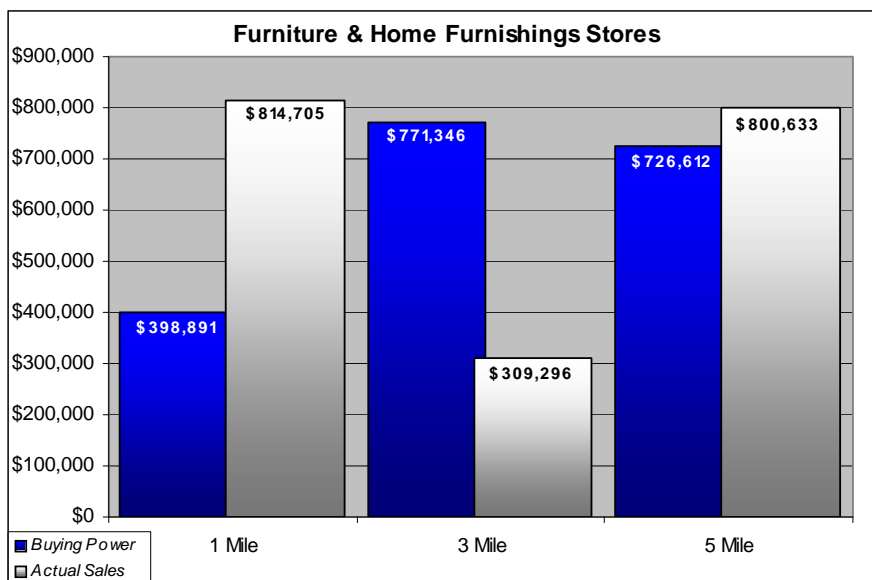
NAICS (4421-4422)

¹ 'Furniture & Home Furnishings Stores' include businesses which retail new furniture and home furnishings. Establishments in this sector usually operate from showrooms and have substantial areas for the presentation of their products.

Within the one mile radius, we notice the accompanying charts display actual sales (supply) per square mile double the area's buying power (demand), with a surplus of 34.3%. With this data, it clearly shows little room for additional 'Furniture & Home Furnishing Stores' based upon the one mile radius.

On the other hand, the three mile radius shows high demand. Containing a total of nine businesses and annual sales of \$309,296 per square mile, we see buying power is more than double actual sales with \$771,346. Therefore, especially the area within the one to three mile range demonstrates great potential for additional stores. Leakage of the three mile radius jumps to 42.8%, which is an extremely high number considering the three mile radius incorporates the data of the one mile radius.

Shifting our focus to the five mile radius, containing 45 'Furniture & Home Furnishing Stores', buying power is \$726,612 and actual sales are \$800,633. Comparing the three and five mile radii, we observe a decrease of ~\$45K in buying power versus an increase of ~\$490K



in actual sales. Again, because the figures are displayed on a per square mile basis, the area in the range of three to five miles displays a very low opportunity for the addition of future furniture related stores. In examining the leakage/surplus graph, we notice a slight surplus of 4.8% for the five mile radius.

As a whole, 'Furniture & Home Furnishing Stores' have high demand for the range between one and three miles but are stagnant for the one mile radius. The area between three and five miles also displays low demand. However, investigating further, for the five mile radius it is important to note the niche segment of 'Furniture Stores' (NAICS 4421) has an overall leakage of 48.9% while 'Home Furnishings Stores' (NAICS 4422) display a surplus of 35.3%.

Electronics & Appliance Stores

NAICS (4431)

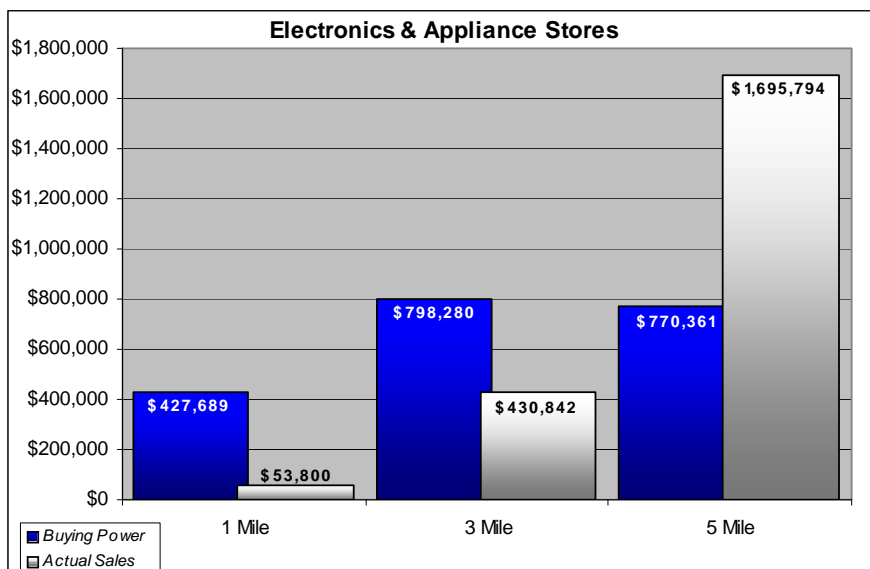
¹ 'Electronics & Appliance Stores' include businesses which are primarily engaged in retailing the following new products: household-type appliances, cameras, computers, and other electronic goods.

Within the one mile radius we see annual buying power exceeds actual sales by ~\$373K per square mile. We also observe a leakage percentage of 77.7%. Again, these two results are very favorable for opening an 'Electronics & Appliance-type Store' but cannot be heavily relied on due to the low sample of consumer population.

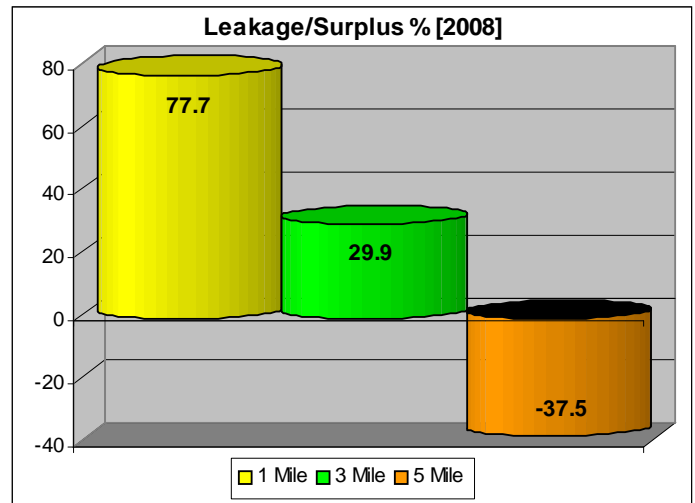
However, the data captured in the three mile radius does suggest a clear need for this particular market niche. The nine

'Electronics & Appliance Stores' account for only \$430,842 of actual sales but buying power is almost double at \$798,280. It is also confirmed in the leakage/surplus chart on the following page where the three mile notices a high leakage of 29.9%.

Observing the five mile figures, actual sales increase dramatically from ~\$431K to ~\$1.7 million per square mile annually. This major change is best viewed in the leakage/surplus graph where we see the 67.4% overall drop from the three to five mile radius. With a surplus of 37.5% in the five mile radius, the 80 'Electronics & Appliance Stores' are providing sufficient consumer demand for the market. The five mile radius contains a buying power of \$770,361 per square mile with actual sales of \$1,695,794 per square mile.



Overall, buying power exceeds actual sales for the one and three mile radii. With such high buyer demand and low competition it would make sense to locate an 'Electronics & Appliance Store' in our target area based upon the one and three mile radii figures. The five mile radius however displays unfavorable market conditions with sufficient supply already established.

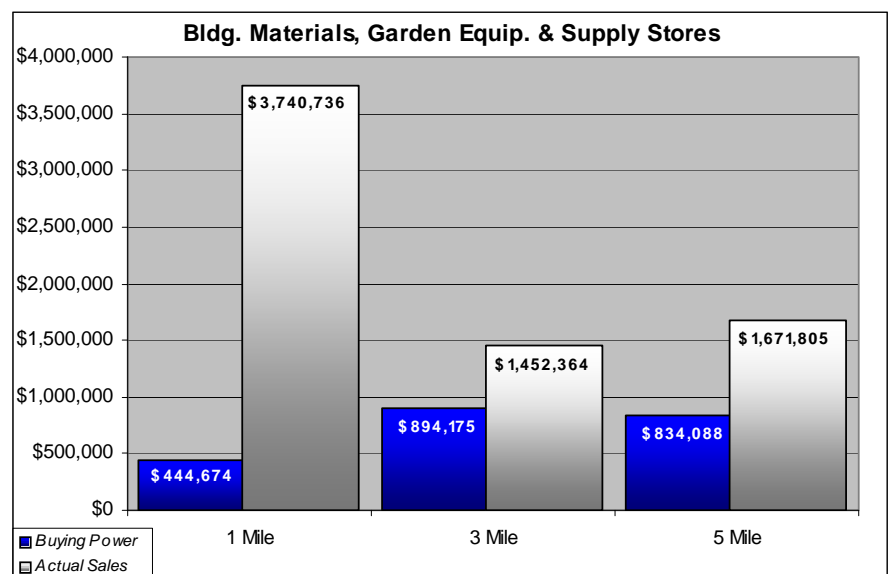


Building Materials, Garden Equipment, & Supply Stores

NAICS (4441-4442)

¹ 'Building Materials, Garden Equipment, & Supply Stores' include retailing a general line of new home repair and improvement materials and supplies, such as lumber, plumbing goods, electrical goods, tools, housewares, hardware, and lawn and garden supplies, which include nursery and garden products, such as trees, shrubs, plants, seeds, bulbs, and sod, that are predominantly grown elsewhere in addition to outdoor power equipment.

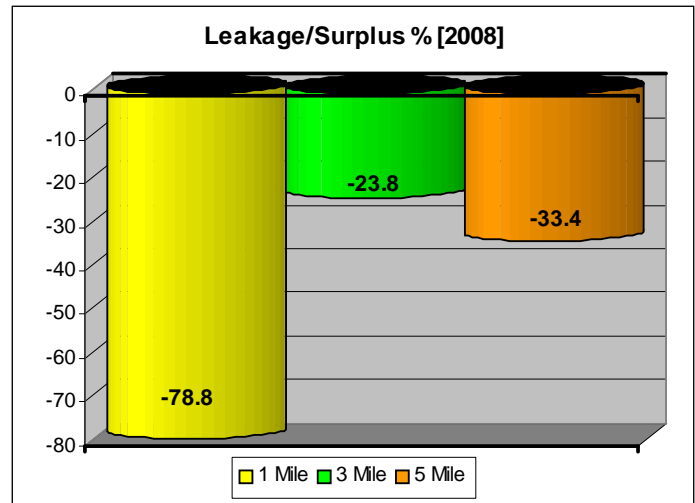
Unlike the previous market niches, within the one mile radius we note for the first time a major disparity of surplus between buying power and actual sales. This large gap hints that many consumers who reside outside the one mile radius are attracted within to spend money at these 'Building Materials, Garden Equipment, & Supply-type Stores'. We note from the leakage/surplus chart on the following page the large percentage difference via a 78.8% surplus. The one mile radius shows no opportunity for this particular market niche with a buying power of only \$444,674 compared to the actual sales of \$3,740,736 per square mile.



The supply/demand gap is dramatically closed in the three mile radius figures. However, there still remains a surplus of 23.8% due to a buying power of \$894,175 compared to the actual sales of \$1,452,364 per square mile. The three mile radius currently contains 15 'Building Material & Supplies Dealers' (NAICS 4441) in addition to five 'Lawn & Garden Equipment & Supplies Stores' (NAICS 4442), totaling 20 stores representing this particular market segment.

Containing 71 'Building Material & Supplies Dealers' and 22 'Lawn & Garden Equipment & Supplies Stores' in the five mile radius market segment, we observe a surplus of 33.4%. Again, actual sales exceeded buying power displaying \$1,671,805 and \$834,088 per square mile respectively

Based on the combined figures of the one, three, and five mile radii it would not be recommended to locate multiple 'Building Materials, Garden Equipment, & Supply-type Stores'. All radii measurements displayed high excess high for the target area.



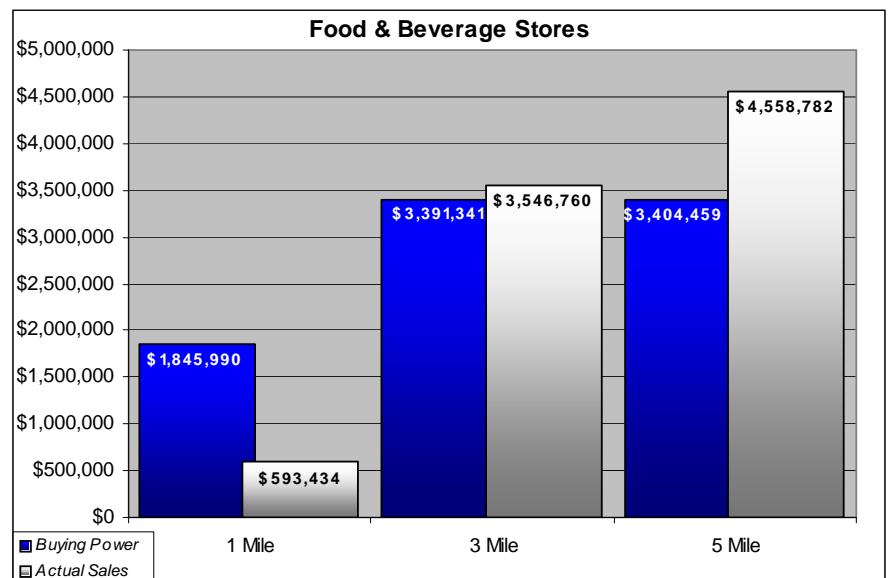
Food & Beverage Stores

NAICS (4451-4453)

'Food & Beverage Stores' include supermarkets, specialty food stores, and beer, wine and liquor stores.

We observe in the one mile radius a buying power per square mile (\$1,845,990) that is more than triple the amount of actual sales (\$593,434). This in turn, results in a leakage of 51.3% represented in the chart located on the following page.

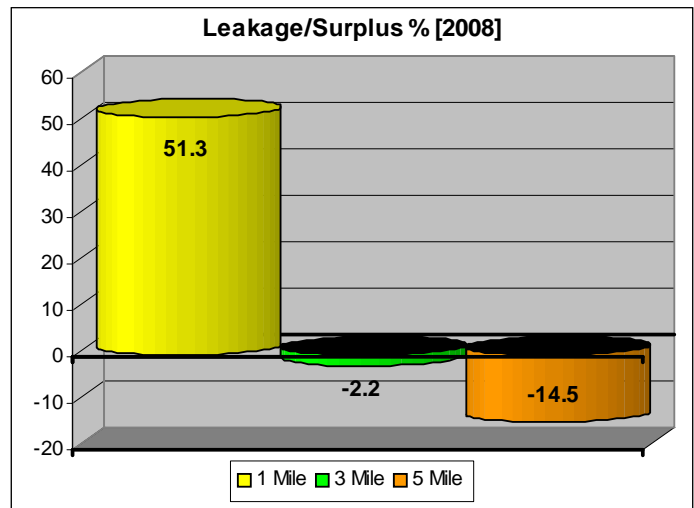
As we turn our focus to the three mile radius, we notice the leakage/surplus percentage drops considerably, 53.5% overall from the one mile radius, to finally settling at a surplus level of 2.2%. With 13 'Food & Beverage Stores' in the three mile radius, there is little excess supply with buying power measuring \$3,391,341 and actual sales at \$3,546,760 per square mile. Further examining this market niche in the



three mile radius, ‘Specialty Food Stores’ (NAICS 4452) and ‘Beer, Wine, and Liquor Stores’ (NAICS 4453) display leakages of 47.8% and 34.8% respectively. Therefore, although the overall three mile radius shows a surplus of 2.2%, there is opportunity for the above two sub-niches due to the fact the ‘Grocery Stores’ (NAICS 4451) sub-niche weighs the overall ratings with a surplus of 4.5%.

The five mile radius, containing 68 ‘Food & Beverage Stores’, exhibits a ~\$1.15 million surplus difference per square mile between buying power and actual sales. With a surplus of 14.5%, the five mile radius shows a bleak future for any stores that fall under this niche market category. In addition, due to the fact the five mile radius includes the data from the one and three mile radii, we can conclude the area from three to five miles is over saturated with these types of stores.

Overall, multiple ‘Food & Beverage Stores’ show no urgent signs of necessity for development at I-435 and Shawnee Mission Parkway. But by investigating this market segment further, the various radii do show an opportunity for ‘Specialty Food Stores’ and ‘Beer, Wine, and Liquor Stores’; two of the three sub-niches for this niche market. There are leakages of 100% and 47.8% in the one and three mile radii for ‘Specialty Food Stores’. There are leakages of 33.6% and 34.8% in the one and three mile radii for ‘Beer, Wine, and Liquor Stores’. ‘Grocery Stores’ demonstrate little to no need in the three and five mile radii measurements.

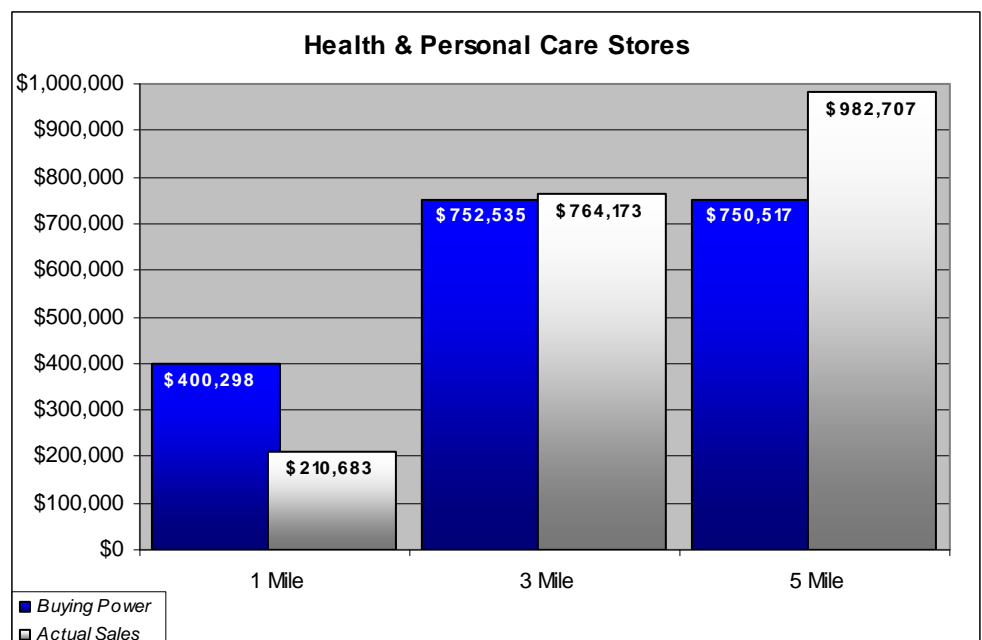


Health & Personal Care Stores

NAICS (4461)

‘Health & Personal Care Stores’ include pharmacies, cosmetics, beauty supplies, perfume, optical goods, and food supplement stores.

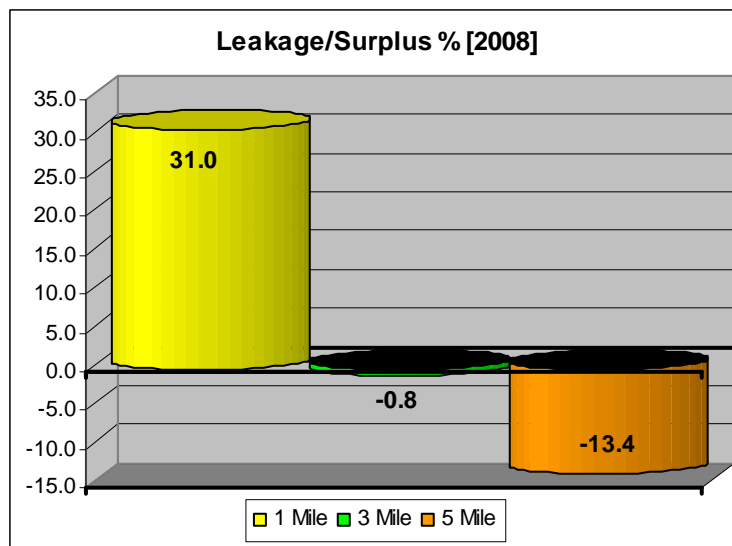
Comparing the one mile radius figures we notice excess demand of ~\$190K per square mile, which results in a very high leakage of 31.0%. With only two ‘Health & Personal Care Stores’



located within the one mile radius there is opportunity for additional stores of this market niche.

The three mile radius has a less favorable outlook with annual buying power measuring \$752,535 per square mile and actual sales slightly higher, at \$764,173 per square mile. With 12 total 'Health & Personal Care Stores' in this radius, the surplus of 0.8% does not present immediate opportunities nor major challenges for additional stores to be built.

However, the positive outlook seen in the one mile radius and the equilibrium seen in the three mile radius is reversed in the five mile radius. This time, buying power decreases slightly to \$750,517 per square mile while actual sales rose to \$982,707 per square mile. The difference of ~\$230K between buying power and actual sales equates to a 13.4% surplus. Containing 52 'Health & Personal Care Stores', we perceive the market for this radius to be oversaturated and thus provides little to no opportunities for additional stores.



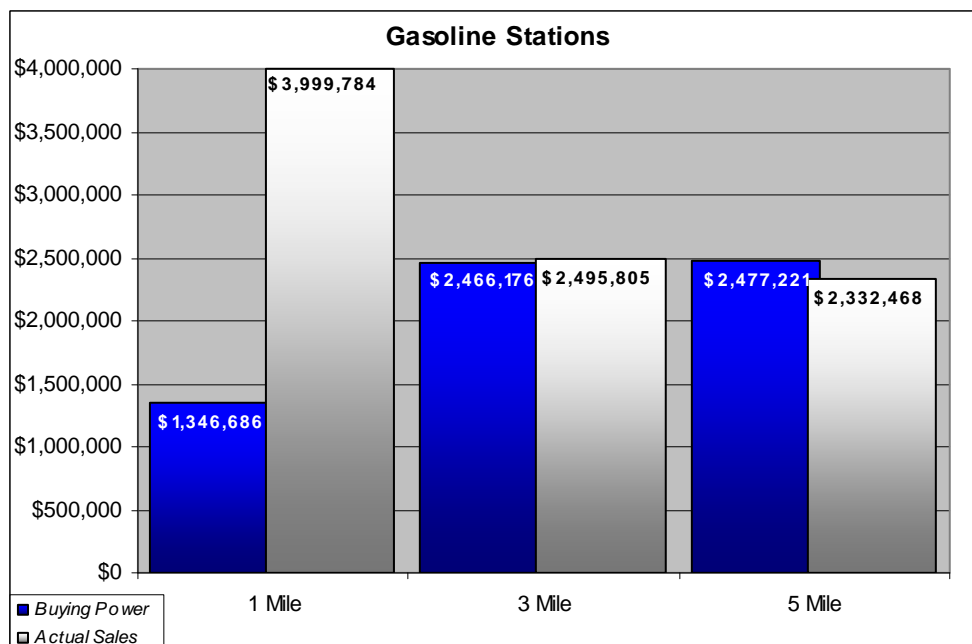
Opportunity lies in the area from zero to one mile, displaying a 31.0% leakage. However, it is difficult to recommend multiple 'Health & Personal Care Stores' being built due to the fact the five mile radius has a surplus of ~\$230K per square mile annually.

Gasoline Stations

NAICS (4471)

'Gasoline Stations' include stations with and without convenience stores.

With almost triple the actual sales (\$3,999,784) per square mile as buying power (\$1,346,686) per square mile in the one mile radius we notice a very high surplus of 49.6% on the graph located on the next page.

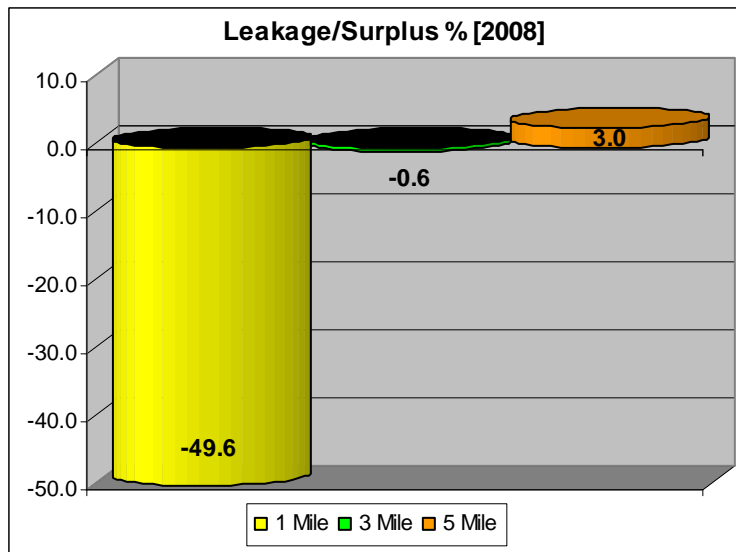


The three mile radius is more favorable and in greater demand with \$2,466,176 per square mile of buying power and \$2,495,805 per square mile of actual sales. There are currently seven ‘Gasoline Stations’ in this particular radius.

In the five mile radius, buying power exceeds actual sales providing a leakage of 3.0%; the highest of the three separate radii. The overall buying power rises to \$2,477,221 per square mile with a ~\$145K gap down to \$2,322,468 per square mile of actual sales. The 34 ‘Gasoline Stations’ found in the five mile radius demonstrate a slight need for this market niche area.

In conclusion, the one mile radius shows no opportunity to locate a gasoline station near the development. The three mile radius displays equilibrium while the five mile radius shows a slight opportunity.

Unlike other market niches that contain more ‘exclusive retail’ uses, gasoline stations will need prime site visibility, ease of access, and additional variables to successfully capture transient and destination travelers.

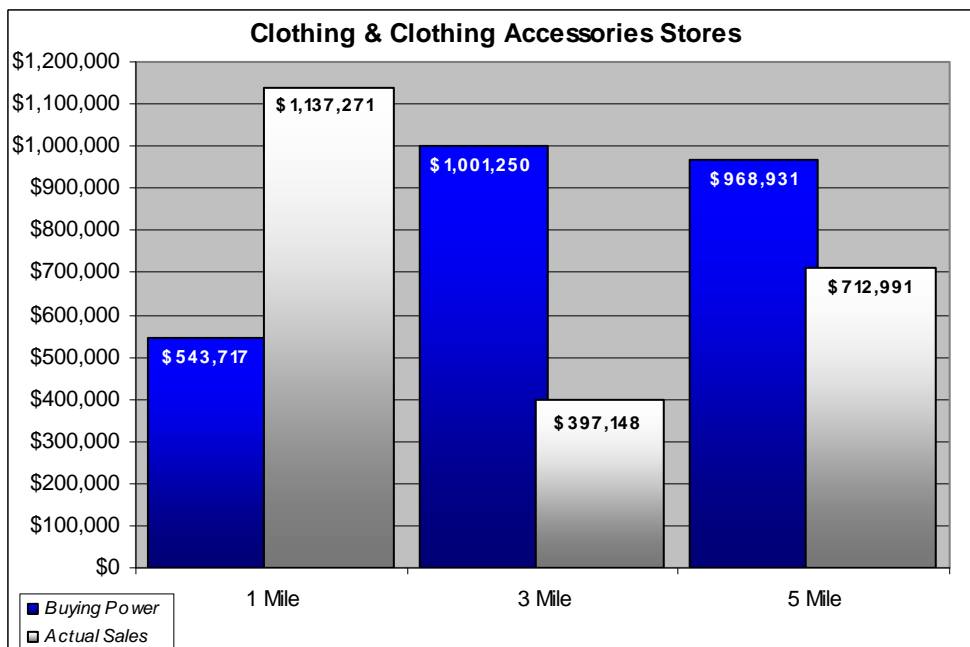


Clothing & Clothing Accessories Stores

NAICS (4481-4483)

‘Clothing & Clothing Accessories Stores’ include clothing, shoe, and jewelry, luggage, and leather goods stores.

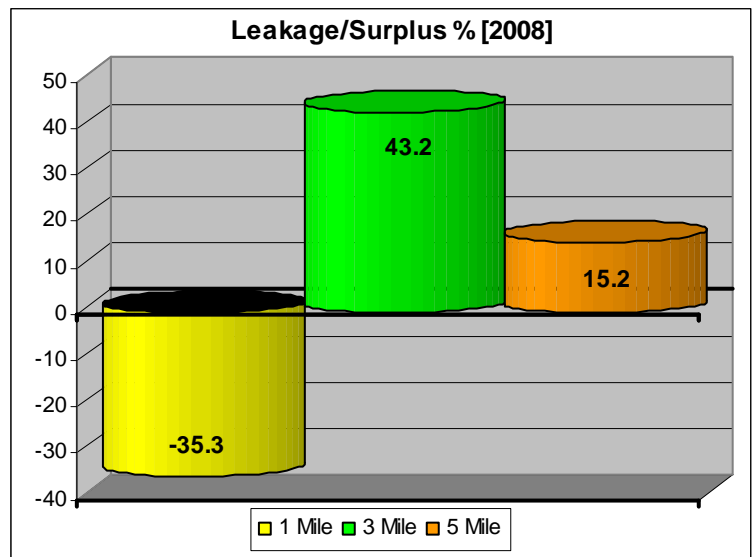
With an annual ~\$590K per square mile surplus difference between buying power and actual sales, the one mile radius displays large over-saturation. This results in a corresponding surplus percentage of 35.3% seen in the chart on the following page.



This stated, we observe a major reversal in the three mile radius as buying power increases ~\$460K to \$1,001,250 per square mile while actual sales decreases ~\$740K to \$397,148 per square mile. With 11 'Clothing & Clothing Accessories Stores' in the radius, the leakage of 43.2% is a very large increase in demand. As stated previously, the three mile radius includes the one mile radius data. Therefore, the area in the range from one mile to three miles from the center point demonstrates great potential.

In the five mile radius, we see the buying power steady at \$968,931 per square mile while the actual sales of the 59 'Clothing & Clothing Accessories Stores' rose ~\$315K per square mile from the three mile radius to the five mile radius (\$712,991 per square mile). This results in a leakage of 15.2%. These statistics suggest this market niche could support additional stores for the five mile radius.

Even though the one mile radius data suggests no opportunities for additional clothing and clothing accessories stores, its low consumer and resident population density make its figures less reliable than the three and five mile radii figures. With higher population density and consumer expenditures in the three and five mile radii, the current market conditions imply a demand for more stores to be located inside our target area.

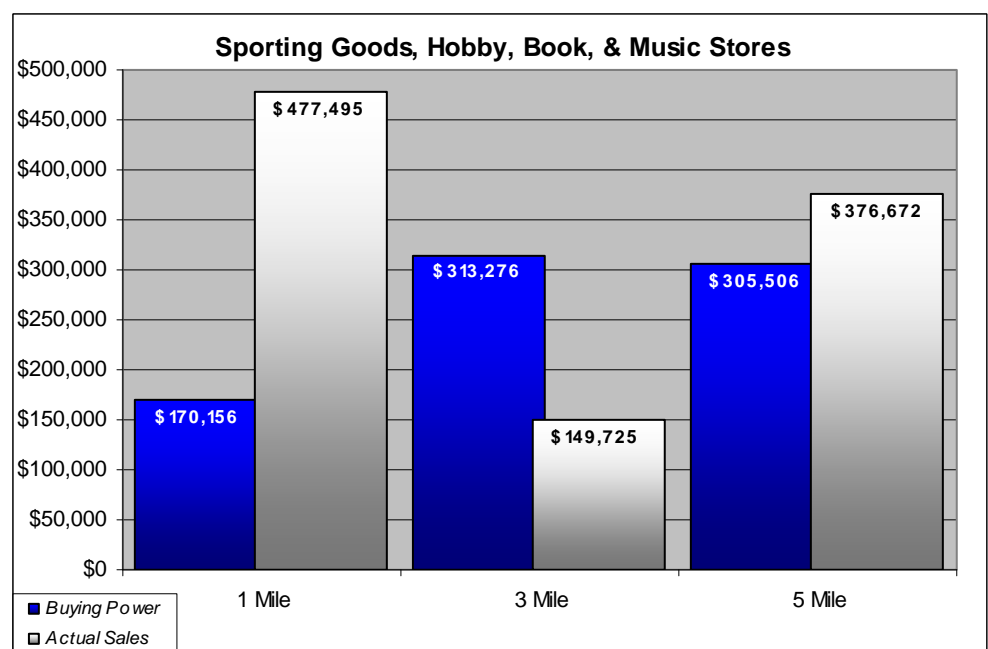


Sporting Goods, Hobby, Book, & Music Stores

NAICS (4511-4512)

'Sporting Goods, Hobby, Book, & Music Stores' include all new and used stores in these categories.

The one mile radius conveys no immediate opportunities for future stores. With annual buying power of \$170,156 per square mile compared to the actual sales of \$477,495 per square mile; the surplus

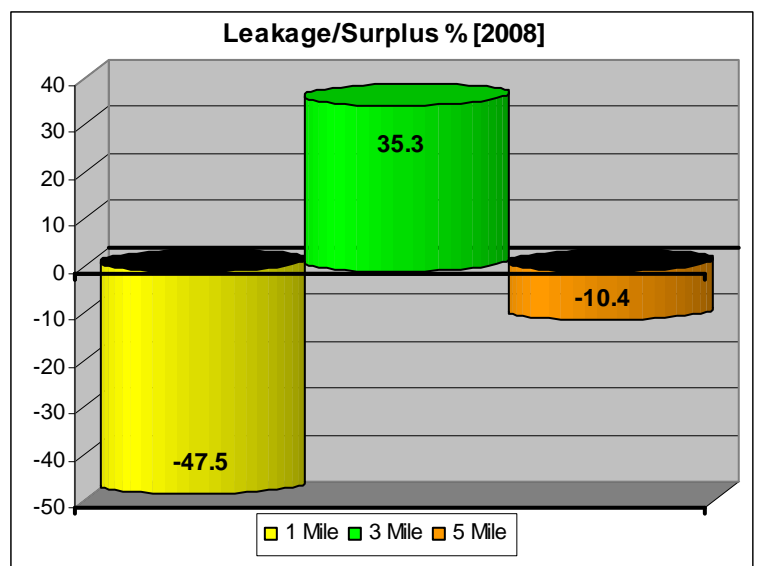


percentage of 47.5% is very undesirable.

The three mile radius statistics of \$313,276 per square mile buying power and \$149,725 per square mile actual sales display multiple opportunities for this market niche. With a leakage of 35.3% and only nine 'Sporting Goods, Hobby, Book, & Music Stores', the market displays an overall positive outlook for locating additional stores.

However, the trend reverses again from the three mile radius to the five mile radius displaying an overall surplus of 10.4%. The 50 'Sporting Goods, Hobby, Book, & Music Stores' located in the five mile radius total \$376,672 per square mile in actual sales but contain only \$305,506 per square mile of buying power. Although, buying power only slightly decreased (~\$8K), actual sales increased greatly (~\$227K) from the three mile radius to the five mile.

With conflicting surplus and leakage among the one, three, and five mile radii, it is hard to clearly judge whether 'Sporting Goods, Hobby, Book, & Music Stores', as a whole, would succeed at the intersection of I-435 and Shawnee Mission Parkway. Yet, when we investigate and divide this particular market segment into sub-niches to include only 'Books, Periodicals, & Music Stores', we observe leakages in the one and three mile radii of 100%. Thus, no stores of this sub-niche currently are located from zero to three miles extending from our center point of reference suggesting multiple opportunities. These demand percentages convert to ~\$185K and ~\$3.0 million of annual excess buying power in the aggregate. With such large leakage percentages and uncaptured demand, it is recommended to locate additional book, periodicals, and/or music stores.



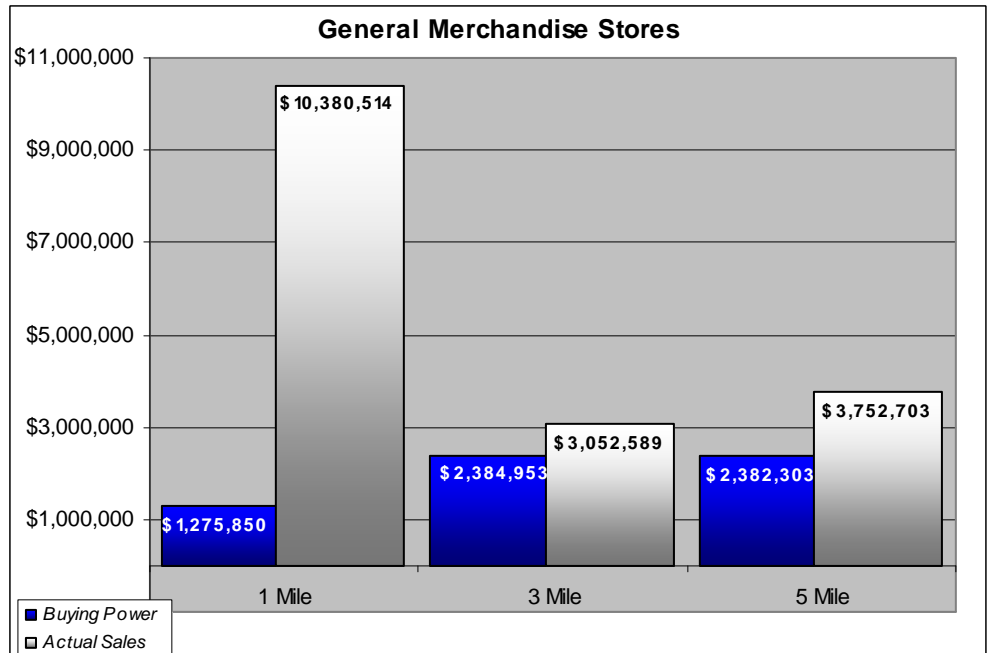
General Merchandise Stores

NAICS (4521,4529)

'General Merchandise Stores' include department stores, warehouse clubs, supercenters, and dollar stores. Examples would include big box types like Target, Kohl's, and Wal-Mart and others like Sears, Macy's, and J.C. Penney.

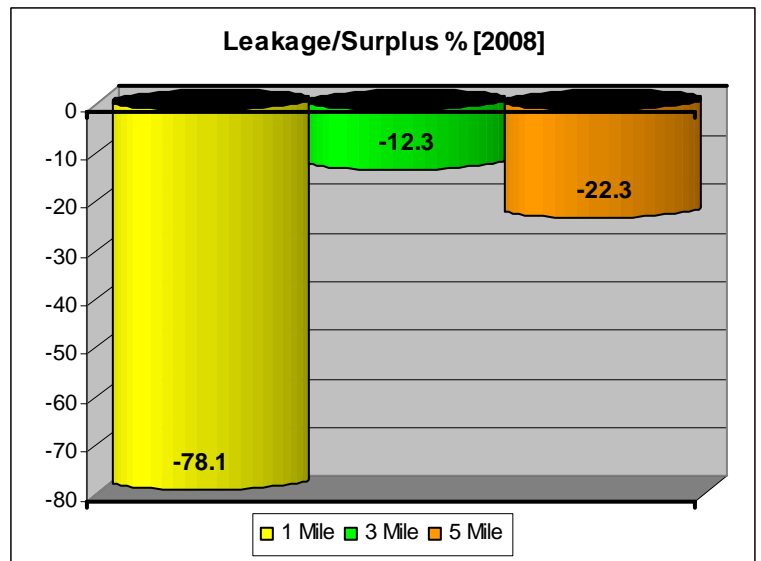
In examining the one mile radius statistics on the following page, we notice the annual buying power of \$1,275,850 per square mile is substantially less than actual sales of \$10,380,514 per square mile. This implies an extremely high surplus of 78.1%, a negative indicator for locating future 'General Merchandise Stores'.

The three mile radius contains six general merchandise stores. These stores demonstrate an overall excess demand with buying power of \$2,384,953 per square mile compared to the \$3,052,589 of actual sales. In turn, this ~\$668K difference results in a surplus of 12.3%, a negative indicator for this market niche.



The surplus observed in the one and three mile radii continues for the five mile radius. With 28 ‘General Merchandise Stores’ in the target area, a ~\$1.37 million surplus gap via \$2,382,303 of buying power per square mile and \$3,752,703 of actual sales per square mile provides no opportunities for this particular market niche. The surplus percentage measures 22.3% for the five mile radius.

Overall, all radii measurements suggest no opportunity for ‘General Merchandise Stores’ based upon a supply and demand analysis from our center point of reference at I-435 & Shawnee Mission Parkway.

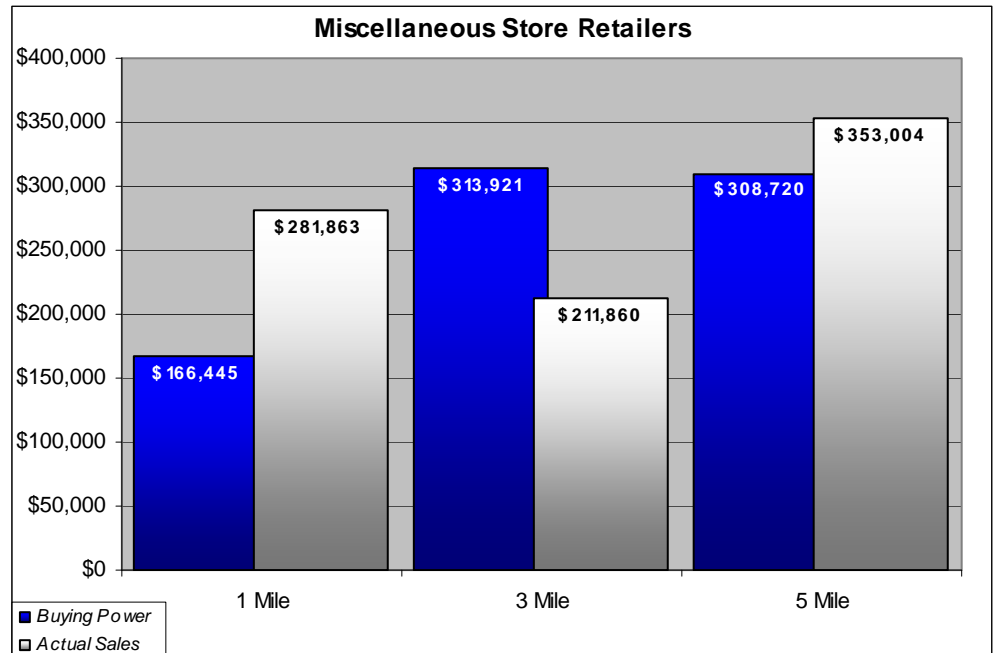


Miscellaneous Store Retailers

NAICS (4531-4533, 4539)

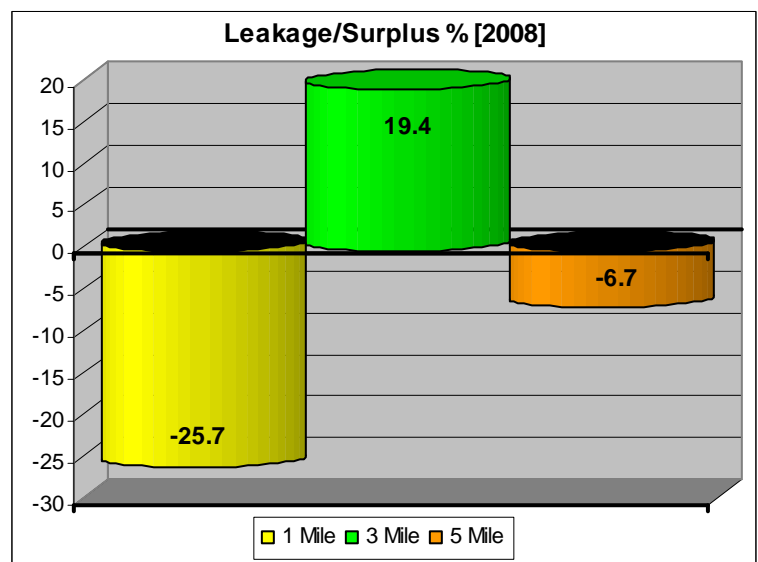
‘Miscellaneous Store Retailers’ include florists, office supplies, stationery, and gift stores, used merchandise stores, and other miscellaneous store retailers such as pet stores and art dealers.

By evaluating both the annual buying power and the actual sales for the one mile radius, we note more supply than demand. This difference of ~\$115K results in a surplus percentage of 25.7%. Again, these one mile statistics would recommend no further miscellaneous store retailers be built in the target area.



We see a turnaround however, for the three mile radius. Annual buying power per square mile exceeds actual sales measuring \$313,921 and \$211,860 respectively. These 18 niche market stores create a high leakage of 19.4%, resulting in future opportunities for ‘Miscellaneous Store Retailers’ to capture the excess demand.

In the five mile radius we observe a surplus of 6.7%. This surplus is due to buying power in the five mile radius decreasing slightly (~\$5K) and actual sales rising substantially (\$141K) per square mile from the three mile radius. With 98 ‘Miscellaneous Store Retailers’ currently located within the five mile radius we note buying power of \$308,720 per square mile and actual sales of \$353,004 per square mile.



In conclusion, ‘Miscellaneous Store Retailers’ in the area surrounding I-435 and Shawnee Mission Parkway intersection are not prevalent enough in the three mile radius to capture the entire demand. However, in the area from three miles to

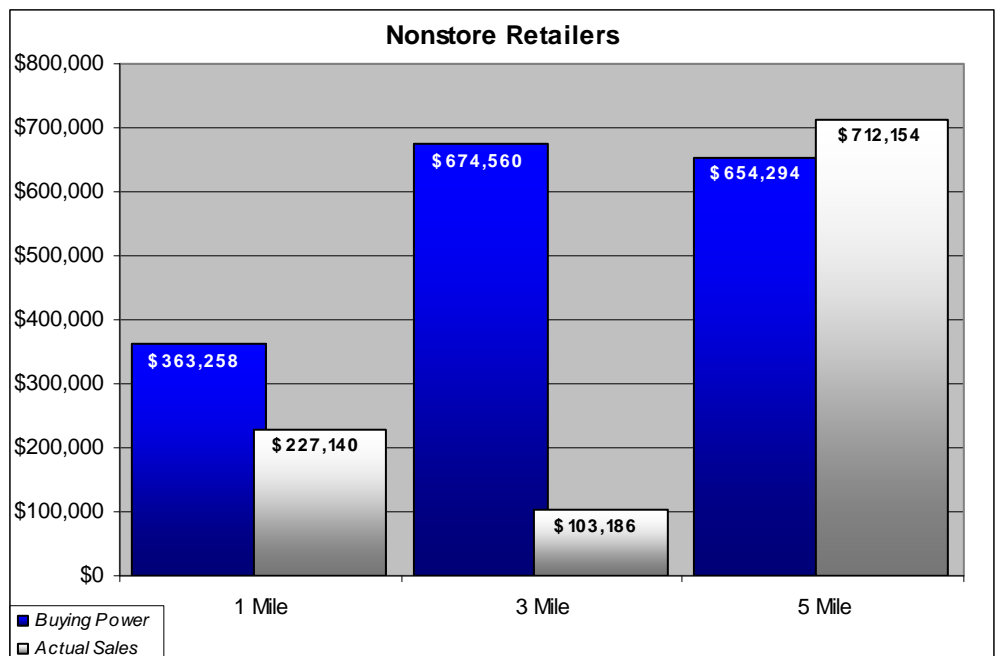
five miles supply exceeds demand. Therefore, there are multiple opportunities closer to the center point of reference from one to three miles distance and less need from three to five miles distance.

Nonstore Retailers

NAICS (4541-4543)

'Nonstore Retailers' include electronic shopping and mail-order houses, vending machine operations, and direct selling establishments.

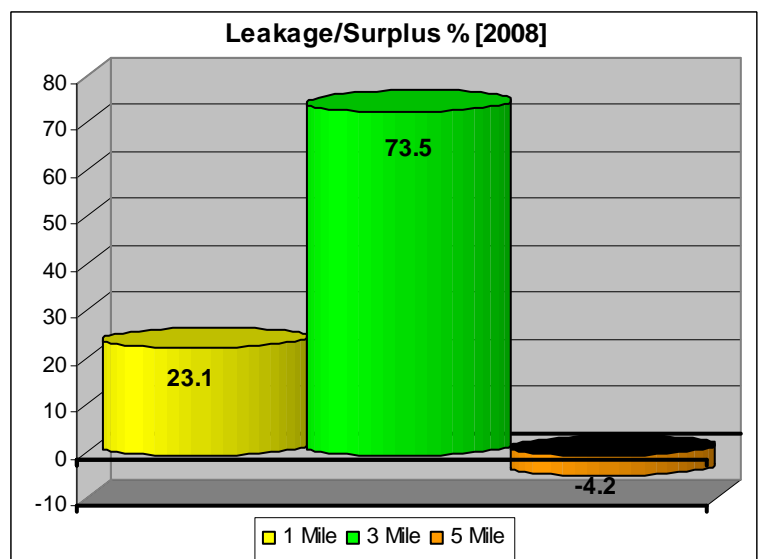
The current one mile radius statistics imply various available opportunities for future 'Nonstore Retailers'. Buying power is \$363,258 per square mile with actual sales measuring \$227,140 per square mile. This results in a high leakage percentage of 23.1%.



The three mile radius also provides another opportunistic market for 'Nonstore Retailers'. A ~\$570K per square mile difference between buying power of \$674,560 and \$103,186 per square mile of actual sales makes the area enjoy an extremely high leakage percentage of 73.5%. There are four 'Nonstore Retailers' located within the three mile radius.

The five mile radius displays a slight surplus via buying power of \$654,294 per square mile and actual sales of \$712,154 per square mile. The 17 'Nonstore Retailers' show an overall surplus percentage of 4.2%.

Overall, the 'Nonstore Retailers' niche market contains opportunities for additional businesses. The one and three mile radii both display high leakages while



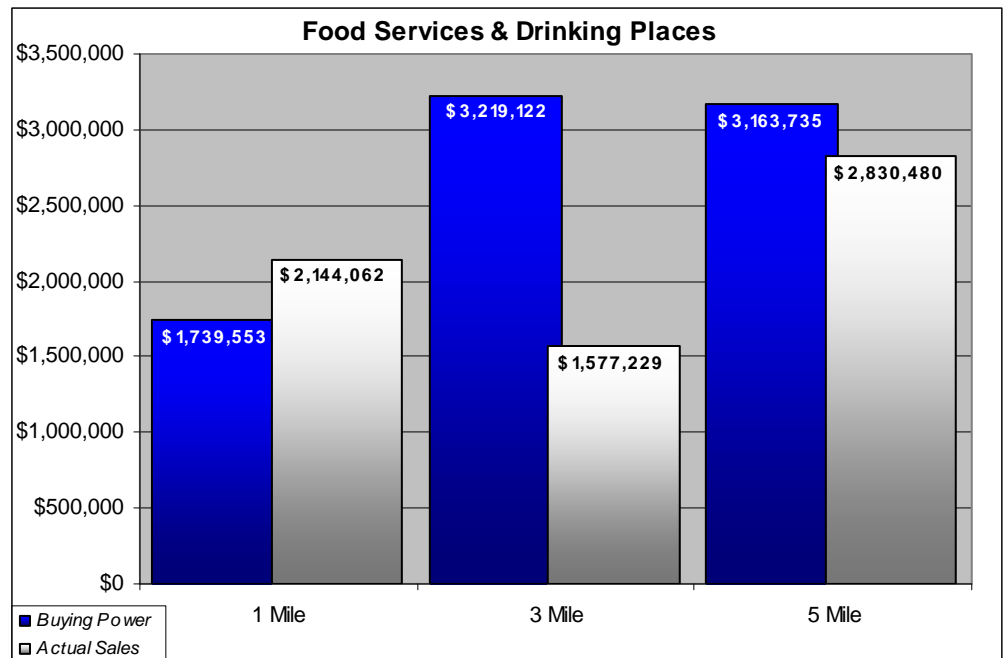
the five mile radius is near equilibrium with a slight surplus. However, in the overall scope, these results will not lead directly to the creation of physical retail space.

Food Services & Drinking Places

NAICS (722)

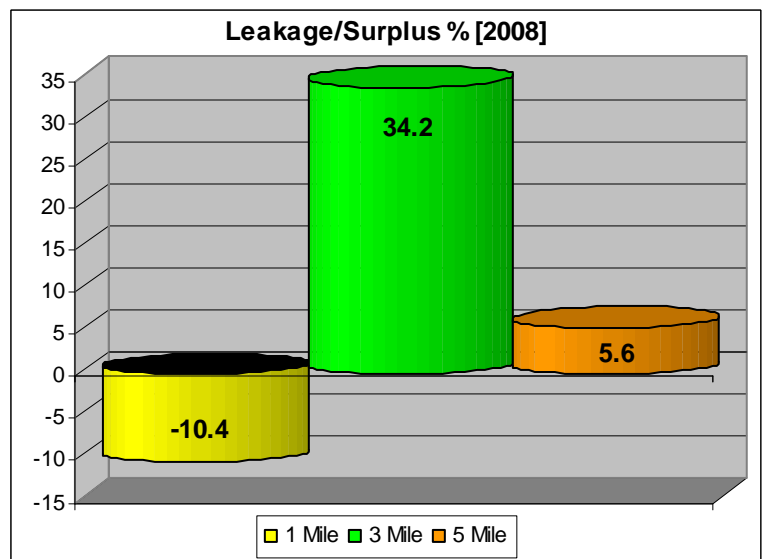
'Food Services & Drinking Places' includes full-service restaurants, limited-service restaurants, special food services, and drinking places.

For the one mile radius we observe excess supply of ~\$405K. Initially, this is an unfavorable indicator having buying power measure \$1,739,553 per square mile with actual sales higher at \$2,144,062 per square mile. The surplus percentage comes in at 10.4%.



With 40 total 'Food Services & Drinking Places' in the three mile radius, we observe a high increase in leakage rising to 34.2%. This leakage results from additional excess demand; buying power measures \$3,219,122 per square mile but actual sales measures less than half at \$1,577,229 per square mile. With the larger sample of consumers and households, this is a very favorable result.

The five mile radius, containing 233 total 'Food Services & Drinking Places' shows future potential for additional restaurants and drinking places. Annually, buying power measures \$3,163,735 per square mile while actual sales only measures \$2,830,480 per square mile. This is a ~\$330K difference of excess demand, which results in a leakage percentage of 5.6%.



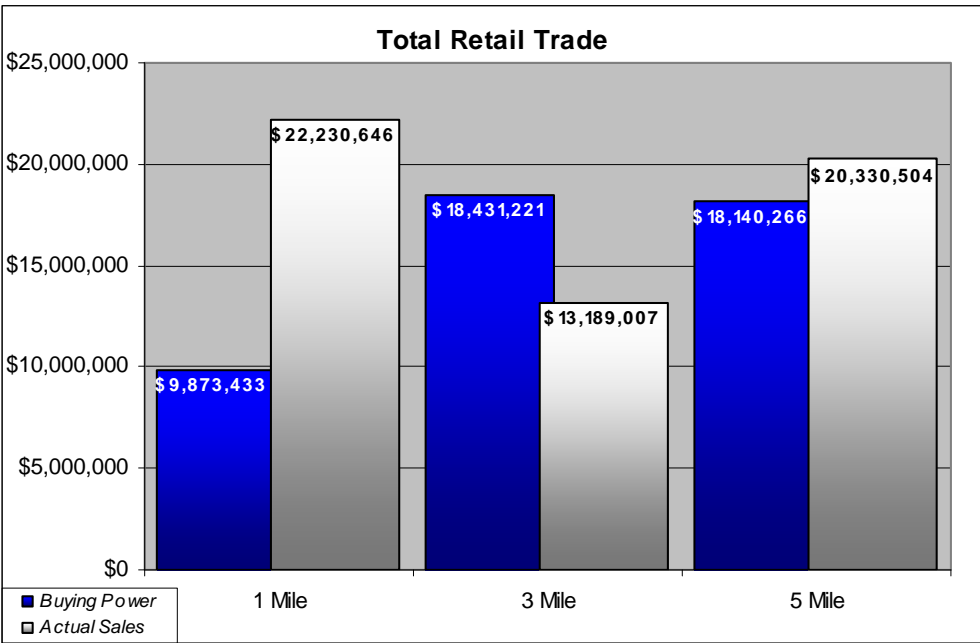
Overall, the total 'Food Services & Drinking Places' market niche should be seriously considered into the overall mix of a future development corridor containing various retail market niche users. The three and five mile radii show large amounts of uncaptured demand that additional restaurants and drinking places could provide.

Overview Charts

As stated early in the study, our purpose was to evaluate the market demand for various retail sectors surrounding the intersection of I-435 and Shawnee Mission Parkway in Shawnee, Kansas.

More specifically, we wanted to conduct an in-depth comparison of retail buying power and actual sales for various market niches.

To refresh, provided below is the combined outcome of the twelve individual market niches along with the ‘Food Services & Drinking Places’ trade. Again, the one mile radius displays a negative forecast for retailing opportunities as observed in the below ‘Total Retail Trade’ graph. However, stated throughout the study, the one mile radius suffers from low population density and consumer population as a whole. The three mile radius enjoys annual excess demand per square mile of ~\$5.2 million revealing retail opportunities for multiple market niches. The five mile radius displays an annual surplus per square mile of ~\$2.2 million, a negative indication for the retail market as a whole.



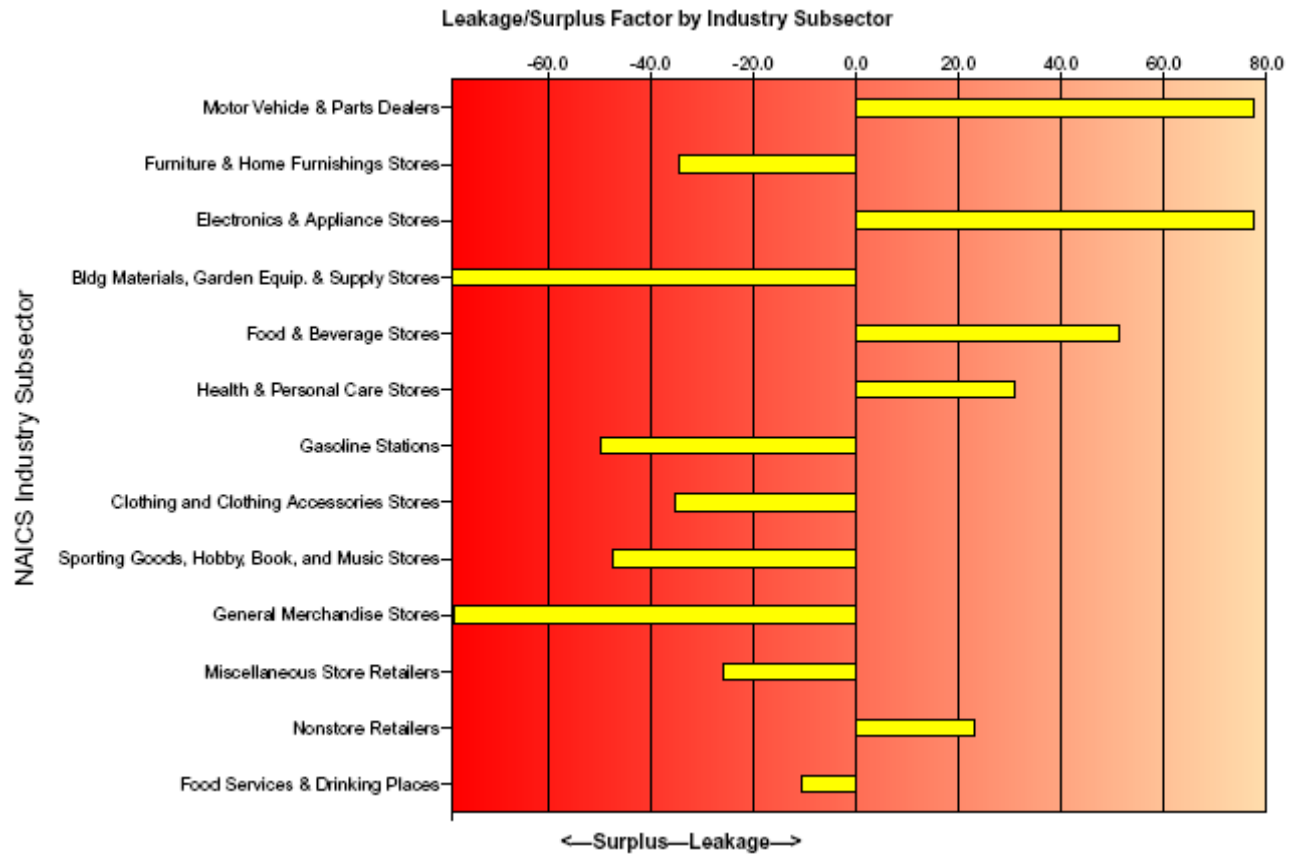
Let’s now re-evaluate which of these market niches and sub-niches provided opportunities via the one, three, and five mile radii leakage/surplus charts displayed on the following pages.

The first chart covered in each radii measurement will evaluate the 12 market niches and the ‘Food Services & Drinking Places’ market.

The second chart covered in each radii measurement will evaluate the 31 market sub-niches that are sub-categories of the above mentioned 12 market niches and the ‘Food Services & Drinking Places’ market.

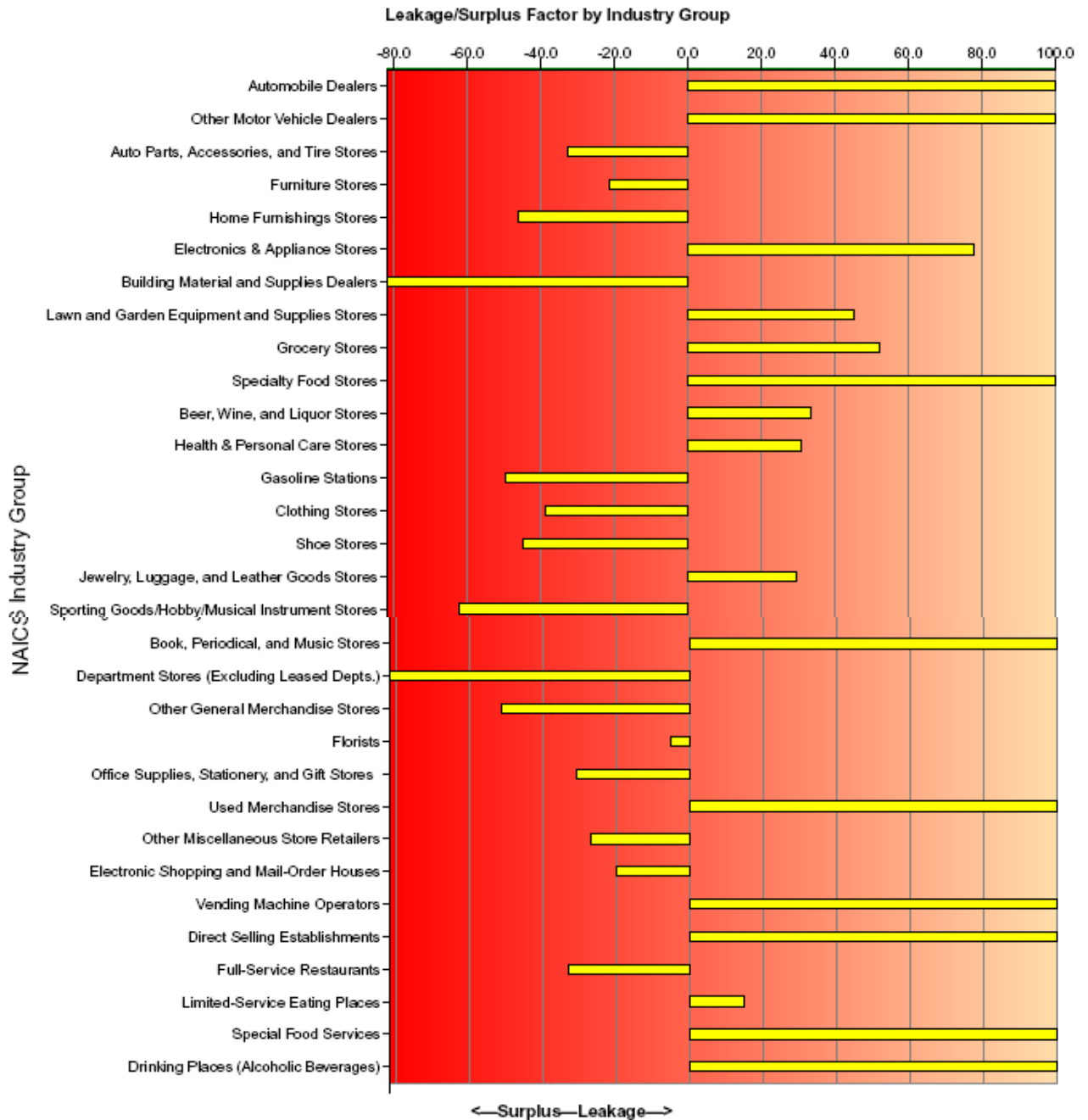
One Mile Radius

12 Market Niches & 'Food Services & Drinking Places'



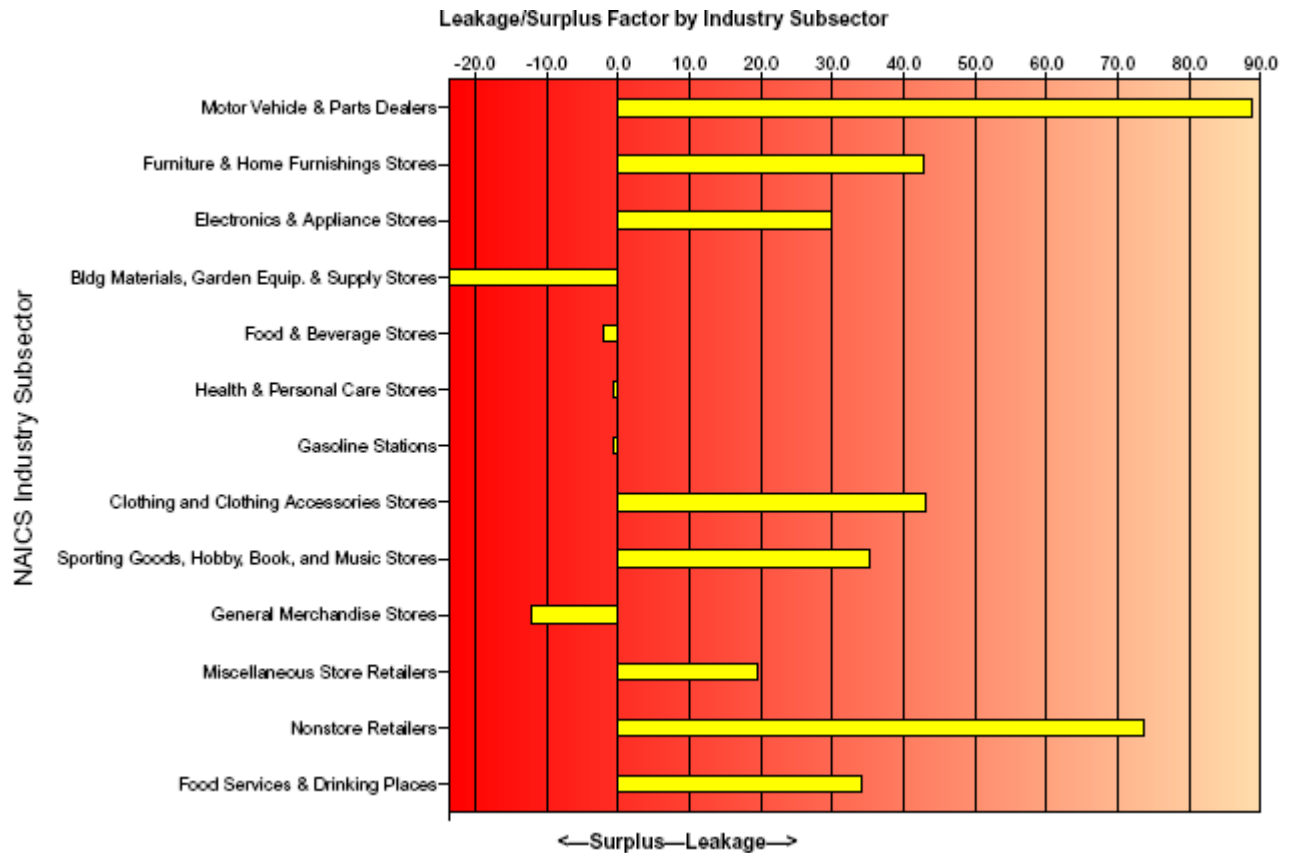
One Mile Radius (cont.)

31 Market Sub-Niches



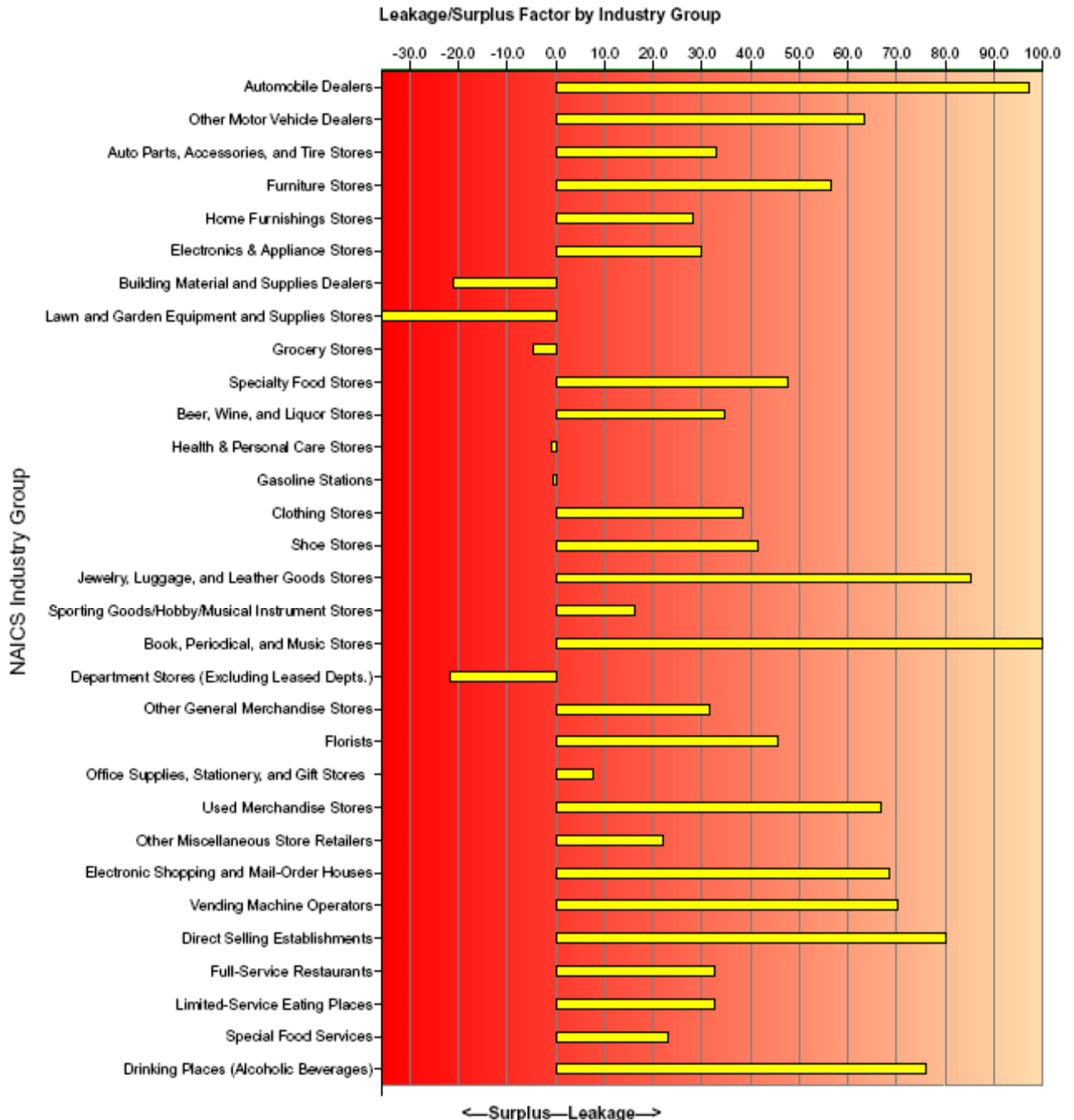
Three Mile Radius

12 Market Niches & 'Food Services & Drinking Places'



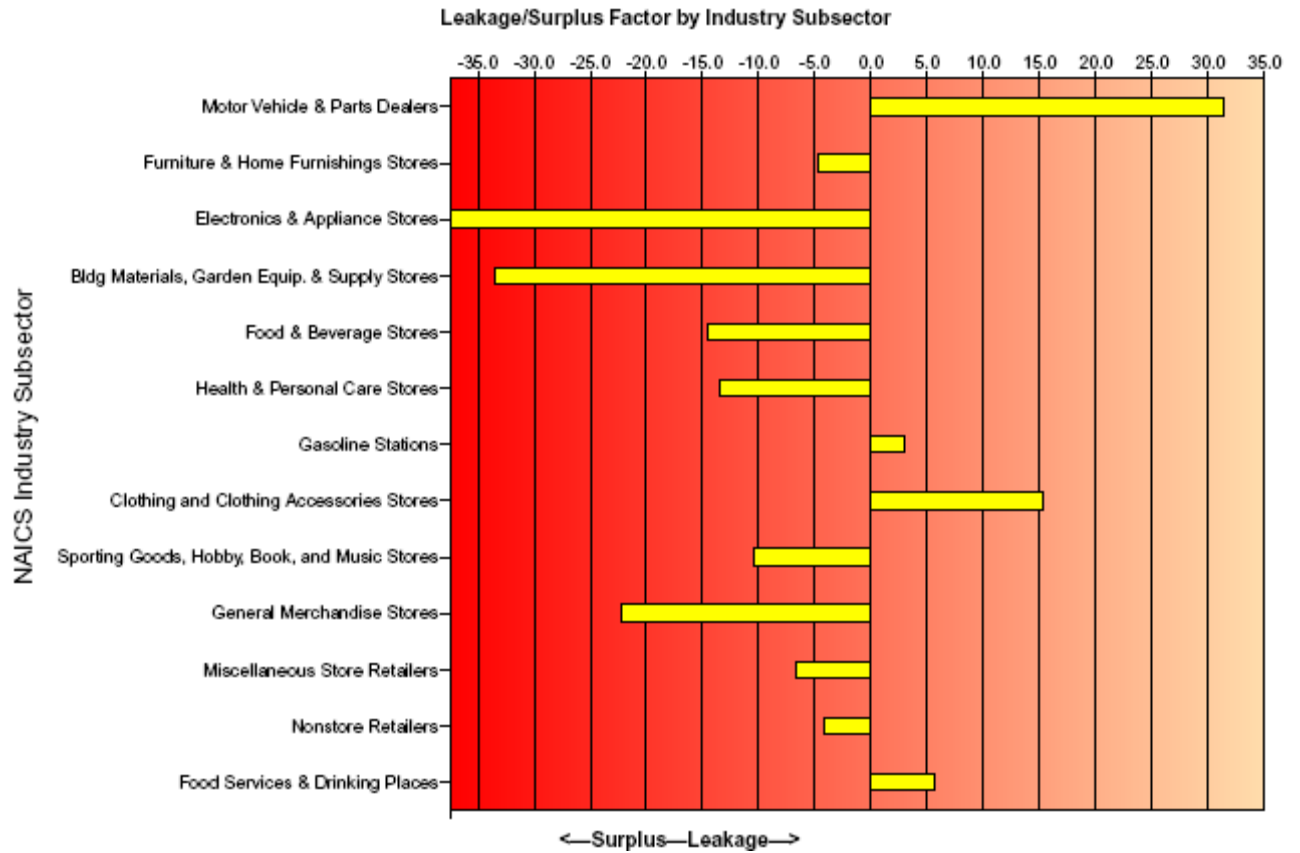
Three Mile Radius (cont.)

31 Market Sub-Niches



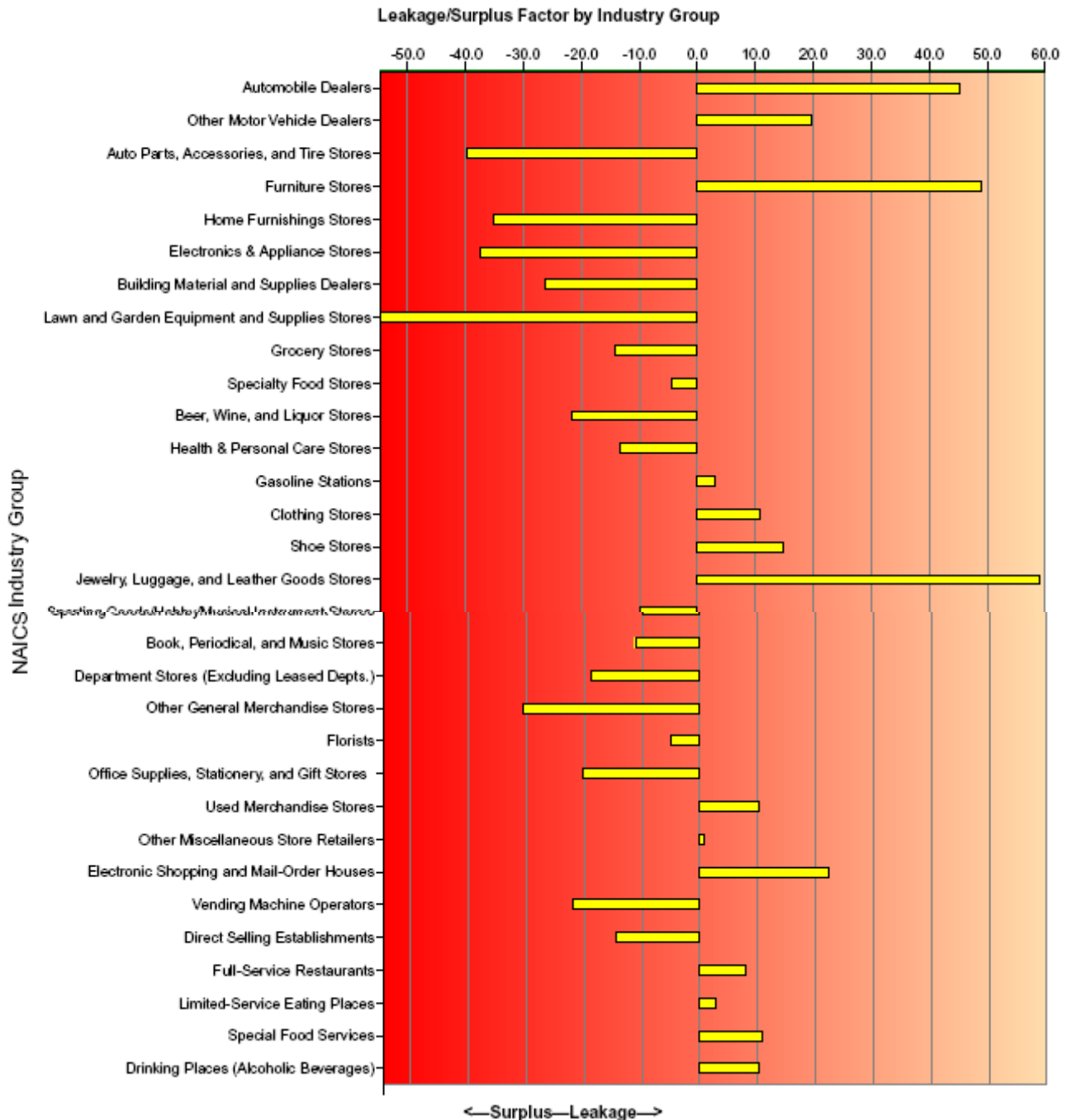
Five Mile Radius

12 Market Niches & 'Food Services & Drinking Places'



Five Mile Radius (cont.)

31 Market Sub-Niches



The following market niches, segmented by radii, display more **demand** than surplus.

	One Mile	Three Mile	Five Mile
Motor Vehicle & Parts Dealers	X	X	X
Furniture & Home Furnishings Stores		X	
Electronics & Appliance Stores	X	X	
Bldg Materials, Garden Equip. & Supply Stores			
Food & Beverage Stores	X		
Health & Personal Care Stores	X		
Gasoline Stations			X
Clothing & Clothing Accessories Stores		X	X
Sporting Goods, Hobby, Book, & Music Stores		X	
General Merchandise Stores			
Miscellaneous Store Retailers		X	
Nonstore Retailers	X	X	
Food Services & Drinking Places		X	X

The following market niches, segmented by radii, display **moderate demand** - leakage percentages above 15%.

	One Mile	Three Mile	Five Mile
Motor Vehicle & Parts Dealers	X	X	X
Furniture & Home Furnishings Stores		X	
Electronics & Appliance Stores	X	X	
Bldg Materials, Garden Equip. & Supply Stores			
Food & Beverage Stores	X		
Health & Personal Care Stores	X		
Gasoline Stations			
Clothing & Clothing Accessories Stores		X	X
Sporting Goods, Hobby, Book, & Music Stores		X	
General Merchandise Stores			
Miscellaneous Store Retailers		X	
Nonstore Retailers	X	X	
Food Services & Drinking Places		X	

The following market niches, segmented by radii, display **high demand** - leakage percentages above 30%.

	One Mile	Three Mile	Five Mile
Motor Vehicle & Parts Dealers	X	X	X
Furniture & Home Furnishings Stores		X	
Electronics & Appliance Stores	X		
Bldg Materials, Garden Equip. & Supply Stores			
Food & Beverage Stores	X		
Health & Personal Care Stores	X		
Gasoline Stations			
Clothing & Clothing Accessories Stores		X	
Sporting Goods, Hobby, Book, & Music Stores		X	
General Merchandise Stores			
Miscellaneous Store Retailers			
Nonstore Retailers		X	
Food Services & Drinking Places		X	

Conclusions and Suggestions

Using the one, three, and five mile radii statistics, the study has uncovered 11 niches that have varying degrees of potential for market development. These sectors should be weighed heavily for inclusion into any future retail development program to properly match land use planning goals and realistic site development opportunities. Possible businesses include the following:

- Reviewing from page six and seven of the retail report, the sub-niche ‘Automobile Dealers’ of the niche ‘Motor Vehicle & Parts Dealers’ is a type of anomaly. Due to this anomaly, it will be harder to attract dealerships to the area than the supply and demand analysis suggests.. However, a snapshot list includes BMW, Toyota, Honda, Volkswagon, Ford, Hummer, Chrysler, Hyundai, Acura, Lexus, Suzuki, and Nissan dealerships along with a Freedom Cycles-type store which offers motorcycles, four-wheelers and other recreational vehicles. For the sub-niche ‘Auto Parts, Accessories, & Tire Stores’ which display “high demand” leakage in the three mile radius, potential retailers include Advance Auto Parts, AutoZone, O’Reilly Auto Parts, CarQuest Auto Parts, NAPA, Michelin, Goodyear, Firestone, and Jiffy Lube.
- For the ‘Furniture & Home Furnishings’ niche, as we previously discussed, “high demand” leakage is observed in the ‘Furniture Stores’ sub-niche segment for the three and five mile radii. Therefore, stores such as IKEA, Ethan Allen, Bassett Furniture Direct, Bombay Company, and Oriental Furniture Warehouse would fulfill the need. Also, the sub-niche ‘Home Furnishings Stores’ displays a leakage in the three mile radius. Stores such as Carpet Corner, Pottery Barn, HomeGoods, and Williams-Sonoma would fulfill the need.
- The ‘Electronics & Appliances’ market niche which displays a positive outlook in the three mile radius could be fulfilled with a larger store such as Best Buy, CompUSA, and Factory Direct Appliance or smaller stores such as Apple, Sony, Radio Shack, Bose, Sprint, T-Mobile, and AT&T.
- For the ‘Food & Beverage Stores’ market niche, “high demand” leakage is observed in the ‘Specialty Food Stores’ and “Beer, Wine, & Liquor Stores’ sub-niche segments for the one and three mile radii. Therefore, stores such as Sprouts Farmers Market, Whole Foods Markets, and Gomer’s Fine Wines & Spirits would satisfy the need.
- The ‘Health & Personal Care Stores’ market niche only displays a leakage in the one mile radius. Therefore, only a few stores should be considered into the overall retail mix. Stores such as CVS Pharmacy, Walgreens Pharmacy, Beauty Brands, Sally Beauty Supply, General Nutrition Corporation, Vitamin Shoppe, and Bath & Body Works.
- As stated previously, ‘Gas Stations’ will have to be more thoroughly evaluated as to capture the maximum amount of transient and destination consumers. If it is decided to add a station, ingress and egress points will need to allow for quick access. Possible businesses include BP, Phillips 66, Conoco, QuickTrip, Valero, and Casey’s.

- The ‘Clothing & Clothing Accessories’ market niche is the most underserved market for the three and five mile radii. This niche could be satisfied with businesses such as Gap, Old Navy, Bebe, Cache, Chico’s, Express, Abercrombie and Fitch, Hollister, Eddie Bauer, Dress Barn, Nautica, Wilson’s Leather, Coach, Samsonite, Zales, Kay Jewelers, Famous Footwear, Payless Shoe Source, DSW Shoe Warehouse, Rack Room Shoes, and various other retailers.
- For the ‘Sporting Goods, Hobby, Book, & Music Stores’ niche the ‘Books, Periodical, & Music Stores’ sub-niche demonstrates strong demand in the one and three mile radii for stores such as Barnes and Noble, Borders, Record Town, and SamGoody. The ‘Sporting Goods/Hobby/Musical Instrument Stores’ sub-niche in the three mile radius displays a potential unmet need for stores such as Dick’s Sporting Goods, Sports Authority, REI, Golf Galaxy, Sportsman’s Warehouse, Cycle City, Hobby Lobby, Guitar Center, and Meyer Music.
- ‘Miscellaneous Store Retailers’ could handle the excess demand in the three mile radius by locating businesses such as a Babies R US, Office Max, Office Depot, Staples, PetsMart, Petco, Hallmark Cards, Tuesday Morning, local artist dealers, florists, and other small businesses.
- Although the ‘Nonstore Retailers’ market niche displays overall leakages in the one and three mile radii, the results do not suggest possible retail establishments for a development.
- The ‘Food Services & Drinking Places’ market niche displays overall leakages in the three and five mile radii suggesting multiple opportunities for additional restaurants, bars, and fast-food establishments. Examples include On the Border, Chili’s, Applebee’s, 54th Street Grill & Bar, T.G.I. Friday’s, Carabba’s Italian Grill, Bucca di Beppo, Bravo, The Mixx, Outback Steakhouse, LoneStar, Long Horn Steakhouse, Kato Sushi, KC Sushi, GoJo’s, Bo Lings, Culver’s, Five Guys Burgers, Panda Express, Boston Market, McDonald’s, Burger King, Taco Bell, Hardees, Minsky’s, Jack Stack, Hereford House, Houlihan’s, Mongolian Barbeque, Subway, Quiznos, Planet Sub, Red Lobster, Panera Bread, Starbucks, and various other restaurant oriented establishments.

*Excluding the two market niches we found undesirable, the “Nonstore Retailers’ niche, and the ‘Automobile Dealers’ sub-niche of ‘Motor Vehicle & Parts Dealers’ we calculate a total annual excess of buying demand of \$93,056,103.00 for the three mile radius.

Taking this figure and dividing by \$300.00, the retail standard per square foot, we conclude that the area surrounding I-435 & Shawnee Mission Parkway could handle approximately 310,000 square feet of retail mix.

*In locating the above retail product, due to Village West’s/The Legends strong impact and consumer destination attraction, Oak Park Mall’s continued success, and the pull that the Shawnee Mission Parkway Corridor offers between I-35 and I-435, we feel a main retail player should be targeted. It is hard to justify placing multiple, smaller retail pad sites in hopes that the quantity of stores will bring shoppers.

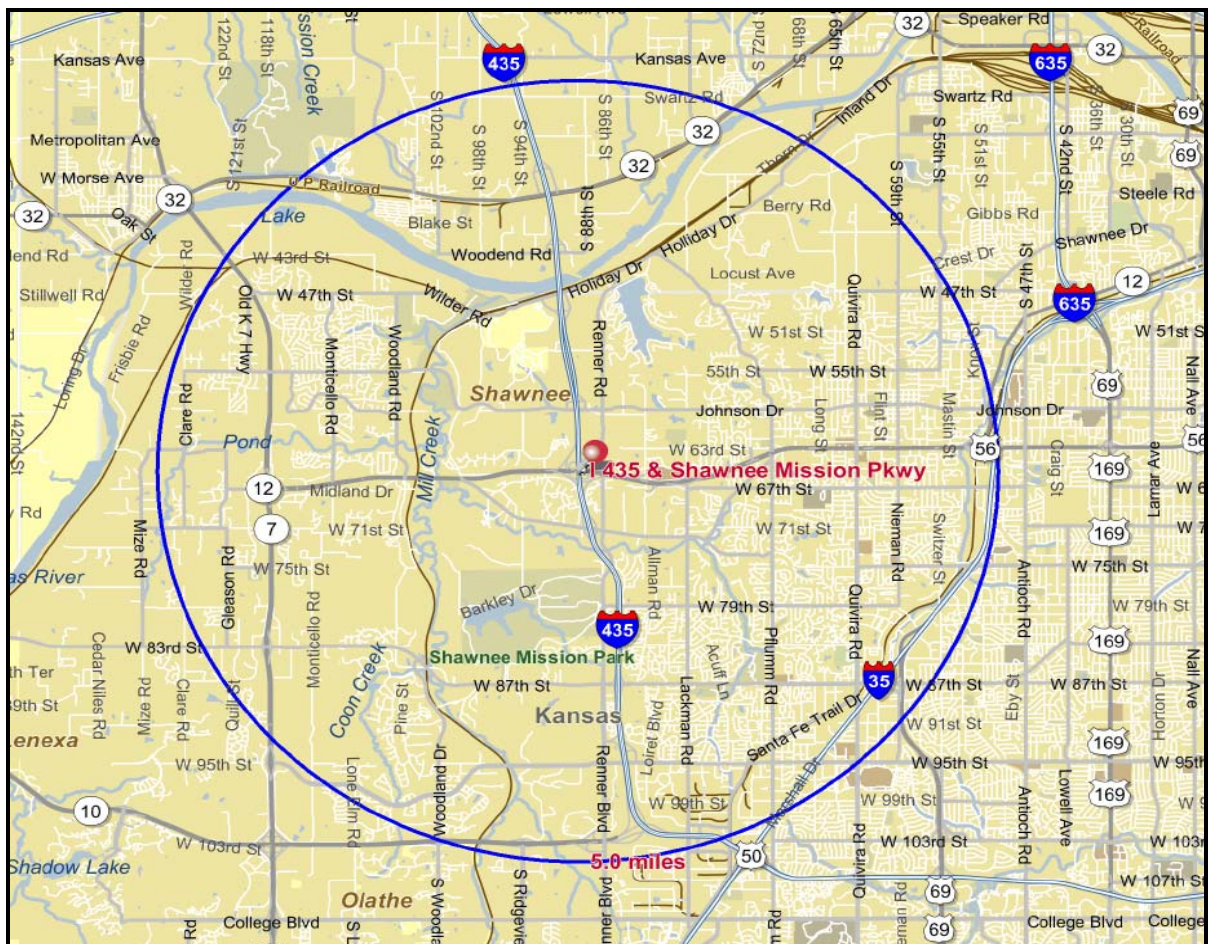
The Shawnee Mission Parkway Corridor already handles most of the big-box type Home Depot, Bed Bath and Beyond, Burlington Coat Factory, type of stores. It will be of utmost importance to correctly mix and attract the type of retail stores which have demonstrated excess demand. Future development decisions along the I-435 corridor should take into account the effect of the Shawnee Mission Parkway corridor to maximize the potential of consumers' expenditures within the municipality of Shawnee, Kansas. An appropriate balance of market niches and sub-niches should be implemented; over-saturation of market niches should be avoided.

Our suggestion is to focus on attracting a major retail business, such as an IKEA or Costco to be the anchor for the retail mix. With an anchor, smaller retail sites could add to the environment and capture the excess demand talked about in the study.

I-435 Corridor Office Market

Purpose/Method of Evaluation

If an office complex is located along the I-435 corridor in Shawnee, Kansas, the office market most affected would be the five mile radius area extending from the intersection of I-435 and Shawnee Mission Parkway. With the majority of area located within the northern Johnson County office submarket, the five mile radius extends into multiple Kansas municipalities. To effectively evaluate this market we have defined the area in the chart seen below. The area's northern boundary lies south of Kansas Ave. in Kansas City, KS; eastern boundary lies along I-35 in Mission, KS; southern boundary lies immediately south of K-10 Hwy. in Lenexa, KS; and western boundary lies along Claire Rd. in Shawnee, KS.



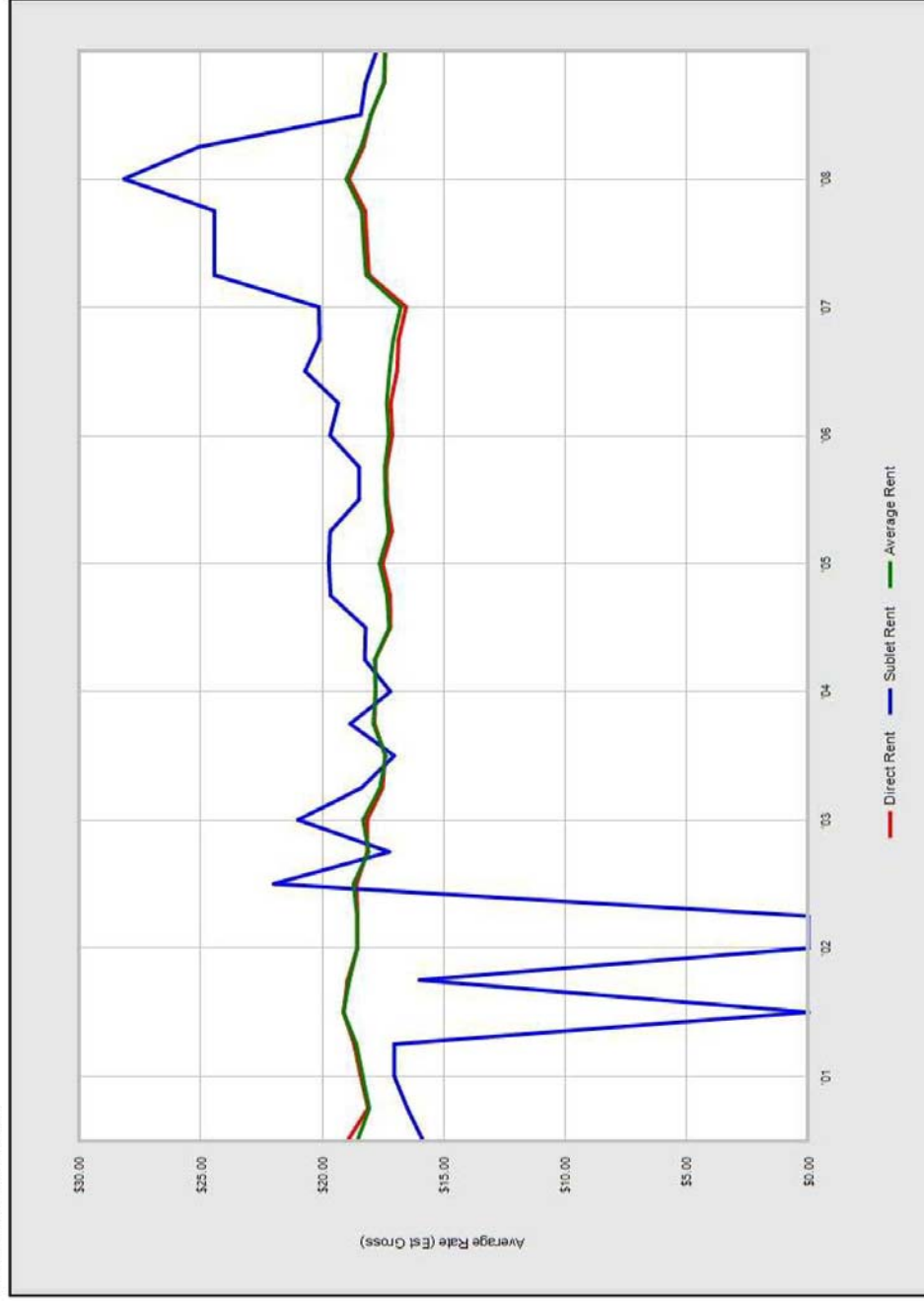
Statistical Analysis

In analyzing the 210 Class A, B, and C existing, under construction, and proposed office buildings within this selected area, we are able to better understand what types of buildings (class) are most prevalent, current market rental rates, vacancy rates, net absorption and deliveries, and total time on market statistics; therefore we can provide sound recommendations for an office development plan.

In the subsequent pages we have provided charts measuring the following factors: rental rates, vacancy rates, net absorption and deliveries, and a time on market analysis.

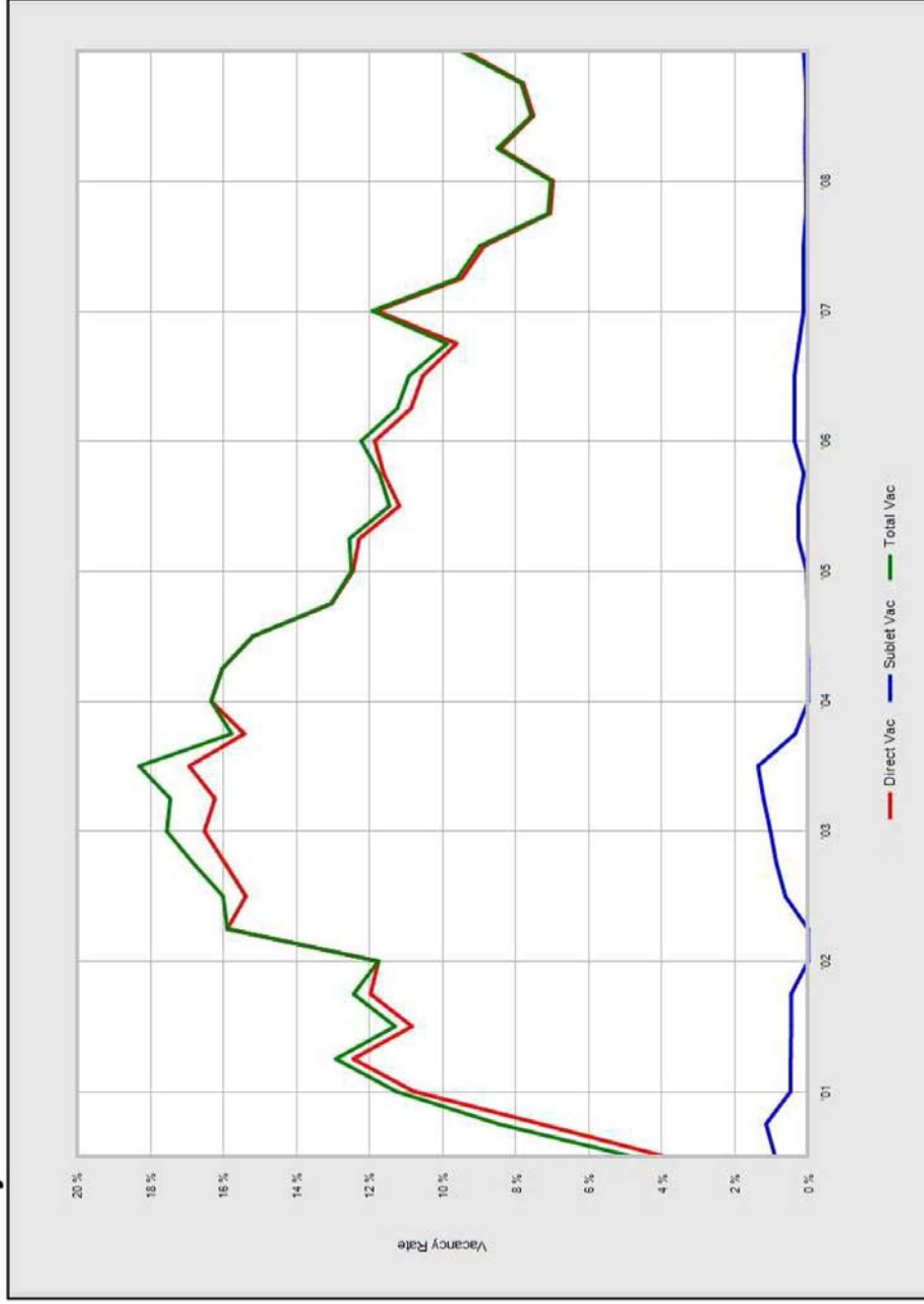
5 Mile Radius - I-435 & Shawnee Mission Pkwy.

Rental Rates



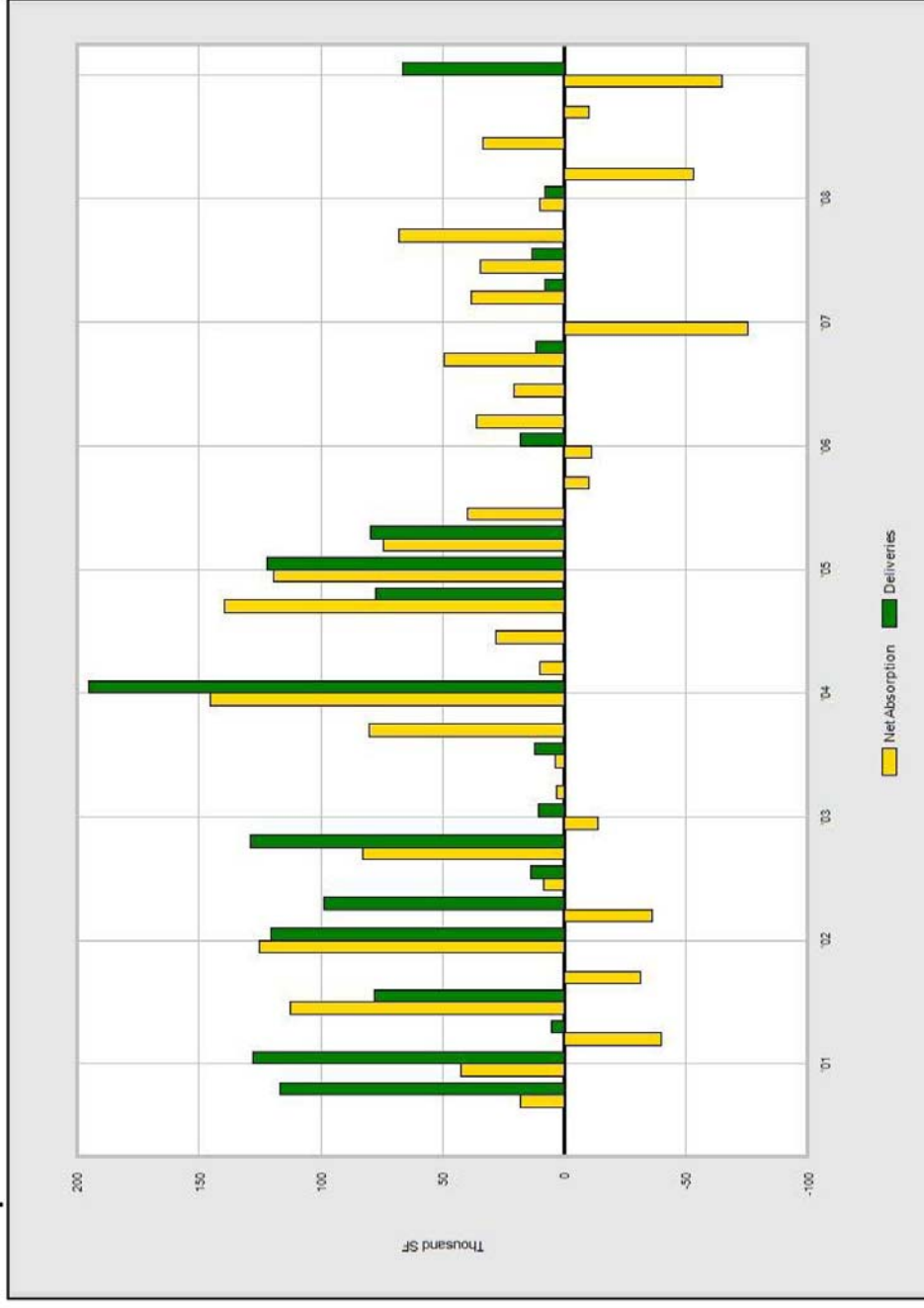
5 Mile Radius - I-435 & Shawnee Mission Pkwy.

Vacancy Rates



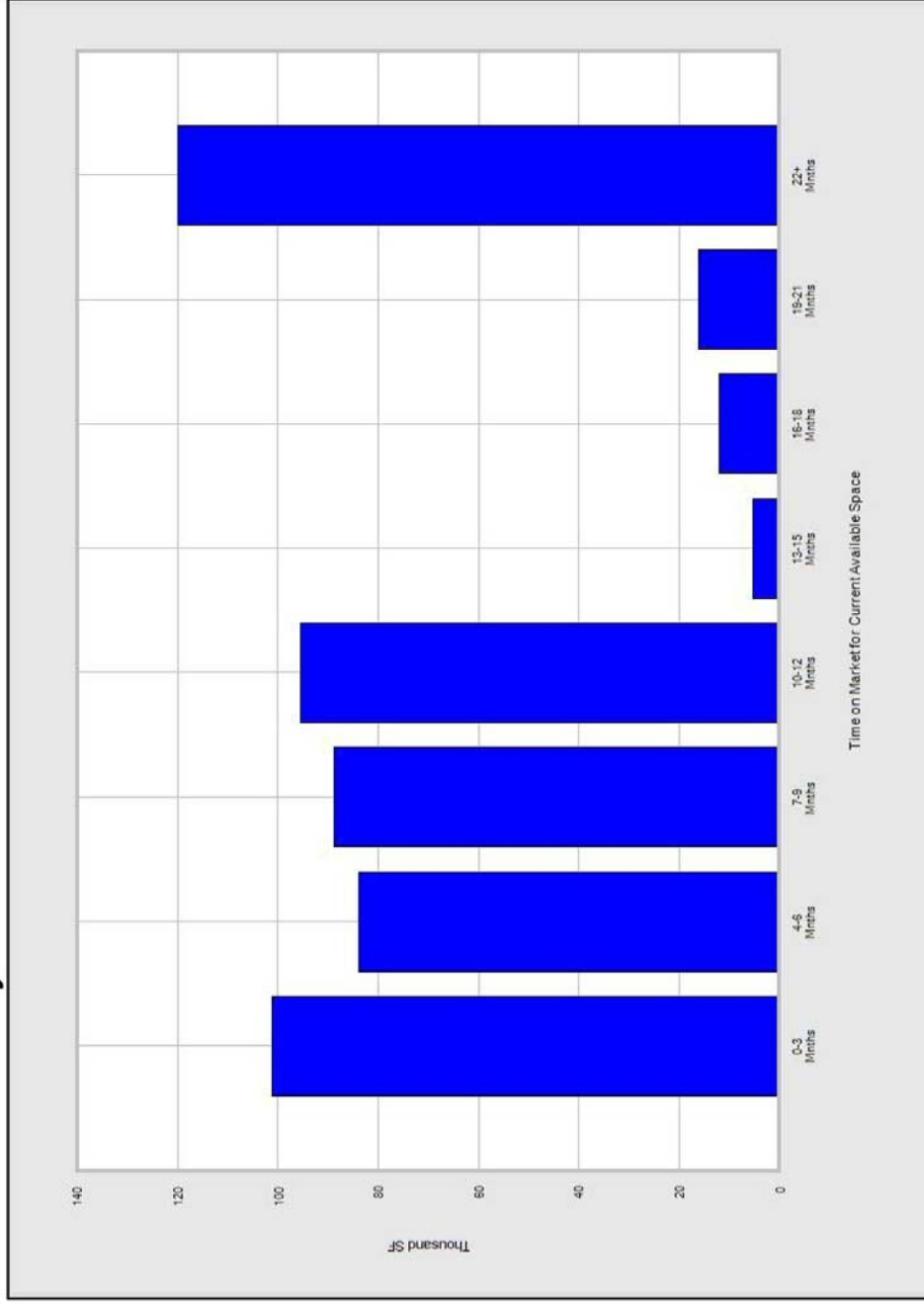
5 Mile Radius - I-435 & Shawnee Mission Pkwy.

Absorption & Deliveries



5 Mile Radius - I-435 & Shawnee Mission Pkwy.

Time On Market Analysis



Rental Rates

Annual average rental rates for the entire selected area of 210 existing, under construction, and proposed buildings of all building classes, measures \$17.04. These rates ranged from as low as \$9.00 per square foot (SF) to \$35.41 per SF. Overall, rates have decreased slightly by \$0.31 from \$17.35 five years ago. The encompassing Kansas City metropolitan office market, as of the end of the 4th quarter of 2008, averaged \$17.80 for all building classes; Class A space averaged \$21.53, Class B at \$17.33, and Class C at \$13.19.

Vacancy Rates

Since 2004, vacancy rates for the 185 existing buildings have fallen from 16.25% to just above 9.75%. Roughly 475,000 SF are currently classified on the market as vacant. With this steady decrease in rates, the five mile radius subject area has realized a lower current average vacancy than the overall Kansas City metropolitan office market, which as of the 4th quarter 2008 measured 12.75%.

Absorption and Deliveries

With year to date absorption of (64,759) SF, 2% of the total market, we have noticed a trend shift from the continued positive annual absorption from the beginning of 2000 to year end 2007. Deliveries are buildings that complete construction during a specified period of time. Deliveries have been more than 100,000 SF for the calendar years 2000, 2001, 2002, 2004 and 2005. Deliveries have been less than 50,000 SF for the calendar years 2003, 2006, 2007, and 2008.

Time on Market Analysis

We observe the majority of available office space stays on the market for more than 22 months. The average time on the market for available and ready-to-lease space is 15.6 months.

*For additional information on the Kansas City Office Market, 4th Quarter 2008 Overview, and a Northern Johnson County market review provided by CoStar, please refer to the Appendix.

Class Segmentation

As defined by CoStar, Class A buildings qualify as extremely desirable properties and command the highest rents compared to other buildings in the same market. Class B buildings qualify as a more speculative investment, have average to good maintenance and thus, command lower rents than class A buildings. Class C buildings are those with no-frills, older buildings that contain basic space and usually command the lowest of rents.

This stated, there are 210 total existing, under construction, and proposed buildings within the five mile radius defined market. Of these, only seven existing, two under construction, and ten proposed buildings qualify as being Class A space. The majority of space is classified as Class B and C buildings, which number 110 (97 existing, one under construction, and 12 proposed) and 81 respectively. This results in an office market containing 9.05% - Class A, 52.38% - Class B, and 38.57% - Class C.

Class	# of Bldgs	Avg. # Stories	Rentable Bldg Area (SF) - All			Existing Bldgs Only		
			Total	Avg.	Median	Available (SF)	% Leased	% Vacant
A	19	2.89	2,476,005	130,316	88,871	126,162	86.24%	13.76%
B	110	1.63	2,558,152	23,256	13,392	264,215	88.96%	11.04%
C	81	1.32	680,835	8,405	6,800	84,305	90.70%	9.30%
Total	210	1.62	5,714,992	27,085	9,959	474,682	89.62%	10.38%

These statistics and our current market knowledge of the five mile radius subject area in northern Johnson County, suggests the following findings:

- The majority of office buildings (91%) are either Class B or C. With only seven existing Class A structures but ten proposed and two under construction, the subject area is trending toward higher class office space not observed in previous years.
 - With ranges in size from 845 to 701,000 square feet the 210 buildings average around 27,085 square feet with a median nearly a third of the size at 9,959 square feet. This large gap between the average and median measurements tends to suggest a small percentage of larger buildings which weigh the average higher. In fact, 54% of the buildings are $\leq 10,000$ square feet, a nice size for independent insurance agents, accountants, law firms etc.
- A. Class A buildings range from 8,000 to 701,000 square feet with an average and median of 130,316 and 88,871 SF respectively. The majority of Class A buildings contain between two and four floors.
 - B. Class B buildings range from 845 to 178,000 square feet with an average and median of 23,256 and 13,392 SF respectively. The majority of Class B buildings contain between one and three floors.

- C. Class C buildings range from 850 to 30,923 square feet with an average and median of 8,405 and 6,800 SF respectively. The majority of Class C buildings are one floor structures with 83.95% of all Class C structures having 12,000 square feet or less.

Conclusions and Suggestions

With rental rates realistically coming in around \$17.00 to \$18.00 per square foot on a full service basis for existing buildings, the majority of existing office buildings for lease in the Shawnee area are currently located in the northeast quadrant of the city. With a new development on the western part of Shawnee, new construction will bring a whole different level of pricing for office buildings. With construction costs running as high as \$175.00 to \$200.00 per square foot, this will translate into rental rates in the neighborhood of \$18.00 to \$20.00 per square foot on a net net net basis. The triple net charges in addition to rental could be as high as \$8.00 to \$10.00 per square foot (depending upon tax abatement), resulting in full service rental rates for new construction approaching \$26.00 to \$30.00 per square foot on a full service basis. These rents are not yet attainable at this time and are projected rents for the delivery of office space in 2010, all subject to the overall strength of the economy and resulting construction prices.

In addition, it is to note that little major construction has recently occurred in our target market, thus rental rates are not being pushed up. It will be necessary to provide a comprehensive strategy to attract companies into relocating and paying higher rents in an untested market in this unstable economical environment. At this time we believe it is very difficult to build on a speculative-only basis and receive the rents required by entrepreneurial developers.

We also suggest that space needs to be reserved for ~15-20 acres for an owner occupied corporate headquarters-type user. This user will provide an attractive image for an office park and will act as a staple of the development.