Market Conditions Study for Peculiar, Missouri

Prepared for the City of Peculiar, Missouri
In Conjunction with 2007-2008 Master Planning Activities

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EXECUTIVE SUMMARY

This document provides a market analysis and positioning strategy with respect to retail, office, industrial and residential real estate market sectors for the City of Peculiar, Missouri. Peculiar is located in Cass County; it lies south of Raymore and north of Harrisonville, Missouri. City boundaries are defined by 203rd Street on the north, 233rd Street on the south, Harper Road on the west and Highway J (219th Street) on the east.

This market study is organized as follows:

Section 1. Executive Summary
Section 2. Overview of Land Use and Demographic Data
Section 3. Industrial Market Opportunities
Section 4. Office Market Opportunities
Section 5. Residential Market Opportunities
Section 6. Retail Market Opportunities

Each of the Market Opportunities sections provides a regional overview, an overview of conditions in relevant sub-market areas and specific strategies for market sector development.

The data used in this document are derived from a variety of sources including several metro area brokerage firms, the Heartland Multiple Listing Service, the Urban Land Institute's publication, *Dollars and Cents of Shopping Centers 2004*, the City of Peculiar, Missouri and Claritas, Inc.[1] Claritas data include estimates of demographics, retail trade potential or "buying power", and actual retail sales and are based on geographies within one, five and ten mile radii of 600 Schug Avenue.

The one-, five- and ten-mile areas are shown in the map to the right and defined as follows:

- The one mile area extends from Highway J on the east, to South Harper Road on the west, and from East 211th Street on the north to East 227th Street on the south. The one mile radius takes in the most heavily developed areas of Peculiar and is considered representative of the city for retail analysis purposes.

- The five mile area extends from MO 291 on the east to MO Highway Y on the west, and from West Lucy Webb road in Raymore on the north to East 251st Street on the south.

- The ten mile area extends from Highway 7 on the east to Mission Road in Kansas on the west, and from 147th Street on the north to East 293rd Street on the south.

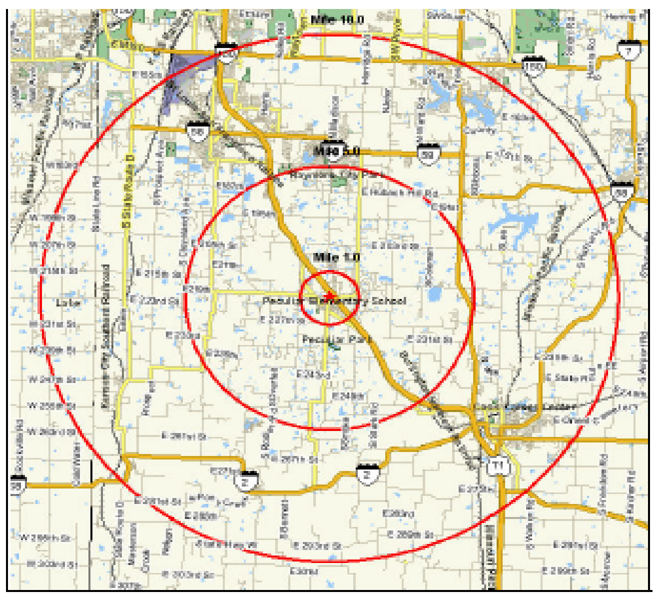


Figure 1. Peculiar, Missouri Market Areas

[1] Data from these sources constitute a reasonable standard of information; data are generally deemed reliable but they are not guaranteed.

Key Findings
Industrial and Office Market Opportunities
While the overall industrial and office market sectors in the greater Kansas City area are generally considered to be strong, Cass County and Peculiar offer very little activity in either sector, but the influx of distribution and manufacturing facilities in southern Jackson County can be expected to have some spill over into Cass County as growth and development pressure builds southward. Similarly, roadway improvements in southern Johnson County, Kansas will add to development pressure from the west.

Under present circumstances, speculative development is not recommended, but build to suit opportunities could be accommodated and should be pursued. The construction and lease or sale of smaller- scale light-industrial space or office condominiums could be part of a mixed-use retail/office or an office/industrial park setting.

The development of industrial and office space would benefit Peculiar by:

- Enhancing area employment
- Reinforcing new and existing commercial use
- Supporting improvements and use of transportation corridors
- Offering a minimal impact on residential use

Residential Market Opportunities
The national housing market is currently experiencing a very unsettling period with a significant drop-off in sales, escalating foreclosures rates and declining prices. Against this national backdrop, the Kansas City area offers modestly encouraging numbers. At the end of June, sales of new and existing homes were 3.8 percent higher than in May; while nationally, existing homes sales fell 3.8 percent and new home sales fell 6.6 percent. According to the Kansas City Regional Association of Realtors, total area sales in June trailed last year's sales by 13.3 percent. Meanwhile, the ratio of sales to unsold inventory in June fell to 6.1 month of supply, near the six-month level the industry considers a balanced market. Of the nine counties that make up the greater Kansas City metropolitan area, Cass County was the only county to realize an increase in the average home sale price in June 2007 compared to June 2006. This trend was reflected in a sampling of home sales for the city of Peculiar. The relative strength of the Peculiar housing market offers the area's best opportunity for sustained growth and development. This study recommends seeking options for greater density housing and a modest amount of rental property. It is important to recognize that increased density and diversity in housing stock can:

- Provide options for older and younger adults to remain in the area
- Maximize use of infrastructure
- Encourage walking and cycling
- Enhance economic activity
- Reduce development pressure on environmentally sensitive areas, historically significant areas or other types of land uses
- Support a more vibrant community

Retail Market Opportunities
Current retail activity in Peculiar does not meet estimated retail buying power in most market sectors within a one mile radius of 600 Schug Avenue. Analysis of that unmet demand indicates the need for an additional 120,000 to 200,000 square feet of retail space over the next five years.

There is always the possibility that more space could be developed in response to needs over the broader five to ten mile areas, but exceeding the amount calculated for the one mile area raises substantial concerns about the ability of the local infrastructure to handle the increased traffic levels that would be expected and needed to sustain higher volumes of retail activity.

Retail development in Peculiar would have to be very competitive to draw consumers who would otherwise travel to Johnson County, Kansas, or southeastern Jackson County.

As the retail buying analysis does indicate development opportunities for any number of retail establishments; this study offers the following recommendations based on broader retail patterns:

1. Promote a "town center concept." Be deliberate in defining a sense of history and place and in maintaining a sense of community. Allow for outdoor dining, concerts, arts and crafts fairs, children's' festivals and other opportunities that will bring people together to relax, shop and enjoy themselves.
2. Develop and maintain standards of excellence. Create clean, safe and comfortable public space for people rather than cars. Establish and maintain design and maintenance standards to counter negative perceptions that may be associated with present conditions and uses in the area.
3. Provide unique products. The development of facilities offering quality goods and services distinct from those offered by general or mass merchandise stores like Target or Circuit City can create "buzz" and raise visibility. Unique products and services will draw commuter traffic, and potentially regional customers as well as local consumers.
4. Pursue synergistic opportunities. Cluster a group of unique cafes and restaurants, or cluster businesses around a common theme. A health and wellness center might include a spa, doctor's or physical therapist offices, a health food store/restaurant, a (modest) sporting goods retailer and a recreational/sports venue.
5. Insure that retail scale and location are compatible with residential development. Peculiar's housing stock is one of its greatest assets. Attractive retail space that complements, rather than competes with, residential use adds value in both settings, and strengthens the community's fabric.
6. Market, market, market. Competition is fierce. Let the world know where you are and what you've got.

OVERVIEW OF LAND USE AND DEMOGRAPHIC DATA

Land Use
The following land use overview is intended to inform recommendations for market development strategies.

Existing land use data with the defined Peculiar area shows that

- More than 56 percent of Peculiar's are is open space or vacant
- Sixteen percent of the area is used for housing
- Just over 2 percent of the area is used for parks and recreation
- Just over 12 percent is used for industrial purposes
- One and one half percent of Peculiar is used for commercial purposes

Table 1. Existing Land Use

Land Use Category	Acres	Percent of Total
Residential	858.8	16.0%
Single-family	811.5	15.1%
Multi-family	46.3	0.9%
Manufactured Housing	1.0	0%
Commercial	81.4	1.5%
Industrial	658.2	12.2%
Public/Quasi-Public	280.4	5.2%
Park/Recreation	116.8	2.2%
Transportation	350.5	6.5%
Total Developed Land	2,346.1	43.6%
Agriculture/Open Space	2,708.6	50.4%
Vacant	323.2	6.0%
Total Area	5,377.8	100.0%

Demographic Data
The following demographic overview is intended to inform recommendations for market development strategies It primarily considers projected populations and the economic capacity of the present (projected) population within the one, five and ten mile radii of 600 Schug Avenue.

1. Population in the one mile radius area is projected to increase by 21.3 percent between 2007 and 2012. The number of households is projected to increase at a very slightly higher rate because the average household size is expected to decline. Both trends indicate a robust market inside the one-mile area which encompasses the bulk Peculiar.

2. Population in the five mile radius is projected to increase by 18.2 percent between 2007 and 2012. Households in the five mile radius would increase by 18.4 percent, reflecting once again the decline in average household size, and strength of the area market.

3. Population in the 10 mile radius is projected to increase by 10.6 percent between 2007 and 2012 with households increasing by 12.5 percent. This also reflects a robust market in the 10 mile area and stronger retail sales buying power potential over time.

4. The per capita income of $25,216 in the ten mile radius is 21.7 percent higher than in the 1 mile radius and the per capita income of $25,157 in the five mile radius is 21.4 percent higher than in

the one mile radius. The households nearest the center of Peculiar are relatively less affluent than households within the broader area.

5. The density of buying power decreases over the larger area. Total retail spending including eating and drinking places rapidly decreases over the larger areas, although density of buying power increases slightly from the 5 mile radius to the ten mile radius. Dividing aggregate spending by the square miles in each radius area yields a buying power density, or the number of retail spending dollars per square mile.

    a. In the one mile area, the spending power density is $16.4 million per square mile. Although the per capita income is lower than for the 5 and 10 mile areas, the high population density (1,127 persons per square mile, or 1.76 persons per acre) raises the spending power density for the one mile area.

    b. In the five mile area, the spending power density is $3.12 million per square mile. Here a significantly lower population density (194 persons per square mile) does not compensate for higher per capita income, and lowers the spending power density.

    c. In the ten mile area, the spending power density is $4.39 million per square mile. A higher population density (277 persons per square mile) and higher income level compensates for the larger geography.

6. Although the one mile area offers strong growth potential and lower income levels, the dollars available for retail spending are modest when compared with the larger areas. Peculiar could, however, be attractive to unique retailers who draw from both local and regional markets rather than new and expanding retailers who draw primarily from local markets.

Table 2. Area Population Projections

Year	1 Mile Radius Area	Percent Change	5 Mile Radius Area	Percent Change	10 Mile Radius Area	Percent Change
2000	2,406		11,069		71,556	
2007	3,540	47.1%	15,269	37.9%	86,998	21.6%
2012	4,295	21.3%	18,053	18.2%	97,339	10.6%

Table 3. Area Household Projections

Year	1 Mile Radius Area	Percent Change	5 Mile Radius Area	Percent Change	10 Mile Radius Area	Percent Change
2000	880		3,794		26,092	
2007	1304	48.2%	5,254	38.5%	32,068	22.9%
2012	1588	21.8%	6,223	18.4%	36,072	12.5%

Table 4. Per Capita Income Projections

Year	1 Mile Radius Area	Percent Change	5 Mile Radius Area	Percent Change	10 Mile Radius Area	Percent Change
2000	$19,307		$21,627		$21,370	
2007	$20,718	7.3%	$25,157	16.3%	$25,216	18.0%
2012	$22,633	9.2%	$27,684	10.0%	$27,935	10.8%

Table 5. Spending Power Density

	1 Mile Radius Area	5 Mile Radius Area	10 Mile Radius Area
Aggregate Spending ($ millions)	$51.62	$245.44	$1,378.64
Area (square miles)	3.14	78.54	314.16
Spending Power Density ($millions per square mile)	$16.44	$3.12	$4.39

INDUSTRIAL MARKET OPPORTUNITIES

Introduction

Large commercial brokerage firms such as Cohen Esrey and Colliers Turley Martin Tucker regularly track industrial space, which is classified by use. Classifications include distribution, warehouse, flex space and manufacturing.

Regional Overview

Industry in Kansas City includes everything from small shops to national manufacturing institutions. At the end of 2006 Kansas City's 174 million square foot industrial real estate market realized a vacancy rate of 8.4 percent down from 9.7 percent a year earlier.[2] Construction activity in 2006 resulted in the addition of 1.4 million square feet of industrial space while occupancy increased by 2.9 million square feet for the year.

Performance within each sub-category of the industrial real estate market is summarized as follows:

- Distribution space produced 880,000 square feet of net absorption during 2006. Construction completed during the year totaled 595,000 square feet. Total on-going construction at the end of the year was 1.2 million square feet with nearly all in build-to-suit projects. As a result, net absorption is expected to be strong again in 2007.
- In the office/warehouse (flex space), market, vacancy fell eight-tenths of a point, to 10.8 percent. Net absorption was positive; the volume of construction was modest. Steady performance is attributed to the fact that 60 percent of KC's office/warehouse space is located in the strong suburban submarket of Johnson County. In the last 10 years, Kansas City's office/warehouse space produced a minor negative net absorption only once.[3] Another steady year is a reasonable expectation for office/warehouse space in 2007.
- Kansas City's manufacturing space produced 580,000 square feet of net absorption, and vacancy fell from 5.4 percent at the end of 2005 to 5.0 percent at the end of 2006. Reports on manufacturing activity in the U.S. offer continuous reminders of the movement of manufacturing overseas and strains on major manufacturers such as automotive companies. In spite of this, Kansas City's manufacturing space has recovered to pre-recession vacancy levels.

Today Kansas City's industrial market is in transition. Kansas City is close to the geographic and population centers of the U.S. It is the second-largest rail hub in the country, second only to Chicago. I-70, I-35, and I-29 connect KC to other major metropolitan areas in all parts of the country. The Greater Kansas City Foreign Trade Zone (FTZ) has more than 17.6 million square feet of approved foreign trade zone space. It handles more volume than those of Chicago, Dallas, Denver, Minneapolis, or St. Louis and has more available space than any other FTZ in the country. Kansas City is becoming a major inland port and prime location for distribution facilities.

Relevant Sub-market Areas: Johnson County, Kansas, Jackson and Cass County, Missouri

Johnson County, Kansas and southern Jackson County, Missouri are expected to realize the benefits of the transitional industrial market sooner than other parts of the metropolitan area. Congestion in Chicago's rail yards and intermodal centers prompted Burlington Northern Santa Fe (BNSF) to look for a new site for a major intermodal facility and logistics park. BNSF currently plans to locate its new intermodal hub in Gardner, Kansas. The accompanying logistics park will place distribution centers immediately adjacent to the intermodal hub, creating 7,500 jobs and as much as 10 million square feet of distribution space.

[2] *Kansas City 2007 Commercial Real Estate Report*, Colliers Turley Martin Tucker
[3] 30,000 square feet in 2001

Figure 2. Richards-Gebaur Airport

The former Richards-Gebaur Airport in south Jackson County is also slated for conversion to an intermodal site, with Kansas City Southern providing rail service. This site will link Kansas City to the Mexican Pacific Coast port city of Lazaro Cardenas. As the ports of Los Angeles and Long Beach become increasingly congested, Lazaro Cardenas is being viewed as an alternate route for freight traveling from Asian ports to U.S. markets. The Richards-Gebaur facility is expected to bring 3,500 jobs to the area. Plans are currently being made to replace the Bannister National Nuclear Security Administration facility in Kansas City, (also known as the Honeywell Federal Manufacturing & Technologies facility) with a 185 acre campus near Richards Gebaur. The facility employs 2,600 people and will add over 1 million square feet of manufacturing space to the area.

Cass County currently offers a modest amount of industrial space with no additional space under construction. It also has one of the highest vacancy rates in the metropolitan area. These circumstances can be largely attributed to the limited carrying capacity and poor quality of area roads.

A summary of industrial market statistics for year-end 2006 is provided in Table 7.

Table 6. Industrial Market Statistics (Year End 2006)

Metropolitan Area Submarket	Size of Submarket (million square feet)	Number of Buildings	Total Vacancy Rate at Year End 2006	Vacancy Rate Prior Quarter
Johnson County	45.6	844	6.5%	6.3%
Wyandotte County	25.5	352	9.7%	9.9%
Executive Park/ Northland Park	14.3	172	8.2%	7.9%
Jackson County	53.9	733	9.4%	10.0%
North Kansas City	15.2	249	7.9%	8.2%
KCI	3.5	55	8.0%	7.3%
Riverside	1.7	34	9.2%	8.7%
Other Northland	14.7	64	9.3%	11.3%
Cass County	0.3	9	9.8%	9.8%
Market Total	174.8	2,512	8.4%	8.8%

Industrial Market Sector Opportunities

The influx of distribution and manufacturing facilities in southern Jackson County can be expected to have some spill over into Cass County as growth and development pressure builds southward. Similarly, roadway improvements in southern Johnson County, Kansas will add to development pressure from the west. Under present circumstances, speculative development is not recommended, but build to suit opportunities could be accommodated and should be pursued. Industrial activity would enhance area employment, reinforce commercial use and support improvements and use of transportation corridors. Any industrial uses would have to be compatible with residential uses and comply with the community's design and maintenance standards.

OFFICE MARKET OPPORTUNITIES

Introduction
Office space like industrial space is closely tracked by large commercial brokerage firms. Office space is categorized according to class, indicating age of the space, the level and quality of the finish, location and desirability of the property. Class A space designates the best space with the most recent construction, highest finishes and most desirable locations. Class B is used to designate contemporary, but not necessarily new, space, more modest finishes and good location. Class C offices offer the lowest quality space and are in buildings that are old but in fair condition. Tracked office space is commercially available for lease in the general market; it does not include large, single-use buildings such as corporate headquarters, medical office space or government buildings.

Regional Overview
In 2006, the metro area office market continued its three year trend in improving vacancy rates:

- Net adsorption for the year totaled 890,000 square feet.
- Net additions to the market (construction plus renovations less demolitions and conversions) totaled 690,000 square feet of Class A and Class B leasable space.
    - New construction contributed 380,000 square feet
    - Renovations added 625,000 square feet
    - Sales to users removed 315,000 square feet from the market of leasable space

At the end of 2006 the average metro-wide vacancy rate for the inventory of 43.5 million square feet was 19.5 percent. This was eight-tenths of a point lower than it had been a year earlier. Despite these positive trends, and the relative stability that is characteristic of Kansas City's diverse economy, slowing economic growth is expected to have an impact on the office market over the coming year. In 2007 additions should again be in the range of 500,000 to 700,000 square feet; almost all is expected to be in new construction rather than renovation or conversion.

Table 7. Office Market Statistics (Year End 2006)

Metropolitan Area Submarket	Total Vacancy Rate at Year End 2006	Vacancy Rate Prior Quarter	Rent per square foot
Central Bus. District	24.8%	26.0%	$18.28
Plaza	16.6%	16.0%	$25.72
South Kansas City	11.9%	8.7%	$19.06
Northland	36.5%	38.1%	$15.79
East/Southeastern Jackson County	23.8%	25.7%	$16.84
North Johnson County	16.6%	16.8%	$17.38
South Johnson County	13.2%	12.9%	$20.11
Metro Area Total	19.5%	19.6%	$18.78

Relevant Sub-market Areas: Eastern and Southeastern Jackson County, Missouri, Johnson County, Kansas, and South Kansas City

During 2006 the eastern and southeastern parts of the metro area produced 144,000 square feet of net absorption. Vacancy at year-end was 23.8 percent, which was almost three points lower than it had been a year earlier.

Although vacancy in this submarket is still above the metro average, it deserves a more nuanced look. At the end of 2002 vacancy in eastern and southeastern Jackson County was 34.2 percent. It produced net absorption of 100,000 square feet or more in each of the next four years, pushing vacancy down more than 10 points. Within the sub-market, almost 90 percent of the occupancy growth took place in the City of Lee's Summit, while little activity occurred in Independence or the eastern part of Kansas City. While activity in Lee's Summit contributed most to the recovery, with 350,000 square feet of net absorption over the four-year period, they also had farthest to go since Lee's Summit vacancy was 44.1 percent at the end of 2002; it had fallen to 20.2 percent at the end of 2006. For the rest of the submarket, vacancy was 27.1 percent at year-end 2006.

Looking forward in the eastern and southeastern Jackson County submarket, Cerner Corporation is moving into three office buildings on the Sanofi-Aventis campus, close to the intersection of I-435 and I-470. This transaction will have a significant impact on the submarket 2007 numbers as it involves a total of 500,000 square feet of office space. Cerner maintains its headquarters in the Northland where it has just over one million square feet of space.

South Johnson County posted more than 600,000 square feet of net absorption for the year, making 2006 its strongest year since 1999. Construction of leasable space has been limited, with just over 300,000 square feet completed over the last two years. As a result South Johnson County vacancy has fallen more than six points, from 19.5 percent at the end of 2004 to 13.2 percent at the end of 2006.

South Johnson County's total construction in 2007 may be less than 200,000 square feet. However, there are significant projects in planning.

- The Corporate Ridge project along Kansas Highway 10 in Olathe will have suburban low-rise office buildings that provide quality space and good highway access. Two buildings totaling 225,000 square feet are underway.
- The Park Place project in Leawood is a mixed-use development planned for office, retail, and hotel space, plus 52 residential condominiums. The office space is to include 56,000 square feet located above retail and a seven-story tower offering 235,000 square feet of space.
- Prairiefire at Lionsgate is another proposed mixed-use project. Plans include 295,000 square feet of office space, plus 345,000 square feet of luxury retail, a hotel, residential condominiums and townhouses.

Developers of office space are cautious, proceeding with smaller projects, while waiting for tenants to begin major developments. As a result, major projects such as Corporate Ridge, Park Place, and Prairiefire will probably proceed in stages.

A general slowdown in the economy would slow the pace of activity in South Johnson County, as elsewhere. However, at the end of 2006 more then 50 users were considering a move in South Johnson County, with requirements from 3,000 to 150,000 square feet. As a result, this submarket should continue to do well in 2007.

The South Kansas City submarket also offers an interesting situation; in 2006, it produced a negative net absorption of 16,000 square feet and vacancy rose from 11.4 percent at the end of 2005 to 12.0 percent at the end of 2006. In the fourth quarter Swiss RE vacated a 166,000-square-foot Class A building on State Line Road. The engineering firm Burns and McDonnell was in the market for expansion space, and immediately signed on for 89,000 square feet of the State Line building when it became available. During the year other users moved into or expanded in South Kansas City, producing 150,000 square feet of net occupancy growth and offsetting almost all of the loss at the State Line building. At the end of 2006 there were just three available spaces greater than 25,000 square feet – one of 75,000, one of 60,000 and one of 35,000. South KC also had the lowest vacancy in the metro at the end of 2006 and is likely to hold this position on into 2007.

Office Market Sector Opportunities

Peculiar currently offers little to no office space; however, the development of office space represents a reasonable option for area. The development of office space would potentially:

- Enhance area employment
- Have a minimal impact on residential use
- Reinforce new commercial use
- Maximize use of infrastructure

Higher vacancy rates in the eastern and southeastern Jackson County submarket and more subdued activity in Johnson County, Kansas, do not present a situation that supports speculative construction. As that is the case, this study recommends build-to-suit opportunities as a basis for introducing office space into the community. More specifically, the construction and lease or sale of smaller office condominiums could be part of a mixed-use retail/office or an office/industrial park setting. This is not a market for high end occupants needing interstate access or visibility; it could, however, become a market for real estate, financial or insurance operations, architectural and engineering firms, medical or governmental support space. Office uses would have to be compatible with residential uses and comply with design and maintenance standards.

RESIDENTIAL MARKET OPPORTUNITIES

Introduction

According to the 2000 U.S. Census, just above 75 percent of the homes in Peculiar were owner occupied, and as many as 89 percent of all homes within the five-mile radius were owner occupied. This is well above the national rate of 66.2 percent. Agricultural and low density residential uses dominate the area. Less than one percent of Peculiar's land use is given to multifamily housing. As the current setting is largely dominated by single-family, owner occupied housing, the single family housing market will be the focus of this section.

National and Regional Overview

Housing has long been considered the main engine of the nation's economic growth, but more recently, it is an engine that is running rather roughly. Sales of existing homes dropped for a fifth straight month in July, while home prices fell for a record 12th consecutive month. [4]

New and existing home sales have fallen dramatically since their peak two years ago and aren't expected to bottom out until the end of the year at the earliest.[5] Problems in the mortgage industry, which began late last year and have rapidly deteriorated since June, are having a domino effect in the housing market. Increasingly, first-time home buyers are getting shut out of the market, and that hurts move-up buyers. Homeowners are also having more trouble refinancing escalating adjustable-rate loans, and that is increasing the number of foreclosures and the supply of homes on the market. As a result, sellers are waiting longer for a sale and cut their prices more deeply.

Against this national backdrop, the Kansas City area offers modestly encouraging numbers. At the end of June, sales of new and existing homes were 3.8 percent higher than in May; while nationally, existing homes sales fell 3.8 percent and new home sales fell 6.6 percent. According to the Kansas City Regional Association of Realtors, total area sales in June trailed last year's sales by 13.3 percent. Meanwhile, the ratio of sales to unsold inventory in June fell to 6.1 month of supply, near the six-month level the industry considers a balanced market.[6]

Table 8. Average Home Sale Price, June 2006 and 2007

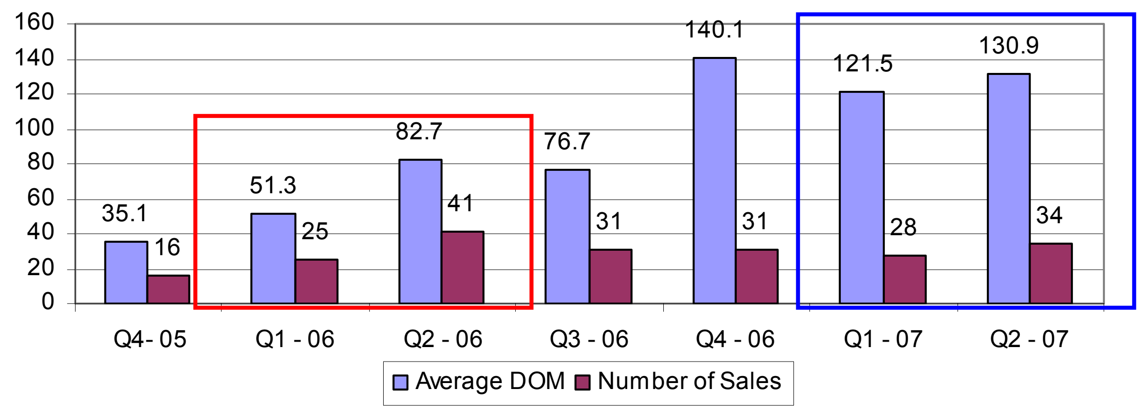
County	June 2006	June 2007	Percent Change
Platte	$227,062	$204,925	-10.8%
Clay & Ray	$180,052	$172,105	-4.6%
Jackson	$152,859	$148,209	-3.1%
Cass	$180,743	$189,853	4.8%
Miami	$195,944	$195,044	-0.5%
Johnson	$272,191	$271,191	-0.4%
Wyandotte	$111,821	$105,540	-5.9%
Leavenworth	$180,794	$176,958	-2.2%

The area's average home sale price in June was $192,287, down 2 percent from $196,144 in June 2006. The average new home sales price in the Kansas City area in June was $296,779, about 5.5 percent higher than a year earlier. The average existing homes sales price during the month was $171,200, down 2.2 percent from a year earlier. For the first half of the year, the average sale price was $180,515, down 2.1 percent from $184,376 in the first half of 2006. Resales and new home sales have increased each month since January but remain below their levels a year ago. Compared with last June, resales were down 10.1 percent and new home sales were down 25.8 percent in June.

[4] *Kansas City Star*, Tuesday, August 28, 2007.
[5] *USA Today*, Friday, August 17, 2007
[6] The existing home supply is determined by dividing the inventory of homes for sale by the number of sales for that month; more than a six month supply is considered a buyer's market.

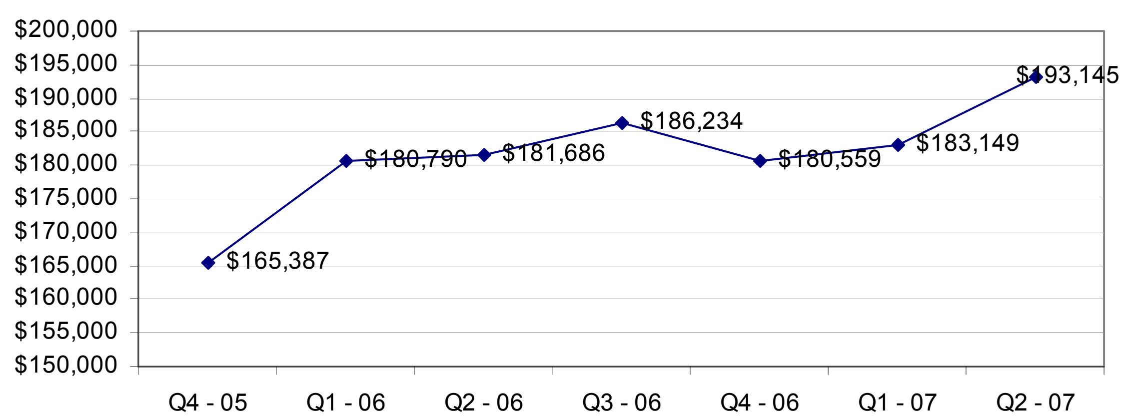
Target Sub-market: Peculiar, Missouri and Cass County, Missouri
A sampling of Heartland Multiple Listing Service data in the period between October 2005 and June 2007 returns a total of 211 single family homes sales in Peculiar, Missouri. Those homes spent an average of 98 days on the market and sold for an average of $184,472. Over the 21 month period, shown in Figure 3 below, there is an upward trend in the average number of days a home spent on the market. While some seasonal variation is expected, the period between January and June of 2006, highlighted in red, contrasts sharply with the same period in 2007, highlighted in blue. Home sales during those periods were not significantly different with 66 versus 64 units sold, but the average days on market rose by 137 percent in the first quarter and 58 percent in the second quarter.

Figure 3. Average Quarterly Days on Market and Number of Home Sales, Peculiar, Missouri, October 2005 – June 2007



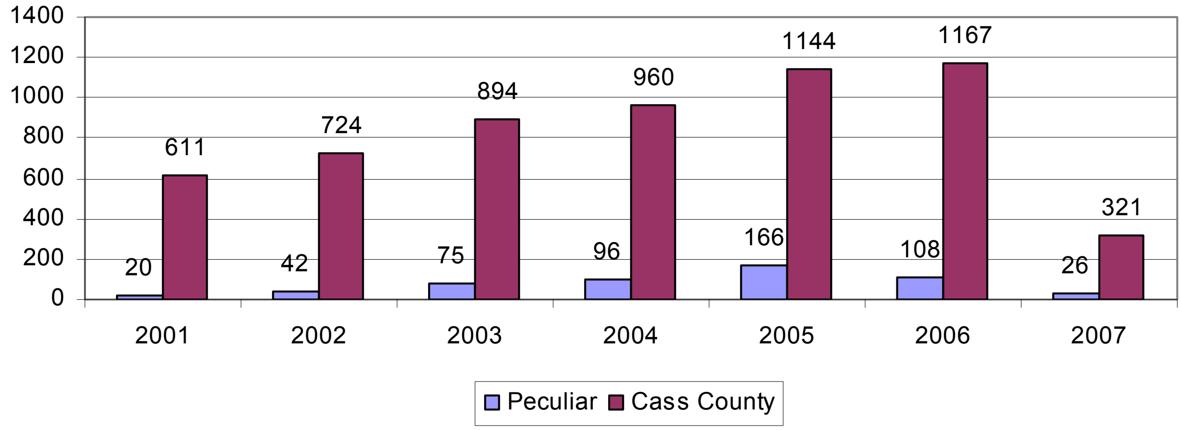
The average quarterly sale price for homes in Peculiar, Missouri rose over the same 21 month period with a drop in the 4th quarter of 2006 followed by continued upward trending in first and second quarters of 2007. The upward trend is unique to the overall metropolitan pattern.

Figure 4. Average Quarterly Sale Price for Homes in Peculiar, Missouri, October 2005 – June 2007



New construction interest and activity in Peculiar has grown significantly over the last six years. Activity slowed in 2006, and has fallen off in both the county and the city in the first six months of 2007.

Figure 5. Annual Single Family Building Permits for Peculiar and Cass County, Missouri



Residential Market Sector Opportunities
Permit activity and rising home prices reflect the market's understanding that Peculiar merits investment and will continue to appeal to consumers over the long term. The relative strength of the Peculiar housing market offers a significant opportunity for sustained growth and development providing there are improved standards in other real estate sectors as well as area infrastructure.

The predominant single-family housing environment that currently exists does not lend itself to density and diversity. It is important to recognize that increased density and diversity in housing stock can

- Provide options for older and younger adults to remain in the area
- Maximize use of infrastructure
- Encourage walking and cycling
- Enhance economic activity
- Reduce development pressure on environmentally sensitive areas, historically significant areas or other types of land uses
- Support a more vibrant community

This study recommends that there be options for greater density housing and a modest amount of rental property. Appropriately managed and maintained rental property should be an integral part of a diverse housing market. As with other real estate sectors, it will be important to establish design and maintenance standards to insure that new and existing homes are architecturally compatible and that area housing remains desirable to consumers.

RETAIL MARKET OPPORTUNITIES

Introduction

Nationally, retail development is considered the most dynamic of all real estate sectors. Notable, ongoing trends include the transformation of super regional, regional, community, neighborhood and convenience shopping centers into lifestyle or retail/entertainment centers, and the intermingling of residential, retail and office space in new neighborhoods or urban villages. These changes are evident throughout the country and throughout the greater Kansas City metropolitan area.

Regional Overview

The Kansas City metropolitan area continues to experience strong retail development along with rising retail vacancy rates. REIS, Incorporated reported a metro-area vacancy of 6.1 percent for power centers[7] as of the third quarter of 2006. One year earlier KC's power center vacancy was 5.4 percent. A comparison of REIS' reported power center vacancies for 16 cities in the central part of the country shows that Kansas City ranks ninth, placing it at the middle of the pack.

Metropolitan area neighborhood and community centers are showing similar trends. For neighborhood centers, third-quarter vacancy was 9.0 percent, up from 8.2 percent as of the third quarter of 2005. Community-center vacancy was 9.5 percent, up from 7.4 percent one year earlier.

Many factors contribute to rising vacancy rates; most significantly, vacancy rates climb when new retail developments draw consumers from existing retail locations. Consumers are preferentially drawn to new concepts and new retailers, and shopping centers must continually "reinvent" themselves in order to maintain their appeal to shoppers.

While many sizable and significant retail developments are under construction and being proposed across the metropolitan area, the pace of development is expected to slow over the next few years as demand catches up with supply.

Relevant Sub-market Areas: Eastern and Southeastern Jackson County, Missouri and Johnson County, Kansas

Eastern and southeast Jackson County has experienced remarkable growth within the last few years. The suburban city of Lee's Summit offers a particular case in point. Lee's Summit's 2005 population was 86,537, having grown by 23 percent since the 2000 Census. The 2005 median household income of $70,900 was 53 percent higher than the national average. In the period between 2000 and 2005, new housing totaled 6,095 units; and plans for an additional 6,550 residential units have been announced by area developers. Accompanying retail development clearly tracks the growing population and affluence as indicated in Table 7.

[7]A power center is anchored by three or more big-box retailers and ranges in size from 250,000 to more than 1 million square feet. A community center offers 100,000 to 300,000 square feet of shopping space which might include a junior department store or discount store in addition to a supermarket. A neighborhood center usually has a supermarket and a drugstore as anchors and is no larger than 130,000 square feet.

Table 9. Ongoing and Proposed Retail Development in Eastern and Southeastern Jackson County

Ongoing Retail Development		
Summit Fair	Lee's Summit	550,000 SF of retail.
Blue Ridge Crossing	I-70 and Blue Ridge Blvd., Kansas City	Anchored by Wal-Mart Supercenter.
New Longview	Lee's Summit	645,000 SF of retail and office, 1,129 residential units, 53,200 SF of civic space.
Grandview Crossing	140th and Hwy. 71, Grandview	385,000 SF of retail. RedX, Cricket Wireless, Pizza Hut, others.
Gateway Commons	Hwy. 150 and Hwy. 71, Grandview	177,000 SF of retail. Gail's Harley Davidson.
Raymore Galleria	Hwy. 58 and Hwy. 71, Raymore	700,000 SF of retail anchored by existing Wal-Mart Supercenter and Lowe's.
Proposed Retail Development		
Arborwalk	Lee's Summit	200,700 SF of retail, 1,471 residential units, 146,200 SF of office.
Wilshire Hills	Lee's Summit	254,542 SF of office/retail, 192 units of senior living.
Lee's Summit Landing	Lee's Summit	555,000 SF of retail, 120,000 SF of office plus theater.
Quarry Hills	Lee's Summit	1,002,995 SF of retail, 384 multi-family units, 755,616 SF of office, 373,919 SF of office/warehouse.
Chapel Ridge Golf Course redevelopment	Lee's Summit	218,200 SF of office/retail, 274 multi-family units, 190 other residential units.
Trinity Woods	I-70 and Little Blue Pkwy., Independence	90 acres of retail, office, hotel, residential.
Plaza at Adams Farm	I-70 and Adams Dairy Pkwy., Blue Springs	635,000 SF of retail. Target, Lowe's.

A similar situation exists in Johnson County, Kansas where development continues in the southern and western parts of the county. Information from the U.S. Bureau of Economic Analysis shows that from 1994 to 2004 the total personal income for the county increased by 86 percent, from $12.4 billion to $23.1 billion, reflecting both rapid population growth and high income levels. According to the U.S. Census Bureau, in 2003 Johnson County had a median household income of $66,651; it ranked 39th out of 3,141 counties in the country. Table 8 lists ongoing and proposed retail development in the area.

Table 10. Ongoing and Proposed Retail Development in Johnson County, Kansas

Ongoing Retail Development		
One Nineteen	119th and Roe, Leawood	Crate and Barrel open. Other retail to be added.
Park Place	117th and Nall, Leawood	Retail, residential, office, hotel. Several restaurants announced.
Mission Farms	107th and Mission, Leawood	Office and residential units above retail and restaurants.
The Gateway	Roe and Shawnee Mission Parkway, Mission	Retail, theater, restaurants, banks, residential, office.
Parkway Plaza	135th and Roe, Leawood	Upscale retail, residential condominiums, office.
Mill Creek Village	Ridgeview Rd. and K-10, Olathe	750,000 SF power center.

Table 10. (Continued) Ongoing and Proposed Retail Development in Johnson County, Kansas

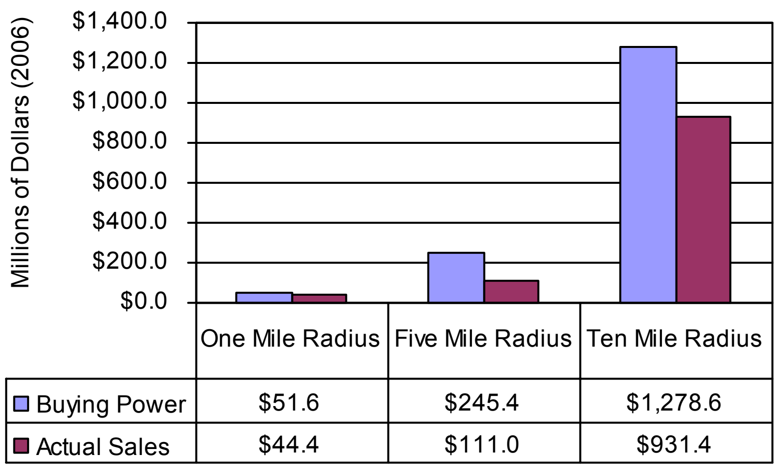
Proposed Retail Development		
Prairiefire at Lionsgate	135th and Nall-Lamar, Overland Park	345,000 SF of luxury retail, 295,000 SF office, hotel, residential.
Corbin Park	135th and Metcalf, Overland Park	1.1 million SF of retail. Von Mauer department store.
Crystal Springs	135th and Pflumm, Overland Park	330,000 SF neighborhood center.
Brentwood Plaza SC	151st and Brentwood, Olathe	140,000 SF neighborhood center.
Ridgeview Falls	119th and Ridgeview, Olathe	140,000 SF of retail.
Prairie Ridge Park	K-10, Olathe	275-acre retail and office development.
Shoppes at Prairie Star	Prairie Star Pkwy. and K-7, Lenexa	525,000 SF of retail.
Lenexa City Center	87th and Renner Blvd., Lenexa	Retail, office, residential.
Merriam Pointe	67th and I-35, Merriam	200,000 SF lifestyle center.

Retail Sales

Retail development is all about retail sales. A comparison of estimated retail buying power and sales[8] can indicate potential retail development opportunities within a given geography. This analysis considers geographies within one, five and ten mile radii of 600 Schug Avenue as previously described.

The graph to the right shows that, effectively, the total buying power generated among residents within the one, five and ten mile area exceeds sales within each of the respective areas. This indicates that more retail space could be built within each of the areas to accommodate demand closer to home. Buying power exceeds sales by $7.2 million in the one mile area, $134.4 million in the five mile area, and $347.2 million in the ten mile area.

Figure 6. Total Retail Sales



A comparison of thirteen retail industry sectors provided in Table 9 shows that only two sectors attract or draw consumers from outside the area. These include:

[8] The data reviewed in this section were obtained from Claritas. Retail sales estimates are based on the Census of Retail Trade (CRT), in addition to monthly and annual surveys of retail trade data from the Bureau of the Census and current-year demographic estimates. Sales forecasts at the national level by NAICS (North American Industry Classification System) code were validated against the 2002 Economic Census (NAICS Majors only) and County Business Patterns sales forecasting data provided by the Census Bureau. The annual update of the supply side county level data is derived from ES202 data, Retail Sales Tax data, and Business-Facts® (a proprietary Claritas product).

- Gas stations generating a surplus of $12.8 million dollars in sales revenue from consumers outside of the 1 mile area, a surplus of $4.1million dollars from consumers outside of the 5 mile area, and a surplus of $21.9 million dollars from consumers outside of the 10 mile area.
- General merchandise generating a surplus of $4.8 millions dollars in sales revenue from consumers outside of the 1 mile area, a surplus of $14.8 millions dollars outside of the 5 mile area, and a surplus of $41.7 million dollars from consumers outside of the 10 mile area.

Within all other sectors and geographies, demand exceeds supply.

A gap analysis, provided in Table 10 allows us to estimate potential for additional retail space. In this analysis, the gap value for a particular market sector is divided by estimated sales volume per square foot to yield potential for additional retail space. Estimates of sales volume per square foot are based on values found in the Urban Land Institute's *Dollars & Cents of Shopping Centers 2004* for community and neighborhood shopping centers.

Considering, as an example the first retail sector listed in Tables 9 and 10, building materials and garden equipment. We find residents spending $5,652,789 and no retail sales within the one mile radius of 600 Schug Avenue. The given sales figure represents the typical proportion of income spent by the number of households in the area for building materials and garden equipment. There are, however, no stores with the one-mile radius that are classified as selling building materials and garden equipment as reflected in the fact that there are no retail sales in this sector. This suggests that a market niche may exist for a building materials and garden equipment store.

While there are no building material stores within one mile, we would expect that residents in the one mile area are shopping at stores outside that radius. Indeed, within the five mile radius, there is just over $1.1 million dollars in annual sales taking place at building material stores, but the buying power among residents within the five mile radius increases to $29.5 million dollars. Again, the buying power exceeds actual sales by $28.4 million dollars, suggesting an opportunity for a building material and garden supply store.

Looking further outside the five mile radius, we find over $87 million dollars of building material and garden supply sales within the ten mile radius. Buying power among residents within the ten mile area is just under $161 million dollars. The opportunity for a building materials store is reinforced again as buying power exceeds sales by $73.5 million dollars.

A building materials/garden supply store in an environment like Peculiar would be likely to attract annual sales of about $178 per square foot. The gap between buying power and actual sales within the one mile radius, $5.6 million dollars could support a store or stores totaling about 32,000 square feet. Similarly, the gap between buying power and actual sales of $28.4 million dollars in the five mile area could support stores totaling about 160,000 square feet, and the gap between buying power and actual sales of $73.5 million dollars in the ten mile area could support stores totaling around 400,000 square feet.

A similar analysis is performed for each of the remaining market sectors with the exception of non-store retailers. Vending machines, mail order and particularly electronic sales are increasingly important elements of the economy; however, their bases of operation fall more typically into office/industrial or even office/residential facilities. Within the one mile radius area, there are calculated opportunities for 610 square feet of GAFO space and 886 square feet of sporting goods/hobby space. These facilities are typically larger (30,000 to 50,000 square feet and 1,800 to 3,000 square feet respectively), and the data suggest that the need for these types of facilities is not particularly strong.

Table 11. A Comparison of Consumer Expenditures and Retail Sales Revenue for One, Five and Ten Mile Areas

	Consumer Expenditures	Retail Sales	Gap/ Surplus	Consumer Expenditures	Retail Sales	Gap/ Surplus	Consumer Expenditures	Retail Sales	Gap/ Surplus
NAICS Sector[9]	*One Mile Radius*			*Five Mile Radius*			*Ten Mile Radius*		
Building Materials, Garden Equip.	$5,652,789	0	$5,652,789	$29,525,738	$1,134,463	$28,391,275	$160,800,639	$87,231,011	$73,569,628
Clothing & Accessories	$2,244,680	$54,076	$2,190,604	$11,356,868	$197,657	$11,159,211	$62,771,524	$2,391,685	$60,379,839
Electronics & Appliances	$1,245,325	$285,980	$859,345	$5,657,534	$980,071	$4,677,463	$31,962,492	$7,557,474	$24,405,018
Food & Beverage	$6,141,045	$5,034,299	$1,106,746	$27,412,256	$7,742,334	$19,669,922	$157,097,205	$74,673,297	$82,423,908
Foodservice & Drinking Places	$4,548,829	$3,777,917	$770,912	$20,843,771	$6,834,092	$14,009,679	$121,101,775	$88,947,713	$32,154,062
Furniture & Home Furnishings	$1,247,346	0	$1,247,346	$6,513,542	$338,116	$6,175,426	$36,159,562	$12,664,284	$23,495,278
GAFO[10]	$12,260,496	$12,148,947	$111,549	$60,008,026	$46,926,267	$13,081,759	$336,519,059	$237,747,756	$98,771,303
Gas Stations	$5,555,843	$18,346,788	($12,790,945)	$25,300,209	$29,422,638	($4,122,429)	$142,256,455	$164,239,481	($21,983,026)
General Merchandise	$6,174,047	$11,016,269	($4,842,222)	$29,391,472	$44,200,798	($14,809,326)	$165,739,756	$207,422,741	($41,682,985)
Health & Personal Care	$2,393,891	$414,390	$1,979,501	$10,896,698	$495,062	$10,401,636	$64,271,484	$50,418,642	$13,852,842
Miscellaneous Store Retailers	$1,335,786	$646,767	$689,019	$6,455,714	$931,491	$5,524,223	$36,320,681	$10,731,122	$25,589,559
Motor Vehicle & Parts Dealers	$11,285,828	$4,106,517	$7,179,311	$53,133,232	$17,590,859	$35,542,373	$293,178,474	$206,882,858	$86,295,616
Non-Store Retailers	$2,975,045	$76	$2,974,969	$14,422,809	$26,542	$14,396,267	$81,588,250	$12,894,648	$68,693,602
Sporting Goods, Hobby, Book, Music Stores	$921,064	$752,778	$168,286	$4,526,621	$1,132,252	$3,394,369	$25,388,837	$5,335,552	$20,053,285

[9] A listing of NAICS sub-categories is provided in the Appendix.
[10] GAFO (General merchandise, Apparel, Furniture and Other) represents sales at stores that sell merchandise normally sold in department stores. This category is not included in Total Retail Sales shown in Figure 1.on the previous page.

Table 12. Analysis of Potential for Additional Retail Space within One, Five and Ten Mile Areas

	Gap/ Surplus	Sales Volume /SF	Potential for Additional Space	Gap/ Surplus	Sales Volume /SF	Potential for Additional Space	Gap/ Surplus	Sales Volume /SF	Potential for Additional Space
NAICS Sector	*One Mile Radius*			*Five Mile Radius*			*Ten Mile Radius*		
Building Materials, Garden Equip.	$5,652,789	$178	31,757 sf	$28,391,275	$178	159,502 sf	$73,569,628	$178	413,313 sf
Clothing & Accessories	$2,190,604	$167	13,117 sf	$11,159,211	$167	66,822 sf	$60,379,839	$167	361,556 sf
Electronics & Appliances	$859,345	$189	4,547 sf	$4,677,463	$189	24,748 sf	$24,405,018	$189	129,127 sf
Food & Beverage	$1,106,746	$310	3,570 sf	$19,669,922	$310	63,451 sf	$82,423,908	$310	265,884 sf
Foodservice & Drinking Places	$770,912	$288	2,677 sf	$14,009,679	$288	48,645 sf	$32,154,062	$288	111,646 sf
Furniture & Home Furnishings	$1,247,346	$158	7,895 sf	$6,175,426	$158	39,085 sf	$23,495,278	$158	148,704 sf
GAFO	$111,549	$183	610 sf	$13,081,759	$183	71,485 sf	$98,771,303	$183	539,734 sf
Gas Stations	($12,790,945)	$1,300	None	($4,122,429)	$1,300	None	($21,983,026)	$1,300	None
General Merchandise	($4,842,222)	$143	None	($14,809,326)	$143	None	($41,682,985)	$143	None
Health & Personal Care	$1,979,501	$247	8,014 sf	$10,401,636	$247	42,112 sf	$13,852,842	$247	56,084 sf
Miscellaneous Store Retailers	$689,019	$109	6,321 sf	$5,524,223	$109	50,681 sf	$25,589,559	$109	234,767 sf
Motor Vehicle & Parts Dealers	$7,179,311	145	49,512 sf	$35,542,373	145	245,120 sf	$86,295,616	145	595,142 sf
Sporting Goods, Hobby, Book, Music Stores	$168,286	$190	886 sf	$3,394,369	$190	17,865 sf	$20,053,285	$190	105,544 sf
	Total estimated square footage (omitting GAFO category)		128,297 sf	Total estimated square footage (omitting GAFO category)		758,030 sf	Total estimated square footage (omitting GAFO category)		2,421,766 sf

Retail Market Sector Opportunities

Current retail activity in Peculiar does not meet estimated retail buying power in most market sectors within a one mile radius of 600 Schug Avenue. Analysis of that unmet demand indicates the need for an additional 120,000 to 200,000 square feet of retail space over the next five years.

There is always the possibility that more space could be developed in response to needs over the broader five to ten mile areas, but exceeding the amount calculated for the one mile area raises substantial concerns about the ability of the local infrastructure to handle the increased traffic levels that would be expected and needed to sustain higher volumes of retail activity. The state and county roads that dominate the community are under-sized and in poor condition.

Additional retail development could also jeopardize sales taking place in other locations. While competition has its merits, it also increases business risks. In the long-term, Peculiar residents could be left dealing with the consequences of that increased risk in taking on more than their "share" of the retail market. More stores do not create more people or more spending, they displace or spread spending more thinly, ultimately hurting older and weaker shopping areas. Retail development in Peculiar would have to be very competitive to draw consumers who would otherwise travel to Johnson County, Kansas, or southeastern Jackson County.

As the retail buying analysis does indicate development opportunities for any number of retail establishments; this study offers the following recommendations based on broader retail patterns:

1. Promote a "town center concept." Be deliberate in defining a sense of history and place and in maintaining a sense of community. Allow for outdoor dining, concerts, arts and crafts fairs, children's' festivals and other opportunities that will bring people together to relax, shop and enjoy themselves.
2. Develop and maintain standards of excellence. Create clean, safe and comfortable public space for people rather than cars. Establish and maintain design and maintenance standards to counter negative perceptions that may be associated with present conditions and uses in the area.
3. Provide unique products. The development of facilities offering quality goods and services distinct from those offered by general or mass merchandise stores like Target or Circuit City can create "buzz" and raise visibility. Unique products and services will draw commuter traffic, and potentially regional customers as well as local consumers.
4. Pursue synergistic opportunities. Cluster a group of unique cafes and restaurants, or cluster businesses around a common theme. A health and wellness center might include a spa, doctor's or physical therapist offices, a health food store/restaurant, a (modest) sporting goods retailer and a recreational/sports venue.
5. Insure that retail scale and location are compatible with residential development. Peculiar's housing stock is one of its greatest assets. Attractive retail space that complements, rather than competes with, residential use adds value in both settings, and strengthens the community's fabric.
6. Market, market, market. Competition is fierce. Let the world know where you are and what you've got.

APPENDIX A

NAICS (North American Industry Classification System) Code Listing
Categories and Sub-Categories

Motor Vehicle and Parts Dealers-441
- Automotive Dealers-4411
- Other Motor Vehicle Dealers-4412
- Automotive Parts/Accsrs, Tire Stores-4413

Furniture and Home Furnishings Stores-442
- Furniture Stores-4421
- Home Furnishing Stores-4422

Electronics and Appliance Stores-443
- Appliances, TVs, Electronics Stores-44311
  - Household Appliances Stores-443111
  - Radio, Television, Electronics Stores-443112
- Computer and Software Stores-44312
- Camera and Photographic Equipment Stores-44313

Building Material, Garden Equip Stores -444
- Building Material and Supply Dealers-4441
  - Home Centers-44411
  - Paint and Wallpaper Stores-44412
  - Hardware Stores-44413
  - Other Building Materials Dealers-44419
    - Building Materials, Lumberyards-444191
- Lawn, Garden Equipment, Supplies Stores-4442
  - Outdoor Power Equipment Stores-44421
  - Nursery and Garden Centers-44422

Food and Beverage Stores-445
- Grocery Stores-4451
  - Supermarkets, Grocery (Ex Conv) Stores-44511
  - Convenience Stores-44512 301,618 0 301,618
- Specialty Food Stores-4452
- Beer, Wine and Liquor Stores-4453

Health and Personal Care Stores-446
  - Pharmacies and Drug Stores-44611 2
  - Cosmetics, Beauty Supplies, Perfume Stores-44612
  - Optical Goods Stores-44613
  - Other Health and Personal Care Stores-44619

Gasoline Stations-447
- Gasoline Stations With Conv Stores-44711
- Other Gasoline Stations-44719

Clothing and Clothing Accessories Stores-448
- Clothing Stores-4481
  - Men's Clothing Stores-44811
  - Women's Clothing Stores-44812
  - Childrens, Infants Clothing Stores-44813
  - Family Clothing Stores-44814
  - Clothing Accessories Stores-44815

        Other Clothing Stores-44819
    Shoe Stores-4482
    Jewelry, Luggage, Leather Goods Stores-4483
        Jewelry Stores-44831
        Luggage and Leather Goods Stores-44832

Sporting Goods, Hobby, Book, Music Stores-451
    Sporting Goods, Hobby, Musical Inst Stores-4511
        Sporting Goods Stores-45111
        Hobby, Toys and Games Stores-45112
        Sew/Needlework/Piece Goods Stores-45113
        Musical Instrument and Supplies Stores-45114
    Book, Periodical and Music Stores-4512
        Book Stores and News Dealers-45121
            Book Stores-451211
            News Dealers and Newsstands-451212
        Prerecorded Tapes, CDs, Record Stores-45122

General Merchandise Stores-452
    Department Stores Excl Leased Depts-4521
    Other General Merchandise Stores-4529
        Warehouse Clubs and Super Stores-45291
        All Other General Merchandise Stores-45299

Miscellaneous Store Retailers-453
    Florists-4531
    Office Supplies, Stationery, Gift Stores-4532
        Office Supplies and Stationery Stores-45321
        Gift, Novelty and Souvenir Stores-45322
    Used Merchandise Stores-4533
    Other Miscellaneous Store Retailers-4539

Non-Store Retailers-454
    Electronic Shopping, Mail-Order Houses-4541
    Vending Machine Operators-4542
    Direct Selling Establishments-4543

Foodservice and Drinking Places-722
    Full-Service Restaurants-7221
    Limited-Service Eating Places-7222
    Special Foodservices-7223
    Drinking Places -Alcoholic Beverages-7224

GAFO *
    General Merchandise Stores-452
    Clothing and Clothing Accessories Stores-448
    Furniture and Home Furnishings Stores-442
    Electronics and Appliance Stores-443
    Sporting Goods, Hobby, Book, Music Stores-451
    Office Supplies, Stationery, Gift Stores-4532

*GAFO (General merchandise, Apparel, Furniture and Other) represents sales at store that sell merchandise normally sold in department stores.