Retail Site Assessment

October 2008

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Summary

Buxton has reviewed the site provided by the Town of Wake Forest on the basis of retail recruitment potential. This Retail Site Assessment booklet features maps of White St & Hwy 98's trade areas. Wake Forest is situated on the northeastern fringe of Raleigh, NC. Downtown Wake Forest is about 15 miles from downtown Raleigh.

A review of segmentation for Wake Forest's trade area shows that segment 5 (Country Squires), segment 23 (Greenbelt Sports), segment 32 (New Homesteaders), segment 11 (God's Country) and segment 33 (Big Sky Families) account for most of the larger dominant segment households within Wake Forest's trade area. Segments 37 (Mayberry-ville), segment 48 (Young & Rustic), segment 50 (Kid Country, USA) and segment 51 (Shotguns & Pickups) account for most of the remaining dominant segments in the trade area. Each of these segments possess unique income and lifesytle characteristics that would attract a variety of retailers to Wake Forest, NC.

There are approximately 23,943 households and a population of 65,550 within the 15-minute trade area. There is a retail leakage of $173 Million within this 15-minute trade area.
The categories that have the highest leakage index (where shoppers purchase products outside of the trade area) are:
Electronics and Appliance Stores,
Miscellaneous Store Retailers, and
Food and Beverage Stores.

The categories that have the highest demand index (bring shoppers into the trade area) are:
General Merchandise Stores,
Sporting Goods, Hobby, Book, & Music Stores, and
Building Material & Garden Equipment & Supply Dealers.

Wake Forest's Retail Site

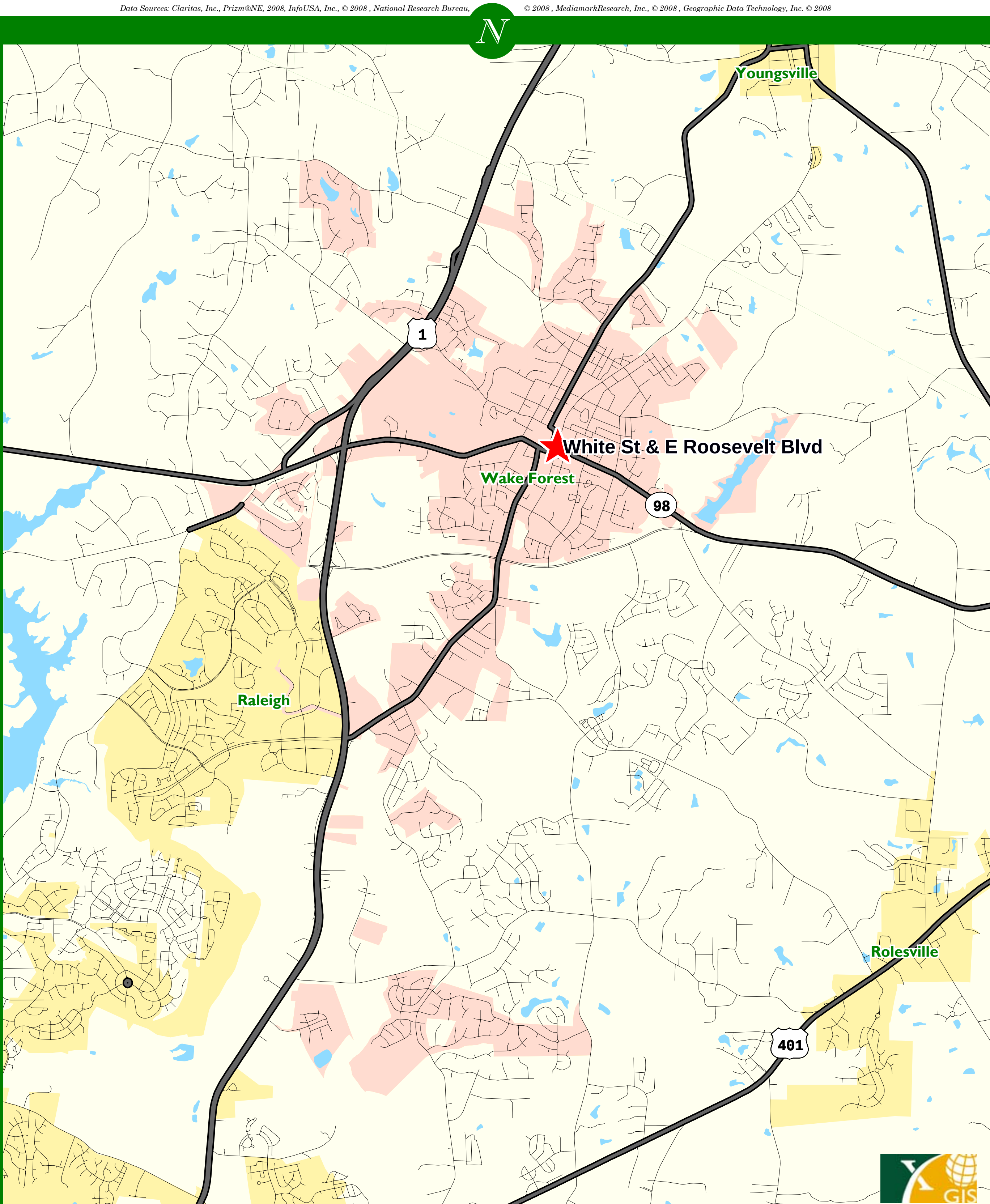
To begin the Community*ID* process, the Town of Wake Forest selected the site at White St & Hwy 98 to be analyzed for possible retail development or revitalization. To more fully understand the retail potential of the selected site, Buxton conducted the following analyses:

- A fifteen-minute trade area was delineated for the site
- The customers in the trade areas were segmented according to buying habits and lifestyles
- A profile of Wake Forest's customers within the trade areas was developed
- The surplus and leakage for more than 36 product types and 74 store types was determined for each potential trade area

The purpose of these analyses is to develop Wake Forest's Customer Profile. The Customer Profile is a snapshot of the customers that reside in Wake Forest's trade areas. Even though these consumers are complex and diverse, Buxton is able to capture and catalogue the extent to which potential demand for retailer's goods and services are concentrated in the trade areas.

By overlaying Wake Forest's Customer Profile with over 4,500 retail matching profiles in Buxton's proprietary database, we are able to identify major categories of retail that are candidates for location at Wake Forest. This matching provides the basis for determining Wake Forest's viability to attract retailers and restaurants and forms the basis for Buxton's assessment.

Data Sources: Claritas, Inc., Prizm®NE, 2008, InfoUSA, Inc., © 2008 , National Research Bureau, © 2008 , MediamarkResearch, Inc., © 2008 , Geographic Data Technology, Inc. © 2008



Wake Forest, North Carolina: Overview

Shopping Centers
GLA in thousands
1000+
500 to 1000

City Limits

Site

Miles
0 0.5 1

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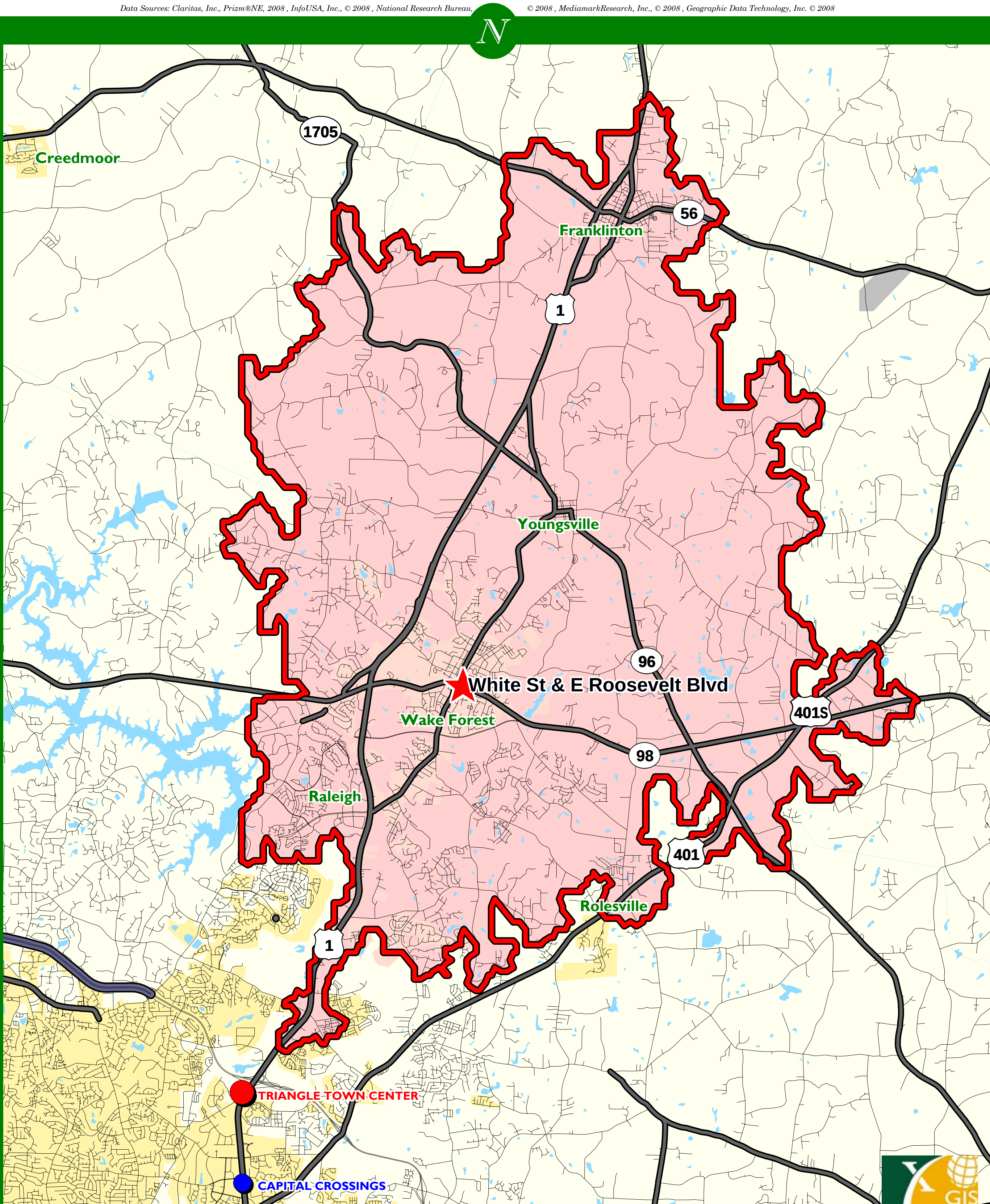


Wake Forest, North Carolina: Trade Area

Town of Wake Forest North Carolina

CommunityID

Shopping Centers

GLA in thousands

- 1000+
- 500 to 1000

15 Minute Trade Area

Site

Miles

0 2.5 5

2651 S. Polaris Dr. Fort Worth, Texas 76137 tel: 817.332.3681 fax:817.332.3686 e-mail:buxton@buxtonco.com http://www.buxtonco.com

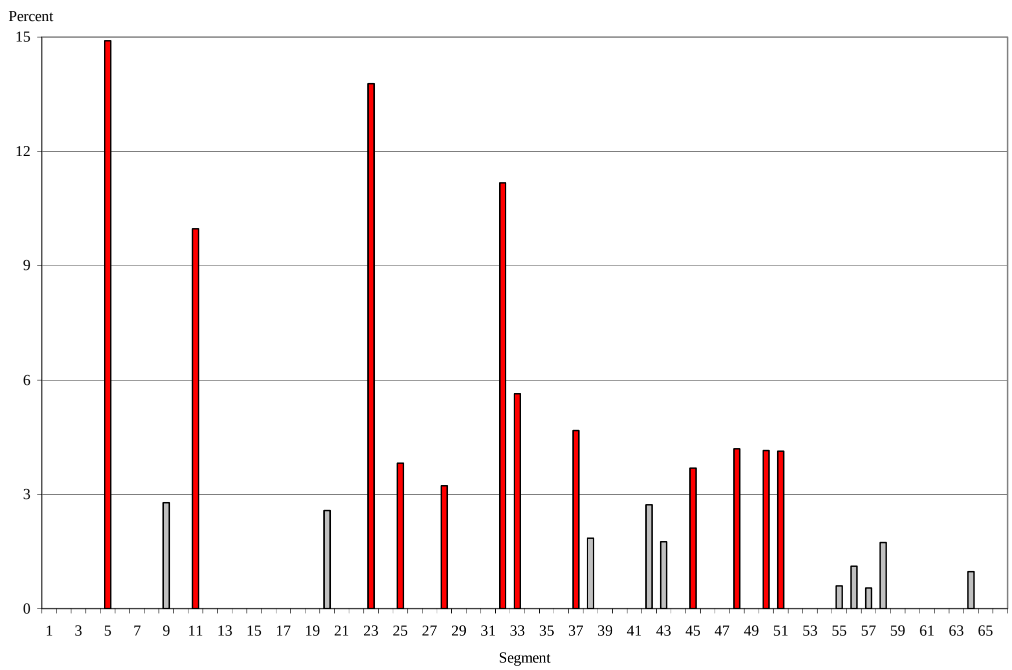
Site Analysis

Drive-Time Trade Area

The map on the opposite page depicts the trade area for Wake Forest. The trade area consists of a fifteen-minute polygon, determined by Buxton's proprietary drive-time technology.

Psychographics

The psychographic profile of the households within a fifteen-minute drive-time of Wake Forest is presented below.



Source: Claritas, Inc, PRIZM® NE, © 2008

Dominant Segments

A segment that represents at least three percent of a trade area is a dominant segment. Following is a description of the dominant segments for Wake Forest.

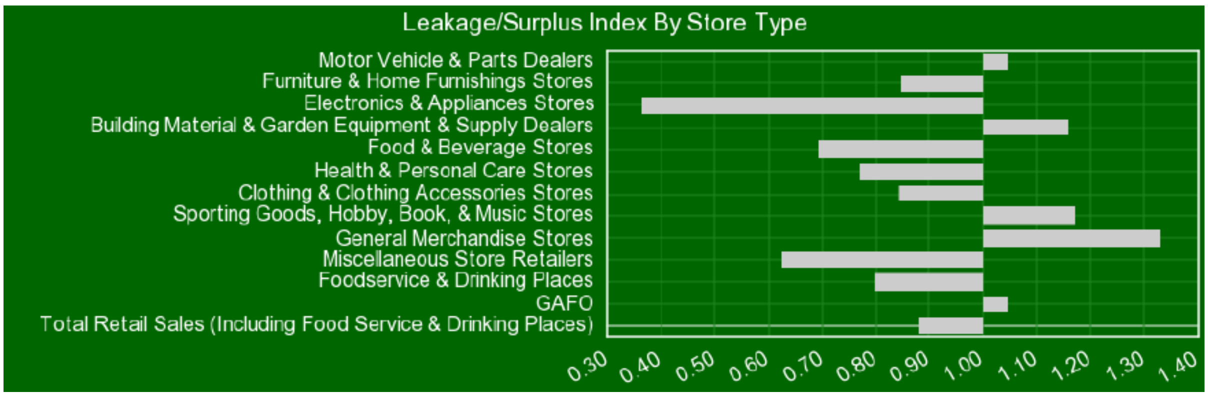
Dominant Segments	Description	Households	% of All Households
5	Country Squires	3568	14.90
11	God's Country	2387	9.97
23	Greenbelt Sports	3299	13.78
25	Country Casuals	914	3.82
28	Traditional Times	773	3.23
32	New Homesteaders	2676	11.18
33	Big Sky Families	1350	5.64
37	Mayberry-ville	1119	4.67
45	Blue Highways	883	3.69
48	Young & Rustic	1004	4.19
50	Kid Country, USA	994	4.15
51	Shotguns & Pickups	990	4.13

Source: Claritas, Inc, PRIZM® NE, © 2008

Site Analysis (continued)

Leakage Analysis

The following table represents an overview by store type of the leakage or surplus within the studied trade area. This is represented by an index, with 1.0 being the baseline. A leakage is reflected by an index less than 1.0, and a surplus is reflected by an index greater than 1.0. Please see Appendix A for detailed demand and actual sales by category.



Source: Claritas, Inc, RETAIL MARKET POWER, © 2008

The following table presents the trade potential variables for Wake Forest:

Trade Potential Variables	Site 1
Estimated Household Count	23,943
Number of Households in Dominant Segments	19,957
Traffic Count	14,000
Total Demand	$1,435,009,752
Total Supply	$1,261,288,776
Leakage/Surplus	$173,720,976

Source: Claritas, Inc, RETAIL MARKET POWER, PRIZM® NE, © 2008

Brief Segment Descriptions

1 UPPER CRUST – The nation's most exclusive address, Upper Crust is the wealthiest lifestyle in America—a haven for empty-nesting couples over 55 years old. No segment has a higher concentration of residents earning over $200,000 a year or possessing a postgraduate degree, and none has a more opulent standard of living.

2 BLUE BLOOD ESTATES – Blue Blood Estates is a family portrait of suburban wealth, a place of million-dollar homes and manicured lawns, high-end cars and exclusive private clubs. The nation's second-wealthiest lifestyle, it is characterized by married couples with children, college degrees, a significant percentage of Asian Americans and six-figure incomes earned by business executives, managers and professionals.

3 MOVERS & SHAKERS – Movers & Shakers is home to America's up-and-coming business class: a wealthy suburban world of dual-income couples who are highly educated, typically between the ages of 35 and 54, often with children. Given its high percentage of executives and white-collar professionals, there is a decided business bent to this segment: Movers & Shakers rank number one for owning a small business and having a home office.

4 YOUNG DIGERATI – Young Digerati are the nation's tech-savvy singles and couples living in fashionable neighborhoods on the urban fringe. Affluent, highly educated and ethnically mixed, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars—from juice to coffee to microbrew.

5 COUNTRY SQUIRES – The wealthiest residents in exurban America live in Country Squires, an oasis for affluent Baby Boomers who have fled the city for the charms of small-town living. In their bucolic communities noted for their recently built homes on sprawling properties, the families of executives live in six-figure comfort. Country Squires enjoy country club sports like golf, tennis and swimming as well as skiing, boating and biking.

6 WINNER'S CIRCLE – Among the wealthy suburban lifestyles, Winner's Circle is the youngest, a collection of mostly 25- to 34-year-old couples with large families in new-money subdivisions. Surrounding their homes are the signs of upscale living: recreational parks, golf courses and upscale malls. With a median income of nearly $90,000, Winner's Circle residents are big spenders who like to travel, ski, go out to eat, shop at clothing boutiques and take in a show.

7 MONEY & BRAINS – The residents of Money & Brains seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these city dwellers—predominantly white with a high concentration of Asian Americans—are married couples with few children who live in fashionable homes on small, manicured lots.

Brief Segment Descriptions

8 EXECUTIVE SUITES – Executive Suites consists of upper-middle-class singles and couples typically living just beyond the nation's beltways. Filled with significant numbers of Asian Americans and college graduates—both groups are represented at more than twice the national average—this segment is a haven for white-collar professionals drawn to comfortable homes and apartments within a manageable commute to downtown jobs, restaurants and entertainment.

9 BIG FISH, SMALL POND – Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, belonging to country clubs, maintaining large investment portfolios and spending freely on computer technology.

10 SECOND CITY ELITE – There's money to be found in the nation's smaller cities, and you're most likely to find it in Second City Elite. The residents of these satellite cities tend to be prosperous executives who decorate their $200,000 homes with multiple computers, large-screen TV sets and an impressive collection of wines. With more than half holding college degrees, Second City Elite residents enjoy cultural activities—from reading books to attending theater and dance productions.

11 GOD'S COUNTRY – When city dwellers and suburbanites began moving to the country in the 1970's, God's Country emerged as the most affluent of the nation's exurban lifestyles. Today, wealthier communities exist in the hinterlands, but God's Country remains a haven for upper-income couples in spacious homes. Typically college-educated Baby Boomers, these Americans try to maintain a balanced lifestyle between high-power jobs and laid-back leisure.

12 BRITE LITES, LI'L CITY – Not all of the America's chic sophisticates live in major metros. Brite Lights, Li'l City is a group of well-off, middle-aged couples settled in the nation's satellite cities. Residents of these typical double income, no kids households have college educations, well-paying business and professional careers and swank homes filled with the latest technology.

13 UPWARD BOUND – More than any other segment, Upward Bound appears to be the home of those legendary Soccer Moms and Dads. In these small satellite cities, upper-class families boast dual incomes, college degrees and new split-levels and colonials. Residents of Upward Bound tend to be kid-obsessed, with heavy purchases of computers, action figures, dolls, board games, bicycles and camping equipment.

14 NEW EMPTY NESTS – With their grown-up children recently out of the house, New Empty Nests is composed of upscale older Americans who pursue active—and activist— lifestyles. Nearly three-quarters of residents are over 65 years old, but they show no interest in a rest-home retirement. This is the top-ranked segment for all-inclusive travel packages; the favorite destination is Italy.

Brief Segment Descriptions

15 POOLS & PATIOS – Formed during the postwar Baby Boom, Pools & Patios has evolved from a segment of young suburban families to one for mature, empty-nesting couples. In these stable neighborhoods graced with backyard pools and patios—the highest proportion of homes were built in the 1960's—residents work as white-collar managers and professionals, and are now at the top of their careers.

16 BOHEMIAN MIX – A collection of young, mobile urbanites, Bohemian Mix represents the nation's most liberal lifestyles. Its residents are a progressive mix of young singles and couples, students and professionals, Hispanics, Asians, African-Americans and whites. In their funky row houses and apartments, Bohemian Mixers are the early adopters who are quick to check out the latest movie, nightclub, laptop and microbrew.

17 BELTWAY BOOMERS – The members of the postwar Baby Boom are all grown up. Today, these Americans are in their forties and fifties, and one segment of this huge cohort—college-educated, upper-middle-class and home-owning—is found in Beltway Boomers. Like many of their peers who married late, these Boomers are still raising children in comfortable suburban subdivisions, and they're pursuing kid-centered lifestyles.

18 KIDS & CUL-DE-SACS – Upscale, suburban, married couples with children is the description of Kids & Cul-de-Sacs, an enviable lifestyle of large families in recently built subdivisions. With a high rate of Hispanic and Asian Americans, this segment is a refuge for college-educated, white-collar professionals with administrative jobs and upper-middle-class incomes. Their nexus of education, affluence and children translates into large outlays for child-centered products and services.

19 HOME SWEET HOME – Widely scattered across the nation's suburbs, the residents of Home Sweet Home tend to be upper-middle-class married couples living in mid-sized homes with few children. The adults in the segment, mostly between the ages of 25 and 54, have gone to college and hold professional and white-collar jobs. With their upscale incomes and small families, these folks have fashioned comfortable lifestyles, filling their homes with toys, TV sets and pets.

20 FAST-TRACK FAMILIES – With their upper-middle-class incomes, numerous children and spacious homes, Fast-Track Families are in their prime acquisition years. These middle-aged parents have the disposable income and educated sensibility to want the best for their children. They buy the latest technology with impunity: new computers, DVD players, home theater systems and video games. They take advantage of their rustic locales by camping, boating and fishing.

Brief Segment Descriptions

21 GRAY POWER – The steady rise of older, healthier Americans over the past decade has produced one important by-product: middle-class, home-owning suburbanites who are aging in place rather than moving to retirement communities. A segment of older, mid-scale singles and couples who live in quiet comfort, Gray Power reflects this trend.

22 YOUNG INFLUENTIALS – Once known as the home of the nation's yuppies, Young Influentials reflects the fading glow of acquisitive yuppiedom. Today, the segment is a common address for young, middle-class singles and couples who are more preoccupied with balancing work and leisure pursuits. Having recently left college dorms, they now live in apartment complexes surrounded by ball fields, health clubs and casual-dining restaurants.

23 GREENBELT SPORTS – A segment of middle-class exurban couples, Greenbelt Sports is known for its active lifestyle. Most of these middle-aged residents are married, college-educated and own new homes; about a third have children. And few segments have higher rates for pursuing outdoor activities such as skiing, canoeing, backpacking, boating and mountain biking.

24 UP-AND-COMERS – Up-and-Comers is a stopover for young, mid-scale singles before they marry, have families and establish more deskbound lifestyles. Found in second-tier cities, these mobile twenty-somethings include a disproportionate number of recent college graduates who are into athletic activities, the latest technology and nightlife entertainment.

25 COUNTRY CASUALS – There's a laid-back atmosphere in Country Casuals, a collection of middle-aged, upper-middle-class households that have started to empty-nest. Workers here—and most households boast two earners—have well-paying blue- or white-collar jobs, or own small businesses. Today these Baby-Boom couples have the disposable income to enjoy traveling, owning timeshares and going out to eat.

26 THE COSMOPOLITANS – Educated, mid-scale and multi-ethnic, The Cosmopolitans are urbane couples in America's fast-growing cities. Concentrated in a handful of metros—such as Las Vegas, Miami and Albuquerque—these households feature older home-owners, empty-nesters and college graduates. A vibrant social scene surrounds their older homes and apartments, and residents love the nightlife and enjoy leisure-intensive lifestyles.

27 MIDDLEBURG MANAGERS – Middleburg Managers arose when empty-nesters settled in satellite communities which offered a lower cost of living and more relaxed pace. Today segment residents tend to be middle-class and over 55 years old with solid managerial jobs and comfortable retirements. In their older homes, they enjoy reading, playing musical instruments, indoor gardening and refinishing furniture.

Brief Segment Descriptions

28 TRADITIONAL TIMES – Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and sixties, these middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles ranging from *Country Living* and *Country Home* to *Gourmet* and *Forbes*. But they're big travelers, especially in recreational vehicles and campers.

29 AMERICAN DREAMS – American Dreams is a living example of how ethnically diverse the nation has become: more than half the residents are Hispanic, Asian or African-American. In these multilingual neighborhoods—one in ten residents speaks a language other than English—middle-aged immigrants and their children live in middle-class comfort.

30 SUBURBAN SPRAWL – Suburban Sprawl is an unusual American lifestyle: a collection of mid-scale, middle-aged singles and couples living in the heart of suburbia. Typically members of the Baby Boom generation, they hold decent jobs, own older homes and condos, and pursue conservative versions of the American Dream. Among their favorite activities are jogging on treadmills, playing trivia games and renting videos.

31 URBAN ACHIEVERS – Concentrated in the nation's port cities, Urban Achievers is often the first stop for up-and-coming immigrants from Asia, South America and Europe. These young singles and couples are typically college-educated and ethnically diverse: about a third are foreign-born, and even more speak a language other than English.

32 NEW HOMESTEADERS – Young, middle-class families seeking to escape suburban sprawl find refuge in New Homesteaders, a collection of small rustic townships filled with new ranches and Cape Cods. With decent-paying jobs in white-collar and service industries, these dual-income couples have fashioned comfortable, child-centered lifestyles, their driveways filled with campers and powerboats, their family rooms with PlayStations and Game Boys.

33 BIG SKY FAMILIES – Scattered in placid towns across the American heartland, Big Sky Families is a segment of young rural families who have turned high school educations and blue-collar jobs into busy, middle-class lifestyles. Residents like to play baseball, basketball and volleyball in addition to going fishing, hunting and horseback riding. To entertain their sprawling families, they buy virtually every piece of sporting equipment on the market.

34 WHITE PICKET FENCES – Midpoint on the socioeconomic ladder, residents in White Picket Fences look a lot like the stereotypical American household of a generation ago: young, middle-class, married with children. But the current version is characterized by modest homes and ethnic diversity—including a disproportionate number of Hispanics and African-Americans.

Brief Segment Descriptions

35 BOOMTOWN SINGLES – Affordable housing, abundant entry-level jobs and a thriving singles scene— all have given rise to the Boomtown Singles segment in fast-growing satellite cities. Young, single and working-class, these residents pursue active lifestyles amid sprawling apartment complexes, bars, convenience stores and laundromats.

36 BLUE-CHIP BLUES – Blue-Chip Blues is known as a comfortable lifestyle for young, sprawling families with well-paying blue-collar jobs. Ethnically diverse—with a significant presence of Hispanics and African-Americans—the segment's aging neighborhoods feature compact, modestly priced homes surrounded by commercial centers that cater to child-filled households.

37 MAYBERRY-VILLE – Like the old Andy Griffith Show set in a quaint picturesque berg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, middle-class couples and families like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles and pickup trucks.

38 SIMPLE PLEASURES – With more than two-thirds of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school-educated seniors who held blue-collar jobs before their retirement, and a disproportionate number served in the military; no segment has more members of veterans clubs.

39 DOMESTIC DUOS – Domestic Duos represents a middle-class mix of mainly over-55 singles and married couples living in older suburban homes. With their high-school educations and fixed incomes, segment residents maintain an easy-going lifestyle. Residents like to socialize by going bowling, seeing a play, meeting at the local fraternal order or going out to eat.

40 CLOSE-IN COUPLES – Close-In Couples is a group of predominantly African-American couples living in older homes in the urban neighborhoods of mid-sized metros. High school educated and empty nesting, these 55-year-old-plus residents typically live in older city neighborhoods, enjoying secure and comfortable retirements.

41 SUNSET CITY BLUES – Scattered throughout the older neighborhoods of small cities, Sunset City Blues is a segment of lower-middle-class singles and couples who have retired or are getting close to retirement. These empty-nesters tend to own their homes but have modest educations and incomes. They maintain a low-key lifestyle filled with newspapers and television by day, and family-style restaurants at night.

Brief Segment Descriptions

42 RED, WHITE & BLUES – The residents of Red, White & Blues typically live in exurban towns rapidly morphing into bedroom suburbs. Their streets feature new fast-food restaurants, and locals have recently celebrated the arrival of chains like Wal-Mart, Radio Shack and Payless Shoes. Middle-aged, high school educated and lower-middle class, these folks tend to have solid, blue-collar jobs in manufacturing, milling and construction.

43 HEARTLANDERS – America was once a land of small middle-class towns, which can still be found today among Heartlanders. This widespread segment consists of middle-aged couples with working-class jobs living in sturdy, unpretentious homes. In these communities of small families and empty-nesting couples, Heartlanders pursue a rustic lifestyle where hunting and fishing remain prime leisure activities along with cooking, sewing, camping and boating.

44 NEW BEGINNINGS – Filled with young, single adults, New Beginnings is a magnet for adults in transition. Many of its residents are twenty-something singles and couples just starting out on their career paths—or starting over after recent divorces or company transfers. Ethnically diverse—with nearly half its residents Hispanic, Asian or African-American—New Beginnings households tend to have the modest living standards typical of transient apartment dwellers.

45 BLUE HIGHWAYS – On maps, blue highways are often two-lane roads that wind through remote stretches of the American landscape. Among lifestyles, Blue Highways is the standout for lower-middle-class couples and families who live in isolated towns and farmsteads. Here, Boomer men like to hunt and fish; the women enjoy sewing and crafts, and everyone looks forward to going out to a country music concert.

46 OLD GLORIES – Old Glories are the nation's downscale suburban retirees, Americans aging in place in older apartment complexes. These racially mixed households often contain widows and widowers living on fixed incomes, and they tend to lead home-centered lifestyles. They're among the nation's most ardent television fans, watching game shows, soaps, talk shows and newsmagazines at high rates.

47 CITY STARTUPS – In City Startups, young, multi-ethnic singles have settled in neighborhoods filled with cheap apartments and a commercial base of cafés, bars, laundromats and clubs that cater to twenty-somethings. One of the youngest segments in America—with ten times as many college students as the national average—these neighborhoods feature low incomes and high concentrations of Hispanics and African-Americans.

Brief Segment Descriptions

48 YOUNG & RUSTIC – Like the soap opera that inspired its nickname, Young & Rustic is composed of young, restless singles. Unlike the glitzy soap denizens, however, these folks tend to be lower income, high school-educated and live in tiny apartments in the nation's exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars and dating.

49 AMERICAN CLASSICS – They may be older, lower-middle class and retired, but the residents of American Classics are still living the American Dream of home ownership. Few segments rank higher in their percentage of home owners, and that fact alone reflects a more comfortable lifestyle for these predominantly white singles and couples with deep ties to their neighborhoods.

50 KID COUNTRY, USA – Widely scattered throughout the nation's heartland, Kid Country, USA is a segment dominated by large families living in small towns. Predominantly white with an above-average concentration of Hispanics, these young working-class households include homeowners, renters and military personnel living in base housing; about 20 percent of residents own mobile homes.

51 SHOTGUNS & PICKUPS – The segment known as Shotguns & Pickups came by its moniker honestly: it scores near the top of all lifestyles for owning hunting rifles and pickup trucks. These Americans tend to be young, working-class couples with large families—more than half have two or more kids—living in small homes and manufactured housing. Nearly a third of residents live in mobile homes, more than any other segment.

52 SUBURBAN PIONEERS – Suburban Pioneers represents one of the nation's eclectic lifestyles, a mix of young singles, recently divorced and single parents who have moved into older, inner-ring suburbs. They live in aging homes and garden-style apartment buildings where the jobs are blue-collar and the money is tight. What unites these residents—a diverse mix of whites, Hispanics and African-Americans—is a working-class sensibility and an appreciation for their off-the-beaten-track neighborhoods.

53 MOBILITY BLUES – Young singles and single parents make their way to Mobility Blues, a segment of working-class neighborhoods in America's satellite cities. Racially mixed and under 25 years old, these transient Americans tend to have modest lifestyles due to their lower-income blue-collar jobs. Surveys show they excel in going to movies, playing basketball and shooting pool.

54 MULTI-CULTI MOSAIC – An immigrant gateway community, Multi-Culti Mosaic is the urban home for a mixed populace of younger Hispanic, Asian and African-American singles and families. With nearly a quarter of the residents foreign born, this segment is a Mecca for first-generation Americans who are striving to improve their lower-middle-class status.

Brief Segment Descriptions

55 GOLDEN PONDS – Golden Ponds is mostly a retirement lifestyle, dominated by downscale singles and couples over 65 years old. Found in small bucolic towns around the country, these high school-educated seniors live in small apartments on less than $25,000 a year; one in five resides in a nursing home. For these elderly residents, daily life is often a succession of sedentary activities such as reading, watching TV, playing bingo and doing craft projects.

56 CROSSROADS VILLAGERS – With a population of middle-aged, blue-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated with lower-middle incomes and modest housing; one-quarter live in mobile homes. There's an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening and hunting.

57 OLD MILLTOWNS – America's once-thriving mining and manufacturing towns have aged—as have the residents in Old Milltowns communities. Today, the majority of residents are retired singles and couples living on downscale incomes in pre-1960 homes and apartments. For leisure they enjoy gardening, sewing, socializing at veterans clubs or eating out at casual restaurants.

58 BACK COUNTRY FOLKS – Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

59 URBAN ELDERS – For Urban Elders—a segment located in the downtown neighborhoods of such metros as New York, Chicago, Las Vegas and Miami—life is often an economic struggle. These communities have high concentrations of Hispanics and African-Americans and tend to be downscale, with singles living in older apartment rentals.

60 PARK BENCH SENIORS – Park Bench Seniors are typically retired singles living in the racially mixed neighborhoods of the nation's satellite cities. With modest educations and incomes, these residents maintain low-key, sedentary lifestyles. Theirs is one of the top-ranked segments for TV viewing, especially daytime soaps and game shows.

61 CITY ROOTS – Found in urban neighborhoods, City Roots is a segment of lower-income retirees, typically living in older homes and duplexes they've owned for years. In these ethnically diverse neighborhoods—more than a third are African-American and Hispanic—residents are often widows and widowers living on fixed incomes and maintaining low-key lifestyles.

Brief Segment Descriptions

62 HOMETOWN RETIRED – With three-quarters of all residents over 65 years old, Hometown Retired is one of the oldest segments. These racially mixed seniors tend to live in aging homes—half were built before 1958—and typically get by on social security and modest pensions. Because most never made it beyond high school and spent their working lives at blue-collar jobs, their retirements are extremely modest.

63 FAMILY THRIFTS – The small-city cousins of inner-city districts, Family Thrifts contain young, ethnically diverse parents who have lots of children and work entry-level service jobs. In these apartment-filled neighborhoods, visitors find the streets jam-packed with babies and toddlers, tricycles and basketball hoops, Daewoos and Hyundais.

64 BEDROCK AMERICA – Bedrock America consists of young, economically challenged families in small, isolated towns located throughout the nation's heartland. With modest educations, sprawling families and blue-collar jobs, many of these residents struggle to make ends meet. One quarter live in mobile homes. One in three has not finished high school. Rich in scenery, Bedrock America is a haven for fishing, hunting, hiking and camping.

65 BIG CITY BLUES – With a population that's half Latino, Big City Blues has the highest concentration of Hispanic Americans in the nation, but it's also the multi-ethnic address for downscale Asian and African-American households occupying older inner-city apartments. Concentrated in a handful of major metros, these young singles and single-parent families face enormous challenges: low incomes, uncertain jobs and modest educations. More than 40% haven't finished high school.

66 LOW-RISE LIVING – The most economically challenged urban segment, Low-Rise Living is known as a transient world for young, ethnically diverse singles and single parents. Home values are low—about half the national average—and even then, less than a quarter of residents can afford to own real estate.

Buxton utilizes the Claritas® PRIZM®*NE* segmentation system in this analysis. PRIZM®*NE* and Claritas® are registered trademarks of Claritas Inc. The PRIZM segment nicknames (e.g., "Blue Blood Estates," Big Sky Families," "Country Squires") are trademarks of Claritas Inc.

Appendix A:

Leakage Analysis

Retail Leakage and Surplus Analysis

The Retail Leakage and Surplus Analysis examines the quantitative aspect of the community's retail opportunities. It is a guide to understanding retail opportunities but it is not an analysis that indicates unconditional opportunities. The analysis is sometimes called "a gap analysis" or "a supply and demand analysis" and can aid in the following:

- Indicating how well the retail needs of local residents are being met
- Uncovering unmet demand and possible opportunities
- Understanding the strengths and weaknesses of the local retail sector
- Measuring the difference between actual and potential retail sales

Understanding Retail Leakage

Retail leakage means that residents are spending more for products than local businesses capture. Retail sales leakage suggests that there is unmet demand in the trade area and that the community can support additional store space for that type of business.

However, retail leakage does not necessarily translate into opportunity. For example, there could be a strong competitor in a neighboring community that dominates the market for that type of product or store.

Understanding Retail Surplus

A retail surplus means that the community's trade area is capturing the local market plus attracting non-local shoppers. A retail surplus does not necessarily mean that the community cannot support additional business. Many communities have developed strong clusters of stores that have broad geographic appeal. Examples of these types of retailers include: sporting goods stores, home furnishing stores, restaurants, and other specialty operations that become destination retailers and draw customers from outside the trade area.

Examining the quantitative aspects (Leakage/Surplus) is only part of the evaluation of community's retail opportunities. Before any conclusions can be drawn about potential business expansion or recruitment opportunities, qualitative considerations such as trade area psychographics and buying habits must be analyzed in context of other market factors.

Buxton
IDentifying Customers

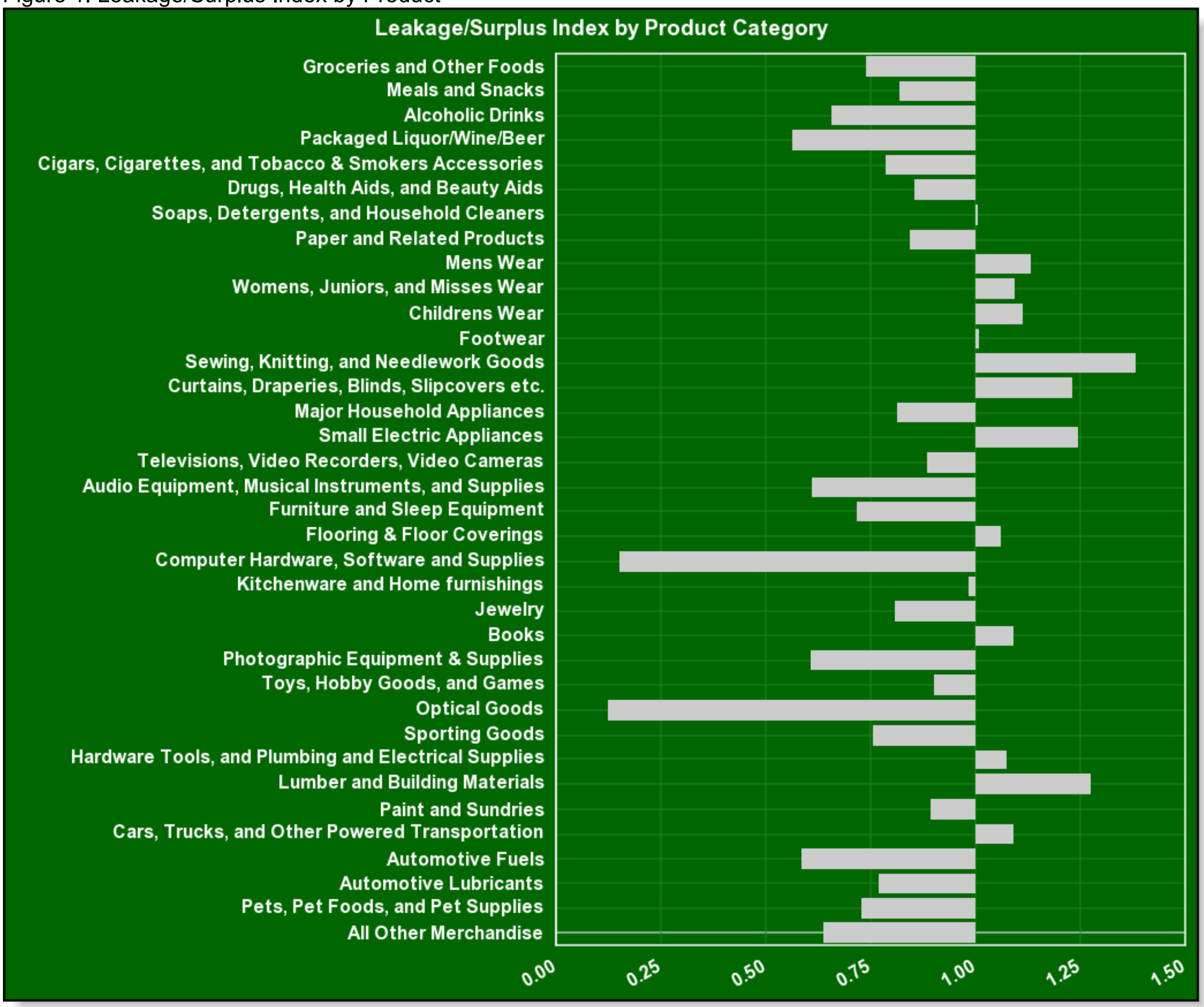
Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time

Leakage/Surplus Index by Product

The Leakage/Surplus Index provides a relative comparison of the supply and demand across retail product categories. It is calculated by dividing actual sales by potential sales. An index greater than 1.0 means that the community is attracting retail sales (surplus) from outside the trade area. If the index is less than 1.0 it means that out-shopping is taking place and the community is not successfully drawing its own residents.

Leakage/Surplus Index (Figure 1) shows the strengths and weaknesses of a community's retail market by product.

Figure 1. Leakage/Surplus Index by Product



Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time

The sales potential and the actual sales potential by product category and the resulting index are shown in Figure 2.

Figure 2. Sales Potential and Actual Sales by Product

Product Type	Potential	Actual Sales	Leakage/Surplus Index
Groceries and Other Foods	176,841,789	130,907,275	0.7
Meals and Snacks	126,358,797	103,474,562	0.8
Alcoholic Drinks	14,852,672	9,772,422	0.7
Packaged Liquor/Wine/Beer	23,847,771	13,394,470	0.6
Cigars, Cigarettes, and Tobacco & Smokers Accessories	22,597,623	17,746,749	0.8
Drugs, Health Aids, and Beauty Aids	87,620,195	74,944,541	0.9
Soaps, Detergents, and Household Cleaners	9,217,195	9,262,532	1.0
Paper and Related Products	8,472,877	7,150,849	0.8
Mens Wear	28,497,239	32,263,974	1.1
Womens, Juniors, and Misses Wear	53,796,991	58,919,322	1.1
Childrens Wear	15,573,694	17,352,519	1.1
Footwear	22,460,404	22,613,904	1.0
Sewing, Knitting, and Needlework Goods	2,224,476	3,075,112	1.4
Curtains, Draperies, Blinds, Slipcovers etc.	10,160,519	12,496,120	1.2
Major Household Appliances	11,580,523	9,410,633	0.8
Small Electric Appliances	3,598,968	4,478,503	1.2
Televisions, Video Recorders, Video Cameras	9,910,991	8,793,273	0.9
Audio Equipment, Musical Instruments, and Supplies	15,770,924	9,631,345	0.6
Furniture and Sleep Equipment	27,017,466	19,394,640	0.7
Flooring & Floor Coverings	12,817,243	13,617,261	1.1
Computer Hardware, Software and Supplies	34,774,900	5,255,174	0.2
Kitchenware and Home furnishings	18,718,423	18,410,957	1.0
Jewelry	18,590,941	15,027,343	0.8
Books	8,688,260	9,482,770	1.1
Photographic Equipment & Supplies	3,802,919	2,319,547	0.6
Toys, Hobby Goods, and Games	14,111,265	12,731,821	0.9
Optical Goods	2,912,834	364,832	0.1
Sporting Goods	24,081,595	18,223,146	0.8
Hardware Tools, and Plumbing and Electrical Supplies	93,359,835	100,580,378	1.1
Lumber and Building Materials	80,190,392	102,205,442	1.3
Paint and Sundries	12,030,209	10,757,556	0.9
Cars, Trucks, and Other Powered Transportation	231,603,417	252,982,997	1.1
Automotive Fuels	110,037,883	64,649,756	0.6
Automotive Lubricants	45,073,333	34,631,436	0.8
Pets, Pet Foods, and Pet Supplies	7,380,752	5,365,963	0.7
All Other Merchandise	46,434,408	29,599,636	0.6

Site	Address	Analysis Geography

Site	Address	Analysis Geography
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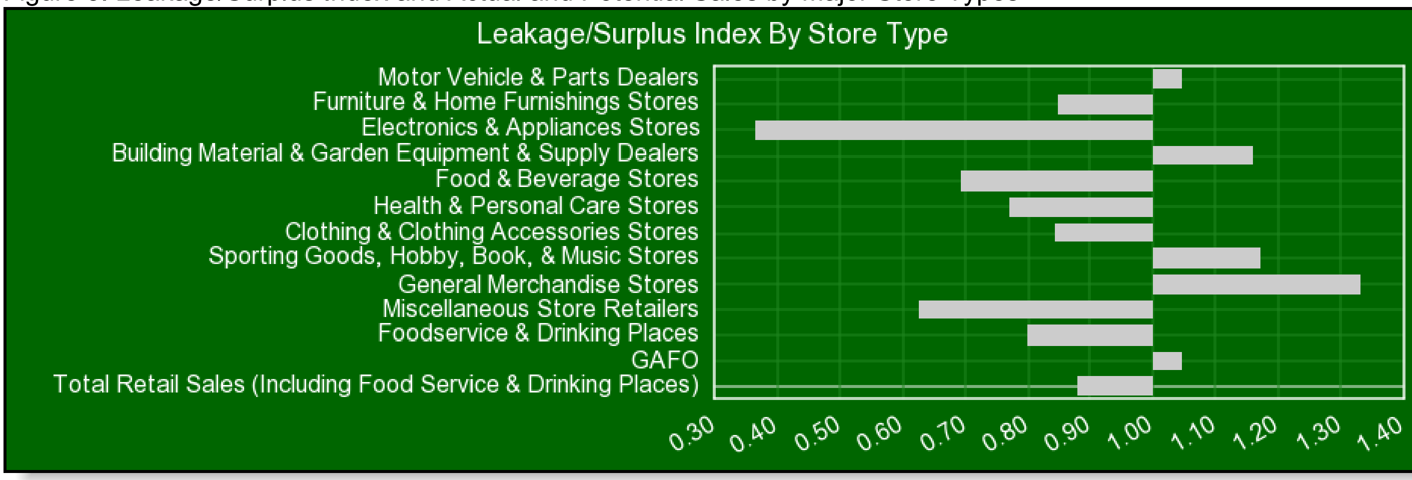
Leakage/Surplus Index by Major Store Type

The quantitative comparison of retail leakage and surplus in the twelve major store types shown in the chart and table below provides an initial measure of market opportunities. Combining this analysis with the knowledge of the local retail situation will take the process of identifying retail possibilities one step further.

Figure 3 provides the leakage/surplus indices and following is the sales potential and actual sales for major store types.

Figure 3. Leakage/Surplus Index and Actual and Potential Sales by Major Store Types



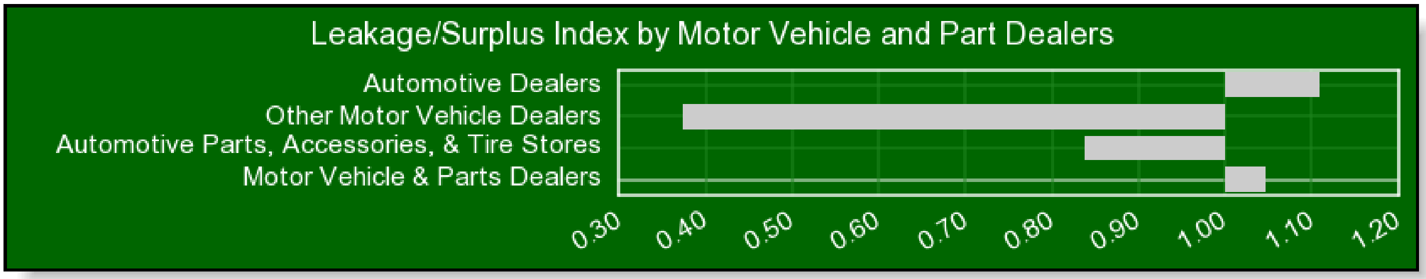
Store Type	Potential	Actual Sales	Leakage/Surplus Index
Motor Vehicle & Parts Dealers	286,616,140	299,671,695	1.05
Furniture & Home Furnishings Stores	41,025,236	34,679,731	0.85
Electronics & Appliances Stores	35,365,120	12,895,590	0.36
Building Material & Garden Equipment & Supply Dealers	173,134,525	200,509,553	1.16
Food & Beverage Stores	156,266,163	108,240,950	0.69
Health & Personal Care Stores	66,390,913	51,092,903	0.77
Clothing & Clothing Accessories Stores	71,606,613	60,272,614	0.84
Sporting Goods, Hobby, Book, & Music Stores	29,401,162	34,431,691	1.17
General Merchandise Stores	171,963,959	228,730,357	1.33
Miscellaneous Store Retailers	39,104,893	24,382,271	0.62
Foodservice & Drinking Places	131,186,716	104,768,426	0.80
GAFO	364,953,375	381,274,285	1.04
Total Retail Sales (Including Food Service & Drinking Places)	1,435,009,752	1,261,288,776	0.88

*** GAFO refers to discount retailers that typically include the following departments: general merchandise; clothing and clothing accessories; furniture and home furnishings; electronics and appliances; sporting goods, hobby, books and music; and office supplies.**

Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time

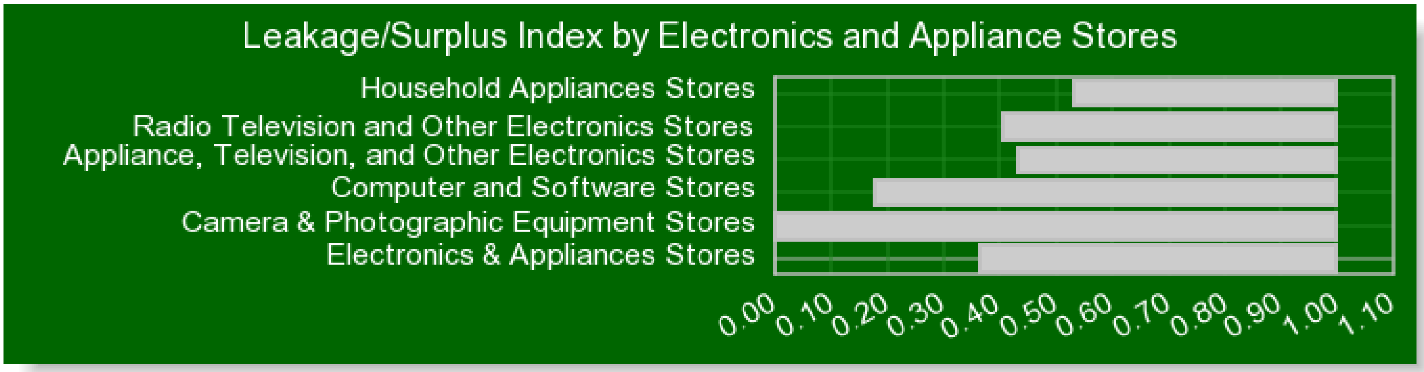
Leakage/Surplus Analysis by Sub-Categories of Major Retail Types

Additional leakage/surplus details are provided on subcategories of stores in each of the twelve major store types. These details can help further identity possible business expansion opportunities.



Motor Vehicle and Parts Dealers	Potential	Actual Sales	Leakage/Surplus Index
Automotive Dealers	248,126,268	275,502,278	1.11
Other Motor Vehicle Dealers	17,438,691	6,518,921	0.37
Automotive Parts, Accessories, & Tire Stores	21,051,180	17,650,495	0.84
Motor Vehicle & Parts Dealers	286,616,140	299,671,695	1.05

Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time



Electronics and Appliance Stores	Potential	Actual Sales	Leakage/Surplus Index
Household Appliances Stores	5,947,641	3,165,267	0.53
Radio Television and Other Electronics Stores	20,874,931	8,477,106	0.41
Appliance, Television, and Other Electronics Stores	26,822,573	11,642,374	0.43
Computer and Software Stores	7,108,188	1,253,215	0.18
Camera & Photographic Equipment Stores	1,434,358	0	0.00
Electronics & Appliances Stores	35,365,120	12,895,590	0.36

Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time

Furniture and Home Furnishings Stores	Potential	Actual Sales	Leakage/Surplus Index
Furniture Stores	21,949,391	13,684,539	0.62
Home Furnishing Stores	19,075,845	20,995,192	1.10
Furniture & Home Furnishings Stores	41,025,236	34,679,731	0.85

Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time

Building Material, Garden Equipment and Supply Dealers	Potential	Actual Sales	Leakage/Surplus Index
Home Centers	59,312,114	70,197,371	1.18
Paint and Wallpaper Stores	4,044,800	1,919,402	0.47
Hardware Stores	11,862,510	5,625,251	0.47
Building Materials, Lumberyards	28,393,273	39,299,848	1.38
Other Building Materials Dealers	82,479,554	115,245,067	1.40
Building Material & Supply Dealers	157,698,979	192,987,092	1.22
Outdoor Power Equipment Stores	2,311,213	370,680	0.16
Nursery and Garden Centers	13,124,331	7,151,781	0.55
Lawn and Garden Equipment and Supplies Stores	15,435,545	7,522,461	0.49
Building Material & Garden Equipment & Supply Dealers	173,134,525	200,509,553	1.16

Site	Address	Analysis Geography
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Food and Beverage Stores	Potential	Actual Sales	Leakage/Surplus Index
Supermarkets and Other Grocery (except Convenience) Stores	133,869,031	98,637,913	0.74
Convenience Stores	7,047,604	4,462,849	0.63
Grocery Stores	140,916,635	103,100,762	0.73
Specialty Food Stores	4,724,281	1,296,848	0.27
Beer, Wine, & Liquor Stores	10,625,247	3,843,339	0.36
Food & Beverage Stores	156,266,163	108,240,950	0.69

Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time

Health and Personal Care Stores	Potential	Actual Sales	Leakage/Surplus Index
Pharmacies and Drug Stores	57,334,955	42,550,069	0.74
Cosmetics, Beauty Supplies and Perfume Stores	2,368,302	2,055,352	0.87
Optical Goods Stores	2,473,068	0	0.00
Other Health and Personal Care Stores	4,214,587	6,487,481	1.54
Health & Personal Care Stores	66,390,913	51,092,903	0.77

Site	Address	Analysis Geography
White St and E Roosevelt Blvd	White St and E Roosevelt Blvd Wake Forest, NC 27587	15 minute drive time

Clothing and Clothing Accessories Stores	Potential	Actual Sales	Leakage/Surplus Index
Mens Clothing Stores	3,115,778	3,084,914	0.99
Womens Clothing Stores	12,904,665	14,685,144	1.14
Childrens and Infants Clothing Stores	3,129,170	2,160,412	0.69
Family Clothing Stores	26,813,467	15,369,769	0.57
Clothing Accessories Stores	1,222,920	1,558,816	1.27
Other Clothing Stores	3,364,180	4,647,488	1.38
Clothing Stores	50,550,182	41,506,545	0.82
Shoe Stores	10,078,692	11,227,617	1.11
Jewelry Stores	10,139,607	7,538,451	0.74
Luggage, & Leather Goods Stores	838,130	0	0.00
Jewelry, Luggage, & Leather Goods Stores	10,977,738	7,538,451	0.69
Clothing & Clothing Accessories Stores	71,606,613	60,272,614	0.84

Site	Address	Analysis Geography
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Sporting Goods, Hobby, Book and Music Stores	Potential	Actual Sales	Leakage/Surplus Index
Sporting Goods Stores	11,408,368	12,776,755	1.12
Hobby, Toys and Games Stores	6,760,550	5,719,654	0.85
Sew/Needlework/Piece Goods Stores	1,410,118	2,286,179	1.62
Musical Instrument and Supplies Stores	1,841,016	632,244	0.34
Sporting Goods, Hobby, & Musical Instrument Stores	21,420,054	21,414,833	1.00
Book Stores	5,168,184	9,426,444	1.82
News Dealers and Newsstands	274,551	0	0.00
Book Stores and News Dealers	5,442,735	9,426,444	1.73
Prerecorded Tape, Compact Disc, and Record Stores	2,538,372	3,590,412	1.41
Book, Periodical, & Music Stores	7,981,107	13,016,857	1.63
Sporting Goods, Hobby, Book, & Music Stores	29,401,162	34,431,691	1.17

Site	Address	Analysis Geography
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General Merchandise Stores	Potential	Actual Sales	Leakage/Surplus Index
Department Stores excluding leased depts.	82,993,666	166,365,960	2.00
Warehouse Clubs and Super Stores	75,768,708	44,883,903	0.59
All Other General Merchandise Stores	13,201,583	17,480,493	1.32
Other General Merchandise Stores	88,970,292	62,364,397	0.70
General Merchandise Stores	171,963,959	228,730,357	1.33

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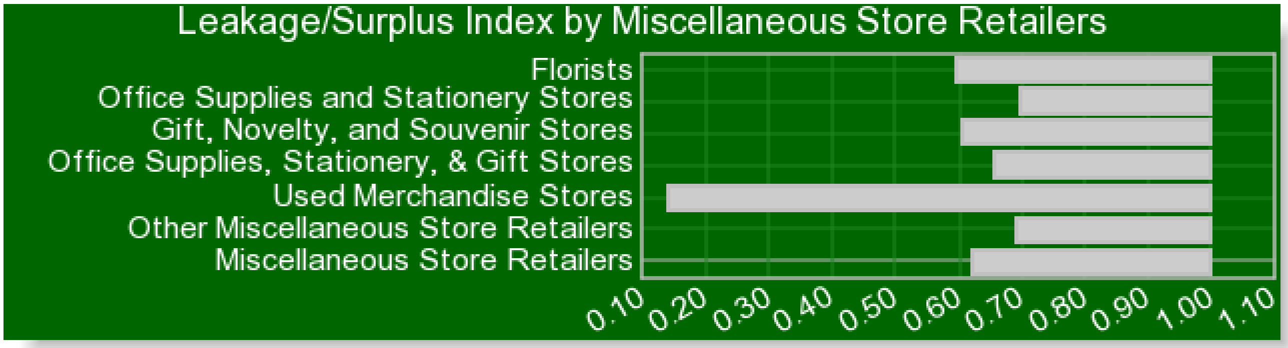

Miscellaneous Store Retailers	Potential	Actual Sales	Leakage/Surplus Index
Florists	2,850,715	1,700,827	0.60
Office Supplies and Stationery Stores	8,839,886	6,162,783	0.70
Gift, Novelty, and Souvenir Stores	6,751,396	4,101,517	0.61
Office Supplies, Stationery, & Gift Stores	15,591,283	10,264,301	0.66
Used Merchandise Stores	3,392,441	471,872	0.14
Other Miscellaneous Store Retailers	17,270,453	11,945,270	0.69
Miscellaneous Store Retailers	39,104,893	24,382,271	0.62

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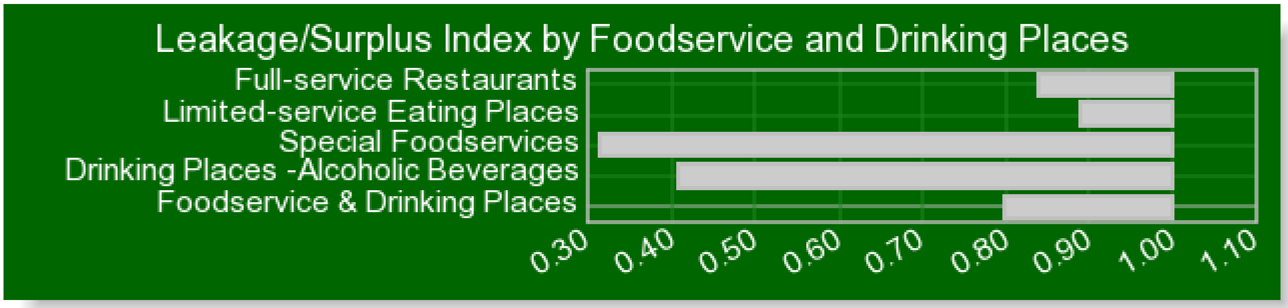

Foodservice and Drinking Places	Potential	Actual Sales	Leakage/Surplus Index
Full-service Restaurants	59,666,903	50,064,944	0.84
Limited-service Eating Places	55,022,180	48,959,406	0.89
Special Foodservices	10,628,380	3,346,372	0.31
Drinking Places -Alcoholic Beverages	5,869,251	2,397,702	0.41
Foodservice & Drinking Places	131,186,716	104,768,426	0.80

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Sources and Methodology

Household demand estimates are derived by combining data from the Consumer Expenditures Survey by the Bureau of Labor Statistics with current household demographic estimates from Claritas. The demand estimates only account for household expenditures. Demand is defined as the estimated dollar amount spent by a household that resides in the area of analysis for a specified retail store type or merchandise line item.

Supply estimates are generated from the Census of Retail Trade, a component of the Economic Census. County-level sales tax data is allocated to low levels of geography using business sales estimates, business locations, and employee counts provided by Claritas' Business Facts® database. Supply includes all products sold at retail outlets in a specified area for a one-year period. Supply is defined as the estimated total retail sales for a retail store type or merchandise line item.

Source: Retail Market Power™ (Claritas).