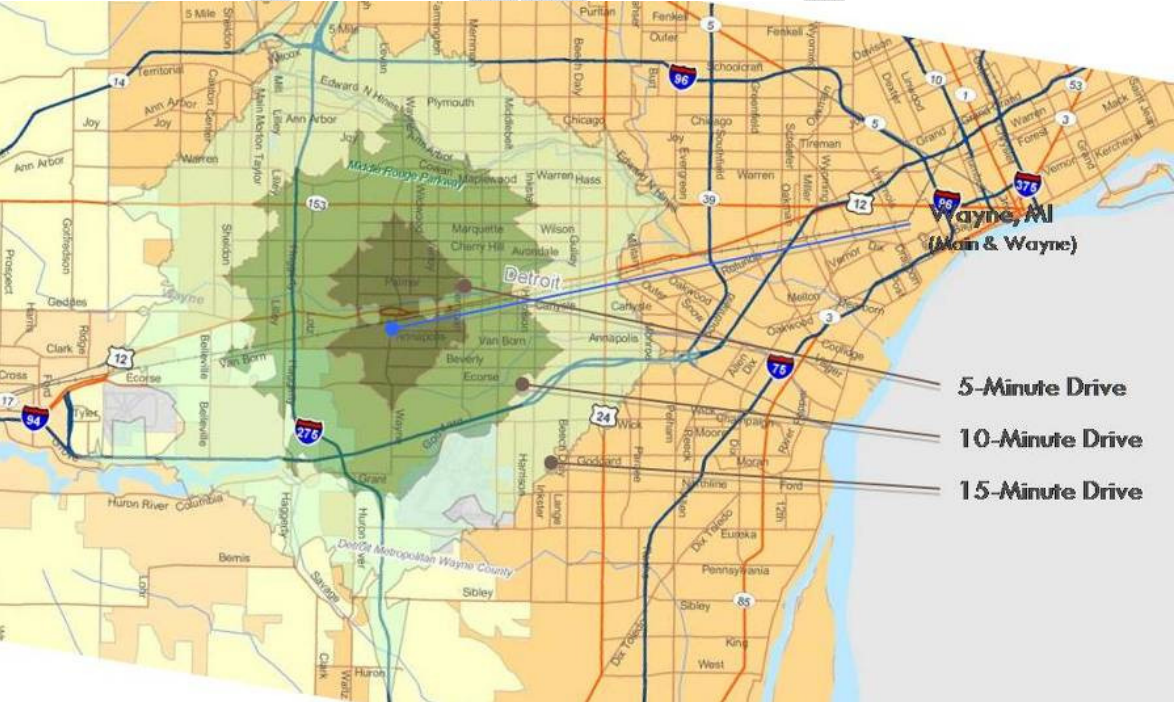


3 | Market Analysis

A market study is an important component when weighing options for the redevelopment of a downtown. It can provide guidance and drive specific business recruitment strategies to position current and future development for success. For this plan, market analysis was prepared early in the project and used as a resource during every step of the way to test concepts, provide a basis for planned retail space, and formulate the action plan. In addition to identifying what retail sectors are underserved in the Wayne market area, the market study established a profile of the market area, size, and demographics for potential customers, delineated by driving distance rather than municipal boundaries. Ultimately, the market analysis is only one component of the redevelopment plan, and was weighed with public opinion.

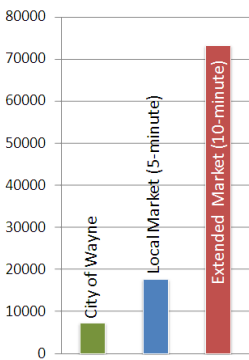


The Wayne Market Demographics. While the City of Wayne is home to approximately 7,336 households in 2008 (US Census, ESRI), the market area (or general geographic area from which a destination draws customers) within a 'local market area' (a 5-minute drive) is 17,723 households, and over 73,000 households in an 'extended market area' (a 10-minute drive). Especially given the

While the residents in the downtown and city are similar to many other 'small towns,' Downtown Wayne's local and extended market areas are much larger.

Market Analysis

2008 ESRI Household Data



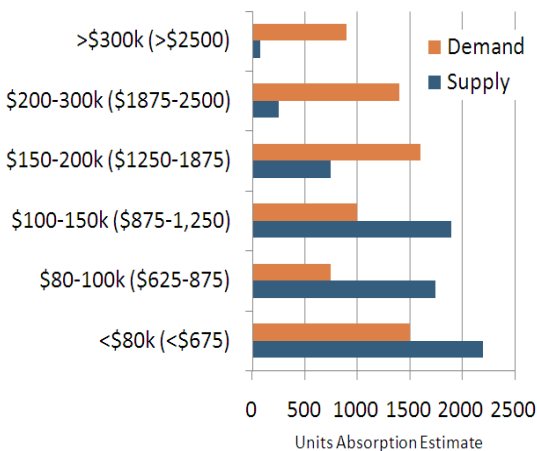
2008 households data shows exponential increases in households within 5-minute-drive intervals.

auto-oriented culture in southeast Michigan, it is reasonable to assume that the right mix of businesses could draw customers who have to drive 10 minutes or less to get to their destination. This becomes more and more realistic as the number of unique, complementary businesses within a walkable distance increases, as proposed in this plan. Several noteworthy facts surfaced as a result of creating a profile of Downtown Wayne's market area.

Residential Characteristics. The City of Wayne is well known for its traditional, stable, and strong single family neighborhoods and high number of residents who have lived in Wayne for much of their lives. This was corroborated by residential statistics, which showed that as of the year 2000, 60% of residents in the city had moved in before 1994 (compared to less than 50% average in the US).

Cost of Living in Wayne. Strong heritage of higher-paying blue collar jobs and position in an industrial economic region have positioned Wayne's housing stock as strong, older neighborhoods with very affordable home prices and rent payments - the average monthly rent in 2008 was \$675. Stable property values for mid- to smaller-sized homes positions Wayne well to attract young families, professionals, and empty-nesters – all of which fit the profile of residents interested in a downtown-style environment.

Housing and Supply Demand



Data shows an oversupply of middle- and lower-priced housing, and unmet demand for middle- and higher-priced housing typical of downtown townhomes or condos. (ESRI)

Residential Market Demand. In addition to strong residential neighborhoods, affordable homes, strong schools, and great potential for a vibrant downtown, Wayne has unmet demand (see ESRI Housing Supply and Demand chart) for middle- and higher-priced residential units typical of downtown area living. Townhomes, condominiums, and loft-style apartments are often priced higher than Wayne's current average price, but can vary widely based on size and amenities. This plan recommends a mix of these units, in free-standing buildings, above retail as part of mixed-use, and as part of

multiple-family residential buildings in several areas around the downtown area. The combination of these types of units in a unique downtown setting would provide a leg up on other developments that are more suburban in nature or that try to duplicate a traditional urban community.

Retail Supply and Demand Analysis. Given the wide variety of businesses in the downtown area and high observed turnover, the strategies outlined in this plan for business retention and recruitment are based in a supply and demand analysis. Using the market area demographic profile and economic activity data, this plan aims to capitalize on business types that are both complementary of one another and show an undersupply in the market area. Coupled with design standards and other improvements to make Downtown Wayne a destination, this retail analysis identifies a clear path to successful growth. The sectors highlighted below (especially those highlighted in both the local and extended markets) should be the focus of business recruitment and retention in the downtown.

Top Five Downtown-Compatible Undersupplied Retail Sectors:

1. Electronics & Appliance Stores
2. Specialty Food Stores
3. Florists
4. Book, Periodical, & Music Stores
5. Beer, Wine, and Liquor Stores

Retail Supply and Demand Analysis				
	Local Market 5-Minute Drive		Extended Market 10-Minute Drive	
	Supply	Demand	Supply	Demand
Automobile Dealers	\$127,810,386	\$76,919,111	\$433,458,161	\$324,504,374
Other Motor Vehicle Dealers	\$3,537,240	\$7,318,017	\$12,300,448	\$30,672,366
Auto Parts, Accessories, and Tire Stores	\$2,966,305	\$6,318,089	\$26,092,631	\$26,236,398
Furniture Stores	\$5,100,235	\$7,385,059	\$55,082,941	\$31,248,073
Home Furnishings Stores	\$5,338,674	\$5,948,657	\$19,447,095	\$24,743,304
Electronics & Appliance Stores	\$7,728,357	\$14,663,371	\$42,672,853	\$60,913,047
Building Material and Supplies Dealers	\$21,055,013	\$13,898,055	\$88,645,581	\$56,699,859
Lawn and Garden Equipment and Supplies Stores	\$1,610,147	\$1,081,309	\$10,848,705	\$4,372,088
Grocery Stores	\$31,482,931	\$50,260,650	\$102,296,211	\$205,439,910
Specialty Food Stores	\$1,367,258	\$4,801,393	\$4,843,746	\$16,831,302
Beer, Wine, and Liquor Stores	\$3,364,121	\$8,592,344	\$15,687,480	\$35,234,730
Health & Personal Care Stores	\$15,182,151	\$20,119,723	\$69,668,984	\$81,628,659
Gasoline Stations	\$42,796,246	\$52,516,866	\$170,422,769	\$216,921,048
Clothing Stores	\$3,025,374	\$14,458,799	\$54,316,899	\$59,704,271
Shoe Stores	\$306,959	\$3,089,113	\$7,339,547	\$12,850,182
Jewelry, Luggage, and Leather Goods Stores	\$1,450,606	\$2,261,985	\$7,343,578	\$9,508,540
Sporting Goods/Hobby/Musical Instrument Stores	\$850,109	\$2,656,109	\$18,525,369	\$10,944,067
Book, Periodical, and Music Stores	\$20,189	\$3,474,659	\$4,804,297	\$14,233,673
General Merchandise Stores	\$32,460,698	\$64,978,330	\$334,631,530	\$267,151,860
Department Stores Excluding Leased Depts.	\$1,354,207	\$31,573,703	\$195,341,759	\$130,353,811
Other General Merchandise Stores	\$31,106,491	\$33,404,627	\$139,289,771	\$136,798,049
Florists	\$396,687	\$826,247	\$1,709,804	\$3,331,867
Office Supplies, Stationery, and Gift Stores	\$1,158,267	\$3,890,353	\$13,814,635	\$16,045,601
Used Merchandise Stores	\$650,330	\$226,513	\$1,160,089	\$936,770
Other Miscellaneous Store Retailers	\$2,785,396	\$3,132,633	\$8,069,881	\$12,897,883
Full-Service Restaurants	\$17,290,537	\$34,164,721	\$118,005,012	\$140,440,873
Limited-Service Eating Places	\$26,228,763	\$21,846,963	\$115,694,217	\$89,860,004
Special Food Services	\$887,147	\$4,357,492	\$33,589,077	\$17,921,201
Drinking Places - Alcoholic Beverages	\$5,086,469	\$4,616,607	\$22,063,576	\$18,943,226

Source: InfoUSA, ESRI, Survey of Consumer Spending, FSA/KKG.

Key:

Over Supply - Supply significantly exceeds demand.

Equilibrium - Demand and supply relatively equal.

Under Supply - Demand significantly greater than supply.

Retail analysis shows a number of retail sectors under-served in the local and extended markets.

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