

SWC US Route 15/US Route 501 & Polks Landing Road
Chapel Hill, Chatham County, NC

ADDENDUM TO MARKET STUDY

Tourism Impact, Focus on Sustainable/Green/Organic Foods, Demographics

ADDENDUM

US Route 15/US Route 501 & Polks Landing Road, Chapel Hill, Chatham County, NC

Growing Grocery Demand:

Demographics presented in the Market Study show a projected population increase within the Trade Area from 31,525 (2010) to 40,821 (2021 Forecast). Most noteworthy, but not reflected in those numbers is the impact of tourism in the area and the demand for increased high-end grocery options.

Tourism Impact

According to the Governor's Office and NC Department of Commerce, in their most recent statewide tourism spending report (August 2016), domestic visitors spent \$32.5 million in Chatham County in 2015. This is an increase of 2.4 percent compared to 2014 and reflects a seven-year trend of climbing visitor spending. The state report also showed that the visitor industry directly provides 180 jobs in Chatham County with a payroll of nearly \$4 million, up 6.7 percent over 2014. Chatham's visitors also generated \$590,000 in local tax revenues, up 3.3 percent from 2014.

In speaking with representatives of the local tourism organizations, the type of accommodations in the area are primarily bed & breakfast /inn-type lodging. It is highly likely that these guests are not always provided with meals in their room rate and will need easy access to groceries and sundries.

Focus on Sustainable/Green/Organic Foods

With the creation of the NC GreenTravel Initiative Program in 2011, there are an increased number of GreenTravel guests seeking out and supporting those businesses who practice environmental stewardship and sustainability. Businesses known for their sustainability practices are welcomed and provide a significant service to the area.

ADDENDUM

US Route 15/US Route 501 & Polks Landing Road, Chapel Hill, Chatham County, NC

A variety of green and organic product offerings is also appealing. Chatham County participates in the annual IRONMAN 70.3 Raleigh where ~2,200 athletes train year round to compete in the swim-bike-run competition. Many of these athletes focus on maintaining a healthy lifestyle and eating more organic foods. The event also attracts a large number of visitors to Chatham County for this three day event.

Demographics

Demographics also reflect a Median Household Income of \$76,653 within the Trade Area. As the level of income continues to increase, it can be seen that higher income families demand a higher level of quality of construction and amenities provided by their residential communities (refer to Construction Activity spreadsheet in Market Study). This increased affluence also impacts consumer spending. These consumers will spend a higher proportion of their income on prepared food, gourmet and organic products, eating out and food items with some form of health or ethical benefits.

As can be seen in the Market Study, there are only three existing grocery competitors within a three mile radius, one targets the budget consumer, another targets the high-end consumer, and the last targets consumers whose spending habits span the middle of that spectrum. For a specific consumer spending level, no alternatives exist, and there may be times a consumer will travel outside of their immediate area to seek other comparable alternatives. The addition of a high-end grocery store would provide competition and encourage people to not seek other grocery providers outside of their immediate area.

CONTACT INFORMATION

US Route 15/US Route 501 & Polks Landing Road, Chapel Hill, Chatham County, NC



For Additional Information, please contact:

Jeff Surrency, Executive Vice President of Development

jsurrency@morganpg.com

Phone: 704-909-4502

13024 Ballantyne Corporate Place, Suite 500

Charlotte, NC 28277

www.morganpg.com