

Real Estate Market Data Report: Berwick, ME

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Prepared for:
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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. We specialize in real estate market analysis to evaluate the feasibility and impacts of proposed projects. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 27 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. The firm currently has offices in Saratoga Springs, NY; Portland, ME; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociate).

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Table of Contents

Executive Summary.....	1
Introduction	5
Data Sources	5
Geographies Studied	5
Socioeconomic Profile	9
Demographic and Socioeconomic Overview	9
Commuting Patterns.....	10
Residential	12
Residential Supply.....	12
Residential Demand	19
Key Residential Market Data Findings	22
Office.....	24
Office Supply	24
Office Demand	26
Medical Office.....	28
Key Office Data Findings:	30
Industrial	31
Industrial Supply.....	31
Flex Space	34
Industrial Demand	36
Key Industrial Data Findings:	39
Retail.....	40
Retail Supply.....	40
Retail Demand	41
Key Retail Market Data Findings.....	51
Entertainment and Recreation Industry Market Analysis	52
Venues and Attractions.....	52
Arts, Entertainment, and Recreation Industry.....	52
Entertainment and Leisure Market Potential	54
Key Entertainment and Recreation Industry Data Findings.....	57



Executive Summary

Camoin Associates was commissioned to complete a market data report for the Town of Berwick, Maine, and the surrounding region. The following market data analysis consists of:

- Socioeconomic Profile
- Residential Market Analysis
- Office Market analysis
- Industrial Market Analysis
- Retail Market Analysis
- Entertainment and Recreation Market Analysis

The report analyzed the data available for the town, county, and surrounding region. It did not include interviews or other qualitative research and therefore is not a comprehensive market analysis. Its purpose is to describe current market conditions and identify local and regional trends that may affect Berwick.

The key findings of the report are listed below for each of the market categories that were analyzed:

Residential

- The population is not expected to increase substantially in Berwick, York County, or the greater region; however, Berwick will outpace these other geographies by growing 5.6% over five years. "Natural" population growth will not be a major driver of the residential market.
- Single-family housing is the dominant type of residential development both locally and regionally; however, there is a greater concentration of multi-unit buildings locally compared with the region. While it has a greater proportion of multi-unit buildings, Berwick has only gained single-family housing over the past three years indicating a market more favorable for single-family development
- The local housing stock is substantially older than that of the region, indicating potential demand for replacement housing as buildings become obsolete.
- Housing values are relatively high but below the regional average with median housing value of owner-occupied housing at \$240,000 locally compared to \$255,000 regionally.
- Household incomes are projected to rise, indicating there may be potential for higher-end housing.
- Nearly 39% of housing units in the local area are occupied by renters compared to 27% in the overall region, indicating a relative concentration of renters locally. The mix between owners and renters is not projected to change.
- The multi-family rental market has been flat in York County. No inventory has been added since 2011 and the number of units has remained at 3,482 since then. Vacancy rates have been declining slightly and are now around 5%, indicating a balanced market. If vacancy rates continue their decline, it may indicate demand for new multi-family housing. Local rental rates are on par with the rest of the region; however, the region has a greater proportion of high-end rental units (over \$1,250 per month).

Office

- Berwick represents less than ¼ of a percent of the county's office market with only 3 office buildings combining for just over 11,000 square feet (according to CoStar data, which may not account for all buildings but indicates a relatively small inventory of office space in the town).



- Office space in York County is mostly low quality Class C space, which, because of the lower lease rates available, is more in demand than Class B space. There is only a single Class A building in the County.
- The supply and demand of office space is generally balanced with vacancy rates averaging around 6.6% over the past five years in the county. This exceeds many other places around the country where the office market has been generally weak.
- The average annual net absorption of office space in York County over the past five years has been 65,175 square feet. There are four office buildings in the county pipeline: two in Kennebunk and two in York. The pipeline projects combined account for 66,285 square feet of new office space.
- The total office inventory has increased by only 5% over the past 9 years. Between 2010 and 2012, there was a loss of office inventory indicating that weakness in the office market (indicated by double digit vacancy rates) may have led to redeveloping or repurposing existing office buildings. The office inventory removed from the market correlated with a reduction of 400,000 square feet of vacant office space.
- The outlook for office space in York County shows demand for an annual estimated 32,140 square feet of new office space based on growth in office-utilizing occupations. Over 5 years, this demand equals 160,700 square feet of space. York County's office market has 250,000 square feet of vacant space with over 66,000 square feet in the pipeline. Therefore, much of the future office demand may be accommodated by the existing supply.
- Low vacancy rates and the lack of higher quality space may pose an opportunity for new office development if the current product does not meet the needs of future office users.
- There are positive signs within the medical office market. A new medical office building was delivered in the Town of York (York County) in 2015 with 22,300 square feet. The demand for medical office is expected to be strong over the next five years with major growth expected in medical industry sectors that utilize office space.

Industrial

- York County's supply of industrial space remained constant from 2010 through 2015 at 8.5 million square feet. The vacancy rate has averaged around 8.3% over the past five years.
- In 2016, the county gained new industrial space including distribution space (38,830 square feet), and warehouse space (10,560 square feet).
- Net absorption averaged 87,700 square feet annually from 2008 through 2015. However, net absorption was greatly affected by a surge of building activity in 2008, after which absorption rates declined.
- Warehouse space comprises half of the industrial space in the county with 151 buildings and 4.2 million square feet. Manufacturing is the other significant component accounting for 36% of all industrial space.
- Over the past 9 years, net absorption has been greatest for Distribution space for which there was 98,100 square feet of net absorption. Warehousing ranked second with 43,700 square feet of net absorption.
- Flex space (typically, industrial uses combined with office space) accounts for 1.16 million square feet of inventory in York County. Only 2 Flex buildings were built since 2007 although one of these was finished in 2016 bringing 8,720 square feet to the market. Vacancy rates for flex space have been higher than other industrial spaces, averaging around 12.3% over the past 5 years.
- The demand outlook in York County is strongest for Warehousing and Storage. The industry is expected to gain 704 jobs over the next 10 years, corresponding to roughly 350,000 square feet (35,000 on average annually).

- Demand is also projected for manufacturing space with Fabricated Metal Product Manufacturing expected to grow by nearly 600 jobs and Chemical Manufacturing projected to increase by 526 jobs.

Retail

- Retail potential is influenced greatly by Berwick's position along the Maine-New Hampshire border. The sales tax rate in New Hampshire is 0% compared to Maine's state sales tax rate of 5.5% (which is also the sales tax rate in Berwick). Therefore, retail uses would generally locate on the New Hampshire side of the border where they would enjoy a competitive advantage over any retail on the Maine side of the border.
- York County has gained 290,000 square feet of retail inventory from 2007 through 2015 (a total of 20 new buildings); however, retail deliveries have slowed down in recent years with only 2 buildings per year, on average, over the past three years.
- The average annual net absorption of retail space has been close to 67,000 square feet over the past 9 years, although rates have declined recently. Vacancy rates have remained relatively low, even as absorption and deliveries have declined. This indicates a slowing of demand for retail space.
- A retail gap analysis found that in the Local Trade Area only Beer, Wine & Liquor Stores and Limited-Service Eating Places have sales leakage (i.e., local businesses are not meeting all of the needs of local customers).
- At the regional level, there is sales leakage in the following categories:
 - Clothing Stores
 - Specialty Food Stores
 - Furniture Stores
 - Other General Merchandise Stores
 - Shoe Stores
- Not all sales leakage means that there is business potential. The analysis considered the amount of spending that could be "captured" locally by new businesses to see if there is enough potential to actually support new businesses. The results showed that there is potential for limited-service eating places (e.g., fast-food restaurants). Additionally, specialty food stores, clothing stores, and furniture stores could have potential under the right circumstances, but would more likely than not locate on the New Hampshire side of the border.

Entertainment and Recreation

- Berwick's entertainment and recreation offerings include three businesses classified under Golf Courses and Country Clubs as well as the well-known Hackmatack Playhouse, a seasonal venue for live theater.
- The Arts, Entertainment, and Recreation Industry in the region is expected to grow by 11% over the next 10 years as measured by employment. Most growth will be in Gambling Industries but "other" miscellaneous categories and Amusement Parks and Arcades will also see growth. Note that growth in gambling industries may be a "statistical anomaly" and warrants additional qualitative research.
- Within York County, Arts, Entertainment, and Recreation Industry will grow at a slower rate than the region at 9% over 10 years. Most growth will be in those businesses classified as "Other Amusement and Recreation Industries" followed by Amusement Parks and Arcades and Performing Arts Companies, respectively. Within the "Other" category are businesses classified as Golf Courses and Country Clubs, which is projected to grow by over 18% through 2025.

- Residents of the region participate in outdoor recreation activities substantially more than their national counterparts with backpacking, skiing, and power boating ranking among the top leisure and sports activities.
- General sports participation is average, with the exception of Golf, which is especially popular in the region compared to the U.S. overall. The fitness market including aerobics, running, swimming, weight lifting, etc. is also relatively strong in the region.
- Attendance at non-sports related venues is also strong with rock concerts among the most popular followed by art galleries and bars/night clubs, respectively.

Introduction

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- Retail Market Analysis
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Data Sources

The data in this report were purchased from several sources including the following:

CoStar – CoStar provides comprehensive real estate information down to the building level including vacancy rates, net absorption, selling prices, lease rates, construction, and other detailed information.

ESRI Business Analyst Online (ESRI BAO) – ESRI provides propriety market analysis data including household demographics, market segmentation, consumer spending, and 5-year projections on a variety of population and housing characteristics.

Economic Modeling Specialists, Intl. (EMSI) – EMSI provides best-in-class industry data down to the zip code level. Its data includes jobs, earnings, sales, and others for specific industry sectors as well as 10-year projections that can be used to gauge future market demand.

Geographies Studied

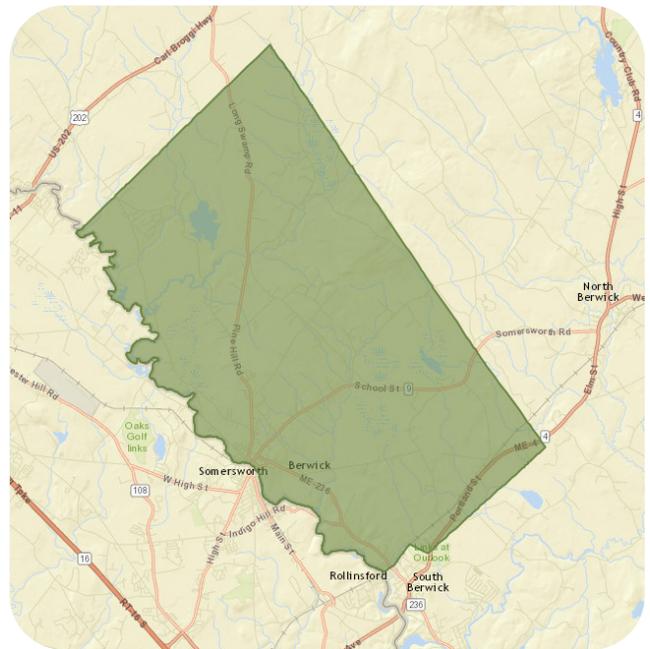
The market analysis considers several different geographical areas to compare local and regional trends, as well as to align with the available data sources. The following geographies were considered with additional details and maps following:

- Berwick, ME
- York County, ME
- Local Trade Area
- Regional Trade Area
- Economic Region



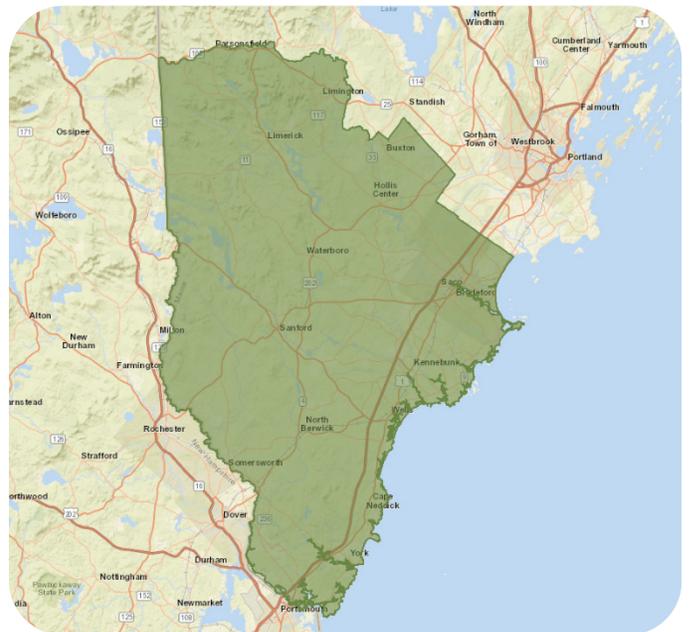
Town of Berwick, ME

Demographic and socioeconomic data as well as select market data for the town is provided.



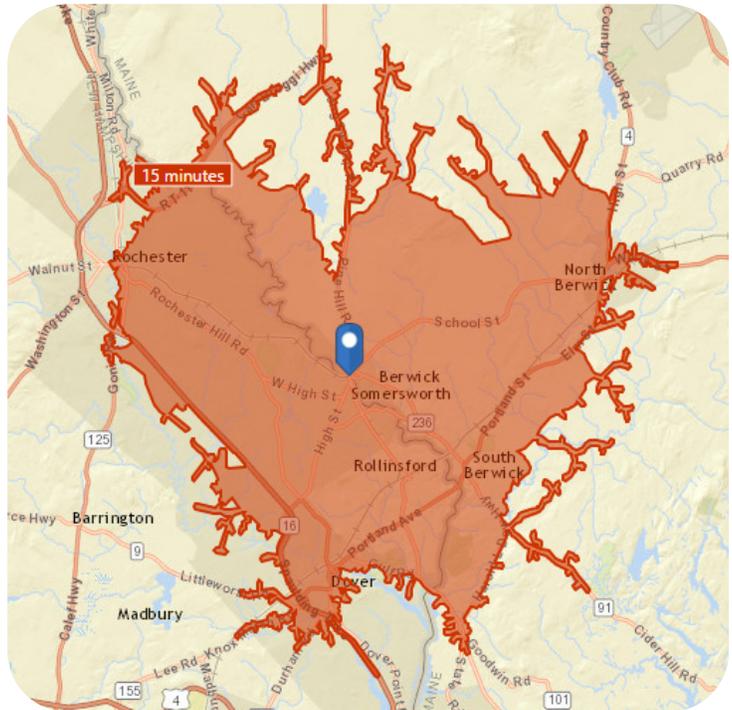
York County, ME

York County is used as the primary geography to examine the “local” real estate market.



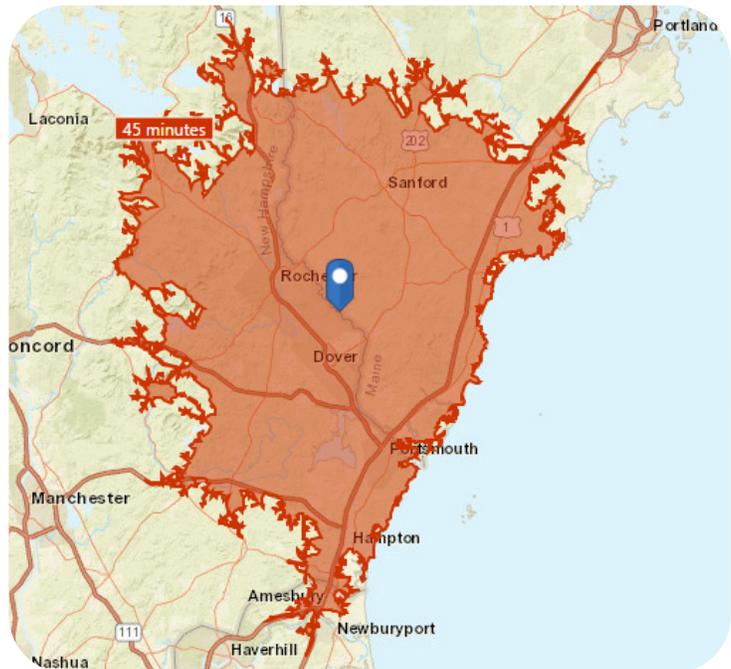
Local Trade Area (Retail)

This geography is the subject of the retail portion of the market analysis and is defined as a 15-minute drive from the core area of Berwick. This is the area in which most (roughly 60-75%) of the retail customers of Berwick's businesses reside. Retail market data (business sales, leakage, tapestry, etc.) are analyzed for this area. The Local Trade Area is also utilized to identify local housing trends.



Regional Trade Area (Retail)

This is the second Trade Area analyzed in the study for the retail market. It covers a much larger area from which businesses could potentially draw customers from. The Regional Trade Area is defined as a 45-minute drive from the core area of Berwick. The Regional Trade Area is also utilized to identify regional housing trends.

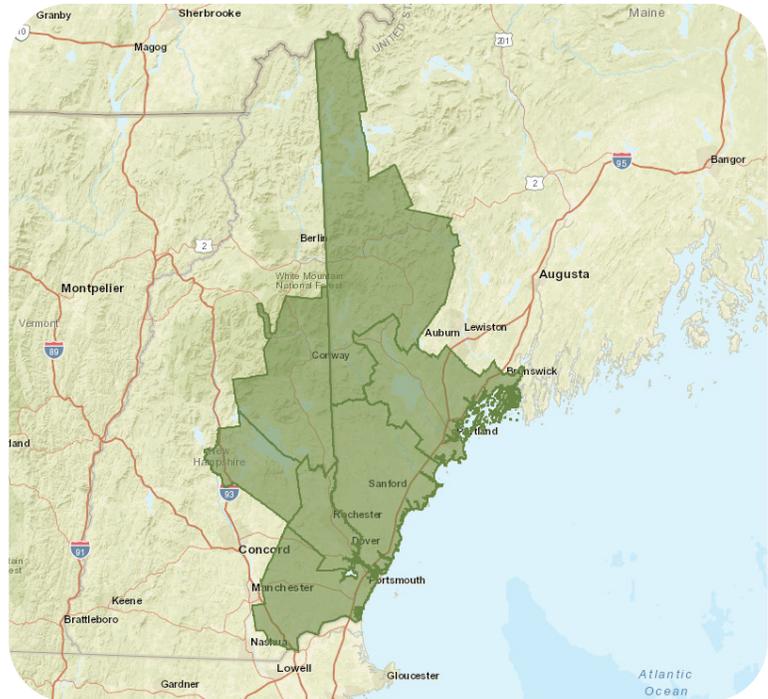


Economic Region

The Economic Region is used to identify industry employment trends that may affect Berwick. The region is defined as York County and the immediately surrounding counties.

Specifically, it includes the following counties:

- York County, ME
- Cumberland County, ME
- Oxford County, ME
- Carroll County, NH
- Belknap, NH
- Strafford County, NH
- Rockingham County, NH



Socioeconomic Profile

Demographic and Socioeconomic Overview

The following table compares basic demographic indicators for Berwick, York County, and the Regional Trade Area. The key comparisons include the following:

- Berwick is expected to grow at a *faster* rate than both York County and the Regional Trade Area by population and households
- The average household size is *larger* than both York County and the region
- The population of Berwick is significantly *younger* than both York County and the Regional Trade Area and is getting older at a rate lower than York County and the region.
- Berwick households are *wealthier* than York County residents overall, but have incomes similar to the region as a whole.
- The median household income in Berwick is expected to rise at a *quicker* rate compared to the county and region.

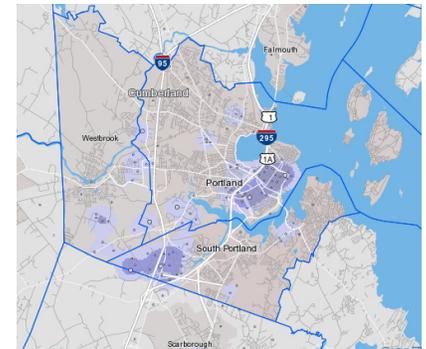
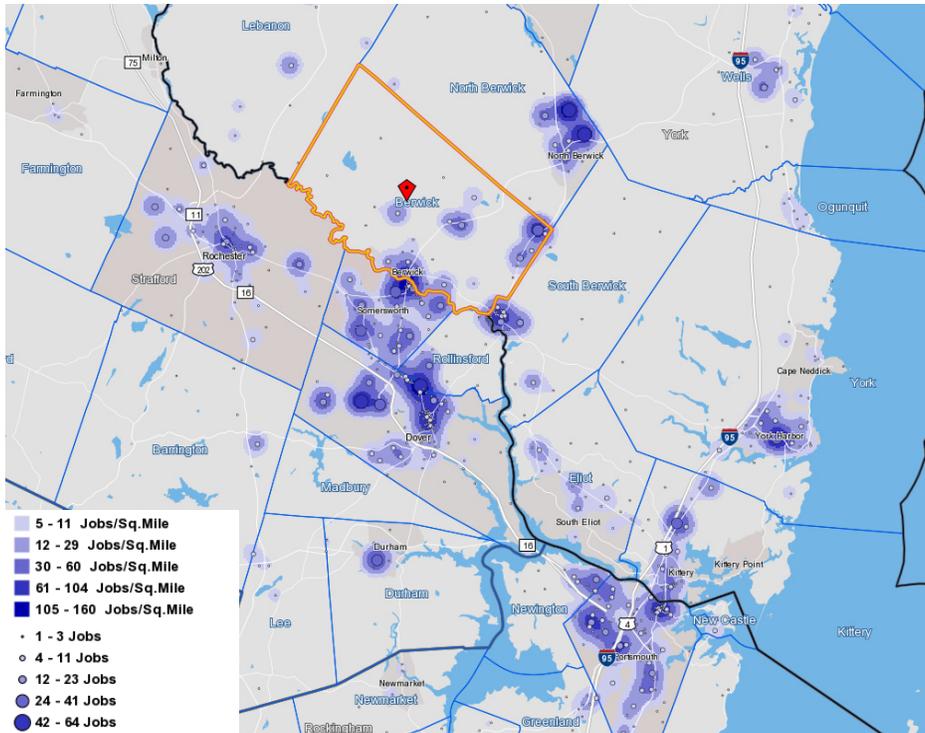
Basic Demographics				
Population				
	2015	2020	Change 2015-2020	% Change 2015-2020
Berwick	7,714	8,143	429	5.6%
York County	202,381	208,543	6,162	3.0%
Regional Trade Area	399,979	412,244	12,265	3.1%
Households				
	2015	2020	Change 2015-2020	% Change 2015-2020
Berwick	2,965	3,144	179	6.0%
York County	84,214	87,104	2,890	3.4%
Regional Trade Area	164,205	169,861	5,656	3.4%
Average Household Size				
	2015	2020	Change 2015-2020	% Change 2015-2020
Berwick	2.59	2.58	-0.01	-0.4%
York County	2.37	2.36	-0.01	-0.4%
Regional Trade Area	2.36	2.35	-0.01	-0.4%
Median Age				
	2015	2020	Change 2015-2020	% Change 2015-2020
Berwick	40.20	40.60	0.40	1.0%
York County	44.50	45.50	1.00	2.2%
Regional Trade Area	42.60	43.40	0.80	1.9%
Median Household Income				
	2015	2020	Change 2015-2020	% Change 2015-2020
Berwick	\$58,686	\$68,821	\$10,135	17.3%
York County	\$55,957	\$64,041	\$8,084	14.4%
Regional Trade Area	\$59,915	\$69,252	\$9,337	15.6%

Source: ESRI

Commuting Patterns

The following images illustrate where residents that live in Berwick work, and conversely, where individuals that work at businesses in Berwick live. There are a few places where jobs filled by Berwick residents are concentrated. North of town many residents work in North Berwick where Pratt & Whitney, a manufacturer of turbine engines, is located. There is also a concentration of residents working in the town center area of Berwick and directly across the border in the commercial area of Somersworth. Dover also provides many jobs to Berwick residents as home to Wentworth-Douglass Hospital and other commercial areas.

Where Berwick Residents Work

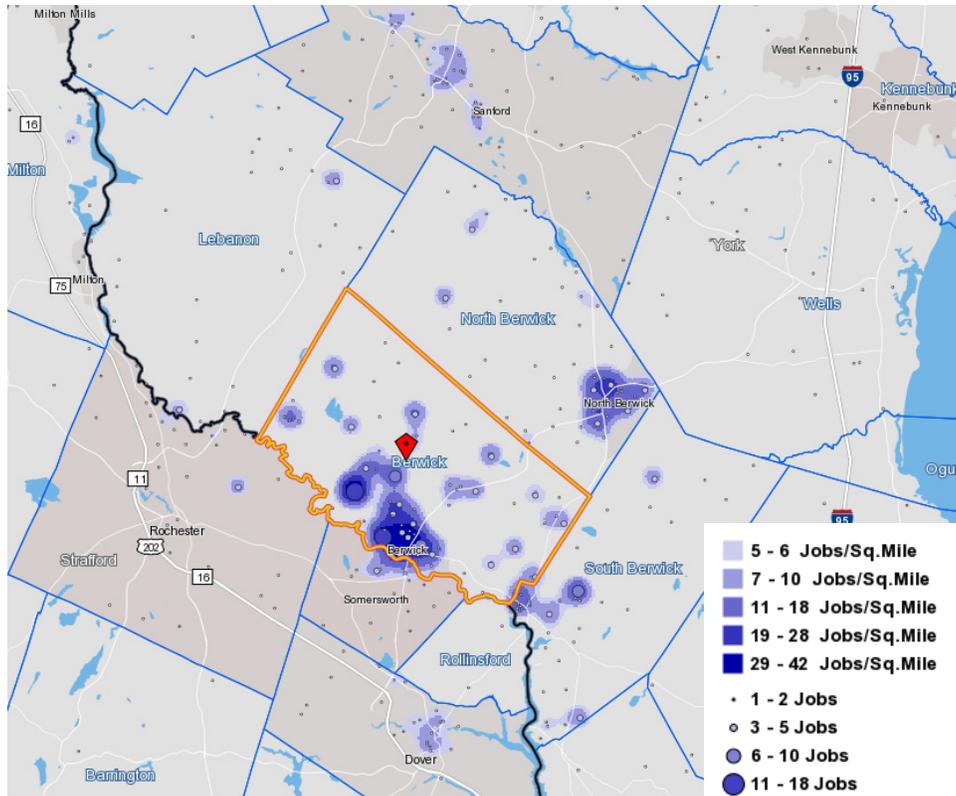


A number of residents work in the Portland Metro Area

Source: CES OnTheMap

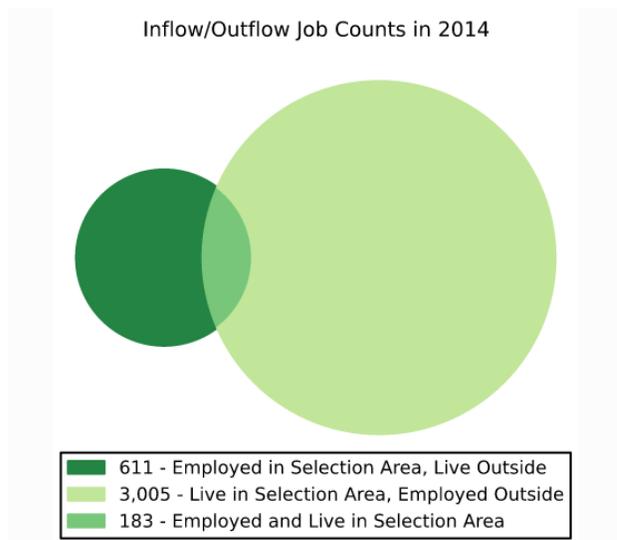
Individuals that work in Berwick typically don't commute from long distances and many reside in the town itself. Outside of town, there is a concentration of commuters living in North Berwick.

Where Berwick Workers Live



Source: CES OnTheMap

Berwick functions more like a "bedroom community" than a job-center as the number of residents commuting to jobs outside the town far exceeds the number of non-residents commuting into town. Nearly 30% of jobs in the town (183) are filled by residents. The image to the right shows a graphic depiction of in-commuters (dark green) and out-commuters (light green) with residents that also work in the town depicted in the middle.



CES OnTheMap

Residential

Residential Supply

The majority of housing units in both the Local Trade Area and the Regional Trade Area are single-family homes with 52% and 62% of units falling into this category, respectively. Within the Local Trade Area, only about 10% of housing units are in buildings with more than 9 units compared to 15% at the regional level. Compared to the region, there is a greater local concentration of units in 2-unit, 3 or 4-unit, and 5 to 9-unit buildings.

Housing Units by Units in Structure				
Units in Structure	Local Trade Area		Regional Trade Area	
	Number	Percent	Number	Percent
1, detached	13,634	52%	114,090	62%
1, attached	601	2%	7,598	4%
2	2,357	9%	12,530	7%
3 or 4	2,879	11%	12,058	7%
5 to 9	2,253	9%	10,087	5%
10 to 19	842	3%	4,652	3%
20 to 49	1,217	5%	6,526	4%
50 or more	500	2%	3,372	2%
Mobile home	2,058	8%	14,038	8%
Boat, RV, van, etc.	0	0%	21	0%
Total	26,341	100%	184,972	100%

Source: 2009-2013 American Community Survey

The age of the local housing stock is older than the region overall. Approximately 44% of the Local Trade Area's housing stock was built before 1960 compared to 35% for the region. A relatively older housing stock means there may be demand for replacement housing as buildings become obsolete or less desirable.

Housing Units by Year Structure Built				
Year	Local Trade Area		Regional Trade Area	
	Number	Percent	Percent	Percent
Built 2010 or later	85	0.3%	973	1%
Built 2000 to 2009	3,184	12%	24,515	13%
Built 1990 to 1999	2,304	9%	19,336	10%
Built 1980 to 1989	4,091	16%	34,652	19%
Built 1970 to 1979	2,940	11%	25,714	14%
Built 1960 to 1969	2,278	9%	14,030	8%
Built 1950 to 1959	2,589	10%	14,627	8%
Built 1940 to 1949	1,328	5%	8,167	4%
Built 1939 or earlier	7,542	29%	42,960	23%
Total	26,341	100%	184,974	100%

Source: 2009-2013 American Community Survey

The following table shows new housing development activity in York County from 2011 to 2014 as measured by residential building permits. An average of 637 housing units were built annually during this timeframe. Nearly 86% of these units were single-family homes. An average of 91 housing units were built in multi-family structures each year. The data indicate that demand for single-family housing product has been the driving force in recent housing development.

Residential Building Permits: York County, ME				
	2011	2012	2013	2014
Total Units	523	632	699	693
Units in Single-Family Structures	401	544	649	589
Units in All Multi-Family Structures	122	88	50	104
Units in 2-unit Multi-Family Structures	8	26	10	8
Units in 3- and 4-unit Multi-Family Structures	4	31	24	24
Units in 5+ Unit Multi-Family Structures	110	31	16	72

Source: U.S. Department of Housing and Urban Development

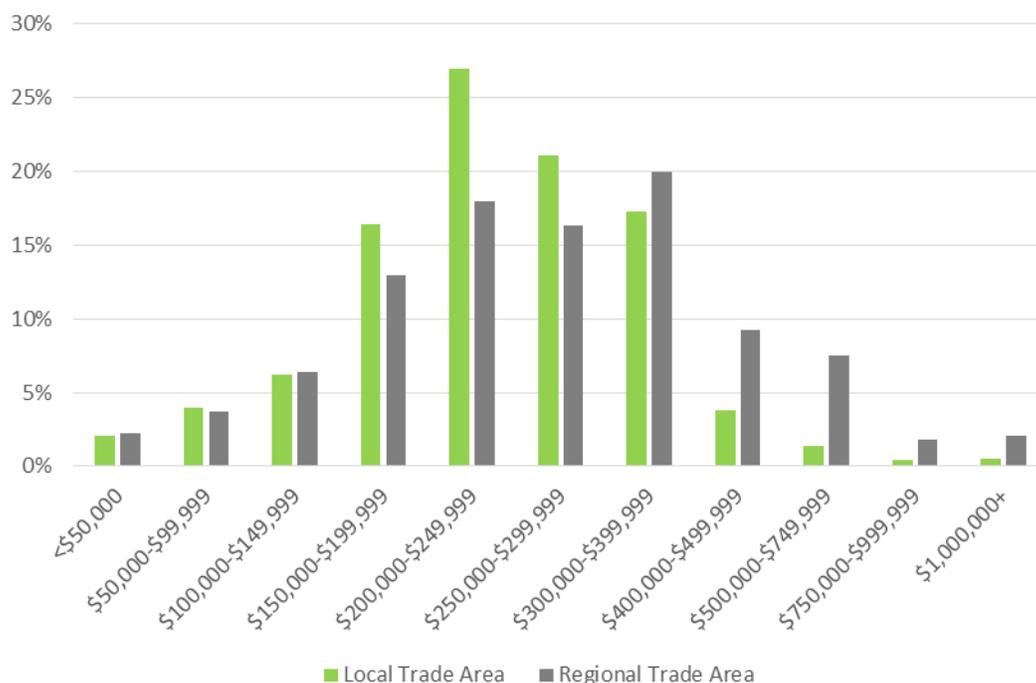
A similar table is shown below for the Town of Berwick. An average of 24.5 new housing units were developed in the town over the four-year period. There was only one year of multi-family housing development in 2011 which saw 34 new multi-family units come online. Only single-family homes were built from 2012 through 2015.

Residential Building Permits: Berwick, ME				
	2011	2012	2013	2014
Total Units	49	13	13	23
Units in Single-Family Structures	15	13	13	23
Units in All Multi-Family Structures	34	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0
Units in 5+ Unit Multi-Family Structures	34	0	0	0

Source: U.S. Department of Housing and Urban Development

Owner occupied housing values in the Trade Area skew towards the lower end compared to the Regional Trade Area. The local median housing value is about \$240,000 locally compared to \$271,000 regionally. The graph below shows that the Local Trade Area has a greater percentage of units in the lower-end housing value ranges compared to the region.

Owner Occupied Housing Values (2015)



Housing values are projected to increase in the Local Trade Area over the next five years. Most of the growth will be in homes with values between \$300,000 and \$500,000. There will be substantially fewer housing units in the sub-\$300,000 range in 2020. The median housing value is expected to jump 20% (\$46,800) over the next 5 years. As described in the following section, this increase will still lag the region overall. The number of housing units will remain relatively flat, increasingly by less than 1% annually over the next five years.

Local Trade Area Housing Values (Owner Occupied Housing)						
Housing Value	2015		2020		Change	
	Number	Percent	Number	Percent	Number	Percent
<\$50,000	312	2%	319	2%	7	2%
\$50,000-\$99,999	599	4%	618	4%	19	3%
\$100,000-\$149,999	936	6%	659	4%	(277)	-30%
\$150,000-\$199,999	2,491	16%	1,300	8%	(1,191)	-48%
\$200,000-\$249,999	4,085	27%	2,857	18%	(1,228)	-30%
\$250,000-\$299,999	3,199	21%	2,872	18%	(327)	-10%
\$300,000-\$399,999	2,627	17%	4,183	27%	1,556	59%
\$400,000-\$499,999	575	4%	2,029	13%	1,454	253%
\$500,000-\$749,999	207	1%	570	4%	363	175%
\$750,000-\$999,999	63	0%	212	1%	149	237%
\$1,000,000+	82	1%	94	1%	12	15%
Total	15,176		15,713		537	4%
Median Value	\$239,780		\$286,621		\$46,841	20%
Average Value	\$254,988		\$307,591		\$52,603	21%

Source: ESRI

The increase in housing values is also a trend that is expected to play out at the regional level. The median value is expected to increase at an even faster rate of 28% (compared to 20% locally), growing from \$271,000 to \$346,000 over 5 years. The most significant change in values will occur in the \$400,000 to \$499,000 where there will be over 13,000 more units in this value range – a 13% increase over the current. All of the sub-\$300,000 value ranges will have fewer housing units in 2020 compared to now. The number of new housing units will increase by 4%, which is on par with the Local Trade Area.

Regional Trade Area Housing Values (Owner Occupied Housing)						
Housing Value	2015		2020		Change	
	Number	Percent	Number	Percent	Number	Percent
<\$50,000	2,416	2%	1,811	2%	(605)	-25%
\$50,000-\$99,999	4,115	4%	3,184	3%	(931)	-23%
\$100,000-\$149,999	7,006	6%	4,099	4%	(2,907)	-41%
\$150,000-\$199,999	14,206	13%	8,063	7%	(6,143)	-43%
\$200,000-\$249,999	19,715	18%	13,652	12%	(6,063)	-31%
\$250,000-\$299,999	17,947	16%	13,844	12%	(4,103)	-23%
\$300,000-\$399,999	21,939	20%	26,593	23%	4,654	21%
\$400,000-\$499,999	10,124	9%	23,478	21%	13,354	132%
\$500,000-\$749,999	8,209	7%	11,920	10%	3,711	45%
\$750,000-\$999,999	1,994	2%	3,981	3%	1,987	100%
\$1,000,000+	2,230	2%	3,184	3%	954	43%
Total	109,901		113,809		3,908	4%
Median Value	\$270,874		\$346,070		\$75,196	28%
Average Value	\$318,463		\$385,491		\$67,028	21%

Source: ESRI

Multi-Family and Rental Market

The table to the right shows an overview of the multi-family housing in York County. Over the past five years the average vacancy rate for rental units has been 5.4%. Generally, a vacancy rate under 10% indicates a healthy rental market. A vacancy rate of near 5% is typically considered a strong market. The asking rent has ranged from an average of \$705 for studios to \$951 for 3+ bedroom units.

The average 5-year inventory has been about 3,470 units. The average sale price per unit for multi-family properties has been approximately \$38,000 compared to an average asking price of \$61,600 per unit.

York County - Multi-Family Snapshot	
Leasing Units	
Vacant Units	49.00
Vacancy Rate	5.40%
12 Mo. Absorption Units	12
Rents	
Studio Asking Rent	\$705
1 Bed Asking Rent	\$765
2 Bed Asking Rent	\$878
3+ Bed Asking Rent	\$951
Concessions	3.9%
Inventory in Units	
Existing Units	3,471
12 Mo. Construction Starts	11
Under Construction	9
12 Mo. Deliveries	11
Sales	
Sale Price Per Unit	\$38,033
Asking Price Per Unit	\$61,634
Sales Volume (Mil.)	\$24.0
Cap Rate	9.3%

Source: CoStar

There are currently 180 multi-family buildings in York County, an increase of only 5 buildings since 2007. The total number of units has grown by 127 from 2007 through 2015. The units built from 2007 through 2015 account for only 3.6% of the current inventory, which indicates a relatively older supply of rental units. The average square feet per unit has remained relatively flat near 940 square feet. Vacancy rates have declined modestly to just under 5% in 2015 – an indication of a balanced market.

Multi-Family Inventory and Vacancy - York County					
Year	Buildings	Avg. Square Feet	Total Units	Vacant Units	Vacancy Rate
2015	180	938	3,482	44	4.8%
2014	180	938	3,482	42	4.6%
2013	180	938	3,482	46	5.1%
2012	180	938	3,482	45	4.9%
2011	177	938	3,482	55	6.0%
2010	177	946	3,431	50	5.8%
2009	176	946	3,431	50	5.8%
2008	174	946	3,407	55	6.4%
2007	175	946	3,355	48	5.7%

Source: CoStar

The last multi-family units to be developed were in 2012 when 51 units were added to the market. The annual average from 2007 through 2015 was 19 units delivered annually.



**Multi-Family Deliveries -
York County**

Year	Units
2015	0
2014	0
2013	0
2012	51
2011	0
2010	24
2009	52
2008	41
2007	0

Source: CoStar

Local rents are generally on par with that of the greater region with the local median rent at \$851 and the regional median rent at \$865. The region has a comparatively greater proportion of high end rental units (units over \$1,250) with about 15% of rental units falling into this category compared to about 8% locally.

Renter-Occupied Housing Units by Monthly Rent				
Rent	Local Trade Area		Regional Trade Area	
	Number	Percent	Number	Percent
Less than \$100	85	1%	405	1%
\$100 to \$149	79	1%	319	1%
\$150 to \$199	96	1%	579	1%
\$200 to \$249	180	2%	764	2%
\$250 to \$299	78	1%	778	2%
\$300 to \$349	104	1%	761	2%
\$350 to \$399	200	2%	906	2%
\$400 to \$449	212	2%	965	2%
\$450 to \$499	124	1%	463	1%
\$500 to \$549	103	1%	1,132	3%
\$550 to \$599	158	2%	1,210	3%
\$600 to \$649	368	4%	1,827	4%
\$650 to \$699	287	3%	1,952	4%
\$700 to \$749	674	6%	2,656	6%
\$750 to \$799	982	9%	3,040	7%
\$800 to \$899	2,046	20%	7,486	17%
\$900 to \$999	1,316	13%	5,511	12%
\$1,000 to \$1,249	1,498	14%	7,635	17%
\$1,250 to \$1,499	664	6%	3,838	8%
\$1,500 to \$1,999	257	2%	2,104	5%
\$2,000 or more	38	0%	878	2%
Median	\$851		\$865	

Source: 2009-2013 American Community Survey

The following table shows how asking rents have changed from 2007 through 2015 based on CoStar data. During this time the asking rent went from \$788 (\$0.98 per square foot) to \$891 (\$1.10 per square foot), an increase of about 13%.



Multi-Family Rents - York County			
Year	Asking Rent	Asking Rent Per SF	Asking Rent Growth (year change)
2015	\$891	\$1.10	1.5%
2014	\$878	\$1.09	1.2%
2013	\$868	\$1.08	2.5%
2012	\$847	\$1.05	3.9%
2011	\$816	\$1.01	1.6%
2010	\$803	\$1.00	1.2%
2009	\$794	\$0.99	-1.4%
2008	\$805	\$1.01	2.2%
2007	\$788	\$0.98	2.4%

Source: CoStar

There are only 2 multi-family properties in the Town of Berwick according to CoStar data. Both are Class C properties indicating relatively low quality and both were built in the 1970s.

1-5 Berwick Road

5 Units
 Class C
 Built 1970
 Asking Rent: \$1,133



28 Old Pine Hill Road

6 Units
 Class C
 Built 1975
 Asking Rent: \$1,210



Residential Demand

Household growth has been flat with less than 1% growth annually in the Local Trade Area and the Regional Trade Area. Over the next five years, the Local Trade Area will see growth of about 870 households (about 174 annually). The Regional Trade Area will experience growth of an estimated 5,573 (1,115 annually). Therefore, “organic” or natural population growth is unlikely to drive significant demand for housing.

Change in Number of Households (2000 to 2020)		
	Local Trade Area	Regional Trade Area
2000 Households	23,207	143,019
2010 Households	24,915	155,890
2015 Households	25,807	162,038
2020 Households	26,675	167,611
Change 2010 to 2015	892	6,148
% Change 2010 to 2015	3.6%	3.9%
Change 2015 to 2020	868	5,573
% Change 2015 to 2020	3.4%	3.4%

Source: ESRI

Occupancy Trends

Approximately 38.6% of housing units are occupied by renters in the Local Trade Area while about 55% are owner-occupied and the remaining 6.4% are vacant. While the data indicates there has been a slight shift away from owner-occupancy towards renter-occupancy, that trend is not expected to continue into the future as current occupancy patterns are expected to remain constant.

Household Trends by Tenure - Local Trade Area						
	2010		2015		2020	
	#	%	#	%	#	%
Owner-occupied	15,148	56.7%	15,161	55.0%	15,704	55.1%
Renter-occupied	9,751	36.5%	10,640	38.6%	10,973	38.5%
Vacant	1,790	6.7%	1,764	6.4%	1,824	6.4%
Total	26,716	100%	27,566	100%	28,500	100%

Source: ESRI

Compared to the region, local households have a greater propensity to rent. Only 27.2% of housing units are renter-occupied regionally compared to 38.6% locally. The vacancy rate is higher at the regional level, but may be skewed higher because the rate includes seasonal and vacation homes, which are prevalent in the region.

Household Trends by Tenure - Regional Trade Area						
	2010		2015		2020	
	#	%	#	%	#	%
Owner-occupied	108,308	58.7%	109,933	57.3%	113,796	57.3%
Renter-occupied	47,582	25.8%	52,185	27.2%	53,820	27.1%
Vacant	28,697	15.5%	29,738	15.5%	30,981	15.6%
Total	184,587	100%	191,856	100%	198,597	100%

Source: ESRI

Households of 2 people are the most common type followed by 1-person and then 3-person households. The average household size (2.38) is the same in both the Local Trade Area and Regional Trade Area and is expected to remain similar.

Households by Size (2010)		
Household Size	Local Trade Area	Regional Trade Area
1-Person	6,951	42,713
2-Person	8,770	57,679
3-Person	4,186	24,786
4-Person	3,189	19,798
5-Person	1,196	7,483
6-Person	424	2,494
7+ Person	174	1,091
Total	24,915	155,888
Average Size (2010)	2.38	2.38
Average Size (2020)	2.36	2.35

Source: ESRI

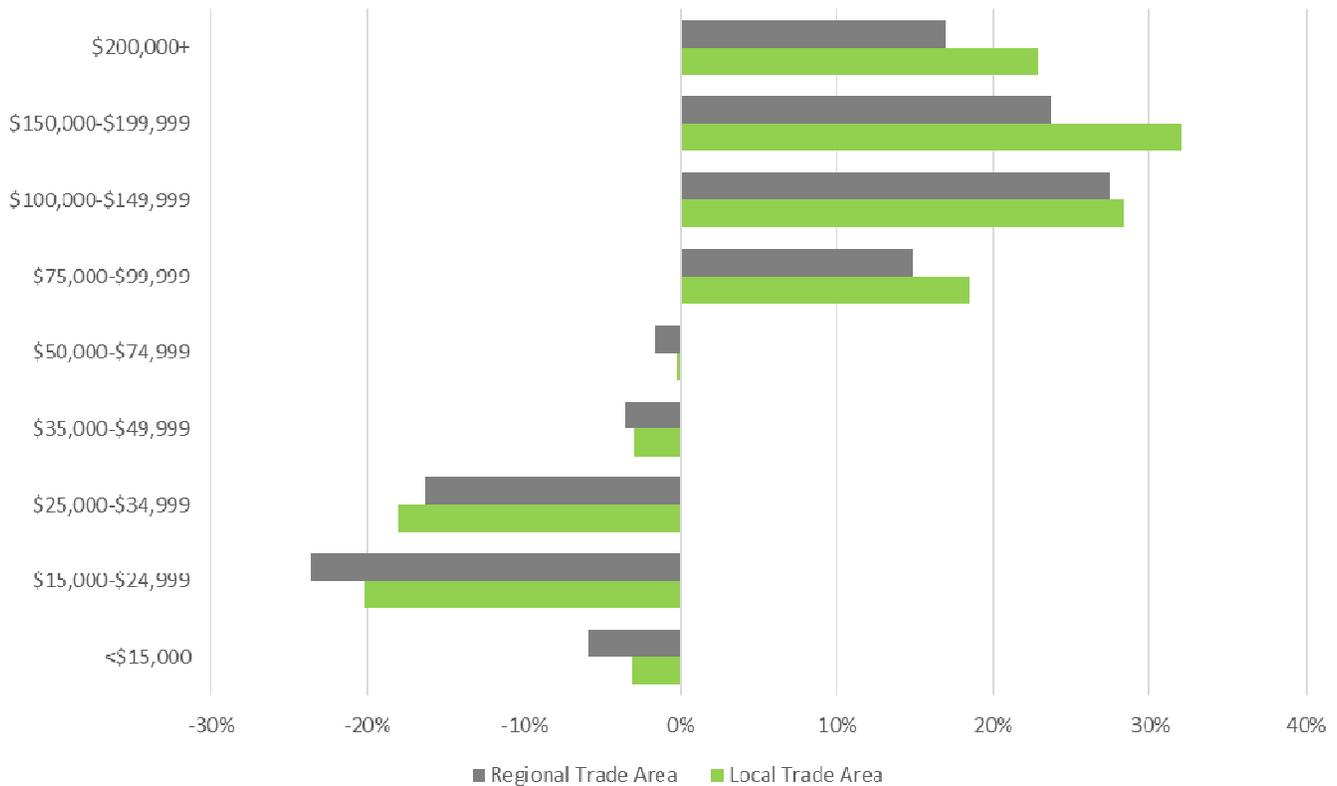
The table below breaks down the different types of households in each of the trade areas. The local composition of household types mirrors regional patterns. Households with multiple people account for more than 7 out of 10 households. Approximately 62% to 63% of households are family households. About 30% of all households have children.

Households Type (2010)				
Household Type	Local Trade Area		Regional Trade Area	
	#	%	#	%
Total Households	24,915	100%	155,890	100%
Households with 1 Person	6,951	27.9%	42,714	27.4%
Households with 2+ People	17,964	72.1%	113,176	72.6%
Family Households	15,447	62.0%	99,458	63.8%
Husband-wife Families	11,486	46.1%	77,633	49.8%
With Related Children	4,908	19.7%	31,022	19.9%
Other Family (No Spouse Present)	3,961	15.9%	21,825	14.0%
Nonfamily Households	2,516	10.1%	13,874	8.9%
All Households with Children	7,674	30.8%	45,676	29.3%

Source: ESRI

Trends in household income can help identify the type of housing product that will be in demand in the future. Household incomes are projected to rise in both trade areas. The Local Trade Area will see greater increases in the number of households within the upper income ranges. This indicates there may be potential demand for higher end housing products.

Percent Change in Households by Income Range (2015 - 2020)



Household incomes are lower in the Local Trade Area compared to the regional with the median value at \$65,900 compared to \$78,500 regionally. Incomes will generally keep pace with increases at the regional level, which is expected to be around 13% (2.6% annually). The table below shows a detailed breakdown for the Local Trade Area.

Households Income Trends (Local Trade Area)							
Household Income	2015		2020		Change		
	#	%	#	%	#	%	
<\$15,000	2,845	11%	2,758	10%	(87)	-3%	
\$15,000-\$24,999	2,294	9%	1,831	7%	(463)	-20%	
\$25,000-\$34,999	2,700	10%	2,214	8%	(486)	-18%	
\$35,000-\$49,999	3,852	15%	3,739	14%	(113)	-3%	
\$50,000-\$74,999	5,515	21%	5,500	21%	(15)	0%	
\$75,000-\$99,999	4,177	16%	4,948	19%	771	18%	
\$100,000-\$149,999	2,973	12%	3,817	14%	844	28%	
\$150,000-\$199,999	940	4%	1,241	5%	301	32%	
\$200,000+	511	2%	628	2%	117	23%	
Total	25,807	100%	26,675	100%	868	3%	
Median Income	\$65,839		\$74,345		\$8,506		13%

Source: ESRI

The table below shows a similar breakdown for changes in household incomes in the Regional Trade Area.

Households Income Trends (Regional Trade Area)							
Household Income	2015		2020		Change		
	#	%	#	%	#	%	
<\$15,000	15,398	10%	14,499	9%	(899)	-6%	
\$15,000-\$24,999	14,074	9%	10,747	6%	(3,327)	-24%	
\$25,000-\$34,999	14,540	9%	12,175	7%	(2,365)	-16%	
\$35,000-\$49,999	21,456	13%	20,692	12%	(764)	-4%	
\$50,000-\$74,999	31,793	20%	31,251	19%	(542)	-2%	
\$75,000-\$99,999	25,015	15%	28,723	17%	3,708	15%	
\$100,000-\$149,999	22,539	14%	28,719	17%	6,180	27%	
\$150,000-\$199,999	9,883	6%	12,225	7%	2,342	24%	
\$200,000+	7,340	5%	8,580	5%	1,240	17%	
Total	162,038	100%	167,611	100%	5,573	3%	
Median Income	\$78,491		\$88,409		\$9,918		13%

Source: ESRI

Key Residential Market Data Findings

- The population is not expected to increase substantially in Berwick, York County, or the greater region; however, Berwick will outpace these other geographies by growing 5.6% over five years. "Natural" population growth will not be a major driver of the residential market.
- Single-family housing is the dominant type of residential development both locally and regionally; however, there is a greater concentration of multi-unit buildings locally compared with the region. While it has a greater proportion of multi-unit buildings, Berwick has only gained single-family housing over the past three years indicating a market more favorable for single-family development
- The local housing stock is substantially older than that of the region, indicating potential demand for replacement housing as buildings become obsolete.
- Housing values are relatively high but below the regional average with median housing value of owner-occupied housing at \$240,000 locally compared to \$255,000 regionally.

- Household incomes are projected to rise, indicating there may be potential for higher-end housing.
- Nearly 39% of housing units in the local area are occupied by renters compared to 27% in the overall region, indicating a relative concentration of renters locally. The mix between owners and renters is not projected to change.
- The multi-family rental market has been flat in York County. No inventory has been added since 2011 and the number of units has remained at 3,482 since then. Vacancy rates have been declining slightly and are now around 5%, indicating a balanced market. If vacancy rates continue their decline, it may indicate demand for new multi-family housing. Local rental rates are on par with the rest of the region; however, the region has a greater proportion of high-end rental units (over \$1,250 per month).

Office

Office Supply

York County currently has 467 office buildings representing 4.27 million square feet of office space. Over the past five years the average vacancy rate has been 6.6%, indicating a market that is well balanced between supply and demand. Office rates have averaged around \$11.29 per square foot. Sale price of office buildings has averaged around \$95 per square foot.

York County - Office Snapshot	
Availability	5-Year Average
Gross Rent Per SF	\$11.29
Vacancy Rate	6.60%
Vacant SF	280,010
Sublet SF	1,790
Months on Market	18.6
Demand	5-Year Average
12 Mo. Absorption SF	66,754
12 Mo. Leasing SF	25385
Inventory	5-Year Average
Existing Buildings	467
Existing SF	4,273,883
12 Mo. Construction Starts	9,751
Under Construction	4,875
12 Mo. Deliveries	14,626
Sales	5-Year Average
Sale Price Per SF	\$95
Asking Price Per SF	\$76
Sales Volume (Mil.)	\$6.7

Source: CoStar

The office market is composed mostly of Class C space, the lowest quality, which accounts for nearly 75% of all office space in the county (3.16 million square feet). There is only one Class A building in the county representing just over 51,000 square feet. Class B space accounts for 25% of office space (1.07 million square feet). As shown in the table below, Berwick has only 3 office buildings that combine for 11,348 square feet, approximately 0.25% of the county office supply.

Office Inventory by Class (2015)						
		York County				Berwick Total
		Class A	Class B	Class C	Total	
Buildings	No.	1	95	371	467	3
	Pct.	0.2%	20%	79%	100%	
Square Feet	No.	51,376	1,070,488	3,161,557	4,283,421	11,348
	Pct.	1%	25%	74%	100%	

Source: CoStar

In 2015, Class B office space had an 11.2% vacancy rate compared to only 4.9% for Class C space, indicating relatively stronger demand for the lower quality space. Class B space leased for about \$15.50 per square foot compared to \$11.25 for Class C Space. Class A data was not available. The overall vacancy rate in 2015 was 6.4%.

Office Vacancy by Class - York County (2015)				
	Class A	Class B	Class C	Overall
Vacancy Rate	0.0%	11.2%	4.9%	6.4%
Lease Rates (per SF)	NA	\$15.55	\$11.25	\$13.22

Source: CoStar

The county's office supply has been relatively stable with only 202,000 square feet added over to the market over 9 years (an annual average of 22,474 and a total increase of 5%). The number of office buildings grew from 463 to 467. Office vacancy rates climbed during the recession reaching a 9-year high of 14% vacancy in 2010. Between 2010 and 2012 there was a decrease in the number of office buildings from 470 to 466 indicating that weakness in the office market may have led to redeveloping or repurposing existing office buildings. The loss of those buildings correlated with a decrease of over 400,000 square feet of vacant office space. Beginning in 2012 the market stabilized with vacancy rates closer to 5%. In 2015 there was a slight uptick to 6.4% likely due to the addition of a new office building in the market.

Office Vacancy Rate by Year - York County				
	Bldgs	Inventory SF	Vacant SF	Vacancy %
2015	467	4,283,421	274,547	6.4%
2014	466	4,268,795	226,769	5.3%
2013	466	4,268,795	233,259	5.5%
2012	466	4,268,795	195,962	4.6%
2011	469	4,276,203	450,933	10.5%
2010	470	4,281,257	598,259	14.0%
2009	470	4,281,257	330,698	7.7%
2008	469	4,265,257	342,993	8.0%
2007	463	4,081,155	512,164	12.5%

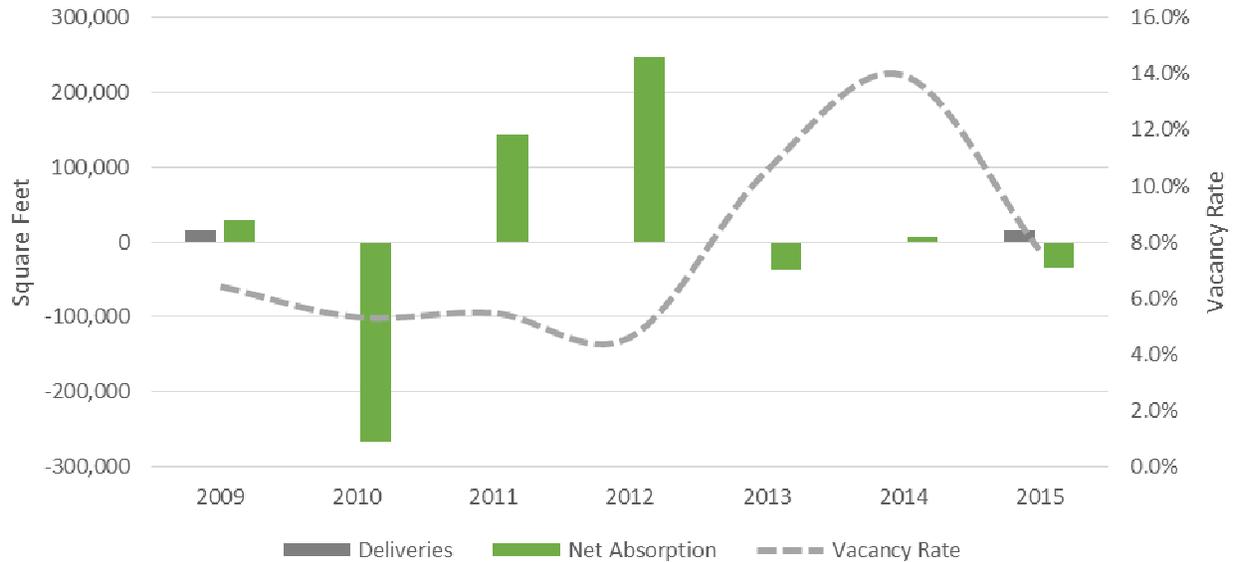
Source: CoStar

From 2011 to 2015 net absorption of office space has been positive with a net of 325,876 square feet absorbed in York County. Class C accounted for 58% of absorption while Class B accounted for the remainder. There was no Class A absorption according to CoStar data.

Office Net Absorption (2011-2015) - York County				
	Class A	Class B	Class C	Total
2015	0	(37,727)	4,575	(33,152)
2014	0	(16,626)	23,116	6,490
2013	0	20,007	(57,304)	(37,297)
2012	0	152,888	94,675	247,563
2011	0	19,945	122,327	142,272
Total	0	138,487	187,389	325,876

Source: CoStar

Deliveries, Absorption & Vacancy - York County



There are four office buildings in the county pipeline including two in Kennebunk and two in York. A Class A office building of 22,300 square feet will be only the second Class A building in the county. The office developments in the pipeline will add just over 66,000 square feet to the office market.

Office Buildings in Pipeline - York County				
Address	City	Class	Rent	Rentable Building Area (SF)
1 Alfred Dr - Building B	Kennebunk	B	\$12.00	23,735
1 Alfred Rd	Kennebunk	B	\$10.00	10,250
590 US Route 1	York	A	NA	22,300
1132 US Route 1	York	B	NA	10,000
Total				66,285

Source: CoStar

Office Demand

The demand outlook for office space depends on growth in the types of industries and jobs that utilize office space. The table below shows the categories of office utilizing occupations and the expected 10-year change in the number of those occupations. The result is the total number of new office-utilizing occupations, which is then used to estimate future office space demand. As shown in the following table, there will be 1,607 new office-utilizing occupations in York County.

York County Growth in Office Utilizing Occupations

SOC Code	Title	2015 Jobs	2025 Jobs	Change
11-1000	Top Executives	1,348	1,393	45
11-2000	Advertising, Marketing, Promotions, Public Relations, and Sales Managers	200	214	14
11-3000	Operations Specialties Managers	765	788	23
11-9000	Other Management Occupations	2,172	2,093	-79
13-1000	Business Operations Specialists	2,081	2,149	68
13-2000	Financial Specialists	1,162	1,282	120
15-1100	Computer Occupations	994	1,102	108
15-2000	Mathematical Science Occupations	49	55	6
17-1000	Architects, Surveyors, and Cartographers	123	124	1
17-2000	Engineers	839	821	-18
17-3000	Drafters, Engineering Technicians, and Mapping Technicians	509	488	-21
19-3000	Social Scientists and Related Workers	193	220	27
21-1000	Counselors, Social Workers, and Other Community and Social Service Specialists	1,165	1,160	-5
23-1000	Lawyers, Judges, and Related Workers	310	281	-29
23-2000	Legal Support Workers	172	180	8
27-1000	Art and Design Workers	398	363	-35
27-2000	Entertainers and Performers, Sports and Related Workers	432	415	-17
27-3000	Media and Communication Workers	329	316	-13
27-4000	Media and Communication Equipment Workers	142	165	23
29-1000	Health Diagnosing and Treating Practitioners	3,011	3,311	300
29-2000	Health Technologists and Technicians	1,340	1,548	208
29-9000	Other Healthcare Practitioners and Technical Occupations	76	80	4
31-2000	Occupational Therapy and Physical Therapist Assistants and Aides	64	91	27
31-9000	Other Healthcare Support Occupations	844	980	136
33-1000	Supervisors of Protective Service Workers	116	118	2
33-9000	Other Protective Service Workers	505	539	34
37-1000	Supervisors of Building and Grounds Cleaning and Maintenance Workers	229	258	29
43-1000	Supervisors of Office and Administrative Support Workers	511	556	45
43-2000	Communications Equipment Operators	42	39	-3
43-3000	Financial Clerks	1,721	1,857	136
43-4000	Information and Record Clerks	2,558	2,765	207
43-5000	Material Recording, Scheduling, Dispatching, and Distributing Workers	1,923	1,931	8
43-6000	Secretaries and Administrative Assistants	1,890	2,078	188
43-9000	Other Office and Administrative Support Workers	1,566	1,626	60
Total		29,778	31,386	1,607

Source: EMSI



Based on the above analysis, it is estimated that York County will add 161 office-utilizing occupations per year. Using an industry standard of 200 square feet per employee, it's possible to estimate annual demand of 32,000 square feet of office space per year. Over five years, the total office demand in York County is estimated to be nearly 161,000 square feet.

York County Space Demand	
Annual New Employees	161
SF per Employee	200
Annual Demand for Office Space	32,140
5-year Demand for Office Space	160,700

York County's office market has 250,000 square feet of vacant space with 66,000 square feet in the pipeline. Therefore, much of future office demand can be accommodated by the existing supply. However, given relatively low vacancy rates in the market and the lack of higher quality space, it is possible there could be demand for new office development if the current product is not meeting the needs of future office users.

Medical Office

This section examines the market for medical office, a subset of the larger office market. There are 66 medical office buildings in York County consisting of nearly 734,000 square feet. This represents a significant 17% share of the entire office market. Medical office rents are comparatively higher than the full office market at \$15.30 per square foot compared to \$11.29. Vacancy rates are also lower at 4.2% compared to the full office market's average vacancy rate of 6.6%. Medical office space also spends less time on the market before being occupied (12.9 months compared to 18.6 months).

The medical office supply had been constant from 2008 through 2014, after which a new Class A medical office building was developed in the Town of York with 22,300 square feet. The new building resulted in a temporary spike in vacancy rates that is expected to decline once lease-up of the building occurs. The following table shows the inventory and vacancy rate history for York County's medical office market.

York County - Medical Office Snapshot	
Availability	5-Year Average
Gross Rent Per SF	\$15.30
Vacancy Rate	4.20%
Vacant SF	31,053
Sublet SF	0
Months on Market	12.9
Demand	5-Year Average
12 Mo. Absorption SF	-3,744
12 Mo. Leasing SF	970
Inventory	5-Year Average
Existing Buildings	66
Existing SF	733,863
12 Mo. Construction Starts	9,751
Under Construction	4,875
12 Mo. Deliveries	14,626
Sales	5-Year Average
Sale Price Per SF	\$190
Asking Price Per SF	\$67
Sales Volume (Mil.)	\$3.5

Source: CoStar

Medical Office Inventory and Vacancy Rate by Year - York County				
Year	Bldgs	Inventory SF	Vacant SF	Vacancy %
2015	67	745,564	66,923	9.0%
2014	66	730,938	18,411	2.5%
2013	66	730,938	17,247	2.4%
2012	66	730,938	27,456	3.8%
2011	66	730,938	33,522	4.6%
2010	66	730,938	40,247	5.5%
2009	66	730,938	28,960	4.0%
2008	66	730,938	30,460	4.2%
2007	65	590,938	71,551	12.1%

Source: CoStar

The level of future Demand for medical office space can be determined by looking at industry job projections for the various health-related industry sub-sectors. The table below shows a breakdown of job growth in the Health Industry from 2015 to 2025. There will be an estimated 930 new health industry jobs over 10 years. Not all of the sub-sectors require office space, however, some of those that do are expected to see large gains including offices of physicians (604 new jobs) and offices of other health practitioners (211 new jobs).

York County Health Industry Growth (2015-2025)						
NAICS	Description	2015 Establishments	2015 Jobs	2025 Jobs	2015 - 2025 Change	2015 - 2025 % Change
6211	Offices of Physicians	113	1,424	2,028	604	42%
6212	Offices of Dentists	60	430	497	67	16%
6213	Offices of Other Health Practitioners	94	645	856	211	33%
6214	Outpatient Care Centers	17	330	376	46	14%
6215	Medical and Diagnostic Laboratories	4	109	167	58	53%
6216	Home Health Care Services	11	411	280	(131)	(32%)
6219	Other Ambulatory Health Care Services	9	133	220	87	65%
6221	General Medical and Surgical Hospitals	5	2,082	1,856	(226)	(11%)
6222	Psychiatric and Substance Abuse Hospitals	0	0	0	0	0%
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	1	80	117	37	46%
6231	Nursing Care Facilities (Skilled Nursing Facilities)	9	963	1,142	179	19%
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	80	877	875	(2)	(0%)
	Total	402	7,484	8,414	930	12%

Source: EMSI

At the regional level, the Health Industry is expected to grow at an even faster rate (19% growth over 10 years compared to 12% in York County alone). The region will add nearly 11,000 health care jobs over that period led by jobs in hospitals followed by office-utilizing sectors including Offices of Physicians and Offices of Other Health Practitioners.



Regional Health Industry Growth (2015-2025)

NAICS	Description	2015 Establishments	2015 Jobs	2025 Jobs	2015 - 2025 Change	2015 - 2025 % Change
6211	Offices of Physicians	704	9,956	11,785	1,829	18%
6212	Offices of Dentists	439	3,683	4,221	538	15%
6213	Offices of Other Health Practitioners	641	4,634	6,360	1,726	37%
6214	Outpatient Care Centers	133	2,683	3,376	693	26%
6215	Medical and Diagnostic Laboratories	51	938	1,016	78	8%
6216	Home Health Care Services	76	3,537	4,365	828	23%
6219	Other Ambulatory Health Care Services	52	984	1,207	223	23%
6221	General Medical and Surgical Hospitals	22	20,246	23,586	3,340	16%
6222	Psychiatric and Substance Abuse Hospitals	2	950	1,162	212	22%
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	6	760	872	112	15%
6231	Nursing Care Facilities (Skilled Nursing Facilities)	71	6,157	6,805	648	11%
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	219	3,251	3,857	606	19%
	Total	2,413	57,779	68,611	10,833	19%

Source: EMSI

Key Office Data Findings:

- Berwick represents less than ¼ of a percent of the county’s office market with only 3 office buildings combining for just over 11,000 square feet (according to CoStar data, which may not account for all buildings but indicates a relatively small inventory of office space in the town).
- Office space in York County is mostly low quality Class C space, which, because of the lower lease rates available, is more in demand than Class B space. There is only a single Class A building in the County.
- The supply and demand of office space is generally balanced with vacancy rates averaging around 6.6% over the past five years in the county. This exceeds many other places around the country where the office market has been generally weak.
- The average annual net absorption of office space in York County over the past five years has been 65,175 square feet. There are four office buildings in the county pipeline: two in Kennebunk and two in York. The pipeline projects combined account for 66,285 square feet of new office space.
- The total office inventory has increased by only 5% over the past 9 years. Between 2010 and 2012, there was a loss of office inventory indicating that weakness in the office market (indicated by double digit vacancy rates) may have led to redeveloping or repurposing existing office buildings. The office inventory removed from the market correlated with a reduction of 400,000 square feet of vacant office space.
- The outlook for office space in York County shows demand for an annual estimated 32,140 square feet of new office space based on growth in office-utilizing occupations. Over 5 years, this demand equals 160,700 square feet of space. York County’s office market has 250,000 square feet of vacant space with over 66,000 square feet in the pipeline. Therefore, much of the future office demand may be accommodated by the existing supply.
- Low vacancy rates and the lack of higher quality space may pose an opportunity for new office development if the current product does not meet the needs of future office users.
- There are positive signs within the medical office market. A new medical office building was delivered in the Town of York (York County) in 2015 with 22,300 square feet. The demand for medical office is expected to be strong over the next five years with major growth expected in medical industry sectors that utilize office space.



Industrial

Industrial Supply

York County has 242 industrial buildings with 8.5 million square feet of space. Over the past five years the average vacancy rate has been 8.3%. The average delivery rate has been nearly 10,600 square feet annually. Rents have averaged around \$4.16 per square foot. The sale price of industrial properties has averaged \$32 compared to an average asking price of \$36.

York County - Industrial Snapshot	
Availability	5-Year Average
Gross Rent Per SF	\$4.16
Vacancy Rate	8.30%
Vacant SF	694,755
Sublet SF	112,802
Months on Market	21.1
Demand	5-Year Average
12 Mo. Absorption SF	17,723
12 Mo. Leasing SF	162,218
Inventory	5-Year Average
Existing Buildings	242
Existing SF	8,456,011
12 Mo. Construction Starts	8,448
Under Construction	8,448
12 Mo. Deliveries	10,560
Sales	5-Year Average
Sale Price Per SF	\$32
Asking Price Per SF	\$36
Sales Volume (Mil.)	\$8.2

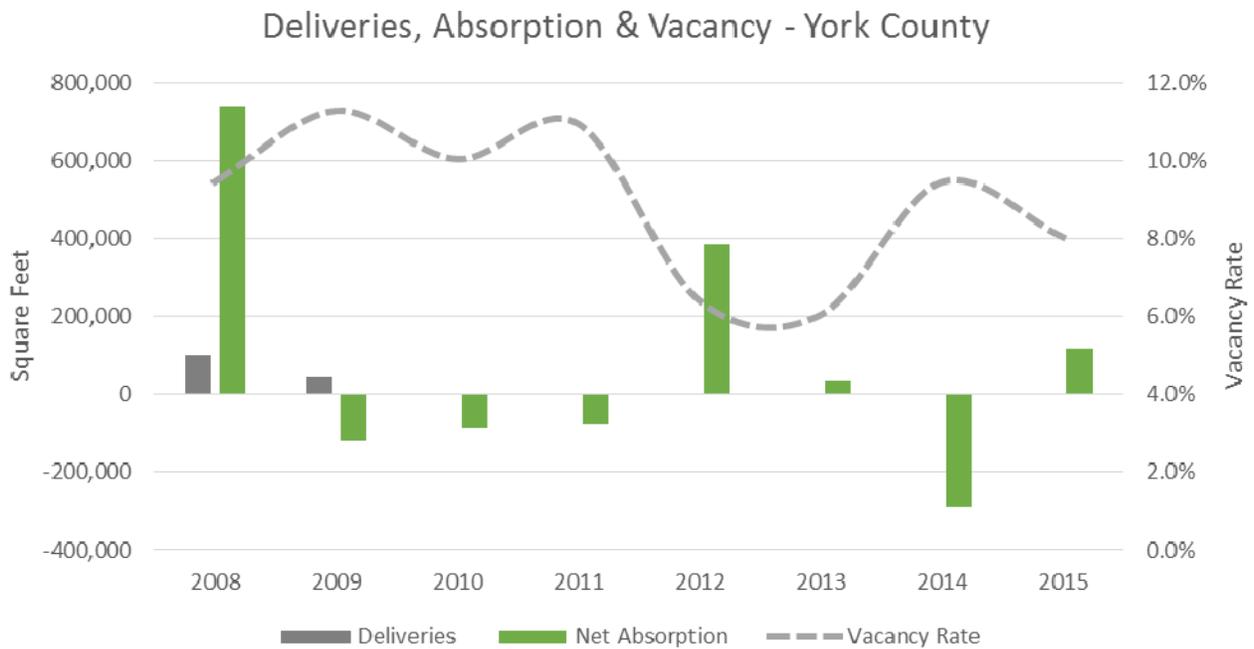
Source: CoStar

The table below shows how the industrial inventory and vacancy rate has fluctuated in recent years. From 2007 through 2011 vacancy rates were relatively high (greater than 10%). In 2012 vacancy rates fell to 6.4% before reaching a 9-year low at 6% in 2013. In 2014 and 2015 vacancy rates climbed slightly to 9.4% and 8.0%, respectively. Inventory has remained constant at about 8.46 million square feet.

Industrial Vacancy Rate by Year - York County				
Year	Bldgs	Inventory SF	Vacant SF	Vacancy %
2015	242	8,455,483	679,729	8.0%
2014	242	8,455,483	798,036	9.4%
2013	242	8,455,483	510,722	6.0%
2012	242	8,455,483	541,842	6.4%
2011	242	8,455,483	924,817	10.9%
2010	242	8,455,483	848,398	10.0%
2009	243	8,671,904	977,555	11.3%
2008	240	8,629,904	815,801	9.5%
2007	237	8,575,297	1,501,332	17.5%

Source: CoStar

The graph below shows deliveries, absorption, and vacancy rates for industrial space in York County from 2008 to 2015. There have been no deliveries since 2009. From 2008 to 2015 net absorption averaged 87,700 square feet annually (702,000 square feet overall). The average net absorption, however, was greatly affected by a surge of building activity in 2008, spurred, in part, by four new buildings coming onto the market.



Warehouse space comprises half of the industrial market with 151 buildings and 4.23 million square feet. There is also a significant share of manufacturing space in York County (3.03 million square feet). The other types of industrial space account for under 15% of the market.



Industrial Inventory - York County (2016)			
Type of Industrial	Buildings	Square Feet	Pct. Of Total SF
Warehouse	151	4,230,918	50%
Manufacturing	32	3,030,847	36%
Other	39	534,431	6%
Distribution	14	384,288	5%
Food Processing	6	294,970	3%
Showroom	1	15,019	0%
Refrigeration	1	14,400	0%
Truck Terminal	1	3,325	0%
Total	245	8,508,198	100%

Source: CoStar

Between 2010 and 2016 YTD the only industrial space to be developed was distribution (38,830 square feet), warehouse (10,560 square feet), and truck terminal (3,325 square feet) space. Altogether new industrial construction between 2010 and 2016 YTD was 52,715 square feet.

Industrial Development by Type (2010 -2016) - York County			
Type of Industrial	2010	2016*	Change (2010 to 2016) in Square Feet
Warehouse	4,220,358	4,230,918	10,560
Manufacturing	3,030,847	3,030,847	0
Other	534,431	534,431	0
Distribution	345,458	384,288	38,830
Food Processing	294,970	294,970	0
Showroom	15,019	15,019	0
Refrigeration	14,400	14,400	0
Truck Terminal	0	3,325	3,325
Total	8,455,483	8,508,198	52,715

*As of 4/18/2016

Source: CoStar

The table below shows net absorption by industrial building type from 2007 to 2015. During this time Distribution buildings had the greatest absorption at 98,100 square feet, followed by Warehouse (43,705 square feet) and other types (38,443 square feet).

Industrial Net Absorption by Type - York County

Year	Warehouse	Manufacturing	Other	Distribution	Food Processing	Showroom	Refrigeration	Truck Terminal
2015	104,657	700	12,950	0	0	0	0	0
2014	(26,468)	(716)	(2,904)	7,900	(265,126)	0	0	0
2013	24,278	(3,900)	12,050	(1,308)	0	0	0	0
2012	262,765	18,906	70,300	26,004	5,000	0	0	0
2011	(89,169)	41,300	(29,350)	(200)	1,000	0	0	0
2010	(162,318)	98,954	(26,500)	2,900	(300)	0	0	0
2009	(11,654)	(61,316)	(21,700)	(24,884)	(200)	0	0	0
2008	308,815	277,078	127,357	25,688	(3,000)	4,200	0	0
2007	(367,201)	(412,966)	(103,760)	62,000	(2,500)	(4,200)	0	0
Total	43,705	(41,960)	38,443	98,100	(265,126)	0	0	0
Average	4,856	(4,662)	4,271	10,900	(29,458)	0	0	0

Source: CoStar

Flex Space

Flex buildings are defined as follows:¹

A type of building(s) designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. At least half of the rentable area of the building must be used as office space. Flex buildings typically have ceiling heights under 18', with light industrial zoning. Flex buildings have also been called Incubator, Tech and Showroom buildings in markets throughout the country.

The types of space in these buildings can be used for office, medical, industrial, warehouse, distribution, quasi-retail, or research and development space. The data for flex space discussed in this section is not included in the industrial data section.

York County has 44 Flex buildings constituting a combined total of 1.16 million square feet. The average vacancy rate over the past five years has been about 12.3% (142,400 square feet). The average gross rent per SF was \$3.58 while the average sale price averaged \$69 per SF.

¹ CoStar

York County - Flex Snapshot	
Availability	5-Year Average
Gross Rent Per SF	\$3.58
Vacancy Rate	12.30%
Vacant SF	142,437
Sublet SF	5,380
Months on Market	37.8
Demand	5-Year Average
12 Mo. Absorption SF	136
12 Mo. Leasing SF	8016
Inventory	5-Year Average
Existing Buildings	44
Existing SF	1,158,551
12 Mo. Construction Starts	8,720
Under Construction	5,813
12 Mo. Deliveries	8,720
Sales	5-Year Average
Sale Price Per SF	\$69
Asking Price Per SF	\$66
Sales Volume (Mil.)	\$0.9

Source: CoStar

There have only been 2 Flex buildings built since 2007 with one building of 3,720 built in 2009 and another in 2016 with 8,720 square feet. Net absorption has effectively been zero between 2007 and 2015 with only 323 square feet absorbed. The 2016 negative net absorption reflects the new building coming to market, but the lease up of the building will likely take several months and is therefore not captured in the 2016 data.

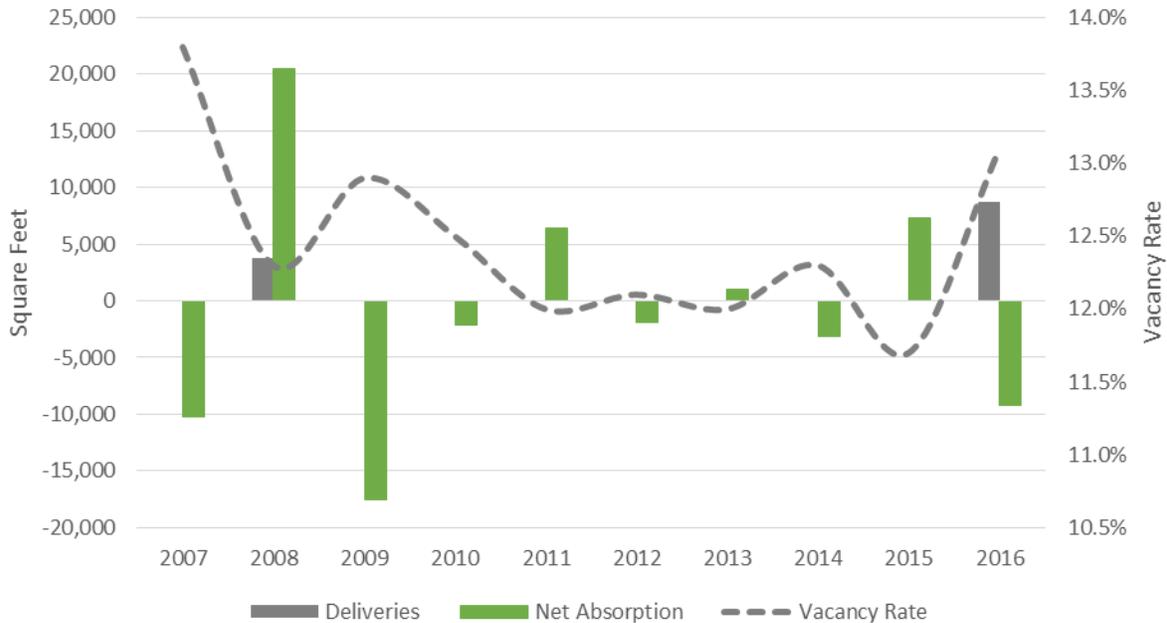
Flex Vacancy Rate by Year - York County			
Year	Deliveries (Buildings)	Deliveries (Square Feet)	Net Absorption
2016*	1	8,720	(9,230)
2015	0	0	7,277
2014	0	0	(3,092)
2013	0	0	1,009
2012	0	0	(1,872)
2011	0	0	6,402
2010	0	0	(2,173)
2009	1	3,720	20,520
2008	0	0	(10,184)
2007	0	0	(17,564)

*As of 4/18/2016

Source: CoStar

The chart below shows the fluctuations in deliveries, net absorption, and vacancy rates for flex properties in York County. The only deliveries were in 2009 and 2016. Net absorption saw greater swings from 2007 through 2009 as a result of the recession. Vacancy rates stabilized after the recession around the 12% mark.

Deliveries, Absorption & Vacancy - York County



Industrial Demand

Future demand for industrial and flex space can be better understood by looking at employment projections within the industry sectors likely to utilize this space. Specifically, the following two-digit NAICS industries were examined:

- Mining, Quarrying, and Oil and Gas Extraction
- Utilities
- Manufacturing
- Transportation and Warehousing

The following table shows employment growth in the four industries broken down into the more detailed 3-digit NAICS level. Most growth is expected in Warehousing and Storage, which will expand by 704 jobs over the next 10 years. There will also be demand for manufacturing space with Fabricated Metal Product Manufacturing expected to grow by nearly 600 jobs and Chemical Manufacturing predicted to grow by 526 jobs. Machinery, Beverage and Tobacco, and Furniture Related Manufacturing are also expected to grow.

Regional Industrial Growth (2015-2025)

NAICS	Description	2015 Jobs	2025 Jobs	2015 - 2025 Change	2015 - 2025 % Change
493	Warehousing and Storage	4,550	5,254	704	15%
332	Fabricated Metal Product Manufacturing	7,075	7,672	597	8%
325	Chemical Manufacturing	2,867	3,393	526	18%
488	Support Activities for Transportation	1,410	1,734	324	23%
333	Machinery Manufacturing	3,412	3,700	288	8%
312	Beverage and Tobacco Product Manufacturing	1,058	1,231	173	16%
337	Furniture and Related Product Manufacturing	988	1,156	168	17%
492	Couriers and Messengers	2,003	2,168	165	8%
313	Textile Mills	1,192	1,335	143	12%
485	Transit and Ground Passenger Transportation	2,325	2,463	138	6%
327	Nonmetallic Mineral Product Manufacturing	1,510	1,640	130	9%
484	Truck Transportation	3,048	3,134	86	3%
339	Miscellaneous Manufacturing	1,715	1,774	59	3%
487	Scenic and Sightseeing Transportation	284	323	39	14%
212	Mining (except Oil and Gas)	213	237	24	11%
481	Air Transportation	249	267	18	7%
213	Support Activities for Mining	62	78	16	26%
483	Water Transportation	39	52	13	33%
316	Leather and Allied Product Manufacturing	659	660	1	0%
211	Oil and Gas Extraction	0	0	0	0%
482	Rail Transportation	343	340	(3)	(1%)
491	Postal Service	18	11	(7)	(39%)
486	Pipeline Transportation	56	39	(17)	(30%)
324	Petroleum and Coal Products Manufacturing	320	283	(37)	(12%)
336	Transportation Equipment Manufacturing	2,718	2,674	(44)	(2%)
315	Apparel Manufacturing	106	53	(53)	(50%)
331	Primary Metal Manufacturing	351	296	(55)	(16%)
326	Plastics and Rubber Products Manufacturing	3,298	3,161	(137)	(4%)
221	Utilities	1,748	1,601	(147)	(8%)
314	Textile Product Mills	479	327	(152)	(32%)
323	Printing and Related Support Activities	1,193	1,013	(180)	(15%)
335	Electrical Equipment, Appliance, and Component Manufacturing	1,285	1,104	(181)	(14%)
321	Wood Product Manufacturing	1,795	1,584	(211)	(12%)
311	Food Manufacturing	3,540	3,283	(257)	(7%)
334	Computer and Electronic Product Manufacturing	4,911	4,071	(840)	(17%)
322	Paper Manufacturing	1,257	398	(859)	(68%)

Source: EMSI

The table below looks specifically at industrial growth in York County. Machinery Manufacturing is expected to grow the most, adding 151 jobs (an increase of 78%). Couriers and Messengers will also grow substantially, adding 104 jobs (e.g., FedEx, UPS).

York County Industrial Growth (2015-2025)					
NAICS	Description	2015 Jobs	2025 Jobs	2015 - 2025 Change	2015 - 2025 % Change
333	Machinery Manufacturing	193	344	151	78%
492	Couriers and Messengers	247	351	104	42%
488	Support Activities for Transportation	186	259	73	39%
311	Food Manufacturing	630	667	37	6%
493	Warehousing and Storage	487	518	31	6%
485	Transit and Ground Passenger Transportation	158	184	26	16%
312	Beverage and Tobacco Product Manufacturing	355	374	19	5%
337	Furniture and Related Product Manufacturing	368	382	14	4%
212	Mining (except Oil and Gas)	37	46	9	24%
316	Leather and Allied Product Manufacturing	36	40	4	11%
335	Electrical Equipment, Appliance, and Component	53	54	1	2%
481	Air Transportation	0	0	0	0%
211	Oil and Gas Extraction	0	0	0	0%
331	Primary Metal Manufacturing	0	0	0	0%
213	Support Activities for Mining	0	0	0	0%
482	Rail Transportation	43	42	(1)	(2%)
487	Scenic and Sightseeing Transportation	31	25	(6)	(19%)
221	Utilities	134	124	(10)	(7%)
339	Miscellaneous Manufacturing	223	213	(10)	(4%)
325	Chemical Manufacturing	155	131	(24)	(15%)
484	Truck Transportation	202	177	(25)	(12%)
313	Textile Mills	67	40	(27)	(40%)
334	Computer and Electronic Product Manufacturing	389	361	(28)	(7%)
323	Printing and Related Support Activities	55	14	(41)	(75%)
327	Nonmetallic Mineral Product Manufacturing	198	145	(53)	(27%)
324	Petroleum and Coal Products Manufacturing	88	25	(63)	(72%)
322	Paper Manufacturing	98	31	(67)	(68%)
314	Textile Product Mills	294	211	(83)	(28%)
321	Wood Product Manufacturing	255	163	(92)	(36%)
326	Plastics and Rubber Products Manufacturing	746	626	(120)	(16%)
332	Fabricated Metal Product Manufacturing	1,239	1,095	(144)	(12%)
336	Transportation Equipment Manufacturing	1,539	1,336	(203)	(13%)
486	Pipeline Transportation	<10	<10	Insf. Data	Insf. Data
491	Postal Service	<10	<10	Insf. Data	Insf. Data
315	Apparel Manufacturing	15	<10	Insf. Data	Insf. Data
483	Water Transportation	<10	<10	Insf. Data	Insf. Data

Source: EMSI

Key Industrial Data Findings:

- York County's supply of industrial space remained constant from 2010 through 2015 at 8.5 million square feet. The vacancy rate has averaged around 8.3% over the past five years.
- In 2016, the county gained new industrial space including distribution space (38,830 square feet), and warehouse space (10,560 square feet).
- Net absorption averaged 87,700 square feet annually from 2008 through 2015. However, net absorption was greatly affected by a surge of building activity in 2008, after which absorption rates declined.
- Warehouse space comprises half of the industrial space in the county with 151 buildings and 4.2 million square feet. Manufacturing is the other significant component accounting for 36% of all industrial space.
- Over the past 9 years, net absorption has been greatest for Distribution space for which there was 98,100 square feet of net absorption. Warehousing ranked second with 43,700 square feet of net absorption.
- Flex space (typically, industrial uses combined with office space) accounts for 1.16 million square feet of inventory in York County. Only 2 Flex buildings were built since 2007 although one of these was finished in 2016 bringing 8,720 square feet to the market. Vacancy rates for flex space have been higher than other industrial spaces, averaging around 12.3% over the past 5 years.
- The demand outlook in York County is strongest for Warehousing and Storage. The industry is expected to gain 704 jobs over the next 10 years, corresponding to roughly 350,000 square feet (35,000 on average annually).
- Demand is also projected for manufacturing space with Fabricated Metal Product Manufacturing expected to grow by nearly 600 jobs and Chemical Manufacturing projected to increase by 526 jobs.

Retail

The market potential for retail is influenced greatly by Berwick’s position along the Maine – New Hampshire border. The sales tax rate in New Hampshire is 0% compared to Maine’s state sales tax rate of 5.5% (which is the total sales tax rate in Berwick, ME). Most retail uses would therefore locate on the New Hampshire side of the border where they would enjoy a competitive advantage against any retail on the Maine side of the border. However, it is possible that some retail could potentially be feasible. This would mostly be convenience types of retail such as banks, drug stores, and restaurants and bars.

This analysis includes the full realm of retail possibilities, but focuses on those types of retail that could potentially be feasible in Berwick, given the town’s disadvantage in terms of sales tax.

Retail Supply

York County has about 12.8 million square feet of retail (1,589 buildings). Over the last five years the average vacancy rate has been low at 3.9%. The average number of months on the market has been 19.4. Over the last 12 months, market absorption has been a negative 26,000 square feet. Within the past 12 months new retail construction has totaled over 29,000 square feet. Triple net rental rates have averaged just over \$11, while the sale price of retail space has been \$113 per square foot compared to asking rates of \$123 per square foot.

York County - Retail Snapshot	
Availability	5-Year Average
NNN Rent Per SF	\$11.18
Vacancy Rate	3.90%
Vacant SF	502,866
Sublet SF	67,087
Months on Market	19.4
Demand	5-Year Average
12 Mo. Absorption SF	-26,073
12 Mo. Leasing SF	102,800
Inventory	5-Year Average
Existing Buildings	1,589
Existing SF	12,826,341
12 Mo. Construction Starts	29,299
Under Construction	17,764
12 Mo. Deliveries	28,563
Sales	5-Year Average
Sale Price Per SF	\$113
Asking Price Per SF	\$123
Sales Volume (Mil.)	\$23.0

Source: CoStar

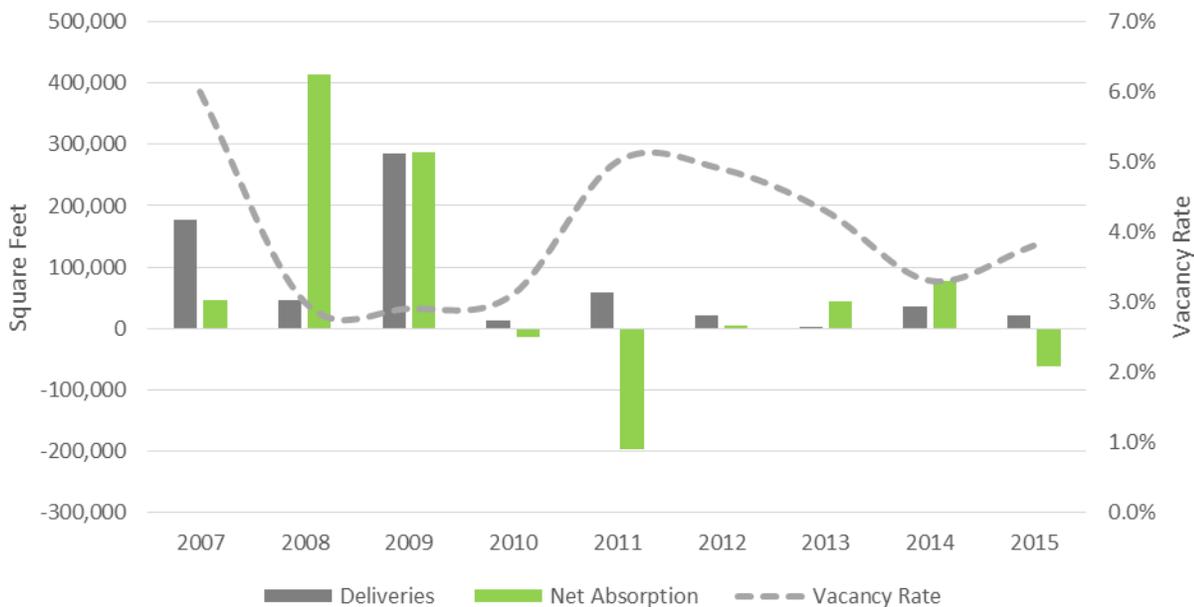
Overall there have been 20 new buildings added to the market from 2007 through 2015 representing over 290,000 square feet. The vacancy rate has fluctuated around the 4% mark.

Retail Vacancy Rate by Year - York County				
Year	Bldgs	Inventory SF	Vacant SF	Vacancy %
2015	1,588	12,790,016	486,948	3.8%
2014	1,589	12,780,787	416,244	3.3%
2013	1,588	12,841,967	554,884	4.3%
2012	1,591	12,874,534	631,109	4.9%
2011	1,591	12,886,836	648,573	5.0%
2010	1,585	12,835,627	399,834	3.1%
2009	1,584	12,823,627	372,504	2.9%
2008	1,574	12,538,953	374,876	3.0%
2007	1,568	12,499,541	750,540	6.0%

Source: CoStar

Retail building deliveries have averaged approximately 6 per year but have slowed down in recent years with an average of only 2 buildings per year over the past three years. Similarly, the amount of square feet delivered has decreased to an average of 19,900 square feet over the past three years compared to 73,000 square feet over the entire timeframe. The average annual net absorption of retail space has been 66,700 square feet between 2007 and 2015, although rates have declined in recent years.

Deliveries, Absorption & Vacancy - York County



Retail Demand

Local Trade Area Demographics

The age range with the greatest number of households in the Local Trade Area is 35-54. Households in this age range have the highest median household income compared to both younger and older age ranges. The most populous age range is the 45-54 range with over 5,200 households.

Households by Income and Age of Housheholder (2015) - Local Trade Area								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	214	462	344	460	591	404	371	2,846
\$15,000-\$24,999	151	383	308	319	368	340	424	2,293
\$25,000-\$34,999	174	518	343	362	470	360	474	2,701
\$35,000-\$49,999	195	851	610	612	571	545	468	3,852
\$50,000-\$74,999	194	1,003	1,005	1,174	1,016	808	315	5,515
\$75,000-\$99,999	94	720	733	1,142	883	430	175	4,177
\$100,000-\$149,999	33	422	795	744	717	189	73	2,973
\$150,000-\$199,999	7	134	151	301	236	83	28	940
\$200,000+	5	52	123	134	138	48	10	510
Total	1,067	4,545	4,412	5,248	4,990	3,207	2,338	25,807
Median HH Income	\$34,574	\$50,924	\$62,330	\$66,417	\$59,666	\$48,318	\$32,245	

Source: ESRI

Red= least number of households

Green = greatest number of households

Regional Trade Area Demographics

Regional Trade Area demographics are similar to the Local Trade Area. The greatest number of households fall in the 45-54 age group, which also has the highest median household income. In general, however, median household incomes are measurably greater in the region. There are also more households in the over 65 range in the region (26% compared to 21% of all households).

Households by Income and Age of Housheholder (2015) - Regional Trade Area								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	1,109	1,977	1,557	2,289	3,401	2,403	2,661	15,397
\$15,000-\$24,999	834	1,639	1,593	1,797	2,520	2,515	3,177	14,075
\$25,000-\$34,999	692	2,067	1,680	2,116	2,636	2,570	2,778	14,539
\$35,000-\$49,999	969	3,406	2,985	3,740	3,621	3,404	3,331	21,456
\$50,000-\$74,999	983	4,545	4,895	6,428	6,531	5,706	2,705	31,793
\$75,000-\$99,999	497	3,484	4,307	6,445	5,761	3,175	1,346	25,015
\$100,000-\$149,999	282	2,429	4,905	5,963	5,661	2,299	1,000	22,539
\$150,000-\$199,999	52	867	1,828	3,178	2,729	889	340	9,883
\$200,000+	25	470	1,282	2,134	2,212	977	239	7,339
Total	5,443	20,884	25,032	34,090	35,072	23,938	17,577	162,036
Median HH Income	\$35,935	\$55,342	\$73,593	\$76,877	\$68,986	\$53,131	\$35,526	

Source: ESRI

Red = least number of households

Green = greatest number of households

Tapestry Segmentation

A tool used by retail site selectors in determining the characteristics of a particular trade area is market segmentation, which is the classification of consumers according to demographic, socioeconomic, housing, and lifestyle characteristics. It is how retailers and site selectors compare consumer trends across trade areas when considering many site locations.

Market segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate toward each other and into the same communities. Businesses utilize segmentation to understand their customers' lifestyle choices, purchasing preferences, and how they spend their free time.



Market segmentation data for the regional trade area were obtained from ESRI's Tapestry segmentation model. Additional information about ESRI's model can be found here: <http://www.esri.com/landing-pages/tapestry>. We will focus on the characteristics of consumers living in the broader regional trade area since the retail categories with the best potential for success in the area tend to have a regional reach.

It is important to recognize that the classifications and labels that ESRI uses for defining market segments are generalizations. The descriptions of each segment are based on comparisons with the U.S. as a whole and reflect the propensity of households within that segment to exhibit certain demographic, lifestyle, and consumer characteristics relative to the overall population. The purpose of this exercise is to compare local consumer trends to those of consumers across the U.S. so businesses and developers not familiar with the Berwick region understand consumer demand in this area.

The top ESRI Tapestry segments are listed in the table below, with profiles of each segment, including household composition, housing type, income, age, education, and consumer habits following.

Top ESRI Tapestry Segments of the Regional Trade Area			
Rank	Tapestry Segment	Households	Percent
1	Green Acres	19,256	11.9%
2	Parks and Rec	14,948	9.2%
3	The Great Outdoors	13,976	8.6%
4	Front Porches	10,686	6.6%
5	In Style	10,155	6.3%

Source: ESRI

Green Acres (11.9%)

- Average Household Size: 2.69
- Median Age: 43
- Median Household Income: \$72,000

The Green Acres lifestyle features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of Green Acres remain pessimistic about the near future yet are heavily invested in it.

Parks and Rec (9.2%)

- Average Household Size: 2.49
- Median Age: 40.3
- Median Household Income: \$55,000

These practical suburbanites have achieved the dream of home ownership. They have purchased homes that are within their means. Their homes are older, and town homes and duplexes are not uncommon. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that supported their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.

The Great Outdoors (8.6%)

- Average Household Size: 2.49
- Median Age: 40.3
- Median Household Income: \$55,000



These neighborhoods are found in pastoral settings throughout the United States. Consumers are educated empty nesters living an active but modest lifestyle. Their focus is land. They are more likely to invest in real estate or a vacation home than stocks. They are active gardeners and partial to homegrown and home-cooked meals. Although retirement beckons, most of these residents still work, with incomes slightly above the US level.

Front Porches (6.6%)

- Average Household Size: 2.55
- Median Age: 34.2
- Median Household Income: \$39,000

Front Porches blends household types, with more young families with children or single households than average. This group is also more diverse than the US. Half of householders are renters, and many of the homes are older town homes or duplexes. Friends and family are central to Front Porches residents and help to influence household buying decisions. Residents enjoy their automobiles and like cars that are fun to drive. Income and net worth are well below the US average, and many families have taken out loans to make ends meet.

In Style (6.3%)

- Average Household Size: 2.33
- Median Age: 41.1
- Median Household Income: \$66,000

In Style denizens embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are connected and make full use of the advantages of mobile devices. Professional couples or single households without children, they have the time to focus on their homes and their interests. The population is slightly older and already planning for their retirement.

Consumer Spending Patterns

Expenditures on goods and services are used to evaluate the spending patterns and purchasing power of residents in the regional trade area. This section of the report looks at spending by local residents but does not show where these expenditures were made.

The table below shows spending by regional trade area residents on select retail goods and services. Variables shown include the average annual spending per household on a particular good or service, the regional trade area total spending on that good, and the spending potential index (SPI) for both the regional trade area and the local trade area. The SPI represents household expenditures on a product or service relative to a national average of 100. An SPI greater than 100 indicates that, on average, households within the local trade area spend more on that particular good than the average U.S. household. The difference between the regional trade area and local trade area SPI (the last column) gives a snapshot of how the spending power of local residents compares with those in the greater region.

A very high SPI can mean a number of things:

- Costs of goods and services within that particular spending category are much higher within a trade area than they are elsewhere throughout the nation.
- Residents within a trade area may be wealthier than the national average.
- Population characteristics can drive up SPI in certain categories. For example, a trade area with a large retired population will likely spend more on healthcare and Medicare.

The SPI is a good preliminary measure used to identify market characteristics that may necessitate additional attention within an analysis. The average SPI in the Regional Trade Area is 105, indicating that households spend

only slightly more than the national average. No category has a SPI above 109, which indicates there are no individual categories that specifically stand out as strong market opportunities.

Consumer Spending Index: Regional Trade Area	
Category	SPI
Apparel and Services	104
Men's	104
Women's	105
Children's	101
Footwear	102
Watches & Jewelry	107
Apparel Products and Services (1)	105
Computer	
Computers and Hardware for Home Use	105
Portable Memory	105
Computer Software	106
Computer Accessories	107
Entertainment & Recreation	105
Fees and Admissions	107
Membership Fees for Clubs (2)	108
Fees for Participant Sports, excl. Trips	107
Admission to Movie/Theatre/Opera/Ballet	106
Admission to Sporting Events, excl. Trips	108
Fees for Recreational Lessons	108
Dating Services	100
TV/Video/Audio	104
Cable and Satellite Television Services	104
Televisions	105
Satellite Dishes	103
VCRs, Video Cameras, and DVD Players	104
Miscellaneous Video Equipment	105
Video Cassettes and DVDs	104
Video Game Hardware/Accessories	101
Video Game Software	104
Streaming/Downloaded Video	106
Rental of Video Cassettes and DVDs	104
Installation of Televisions	106
Audio (3)	106
Rental and Repair of TV/Radio/Sound Equipment	103
Pets	105
Toys and Games (4)	105
Recreational Vehicles and Fees (5)	106
Sports/Recreation/Exercise Equipment (6)	104
Photo Equipment and Supplies (7)	106
Reading (8)	107
Catered Affairs (9)	107
Food	104
Food at Home	104
Bakery and Cereal Products	104
Meats, Poultry, Fish, and Eggs	103
Dairy Products	104
Fruits and Vegetables	104
Snacks and Other Food at Home (10)	104
Food Away from Home	104
Alcoholic Beverages	106
Nonalcoholic Beverages at Home	103

Source: ESRI



Financial	
Investments	107
Vehicle Loans	104
Health	
Nonprescription Drugs	104
Prescription Drugs	105
Eyeglasses and Contact Lenses	106
Home	
Mortgage Payment and Basics (11)	108
Maintenance and Remodeling Services	108
Maintenance and Remodeling Materials (12)	105
Utilities, Fuel, and Public Services	104
Household Furnishings and Equipment	
Household Textiles (13)	106
Furniture	104
Rugs	108
Major Appliances (14)	106
Housewares (15)	106
Small Appliances	106
Luggage	107
Telephones and Accessories	102
Household Operations	
Child Care	104
Lawn and Garden (16)	107
Moving/Storage/Freight Express	104
Housekeeping Supplies (17)	104
Insurance	
Owners and Renters Insurance	106
Vehicle Insurance	105
Life/Other Insurance	106
Health Insurance	106
Personal Care Products (18)	103
School Books and Supplies (19)	103
Smoking Products	101
Transportation	
Vehicle Purchases (Net Outlay) (20)	104
Gasoline and Motor Oil	103
Vehicle Maintenance and Repairs	105
Travel	
Airline Fares	108
Lodging on Trips	108
Auto/Truck/Van Rental on Trips	109
Food and Drink on Trips	107

Source: ESRI

- (1) Apparel Products and Services includes material for making clothes, sewing patterns and notions, shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.
- (2) Membership Fees for Clubs includes membership fees for social, recreational, and civic clubs.
- (3) Audio includes satellite radio service, sound components and systems, digital audio players, records, CDs, audio tapes, streaming/downloaded audio, tape recorders, radios, musical instruments and accessories, and rental and repair of musical instruments.
- (4) Toys and Games includes toys, games, arts and crafts, tricycles, playground equipment, arcade games, and online entertainment and games.
- (5) Recreational Vehicles & Fees includes docking and landing fees for boats and planes, purchase and rental of RVs or boats, and camp fees.
- (6) Sports/Recreation/Exercise Equipment includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.
- (7) Photo Equipment and Supplies includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.
- (8) Reading includes magazine and newspaper subscriptions, single copies of magazines and newspapers, and books.
- (9) Catered Affairs includes expenses associated with live entertainment and rental of party supplies.



- (10) Snacks and Other Food at Home includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fat, oil, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.
- (11) Mortgage Payment and Basics includes mortgage interest, mortgage principal, property taxes, homeowners insurance, and ground rent.
- (12) Maintenance and Remodeling Materials includes supplies/tools/equipment for painting and wallpapering, plumbing supplies and equipment, electrical/heating/AC supplies, materials for hard surface flooring, materials for roofing/gutters, materials for plaster/panel/siding, materials for patio/fence/brick work, landscaping materials, and insulation materials for owned homes.
- (13) Household Textiles includes bathroom linens, bedroom linens, kitchen linens, dining room linens, other linens, curtains, draperies, slipcovers, decorative pillows, and materials for slipcovers and curtains.
- (14) Major Appliances includes dishwashers, disposals, refrigerators, freezers, washers, dryers, stoves, ovens, microwaves, window air conditioners, electric floor cleaning equipment, sewing machines, and miscellaneous appliances.
- (15) Housewares include plastic dinnerware, china, flatware, glassware, serving pieces, nonelectric cookware, and tableware.
- (16) Lawn and Garden includes lawn and garden supplies, equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.
- (17) Housekeeping Supplies includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, and delivery services.
- (18) Personal Care Products includes hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, and personal care appliances.
- (19) School Books and Supplies include school books and supplies for college, elementary school, high school, and preschool.
- (20) Vehicle Purchases (Net Outlay) includes net outlay for new and used cars, trucks, vans, motorcycles, and motor scooters.

Retail Gap Analysis

In a retail gap analysis, the existing retail sales (“supply”) of trade area businesses are compared to the estimated retail spending of trade area residents (“demand”). The difference between demand and supply is referred to as the “retail gap.”² The retail gap can be positive or negative.

When the demand (spending by trade area residents) for goods and services is greater than sales at trade area businesses, sales are said to “leak out” of the trade area, creating a positive retail gap (i.e. sales leakage).

Conversely, if the supply of goods sold (local trade area sales) exceeds trade area demand (spending by trade area residents), it is assumed that non-residents are coming into the trade area and spending money, creating a negative retail gap (i.e. sales surplus).

Sales leakage and sales surplus carry different implications. In many cases, sales leakage presents an opportunity to capture unmet demand in a trade area since a percentage of residential spending occurs outside the trade area. This demand can be met within the trade area by opening new businesses or expanding existing businesses within retail sectors that show sales leakage. However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for the region.

A sales surplus might exist for several reasons. For example, the region might be a popular shopping destination for tourists and other out-of-towners, or a cluster of competing businesses offering a similar product or service may be located within the trade area, creating a specialty cluster that draws in spending by households from outside the trade area. Alternatively, a sales surplus could be an indicator of market saturation.

The following Retail Gap Analysis table contains a list of industry groups sorted by 3- and 4-digit NAICS codes and includes figures for sales demand (estimated spending by local trade area residents), sales supply (existing retail

² Note that existing retail sales are specific to the defined trade area whereas retail spending is an estimate of gross spending by residents living in the trade area regardless of where the retail spending occurs.

sales within the trade area), and retail gap (demand minus supply). Retail categories with sales leakage are in black, and those with sales surplus are in red.

To reflect the varying reach of the different retail categories, they were divided into two groups: local and regional. Data for each group are presented separately, with businesses that typically have a local reach (e.g., grocery stores, gas stations) listed under "local trade area" and businesses with a regional reach (e.g., clothing stores, department stores, specialty stores) listed under "regional trade area."

Retail Gap - Local Trade Area				
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Food & Beverage Stores				
4451	Grocery Stores	137,257,142	148,616,439	(11,359,297)
4453	Beer, Wine, & Liquor Stores	6,853,917	6,323,523	530,394
Health & Personal Care Stores				
4461	Health & Personal Care Stores	48,040,223	66,396,477	(18,356,254)
Gasoline Stations				
4471	Gasoline Stations	54,387,830	64,966,522	(10,578,692)
Miscellaneous Store Retailers				
4531	Florists	1,412,111	2,030,992	(618,881)
Food Services & Drinking Places				
7222	Limited-Service Eating Places	31,136,028	28,840,187	2,295,841
7224	Drinking Places - Alcoholic Beverages	869,640	951,631	(81,991)

Source: ESRI

Retail Gap - Regional Trade Area				
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Motor Vehicle & Parts Dealers				
4411	Automobile Dealers	1,130,058,212	1,224,602,272	(94,544,060)
4412	Other Motor Vehicle Dealers	191,595,388	757,441,929	(565,846,541)
4413	Auto Parts, Accessories & Tire Stores	86,455,036	92,167,897	(5,712,861)
Furniture & Home Furnishings Stores				
4421	Furniture Stores	101,153,380	74,954,493	26,198,887
4422	Home Furnishings Stores	81,427,687	75,522,243	5,905,444
Electronics & Appliance Stores				
443	Electronics & Appliance Stores	280,236,801	287,157,192	(6,920,391)
Bldg Materials, Garden Equip. & Supply Stores				
4441	Bldg Material & Supplies	257,766,034	325,141,150	(67,375,116)
4442	Lawn & Garden Equip & Supply Stores	33,255,034	44,020,851	(10,765,817)
Food & Beverage Stores				
4452	Specialty Food Stores	144,692,657	105,317,415	39,375,242
Clothing & Clothing Accessories Stores				
4481	Clothing Stores	244,437,485	189,977,136	54,460,349
4482	Shoe Stores	59,024,268	44,594,453	14,429,815
4483	Jewelry, Luggage & Leather	61,035,643	52,979,080	8,056,563
Sporting Goods, Hobby, Book & Music Stores				
4511	Sporting Goods/Hobby/Musical Instr Stores	147,502,503	277,324,072	(129,821,569)
4512	Book, Periodical & Music	41,421,573	124,782,814	(83,361,241)
General Merchandise Stores				
4521	Department Stores Excluding Leased Depts.	827,423,219	967,724,899	(140,301,680)
4529	Other General Merchandise	244,748,209	221,618,092	23,130,117
Miscellaneous Store Retailers				
4531	Florists	10,939,023	15,890,550	(4,951,527)
4532	Office Supplies, Stationery & Gift Stores	56,779,479	57,354,686	(575,207)
4533	Used Merchandise Stores	31,031,090	36,441,075	(5,409,985)
4539	Other Miscellaneous Store	173,257,145	264,616,140	(91,358,995)
Food Services & Drinking Places				
7221	Full-Service Restaurants	411,261,673	511,226,119	(99,964,446)
7223	Special Food Services	14,312,646	13,921,761	390,885

Source: ESRI

In the Local Trade Area only Beer, Wine & Liquor Stores and Limited-Service Eating Places have sales leakage. In the Regional Trade Area, the top industry groups with the greatest sales leakage (ranked from greatest to least) include:

- Clothing Stores
- Specialty Food Stores
- Furniture Stores
- Other General Merchandise Stores
- Shoe Stores

Retail Potential Analysis

In the following analysis, we compare the retail gaps within the retail categories that have sales leakage to the average sales of similar businesses in the Regional Trade Area. This allows us to identify which of the industries with sales leakage may have enough unmet demand to warrant opening a new store or expanding existing stores.

The table below identifies the number of new businesses that, theoretically, could be supported in the town, assuming:

1. 25% of the sales leakage is recaptured locally and 5% is recaptured regionally, and
2. New businesses have sales comparable to the average sales of all Regional Trade Area businesses in the same retail category.

A recapture expectation of 15%-25% is typical among various retail categories; however, as previously discussed, convenience industry groups identified in the Local Trade Area Analysis are much more likely to have retail potential compared to others because of the sales tax rate difference between Berwick and across the border in New Hampshire. Additionally, there is strong regional competition from the urban areas of Portland and Boston.

Spending Demand Analysis (Potential for New Retail Businesses)					
NAICS	Industry Group	Retail Sales Gap (i.e., unmet demand)	Leakage Recapture	Average Sales per Business	Potential Businesses
Local Trade Area					
4453	Beer, Wine, & Liquor Stores	\$530,394	\$132,599	\$1,681,050	0.1
7222	Limited-Service Eating Places	\$2,295,841	\$573,960	\$673,691	0.9
Regional Trade Area					
4421	Furniture Stores	\$26,198,887	\$1,309,944	\$1,118,724	1.2
4422	Home Furnishings Stores	\$5,905,444	\$295,272	\$619,035	0.5
4452	Specialty Food Stores	\$105,317,415	\$5,265,871	\$923,837	5.7
4481	Clothing Stores	\$54,460,349	\$2,723,017	\$766,037	3.6
4482	Shoe Stores	\$14,429,815	\$721,491	\$910,091	0.8
4483	Jewelry, Luggage & Leather Goods Stores	\$8,056,563	\$402,828	\$670,621	0.6
4529	Other General Merchandise Stores	\$23,130,117	\$1,156,506	\$3,035,864	0.4
7223	Special Food Services	\$390,885	\$19,544	\$376,264	0.1

Source: ESRI; Camoin Associates

The results of the analysis show that the greatest potential is for Limited-Service Eating Places with potential leakage capture of nearly \$574,000. Specialty food stores, clothing stores and furniture stores could have potential under very limited or special circumstances because these establishments would more likely than not locate on the New Hampshire side of the border.

Key Retail Market Data Findings

- Retail potential is influenced greatly by Berwick's position along the Maine-New Hampshire border. The sales tax rate in New Hampshire is 0% compared to Maine's state sales tax rate of 5.5% (which is also the sales tax rate in Berwick). Therefore, retail uses would generally locate on the New Hampshire side of the border where they would enjoy a competitive advantage over any retail on the Maine side of the border.
- York County has gained 290,000 square feet of retail inventory from 2007 through 2015 (a total of 20 new buildings); however, retail deliveries have slowed down in recent years with only 2 buildings per year, on average, over the past three years.
- The average annual net absorption of retail space has been close to 67,000 square feet over the past 9 years, although rates have declined recently. Vacancy rates have remained relatively low, even as absorption and deliveries have declined. This indicates a slowing of demand for retail space.
- A retail gap analysis found that in the Local Trade Area only Beer, Wine & Liquor Stores and Limited-Service Eating Places have sales leakage (i.e., local businesses are not meeting all of the needs of local customers).
- At the regional level, there is sales leakage in the following categories:
 - Clothing Stores
 - Specialty Food Stores
 - Furniture Stores
 - Other General Merchandise Stores
 - Shoe Stores
- Not all sales leakage means that there is business potential. The analysis considered the amount of spending that could be "captured" locally by new businesses to see if there is enough potential to actually support new businesses. The results showed that there is potential for limited-service eating places (e.g., fast-food restaurants). Additionally, specialty food stores, clothing stores, and furniture stores could have potential under the right circumstances, but would more likely than not locate on the New Hampshire side of the border.

Entertainment and Recreation Industry Market Analysis

Venues and Attractions

Berwick has several arts, entertainment, and recreation businesses, including two businesses classified under Golf Courses and Country Clubs. Outlook Golf is the largest businesses in this category with 50 employees. Hackmatack Playhouse, a local summer theater attraction, ranks second with 45 employees.

Arts, Entertainment, and Recreation Businesses in Berwick		
Business Name	NAICS Description	No. of Employees
Great Works Property	Golf Courses and Country Clubs	14
Greystone Stables	All Other Amusement and Recreation Industries	1
Hackmatack Playhouse	Theater Companies and Dinner Theaters	45
Outlook Golf	Golf Courses and Country Clubs	50
Red Barn	Golf Courses and Country Clubs	14
Red Barn At Outlook Farm	Fitness and Recreational Sports Centers	5
Seacoast Body Sculpting Inc	Fitness and Recreational Sports Centers	2
Total		131

Source: ESRI

Arts, Entertainment, and Recreation Industry

Looking at the broader region, there are 688 Arts, Entertainment, and Recreation businesses with over 9,700 jobs. Over the next ten years, the industry is expected to grow by 11% or over 1,000 jobs.

At the 4-digit NAICS industry level, most of the employment is classified in the Other Amusement and Recreation Industries, which accounts for 64% of jobs and 65% of businesses. Amusement Parks and Arcades ranks second with 1,040 jobs and 26 businesses, while Spectator Sports follows with 607 jobs and 23 businesses. The greatest growth is expected in Gambling Industries with 97% growth anticipated over the next 10 years. Jobs will decline in Spectator Sports and Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures, indicating weakness in these categories.

The table below provides additional detail on the industry groups within the Arts, Entertainment, and Recreation Industry. The Location Quotient (LQ) column represents the relative concentration of each industry compared to the rest of the nation. A LQ of more than 1.0 means that an industry is more concentrated than the rest of the country, while a LQ of less than 1.0 means the industry is less concentrated. Amusement Parks and Arcades is the only industry considered significantly concentrated in the region (a LQ at or above 1.5).

Arts, Entertainment, and Recreation Industry Groups (4-Digit NAICS) - Region							
NAICS	Description	No. of Businesses	2015 Jobs	2025 Jobs	2015-2025 Change	2015-2025 % Change	2015 Location Quotient
7111	Performing Arts Companies	36	349	371	22	6%	0.8
7112	Spectator Sports	23	607	472	-135	-22%	1.2
7113	Promoters of Performing Arts, Sports, and Similar Events	34	321	452	131	41%	0.7
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	9	17	15	-2	-12%	0.2
7115	Independent Artists, Writers, and Performers	58	106	176	70	66%	0.5
7121	Museums, Historical Sites, and Similar Institutions	44	467	530	63	13%	0.9
7131	Amusement Parks and Arcades	26	1,040	1,151	111	11%	1.5
7132	Gambling Industries	9	624	1,231	607	97%	1.4
7139	Other Amusement and Recreation Industries	449	6,190	6,390	200	3%	1.4
Total		688	9,721	10,788	1,067	11%	

Source: EMSI



The following table provides a similar breakdown for York County only, providing more detailed insights into the strengths of the local market. Of the 107 businesses in the county falling into this category, 69 are within the Other Amusement and Recreation Industries. Similar to the region, Amusement Parks and Arcades ranks strong among the industry sectors with 287 jobs. Overall, jobs in the Arts, Entertainment, and Recreation industry in York County are projected to grow by 9% over the next ten years, a pace slightly below that of the region. The greatest job growth will be in the "Other" category followed by Amusement Parks and Arcades and Performing Arts Companies. The LQ analysis indicates a rather significant concentration of Amusement Parks and Arcades compared to the rest of the country.

Arts, Entertainment, and Recreation Industry Groups (4-Digit NAICS) - York County							
NAICS	Description	No. of Businesses	2015 Jobs	2025 Jobs	2015-2025 Change	2015-2025 % Change	2015 Location Quotient
7111	Performing Arts Companies	6	62	81	19	31%	1.0
7112	Spectator Sports	0	<10	<10	Insf. Data	Insf. Data	0.0
7113	Promoters of Performing Arts, Sports, and Similar Events	2	15	22	7	47%	0.2
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	1	<10	<10	Insf. Data	Insf. Data	0.4
7115	Independent Artists, Writers, and Performers	16	21	24	3	14%	0.8
7121	Museums, Historical Sites, and Similar Institutions	7	73	83	10	14%	1.0
7131	Amusement Parks and Arcades	6	287	309	22	8%	2.9
7132	Gambling Industries	0	0	<10	Insf. Data	Insf. Data	0.0
7139	Other Amusement and Recreation Industries	69	634	670	36	6%	1.1
Total		107	1,100	1,200	100	9%	

Source: EMSI

The following table goes into further detail at the 6-digit NAICS level (the most detailed level available). The top industry sub-sectors are ranked from the greatest number of businesses to the least. Fitness and Recreational Sports Centers have the greatest number of businesses (24) and ranks third in jobs with 219; however, the sub-sector is expected to lose close to 50 jobs over the next 10 years. The greatest growth will be in Golf Courses and Country Clubs, Other Amusement and Recreation Industries, and Amusement and Theme Parks.

Top Arts, Entertainment, and Recreation Industry Sub-Sectors (6-Digit NAICS) - York County

NAICS	Description	No. of Businesses	2015 Jobs	2025 Jobs	2015-2025 Change	2015-2025 % Change	2015 Location Quotient
713940	Fitness and Recreational Sports Centers	24	219	172	-47	0	1
713990	All Other Amusement and Recreation Industries	17	56	88	32	1	1
711510	Independent Artists, Writers, and Performers	16	21	24	3	0	1
713910	Golf Courses and Country Clubs	16	289	342	53	0	2
713930	Marinas	10	65	68	3	0	4
712110	Museums	6	60	65	5	0	1
711110	Theater Companies and Dinner Theaters	4	59	77	18	0	2
713110	Amusement and Theme Parks	4	283	308	25	0	3
711130	Musical Groups and Artists	2	<10	<10	Insf. Data	Insf. Data	0
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	2	15	22	7	0	0
713120	Amusement Arcades	2	<10	<10	Insf. Data	Insf. Data	0
713950	Bowling Centers	2	<10	<10	Insf. Data	Insf. Data	0
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	1	<10	<10	Insf. Data	Insf. Data	0
712190	Nature Parks and Other Similar Institutions	1	13	18	5	0	3
711120	Dance Companies	0	0	0	0	0	0
711190	Other Performing Arts Companies	0	0	0	0	0	0
711211	Sports Teams and Clubs	0	<10	<10	Insf. Data	Insf. Data	0
711212	Racetracks	0	0	0	0	0	0
711219	Other Spectator Sports	0	0	0	0	0	0
711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities	0	0	0	0	0	0
712120	Historical Sites	0	0	0	0	0	0
712130	Zoos and Botanical Gardens	0	0	0	0	0	0
713210	Casinos (except Casino Hotels)	0	0	0	0	0	0
713290	Other Gambling Industries	0	0	<10	Insf. Data	Insf. Data	0
713920	Skiing Facilities	0	0	0	0	0	0
Total		107	1,100	1,200	104	9%	

Source: EMSI

Entertainment and Leisure Market Potential

This section analyzes the demand for entertainment activities and leisure products and services in the Regional Trade Area. This information helps show what types of entertainment, recreation, and leisure businesses are likely to be the most successful in Berwick based on consumer demand. Market potential is measured by the Market Potential Index (MPI), which is an indication of the probability of residents to engage in certain activities as compared to the U.S. overall. A MPI of 100 means that residents of the region have the same participation rate for that activity as the rest of the U.S. while a MPI greater than 100 means that residents have a greater participation rate in that activity.

The following table shows the recreation and leisure activities with the greatest MP in the region. Backpacking is the top ranked activity, followed by downhill skiing, power boating, birdwatching, and canoeing/kayaking. The analysis indicates a propensity of regional residents to engage in outdoor activities. Aside from sports and outdoor activities, attending a rock music performance, participating in photography, and baking ranked among the highest leisure activities.

Regional Leisure and Sports Market Potential: Top 25			
Product/Consumer Behavior	Expected Number of Resident Participants	Percent	Market Potential Index
Participated in backpacking in last 12 months	12,441	3.9%	132
Participated in skiing (downhill) in last 12 months	11,731	3.7%	127
Participated in boating (power) in last 12 months	20,876	6.5%	123
Did birdwatching in last 12 months	18,905	5.9%	123
Participated in canoeing/kayaking in last 12 months	20,932	6.5%	121
Participated in hiking in last 12 months	38,733	12.1%	121
Participated in weight lifting in last 12 months	40,589	12.6%	119
Participated in golf in last 12 months	35,750	11.1%	118
Participated in bicycling (mountain) in last 12 months	15,053	4.7%	117
Participated in hunting with rifle in last 12 months	17,326	5.4%	117
Participated in ice skating in last 12 months	9,651	3.0%	117
Went on overnight camping trip in last 12 months	47,857	14.9%	117
Attended rock music performance in last 12 months	36,723	11.4%	117
Did photography in last 12 months	37,060	11.5%	117
Participated in swimming in last 12 months	59,190	18.4%	116
Did baking in last 12 months	85,760	26.7%	116
Played board game in last 12 months	49,790	15.5%	116
Participated in Frisbee in last 12 months	16,915	5.3%	114
Participated in jogging/running in last 12 months	46,468	14.5%	114
Participated in motorcycling in last 12 months	11,266	3.5%	114
Went to beach in last 12 months	87,087	27.1%	114
Participate in indoor gardening/plant care	35,196	11.0%	114
Participated in bicycling (road) in last 12 months	35,804	11.1%	113
Attend sports events	85,217	26.5%	113
Went to art gallery in last 12 months	26,672	8.3%	113

Source: ESRI

The following tables look at market potential by market category. The General Sports market participation is close to the national average except for Golf, for which the MPI is moderately greater.

General Sports Market Potential	
Activity	MPI
Participated in Baseball	98
Participated in Basketball	97
Participated in Football	101
Participated in Golf	118
Participated in Soccer	106
Participated in Softball	104
Participated in Tennis	104
Participated in Volleyball	107

Source: ESRI

All of the fitness categories have MPI figures well above the rest of the country, suggesting there may be market potential for businesses offering relevant services. Weight Lifting, Swimming, and Jogging/Running rank especially high.



Fitness Market Potential	
Activity	MPI
Aerobics	110
Jogging/Running	114
Pilates	107
Swimming	116
Walking for Exercise	111
Weight Lifting	119
Yoga	110

Source: ESRI

As previously discussed, outdoor activities is a strong market, and while most of these activities are not provided by the private market, outdoor recreation participants are the target market for certain types of retailers such as clothing and equipment providers.

Outdoor Activity Market Potential	
Activity	MPI
Backpacking	132
Hiking	121
Bicycling (mountain)	117
Bicycling (road)	113
Boating (power)	123
Canoeing/Kayaking	121
Fishing (fresh water)	111
Fishing (salt water)	103
Horseback Riding	109

Source: ESRI

The following table looks at attendance at non-sports related venues for entertainment. Attending a rock music performance ranks first followed by going to an art gallery and going to bars and night clubs. In general, residents of the region are more likely to go out to entertainment venues than their national counterparts.

Entertainment Industry Market Potential	
Activity	MPI
Went to art gallery	113
Went to bar/night club	112
Played billiards/pool	107
Dined out	111
Attended a movie	104
Went to a museum	111
Attended classical music/opera performance	111
Attended country music performance	110
Attended rock music performance	117
Went to live theater	112

Source: ESRI

Key Entertainment and Recreation Industry Data Findings

- Berwick's entertainment and recreation offerings include three businesses classified under Golf Courses and Country Clubs as well as the well-known Hackmatack Playhouse, a seasonal venue for live theater.
- The Arts, Entertainment, and Recreation Industry in the region is expected to grow by 11% over the next 10 years as measured by employment. Most growth will be in Gambling Industries but "other" miscellaneous categories and Amusement Parks and Arcades will also see growth. Note that growth in gambling industries may be a "statistical anomaly" and warrants additional qualitative research.
- Within York County, Arts, Entertainment, and Recreation Industry will grow at a slower rate than the region at 9% over 10 years. Most growth will be in those businesses classified as "Other Amusement and Recreation Industries" followed by Amusement Parks and Arcades and Performing Arts Companies, respectively. Within the "Other" category are businesses classified as Golf Courses and Country Clubs, which is projected to grow by over 18% through 2025.
- Residents of the region participate in outdoor recreation activities substantially more than their national counterparts with backpacking, skiing, and power boating ranking among the top leisure and sports activities.
- General sports participation is average, with the exception of Golf, which is especially popular in the region compared to the U.S. overall. The fitness market including aerobics, running, swimming, weight lifting, etc. is also relatively strong in the region.
- Attendance at non-sports related venues is also strong with rock concerts among the most popular followed by art galleries and bars/night clubs, respectively.

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