

Retail Market Study Mount Pleasant, South Carolina

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PREPARED BY



ARNETT MULDROW

316 West Stone Avenue
Greenville, SC 29609
info@arnettmuldrow.com
864.915.7102
arnettmuldrow.com

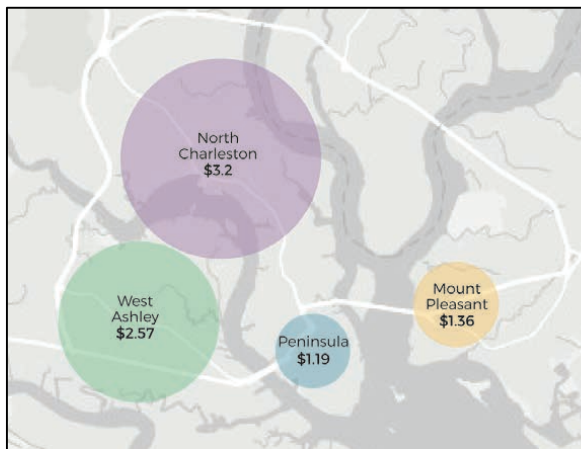
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1.0 Executive Summary

Purpose

This study was completed to provide the Town of Mount Pleasant with a better understanding of its current retail market. The report explores Mount Pleasant's place in the larger Charleston Metro market, inventories the existing retail base in the community, details demand for new retail, and assesses those forces outside of demand that impact the commercial market in the Town.

It is intended to be a precursor to the upcoming Comprehensive Plan process, as well as inform any economic development planning of the Town particularly as it relates to retail. While the study does not address broader economic development issues such as land use, recruitment, workforce or quality of life, general recommendations are outlined for the Town to consider as it conducts ongoing economic development. Many of these actions will require a deeper look at the overall economic development strategy related to the Comprehensive Plan, planning and development activities, employment and workforce, and small business support, among others.



Regional Retail Market

Mount Pleasant exists in a dynamic market and is a key retail center of the larger Charleston Metropolitan Area. The metro is the largest retail market in South Carolina (\$13.8 billion), and represents nearly one-fifth of all retail in the state. Within the region, the four primary retail magnets include North Charleston, West Ashley, Downtown Charleston/Peninsula, and Mount Pleasant. Mount Pleasant itself is very competitive in the market, and often the location of national retailers' first investment in the region. These companies want to be in Mount Pleasant due to its rapid population growth and relative affluence, both of which are among the highest in the region.

Retail Market Opportunity

A number of retail studies were conducted to determine opportunities for growth in Mount Pleasant including retail leakage, shares, and retail pull factor. Key findings include:

- There is approximately **\$336 million in demand** for additional retail in Mount Pleasant.
- Key categories showing the most demand include:
 - **Automotive Dealers - \$213 million.** Any new business would likely look to locate in West Ashley first.
 - **Building Materials & Supply - \$68 million.** The town is leaking an amount greater than the annual sales of a typical home center such as Lowes or Home Depot.
 - **General Merchandising - \$85 million.** The Town is leaking an amount equal to about two big-box retailers like Target or Walmart.
 - **Gas & Convenience - \$48 million.**
 - Other retail and specialty categories showing limited demand include:
 - Men's Clothing
 - Electronics
 - Nursery & Garden Centers
 - Jewelry Stores
 - Clothing Accessories
 - Office Supplies
 - Used Merchandising (antiques, consignment)
 - Drinking Places.
- It should be noted that no community can expect to recapture 100% of the dollars that are leaking outside of its limits. It must view opportunity in the context of demand in its local trade area as well as regional retail competitive markets.
- The Town has a pull factor of 1.08, indicating that it is pulling consumers from outside the area. Key categories that show the highest regional share include:
 - **Full-service Restaurants (16.9% share of the Metro).** This is due in part to the Shem Creek cluster that is a regional and tourist dining destination.
 - **Health and Personal Care (16.4% share).** Coupled with the abundance of wellness services (yoga and spin studios, fitness centers, etc), Mount Pleasant has seen a wellness cluster emerge. This could be a direct reflection of residents' lifestyle and affluence.
 - **Grocery (18.4% share of region).** On one hand, Mount Pleasant shows a surplus of grocery sales above local consumer buying capacity. On the other hand, the Town has been the location of several higher-end grocery stores that are entering the Charleston Market for the first time (Whole Foods, Trader Joe's).



Existing Market

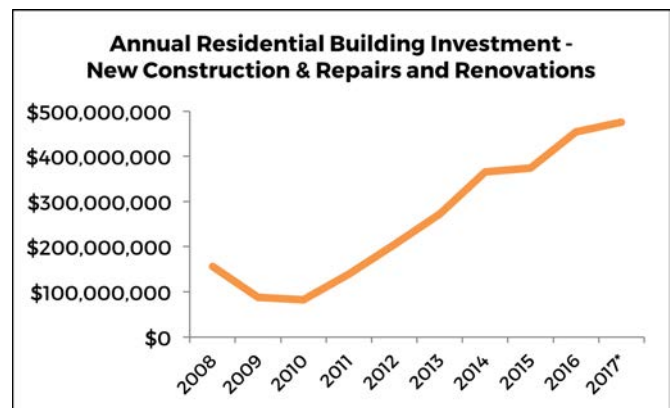
Regional real estate trade data and local primary data sets were studied to determine the health of the local retail market.

- Mount Pleasant's submarket has some of the lowest vacancy rates in the entire region, around just 5%.
- The Town also has the highest rental rates in the region outside of King Street. Mount Pleasant rental rates are \$25 per square foot and up, with some new product leasing in the mid \$40 range.
- There is approximately 5 million square feet of existing retail space in Mount Pleasant, the majority of which is located in shopping centers.
- There is limited vacancy overall, and just 120,000 total square feet of vacant anchor space in three key shopping centers.

Local Trends

Trend data point to a very strong retail and commercial market in the Town. Development was certainly affected by the recession, but retail sales saw very limited impact overall.

- New commercial construction and investment dipped significantly during the recession, from \$140 million in 2009 to just \$43 million in 2010. It was 2014 before commercial investment reached pre-recession levels.
- \$152 million in commercial investment occurred in the past year.
- Residential investment and particularly new housing starts saw a slight downturn. By 2011, investment was on a steep rise that continues today.
- In the past year, \$476 million was invested in residential construction (starts, repairs, and renovations).
- Based on local business licensing, retail sales have climbed steadily over the past decade including during the recession. This is likely driven by sustained population growth creating increasing demand.
- Growth varied by retail category, but the highest growth sectors included Restaurants (51% growth from 2007-2015), Grocery (42% growth), Lodging (69%), Health and Personal Care (51%), and Sporting Goods (114%).
- In 2015, Food and Beverage (grocery) had \$341 million in sales followed by restaurants at \$258 million.



Overall, commercial investment and business licensing confirm the previous leakage study in this report and indicate that Mount Pleasant has a very healthy and growing market.

Stakeholder Input

A number of stakeholders with knowledge of Mount Pleasant's retail market were engaged to get a more practical knowledge of opportunities and challenges. This included Town staff, retail property managers, commercial real estate firms, and developers.

- Overall, real estate professionals confirmed that the current retail market is doing extremely well. New products are consistently coming in, and long-time products are flourishing.
- They felt that while Mount Pleasant business does serve a regional market, future growth will continue to be driven by the needs of the local market and expanding population. It was mentioned that future retail will follow residential, which will create increasing demand north of Highway 41.
- They did recognize various challenges to retail growth that is outlined in the main report, including:
 - Time for permitting and approvals, although all look forward to the new third-party permitting.
 - Uncertainty in the market brought on by new impact fee structure.
 - Limited space (zoned or developed) to bring in new retail. They felt it is important for the Town to preserve areas to expand retail to meet future residential growth demands.
 - Similarly, they see office and retail competing with each other for limited space, with higher costs favoring retail over office.
 - Difficulty in attracting a ready workforce for retail and service, specifically due to local housing costs and transportation.
 - Uncertainty in national retail market trends related to online retail competition, downsizing, and closures.
 - Need for improved communication and understanding of local regulations and expectations.

Conclusion

Overall, Mount Pleasant has a robust and growing retail market. There are existing opportunities and needs in terms of retail recruitment which will only increase over time. By the same token, there are challenges and market forces that affect the ability to meet demand, not the least of which is limited space for new retail, and rising costs of development. Ultimately, it is important that an economic vision for retail be created in Mount Pleasant, and that proper planning and economic development activities are put in place to help the Town achieve that vision. The data and findings provided in this study are outlined in a manner to develop priorities for commercial growth beginning with the Comprehensive Plan process.

2.0 Introduction

The Town of Mount Pleasant has experienced rapid population and commercial growth at a sustained pace greater than that of the entire Charleston metropolitan area. Between 2000 and 2010, the Charleston area grew by 21%, far outpacing the state and nation. During this same time, Mount Pleasant grew by an astounding 43% and represented the fastest growing community in the metro. The recession only slowed growth temporarily, as Mount Pleasant has seen another 20% growth in population since the last census. Projections call for another 11% increase in population in Mount Pleasant over the next five years alone.

This explosive growth contributes to an increasing tax base for the Town, but also brings with it many challenges. Pressure on commercial development to meet the demand of the ever-expanding local population has resulted in a significant amount of retail investment in Mount Pleasant along the Johnnie Dodds/US 17 corridor, in the Shem Creek area, along Coleman Boulevard, and in other areas.

Regional demand has contributed as much to Mount Pleasant's retail growth as the needs of local residents. With Interstate 526, Ravenel Bridge/Hwy 17, and even CARTA regional transit, Mount Pleasant has quick and easy access to the remainder of the metro area. Developments such as Mount Pleasant Towne Centre provide shopping and entertainment for the entire Charleston metropolitan area.

Future residential and commercial development is ultimately constrained by Mount Pleasant's geography. The town is bordered on the east by the barrier islands of Sullivan's Island and Isle of Palms, and to the north, west, and south by the Wando River and Charleston Harbor. There are still receiving areas for development, but proper planning is necessary to allow for growth that balances a healthy mixture of uses with the quality of life enjoyed by Mount Pleasant residents.

Realizing this, the Town commissioned this market study to better understand the retail forces that exist in Mount Pleasant as it is positioned in the greater Charleston metropolitan area. The study explores how existing retail base, potential new development, and regional dynamics operate in context with the Mount Pleasant community. This study includes:

- A retail market overview that provides quantitative data to describe the current market in Mount Pleasant and region.
- Qualitative input from key stakeholders involved in commercial real estate and retail development.
- A retail supply study and detailed market analysis that examines more specific market factors such as existing supply, available retail space, and occupancy.

3.0 Market Area

Mount Pleasant exists in a dynamic market, and it is important to look at both local and regional indicators.

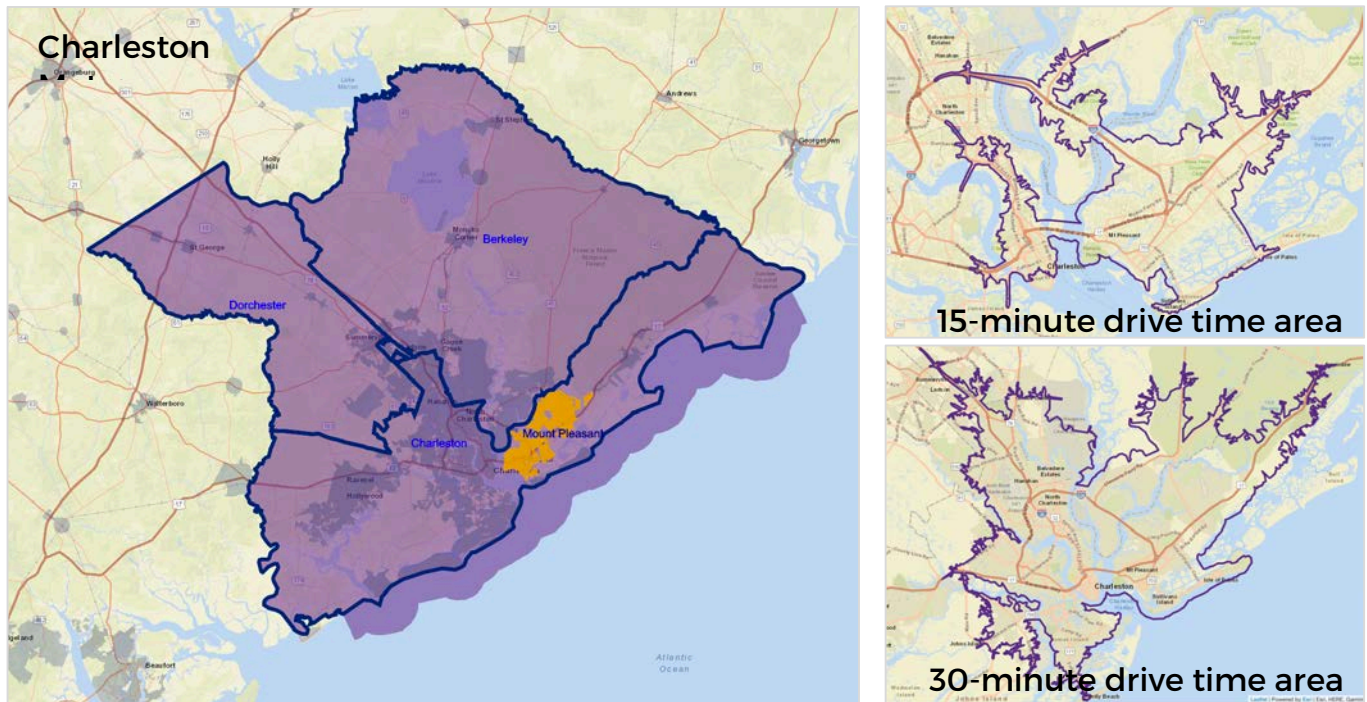


Figure 1: Study Area. Left: Town of Mount Pleasant (orange) and Charleston metro (Purple). Upper Right: 15-minute drive time. Lower Right: 30-minute drive time

The retail studies that follow examine each of these geographies in comparison to Mount Pleasant:

- 15-minute drive time – The area that could be considered the “local” market for Mount Pleasant. Its population should be most relevant to those businesses meeting local demand.
- 30-minute drive time – The regional market that is most likely served by Mount Pleasant’s regional retail offerings.
- Charleston Metropolitan Statistical Area (MSA) including Charleston, Berkeley, and Dorchester Counties
- Key retail magnets that compete and complement each other within the metro:
 1. Charleston Peninsula (29401 and 29403 zip codes) – downtown and surrounding areas that make up the core of the City.
 2. North Charleston
 3. West Ashley
 4. Town of Mount Pleasant

4.0 Retail Market Overview

In this section, Mount Pleasant's retail market is examined to identify potential opportunities for retail growth. The retail market analysis consists of three key studies:

1. A **retail leakage analysis** examines retail sales and consumer expenditures in Mount Pleasant and the region to see how much money is "leaking" from the area to stores in other areas.
2. A **retail shares analysis** identifies Mount Pleasant's strengths and opportunities by examining its retail sales as a percentage of the region.
3. A **pull factor analysis** looks at per capita retail sales in Mount Pleasant and surrounding communities relative to per capita retail sales in the state.

4.1 Retail Leakage Analysis

"Retail Leakage" refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. Retail leakage occurs when local demand exceeds local sales in the same geography. Conversely, retail gain occurs when local sales exceed local demand. If a community is a major retail center with a variety of stores it will be "attracting" rather than "leaking" retail sales. Even large communities may see leakage in certain retail categories.

The data presented below comes from Claritas, Inc., a national retail marketing service used by town planners, retail & restaurant site planners, and national chains for their market research. Claritas gets its data from a number of sources. Sales expenditures primarily come from the Census for Retail Trade gathered on a county level by the US Census Bureau. Claritas updates the data each year using local trade associations, local sales tax data, wage & employment data, and then allocates it to block group levels. Overall, the sales data comes from the following sources: Census of Retail Trade; Annual Survey of Retail Trade; Claritas Business Facts; Census of Employment and Wages; Sales Tax Reports; and various Trade Associations.

This data is a broad look at the regional market, and provides an overall view of what the local market potential can be.

Retail Leakage in Mount Pleasant

Over the previous year, stores in Mount Pleasant sold \$1.36 billion in merchandise. Consumers living in Mount Pleasant spent \$1.7 billion in merchandise. Therefore, Mount Pleasant **leaked** \$339 million in sales last year.

Over the past year, the 15-minute drive time trade area had \$3.8 billion in retail sales and \$3.24 billion in consumer expenditures, producing a gain of \$559 million. The 30-minute drive time trade area experienced an even greater gain of \$1.49 billion, with \$10.66 billion in retail sales and \$9.17 in consumer expenditures. The Charleston Metro had \$13.81 in retail sales and \$13.63 in consumer expenditures, for a gain of \$0.18 billion.

Regional Retail Leakage/Gain

The table below shows consumer expenditures, retail sales, and leakage/gain in Mount Pleasant and surrounding communities. As demonstrated in the table and map, North Charleston and West Ashley are major retail centers in the region, with \$3.2 billion and \$2.57 billion in annual retail sales respectively.

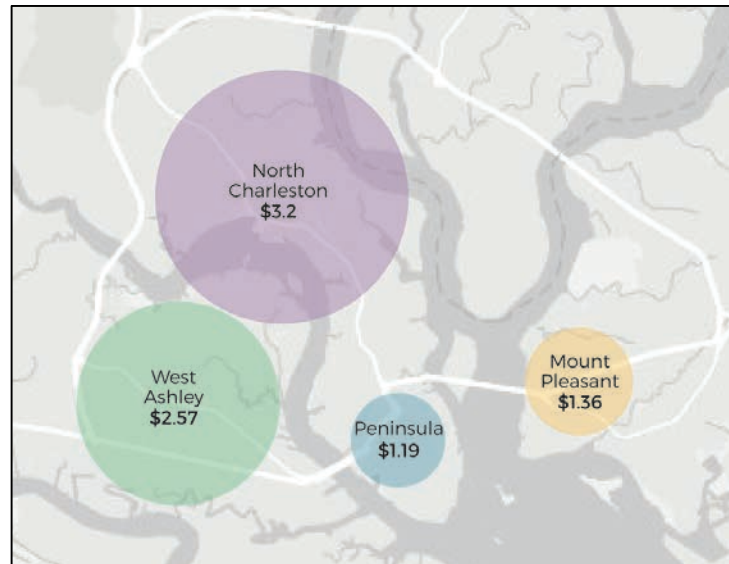


Figure 2: Annual Retail Sales (in billions). Source: Arnett Muldrow, Claritas.

Location	Consumer Expenditures	Retail Sales	Leakage (Gain)
Mount Pleasant	\$1,701,356,367	\$1,362,661,184	\$338,695,183
29464 and 29466	\$1,814,964,370	\$1,437,527,118	\$377,437,252
15 Minute Drive Time	\$3,237,277,558	\$3,796,563,723	(\$559,286,165)
30 Minute Drive Time	\$9,174,640,482	\$10,662,644,513	(\$1,488,004,031)
North Charleston	\$1,664,223,169	\$3,202,978,348	(\$1,538,755,179)
West Ashley	\$1,557,642,697	\$2,571,916,375	(\$1,014,273,678)
Isle of Palms	\$110,408,223	\$71,752,497	\$38,655,726
Peninsula (29401, 29403)	\$694,218,241	\$1,185,640,456	(\$491,422,215)
Charleston City	\$2,863,559,931	\$3,900,111,144	(\$1,036,551,213)
Charleston County	\$7,509,174,241	\$9,479,734,977	(\$1,970,560,736)
Charleston Metro	\$13,633,119,540	\$13,813,630,885	(\$180,511,345)

Figure 3: Regional Retail Leakage/Gain. Source: Arnett Muldrow, Claritas.

The red numbers above indicate where stores are selling more on an annual basis than consumers who live in same geography are purchasing. Therefore, the location is *gaining* sales by pulling in consumers from outside of its boundaries. For example, West Ashley stores sold \$2.57 billion in the previous year. Residents of West Ashley spent \$1.56 billion. Therefore, as a regional retail magnet, West Ashley *gained* over \$1 billion in retail sales. In Mount Pleasant's case, it *leaked* retail dollars meaning that Town residents are going outside of the community for certain goods and services.

This same leakage analysis can be done by individual retail categories for the Town and other geographies. By examining the detailed retail leakage data, it becomes apparent that there are opportunities for growth in key categories. The chart below shows the retail categories with the highest amount of leakage in Mount Pleasant. The categories showing the greatest demand in Mount Pleasant include automotive dealers, building material and supply dealers, general merchandise, and gasoline stations.

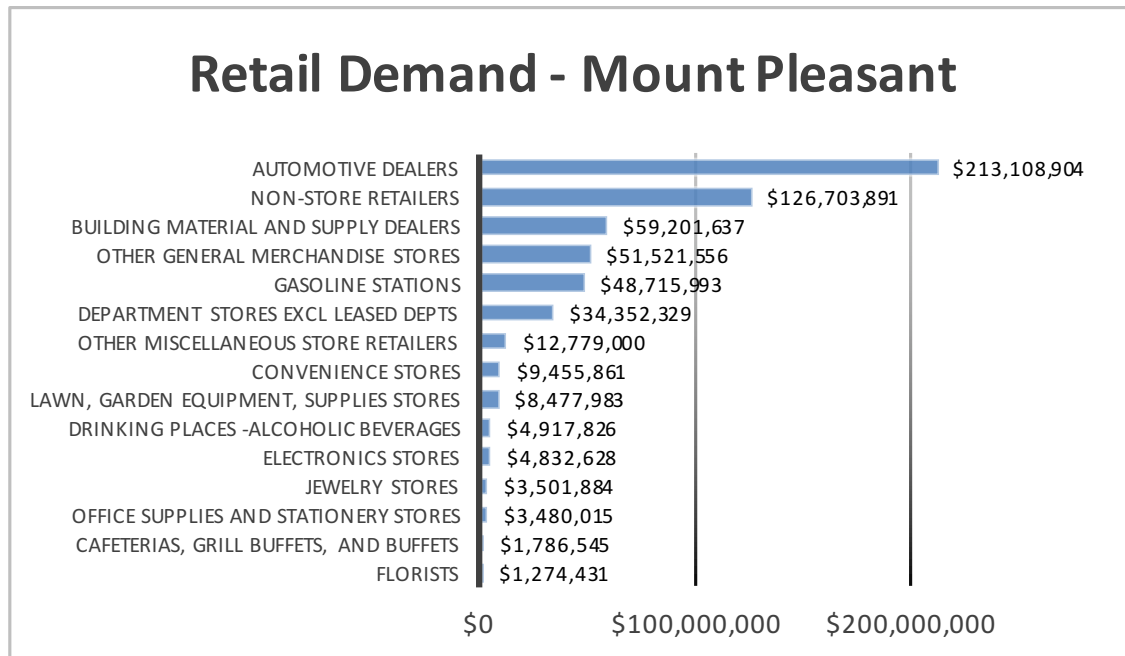


Figure 4: Retail Leakage and Opportunities in Key Retail Categories in Mount Pleasant. Source: Claritas

The table beginning on the following page details the consumer expenditures, retail sales, and inflow/outflow of dollars by individual retail category for Mount Pleasant, the 15-minute drive time area, and the 30-minute drive time area.

In this chart, numbers shown in **red** show categories with inflow, or gain. By contrast, the numbers shown in **black** in the “Leakage” column indicate demand for new retail.

Opportunity Gap - Retail Stores	Mount Pleasant TOWN			15-minute Drive			30-minute Drive		
	Consumer Expenditures	Retail Sales	Leakage (Gain)	Consumer Expenditures	Retail Sales	Leakage (Gain)	Consumer Expenditures	Retail Sales	Leakage (Gain)
Total Retail Sales Incl Eating and Drinking Places	1,701,356,367	1,362,661,184	338,695,183	3,237,277,558	3,796,563,723	(559,286,165)	9,174,640,482	10,662,644,513	(1,488,004,031)
Motor Vehicle and Parts Dealers-441	339,902,843	111,056,966	228,845,877	644,471,054	373,635,030	270,836,025	1,869,934,261	2,372,940,342	(503,006,082)
Automotive Dealers-4411	289,948,945	76,840,041	213,108,904	549,639,738	256,944,415	292,695,322	1,599,050,888	2,044,309,062	(445,258,175)
Other Motor Vehicle Dealers-4412	23,345,273	6,820,526	16,524,747	42,020,625	34,734,156	7,286,469	120,196,878	133,088,469	(12,891,591)
Automotive Parts/Accsrs, Tire Stores-4413	26,608,625	27,396,399	(787,774)	52,810,692	81,956,458	(29,145,766)	150,686,495	195,542,811	(44,856,316)
Furniture and Home Furnishings Stores-442	37,609,631	59,451,443	(21,841,812)	68,798,349	142,563,826	(73,765,477)	188,077,510	286,486,956	(98,409,446)
Furniture Stores-4421	20,536,581	34,224,145	(13,687,564)	37,425,756	79,814,617	(42,388,861)	101,693,315	172,554,187	(70,860,872)
Home Furnishing Stores-4422	17,073,050	25,227,298	(8,154,248)	31,372,593	62,749,209	(31,376,616)	86,384,194	113,932,769	(27,548,574)
Electronics and Appliance Stores-443	30,583,678	28,692,030	1,891,648	59,408,596	68,154,875	(8,746,279)	160,206,669	277,414,894	(117,208,224)
Electronics & Appliances Stores - 44314	30,583,678	28,692,030	1,891,648	59,408,596	68,154,875	(8,746,279)	160,206,669	277,414,894	(117,208,224)
Household Appliances Stores-443141	4,509,716	7,450,696	(2,940,980)	8,208,195	5,702,452	2,505,743	23,394,704	28,451,391	(5,056,687)
Electronics Stores - 443142	26,073,962	21,241,334	4,832,628	51,200,401	62,452,423	(11,252,022)	136,811,965	248,963,502	(112,151,537)
Building Material, Garden Equip Stores -444	186,397,350	118,717,730	67,679,620	337,660,016	397,835,122	(60,175,106)	965,443,799	1,237,438,392	(271,994,593)
Building Material and Supply Dealers-4441	172,147,497	112,945,860	59,201,637	310,878,204	385,141,776	(74,263,571)	887,646,443	1,195,666,029	(308,019,586)
Home Centers-44411	70,618,561	31,819,380	38,799,181	127,561,810	58,551,125	69,010,685	362,305,716	510,728,901	(148,423,185)
Paint and Wallpaper Stores-44412	3,804,701	3,448,598	356,103	6,427,919	8,971,260	(2,543,341)	17,903,587	14,455,925	3,447,662
Hardware Stores-44413	16,967,355	41,696,704	(24,729,349)	31,523,366	77,928,770	(46,405,403)	90,407,032	147,993,412	(57,586,380)
Other Building Materials Dealers-44419	80,756,880	35,981,178	44,775,702	145,365,109	239,690,621	(94,325,512)	417,030,108	522,487,790	(105,457,682)
Building Materials, Lumberyards-444191	29,354,605	13,424,666	15,929,939	54,772,106	89,429,153	(34,657,047)	156,293,062	194,941,449	(38,648,387)
Lawn, Garden Equipment, Supplies Stores-4442	14,249,853	5,771,870	8,477,983	26,781,812	12,693,347	14,088,465	77,797,356	41,772,364	36,024,992
Outdoor Power Equipment Stores-44421	2,928,415	0	2,928,415	5,155,669	1,480,711	3,674,958	14,726,811	4,181,276	10,545,535
Nursery and Garden Centers-44422	11,321,438	5,771,870	5,549,568	21,626,143	11,212,636	10,413,506	63,070,545	37,591,088	25,479,457
Food and Beverage Stores-445	203,446,559	277,106,865	(73,660,306)	393,181,384	537,570,865	(144,389,482)	1,126,252,093	1,102,569,467	23,682,627
Grocery Stores-4451	183,057,241	253,606,867	(70,549,626)	353,607,701	482,903,449	(129,295,748)	1,017,205,888	1,000,392,968	16,812,920
Supermarkets, Grocery (Ex Conv) Stores-44511	171,103,082	251,108,569	(80,005,487)	330,009,064	467,641,889	(137,632,825)	948,805,710	971,477,149	(22,671,439)
Convenience Stores-44512	11,954,159	2,498,298	9,455,861	23,598,637	15,261,560	8,337,077	68,400,178	28,915,818	39,484,359
Specialty Food Stores-4452	6,634,783	7,066,626	(431,843)	12,823,267	20,412,325	(7,589,058)	36,937,187	29,487,087	7,450,100
Beer, Wine and Liquor Stores-4453	13,754,535	16,433,372	(2,678,837)	26,750,416	34,255,092	(7,504,675)	72,109,019	72,689,412	(580,393)
Health and Personal Care Stores-446	104,777,245	123,678,813	(18,901,568)	196,748,229	207,470,369	(10,722,141)	555,627,998	499,270,569	56,357,429
Pharmacies and Drug Stores-44611	86,187,157	107,911,818	(21,724,661)	162,154,756	179,840,022	(17,685,266)	458,159,527	414,644,816	43,514,710
Cosmetics, Beauty Supplies-44612	8,775,892	6,326,245	2,449,647	16,470,540	12,324,721	4,145,819	46,494,281	38,756,232	7,738,050
Optical Goods Stores-44613	3,431,445	3,989,979	(558,534)	6,108,639	7,493,984	(1,385,344)	16,994,605	22,436,948	(5,442,343)
Other Health and Personal Care Stores-44619	6,382,751	5,450,771	931,980	12,014,293	7,811,643	4,202,650	33,979,586	23,432,573	10,547,013

Opportunity Gap - Retail Stores	Mount Pleasant TOWN			15-minute Drive			30-minute Drive		
	Consumer Expenditures	Retail Sales	Leakage (Gain)	Consumer Expenditures	Retail Sales	Leakage (Gain)	Consumer Expenditures	Retail Sales	Leakage (Gain)
Gasoline Stations-447	97,793,887	49,077,894	48,715,993	190,385,535	125,656,549	64,728,986	556,849,729	542,635,218	14,214,510
Gasoline Stations With Conv Stores-44711	49,012,386	45,828,385	3,184,001	95,490,518	114,262,867	(18,772,349)	279,309,029	514,926,943	(235,617,913)
Other Gasoline Stations-44719	48,781,501	3,249,509	45,531,992	94,895,017	11,393,682	83,501,336	277,540,699	27,708,275	249,832,424
Clothing and Clothing Accessories Stores-448	80,120,245	103,507,267	(23,387,022)	151,339,273	338,475,887	(187,136,615)	413,972,610	607,896,061	(193,923,451)
Clothing Stores-4481	57,742,983	76,811,559	(19,068,576)	110,385,625	263,017,233	(152,631,608)	306,691,537	458,384,413	(151,692,877)
Men's Clothing Stores-44811	2,475,965	682,833	1,793,132	4,940,169	2,639,031	2,301,139	13,329,630	5,036,340	8,293,290
Women's Clothing Stores-44812	13,119,147	31,062,768	(17,943,621)	24,923,178	96,629,223	(71,706,045)	68,559,225	134,350,066	(65,790,840)
Childrens, Infants Clothing Stores-44813	2,987,769	2,023,665	964,104	5,475,741	2,365,110	3,110,631	16,567,567	7,740,255	8,827,312
Family Clothing Stores-44814	31,173,084	32,709,035	(1,535,951)	59,857,636	131,899,486	(72,041,850)	166,440,487	255,171,435	(88,730,948)
Clothing Accessories Stores-44815	3,057,701	845,949	2,211,752	5,812,736	3,159,233	2,653,503	15,809,331	5,452,824	10,356,507
Other Clothing Stores-44819	4,929,317	9,487,309	(4,557,992)	9,376,164	26,325,150	(16,948,986)	25,985,298	50,633,494	(24,648,196)
Shoe Stores-4482	10,218,169	17,931,873	(7,713,704)	19,834,124	44,332,853	(24,498,728)	56,747,855	92,435,559	(35,687,705)
Jewelry, Luggage, Leather Goods Stores-4483	12,159,093	8,763,835	3,395,258	21,119,524	31,125,802	(10,006,278)	50,533,219	57,076,089	(6,542,870)
Jewelry Stores-44831	11,348,230	7,846,346	3,501,884	19,525,656	26,308,992	(6,783,336)	46,079,385	52,258,071	(6,178,686)
Luggage and Leather Goods Stores-44832	810,863	917,489	(106,626)	1,593,868	4,816,810	(3,222,942)	4,453,834	4,818,018	(364,184)
Sporting Goods, Hobby, Book, Music Stores-451	34,061,345	56,784,654	(22,723,309)	66,992,896	95,867,171	(28,874,275)	180,100,987	190,709,971	(10,608,985)
Sporting Goods, Hobby, Musical Inst Stores-4511	28,756,984	49,083,546	(20,326,562)	55,604,238	79,788,863	(24,184,625)	152,869,949	160,286,166	(7,416,217)
Sporting Goods Stores-45111	19,452,952	41,028,470	(21,575,518)	36,894,665	64,448,622	(27,553,957)	102,847,795	127,997,889	(25,150,094)
Hobby, Toys and Games Stores-45112	6,279,176	5,586,456	692,720	12,891,804	9,549,182	3,342,623	34,688,602	20,148,772	14,539,830
Sew/Needlework/Piece Goods Stores-45113	1,248,485	902,900	345,585	2,395,159	3,052,374	(657,215)	6,687,370	4,515,671	2,171,699
Musical Instrument and Supplies Stores-45114	1,776,371	1,565,720	210,651	3,422,609	2,738,685	683,924	8,646,181	7,623,834	1,022,347
Book, Periodical and Music Stores-4512	5,304,361	7,701,108	(2,396,747)	11,388,658	16,078,308	(4,689,650)	27,231,038	30,423,805	(3,192,767)
Book Stores and News Dealers-45121	5,304,361	7,701,108	(2,396,747)	11,388,658	16,078,308	(4,689,650)	27,231,038	30,423,805	(3,192,767)
Book Stores-451211	4,713,115	4,777,149	(64,034)	10,192,704	12,932,114	(2,739,410)	23,832,451	25,354,944	(1,522,493)
News Dealers and Newsstands-45122	591,246	2,923,959	(2,332,713)	1,195,954	3,146,194	(1,950,240)	3,398,587	5,068,861	(1,670,274)
General Merchandise Stores-452	187,102,756	101,228,871	85,873,885	357,092,564	298,665,723	58,426,841	1,015,804,482	1,319,831,988	(304,027,507)
Department Stores Excl Leased Depts-4521	101,407,564	67,055,235	34,352,329	192,150,997	82,423,531	109,727,466	543,871,560	397,303,202	146,568,358
Other General Merchandise Stores-4529	85,695,192	34,173,636	51,521,556	164,941,568	216,242,192	(51,300,624)	471,932,922	922,528,786	(450,595,864)
Miscellaneous Store Retailers-453	45,841,255	27,645,989	18,195,266	89,670,418	87,451,062	2,219,356	255,927,927	314,297,570	(58,369,643)
Florists-4531	2,239,962	965,531	1,274,431	4,040,519	6,734,472	(2,693,953)	11,473,588	8,912,582	2,561,005
Office Supplies, Stationery, Gift Stores-4532	15,934,008	13,048,779	2,885,229	31,167,230	39,239,500	(8,072,270)	86,399,479	213,816,672	(127,417,192)
Office Supplies and Stationery Stores-45321	9,142,712	5,662,697	3,480,015	17,924,380	17,360,259	564,121	49,344,056	133,726,838	(84,382,781)
Gift, Novelty and Souvenir Stores-45322	6,791,296	7,386,082	(594,786)	13,242,850	21,879,241	(8,636,391)	37,055,423	80,089,834	(43,034,411)
Used Merchandise Stores-4533	6,390,008	5,133,402	1,256,606	12,579,763	16,689,286	(4,109,523)	33,186,000	33,645,522	(459,522)
Other Miscellaneous Store Retailers-4539	21,277,277	8,498,277	12,779,000	41,882,907	24,787,804	17,095,102	124,868,860	57,922,794	66,946,066

Opportunity Gap - Retail Stores	Mount Pleasant TOWN			15-minute Drive			30-minute Drive		
	Consumer Expenditures	Retail Sales	Leakage (Gain)	Consumer Expenditures	Retail Sales	Leakage (Gain)	Consumer Expenditures	Retail Sales	Leakage (Gain)
Non-Store Retailers-454	153,277,587	26,573,696	126,703,891	293,885,631	177,905,936	115,979,695	832,586,793	354,752,254	477,834,539
Foodservice and Drinking Places-722	200,441,986	279,138,966	(78,696,980)	387,643,614	945,311,308	(557,667,694)	1,053,855,625	1,556,400,831	(502,545,206)
Special Foodservices-7223	14,813,814	19,062,531	(4,248,717)	28,572,137	91,193,108	(62,620,972)	78,209,439	116,419,790	(38,210,352)
Drinking Places -Alcoholic Beverages-7224	6,744,216	1,826,390	4,917,826	13,459,879	25,374,956	(11,915,078)	35,409,769	46,255,000	(10,845,231)
Full-Service Restaurants-7221	99,867,525	164,309,798	(64,442,273)	193,323,825	463,478,076	(270,154,251)	523,064,302	854,918,577	(331,854,275)
Limited-Service Eating Places-7222	67,810,487	82,356,776	(14,546,289)	130,690,649	309,502,574	(178,811,924)	358,009,648	449,682,054	(91,672,406)
Cafeterias, Grill Buffets, and Buffets - 722514	1,786,545	0	1,786,545	3,443,190	20,839,270	(17,396,080)	9,432,161	25,259,720	(15,827,559)
Snack/ Non-alcohol bev. Bar - 722515	9,419,399	11,583,471	(2,164,072)	18,153,935	34,923,324	(16,769,389)	49,730,306	63,865,689	(14,135,383)
GAFO *	385,411,663	362,713,044	22,698,619	734,798,908	982,966,982	(248,168,074)	2,044,561,737	2,896,156,542	(851,594,805)
General Merchandise Stores-452	187,102,756	101,228,871	85,873,885	357,092,564	298,665,723	58,426,841	1,015,804,482	1,319,831,988	(304,027,507)
Clothing and Clothing Accessories Stores-448	80,120,245	103,507,267	(23,387,022)	151,339,273	338,475,887	(187,136,615)	413,972,610	607,896,061	(193,923,451)
Furniture and Home Furnishings Stores-442	37,609,631	59,451,443	(21,841,812)	68,798,349	142,563,826	(73,765,477)	188,077,510	286,486,956	(98,409,446)
Electronics and Appliance Stores-443	30,583,678	28,692,030	1,891,648	59,408,596	68,154,875	(8,746,279)	160,206,669	277,414,894	(117,208,224)
Sporting Goods, Hobby, Book, Music Stores-451	34,061,345	56,784,654	(22,723,309)	66,992,896	95,867,171	(28,874,275)	180,100,987	190,709,971	(10,608,985)
Office Supplies, Stationery, Gift Stores-4532	15,934,008	13,048,779	2,885,229	31,167,230	39,239,500	(8,072,270)	86,399,479	213,816,672	(127,417,192)

Figure 5: Retail Leakage in the Town of Mount Pleasant, 15 and 30-minute trade areas. Source: Arnett Muldrow, Claritas.

4.2 Retail Shares

A retail shares analysis is a supply-side analysis that compares sales in the primary trade area as a share of the larger region. For each retail category, a share value above the benchmark would indicate a potential to develop a cluster in that category. Typically, clusters emerge for destination-based businesses.

The table below presents the retail shares analysis performed for Mount Pleasant in relation to the 15-minute drive time, 30-minute drive time, and Charleston Metro. Mount Pleasant has a 35.9% share in the 15-minute trade area, a 12.8% share in the 30-minute trade area, and a 9.9% share in the Charleston Metro.

The retail categories with the highest share percentage are identified below and include: Household Appliance Stores, Food and Beverage Stores, Health and Personal Care Stores, Sporting Goods Stores, and Full-Service Restaurants. These are categories where the Town of Mount Pleasant's businesses are performing better than the regional benchmark.

Retail Shares Analysis	Sales (\$) Mount Pleasant TOWN	15 Minute Region		30 Minute Region		Charleston Metro	
		Sales (\$) 15 Minute Area	Share %	Sales (\$) 30 Minute Area	Share %	Sales (\$) Charleston METRO	Share %
Total Retail Sales Incl Eating and Drinking Places	1,362,661,184	3,796,563,723	35.9%	10,662,644,513	12.8%	13,813,630,885	9.9%
Furniture and Home Furnishings Stores-442	59,451,443	142,563,826	41.7%	286,486,956	20.8%	317,643,143	18.7%
Furniture Stores-4421	34,224,145	79,814,617	42.9%	172,554,187	19.8%	192,633,415	17.8%
Home Furnishing Stores-4422	25,227,298	62,749,209	40.2%	113,932,769	22.1%	125,009,728	20.2%
Electronics and Appliance Stores-443	28,692,030	68,154,875	42.1%	277,414,894	10.3%	445,701,159	6.4%
Household Appliances Stores-443141	7,450,696	5,702,452	130.7%	28,451,391	26.2%	36,153,746	20.6%
Building Material, Garden Equip Stores -444	118,717,730	397,835,122	29.8%	1,237,438,392	9.6%	1,635,950,676	7.3%
Home Centers-44411	31,819,380	58,551,125	54.3%	510,728,901	6.2%	757,580,262	4.2%
Paint and Wallpaper Stores-44412	3,448,598	8,971,260	38.4%	14,455,925	23.9%	15,998,597	21.6%
Hardware Stores-44413	41,696,704	77,928,770	53.5%	147,993,412	28.2%	191,750,938	21.7%
Nursery and Garden Centers-44422	5,771,870	11,212,636	51.5%	37,591,088	15.4%	64,458,686	9.0%
Food and Beverage Stores-445	277,106,865	537,570,865	51.5%	1,102,569,467	25.1%	1,506,958,729	18.4%
Grocery Stores-4451	253,606,867	482,903,449	52.5%	1,000,392,968	25.4%	1,376,476,811	18.4%
Specialty Food Stores-4452	7,066,626	20,412,325	34.6%	29,487,087	24.0%	36,702,760	19.3%
Beer, Wine and Liquor Stores-4453	16,433,372	34,255,092	48.0%	72,689,412	22.6%	93,779,158	17.5%
Health and Personal Care Stores-446	123,678,813	207,470,369	59.6%	499,270,569	24.8%	754,163,777	16.4%
Pharmacies and Drug Stores-44611	107,911,818	179,840,022	60.0%	414,644,816	26.0%	654,858,611	16.5%
Cosmetics, Beauty Supplies-44612	6,326,245	12,324,721	51.3%	38,756,232	16.3%	51,454,493	12.3%
Optical Goods Stores-44613	3,989,979	7,493,984	53.2%	22,436,948	17.8%	23,040,478	17.3%
Other Health and Personal Care Stores-44619	5,450,771	7,811,643	69.8%	23,432,573	23.3%	24,810,195	22.0%

Retail Shares Analysis	Sales (\$) Mount Pleasant TOWN	15 Minute Region		30 Minute Region		Charleston Metro	
		Sales (\$) 15 Minute Area	Share %	Sales (\$) 30 Minute Area	Share %	Sales (\$) Charleston METRO	Share %
Total Retail Sales Incl Eating and Drinking Places	1,362,661,184	3,796,563,723	35.9%	10,662,644,513	12.8%	13,813,630,885	9.9%
Clothing and Clothing Accessories Stores-448	103,507,267	338,475,887	30.6%	607,896,061	17.0%	668,260,222	15.5%
Childrens, Infants Clothing Stores-44813	2,023,665	2,365,110	85.6%	7,740,255	26.1%	8,156,638	24.8%
Other Clothing Stores-44819	9,487,309	26,325,150	36.0%	50,633,494	18.7%	51,261,759	18.5%
Shoe Stores-4482	17,931,873	44,332,853	40.4%	92,435,559	19.4%	110,240,302	16.3%
Sporting Goods, Hobby, Book, Music Stores-451	56,784,654	95,867,171	59.2%	190,709,971	29.8%	201,009,310	28.2%
Sporting Goods Stores-45111	41,028,470	64,448,622	63.7%	127,997,889	32.1%	137,126,578	29.9%
Hobby, Toys and Games Stores-45112	5,586,456	9,549,182	58.5%	20,148,772	27.7%	20,330,322	27.5%
Sew/Needlework/Piece Goods Stores-45113	902,900	3,052,374	29.6%	4,515,671	20.0%	4,548,782	19.8%
Musical Instrument and Supplies Stores-45114	1,565,720	2,738,685	57.2%	7,623,834	20.5%	7,639,076	20.5%
Book Stores-451211	4,777,149	12,932,114	36.9%	25,354,944	18.8%	26,279,782	18.2%
General Merchandise Stores-452	101,228,871	298,665,723	33.9%	1,319,831,988	7.7%	1,941,512,856	5.2%
Department Stores Excl Leased Depts-4521	67,055,235	82,423,531	81.4%	397,303,202	16.9%	910,490,126	7.4%
Foodservice and Drinking Places-722	279,138,966	945,311,308	29.5%	1,556,400,831	17.9%	1,855,637,837	15.0%
Full-Service Restaurants-7221	164,309,798	463,478,076	35.5%	854,918,577	19.2%	970,501,219	16.9%
Limited-Service Eating Places-7222	82,356,776	309,502,574	26.6%	449,682,054	18.3%	618,778,257	13.3%

Figure 6: Retail Shares Analysis. Source: Arnett Muldrow, Claritas

4.3 Retail Pull Factor

A Retail Pull Factor analysis is a method of examining an area's competitiveness relative to that of the state. The Pull Factor is determined by dividing per capita retail sales in Mount Pleasant by the per capita sales in South Carolina. A value greater than 1 suggests the area is pulling in sales beyond the customer base that lives within the area. A value less than one suggests that the area is losing sales to the outside region.

Mount Pleasant has a pull factor of 1.08, indicating that it is pulling in some sales from outside of its borders. All the areas analyzed have a pull factor of greater than 1, which is to be expected given that the Charleston metropolitan area is such a major tourist destination. At 2.18, the Charleston Peninsula (29401 and 29403 zip codes) has the largest pull factor, followed by West Ashley at 2.11.

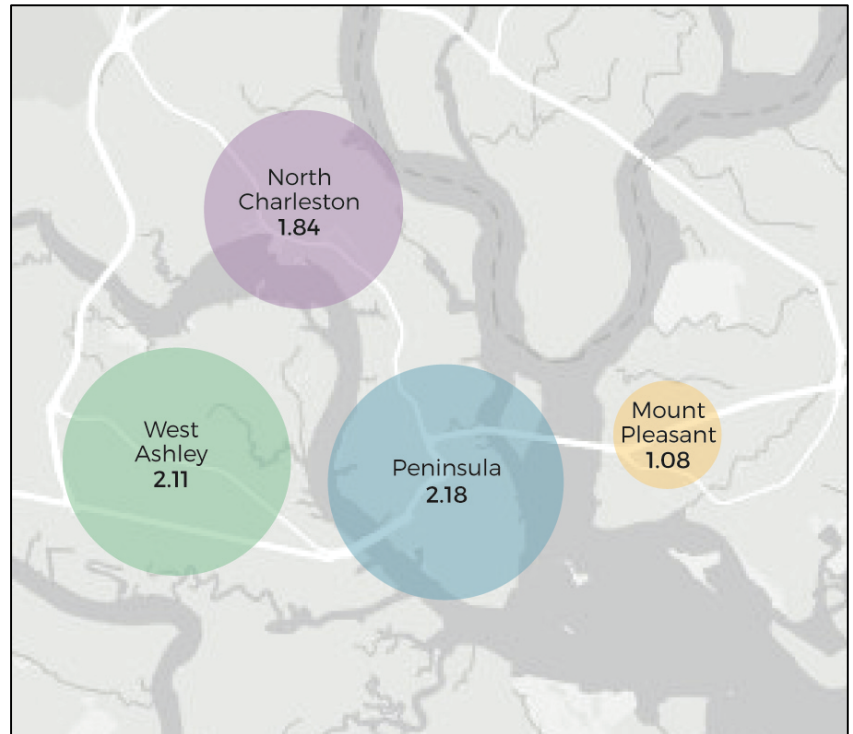


Figure 7: Pull Factors in Mount Pleasant and Regional Retail Centers.
Source: Arnett Muldrow, Claritas.

	Total Retail Sales	2017 Population	Per Capita Retail Sales	Pull Factor
South Carolina	\$76,942,950,617	4,985,884	\$15,432.16	n/a
Mount Pleasant	\$1,362,661,184	81,735	\$16,671.70	1.08
29464 and 29466	\$1,437,527,118	87,251	\$16,475.77	1.07
15 Minute Drive Time	\$3,796,563,723	165,173	\$22,985.38	1.49
30 Minute Drive Time	\$10,662,644,513	507,082	\$21,027.46	1.36
Isle of Palms	\$71,752,497	4,525	\$15,856.91	1.03
West Ashley	\$2,571,916,375	79,169	\$32,486.41	2.11
North Charleston	\$3,202,978,348	112,889	\$28,372.81	1.84
29401 and 29403 Peninsula	\$1,185,640,456	35,218	\$33,665.75	2.18
Charleston City	\$3,900,111,144	144,130	\$27,059.68	1.75
Charleston County	\$9,479,734,977	401,570	\$23,606.68	1.53
Charleston Metro	\$13,813,630,885	768,937	\$17,964.58	1.16

Figure 8: Pull Factor. Source: Arnett Muldrow, Claritas

	Total Retail Sales	2017 Population	Per Capita Retail Sales	Pull Factor
Mount Pleasant	\$1,362,661,184	81,735	\$16,671.70	1.08
Charleston Metro	\$13,813,630,885	768,937	\$17,964.58	1.16
Greenville City	\$2,548,764,651	65,393	\$38,976.11	2.53
Greenville Metro	\$12,925,559,534	891,702	\$14,495.38	0.94
Columbia City	\$2,588,010,920	134,677	\$19,216.43	1.25
Columbia Metro	\$12,647,447,336	823,488	\$15,358.39	1.00

Figure 9: Metro Pull Factor Comparisons. Source: Arnett Muldrow, Claritas

It is interesting to compare the Charleston Metropolitan area to the other primary metros within the state. As expected, the Charleston area and its tourism market have a stronger retail pull than either Greenville or Columbia metros. Interestingly, while the City of Greenville has an incredibly high pull factor at 2.53, its metro area falls below the benchmark. The Columbia metro's pull factor is roughly equal to that of the state.

4.4 Retail Market Overview Findings

Findings from the retail market overview are listed below.

Metropolitan Area:

- The Charleston Metro is a major tourist destination and retail center. It is a \$13.8 billion retail market that represents nearly one-fifth of the entire state (\$76 billion). The market is larger in terms of gross retail sales than both Greenville and Columbia metros, even given their higher population totals.
- By the same token, the Charleston metro is performing better when comparing retail pull factors.
 - Charleston Metro = 1.16 pull factor
 - Columbia Metro = 1.00 pull factor
 - Greenville Metro = 0.94 pull factor
- Charleston has four primary retail magnets within the metro. Each competes for commercial development and make up the collective Charleston market:
 - Charleston Peninsula (29401, 29403) = \$1.2 billion market and 2.18 pull factor
 - West Ashley CDP = \$2.6 billion market and 2.11 pull factor
 - North Charleston = \$3.2 billion market and 1.84 pull factor
 - Mount Pleasant = \$1.4 billion market and 1.08 pull factor
- Other, smaller retail markets in the metro include Daniel Island, directly adjacent to Mount Pleasant, and Summerville in Dorchester County.
- The metro has an overall gain (inflow of retail sales) of \$181 million. Key gaining categories include:
 - Food Service and Drinking Places (dining) - \$328 million in gain likely driven by tourism industry.
 - Specialty Retail (gifts, antiques, clothing, etc) - \$261 million in gain.
 - Building Materials & Supply - \$223 million in gain and often an indicator of growth and development in a region.
 - General Merchandising (Walmart, Target, Dollar-type, etc) - \$415 million in gain.

Mount Pleasant:

- Mount Pleasant had annual retail sales of \$1.36 billion and consumer expenditures of \$1.7 billion, indicating that Mount Pleasant leaked \$339 million in sales last year. This suggests that within the Town limits, stores are not technically meeting the needs of local residents, and they must leave town for certain goods and services. This \$339 million translates directly to demand.
- On the other hand, that demand is quickly absorbed within a 15-minute drive from the center of Town (the area that should be most relevant to Mount Pleasant residents). The 15-minute trade area gained \$559 million in the previous 12-months.
- Sales within this 15-minute trade area represent 27.5% of all retail in the entire metro. Mount Pleasant represents a 9.9% share of Charleston metro sales.

- Within the Town of Mount Pleasant, key localized demand includes:
 - **Automotive Dealers - \$213 million.** There is also demand in the 15-minute trade area. Much of the metro's automobile dealerships are located in West Ashley. Auto dealerships are destination businesses that tend to locate in clusters. While there is demand in Mount Pleasant, it is more likely that any new businesses of this type would locate in West Ashley.
 - **Building Materials and Supply - \$68 million.** This category is interesting in that it includes consumer sales as well as business-to-business sales, so it does not translate directly to demand. Still, within the 15-minute drive time trade area, there is demand for nearly \$70 million in home centers, a sub category of building materials and supply. Industry average for a Home Depot is approximately \$43 million in sales per year. Mount Pleasant currently has a Lowes Center under construction and has also had Home Depot show interest in developing in Town. This confirms the retail demand in this study, but once open, any demand within the trade area will be met.
 - **General Merchandising - \$85 million in demand.** Demand also exists within 15-minutes (\$58m). As a frame of reference, a typical Target's industry average is about \$40 million in annual sales. There are two Walmart's and a Target currently in Mount Pleasant. This demand indicates the potential for another similar retailer. Not surprisingly, plans are to place a Costco in Mount Pleasant.
 - **Gas and Convenience - \$48 million in demand.** Also demand within 15-minutes.
 - Limited demand in other retail categories includes:
 - Men's Clothing
 - Electronics (not including appliance)
 - Nursery & Garden Centers
 - Jewelry Stores
 - Clothing Accessories
 - Office Supplies
 - Used merchandising (antiques, consignment, etc)
 - Drinking Places
- It should be noted that one of the biggest challenges to brick-and-mortar retail operations is online sales. Services like Amazon, Facebook Marketplace, and even online presences of Target and Walmart are the primary competitor to local businesses. However, the sales and demand numbers included in this analysis are based on sales in stores, as opposed to sales by category. Therefore, they do account for the competition brought by online sales. However, any independent business owner should understand that having an online sales presence and focusing on service will be critical to success. For example, even national retailers like Home Depot are growing home service units focusing on customer interactions and sales.
- Mount Pleasant has a high share of sales in the Charleston Metro in key categories including Home Furnishing Stores (20.2%), Household Appliance Stores (20.6%),

Hardware Stores (21.7%), Children's Clothing Stores (24.8%), and Sporting Goods and Hobby Stores (28.9%). In addition to these, a couple of categories stand out:

- **Full-Service Restaurants (16.9% share of Metro).** This is nearly double the benchmark share of all retail (9.9%) and suggests the potential to continue to grow this destination cluster.
- **Health and Personal Care (16.4% share).** This includes Cosmetic and Beauty Supplies (12.3%) and Other Health/Personal Care Stores (22%). The "other" category includes stores such as nutrition center, supplement stores, and other wellness retail. These numbers reflect only retail sales, but coupled with the abundance of health and wellness services (yoga and spin studios, fitness centers, etc.), this indicates that a wellness cluster has emerged in Mount Pleasant, which is likely a direct reflection of both residents' lifestyle and affluence.
- Mount Pleasant's pull factor of 1.08 indicates that it is pulling sales from outside of its area. However, the pull factors are much higher in nearby retail centers including the Charleston Peninsula (2.18), West Ashley (2.11) and North Charleston (1.84).

All told, while the Town shows demand for certain retail based on local population, much is absorbed in the immediate 15-minute trade area. This 15-minute area is a good indicator of localized needs, and it shows generally that existing commercial offerings meet the needs of local residents. Still, there are certain categories even with the 15-minute trade area that show potential.

Similarly, as a regional retail magnet, Mount Pleasant can help serve the needs of the entire metro area. This regional market growth may drive future retail in Mount Pleasant more so than localized demand. An example of this is the Mount Pleasant Towne Centre which already serves the metro's shopping needs. Similarly, the restaurant cluster along Shem Creek attracts diners from the region, but also represents a tourist destination.

Future retail growth in Mount Pleasant will likely be tied to:

- Localized demand created by any future residential growth in Mount Pleasant, Isle of Palms, and Sullivan's Island.
 - Regional market trends and the ability to pull consumers from the metro to regional developments such as the existing Mount Pleasant Towne Centre, Shem Creek, etc.
 - Continued growth of the tourism market, both locally and regionally.
 - The growth and enhancement of competitive retail centers of North Charleston and West Ashley, including future revitalization/redevelopment of the Sam Rittenberg corridor/Citadel Mall area.
 - Available space for development in Mount Pleasant. There are currently just under 700 acres of undeveloped land zoned to allow for retail. Most are small lots, zero to five acres in size. The majority of vacant lots above 10-acres are in the Carolina Park area, a 1700-acre planned mixed use development at the northeast end of the Town. Outside of Carolina Park, Mount Pleasant's future retail growth will occur in scattered infill sites as well as redevelopment of existing retail.
-

5.0 Existing Market

5.1 Current Real Estate Market

Data on the existing retail market was collected through local real estate professionals as well as national data providers.

According to Colliers International's first quarter 2017 retail market report, the Charleston retail market has higher occupancy rates and rental rates than the previous year, supported by the area's growing population and rising income levels. Colliers notes a regional trend in revitalizing existing retail properties as opposed to building new construction. Examples of changes being made to existing centers include upgrading the tenant mix and making strategic improvements that create a higher quality customer experience, including improvements to façade, signage, parking and landscaping.

The table below provides retail inventory, vacancy rates and rents for key Charleston submarkets as well as subtotals for the entire metro.

Submarket	Inventory (Sq Ft)	Vacancy Rate	Anchor Space (25k SF+)		Junior Anchor Space (10k-25k SF)		Shop Space (<10k SF)	
			Vacant SF	Rent	Vacant SF	Rent	Vacant SF	Rent
Mount Pleasant/E. Cooper	3,572,252	6.70%	109,262	\$ 18.82	10,000	\$ 40.00	109,678	\$ 24.44
King Street	918,974	10.60%	-	-	-	-	56,976	\$ 58.33
Downtown Charleston								\$ 24.15
North Charleston	3,908,074	8.00%	90,548	\$ 10.00	50,686	\$ 15.00	172,345	\$ 16.55
West Ashley	2,209,996	5.90%	31,762	-	31,400	\$ 14.60	67,699	\$ 21.03
Market Total (Inc. other submarkets)	15,175,410	6.20%	272,572	\$ 17.14	115,586	\$ 18.63	555	\$ 26.50

Figure 10: Inventory, Vacancy, Rental Rates in Charleston Submarkets. Source: Colliers International.

According to Colliers, vacancy rates in the East Cooper submarket (which includes Mount Pleasant and Daniel Island) are lower than North Charleston but higher than West Ashley. By the same token, average rental rates in Mount Pleasant are higher than rental rates in other Charleston submarkets with the exception of King Street.

Overall, the data shows that Mount Pleasant is extremely competitive in the retail market, commanding higher rental rates than the majority of the metro. Local real estate professionals stated that, on average, Mount Pleasant's rental rates are around \$25/sf and up. Some newer product coming online has been upwards of mid \$40s, which is approaching King Street figures. Stakeholders also felt that the vacancy rates in Mount Pleasant proper are closer to 5%, which is very low. This demand, coupled with high rental rates, means that commercial developers are courting more high-end national (and some local) retailers in Mount Pleasant. Many national retailers including Trader Joe's, Whole Foods and Nordstrom Rack are choosing to locate their first Charleston-area store in Mount Pleasant.

Similarly, the developers confirmed the data above, in that there is around 100,000 square feet of key vacant tenant space that represent immediate opportunities. This includes the former Southern Season in Brookgreen Town Center, the vacant Ross in Belle Hall, and the empty Bi-Lo in Mount Pleasant Square.

5.2 Current Retail Space in Mount Pleasant

The Town of Mount Pleasant's Planning Department maintains an up-to-date inventory of developed non-residential square footage in town based on general use.

In April of 2017, there were approximately 5 million square feet of developed retail space in the Town. 73% of all retail space (3.7 million sf) is located in shopping centers.

Retail square footage (including shopping centers) in Mount Pleasant represents 33% of all developed space. Office (including medical) makes up about 25%

Similarly, the Planning Department has calculated undeveloped land zoned for retail. This indicates that just 685 acres of land is currently available for new retail development. The vast majority of this space is located in the vicinity of the planned Carolina Park development. The rest are smaller lots, 7-acres or less, scattered throughout the Town.

The limited amount of land available for retail development, coupled with existing low vacancy rates, indicate that the best opportunities for future commercial development in Mount Pleasant outside of Carolina Park include infill development and redevelopment of existing retail spaces.

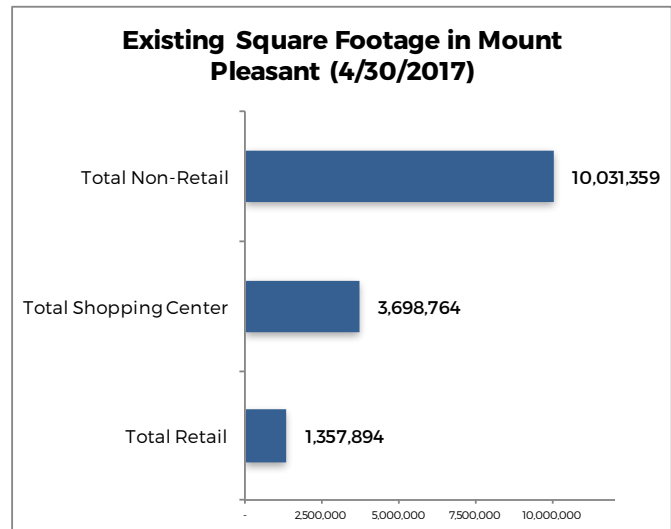


Figure 11: Existing Square Footage in Mount Pleasant. Source: Town of Mount Pleasant

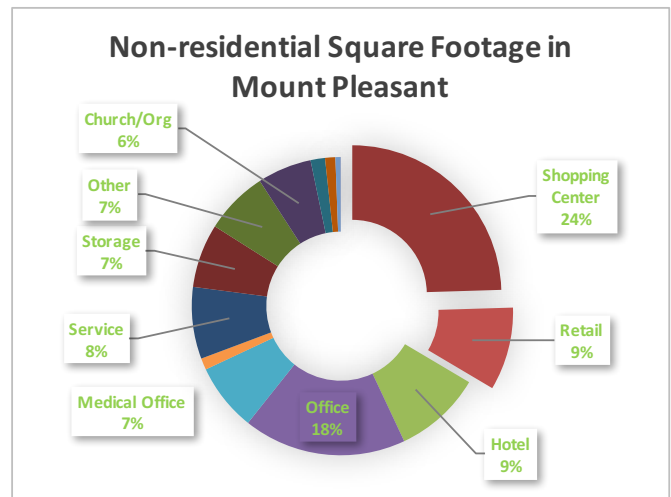


Figure 12: Non-residential space in Town. Source: Town of Mount Pleasant.

The following table provides details on the majority of shopping centers in the Town of Mount Pleasant, including information on age, gross leasable area, and key tenants.

Shopping Centers in Mount Pleasant							
Major Center	Town	Address	Anchors/Key Stores	Distance from Municipal Complex (miles)	Year Open	Approx. # Stores	GLA (sq. ft.)
Village Point Shopping Center	MP	916 Houston Northcutt Blvd	Harris Teeter, Sticky Fingers, Gwynns, Rite Aid	0.1	1986	15	58,245
Patriots Plaza	MP	845 Houston Northcutt Blvd	Whole Foods, Staples, Small retail	0.3	1984	29	116,781
Shops at Mount Pleasant	MP	320 W Coleman Blvd	Tazikis, Blend Juice Bar	0.4	1987	14	29,155
Northcutt Plaza	MP	280 W. Coleman Blvd	Affordables, Phillips Shoes	0.4		30	55,000
East Cooper Plaza Shopping Center	MP	623 Johnnie Dodds Blvd	Pivotal Fitness, Aldi, Radio Shack	0.9	1975	14	93,450
Mount Pleasant Mall	MP	708 Johnnie Dodds Blvd	Resale and antique co-op mall	1.4		135 vendors	25,000
Moultrie Plaza Shopping Center	MP	604 Coleman Blvd	Southern Accent Designers Market, Bottles Beverage Superstore	1.5		15	90,000
Queensboro Shopping Center	MP	1000 Johnnie Dodds Blvd	Publix	1.7	1993	20	82,333
Brookgreen Town Center	MP	760 Coleman Boulevard	Vacant Southern Seasons	1.8	1993	8	45,361
Anna Knapp Plaza	MP	1035 Anna Knapp Plaza	Various small local retail	1.9	1980	10	18,000



Figure 13: Shopping Center Retail in Mount Pleasant and Region. Source: Arnett Muldrow

Clockwise from Top:

1. Patriot's Plaza
2. Moultrie Plaza-Vacant Southern Season
3. Village Point
4. Northcutt Plaza
5. Plaza at E. Cooper



Shopping Centers in Mount Pleasant							
Major Center	Town	Address	Anchors/Key Stores	Distance from Municipal Complex (miles)	Year Open	Approx. # Stores	GLA (sq. ft.)
Farimount Shopping Plaza	MP	1035 Johnnie Dodds	Play it Again Sports, small retail	1.9		12	44,000
Crickentree Village	MP	1055 Johnnie Dodds Blvd	Various small local retail	2.1	1980	10	21,000
Stuckey Furniture Strip	MP	1113 Johnnie Dodds	Stuckey Furniture	2.3		3	38,000
Sea Island Shopping Center	MP	1220 Ben Sawyer	Harris Teeter, Sherwin Williams	2.4	1969	20	89,674
New Market Centre	MP	1145 Johnnie Dodds Blvd	Papa Johns, Asian Flavor, Nothing Bundt Cakes, Enterprise, Iron Tribe Fit	2.4	1984	6	12,790
Shoppes at Brickyard	MP	2700 Brickyard Parkway	BB&T, Hertz	2.4		6	20,867
Bowman Place	MP	114 Bowman Rd	Dicks Sporting Goods, DSW, Nordstrom Rack	2.5	2016 Renovation	7	125,000
The Shoppes at Oakland	MP	Planned??? Or did it fall	Aldi				Did it fall through??
Gateway to the Beach Center	MP	1405 Ben Sawyer	CVS, various independent	2.6	2003	9	26,392
Mount Pleasant Square	MP	1440 Ben Sawyer	Vacant Bi-Lo	2.7		15	80,000
Wando Crossing	MP	1500 N Hwy 17	Marshalls, Homegoods, Office Depot, Petco, Michaels, TJ Maxx, Walmart	3.1	1992	27	326,027



Figure 14: Shopping Center Retail in Mount Pleasant and Region. Source: Arnett Muldrow

Clockwise from Top:

1. Crickentree Village
2. Stuckey Furniture Strip Ctr
3. Mt Pleasant Square – Vacant Bi-Lo
4. Bowman Place
5. Wando Crossing



Shopping Centers in Mount Pleasant							
Major Center	Town	Address	Anchors/Key Stores	Distance from Municipal Complex (miles)	Year Open	Approx. # Stores	GLA (sq. ft.)
Mount Pleasant Towne Centre	MP	1218 Belk Dr	Belk, Regal Cinemas, Old Navy, Bed Bath and Beyond, Barnes & Noble, Pier 1, GAP, Ann Taylor	4.5	1999	60	486,216
Sweetgrass Corner	MP	1909 N Highway 17	Bilo, Hampton Inn, Residence Inn	4.7	2004	16	89,124
Belle Hall Shopping Center	MP	600 Long Point Rd	Harris Teeter, Steinmart, PetCo	5.0	2004	64	297,737
Shoppes at Seaside Farms	MP	1965 Riviera Dr	Target, Harris Teeter, Homewood Suites	5.5	2006	40	335,000
Irongate Plaza	MP	Isle of Palm Connector	Pipeline Beachwear, Comfort Inn/Suites	5.5		4	30,000
Six Mile Market Place	MP	2195 Tea Planter Lane	Harris Teeter, Hobby Lobby, Goodwill, Cracker Barrel	5.6		5	99,932
Market at Oakland	MP	1164 Oakland Market Rd	Walmart, Kohl's, Sweetgrass Plaza	8.0	2007	35	415,000
Station 41	MP	1039 SC-41	Pier 41, CVS	8.2	2006	15	16,000
Shoppes at Park West	MP	1109-1125 Park West Blvd	Publix	9.0	2004	13	63,916
Plaza at Park West	MP	Park West Blvd	Joey Bag of Donuts, Papa John's	9.0		9	17,000
National Crossing	MP	3365 South Morgans Point Road	Palmetto State Armory	9.2		20	69,330
Total						551	3,316,330

Figure 15: Shopping Center Retail in Mount Pleasant and Region. Source: Arnett Muldrow



Clockwise from Top:

1. Mt Pleasant Towne Centre
2. Market at Oakland
3. Belle Hall – Vacant Ross
4. Plaza at Park West
5. Shoppes at Seaside Farms



Mixed Use Spaces in Mount Pleasant not included in Retail Count							
Major Center	Town	Address	Anchors/Key Stores	Distance from Municipal Complex (miles)	Year Open	Stores	GLA (sq. ft.)
Bridgewater Center	MP	966 Houston Northcutt Blvd	Mixed Use Office and Retail - Primarily Office	0.2	1988	9 Spaces	26,200
349 Coleman	MP	349 Coleman	Kicken Chicken, Ameris Bank	0.5	2016		30,000
101 Coleman	MP	101 Coleman	Mixed Office and Parking	0.8	2016		42,000
Lafayette Village	MP	798 Johnnie Dodds Blvd	Mixed Use Office and Retail	1.5		11 standalone buildings	20,000
The Boulevard	MP	Coleman Boulevard	Mixed Use Residential with limited Retail	1.8	2013	4	10,000
Major Shopping Centers in the Region							
Major Center	City	Address	Anchors/Key Stores	Distance from MP	Year Open	Stores	GLA (sq. ft.)
Northwoods Mall	North Charleston	2150 Northwoods Blvd	Belk, Dillards, JCPenney, Books A Million	16.8	1972	132	772,684
Tanger Outlets	North Charleston	4840 Tanger Outlet Blvd	outlets	11.6		400	382,000
Citadel Mall	Charleston	2070 Sam Rittenberg Blvd	Belk, Dillards, Dick's, JCPenney, Target	10.2	1981	100	1,025,741
Westwood Plaza	Charleston	1812 Sam Rittenberg Hwy	TJMaxx, Barnes and Noble, Office Depot	9.3	1985	23	190,083
West Ashley Shoppes	Charleston	946 Orleans Rd	Ross Dress for Less, Party City, World Market, Bed Bath and Beyond	10.7	1987	15	141,260
The Shoppes at Centre Point	North Charleston	4950 Centre Pointe Dr	Ashley Furniture, Staples, Dollar Tree	11.8	2006	15	145,112
Ashley Landing	Charleston	1401 Sam Rittenberg	Publix, Burlington Coat Factory, Pivotal Fitness, Big Lots	10.0	1970	24	400,000
Ashley Crossing	Charleston	2245 Ashley Crossing Drive	Kohl's, Marshalls, Jo-Ann, Food Lion	11.1		25	217,438
Additional Stores adjacent to Tanger	North Charleston	4920 Centre Pointe Dr	Walmart, Sam's, Field and Stream, Regal	11.8			
North Pointe Plaza	North Charleston	7580 Rivers Avenue	Walmart Supercenter, Rooms to Go, Tuesday Morning, AC Moore,	15.6	1989	25	373,520
North Rivers Town Center	North Charleston	7220 Rivers Ave	Target, Babies R Us, Bed Bath and Beyond, Ross Dress for Less, Office	15.5	2003	12	225,504
The Shops at Belmont Charleston	Charleston	205 Meeting St		5.2		30	50,552
Total						801	3,923,894



From Top:
 1. 349 Coleman
 2. 101 Coleman
 3. The Boulevard

Figure 16: Shopping Center Retail in Mount Pleasant and Region. Source: Arnett Muldrow

Mount Pleasant has well over three million square feet of retail space in existing shopping centers and very little vacancy – approximately 5% according to local commercial real estate data. Much of this available space, approximately 120,000 square feet, occurs in three anchor tenant spaces previously mentioned:

- Former Southern Season in Brookgreen Town Center – **45,000 square feet**
- Vacant Ross for Less in Belle Hall Shopping Center – **30,000 square feet**
- Vacant Bi-Lo at Mount Pleasant Square – **46,000 square feet**

While these three sites are prime locations within quality shopping centers, there is very little other vacant space throughout Mount Pleasant. Therefore, any new commercial in Mount Pleasant would occur through:

- Tenant recruitment to these three anchor sites.
- Normal turnover of retail space in existing shopping centers.
- New development in the limited vacant commercially zoned land (685 acres).
- Redevelopment of existing, older commercial strip centers similar to Bowman Place, the former K-Mart shopping center.
- New commercial in mixed-use developments similar to 349 West Coleman or The Boulevard development.

6.0 Local Trends

6.1 Building Permits

Commercial Permitting and Investment

Commercial building permits in Mount Pleasant slowed following the recession, but began to increase again in 2012. This is a very similar trend in other urban metros around the Southeast.

New construction permits nearly doubled from 2013 to 2014 and have remained high, even surpassing pre-recession levels. It is important to note that 2017 figures do not include June, but new construction permits will likely be down this year.

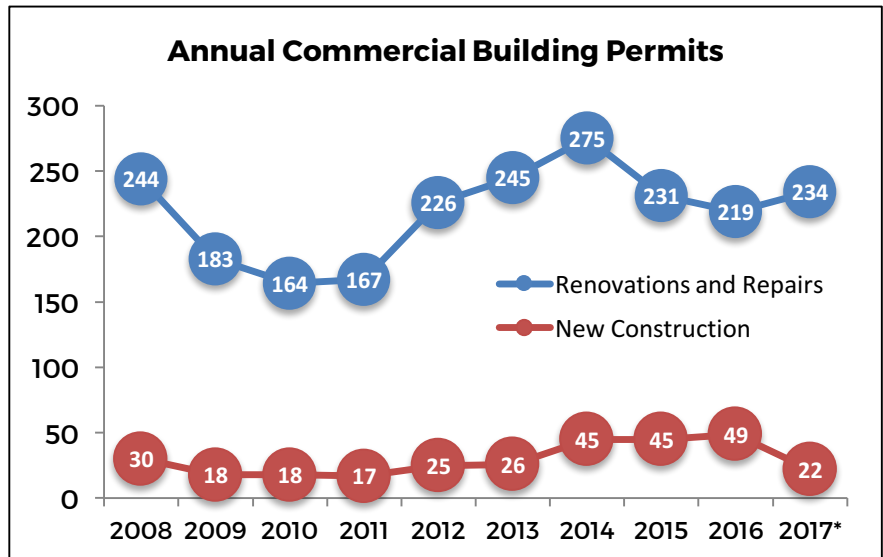


Figure 17: Commercial Building Permits in Mount Pleasant, 2007-2017. *2017 numbers do not include June. Source: Town of Mount Pleasant

Over the past 10 years, \$622 million was invested in new construction and \$342 million in repairs and renovations. This totals \$964 million invested in commercial development in Mount Pleasant. The chart to the right shows annual investment in commercial development from 2007 to 2017. While there was a dip in investment following the recession, investment has been increasing since 2013. The total value of commercial new construction and repairs and renovations in the 2016-2017 fiscal year was over \$152 million.

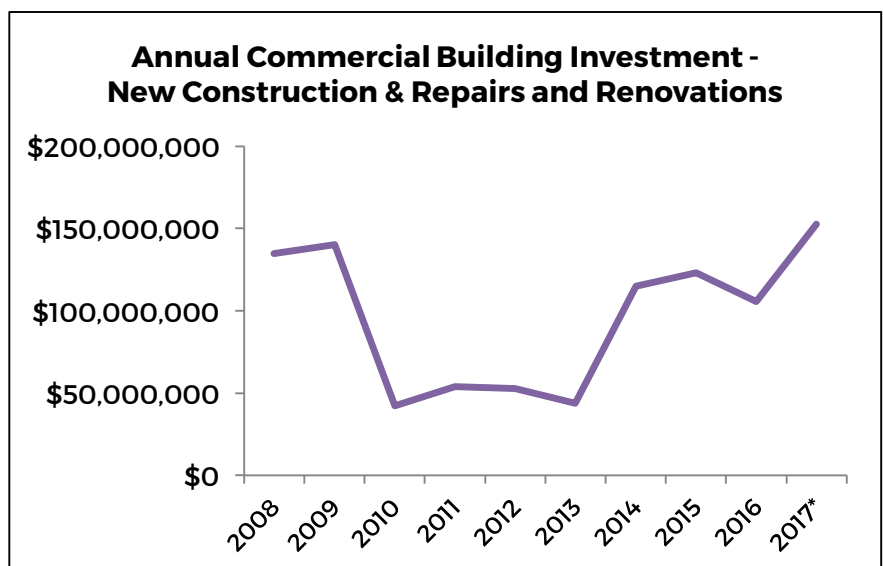


Figure 18: Commercial Building Investment in Mount Pleasant, 2007-2017. *2017 numbers do not include June Source: Town of Mount Pleasant

Residential Permitting and Investment

While this report is a retail study, residential growth shows an interesting trend that is relevant to the commercial market and demand.

Residential investment did not dip as dramatically as commercial investment during the recession. While new construction permits did drop by nearly half in 2009, it took just two years for them to surpass pre-recession levels. More interestingly, residential renovations and repairs did not see a dip at all.

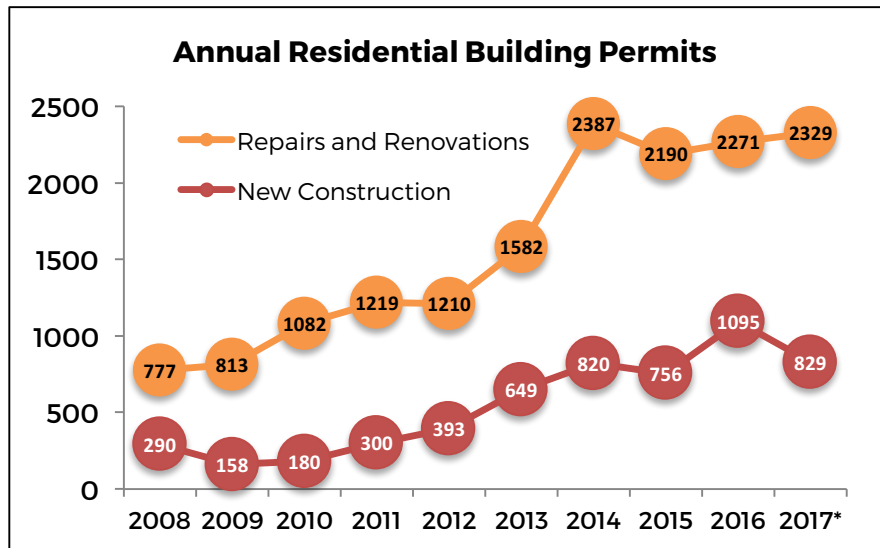


Figure 19: Residential Building Permits in Mount Pleasant, 2007 - 2017
Source: Town of Mount Pleasant

Over the past 10 years, there has been \$2.6 billion in total residential investment in Mount Pleasant.

The growth patterns for residential and commercial investment show that housing not only recovered more quickly, but also has shown sustained growth since 2010. More importantly, retail demand in Mount Pleasant is driven by residential growth, and current trends indicate a growing demand for new retail in Town.

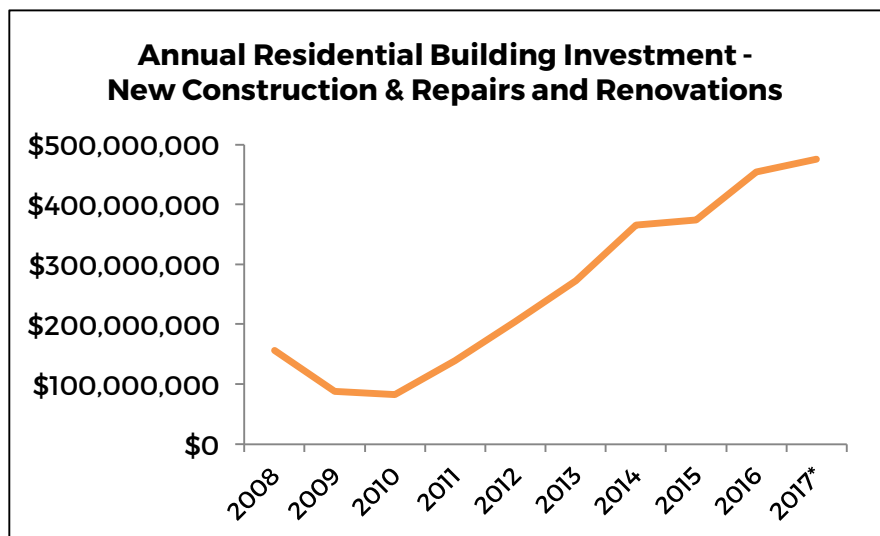


Figure 20: Residential Building Investment in Mount Pleasant, 2007-2017
Source: Town of Mount Pleasant

6.2 Business Licenses

Business licenses data over the past decade were examined to determine trends in new business starts (investment) and gross receipts (annual sales).

New Businesses

Mount Pleasant added 12,768 new business licenses over the past 10 years with the highest number of new businesses seen in the 2015/2016 fiscal year.

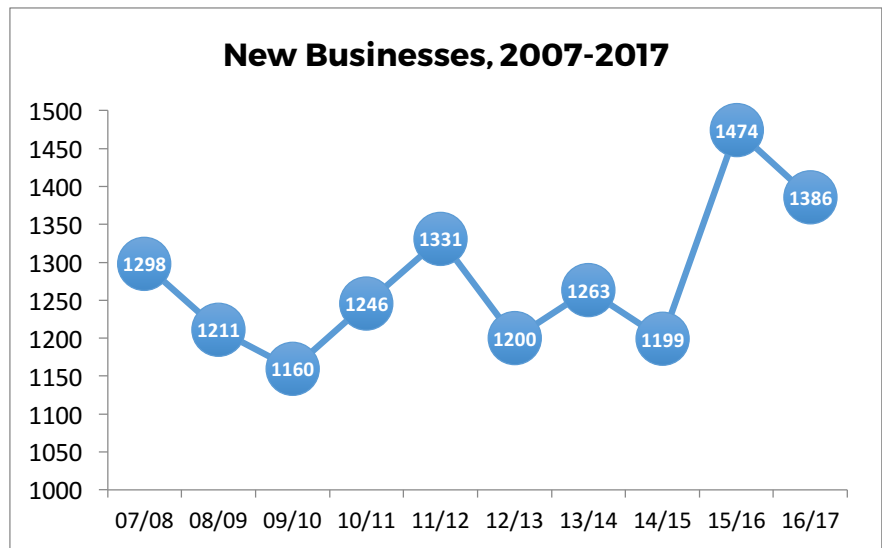


Figure 21: New Businesses in Mount Pleasant, 2007-2017. Source: Town of Mount Pleasant

Revenue Collection

The Town collected \$12.5 million in revenue from business licenses in the most recent fiscal year. This was a 13.6% increase over FY 15/16. Accommodations tax collections grew by 11.5% this past year and totaled approximately \$810,000. Overall, business licenses accounted for 36% of licensing revenue in FY 16/17.

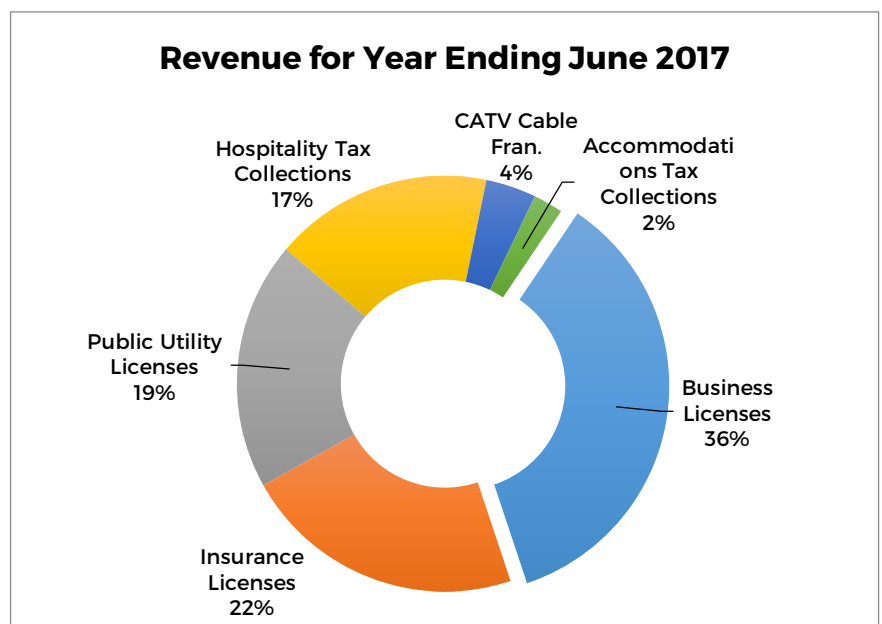


Figure 22: Annual Revenue Collections in Mount Pleasant for Year Ending June 2017 by Revenue Account. Source: Town of Mount Pleasant

Retail Gross Receipts

Business license fees are determined by annual gross receipts, and the Town provided aggregate gross sales by retail sector from 2007 to 2015.

In 2015, three retail sectors accounted for nearly half of all receipts: Food and Beverage Stores (20%), Food Services and Drinking Places (15%), and General Merchandise Stores (14%).

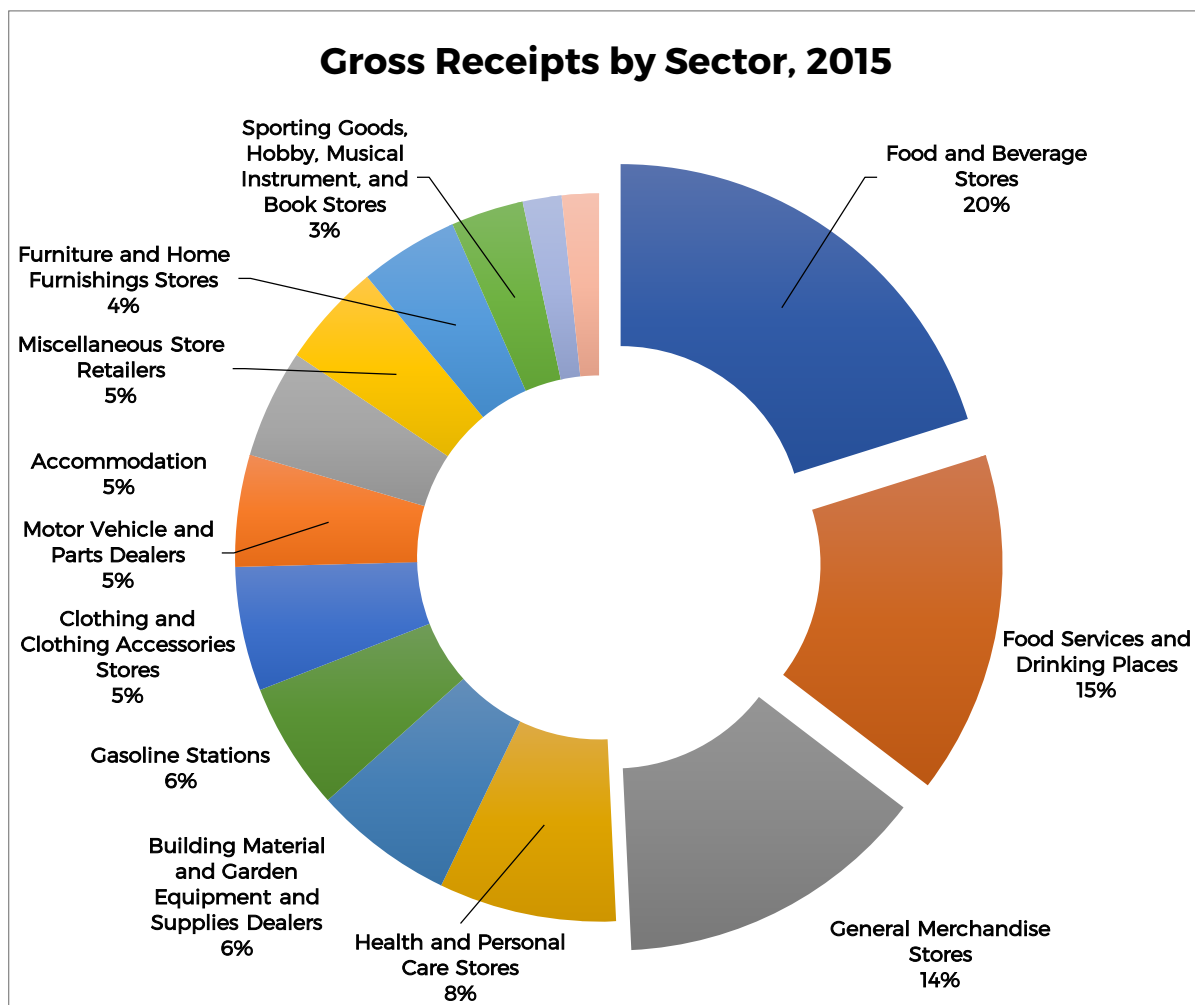


Figure 23: Gross Receipts in Mount Pleasant by Sector, 2015. Source: Town of Mount Pleasant

The chart and table on the following page show the growth in receipts by retail sector from 2007 to 2015. Most sectors experienced significant growth from 2007 to 2015 with the largest increases in Sporting Goods, Hobby, Music, and Book Stores (113.9%) and Accommodation (68.5%). Only two sectors saw decreasing receipts – Motor Vehicle and Parts Dealers (-16.5%) and Electronics and Appliance Stores (-4.8%).

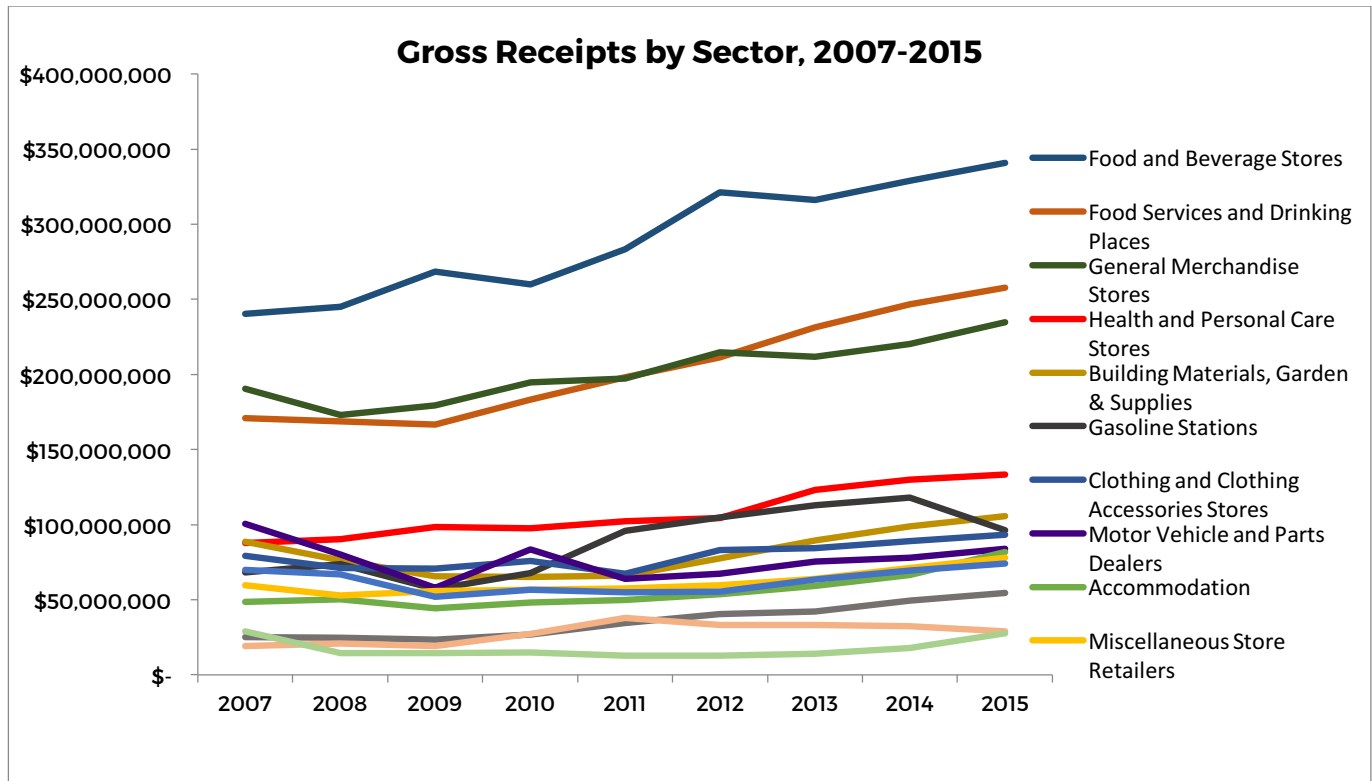


Figure 24: Gross Receipts in Mount Pleasant by Retail Sector, 2007-2015. Source: Town of Mount Pleasant

NAICS Code	Sector	Gross Receipts, Mount Pleasant									Growth 2007 to 2015
		2007	2008	2009	2010	2011	2012	2013	2014	2015	
445	Food and Beverage Stores	\$240,288,365	\$245,070,863	\$268,492,533	\$260,023,800	\$283,284,128	\$321,171,252	\$316,409,203	\$329,176,590	\$341,131,324	42.0%
722	Food Services and Drinking Places	\$170,825,552	\$168,737,383	\$166,575,571	\$183,201,993	\$198,242,320	\$211,247,089	\$231,326,137	\$246,927,964	\$257,900,051	51.0%
452	General Merchandise Stores	\$190,571,761	\$173,269,598	\$179,573,638	\$194,785,518	\$197,207,143	\$214,861,660	\$211,913,481	\$220,228,291	\$234,865,086	23.2%
446	Health and Personal Care Stores	\$88,078,693	\$90,354,330	\$98,734,968	\$97,641,974	\$102,370,908	\$104,672,505	\$123,076,204	\$130,224,471	\$133,488,710	51.6%
444	Building Materials, Garden & Supplies	\$88,645,327	\$76,326,764	\$65,596,805	\$65,484,168	\$65,987,604	\$77,624,207	\$89,499,239	\$99,099,876	\$105,731,908	19.3%
447	Gasoline Stations	\$68,387,650	\$73,897,352	\$57,123,739	\$68,045,040	\$95,982,036	\$105,158,506	\$113,112,416	\$118,015,420	\$96,253,351	40.7%
448	Clothing and Clothing Accessories Stores	\$79,412,949	\$71,257,880	\$71,043,075	\$75,811,528	\$67,394,159	\$83,244,525	\$84,627,082	\$89,201,072	\$93,374,779	17.6%
441	Motor Vehicle and Parts Dealers	\$100,811,052	\$80,252,251	\$58,081,426	\$83,498,997	\$63,891,261	\$67,683,576	\$75,490,572	\$77,980,368	\$84,138,023	-16.5%
721	Accommodation	\$48,571,899	\$50,504,217	\$44,298,767	\$48,496,387	\$50,147,779	\$53,724,132	\$59,424,669	\$66,602,427	\$81,858,825	68.5%
453	Miscellaneous Store Retailers	\$59,902,401	\$53,115,525	\$55,986,785	\$56,785,336	\$57,706,794	\$60,015,126	\$63,918,988	\$71,376,785	\$78,181,850	30.5%
442	Furniture and Home Furnishings Stores	\$69,864,311	\$66,888,614	\$52,060,291	\$56,793,110	\$55,271,517	\$55,691,442	\$63,458,476	\$69,792,543	\$74,429,784	6.5%
451	Sporting Goods, Hobby, Musical, and Books	\$25,519,360	\$24,858,248	\$23,606,678	\$27,092,528	\$34,563,393	\$40,726,421	\$42,153,929	\$49,751,417	\$54,590,794	113.9%
454	Nonstore Retailers	\$19,208,646	\$21,217,659	\$19,528,668	\$27,624,571	\$37,915,229	\$33,542,906	\$33,387,841	\$32,433,240	\$29,261,321	52.3%
443	Electronics and Appliance Stores	\$29,232,550	\$14,520,547	\$14,825,259	\$15,037,819	\$12,975,007	\$12,863,975	\$14,280,837	\$18,148,371	\$27,838,654	-4.8%

Figure 25: Gross Receipts in Mount Pleasant by Retail Sector, 2007-2015. Source: Town of Mount Pleasant

6.3 Local Trend Observations

General observations from the permitting and licensing data include:

- New commercial construction and investment dipped significantly during the recession from \$140 million in 2009 to just \$43 million in 2010.
- Permits for renovation/repairs as well as new construction did not reach pre-recession levels until 2014, and have either plateaued or declined slightly since.
- Residential investment saw a dip during the recession but quickly recovered. \$156 million was invested in residential construction (repair/renovations plus new construction) in 2008, falling to \$82 million in 2010. By 2011, investment was on a steep rise that continues to this day. In the first eleven months of FY 16/17, there was nearly \$476 million in residential construction.
- New housing starts accounts for much of this investment, and 2016 saw the largest number of building permits for new residential at 1095. This residential growth reflects the tremendous increase in population in the Town (20.5% since 2010). These new residents have brought with them increased demand for commercial and retail.
- New business starts have fluctuated over the past decade, ranging from a low of 1160 new businesses in 2010 to 1474 in 2016. This past year saw a slight dip to 1386.
- Business licensing is based on gross receipts from annual sales, and aggregate data shows:
 - **Food and Beverage (Grocery).** This category saw virtually no impact from the recession. Sales dipped slightly between 2009 and 2010, but has increased steadily since to a total of \$341 million in gross sales in 2015. This represented 42% growth since 2007 and is by far the largest commercial category in terms of annual sales.
 - **Food Services (Restaurants).** Similarly, restaurant sales dipped from 2008 to 2010, but has grown by 51% since 2007. There were \$257 million in sales in 2015.
 - **Health and Personal Care.** This category has grown by 52% since 2007 with an annual sales total of \$235 million in 2015. This is a category that doesn't always see this type of growth, but as mentioned earlier in this report, is indicative of the Mount Pleasant lifestyle and wellness cluster that has emerged.
 - **Accommodations.** This category saw 68% increase in sales during the same time frame to a total of \$82 million in 2015.
 - **Sporting goods.** This category saw the most growth at 114%. While annual sales in 2015 were just \$54 million, these numbers suggest a steadily growing retail sector.
 - **Auto dealers and parts.** This category has fluctuated but declined in sales by 17% since 2007. This is not surprising given the growth of dealers in West Ashley.
- Overall, commercial investment and building permits confirm the previous leakage study and indicate that Mount Pleasant has a very healthy and growing retail market.

7.0 Stakeholder Input

A number of stakeholders with knowledge of Mount Pleasant's retail market were engaged to get a better understanding of the data, as well as a more practical knowledge of opportunities and challenges. This included town economic development staff, property managers, commercial real estate firms, and developers. A summary of their industry knowledge is provided below.

- **Recession:** The Charleston metro, and in turn the Mount Pleasant market, were negatively impacted by the recession. However, the region did not experience the scale of decline as did other urban centers. Development cooled beginning around 2007 and fewer real estate deals were being made, but retail sales seemed to plateau rather than experience dramatic declines. By the same token, all indicators point to current growth in the metro being at a scale similar to pre-recession levels.
- **Market today:** The current retail market in Mount Pleasant is doing extremely well. New products are consistently coming into the market, and long-time products are doing well. As a case in point, Mount Pleasant Towne Centre is one of the earliest "lifestyle centers" in the state, and is approaching two decades since it broke ground. Its customer base continues to expand, with upwards of 7 million visitors per year.
- **Market geography:** Mount Pleasant's potential will continue to be driven by the needs of the local market. Even with regional centers like Towne Centre, most of the retail mix in town supports local residents. Natural borders, bridges, and urban traffic congestion keep the Mount Pleasant consumer in town, and they want all their needs to be served locally.

It was mentioned that much of Mount Pleasant's future residential growth will occur north of Highway 41. These people will be on the outskirts of the Metro, and will increase the traffic burden on Highway 17 through Mount Pleasant. Additional commercial and office uses will need to be developed north of 41 to serve these new residents and reduce impact to existing infrastructure. It was also felt that there are still receiving areas for development both in Mount Pleasant north of 41 and along Highway 17 leading outside of town to the north towards Awendaw.

- **Regional competition:** There are several areas and developments in the region that will continue to compete with Mount Pleasant for retail development:
 - **North Charleston** – regional big-box chain retail and outlet centers make it the largest retail center in the metro and state.
 - **West Ashley** – the second largest retail center in the region continues to grow, with chain retailers such as Costco, automotive dealerships, etc. As the vision for the Citadel Mall and Sam Rittenberg Drive emerges, the West Ashley area is poised to grow more significantly through redevelopment.
 - **Downtown** – Downtown Charleston is certainly a key competitor for higher end businesses and chains with smaller footprints, but the high rents on King Street are already pushing businesses to Mount Pleasant.

- **Nexton** – Nexton is a 4500-acre mixed-use development in Summerville adjacent to I-26. The plan calls for a future town center and six million square feet of commercial space. Stakeholders disagreed on Nexton's potential future impact on Mount Pleasant, but did recognize that as Nexton develops, Mount Pleasant's market reach to the Goose Creek/Summerville area may be lessened.
 - **West Edge** – This is a new development planned along the Ashley River adjacent to the Citadel. The plan calls for a mixture of uses and one million square feet of commercial and retail space.
 - **Challenges to growth:** The stakeholders agreed on a number of key concerns that they feel affect the future development potential of retail in Mount Pleasant.
 - **Permitting:** Time for permitting continues to be the biggest challenge in Mount Pleasant. The stakeholders were looking forward to the new third-party permitting processing reducing approval times.
 - **Impact fees:** Most stakeholders discussed the increased impact fees in a matter of fact manner, acknowledging it was the cost of doing business in Mount Pleasant. They felt that it would have little if any effect on residential growth, with developers simply passing on any additional costs to an already high-end market.

There was some discussion about whether this would slow commercial growth, but more importantly they saw the potential for it to effectively rule out independents and local businesses who wouldn't be able to afford the fees. One developer felt that with the 6% tax rate and increasing impact fees, a larger burden was put on commercial development to sustain a high tax base.

Finally, more than one stakeholder mentioned the need for health care and medical brought on by a growing affluent and aging population base. It was felt that the scale of impact fees for medical offices had the potential to hinder the ability to meet local demand.
 - **Retail growth:** It was stated that commercial generally lags residential growth, and with the continued population expansion projected for Mount Pleasant, it is important for the Town to focus on expanding shopping to meet growth for the foreseeable future.
 - **Office development:** They also saw a future where retail and office would continue to compete with each other for limited space. In particular, they felt that market forces would drive retail tenants over office simply because of cost of available space, and that office tenants would be challenged to afford the space.

In general, it is important when looking at the future growth of Mount Pleasant, that zoning and regulations appropriately allow for both office and retail space.
 - **Available space:** Mount Pleasant is constrained by water to the west, south and east, and a National Forest to the north. Space is already limited, and will continue to be so in the future. This will affect demand as well as cost of development. Long-term growth may come more through redevelopment as well as development of more mixed-use products.
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- **Workforce:** One key challenge not reflected in the retail market data is the ability to attract a ready workforce. It was felt that the local employment pool does not desire retail, restaurant and service level jobs, and that many front-line workers will continue to come from outside of the Town proper. It was mentioned that future planning and growth discussions should always look at workforce transportation and access.
- **Quality of Life:** Similarly, the commercial developers saw that both public and privately provided amenities will impact retail and commercial development. They felt that bike trails, roadway connectivity, open space, and pedestrian access is important to continue to attract the quality of development desired in Mount Pleasant, and that the public and private sector should work together ensure that these are encouraged.
- **National Retail Trends:** All stakeholders felt that not only is the Mount Pleasant retail market very healthy, but that the Town needs to provide opportunities for retail growth. By the same token, they recognized that there is continued disruption and uncertainty in the national market for bricks and mortar retail. In particular, trends in online retail competition, big-box downsizing and closures, and the introduction of new products in the US market may not have hit Mount Pleasant yet, but they may in the future.
- **Communication:** All told, the commercial real estate and development professionals appreciated being engaged during this process, and felt like the lines of communication should continue to stay open or enhanced in the future. In particular, they realized that an improved private-sector knowledge not only of regulations, but also that of economic development incentives, will help them more effectively recruit the right kinds of development to Mount Pleasant.

8.0 Conclusions

The retail market study above shows that the Town of Mount Pleasant has a very healthy and growing commercial market overall. Local businesses have benefited both from rapid population growth as well as the general affluence of Mount Pleasant residents. The market study lays out current demand and opportunities for retail growth, but also details some challenges including lack of available space, concerns about competition for space between office/commercial/residential uses, and the potential impact of regulation on private sector investment.

This study was completed to provide the Town of Mount Pleasant with up-to-date data and a better understanding of the retail forces that exist in town and in the region. It explores how the existing retail base, future commercial development, and regional dynamics impact retail potential in the Town. It is intended to be a precursor to the upcoming Comprehensive Plan process, as well as inform any broader economic development planning in the Town, particularly as it relates to retail. While the study does not address broader economic development issues such as other land uses, recruitment, workforce, or quality of life, general actionable items are suggested below for Mount Pleasant to consider as it conducts ongoing economic development efforts.

1. Use the data and findings of this retail market study to inform the Comprehensive Planning process. In turn, use the comprehensive plan and this study to advise policy and decision-making.
 2. Similarly, use this data as a platform to update the Town of Mount Pleasant Economic Development Strategy 2013-2017, which is due for another 5-year economic outlook.
 3. Collaborate with local commercial real estate firms to determine best uses for the three big-box vacant spaces that exist in Mount Pleasant. The private sector market is healthy enough to where it will more than likely drive the use of these spaces, but simple communication between property owners and real estate professionals could lead to investment that meets the Town of Mount Pleasant's vision.
 4. As part of the Comprehensive Plan or the Economic Development Strategy Update, Town staff and leadership should discuss priorities on infill commercial development, particularly for the aging retail strip centers on Johnnie Dodds Boulevard. Strategies for redevelopment and investment, including potential incentives, could be determined.
 5. With limited space but continued demand for new retail, combined with Mount Pleasant's desire to maintain high-quality development of all types, it is important for the Town to determine priorities in terms of desired retail uses. This should begin as part of the Comprehensive Plan and result in strategies or incentives to recruit those desired businesses.
 6. This could potentially include targeted recruitment strategies for desired businesses in key locations (Coleman Boulevard, commercial nodes in high growth residential areas, etc), or incentives such as density bonuses, mixed-use incentives, abatement of permitting fees, and perhaps rebates to impact fees. The Town currently utilizes several
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of these incentives tied both to investment and jobs creation, and could consider amending its Economic Development Incentives Grant program to target needed and desired retail businesses.

7. These current incentives have been used on larger economic projects, but additional programming or incentives should be considered for small business and start-ups. Numerous models exist throughout the country.
 - o OpportunitySWVA.org has implemented a very successful program that leverages both private sector investment and grants to incentive startups through a competitive process. In Mount Pleasant, it would likely be a collaborative effort between the Town and Mount Pleasant Chamber, with awards potentially tied to startup costs to offset permitting, impact fees, as well as marketing and financing.
 - o Maker spaces such as Synergymill.com in Greenville, SC or Vector-space.org in Lynchburg, VA do not necessarily translate to retail business, but certainly have been successful in fostering innovation and start-up businesses and can be a successful model for entrepreneurial development. At least two similar operations currently exist in North Charleston and West Ashley.
 - o Anchor Square in Pascagoula, MS is an award-winning, unique retail business incubator that reuses restored Katrina Cottages assembled on an elevated boardwalk around a common public green. The circumstances for creating this facility were unique to Pascagoula, but it has spun off numerous successful retail businesses throughout the community.

Not all of these models could be used in Mount Pleasant, but are shown to highlight that creative economic development can work for small businesses and entrepreneurs.

8. Consider developing an economic development-specific brand and marketing strategy. The Town currently has *excellent* marketing resources beginning with the new municipal website, experiencemountpleasant.com, social media, etc. More importantly, there is a consistency to all marketing materials whether they target residents, visitors, or new business. The Town should consider creating a separation (specifically in its marketing efforts) between the visitor experience and business development. This would create a platform to expand its recruitment strategies and materials, while also heightening the awareness of Mount Pleasant in regional economic development efforts.

This could coincide with creating more emphasis on the current Town Proud initiative for driving local loyalty and support of local and small businesses. This is incredibly important in Mount Pleasant where market forces create challenges and extra complexity for small business. Successful small business is critical to a healthy and well-rounded tax base.

9. As part of the Comprehensive Planning process, the Town should create strategies to address those quality of life and economic development factors that affect a healthy retail market. This would include workforce needs related both to transportation and
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affordable housing, as well as connectivity and pedestrian amenities from housing to retail, and from retail to retail.

10. Consider a bi-annual real estate roundtable. The collaborative spirit during the stakeholder process of this study led to creative thinking, but also positive goodwill between the Town and the private sector. A regular meeting to share ideas and information related to the market, permitting and impact fees, and development challenges would be very impactful in Mount Pleasant. It is important that all players come to the table with a constructive and open mindset, rather than using the opportunity to complain. A regular and open line of communication would accomplish just that.
11. Finally, the Town should simply use this study as baseline data to begin tracking what, if any, effects the new impact fee structure has on development. This could also help determine the effectiveness of the third-party permitting process.