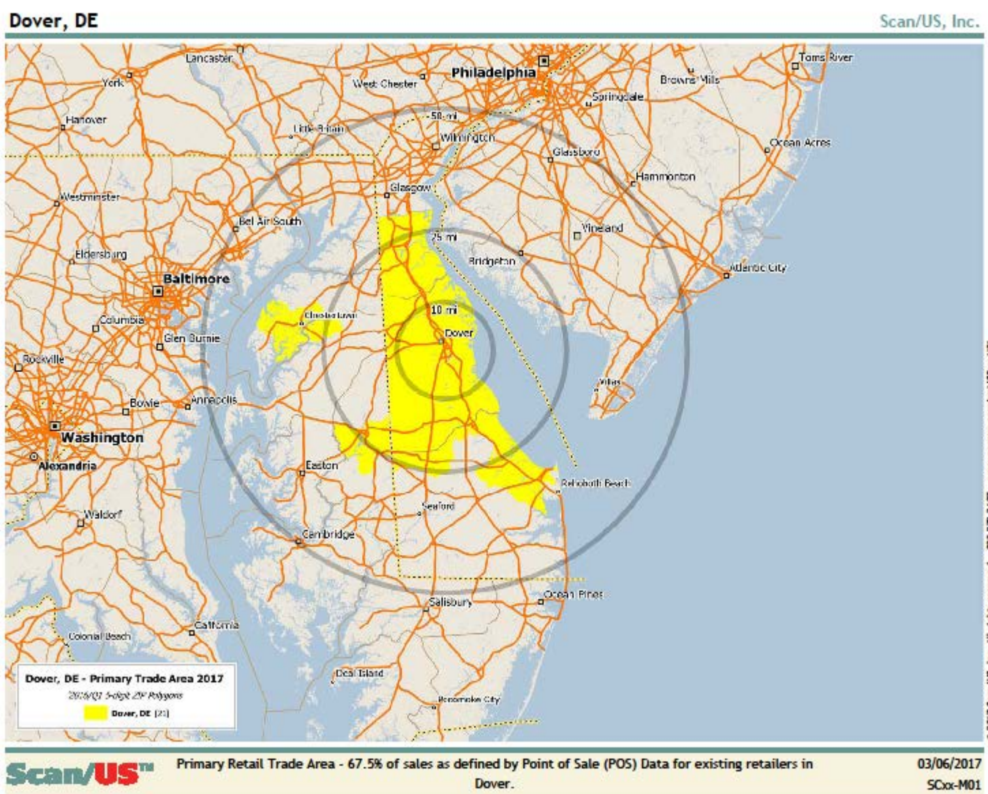
Dover Regional Trade Area

The regional trade area that supports retailing and other activities surrounding Dover Mall is estimated at approximately 308,000 persons (2016). This is an increase of nearly 101,000 persons over the US Census 2000 figure of 207,000 people – a total gain of 48.8 percent, or, 3.0 percent annually. This regional trade area that currently supports retail activity in the Dover market extends some 25.0 miles north, south and west.

Dover, DE – Current Regional Trade Ara Population & Change

Existing Primary Trade Area						
		Actual Change		Percent Change		
Year	Population	Total	Annual	Total	Annual
2000	207,032				
2010	282,399	75,367	7,537	36.4%	3.6%
2016	308,006	25,607	4,268	9.1%	1.8%
2021	324,213	16,207	3,241	5.3%	1.1%

Source: Retailer Point-of-Sale (POS) Data, Scan/US and Gerney Research.



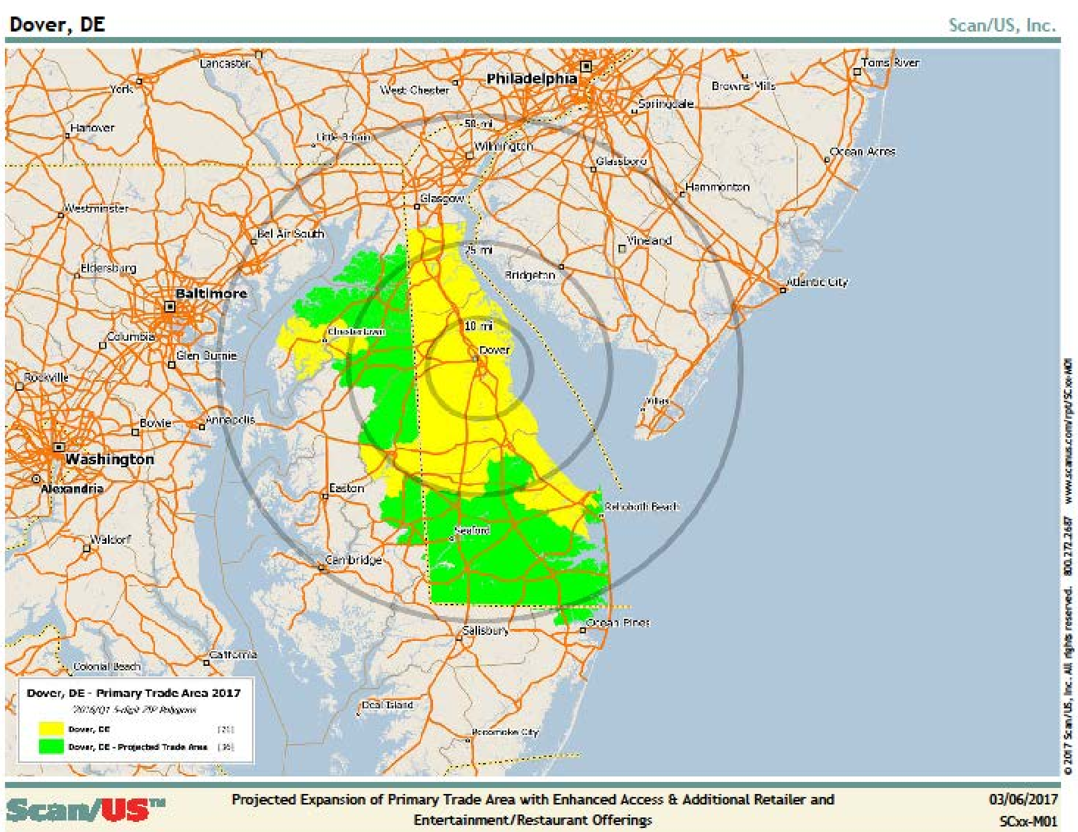
Trade Area Expansion with Enhanced Access, New Box Retailers & Restaurants

It is anticipated that with the major improvements that have been made to this locations regional access along with addition of numerous new mid-sized box retailers and restaurants the geographic drawing power of the Dover retail market to be significantly enhanced. While the trade area is not anticipated to extent any further northward, due to the presence of the much larger Wilmington MSA in that direction, expansion well to the south and west is projected. This is expected to increase the primary trade area population from its current 308,000+/- person population to an estimated 516,100 persons – based on 2016 estimates. Further, based on current growth trends, this primary trade area population can be expected to reach almost 552,000 people by 2021, rather than the 324,200 people based on existing geographic customer patterns.

Dover, DE: Projected Trade Area with Enhanced Box Retail Offerings

Existing Primary Trade Area					
		Actual Change		Percent Change	
Year	Population	Total	Annual	Total	Annual
2000	207,032				
2010	282,399	75,367	7,537	36.4%	3.6%
2016	308,006	25,607	4,268	9.1%	1.8%
2021	324,213	16,207	3,241	5.3%	1.1%
Trade Area Expansion Population with New Retailers & Enhanced Access					
		Actual Change		Percent Change	
Year	Population	Total	Annual	Total	Annual
2000	158,293				
2010	194,322	36,029	3,603	22.8%	2.3%
2016	208,103	13,781	2,297	7.1%	1.4%
2021	227,737	19,634	3,927	9.4%	1.9%
Total Trade Area Population with New Retailers & Enhanced Access					
		Actual Change		Percent Change	
Year	Population	Total	Annual	Total	Annual
2000	365,325				
2010	476,721	111,396	11,140	30.5%	3.0%
2016	516,109	39,388	6,565	8.3%	1.7%
2021	551,950	35,841	7,168	6.9%	1.4%

Sources: Corporate Web-sites & Gerney Research Group.



Note: Yellow Shaded Area Represents Existing Primary Trade Area and Green Indicates Trade Area Expansion Area Based on Enhanced Regional Access as well as the Addition of Further Box Retailers.

Analog Markets

Population, Income & Psychographic Comparison

In order to provide a frame of reference in regards to the activity/sales levels that are currently being generated by this markets existing inventory of retailers and restaurants, data were collected for several other markets of similar population, income and psychographic characteristics, located throughout the Mid-Atlantic, Northeast and Upper Midwest portions of the nation.

Dover, DE MSA – Initial Analog Markets Based on Population, Income & Psychographics

Market	Population	Per Capita Income	Avg. HH Income	Median HH Income	HH w/Income >$100K	Suburban Style HH's	Thriving Boomer HH's	Singles & Starters	Golden Year Guardian HH's
Dover, DE	171,922	$ 25,999	$ 67,567	$ 54,310	12,645	9,750	7,362	13,199	8,527
Analog Average	169,790	$ 26,869	$ 65,662	$ 49,581	12,937	2,640	7,819	11,410	6,958
Variance	2,132	$ (870)	$ 1,905	$ 4,729	(292)	7,110	(457)	1,789	1,569
Index Value	1.01	0.97	1.03	1.10	0.98	3.69	0.94	1.16	1.23
Hagerstown, MD-WV	261,802	$ 27,444	$ 69,576	$ 53,666	20,300	7,742	13,558	10,932	10,683
Winchester, VA-WV	133,168	$ 27,625	$ 69,977	$ 52,525	12,252	2,070	5,781	5,924	7,018
Traverse City, MI	148,239	$ 28,481	$ 67,096	$ 51,121	11,122	3,202	10,876	4,690	9,032
Binghamton, NY	246,857	$ 26,251	$ 62,915	$ 47,546	17,844	1,182	6,199	12,454	8,076
State College, PA	156,968	$ 27,078	$ 68,386	$ 50,053	12,919	1,482	8,505	34,248	3,887
Elmira, NY	87,733	$ 26,276	$ 63,440	$ 48,271	6,403	605	2,202	1,295	2,870
Bangor, ME	153,763	$ 24,927	$ 58,242	$ 43,888	9,718	2,197	7,614	10,325	7,137

Sources: Scan/US and Gerney Research

As seen from examining the preceding table, the Dover metropolitan area is comprised of an almost equal number of permanent year-round residents – at 171,922 vs. 169,790 persons – as the composite for this group of seven analog markets. In addition, when considering key income variables – those being Per Capita, Average and Median household incomes, as well as the number of households that generate over $100,000 annually – Dover comes in at essentially equal levels to the composite norms, at 0.97, 1.03, 1.10 and 0.98 times the composite, respectively. If one were to expand this comparison to include Dover's dominant psychographic household cluster groups – those being Suburban Style, Thriving Boomer, Singles & Starter and Golden Year Guardian households – it is seen that the subject market provides some variance with significantly more Suburban Style (many commuters to the Wilmington MSA northward) and Golden Year Guardian (retirement communities) households. When the composite index figure for each of these variables were combined, it was calculated that the Dover market provides support equal to 1.39 times the per capita/household norm.

Accommodations & Food Service/Drinking Sales Comparison

Another potential driver for additional sales within this metropolitan area is the strong tourist economy that is based here – as illustrated by sales within the Accommodations sector. Within this economic sector it has been found that the Dover MSA has an Accommodations industry that generates sales exceeding the composite norm by 2.64 times – at $280.3 vs. $106.3 million – with only one of these analog markets generating higher sales (Bangor, ME). The somewhat surprising point that has been uncovered – which could prove to be quite helpful in attracting this type of use to the Dover market – is that while far exceeding the norm in terms of Accommodations sales Dover falls well short of the norm when considering Food Service & Drinking sales. Within this important economic sector per capita sales fall some $316 (21.7 percent) below the composite norm, and as importantly, below each of the seven analog markets.

Dover, DE MSA – Accommodations Sales Comparison

Market	Population	Accommodation Sales	Accommodation Expenditures Per Capita	Food Service & Drinking	Food Service & Drinking Per Capita	Acc. & Food Service Sales	Total Per Capita
Dover, DE	171,922	$ 280,302	$ 1,630	$ 195,473	$ 1,137	$ 477,405	$ 2,777
Analog Average	169,790	$ 106,330	$ 626	$ 246,707	$ 1,453	$ 353,715	$ 2,083
Variance	2,132	$ 173,972	$ 1,004	$ (51,234)	$ (316)	$ 123,690	$ 694
Index Value	1.01	2.64	2.60	0.79	0.78	1.35	1.33
Hagerstown, MD-WV	261,802	$ 54,442	$ 208	$ 331,748	$ 1,267	$ 386,398	$ 1,476
Winchester, VA-WV	133,168	$ 48,531	$ 364	$ 206,735	$ 1,552	$ 255,630	$ 1,920
Traverse City, MI	148,239	$ 196,753	$ 1,327	$ 250,374	$ 1,689	$ 448,454	$ 3,025
Binghamton, NY	246,857	$ 51,201	$ 207	$ 372,405	$ 1,509	$ 423,813	$ 1,717
State College, PA	156,968	$ 61,738	$ 393	$ 227,250	$ 1,448	$ 289,381	$ 1,844
Elmira, NY	87,733	$ 17,721	$ 202	$ 136,737	$ 1,559	$ 154,660	$ 1,763
Bangor, ME	153,763	$ 313,925	$ 2,042	$ 201,703	$ 1,312	$ 517,670	$ 3,367

Sources: US Census of Accommodations & Food Service, Scan/US and Gerney Research

Shopping Center-type Sales Comparison

As a result of very limited existing retail offerings it has been found that when examining shopping center-type merchandise sales the Dover MSA comes in well below anticipated levels – with a per capita sales level of $1,050 vs. a composite norm of $1,757, or, 40.0 percent blow the norm. Of the four major categories – which have numerous sub-categories that offered limited ability for analysis due to confidentiality and disclosure restrictions – three (Furniture & Home Furnishings, Clothing & Accessories and Sporting Goods, Hobby, Music & Books) fell well below the composite norm figures, with only Electronics & Appliance goods exceeding the norm. Therefore, it can safely be assumed that a significant amount of retail sales leakage is occurring from this subject market area.

Dover, DE MSA – Per Capita Shopping Center-type Sales Comparison

Market	Population	Per Capita Sales				
		Furniture & Home Furnishings	Electronics & Appliances	Clothing & Accessories	Sporting Goods, Hobby, Music & Books	Shopping Center Type Sales
Dover, DE	171,922	$ 154	$ 371	$ 365	$ 160	$ 1,050
Analog Average	169,790	$ 302	$ 321	$ 728	$ 405	$ 1,757
Variance	2,132	$ (148)	$ 49	$ (364)	$ (244)	$ (707)
Index Value	1.01	0.51	1.15	0.50	0.40	0.60
Hagerstown, MD-WV	261,802	$ 274	$ 324	$ 787	$ 218	$ 1,602
Winchester, VA-WV	133,168	$ 302	$ 321	$ 580	$ 276	$ 1,479
Traverse City, MI	148,239	$ 370	$ 457	$ 642	$ 456	$ 1,925
Binghamton, NY	246,857	$ 349	$ 261	$ 446	$ 334	$ 1,388
State College, PA	156,968	$ 248	$ 265	$ 591	$ 438	$ 1,542
Elmira, NY	87,733	$ 298	$ 352	$ 760	$ 511	$ 1,920
Bangor, ME	153,763	$ 270	$ 325	$ 613	$ 357	$ 1,565

Sources: US Census of Retail Trade, Scan/US and Gerney Research

If this data is then multiplied by Dover's population, and then indexed based on the income and psychographic characteristics/market support presented earlier, it can be seen that there remains in the range of $130.0 to $180.0 million in additional shopping center-type merchandise sales to be recaptured by new retailers that might be attracted to this market. As might be expected, after the previous discussion regarding per capita sales performance within the four major categories, the largest amount of additional sales potential looks to present itself within the Clothing & Accessories category – with somewhere in the range of $62.5 and $87.0 million in potential sales to be recaptured by new retailers at the subject location.

Dover, DE MSA – Additional Shopping Center-type Merchandise Sales Potential

Methodology	Furniture & Home Furnishings	Electronics & Appliances	Clothing & Accessories	Sporting Goods, Hobby, Music & Books	Shopping Center Type Sales
Non-Indexed	$ 25,444	$ -	$ 62,580	$ 41,949	**$ 129,973**
Indexed	$ 35,368	$ -	$ 86,986	$ 58,309	**$ 180,663**

Sources: US Census of Retail Trade, Scan/US and Gerney Research

Potential Box Retail Target Tenants

Regarding the potential retailers that might be considered as serious candidates for recruitment to Dover, again using this initial list of analog markets as our basis for comparison, several higher-probability retailers have been identified. Included in this list are ***Books-A-Million, Marshalls, Bed Bath & Beyond and HomeGoods***.

Mid-Sized Box Retailer Inventory Comparison

	Brand	Dover, DE	Analog Average	Variance	Hagerstown, MD-WV	Winchester, VA-WV	Traverse City, MI	Binghamton, NY	State College, PA	Elmira, NY	Bangor, ME
Book Stores	Barnes & Noble	-	0.4	(0.4)	-	-	-	1	1	1	-
	Books-A-Million	-	0.6	**(0.6)**	2	1	1	-	-	-	-
	TOTAL	-	1.0	**(1.0)**	2	1	1	1	1	1	-
Sporting Goods / Outdoors	Bass Pro Shops	-	-	-	-	-	-	-	-	-	-
	Cabela's	-	-	-	-	-	-	-	-	-	-
	Dick's Sporting Goods	1	1.0	-	2	-	-	2	1	1	1
	Field & Stream	-	0.1	(0.1)	-	-	-	-	-	1	-
	Gander Mountain	-	0.4	(0.4)	-	1	1	1	-	-	-
	LL Bean	-	-	-	-	-	-	-	-	-	-
	TOTAL	1	1.6	**(0.6)**	2	1	1	3	1	2	1
Junior Department Stores	Beall's	-	-	-	-	-	-	-	-	-	-
	Forever 21	1	-	1.0	-	-	-	-	-	-	-
	Marshalls	-	0.3	**(0.3)**	1	-	-	-	-	-	1
	Nordstrom Rack	-	-	-	-	-	-	-	-	-	-
	Old Navy	1	0.9	0.1	1	1	-	1	1	1	1
	Ross Dress for Less	1	0.4	0.6	1	1	-	-	1	-	-
	TJ Maxx	1	1.0	-	1	1	1	1	1	1	1
	XXI	-	-	-	-	-	-	-	-	-	-
	TOTAL	4	2.6	1.4	4	3	1	2	3	2	3
Home Furnishings	Arhaus	-	-	-	-	-	-	-	-	-	-
	Bed Bath & Beyond	-	1.1	**(1.1)**	2	1	1	1	1	1	1
	The Container Store	-	-	-	-	-	-	-	-	-	-
	CostPlus World Market	-	-	-	-	-	-	-	-	-	-
	Crate & Barrel	-	-	-	-	-	-	-	-	-	-
	HomeGoods	-	0.6	**(0.6)**	-	1	-	1	1	-	1
	Pottery Barn	-	-	-	-	-	-	-	-	-	-
	Restoration Hardware	-	-	-	-	-	-	-	-	-	-
	West Elm	-	-	-	-	-	-	-	-	-	-
	Z Gallerie	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	1.7	**(1.7)**	2	2	1	2	2	1	2
Grocery	The Fresh Market	-	-	-	-	-	-	-	-	-	-
	Trader Joe's	-	0.1	(0.1)	-	-	-	-	1	-	-
	Whole Foods Market	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	0.1	(0.1)	-	-	-	-	1	-	-

Sources: Retailer Web-sites and Gerney Research

In addition to the above referenced retailers, several others have been identified after a 25-mile void analysis was undertaken. Within list of retailers are such brands as ***Hobby***

Lobby, Burlington Coat, ULTA, DSW, Famous Footwear, Rack Room Shoes and BJ's Wholesale Club.

Enhanced Trade Area – Analog Markets & Potential Retailers

Analog Markets

If we take this analysis a step further and take into consideration the potential for an enhanced/expanded primary trade area that might potentially support Dover's retail inventory – as a result of the improved regional accessibility and expanded retail offerings – then it could be argued that Dover should be compared to a different list of analog markets. With a revised 2016 primary trade area population of over 515,000 people Dover's population would be more in-line with such metropolitan areas as those presented in the following table. In fact, when compared with the analog composite norm generated by this group of markets, the enhanced Dover primary trade area provides per capita/household market support equal to 1.23 times the norm.

Dover, DE MSA – Enhanced Primary Trade Area Analog Markets

Market	Population	Per Capita Income	Avg. HH Income	Median HH Income	HH w/Income >$100K	Suburban Style HH's	Thriving Boomer HH's	Singles & Starters	Golden Year Guardian HH's
Dover, DE	516,109	$ 30,078	$ 76,323	$ 60,466	48,634	14,514	22,992	22,625	35,158
Analog Average	458,070	$ 28,879	$ 71,677	$ 55,930	40,542	10,151	23,316	25,616	16,183
Variance	58,039	$ 1,199	$ 4,646	$ 4,536	8,092	4,363	(324)	(2,991)	18,975
Index Value	1.13	1.04	1.06	1.08	1.20	1.43	0.99	0.88	2.17
Lancaster, PA	532,386	$ 27,314	$ 71,720	$ 56,933	42,735	10,199	23,088	26,766	18,367
Reading, PA	414,428	$ 27,426	$ 71,192	$ 55,647	34,406	7,879	20,773	14,174	15,591
York, PA	440,868	$ 29,222	$ 73,126	$ 59,176	40,744	11,518	25,840	14,797	15,107
Harrisburg, PA	564,157	$ 31,203	$ 74,741	$ 57,632	54,647	11,621	24,453	32,899	18,757
Hagerstown, MD-WV	261,802	$ 27,444	$ 69,576	$ 53,666	20,300	7,742	13,558	10,932	10,683
Lansing, MI	468,313	$ 26,916	$ 65,305	$ 50,334	36,880	9,268	20,962	55,751	11,747
Portland, ME	524,534	$ 32,630	$ 76,081	$ 58,124	54,083	12,828	34,535	23,991	23,027

Sources: Scan/US and Gerney Research

Potential Retailers

When the primary trade area is expanded, the viability of recruiting the list of retailers presented previously remains strong. In addition, however, when examining this group of analog markets the potential for going after a specialty grocer (e.g., ***Whole Foods***) begins to become a possibility. Other attractive retailers that pop up through this analysis that were not seen previously identified are ***CostPlus World Market and Trader Joe's***.

Mid-Sized Box Retailer Inventory Comparison – Expanded Trade Area

	Brand	Dover, DE	Analog Average	Variance	Lancaster, PA	Reading, PA	York, PA	Harrisburg, PA	Hagerstown, MD-WV	Lansing, MI	Portland, ME
Book Stores	Barnes & Noble	-	0.7	(0.7)	1	1	-	1	-	2	-
	Books-A-Million	-	0.9	(0.9)	1	-	2	1	2	-	-
	TOTAL	-	1.6	**(1.6)**	2	1	2	2	2	2	-
Sporting Goods / Outdoors	Bass Pro Shops	-	0.1	(0.1)	-	-	-	1	-	-	-
	Cabela's	-	0.3	(0.3)	-	1	-	-	-	-	1
	Dick's Sporting Goods	1	1.7	(0.7)	-	1	3	2	2	2	2
	Field & Stream	-	-	-	-	-	-	-	-	-	-
	Gander Mountain	-	0.4	(0.4)	-	-	1	1	-	1	-
	REI	-	-	-	-	-	-	-	-	-	-
	TOTAL	1	2.7	**(1.7)**	-	2	4	4	2	3	4
Larger Apparel Stores	Beall's	-	-	-	-	-	-	-	-	-	-
	Forever 21	1	0.4	0.6	1	-	-	1	-	1	-
	Marshalls	-	1.0	**(1.0)**	1	1	-	2	1	1	1
	Nordstrom Rack	-	0.1	(0.1)	-	-	-	-	-	-	1
	Old Navy	1	1.0	-	1	1	1	1	1	1	1
	Ross Dress for Less	1	1.1	(0.1)	1	1	3	2	1	-	-
	TJ Maxx	1	1.6	(0.6)	1	1	2	2	1	2	2
	XXI	-	0.1	(0.1)	-	-	-	-	-	-	1
	TOTAL	4	5.9	**(1.9)**	6	4	6	8	4	6	7
Home Furnishings	Arhaus	-	-	-	-	-	-	-	-	-	-
	Bed Bath & Beyond	-	1.4	**(1.4)**	1	1	1	2	2	2	1
	Container Store, The	-	-	-	-	-	-	-	-	-	-
	CostPlus World Market	-	0.1	(0.1)	-	-	-	-	-	1	-
	Crate & Barrel	-	-	-	-	-	-	-	-	-	-
	HomeGoods	-	0.7	**(0.7)**	1	-	1	1	-	1	1
	Pottery Barn	-	0.3	(0.3)	-	-	-	-	-	1	1
	Restoration Hardware	-	-	-	-	-	-	-	-	-	-
	West Elm	-	-	-	-	-	-	-	-	-	-
	Z Gallerie	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	2.6	**(2.6)**	2	1	2	3	2	5	3
Grocery	The Fresh Market	-	-	-	-	-	-	-	-	-	-
	Trader Joe's	-	0.1	(0.1)	-	-	-	-	-	-	1
	Whole Foods Market	-	0.3	**(0.3)**	-	-	-	-	-	1	1
	TOTAL	-	0.4	**(0.4)**	-	-	-	-	-	1	2

Sources: Retailer Web-sites and Gerney Research