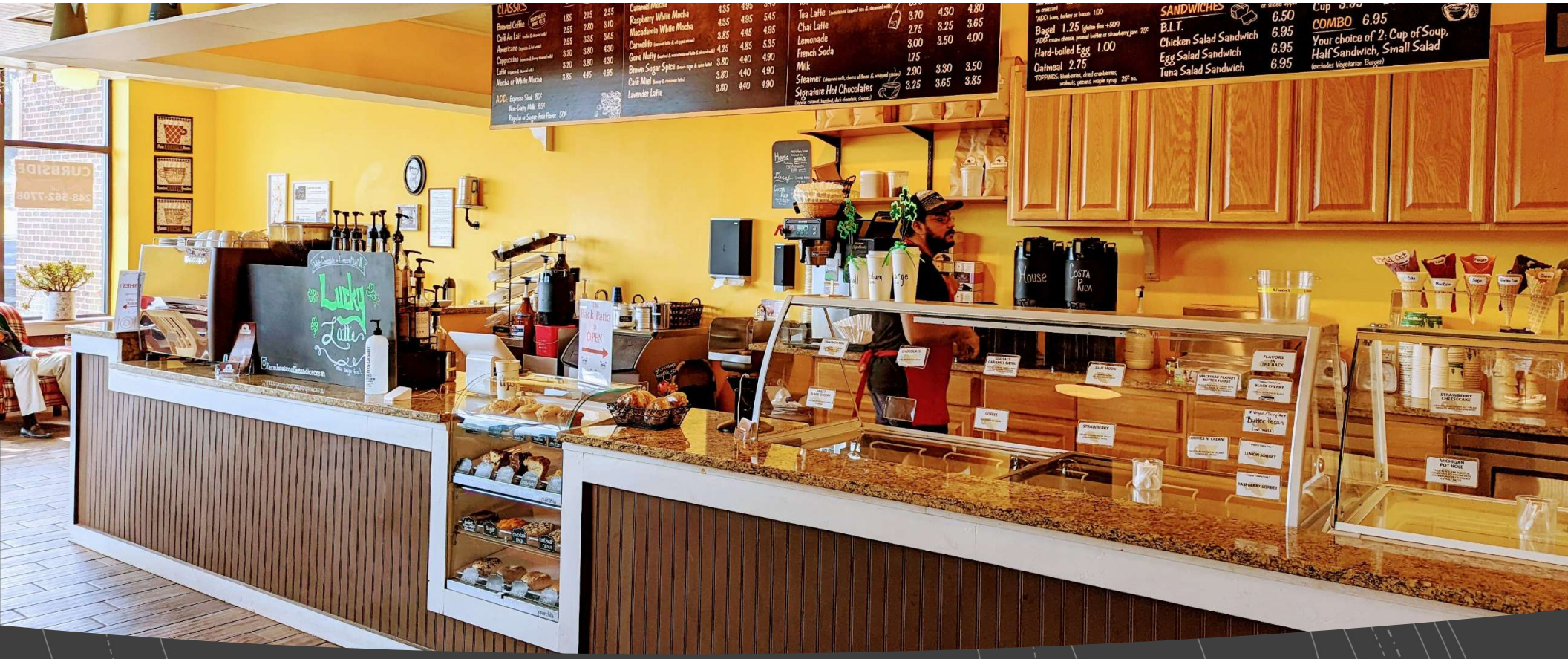


Business in the City of Farmington Hills

By Cristia Brockway

Agenda

Who's Tia?	Trends Today	Grand River	Orchard Lake Road & 12 Mile Corridors Market Study
• Who, what, where, why?	• Demographics to consider	• Market Study and future beatification efforts	• Early discoveries

But first, who am I?

- Born in Lansing, MI. Second home was Redford, MI.
- Raised around my family's tire shop, Warholak Tire, which was in the family for 92 years. Built and ran by my great grandfather from Russia, then my Grandfather, and my two uncles until 2024.
- Found a passion in the urban world while spending time downtown as a young child. Loved seeing the cityscape. Wanted to know how it all worked.
- Went to Wayne State University for Urban Studies.

First Hobbies

- Creating paper communities.
- Built neighborhoods in the Sims.
- Avid gardener

First Goals

- "Fix the City of Detroit"
- Quickly realized that for improvements to be made, an entire region must be considered.

My reason why

Retail

- Strip centers are in demand and healthy.
  - Attractive to investors for reliable income.
  - Multiple tenant types.
  - Repeat customers and assists with e-commerce.

General Retail Centers

- Healthy and habitually steadfast.
  - Repeat customers.
  - Several offerings for consumers.
  - Outlot opportunity for growth and redevelopment, if needed.

Retail Demand in Purchase Areas	Aggregate Dollars	Average Dollars	% Total Spending in FH
Direct Sale & E-Commerce	$460,953,792	$12,947.41	14.9%
Gen. Merchandise, Apparel, Furniture	$456,576,157	$12,824.45	14.8%
Gen. Merchandise Goods	$268,348,071	$7,537.44	8.7%
Restaurant & Food Places	$256,492,669	$7,204.45	8.3%
Grocery	$254,586,224	$7,150.90	8.2%

Trends & Demographics

Industrial

Healthy market in Farmington Hills.

- Low vacancy rates. National average is 8.5%. FH is at 6.5%
- 5% of FH business is in manufacturing.
  - Not including R&D related fields which adds an additional 10%.
- Transportation, product making, electronical equipment, and engineering are the most abundant industrial operations in FH.
- Space is limited, but in demand.
- Space leftover is not turn-key and have low ceiling heights. Some do not meet electrical need.

Office

Somewhat balancing out, but concerns remain.

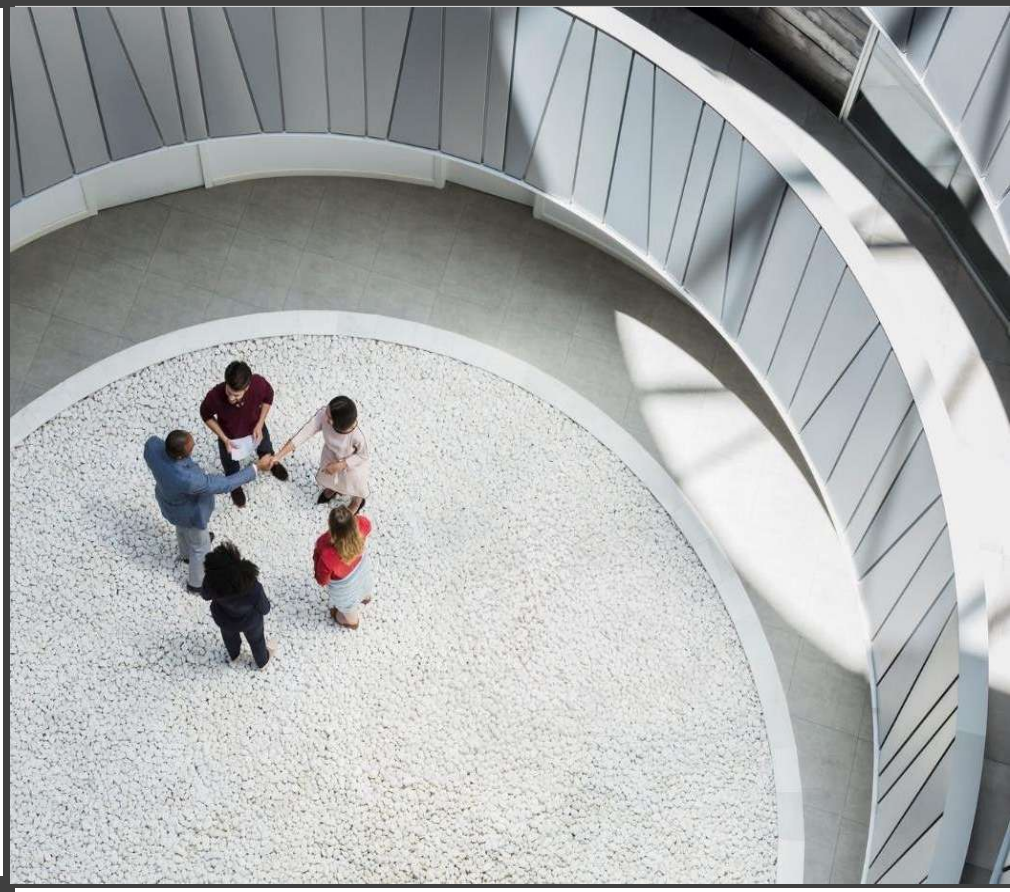
- Average 14.4%, which is lower than the national 19.8%.

- Class B vacancy rates: 18.3%.
  - Well maintained, but not high-end amenities.
  - Lack flexibility in floorplate.
  - Average aesthetics.

- Class A vacancy rates: 12.3%
  - High quality building and high-end amenities.
  - Exceptional aesthetics and maintenance.
  - Column free floor plans.

- Class C vacancy rates: 6.7%
  - Purely functional.
  - Affordable for small businesses.
  - Greatest potential for redevelopment.

- Expecting another swing of 100,000+ sf of office change.



Additional Industries to Review

Largest is our service industry at (56%)

- Health services (13.7%)
- Business services (11.2%)
- Accounting, Research, Management (10%)

Finance, Insurance, and Real Estate (12.6%)

Mutli-Family is in demand

- Office to residential conversions are on the rise.
- Younger generations are searching for housing options.
- Older generations are looking to downsize.

Infill Opportunities

- With reduced parking need because of a more hybrid workforce, large parking lots are becoming obsolete. This is allowing large parking lots to become buildable areas.

What does this information mean?

- Overall, healthy economy.
- Some areas do need improvement, new investment, and to be reimagined.
- Growth opportunities are desired, and small business is in demand.

Where do we focus?

- Grand River Corridor
- Orchard Lake Road
- 12 Mile Road

Grand River Corridor

Between Orchard Lake Road and 8 Mile Road

Corridor Market Study

- To assess existing conditions and find if a robust retail market is possible.
- Gather data and share it with investors so they save time on their location search.
- Use the market types as a template for our own improvements.

Beatification Efforts

- Invest in a streetscape plan and design.
- Include landscaping with flower beds.
- Implement art to create a sense of place.
- Work towards better pedestrian aesthetics.
- Perhaps create design standards along the corridor for a more cohesive identity.

Grand River Corridor Market Study Findings

Retailers & Restaurants	Supportable Size	Potential Stores	2024 Spending Demand
Grocery & Specialty Foods	40,000 supportable sf	2	$320M
Apparel: Children, Men, Women	25,000 supportable sf	4	$77M
Hardware & Houseware	10,000 supportable sf	2	$37M
Full-Service Restaurant	12,000 supportable sf	4	$188M
Quick Service Restaurant/Casual	10,000 supportable sf	4	$165M
Bakery, Coffee, Deli, Ice Cream	10,000 supportable sf	6	$34M
Brewery & Pubs	3,000 supportable sf	1	$19M

This study projects by 2028, the Grand River corridor's pent-up demand could produce an additional $72 million in sales, totaling 175,000 sf in overall new retail space. This demand includes 140,000 sf of soft goods and groceries and 35,000 sf of restaurants.

Orchard Lake Road and 12 Mile Corridors Study

Purpose

- To assess existing conditions and find out what redevelopment, or new markets, are in demand within the area.
- Find our greatest assets in which we can build upon.
- Gather data and share it with investors so they save time on their location search and choose Farmington Hills!
- Use the market types as a template for our own improvements.

Initial Findings from the 12 Mile and Orchard Lake Study

After 1,000 responses, people want:

- MORE FOOD
  - Places to eat
  - Places for take out
  - Places to have a drink

- Better traffic flow and/or corridor aesthetics
- Greenspace and walkability
- Mixed Use zoning

Studies are showing that:

- The spending power within 12 Mile and Orchard Lake is incredibly strong.
- These two corridors have some of the top performing QSR locations; including Starbucks and Savvy Sliders.
- Investment in health care, and the R&D industry is actively increasing.
- New development and business relocation is desired; however, space needs to be reimagined.

"Education is not the learning of the facts, but the training of the mind to think." — Albert Einstein

- With these new findings, we can strategically implement change which could foster economic growth and improve quality of life for:
  - Residents
  - Visitors
  - Employees
  - Business and property owners

THANK YOU

Cristia Brockway

Director, Economic Development

City of Farmington Hills

248-871-2506

cbrockway@fhgov.com