

Leakage Analysis

Falfurrias,
Texas

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Prepared For:

City of Falfurrias

Prepared By:

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Leakage

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Market Demand Analysis

Catalyst reviewed demand by distance and aggregated demand based upon unmet demand in bands of distance from the Study Area. The closer the population the greater the likelihood to capture the demand. The following tables show demand broken down by distance. Each band is mutually exclusive. For instance the 3 - 5 mile band only is taking into account demand and supply within that band and does not include the demand and supply within the 0 - 3 mile band.

For each category, a capture rate from 10% to 90% was applied

based upon the type of use, competition, amount of demand, and what would be reasonable to expect Falfurrias to be able to service. Currently, Catalyst estimates that the City of Falfurrias has the potential to capture approximately 20,488 square feet of demand from the local population. In addition, Falfurrias can likely capture regional demand, due to the fact that Falfurrias is a regional hub and there are few cities between Corpus Christi and Harlingen that have the strength of retail that Falfurrias contains. The total estimated regional demand is approximately 47,000 square feet.

Demand Summary	Demand (SF)
0 - 3 Miles	98
3 - 5 Miles	19,693
5 - 10 Miles	697
Total Demand (SF)	20,488

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Auto Parts, Accessories & Tire Stores	-	258	6	264

This industry has profited from the reduced incomes in the last few years and the subsequent aging of automobiles on the road due to reluctance to buying new vehicles. Pent up replacement tire demand from the recession has given this industry a boost in the last few years. From 2008 to 2013 the annual revenue growth for this industry was 1.8%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Home Furnishings Stores	2	169	6	177

The Furniture Store industry has been hurt recently by declines in disposable income, home ownership rates, and increases in competition. From 2008 to 2013, the annual revenue growth for this industry was 0.0%. From 2013 to 2018, the annual revenue growth for this industry is expected to be 2.1%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Electronics & Appliance Stores	-	481	19	500

The Electronics & Appliance stores industry has been hurt recently by declines in disposable income and online purchases. From 2008 to 2013, the annual revenue growth for this industry was -4.6%. 96% of the industry's revenue is reported by Best Buy, Apple, Fry's, and RadioShack.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Bldg Material & Supplies Dealers	-	342	4	346

The Building Material and Supplies Dealers industry is on the rise as more people are becoming homeowners have more disposable income that can be spent on remodeling their home. From 2008 to 2013, the annual revenue growth for this industry was 0.5%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Lawn & Garden Equip & Supply Stores	1	-	4	4

The Lawn & Garden Equipment & Supply Stores industry is expected to continue the trend of declining revenue over the next five years as consumers look towards home improvement stores as a one stop shop. From 2008 to 2013, the annual revenue growth for this industry was -2.0%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Grocery Stores	-	-	76	76

The Grocery industry will slowly be growing and recovering from the recent economic downturn as consumers with more disposable income will increase purchases of name brand items. From 2008 to 2013, the annual revenue growth for this industry was -0.4%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Specialty Food Stores	2	213	7	222

The Specialty Food Stores industry is expected to grow as disposable incomes of consumers grow, but larger grocery stores that function as a one stop shop will continue to impede growth. From 2008 to 2013, the annual revenue growth for this industry was 0.1%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Beer, Wine & Liquor Stores	-	-	5	5

As consumer incomes rise, Beer, Wine & Liquor Stores will face competition from restaurants and bars as consumers choose to spend their money out, rather than drinking at home. From 2008 to 2013, the revenue growth for this industry was 3.2%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Health & Personal Care Stores	-	1,493	60	1,553

The Health & Personal Care Stores industry is expected to grow with the aging population, product innovation, and increased sales of name brand items as disposable incomes increase. From 2008 to 2013, the annual revenue growth for this industry was 1.3%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Gasoline Stations	30	4,567	90	4,688

The Gasoline Station industry is expected to continue to grow as consumers with more disposable incomes are driving more. From 2008 to 2013, the annual revenue growth for this industry was 0.8%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Clothing Stores	-	850	28	878

As with many soft goods, as disposable incomes increase, so will spending in the Clothing Store category. From 2008 to 2013, the annual revenue growth for this industry was 0.4%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Shoe Stores	3	537	9	550

As with many soft goods, as disposable incomes increase, so will spending in the Shoe Stores category. From 2008 to 2013, the annual revenue growth for this industry was 1.8%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Jewelry, Luggage & Leather Goods Stores	1	267	5	273

Demand for luxury accessories is expected to increase spending in the Jewelry, Luggage, and Leather Goods categories. From 2008 to 2013, the annual revenue growth for this industry was 0.5%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Sporting Goods/Hobby/Musical Instr Stores	4	626	13	643

Small, independent retailers in these industries are finding it hard to compete with better merchandised, super-stores. The retailers in the super-store category will continue to do well. From 2008 to 2013, the annual revenue growth for this industry was -0.8%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Book, Periodical & Music Stores	1	112	3	117

As technology increases its presence in our modern lives, this industry will continue to decline in growth. From 2008 to 2013, the annual revenue growth for this industry was -2.8%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Department Stores Excluding Leased Depts.	6	-	-	6

As disposable incomes increase, so will spending on soft goods and luxury items. This category isn't in the clear though, as online retailers will give the brick and mortar retailers stiff competition. From 2008 to 2013, the annual revenue growth for this industry was -1.2%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Other General Merchandise Stores	-	2,834	124	2,959

Growth in this category will continue to grow as consumers watch their dollar and spend more at one stop shops, rather than specialty retailers. This category capitalized on the recession by offering goods at a discount. From 2008 to 2013, the annual revenue growth for this industry was 4.7%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Florists	355	532	29	916

Florist shops are hurting from the increase of consumers purchasing flowers and arrangements at grocery stores and general merchandise stores. These one stop shops generally offer a similar product at a discount. From 2008 to 2013, the annual revenue growth for this industry was -0.4%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Office Supplies, Stationery & Gift Stores	-	53	-	53

Increased spending by businesses, due to a recovering economy, is a probable cause for the growth in the Office Supply category. Similar to office supplies, Stationery and Gift stores will From 2008 to 2013, the annual revenue growth for this industry was -0.4%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Used Merchandise Stores	1	99	6	106

The demand for used goods was up during the recession but is expected to decline as disposable incomes increase. From 2008 to 2013, the annual revenue growth for this industry was 5.1%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Other Miscellaneous Store Retailers	-	372	17	389

This category includes Pet Stores, Art Dealers, Manufactured Home Dealers, and Small Specialty Retail Stores. From 2008 to 2013, the annual revenue growth for this industry was 1.3%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Full-Service Restaurants	-	462	18	480

As consumer spending increases, restaurant spending will also increase. From 2008 to 2013, the annual revenue growth for this industry was 2.3%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Limited-Service Eating Places	-	-	35	35

This category includes Coffee Shops and Fast Food Restaurants. As consumer spending increases, Fast Food and Coffee spending will also increase. From 2008 to 2013 the annual revenue growth for this industry was 1.0%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Special Food Services	1	-	2	3

This category includes Food Service Contractors (cafeterias, event food, and institutional food), Caterers, and Street Vendors. The largest growth component of this industry code is the soaring popularity of Food Trucks. From 2008 to 2013 the annual revenue growth for this industry was 1.7%.

Category	0 - 3 Miles	3 - 5 Miles	5 - 10 Miles	Total (SF)
Drinking Places - Alcoholic Beverages	2	189	4	195

This industry is still recovering from the tight wallets of the recession, and will continue to do so over the next five years. From 2008 to 2013, the annual revenue growth for this industry was 0.0%.

Regional- Leakage

0-39 Minutes	Demand (\$)	Supply (\$)	Gap (\$)	Est. Capture (%)	Appx. Sales/SF	Demand (SF)
Auto Parts, Accessories & Tire Stores	\$4,227,903	\$9,764,690	(\$5,536,787)		\$500	-
Furniture Stores	\$3,686,432	\$4,889,359	(\$1,202,927)		\$300	-
Home Furnishings Stores	\$2,322,226	\$283,667	\$2,038,559	80%	\$300	5,436
Electronics & Appliance Stores	\$7,712,898	\$3,781,900	\$3,930,999	70%	\$300	9,172
Bldg Material & Supplies Dealers	\$7,206,424	\$24,788,064	(\$17,581,640)		\$300	-
Lawn & Garden Equip & Supply Stores	\$1,033,541	\$1,052,852	(\$19,311)		\$300	-
Grocery Stores	\$45,970,614	\$117,777,766	(\$71,807,152)		\$475	-
Specialty Food Stores	\$1,391,373	\$981,346	\$410,027		\$150	-
Beer, Wine & Liquor Stores	\$1,956,169	\$6,329,726	(\$4,373,557)		\$300	-
Health & Personal Care Stores	\$20,886,945	\$12,089,473	\$8,797,472		\$300	-
Gasoline Stations	\$33,650,177	\$10,828,801	\$22,821,376		\$300	-
Clothing Stores	\$11,560,277	\$15,617,415	(\$4,057,137)		\$275	-
Shoe Stores	\$2,021,834	\$2,362,900	(\$341,066)		\$150	-
Jewelry, Luggage & Leather Goods Stores	\$2,239,824	\$5,125,884	(\$2,886,061)		\$315	-
Sporting Goods/Hobby/Musical	\$5,028,289	\$2,596,600	\$2,431,689		\$300	-
Book, Periodical & Music Stores	\$1,603,483	\$1,921,721	(\$318,238)		\$300	-
Department Stores Excluding Leased Depts.	\$17,306,483	\$4,411,332	\$12,895,151	60%	\$300	25,790
Other General Merchandise Stores	\$31,523,809	\$65,649,184	(\$34,125,375)		\$200	-
Florists	\$293,161	\$577,346	(\$284,185)		\$300	-
Office Supplies, Stationery & Gift Stores	\$1,692,458	\$788,645	\$903,813		\$300	-
Used Merchandise Stores	\$1,398,625	\$2,169,774	(\$771,150)		\$150	-
Other Miscellaneous Store Retailers	\$4,058,716	\$2,096,884	\$1,961,832	70%	\$215	6,387
Full-Service Restaurants	\$11,526,991	\$11,139,385	\$387,606		\$425	-
Limited-Service Eating Places	\$15,264,636	\$32,241,962	(\$16,977,326)		\$300	-
Special Food Services	\$780,177	\$435,011	\$345,166	80%	\$300	920
Drinking Places - Alcoholic Beverages	\$1,801,458	\$3,699,346	(\$1,897,888)		\$300	-
0-39 Minutes Total Demand (SF)						47,707

Leakage Band Map

