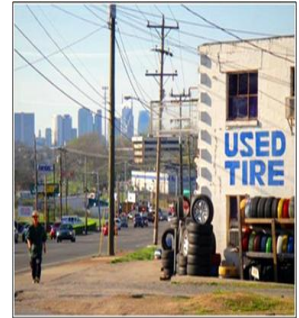


# **NOLENSVILLE PIKE**

## ***Market Analysis***



## ***Volume 2-B: Market Findings***

*Prepared for the Metropolitan Government of Nashville and Davidson County  
January 23, 2011*

By Randall Gross / Development Economics  
With Third Coast Design Studio

## **Section 5. RESIDENTIAL MARKET ANALYSIS**

This section summarizes findings from a residential market analysis, which tested the potentials for both rental and for-sale housing within the study area. At the present time, there is relatively little residential use within the study area itself, although the area borders several residential neighborhoods and therefore impacts on the marketability of housing within those neighborhoods. Commercial corridors are the “front door” to residential communities and the image that they convey, the amenities they provide, and the retail convenience they offer impacts on the overall marketability of the adjoining residential neighborhoods.

### **Residential Uses & Neighborhoods**

As noted above, there is limited residential use within the corridor itself, with a total of six single-family detached houses, two apartment buildings (with a total of less than 20 units), and (until the Flood of 2010), 25 trailers in a 30-acre trailer park across from the State Fairgrounds. There are several isolated adjacent residential neighborhoods, however. These neighborhoods are disconnected from each other by the network of railroads and highways that traverse the area.



The surrounding neighborhoods contain a broad spectrum of housing oriented to different demographic niches in the market. In general, the single-



family detached houses are occupied by “old-timers,” move-up immigrants, and young transplants. High-rise apartments in the area are oriented to seniors, while garden apartment complexes beyond the study area have attracted large numbers of immigrants. The housing market in this area is impacted heavily by issues of financing, crime, and image. Some highway commercial and industrial uses tend to have a deleterious impact on the housing

that borders the primary corridors like Nolensville Pike. Key neighborhoods include the following:

## Nolensville Pike Market Analysis



Map Source: Metro Planning Department



- **Chestnut Hill.**(Cameron Trimble). Chestnut Hill is a historic neighborhood that has been home to a large African-American population for many years. Economic decline in the 1970s and 1980s emptied the neighborhood of some of its middle-class homeowners, crime reportedly increased, and houses were boarded or converted into low-cost rentals. However, the area has seen some recent re-investment by FMBC Investment and other small developers, with the construction of townhouses like the 11-unit Southview on 2<sup>nd</sup> project as well as refurbishment of several Victorian-era homes. Investors believe that the houses appeal mainly to young buyers priced out of the downtown housing market.



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## ***Nolensville Pike Market Analysis***

- **Woodycrest.** Woodycrest and Raymond Heights were early southeast Nashville working class suburbs, typically with wood frame houses built in the 1920s through 1940s. Houses are aging but generally in good condition, maintained and looked after.

- **Woodbine.** Woodbine is the second largest of the communities that borders the Study Area and, like Glenclyff, contains mainly single-family homes. As one of southeast Nashville's early suburbs, the houses range in size and condition along with the period of construction.



- **Glenclyff.** The Glenclyff neighborhood is the largest in area among the communities adjoining the Study Area. Bounded by Thompson Lane, I-24, Nolensville Pike, and the railway, this area is one of southeast Nashville's early suburbs and offers single-family detached houses built largely from the 1920's through 1960s. Houses are typically in good conditions and lawns well manicured, but there are issues among properties that lie within Nolensville Pike's impact zone.



- **Other.** Among the other neighborhoods adjoining the study area are South Nashville, Radnor, Russworm Heights, Melrose Heights, Rosedale, and Grandview Heights. These early suburban neighborhoods generally share many of the same characteristics of the other communities adjoining the study area. Some of the housing comprises relatively simple wood frame cottages, while other units were built to a higher standard, depending on the era in which they were constructed.

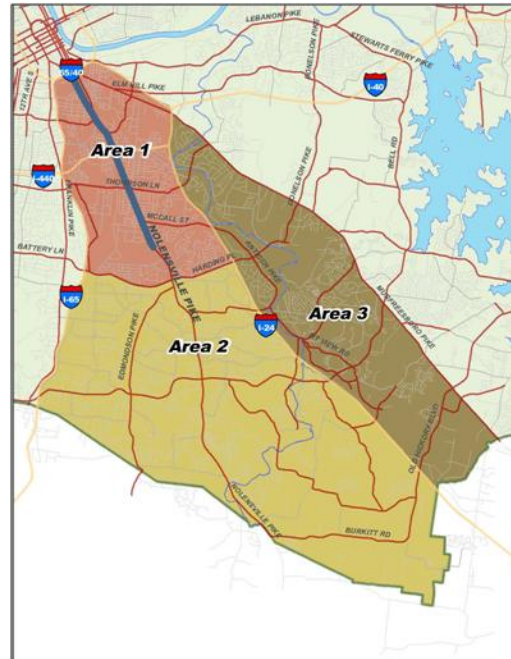


**Demographic Assessment**

A demographic trends analysis was conducted as one input to forecasting demand for housing within the study area. The primary housing market area is defined and key demographic trends are analyzed from 1990 through 2010.

**Housing Market Areas**

The primary Housing Market Area comprises three key sub-markets, designated herein as Areas 1, 2, and 3. Area 1 includes the study area and surrounding neighborhoods and is roughly bound by the I-65 Inner Loop, I-24-east, I-65-South, and Harding Place. Area 2 includes the area to the south of Area 1 and Harding Place, bounded by I-24-east, I-65-South, and the Davidson/Williamson County line. Area 3 consists of the narrow triangle bound by I-24-east, the Davidson/Williamson County line, and Murfreesboro Road. Area 3 includes much of the heavily-populated Antioch community.



Map Source: Metro Planning Dept.

**Population Trends**

Market Area population is estimated at nearly 165,000, up by 51,000 or 44.9% from 1990. This increase translates into an annual population growth rate of nearly 2.3% per year. Almost all of the growth was located in Areas 2 and 3, in other words south and east of the study area. Area 2 added about 29,000 people (52.6%) while Area 3 added 22,000 (92.3%). Area 3 population nearly doubled during this 20-year period and Area 2 growth accelerated since 2000.

Table 36. POPULATION TRENDS, PRIMARY HOUSING MARKET AREA, 1990-2010

Area	1990	2000	2010	1990-2010 Change	
				Number	Percent
Area 1	35,104	34,910	35,166	62	0.2%
Area 2	54,370	67,038	82,973	28,603	52.6%
Area 3	24,277	36,860	46,682	22,405	92.3%
<b>Total</b>	<b>113,751</b>	<b>138,808</b>	<b>164,821</b>	<b>51,070</b>	<b>44.9%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross /

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## **Nolensville Pike Market Analysis**

### Development Economics

At the same time, Area 1 (where the Study Area is located) saw population growth of only 0.2% (62) over the 20-year period. These inner-city neighborhoods have logically grown at a slower pace than the more suburban portions of the market. Interestingly, Area 1 population declined by 200 between 1990 and 2000, but increased by about 260 since 2000. Even in the older neighborhoods surrounding the study area, population expanded since 2000.

**Group Quarters Population.** The Market Area has some residents living in group housing. The population in group housing totals an estimated 3,050 in 2010, up by nearly 900 or 40.9% since 1990. Group housing includes student dormitories, prisons, hospitals, and other institutions.

**Table 37. GROUP QUARTER POPULATION TRENDS, PRIMARY HOUSING MARKET AREA, 1990-2010**

<b>Area</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>1990-2010 Change</b>	
				<b>Number</b>	<b>Percent</b>
Area 1	1,124	555	591	(533)	-47.4%
Area 2	174	337	356	182	104.6%
Area 3	867	1,980	2,104	1,237	142.7%
<b>Total</b>	<b>2,165</b>	<b>2,872</b>	<b>3,051</b>	<b>886</b>	<b>40.9%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics

### **Households & Families**

Population growth has translated into household growth as well. Market Area households increased by 20,500 or 41.8% from 1990 to 2010, to a total of about 69,500. Area 2 gained 35,600 households, for a growth rate of 50.5%, while Area 3 added 8,300 households or 78.0%. Up until relatively recently, household growth rates have typically exceeded population growth due to declining household sizes. This is still true in Area 1, which experienced household growth of 1.8% (272 households), significantly higher than the population growth rate. Average household size in Area 1 was 2.34 in 2010, down from 2.38 in 1990. By comparison, Areas 2 and 3 saw an increase in average household size over the period perhaps due to the increase in immigration to these areas. Families from many Latin American and Asian countries tend to remain multi-generational when they come to the United States, supporting larger households. Area 2 saw average household size of 2.33 in 2010, up from 2.30 in 1990. Similarly, Area 3 had an average household size of 2.48 in 2010, up from 2.29 in 1990.

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## ***Nolensville Pike Market Analysis***

**Table 38. HOUSEHOLD TRENDS, PRIMARY HOUSING MARKET AREA, 1990-2010**

<b>Area</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>1990-2010 Change</b>	
				<b>Number</b>	<b>Percent</b>
Area 1	14,748	15,025	15,020	272	1.8%
Area 2	23,685	29,360	35,651	11,966	50.5%
Area 3	10,588	15,081	18,842	8,254	78.0%
<b>Total</b>	<b>49,021</b>	<b>59,466</b>	<b>69,513</b>	<b>20,492</b>	<b>41.8%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics

**Families.** The number of families within the Market Area has increased by 34.2%, with the addition of about 10,000 families since 1990. Not surprisingly, family growth was concentrated in Areas 2 and 3. Area 1 had a loss of about 760 families. Since population and households increased at the same time, it is likely that the population of singles and non-family households increased to balance the loss of families.

**Table 39. FAMILY TRENDS, PRIMARY HOUSING MARKET AREA, 1990-2010**

<b>Area</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>1990-2010 Change</b>	
				<b>Number</b>	<b>Percent</b>
Area 1	8,723	8,022	7,966	(757)	-8.7%
Area 2	14,591	16,983	21,149	6,558	44.9%
Area 3	6,034	8,230	10,268	4,234	70.2%
<b>Total</b>	<b>29,348</b>	<b>33,235</b>	<b>39,383</b>	<b>10,035</b>	<b>34.2%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics

### **Recent Foreign-Born Migration**

Foreign in-migration to Nashville and the MSA was determined based on data compiled by the Internal Revenue Service as well as estimates provided through the 2000 Census and the 2009 Community Survey.

## Nolensville Pike Market Analysis

**Table 40. FOREIGN IN-MIGRATION,  
DAVIDSON COUNTY & MSA**

Period	MSA 1/	Davidson	Share
2004-05	2,962	696	23.5%
2005-06	2,108	639	30.3%
2006-07	2,720	752	27.6%
2007-08	2,727	682	25.0%
<b>Total</b>	<b>10,517</b>	<b>2,769</b>	<b>26.3%</b>

Note: 1/ Nashville MSA plus Montgomery County.

Sources: U.S. Internal Revenue Service and  
Randall Gross / Development Economics.

These data suggest that 10,517 householders (or about 25,000 people) moved to the Nashville MSA from overseas since between 2004 and 2008, for an average of about 6,250 people per year. Of the total, about 2,700 householders (6,400 people) moved into Davidson County from overseas during the four-year period, or about 1,600 per year. This number does not include foreign-born Americans who have relocated to Nashville from California, New York, or other locations. Indications are that this latter group forms the majority of Nashville's foreign-born population. The Nolensville Pike share of the region and the city's foreign-born migrants between 1995 and 2000 was calculated based on Census data. The area captured nearly one-third of the city's new foreign-born residents and 22% of those in the MSA.

**Table 41. NOLENSVILLE PIKE AREA SHARE  
OF NASHVILLE AND MSA  
FOREIGN MIGRATION, 1995-2000**

Area	Nashville	MSA
Puerto Rico	36.7%	27.1%
Foreign	31.3%	21.8%
<b>Total</b>	<b>31.4%</b>	<b>21.9%</b>

Sources: US Bureau of the Census and  
Randall Gross / Development  
Economics.

Data from the Census Bureau's Community Census suggest that the Nashville MSA had about 104,000 foreign-born residents in 2009, about one-half of whom were born in Latin America, and nearly one-third in Mexico. The primary



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## ***Nolensville Pike Market Analysis***

sources of Nashville's foreign-born population include the following (as estimated in 2009):

1. Mexico	30,000
2. India	4,300
3. El Salvador	4,300
4. Laos	4,200
5. Guatemala	4,000
6. Egypt	3,600
7. China/Taiwan	3,300
8. Iraq/Kurdistan	3,100
9. Canada	2,800
10. Honduras	2,500
11. Korea	2,300
12. United Kingdom	2,300
13. Germany	2,100
14. Vietnam	2,000
15. Somalia	1,900
16. Philippines	1,800
17. Iran	1,400
18. Ethiopia	1,200
19. Japan	1,200
20. Thailand	1,100
21. Nigeria	1,000
22. Russia	1,000
23. Cuba	1,000
24. Sudan	1,000
25. Romania	800
26. Haiti	800
27. Kenya	700
28. Bosnia/Herzegovina	700
29. Cambodia	700
30. Ukraine	700
31. Colombia	600
32. Venezuela	600
33. Peru	600
34. Ghana	500
35. Australia	400
36. Bangladesh	400
37. Poland	400
38. Afghanistan	400
39. Pakistan	400
40. Turkey	400

**Hispanic Households.** The study area and southeast Nashville in particular has a large ethnic Hispanic household base as well as a large foreign-born population. There are an estimated 24,100 Hispanic households in the Nolensville Pike Housing Market Area, (see map on page 5). This number of households translates into a population base of about 55,400. Hispanic households increased by 12,400 or **105.1%**, since 2000, with much of this growth

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## ***Nolensville Pike Market Analysis***

generated not by immigration per se but by migration of Hispanic Americans from states like California and Texas. This compares with an overall population increase of 16.9% or just 10,000 in the market area. Thus, it is highly likely that without the growth in Hispanic households, the overall household base would have *declined* by at least 2,000 in the Market Area.

The number of Hispanic households in the Market Area is likely to have peaked at around 33,000 (a population base of about 76,000) in 2006-07 during the construction boom that also attracted thousands of migrant immigrant laborers to the city in search of work. Since that time, the real estate recession, construction slow-down, and local Police enforcement of immigration laws (e.g., 287(g)) may have encouraged an exodus of (mainly male) migrant workers back to their home countries or other US states. Based on information provided by representatives of the Latino press, business chambers, individual businesses, and community service organizations, it is likely that as many as 20,000 migrants who were working in southeast Nashville may have returned to their home countries or sought economic opportunities in other US cities since 2007.

Attempts to pass “English Only” legislation and strict local enforcement of immigration laws apparently served to discourage American citizens of Hispanic descent from moving from California to cities like Nashville that appeared unfriendly to Latinos. This is consistent with Census data that indicate fewer Hispanics were migrating in the last few years to the “emerging” Latino population centers in Tennessee, Arkansas, and Georgia and were staying put in California and other states where immigration laws were not as strictly enforced.<sup>1</sup>

The Hispanic population still accounts for almost 44% of the total population base in Area 1, 29% in Area 2, and 38% in Area 3, signifying this group remains an important niche market for housing and retail. The largest share (about 69.7%) originates in Mexico, but there are almost 600 Cuban households, 200 Puerto Rican households, and 6,000 Hispanic households originating in other parts of Latin America (e.g., Nashville has large Salvadoran, Guatemalan, and Honduran populations).

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<sup>1</sup> “Declining Immigration Slows Hispanic, Asian Growth,” Hope Yen, Associated Press, 2010.

## ***Nolensville Pike Market Analysis***

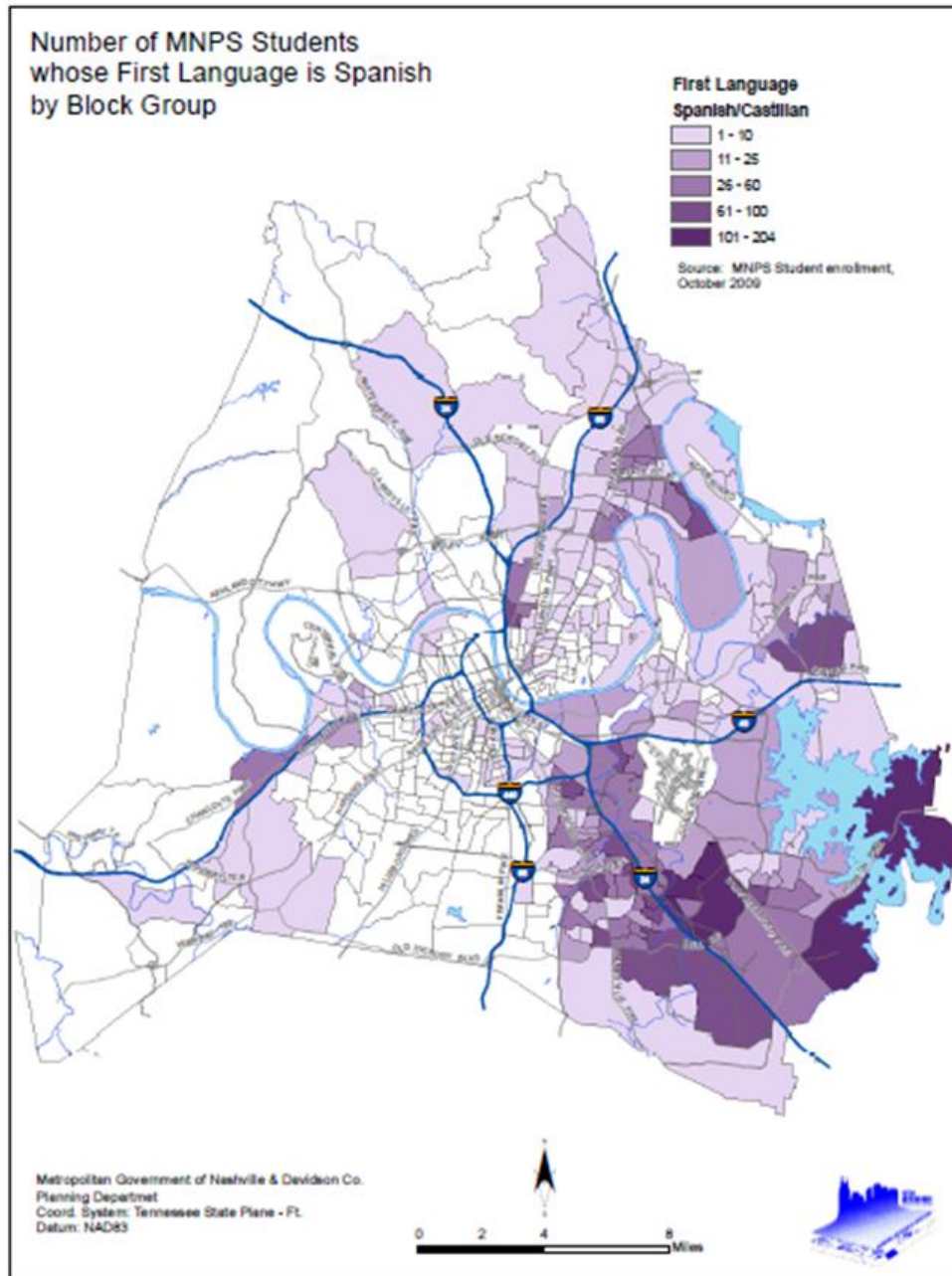
**Table 42. HISPANIC HOUSEHOLD TRENDS,  
NOLENSVILLE PIKE AREA, 2000-2010**

<b>Factor</b>	<b>2000</b>	<b>2010</b>	<b>2000-2010 Change Number</b>	<b>Change Percent</b>
All Households	59,466	69,513	10,047	16.9%
Hispanic	11,759	24,119	12,360	105.1%
Share of Total	19.8%	34.7%	0.15	75.5%
Share in Area 1	22.0%	<b>43.8%</b>	0.22	98.8%
Share in Area 2	17.0%	29.2%	0.12	72.1%
Share in Area 3	23.0%	<b>37.9%</b>	0.15	64.6%
Country of Origin				
Cuba	277	558	281	101.4%
Mexico	7,974	16,815	8,841	110.9%
Puerto Rico	705	897	192	27.2%
Other	2,803	5,849	3,046	108.7%

Sources: US Bureau of the Census; Claritas, Inc.; and  
Randall Gross / Development Economics.

While many transient workers have left the area recently, more stable Hispanic families have tended to stay in the Nashville area. Metro Schools have seen an increase in Spanish-speaking children in the last few years, rather than a decrease. This suggests that while transient workers have moved on, families have stayed to raise their children in Nashville. The map on the following page shows Spanish-speaking children in Metro Schools to be largely concentrated in Antioch and southeast Nashville, between Nolensville and Murfreesboro Roads, with smaller clusters in northeast and eastern areas of the city.

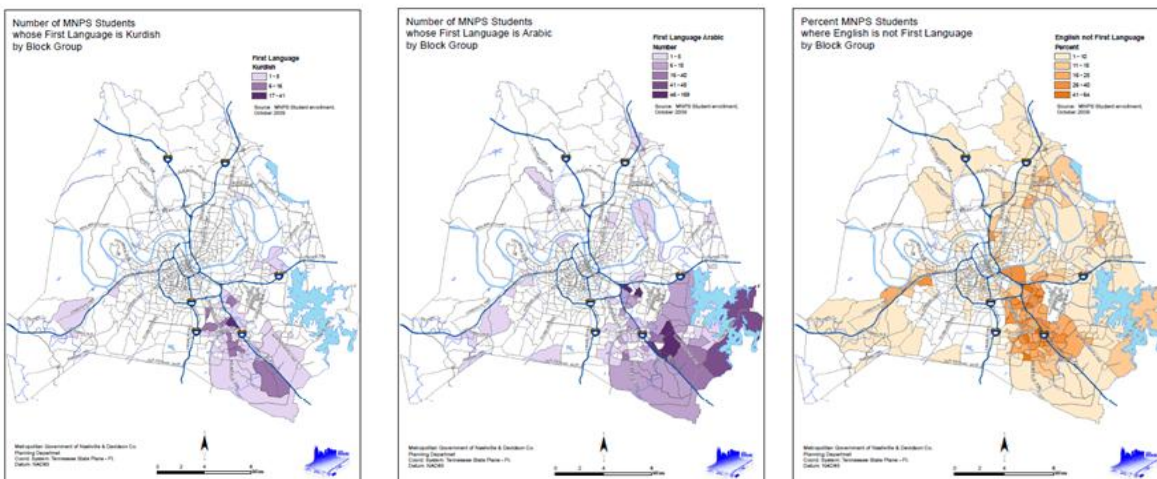
## Nolensville Pike Market Analysis



**Other Foreign-Born or Foreign-Language Households.** The Market Area also has other concentrations of households where English is a second language. Arabic and Kurdish-speaking populations comprise large groups in southeast Nashville, based on data from the Metro Schools. Nashville has one of the largest Kurdish populations in the US, estimated at 11,000, and many are concentrated in southeast Nashville. As shown in the following maps, non-English Speaking student households overall are clearly concentrated in this area of Nashville.

## Nolensville Pike Market Analysis

### Non-English Speaking Student Concentrations



Kurdish-Speaking

Arabic-Speaking

All Non-English-Speaking

In addition to Kurds and other Iraqis, there is a substantial population of Egyptians, Iranians, and other Middle-Easterners. Based on ancestry data, an estimated 14,400 residents of the Nashville MSA count themselves as Arabs, with 12,200 of them residing in Nashville-Davidson and 6,300 within the Market Area. Residents of Arabic ancestry account for 4.3% of the Market Area population. More importantly, the Nolensville Pike Market Area's Arabic population accounts for nearly **44%** of the MSA region's total Arabic population. In addition, the area's Persian-speaking population accounts for an estimated 40% of the region's Iranians/Persians.

The Market Area also has a substantial African-born population, with particular concentrations of Somali, Ethiopians, Nigerians, Senegalese, Congolese, Ghanaians, and Kenyans. Oddly, Nashville has reportedly become the nation's second largest center, after Atlanta, for immigrants from the tiny African state of Djibouti. The MSA has an estimated 13,800 people who trace their ancestry to Sub-Saharan Africa (but do not consider themselves African-Americans). Of this number, 11,100 reside in Nashville and 3,500 live in the Market Area. Sub-Saharan Africans account for 2.4% of the total Market Area population and this market area has about **25%** of the region's Sub-Saharan African population. The Market Area also has a substantial share of the region's West Indians, with 500 out of 3,100 or roughly **16%**. The Market Area accounts for more than **22%** of the region's "Asian" population, or 7,000 out of a total 31,500. The area has a large share of the region's Asian Indian, Chinese, Filipino, Vietnamese, and "Other" Asians (including Cambodian, Thai, Nepalese, etc). Finally, the area has a large share (**26%**) of the region's Hawaiian and Pacific Islanders. Ancestry is detailed in Appendix Table 4 and race is detailed in Appendix Table 5. Key figures are summarized below.

## ***Nolensville Pike Market Analysis***

### **ESTIMATED NON-EUROPEAN LANGUAGE & ETHNIC GROUP POPULATION, HOUSING MARKET AREA, 2010 (See Page 5 for map of Market Area)**

<b>Niche Group</b>	<b>Est. Market Area Population</b>	<b>Share of Region</b>
<b>Latin American</b>	<b>53,000</b>	<b>56%</b>
<i>Mexican</i>	<i>37,100</i>	<i>62%</i>
<i>Salvadoran</i>	<i>4,500</i>	<i>59%</i>
<i>Guatemalan</i>	<i>3,800</i>	<i>69%</i>
<i>Honduran</i>	<i>2,800</i>	<i>74%</i>
<i>Puerto Rican</i>	<i>2,100</i>	<i>47%</i>
<i>Cuban</i>	<i>1,400</i>	<i>74%</i>
<i>Other (Colombia, Venezuela, Peru, etc.)</i>	<i>2,300</i>	<i>23%</i>
<b>Non-European North American</b>	<b>40,400</b>	<b>16%</b>
<i>African-American</i>	<i>39,200</i>	<i>16%</i>
<i>West Indian</i>	<i>500</i>	<i>16%</i>
<i>American Indian</i>	<i>500</i>	<i>10%</i>
<i>Hawaiian/Pacific Islander</i>	<i>200</i>	<i>26%</i>
<b>Middle-Eastern</b>	<b>12,300</b>	<b>55%</b>
<i>Kurdish</i>	<i>7,200</i>	<i>85%</i>
<i>Persian/Iranian</i>	<i>2,500</i>	<i>40%</i>
<i>Egyptian</i>	<i>1,600</i>	<i>44%</i>
<i>Turkish</i>	<i>500</i>	<i>50%</i>
<i>Other</i>	<i>500</i>	<i>34%</i>
<b>East Asian</b>	<b>7,000</b>	<b>22%</b>
<i>Indian</i>	<i>1,400</i>	<i>22%</i>
<i>Vietnamese</i>	<i>1,200</i>	<i>31%</i>
<i>Chinese</i>	<i>800</i>	<i>22%</i>
<i>Filipino</i>	<i>700</i>	<i>27%</i>
<i>Korean</i>	<i>400</i>	<i>15%</i>
<i>Other Asian (Cambodia, Nepal, etc)</i>	<i>2,300</i>	<i>20%</i>
<b>Sub-Saharan African</b>	<b>3,500</b>	<b>26%</b>
<i>Somali</i>	<i>1,000</i>	<i>40%</i>
<i>Ethiopian</i>	<i>500</i>	<i>36%</i>
<i>Sudanese</i>	<i>500</i>	<i>40%</i>
<i>Nigerian</i>	<i>300</i>	<i>30%</i>
<i>Other (Kenya, Ghana, Liberia, Senegal, etc)</i>	<i>1,200</i>	<i>30%</i>
<b>Market Area Population Base</b>	<b>165,000</b>	<b>11%</b>

Note: Estimates generated based on ethnic, language, and foreign-born population figures.

Sources: U.S. Bureau of the Census and Randall Gross / Development Economics.

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## ***Nolensville Pike Market Analysis***

Based on interviews and input from community organizations, members of these groups have typically lived in the U.S. for some time (in places like New York, California, Illinois, and Florida) but have recently migrated to Nashville because of its reputation as an easier place to raise a family, its growing economic opportunities, and its lower cost of living.

**American/European Ancestry.** It should be noted that the area also has thousands of residents with “American” or European ancestry, but non-Hispanic whites only account for **7.4%** of the population base (versus **75%** MSA-wide). Those residents with European ancestry include mainly English, German, Irish, and Scottish / Scots-Irish. However, the study area also has some European ancestry concentrations, with about 10% of the region’s Italians (3,200), Greeks (260), Russians (400) and (interestingly) Lithuanians (70). There are pockets of neighborhoods such as in Woodbine, where the non-Hispanic white population appears to be increasing as more people rediscover the area’s neighborhoods, central location, and relatively affordable housing. Chestnut Hills’ resurgence is driven largely by young white and African-American professionals.

### **Housing Stock Trends**

The market area has a total of about 74,770 housing units, the largest share of which is located in Area 2. There are 16,200 housing units in Area 1, which includes neighborhoods surrounding the study area. The area’s housing stock is dominated by single-family detached units, which comprise just over one-half of all units. However, there is a sizeable number of multi-family units, accounting for about 37% of the total. Area 1 has almost exactly the same mix of single and multi-family as the market area as a whole. However, the housing in Area 1 is older, on average than that of the other portions of the market area, with an average age of 44 years versus 30 overall. Housing stock trends are summarized in the following table by area and type of unit.

**Table 43. HOUSING STOCK DATA, MARKET AREA, 2010**

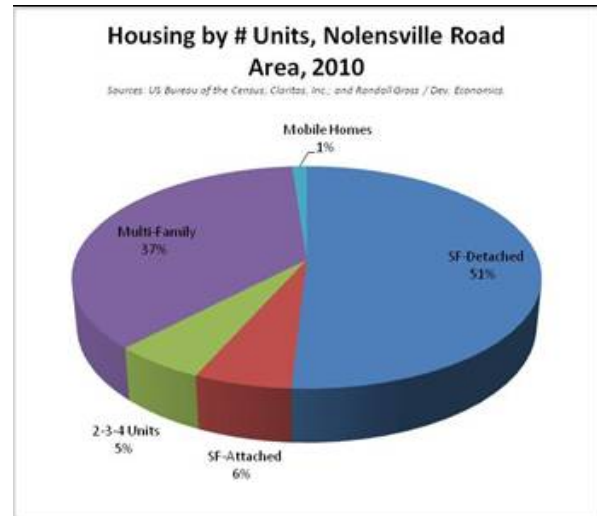
<b>Factor</b>	<b>Area 1</b>	<b>Area 2</b>	<b>Area 3</b>	<b>TOTAL/Ave</b>
Ave Year Built	1966	1983	1987	1980
No. Units				
SF-Detached	8,292	20,347	9,409	38,048
SF-Attached	662	2,715	969	4,346
2-3-4 Units	1,189	1,837	1,079	4,105
Multi-Family	5,959	12,849	8,601	27,409
Mobile Homes	<u>127</u>	<u>273</u>	<u>463</u>	<u>863</u>
<b>Total</b>	<b>16,229</b>	<b>38,021</b>	<b>20,521</b>	<b>74,771</b>

Sources: US Bureau of the Census; Claritas, Inc.; and

# Nolensville Pike Market Analysis

Randall Gross / Development Economics.

As noted above, the housing stock is somewhat dominated by single-family detached, which accounts for about 51% of the total. Multi-family housing accounts for about 37%. About 6% is in single-family attached and 5% in 2-3-4 unit buildings. Another 1% of the housing stock is in mobile homes.



Between 1990 and 2010, the number of housing units in the market area increased by nearly 20,000 or 35.9%. The fastest growth has been in Area 3, which added 8,000 units or 64.5%. The largest number of housing units was added in Area 2, with 11,600 and a growth rate of 43.8%. Area 1, which includes the Study Area, added only 121 housing units between 1990 and 2010, for a 20-year growth rate of only 0.8%. Trends in housing stock are summarized in the following table by area.

**Table 44. HOUSING UNIT TRENDS, PRIMARY HOUSING MARKET AREA, 1990-2010**

Area	1990	2000	2010	1990-2010 Change	
				Number	Percent
Area 1	16,108	16,067	16,229	121	0.8%
Area 2	26,436	31,097	38,021	11,585	43.8%
Area 3	12,472	16,196	20,521	8,049	64.5%
<b>Total</b>	<b>55,016</b>	<b>63,360</b>	<b>74,771</b>	<b>19,755</b>	<b>35.9%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics

## Vacancy

The market area has an estimated housing vacancy of about 5,300 units or 7.0%. Housing vacancy is slightly higher in Area 1 and Area 3, at 7.4% and 8.2% respectively. Area 2 has slightly lower vacancy at 6.2%.



## Nolensville Pike Market Analysis

**Table 45. ESTIMATED HOUSING VACANCY,  
PRIMARY HOUSING MARKET AREA, 2010**

Area	Total Units	Vacant	(%)
Area 1	16,229	1,209	7.4%
Area 2	38,021	2,370	6.2%
Area 3	20,521	1,679	8.2%
<b>Total</b>	<b>74,771</b>	<b>5,258</b>	<b>7.0%</b>

Sources: US Bureau of the Census; Claritas, Inc.;  
& Randall Gross / Dev. Economics.

### Housing Tenure

About 55% of housing in the Market area is owner-occupied, with 45% renter occupied. The owner-occupancy rate has been increasing over the last ten years. In 2000, only 48% of units were owner occupied. Within Area 1, owner occupancy has increased from 42% in 2000 to 48% at present. Housing tenure trends are summarized below.

**Table 46. HOUSING TENURE BY OCCUPANCY,  
NOLENSVILLE PIKE AREA, 2000-2010**

Status	Area 1	Area 2	Area 3	Total	Change
<u>Renter-Occupied</u>					
2000	8,731	14,214	8,461	31,406	
2010	7,792	14,335	9,370	31,497	0.3%
<u>Owner-Occupied</u>					
2000	6,294	15,146	6,620	28,060	
2010	7,228	21,316	9,472	38,016	35.5%
<u>All Occupied</u>					
2000	15,025	29,360	15,081	59,466	
2010	15,020	35,651	18,842	69,513	16.9%
<u>Vacant (%)</u>					
2000	6.5%	5.6%	6.9%	9.0%	
2010	7.4%	6.2%	8.2%	9.5%	5.0%

Sources: US Bureau of the Census; Claritas, Inc.; and  
Randall Gross / Development Economics.

## Mobility

Mobility rates are an important indicator of market “churn” and the movement of consumers in the market. More than 90% of Market Area renters have moved at least once over the past ten years. Area 1 is less mobile, with 84% of renters having moved in the past ten years.

**Table 47. RENTER MOBILITY BY YEAR MOVED INTO UNIT, NOLENSVILLE PIKE AREA, 1969-2010**

Period	Area 1	Area 2	Area 3	TOTAL
Before 1969	0.6%	0.1%	0.0%	0.2%
1970-79	1.4%	0.4%	0.1%	0.5%
1980-89	3.2%	0.7%	0.6%	1.3%
1990-99	10.5%	6.9%	5.6%	7.4%
2000-10	84.3%	91.9%	93.7%	90.6%

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics.

Homeowner mobility rates are naturally lower than those for renters, since they have a longer-term financial interest in the property. About 62% of Market Area homeowners moved within the past ten years. By contrast, only 55% of Area 1 homeowners moved since 2000 and more than 10% have lived in the same house since before 1969.

**Table 48. HOMEOWNER MOBILITY BY YEAR MOVED INTO UNIT, NOLENSVILLE PIKE AREA, 1969-2010**

Period	Area 1	Area 2	Area 3	TOTAL
Before 1969	10.3%	5.7%	4.0%	6.1%
1970-79	6.4%	4.8%	3.3%	4.7%
1980-89	9.5%	7.3%	4.9%	7.1%
1990-99	18.8%	19.5%	21.3%	19.8%
2000-10	55.1%	62.7%	66.5%	62.2%

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics.

## For-Sale Housing Market Trends

Data on for-sale housing market trends were analyzed, including information on sales, median list and sale prices, square footage, appreciation, days-on-market and other factors. Trends are summarized for the Nashville area as well as for the Nolensville Pike Market Area.

### Nashville Housing Market Factors

Between 2000 and 2009, there were 54,966 homes sold in the Nashville market. These homes were listed for a median price of \$162,300 and sold for a median of \$159,500. Thus, the sale/list price ratio was 98.2% on average. Houses in the market had a median 1,735 square feet and spent an average of 65 days on the market before being sold. Trends suggest that the housing market cycle peaked in 2006 with 6,561 houses sold with an average of only 55 days on the market. Prices peaked the following year in 2007 at \$184,900, but houses had already begun to stay longer on the market. By 2009, it took an average of nearly 80 days to sell a house, and the sale would only garner \$174,000 on average. Average sale/list price ratios hit a low in 2008, at only 94.6%.

**Table 49. HOUSING MARKET FACTOR TRENDS, NASHVILLE AREA, 2000-2009**

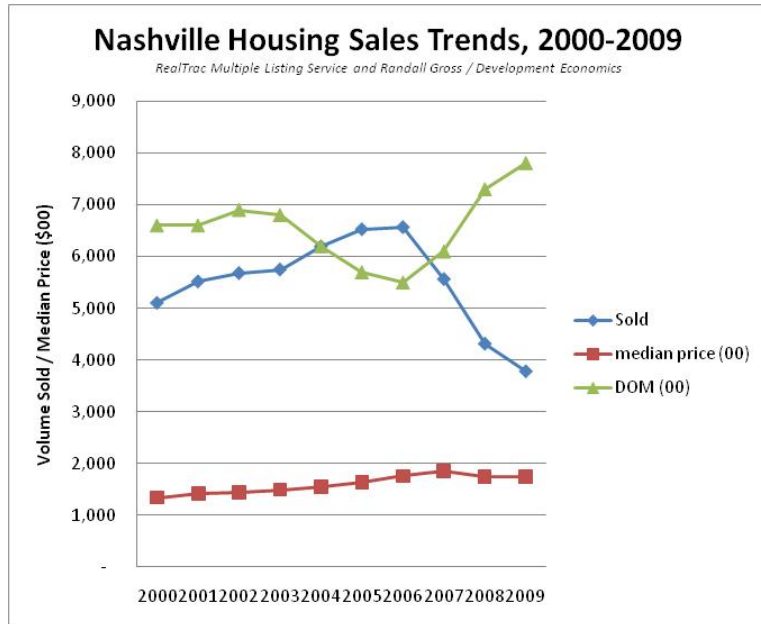
Year	Sold	Med List	Med Sale	Sale/List	MED SF	Ave DOM
2000	5,102	\$136,000	\$134,000	98.5%	1,700	66
2001	5,516	\$144,500	\$141,900	98.2%	1,737	66
2002	5,676	\$145,900	\$144,000	98.7%	1,746	69
2003	5,744	\$149,900	\$149,500	99.7%	1,750	68
2004	6,188	\$155,600	\$155,000	99.6%	1,750	62
2005	6,520	\$165,000	\$164,000	99.4%	1,743	57
2006	6,561	\$179,000	\$175,900	98.3%	1,747	55
2007	5,561	\$189,000	\$184,900	97.8%	1,722	61
2008	4,315	\$184,500	\$174,500	94.6%	1,722	73
2009	3,783	\$179,900	\$174,000	96.7%	1,710	78
<b>TOT/AVE</b>	<b>54,966</b>	<b>\$162,298</b>	<b>\$159,451</b>	<b>98.2%</b>	<b>1,735</b>	<b>65</b>

Notes: MED is Median. SF is Square Feet. DOM is Days on Market.

Sources: Realtracs Multiple Listing Service and Randall Gross /  
Development Economics.

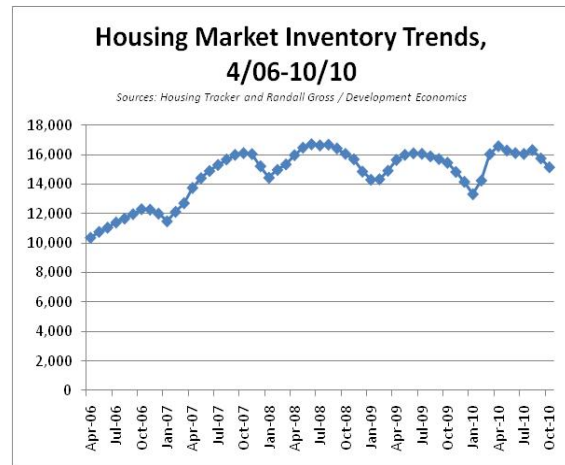
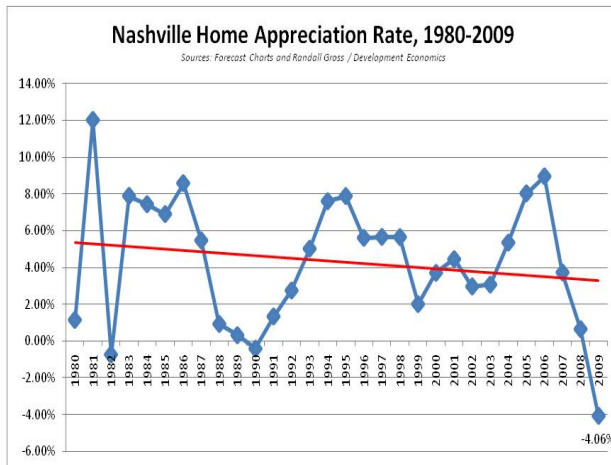
## Nolensville Pike Market Analysis

Sales trends are illustrated in the following chart. Again, the number of houses sold (in blue) peaked in 2006 before falling precipitously through 2009. Days-on-market (in green) reached a low that same year, but increased since then. Median prices (in red) have stagnated since 2007.



Annual homeowner appreciation rates have been declining over the long term, starting in 1980, despite the overall increase in prices. Appreciation rates

reached a peak of about 9% in 2006 before falling precipitously to a negative rate in 2009 for only the third time since 1980. The housing appreciation rate was -4% in 2009.



Overall for-sale inventory / supply had been gradually increasing between April 2006 and April 2010, but may have peaked this year at more than 16,000 units. Inventory trends are somewhat seasonal, as illustrated by the regular peaks and valleys shown in the chart at top right. As inventory declines, prices begin to stabilize and new construction becomes more viable.

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## ***Nolensville Pike Market Analysis***

### **Housing Market Area Trends**

The Nolensville Pike Housing Market Area had a total of 21,600 sales since 2000, with a median list price of \$162,800 and median sale price of \$160,700. The sale/list price ratio was 98.7%. Housing sold in the area has had a median 1,875 square feet and has stayed on the market for an average 65 days before being sold.

**Table 50. HOUSING MARKET TRENDS, NOLENSVILLE PK MARKET AREA, 2000-09**

<b>Year</b>	<b>Sold</b>	<b>Med List</b>	<b>Med Sale</b>	<b>Sale/List</b>	<b>MED SF</b>	<b>Ave DOM</b>
2000	1,864	\$139,900	\$137,900	98.6%	1,848	65
2001	2,076	\$147,900	\$145,149	98.1%	1,861	65
2002	2,062	\$149,900	\$148,950	99.4%	1,850	69
2003	2,285	\$149,900	\$149,000	99.4%	1,860	69
2004	2,475	\$159,836	\$158,800	99.4%	1,900	63
2005	2,706	\$164,915	\$164,900	100.0%	1,887	58
2006	2,617	\$179,500	\$177,800	99.1%	1,942	56
2007	2,303	\$184,900	\$180,000	97.3%	1,846	60
2008	1,741	\$179,900	\$176,000	97.8%	1,884	73
2009	1,475	\$166,900	\$162,500	97.4%	1,842	80
<b>TOT/AVE</b>	<b>21,604</b>	<b>\$162,759</b>	<b>\$160,673</b>	<b>98.7%</b>	<b>1,875</b>	<b>65</b>

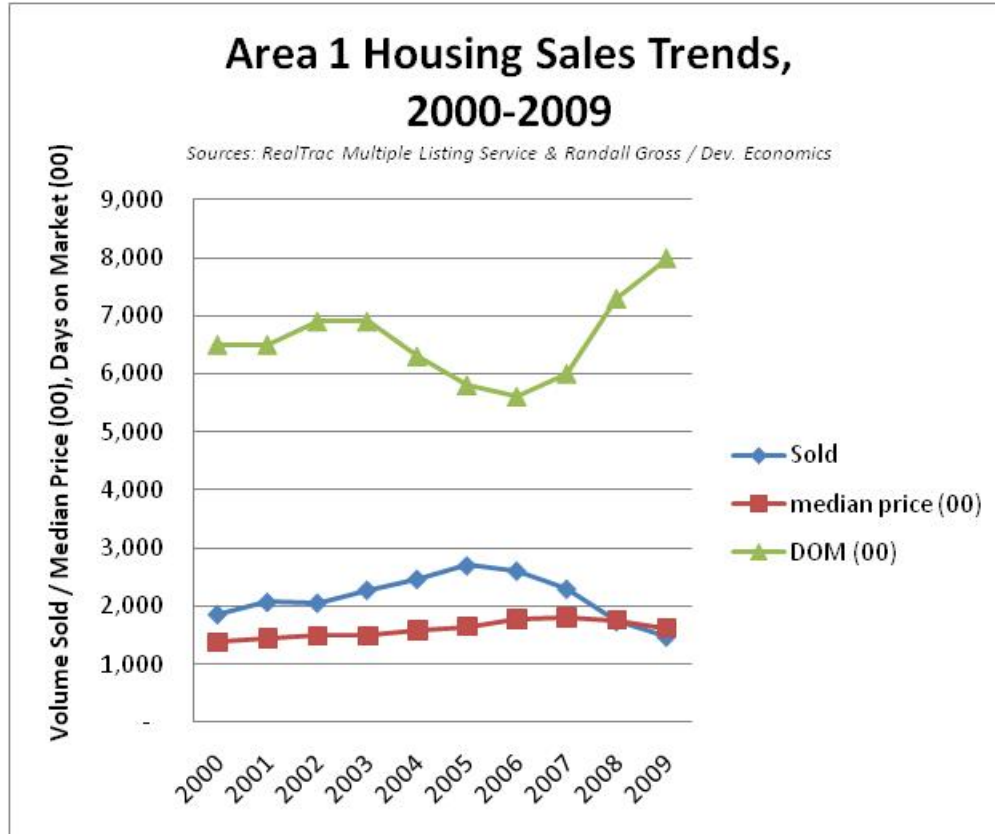
Notes: MED is Median. SF is Square Feet. DOM is Days on Market.

Sources: Realtracs Multiple Listing Service and Randall Gross /

Development Economics.

Market Area sales trends are illustrated in the chart below. The number of sales (blue) peaked in 2005, one year before the market as a whole. The days-on-market (green) began to increase in 2006 and were more than 80 in 2009. Median sales price (red) has stagnated since 2007, as it has in the overall market.

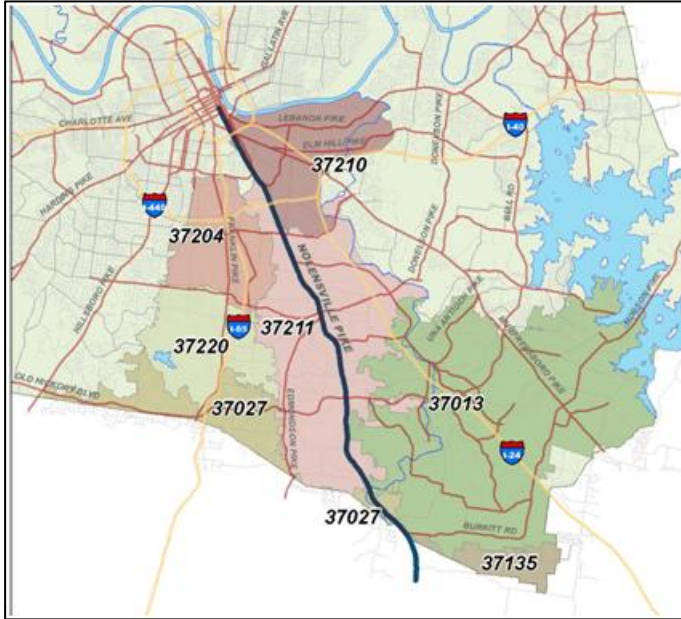
## Nolensville Pike Market Analysis



Within zip code 37211, which includes a large portion of the study area, there have been about 6,300 homes sold since 2005, for an annual average of 1,050. Housing sales trends within this zip code are detailed in the Appendix.

**Price Trends by Zip Code.** Median sales prices were also examined by zip code within the Market Area. In this area, prices increased by \$76,500 or 51.4% between 2000 and 2010, to a median of \$225,400. Sale prices increased more rapidly in zip codes 37135 (Nolensville, 82.9%), 37204 (Berry Hill, 75.0%), and 37027 (Brentwood, 70.9%). The highest prices are found in Brentwood's 37027, at \$401,500. The lowest median price is in 37210 (Woodbine), which includes central portions of the study area, at \$101,500. Prices in Woodbine are up 45% over 2000, when the median was only \$70,000. In nearby 37211 (Glenclyff), prices increased by 35.8% over the period, in 37220 (Oglesby) by 37.3%, and in 37203 (South Nashville) by 34.8%. Prices in 37013 (Antioch) increased by the smallest amount of all areas, at only 6.1% over the ten-year period.

## Nolensville Pike Market Analysis



Median sales prices trends in south/east Nashville are summarized in the following table.

Map Source: Metro Planning Department

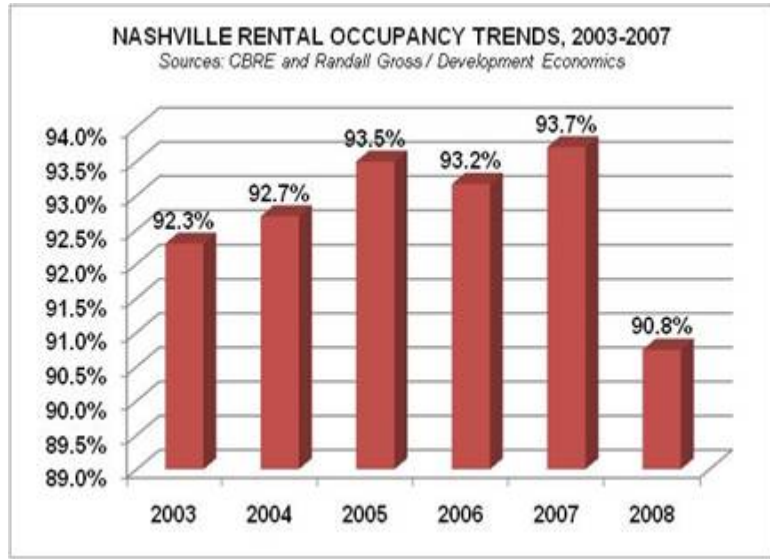
**Table 51. MEDIAN SALES PRICE TRENDS, SOUTH/EAST NASHVILLE AREA, 2000-2010**

Zip Code	2000	2005	2009	2010	2000-2010 Change	
					Amount	Percent
37027	\$ 235,000	\$ 400,000	\$ 385,500	\$ 401,500	\$ 166,500	70.9%
37135	\$ 140,000	\$ 257,100	\$ 276,500	\$ 256,000	\$ 116,000	82.9%
37013	\$ 112,000	\$ 138,000	\$ 126,600	\$ 118,800	\$ 6,800	6.1%
37204	\$ 160,000	\$ 250,000	\$ 219,000	\$ 280,000	\$ 120,000	75.0%
37210	\$ 70,000	\$ 89,500	\$ 107,000	\$ 101,500	\$ 31,500	45.0%
37211	\$ 104,000	\$ 140,500	\$ 145,000	\$ 141,250	\$ 37,250	35.8%
37220	\$ 205,000	\$ 266,500	\$ 281,500	\$ 281,500	\$ 76,500	37.3%
37203	\$ 165,000	\$ 190,700	\$ 189,300	\$ 222,500	\$ 57,500	34.8%
<b>Average</b>	<b>\$ 148,875</b>	<b>\$ 216,538</b>	<b>\$ 216,300</b>	<b>\$ 225,381</b>	<b>\$ 76,506</b>	<b>51.4%</b>

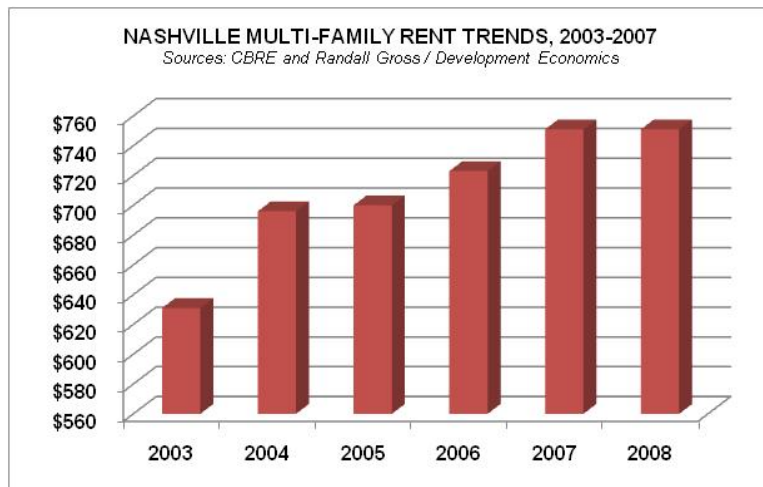
Sources: RealTrac Multiple Listing Service, Trulia, and Randall Gross / Development Economics.

**Rental Market Trends**

Trends in the rental apartment market were also analyzed, with a particular focus on occupancy, rents, and sales of investor rental units. Nashville rental occupancies were generally increasing between 2003 and 2007, to a high of 93.7% (or 6.3% vacancy). However, occupancies fell dramatically in 2008 to a low of 90.8% (9.2% vacancy). During the past year, overall occupancy has begun to recover.



Rents have also generally increased since 2003, from an average of about \$620 to more than \$740 in 2007. Rents stagnated somewhat in 2008, with no escalation over the previous year. Overall rent trends are summarized in the following chart.

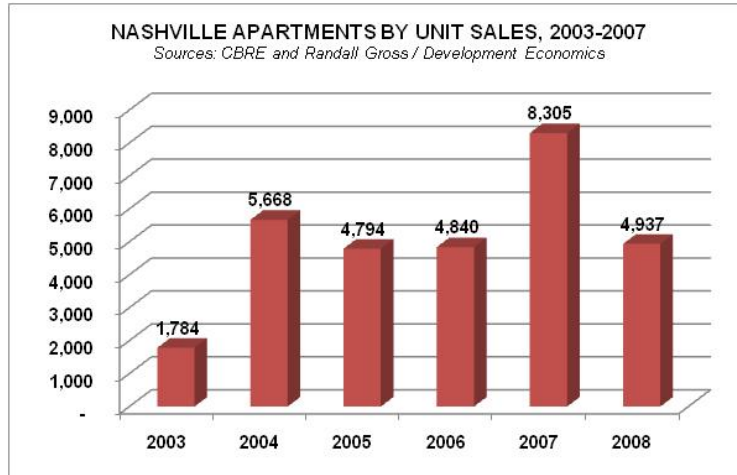


The number of unit sales of apartments has generally ranged from 4,500 to 5,600 during four of the last five years. The exceptional years were 2003, when only 1,800 units were sold and 2007, when more than 8,300 units were sold.



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## **Nolensville Pike Market Analysis**



### **Competitive Housing Framework**

The competitive housing framework was examined in detail in order to determine the study area capture of market demand against existing and planned residential projects. Particular focus was given to market-area neighborhoods outside of the study area and to urban and new-urban housing and neighborhoods that were attracting target markets. Rental apartment complexes throughout the region and particularly within southeast Nashville were also examined. Several key observations are summarized below from this assessment.

#### **Market-Area Neighborhoods**

Nearby neighborhoods within the broader market area include Valley View Meadows, Highview Acres, Caldwell, Binkley, Paragon Mills, Woodland Hills, Whispering Hills, Haywood Heights, and others out Nolensville Pike south and west of the study area. These neighborhoods compete for home buyers and renters with housing located within the study area.

#### **Urban Housing Projects**

There have been a number of high-density urban housing developments during the past ten years through the development of the Gulch and other downtown properties, Midtown, and surrounding urban neighborhoods. Among the developments have been Encore (2008), Viridian (2006), Adelia (2008), The West End (2007), Terrazzo (2009), and others. Perhaps the most competitive urban housing product has been delivered south on Nolensville Pike at the Lenox Village traditional neighborhood development project, which offers a mix of townhouse, rental and condo living in mixed-use buildings.

**Rental Apartment Complexes**

Many of the market area's Hispanic and other foreign-born residents, as well as other people relocating from within the US, often move first to rental housing in the southeast Nashville area. Gradually, some renters move up into the homeowner market. The large number of apartment complexes in this section of the city has become a magnet for these recent in-migrants. At least 50 complexes in the southeast sub-market and another 28 within the south sub-market will compete directly for the rentals of these recent in-migrants. Several condominium projects in southeast Nashville also compete, such as Oak Crest, Barcelona, Southern Hills, Caldwell Court, Canterbury Hills, and others.

**Housing Demand Forecasts  
& Study Area Potential**

Baseline housing demand was forecasted for the primary housing market area, which basically extends between I-65 South and Murfreesboro Road. Demand was forecasted for each of the three sub-markets based on demographic projections (population, households, etc.), mobility, and various market factors. Study Area potential for housing occupancy or new development was then determined as a capture of market area demand.

**Demographic Projections**

Market Area population is expected to increase by 17,600 between 2010 and 2020, for a rate of 10.7%. Area 2 is projected to add the largest number of people, 11,320 and will also grow fastest, at 13.6%. Area 3 will add about 5,400 people, yielding a growth rate of 11.6%. By contrast, Area 1 is only expected to add about 900 people for a much slower growth rate of 2.5%.

Table 52. POPULATION FORECASTS, PRIMARY HOUSING MARKET AREA, 2010-2020

Area	2010	2015	2020	2010-2020 Change	
				Number	Percent
Area 1	35,166	35,546	36,044	878	2.5%
Area 2	82,973	88,404	94,294	11,321	13.6%
Area 3	46,682	50,806	52,096	5,414	11.6%
<b>Total</b>	<b>164,821</b>	<b>174,756</b>	<b>182,434</b>	<b>17,613</b>	<b>10.7%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics

## ***Nolensville Pike Market Analysis***

Similarly, household growth will be concentrated in Areas 2 and 3. Overall, the market area will add about 6,400 households or 9.2%. Area 2, however, will add 4,200 and Area 3 will add 2,100 households. Area 1 is only expected to add about 100 households, yielding a growth rate of 0.6% over 20 years.

**Table 53. HOUSEHOLD FORECASTS, PRIMARY HOUSING MARKET AREA, 2010-2020**

Area	2010	2015	2020	2010-2020 Change	
				Number	Percent
Area 1	15,020	15,104	15,116	96	0.6%
Area 2	35,651	37,784	39,805	4,154	11.7%
Area 3	18,842	20,298	20,979	2,137	11.3%
<b>Total</b>	<b>69,513</b>	<b>73,186</b>	<b>75,900</b>	<b>6,387</b>	<b>9.2%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics

The number of families is expected to increase by about 12.2% or 4,800. Family growth will again be concentrated in Areas 2 and 3, with Area 1 gaining only about 260 families or 3.3%.

**Table 54. FAMILY FORECASTS, PRIMARY HOUSING MARKET AREA, 2010-2020**

Area	2010	2015	2020	2010-2020 Change	
				Number	Percent
Area 1	7,966	8,022	8,226	260	3.3%
Area 2	21,149	22,488	24,369	3,220	15.2%
Area 3	10,268	11,060	11,592	1,324	12.9%
<b>Total</b>	<b>39,383</b>	<b>41,570</b>	<b>44,186</b>	<b>4,803</b>	<b>12.2%</b>

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics

Households were forecasted then by age and income cohorts (over \$15,000) in order to focus on the target market segments. Overall, Area 1 is expected to add about 200 households with incomes mainly above \$50,000. Area 2 will add about 2,100 households, mainly with incomes above \$35,000. Growth will primarily hit the age group 55 to 64, while the number of householders in ages 25 to 44 will actually decline. Within Area 3, the number of households will increase by 1,400, with increases in all income categories except

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## ***Nolensville Pike Market Analysis***

\$25,000 to \$34,999. The age cohort 25 to 34 will lose households, while all others will gain. Household forecasts for Areas 1, 2 and 3 are provided in the Appendix.

### **Internal Growth-Generated Housing Demand**

Housing demand was forecasted within the market area based on several factors and relating to several different niches in the market. Basic “internal” housing demand will be generated by growth in the number of households projected within the Market Area and the share of those households that are likely to move. Net housing demand generated by these households is forecasted to be over 2,500 units by 2020, including 420 rentals and 2,100 for-sale / owner-occupancy units. The greatest share of this demand will be generated by “baby boom” householders in the 55 to 75 age group, which will yield demand for more than 2,400 units. At the same time, demand will fall for units among householders in the 25 to 44 age group, known as the “baby bust.” Among the fastest growing segment of the population will be householders over age 75.

**Table 55. INTERNAL GROWTH-GENERATED HOUSING DEMAND BY AGE AND TENURE, NOLENSVILLE ROAD MARKET AREA, 2010-2020**

<b>Age Cohort</b>	<b>Rental</b>	<b>Owner</b>	<b>Total</b>
15-24	300	32	332
25-34	(1,114)	(315)	(1,429)
35-44	(4)	(22)	(26)
45-54	349	518	867
55-64	440	883	1,324
65-74	318	798	1,117
75-84	85	157	243
85+	47	50	97
<b>TOTAL UNITS</b>	<b>422</b>	<b>2,103</b>	<b>2,524</b>

Sources: Claritas, Inc.; and Randall Gross /  
Development Economics.

Based on an assessment of competitive conditions within the market area, the portion of housing demand captured by the study area was forecasted. Study area potentials are for about 90 net additional growth-generated units by 2020. Of these units, there would be demand for 46 rental and 44 for-sale (owner-occupancy) units.

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## ***Nolensville Pike Market Analysis***

**Table 56. INTERNAL GROWTH-GENERATED HOUSING  
CAPTURE BY AGE AND TENURE,  
NOLENSVILLE PIKE STUDY AREA, 2020**

<b>Age Cohort</b>	<b>Rental</b>	<b>Owner</b>	<b>Total</b>
15-24	18	4	22
25-34	4	3	7
35-44	6	20	26
45-54	5	12	17
55-64	4	4	9
65-74	3	0	3
75-84	3	0	3
85+	2	0	3
<b>Total</b>	<b>46</b>	<b>44</b>	<b>90</b>

Source: Randall Gross / Development Economics.

Much of this potential would be generated by householders in the 35 to 44 age range, which is somewhat younger than the market composition as a whole. A relatively high share would also be generated by young student-age renters, aged 15 to 24.

### **Move-Up/Down Housing Demand**

Among the potential niche markets that could be attracted to existing and potential new housing in the study area are “move-ups” and “move-downs” within the market area and beyond. These are existing households (as opposed to new growth) that are seeking larger or smaller houses in the market based on age, tenure, family situation, and lifestyle. Move-ups are typically young renters who are purchasing their first home, or small-home owners who are moving up into a larger space to accommodate a larger family. More typical for inner-city urban neighborhoods are renter move-ups, who tend to be younger, childless, and are therefore less concerned with school quality in their housing location choice.

The number of move-up households was calculated at about 61,550 in source markets. This includes about 27,800 renters and 33,750 homeowners. The “target” market of these move-ups was then determined based on their likelihood to move and to stay within the city, along with other factors. This number was determined to be 13,200, including about 6,800 renters and 7,500 owners. These households would be considered a target for retaining or attracting in the market area.

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## ***Nolensville Pike Market Analysis***

**Table 57. MOVE-UP/DOWN-GENERATED HOUSING  
DEMAND BY TENURE, MARKET AREA  
AND GENERAL, 2010-2020**

<b>Tenure</b>	<b>Total HH</b>	<b>Target</b>	<b>Capture</b>
Rental	27,802	5,794	89
Owner	33,749	7,449	66
<b>Total</b>	<b>61,551</b>	<b>13,243</b>	<b>154</b>

Source: Randall Gross / Development  
Economics.

The study area would capture demand for about 150 of these move-up and move-down households, including about 90 renters and 66 for-sale housing buyers. Renters would generally fall in the 25 to 44 age cohort, while buyers would generally be slightly older, in 35 to 54. Most would have household incomes of less than \$75,000, with the largest number below \$35,000 per year. Many would be young singles, recently divorced, or DINK (dual-income, no kids) couples. Household incomes for young single people are naturally lower than for dual-income households, which brings the overall market average down to lower/middle income levels.

### **Foreign-Born Migration-Generated Demand**

Southeast Nashville, including the study area, has been a magnet for recent immigrants and the foreign-born migrating from other US cities. As noted earlier, this area has a large share of the region's Hispanic and other non-European residents. As such, it is well positioned to continue to attract additional foreign-born residents and to grow existing immigrant communities. Nashville's new foreign migrant population was forecasted through 2020 based on trends, recent national and regional Census estimates, IRS statistics, community base, and other inputs. Based on these inputs, the Nashville MSA could possibly attract up to about 21,000 recent immigrants (including those migrating from other US states) by 2020. Nashville would attract about 5,000 to 8,000 of those in-migrants. The market area would in turn capture about 4,600 of Nashville's foreign-born in-migrants.

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## ***Nolensville Pike Market Analysis***

**Table 58. NOLENSVILLE PIKE AREA SHARE  
OF NASHVILLE AND MSA  
FOREIGN MIGRATION, 2010-2020**

<b>Area</b>	<b>2010-15</b>	<b>2015-20</b>	<b>Total</b>
Nashville	2,777	2,783	5,560
MSA	10,528	10,548	21,075
Market Area	2,307	2,311	4,618
Study Area	498	499	998
Households	210	211	421
<b>Potential</b>	<b>32</b>	<b>82</b>	<b>114</b>

Source: Randall Gross / Development  
Economics.

The study area is likely to capture about 1,000 of these in-migrants over the next ten years, yielding about 400 to 450 households. This household growth translates into potential for about 110 to 120 housing units.

### **Area Employment-Related Housing Potential**

In addition to internal growth, move-ups/move-downs, and foreign-born migrants, the area would also generate housing demand from job growth in nearby employment nodes. The three employment clusters that could see growth over the next ten years are airport-related development, anticipated Nolensville Pike corridor development, and the creation of a new office/mixed-use node at the Fairgrounds Site as conceptualized previously in this report. Because of the proximity of these nodes to the study area, there are opportunities for housing to accommodate workers in the market area. Nearby employment nodes, such as redevelopment of 100 Oaks Mall, can also generate inflow housing demand in the area.

Between 2010 and 2020, the Nashville International Airport and related contractors, suppliers, and associated businesses within the airport impact area, are projected to add about 400 jobs. This job growth would generate demand for about 170 housing units, with the study area capturing 25 to 30.

Expected growth within the full length of the Nolensville Pike Corridor would create up to 2,900 jobs, generating demand for about 1,200 housing units. Of this number, the study area would capture demand for about 50 units. Finally, creation of a new office/mixed-use node could generate up to 1,360 jobs by 2020, yielding demand for about 570 housing units. Where housing is integrated

## ***Nolensville Pike Market Analysis***

into such mixed-use development and/or urban mixed/use housing product in attractive neighborhoods is created, the study area could capture demand for another 110 to 120 additional housing units. Altogether, employment-related growth could generate demand in the study area for about 185 to 200 units. This demand would favor urban housing development (e.g., mixed-use, townhouse, and multi-family) as well as rehabilitation and renovation of traditional single-family detached houses in the area. Education, income, household composition, and other factors will play important roles in the type of housing preferred.

**Table 59. EMPLOYMENT-RELATED HOUSING POTENTIALS, NOLENSVILLE PIKE STUDY AREA, 2015-2020**

<b>Factor</b>	<b>2010-2015</b>	<b>2015-2020</b>	<b>Total</b>
<u>Airport-Related</u>	5,764	6,001	
Growth	164	237	401
Demand	69	100	169
Capture	7	20	27
<u>Nodal Development</u>	178	1,178	1,355
Demand	75	497	571
Capture	6	109	115
<u>Corridor Growth</u>	1,469	1,421	2,889
Demand	619	599	1,219
Capture	12	36	48
<b>Potentials</b>	<b>25</b>	<b>165</b>	<b>190</b>

Sources: Metropolitan Nashville Airport Authority; US Bureau of the Census; and Randall Gross / Development Economics.

### **Summary of Market Potentials**

Together, these market components will generate demand for about 550 housing units within the study area by 2020. This number includes about 120 units generated under the assumption that a mixed-use node would be created to accommodate new development. Move-up and move-down demand would total 150 units, followed by demand generated by foreign-born in-migrants (whether direct immigrants or relocations from other parts of the US). Demand for about 90 units would be generated by basic market-area growth, while demand for another 50 would be generated by employment growth in the corridor. Finally, employment growth at the airport would generate demand for about 30 units.



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## ***Nolensville Pike Market Analysis***

<b>Source</b>	<b>2010-2015</b>	<b>2015-2020</b>	<b>Total</b>
Market Area Growth	20	70	90
Move Up/Down	40	110	150
In-Migration	30	80	110
Corridor Employment	10	40	50
Airport-Related	10	20	30
Nodal Development	10	110	120
<b>TOTAL</b>	<b>120</b>	<b>430</b>	<b>550</b>
<i>Excluding Node/Impact</i>	<i>100</i>	<i>210</i>	<i>310</i>

Should the new node not be created within the study area, then total demand would be for 310 units, with demand for up to 100 by 2015 and another 210 by 2020.

### **Key Growth Opportunities**

Market opportunities for study area housing include capture of demand generated by expected market area household growth, as well as niche markets including move-ups and move-downs, foreign-born migrants, and employment-generated housing opportunities. Development of new employment nodes in the area will help create new markets for housing in the study area, but only if the environment is created to support such development. Given that 7.4% of housing stock (1,200 units) is vacant in the neighborhoods immediately adjacent to the study area, there is also the opportunity to rehabilitate and re-occupy some of the existing housing units that are still viable.

### **Housing Product Requirements**

There is potential for a total of about 295 rental units and 255 for-sale units, for a total of 550 housing units in the study area. Should a new node be developed at the Fairgrounds Site, then there may be opportunities for 50 to 120 units in mixed-use buildings or townhouses integrated into the development. More specific project numbers would have to be tested through further analysis. There would still be other opportunities for multi-family rental, townhouse, and mixed-use projects of 30 to 70 units elsewhere in the corridor. A share of the demand could also be accommodated through pro-active rehabilitation of existing vacant housing stock within the corridor or adjacent to the study area. Regardless of product, units will require safe and secure parking and will benefit from a high amenity value.

### **Locations**

As noted above, a new node such as at the Fairgrounds Site could accommodate 50 to 120 units in mixed-use buildings or townhouses integrated into the development. Other corridor opportunities suggest small infill mixed-use or townhouse development in core commercial districts such as Woodbine or others (defined further in the retail market analysis). Development of housing in or near core retail nodes will help create a “captured” market for commercial uses within those nodes and generate more holistic community development. Concept development and marketing will also be more impactful if housing and commercial uses can be packaged together. The risk is in creating head-on competition to Lenox Village as another urban, mixed-use project in Nolensville Pike. Opportunities for project and market differentiation are discussed in the Volume 1 Report.

### **Summary**

The residential market analysis forecasted potential for up to 550 housing units within the study area and adjoining streets, or 310 in the study area if the Fairgrounds Site is not promoted or developed as a mixed-use site that includes housing. There are markets for this housing, including natural growth within the market area, as well as niche markets like move ups / move downs, foreign-born and other in-migrants, corridor employment-related, airport-related, and Fairgrounds Site employment-related. The key constraints to capturing this market potential are the creation of appropriate sites where the environment is supportive of housing, slower household growth relating to economic conditions or reduced migration, and other unforeseen issues.

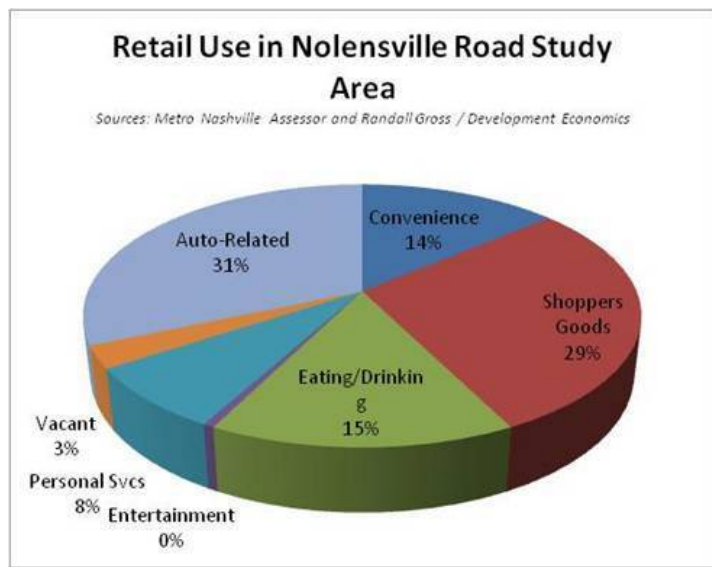
## **Section 6. RETAIL MARKET ANALYSIS**

The following section determines potential for retail uses within the study area based on a retail market analysis. Nolensville Pike is underappreciated as one of Nashville’s primary retail corridors, yet retail uses predominate in the study area and are extremely important in defining the character and marketability of the study area for all uses. Existing retail inventory, issues, and conditions are analyzed. The trade area is defined and demographic trends assessed. Trade Area retail demand is forecasted, and the competitive nodes inventoried. Based on this analysis, study area retail potential is forecasted and key opportunities are defined in terms of a recommended business mix. The appropriate locations and requirements for attracting and developing that business mix are provided, with more specific marketing concepts and strategies defined in Volume 1.

### **Existing Retail Inventory & Conditions**

The study area has a total inventory of approximately 530,700 square feet of retail space, which is roughly the size of a regional shopping center. There are 176 active retail businesses in this area, plus five vacant spaces.

Shopper’s goods (merchandise for which consumers comparison shop) constitute 60% of the business establishments in the study area. However, auto-related businesses (including new and used car dealers, auto parts, and supply) account for 31% of all businesses and other shopper’s goods account for only 29%. As such, auto-related retail (not even including auto maintenance and service businesses, which are considered as industrial), constitutes the largest category of retail uses in the study area.



Also important is eating & drinking, which comprises 15% of all businesses, ahead of convenience goods at 14%. About 8% of the businesses provide personal services (e.g., hair and nail salons, barber shops, shoe repair,

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etc). There are few commercial entertainment venues, per se, although the State Fairgrounds operated as a major audience support facility for many years. Shopper's goods businesses (such as clothing and furniture stores, which are oriented to comparison shopping), occupy 345,000 square feet of nearly two-thirds of the retail space in the study area. This suggests that the corridor does function as a regional shopping district and not just a convenience node. However, nearly 135,000 square feet of this shopper's goods activity is in auto-related businesses, which account for one-quarter of the total. These auto-related businesses include a large number of used car dealers, as well as auto parts and supply retailers.

### Retail Space by Category

As noted above, shopper's goods businesses occupy 345,000 square feet or nearly two-thirds of the retail space in the study area. This suggests that the corridor does function as a regional shopping district and not just a convenience node.

Table 60. RETAIL INVENTORY BY PRIMARY CATEGORY, NOLENSVILLE PIKE STUDY AREA, 2010						
Primary Category	Number	(Percent)	Sq. Ft.	(Percent)	Land	(Percent)
Convenience	25	14%	92,790	17%	11.0	13%
Shoppers Goods	109	60%	345,001	65%	59.2	68%
<b>Auto-Related</b>	<b>57</b>	<b>31%</b>	<b>134,389</b>	<b>25%</b>	<b>38.4</b>	<b>44%</b>
Eating/Drinking	27	15%	62,901	12%	12.3	14%
Entertainment	1	1%	1,972	0%	0.3	0%
Personal Svcs	14	8%	14,786	3%	1.9	2%
Vacant	5	3%	13,208	2%	2.2	3%
<b>TOTAL</b>	<b>181</b>	<b>100%</b>	<b>530,658</b>	<b>100%</b>	<b>86.9</b>	<b>100%</b>
Sources:	Metropolitan Government of Nashville & Davidson County and Randall Gross / Development Economics.					

However, nearly 135,000 square feet of this shopper's goods activity is in auto-related businesses, which account for one-quarter of the total retail space. Further, auto-related businesses occupy about 38.4 acres or 44% of the total land in retail (86.9 acres). Auto uses share a long history in the corridor. After shopper's goods, convenience occupies the second largest amount of space, with about 93,000 square feet or 17% of the total. Eating & drinking establishments occupy 63,000 square feet or 12% of the total space. Personal services are using about 15,000 square feet or 3%. An entertainment venue has

## Nolensville Pike Market Analysis

about 2,000 square feet, representing a small share of the total. Retail use (in square feet) is detailed in the following table by specific individual retail category.

**Table 61. COMMERCIAL SPACE INVENTORY, STUDY AREA, 2010**

Category	Number	(Percent)	Sq. Ft.	(Percent)
<u>Convenience</u>				
Grocery	7	4%	34,070	7%
Convenience	3	2%	5,971	1%
Ethnic/Spec. Food	4	2%	13,650	3%
Health/Personal Care	3	2%	26,112	5%
Gas/Convenience	6	3%	11,043	2%
Florist	-	0%	-	0%
Liquor	1	1%	972	0%
Misc Convenience	1	1%	972	0%
<b>Sub-Total</b>	<b>17</b>	<b>10%</b>	<b>58,342</b>	<b>12%</b>
<u>Shoppers Goods</u>				
Apparel	6	3%	20,026	4%
Accessory	-	0%	-	0%
Jewelry	2	1%	5,381	1%
Shoes	-	0%	-	0%
Furniture& Floors	9	5%	50,173	10%
Home Furnishings	6	3%	16,027	3%
Appliances	4	2%	22,204	4%
Hardware/Bldg Supply	4	2%	14,371	3%
Garden Supply	-	0%	-	0%
Gen Mdse/Dept Store	7	4%	34,050	7%
Auto Dealers	42	24%	75,851	15%
<i>New</i>	1	1%	9,150	2%
<i>Used</i>	41	24%	66,701	13%
Auto Supply	15	9%	58,538	12%
Electronics/Comp	2	1%	16,445	3%
Books/Music	3	2%	6,807	1%
Camera/Photo	-	0%	-	0%
Gift, Novelty	1	1%	1,709	0%
Hobby/Toy/Game	1	1%	3,458	1%
Luggage/Leather	-	0%	-	0%
Office/Stationary	-	0%	-	0%
Sewing/Piece	1	1%	619	0%
Sporting Goods	-	0%	-	0%
Misc Shoppers Gds	6	3%	19,344	4%
<b>Sub-Total</b>	<b>109</b>	<b>63%</b>	<b>345,001</b>	<b>70%</b>
<u>Dining &amp; Entertainment</u>				
Restaurants-FF	10	6%	21,148	4%
Restaurants-FS	13	8%	32,012	6%
Drinking Establishment	4	2%	9,741	2%
Entertainment	1	1%	1,972	0%
<b>Sub-Total</b>	<b>28</b>	<b>16%</b>	<b>64,873</b>	<b>13%</b>
<u>Personal Services</u>	<b>14</b>	<b>8%</b>	<b>14,786</b>	<b>3%</b>
<b>TOTAL</b>	<b>168</b>	<b>97%</b>	<b>483,002</b>	<b>97%</b>
<i>Existing Vacant</i>	5	3%	13,208	3%
<b>GRAND TOTAL</b>	<b>173</b>	<b>100%</b>	<b>496,210</b>	<b>100%</b>

Note: Misc Shoppers Goods includes pet stores, pawn shops, trophies/awards, vacuums, adult mdse, etc.

## ***Nolensville Pike Market Analysis***

Sources: Metro Nashville-Davidson County Government and  
Randall Gross / Development Economics.

Aside from auto-related retail, other key individual categories include Furniture and home furnishings, with over 66,000 square feet combined. About 34,000 square feet is in groceries, but another 6,000 is in convenience food and 13,700 square feet is in ethnic/specialty food markets, for a total of about 54,000 square feet in food stores.

About 34,000 square feet is in general merchandise stores, such as dollar stores and other small variety stores. More than 26,000 square feet is in health and personal goods stores, including a new Walgreens pharmacy that replaced a former Rite Aid at the prime intersection of Nolensville Pike and Thompson Lane. About 22,000 square feet is in appliance stores and 20,000 square feet in clothing. But there are no shoe stores, office supply, luggage, accessory, garden supply, or sporting goods stores in the area. There are a number of miscellaneous shopper's goods stores, such as pet stores, vacuum cleaner stores, trophy & awards shops, and adult merchandise stores. About 32,000 square feet is in fast food restaurants, while 21,000 is in full-service eating establishments.

### **Business Ownership & Ethnic Marketing**

Most of the study area retailers rent their space, although a number of used car merchants own their facilities. Retailers have more control and are more likely to invest in their properties if they are also the building owner.

Assessment data suggest that approximately 64% of the retail businesses in the study area are either owned by or marketed to immigrant / foreign-born



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## ***Nolensville Pike Market Analysis***

communities. Nationalities explicitly identified through signage and marketing or apparent through ownership include the following:

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- Mexico,
- Peru,
- Iran/Persian,
- Egypt,
- Colombia,
- Brazil,
- Greece,
- Somalia,
- Ethiopia,
- Thailand,
- Nigeria,
- Pakistan,
- Senegal,
- El Salvador,
- Iraq/Kurdistan,
- Bangladesh,
- Turkey,
- Panama,
- Ecuador,
- China,
- Honduras,
- Guatemala,
- India,
- Ghana,
- Brazil,
- Vietnam,
- and others



The juxtaposition of cultures is sometimes quite interesting, for example the Arabic-owned barber shop marketing to the Hispanic community (see pictures). Many of the retail businesses have display artwork, promote cultural activities, and attract a colorful array of customers. On a typical day, pupusa salesmen in hats push their tiny wheeled carts along the sidewalks near ladies in long black burkas, posters promoting Indian sitar players, and lawn statues of the Virgin Mary.

The relatively few exceptions where there is no cultural or foreign-language marketing include businesses under long-time local ownership or franchised national chains (e.g., fast food restaurants). Often, it appears that the business owners (though foreign-born) are not necessarily the same group as their target market base (which is also foreign-born). Regardless, many of the



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## ***Nolensville Pike Market Analysis***

businesses have become destinations that attract a market base beyond the immediate neighborhoods.

### **Key Issues**

The preponderance of used car lots, auto repair businesses, and auto parts & supply establishments has raised issues in terms of appearance and land use, lending practices, regulatory enforcement, immigration enforcement, and overall economic sustainability. Many of the used car dealerships provide a much needed product to newly-arrived immigrant workers of modest incomes who could not otherwise afford to purchase a vehicle, which is a critical asset in a sprawling city like Nashville that lacks rapid transit. The dealers offer various “buy here / pay here” (compré aqui / pago aqui) deals that allow the buyer to purchase the car through the dealer’s own payment plan. However, this predominant system has led to complaints of predatory lending and in some cases, accusations of the misuse of police resources as a tool to recover assets in exchange for immigration enforcement. Buyers are often suspicious of dealers’ motives, leading to tensions between immigrant communities. Honest new and used car dealers feel tainted by the bad reputation of the minority who are operating unethically.



Overall, there has been a recent shift in the immigrant market base. The loss of construction-related employment, along with stepped-up immigration enforcement and perceptions of an unwelcome climate for foreigners in Nashville, is blamed by some for a sharp decrease in the number of Mexican and other foreign-born consumers in the southeast Nashville retail market. Regardless of the cause, negative perceptions impact on the overall business climate and long-term revitalization of the area.

The economic changes have brought subtle shifts in the market. Consumers are spending less money in restaurants but more money in groceries. Some traditional grocers are beginning to offer new merchandise lines to appeal to the large foreign-born population base. Some ethnic restaurants have filled the gap in business by marketing to the broader Nashville population and not relying solely on their own community for support. As such, they have become anchor retail destinations in the corridor.

Because most businesses rent their properties, there tend to be more issues associated with physical conditions, transiency, and turnover. Absentee landlords are less vested in the physical appearance of properties and tend to let them fall into disrepair and poor overall condition. Ironically, many of the used car lots, perhaps because many own their properties, are often well-maintained. On

## Nolensville Pike Market Analysis

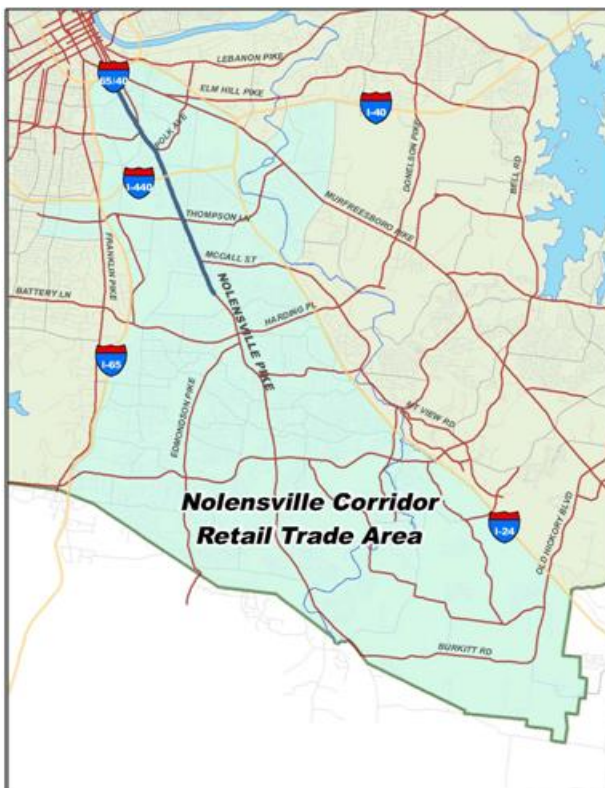
the other hand, the preponderance of lots has led to issues with over-use of signage, extensive parking lots, and other problems impacting on the corridor's physical appearance.

### Retail Demand Forecasts

Demand for retail goods and services was forecasted through 2010 (and opportunities identified through 2020) within the designated trade area, defined below. Demographic indicators are projected and expenditure potentials forecasted for the trade area by type of establishment.

### Trade Area Definition

The retail trade area is defined to include that area bounded by I-65 South, I-65 Inner Loop, the Davidson-Williamson County line, and I-24-east. There would also be "bump-outs" in the trade area for neighborhoods along Thompson Lane/Briley Parkway to 12<sup>th</sup> Avenue South (west) and I-40 (east). The trade area reflects the overall influence of Nolensville Pike and Thompson Lane/Briley Parkway as traffic routes.



The trade area is sub-divided into several sub-markets including Trade Areas 1, 1A, 1B, and 2. Trade Area 1 forms the area bounded by the Inner Loop, I-65 South, Harding Place, and I-24 East, including the neighborhoods directly adjacent to the study area. This sub-market provides a basic market for convenience goods within a five to ten-minute drive from the study area.

*Map Source: Metro Planning Department*

Trade Area 1A forms the western "bump-out" to 12<sup>th</sup> Avenue South, north to I-440 and south to Battery Lane. This area is made more accessible as an east-west commuter route through the study area because of Thompson Lane.

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Similarly, Trade Area 1B forms the eastern “bump-out” to I-40 East, and southeast to Briley Parkway. Again, this area (including the airport) is made more accessible by the link provided by Briley Parkway (Thompson Lane) as it extends east from Nolensville Pike. Finally, Trade Area 2 includes the remaining areas to the south into Williamson County.

### **Demographic Analysis**

Demographic trends in the trade areas from 1990 to 2010 were assessed in terms of population, households, and average household incomes. Trade Area 1 has a total estimated population of about 35,200 and household base of 15,000. During this 20-year period, Trade Area 1 saw its population increase by only 0.2% and households by 1.8%. Household income is estimated at \$40,500, down by \$3,000 or 7% in real terms (after accounting for inflation) since 1990. The loss of real income relates in part to national economic trends since 2000 but may also result from age demographics and other factors.

**Table 62. DEMOGRAPHIC TRENDS, RETAIL TRADE AREA, NOLENSVILLE PIKE, 1990-2010**

Factor	1990	2000	2010	1990-2010 Change	
				Number	Percent
<u>Trade Area 1</u>					
Population	35,104	34,910	35,166	62	0.2%
Households	14,748	15,025	15,020	272	1.8%
HH Income	\$ 43,513	\$ 42,732	\$ 40,481	\$ (3,032)	-7.0%
<u>Trade Area 2</u>					
Population	54,370	67,038	82,973	28,603	52.6%
Households	23,685	29,360	35,651	11,966	50.5%
HH Income	\$ 64,478	\$ 70,479	\$ 70,904	\$ 6,426	10.0%
<u>Trade Area 1a</u>					
Population	11,338	11,316	12,415	1,077	9.5%
Households	5,029	5,279	5,842	813	16.2%
HH Income	\$ 82,512	\$ 85,805	\$ 84,046	\$ 1,534	1.9%
<u>Trade Area 1b</u>					
Population	12,774	14,383	14,486	1,712	13.4%
Households	6,049	6,209	6,094	45	0.7%
HH Income	\$ 50,614	\$ 47,507	\$ 43,734	\$ (6,881)	-13.6%

Note: Income expressed in constant 2010 dollars.

Sources: Claritas, Inc. and Randall Gross / Development Economics.

By contrast, Area 2 has seen rapidly growing population, household base, and real incomes. The area has estimated population of almost 83,000, up by 28,600 or 52.6% since 1990. There are 35,700 households, up by nearly 12,000

## ***Nolensville Pike Market Analysis***

or 50.5% over the 20-year period. Meanwhile, average household incomes are estimated at \$70,900 and are up by \$6,400 or 10% since 1990 in real terms. However, it should be noted that, while incomes have continued to increase, they appear to have stagnated in recent years and the overall real increase since 2000 was only \$500.

The western “bump out” (Trade Area 1A) has about 12,400 people and 5,800 households, up by 9.5% and 16.2% respectively. The much more rapid growth in households suggests that average household size has been declining rapidly in this area. Incomes are relatively high, at \$84,000, but have increased only marginally in real terms since 1990 (\$1,500 or 1.9%). The eastern “bump out” (Trade Area 1B) has about 14,500 people and 6,100 households, up by 13.4% and 0.7% respectively. Here, household formation is very different from the west side, since population has increased much more rapidly than households. This suggests the addition of large families to the area such as the extended families of recent immigrants. This area has also seen a dramatic decrease in household incomes over the past 20 years. Incomes are estimated at \$43,700, down by \$6,900 or 13.6% from 1990. Again, the addition of relatively lower-income recent immigrants may explain the long-term decline in incomes in this area.

**Table 63. DEMOGRAPHIC FORECASTS, RETAIL TRADE AREA, NOLENSVILLE PIKE, 2010-2015**

<b>Factor</b>	<b>2010</b>	<b>2015</b>	<b>2010-2015 Change</b>	
			<b>Number</b>	<b>Percent</b>
<u>Trade Area 1</u>				
Population	35,166	35,546	380	1.1%
Households	15,020	15,104	84	0.6%
HH Income	\$ 40,481	\$ 42,501	\$ 2,020	5.0%
<u>Trade Area 2</u>				
Population	82,973	88,404	5,431	6.5%
Households	35,651	37,784	2,133	6.0%
HH Income	\$ 70,904	\$ 76,782	\$ 5,878	8.3%
<u>Trade Area 1a</u>				
Population	12,415	12,908	493	4.0%
Households	5,842	6,127	285	4.9%
HH Income	\$ 84,046	\$ 89,807	\$ 5,761	6.9%
<u>Trade Area 1b</u>				
Population	14,486	14,580	94	0.6%
Households	6,094	6,063	(31)	-0.5%
HH Income	\$ 43,734	\$ 45,770	\$ 2,036	4.7%

Note: Income expressed in current dollars.  
Sources: Claritas, Inc. & Randall Gross / Development Econ.

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## ***Nolensville Pike Market Analysis***

As indicated above, Trade Area demographics were also forecasted through 2015 as a basis for determining retail demand. Trade Area 1 is expected to see a slight (1.1%) increase in population and also an increase in households and incomes by 2015. While small, the increase in population and households represents a reversal of long-term decline in this area.

Area 2 will still see demographic growth through 2015, but at a slower pace than during the previous 20 year period. Population is expected to increase by 6.5% and households by 6.0%. Average household incomes could rise by as much as 8.3%. Trade Area 1A will also see moderately increasing population, households, and incomes through 2015. Only Trade Area 1B will see a decrease in household base, with the loss of about 30 households during the next five years. Even so, incomes are expected to increase by 4.7%.

### **Total Personal Income (TPI)**

Total Personal Income (TPI) was forecasted based on the demographic projections through 2015. Overall, Trade Area TPI is estimated at \$3.89 billion and is expected to increase by \$477.5 million or 12.3% to \$4.37 billion by 2015.

**Table 64 TPI FORECASTS, NOLENSVILLE PIKE  
PRIMARY TRADE AREAS, 2010-2015**

Trade Area	TPI (000)		2010-2015 Change	
	2010	2015	Amount	Percent
Area 1	\$ 608,024	\$ 641,935	\$ 33,911	5.6%
Area 2	\$ 2,527,799	\$ 2,901,131	\$ 373,332	14.8%
Area 1A	\$ 490,997	\$ 550,247	\$ 59,251	12.1%
Area 1B	\$ 266,514	\$ 277,504	\$ 10,989	4.1%
<b>Total</b>	<b>\$ 3,893,334</b>	<b>\$ 4,370,817</b>	<b>\$ 477,484</b>	<b>12.3%</b>

Notes: Total personal income (TPI) expressed in thousands of constant 2010 dollars.

Source: Randall Gross / Development Economics.

The largest increase in total personal income will be in Trade Area 2, which will add more than \$373.3 million in TPI by 2015. Area 1A will add \$59.3 million and Area 1 will add \$33.9 million. Area 1B, perhaps because of stagnating household growth and slower income growth will only see an increase of \$11.0 million in TPI.

### **Total Household Expenditure Potential**

Trade area expenditure (sales) potentials were calculated based on data from the Census of Retail Trade for Nashville-Davidson yielding the share of TPI that is spent per individual retail category on retail goods. Total trade area expenditure potential for all categories is \$1.89 billion in 2010, increasing to \$2.11 billion by 2015. This represents an increase of \$223.1 million or 11.8%.

### **Market Inflow**

Retail within the corridor also captures inflow from outside of the household trade area, from other parts of Nashville and the region as well as from tourists. Inflow was calculated based on inflow factors for each type of business as well as on the region's tourism and hotel occupancy trends. This inflow was added into the overall market potentials after assessing capture in the competitive framework.

### **Competitive Framework**

There are a growing number of competitive nodes, malls, and commercial corridors located throughout the Nashville region. Importantly however, there are few corridors or nodes like this in the region with a specific concentrated focus on international businesses and ethnic commercial activity. The most similar corridors are found in coastal areas like Washington, DC's suburban Montgomery County that have long-experienced high rates of immigration. The Chinatowns of San Francisco and New York, Little Italy in Baltimore, Andersonville (Swedish) in Chicago, and similar communities, share much in common with Nolensville Pike in terms of ethnic identity marketing, although the physical environment is quite different. Murfreesboro Pike, Gallatin Pike and other areas do have ethnic businesses, but few have the concentration of Nolensville Pike.

Regardless of the ethnic component, retailers in this area are more likely to compete with stores located in the major shopping malls and other commercial corridors. For modest-income households, key competitors for low-cost merchandise include big box and discount retailers near 100 Oaks, Hickory Hollow, and in Nolensville Pike, south of the study area. For the destination market, Green Hills, Cool Springs, and 12 South and other specialty districts become highly competitive. These nodes were inventoried and assessed as part of the overall competitive analysis.

### **Study Area Retail Potentials**

Study Area retail potentials were determined based on the demand forecasts and analysis of the competitive framework. Overall, the study area has

## Nolensville Pike Market Analysis

gross potential for about 606,000 square feet by 2015. After netting out existing retail uses, the “warranted” demand for retail space in the study area is 107,500 square feet. This includes about 36,500 square feet of entertainment use, 35,900 square feet of convenience goods space, 31,700 square feet of eating & drinking, and 8,000 square feet of personal services. However, there is an over-supply of about 5,000 square feet in shopper’s goods. Assuming that some of the retail demand could be accommodated in existing vacant commercial space, there is net warranted demand for about 94,300 square feet of retail use.

Type of Good	Gross Demand (SF)		Existing Uses	Warranted Demand
	2010	2015		
Convenience	111,445	128,663	92,790	35,872
Shoppers Goods	272,590	321,078	325,657	(4,579)
Eating/Drinking	67,335	94,608	62,901	31,707
Entertainment	25,805	38,424	1,972	36,452
Personal Services	20,627	22,876	14,786	8,090
<b>TOTAL</b>	<b>497,801</b>	<b>605,649</b>	<b>498,106</b>	<b>107,543</b>
<i>Existing Vacant</i>			13,208	
<b>Net New Space</b>				<b>94,335</b>
Source:	Randall Gross / Development Economics.			

Potential for retail uses by specific business category is provided in the table on the following page. In general, there is over-supply of auto dealers, auto supply businesses, appliances, and furniture within the study area. An oversupply results when the amount of existing use exceeds the forecasted demand for this use. Oversupply also occurs when uses do not generate sufficient retail sales to support the amount of square footage in the market or where retail businesses are not meeting the performance thresholds (in sales per square foot) that warrants the space. However, if businesses have low operating costs, then they sometimes under-perform the market in sales yet can still make a profit. Finally, the “expected” household expenditures for certain products may be lower or higher than actual for a particular community because of rapid cultural change that affects buying behavior.

Among most other shopper’s goods categories, there is net positive demand. The highest demand is for about 18,800 square feet of general merchandise space, followed by more than 10,000 square feet of sporting goods. There is also potential for about 9,800 square feet in hardware and building supply, 5,500 square feet for gifts and novelties, 4,500 for books & music, 4,200 for stationary and office supplies, and other uses.

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**Table 66. WARRANTED RETAIL DEMAND BY USE,  
NOLENSVILLE PIKE STUDY AREA, 2010 AND 2015**

Type of Good	Gross Demand (Sq Ft)		Existing Uses	Warranted Demand
	2010	2015		
<u>Convenience</u>				
Grocery	44,353	49,409	34,070	15,339
Convenience	8,554	9,237	5,971	3,266
Specialty Food	13,128	21,281	13,650	7,631
Health/Personal Care	26,197	28,205	26,112	2,093
Gas/Convenience	12,254	13,282	11,043	2,239
Misc Convenience	6,959	7,249	1,944	5,305
<b>Sub-Total</b>	<b>111,445</b>	<b>128,663</b>	<b>92,790</b>	<b>35,872</b>
<u>Shoppers Goods</u>				
Apparel	12,666	21,286	20,026	1,261
Accessories	362	626	-	626
Jewelry	2,777	4,293	5,381	(1,087)
Shoes	2,409	2,805	-	2,805
Furniture	41,123	48,380	50,173	(1,794)
Home Furnishings	12,863	18,279	16,027	2,252
Appliances	9,531	10,483	22,204	(11,721)
Hardware/Bldg/Home	22,025	24,188	14,371	9,817
Garden Supply	2,179	2,447	-	2,447
Gen Mdse/Dept	46,096	52,840	34,050	18,790
Auto Dealers	45,422	37,438	75,851	(38,413)
Auto Supply	35,918	39,356	58,538	(19,182)
Electronics/Comp	15,108	16,603	16,445	158
Books/Music	6,042	11,256	6,807	4,449
Camera/Photo	331	402	-	402
Gift, Novelty	2,587	7,178	1,709	5,469
Hobby/Toy/Game	3,174	5,850	3,458	2,392
Luggage/Leather	175	216	-	216
Office/Stationary	3,742	4,222	-	4,222
Sewing/Piece	1,312	2,914	619	2,296
Sporting Goods	6,748	10,015	-	10,015
<b>Sub-Total</b>	<b>272,590</b>	<b>321,078</b>	<b>325,657</b>	<b>(4,579)</b>
<u>Dining &amp; Entertainment</u>				
Restaurant-FF	22,010	24,529	21,148	3,381
Restaurant-FS	31,789	53,029	32,012	21,017
Drinking Establishment	13,536	17,049	9,741	7,308
Entertainment	25,805	38,424	1,972	36,452
<b>Sub-Total</b>	<b>93,139</b>	<b>133,032</b>	<b>64,873</b>	<b>68,159</b>
<u>Personal Services</u>				
	<b>20,627</b>	<b>22,876</b>	<b>14,786</b>	8,090
<b>TOTAL</b>	<b>497,801</b>	<b>605,649</b>	<b>498,106</b>	<b>107,543</b>
<i>Existing Vacant</i>			13,208	
<b>Net New Space</b>				<b>94,335</b>

Source: Randall Gross / Development Economics.



Convenience goods potential includes 15,300 square feet for grocery stores, above and beyond the existing grocery use. There is also demand for another 7,600 square feet in specialty/ethnic food and 5,300 square feet for miscellaneous convenience goods (e.g., cleaners, florists, liquor stores, etc). There is also potential for about 8,000 square feet of personal services, as noted earlier.

The largest amount of net potential is for dining and entertainment, based on a destination marketing approach. There is potential for more than 21,000 square feet in destination full-service restaurants and another 7,300 for drinking establishments. As noted earlier, there is 36,500 square feet of potential for commercial entertainment venue(s). The area is relatively under-served for entertainment, although it has been home to the Tennessee State Fairgrounds and the Nashville Zoo, both of which are audience support facilities and not commercial “entertainment” per se.

### **Recommended Retail Business Mix**

A mix of new retail businesses is recommended to complement the existing business inventory. The recommended business mix is oriented to solidifying Nolensville Pike’s destination marketing strength as an “International Corridor,” with the study area forming its northern half. At the same time, the mix is also oriented to diversifying the types of retail available and serving a broader market (beyond just foreign-born residents).

The recommended business mix would include about 10,000 square feet of additional specialty/international food stores which would help attract not only shoppers from those cultures but also destination shoppers from throughout the region and beyond who are seeking the unique, one-of-a-kind merchandise that cannot be found anywhere else. It is possible that, if the reputation of the area is pro-actively marketed, shoppers from neighboring states would be attracted for those unique products.

While 15,000 square feet is not typically sufficient to support the floor plate of most chain grocery stores, there is the opportunity to either expand existing groceries by that amount, or establish additional groceries catering to ethnic and specialty (e.g., organic food) markets. Another 3,500 square feet would be added in convenience goods, particularly in a location such as a new mixed-use node.

Specialty products would also include health businesses (such as Chinese medicine) that provide unique products for the regional destination market. Another 5,000 square feet would be oriented to tropical florist or specialty garden supply. About 5,000 square feet would be programmed for apparel (preferably ethnic) and shoes.

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A specialty kitchen supply store (7,500 square feet), hand-crafted furnishings store, and hand-craft toy & games store would help solidify the study area's reputation for unique hand-crafted merchandise. An 18,000 square-foot international market would carry unique dry goods (as opposed to food) not found anywhere else in the region. This market could become an anchor for redevelopment or revitalization in certain locations.

**Table 67.**

### **OVERALL RECOMMENDED NEW RETAIL MIX, "INTERNATIONAL CORRIDOR-NORTH," 2015/20**

<b>Type of Business</b>	<b>Square Feet</b>
Specialty/Ethnic Food Stores	10,000
Grocery / Expansion	15,000
Convenience Food	3,500
Specialty Health (e.g., Chinese Medicine)	2,000
Florist/Garden-Tropical/Specialty	5,000
Apparel & Accessories-Ethnic	2,500
Shoes	2,500
Hand-Craft Furnishings	3,000
Specialty Kitchen Hardware/Supply	7,500
General Merchandise-International Market	18,000
Foreign Language Books/Music Stores	5,000
Ethnic/International Gift/Novelty Stores	5,500
Handicraft Toys/Games	2,200
Stationary/ Office Supply	4,200
Ethnic Material/Sewing Supplies	2,000
Destination Sporting Goods/Soccer Supply	10,000
Ice Cream/Take-away Restaurant	3,300
International Full-Service Restaurants	21,000
Family Entertainment Venue	36,000
Personal Services/Salons	8,000
<b>Total</b>	<b>166,200</b>

**Source:**

Randall Gross / Development Economics.

One or more foreign-language book and music stores would be accommodated in 5,000 square feet, and international gifts and novelties in another 5,500 square feet. A 4,200 square-foot office supply and stationary store would be added to the mix. A 2,000 square-foot sewing/piece goods supply store would be targeted to ethnic markets. Another anchor store would include a 10,000 square-foot sporting goods store with a particular focus on soccer and related entertainment. A 36,000 square-foot family entertainment venue might be tied to the sporting goods and soccer concept stores, along with restaurants, ice cream, and takeaways. About 20,000 square feet in destination restaurants would be incorporated into the mix, including one or more restaurants associated

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## ***Nolensville Pike Market Analysis***

with the Nashville Zoo and others associated with the themed family entertainment venue. Finally, up to 8,000 square feet of personal services and salons would be added that feature internationally-recognized services.

### **Summary**

The market analysis forecasted potential for more than 600,000 square feet of retail, eating & drinking, personal service, and entertainment space within the study area. After excluding existing space, there is net demand for about 108,000 square feet. Assuming that demand would fill any existing vacant space, there would be potential for about 94,000 square feet of additional, new retail space within the next five to seven years. Not surprisingly, there is an over-supply of auto-related space, as well as furniture and several other categories. However there is net demand for many other uses, especially entertainment, eating & drinking, and other destination uses. A business mix was recommended based on the market findings that propose to diversify the international mix in order to strengthen the overall corridor. About 166,000 square feet of retail space would be added but would also replace some existing uses where there is an over-supply. Anchor uses would include an international merchandise mart, a family entertainment center, expansion of an existing grocery store (like Bi-Rite), international restaurants, ethnic or specialty food stores, and a destination “concept” sporting goods store.

## **Section 7. MARKET OPPORTUNITIES ASSESSMENTS**

This section provides a brief summary of findings from an Opportunity Assessment for other uses in the study area. These uses include hotels and other lodging facilities, meeting or conference centers, life care or advanced care senior facilities, audience support facilities (e.g., museums, theaters, visitor attractions), sports and recreation facilities, and others. While not a full market analysis, the opportunity assessment included a review of the existing uses in the corridor and surrounding areas, overall market conditions, and general marketability of the study area for these uses. Based on this assessment, key opportunities are identified for future, more in-depth market analysis.

### **Audience Support Facilities**

Audience support can include a variety of facilities and venues, ranging from cultural centers and art museums to music arenas and non-commercial theaters. Nolensville Pike has been home to two important audience support venues for some time, namely the Tennessee State Fairgrounds and the Nashville Zoo. These two venues attract audiences or attendance. There are also other opportunities identified for audience support in this heavily-visited and accessible corridor.

#### **Existing Facilities**

As noted above, the two primary audience support facilities include the Fairgrounds and the Nashville Zoo.

**Fairgrounds.** Metro Government has made a decision to close the fairgrounds for its traditional purpose and relocate some functions, namely the popular Flea Market. In doing so, Metro will open the Fairgrounds Site as an option for future redevelopment. Thus, the Fairgrounds will presumably cease to exist for this purpose in the long-term. The Fairgrounds facilities include the Grandstand and over 120,000 square feet of building space for exhibitions, sporting activities, banquets, meetings, and other events.

Recent attendance data gathered from the Fairgrounds (and not including the car racing statistics) suggest that overall attendance has been increasing during the last three years, to a total of about 105,000 in 2009. The historic data suggest that



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## ***Nolensville Pike Market Analysis***

about two-thirds of attendance has been driven by the MSA market, of which Davidson County contributes around 60%. An average of about 18% of attendance has been generated by out-of-state source markets. These data are summarized below and provide an indicator of the performance of the facility given its offering.

### **Fairgrounds Attendance Trends**

- 2005
  - 89% Nashville MSA (90% Davidson)
  - 6% Out of state (2005)
- 2006
  - 63% Nashville MSA (51% Davidson)
  - 12% Out of state
- 2007 Total Attendance: **88,169**
  - 63% Nashville MSA (59% Davidson)
  - 20% Out of state
- 2008 Total Attendance: **103,079**
  - 66% Nashville MSA (63% Davidson)
  - 17% Out of state
- 2009 Total Attendance: **104,836**
  - 66% Nashville MSA (59% Davidson)
  - 17% Out of State

*Source: State Fairgrounds*

This attendance, coupled with visitation to the stock car races and the flea market, does generate some spin-off to businesses within the Nolensville Pike area. Interviews with businesses indicate that several nearby generate substantial business, especially off of the flea markets which bring out-of-state visitors who are regular market goers. The relocation of the flea market to another site in the city will allow it to continue generating a benefit to the city.

### **Nashville Zoo.** The Nashville Zoo has grown substantially since it



relocated to Grassmere from Cheatham County some years ago. The zoo has 24,800 members, mainly from the Nashville MSA (with a significant share from Williamson County). But the facility attracts attendance of nearly 1.0 million per annum, and has been growing to accommodate expanding crowds. Zoos nationwide have seen an uptick in attendance during the past several years in part because economic recession has kept local patrons (on which the zoos depend) closer to home and because it provides a

relatively inexpensive family outing. The zoo has plans to add a large new rainforest exhibition by 2014, which will most certainly boost overall attendance.

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As with the Fairgrounds, about 20% of the zoo's attendance is generated from out-of-state visitors, in this case approaching 200,000 people per year. Those 200,000 will likely stay overnight in area hotels and will eat at area restaurants, thus generating sales to businesses in the area. There is the opportunity to capture more of that sales potential (and the likely increase generated by the Rainforest exhibition in 2014) within the corridor.

### **Opportunities**

Based on an assessment of existing conditions, population base, niche markets, visitor base, and in consultation with various sponsors, the following additional audience support opportunities were identified. These opportunities have not been tested in the market but are likely to have market support.

**Soccer Stadium.** Southeast Nashville and surrounding areas are home to a large and growing foreign-born population. This population, coupled with a younger generation, has a much higher interest and participation rate in soccer (futbol) than the average Nashvillian. There are a number of youth and adult leagues that now cater to this growing market base. Further, Nashville is home to the longest-running professional soccer franchise in the United States, the Nashville Metros. This team plays at Ezell Park but would prefer a formal stadium arrangement within the heart of the community. The Metros attract up to about 400 to their regular matches, but could potentially attract more if they had a secure stadium agreement. Finally, the US Soccer Federation included Nashville in the bid to host 2018/2022 World Cup matches at Titans' stadium. While the US lost its bid, there is the opportunity to grow and showcase the sport in Nashville in future competition host opportunities.

**International Arts & Cultural Venue.** There is also an opportunity for a cultural venue oriented to foreign-language and international cultural activities, with a particular focus on Hispanic culture. Given that the study area is located near the heart of many international populations, there is good reason for selecting a location in this corridor. Such a venue could host both visual and performing arts activities, as well as educational programs. A Hispanic community organization is seeking space to house its community center programs within the study area. However, the organization had not considered the integration of a cultural venue and does have an interest in pursuing a relationship with such a facility. There are no doubt arts and cultural organizations that may also wish to participate. More importantly, the development of a cultural venue in the corridor would help strengthen the overall mix, create a community space for events and cultural activities, and develop exciting new programs that could have broad appeal to the general public.

### **Lodging**

An opportunities assessment was also conducted for lodging within the study area. As noted previously, there is only one lodging facility, the Nickerson Motel, located in the study area. The overall hotel market was reviewed, visitor base within the corridor examined, and corridor marketability assessed.

#### **Market Metrics**

The Nashville lodging industry had been expanding rapidly, with plans for large hotels (such as an Intercontinental) on the drawing boards up until 2008. The past year has been rocky for the local industry, with the flooding of Opryland Hotel and REVPAR (revenue per room) falling into the \$60 range. Occupancy has recovered somewhat to 53.2% in the latest figures (compared with a national average of 54.2%).<sup>2</sup> But hotel developers normally consider a healthy market having occupancies in the 60% range. Metro's Music City Center is bound to have a positive impact on the hotel market when it opens, spinning off hotel room demand beyond the associated 850 room convention hotel.

#### **Study Area Marketability**

The Nolensville Pike Study Area has many positive attributes that would support hotel development. First, the central location with access to I-440, I-65, I-24/40, Thompson Lane/Briley Parkway, downtown, and the airport is a major asset. There are few hotels of any class located in the area, which suggests that competition within this particular sub-market may be slim even though hotels in I-65/Brentwood, West End and other areas would compete for certain markets. The large population base in the area suggests a basic market for family visits and events.

The presence of the Nashville Zoo, generating perhaps 86,000 roomnights per year, yields demand of at least 230 to 280 rooms in the overall market. The further growth of the zoo, with the addition of a large visitor attraction, will no doubt increase out-of-state visitation and demand for hotels. Finally, the redevelopment of the Fairgrounds Site and/or development of a stadium for soccer and other tournaments, could also generate hotel opportunities.

The down side is the general physical condition of Nolensville Pike and the lack of suitable sites. This constraint could best be overcome through redevelopment within the corridor.

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<sup>2</sup> Smith Travel Research, September 2010.

### **Opportunities**

The opportunity exists for a family-oriented, affordably-priced hotel within the study area. There are several options for potential sites, such as the following:

- **Zoo-Themed.** There is the future opportunity for hotel development associated with the zoo as it expands and becomes more of a destination as it adds new exhibitions. The Columbus Zoo has initiated efforts to construct a zoo-themed hotel on its site. The hotel would not only capture a market for hotel rooms but would also become a destination in itself because of the unique theme and associated restaurant and activities.
- **I-440 Interchange.** There may also be an opportunity to site a hotel near the I-440 Interchange, which currently lacks lodging facilities. Access and exposure from I-440 would provide an invaluable opportunity for hotel development should the market support it. This site would also have a central location within the corridor for accessing the Fairgrounds Site, downtown, international businesses, and the Nashville Zoo.

### **Conference Venue**

Among the other opportunities that have been identified for development of audience support facilities within the corridor is a conference or meeting venue. The Fairgrounds has, over the years, attracted meetings along with its exhibitions. But, there is no dedicated conference venue within the study area or the broader corridor area. Redevelopment of the Fairgrounds Site may generate some demand for meeting and exhibition space, but it is not likely to be sufficient on its own to support the operation of a full-scale conference center. Development of a hotel at either the zoo or at the intersection of I-440 and Nolensville Pike might also incorporate some meeting space. The I-440 location may be marketable as well as conferencing in conjunction with a hotel. There is also likely to be a need generated by community and cultural groups, family events, and other market sources for event space. Such space could be integrated with a hotel or with the cultural center.

### **Summary**

This opportunities assessment identified four possible audience-support uses within the study area that could be tested through full market analysis. These include a soccer stadium, international cultural center, hotel, and meeting/event venue. Several of these, such as the cultural center and the event space, could be integrated into one facility if there is demand for it. Possible key locations include the Zoo area for a themed hotel once the zoo enhances its destination attractions, various nodes along the corridor for a cultural



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center/event space, and the I-440 Interchange for a hotel and meeting space (if not accommodated at the zoo site). Again, these are only opportunities identified based on an assessment of the general marketability of the area, baseline market conditions, and area market drivers. Full market analysis would be required as a basis for development recommendations.

**APPENDIX**

## ***Nolensville Pike Market Analysis***

### **Sample Nashville MSA Companies with 500 to 999 employees**

<b>Name</b>	<b>Location</b>	<b>Type/NAICS</b>	<b>#Jobs</b>
Affinion Benefits Group, Inc.	Franklin	Packaging Svc/561910	550
Automotive Components	Nashville	Mfg Auto Glass/327211	950
Bradley County Memorial	Brentwood	Hospital/622110	850
Cendant Travel, Inc.	Nashville	Travel Agency/561510	550
Comcast Corporation	Nashville	Pay TV Distr/515210	600
Cracker Barrel Old Country Store	Lebanon	Chain Restaurant/722110	603
Dollar General Corporation	Goodlettsville	GM Chain Store/452990	700
Nashville Electric Power	Nashville	Power Generator/221112	700
Enterprise Electric LLC	Nashville	Electric Contractor/238210	500
Fiberweb, Inc.	Old Hickory	Polyester Yarn Mfg/313111	500
Galen Health Care, Inc.	Nashville	Hospital/622110	800
General Mills, Inc.	Murfreesboro	Food Prep Mfg/311211	700
Johnson Controls Interiors	Murfreesboro	Auto Seat Mfg/336360	657
Intl. Rehabilitation Associates	Nashville	Health HMO/524114	900
Manheim Auctions, Inc.	Nashville	Auto Auctions/423110	600
Lebanon HMA, Inc.	Lebanon	Hospital/622110	500
Lee Company	Franklin	Plumbing Svcs/238220	600
Meridian Corp of New York	Nashville	Mental Health/621111	553
MI Windows & Doors	Smyrna	Door Mfg/332321	500
NHC OP, Lp	Murfreesboro	Nursing Care/623110	500
NorthCrest Medical Center	Springfield	Hospital/621110	500
Progressive Communication	Old Hickory	Telecomm/541690	750
Quality Industries, Inc.	La Vergne	Metal Fabrication/332322	620
Renaissance Hotel Operating	Nashville	Accomm/721110	500
Roadway Express, Inc.	Antioch	Trucking/484121	500
Robert-Orr Sysco Food Svcs	Nashville	Wholesale Foods/424420	694
RR Donnelly & Sons	Gallatin	Printing/323110	800
Skyline Medical Group	Nashville	Hospital/622110	950
Stratos Boats, Inc.	Murfreesboro	Boat Mfg/336612	750
Southern Hills Medical Center	Nashville	Psych. Hospital/622111	650
Sumner Regional Health Sys.	Gallatin	Hospital/622110	875
Tennsco Corporation	Dickson	Furniture Mfg/337214	650
Tom James Stores	Franklin	Retail Stores/448110	500
Tri Star Energy, Inc.	Nashville	GM Stores/452990	500
TRW Automotive, Inc.	Lebanon	Auto Comp Mfg/336330	650
Unipres USA, Inc.	Portland	Auto Parts Mfg/336370	600
United Methodist Publishing	Nashville	Publishing/511130	675
US Army Corps of Engineers	Nashville	Eng Svcs/541330	800
Wal-Mart Stores, Inc.	Murfreesboro	Dept Stores/452112	500
Wal-Mart Stores, Inc.	Springfield	Dept Stores/452112	500
Wal-Mart Stores, Inc.	Smyrna	Dept Stores/452112	500
Wal-Mart Stores, Inc.	Gallatin	Dept Stores/452112	500
Vultee Aircraft Industries, Inc.	Nashville	Aircraft Mfg/336413	650
Wackenhut Corporation	Nashville	Security Svcs/561612	500
Willis North America	Nashville	Insurance Broker/524210	500
Yellow Transportation, Inc.	Nashville	Haulers/484121	750

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**Table A1. INDUSTRIAL INVENTORY BY SUB-MARKET  
AND SHARE, NASHVILLE MARKET, 2004-2010 (Q3)**

Sub-Market	2004-2010 Inventory (Square Feet)						
	2004	2005	2006	2007	2008	2009	2010
ICBD	22,476,880	20,926,349	19,375,818	19,375,878	19,293,230	18,967,519	17,872,944
North	33,556,822	35,708,223	37,859,623	38,319,910	40,455,334	40,177,808	39,702,440
Southwest	14,463,228	14,340,357	14,217,485	14,321,834	14,235,416	14,476,033	13,692,448
Southeast	45,530,621	46,563,336	47,596,051	47,839,405	49,913,010	50,340,994	50,854,229
East	23,797,627	22,399,650	21,001,673	21,753,881	23,921,478	25,512,315	25,675,765
West	7,355,379	9,068,567	10,781,754	10,878,403	10,888,078	10,858,595	10,531,595
<b>TOTAL</b>	<b>147,180,557</b>	<b>149,006,481</b>	<b>150,832,404</b>	<b>152,489,311</b>	<b>158,706,546</b>	<b>160,333,264</b>	<b>158,329,421</b>

Sources: Xcelligent, Grubb & Ellis, Nashville Commercial  
and Randall Gross / Development Economics.

**Table A2. OFFICE ABSORPTION TRENDS BY SUB-MARKET, NASHVILLE MARKET,  
2007-2010**

Sub-Market	2007	2008	2009	2010	TOTAL
Airport North	76,521	87,534	165,745	381,581	711,381
Airport South	105,339	-5,820	-122,341	80,657	57,835
Brentwood	595,855	1,144,682	103,847	470,317	2,314,701
CBD	323,522	-381,868	78,901	155,953	176,508
Green Hills/MRow	26,617	8,133	-34,019	83,513	84,244
Metro Center	-41,423	45,100	23,841	-24,271	3,247
North Nashville	11,164	48,081	8,413	4,637	72,295
West End/BM	3,325	58,563	-458	5,300	66,730

Note: 2010 data based on annualized average of data through Quarter3.

Sources: CB Richard Ellis, Cassidy Turley, and Randall Gross / Development  
Economics.

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**Table A3. OFFICE ABSORPTION SHARES BY SUB-MARKET, NASHVILLE MARKET, 2007-2010**

<b>Sub-Market</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>TOTAL</b>
Airport North	7.0%	8.7%	74.0%	33.0%	20.4%
Airport South	9.6%	-0.6%	-54.6%	7.0%	1.7%
Brentwood	54.1%	114.0%	46.4%	40.6%	66.4%
CBD	29.4%	-38.0%	35.2%	13.5%	5.1%
Green Hills/MRow	2.4%	0.8%	-15.2%	7.2%	2.4%
Metro Center	-3.8%	4.5%	10.6%	-2.1%	0.1%
North Nashville	1.0%	4.8%	3.8%	0.4%	2.1%
West End/BM	0.3%	5.8%	-0.2%	0.5%	1.9%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Sources: CB Richard Ellis, Cassidy Turley, and Randall Gross / Development Economics.

## Nolensville Pike Market Analysis

Table A4. ANCESTRY OF POPULATION, NASHVILLE, MSA, & N. RD AREA, 2010

Ancestry	MSA	(Percent)	Nashville	(Percent)	N Road	(Percent)	% of MSA
<b>Arab</b>	14,399	1.1%	12,235	2.3%	6,298	4.3%	43.7%
Czech	1,335	0.1%	319	0.1%	60	0.04%	4.5%
Danish	2,102	0.2%	837	0.2%	158	0.1%	7.5%
Dutch	12,291	0.9%	3,452	0.6%	1,018	0.7%	8.3%
<b>English</b>	139,509	10.4%	39,506	7.4%	10,697	7.3%	7.7%
<b>French</b>	22,353	1.7%	6,318	1.2%	1,866	1.3%	8.3%
French Canadian	3,694	0.3%	897	0.2%	241	0.2%	6.5%
<b>German</b>	126,012	9.4%	39,791	7.4%	10,823	7.3%	8.6%
Greek	2,612	0.2%	1,067	0.2%	259	0.2%	9.9%
Hungarian	2,444	0.2%	734	0.1%	207	0.1%	8.5%
<b>Irish</b>	132,597	9.9%	39,236	7.3%	11,145	7.6%	8.4%
<b>Italian</b>	30,385	2.3%	10,733	2.0%	3,200	2.2%	10.5%
Lithuanian	702	0.1%	255	0.0%	69	0.0%	9.8%
Norwegian	6,568	0.5%	1,895	0.4%	498	0.3%	7.6%
<b>Other</b>	499,826	37.3%	268,732	50.2%	72,117	48.9%	14.4%
<b>Polish</b>	13,703	1.0%	4,249	0.8%	1,048	0.7%	7.6%
Portuguese	929	0.1%	296	0.1%	61	0.0%	6.6%
Russian	4,231	0.3%	2,221	0.4%	392	0.3%	9.3%
<b>Scots-Irish</b>	39,737	3.0%	13,508	2.5%	3,383	2.3%	8.5%
<b>Scottish</b>	27,893	2.1%	8,740	1.6%	2,291	1.6%	8.2%
Slovak	1,446	0.1%	644	0.1%	150	0.1%	10.4%
<b>Sub-Saharan Africa</b>	13,776	1.0%	11,104	2.1%	3,474	2.4%	25.2%
Swedish	7,552	0.6%	1,981	0.4%	539	0.4%	7.1%
Swiss	2,250	0.2%	819	0.2%	163	0.1%	7.2%
Ukrainian	2,266	0.2%	971	0.2%	165	0.1%	7.3%
USA	218,649	16.3%	60,353	11.3%	16,181	11.0%	7.4%
Welsh	5,931	0.4%	2,062	0.4%	483	0.3%	8.1%
West Indian/Not Hispan.	3,084	0.2%	2,010	0.4%	505	0.3%	16.4%
<b>TOTAL</b>	<b>1,338,276</b>	<b>100.0%</b>	<b>534,965</b>	<b>100.0%</b>	<b>147,491</b>	<b>100.0%</b>	11.0%

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics.

## Nolensville Pike Market Analysis

**Table A5. POPULATION BY RACE, NASHVILLE & MSA AND N. RD AREA, 2008/2010**

Race/Ethnicity	MSA	%	Nashville	%	N Road	%	% of MSA
Asian	31,498	2.0%	18,450	3.0%	6,959	4.2%	22.1%
Asian Indian	6,507	0.4%	3,709	0.6%	1,399	0.8%	21.5%
Chinese	3,763	0.2%	2,176	0.4%	821	0.5%	21.8%
Filipino	2,490	0.2%	1,790	0.3%	675	0.4%	27.1%
Japanese	1,562	0.1%	716	0.1%	270	0.2%	17.3%
Korean	2,233	0.1%	904	0.1%	341	0.2%	15.3%
Vietnamese	3,671	0.2%	3,041	0.5%	1,147	0.7%	31.2%
Other Asian	11,272	0.7%	6,114	1.0%	2,306	1.4%	20.5%
Hawaiian/Pacific Is.	772	0.0%	571	0.1%	202	0.1%	26.2%
American Indian	4,749	0.3%	2,292	0.4%	480	0.3%	10.1%
Black/African Amer.	241,091	15.1%	167,087	27.6%	39,233	23.8%	16.3%
White	1,197,228	75.0%	351,030	58.0%	88,172	53.5%	7.4%
<b>TOTAL</b>	<b>1,596,033</b>	<b>100.0%</b>	<b>605,658</b>	<b>100.0%</b>	<b>164,821</b>	<b>100.0%</b>	<b>10.3%</b>

Notes: MSA and Nashville data based on American Community Survey (2006-08).  
Nolensville Pike data based on Claritas estimates (2010).

Sources: US Bureau of the Census; Claritas, Inc.; and Randall Gross / Development Economics.

**Table A6. NUMBER OF HOUSING SALES, ZIP CODE 37211, 2005-2010**

Month	2005	2006	2007	2008	2009	2010
January		55	65	53	90	25
February		72	67	67	44	46
March		83	88	68	57	65
April		84	115	69	66	95
May		126	133	85	56	86
June		132	141	100	92	37
July	143	126	114	76	101	
August	165	76	120	73	67	
September	93	110	97	72	103	
October	125	117	96	81	79	
November	107	93	76	44	122	
December	107	85	78	62	39	
<b>TOTAL</b>	<b>740</b>	<b>1,159</b>	<b>1,190</b>	<b>850</b>	<b>916</b>	<b>354</b>
<b>Annualized</b>	<b>1,480</b>	<b>1,159</b>	<b>1,190</b>	<b>850</b>	<b>916</b>	<b>708</b>

Sources: RealTrac Multiple Listing Service and Randall Gross / Development Economics.

## Nolensville Pike Market Analysis

Tab A7. HOUSEHOLD FORECASTS BY AGE AND INCOME COHORTS, AREA 1, 2010-2015

Age Cohort	\$ 15,000 \$ 24,999	\$ 25,000 \$ 34,999	\$ 35,000 \$ 49,999	\$ 50,000 \$ 74,999	\$ 75,000 \$ 99,999	\$ 100,000 \$ 124,999	\$ 125,000 \$ 149,999	\$ 150,000 \$ 199,999	\$ 200,000	TOTAL
15-24	(11)	-	(4)	17	4	1	(1)	1	1	8
25-34	(110)	(97)	(64)	(91)	(13)	(4)	(2)	-	(1)	(382)
35-44	(18)	(31)	(50)	47	26	26	12	3	2	17
45-54	(27)	(21)	(20)	4	47	15	17	8	(1)	22
55-64	25	32	38	56	12	35	20	(4)	8	222
65-74	62	50	68	68	15	12	2	5	-	282
75-84	(4)	(8)	8	7	3	(3)	3	1	1	8
85+	4	8	6	7	1	1	2	-	-	29
<b>TOTAL</b>	<b>(79)</b>	<b>(67)</b>	<b>(18)</b>	<b>115</b>	<b>95</b>	<b>83</b>	<b>53</b>	<b>14</b>	<b>10</b>	<b>206</b>

Sources: Claritas, Inc. and Randall Gross / Development Economics.

Tab A8. HOUSEHOLD FORECASTS BY AGE AND INCOME COHORTS, AREA 2, 2010-2015

Age Cohort	\$ 15,000 \$ 24,999	\$ 25,000 \$ 34,999	\$ 35,000 \$ 49,999	\$ 50,000 \$ 74,999	\$ 75,000 \$ 99,999	\$ 100,000 \$ 124,999	\$ 125,000 \$ 149,999	\$ 150,000 \$ 199,999	\$ 200,000	TOTAL
15-24	(16)	24	15	36	36	5	2	10	4	116
25-34	(141)	(257)	(126)	(195)	(9)	16	40	11	4	(657)
35-44	(59)	(123)	(105)	(176)	(72)	3	102	47	91	(292)
45-54	(30)	29	27	54	71	46	144	114	180	635
55-64	32	59	104	156	210	123	159	123	101	1,067
65-74	55	52	157	246	139	127	66	69	26	937
75-84	14	34	100	45	7	17	13	15	5	250
85+	8	14	29	8	8	10	3	2	1	83
<b>TOTAL</b>	<b>(137)</b>	<b>(168)</b>	<b>201</b>	<b>174</b>	<b>390</b>	<b>347</b>	<b>529</b>	<b>391</b>	<b>412</b>	<b>2,139</b>

Sources: Claritas, Inc. and Randall Gross / Development Economics.



## ***Nolensville Pike Market Analysis***

**Tab A9. HOUSEHOLD FORECASTS BY AGE AND INCOME COHORTS, AREA 3, 2010-2015**

<b>Age Cohort</b>	<b>\$ 15,000</b>	<b>\$ 25,000</b>	<b>\$ 35,000</b>	<b>\$ 50,000</b>	<b>\$ 75,000</b>	<b>\$ 100,000</b>	<b>\$ 125,000</b>	<b>\$ 150,000</b>	<b>\$ 200,000</b>	<b>TOTAL</b>
	<b>\$ 24,999</b>	<b>\$ 34,999</b>	<b>\$ 49,999</b>	<b>\$ 74,999</b>	<b>\$ 99,999</b>	<b>\$ 124,999</b>	<b>\$ 149,999</b>	<b>\$ 199,999</b>		
15-24	30	45	79	73	8	4	5	2	2	248
25-34	(116)	(219)	(74)	(213)	(67)	(5)	5	4	(4)	(689)
35-44	(25)	(41)	(7)	72	69	65	51	18	26	228
45-54	12	27	51	165	90	81	76	17	8	527
55-64	46	74	87	151	106	75	23	13	18	593
65-74	55	66	60	105	74	21	7	16	7	411
75-84	15	8	32	5	9	10	3	1	-	83
85+	3	2	10	2	2	-	2	-	-	21
<b>TOTAL</b>	<b>20</b>	<b>(38)</b>	<b>238</b>	<b>360</b>	<b>291</b>	<b>251</b>	<b>172</b>	<b>71</b>	<b>57</b>	<b>1,422</b>

Sources: Claritas, Inc. and Randall Gross / Development Economics.

# Nolensville Pike Market Analysis

