



## Maywood Retail Market Analysis DRAFT

### **Introduction**

The Village of Maywood reached out to the Chicago Metropolitan Agency for Planning (CMAAP) for assistance in analyzing retail market potential. This report identifies Maywood's trade area and estimates the trade area's retail demand, supply, and leakage. Additionally, it presents conceptual, preliminary land use recommendations for the type and location of future retail and multi-family developments within Maywood. Market analysis numbers presented in this analysis should not be interpreted as absolute numbers but rather viewed as estimates that reveal market conditions, trends, and dynamics.

This document is intended to be used as background material for the preparation of the Maywood comprehensive plan. It is not intended to be used as a stand-alone document.

### **The Trade Area**

Traditionally defined, the trade area is a geography from which approximately 70 to 80% of the area businesses' sales originate. This analysis identifies the trade area as a fifteen-minute drive time delineation from a major intersection within the community. The trade area, which is illustrated in Map 1, extends a little less than 125 square miles. It encompasses some municipalities in their entirety such as Melrose Park, River Grove, and Westchester, and partially covers other municipalities such as Hinsdale, Elmhurst, and Oak Brook.

Commercial use accounts for roughly 10% of the trade area's total land use. As shown on Map 2, much of the commercial uses are dispersed throughout the trade area with a concentration of commercial along Interstate 88 near Oak Brook, Downers Grove and along Interstate 290 near Elmhurst.

The trade area has between 4,600 - 6,000 individual retail establishments as illustrated on Map 3. Over 40% of these retail establishments are eating and drinking establishments, which is not surprising given the significant presence of such establishments within the retail markets nationwide. The remaining establishments are a diverse spread of traditional retail stores including electronic stores, health and personal care stores, food and beverage stores, and other retailers.

Some of the trade area's retail establishments are clustered together and form major shopping centers. As defined by ESRI, a major shopping center has a gross leasable area (GLA) greater than 225,000 square feet and can include larger community retail centers, regional centers, or

super regional centers and lifestyle centers.<sup>1</sup> The trade area has approximately 19 shopping centers, most of which have GLA between 325,000 and 650,000 square feet and the median GLA is 450,000 square feet. The table below shows the five largest shopping centers within the trade area, including the top three centers that have GLA's of over one million square feet. All major shopping centers in the trade area are listed along in Appendix A.

**Table 1. Top Five Major Shopping Centers in Trade Area**

Name	Location	Gross Leasable Area (GLA)	Number of Stores	Anchors
Oakbrook Shopping Center	Route 83 and Cermak Road, Oak Brook	2,018,000	160	Macy's, Sears, Nordstrom, Neiman Marcus
Yorktown Shopping Center	Butterfield Road and Highland Avenue, Lombard	1,650,000	180	JCPenney, Von Maur, Carson Pirie Scott, Target
North Riverside Park Mall	Cermak Road and Harlem Avenue, North Riverside	1,111,322	150	JCPenney, Sears, Carson Pirie Scott, Conway Stores
Broadview Square	NEC 17th Avenue and Cermak Road, Broadview	720,970	36	SuperTarget, Home Depot, LA Fitness, The Sports Authority
Harlem Irving Plaza	Harlem Avenue and Irving Park Road, Chicago	700,000	140	Carson Pirie Scott, Target, Kohl's, Best Buy

Source: ESRI Business Analyst and CMAP.

### *Maywood*

Maywood has approximately 90 to 120 retail establishments, none of which are part of a major shopping center. Retail within this community is approximately half retail stores while the other half is food service establishments. Most of the retail businesses occupy smaller retail spaces, as approximately 95% of the establishments occupy less than 10,000 square feet and around 50% occupy spaces less than 2,500 square feet. As shown on Map 4, most of the retail spaces are along Lake Street, St. Charles Road, Madison Street, Roosevelt Road, First Avenue, and 5<sup>th</sup> Avenue.

Lake Street and Roosevelt Road are fairly well-traveled arterials and key commercial corridors for the trade area. General retail such as fast-food and casual dining establishments, auto-oriented stores, food stores, furniture stores, pharmacies, and other retailers align these two corridors and cater to the trade area market. The median sales volume is approximately 80% higher than other corridors within the community's boundary.

Most retail along Madison Street, First Avenue, 5<sup>th</sup> Avenue, and St. Charles within Maywood's boundaries are considered neighborhood retail. Many of the businesses include local casual eateries and convenient stores which serve the residents within the immediate area.

The commercial development within Maywood is in fair to poor condition. Much of the commercial development displays prominent signs of disinvestment including buildings in disrepair, little landscaping, and deteriorating facades. Estimates show that the equalized

<sup>1</sup> [http://www.esri.com/data/esri\\_data/business-overview/shopping](http://www.esri.com/data/esri_data/business-overview/shopping)

assessed value of the commercial properties has decreased by approximately 37% between 2000 and 2009.

### Trade Area Demand, Supply, and Leakage

#### **Demand**

Demand, or total potential retail expenditure, is the amount of dollars a household or a group of households will typically spend on retail goods and services annually. This calculation is derived from a trade area's population, number of households, household income, and retail expenditures and is shown in the tables below.

Tables 2 and 3 also provide demographic information for Maywood to illustrate the community's position within the trade area. As shown below, Maywood's purchasing power is comparatively less than the rest of the trade area. The community's household incomes are slightly lower than the trade area as illustrated by contrasting the median household income and distribution of household incomes of both geographies. More significant however, is Maywood's average household size of 3.24 persons per household which is 12% higher than the trade area's household size of 2.90.

Maywood's slightly lower household income and higher average household size play an important factor in residents' disposable income. Compared to trade area households, Maywood's disposable income base is smaller and spread more thinly across more people. The income per capita metric shown on Table 3, quantitatively illustrates this dynamic. Compared to the trade area, which has an income per capita of \$24,140, Maywood's income per capita is 37% less at \$17,657. As shown on Map 5, Maywood's income per capita is one of the lowest within the trade area.

**Table 2. Population and Households, 2010**

	Maywood	Trade Area	Chicago Region
Population	24,090	867,609	8,431,386
Households	7,407	298,822	3,088,156
Avg. Household Size	3.24	2.90	2.73

Source: 2010 Census and ESRI Business Analyst.

**Table 3. Household Income, 2011**

	Maywood		Trade Area	
	Count	Percent	Count	Percent
Less than \$25,000	2,099	29%	79,209	27%
\$25,000 to \$49,999	1,931	27%	73,034	25%
\$50,000 to \$74,999	1,287	18%	53,809	18%
\$75,000 to \$99,999	942	13%	35,189	12%
\$100,000 to \$149,000	645	9%	32,860	11%
150,000 and over	345	5%	23,302	8%
<b>Total Households</b>	<b>7,249</b>	<b>100%</b>	<b>297,403</b>	<b>100%</b>
Median Household Income	\$43,171		\$48,322	
Income Per Capita	\$17,657		\$24,140	

Sources: 2010 Census, ESRI Business Analyst.

### ***Retail Expenditures.***

The trade area's expenditures were estimated using consumer spending patterns reported by ESRI Business Analyst and the Consumer Expenditure Survey which is developed annually by the Bureau of Labor Statistics. Household income has a great impact on the amount and type of retail expenditure. For example, lower-income households typically spend less on retail goods and services than higher-income households, but may spend a greater proportion of their retail dollars on food and beverages than higher-income households.

Given the trade area's population, number of households, household income, and retail expenditure estimates, the total retail demand of the trade area is estimated to be approximately \$6.6 billion dollars as shown on Table 4. In other words, households in the trade area cumulatively spend \$6.6 billion dollars on retail goods in a given year. Significant dollars are spent on lower-priced, commonly consumed goods such as food and beverage at stores, as well as at eating and drinking establishments. Other significant dollars are spent on higher-priced, less frequently consumed goods such as motor vehicle and parts.

**Table 4. Consumer Retail Goods and Services Expenditures in Trade Area**

Category	Demand (Total Expenditure)	Supply (Total Sales)	Leakage
<i>Goods</i>			
Motor Vehicle and Parts Dealers	\$1,327,000,000	\$1,080,960,000	\$246,040,000
Furniture and Home Furnishings Stores	\$189,750,000	\$222,010,000	(\$32,260,000)
Electronics and Appliance Stores	\$174,580,000	\$223,420,000	(\$48,840,000)
Building Materials, Garden Equipment and Supply Stores	\$233,920,000	\$236,380,000	(\$2,460,000)
Food and Beverage Stores	\$1,236,340,000	\$1,294,730,000	(\$58,390,000)
Health and Personal Care Stores*	\$221,740,000	\$255,390,000	(\$33,650,000)
Gasoline Stations	\$892,840,000	\$743,120,000	\$149,720,000
Clothing and Clothing Accessories Stores	\$310,410,000	\$425,290,000	(\$114,880,000)
Sporting Goods, Hobby, Book and Music Stores	\$73,220,000	\$81,990,000	(\$8,770,000)
General Merchandise Stores**	\$770,760,000	\$818,250,000	(\$47,490,000)
Miscellaneous Store Retailers***	\$103,750,000	\$124,930,000	(\$21,180,000)
<i>Dining</i>			
Food Services and Drinking Places	\$1,071,790,000	\$1,569,580,000	(\$497,790,000)
<b>Total****</b>	<b>\$6,606,100,000</b>	<b>\$7,076,050,000</b>	<b>(\$469,950,000)</b>
<p>*Health and Personal Care stores include drugstores, pharmacies, and beauty supply stores.  **General Merchandise Stores include department stores and discount department stores.  ***Miscellaneous Retailers includes florists, pet stores, and office supply stores.  ****Non-traditional retail such as e-commerce was omitted from this analysis.</p>			
<p>Source: 2010 Census and ESRI Business Analyst, Consumer Expenditure Survey 2010, 2006-2010 ACS, Dollars and Cents of Shopping Centers, Emerging Trends in Real Estate 2012, RetailSails 2011 Chain Store Productivity Report, and CMAP.</p>			

## **Supply**

The volume of retail sales within the trade area is considered the supply. Sales or supply for the trade area's retail businesses was estimated through an analysis of various retail data sources such as ESRI Business Analyst, Urban Land Institute's Dollars and Cents of Shopping Centers, RetailSails data, and other retail and data reports.

The total supply or sales volume of retail goods is approximately \$7.1 billion. Food services and drinking places have the largest sales volume of \$1.6 billion, followed by food and beverage stores with \$1.3 billion, motor vehicle parts dealers with \$1.1 billion.

## **Leakage**

A trade area's leakage is determined by calculating the difference between the demand (total expenditure potential) and supply (trade area sales volume). A positive leakage number indicates that demand is not being met by the local supply, and is commonly referred to as sales leakage. In this scenario, the leakage number represents the amount of retail dollars that are leaving the trade area and being spent elsewhere.

A negative leakage number, often termed a sales surplus indicates that the trade area is capturing dollars from outside the trade area and/or that the supply is exceeding demand and the market is oversaturated. The subject trade area is currently experiencing a sales surplus of \$470 million. Given the high number of major shopping centers, it is likely that the sales surplus is a result of major shopping centers capturing non-trade area shoppers. It should be noted that a sales surplus doesn't necessarily imply that the additional businesses can't be supported, but does indicate that any additional businesses established should have a full understanding of market dynamics and competition within the trade area and the larger sub-region.

## **Analysis, Implications and Recommendations for Future Land Use and Development**

The trade area's sales surplus has important implications for Maywood's retail development plans and strategies. The trade area's surplus and the numerous shopping centers constrain any recommendations for large retail shopping centers within the Village. However retail options do exist for Maywood and should be implemented. The retail and land use recommendations below recognize the market's constraints and aim to strategically develop retail within the Village. They are also illustrated on Map 6.

The recommendations include:

**Redevelop general retail along major commercial corridors.** As described above, Lake Street and Roosevelt Road are major commercial corridors that serve larger markets. As these are important and well-travelled corridors they should continue to serve larger markets. Currently many of these retail establishments are in poor condition. However anticipated public and private projects along these corridors will continue to enhance the corridors' value as major gateways to medical facilities and shopping centers and will ultimately spur redevelopment over time.

**Cluster neighborhood retail around commercial nodes.** Maywood's retail space along Madison, First Avenue, 5<sup>th</sup> Avenue, and St. Charles should be relocated and consolidated to key commercial nodes for optimal accessibility and visibility. These nodes, which include the station area node, and First Avenue and Madison Street, and Madison Street and 5<sup>th</sup> Avenue, are illustrated on Map 6.

The proposed commercial nodes should offer neighborhood retail targeted towards Maywood's residents and workers. Much of the retail in Maywood should continue to target its local market by offering neighborhood retail goods and services at lower-cost retail establishments. Such retail includes quality convenient food stores, pharmacies, as well as coffee and sandwich stores. Resale stores offering apparel, children-oriented-apparel and toys, and/or sporting goods would also likely be a good fit for the area.

The station area and First Avenue and Madison Street commercial nodes are identified as high priorities. The station area node extends along 5<sup>th</sup> Avenue from Lake Street to St Charles Road. The Maywood Train Station, Maywood Park, and other civic and cultural facilities such as the public library and the West Town Museum of Cultural History, and recreation center within and nearby the station area node create a good nexus of destinations that can benefit retail establishments. The neighborhood retail in this area should be incorporated into two-story mixed-used and commercial developments along 5<sup>th</sup> Avenue as proposed by the 2013 West Cook County Housing Collaborative Transit-Oriented-Development (TOD) Recommendations, the 2008 Village of Maywood Comprehensive Plan, and the 2004 Maywood Station Area Plan.

The other high priority commercial node is First Avenue and Madison Street. This commercial node is strategically located to draw upon the heavy traffic along Madison Street as well as residents in central and southern areas of the Village. This node should also attract traffic from nearby destinations such as Proviso East High School, Village Hall, Cook County facilities, as well as the Illinois Prairie Path bike trail which is the beginning of the Grand Illinois Trail, a popular bicycle tour of almost 300 miles. Eating and drinking establishments and convenient stores catering to students, bicyclists, and Village Hall workers and visitors should be an integral part of the neighborhood retail in this area. These establishments with other neighborhood retail should be located in pedestrian-orientated one-story commercial development.

Madison Street and 5<sup>th</sup> Avenue is a lower-priority commercial node. Once retail is consolidated at the other two proposed commercial nodes, focus can then be centered on developing this commercial node. Currently, the retail development within this area is older and in need of façade improvements or redevelopment. Retail within this node should be established within mixed-use and one-story retail establishments as recommended in the 2008 Comprehensive Plan. Neighborhood retail establishments located in this area can draw on traffic along Madison Street and 5<sup>th</sup> Avenue as well as nearby destinations such as the Proviso Leyden Council for Community Action (PLCCA), Inc. headquarters. The PLCCA, Inc. is a nonprofit that provides low-income services to over 35 communities.

**Develop Multi-Family Residential in Vacated Retail Uses** Consolidating retail within these three main nodes may vacate the retail uses near St. Charles Road and Broadway/19<sup>th</sup> Avenue as well as along Madison Street between 9<sup>th</sup> Avenue and 17<sup>th</sup> Avenue. These sites can be

redeveloped into multi-family developments. The Homes for a Changing region report which utilizes growth, population, and demographic patterns and projections to estimate future housing demands, projected that by 2040 there will be demand for 1,700 new multi-family units in Maywood. The accessibility of these sites, especially the St. Charles Road and Broadway/19<sup>th</sup> Avenue site near the Melrose Park Metra Station, are ideal for the multi-family infill development.

## Appendix A

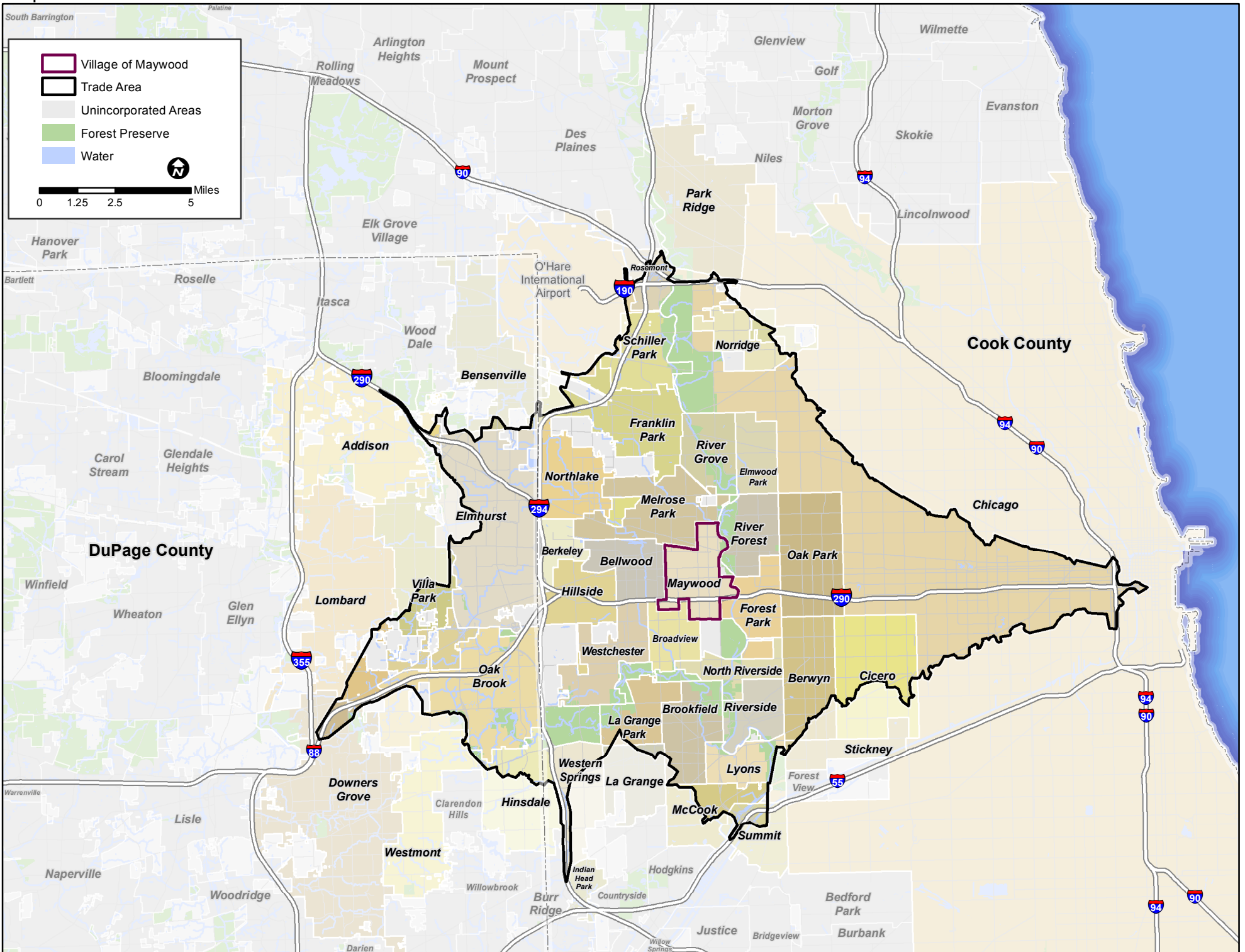
### Major Shopping Centers in the Trade Area

Name	Location	Gross Leasable Area (GLA)	Number of Stores	Anchors
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Harlem Irving Plaza	Harlem Avenue and Irving Park Road, Chicago	700,000	140	Carson Pirie Scott, Target, Kohl's, Best Buy
Rosemont Entertainment Center	Bryn Mawr, River Road and I-294, Rosemont	600,000	5	Muvico Rosemont Walk 22
Fashion Outlets of Chicago	I-294 at Balmoral Avenue, Rosemont	560,900	120	opening 8/2013
The Brickyard	N. Narragansett and W. Diversey Avenue, Chicago	520,369	49	Target, Lowe's, Jewel-Osco, Marshalls
Bellwood Station	NWQ I-290 and 25th Avenue (Exit 18-B), Bellwood	457,080	15	SuperTarget, Michaels, Staples
Downtown Oak Park	Lake Street and Harlem Avenue, Oak Park	450,000	125	Pier 1 Imports, Trader Joe's
Forest Park Village Center	Roosevelt Road at Des Plaines Avenue, Forest Park	406,928	10	Kmart
Winston Plaza	SWC North Avenue and 9th Avenue, Melrose Park	397,138	40	Meijer, LA Fitness, Best Buy, Marshall's
West Point Center	Eisenhower Expressway (I-290 and Wolf Road), Hillside	350,000	15	Menards
Norridge Commons	Harlem Avenue, Irving Park Road and Forest Preserve Drive, Norridge	331,914	28	Kmart, Michaels, hhgregg
Melrose Crossing	NEC Mannheim Road and North Avenue, Melrose Park	317,573	31	Planet Fitness, Burlington Coat Factory, Continental Furniture
Cermak Plaza	Cermak and Harlem Roads, Berwyn	300,000	27	Marshall's, K&G Fashion Superstore, Office Depot, Walgreens
Hawthorne Works Shopping Center	SEC Cermack Road and Cicero Avenue, Cicero	289,333	39	AMC Theatres, Cermak Produce, Famsa, Conway
Villa Oaks Shopping Center	NWC Roosevelt Road and Ardmore Avenue, Villa Park	288,682	30	Burlington Coat Factory, LA Fitness
Bricktown Square Shopping Center	NWC Fullerton and Narragansett Avenues, Chicago	277,489	25	Babies R Us, The Sports Authority, Xsport Fitness

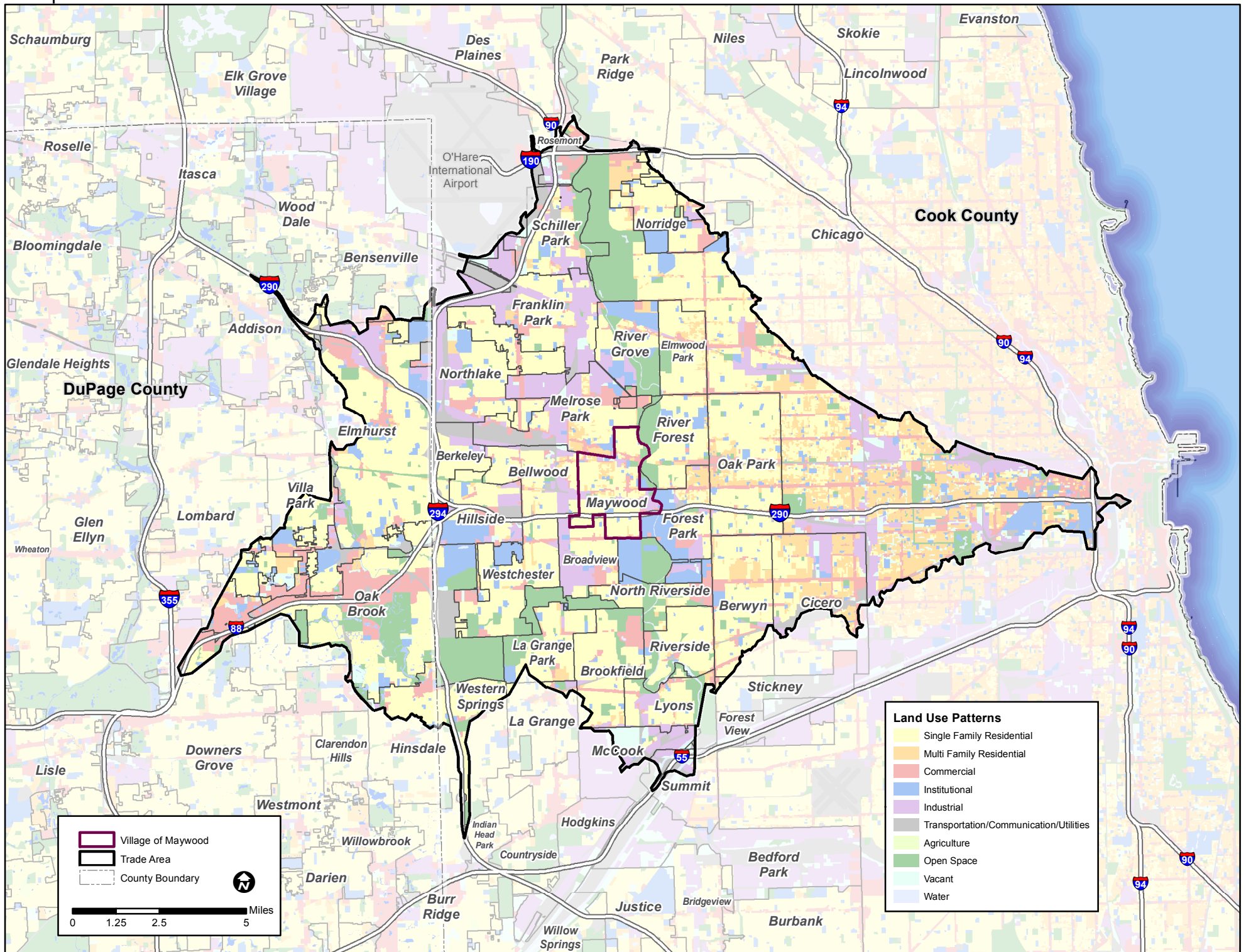
Source: ESRI Business Analyst.



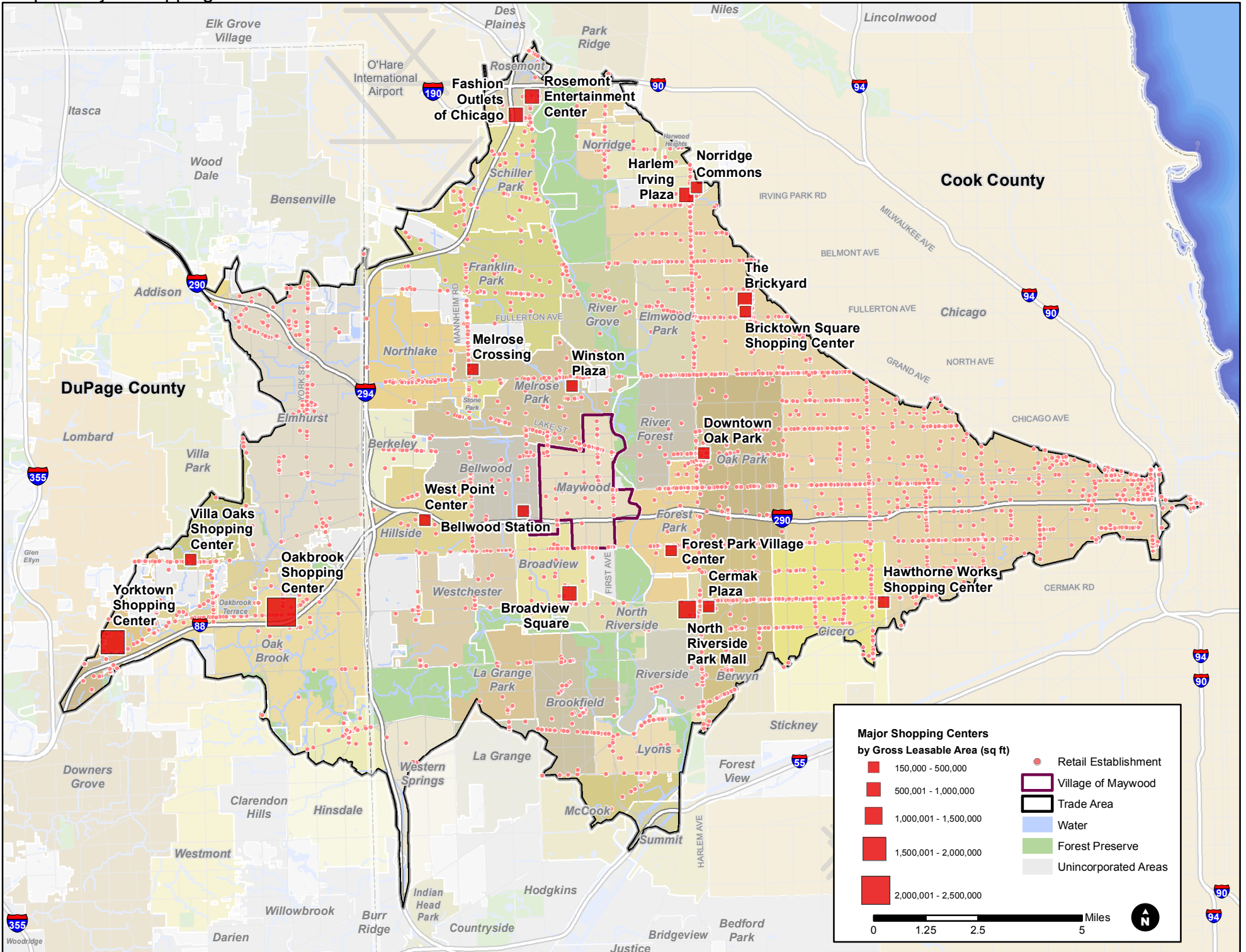
# Map 1. Trade Area



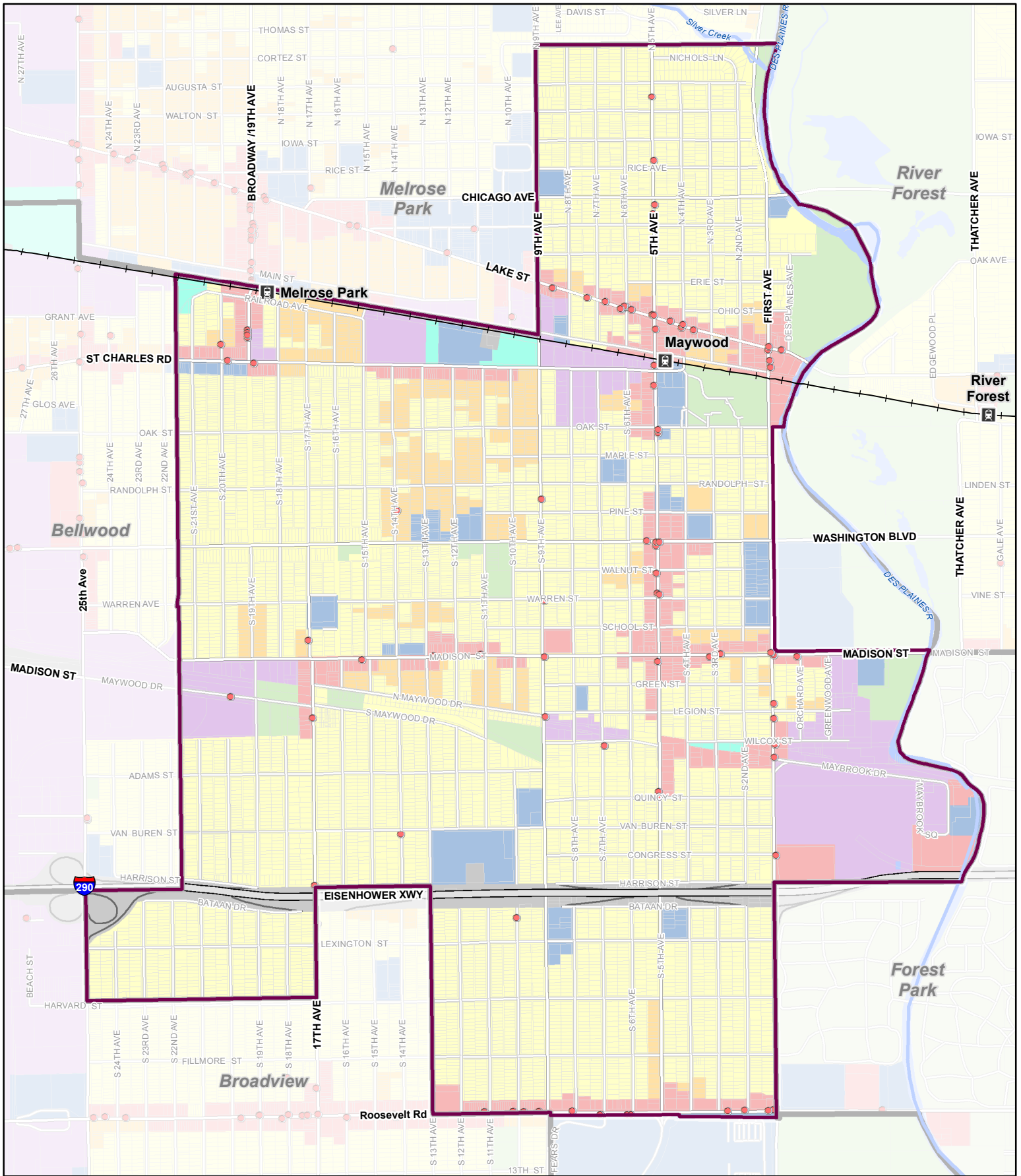
Map 2. Trade Area Land Use



Map 3. Major Shopping Centers and Retail Establishments in Trade Area



Map 4. Maywood Land Use and Retail Establishments




<b>Land Use Patterns</b>	Commercial	Cemetery	Water
Single Family Residential	Industrial	Open Space	Transportation/Communication/Utilities
Multi Family Residential	Institutional	Vacant	

Retail Establishment	Village of Maywood
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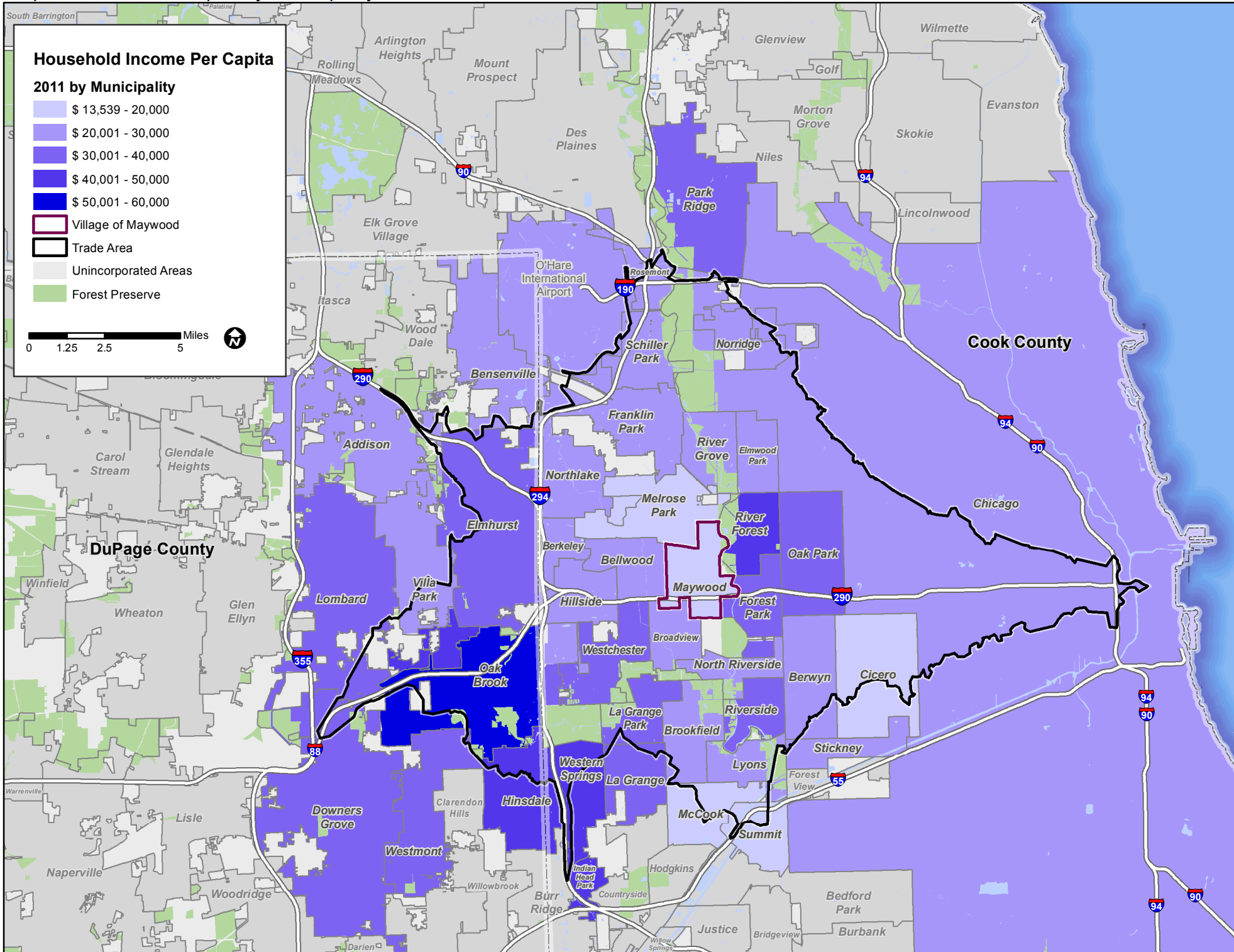
  

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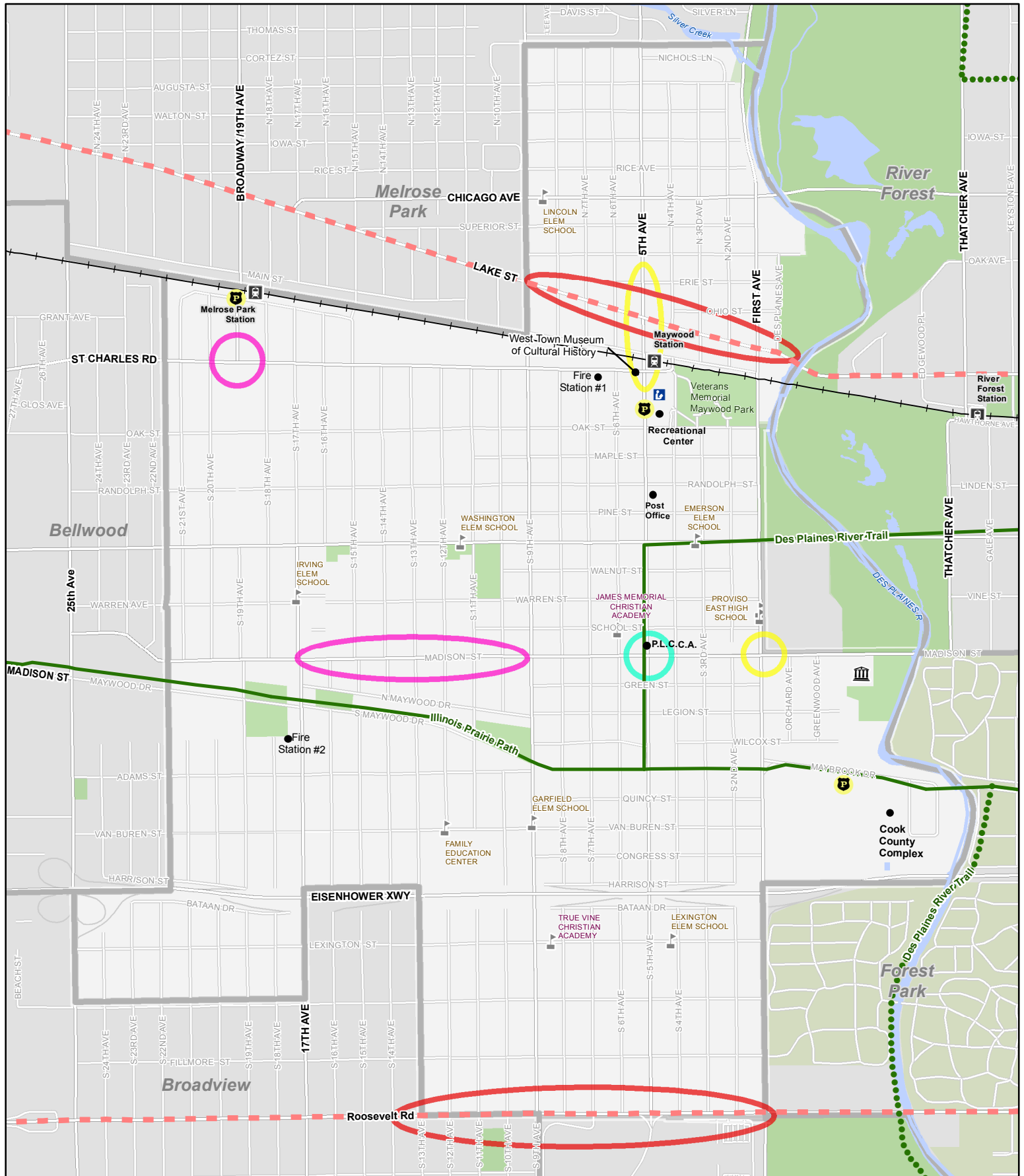
Source: Chicago Metropolitan Agency for Planning, 2013.

Map 5. Income Per Capita by Municipality



Source: Chicago Metropolitan Agency for Planning, 2013.

# Map 6. Land Use and Development Recommendations



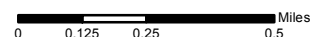
## Development & Retail Recommendations

- General Retail
- Local Commercial Node - Neighborhood Retail (High Priority)
- Local Commercial Node - Neighborhood Retail (Low Priority)
- Multi-Family Residential Infill

- Village Hall
- Police Station
- Metra Station
- School
- Library

## Regional Greenways and Trails

- Existing
- Planned



Source: Chicago Metropolitan Agency for Planning, 2013.