

RCLCO



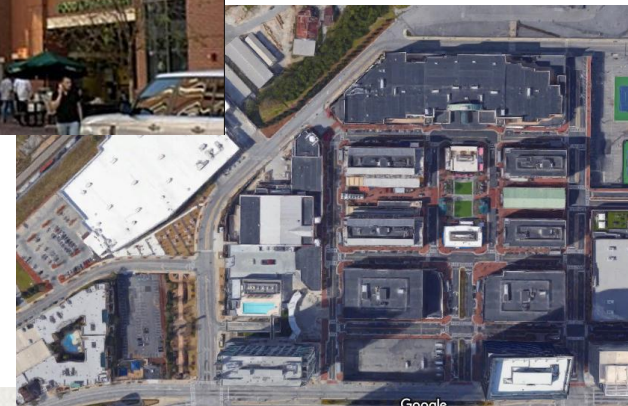
Suburban-Urban Exchange

ULI Breakfast Panel

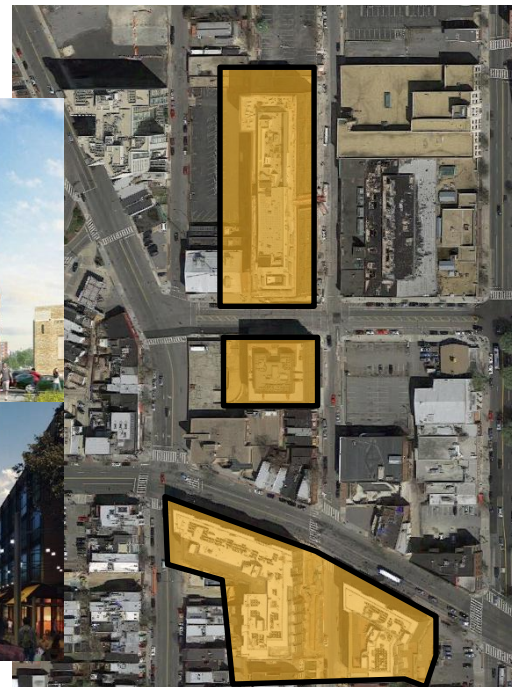
December 9, 2015

Erin Talkington, Vice President

EVOLUTION OF PLACE



EVOLUTION OF PLACE



**Millennials**

1981–1997

Age 18–34

74.8 Million

Gen X

1965–1980

Age 35–50

55 Million

**Boomers**

1946–1963

Age 51–69

75.4 Million

Silent Generation

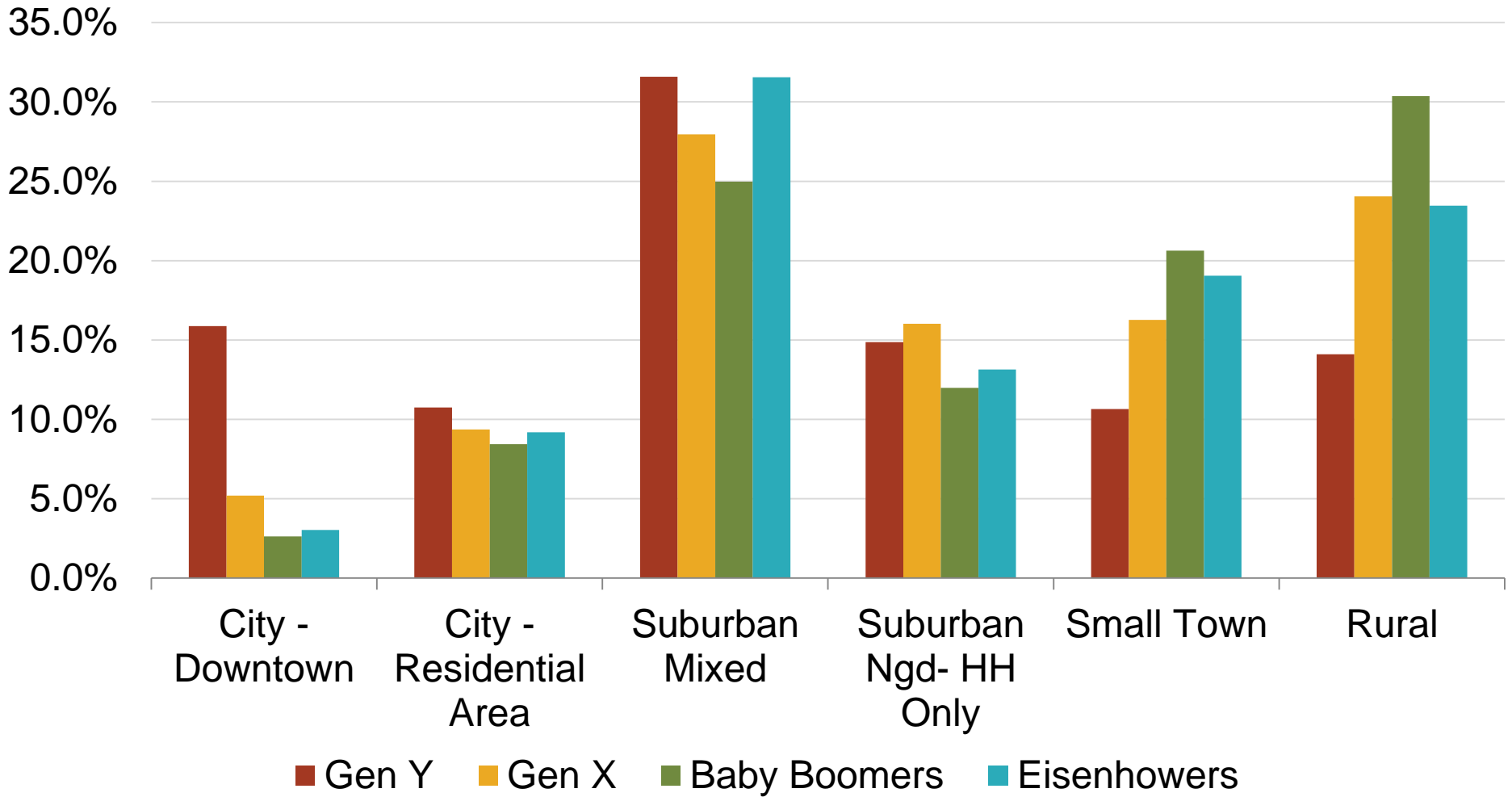
1928–1945

Age 70–87

29 Million

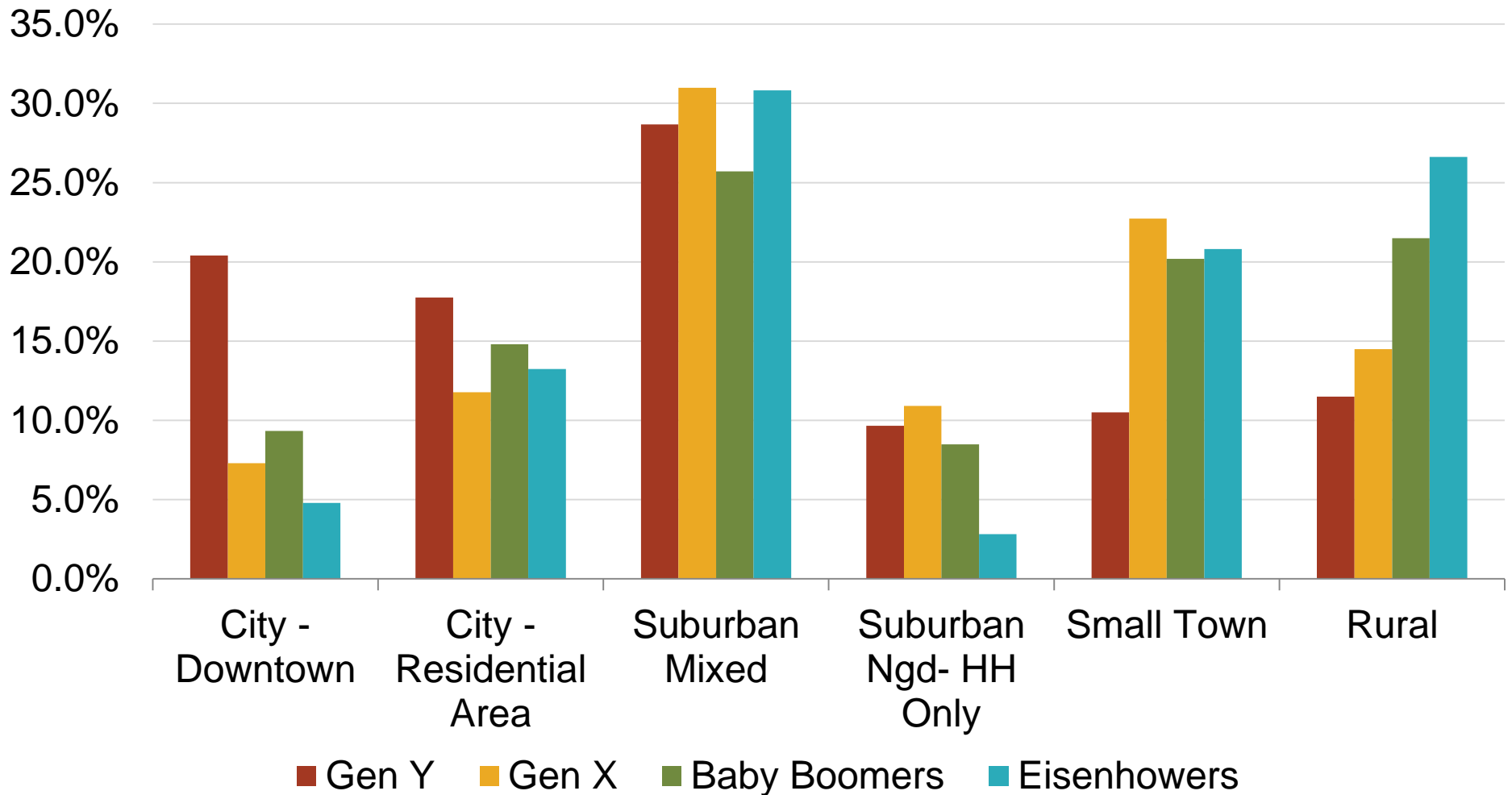
Source: U.S. Census Bureau, 2013 American Community Survey 1-year estimates

NAR Preference Survey - Owners



Source: National Association of Realtors 2011 Community Preference Survey

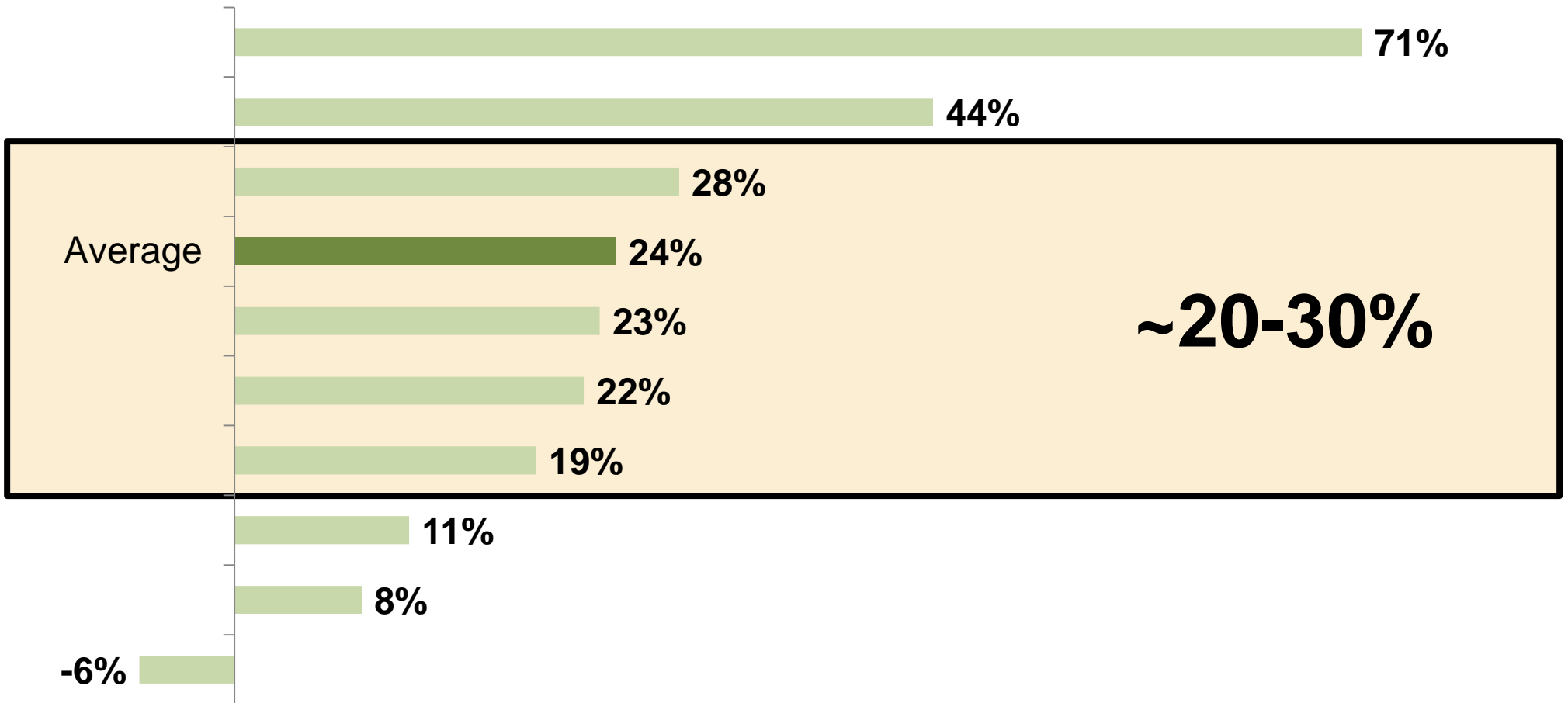
NAR Preference Survey - Renters



Source: National Association of Realtors 2011 Community Preference Survey

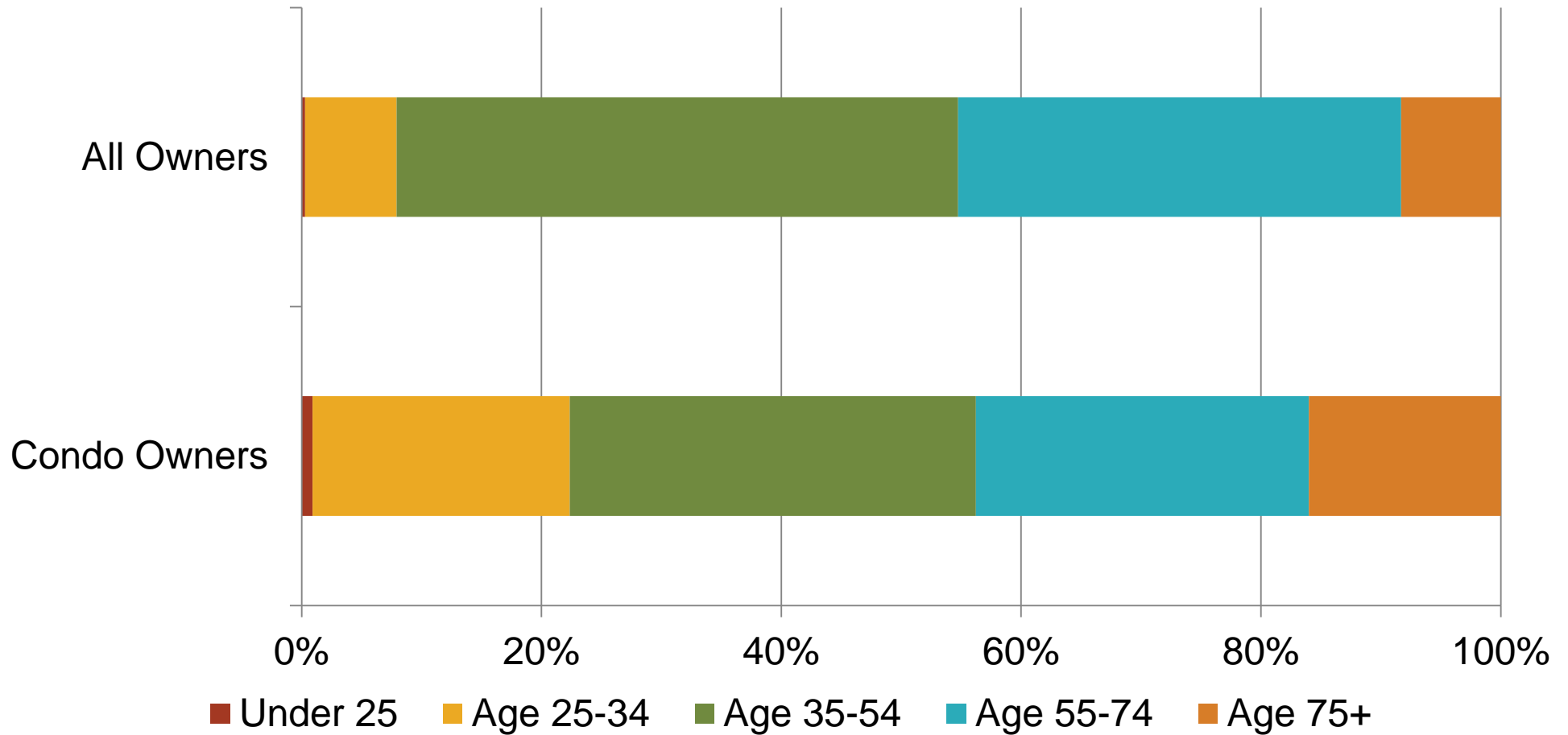
...AND THEY'RE WILLING TO PAY FOR IT TOO

Premiums at Selected Case Studies in a Town Center Location



Source: RCLCO

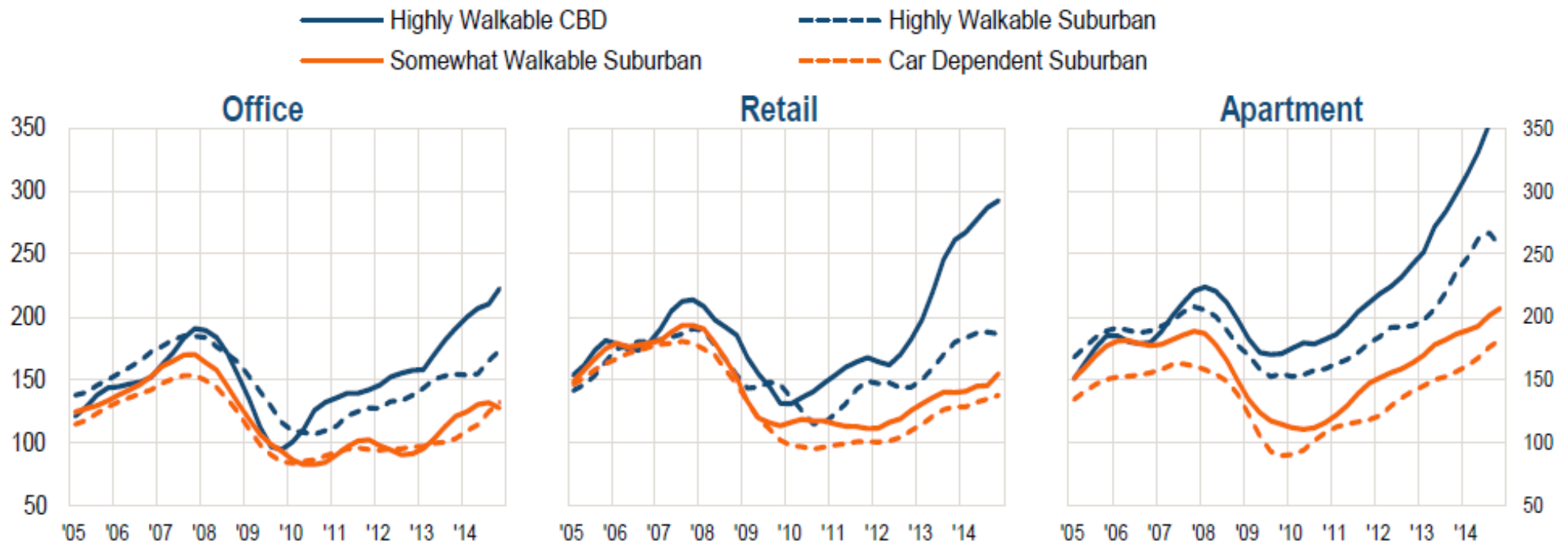
Age Distribution of Condo Owners Compared to All Homeowners, Metro Washington



Source: U.S. Census Bureau Public Use Microdata 2012-2013

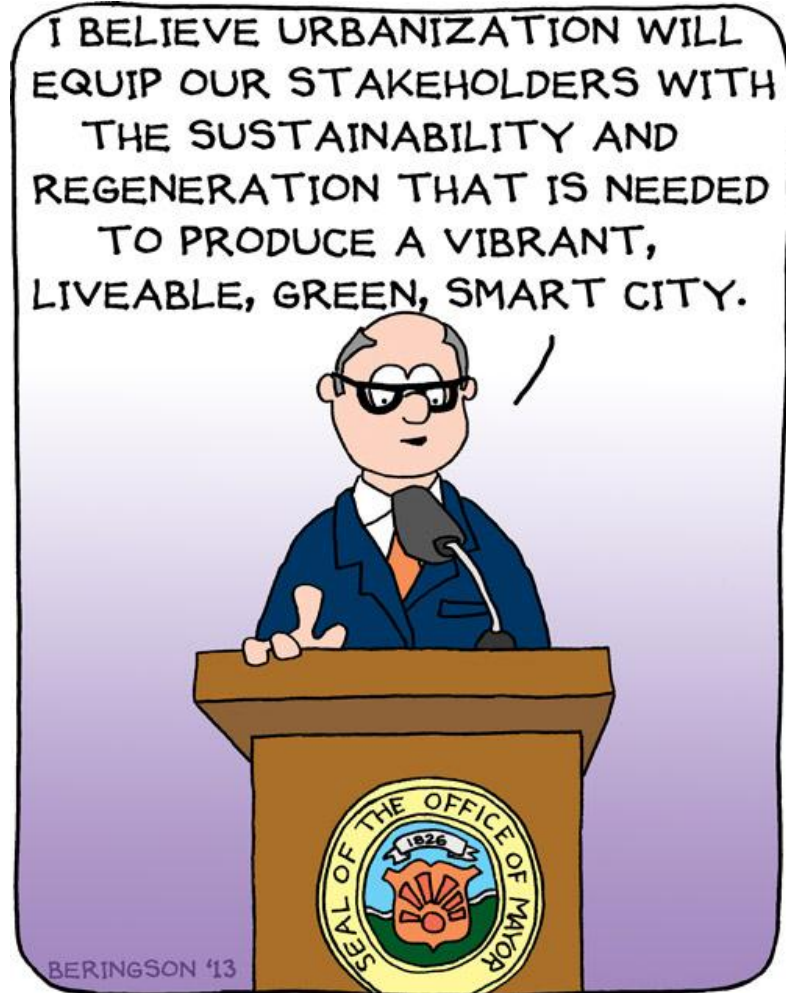
RETAIL SUCCESS CLOSELY LINKED TO PLACE

- Target stores in Columbia Heights and Mosaic District have sales far exceeding the chain’s average
- Some mixed-use town centers have demonstrated 30-40% premium in sales compared to similar stores in the metro area



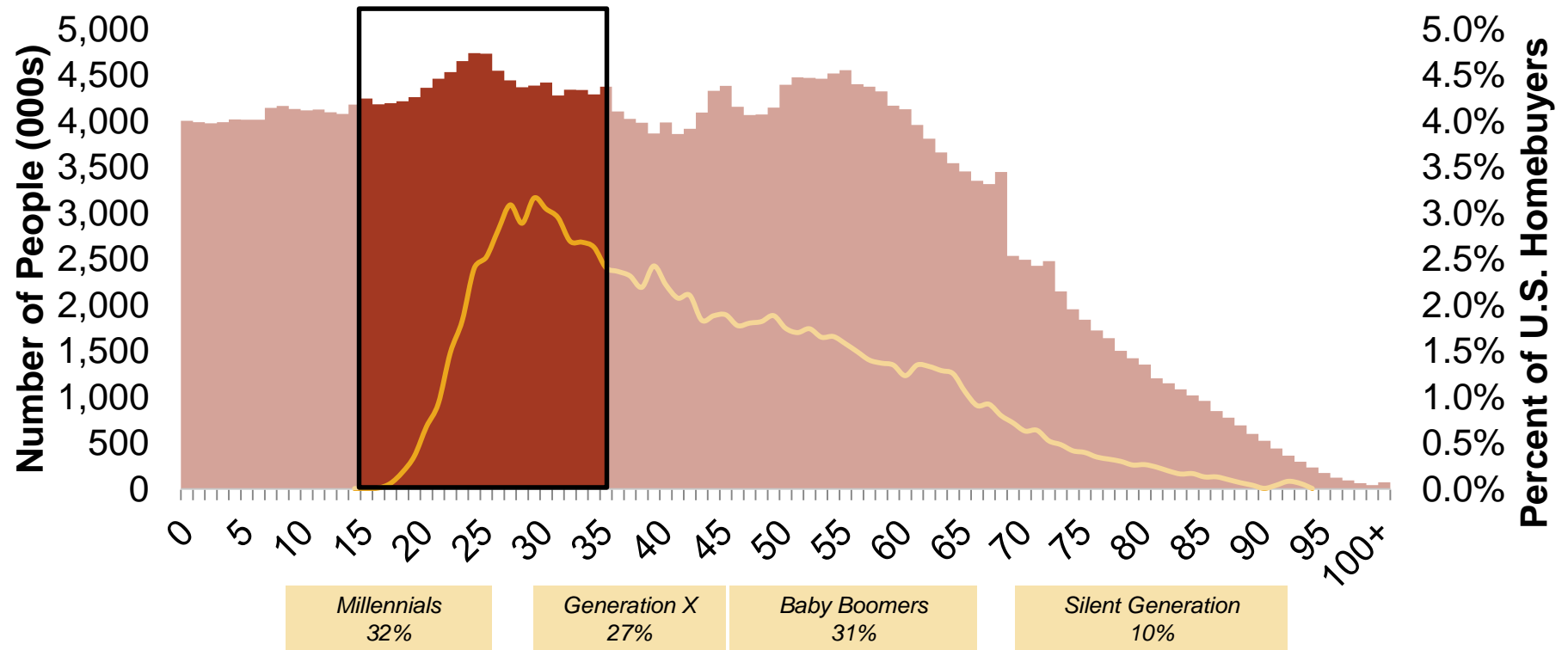
Source: RCA Trends Alert: Walking to Higher Value; April 2015

BEYOND THE BUZZWORDS



1. MILLENNIALS

- **66% renters** and **32% live in Multifamily** – in DC region, **52% live in multifamily**
- 32% of U.S. homebuyers last year
- 43% shop online and purchase with their smart phone
- Optimistic Urbanists: 60% surveyed in DC expect to remain inside Beltway for 3 years

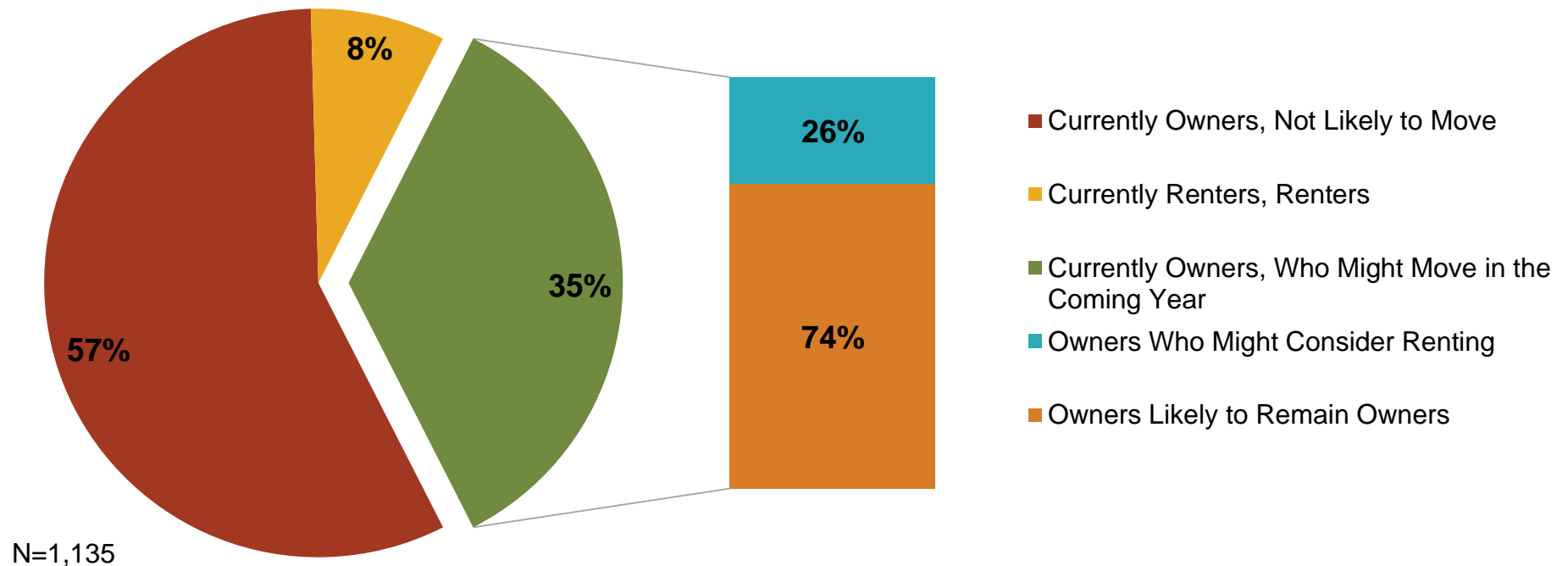


Source: U.S. Census Bureau; National Association of Realtors

2. BOOMERS

- 9% of those who might move would consider renting
- Occupy 32 million SFD homes and control 2/3 of all home equity

Housing Intentions for Households 55-74, with Incomes \$50,000+
United States, April 2012

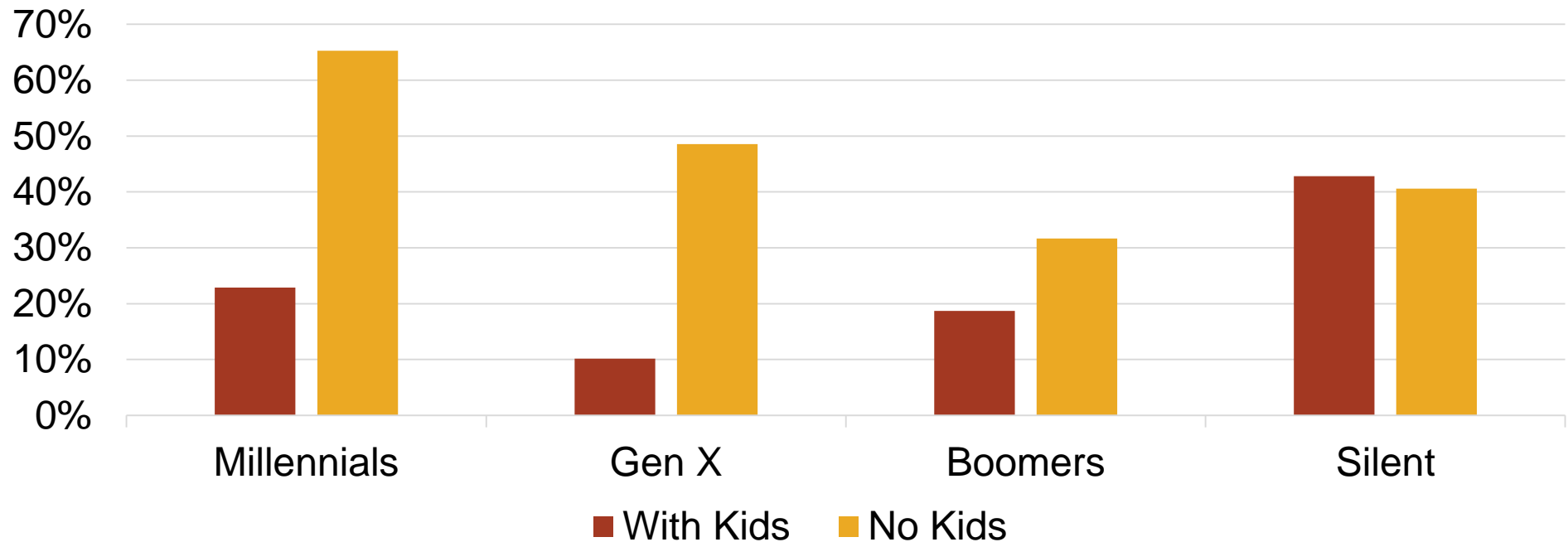


Source: RCLCO Consumer Research

3. (THE OFTEN FORGOTTEN) GEN X

- 35% rent
- 35% one- and two-person households
- 16% of high income multifamily market in DC (\$100k+)

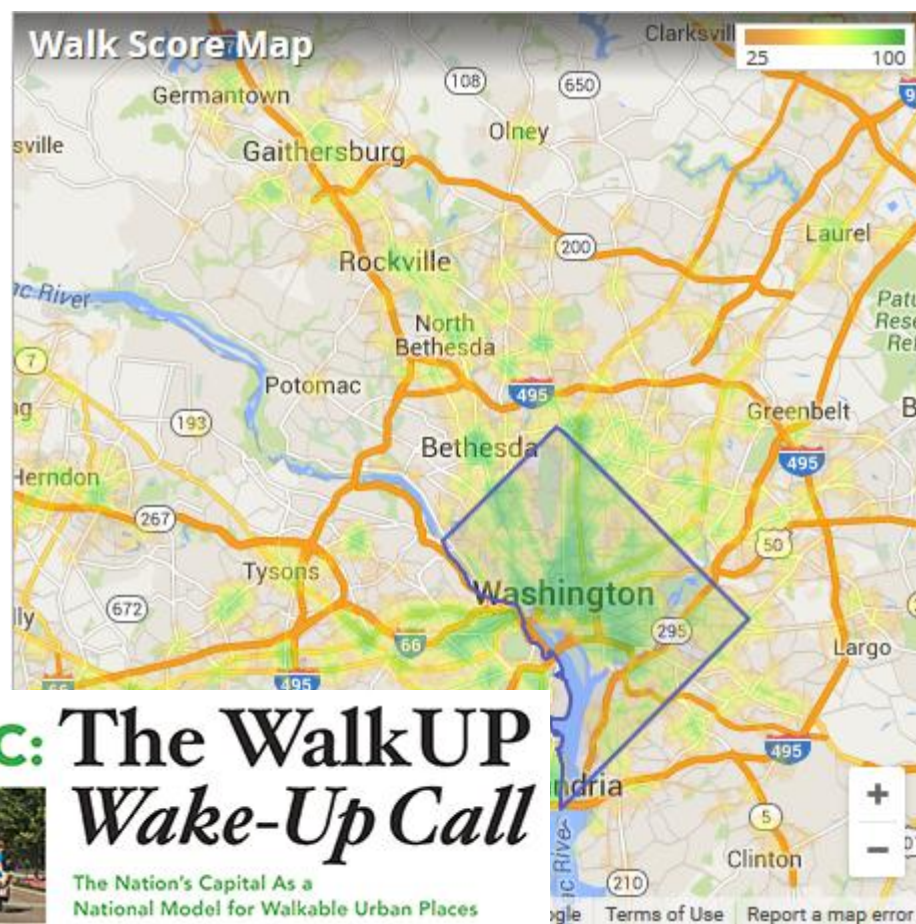
Share of High Income Households Living in Multifamily



Source: U.S. Census Bureau Public Use Microdata 2012-2013

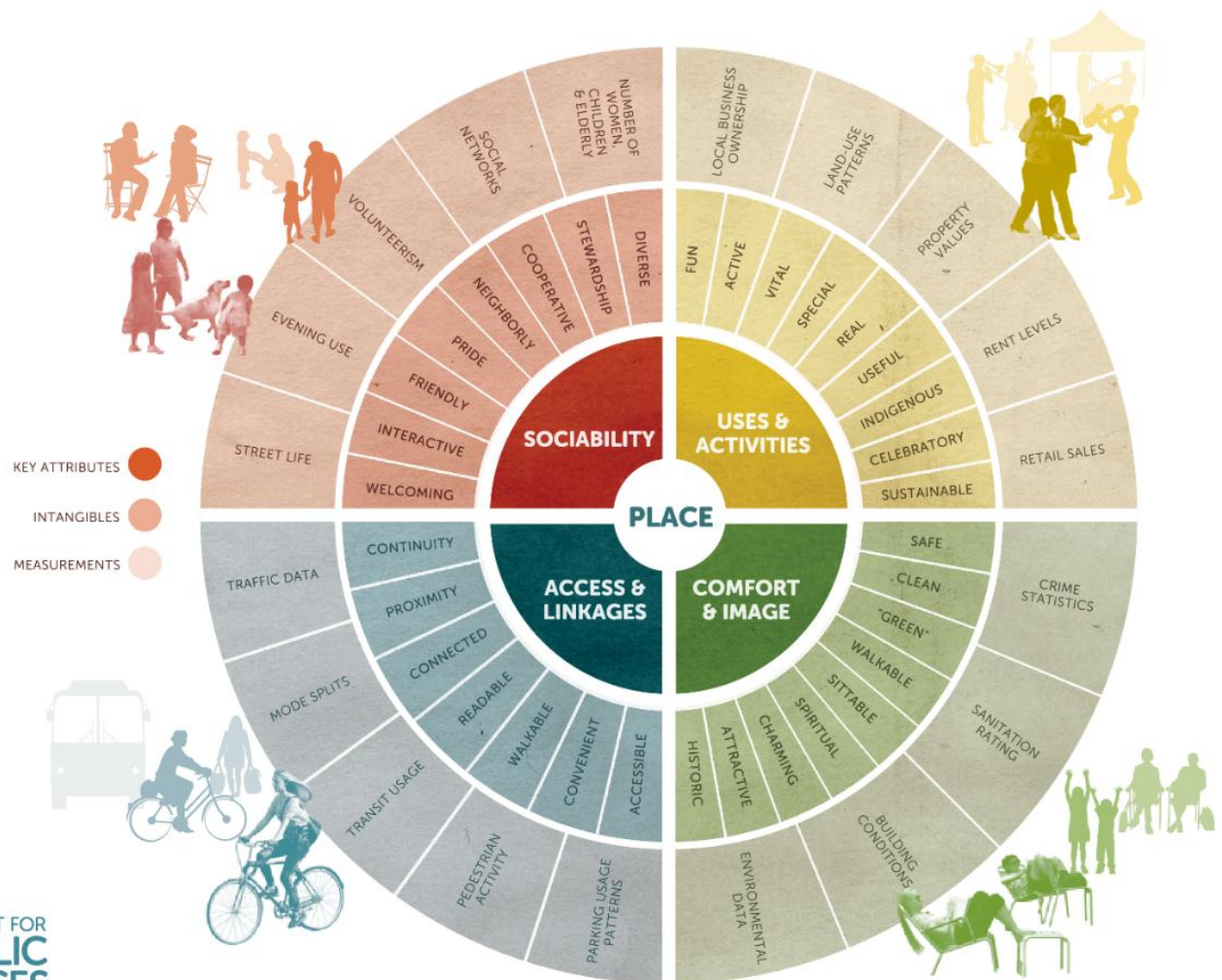
4. WALKABILITY

- 2/3 of responses said walkability was their neighborhood's best attribute in ULI Millennial survey, and #2 consideration for their next neighborhood
- 11.6% of total space in WalkUPs; 50% of new development since 2009



5. PLACEMAKING

WHAT MAKES A GREAT PLACE?



Source: Project for Public Spaces

6. AUTHENTICITY

- Complexity?
- Unique?



LA Inc. / Gary Leonard



ABBOT KINNEY BLVD

MERCHANTS LEGEND

- FOOD BEVERAGE: **ANT** (green), **MUSIC** (blue), **DISCOUNT** (red), **BRT WITH PURCHASE** (yellow)
- BARBERSHOP: **BARBER** (orange)
- WINE: **WINE** (purple)
- WORLD WIDE MIND: **WORLD WIDE MIND** (pink)
- SWITCH: **SWITCH** (light blue)

GOGO AT THE BRIG

GOGO = GOGO KIOSKS

AG Show off your street style. Get your picture snapped by the GOGO KIOSK in front of your building.

BLIND BARBER Check out the #ShaveItUp campaign.

ISOPORE Preview the latest product line and fax your muscles on the pull-up bar.

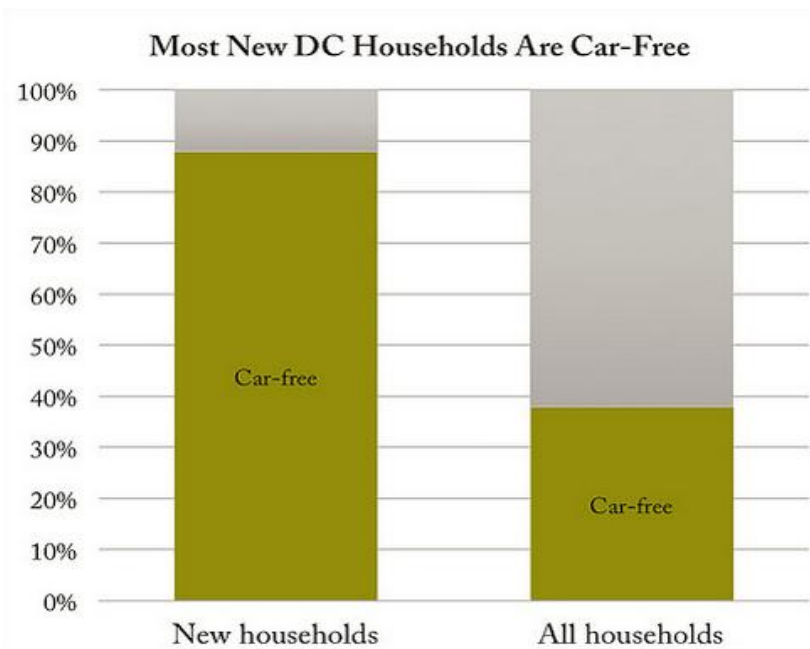
ONITSUKA TIGER Catch your #GOGO Instagram on our feed and show us a picture of your sneakers.

SWATCH It's a match! Which Swatch suits you? Here's your chance to figure it out!

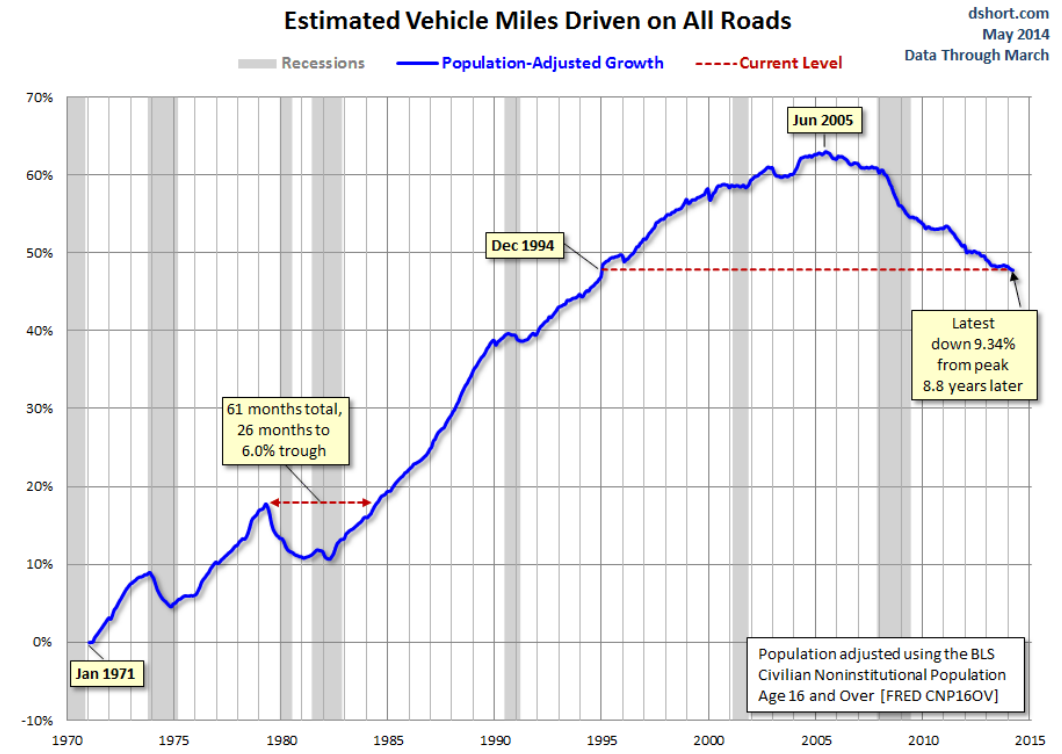
<p>01. 0 SQUARE CAFE 1121 AKB Reserve the space of today's brunch with award-winning morning coffee.</p> <p>02. A KINNEY COURT 1623 AKB Check out an original interpretation by local artist Tofe Cho, and take advantage of our 50¢ exclusive gift bags with purchase.</p> <p>03. ALTERNATIVE APRNLS 1231 AKB Receive 15% off your in-store purchase (excludes bags) a part of the current Stock & Barrel sale.</p> <p>04. ADES 1017 AKB 15% off with member of GG.</p> <p>05. AMERICAN NATION 1224 AKB GG's 2015 "Star" New! Member: 50% off the "New" and 20% off the rest of all in-store purchases with the member of GG. Don't miss the GG gift card launch!</p> <p>06. B. SPINCE/LIGHTNING BOLT 1121 AKB Check out Spince's new collection.</p> <p>07. BUILDING HEATERS 1220 AKB Stop by for an open house with wine and appetizers.</p>	<p>08. C.A.R.E. GALLERY 1108 AKB Check out regular street art from Mar De.</p> <p>09. CIVILIANME 1022 AKB Enjoy gift with our Christmas purchase.</p> <p>10. COUPLA 1004 AKB Enjoy 10% discount.</p> <p>11. DE SOTO GALLERY 1200 AKB Check out Japanese photographer Osamu Asanuma's new series, entitled "Beauty".</p> <p>12. DOUBLE VISION 1223 AKB Enjoy a 20% discount.</p> <p>13. EGG STUDIO 1040 AKB Receive up to 50% off on in-store purchases and 10% off new clothes (excludes sale items) with the member of GG.</p> <p>14. ENKA AND 1419 AKB Enjoy your purchase free of tax.</p> <p>15. FEED BODY & SOUL 1229 AKB Member: 50% discount on exclusive 50¢ apparel.</p> <p>16. FIDRE DESIGNS 1017 AKB Receive 10% off with the member of GG.</p> <p>17. FISHBONE + BAKER 1004 AKB Win a pair of socks or socks in the Fishbone + Baker library and enjoy complimentary wine, and drinks to go! Items on the back patio from 8-10PM. Special discounts on select items.</p> <p>18. FLANNEL 1222 AKB Stop by to check out the launch of Flannel's first men's collection.</p>	<p>19. GANT RIDGER 1209 AKB Bring your 10% off and get Gant Ridger and receive 20% off our all new branding (GG collection).</p> <p>20. GUILD 1335 1/2 AKB Receive a 15% discount on in-store purchases.</p> <p>21. HAWK DO VENUE 1008 AKB 20% off every in-store purchase for the entire day by a choice to make (up to 10% off total).</p> <p>22. JACK CANE 1126 AKB Exclusive 20% discount on our full price item.</p> <p>23. JOE'S RESTAURANT 1023 AKB Member: 50% discount on food & beverage with purchase.</p> <p>24. LOCAL TOS 1202 AKB Enjoy 10% off on all pastas, sandwiches, pizza, and appetizers.</p> <p>25. MASH & EARLY 1008 AKB Receive a 15% discount on all purchases of handcrafted beer and gourmet jammy, and the gift with the purchase over \$200.</p> <p>26. MARGARET CLEARY 1410 AKB Stop by today for 20% off our all year favorite sweaters. *Offer valid on regular priced sweaters.</p> <p>27. MILKMADE 1412 AKB 20% off with the member of GG.</p> <p>28. MYSTIC JOURNEY BOOKSTORE 1024 AKB Member: 50% discount on all purchases with purchase.</p> <p>29. NICE CREAM 1410 AKB Enjoy the newest of jams.</p>	<p>30. NICK FOUQUET HAT CO. 1020 AKB Enjoy a 10% discount on all Nick Fouquet hats.</p> <p>31. OUN SALON 1002 AKB Special 10% discount for men or 20% discount for women (excludes eyewear). First-time customers only.</p> <p>32. PRINTING WINE BUTTERY 1022 AKB 20% off every bottle of wine, beer, or 50% off any bottle of wine with the purchase of GG.</p> <p>33. PRINCIPALSSA 1222 AKB 25% off purchase for member of GG.</p> <p>34. ROBERT GRAYMAN 1202 AKB Check out Robert Grayman's collection and get style tips. From the store and made by Margot LDK.</p> <p>35. ROOTS 1002 AKB Enjoy a gourmet coffee bar, plus a free item in "Roots" signature "GG" aprons with every purchase. Custom leather luggage.</p> <p>36. SCOTT'S SOON 1204 AKB Shop the Scott's & Soon and Mason Scott hat collection while in shopping here, and more! A limited-time offer. Members will be able to create personalized canvas tote bags.</p> <p>37. STEVEN ALAN 1002 AKB Enjoy 10% discount on all GG off-in-store purchases.</p> <p>38. TASTING KITCHEN 1002 AKB Stop by the Tasting Kitchen by Justin Park's exclusive location, the "GG" collection "Sue".</p> <p>39. TEEN STUDIO 1210 AKB Enjoy an exclusive 50% off our new member's "Sue" The Custom Change.</p>	<p>40. THE JOEY LEAF 1140 AKB Enjoy a 10% discount on all merchandise.</p> <p>41. THE MODERN DOG 1011 AKB Enjoy gift with your purchase.</p> <p>42. THE OTHERMOM 1201 AKB Head to the Othermom at 9PM and enjoy 10% off on all beer and merchandise.</p> <p>43. THE STRONGHOLD 1022 AKB Enjoy a 10% discount on any gift of apparel.</p> <p>44. TOM'S 1044 AKB Get your hand or shoes cleaned by a Rocky's Barbershop barber in support of November. Don't forget to check out the TOM'S Member Barbershop collaboration shop!</p> <p>45. TORRESI BOUTIQUE STORE 1000 AKB Receive a gift with purchase of \$50 or more with the member of GG.</p> <p>46. URBAN ESCAPE 1002 AKB Special purchase with member of GG.</p> <p>47. URBAN PAPER 1044 AKB Free 1000+ pieces of Kinney Brand's T-shirt with any in-store purchase (includes \$20 in-store purchase with applicable).</p> <p>48. WILL LEATHAN ODDS 1002 AKB Special purchase for member of GG (excludes apparel and accessories). GG's complimentary expressions bar, and more.</p> <p>49. WORLD WIDE MIND 1002 AKB Join us for "World Wide" collection \$20.00-40.00.</p> <p>50. ZINBARA 1007 AKB Receive a 20% discount with member of GG.</p>
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7. CAR FREE/CAR LIGHT

- 38% of DC residents have non-car commute; 14% in MSA; only 5% in U.S.
- Estimated ratio of 71 members to each car among all car-share operators in U.S.



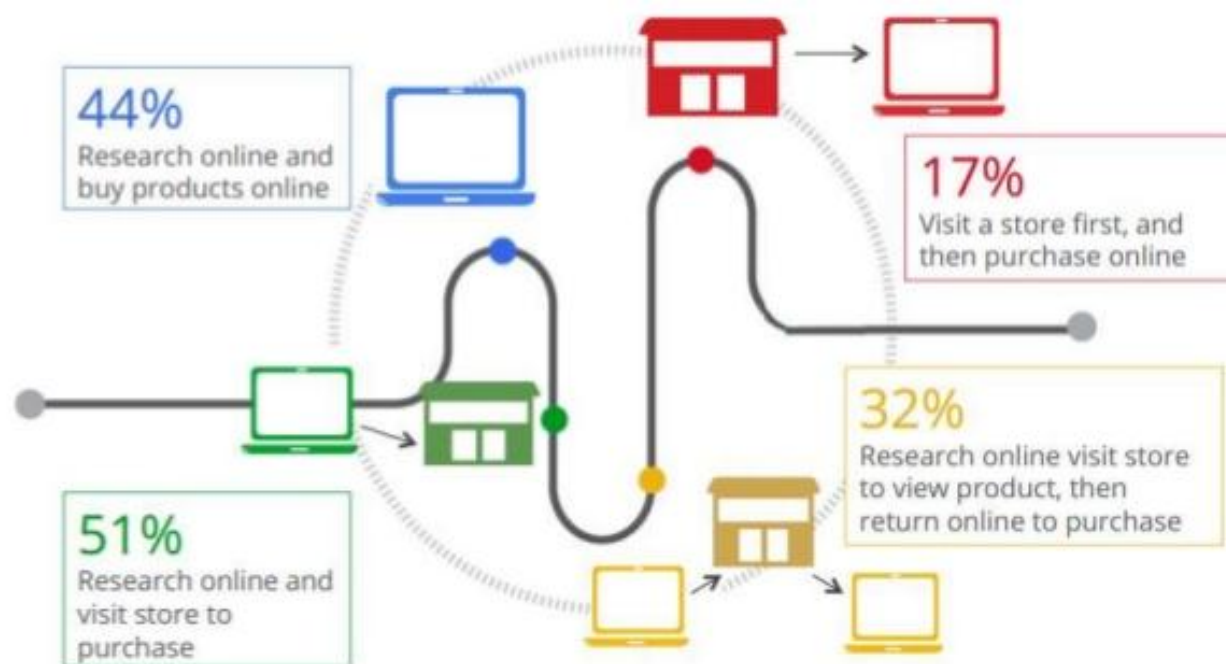
Source: Greater Washington; September 12, 2014



Source: Streetsblog USA; May 28, 2014

8. OMNICHANNEL

- Moving from transactions to relationships
- Consumer engagement (seen in housing too – your first interaction with property is probably online)
- 69% of renters found their apartment online



Source: multichannelthinking.com; Multifamily Executive

About RCLCO

- RCLCO provides **real estate economics, strategic planning, management consulting, and implementation services** to real estate investors, developers, financial institutions, public agencies, and anchor institutions



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- Washington, D.C.
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- Community & Resort Advisory
- Strategic Planning & Litigation Support Services
- Public Strategies
- Institutional Advisory Services

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