



# Essex Market Study Summary

## Eastern Boulevard and Back River Neck Road

Presented by: Cassandra Huntington, Xingchen Liu, Osedeba Okojie, Ashley Palmer, Akiel Pyant & Catherine Roach

Under the Direction of: Melina Duggal, AICP

RDEV 620: Market Analysis for Real Property Development, Fall 2018



# Study Background

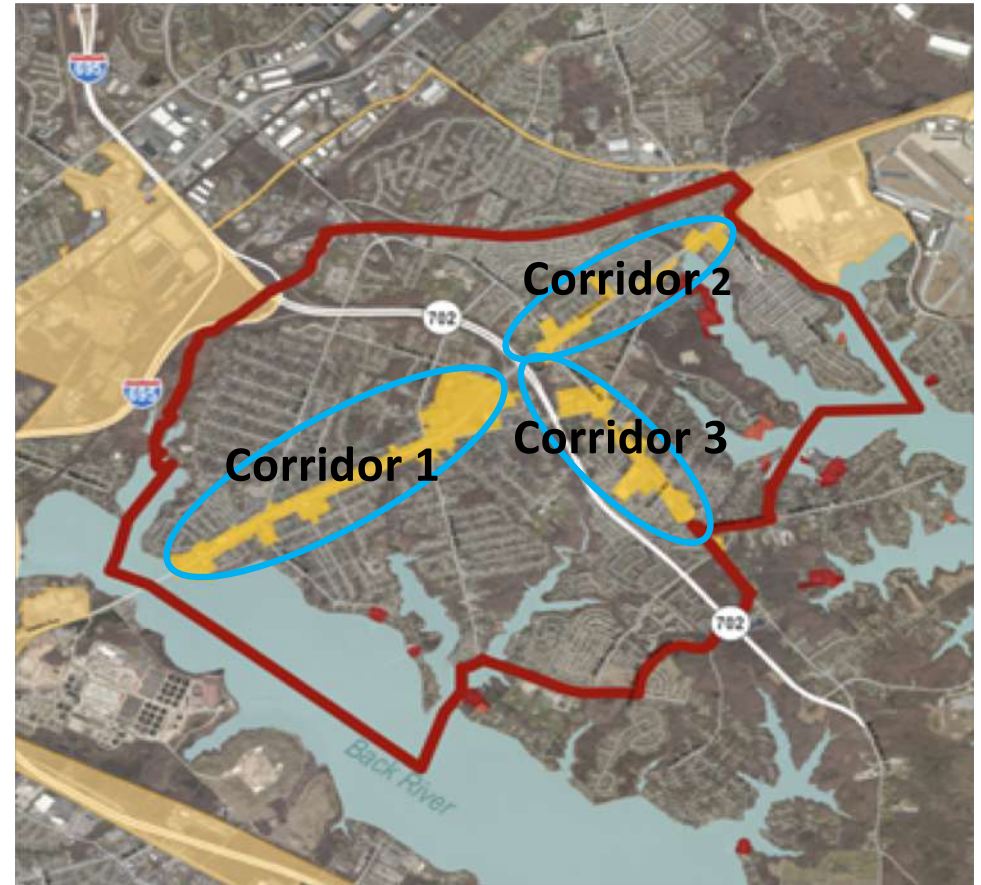
- Market study completed in Master of Real Estate Development class at the University of Maryland through the National Center for Smart Growth
- Essex is a Maryland Sustainable Community
  - Awarded in August 2018
  - Can get State funding for projects leading to increased economic, transportation and housing choices, and environmental improvements





# Study Background

- Market study for three corridor sections in Essex in Commercial Revitalization Districts (yellow)
  - 2 sections of Eastern Boulevard (Corridor 1 and 2)
  - Back River Neck Road (Corridor 3)
- Resources are available for Commercial Revitalization Districts (such as Architect-On-Call)





# Study Objectives

- Purpose: Determine the marketability of different land uses along Eastern Avenue and Back River Neck Road
- Land uses studied: Rental Apartments, For-Sale Housing, Retail and Office
- Realistic land use recommendations based on existing demographics, economics, market conditions and future demand to 2035

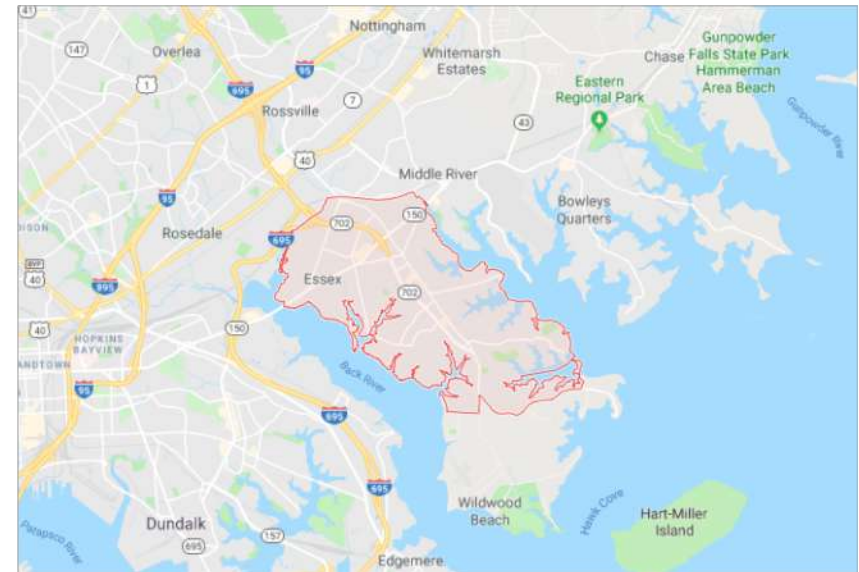


Source (Images): Vecteezy



# Study Parameters

- Recommendations focus on corridors
- Data is from Essex Census Defined Place
- Demand for land uses is based upon all of Essex, not just corridors
- Utilized official county projections for jobs and households to 2035
- Class did not focus on implementation or issues outside of the market study (zoning, policy, transportation, planning etc.)





# Agenda

- Subject Area Analysis
- Economic and Demographic Summary
- For-Sale Housing Analysis
- Rental Apartment Analysis
- Office
- Retail and Restaurant Analysis
- Overall Recommendations





# Overall Conclusions

- Great location
- Easily accessible job cores
- Marketable waterfront access
- Street improvements can encourage walkability
- Renovations can spur development
- Strong new housing opportunities
- Limited new commercial opportunities





# Summary of Recommendations by Land Use

Land Use	Short-Term	Long-Term	Key Considerations	Demand Potential to 2035
<b>For-Sale TH &amp; SFD</b>	Strong	Strong	Amenity orientation; finding location; increasing walkability	Up to 15-25 new units per year of each
<b>For-Sale Condos</b>	Moderate	Moderate	Amenity orientation; convert old apartments into condominiums	Up to 10 new units per year
<b>Apartments</b>	Weak	Moderate	Improve sense of place; rent levels are low for new construction	1 new apartment building every 10 years (85-200 units)
<b>Retail/ Restaurant</b>	Weak	Moderate	Consolidate & rehab existing neighborhood centers; need new residents for new retail	+/- 15,000 SF every 10 years w/ new residents & removal of old
<b>Office</b>	Weak	Weak	Consolidate office; stop spread of residential conversion	“Lightening strike” Demand at 0-40,000 SF



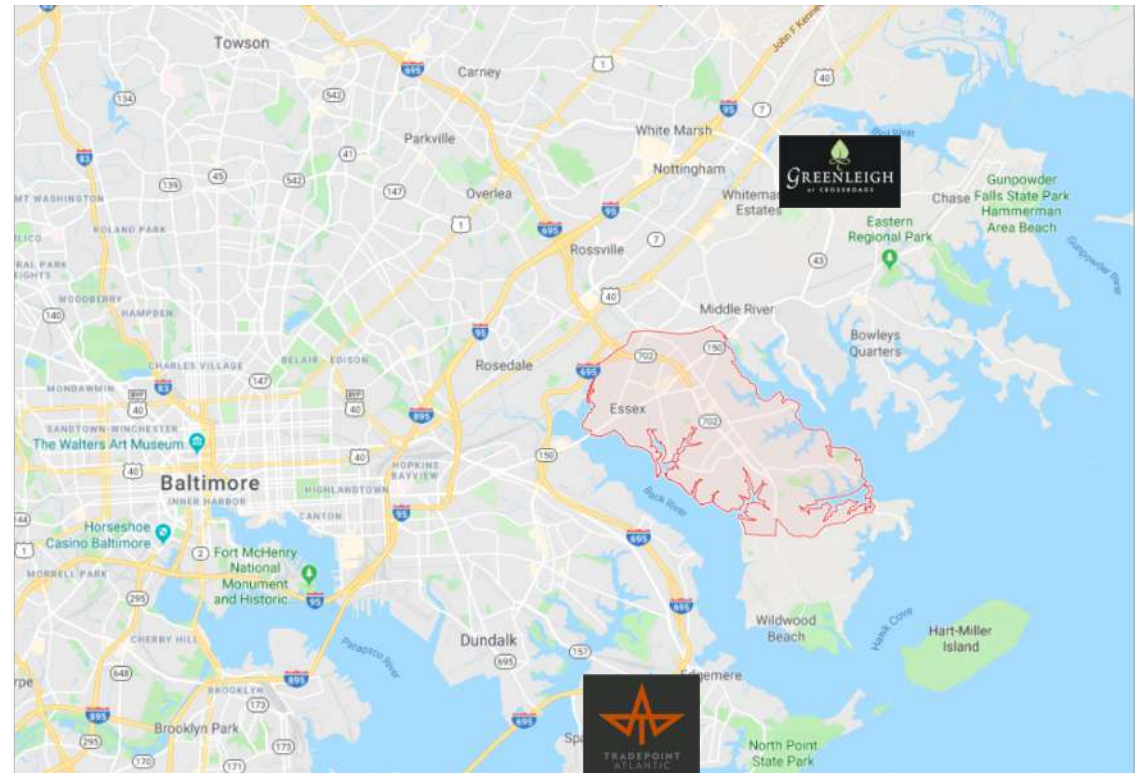


# Subject Area Analysis



# Essex Regional Location

- Strong regional location
  - Access to I-95, I-695 and Route 702
  - Proximity to private and commercial airports
  - Proximity to downtown Baltimore
  - Near multiple job cores
- Between two new major developments (Tradepoint Atlantic and Greenleigh)





# Subject Area Strengths

- Great visibility and access
- High traffic counts – good for retail
- The Fields at Renaissance Park
- Community and County interest in area improvements
  - Streetscape changes aided by Neighborhood Design Center
  - Eastern Baltimore County Task Force established
  - Commercial Revitalization District
  - Sustainable Community Designation
- Waterfront provides unique feature for the community
- Strong history





# Subject Area Challenges



- Many vacant buildings and absentee property owners
- Underperforming retail
- Fragmented urban fabric – small, individually owned lots
- Challenges with condition & aesthetic quality of aging buildings
- Streetscape needs improvement
- Lack of walkability
- High crime rates and generally low school ratings





# Corridor Section 1 Specifics



- Strong traffic counts and visibility
- Historic “Main Street” portion
- Narrow, not deep lots with many owners – hard to redevelop
- Mixture of uses, but most retail-dominant corridor section



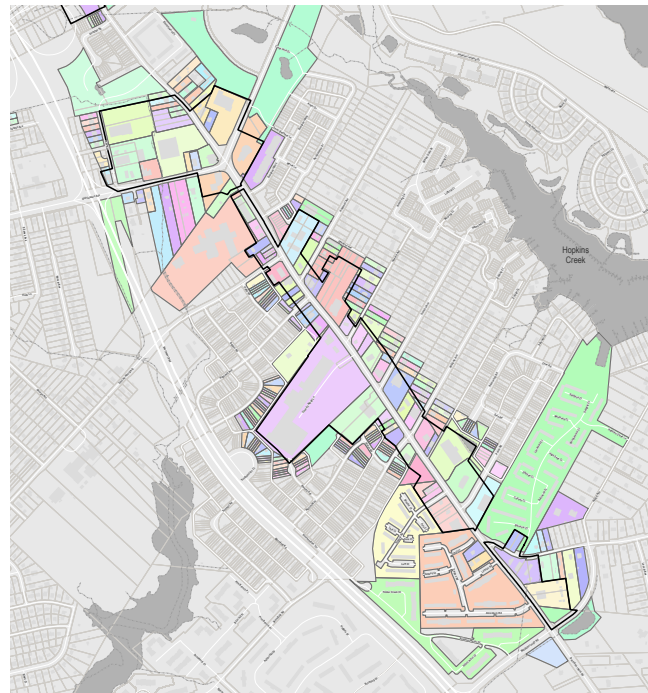
# Corridor Section 2 Specifics



- Strong traffic counts and visibility
- Mixture of uses, with retail closest to 702, transitioning to residential by Middle River
- Some larger landholdings



# Corridor Section 3 Specifics



- Lower traffic counts and visibility
- Strongest access to water
- Most residential of the three corridors
- Some large, dated retail centers



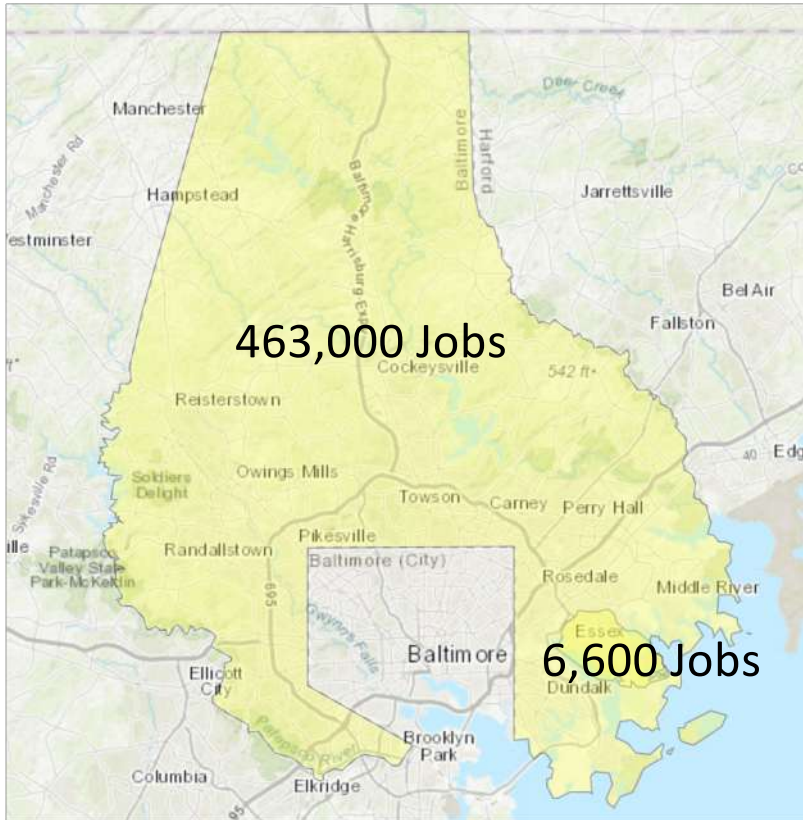
# Economic and Demographic Analysis





# Job Growth

2015



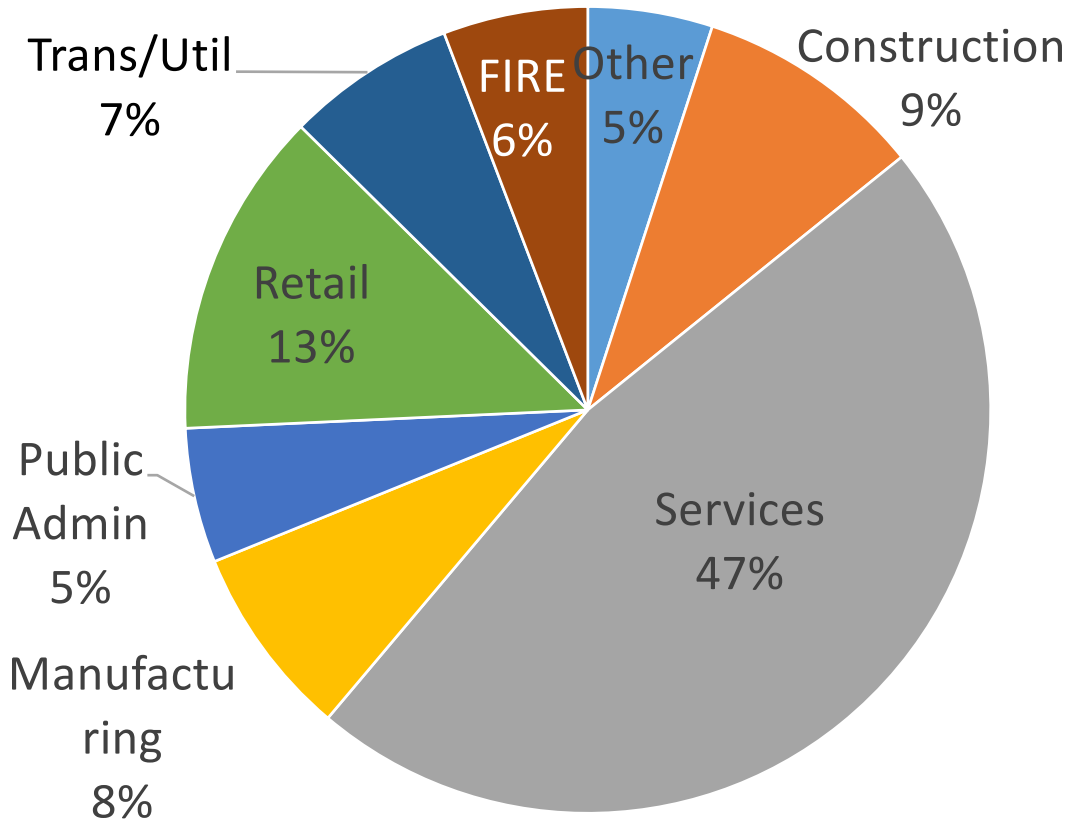
- Essex has 1.4% of jobs in County
- County projected to grow by approximately 3,300 jobs per year
- Essex = 11-50 new jobs per year

Why does this matter?  
Jobs lead to the demand  
for commercial real  
estate

Source: Baltimore County Round 9 Forecasts



# Jobs by Type in Essex



Source: Esri, 2018 data

- Majority of jobs are in lower paying service jobs

Why does this matter?  
Income of people in the area & demand for office space



# Location of Jobs by Type

One Dot = One Job

Manufacturing and Logistics

Professional Services

Healthcare, Education, and Government

Retail and Other Services



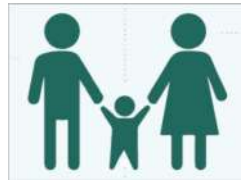
Source: "Where are the Jobs"  
Employment in America, 2014



# Demographic Summary

## Baltimore County

- 326,000 households
- 30% have kids
- 40.1 median age
- \$72,000 median income
- 46% have college degree



## Essex

- 16,000 households (5% of Co.)
- 33% have kids
- 37.8 median age
- \$52,000 median income
- 22% have college degree

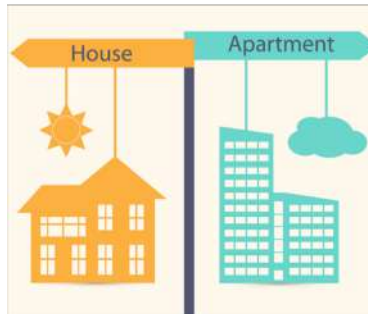
Source: Esri, 2018 data



# Demographic Housing Summary

## Baltimore County

- \$274,000 median home value
- 62% owner occupied
- 5.6% vacant units



## Essex

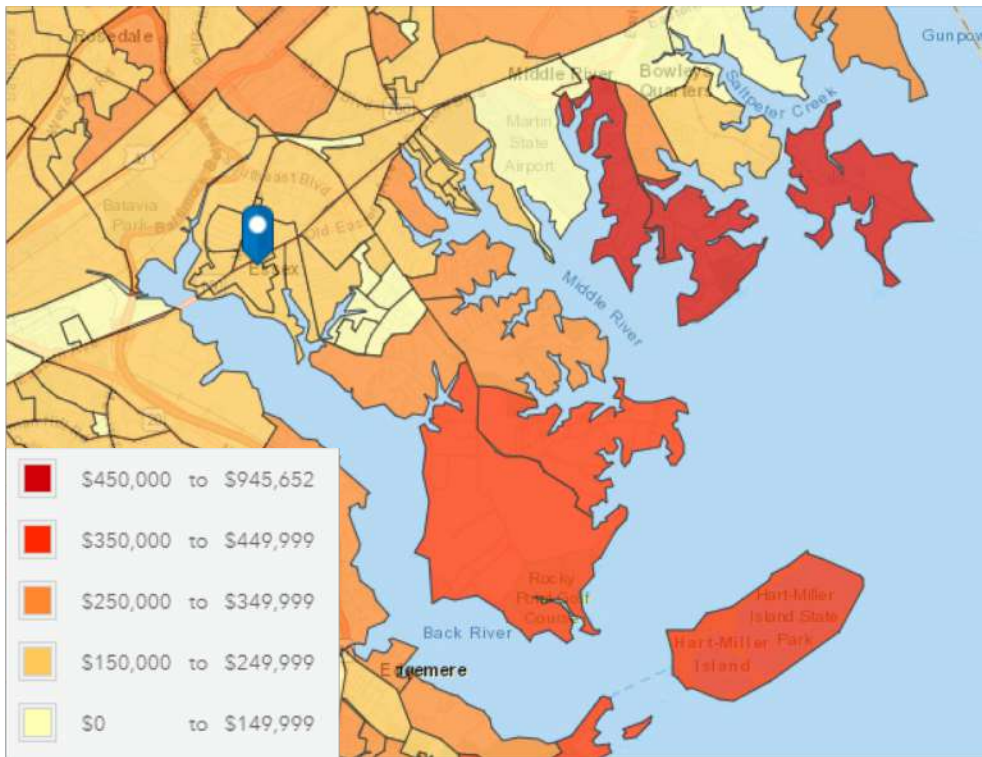
- \$205,000 median home value
- 51% owner occupied
- 6.9% vacant units

Source: Esri, 2018 data

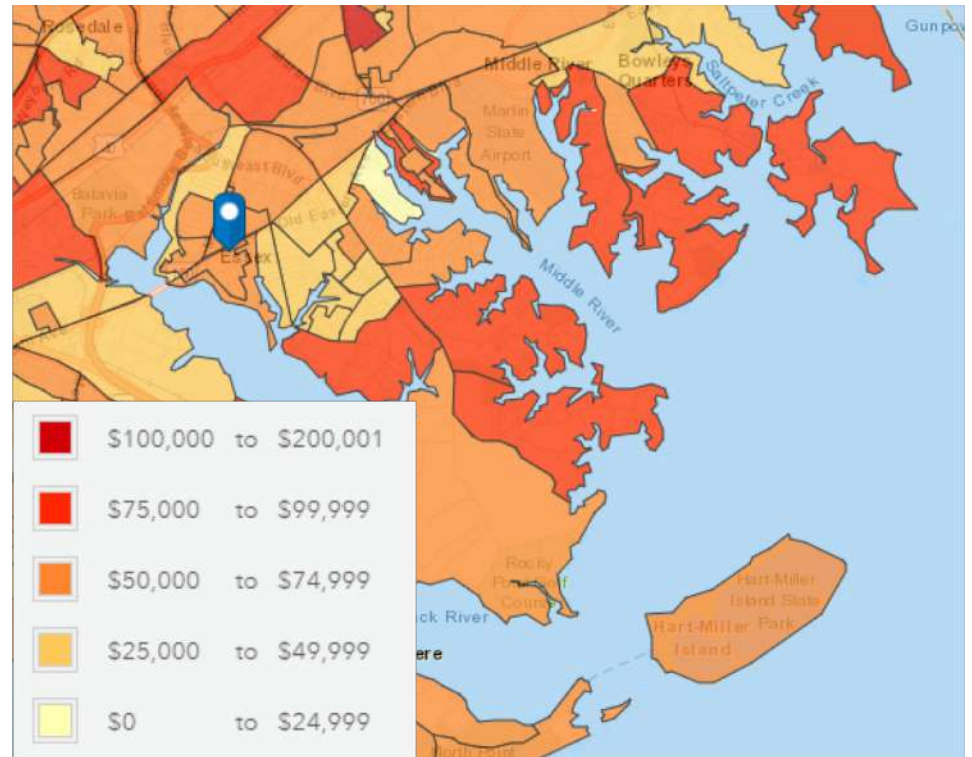


# Essex Household Income and Home Value

## Median Home Value in Essex



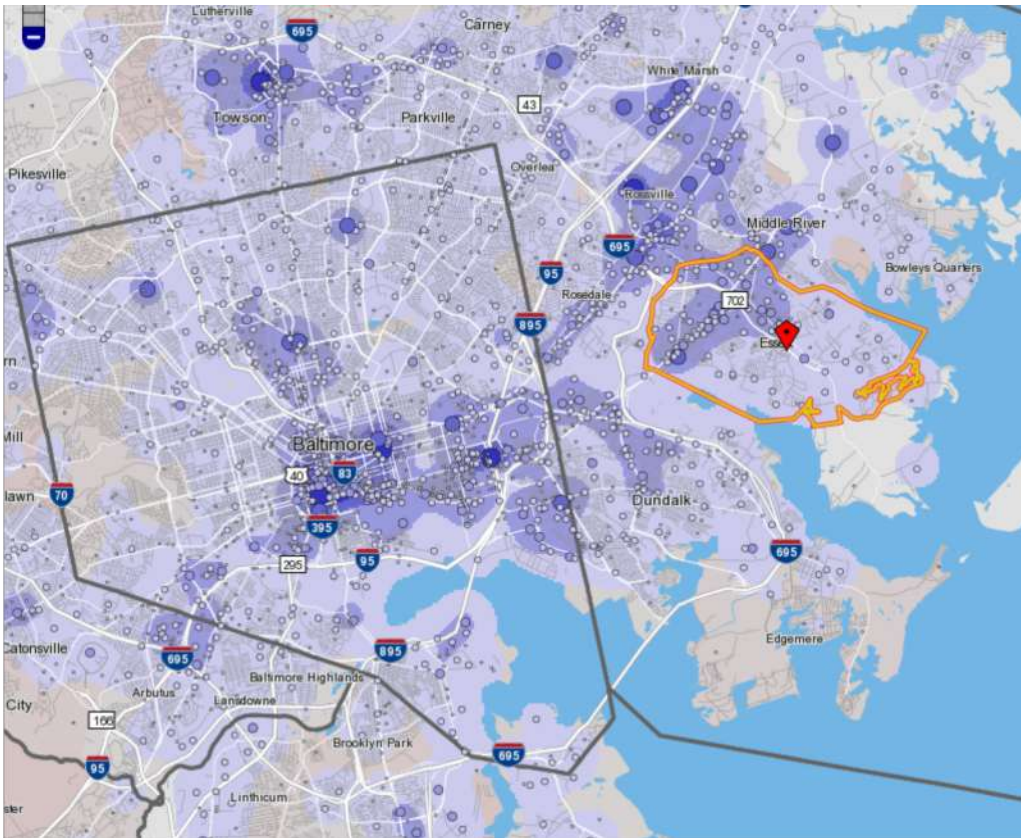
## Median Income in Essex



Source: ESRI, 2018 data



# Commuter Demographics - Essex



- Of the 5,500 people who work in Essex, only 800 live in Essex
- 30% work in Baltimore City

Why does this matter?  
Get more people to live  
and work in Essex &  
Understand the trade area

Source: Census on the map, 2015 data



# For-Sale Residential Analysis





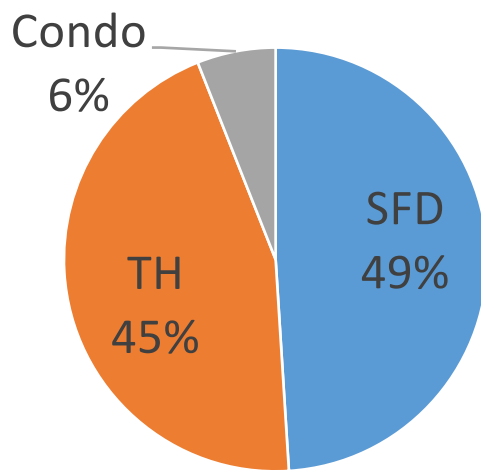
# Strong For-Sale Market in Essex

## Baltimore County

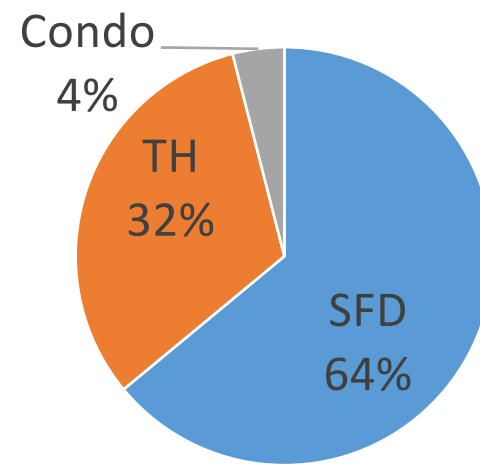
- 12,000-14,000 resales annually
- 500-700 new home sales annually

## Essex

- 500-700 resales annually (4-5%)
- 25-40 new home sales ann. (5-6%)



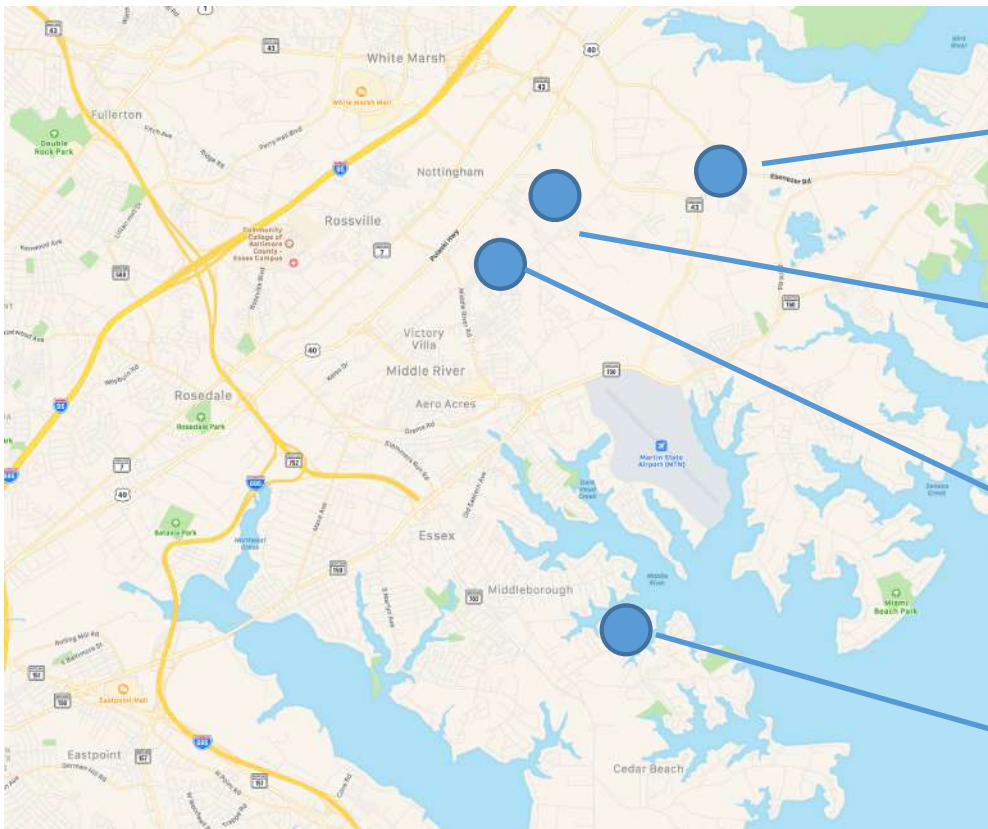
**Resales by Type Last 3 Years**



Source: Redfin, Last three years of data, pulled Oct. 2018



# New Single-Family Detached Near Essex



Greenleigh at Crossroads  
(\$500s to \$600s)

Campbell Crossing (Low \$300s)

Hawkins Manor (High \$300s)

Quiet Waters  
(Duplex, Low \$300s)

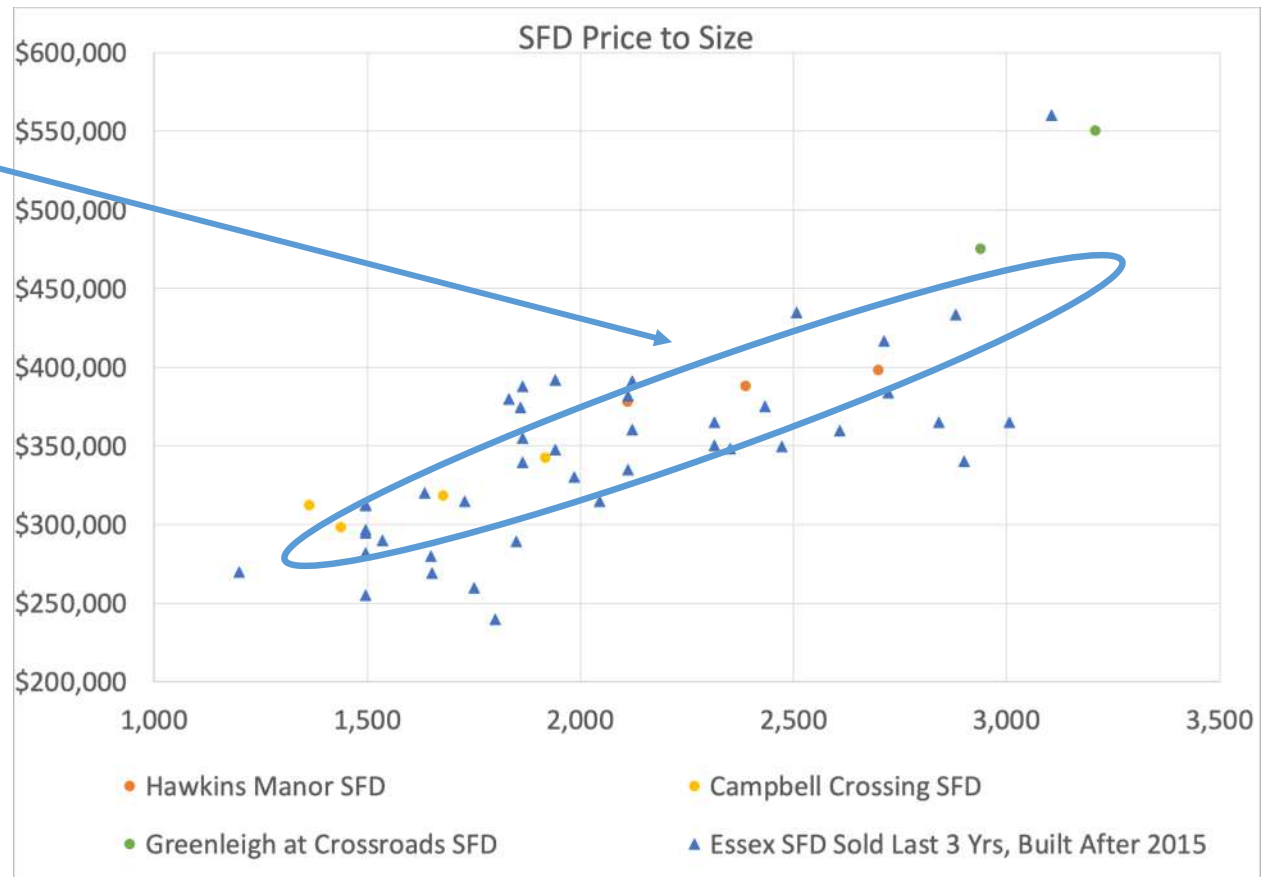


Source: Builder websites



# SFD by Price and Size

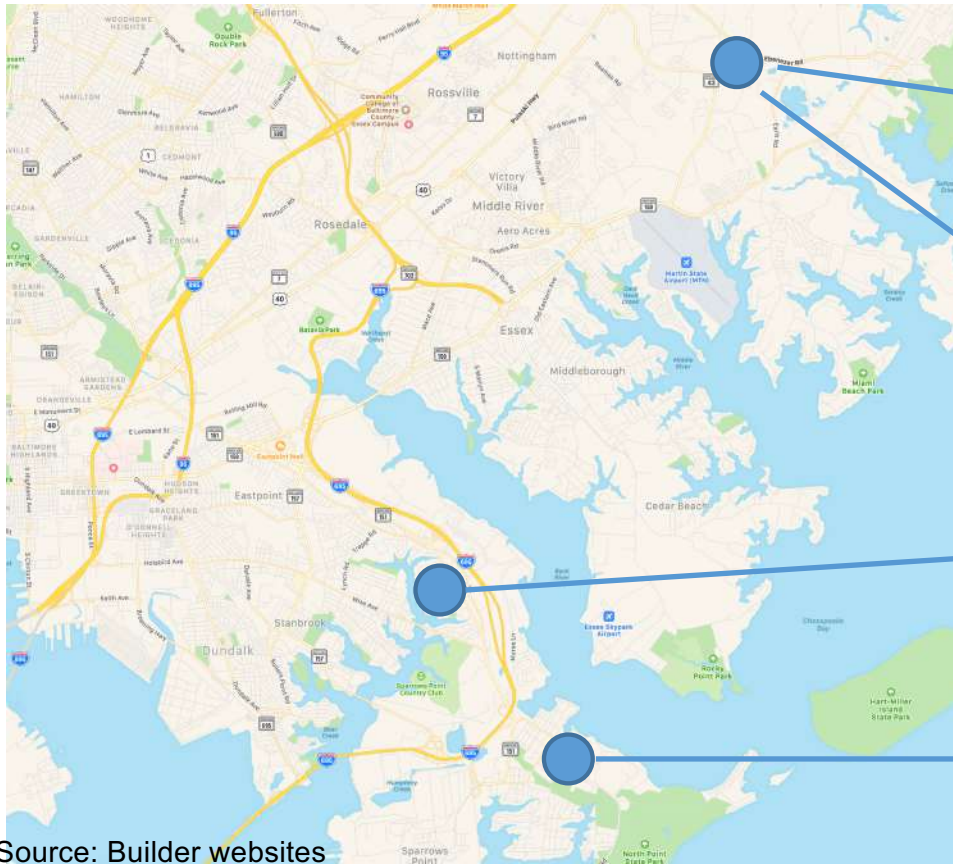
- Likely price positioning of new single-family homes in Essex
  - Below new at Greenleigh & similar to other new SFD in Essex



Source: Builder websites



# New Townhomes Near Essex



Greenleigh at Crossroads (NV) (\$400s)

Greenleigh at Crossroads (Ryan) (\$300s)

Admiral's Landing (\$200s)

Shaw's Discovery (\$200s - Low \$300s)



Source: Builder websites



# Townhomes by Price and Size

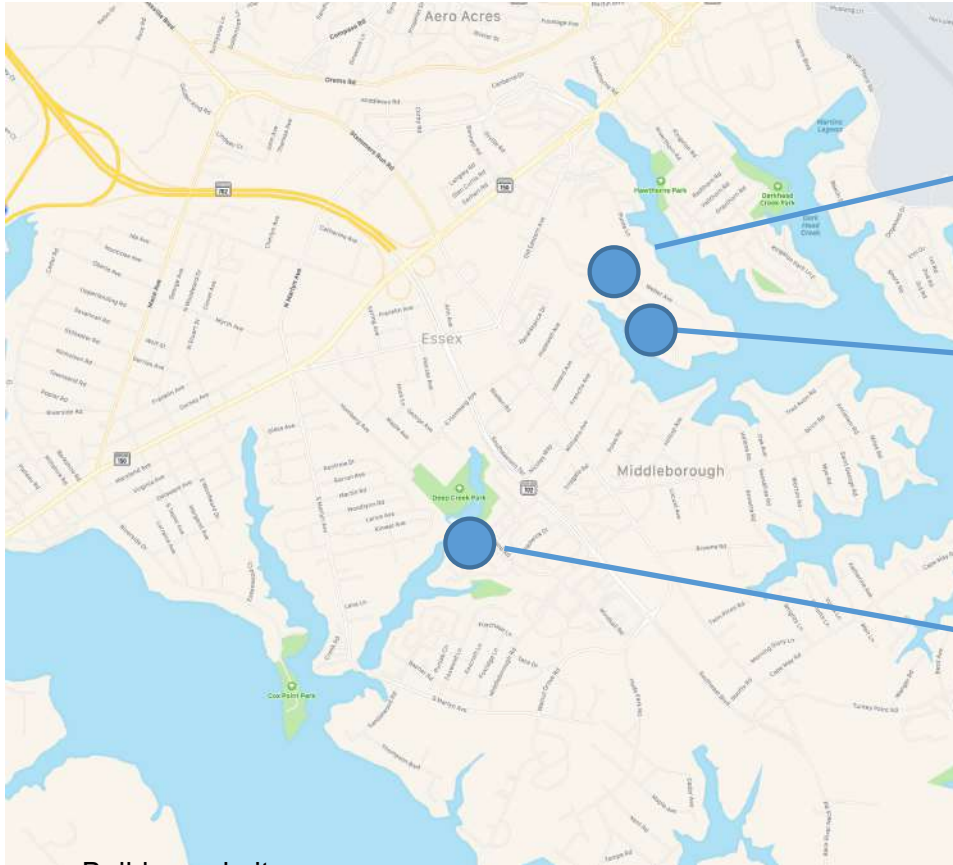
- Likely price positioning of new townhomes in Essex
  - Below new at Greenleigh & similar to other new TH in Essex and surrounding communities



Source: Builder websites



# Resale Condos Near Essex



Hopkins Landing (\$200s)

Hopewell Point (\$100s to \$200s)

Waterford Landing (\$100s and below)

Source: Builder websites



# Condominiums by Price and Size

- Likely price positioning of new condos in Essex
  - Above oldest condo product, and similar to older product on water



Source: Builder websites



# Essex Residential Development Pipeline



## 1 - Hyde Park Overlook

Single family houses and townhomes; vacant greenfield, 24 acres



## 2 - Water's Landing

Middle River PUD; vacant greenfield



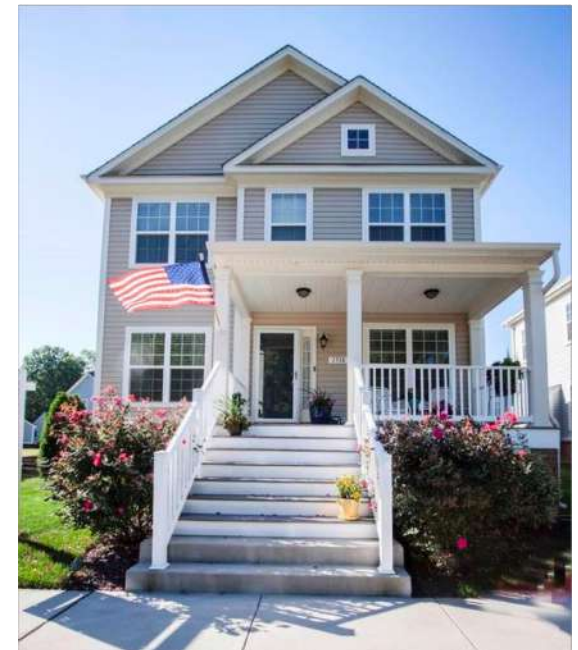
Source: Baltimore County





# Townhomes and Single-Family Detached

- TH: likely priced between \$200-\$350,000
- SFD: likely priced between \$250-\$450,000
- Critical Success Factors:
  - Overall corridor improvements - streetscape changes can improve desirability of area, walkability and price points
  - Pricing product below surrounding areas
  - Working on schools
- The Opportunity:
  - Capitalize on nearby development success - New jobs could lead to new residents
  - Potential benefit from waterfront properties, activities & tourism
  - Continue to support local community organizations
  - In-fill opportunities
  - Attractive for families and couples
- Challenge to find land large enough





# Condominiums

- Condo: likely priced between \$100-\$250,000
- Critical Success Factors:
  - Overall corridor improvements
  - Finding the right location
  - Pricing the product appropriately
- The Opportunity:
  - Convert old apartments into for-sale condominiums
  - Look for land close to retail and amenities, away from high traffic
  - Attractive for single residents, empty nesters and seniors
- Challenges:
  - Low price point of condominium product
  - Needs an amenity orientation (such as water)
  - Relatively low demand





# For-Rent Residential Analysis



# Moderate Apartment Market in Essex

## Baltimore County

- 88,000 units
- 5.8% vacancy
- \$1,169 average rent
- \$1.29/SF
- 11,400 new apartments since 2000

## Essex

- 5,000 units (6% of county)
- 6.4% vacancy
- \$935 average rent
- \$1.16/SF
- 120 new apartments since 2000 (1% of county) – Less than “fair share”

Source: CoStar, UMD License



# Apartments in the Market – Essex Examples

- Hartland Village
  - 1989
  - 660 units
  - \$800 average rent



- Mansfield Woods
  - 1988
  - 628 units
  - \$865 average rent



Source: CoStar, UMD License



# Apartments in the Market – New Near Essex

- Overlook at Franklin Square
  - 2017
  - 356 units
  - \$1,600 average rent
- Arbors at Baltimore Crossroads
  - 2012
  - 377 units
  - \$1,650 average rent



Source: CoStar, UMD License





# Apartments by Price and Size

- Likely price positioning of new apartments in Essex
  - Below new at Greenleigh & above old apartments in Essex





# For-Rent Residential

- Apartment: Likely rent from \$900-\$2,000/mo
- Critical Success Factors:
  - Overall corridor improvements
  - Pricing the product appropriately
  - Attracting young people to the area
- The Opportunity:
  - Provide market-rate, attainable rental product
  - Look for land walkable to retail and amenities
  - Attractive for single residents and couples
- Challenges:
  - Low price point of apartments in the area
  - Hard to attract young professional renters without high paying jobs in the area





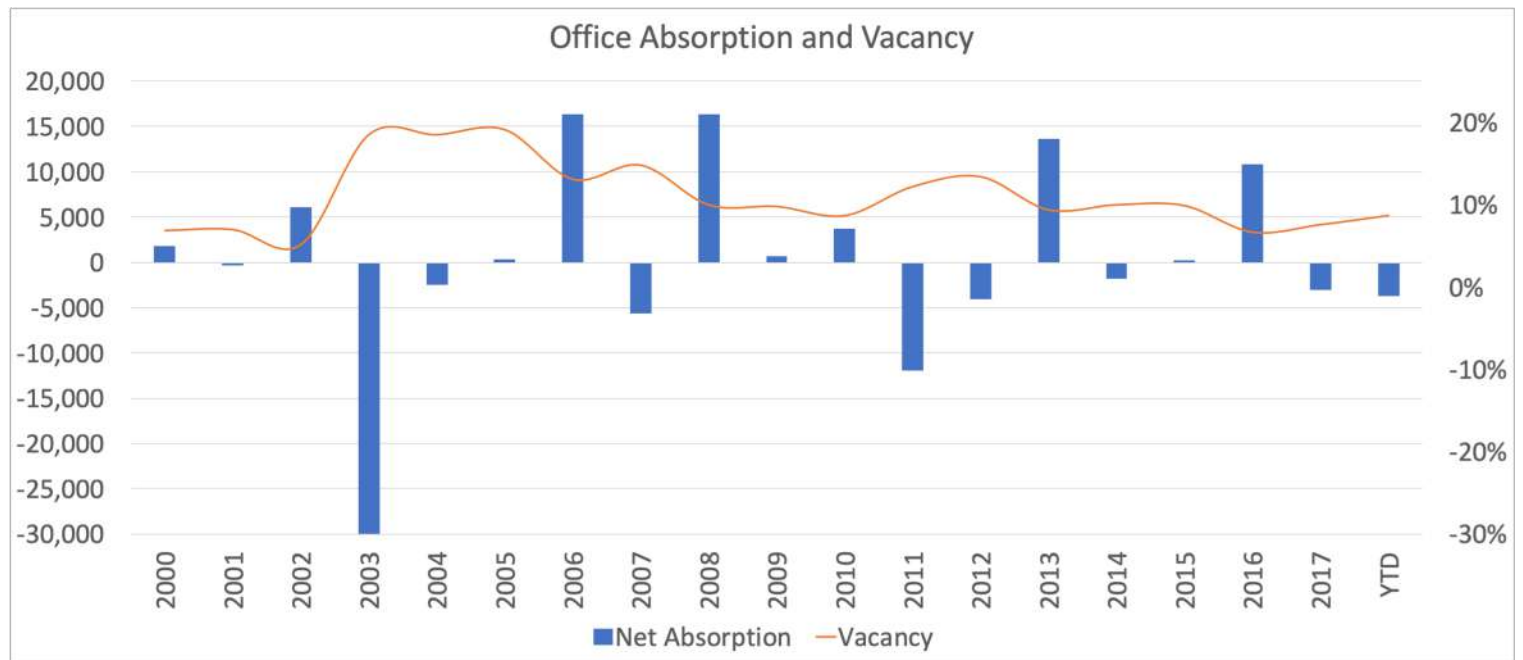


# Office Analysis



# Total Office Market in Essex

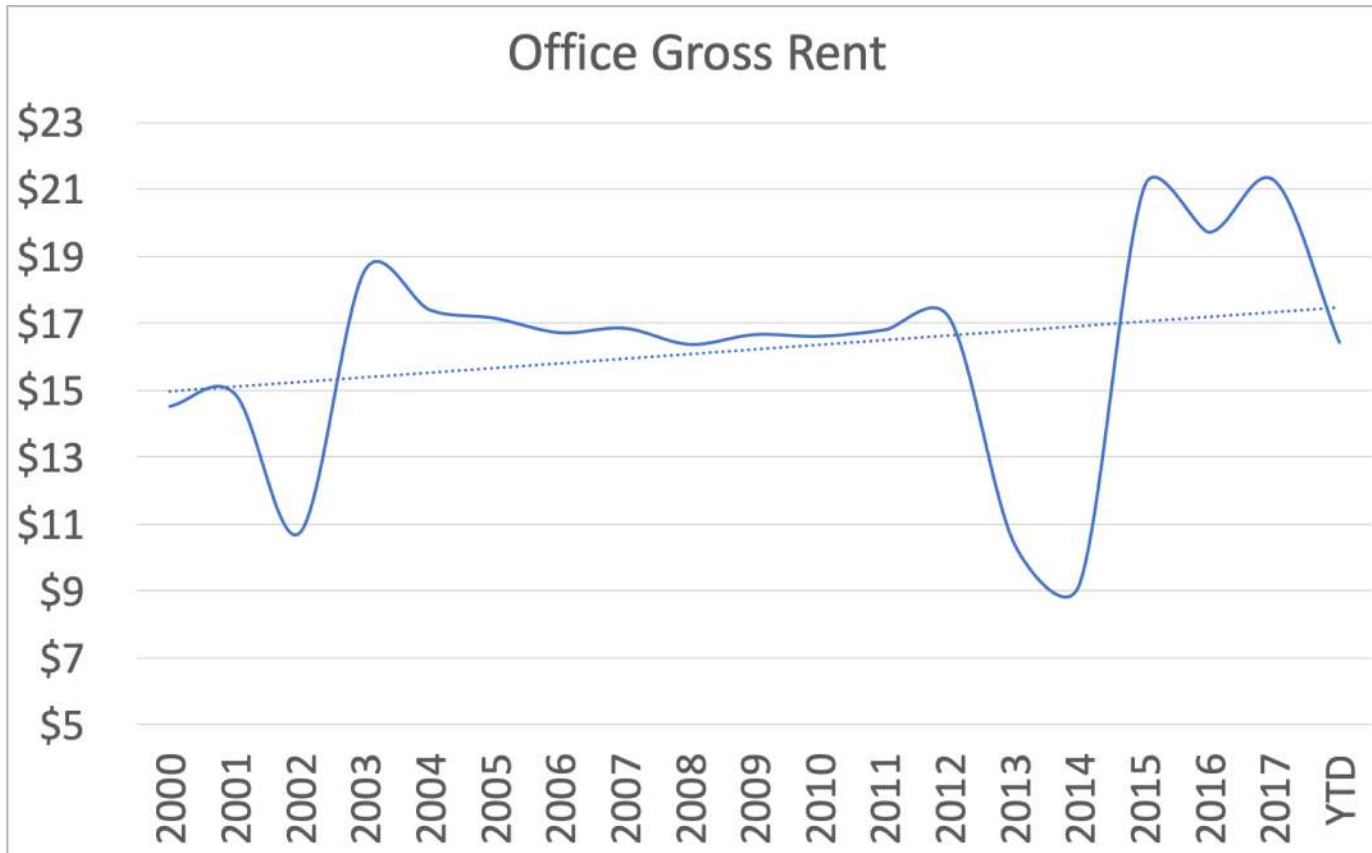
- 340,000 SF total
- There has been no new office product delivered since at least 1994
- -20,000 SF of absorption since 1994
- Vacancy around 9%



Source: CoStar, UMD License



# Office Rents are volatile, but have trended up



Source: CoStar, UMD License



# Office in Essex

## Office in Residential Homes

- 50 homes
- 123,287 SF
- 5,666 SF vacant (5%)
- Avg. year built - 1942
- Avg. asking rent - \$16.41/SF/yr



## Office in Traditional Buildings

- 21 buildings
- 216,776 SF
- 23,950 SF vacant (11%)
- Avg. year built - 1965
- Avg. asking rent - \$22.66/SF/yr

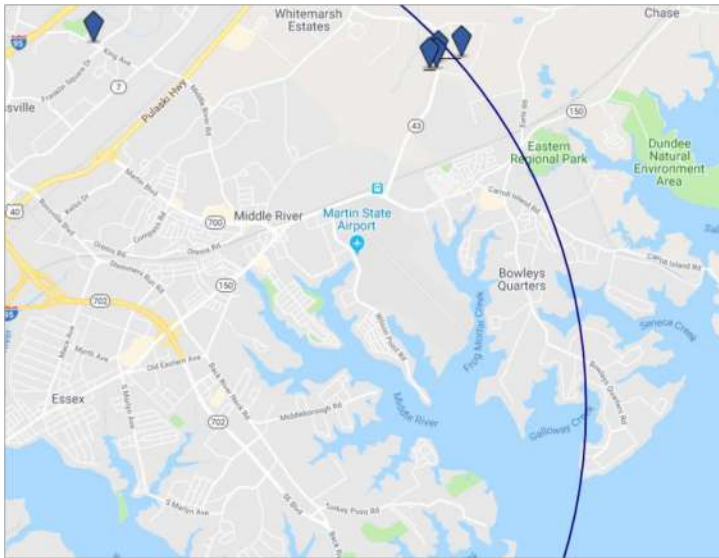


Source: CoStar, UMD License



# Closest New Office Buildings to Essex

The Greenleigh development is located outside of Essex, but is the closest new product to Essex



Address	Percent Occupied	Year Built	RBA	Class	Rental Rate
<b>11560 Crossroads Cr</b>	34 %	2016	23,630	B	18-22/SF
<b>11570 Crossroads Cr</b>	78%	2016	25,160	B	19-23/SF
<b>10 Irondale St</b>	100%	2018	36,040	A	23-29/SF
<b>12 Irondale St</b>	100%	2018	36,040	A	23-29/SF
<b>5235 King Ave</b>	44%	2016	60,000	A	18-22/SF

Source: CoStar, UMD License

# PALS Office

- Critical Success Factors:
  - Overall corridor improvements
  - Attracting jobs to the area
  - In the future, linking Tradepoint Atlantic to Greenleigh
- The Opportunity:
  - Very limited opportunity for net new office space
  - Service-based office uses (such as accountant, lawyers)
  - Medical-based office uses
  - Focus on growing and strengthening existing businesses
  - Encourage pop-up space for start-up businesses
- Challenges:
  - Limited demand for new office space
  - Underperforming and low rent office in the market
  - No major employers in the area
  - Most of the office is located within aging residential stock



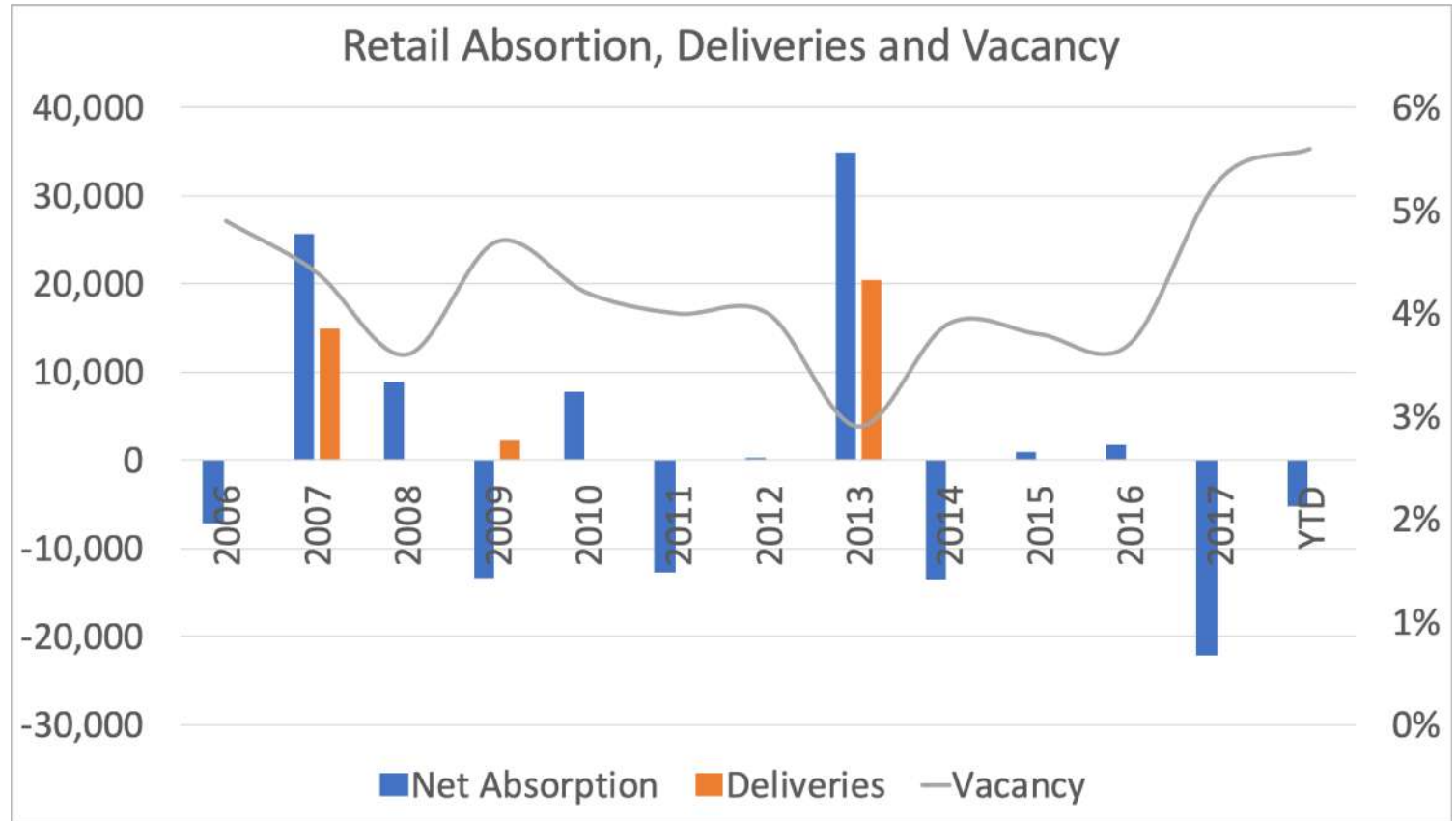


# Retail and Restaurant Analysis



# Retail Market in Essex

- 1.4M SF Total
- Since 2006, only 6,000 SF of retail absorbed in market
- When new product delivered, it's absorbed
- Vacancy increasing

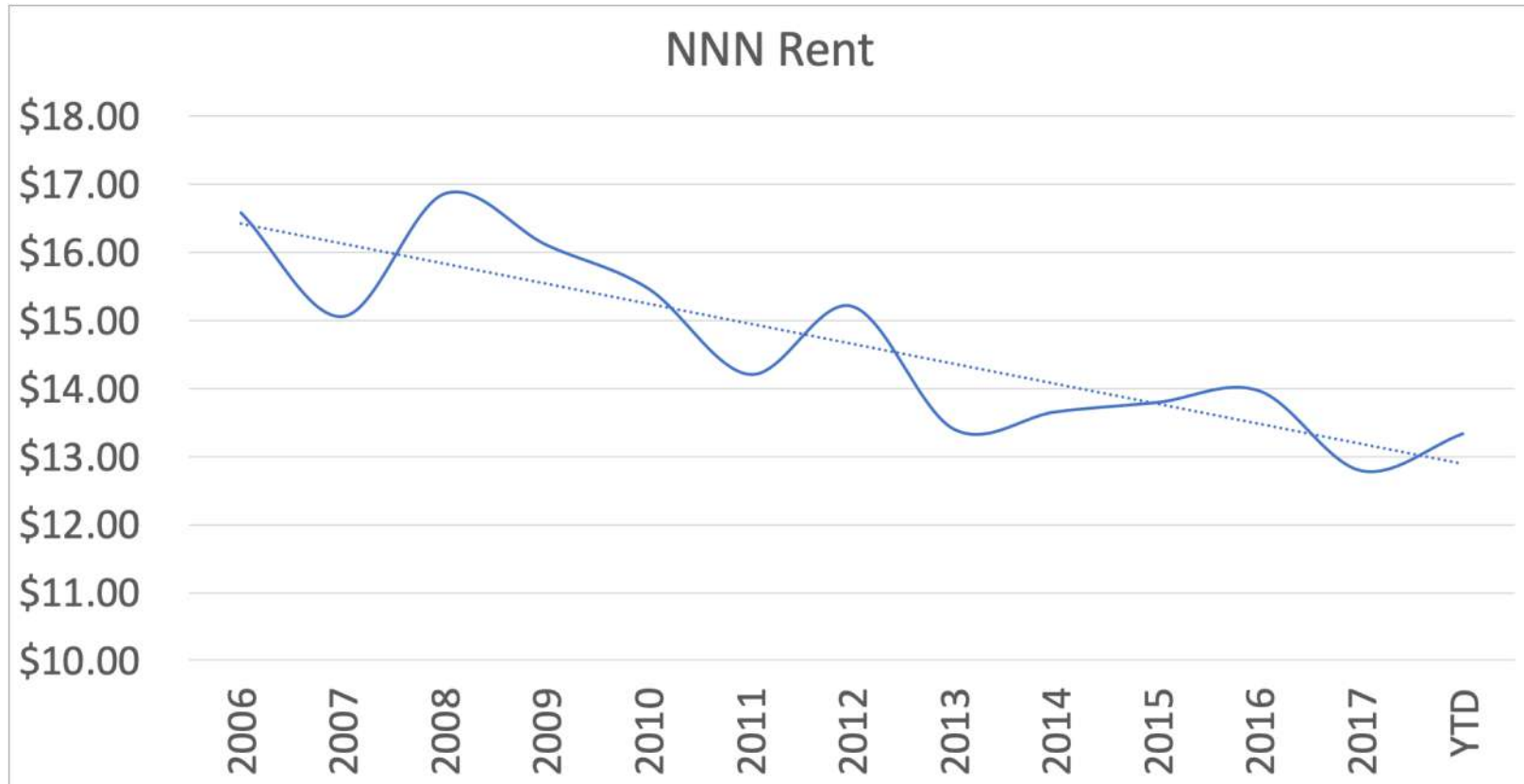


Source: CoStar, UMD License





# Retail Rents have been Dropping



Source: CoStar, UMD License



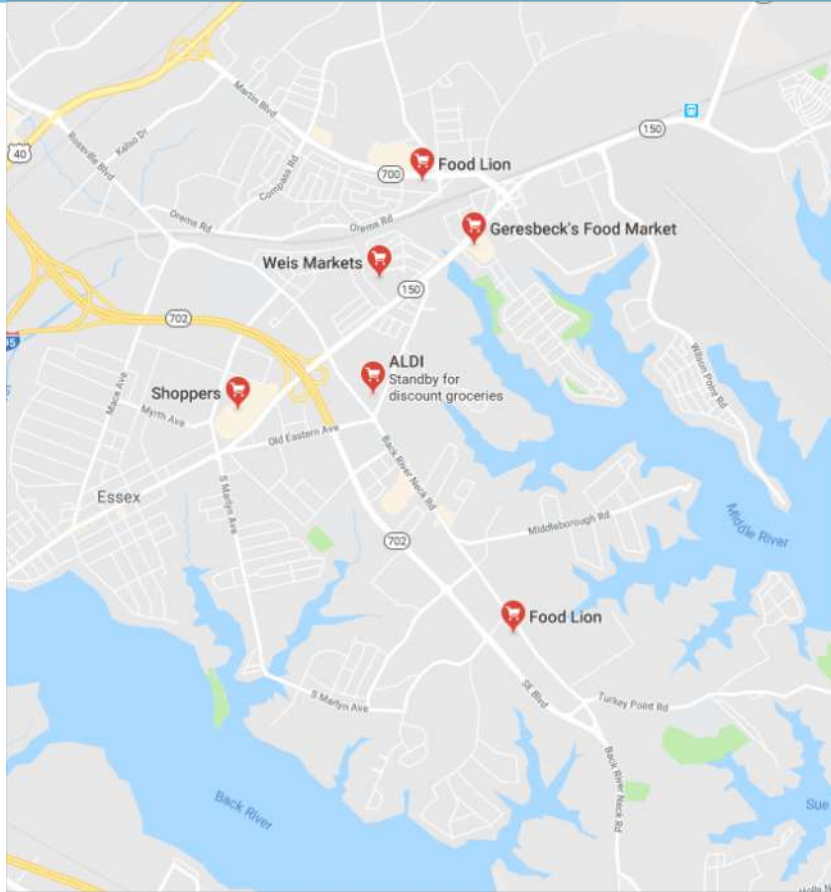
# Regional Retail Competitive Supply



- Regional retail market is dominated by White Marsh Mall, The Avenue at White Marsh, and Greenleigh at CrossRoads
- Greenleigh at Crossroads is delivering some of the only new retail space in the eastern Baltimore submarket



# Grocery Store Locations



- 6 major chain grocers within the Essex market
  - Weis, Shoppers, Food Lion, Aldi, as well as local store Geresbeck's Food Market
  - None of the grocery stores are new
- Also a supply of smaller convenience or bodega-style, culturally focused smaller market space spread throughout the Essex market



# Retail in the Market – Newest Essex Examples

- Essex Gateway Center
  - 2013
  - 20,500 SF
  - Est. \$18-21/SF/yr rent



- Dunkin' Donuts
  - 2009
  - 2,224 SF
  - Est. \$15-\$19/SF/yr rent



Source: CoStar, UMD License



# Essex Shopping Center Examples

- Waterview Shopping Center
  - 2004
  - 67,815 SF
  - Est. \$16-20/SF/yr rent
- Middlesex Shopping Center
  - 1960s
  - 298,422 SF
  - Est. \$15-\$20/SF/yr rent



Source: CoStar, UMD License



## Retail Comparable Properties – Lease Rates

Address/Name	GLA	Available SF	Rent/SF
<b>Back River Plaza</b>	6,000	900	\$17.06
<b>Al's Seafood</b>	8,642	7,432	\$16.95
<b>1829 Eastern Blvd</b>	3,949	3,000	\$14.00
<b>313 Back River Neck Rd</b>	4,473	4,473	\$16.50
<b>1546 Eastern Blvd</b>	17,556	5,760	\$13.50
<b>1601 Eastern Blvd</b>	2,143	2,143	\$16.50
<b>Hyde Park Station</b>	67,860	13,232	\$23.00
<b>Waterview Shopping Center</b>	67,815	11,982	\$21.00

- New retail in the Essex area would be around \$20-\$25/SF
- Older retail tends to have lower lease rates

Source: CoStar, UMD License



# Retail

- Critical Success Factors and Opportunities:
  - Consolidate retail into nodes
  - Convert isolated and vacant retail into other uses
  - Incentivize the repositioning of under-performing and disjointed assets
  - Support shared success
- Challenges:
  - Demand is low
  - Too much retail in the area now
  - Many under-performing and dated retail locations
  - Competition from successful retail market to the north & struggling locations to the south





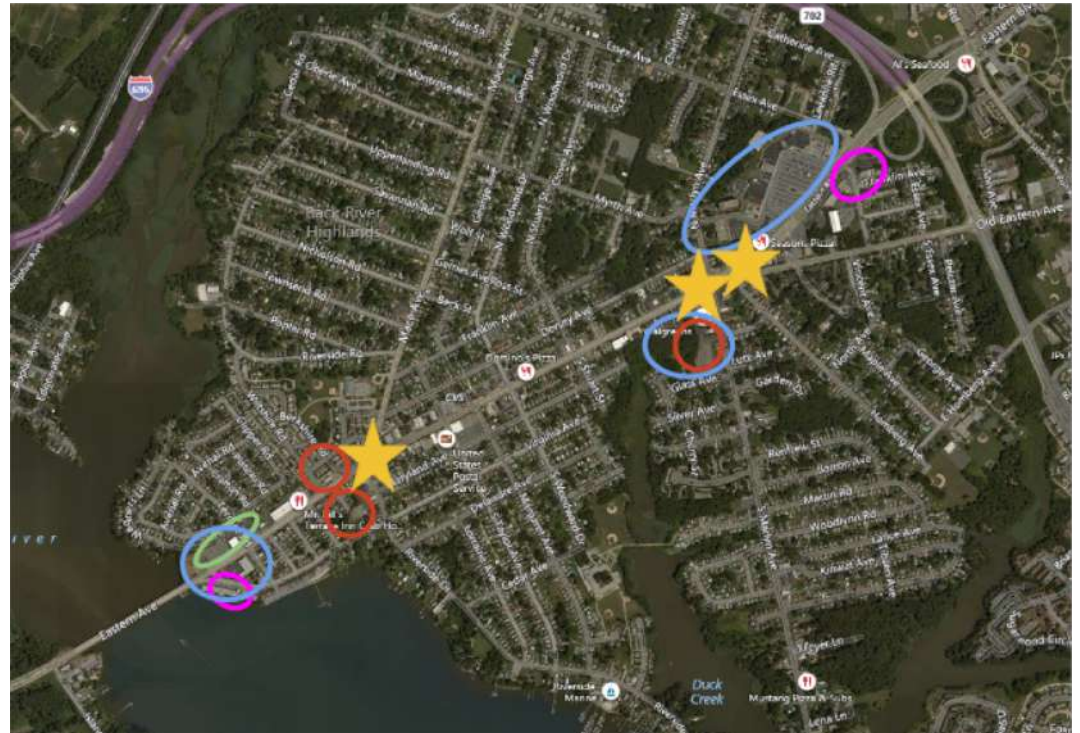
# Overall Conclusions and Recommendations





# Corridor 1 Potential Locations

- Rezone into mixed use along Corridor 1
- Increase green space along Eastern Boulevard and provide easy access to nearby waterways
- Vehicle traffic study: location of roundabout(s), no left turns from primary roads, optimize safe street parking, etc.
- Streetscape improvements and/or enhance existing large contiguous land for redevelopment



- ★ Major Street Intersections
- Mixed-Use
- Medical Office
- Hotel
- Residential



# Corridor 2 Potential Locations

- Capitalize on residential nature of Corridor 2
- Focus residential near water, in-fill locations & in mixed-use centers
- Redevelopment of older shopping center into mixed-use project





# Corridor 3 Potential Locations

## Development Opportunity 1 & 2:

- Currently discount stores in dated buildings
- Highest potential for uses that require greater areas of land such as townhomes, apartments or hotel

## Development Opportunity 3 & 4:

- Currently used for retail
- Buildings in need of redevelopment based on their age, condition and aesthetic quality





# Critical Success Factors



## Update Storefronts & Facades

Work with absentee owners

Strengthen existing businesses

Utilize existing programs such  
as Commercial Revitalization  
Program



## Consolidate Retail into Nodes

Focus on strongest locations  
for retail

Allow mixed-use on dated  
retail centers

Help consolidate land



## Encourage Mixed- Use

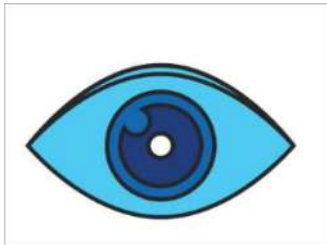
Helps walkability and  
oversupply of retail

Helps create value

Source: VectorStock, Vecteezy



# Critical Success Factors

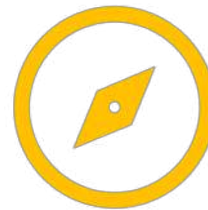


Improve Image

Work on branding

Increase safety and security

Highlight improvements



Rebrand the Area

Determine theme(s):

Waterfront  
Renaissance Park  
Main Street  
Connections  
Citizens  
Etc.



Create connection  
to water

Rocky Point Park & Beach  
Cox's Pt Park

Crab houses

Helps create value

Source: Vecteezy



# Critical Success Factors



## Enhance Pedestrian Experience

Add more walking trails & sidewalks

Focus on areas that are already walkable



## Improve Transportation

Add bike lanes

Improve bus stops

Traffic calming measures

Implement ideas from 2020 Master Plan for Eastern Blvd.



## Work on Streetscape

Add more benches, street lights, planters, etc.

Consider parklets

Source: Vecteezy



# Critical Success Factors



## Utilize Sustainable Communities Designation

- Grants
- Traffic study
- Design charrette



## Engage Interested Citizens

- Continue to engage with local community associations
- Essex Community Association
- Chamber of Commerce



## Program Events

- Create opportunities for community gatherings:
- Parades
- Farmers Market
- Auto Shows
- Etc.

Source: Vecteezy



# Examples of Streetscape Improvements



Osseo, MN, HKGi



Mount Airy, MD





# Examples of Road Improvements



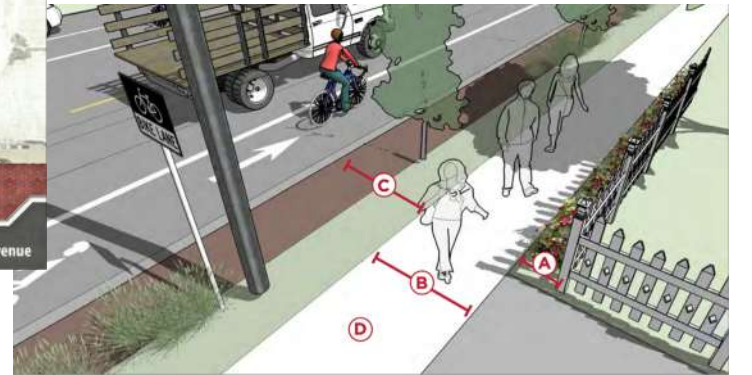
702 and Hyde Park Road



Center Median



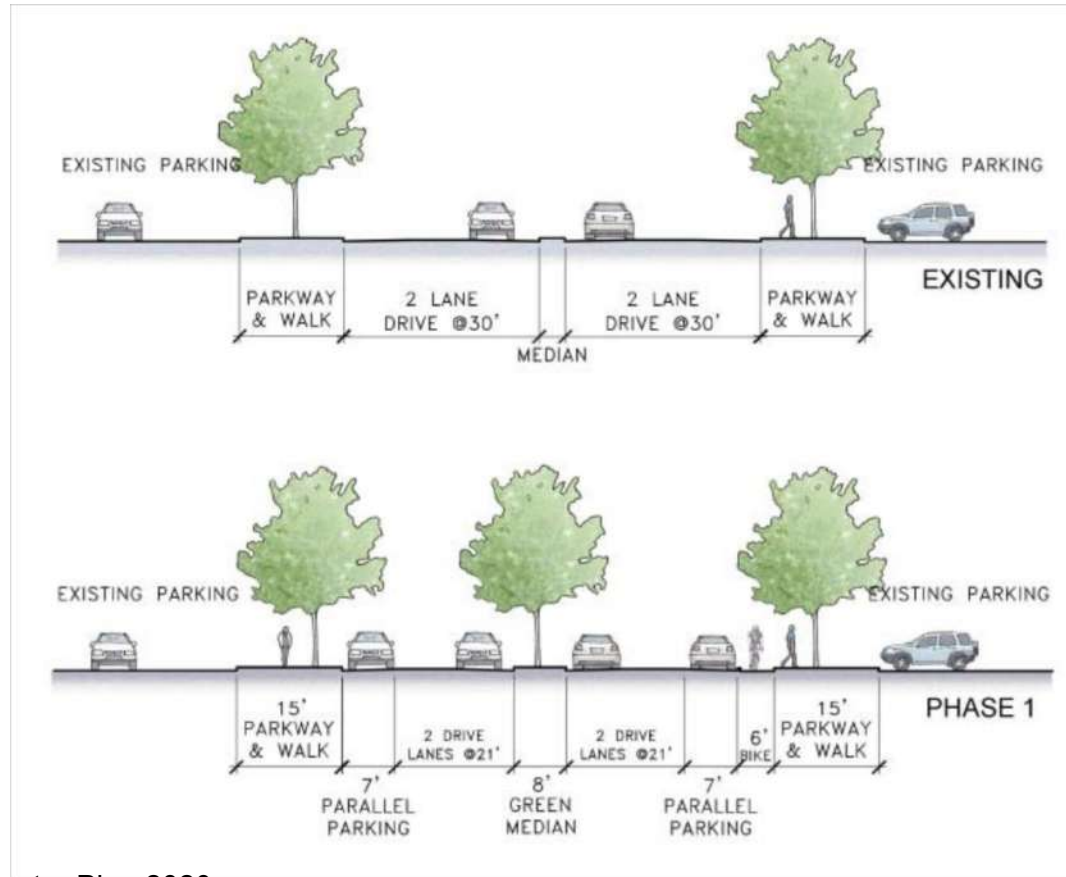
Sources: HKGi, Hampshire County, MA



Sidewalks



# Masterplan 2020



Sources: Baltimore County Master Plan 2020



# Masterplan 2020



Sources: Baltimore County Master Plan 2020

National Center for Smart Growth | The University of Maryland, College Park



# Summary of Recommendations by Land Use

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<b>For-Sale TH &amp; SFD</b>	Strong	Strong	Amenity orientation; finding location; increasing walkability	Up to 15-25 new units per year of each
<b>For-Sale Condos</b>	Moderate	Moderate	Amenity orientation; convert old apartments into condominiums	Up to 10 new units per year
<b>Apartments</b>	Weak	Moderate	Improve sense of place; rent levels are low for new construction	1 new apartment building every 10 years (85-200 units)
<b>Retail/ Restaurant</b>	Weak	Moderate	Consolidate & rehab existing neighborhood centers; need new residents for new retail	+/- 15,000 SF every 10 years w/ new residents & removal of old
<b>Office</b>	Weak	Weak	Consolidate office; stop spread of residential conversion	“Lightening strike” Demand at 0-40,000 SF



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