Appendix A:
Stoneham Town Center Market Study
November 2014

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Acknowledgements

The Stoneham Center Market Study was conducted as part of the larger Stoneham Town Center Strategic Action Plan project. Thank you to all who participated throughout the process, including the project Advisory Committee, local business and property owners and Stoneham residents. This project was undertaken with funds from the State's District Local Technical Assistance program. The Metropolitan Area Planning Council wishes to express our thanks to the Governor and the members of the Legislature for their continued support and funding of this program.

This Market Analysis was produced by the Metropolitan Area Planning Council, professional technical assistance was provided by Matthew Smith, Senior Regional Planner; Steve Winter, Economic Development Manager; and Christine Madore, Associate Planner.

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Thank you for the assistance and leadership of the following individuals:

Town of Stoneham
David Ragucci, Town Administrator
Stoneham Town Center Advisory Committee

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I. Market Study Context

This market study was undertaken as a component of the ***Stoneham Town Center Vision & Action Plan*** study. The purpose of the market study is to identity the potential for supportable residential and retail development within Stoneham's Town Square, and to identify potential commercial and housing investments within the neighborhood.

Location and Study Area

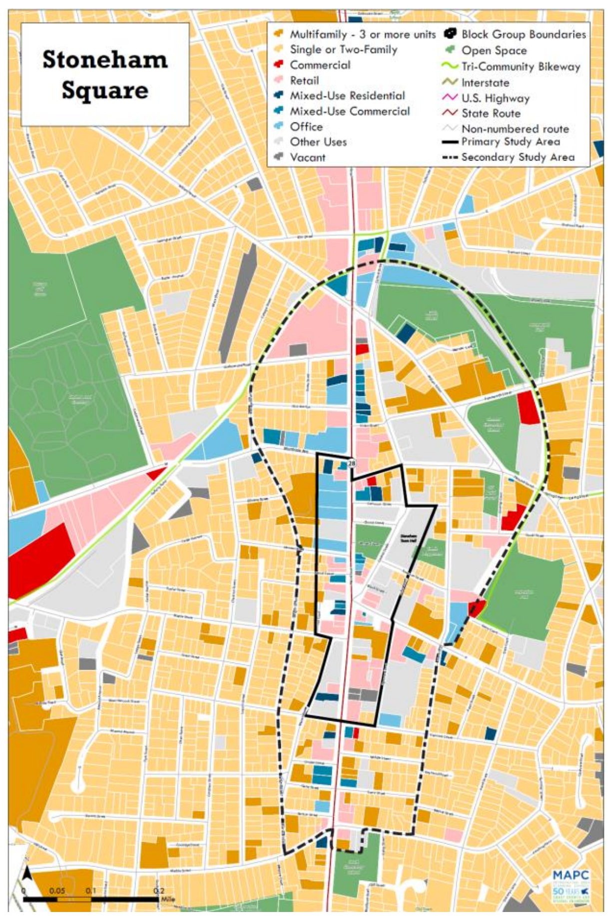
The Town of Stoneham, a mature inner-core suburb, is uniquely located north of Boston at the junction of Interstates 93 and 95, which provides residents with convenient access to Boston and regional job centers, and companies a strategic location with strong auto-oriented transportation links.

Stoneham's Town Center area is the focus of this analysis. As shown in Figure 1, Stoneham's Town Center is located along State Route 28 (Main Street). The study area includes Stoneham Square, the Town Common, primary entry corridors, and surrounding blocks. The primary study area (solid black line) includes all parcels along Main Street between Montvale Avenue to the north, Hancock Street to the South, Spencer and Fuller Streets to the east, and Warren Street/Hill Court to the West. A larger secondary study area (dotted black line) includes all parcels bounded by the proposed Tri-Community Bikeway right-of-way to the north, Wright Street to the west, Pine Street to the east, and Marble Street to the South. Essentially, these areas serve as the gateway corridors into the town center.

Transportation

Stoneham Square is primarily accessible by automobile along State Route 28, Main Street, which serves as a regional north/south route and is notably used as a cut-through when Interstates 93 and 95 are heavily congested. Montvale Avenue connects Main Street and the town center to Interstate 93. This intersection is often congested, particularly during peak hours. The Stoneham Square intersection can also back up, particularly with cars that cut through to neighboring communities such as Melrose and Malden.

There are few public transit options. One MBTA local bus serves Town Square and connects area residents to the Orange Line terminus in Malden. There is no Express Bus service to Boston. MBTA commuter rail stations are located approximately one mile from Town Square in Melrose.



Recent and Planned Investment

Stoneham has made several investments in the Town Center study area over the last decade, most notably, the redevelopment of the Stoneham Town Common, and the new Stoneham Middle School located at the northernmost boundary of the study area.

Private investment within the study area has included "The Residences at Stoneham Square" a 47-unit condominium development at the former Love's Furniture building in 2007; under construction 411 Main Street, a mixed use project with retail and 25 1- and 2-bedroom rental units; and the recent redevelopment of the Heritage Building (across from Town Common) with retail and office space, and new home to the Stoneham Chamber of Commerce. New restaurants and improvements to existing restaurants have also occurred.

No additional mixed-use or commercial development is currently planned within the study area; however, plans are in the works to begin construction of the Tri-County Greenway, a bike path that would link Stoneham's Town Center to Woburn and Winchester.

Interviews

Understanding the market from a local perspective is crucial to estimating future potential demand for new residential and retail space. As part of the market analysis, MAPC conducted numerous interviews with Town Center property owners, local merchants, developers, and other local businesses and organizations. In addition, discussions were held with Town Staff and Advisory Committee members composed of public and private sector workers, and Stoneham residents.

Opportunities and Challenges

The majority of those interviewed spoke with optimism of the potential to improve and enliven Town Center with optimism, and felt there is potential for further investment. However, all stressed that there are many challenges as well, starting with the overall negative reputation, or lack thereof, of the area. Many see it as a place to drive through that has been long neglected, and has limited offerings. At the same time, many stated that the area has "great bones" with potential to be a great place if improvements to streetscapes and other public realm changes were made.

The opportunity for a more varied retail environment in the Town Center was mentioned by nearly all interviewed and seen as a priority. Many mentioned that in its current form, Town Center is not a place where you can accomplish many shopping needs. Many felt the area had more hair and nail salons than other downtowns, a lack of dining diversity ("too many pizza and sandwich type places…"), and that it lacked common stores found in most downtowns like drugstores, card shops, or coffee shops/cafés where residents and shoppers can relax.

Recruitment of new businesses has been a challenge, and efforts need to be made to provide retailers with data-based information that shows there is a market for more business in the Town Center. For example, according to interviews, efforts to locate a coffee shop or café in the area have not proved successful. Others interviewed said shops Stoneham would like to attract have chosen other areas, in particular nearby Reading (e.g. Orange Leaf Yogurt, Dimici's Bakery of Melrose, etc.). Other discussions highlighted that many stores/layouts are dated, and that Stoneham Center lacks a destination where professional workers – those who reside in Stoneham, but also who work in nearby office locations along Montvale and/or commute through town – to congregate during or after work. Specifically, it was mentioned that there was no contemporary American bar/restaurant in Stoneham Square, even though it's well suited for this type of environment given its downtown feel. Further, many said that clothing and more unique boutiques would be welcomed, particularly if they could capture customers who pass through on their way to and from work and other activities. Nearly all suggested that a greater variety of restaurants and bars in addition to current offerings were also needed to create a restaurant destination and draw people to the Town Center.

Marketing Town Center was identified as a major opportunity and challenge. Marketing is a challenge because the area lacks an identity due in large part to the lack of retail options and appearance.

(However, many said the reputation of Town Center has slowly changed for the positive as more investment has been made. Further, with a larger auto-oriented retail environment to the north, efforts need to be made to ensure both areas are marketed properly, so as not to directly compete with one another. Thus, the need for targeted marketing would be needed.

More events and programming to attract additional customers and enliven the Town Center was also highlighted. Nearly all interviewed said there isn't anything to do in the Town Center beyond special events (Town Day, summer concerts, holiday strolls), and the theater. In fact, the Stoneham Theater was specifically mentioned by all interviewed as the major cultural asset drawing people to the Town Center, and that when shows were playing, business picks up. However, on off nights, it is quiet and many would like to see additional programming at the theater, particularly live music or even special movie screenings (e.g. cult films and classics) not shown in mainstream venues. Adding live music, trivia nights and other activities at bars/restaurants, as well as creating more family-friendly options in the Common and in stores (e.g. Family Paint Night at a restaurant), were also mentioned.

The public realm in its current form was seen as a challenge. Many said signage is old and unattractive, and that improvements could draw more people to Town Center. Most felt the area looked dated, that signage was not appealing, and that more could be done to make the area more inviting. Suggestions included outdoor dining options, replacements for the flower barrels, lamp post signage, more uniform retail signage and wayfinding (to plentiful parking options) and A-frames calling attention to stores. More generally, the need for more marketing of Town Center and the establishment of a "brand" is needed.

Another challenge to redevelopment is that the Town is not perceived to be business friendly. Many perceive there to be a lack of transparency in decision making, although suggest it has improved. There is also little guidance about the direction, and lack of strategic planning, not only in Town Center but for the larger community as well. It's a reactive community, not a proactive one. (Many noted, however, this planning process was a step in the right direction, and were happy to see it taking place.)

When discussing residential opportunities, one broker suggested that the residential market in town is improving, and some spillover buyers from the robust residential markets in Melrose, Malden and Medford are finding Stoneham. However, one impediment is the lack of available inventory – for single family and condos - currently on the market. Many homeowners are still underwater, and with current prices just below peak, are not likely to sell just yet. However, as the market continues to improve, more houses are expected to come onto the market. This could lead to more seniors seeking smaller unit alternatives within town. However, as highlighted, there aren't many newer alternatives to single family ownership in town. Discussions with property owners and brokers indicated the need for additional rental units. In particular, modern rental units that have amenities (e.g. fitness rooms, elevator access, etc.) are lacking. Even current rental units, which are older and lack amenities, rent quickly, and there are few vacancies. Further, with rental prices soaring in Boston and suburbs closest to the city, Stoneham holds potential as a moderately priced alternative. Many see the new 25-unit rental in Stoneham Square as the market test. If successful, more will likely follow.

Finally, although office property owners were interviewed, the key finding was that beyond smaller professional offices (lawyers, accountants, etc.) there is limited potential for additional office space in the Town Center. While Stoneham is considered to be a good location, new office development would be located closest to Route 93 or 95, where access is more convenient, parking is available, and parcels are larger. Additionally, neighboring Woburn and close-by Burlington submarkets are considered to be stronger given their location on the west side of the 93/95 interchange.

II. Demographics

Understanding the current and projected demographic and socioeconomic characteristics of a community and its region is essential to any market analysis. An area's households – composition, income, preferences – are key drivers that determine the market potential for housing and retail, and the community's economic position within its larger region.

Population

Unlike the majority of surrounding communities, population in Stoneham declined over the last decade by over 3 percent. All other communities, except Melrose, saw an increase in population, most notable Malden and Reading, which each increased by over 4 percent.

Table 1: Population Change 2000-2012, Stoneham and Surrounding Communities

	2000	2012	Pop Change	% Change
Stoneham	22,219	21,414	-805	-3.6%
Malden	56,340	59,388	3048	5.4%
Medford	55,765	56,255	490	0.9%
Melrose	27,134	27,043	-91	-0.3%
Reading	23,708	24,753	1045	4.4%
Wakefield	24,804	25,118	314	1.3%
Winchester	20,810	21,437	627	3.0%
Woburn	37,258	38,231	973	2.6%

Source: US Census 2000 and ACS 2012

Age Profile

Stoneham's population is aging. Since 2000, the population over 55 has increased by over 50 percent, while the younger population have decreased by over 10 percent. According to MAPC projections, this trend is expected to continue through 2030, thus attracting younger people to the area is important to better support an active Town Center.

Table 2: Population by Age Over Time: Stoneham 2000-2012

	2000	2012	Change	% Change
Under 19	4,986	4,490	-496	-9.9%
20 to 34	4,038	3,667	-371	-9.2%
35 to 54	6,930	6,114	-816	-11.8%
55 to 64	2,157	3,398	1241	57.5%
65+	4,108	3,745	-363	-8.8%

Source: US Census 2000 and ACS 2012

Stoneham has an older population compared to its surrounding communities and is aging at a higher rate than those communities. The median age in 2012 was 44.1, slightly older than in neighboring Wakefield and Winchester, but nearly 10 years older than Malden and Medford to the south. Additionally, although most communities saw their median age's increase between 2000 and 2012, Stoneham's increased at a higher rate.

Table 3: Median Age Over Time: Stoneham and Surrounding Communities 2000-2-12

	2000	2012	Change
Stoneham	40.6	44.1	8.6%
Malden	35.7	35.5	-0.6%
Medford	37.5	36.8	-1.9%
Melrose	39.4	41.1	4.3%
Reading	39.1	40.9	4.6%
Wakefield	38.9	41.8	7.5%
Winchester	41.1	43.1	4.9%
Woburn	37.7	40.2	6.6%

Source: US Census 2000 and ACS 2012

Households

For the housing market analysis, understanding the household composition and trends is more important than overall population figures. Every household resides in one housing unit, no matter the number of people in that household. Thus, to better understand future housing needs within a community, the number of households provides insight into the amount and type of housing that may be needed currently or in the future.

Unlike the majority of surrounding communities, the number of households in Stoneham decreased over the last decade. Not only did the number of households decrease, so did the average household size. This is likely the result of the aging population in Stoneham, and lack of younger residents moving in – particularly those singles, couples and households with children that have moved into nearby communities.

Table 4: Household Change: Stoneham and Surrounding Communities: 2000-2012

	2000	2012	Change	%	2000 Avg HH Size	2012 Avg HH Size
Stoneham	9,050	8,951	-99	-1.1%	2.42	2.37
Malden	23,009	22,836	-173	-0.8%	2.42	2.59
Medford	22,067	22,751	684	3.1%	2.43	2.36
Melrose	10,982	11,221	239	2.2%	2.44	2.38
Reading	8,688	9,110	422	4.9%	2.71	2.7
Wakefield	9,747	9,867	120	1.2%	2.52	2.51
Winchester	7,715	7,569	-146	-1.9%	2.65	2.8
Woburn	14,997	15,264	267	1.8%	2.47	2.49

Source: US Census 2000 and ACS 2012

Despite the decline in households over the last decade, MAPC projections anticipate an increase in households by 2030. As highlighted in Table 6 on page 6, all household growth in Stoneham is anticipated to be in those headed by persons over 65 years of age, while younger households, including those aged 35-54 (those most likely to have kids residing at home) are projected to decrease.

Significantly, household growth in Stoneham is projected to be lower than all surrounding communities. This is in part due to current preferences among younger households and seniors who are more likely to reside in walkable neighborhoods with public transportation – which Stoneham lacks, except for a local bus with limited hours of access. In fact, all communities surrounding Stoneham have access to either MBTA Commuter Rail or Orange Line trains.

Table 5: Household Change: Projected 2010 - 2030, Stoneham and Surrounding Communities

	2010	2020	2030	Change	%
STONEHAM	8,994	9,239	9,507	513	5.7%
Malden	23,673	26,333	29,390	5,717	24.2%
Medford	22,810	24,278	25,991	3,181	13.9%
Melrose	11,213	11,777	12,377	1,164	10.4%
Reading	9,305	10,253	11,221	1,916	20.6%
Wakefield	9,994	10,712	11,394	1,400	14.0%
Winchester	7,645	7,970	8,375	730	9.5%
Woburn	15,524	16,759	17,988	2,464	15.9%

Source: US Census and MAPC (Stronger Region Projections)

Table 6: Households by Age: Projected Change 2010 to 2030, Stoneham

	2010	2020	2030	Change	Percent
Under 20	47	34	24	(23)	-49%
20 to 34	1,053	1,106	1,045	(8)	-1%
35 to 54	3,521	2,994	2,940	(581)	-17%
55 to 65	1,840	2,080	1,738	(102)	-6%
65+	2,533	3,025	3,760	1,227	48%

Source: US Census and MAPC (Stronger Region Projections)

Family and Non-family Households

Approximately 65% of households in Stoneham are family households and 27% of all households have children under 18 residing at home, slightly lower than the State average. However, over 35% of households are non-family households, the overwhelming majority of which are persons living alone, of which nearly half are over the age of 65. In fact, Stoneham has a higher percentage of households with individuals over 65 years of age than the state. This population, along with younger singles and married couples without children, are more likely to prefer a smaller housing units.

Table 7: Households by Type, Stoneham 2012

	Stoneham		State
	Number	%	%
Family households (families)	5,871	65%	64%
Families with Children	*2,417*	*27%*	*29%*
Married Couple/No Kids	*2,793*	*31%*	*27%*
Single Parent	*402*	*4%*	*9%*
Nonfamily households	3,179	35%	37%
Householder living alone	*2,721*	*30%*	*29%*
Householder 65 years and over	*1,204*	*13%*	*11%*
Households with individuals 65 and older	2,841	31%	26%
Average household size	2.42	n/a	2.50
Average family size	3.07	n/a	3.12

Source: ACS 2012

Income

Stoneham's median household income is just under $73,000. This is higher than that of the State, but lower than that in nearly all surrounding communities, the exception being Malden. Further, Stoneham's households' incomes increased by a lower percentage compared to surrounding communities between 2000 and 2012.

Table 8: Household Income

	2000	2012	Percent Change
STONEHAM	**57,240**	**$72,938**	**27%**
Malden	45,255	$54,229	20%
Medford	52,510	$72,773	39%
Melrose	62,985	$86,264	37%
Reading	76,453	$102,614	34%
Wakefield	64,811	$85,810	32%
Winchester	93,585	$128,199	37%
Woburn	55,094	$72,434	31%

Source: US Census 2000 and ACS 2012

Communities with higher household incomes are often attractive to retailers, due to the higher buying power of nearby residents. Although Stoneham incomes are lower than in most nearby communities, many residents/commuters from more affluent communities (e.g. Melrose, Reading and Wakefield) likely travel through Stoneham and offer an opportunity to capture spending.

In addition, Stoneham's lower income is likely due in part to the large number of seniors, many of whom are likely living on a fixed income. When looking at household incomes by age of the householder, those over 65 years of age earn under $37,000 annually. Median incomes for households between 25 and 64 years of age exceed $85,000.

Table 9: Household Income by Age

Age	Median Income
15 to 24 years	$54,583
25 to 44 years	$85,293
45 to 64 years	$88,530
65 years and over	$36,827

Source: ACS 2012

Educational Attainment

Lower income levels compared to surrounding communities may be a result of a slightly lower level of education in Stoneham. Although a higher percentage of Stoneham residents 25 years or older hold at least a high school diploma or equivalent (93%) compared to Middlesex County and the State, a significantly lower percentage of residents hold at a bachelor's degree or higher (38%) compared to all of Middlesex County (50%). The most significant difference is the percentage of residents holding a graduate of professional degree, which often lead to higher incomes.

Table 10: Educational Attainment (age 25+)

Subject	Stoneham		Middlesex County		State	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Population 25 years and over	15,829	100%	1,043,896	100%	4,465,898	100%
No High School Diploma	1,126	7%	84,086	8%	484,887	11%
High school graduate	4,541	29%	228,467	22%	1,156,650	26%
Some college, no degree	2,767	18%	143,456	14%	739,171	17%
Associate's degree	1,370	9%	63,971	6%	344,724	8%
Bachelor's degree	3,801	24%	268,306	26%	989,299	22%
Graduate or professional degree	2,224	14%	255,610	25%	751,167	17%
Percent high school or higher	n/a	93%	n/a	92%	n/a	89%
Percent bachelor's or higher	n/a	38%	n/a	50%	n/a	39%

Source: ACS 2012

III. Residential Market Analysis

Existing Housing Stock

Housing Units by Type

The study area is comprised primarily of single and two-family units representing nearly 70% of total housing stock. Given its place as the Town Center, there is a higher concentration of multi-family units, particularly smaller apartment and condominiums. Just Over 15% of units are found in structures with 3-9 units, more than double that found in the remainder of town, but similar to the county rate. Surprisingly, only16 percent of Town Center units are in in structures with 20 or more units. This is low for a town center setting, where multifamily densities often are supported and contribute to an amenity rich, pedestrian-friendly street life. Specifically, the percentage of multifamily units in the Town Center area is significantly lower than all of Stoneham (25%), and lower than the Middlesex County percentage. Essentially, many of Stoneham's multifamily complexes are located outside of downtown in areas with limited walkability to services and amenities.

Table 11: Number of Units in Structure (Study Area, Stoneham, Middlesex, State)

	Town Center	Stoneham	Middlesex County
Single Family	53%	61%	55%
Two Family	14%	7%	13%
3-4 Units	9%	4%	9%
5-9 Units	7%	3%	5%
10-19 Units	9%	7%	5%
20 or more	7%	18%	12%
Other	0%	0%	0.4%

Source: ESRI BAO

The housing stock in Town Center is older than in the rest of Stoneham. As shown in Table12. Only 3% of units within Town Center have been built since 2000 (excluding the soon-to-open 24-unit Petrillo Building), and only 10% since 1990. While this is similar to all of Stoneham, more than half of units in the study area were built prior to 1940, which is significantly higher than the rest of town and all of Middlesex County.

This can be viewed both as a positive and a negative. Some households may find the older, historic housing stock in the surrounding areas of Town Center appealing. Other households looking for modern units with amenities including elevator access would likely look elsewhere. These types of units are often appealing to smaller households, including seniors and others with accessibility needs.

Table 12: Age of Housing Stock (Study Areas, Stoneham, Middlesex)

	Town Center	Stoneham	Middlesex County
Built 2010 or later	0%	0%	0%
Built 2000 to 2009	3%	4%	7%
Built 1990 to 1999	7%	6%	7%
Built 1980 to 1989	7%	14%	10%
Built 1970 to 1979	9%	11%	10%
Built 1960 to 1969	7%	15%	11%
Built 1950 to 1959	11%	19%	13%
Built 1940 to 1949	3%	5%	6%
Built 1939 or earlier	52%	27%	37%

Source: ESRI BAO

The lack of multi-family or townhouse units attractive to smaller households (e.g. multi-family) may act as a significant impediment to the overall vibrancy the Stoneham Town Center study area. There simply aren't many modern units available.

Occupancy Characteristics: Tenure and Length of Time

Just over half of units in the Town Square study area are owner-occupied, significantly lower than the town (70%). Significantly, a larger percent of rental households in the Town Center area have lived in Stoneham for a shorter time than renters elsewhere in town. Over 10% moved in since 2010 compared to 6% Town-wide and 8% County-wide. Nearly 40% moved in since 2000, significantly more than the Town or County averages. There could be many reasons for this, including age of housing stock, availability of parking, and/or transportation access, as well as housing impacts related to the Great Recession. The growing popularity of downtown or town center living may also be a driver.

Table 13: Tenure and Length of Stay

	Town Center	Stoneham	Middlesex County
Owner occupied	**56%**	**69%**	**63%**
Moved in 2010 or later	*3%*	*2%*	*2%*
Moved in 2000 to 2009	*17%*	*23%*	*24%*
Moved in 1990 to 1999	*15%*	*18%*	*16%*
Moved in 1980 to 1989	*6%*	*9%*	*8%*
Moved in 1970 to 1979	*9%*	*9%*	*6%*
Moved in 1969 or earlier	*6%*	*9%*	*7%*
Renter occupied	**44%**	**31%**	**37%**
Moved in 2010 or later	*11%*	*6%*	*8%*
Moved in 2000 to 2009	*28%*	*20%*	*24%*
Moved in 1990 to 1999	*3%*	*4%*	*3%*
Moved in 1980 to 1989	*2%*	*1%*	*1%*
Moved in 1970 to 1979	*0%*	*0%*	*0%*
Moved in 1969 or earlier	*1%*	*0%*	*1%*

Source: ACS 2012

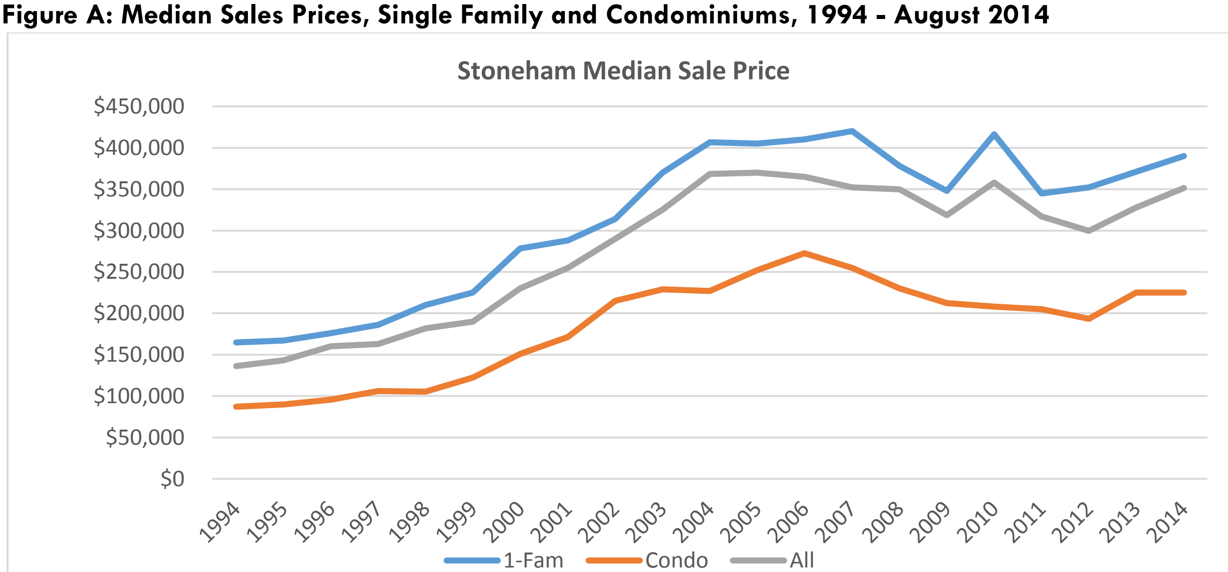
Housing Sales and Pricing

Although residential real estate brokers said that a significant issue for Stoneham housing sales is the lack of inventory on the market, transaction information from the Warren Group shows a slightly different story with housing sales and prices on the rise. Although home sales dipped during the recession, numbers have picked up considerably in the last few years, having reached or exceeded the number of sales during the peak years. Median prices, however, have not yet reached the peaks of 2006. Further, 2014 will have the highest sales volume in at least 10 years, led by an increase in condominium sales. Through August, nearly 230 total sales have closed, including 73 condominiums (the highest number since 2005) and 126 single family homes (4 shy of the 2013 total). However, prices have not reached the same peak.

Table 14: Single Family and Condo Sales

Year	1-Fam	Condo	All
1994	108	102	244
1995	110	68	208
1996	137	58	234
1997	172	83	299
1998	150	82	258
1999	128	81	237
2000	97	79	208
2001	135	77	238
2002	122	64	208
2003	129	91	244
2004	112	58	202
2005	129	77	231
2006	104	61	190
2007	122	68	204
2008	94	39	144
2009	112	42	165
2010	94	35	152
2011	90	39	148
2012	120	60	201
2013	132	62	231
2014	126	73	229

Figure A: Median Sales Prices, Single Family and Condominiums, 1994 - August 2014



Source: Warren Group, 2014

The higher number of sales has been met with increasing median sales prices, particularly for single family homes, which are near peak (-5% from 2006). Brokers have said that well priced starter homes (Under $500K) are at a premium throughout town, and sell quickly.

Condominiums sales prices have leveled off, but are significantly lower than pre-peak prices (-15%). However, when looking at recent sales, this is likely related to age and quality of the stock. As shown in Table 15, newer condominiums, particularly those with amenities (e.g. in unit laundry, elevators) are selling for more than $325,000, and as high as $420,000. These prices are significantly more than the median condo price ($225,000 in 2014) town wide, and higher than median condo prices at the peak ($272,500). For example, 2-BR units at 426 Main Street in Stoneham Square, which was built in 2007, are selling for around $350,000, whereas 2-BR condominiums in older structures are selling in the mid $200,000 range. Townhouses on Pomeworth have recently sold for above $400,000. Thus, location in or near Town Center appears to have a premium, as these are the highest condo sales in Town.

Table 15: Recent Sales by Unit Type

Address	Use	Beds	Baths	Sq Ft	Sale Date	Sale Price	Avg cost per sf	Yr Built
426 Main Street	Condo	2	2	1296	6/26/14	$352,500	$272	2007
426 Main Street	Condo	2	2	1160	6/10/14	$342,500	$295	2007
426 Main Street	Condo	1	1	691	5/15/14	$235,000	$340	2007
426 Main Street	Condo	2	2	1209	12/20/13	$329,500	$272	2007
61 Wright Street	Condo	2	2	796	8/19/14	$210,000	$264	1930
12 Benton Street, Apt 8	Condo	2	2	1477	5/23/14	$267,350	$181	1940
8 Gilmore St, Apt D.	Condo	2	2	1280	2/7/14	$257,000	$200	1999
10 Pomeworth St	Condo	2	3	1892	4/30/13	$415,000	$219	2007
10 Pomeworth St, Unit J	Condo	2	2.5	2034	2/23/14	$420,000	$206	2007
2 Gould St, Apt 4	Condo	2	1	1900	1/19/14	$200,000	$210	1900
15 Pomeworth, Unit A	Condo	1	1	1880	12/9/13	$200,000	$200	1900
4 Gerry Ct	1-F	3	1	1370	6/25/14	$355,500	$259	1831
15 Grant Street	1-F	3	1	984	7/15/14	$340,000	$345	1964
12 Raymond Rd	1-F	2	1	1008	6/6/14	$325,000	$322	1950
7 Warren St	1-F	3	2	1255	5/1/14	$375,000	$298	1900
1 Poplar Street	1-F	5	3	2458	12/19/13	$255,500	$185	1840
6 Hersam St	1-F	2	1	1008	5/28/14	$257,200	$255	1935
22 Cedar Ave	1-F	4	3	2833	5/22/14	$605,000	$213	2003
37 Chestnut St	1-F	3	2	1813	12/2/13	$442,000	$243	1890

Source: Zillow

Further, brokers and property owners suggest that there is a market for new housing in Stoneham Square. While single-family units most attractive to young families are found within walking distance to Stoneham Square, most have not entered the market, but likely will in the coming years as seniors decide to downsize. Given the lack of available condominiums for sale in the study area (6 total as of September 2014), and the lack of new or recently-constructed condominium units, brokers and developers believe there is a market for new construction, particularly units that appeal to seniors looking to downsize and young professionals who work along the Route 95 corridor or in Boston. And recent sales suggest new construction is feasible, particularly for condominiums which are in short supply in walkable environments not only in Stoneham but regionally.

The lack of new product is evident in building permit data. Beyond projects like the former Love's Furniture Building, there has been almost no new multifamily construction in recent years. Over the last decade, only 83 residential building permits have been issued in town, the overwhelming number of which have been for single family homes. In fact, only 3 permits have been issued for multifamily construction. One 3-unit building, one 14-unit building and 1 5-unit building.

Table 16: Building Permit Data

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single Family	10	13	6	3	2	0	0	14	19	11
Two Family	0	0	0	1	0	0	0	0	1	0
Three and Four	1	0	0	0	0	0	0	0	0	0
Multifamily	0	1	1	0	0	0	0	0	0	0
Total Permits	11	14	7	4	2	0	0	14	20	11
Total Units	*13*	*27*	*11*	*5*	*2*	*0*	*0*	*14*	*21*	*11*

Note: These permits are for new construction and do not reflect permits for upgrades and condominium conversions.

Rental Market Characteristics

Compared to Middlesex County, renters in Stoneham and in Stoneham Town Center tend to be older, and they are growing older. In 2012, less than a quarter of renters in Stoneham Center were under 35 years of age, compared to nearly 40% in 2000. While this is similar to the Town percentage, it is significantly higher than in Middlesex County, where close to 40% of renters are under 35 years of age.

In fact, where the number of renters over 35 held relatively steady in Middlesex County, the percentage of renters in Stoneham increased significantly. The increase was in households 45-54 and especially 55 to 64 years of age (+255 households).

Table 17: Age of Renters: Town Center, Stoneham and Middlesex County

	Census Tract		Stoneham		Middlesex County	
	2000	2012	2000	2012	2000	2012
Under 35 years	38%	24%	26%	24%	40%	37%
35 to 44 years	26%	14%	19%	16%	23%	20%
45 to 54 years	15%	22%	14%	15%	14%	17%
55 to 64 years	9%	26%	10%	21%	8%	11%
65 and over	13%	15%	31%	26%	16%	15%

Source: US Census 2000, ACS 2012

Looking more specifically at numbers, there were 67 more total renter households in Stoneham Center in 2012 compared to 2000. However, there were over 200 more households over 55 years of age, and 116 fewer under 35.

Table 18: Renters by Age 2000-2012, Stoneham Center

			CHANGE		% OF TOTAL	
CENSUS TRACT	2000	2012	#	%	2000	2012
Total Households	2212.00	2212.00	0.00	0%	100%	100%
Renter Households	943.00	1010.00	67.00	7.1%	42.6%	45.7%
Under 35 years	353	237	-116.00	-32.9%	37.5%	23.5%
35 to 44 years	240	139	-101.00	-42.1%	25.5%	13.8%
45 to 54 years	141	217	76.00	53.9%	15.0%	21.5%
55 to 64 years	83	262	179.00	215.7%	8.8%	25.9%
65 and over	126	156	30.00	23.8%	13.4%	15.4%

Source: US Census 2000, ACS 2012

Beyond the increase in senior households over the last decade in Stoneham, these numbers show that in general, younger renters are looking outside of Stoneham. Based on regional and national trends, younger people are more likely to seek out environments that are walkable with many amenities, and that are close to work. However, Stoneham Center lacks many of the amenities younger people seek out – cafes, casual/affordable restaurants and local shops. The lack of diversity, both in unit types, and in the retail environment, were identified as impediments to attracting a younger demographic to the area.

Table 19: Renters by Length of Residency

	Town Center	Stoneham	Middlesex County
Renter occupied	**44%**	**31%**	**37%**
Moved in 2010 or later	*11%*	*6%*	*8%*
Moved in 2000 to 2009	*28%*	*20%*	*24%*
Moved in 1990 to 1999	*3%*	*4%*	*3%*
Moved in 1980 to 1989	*2%*	*1%*	*1%*
Moved in 1970 to 1979	*0%*	*0%*	*0%*
Moved in 1969 or earlier	*1%*	*0%*	*1%*

Source: ACS 2012

Rental Units

Brokers and property owners noted that multi-family and upper floor rentals in the Town Center go quickly. However, the existing inventory is not modern and units lease for relatively low market rents ($1,000 – 1BR). New units coming online at 411 Main Street will rent for between $1,800 for a 1BR unit and $2,300 for a 2BR unit. These units feature hardwood floors, granite countertops and stainless steel appliances, and have elevator access and underground parking. While not affordable to lower income households, the developer has received interest from potential tenants. (Units will not begin renting until October/November 2014.) Brokers see potential for the project, as rents are considerably lower than for similar new units in Boston, Cambridge and Somerville, and lower than newer projects in Melrose near the Orange Line.

Table 20: Rental Rates at Nearby Residential Complexes

Property	Location	Units	1 BR Rent	2BR Rent	Amenities	Completed
Stoneham						
Cliffside	Stoneham		$1,625	$1,845	Fitness Center, Laundry	?
114 Main St.	Stoneham	24	$1,800	$2,350	Elevator, Granite	2014
The Gates	Stoneham		n/a	$1,700	Elevator, Pool, but dated	Older
Melrose						
Windsor at Oak Grove	Melrose	550	$1,870+	$2,100-$2,600	Transit, Pool Washer/Dryer	2009
Alta Stone Place	Melrose	67	$2,312	$2,649	Transit, Fitness Center, Pool, Elevator	2013
Burlington						
Heritage at Stone Ridge	Burlington	180	$1,850	$2,340	Washer/Dryer, Pool	
Avalon Burlington	Burlington	312	n/a	$1,800	Fitness Center, Pool	

Source: Zillow, and Property Websites

Recent Development and Pipeline Projects

Beyond the 24-unit 411 Main Street development, there is little new residential proposed for Stoneham. A 298-unit Comprehensive Permit project is proposed on Franklin Street near the Melrose line (and commuter rail stop), as is a 264-unit complex on Fallon Road off of I-93. Neither of these developments offer residents a walkable, mixed-use environment. Beyond these developments, some two-family units are currently proposed or under construction throughout town.

Housing Affordability and Cost Burden

It is important to understand not only the cost of housing and incomes, but the percentage of income households are currently spending on housing. Only 495 housing units (5.3% of all units) in Stoneham are deed-restricted affordable units, eligible to low-income households earning below 80% AMI (Area Median Income). However, over 31% of households in Stoneham would qualify for low-income housing. Thus there is likely a need for more affordable units, particularly those near amenities and transportation connections.

To help identify the need for affordable units (subsidized for low income, or market rate), looking at cost burdened households helps to determine need. Cost burdened households are those who spend more than 30% of their income on housing costs. Those who spend more than 50% are considered to be severely cost burdened.

As shown in Table 21, over 40% of Stoneham households are housing cost burdened, and 15% are severely cost burdened. (A higher percentage of renter households are cost burdened (55%) compared to owners. More specifically, Stoneham's low income households are disproportionally housing cost burdened. Nearly 75% of households earning below 80% Area Median Income are burdened (see Table 22), compared to less than 20% of high income households. This is significant because housing cost burden is particularly difficult for lower income households who have less disposable income. Therefore when housing costs consume the majority of their income, they have little to spend on other necessities like food and clothing. It would be recommended that a minimum of 20% of new units constructed in the future be deed-restricted as affordable units.

Table 21: Cost Burdened Households

	Number of HHs	Percent HHs
Total HHs	8,789	100%
Cost Burdened HHs	3,598	41%
Severely Cost Burdened HHs	133	15%

Source: ACS 2011

Table 22: Cost Burdened Households by Income

	Total Households	Number of Cost Burdened Households	Percent of Cost Burdened Households
Low Income HHs (below 80% AMI)	2,775	2050	74%
Moderate Income HHs (80%-100%)	1,040	480	46%
Higher Income HHs (100%+)	5,070	945	19%

Source: ACS 2011

Table 23: Cost Burdened Households by Type

	Total Households	Number of Cost Burdened Households	Percent of Cost Burdened Households
Elderly Family	1,135	470	41%
Small Family	3,685	1,275	35%
Large Family	625	185	30%
Elderly Non Family	1,370	860	63%
Other	2,070	685	33%

Source: ACS 2011

Given the limited number of affordable units in town, and the high level of housing cost-burden, there is a housing mismatch in town, and more affordable housing options are needed. This is common throughout many communities in the region, and points to the growing need for units affordable to lower-, moderate- and middle-income households.

Housing Demand, 2014 to 2020

To estimate future demand, MAPC used its Stronger Region Forecasts to estimate the number of housing units needed over the next 5-7 years. Stoneham's population is projected to age significantly over the next 15 years. This will lead to a decrease in household size, but an increase in the number of total households.

Table 24: Projected Household Change, 2012 - 2030

	2012 Total	2020 SR	Change	2030 SR	Change
Households	**9,050**	**9,239**	**189**	**9,507**	**457**
Town Center Capture (33%)	***n/a***	***n/a***	***63***	***n/a***	***152***
Remainder of Stoneham (66%)	*n/a*	*n/a*	*126*		*304*

Based on MAPC's household projections, at least 189 new households are expected in Stoneham by 2020, and over 450 by 2030. Given the aging of Stoneham's households, the increase of older renters coupled with a decrease in younger renters, new unit demand is for multifamily development in locations accessible to retail and services as well as transit. Thus, given changing preferences, approximately one-third of total demand could likely be supported in the Town Center area. The remainder would be built in other areas in town, particularly areas closest to highway infrastructure, and commuter options (e.g. near Melrose or Wakefield town lines.) Additionally, given the growing percentage of renters over the last decade, approximately half of all unit demand will be for rental apartments – predominantly 2BR units.

Amenities including elevator access, fitness rooms and other common space will make new units more competitive with other amenity rich areas that offer transit. Further should the Town Center offer a greater range of activities and amenities – particularly an improved retail landscape and especially public transit options (express bus, or commuter rail feeder service) the same multifamily units that are typically attractive to older residents could attract younger households, particularly those who work along 95 and 93, and who wish to be closer to work. Further, based on current sales prices for newer condominiums, new construction could likely be supported in Stoneham Center, particularly given the lack of condominiums available for sale within the region. Again, including affordable units in the mix should be a priority.

IV. Retail Market Analysis

A. Existing Retail Inventory

The first step in conducting the retail market analysis involved researching and analyzing the current retail inventory within the study area. MAPC staff surveyed the existing retail environment by walking the entire study area and documenting each store by type. In total, approximately 130 retail and professional office establishments were identified. This included a range of retail, professional office, and institutional uses (e.g. Town Hall, Library, etc.). The main finding – which echoes sentiments from those interviewed – is that the retail composition of the area is unbalanced (see Table 25), with an unusually high concentration of personal and professional services/offices, and a low supply of retail establishments like shoppers and convenience goods.

Table 25: Existing Retail Inventory by Type

Type	# of Stores	% Town Center	% Typical Neighborhood/Community Center Mix
Shoppers Goods	13	11%	30-40%
Convenience Goods	9	7%	20-30%
Food Service	19	16%	10-20%
Personal Services	46	42%	10-20%
Professional Services	25	20%	10%
Vacant	5	4%	5%

Source: MAPC

In particular, there is a very high concentration of Personal Services businesses – 46 stores, or 42% of the total inventory including numerous hair, nail, and other service establishments like dry cleaning. This is significantly higher than the 10-20% found in a typical neighborhood center. Professional Services/Offices (lawyers, accountants, etc.) made up 20% of the total, which is far higher than the typical 5% found in balanced centers. On the flip side, the number of shopping goods stores – places like clothing stores, gift shops, shoe stores, books, etc. – is very low at 11% (30-40% would be typical), as are the number of convenience goods stores (food, health/pharmacies, health, beauty, etc.) 30-40% would be typical. Food service is currently within the typical range round in town centers, however, the inventory is heavy on limited service and take out options that offer similar choices – pizza, sandwiches, etc. And although vacancy is slightly lower, this may reflect the ability of businesses to continue operating due to lower rents for older spaces, and the overall non-competitive environment.

In summary, the area lacks the variety of retail options typically associated with destination shopping and dining environments.

B. Trade Area

Before future potential can be identified, a trade area – the area in which businesses will draw the majority of their business – needs to be determined. Defining a trade area, or areas, is a key task as it defines the boundaries for which data is gathered and analyzed to identify potential retail opportunities.

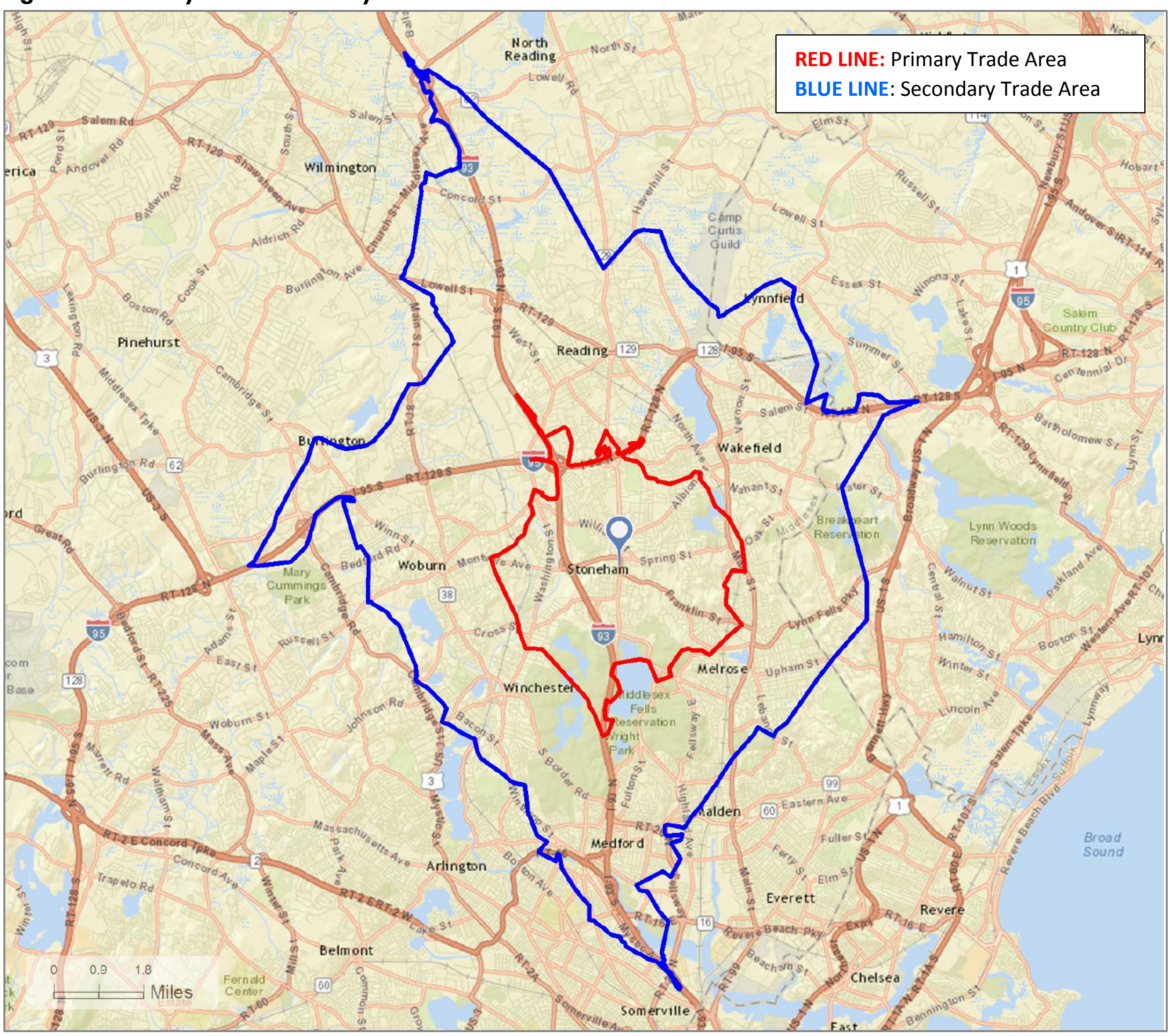
Given that Stoneham Square is located along a heavily traveled State highway (Route 28, Main Street), and has limited public transit service, MAPC identified and analyzed three trade areas for different purposes.

- ***Town Center (hyper local market):*** The town center trade area encompasses areas within ½-mile radius of the Town Common. The area was specifically analyzed to identify if additional retail could potentially be supported from existing households living within walking distance to Town Center.

- ***Primary Trade Area (local market):*** The primary trade area includes all areas within a 5-minute drive of the Town Common. This includes all areas of Stoneham, as well as portions of Melrose, Wakefield, Reading, Woburn and Winchester. The 5-minute drive study area was selected, as consumers typically prefer to purchase goods and services at locations that are nearby and convenient. The area also does not overlap with competing town centers (Melrose, Wakefield, Woburn and Reading).

- ***Secondary Trade Area (regional market):*** The secondary trade area encompasses areas within a 10-minute drive of Town Common. This includes all of Stoneham and areas as far as North Reading to the north, Somerville and Malden to the South, Lynnfield and Peabody to the east, and Woburn and Burlington to the west. Households within this trade area may shop in Stoneham occasionally, but the majority of their spending will occur outside of Stoneham Square.

Figure B: Primary and Secondary Trade Areas



C. Retail Opportunity Gap Analysis

A retail opportunity or gap analysis looks at the overall demand for retail goods and services within a designated trade area based on the spending potential of households (demand), and the actual sales for those goods and services within the market area (supply). The difference between the demand and supply is the retail "gap". When the demand exceeds the supply, there is "leakage," meaning residents must travel outside the area to purchase those goods. In such cases, there is an opportunity to capture some of this spending within the market area to support new retail investment. When there is greater supply than demand, there is a "surplus", meaning consumers from outside the market area are coming in to purchase these goods and services. In such cases, there is limited or no opportunity for additional retail development. Thus, the retail gap analysis provides a snapshot of potential opportunities for retailers to locate within an area.

To best identify retail opportunities within Stoneham's town center area, a gap analysis was performed at the three market levels: the local market (1/2-mile radius/walk), the primary market (5-minute drive), and the secondary market (10-minute drive).

For purposes of this retail analysis, as stated earlier, the 5-minute drive time was deemed the most appropriate for analysis, as it captures nearby residents most likely to walk or take a short drive for convenience

Gap Analysis

Table 2 provides a summary of the retail opportunity gap analysis. Those figures in red (and with negative signs) indicate sectors for which there is a surplus of retail sales within the given trade area (i.e. little to no opportunity). Those that are positive and in black, represent sectors where there is leakage (i.e. opportunity for more retail).

Table 26: Summary Retail Opportunity Gap: 3-digit NAICS, All Trade Areas

	NAICS	LOCAL TRADE AREA	PRIMARY TRADE AREA	SECONDARY TRADE AREA
		Town Center	5-minute Drive	10-minute Drive
Total Retail Trade and Food & Drink		-$22,540,841	$224,261,637	$847,489,626
Total Retail		-$15,851,815	$202,588,614	$760,047,793
Total Food & Drink		-$6,689,024	$21,673,022	$87,441,833
Motor Vehicle & Parts Dealers	441	$5,244,382	$54,867,466	$140,251,286
Furniture & Home Furnishings Stores	442	-$1,306,064	$7,061,224	$13,951,911
Electronics & Appliance Stores	443	$787,950	$10,487,018	$35,186,904
Building Materials, Garden Equip. & Supply	444	-$1,966,679	$5,034,690	$7,343,193
Food & Beverage Stores	445	-$30,080,898	$5,586,472	$157,806,277
Health and Personal Care	446	$4,665,107	$35,659,498	$94,090,502
Gasoline Stations	447	$437,563	$32,931,126	$174,319,470
Clothing & Clothing Accessories	448	$1,965,834	$24,452,024	$31,148,586
Sporting Goods, Hobby, Book and Music Stores	451	-$1,154,296	$6,919,303	$18,425,734
General Merchandise Stores	452	$5,482,738	$1,954,236	$136,459,891
Miscellaneous Store Retailers	453	$535,471	$4,449,121	$10,035,897
Nonstore Retailers	454	-$453,186	$13,186,439	-$58,971,859
Food Services & Drinking Places	722	-$6,689,024	$21,673,022	$87,441,833

Source: Dun & Bradstreet via ESRI BAO, and MAPC

As demonstrated in Table 26, there is limited opportunity for new retail that can be supported solely by residents currently residing within the local trade area – households within ½-mile of the Town Common. However, there is significant opportunity across all retail sectors within both the primary and secondary trade areas. Several of these retail types typically do not locate in a walkable downtown or town center environment. For example, motor vehicle & parts dealers often locate along auto-oriented commercial corridors where there are large parcels for parking/storage, as do large General Merchandise stores (e.g. Target, Macy's, etc.), which typically locate in malls or strip mall environments. These would be more appropriate uses for areas further north on Main Street (e.g. Redstone Plaza), or elsewhere within the Secondary Trade Area. Thus, these and other retail sectors that typically locate in suburban, auto-oriented commercial areas were removed from the analysis for Town Center.

Table 27 provides a summary of opportunities (shaded areas with an X), or lack thereof, for Town Center-inclined retail sectors. Sectors that show opportunity across all three trade areas typically hold the greatest opportunity for more retail. Thus, opportunities can be categorized as Strong, Limited, or Minimal, as follows:

Table 27: Retail Opportunities: Urban Inclined Sectors

	NAICS	LOCAL TRADE AREA	PRIMARY TRADE AREA	SECONDARY TRADE AREA
		Town Center	5-minute Drive	10-minute Drive
Furniture & Home Furnishings Stores	*442*		X	X
Electronics & Appliance Stores	*443*	X	X	X
Food & Beverage Stores	*445*		X	X
Health & Personal Care Stores	*446*	X	X	X
Clothing & Clothing Accessories	*448*	X	X	X
Sporting Goods, Hobby, Book, Music Stores	*451*		X	X
Miscellaneous Store Retailers	*453*	X	X	X
Food Services & Drinking Places	*722*		X	X

Source: ESRI BAO and MAPC

Strong Opportunity

- Electronics
- Health & Personal Care Stores (does not include hair and nail salons)
- Clothing and Shoe Stores
- Miscellaneous Store Retailers (Used Merchandise, Gift Shops)
- Full and Limited-service Restaurants

Some Opportunity

- Hobby, Book and Music Stores
- Furniture and Home Furnishings (Home Goods more than Furniture)

Minimal or No Opportunity

- Food & Beverage Stores

Important to note, restaurants were included as a strong opportunity because there is a significant gap in both the Primary and Secondary Trade Areas of over $21million and $87 million, respectively. However, this data likely does not take into account the recent openings of several full- and limited-service restaurants in the Market Street at Lynnfield lifestyle center (e.g. Davio's, FuGaKyu, Legal C Bar, Wagamama, Yard House, Panera Bread, Temazcal, etc.), which is located at the periphery of the Secondary Trade Area. These recent openings likely diminish some of the opportunity.

Potential Supportable Retail Square Footage

Next, the potential for new supportable square footage of retail space was estimated for Stoneham Town Center. It is important to note that the below analysis is not a prediction for what will occur in Stoneham Town Center, rather it is an estimate of retail space that could be supported based on the gap analysis figures, average sales per square foot of different store types, average store sizes in downtown areas, and an estimated spending capture within the Primary and Secondary Trade Areas.[1]

Assumptions based on the different trade areas are below:

- ***Primary Trade Area:*** 10 percent of opportunity gap would be captured/spent in Town Center businesses. 90 percent would occur in other shopping areas – Redstone Plaza, nearby Downtowns (Melrose, Reading, etc.), and malls like Market Street at Lynnfield.
- ***Secondary Trade Area:*** 5% of opportunity gap would be captured/spent in Stoneham Town Center; 95% outside in other downtowns, and at other large retail centers (Market Street Lynnfield, Burlington Mall, and Square One Mall) as well as other commercial areas.

Table 28 provides a summary of the potential for new retail space for each of the two trade areas studied. Included for each is the potential supportable square feet, the number of potential establishments, and the types of retail most likely given the gaps identified. (For a more detailed look at the analysis, see Table A.X. in the Appendix.)

Table 28: Summary of Potential Supportable Retail by Square Feet and Number of Establishments

Trade Area	Supportable Square Footage	Total Establishments	Types
Primary Trade Area (5-minute drive)	45,600	10-12	5 small clothing/shoe stores (or 2-3 larger ones), full service restaurant, 2 limited service restaurants (cafes), home goods and gift shop, 1 hobby shop (music/books/electronics).
Secondary Trade Area (5-mile Radius)	15,750	4-5	2-3 full-service restaurants, 1 limited service restaurant (café), 1 furniture/home furnishings, 1 hobby (music/books)
ESTIMATED POTENTIAL	50,000 (total supportable sf – existing vacant sf, then rounded)	15 establishments (10 new storefronts)	Clothing/shoes, restaurants (limited and full svc), gift/hobby, home furnishings.

Source: ESRI BAO and MAPC

As highlighted in the above table, the potential exists to support up to 50,000 square feet of additional retail space in Stoneham Square based on spending and estimated capture rates within the trade areas. (This figure represents the total supportable square footage from the Primary and Secondary Trade Areas, minus the existing vacant square feet[2].)

Roughly 15 small establishments (1,000-3,000 sf) could potentially be supporter in approximately 10 new storefronts (5 new establishments could fill existing vacant spaces). In particular, there is an opportunity to

[1] The local ½-mile square footage was not selected for analysis of potential square footage, as the area is included within the Primary Trade Area.

[2] Five retail vacancies were identified including in new construction/redevelopment projects. At an average of 2,000sf, an estimated 10,000sf of ground floor retail space is currently available within Town Square.

add anywhere from 2-5 clothing/shoe stores (depending on the size and products offerings), 2-3 home furnishings and goods stores, 1-2 miscellaneous retailers such as gift shops and or consignment/used merchandise. Residents from the 5-minute drive, Primary Trade Area would be the main customers for these establishments. In addition, given the significant leakage in restaurant spending within the Primary and Secondary Trade Area, 4-5 full service restaurants could be supported (particularly casual, affordable bistros and gastro pubs, which are lacking) as could 2-3 café style outposts.

Again, it is important to note, that the above retail square footage and number of stores, is not a prediction of what will happen, it is what can potentially be supported by residents in the area. There are many additional factors that impact the decision to locate a new retail establishment in an area:

- availability and quality of the retail space
- size of the spaces depending on retail type
- store location – is it highly visible? (Retail needs high visibility)
- Foot traffic – the more the better
- Rents and terms
- Parking – Is it available nearby or within a short walk?
- Product or service price points
- Marketing
- Business plan and acumen
- Zoning and other regulatory obstacles
- Permitting and inspection processes
- Etc.

Thus, although the potential exists for more retail, based on the numbers, the amount captured may be less, particularly if spaces and locations are not conducive to a strong retail environment. However, given the high visibility along much of Main Street, visibility is not likely the main impediment to a stronger retail base. Thus, strategies to make the environment more appealing to customers will likely be needed. This will include marketing (to residents, but also to area businesses and their employees), wayfinding and store signage improvements, business attraction initiatives, more programming, and other public realm improvements.

D. Worker Retail Potential

Also key to the success of many retail districts is local workers, as their spending supports retail establishments. According to the International Council of Shopping Centers (ICSC)[3], local office workers spend approximately $100 dollars a week on food and convenience goods during the work week (during commutes to and from the office, or during the day - i.e. lunch).

There are over 4,000 workers employed within a 5-minute drive of Town Center. As shown in Table 29, if Stoneham Town Center businesses could capture a portion of weekly spending by half of the local workforce, and a tenth of those within a 5-minute drive – through marketing and/or new offerings – an estimated 5 establishments could be supported – mostly casual sit down restaurants or take-out or convenience retail. However, given the impression that many establishments are "getting by", additional marketing to capture worker spending would not support 4 additional establishments, it would likely support and further strengthen business at existing or replacement establishments should current offerings close, as well as other opportunities identified in the gap analysis.

[3] Goover, Joel, "New Retail Frontier: Lunchtime Shoppers," International Council of Shopping Centers, June 2012.

Table 29: Worker Supported Retail

	Local Worker Spending		Potential Supportable Retail	
	# of workers (rounded)	Annual Spending (estimated)	Square footage retail	Number of supportable stores
Workers within ½-mile (50%)	2,000	$1,900,000	6,475	3.5
Workers w/in Primary trade area workers (10%)	1,450	$700,000	2,375	1.5
TOTALS	6,250	$2.6 M	8,850	5

Assumptions:
- 50% Town Center (1/2-mile radius) worker capture. $20/week spending per Town Center employee (1/2-mile), primarily on food and convenience.
- 5% Primary Trade Area workers (within 5-minute drive) spend 20% weekly spending in Town Center. $10/week spending per Primary Trade Area employee (5-minute drive), primarily on food and convenience.

Summary

Based on the analysis of the various market conditions highlighted throughout this document, Stoneham's Town Center hold the potential to support additional residential and retail development. The residential could support up to 150 additional units of housing. Given changing housing preferences of the market segments most likely to reside in a walkable Town Center, multi-family and townhouse style units would be in greatest demand, with approximately 50% rental and 50% owner. To attract more residential, additional transportation options are likely needed to attract residents and support new investment. A more active, amenity rich area with a greater variety of retail and programming would also help to attract more residents to the area. Based on the analysis the potential exists for up to 50,000 sf of additional retail (12-15 new establishments) in the Town Center study area should it capture 10% of the retail gap for town-center inclined retail. The greatest opportunities would be for eating and drinking establishments, clothing stores, and specialty retailers (e.g. card/gift and home goods). Worker spending would also be needed to support existing and future retail potential. Thus, a more robust marketing strategy, combined with improvements to the public realm are needed to draw more residents and consumers to the area.