Hurst-Bellaire Preliminary Market Findings

CDS | Spillette Alliance
Pavlik and Associates
Demographic/Economic Background

- Market areas defined by:
  - Hurst-Bellaire Study Area
  - Five minute drive time
  - Ten minute drive time

Source: PCensus, CDS | Spillette
Population Analysis

- Study Area / Market Areas slow growth relative to D/FW Metro

<table>
<thead>
<tr>
<th></th>
<th>Market Area</th>
<th>5 Minute DT</th>
<th>10 Minute DT</th>
<th>Dallas/Fort Worth MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Projection</td>
<td>2,704</td>
<td>27,194</td>
<td>104,108</td>
<td>6,892,222</td>
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<tr>
<td>2008 Estimate</td>
<td>2,607</td>
<td>26,266</td>
<td>98,144</td>
<td>6,164,066</td>
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<tr>
<td>2000 Census</td>
<td>2,543</td>
<td>25,910</td>
<td>92,965</td>
<td>5,161,544</td>
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<tr>
<td>1990 Census</td>
<td>2,413</td>
<td>24,824</td>
<td>85,242</td>
<td>3,989,294</td>
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<tr>
<td>Growth 2008-2013</td>
<td>3.7%</td>
<td>3.5%</td>
<td>6.1%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Growth 2000-2008</td>
<td>2.5%</td>
<td>1.4%</td>
<td>5.6%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Growth 1990-2000</td>
<td>5.4%</td>
<td>4.4%</td>
<td>9.1%</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

Source: Claritas, CDS | Spillette
Population Analysis

- Study Area population is:
  - Lower income
  - Less educated
  - Younger
  - Higher percentage of minorities

in comparison to drive time market areas
Employment and Occupations

- Hurst employment
  - gradual growth
- Tarrant County employment
  - rapid growth
- Future job growth – service industries
- Future occupation growth – service and support positions
Study Area Housing

- High concentration of renters
  - 68% renter occupied units
    - 44% in 10-minute drive time
    - 30% in D/FW

- Older housing stock
  - Majority built prior to 1970
Housing - Multifamily

- Overall apartment market strong
- Study Area market
  - High concentration of apartments
  - Typically 1970s era properties
  - Lower rents than H-E-B average
  - Varying occupancies
Housing - Multifamily

- Study Area market
  - Tenant quality and property condition issues
  - Some properties report moderate updating / improvements
  - Negative impacts to neighborhood from certain properties
Housing - Multifamily

- Study Area demand findings
  - Existing product matches nature of Hurst-area employment
  - Upscale apartment development would need different employment drivers
Housing – Single Family

- NE Tarrant County - increasing sales activity until 2008

Yearly Single Family Home Sales

Source: Real Estate Center at Texas A&M University, CDS | Spillette
Housing – Single Family

- **H-E-B market**
  - Lower-priced than Fort Worth-Arlington market average
  - Hurst median price September 2008 - $139,900
  - Euless - $150,250; Bedford - $157,000

- **Prices exhibit gradual increase**
Housing – Single Family

- Total regional single family development slowing
- Backfill of vacant properties
- Working through excess inventory

Hurst Single Family Permits

Source: City of Hurst
Housing – Single Family

- Recent new development in and near Study Area
  - Cali Grove Estates
  - Uptown Estates
  - Park Ridge Estates
  - Bell Station / Lakeview Estates
  - Trinity Ranch Estates (townhomes)
Housing – Single Family

- Cali Grove Estates
  - Avg. price $140,000
  - Opened 2-3 years ago
  - Interior lots sold out (total 19 lots)
  - Brown Trail lots remain
  - Retirees, divorced, professionals – not 1st time buyers
  - Apartments may prevent higher prices
Housing – Single Family

- Other single family detached projects
  - Detached sold well in mid-$100’s price range
  - Lakeview Estates – 8 lots per month sales

- Trinity Ranch Estates townhomes
  - Slower sales, price decreases
  - Price points in upper-$100’s
  - City reports conversions to rentals

- Main findings:
  - New single family detached sells well in Hurst
  - Prices mid-$100’s
Retail

- Retail sales increasing in area

Source: State of Texas Comptroller
Retail

- Strong retail competition
Retail

- Study Area retail has some disadvantage
  - Aging properties, building code issues
  - Low and declining traffic counts
  - Proximity to SH 121 retail and mall
  - Lack of compelling demographics
Retail

- Study Area property performance
  - Many vacancies (up to 60%)
  - Very low lease rates ($2 - $9 / yr.)
  - Nonstandard leases
  - Few national credit tenants

Source: CDS | Spillette
Retail

- Study Area has positive attributes
  - Good neighborhood-level access
  - Central location in region
  - Large tracts for redevelopment
Retail

- Study Area findings
  - Capital investment needed
  - Rents insufficient
  - Code compliance and zoning obstacles
  - Significant outside intervention necessary to overcome current trends and perceptions
Artisan Center Theater

- Finding audience success
  - 50,000 main stage patrons
  - 25,000 in classes / workshops
- Subscriber base from across region
- Current location issues
  - Inadequate space
  - Code compliance
  - Security concerns
Other Issues

- Concern over deterioration
  - Crime and graffiti
  - Property blight
- Pipeline Road
  - Beautification
  - Boulevard
Questions / Discussion
Call us...

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