

Appendix A:
Leakage Analysis

Retail Leakage and Surplus Analysis

The Retail Leakage and Surplus Analysis examines the quantitative aspect of the community's retail opportunities. It is a guide to understanding retail opportunities but it is not an analysis that indicates unconditional opportunities. The analysis is sometimes called "a gap analysis" or "a supply and demand analysis" and can aid in the following:

- * Indicating how well the retail needs of local residents are being met
- * Uncovering unmet demand and possible opportunities
- * Understanding the strengths and weaknesses of the local retail sector
- * Measuring the difference between actual and potential retail sales

Understanding Retail Leakage

Retail leakage means that residents are spending more for products than local businesses capture. Retail sales leakage suggests that there is unmet demand in the trade area and that the community can support additional store space for that type of business.

However, retail leakage does not necessarily translate into opportunity. For example, there could be a strong competitor in a neighboring community that dominates the market for that type of product or store.

Understanding Retail Surplus

A retail surplus means that the community's trade area is capturing the local market plus attracting non-local shoppers. A retail surplus does not necessarily mean that the community cannot support additional business. Many communities have developed strong clusters of stores that have broad geographic appeal. Examples of these types of retailers include: sporting goods stores, home furnishing stores, restaurants, and other specialty operations that become destination retailers and draw customers from outside the trade area.

Examining the quantitative aspects (Leakage/Surplus) is only part of the evaluation of community's retail opportunities. Before any conclusions can be drawn about potential business expansion or recruitment opportunities, qualitative considerations such as trade area psychographics and buying habits must be analyzed in context of other market factors.

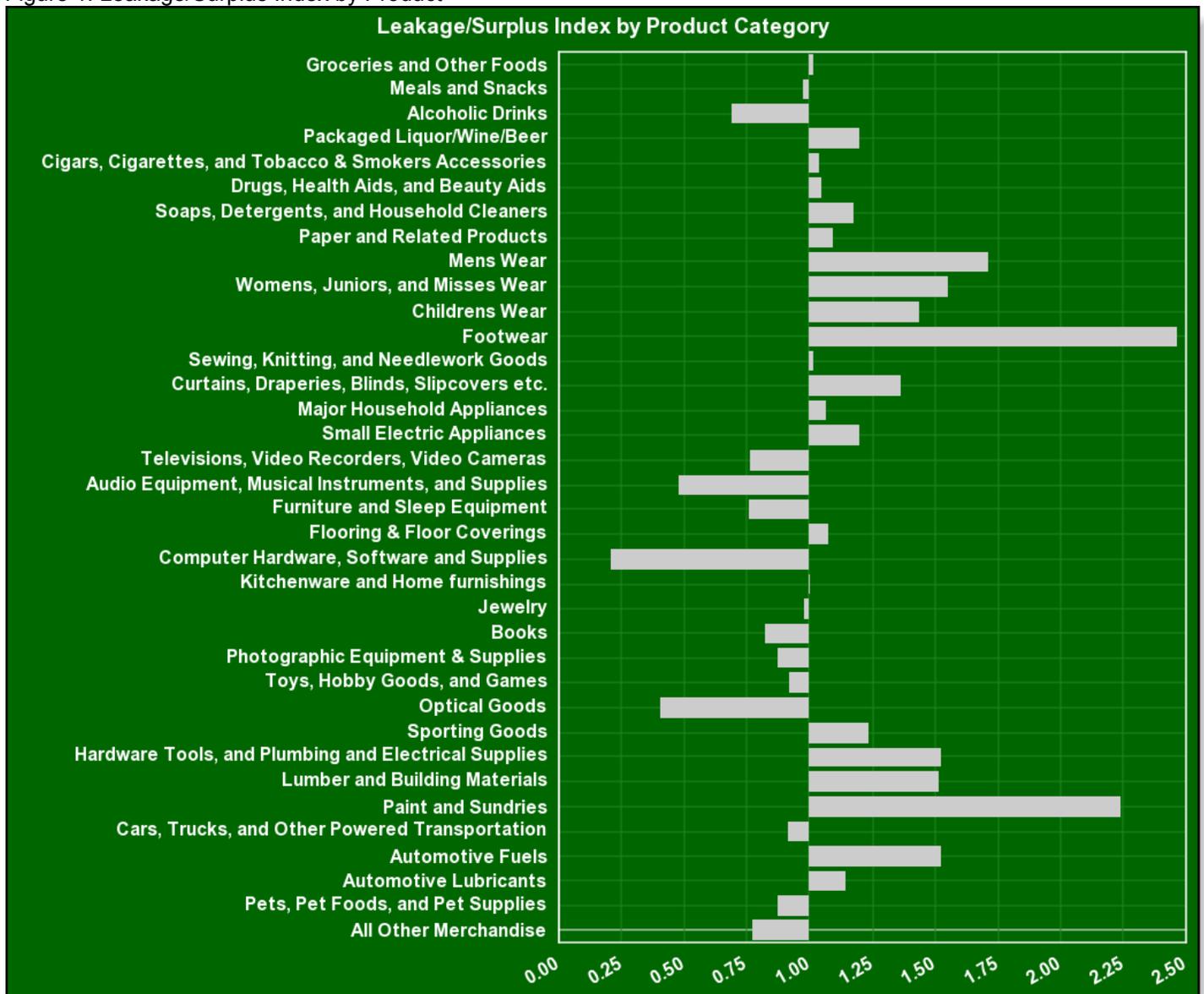
Site	Address	Analysis Geography
Site 1	3rd & Jackson St Columbus, IN 47201	15 Minute Trade Area

Leakage/Surplus Index by Product

The Leakage/Surplus Index provides a relative comparison of the supply and demand across retail product categories. It is calculated by dividing actual sales by potential sales. An index greater than 1.0 means that the community is attracting retail sales (surplus) from outside the trade area. If the index is less than 1.0 it means that out-shopping is taking place and the community is not successfully drawing its own residents.

Leakage/Surplus Index (Figure 1) shows the strengths and weaknesses of a community's retail market by product.

Figure 1. Leakage/Surplus Index by Product



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The sales potential and the actual sales potential by product category and the resulting index are shown in Figure 2.

Figure 2. Sales Potential and Actual Sales by Product

Product Type	Potential	Actual Sales	Leakage/Surplus Index
Groceries and Other Foods	140,027,133	142,264,462	1.0
Meals and Snacks	91,874,396	89,792,613	1.0
Alcoholic Drinks	11,464,144	7,896,478	0.7
Packaged Liquor/Wine/Beer	18,301,866	21,882,376	1.2
Cigars, Cigarettes, and Tobacco & Smokers Accessories	23,779,798	24,717,536	1.0
Drugs, Health Aids, and Beauty Aids	73,225,604	76,622,187	1.0
Soaps, Detergents, and Household Cleaners	6,615,825	7,768,616	1.2
Paper and Related Products	6,552,111	7,174,206	1.1
Mens Wear	19,186,322	32,793,552	1.7
Womens, Juniors, and Misses Wear	33,419,710	51,825,549	1.6
Childrens Wear	10,051,255	14,462,058	1.4
Footwear	13,837,927	34,112,851	2.5
Sewing, Knitting, and Needlework Goods	1,618,634	1,644,829	1.0
Curtains, Draperies, Blinds, Slipcovers etc.	6,563,063	8,968,091	1.4
Major Household Appliances	8,073,251	8,595,841	1.1
Small Electric Appliances	2,951,609	3,541,505	1.2
Televisions, Video Recorders, Video Cameras	7,199,603	5,481,855	0.8
Audio Equipment, Musical Instruments, and Supplies	10,913,809	5,204,910	0.5
Furniture and Sleep Equipment	17,047,640	12,918,298	0.8
Flooring & Floor Coverings	7,816,187	8,407,865	1.1
Computer Hardware, Software and Supplies	22,686,875	4,780,614	0.2
Kitchenware and Home furnishings	13,626,579	13,674,412	1.0
Jewelry	10,834,103	10,617,894	1.0
Books	5,792,651	4,750,930	0.8
Photographic Equipment & Supplies	2,551,019	2,220,160	0.9
Toys, Hobby Goods, and Games	8,798,723	8,082,825	0.9
Optical Goods	2,650,581	1,074,692	0.4
Sporting Goods	14,657,005	18,106,255	1.2
Hardware Tools, and Plumbing and Electrical Supplies	67,248,978	102,461,297	1.5
Lumber and Building Materials	52,564,974	79,541,633	1.5
Paint and Sundries	7,908,036	17,712,206	2.2
Cars, Trucks, and Other Powered Transportation	167,540,953	152,854,508	0.9
Automotive Fuels	85,224,139	129,924,363	1.5
Automotive Lubricants	37,756,900	43,181,052	1.1
Pets, Pet Foods, and Pet Supplies	5,119,276	4,457,271	0.9
All Other Merchandise	35,179,729	27,104,108	0.8

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Leakage/Surplus Index by Major Store Type

The quantitative comparison of retail leakage and surplus in the twelve major store types shown in the chart and table below provides an initial measure of market opportunities. Combining this analysis with the knowledge of the local retail situation will take the process of identifying retail possibilities one step further.

Figure 3 provides the leakage/surplus indices and following is the sales potential and actual sales for major store types.

Figure 3. Leakage/Surplus Index and Actual and Potential Sales by Major Store Types



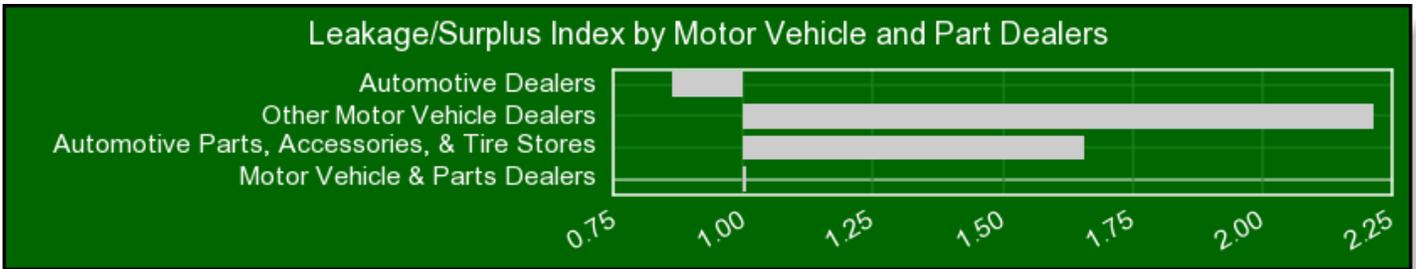
Store Type	Potential	Actual Sales	Leakage/Surplus Index
Motor Vehicle & Parts Dealers	208,380,206	209,467,289	1.01
Furniture & Home Furnishings Stores	25,839,855	18,547,431	0.72
Electronics & Appliances Stores	23,633,946	10,626,292	0.45
Building Material & Garden Equipment & Supply Dealers	118,219,124	196,314,293	1.66
Food & Beverage Stores	125,107,006	105,161,028	0.84
Health & Personal Care Stores	54,444,924	62,305,010	1.14
Clothing & Clothing Accessories Stores	45,086,539	92,257,611	2.05
Sporting Goods, Hobby, Book, & Music Stores	18,943,048	9,733,872	0.51
General Merchandise Stores	124,045,497	178,052,665	1.44
Miscellaneous Store Retailers	27,176,216	22,629,567	0.83
Foodservice & Drinking Places	96,055,593	88,862,819	0.93
GAFO	248,292,463	320,965,034	1.29
Total Retail Sales (Including Food Service & Drinking Places)	1,115,224,417	1,314,922,911	1.18

* GAFO refers to discount retailers that typically include the following departments: general merchandise; clothing and clothing accessories; furniture and home furnishings; electronics and appliances; sporting goods, hobby, books and music; and office supplies.

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Leakage/Surplus Analysis by Sub-Categories of Major Retail Types

Additional leakage/surplus details are provided on subcategories of stores in each of the twelve major store types. These details can help further identify possible business expansion opportunities.



Motor Vehicle and Parts Dealers	Potential	Actual Sales	Leakage/Surplus Index
Automotive Dealers	179,948,728	155,309,205	0.86
Other Motor Vehicle Dealers	12,545,628	27,799,081	2.22
Automotive Parts, Accessories, & Tire Stores	15,885,849	26,359,002	1.66
Motor Vehicle & Parts Dealers	208,380,206	209,467,289	1.01

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Electronics and Appliance Stores	Potential	Actual Sales	Leakage/Surplus Index
Household Appliances Stores	4,009,281	3,510,248	0.88
Radio Television and Other Electronics Stores	13,965,944	5,317,427	0.38
Appliance, Television, and Other Electronics Stores	17,975,226	8,827,675	0.49
Computer and Software Stores	4,713,858	1,792,064	0.38
Camera & Photographic Equipment Stores	944,861	6,551	0.01
Electronics & Appliances Stores	23,633,946	10,626,292	0.45

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Furniture and Home Furnishings Stores	Potential	Actual Sales	Leakage/Surplus Index
Furniture Stores	13,873,401	8,509,272	0.61
Home Furnishing Stores	11,966,454	10,038,159	0.84
Furniture & Home Furnishings Stores	25,839,855	18,547,431	0.72

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Building Material, Garden Equipment and Supply Dealers	Potential	Actual Sales	Leakage/Surplus Index
Home Centers	43,263,895	145,472,105	3.36
Paint and Wallpaper Stores	2,382,563	3,208,001	1.35
Hardware Stores	8,904,161	5,624,804	0.63
Building Materials, Lumberyards	18,448,809	13,154,386	0.71
Other Building Materials Dealers	54,119,701	38,574,652	0.71
Building Material & Supply Dealers	108,670,322	192,879,563	1.78
Outdoor Power Equipment Stores	1,442,790	151,000	0.10
Nursery and Garden Centers	8,106,011	3,283,729	0.41
Lawn and Garden Equipment and Supplies Stores	9,548,801	3,434,729	0.36
Building Material & Garden Equipment & Supply Dealers	118,219,124	196,314,293	1.66

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Food and Beverage Stores	Potential	Actual Sales	Leakage/Surplus Index
Supermarkets and Other Grocery (except Convenience) Stores	107,441,761	88,716,399	0.83
Convenience Stores	6,050,153	3,734,024	0.62
Grocery Stores	113,491,914	92,450,423	0.81
Specialty Food Stores	3,432,131	2,613,723	0.76
Beer, Wine, & Liquor Stores	8,182,959	10,096,882	1.23
Food & Beverage Stores	125,107,006	105,161,028	0.84

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Health and Personal Care Stores	Potential	Actual Sales	Leakage/Surplus Index
Pharmacies and Drug Stores	47,069,539	57,369,775	1.22
Cosmetics, Beauty Supplies and Perfume Stores	1,860,319	2,625,082	1.41
Optical Goods Stores	2,209,042	775,159	0.35
Other Health and Personal Care Stores	3,306,022	1,534,992	0.46
Health & Personal Care Stores	54,444,924	62,305,010	1.14

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Clothing and Clothing Accessories Stores	Potential	Actual Sales	Leakage/Surplus Index
Mens Clothing Stores	2,158,425	547,975	0.25
Womens Clothing Stores	7,990,771	8,418,878	1.05
Childrens and Infants Clothing Stores	1,971,630	909,409	0.46
Family Clothing Stores	17,701,387	53,762,110	3.04
Clothing Accessories Stores	728,235	495,535	0.68
Other Clothing Stores	2,066,864	211,501	0.10
Clothing Stores	32,617,314	64,345,410	1.97
Shoe Stores	5,979,997	23,085,665	3.86
Jewelry Stores	5,977,623	4,826,535	0.81
Luggage, & Leather Goods Stores	511,603	0	0.00
Jewelry, Luggage, & Leather Goods Stores	6,489,227	4,826,535	0.74
Clothing & Clothing Accessories Stores	45,086,539	92,257,611	2.05

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Sporting Goods, Hobby, Book and Music Stores	Potential	Actual Sales	Leakage/Surplus Index
Sporting Goods Stores	6,773,807	2,785,244	0.41
Hobby, Toys and Games Stores	4,242,223	1,960,540	0.46
Sew/Needlework/Piece Goods Stores	994,279	977,001	0.98
Musical Instrument and Supplies Stores	1,220,280	540,998	0.44
Sporting Goods, Hobby, & Musical Instrument Stores	13,230,590	6,263,783	0.47
Book Stores	3,606,165	3,035,003	0.84
News Dealers and Newsstands	231,613	0	0.00
Book Stores and News Dealers	3,837,778	3,035,003	0.79
Prerecorded Tape, Compact Disc, and Record Stores	1,874,678	435,085	0.23
Book, Periodical, & Music Stores	5,712,457	3,470,088	0.61
Sporting Goods, Hobby, Book, & Music Stores	18,943,048	9,733,872	0.51

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General Merchandise Stores	Potential	Actual Sales	Leakage/Surplus Index
Department Stores excluding leased depts.	58,419,034	93,121,939	1.59
Warehouse Clubs and Super Stores	56,339,963	74,852,151	1.33
All Other General Merchandise Stores	9,286,498	10,078,574	1.09
Other General Merchandise Stores	65,626,462	84,930,725	1.29
General Merchandise Stores	124,045,497	178,052,665	1.44

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Miscellaneous Store Retailers	Potential	Actual Sales	Leakage/Surplus Index
Florists	1,921,664	1,456,682	0.76
Office Supplies and Stationery Stores	6,065,954	6,458,004	1.06
Gift, Novelty, and Souvenir Stores	4,677,622	5,289,158	1.13
Office Supplies, Stationery, & Gift Stores	10,743,576	11,747,162	1.09
Used Merchandise Stores	2,206,733	1,496,271	0.68
Other Miscellaneous Store Retailers	12,304,241	7,929,451	0.64
Miscellaneous Store Retailers	27,176,216	22,629,567	0.83

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Foodservice and Drinking Places	Potential	Actual Sales	Leakage/Surplus Index
Full-service Restaurants	44,270,718	35,314,456	0.80
Limited-service Eating Places	38,920,912	45,772,796	1.18
Special Foodservices	8,024,838	5,173,158	0.64
Drinking Places -Alcoholic Beverages	4,839,123	2,602,408	0.54
Foodservice & Drinking Places	96,055,593	88,862,819	0.93

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Sources and Methodology

Household demand estimates are derived by combining data from the Consumer Expenditures Survey by the Bureau of Labor Statistics with current household demographic estimates from Claritas. The demand estimates only account for household expenditures. Demand is defined as the estimated dollar amount spent by a household that resides in the area of analysis for a specified retail store type or merchandise line item.

Supply estimates are generated from the Census of Retail Trade, a component of the Economic Census. County-level sales tax data is allocated to low levels of geography using business sales estimates, business locations, and employee counts provided by Claritas' Business Facts® database. Supply includes all products sold at retail outlets in a specified area for a one-year period. Supply is defined as the estimated total retail sales for a retail store type or merchandise line item.

Source: Retail Market Power™ (Claritas).