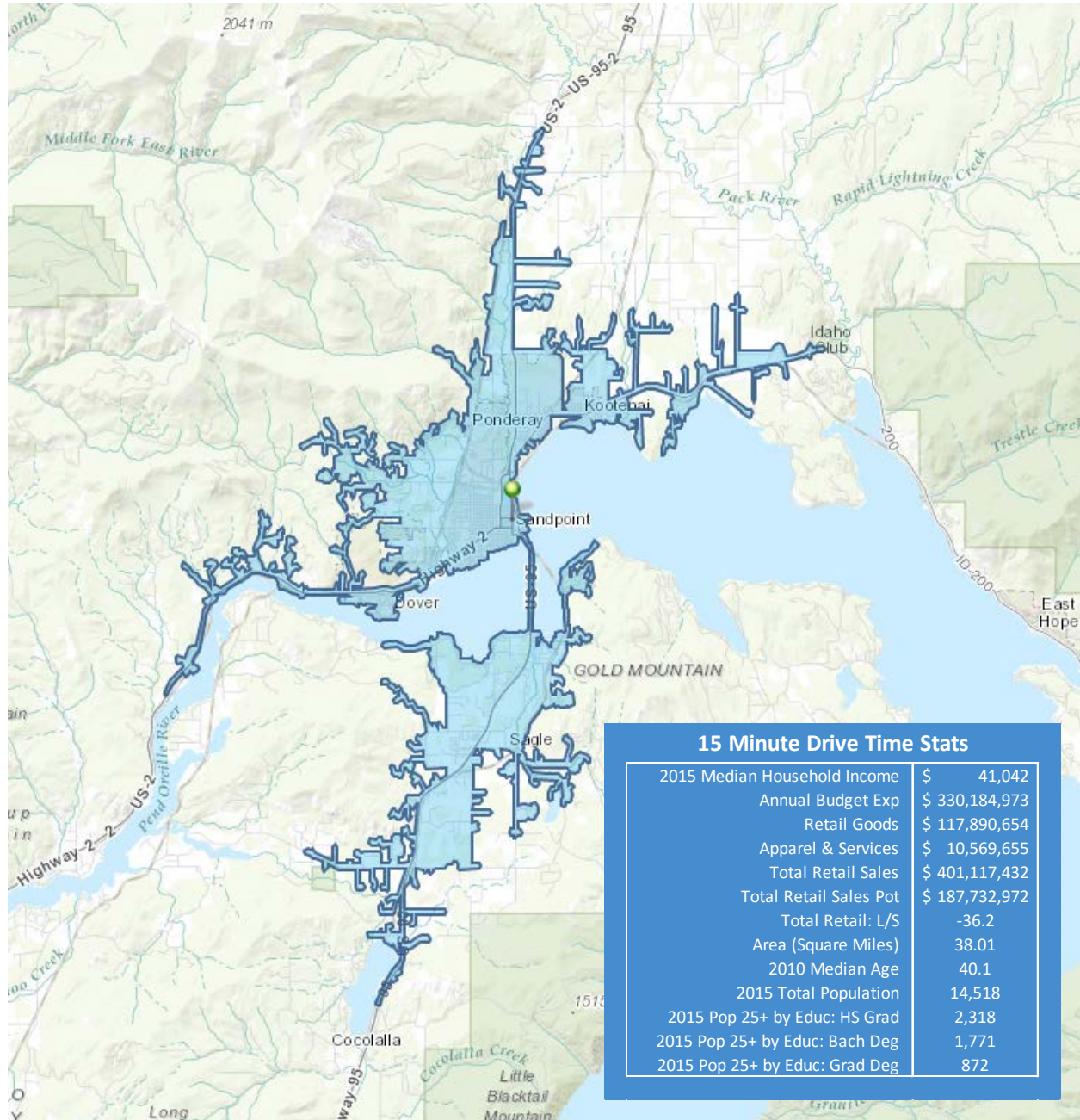


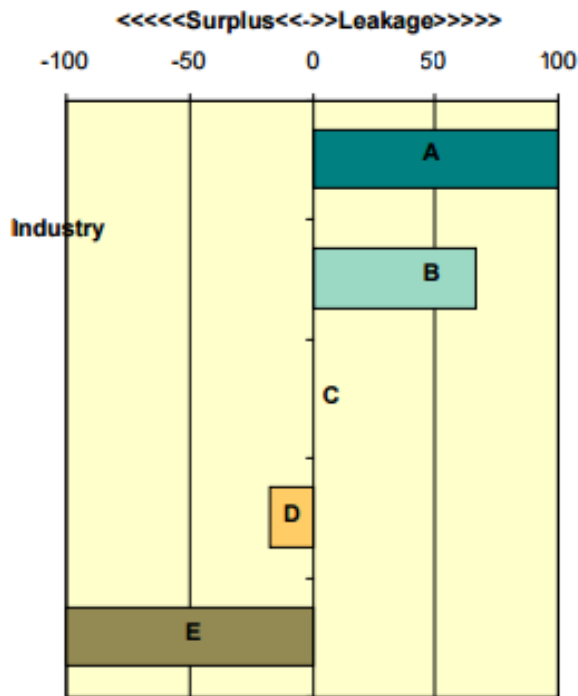
Sandpoint Idaho, Downtown Retail Leakage and Surplus Analysis

A retail leakage and surplus analysis is a great way to take a snapshot of downtown. You can use this analysis to identify the nexus of opportunity and demand. Using ESRI's 2015 Retail MarketPlace (ESRI¹) data we analyzed areas within a 15 minute drive time of the Downtown Core.



“Leakage in an area represents a condition where demand exceeds supply. In other words, retailers outside the market area are fulfilling the demand for retail products; therefore, demand is “leaking” out of the trade area. Such a condition highlights an opportunity for new retailers to enter the trade area or for existing retailers to extend their marketing outreach to accommodate the excess demand. Surplus in an area represents a condition where supply exceeds the area’s demand. Retailers are attracting shoppers that reside outside the trade area. The “surplus” is in market supply. Brand positioning and product mix are key differentiators in these types of markets.

The Leakage/Surplus Factor ranges in value from “-100” to “+100”. The following chart provides an explanation of this range and interpretations of the Leakage/Surplus Factor under various market scenarios.



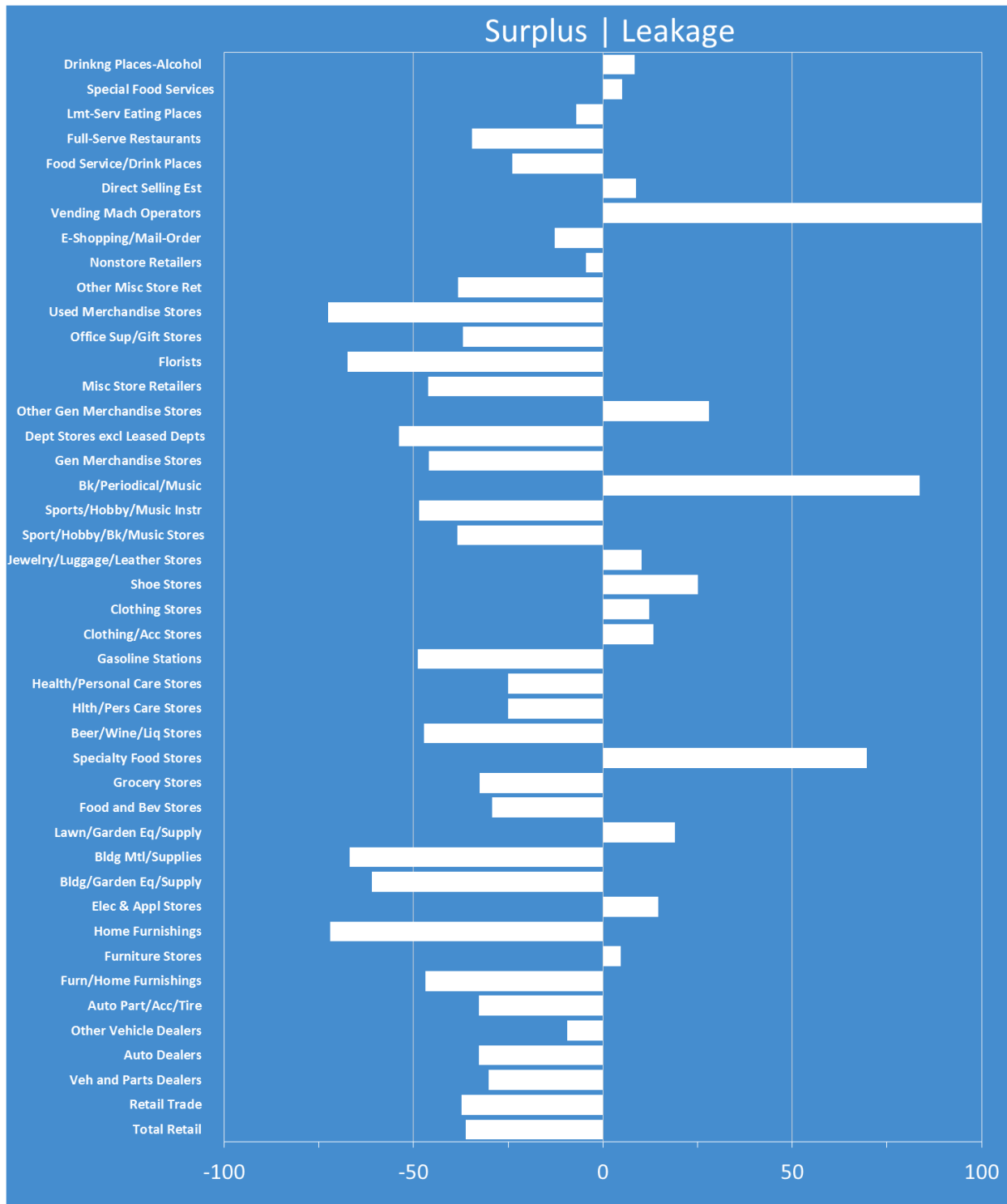
- **Industry A:** The Leakage/Surplus Factor of +100 reveals complete leakage of potential retail sales to other markets. There are no retailers in the market, but household demand exists. This is an opportunity for investment.

- **Industry B:** A positive Leakage/Surplus Factor represents a market with some retail potential that is lost to other areas. As the Leakage/Surplus Factor approaches +100, retailers have a better opportunity to capture more local demand.

- **Industry C:** In a perfectly balanced retail market, supply equals demand. This condition yields a Leakage/Surplus Factor of zero. A zero value also occurs when a trade area has neither businesses nor households.

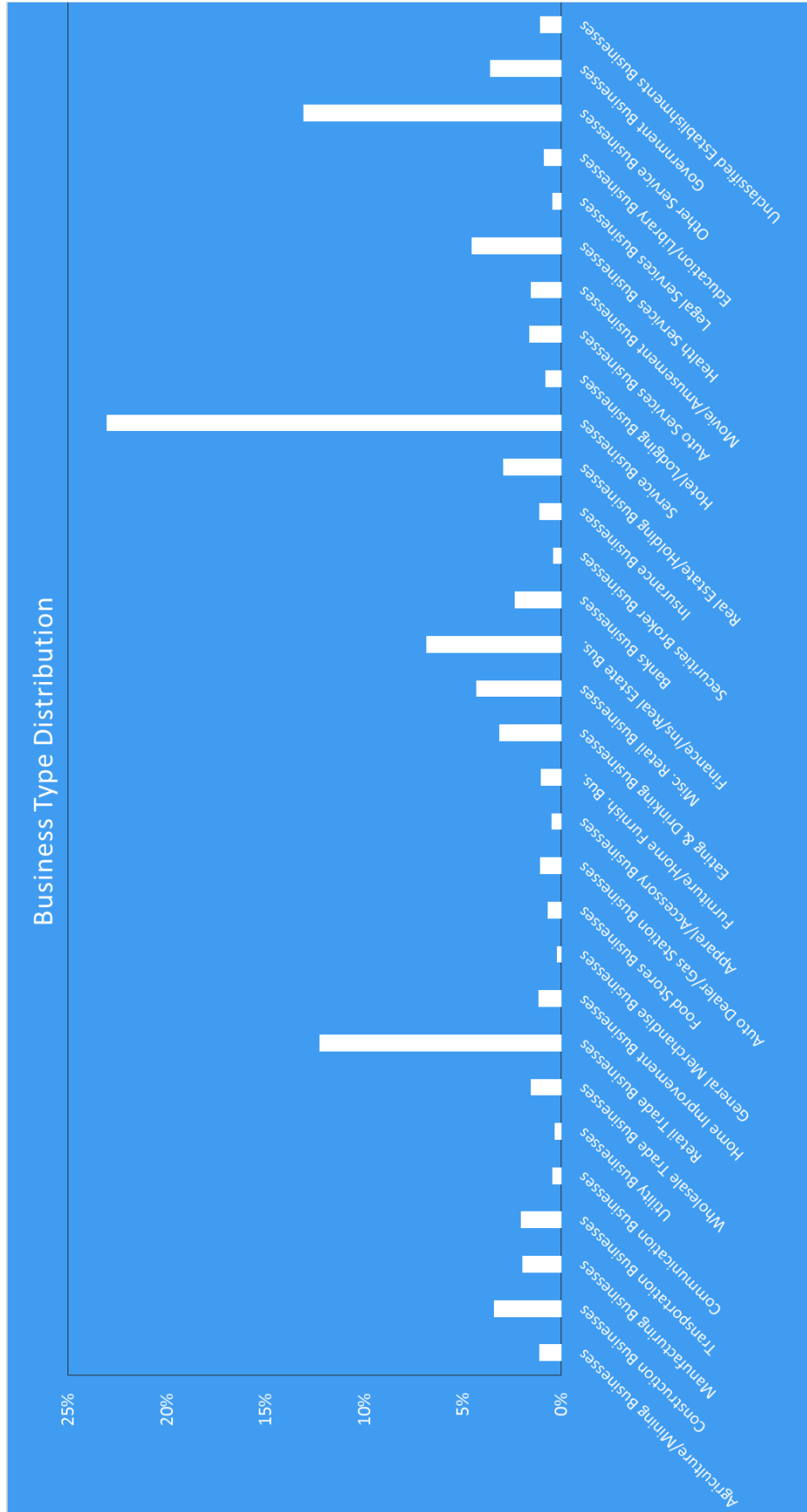
- **Industry D:** A negative Leakage/Surplus Factor is a market with a surplus of retail sales. As the Leakage/Surplus Factor approaches -100, the proportion of sales to shoppers increases with few local shoppers.

- **Industry E:** A Leakage/Surplus Factor of -100 identifies a market with a complete surplus of retail sales. This market has no local shoppers.” ESRI²





<i>Leakage or Surplus = Gap/(Sales + Potential)</i>	Sales	Potential	Gap	Leakage or Surplus
Drinking Places-Alcohol	\$ 966,977	\$ 1,141,258	\$ 174,281	8.3
Special Food Services	\$ 135,022	\$ 149,546	\$ 14,524	5.1
Limited-Service Eating Places	\$ 7,725,605	\$ 6,711,943	\$ (1,013,662)	-7
Full-Serve Restaurants	\$ 20,066,099	\$ 9,760,725	\$ (10,305,374)	-34.6
Food Service/Drink Places	\$ 28,893,703	\$ 17,763,472	\$ (11,130,231)	-23.9
Direct Selling Est	\$ 676,860	\$ 806,589	\$ 129,729	8.7
Vending Machine Operators	\$ -	\$ 129,610	\$ 129,610	100
E-Shopping/Mail-Order	\$ 2,286,041	\$ 1,769,929	\$ (516,112)	-12.7
Nonstore Retailers	\$ 2,962,901	\$ 2,706,128	\$ (256,773)	-4.5
Other Misc Store Ret	\$ 13,087,325	\$ 5,846,832	\$ (7,240,493)	-38.2
Used Merchandise Stores	\$ 5,978,716	\$ 953,759	\$ (5,024,957)	-72.5
Office Sup/Gift Stores	\$ 4,140,916	\$ 1,908,841	\$ (2,232,075)	-36.9
Florists	\$ 967,348	\$ 187,863	\$ (779,485)	-67.5
Misc Store Retailers	\$ 24,174,305	\$ 8,897,294	\$ (15,277,011)	-46.2
Other Gen Merchandise Stores	\$ 4,469,782	\$ 7,954,075	\$ 3,484,293	28
Dept Stores excl Leased Depts:Sales	\$ 90,707,326	\$ 27,273,809	\$ (63,433,517)	-53.8
Gen Merchandise Stores	\$ 95,177,107	\$ 35,227,884	\$ (59,949,223)	-46
Bk/Periodical/Music	\$ 109,268	\$ 1,227,321	\$ 1,118,053	83.6
Sports/Hobby/Music Instr	\$ 12,091,049	\$ 4,198,208	\$ (7,892,841)	-48.5
Sport/Hobby/Bk/Music Stores:Sales	\$ 12,200,317	\$ 5,425,529	\$ (6,774,788)	-38.4
Jewelry/Luggage/Leather Stores	\$ 1,293,662	\$ 1,587,257	\$ 293,595	10.2
Shoe Stores	\$ 518,201	\$ 863,585	\$ 345,384	25
Clothing Stores	\$ 3,252,468	\$ 4,161,484	\$ 909,016	12.3
Clothing/Acc Stores	\$ 5,064,330	\$ 6,612,326	\$ 1,547,996	13.3
Gasoline Stations	\$ 35,908,060	\$ 12,332,674	\$ (23,575,386)	-48.9
Health/Personal Care Stores	\$ 14,633,356	\$ 8,764,526	\$ (5,868,830)	-25.1
Beer/Wine/Liq Stores	\$ 3,513,592	\$ 1,261,503	\$ (2,252,089)	-47.2
Specialty Food Stores	\$ 523,358	\$ 2,931,503	\$ 2,408,145	69.7
Grocery Stores	\$ 52,727,589	\$ 26,822,531	\$ (25,905,058)	-32.6
Food and Beverage Stores	\$ 56,764,539	\$ 31,015,537	\$ (25,749,002)	-29.3
Lawn/Garden Eq/Supply	\$ 1,195,540	\$ 1,755,860	\$ 560,320	19
Bldg Mtl/Supplies	\$ 33,510,453	\$ 6,639,297	\$ (26,871,156)	-66.9
Bldg/Garden Eq/Supply	\$ 34,705,993	\$ 8,395,157	\$ (26,310,836)	-61
Elec & Appl Stores	\$ 5,238,644	\$ 7,049,252	\$ 1,810,608	14.7
Home Furnishings	\$ 10,028,897	\$ 1,632,180	\$ (8,396,717)	-72
Furniture Stores	\$ 2,720,519	\$ 2,990,770	\$ 270,251	4.7
Furn/Home Furnishings	\$ 12,749,415	\$ 4,622,950	\$ (8,126,465)	-46.8
Auto Part/Acc/Tire	\$ 5,795,912	\$ 2,932,253	\$ (2,863,659)	-32.8
Other Vehicle Dealers	\$ 6,466,539	\$ 5,354,064	\$ (1,112,475)	-9.4
Auto Dealers	\$ 60,382,310	\$ 30,633,929	\$ (29,748,381)	-32.7
Veh and Parts Dealers	\$ 72,644,762	\$ 38,920,245	\$ (33,724,517)	-30.2
Retail Trade	\$ 372,223,729	\$ 169,969,499	\$ (202,254,230)	-37.3
Total Retail Sales	\$ 401,117,432	\$ 187,732,972	\$ (213,384,460)	-36.2





ESRI¹

http://downloads.esri.com/esri_content_doc/dbl/us/2015_USA_ESRI_Retail_Marketplace_Methodology.pdf

ESRI² http://downloads.esri.com/esri_content_doc/dbl/us/LeakageSurplusDataNote2014.pdf