

Fairhaven Economic Development Plan 2020 Update

Technical Memorandum

To: Paul Foley, Director of Planning and Economic Development, Town of Fairhaven
From: FXM Associates
Date: September 2020

Introduction

FXM Associates has prepared an update to the 2017 Fairhaven Economic Development Plan, funded by a grant from DHCD's Community Compact Best Practices Grant and the Town of Fairhaven. This update includes an update to 2020 of the employment, real estate trends, and retail gap quantitative data from the 2017 Plan, as well as a discussion of whether the recommendations from that Plan are still relevant. In addition, FXM has updated the Space Demand Model, which now projects space needs to 2026.

Task 1 calls for an update of employment trends shown in Figures 1-7 of the 2017 report, a comparison of 2016 EnvironicsAnalytics Spotlight (Claritas) employment and sales data to the most recent 2019 data for the town overall, and current estimates of employment by industries and sales within the target area, again using Claritas data.

Task 2 is an update of the office market and conditions and trends graphs (Figures 9-11) in the 2017 report and, in addition, market supply trends analyses for retail, industrial, and flex space and trends in multifamily housing.

Task 3 updates the retail opportunity gap/surplus analysis and comments on how the COVID-19 pandemic may affect retail opportunities in the short and longer terms.

The other purpose of the update is to address questions regarding the extent to which the market conditions and trends identified in the 2017 Plan are still valid, given the current COVID-19 pandemic, based on changes since the adoption of the Plan. Specifically, the update is to assess the following Summary Findings of the 2017 Plan:

- The prevailing sentiment among members of the Economic Development Committee and businesses, developers, and property owners interviewed is that Fairhaven should focus on helping existing businesses grow rather than expending substantial effort to try to recruit outsiders. Examples include

maintaining the working waterfront and facilitating the retention as well as expansion needs of successful restaurants and retailers and the emerging health care sector. The latter could provide more jobs for local residents with expanded workforce training in concert with existing workforce training providers and community colleges.

- Opportunities exist, based on historical and projected growth in jobs, as well as declining vacancy rates in existing office space, to develop additional office space in Fairhaven. Shared workspaces offer particular promise for reuse of vacant and underutilized commercial buildings.
- Prospects for reuse of vacant or underutilized buildings and buildable spaces, now and in the foreseeable future, are most likely to be realized with zoning changes that enable further office space development and mixed residential/commercial uses.
- Demand exists for market rate rental housing (especially of higher density) and developing such housing could attract a skilled labor force from a broader area as well as offer opportunities for younger households and empty nesters to remain in Fairhaven.

Summary Findings

In brief, these findings of the 2017 Plan are still relevant, despite the uncertainties of the pandemic.

Now, more than ever, helping existing local businesses survive and grow will be critical to future economic success. Expending time and effort in recruiting new businesses from outside the town does not make sense, as businesses, particularly small ones, everywhere in the region are experiencing impacts of the COVID pandemic, albeit in different ways.

The office market, however, could be an exception. It has been hard hit in large urban centers, as more people work from home. In the suburbs and outlying areas such as Fairhaven, however, opportunities exist to capture more of the office-using market because of the availability of large spaces that could be readily converted to safe shared workspaces. As time goes on, many workers will find working from home increasingly burdensome as non-work activities impinge on their workspace (if indeed they have any) and time. Large employers could lease vacant or underutilized properties to house employees with adequate safety measures, giving employees the best of both worlds: safety and a dedicated work environment. This approach would require zoning changes in some cases, particularly if it were part of a mixed-use development that would include residential and other commercial uses.

In addition, some office-using employers may consider relocating their entire operations to lower-density areas larger spaces are available and where costs are lower.

The housing sector has suffered less from the pandemic, particularly in the suburbs and outlying areas. Demand remains high, and the findings of the Housing Demand Model of 2017 remain valid, but changes may be taking place in certain segments of the population that should be reflected in an update in the next phase, when data encompassing the pandemic period become available.

By and large, the Employment Trends and Conditions that pertained in the 2017 Plan have persisted through 2018 and 2019, pre-pandemic years, as will be shown in the Task 1 graphs below. Similarly, demand for space follows the same general pattern as in the earlier analysis.

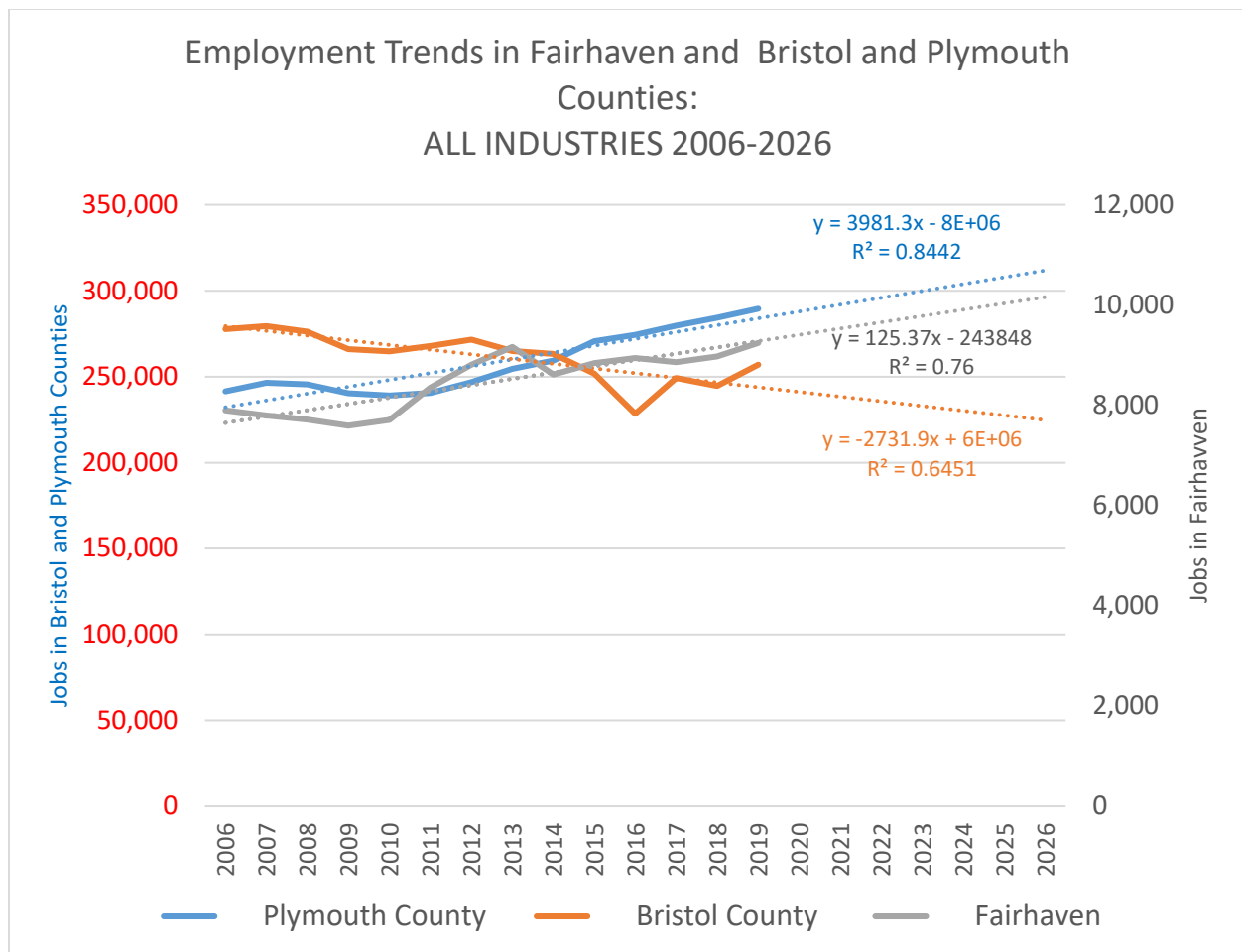
The updated Retail Opportunity/Surplus Gap analysis shows a considerably smaller total gap and also in different sectors from that of 2017, indicating that the retail sector succeeded in capturing more demand over the period between the analyses.

Task 1: Employment Trends and Conditions

Trends

Figure 1 displays employment trends and projections for all industries in Fairhaven and Bristol and Plymouth Counties. The projections for Fairhaven and the two counties have strong R^2 scores, meaning they have a higher likelihood of being accurate than not.¹ The surrounding Bristol County trend is downward, suggesting there is unlikely to be growing overall opportunity for Fairhaven to try to capture. The COVID-19 pandemic, however, is likely to overwhelm any opportunities that might have existed based on historic patterns.

Figure 1



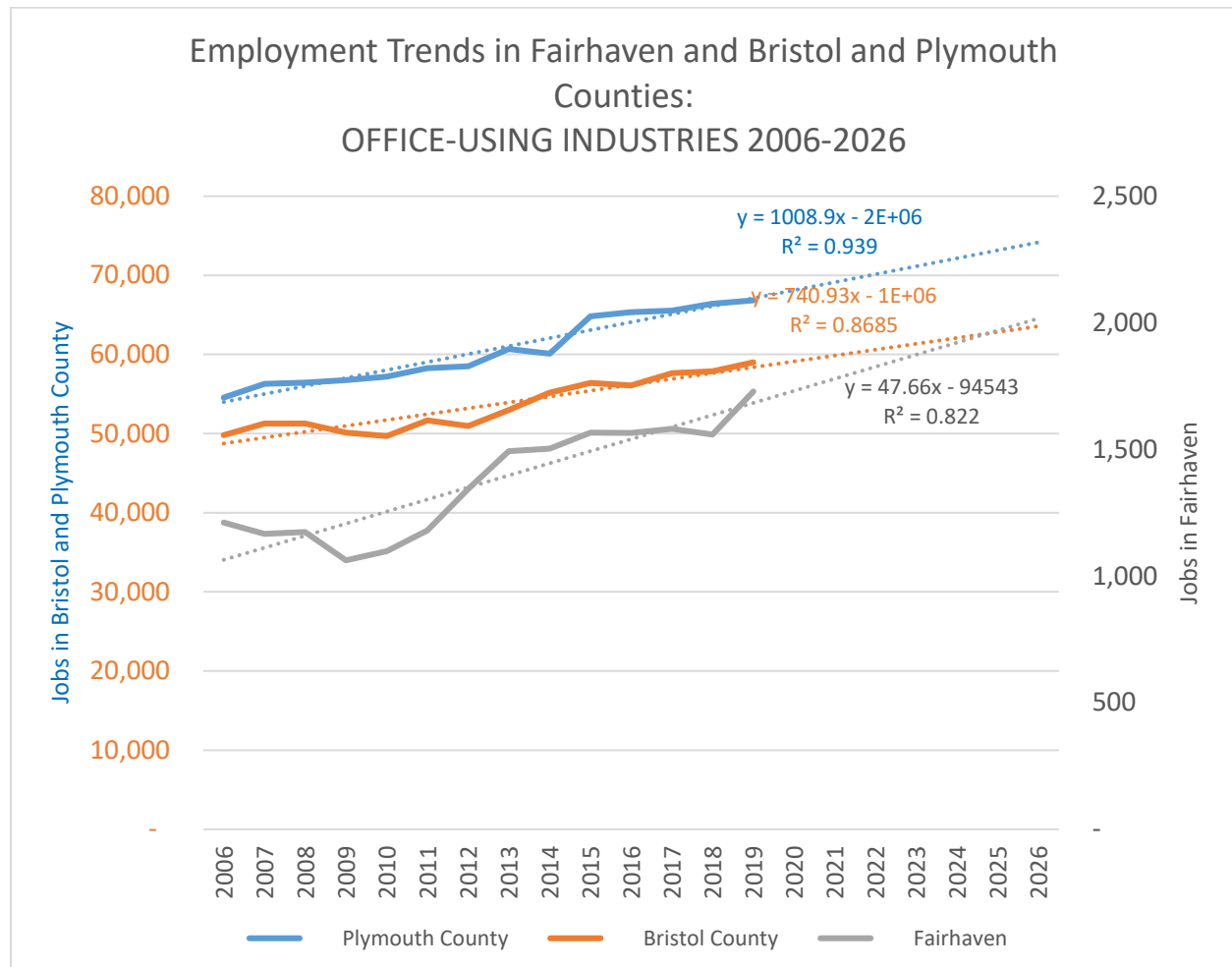
Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates

¹ The statistic used to signify the reliability of a given projection is called the R^2 calculation and is presented alongside each projected trendline shown in the graphs. The closer the R^2 value is to 1, the better the predictive value of past performance.

The trends are similar to those in the earlier report, with Fairhaven and Plymouth County trending upwards and Bristol County downwards.

The figure below presents employment trends for office-using industries taken together: Information; Finance and Insurance; Real Estate and Rental & Leasing; Professional, Scientific, and Technical; Management of Companies and Enterprises; and Administrative and Support.

Figure 2

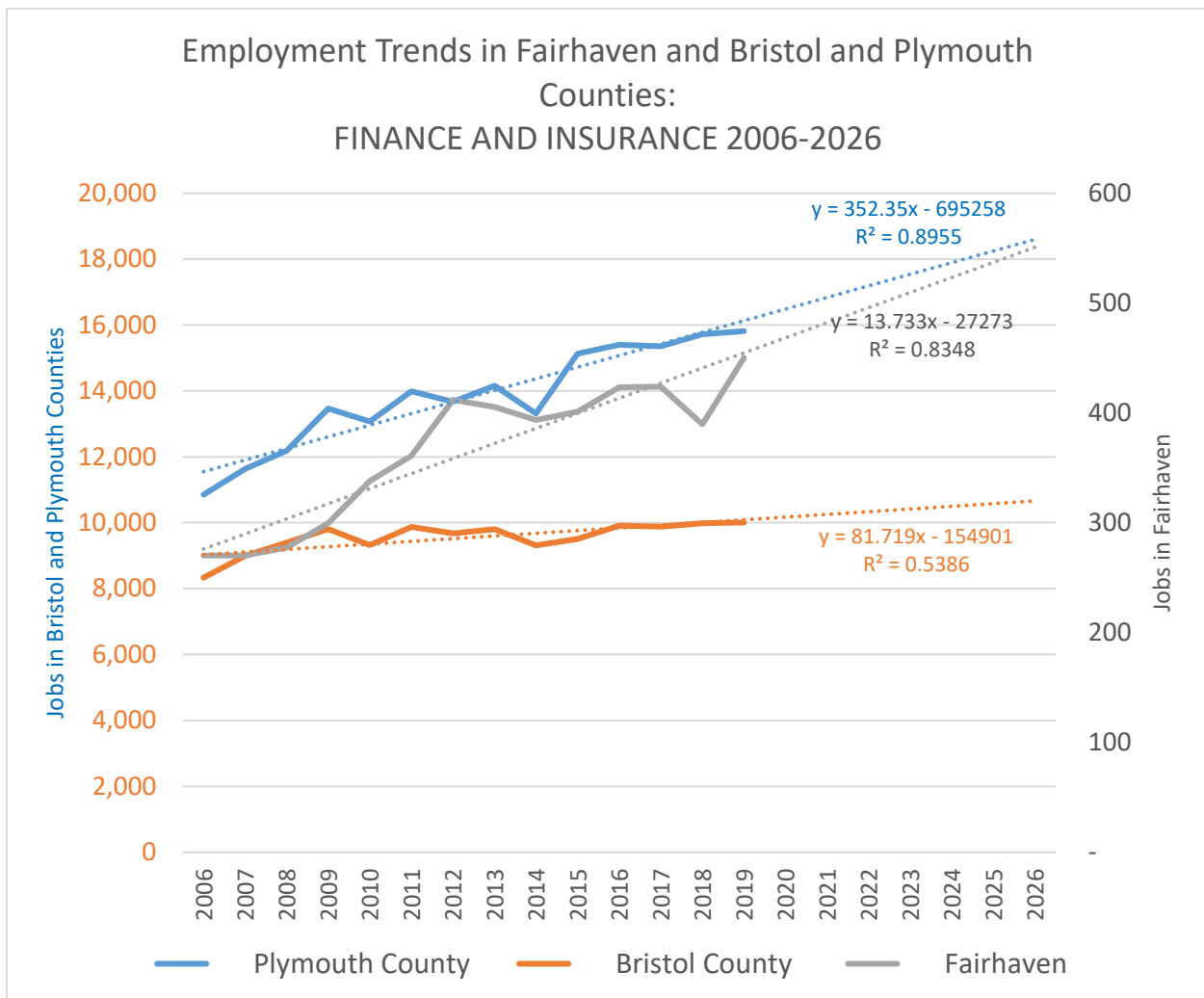


Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates.

The graph shows that the three areas' data are quite consistent in direction with the 2017 report, and with very high R^2 s for all.

Trends in Finance and Insurance are shown in the following figure. They continue the strong growth prospects indicated for this sector in Fairhaven and Plymouth County in the 2017 report, although absolute numbers of jobs are still relatively low and dipped in 2018. Bristol's less robust upward trendline shows a stronger R^2 than in the earlier report. The projections in the 2017 report for both counties were born out by actual performance over the update period.

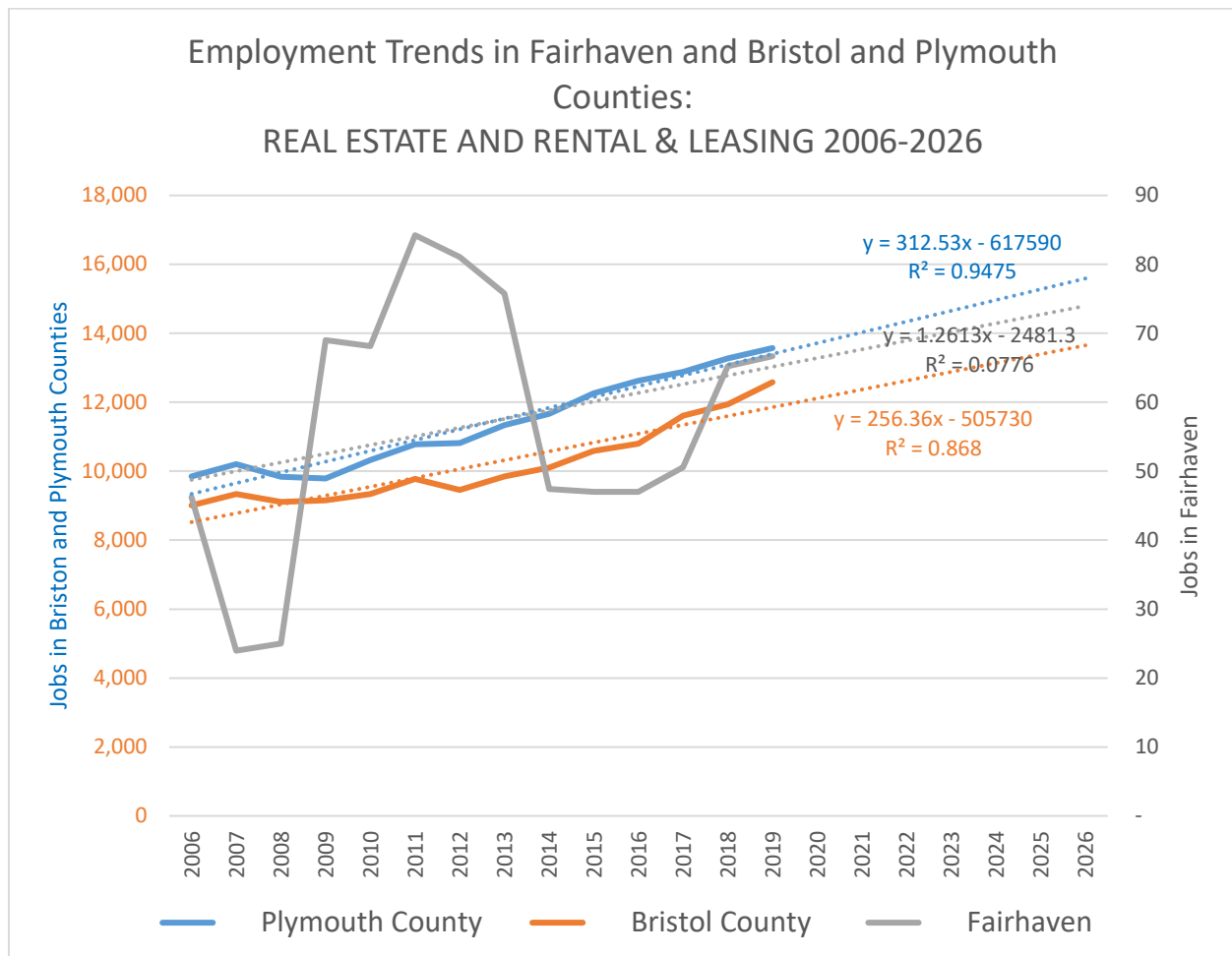
Figure 3



Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates.

The Real Estate and Rental & Leasing sector, however, is projected to gain jobs in all three locations, as shown in the following figure. Note, however, that the R^2 for Fairhaven is very low, reflecting the volatility of historic performance.

Figure 4



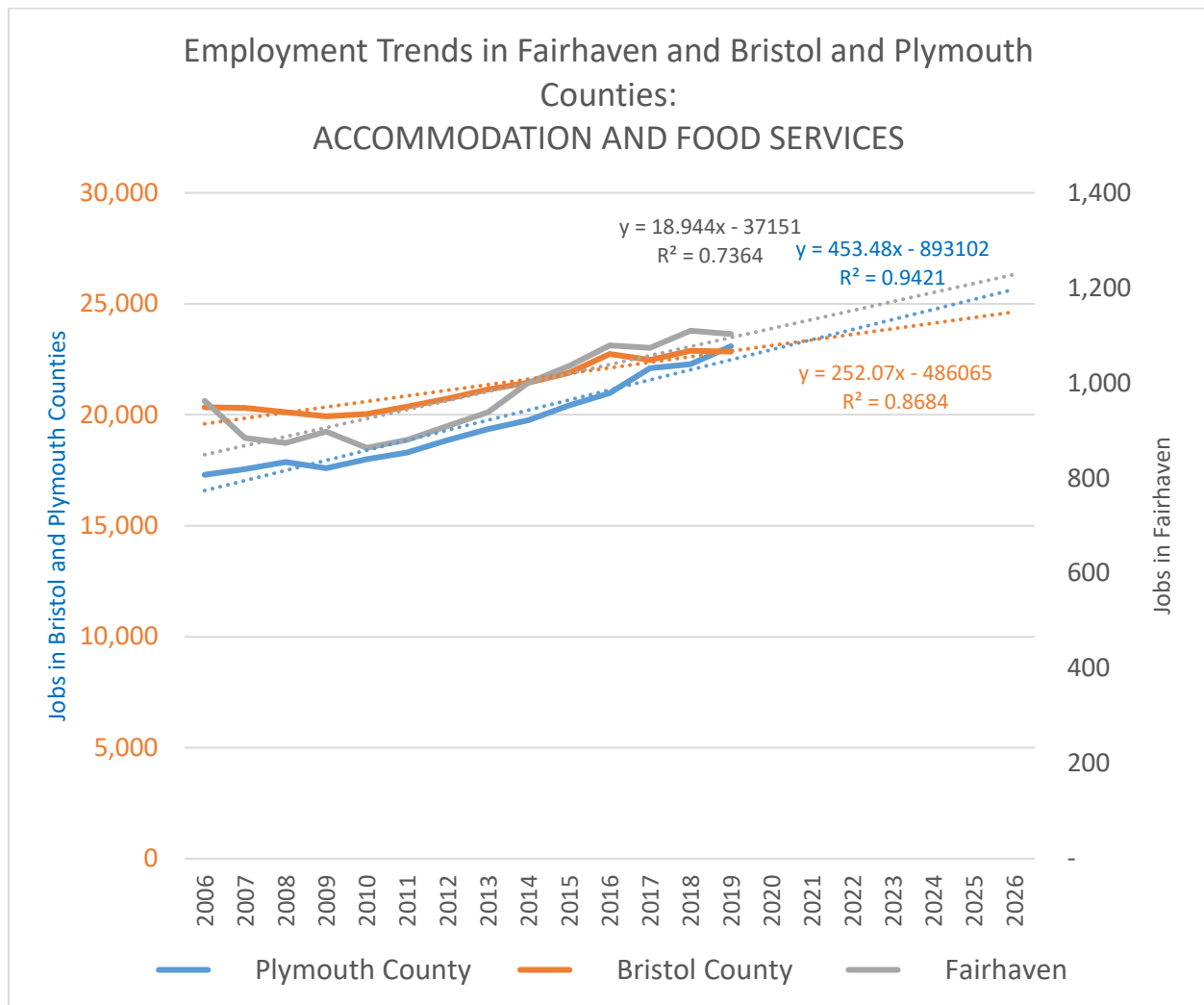
Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates.

The Information sector shows declines in Fairhaven and Bristol County and only modest gains in Plymouth County, at a low R^2 and so is not displayed here. Professional, Scientific, and Technical Services; Management of Companies and Enterprises; and Administrative and Support all show no data for Fairhaven and are not shown.

Accommodation and Food Services have continued the upward trends across all three areas in the 2017 report, with even higher R^2 values, especially in Fairhaven. Unfortunately, this sector, particularly restaurants, is one of the most heavily affected by COVID-19.

The figure below shows the updated trendlines.

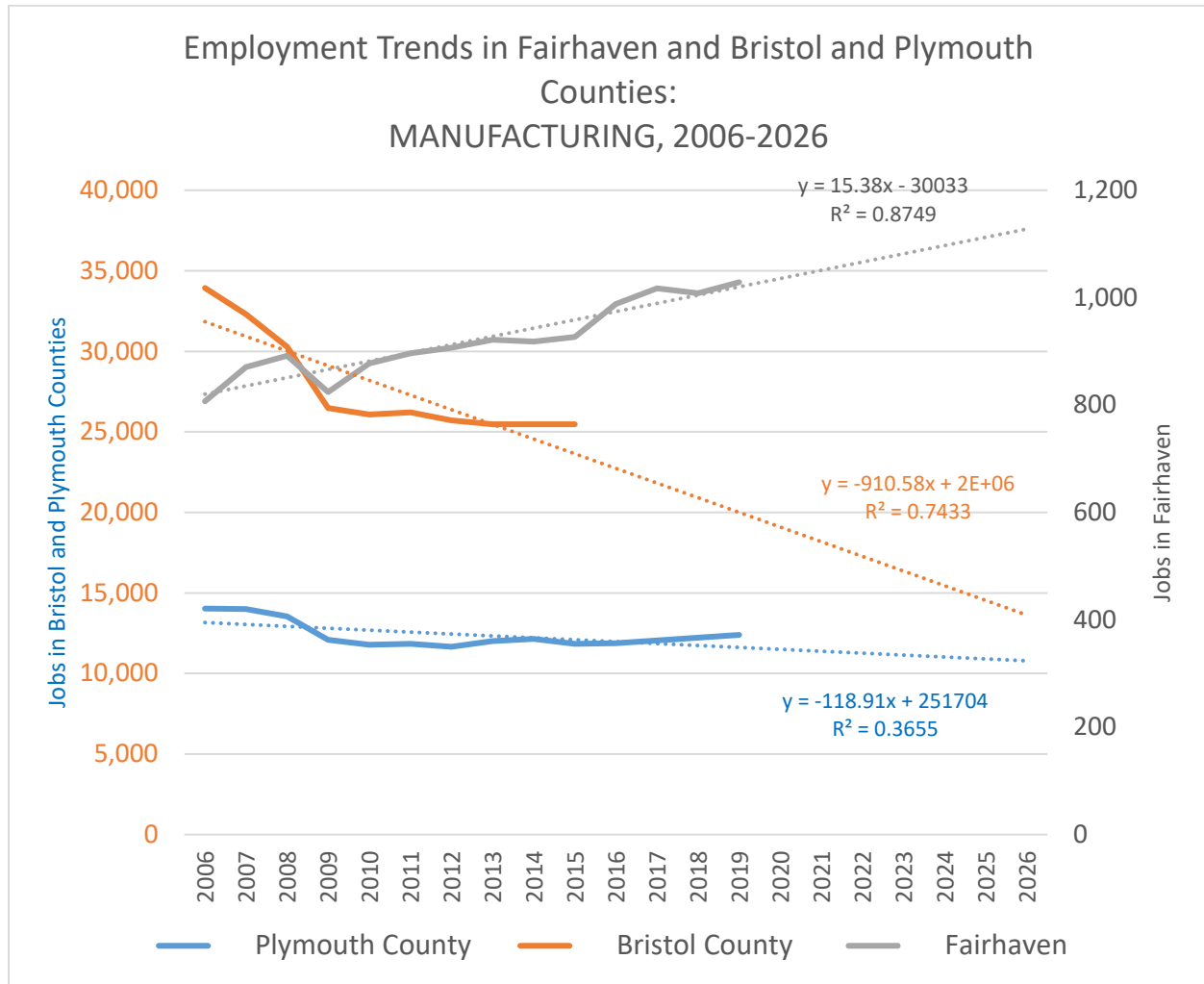
Figure 5



Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates.

The Manufacturing sector was a strong performer for Fairhaven compared to the counties in the 2017 report and has continued that performance, at an even higher R^2 measure than earlier.

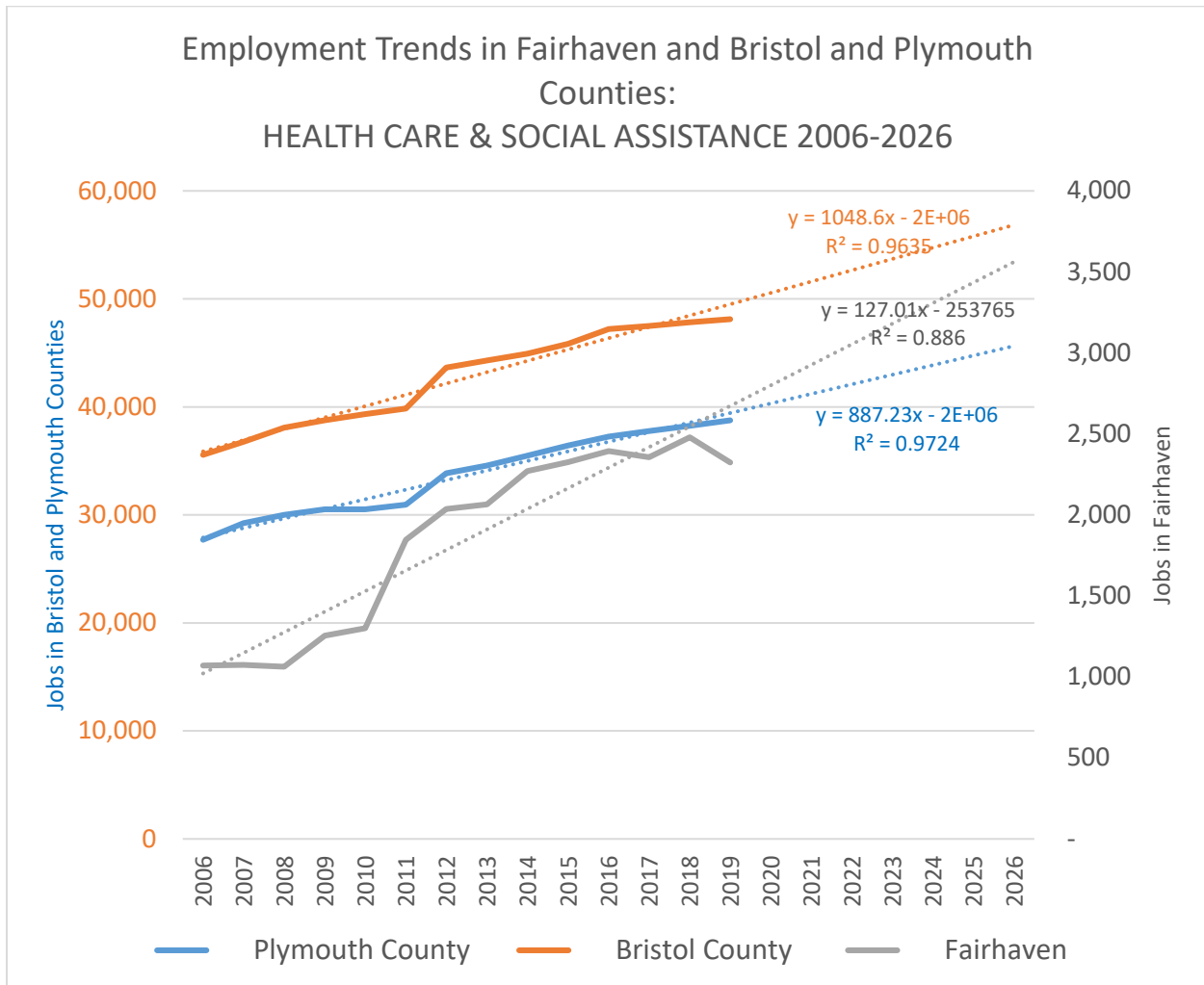
Figure 6



Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates.

Health Care and Social Assistance has been a strong growth sector in the past and continues to be so, for Fairhaven and both counties. It is still the largest employer of Fairhaven residents. The following figure shows the strength of the growth projections:

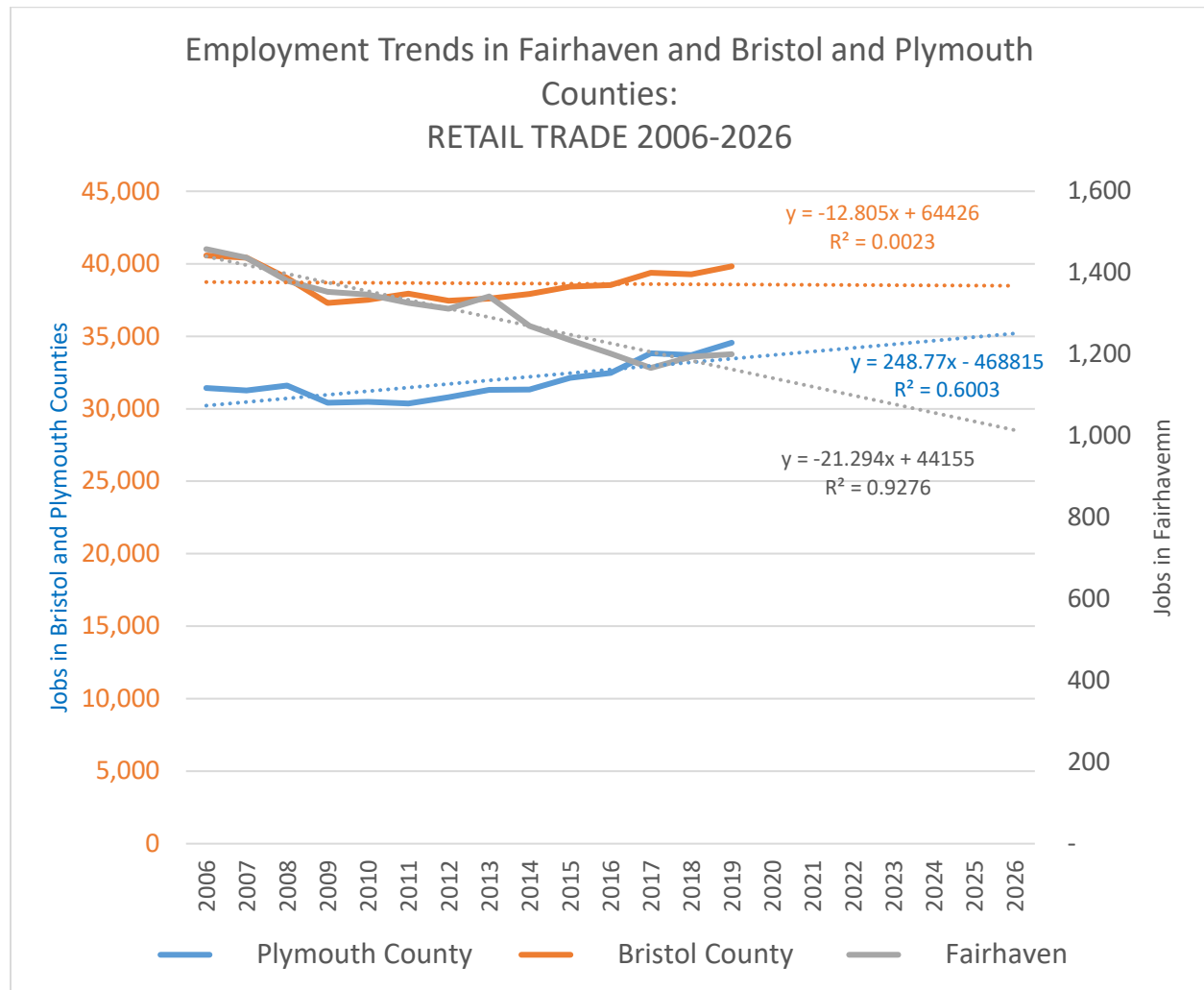
Figure 7



Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates.

The Retail Trade sector has historically been important in terms of both employment and economic activity for the area, as shown in the next figure. It has, however, been trending strongly downward in Fairhaven since 2013, with a slight uptick in 2019. Plymouth County retail has been trending upward and is projected to continue based on past performance, while Bristol County is flat. All these trends, however, must be read in the current pandemic context, which is hitting Retail very hard, so projections, particularly upward, are not very meaningful.

Figure 8



Source: Massachusetts Department of Unemployment Assistance, Economic Research Department, Labor Market Information, *ES-202 Reports*, and FXM Associates.

Projected Space Demand

The following table uses the same data sources as the above figures to project space demand by industry. Projected job losses are shown in red. The greatest demand for commercial space in Fairhaven is projected to come from the Health Care & Social Assistance sector and the Administrative & Support sector. In Bristol County, Health Care & Social Assistance is followed by Educational Services. Plymouth County demand is projected to be led by the Health Care & Social Assistance sector, followed by Finance & Insurance.

Table 1

Projected Space Demand Through 2026 Based on Historical Employment Trends

Sector	Fairhaven		Bristol County			Plymouth County		
	Projected New Jobs	Projected Space Demand (SF)	Projected New Jobs	Projected Space Demand (SF)	Fairhaven % of Bristol County Jobs 2019	Projected New Jobs	Projected Space Demand (SF)	Fairhaven % of Plymouth County Jobs 2019
31-33-Manufacturing	99	53,024	0	-	0%	(1,602)	-	8%
44-45-Retail trade	(186)	-	(1,338)	-	3%	637	-	3%
Office-using								
51- Information	(30)	-	(647)	-	5%	(234)	(58,447)	5%
52-Finance & Insurance	101	25,173	654	163,476	4%	2,783	695,743	3%
53-Real estate and Rental and Leasing	7	1,824	1,069	267,159	0.5%	2,018	504,566	0.5%
54 - Professional, Scientific, & Technical	39	9,753	1,180	294,995	3%	1,881	470,345	3%
55-Management of Companies & Enterprises	5	1,251	(607)	(151,851)	4%	168	41,926	3%
56-Administrative & Support	232	57,983	2,916	728,990	3%	721	180,160	3%
Subtotal Office-using	354	95,985	4,564	1,302,769	7.8%	7,337	1,834,294	4.8%
61-Educational services*	0	0	706	917,412	0%	602	-	0%
62-Health care and Social Assistance	1,238	495,199	8,725	3,489,961	5%	6,885	2,754,161	6%
71-Arts, Entertainment, and Recreation	6	2,400	672	268,829	1%	1,152	460,935	1%
72 - Accommodation & Food Services	125	22,067	1,789	314,954	5%	2,564	451,397	5%
92-Government & gov't enterprises	0	0	1,459	729,500	0%	737	368,403	0%
TOTALS	1,636	668,675	16,577	7,023,426	4%	18,313	5,869,190	3%

* ES202 reports showed no Educational Services employment for Fairhaven

Source: Massachusetts Department of Labor and Workforce Development, ES202 reports (adjusted by REIS); FXM Associates

Employment and Sales Data Compared

The above sections on employment trends rely on Massachusetts ES-202 data, which uses sometimes different definitions from other sources and does not include sales information. As a point of comparison, the following tables compare 2016 and 2019 employment and sales data for the Town of Fairhaven, using data from EnvironicsAnalytics Claritas Reports for 2019. 2016 data are from the same source, as shown in the 2017 report.² (Claritas does not provide trend data over time.)

Table 2 compares employment in the two years.

Table 2

Fairhaven Employment 2017 and 2019

Sector	2017	2019	# Change	% Change
11: Agriculture, Forestry, Fishing and Hunting	3	-	(3)	-100%
21: Mining, Quarrying, and Oil & Gas Extraction	12	13	1	8%
22: Utilities	15	15	0	0%
23: Construction	297	254	(43)	-14%
31-33: Manufacturing	2,849	3,006	157	6%
42: Wholesale Trade	182	261	79	43%
44-45: Retail Trade	1,248	1,130	(118)	-9%
48-49: Transportation and Warehousing	89	41	(48)	-54%
51: Information	236	170	(66)	-28%
52: Finance and Insurance	264	275	11	4%
53: Real Estate and Rental and Leasing	84	92	8	10%
54: Professional/Scientific/Technical Services	441	350	(91)	-21%
55: Management of Companies and Enterprises	-	-	0	
56: Administrative & Support and Waste Mgt Services	128	114	(14)	-11%
61: Educational Services	452	481	29	6%
62: Health Care and Social Assistance	1,240	1,896	656	53%
71: Arts, Entertainment, and Recreation	111	110	(1)	-1%
72: Accommodation and Food Services	973	785	(188)	-19%
81: Other Services (except Public Administration)	519	405	(114)	-22%
92: Public Administration	408	349	(59)	-14%
Grand Total	9,551	9,747	196	2%

Source: EnvironicsAnalytics Claritas Reports, 2017 and 2019

Using the Claritas data, in 2016, the Manufacturing sector in Fairhaven is the largest employer, followed by Retail Trade and Health Care & Social Assistance. By 2109, Manufacturing was still in first place, but Health Care & Social Assistance had overtaken Retail Trade for second place, putting Retail into third place.

² The numbers are quite different from those in the ES-202 reports and also include employment in the Educational Services sector, which is not shown at all in ES-202. They do generally, however, follow the same increases and declines in employment, where shown by ES-202, if not the same absolute numbers or magnitude of change.

Accommodation & Food Services sustained the largest job losses in absolute numbers, but Transportation & Warehousing lost the largest proportion of jobs. Overall, Fairhaven gained about 2% in total employment over the period 2016 to 2019.

Table 3 shows the sectors in terms of value of sales. Manufacturing led in dollar volume of sales in both 2016 and 2019, followed by Retail Trade. The largest growth in sales occurred in the Health Care & Social Assistance sector, setting aside the Educational Services sector sales data, which appear anomalous (most likely a reporting error for 2017).

Table 3

Fairhaven Sales 2017 and 2019

Sector	2017	2019	# Change	% Change
21: Mining, Quarrying, and Oil & Gas Extraction	\$ 3,022,000	\$ 3,158,000	\$136,000	5%
22: Utilities	\$ 7,413,000	\$ 7,413,000	\$0	0%
23: Construction	\$ 52,544,000	\$ 48,640,000	(\$3,904,000)	-7%
31-33: Manufacturing	\$ 460,112,000	\$ 465,578,000	\$5,466,000	1%
42: Wholesale Trade	\$ 131,701,000	\$ 200,548,000	\$68,847,000	52%
44-45: Retail Trade	\$ 331,852,000	\$ 285,508,000	(\$46,344,000)	-14%
48-49: Transportation and Warehousing	\$ 6,676,000	\$ 7,053,000	\$377,000	6%
51: Information	\$ 59,426,000	\$ 33,128,000	(\$26,298,000)	-44%
52: Finance and Insurance	\$ 43,738,000	\$ 48,088,000	\$4,350,000	10%
53: Real Estate and Rental and Leasing	\$ 9,226,000	\$ 9,336,000	\$110,000	1%
54: Professional/Scientific/Technical Services	\$ 33,026,000	\$ 42,883,000	\$9,857,000	30%
55: Management of Companies and Enterprises	\$ -	\$ -	\$0	
56: Administrative & Support and Waste Mgt Services	\$ 13,061,000	\$ 11,664,000	(\$1,397,000)	-11%
61: Educational Services	\$ 278,000	\$ 6,797,800	\$6,519,800	2345%
62: Health Care and Social Assistance	\$ 112,916,000	\$ 184,133,139	\$71,217,139	63%
71: Arts, Entertainment, and Recreation	\$ 17,058,000	\$ 16,155,000	(\$903,000)	-5%
72: Accommodation and Food Services	\$ 48,220,000	\$ 40,604,000	(\$7,616,000)	-16%
81: Other Services (except Public Administration)	\$ 20,608,000	\$ 31,757,950	\$11,149,950	54%
92: Public Administration	\$ -	\$ 10,327,002	\$10,327,002	
Grand Total	\$ 1,350,877,000	\$ 1,452,771,891	\$101,894,891	8%

Source: EnvironicsAnalytics Claritas Reports, 2017 and 2019

The final table in this section shows 2019 employment and sales data for the target area (Figure 9) compared to the Town of Fairhaven.

Figure 9



Source: EnvironicsAnalytics, Claritas, 2019

Table 4

Town of Fairhaven and Rte 6/240 Target Area Employment & Sales Compared 2019

Sector	Target Area Employment	Fairhaven Employment	% Town Employment in		Fairhaven Sales	% Town Sales in Target Area
			Target Area	Target Area Sales		
11: Agriculture, Forestry, Fishing and Hunting	-	-		\$ -	\$ -	
21: Mining, Quarrying, and Oil & Gas Extraction	12	13	92%	\$ 3,022,000	\$ 3,158,000	96%
22: Utilities	4	15	27%	\$ 4,855,000	\$ 7,413,000	65%
23: Construction	88	254	35%	\$ 13,628,000	\$ 48,640,000	28%
31-33: Manufacturing	114	3,006	4%	\$ 21,128,000	\$ 465,578,000	5%
42: Wholesale Trade	55	261	21%	\$ 56,946,000	\$ 200,548,000	28%
44-45: Retail Trade	814	1,130	72%	\$ 193,817,000	\$ 285,508,000	68%
48-49: Transportation and Warehousing	-	41	0%	\$ -	\$ 7,053,000	0%
51: Information	150	170	88%	\$ 31,445,000	\$ 33,128,000	95%
52: Finance and Insurance	178	275	65%	\$ 34,977,000	\$ 48,088,000	73%
53: Real Estate and Rental and Leasing	34	92	37%	\$ 3,739,000	\$ 9,336,000	40%
54: Professional/Scientific/Technical Services	78	350	22%	\$ 8,188,000	\$ 42,883,000	19%
56: Administrative & Support and Waste Mgt Services	19	114	17%	\$ 799,000	\$ 11,664,000	7%
61: Educational Services	16	481	3%	\$ 524,033	\$ 6,797,800	8%
62: Health Care and Social Assistance	162	1,896	9%	\$ 15,724,000	\$ 184,133,139	9%
71: Arts, Entertainment, and Recreation	18	110	16%	\$ 1,035,000	\$ 16,155,000	6%
72: Accommodation and Food Services	487	785	62%	\$ 24,580,000	\$ 40,604,000	61%
81: Other Services (except Public Administration)	80	405	20%	\$ 5,247,350	\$ 31,757,950	17%
92: Public Administration	1	349	0%	\$ 85,667	\$ 10,327,002	1%
Grand Total	2,310	9,747	24%	\$ 419,740,050	\$1,452,771,891	29%

Source: EnvironicsAnalytics Claritas Reports, 2019

The target area clearly dominates economic activity in the town, with almost a quarter of its employment and almost a third of sales. Over half the employment in Retail Trade; Information; Finance and Insurance; and Accommodation and Food Services is located in the target area.

Task 2: Commercial Space Market Conditions and Trends

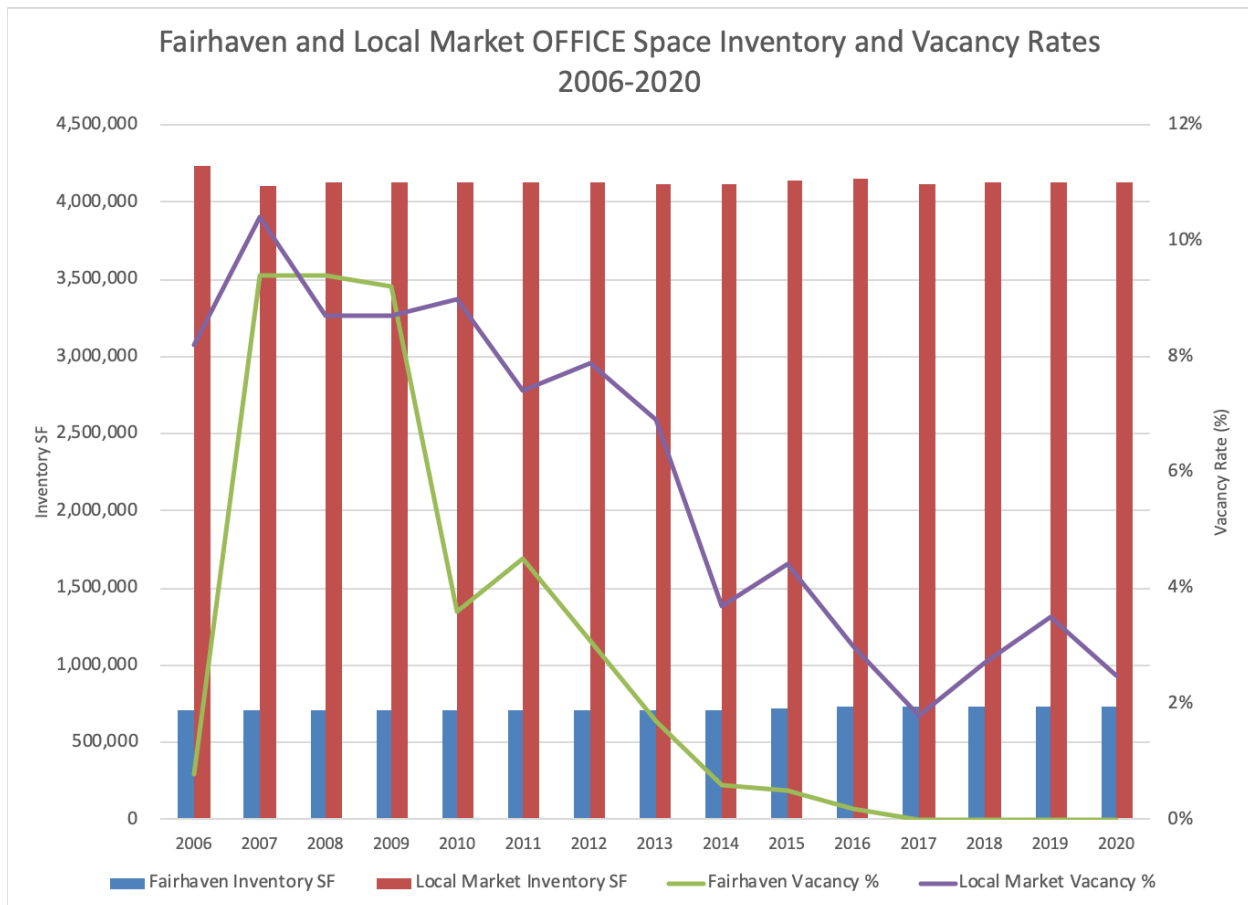
This section updates the office market conditions and trends for Fairhaven and the local market from the 2017 report and adds retail, industrial, and flex space trends as well as trends in multifamily housing. The local market includes New Bedford, Dartmouth, Westport, Acushnet, Mattapoisett, Marion and Wareham.

Office Space Market

The following set of graphs updates those shown in the 2017 report: Inventory and vacancy rates, projected occupancy, and occupancy and rents.

Inventories have remained flat and vacancies in decline, much as in 2017.

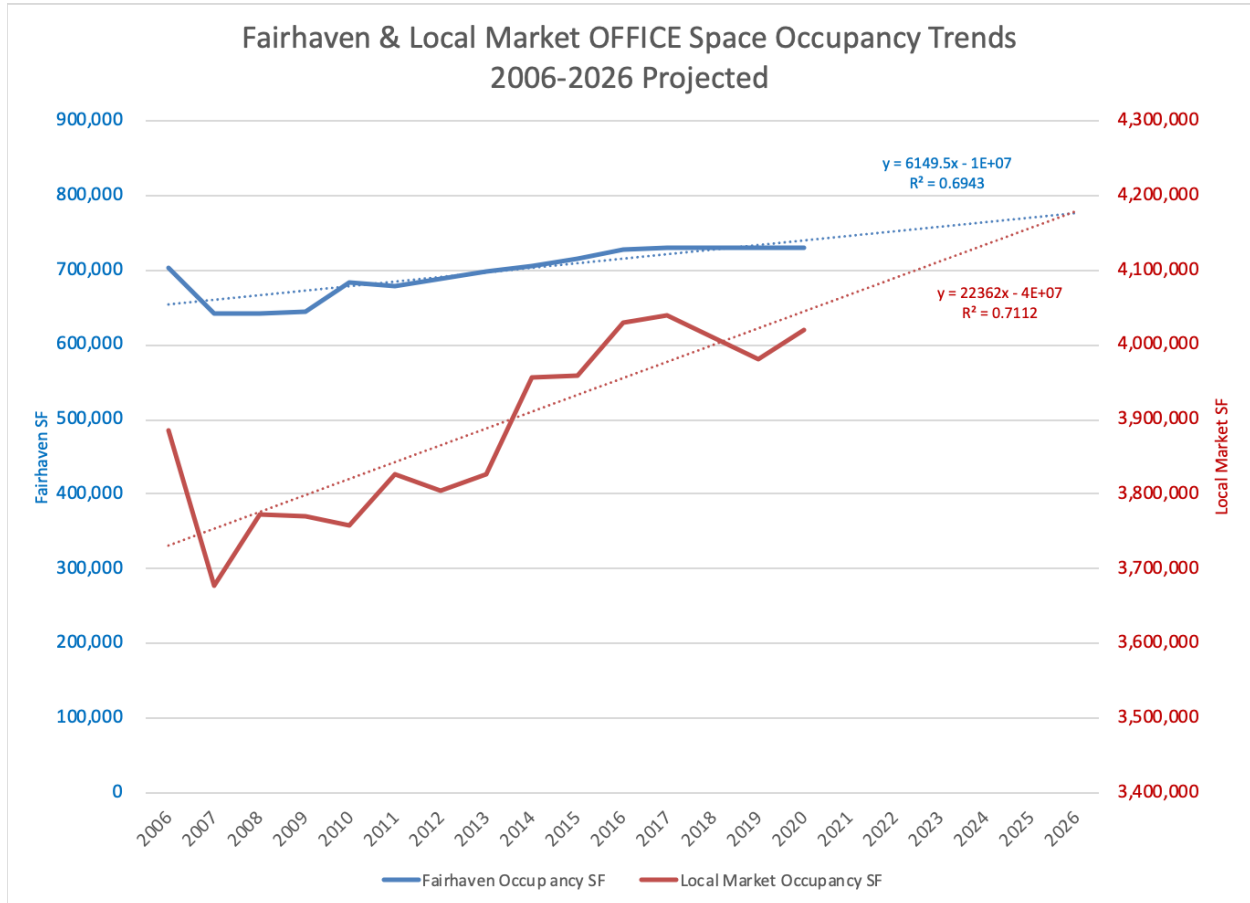
Figure 10



Source: Co Star Property Information Systems, 2020, and FXM Associates

Similarly, projected occupancy trends continue to rise for both Fairhaven and the local market area, at only slightly lower R² values.

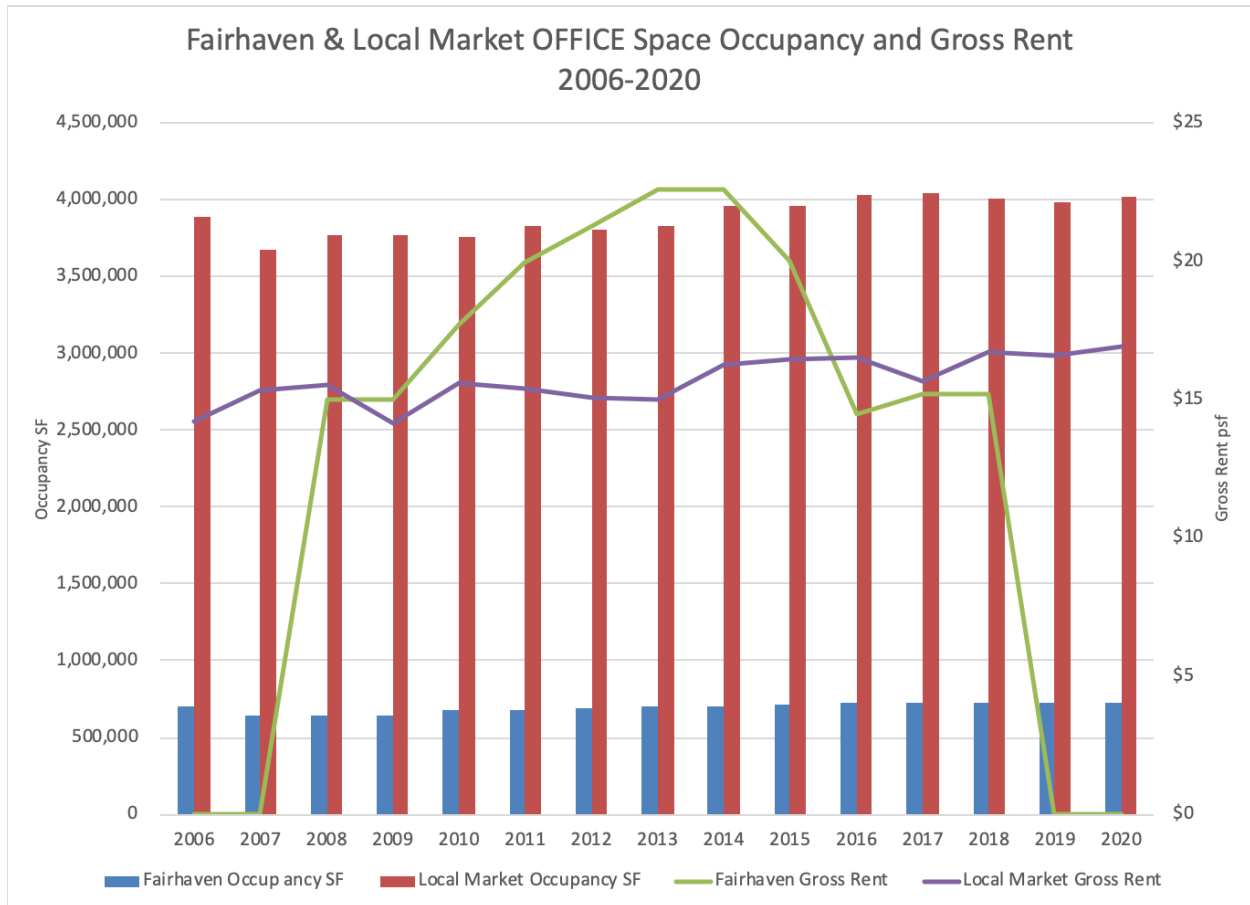
Figure 11



Source: Co Star *Property Information Systems*, 2020, and FXM Associates

Occupancy and gross rents are shown below. (Missing data for Fairhaven 2006, 2019, 2020)

Figure 12

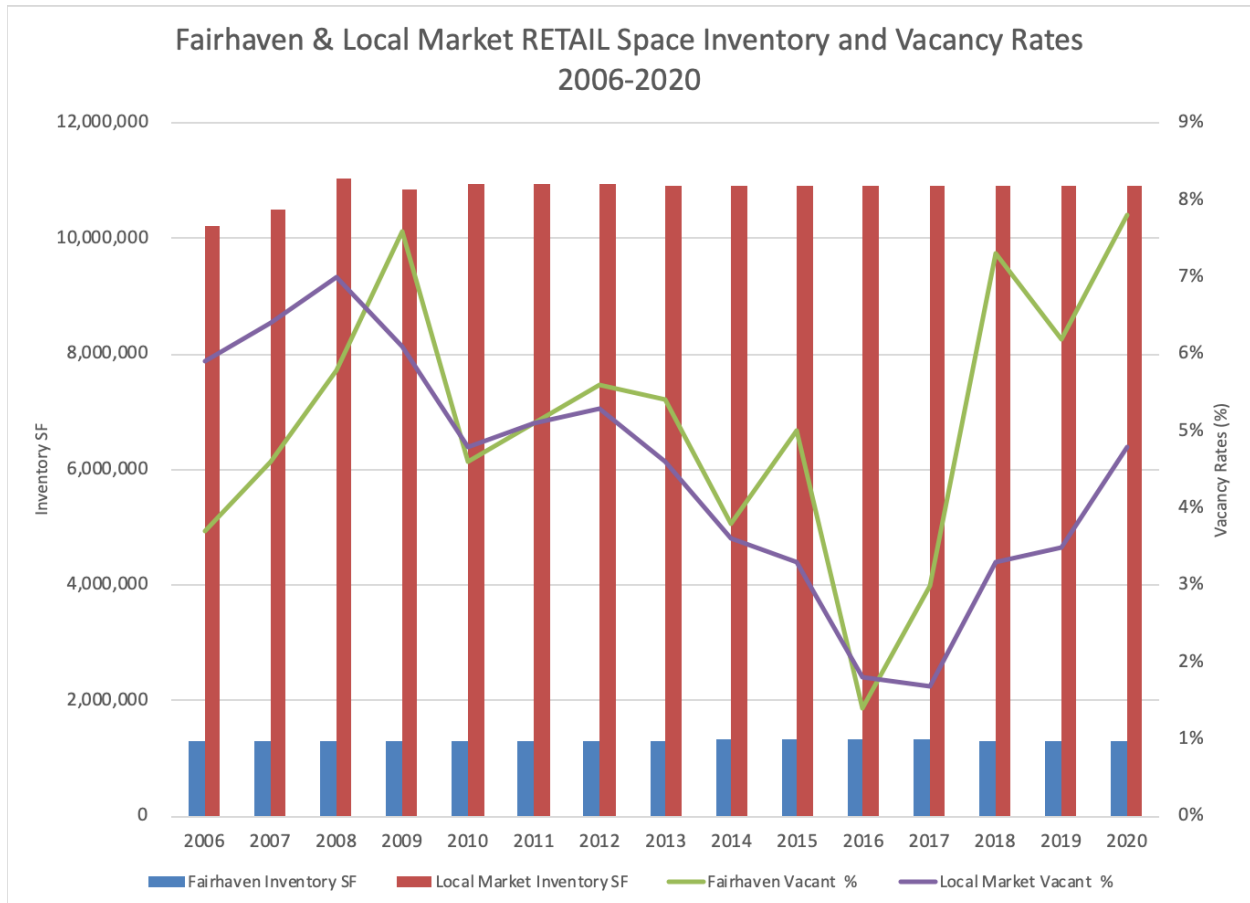


Source: Co Star *Property Information Systems*, 2020, and FXM Associates

Retail Space Market

Inventories of retail space have remained virtually the same in both Fairhaven and the local market. Vacancy rates, on the other hand, have been highly variable, as occupancies have fluctuated.

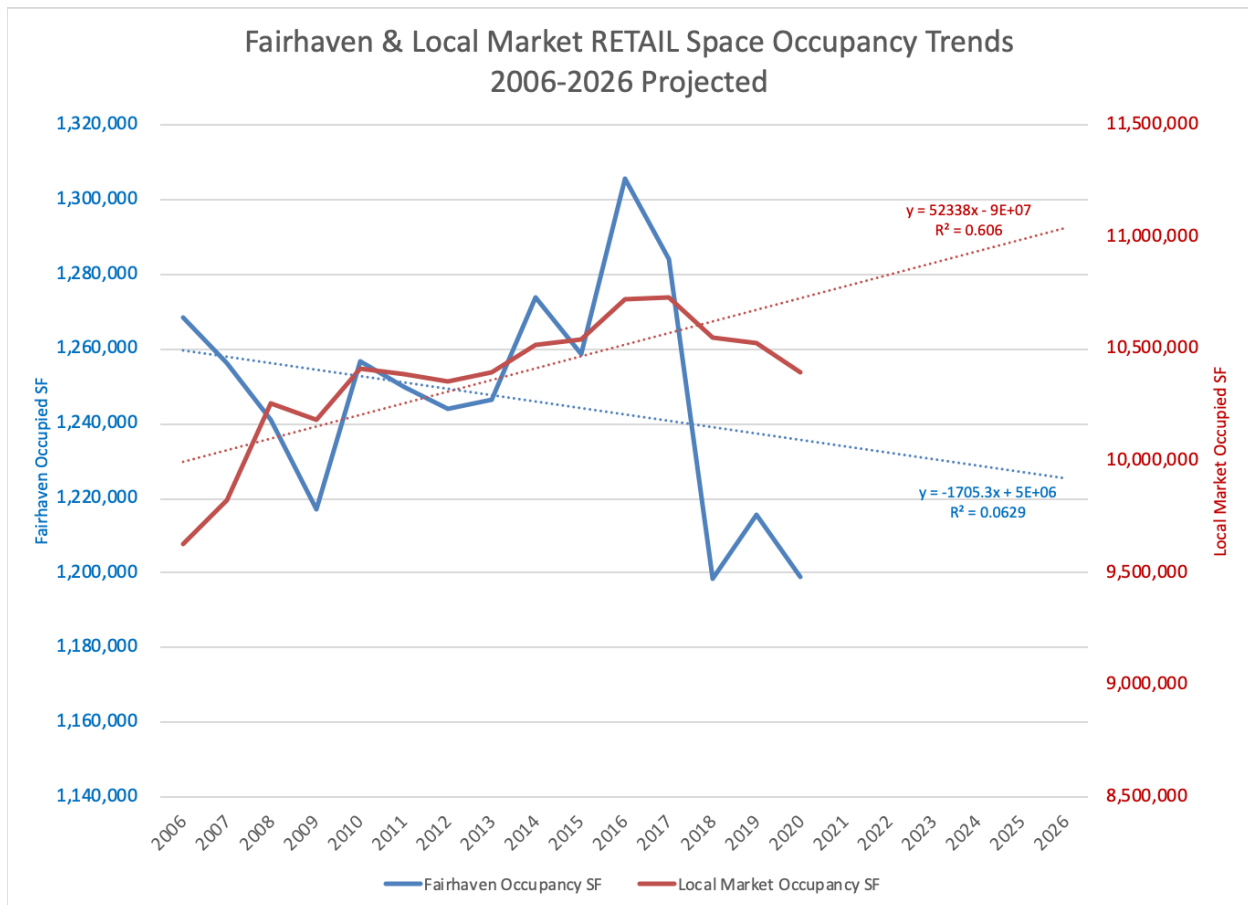
Figure 13



Source: Co Star Property Information Systems, 2020, and FXM Associates

The following figure shows how occupancies have varied over the period 2006 to 2020, particularly in Fairhaven, making the projections of future occupancies very unreliable ($R^2 .06$).

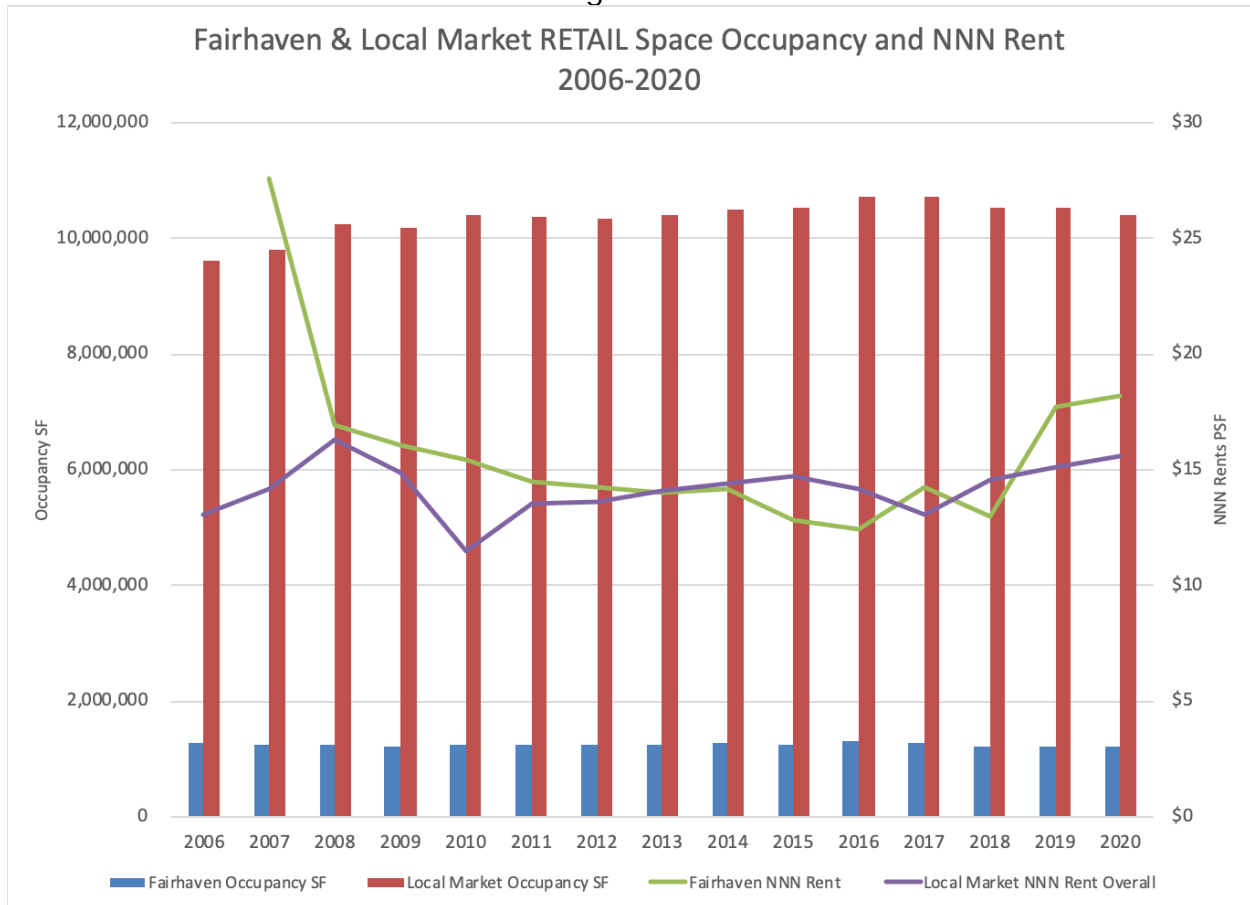
Figure 14



Source: Co Star *Property Information Systems*, 2020, and FXM Associates

The following figure shows occupied square feet and NNN rents, which have held fairly steady between 2008 and 2018, rising in both areas since. (Note that on this graph, occupancy in Fairhaven appears much more stable than it does in Figure 14. This is because of the much larger scale used in Figure 15, which diminishes differences for the relatively small square footage in the town compared to the local market.)

Figure 15

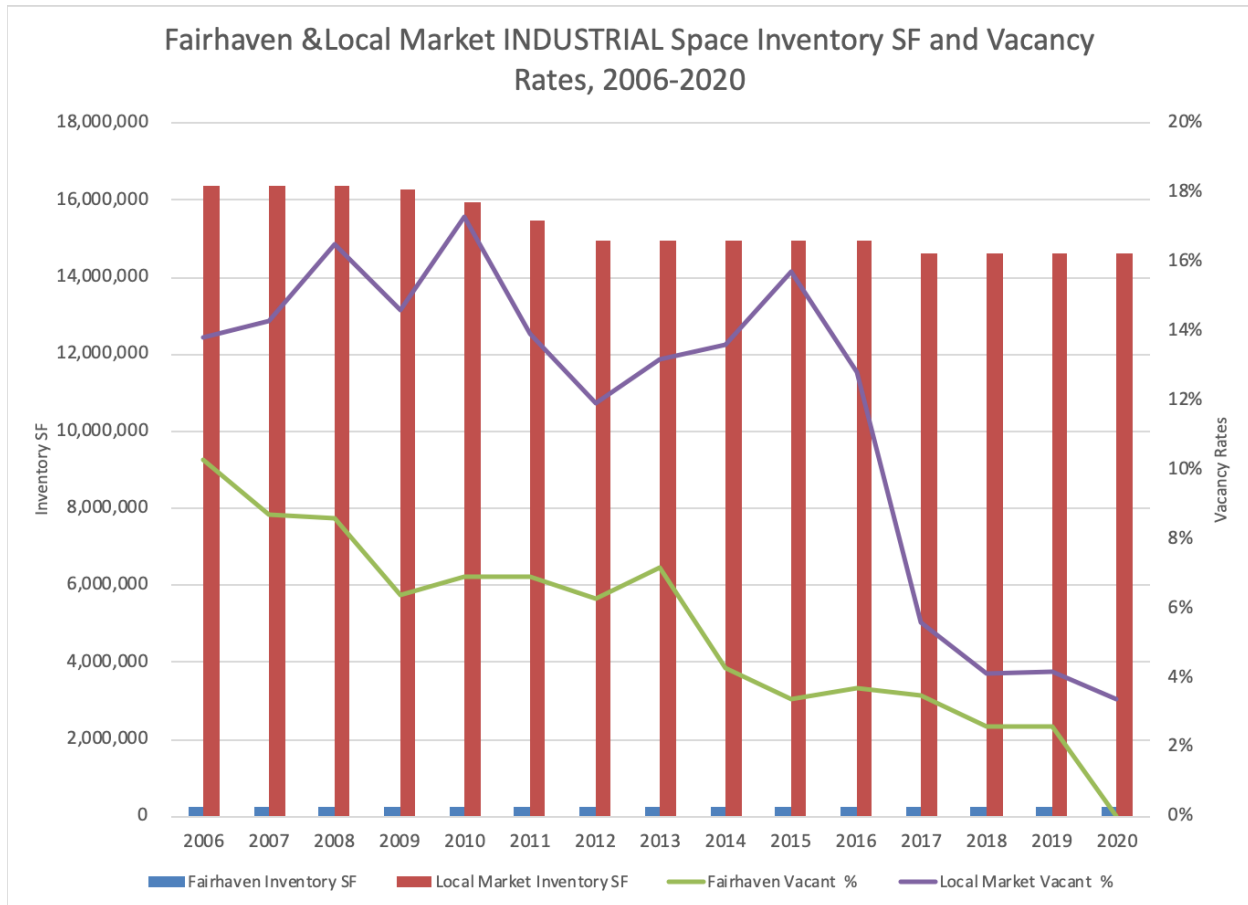


Source: Co Star Property Information Systems, 2020, and FXM Associates

Industrial Space Market

Compared to the local area, Fairhaven has a very small inventory of industrial space, and vacancy rates have been in decline in both areas, as shown below.

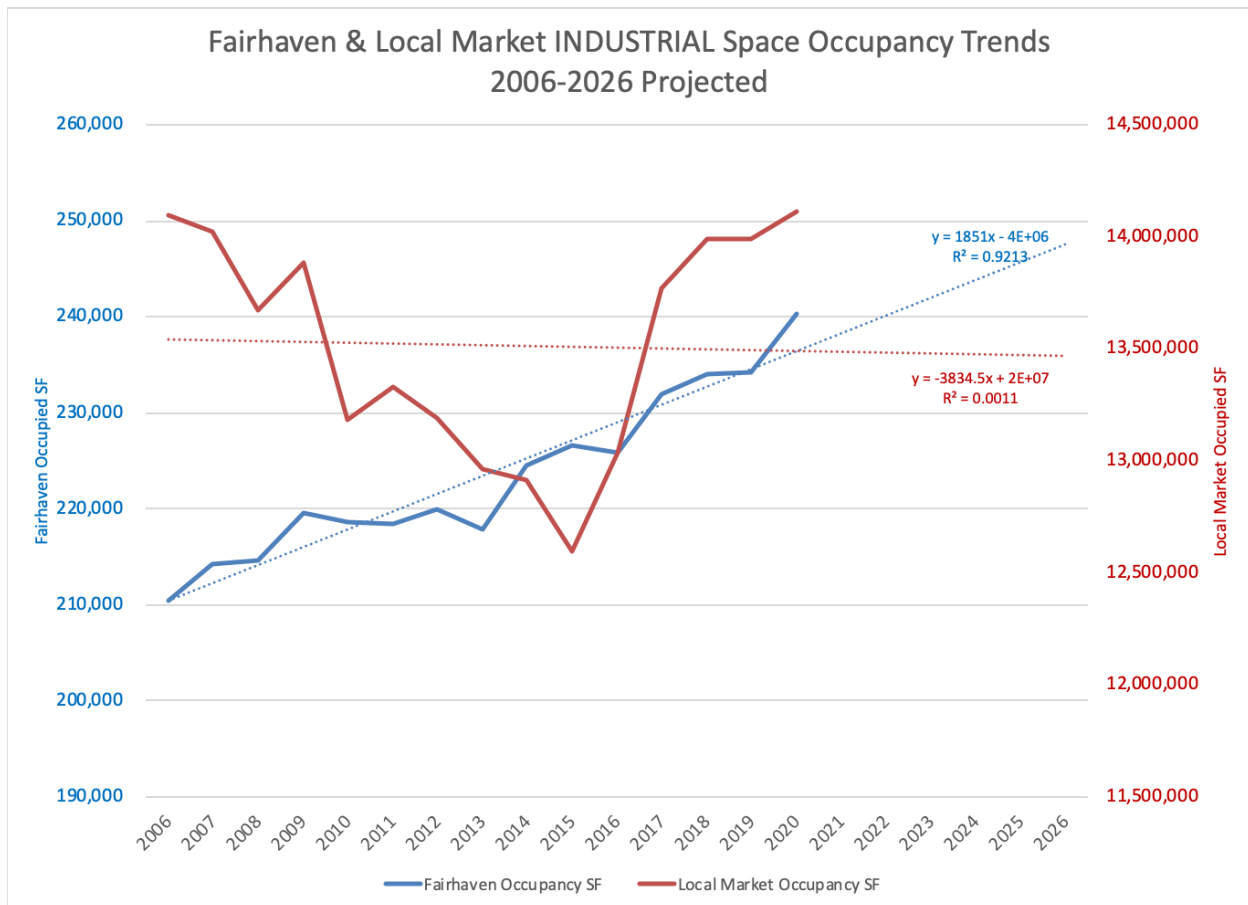
Figure 16



Source: Co Star Property Information Systems, 2020, and FXM Associates

Although steady increases in occupancy of industrial space are strongly projected to continue in Fairhaven, the trend in the local market is slightly downward, but at a much lower level of reliability because of its volatility over time.

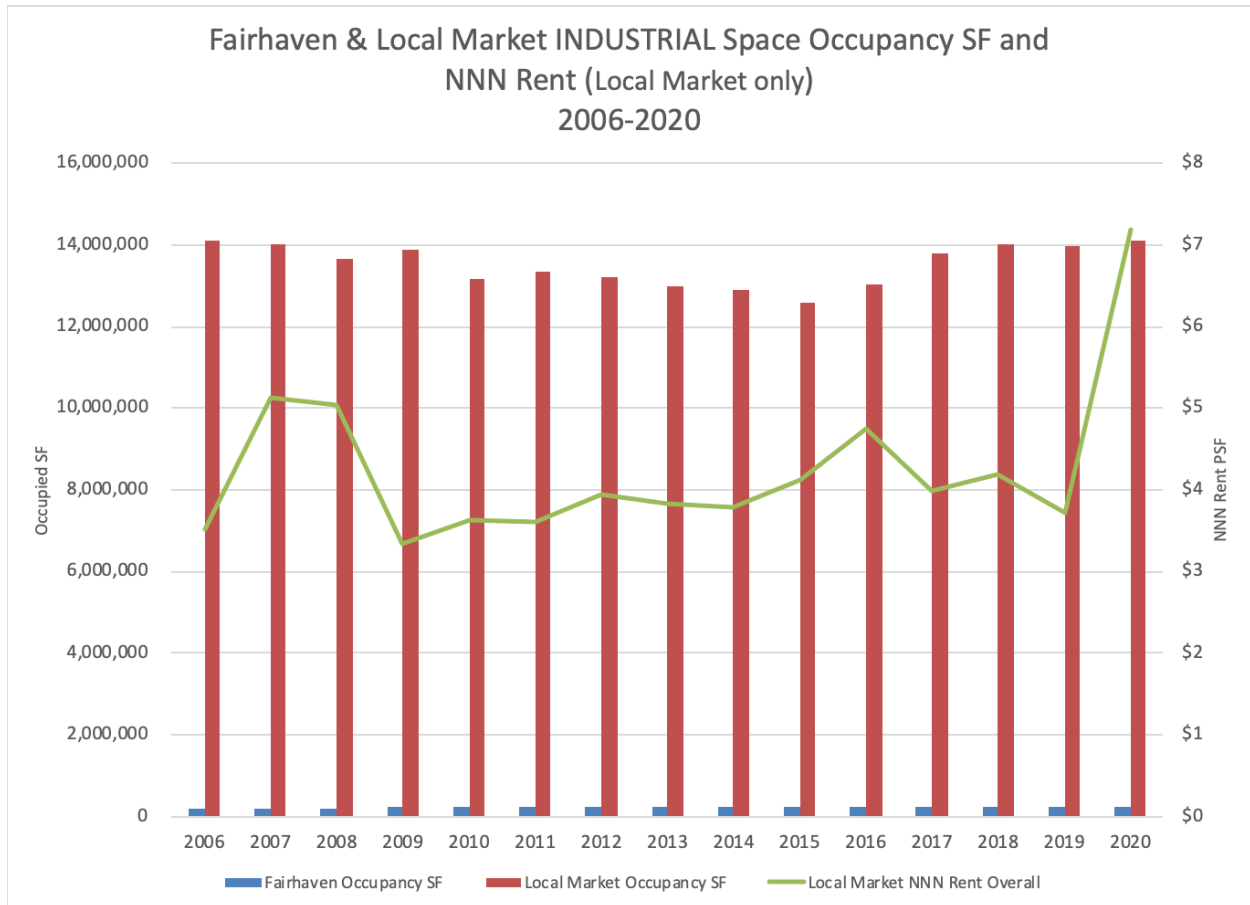
Figure 17



Source: Co Star *Property Information Systems*, 2020, and FXM Associates

With regard to occupancy and rents, patterns in the Fairhaven data in the following figure are difficult to discern because of the large scale needed to accommodate the local market. Rent data for this type of commercial space are not available for Fairhaven, so only local market rents are shown.

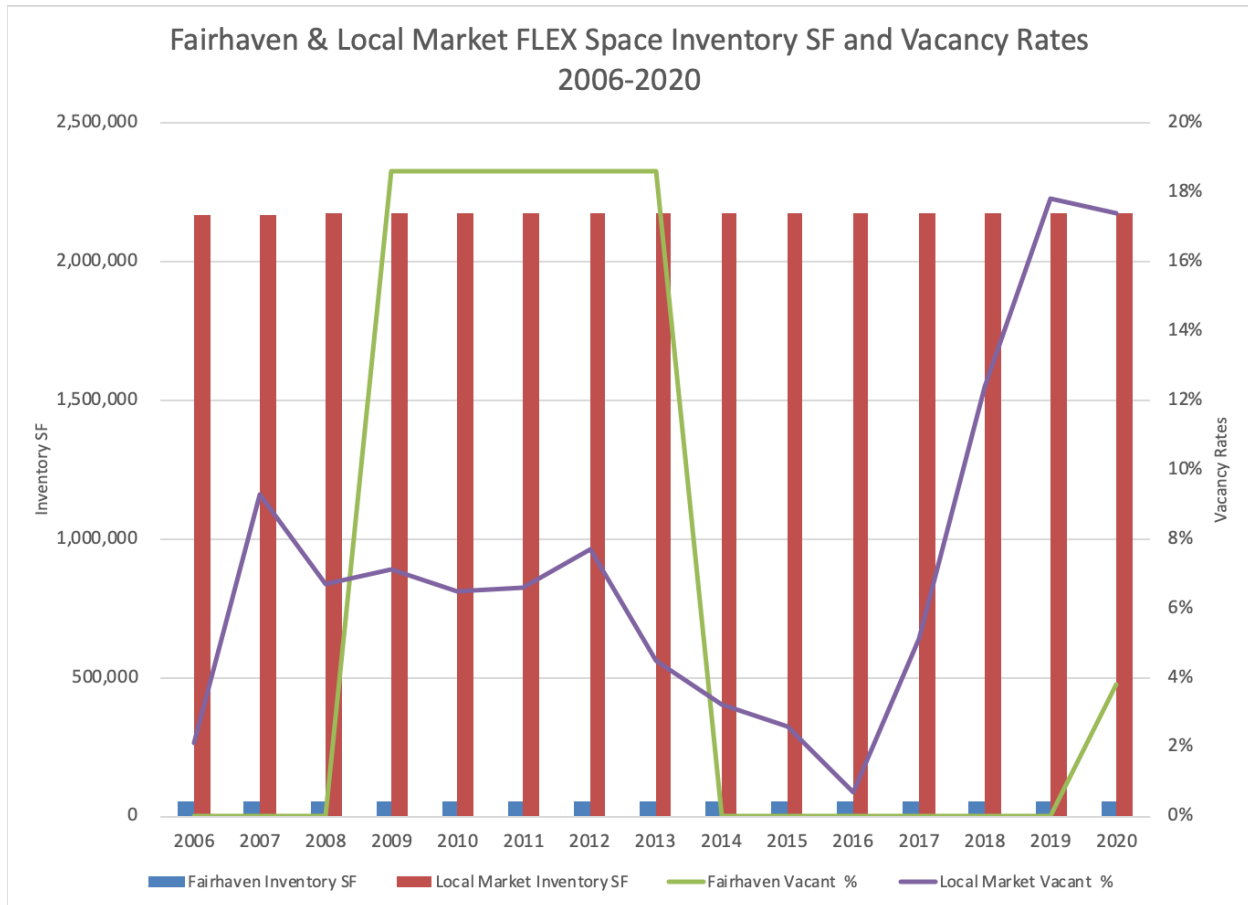
Figure 18



Source: Co Star Property Information Systems, 2020, and FXM Associates

The inventory of flex space in Fairhaven has not changed since 2006, and several years therefore show vacancy rates of zero. There has also been virtually no change in the inventory in the local market either, where vacancy rates have varied widely but risen sharply since 2016.

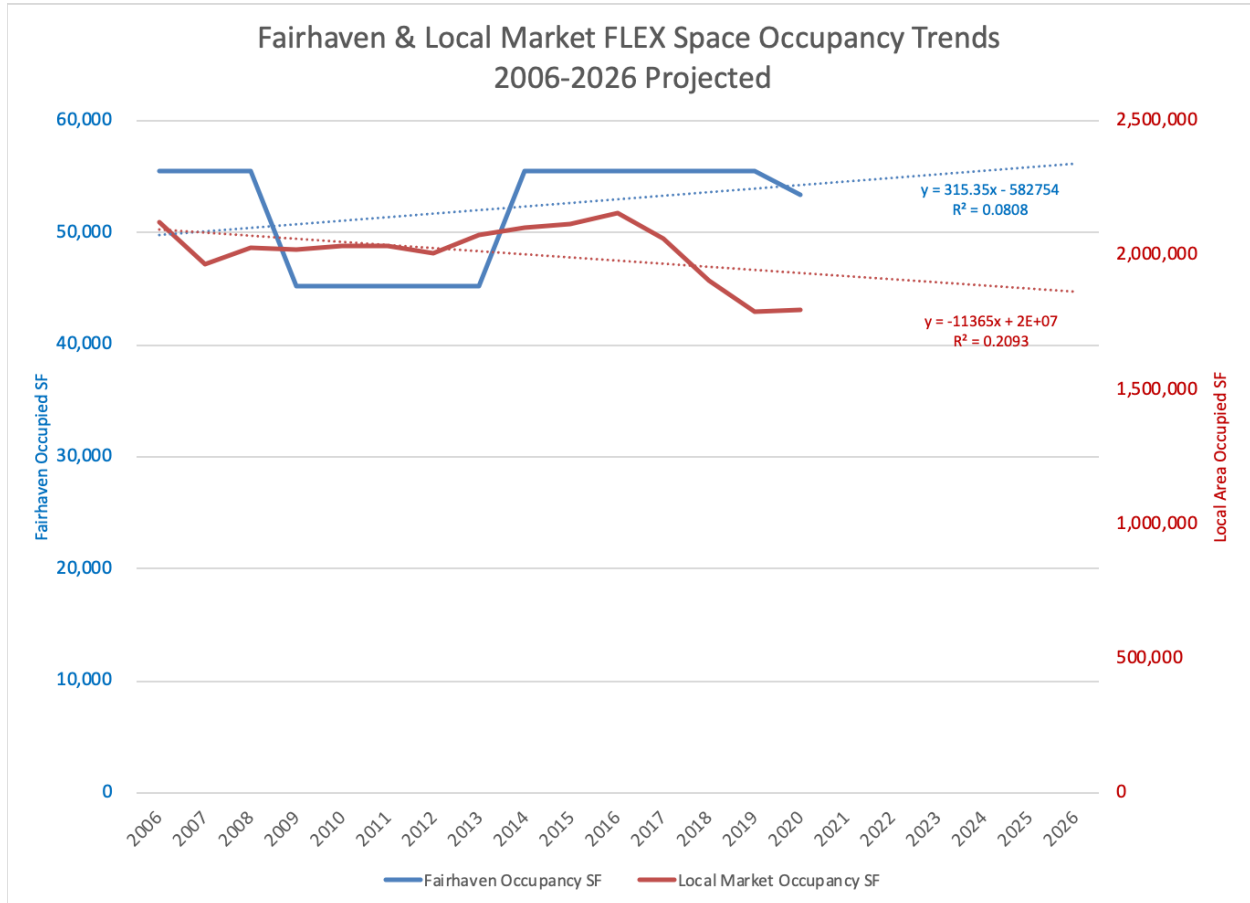
Figure 19



Source: Co Star Property Information Systems, 2020, and FXM Associates

Fairhaven's occupancy is trending upwards, and the local market is trending downwards, both at low levels of reliability.

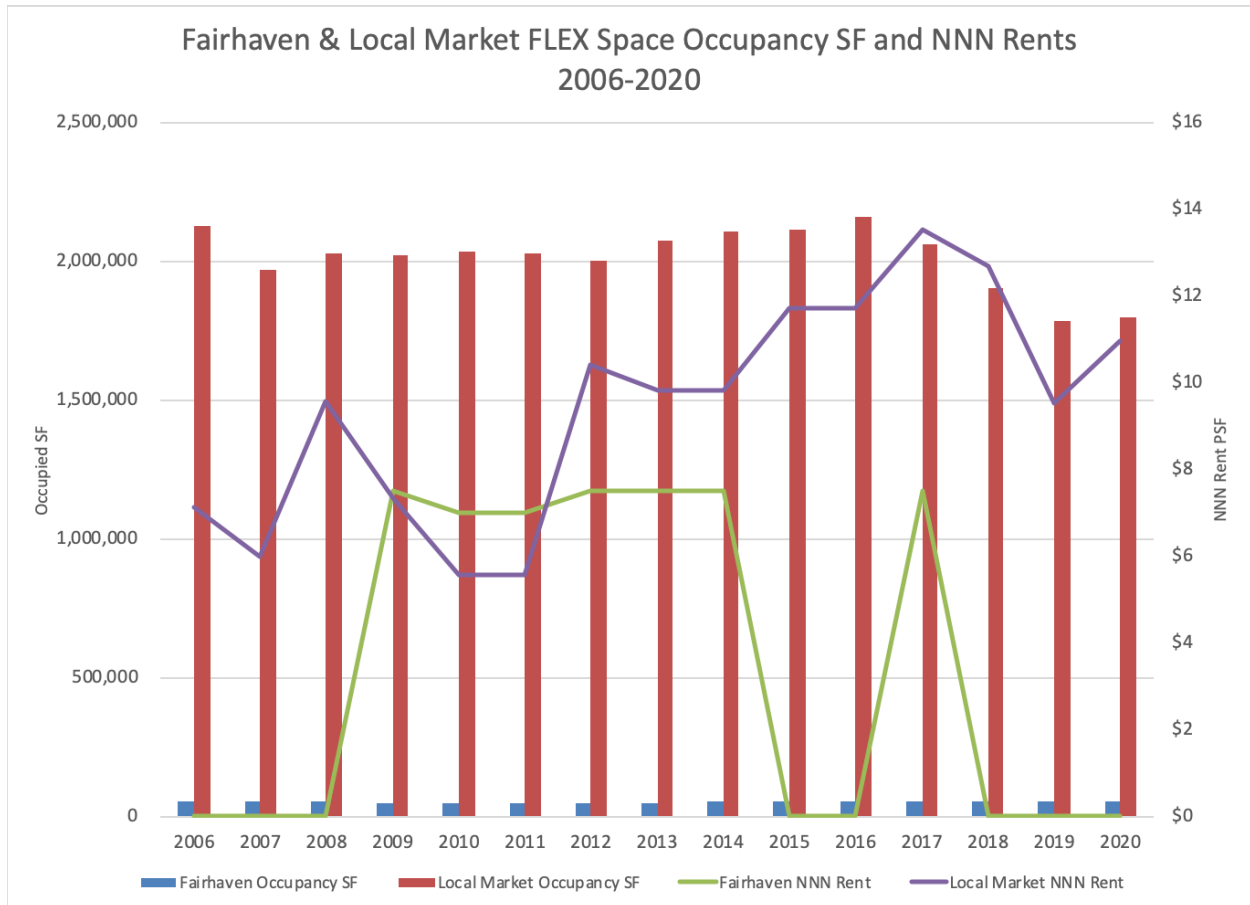
Figure 20



Source: Co Star *Property Information Systems*, 2020, and FXM Associates

Several years of rent data, at the beginning and the end of the period, for Fairhaven are missing, so the following graph is showing them at zero. In between rents have held very steady at \$7.00-\$7.50 for flex space, in contrast to local area flex rents, which have varied quite a bit and currently stand at almost \$11.

Figure 21

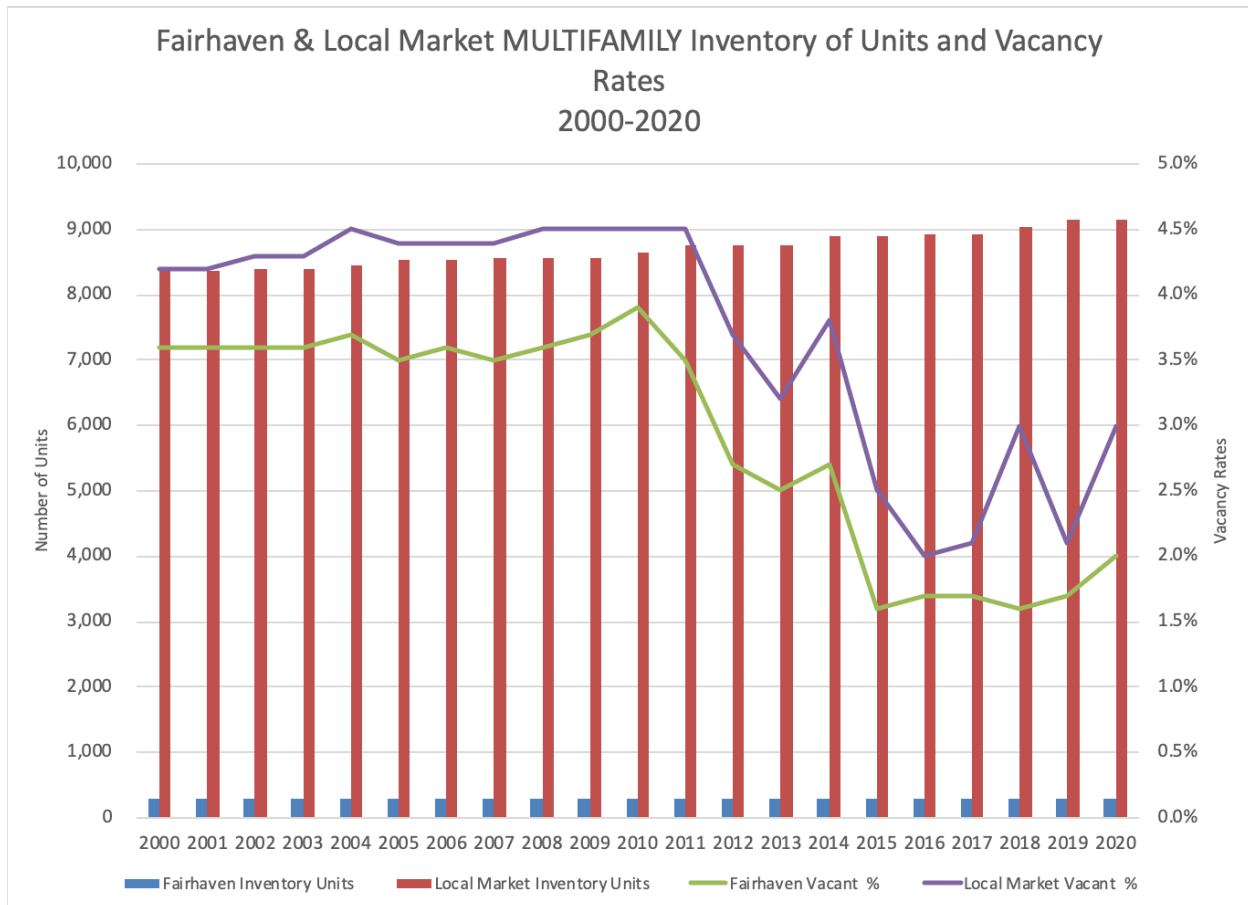


Source: Co Star Property Information Systems, 2020, and FXM Associates

Multifamily Housing

Fairhaven has a very small inventory of multifamily housing, with five fewer units in 2020 than in 2000. The local market has increased its inventory somewhat. Vacancy rates in Fairhaven have been below 2% since 2017 but have been rising since 2018. Vacancy rates in the local market stand at around 3%.

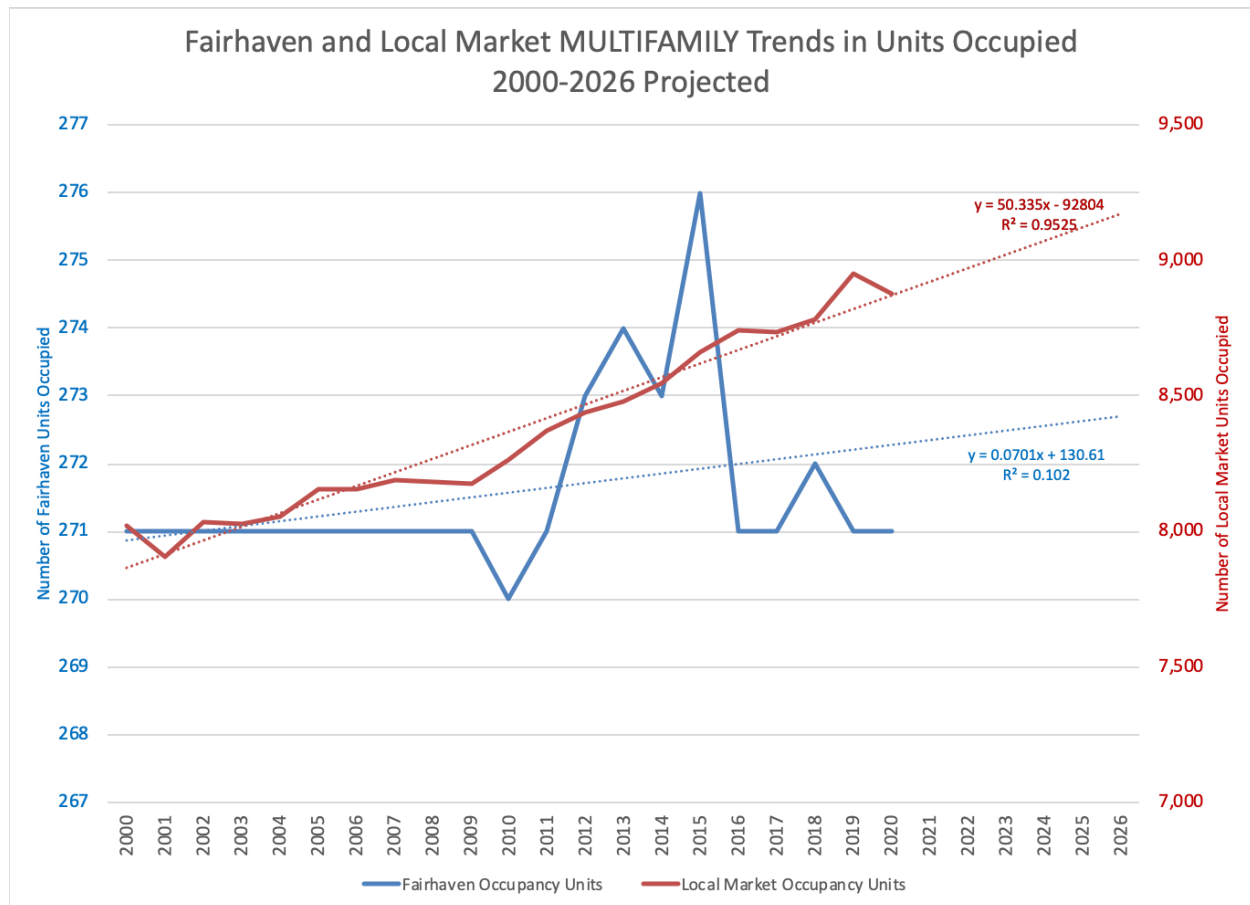
Figure 22



Source: Co Star *Property Information Systems*, 2020, and FXM Associates

Occupancies are expected to rise in Fairhaven and the local market, albeit at a low level of reliability for Fairhaven, where occupancies varied a great deal between 2010 and 2016.

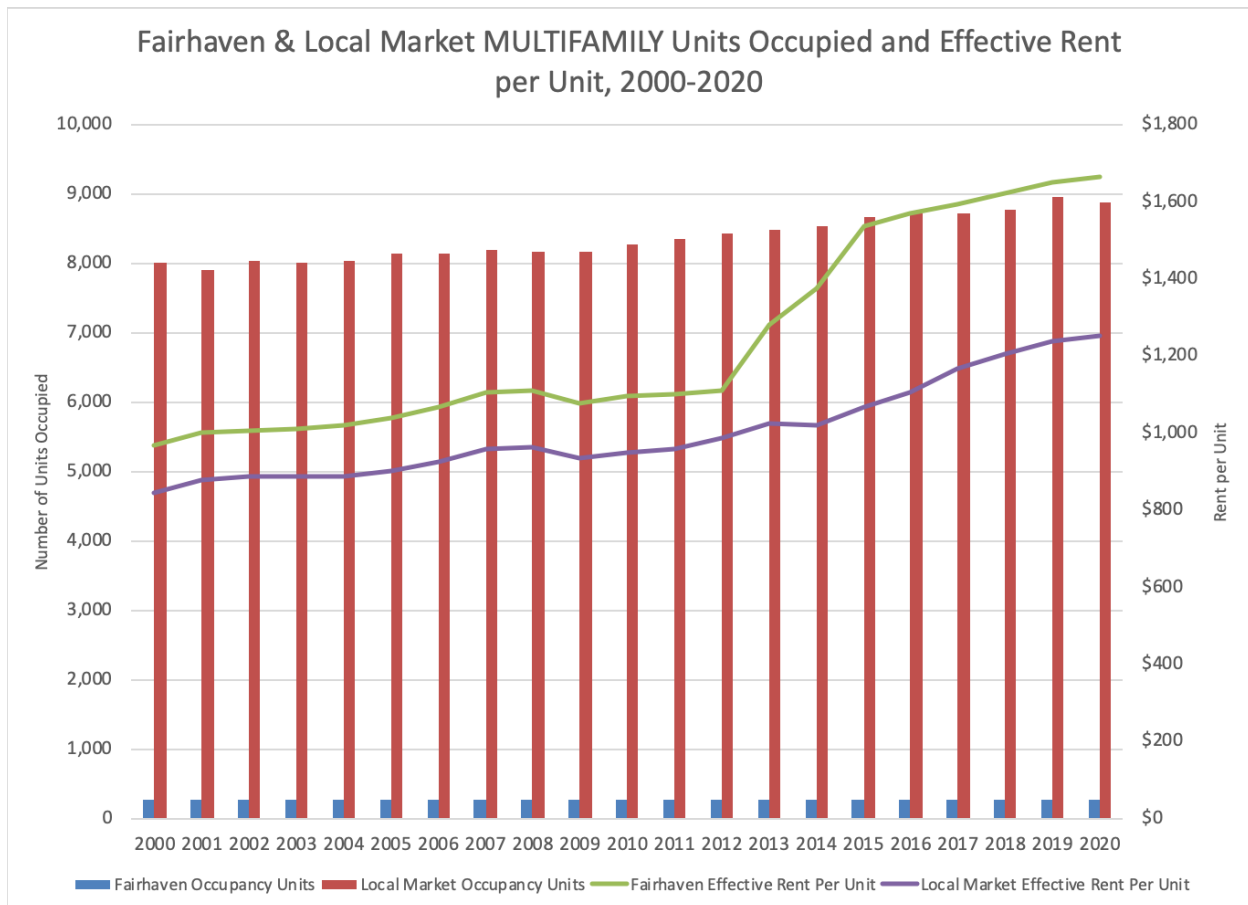
Figure 23



Source: Co Star *Property Information Systems*, 2020, and FXM Associates

Rents have been steadily rising in both Fairhaven and the local market. Rents in Fairhaven are higher and have been rising faster than in the local market but are still relatively low compared to the broader region.

Figure 24



Source: Co Star *Property Information Systems*, 2020, and FXM Associates

Task 3 – Retail Opportunity Gap/Surplus Analysis

The figure below displays the same three drive times (5-10-15 minutes) used in the 2017 report and in this update.

Figure 25



The following table shows the context for the retail opportunity analysis. As in 2017, at this level, Fairhaven retail stores are already selling more to consumers from outside the three market areas than Fairhaven residents are buying, showing little room for more growth to satisfy existing demand and recapture sales leakage.

Table 5

Retail Opportunity Gap/Surplus Market Overview			
	5-min	10-min	15-min
Households	3,091	21,692	51,356
Total Retail & Restaurant Expenditures	140,422,896	760,024,043	1,941,429,327
Total Actual Store Sales	240,920,916	1,268,763,714	2,931,110,557
Retail Opportunity/Surplus	\$(100,498,020)	\$ (508,739,671)	\$ (989,681,230)

Source: EnvironicsAnalytics, Spotlight Reports, 2019, and FXM Associates

As in 2017, however, there are opportunities in a limited number of sectors.

Table 6

Retail Opportunities in the Fairhaven Retail Market Area					
Retail Stores	Market Area Gap	Supportable SF	Potentially Captured SF	Potentially Supportable Stores	
44412 Paint and wallpaper stores	\$ 2,800,959	12,723	3,233	1	
4442 Lawn and garden equipment and supplies stores	\$ 15,572,045	64,938	15,250	1	
44815 Clothing accessories stores	\$ 2,724,003	4,152	2,000	1	
4482 Shoe stores	\$ 2,183,451	7,284	3,000	1	
7231 Food service contractors	\$ 5,909,596	15,519	4,000	2	
Total	\$ 29,190,054	104,616	27,483	6	

Source: EnvironicsAnalytics, Spotlight Reports, 2019, and FXM Associates

For purposes of comparison, the next table shows the results of this analysis in 2017.

Table 7

Retail Opportunities in the Fairhaven Retail Market Area				
Retail Stores	Market Area Gap	Supportable SF	Potentially Captured SF	Supportable Stores
4422 - Home Furnishing Stores	\$ 5,052,052	18,993	4,100	1
44422 - Nursery and Garden Centers	\$ 10,348,810	44,463	10,000	1
44612 - Cosmetics, Beauty Supplies and Perfume Stores	\$ 3,169,618	7,170	1,600	1
44814 - Family Clothing Stores	\$ 10,141,097	28,628	8,000	1
4529 - Other General Merchandise Stores	\$ 26,396,802	121,762	17,000	1
4539 - Other Miscellaneous Store Retailers	\$ 3,050,983	9,417	2,300	1
7223 - Special Foodservices	\$ 6,600,680	19,460	2,000	1
	\$ 64,760,042	249,892	45,000	7

Source: EnvironicsAnalytics, Spotlight Reports, 2017, and FXM Associates

Although there is a difference in the total number of stores of only 1, the total size of the gap, supportable square feet, and potentially captured square feet were much higher in 2017. The categories are also different, as the retail mix has changed.

In the current context, however, these analyses are of limited utility, as the restaurant and retail sectors are among those hardest hit by the pandemic. As we are still in the midst of it, it is difficult to understand fully, let alone strategize for, the new landscape for retail. The uncertainty of government support programs, both for businesses and consumer households, adds to the difficulties.

As an example of how the pandemic is affecting the opportunity sectors identified in the table above, early research by industry groups shows that the apparel component of retail is changing, with consumers buying fewer business clothes as they work from home. Bankruptcy filings by Lord & Taylor, Ann Taylor, Brooks Brothers, Joseph A. Banks, etc. are testimony to how fast this trend has taken hold. Working from home may decline as the pandemic abates, but many observers expect that the cost savings to businesses and workers, among other factors, will probably cause a greater share of office workers to work from home permanently. That means, on the other hand, that sales of very casual clothing sales are rising.

Also, there are opportunities for local small businesses in all retail sectors to survive and even prosper if they can distinguish themselves as local alternatives to the big chains disappearing from malls, the stores most heavily impacted by the virus.

Even at this early stage, some things are becoming clear. One is that businesses, retail and others, must have an online presence and must offer at least some type of digital alternatives to pre-pandemic in-store shopping. This is a trend that existed before the pandemic, but COVID-19 has accelerated it enormously. From the most basic step of offering detailed information about inventories online so that consumers can plan their in-store time efficiently to e-commerce options ranging

from order on-line, pick up in store or curbside to order on-line take delivery at home, retail businesses will most likely be driven by customer preferences, so understanding their customers is critical.

The Institute for Local Self Reliance, an organization that promotes small businesses, has listed short- and longer-term measures that local officials can take to help their businesses stay afloat.³ Some examples include:

- Helping businesses apply for federal CARES funds
- Creating a local small business relief program, preferably via small grants rather than loans
- Defer tax and utility payments
- Adapt existing regulations to simplify the process of making changes required by the pandemic
- Help small, independently-owned businesses establish an on-line presence
- Assist business owners in adjusting their plans and strategies to accommodate the new situation
- Survey businesses to determine needs and concerns
- Streamline permitting processes
- Refocus community economic development activities on small businesses
- Make zoning more small business-friendly

³ Kennedy Smith, *Safeguarding Small Business During The Pandemic: 26 Strategies For Local Leaders*, in ILSR.org, July 2020.