Webster North End Business District

BROWNFIELD OPPORTUNITY AREA (BOA)

DRAFT

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1. EXECUTIVE SUMMARY

Camoin Associates was commissioned to conduct a quantitative and qualitative market analysis of the Webster North End Business District Brownfield Opportunity Area (Webster BOA). Camoin collected and summarized a host of relevant data points on demographics, economics, and market data for residential, commercial, industrial, and retail real estate. This market analysis will provide context and support for the development of plans for specific developments and projects within the Webster North End BOA. Below is a summary of the identified opportunities followed by more specific findings.

Summary Overview of Market Opportunities

Use	Market Potential	Description
Residential	Very High	▪ Opportunity for a variety of housing types including apartments, single-family homes, townhouses/condos, senior housing, and affordable housing options. ▪ Market potential for up to 1,035 units (733 market rate).
Retail and Entertainment	Moderate	▪ Strong consumer spending potential but limited gaps and locational competitive disadvantage. ▪ Some potential for restaurants, gas stations, and retail/entertainment options if integrated with a mixed-use development.
Commercial Office	Limited	▪ Limited office development potential overall. ▪ Potential medical office opportunity as a specific niche sector. ▪ Some limited professional office space as an "ancillary" use may have potential from demand from those in local spaces of lower quality. ▪ Co-working space is another niche office opportunity related to growth in remote working but would likely require co-location with attractive amenities.
Hospitality	Limited	▪ Current hotel market conditions are not favorable for new hotel/lodging development in the BOA without a new demand driver.
Industrial	Moderate to High	▪ Strong market demand in the Rochester region poses opportunities for Webster and the BOA to tap into. ▪ Space for tech and advanced manufacturing sectors are a promising market opportunity as well as general flex space suitable for a variety of users.

Key Market Opportunities

Residential

Overall, market conditions are very favorable for residential development in the Webster BOA with an extremely low inventory of homes to purchase and little availability of rental units. Webster is a desirable community and while the higher interest rate environment is impacting the market, there is still substantial market potential for a variety of housing types. **The market analysis found that over the next five years, the BOA has market potential for up to 1,035 units, including 302 affordable units and 733 market rate units.**

Summary: Webster BOA 5-Year Housing Market Potential

Housing Type	Rental Units	Homeowner Units	Total Units
Affordable	215	87	**302**
Market Rate	251	482	**733**
Total	**466**	**569**	**1,035**

- **Market Rate Apartments:** The Rochester Market is seeing very strong demand for quality modern apartments, including demand from many young people who are not able to compete for properties in the for-sale market. Market rents are relatively strong in the Webster market at around $1.50 per SF/month (translating to approximately $1,125/month for a 1-bedroom unit or $1,350/month for a 2-bedroom). However, higher quality apartments in Webster are commanding rents well above these levels, suggesting that new apartments could achieve rents in the neighborhood of $2.00 per SF/month ($1,500 for a 1-bedroom or $1,800 for a 2-bedroom).

- **Single-Family Homes:** Market competition for single-family and owner-occupied homes is very strong despite the high interest rate environment. Inventory is exceptionally low at less than 1 month (compared to 5 months in a healthy market) and the market is seeing significant pent-up demand with houses spending only 10 days on the market. The result has pushed housing prices substantially higher in recent years, but the demand outlook remains strong. While the median home sale price is currently around $317,000, the market price for new homes constructed in the BOA would likely command higher prices at $230 to $240/SF (approximately $460,000 to $480,000 for a 2,000 SF home).

- **Townhouses and Condos:** Alternative ownership options such as duplex units, townhouses, and condominiums would also compete well in the market as more affordable ownership options are well suited for young professionals and families as well as downsizing seniors. Townhouses or duplex units with 2-3 bedrooms are expected to be in high demand, with empty nesters and downsizing seniors representing an important market segment.

- **Senior Housing Options:** With the overall aging population in the market area, demand for senior housing options is expected to grow. There is evidence that existing facilities lack capacity and that current needs are not being fully met in the Rochester area. The BOA is well positioned for senior housing, particularly if developed in conjunction with additional services and amenities within walking distance.

- **Affordable and Workforce Housing:** There is also a need in the community for additional affordable and workforce housing at price points below current market level rents and home sale prices. While this type of

housing can take many forms, rental options were found to be in greater need. This type of housing could potentially be integrated with market-rate housing to create a mixed-income community.

Retail

Overall, Webster has a relatively affluent consumer base with strong spending potential; however, much of the local population's retail needs are currently being met. The concentration of retail along Route 104, including available spaces, just to the west of the BOA area provides a difficult competitive environment. However, there may be new retail opportunities within the BOA tailored to the more immediate current and potential future population base. Potential retail opportunities include:

- **Retail and Entertainment in Mixed-use Development:** The greatest retail and entertainment potential in the BOA is associated with the number and type of potential future residents in the BOA. For example, several hundred new market rate housing units would create potential market opportunities for new convenience retail, restaurant/coffee shop(s), and other similar offerings catering to the immediate population base.
- **Restaurants:** the broader regional market area is underserved by full-service restaurants with the potential to accommodate 2-3 additional establishments. Additionally, there may be restaurant opportunities to fill gaps in the current mix of restaurant types within the Village of Webster.
- **Gasoline Stations:** The local and regional retail trade areas are able to support at least 2 additional gas stations. Generally a location within the BOA with easy proximity to Route 104 would be a preferred location for any gas station business.
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Office

Generally, the local and regional office market is weak with market impacts being felt from the pandemic and greater rates of remote working. Additionally, demand projections suggest little future office growth demand. Traditional office space is not expected to be a meaningful market opportunity for the BOA; however, limited and specific office uses were identified with potential.

- **Limited Professional Services Office Space:** New office use could be feasible in a mixed-use approach with demand coming from existing small professional office users in the Webster area looking to upgrade to higher quality space.

- **Medical Office:** There is expected to be market potential from growth in the health care industry for office spaces for outpatient facilities and other ambulatory care offices. While the BOA may not be a preferred location for medical office, additional uses such as market rate and/or senior housing would enhance viability.

- **Co-Working/Remote Working Space:** Webster is an attractive place to live making it an ideal location for remote workers. A flexible office product such as co-working space would likely perform well in the market, particularly when co-located with amenities and housing for a professional workforce.

Hospitality

Overall, the BOA is not expected to have any significant market potential for a hotel or lodging use in the foreseeable future. While the BOA has relatively easy access to Route 104, visibility from the highway is limited and more attractive locations are available for lodging uses. Additionally, hotel market metrics do not suggest that conditions are favorable for a new establishment in the Webster area. However, it should be noted that market potential could be enhanced if new visitor-generating uses were included as part of the revitalization of the BOA.

Industrial and Flex

Overall, the Rochester region's industrial market is relatively strong and is experiencing record low vacancy rates to start 2023. Deliveries of new industrial space has been sluggish, resulting in a growing disparity between supply and demand. Furthermore, the large- scale buildings with industrial conversion potential have largely been utilized and much of the remaining inventory has reached a point of obsolescence. With a high quality of life, attractive infrastructure, and ease of access to Route 104, the BOA is in a strong market position for future industrial growth. Although, the BOA may be best suited to capitalize on more small- and mid-size tech-related manufacturing and R&D opportunities.

- **Several key manufacturing industries are driving industrial demand in the Rochester region.** Industry sectors expected to generate future demand for industrial real estate in the region include:
    - **Food and Beverage Production:** This sector includes growth in the region's existing dairy industry concentration as well as users such as aquaculture, hydroponics, and other innovative indoor growing operations, in addition to traditional food processing and packaging.
    - **Semi-conductor Supply Chain:** This is a growing sector in the region and businesses in this sector are anticipated to generate demand for space.
    - **Optics, Photonics & Imaging:** Rochester is a major hub for businesses in this sector and future growth is anticipated within this niche industry.

- **Flex Market is strong and may offer opportunity.** Flex space, characterized typically as office and industrial space together with "flexibility" for a broad variety of manufacturing and other industrial activities, is currently in high demand. This "light" industrial space is typically aligned with demand from small businesses. While there are signs the flex market may be slowing, there is still anticipated potential for flex development in Webster.

- **Warehousing and Distribution space remains in high demand but may be a challenging fit for the BOA.** Users are actively looking for additional warehousing, distribution, and fulfillment center space in the region. The BOA's proximity to Route 104 suggests potential opportunity, however, the site requirements for these users are not likely to align with the availability of space in the BOA.

2. INTRODUCTION

Camoin Associates is working as a sub-consultant to Bergmann Associates and has performed multiple analyses of the Webster BOA area which together offer a real estate market evaluation. The component parts of the report provide important understanding on their own. However, together they create a compelling sense of what types of development activities would be feasible.

Report sections:

- Demographic & Socioeconomic Analysis

- Economic Base Analysis

- Residential Market Analysis

- Retail Market Analysis

- Office Market Analysis

- Hospitality Market Analysis

- Industrial & Flex Market Analysis

Methodology

The purpose of this effort is to identify market-feasible redevelopment opportunities for properties within the Webster BOA that will serve as catalysts for revitalization both in the immediate area and throughout the wider areas of Webster Village and the Town of Webster. The market analysis examined a wide variety of use types through data analysis and interviews with local experts. The analysis identified opportunities that have strong market potential given existing supply and demand characteristics. Demographic information, economic trends, and property characteristics informed this analysis. Constraints related to zoning and land use regulations, building conditions, community and political vision, financial feasibility, and other aspects of feasibility were not examined in this report.

Attachment A lists the complete set of data sources used in this evaluation. To summarize, Camoin uses best-in-class options for demographic, industry, and real estate trends. These comprise a combination of publicly available data and surveys (Census, Bureau of Labor Statistics) as well as proprietary data applications (Lightcast, CoStar). These options allow analysis based on data that is current and up to date, that has a time series of historical data to investigate changes over time, and lastly estimates of future metrics that project current trends in order to predict feasibility for proposed projects and market conditions.

Geographies

The project area is the designated Webster North End Business District Brownfield Opportunity Area, which sits on the north edge of New York State Route 104 and straddles the border of Webster Village. The 387-acre district includes a mix of property types, including residential, industrial, and commercial buildings. This area is shaded in red and has a yellow pin for orientation. In the first map it is front and center with the Charles E. Sexton Memorial Park just to its west.

This analysis includes several comparative geographies that are used throughout the report. Comparing the BOA to regions that are geographically close offers context for trends occurring at the local level. It also allows the demographic, economic, and real estate market trends to be seen in a broader sense and in larger markets.

The Village of Webster is designated with a blue boundary and can be seen in all three maps. The Town of Webster is designated with a green boundary and is seen in the second and third maps. Monroe County is designated with a yellow boundary and is seen in the last map. The Rochester MSA is designated with a dark gray boundary. The entire State of New York is also used as a comparative geography.

Webster North End Business District Brownfield Opportunity Area (BOA)

Webster Village Boundary

Webster Town

Webster BOA

Webster Village Boundary

Rochester MSA

Monroe Co
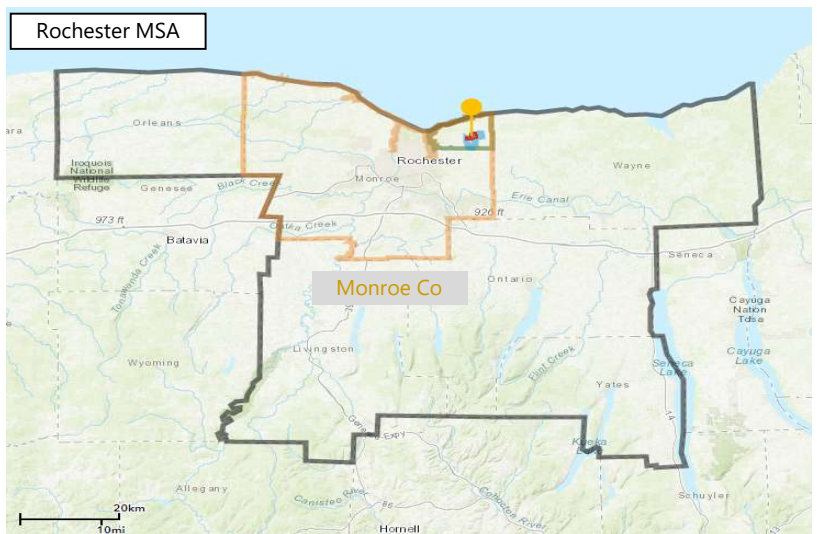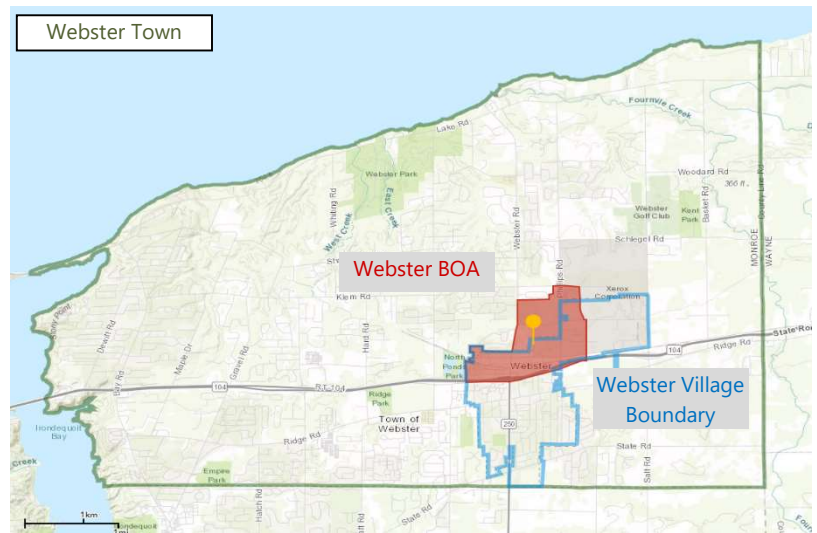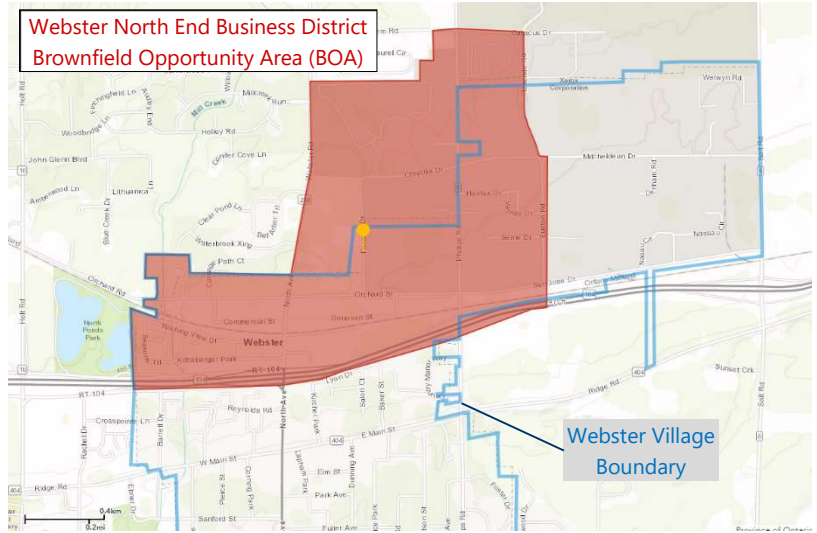
3. DEMOGRAPHIC TRENDS

Key Findings

- **The BOA and Village have seen significant recent population growth.** From 2010 to 2022 the Webster North End Business District BOA's population grew by 54.5%, which significantly outpaced the village (15.0%), town (6.0%), county (1.4%), and state (4.0%). Population growth for the BOA is projected to continue for 2022–2027, but at a much slower rate of less than 1.0%.

- **Household growth has outpaced population growth, with a shift to smaller households.** The significant population growth in the Webster BOA led to significant growth in the total number of households between 2010 and 2022. In that period, Webster BOA households increased by 90%. In comparison, Webster Village grew by 24% and the Town of Webster grew by 13%. The average household size declined from 2.51 in 2010 to 2.04 in 2022. The shrinking household size is a trend that is present in the village, town, county, and state.

- **Webster BOA and the Village of Webster have a higher concentration of young adults.** Approximately 29% of residents of the BOA are in the 20–39-year-old age cohort. However, the Webster BOA, is lagging in the 0–19 age cohort, with only 21% compared to 25% for the village and 23% for the town. Overall, the Webster BOA median age of 39.9 is the youngest of the study areas except for New York (39.6).

- **The BOA and Village have less racial diversity than the surrounding region but are expected to trend towards greater diversity in the future.** Between 2022 and 2027 the proportion of the population identifying as solely white is expected to decline by 1.1 percentage points in the Webster BOA, compared to 2.5 for New York State and 3.0 for Monroe County.

- **The BOA and Village have a relatively high concentration of middle-income households.** The Webster BOA has the largest share of households with incomes between $50,000 and $74,999 compared with any other region. Every other study area has a higher percentage of households with incomes greater than or equal to $75,000. Webster BOA has the largest portion of households with income less than $50,000, but the smallest share of households in the lowest income bracket (less than $15,000). When comparing median household incomes, Webster BOA is ranked lowest with a median of $62,342 in 2022. In comparison, the Town of Webster has the highest median household income level at $90,121, followed by New York ($79,320) and Webster Village ($69,549).

- **The Webster BOA population is relatively well educated.** The BOA population has greater college educational attainment, with 73.3% of the population having either an associate's or bachelor's degree or higher in 2022. Webster BOA also has a low rate of residents without a high school diploma or equivalent, with only 4.4% of residents lacking this attainment.

Demographic Summary

	2010	2022	2027	2010-2022 Growth Rate	2022-2027 Growth Rate
Webster North End Business District Brownfield Opportunity Area					
Total Population	767	1,185	1,195	3.7%	0.2%
Median Age	41.1	39.9	40.5	-0.2%	0.3%
Total Households	305	581	593	5.5%	0.4%
Average Household Size	2.51	2.04	2.01	-1.7%	-100.0%
Median Household Income		$62,342	$74,846		-100.0%
Webster Village, NY					
Total Population	4,984	5,731	5,780	1.2%	0.2%
Median Age	38.7	40.2	40.3	0.3%	0.0%
Total Households	2,187	2,721	2,777	1.8%	0.4%
Average Household Size	2.24	2.07	2.05	-0.7%	-0.2%
Median Household Income		$69,549	$89,610		5.2%
Webster Town, NY					
Total Population	42,641	45,199	445,180	0.5%	0.0%
Median Age	42.9	45.3	45.6	0.5%	0.1%
Total Households	17,152	19,347	19,544	1.0%	0.2%
Average Household Size	2.47	2.32	2.29	-0.5%	-0.3%
Median Household Income		$90,121	$103,560		2.8%
Monroe County, NY					
Total Population	744,344	754,888	747,598	0.1%	-0.2%
Median Age	38.3	40.2	40.9	0.4%	0.3%
Total Households	300,422	316,982	316,889	0.4%	0.0%
Average Household Size	2.39	2.29	2.27	-0.4%	-0.2%
Median Household Income		$ 67,244	$ 80,226		3.6%
New York					
Total Population	19,378,102	20,154,573	19,778,809	0.3%	-0.4%
Median Age	37.9	39.6	40.7	0.4%	0.5%
Total Households	7,317,755	7,717,376	7,623,810	0.4%	-0.2%
Average Household Size	2.57	2.53	2.51	-0.1%	-0.2%
Median Household Income		$ 79,320	$ 95,104		3.7%

Source: Esri, Census

Population Trends

The Webster BOA represents a relatively small area including only a handful of distinct residential neighborhoods.

From 2010 to 2022, the Webster BOA population increased by approximately 418 people. Compared to the existing population in 2010 of 767, this is a significant jump of approximately 55% (a 3.7% compound annual growth rate).

Total Population

	Population			Change	
Region	**2010**	**2022**	**2027**	**2010-2022**	**2022-2027**
Webster BOA	767	1,185	1,195	54.5%	0.8%
Webster Village	4,984	5,731	5,780	15.0%	0.9%
Webster Town	42,641	45,199	45,180	6.0%	0.0%
Monroe Co	744,344	754,888	747,598	1.4%	-1.0%
Rochester MSA	1,079,671	1,081,588	1,070,751	0.2%	-1.0%
New York	19,378,102	20,154,573	19,778,809	4.0%	-1.9%

Source: Decennial Census, Esri

The Webster BOA has significant portions of its boundary overlapping within the Village of Webster. The Village growth between 2010 and 2022 is also positive, but less dramatic. The Village increased population by 747 or 15% (a 1.2% compound annual growth rate). Many of the residential properties located in both the Webster BOA and the Village of Webster have been built since 2010 (this includes properties along Carriage Path Court and the area east of Charles E. Sexton Memorial Park). These new households represent a significant portion of the population increases to both the Webster BOA (418) and the Village of Webster (747). Population increases in the other geographies are more modest. None of the other areas saw population growth greater than 10% over the 12-year period.

Projected population growth is expected to slow based on recent trends. The Webster BOA (+0.8%) and the Village of Webster (+0.9%) have similar expected growth rates just below 1% for the next five years (2022 through 2027). The areas in the broader region and the state are expected to see flat or declining population growth.

Population Percent Change
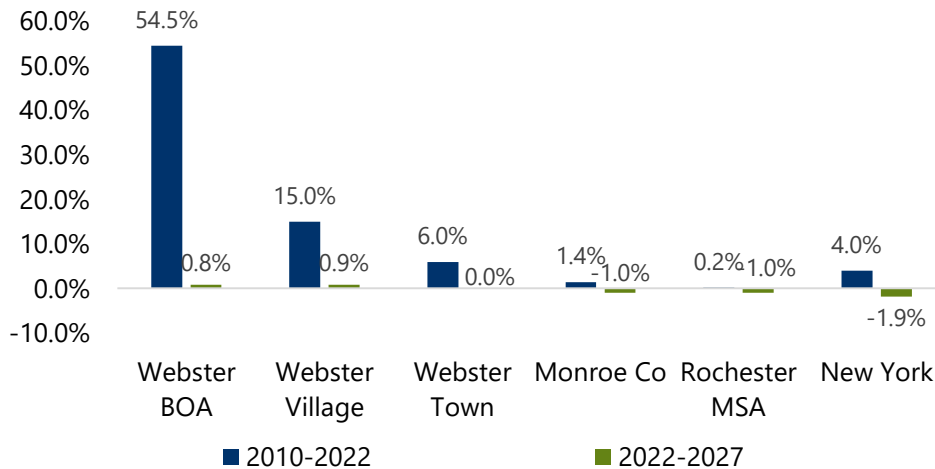
Source: Decennial Census, Esri

Household Trends

The Webster BOA had 305 households in 2010 according to the Decennial Census. This number increased to 581 according to ESRI's estimate for 2022. The number of households is projected to grow by 593 from 2022 to 2027, but this growth will ultimately be dictated by the nature of future development in the BOA.

The Village of Webster is the next fastest growing, adding 534 households from 2010 to 2022, representing an increase of 24%.

Each comparative geographic area saw positive growth in households from 2010 to 2022. Each geography's household increases outpace its more modest population growth. The Webster BOA's household growth is nearly double its population growth (90% vs 55%). Even the Rochester MSA, with replacement-level population growth of just 0.2%, has increased households by 9% since 2010.

Percent Change in Households, 2010-2022

- Webster BOA 90%
- Webster Village 24%
- Webster Town, NY 13%
- Monroe Co 6%
- Rochester MSA 9%
- New York 5%
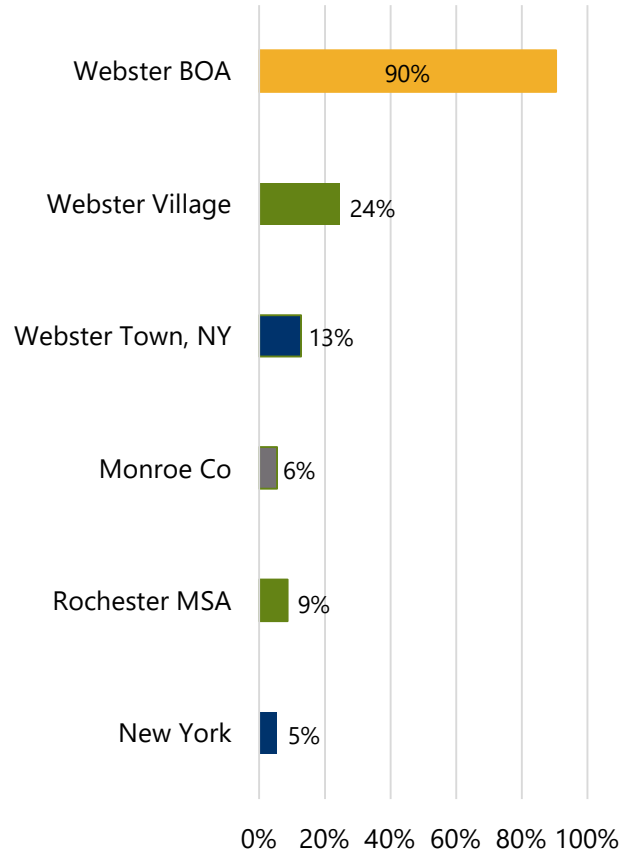
Source: Decennial Census, Esri

Total Households

	Households			Change	% Change
Geography	2010	2022	2027	2010-2022	2010-2022
Webster BOA	305	581	593	276	90%
Webster Village	2,187	2,721	2,777	534	24%
Webster Town	17,152	19,347	19,544	2,195	13%
Monroe Co	300,422	316,982	316,889	16,560	6%
Rochester MSA	414,096	450,215	450,206	36,119	9%
New York	7,317,755	7,717,376	7,623,810	399,621	5%

Source: Decennial Census, Esri

Household Size

The Webster BOA experienced a large drop in household size from 2010 to 2022. The average household shrank from 2.51 people in 2010 to 2.04 in 2022, a 19% decrease. This is more than double the decrease seen by the Village of Webster (-7.6%) or the Town of Webster (-6%). The average New York State household size shrank slightly in the 12 years since 2010; the decrease of 0.04 people per household represents less than a 2% reduction.

Average Household Size

Geography	2010	2022	2027
Webster BOA	2.51	2.04	2.01
Webster Village	2.24	2.07	2.05
Webster Town	2.47	2.32	2.29
Monroe Co	2.39	2.29	2.27
Rochester MSA	2.42	2.31	2.29
New York	2.57	2.53	2.51

Source: Decennial Census, Esri

Household size is influenced by several demographic factors. The number of families, student populations, a young workforce, and immigrant populations all typically increase the size of households. Families where children move out and aging households typically decrease the size of households. Given the new residential development that occurred within the BOA from 2010 to 2022, the type of housing added to the BOA likely accounts for at least a portion of this decline in household size as additional smaller-sized households moved into the BOA.

Average Household Size

Geography	2010	2022	2027
Webster BOA	2.51	2.04	2.01
Webster Village	2.24	2.07	2.05
Webster Town	2.47	2.32	2.29
Monroe Co	2.39	2.29	2.27
Rochester MSA	2.42	2.31	2.29
New York	2.57	2.53	2.51

Source: Decennial Census, Esri
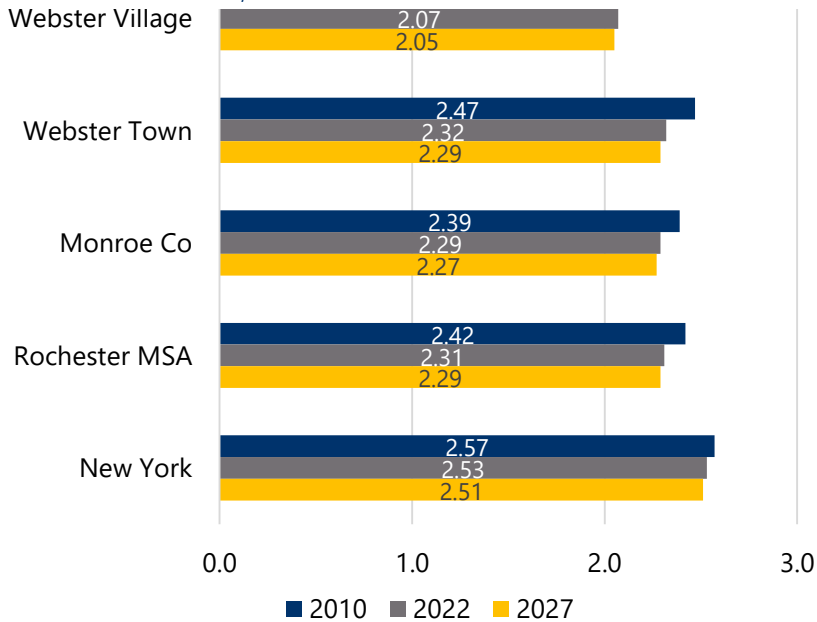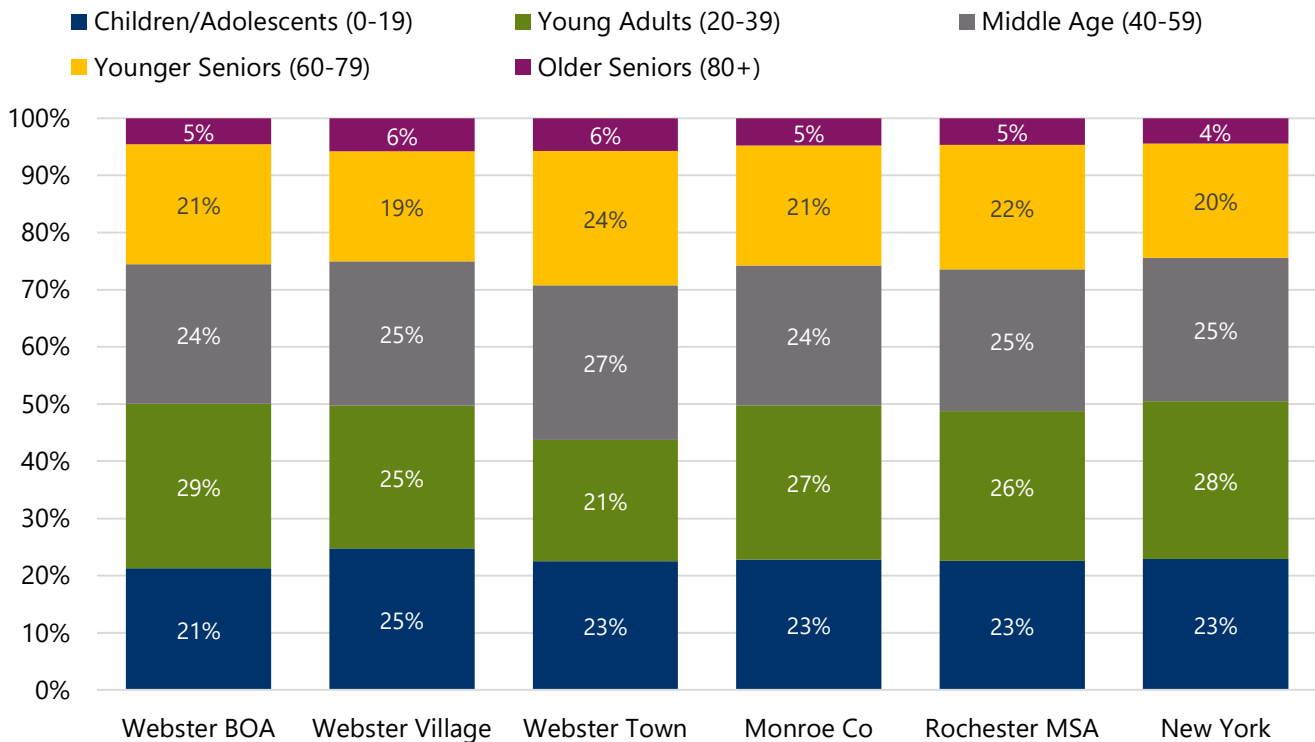

Source: Decennial Census, Esri

Age Distribution

The age distribution for the Webster BOA in 2022 shows a larger segment of young adults (ages 20–39) compared with the other geographic areas. The BOA has 29% of its residents in this age cohort, which is the highest of the local and regional comparison geographies and well above even the Village of Webster (25%) or the Town of Webster (21%).

The Webster BOA tracks closely with the rest of the geographic areas in the rest of the older age cohorts. Its middle-aged cohort (ages 40–59) is within a percentage point of all the areas except for the Town of Webster. Webster BOA senior cohorts are similar for both younger and older senior cohorts. The combined senior population share of 26% is similar to that in the other regions, which range from 24% to 27% except for the Town of Webster, where over 30% of its population are age 60 or older.

The other key demographic where the Webster BOA differs from the others is for people under the age of 20. This segment makes up only 21% of the Webster BOA total, which is 2 percentage points below the others and 4 percentage points below the Village of Webster.

Age Distribution by Cohort, 2022

Legend:
- ■ Children/Adolescents (0-19)
- ■ Young Adults (20-39)
- ■ Middle Age (40-59)
- ■ Younger Seniors (60-79)
- ■ Older Seniors (80+)

	Webster BOA	Webster Village	Webster Town	Monroe Co	Rochester MSA	New York
Older Seniors (80+)	5%	6%	6%	5%	5%	4%
Younger Seniors (60-79)	21%	19%	24%	21%	22%	20%
Middle Age (40-59)	24%	25%	27%	24%	25%	25%
Young Adults (20-39)	29%	25%	21%	27%	26%	28%
Children/Adolescents (0-19)	21%	25%	23%	23%	23%	23%

Source: Esri

Median Age

Median age is a useful metric because it provides a snapshot of the age of a region. It is also a metric that can be easily compared across different regions. It reflects the broad trends of an area's population and is less influenced by outliers than the average is.

The BOA's median age in 2010 was one of the oldest of the comparative geographies. At 41.1, only the Town of Webster had a higher median age in 2010 at 42.9. Webster BOA added households and population at a significant rate between 2010 and 2022, and these generally younger new residents helped decrease the median age in the BOA by 1.2 years to 39.9. The median age of the BOA population is expected to increase only slightly over the next five years, which is on par with the surrounding region and the state.

Overall, the BOA and Village populations skew significantly younger, which indicates potential to attract additional younger residents and potential market opportunities related to a relatively younger population base in the immediate BOA area.

Median Age

Region	2010	2022	2027
Webster BOA	41.1	39.9	40.5
Webster Village	38.7	40.2	40.3
Webster Town	42.9	45.3	45.6
Monroe Co	38.3	40.2	40.9
Rochester MSA	39.3	41.1	41.8
New York	37.9	39.6	40.7

Source: Decennial Census, Esri

Median Age, 2022

Region	Value
Webster BOA	39.9
Webster Village	40.2
Webster Town	45.3
Monroe Co	40.2
Rochester MSA	41.1
New York	39.6
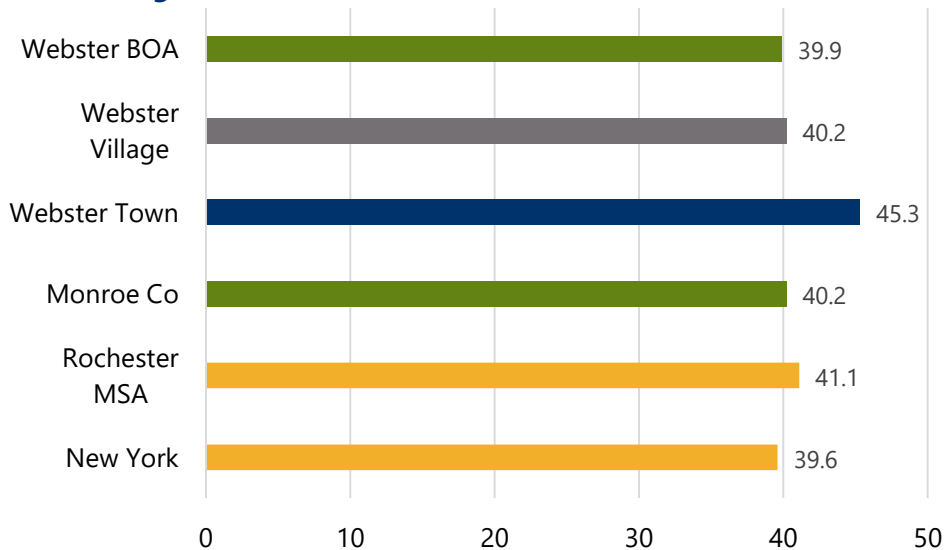
Source: Decennial Census, Esri

Race and Ethnicity

Racial diversity is an important social goal, but it also improves economic development outcomes. Racial diversity can help to develop a range of skills and a talented workforce by attracting workers from different backgrounds. Having different backgrounds also increases rates for innovation and business formation. Businesses are often drawn to regions with a dynamic workforce and to consumer markets with a greater variety of demand.

Population by Race, 2027

Race Bracket	Webster BOA	Webster Village	Webster Town	Monroe Co	Rochester MSA	New York
White	80%	80%	86%	67%	73%	54%
Black/African American	4%	6%	3%	16%	12%	14%
Asian	5%	4%	3%	5%	3%	10%
Other Race/Pacific Islander/American Indian/Alaska Native	2%	2%	1%	4%	4%	12%
Two or More Races	9%	8%	7%	8%	8%	10%

Source: Esri

The BOA is projected to have a higher non-White population than the Town of Webster in 2027 (80% vs 86%), but this share is the same or lower than every other comparative geography. The change in racial composition between 2022 and 2027 for the BOA shows a decline in its White population and growth in the other racial categories. However, these changes are smaller compared to some of the other geographic areas. The Webster BOA's White population is projected to decline by 1.1%, compared to -3.0% for Monroe County.

Percent Change in Population by Race, 2022-2027
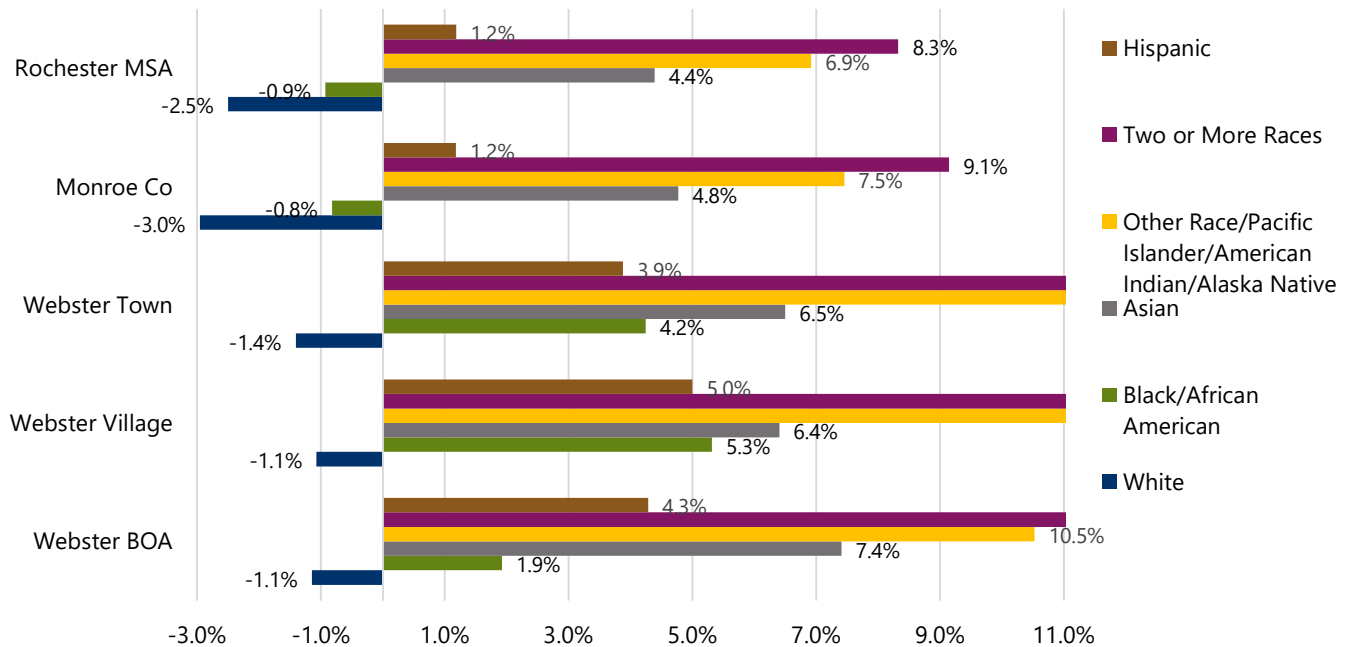
Note: Percents do not sum to 100%, as Hispanic Population can be any race
Source: Esri

Household Income

Household income is an important determinant for economic health and quality of life. Households with higher incomes have higher consumer spending and investment as well as the stability that comes from access to better housing, education, health, and other essential goods.

Household Income Distribution, 2022

Income Bracket	Webster BOA	Webster Village	Webster Town	Monroe Co	Rochester MSA	New York
less than $15,000	3%	6%	4%	9%	9%	10%
$15,000-$24,999	11%	8%	5%	9%	8%	7%
$25,000-$34,999	9%	8%	6%	8%	8%	7%
$35,000-$49,999	14%	14%	9%	11%	11%	9%
$50,000-$74,999	21%	17%	15%	17%	18%	14%
$75,000-$99,999	14%	14%	16%	13%	13%	12%
$100,000-$149,999	17%	20%	23%	17%	17%	17%
$150,000-$199,999	7%	9%	12%	8%	8%	10%
$200,000 or greater	3%	4%	10%	7%	7%	14%

Source: Census ACS

The largest household income cohort in the Webster BOA is the range from $50,000 to $74,999, which included 21% of households in 2022. Not only is this the largest proportion for the BOA compared to other income ranges, but this cohort is also the largest in the BOA relative to any other region.

The other geographic areas have larger portions of their residents in higher-income cohorts than the Webster BOA. Every other area has a higher percentage of households with incomes greater than or equal to $75,000. In turn, the Webster BOA has the largest portion of households with incomes below $50,000. One reprieve is that the Webster BOA has the smallest share of households in the lowest income bracket (less than $15,000).

Household Income Distribution, 2022

Source: Esri

Median Household Income

Median income functions in a similar way to median age but as a metric of household ability to earn. Its benefits are the same too, as it can be easily compared across different regions, and it reflects the broad trends of an area's population and is less influenced by outliers.

The median income for the Webster BOA in 2022 was $62,342. This makes it the lowest ranked of the geographic areas. The Village also has a notably lower median household income compared to the surrounding Town. The Village of Webster has a poverty rate of 16.2%, which is more than three times the rate in the Town of Webster (5.3%) and even significantly higher than in Monroe County (13.7%) and the Rochester MSA (12.8%).

Median Household Income, 2022

Area	Median Household Income
Webster Town	$90,121
New York	$79,320
Webster Village	$69,549
Monroe Co	$67,244
Rochester MSA	$66,573
Webster BOA	$62,342

Source: Esri
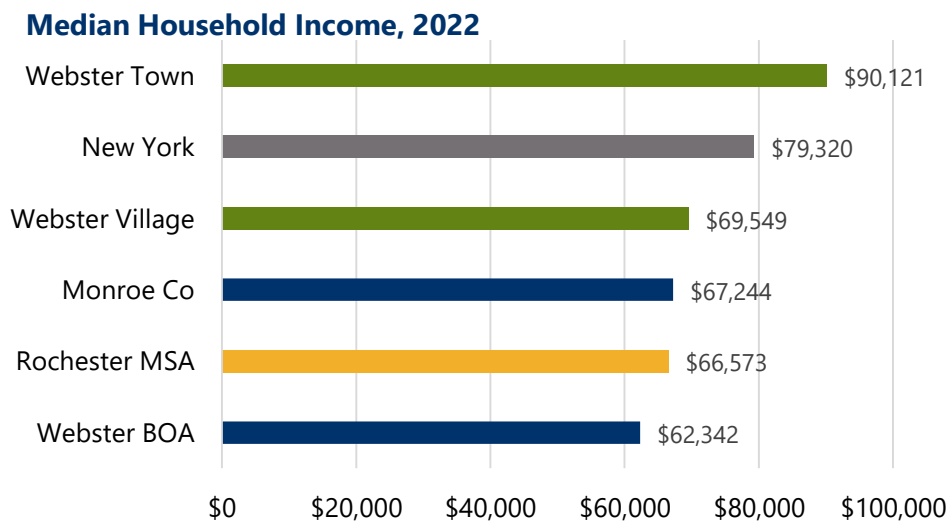
Educational Attainment

Higher educational attainment is correlated with greater workforce participation, greater labor productivity, higher innovation, and more involvement in business creation and other entrepreneurial activities.

Educational Attainment of Population 25+, 2022

Educational Attainment	Webster BOA	Webster Village	Webster Town	Monroe Co	Rochester MSA	New York
Less than High School	4%	6%	4%	8%	8%	11%
High School Diploma/Equivalent	22%	21%	19%	23%	26%	26%
Associate's Degree/Some College	31%	30%	28%	28%	29%	24%
Bachelor's Degree or Higher	43%	44%	49%	42%	38%	40%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Esri

The Webster BOA outperforms all of the larger geographic areas in collegiate educational attainment. In 2022 73.3% of the Webster BOA population had attained either an associate's or a bachelor's degree (or higher). This is greater than Monroe County (69%), the Rochester MSA (67%), and New York State (63%). Both the Village of Webster (73.4%) and the Town of Webster (77%) have populations with higher educational attainment; this difference comes from higher rates of bachelor's degree (or higher) attainment.

The Webster BOA also has a very low rate of residents without a high school diploma or equivalent. Only 4.4% of BOA residents lack this attainment, which makes it just above the Town of Webster's 3.8% for lowest among the comparative areas.

**Educational Attainment of Population 25+, 2022**
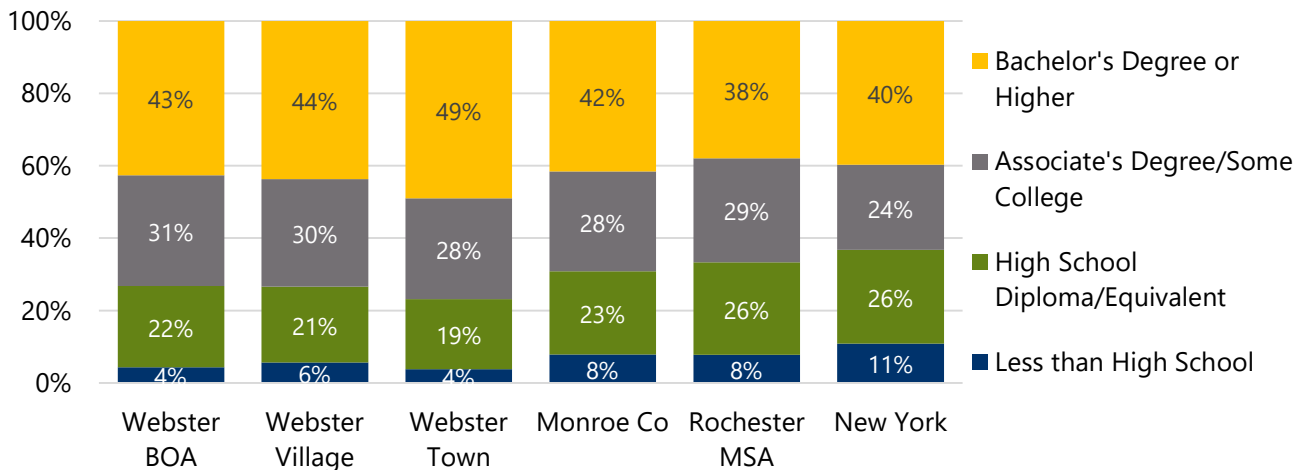
Source: Esri

Unemployment and Labor Force

The unemployment rate in the Town of Webster[1] reached 6.3% during the height of pandemic quarantine in 2020, but this was lower than the rates seen after the recession in 2009. Unemployment has fallen since 2020, reaching 2.6% in 2022. This is the tightest labor market for the Town of Webster in recent history, with the largest total employment (22,442) and the lowest unemployment rate (2.7%).

Unemployment Rate
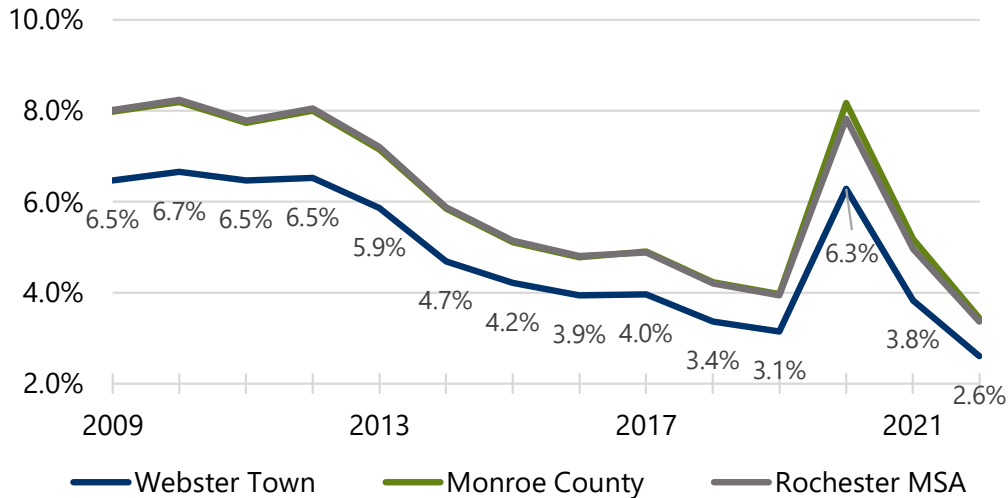
Source: NY LAUS

Labor Force Metrics, Webster Town

Year	Total Population	Labor Labor Force	Employed Total	Unemployment Total	Unemployment Rate
2010	41,662	22,158	20,683	1,483	6.7%
2011	42,088	22,175	20,742	1,417	6.4%
2012	42,649	22,358	20,900	1,442	6.4%
2013	43,121	22,467	21,150	1,317	5.8%
2014	43,402	21,875	20,850	1,008	4.7%
2015	43,750	22,142	21,208	950	4.3%
2016	44,084	22,408	21,525	867	4.0%
2017	44,224	22,692	21,792	900	3.9%
2018	44,247	23,025	22,250	783	3.4%
2019	44,522	23,283	22,550	733	3.2%
2020	44,876	22,942	21,500	1,433	6.3%
2021	45,133	22,833	21,958	867	3.8%
2022	-	23,042	22,442	608	2.7%

Source: NY LAUS, Census ACS

[1] The Town of Webster is the lowest geography for which unemployment data are available.

Commuting and Mobility

Using LEHD Origin and Destination Employment Statistics (LODES) from the US Census Bureau, the commuting patterns for those living in the Town of Webster or those traveling to work in the Town are shown in the following map. Data presented reflects commute patterns in 2020, the most recent available. In the wake of the pandemic, some of these trends may have changed.

Commuting: Work in Webster

■ **84% of Jobs** in the Town of Webster (10,135) are held by workers who live outside of Town.

■ **16% of Jobs** in the Town of Webster (1,960) are held by Town residents.
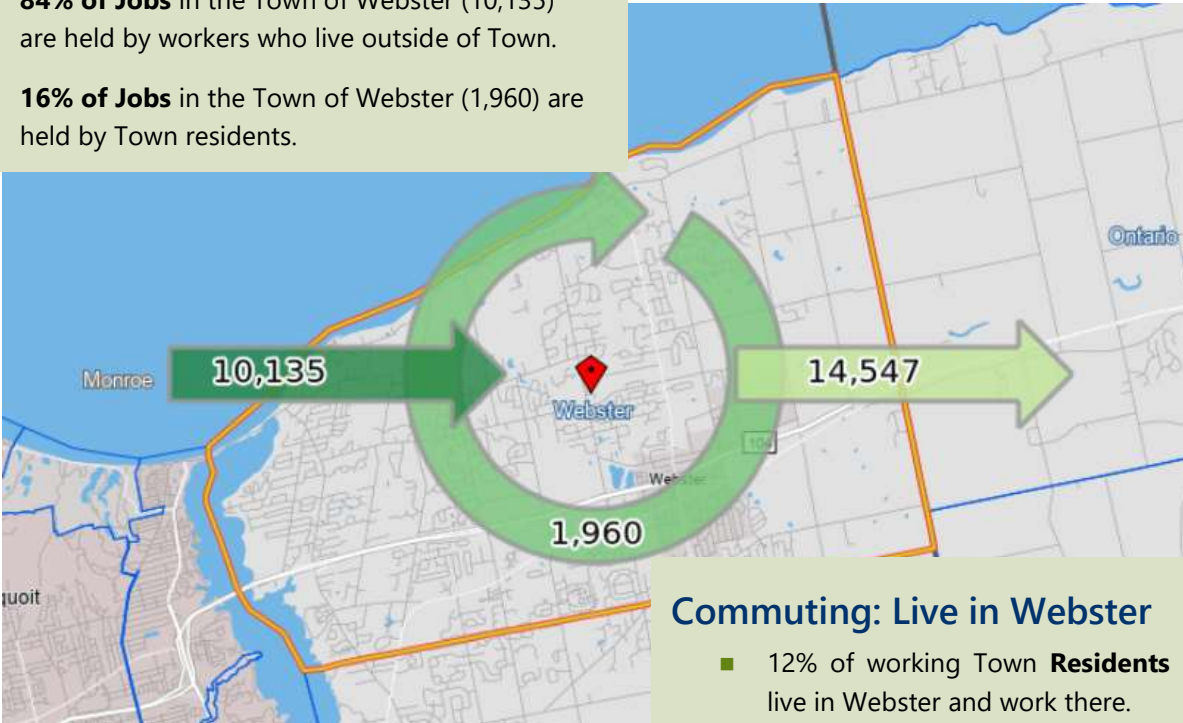
Commuting: Live in Webster

■ 12% of working Town **Residents** (1,960) live in Webster and work there.

■ 88% of working Town **Residents** (14,547) live in Webster and work elsewhere.

Relatively few local jobs are filled by workers who also live in the community. This is not uncommon, especially in smaller residential areas that are located next to metro areas that serve as the primary labor market. Market conditions often dictate both that employers are looking for a specific type of worker and that workers in the labor force are trained and targeting very specific kinds of jobs.

In the next two maps, these commuting flows are broken down by specific areas (county subdivisions) to give a detailed view of the geographic distribution. The map colorization indicates (1) the largest destinations for Town of Webster residents as well as (2) the largest areas of origin for workers who have jobs in the Town. The tables give detailed figures for these commuting flows.

Where residents work: Rochester is the primary work destination for Town of Webster residents. The next most common destinations are nearby towns accessible along the I-590 ring to the south and east.

Rochester city (Monroe, NY)	5,409	27.7%
Webster town (Monroe, NY)	2,814	14.4%
Henrietta town (Monroe, NY)	1,652	8.5%
Penfield town (Monroe, NY)	1,096	5.6%
Brighton town (Monroe, NY)	773	4.0%
Perinton town (Monroe, NY)	768	3.9%
Greece town (Monroe, NY)	761	3.9%
Irondequoit town (Monroe, NY)	676	3.5%
Pittsford town (Monroe, NY)	485	2.5%
Gates town (Monroe, NY)	454	2.3%
All Other Locations	4,638	23.8%
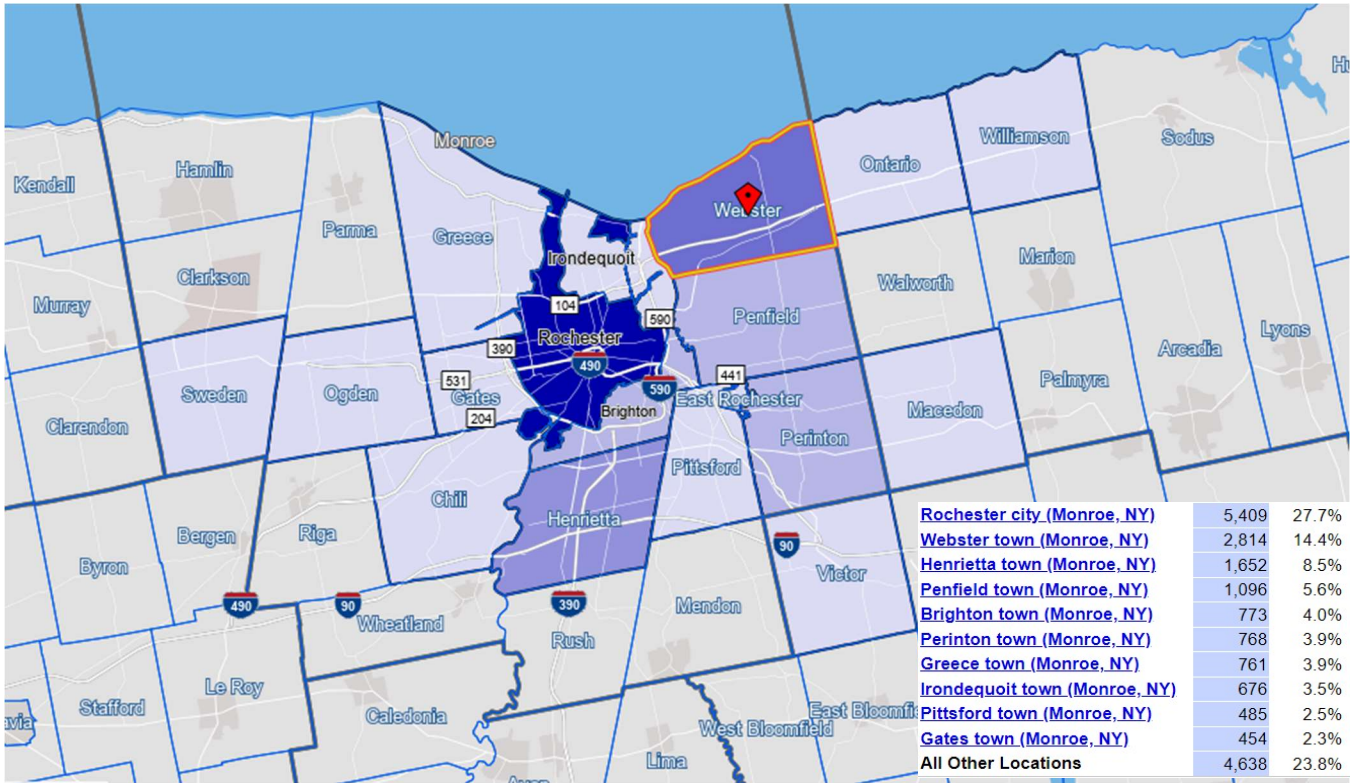
Where workers live: There's a wider distribution of where Town of Webster workers commute from. The largest location is the Town of Webster itself. Rochester is the next largest source of workers. There are key segments of workers who commute in from western locations like Greece and Irondequoit along with those connected by I-590.
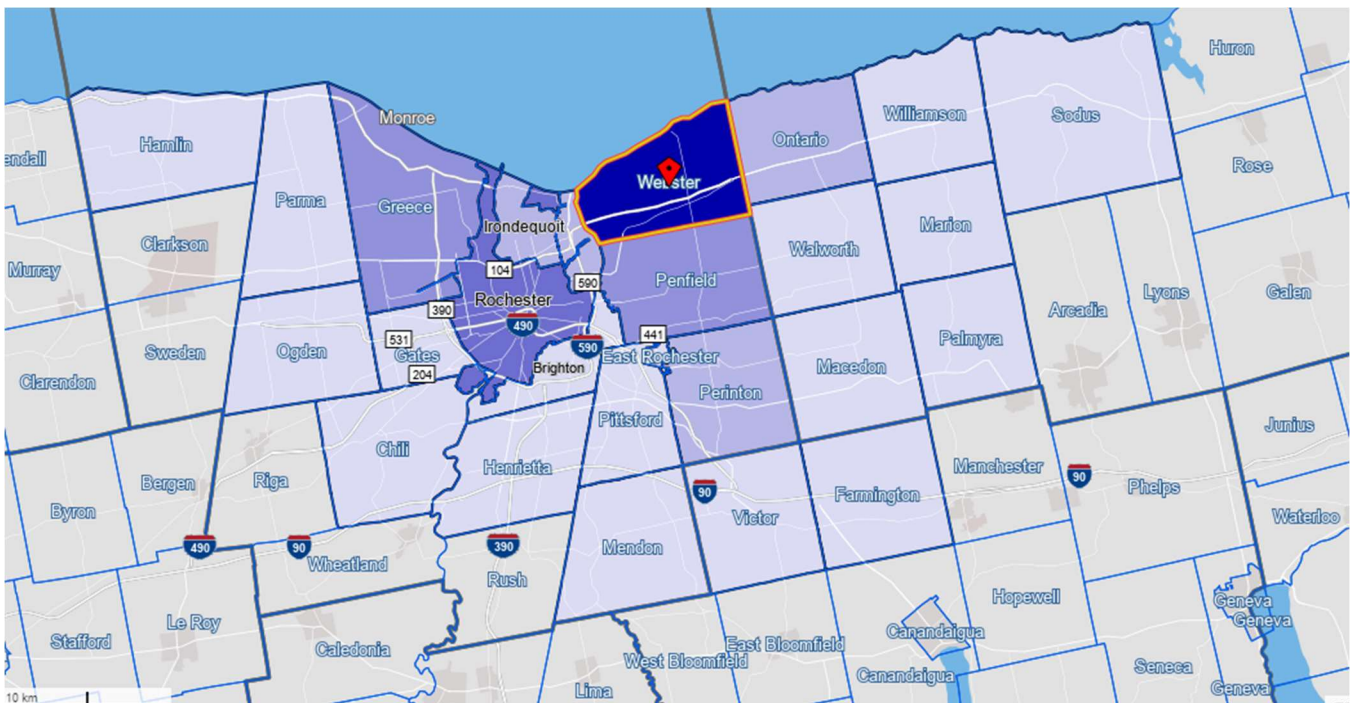
Migration Trends

The more permanent change in location for residents of the area can be traced through county migration patterns available from Lightcast. These changes track migration across the country for residents migrating.   In 2020, Wayne County, NY (1,149), Ontario County, NY (1,146), and Livingston County, NY (668) were the top three locations for inbound migration into Monroe County. The top three outbound migration destinations for Monroe County residents were also Ontario County (1,625), Wayne County (1,324), and Livingston County (740), which resulted in a total net loss of 725 residents to those counties.
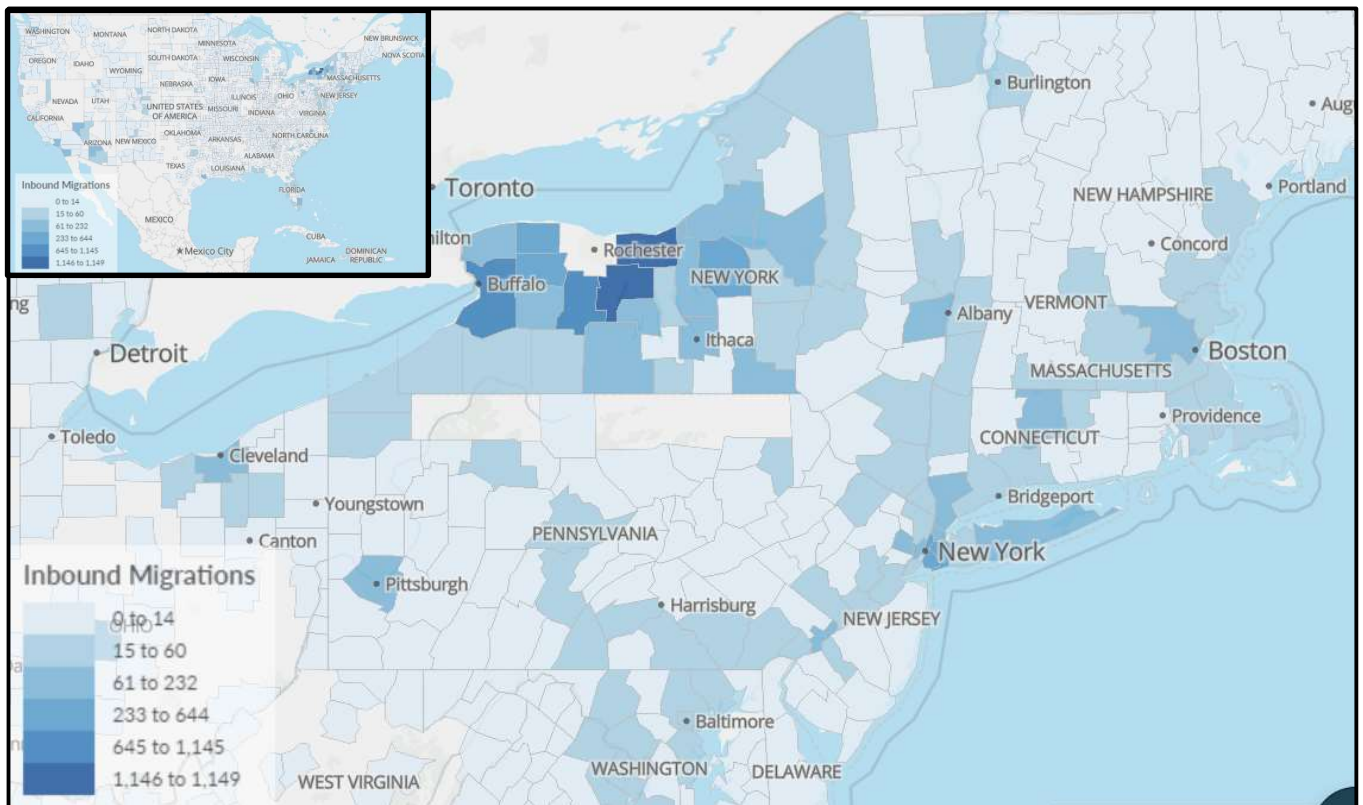
4. ECONOMIC TRENDS

Key Findings

▪ **The Town of Webster, NY, lost 815 jobs (-4.0%) between 2017 and 2022.** These job losses are due to the COVID-19 pandemic. Before 2020, Webster saw steady positive job growth from 2012 to 2019. Webster's rate of job loss was slightly higher than Rochester (-3.6%) and almost double the loss realized by the State of New York (-1.9%).

▪ Although total jobs have not yet returned to pre-pandemic levels, **Webster is projected to grow by 2.3% from 2022 to 2027**. This positive job growth does, however, lag the Rochester MSA (2.6%) and State of New York (4.6%).

▪ **The industrial mix of Webster is characterized by Manufacturing, Retail, Health and Social Services, Accommodations & Food, and Construction.** These sectors represent higher proportions of local employment than in the Rochester MSA or State of New York. On the other end, Government and Educational Services have much lower shares in Webster compared to either the Rochester MSA or the State.

▪ **Webster's key sectors have seen mixed performance in the last five years**, with Construction showing significant growth in terms of the number of jobs (92) and percent change (7.0%). Health Care and Social Assistance has held steady with losing only 3 jobs (-0.1%) from 2017 to 2022. Arts, Entertainment, and Recreation (93 jobs) have added the most jobs from 2017 to 2022. The sectors that have the highest percent change of job loss are Government (-30.8%), Information (-28.0%) and Other Services (except Public Administration).

▪ **Webster's key sectors have seen mixed performance in the last five years**, with only Construction showing significant growth in both number of jobs and percentage growth. Health Care and Social Assistance has remained steady over the last five years. Arts, Entertainment, and Recreation have added the most jobs, while Manufacturing and Retail Trade are expected to continue to lose jobs through 2027.

▪ The top three occupations that are expected to add the most jobs through 2027 are **Food and Beverage Serving Workers (129), Home Health and Personal Care Aides (93), and Cooks and Food Preparation Workers (56).** On the other end, occupations that are expected to decline the most are Financial Specialist (-41), Metal Workers and Plastic Workers (-35), and Retail Sales Workers (-31).

Total Jobs, Change

The employment environment for an area indicates the extent to which there are new firms or existing firms that need more workers. This is an important part of economic development for the health of the local economy as well as an indicator of prospects for consumer demand.

The period between 2017 and 2022 is somewhat anomalous because of the impacts of the COVID-19 pandemic. The Town of Webster has seen a net decrease of 815 jobs since 2017, which represents a loss of 4%. This is the largest rate of job loss during this period compared to both the Rochester MSA (-3.6%) and the State of New York (-1.9%). However, the loss of demand, business closures, and economic hardship were a trend occurring across the US and globally.

Employment for Webster and Comparative Geographies, 2017 - 2027

Years	Webster		Rochester MSA	New York State
	Jobs	5-Year Change, %		
2017	20,313			
2017 - 2022	-815	-4.0%	-3.6%	-1.9%
2022	19,497			
2022 - 2027	+444	2.3%	2.6%	4.6%
2027	19,942			

The long-term trend for jobs in this area paints a more positive picture. First, it's clear that Webster was experiencing highly positive growth in the period through 2019, right up until the pandemic. Once quarantining mandates were lifted, Webster immediately began to bring back jobs, though it has not yet reached pre-pandemic levels.

Lightcast forecasts that Webster will create 444 net new jobs between 2022 and 2027, growing at a rate of 2.3% during this period.

Jobs, Webster vs Rochester MSA
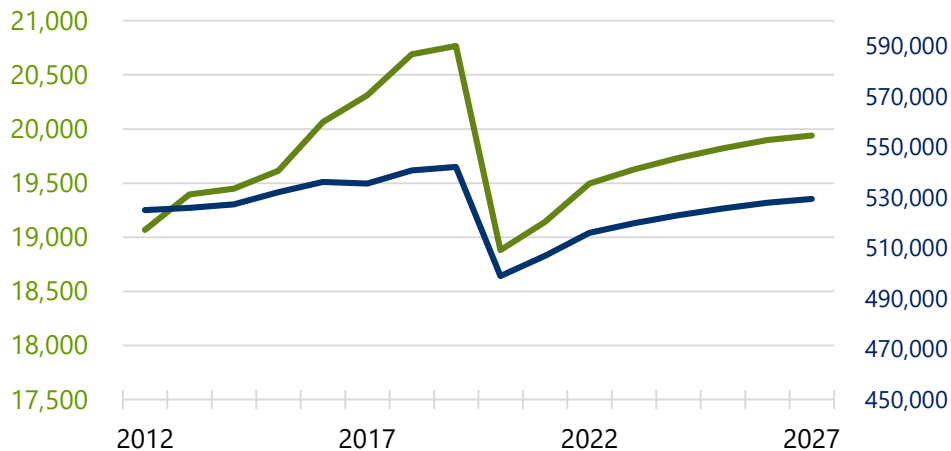
Source: Lightcast

Jobs by Industry

Looking at a region's industrial mix offers insight into the types of companies that are located there and whether there are key business clusters that indicate important supply chain and labor force strengths. Comparing these concentrations to other geographies helps highlight local competitive advantages.

For Webster the key sectors are Manufacturing, Retail, Health Care and Social Assistance, Accommodation and Food Services, and Construction. Each of these broad sectors (defined by 2-digit NAICS codes) has a higher proportion of local employment compared to the Rochester MSA or contributes a significant share of total employment (Health Care and Social Assistance has a slightly smaller share than the Rochester MSA, but contributes more than one out of every seven jobs).

Two sectors that are typically key drivers of jobs, Government and Educational Services, are much lower in Webster compared to either the Rochester MSA or the State of New York.

Employment for Webster and Comparative Geographies, 2022

Naics	Description	Webster		Rochester MSA	New York State
		Jobs	% of Total		
31	Manufacturing	3,863	20%	11%	4%
44	Retail Trade	3,340	17%	10%	9%
62	Health Care and Social Assistance	2,956	15%	16%	17%
72	Accommodation and Food Services	2,735	14%	7%	7%
23	Construction	1,406	7%	5%	5%
54	Professional, Scientific, and Technical Services	1,163	6%	5%	8%
71	Arts, Entertainment, and Recreation	948	5%	2%	2%
56	Administrative and Support and Waste Management and Remediation Services	695	4%	5%	5%
53	Real Estate and Rental and Leasing	406	2%	1%	2%
81	Other Services (except Public Administration)	362	2%	4%	5%
52	Finance and Insurance	357	2%	3%	5%
55	Management of Companies and Enterprises	293	2%	2%	1%
90	Government	282	1%	14%	15%
42	Wholesale Trade	280	1%	3%	3%
61	Educational Services	178	1%	7%	5%
51	Information	111	1%	1%	3%
48	Transportation and Warehousing	48	0%	3%	3%
11	Agriculture, Forestry, Fishing and Hunting	26	0%	1%	0%
21	Mining, Quarrying, and Oil and Gas Extraction	22	0%	0%	0%
22	Utilities	19	0%	0%	0%
99	Unclassified Industry	9	0%	0%	1%
	Total	**19,497**	**100%**	**100%**	**100%**

Source: Lightcast

Jobs Change by Industry

Webster's key sectors have had mixed performance for growth over the last five years. Among the five listed above, only Construction shows significant growth. That sector added nearly 100 jobs between 2017 and 2022, an increase of 7%. Health Care and Social Assistance was steady (losing only three jobs).

Every other key sector saw significant job loss from 2017 to 2022. Manufacturing is following national trends of declining employment with a decrease of 4.4%. The pandemic has had adverse effects on both Retail Trade (4.7% decrease) and Accommodations and Food Services (7.2% decrease).

Just outside these top sectors is Arts, Entertainment and Recreation, which added the most jobs (+93) over the five-year period. Finance and Insurance and Educational Services also added jobs in significant numbers.

Expected future trends look better for most sectors. Growth for Arts, Entertainment, and Recreation is expected to continue, and most of the largest sectors are set to bring back previous losses and new jobs alike. Manufacturing and Retail Trade, on the other hand, face structural challenges and are expected to continue to lose jobs through 2027.

Employment Change By Industry for Webster, 2017 - 2027

Naics	Description	Jobs			Jobs Change, %	
		2017	2022	2027	2017 - 2022	2022 - 2027
31	Manufacturing	4,041	3,863	3,740	-4.4%	-3.2%
44	Retail Trade	3,506	3,340	3,298	-4.7%	-1.2%
62	Health Care and Social Assistance	2,959	2,956	3,171	-0.1%	7.3%
72	Accommodation and Food Services	2,948	2,735	2,961	-7.2%	8.3%
23	Construction	1,314	1,406	1,462	7.0%	4.0%
54	Professional, Scientific, and Technical Services	1,206	1,163	1,213	-3.6%	4.3%
71	Arts, Entertainment, and Recreation	855	948	1,084	10.9%	14.4%
56	Administrative and Support and Waste Management and Remediation Services	826	695	652	-15.8%	-6.2%
53	Real Estate and Rental and Leasing	440	406	402	-7.6%	-1.0%
81	Other Services (except Public Administration)	463	362	366	-21.9%	1.3%
52	Finance and Insurance	324	357	369	10.1%	3.3%
55	Management of Companies and Enterprises	298	293	305	-1.6%	4.0%
90	Government	408	282	231	-30.8%	-18.2%
42	Wholesale Trade	308	280	263	-9.3%	-6.1%
61	Educational Services	155	178	197	14.7%	10.4%
51	Information	154	111	90	-28.0%	-19.1%
48	Transportation and Warehousing	37	48	55	27.6%	15.7%
11	Agriculture, Forestry, Fishing and Hunting	29	26	27	-8.3%	4.4%
21	Mining, Quarrying, and Oil and Gas Extraction	20	22	24	13.8%	10.1%
22	Utilities	20	19	18	-5.0%	-3.6%
99	Unclassified Industry	2	9	13	329.7%	47.6%
	Total	**20,313**	**19,497**	**19,942**	**-4%**	**2%**

Source: Lightcast

Jobs by Opportunity Sectors

Summary-level job trends help indicate the direction key sectors have been moving in recent years and how they are projected to change in the near future. Looking at more detailed subsectors within the largest employing sectors in the area shows the more specific types of business activity that are driving those changes.

This table looks at projected job growth for the largest 4-digit subsectors in each of the largest 2-digit sectors.

Employment Change By Key Industries in Webster, 2022 - 2027

		Jobs		Jobs Change	
NAICS	Description	2022	2027	2022 - 2027	2022 - 2027, %
Construction					
2382	Building Equipment Contractors	504	540	35	7.0%
2362	Nonresidential Building Construction	394	384	(10)	-2.6%
2389	Other Specialty Trade Contractors	150	180	30	19.9%
2383	Building Finishing Contractors	122	128	6	5.0%
2381	Foundation, Structure, and Building Exterior Contractors	108	121	13	11.6%
Manufacturing					
3342	Communications Equipment Manufacturing	1,882	1,973	91	4.8%
3363	Motor Vehicle Parts Manufacturing	474	442	(32)	-6.8%
3323	Architectural and Structural Metals Manufacturing	264	232	(32)	-12.1%
3231	Printing and Related Support Activities	177	136	(40)	-22.8%
3339	Other General Purpose Machinery Manufacturing	125	89	(36)	-28.4%
Retail					
4411	Automobile Dealers	560	592	32	5.7%
4451	Grocery Stores	405	369	(36)	-8.8%
4522	Department Stores	388	355	(33)	-8.6%
4523	General Merchandise Stores, including Warehouse Clubs and Supercenters	367	402	35	9.4%
4441	Building Material and Supplies Dealers	338	357	19	5.7%
Health					
6216	Home Health Care Services	514	558	45	8.7%
6241	Individual and Family Services	420	491	71	17.0%
6231	Nursing Care Facilities (Skilled Nursing Facilities)	357	340	(17)	-4.7%
6232	Residential Disability, Mental Health, and Substance Abuse Facilities	326	308	(18)	-5.6%
6212	Offices of Dentists	222	254	32	14.5%
Food & Recreation					
7225	Restaurants and Other Eating Places	2,555	2,781	225	8.8%
7139	Other Amusement and Recreation Industries	784	919	135	17.3%
7224	Drinking Places (Alcoholic Beverages)	100	120	20	19.7%
7111	Performing Arts Companies	74	66	(8)	-10.7%
7112	Spectator Sports	69	77	8	12.1%

Source: Lightcast

Jobs by Industry Detail

Summary-level job trends, where jobs are reported at 2-digit NAICS codes, help indicate the direction key sectors have been moving in recent years and how much they contribute to the local economy. Here, however, economic activity is reported at the most detailed level of industry, 6-digit NAICS codes. This provides insight into the specific types of firms and jobs are in the area.

The two largest 6-digit NAICS industries have nearly 2,000 jobs each, Limited-Service Restaurants and Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing. Full-Service Restaurants is the third largest industry, emphasizing the role of food service in the Town of Webster's economy.

The rest of the top 20 industries are within 300 jobs of each other. They are a mix of (1) retail services like New Car Dealers, Department Stores, Supermarkets, and Warehouse Clubs; (2) health services like Home Health Care Services, Nursing Care Facilities (Skilled Nursing Facilities), Services for the Elderly and Persons with Disabilities, and Residential Mental Health and Substance Abuse Facilities; and (3) professional services like Temporary Help Services, Corporate, Subsidiary, and Regional Managing Offices, Engineering Services, and Direct Health and Medical Insurance Carriers.

Top 20 Largest Industries (6-digit NAICS), Webster Town, 2022

NAICS	Description	Jobs
722513	Limited-Service Restaurants	1,920
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	1,882
722511	Full-Service Restaurants	629
441110	New Car Dealers	524
621610	Home Health Care Services	514
713940	Fitness and Recreational Sports Centers	428
561320	Temporary Help Services	392
452210	Department Stores	388
445110	Supermarkets and Other Grocery (except Convenience) Stores	375
236220	Commercial and Institutional Building Construction	370
238220	Plumbing, Heating, and Air-Conditioning Contractors	362
623110	Nursing Care Facilities (Skilled Nursing Facilities)	357
551114	Corporate, Subsidiary, and Regional Managing Offices	292
713910	Golf Courses and Country Clubs	290
624120	Services for the Elderly and Persons with Disabilities	268
541330	Engineering Services	262
623220	Residential Mental Health and Substance Abuse Facilities	260
524114	Direct Health and Medical Insurance Carriers	252
452311	Warehouse Clubs and Supercenters	250
332322	Sheet Metal Work Manufacturing	236

Source: Lightcast

Job Change by Industry Detail

There is significant overlap between some of the largest industries and some of the fastest-growing industries in the Town of Webster. Foremost, the Television Broadcasting and Wireless Communications Equipment Manufacturing industry added 657 jobs between 2017 and 2022, which is nearly half (42%) of the job growth from the top 20 industries listed below.

Other industries that are both large and growing include Engineering Services, Fitness and Recreational Sports Centers, Direct Health and Medical Insurance Carriers, Plumbing, Heating, and Air-Conditioning Contractors, Services for the Elderly and Persons with Disabilities, Golf Courses and Country Clubs, and Limited-Service Restaurants.

Top 20 Fastest Growing Industries (6-digit NAICS), Webster Town

NAICS	Description	Jobs, 2017 - 2022
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	+657
336390	Other Motor Vehicle Parts Manufacturing	+84
541330	Engineering Services	+73
713940	Fitness and Recreational Sports Centers	+68
524114	Direct Health and Medical Insurance Carriers	+60
238220	Plumbing, Heating, and Air-Conditioning Contractors	+59
624120	Services for the Elderly and Persons with Disabilities	+55
713910	Golf Courses and Country Clubs	+50
325620	Toilet Preparation Manufacturing	+50
624190	Other Individual and Family Services	+49
722513	Limited-Service Restaurants	+48
541611	Administrative Management and General Management Consulting Services	+43
327110	Pottery, Ceramics, and Plumbing Fixture Manufacturing	+40
541940	Veterinary Services	+37
444110	Home Centers	+37
238910	Site Preparation Contractors	+34
621210	Offices of Dentists	+31
623311	Continuing Care Retirement Communities	+27
621493	Freestanding Ambulatory Surgical and Emergency Centers	+27
623990	Other Residential Care Facilities	+26

Source: Lightcast

Industry Concentration, by Industry Detail

The location quotient (LQ) of a type of economic activity compares the local concentration (e.g., industry jobs divided by total jobs) to the national average for the same industry. This ratio tells which industries are more (or less) concentrated in the region compared with the US, and highlights areas that indicate a local competitive advantage.

The top industries by concentration in the Town of Webster differ completely from the previous list of fastest-growing industries. Almost all the highly concentrated industries (17 of 20 or 85%) are manufacturing activities. The recent growth in Television Broadcasting and Wireless Communications Equipment Manufacturing is highlighted again. However, there are numerous other types of manufacturing, all of which are approximately 10 times as concentrated, or more, as the US average.

Top 20 Most Concentrated Industries (6-digit NAICS), Webster Town, 2022

NAICS	Description	Location Quotient
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	306.3
333994	Industrial Process Furnace and Oven Manufacturing	61.9
333316	Photographic and Photocopying Equipment Manufacturing	45.5
339940	Office Supplies (except Paper) Manufacturing	39.8
327110	Pottery, Ceramics, and Plumbing Fixture Manufacturing	25.1
333519	Rolling Mill and Other Metalworking Machinery Manufacturing	24.8
336360	Motor Vehicle Seating and Interior Trim Manufacturing	22.5
336310	Motor Vehicle Gasoline Engine and Engine Parts Manufacturing	21.2
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals	18.5
332322	Sheet Metal Work Manufacturing	17.6
337122	Nonupholstered Wood Household Furniture Manufacturing	13.2
711120	Dance Companies	13.0
325612	Polish and Other Sanitation Good Manufacturing	12.5
334517	Irradiation Apparatus Manufacturing	12.5
315190	Other Apparel Knitting Mills	12.2
325992	Photographic Film, Paper, Plate, and Chemical Manufacturing	11.2
332410	Power Boiler and Heat Exchanger Manufacturing	10.8
532420	Office Machinery and Equipment Rental and Leasing	10.7
541214	Payroll Services	9.7
333314	Optical Instrument and Lens Manufacturing	9.7

Source: Lightcast

Industry Concentration, by Industry Detail (Rochester MSA)

Industrial activity and trade are often regional in their connections to other firms of the same type and supplying industries. Industry concentration for the Rochester MSA shows opportunity industries that may create a cluster with activity in the Town of Webster or provide an opportunity for future growth.

The following sectors are high-concentration industries in the Town of Webster and are among the top 10 most concentrated industries in the surrounding metro area: Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing, Photographic and Photocopying Equipment Manufacturing, Rolling Mill and Other Metalworking Machinery Manufacturing, Irradiation Apparatus Manufacturing, Photographic Film, Paper, Plate, and Chemical Manufacturing, and Optical Instrument and Lens Manufacturing. The Office Machinery and Equipment Rental and Leasing industry is also in the top 20 for both regions.

Top 20 Most Concentrated Industries (6-digit NAICS), Rochester MSA, 2022

NAICS	Description	Location Quotient
333316	Photographic and Photocopying Equipment Manufacturing	109.3
325992	Photographic Film, Paper, Plate, and Chemical Manufacturing	75.9
212393	Other Chemical and Fertilizer Mineral Mining	35.3
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	23.8
339115	Ophthalmic Goods Manufacturing	20.4
333314	Optical Instrument and Lens Manufacturing	19.4
333519	Rolling Mill and Other Metalworking Machinery Manufacturing	16.5
334517	Irradiation Apparatus Manufacturing	13.6
311930	Flavoring Syrup and Concentrate Manufacturing	11.0
326140	Polystyrene Foam Product Manufacturing	9.5
532420	Office Machinery and Equipment Rental and Leasing	9.3
333923	Overhead Traveling Crane, Hoist, and Monorail System Manufacturing	8.9
335912	Primary Battery Manufacturing	8.4
332721	Precision Turned Product Manufacturing	7.9
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing	7.4
311421	Fruit and Vegetable Canning	7.0
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing	6.7
334416	Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing	6.5
525120	Health and Welfare Funds	6.2
311813	Frozen Cakes, Pies, and Other Pastries Manufacturing	6.0

Source: Lightcast

Regional Opportunity Sectors

The Town of Webster's current mix of subsectors reveals important types of economic opportunity. Although the reuse vision for the Webster BOA is evolving, it should consider additional support for these types of businesses based on recent growth.

- **Communications Equipment Manufacturing**: This subsector is forecasted to add 91 jobs by 2027. This subsector is also expected to grow over this period in the Rochester MSA area, where the average earnings for these jobs will be over $125,000 annually. High-value manufacturing jobs in areas of growth should be near the top of the list for this project.

- **Food and Recreation**: These two subsectors have the largest projected job gains between 2022 and 2027. Part of this is driven by recovered jobs that were lost during the pandemic. However, the Town of Webster has already established itself as a destination in this way, with nearly double the jobs level for this sector compared to Rochester or New York State. Food and recreation may be part of the more basic core industries of a downtown, but they also help drive foot traffic, help to develop adjacent service industries, build the brand of a place, and help capture tourism revenue.

- **Health Services**: The three fastest-growing subsectors out of the top five (home care, family services and dentists) are expected to add nearly 150 jobs in the next five years. These are the top examples in a highly diversified service sector that is expected to grow due to an aging population that will have increased demands for care. Health services offer a range of occupational types, and providers are increasingly finding high-cost institutional space is not necessary for their needs. This means expansion into retail and flex space can be an option that allows firms to scale up more quickly to meet demand.

- **Construction Contractors (various)**: There is a national shortage of construction trade workers that is especially acute in markets that are high growth or that have an aging workforce with low replacement rates. There can be market cycles that favor subsets of the different types of contractors, but it is more typical that the demand for contractors of all kinds ebbs and flows with the residential real estate market. Although interest rates have taken some of the pressure off housing prices, there is still significant demand for home improvements as well as latent demand for projects that were pushed out during boom periods in the last three years.

- **Retail**: Pandemic impacts on in-person shopping have mostly dissipated. However, the adoption of online shopping that the pandemic accelerated has continued to erode demand for retail spending in traditional bricks-and-mortar locations. The subsectors of retail that are predicted to grow through 2027 reflect spending on or maintenance of substantial physical assets like a home (Building Materials and Supplies Dealers) or a car (Automobile Dealers). The last category forecasted to add jobs is Supercenters and Warehouse Clubs that use their supply chain advantages to compete on price with e-commerce outlets.

Workers by Occupation

The largest occupational category for workers in Webster is Food Preparation and Serving Related workers. These jobs represent nearly twice the share of jobs in Webster as in the Rochester MSA. The next two largest occupations are office-related sectors, Sales and Related workers and Office and Administrative Support workers. Together these two types of jobs make up more than one out of every five jobs in the region.

There are three other categories of jobs that number more than 1,000 where the proportion for Webster is greater than that of the Rochester MSA: Production workers, Healthcare Support workers, and Business and Financial Operators.

Workers for Webster and Comparative Geographies, 2022

SOC	Description	Webster Workers	% of Total	Rochester
35	Food Preparation and Serving Related	2,741	14%	8%
41	Sales and Related	2,394	12%	9%
43	Office and Administrative Support	1,977	10%	13%
51	Production	1,798	9%	7%
31	Healthcare Support	1,140	6%	5%
53	Transportation and Material Moving	1,110	6%	7%
13	Business and Financial Operations	1,090	6%	5%
11	Management	1,071	5%	6%
47	Construction and Extraction	957	5%	4%
29	Healthcare Practitioners and Technical	856	4%	6%
49	Installation, Maintenance, and Repair	776	4%	4%
39	Personal Care and Service	686	4%	2%
17	Architecture and Engineering	605	3%	2%
15	Computer and Mathematical	578	3%	3%
37	Building and Grounds Cleaning and Maintenance	446	2%	3%
21	Community and Social Service	371	2%	2%
25	Educational Instruction and Library	368	2%	9%
27	Arts, Design, Entertainment, Sports, and Media	276	1%	1%
33	Protective Service	111	1%	2%
19	Life, Physical, and Social Science	72	0%	1%
23	Legal	52	0%	1%
45	Farming, Fishing, and Forestry	23	0%	1%
	Total	**19,497**	**100%**	**100%**

Source: Lightcast

Change in Workers by Occupation, Detail

Occupational data exists at more detailed levels, which allows for a more granular understanding of job types and changes in labor demand. The table below evaluates forecasted changes in occupations for Webster and the Rochester MSA at the 3-digit SOC (Standard Occupational Classification) level by highlighting those types of occupations that are expected to see the largest increases and decreases in the next five years.

The six occupations that are expected to add the most jobs through 2027 feature three Food Services jobs and three Health Services jobs. Food and Beverage Serving Workers have the largest increase, predicted to add 129 jobs or +7.4%.

After these occupations is Construction Trades Workers, which are expected to increase by over 10% during this period. Two high-demand technical occupations, Engineers and Computer Occupations, round out the top 10 growing occupations.

Webster has a high concentration of manufacturing, but it's a declining sector and the occupations that are expected to shed jobs the most reflect this trend. Metal Workers and Plastic Workers (-35), Assemblers and Fabricators (-29), and Other Production occupations (-26) make up half of the six fastest-shrinking occupations.

Top 10 Increases and Decreases By Occupation for Webster, 2022 - 2027

	SOC	Description	Webster			Rochester MSA	
			2022	2027	2022 - 2027 Change	2022 - 2027 Change %	
Top 10 Increasing Occupations	35-3000	Food and Beverage Serving Workers	1,740	1,869	129	7.4%	5.6%
	31-1100	Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides	967	1,060	93	9.6%	7.7%
	35-2000	Cooks and Food Preparation Workers	474	530	56	11.8%	8.1%
	29-1000	Healthcare Diagnosing or Treating Practitioners	434	474	40	9.2%	7.0%
	39-9000	Other Personal Care and Service Workers	378	411	33	8.7%	4.3%
	35-1000	Supervisors of Food Preparation and Serving Workers	298	328	31	10.3%	7.3%
	47-2000	Construction Trades Workers	793	822	29	3.6%	5.4%
	17-2000	Engineers	422	445	23	5.4%	2.2%
	15-1200	Computer Occupations	556	579	23	4.1%	2.3%
Top 10 Decreasing Occupations	43-9000	Other Office and Administrative Support Workers	274	266	(9)	-3.1%	-3.0%
	43-5000	Material Recording, Scheduling, Dispatching, and Distributing Workers	293	281	(12)	-4.1%	-0.9%
	51-5100	Printing Workers	68	54	(14)	-20.1%	-7.4%
	43-6000	Secretaries and Administrative Assistants	373	353	(20)	-5.3%	-4.1%
	43-3000	Financial Clerks	339	313	(26)	-7.6%	-4.6%
	51-9000	Other Production Occupations	436	410	(26)	-6.0%	-2.0%
	51-2000	Assemblers and Fabricators	714	684	(29)	-4.1%	-2.8%
	41-2000	Retail Sales Workers	1,662	1,631	(31)	-1.8%	-2.6%
	51-4000	Metal Workers and Plastic Workers	302	267	(35)	-11.5%	-1.4%
	13-2000	Financial Specialists	338	297	(41)	-12.1%	-0.3%

Source: Lightcast

5. RESIDENTIAL MARKET ANALYSIS

Residential Market Opportunities

Leading up to 2022, the residential real estate market in the Rochester metro area has been showing the same signs of undersupply that are common across the US. Sales and pricing for single-family properties have been strong. The rental market has absorbed more multifamily units than at any time in recent history. The spring of last year brought first steady and then bounding, 75-basis-point jumps in the Federal Reserve prime rate. The target may be inflation, but an anticipated consequence has been to dampen the residential property market. While some predicted a complete reversal of high demand and high prices, that hasn't happened yet in Rochester or the Town of Webster. While sales volumes and multifamily net absorption have declined, the supply of housing has contracted in a way where prices are stable and still rising.

The market in the Town of Webster has traditionally been for single-family housing, but it has a growing demand for multifamily housing with proven recent developments that have capitalized on this change. Although its population is aging, it is also increasingly wealthy as reflected in higher household incomes and rising prices on rents and housing sales.

Overall, there are a variety of housing market opportunities for the BOA. There is a clear shortage of single-family housing, and this is the most proven market. However, recent absorption and vacancy for multifamily shows that rental housing at lower price points is viable as well. The first preference for senior residents is to age-in-place. Given the income profiles of older households in the area, downsizing is likely to be a choice of practicality instead of budget. However, preferences for senior housing options that provide community and lifestyle amenities in a condo or attached-unit setting could match the Webster BOA's combination of large footprint and proximity to parks, downtown retail, and nearby health services.

Key Findings

- **In the Town of Webster, the number of housing units increased by nearly 18%, from 16,496 to 19,432.** The rate of growth from 2011 to 2021 was not the same across housing types, with multifamily housing increasing 24% and townhouses, condos, and mobile homes increasing by 79%. Single-family housing grew at a slower rate than the other types, but it still makes up the largest number of units. Compared to population growth (6%), single-family housing grew at a rate of 9%.

- **Median values are higher than the surrounding area and growing at a similar rate.** The Town of Webster's median home value crossed above $200,000 in 2021 to $206,100. This is more than $40,000 above the surrounding area and is showing no signs of slowing, with a five-year increase in value of 14.5%.

- **Webster has a younger housing stock and development in the last 30 years is double that of other areas.** Two out of five houses in Webster were constructed since 1990 (39%), which is in stark contrast to Monroe County (18%) and the Rochester MSA (20%).

- **A look at residential building permits shows more new stock in the pipeline.** After a slow 2020, residential building permits jumped up by almost 50 to hit 165 in 2021. This seems like a return to pre-pandemic building demand, when the area would have 200–300 permitted units per year.

- **The 12-month moving average for sales volume is still higher than at the beginning of 2019, indicating strong demand.** The Town of Webster market experienced a dip in sales volumes in the first half of 2020 due to the pandemic. Since then, sales have been steady and prices were trending higher through the end of 2022.

- **The Town of Webster has rapidly increased the size of its rental market, with units increasing at three times the rate of the Rochester MSA.** The growth in the rental market has impacted the vacancy rate for multifamily units, which has been steadily decreasing and now fluctuates between 2% and 4%. This implies significant pent-up demand for multifamily.

- **The Town of Webster has seen price increases for home sales at the same time as demand for apartments has been high, creating expensive rents and low vacancies.** Historical data shows that the Town of Webster has always been more expensive than the larger metro area, but starting in 2020 rental rates began to increase at a faster rate, creating a gap between Webster and the Rochester MSA.
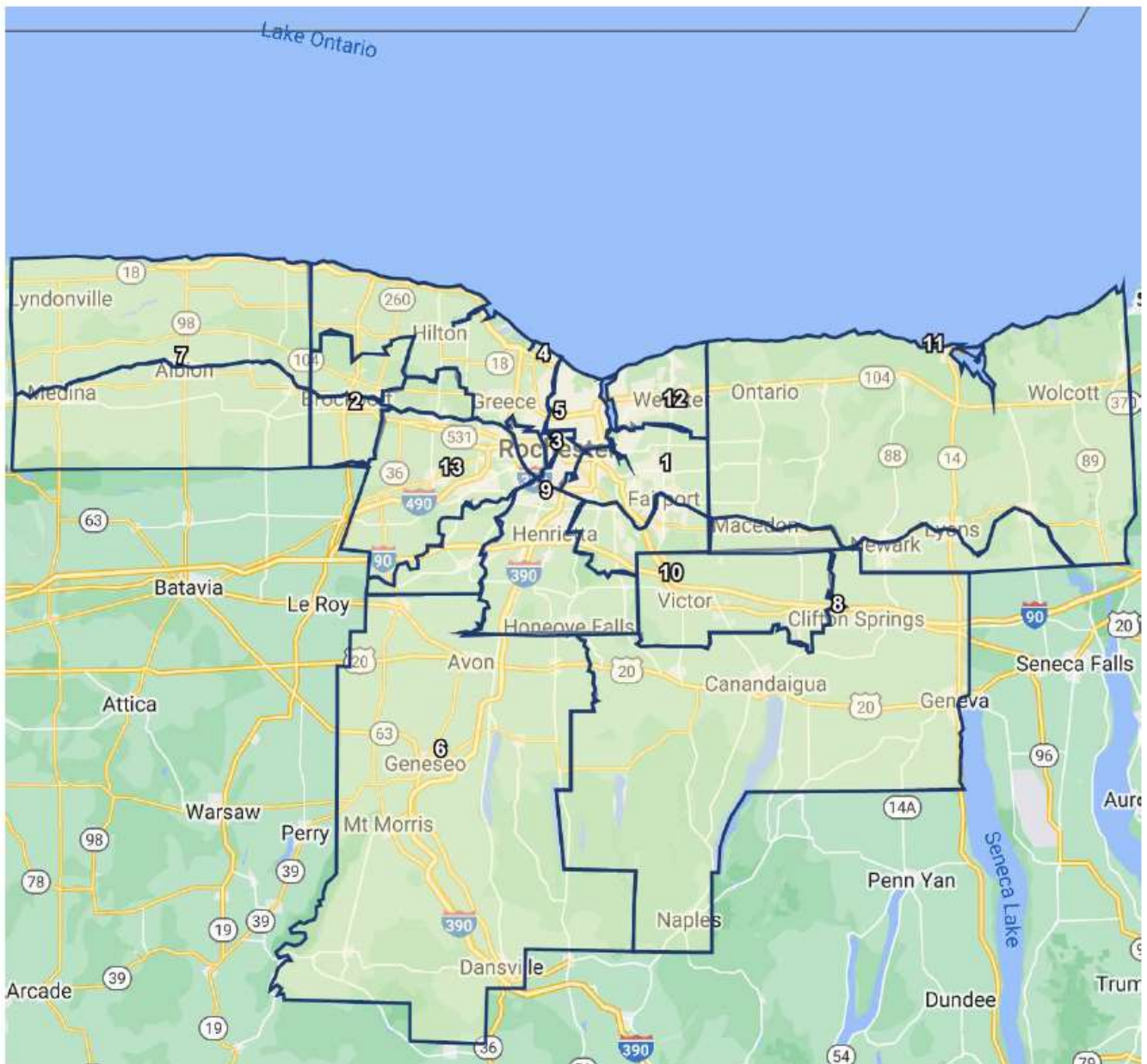
Market Area

Market data from Redfin and CoStar is for the Town of Webster and uses the Rochester MSA market (as defined by CoStar) as a comparative region. The map of this area is below and shows the Rochester MSA and thirteen submarkets.

Rochester MSA

ROCHESTER SUBMARKETS

Housing Inventory Analysis

Housing Stock Trends

Between 2011 and 2021, the number of housing units in the Town of Webster increased by nearly 18%, from 16,496 to 19,432. The demographic analysis shows that population for the region increased by only 6% over a similar period (2010 to 2022).

The rate of increase was not the same across housing types. More dense types of housing units grew at a much faster rate than single-family housing. Multifamily housing increased 24% during this period, compared to only 9% for single-family housing. Townhouses, condos, and mobile homes increased by 79%, nearly doubling from 1,306 units to 2,338. Although single-family housing grew at a slower rate than the other types, it makes up the largest number of units. In 2021 single-family housing units, at 12,840, represented two out of every three units (of the total 19,432).

Units By Type of Structure, Town of Webster
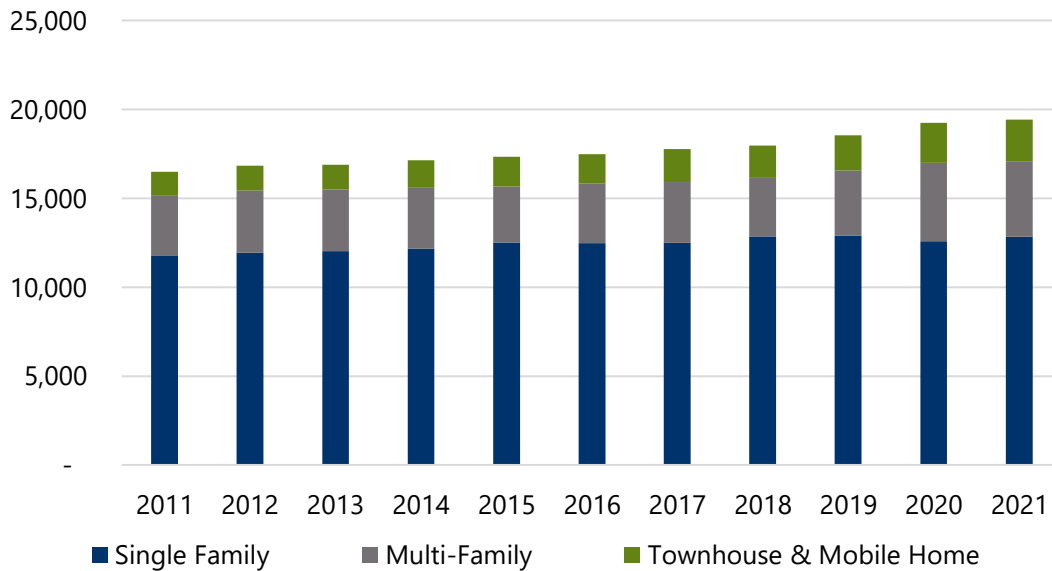
Source: Census

Single-family housing grew at a fast enough rate to keep up with population growth (9% vs 6%). However, because of the changing composition of household types, the Town of Webster's households increased at a faster rate (13%).
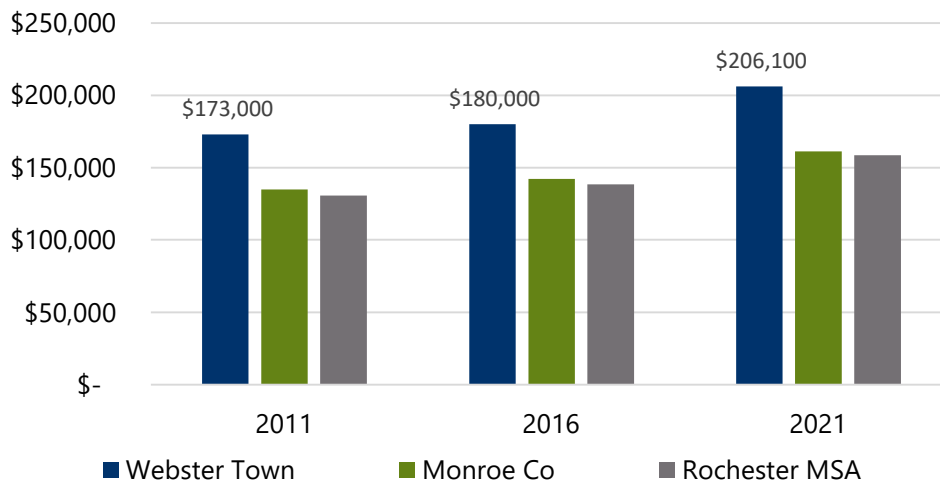
Home Values

Changes in home values are a key indicator for the direction a residential market is heading. Town of Webster property values are significantly higher than the surrounding areas. Monroe County and the Rochester MSA have similar growth trends and have converged close to a median home value of $160,000 over the last 10 years. The Town of Webster has had a similar growth trend since 2016, but started from median values that were 25%–50% (approximately $40,000) higher.

Median Home Values

Region	2011	2016	2021	2011 - 2016, % Change	2016 - 2021, % Change
Webster Town	$ 173,000	$ 180,000	$ 206,100	4.0%	14.5%
Monroe County	$ 135,100	$ 142,200	$ 161,300	5.3%	13.4%
Rochester MSA	$ 130,800	$ 138,500	$ 158,700	5.9%	14.6%

Source: Census

Median Home Values

Source: Census

Housing Units By Home Value, Town of Webster

Range of Value	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Less than $100,000	8%	8%	8%	9%	8%	7%	7%	6%	5%	5%	3%
$100,000 to $124,999	13%	14%	13%	11%	11%	11%	10%	9%	9%	9%	7%
$125,000 to $149,999	15%	14%	15%	14%	14%	14%	13%	12%	11%	12%	11%
$150,000 to $174,999	18%	17%	17%	16%	16%	17%	17%	16%	16%	13%	14%
$175,000 to $199,999	13%	13%	12%	14%	14%	15%	16%	16%	14%	16%	15%
$200,000 to $249,999	15%	14%	14%	16%	17%	17%	18%	19%	20%	18%	19%
$250,000 to $299,999	9%	10%	11%	10%	9%	9%	9%	9%	11%	12%	13%
$300,000 to $399,999	7%	7%	7%	6%	6%	6%	6%	7%	8%	10%	11%
$400,000 to $499,999	2%	2%	1%	2%	1%	1%	2%	2%	3%	2%	4%
Greater than $499,999	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%	3%

Source: Census

Age of Housing Stock

Part of the explanation for the Town of Webster's higher valuations is related to its younger housing stock. Nearly 40% of its housing structures have been built since 1990. In both Monroe County and the Rochester MSA this newer housing represents about 20%, or half the share of the housing stock as in Webster. Both of the larger regions also have a significant share of housing from the pre–World War II era. Over a quarter of the housing structures from these regions were built before 1940. These structures often have older water and electrical utilities and have substantial maintenance costs compared with more recent structures.

Housing Units By Year Structure Was Built

Period Built	Webster Town	Monroe County	Rochester MSA
1939 or earlier	8%	25%	27%
1940 to 1949	3%	6%	5%
1950 to 1959	11%	13%	11%
1960 to 1969	10%	14%	12%
1970 to 1979	15%	13%	13%
1980 to 1989	13%	11%	11%
1990 to 1999	16%	8%	9%
2000 to 2009	14%	6%	7%
2010 to 2019	9%	4%	4%
2020 or later	0%	0%	0%

Source: Census

Recent Developments

Bella Terrace Place is a recent development enabled by rezoned industrial land that added 67 townhouses and 100 single-family homes to the Town of Webster's residential market. The townhouses are marketed as an option for off-campus living for students and young professionals, and the homes offer a low entry point for first-time home buyers.

Occupancy by Tenure

The Town of Webster and the nearby areas have continued to add residential inventory in response to demand. However, occupancy data from the US Census Bureau shows that the market continues to tighten, and there are indications that home ownership is becoming less attainable as prices rise.

The Town of Webster's occupancy rate has increased over each of the last five-year survey periods since 2011. Occupancy above 95% represents a housing market with very little unused housing stock, which can make it difficult for households to find an affordable place to live.

Housing Occupancy By Year

Description	Webster Town	Monroe Co	Rochester MSA
Housing units, 2021	20,076	334,821	487,610
Occupied units, 2021	19,432	311,955	445,082
Occupancy Rates			
2021	97%	93%	91%
2016	96%	93%	91%
2011	95%	92%	91%

Source: Census

The composition of tenure for Town of Webster households reinforces this view of a residential market in high demand. Vacancy has decreased from 4.9% in 2011 to 3.3% in 2021. The balance of owner-occupied versus renter-occupied households shifted over the same period, with over a quarter of households renting in 2021.

**Housing Tenure By Type, Webster Town**
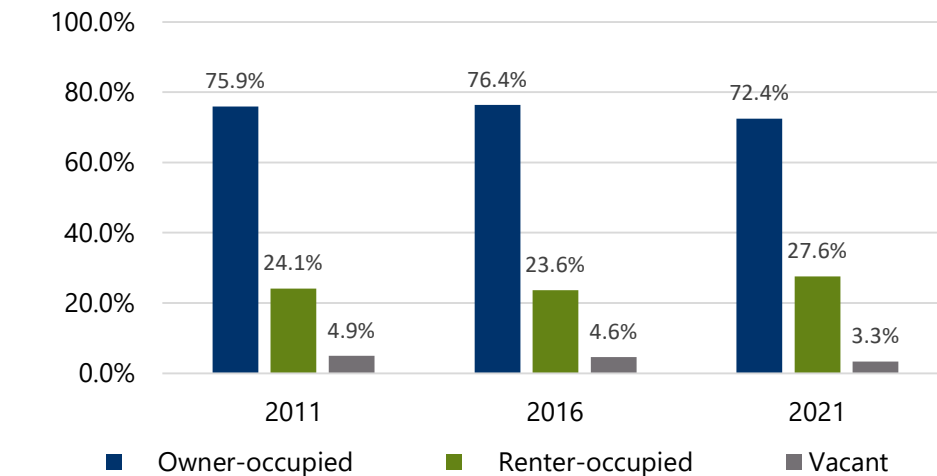
Source: Census

Housing Market Trends

Development Activity (Building Permits)

An advanced metric for residential housing market health is how much new housing construction is in the pipeline to be built. Building permits are not guarantees of future housing supply, but they are a good indicator of how builders see the prospects for a market.

For the Town of Webster, the peak of permitting volume coincides with a strong residential market before the pandemic. Annual residential permits peaked at 300 in 2015, but then enjoyed other strong periods with permits above 200 per year in 2017 and 2018. It's likely that complications from doing business during lockdowns as well as shortages of municipal staff may have affected permitting during 2020, as permits dipped to 117 that year. While not reaching the same heights as pre-COVID, 2021 was a rebound year with 165 permits, which is the highest level of builder confidence since 2018.

Residential Building Permits, Webster Town
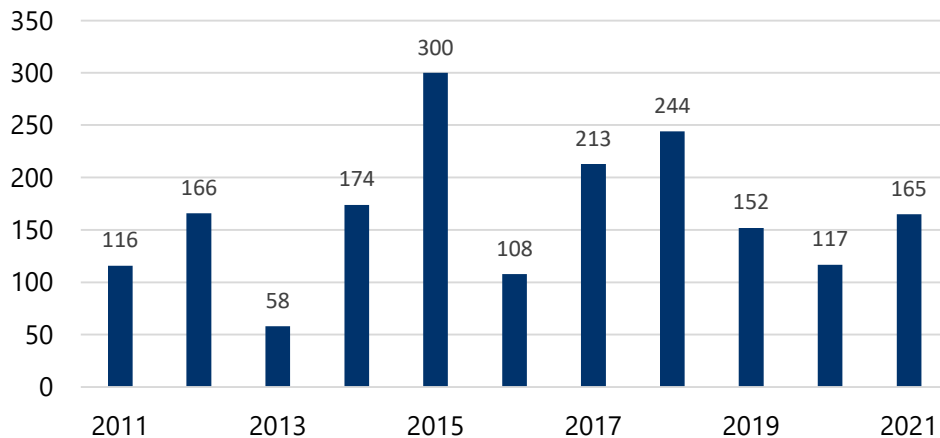
Source: SOCDS Building Permits Data

Compared to the rest of Monroe County and the Rochester MSA, the Town of Webster's permitting trends are almost exactly reversed. For the nine-year period before the pandemic the Town of Webster was averaging 75 single-family permits per year. When individuals were suddenly spending more time quarantining in their homes, demand for housing increased. The two years during the pandemic saw single-family housing permits in Webster nearly double to 141 permits per year. At the same time the Town of Webster saw a decline in permits for multifamily housing.

Monroe County and the Rochester MSA saw opposite trends for each part of the housing market. Monroe County saw nearly 100 fewer (-96) single-family permits during the pandemic compared with 2011 to 2019. The decline in single-family housing for Rochester wasn't as significant, but the MSA didn't see any kind of increase like the Town of Webster. Both of the larger geographic areas did see a significant jump in multifamily housing permits. Monroe County saw increases in multifamily housing permits of 225 per year or 45%. The Rochester MSA saw increases of 153 permits per year or 22%.

**Average Annual Housing Permits By Type**

Description	Town of Webster	Monroe County	Rochester MSA
Single Family			
2011 - 2019	75	723	1,206
2020 - 2021	141	627	1,165
Multi Family			
2011 - 2019	95	504	690
2020 - 2021	64	730	844

Source: SOCDS

Home Sales

Redfin is a nationwide residential real estate brokerage company that offers historical sales data for markets across the US. The chart below looks at the last four years of sales in the Town of Webster. The **blue** bars represent monthly home sales volume in the region. The **green** line is the previous 12-month total sales (so the January 2019 line value includes sales from February 2018 through January 2019). The moving total helps look at trends in sales volumes without the impacts of seasonal variation (since residential markets are typically higher volume during warmer months).

Property Sales, Webster Town
Sales Volume & 12-Month Moving Average
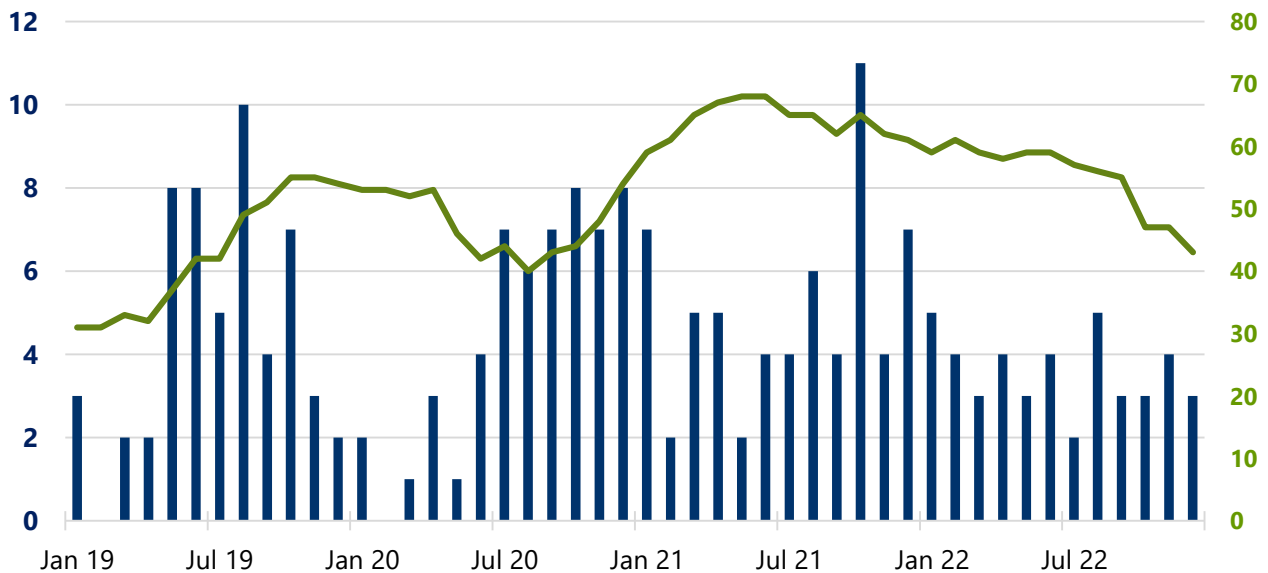
Source: Redfin

The pandemic created a dip in the first half of 2020. Outside of this slow period, the Town of Webster's market shows fluctuation in monthly sales volumes with a peak of eleven sales in October 2021. The Federal Reserve began to increase interest rates in March 2022. Since that point sales volumes have been steady but trending lower. Home

sales remained in the range of two to five per month throughout the rest of 2022, and the 12-month moving total at the end of 2022 was still higher than at the beginning of 2019, indicating a strong floor for demand in the face of increased borrowing costs.

Home Prices

In addition to stalwart sales volumes, the trends for pricing relate to a residential market with significant pent-up demand. In 2018 the median home price in the Town of Webster stood at $200,000. In 2022, the median home price had increased 45% to nearly $290,000. The growth in local housing prices has been generally on par with Monroe County as a whole. As of March 2023, the median home price in Webster is already up another 9.4% to $317,250.

Home Price Trends (2018-2022)
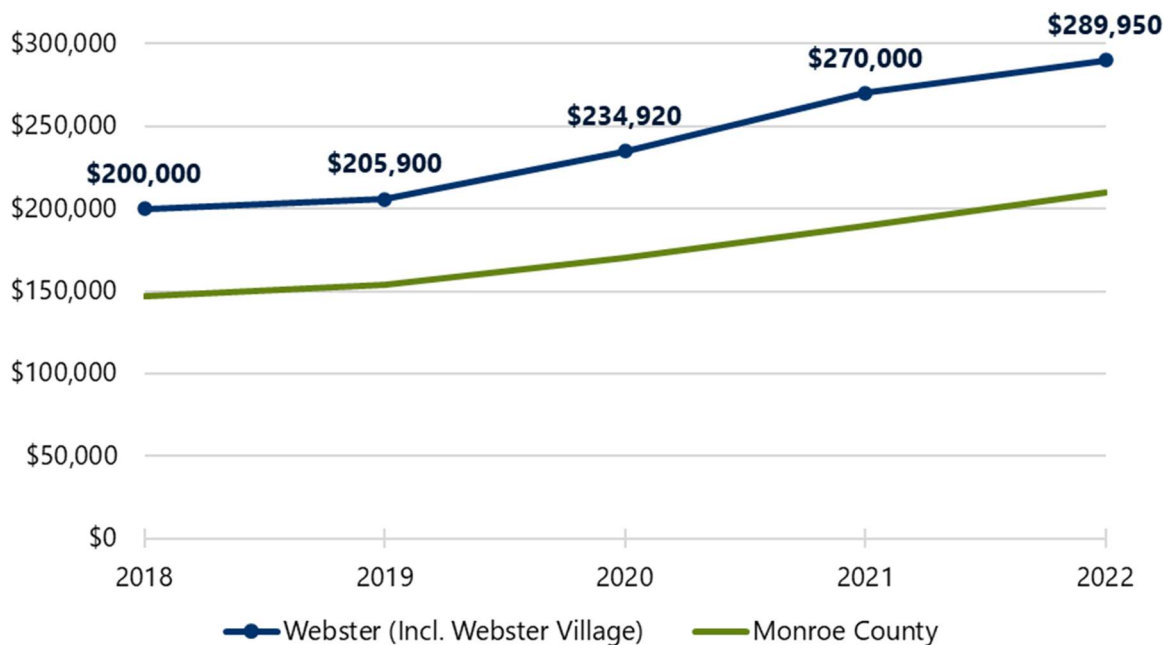
Source: Greater Rochester Association of Realtors

A detailed comparison of the Town of Webster's home price growth to that in Monroe County and its municipalities is shown below. Overall, despite lower sales volumes and the price drag caused by higher interest rates, home prices in Webster continue to rise. There is ample demand from buyers who are frustrated by low inventory. The sales that do occur feature multiple offers and often cash offers, or at least bank-enabled cash offers (an evolution in lending that allows levered borrowers to give full cash at the time of sale). Data from Redfin also indicates that the typical time on the market for homes is only 10 days as of March 2023. The continued strong sales prices even in the face of adequate unit growth, moderating sales volumes, and higher borrowing costs means that the residential market in the Town of Webster is robust.

Monroe County Home Price Trends (2018-2022)

	2018	2019	2020	2021	2022	Change From 2021	Change From 2018
Webster (Incl. Webster Village)	**$200,000**	**$205,900**	**$234,920**	**$270,000**	**$289,950**	**+7.4%**	**+45.0%**
Monroe County	**$146,855**	**$154,000**	**$170,000**	**$190,000**	**$210,000**	**+10.5%**	**+43.0%**
Chili	$147,000	$154,000	$172,000	$190,000	$225,000	+18.4%	+53.1%
Clarkson	$150,000	$162,500	$170,000	$209,950	$233,250	+11.1%	+55.5%
Gates	$119,000	$126,050	$145,000	$160,000	$179,250	+12.0%	+50.6%
Greece	$133,000	$142,000	$155,000	$175,000	$192,000	+9.7%	+44.4%
Hamlin	$120,000	$128,000	$149,500	$166,000	$180,500	+8.7%	+50.4%
Ogden (Spencerport Village)	$163,750	$183,500	$197,000	$210,000	$230,000	+9.5%	+40.5%
Parma (Hilton Village)	$164,950	$162,500	$200,000	$207,250	$247,450	+19.4%	+50.0%
Riga (Churchville Village)	$134,000	$174,900	$190,000	$205,000	$194,750	-5.0%	+45.3%
Sweden (Brockport Village)	$130,000	$142,000	$150,000	$172,000	$195,000	+13.4%	+50.0%
Wheatland (Mumford Village,	$132,950	$143,750	$164,900	$175,000	$155,000	-11.4%	+16.6%
Brighton (West Brighton)	$195,000	$195,000	$227,000	$250,000	$275,000	+10.0%	+41.0%
East Rochester	$104,450	$104,500	$117,000	$141,250	$160,000	+13.3%	+53.2%
Henrietta (West Henrietta)	$155,000	$168,201	$182,000	$211,513	$232,500	+9.9%	+50.0%
Irondequoit (East and West)	$129,900	$132,000	$150,000	$168,000	$186,000	+10.7%	+43.2%
Mendon (Honeoye Falls Village)	$263,500	$275,000	$302,040	$350,000	$400,000	+14.3%	+51.8%
Penfield	$217,800	$240,000	$242,500	$282,000	$320,000	+13.5%	+46.9%
Perinton (Fairport Village)	$217,700	$220,000	$240,000	$280,500	$307,750	+9.7%	+41.4%
Pittsford (Pittsford Village)	$291,000	$300,000	$346,000	$405,000	$420,000	+3.7%	+44.3%
Rush	$208,250	$240,000	$250,000	$266,988	$284,000	+6.4%	+36.4%
City of Rochester	$85,278	$95,000	$112,500	$130,000	$135,000	+3.8%	+58.3%

Source: Greater Rochester Association of Realtors

Sales Activity and Inventory

While the number of sales in Webster dropped in 2022 from 2021, the Town's housing market remained very strong and one of the most active in Monroe County. Notably, the Town has had one of the more active condo markets, with approximately 80 condo sales in 2020.

In 2022, the inventory of homes stood at 0.9 month, indicating very low inventory and far below a typical healthy range of 5 to 6 months of inventory. Inventory has remained tight into 2023, with rising interest rates causing many would-be sellers to remain in their homes. As a result, housing demand has continued to build up and market conditions are favorable for new housing development despite the higher interest rate environment. A detailed comparison of the Town to the County and other municipalities is provided in the table below.

Monroe County Housing Market Overview (2022)

|	Total Closed Sales	Change from 2021	Percent Single Family	Percent Condo	Months Supply of Inventory	List to Close (Days)	Pct. of Orig. Price Received
Webster (Incl. Webster	**486**	**-15.8%**	**84.0%**	**16.0%**	**0.9**	**71**	**112.2%**
Monroe County	**7,838**	**-11.9%**	**91.4%**	**8.6%**	**0.6**	**68**	**111.7%**
Chili	315	-14.2%	93.0%	7.0%	0.6	61	113.5%
Clarkson	58	-17.1%	100.0%	0.0%	0.7	71	109.5%
Gates	345	-24.2%	89.0%	11.0%	0.4	63	113.6%
Greece	1,262	-12.2%	94.5%	5.5%	0.3	64	112.7%
Hamlin	58	-21.6%	100.0%	0.0%	0.4	71	109.5%
Ogden (Spencerport Village)	196	-10.9%	92.3%	7.7%	0.3	71	111.8%
Parma (Hilton Village)	168	-12.5%	95.2%	4.8%	1.3	77	107.1%
Riga (Churchville Village)	43	-24.6%	60.5%	39.5%	0.7	62	109.0%
Sweden (Brockport Village)	108	-25.0%	84.3%	15.7%	0.6	73	105.1%
Wheatland (Mumford Village,	49	-15.5%	100.0%	0.0%	0.9	100	104.8%
Brighton (West Brighton)	407	+0.2%	86.7%	13.3%	0.2	60	113.9%
East Rochester	77	-19.8%	81.8%	18.2%	0.0	62	115.0%
Henrietta (West Henrietta)	415	-12.4%	88.4%	11.6%	0.4	64	114.2%
Irondequoit (East and West)	743	-16.0%	97.3%	2.7%	0.3	61	115.3%
Mendon (Honeoye Falls	91	-25.4%	93.4%	6.6%	1.5	72	108.3%
Penfield	415	-19.7%	84.6%	15.4%	0.5	66	111.4%
Perinton (Fairport Village)	552	-11.1%	82.2%	17.8%	0.2	62	112.3%
Pittsford (Pittsford Village)	370	-20.3%	88.6%	11.4%	0.9	74	107.2%
Rush	24	-29.4%	100.0%	0.0%	0.4	72	110.7%
City of Rochester	1,656	+1.5%	96.1%	3.9%	1.1	77	109.4%

Source: Greater Rochester Association of Realtors

Multifamily Market

Reinforcing the earlier evidence from the Census survey, CoStar data for multifamily housing units indicates that the Town of Webster has rapidly increased the size of its rental market in recent years. By way of comparison, the Rochester MSA is a mature multifamily rental market. During the period since 2001, the Rochester MSA has seen units increase 22% from 46,500 to nearly 57,000, for a compound annual growth rate of just under 1%. However, in the Town of Webster the number of units has increased at three times the rate. From 3,463 units in 2001 up to 5,018 units in 2022, or a +67% change for a compound annual growth rate of 2.4%.

Multifamily Units, Webster Town & Rochester MSA
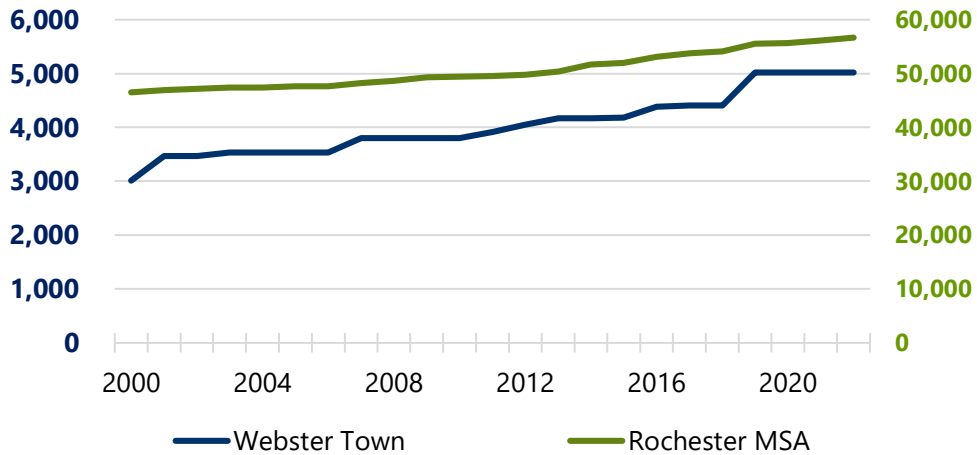
Source: CoStar

Despite aggressive building in the region, vacancy rates for multifamily units continue to decline. The Town of Webster added over 2,000 multifamily units over a couple decades. Instead of alleviating the tight rental market, conditions became even tighter over the period. The vacancy rate in the 2000s was firmly above 6% and even crested in 2007 at 8.3%. However, since then the rate has seen almost continuous decreases and now sits between 2% and 4%. The metro area market has typically had slightly higher vacancies than the Town of Webster, but this gap is narrowing as both markets become in more demand.
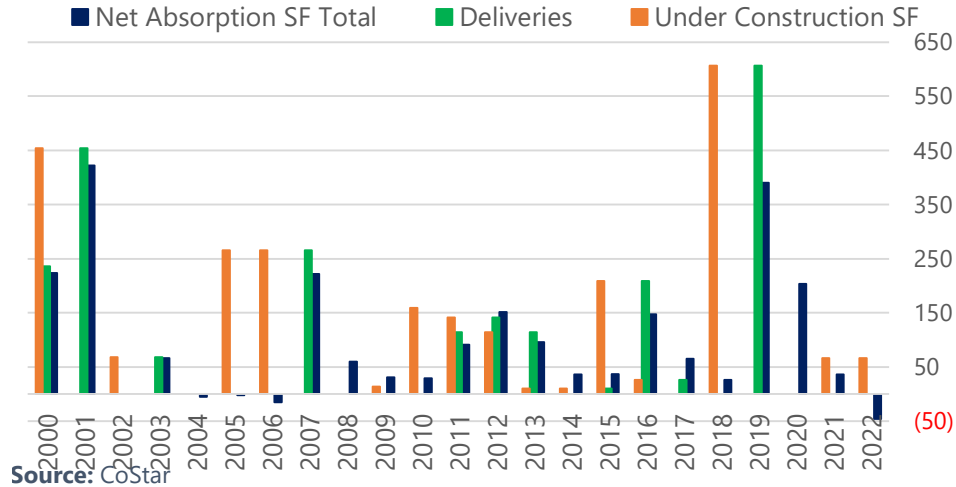
Multifamily Vacancy Rate
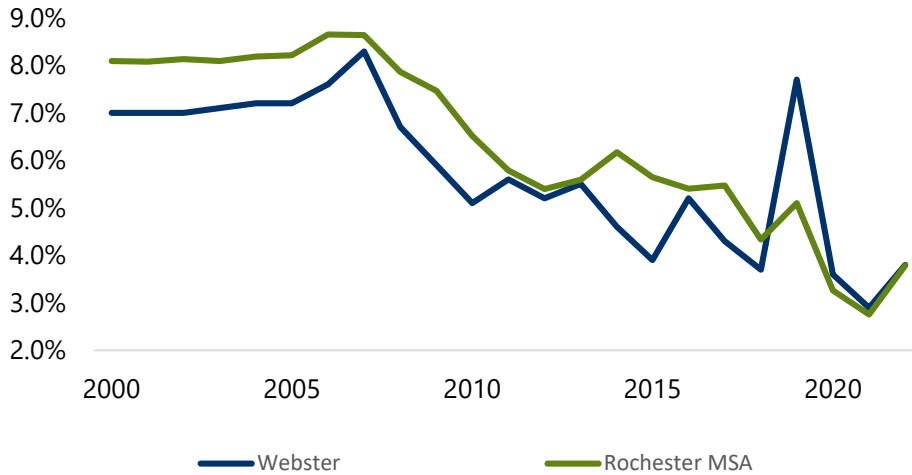
Source: CoStar

Multifamily Market Metrics, Webster

■ Net Absorption SF Total   ■ Deliveries   ■ Under Construction SF

Source: CoStar

Sometimes prices for homes are counter-cyclical with rent levels so that people seeking housing have at least one lower-cost option for finding a home. However, the market in the Town of Webster has seen price increases for home sales at the same time as demand for apartments has also been high, creating expensive rents and low vacancy rates. This creates pressure on both housing markets simultaneously.

The larger regional market does not offer a respite from growing pressure on multifamily housing. It has undergone the same trend of rapid net absorption over the last five years. This trend, however, paused suddenly in 2022 for both the Webster and Rochester markets, possibly in response to increased interest rates.

Multi-Family, Net Absorption

—— Rochester   —— Webster

Source: CoStar
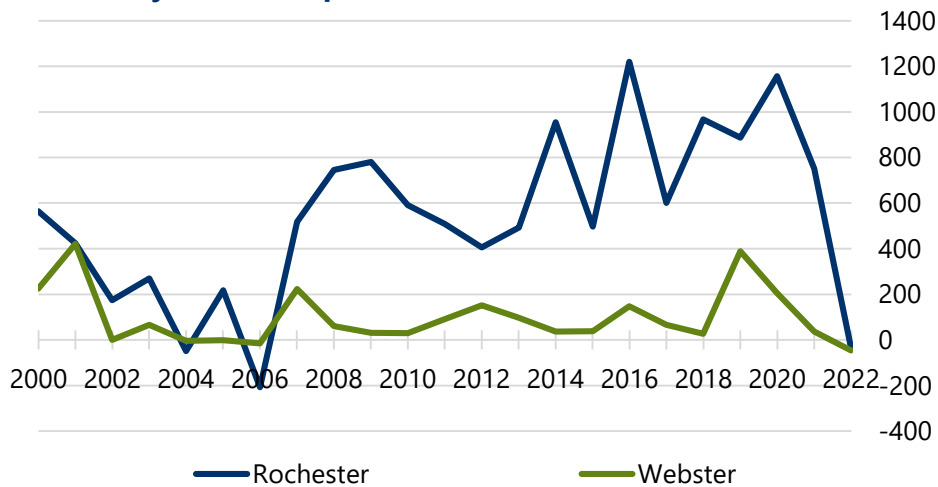
Looking at CoStar data for Asking Rents, the Town of Webster has always been more expensive than the larger metro area, though the difference has been fairly consistent. The two markets have seen prices creep up over time, with a brief respite during the 2009 recession. However, starting in 2020 rental rates for the Town of Webster have increased at a faster rate. This is causing a widening gap between the two regions as not only are Webster's rentals more expensive, but now the rental price point is growing at a faster rate than in the Rochester MSA.

Asking Rent, Webster Town and Rochester MSA
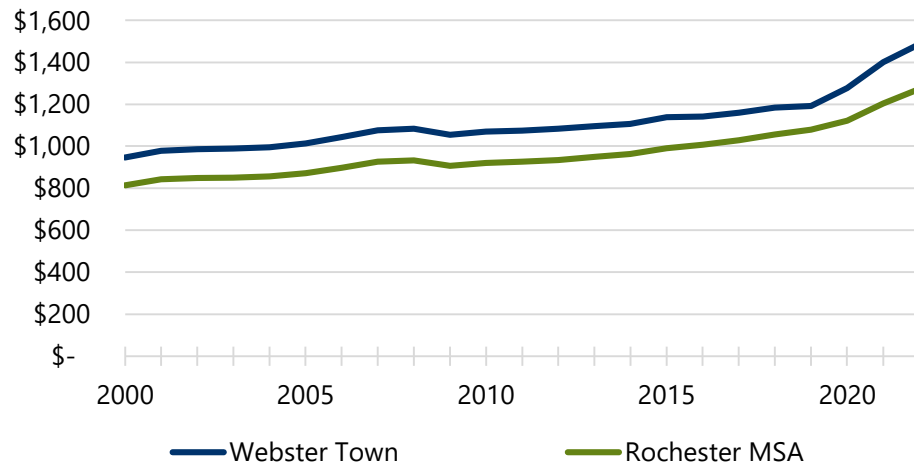
Source: Costar

Interview Findings

- **There has been a shortage of homes for sale in Webster and the surrounding areas.** This shortage has led to a competitive market with multiple offers on properties. These multiple offers have consistently resulted in homes selling for above list price.
- **The increasing prices make it more challenging for existing residents to remain.** Price increases create barriers for lower-income households to buy or rent in the area.
- **The number of days a home stays on the market has continued to increase.** Even with the increase in days on market, homes are still selling faster than pre-pandemic.

Housing Demand and Market Potential

Population growth and changes in age and income are major drivers of housing demand. Changes in the composition of these characteristics over time can have a significant impact on the types and amounts of housing demanded in a region.

Older and higher-income households saw the largest increases since 2016 in the Town of Webster. The two cohorts that saw the most growth between 2016 and 2021 are households making between $100,000 and $200,000 that are either retired or nearing retirement. These groups added 1,320 households in the last five years. Households at almost every income level under the age of 25 declined for a net decrease of 247 households.

Household Change By Age and Income, Webster Town 2016 - 2021

Income Range	under 25 years	25 to 44 years	45 to 64 years	65 years and over	Total
Less than $35,000	-94	-259	-407	-7	**-767**
$35,000 to $44,999	-51	+194	+197	+142	**+482**
$45,000 to $59,999	-87	+61	-259	+62	**-223**
$60,000 to $99,999	-35	+236	-361	+200	**+40**
$100,000 to $199,999	+20	+397	+614	+706	**+1737**
$200,000 or more	0	+250	+456	-23	**+683**
Total	**-247**	**+879**	**+240**	**+1080**	**+1952**

Source: Census

Market Demand Potential

Based on commuting and migration patterns, it is expected that new housing development in the BOA could draw tenants or homebuyers from around the greater Rochester region. Therefore, the housing demand analysis considers the housing demand within the Rochester MSA that the Town of Webster and the BOA would be expected to be able to "capture" over the next five years.

As shown in the following table, demand generated by household growth and turnover (households living in the region that move within the region) is expected to total nearly 13,000 housing units annually. This represents the entire "demand pool" from which the BOA would be able to capture a portion for new housing development. Based on the market analysis and past capture of regional housing demand, it is expected the Town of Webster could capture or "absorb" between 255 and 382 units annually, representing an estimated 1,593 units of housing development potential over the next five years (including both market rate and affordable housing). The BOA is expected to be able to capture a significant share of the Townwide market potential – an estimated 1,035 units over five years.

Webster Housing Market Potential (Units)

Bracket	Current Households	Annual Turnover Demand	Annual Household Growth	Total Annual Demand
<$15,000	41,441	1,243	-1,387	(144)
$15,000-$24,999	36,774	1,103	-1,592	(489)
$25,000-$34,999	37,769	1,133	-1,323	(190)
$35,000-$49,999	50,654	1,520	-1,360	160
$50,000-$74,999	79,103	2,373	-946	1,427
$75,000-$99,999	60,349	1,810	95	1,905
$100,000-$149,999	76,388	2,292	2,090	4,382
$150,000-$199,999	35,505	1,065	2,441	3,506
$200,000+	32,232	967	1,980	2,947
Total				**12,740**
Annual Webster Capture Potential (Low)				**255**
Annual Webster Capture Potential (High)				**382**
Estimated 5-Year Webster Market Potential (Market Rate + Affordable)				**1,593**
Estimated 5-Year BOA Market Potential (Market Rate + Affordable)				**1,035**

The housing market potential for the BOA is further detailed in the following tables by owner versus rental demand and rent/purchase price range (including affordable versus market rate housing). **Overall, there is market potential for 466 rental units and 569 homeowner units, of which there is potential for 251 market rate rental units and 482 market rate homeowner units over the next five years.**

Summary: Webster BOA 5-Year Housing Market Potential

Housing Type	Rental Units	Homeowner Units	Total Units
Affordable	215	87	**302**
Market Rate	251	482	**733**
Total	**466**	**569**	**1,035**

Webster BOA 5-Year Housing Market Potential: Rental Units

Income Bracket	Target Rent Level	Units
<$15,000	Less than $375	96
$15,000-$24,999	$375-$500	64
$25,000-$34,999	$500-$625	55
$35,000-$49,999	$875-$1,250	81
$50,000-$74,999	$1,250-$1,875	86
$75,000-$99,999	$1,875-$25,000	39
$100,000-$149,999	$2,500-$3,750	31
$150,000-$199,999	3750-$5,000	9
$200,000+	$5,000+	5
Total		**466**
Total Market Rate		**251**
Total Affordable/Workforce		**215**

Webster BOA 5-Year Housing Market Potential: Homeowner Units

Income Bracket	Target Price Level	Units
<$15,000	Less than $53,500	(1)
$15,000-$24,999	$53,500 - $89,000	21
$25,000-$34,999	$89,000 - $125,000	32
$35,000-$49,999	$125,000 - $179,000	35
$50,000-$74,999	$179,000 - $268,000	96
$75,000-$99,999	$268,000 - $357,000	100
$100,000-$149,999	$357,000 - $536,000	145
$150,000-$199,999	$536,000 - $715,000	72
$200,000+	$715,000+	69
Total		**569**
Total Market Rate		**482**
Total Affordable/Workforce		**87**

6. RETAIL MARKET ANALYSIS

Retail Market Opportunities

The retail market is mature in the Rochester metro area, with well-positioned locations expanded over time and regional shopping centers established at regular intervals in most directions from the Webster BOA site. Webster's largest established retail node is just southwest of the BOA, with retail offerings including Target, DICK's TJ Maxx, Wegmans, Kohl's, Lowe's, and a variety of other big box and chain stores. Just south of the BOA is the Webster village center, which offers a range of locally owned restaurants and shops. There is a smaller retail area on the west side of town along Empire Boulevard, anchored by Walmart and a second Wegmans.

On the whole, retail offerings largely align with the spending patterns among trade area residents. A retail leakage analysis shows some retail development focused on eating and drinking or clothing shopping are most likely to be supportable in the Town of Webster and the towns to the east. The area is also underserved for a gas station and convenience store. With direct highway access via Route 104 and proximity to existing shopping centers and the Village center, the BOA has several advantages for supporting retail space.

Key Findings

- **The Webster BOA trade area expects slow population growth but an increasingly wealthy clientele for retailers.** The expected change in population for the Webster BOA trade area (5-minute drive area) from 2022 to 2027 is small (+86 people). However, the compositional changes in demographics mean that the area will reach an increasingly wealthy set of consumers. Each household income bracket over $75,000 is expected to grow over this period.

- **Retail inventory grew quickly during the 2010s and is starting to add space again after a pause during the pandemic.** Since 2007 the Town of Webster has seen the addition of 11 buildings and nearly half a million square feet of new retail space. Since 2007 the area has averaged an increase of 30,000 square feet of retail per year. During the pandemic delivery of new space slowed, but 2022 saw another building adding 6,000 square feet.

- **The rate of vacant retail space is on the rise.** The vacancy rate for retail in the Town of Webster hit 6.7% in 2021, which is the highest vacancy going back to 2007. It regressed slightly to 6.5% in 2022. Where retail vacancy in the Town of Webster used to run two to three percentage points below the metro area, now the Rochester MSA has the lower vacancy rate by 1.7 percentage points (but it has also been trending up in recent years).

- **Leasing prices for retail space are volatile, especially compared to the metro area.** The price per square foot of retail in the Town of Webster crossed above $17.00 again in 2022; the previous time was in 2020. And rates in both the town and the Rochester MSA are up. However, prices have not been stable, with even pre-pandemic dips such as down to $11.53 per square foot in 2018.

- **After a busy 2010s, the 2020s have seen low levels of deliveries and often negative net absorption.** The recent history of retail deliveries has seen the Town of Webster average over 40,000 square feet per year, going back to 2007. However, the three-year average, which starts around the same time that the

pandemic started, is only a tenth of that (3,700 sf/year). The market's net absorption was able to keep up with substantial new deliveries in the middle of the last decade. However, three of the last four years have seen negative annual net absorption.

- **Food and Leisure are the top categories for spending in the trade area.** After accounting for domestic basics like shelter, health services, and groceries, there are a handful of consumer spending categories that rise to the top of the list with more than 5% of total household spending each year. (1) Restaurants, (2) entertainment and recreation, and (3) travel are the key discretionary spending categories and combined households on average spend $11,616 per year or about 18.5% of all household consumer spending.

- **Retail gap analysis reveals a number of promising areas related to restaurants, clothing stores, fuel and convenience stores, and nail salons for business expansion**. These areas have a combination of undersupplied retail demand relative to sales as well as an average business size (by sales) that indicates an expansion or new location would be viable.

Inventory

Retail space in the Town of Webster in 2007 consisted of 308 buildings and 4.6 million square feet of leasable space. There is a single year's pause during the recession of the late 2000s and early 2010s when the retail market didn't add inventory. Otherwise, additions of buildings and space to the market have been steady and positive. Inventory reached 318 buildings and just over 4.6 million square feet by 2019. Activity paused during the COVID-19 pandemic, but in 2022 another building added 6,000 square feet of inventory, bringing the market total to just over 4.6 million square feet.

The retail market during this period added nearly 30,000 square feet per year in 11 buildings. This is an increase of 10.7% for the Town of Webster's retail square footage from 2007 to 2022, while the Rochester MSA increased inventory at a rate of 5.5%.

Retail Inventory, Town of Webster

Source: CoStar
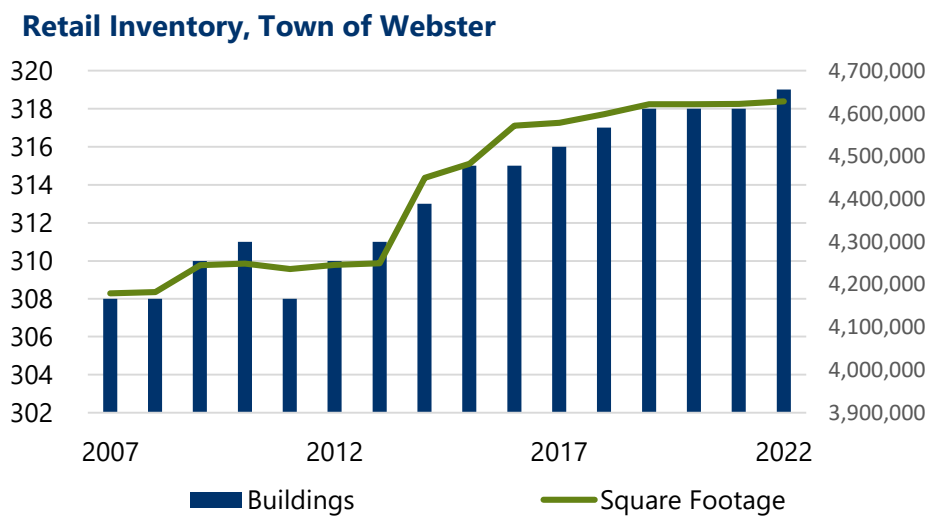
Retail Vacancy

While buildings and existing available square footage have gone up in the Town of Webster the vacancy rate has fluctuated between 1.7% in 2007 and 6.5% in 2022. The trend for vacancy was tightening in the decade before the pandemic. Vacancy rates above 5% shortly after the 2009 recession declined to below 3% in 2017. Even before COVID-19 emerged, the vacancy rate for retail was beginning to tick back up in 2018 and 2019. This coincided with continuous additions to inventory in the area. This may indicate that supply has been gradually outpacing demand for retail space in the Town of Webster. Vacancies have gone up again each of the last three years and settled above the previous peaks in the early 2010s. The Rochester MSA market follows a very similar but more gradual trend in vacancy.

Retail Vacancy Rates

| Period	Webster	Rochester MSA
2022	6.5%	4.8%
2021	6.7%	4.5%
2020	5.9%	4.7%
2019	4.4%	4.1%
2018	4.3%	3.9%
2017	2.0%	3.5%
2016	2.5%	4.3%
2015	3.7%	6.1%
2014	3.3%	6.7%
2013	3.6%	7.1%
2012	3.9%	7.4%
2011	5.3%	7.1%
2010	5.7%	8.1%
2009	3.8%	7.9%
2008	3.1%	5.5%
2007	1.7%	6.0%

Source: CoStar

Lease Rates

The trend in leasing rates for retail space in the Town of Webster is one of ups and downs. The rate for space rose above $17.00 per square foot in 2009, 2020, and 2022. Recent prices are higher in nominal terms, but there's not a clear picture that this is driven by a shortage of space. As recently as 2018 retail lease rates in the area dipped below $12.00 per square foot. New building has continued to add inventory, meaning that recent price jumps in 2020 and 2022 are not necessarily entirely driven by increased demand.

The market for retail space for the Rochester MSA is slightly more legible, with steady increases in leasing rates over time after downward prices shortly after the 2009 recession. The market experienced a brief lull as prices dipped from $12.24 per square foot in 2007 to $11.91 per square foot in 2010. However, as the metro area climbed out of the recession demand picked up and lease rates increased. Growth continued even through the pandemic to reach $13.83 per square foot in 2022.

Retail Lease Rates
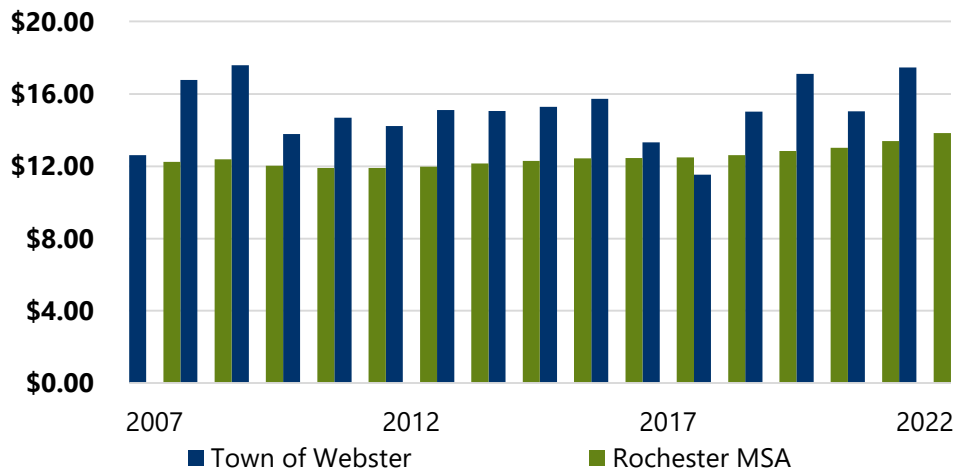
Source: CoStar

Deliveries and Net Absorption

CoStar has data for new retail buildings delivered in the Town of Webster, but it doesn't have data for buildings under construction like it does for some of the other market types. Delivery of new retail space has slowed in the last five years. In 2022 only 6,000 square feet were added, with the five-year average being under 12,000 square feet per year. In 2014 and 2016 the retail market saw the addition of 140,357 and 206,440 square feet, respectively. Both deliveries and absorption have been down since that time, perhaps indicating an inflection point in the market. Three of the subsequent six years had a negative absorption rate. The total net absorption for this period is -135,000.

## Retail Market Metrics, Town of Webster
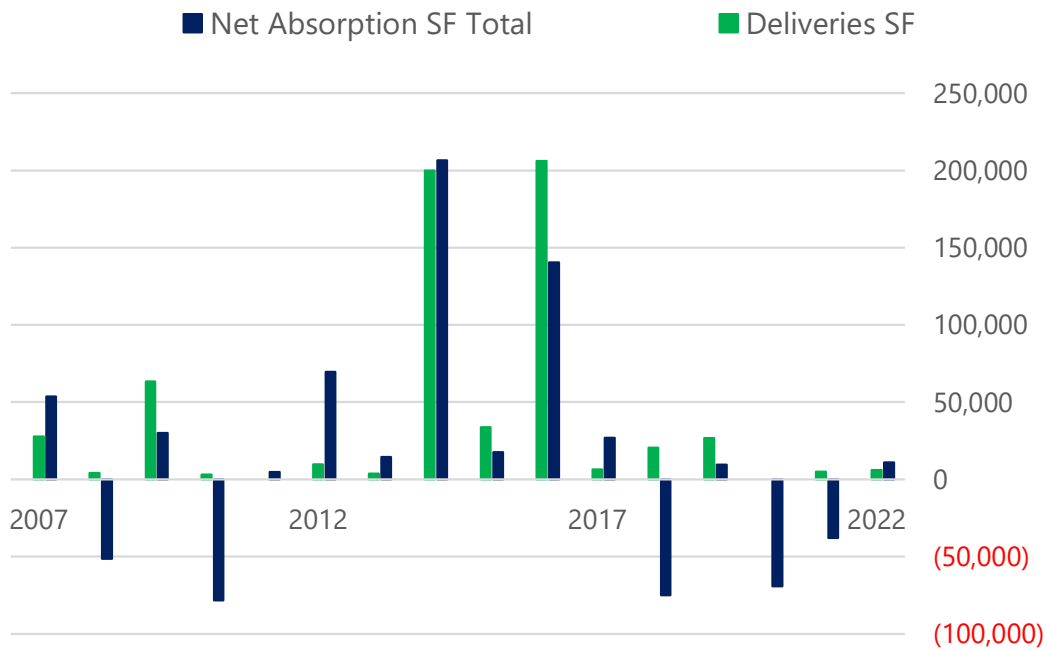
Retail Trade Areas

This analysis considers retail potential within the BOA by establishing two types of retail market areas: a local trade area and a regional trade area. The local trade area delineates the draw area for more "everyday" needs: grocery, pharmacy, personal care services, fitness, quick meals, etc. The local trade roughly aligns with a 10-minute drive time from the BOA and encompasses the Town of Webster and the northern portion of the Town of Penfield. Households living within this area are most likely to shop in Webster for their day-to-day needs, whereas those outside are largely served by stores in the surrounding communities of Irondequoit to the west, Penfield to the south, and Ontario to the east.

The regional trade area applies to stores that attract customers from greater distances for specialized or less frequent purchases. Common types of retail categories with a regional draw include discount department stores, large supermarkets, and other large-format stores such as home improvement centers and warehouse club stores. Stores such as Target, Walmart, BJ's, Lowe's, and DICK's all draw from Webster's regional trade area. While similar competing offerings are available in communities to the west and south, the regional trade area encompasses more rural households well to the east who routinely travel to Webster for such offerings. This area extends about 15 miles eastward from Webster and includes the communities of Ontario and Williamson, for which Webster is the closest regional retail center.

The local trade area (orange) and regional trade (area) purple are overlaid with 5- and 10-minute drive time radii from the Webster BOA.
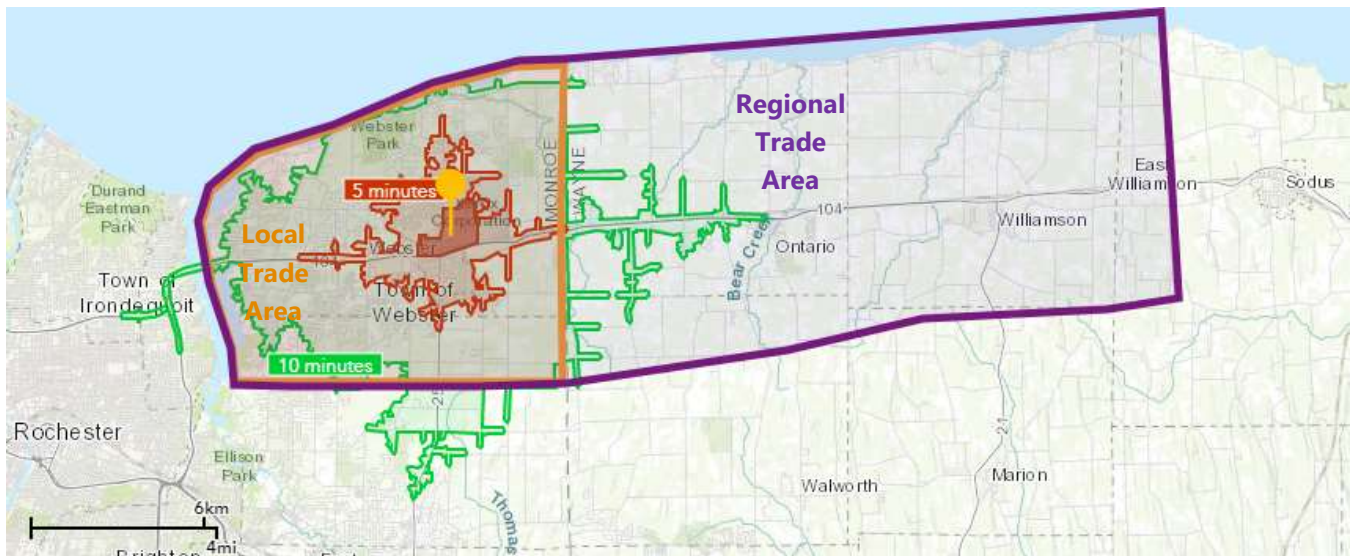
Population and Income of Market Areas

Analyzing current and projected population figures by income and age distribution helps to better understand the consumer market by anticipating how household lifestyles and their consumer choices will change over time.

Key Demographics, Retail Trade Areas

	Local Trade Area	Regional Trade Area
Total Population, 2022	55,877	75,933
Median Age, 2022	45.4	45.5
Total Households, 2022	23,560	31,854
Change in Households, 2022-2027	185	203
Pct. Change in Households, 2022-2027	0.8%	0.6%
Median Household Income	$92,230	$88,624
Change in Aggregate Household Income, 2022-2027	19.1%	19.1%

Source: Esri

The local and regional trade areas have similar consumer characteristics. About 74% of regional trade area households also live within the local trade area. Both areas will see slight increases in population over the next five years. Median household income hovers around $90,000 for these areas, and aggregate household income is expected to increase by about 19% through 2027.

The table to the right tracks the changing age composition of households in the different retail market areas from 2022 to 2027. The five-year projection shows similar trends across the trade areas.

Expected changes for these areas indicate a shrinking segment of young adults. None of the age cohorts below 35 are expected to increase. While both trade areas expect an increase in the 35–44-year-old cohort, later-career adults (ages 45 to 64) are also expected to decrease as the current segment ages into retirement and old age. The 65+ cohorts are expected to expand substantially.

Projected Change in Households by Age Cohort, 2022-2027

Age	Local Trade Area	Regional Trade Area
<25	(14)	(24)
25-34	(40)	(131)
35-44	143	246
45-54	(396)	(613)
55-64	(450)	(602)
65-74	296	442
75+	647	889
Total	**185**	**203**

Source: Esri

Consumer Spending

Esri data for the Webster BOA's retail trade area estimates household consumer spending for major categories. The largest segments are for basic necessities: home costs, health services, and food at home. For this area these items total over $38,000 per household, or approximately 60% of total consumer spending.

The next largest category is Food Away from Home, which amounts to over $30 million in annual spending or $4,553 per household. This category's popularity is reflected in the large and diverse mix of restaurants in the area. The other two related categories that make up over 5% of consumer spending are Entertainment/Recreation with $3,930 per household and Travel with $3,133 per household each year.

Consumer Spending, Webster BOA Market Area, 2022

Category	Total Spending	Average Spending
Apparel & Services	$ 17,450,905	$ 2,580
Education	$ 14,405,010	$ 2,130
Entertainment/Recreation	$ 26,579,839	$ 3,930
Food at Home	$ 43,984,732	$ 6,504
Food Away from Home	$ 30,791,475	$ 4,553
Health Care: Total $	$ 51,805,054	$ 7,660
HH Furnishings & Equipment	$ 18,907,795	$ 2,796
Personal Care Products & Services	$ 7,448,547	$ 1,101
Shelter	$ 163,194,002	$ 24,130
Support Payments/Cash	$ 20,010,622	$ 2,959
Travel	$ 21,188,282	$ 3,133
Vehicle Maintenance & Repairs	$ 9,139,085	$ 1,351
Total	**$ 424,905,348**	**$ 62,828**

Source: Esri

Retail Gap Analysis

Methodology

In a retail gap analysis, the existing retail sales ("supply") of trade area businesses are compared to the estimated retail spending of trade area residents ("demand"). The difference between demand and supply is referred to as the "retail gap," which can be positive or negative.

When the demand (spending by trade area residents) for goods or services is greater than sales at local trade area businesses, sales are said to "leak" out of the trade area, creating a positive retail gap (i.e., sales leakage).

Conversely, if the supply of goods sold (local trade area sales) exceeds trade area demand (spending by trade area residents), it is assumed that nonresidents are coming into the trade area and spending money, creating a negative retail gap (i.e., sales surplus).

Sales leakage and sales surplus carry different implications. In many cases, sales leakage presents an opportunity to capture unmet demand in a trade area since a percentage of residential spending occurs outside the area. This demand can be met within the trade area by opening new businesses or expanding existing businesses within retail sectors that show sales leakage. ***However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for the region. Rapidly changing retail norms have long-term consequences for potential buildout of retail space. It is important to consider that while there may be leakage indicated for a certain industry, that leakage could be due to e-commerce and therefore is not a retail category that would be as productive as a brick-and-mortar space.*** What were once retail locations may have more economic potential as flex space, office, or redevelopment in housing. This data should be used as a starting point to determine what categories exhibit leakage and whether they are viable for brick-and-mortar locations.

A sales surplus might exist for several reasons. For example, the region might be a popular shopping destination for tourists and other out-of-towners, or a cluster of competing businesses offering a similar product or service may be located within the trade area, creating a specialty cluster that draws in spending by households from outside the trade area. Alternatively, a sales surplus could be an indicator of market saturation.

The following Retail Gap Analysis table contains a list of industries by 6-digit NAICS codes and includes figures for sales demand (estimated purchases by Webster residents both in and out of Webster), sales supply (existing sales within Webster), and retail gap (demand minus supply).

Retail Potential Analysis: Local Trade Area

Next, a Retail Potential Analysis compares the Retail Sales Gap to the typical sales per establishment for a given industry to determine if the sales gap is substantial enough to support new potential businesses and/or expansion of existing stores.

The tables below take the information from the previous gap analysis and uses two informed assumptions to make this evaluation:

- Assume that a prospective new business or expanding existing business could successfully capture 25% of the undersupplied retail activity.

- Use information about the average size of firms (Upstate NY averages for sales per business location) to see if the recaptured sales are sufficient for business formation or expansion.

Summary

Supportable Potential Businesses

The convenience retail market area has three "gaps" where recapture of lost spending from residents could potentially support new business: Gasoline Stations with Convenience Stores, Nail Salons, and Snack and Nonalcoholic Beverage Bars.

Supportable Retail Businesses, Webster Local Trade Area

NAICS	Description	25% Recapture	Average Sales per Business	Supportable Businesses
447110	Gasoline Stations with Convenience Stores	$3,484,827	$1,630,582	2.1
812113	Nail Salons	$502,747	$283,207	1.8
722515	Snack and Nonalcoholic Beverage Bars	$1,169,072	$663,346	1.8

Supportable Retail Businesses, Webster Local Trade Area

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
Food & Beverage Stores							
445110	Supermarkets and Other Grocery (except Convenience) Stores	$36,044,447	$38,311,804	($2,267,357)	($566,839)	$4,484,751	(0.1)
445120	Convenience Stores	$2,507,594	$2,742,424	($234,830)	($58,707)	$504,137	(0.1)
445210	Meat Markets	$930,369	$256,072	$674,297	$168,574	$1,066,545	0.2
445220	Fish and Seafood Markets	$301,814	$6,287	$295,527	$73,882	$665,706	0.1
445230	Fruit and Vegetable Markets	$767,238	$1,490,456	($723,218)	($180,804)	$883,073	(0.2)
445291	Baked Goods Stores	$513,306	$249,358	$263,948	$65,987	$1,578,331	0.0
445292	Confectionery and Nut Stores	$445,113	$77,829	$367,284	$91,821	$589,414	0.2
445299	All Other Specialty Food Stores	$1,389,907	$730,307	$659,600	$164,900	$0	0.0
445310	Beer, Wine, and Liquor Stores	$2,577,083	$6,044,893	($3,467,810)	($866,952)	$593,379	(1.5)
311811	Retail Bakeries	$1,718,863	$77,556	$1,641,308	$410,327	$1,184,606	0.3
312120	Breweries	$9,628,558	$7,151,680	$2,476,878	$619,219	$15,077,375	0.0
312130	Wineries	$3,513,251	$4,106,014	($592,763)	($148,191)	$2,760,006	(0.1)
312140	Distilleries	$3,857,986	$4,890,395	($1,032,409)	($258,102)	$10,887,567	(0.0)
Health & Personal Care Stores							
446110	Pharmacies and Drug Stores	$14,114,596	$18,791,222	($4,676,626)	($1,169,157)	$1,548,443	(0.8)
446120	Cosmetics, Beauty Supplies, and Perfume Stores	$2,783,155	$3,594,839	($811,684)	($202,921)	$704,380	(0.3)
446130	Optical Goods Stores	$1,239,730	$1,446,345	($206,615)	($51,654)	$1,214,536	(0.0)
446191	Food (Health) Supplement Stores	$966,106	$1,251,079	($284,972)	($71,243)	$562,608	(0.1)
446199	All Other Health and Personal Care Stores	$1,975,992	$2,523,988	($547,996)	($136,999)	$1,387,951	(0.1)
812111	Barber Shops	$1,051,401	$908,584	$142,818	$35,704	$1,189,036	0.0
812112	Beauty Salons	$8,582,510	$6,940,090	$1,642,420	$410,605	$930,323	0.4
812113	Nail Salons	$2,959,551	$948,565	$2,010,986	$502,747	$283,207	1.8
812191	Diet and Weight Reducing Centers	$242,970	$227,861	$15,109	$3,777	$343,763	0.0

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
Clothing and Accessories Stores							
448110	Men's Clothing Stores	$1,056,490	$15,795	$1,040,695	$260,174	$1,331,526	0.2
448120	Women's Clothing Stores	$4,544,739	$1,726,400	$2,818,340	$704,585	$1,005,634	0.7
448130	Children's and Infants' Clothing Stores	$762,895	$347,260	$415,635	$103,909	$1,103,162	0.1
448140	Family Clothing Stores	$7,725,000	$2,831,171	$4,893,828	$1,223,457	$1,396,433	0.9
448150	Clothing Accessories Stores	$1,721,873	$337,606	$1,384,267	$346,067	$1,182,969	0.3
448190	Other Clothing Stores	$3,025,702	$1,188,549	$1,837,153	$459,288	$1,802,315	0.3
448210	Shoe Stores	$3,536,494	$3,182,582	$353,912	$88,478	$1,055,893	0.1
448310	Jewelry Stores	$4,821,168	$3,104,143	$1,717,025	$429,256	$1,374,600	0.3
448320	Luggage and Leather Goods Stores	$489,063	$0	$489,063	$122,266	$842,843	0.1
Home Improvement and Furnishings Stores							
442110	Furniture Stores	$5,496,540	$6,275,442	($778,902)	($194,725)	$1,632,480	(0.1)
442210	Floor Covering Stores	$2,170,310	$3,875,720	($1,705,410)	($426,353)	$1,213,198	(0.4)
442291	Window Treatment Stores	$320,950	$185,257	$135,692	$33,923	$880,488	0.0
442299	All Other Home Furnishings Stores	$2,211,768	$2,360,282	($148,514)	($37,129)	$1,216,967	(0.0)
443141	Household Appliance Stores	$1,220,838	$1,439,082	($218,244)	($54,561)	$1,364,688	(0.0)
443142	Electronics Stores	$10,420,872	$8,946,202	$1,474,670	$368,667	$1,505,386	0.2
444110	Home Centers	$15,962,543	$28,251,637	($12,289,093)	($3,072,273)	$9,284,841	(0.3)
444120	Paint and Wallpaper Stores	$1,387,108	$782,246	$604,862	$151,216	$957,160	0.2
444130	Hardware Stores	$3,562,933	$3,262,409	$300,524	$75,131	$1,223,112	0.1
444190	Other Building Material Dealers	$9,907,784	$25,844,667	($15,936,883)	($3,984,221)	$2,968,456	(1.3)
444210	Outdoor Power Equipment Stores	$1,017,214	$2,753,074	($1,735,861)	($433,965)	$2,006,838	(0.2)
444220	Nursery, Garden Center, and Farm Supply Stores	$3,268,274	$5,864,155	($2,595,881)	($648,970)	$2,006,026	(0.3)
Sporting Goods, Hobby, Book & Music Stores							
451110	Sporting Goods Stores	$4,494,575	$4,093,004	$401,571	$100,393	$1,258,605	0.1
451120	Hobby, Toy, and Game Stores	$1,716,802	$4,902,364	($3,185,563)	($796,391)	$1,016,412	(0.8)
451130	Sewing, Needlework, and Piece Goods Stores	$587,915	$447,015	$140,900	$35,225	$747,963	0.0
451140	Musical Instrument and Supplies Stores	$599,739	$1,424,370	($824,631)	($206,158)	$835,273	(0.2)
451211	Book Stores	$819,847	$3,351,205	($2,531,358)	($632,839)	$832,677	(0.8)
451212	News Dealers and Newsstands	$104,336	$265,061	($160,724)	($40,181)	$365,340	(0.1)

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
General Merchandise Stores							
452210	Department Stores	$12,671,134	$33,299,150	($20,628,016)	($5,157,004)	$7,377,243	(0.7)
452311	Warehouse Clubs and Supercenters	$25,452,415	$31,933,253	($6,480,839)	($1,620,210)	$31,507,055	(0.1)
452319	All Other General Merchandise Stores	$6,876,897	$11,096,867	($4,219,969)	($1,054,992)	$1,150,275	(0.9)
Gasoline Stations							
447110	Gasoline Stations with Convenience Stores	$19,401,717	$5,462,407	$13,939,310	$3,484,827	$1,630,582	2.1
447190	Other Gasoline Stations	$2,785,390	$281,620	$2,503,769	$625,942	$2,002,072	0.3
Motor Vehicle & Parts Dealers							
441110	New Car Dealers	$37,834,293	$123,694,216	($85,859,923)	($21,464,981)	$9,495,774	(2.3)
441120	Used Car Dealers	$6,802,397	$9,524,330	($2,721,934)	($680,483)	$2,129,520	(0.3)
441210	Recreational Vehicle Dealers	$1,881,833	$3,475,922	($1,594,089)	($398,522)	$5,798,701	(0.1)
441222	Boat Dealers	$1,063,306	$344,148	$719,158	$179,789	$1,189,347	0.2
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers	$1,923,884	$435,914	$1,487,970	$371,992	$1,468,858	0.3
441310	Automotive Parts and Accessories Stores	$6,216,758	$7,712,108	($1,495,349)	($373,837)	$1,018,482	(0.4)
441320	Tire Dealers	$3,919,676	$14,672,059	($10,752,383)	($2,688,096)	$1,401,350	(1.9)
Miscellaneous Store Retailers							
453110	Florists	$1,270,581	$1,615,528	($344,946)	($86,237)	$714,455	(0.1)
453210	Office Supplies and Stationery Stores	$1,651,690	$3,250,530	($1,598,840)	($399,710)	$1,125,180	(0.4)
453220	Gift, Novelty, and Souvenir Stores	$2,321,981	$8,370,947	($6,048,967)	($1,512,242)	$997,184	(1.5)
453310	Used Merchandise Stores	$3,279,053	$6,327,686	($3,048,633)	($762,158)	$1,392,959	(0.5)
453910	Pet and Pet Supplies Stores	$2,026,765	$5,673,816	($3,647,051)	($911,763)	$1,422,982	(0.6)
453920	Art Dealers	$1,055,434	$27,248	$1,028,186	$257,047	$1,741,208	0.1
453930	Manufactured (Mobile) Home Dealers	$499,021	$29,218	$469,803	$117,451	$1,042,971	0.1
453991	Tobacco Stores	$1,987,702	$713,764	$1,273,939	$318,485	$1,228,259	0.3
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	$6,750,782	$6,033,985	$716,797	$179,199	$2,481,105	0.1
454310	Fuel Dealers	$3,713,668	$365,611	$3,348,057	$837,014	$3,386,657	0.2

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
Food Services & Drinking Places							
722310	Food Service Contractors	$6,027,946	$2,374,238	$3,653,708	$913,427	$1,641,823	0.6
722320	Caterers	$2,313,066	$747,693	$1,565,373	$391,343	$894,741	0.4
722330	Mobile Food Services	$1,006,229	$48,481	$957,749	$239,437	$1,159,782	0.2
722410	Drinking Places (Alcoholic Beverages)	$2,699,129	$5,739,899	($3,040,770)	($760,193)	$413,638	(1.8)
722511	Full-Service Restaurants	$65,127,993	$62,443,404	$2,684,590	$671,147	$1,523,862	0.4
722513	Limited-Service Restaurants	$71,163,198	$257,767,572	($186,604,374)	($46,651,094)	$2,035,585	(22.9)
722514	Cafeterias, Grill Buffets, and Buffets	$395,998	$265,522	$130,476	$32,619	$589,436	0.1
722515	Snack and Nonalcoholic Beverage Bars	$4,832,700	$156,410	$4,676,290	$1,169,072	$663,346	1.8
Recreation Establishments							
512131	Motion Picture Theaters (except Drive-Ins)	$606,231	$2,189,964	($1,583,733)	($395,933)	$1,457,659	(0.3)
512132	Drive-In Motion Picture Theaters	$7,470	$0	$7,470	$1,867	$418,205	0.0
713940	Fitness and Recreational Sports Centers	$5,269,595	$18,219,587	($12,949,993)	($3,237,498)	$787,174	(4.1)
713950	Bowling Centers	$589,257	$10,591	$578,666	$144,666	$700,848	0.2
Miscellaneous Services							
812310	Coin-Operated Laundries and Drycleaners	$263,746	$48,952	$214,794	$53,698	$320,342	0.2
812320	Drycleaning and Laundry Services (except Coin-Operated)	$603,260	$96,226	$507,034	$126,758	$505,431	0.3
812910	Pet Care (except Veterinary) Services	$1,661,545	$979,676	$681,869	$170,467	$527,231	0.3
812921	Photofinishing Laboratories (except One-Hour)	$92,241	$3,363	$88,878	$22,220	$844,914	0.0
812922	One-Hour Photofinishing	$292	$0	$292	$73		

Source: Lightcast

Retail Potential Analysis: Regional Trade Area

Summary

Supportable Potential Businesses

The gaps in spending for the Regional Trade Area are more numerous and substantial than for the Local Trade Area. Beyond gas stations, nail salons, and snack bars identified for the Local Trade Area, restaurants and clothing stores are also opportunities for recapturing lost spending to support retail expansion.

Supportable Retail Businesses, Webster Regional Trade Area

NAICS	Description	25% Recapture	Average Sales per Business	Supportable Businesses
447110	Gasoline Stations with Convenience Stores	$4,627,608	$1,630,582	2.8
722511	Full-Service Restaurants	$3,978,495	$1,523,862	2.6
812113	Nail Salons	$729,348	$283,207	2.6
722515	Snack and Nonalcoholic Beverage Bars	$1,481,774	$663,346	2.2
448140	Family Clothing Stores	$1,885,716	$1,396,433	1.4
448120	Women's Clothing Stores	$1,084,105	$1,005,634	1.1

Supportable Retail Businesses, Webster Regional Trade Area

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
Food & Beverage Stores							
445110	Supermarkets and Other Grocery (except Convenience) Stores	$48,740,535	$56,182,495	($7,441,960)	($1,860,490)	$4,484,751	(0.4)
445120	Convenience Stores	$3,388,240	$3,235,608	$152,632	$38,158	$504,137	0.1
445210	Meat Markets	$1,256,827	$678,012	$578,815	$144,704	$1,066,545	0.1
445220	Fish and Seafood Markets	$405,604	$23,870	$381,734	$95,433	$665,706	0.1
445230	Fruit and Vegetable Markets	$1,034,801	$1,546,049	($511,248)	($127,812)	$883,073	(0.1)
445291	Baked Goods Stores	$689,706	$281,941	$407,765	$101,941	$1,578,331	0.1
445292	Confectionery and Nut Stores	$598,130	$77,829	$520,301	$130,075	$589,414	0.2
445299	All Other Specialty Food Stores	$1,877,664	$851,770	$1,025,894	$256,474	$0	
445310	Beer, Wine, and Liquor Stores	$3,481,336	$6,322,028	($2,840,692)	($710,173)	$593,379	(1.2)
311811	Retail Bakeries	$2,297,440	$77,556	$2,219,885	$554,971	$1,184,606	0.5
312120	Breweries	$12,347,220	$7,469,150	$4,878,069	$1,219,517	$15,077,375	0.1
312130	Wineries	$5,036,528	$9,821,453	($4,784,926)	($1,196,231)	$2,760,006	(0.4)
312140	Distilleries	$6,109,360	$28,839,471	($22,730,111)	($5,682,528)	$10,887,567	(0.5)
Health & Personal Care Stores							
446110	Pharmacies and Drug Stores	$19,064,594	$20,349,193	($1,284,599)	($321,150)	$1,548,443	(0.2)
446120	Cosmetics, Beauty Supplies, and Perfume Stores	$3,756,054	$3,594,839	$161,214	$40,304	$704,380	0.1
446130	Optical Goods Stores	$1,673,277	$1,470,725	$202,552	$50,638	$1,214,536	0.0
446191	Food (Health) Supplement Stores	$1,303,947	$1,672,089	($368,142)	($92,036)	$562,608	(0.2)
446199	All Other Health and Personal Care Stores	$2,667,891	$2,773,840	($105,949)	($26,487)	$1,387,951	(0.0)
812111	Barber Shops	$1,418,769	$1,336,613	$82,157	$20,539	$1,189,036	0.0
812112	Beauty Salons	$11,581,139	$8,543,192	$3,037,947	$759,487	$930,323	0.8
812113	Nail Salons	$3,993,940	$1,076,550	$2,917,391	$729,348	$283,207	2.6
812191	Diet and Weight Reducing Centers	$327,878	$227,861	$100,017	$25,004	$343,763	0.1

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
Clothing and Accessories Stores							
448110	Men's Clothing Stores	$1,423,001	$19,303	$1,403,698	$350,924	$1,331,526	0.3
448120	Women's Clothing Stores	$6,123,376	$1,786,956	$4,336,420	$1,084,105	$1,005,634	1.1
448130	Children's and Infants' Clothing Stores	$1,025,391	$349,938	$675,453	$168,863	$1,103,162	0.2
448140	Family Clothing Stores	$10,401,401	$2,858,537	$7,542,864	$1,885,716	$1,396,433	1.4
448150	Clothing Accessories Stores	$2,318,681	$381,788	$1,936,893	$484,223	$1,182,969	0.4
448190	Other Clothing Stores	$4,074,363	$1,215,563	$2,858,801	$714,700	$1,802,315	0.4
448210	Shoe Stores	$4,760,276	$3,204,292	$1,555,984	$388,996	$1,055,893	0.4
448310	Jewelry Stores	$6,496,587	$3,122,032	$3,374,555	$843,639	$1,374,600	0.6
448320	Luggage and Leather Goods Stores	$658,750	$0	$658,750	$164,688	$842,843	0.2
Home Improvement and Furnishings Stores							
442110	Furniture Stores	$7,358,822	$6,487,370	$871,452	$217,863	$1,632,480	0.1
442210	Floor Covering Stores	$2,906,494	$3,931,276	($1,024,782)	($256,196)	$1,213,198	(0.2)
442291	Window Treatment Stores	$429,440	$185,257	$244,183	$61,046	$880,488	0.1
442299	All Other Home Furnishings Stores	$2,961,436	$2,387,273	$574,163	$143,541	$1,216,967	0.1
443141	Household Appliance Stores	$1,633,781	$1,642,168	($8,387)	($2,097)	$1,364,688	(0.0)
443142	Electronics Stores	$13,963,940	$9,071,828	$4,892,112	$1,223,028	$1,505,386	0.8
444110	Home Centers	$20,480,571	$38,395,411	($17,914,840)	($4,478,710)	$9,284,841	(0.5)
444120	Paint and Wallpaper Stores	$1,777,227	$888,994	$888,233	$222,058	$957,160	0.2
444130	Hardware Stores	$4,572,706	$4,440,903	$131,803	$32,951	$1,223,112	0.0
444190	Other Building Material Dealers	$12,714,553	$37,380,396	($24,665,843)	($6,166,461)	$2,968,456	(2.1)
444210	Outdoor Power Equipment Stores	$1,299,952	$4,585,892	($3,285,941)	($821,485)	$2,006,838	(0.4)
444220	Nursery, Garden Center, and Farm Supply Stores	$4,195,263	$15,365,250	($11,169,986)	($2,792,497)	$2,006,026	(1.4)
Sporting Goods, Hobby, Book & Music Stores							
451110	Sporting Goods Stores	$6,022,067	$4,286,716	$1,735,351	$433,838	$1,258,605	0.3
451120	Hobby, Toy, and Game Stores	$2,293,676	$4,929,621	($2,635,944)	($658,986)	$1,016,412	(0.6)
451130	Sewing, Needlework, and Piece Goods Stores	$786,821	$476,994	$309,827	$77,457	$747,963	0.1
451140	Musical Instrument and Supplies Stores	$802,452	$1,424,370	($621,918)	($155,479)	$835,273	(0.2)
451211	Book Stores	$1,096,975	$3,361,126	($2,264,151)	($566,038)	$832,677	(0.7)
451212	News Dealers and Newsstands	$139,444	$267,555	($128,110)	($32,028)	$365,340	(0.1)

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
General Merchandise Stores							
452210	Department Stores	$17,084,867	$33,299,150	($16,214,282)	($4,053,571)	$7,377,243	(0.5)
452311	Warehouse Clubs and Supercenters	$34,316,774	$40,624,743	($6,307,970)	($1,576,992)	$31,507,055	(0.1)
452319	All Other General Merchandise Stores	$9,273,284	$16,267,179	($6,993,895)	($1,748,474)	$1,150,275	(1.5)
Gasoline Stations							
447110	Gasoline Stations with Convenience Stores	$29,185,420	$10,674,989	$18,510,431	$4,627,608	$1,630,582	2.8
447190	Other Gasoline Stations	$4,186,536	$1,236,083	$2,950,453	$737,613	$2,002,072	0.4
Motor Vehicle & Parts Dealers							
441110	New Car Dealers	$49,947,265	$128,346,266	($78,399,000)	($19,599,750)	$9,495,774	(2.1)
441120	Used Car Dealers	$8,974,453	$20,300,923	($11,326,470)	($2,831,617)	$2,129,520	(1.3)
441210	Recreational Vehicle Dealers	$2,482,898	$3,500,049	($1,017,151)	($254,288)	$5,798,701	(0.0)
441222	Boat Dealers	$1,399,541	$1,322,995	$76,546	$19,136	$1,189,347	0.0
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers	$2,538,185	$1,052,768	$1,485,417	$371,354	$1,468,858	0.3
441310	Automotive Parts and Accessories Stores	$8,205,564	$11,346,473	($3,140,910)	($785,227)	$1,018,482	(0.8)
441320	Tire Dealers	$5,171,298	$16,468,118	($11,296,820)	($2,824,205)	$1,401,350	(2.0)
Miscellaneous Store Retailers							
453110	Florists	$1,700,160	$1,888,093	($187,932)	($46,983)	$714,455	(0.1)
453210	Office Supplies and Stationery Stores	$2,210,026	$3,250,530	($1,040,504)	($260,126)	$1,125,180	(0.2)
453220	Gift, Novelty, and Souvenir Stores	$3,109,283	$9,711,175	($6,601,892)	($1,650,473)	$997,184	(1.7)
453310	Used Merchandise Stores	$4,389,040	$7,033,576	($2,644,537)	($661,134)	$1,392,959	(0.5)
453910	Pet and Pet Supplies Stores	$2,710,219	$5,980,605	($3,270,386)	($817,596)	$1,422,982	(0.6)
453920	Art Dealers	$1,411,932	$66,258	$1,345,674	$336,418	$1,741,208	0.2
453930	Manufactured (Mobile) Home Dealers	$667,681	$29,218	$638,463	$159,616	$1,042,971	0.2
453991	Tobacco Stores	$2,657,871	$3,429,752	($771,881)	($192,970)	$1,228,259	(0.2)
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	$9,043,558	$7,625,031	$1,418,527	$354,632	$2,481,105	0.1
454310	Fuel Dealers	$5,005,700	$653,421	$4,352,280	$1,088,070	$3,386,657	0.3

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Gap	25% Recapture	Average Sales per Business	Supportable Businesses
Food Services & Drinking Places							
722310	Food Service Contractors	$7,793,674	$3,732,006	$4,061,668	$1,015,417	$1,641,823	0.6
722320	Caterers	$2,990,730	$1,256,279	$1,734,451	$433,613	$894,741	0.5
722330	Mobile Food Services	$1,296,669	$298,801	$997,868	$249,467	$1,159,782	0.2
722410	Drinking Places (Alcoholic Beverages)	$3,491,614	$5,811,273	($2,319,659)	($579,915)	$413,638	(1.4)
722511	Full-Service Restaurants	$89,026,210	$73,112,230	$15,913,980	$3,978,495	$1,523,862	2.6
722513	Limited-Service Restaurants	$95,849,454	$276,030,279	($180,180,824)	($45,045,206)	$2,035,585	(22.1)
722514	Cafeterias, Grill Buffets, and Buffets	$511,895	$266,302	$245,593	$61,398	$589,436	0.1
722515	Snack and Nonalcoholic Beverage Bars	$6,249,869	$322,774	$5,927,094	$1,481,774	$663,346	2.2
Recreation Establishments							
512131	Motion Picture Theaters (except Drive-Ins)	$751,364	$2,224,341	($1,472,976)	($368,244)	$1,457,659	(0.3)
512132	Drive-In Motion Picture Theaters	$9,116	$0	$9,116	$2,279	$418,205	0.0
713940	Fitness and Recreational Sports Centers	$7,125,986	$18,299,492	($11,173,506)	($2,793,376)	$787,174	(3.5)
713950	Bowling Centers	$794,187	$26,931	$767,256	$191,814	$700,848	0.3
Miscellaneous Services							
812310	Coin-Operated Laundries and Drycleaners	$346,415	$49,359	$297,057	$74,264	$320,342	0.2
812320	Drycleaning and Laundry Services (except Coin-Operated)	$792,559	$98,807	$693,752	$173,438	$505,431	0.3
812910	Pet Care (except Veterinary) Services	$2,263,265	$1,011,096	$1,252,170	$313,042	$527,231	0.6
812921	Photofinishing Laboratories (except One-Hour)	$125,366	$3,363	$122,003	$30,501	$844,914	0.0
812922	One-Hour Photofinishing	$395	$0	$395	$99		

Source: Lightcast

7. OFFICE ANALYSIS

Office Market Opportunities

The fundamentals in the Rochester MSA and the Town of Webster describe a healthy and recovering office sector that may be poised for some slight turbulence as absorption slows and the medium-term forecast for employment dims. However, these small notes of caution occur against a national trend of crisis in the office market, as employers try to get workers to relinquish remote work arrangements. Locations differ and range from troubled (Charlotte, 11.4% vacancy) to cratering (San Francisco, 19.1% vacancy).

The Webster BOA site offers key benefits with direct highway access and proximity to a professional workforce. Its position near research and development activity, industrial activity, and multiple diverse retail amenities would increase its viability under normal circumstances. However, without a specific large tenant lined up, the prospects of finding financing and developing a speculative office project in this market are unlikely. Both recent local trends and national trends are working against office use.

Key Findings

- **Office inventory growth is strong.** Webster has increased inventory steadily over the last 15 years, with a few exceptional 2- to 3-year periods of stagnation where no additions occurred. Annual inventory additions averaged 8,000 square feet over the 15-year period.

- **Office vacancy is low with an extremely tight market, but a reversal may be here.** The Town of Webster's office market had just 3.7% vacancy in 2007 and has become even tighter over time, with vacancy dropping to 1.0% into 2021. However, a new delivery combined with additional vacancies caused the rate to spike in 2022 to 7.7%.

- **Office lease rates have caught up to the metro area.** In 2007 the going rate for office space in Webster averaged $11.16 per square foot, which was almost $5.00 lower than the Rochester MSA. This gap has become increasingly narrow over time. In 2022 the premium for space in Rochester was barely more than a dollar over Webster's rate ($17.33 vs $16.31 per square foot).

- **Net absorption dips dramatically in 2022.** Further evidence of an eroding office market is the Webster market's net absorption of -72,195 square feet this past year. This happened in the same year that the Rochester MSA was able to absorb 285,921 square feet of new office space. For Webster this runs contrary to a stable and positive recent history, with only a handful of years with negative absorption and average net absorption of +5,657.

- **Job growth for office-using sectors is projected to be negative to 2032.** The most likely types of economic activity to drive demand for office space in Webster are not expected to see gains over the next 10 years. These 43 industries are set to lose 151 jobs, a decrease of 5.5% from 2022 to 2032.

- **Regional trends in office users are better, at least for two key users.** The Rochester MSA has the same issue with projected office workers. It's slated to lose 2,815 such jobs over the next 10 years, a decline of 2.5%. However, there are two key areas where Rochester is set to expand, and they match the local trends in Webster. High-value consulting services are expected to grow and may drive the need for more office space. Management, Scientific, and Technical Consulting Services (+33% for Rochester, +34% for Webster)

and Architectural, Engineering, and Related Services (+12% for Rochester, +26% for Webster) are moving in the right direction to buoy the office market.

Regional Market Context

The Rochester MSA is the largest identified market for office property near the Webster BOA. There are modest signs of growth in the office market. The affordability of Rochester's office space compared to national averages for price per square foot may help it maintain steady demand in a tumultuous national market.

- Office rents in Rochester have seen gains of 1.3% over the past three years. This positive momentum has picked up in early 2023 with first-quarter annualized gains of 1.7%. This has occurred against a backdrop of 2.1% employment growth over the last 12-month period. While positive, this employment growth reflects the lowest growth rate since 2020.

- Rochester's office vacancy rate of 9.0% is up slightly from the 10-year average of 8.3%. This is after a period where vacancies came down almost a full percentage point in the last 12 months. The forecast is for the 12-month trend to reverse and vacancies to start climbing again.

- There are 120,000 square feet of new space currently under construction. These three projects with five buildings have only a modest amount of their space pre-leased (<10%). Once online, this increase in availability will represent a 0.2% increase in inventory.

- Rochester's vacancy rate compares favorably with the US. Vacancies have hovered just below 10% and remained approximately 200 basis points below the national average. The composition of vacancies is surprising. Where nationally the trend has been a flight to quality office space with worse-rated space taking a hit, in Rochester the 3-Star office market significantly outperformed the 4–5-Star market in terms of occupancy.

- Rents have grown at a slower rate since 2020. Overall office rents in Rochester and those for 3-Star space have tracked at 2% over the last year (up to just over $20 per square foot). This is similar to the US. Office properties rated 4 to 5 Stars have done slightly better. But all segments are forecasted to decline.

- Sales of office properties ticked up noticeably in 2022. Sales volumes increased each quarter of the most recent year, peaking at nearly $40 million in the fourth quarter. Besides one outlier, no quarter has seen this volume of office sales since 2018.

- The average market price for office space in the 12-month period is $173 per square foot. Office in Rochester is priced at approximately half of the national market (just under $340 per square foot). Rochester's average price was pushed up by an October sale of Geneseo Medical Campus properties that went for $15.9 million and $310 per square foot.

- Net absorption of office space in Rochester for 2022 was 285,921, which represents 0.5% of inventory. The top and middle of the market contributed positively to this absorption, with +328,779 square feet and +168,913 square feet for 4–5-Star and 3-Star office spaces respectively. 1–2-Star office spaces, however, had a negative absorption of -211,771.
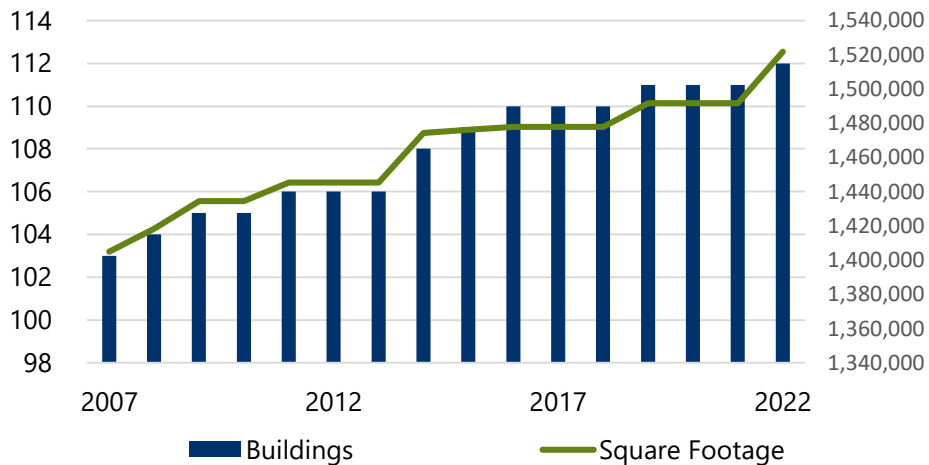
Source: CoStar

Market Area
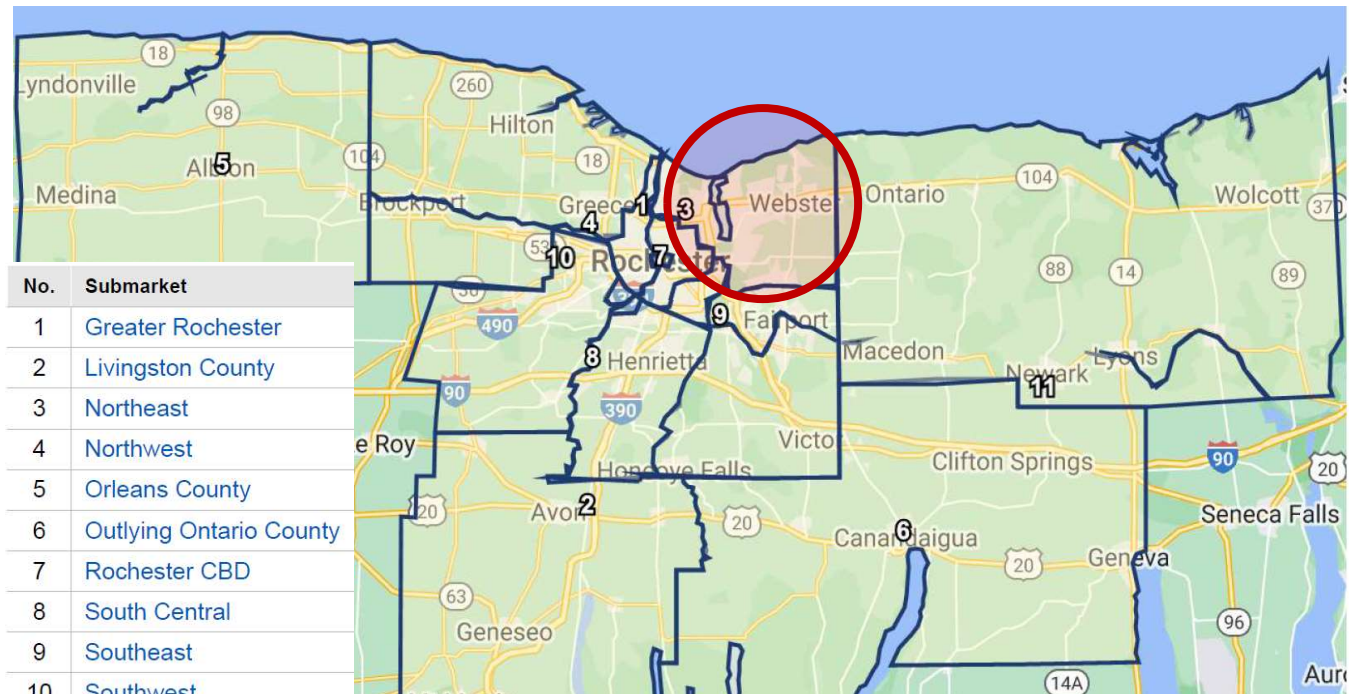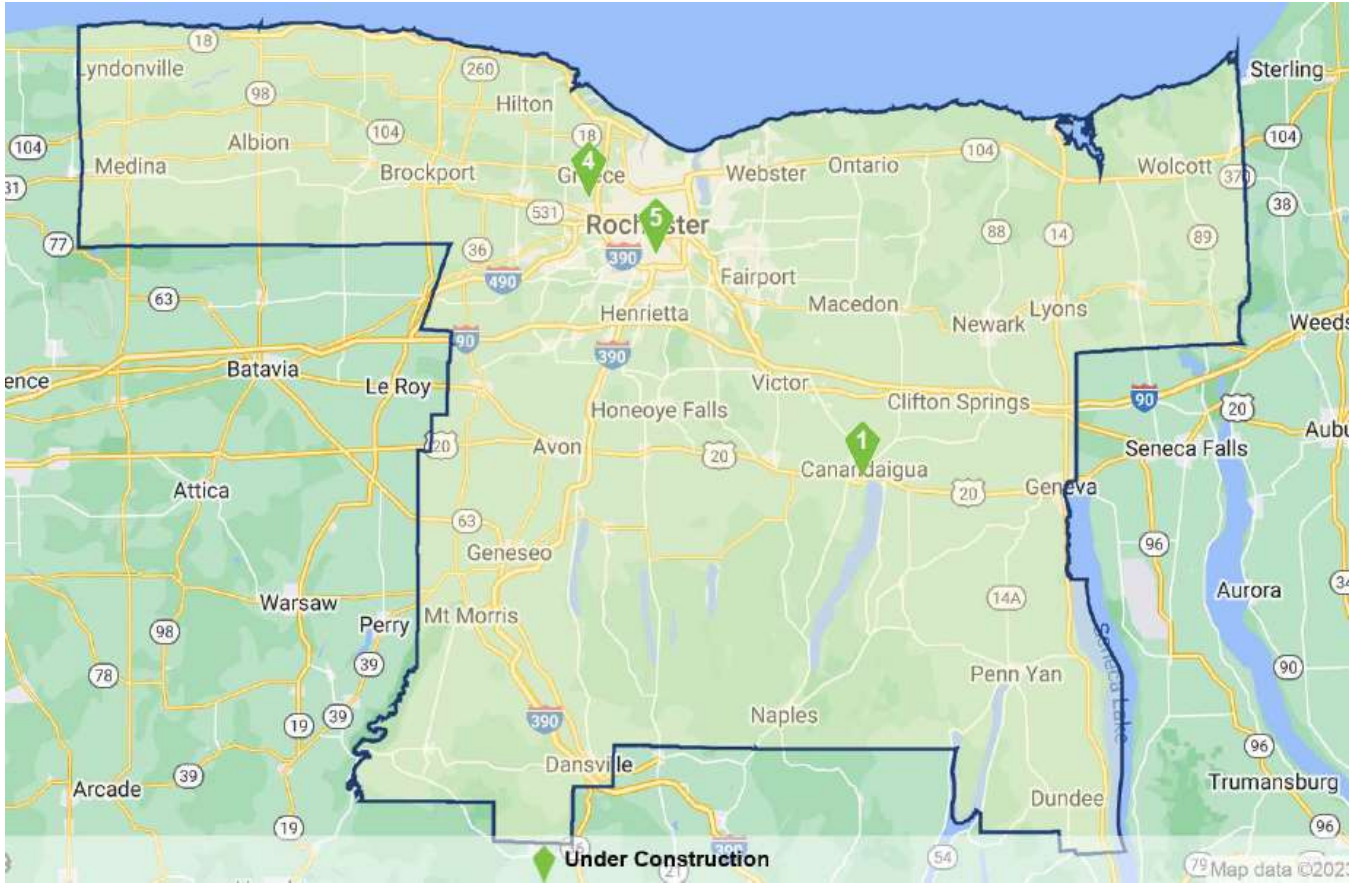
No.	Submarket
1	Greater Rochester
2	Livingston County
3	Northeast
4	Northwest
5	Orleans County
6	Outlying Ontario County
7	Rochester CBD
8	South Central
9	Southeast
10	Southwest
11	Wayne County

Inventory

The Town of Webster had an inventory of 103 buildings and 1,404,866 square feet of leasable office space in 2007. In spite of a national recession, inventory increased through the late 2000s and early 2010s. Inventory reached 111 buildings and 1,491,743 square feet by 2019. Activity paused during the COVID-19 pandemic, but in 2022 another building added 30,000 square feet of inventory. Overall, the office market added nearly 8,000 square feet per year with nine buildings from 2007 to 2022. This is an increase of 8.3% for the Town of Webster's office square footage, while the Rochester MSA increased inventory at a rate of 3.4% over the same period.

Office Inventory, Town of Webster

Source: CoStar

Occupancy and Vacancy

Office vacancy rates for the Town of Webster show a strong market throughout the period from 2007 to 2021. Starting at 3.7% in 2007, rates oscillated but dropped steadily and hovered under 1.0% in the period before the pandemic. The year 2020 shows rates starting to tick upwards and in 2022 rates rose swiftly to 7.7% vacancy. During the same time the Rochester MSA office market was moving in the opposite direction. Rochester MSA vacancy rates started already much higher than in the Town of Webster, more than double in 2007 at 7.9%. Rates rose through the next seven years to 8.7% in 2013, before easing again down below 6% in 2016. In the last five years vacancy rates for the Rochester MSA rose above 8% and stayed there, with vacancy in 2022 at 9.4%.

Office Vacancy Rates

Period	Webster	Rochester
	Vacant Percent % Total	
2022	7.7%	9.4%
2021	1.0%	9.8%
2020	1.3%	9.0%
2019	0.9%	10.3%
2018	1.0%	8.5%
2017	0.7%	8.4%
2016	1.0%	5.8%
2015	1.8%	6.2%
2014	2.0%	8.3%
2013	1.3%	8.7%
2012	3.4%	8.2%
2011	3.0%	8.4%
2010	3.3%	8.6%
2009	3.5%	7.5%
2008	3.7%	7.9%
2007	3.7%	7.9%

Source: CoStar

Rochester Office Vacancy:

VACANCY RATE
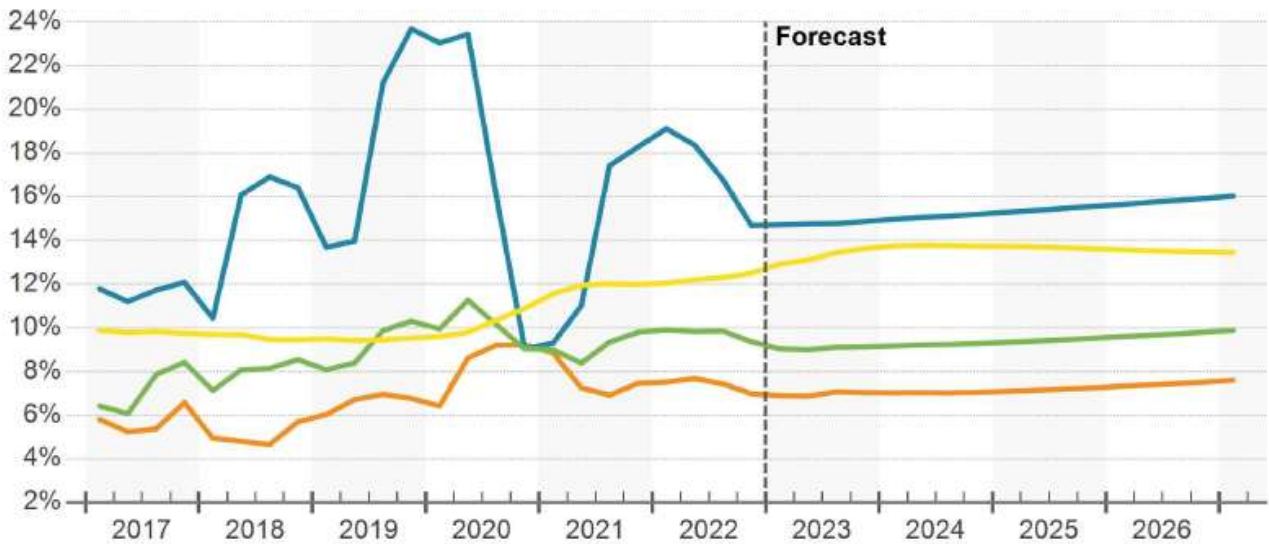
Source: CoStar

Lease Rates

Office leasing rates in the Town of Webster start well below the Rochester MSA market ($11.16 per square foot vs $15.86), but increases over the 15-year period have the two office markets almost level by 2022 ($16.31 vs $17.33). During this period Webster leasing rates increased by nearly half, growing 47%, while Rochester rates were relatively steady, going up only 9.1%.
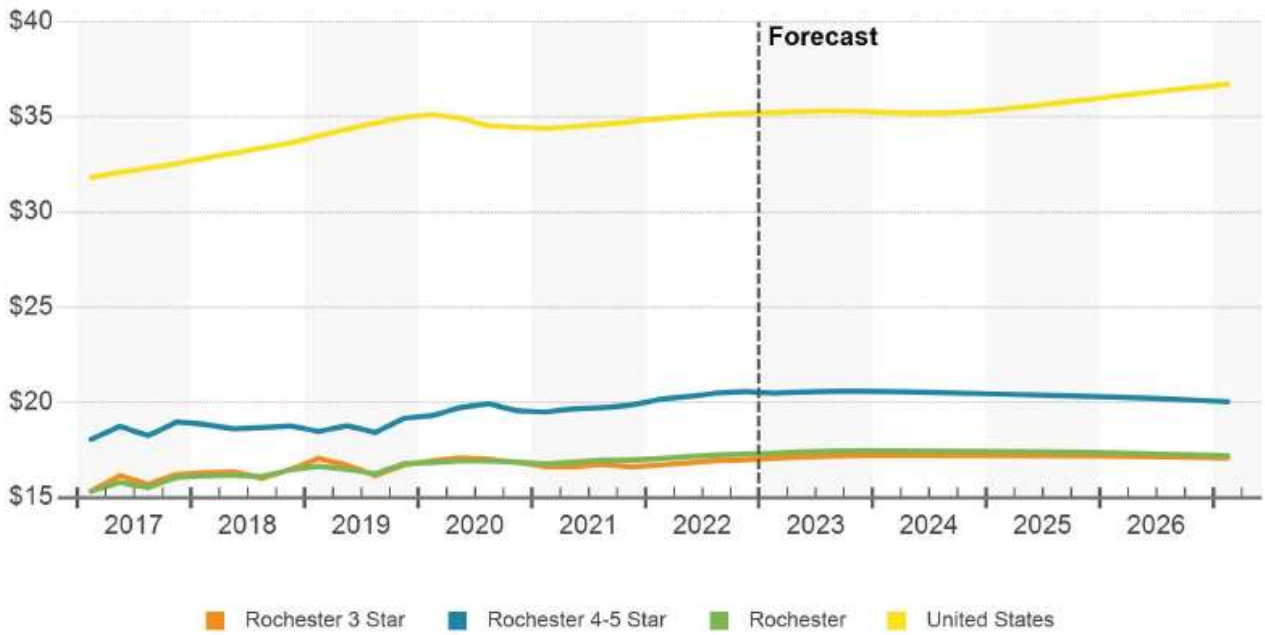

Office Lease Rates
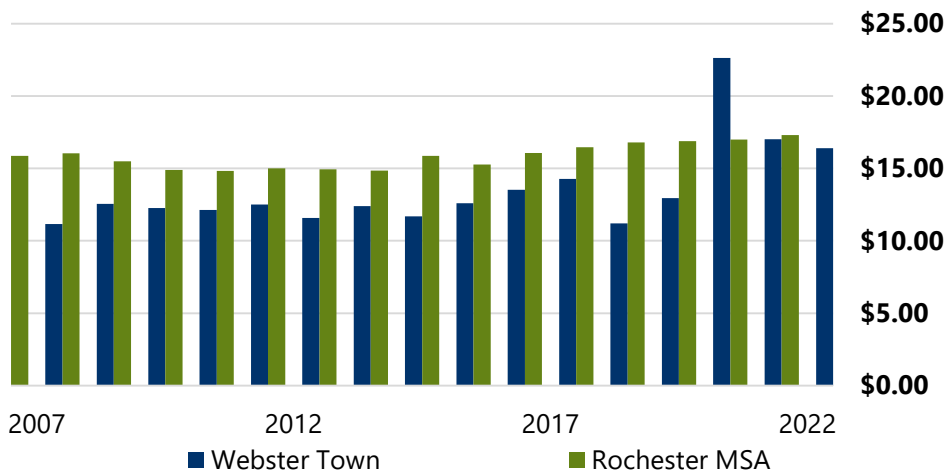
Source: CoStar

Rochester Office Lease Rates:

MARKET RENT PER SQUARE FEET

Deliveries and Absorption

Inventory data shows that the Town of Webster office market added buildings and leasable space consistently during the last 15 years. With only a handful of years where net-absorption was negative, the market demand was able to take in these new offerings through 2021. However, by 2021 the slowing, but still positive, net absorption indicated a market hitting its limit. The newly completed building in 2022, along with additional new space available, drove net absorption to the lowest point in our data, reaching -72,195 square feet in the latest year.

Industrial Market Metrics, Webster
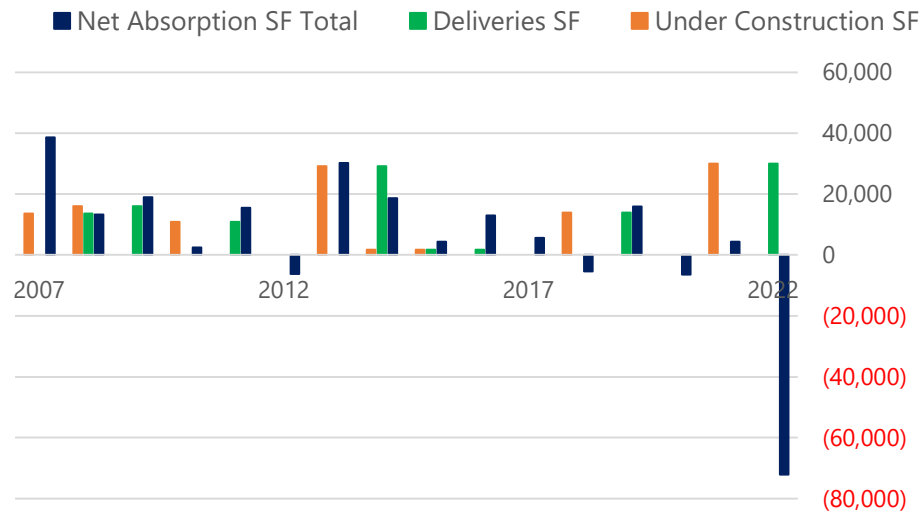
Source: CoStar

Rochester Office

NET ABSORPTION, NET DELIVERIES & VACANCY

Source: CoStar — Net Absorption — Net Deliveries — Vacancy — United States Vacancy
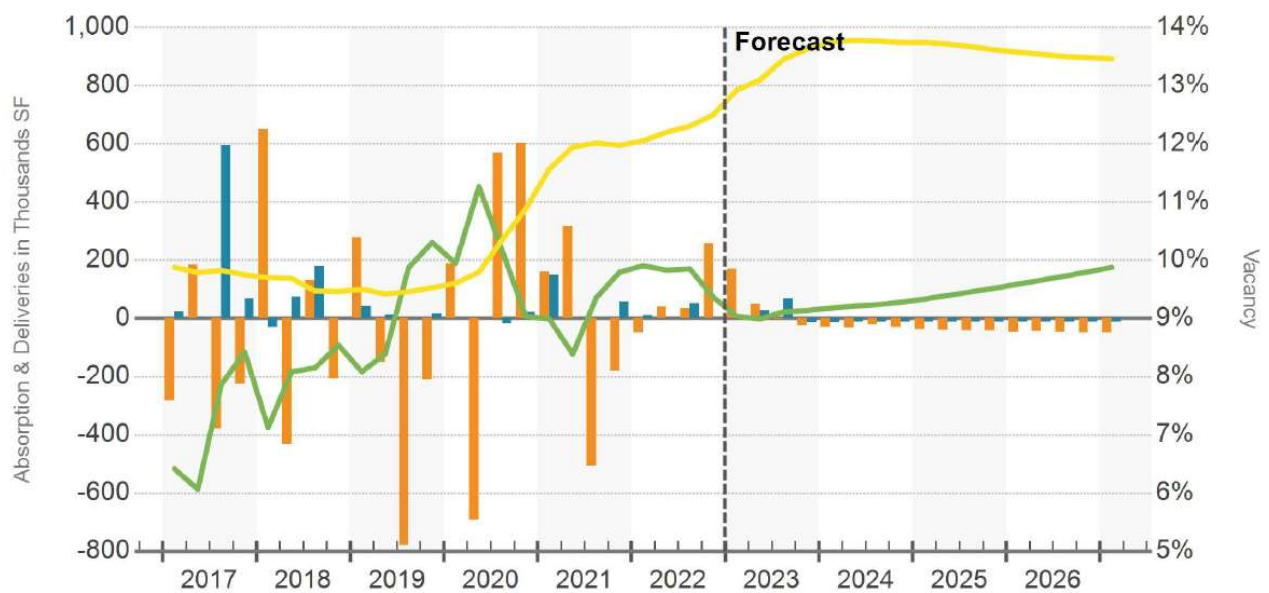
Industry Demand for Office Space

Future sources of demand for office space based on growth in office-using sectors show a negative outlook for the Town of Webster and the region. Over the next 10 years, from 2022 to 2032, the group of industries that are most likely to rent space are expected to shrink by 151 jobs. This is a 5.5% reduction to 2,602 from 2,753 in 2022.

The Rochester MSA area sees a similar but more modest decrease in expected jobs for these industries. It's expected to shed 2,815 jobs, which is a 2.5% reduction over the 10-year period. There are some significant industries for the Town of Webster that are expected to see large jobs gains in the metro area. Management, Scientific, and Technical Consulting Services is expected to add over 100 jobs per year (up 1,205 by 2032). The industry is expected to increase by over 30% in Webster as well. Architectural, Engineering, and Related Services has an expected increase of 617 jobs or 12% for Rochester. Finally, Insurance Carriers and Insurance and Employee Benefit Funds are expected to add nearly 500 jobs in the Rochester area over the next 10 years.

There are two areas of activity where both the metro area and Webster are projected for significant additions. Webster is also expected to grow the Architectural, Engineering, and Related Services industry, with an expected jobs increase of 76 or 25%. The other industry set to add more than 50 jobs in the next 10 years in Webster is Management, Scientific, and Technical Consulting Services, with 58 new jobs or 34%.

Key Sectors for Demand of Office Space, Jobs Change 2022 - 2032

NAICS	Description	Webster Town				Rochester MSA	
		2022 Jobs	2032 Jobs	Jobs Change, 2022 - 2032	Jobs Change %, 2022 - 2032	Jobs Change, 2022 - 2032	Jobs Change %, 2022 - 2032
5112	Software Publishers	9	0	-9	-100%	140	24%
5121	Motion Picture and Video Industries	35	38	3	10%	157	42%
5122	Sound Recording Industries	1	3	2	162%	-2	-15%
5151	Radio and Television Broadcasting	16	9	-7	-43%	-26	-4%
5152	Cable and Other Subscription Programming	0	0	0	457%	0	-29%
5173	Wired and Wireless Telecommunications Carriers	17	8	-9	-54%	-946	-37%
5179	Other Telecommunications	5	5	0	-5%	-36	-26%
5191	Other Information Services	22	15	-7	-31%	11	2%
5211	Monetary Authorities-Central Bank	0	0	0	-	0	-
5221	Depository Credit Intermediation	12	13	1	5%	269	6%
5222	Nondepository Credit Intermediation	5	0	-4	-94%	-43	-8%
5223	Activities Related to Credit Intermediation	19	34	15	81%	57	24%
5231	Securities and Commodity Contracts Intermediation and Brokerage	5	6	1	18%	-74	-13%
5232	Securities and Commodity Exchanges	0	0	0	-	0	-
5239	Other Financial Investment Activities	4	6	1	32%	261	21%
5241	Insurance Carriers	261	268	7	3%	409	9%
5242	Agencies, Brokerages, and Other Insurance Related Activities	51	48	-3	-6%	-392	-10%
5251	Insurance and Employee Benefit Funds	0	0	0	-57%	83	108%
5259	Other Investment Pools and Funds	0	0	0	73%	2	34%
5311	Lessors of Real Estate	236	185	-51	-22%	-91	-3%
5312	Offices of Real Estate Agents and Brokers	21	32	11	54%	75	12%
5313	Activities Related to Real Estate	62	79	17	28%	-20	-1%
5331	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	0	0	0	9%	-2	-82%
5411	Legal Services	51	48	-3	-6%	173	5%
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	287	121	-166	-58%	-812	-25%
5413	Architectural, Engineering, and Related Services	296	372	76	26%	617	12%
5414	Specialized Design Services	9	11	2	19%	-41	-9%
5415	Computer Systems Design and Related Services	144	163	19	13%	236	4%
5416	Management, Scientific, and Technical Consulting Services	171	230	58	34%	1,205	33%
5418	Advertising, Public Relations, and Related Services	52	74	22	41%	170	15%
5511	Management of Companies and Enterprises	293	302	9	3%	-269	-3%
5611	Office Administrative Services	34	38	4	11%	88	11%
5613	Employment Services	470	360	-109	-23%	-1,363	-14%
5614	Business Support Services	18	13	-5	-27%	-773	-39%
5615	Travel Arrangement and Reservation Services	3	2	-1	-35%	-46	-27%
8131	Religious Organizations	38	40	2	4%	-70	-2%
8132	Grantmaking and Giving Services	1	1	-1	-49%	-20	-7%
8133	Social Advocacy Organizations	0	0	0	-79%	-152	-34%
8134	Civic and Social Organizations	2	0	-2	-99%	-203	-26%
8139	Business, Professional, Labor, Political, and Similar Organizations	0	0	0	-83%	-18	-3%
9011	Federal Government, Civilian	4	6	2	50%	-227	-5%
9029	State Government, Excluding Education and Hospitals	2	4	1	64%	-932	-14%
9039	Local Government, Excluding Education and Hospitals	96	71	-25	-26%	-211	-1%
	Total	**2,753**	**2,602**	**-151**	**-5.5%**	**-2,815**	**-2.5%**

Source: Lightcast

Medical Office

Medical office is a unique type of office space that is considered separately from traditional commercial office space. As shown in the tables below, certain health care sectors that utilize medical office space are expected to grow over the next decade, including dentists, outpatient care centers, and other health care providers. The BOA may be able to capture some of this demand, although market demand may be dependent on other new uses. For example, senior housing would enhance the market feasibility of new medical office space within the BOA.

Projected Medical Office Demand: Rochester MSA

NAICS	Description	2022 Jobs	2032 Jobs	2022 - 2032 Change	2022 - 2032 % Change
6212	Offices of Dentists	3,191	3,633	442	14%
6243	Vocational Rehabilitation Services	1,829	2,227	398	22%
6213	Offices of Other Health Practitioners	2,216	2,612	396	18%
6214	Outpatient Care Centers	1,993	2,281	288	14%
6219	Other Ambulatory Health Care Services	1,302	1,066	(236)	(18%)
6215	Medical and Diagnostic Laboratories	816	506	(310)	(38%)
6211	Offices of Physicians	4,519	3,776	(743)	(16%)

Source: Lightcast

Projected Medical Office Demand: Monroe County

NAICS	Description	2022 Jobs	2032 Jobs	2022 - 2032 Change	2022 - 2032 % Change
6213	Offices of Other Health Practitioners	1,709	2,061	352	21%
6212	Offices of Dentists	2,450	2,755	305	12%
6243	Vocational Rehabilitation Services	1,110	1,312	202	18%
6214	Outpatient Care Centers	1,359	1,375	16	1%
6219	Other Ambulatory Health Care Services	1,017	734	(283)	(28%)
6215	Medical and Diagnostic Laboratories	796	479	(316)	(40%)
6211	Offices of Physicians	3,711	3,305	(405)	(11%)

Source: Lightcast

8. HOSPITALITY MARKET ANALYSIS

Hospitality Market Opportunities

Hospitality indicators for Rochester show a market that is starting to regain its strength after the pandemic. This region's hotels were hit harder by the downturn in travel than the national average (in terms of occupancy and RevPAR-Revenue Par Available Room.) Even recovery metrics lag the US, though new deliveries are significant and indicate optimism about the long-term prospects for the metro area.

The Town of Webster's local market has significant inventory, but hasn't added new rooms in over a decade. There are a number of regional travel destinations within a day-trip of the site, but it is not a marquee leisure market with national reach.

- **Budget:** The site is bracketed with options to the east (Budget Inn) and the west (Relax Inn) within a five-mile radius. It may be that increasing the options directly adjacent to the Webster Village area could fill a hole in the market, but the demographics of the area have been moving in the opposite direction.

- **Midscale:** There aren't currently any midscale hotel locations in the Town of Webster or adjacent communities. If leisure travel sentiments continue to improve for the area and a developer wanted to target price points between the current offerings, this is the most likely choice.

- **Upper Midscale:** This market is saturated with three hotels all within a mile of each other and within three miles to the west of the site.

- **Upper Upscale & Luxury:** Although the area has higher income demographics than the Rochester metro area, it's unlikely to be a market that these types of luxury hotels are willing to engage in. However, this could be an opportunity for a similarly priced boutique hotel. The location near the Village and proximity to destinations and natural amenities could make it an attractive site.

Key Findings

- **There are no new hotels in the Town of Webster since 2008.** The area did enjoy a local boom in hospitality inventory that saw its number of rooms jump from 283 in 2007 to 351 in 2012, a 92% increase. This growth was an isolated market moment with no new deliveries since then, while a couple of buildings have closed.

- **In spite of the static supply, occupancy is lower than in the Rochester MSA and has not reached pre-pandemic levels.** The occupancy rate for the Town of Webster in March 2023 is 58.8%. This is below the national average (65.3%), the surrounding Rochester MSA area (60.4%), and the Town's pre-pandemic rate (62.7%).

- **Rates have bounced back even stronger.** The average daily rate (ADR) for the Town of Webster during the depths of the pandemic was $87.35. In the last 24 months this rate has increased dramatically, up 50% over the period to $127.86. The ADR for Webster is above that of Rochester, but the gap is narrowing.

- **RevPAR sees large increases as both Webster and Rochester recover.** RevPAR for the Town of Webster rose to $76.66 in the most recent month with data available. This continues a surge that has seen RevPAR increase by 131% since the low point in 2021.

Market Area

The Town of Webster is included in CoStar's market area for the Rochester MSA. The Rochester city limits and suburbs to the west are grouped as the key submarket, "City of Rochester." The rest of the surrounding area, including the Town of Webster, is defined as "Rochester Other Areas." Major categories of analysis have information for both the Town of Webster and the Rochester MSA market area as a whole.
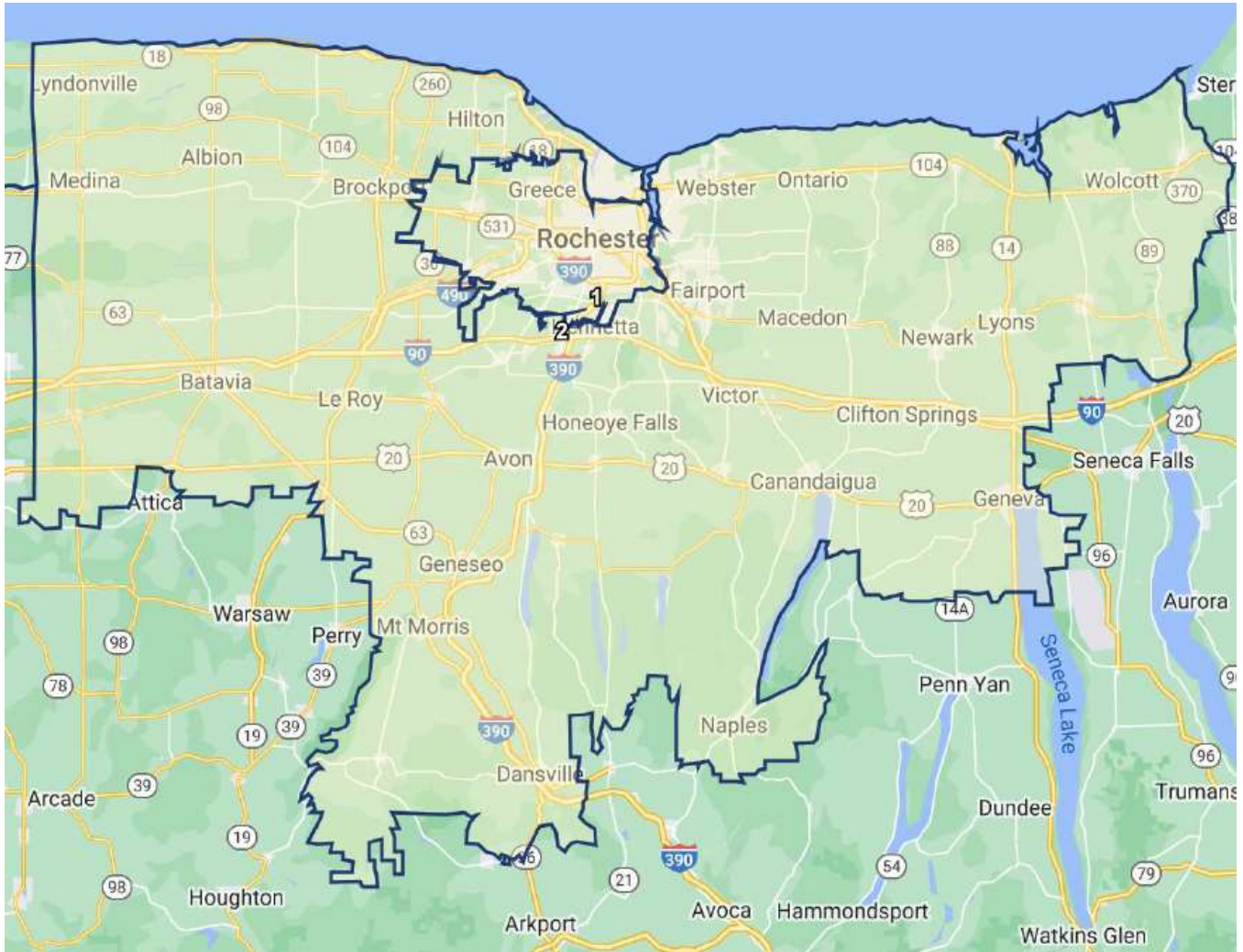
Inventory

The character of the Town of Webster hospitality sector changed significantly between 2007 and 2012 when two new buildings came online and the number of rooms in the market nearly doubled. In 2015 one of the hotel properties shuttered. For a market of this size, even a single building closing its doors has a large impact on the size of the inventory. While the Town of Webster hasn't seen growth since its last delivery in 2008, it also hasn't lost inventory since 2015. Critically, all of its hotels survived the pandemic and are still operating. There are three Upper Midscale hotels within three miles of the Webster BOA: the Fairfield Inn and Suites Rochester East, the Hampton Inn Rochester-Webster, and the Holiday Inn Express & Suites Rochester Webster, all of which have price points starting between $100 and $125 per room.

The Rochester MSA has approximately 30 times the number of rooms as the Town of Webster and includes major submarkets with its downtown, the Finger Lakes region, and a number of smaller markets throughout the metro area. It has seen organic growth in buildings and the number of rooms of between 5% to 10% per five-year period from 2007 to 2019. Three buildings closed during the pandemic, taking over 500 rooms off the market. In the last year more than half of those lost rooms have been recovered.

Hospitality Inventory, Key Metrics

Year	Webster		Rochester MSA	
	Number	5-Year % Change	Number	5-Year % Change
Buildings				
2007	5		109	
2012	7	33%	120	10%
2017	6	-14%	127	6%
2022	6	0%	124	-2%
Rooms				
2007	183		8,576	
2012	351	92%	9,408	10%
2017	335	-5%	9,938	6%
2022	335	0%	9,550	-4%

Source: CoStar

Occupancy

CoStar hotel occupancy is calculated on a monthly basis and takes the number of occupied rooms in the period and divides by the total number of rooms. A high occupancy rate is generally considered to be a positive sign for hoteliers, as it indicates strong demand for their rooms and the potential for higher room rates. Conversely, a low occupancy rate may indicate that business or leisure travelers are no longer visiting the region in the same numbers or that there is excess supply in the market from increased inventory.

The Rochester market has lower occupancy rates than the national average. Healthy hospitality markets will have occupancy rates above 65% and sometimes even up around 80%. The occupancy for the Town of Webster in early 2023 is just over 58%. The occupancy rate has not recovered to pre-pandemic levels. In the past the Town of Webster enjoyed a consistently higher occupancy rate than the Rochester MSA market as a whole. However, that margin has not returned since the pandemic. Where the metro area has seen strong recovery of occupancy rates in 2022 (up to 60% from 54%), the Town of Webster hotels have not experienced the same rise.

Hospitality Occupancy Rates
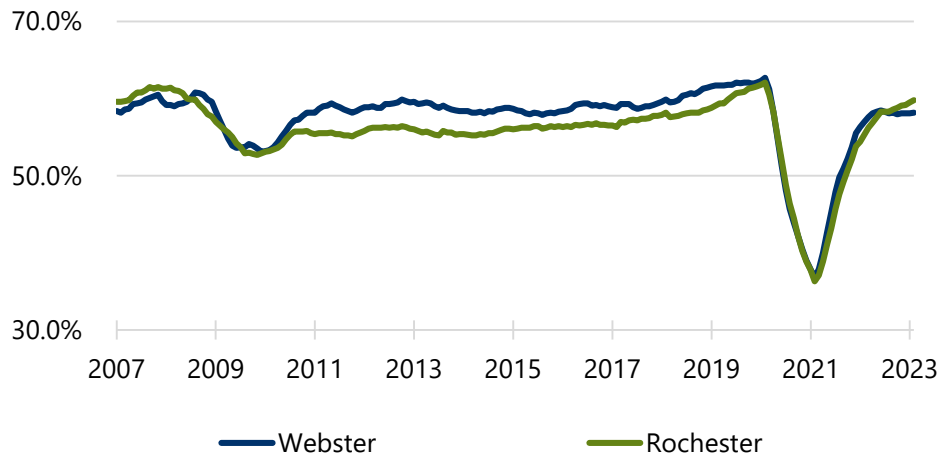
Source: CoStar

Average Daily Rate (ADR)

A hotel or market's Average Daily Rate (ADR) is the measure of the average rate paid per room that's occupied at the property. Ultimately, it's a metric that helps identify room rates from a day-to-day perspective. ADR is calculated to understand a hotel's profits and performance. It includes only the rooms sold.

The Town of Webster's ADR has been increasing steadily since the spring of 2021. The pandemic drove ADR to a 10-year low of $87.35 in March 2021. Soon afterwards vaccines became widely available, many regions that still had travel restrictions removed them, and travel markets, especially leisure travel, took off. In the next two years ADR would increase by nearly 50% to $130.33.

While the Rochester market typically has a slightly lower ADR than the Town of Webster, the movements up and down of these two markets are very similar. Rochester also saw a 50% increase in ADR during the last two years, reaching $127.86 in March of 2023.

Hospitality Average Daily Rate
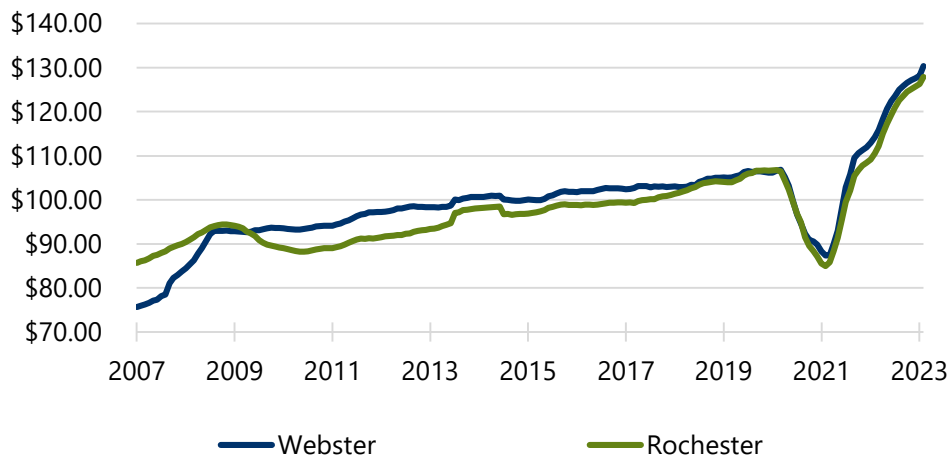
Source: CoStar

Revenue Per Available Room (RevPAR)

The metric Revenue Per Available Room (RevPAR) is the total guest room revenue divided by the total number of available rooms. RevPAR differs from ADR because RevPAR is affected by the amount of unoccupied available rooms, whereas ADR shows only the average rate of rooms actually sold. Whereas ADR focuses on profits and room price, RevPAR is a snapshot of revenue generation by inventory. Another way to consider the concept of RevPAR is:

Occupancy × ADR = RevPAR

The RevPAR for the Town of Webster has moved similarly to ADR in terms of the toll that the pandemic took on it and the rapid recovery starting in 2021 when people began to travel again. RevPAR for the town was $76.66 in March of 2023, a 131% increase over the two years since March 2021. Like ADR, RevPAR has more than recovered compared to pre-pandemic levels. Similar to ADR, where the Town of Webster used to enjoy a slightly higher trend compared to the surrounding area, now the Rochester MSA's RevPAR is at almost the exact same level.

Hospitality Revenue Per Available Room
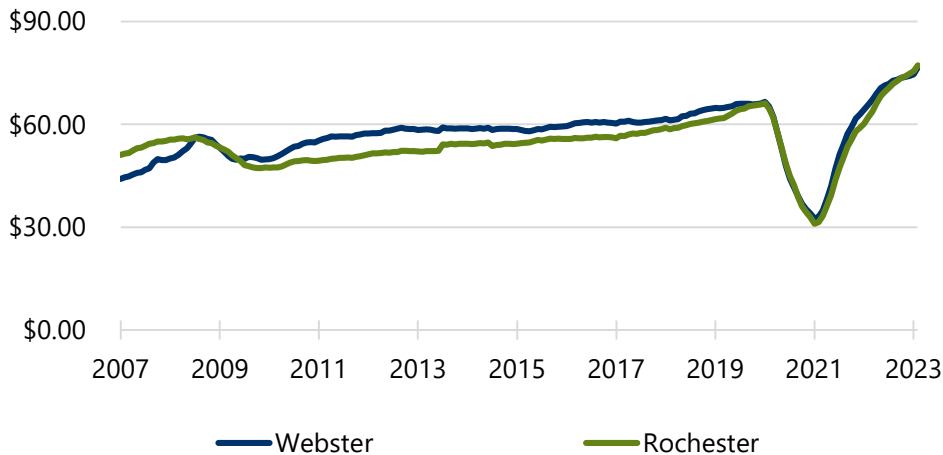
Source: CoStar

Demand and Market Potential

Overall, the BOA is not expected to have any significant market potential for a hotel or lodging use in the foreseeable future. While the BOA has relatively easy access to Route 104, visibility from the highway is limited and more attractive locations are available for lodging uses. Additionally, hotel market metrics do not suggest that conditions are favorable for a new establishment in the Webster area. However, it should be noted that market potential could be enhanced if new visitor-generating uses were included as part of the revitalization of the BOA.

- **Leisure travel**: The regional travel market near the Town of Webster is a critical part of the local economy. The local market has a bounty of natural and park amenities like Webster Arboretum, North Ponds Park, Webster Park, Genesee Valley Greenway, and sites near the Lake Ontario shoreline. The Village of Webster's downtown is a tourist destination for shopping and eating. The regional market features Rochester's diverse set of museums, tours of nearby wineries, and draws for family activity like the Seabreeze Amusement Park and Webster Aquatic Center.

- **Business travel: W**ith the reduced operations at Xerox's facility and projected declines in Webster and regionally for business employment, this is unlikely to be a growing source of demand for hotel rooms.

9. INDUSTRIAL MARKET ANALYSIS

Industrial Market Opportunities

The Rochester metro area market reflects strong national tailwinds for industrial space: increasing demand is up against low inventory, causing lease rates to rise. Sales volumes of industrial space in Rochester are the highest in five years as investors seek to capitalize on a tight market. Additionally, there is only one project currently under construction in the entire region and the trend for deliveries has been negative since peak activity in 2017.

The Town of Webster has similarly low trends in deliveries and inventory. However, the lack of construction seems more grounded in the local market as vacancy (even beyond Xerox) is increasing and lease rates are down. The site's previous use is industrial, which could make one of these scenarios more likely. What are the specific industrial opportunities?

- **Logistics**: This is the industrial submarket that has the most pressure in terms of national and regional demand. There are several factors working against this for Webster. The Town is located at the periphery of the metro area and highway network. Logistics and warehousing operations tend to look for "hub" locations, and Webster's medium-scale retail cluster isn't sufficient to be its own source of demand.

- **Flex:** Compared to Rochester, Webster has a modest and stagnant flex market. There is potential for users who would benefit from proximity to Xerox and are looking for a combination of manufacturing and operational space. Data centers may be an option, and they would have the utility infrastructure to support them. However, these would be difficult projects to build on spec, and there is no recent evidence in the current market to support them as a feasible option.

- **Specialized:** This is the second largest submarket in the Rochester area (three-times the size of the Flex market). This market also has the lowest vacancy and availability of industrial submarkets in the Rochester area, which indicates strong demand. There is a cluster of industrial space a couple miles east along Basket Road that could be a template for redevelopment of this site. It may also be a source of overflow demand and prospective tenants.

Key Findings

At a time when trends for national and regional (Rochester MSA) industrial markets have been expanding quickly, the Greater Webster submarket area has seen declines in buildings and square footage of inventory.

- **Webster's industrial market is moving in the opposite direction**, the wrong direction, compared to regional and national trends. Most key market indicators for industrial real estate in Webster point towards a location that is stagnating or declining. These trends in buildings (-2% in 10 years), vacancy (+7% in 10 years), and leasing rates (-20% in 10 years) contrast to the growth and appreciation in the industrial real estate markets for the Rochester MSA and the US more broadly.

- **Inventory for industrial space in the Town of Webster has been declining for over a decade.** Starting in 2013, the trend for available industrial space in the area has been decreasing. The last new buildings to be added to the market occurred just before the last recession nearly 15 years ago. The peak of nearly 5.58

million square feet reached in 2010 has seen two properties taken off the market with no new additions, leaving the 2023 inventory at 5,569,214 square feet.

- **Vacancy for the Town of Webster industrial properties has been spiking in recent years.** While it has recovered partially from the downturn during the pandemic, vacancy rates stand at 10.8%, compared with a pre-pandemic trend where vacancy was routinely around 3% or lower. Currently the vacancy for industrial space in the Rochester MSA is less than half that of Webster.

- **Lease rates are down continuously over time.** Besides a small bounce in 2022, lease rate data tells a story of a declining market. Rates are down 42% since their peak in 2007, from $7.88 to $4.59. This decline has happened without significant additions of available space that would drive up supply and at the same time as industrial rates are going up in most other markets.

- **Net absorption has been stagnant for long periods and then erratic as Xerox repositions its campus properties.** The last time a new building was constructed in Webster was 2009. Along with one other delivery the previous year, the industrial market has not seen any positive change in supply. At the same time, net absorption has been up and down with a low overall average volume of just under 30,000 square feet of industrial space absorbed per year. In recent years Xerox has started to implement changes to its Webster campus, with large amounts of space becoming available and only half of it being absorbed by the market.

- **Job growth in key sectors is unlikely to be a key driver of future demand.** The typical end users of industrial space have a mixed outlook in terms of job growth through 2032. There are some sectors, like Warehousing and Storage, that are being driven by national trends in growth and are also expected to see more jobs in Webster (up 28.9%). However, industrial users as a whole are expected to decline over the next 10 years, down 1.7% compared to a jump in similar sectors for the region (Rochester MSA jobs up 4.2%).

Regional Market Context

The Rochester MSA is the largest identified market for industrial property near the Webster BOA. It's one of the larger industrial markets in upstate New York and has seen significant growth in inventory, sales, and rents. These positive market signals come at a time when the national market for industrial space is also expanding.

- **Industrial rents in Rochester have seen gains** of 7.2% over the past three years. This positive momentum has picked up in early 2023 with first-quarter annualized gains of 8.4%. However, metro area gains have been outperformed by strong fundamentals at the national level, where rents have grown 6.2% per year over the last 10 years, compared with only 4.2% annually in Rochester.

- **The last 12 months have been the peak sales period of the last five years.** The Rochester MSA had 103 sales in the last 12 months. These sales amounted to $145 million in property value transacted. The majority of this volume was in the Logistics facilities submarket, whose $83 million in sales represents 57% of the total.

- **The largest sale in the 12-month period was at 328 Silver Hill Road**, where the 150,000-square-foot building, which was constructed in only 2020, sold for $21.8 million or $145 per square foot. This sale was an outlier in terms of price per square foot, being the highest rate of all sales by over $25 per square foot. Only a handful of other sales reached above $100 per square foot.

- **The Rochester market for industrial space is highly competitive in terms of price compared to the rest of the country**. The average price for the 12-month period is $70 per square foot. This is up 10% year-over-year, but is still around half of the average asking price in the rest of the US.

- **The cap rates for industrial have rebounded since a choppy period during the pandemic**. They're now sitting right around 7.5%, which is substantially higher than the national rate of 6.0%. This difference in risk is consistent over time, with the Rochester market keeping roughly 150 basis points higher than the US over the last five years.

- **Key predictors of demand for space, like employment, are trending down**. While the unemployment rate for Rochester has stabilized below pre-pandemic levels, this is driven in part by lower labor participation as the metro area has not reached previous job levels. The current trend for key industrial sectors (manufacturing and trade/warehousing) in the Rochester market show negative jobs growth. This is consistent with the 10-year trend as well as the 5-year forecast.

Market Area

Town of Webster is identified in the map below as included in the submarket #3. This submarket also includes eastern parts of Irondequoit and towns south of Webster. This market is compared to industrial metrics for the larger Rochester MSA market area. The Rochester MSA is the outlined area including all submarkets below.
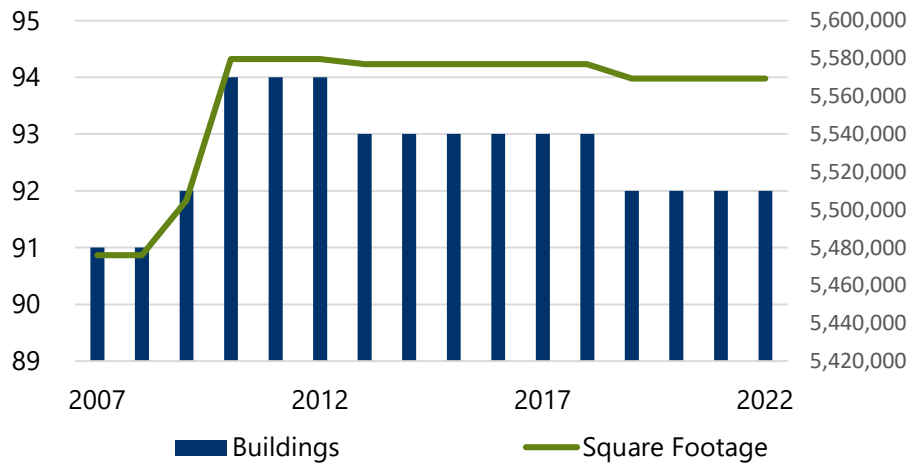
ROCHESTER SUBMARKETS
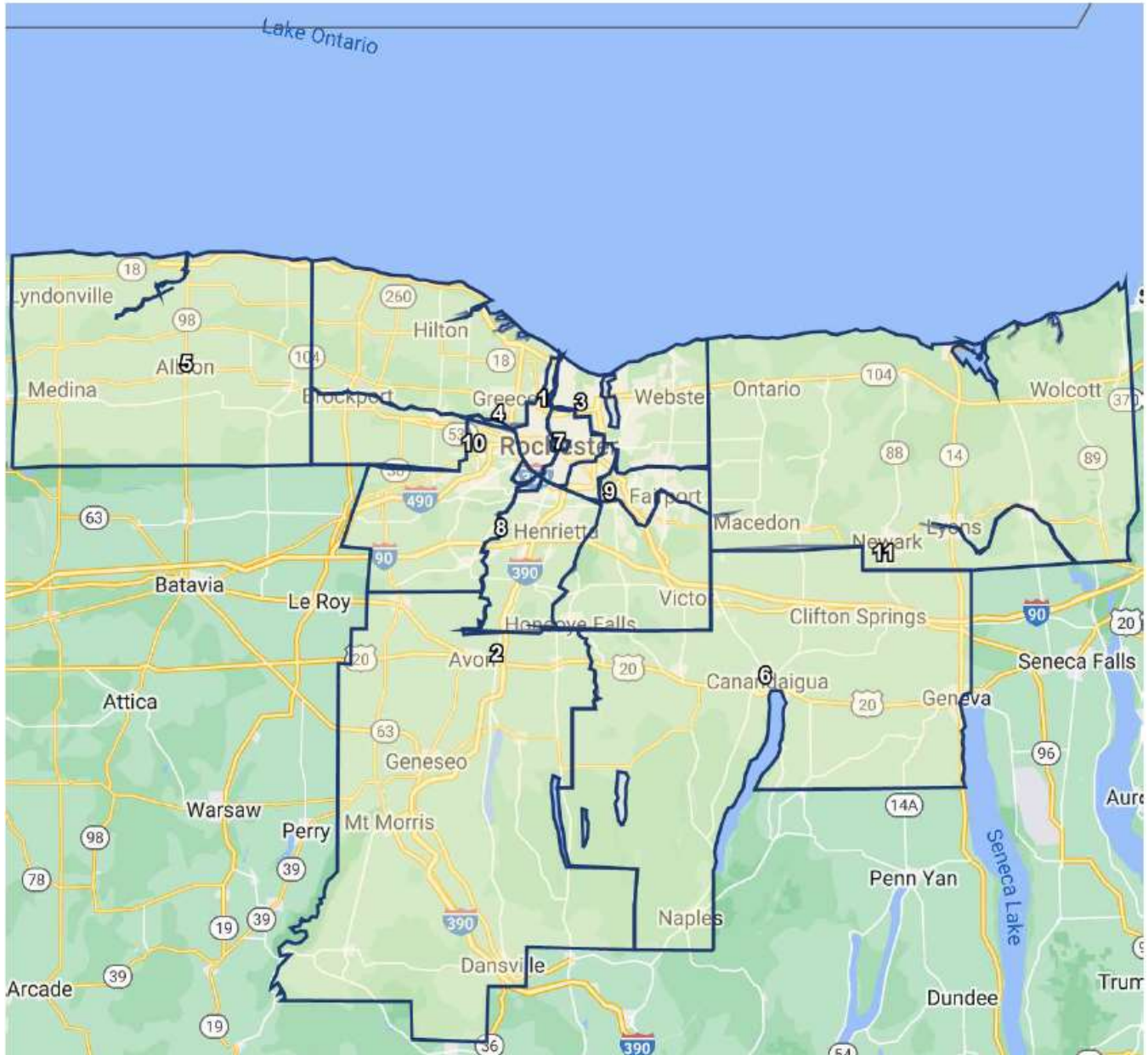
Inventory

Starting in 2009 Town of Webster's industrial inventory began a small ramp up with increases in the number of buildings and the total square footage of industrial space. It hit a peak of 5,579,574 in 2010, but then buildings started coming offline between 2013 and 2019. These reductions are a small part of the overall Town of Webster market and the current inventory is down less than 1% from its peak level last decade.

Industrial Inventory, Webster Town

Buildings ▬▬ Square Footage

Source: CoStar

Occupancy and Vacancy

The Town of Webster and Rochester MSA industrial markets are moving in opposite directions in terms of vacancy rates. Town of Webster's vacancy rate, which had been steadily decreasing since after the Great Recession has now risen rapidly due to the shut down of operations at the Xerox campus. These high rates have stabilized slightly in 2022 as the economy reopens.

Rochester MSA's industrial vacancy has been moving in a healthy range between 4% and 7% since 2015. This downward pressure on vacancy has continued as Rochester has slowly increased its inventory. The metro area has added just over 3% to industrial square footage in the last 15 years and the market has continued to tighten.

Industrial Vacancy Rates

| Period	Webster	Rochester
	Vacant Percent % Total	
2023 YTD	10.9%	5.3%
2022	10.8%	4.8%
2021	22.3%	5.3%
2020	23.4%	5.4%
2019	0.5%	5.1%
2018	1.0%	4.3%
2017	2.4%	5.2%
2016	2.7%	6.3%
2015	3.4%	7.1%
2014	3.2%	8.8%
2013	3.2%	8.8%
2012	3.7%	9.3%
2011	5.4%	10.4%
2010	3.7%	11.3%
2009	4.6%	10.5%
2008	2.1%	10.1%
2007	5.8%	8.3%

Source: CoStar

Lease Rates

Leasing rates for industrial property are one indicator that relates to the intensity of demand for space in a market. CoStar data for Town of Webster goes back to 2007 but has is missing rates for a relatively stable part of the post-recession and pre-COVID period.

For data that is available, the trend in leasing rates for industrial space in Town of Webster is negative except for a small bounce in 2022. The rate for space peaks in the beginning at $7.88 per square foot in 2007. It starts to drop before the data blackout and this descent continues from 2019 ($4.52/sf) through 2021 ($4.59/sf).

The market for industrial space is moving in the exact opposite direction for the Rochester MSA. The market experiences a brief lull as prices dip from $5.17 per square foot in 2007 to $4.90 per square foot in 2011. However, as the metro area climbs out of the recession demand picks up and lease rates surge even through the pandemic to peak in the most recent year with 2022 rates at $7.53 per square foot.

Industrial Lease Rates
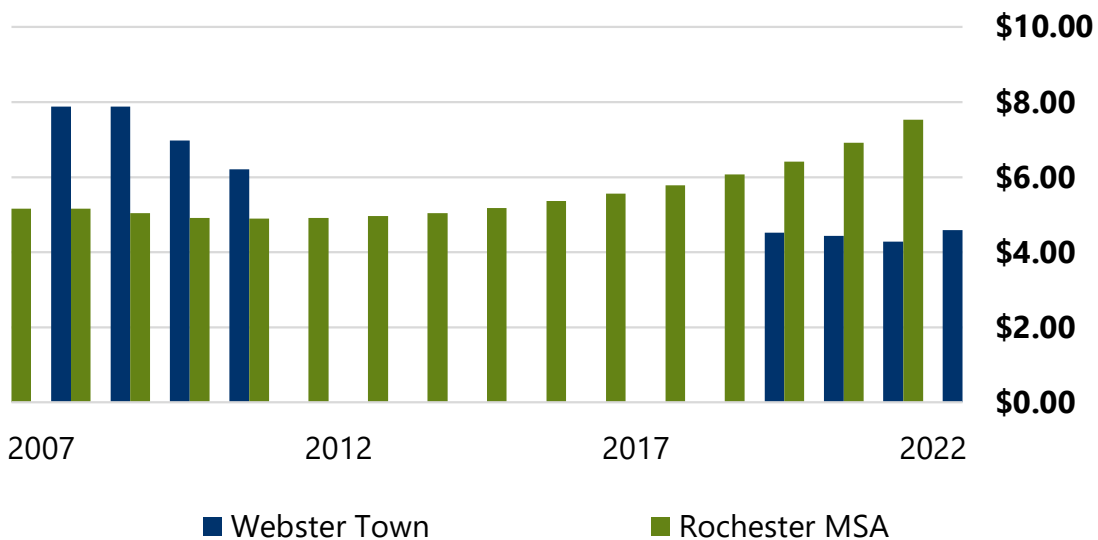
Source: CoStar

Deliveries and Absorption

New industrial buildings in the Town of Webster have been scarce in recent years. The last new delivery of space occurred in 2010 when a new building added almost 75,000 square feet of industrial inventory. This came on the heels of another delivery the previous year of 28,911. Since that time there have been zero new deliveries of industrial space in the Town of Webster. On the other hand, inventory has begun to decline slightly.

Absorption has been highly variable over the last fifteen years with large swings in recent years as the Xerox campus has been vacated and (at least partially) re-tenanted. This took the form of net negative absorption of -1,277,251 square feet in 2020 and then positive net absorption of 702,253 square feet in the following two years. These swings took place after up and down years following the 2009 recession where the market absorption between 2010 and 2019 averaged 28,737 square feet per year over the ten-year period.

Industrial Market Metrics, Webster

■ Net Absorption SF Total   ■ Deliveries SF   ■ Under Construction SF
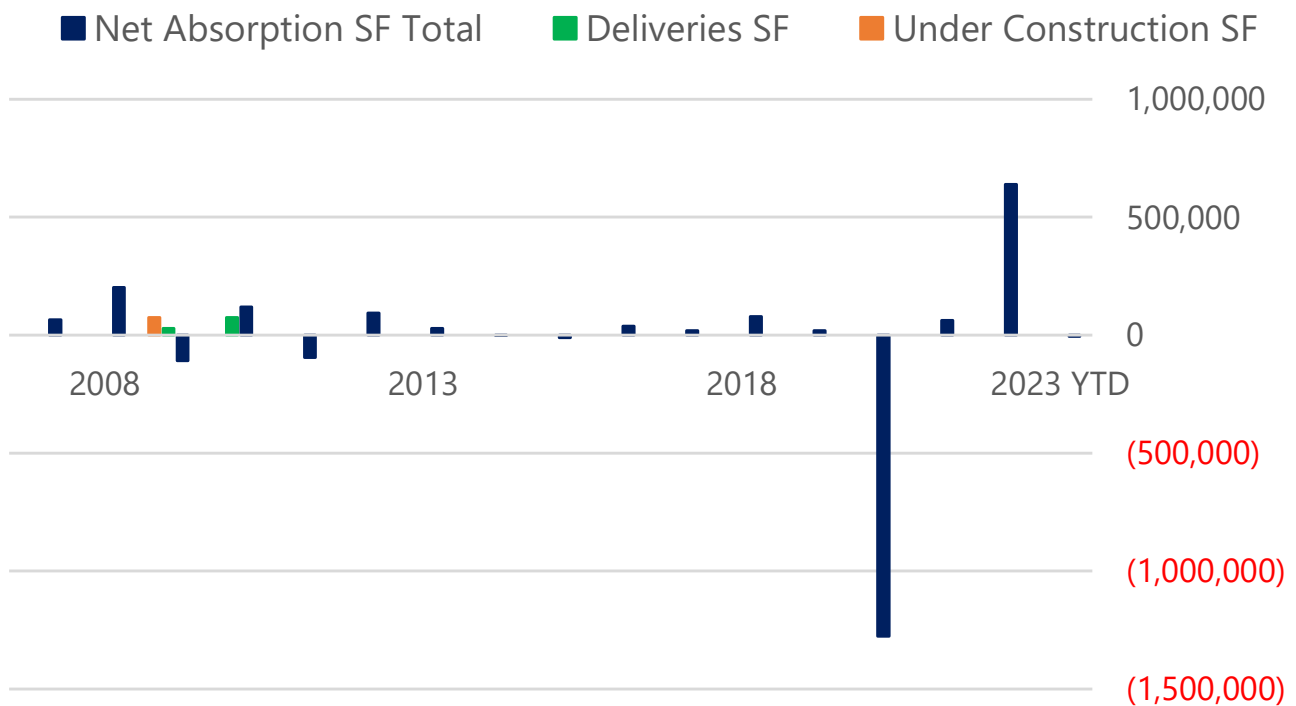
Industry Demand

There are well-established industry groups that typically occupy industrial space. When these types of activities are adding jobs, firms are likely to be looking for additional space which will increase demand. The table below lists the projected job growth between 2022 and 2032 for users of industrial space in the Rochester MSA. Key drivers of future demand are anticipated to include computer and electronic product manufacturers, warehousing and storage (distribution) facilities, and food and beverage manufacturers. The following tables show projected growth by high level industry sector as well as for more detailed industry subsectors.

Industries with Greatest Projected Growth - Rochester MSA

NAICS	Description	2022 Jobs	2032 Jobs	2022 - 2032 Change	2022 - 2032 % Change
334	Computer and Electronic Product Manufacturing	10,024	11,433	1,409	14%
493	Warehousing and Storage	3,102	3,908	805	26%
485	Transit and Ground Passenger Transportation	2,475	3,166	691	28%
311	Food Manufacturing	5,868	6,489	621	11%
492	Couriers and Messengers	2,708	3,245	537	20%
484	Truck Transportation	2,952	3,244	292	10%
312	Beverage and Tobacco Product Manufacturing	2,143	2,409	266	12%
326	Plastics and Rubber Products Manufacturing	5,458	5,692	235	4%
313	Textile Mills	142	199	57	40%
337	Furniture and Related Product Manufacturing	680	735	55	8%
488	Support Activities for Transportation	763	809	47	6%
483	Water Transportation	62	103	41	66%
321	Wood Product Manufacturing	428	465	37	9%
486	Pipeline Transportation	45	57	12	27%

Source: Lightcast

Industry Subsectors with Greatest Projected Growth - Rochester MSA

NAICS	Description	2022 Jobs	2032 Jobs	2022 - 2032 Change	2022 - 2032 % Change
4931	Warehousing and Storage	3,102	3,908	805	26%
3344	Semiconductor and Other Electronic Component Manufacturing	1,889	2,584	695	37%
3342	Communications Equipment Manufacturing	4,142	4,752	610	15%
3121	Beverage Manufacturing	2,143	2,409	266	12%
4841	General Freight Trucking	1,705	1,904	200	12%
3221	Pulp, Paper, and Paperboard Mills	271	457	186	69%
3261	Plastics Product Manufacturing	5,236	5,419	183	3%
3116	Animal Slaughtering and Processing	278	426	147	53%
3112	Grain and Oilseed Milling	221	364	143	64%
3329	Other Fabricated Metal Product Manufacturing	1,121	1,259	138	12%
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing	2,402	2,538	136	6%
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	3,691	3,791	99	3%
3115	Dairy Product Manufacturing	432	529	97	23%
4842	Specialized Freight Trucking	1,247	1,339	92	7%
3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing	213	301	88	41%
3323	Architectural and Structural Metals Manufacturing	1,319	1,398	79	6%
3118	Bakeries and Tortilla Manufacturing	1,325	1,403	78	6%

Source: Lightcast

Flex Analysis

Town of Webster has a completely static market for flex space according to CoStar. There are 11 buildings making up 318,665 square feet of inventory. Since 2020 these buildings have been 100% occupied. There is no indication of ongoing construction, pending deliveries, vacancy, or changes to leasing rates during this period. In the thirteen years prior, going back to 2007, the space if fully occupied more than half of the time and the vacancy rate rises above 1% only once. There is record of one new lease event in 2019 for space priced at $13.25 per square foot.

The real estate conditions for the Rochester MSA offer a market context for the geographic area surrounding Webster and give a glimpse of the feasibility of developing flex space in the Webster BOA. The trends for the metro area market are summarized below.

Regional Market Context

The Rochester MSA is the largest market for flex space in the vicinity of Town of Webster.

- **The last fifteen years have seen slow but steady growth in inventory**. There have been two periods (2008, 2013) where properties were removed from the market leading to sudden drops in inventory. The amount of leasable flex space has increased by 2.9% since 2007. There has been a shift towards smaller buildings compared with the older stock. The metro area has added more than 20 (net) buildings to the market.

- **Vacancy has been decreasing over time** and is down to 10.8% at the start of 2023. Flex vacancy has been cyclical in response to market downturns. The Rochester market saw relative peaks for vacancy during the 2009 and 2020 recessions. But between these events and since 2020, vacancy has been in retreat. The current level of vacancy is less than half of the 2009 peak.

- **Rates for space have been going up as available space tightens**. The Rochester market for industrial and flex is mature, but also quite inexpensive compared to the rest of the country. The current market rate is $10.43, which is up slightly from an average of $10.01 in 2022.

- **Last year was a peak for sales** of flex industrial properties in Rochester MSA. There were 17 deals totaling $22.2 million. Sales for flex have been on an upward trend since 2019. For most recent years the Rochester market would see a handful of sales, but three out of the four recent years have all had at least 12 sales (2020 likely an outlier due to pandemic).

- **Deliveries have slowed to a stop for flex space**. There were no new arrivals in 2022 and none so far in 2023. There haven't been any buildings in the construction pipeline since 2020. Going back to 2007, the market had averaged almost 70,000 square feet of new flex space annually, but it seems developers have lost interest in this kind of space for now.

- **Net absorption was negative in 2022** which continues a volatile trend in the last few years of negative absorption. In the most recent year net absorption was -431,681 square feet or nearly 3% of inventory. Three of the last five years have had negative net absorption as space has become vacant and not reabsorbed by the market.

Interview findings

- **Several key industries driving industrial demand in the Rochester region.** Industry sectors expected to generate future demand for industrial real estate in the region include:
  - o Food and Beverage Production
  - o Semi-conductor Supply Chain
  - o Optics, Photonics & Imaging
  - o Clean Energy
  - o Life Sciences

- **Demand for Flex Space.** The demand for flex space in the area is increasing. Particularly in the range of 40-60K SF.

- **Mid and Large-Scale Industrial Sites in High Demand.** For traditional industrial space users are typically looking for 20-100K SF. There have been some larger users looking for 100+ acres sites and buildings that are 200,000+ sf with the ability to expand. These large users are also looking for abundant power and rail access.

- **Unmet Demand for Warehouse and Distribution Facilities.** potential warehouse and distribution centers are limited with the available product on the market due to lower ceiling heights than what they require.

- **Much of the space available on the market is obsolete.** Availability and vacancy metrics may be skewed as much of the available inventory does not align with the needs of industrial enterprises in the market for real estate.

- **Insufficient industrial development is occurring.** There is demand for space, but developers are hesitant to build due to increasing interest rates and rising cost of building due to inflation. This has put the industrial market in a state of flux.

- **Community resistance to industrial uses in Webster may hinder market potential.** Industrial development is an issue that has not received the support from the community in the past. The public has voiced their disapproval of a proposed industrial development that ultimately did not move forward, which may limit future industrial development potential.

ATTACHMENT A: DATA SOURCES

Lightcast (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. Click to learn more.

Esri ArcGIS Business Analyst combines proprietary statistical models covering demographic, business, and spending data with map-based analytics to offer insights on market opportunities for industries, businesses, and sites. Business Analyst integrates datasets covering a wide range of topics including demographics, consumer spending, market potential, customer segmentation, business locations, traffic counts, and crime indexes, which can be overlaid spatially to produce customizable maps and uncover market intelligence. Data can be pulled for standard and custom geographies, allowing for valuable comparison between places. Click to learn more.

PolicyMap is a spatial analysis and data tool that facilitates the creation of compelling, interactive maps from 50,000+ indicators related to public policy. Geospatial analysis, including advanced querying and filtering facilitated by data-rich maps, can be used for storytelling and decision-making. PolicyMap's library of variables spans topics such as demographics, housing, lending, quality of life, economy, education, health, and government programs. Functionality is optimized for use by policymakers in government, business, healthcare, universities, academic, and others. Click to learn more.

IBISWorld is a leading provider of expert industry research and analysis for broad sectors and niche industries across the economy. Thoroughly researched industry reports from IBISWorld leverage economic, demographic, and market data into forward-looking insight, providing detailed data and narrative on current and historic trends, as well as future outlook and projections. Topics covered include products and services, major markets, upstream and downstream supply chain industries, performance drivers, factors for competitiveness, operating conditions, major players, and key statistics on industry performance. Reports are available by industry at the global, national, and state level. Click to learn more.

CoStar is a comprehensive source of commercial real estate intelligence, offering an inventory of over 6.4 million commercial properties spanning 135 billion square feet of space in 390 markets across the US. CoStar covers office, retail, industrial, hospitality, and multifamily markets. Property- and market-level data on absorption, occupancy, lease rates, tenants, listings, and transactions are researched and verified through calls to property managers, review of public records, visits to construction sites, and desktop research to uncover nearly real-time market changes. Click to learn more.

RealtyRates.com is a survey-based resource for real estate investment and development trends, analytics, and market research. RealtyRates.com surveys more than 300 lenders, investors, brokers, and property managers nationwide on a quarterly basis to track trends in cap rates, financing terms, rents, sales, and operating expenses. This data provides an up-to-date snapshot of the national real estate market. Click to learn more.

RSMeans data from Gordian provides up-to-date construction cost information for dozens of residential and commercial building types. Cost-per-square-foot data can be used to develop construction cost estimates for use in market analysis and financial feasibility analysis, incorporating estimates for material, labor, and equipment. National cost averages can be adjusted for 970+ specific geographies using location factors down to the city level, and historical cost indexes can be used to adjust costs over time. Click to learn more.

AirDNA provides market intelligence on short-term rental properties around the globe. Powered by Vrbo and Airbnb data from over 10 million properties in 120,000 markets, AirDNA aggregates and analyzes property-level listings to distill market trends and forecasts. Granular data at the ZIP code level on nightly rates, occupancy, monthly revenue potential, property type, ratings, and seasonality can be leveraged to understand broader residential market dynamics and the impact of short-term rentals on housing supply and demand. Click here to learn more.

Redfin is a national real estate brokerage and analytics firm that offers access to its extensive for-sale residential property listings database. Data is aggregated from the hundreds of local multiple listings services (MLS) used by real estate agents in the markets where it operates. The data covers broker-listed homes from the MLS, homes in foreclosure, select for-sale by owner (FSBO) homes, and records of past sales. Redfin's downloadable data on market trends is released monthly and is available at the national, metro, state, county, city, ZIP code, and neighborhood level. Click here to learn more.

Multiple Listings Services (MLS) are individual private databases of for-sale residential property listings designed to consolidate property information and connect homebuyers and sellers. More than 500 MLSs exist in the US, covering different geographic regions and markets. Individual property listings are often publicly accessible, while aggregated data on sales prices and trends can typically only be accessed through direct cooperation with an MLS. Many MLSs also provide listing information to third-party aggregators such as Realtor.com or Zillow. Click here to learn more.

AUTM (formerly the Association for University Technology Managers) maintains the STATT database (Statistics Access for Technology Transfer), a tool that aggregates three decades of licensing data for US research institutions. Such data provides insights into the role that research institutions play in local and regional innovation ecosystems through technology transfer and the launch of startup companies. The data covers variables such as research expenditures, activity and income, startups, funding, patent applications, disclosures, and royalties earned. Click to learn more.

Crunchbase offers a best-in-class live database on innovative companies across industries, powered by contributors, partners, and in-house data experts. With a focus on tech companies and startups, the platform aggregates information on investment and funding, founding members and leadership, mergers and acquisitions, news, and industry trends. Designed as both a market research and prospecting solution, Crunchbase offers the ability to narrow down companies matching criteria such as headquarter location, investment stage, or industry, while automatically offering recommendations based on these criteria. Click to learn more.

Demandbase is an account-based marketing, sales intelligence, and data platform used for identifying and gathering information on businesses, contacts, and prospects. Applications in the economic development space include developing databases of existing companies for business retention and expansion outreach, compiling marketing lists for business attraction prospecting, creating watchlists for following news on relevant companies and industries, identifying companies in

specific sectors and regions, and accessing contact information for key decisionmakers across businesses. Click to learn more.

The **Kauffman Indicators of Entrepreneurship** offers measures, reports, and accompanying data visualizations that present entrepreneurial trends in the US. The indicators are organized into three series covering entrepreneurial jobs, new employer businesses, and early-stage entrepreneurship. Underlying data sources include the Current Population Survey (CPS), Population Estimates Program (PEP), Business Formation Statistics (BFS), and Business Dynamics Statistics (BDS) from the US Census Bureau, and Business Employment Dynamics (BED) from the Bureau of Labor Statistics. Click to learn more.

The **American Community Survey** (ACS) is an ongoing statistical survey by the US Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. Mandatory to fill out, the survey is sent to a small sample of the population on a rotating basis. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. Click to learn more.

Conducted every ten years in years ending in zero, the **US Decennial Census of Population and Housing** is a complete count of each resident of the nation based on where they live on April 1st of the Census year. The Constitution mandates the enumeration to determine how to apportion the House of Representatives among the states. The latest release of the 2020 Census contains data for a limited number of variables, including: total population by race/ethnicity, population under 18, occupied and vacant housing units, and group quarters population. Click to learn more.

The **Local Area Unemployment Statistics** (LAUS) program estimates total employment and unemployment for approximately 7,500 geographic areas on a monthly basis, from the national level down to the city and town level. LAUS data is offered through the US Bureau of Labor Statistics (BLS) by combining data from the Current Population Survey (CPS), Current Employment Statistics (CES) survey, and state unemployment (UI) systems. Click to learn more.
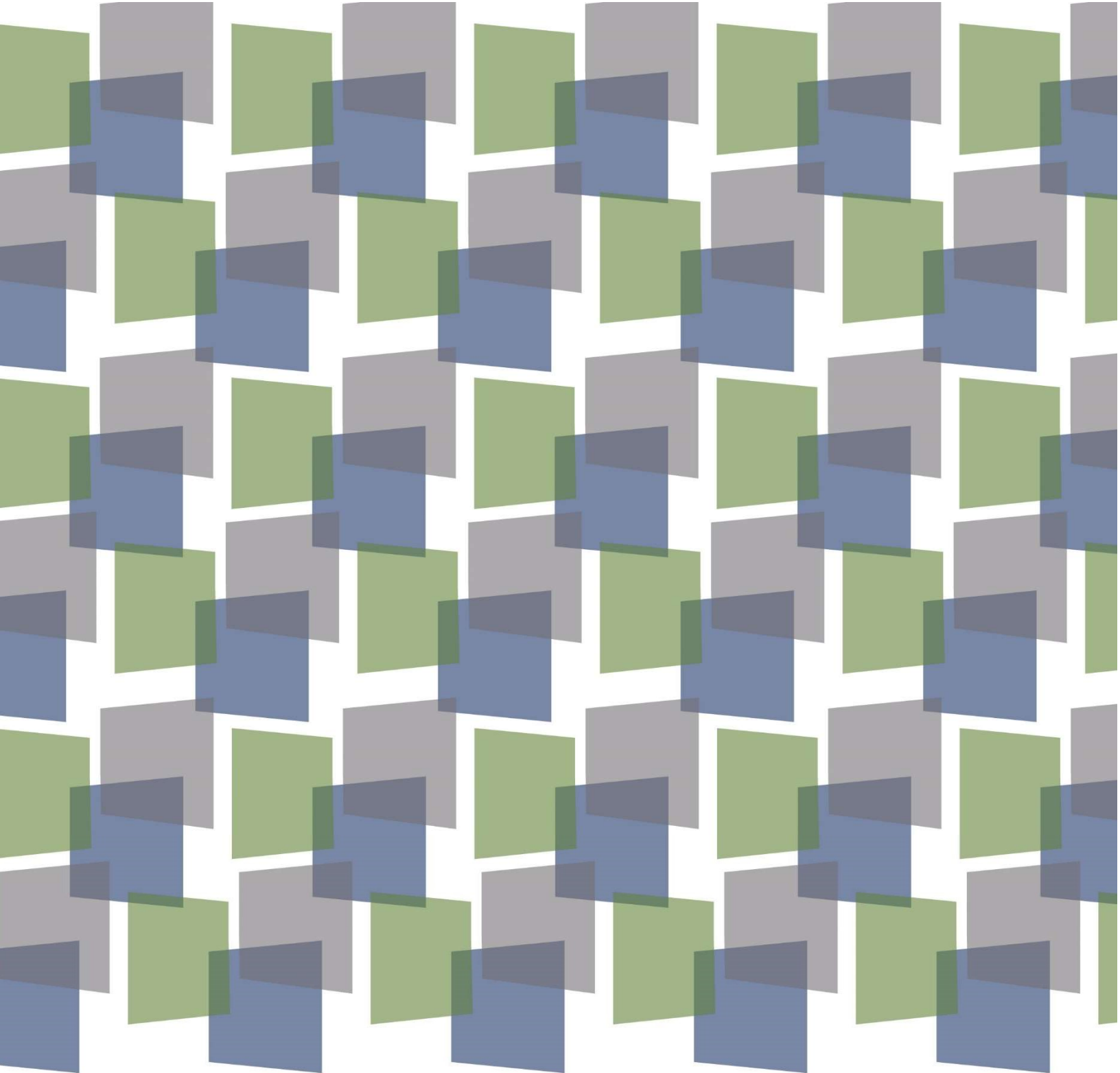
The **Census of Agriculture** provides a detailed picture of US farms and ranches and the people who operate them. It provides uniform, comprehensive agricultural data for every state and county in the US on topics including agricultural land, animal and crop production, employment, worker demographics, farm business operations, and the environment. and employment. It is conducted by the US Department of Agriculture (USDA) every five years, in years ending in 2 and 7. Click to learn more.

TradeStats Express (TSE) National and State Dashboards present data on US exports and imports by trade partner and product for 2009 forward. Data are presented using two classification systems: the Harmonized System (HS) and the North American Industrial Classification System (NAICS). National trade statistics in TSE cover the physical movement of merchandise between the United States and foreign regions. State trade statistics cover the physical movement of merchandise between a given state and foreign regions. Click to learn more.