PRIMARY RETAIL TRADE AREA PSYCHOGRAPHIC PROFILE

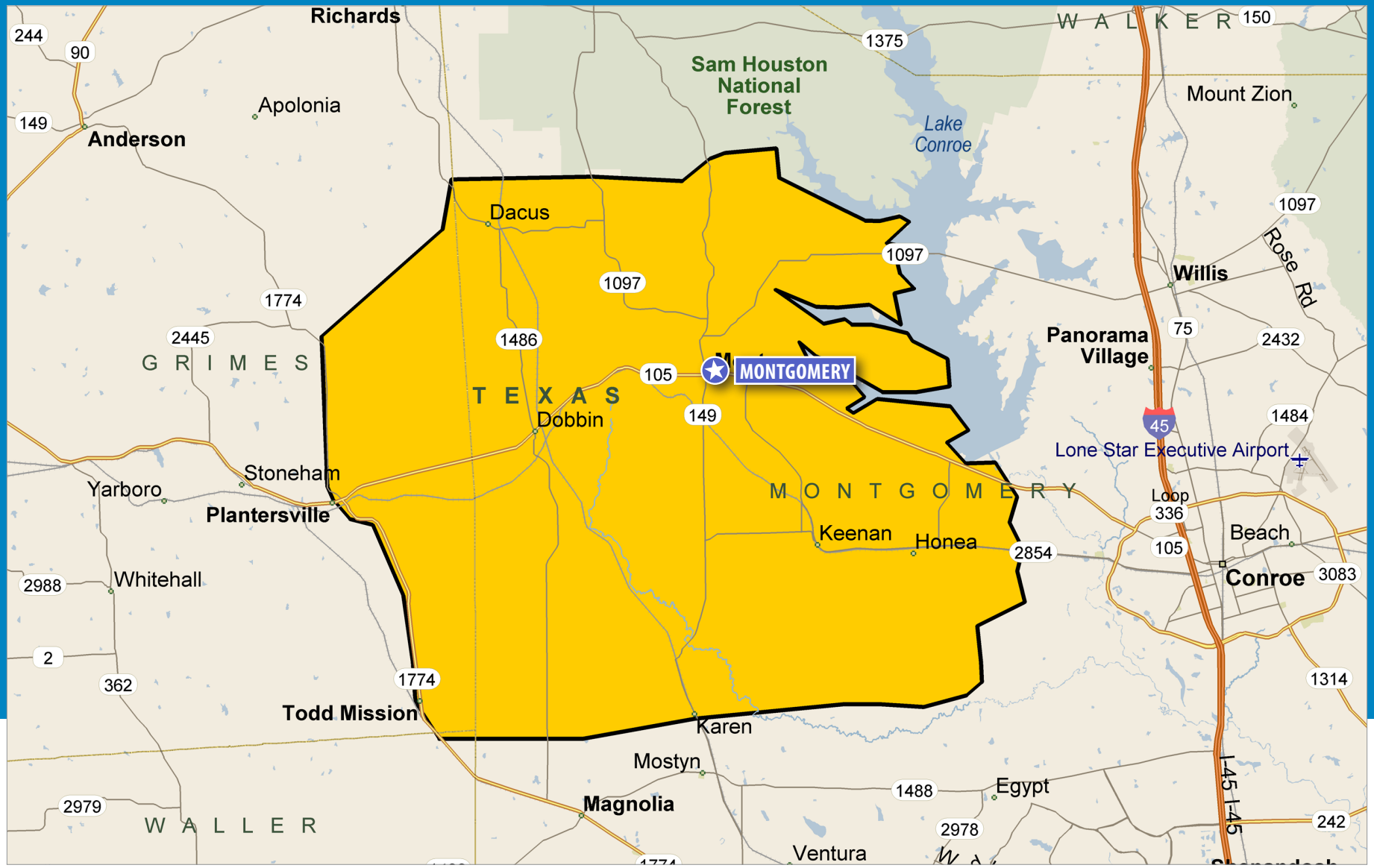
Montgomery, Texas

Prepared for
Montgomery Office of Economic Development
April 2016

MONTGOMERY, TEXAS 175 1837 - 2012

TheRetailCoach®

Primary Retail Trade Area
Montgomery, Texas



Contact Information

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TAPESTRY SEGMENTATION PROFILE

+ WHAT IS TAPESTRY SEGMENTATION?

Tapestry Segmentation is a market segmentation system that classifies US neighborhoods based on their socioeconomic and demographic compositions. Tapestry is a system for classifying consumers and constituents using all the variables that can distinguish consumer behavior, from household characteristics such as income and family type to personal traits like age, education, or employment and even housing choices.

Tapestry Segmentation classifies US neighborhoods into 67 distinct market segments. Neighborhoods with the most similar characteristics are grouped together, while neighborhoods with divergent characteristics are separated. Tapestry Segmentation combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications, or segments, of actual neighborhoods with addresses—distinct behavioral market segments.

+ WHO SHOULD USE TAPESTRY SEGMENTATION?

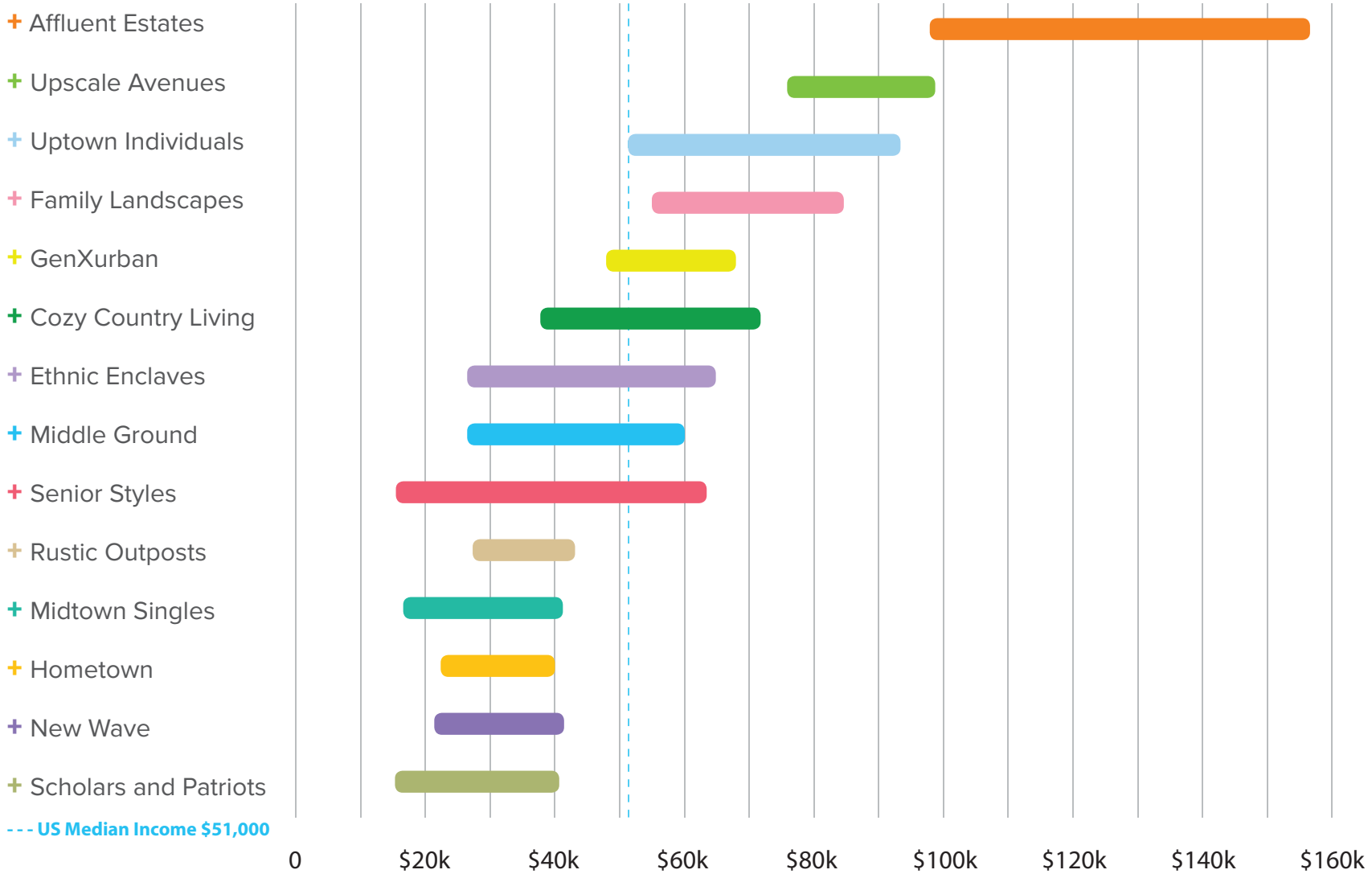
All companies, agencies, and organizations need to understand consumers/constituents in order to supply them with the right products and services and to reach them via their preferred media. These applications require a robust segmentation system that can accurately profile these diverse markets. The versatility and predictive power of Tapestry Segmentation allow users to integrate their own data or national consumer surveys into Tapestry Segmentation to identify their best market segments and reach them through the most effective channels.

+ TAPESTRY SEGMENTATION SUMMARY GROUPS

Esri's Tapestry Segmentation provides a robust, powerful portrait of the 67 US consumer markets. To provide a broader view of these 67 segments, Esri combined them into 14 LifeMode Summary Groups based on lifestyle and lifestage composition.

L1 Affluent Estates
L2 Upscale Avenues
L3 Uptown Individuals
L4 Family Landscapes
L5 GenXurban
L6 Cozy Country Living
L7 Ethnic Enclaves
L8 Middle Ground
L9 Senior Styles
L10 Rustic Outposts
L11 Midtown Singles
L12 Hometown
L13 New Wave
L14 Scholars and Patriots

INCOME RANGE OF LIFEMODE SUMMARY GROUPS



PRIMARY RETAIL TRADE AREA • LIFEMODE SUMMARY GROUPS MAP

Montgomery, Texas

+ L1 AFFLUENT ESTATES
Established wealth — educated, well-traveled married couples

+ L2 UPSCALE AVENUES
Prosperous, married couples in higher density neighborhoods

+ L3 UPTOWN INDIVIDUALS
Younger, urban singles on the move

+ L4 FAMILY LANDSCAPES
Successful younger families in newer housing

+ L5 GENXURBAN
Gen X in middle age; families with fewer kids and a mortgage

+ L6 COZY COUNTRY
Empty nesters in bucolic settings

+ L7 ETHNIC ENCLAVES
Established diversity — young, Hispanic homeowners with families

+ L8 MIDDLE GROUND
Lifestyles of thirtysomethings

+ L9 SENIOR STYLES
Senior lifestyles reveal the effects of saving for retirement

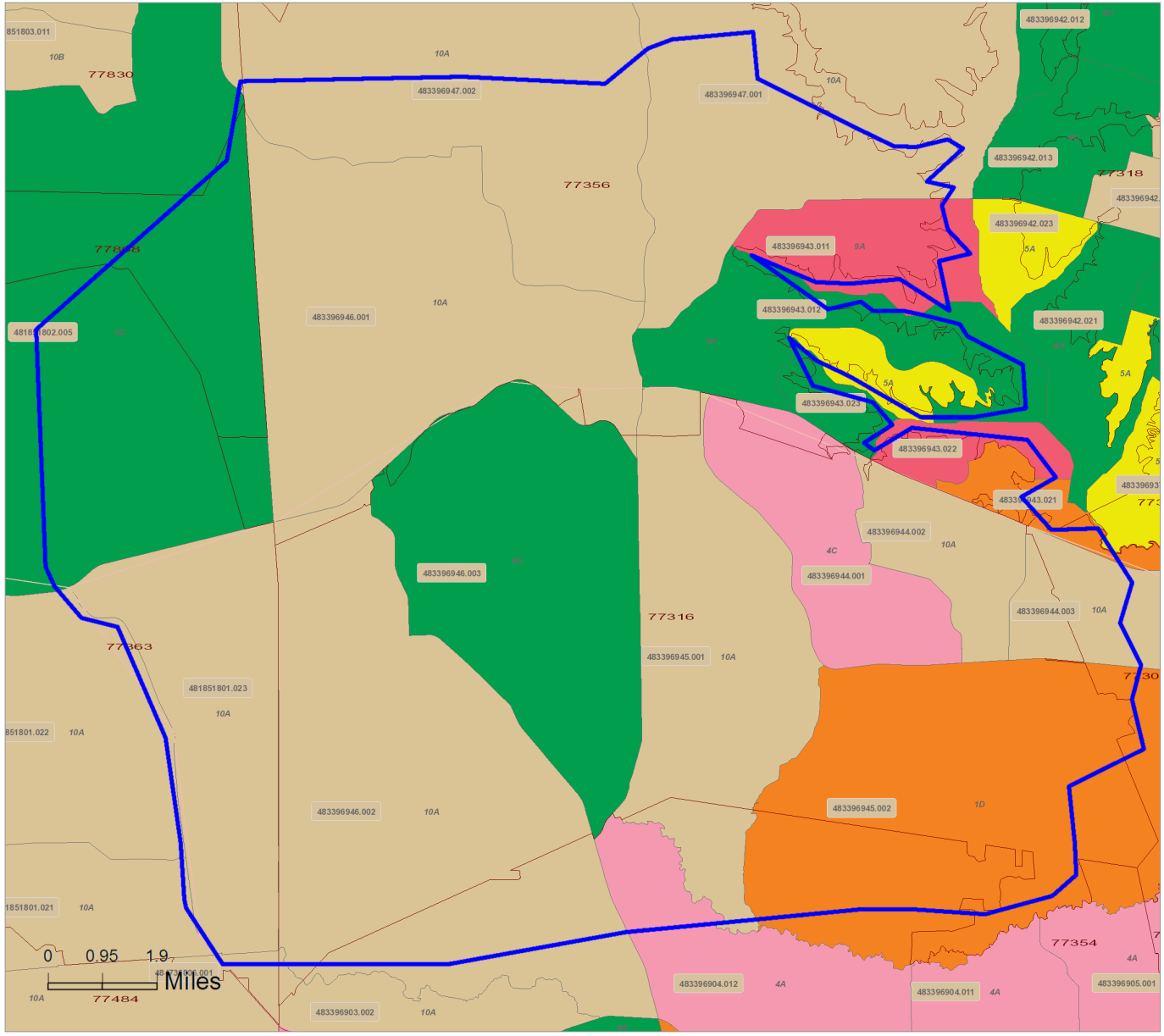
+ L10 RUSTIC OUTPOSTS
Country life with older families, older homes

+ L11 MIDTOWN SINGLES
Millennials on the move; single, diverse, and urban

+ L12 HOMETOWN
Growing up and staying close to home; single householders

+ L13 NEXT WAVE
Urban denizens; young, diverse, hardworking families

+ L14 SCHOLARS AND PATRIOTS
College campuses and military neighborhoods



PRIMARY RETAIL TRADE AREA • TOP TAPESTRY SEGMENTS

Montgomery, Texas

	TAPESTRY SEGMENTATION	HOUSEHOLDS PERCENT	CUMULATIVE PERCENT	US HOUSEHOLDS PERCENT	CUMULATIVE PERCENT	INDEX
1	Southern Satellites (10A)	32.3%	32.3%	3.2%	3.2%	1,022
2	Green Acres (6A)	19.5%	51.8%	3.2%	6.4%	611
3	Savvy Suburbanites (1D)	11.6%	63.4%	3.0%	9.4%	390
4	Comfortable Empty Nesters (5A)	9.4%	72.8%	2.5%	11.9%	378
5	Silver & Gold (9A)	9.0%	81.8%	0.8%	12.7%	1,194
	Subtotal	**81.8%**		**12.7%**		
6	Golden Years (9B)	8.6%	90.4%	1.3%	14.0%	642
7	Exurbanites (1E)	4.4%	94.8%	1.9%	15.9%	225
8	Middleburg (4C)	3.9%	98.7%	2.8%	18.7%	139
9	The Great Outdoors (6C)	1.1%	99.8%	1.6%	20.3%	69
10	Soccer Moms (4A)	0.3%	100.1%	2.8%	23.1%	9
	Subtotal	**18.3%**		**10.4%**		
	Total	**100.0%**		**23.0%**		**434**

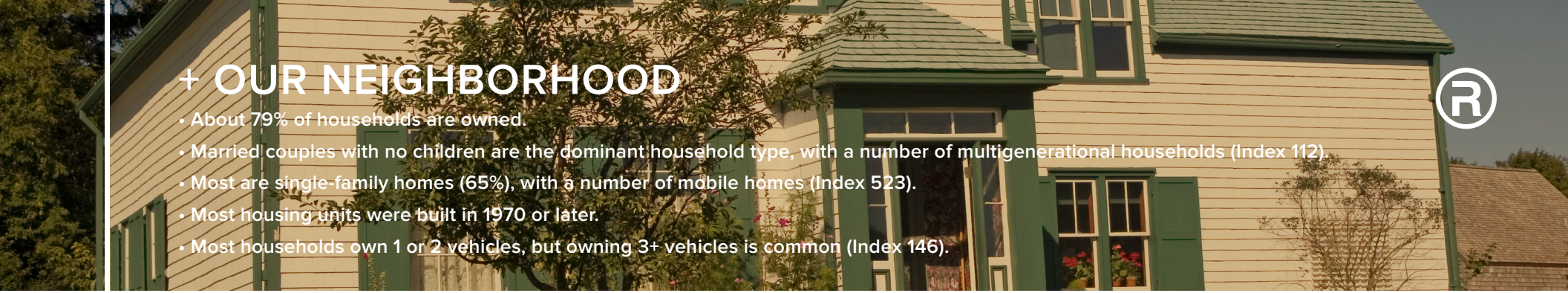
LifeMode Group • Rustic Outposts

10A SOUTHERN SATELLITES

Southern Satellites is the second largest market found in rural settlements but within metropolitan areas located primarily in the South.

This market is typically nondiverse, slightly older, settled married-couple families, who own their homes. Almost two-thirds of the homes are single-family structures; a third are mobile homes. Median household income and home value are below average. Workers are employed in a variety of industries, such as manufacturing, health care, retail trade, and construction, with higher proportions in mining and agriculture than the US. Residents enjoy country living, preferring outdoor activities and DIY home projects.

US Household // 3,775,000
Average Household Size // 2.65
Median Age // 39.7
Median Household Income // $44,000



+ OUR NEIGHBORHOOD

- About 79% of households are owned.
- Married couples with no children are the dominant household type, with a number of multigenerational households (Index 112).
- Most are single-family homes (65%), with a number of mobile homes (Index 523).
- Most housing units were built in 1970 or later.
- Most households own 1 or 2 vehicles, but owning 3+ vehicles is common (Index 146).

+ MARKET PROFILE

(Consumer preferences are estimated from data by GfK MRI)

- Usually own a truck; likely to service it themselves.
- Frequent the convenience store, usually to fill up a vehicle with gas.
- Typical household has a satellite dish.
- Work on home improvement and remodeling projects.
- Own a pet, commonly a dog.
- Participate in fishing and hunting.
- Prefer to listen to country music and watch Country Music Television (CMT).
- Read fishing/hunting and home service magazines.
- Partial to eating at low-cost family restaurants and drive-ins.
- Use Walmart for all their shopping needs (groceries, clothing, pharmacy, etc.).

+ SOCIOECONOMIC TRAITS

- Education: almost 40% have a high school diploma only (Index 137); 41% have college education (Index 72).
- Unemployment rate is 9.2%, slightly higher than the US rate.
- Labor force participation rate is 59.7%, slightly lower than the US.
- These consumers are more concerned about cost rather than quality or brand loyalty.
- They tend to be somewhat late in adapting to technology.
- They obtain a disproportionate amount of their information from TV, compared to other media.

+ HOUSING

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.

Typical Housing:
Single Family;
Mobile Homes
Median Value:
$119,000
US Median: $177,000

AGE BY SEX (Esri data)

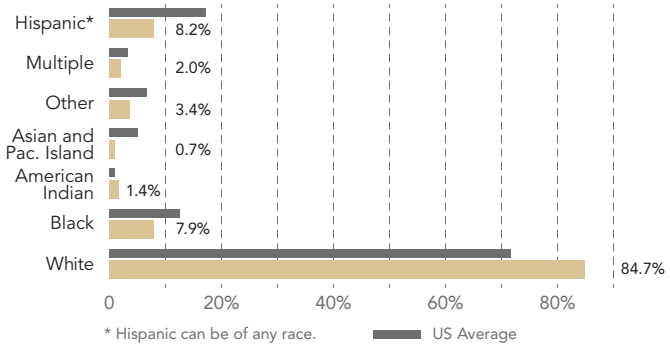
Median Age: 39.7 US: 37.6

Indicates US

RACE AND ETHNICITY (Esri data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 38.6 US: 62.1



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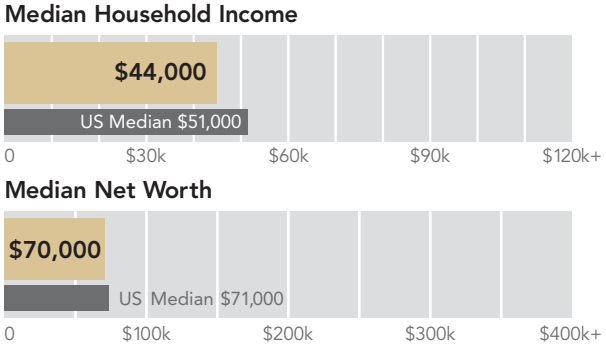
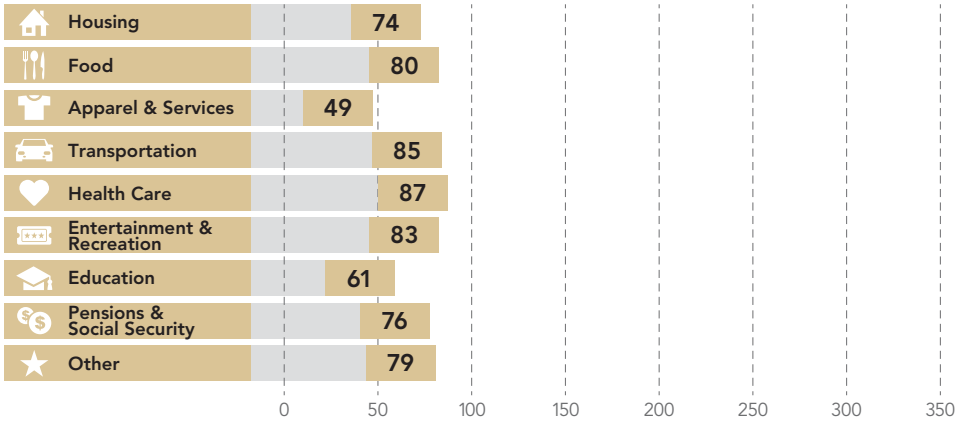


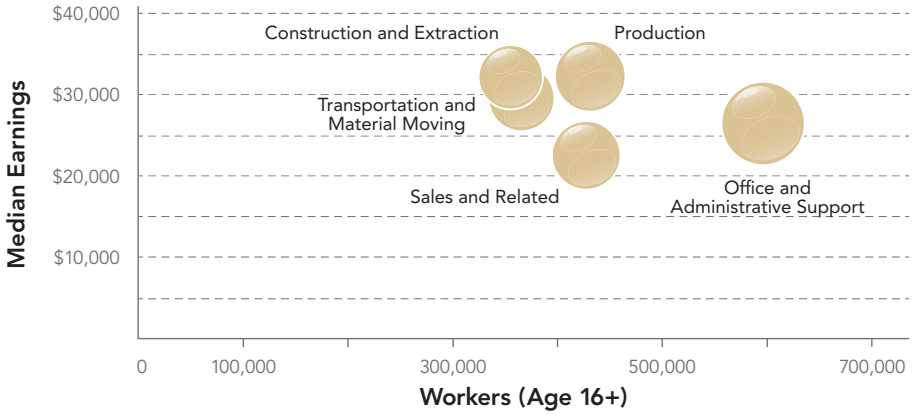
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



LifeMode Group • Cozy Country Living

6A GREEN ACRES

The Green Acres lifestyle features country living and self-reliance.

They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of Green Acres remain pessimistic about the near future yet are heavily invested in it.

US Household // 3,794,000
Average Household Size // 2.69
Median Age // 43.0
Median Household Income // $72,000

6A

+ OUR NEIGHBORHOOD

- Rural enclaves in metropolitan areas, primarily (not exclusively) older homes with acreage; new housing growth in the past 10 years.
- Single-family, owner-occupied housing, with a median value of $197,000.
- An older market, primarily married couples, most with no children.

+ MARKET PROFILE

(Consumer preferences are estimated from data by GfK MRI)

- Purchasing choices reflect Green Acres' residents country life, including a variety of vehicles from trucks and SUVs to ATVs and motorcycles, preferably late model.
- Homeowners favor DIY home improvement projects and gardening.
- Media of choice are provided by satellite service, radio, and television, also with an emphasis on country and home and garden.
- Green Acres residents pursue physical fitness vigorously, from working out on home exercise equipment to playing a variety of sports.
- Residents are active in their communities and a variety of social organizations, from fraternal orders to veterans' clubs.

+ SOCIOECONOMIC TRAITS

- Education: 60% are college educated.
- Unemployment is low at 6% (Index 70); labor force participation rate is high at 67.4% (Index 108).
- Income is derived not only from wages and salaries but also from self-employment (more than 15% of households), investments (30% of households), and increasingly, from retirement.
- They are cautious consumers with a focus on quality and durability.
- Comfortable with technology, more as a tool than a trend: banking or paying bills online is convenient; but the Internet is not viewed as entertainment.
- Economic outlook is professed as pessimistic, but consumers are comfortable with debt, primarily as home and auto loans, and investments.

+ HOUSING

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.

Typical Housing:
Single Family
Median Value:
$197,000
US Median: $177,000

6A GREEN ACRES LifeMode Group • Cozy Country Living

AGE BY SEX (Esri data)

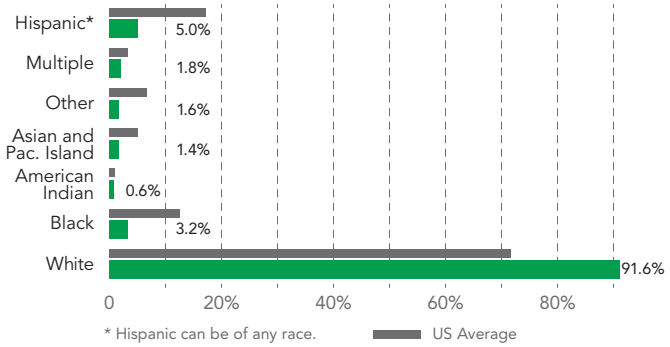
Median Age: 43.0 US: 37.6

Indicates US

RACE AND ETHNICITY (Esri data)

The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 24.0 US: 62.1



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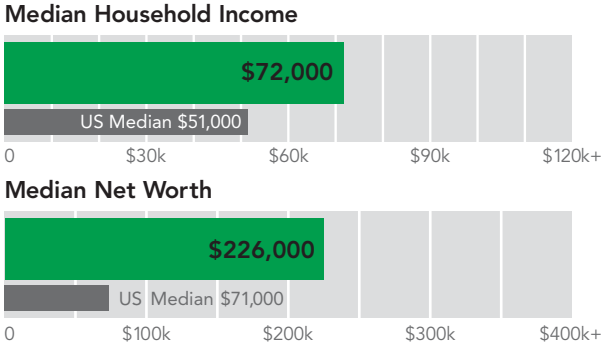

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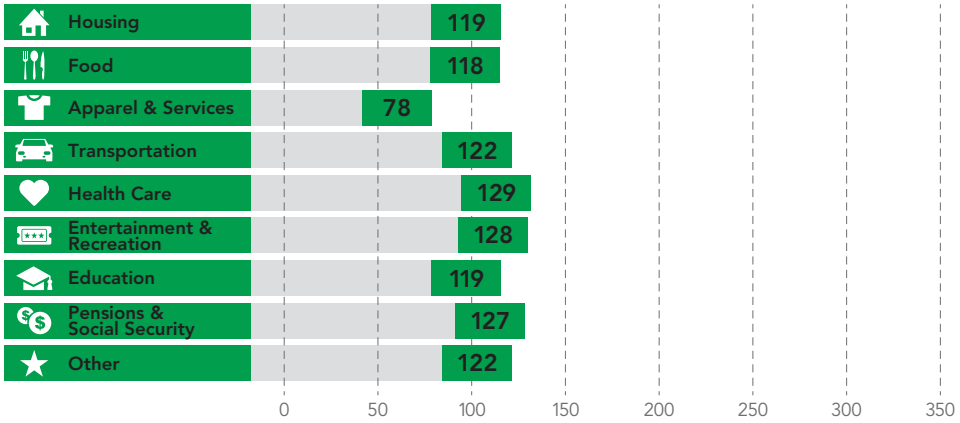
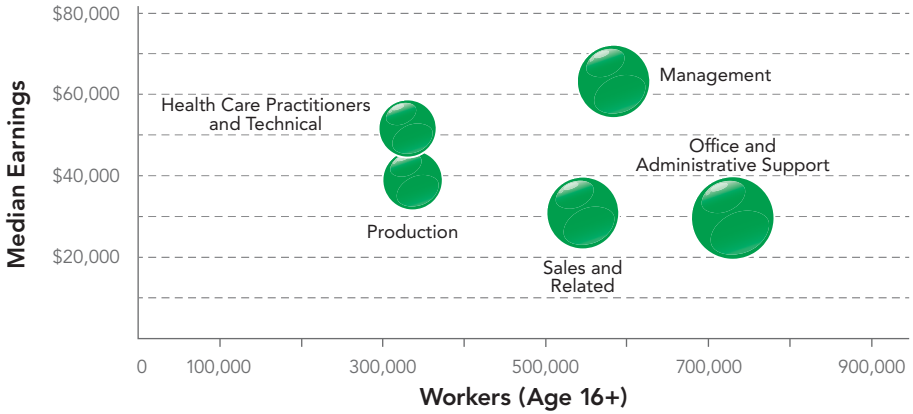


OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



LifeMode Group • Affluent Estates

1D SAVVY SUBURBANITES

Savvy Suburbanites residents are well educated, well read, and well capitalized.

Families include empty nesters and empty nester wannabes, who still have adult children at home. Located in older neighborhoods outside the urban core, their suburban lifestyle includes home remodeling and gardening plus the active pursuit of sports and exercise. They enjoy good food and wine, plus the amenities of the city's cultural events.

US Household // 3,543,000
Average Household Size // 2.83
Median Age // 44.1
Median Household Income // $104,000

+ OUR NEIGHBORHOOD

- Established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets.
- Married couples with no children or older children; average household size is 2.83.
- 91% owner occupied; 71% mortgaged (Index 156).
- Primarily single-family homes, with a median value of $311,000 (Index 175).
- Low vacancy rate at 4.5%.

+ MARKET PROFILE

(Consumer preferences are estimated from data by GfK MRI)

- Residents prefer late model, family-oriented vehicles: SUVs, minivans, and station wagons.
- Gardening and home remodeling are priorities, usually DIY. Riding mowers and power tools are popular, although they also hire contractors for the heavy lifting.
- There is extensive use of housekeeping and personal care services.
- Foodies: They like to cook and prefer natural or organic products.
- These investors are financially active, using a number of resources for informed investing. They are not afraid of debt; many households carry first and second mortgages, plus home equity credit lines.
- Physically fit, residents actively pursue a number of sports, from skiing to golf, and invest heavily in sports gear and exercise equipment.

+ SOCIOECONOMIC TRAITS

- Education: 48.1% college graduates; 76.1% with some college education.
- Low unemployment at 5.8% (Index 67); higher labor force participation rate at 68.5% (Index 109) with proportionately more 2-worker households at 65.4%, (Index 122).
- Well-connected consumers that appreciate technology and make liberal use of it for everything from shopping and banking to staying current and communicating.
- Informed shoppers that do their research prior to purchasing and focus on quality.

+ HOUSING

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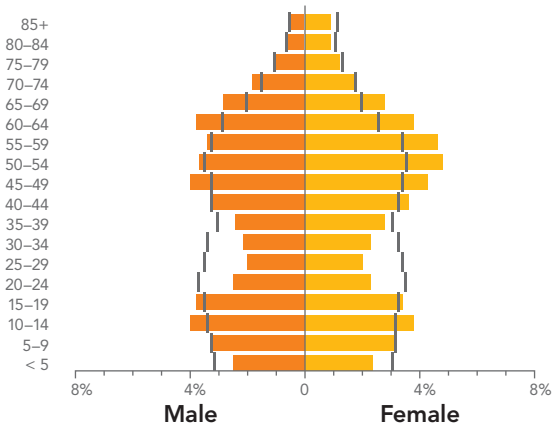
Typical Housing:
Single Family
Median Value:
$311,000
US Median: $177,000

1D SAVVY SUBURBANITES LifeMode Group • Affluent Estates

AGE BY SEX (Esri data)

Median Age: 44.1 US: 37.6

Indicates US



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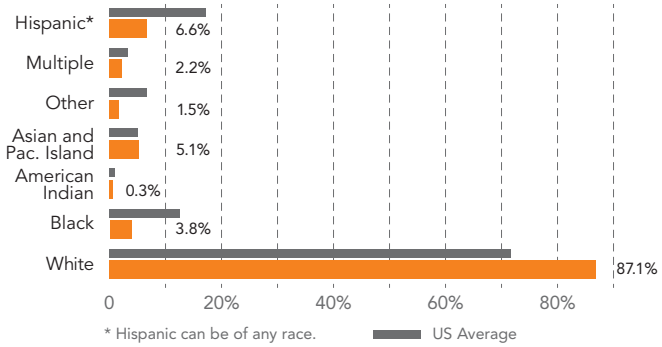
Diversity Index: 33.2 US: 62.1



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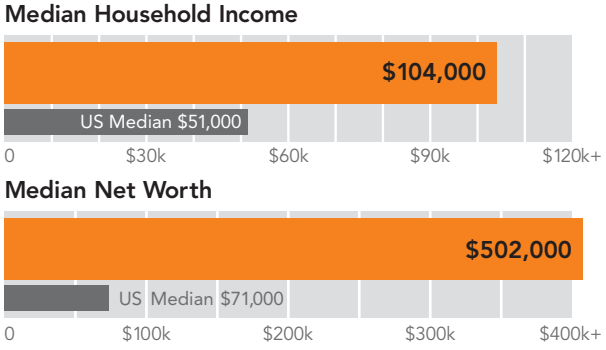

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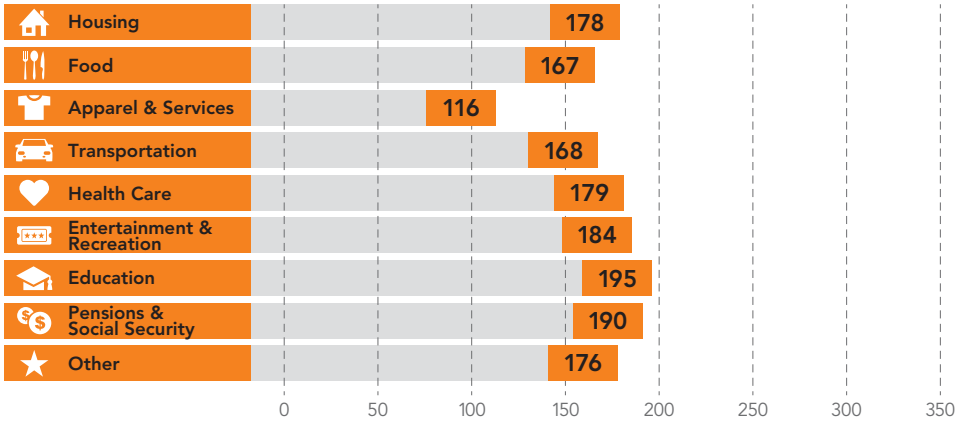

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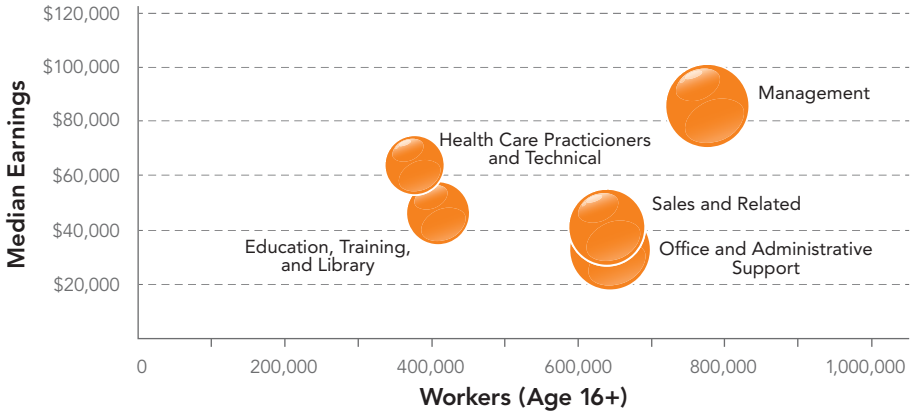


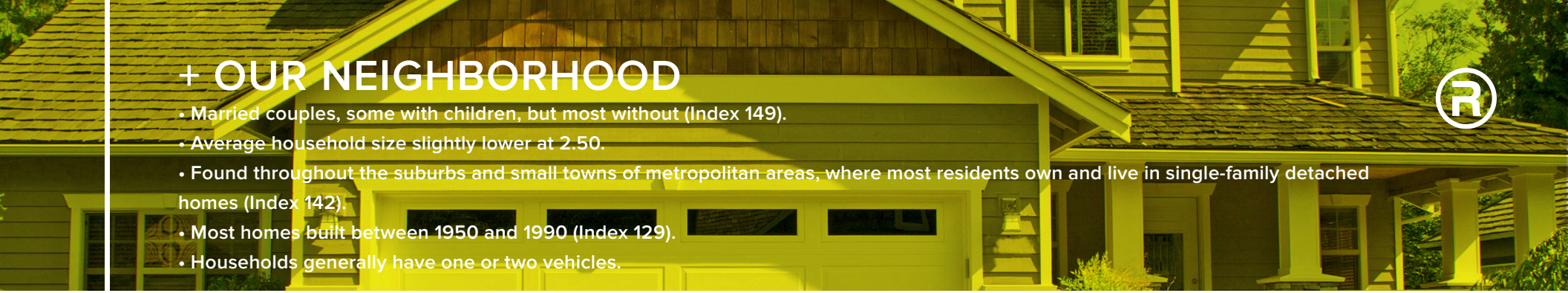
LifeMode Group • GenXurban

5A COMFORTABLE EMPTY NESTERS

Residents in this large, growing segment are older, with more than half of all householders aged 55 or older; many still live in the suburbs where they grew up.

Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefiting from years of prudent investing and saving. Their net worth is well above average (Index 363). Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.

US Household // 2,973,000
Average Household Size // 2.50
Median Age // 46.8
Median Household Income // $68,000



+ OUR NEIGHBORHOOD

- Married couples, some with children, but most without (Index 149).
- Average household size slightly lower at 2.50.
- Found throughout the suburbs and small towns of metropolitan areas, where most residents own and live in single-family detached homes (Index 142).
- Most homes built between 1950 and 1990 (Index 129).
- Households generally have one or two vehicles.

+ MARKET PROFILE

(Consumer preferences are estimated from data by GfK MRI)

- Residents enjoy listening to sports radio or watching sports on television.
- Physically active, they play golf, ski, ride bicycles, and work out regularly.
- Spending a lot of time online isn't a priority, so most own older home computers.
- Financial portfolio includes stocks, certificates of deposit, mutual funds, and real estate.

+ SOCIOECONOMIC TRAITS

- Education: 34% college graduates; nearly 66% with some college education.
- Low unemployment at 7%; average labor force participation at 61%.
- Most households income from wages or salaries, but a third also draw income from investments (Index 154) and retirement (Index 166).
- Comfortable Empty Nesters residents physically and financially active.
- Prefer eating at home instead of dining out.
- Home maintenance a priority among these homeowners.

+ HOUSING

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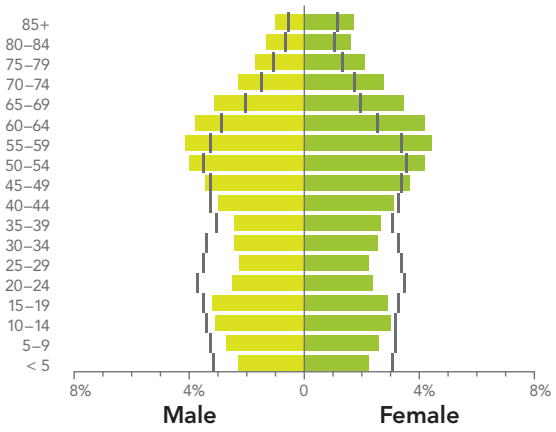
Typical Housing:
Single Family
Median Value:
$187,000
US Median $177,000

COMFORTABLE EMPTY NESTERS LifeMode Group • GenXurban

AGE BY SEX (Esri data)

Median Age: 46.8 US: 37.6

Indicates US



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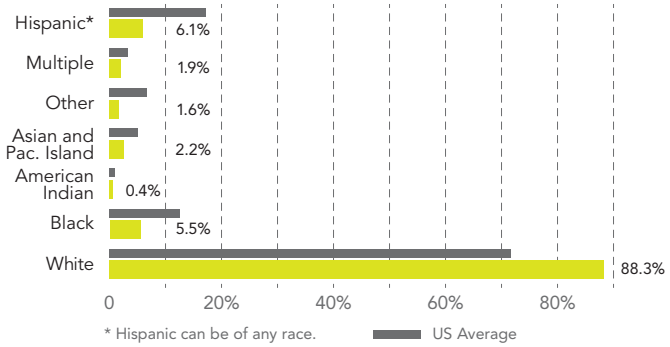

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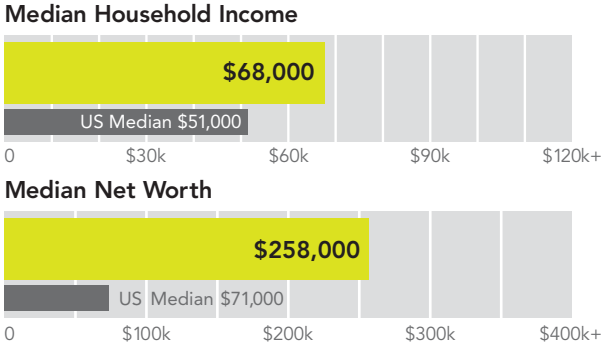

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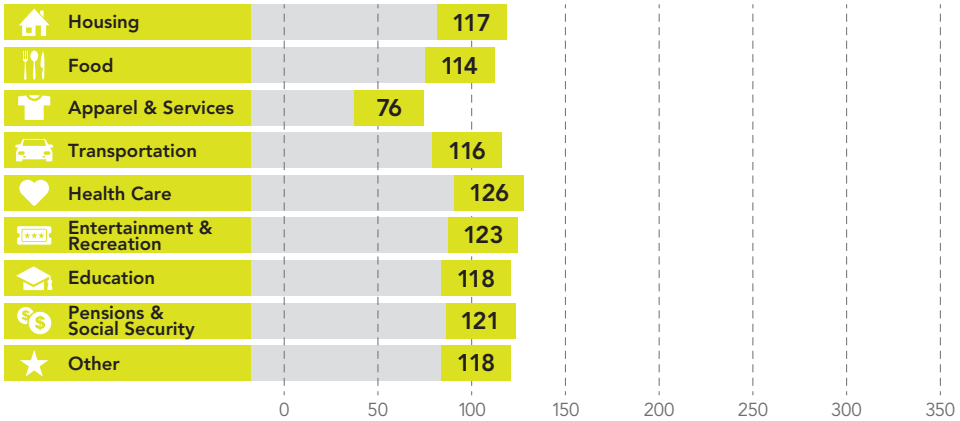

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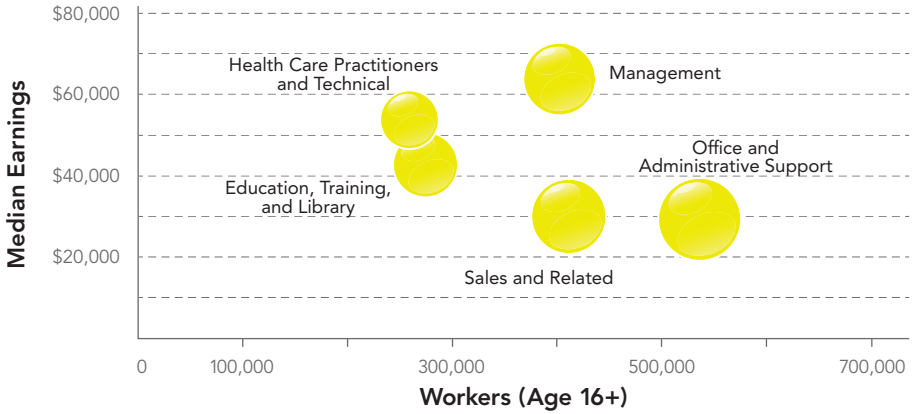


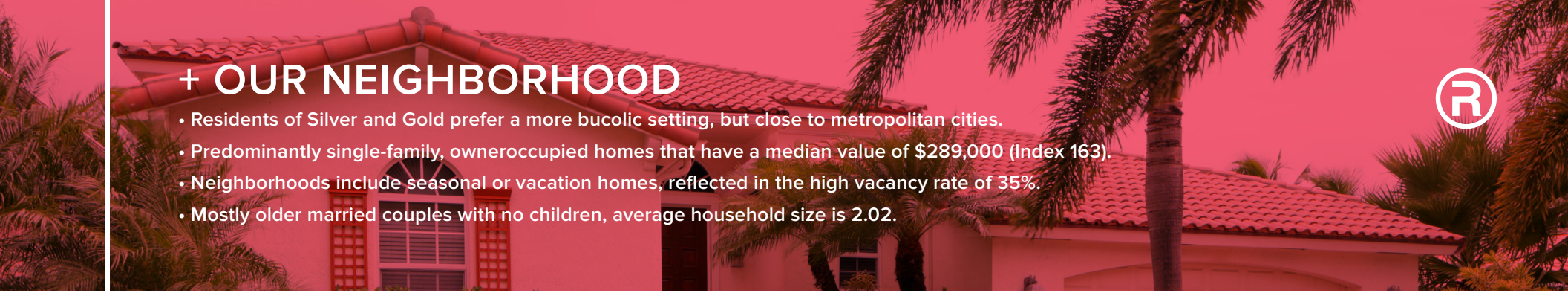
LifeMode Group • Senior Styles

9A SILVER AND GOLD

Almost the oldest senior market (second to The Elders), the difference of 10 years in median age reveals a socioeconomic difference: This is the most affluent senior market and is still growing.

The affluence of Silver and Gold has afforded the opportunity to retire to sunnier climates that feature exclusive communities and vacation homes. These consumers have the free time, stamina, and resources to enjoy the good life.

US Household // 883,000
Average Household Size // 2.02
Median Age // 61.8
Median Household Income // $63,000



+ OUR NEIGHBORHOOD

- Residents of Silver and Gold prefer a more bucolic setting, but close to metropolitan cities.
- Predominantly single-family, owneroccupied homes that have a median value of $289,000 (Index 163).
- Neighborhoods include seasonal or vacation homes, reflected in the high vacancy rate of 35%.
- Mostly older married couples with no children, average household size is 2.02.

+ MARKET PROFILE

(Consumer preferences are estimated from data by GfK MRI)

- Partial to luxury cars or SUVs; highest demand market for convertibles.
- Active seniors that maintain a regular exercise regimen and pay attention to healthier eating habits.
- Pursue the luxuries that well-funded retirement affords: an active social life, travel, hobbies, and sports (especially golf and boating) and liberal use of home maintenance services to minimize chores.
- Avid readers of newspapers, magazines (sports and travel), and books (audio, e-readers, or tablets).
- Generous supporters of charitable organizations.

+ SOCIOECONOMIC TRAITS

- Well-educated seniors, 44% have college degree(s).
- Primarily retired, but many still active in the labor force, participation rate of 41%.
- Low unemployment at 7.2% (Index 83); with self-employment highest among Tapestry markets (Index 222).
- More than half of the households with income from wages/salaries, Social Security, or investments, many drawing retirement income (Index 219).
- Connected, but primarily to get news and track investments, more likely to own an e-reader or tablet than a smartphone.

+ HOUSING

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.

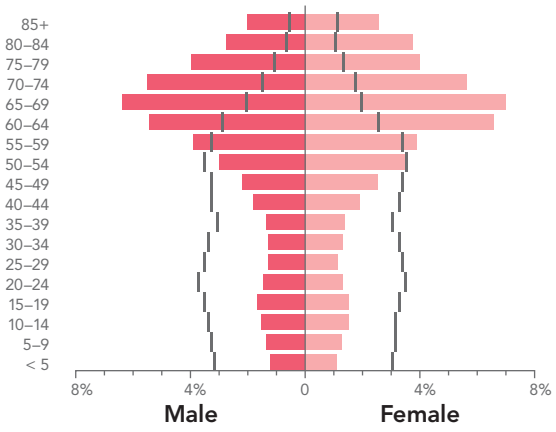
Typical Housing:
Single Family
Median Value:
$289,000
US Median: $177,000

SILVER AND GOLD LifeMode Group • Senior Styles

AGE BY SEX (Esri data)

Median Age: 61.8 US: 37.6

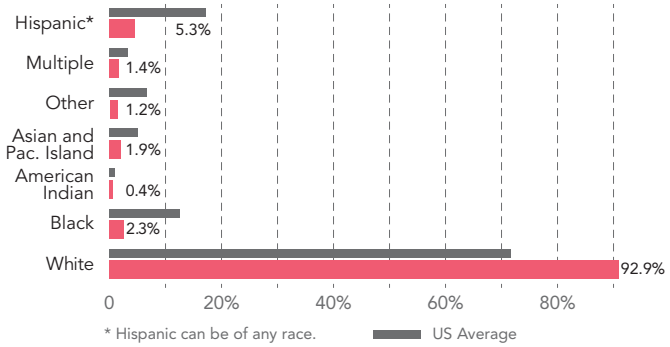
Indicates US



RACE AND ETHNICITY (Esri data)

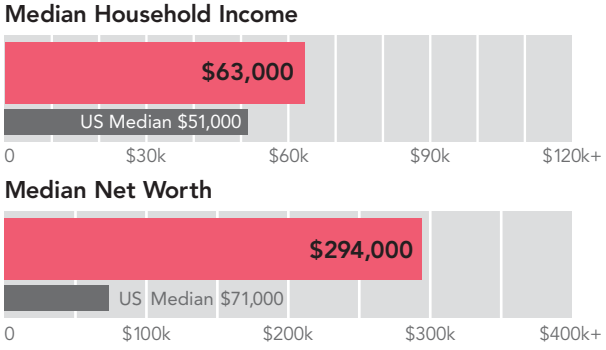
The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 22.4 US: 62.1



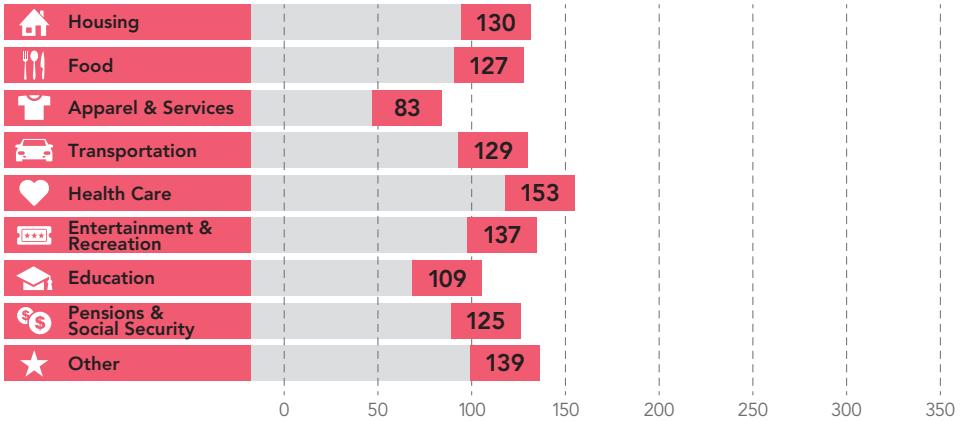
INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.



AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



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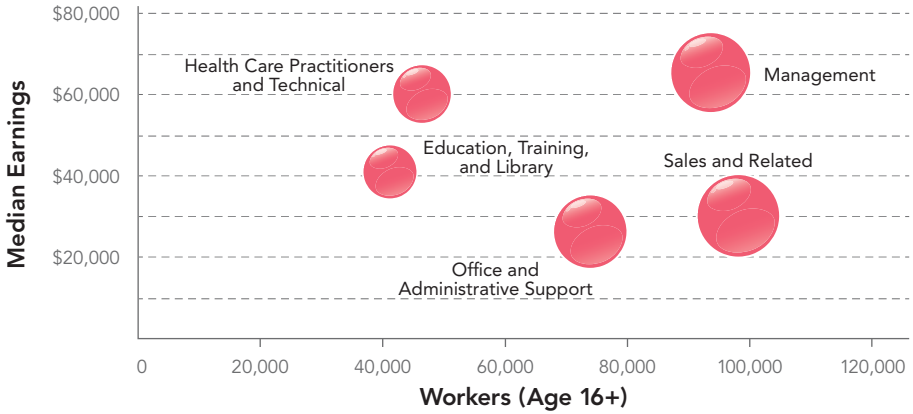

C. Kelly Cofer
President & CEO
The Retail Coach, LLC

About The Retail Coach

The Retail Coach, LLC, is a national retail analytics and locational intelligence firm that specializes in all aspects of retail market analyses and recruitment, from "macro to micro" trade area assessment to actively recruiting retailers on behalf of our clients.

Through its unique Retail:360 process, The Retail Coach offers a dynamic system of products and services that better enable communities to maximize their retail development potential.

Retail:360 Process

Providing more than simple data reports of psychographic and demographic trends, The Retail Coach goes well beyond other retail consulting and market research firms' offerings by combining current national and statewide demographics and trend data with real-world, "on-the-ground" data gathered through extensive visits within our clients' communities.

Every community is different, and there is no "one size fits all" retail recruitment solution. Compiling the gathered data into client-tailored information packets that are uniquely designed for, and targeted to, specific retailers and restaurants who meet the community's needs helps assure our clients that they are receiving the latest and best information for their retail recruitment efforts — all with personal service and coaching guidance that continues beyond the initial project scope and timeline.

Our Retail:360 process assures that communities get timely, accurate and relevant information. Translating that data into the information that retailers need and seek assures our clients even better possibilities for tremendous retail growth and success.

The Retail Coach -
It's not about data. It's about your success.

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Acknowledgements

The observations, conclusions and recommendations contained in this study are solely those of The Retail Coach, LLC and should not be construed to represent the opinions of others, including its clients, or any other entity prior to such entity's express approval of this study.

Sources used in completing this study include: infoUSA™, Applied Geographic Solutions, Nielsen 2015/2016, ESRI 2015, U.S. Census Bureau, Economy.com, Spatial Insights Inc., Urban Land Institute, CensusViewer.com, International Council of Shopping Centers, and/or U.S. Bureau of Labor and Statistics.

To better represent current data, where applicable, portions of estimated actual sales may be calculated using an average sales per square foot model.

Mapping data is provided by MapInfo, Nielsen, ESRI and/or Microsoft Corporation.

All information furnished is from sources deemed reliable and is submitted subject to errors, omissions, change of terms and/or conditions.