



Butner Gateway Small Area Plan Market Analysis

Butner, NC

Town of Butner
415 Central Avenue
Butner, NC 27509

APRIL 2015 | VERSION 2

Kimley»»Horn

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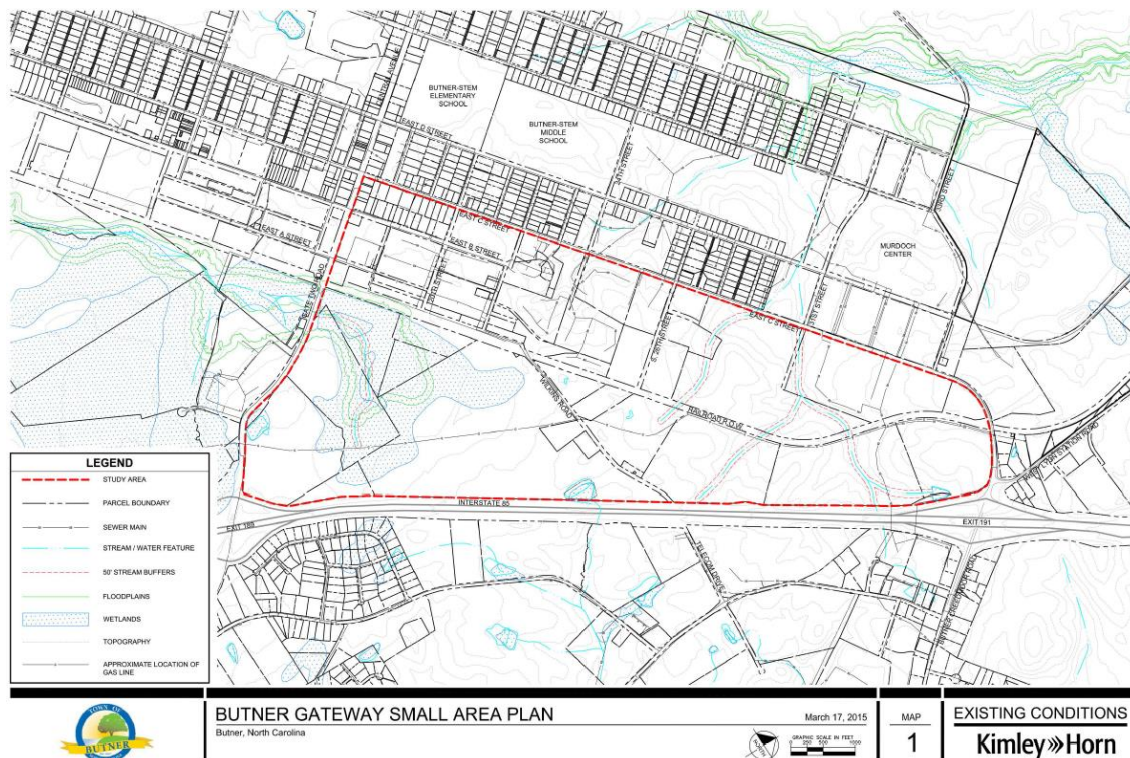
1. INTRODUCTION

Kimley-Horn was retained by the Town of Butner to conduct a market analysis for the Gateway Small Area Plan. This analysis documents existing conditions from a demographic and real estate market perspective, providing baseline market statistics to inform potential development opportunities. Development demand forecasts, by type, have been prepared through 2035.

The Town of Butner is located immediately west of I-85 in Granville County. Although Granville County is technically located outside the Census-defined Raleigh-Durham-Chapel Hill combined statistical area (CSA), regional access is provided by I-85, which runs south into downtown Durham. Major employers in downtown Durham can be reached from Butner in approximately 15 minutes; Research Triangle Park (RTP) and downtown Raleigh are further at approximately 45 minutes.

Construction recently began on the East End Connector, a project that will increase the level of connectivity between I-85 and I-40. The four-mile, \$142 million project is expected to be completed in 2017, connecting the Durham Freeway with the US-70/NC-98 intersection. Ultimately, the East End Connector will increase access between the Town of Butner, on I-85, to jobs in RTP and Wake County.

The study area identified for this analysis encompasses approximately 800 acres, bounded by NC-56 on the north, I-85 to the east, East C Street to the west, and Gate Two Road/Central Avenue to the south. The area is divided up into 80 parcels of various sizes. Existing land uses include small business, residential, and light industrial. Much of the land remains undeveloped, currently landlocked with no access to existing thoroughfares. An active railway runs from the northeast to the southwest, dividing the study area in half.



2. DEMOGRAPHIC OVERVIEW

Population and household trends were analyzed for the Town of Butner, Granville County, and the larger seven-county Triangle region. As defined in this analysis, the Triangle region includes Durham, Franklin, Granville, Orange, Person, Vance, and Wake counties. This geography is different than the larger Raleigh-Durham-Chapel Hill Combined Statistical Area, which excludes Granville County and other counties to the north. Trends in this section include total population and household growth, age, income, and education.

2.1 POPULATION TRENDS

The Town of Butner contained an estimated 7,676 residents in 2014, representing a 14.4% increase from 2000 (*Table 1*). Over the 14-year period, the Town of Butner comprised only 0.2% of the total regional growth, while Granville County accounted for 2.1%. The 1.0% compound annual growth rate (CAGR) demonstrated by the Town of Butner was lower than 1.3% for Granville County and 2.5% for the larger Triangle region.

Table 1: Comparison of Population Trends, 2000-2014

Geography	2000	2010	2014	2000-2014 Δ		
				#	%	CAGR
Town of Butner	6,712	7,591	7,676	964	14.4%	1.0%
Granville County	48,498	59,916	58,284	9,786	20.2%	1.3%
Triangle Region	1,143,699	1,507,802	1,608,790	465,091	40.7%	2.5%
Town % Region	0.6%	0.5%	0.5%	0.2%		

Note: The Triangle Region includes Durham, Franklin, Granville, Orange, Person, Vance, and Wake counties. It is not congruent with the Raleigh or Durham MSA boundaries.

Source: ESRI; US Census; Kimley-Horn

2.1.1 AGE

As demonstrated in *Table 2*, the average age in the Town of Butner in 2014 was 38.8 years, lower than Granville County's 40.7 years, but higher than the Triangle region. The lower average age for the Triangle region is driven down by students attending local colleges and universities, as well as young professionals attracted to living near the urban core.

Table 2: Comparison of Average Age, 2000-2014

Geography	Average Age		
	2000	2010	2014
Butner	32.8	36.7	38.8
Granville County	36.2	39.8	40.7
Triangle Region	33.0	34.8	35.5

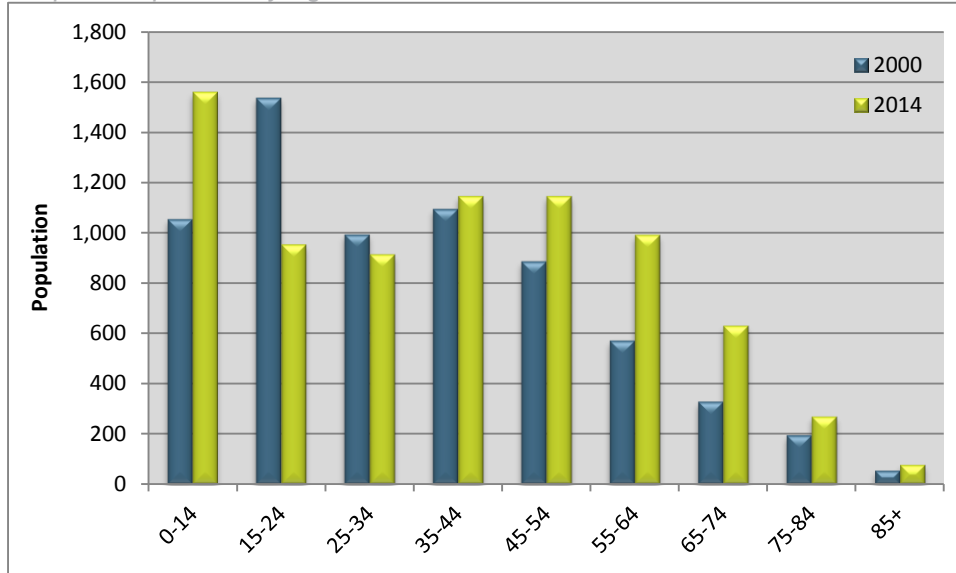
Source: ESRI; US Census; Kimley-Horn

It should be noted that between 2000 and 2014, the average age in the Town of Butner increased from 32.8 years to 38.8 years. The six-year increase in average age for the Town of Butner is more than the 4.5 average increase in Granville County and 2.5 year increase for the larger region. Overall, the Town of Butner is aging faster than the surrounding area.

Graph 1 demonstrates population change in the Town of Butner between 2000 and 2014 by age cohort. In 2014, residents aged less than 14 made up the largest cohort, followed by those between 35 and 44

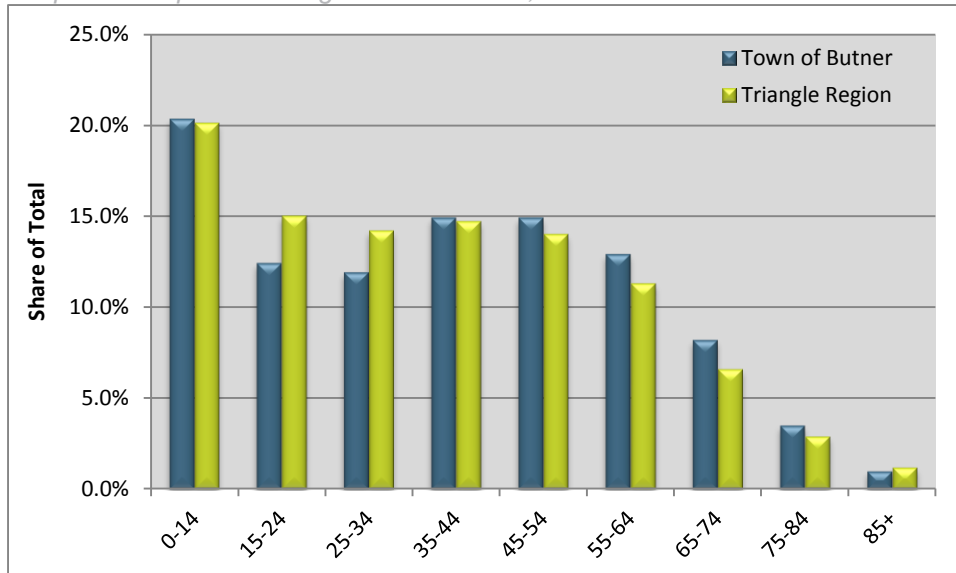
and 45 and 54. These age groupings typically represent families with school aged children, fueled by school selection, lower taxes, and reasonable housing prices. Of particular note is the sharp reduction in population aged 15 to 24, otherwise known as the Millennials. Nationally, the Millennial cohort, roughly aged 15 to 30, overtook the Baby Boomers as the largest generation. Many of these residents may be leaving the Town of Butner to pursue higher education. Strong increases in Butner between 2000 and 2014 were noted in age cohorts over age 45, demonstrating residents that are choosing to age in place.

Graph 1: Population by Age Cohort, Town of Butner, 2000-2014



In comparison to the larger Triangle region, the Town of Butner had notably lower shares of the 15-34 age groupings in 2014, representing the Millennials (*Graph 2*). College students, recent graduates, and young professionals still migrate to the urban core cities of Raleigh and Durham, the region’s primary job center. The Town of Butner has higher shares of older cohorts than the larger region.

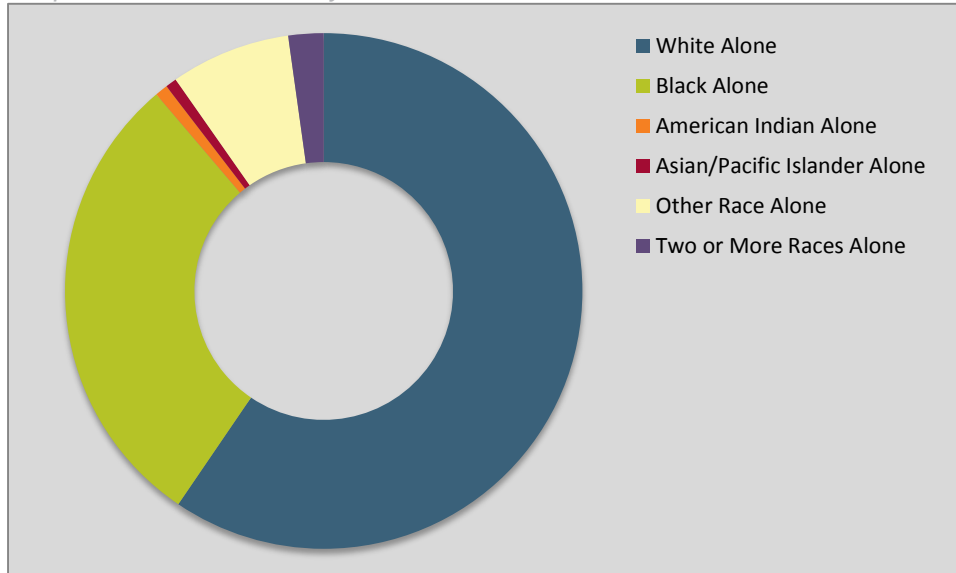
Graph 2: Comparison of Age Cohort Shares, 2014



2.1.2 RACE AND ETHNICITY

Population that identifies themselves as white make up the largest share of residents in the Town of Butner at 59.5% (*Graph 3*). Black residents make up another 29.3% of the Town’s population. These ethnic groups have remained largely unchanged over the last five years, demonstrating limited shifts in the racial composition of the Town.

Graph 3: Race and Ethnicity, Town of Butner, 2014

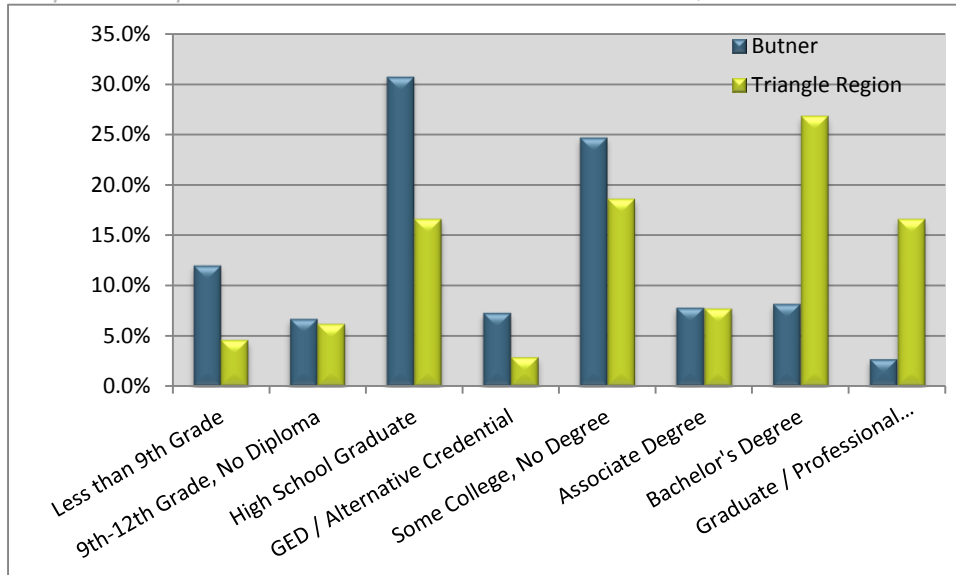


It should be noted that residents that identify themselves as Hispanic are blended into the shares identified above. The share of residents with Hispanic origin increased from 14.7% in 2010 to 15.9% in 2015, a 1.2% increase in five years. In comparison, the residents that identified themselves as having Hispanic origin in Granville County increased from 7.5% to 7.8% over the same five year period.

2.1.3 EDUCATIONAL ATTAINMENT

As demonstrated in *Graph 4*, over 30% of the Town of Butner population has received their high school diploma, making up the highest share of educational attainment. An additional 24.7% of the population has attended some college, with no degree. The share of the population with a Bachelor’s Degree or higher (combined Bachelor’s Degree and Graduate/Professional Degree) is 10.9%. In comparison, the larger Triangle market has a notably higher 43.4% of its residents with at least a Bachelor’s Degree. This is likely driven by the presence of a number of large higher-educational facilities in Durham and Wake counties.

Graph 4: Comparison of Shares of Educational Attainment, 2014



2.2 HOUSEHOLD TRENDS

There were an estimated 2,790 households in the Town of Butner in 2014, an increase of 14.9% since 2000 (Table 3). Granville County and the Triangle region experienced faster growth rates of 28.6% and 40.8%, respectively. Similar to population, the Town of Butner’s 362 new households accounted for 0.2% of the 14-year growth in the region.

Table 3: Comparison of Household Trends, 2000-2014

Geography	2000	2010	2014	2000-2014 Δ		
				#	%	CAGR
Town of Butner	2,428	2,767	2,790	362	14.9%	1.0%
Granville County	16,654	20,628	21,413	4,759	28.6%	1.8%
Triangle Region	441,690	583,322	621,818	180,128	40.8%	2.5%
Town % Region	0.5%	0.5%	0.4%	0.2%		

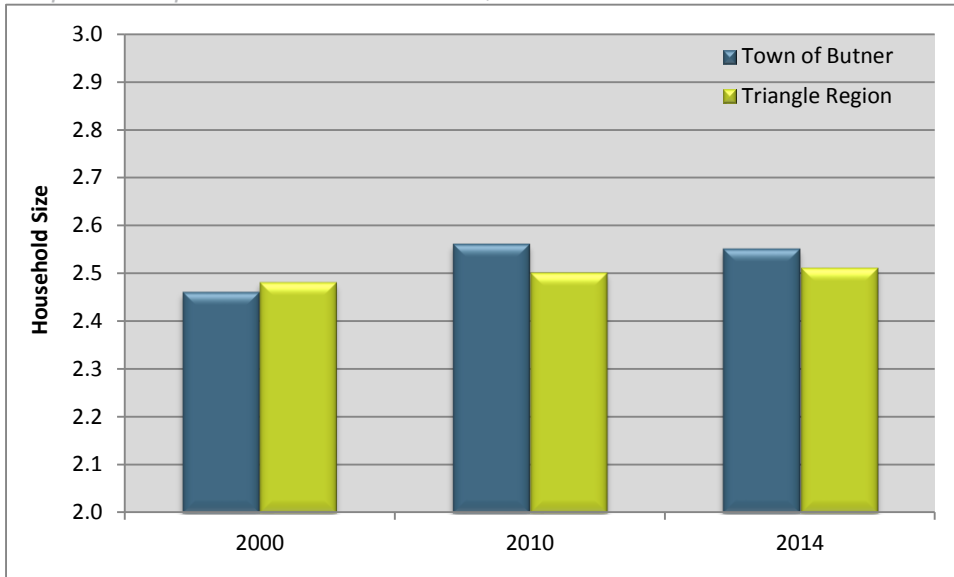
Note: The Triangle Region includes Durham, Franklin, Granville, Orange, Person, Vance, and Wake counties. It is not congruent with the Raleigh or Durham MSA boundaries.

Source: ESRI; US Census; Kimley-Horn

2.2.1 HOUSEHOLD SIZE

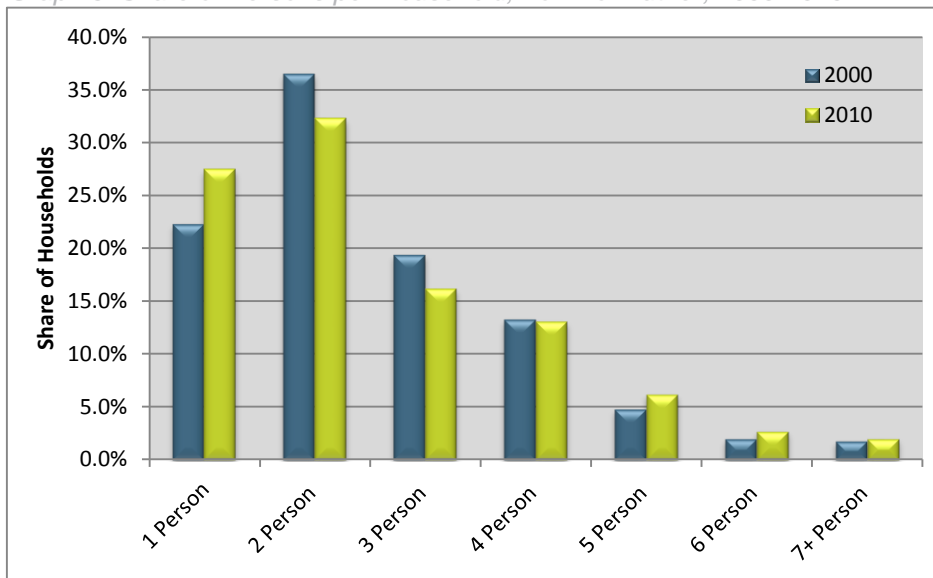
The average household size in the Town of Butner in 2014 was estimated at 2.55 persons, comparable to 2.56 for Granville County, but higher than 2.51 for the larger region (Graph 5). Between 2000 and 2014, the average household size in the Town of Butner increased from 2.46 to 2.55. It should be noted that while the 14-year period demonstrated an overall increase, household size actually decreased slightly in the last five. This is related to the aging in place of the Baby Boomers. Based on recent trends, it is likely that the household size in the Town would continue a downward trajectory in the future.

Graph 5: Comparison of Household Size, 2000-2014



Graph 6 demonstrates the change in shares of persons per household between 2000 and 2010 in the Town of Butner. Single-person households have increased while two- and three-person households have declined. The rise in 5- or greater person households could be partially attributable to the increase in Hispanic origin population, which typically have larger than average household sizes.

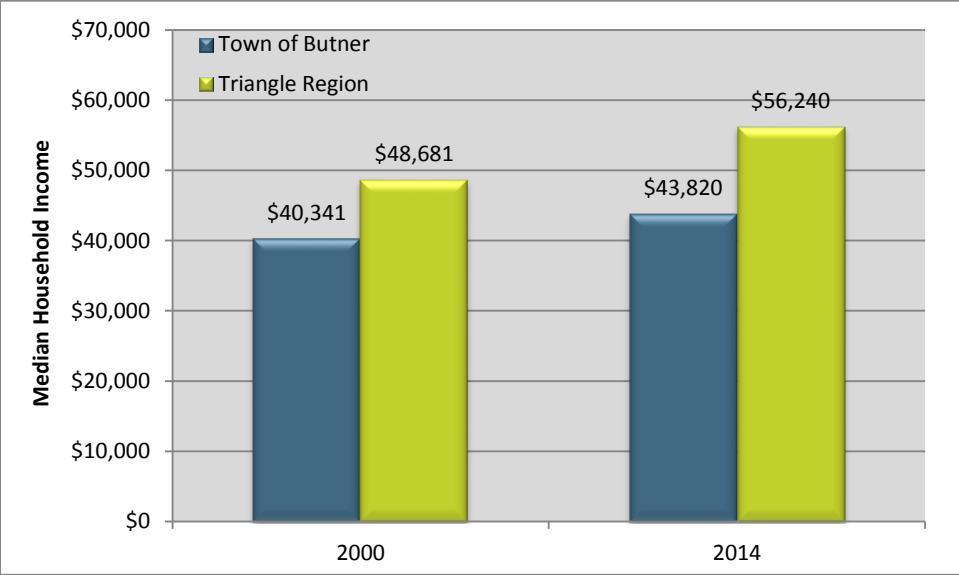
Graph 6: Share of Persons per Household, Town of Butner, 2000-2010



2.2.2 HOUSEHOLD INCOME

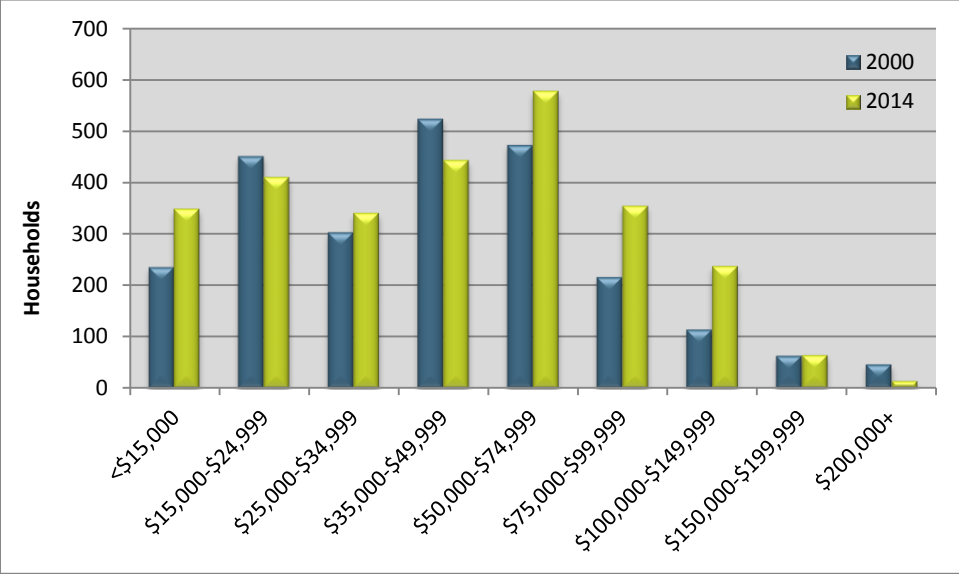
The median household income in the Town of Butner was estimated at \$43,820 in 2014, lower than \$56,240 for the larger Triangle region (Graph 7). Median household income in Butner increased by 8.6% between 2000 and 2014, growing from \$40,341. The larger region experienced a 15.5% increase in the same time period.

Graph 7: Comparison of Median Household Income, 2000-2014



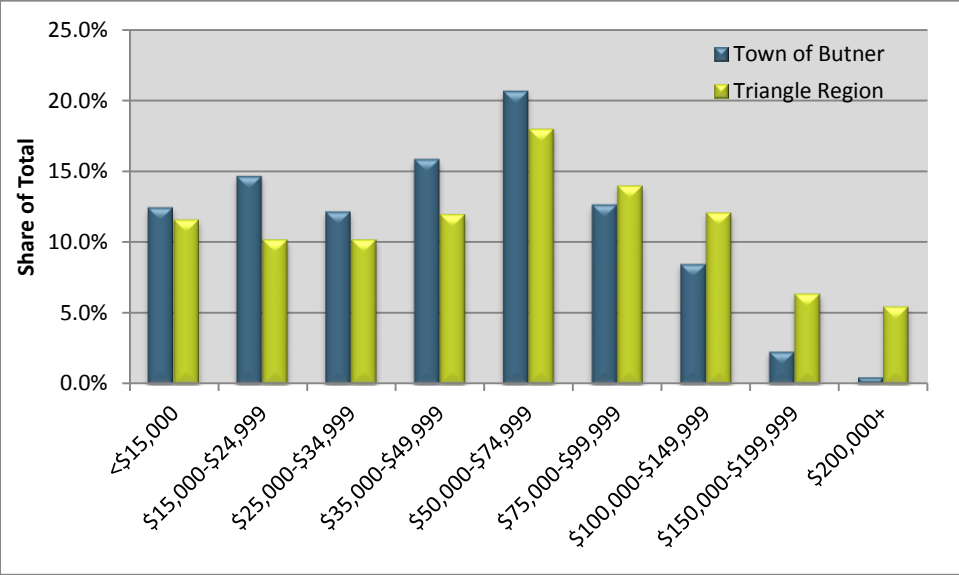
In 2014, households in the Town of Butner earning between \$50,000 and \$74,999 annually made up the largest cohort, followed by those earning between \$35,000 and \$49,999 (Graph 8). Strong increases were noted in households earning between \$50,000 and \$149,999, as well as those earning less than \$15,000.

Graph 8: Households by Income Cohort, Town of Butner, 2000-2014



In order to provide context to the Town of Butner trends, the 2014 share of households by income cohort has been compared to the larger Triangle region. As shown in Graph 9, the Town generally reported higher shares of lower income cohorts in 2014. The region has a higher concentration of higher-income households, especially those earning more than \$150,000 annually.

Graph 9: Comparison of Households by Income Cohort, 2014



3. HOUSING OVERVIEW

This section analyzes housing trends by type and tenure for the Town of Butner, Granville County, and the Triangle region. Limited for-sale residential data was available, therefore, this analysis relies on US Census American Community Survey information to track the average age and value of owner-occupied housing. Similarly, rental residential data is provided for the larger Triangle market, including Durham, Orange, and Wake counties to provide insight into larger regional trends.

3.1 HOUSING UNIT TRENDS

Housing in the Town of Butner increased by 547 units between 2000 and 2014, or 21.6% (Table 4). All of Granville County grew by 32.7%, and housing stock in the larger Triangle region increased by 42.0% during the same time period. Overall, the Town of Butner’s 14-year increase made up 0.3% of the regional growth.

Table 4: Comparison of Housing Unit Trends, 2000-2014

Geography	2000	2010	2014	2000-2014 Δ		
				#	%	CAGR
Town of Butner	2,535	2,999	3,082	547	21.6%	0.0%
Granville County	17,896	22,827	23,751	5,855	32.7%	0.1%
Triangle Region	475,645	635,329	675,603	199,958	42.0%	0.1%
Town % Region	0.5%	0.5%	0.5%	0.3%		

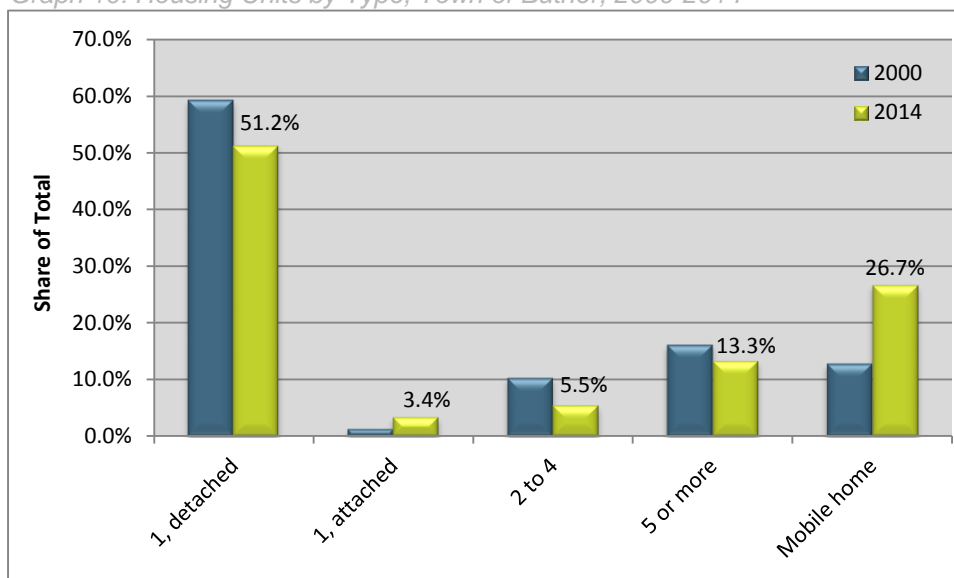
Note: The Triangle Region includes Durham, Franklin, Granville, Orange, Person, Vance, and Wake counties. It is not congruent with the Raleigh or Durham MSA boundaries.

Source: ESRI; US Census; Kimley-Horn

3.1.1 HOUSING UNITS BY TYPE

Based on data provided by ESRI, over 50% of the total housing inventory in the Town of Butner in 2014 was comprised of single-family detached units, followed by 26.7% mobile homes (Graph 10). The share of single-family homes decreased, while mobile homes increased between 2000 and 2014.

Graph 10: Housing Units by Type, Town of Butner, 2000-2014



3.1.2 HOUSING UNITS BY AGE

Approximately 31.0% of the housing units in the Town of Butner were completed between 2000 and 2009, making it the most active decade of completions (*Table 5*). Many of these new residential units are concentrated east of I-85. Another 25% of the units were completed in the 1990s. The Town of Butner has similar shares of unit completions when compared to both Granville County and the larger Triangle region. Overall, Butner has a higher 56.2% share completed since 1990 than 50.2% for the region.

Table 5: Comparison of Housing Unit Values, 2013

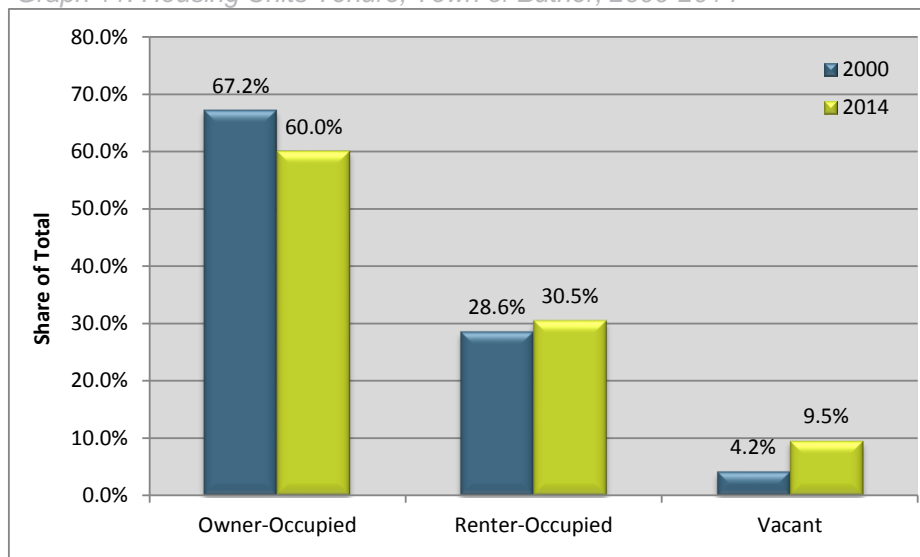
Year Built	Granville Triangle		
	Butner	County	Region
2010 or later	0.0%	0.4%	0.6%
2000-2009	31.0%	26.7%	26.2%
1990-1999	25.2%	22.3%	23.4%
1980-1989	13.2%	13.3%	17.7%
1970-1979	11.3%	12.6%	12.2%
1960-1969	6.3%	7.1%	7.9%
1950-1959	6.7%	6.8%	5.5%
1940-1949	5.4%	4.5%	2.6%
1939 or earlier	0.9%	6.3%	3.9%
Total	100.0%	100.0%	100.0%
Median Year	1992	1990	1990

Source: ESRI; US Census; Kimley-Horn

3.2 HOUSING TENURE

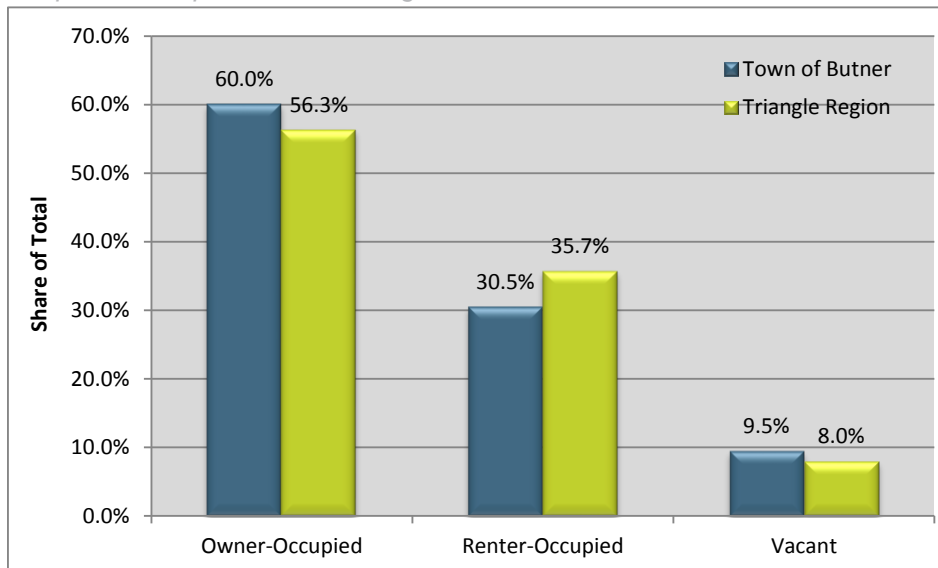
The Town of Butner’s share of owner occupied tenure declined from 67.2% in 2000 to 60.0% in 2014 (*Graph 11*). Consistent with national and regional trends following the 2007-2009 Recession, the share of renter occupied units increased, along with vacant units. Nationally, the homeownership rate declined nearly 5.0% from the peak in 2006 to 2013. This reflects national trends of Millennials seeking flexibility and Baby Boomers simplifying and downsizing.

Graph 11: Housing Units Tenure, Town of Butner, 2000-2014



Graph 12 compares the 2014 housing unit tenure in the Town of Butner to the larger Triangle region. Owner-occupied units accounted for approximately 60% of all housing in the Town, higher than 56.3% for the Triangle region. With more notable concentrations of higher education and young professionals, the Triangle region has a higher share of renter occupied inventory at 35.7% versus the Town of Butner’s 30.5%. It should be noted that based on the limited share of traditional multifamily product, it is likely that single-family units are fulfilling renter-occupied demand. Both geographies have similar vacancy rates, at less than 10%.

Graph 12: Comparison of Housing Unit Tenure, 2014



3.3 OWNER-OCCUPIED OVERVIEW

Owner-occupied housing units had a median value of \$121,300 in the Town of Butner in 2013, lower than \$134,700 for Granville County and \$204,718 for the Triangle region (Table 6). Over 80% of the total owner-occupied units in the Town of Butner are valued less than \$200,000. This is consistent with messaging received in the stakeholder interviews suggesting a limited stock of executive-level housing for professionals working in Butner. Comparatively, the larger Triangle region has a lower 48.7% share of owner-occupied housing units valued less than \$200,000.

Table 6: Comparison of Owner-Occupied Value, 2013

Owner-Occupied Housing Value	Butner	Granville County	Triangle Region
<\$100,000	41.1%	32.2%	12.6%
\$100,000-\$200,000	41.8%	43.7%	36.1%
\$200,000-\$300,000	13.1%	15.7%	23.6%
\$300,000-\$400,000	1.1%	4.7%	13.4%
\$400,000-\$500,000	0.0%	1.1%	6.2%
\$500,000+	2.9%	2.6%	8.1%
Total	100.0%	100.0%	100.0%
Median Value	\$121,300	\$134,700	\$204,718

Source: ESRI; US Census; Kimley-Horn

Based on data provided by Redfin, an online for-sale realty company, there were 47 residential closings in Granville County during the month of January 2015, a 74.1% increase from January 2014. The most recently reported average sales price was \$137,000 in January 2015, or \$86 per square foot. As demonstrated in *Graph 13*, the average sales price has increased between 2013 and 2015. However, average per square foot sales prices have declined since second-half 2014. All of the for-sale closings in Granville County have been for single-family detached houses or townhouses.

Graph 13: Residential Sales Price/Sq.Ft., Granville County, 2013-2015



3.4 RENTER-OCCUPIED OVERVIEW

According to the US Census’ American Community Survey, the median rental rate in the Town of Butner is approximately \$639 per month, higher than Granville County but lower than \$717 for the larger Triangle region (*Table 7*). Granville County’s \$527 monthly rent is likely impacted by the 10.3% share of renter-occupied units that receive no cash rent, indicating a concentration of subsidized or low-income housing.

Table 7: Comparison of Contract Rent, 2013

Renter-Occupied Contract Rent	Butner	Granville County	Triangle Region
<\$500	26.6%	38.8%	22.8%
\$500-\$750	37.1%	35.2%	31.2%
\$750-\$1,000	33.9%	11.2%	26.0%
\$1,000-\$1,250	1.2%	2.3%	9.1%
\$1,250-\$1,500	0.0%	1.6%	3.8%
\$1,500+	0.0%	0.6%	3.6%
No Cash Rent	1.2%	10.3%	3.5%
Total	100.0%	100.0%	100.0%
Median Rent	\$639	\$527	\$717

Source: ESRI; US Census; Kimley-Horn

The highest share of contract rental rates in the Town of Butner are for housing units leasing between \$500 and \$750 per month. Granville County’s highest share is in units with lease rates less than \$500 per month. The Triangle region’s highest share has contract rents between \$500 and \$750, but it also has comparatively more higher-rent units. This is due to concentrations of luxury product recently completed in or near the urban cores of Durham and Wake counties.

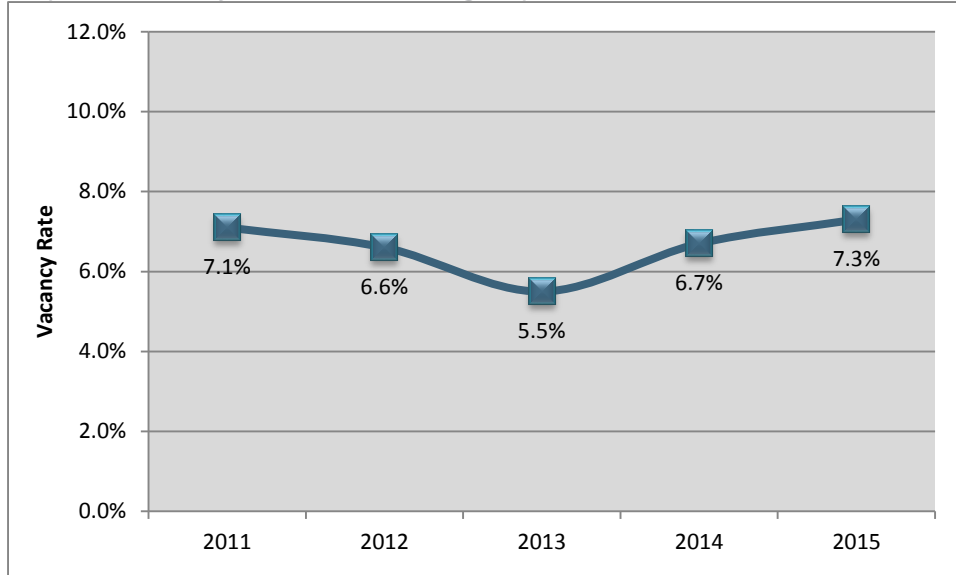
3.4.1 TRIANGLE MARKET

In the last five years, apartment construction has been on the rise in the Triangle market, including Durham, Orange, and Wake counties. Other counties in the region were not surveyed due to the limited amount of existing product and lack of new construction. Nearly 18,000 new rental units have been

completed in this three-county area since the beginning of 2010. Annual new supply has steadily increased, with over 5,500 units delivered in 2015.

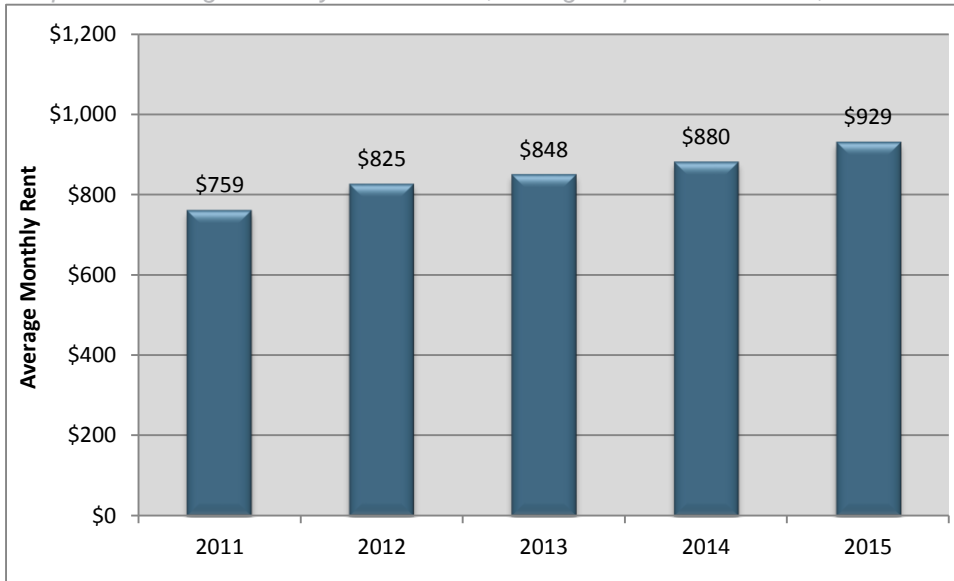
Noting that new rental supply in the Triangle market has increased over the course of the last five years, the pace of demand for rental product has kept pace. As shown in *Graph 14*, the aggregate vacancy rate for the market has remained steady at between 5.5% and 7.3% in every year between January 2011 and 2015. This is despite the addition of over 4,000 units per year over the last three years. Much of the increased demand is due to household formation by Millennials seeking housing flexibility, as well as downsizing by Baby Boomers.

Graph 14: Vacancy Rate Trends, Triangle Apartment Market, 2011-2015



As shown in *Graph 15*, the average monthly rent in the Triangle apartment market has increased 22.4% in the last five years, growing from \$759 in January 2011 to \$929 in January 2015. Much of the rent increase can be attributable to the delivery of high-end luxury product in and near the urban cores of Durham and Wake counties.

Graph 15: Average Monthly Rent Trends, Triangle Apartment Market, 2011-2015



3.4.2 TOWN OF BUTNER



There is no apartment trend data available for the Town of Butner given its limited supply of traditional multifamily product. Granville Oaks, located east of I-85 in the Town of Butner, represents the top of the market in regards to a traditional apartment community. Granville Oaks offers one-, two-, and three-bedroom units with monthly rents ranging from \$665 to \$975. This falls in line with the contract rents demonstrated in *Table 7*. Based on feedback provided during stakeholder interviews, this community consistently reports low vacancy rates, with limited units available for lease.

4. EMPLOYMENT OVERVIEW

This section analyzes Granville County and Town of Butner at-place employment trends by industry between 2002 and 2013, noting sectors that have experienced the strongest growth. This analysis is based on where the jobs are located, regardless of employee residence. The trends reflect the impacts of the 2007-2009 Recession and subsequent national and regional economic recovery.

4.1 MAJOR GRANVILLE COUNTY EMPLOYERS

As of 2014, companies related to Public Administration made up four of the top ten major employers in Granville County, including two of the top three (*Table 8*). This is reflective of the presence of state and federal health facilities and correctional institutions in or near Butner. Manufacturing companies made up two of the ten largest employers, including Revlon and Altec. Other manufacturing industries in Granville County outside of the ten largest companies include Certain-Teed, Ideal Fastener, Bridgestone, Carefusion Resources, Clayton Mobile Homes, and Santa Fe Natural Tobacco.

Table 8: Major Employers, Granville County, 2014

Rank	Company	Industry	Employment Range
1	NC Department of Health and Human Services	Public Administration	1,000+
2	Revlon Consumer Products Corp	Manufacturing	1,000+
3	US Department of Justice	Public Administration	1,000+
4	Granville County Schools	Education and Health Services	1,000+
5	Altec Industries Inc	Manufacturing	500-999
6	NC Department of Public Safety	Public Administration	500-999
7	Food Lion	Trade, Transportation, and Utilities	500-999
8	Granville Medical Center	Education and Health Services	500-999
9	Staffmark	Professional and Business Services	250-499
10	County of Granville	Public Administration	250-499

Source: NC Commerce, Labor and Economic Analysis Division

4.2 GRANVILLE COUNTY EMPLOYMENT

As shown in *Table 9*, Granville County had a total of 20,278 annualized full-time jobs in 2013, 2.7% more than 10 years prior. The largest industry in 2013 was Health Services with nearly 5,500 employees, followed by Manufacturing with 4,555 jobs. The large Health Services sector is reflective of the state and federal health care facilities, largely focused in the Town of Butner. The strongest absolute employment gains were in Health Services and Professional and Business Services. Manufacturing demonstrated the only notable decline over the last 10 years, losing over 1,800 jobs. The loss in manufacturing jobs is consistent with both national and state economic trends.

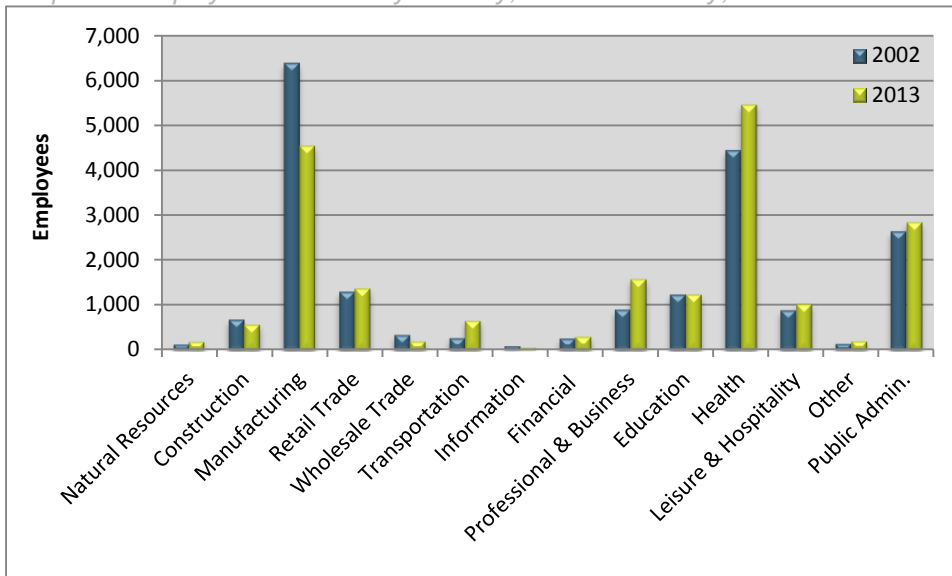
Table 9: At-Place Employment Trends, Granville County, 2002-2013

Industry	2002	2008	2013	2002-2013 Δ	
				#	%
Natural Resources and Mining	128	175	190	62	48.4%
Construction	684	707	572	-112	-16.4%
Manufacturing	6,384	5,532	4,555	-1,829	-28.6%
Retail Trade	1,305	1,370	1,377	72	5.5%
Wholesale Trade	347	225	193	-154	-44.4%
Transportation and Utilities	275	340	659	384	139.6%
Information	96	68	60	-36	-37.5%
Financial Activities	264	296	301	37	14.0%
Professional and Business Services	907	933	1,585	678	74.8%
Education Services	1,238	1,399	1,239	1	0.1%
Health Services	4,447	4,986	5,465	1,018	22.9%
Leisure and Hospitality	890	920	1,028	138	15.5%
Other Services	141	196	204	63	44.7%
Public Administration	2,645	3,045	2,850	205	7.8%
Total	19,751	20,192	20,278	527	2.7%

Source: NCESC; Kimley-Horn

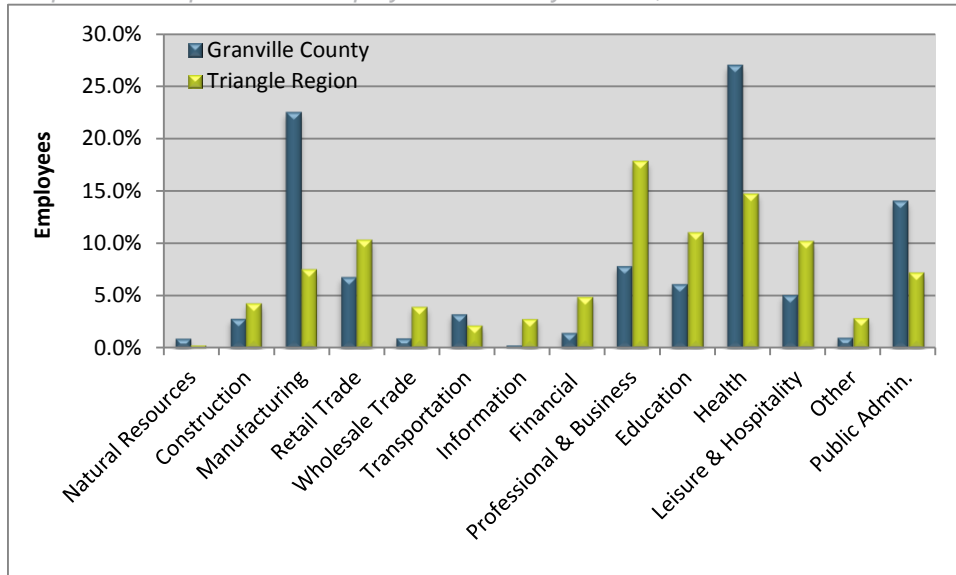
Graph 16 demonstrates the strong increase in Health and Social Services jobs, coupled with the decline of Manufacturing. Professional and Business Services and Public Administration also showed notable increases over the ten-year period.

Graph 16: Employment Trends by Industry, Granville County, 2002-2013



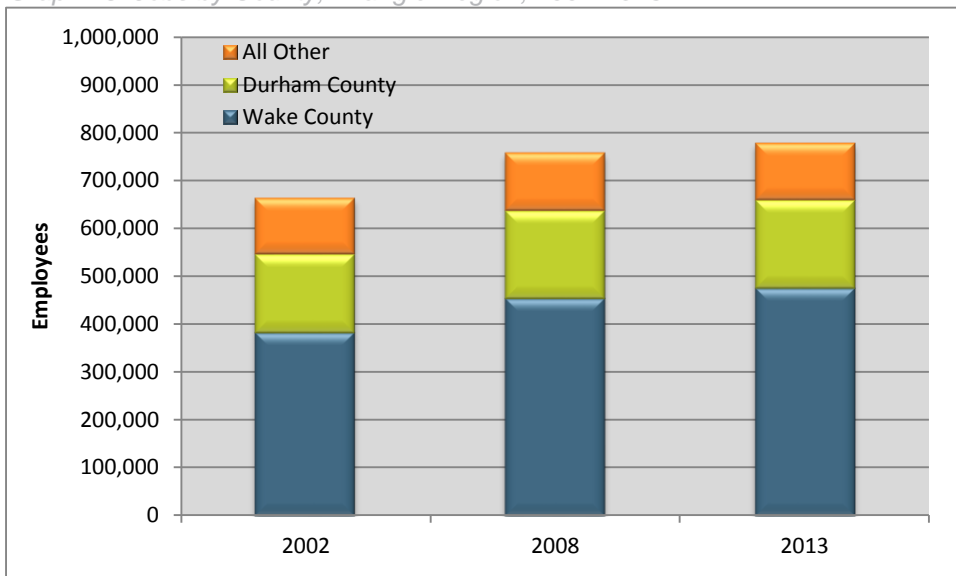
Graph 17 compares Granville County’s share of employment by industry to the overall Triangle region. In 2013, Granville County had much higher shares of Manufacturing, Health and Social Services, and Public Administration jobs than the region. The Triangle region reported higher shares of Professional and Business Services, Education, and Leisure and Hospitality.

Graph 17: Comparison of Employment Industry Shares, 2013



It should be noted that the Triangle region contained 777,287 annualized full-time jobs in 2013. Granville County’s 20,278 jobs made up 2.6% of the regional total. As shown in *Graph 18*, jobs in Wake and Durham counties made up the majority of the total jobs in the region. Wake County alone accounted for more than 50% of the total regional employment in 2013.

Graph 18: Jobs by County, Triangle Region, 2002-2013



4.2 TOWN OF BUTNER EMPLOYMENT

The smallest geography that the North Carolina Employment Security Commission and Bureau of Labor Statistics provide employment data for is county-level. Current employment estimates for the Town of Butner in this section were provided by the Environmental Systems Research Institute (ESRI). It is possible that industry classifications could be different than those provided by the State of North Carolina.

Based on data provided by ESRI, the Town of Butner had an estimated 5,700 jobs within the corporate limits in 2014. As demonstrated in *Table 10*, jobs classified as Other Services made up the largest share of Town of Butner jobs at 31.1%. Based on local research, it is likely that ESRI's classification has placed some of the jobs at the state and federal health institutions in this sector. Manufacturing made up the second largest share at 16.3%. Overall, the Town of Butner made up approximately 28.1% of the total jobs in Granville County.

Table 10: At-Place Employment, Town of Butner, 2014

Industry	Estimated Jobs	% of Total
Natural Resources and Mining	54	0.9%
Construction	355	6.2%
Manufacturing	932	16.3%
Retail Trade	429	7.5%
Wholesale Trade	34	0.6%
Transportation and Utilities	415	7.3%
Information	4	0.1%
Financial Activities	86	1.5%
Professional and Business Services	127	2.2%
Education Services	138	2.4%
Health Services	247	4.3%
Leisure and Hospitality	331	5.8%
Other Services	1,778	31.1%
Public Administration	785	13.7%
Total	5,715	100.0%

Source: NCEC; Kimley-Horn

Graph 19 demonstrates the estimated jobs in the Town of Butner compared to the remainder of Granville County in 2014. Manufacturing, Other Services, and Public Administration in Butner made up larger shares of the County total. As previously mentioned, it is likely that ESRI's classification of jobs at the state and federal health facilities are at least partially contained in Other Services.

Graph 19: Comparison of Job Location, 2014

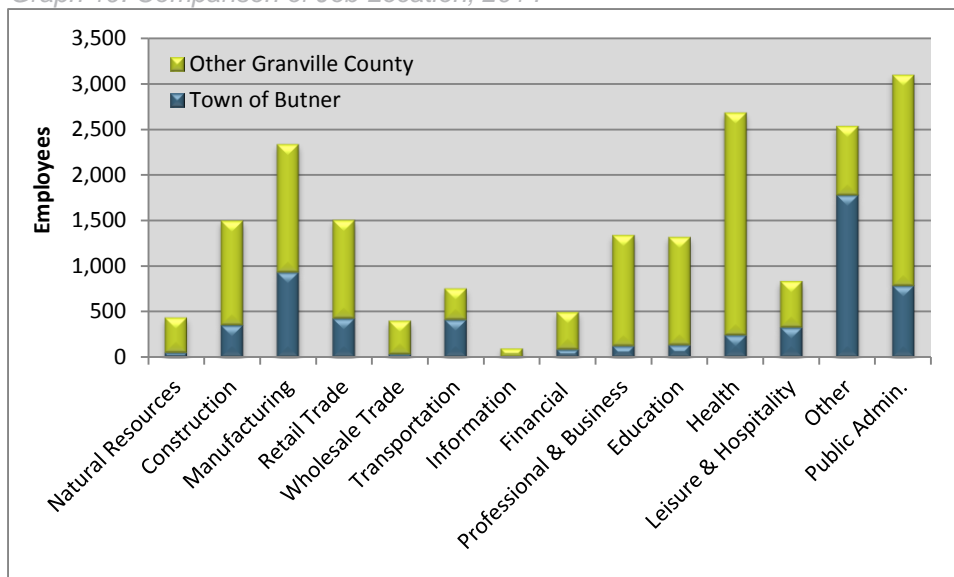


Figure 1 demonstrates job concentrations in the Town of Butner in 2011, the most recent year of reported data. The most notable job concentration in the Town of Butner is located on the east side of I-85 in industrial and business parks. One of the major employers located in this area is Altec, the fifth largest in the County. Other employment concentrations are in the central core of Butner, representing government and service jobs, as well as the Central Regional Hospital.

4.3 COMMUTING

Based on information provided through the US Census, more people commute into the Town of Butner for work than leave. Again, this is largely driven by the presence of major state and federal health facilities that draw in around-the-clock employees. As shown in Figure 2, more than 2,500 people commute into Butner for employment, while 2,492 commuting out. Only an estimated 133 people live and work in Butner.

Of the residents that are commuting to other places for employment, the following are the most common locations:

- Durham County (30.9%)
- Wake County (30.8%)
- Other Granville County (12.4%)

The remaining residents commute to counties further away. Approximately 61.4% of Granville County residents travel ten to 24 miles to reach their jobs, followed by 14% who go more than 50 miles.

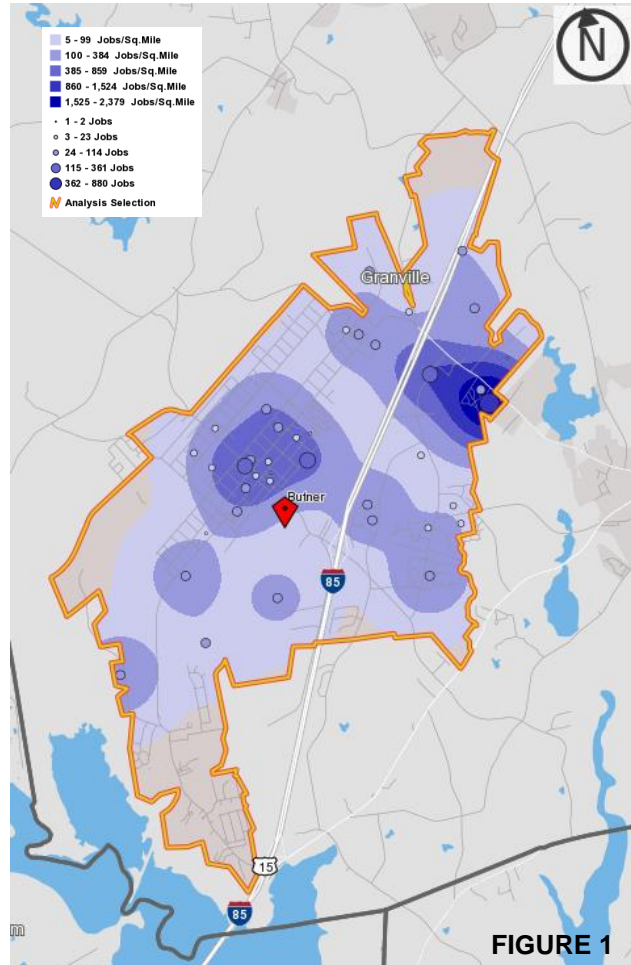


FIGURE 1

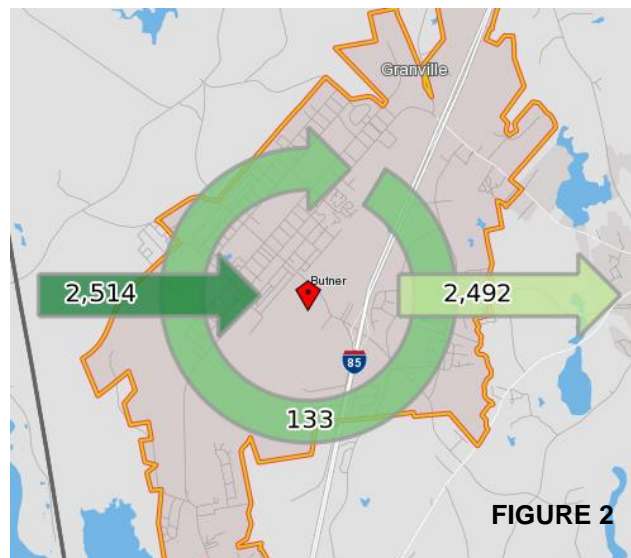


FIGURE 2

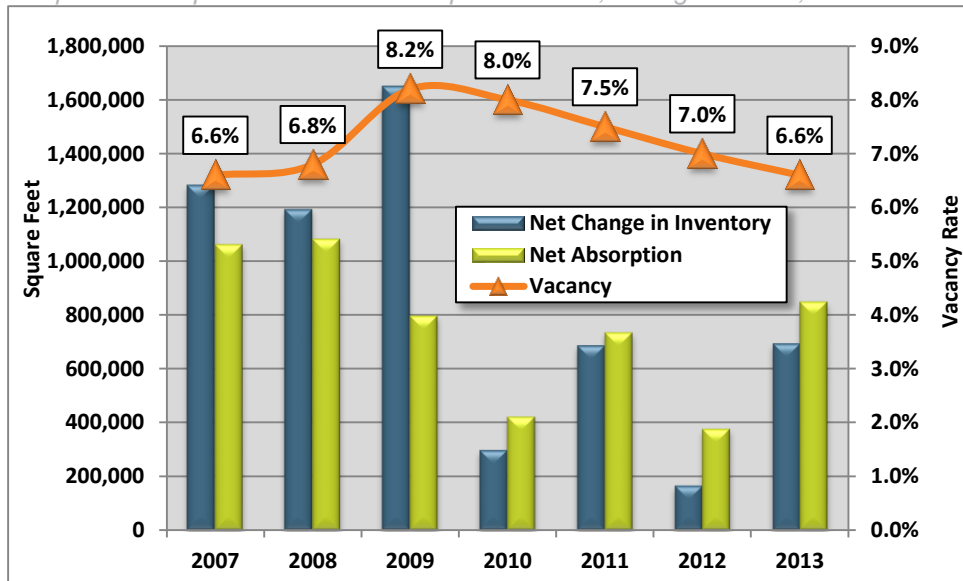
5. COMMERCIAL REAL ESTATE OVERVIEW

This section provides an overview of commercial real estate trends for the Triangle market, as defined by Karnes, a third-party data provider. Limited trend data is available for Granville County or the Town of Butner. The Triangle market is defined as Durham, Orange, and Wake counties. As available, the northern submarket of Durham County has been used to provide a benchmark for recent trends in the vicinity of the Town of Butner.

5.1 RETAIL

Graph 20 demonstrates recent annualized retail market performance in the larger Triangle market between 2007 and 2013. During the seven-year period shown below, over 1.8 million square feet of retail space was completed in the Triangle market. Deliveries of new retail space were strongest between 2007 and 2009, before tapering off following the economic recession.

Graph 20: Completion and Net Absorption Trends, Triangle Market, 2007-2013



Net absorption, or leasing of retail space, has outpaced new deliveries in every year since 2010, causing the vacancy rate to decline. Vacancy in the larger Triangle retail market peaked in 2009 at 8.2% before declining to 6.6% at year-end 2013.

In order to obtain an understanding of potential retail performance in the Town of Butner and Granville County, a snapshot of northern Durham County was reviewed. Northern Durham County provides the best available benchmark of retail performance because of the connection along I-85. Figure 3 below demonstrates the retail submarkets in the Triangle market.

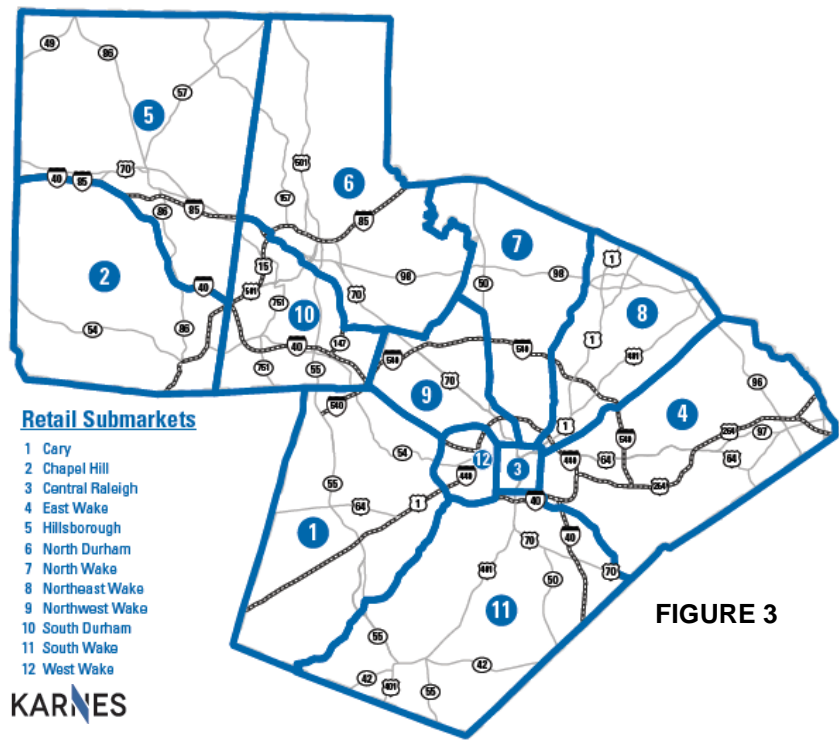
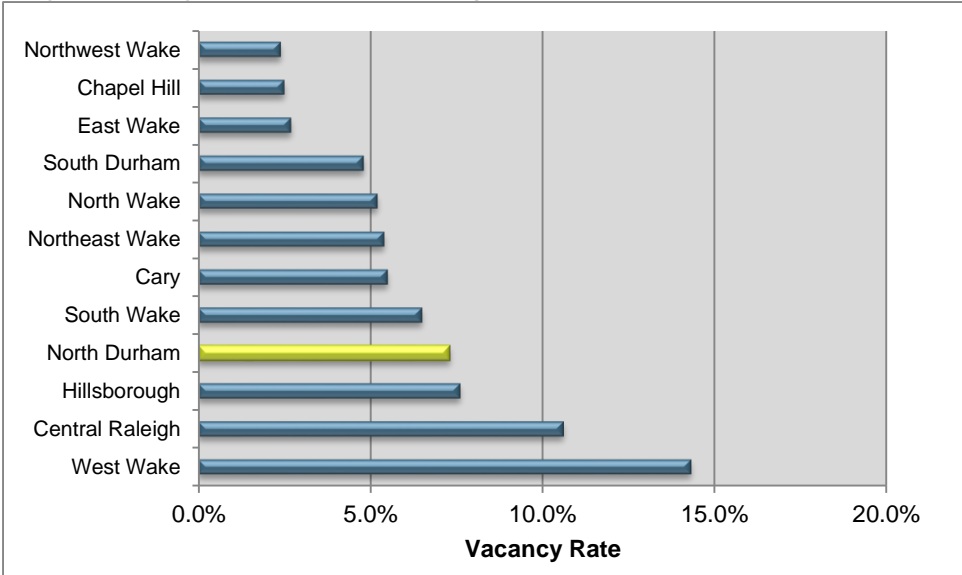


FIGURE 3

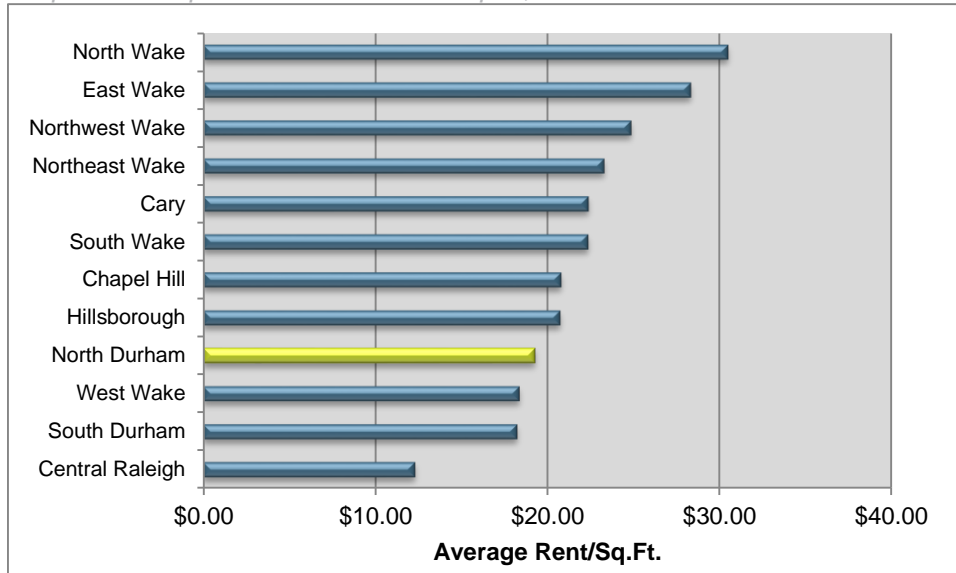
The North Durham Submarket had a vacancy rate of 7.3% in 2014, which is considered a healthy measure of available space. However, as shown in *Graph 21*, the North Durham vacancy rate was the fourth highest in the Triangle market. There have been limited new completions in this submarket over the last four years, helping to improve the vacancy rate.

Graph 21: Comparison of Retail Vacancy Rates, 2014



As demonstrated in *Graph 22*, North Durham had the fourth lowest average rent per square foot when compared to all the submarkets in the Triangle market in 2014. At an average of \$19.27 per square foot, the Submarket was only higher than West Wake, South Durham, and Central Raleigh.

Graph 22: Comparison of Retail Rent/Sq.Ft., 2014

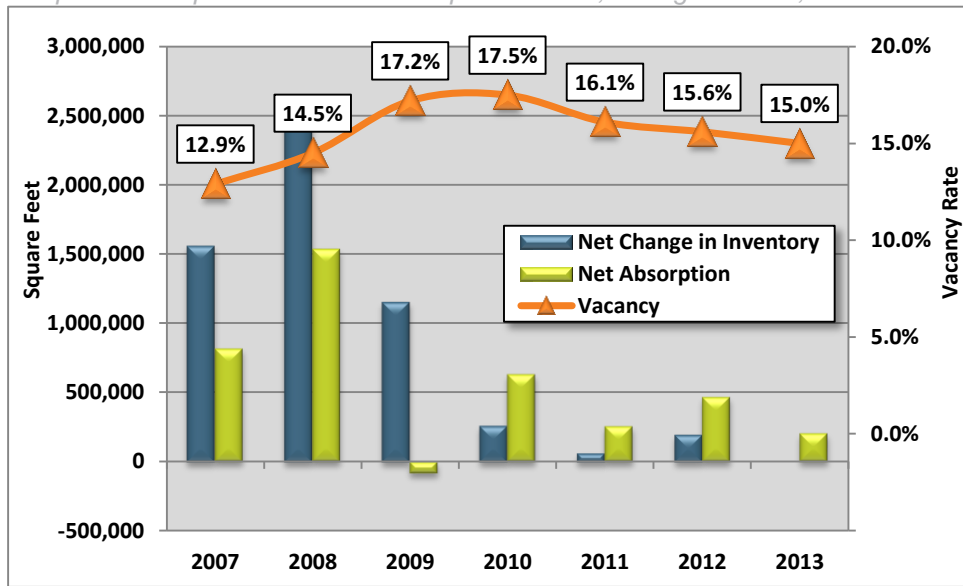


5.2 OFFICE

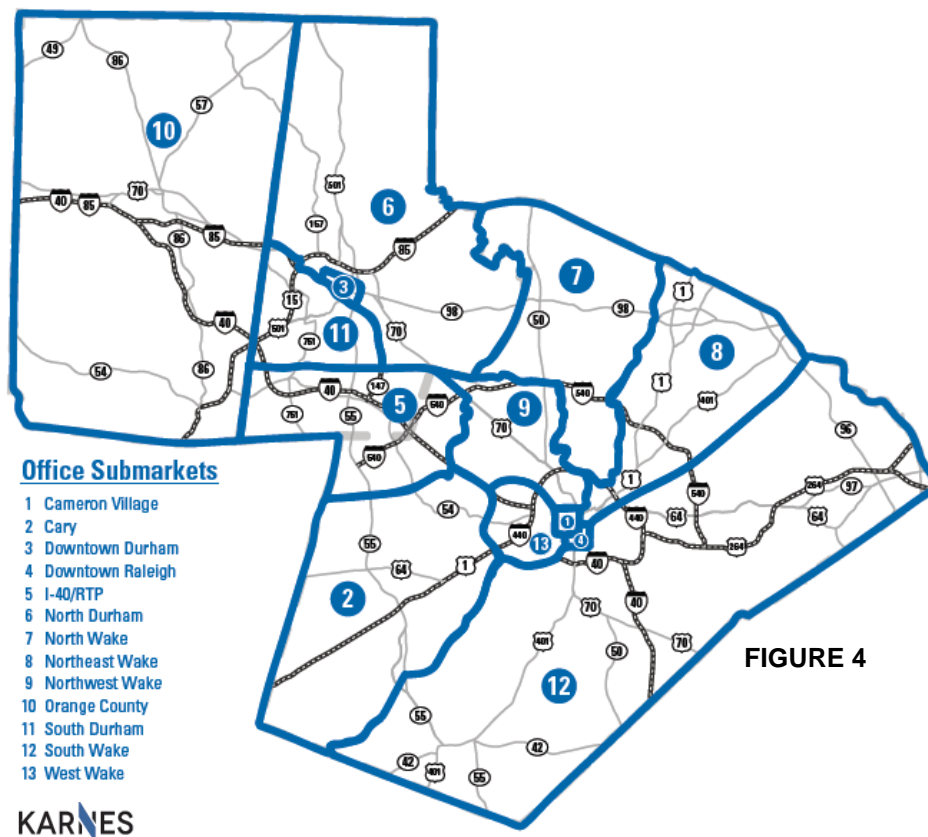
There is currently over 42 million square feet of multi-tenant office space, excluding single-user buildings in the three-county Triangle market. Approximately one-quarter of the office space in the market is located in the Research Triangle Park (RTP) Submarket. The planned East End Connector in Durham will provide a more direct connection between the Durham Freeway and Miami Boulevard, increasing access from Butner to this major job concentration.

As shown in *Graph 23*, the delivery of new multi-tenant office space was concentrated between 2007 and 2009, but has been more limited following the Great Recession. In total, more than 5.7 million square feet of space has been completed in the three-county area between 2007 and 2013. Net absorption has outpaced new deliveries in every year since 2010, causing the vacancy rate to decline. Vacancy in the larger Triangle office market peaked in 2010 at 17.5% before declining to 15.0% at year-end 2013. It should be noted that the vacancy rate for the Triangle office has not recovered to pre-Recession measures.

Graph 23: Completion and Net Absorption Trends, Triangle Market, 2007-2013

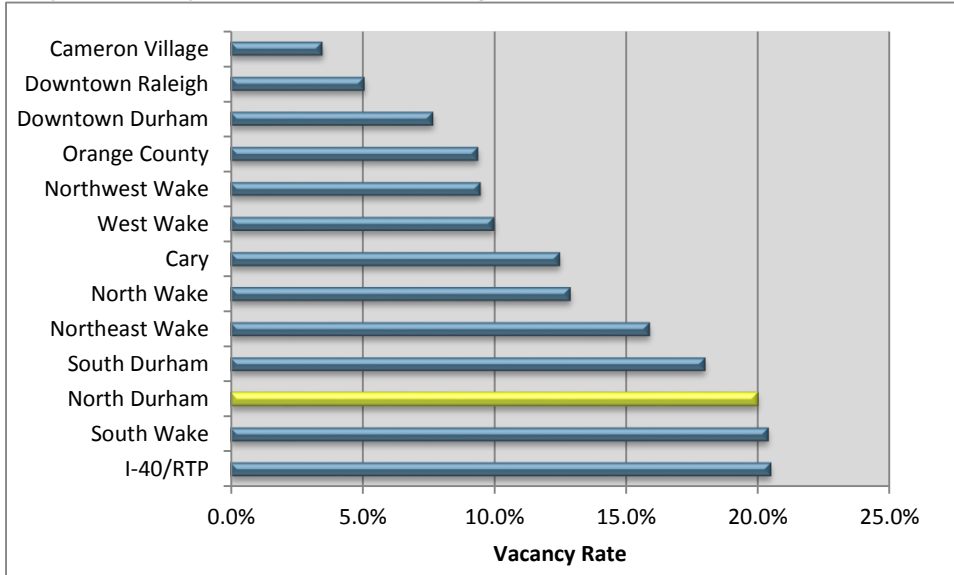


In order to obtain an understanding of potential office performance in the Town of Butler and Granville County, a snapshot of northern Durham County was reviewed. The North Durham Submarket provides the best available benchmark of office performance because of the connection along I-85. *Figure 4* below demonstrates the office submarkets in the Triangle market.



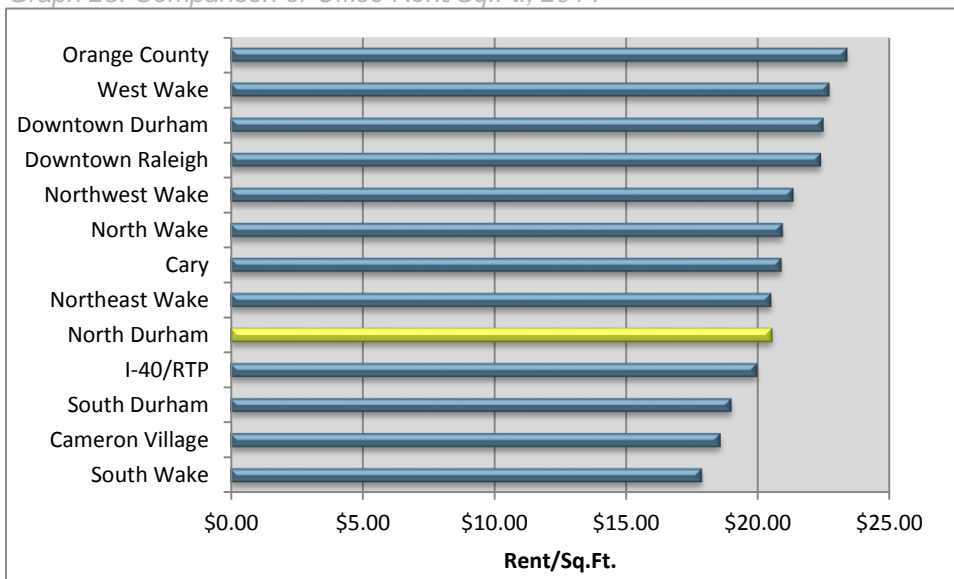
As demonstrated in *Graph 24*, the North Durham Submarket had a reported vacancy rate of 20.0% in 2014, the third highest in the market area. The RTP Submarket, which contains approximately one-quarter of the total inventory, had the highest vacancy rate of 20.5%. Downtown Raleigh and Downtown Durham had two of the lowest vacancy rates in the market, indicating the resurgence in leasing in urban cores which typically offer pedestrian access to retail goods and services for employees.

Graph 24: Comparison of Office Vacancy Rates, 2014



The average rent per square foot in the North Durham Submarket for multi-tenant office space was \$20.51 in 2014, the fifth lowest in the market area (*Graph 25*). Orange County, offering proximity to University of North Carolina at Chapel Hill, had the highest average rent per square foot in the market at \$23.39 per square foot.

Graph 25: Comparison of Office Rent/Sq.Ft., 2014



5.3 INDUSTRIAL

Industrial trends for the three-county Triangle market, as well as the benchmark Durham Submarket, have been prepared for both warehouse and flex space. Warehouse industrial space is defined as buildings with 18'-38' ceiling heights with drive-in loading. The warehouse category includes manufacturing space. Flex space offers occupants the flexibility of utilizing the space, for either office, showroom, manufacturing, laboratory, or distribution.

Both warehouse and flex space have the same market area and submarkets, as defined by Karnes, a third-party commercial real estate data provider. In order to obtain an understanding of potential industrial performance in the Town of Butner and Granville County, a snapshot of Durham County was reviewed. The Durham Submarket provides the best benchmark of industrial performance in Granville County because of the connection along I-85. *Figure 5* below demonstrates the industrial submarkets in the Triangle market.

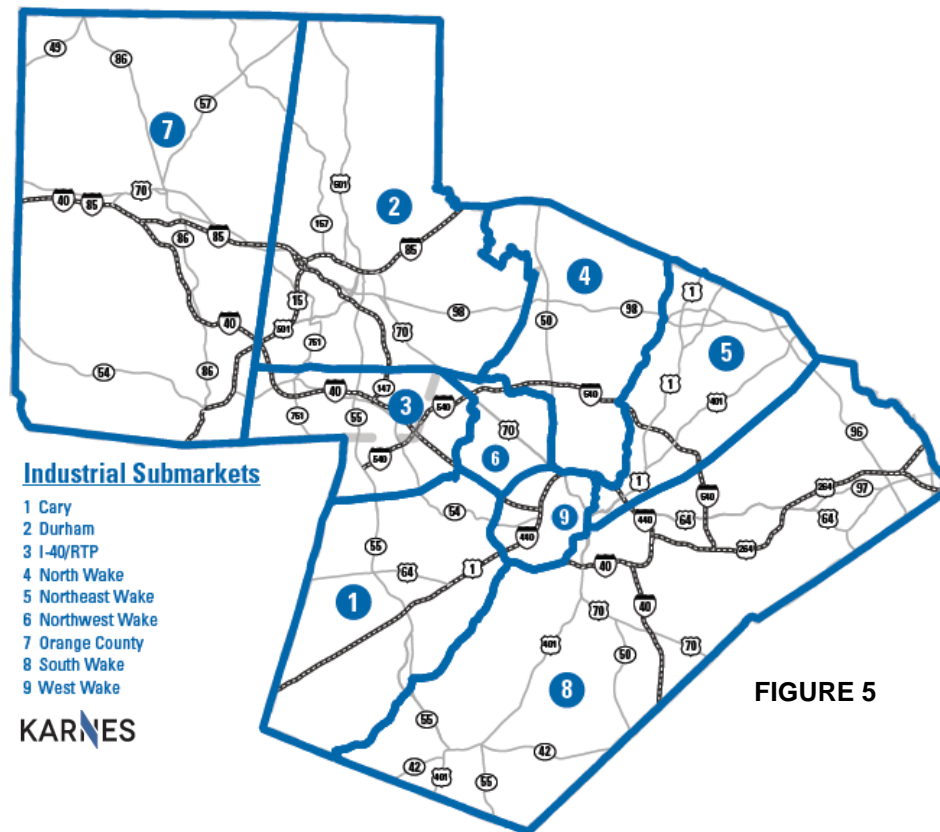
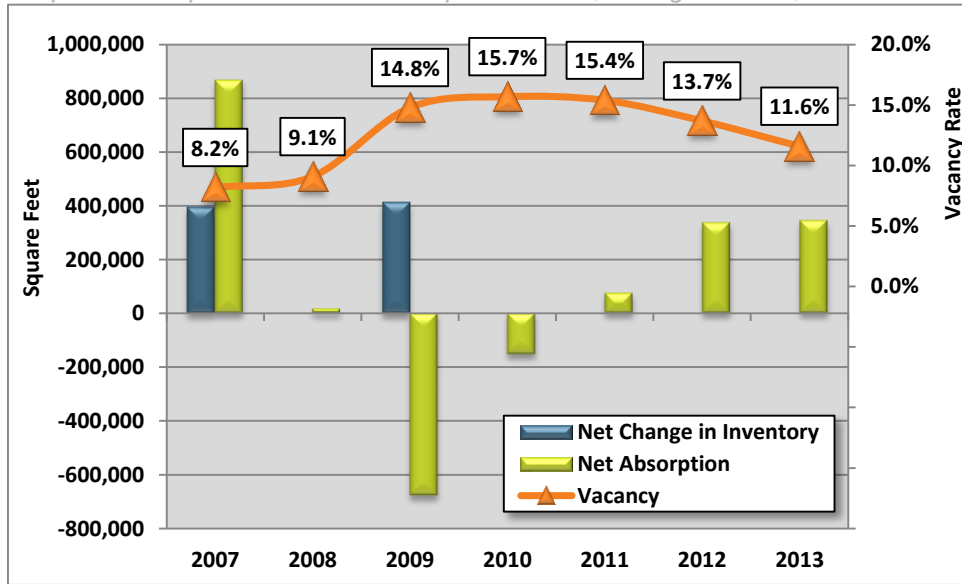


FIGURE 5

5.3.1 WAREHOUSE

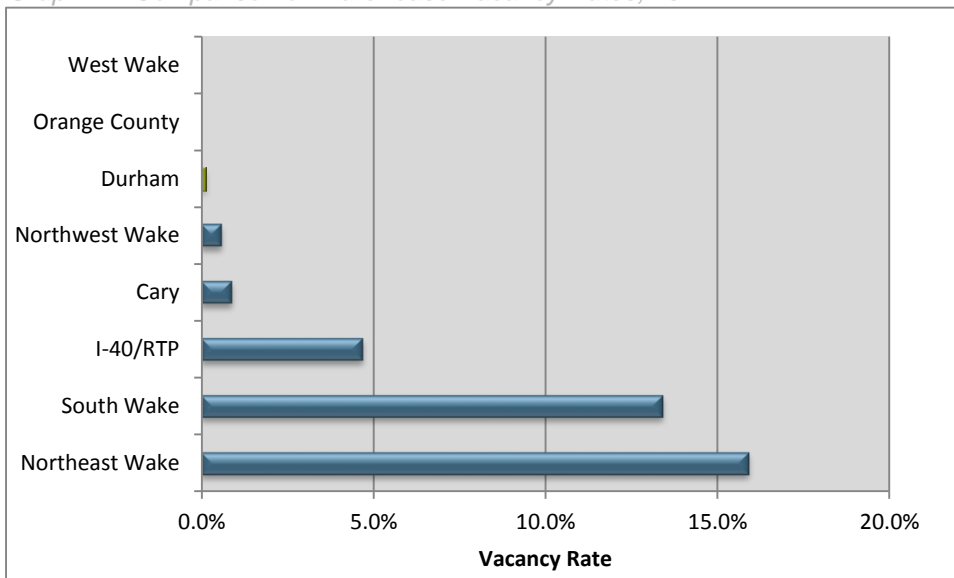
The three-county Triangle market had over 18.4 million square feet of warehouse space in 2014. Nearly 50% of the inventory was located in the I-40/RTP Submarket. Over the seven-year analysis period, over 800,000 square feet of warehouse space was completed in the market (*Graph 26*). A resurgence of leasing activity in the last two years caused the vacancy rate to decrease from a period-high of 15.7% in 2010 to 11.6% at year-end 2013.

Graph 26: Completion and Net Absorption Trends, Triangle Market, 2007-2013



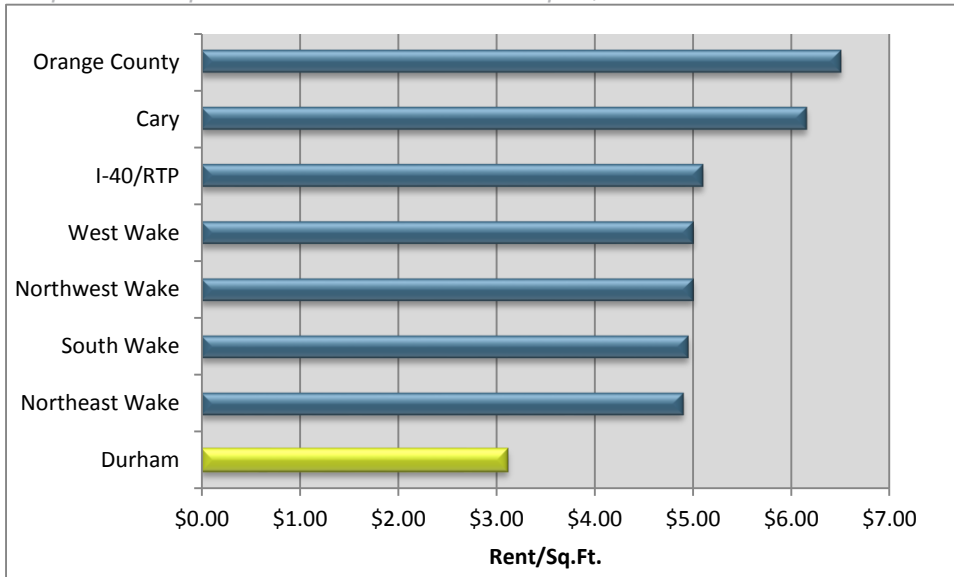
The Durham Submarket reported a very low 0.1% vacancy rate for warehouse space, one of the lowest in the Triangle market (*Graph 27*). Vacancy in the market was highest in South Wake and Northeast Wake, at 15.9% and 13.4%, respectively. Overall, vacancy rates demonstrated in the market indicate potential demand for additional space in the short term.

Graph 27: Comparison of Warehouse Vacancy Rates, 2014



As shown in *Graph 28*, the Durham County Submarket had the lowest reported per square foot rent of \$3.11 in 2014. Orange County and Cary have the highest lease rates at \$6.50 and \$6.15, respectively.

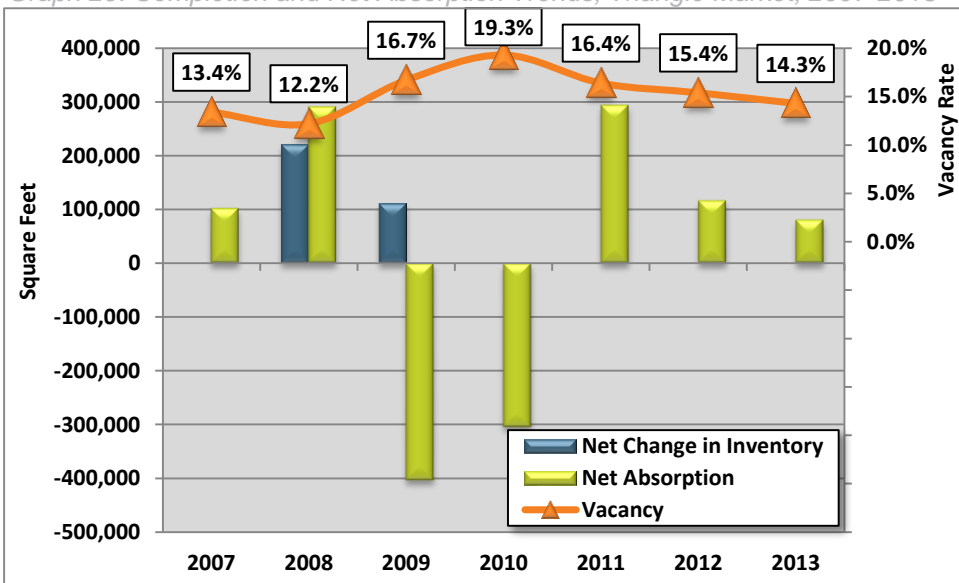
Graph 28: Comparison of Warehouse Rent/Sq.Ft., 2014



5.3.2 FLEX

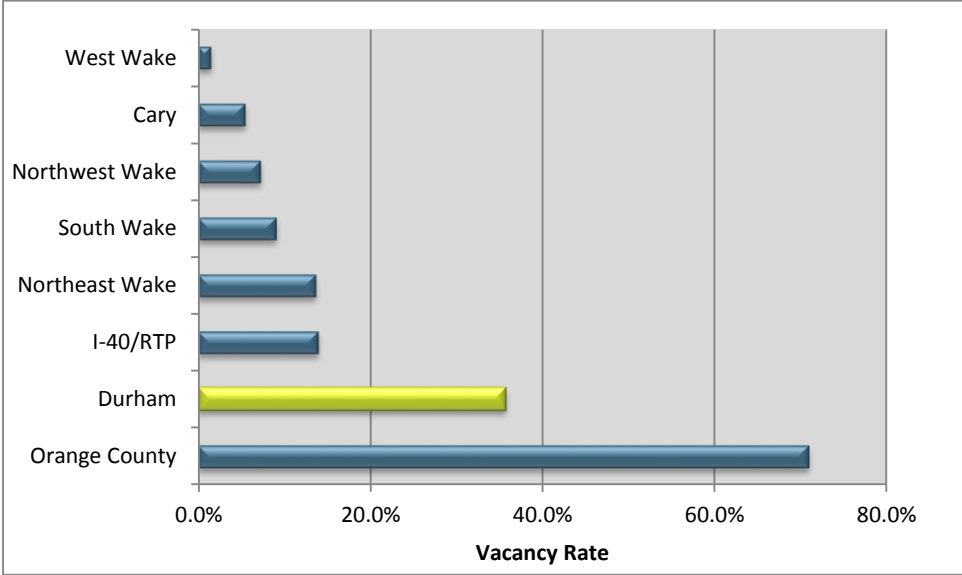
Approximately 50% of the Triangle market's 12 million square feet of industrial flex space is located in the I-40/RTP Submarket, similar to warehouse. As shown in *Graph 29*, the three-county Triangle market delivered 333,000 square feet of new flex space between 2008 and 2009. No new product has been completed since 2009. With a return to leasing for this product type, the vacancy rate has declined from a peak of 19.3% in 2010 to 14.3% at year-end 2013.

Graph 29: Completion and Net Absorption Trends, Triangle Market, 2007-2013



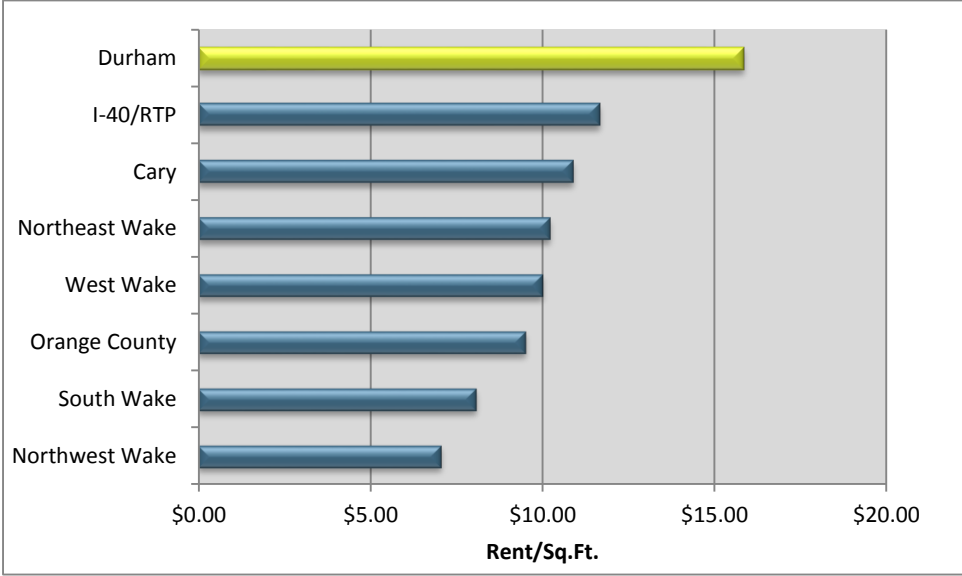
The Durham Submarket had the second highest vacancy rate for flex industrial space in the Triangle market at 35.7% in 2014 (*Graph 30*). West Wake had the lowest vacancy rate of only 1.5%.

Graph 30: Comparison of Flex Vacancy Rates, 2014



The Durham Submarket had the highest rent per square foot in the Triangle market at \$15.84, 35.9% higher than the I-40/RTP Submarket's \$11.65 (Graph 31). It is possible that higher than average lease rates could be contributing to the vacancy rate.

Graph 31: Comparison of Flex Rent/Sq.Ft., 2014



6. FORECASTED GATEWAY AREA DEMAND

This section provides demand forecasts by product type for the Town of Butner. Given the Gateway Area’s prominent location on I-85, between two interchanges, this area is likely to capture a large share of Butner’s total demand. Residential and retail demand forecasts are based on projected new households, and office and industrial forecasts are based on potential future employment.

6.1 POPULATION AND HOUSEHOLD FORECAST

Two different residential growth scenarios were evaluated to forecast population, households, and housing units for the Town of Butner. Each scenario uses data provided from the North Carolina Office of State Budget and Management (NCOSBM) for the seven-county Triangle region. The variation in growth scenarios is based on the completion of the East End Connector in Durham County, which is likely to impact the share of Granville County growth that will be attracted to the Town of Butner.

In the first scenario, the Town of Butner’s current 0.5% share of population is held constant in future years. Based on data from the NCOSBM, the Triangle region is expected to increase by over 692,000 people by 2035 (Table 11). Without modifying Butner’s current share of the regional population growth, the forecasted population would equate to approximately 3,400 new residents. This scenario presents a conservative approach to forecasting. Since construction on the East End Connector has recently begun, it is likely that Butner’s competitiveness will increase in the region. Under Scenario 1, the total population in the Town of Butner in 2035 is estimated to be approximately 11,000.

Table 11: Population Forecast Scenario 1, 2010-2035

Measure	2010	2015	2020	2025	2030	2035	2010-2035 Δ	
							#	%
Regional Population	1,507,858	1,647,956	1,788,054	1,994,434	2,063,332	2,200,814	692,956	46.0%
Butner Capture	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		
Butner Population	7,591	8,240	8,940	9,972	10,317	11,004	3,413	45.0%

Source: NCOSBM; Kimley-Horn, US Census

The second scenario increases the Town of Butner’s capture of the regional population growth following the anticipated completion of the East End Connector in 2017. As shown in Table 12, the Town of Butner could grow by over 5,600 new residents over the next 20 years, an increase of 74.0%. It should be noted that although this scenario presents a more aggressive case for growth given the construction of the East End Connector, the capture is only increased by 0.1% remaining relatively conservative. Total population in the Town of Butner in 2035 is estimated to be over 13,200 in this scenario.

Table 12: Population Forecast Scenario 2, 2010-2035

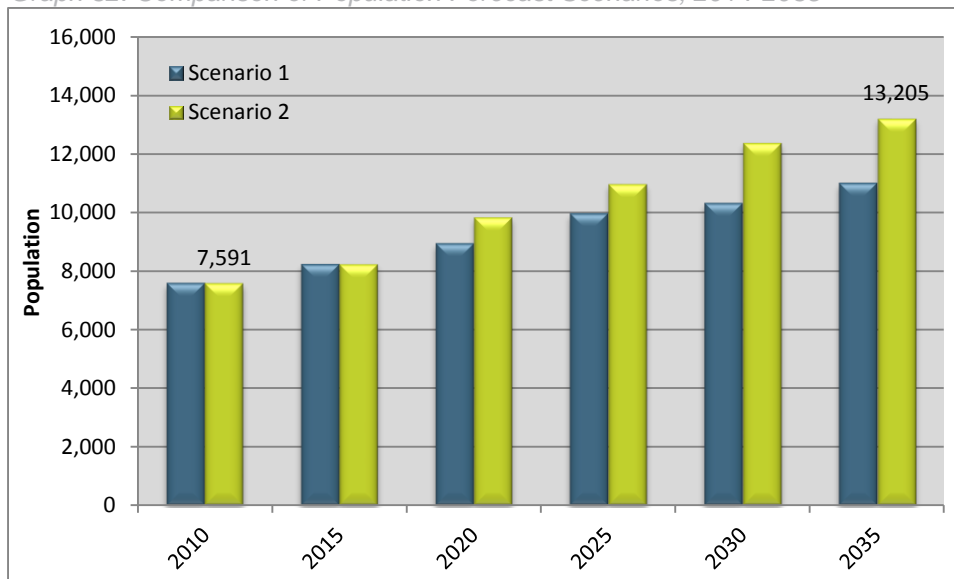
Measure	2010	2015	2020	2025	2030	2035	2010-2035 Δ	
							#	%
Regional Population	1,507,858	1,647,956	1,788,054	1,994,434	2,063,332	2,200,814	692,956	46.0%
Butner Capture	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%		
Butner Population	7,591	8,240	9,834	10,969	12,380	13,205	5,614	74.0%

Source: NCOSBM; Kimley-Horn, US Census

Based on feedback from the Town and stakeholders, as well as market performance data, this analysis uses the second scenario as the basis for future demand in the Town of Butner. As demonstrated in Graph 32, Scenario 2 equates to a population increase of over 5,600 through 2035. The total estimated 2035 population of approximately 13,200 in Scenario 2 would be 20% higher than 11,000 in Scenario 1.

Again, given the pending construction of the East End Connector, an increased capture rate for the Town of Butner is likely.

Graph 32: Comparison of Population Forecast Scenarios, 2014-2035



6.2 EMPLOYMENT FORECAST

An employment forecast for the Town of Butner was prepared based on Woods & Poole forecasts for Granville County. Woods & Poole provides third-party employment and economic forecasting at the county-level by industry sector. As shown in *Table 13*, employment in Granville County is expected to increase by 38.8% over the next 20 years, reaching nearly 27,000 by 2035. The strongest growth is expected in the Health Services, Professional and Business Services, and Education Services sectors. These growth sectors are consistent with growth forecasted for the larger Triangle region.

Table 13: Employment Forecast, Granville County, 2014-2035

Industry	2014	2035	2014-2035 Δ	
			#	%
Natural Resources and Mining	443	522	79	17.8%
Construction	1,503	1,835	332	22.1%
Manufacturing	2,340	2,442	102	4.3%
Retail Trade	1,512	2,118	606	40.1%
Wholesale Trade	406	575	169	41.5%
Transportation and Utilities	762	1,358	596	78.2%
Information	100	104	4	4.2%
Financial Activities	500	672	172	34.3%
Professional and Business Services	1,344	2,636	1,292	96.1%
Education Services	1,323	2,548	1,225	92.6%
Health Services	2,687	4,112	1,425	53.0%
Leisure and Hospitality	841	1,284	443	52.7%
Other Services	2,542	3,460	918	36.1%
Public Administration	3,102	3,266	164	5.3%
Total	19,405	26,931	7,526	38.8%

Source: Woods and Poole; NCESC; Kimley-Horn

As demonstrated in *Table 14*, the Town of Butner is expected to have to nearly 7,700 jobs in 2035, an increase of 1,969 over 20 years, or 34.4%. The forecast is based on projected employment growth in Granville County, adjusting the capture rates to consider the impact of the East End Connector. The completion of the Connector will allow for a more direct access between Granville County and RTP. The RTP area holds a large share of the region’s office, warehouse, and flex space; the Connector will likely increase synergy with existing employment concentrations and Granville County equating to a higher capture for the Town of Butner.

Table 14: Employment Forecast, Town of Butner, 2014-2035

Industry	2014	2035	2014-2035 Δ	
			#	%
Natural Resources and Mining	54	64	10	17.8%
Construction	355	437	82	23.0%
Manufacturing	932	991	59	6.4%
Retail Trade	429	606	177	41.2%
Wholesale Trade	34	52	18	52.1%
Transportation and Utilities	415	750	335	80.6%
Information	4	4	0	4.2%
Financial Activities	86	117	31	35.9%
Professional and Business Services	127	253	126	99.2%
Education Services	138	266	128	92.6%
Health Services	247	387	140	56.5%
Leisure and Hospitality	331	506	175	52.7%
Other Services	1,778	2,420	642	36.1%
Public Administration	785	833	48	6.1%
Total	5,715	7,684	1,969	34.4%

Source: NCEC; Kimley-Horn

6.3 DEMAND BY PRODUCT TYPE

6.3.1 RESIDENTIAL

As shown in *Table 15*, the population increase as demonstrated in Scenario 2 equates to approximately 5,600 new residents. It should be noted that differences between the forecast below and ones presented in Section 6.1 are due to rounding variations. Housing unit forecasts are based on average household sizes and a 7% vacancy rate. This analysis assumes that household sizes will continue to decline slightly from 2.56 to 2.53 over the next 20 years due to a population that is aging in place and downsizing.

Housing in the Town of Butner could increase by 82.1%, or 2,530 units, between 2014 and 2035. Housing unit delivery is expected to increase after the completion of the East End Connector, coupled with continued economic recovery following the 2007-2009 Recession.

Table 15: Residential Forecast, Town of Butner, 2014-2035

	2014	2019	2024	2029	2035	2014-2035 Δ	
						#	%
Housing Units	3,080	3,580	4,060	4,680	5,610	2,530	82.1%
Households	2,790	3,340	3,800	4,380	5,250	2,460	88.2%
Population	7,680	8,560	9,680	11,120	13,270	5,590	72.8%

Source: ESRI; Kimley-Horn

New housing units in the Town of Butner are expected to be majority single-family detached (54.5%). Of the 2,530 estimated new residential units over the next 20 years, 1,380 are expected to be single-family, 150 could be townhouse, and the remaining 1,000 could be apartments (*Table 16*). Of the projected 1,000 new multifamily apartment units, demand based on demographic and housing shifts could be justified for 750 market-rate, non-age restricted units, or approximately three to four communities. The remaining 250 units could be age-restricted or senior living units, given the aging of the population.

Table 16: Residential Forecast by Type, Town of Butner, 2014-2035

Housing Type	20-Year Demand	Share of Total
Single-Family Detached	1,380	54.5%
Single-Family Attached	150	5.9%
Multifamily	1,000	39.5%
<i>Market Rate</i>	750	
<i>Senior</i>	250	
Total	2,530	100.0%

Source: Kimley-Horn

6.3.2 RETAIL

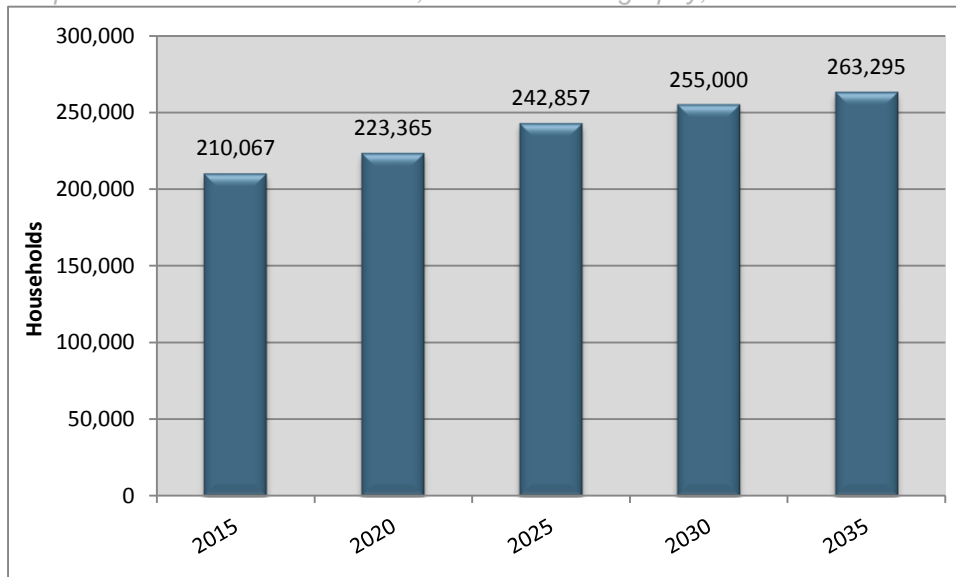
Given the Gateway Area’s location between two interchanges on I-85, this geography would be attractive for new retail development. The 2014-2035 retail demand for the Town of Butner was forecasted using the following method:

1. Determining a drive-time geography, including potential shoppers from outlying counties. A 30-minute drive time covers portions of Durham, Franklin, Granville, Person, and Vance counties. Wake County was excluded due to existing retail opportunities.
2. Calculating the drive time’s total household income in 2035 by applying the forecasted households to average income projections derived from ESRI trends.
3. Estimating the drive time’s expenditure potential based on data from the North Carolina Department of Revenue that indicates the percentage of income spent on various retail goods and services.
4. Determining the sales capture through 2035, taking into account leakage into Wake County from resident commuting patterns.
5. Estimating sales inflow from non-residents, including those who work in Butner and I-85 commuters.
6. Converting retail sales to square feet based on sales per square feet data by type of retail.
7. Calculating a capture for the Town of Butner based on the drive time demand.

Household Forecasts

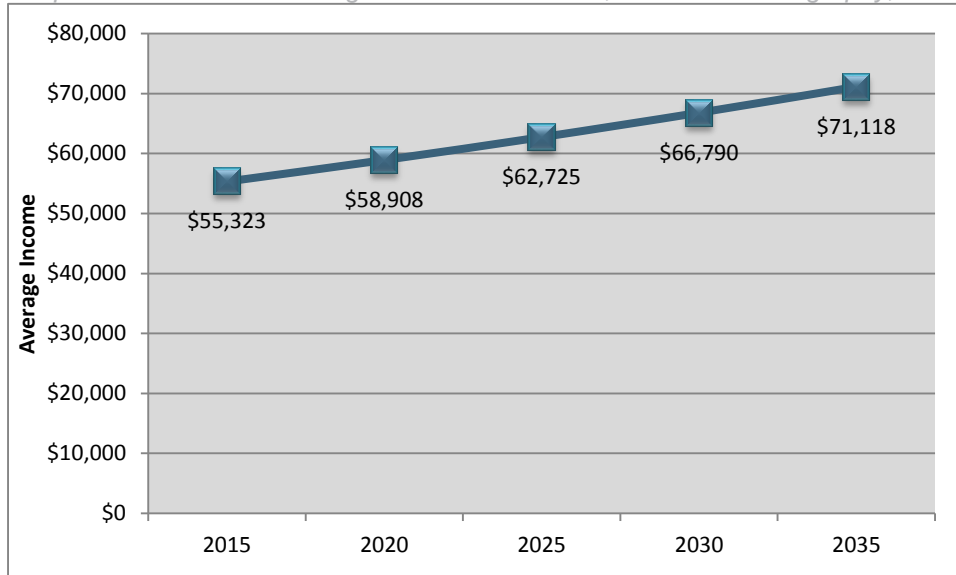
The household forecasts for the drive time geography, including Durham, Franklin, Granville, Person, and Vance counties, are based on residential projections provided by NCOSBM. The drive time geography is expected to have approximately 263,295 households by 2035, a 25.3% increase over the 20-year period (*Graph 33*).

Graph 33: Forecasted Households, Drive Time Geography, 2015-2035



Retail demand forecasts generally rely on average household income, which is typically higher than the median household income statistics reported in Section 2.2.2. According to the US Census, the drive time geography had an average household income of \$55,323 in 2015 (Graph 34). Based on income projections derived from ESRI trends, the area is expected to have an average household income of \$71,118 by 2035.

Graph 34: Forecasted Average Household Income, Drive Time Geography, 2015-2035



Retail Demand

Based on the method outlined above, the larger drive time geography has a forecasted demand of approximately 3.2 million square feet of new retail space between 2015 and 2035 (Table 17). Sales per square foot assumptions used in the demand forecasts are assumed to increase at rates similar to income growth. Demand is highest for food service establishments (restaurants), building material and supply dealers, discount stores, and supermarkets and other groceries.

Table 17: Forecasted Retail Demand, Drive Time Geography, 2015-2035

Retail Category	Retail Demand (Sq.Ft.)		2015-2035	% of Total
	2015-2025	2025-2035	Change	
Food Services - Restaurants	320,983	200,066	521,050	16.2%
Building Material & Supply Dealers	311,033	193,864	504,896	15.7%
Discount Stores	290,681	181,179	471,861	14.7%
Supermarkets & Other Groceries	229,827	143,249	373,075	11.6%
Other General Merchandise Stores	137,898	85,950	223,848	7.0%
Clothing Stores	107,842	67,217	175,059	5.4%
Department Stores	82,822	51,622	134,444	4.2%
Furniture Stores	70,873	44,175	115,048	3.6%
Pharmacies & Drug Stores	51,651	32,194	83,845	2.6%
Sporting Goods and Toy Stores	49,062	30,580	79,643	2.5%
All Other Categories	327,316	204,013	531,328	16.5%
Total	1,979,988	1,234,109	3,214,098	100.0%

Source: Kimley-Horn and Associates

Given the Town of Butner’s prominent location on I-85, attracting both local and commuter shoppers, the capture of the drive time geography total is expected to increase steadily over the 20-year period. Based on an increased capture of the drive time geography’s demand forecast, the Town of Butner is expected to have demand for nearly 310,000 square feet of retail over the next 20 years (Table 18). In order to provide a range of demand, this analysis assumes potential retail increase of 300,000 to 350,000 square feet.

Table 18: Forecasted Retail Demand, Town of Butner, 2015-2035

Retail Category	Retail Demand (Sq.Ft.)		2015-2035	% of Total
	2015-2025	2025-2035	Change	
Food Services - Restaurants	21,167	28,880	50,047	16.2%
Building Material & Supply Dealers	20,511	27,984	48,495	15.7%
Discount Stores	19,169	26,153	45,322	14.7%
Supermarkets & Other Groceries	15,156	20,678	35,834	11.6%
Other General Merchandise Stores	9,094	12,407	21,501	7.0%
Clothing Stores	7,112	9,703	16,814	5.4%
Department Stores	5,462	7,452	12,913	4.2%
Furniture Stores	4,674	6,377	11,050	3.6%
Pharmacies & Drug Stores	3,406	4,647	8,053	2.6%
Sporting Goods and Toy Stores	3,235	4,414	7,650	2.5%
All Other Categories	21,585	29,449	51,034	16.5%
Total	130,569	178,145	308,714	100.0%

Source: Kimley-Horn and Associates

The largest drivers of retail demand in the Town of Butner are expected to be 50,000 square feet of restaurants, 48,500 square feet of building material and supplies, and 45,322 square feet of discount stores. It should be noted that 35,000 square feet of supermarkets or other groceries would be supportive of one small store over the next 20 years given the average size of 50,000 to 60,000 square feet. Additional demand for grocery could be accommodated through other categories, such as discount stores and other general merchandise stores.

6.3.3 OFFICE

Office demand for the Town of Butner was based on office-occupying growth, as reported for Granville County by Woods & Poole. Office shares were applied to each industry employment projection presented in Section 6.2. Financial Activities and Professional and Business Services have the highest office-occupying shares at approximately 90%. Based on the total employment forecast, the Town of Butner is expected to have an increase of 526 office-occupying employees, or 35.7% over the next 20 years (Table 19). Other Services, Professional and Business Services, and Transportation and Utilities are expected to make up 68.1% of the total increase in office-occupying jobs.

Table 19: Office-Occupying Employment Forecast, Town of Butner, 2015-2035

Industry	Office Share	Office					2014-2035 Δ	
		2014	2019	2024	2029	2035	#	%
Natural Resources and Mining	5.0%	3	3	3	3	3	0	17.8%
Construction	10.0%	36	38	40	42	44	8	23.0%
Manufacturing	5.0%	47	47	48	49	50	3	6.4%
Retail Trade	10.0%	43	47	51	55	61	18	41.2%
Wholesale Trade	25.0%	9	10	11	12	13	4	52.1%
Transportation and Utilities	25.0%	104	123	142	161	187	84	80.6%
Information	30.0%	1	1	1	1	1	0	4.2%
Financial Activities	90.0%	77	84	91	97	105	28	35.9%
Professional and Business Services	90.0%	114	136	149	186	228	113	99.2%
Education Services	15.0%	21	24	29	33	40	19	92.6%
Health Services	30.0%	74	82	92	102	116	42	56.5%
Leisure and Hospitality	10.0%	33	37	41	45	51	17	52.7%
Other Services	25.0%	445	481	519	560	605	161	36.1%
Public Administration	60.0%	471	472	479	486	500	29	6.1%
Total		1,476	1,584	1,695	1,833	2,003	526	35.7%

Source: NCESC; Kimley-Horn

Forecasted office-occupying jobs have been used to estimate to square footage. National trends indicate declining space per employee. Estimates for office demand are based on square feet per employee averages, as follows:

- 2015-2020: 225 square feet per employee
- 2020-2025: 220 square feet per employee
- 2025-2030: 215 square feet per employee
- 2030-2035: 210 square feet per employee

As shown in Table 20, office demand in the Town of Butner is expected to increase by nearly 115,000 square feet over the 20-year period. This equates to between 23,000 and 30,000 square feet of office space in every five-year period. Similar to the retail forecast, in order to provide a range of demand, this analysis assumes potential office increase of 100,000 to 150,000 square feet.

Table 20: Office Space Forecast, Town of Butner, 2015-2035

Industry	Net New Office Space					2015-2035
	2014-2015	2015-2020	2020-2025	2025-2030	2030-2035	Change
Natural Resources and Mining	0	32	31	27	15	105
Construction	108	469	431	421	351	1,782
Manufacturing	-4	218	201	143	92	650
Retail Trade	157	860	990	948	893	3,848
Wholesale Trade	84	234	231	233	186	967
Transportation and Utilities	1,333	3,915	4,163	4,015	4,773	18,200
Information	0	2	3	3	4	11
Financial Activities	510	1,204	1,556	1,376	1,404	6,049
Professional and Business Services	848	5,005	2,436	8,782	7,454	24,525
Education Services	99	951	930	947	1,232	4,160
Health Services	164	1,970	2,341	2,141	2,470	9,088
Leisure and Hospitality	163	839	879	956	957	3,794
Other Services	1,572	8,465	8,277	8,641	8,009	34,964
Public Administration	-555	1,375	1,238	1,697	2,429	6,185
Total	4,478	25,540	23,708	30,331	30,269	114,326

Source: NCECSC; Kimley-Horn

6.3.4 INDUSTRIAL

Industrial-occupying employment projections are based on the Woods & Poole forecasts demonstrated in Section 6.2. New industrial jobs in the Town of Butner are based on shares of industrial-occupying employees by industry. These shares range from 0% for Financial Activities and Professional and Business Services to 90% for Manufacturing and Wholesale Trade.

The Town of Butner is expected to have an increase of 389 new industrial-occupying jobs between 2014 and 2035, a 26.4% increase (Table 21). Notable increases are expected in the Transportation and Utilities, Other Services, and Manufacturing sectors.

Table 21: Industrial-Occupying Employment Forecast, Town of Butner, 2015-2035

Industry	Industrial Share	Industrial							2014-2035 Δ	
		2014	2015	2019	2024	2029	2035	#	%	
Natural Resources and Mining	5.0%	3	3	3	3	3	3	0	17.8%	
Construction	15.0%	53	54	56	59	62	65	12	23.0%	
Manufacturing	90.0%	839	838	853	870	884	892	53	6.4%	
Retail Trade	10.0%	43	44	47	51	55	61	18	41.2%	
Wholesale Trade	90.0%	31	32	35	39	43	47	16	52.1%	
Transportation and Utilities	60.0%	249	263	295	340	385	450	201	80.6%	
Information	65.0%	3	3	3	3	3	3	0	4.2%	
Financial Activities	0.0%	0	0	0	0	0	0	0	0.0%	
Professional and Business Services	0.0%	0	0	0	0	0	0	0	0.0%	
Education Services	5.0%	7	7	8	10	11	13	6	92.6%	
Health Services	5.0%	12	12	14	15	17	19	7	56.5%	
Leisure and Hospitality	5.0%	17	17	18	20	23	25	9	52.7%	
Other Services	10.0%	178	181	193	208	224	242	64	36.1%	
Public Administration	5.0%	39	39	39	40	41	42	2	6.1%	
Total		1,473	1,493	1,564	1,657	1,750	1,862	389	26.4%	

Source: NCECSC; Kimley-Horn

Forecasted industrial-occupying jobs have been used to estimate square footage demand. Estimates for industrial demand are based on an average of 700 square feet per employee. Square feet per employee estimates vary from 300 square feet to 1,000 square feet, depending on use. Typically, Manufacturing and Wholesale Trade sectors require the most industrial space per employee.

Table 22 demonstrates the expected increase in new industrial-occupying employees and required square footage through 2030. The Town of Butner is forecasted to have demand for approximately 272,500 square feet of additional industrial space between 2015 and 2035. In order to provide a range of demand, this analysis assumes potential industrial increase of 250,000 to 300,000 square feet.

Table 22: Industrial Space Forecast, Town of Butner, 2015-2035

Industry	Net New Office Space					2015-2035
	2014-2015	2015-2020	2020-2025	2025-2030	2030-2035	Change
Natural Resources and Mining	0	99	99	89	49	337
Construction	506	2,190	2,059	2,058	1,756	8,570
Manufacturing	-241	12,202	11,510	8,409	5,514	37,394
Retail Trade	487	2,674	3,151	3,088	2,976	12,376
Wholesale Trade	939	2,616	2,642	2,730	2,236	11,163
Transportation and Utilities	9,952	29,234	31,791	31,377	38,183	140,537
Information	0	11	18	19	28	76
Financial Activities	0	0	0	0	0	0
Professional and Business Services	0	0	0	0	0	0
Education Services	103	987	987	1,027	1,369	4,473
Health Services	85	1,022	1,242	1,162	1,372	4,883
Leisure and Hospitality	253	1,305	1,398	1,556	1,596	6,108
Other Services	1,956	10,535	10,535	11,253	10,679	44,957
Public Administration	-144	357	328	460	675	1,676
Total	13,896	63,231	65,761	63,229	66,432	272,549

Source: NCEC; Kimley-Horn

6.3.5 HOSPITALITY

No hotel performance trend data was available for Granville County. However, based on stakeholder interviews, as well as the location of a number of prominent employers, this analysis assumes that the Town of Butner could support one to two limited-service hotel facilities. These facilities would be attracted to locations with easy access to I-85.

6.3.6 DEMAND SUMMARY

Table 23 presents a summary of the 20-year forecasts for the Town of Butner by type:

Table 23: 20-Year Forecast, Town of Butner, 2015-2035

Type	20-Year Demand	
	Low	High
Residential (units)	2,530	2,530
Retail (square feet)	300,000	350,000
Office (square feet)	100,000	150,000
Industrial (square feet)	250,000	300,000
Hospitality (hotels)	1	2

Source: Kimley-Horn

DISCLAIMER

Kimley-Horn is not responsible for inaccuracies provided by our clients or any other data sources. Recommendations and forecasts contained in this report are opinions based on interpretation of economic and market data. They also assume positive net job formation in the Town of Butner, as well as the Triangle Region, as defined in this analysis, over the forecast period, with no changes among major employers.

Kimley-Horn makes no warranty or representation that any prospective results reported in this analysis will be realized, including demand and financial estimates and forecasts. There is no guarantee of income or profit associated with this report.