

Q3'17 Derby, KS Retail Snapshot



The Pavillion at Madison Avenue Central Park opened in October 2016. The building was part of the newly constructed park, built to provide a spacious, all-age friendly area for the community. The building includes a 3,000 square foot meeting space and a 640 square foot vestibule. The Pavillion is open during all park hours and is also available for community members to rent for special events.

About Derby, Kansas

Derby, located in southeast Sedgwick County, is a bedroom community with strong local services and good schools. Derby's trade area includes business from smaller surrounding communities such as Rose Hill and Mulvane.

Statistics

- Population: 23,500
- Residents who work in Derby: 25.2% (Wichita: 82.8%)
- Unemployment Rate: 5%
- Median Income: \$68,984
- Median house/condo value: \$156,085

Community Improvements

- Decarsky Park: 63-acre park beginning construction in 2018, planned for south Derby, will include baseball fields and Derby's first dog park
- Warren Riverview Park: construction underway, park focus will be on outdoor activities including camping and canoeing, will include a building available to rent known as The Lodge
- Madison Avenue Central Park: completed in 2016, includes two buildings (The Pavillion and The Venue), all-age friendly park, earned Derby the title Playful City USA

Retail Activity along Rock Rd. Corridor

Retail in Derby has grown significantly over the past several years and with multiple projects, most along Rock Road, either planned or already under construction,.

Development Projects

- Derby Marketplace: 71st and Rock, the 100,000 square foot shopping center was sold in late August, tenants include TJ Maxx, Hobby Lobby and Target, promises to be a solid investment environment
- Rock Regional Hospital: near Patriot Ave and Rock, 90,000 square foot full-service facility, the \$40 million hospital is said to be capable of handling 90 percent of healthcare cases
- Town Square at the Oaks: Patriot and Rock, 14,790 retail development under construction, \$2.5 million project, initial talks for leases are underway
- Don Hattan Chevrolet Derby location opened in late August
- IHOP and Taco John's building on N. Rock Rd. under construction
- Field Station: Dinosaurs: 63rd St. N. and Rock, dinosaur park under construction, expected summer 2018
- Summit Derby medical office building: Cambridge and Rock, \$2.4 million building to be occupied by Heartland Cardiology, expected spring 2018

West End Development Plan

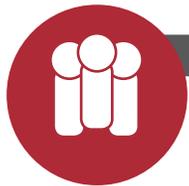
Efforts are being made to revitalize the west side along K-15. The city passed incentives, including waiving or reducing permit fees for construction, renovation and demolition.

West End Business Park

- 30-acre site, created to attract new business and expansion
- Has five tenants: BRG Precision Products, Mid Continent Controls, Aircraft & Commercial Enterprises, and Mockry and Sons Machine Co.

K-15 Plan

- The city established a Tax Increment Financing District (TIF) in 2013 between Patriot and Walmart and between K-15 and Buckner
- Menards still owns land at Buckner and Patriot, though the company has not begun construction



VACANCY RATE

6.2%
6.3% IN Q2



NET ABSORPTION

924 SF
-5,915 IN Q2



ASKING RENT

\$13.92/SF
\$13.96 IN Q2

Asking rents and vacancy rates have generally stayed the same from Q2 to Q3 with a small amount of positive absorption.
*Free standing property not included in summary.

POWER CENTER	FREE STANDING	COMMUNITY	STRIP
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3.0% vacancy
379,655 SF

0% vacancy
678,013 SF

21.2% vacancy
94,597 SF

5.5% vacancy
364,384 SF