



WAREHAM ECONOMIC DEVELOPMENT STRATEGY

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Wareham Redevelopment Authority

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INTRODUCTION

FXM Associates has been retained by the Town of Wareham and the Wareham Redevelopment Authority (WRA) to assist their preparation of an Economic Development Strategy. This Strategy is focused on short- and intermediate-term initiatives that can advance the Town and WRA's objectives to expand the tax base and employment opportunities. An important part of meeting these objectives is to provide data and analyses that can not only inform Town officials but also assist current and prospective private businesses and developers in better understanding market opportunities for expanded commercial and residential development. Recent prior planning efforts related to economic development addressed critical infrastructure, zoning, land parcelization and ownership, and building-specific rehabilitation issues, but did not assess market conditions, trends, and opportunities. The market assessments were, therefore, the primary focus of FXM's work and are reflected in the report.

Throughout the course of this assignment FXM worked closely with the Wareham Planning & Community Development department, who, among other efforts, organized and facilitated two Focus Group sessions with Town and Redevelopment Authority officials, business and community leaders. As a consequence of the information and insights gained in these meetings and the market assessments, as well as prior and ongoing planning efforts, a consensus four-part strategy emerged for the Redevelopment Authority to act upon in the near future. Those Strategic Initiatives are outlined in the final section of the report.

SUMMARY OBSERVATIONS AND FINDINGS

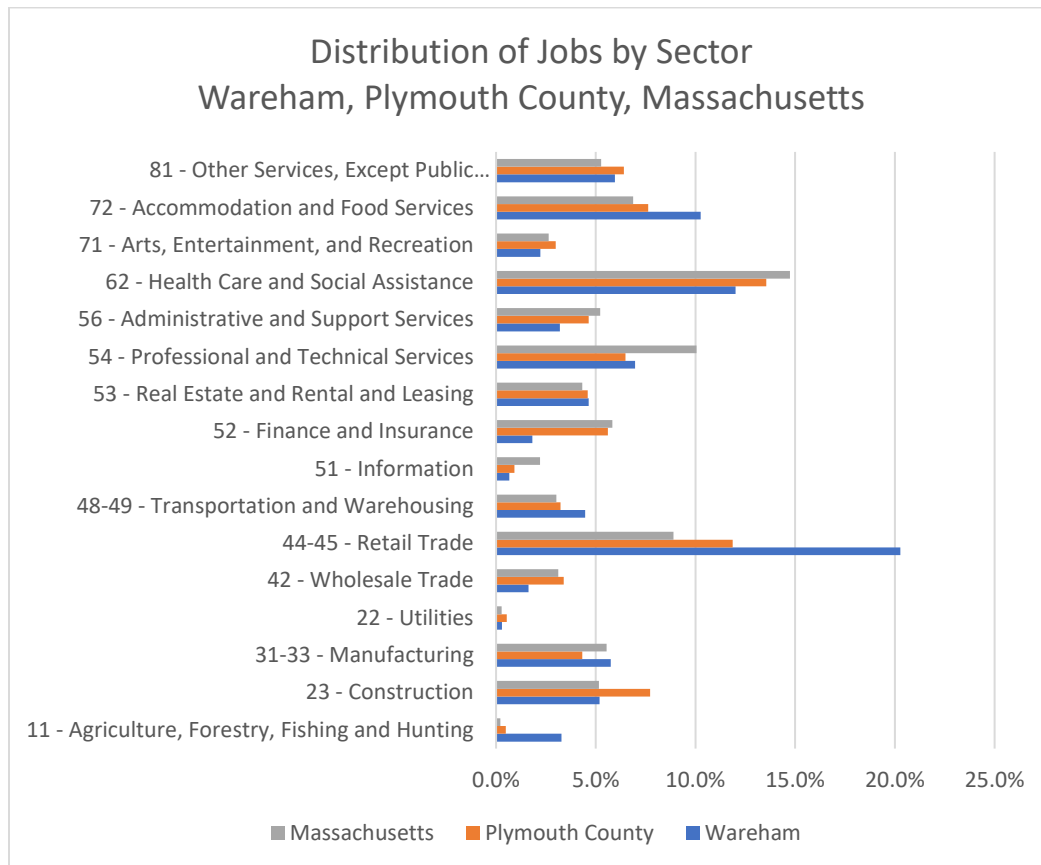
Social and Economic Characteristics and Trends

- Wareham's population increased by 6% between 2010 and 2017, to an estimated 21,000, and is projected to increase by another 5% by 2022, to about 22,000 persons. Both the recent historical and projected growth rates are higher than those for Plymouth County and Massachusetts overall. Similarly, households grew by 7% since 2010 to an estimated 8,600 in 2017, and are projected to grow another 5%, to about 9,000, by 2022. As with total population, household growth rates in Wareham have and are projected to exceed those of Plymouth County and Massachusetts overall. Implicit in these relative growth numbers is that Wareham is doing modestly better than the broader region and state in retaining and attracting people who want to live in Town. The projected population growth is key to future economic growth.
- Median and average incomes in Wareham remained below those of Plymouth County overall in 2017, but increased from 73% of the county income in

2006 to 83% in 2017. Part of the income disparity is accounted for by the lower levels of formal education – 22% of Wareham residents hold a Bachelor's degree or higher compared to 34% in Plymouth County and 40% in Massachusetts overall. Levels of formal education have always been important to achieving economic prospects, more so now and in coming years as education and skills requirements for highly-paying jobs increase. Wareham Public Schools must persist in improving the quality of education for residents to realize their potential and if Wareham is to continue to compete for employers that will pay good wages. In 2017, 55% of Wareham's employed residents held white collar jobs compared to 63% of Plymouth County and 67% of workers statewide.

- In 2017, the median value of owner-occupied housing in Wareham (\$276,845) was 32% lower than in Plymouth County (\$365,821) and 34% lower than in Massachusetts overall (\$369,832). Over the past 10 years the median value of owner-occupied housing in Wareham increased by 22% compared to only a 7% increase in Plymouth County overall. Ten percent (10%) of Wareham's housing stock is valued at less than \$100,000 compared to 5% in Plymouth County, while 22% is valued over \$400,000 compared to 42% in Plymouth County. While the relatively lower values of housing in Wareham mean lower property tax receipts to support town services, they also mean more affordable housing for residents, and the higher growth rate in values are attractive to prospective investors.
- Between 2006 and 2016, jobs in Wareham increased by 24% compared to 14% for Plymouth County and 15% statewide. Wareham's gains in number of jobs were led by the Health Care sector (plus 650 jobs), Retail Trade (plus 324 jobs), and accommodation & food services (plus 285 jobs). There were also notable gains in Manufacturing (210 jobs, a 27% increase) and Arts, Entertainment, & Recreation (113 jobs, a 94% increase over 2006). Within the manufacturing sector Food Processing shows an especially high concentration of jobs, and with a trained local labor force this industry may be candidate for additional expansion. A high concentration of jobs in truck transportation also bodes well for Wareham's ability to attract more firms engaged in the expanding ecommerce and distribution industry. Skyrocketing rents are forcing firms to look outside the immediate Boston area, and the presence of a labor force already skilled in trucking and distribution is a distinctive competitive advantage.
- At \$40,000 on average for all jobs, average annual wages in Wareham are 80% of those for Plymouth County overall and 60% of the statewide average. This difference is in part due to the relatively large number of jobs in Wareham in Retail Trade and Accommodation & Food Services, which are low wage occupations, although wages by industry sector in Wareham are mostly lower than comparable industries in Plymouth County and Massachusetts overall. This could be a plus for attracting new businesses.

Notwithstanding its retail and restaurant concentrations, Wareham holds a diversified economic base, as shown in the graph below.



Market Conditions and Trends

- FXM employs two complementary approaches to assessing potential market demand for commercial development. The first considers historical trends in jobs by industry sector, projects these trends forward, and then converts projected numbers of jobs into potential demand for space using space per employee norms. The second approach examines historical trends in the inventory, occupancies, vacancies, and lease rates for each of the major types of space – office, industrial/warehouse, flex, and retail. The table below summarizes the results of these two approaches. The differences in forecasts reflect the typical range found when using two distinctly different data sources and projection methods, and can provide greater confidence in whether the overarching trends are positive or negative for each type of space as well as in the range of likely outcomes. Also, Plymouth County is a broader geographic area than the submarkets used for the supply analysis, but because of data limitations is more reliable for employment projections. In the case of both projection methods, and notwithstanding land and development costs, zoning, and other factors affecting potential development

at specific sites, the results of the commercial market analysis clearly suggest that there is market support for additional development in Wareham. With the public initiatives suggested by the WRA's targeted strategic initiatives (noted subsequently), and aggressive outreach by local property owners, brokers, and developers, Wareham could easily capture a greater share of projected regional growth in each of the space types except retail/restaurant which are highly localized.

| Average Annual Projected Space Demand through 2022 | | | | |
|--|-------------------------|-----------------|----------------------------|-----------|
| Type of Space | Based on Projected Jobs | | Based on Absorption Trends | |
| | Wareham | Plymouth County | Wareham | Submarket |
| | sf | sf | sf | sf |
| Office | 6,000 | 120,000 | 2,400 | 90,000 |
| Industrial/Flex | 8,000 | 40,000 | 19,000 | 55,000 |
| Retail/Restaurant | 22,000 | 38,000 | 6,000 | 30,000 |
| Health Care | 15,000 | 400,000 | na | na |

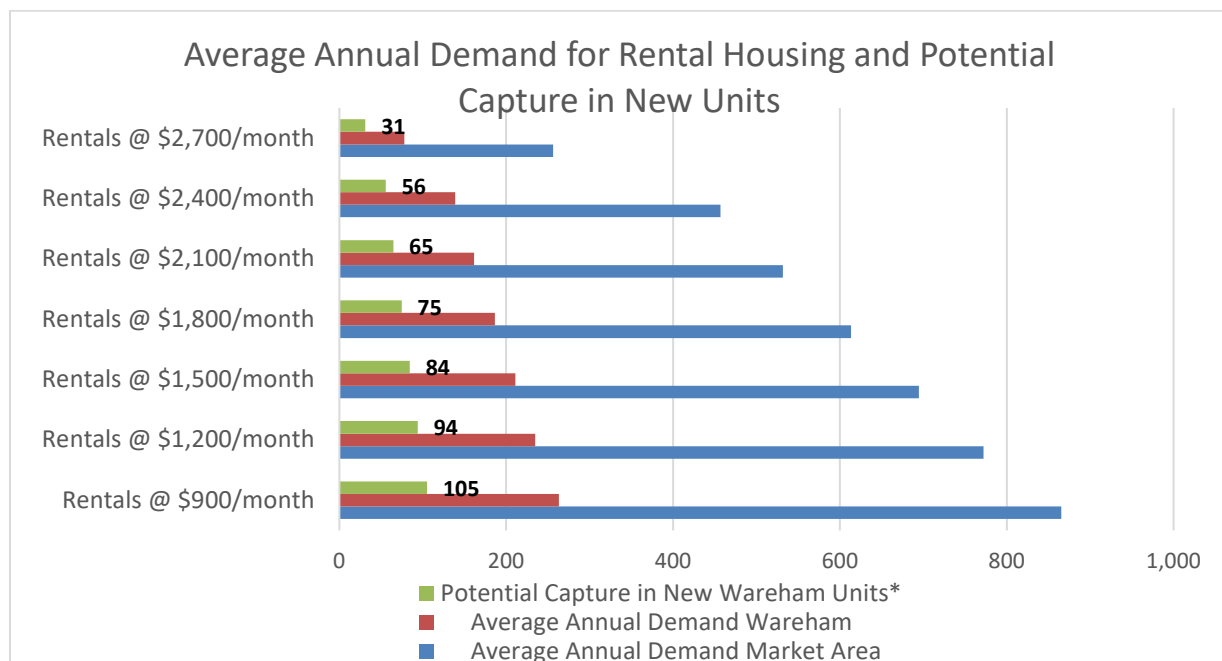
Sources: MDOL ES202 data base; USDOC *Regional Economic Information System* ;
CoStar *Property Information System* : and FXM Associates

The full report addresses specific opportunities for Wareham to realize projected local growth as well as a greater share of potential regional growth. In the case of office space, opportunities for shared workspaces appear promising. Wareham's ability to capture industrial space demand is enhanced by the presence of a strong trucking industry cluster and attendant trained labor force -- ecommerce and other demand for distribution space are driving skyrocketing rents in greater Boston, creating opportunities where the local supply of space and workforce offer competitive advantages.

- In addition to the trends projections for potential retail space demand community-wide, a Retail Opportunity Gap/Surplus analysis was done to estimate the types and numbers of stores and potential square footage of space that might be added to the Main Street/Downtown area. The Gap analysis measures sales "leakage" within given drive-time markets, wherein consumer expenditures are not now being captured by stores within those market areas. The result is a snapshot of current sales leakage rather than projection of future demand. The technique is commonly used by major retail developers to aid their recruitment of tenants. In the case of the Main Street/Downtown area of Wareham, current sales leakages suggest a potential to capture about 67,000 additional square feet of retail and restaurant uses (see details in Table 9).

- Rental housing is increasingly considered an important asset to economic development, particularly as it enables a community to attract and/or retain its younger labor force and others not interested in or able to afford homeownership. To the extent that rental housing development can complement mixed uses in older downtown and neighborhood commercial centers, it also represents an opportunity to upgrade underutilized properties.

To estimate demand for rental housing in Wareham FXM employed its proprietary *Housing Demand Model* which projects over the next five years the average annual demand for rental housing by age group, income and affordable rental rates. In addition to assessing the demand for rental housing FXM also analyzed historical trends in the inventory, absorption, and monthly rents for units within the Wareham market area. The graph below shows average annual demand and potential absorption of new rental units in Wareham, while the subsequent table displays supply characteristics and trends.

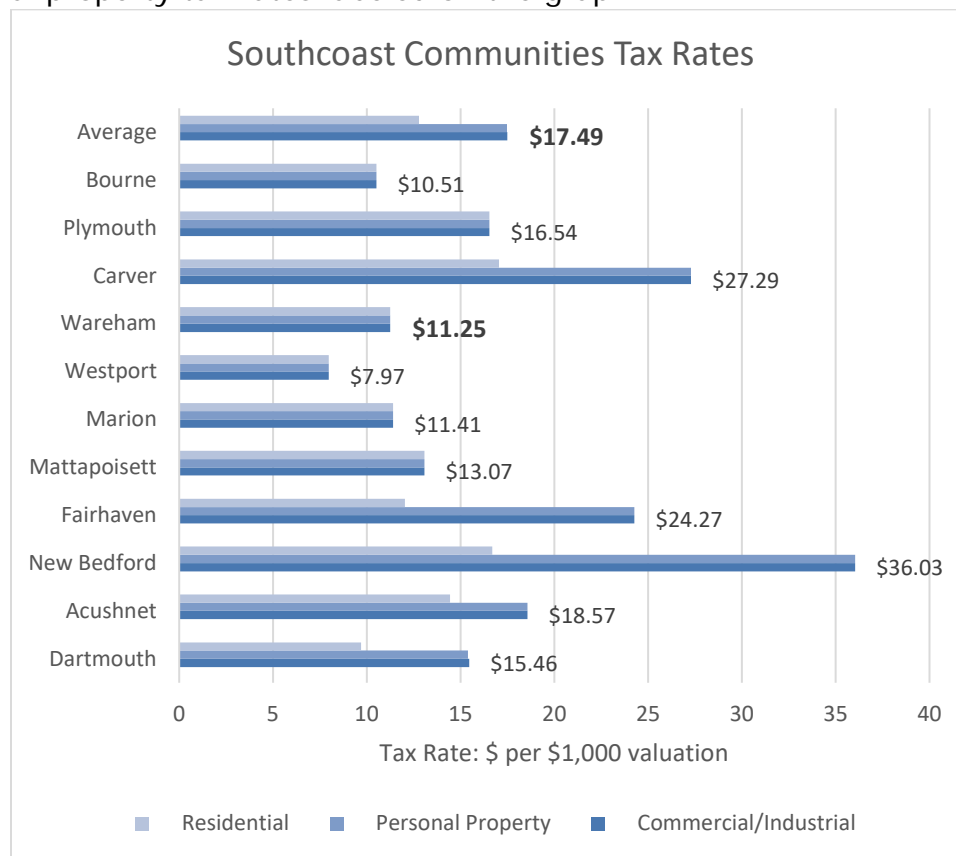


| Rental Units in the Wareham Market Area | | | | | | | |
|---|---------------|------------|--------------------|---|----------------------|--|-----------------|
| | Units in 2019 | % of Units | Ave Unit Size (SF) | Ave Annual Increase in Units: 2010-2019 | Monthly Rent in 2019 | Ave Annual Increase in Rent: 2010-2019 | Ave Rent per sf |
| 1 BR | 2,478 | 37% | 724 | 62 | \$1,465 | 3.9% | \$2.02 |
| 2 BR | 2,653 | 39% | 1,011 | 67 | \$1,711 | 4.5% | \$1.69 |
| 3 BR | 501 | 7% | 1,272 | 17 | \$2,145 | 5.5% | \$1.69 |
| ALL BRs | 6,720 | 100% | 890 | 146 | \$1,620 | 4.1% | \$1.82 |

- The picture that emerges from the assessment of demand for and supply of multi-family rental housing in Wareham and the local market area is one in which expected demand – driven by household mobility as well as net new growth – dramatically exceeds the current supply which has grown very modestly over the past ten years. The rentals that are available in conventional listings are priced below thresholds needed to support rehabilitation and new construction costs for market rate (unsubsidized) housing. The demand analysis indicates that there is at least hypothetical market support for units priced higher than the average listings, based on the incomes of householders likely to move into rental housing over the next five years. Developers will need to offer products of superior quality and amenities in order to attract households willing to pay higher than average market rents.

Fiscal Comparisons

Wareham boasts favorable tax rates compared to surrounding communities and the Southcoast region overall, a distinct competitive advantage in retaining existing businesses and attracting new ones. The graph below shows these rates with the commercial property tax rates labeled on the graph.



Strategic Priorities for the Wareham Redevelopment Authority

The final component of this report is a set of strategic priorities and implementation steps for the Wareham Redevelopment Authority to help realize the market opportunities identified in this report. The potential actions have been developed by staff of the Planning & Community Development Department, in consultation with FXM Associates, and discussed in detail in the Focus Group sessions as well as with Town officials and members of the board of the Wareham Redevelopment Authority.

As stated in the Strategic Priorities document, The WRA will focus its efforts in the near term on four specific areas:

- **Downtown Wareham Village Center** –Conditions in the Village Center reflect underwhelming investments in building upgrades, with vacancies, derelict buildings and empty lots; yet with key town holdings and program opportunities to advance change, including designation as an Opportunity Zone, the downtown is ripe for substantial change. Preparation of an Urban Renewal Plan is proposed to help advance redevelopment prospects. The market analyses conducted for this study suggest opportunities for high density rental housing, additional retail and restaurant uses, and office space to be developed as complimentary mixed-uses.
- **Onset Village** – Onset enjoys better conditions than the Downtown and is already a highly desirable destination for area-wide residents and visitors. Recent new hotel development testifies to the confidence investors have in this iconic waterfront village. However, there is still enough disinvestment that the conditions meet the criteria for an Urban Renewal area. To enhance its status as a village center therefore requires reinvestment focused on infrastructure improvements and private property rehabilitation and renovation projects. Onset Village's physical beauty and long-standing reputation as a summer destination for beach goers, sightseers, boaters and golfers enhances property values and development prospects in a much wider area.
- **Wareham Industrial Parks** – With a wide variety of businesses in the industrial parks, this business cluster represents many sectors of the industrial market. Physical improvements to enhance additional development prospects were the subject of a 2016 economic development study, while market assessments for this study indicate strong demand for additional industrial and flex space within Wareham and throughout the submarket.
- **Route 6 and Route 28 Commercial Strips** – Vestiges of the auto-oriented growth of the region, these often shallow-depth commercial parcels front on the State highways. They are difficult to maximize revenue for the businesses and for taxes because of their configuration. Redevelopment

requires special attention to the attractiveness of the business environment, and should include median plantings, easy access to parking, improvements in roadway access and conditions, zoning changes, and marketing to promote and improve the development prospects of this often-overlooked commercial asset that has long provided local jobs and tax revenues

Details of the proposed mechanisms for implementing these strategic priorities, as well as rationale for action and measure of success, are outlined in the final section of the report.

An additional programmatic recommendation is for the Planning Department and Redevelopment Authority to sponsor ongoing Focus group sessions, like the ones conducted in the course of this study. The response during and after each session was extremely positive. Participants were informed of economic development issues perceived as important by the town, the rationale for these perceptions, as well as views of professional planners on potential implementation actions to overcome obstacles and better realize economic development opportunities. In turn, participant business and community stakeholders contributed their observations and insights on the substance of each issue and priorities for action. Town and Redevelopment Authority officials were thus better informed and able to change or refine their initially considered initiatives into actions that could be broadly supported by stakeholders. An ongoing series of such Focus Group sessions would allow for further feedback on work in progress as well as evolve new strategies and initiatives.

Among the many additional opportunities to enhance economic development in Wareham, reflected in FXM's interviews with stakeholders, is the need for better promotion and a centralized "arts infrastructure", drawing on resources such as the Bourne-Wareham Arts Association and the Onset Bay association. The City of New Bedford offers a distinctive opportunity for collaboration in this regard, with its expansive and long-established arts scene.

SOCIAL AND ECONOMIC CHARACTERISTICS

Population and Households

As shown in Table 1, the estimated population of the Town of Wareham was 20,735 residents in 2017. The Town has gained 1,157 residents since 2010 (an increase of 6%), while Plymouth County has grown by 4%, and the State of Massachusetts has grown by about 5%. Wareham's population grew by 8% between 2000 and 2010, also a period of growth for both Plymouth County (5%) and the State (3%). Although Wareham's population growth has slowed in recent years, as has that of Plymouth County, this growth is important to its economic health, which depends to a large extent on a growing population's demand for goods and services as well as a potential source of new businesses and of labor for town businesses. Projections for the next five years show continued growth for the Town of Wareham at 5%, greater than the projected growth for both Plymouth County (3%) and the State (4%).

The estimated 8,585 households in the Town of Wareham experienced a large gain of 10% in the decade between 2000 and 2010, followed by another significant gain of 7% since 2010, and are projected to grow at 5% as the population rises. Average household size in Wareham is 2.4 persons, similar to both Plymouth County (2.6) and that of the State (2.5).

As shown in Table 1, the average income in Wareham (\$83,605) is 25% lower than average incomes for Plymouth County (\$104,884), and 22% less than the rest of the Commonwealth (\$102,378). The estimated median income (\$65,936) is over \$13,000 less than that of Plymouth County, and \$8,700 lower than that for the State of Massachusetts. Wareham's poverty rate is greater than that of Plymouth County but aligns exactly with State proportions.

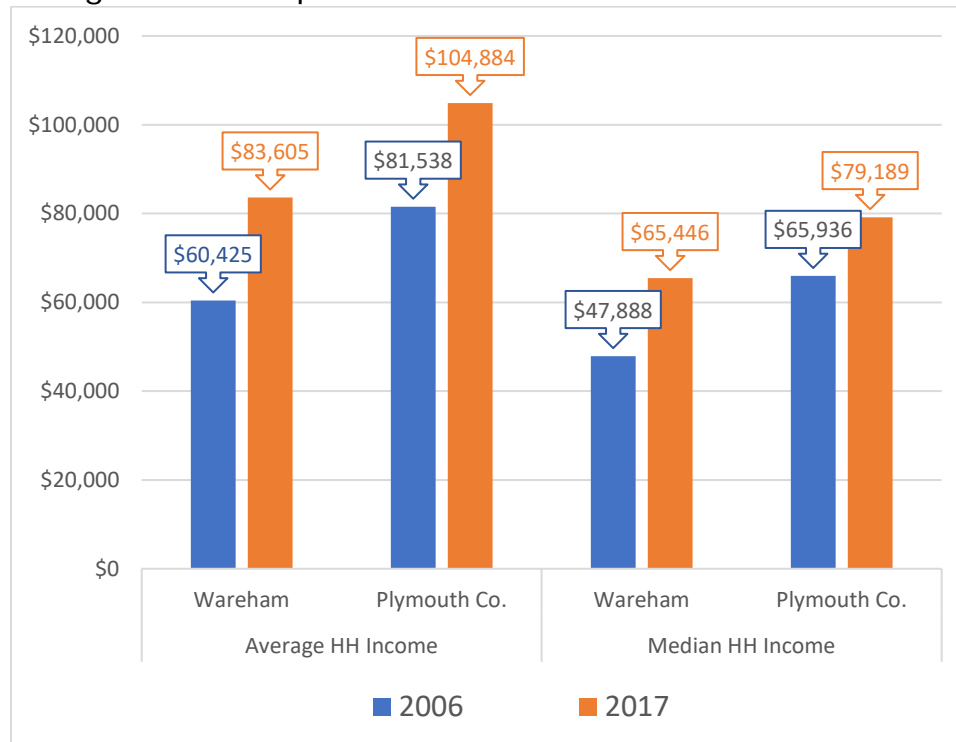
Figure 1 illustrates the relative annual incomes among Wareham, Plymouth County, and State of Massachusetts residents.

Table 1. Wareham Households Compared to Plymouth County and State Overall

| Population & Households Compared | | | | | | |
|--|-----------------|-----|-------------------|-----|-------------------|-----|
| | Town of Wareham | | Plymouth County | | State of MA | |
| Population | | | | | | |
| 2022 Projection | 21,688 | | 533,071 | | 7,103,376 | |
| 2017 Estimate | 20,735 | | 515,428 | | 6,861,490 | |
| 2010 Census | 19,578 | | 427,497 | | 6,349,100 | |
| 2000 Census | 18,182 | | | | | |
| <i>Projected Growth 2017 - 2022</i> | | 5% | | 3% | | 4% |
| <i>Estimated Growth 2010 - 2017</i> | | 6% | | 4% | | 5% |
| <i>Growth 2000 - 2010</i> | | 8% | | 5% | | 3% |
| 2017 Estimated Average Age | 42.9 | | 41.1 | | 40.3 | |
| Households | | | | | | |
| 2022 Projection | 9,031 | | 198,460 | | 2,787,185 | |
| 2017 Estimate | 8,585 | | 190,870 | | 2,682,402 | |
| 2010 Census | 8,009 | | 181,126 | | 2,547,075 | |
| 2000 Census | 7,252 | | | | | |
| <i>Projected Growth 2017 - 2022</i> | | 5% | | 4% | | 4% |
| <i>Estimated Growth 2010 - 2017</i> | | 7% | | 5% | | 5% |
| <i>Growth 2000 - 2010</i> | | 10% | | 8% | | 4% |
| 2017 Average Household Size | 2.4 | | 2.6 | | 2.5 | |
| 2017 Estimated Household Income | | | | | | |
| | 8,585 | | 190,870 | | 2,682,402 | |
| Income Less than \$15,000 | 905 | 11% | 13,695 | 7% | 282,172 | 11% |
| Income \$15,000 - \$24,999 | 658 | 8% | 13,727 | 7% | 223,710 | 8% |
| Income \$25,000 - \$34,999 | 617 | 7% | 13,437 | 7% | 195,913 | 7% |
| Income \$35,000 - \$49,999 | 1,119 | 13% | 19,851 | 10% | 269,589 | 10% |
| Income \$50,000 - \$74,999 | 1,508 | 18% | 30,122 | 16% | 404,456 | 15% |
| Income \$75,000 - \$99,999 | 1,327 | 15% | 25,541 | 13% | 326,932 | 12% |
| Income \$100,000 - \$124,999 | 894 | 10% | 20,800 | 11% | 264,287 | 10% |
| Income \$125,000 - \$149,000 | 557 | 6% | 15,823 | 8% | 197,545 | 7% |
| Income \$150,000 - \$199,999 | 531 | 6% | 18,129 | 10% | 229,286 | 9% |
| Income \$200,000 - \$249,999 | 205 | 2% | 7,908 | 4% | 106,318 | 4% |
| Income \$250,000 - \$499,999 | 202 | 2% | 8,481 | 4% | 121,994 | 4% |
| Income \$500,000 and over | 62 | 1% | 3,356 | 2% | 60,200 | 2% |
| Household Income Less than \$25,000 | 1,563 | 18% | 27,422 | 14% | 505,882 | 19% |
| Household income more than \$150,000 | 1,000 | 12% | 37,874 | 20% | 517,798 | 19% |
| 2017 Families by Poverty Status | | | | | | |
| 2017 Families Below Poverty | 434 | 8% | 7,777 | 6% | 140,682 | 8% |
| 2017 Families Below Poverty with Children | 347 | 6% | 6,171 | 5% | 106,439 | 6% |
| 2017 Estimated Average Household Income | \$83,605 | | \$ 104,884 | | \$ 102,378 | |
| 2017 Estimated Median Household Income | \$65,936 | | \$ 79,189 | | \$ 72,671 | |

Source: EnvirionicsAnalytics, 2017 and FXM Associates

Figure 1. Compare Household Incomes 2006 to 2017



Source: EnvironicsAnalytics, 2017 and FXM Associates

Workforce Characteristics

The data in Table 2 show that Wareham's workforce is similar to that of Plymouth County and Massachusetts in terms of occupational distribution, however, the proportion of workers with a bachelor's degree or higher for the Town of Wareham is 12 percentage points less than that of Plymouth County and 18 percentage points less than that of the Commonwealth.

The Town of Wareham consists of more service and farm and blue-collar workers than white collar when compared to both the County and the Commonwealth. The types of workers are similar across all geographic areas. The proportion of households in Wareham and Plymouth County that do not own a vehicle is half that of the State, but households in Wareham are also slightly more likely to be one-vehicle households than in the county or state. Travel times to work for those in Wareham are shorter than for the county and state: 30 minutes, compared to 36 and 32 minutes at the county and state levels respectively.

Table 2. Workforce Characteristics 2017

| | Town of Wareham | | Plymouth County | | State of MA | |
|---|-----------------|-----|-----------------|-----|------------------|-----|
| Education (Pop. Age 25+) | 14,982 | | 356,216 | | 4,766,815 | |
| Less than 9th grade | 480 | 3% | 11,032 | 3% | 233,536 | 5% |
| Some High School, no diploma | 822 | 5% | 16,554 | 5% | 260,077 | 5% |
| High School Graduate (or GED) | 5,486 | 37% | 104,121 | 29% | 1,210,959 | 25% |
| Some College, no degree | 3,197 | 21% | 67,650 | 19% | 765,659 | 16% |
| Associate Degree | 1,753 | 12% | 36,402 | 10% | 370,933 | 8% |
| Bachelor's Degree | 2,102 | 14% | 76,618 | 22% | 1,084,763 | 23% |
| Master's Degree | 843 | 6% | 33,210 | 9% | 591,750 | 12% |
| Professional School Degree | 222 | 1% | 7,092 | 2% | 133,850 | 3% |
| Doctorate Degree | 77 | 1% | 3,537 | 1% | 115,288 | 2% |
| Less than high school diploma | 1,302 | 9% | 27,586 | 8% | 493,613 | 10% |
| Bachelor's Degree or higher | 3,244 | 22% | 120,457 | 34% | 1,925,651 | 40% |
| Occupation Classification (Pop. Age 16+) | 9,979 | | 261,535 | | 3,490,028 | |
| Blue Collar | 2,008 | 20% | 45,696 | 17% | 540,157 | 15% |
| White Collar | 5,487 | 55% | 163,891 | 63% | 2,322,054 | 67% |
| Service and Farm | 2,484 | 25% | 51,948 | 20% | 627,817 | 18% |
| Type of Worker (Civ. Employed Pop. 16+) | 9,979 | | 261,535 | | 3,490,028 | |
| For-Profit Private Workers | 6,664 | 67% | 174,776 | 67% | 2,296,767 | 66% |
| Non-Profit Private Workers | 953 | 10% | 27,137 | 10% | 442,172 | 13% |
| Local Government Workers | 754 | 8% | 20,286 | 8% | 242,170 | 7% |
| State Government Workers | 607 | 6% | 11,581 | 4% | 133,148 | 4% |
| Federal Government Workers | 151 | 2% | 4,510 | 2% | 58,060 | 2% |
| Self-Emp Workers | 847 | 9% | 22,966 | 9% | 312,849 | 9% |
| Unpaid Family Workers | 3 | 0% | 279 | 0% | 4,862 | 0% |
| 2017 Est. Households by Number of Vehicles | 8,071 | | 190,870 | | 2,682,402 | |
| No Vehicles | 514 | 6% | 11,854 | 6% | 334,370 | 12% |
| 1 Vehicle | 3,302 | 38% | 59,531 | 31% | 972,376 | 36% |
| 2 Vehicles | 3,121 | 36% | 80,519 | 42% | 972,271 | 36% |
| 3 Vehicles | 1,165 | 14% | 27,964 | 15% | 291,878 | 11% |
| 4 Vehicles | 419 | 5% | 8,657 | 5% | 84,512 | 3% |
| 5 or more Vehicles | 64 | 1% | 2,345 | 1% | 26,995 | 1% |
| Average Travel Time to Work (minutes) | 30 | | 36 | | 32 | |

Source: EnvironicsAnalytics, 2017 and FXM Associates

Housing

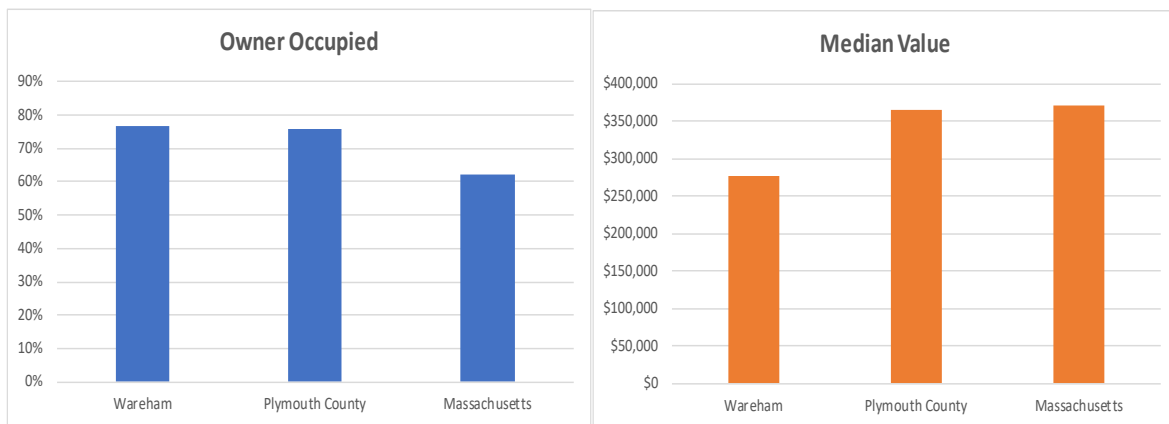
Table 3 summarizes housing characteristics within Wareham, Plymouth County, and the State. The great majority of Wareham residences, 77%, are owner-occupied, in line with the 76% of Plymouth County residents who own, and higher than the 62% of State residents who own. The average length of residence for owner-occupied

units in Wareham is shorter in duration and average length of residence for renter-occupants is longer in duration than those of the County and State.

Figure 2 compares owner-occupied percentages and median housing values for Wareham, Plymouth County, and the State of Massachusetts for 2017. The median value of owner-occupied structures in Wareham (\$276,845) is 32% lower than in the County (\$365,821) and 34% lower than in the State (\$369,832). The largest proportion of housing is valued in the \$200,000 to \$299,999 range, compared to both the County and State housing values which are mostly between \$300,000 and \$399,999.

About 20% the housing stock in Wareham was built before 1939, with a median year of 1969, making its stock older than that of the State and newer than the that of the County.

Figure 2. Wareham Key Housing Characteristics, 2017



Source: EnvironicsAnalytics, 2017 and FXM Associates

Table 3. Wareham Housing Characteristics, 2017

| | Town of Wareham | | Plymouth County | | State of MA | |
|--|------------------|-----|------------------|-----|------------------|------|
| Tenure (Occupied Housing Units) | 8,585 | | 190,870 | | 2,661,460 | |
| Owner Occupied | 6,585 | 77% | 145,377 | 76% | 1,667,112 | 62% |
| Renter Occupied | 2,000 | 23% | 45,493 | 24% | 1,015,290 | 38% |
| Avg. Length of Residence (yrs) | | | | | | |
| Owner Occupied | 16 | | 18 | | 18.5 | |
| Renter Occupied | 9 | | 8 | | 7.5 | |
| Owner-Occupied Housing Values | 6,585 | | 145,377 | | 1,667,112 | |
| Value Less than \$20,000 | 152 | 2% | 2,045 | 1% | 29,208 | 2% |
| Value \$20,000 - \$39,999 | 146 | 2% | 1,534 | 1% | 14,758 | 0.9% |
| Value \$40,000 - \$59,999 | 216 | 3% | 1,164 | 1% | 9,329 | 0.6% |
| Value \$60,000 - \$79,999 | 64 | 1% | 916 | 1% | 8,787 | 0.5% |
| Value \$80,000 - \$99,999 | 56 | 1% | 967 | 1% | 11,641 | 0.7% |
| Value \$100,000 - \$149,999 | 271 | 4% | 4,000 | 3% | 61,582 | 4% |
| Value \$150,000 - \$199,999 | 781 | 12% | 8,483 | 6% | 121,968 | 7% |
| Value \$200,000 - \$299,999 | 2,057 | 31% | 30,280 | 21% | 333,286 | 20% |
| Value \$300,000 - \$399,999 | 1,345 | 20% | 34,574 | 24% | 339,976 | 20% |
| Value \$400,000 - \$499,999 | 745 | 11% | 24,570 | 17% | 256,411 | 15% |
| Value \$500,000 - \$749,999 | 523 | 8% | 21,972 | 15% | 273,479 | 16% |
| Value \$750,000 - \$999,999 | 133 | 2% | 8,743 | 6% | 113,888 | 7% |
| Value \$1,000,000 or more | 96 | 1% | 6,129 | 4% | 92,799 | 6% |
| Median Value | \$276,845 | | \$365,821 | | \$369,832 | |
| 2017 Est. Housing Units by Year Structure Built | 11,169 | | 210,277 | | 2,951,917 | |
| Housing Units Built 2010 or later | 752 | 7% | 12,517 | 6% | 170,978 | 6% |
| Housing Units Built 2000 to 2009 | 1,155 | 10% | 19,683 | 9% | 219,300 | 7% |
| Housing Units Built 1990 to 1999 | 836 | 8% | 18,662 | 9% | 214,738 | 7% |
| Housing Units Built 1980 to 1989 | 944 | 9% | 24,425 | 12% | 309,032 | 10% |
| Housing Units Built 1970 to 1979 | 1,796 | 16% | 31,929 | 15% | 328,104 | 11% |
| Housing Units Built 1960 to 1969 | 1,037 | 9% | 23,857 | 11% | 289,791 | 10% |
| Housing Units Built 1950 to 1959 | 1,026 | 9% | 21,807 | 10% | 317,906 | 11% |
| Housing Units Built 1940 to 1949 | 1,353 | 12% | 10,218 | 5% | 163,438 | 6% |
| Housing Unit Built 1939 or Earlier | 2,270 | 20% | 47,179 | 22% | 938,630 | 32% |
| 2017 Est. Median Year Structure Built | 1969 | | 1971 | | 1961 | |

Source: EnvironicsAnalytics, 2017 and FXM Associates

Business Characteristics

Table 4, below, shows jobs by major industry group in Wareham for 2007 and 2016. The greatest number of Wareham jobs are in the Health Care and Social Assistance, Retail Trade, and Accommodation and Food Services sectors. The sectors that experienced the largest percentage of growth since 2007 are: Real

Estate and Rental and Leasing (110% increase); Arts, Entertainment, and Recreation (94%); and Finance and Insurance (71%). Health Care and Social Assistance experienced the largest absolute change in employment, adding roughly 654 jobs to the Wareham economy. Only three sectors experienced a decline in employment over the ten-year span: Transportation and Warehousing, Information, and Administrative and Support Services.

Table 4. Employment by Sector for Wareham, 2006 and 2016

| Jobs in Wareham by Industry: 2006-2016 | | | | |
|---|----------------------------|----------------------------|--|-----------------------------------|
| Sectors | 2006 Employment | 2016 Employment | Absolute Change in Total Jobs | % Change in Total Jobs |
| 11 - Agriculture, Forestry, Fishing and Hunting | 121 | 166 | 45 | 37% |
| 22 - Utilities | 152 | 217 | 65 | 43% |
| 23 - Construction | 328 | 488 | 160 | 49% |
| 31-33 - Manufacturing | 774 | 984 | 210 | 27% |
| 42 - Wholesale Trade | 327 | 381 | 54 | 17% |
| 44-45 - Retail Trade | 1,916 | 2,240 | 324 | 17% |
| 48-49 - Transportation and Warehousing | 516 | 372 | (144) | -28% |
| 51 - Information | 114 | 94 | (20) | -18% |
| 52 - Finance and Insurance | 135 | 231 | 96 | 71% |
| 53 - Real Estate and Rental and Leasing | 90 | 189 | 99 | 110% |
| 54 - Professional and Technical Services | 412 | 459 | 47 | 11% |
| 56 - Administrative and Waste Services | 321 | 261 | (60) | -19% |
| 61 - Educational Services | 553 | 631 | 78 | 14% |
| 62 - Health Care and Social Assistance | 1,642 | 2,296 | 654 | 40% |
| 71 - Arts, Entertainment, and Recreation | 120 | 233 | 113 | 94% |
| 72 - Accommodation and Food Services | 1,132 | 1,417 | 285 | 25% |
| 81 - Other Services, Except Public Administration | 390 | 517 | 127 | 33% |
| 92 - Public Administration | 388 | 494 | 106 | 27% |
| TOTAL All Industries | 9,431 | 11,670 | 2,239 | 24% |

Source: Mass Department of Labor, ES202 Data Series, Adjusted Values, 2016: and FXM Associates

Figure 3 illustrates graphically the relative changes in employment by sector between 2006 and 2016 shown in Table 4.

Figure 3. Compare 2006 and 2016 Employees, Wareham



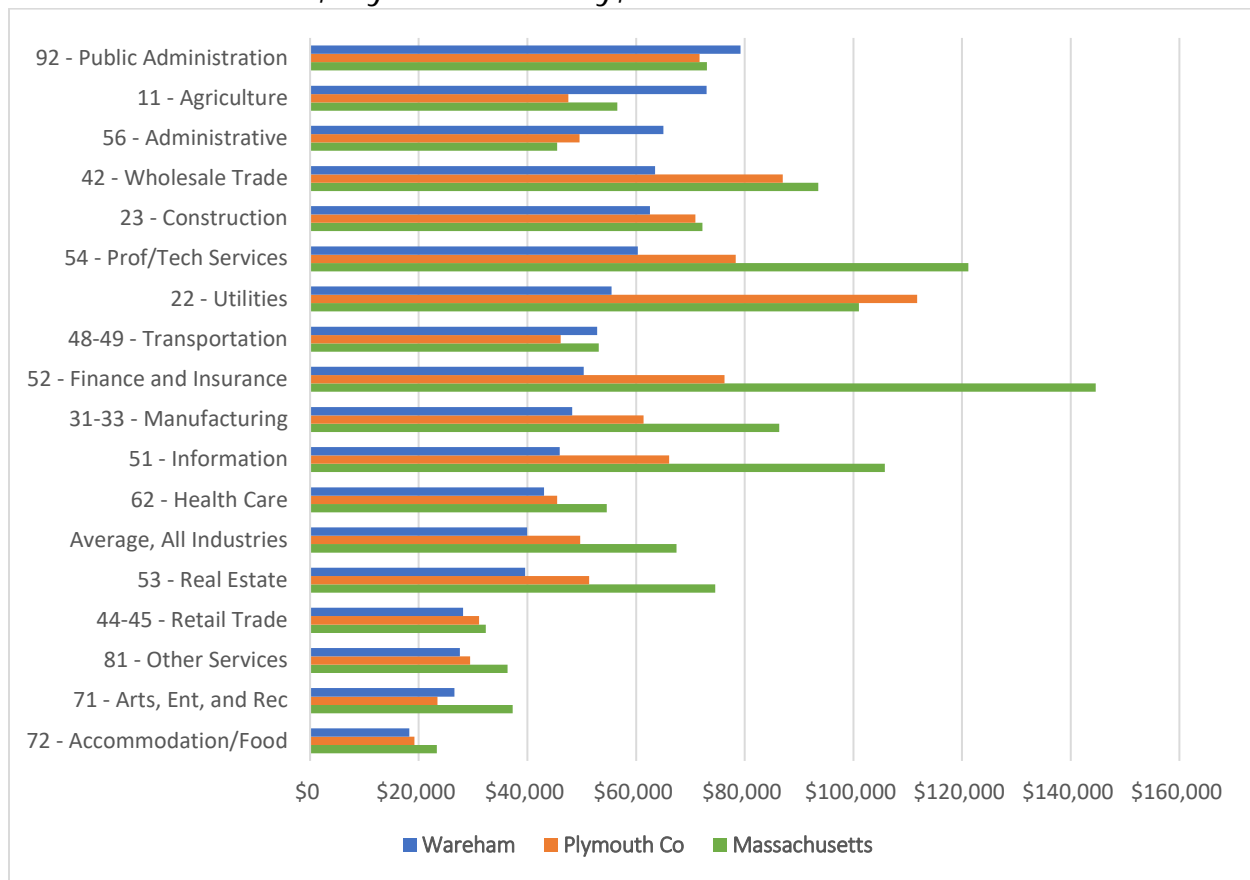
As shown in Table 5 and the subsequent graph, average wages overall in Wareham lag behind the county and statewide average annual wages for all industries. At \$40,000 on average for all jobs, Wareham's average annual wages are 80% of those for Plymouth County overall and 60% of the statewide average. This difference is in part attributable to the relatively large number of jobs in Wareham in Retail Trade and Accommodation & Food Services, which are low wage occupations. Average annual wages in Wareham are also lower than in Plymouth County or Massachusetts in all industries except Agriculture, Forestry & Fishing; Transportation & Warehousing; Administrative & Support Services; and Public Administration. In Figure 4, note that, in Wareham, the highest-paying jobs are in the public sector and that administrative and support wages are the third highest in the town.

Table 5. Town of Wareham Wages by Sector

| Demographic Data: Town of Wareham Wages | | | | | |
|---|-----------------|---------------------|--------------------|-----------------|------------------------|
| Sectors | Wareham | Town as % of County | Town as % of State | Plymouth County | State of Massachusetts |
| 11 - Agriculture, Forestry, Fishing and Hunting | \$73,008 | 154% | 129% | \$47,528 | \$56,576 |
| 23 - Construction | \$62,556 | 88% | 87% | \$70,928 | \$72,228 |
| 31-33 - Manufacturing | \$48,256 | 79% | 56% | \$61,360 | \$86,372 |
| 22 - Utilities | \$55,484 | 50% | 55% | \$111,748 | \$101,036 |
| 42 - Wholesale Trade | \$63,492 | 73% | 68% | \$86,996 | \$93,548 |
| 44-45 - Retail Trade | \$28,132 | 90% | 87% | \$31,096 | \$32,344 |
| 48-49 - Transportation and Warehousing | \$52,832 | 115% | 99% | \$46,124 | \$53,144 |
| 51 - Information | \$45,968 | 70% | 43% | \$66,092 | \$105,768 |
| 52 - Finance and Insurance | \$50,336 | 66% | 35% | \$76,284 | \$144,612 |
| 53 - Real Estate and Rental and Leasing | \$39,572 | 77% | 53% | \$51,376 | \$74,568 |
| 54 - Professional and Technical Services | \$60,320 | 77% | 50% | \$78,364 | \$121,160 |
| 56 - Administrative and Support Services | \$65,052 | 131% | 143% | \$49,608 | \$45,448 |
| 62 - Health Care and Social Assistance | \$43,056 | 83% | 72% | \$52,156 | \$60,060 |
| 71 - Arts, Entertainment, and Recreation | \$26,572 | 58% | 49% | \$45,500 | \$54,600 |
| 72 - Accommodation and Food Services | \$18,252 | 78% | 49% | \$23,452 | \$37,284 |
| 81 - Other Services, Except Public Administration | \$27,560 | 94% | 76% | \$29,432 | \$36,348 |
| 92 - Public Administration | \$79,196 | 110% | 108% | \$71,708 | \$73,060 |
| Average All Industries | \$39,936 | 80% | 59% | \$49,712 | \$67,444 |

Source: Mass Department of Labor, ES202 Data Series, Adjusted Values, 2016; and FXM Associates

Figure 4. Average Annual Wages by Industry
Wareham, Plymouth County, Massachusetts Overall: 2016



MARKET CONDITIONS AND TRENDS

This part of the report focuses on potential for growth in those parts of the economy which are likely targets for Wareham’s real estate and economic development. The discussion includes:

- an analysis of historical trends in employment by sector;
- potential space demand based on historical employment trends;
- an identification of industries with an especially high concentration of jobs in Wareham (high “location quotients”);
- current opportunities to capture retail sales leakage;
- and analysis of trends in the inventory, vacancies, occupancy, and lease rates for office, industrial, flex, and retail space in Wareham as well as in the surrounding submarkets for each type of space.

Employment Trends

The measure most widely used for market trends analyses is employment because historical and projected jobs are a good indicator of the current status and future direction of a given industry. Increasing employment indicates industries that are growing, whether through expansion of existing businesses or opening of new ones, and therefore are most likely to provide future employment opportunities in the community. Also, reasonably reliable historic data are readily available and can be used to project future employment opportunities. The two sources used here for the employment trends graphs are the ES202 reports from the Massachusetts Department of Labor and Workforce Development, modified by the more inclusive (because they include self-employment data) reports from the Regional Economic Information System (REIS) of the U.S. Department of Commerce, Bureau of Economic Analysis.

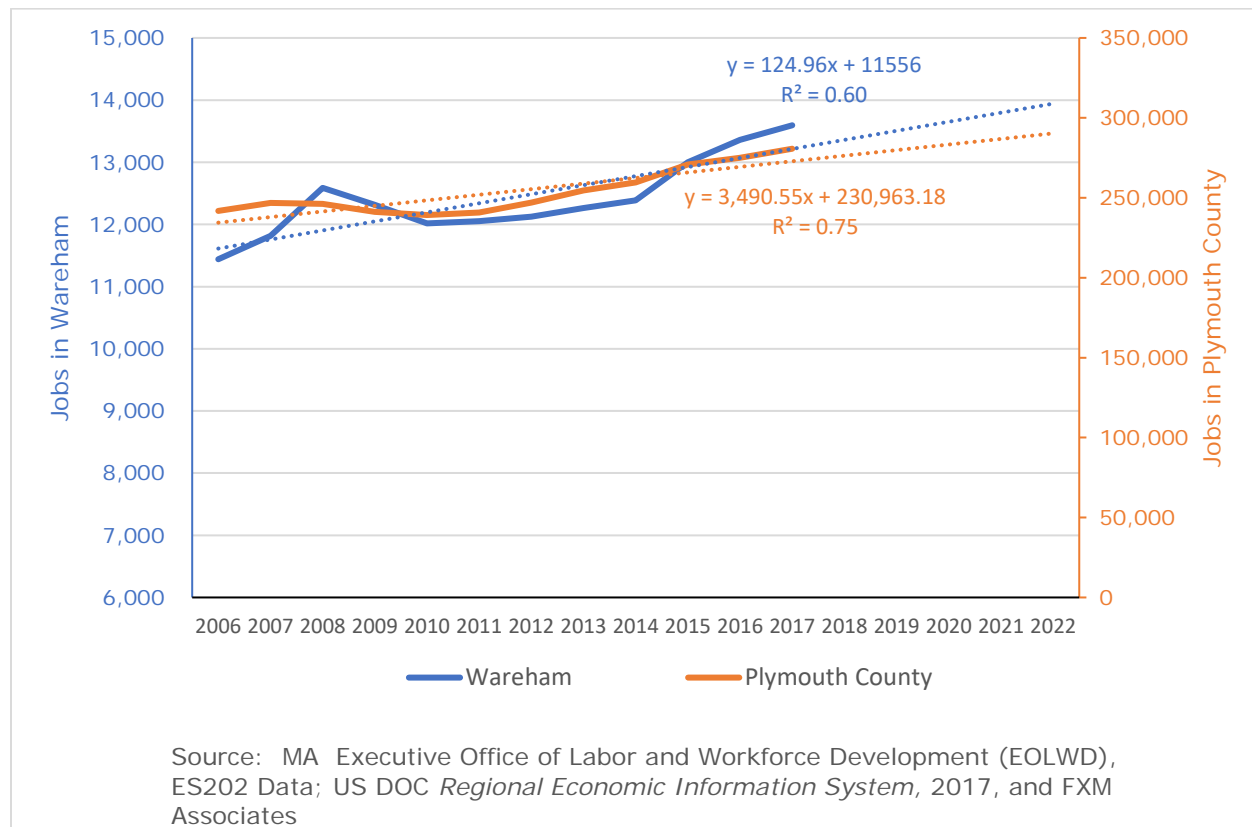
The following graphs display trends and projections for the Town of Wareham and Plymouth County. Note that because of the size differences between town and county, the graphs should be read on two axes, the county on the right and Wareham on the left.

Figure 5. shows total employment trends for all industries. The R^2 values for the projections for Wareham and Plymouth County are high enough to suggest upward trends for Plymouth County and Wareham since the recession.¹

¹ The method chosen to project near-term future employment is a linear auto-regression of the time series data of employment categories from the sources above. This method assumes that the overall economic factors influencing employment growth (or decline) in the recent past will continue into the near future, and that the observed trends in employment will continue in a roughly straight-line fashion for the next few years. The statistic used to signify the confidence in a given projection is called the coefficient of determination (R^2) calculation and is presented alongside each projection given below. The closer the R^2 value is to 1, the better the predictive value of linear analysis of past performance.

A limiting factor on the level of confidence in the projections is the influence of the 2008-9 recession, which is still being felt in some sectors and which may also affect the accuracy of a linear trendline projection. For example, a sector might be showing strong growth since 2011 but the volatility introduced by the recession could pull down the projected future growth and also lower the R^2 value of the projection. Therefore, the historical trendlines may be adjusted to account for a shift in the level of employment due to the recession, or a rapid post-recession recovery to the previous longer-term trend. Meanwhile, it is still too soon to know whether and how post-recession growth will be sustained. Over the next several years other factors, whose quantitative effects are unforeseeable at this time, will affect the projections shown, including the impact of tariffs and other international trade policies, the real estate cycle (currently approaching 10 years, which is unusually long), and inflation/interest rate policies – all of which can influence business practices.

Figure 5. Town of Wareham and Plymouth County: Total All Industries, 2006-2022



Office-using industries are a potential target for more growth and development. For the purposes of this analysis FXM has defined office-using sectors by NAICS codes:

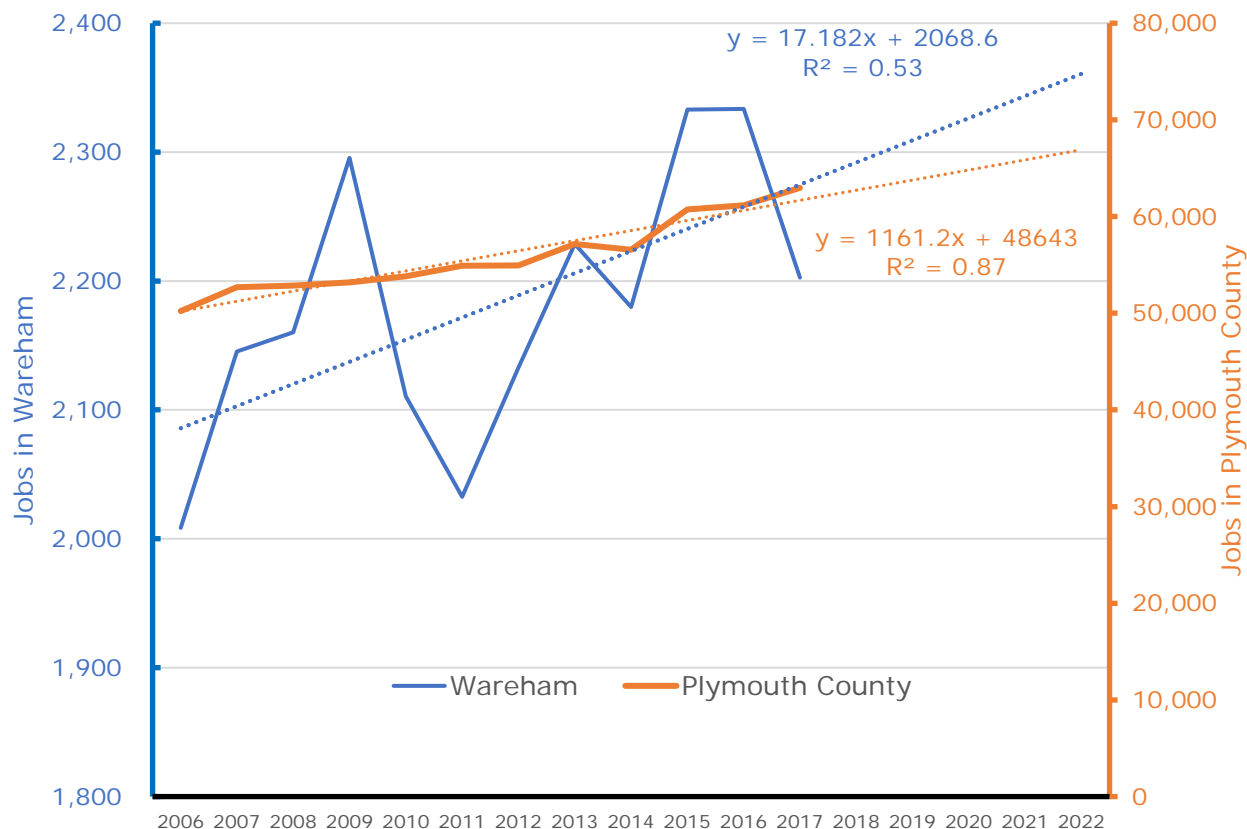
Professional Offices, Non-medical

- 51–Information
- 52–Finance and Insurance
- 53–Real Estate and Rental & Leasing
- 54–Professional, Scientific, and Technical Services
- 55–Management of Companies and Enterprises
- 56–Administrative and Support Services and Waste Management & Remediation

Figure 6 shows trends and projections for all office-using industries in Wareham and in Plymouth County. The projection for Plymouth County office-using employment is sound, with an R^2 value above 0.87 indicating a promising and reliable upward trend. Observations in Wareham are more variable and hence the trendline has a lower predictive value based on historic growth, an R^2 of 0.53. Consequently, it is difficult to confidently know whether these sectors as a group have potential for growth by interpreting data from the past ten years that include the recession.

Focusing on the past five years, Wareham has experienced consistent growth and has mirrored trends of Plymouth County.

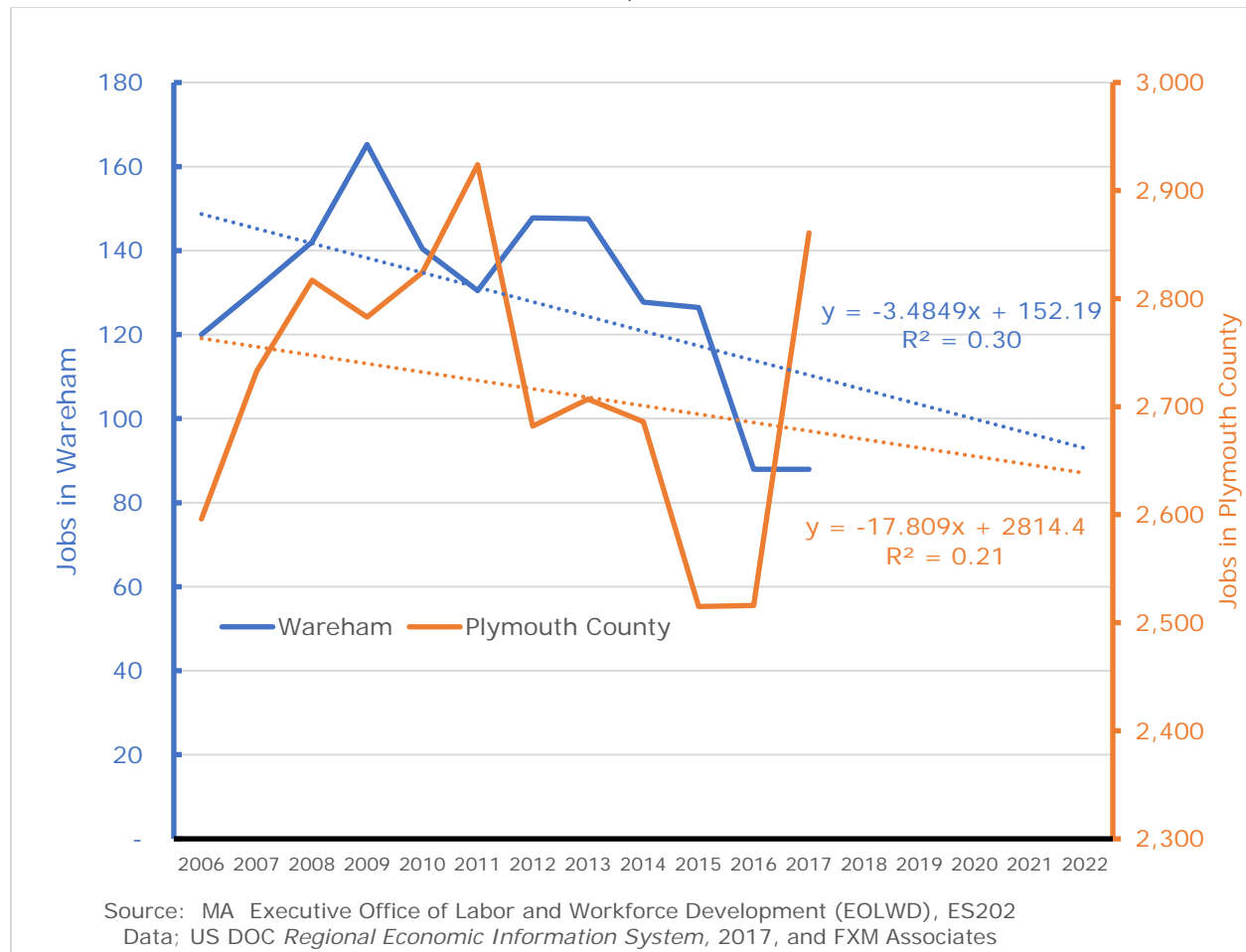
Figure 6. Town of Wareham and Plymouth County Employment: Total Office-Using Industries, 2006-2022



Source: MA Executive Office of Labor and Workforce Development (EOLWD), ES202 Data; US DOC *Regional Economic Information System*, 2017, and FXM Associates

Figure 7 displays employment in the Information sector which comprises establishments that engage in producing and distributing information and cultural products, such as the publishing industry, broadcasting, telecommunications, and data processing. Employment for both the Town and County has been extremely unstable and hence almost impossible to predict based on historical performance. Also, the total number of jobs in this sector in Wareham is small, so the gain or loss of one or two businesses would produce significant percentage changes in total Information employment in Wareham. Both Wareham and Plymouth County experienced sharp declines in Information sector jobs in 2013 to 2016.

Figure 7. Town of Wareham and Plymouth County Employment: Information, 2006-2022



Among the office-using industries, Finance and Insurance, displayed in Figure 8 below, shows the strongest growth potential for the Town of Wareham. The R^2 values for both Plymouth County and Wareham are high, indicating consistent linear growth over the past decade that can be expected to continue in through the next five years. Finance and Insurance employment is anticipated to increase by 27%, adding 63 jobs in Wareham by 2022.

Figure 8. Town of Wareham and Plymouth County Employment: Finance and Insurance, 2006-2022

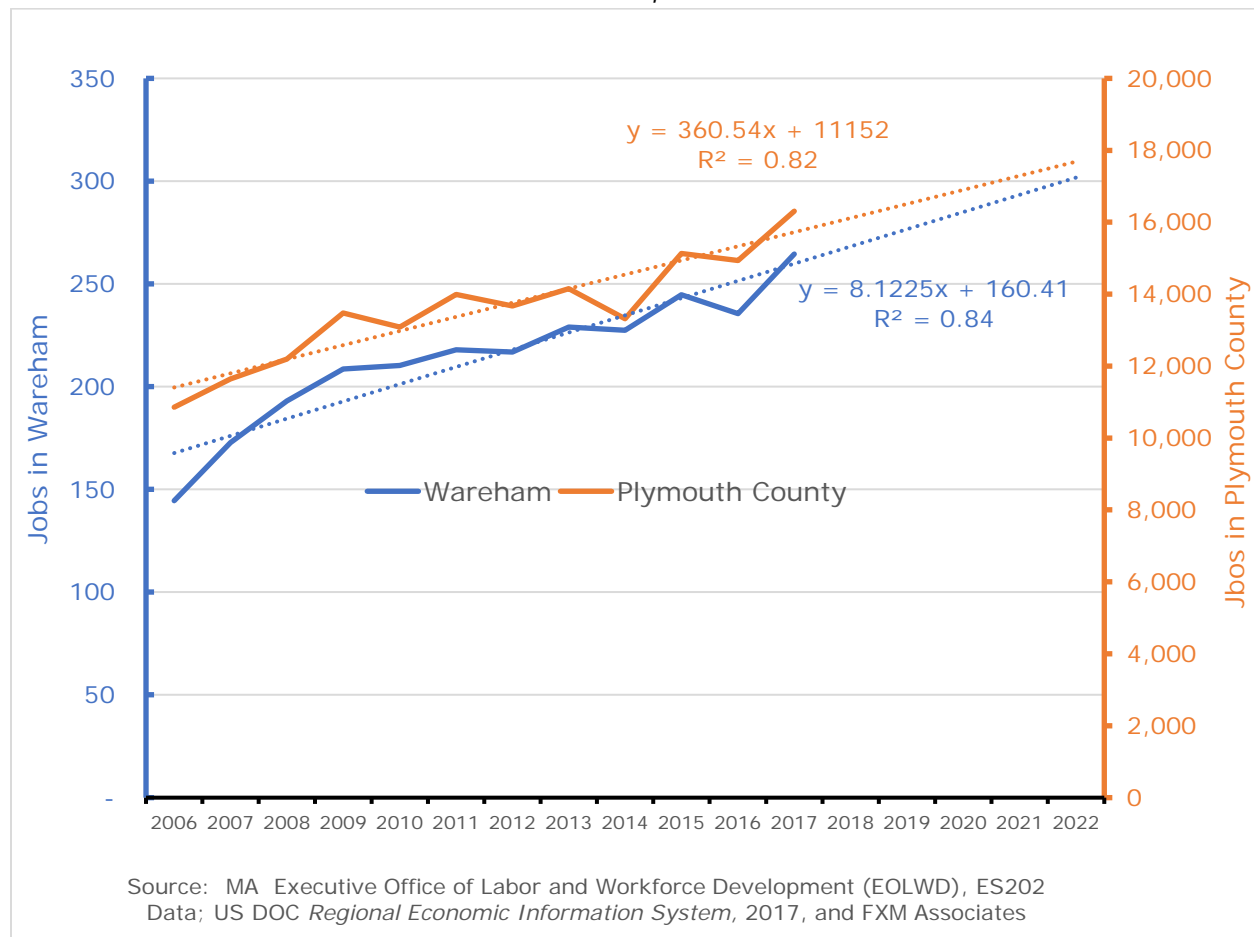
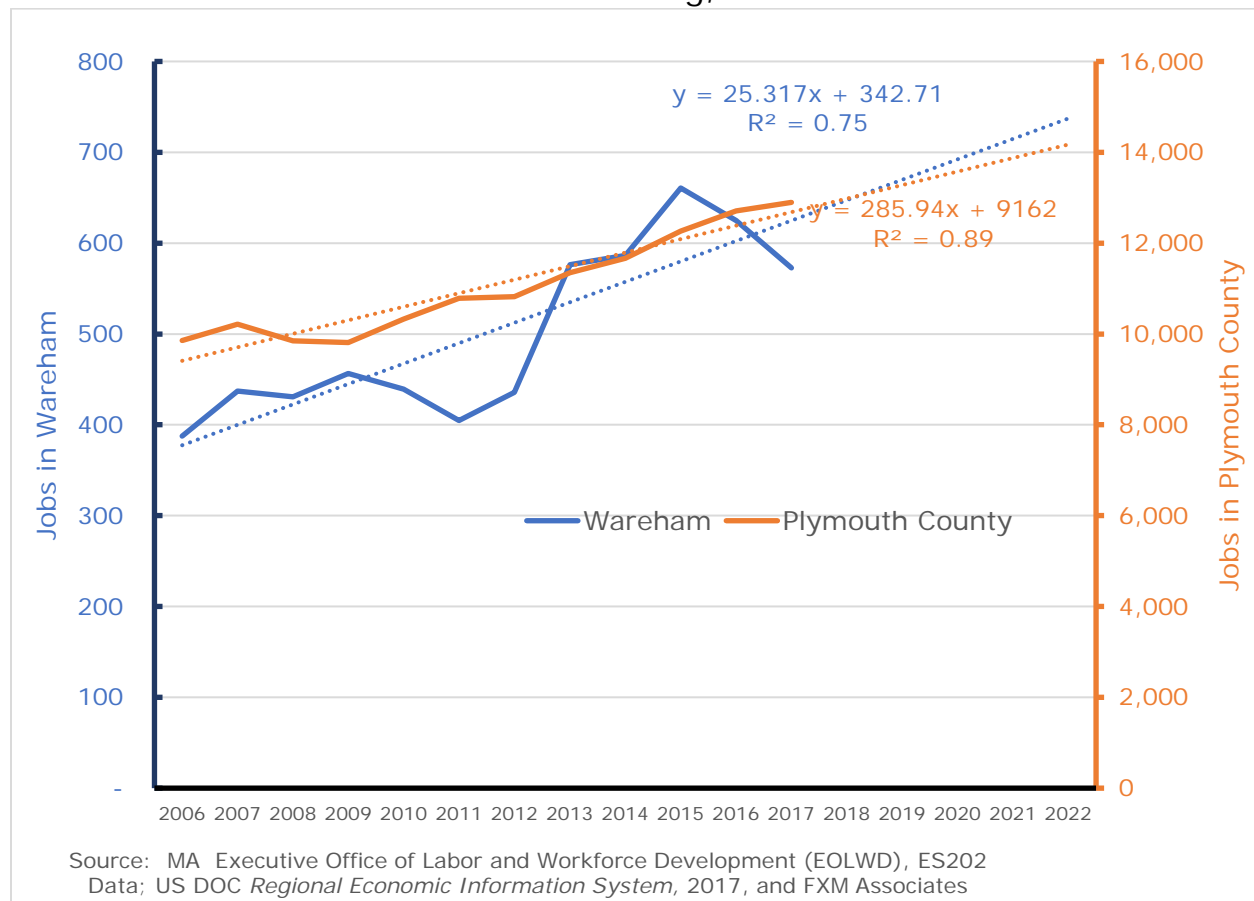


Figure 9 shows trends for the Real Estate and Rental and Leasing industry. Both the Town of Wareham and Plymouth County have experienced rather steady gains in employment over the past decade. Forecasts for Plymouth County are promising with a linear regression R^2 value of 0.89. Wareham's Real Estate and Rental and Leasing sector employment is a slightly less consistent, with an R^2 value of 0.75, but is expected to continue to grow at rates similar to the County.

Figure 9. Town of Wareham and Plymouth County Employment: Real Estate and Rental & Leasing, 2006-2022



Other office-using industries such as Professional, Scientific & Technical Services (Figure 10) and Administrative and Support Services (Figure 11) show volatility in Wareham, making predictions difficult. Professional, Scientific & Technical Services employment experienced a drop of about 100 jobs from 2012 to 2014 but has rebounded over the past two years; however, it is not possible to predict whether this growth will continue. Administrative and Support Services employment has been particularly erratic for both the Town of Wareham and Plymouth County. This sector has the third highest wages in Wareham. Although large swings in employment have occurred for the County, trends predict growth in the future, compared to Wareham which has experienced a relative plateau over the past five years.

Figure 10. Town of Wareham and Plymouth County Employment: Professional and Technical Services, 2006-2022

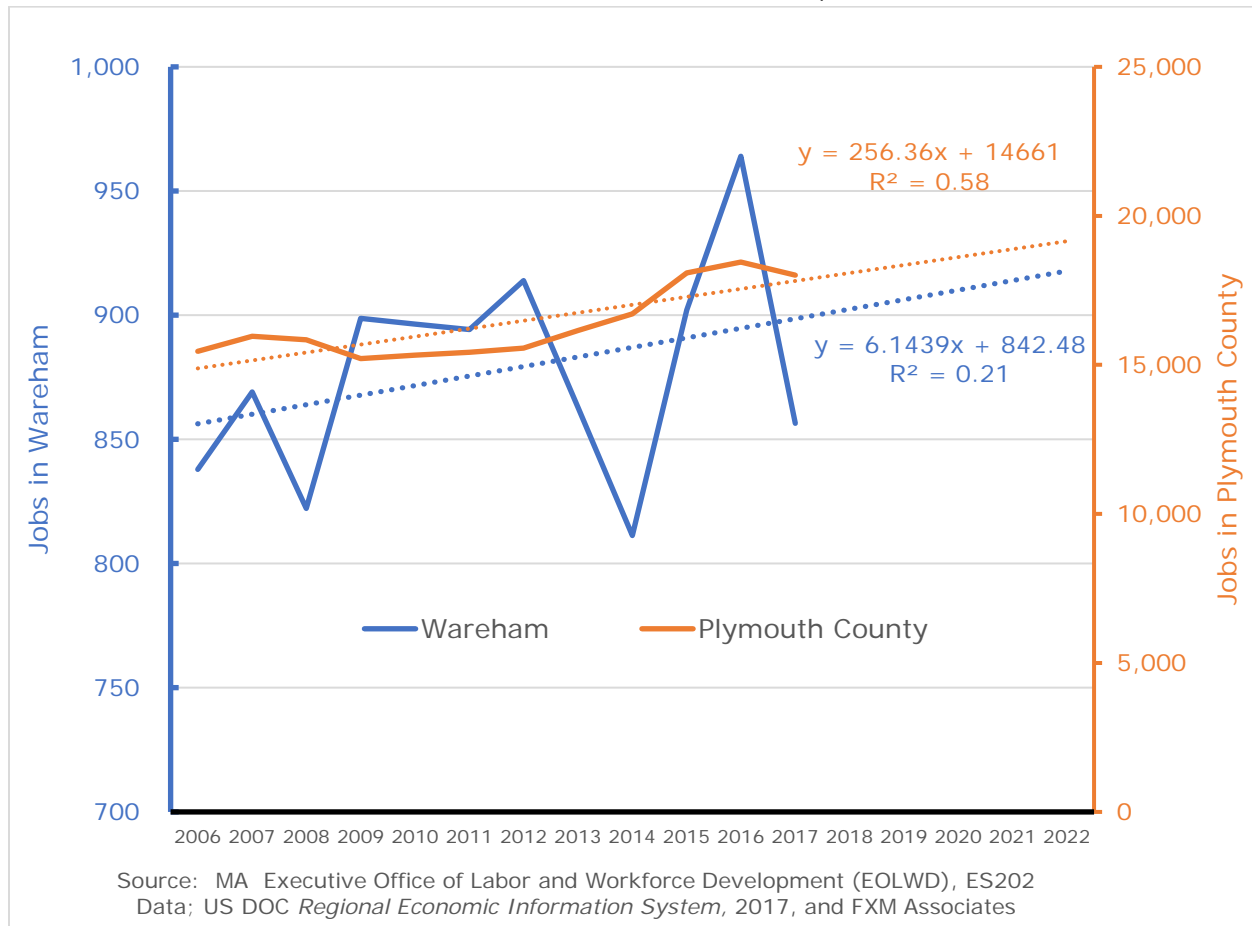
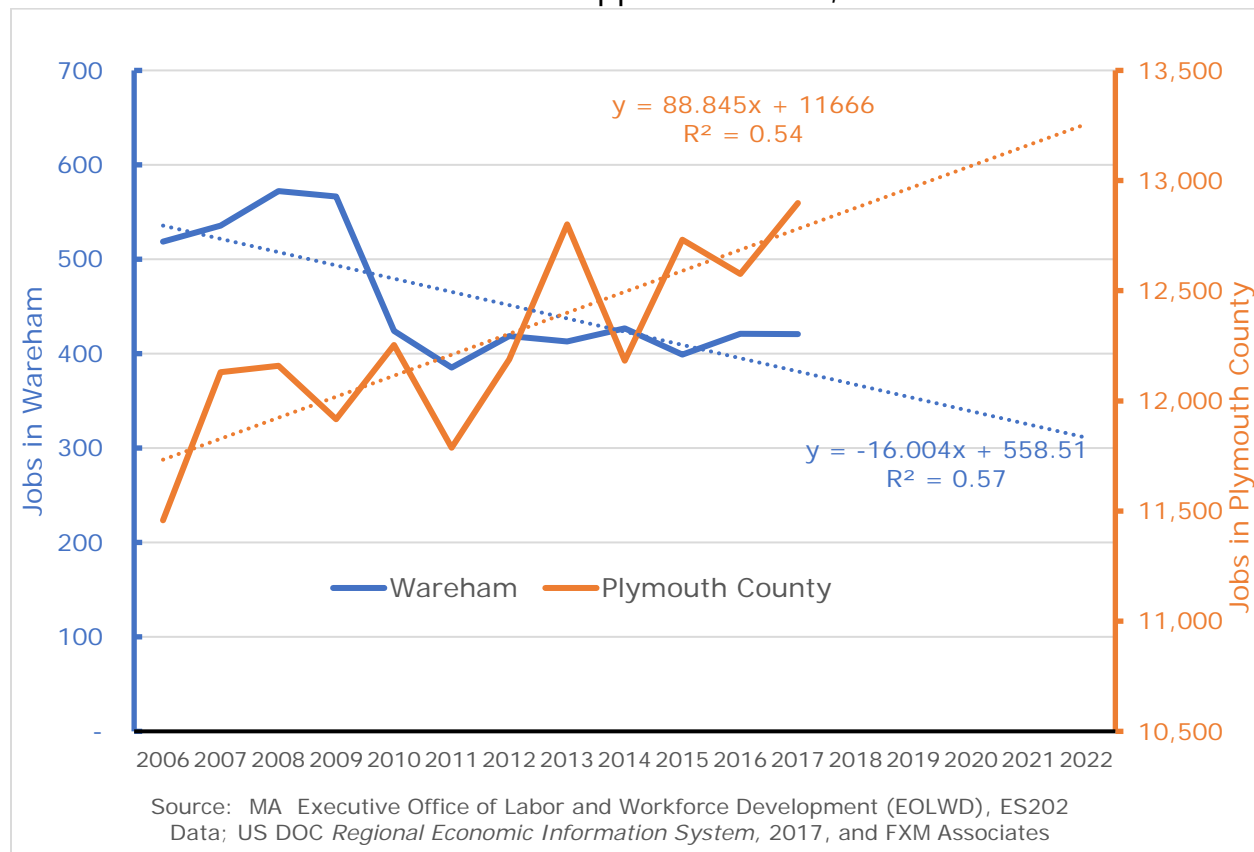
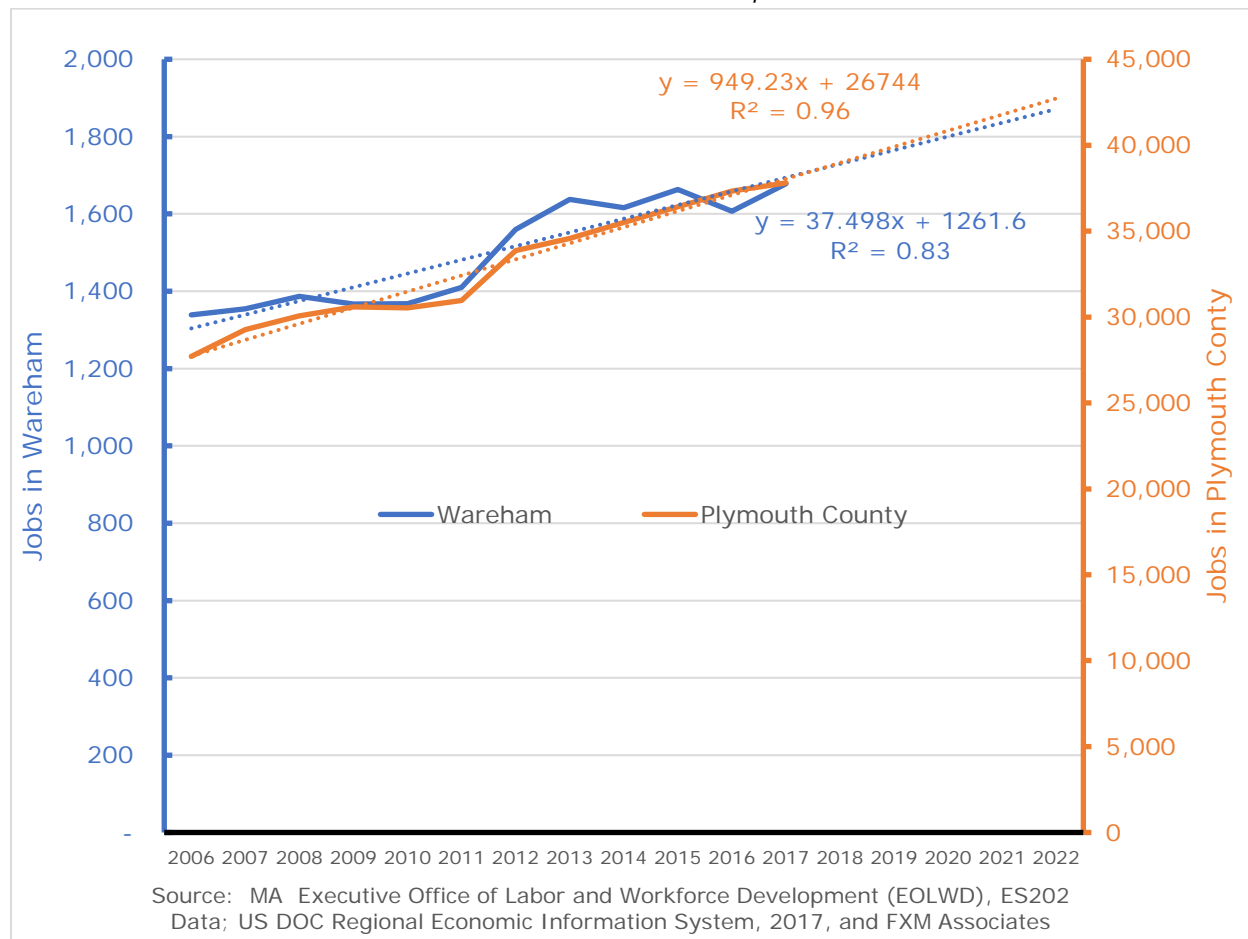


Figure 11. Town of Wareham and Plymouth County Employment: Administrative and Support Services, 2006-2022



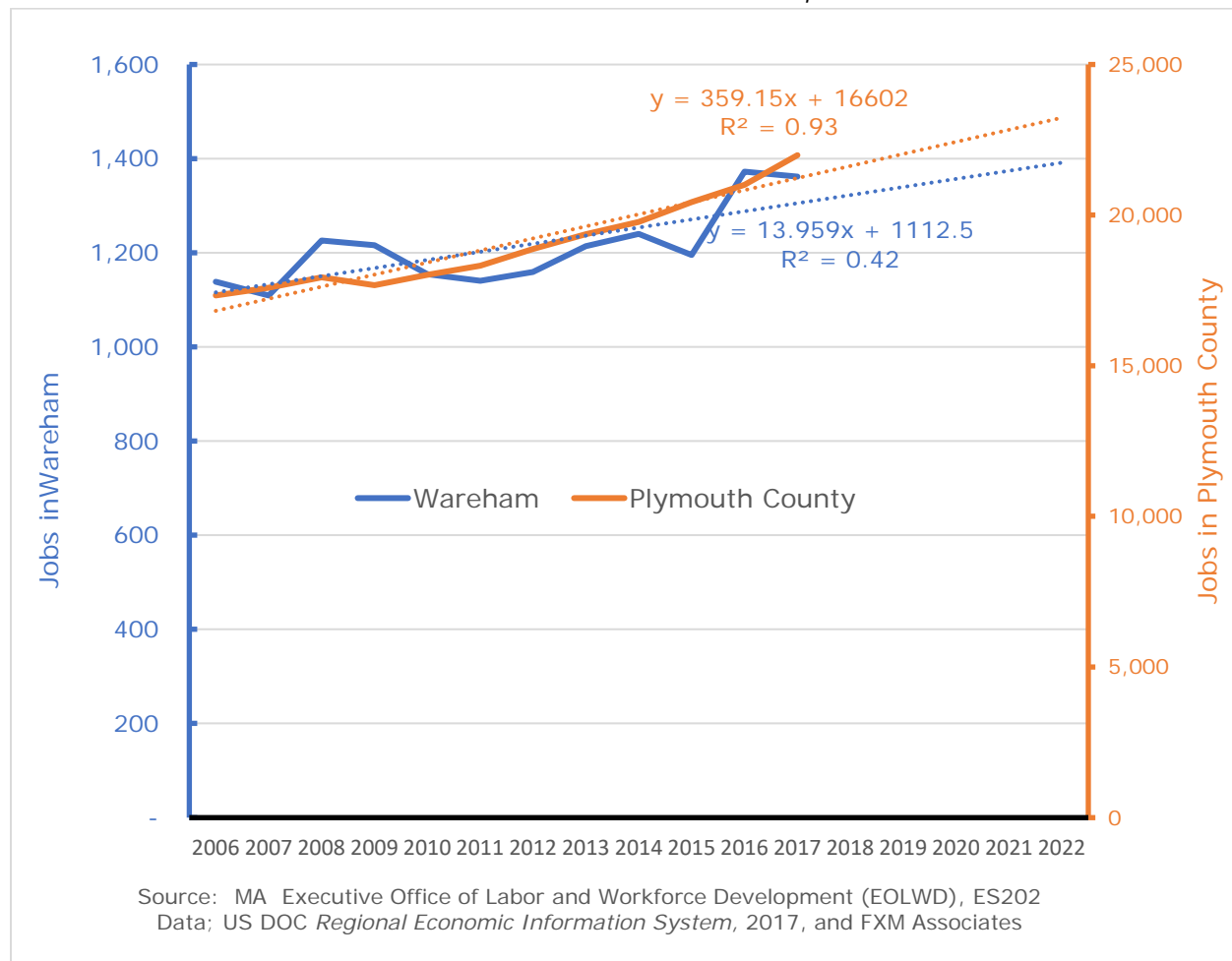
Health Care and Social Assistance employment, displayed in Figure 12, employs the largest number of workers for the Town of Wareham, roughly 20% of the total. This sector has experienced an increase of 40% over the past decade, adding over 650 Health Care and Social Assistance jobs to Wareham's job market. This industry is expected to continue to grow with confidence and is anticipated to add nearly 300 jobs over the next five years, an increase of 18%. About 90% of the jobs in Wareham within this category are in health care.

Figure 12. Town of Wareham and Plymouth County Employment: Health Care and Social Assistance, 2006-2022



Accommodation and Food Services is the third largest employer for the Town of Wareham, accounting for 12% of all the jobs in the town. Restaurants are the main component. Average wages in this sector are low, comparable with the County but significantly lower than the Statewide average. A large portion of Accommodation and Food Services jobs are occupied by part-time workers and are often entry-level positions. The linear regression projection for this sector's employment, as seen in Figure 13, for Plymouth County shows notable growth and dependability with an R^2 value of 0.93. Wareham has seen similar growth but more variability, paralleling trends observed in Plymouth County and an R^2 value of only 0.42.

Figure 13. Town of Wareham and Plymouth County Employment: Accommodation and Food Services, 2006-2022



A notable industry with growth potential in Wareham is Arts, Entertainment and Recreation. As displayed in Figure 14., this sector experienced over 90% growth between 2006 and 2016 but accounts for only 2% of Wareham jobs. Wages in this sector are low: 42% lower than in the County and 51% lower than the State. Employment data for Plymouth County in this sector fluctuate with an R^2 value of only 0.58, but employment is expected to increase. Employment projections for Wareham are stronger with an R^2 value of 0.80. A major component of employment in this sector is Marinas, in which there are ten successful and ongoing operations. The Marinas in Wareham also contribute to the attractiveness of the Town for residents who want to moor and store their boats near where they live.

The other services (except public administration) sector consists of these subsectors: Repair and Maintenance: NAICS 811; Personal and Laundry Services: NAICS 812; and Religious, Grantmaking, Civic, Professional, and Similar

Organizations: NAICS 813. Repairs and maintenance services make up the vast majority (69%) of employees in this overall category. Figure 15 shows historical trends and projections for other services.

Figure 14. Town of Wareham and Plymouth County Employment: Arts, Entertainment, and Recreation, 2006-2022

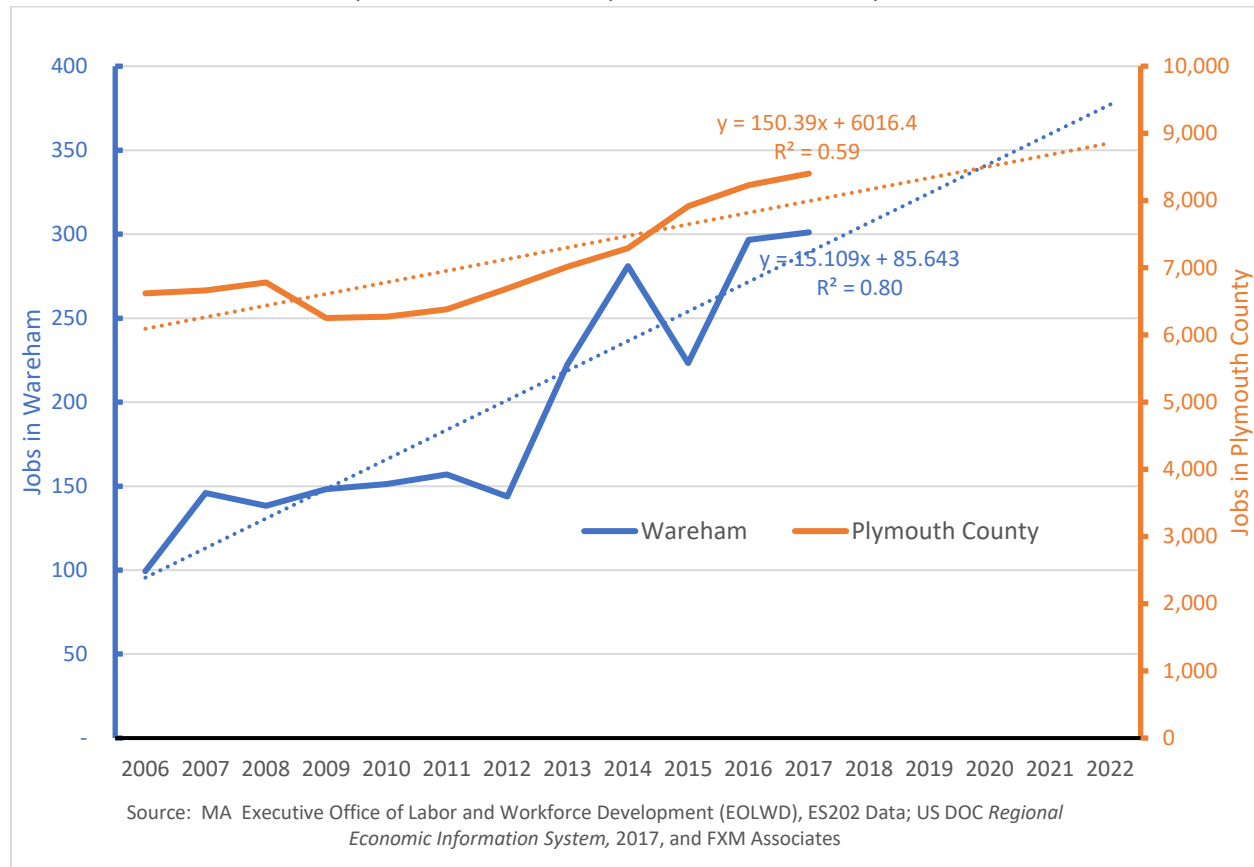


Figure 15. Town of Wareham and Plymouth County Employment: Other Services (Except Public Administration), 2006-2022

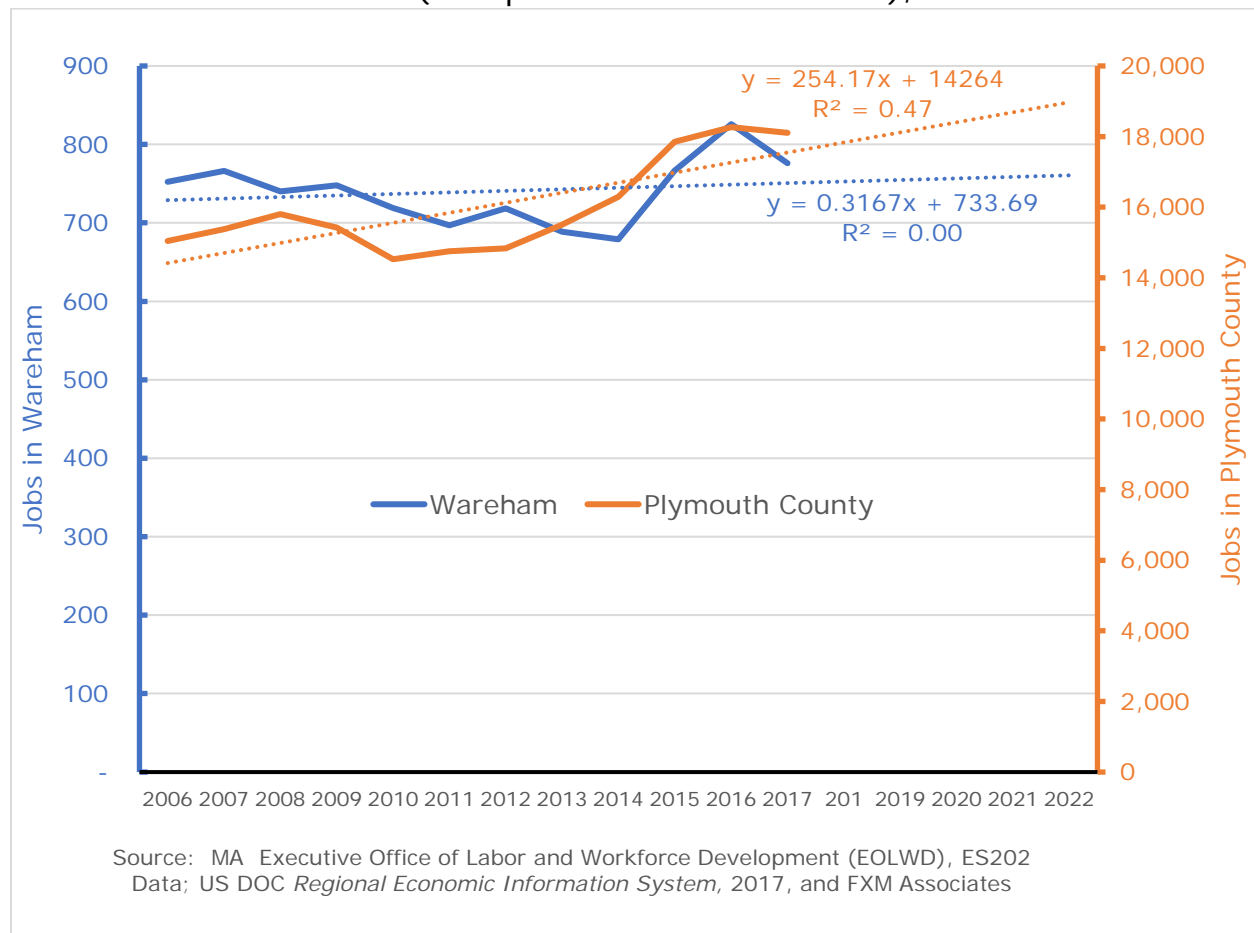


Figure 16 illustrates trends and projections for Transportation and Warehousing employment in Wareham. Although there has been a lot of variation in this category, the trend for increasing employment in this category is fairly strong. The key component of this category is Commercial Trucking, and there are numerous trucking firms located along Route 28. These firms primarily serve the Cape and Islands. A related industry, Wholesale Trade, is presented in Figure 17. Employment has been declining sharply in this sector, reportedly due in large part to a lack of suitable buildings in Wareham although there has also been little growth in Plymouth County overall. With skyrocketing rents in Greater Boston and an increasing demand for trucking and distribution facilities -- driven by expanded ecommerce and other evolving distribution models -- Wareham's already strong presence in these industries (see Location Quotients) and trained labor force bode well for expansion potential and additional jobs.

Figure 16. Town of Wareham and Plymouth County Employment: Transportation and Warehousing, 2006-2022

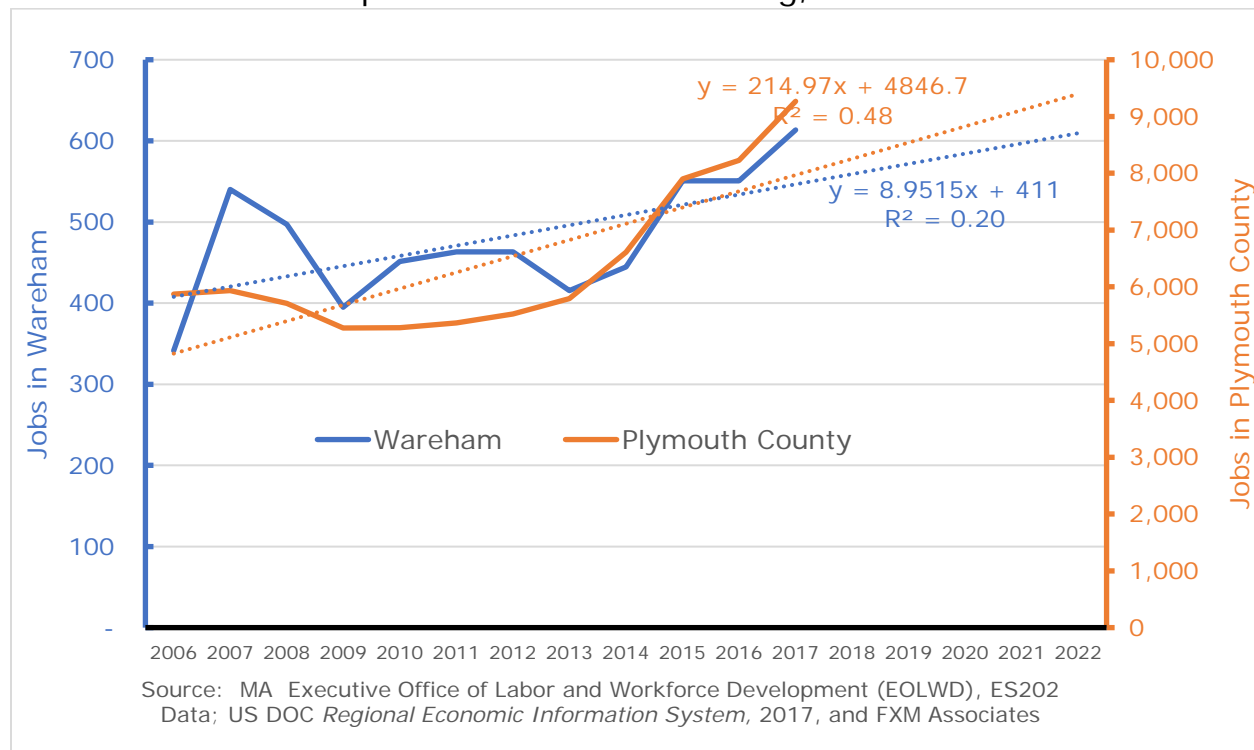
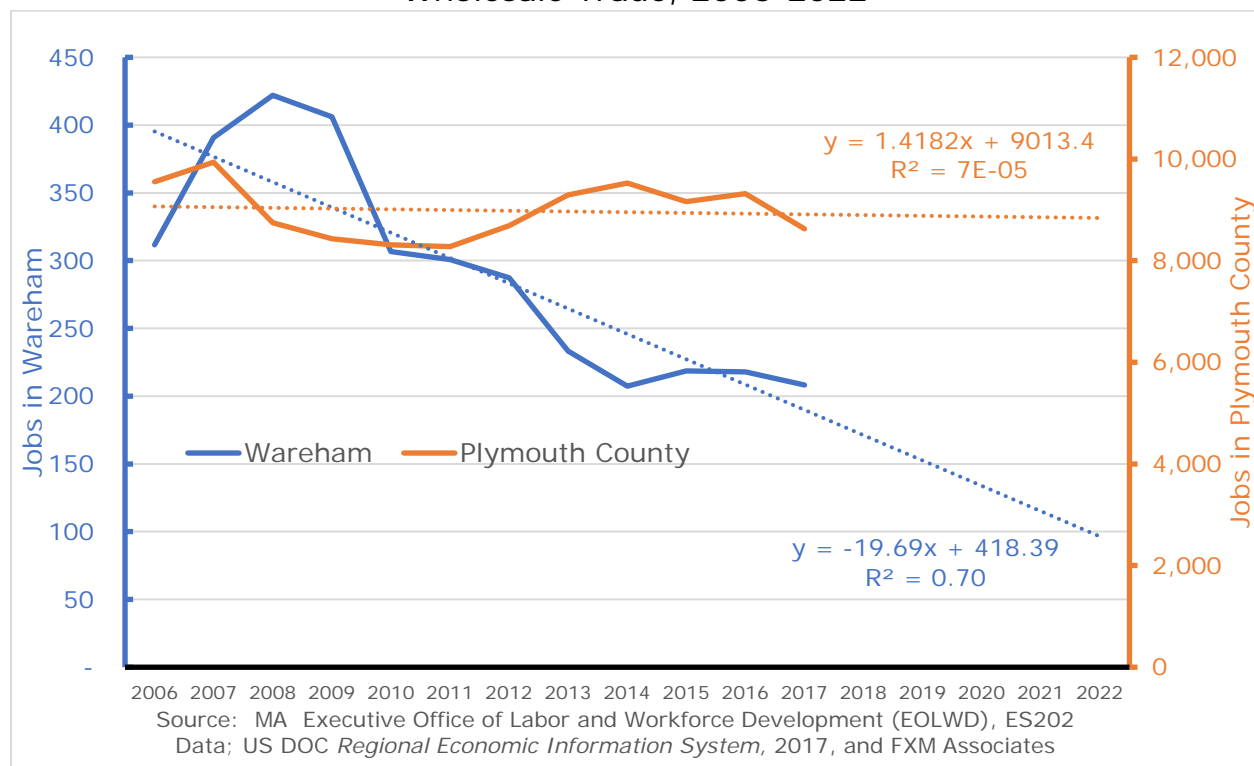
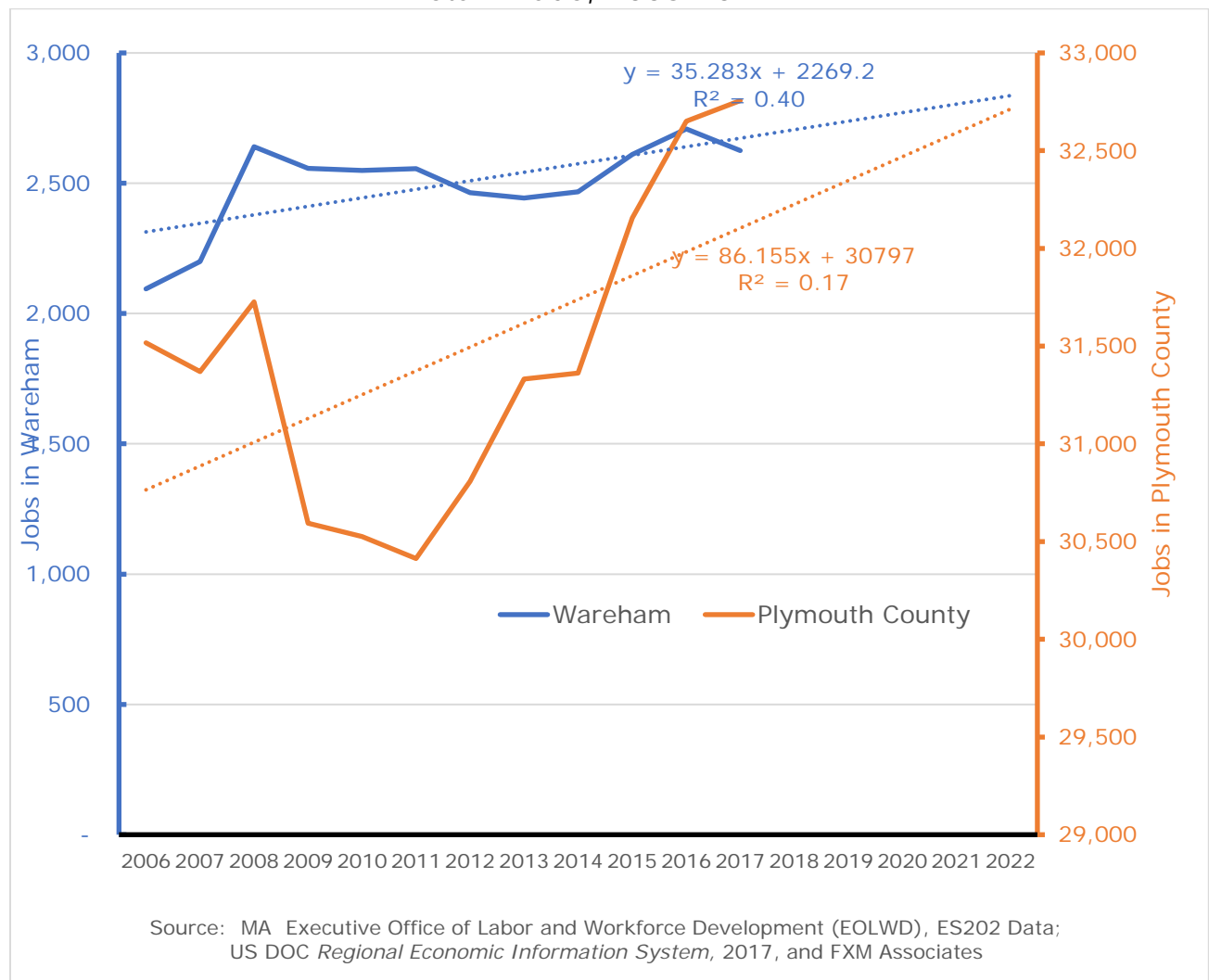


Figure 17. Town of Wareham and Plymouth County Employment: Wholesale Trade, 2006-2022



Near the intersection of I-495 and Route 25, there is the Wareham Crossing regional shopping center with 45 stores and several large stand-alone retail stores. This retail serves Wareham and its surrounding mainland areas plus the Cape and Islands. Retail Trade employment, shown in Figure 18, supplies the second largest number of jobs for the Town of Wareham, employing 19% of Wareham's workforce. In the past ten years, the Retail Trade sector has experienced 17% growth, adding over 600 jobs. Wages in this sector for Wareham are low, but comparable to those of the county and state. Plymouth County experienced a large drop in Retail employment during the recession but has grown strongly since 2011. In contrast, the sector saw only a relatively modest drop in Wareham over that period, with similarly modest recovery since 2013.

Figure 18. Town of Wareham and Plymouth County Employment: Retail Trade, 2006-2022



Manufacturing jobs account for about 6% of total employment in Wareham. Some of the principal manufacturers are in the electronics component and food processing sub-industries. Figure 19 shows the historical and projected trends in Manufacturing employment. Although the R^2 is weak, the employment trend since the recession has been positive, and the projection for the future may well become stronger.

Figure 19. Town of Wareham and Plymouth County Employment: Manufacturing, 2006-2022

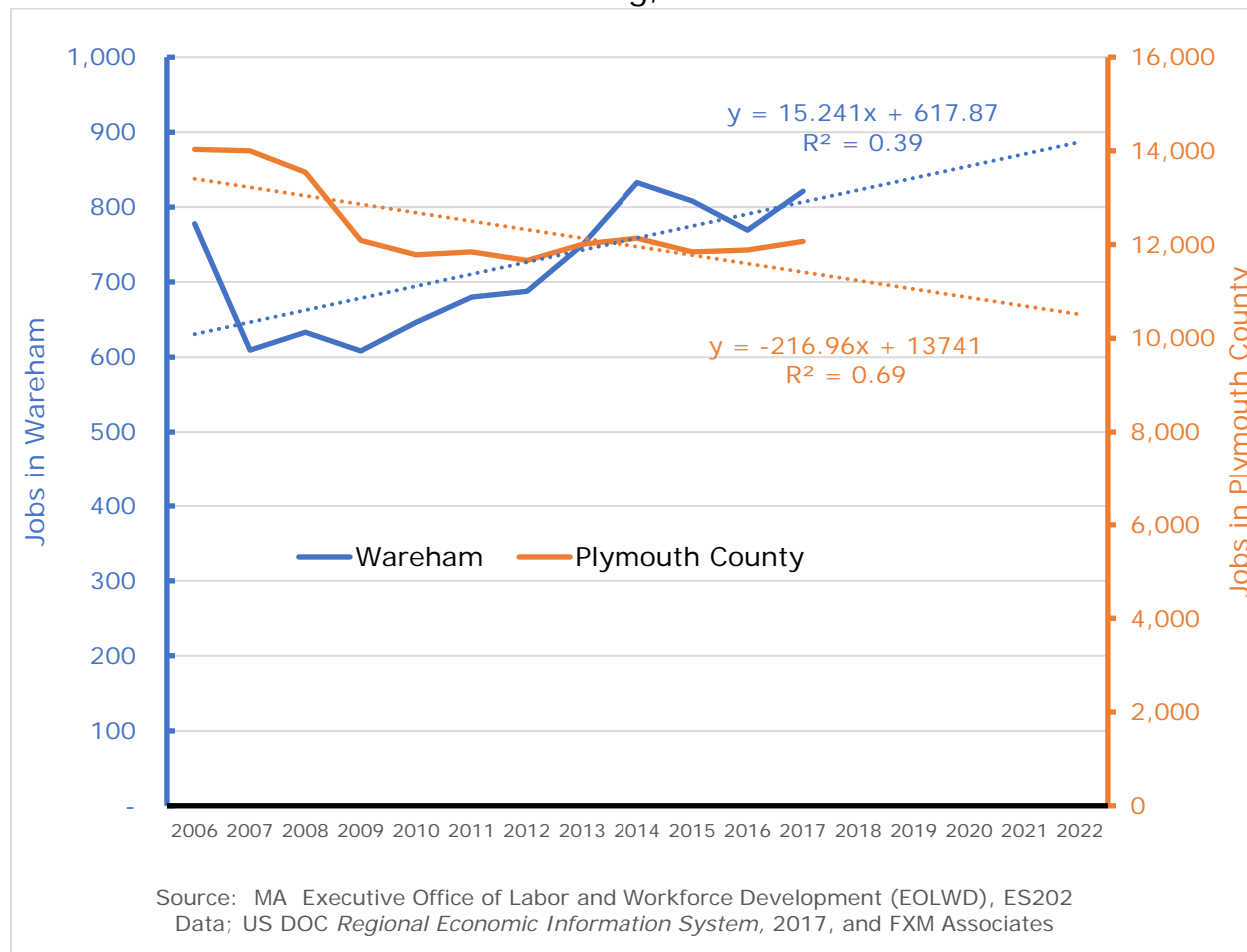
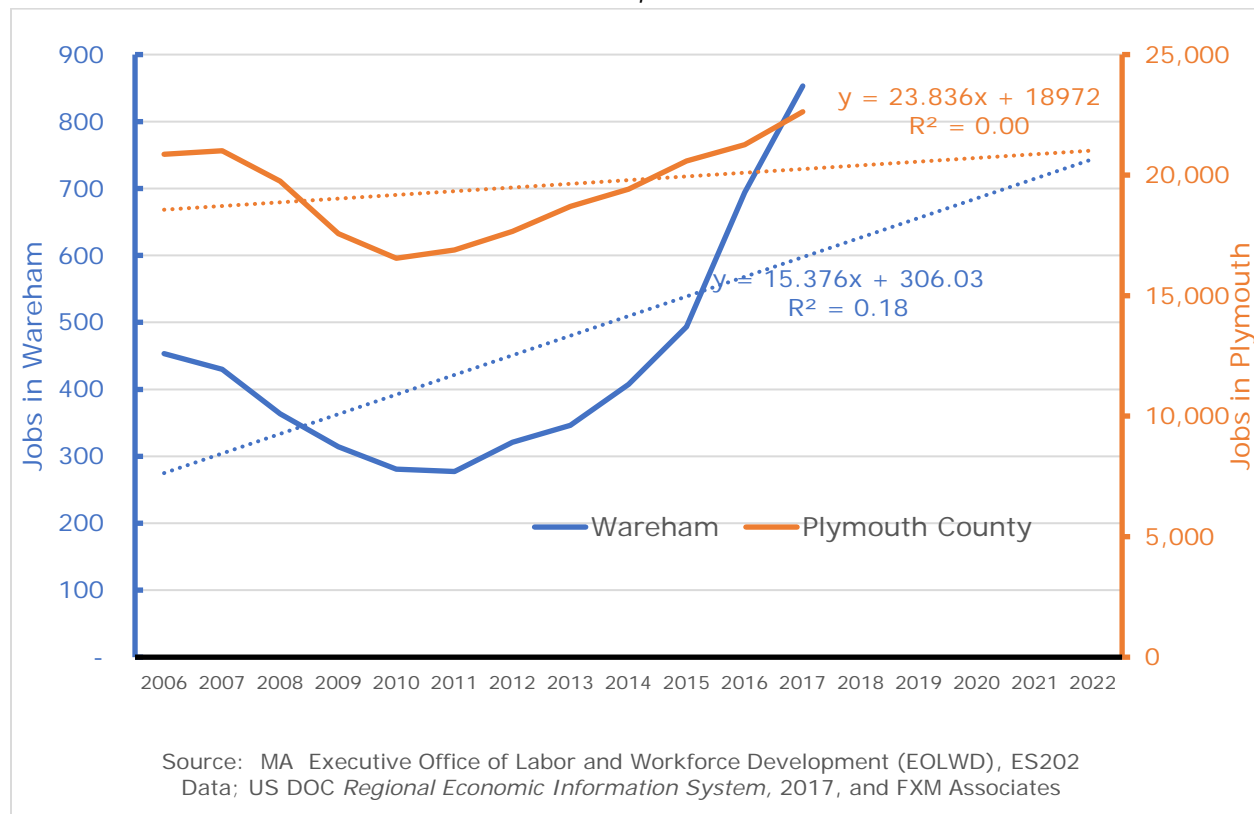


Figure 20 shows Construction industry employment for the Town of Wareham and Plymouth County. Employment for both Plymouth County and Wareham declined significantly from 2006 to 2011, as the recession took hold, but has rebounded since then, particularly in the town. Although the linear trend R^2 statistics are low, the expressed trends are reasonable.

Figure 20. Town of Wareham and Plymouth County Employment: Construction, 2006-2022



Potential Target Industries based on Location Quotients

Interviews with business leaders in Wareham indicated that there was a small but concentrated food processing industry in Wareham. This alerted FXM to potential other industries in Wareham that were not obvious from the summary data. Using state and local employment data for private employers for 2018 FXM computed Location quotient metrics for NAICS 3-digit industry codes to identify industries with high LQs.² The LQ allows us to evaluate the strength and size of a particular industry in an area relative to strength of that industry within the state as a whole. The LQ is a useful tool for identifying growth opportunities and comparative regional advantages, as well as for highlighting employee skill sets that could help attract new employers to the area.

Additionally, LQs can help to identify potential export industries in an area (those industries producing more of a good or service than is needed to meet area demand) and import industries (those producing less than enough to meet area

² The Location Quotient is the ratio of local employment in industry x to total local employment, divided by the ratio of industry x employment statewide to total employment statewide.

demand). Following accepted economic theory, an LQ greater than 1.0 indicates that an area has proportionately more workers than the larger comparison area employed in a specific industry sector. This implies that an area is producing more of a product or service than is consumed by area residents. The excess is available for export outside the area.

An LQ of at least 1.25 is required to consider classifying an area industry as an exporter. Still, an LQ greater than 1.25 does not necessarily mean that an area industry is exporting; there may simply be excessive local demand.

Identifying area export industries (LQ > 1.25) is useful as it provides a measure of the degree of industry specialization within an area. A high LQ in a specific industry may translate into a competitive advantage in that industry for the local economy. Economic development opportunities may exist for additional growth of the exporting or related industries because of the presence of an existing skilled labor pool or other resources such as suppliers, facilities or transportation hubs in the region.

Wareham Location Quotients

Table 6 below highlights businesses in Wareham with high LQs. An LQ of 3.0 was a convenient minimum cut-off point for businesses showing good growth potential. Although not all of these businesses would be thought of as traditional “export” industries, they do serve market areas beyond Wareham and Plymouth County. For instance, truck transport operators in Wareham serve shipments to and from the Cape and Islands, providing a lifeline to these communities. General Merchandise Stores attract shoppers from the larger region around Wareham and bring revenue into the community. Nursing and Residential Care Facilities attract clients and residents from around the state of Massachusetts and the New England region.

Table 6. Businesses in Wareham with High Location Quotients

| Businesses in Wareham With High Location Quotients | | | |
|---|-----------------------|-------------------|--------------------------|
| Category | Establishments | Employment | Location Quotient |
| 484: Truck Transportation | 10 | 325 | 7.71 |
| 311: Food Manufacturing | 12 | 277 | 5.75 |
| 623: Nursing and Residential Care Facilities | 8 | 651 | 3.07 |
| 452: General Merchandise Stores | 10 | 524 | 3.05 |

Source: EnvironicsAnalytics 2018; and FXM Associates

For Wareham, the LQ for the Food Manufacturing industry is 5.75, indicating a significant concentration of employees (with their accompanying skill set) in food manufacturing occupations. General non-durable goods manufacturing has an LQ of

3.26 also indicating a broad range of skilled manufacturing employees. The high concentration of jobs in truck transportation also bodes well for Wareham's ability to attract more firms engaged in the expanding ecommerce and distribution industry. Skyrocketing rents are forcing firms to look outside the immediate Boston area, and the presence of a labor force already skilled in trucking and distribution is a distinctive competitive advantage.

PROJECTED SPACE DEMAND THROUGH 2022

The above employment projections, with their relevant caveats regarding reliability, can be translated into estimates of future demand for commercial space using industry norms for square feet per employee. Table 7 compiles these projections, with projected job losses shown in red.

Table 7. Wareham Projected Space Demand Through 2022

Wareham Projected Space Demand Through 2022 Based on Historical Employment Trends

| Sector | Wareham | | Plymouth County | | Wareham % of Plymouth County Jobs 2017 |
|--|-----------------------|--------------------------------|-----------------------|--------------------------------|--|
| | Projected New Jobs | Projected Space Demand (SF) | Projected New Jobs | Projected Space Demand (SF) | |
| 23- Construction | (109) | | (1609) | | 0.5% |
| 31-33 -Manufacturing | 66 | 32,831 | (1564) | (782,050) | 0.5% |
| 44-45-Retail trade | 211 | 105,515 | (44) | (21,858) | 0.6% |
| 48-49 Transportation and Warehousing | 15 | 7,454 | 413 | 206,312 | 0.2% |
| | | | | | |
| Office-using (except medical) | | | | | |
| 51- Information | (14) | (3,525) | (210) | (52,428) | 0.5% |
| 52-Finance & Insurance | 63 | 15,750 | 2,349 | 587,250 | 0.4% |
| 53- Real Estate and Rental Leasing | 47 | 11,784 | 1,317 | 329,250 | 0.4% |
| 54 - Professional, Scientific, & Technical | 48 | 12,090 | 895 | 223,686 | 0.3% |
| 56-Administrative & Support;Waste Mgt&Remed. | (21) | (5,191) | 449 | 112,195 | 0.2% |
| Subtotal Office-using | 124 | 30,907 | 4,800 | 1,199,953 | |
| | | | | | |
| 62-Health care and Social Assistance | 192 | 76,750 | 4,885 | 1,953,916 | 0.5% |
| 71-Arts, Entertainment, and Recreation | 76 | 30,356 | 446 | 178,307 | 0.9% |
| 72 - Accommodation & Food Services | 27 | 4,797 | 1,232 | 216,819 | 0.1% |
| 81- Other Services (Excpet Pub Admin) | (30) | (6,011) | 600 | 119,992 | 0.2% |
| TOTALS | 695 | 313,508 | 13,958 | 4,271,344 | |

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

In the table, office-using industries are grouped together since they require similar kinds of space. Note that net job growth for Wareham in office-using industries is expected to be positive and is anticipated to add 124 jobs and demand 30,900 square feet of office-space over the next few years.

RETAIL OPPORTUNITY GAP/SURPLUS

The retail opportunity gap/surplus analysis is a tool used by major retailers and chain restaurants to gauge market demand and competition within a specified geographic area. It presents a snapshot of the current consumer spending on various retail categories within a specified geographic area alongside actual retail store sales in those same categories within the same area. Where expenditures by households in the market area exceed sales in the area, a gap, or opportunity, exists for stores within the market area to “capture” more of those household expenditures. (This loss of potential sales is also called “leakage”.) Conversely, a market surplus occurs in those sectors where market area household expenditures are less than actual sales categories, indicating that stores in that retail category in the market area already attract consumer dollars from outside the market area and opportunities for additional retail activity would be more limited.

The retail gap/surplus analysis provides a picture of current opportunities for retailers to newly locate or expand facilities based on a well-established principle that people will typically purchase goods and services within the shortest available walking or drive time from where they live. The principle applies to comparable and competitive goods, services, and pricing. While there is no guarantee of success based strictly on locational advantage, this principle is useful in presenting potential opportunities, as in the retail gap/surplus analysis presented below.

Retailers typically define market areas in terms of drive times, with a 15-minute drive time considered the maximum time consumers would be willing to drive for all but the largest stores and store types. Market support within a 5-minute drive time is considered the maximum time consumers would be willing to drive to smaller, convenience type retailers, and market demand within a 10-minute drive time is considered essential for most medium sized stores and restaurants. In the case of Wareham, 10- and 15-minute drive times were selected as the most likely area from which to draw additional retail activity. The centroid for the delineated drive times is Main Street, downtown Wareham, which is the area targeted by Wareham officials for further retail development.

To provide a context for the potential for retail expansion within the Main Street Downtown area, Table 8 below shows the total population, retail expenditures (demand), retail sales (supply), and the total gap within the 5-, 10-, and 15-minute drive times defining the market areas.

Table 8. Wareham Retail Market Areas
Overview of Wareham Retail Market Areas

| | 5-Minute Drive Time | 10-Minute Drive time | 15-Minute Drive Time |
|-------------------------------|------------------------|-------------------------|-------------------------|
| Population | 5,556 | 17,315 | 32,999 |
| Median Income | \$ 58,635 | \$ 65,128 | \$ 69,008 |
| Total Retail Expenditures | \$ 97,676,402 | \$ 341,606,011 | \$ 761,771,506 |
| Total Retail Sales | \$ 186,150,858 | \$ 400,402,406 | \$ 766,284,174 |
| Total Opportunity Gap/Surplus | \$ (88,474,456) | \$ (58,796,395) | \$ (4,512,668) |

Source: EnvironicsAnalytics and FXM Associates, 2018

The market areas as defined by the above drive times are relatively small, and, overall, businesses in the areas are already selling more than the resident population is spending.

At the detailed industry level (4-5-digit NAICS), however, there appear to be retail store types in which the reverse is true: the resident population is spending some of their retail dollars outside the market areas, which opens up opportunities for businesses within the areas to attract more resident spending. Data in Table 9 summarize FXM's analysis of those sectors in which current consumer expenditures (demand) exceed actual store sales (supply) within the local retail market areas. The analysis shows where the gaps between supply and demand are sufficiently large to indicate some opportunities to capture sales leakages, either by new stores or expansion of existing businesses. The market areas for these sectors are most likely to be within 10- and 15-minute drive time limits.

Table 9. Potential Retail Opportunities
Potential Retail Opportunities in the Wareham Retail Market Area

| Retail Stores | 10-15-Minute Market Area Gap | Supportable SF | Potentially Captured SF | Potentially Supportable Stores | Estimated Growth Rate in Town of Wareham, 2018-2023 |
|--|---------------------------------|----------------|----------------------------|--------------------------------------|---|
| 4421 - Furniture Stores | \$ 7,125,945 | 23,845 | 9,600 | 2 | 2.7% |
| 44831 - Jewelry Stores | \$ 3,766,506 | 7,310 | 4,200 | 1 | 2.9% |
| 4529 - Other General Merchandise Stores | \$ 11,062,179 | 52,140 | 34,000 | 2 | 2.7% |
| 4539 - Other Miscellaneous Store Retailers | \$ 2,746,760 | 8,637 | 6,000 | 2 | 2.5% |
| 7223 - Special Foodservices | \$ 2,378,457 | 6,681 | 4,000 | 2 | 2.8% |
| 722513 - Limited-Service Eating Places | \$ 7,066,763 | 20,044 | 9,450 | 6 | 2.4% |
| TOTALS | \$ 34,146,610 | 118,657 | 67,250 | 15 | |

Sources: EnvironicsAnalytics and FXM Associates, 2017

In the first category, Furniture Stores, it is worth noting that there are gaps in this sector across all drive times, even though Wareham has a Cardi's Furniture & Mattresses on Cranberry Highway. There are also Cardi's stores in Swansea and Hyannis. FXM has estimated that this type of store could draw from a 15-minute drive time. Possibly there is room for expansion or for another type of furniture store in Wareham.

Other General Merchandise Stores is defined by the US Census as *establishments primarily engaged in retailing new goods in general merchandise stores (except department stores, warehouse clubs, superstores, and supercenters). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, housewares or home furnishings, and other lines in limited amounts, with none of the lines predominating.*

Other Miscellaneous Store Retailers category *comprises establishments primarily engaged in retailing new miscellaneous specialty store merchandise (except motor vehicle and parts dealers; furniture and home furnishings stores; consumer-type electronics and appliance stores; building material and garden equipment and supplies dealers; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; florists; office supplies, stationery, and gift stores; and used merchandise stores).*

Special Foodservices includes *establishments primarily engaged in providing food services at one or more of the following locations: (1) the customer's location; (2) a location designated by the customer; or (3) from motorized vehicles or nonmotorized carts.* Catering services would be an example of this category.

The final column in the table shows estimated growth rates for the retail categories over the next five years. Note that the retail gap calculations are based on 10- and 15-minute drive times, selected as the most appropriate limits on the market areas for the selected business categories. The growth rate estimates are for those business types in the Town of Wareham only, but, as shown in the table, the variation among the projections is not great, and all the retail sectors in which meaningful gaps exist are projected to grow between 2% and 3% annually over the next five years.

COMMERCIAL REAL ESTATE MARKET OVERVIEW

This section assesses historical conditions and trends in the inventory, vacancies, occupancies, and pricing of office, industrial, retail and flex space in Wareham and surrounding communities. The quantitative analysis is based on data collected by

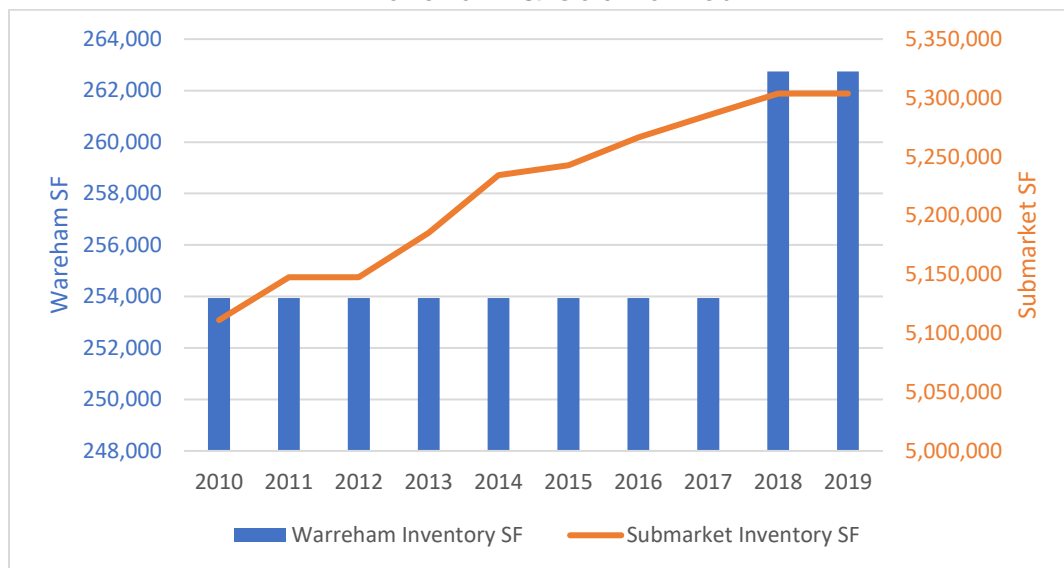
CoStar, a subscription commercial real estate information service, widely used by real estate professionals, developers, and financial institutions in evaluating market potential and values.³

Office Space Market Trends

FXM analyzed trends in the supply, vacancies, occupancies, and pricing of office space within Wareham and the Route 3 South Submarket, which is defined by Costar and other real estate professionals as the broader area of competitive supply. The Submarket is defined as the areas east of Route 24 and 105 and south of Route 123, including Wareham, Marion, Mattapoisett, Rochester, Bourne, Carver, Plymouth, Kingston, Middleborough, Lakeville, Bridgewater, Marshfield and Pembroke. In the 4th Quarter of 2018, there were about 5.3 million square feet of office space in the overall submarket, of which 263,000 square feet is in Wareham.

Figure 21 shows trends in the inventory of office space occupancy in Wareham and the Submarket overall between 2010 and the first quarter of 2019. Over this period the inventory (gross leasable area) of office space increased by 192,000 square feet in the Submarket overall but only by 8,800 square feet in Wareham.

Figure 21. Office Space Inventory:
Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

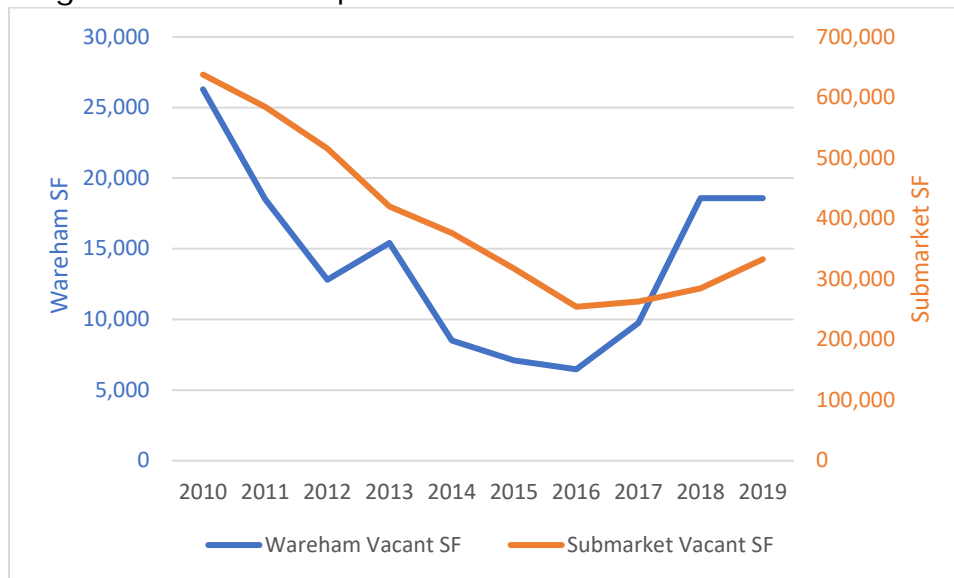
³ CoStar estimates that their data base includes about 80-90% of non-residential commercial properties based on listings reports by brokers and owners and inventoried independently by CoStar. Long derelict or abandoned properties are not typically included.

Figure 22 shows vacancies in office space in Wareham (18,000 square feet in 2019) and the Submarket overall (333,000 square feet in 2019), which declined between 2010 and 2016 but have increased in the past two years. Figure 23 shows the same trends as a percent of total supply – vacancy rates – which are currently 7.1% in Wareham and 6.3% in the submarket overall.

It is not clear why vacancies in office space have increased in the past two years, given apparent growth in employment in office using industries overall. In Wareham there are some functionally obsolete buildings that are unattractive to tenants; for example, about half the current vacancies are in a single building formerly occupied by medical offices. About 40% of all office space in Wareham primarily houses medical and related businesses, compared to 20% in the Submarket overall.

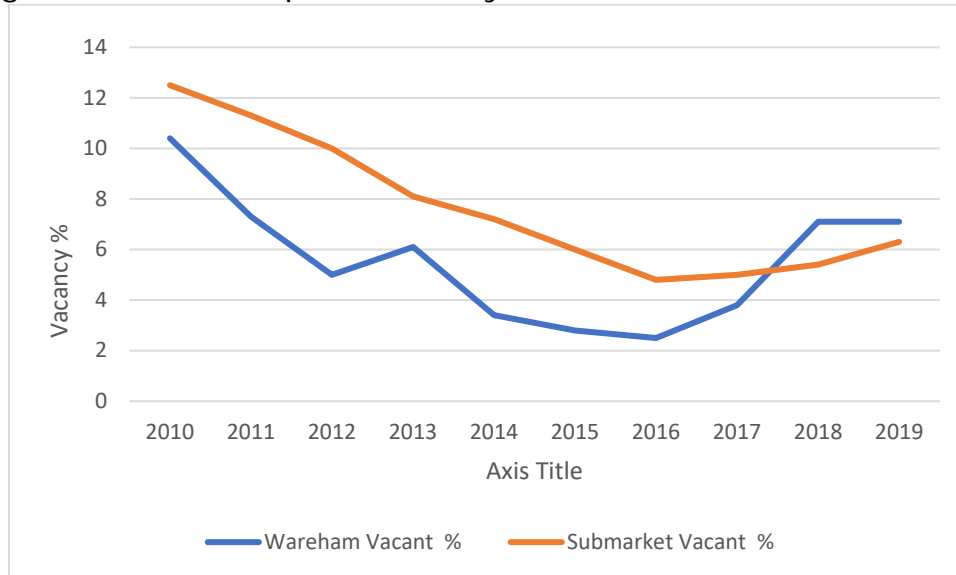
The longer-term trend in office space occupancies is favorable, however, as shown in Figure 23 as is employment growth in office-using industries (see Figure 5 and Table 7). The ten-year trend line forecast predicts an average annual increase in office space occupancies of 2,400 square feet per year in Wareham and 91,000 square feet per year in the Submarket overall. Figure 24 graphs historical trends in office space gross lease rates (per SF per year), which have been increasing in the Submarket overall but have remained flat in Wareham over the past four years.

Figure 22. Office Space Vacancies Wareham & Submarket



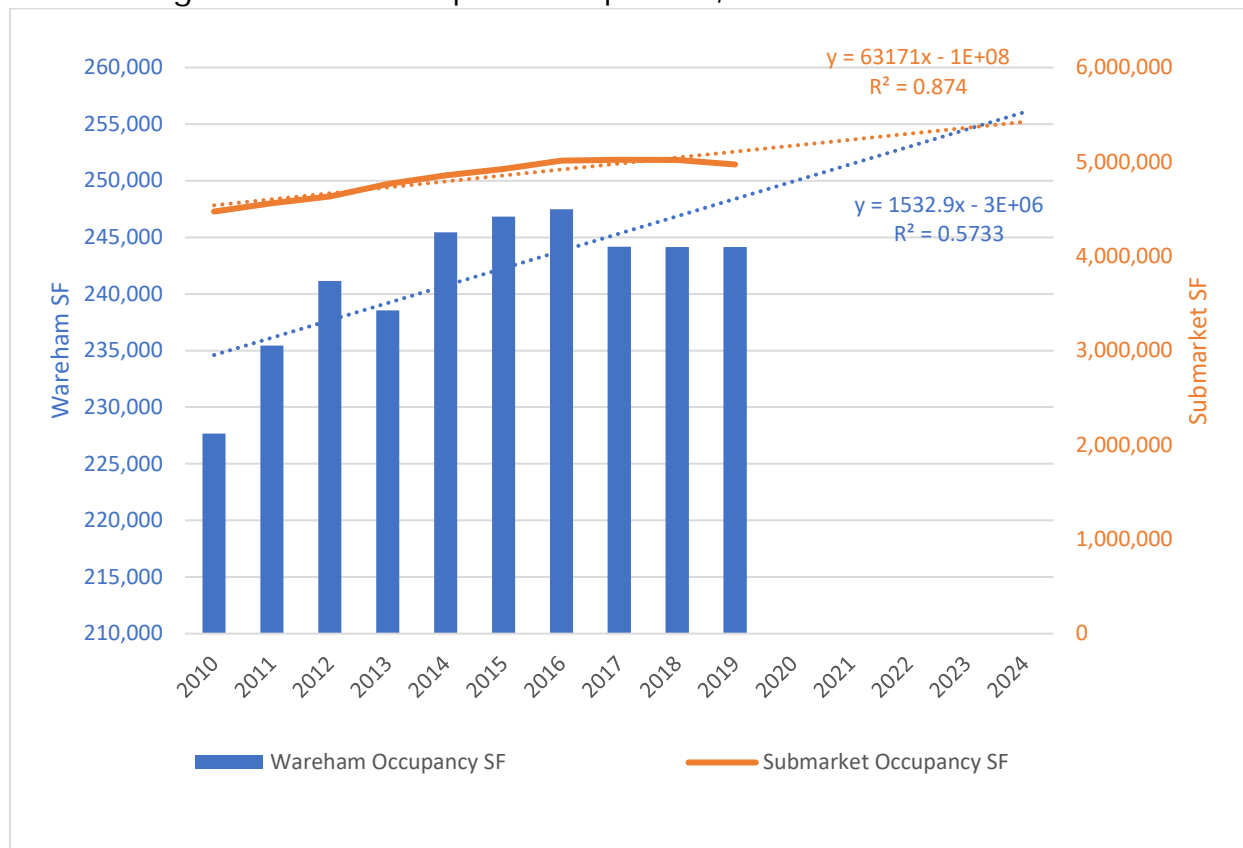
Source: Co Star Property Information System and FXM Associates

Figure 23. Office Space Vacancy Rates, Wareham & Submarket



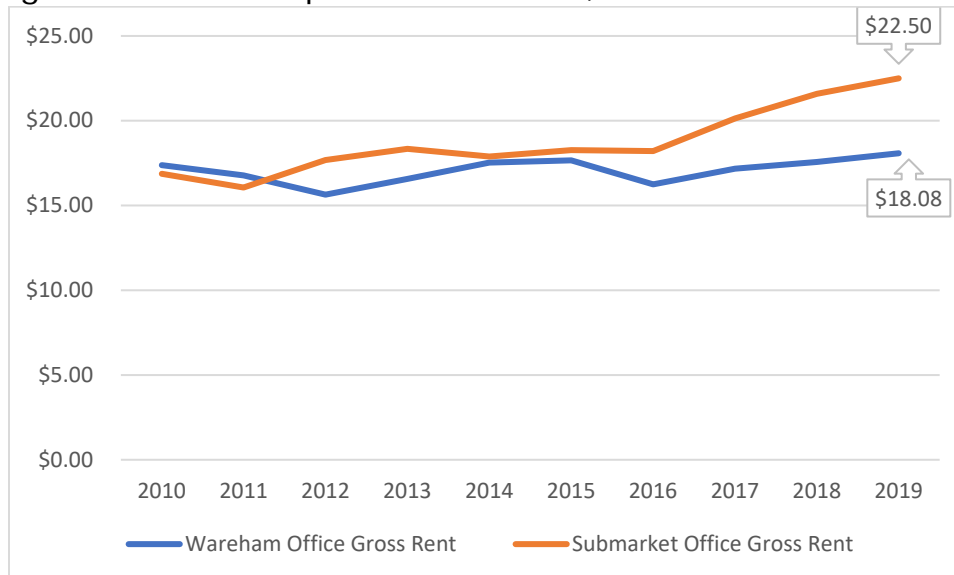
Source: Co Star Property Information System and FXM Associates

Figure 24. Office Space Occupancies, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

Figure 25. Office Space Gross Rents, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

One issue of particular concern, and possible opportunity, in Wareham is that only one building (200 Rosebrook), representing about 25% of the total supply of office space in Wareham, is classified by CoStar as Class A office space. A challenge going forward may be to upgrade the existing supply so that it is more attractive to prospective tenants in the financial, professional and business services sectors. These businesses have a fairly broad geographic latitude in which to locate and from which their employees can commute, and could be attracted to the many positive attributes of a coastal community that is more affordable than its northern and western neighbors, and well-served by highway transportation. The presence of Tobey Hospital, affiliated and related health care businesses, is an obvious draw for potential expansion of medical office uses in Wareham. In addition to the proximate hospital facility (and planned expansion of emergency services and beds) the presence of a skilled local labor force is a favorable factor for existing business expansion and new recruitment.

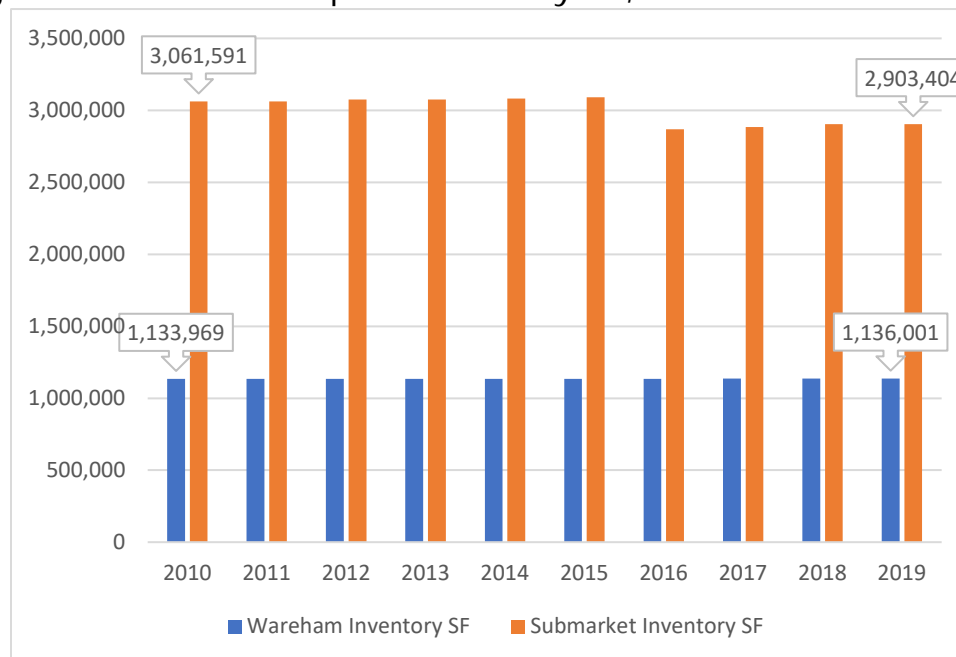
An increasingly important prospect for conversion of existing low performing office spaces, and for potential new development, is shared workspaces. These include incubators, maker spaces, co-working space and other specialty types that essentially allow multiple tenants to share equipment, conference areas, kitchen and fitness facilities, and other services and amenities alongside individual work stations. They not only provide relatively low-cost rental opportunities to small businesses but also the opportunity for commuters to spend more time close to home. When commuter rail comes to Wareham demand for such spaces will increase but there are likely market supportable opportunities now. There are several large firms acquiring conventional office buildings for conversion to shared workspaces in both major cities and suburban areas, but individual property owners

are also making such conversions, including within spaces formerly occupied by chain retail tenants.

Industrial Space Market Trends

Figure 26 shows trends in the inventory of industrial space (primarily distribution & warehousing but also including manufacturing) in Wareham and the competitive Submarket. In this instance, based on discussion with local real estate professionals, the Submarket is defined as a 10-mile radius of Wareham, roughly east of route 140 and south of Route 44, including Wareham, Marion, Mattapoisett, Acushnet, Fairhaven, Bourne, Carver, and most of Plymouth.

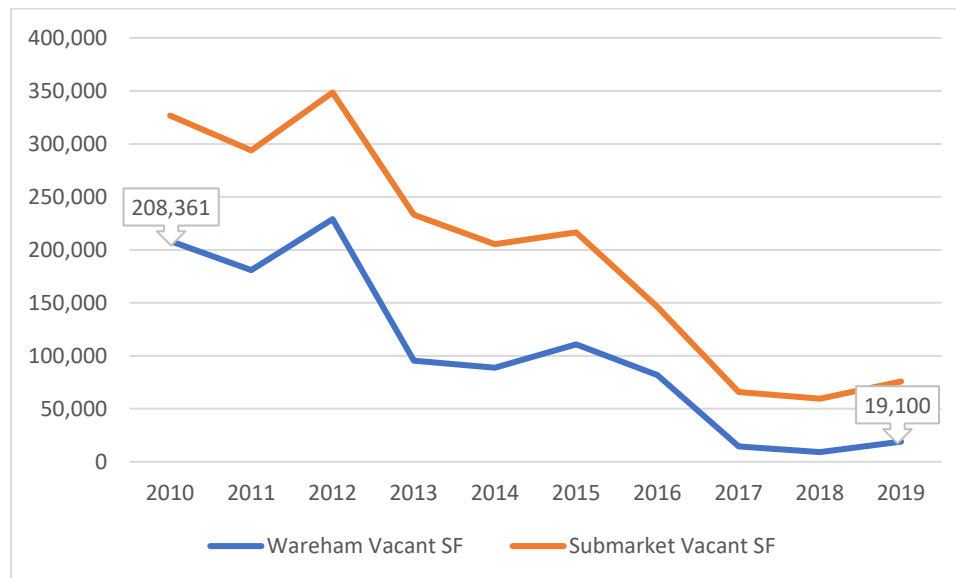
Figure 26. Industrial Space Inventory SF, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

In the beginning of 2019, there was 2.9 million square feet of supply in the Submarket overall, of which 1.1 million square feet is in Wareham. Over the past 10 years the inventory of industrial space decreased by 158,000 square feet in the overall submarket but gained slightly, 2,000 square feet, in Wareham. While there has been little change in the supply of industrial space, vacancies have declined precipitously since 2010, by nearly 190,000 square feet in Wareham, as shown in Figure 27. The current vacancy rates are 1.7% in Wareham and 2.6% in the Submarket overall. Only a portion of the decline in vacancies is attributable to a loss of industrial space inventory compared to increased occupancies, as shown in Figure 28. Over the past 10 years over 190,000 square feet of industrial space have been absorbed (newly occupied) in Wareham.

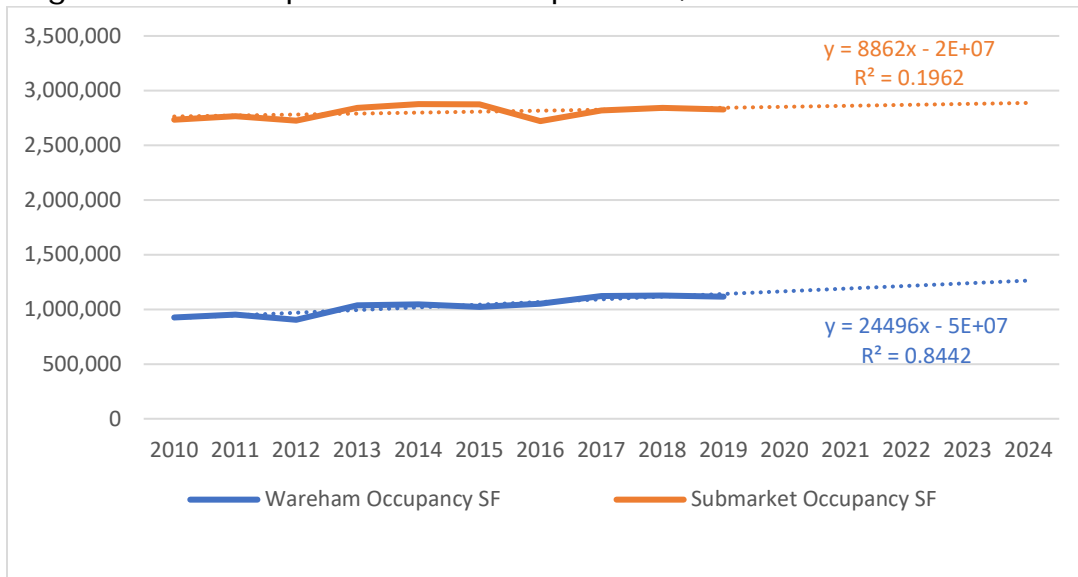
Figure 27. Vacant Industrial Space SF, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

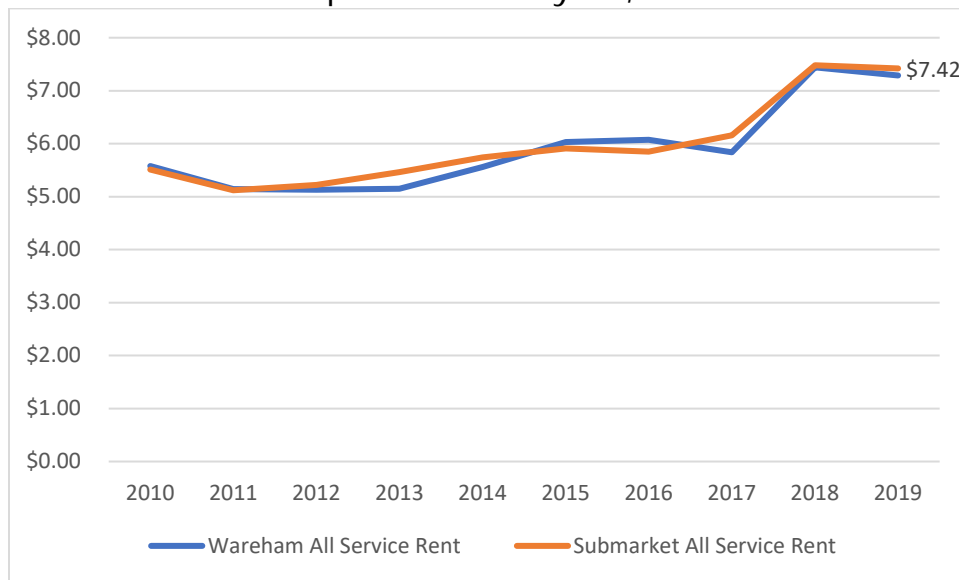
While the very low vacancy rates and projected continued increase in occupancies bode well for expanding the supply of industrial space (with concomitant gains in tax base and jobs) in Wareham, the broader market is very competitive, and prevailing lease rates may be too low to justify new construction. This issue was the subject of extended discussion in the second Focus Group meeting. Some participants suggested that in order to facilitate growth, for which prospects are good from a market standpoint, the town should consider acquiring additional land zoned for industrial uses and lease or sell to prospective developers/tenants at rates that will allow for feasible new construction. Historical lease rates are shown in Figure 29.

Figure 28. Occupied Industrial Space SF, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

Figure 29. Industrial Space Rent SF/year, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

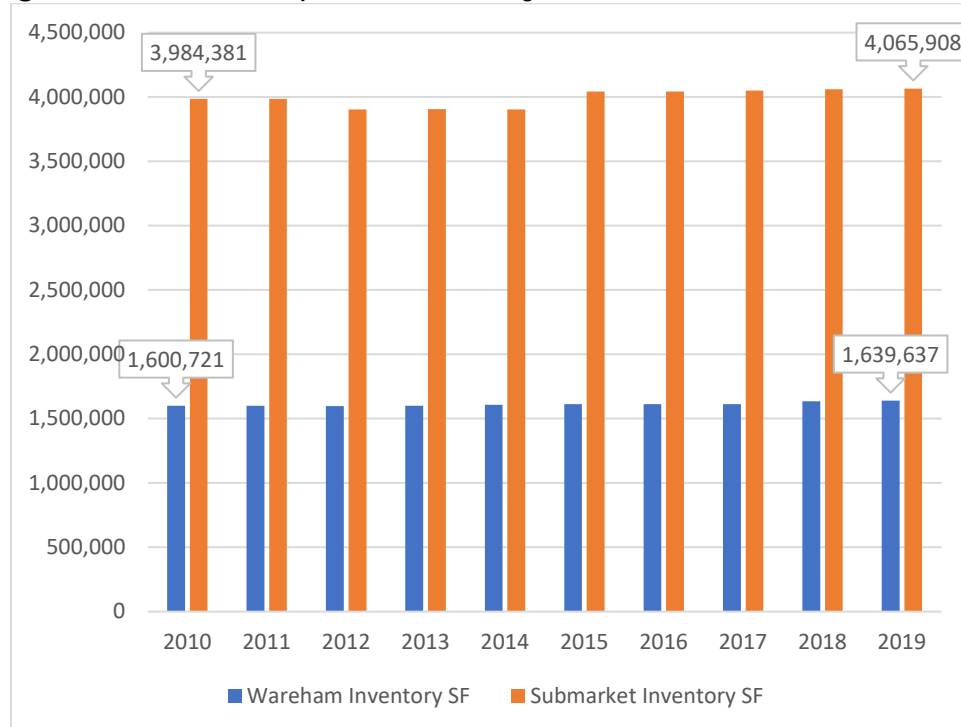
Retail Space Market Trends

Figure 30 shows trends in the inventory of retail space in Wareham and the surrounding Submarket, defined as a 10-mile radius and including Wareham, Bourne, Marion, Mattapoisett, Fairhaven, Acushnet, and most of Carver and Plymouth. Conditions and trends in a larger geographic area would not be considered competitive as retail serves a local and regional consumer market -- typically a 15-minute drive time for a regional center, and less for community

center and local, neighborhood-serving stores. High quality restaurants may draw from a larger area, as will highly specialized national retailers and major discount furniture stores, but the supply of such spaces is small in comparison to the overall retail mix. Immediate prospects for capturing sales currently leaking out of these drive-time market areas are addressed in the previous **retail opportunity gap/surplus** section of the report, while this section addresses longer-term conditions and trends in the supply of retail space.

As shown in Figure 30 there has been little change in the inventory of retail space in Wareham – a net increase of 38,000 square feet (2%) - and the surrounding Submarket – a net increase of 82,000 square feet (2%) over the past 10 years.

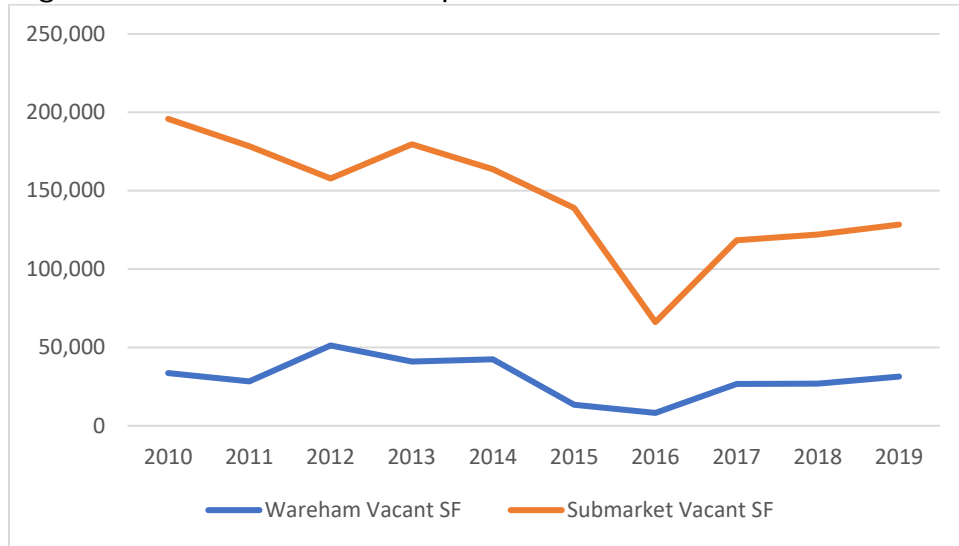
Figure 30. Retail Space Inventory SF, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

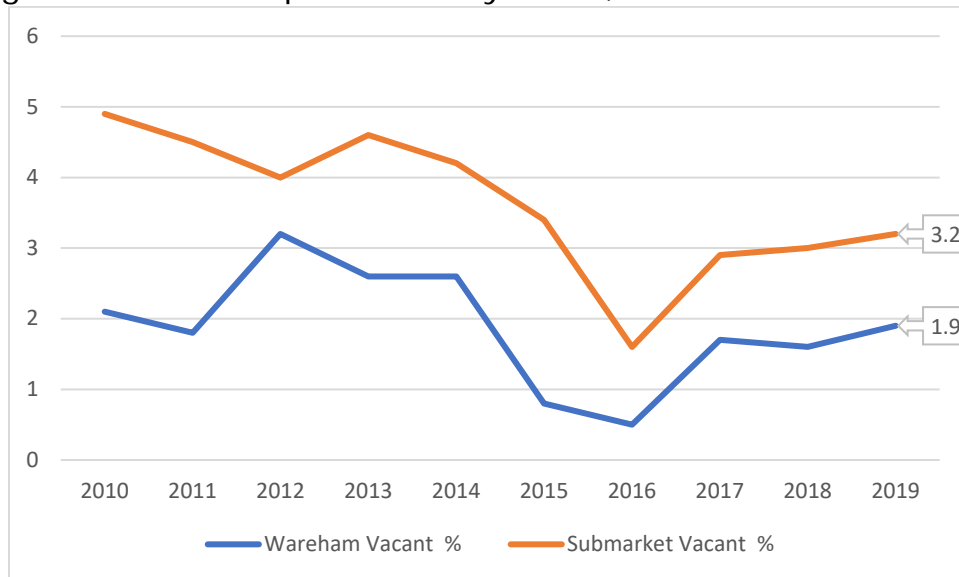
Figure 31 shows trends in vacancies in retail space, which have remained fairly constant in Wareham (34,000 SF in 2010 to 31,000 SF in 2019) but declined by nearly a third in the Submarket overall (from 196,000 SF in 2010 to 128,000 in 2019). In both Wareham and the Submarket overall vacancies bottomed out in 2016 but have increased significantly since. Nevertheless, vacancy rates remain quite low as shown in Figure 32.

Figure 31. Vacant Retail Space SF, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

Figure 32. Retail Space Vacancy Rates, Wareham & Submarket



Source: Co Star Property Information System and FXM Associates

Figure 33 shows occupancy trends in retail space for Wareham and the Submarket overall. Over the past 10 years occupancy of retail space in Wareham has increased by 41,000 square feet. Based on the historical 10-year trend line occupied retail space in Wareham is projected to increase by an additional 5,800 square feet per year on average, about 29,000 square feet overall, over the next five years. Within the total Submarket occupancy is projected to increase by about 30,000 square feet per year, an increase in occupancy of 149,000 square feet by 2024. In both

Wareham and the Submarket overall, such projected increases in occupancy would absorb the entire supply of retail space currently vacant. In practical terms this will not happen unless most of the currently vacant spaces are upgraded or new space is constructed. Figure 33 charts historical average lease rates for retail space, which have declined slightly in Wareham from a high in 2011 but risen steadily in the Submarket overall.

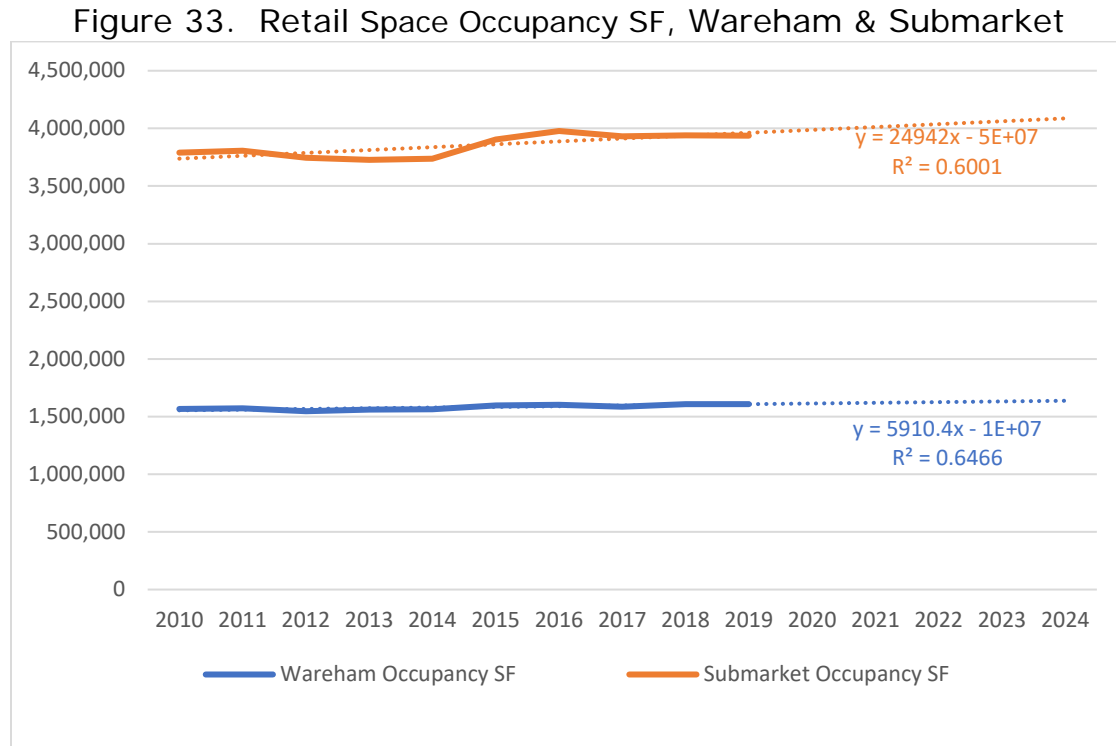
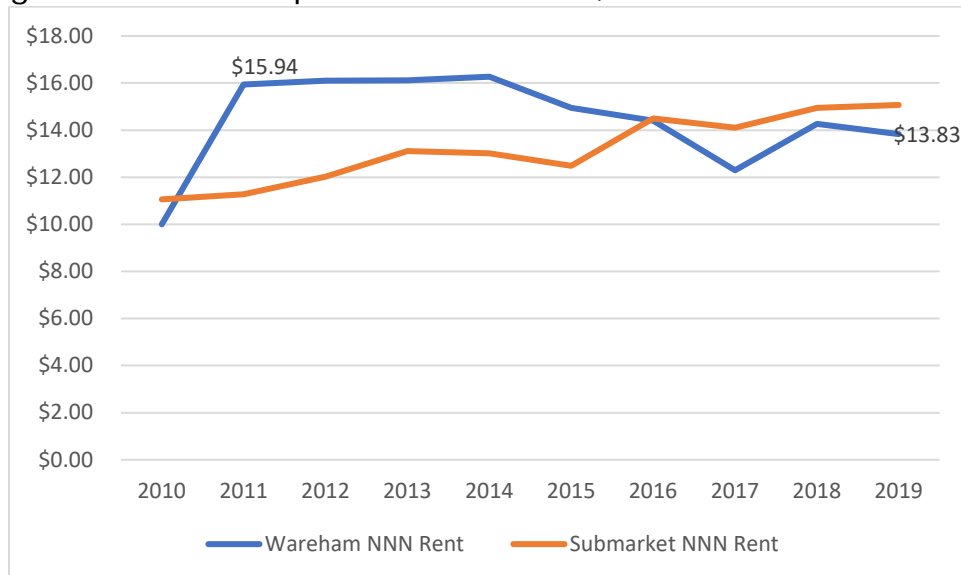


Figure 34. Retail Space Rent/SF/Year, Wareham & Submarket



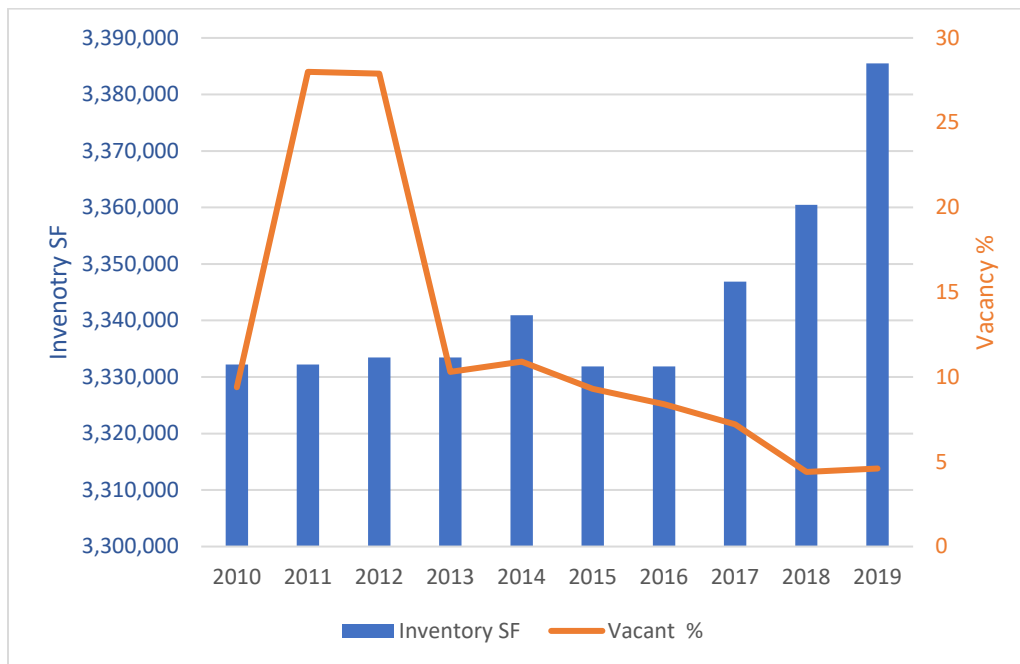
Source: Co Star Property Information System and FXM Associates

Flex Space Market Trends

Flex space is generally defined as buildings that can be adapted for light manufacturing, wholesale distribution, laboratory and ancillary office uses. The supply of such space in Wareham is too limited in quantity and quality to warrant trends analysis (under 70,000 SF, no change in inventory, only one building classified as Class A, and increased vacancies over the past 10 years – currently a third of the total inventory is vacant). Nevertheless, Flex space is considered by local brokers and developers to represent an opportunity for expansion in Wareham. Because it can be adapted to different uses in ways that traditional industrial space typically cannot, flex space commands a higher rent and is therefore more feasible to develop, assuming there is market demand.

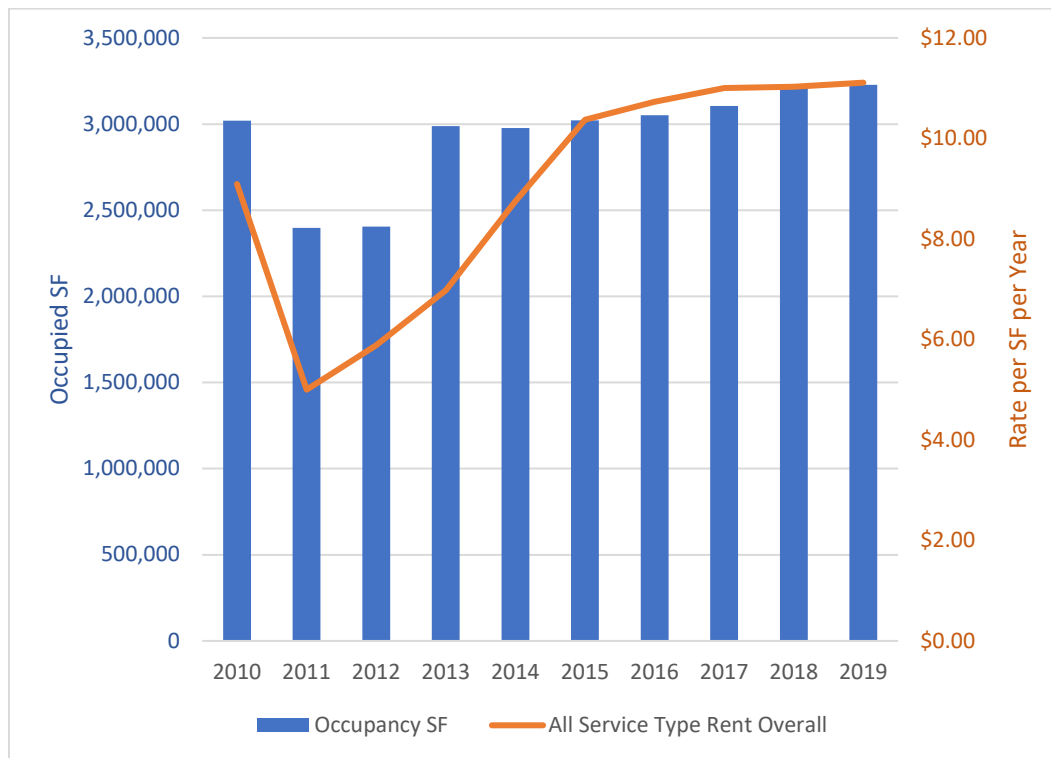
Figure 35 shows trends in the inventory and vacancy rates for Flex space in the Route 3 South Submarket overall. The graph shows that even as the inventory has increased, vacancy rates continue to decline. Over the past ten years the inventory of Flex space in the Submarket has increased by about 53,000 square feet while vacancies have dropped by (156,000) SF – an indicator of a healthy market trending upward. This observation is further confirmed by trends in occupancies and rents, as shown in Figure 36.

Figure 35. FLEX Space Inventory & Vacancy Rates, Route 3 South Submarket



Source: Co Star Property Information System and FXM Associates

Figure 36. FLEX Space Occupancies and Lease Rates, Route 3 South Submarket



Source: Co Star Property Information System and FXM Associates

Over the past 10 years occupancies in Flex space within the overall Submarket have increased by 209,000 square feet, while average rents have more than doubled. The current \$97 per square foot average sale price (8.5% cap rate) is higher than for conventional industrial space. CoStar is forecasting average annual net absorption of 48,000 square feet over the next few years, a significantly greater (more than double) average annual growth in occupancy than experienced over the past 10 years. Vacancy rates are projected to decline to under 2%, as there is currently no proposed new construction of Flex space within the Submarket.

RENTAL HOUSING DEMAND AND SUPPLY TRENDS

Rental housing is increasingly considered an important asset to economic development, particularly as it enables a community to attract and/or retain its younger labor force and others not interested in, or able to, afford homeownership in traditional single-family neighborhoods. To the extent that rental housing development can complement mixed uses in older downtown and neighborhood commercial centers, it also represents an opportunity to upgrade underutilized properties. Younger households and empty nesters are also able and willing, and often prefer, to live in areas that enable them to walk to restaurants, retail shops, recreational opportunities and even jobs that might not be suitable for traditional family housing. Employers are increasingly looking to communities that will enable their current and prospective employees to live and work close to the business location.

The residential component of a mixed-use project can make or break its financial feasibility⁴, especially when trying to upgrade older downtown/village centers where retail/commercial rents are not adequate to support rehabilitation. In the case of Wareham, high density rental housing can add to the attractiveness, local spending, and livability of village centers, such as Main Street/Downtown and Onset, as well as contribute net tax revenues for the Town.

FXM's *Housing Demand Model* projects over the next five years the average annual demand for rental housing by age group, income and affordable rental rates. FXM's model is distinctive in that it captures mobility within the market area as well as net new growth. Over 90% of expected demand for rental housing in most market areas in New England is generated by households already residing in the area, who are looking to change from owners to renters, upsize or downsize from the current unit, or change location for family or work reasons. FXM's model explicitly accounts for propensity to own or rent and frequency of moving by householder age and income.

In addition to assessing average annual demand based on householder characteristics and tendencies, this section also analyzes recently available rental units within the market area by unit size, number of bedrooms, and rental rates; and analyzes historical trends in the inventory, vacancy rates, and monthly rents for rental units by number of bedrooms. The objective of the analytic exercise is to assist planners and developers understanding residential development potential, and to target types of rental units, in terms of cost and size and amenities, to various age groups of potential renters.

⁴ Virtually all the major real estate developments recently completed, currently underway or proposed, in greater Boston's superheated real estate market involve residential, retail/restaurant, and office components rather than stand-alone single uses.

For the purposes of this analysis the market area is defined as the area within a 20-minute drive time of 43 Marion Road (Town Hall) in Wareham. The 20-minute drive time area is consistent with the generally accepted view of the primary geographic area within which communities offer similar economic development attributes and constitute the competitive region for attracting jobs and households. This market area is shown graphically in Figure 37. For this geographic area, FXM obtained proprietary data from EnvironicsAnalytics Spotlight Reports, estimating the number of households by age of householder and income ranges in 2018 and projected to 2023. Data in Table 10 provide an overview of population, households, and renters within this market area.

Table 10. Housing Demand Context

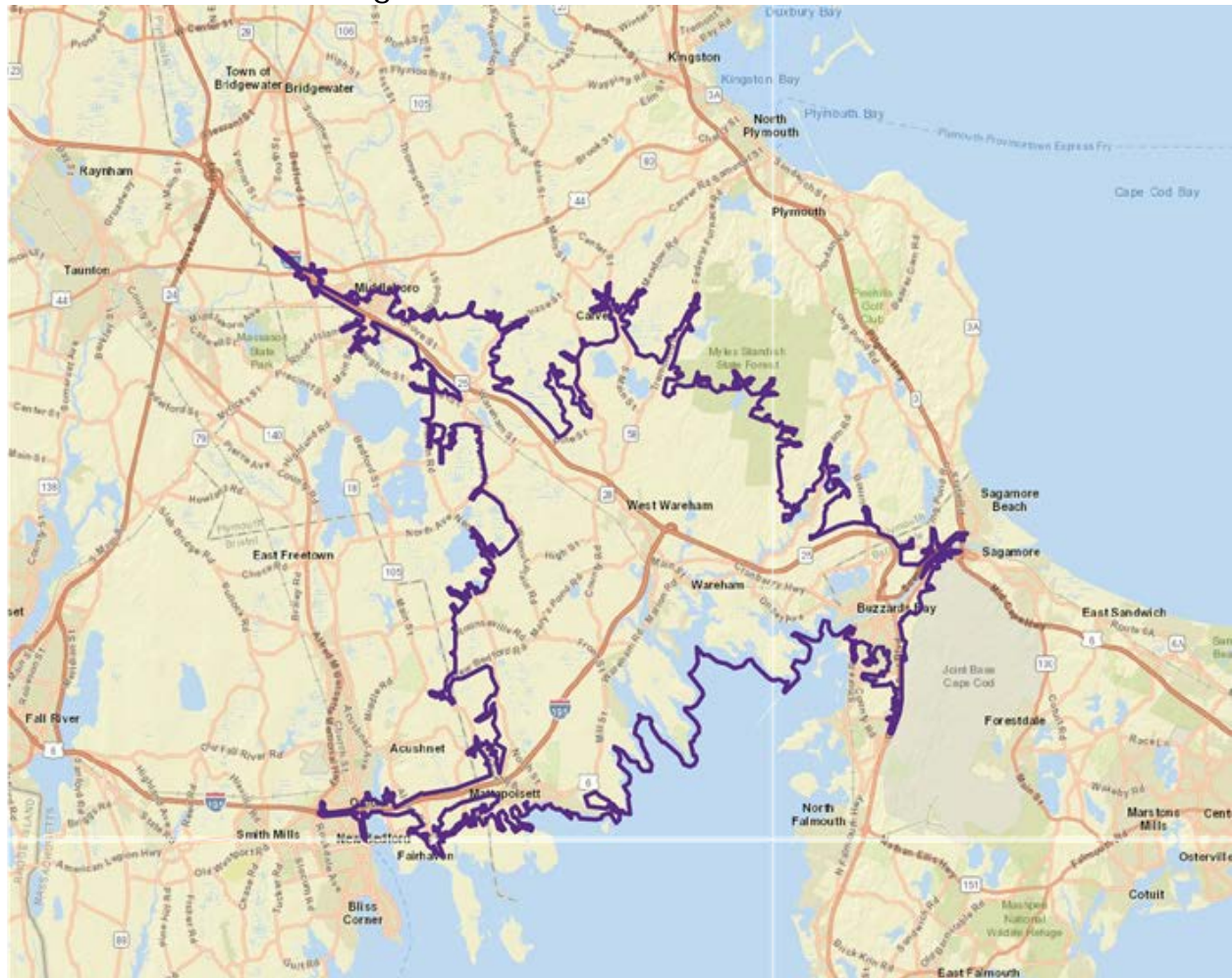
| Housing Demand Context 20-Minute Market Area | |
|---|-----------------|
| Population | 64,404 |
| Households | 25,698 |
| Renter Households | 6,581 |
| % Renters | 26% |
| Renters Moving in Average Year | 1,220 |
| % of All Households | 5% |
| Median Household Income | \$71,074 |

Source: EnvironicsAnalytics Spotlight Reports, 2018 Estimates, and FXM Associates

The following demand assessment is segmented by age and affordable rents. Rent levels needed to support rehabilitation or new construction will vary depending upon the development costs of a specific project, which may include tax credits, favorable financing terms, land write-downs and other mechanisms to assure feasibility.

Households in the under 35 and 55-to-74 age groups are most frequently targeted by developers for urban and specialty rental housing, such as re-use of formerly commercial and institutional structures, because they are less likely to have school aged children and therefore more open to units with fewer bedrooms in locations that are not necessarily ideal environments for children. They are also likely to be attracted to denser urban environments that allow walking distances to restaurants and retail shops. Households in other age groups, however, also generate demand for housing within the market area, and this analysis assesses potential demand for all age groups.

Figure 37. 20-Minute Market Area

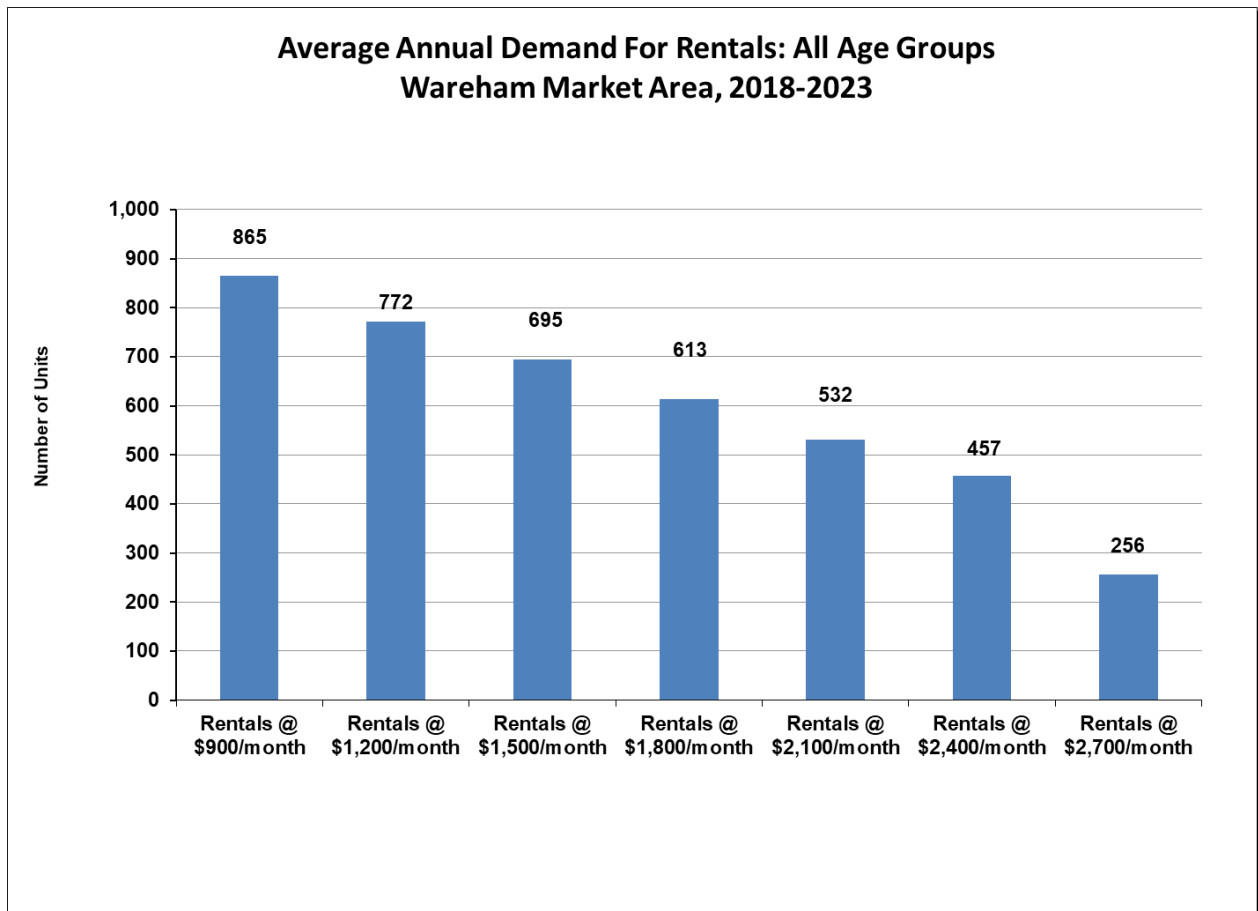


As previously noted, FXM's proprietary *Housing Demand Model* incorporates data on mobility rates by age of householder, propensities to own or rent by age of householder, current and projected number of households by age and income, and the qualifying income standards of commercial rental management companies.

Model results for potential rental demand are compared to a sampling of market area units currently listed for rent. Finally, trends in the supply of rental units are analyzed, including numbers and average monthly rents for 1, 2, and 3 BR units.

Figure 38 shows the average annual demand for all rentals by all age groups in the Wareham Market Area, taking into consideration affordability, propensity to move in any given year, and propensity to rent.

Figure 38. Average Annual Demand for Rentals



Source: FXM *Housing Demand Model*, October 2018

For example, of the total number of households, 865, expected to move to rental housing each year within the 20-minute market area and able to afford at least \$900 per month rent, approximately 613 would be able to afford monthly rents of up to \$1,800; 532 would be able to afford \$2,100; 256 would be able to afford \$2,700, and so forth.

As shown in Table 11 below, based on Wareham's current share of rental housing in the market area and recent absorption rates in comparable projects, an estimated 56 households are able to afford up to \$2,400 a month rent might be absorbed by additional rental development in a competitive rental property in Wareham each year. Table 11 presents these estimates for each of the rental points shown in Figure 38. (Note that the figures in the demand columns are **not** additive. They are cumulative, with the "Rentals @ \$900" figure representing total estimated average annual demand in both Figure 18 and Table 10.) The same data are shown graphically in Figure 3.

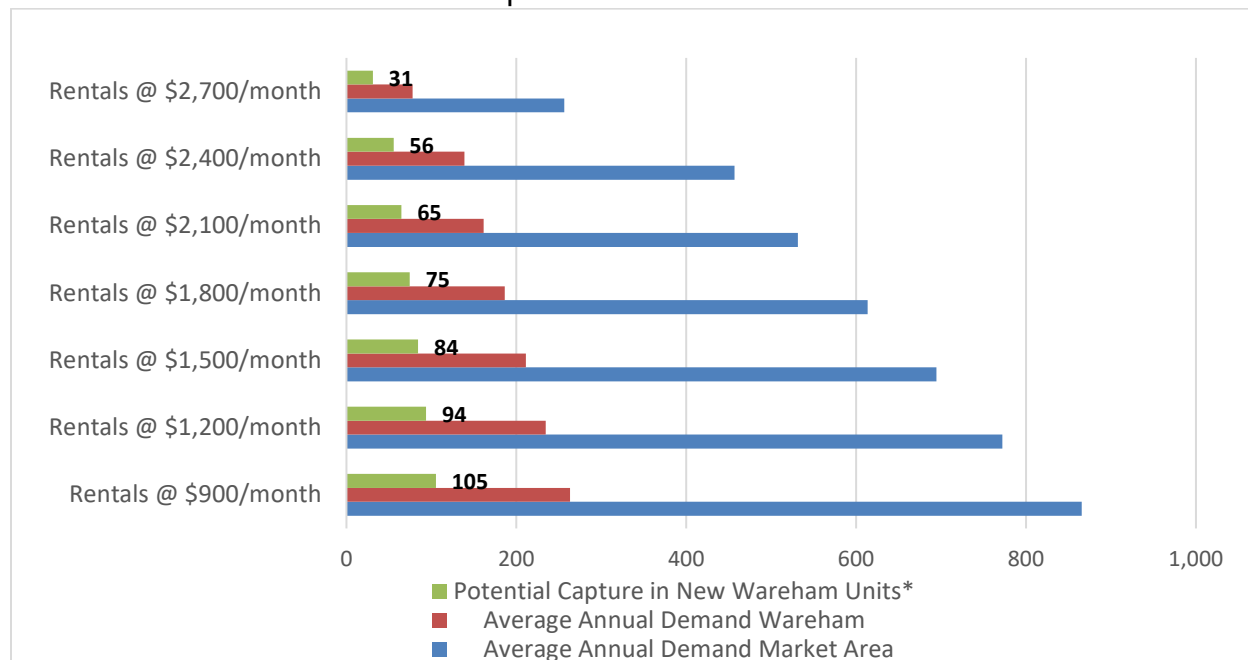
Table 11. Average Annual Demand for Rental Housing in Wareham, 2018-2023

| Category | Average Annual Demand | | Potential Capture in New Wareham Units* |
|-------------------------|-----------------------|---------|---|
| | Market Area | Wareham | |
| Rentals @ \$900/month | 865 | 263 | 105 |
| Rentals @ \$1,200/month | 772 | 235 | 94 |
| Rentals @ \$1,500/month | 695 | 211 | 84 |
| Rentals @ \$1,800/month | 613 | 186 | 75 |
| Rentals @ \$2,100/month | 532 | 162 | 65 |
| Rentals @ \$2,400/month | 457 | 139 | 56 |
| Rentals @ \$2,700/month | 256 | 78 | 31 |

* Assumed Capture at 40% of Wareham, 12% of market area total demand

Source: EnvironicsAnalytics Spotlight Reports, 2018 Estimates, and FXM Associates

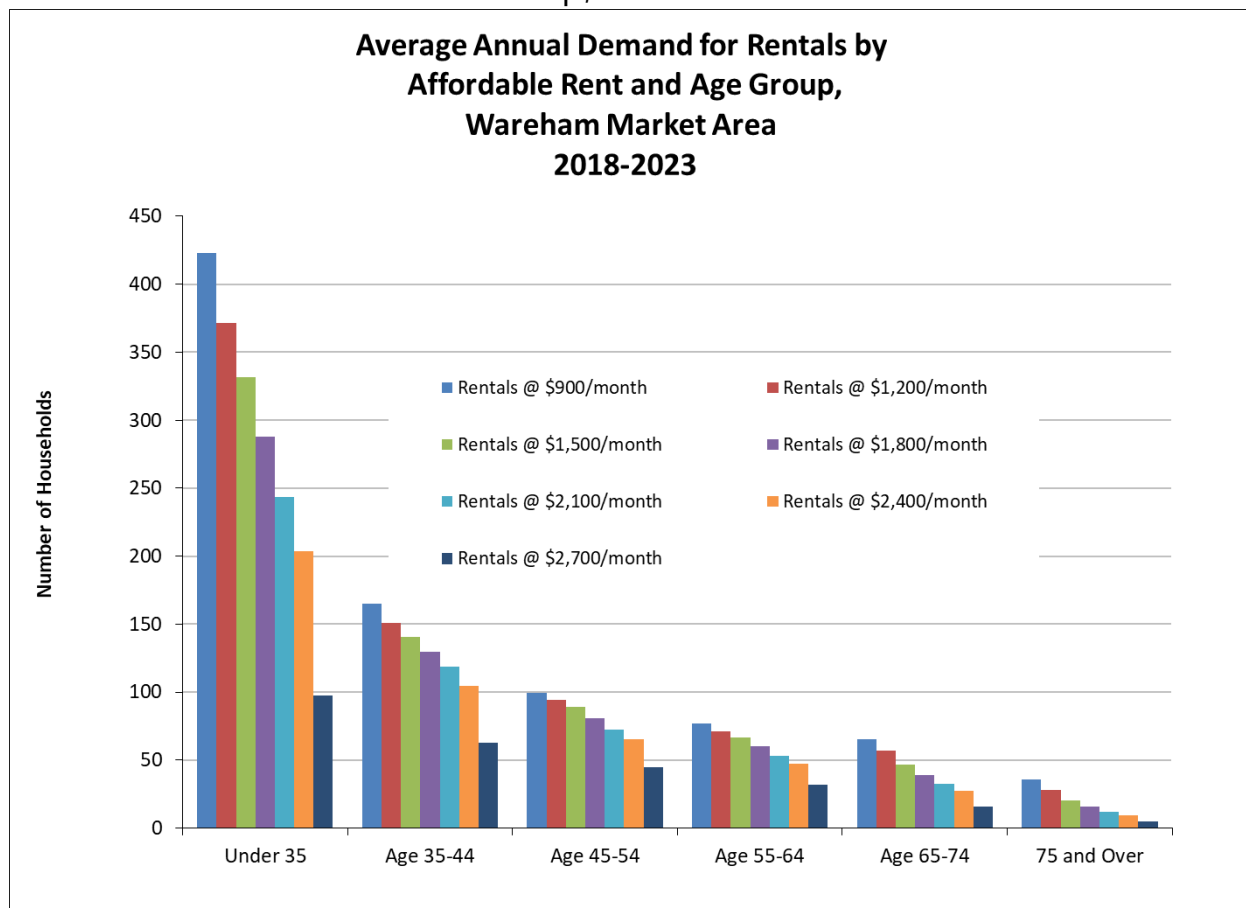
Figure 39. Average Annual Demand for Rental Housing and Potential Capture in New Units



The actual number of units that might be captured at these rental prices in a development or redevelopment project in Wareham would depend on the quality and size of the units, site and building amenities, pricing, marketing and other factors.

The information in Figure 38 and Table 11 can be further broken down into age groups, which may be useful to marketing efforts based on the relative numbers of households by age group. Figure 40 presents these data by age group.

Figure 40. Average Annual Demand for Rentals by Affordable Rent and Age Group, 2018-2023

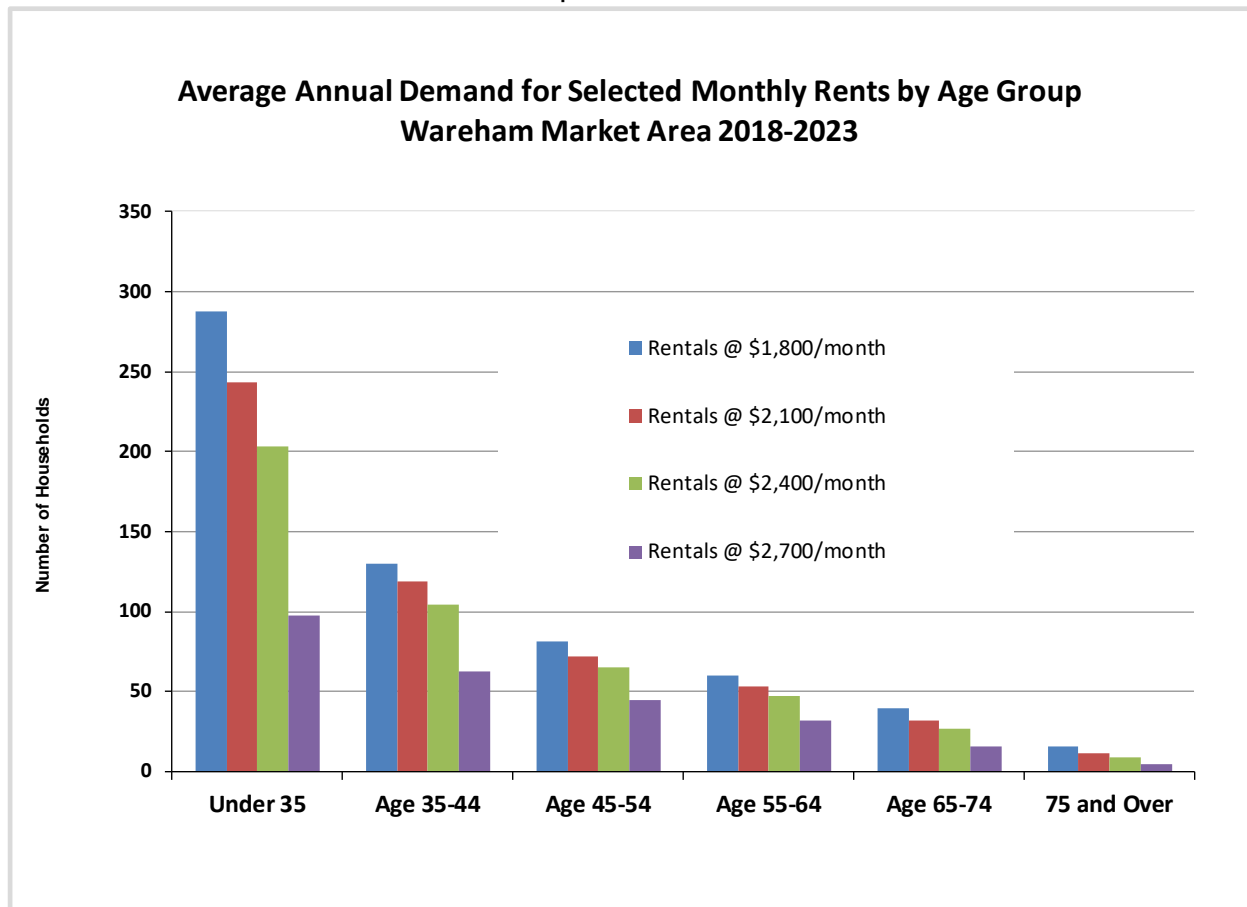


Source: FXM Associates, *Housing Demand Model*, October 2018

The graph reflects the greater propensity of younger households to rent and the frequency of their moving compared to older households, as well as the sensitivity of levels of demand to varying rental prices.

Figure 41 offers the same kind of analysis, but with the data for rents in the upper ranges only.

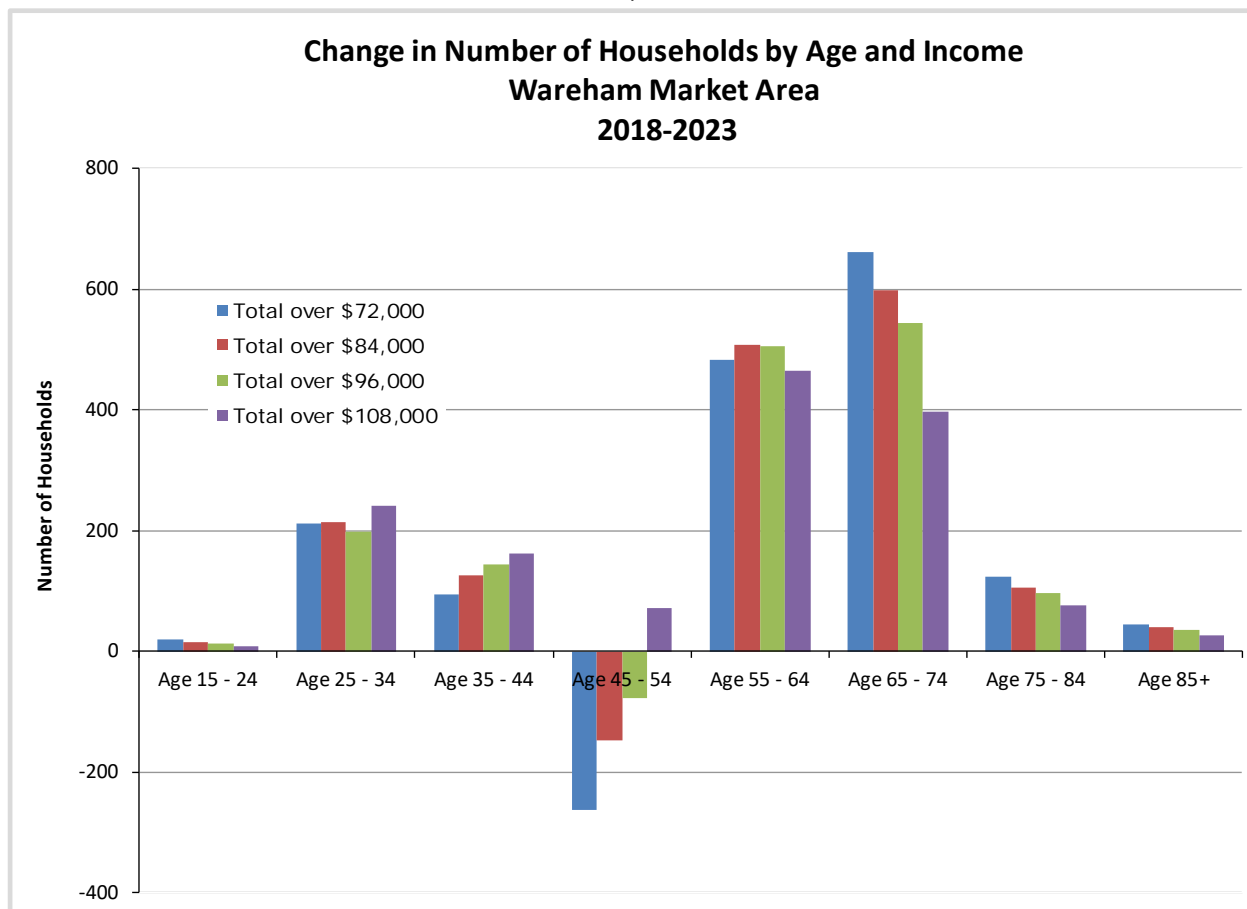
Figure 41. Average Annual Demand for Selected Monthly Rents by Age Group, 2018-2023



Source: FXM Associates, *Housing Demand Model*, October 2018

Figure 42 shows another dimension to the estimation of future rental demand: the changes projected over the next five years in numbers of households by age and income. The incomes chosen are in the upper ranges, since these households could afford rents necessary to support rehabilitated or newly constructed housing. The graph shows changes in the distribution of households by age and income in 2023 compared to the same categories in 2018. For example, in 2023 there will be an estimated 600 *more* households aged 65-74 with incomes in excess of \$84,000 than there were in 2018. There will be about 220 fewer households aged 45-54 with incomes over \$72,000 than there were in 2018. This increase in older households largely reflects the aging of the boomer generation, while the decline in the 45-54 age group reflects the lower number of households in generation x compared to boomers and millennials.

Figure 42. Change in Number of Households by Age and Income, Wareham Market Area, 2018-2023



Source: FXM Associates, *Housing Demand Model*, October 2018

Particularly striking in the projection of changes in age cohorts in the market area over the next five years are the gains estimated across all four income categories in the age 55 to 74 cohorts, while the age category 45 to 54, typically a population segment at peak earning capacity, would lose households in all categories of income selected above, except for those making over \$108,000 per year. The age cohort 24 to 34 is projected to also have strong increases in the upper income categories.

Households with incomes of over \$72,000 can afford \$1,800 a month rents; those with incomes over \$84,000 can afford \$2,100 a month rents. These households are projected to lose their relative share of the overall population in the age 45 to 54 cohort over the next five years.

These projections, if they prove to be accurate, provide an indication between 2018 and 2023 there will be increasing numbers of households in each age category, except for the 45 to 54 age group, able to afford market rents that could support

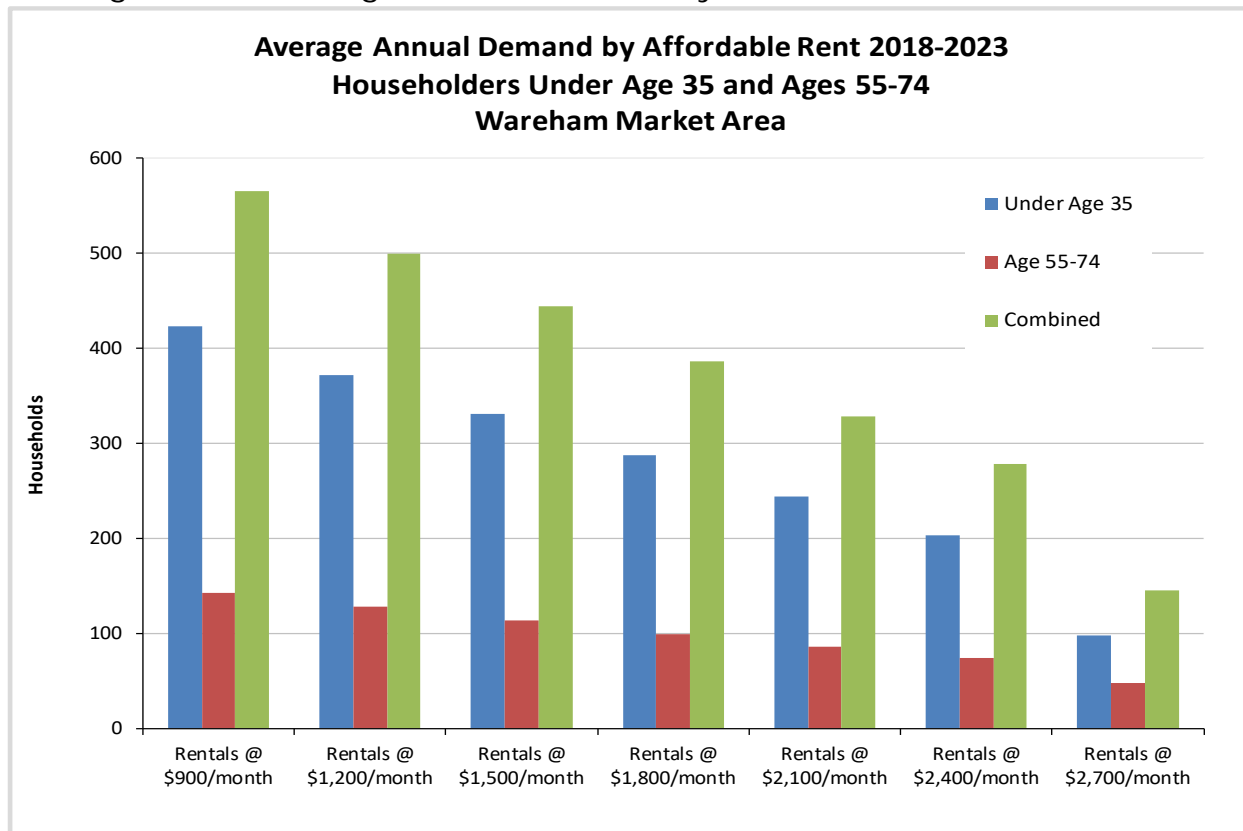
new construction or rehabilitation. Households in the income category over \$108,000 – who could afford rents up to \$2,700 per month – increase in all age categories, indicating a future demand for high quality rental housing for a variety of lifestyles.

Some developers in recent years have targeted rental units, especially within urbanized areas, to households under age 35 and age 55-to-74, who often mix well within the same developments. Both groups show a higher propensity to live within walking distance of retail stores, restaurants, and transit if possible. The households under age 35 are more mobile on average and more likely to rent, so they comprise a relatively large share of potential demand. The number of younger households, however, is projected to experience modest growth over the next five years.

Conversely, as shown by the data in Figure 42 above, the baby boomer generation households are growing in number within the 55-and-older age categories, and these households have shown an increasing propensity to rent in recent years as they become empty nesters and sell their single-family homes for smaller, more manageable units. Others want to cash in the equity of their former dwellings because they need liquid income in the absence of the pensions enjoyed by prior generations of retirees. Many also continue to work part time.

Data in Figure 43 show the average annual demand by selected rental rates for the under 35 and 55- to 74-year old householders, and their combined demand.

Figure 43. Average Annual Demand by Affordable Rent, 2018-2023



Source: FXM Associates, *Housing Demand Model*, October 2018

Prices and Sizes of Recently Available Rentals

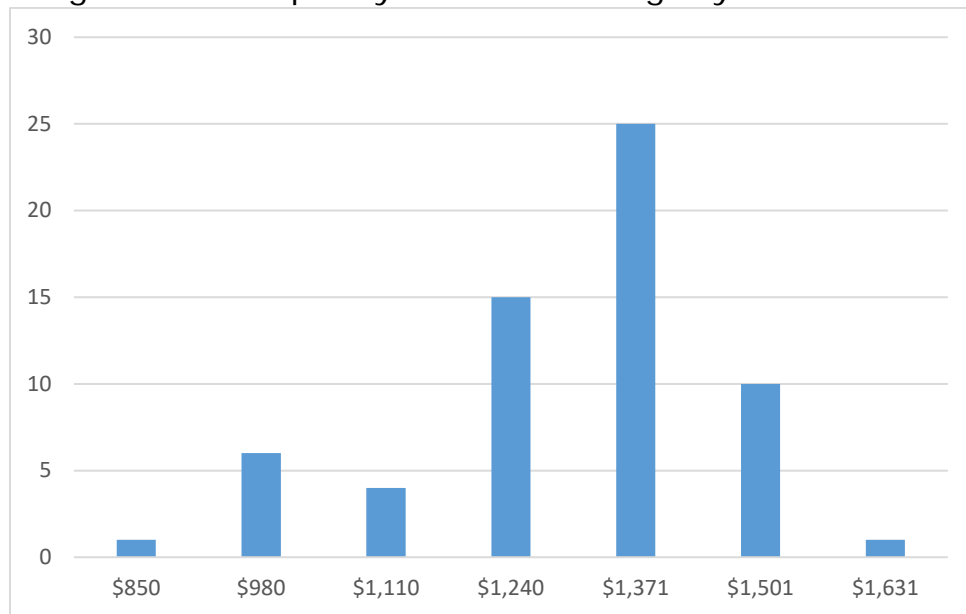
In order to get a sense of the sizes and prices of units actually on the market, FXM sampled listings of rental units in apartment complexes in towns approximately within the 20-minute drive time of central Wareham. The listings were gathered in November 2018. In practice, the search of available listings found few available east of New Bedford and Dartmouth; slightly beyond the edge of the 20-minute market area. They are shown here because with a paucity of available rentals within the defined market area they will represent potential competition for Wareham rental housing developers. Available rental units were predominantly one- and two-bedroom units, and rents clustered around \$1,100 for one-bedroom units and \$1,250 for two-bedrooms. Studios and larger units were very scarce. Table 12 shows these results. Figure 44 is a frequency distribution graph of the listings analyzed.

Table 12. Rental Listings, Expanded Market Area

| Rental Listings: Expanded Market Area | | | | | |
|---------------------------------------|--------|----------|---------|---------|---------|
| # BRs | Ave SF | Ave Rent | # Units | High | Low |
| studio | n.a. | \$928 | 3 | \$975 | \$835 |
| 1 BR | 978 | \$1,078 | 25 | \$1,295 | \$850 |
| 2 BR | 1,172 | \$1,252 | 24 | \$1,761 | \$900 |
| 3 BR | 1,588 | \$1,543 | 9 | \$1,770 | \$1,384 |

Sources: zillow.com, apartments.com, rent.com, November 2018

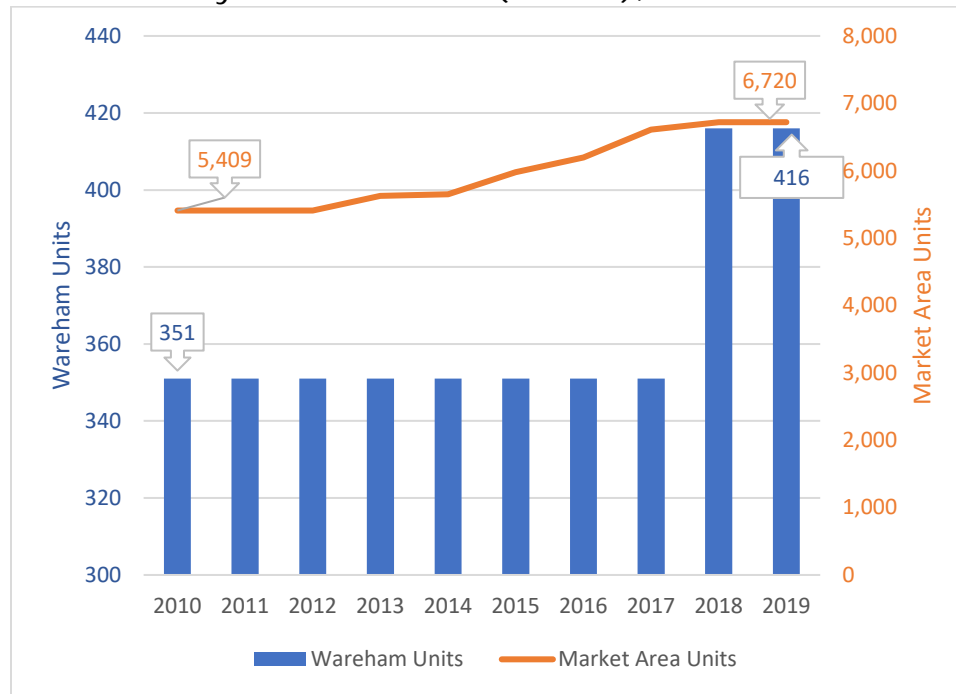
Figure 44. Frequency of Rental Listings by Median Price



Rental Housing Supply Trends

A further component of the residential market assessment is analysis of trends in the inventory, vacancy rates, and monthly rents of rental properties within Wareham and the 20-minute market area. Figure 45 shows trends in the inventory of multi-family rental housing in Wareham and the market area. Within the market area overall, 1,300 rental units have been added since 2010 while only 65 units were added in Wareham as of January, 2019. Wareham now holds 6% of the inventory of multi-family rental units within the market area, according to data available from CoStar. Based on the ten-year historical trend, occupancy of multi-family rental units within the overall market area is projected to increase by 15% through 2024, an average annual increase of 194 units.

Figure 45. Inventory of Rental Units (All BRs), Wareham and Market Area

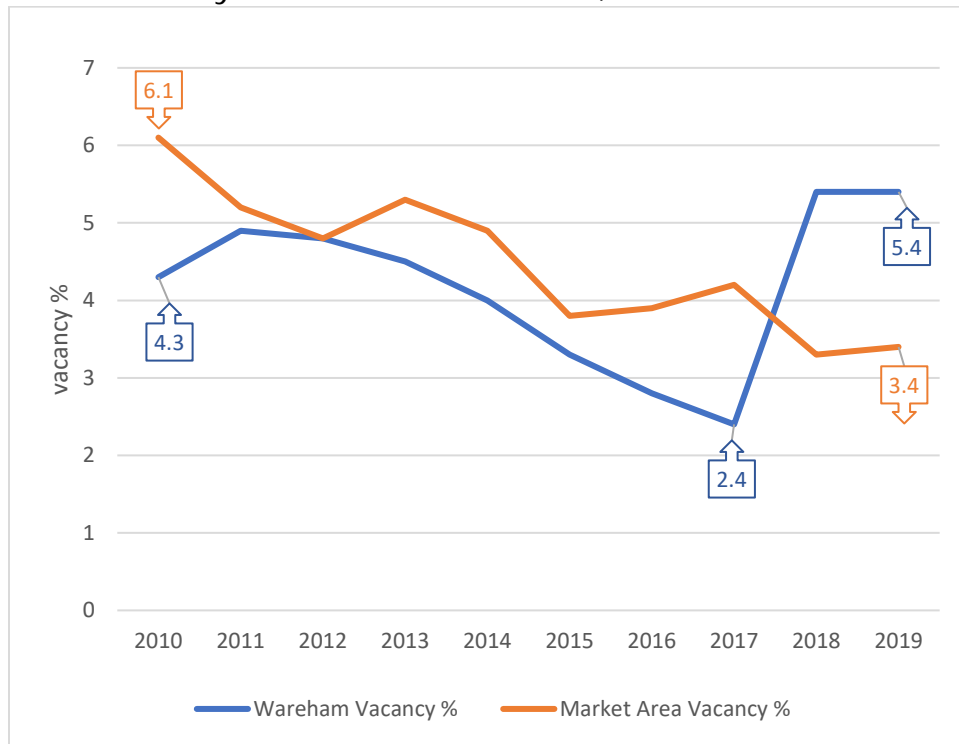


Source: Co Star Property Information System and FXM Associates

Figure 46 shows trends in vacancy rates for multi-family rental units in Wareham and the market area overall. The spike in Wareham for 2018-19 is attributable to a new development that came online in late 2018 and has yet to be absorbed. In both Wareham and the market area overall vacancy rates have been declining and are well below the thresholds typically desired by investors.

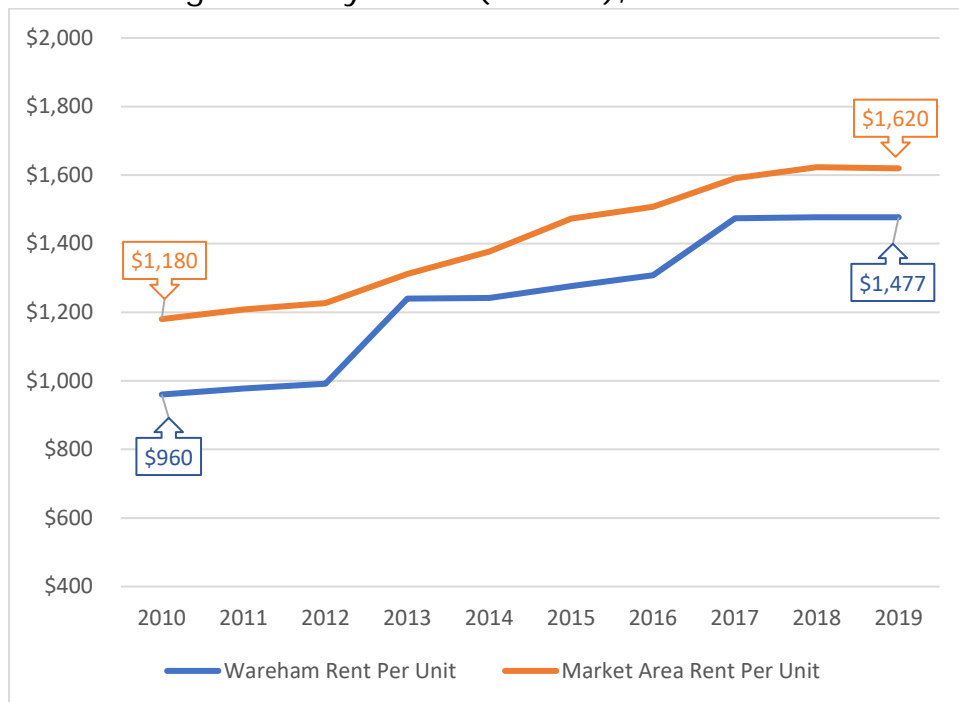
Figure 47 shows trends in average monthly rent for all multi-family rental units in Wareham and the market area. Rents increased in the overall market area by an average of 4.1% per year between 2010 and 2019. Over the same period, rents in Wareham increased by an average of 5.9% per year.

Figure 46. Vacancy Rates for Rental Units, Wareham and Market Area



Source: Co Star Property Information System and FXM Associates

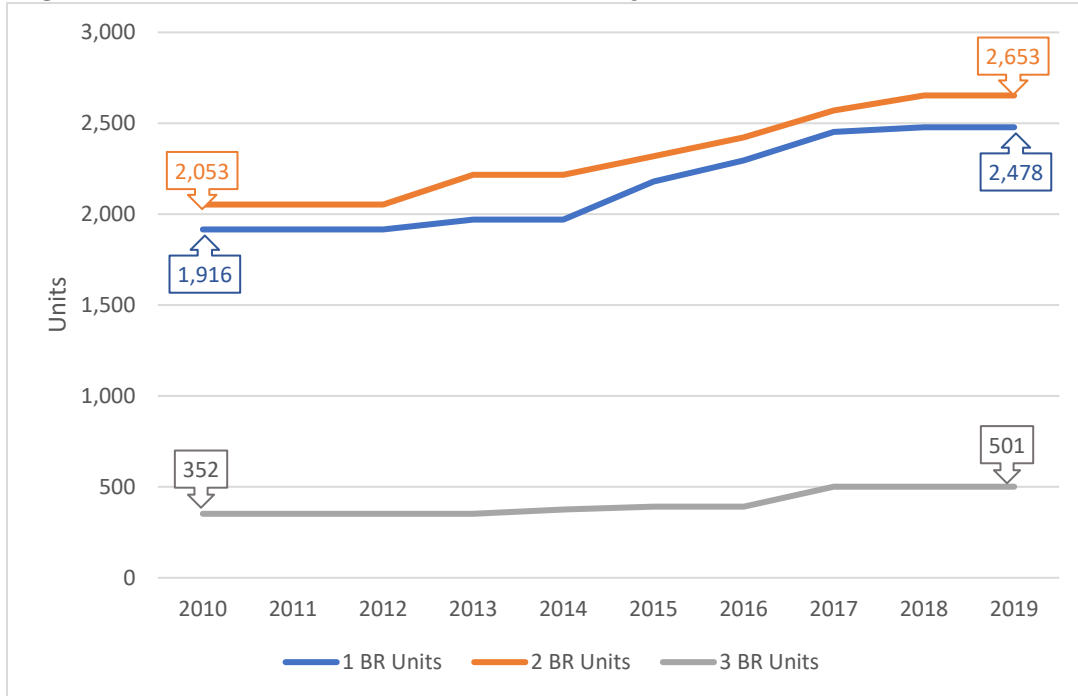
Figure 47. Average Monthly Rents (All BRs), Wareham and Market Area



Finally, FXM has broken down trends in the supply of rental housing within the overall market area by number of bedrooms (Figure 48), vacancy rates (Figure 49),

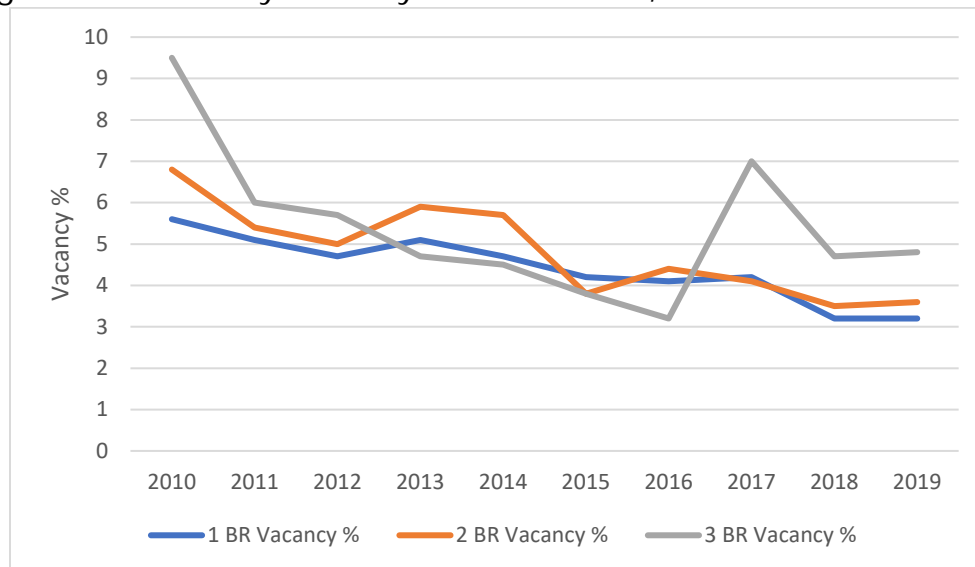
and rents (Figure 50) by number of bedrooms. Figure 51 combines the inventory and rents by number of bedrooms.

Figure 48. Market Area Rental Units by Number of Bedrooms (BR)



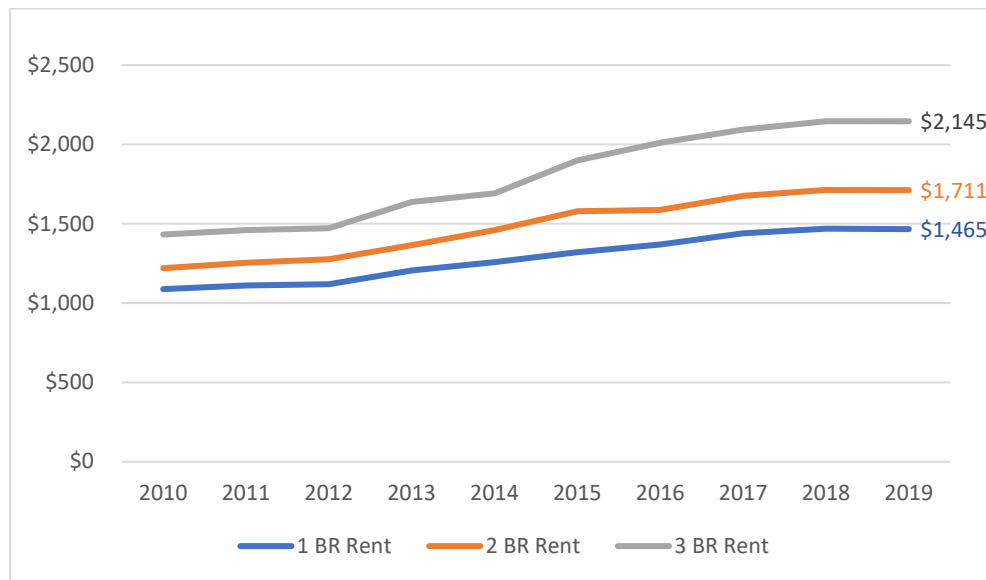
Source: Co Star Property Information System and FXM Associates

Figure 49. Vacancy Rates by Number of BRs, Wareham Market Area



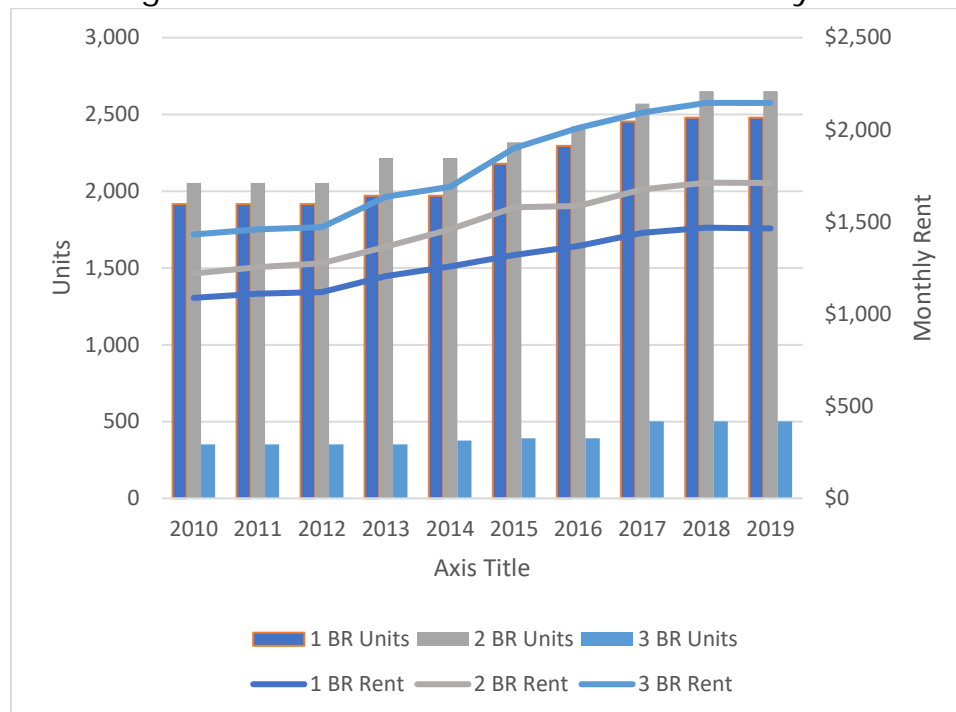
Source: Co Star Property Information System and FXM Associates

Figure 50. Market Area Rental Units by Average Monthly Rent and Number of BRs



Source: Co Star Property Information System and FXM Associates

Figure 51. Market Area Units and Rents by BR



Source: Co Star Property Information System and FXM Associates

Data in Table 13 summarize the information shown in the previous supply trends graphs.

Table 13. Rental Units in the Wareham Market Area

| Rental Units in the Wareham Market Area | | | | | | | |
|---|---------------|------------|--------------------|---|----------------------|--|-----------------|
| | Units in 2019 | % of Units | Ave Unit Size (SF) | Ave Annual Increase in Units: 2010-2019 | Monthly Rent in 2019 | Ave Annual Increase in Rent: 2010-2019 | Ave Rent per sf |
| 1 BR | 2,478 | 37% | 724 | 62 | \$1,465 | 3.9% | \$2.02 |
| 2 BR | 2,653 | 39% | 1,011 | 67 | \$1,711 | 4.5% | \$1.69 |
| 3 BR | 501 | 7% | 1,272 | 17 | \$2,145 | 5.5% | \$1.69 |
| ALL BRs | 6,720 | 100% | 890 | 146 | \$1,620 | 4.1% | \$1.82 |

Source: Co Star Property Information System and FXM Associates

Summary of the Residential Market Assessment

The picture that emerges from the assessment of demand for and supply of multi-family rental housing in Wareham and the local market area is one in which expected demand – driven by household mobility as well as net new growth – dramatically exceeds the current supply which has grown very modestly over the past ten years. While there have been healthy – from a prospective developer’s perspective - increases in average rents and falling vacancy rates, the rentals that are available in conventional listings are priced below thresholds needed to support rehabilitation and new construction costs for market rate (unsubsidized) housing. The demand analysis indicates that there is at least hypothetical market support for units priced more highly than the average listings, based on the incomes of householders likely to move into rental housing over the next five years. This means that in order to attract such households who can support higher rents, developers will need to have products offering superior unit attributes (attractive and unusual layouts, interior finishes, storage space), on-site amenities (fitness facilities, recreation trails, meeting space, and so forth), and desirable location (best when within walking distance of stores, restaurants, waterfront and beaches, other amenities).

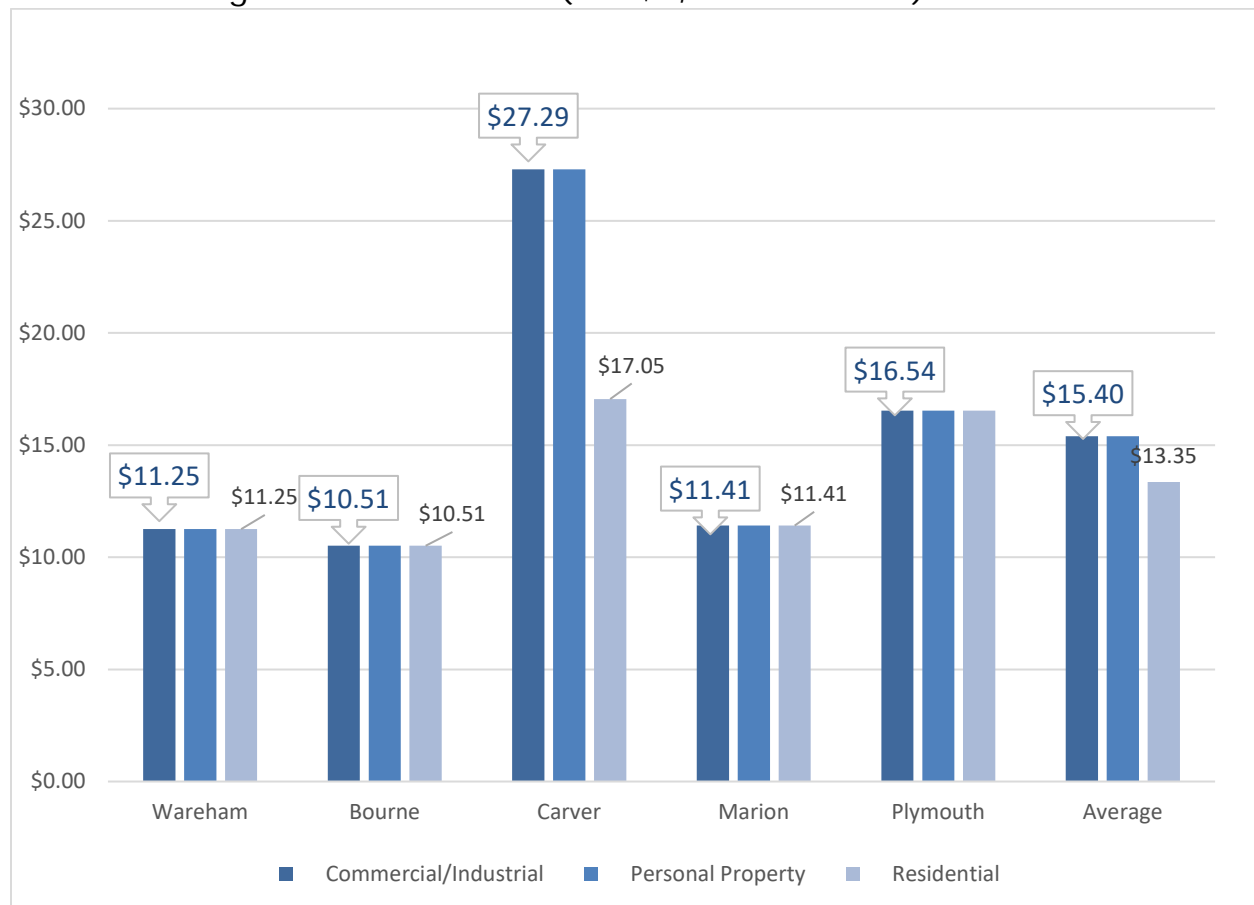
FISCAL COMPARISON

This section presents an analysis of where Wareham stands in terms of its existing tax policy compared to that of surrounding communities: Bourne, Carver, Marion, and Plymouth. Tax rates and tax policies are competitive factors for both business and resident location decisions. As will be shown below, Wareham enjoys a competitive advantage within the local area and Southcoast region.

Tax Rates

As shown in Figure 52, Wareham's commercial tax rate is slightly above that of Bourne but below that of the other surrounding communities, and well below the average for all shown – (\$4.15 per thousand valuation), or 27% less than the average. Wareham's residential tax is also below the average for communities shown, by \$2.10 or 16% per thousand valuation. For a commercial property assessed at \$1,000,000, a Wareham location will save business owners about \$4,200 in property taxes annually compared to the average of surrounding communities.

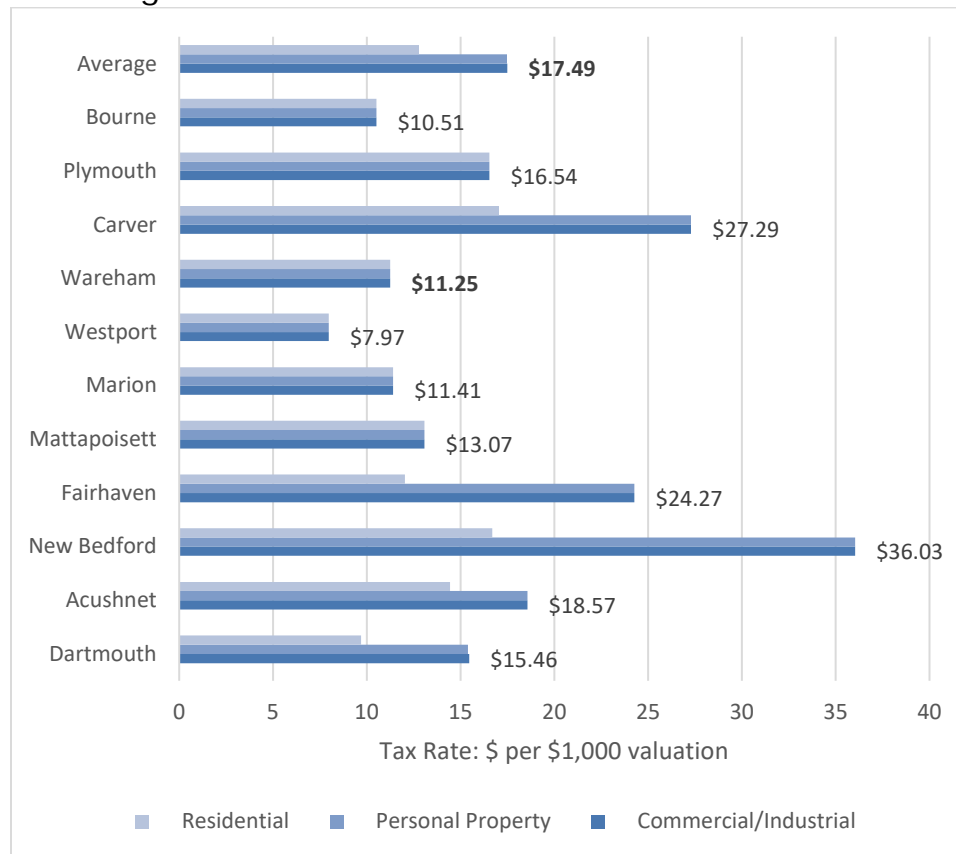
Figure 52. Tax Rates (Per \$1,000 Valuation) FY 2019



Source: Mass Department of Revenue, Division of Local Services, Municipal Data Bank, 2019

Wareham's commercial tax rate is also well below that of New Bedford, Fairhaven, Acushnet, Dartmouth and Mattapoisett (\$6.25 per thousand below the average of all communities shown below). Wareham's competitive advantage in tax rates thus extends throughout the local region, as shown in Figure 53, though it is somewhat mitigated by the special fire district assessments (not shown). Data labels are the commercial rates.

Figure 53. Southcoast Communities Tax Rates



Source: Mass Department of Revenue, Division of Local Services, Municipal Data Bank, 2019

Residential and Commercial Property as Percent of Total Assessed Valuation and Tax Levy

As shown in chart below, 14% of the assessed value of all property in Wareham is commercial. In this measure, Wareham is above the average of surrounding communities but below the proportion of assessed value that is commercial in Plymouth. Figure 55 shows the proportion of total tax levies that are commercial and residential properties.

Figure 54. Commercial & Residential Properties As % of Assessed Valuation

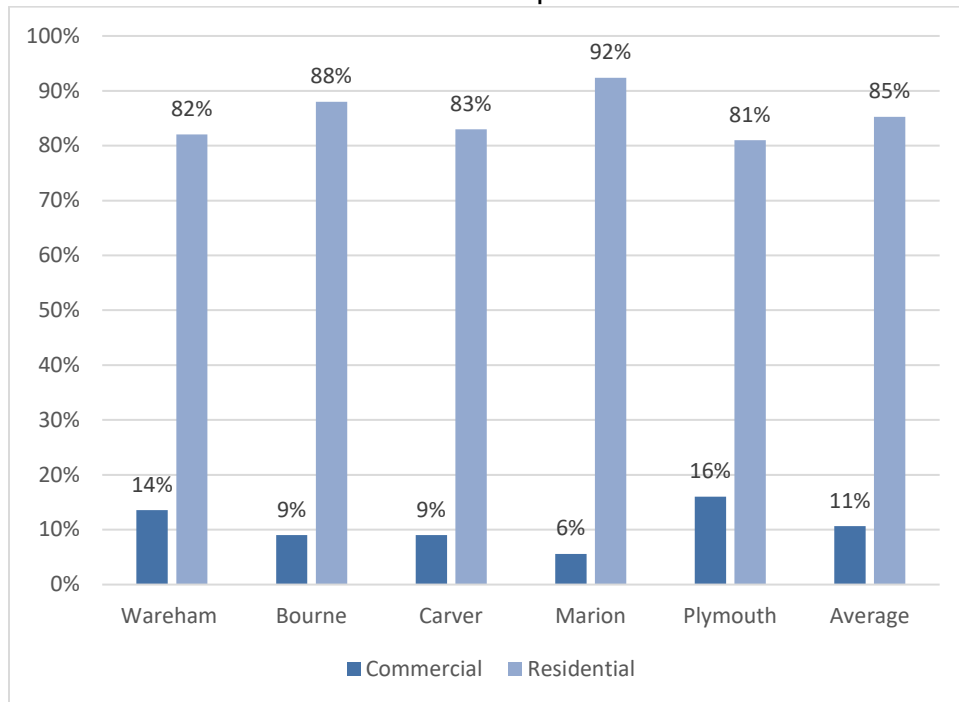
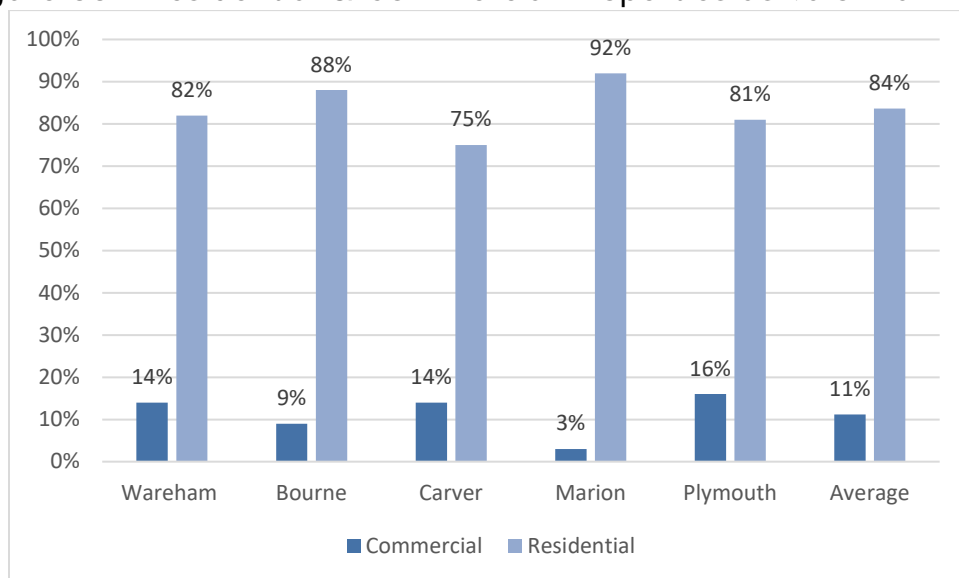


Figure 55. Residential & Commercial Properties as % of Tax Levy



The differences between assessed value and tax levy proportions in Carver are attributable to its much higher commercial tax rate (see Figure 52).

Assessed Valuation per Job

A comparison of assessed valuation per job in Figure 56 shows that on this measure Wareham ranks slightly above the average of the local communities.

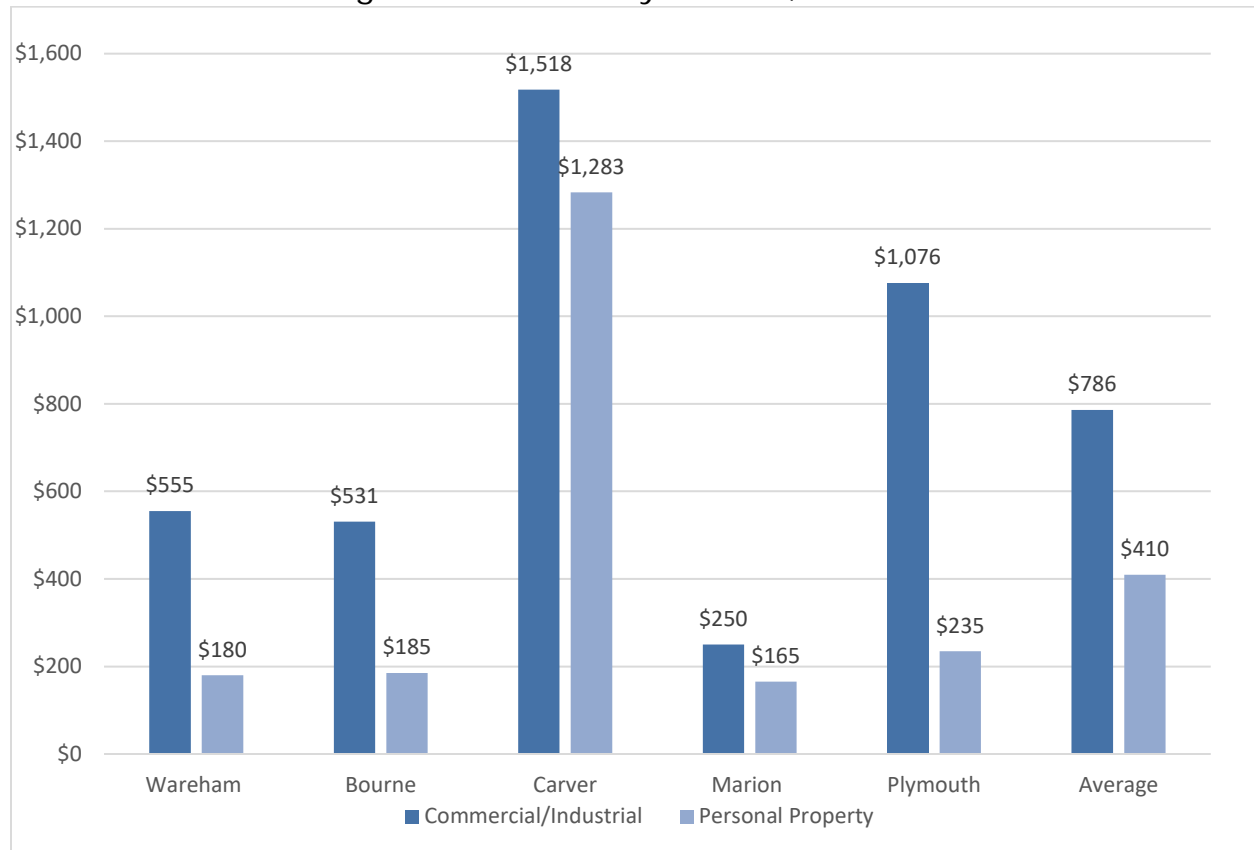
Figure 56. Assessed Valuation Per Job, FY 2019



Tax Levy Per Job

Wareham's real and personal property tax levies per job are less than the averages surrounding communities. This is illustrated in Figure 57 and reflects the comparatively low commercial tax rate even as business valuations (on a per job basis as shown in Figure 56) are relatively high.

Figure 57. Tax Levy Per Job, FY 2019



Residential Assessed Value and Tax Levy Per Person

As shown in Figure 58, assessed values for residential property in Wareham are lower than the average compared to surrounding communities, and this is reflected in assessed value per person. As expected, tax levies per person are also lower than average as shown in Figure 59, reflecting not only lower assessed residential values but also a lower residential tax rate.

Figure 58. Residential Assessed Value per Person

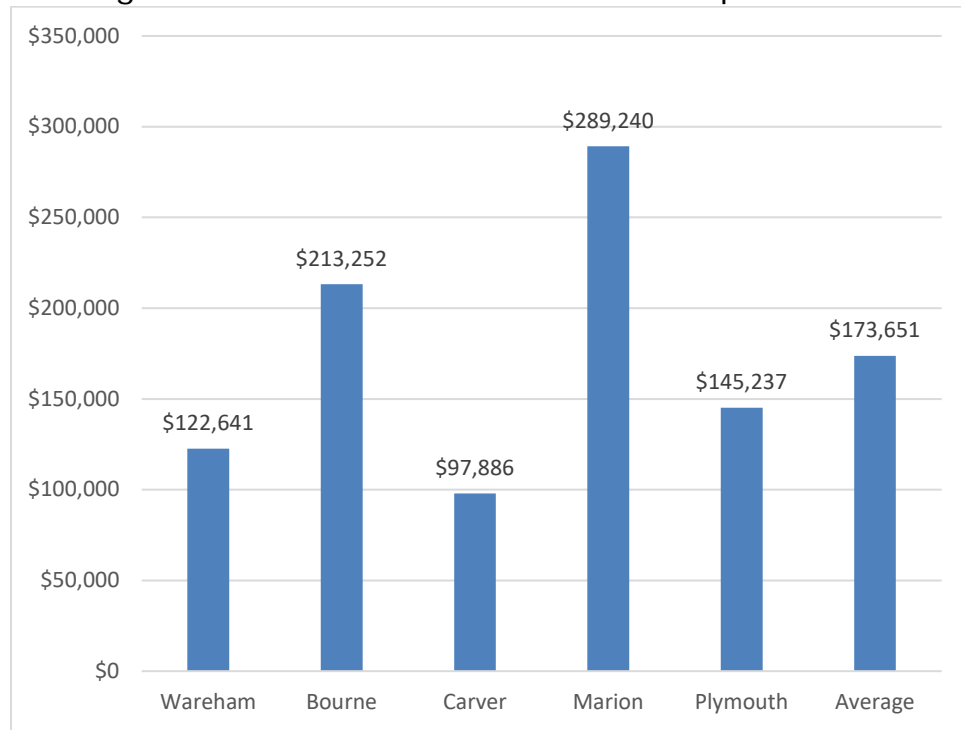
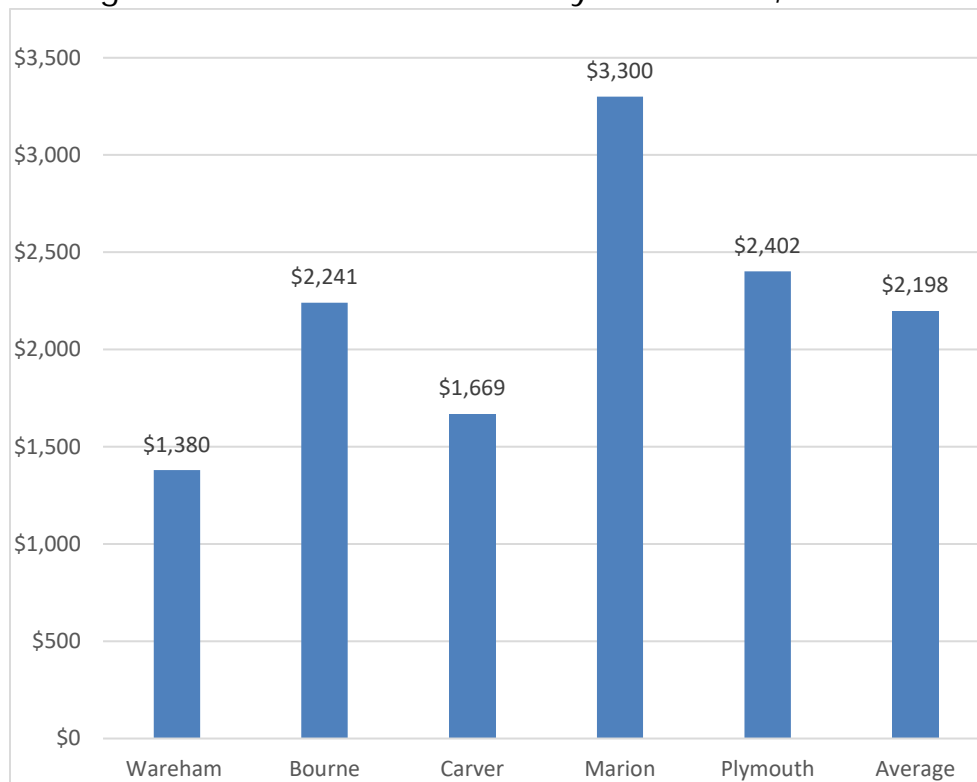


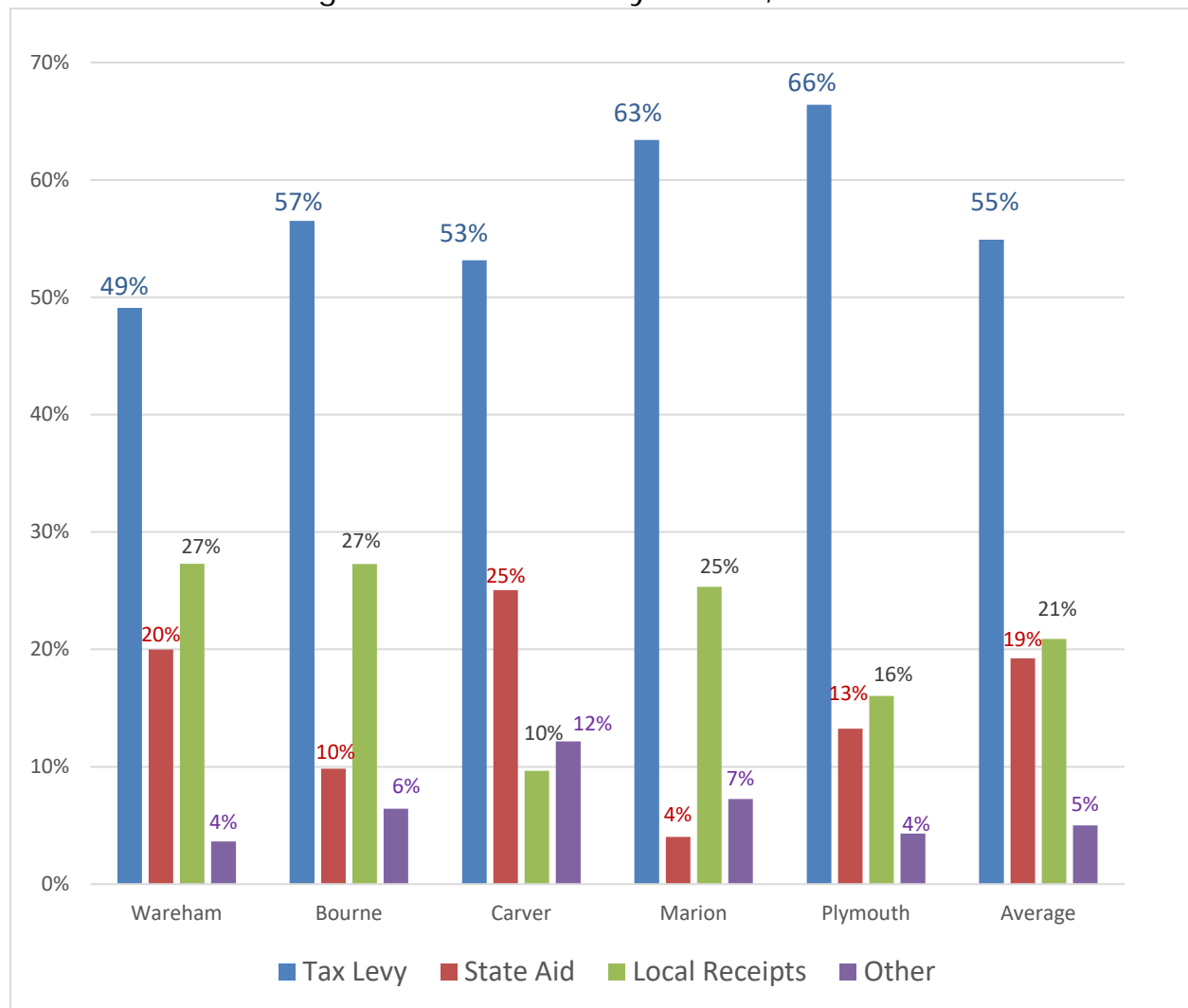
Figure 59. Residential Tax Levy Per Person, FY 2019



Revenue by Source

Figure 60 shows municipal revenue by source (adding to 100%). As shown in the graph, Wareham is less reliant on property tax receipts than the other communities shown and this is offset by higher local receipts.

Figure 60. Revenue by Source, FY 2019



Source: Mass Department of Revenue, Division of Local Services, Municipal Data Bank, 2019

STRATEGIC PRIORITIES FOR THE WAREHAM REDEVELOPMENT AUTHORITY (WRA)

Prepared by Town of Wareham and WRA

The final component of this plan is a set of strategic priorities and implementation steps for the Wareham Redevelopment Authority to help realize the market opportunities identified in this report. The potential actions have been developed by staff of the Planning & Community Development Department, in consultation with FXM Associates, and discussed in detail in the Focus Group sessions as well as with Town officials and members of the board of the Wareham Redevelopment Authority.

These Strategic Priorities are essentially the work plan of the WRA. These list the series of actions that, by consensus, are the critical path to the desired status of the town. The WRA will focus its efforts in the near term on four specific areas:

- **Downtown Wareham Village Center** –Conditions in the Village Center reflect underwhelming investments in building upgrades, with vacancies, derelict buildings and empty lots; yet with key town holdings and program opportunities to advance change, including designation as an Opportunity Zone, the downtown is ripe for substantial change. Preparation of an Urban Renewal Plan is proposed to help advance redevelopment prospects. The market analyses conducted for this study suggest opportunities for high density rental housing, additional retail and restaurant uses, and office space to be developed as complimentary mixed-uses.
- **Onset Village** – Onset enjoys better conditions than the Downtown and is already a highly desirable destination for area-wide residents and visitors. Recent new hotel development testifies to the confidence investors have in this iconic waterfront village. However, there is still enough disinvestment that the conditions meet the criteria for an Urban Renewal area. To enhance its status as a village center therefore requires reinvestment focused on infrastructure improvements and private property rehabilitation and renovation projects. Onset Village's physical beauty and long-standing reputation as a summer destination for beach goers, sightseers, boaters and golfers enhances property values and development prospects in a much wider area.
- **Wareham Industrial Parks** – With a wide variety of businesses in the industrial parks, this business cluster represents many sectors of the industrial market. Physical improvements to enhance additional development prospects were the subject of a 2016 economic development study, while market assessments for this study indicate strong demand for additional industrial and flex space within Wareham and throughout the submarket.

- **Route 6 and Route 28 Commercial Strips** – Vestiges of the auto-oriented growth of the region, these often shallow-depth commercial parcels front on the State highways. They are difficult to maximize revenue for the businesses and for taxes because of their configuration. Redevelopment requires special attention to the attractiveness of the business environment, and should include median plantings, easy access to parking, improvements in roadway access and conditions, zoning changes, and marketing to promote and improve the development prospects of this often-overlooked commercial asset that has long provided local jobs and tax revenues.

Implementing Actions

With these focus areas generally defined, the following actions are recommended to implement the goals of the WRA.

Downtown

Downtown Wareham Village requires a significant reinvestment to reposition the center for a market-based transition, with the centerpiece being an Urban Renewal Plan that provides strong incentives for private redevelopment. There are a number of linked and related actions to accomplish positive change.

Define Project Area

Program boundaries are:

- The US Census tract, which was the locus eligible for the 'Opportunity Fund' designation
- The Slum & Blight Inventory district which was completed in 2018
- A subset of the S&B district that includes the Merchants Way parcel and adjoining private parcels.

Outline Actions

Clean-up

- Condemning derelict buildings and demolishing them is warranted. There are derelict buildings contributing to an adverse environment for investment. In particular, buildings on the "Baker" waterfront property and the buildings with failing facades or buildings, such as 195 Main Street and 348 Main Street, should be considered.
- In addition, cleaning up properties where vegetation has overgrown site will significantly improve the environment. In some cases, vegetation is blocking pedestrian access.
- The Slum & Blight Inventory should be a guide for priority sites for action. Properties within the WV1 district should receive priority for clearing and redevelopment with the exception of the historic Tremont Nail Factory buildings.

Draft a Redevelopment Plan

Prepare an Urban Renewal Plan as the most effective program vehicle for reinvestment and redevelopment.

- Prepare the URP in accordance with State law c.121B [see Appendix for Outline of URP]
- Draft amendment for zoning according to the plan and take to Town Meeting for adoption
- Implement a relocation program for all residents displaced by redevelopment associated with the URP

Incentivize Private Reinvestment

Provide incentives for private investment to redevelop properties with zoning:

- Provide option for increased density and height allowance for 4-5 stories for mixed residential and commercial unit developments
- Prepare zoning by-law that provides a higher density/height and mixed use residential/retail/office/other, when reinvesting in downtown properties
- Relax parking requirements for mixed use development and determine if market supports construction of structured parking.

Provide incentives for private investment to redevelop properties with additional development area:

- Provide air rights and/or fee simple interest over town owned land identified as Merchants Way for the purpose of maximizing density.

Activate Tremont Nail Factory

- Using the funds generated from the renewal and reuse of the property, activate the Tremont Nail Factory in line with the Vision prepared by the Union Studios planning team in 2017.

Other Supporting Actions

- Relocate the Main St Fire Station and District offices out of the coastal floodplain
- Support programs and festivals that create an attraction in the downtown village
- Allow parking downtown for the marijuana retail outlet to generate foot traffic and activity

Timing

- Start planning for redevelopment and the URP by drafting a concept for downtown redevelopment, then draft the URP to allow acting on the zoning proposals for the Fall Town Meeting.

Measures of Success:

- Adoption of the URP by the end of year one.

Onset

In the recent Slum & Blight Inventory, Onset village generated a score with enough properties in poorer condition rating to be eligible for an Urban Renewal Plan program. However, we believe Onset Village is close to being successful all on its own terms. Therefore, to reach its true, maximum potential the Village will require judicious application of governmental powers to support reinvestment. The proposed approach is to maintain and where needed improve the character of the residential blocks, while supporting commercial investment with targeted infrastructure and transportation improvements.

Outline Actions

Clean-up

- Cleaning up properties and public rights of way where vegetation has overgrown the land will significantly improve the environment. In some cases, vegetation is blocking pedestrian access.
- Particular focus should be made for the bluff along West Boulevard, East Boulevard, and Main Street.

Implement an Urban Renewal Plan

- Draft and adopt a URP to allow the WRA to apply their powers to implement the actions in this plan.

Restore the Residential Blocks

- Maintain character of existing residential blocks through selective acquisition and taking tax title properties with derelict buildings and restore them using several program options:
 - Restoration and public resale
 - Sell as-is for affordable units to those who are eligible and who will invest as homeowners

Improve the Commercial Blocks

- Expand parking options and transit through the village
- Create parking by clearing properties behind the commercial storefronts and finding satellite locations
- Purchase properties suitable for public parking
- Establish a trolley service linking the central village and the surrounding neighborhoods
- Build a bike share program
- Change zoning to allow higher density mixed use development and encourage reinvestment.
- Do not over extend the allowed density.

Improve the Waterfront

- Continue to improve the Town Pier. This is an expensive undertaking because of the nature of coastal construction, but considered worthy for the aesthetic and recreational values, and the important operation for parking that supports the beach as well as the village center.

Other Supporting Actions

- Re-build recreational facilities at Hammond School to reactivate the site as neighborhood and family oriented
- Support grants for improvements to the open space, recreation and cultural facilities
- Support the arts and cultural events that take place in the Village

Timing

- Draft a URP for Onset by the end of year one

Measures of Success

- Adoption of the URP by the end of year one.

Wareham Industrial Parks

The industrial parks located in West Wareham are populated with a fantastic mix of businesses worthy of any location of industrial development. However, the roads and other infrastructure are tired and in need of updating. In addition, the land has been maximized for use and little remains to develop. This is unfortunate in that the industrial land provides good jobs and tax revenues without substantial fiscal impact. Just as important is the extension of utilities, in particular sewer lines, to the industrial properties, to allow more efficient use of the district. The proposed approach in this Strategy is to update infrastructure in the existing parks and

search for additional land for industrial use in the vicinity of the I-195/I-495/MA-25/MA-28 interchange.

Outline Actions

Update Existing Industrial Parks

- Clean up entrances and repair and upgrade roads
- Add lighting and signage

Extend Utilities

- Allocate sewer capacity to remaining industrial zoned land
- Extend sewer to new and under-developed industrial properties

Marketing

- Promote Kendrick Road as a 'food cluster' because of the number of food related businesses found in the park.
- Create an interactive, tourist-oriented opportunity based on the production of malt, candy and croutons.
- Recognize the value of the highway interchange located on the 'right side' of the Cape Cod bridges, and promote the accessibility for additional industrial and commercial development including: distribution/warehouse and industrial uses

Timing

- Ask Municipal Maintenance for assistance in general cleanup in first 6 months
- Issue RFP's for work that cannot be completed by Municipal Maintenance within 6 months

Measures of Success

- Issuance of contracts for and completion of improvements.

Routes 6 and 28 Commercial Strips

Wareham has a long strip, about 5 miles in length, of commercially zoned land located on either side of Route 28/6 from the central portion of Wareham out to the eastern boundary. This configuration is a vestige of early town planning and zoning programs that relied on the expanding highway network of the 50's and 60's and an auto-oriented population that would drive to businesses lining the highway. The shifts in traffic flow and businesses has put pressure on the commercial uses to adapt. Just recently, after experiencing over 400 serious accidents, the State Department of Transportation, MassDOT, put out to bid a project for constructing a

median and expanding the Cranberry Highway to improve safety. The approach in this area is to push for the State highway improvement project to advance, determine if the businesses will be able to accept and accommodate the change, and respond accordingly to the changes in traffic patterns and businesses with marketing and redevelopment programs.

Outline Actions

Marketing

- Install signage and develop an online presence to promote the corridor businesses during construction

Infrastructure

- Improve median plantings, lighting along 28 in vicinity of interchanges (and elsewhere, as available)

Zoning

- Implement recommendations of the 2016 Route 28 Economic Development Study Allow higher density mixed use in selected locations
- Improve zoning

Timing

- Begin marketing immediately

Measures of Success:

- Business retention and growth

APPENDIX A

MARKETING STRATEGIES

There are several approaches that can be taken to market Wareham's assets and opportunities for economic development. This section discusses potential marketing strategies. The data and analyses presented in this report can be an important source of content for a marketing campaign.

1. Engage People

It is common consensus that the most powerful marketing takes place through word of mouth. According to a 2017 study by Development Counselors International, dialogue with industry peers has remained the top source of information about an area since 1996, followed by business travel and articles in newspapers and magazines. Consequently, marketing campaigns are more successful when economic development organizations allow third parties to share their success stories, rather than promoting themselves. Below are two strategies for engaging third party individuals and organizations with an economic development marketing campaign.

Leverage the media

Keep local outlets informed of initiatives as they develop. Compile any news coverage online, like the New Bedford Economic Development Council does, here: <http://www.nbedc.org/news/>. Utilize press releases to communicate developments to the public.

Employ digital ambassadors

Ambassador programs have been popular in chambers of commerce and economic development organizations for decades. These ambassadors are generally local executives who promote their town to their professional network.

The digital ambassador grew out of this role, leveraging social media to allow economic development groups to spread their town's selling points even farther. Digital ambassadors can be residents, business owners, students, or any other local stakeholder. Digital ambassadors share content that promotes the town to their personal social media accounts – namely Facebook, Instagram, and Twitter. These posts could promote local events or share links to local news coverage.

Historically, word of mouth advertising has been handicapped by the limited ability to track its affects. Digital ambassador campaigns, however, are traceable. When a

digital ambassador shares a post that includes a link, it is possible to trace how many individuals utilize that link. This information can serve to improve the marketing efforts.

The city of El Paso, Texas had great success with their Digital Ambassadors Program. Within one week of launching the program aimed at sharing positive news about the region, 1,000 citizens had signed up to participate. The New Hampshire Division of Economic Development launched a digital ambassador program in 2015 aimed at telling the world why New Hampshire is great place to live, work, and do business. Other places with digital ambassadors are Houston Texas, Raleigh North Carolina, and Kitsap County Washington.

2. Develop a Website

According to a 2017 study by Development Counselors International, having a website is the number one most effective marketing technique for economic development. Additionally, 65% of executive respondents used the internet during their last site-selection search, and 65% reported a strong likelihood that they would visit an economic development organizations' website during the next site search. Of the communities surrounding Wareham and other Southcoast municipalities- New Bedford is the only one whose economic development organization, the New Bedford Economic Development Council, hosts a separate website.

A website should serve as a one-stop location for relevant information. Whereas social media accounts like Facebook and Twitter can be utilized to share discrete posts about specific news or events, people will visit a website when they want to learn additional information about the town.

The Spectrum Marketing Group through their Community Collaborative Program, offers marketing advice and services to nonprofits and community organizations at reduced rates. There are other private website developers very familiar with the local area, including the Southcoast Marketing Group, now in Mattapoisett but formerly located in Wareham (www.SouthcoastMarketingGroup.com). Features common on economic development websites are listed below.

- Staff contact information
- Up-to-date demographic information
- An inventory of available sites
- Latest news
- Leading employers/industries
- Incentive information
- Business intelligence tools to support existing businesses

- Example:
<http://www.okcchamber.com/index.php?submenu=GreaterOKCLocalBusinessIntelligenceTool&src=gendocs&ref=LBI&category=EconomicDevelopment>

Examples of Economic Development Organization Websites:

Framingham Community and Economic Development:
<http://www.chooseframingham.com/>

Marlborough Economic Development Corporation: <http://marlboroughedc.com/>

New Bedford Economic Development Council: <http://www.nbedc.org/>

3. Differentiate

A crucial step in executing an economic development marketing plan is creating messaging which will be displayed on the website, communicated to the press, or shared by ambassadors. This messaging will contain the town's selling points. Key in coming up with selling points is differentiating the town. Often times, economic development marketing initiatives are unsuccessful because a town fails to differentiate itself. Many towns fall back on run of the mill attributes such as quality of life or strong labor force.

To avoid this, Wareham could incorporate differentiators such as its *health care cluster including Tobey Hospital; extensive waterfront, including several marinas, beaches, a town pier in Onset and walkable water access from Downtown; prime highway access and potential development sites; diversified economic base and skilled labor force; variety of shopping and restaurant opportunities, including Wareham Crossing, Onset, Main Street/downtown; variety of recreational opportunities, including two highly-regarded public golf courses and extensive open space; lower housing costs compared to surrounding communities; low commercial and residential tax rates, and strong commitment to continued revitalization by the Town and Wareham Redevelopment Authority.*

4. Branding

Just like products, cities, towns, and regions can develop their own brand as part of a larger marketing campaign. The purpose of a place brand is to communicate a unique story and leave a lasting impression, and in turn compel people to choose your community over another for their home or business.

A place brand should both reflect the will of the town about where they want to see their community go, as well as celebrate the history, geography, and culture of a place. It is important to consider that brands are bottom up, rather than top down.

In other words, how a town attempts to portray their intended brand often differs from how the community is perceived by onlookers. Brands help to give those who are relatively unfamiliar with a town a baseline understanding of it. A town's brand is reflected on the town website, any printed collateral, and any town-run social media accounts.

When a municipality brands itself it almost always creates a logo and a tagline. A place logo should not be a literal illustration of the town, but rather should incorporate some design elements that tie back to well-known attractions. One example of an effective logo to consider is that of Providence Rhode Island, a city that recently underwent a branding process with North Star, adopted a capital "P" logo with the tagline "The Creative Capitol."

Branding example: North Star and Providence Rhode Island:
<http://www.northstarideas.com/case-studies/providence-rhode-island>

APPENDIX B

POTENTIAL FUNDING SOURCES

This section summarizes key potential funding sources for implementing economic development goals, objectives, and opportunities identified in the overall report. Italics indicate sections that are largely extracted from the sources.

TA Connect

Mass Development serves as the Department of Housing and Community Development's agent for the Community Compact program, and the TA Connect is a potential resource for implementing the Wareham Economic Development Plan. Town requests for technical/funding assistance will be reviewed by Compact Community State agency committee, and the Town could complete application for assistance online here:

<https://www.massdevelopment.com/what-we-offer/real-estate-services/technical-assistance/#ta-connect>

Contact: Amanda Maher
amaher@massdevelopment.com
Direct: 617-330-2053
Cell: 617-921-4338

Community Investment Tax Credit Program (CITC)

The Community Investment Tax Credit (CITC) was created by Chapter 238 of the Acts of 2012. CITC is designed to enable local residents and stakeholders to work with and through community development corporations (CDCs) to partner with nonprofit, public, and private entities to improve economic opportunities for low and moderate-income households and other residents in urban, rural, and suburban communities across the Commonwealth. CDCs accomplish this through adoption of community investment plans to undertake community development programs, policies, and activities. The CITC provides a 50% tax credit against Commonwealth of Massachusetts tax liability. The CITC program is a refundable tax credit.

Contact: The Department of Housing and Community Development (DHCD) is the administering agency for CITC. Main Office (617) 573-1100
Notes: This tax incentive is utilized by the Community Economic Development Center of New Bedford.

Economic Development Fund (EDF)

The Economic Development Fund (EDF) finances projects and programs that create and/or retain jobs, improve the local and/or regional tax base, or otherwise enhance the quality of life in the community. EDF gives priority to assistance for physical improvements and mixed-use projects supporting downtown and commercial center development.

Contact: EDF Program Staff: 617-573-1400

Massachusetts Downtown Initiative (MDI)

DHCD's Massachusetts Downtown Initiative (MDI) offers a range of services and assistance to communities seeking help on how to revitalize their downtowns. MDI staff provide ongoing technical assistance on downtown-related issues. Recent requests have included how to develop business recruitment programs, upper story spaces, and downtown organizational bylaws.

Contact: Massachusetts Department of Housing & Community Development:
617.573.1100

Peer to Peer Technical Assistance Program

The Peer-to-Peer Technical Assistance Program awards small grants to Community Development Block Grant (CDBG) non-entitlement communities to hire Peer Consultants from other municipalities for short-term problem solving or assistance with projects that support local community development and capacity building activities. The Program is funded with Massachusetts CDBG technical assistance funds.

Contact: DHCD: 617-573-1400.

Neighborhood Stabilization Program (NSP)

NSP1 is a \$54.8 million grant program from the Housing and Economic Recovery Act (HERA) awarded by the federal Department of Housing and Urban Development (HUD) to Massachusetts and four of its cities. These NSP funds are to be used primarily for the acquisition and rehabilitation of abandoned and foreclosed properties.

Contact: Mark Siegenthaler, Community Development Manager: (617) 573-1426

Email: mark.siegenthaler@state.ma.us

Brownfields Redevelopment Fund

Created to encourage the reuse of Brownfield sites — vacant or underutilized properties complicated by environmental contamination and liability. In FY17, the Commonwealth authorized \$45 million in capital funding for the Brownfields Redevelopment Fund.

Contact: MassDevelopment: (617) 330-2000

Brownfields Site Assessment Program

Provides unsecured, interest-free financing up to \$100,000 per site for environmental testing.

Contact: MassDevelopment: (617) 330-2000

Collaborative Workspace Program

The Collaborative Workspace Program provides funds to accelerate the pace of new business formation, job creation and entrepreneurial activity in Massachusetts communities, by supporting infrastructure that funds community-based innovation.

Contact: MassDevelopment: (617) 330-2000

Commonwealth Places

Commonwealth Places provides a creative funding mechanism to advance community placemaking projects throughout Massachusetts. The statewide program will help fund place-based, community-driven projects – art installations, parks, bike trails, markets, and more – that revitalize downtowns and neighborhood commercial districts. The program aims to engage and mobilize community members to make individual contributions through a crowdfunding platform with the incentive of a dollar-for-dollar funding match (up to \$50,000) from MassDevelopment if the crowdfunding goal is reached within 60 days.

Contact: MassDevelopment: (617) 330-2000

Transformative Development Initiative (TDI) Grant

TDI is a place-based development program for Gateway Cities designed to enhance local public-private engagement and community identity; stimulate an improved quality of life for local residents; and spur increased investment and economic activity. The initiative is organized around these programs:

- **TDI Assistance:** *a technical assistance program through which MassDevelopment provides and manages tailored third-party professional services; community-building placemaking projects; and **TDI Fellows**, a fellow's program through which a MassDevelopment employee is embedded in and works with a TDI District's local partnership.*
- **TDI Investment:** *an equity investment program through which MassDevelopment makes equity investments in real estate within TDI Districts.*

- ***TDI Cowork***: a business growth tools program that will expand in 2016 and 2017 with new programs to support collaborative workspaces and innovative initiatives to catalyze business development.
- ***TDI Local***: a small grants program initiated to pilot grants to help support local market development.

Contact: tdi@massdevelopment.com

Massachusetts Life Sciences Center (MSLC)

MSLC is an investment agency that supports life sciences innovation, education, research & development, and commercialization. The MSLC is responsible for implementing the Massachusetts Life Science Initiative, a \$1 billion investment to secure and strengthen the state's leadership in the life sciences, and to bolster the life sciences as an economic engine for the Commonwealth. The Massachusetts Life Science Initiative was passed by the State Legislature in June 2008.

Since 2008 the MSLC has directly invested or committed more than \$640 million and leveraged more than \$2 billion in third-party investment. The MSLC has numerous funding programs including:

- A **tax incentive** program for companies engaged in life sciences research and development, commercialization and manufacturing in Massachusetts. Through seven rounds of the program, more than \$160 million has been awarded to over 100 life science companies of all sizes
- A **capital program** that provides funding for capital projects for not for profit entities such as academic and research institutions, research hospitals, and business incubators and accelerators.
- The Massachusetts Ramp-Up program (MassRamp) provides supplemental funding for companies who have been awarded Small Business Innovation Research or Small Business Technology Transfer Phase 1 Federal Grants/Congrats
- Massachusetts Transition and Growth program, or MassTAG, provides grant funding to encourage life science companies to establish operations in Massachusetts

Contact: 781-373-7777; info@masslifesciences.com