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# Erie 12th Street

Market & Baseline Analysis

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# Content

**Summary Findings**

**Market Analysis**

**Market Card Activity**



# Overview

The strengths of the Erie 12th Street Corridor emanate from a strong industrial legacy to existing affordable housing. The corridor's connection to I-79, 1-90, and proximity to downtown could be further leveraged to create a district, or cluster of activity. Similarly, the district's infrastructure could support more density in terms of businesses or housing.



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# Key Analysis Findings

- Real Estate
- Industry
- Economy
- Workforce
- Consumers



## Key Analysis Findings: Real Estate

- **High Business Vacancy Rate:** At 10.6%, the business vacancy rate in the 12th Street Corridor surpasses both county (7.7%) and state (8.5%) averages, indicating a need for revitalization and business attraction strategies.
- **Residential Vacancy:** The residential vacancy rate stands at 6.8%, suggesting housing demand or quality challenges, which could impact the corridor's attractiveness to new residents and workers. Relatively few residents both live and work in the corridor. Increasing this share could both fill housing demand and create a larger local market for main street services.
- **Underutilized Real Estate Potential:** The presence of available office, retail space, and vacant land, combined with relatively low lease rates, highlights underutilized real estate potential that could be leveraged for economic development.



## Key Analysis Findings: Industry Trends

- **Limited Diversity in Business Types:** The corridor primarily hosts professional, scientific, technical services, and manufacturing businesses, with a notable absence of accommodation, food services, and worker-support services.
- **Low Absorption Rates for Industrial Space:** Industrial space absorption has lagged behind national averages in Erie, with relatively low rents but also low vacancy (for space actively available for rent). The 12th Street corridor includes industrial space that does meet highest and best use standards or is not actively being promoted as available.
- **Challenges in Multifamily Housing Demand:** Despite the increasing rents, the demand for multifamily properties has been weaker than national averages. This could reflect a mismatch between the housing supply and the needs or financial capabilities of the local population, pointing to the need for affordable housing solutions.



# Key Analysis Findings: Economic Indicators

- **Slower Retail Absorption Rates:** Compared to national averages, the demand for retail space in the Erie Metropolitan Area, including the 12th Street Corridor, is weaker, with slower absorption rates indicating potentially lower business activity in retail sectors.
- **Economic Performance:** Erie's median income is significantly lower than Pennsylvania's average, combined with a lower labor force participation rate and a higher share of people with disabilities, which could impact economic resilience and growth potential.
- **Decreasing Population:** Erie's population has been in decline since the 1960s, with the city's population falling below 100,000 in 2020. This trend could affect labor market size and consumer base.



## Key Analysis Findings: Workforce & Education

- **Lower Educational Attainment:** Erie's percentage of residents with a Bachelor's degree or higher (22.4%) lags significantly behind Pennsylvania's average (33.8%), pointing towards potential workforce skill gaps and economic disadvantages.
- **Car Dependence and Limited Remote Work:** A high percentage of workers in Erie commute by car, and the city has a lower rate of remote workers compared to Pennsylvania, indicating potential issues with transportation infrastructure and evolving work trends.
- **Population Demographics:** Erie's population is slightly younger than Pennsylvania's overall, with a median age of 35 compared to 40.8 at the state level. The city also has a slightly higher percentage of individuals under 18 years and a lower percentage of those 65 years and over. This younger demographic could be a key asset in workforce development and educational programs designed to meet the needs of emerging industries.





# Key Analysis Findings: Consumer Behavior

- **Increased Spending in Restaurants and Bars:** Restaurant and bar spending in the corridor showed significant growth in 2022 and 2023, with the trend continuing upward in the first quarter of 2024. This suggests a growing interest in dining and nightlife, which could be leveraged to attract more businesses and visitors to the area.
- **Rising Entertainment and Recreation Spending:** Similarly, entertainment and recreation spending in 2023 surpassed previous years, with an upward trend in 2024. This indicates potential for further development of recreational and cultural facilities or events to boost local economy and community engagement.



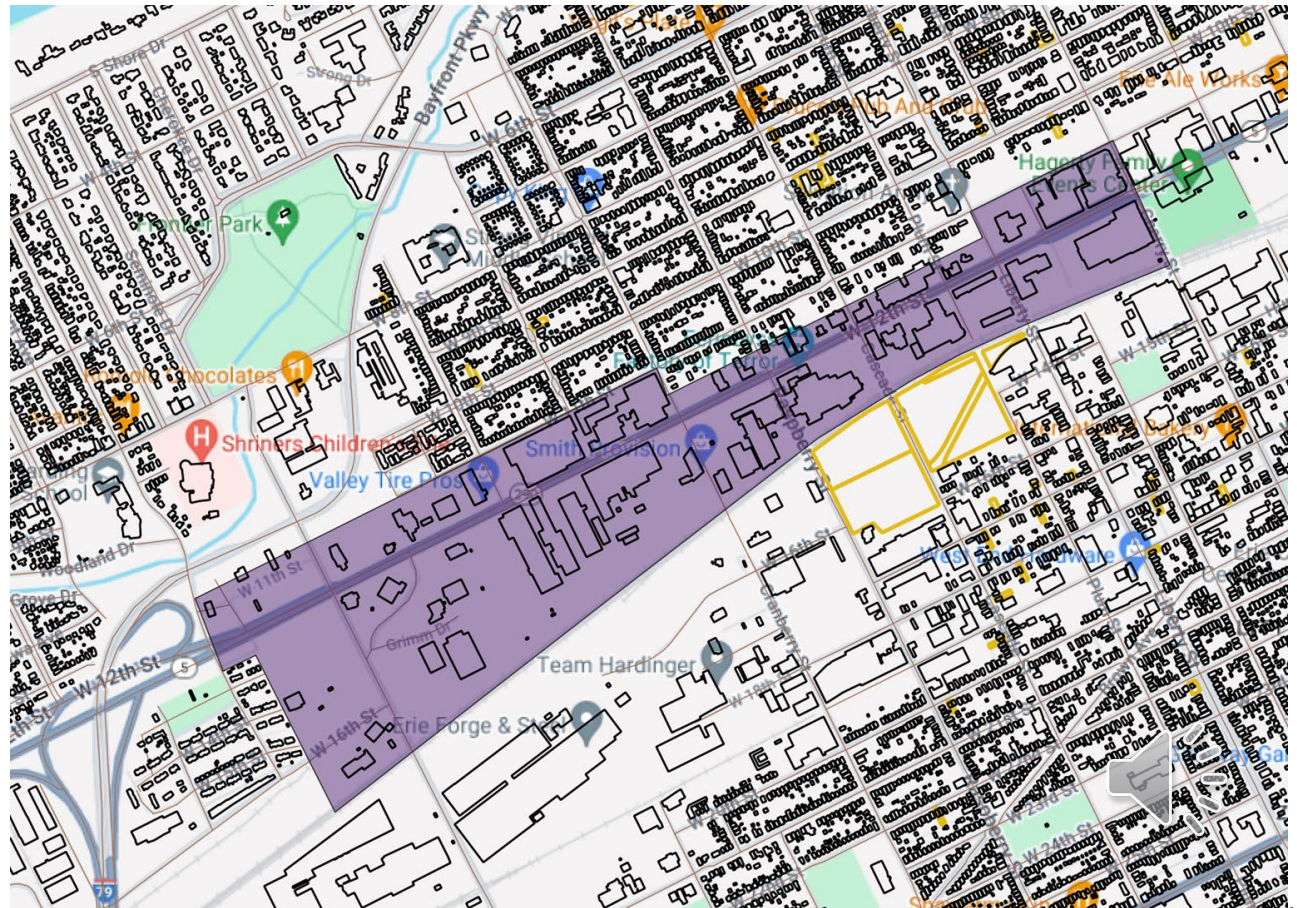
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# Market Analysis



# Defining the Corridor

In the context of this plan, the Erie 12th Street corridor spans 12th Street from the I-79 interchange (1600 block) to Cherry Street (600 block).



# Consumer Expenditure

The Bureau of Labor Statistics' Consumer Expenditure Survey provides consumer expenditure by household income. Broad categories for expenditures include: Food, Housing, Apparel, Transportation, Health Care, Entertainment, etc.

Erie County's consumer expenditures closely matches that of Pennsylvania. The expenditures are averages for all households in the county.

	Consumer Expenditure	Share of Income
Housing	\$23,442	32.7%
Local Transportation	\$8,131	11.4%
Pensions and social security	\$7,386	10.3%
Health Care	\$6,034	8.4%
Food consumed at home	\$5,325	7.4%
Entertainment / Recreation	\$2,980	4.2%
Dining out (Food away from home)	\$2,854	4.0%
Household Services	\$2,012	2.8%
Travel	\$1,712	2.4%
Apparel & Services	\$1,710	2.4%
Education	\$1,310	1.8%
Personal Care Products and Services	\$741	1.0%
Life and other insurance	\$556	0.8%
Alcoholic beverages	\$517	0.7%

Source: Census Business Builder 2022

# Spending Rebounds after COVID-19

Retail spending trended up in the corridor in 2023 compared to 2019. In addition to large season spikes at the end of the year, there was a retail spending spike in the area in the summer of 2023.

Restaurant and bar spending trended considerably above previous years in 2022 and 2023. Spending in the first quarter of 2024 is trending further upward in the area. Much like restaurant and bar spending, entertainment and recreation spending in 2023 surpassed that of previous years. Additionally, 2024 spending is trending further upward.

Source: Replica (as of March 1, 2024)

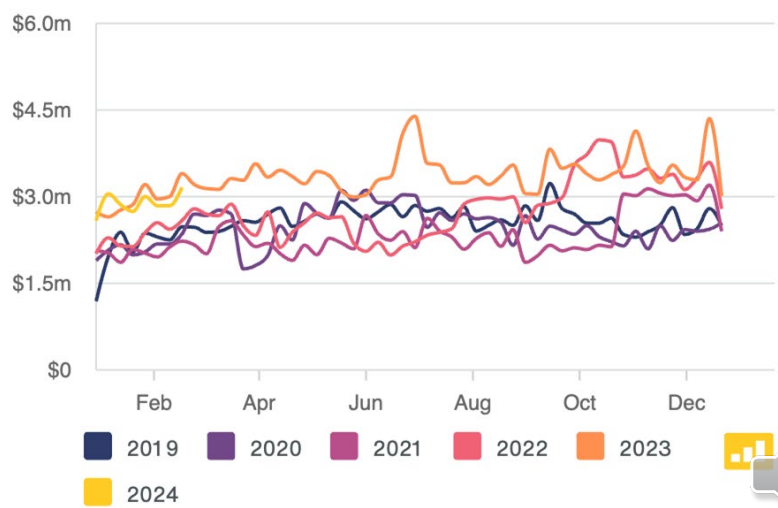
10 (Erie, PA) & 2 Other Areas

## Retail

**REPLICA**

Spend at merchant location in this geography, weekly total

2019 to 2024



## Spending Rebounds after COVID-19

**\$3.5M**

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Average monthly retail spending, up from \$2M monthly in 2019-2020.

**\$300K**

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Average monthly spending in restaurants and bars, up from less than \$200K in 2019-2020.

**\$250K+**

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Average monthly spending on entertainment and recreation, up from less than \$50K in 2019-2020.



# 12th Street Corridor Businesses

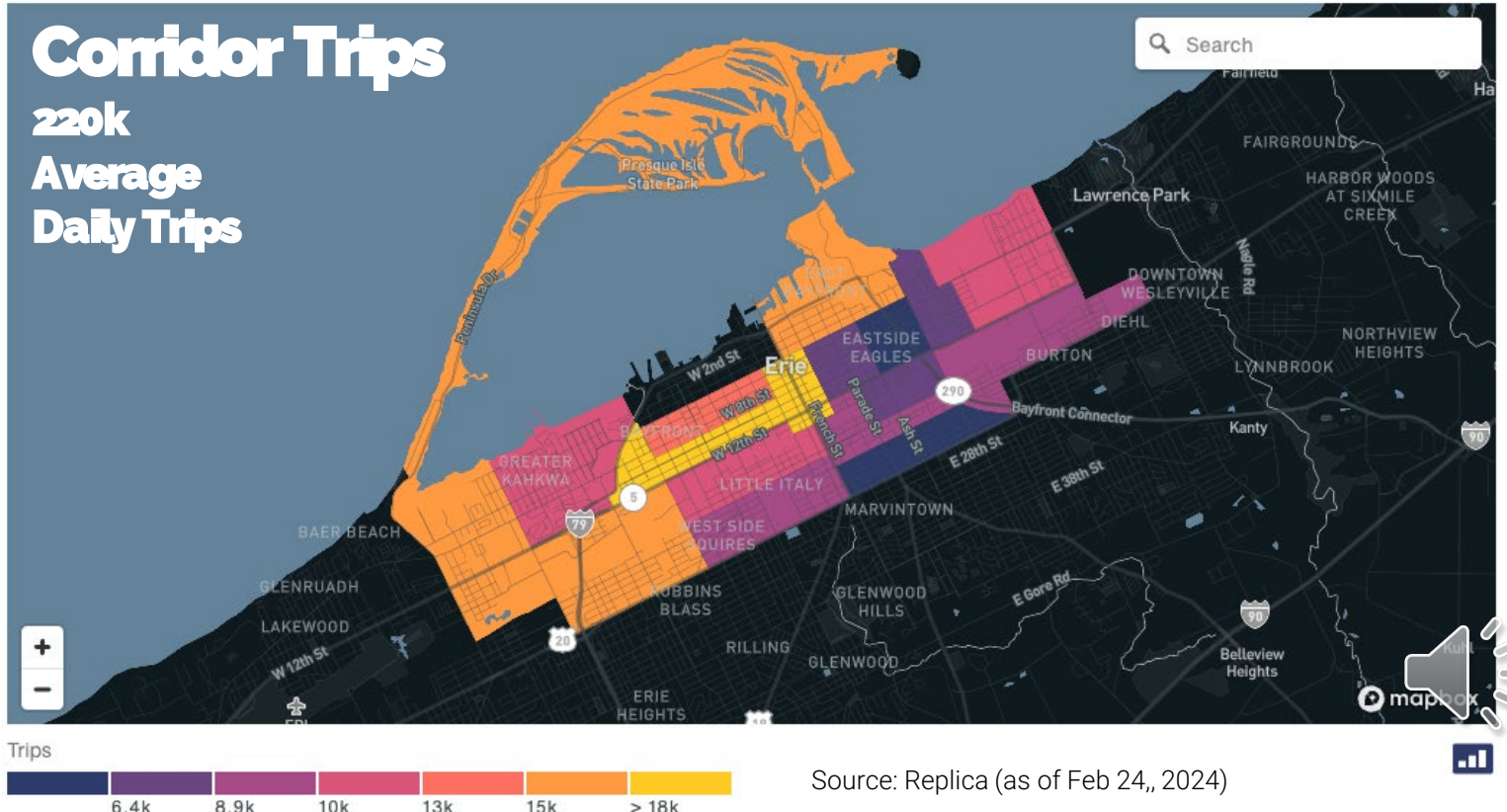
Note many sole proprietor professionals and manufacturing facilities. There is a notable absence of accommodation and food service establishments. This is consistent with hearing there is a lack of worker supporting services in the corridor.

12th Street Corridor Businesses

<b>Establishments (including Sole Proprietors)</b>	
Professional, Scientific, and Technical Services	18
Manufacturing	11
Retail Trade	6
Construction	3
Transportation and Warehousing	3
Wholesale Trade	2
Finance and Insurance	1
Other Services	1
Real Estate Renting and Leasing	1
<b>Total</b>	<b>46</b>



Source: Google Business Cards





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# Market Card Activity



# Market Cards Objective

This activity is designed to directly engage stakeholders in the strategic planning process for the Erie 12th Street Corridor, focusing on the key entry points to the corridor. By doing so, we aim to identify business and development opportunities to enhance the corridor's appeal and utility for locals and visitors alike.



## Market Cards Goal

- The goal of this activity is to **figure out what kind of businesses are desired in the corridor**
- As we move through the activity, think about:
  - ▶ What could be supported now?
  - ▶ What could be supported in 10 years?



## Market Cards Run of Show

1. Review background data and existing conditions
2. Sort through cards and consider future potentials
3. Engage in discussion and collaborative dialogue
4. Report out findings



# Market Cards Agenda

- Sign In, Ice Breaker, and Introductions (10:00-10:15)
- Introduction to the Market Card Activity (10:15-10:30)
- Market Card Activity (10:30-11:15)
- Share Out and Next Steps (11:15-11:45)
- Closing Notes (11:45-12:00)



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# Thank you.

