



# ***MARKET ANALYSIS FOR EASTON AND TALBOT COUNTY***

**July, 2024**

# Talbot County and Easton Market Analysis

The following is an assessment for market-rate residential and commercial development opportunities in Talbot County and Easton. The assessment was prepared by The Chesapeake Group, Inc. (TCG) in cooperation with and through The Easton Economic Development Corporation.

TCG is an independent economic analysis and development planning consulting firm established in 1974. TCG has offices in Maryland, Michigan, Pennsylvania, and Florida. TCG has extensive experience throughout Maryland and is currently or has been in the past year a consultant to several private developers and public sector jurisdictions within Maryland. Through that process, TCG has conducted surveys of households focused on future housing needs and household spending.

Residential activity has evolved and will continue to evolve. Both external and internal factors impact marketable residential and commercial opportunities. External factors influencing future development are universal, expanding and limiting opportunities. Internal factors are those that are unique to Talbot County and Easton. Past, current, and future market conditions play a critical role in a community's land use. Communities are not stagnant. Changes create opportunities that can be seized.

This document is based on extensive primary and secondary data research, surveys of households, and demand forecasting based on proprietary computer models. The opportunities presented do not reflect the holding capacity of the land or zoning. They reflect only market considerations. The geographic areas may be able to hold more or fewer homes and other activities than indicated. The opportunities represent the opinions of The Chesapeake Group, Inc. (TCG) based on the substantial analysis and research as well as the collective experience of the professionals associated with TCG.

The analysis involved six components. The first is a review of residential permitting trends impacting future development. The second consists of current market conditions. The third involves future housing market conditions, while the fourth involves defining residential opportunities, the cornerstone of new non-residential development. The fifth and sixth involve current commercial patterns, conditions, and demand projections for goods and services.

## **HISTORICAL HOUSING AND HOUSEHOLD GROWTH CONTEXT**

Non-residential development must be placed within the context of residential development. Most often, households generate potential sales, supportable space for other goods and services, and the need for added employment. Furthermore, based on historical patterns and trends, housing growth has the most significant potential to reconfigure future land use in communities and sub areas within communities.

Two historical periods are significant when looking at opportunities. One is before the Great Recession, and the other is more recent years when interest rates were extremely low for an extended period. The following summarizes the patterns for Talbot County from 2000 through 2010. It is noted that before the Great Recession that began in 2006, housing prices generally rose rapidly because resale expectations were extremely high. The following summarizes the patterns for Talbot County from 2000 through 2022. 2023 is excluded since the available figures still needed to be finalized.

The following are highlights from the 2000 to 2010.

- ✓ A total of roughly 4,650 housing units were permitted in the County.
- ✓ The number of new housing units permitted averaged about 420 yearly.

*Table 1 - Talbot County Permitted Homes from 2000 through 2010\**

| Unit Type                                      | Total 2010-00 | Avg 2010-00 | % 2010-00 |
|------------------------------------------------|---------------|-------------|-----------|
| Total Units                                    | 4637          | 422         | 100%      |
| Units in Single-Family Structures              | 4637          | 422         | 100%      |
| Units in All Multi-Family Structures           | 0             | 0           | 0%        |
| Units in 2-unit Multi-Family Structures        | 0             | 0           | 0%        |
| Units in 3- and 4-unit Multi-Family Structures | 0             | 0           | 0%        |
| Units in 5+ Unit Multi-Family Structures       | 0             | 0           | 0%        |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

- ✓ All homes permitted for the County are defined as “single-family” units. “Single-family” is a term used best describing detached housing units.
- ✓ No units were defined as “multi-family” homes. These units are best described as attached homes, as each is still intended to be for one “household” or “family.” They differ because they are connected to another unit through shared walls, ceilings, floors, or other means.

*Table 2 - Talbot County Annual Detached Permitted Homes from 2000 through 2010\**

| Unit Type | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|
| Detached  | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

There were significant variations in permitted units during the earlier years as the number permitted peaks from 2003 through 2026 and falls during the latter years that are associated with the Great Recession.

*Table 3 - Talbot County Annual Permitted Homes from 2000 through 2010\**

| Unit Type                                      | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|------------------------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Units                                    | 173  | 205  | 315  | 480  | 578  | 648  | 625  | 522  | 387  | 365  | 339  |
| Units in Single-Family Structures              | 173  | 205  | 315  | 480  | 578  | 648  | 625  | 522  | 387  | 365  | 339  |
| Units in All Multi-Family Structures           | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Units in 2-unit Multi-Family Structures        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Units in 3- and 4-unit Multi-Family Structures | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Units in 5+ Unit Multi-Family Structures       | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

The second period is defined as 2011 until 2022. To reiterate, 2023 is excluded as the available database was not considered “final” when this document was prepared.

The year 2011 is considered the technical end of the Great Recession. During all but the final two years, interest rates, including mortgage rates, were extremely low by historical standards, increasing housing affordability. On the other hand, development costs rose rapidly during the latter parts of the period due to the Covid-19 Pandemic and its impact on supply chains and other factors. The following reflects the permitting for Talbot County.

- ✓ A total of about 1,450 housing units were permitted during the time frame.
- ✓ The number of units permitted for the County is well below 2000 through 2010.

*Table 4 - Talbot County Permitted Homes from 2011 through 2022\**

| Unit Type                                      | Total 2022-11 | Avg 2022-11 | % 2022-11 |
|------------------------------------------------|---------------|-------------|-----------|
| Total Units                                    | 1455          | 121         | 100%      |
| Units in Single-Family Structures              | 1389          | 116         | 95%       |
| Units in All Multi-Family Structures           | 66            | 6           | 5%        |
| Units in 2-unit Multi-Family Structures        | 2             | 0           | 0%        |
| Units in 3- and 4-unit Multi-Family Structures | 0             | 0           | 0%        |
| Units in 5+ Unit Multi-Family Structures       | 64            | 5           | 4%        |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

- ✓ The proportion of single-family or detached homes permitted is substantially less than that of the previous period, while the proportion of attached or multi-family units expanded.

*Table 5 - Talbot County Annual Detached Permitted Homes from 2000 through 2010\**

| Unit Type      | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Detached Units | 100% | 96%  | 100% | 97%  | 83%  | 100% | 100% | 100% | 100% | 84%  | 100% | 100% |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

- ✓ Only in 2013 and 2018 were more than a handful of attached units permitted.

*Table 6 - Talbot County Annual Permitted Homes from 2011 through 2022\**

| Unit Type                                 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Total Units                               | 220  | 167  | 56   | 70   | 107  | 74   | 50   | 73   | 43   | 250  | 176  | 169  |
| Units in Single-Family Structures         | 220  | 161  | 56   | 68   | 89   | 74   | 50   | 73   | 43   | 210  | 176  | 169  |
| Units in All Multi-Family Structures      | 0    | 6    | 0    | 2    | 18   | 0    | 0    | 0    | 0    | 40   | 0    | 0    |
| Units in 2-unit Multi-Family Structures   | 0    | 0    | 0    | 2    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Units in 3- & 4-unit Multi-Family Struct. | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Units in 5+ Unit Multi-Family Structures  | 0    | 6    | 0    | 0    | 18   | 0    | 0    | 0    | 0    | 40   | 0    | 0    |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

Talbot County permitting was also compared to the permitting in adjacent counties.

- ✓ Talbot County permitted more units than Caroline and Dorchester County in total.
- ✓ On the other hand, Queen Anne County's permits far exceeded those of Talbot, Caroline, and Dorchester Counties' permitted units combined.

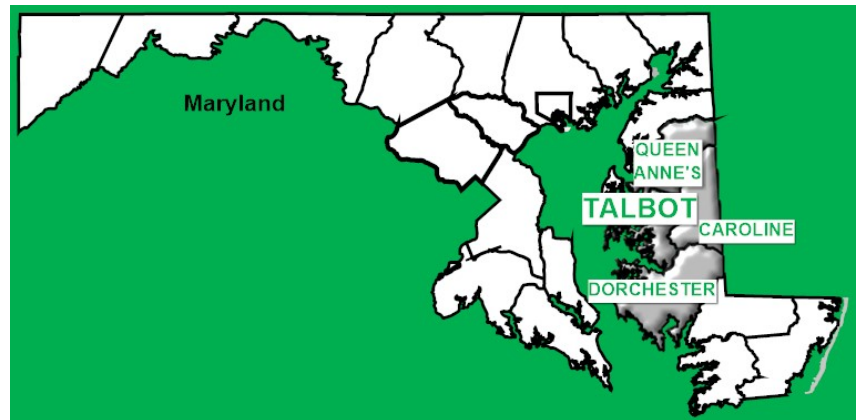


*Table 7 – Talbot, Queen Anne, Caroline, and Dorchester Counties' Annual Permitted Homes from 2011 through 2022\**

| Jurisdiction | Talbot Co.    | Queen Anne's  | Caroline Co   | Dorchester Co | All           |
|--------------|---------------|---------------|---------------|---------------|---------------|
| Type of Unit | Total 2023-11 | Total 2022-11 | Total 2022-11 | Total 2022-11 | Total 2022-11 |
| Total Units  | 1604          | 14133         | 680           | 663           | 17080         |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

- ✓ All counties had at least a handful of attached units permitted.
- ✓ Only Queen Anne had more than ten percent of all units permitted attached.

*Table 8 – Queen Anne, Caroline, and Dorchester Counties' Annual Attached Permitted Homes from 2011 through 2022\**

| Jurisdiction                         | Queen Anne's Co | Caroline Co | Dorchester Co |
|--------------------------------------|-----------------|-------------|---------------|
| Type of Unit                         | Avg 2022-11     | Avg 2022-11 | Avg 2022-11   |
| Units in All Multi-Family Structures | 146             | 4           | 8             |
| Units in All Multi-Family Structures | 12%             | 6%          | 15%           |

\*Developed by The Chesapeake Group, Inc., 2024. Based on the HUD database.

## Residential Sales

Information was also obtained and analyzed for housing sales by year for each year from 2011 through the beginning of 2023 for Talbot County. The table indicates the following.

- ✓ Generally, the average sale price per square foot for homes fluctuated annually through 2018, with little growth.
- ✓ The average sales price per square foot has grown significantly annually since 2018, averaging more than ten percent.

*Table 9 - Talbot County Residential Property Sales from 2011 Through 2023\**

| Year | Criteria IF App. | Avg. Square Feet | Avg. Acreage | Average Price | Avg Price/SQ FT |
|------|------------------|------------------|--------------|---------------|-----------------|
| 2011 | None             | 2258             | 1.73         | \$439,976     | \$194.86        |
| 2012 | None             | 2419             | 1.60         | \$491,292     | \$203.14        |
| 2013 | None             | 2,341            | 1.54         | \$454,610     | \$194.23        |
| 2014 | None             | 2344             | 1.67         | \$437,087     | \$186.46        |
| 2015 | None             | 2361             | 1.32         | \$403,285     | \$170.83        |
| 2016 | None             | 2291             | 1.42         | \$415,733     | \$181.48        |
| 2017 | None             | 2396             | 1.45         | \$463,957     | \$193.66        |
| 2018 | None             | 2363             | 1.37         | \$456,699     | \$193.28        |
| 2019 | None             | 2437             | 2.04         | \$498,914     | \$204.74        |
| 2020 | None             | 2591             | 2.34         | \$651,872     | \$251.63        |
| 2021 | None             | 2403             | 1.88         | \$673,099     | \$280.12        |
| 2022 | None             | 2252             | 1.37         | \$673,696     | \$299.21        |
| 2023 | None             | 2319             | 1.36         | \$757,988     | \$326.89        |

\*Developed by The Chesapeake Group, Inc., 2024.

Talbot County is a diverse county, consisting of varied communities with differing characteristics. As a result, the per square foot sale price of homes differs by geographic area. The table that follows contains analytics on average sale prices and per square foot sale prices this past year by areas, including Easton, St. Michaels, other parts of Talbot County, waterfront properties, historic areas, and zip code areas. Highlights of the information follow.

- ✓ The average sale price of homes in Easton was over \$950,000.
- ✓ The average sales price of homes in the county without waterfront or historical characteristics was \$686,000.
- ✓ The average sale price of homes with waterfront was over \$4.2 million.
- ✓ Only in two zip code areas was the average sale price of homes \$426,000 or less.

*Table 10 – The Average Sale Price of Homes and the Per Square Foot Price by Geographic Areas in 2023\**

| Area                               | Average SQ FT | Average Sale Price | Per Sq Ft Price |
|------------------------------------|---------------|--------------------|-----------------|
| All                                | 2319          | \$757,988          | \$326.98        |
| Easton                             | 2627          | \$954,394          | \$363.36        |
| St Michaels                        | 3696          | \$2,479,828        | \$671.04        |
| Talbot Co                          | 3195          | \$1,683,754        | \$527.02        |
| All Without Waterfront or Historic | 2288          | \$686,018          | \$299.83        |
| Waterfront                         | 5558          | \$4,233,086        | \$761.64        |
| Historic                           | 2174          | \$1,142,456        | \$525.55        |
| 21612                              | 1984          | \$712,500          | \$359.21        |
| 21625                              | 1727          | \$426,225          | \$246.80        |
| 21654                              | 5382          | \$3,882,800        | \$721.39        |
| 21662                              | 3067          | \$2,579,222        | \$840.99        |
| 21665                              | 2552          | \$1,414,667        | \$554.41        |
| 21671                              | 1572          | \$391,296          | \$248.92        |
| 21673                              | 3411          | \$1,322,258        | \$387.59        |
| 21676                              | 3561          | \$1,835,967        | \$515.58        |

\*Developed by The Chesapeake Group, Inc., 2024.

Prices in Easton have been escalating in recent years.

- ✓ In 2022, the average home in Easton sold for \$545,988.
- ✓ For 2023, this had increased to \$677,408

*Table 11 – The Average Sale Price of Homes in Easton for 2023\**

| Year | Average Price |
|------|---------------|
| 2022 | \$545,988     |
| 2023 | \$677,408     |

\*Developed by The Chesapeake Group, Inc., 2024.

In Easton, for those with lots smaller than one acre the following is noted.

- ✓ The average home sold for \$400,413 in 2022
- ✓ In 2023, the average home sold for \$459,268

*Table 12 – The Average Sale Price of Home in Easton for 2023\**

| Year | Average Price |
|------|---------------|
| 2022 | \$400,413     |
| 2023 | \$459,268     |

\*Developed by The Chesapeake Group, Inc., 2024.

This high pricing is significant when compared to income levels. Realtors Property Resource is a wholly owned subsidiary of the National Association of REALTORS. Its data indicates that the median household income for Talbot County and Easton ranged from \$75.2 thousand to \$91.4 thousand.

The survey of residents conducted as part of this analysis indicated the following.

- ✓ The mean average income is about \$161,000.
- ✓ The mean is generally higher than the median by between \$20 thousand or 20 percent.
- ✓ About one-third of the households have incomes below \$100 thousand, and 55 percent are under \$150,000.
- ✓ Talbot County is likely more significant because of the substantial number of households with incomes above \$250,000.
- ✓ Given the housing prices, for a unit with a monthly payment of \$3,568, the average annual payment would be \$42,816 annually.
- ✓ 47 percent to 50 percent of current Talbot County residents cannot afford to buy a home on a small lot in Easton at present unless transferring equity.
- ✓ The percentage that cannot is higher for Easton residents.

A survey was conducted as part of the market assessment. The survey of area residents was conducted online. The survey yielded results for over 500 “unique” households. The focus of the survey was on current and future spending capacity. It is noted that all surveys, including the US Census Bureau, have inherent biases. Online surveys typically tend to decrease input from lower-income households that often have lesser experience or availability with the Internet. It is biased against seniors, but that is not true for Talbot County.

The average age of the primary income earner in the survey is 58. Most households, irrespective of the age of the primary income earner have annual incomes between \$50,000 and \$150,000. Given the price of housing sold, the income is below that necessary to purchase homes unless other assets or resources are applied, including dollars from the sale of an existing home.

Furthermore, younger primary-income earner households generally have lower average incomes. The gap between younger household incomes and affordable ownership units will impact on Talbot County and Easton, including continued aging of the population and growing services needs for the older age groups, school enrollment issues, and labor force issues.

*Table 13 - Age and Income Clusters Identified through the Resident Survey\**

| <b>25 to 34</b>        | <b>25 to 34</b> | <b>35 to 44</b> | <b>45 to 54</b> | <b>55 to 64</b> | <b>65 to 74</b> | <b>75 or over</b> |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Less than \$10,000     | 0%              | 0%              | 0%              | 1%              | 0%              | 0%                |
| \$10,000 to \$14,999   | 3%              | 0%              | 0%              | 0%              | 1%              | 0%                |
| \$15,000 to \$19,999   | 0%              | 0%              | 0%              | 0%              | 2%              | 2%                |
| \$20,000 to \$29,999   | 7%              | 0%              | 2%              | 1%              | 0%              | 0%                |
| \$30,000 to \$49,999   | 7%              | 2%              | 5%              | 6%              | 6%              | 10%               |
| \$50,000 to \$74,999   | 23%             | 7%              | 6%              | 13%             | 13%             | 12%               |
| \$75,000 to \$99,999   | 10%             | 7%              | 10%             | 11%             | 16%             | 22%               |
| \$100,000 to \$149,999 | 20%             | 20%             | 18%             | 21%             | 27%             | 19%               |
| \$150,000 to \$199,999 | 20%             | 27%             | 18%             | 13%             | 16%             | 15%               |
| \$200,000 to \$249,999 | 0%              | 17%             | 18%             | 7%              | 6%              | 10%               |
| \$250,000 to \$299,999 | 3%              | 3%              | 8%              | 9%              | 5%              | 2%                |
| \$300,000 to \$349,999 | 3%              | 10%             | 6%              | 4%              | 3%              | 2%                |
| \$350,000 or more      | 3%              | 8%              | 8%              | 14%             | 7%              | 7%                |
| <b>Total</b>           | <b>100%</b>     | <b>100%</b>     | <b>100%</b>     | <b>100%</b>     | <b>100%</b>     | <b>100%</b>       |

\*Developed by The Chesapeake Group, Inc., 2024.

## Rentals

Attached rental unit pricing was also identified. In general, the smaller the units, the higher the per square foot rent for the units.

*Table 14 – Attached Rental Units by Bedrooms and Baths\**

| Bedrooms | Baths | Avg. Sq Ft | Rent/Month | \$/Sq. Ft. |
|----------|-------|------------|------------|------------|
| One      | 1     | 745        | \$1,436    | \$1.93     |
| One      | 2     | 953        | \$1,470    | \$1.54     |
| Two      | 2     | 1,008      | \$1,806    | \$1.79     |
| Three    | 3     | 2,426      | \$2,700    | \$1.11     |
| Four     | 3     | 1,895      | \$2,575    | \$1.36     |

\*Developed by The Chesapeake Group, Inc., 2024.

## HOUSING DEMAND

There are generally three market generators for new housing in Talbot County and jurisdictions like Easton. These are internal movements of current residents to different homes, the internal generation of new households that results from the independence of youth raised by current residents or changes in household structure through divorce or other factors, and external movement or relocation of households from beyond the county.

### Internal Movement

The large-sample survey of households indicated that twenty percent of the households will move from their current home in the next five years. Furthermore an additional one-fourth (24%) indicated that they may move in the next five years. Therefore, almost one-half of all households will likely relocate in the foreseeable future.

*Table 15- Those that May or Are Likely to Move in the Next Five Years\**

| Likely to Move in Next Few Years | Percent |
|----------------------------------|---------|
| Maybe                            | 24%     |
| Yes                              | 20%     |
| No                               | 56%     |
| Total                            | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

The following summarizes critical characteristics of the households that may or are likely to move.

- ✓ About 12 percent of those who may move have annual household incomes below \$50,000, which makes moving difficult for a variety of reasons, including finding affordable housing, qualifying for mortgages if necessary, and qualifying for rent approval in Talbot County or Easton.
- ✓ About one-half of all households likely to move have annual incomes of at least \$100,000.

*Table 16 - Income Levels of Those that May or Are Likely to Move\**

| Income Strata for Those Moving | Percent |
|--------------------------------|---------|
| Less than \$10,000             | 1%      |
| \$10,000 to \$14,999           | 0%      |
| \$15,000 to \$19,999           | 1%      |
| \$20,000 to \$29,999           | 2%      |
| \$30,000 to \$49,999           | 8%      |
| \$50,000 to \$74,999           | 12%     |
| \$75,000 to \$99,999           | 15%     |
| \$100,000 to \$149,999         | 21%     |
| \$150,000 to \$199,999         | 13%     |
| \$200,000 to \$249,999         | 12%     |
| \$250,000 to \$299,999         | 5%      |
| \$300,000 to \$349,999         | 4%      |
| \$350,000 or more              | 5%      |
| Total                          | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ More than four out of every ten who may or are likely to move will seek homes smaller than their current homes. The ability of Talbot County and Easton to hold these households will depend on the future housing stock.

*Table 17 – Preferred Size of the Next Home for Those that May or Are Likely to Move\**

| Future Home Size | Smaller | Same | Larger | All Move |
|------------------|---------|------|--------|----------|
| Percent          | 43%     | 32%  | 25%    | 100%     |

\*Developed by The Chesapeake Group, Inc., 2024.

The desire for smaller and even same-sized units is concentrated in households with primary income earners fifty-five years or older.

*Table 18 - Age of Primary Income Earner and Size of the Next Home\**

| Age Cluster | Smaller | Same | Larger |
|-------------|---------|------|--------|
| 25 to 34    | 4%      | 3%   | 34%    |
| 35 to 44    | 7%      | 7%   | 32%    |
| 45 to 54    | 10%     | 36%  | 17%    |
| 55 to 64    | 22%     | 19%  | 15%    |
| 65 to 74    | 27%     | 24%  | 2%     |
| 75 or over  | 30%     | 12%  | 0%     |
| Total       | 100%    | 100% | 100%   |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ About one-half of those who will seek smaller units currently live in homes with three bedrooms.
- ✓ Another roughly four in ten currently live in four-bedroom homes.

*Table 19 - Number of Bedrooms in Current Home for Those that Will Seek Smaller Units\**

| Current Bedrooms | Seek Smaller |
|------------------|--------------|
| 1                | 1%           |
| 2                | 7%           |
| 3                | 46%          |
| 4                | 39%          |
| 5 or more        | 7%           |
| Total            | 100%         |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ Almost one-quarter of those who will seek smaller homes live in units less than 2,000 square feet.

*Table 20 - Current Square Footage of Homes\**

| Current Sq Ft                     | Seek Smaller |
|-----------------------------------|--------------|
| 750 to 999 square feet            | 6%           |
| <b>1,000 to 1,999 square feet</b> | 16%          |
| 2,000 to 2,499 square feet        | 26%          |
| 2,500 to 3,499 square feet        | 34%          |
| 3,500 square feet or more         | 18%          |
| Total                             | 100%         |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ The mean household income for those potentially moving into smaller homes is about \$152,000.
- ✓ The majority of the households have incomes between \$75,000 and \$200,000.

*Table 21 - Incomes of Those Seeking Smaller Units\**

| Income Cluster                | Smaller |
|-------------------------------|---------|
| Less than \$10,000            | 1%      |
| \$15,000 to \$19,999          | 1%      |
| \$20,000 to \$29,999          | 1%      |
| \$30,000 to \$49,999          | 8%      |
| \$50,000 to \$74,999          | 12%     |
| <b>\$75,000 to \$99,999</b>   | 17%     |
| <b>\$100,000 to \$149,999</b> | 21%     |
| <b>\$150,000 to \$199,999</b> | 12%     |
| \$200,000 to \$249,999        | 13%     |
| \$250,000 to \$299,999        | 1%      |
| \$300,000 to \$349,999        | 5%      |
| \$350,000 or more             | 9%      |
| Total                         | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

The primary reasons for moving are the need for more affordable housing, aging, the cost of living, the health of household members, property maintenance, and retirement.

The potential needs of existing households indicate niche housing opportunities.

- ✓ There is a substantial housing niche for those fifty-five or older.
- ✓ This market opportunity could likely be accommodated by dispersing new units in neighborhoods, corridors, or concentrations of larger clusters.
- ✓ Most new units built to accommodate the existing population would be two bedrooms or less.
- ✓ Studio flats also represent about a ten percent share of this market opportunity.
- ✓ There is likely latent demand at present and demand in the future for housing for those with incomes \$50,000 or less.

### Internally Generated New Households

In addition to the households that will move which will create demand for new housing, internal factors will result in additional demand for housing. The survey indicates the following.

- ✓ About thirteen percent of the current households have one person who will create a new household in the next few years.
- ✓ About six percent have more than one person who will generate demand for additional housing.
- ✓ One-fourth of all households may “spin off” an additional household in the next few years.

*Table 22 – Potential Generation of New Households from Existing Households\**

| New Internally Generated Households | Percent |
|-------------------------------------|---------|
| No                                  | 74%     |
| Not sure or maybe                   | 7%      |
| Yes, more than one person           | 6%      |
| Yes, one person                     | 13%     |
| total                               | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

With more than 16,400 households in Talbot County and about 7,200 households in Easton, between 3,000 and 4,000 new households could be generated in the next few years, further creating housing demand.

### Migrating Generated New Households

Talbot County has seen substantial growth as defined by the permits and is expected to continue to grow. Internally generated households are one aspect of the growth, and migration to Talbot County is also. The Maryland Department of Commerce anticipates the number of households to expand by more than 1,300 by 2030 and the population by more than 2,000.

Proximity to major population centers coupled with a reasonable transportation network connecting Talbot County and Easton to those centers is a major factor in attracting those who may choose to live in Talbot County and Easton. Talbot County is roughly 59 miles to the center of Baltimore and just over 70 miles to the District of Columbia. However, the county is much closer to major employment areas in Baltimore County, Anna Arundel County, Queen Anne’s County, and Prince George’s County in Maryland.

Internal employment growth in Talbot County and neighboring counties also makes Talbot an attractive place to live. Major healthcare area institutions represent some of the largest local employers with turnover in employment and growing needs. State, local, and federal employment opportunities also exist, employing over 2,000 people. More than forty percent of the residents over twenty-five have obtained a bachelor’s or advanced degrees. The County has eight business parks and an airport.

In addition to economic factors that act as catalysts for migration, Talbot has substantial natural and cultural resources and agricultural production that contribute to its sense of non-urban quality of life. Navigable rivers, a growing trail system, a legitimate theater in Easton, and various museums also contribute to the character and sense of place.

Talbot County’s most notable natural feature is its 600-mile shoreline which attracts many visitors by land and water. Bordered by the Chesapeake Bay to the west, the Choptank River to the south and east, and the Tuckahoe River to the northeast, Talbot County is generally surrounded by tidal waters. The western edge takes the form of numerous peninsulas, necks, coves, and creeks.

Tourism is a leading industry in Talbot County and is often the driving force from a migration standpoint. Pass through traffic with stops in Easton or St. Michaels are critical to the positivity of those who merely stop for a meal, to pursue several downtowns, and gain a sense and feel for it as a place.

However, one of the primary potential generators is familiarity which comes from a full year of event activity provided within Easton and smaller population centers like St. Michaels in Talbot County. The types of events generating visitations, include but are not limited to, those that follow.

|                   |                                     |
|-------------------|-------------------------------------|
| Plein Air         | Small Crafts festivals              |
| Wine Tours        | Oyster Fest                         |
| Ice sculptures    | Waterfowl festival                  |
| Classic car shows | Sea Glass and Coastal Arts Festival |
| Gallery Walks     | Home tours                          |
| Ghost Walks       |                                     |

Festivals and events celebrating art, film, culture, and music occur all year-long.

Post Covid numbers are at their highest point in history, with more than 662,000 visiting Talbot County. According to a study by Tourism Economics, visitors spent \$303 million and directly supported 1,986 jobs in Talbot County in 2021.

## New Housing Unit Estimates

Based on the following factors, demand for additional housing from the development and redevelopment of parcels in and around Talbot County, Easton, and the Dover Road corridor follows.

- ✓ Historical permit patterns.
- ✓ Sales trends.
- ✓ Likelihood of moving.
- ✓ Internally generated new households.
- ✓ Income levels and affordability of the new unit.
- ✓ The desire for smaller housing units.
- ✓ Age composition of households.
- ✓ The desire for walkability.
- ✓ Historic market share.
- ✓ Competitive positioning.
- ✓ Continue success with visitations from those living beyond Talbot County.

Over the next ten years, between 3,100 and 4,300 new attached housing units can be absorbed in Talbot County. Within Easton, between 1,700 and 2,300 units can be absorbed, potentially between 250 and 500 units in the Dover Street corridor.

*Table 23 – Ten-Year Absorbtion if New Units in Talbot County\**

| Ten-Year New Housing Unit Absorption | Low Estimate | High Estimate |
|--------------------------------------|--------------|---------------|
| Talbot County                        | 3,100        | 4,300         |
| Easton (largest municipality)        | 1,700        | 2,300         |

\*Developed by The Chesapeake Group, Inc., 2024.

No consideration is given to the land's current zoning or holding capacity.

The units would generally be two to three bedrooms, about ten percent being one-bedroom or studio units.

An active adult community of between 1,500 and 2,500 units would also be marketable.

## COMMERCIAL CONTEXT

As noted, most income and assets are spent on three essential commodities, irrespective of income: housing, food, and transportation. Demand for retail goods and related service space is supported by spending from local residents and those from beyond the borders. Direct spending on retail goods and related services is defined through the resident household survey conducted as part of this analysis.

The following are primary data obtained through the survey.

Most food is purchased at grocery and box store operations. Restaurants and other food service establishments typically prevail when eating outside the home. Farmers' markets capture some sales from either or both, depending upon the character of the vendors.

- ✓ More than half of the households spend between \$100 and \$200 weekly on groceries. The average weekly spending on groceries and related merchandise by area households is \$155. The average annual household spending on groceries is about \$8,060. The following table contains the general weekly spending on groceries and related merchandise.

*Table 24 – Weekly Grocery Spending\**

| Weekly Spending   | Percent |
|-------------------|---------|
| \$35 to \$44.99   | 1%      |
| \$45 to \$59.99   | 4%      |
| \$60 to \$74.99   | 5%      |
| \$75 to \$99.99   | 12%     |
| \$100 to \$124.99 | 22%     |
| \$125 to \$149.99 | 13%     |
| \$150 to \$199.99 | 19%     |
| \$200 to \$249.99 | 12%     |
| \$250 to \$299.99 | 7%      |
| \$300 or more     | 5%      |
| Total             | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

Dollars spent on food outside the home is dependent largely upon the frequency and type of establishment frequented.

- ✓ About sixty percent of Talbot County residents eat lunch outside of the home at a food service establishment at least weekly. About eight in ten do so at least twice monthly.

*Table 25 - Frequency of Lunch Trips Outside of the Home\**

| Lunch Frequency                  | Percent |
|----------------------------------|---------|
| A few times/week                 | 29%     |
| About once/week                  | 31%     |
| About twice/month                | 19%     |
| Once/ month                      | 11%     |
| 4 to 9 times/year                | 7%      |
| A few times/year                 | 0%      |
| Once or twice/year               | 2%      |
| Less often than a few times/year | 1%      |
| Total                            | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ About one-half prefer local non-chain food service operations for lunch.

*Table 26 - Frequented Type of Food Service Operation for Lunch\**

| Type of Establishment for Lunch                      | Percent |
|------------------------------------------------------|---------|
| A local non-chain full-service restaurant            | 48%     |
| A national or regional chain full-service restaurant | 14%     |
| Fast food operation                                  | 17%     |
| Sub shop                                             | 5%      |
| Other                                                | 16%     |
| Total                                                | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ About six in ten households also eat dinner outside the home at a food service establishment at least weekly, and about eight in ten go to food establishments for dinner at least a couple of times monthly.

*Table 27 - Frequency of Dinner Trips Outside of the Home\**

| Dinner                           | Percent |
|----------------------------------|---------|
| A few times/week                 | 19%     |
| About once/week                  | 39%     |
| About twice/month                | 20%     |
| Once/ month                      | 10%     |
| 4 to 9 times/year                | 4%      |
| A few times/year                 | 4%      |
| Less often than a few times/year | 3%      |
| Total                            | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ There is no statistical difference between the frequencies of lunch and dinner trips.

*Table 28 - Frequency of Lunch and Dinner Trips Outside of the Home\**

| Frequency                        | Percent Lunch | Percent Dinner |
|----------------------------------|---------------|----------------|
| A few times/week                 | 29%           | 19%            |
| About once/week                  | 31%           | 39%            |
| About twice/month                | 19%           | 20%            |
| Once/ month                      | 11%           | 10%            |
| 4 to 9 times/year                | 7%            | 4%             |
| A few times/year                 | 0%            | 4%             |
| Less often than a few times/year | 1%            | 3%             |
| Total                            | 100%          | 100%           |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ About eighty-five percent prefer local non-chain food service operations for dinner.

*Table 29 – Frequented Type of Food Service Operation for Dinner\**

| Dinner                                               | Percent |
|------------------------------------------------------|---------|
| A local non-chain full-service restaurant            | 85%     |
| A national or regional chain full-service restaurant | 8%      |
| Fast food operation                                  | 2%      |
| Sub shop                                             | 1%      |
| Other                                                | 5%      |
| Total                                                | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

There are discernable differences between the preferred food service operation between lunch and dinner.

- ✓ Local non-chain operations are frequented almost twice as often for dinner trips compared to lunch trips.
- ✓ The frequencies for local non-chain full-service establishments is relatively high in both cases, roughly 48 percent for lunch and eighty-five percent for dinner.
- ✓ The proportion frequented fast food operations for lunch is well above the proportion preferring such operations for dinner.

Table 30 - Frequented Type of Food Service Operation for Lunch and Dinner\*

| Type of Establishment for Lunch                      | Percent Lunch | Percent Dinner |
|------------------------------------------------------|---------------|----------------|
| A local non-chain full-service restaurant            | 48%           | 85%            |
| A national or regional chain full-service restaurant | 14%           | 8%             |
| Fast food operation                                  | 17%           | 2%             |
| Sub shop                                             | 5%            | 1%             |
| Other                                                | 16%           | 5%             |
| Total                                                | 100%          | 100%           |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ Those that eat at fast food operations or other establishments generally eat at those establishments more often than those eating at non-local locals or national chains.

*Table 31 – Frequency by Type of Food Service Operation for Dinner\**

| Frequency Dinner                 | A local non-chain full-service restaurant | A national or regional chain full-service restaurant | Fast food operation | Other |
|----------------------------------|-------------------------------------------|------------------------------------------------------|---------------------|-------|
| A few times/week                 | 18%                                       | 21%                                                  | 40%                 | 29%   |
| About once/week                  | 39%                                       | 38%                                                  | 40%                 | 38%   |
| About twice/month                | 22%                                       | 13%                                                  | 0%                  | 10%   |
| Once/ month                      | 10%                                       | 8%                                                   | 10%                 | 10%   |
| 4 to 9 times/year                | 5%                                        | 3%                                                   | 0%                  | 0%    |
| A few times/year                 | 4%                                        | 10%                                                  | 0%                  | 0%    |
| Less often than a few times/year | 2%                                        | 8%                                                   | 10%                 | 14%   |
| Total                            | 100%                                      | 100%                                                 | 100%                | 100%  |

\*Developed by The Chesapeake Group, Inc., 2024.

- ✓ Easton food establishments are frequented by most compared to all other locations, placing Easton area operations in a dominant market position.

*Table 32 - Location of Dinner Food Service Operation\**

| Dinner Location            | Percent    |
|----------------------------|------------|
| Cambridge                  | 1%         |
| <b>Downtown Easton</b>     | <b>19%</b> |
| <b>Dover Road Corridor</b> | <b>1%</b>  |
| <b>Easton</b>              | <b>40%</b> |
| Oxford                     | 4%         |
| <b>Marlboro Ave Easton</b> | <b>4%</b>  |
| Route 50                   | 2%         |
| Saint Michaels             | 11%        |
| Trappe                     | 2%         |
| <b>Sections of Easton</b>  | <b>4%</b>  |
| Others                     | 11%        |
| Total                      | 100%       |

\*Developed by The Chesapeake Group, Inc., 2024.

Talbot County continues to have long-term successful farmers' markets selling fresh products and other merchandise and services.

- ✓ About forty-four percent of the respondents frequent farmers' markets weekly in season.

*Table 33 – Frequency of Visitations to Farmers’ Markets\**

| Fresh Products                   | Percent |
|----------------------------------|---------|
| A few times/week                 | 10%     |
| About once/week                  | 34%     |
| About twice/month                | 13%     |
| Once/ month                      | 12%     |
| 4 to 9 times/year                | 18%     |
| A few times/year                 | 9%      |
| Less often than a few times/year | 4%      |
| Total                            | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

Whether spending at food service establishments or for other purposes, many dollars are currently spent outside of Talbot County or Easton. Enhancements can recapture exported dollars.

- ✓ About two-thirds of Talbot County residents currently shop online at least once weekly, with half doing so at least a few times each week.

*Table 34 – Frequency of Online Purchases by Talbot County Households\**

| Online                           | Percent |
|----------------------------------|---------|
| A few times/week                 | 34%     |
| About once/week                  | 30%     |
| About twice/month                | 21%     |
| Once/ month                      | 8%      |
| 4 to 9 times/year                | 6%      |
| A few times/year                 | 1%      |
| Less often than a few times/year | 1%      |
| Total                            | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024.

Much entertainment activity also involves the consumption of food and beverages.

- ✓ For Talbot County residents, more than half of all households partake of entertainment outside the home at least twice monthly.
- ✓ Roughly nineteen percent partake of entertainment outside the home weekly.

*Table 35 – Frequency of Spending on Entertainment Activity for Talbot County Households\**

| Frequency                          | % movies | % crafts/art shows | % any entertainment |
|------------------------------------|----------|--------------------|---------------------|
| About once/week                    | 1%       | 0%                 | <b>19%</b>          |
| a few times/month or more often    | 5%       | 2%                 | <b>19%</b>          |
| Once or twice/month                | 7%       | 6%                 | <b>15%</b>          |
| 4 to 9 times/year                  | 19%      | <b>40%</b>         | <b>17%</b>          |
| Once or twice/year                 | 36%      | 0%                 | 16%                 |
| Less often than once/year or never | 32%      | 53%                | 13%                 |
| Total                              | 100%     | 100%               | 100%                |

\*Developed by The Chesapeake Group, Inc., 2024.

Outdoor on-land recreation is important to both residents and visitors to Talbot County and Easton.

- ✓ About one-half of all residents ride or walk along the trail system a few times a month or more often.
- ✓ Roughly twenty-one percent do so once or twice monthly.

*Table 36 – Frequency of Trail System Use by Residents\**

| Frequency                          | % rides or walks on trails |
|------------------------------------|----------------------------|
| About once/week                    | 0%                         |
| a few times/month or more often    | <b>48%</b>                 |
| Once or twice/month                | <b>21%</b>                 |
| 4 to 9 times/year                  | 9%                         |
| Once or twice/year                 | 7%                         |
| Less often than once/year or never | 14%                        |
| Total                              | 100%                       |

\*Developed by The Chesapeake Group, Inc., 2024.

## COMMERCIAL DEMAND

The expansion or replacement of supportable space for retail goods, related offices, and other services results from market expansion, the capture of new dollars, or the capture of exported dollars. With few exceptions, the generation of added supportable space is derived from residential growth in the market. The associated dollars and supportable space are not extracted from any existing business.

Supportable space, measured by square footage, reflects the dollars necessary to support business activity. It includes the ability to pay all costs of operation and a reasonable return on investment. Each type of business or service has different sales or revenues per square foot requirements to pay expenses and provide a return.

Two options are provided based on the range in anticipated residential unit or household growth

As defined, the number of households and rooftops will expand in the next ten years. The resulting growth in supportable square feet should maintain any existing businesses, assuming competitiveness. Therefore, growth-based supportable square feet are new spaces for which demand will exist and can be used to build a new inventory of space or fill vacant spaces. Talbot County market-generated sales are expected to grow by 2034 between \$121 million and \$173 million from \$776 million in 2024. This excludes sales generated by residents of Easton.

*Table 37 - Talbot County Residentially Generated Sales Excluding Easton\**

| Category            | 2024                 | 2034 Added Low       | 2034 Added High      |
|---------------------|----------------------|----------------------|----------------------|
| Food                | \$76,941,000         | \$15,103,000         | \$21,576,000         |
| Eat/Drink           | \$105,124,000        | \$16,360,000         | \$23,371,000         |
| General Merchandise | \$99,145,000         | \$15,430,000         | \$22,042,000         |
| Furniture           | \$43,944,000         | \$4,954,000          | \$7,077,000          |
| Transportation      | \$77,717,000         | \$12,095,000         | \$17,278,000         |
| Drugstore           | \$72,205,000         | \$11,237,000         | \$16,053,000         |
| Apparel             | \$60,636,000         | \$9,400,000          | \$13,429,000         |
| Hardware            | \$68,866,000         | \$9,509,000          | \$13,584,000         |
| Vehicle Service     | \$63,897,000         | \$9,944,000          | \$14,206,000         |
| Miscellaneous       | \$107,919,000        | \$16,795,000         | \$23,993,000         |
| <b>TOTAL</b>        | <b>\$776,393,641</b> | <b>\$120,827,000</b> | <b>\$172,610,000</b> |

\*Developed by The Chesapeake Group, Inc., 2024.

Corresponding supportable space will grow by between about 373 thousand square feet and 532 thousand square feet by 2034 from a total of 2.4 million square feet.

*Table 38 - Talbot County Residentially Supported Square Footage of Space Excluding Easton\**

| Category            | 2024             | 2034 Added Low | 2034 Added High |
|---------------------|------------------|----------------|-----------------|
| Food                | 122,391          | 24,026         | 34,321          |
| Eat/Drink           | 250,295          | 38,952         | 55,645          |
| General Merchandise | 588,452          | 91,580         | 130,824         |
| Furniture           | 101,143          | 11,402         | 16,290          |
| Transportation      | 254,706          | 39,641         | 56,626          |
| Drugstore           | 70,789           | 11,017         | 15,738          |
| Apparel             | 168,238          | 26,082         | 37,260          |
| Hardware            | 280,627          | 38,749         | 55,354          |
| Vehicle Service     | 155,556          | 24,209         | 34,584          |
| Miscellaneous       | 430,978          | 67,072         | 95,816          |
| <b>TOTAL</b>        | <b>2,423,175</b> | <b>372,730</b> | <b>532,458</b>  |

\*Developed by The Chesapeake Group, Inc., 2024.

Tables 37 and 38 define the future sales and supportable space for the ten major retail goods and related services categories. A further breakdown of the generated sales and space can be found in Tables 39 and 40.

**Table 39 - Talbot County Residentially Generated Sales Excluding Easton\***

| Sub-category         | 2024          | 2024 Added Low | 2024 Added High |
|----------------------|---------------|----------------|-----------------|
| Food                 | \$76,941,000  | \$15,103,000   | \$21,576,000    |
| Supermarkets         | \$64,245,735  | \$12,611,005   | \$18,015,960    |
| Independents         | \$6,155,280   | \$1,208,240    | \$1,726,080     |
| Bakeries             | \$1,692,702   | \$332,266      | \$474,672       |
| Dairies              | \$1,000,233   | \$196,339      | \$280,488       |
| Others               | \$3,847,050   | \$755,150      | \$1,078,800     |
| Eat/Drink            | \$105,124,000 | \$16,360,000   | \$23,371,000    |
| General Merchandise  | \$99,145,000  | \$15,430,000   | \$22,042,000    |
| Dept. Stores         | \$35,097,330  | \$5,462,220    | \$7,802,868     |
| Variety Stores       | \$7,138,440   | \$1,110,960    | \$1,587,024     |
| Jewelry              | \$6,841,005   | \$1,064,670    | \$1,520,898     |
| Sporting Goods/Toys  | \$10,806,805  | \$1,681,870    | \$2,402,578     |
| Discount Dept.       | \$37,179,375  | \$5,786,250    | \$8,265,750     |
| Antiques, etc.       | \$495,725     | \$77,150       | \$110,210       |
| Others               | \$1,586,320   | \$246,880      | \$352,672       |
| Furniture            | \$43,944,000  | \$4,954,000    | \$7,077,000     |
| Furniture            | \$6,635,544   | \$748,054      | \$1,068,627     |
| Home Furnishings     | \$9,140,352   | \$1,030,432    | \$1,472,016     |
| Store/Office Equip.  | \$6,943,152   | \$782,732      | \$1,118,166     |
| Music Instr./Suppl.  | \$1,889,592   | \$213,022      | \$304,311       |
| Radios,TV, etc.      | \$19,335,360  | \$2,179,760    | \$3,113,880     |
| Transportation       | \$77,717,000  | \$12,095,000   | \$17,278,000    |
| New/Used Vehicles    | \$27,200,950  | \$4,233,250    | \$6,047,300     |
| Tires, Batt., Prts.  | \$34,273,197  | \$5,333,895    | \$7,619,598     |
| Marine Sales/Rentals | \$4,119,001   | \$641,035      | \$915,734       |
| Auto/Truck Rentals   | \$12,123,852  | \$1,886,820    | \$2,695,368     |
| Drugstore            | \$72,205,000  | \$11,237,000   | \$16,053,000    |
| Apparel              | \$60,636,000  | \$9,400,000    | \$13,429,000    |
| Men's and Boy's      | \$7,943,316   | \$1,231,400    | \$1,759,199     |
| Women's and Girl's   | \$20,131,152  | \$3,120,800    | \$4,458,428     |
| Infants              | \$1,273,356   | \$197,400      | \$282,009       |
| Family               | \$16,856,808  | \$2,613,200    | \$3,733,262     |
| Shoes                | \$12,672,924  | \$1,964,600    | \$2,806,661     |
| Jeans/Leather        | \$242,544     | \$37,600       | \$53,716        |
| Tailors/Uniforms     | \$1,091,448   | \$169,200      | \$241,722       |
| Others               | \$424,452     | \$65,800       | \$94,003        |
| Hardware             | \$68,866,000  | \$9,509,000    | \$13,584,000    |
| Hardware             | \$33,331,144  | \$4,602,356    | \$6,574,656     |
| Lawn/Seed/Fertil.    | \$1,308,454   | \$180,671      | \$258,096       |
| Others               | \$34,226,402  | \$4,725,973    | \$6,751,248     |
| Vehicle Service      | \$63,897,000  | \$9,944,000    | \$14,206,000    |
| Gasoline             | \$21,724,980  | \$3,380,960    | \$4,830,040     |
| Garage, Repairs      | \$42,172,020  | \$6,563,040    | \$9,375,960     |
| Miscellaneous        | \$107,919,000 | \$16,795,000   | \$23,993,000    |
| Advert. Signs, etc.  | \$1,726,704   | \$268,720      | \$383,888       |
| Barber/Beauty shop   | \$6,583,059   | \$1,024,495    | \$1,463,573     |
| Book Stores          | \$4,964,274   | \$772,570      | \$1,103,678     |
| Bowling              | \$2,482,137   | \$386,285      | \$551,839       |
| Cig./Tobacco Dealer  | \$755,433     | \$117,565      | \$167,951       |
| Dent./Physician Lab  | \$4,316,760   | \$671,800      | \$959,720       |
| Florist/Nurseries    | \$8,093,925   | \$1,259,625    | \$1,799,475     |
| Laundry, Dry Clean   | \$3,669,246   | \$571,030      | \$815,762       |
| Optical Goods/Opt.   | \$2,590,056   | \$403,080      | \$575,832       |
| Photo Sup./Photog.   | \$7,446,411   | \$1,158,855    | \$1,655,517     |
| Printing             | \$8,741,439   | \$1,360,395    | \$1,943,433     |
| Paper/Paper Prod.    | \$4,640,517   | \$722,185      | \$1,031,699     |
| Gifts/Cards/Novel.   | \$15,432,417  | \$2,401,685    | \$3,430,999     |
| Newsstands           | \$863,352     | \$134,360      | \$191,944       |
| Video Rent/Sales     | \$14,029,470  | \$2,183,350    | \$3,119,090     |
| Others               | \$21,583,800  | \$3,359,000    | \$4,798,600     |
| TOTAL                | \$776,394,000 | \$120,827,000  | \$172,609,000   |

\*Developed by The Chesapeake Group, Inc., 2024.

**Table 40 - Talbot County Residentially Support Square Footage of Space Excluding Easton\***

| Sub-category         | 2024      | 2034 Added Low | 2034 Added High |
|----------------------|-----------|----------------|-----------------|
| Food                 | 122,391   | 24,026         | 34,321          |
| Supermarkets         | 97,342    | 19,108         | 27,297          |
| Independents         | 15,388    | 3,021          | 4,315           |
| Bakeries             | 5,642     | 1,108          | 1,582           |
| Dairies              | 2,778     | 545            | 779             |
| Others               | 1,241     | 244            | 348             |
| Eat/Drink            | 250,295   | 38,952         | 55,645          |
| General Merchandise  | 588,452   | 91,580         | 130,824         |
| Dept. Stores         | 146,239   | 22,759         | 32,512          |
| Variety Stores       | 41,991    | 6,535          | 9,335           |
| Jewelry              | 9,635     | 1,500          | 2,142           |
| Sporting Goods/Toys  | 43,227    | 6,727          | 9,610           |
| Discount Dept.       | 337,994   | 52,602         | 75,143          |
| Antiques, etc.       | 2,155     | 335            | 479             |
| Others               | 7,211     | 1,122          | 1,603           |
| Furniture            | 101,143   | 11,402         | 16,290          |
| Furniture            | 21,405    | 2,413          | 3,447           |
| Home Furnishings     | 33,853    | 3,816          | 5,452           |
| Store/Office Equip.  | 14,465    | 1,631          | 2,330           |
| Music Instr./Suppl.  | 9,448     | 1,065          | 1,522           |
| Radios,TV, etc.      | 21,972    | 2,477          | 3,539           |
| Transportation       | 254,706   | 39,641         | 56,626          |
| New/Used Vehicles    | 68,002    | 10,583         | 15,118          |
| Tires, Batt., Prts.  | 142,805   | 22,225         | 31,748          |
| Marine Sales/Rentals | 11,132    | 1,733          | 2,475           |
| Auto/Truck Rentals   | 32,767    | 5,100          | 7,285           |
| Drugstore            | 70,789    | 11,017         | 15,738          |
| Apparel              | 168,238   | 26,082         | 37,260          |
| Men's and Boy's      | 19,858    | 3,079          | 4,398           |
| Women's and Girl's   | 54,409    | 8,435          | 12,050          |
| Infants              | 4,245     | 658            | 940             |
| Family               | 67,427    | 10,453         | 14,933          |
| Shoes                | 14,401    | 2,233          | 3,189           |
| Jeans/Leather        | 808       | 125            | 179             |
| Tailors/Uniforms     | 5,457     | 846            | 1,209           |
| Others               | 1,633     | 253            | 362             |
| Hardware             | 280,627   | 38,749         | 55,354          |
| Hardware             | 121,204   | 16,736         | 23,908          |
| Lawn/Seed/Fertil.    | 3,848     | 531            | 759             |
| Others               | 155,575   | 21,482         | 30,687          |
| Vehicle Service      | 155,556   | 24,209         | 34,584          |
| Gasoline             | 14,983    | 2,332          | 3,331           |
| Garage, Repairs      | 140,573   | 21,877         | 31,253          |
| Miscellaneous        | 430,978   | 67,072         | 95,816          |
| Advert. Signs, etc.  | 6,279     | 977            | 1,396           |
| Barber/Beauty shop   | 32,915    | 5,122          | 7,318           |
| Book Stores          | 27,579    | 4,292          | 6,132           |
| Bowling              | 24,821    | 3,863          | 5,518           |
| Cig./Tobacco Dealer  | 1,511     | 235            | 336             |
| Dent./Physician Lab  | 13,282    | 2,067          | 2,953           |
| Florist/Nurseries    | 19,045    | 2,964          | 4,234           |
| Laundry, Dry Clean   | 12,231    | 1,903          | 2,719           |
| Optical Goods/Opt.   | 7,400     | 1,152          | 1,645           |
| Photo Sup./Photog.   | 21,275    | 3,311          | 4,730           |
| Printing             | 31,787    | 4,947          | 7,067           |
| Paper/Paper Prod.    | 23,203    | 3,611          | 5,158           |
| Gifts/Cards/Novel.   | 51,441    | 8,006          | 11,437          |
| Newsstands           | 1,727     | 269            | 384             |
| Video Rent/Sales     | 70,147    | 10,917         | 15,595          |
| Others               | 86,335    | 13,436         | 19,194          |
| TOTAL                | 2,423,175 | 372,730        | 532,458         |

\*Developed by The Chesapeake Group, Inc., 2024.

In addition to the residentially generated market, employees and others who pass through the area to go to and from work and visit friends, families, and attractions add to the market.

As previously defined, post Covid numbers indicate more than 662,000 visitations to Talbot County annually. TCG conservatively estimates that visitations add \$20 million in retail goods and services to the area. These sales generate demand for potentially 120 thousand square feet of additional retail goods and related services space. The total may not increase substantially in the next ten years. The ability of any area of Talbot County depends upon preserving and enhancing the attributes that attract the visitors and maintenance and potential expansion of event activity.

## EASTON AND STRATEGIC DOVER STREET CORRIDOR FOCUS

Within Easton, the market analytics indicate that between 1,700 and 2,300 units can be absorbed in the next ten years, potentially between 250 and 500 units in the Dover Street corridor and surroundings.

As of February 20, 2024, the following is pertinent.

- ✓ About 920 new housing units have been approved in Easton.
- ✓ Of the 920 units, 811 were yet to be permitted.
- ✓ About 12% of the units had been completed.
- ✓ A total of 383 of the 920 units were attached or “multi-family” units.
- ✓ 284 of the units yet to be permitted were attached or “multi-family” units

| Address                         | Acres | Zoning District | Max Multi-Family Density | Max Multi-family Units | Estimated Multi-Family Units |
|---------------------------------|-------|-----------------|--------------------------|------------------------|------------------------------|
| 219 S Washington Street         | 1.35  | R7A             | 8                        | 10                     | 8                            |
| 326 EAST AVE                    | 1.96  | PRD             | 40                       | 78                     | 59                           |
| 125 KEMP LANE                   | 0.612 | PRD             | 40                       | 24                     | 18                           |
| 505 BROOKLETTS AVE              | 2.16  | PRD             | 40                       | 86                     | 65                           |
| 409 BROOKLETTS AVE              | 4.38  | PRD             | 40                       | 175                    | 131                          |
| 402 BROOKLETTS AVE              | 1.787 | PRD             | 40                       | 71                     | 53                           |
| 306 PORT ST                     | 10.9  | MXW             | 30                       | 327                    | 245                          |
| 322 EAST AVE                    | 0.103 | PRD             | 40                       | 4                      | 3                            |
| 410 NEEDWOOD AVE                | 2.357 | PRD             | 40                       | 94                     | 71                           |
| 407 BROOKLETTS AVE              | 0.247 | PRD             | 40                       | 9                      | 7                            |
| 411 NEEDWOOD AVE                | 0.75  | PRD             | 40                       | 30                     | 23                           |
| 320 EAST AVE                    | 0.231 | PRD             | 40                       | 9                      | 7                            |
| 401 BROOKLETTS AVE              | 0.306 | PRD             | 40                       | 12                     | 9                            |
| 116 S WEST ST                   | 0.206 | CB              | 30                       | 6                      | 5                            |
| 500 SOUTH ST                    | 0.459 | PRD             | 40                       | 18                     | 14                           |
| 400 NEEDWOOD AVE                | 0.21  | PRD             | 40                       | 8                      | 6                            |
| 503 SOUTH ST                    | 0.974 | PRD             | 40                       | 38                     | 29                           |
| 139 N WASHINGTON ST             | 1.46  | CB              | 30                       | 43                     | 32                           |
| 318 EAST AVE                    | 0.512 | PRD             | 40                       | 20                     | 15                           |
| Brooklets Ave Parcel 2206       | 1.25  | PRD             | 40                       | 50                     | 38                           |
| 506 BROOKLETTS AVE              | 0.96  | PRD             | 40                       | 38                     | 29                           |
| 51 JOWITE ST                    | 5.45  | MXW             | 30                       | 163                    | 122                          |
| 406 MOTON ST                    | 1.96  | MXW             | 30                       | 58                     | 44                           |
| Talbot County Property          | 6.46  | R10A            | 5                        | 32                     | 24                           |
| TOE Property                    | 3.49  | MXW             | 30                       | 104                    | 78                           |
| TOE Property                    | 0.26  | PRD             | 40                       | 10                     | 8                            |
| TOE Property                    | 0.23  | CB              | 30                       | 6                      | 5                            |
| TOE Property                    | 0.42  | CB              | 30                       | 12                     | 9                            |
| TOE Property                    | 0.16  | CB              | 30                       | 4                      | 3                            |
| TOE Property                    | 0.32  | CB              | 30                       | 9                      | 7                            |
| TOE Property                    | 1.51  | R7A             | 8                        | 12                     | 9                            |
| TOE Property                    | 1.02  | CB              | 30                       | 30                     | 23                           |
| TOE Property                    | 0.48  | CB              | 30                       | 14                     | 11                           |
| TOE Property                    | 0.16  | CB              | 30                       | 4                      | 3                            |
| TOE Property                    | 0.45  | CB              | 30                       | 13                     | 10                           |
| TOE Property                    | 0.75  | CB              | 30                       | 22                     | 17                           |
| TOE Property                    | 0.44  | CB              | 30                       | 13                     | 10                           |
| Ocean Gateway                   | 19.36 | R10A            | 5                        | 96                     | 72                           |
| Eley Properties                 | 9.1   | R10A            | 5                        | 45                     | 34                           |
| Matthewstown Road Wooded Parcel | 12.93 | R10A            | 5                        | 64                     | 48                           |
| Matthewstown Road Wooded Parcel | 2.01  | R10A            | 5                        | 10                     | 8                            |
| August Street                   | 1.92  | CB              | 30                       | 57                     | 43                           |
| <b>TOTAL</b>                    |       |                 |                          | <b>1271</b>            | <b>1928</b>                  |
|                                 |       |                 |                          |                        | <b>1455</b>                  |

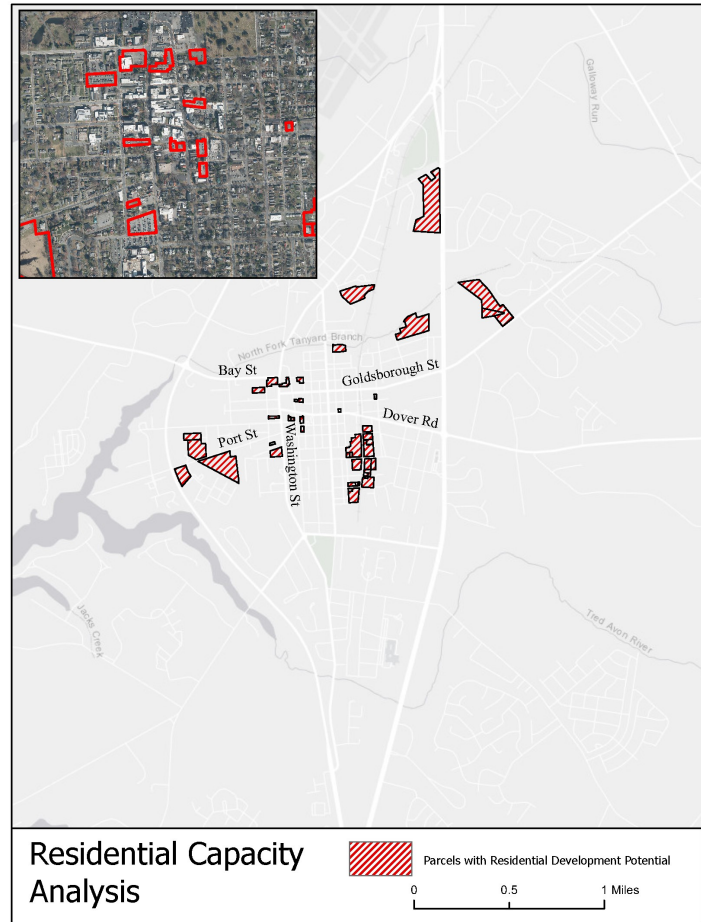
Note: Estimated number of units is calculated by taking 75% of the maximum permitted units as recommended by the Maryland Department of Planning

| Housing Types Permitted by District | R7A | R10A | CB | MXW | PRD |
|-------------------------------------|-----|------|----|-----|-----|
| Single family detached              | P   | P    | P  | -   | P   |
| Tiny House                          | SE  | SE   | -  | -   | P   |
| Duplex                              | P   | P    | P  | P   | P   |
| Cottage Court                       | P   | SE   | SE | P   | P*  |
| Fourplex, Stacked                   | SE  | SE   | SE | P   | P*  |
| Townhouse                           | SE  | SE   | SE | P   | P*  |
| Triplex                             | SE  | SE   | SE | P   | P*  |
| Mansion Apartment                   | SE  | SE   | SE | P   | P*  |
| Courtyard Building                  | SE  | SE   | SE | P   | P*  |
| Live work unit                      | P   | P    | P  | P   | P*  |
| Multi-family apartment complex      | SE  | SE   | SE | P   | P*  |

Note\* All missing middle housing types and multi-family units are subject to site plan review

Disclaimer: The Town of Easton Department of Planning and Zoning makes every reasonable effort to ensure the accuracy of this information. This table provides the best estimates of development based on the site plan and subdivision submittal and approval documents; building permits submitted and issued; and occupancy permits issued. The Town does not assume any liability arising from the use of this data.

The units are dispersed as visualized in the graphic to the right.



Easton estimated that a maximum 1,928 attached units can be built on available land within Easton. However, the estimated actual unit yield would be 1,455.

As noted, the units would generally be two to three bedrooms, with about ten percent being one-bedroom or studio units for Talbot County. For Easton, the percentage of one-bedroom units could be between twenty and twenty-five percent.



**TOWN OF EASTON**  
**PLANNING & ZONING**  
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**Residential Pipeline: Major Projects**

| Project Name             | Total Approved/Pending Units<br>(Per Rezoning or By-Right)<br>as of 2/20/2024 |     |     |       | Total Approved/Pending Units<br>(Refined by Subdivision)<br>as of 2/20/2024 |     |     |       | Units Built or Permitted<br>as of 2/20/2024 |     |    |       | Units Remaining to be Permitted<br>as of 2/20/2024 |     |     |       | Percent Complete |
|--------------------------|-------------------------------------------------------------------------------|-----|-----|-------|-----------------------------------------------------------------------------|-----|-----|-------|---------------------------------------------|-----|----|-------|----------------------------------------------------|-----|-----|-------|------------------|
|                          | Unit Type                                                                     |     |     |       | Unit Type                                                                   |     |     |       | Unit Type                                   |     |    |       | Unit Type                                          |     |     |       |                  |
|                          | SFD                                                                           | SFA | MF  | Total | SFD                                                                         | SFA | MF  | Total | SFD                                         | SFA | MF | Total | SFD                                                | SFA | MF  | Total |                  |
| 807 N. Washington Street | 10                                                                            | 0   | 0   | 10    | 10                                                                          | 0   | 0   | 10    | 2                                           | 0   | 0  | 2     | 8                                                  | 0   | 0   | 8     | 20%              |
| Cookes Hope Phase VII    | 67                                                                            | 0   | 0   | 67    | 67                                                                          | 0   | 0   | 67    | 0                                           | 0   | 0  | 0     | 67                                                 | 0   | 0   | 67    | 0%               |
| Dixon Square             | 0                                                                             | 8   | 0   | 8     | 0                                                                           | 8   | 0   | 8     | 0                                           | 8   | 0  | 8     | 0                                                  | 0   | 0   | 0     | 100%             |
| Doverbrook Apartments¹   | 0                                                                             | 0   | 64  | 64    | n/a                                                                         | n/a | n/a | n/a   | 0                                           | 0   | 64 | 64    | 0                                                  | 0   | 0   | 0     | 100%             |
| Elliott Road             | 0                                                                             | 0   | 136 | 136   | n/a                                                                         | n/a | n/a | n/a   | 0                                           | 0   | 0  | 0     | 0                                                  | 0   | 136 | 136   | 0%               |
| Gannon Range             | 200                                                                           | 0   | 0   | 200   | 200                                                                         | 0   | 0   | 200   | 0                                           | 0   | 0  | 0     | 200                                                | 0   | 0   | 200   | 0%               |
| Four Seasons at Easton²  | 252                                                                           | 0   | 0   | 252   | 252                                                                         | 0   | 0   | 252   | 0                                           | 0   | 0  | 0     | 252                                                | 0   | 0   | 252   | 0%               |
| Naïma (Phase 1)          | 0                                                                             | 0   | 26  | 26    | 0                                                                           | 0   | 0   | 0     | 0                                           | 0   | 26 | 26    | 0                                                  | 0   | 0   | 0     | 100%             |
| Naïma (Phase 2)          | 0                                                                             | 0   | 52  | 52    | 0                                                                           | 0   | 0   | 0     | 0                                           | 0   | 0  | 0     | 0                                                  | 0   | 52  | 52    | 0%               |
| Port Street Commons      | 0                                                                             | 0   | 9   | 9     | n/a                                                                         | n/a | n/a | n/a   | 0                                           | 0   | 9  | 9     | 0                                                  | 0   | 0   | 0     | 100%             |
| Shoregate at Cannery     | 0                                                                             | 0   | 96  | 96    | n/a                                                                         | n/a | n/a | n/a   | 0                                           | 0   | 0  | 0     | 0                                                  | 0   | 96  | 96    | 0%               |
| Total                    | 529                                                                           | 8   | 383 | 920   | 529                                                                         | 8   | 0   | 537   | 2                                           | 8   | 99 | 109   | 527                                                | 0   | 284 | 811   | 12%              |

Prepared by: Town of Easton Department of Planning and Zoning, February 20, 2024

Residential Structure Type Definitions:

Single-Family Detached (SFD): A residential building containing not more than one (1) dwelling unit used by one family entirely surrounded by yards.

Single-Family Attached (SFA): Includes townhouses and duplexes (stacked or side-by-side).

Multi-Family (MF): A building designed for or used by three (3) or more families (includes triplexes and fourplexes)

<sup>1</sup> Doverbrook Apartments is a redevelopment of an existing 50-unit multi-family development owned by the Housing Authority of the Town of Easton. Redevelopment of the site will result in a net increase of 14 units.

<sup>2</sup> Four Seasons is an active adult age-restricted community

Additionally, an active adult community of 1,500 and 2,500 would be marketable in Talbot County and could be located in Easton or on its border if the land is available.

## Retail Goods and Related Services

As defined, the number of households and rooftops will expand in Easton over the next ten years. Growth-based supportable square feet are new spaces for which demand will exist and can be used to build a new inventory of space or fill vacant spaces. Easton market-generated sales are expected to grow by 2034 between \$138 million and \$187 million from \$540 million in 2024.

*Table 41 - Easton Residentially Generated Sales\**

| Category            | 2024          | 2034 Added Low | 2034 Added High |
|---------------------|---------------|----------------|-----------------|
| Food                | \$53,467,000  | \$17,277,000   | \$23,375,000    |
| Eat/Drink           | \$73,052,000  | \$18,715,000   | \$25,320,000    |
| General Merchandise | \$68,898,000  | \$17,651,000   | \$23,880,000    |
| Furniture           | \$30,537,000  | \$5,667,000    | \$7,667,000     |
| Transportation      | \$54,007,000  | \$13,836,000   | \$18,719,000    |
| Drugstore           | \$50,176,000  | \$12,854,000   | \$17,391,000    |
| Apparel             | \$42,137,000  | \$10,753,000   | \$14,549,000    |
| Hardware            | \$47,856,000  | \$10,878,000   | \$14,717,000    |
| Vehicle Service     | \$44,403,000  | \$11,375,000   | \$15,390,000    |
| Miscellaneous       | \$74,994,000  | \$19,212,000   | \$25,993,000    |
| TOTAL               | \$539,527,784 | \$138,218,500  | \$187,001,500   |

\*Developed by The Chesapeake Group, Inc., 2024.

Corresponding supportable space will grow by between 426 thousand square feet and 577 thousand square feet by 2034 from a total of 1.7 million square feet.

*Table 42 - Easton Residentially Supported Square Footage of Space\**

| Category            | 2024      | 2034 Added Low | 2034 Added High |
|---------------------|-----------|----------------|-----------------|
| Food                | 85,051    | 27,483         | 37,183          |
| Eat/Drink           | 173,933   | 44,560         | 60,286          |
| General Merchandise | 408,930   | 104,764        | 141,735         |
| Furniture           | 70,285    | 13,043         | 17,647          |
| Transportation      | 177,001   | 45,347         | 61,348          |
| Drugstore           | 49,192    | 12,602         | 17,050          |
| Apparel             | 116,911   | 29,836         | 40,366          |
| Hardware            | 195,012   | 44,327         | 59,971          |
| Vehicle Service     | 108,099   | 27,692         | 37,467          |
| Miscellaneous       | 299,491   | 76,726         | 103,802         |
| TOTAL               | 1,683,905 | 426,380        | 576,855         |

\*Developed by The Chesapeake Group, Inc., 2024.

Tables 41 and 42 define the future sales and supportable space for the ten major retail goods and related services categories. A further breakdown of the generated sales and space can be found in Tables 43 and 44.

**Table 43 - Easton Residentially Generated Sales\***

| Sub-category         | 2024          | 2034 Added Low | 2034 Added High |
|----------------------|---------------|----------------|-----------------|
| Food                 | \$53,467,000  | \$17,277,000   | \$23,375,000    |
| Supermarkets         | \$44,644,945  | \$14,426,295   | \$19,518,125    |
| Independents         | \$4,277,360   | \$1,382,160    | \$1,870,000     |
| Bakeries             | \$1,176,274   | \$380,094      | \$514,250       |
| Dairies              | \$695,071     | \$224,601      | \$303,875       |
| Others               | \$2,673,350   | \$863,850      | \$1,168,750     |
| Eat/Drink            | \$73,052,000  | \$18,715,000   | \$25,320,000    |
| General Merchandise  | \$68,898,000  | \$17,651,000   | \$23,880,000    |
| Dept. Stores         | \$24,389,892  | \$6,248,454    | \$8,453,520     |
| Variety Stores       | \$4,960,656   | \$1,270,872    | \$1,719,360     |
| Jewelry              | \$4,753,962   | \$1,217,919    | \$1,647,720     |
| Sporting Goods/Toys  | \$7,509,882   | \$1,923,959    | \$2,602,920     |
| Discount Dept.       | \$25,836,750  | \$6,619,125    | \$8,955,000     |
| Antiques, etc.       | \$344,490     | \$88,255       | \$119,400       |
| Others               | \$1,102,368   | \$282,416      | \$382,080       |
| Furniture            | \$30,537,000  | \$5,667,000    | \$7,667,000     |
| Furniture            | \$4,611,087   | \$855,717      | \$1,157,717     |
| Home Furnishings     | \$6,351,696   | \$1,178,736    | \$1,594,736     |
| Store/Office Equip.  | \$4,824,846   | \$895,386      | \$1,211,386     |
| Music Instr./Suppl.  | \$1,313,091   | \$243,681      | \$329,681       |
| Radios,TV, etc.      | \$13,436,280  | \$2,493,480    | \$3,373,480     |
| Transportation       | \$54,007,000  | \$13,836,000   | \$18,719,000    |
| New/Used Vehicles    | \$18,902,450  | \$4,842,600    | \$6,551,650     |
| Tires, Batt., Prts.  | \$23,817,087  | \$6,101,676    | \$8,255,079     |
| Marine Sales/Rentals | \$2,862,371   | \$733,308      | \$992,107       |
| Auto/Truck Rentals   | \$8,425,092   | \$2,158,416    | \$2,920,164     |
| Drugstore            | \$50,176,000  | \$12,854,000   | \$17,391,000    |
| Apparel              | \$42,137,000  | \$10,753,000   | \$14,549,000    |
| Men's and Boy's      | \$5,519,947   | \$1,408,643    | \$1,905,919     |
| Women's and Girl's   | \$13,989,484  | \$3,569,996    | \$4,830,268     |
| Infants              | \$884,877     | \$225,813      | \$305,529       |
| Family               | \$11,714,086  | \$2,989,334    | \$4,044,622     |
| Shoes                | \$8,806,633   | \$2,247,377    | \$3,040,741     |
| Jeans/Leather        | \$168,548     | \$43,012       | \$58,196        |
| Tailors/Uniforms     | \$758,466     | \$193,554      | \$261,882       |
| Others               | \$294,959     | \$75,271       | \$101,843       |
| Hardware             | \$47,856,000  | \$10,878,000   | \$14,717,000    |
| Hardware             | \$23,162,304  | \$5,264,952    | \$7,123,028     |
| Lawn/Seed/Fertil.    | \$909,264     | \$206,682      | \$279,623       |
| Others               | \$23,784,432  | \$5,406,366    | \$7,314,349     |
| Vehicle Service      | \$44,403,000  | \$11,375,000   | \$15,390,000    |
| Gasoline             | \$15,097,020  | \$3,867,500    | \$5,232,600     |
| Garage, Repairs      | \$29,305,980  | \$7,507,500    | \$10,157,400    |
| Miscellaneous        | \$74,994,000  | \$19,212,000   | \$25,993,000    |
| Advert. Signs, etc.  | \$1,199,904   | \$307,392      | \$415,888       |
| Barber/Beauty shop   | \$4,574,634   | \$1,171,932    | \$1,585,573     |
| Book Stores          | \$3,449,724   | \$883,752      | \$1,195,678     |
| Bowling              | \$1,724,862   | \$441,876      | \$597,839       |
| Cig./Tobacco Dealer  | \$524,958     | \$134,484      | \$181,951       |
| Dent./Physician Lab  | \$2,999,760   | \$768,480      | \$1,039,720     |
| Florist/Nurseries    | \$5,624,550   | \$1,440,900    | \$1,949,475     |
| Laundry, Dry Clean   | \$2,549,796   | \$653,208      | \$883,762       |
| Optical Goods/Opt.   | \$1,799,856   | \$461,088      | \$623,832       |
| Photo Sup./Photog.   | \$5,174,586   | \$1,325,628    | \$1,793,517     |
| Printing             | \$6,074,514   | \$1,556,172    | \$2,105,433     |
| Paper/Paper Prod.    | \$3,224,742   | \$826,116      | \$1,117,699     |
| Gifts/Cards/Novel.   | \$10,724,142  | \$2,747,316    | \$3,716,999     |
| Newsstands           | \$599,952     | \$153,696      | \$207,944       |
| Video Rent/Sales     | \$9,749,220   | \$2,497,560    | \$3,379,090     |
| Others               | \$14,998,800  | \$3,842,400    | \$5,198,600     |
| TOTAL                | \$539,527,000 | \$138,218,000  | \$187,001,000   |

\*Developed by The Chesapeake Group, Inc., 2024.

**Table 44 - Easton Residentially Support Square Footage of Space\***

| Sub-category         | 2024      | 2034 Added Low | 2034 Added High |
|----------------------|-----------|----------------|-----------------|
| Food                 | 85,051    | 27,483         | 37,183          |
| Supermarkets         | 67,644    | 21,858         | 29,573          |
| Independents         | 10,693    | 3,455          | 4,675           |
| Bakeries             | 3,921     | 1,267          | 1,714           |
| Dairies              | 1,931     | 624            | 844             |
| Others               | 862       | 279            | 377             |
| Eat/Drink            | 173,933   | 44,560         | 60,286          |
| General Merchandise  | 408,930   | 104,764        | 141,735         |
| Dept. Stores         | 101,625   | 26,035         | 35,223          |
| Variety Stores       | 29,180    | 7,476          | 10,114          |
| Jewelry              | 6,696     | 1,715          | 2,321           |
| Sporting Goods/Toys  | 30,040    | 7,696          | 10,412          |
| Discount Dept.       | 234,880   | 60,174         | 81,409          |
| Antiques, etc.       | 1,498     | 384            | 519             |
| Others               | 5,011     | 1,284          | 1,737           |
| Furniture            | 70,285    | 13,043         | 17,647          |
| Furniture            | 14,874    | 2,760          | 3,735           |
| Home Furnishings     | 23,525    | 4,366          | 5,906           |
| Store/Office Equip.  | 10,052    | 1,865          | 2,524           |
| Music Instr./Suppl.  | 6,565     | 1,218          | 1,648           |
| Radios, TV, etc.     | 15,269    | 2,834          | 3,834           |
| Transportation       | 177,001   | 45,347         | 61,348          |
| New/Used Vehicles    | 47,256    | 12,107         | 16,379          |
| Tires, Batt., Prts.  | 99,238    | 25,424         | 34,396          |
| Marine Sales/Rentals | 7,736     | 1,982          | 2,681           |
| Auto/Truck Rentals   | 22,771    | 5,834          | 7,892           |
| Drugstore            | 49,192    | 12,602         | 17,050          |
| Apparel              | 116,911   | 29,836         | 40,366          |
| Men's and Boy's      | 13,800    | 3,522          | 4,765           |
| Women's and Girl's   | 37,809    | 9,649          | 13,055          |
| Infants              | 2,950     | 753            | 1,018           |
| Family               | 46,856    | 11,957         | 16,178          |
| Shoes                | 10,008    | 2,554          | 3,455           |
| Jeans/Leather        | 562       | 143            | 194             |
| Tailors/Uniforms     | 3,792     | 968            | 1,309           |
| Others               | 1,134     | 290            | 392             |
| Hardware             | 195,012   | 44,327         | 59,971          |
| Hardware             | 84,227    | 19,145         | 25,902          |
| Lawn/Seed/Fertil.    | 2,674     | 608            | 822             |
| Others               | 108,111   | 24,574         | 33,247          |
| Vehicle Service      | 108,099   | 27,692         | 37,467          |
| Gasoline             | 10,412    | 2,667          | 3,609           |
| Garage, Repairs      | 97,687    | 25,025         | 33,858          |
| Miscellaneous        | 299,491   | 76,726         | 103,802         |
| Advert. Signs, etc.  | 4,363     | 1,118          | 1,512           |
| Barber/Beauty shop   | 22,873    | 5,860          | 7,928           |
| Book Stores          | 19,165    | 4,910          | 6,643           |
| Bowling              | 17,249    | 4,419          | 5,978           |
| Cig./Tobacco Dealer  | 1,050     | 269            | 364             |
| Dent./Physician Lab  | 9,230     | 2,365          | 3,199           |
| Florist/Nurseries    | 13,234    | 3,390          | 4,587           |
| Laundry, Dry Clean   | 8,499     | 2,177          | 2,946           |
| Optical Goods/Opt.   | 5,142     | 1,317          | 1,782           |
| Photo Sup./Photog.   | 14,785    | 3,788          | 5,124           |
| Printing             | 22,089    | 5,659          | 7,656           |
| Paper/Paper Prod.    | 16,124    | 4,131          | 5,588           |
| Gifts/Cards/Novel.   | 35,747    | 9,158          | 12,390          |
| Newsstands           | 1,200     | 307            | 416             |
| Video Rent/Sales     | 48,746    | 12,488         | 16,895          |
| Others               | 59,995    | 15,370         | 20,794          |
| TOTAL                | 1,683,905 | 426,380        | 576,855         |

\*Developed by The Chesapeake Group, Inc., 2024.

Easton surveyed existing buildings, and it includes space along the following streets and areas.

- ✓ Downtown
- ✓ West Dover Street
- ✓ East Dover Street
- ✓ West Street
- ✓ Federal Street
- ✓ North Harrison Street
- ✓ North Washington Street
- ✓ Goldsborough Street

The survey findings are as follows.

- ✓ The average building has 7,300 square feet of building at ground level and above.
- ✓ About forty-four percent of the buildings have between 4,000 and 7,500 square feet.
- ✓ About seventeen percent of the buildings have at least 10,000 square feet.

*Table 45 - Easton Space Inventory*

| Square Feet    | Percent |
|----------------|---------|
| Under 2500     | 10%     |
| 2500 to 3999   | 16%     |
| 4000 to 7499   | 44%     |
| 7500 to 9999   | 13%     |
| 10000 to 19999 | 11%     |
| 20000 or more  | 6%      |
| Total          | 100%    |

\*Developed by The Chesapeake Group, Inc., 2024. Based on information furnished by Easton.

- ✓ The total space is about 642,000 square feet.
- ✓ Roughly 414,000 square feet are active retail space.
- ✓ About 116,000 square feet are occupied office space.
- ✓ Roughly 82,000 square feet are vacant, with 63,000 square feet focused on Washington Street.
- ✓ About 186,000 square feet of space are associated with food and beverage services.
- ✓ About forty-six percent of all space are food and beverage.

The following are salient conclusions from the comparison of supply and demand.

- ✓ Residents of Easton alone currently support about 174,000 square feet of food and beverage space in any and all locations, including those outside of Easton.
- ✓ The supportable square footage of such space roughly equals locally generated demand for food and beverage operations.
- ✓ Easton residents will support an additional 45,000 to 60,000 square feet of food and beverage space in the future.

- ✓ Easton resident demand growth will support between 426,000 and 577,000 square feet of space at any allocations.
- ✓ The Easton resident demand is more than sufficient to fill vacant spaces and support additional commercial space.
- ✓ Other Talbot County residential growth will support growth in commercial space between 372,000 and 572,000. Even a small capture of such space in Easton further strengthens the potential for new space.
- ✓ No growth in consumer spending by visitors is anticipated. However, if visitation numbers continue to grow, expansion of commercial space opportunities may be feasible.

## **Office Space Associated with Non-Retail Goods and Related Services**

A metamorphosis in the office market continues throughout this country for many reasons including those that follow.

- ✓ Continued popularity of hybrid work.
- ✓ Tenants' desires for shorter-term leases.
- ✓ Too many dated buildings that once stored paper files and hosted server rooms.
- ✓ Too few single-tenant buildings that meet changing needs.
- ✓ Declines in the amount of square footage needed per worker.
- ✓ Increases in virtual meetings.
- ✓ Increases in medical patient virtual meetings.
- ✓ Digital replacement of book libraries in law offices and other professional offices.
- ✓ Difficulties with landlords getting returns if they put a lot of capital into a reconfiguration and are unable to get terms and a rental rate that reflects the costs of those improvements.

Yet, significant increases in households anticipated for Easton generate new demand for office space in the community to fill the growing demand for services and local employment. It is assumed that each new employee will occupy 200 square feet of space with a twenty percent new household-related employment rate.

The growth in demand indicates that between 68,000 square feet and 92,000 square feet of space will be marketable in the next ten years. The increase in demand can be used to fill vacant spaces or for new structures.

The increases in demand are sufficient to fill some of the vacant spaces and potentially create a small amount of new office space in the foreseeable future.

## **Entertainment**

Residents of Easton are expected to spend about \$44 million on entertainment annually. This is expected to increase to about \$50 million in ten years. A capture of fifty percent of this total is anticipated, with activities oriented toward the dollar capture.

County residents, excluding Easton's, are expected to spend an additional \$52 million in 2024. Twenty percent or \$10 million additional is capturable in Easton.

In addition, visitors will spend an added \$16 million on food service activity in Talbot County, with forty to fifty percent capturable in Easton, bringing the total to about \$40 million.

The capturable dollars support about 30 thousand square feet of retail goods and services space.

Current visitation patterns indicate that seasonal variations make activities largely or totally dependent upon visitors challenging. However, it is assumed that visitor activity can contribute an additional 15 thousand square feet to the retail goods and related services industry,

Maintaining an average 70 percent occupancy for room accommodations indicates that the inventory of rooms should not grow beyond existing and proposed unless visitor activity substantially increases. Increased trail system use would add to the viability of food services but is not likely to significantly expand off-season room use.

## **Easton Opportunities Synopsis**

Identified are opportunities for Easton that include those resulting in market segment penetration, creating internal synergy, enhancing or creating specific niches and clusters for new market opportunities, and enhancing or creating specific niches and clusters for new mixed-use opportunities.

The defined opportunities follow.

1. Between 1,700 and 2,300 new housing units. The units could provide redevelopment, infill, or small pocket developments on single or assembled sites.
2. Between 340 and 500 units would be one bedroom, creating opportunities for start-up households, senior households, and second homes. These units could be detached units or "flats" ranging in scale from 800 to 1,100 square feet or attached units.
3. Other units would be primarily two-bedrooms with between 1,000 and 1,300 square feet of space. If attached units and "non-flats" at least one bedroom should be on the first floor.
4. Demand will support between 426 thousand square feet and 577 thousand square feet of added retail goods and related services space.
5. At least 100,000 square feet of added space should focus on food services, with several operations providing evening entertainment venues appropriate for various age groups.

6. Targeted corridors and downtown properties are appropriate locations for food service operations, through retrofitting or new space creation. Not all food service operations will involve the costly construction of complete kitchens.
7. Clustering of food service operations is an appropriate and desired option for new development, infill, or reuse.
8. The feasibility of expanding the Amish full-year indoor farmers' market should be explored, creating a seven days a week a year around commercial anchor.
9. Between 68,000 square feet and 92,000 square feet of office space will be marketable in the next ten years and used to fill vacant space or for new structure occupancy. Outpatient health care and orthopedics are likely focuess with the continued aging of the population.

## Easton Strategy Development

The strategy includes the general market findings for the types of activities analyzed and non-physical concepts for effectuating change and the integration of existing operations and developments. Along with the quantitative information will be qualitative opinions for the types of activity and composition based on the likelihood of success.

The following is appropriate for Easton. In some cases, the activity will require cooperation with Talbot County

### Affordable housing

Housing prices in Easton and elsewhere in Talbot County continue to rise,. Many current residents that will move from their current homes, potentially young households that would find Easton attractive, and the current and future workforce are priced out of the market.

- ✓ Local support for an increase in housing to accommodate the above can come from the following.
- ✓ Modifications to real estate tax policies, including delays in payments at the onset of projects.
- ✓ Sale or lease of government owned land.
- ✓ Wavier or delay of utility hookups and other related fees

Additional opportunities exist through the development of smaller housing units. As noted, there is a strong demand for homes below what is typically found in the area.

- ✓ 600 to 950 square foot one-bedroom homes oriented toward young households and seniors/ these could include small/micro lots, attached flats, or duplex units.
- ✓ Employment of emerging construction techniques, including 3D printing, off-site, and robotic construction.

## Home maintenance

Continued support for seniors remaining in place would help hold the existing population as it ages. Many will move because they can't fiscally or physically maintain their homes. Maintenance assistance can be provided through a non-profit repair service or an affordable “guarantee” fixed-price system for standard repairs.

## Focus on food year-around, taking advantage of expanding “off-season” attraction of non-residents

Maryland’s climate continues to metamorphose. Rising average temperatures and lesser snow accumulation make expansion of “close-by” events and activity feasible. Marketing Talbot County, Easton, Saint Michaels, and others should expand during the winters. The amount of perceived “risk” to day trippers and dinners will be less and less as the metamorphosis continues.

Ease of access from populations in other counties in the DelMarVa area and west of the Bay Bridge to Baltimore, Washington suburbs, and the Philadelphia area should grow for the off-season through means that include added venues stressing the ease of access during the winter.

Activities such as carriage rides could also be expanded through and including the winter holiday season.

## Promotion > food service

Easton food services marketing should be the key to expanding the visitor season. The focus should be on increased off-season food events with promotion geared toward non-Talbot County residents. Collective expanded off-season restaurant weeks and weekends should also be considered.

National promotion of shipping “Easton” food specialties should be expanded much like that done by Linton in Crisfield but aggregated for multiple establishments.

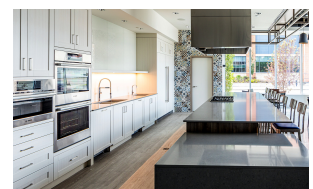
An example of such aggregated marketing is “Eastern Apples” branding for Adams County, Pennsylvania.

## A community kitchen to strengthen entrepreneurship

Community kitchens are spaces owned by an organization or business that are open and available to local food entrepreneurs, caterers, and others. Community kitchens for shared use have many advantages.

Community kitchens may be a key to future economic activity in Easton.

- ✓ It would foster entrepreneurship.
- ✓ The facilities could strengthen operations typically found in farmers’ markets.
- ✓ They could attract younger households interested in culinary arts to Easton.
- ✓ The kitchens could provide an ongoing supply of restaurateurs.



Management options follow

- ✓ The business or organization would hire professional management/leasing and cleaning companies. Better terms would likely be achieved through the hiring of small or independent companies.
- ✓ Proper legal tenant/user responsibilities must be developed to meet all safety and health code requirements.
- ✓ Linkages with educational programs for chefs and restaurant management could be established with community colleges and other academic institutions. The community kitchen dramatically decreases the start-up costs for food service businesses, baking for supermarkets and others, those who participate in farmers' markets, online sales, etc.



Potential lease terms follow

- ✓ Leases can be for one month or less, but more likely for three to six months, up to one year.
- ✓ Triple net and CAM charges would be included.
- ✓ Grants will likely be available from the Federal government, including USDA and the State of Maryland to cover potentially significant portions of the development/renovation costs.

### **Netflix entertainment center as part of an expanded restaurant venue.**

With the expansion of the indicated food service activity, Easton should consider branding as a Location Based Entertainment (LBE). LBE experience is a consumer-oriented category that combines elements of hospitality, leisure, and retail. Location based entertainment venues are destinations that consumers visit with the expectation of being entertained.

Large-scale LBE locations like Disney World include multiple entertainment, lodging, dining and shopping choices appealing to various age groups. Smaller LBE venues may offer one or two core experiences such as a themed restaurant or live performances paired with self-service entertainment.

For younger and Generation X, Y, Z, and A consumers, the boundaries between their online and offline worlds are nearly non-existent. Brands and media consumed online and off feed their preferences and fuel their shopping habits. Brands leverage this trend by promoting their own brand or partnering with a recognized property through a licensing agreement. Virtual and augmented reality are often involved.

The addition of a familiar character or theme to a location's entertainment offerings boosts awareness and affinity among consumers. Incorporating artwork and design into the experience can increase its shareability online. Sharing of experiences through social media is current word-of-mouth advertising.

Netflix has the “Stranger Things” and has been a breakout hit for the streaming video and production brand. Netflix has launched Stranger Things cafes, restaurants and stores, bringing the show’s experiences to fans should be considered for Easton and its strategic corridor locations.

### **Ripken Sports Complex with an extended season.**

Ripken sports complexes are expanding throughout the country, with their home base still in Aberdeen, Maryland. Not appropriate for downtown, a complex oriented to bring youth for tournaments ten months of the year should be sought.

The following summarizes the time frame, priority (one to five, with 1one being the highest), and responsibility for each element.

*Table 46 – Time Frame, Priority, and Responsibility for Implementation of Opportunities\**

| Activity                     | Time Frame to Complete | Priority on 1 to 5 Scale | Responsibility Entity                                | Funding                   |
|------------------------------|------------------------|--------------------------|------------------------------------------------------|---------------------------|
| Affordable Housing           | 10 years               | 1                        | Easton<br>Local Foundation<br>Interests<br>Endowment | Easton<br>County          |
| Home Maintenance             | 2 to 3 years           | 3                        | Easton                                               | Easton<br>CDBG            |
| Year Around Food Focus       | 2 years                | 1                        | Talbot County<br>Easton<br>Local Restaurateurs       | Local                     |
| Promotion > Food Service     | 2 years                | 1                        | Talbot County<br>Easton<br>Local Restaurateurs       | Local                     |
| Community Kitchen            | 3 years                | 2                        | Easton                                               | Local<br>State<br>Federal |
| Netflix Entertainment Center | 2 to 3 years           | 3                        | Easton<br>Talbot County                              | Local<br>State            |
| Ripken Sports Complex        | 5 years                | 4                        | Easton<br>Talbot County                              | Local                     |

\*Developed by The Chesapeake Group, Inc., 2024.