Retail Strategy for the City of Cambridge

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2. Citywide Analysis
3. Citywide S-W-O-T
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   - Business Environment
   - Administrative Capacity
   - Market Data + Demographics

b. District-Level Analysis

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1. Central Square
2. Kendall Square
3. East Cambridge/North Point
4. Porter Square/Lower Mass
5. Harvard Square
6. Inman Square
7. Fresh Pond/Alewife
8. Huron Village/Observatory Hill
9. North/Upper Mass

Prepared by Larisa Ortiz Associates (LOA)
Overall State of Retail
Growth of e-commerce and online tools are leading consumers to merge online and offline into a single shopping experience.

**People are buying more online**

E-Commerce in the US reached nearly **$395 billion in 2016**. However, this only accounts for **11.7% of total retail sales**.

**Online sales affect retail categories differently**

Computer and Electronics and apparel and accessories accounted for **45% of ecommerce sales**.

**Most retail sales in the US are influenced by digital tools**

78% of shoppers research online before heading to a store. At the same time, **72% of shoppers buy digitally after seeing a product in a store**.
Growth of e-commerce and online tools are leading consumers to merge online and offline into a single shopping experience.

In Cambridge:

A Cambridge business manager revealed that last year over 50% of his total sales were made online.

- Residents who made a personal purchase online in the last 30 days: 42%
- Residents who have internet at home: 60%

Source: ESRI Business Analyst Online 2016

In an interview with a local business in Cambridge, the owner revealed having **spikes in visitation and sales after posting new products on Instagram**.

Source: Prepared by Larisa Ortiz Associates (LOA)
Overall State of Retail

Growth of e-commerce and online tools are leading consumers to merge online and offline into a single shopping experience.

- Online retailers are also opening *bricks-and-mortar* so they can fulfill orders at different localities
  - Retailers are using their stores as fulfillment centers
    - E.g. Target opening in Central Square will feature a separate entrance for online order pick ups
  - Larger retailers are right-sizing and occupying smaller footprints that can be accommodated in downtown retail spaces

<table>
<thead>
<tr>
<th>Online Retailer</th>
<th>Current no. of <em>bricks-and-mortar</em> locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>10</td>
</tr>
<tr>
<td>Warby Parker</td>
<td>50</td>
</tr>
<tr>
<td>Bonobos</td>
<td>30</td>
</tr>
</tbody>
</table>

Changes in Consumer Habits

Prepared by Larisa Ortiz Associates (LOA)
Overall State of Retail

The industry is facing fundamental and cross-generational shifts in consumer dining habits.

Restaurants make up 15% of all retail sales. Restaurant sales growth has surpassed all other retail categories since the recession, +19% between 2012 and 2015.

Expenditure data shows that U.S. consumers have started spending more on dining in restaurants and meals outside the home (+5%) than on buying groceries and eating in (0%)*

8 in 10 consumers say dining out with family and friends is a better use of their leisure time than cooking and cleaning up**

% of National Retail Sales
Source: U.S. Census Bureau
(Core retail sales excl. motor vehicles and parts dealers)

Restaurants

*Source: Bureau of Economic Analysis Q1 2016
**Source NRA Restaurant Industry 2016
Overall State of Retail

The industry is facing fundamental and cross-generational shifts in consumer dining habits.

In Cambridge:
Restaurants are the largest retail category citywide by number of businesses (38% of total retail businesses). Total sales from food services and drinking places in 2016 was $404,153,691* with a $133 million surplus* confirming that Cambridge is already a dining destination.

Restaurants are the main retail anchors in Inman and Kendall Square and provide key complementing anchor functions in Harvard and Central Square.

*Source: ESRI Business Analyst Online 2016
Prepared by Larisa Ortiz Associates (LOA)
Overall State of Retail

Consumers are spending less on products and more on experiences and service-based retail

Experience-related purchases (travel, sports events, shows) were the top spending category for consumers in the 2016 holiday season.*

US 2016 Census shows a decrease in total sales in the past year for retail categories including department stores (-5.6%), electronics and appliances (-3.2%), general merchandise (-1%) and clothing & accessories.

Number of Retail Stores Closing in Early 2017

- Payless: 1000
- Bebe: 552
- American Apparel: 170
- CVS: 138
- Macy’s: 110
- Sears: 108
- In early 2017, a large number of retailers closed an unprecedented number of stores throughout the country.

Source: Business Insider 2017 - “More than 3,200 stores are shutting down – here’s the full list”. Hayley Peterson.
Overall State of Retail

Consumers are spending less on products and more on experiences and service-based retail

Service-based retail involve in-person interactions and thus can be best transacted at physical locations, for example:
• Restaurants
• Cinemas
• Theaters
• Personal services
• Health and fitness facilities
• Art studios, galleries and stores

Traditional retailers are also adapting store formats to personalize services and offer hands-on, memorable experiences:

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home improvement stores</td>
<td>DIY home décor classes</td>
</tr>
<tr>
<td>Electronics and appliance stores</td>
<td>Cooking classes, model kitchens</td>
</tr>
<tr>
<td>Sporting goods stores</td>
<td>Rock climbing walls, equipment testing, yoga classes</td>
</tr>
<tr>
<td>Café, restaurants</td>
<td>Social gatherings, outdoor dining*</td>
</tr>
</tbody>
</table>

*Anecdotal evidence (by individual business owners on multiple media outlets) has shown that the adding a deck or patio can increase revenue from 20% to 60%, depending on number of seats added and whether the area is weatherized.
Overall State of Retail

Changes in Consumer Habits

Consumers are spending less on products and more on experiences and service-based retail

In Cambridge:

Overall net retail establishments declined by approximately 15% from 2001 to 2015. Electronics & Appliance stores and Sporting goods/hobby/book/music stores accounted for ~70% of overall losses**.

Meanwhile, **sales have improved in experience-based categories** such as food and beverage, services, and entertainment retail*. An increasing number of stores are offering more **in-store events** and a number of restaurants are seeking to expand and **enhance their dining experience** by adding **rooftop dining**.

Harvard Book Store holds between 350-450 author readings annually to drive business to the store. Meanwhile, Schoenhof’s Foreign Books closed its physical store and sells online.
Overall State of Retail

1. Growth of e-commerce and online tools are leading consumers to merge online and offline into a single shopping experience

2. The industry is facing fundamental and cross-generational shifts in consumer dining habits

3. Consumers are spending less on products and more on experiences and service-based retail

Summary

Prepared by Larisa Ortiz Associates (LOA)
City-Wide Analysis
City-Wide Analysis

Accessibility is unequal among the City’s districts and may require different parking requirements

<table>
<thead>
<tr>
<th></th>
<th>Harvard Square</th>
<th>Central Square</th>
<th>Kendall Square</th>
<th>Inman Square</th>
<th>Fresh Pond/Alewife</th>
<th>East Cambridge</th>
<th>Porter Square/Lower Mass</th>
<th>North/Upper Mass</th>
<th>Huron Village</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traffic Count</strong></td>
<td>16,079*</td>
<td>13,566*</td>
<td>19,900*</td>
<td>16,880*</td>
<td>44,938**</td>
<td>7,268**</td>
<td>21,188***</td>
<td>6,000***</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Walk Score™</strong></td>
<td>98</td>
<td>97</td>
<td>88</td>
<td>93</td>
<td>78</td>
<td>93</td>
<td>94</td>
<td>91</td>
<td>80</td>
</tr>
<tr>
<td><strong>Bike Score™</strong></td>
<td>98</td>
<td>99</td>
<td>99</td>
<td>88</td>
<td>93</td>
<td>88</td>
<td>78</td>
<td>83</td>
<td>93</td>
</tr>
<tr>
<td><strong>Transit Score™</strong></td>
<td>81</td>
<td>72</td>
<td>75</td>
<td>70</td>
<td>64</td>
<td>83</td>
<td>73</td>
<td>70</td>
<td>64</td>
</tr>
</tbody>
</table>

* Traffic counts from City of Cambridge - year 2012-2013
** Traffic counts from City of Cambridge - year 2016
*** Traffic counts from City of Cambridge - year 2009-2010

Source: ESRI Business Analyst Online and WalkScore™

Prepared by Larisa Ortiz Associates (LOA)
For example, Lower Mass* has a parking ratio of 0.56 parking spaces per 1,000 SF, which limits the ability of businesses to capture sales from the thousands of daily drivers. Typical ratios for similar districts vary between 1 – 2 parking spaces per 1,000 SF.
# City-Wide Analysis

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Population</strong></td>
<td>105,162</td>
<td>110,562</td>
<td>115,640</td>
</tr>
<tr>
<td><strong>Population Density</strong></td>
<td>15,766/ sq mile</td>
<td>16,576/ sq mile</td>
<td>17,337/ sq mile</td>
</tr>
<tr>
<td><strong>Median Age</strong></td>
<td>30.3</td>
<td>31.3</td>
<td>31.6</td>
</tr>
<tr>
<td><strong>Population aged 20-34</strong></td>
<td>44.5%</td>
<td>42.8%</td>
<td>42.9%</td>
</tr>
</tbody>
</table>

**Population is growing steadily** and will become more **densely populated**.

Slightly **aging** population.

Millennials make up the greatest **portion of the population** although they are **decreasing** in numbers.

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Family Households 46.80%

Non-Family Households 36.90%

Non-Institutional Group Quarters 16.00%

e.g. college dorms, group homes, missions or shelters.

The Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in group quarters.

Source: ESRI Business Analyst Online 2016

Prepared by Larisa Ortiz Associates (LOA)
### City-Wide Analysis

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Median Household Income</strong></td>
<td>$64,790</td>
<td>$74,196</td>
<td>$82,030</td>
</tr>
<tr>
<td><strong>Households with income &lt; $25,000</strong></td>
<td>24.5%</td>
<td>20.5%</td>
<td>20.4%</td>
</tr>
<tr>
<td><strong>White population</strong></td>
<td>66.6%</td>
<td>61.1%</td>
<td>56.6%</td>
</tr>
<tr>
<td><strong>Black population</strong></td>
<td>11.7%</td>
<td>12.8%</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>Asian population</strong></td>
<td>15.1%</td>
<td>18.3%</td>
<td>20.9%</td>
</tr>
<tr>
<td><strong>Hispanic population</strong></td>
<td>7.6%</td>
<td>9.3%</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

- **MHI is projected to continually increase.**
- **However, there remains a consistent proportion of low income population.**
- **The overall population of the City is diversifying** with the Hispanic population as the fastest growing ethnic group, followed by the Asian population.

Source: ESRI Business Analyst Online 2016

Prepared by Larisa Ortiz Associates (LOA)
## City-Wide Analysis

### Demographics

<table>
<thead>
<tr>
<th>2016</th>
<th>Cambridge</th>
<th>Massachusetts</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of households that own/lease any vehicle</td>
<td>69%</td>
<td>83%</td>
<td>86%</td>
</tr>
<tr>
<td>Renter-occupied housing</td>
<td>67.75%</td>
<td>39.35%</td>
<td>37.24%</td>
</tr>
</tbody>
</table>

The City reflects typical car and home ownership trends of urban areas: **Lower car ownership** and **higher renter-occupied housing** units than state and national levels.

Source: ESRI Business Analyst Online 2016

Prepared by Larisa Ortiz Associates (LOA)
Citywide Analysis

Source: ESRI Business Analyst Online

Metro Renters
- MHI: $52,000
- Well-educated/ still enrolled in college
- Interested in fine arts
- Well-informed customers
- Prefer environmentally-safe products
- Very sociable

Laptops & Lattes
- MHI: $93,000
- Health-conscious consumers
- Environmentally-conscious
- Image-conscious
- Tech-savvy

Trendsetters
- MHI: $51,000
- Young, educated, single
- Image/style-conscious
- Upscale living
- Attentive to health + nutrition
- Enjoy good deals

Urban Chic
- MHI: $98,000
- Well educated and well-connected consumers
- Tech-savvy
- Maintain ‘green’ lifestyles and eat organic foods

International Marketplace
- MHI: $41,000
- Young, diverse family market
- Mostly Hispanic
- Less educated
- Attentive to personal style

Prepared by Larisa Ortiz Associates (LOA)
City-Wide Analysis

Total No. of Primary Jobs: 108,372

- Professional, Scientific, and Technical Services: 26.6%
- Educational Services: 26.4%
- Health Care and Social Assistance: 9.4%
- Accommodation and Food Services: 7.4%
- Retail Trade: 5.3%
- Information: 3.8%
- Administration & Support, Waste Management and Remediation: 3.6%

Worker-to-Resident Ratio: 1:1

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2nd Quarter of 2014)
Cambridge retailers need to offer contemporary, hip and trendy merchandise of moderate prices. To meet student budgets, lower priced options should also be made available.

Market Composition

- Residents: 44%
- Workers: 45%
- Students: 9%
- Visitors: 2%

Strategic Positioning

- Traditional
  - Metro Renters: 32.0%
  - International Marketplace: 3.0%
- Contemporary
  - Trendsetters: 20.1%
  - Urban Chic: 4.0%
- Hip/Trendy
  - Laptops + Lattes: 30.8%

Source: 2016 ESRI Business Analyst Online, Cambridge Hotel Directory, LOA Calculations
Prepared by Larisa Ortiz Associates (LOA)
City-Wide Analysis

Competitive Districts
Davis Square, Somerville MA

1. Adjacent to North/Upper Mass District
2. Primarily serves residents and Tufts University students
3. Dining destination with restaurants serving various cuisines including Mexican, Italian, Tibetan, Japanese food
4. Cultural destination featuring entertainment anchors such as Somerville Theater
5. Active district events and programming: seasonal outdoor festivals held in the square and on the streets

Average Asking Rent: $46 /SF

Source: Costar and LoopNet February and March 2017

Prepared by Larisa Ortiz Associates (LOA)
Hello Somerville!
Today at Hansons Farm we have a fantastic array of fresh fruits and veggies like tomatoes, corn, greens, eggplant, eggs, peppers, zucchini, summer squash, cucumbers, and more! Have a fabulous day!
City-Wide Analysis

Competitive Districts
Union Square, Somerville MA

1. Adjacent to Inman Square
2. Primarily serves nearby residents
3. New creative workers at maker spaces
4. Dining and drinking destination due to wide variety of cuisine including Peruvian, Portuguese, and Indian
5. Popular Korean and Japanese grocery store serves as an anchor
6. Union Square Donut - destination eatery
7. Union Square Farmers Market widely known as one of the best in the Boston area

Prepared by Larisa Ortiz Associates (LOA)

Source: Costar and LoopNet February and March 2017
City- Wide Analysis

Competitive Districts
Assembly Row, Somerville MA

1. New mixed use development featuring apartments, an outlet mall, and about 1.6m SF of office spaces
2. Anchors include new LegoLand, AMC Cinema and American Fresh Brewhouse
3. Outlet mall serves as one-stop shopping destination for tourists
4. 6-acre riverfront public space available for events and programming

Business Environment

Average Asking Rent: $50/SF

Source: Federal Realty

Prepared by Larisa Ortiz Associates (LOA)
City-Wide Analysis

Competitive Districts
Downtown Boston, MA

1. Anchored by large public institutions and Boston Common
2. Highly accessible – served by three T-stations and walkable streets
3. District features both large national retailers and smaller, local businesses
4. Many entertainment and cultural destinations such as museums, operas, theaters, cinemas, and aquariums
5. Large concentration of hotels for domestic and international visitors
6. Historic markets serve as destinations including Faneuil Market, Boston Public Market and Haymarket

Asking Rents: $34 - $116/SF

Source: Costar and LoopNet February and March 2017
City-Wide Analysis

Retail Mix

- Food Services and Drinking Places is the largest retail category followed by Health and Personal Care Stores.
- General Merchandise <1%

Business Environment

- Motor Vehicles, Parts Dealers & Gas Stations
- Furniture and Home Furnishings
- Building Material, Garden Equipment & Supplies
- Electronics, Appliance & Telecommunications
- Food & Beverage
- Food Services and Drinking Places
- Health & Personal Care
- Clothing & Clothing Accessories
- Sporting Goods, Art, Books, Music and Hobby
- General Merchandise
- Miscellaneous Goods
- Used Merchandise
- Vacant

Note: Miscellaneous Goods refers to florists, office supplies, stationery and gift stores, used merchandise stores and others. Food & Beverage refers to grocery stores, specialty food stores and beer/wine/liquor stores.

Source: City of Cambridge Business Data
Prepared by Larisa Ortiz Associates (LOA)
Citywide Analysis

Top Leakage + Surplus Categories (residential)

General merchandise and grocers likely looking for opportunities.

Surplus suggests Cambridge is already a regional eating and drinking destination.

Opportunities lie in creating environments that support existing retailers.

Source: LOA; ESRI Business Analyst Online
Prepared by Larisa Ortiz Associates (LOA)
City-Wide Analysis  

Cost of Doing Business

According to the 2017 Citywide Business Survey and focus groups, there has been an increase in cost of operating businesses, including rents, utilities, and property taxes. According to the survey respondents, the top 3 challenges to the profitability of their businesses are:

1. Increase in rent
2. Increase in cost of utilities
3. Increase in cost of real estate taxes

This is compounded by the fact that many retail properties in Cambridge have Triple Net Leases.

Triple Net Leases require tenants to pay all insurance, maintenance, and taxes.

The 2017 Citywide Business Survey was made available online for 6 weeks and 68 small business owners responded. Find the full survey results online: [http://www.cambridgema.gov/CDD/Projects/EconDev/~/media/B0F690EA260F45449CC8E5F3C4B9FDD7.ashx](http://www.cambridgema.gov/CDD/Projects/EconDev/~/media/B0F690EA260F45449CC8E5F3C4B9FDD7.ashx)

Prepared by Larisa Ortiz Associates (LOA)
Despite increasing real estate costs, average asking rents are comparable or less than nearby competitive districts.

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Asking Rent (per SF)</th>
<th>Median Asking Rent (per SF)</th>
<th>Range of Spaces Available (SF)</th>
<th>Average Space Size (SF)</th>
<th>Median Space Size (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Pond/Alewife</td>
<td>$30 - $60</td>
<td>$46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davis Square</td>
<td>$46</td>
<td>$50</td>
<td>500 - 6,300</td>
<td>2,549</td>
<td>1,800</td>
</tr>
<tr>
<td>North/Upper Mass</td>
<td>$32</td>
<td>$43</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Huron Village/Observatory Hill</td>
<td>$28</td>
<td>$32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union Square</td>
<td>$43</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Porter Square</td>
<td>$43</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assembly Row</td>
<td>$50</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inman Square</td>
<td>$26</td>
<td>$32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harvard Square</td>
<td>$106</td>
<td>$106</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kendall Square</td>
<td>$35</td>
<td>$35</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Cambridge</td>
<td>$42</td>
<td>$42</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Costar and LoopNet February and March 2017; *HR&A 2016 Market Scan
Prepared by Larisa Ortiz Associates (LOA)
The average asking rental rate per SF for Retail Commercial properties as of June 2016 was $33.84. Rental rates remained unchanged compared to the prior 3 months, with no change year-on-year.

Source: LoopNet 2017
Prepared by Larisa Ortiz Associates (LOA)
City-Wide Analysis

Structural Challenges

Permitting process is onerous

Described by many business owners as long and uncertain.

Zoning and Table of Uses do not reflect new business dynamics

Special permit requirement/variances for ‘fast food’ establishments is a hurdle to entry for new local businesses (food to go options) and other regulations constrain experience-based retail.

Parking requirements ignore impacts of weather, special needs groups and business needs

Walking and biking is less conducive to extreme weather conditions and to the needs of seniors and people with disabilities. Parking requirements disregards the needs of employees who do not live in transit accessible places.

Prepared by Larisa Ortiz Associates (LOA)
Cambridge has a large number of neighborhood and business associations that deliver key services to businesses and commercial districts and provide key links between the City and businesses.

However, there is a vast disparity amongst the associations in terms of budget and operating capacity which leads to imbalance support and services for businesses of various districts.

**Budget Range**
Less than $2k to $600k

**Staff Size Range**
0 - 3.5 full-time

Economic Development Division of Department of Community Development connects businesses to resources but has limitations on what they can do and provide directly to businesses due to Massachusetts State laws.
S-W-O-T

**Strengths**
- Walkable
- Multi-modal
- Human-scale buildings
- Clearly-defined commercial nodes

**Weaknesses**
- Lack of retail continuity and limited accessibility in some districts

**Threats**
- Limited parking for visitors and employees in some districts hurts small businesses

**Opportunities**
- Right-sizing parking within each district
- Ensure ground floor spaces are filled with short term or long term active uses

Prepared by Larisa Ortiz Associates (LOA)
**S-W-O-T**

**Strengths**
- Strong demand for space
- Strong institutional and commercial anchors
- Small business presence citywide

**Weaknesses**
- Rising costs of operating business (rent, taxes + utilities)
- High build-out costs for new businesses

**Opportunities**
- Decrease financial and regulatory barriers for new businesses
- Integration of 4 City Departments into a single portal
- Provide technical assistance to small businesses via business associations to adapt to changing consumer behaviors (e.g. build online presence - online reviews, business directories)

**Threats**
- Outdated regulations and unclear permitting process constrain small businesses
- Changing consumer behavior requires new tactics from business owners (e.g. online sales)

Prepared by Larisa Ortiz Associates (LOA)
S-W-O-T

**Strengths**
- Active business associations
- Active and engaged Economic Development Office

**Weaknesses**
- Limited budget and staff capacity of some associations
- Limits to what City of Cambridge can provide to businesses

**Opportunities**
- Further engage and strengthen associations

Prepared by Larisa Ortiz Associates (LOA)
S-W-O-T

**Strengths**
Strong and growing workforce
Dense, educated mid-income and diversifying population

**Weaknesses**
Some areas lack density and/or nearby daytime population to support stronger retail presence

**Opportunities**
Market districts to worker populations
Support residential development in districts that can accommodate growth

Prepared by Larisa Ortiz Associates (LOA)
District Categories

**Regional/ Specialty Commercial District**

- High worker to resident ratio
- Higher number of businesses/retail offerings

**Neighborhood/ Community Commercial District**

- Serving mostly local residents
- Lower number of businesses/retail offerings

Prepared by Larisa Ortiz Associates (LOA)
North/Upper Mass
Fresh Pond/Alewife
Regional/ Specialty
Residents
Students
Visitors
Workers

Porter Sq
North/Community
Residents
Students
Visitors
Workers

Harvard Sq
Huron Village/Observatory Hill
Regional/ Community
Residents
Students
Visitors
Workers

Inman Sq
Regional/Community
Residents
Students
Visitors
Workers

Central Sq
Regional/ Specialty
Residents
Students
Visitors
Workers

Kendall Sq
Regional/ Specialty
Residents
Students
Visitors
Workers

East Cambridge
Residents
Visitors
Workers

Prepared by Larisa Ortiz Associates (LOA)
## Regional/Specialty

<table>
<thead>
<tr>
<th></th>
<th>Harvard Square</th>
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<th>Inman Square</th>
<th>Fresh Pond/Alewife</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of businesses</td>
<td>210</td>
<td>119</td>
<td>65</td>
<td>69</td>
<td>46</td>
</tr>
<tr>
<td>Total Population*</td>
<td>16,165</td>
<td>24,788</td>
<td>7,018</td>
<td>21,244</td>
<td>6,495</td>
</tr>
<tr>
<td>Population Density (per sq mile)</td>
<td>20,462</td>
<td>31,377</td>
<td>12,017</td>
<td>26,891</td>
<td>8,222</td>
</tr>
<tr>
<td>Total No. of Workers</td>
<td>23,379</td>
<td>11,277</td>
<td>36,303</td>
<td>10,291</td>
<td>5,779</td>
</tr>
<tr>
<td>Worker-Resident Ratio</td>
<td>1.4:1</td>
<td>2:1</td>
<td>5:1</td>
<td>0.5:1</td>
<td>1:1</td>
</tr>
<tr>
<td>MHI</td>
<td>$65,380</td>
<td>$73,057</td>
<td>$62,118</td>
<td>$75,162</td>
<td>$43,951</td>
</tr>
</tbody>
</table>

### Top Leakage Categories

<table>
<thead>
<tr>
<th></th>
<th>Grocery</th>
<th>General Merchandise</th>
<th>Building/Garden Materials</th>
<th>Clothing &amp; Accessories</th>
<th>Furniture &amp; Home Furnishings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Top Leakage Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grocery</td>
</tr>
<tr>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

### Upcoming retail SF

<table>
<thead>
<tr>
<th></th>
<th>Harvard Square</th>
<th>Central Square</th>
<th>Kendall Square</th>
<th>Inman Square</th>
<th>Fresh Pond/Alewife</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upcoming retail SF</td>
<td>41,916</td>
<td>212,853</td>
<td>1,546</td>
<td>13,428</td>
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### Surplus/Leakage

<table>
<thead>
<tr>
<th></th>
<th>Surplus</th>
<th>Leakage</th>
<th>Surplus</th>
<th>Leakage</th>
<th>Surplus</th>
</tr>
</thead>
</table>

Prepared by Larisa Ortiz Associates (LOA)
<table>
<thead>
<tr>
<th></th>
<th>East Cambridge (Cambridge St)</th>
<th>Porter Square</th>
<th>North/ Upper Mass</th>
<th>Huron Village/ Observatory Hill</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of businesses</td>
<td>55 (excl/ Galleria)</td>
<td>39</td>
<td>52</td>
<td>33</td>
</tr>
<tr>
<td>Total Population</td>
<td>11,989</td>
<td>16,887</td>
<td>13,235</td>
<td>12,528</td>
</tr>
<tr>
<td>Population Density (per sq mile)</td>
<td>15,176</td>
<td>21,376</td>
<td>16,753</td>
<td>15,858</td>
</tr>
<tr>
<td>Total No. of Workers</td>
<td>16,992</td>
<td>4,832</td>
<td>4,612</td>
<td>1,329</td>
</tr>
<tr>
<td>Worker to Resident Ratio</td>
<td>1.5:1</td>
<td>0.3:1</td>
<td>0.3:1</td>
<td>0.1:1</td>
</tr>
<tr>
<td>MHI</td>
<td>$67,931</td>
<td>$85,990</td>
<td>$79,381</td>
<td>$101,017</td>
</tr>
<tr>
<td>Top Leakage Categories</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grocery</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>General merchandise</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building/ Garden Materials</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Clothing &amp; Accessories</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food/ Drinking Places</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Upcoming retail SF</td>
<td>36,440</td>
<td>9,293</td>
<td>480</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/ Leakage</td>
<td>Surplus</td>
<td>Leakage</td>
<td>Leakage</td>
<td>Leakage</td>
</tr>
</tbody>
</table>

Prepared by Larisa Ortiz Associates (LOA)
GUIDING PRINCIPLES
# Guiding Principles

Address the conditions that make Cambridge challenging as a place for small businesses to locate and thrive.

## 1. Drive Experience
- Support experience-based retailers and food establishments
- Encourage district-wide activities and events

## 2. Thrive Online
- City-wide effort to help businesses establish their online presence (including review platforms, e.g. Yelp, Travelocity as well as omni-channel retailing)

## 3. Fill Gaps
- Fill gaps with short-term/ pop-up uses

## 4. Improve Access
- Allow commercial parking along side streets that mirror depth of commercial buildings (specifically Lower Mass Ave)

## 5. Allow Retail Flexibility (Reduce regulatory and financial barriers)
- Adapt commercial land use classification to allow for flexible retail formats and business models (e.g. small batch manufacturing, wholesale and retail, art store and pottery classes)
  - Adapt definitions and requirements of “educational land uses” and “fast food”
  - Eliminate fast food order cap
- Increase grants for Storefront Improvement/Small Business Enhancement Program
- Provide legal support for businesses during leasehold negotiations via business associations

Prepared by Larisa Ortiz Associates (LOA)
APPENDIX
Harvard Square
Harvard Square is a young and vibrant institution anchored by many cultural and educational institutions.

### Harvard Square

- **Total Population**: 16,165
- **Population Density**: 20,462/ sq mile
- **Median Household Income**: $65,380
- **Total No. of Workers**: 23,379
- **Worker to Resident Ratio**: 1.4:1

### Business Categories

- **Clothing and Food Services and Drinking Places**: 36%
- **Health and Personal Care**: 20%
- **Accessories Stores**: 9%
- **Clothing Accessories Stores**: 8%

Prepared by Larisa Ortiz Associates (LOA)

Sources: City of Cambridge Business Data; ESRI Business Analyst Online 2016; City of Cambridge Market Profile; OnTheMap US Census Bureau
Successful retailers will offer products that are contemporary, hip and trendy in the low to moderate price points.

Customers noted a preference for independent and affordable businesses. In addition to these retail categories, they would also like to see more restaurants, entertainment venues and specialty retail.

There is an overall surplus of $40 million in Harvard Square.

Top 3 Leakage Categories
Source: LOA; ESRI Business Analyst Online

- Grocery Stores: $38,080,168
- General Merchandise Stores: $26,360,305
- Building Materials, Garden Equipment & Supply: $5,691,050

Customers noted a preference for independent and affordable businesses. In addition to these retail categories, they would also like to see more restaurants, entertainment venues and specialty retail.
Central Square

Central Square is a popular dining, entertainment and shopping destination for local residents, workers and visitors.

- Total Population: 24,788
- Population Density: 31,377/sq mile
- Median Household Income: $73,057
- Total No. of Workers: 11,277
- Worker to Resident Ratio: 2:1

**Anchor Institutions**
- H Mart
- YMCA
- MIT
- Museum
- St Paul Church
- Thalia Night Club

**Central Square Map**
- Walk score: 97
- Bike score: 99
- Transit score: 72
- Total No. of Businesses: 119

**Transportation**
- 16,525 Transit Riders

**Business Distribution**
- Food and Beverage: 8%
- Food Services and Drinking Places: 46%
- Health and Personal Care: 13%
- Miscellaneous Store: 8%

Prepared by Larisa Ortiz Associates (LOA)
Sources: City of Cambridge Business Data; ESRI Business Analyst Online 2016; City of Cambridge Market Profile; OnTheMap US Census Bureau
Successful retailers will offer products that are moderately-priced but hip and trendy.

Customers + Retail Leakage

Tapestry Segmentation
Source: LOA; ESRI Business Analyst Online

Top 5 Leakage Categories
Source: LOA; ESRI Business Analyst Online

- General Merchandise Stores: $70,052,895
- Clothing & Accessories: $32,617,674
- Building Materials, Garden Equipment & Supply: $17,708,692
- Sporting Goods, Hobby, Book & Music: $11,981,317
- Health and Personal Care: $10,432,469

Intercept surveys correspond with leakage data. Customers said they would like to see more independent boutiques, apparel stores, art spaces and book stores.

Prepared by Larisa Ortiz Associates (LOA)
Kendall Square

Kendall Square is a rapidly developing district with a large daytime worker population. The tech employment center is currently well-served by restaurants and drinking places.

<table>
<thead>
<tr>
<th>Kendall Sq</th>
<th>Total Population</th>
<th>7,018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population Density</td>
<td>12,017/ sq mile</td>
</tr>
<tr>
<td></td>
<td>Median Household Income</td>
<td>$62,118</td>
</tr>
<tr>
<td></td>
<td>Total No. of Workers</td>
<td>36,303</td>
</tr>
<tr>
<td></td>
<td>Worker to Resident Ratio</td>
<td>5:1</td>
</tr>
</tbody>
</table>

---

Prepared by Larisa Ortiz Associates (LOA)  
Sources: City of Cambridge Business Data; ESRI Business Analyst Online 2016; City of Cambridge Market Profile; OnTheMap US Census Bureau
Successful retailers will offer products that are more contemporary but range from low to high price points.

There is an overall surplus of $164 million in Kendall Square.

Intercept surveys correspond with leakage data. Customers said they would like to see more grocery stores, convenience stores, and specialty food stores. However, customers also wanted more restaurants and bars, book stores and sporting goods.
Fresh Pond/ Alewife
Fresh Pond/ Alewife is a car-centered shopping district. It has convenience retail offerings at low prices to meet the needs of the lower income immigrant community.

**Total No. of Businesses:** 46

- **Total Population**: 6,495
- **Population Density**: 8,222/ sq mile
- **Median Household Income**: $43,951
- **Total No. of Workers**: 5,779
- **Worker to Resident Ratio**: 1:1

**Furniture and Home Furnishings Stores**: 15%

**Food Services and Drinking Places**: 26%

**Miscellaneous Store**: 20%

Prepared by Larisa Ortiz Associates (LOA)  
Sources: City of Cambridge Business Data; ESRI Business Analyst Online 2016; City of Cambridge Market Profile; OnTheMap US Census Bureau
There is an overall surplus of $50 million in Fresh Pond.

Customers needs are being met in most categories but those interviewed would like to see more food and drinking places including cafes and bakeries, and food trucks for workers.

Successful retailers will provide contemporary offerings that are in the low moderate price points.

Prepared by Larisa Ortiz Associates (LOA)
East Cambridge is a culturally diverse and walkable district with regional retail offerings.

East Cambridge

- Total Population: 11,989
- Population Density: 15,176/ sq mile
- Median Household Income: $67,931
- Total No. of Workers: 16,992
- Worker to Resident Ratio: 1½ :1

Food and Beverage: 12%
Food Services and Drinking Places: 33%
Health and Personal Care: 33%
Miscellaneous Store: 10%
Successful retailers will offer products that are contemporary, hip and trendy in the moderate price points.

Customers + Retail Leakage

**Tapestry Segmentation**
Source: LOA; ESRI Business Analyst Online

- Residents
- Visitors
- Workers

**Top 5 Leakage Categories**
Source: LOA; ESRI Business Analyst Online

1. Grocery Stores: $16,759,933
2. Miscellaneous Stores: $5,617,830
3. Furniture & Home Furnishings: $4,113,455
4. Office Supplies, Stationery & Gifts: $2,887,486
5. Sporting Goods, Hobby, Books & Music: $2,120,867

There is an overall surplus of $289 million in East Cambridge.

Intercept surveys suggest that customers would like to see more restaurants and bars, coffee shops and bakeries, and hobby stores. Aligned with leakage data, they would also like more fresh produce options.

Prepared by Larisa Ortiz Associates (LOA)
Porter Square/ Lower Mass
Porter Square is a wealthy and dense residential neighborhood that is easily accessible and has a variety of food and drinking places.

**Porter Square**

- **Total Population**: 16,887
- **Population Density**: 21,376/ sq mile
- **Median Household Income**: $85,990
- **Total No. of Workers**: 4,832
- **Resident to Worker Ratio**: 3:1

Prepared by Larisa Ortiz Associates (LOA)  
Sources: City of Cambridge Business Data; ESRI Business Analyst Online 2016; City of Cambridge Market Profile; OnTheMap US Census Bureau
Successful retailers will offer products that are contemporary, hip and trendy in the moderate to high price points. In addition to these retail categories, customers would like to see more local businesses. They also noted the need for stationery stores and quick, affordable dining options, including cafes and bakeries.
Inman Square is a convenience-oriented shopping district serving a large residential market with moderate to high incomes.

Total No. of Businesses: 69

<table>
<thead>
<tr>
<th>Inman Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
</tr>
<tr>
<td>Population Density</td>
</tr>
<tr>
<td>Median Household Income</td>
</tr>
<tr>
<td>Total No. of Workers</td>
</tr>
<tr>
<td>Resident to Worker Ratio</td>
</tr>
</tbody>
</table>

Food and Beverage: 12%
Food Services and Drinking Places: 42%
Personal Care: 22%

Prepared by Larisa Ortiz Associates (LOA)  
Sources: City of Cambridge Business Data; ESRI Business Analyst Online 2016; City of Cambridge Market Profile; OnTheMap US Census Bureau
Successful retailers will offer a range of traditional to trendy products that are in the low to moderate price points. In addition to these retail categories, customers would like more affordable grocery and specialty retail stores. The hip and trendy customer base would also enjoy special events organized in the district.

Prepared by Larisa Ortiz Associates (LOA)
North/Upper Massachusetts
North/ Upper Mass is a fast-developing residential neighborhood with a moderate to high income customer base.

- **Total No. of Businesses:** 52
- **Walk score:** 91
- **Bike score:** 83
- **Transit score:** 70
- **Total Population:** 13,235
- **Population Density:** 16,753/ sq mile
- **Median Household Income:** $79,381
- **Total No. of Workers:** 4,612
- **Resident to Worker Ratio:** 3:1

No distinct anchors in the district.
Customers + Retail Leakage

Tapestry Segmentation
Source: LOA; ESRI Business Analyst Online

Top 6 Leakage Categories
Source: LOA; ESRI Business Analyst Online

North/Upper Mass still has the opportunity to build its offerings in categories such as grocery stores, building materials & garden equipment, and hobby stores in the moderate to high price range.
Huron Village/ Observatory Hill
Huron Village/Observatory Hill

Huron Village is a very wealthy, residential neighborhood with a home furniture retail niche.

Total Population: 12,528
Population Density: 15,858/sq mile
Median Household Income: $101,017
Total No. of Workers: 1,329
Resident to Worker Ratio: 10:1

<table>
<thead>
<tr>
<th>Home Furnishings Stores (18%)</th>
<th>Food and Beverage (12%)</th>
<th>Food Services and Drinking Places (18%)</th>
<th>Health and Personal Care (15%)</th>
<th>Miscellaneous Store (21%)</th>
</tr>
</thead>
</table>

Prepared by Larisa Ortiz Associates (LOA)  
Sources: City of Cambridge Business Data; ESRI Business Analyst Online 2016; City of Cambridge Market Profile; OnTheMap US Census Bureau
Successful retailers will provide contemporary and trendy offerings that are moderately priced.

Huron Village has the highest leakage of $358 million in the city of Cambridge. However, there are no available retail spaces for lease in the area.