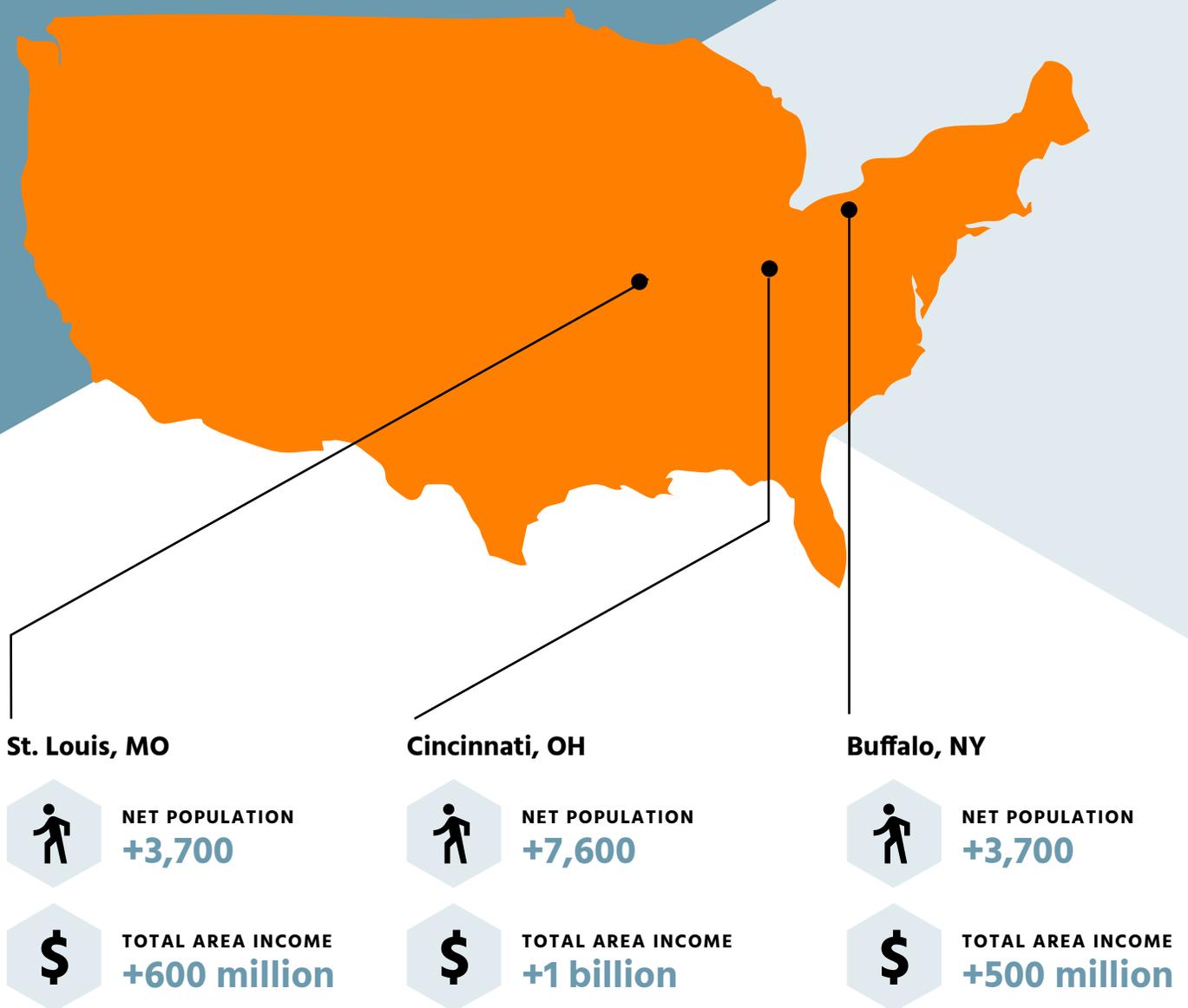


Downtowns going uptown: Cincinnati, St. Louis and Buffalo

July 2021 | CITIES 250,000 TO 350,000

INFORM INVESTMENT, MEASURE HOTEL FOOT TRAFFIC
CHANGE, AND IDENTIFY RETAIL CROSS-VISITATION IN:



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Introduction

For this report, we probed GPS data gathered over Q1 and Q2 of 2021. Through that research, we were able to identify three cities each with a population between 250,000 and 350,000 that showed consistent gains in population, income flow, and overall rate of foot traffic recovery.

Though there were multiple candidates in-scope, the three cities we decided to highlight here are Cincinnati, OH, Buffalo, NY, and St. Louis, MO. In two cases, we look at a Westin Hotels property in the downtown core of each city, in the other, a Hilton property. In the case of each city, we will examine the available data using location intelligence gleaned from Unacast Now in order to do six things:

- Determine the total +/- population flow for each city area
- Measure the total +/- income flow change based on each area's population flow;
- Detect changing foot traffic patterns and measure recovery versus 2019
- Examine the foot traffic performance of a downtown hotelier
- Specify the rate of return for each hotel property studied
- Identify top cross-visitation points between the hotel and other brands

To conduct our analysis, we examined inflow and outflow movements using the Migration Patterns tab in Now, which is linked to our Emerging Areas data set. Income flow is the net number of people to migrate multiplied by their average income. Average income data is pulled from US Census data and rolled-up to the county level.

To conduct our foot traffic analysis, we used the Neighborhood Insights tab to build custom collections and benchmark foot traffic patterns over 2020 versus 2019. To examine foot traffic and cross visitation by venue, we use the Venue package tab on Now.

We'll dive right in with an analysis of each of the three cities. Skip to this document's Summary if you'd like to view the all-in-one table of results.

TERMS TO KNOW

Return rate – The estimated fraction of total visitors, without a work or home location in this census block group, seen in the previous month which are also seen this month.

Cross visit fraction – Fraction of total visitors to the main venue that also went to related venue.

Foot traffic trend by Venue Day – The count of unique visits to a given venue on a given day.

Population net flow by County Month – Difference between estimated number of moves into the county vs. out of the county.

Net Inflow income – Difference between the incoming average median household income and the county's average median household income.

Unacast Now – On demand location data that's clean, fresh and easy to ingest.

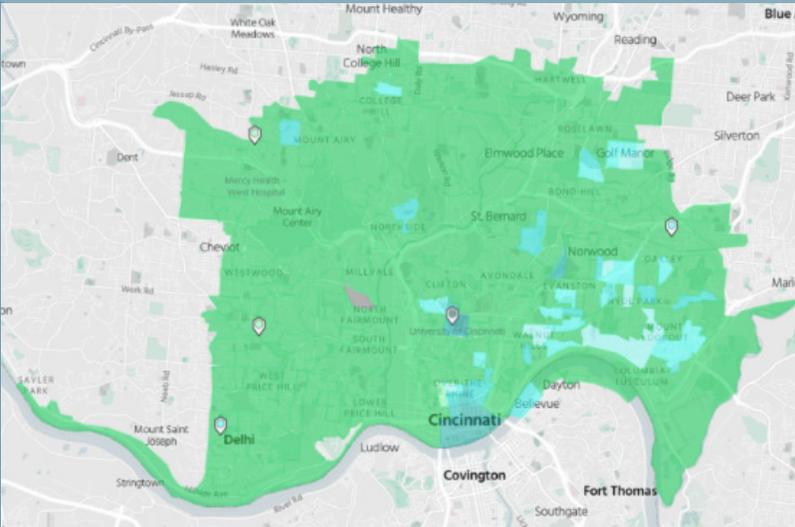
Cincinnati, OH



NET POPULATION
+7,600



TOTAL AREA INCOME
+1 billion



GROWTH AND RECOVERY: +\$1 billion

Cincinnati is booming. Real estate prices are skyrocketing and this city on the border of Northern Kentucky is experiencing a swell of population and income inflow.

Between January 1 and April 30 2021, the Cincinnati area gained 7,600 net new residents and \$1 billion in income flow. This is above 2019 growth rates.

Almost all population inflow comes from elsewhere in Ohio, as well as nearby Indiana and Kentucky. 2021 growth is expected to peak in August but this will be influenced by the status of multiple university and college campuses in autumn of 2021.

If 2019 trends prevail for the remainder of the year, Cincinnati will add another 3,000 people in 2021.

By matching our CBGs to **defined city boundaries** and overlaying their foot traffic patterns since 2019, we see definitive resilience (green) throughout the metropolitan area.

Note: we did not examine traffic just across the state line in Kentucky, though out-of-state Workers and Non-Local visitors certainly influence total figures.

By late June 2021, total foot traffic in the area as measured grew to 85% of 2019 levels, with only a handful of mostly downtown neighborhoods still struggling to regain pre-COVID levels of traffic. We examine one such neighborhood below.

NEIGHBORHOOD INSIGHTS:

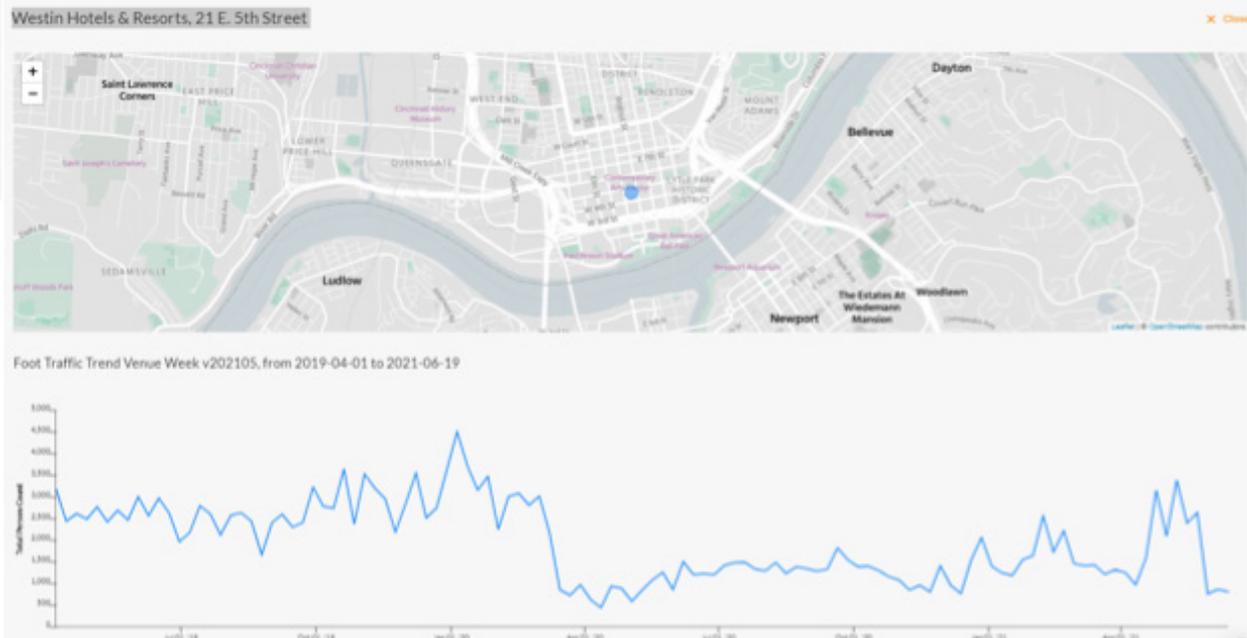
Downtown Stadiums

The area romantically known as Block Group 2, Census Tract 265, Hamilton County, Ohio, is in fact the downtown waterfront area of Cincinnati better known for housing the **NFL's Paul Brown Stadium** and **MLB's Great American Ball Park**.

With attendance at major league sporting events severely limited for most of a year, it is not surprising then that foot traffic here is down 59% versus 2019. That seems like gloomy news with Mount Adams and other areas popular with Non-Locals having already recovered fully to 2019 levels, but there's light at the end of the tunnel.

Both the MLB and NFL are opening for business again in 2021, with full stadiums and a resultant spike in game day traffic in surrounding downtown Cincinnati neighborhoods expected — another indication of continuing area foot traffic and economic recovery.

Now, let's have a look at a hotel in the same neighborhood to see how their business is faring in terms of foot traffic compared to 2019.



DOWNTOWN LODGING:

Westin Hotels & Resorts, 21 E. 5th Street

The Westin Hotel at 21 E. 5th Street in Cincinnati is located in the downtown core, just north of the area where the city's stadiums are, and within the same CBG. Total foot traffic at this venue is down nearly 50% versus 2019.

In 2019, the Westin averaged about 2,500 visits per week in 2019; with a peak of 4,508 the week of January 5th, and a bottom of 450 the week of April 12th 2020.

So far in 2021, the Westin's average is about 1,300 visits per week, with a peak of 3,392 the week of May 9th; and a bottom of 768 the week of May 30th 2021. A simple glance at the graph will demonstrate the growth in the latter portion of Q2. The Westin's return rate sits at .22 as of the end of June 2021, down from a .26 February peak.

Who else benefits when the Westin gets busy? To answer that question, we will have a peek at the Cross Visits tab in Unacast Now.

CROSS-VISITATION WITH RETAIL BRANDS

Visitors to the Westin Hotel frequent a number of local restaurants and shops, according to cross-visitation data gathered in the first half of 2021. While the list is long, some of the most commonly cross-visited venues and brands for guests of the Westin when they leave the hotel are:



So, a local fashion retailer, a dry cleaner and a good restaurant — those all pass the logic test as cross-visitation points for guests of a hotel.

As summer progresses and the MLB and NFL return to regular business, foot traffic in this CBG and the Westin's foot traffic accordingly, will continue to grow and recover towards 2019 levels. That should be good news for these and other local retailers and restaurateurs.



**INFORM AN
INVESTMENT DECISION**

The most common use case for location intelligence is to inform a decision; very often an investment decision. The bigger the investment, the more information you want to look at.

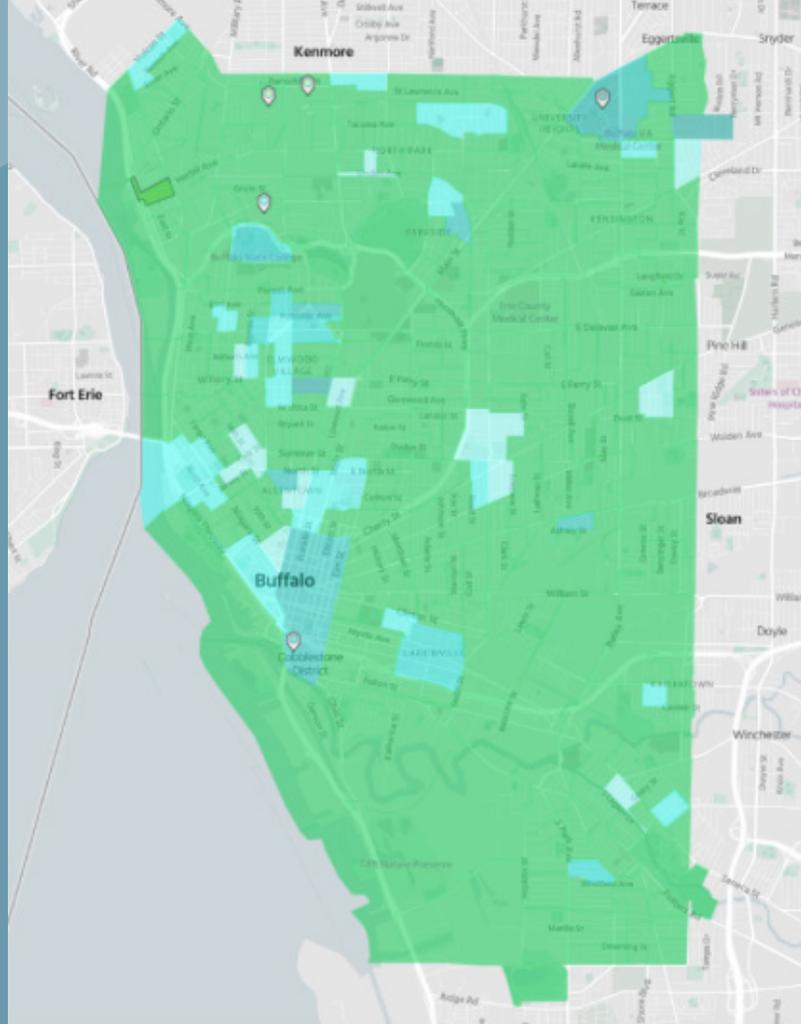
Buffalo, NY



NET POPULATION
+3,700



TOTAL AREA INCOME
+\$500 million



GROWTH AND RECOVERY: +\$500 million

Buffalo is a pleasant surprise as an emerging area and a standout among mid-sized border cities.

Between January 1 and April 30 2021 alone, the Buffalo area gained 3,700 net new residents and \$500 million in income flow. This is above 2019 growth rates. Almost all inflow came from elsewhere within Erie County and neighboring Niagara County.

If 2019 trends prevail for the remainder of the year, the Buffalo area will add additional population into August, before population flow turns negative again in Q4 of 2021.

By matching our CBGs to **defined city boundaries** and overlaying their foot traffic patterns since 2019, we see resilience (green) throughout the metropolitan area with noticeable pockets of weakness in the downtown core and near the border to Canada.

By late June 2021 total foot traffic in the area as measured has grown to 84% of 2019 levels, with only a handful of neighborhoods often frequented by Non-Locals still struggling to regain pre-COVID levels of traffic.

We examine one such neighborhood, the Cobblestone District, next.

By late June 2021 total foot traffic in the area as measured has grown to 84% of 2019 levels

NEIGHBORHOOD INSIGHTS:

Cobblestone District

Buffalo’s Cobblestone District, aka Block Group 1, Census Tract 165, Erie County, New York, is an inviting menagerie of shops, restaurants and public space designed for leisure and consumerism. Unfortunately, the area is still suffering from the draining effects of COVID-19 as of mid-2021.

Foot traffic in this CBG is down 49% versus 2019 with a slight upwards trend and momentum. But that doesn’t tell the whole story. More recently, traffic has spiked to within 28% of 2019 levels, and Residents of the area are in fact making use of the Cobblestone District more frequently than in 2019, as the graph here clearly shows.

A little to the north of the Cobblestone District, sits the centrally located Westin Hotel, where muted foot traffic trends show that, while Residents remain active in the area, the dearth of Non-Local visitors (people whose cell phone signals tell us they don’t live or work in the area) is still crippling some in the hospitality industry.



DOWNTOWN LODGING:

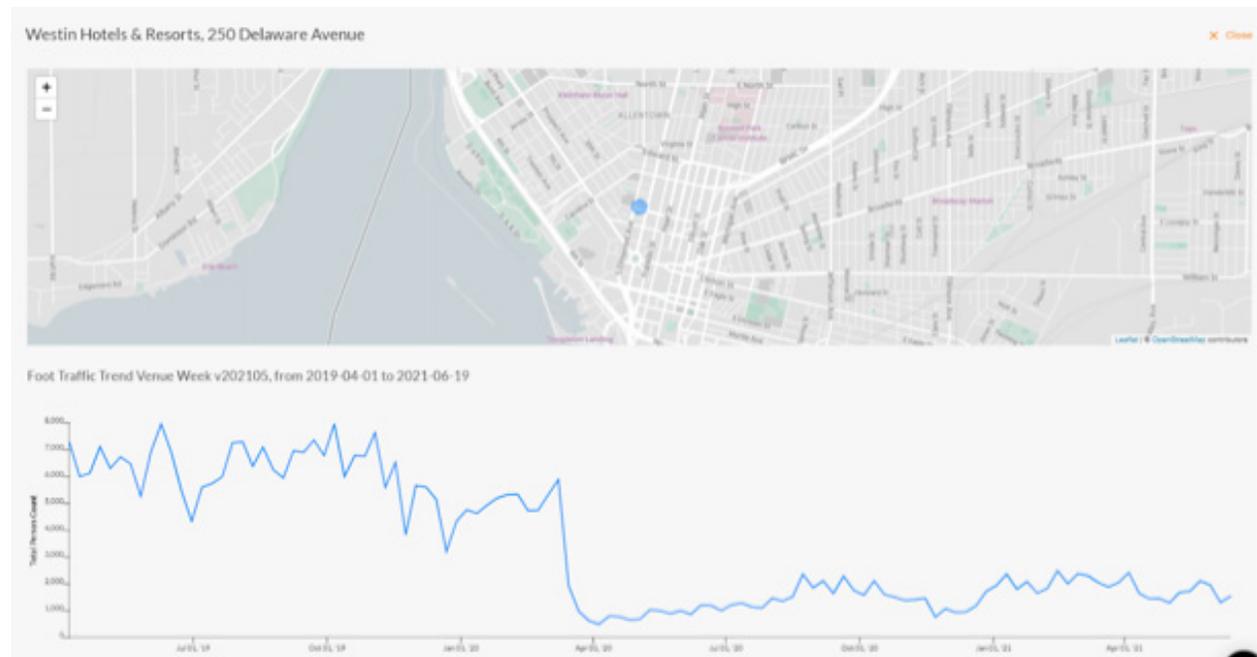
Westin Hotels & Resorts, 250 Delaware Avenue

The Westin Hotel at 250 Delaware Avenue in Buffalo is located in the southern downtown core, just north of the Cobblestone District and within the same CBG. Total foot traffic at this venue is down more than 66% versus 2019.

In 2019, the Westin averaged about 6,500 visits per week, with a peak of 7,963 the week of October 6th 2019, and a bottom of 3,704 the week of December 22 2020.

So far in 2021, the Westin’s average is about 2,100 visits per week, with a peak of 2,490 the week of February 14th; and a bottom of 1,296 the week of May 2nd 2021. A glance at the graph will demonstrate flatness throughout Q1 and Q2. The Westin’s return rate sits at .18 at the end of June 2021, well down from a January peak of .46 but up slightly from a .15 low in April.

What is the impact of that flatness on the associated shops and brands usually cross-visited by guests of the hotel? We look at that next.



CROSS-VISITATION WITH RETAIL BRANDS

Visitors to the Westin Hotel frequent a number of local restaurants and shops when they are in town, according to data gathered in the first half of 2021. Some of the most commonly cross-visited venues and brands for guests of the Westin are:

- 
- 
 • **Panera Bread** (Limited Service Restaurants), 765 Elmwood Avenue
 - 
 • **Benderson Development** (lessors of Non-Residential Buildings), 304 Elmwood Avenue
 - 
 • **Wegmans** (Supermarkets and Other Grocery), 601 Amherst Street

So, a place to get a coffee and pastry, a grocery store visit for a few snacks in the room (there are not many full-service restaurants in the immediate area), and a professional building not too far away (perhaps many who stay at the Westin conduct business in that building).

Lacking the same downtown stadium draw and with the border to Canada still restricted into July 2021, the Westin Hotel, the Cobblestone District, and other struggling Buffalo neighborhoods and brands may be hampered in 2021 in the recovery to pre-COVID levels.



MEASURE THE EFFECT OF A CHANGE

The bigger the change, the more important and complex it can be to measure. As a CRE investor, what can location tell you about the risk and opportunity in your portfolio, right now?

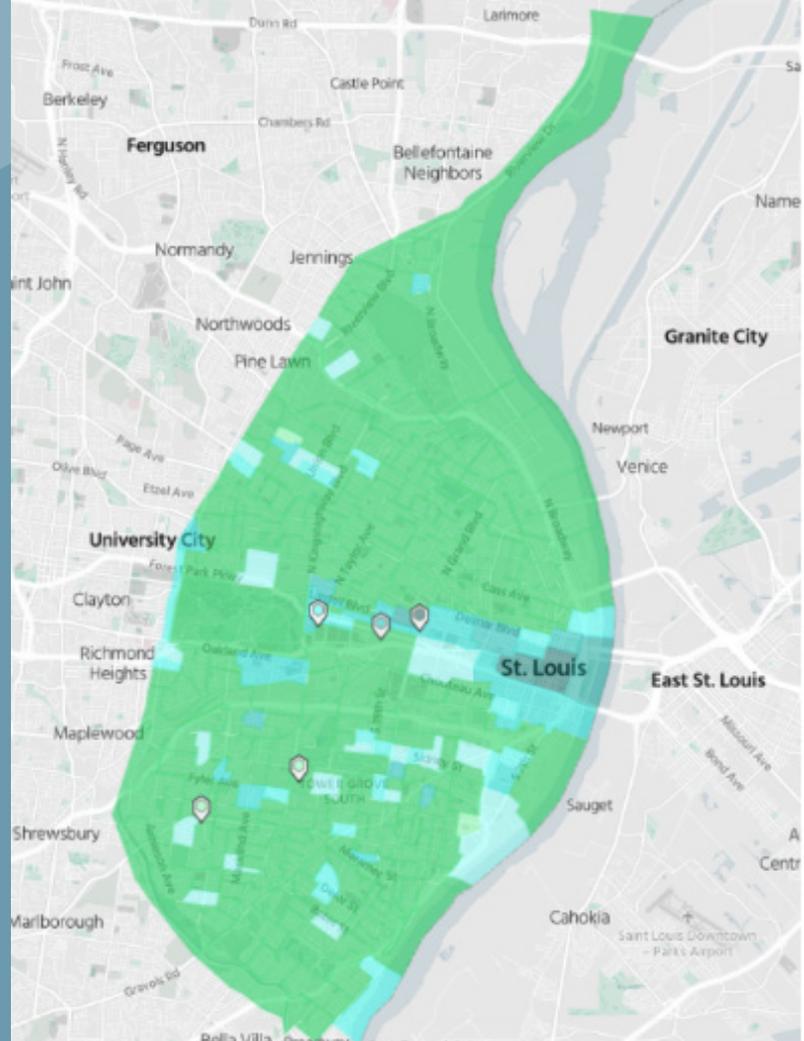
St Louis, MO



NET POPULATION
+3,700



TOTAL AREA INCOME
+600 million



GROWTH AND RECOVERY: +\$600 million

St. Louis boasts an energetic city core surrounded by a spectrum of quieter bordering counties in both Missouri and Illinois. Midway through 2021, St. Louis is demonstrating significant growth that matches and even exceeds 2019 historical growth rates.

Between January 1 and April 30 2021 alone, the St. Louis area gained 3,200 net new residents and \$600 million in income flow. This is above 2019 growth rates. Almost all inflow came from neighboring MO counties (Jefferson, Franklin, St Charles), as well as nearby Indiana.

2021 growth is expected to peak in May. If 2019 trends prevail for the remainder of the year, the St. Louis area will lose significant population going into August and September, before population flow turns mildly positive again in Q4 of 2021.

By matching our CBGs to **defined city boundaries** and overlaying their foot traffic patterns since 2019, we see resilience (green) throughout the metropolitan area with noticeable pockets of weakness in the downtown core and waterfront area.

By our measurements, by late June 2021, total foot traffic in the area as measured has grown to 81% of 2019 levels, with a small preponderance of downtown neighborhoods still struggling to regain pre-COVID levels of traffic.

But once again, by zooming-in, we see that there are strong indications of resilience, again heavily influenced by the presence of a downtown stadium complex. We examine that neighborhood, next.



NEIGHBORHOOD INSIGHTS:

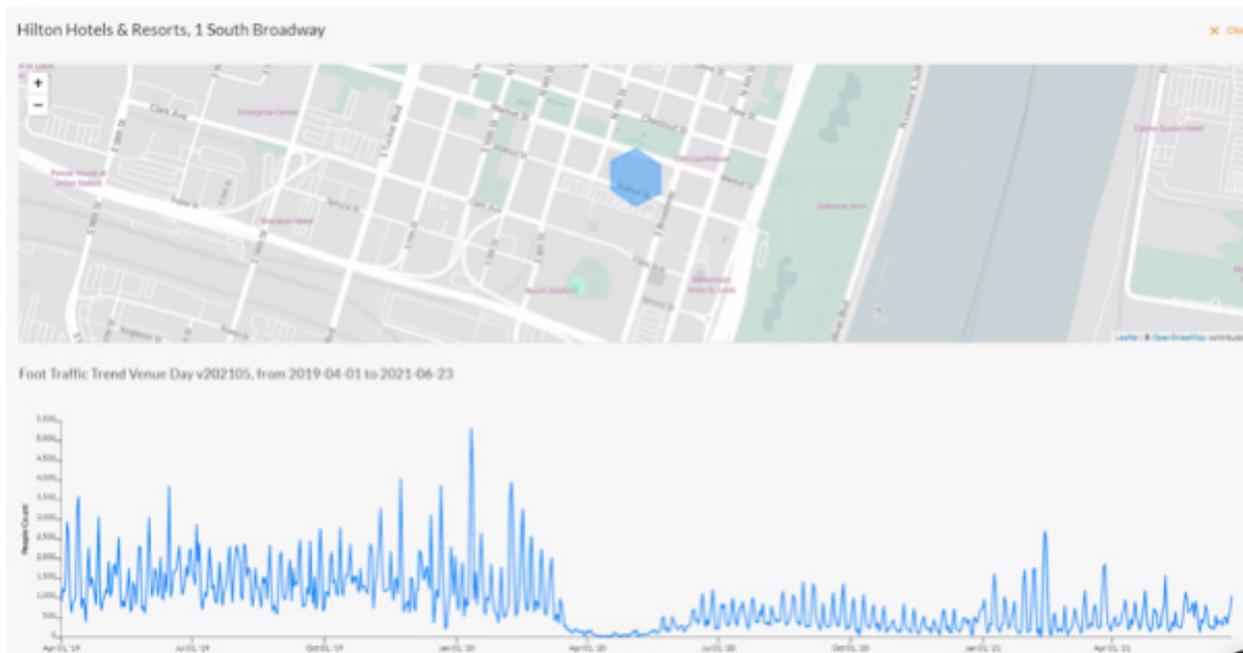
Downtown Business Area

St. Louis has a dispersed business presence but we will focus on the downtown’s Block Group 3, Census Tract 1256 as an illustrative example of the typical challenges faced by a handful of struggling downtown neighborhoods.

Foot traffic in this CBG is down 71% versus 2019 with a downward trend.

Worker traffic is flat due to a number of office and store closures over the measured period. Foot traffic from Non-Locals is limited to spikey (once again a factor of the downtown stadium effect).

Much like this CBG and really much of the downtown core, there are few signs of resilience among downtown hoteliers who have suffered through a tremendous downturn of business, much of it at the loss of baseball and other events that draw large crowds to the city.



DOWNTOWN LODGING:

Hilton St. Louis at the Ballpark, 1 South Broadway

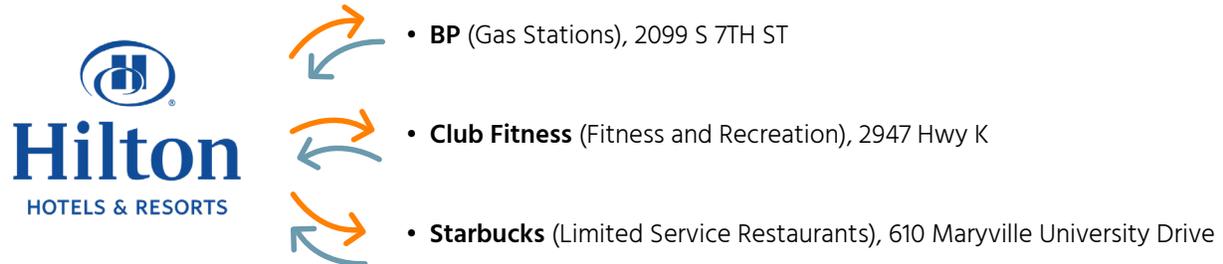
Foot traffic at Hilton St. Louis at the Ballpark is down 66% vs. 2019, but it's worth noting that from June 24 to July 4 2019, traffic spiked 1.5x on home game days (vs. Oakland).

From April 1 to Jun 23 2021, traffic spiked 2 to 3x on home game days (vs. Chicago, Colorado, Cincinnati).

The Hilton's return rate at the end of June sits at just .04 at the end of June 2021, down from a January peak of .13 but up slightly from a .02 low in March of 2021.

CROSS-VISITATION WITH RETAIL BRANDS

Visitors to the Hilton St. Louis at the Ballpark are also very active visitors of a number of local restaurants and shops, according to cross-visitation data gathered in the first half of 2021. Some of the most commonly cross-visited venues and brands for guests of the Hilton when they leave the hotel are:



So, a place to get a coffee and a snack, somewhere to get in a quick workout, and a gas station to hit on your way out of town. Again, all pretty easy to understand traveler behaviors.

Though some of the YTD foot traffic figures are concerning, the area's population gain and the downtown stadium effect loom large as the city's very popular and centrally located Busch Stadium opens its doors to full capacity as of the 2021 Memorial Day weekend.



**DETECT
CHANGE**

Detection is more complex and valuable than measurement because the sooner you know about risk or opportunity the sooner you can manage it.

In Summary

Each of the mid-sized cities we examined here is demonstrating significant growth in the first half of 2021, fueled by relative resilience in foot traffic in and around each metropolitan area. Most incoming migrants are from bordering counties and states, and the newcomers are in each case of a greater relative income level than current city residents (read as: more spending power per person and a higher tax base locally).

	POPULATION FLOW	INCOME FLOW	FOOT TRAFFIC RECOVERY	CROSS VISITED BRANDS
CINCINNATI	+7,600	+\$1 billion	85%	Westin → The Little Clinic, Chart House, Tide Dry Cleaners
BUFFALO	+7,600	+\$500 million	84%	Westin → Panera, Wegmans
ST. LOUIS	+7,600	+\$600 million	81%	Hilton → BP, Club Fitness, Starbucks

Cincinnati is growing and by all indications will continue to grow. Buffalo has started the year strong and may yet break a long term trend of negative population flow in Q3 and Q4 of this year. St. Louis is poised for even greater growth in terms of foot traffic, but seasonal population loss looms in Q1.

Hotel brands and their associated cross-visitation brands will rely heavily on both the future growth of these three cities, as well as a return to more normalized foot traffic patterns associated with downtown stadiums and other urban attractions, leaving the question: What will the effects on each city look like at the end of 2021?

It is impossible to predict population flow and foot traffic but we can detect it, measure it and use that data to inform investment decisions in retail, real estate, the public sector, logistics and many other industries.

Whether Cincinnati, St. Louis and Buffalo will continue to grow at the same rate remains to be seen. What we know for sure right now is that their emergence as growing population and economic centers in early 2021 is proven and the promise of increased foot traffic and human mobility in downtown cores seems poised to be fulfilled, much to the benefit of local hotels, restaurants and retail shops.

Want to know more about other Emerging Areas, Retail Brands and Venues in the United States and beyond?
talktous@unacast.com

A FEW WORDS ABOUT PRIVACY

We wholeheartedly believe that privacy is a concept to which every human that uses a connected device has a fundamental right — and it's built into every part of our business. Our privacy program covers the flow of location data from the point of collection to our customers' platforms.

Through our partner terms and conditions as well as through reviews of their privacy practices by our designated privacy officers, we strive to ensure that all our partners who contribute location data to us collect, use, and disclose the location data in compliance with applicable privacy laws and industry privacy standards.

We insist, among other things, on:

- Proper disclosures relating to the collection of location data
- User opt-in consent for the collection of location data from mobile devices
- Respecting mobile device users' choices and device settings

While we do not directly collect any location data, we are mindful about the privacy concerns that the users of mobile devices may have about location technologies. We describe our own privacy practices relating to the location data we receive from our partners in our [Privacy Statement](#).

