



APPLIED ECONOMICS

**RETAIL MARKET POTENTIAL
FOR SOUTH KINGMAN CROSSING**

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EXECUTIVE SUMMARY

The purpose of this study is to evaluate the commercial market potential of a 128-acre site owned by the City of Kingman, Arizona. South Kingman Crossing is part of a larger mixed-use development encompassing more than 300-acres on both sides of Interstate 40 (I-40) between Prospector Street and Castle Rock Road. South Kingman Crossing, on the south side of I-40, has potential for regional retail, entertainment, restaurant, and hospitality uses. The site is within a Planned Development Zone that allows for mixed-use development including retail, housing, and employment opportunities. Planned development zones facilitate development by allowing for greater flexibility to maximize the development potential of this unique property.

The market potential of the site for regional retail is driven by demand from the local Kingman market area, as well as from current and projected visitor traffic on Interstate 40 and U.S. Highway 93. This analysis results in an opinion on the amount and timing of commercial development that could occur at South Kingman Crossing by 2041.

The current level of retail leakages in the market area, combined with capture rates for South Kingman Crossing, translate into about 172,000 square feet of retail and entertainment space and about 135 hotel rooms (totaling 27.2 acres) that could be supported on the 128-acre site currently. This estimate is based on consumer expenditures currently made outside the region that could be captured locally. The largest current opportunities include general merchandise, restaurants and entertainment. The supportable space at South Kingman Crossing could yield an estimated \$2.6 million in annual city sales and lodging taxes.

In terms of future growth, the analysis presents two possible scenarios: a baseline scenario and an optimistic scenario. The baseline scenario relies on the medium series population projections for sub-county areas from the Arizona Office of Economic Opportunity, while the optimistic scenario relies on the high series projections. The optimistic scenario also incorporates a 15% greater increase in visitor volumes.

Under the baseline scenario, growth in demand from residents and visitors could support 335,000 additional square feet of retail, 129,000 square feet of entertainment, and 481 hotel rooms at South Kingman Crossing by 2031, and an additional 59,000 retail square feet, 35,000 entertainment square feet, and 324 hotel rooms by 2041. Including both current and projected demand, this could result in a total of 66.6 acres of development at South Kingman Crossing. This translates into \$5.2 million in additional annual city sales and lodging taxes by 2041.

Under the optimistic scenario, increased demand could support an additional 389,000 square feet of retail, 144,000 square feet of entertainment, and 510 hotel rooms at South Kingman Crossing by 2031, and an additional 154,000 retail square feet, 87,000 entertainment square feet, and 527 hotel rooms by 2041. Current demand combined with the level of future growth under the optimistic scenario could yield 94.6 acres of development at South Kingman Crossing by 2041. This translates into \$7.1 million in additional annual city sales and lodging taxes by 2041.

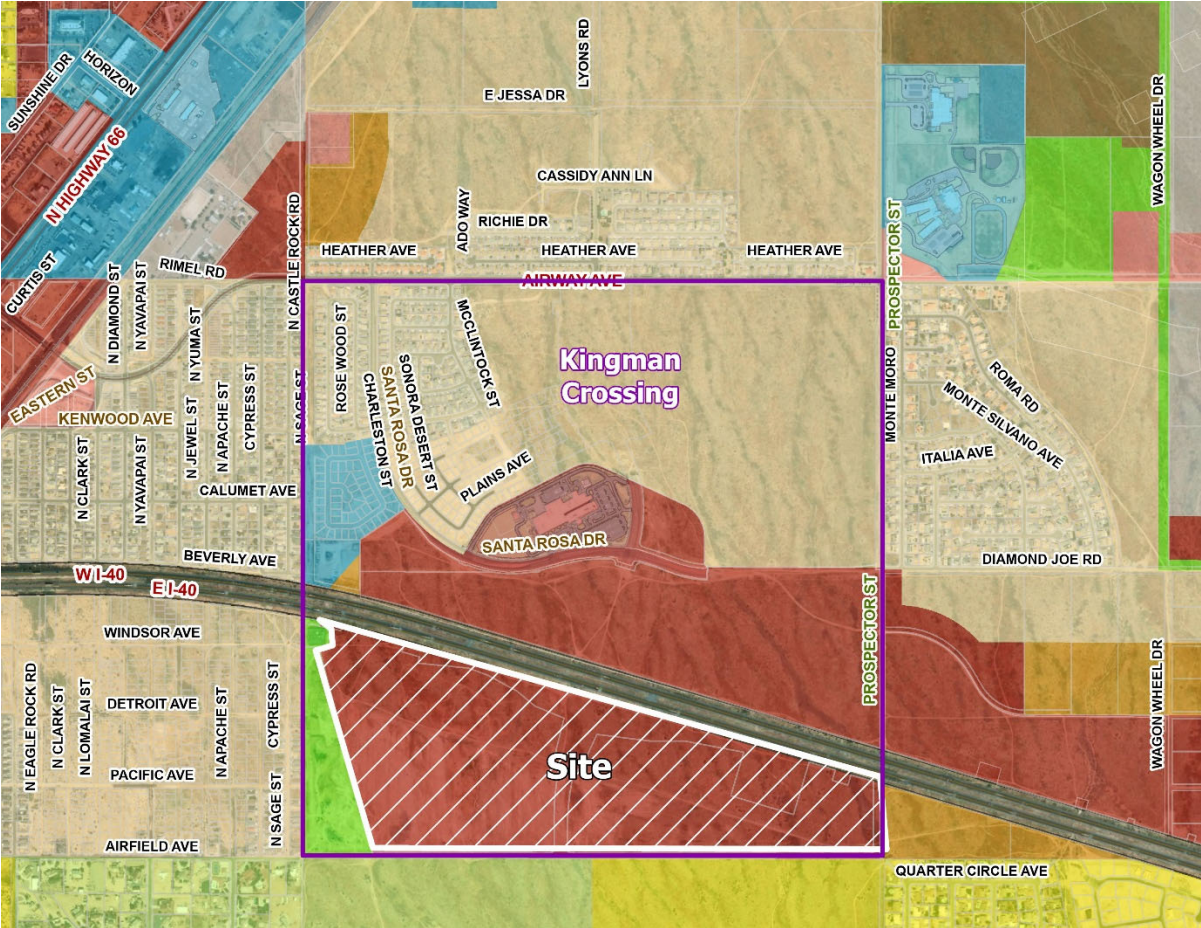
1.0 INTRODUCTION

The purpose of this study is to evaluate the commercial market potential of South Kingman Crossing, a 128-acre, city-owned site in Kingman, Arizona that is part of Kingman Crossing. The analysis identifies market potential of the site for regional retail, restaurant and entertainment services based on demand from the local Kingman market area, as well as from current and projected traffic volumes on I-40 and U.S. Highway 93. The analysis results in an opinion on the amount and timing of development that could be expected to occur in the South Kingman Crossing by 2041.

1.1 Project Description and Location

Kingman Crossing is a mixed-use development containing a potential regional commercial development site of up to 300 acres. It is located on both sides of I-40, between Castle Rock Road and Prospector Street (Figure 1). The city-owned site that is the subject of this analysis is located on the south side of I-40. Kingman Crossing is in a Planned Development Zone that would allow developers to plan for a creative mix of uses without the constraints of more narrowly defined zoning designations, making the site more competitive for future development.

FIGURE 1: PROJECT LOCATION AND AREA LAND USE



The South Kingman Crossing site includes 128-acres that is designated for Regional Commercial development. The Regional Commercial designation allows for many different types of uses, including retail development, entertainment and hospitality uses.

As shown in **Figure 1**, South Kingman Crossing is well-positioned to serve several new housing developments in east Kingman. Existing and future developments in this area are likely to comprise most of the residential development and population growth in Kingman for the next ten to 15 years. This could include development of the 640-acre State Land parcel that is directly to the south of South Kingman Crossing. The accessibility of the site and the potential to serve future growth are strong assets supporting future commercial development at South Kingman Crossing.

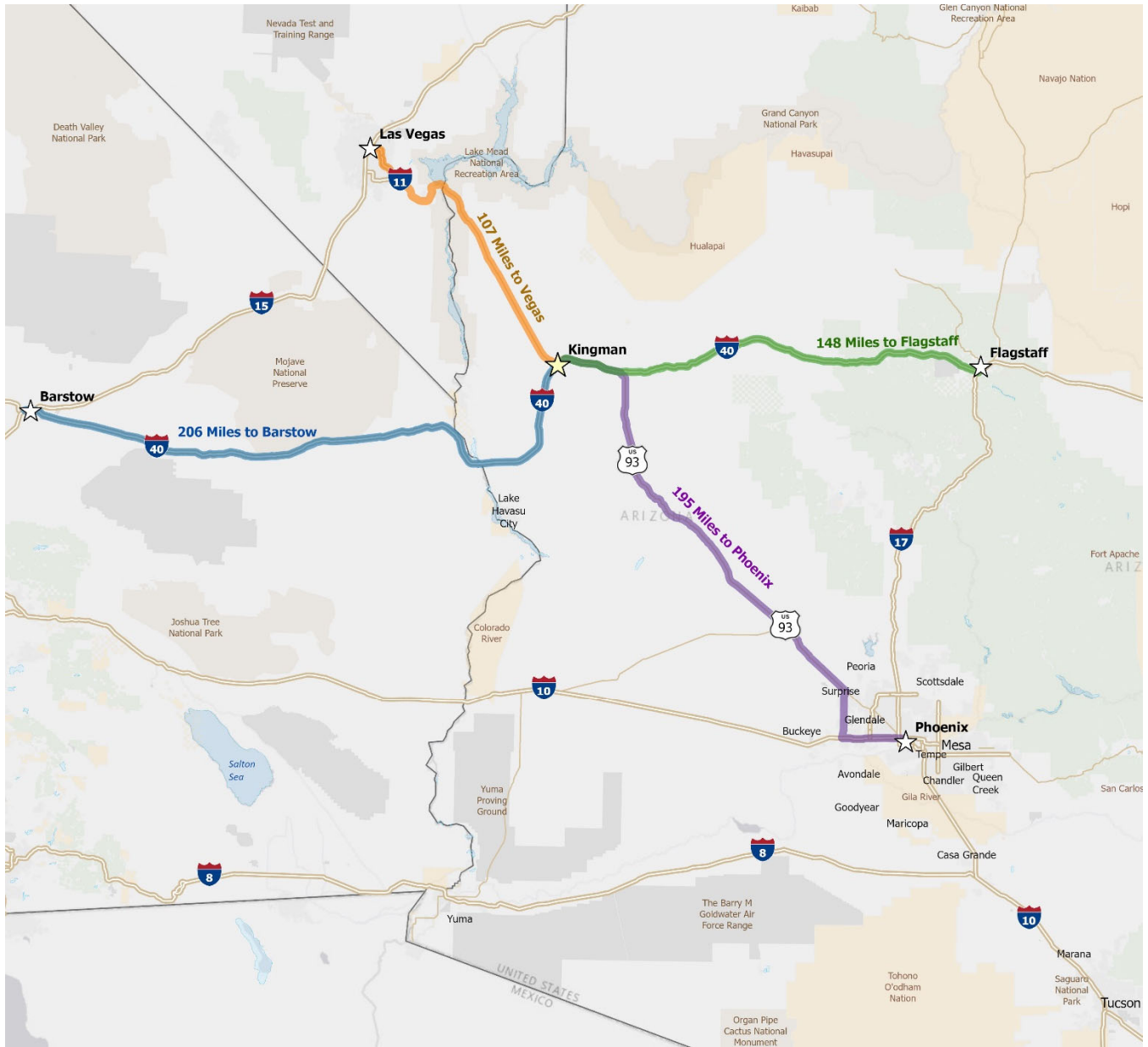
1.2 Regional and Local Market Areas

Demand for commercial development will be driven by the local Kingman market area, as well as from current and projected visitors to the region. As shown in **Figure 2**, Kingman is strategically located at the crossroads of I-40 and U.S. Highway 93 in an area that is over 100 miles from the next closest community on either thoroughfare in any direction. Over 7.5 million people live within 200 miles of Kingman, and over 29 million people live within 300 miles, which includes much of Southern California.

Most of the traffic flow on I-40 is east-west, limiting the impact of the area's proximity to Las Vegas, which is the closest major market. However, the flow of traffic north-south is projected to increase almost as fast as the east-west traffic over the next 20 years, and it would expand even more in the long-term based on the progress of Interstate 11. Interstate 11 would replace U.S. Highway 93 between Phoenix and Las Vegas and would likely boost through traffic considerably, however, the timeline for construction of the north segment from Phoenix to Las Vegas is uncertain due to pending legal challenges.

The 1-40 West Corridor Profile Study Update, produced by ADOT in 2022, noted that the average daily traffic volume on I-40 east and west of the City of Kingman is projected to increase by 48% between 2020 and 2040. This puts Kingman in a strategic position to benefit from the increase in through traffic, which could increase retail sales potential created by visitors.

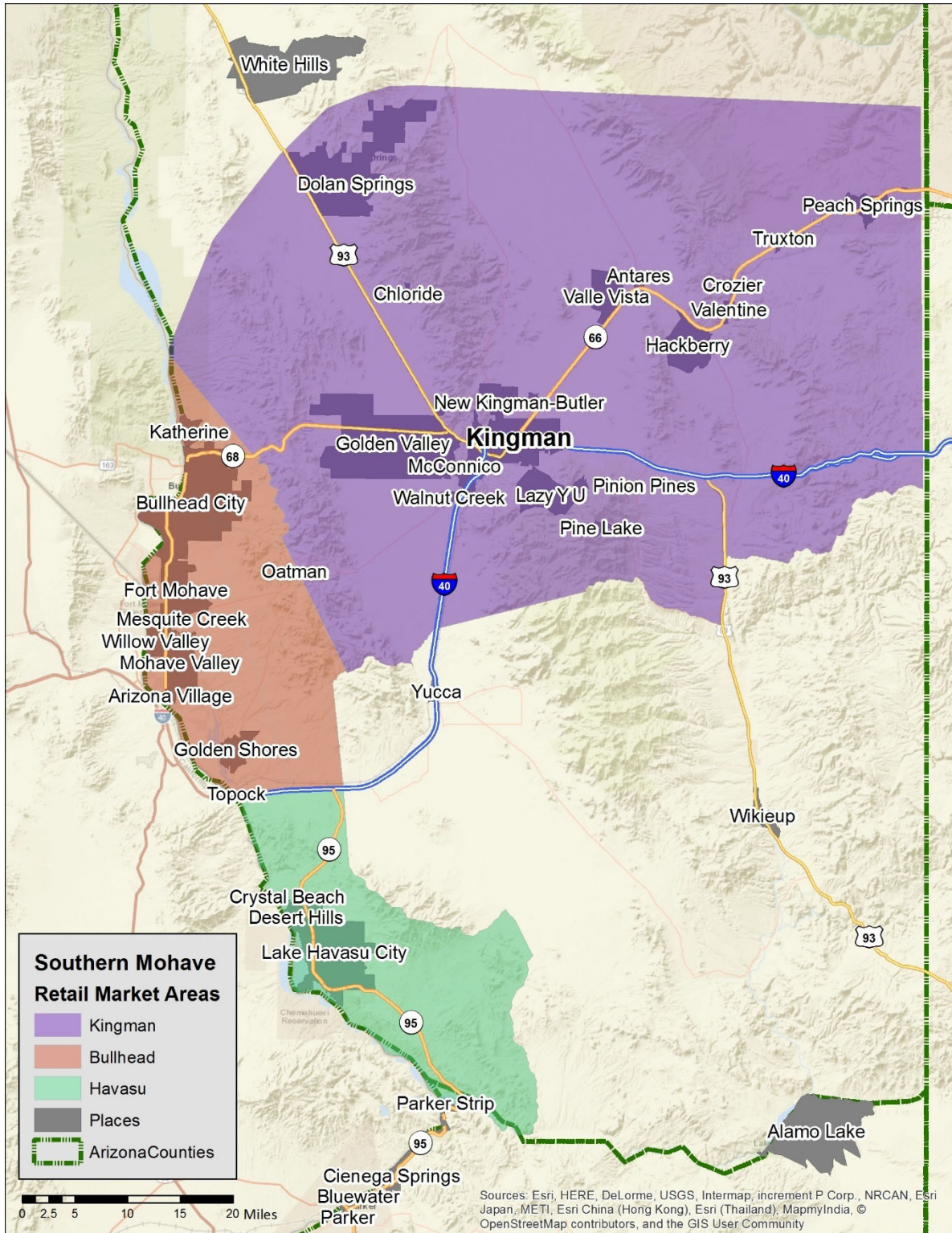
FIGURE 2: REGIONAL MARKET AREA



The local market area for Kingman is defined to include Kingman and the communities immediately surrounding it, as shown in **Figure 3**. The somewhat complex market dynamics in southern Mohave County required defining separate market areas for Bullhead City and Lake Havasu City. This allowed for an analysis of how consumer demand and retail sales are distributed within the larger southern Mohave County area.

The center of the Kingman market area includes Kingman and New Kingman-Butler. The market area extends outward to include communities along Highway 66, Highway 68, and U.S. Highway 93. The area excludes the Bullhead City and Lake Havasu City areas that each have nearly the same population as the Kingman market area. While these areas are nearly the same size, the retail sales data reflects major differences between the areas, with Kingman clearly being the most oriented around regional transportation access.

FIGURE 3: LOCAL MARKET AREAS



2.0 MARKET AREA PROFILE

To better understand the market area and its potential for future retail and entertainment development, it is important to understand the characteristics of the people who live and work there. These residents and local businesses will create part of the demand for new development, which will be supplemented by increased visitor traffic described later in this chapter.

2.1 Population and Household Income

Table 1 shows current and projected demographic characteristics for the residents of the Kingman market area and Mohave County. The market area has a current population of nearly 79,000 people, or about 34% of the County. It is projected to grow to almost 82,000 by 2031, resulting in an increase of 3.5% over the next five years. In comparison, the County is expected to grow by about 4.5% during this period.

On average, the population in the market area is slightly younger than the County; however, about 31% of the population is 65 or older, and this share of the population is expected to increase over time. The median adult householder in the market area is about 64 years old, compared to the County median of 65.

Neither the County nor the market area is racially diverse. In both cases, the population is predominately White, with Hispanics representing the largest minority group. The Hispanic population is expected to increase slightly as a share of total population by 2031.

Average household income in the market area is estimated at \$73,990 in 2026, which is about 9% lower than the County average of \$81,604. Within the market area, about 45% of households have incomes of \$50,000 or less, and an additional 31% have incomes between \$50,000 and \$100,000. About 24% of residents in the market area have incomes of \$100,000 or more, compared to only 12% in the County.

In terms of income growth, average household income in the market area is expected to increase by 12% by 2031, compared to 13% growth in the County. Aggregate income, which reflects a combination of population growth and increases in household income, is projected to grow by 19% over five years in the market area. Aggregate income growth is the primary indicator of new retail demand from residents.

TABLE 1: DEMOGRAPHIC CHARACTERISTICS AND TRENDS

	Mohave County			Kingman Market Area		
	2020	2026	2031	2020	2026	2031
Population	213,985	231,078	241,572	71,193	78,997	81,740
Under 18	17%	16%	15%	18%	17%	17%
18 and over	83%	86%	85%	82%	83%	83%
21 and over	81%	82%	82%	79%	78%	80%
65 and over	31%	35%	39%	28%	31%	35%
Median Age	53.83	54.11	54.57	51.11	50.73	50.93
Race and Ethnicity	213,985	231,078	241,572	71,193	78,997	81,740
White	80%	77%	74%	80%	75%	75%
Black	1%	1%	2%	1%	1%	2%
American Indian	2%	2%	2%	3%	3%	3%
Asian/Pacific Islander	1%	2%	2%	2%	2%	2%
Other	15%	18%	20%	14%	18%	18%
Hispanic/Latino	16%	19%	22%	13%	16%	19%
Households by Age of Householder	91,270	100,184	106,272	29,753	32,859	34,937
Householder under 45 years	20%	21%	21%	22%	23%	23%
Householder 45 to 64 years	35%	29%	24%	35%	29%	26%
Householder 65 year and over	45%	50%	55%	43%	47%	51%
Median Age of Householder	63.09	65.05	66.86	62.01	63.80	65.56
Households by Income Level	91,270	100,184	106,272	29,753	32,859	34,937
Less than \$50,000	54%	50%	44%	48%	45%	40%
\$50,000 to \$100,000	36%	39%	44%	34%	31%	31%
\$100,000 to \$200,000	9%	10%	12%	15%	20%	22%
\$200,000 or more	2%	2%	2%	2%	4%	6%
Average Household Income	\$71,113	\$81,604	\$92,048	\$64,648	\$73,990	\$82,714
Median Household Income	\$47,686	\$60,253	\$67,476	\$51,081	\$55,616	\$62,450
Aggregate Income (Millions)	\$6,490.5	\$8,175.4	\$9,782.1	\$1,923.5	\$2,431.2	\$2,889.8

Source: Claritas Population Trends, 2026; Woods and Poole, 2026.

2.2 Employment

Future retail potential is driven a combination of demand from residents, visitors and businesses, and the general robustness of the economy. Currently, there are about 79,000 people and just over 25,000 businesses in the market area (**Table 2**). This represents 32% of the establishments countywide and 34% of the employment base. Total business sales in the Kingman market area are estimated at \$4.41 billion per year, or about 36% of the County total.

The largest industry sectors in terms of employment in both the Kingman market area and Mohave County include retail and healthcare, which employ 3,500 and 5,100 people, respectively, in the market area. Given the accessibility to I-40 and Highway 93, Kingman has a larger share of employment in transportation and warehousing compared to the County; as well as in wholesale trade and manufacturing. As the County seat, Kingman also has a larger share of employment in public administration. The market area has a lower concentration of professional services and administrative services employment than the County.

TABLE 2: BUSINESS FACTS SUMMARY

NAICS	Industry	Mohave County			Kingman Market Area			Kingman Market Area Share		
		Establish-ments	Employees	Sales (Millions)	Establish-ments	Employees	Sales (Millions)	Establish-ments	Employees	Sales (Millions)
11	Agriculture, Forestry, Fishing and Hunting	40	199	\$15.4	18	54	\$4.0	45%	27%	26%
21	Mining, Quarrying, and Oil and Gas Extraction	8	52	\$10.8	4	32	\$5.3	50%	62%	49%
22	Utilities	31	300	\$177.8	12	84	\$37.9	39%	28%	21%
23	Construction	656	6,693	\$942.0	167	1,029	\$152.7	25%	15%	16%
31-33	Manufacturing	243	2,794	\$590.4	74	1,574	\$300.4	30%	56%	51%
42	Wholesale Trade	179	1,222	\$1,559.9	56	688	\$855.8	31%	56%	55%
44	Retail Trade	1,134	10,911	3,823	338	3,454	\$1,292.2	30%	32%	34%
441	Motor Vehicle and Parts Dealers	197	1,934	\$834.0	50	638	\$211.5	25%	33%	25%
444	Building Material and Garden Equipment	99	1,389	\$163.7	28	414	\$50.4	28%	30%	31%
445	Food and Beverage Stores	124	1,852	\$529.0	36	740	\$210.8	29%	40%	40%
449	Furniture and Home Furnishings	52	226	\$37.8	13	45	\$7.3	25%	20%	19%
4492	Electronics and Appliance Stores	16	83	\$11.2	3	7	\$0.8	19%	8%	7%
455	General Merchandise and Dept Stores	110	2,585	\$792.4	36	682	\$205.5	33%	26%	26%
456	Health and Personal Care Stores	108	840	\$220.2	29	177	\$45.9	27%	21%	21%
457	Gasoline Stations	190	991	\$960.4	74	511	\$499.6	39%	52%	52%
458	Clothing and Accessories	49	176	\$24.3	10	35	\$4.3	20%	20%	18%
4591	Sporting Goods and Hobbies	75	301	\$9.7	21	55	\$18.7	28%	18%	193%
4599	Smoking Supply Stores	19	61	\$8.3	6	15	\$2.1	32%	25%	26%
4595	Used Merchandise Stores	31	172	\$103.8	11	33	\$19.9	35%	19%	19%
4599	Other Misc Retail Stores	64	301	\$127.7	21	102	\$15.3	33%	34%	12%
48-49	Transportation and Warehousing	190	1,473	\$184.6	61	655	\$87.3	32%	44%	47%
51	Information	163	1,237	\$306.7	54	411	\$93.6	33%	33%	31%
52	Finance and Insurance	563	1,293	\$384.5	177	439	\$168.2	31%	34%	44%
53	Real Estate, Rental and Leasing	513	3,054	\$385.4	124	1,423	\$210.0	24%	47%	54%
54	Professional, Scientific, and Technical Services	550	2,074	\$195.8	176	606	\$49.4	32%	29%	25%
55	Management of Companies and Enterprises	8	113	\$11.2	2	95	\$2.3	25%	84%	21%
56	Administrative and Support and Waste Mgmt	263	2,350	\$189.2	70	429	\$30.4	27%	18%	16%
61	Educational Services	150	5,016	\$45.1	45	1,227	\$14.4	30%	24%	32%
62	Health Care and Social Assistance	2,474	13,156	\$2,300.8	890	5,104	\$761.6	36%	39%	33%
71	Arts, Entertainment, and Recreation	161	1,475	\$260.7	41	389	\$42.7	25%	26%	16%
711	Performing Arts, Spectator Sports	28	115	\$11.3	8	18	\$1.4	29%	16%	13%
712	Museums, Historical Sites, and Similar	34	400	\$38.1	14	138	\$8.9	41%	35%	23%
713	Amusement, Gambling, and Recreation	99	960	\$211.2	19	233	\$32.4	19%	24%	15%
72	Accommodation and Food Services	634	7,960	\$479.9	186	2,574	\$140.2	29%	32%	29%
721	Accommodation	138	1,390	\$86.9	51	461	\$26.2	37%	33%	30%
722	Food Services and Drinking Places	496	6,570	\$392.9	135	2,113	\$113.9	27%	32%	29%
81	Other Services (except Public Administration)	1,077	4,380	\$301.7	348	1,381	\$104.7	32%	32%	35%
92	Public Administration	367	7,928	\$113.7	185	3,636	\$58.0	50%	46%	51%
Total		9,404	73,680	\$12,278.1	3,028	25,284	\$4,411.1	32%	34%	36%

Source: Claritas Business Profile Report, 2026.

2.3 Visitors

In addition to residents and businesses, one of the key drivers of future retail and entertainment demand is visitors. According to the Arizona Office of Tourism, the general profile of visitors to the region includes people aged 25 to 54 traveling with a spouse/partner and children. About 26% of visitors to the region are from California, 20% from Arizona, 10% are from Nevada, and the remainder for other states like Texas and Colorado. Overnight visitors stay an average of 2.6 days in the region.

About 40% of all visitors to Mohave County stayed overnight in hotels/motels, 34% stayed in private homes or vacation homes, 3% stayed in campgrounds. The remaining 23% were day-trip visitors. Average daily expenditures for visitors depended on the type of lodging and purpose of the trip, but the average for overnight visitors was \$287 per person per trip in 2024. For all visitor types combined, annual visitor spending in Mohave County in 2024 was estimated at \$835.4 million.

In looking at South Kingman Crossing, it is important not only to understand the characteristics of current visitors to the region, but also projected growth in visitor volumes. Traffic counts on highways and interstates through the area are a good indicator of growth in visitor volumes. Data from the Arizona Department of Transportation (ADOT) indicates there are currently about 25,600 vehicles per day on I-40 on the east side of Kingman, which at that point includes through traffic on I-40 and travelers on U.S. Highway 93 to and from metro Phoenix (**Figure 4**). About 17,500 vehicles per day are present on I-40 on the west side of Kingman. The next largest traffic volumes currently are on U.S. Highway 93, between I-40 and State Highway 68, with 30,800 vehicles per day. Just beyond this segment, the traffic splits, with about 15,600 vehicles continuing U.S. Highway 93 to and from Las Vegas and about 10,700 vehicles heading to and from Bullhead City on State Highway 68.

The Federal Highway Administration provides projections of future traffic volumes for 2040 based on projected population growth, land use changes and traffic volumes on adjacent highway routes. According to their projections, the most significant increases in traffic volume within the Kingman market area will be on the segment of I-40 just east of Kingman, which includes the South Kingman Crossing site, with 9,500 additional vehicles per day by 2040; this represents a 37% increase over current volume and includes increases in both local traffic and pass-through traffic. The segment of I-40 west of Kingman, are each expected to add 11,600 vehicles per day by 2040, reflecting a 66% increase.

These increases in traffic volume in and out of Kingman near the South Kingman Crossing site will boost demand for retail, restaurant and entertainment and are incorporated in the market area demand projections described in Section 3.

3.0 RETAIL MARKET CONDITIONS

To project future sales and development potential, it is important to understand the components of supply and demand. For this analysis, it is also necessary to adjust supply and demand to provide a realistic assessment of the market potential. Supply must be adjusted to separate demand from residents versus visitors, and resident demand must be adjusted to account for non-store purchases. Based on those adjustments, it is possible to estimate gaps and opportunities by type of store. Growth in the market area is then added to the current opportunities to project future demand.

3.1 Current Retail Demand and Sales

As a starting point, **Table 3** shows current supply and demand within the Kingman market area and in Mohave County. Demand data by type of good or service represents consumer expenditures, whereas supply data represents retail sales. Within the Kingman market area, demand exceeds supply in most categories. These gaps represent categories where local consumers are making purchases outside the market area, which could include on-line purchases and on-site purchases in areas like Las Vegas or Phoenix.

TABLE 3: CONSUMER EXPENDITURES AND SALES

Merchandise Lines	Mohave County, AZ			Kingman Market Area		
	2026 Demand (Consumer Expenditures)	2026 Supply (Retail Sales)	Opportunity Gap/(Surplus)	2026 Demand (Consumer Expenditures)	2026 Supply (Retail Sales)	Opportunity Gap/(Surplus)
RETAIL SALES (Except Automotive)						
Eating And Drinking	\$593,276,406	\$518,595,030	\$74,681,376	\$147,118,639	\$134,041,748	\$13,076,892
Food At Home	\$600,092,427	\$590,329,480	\$9,762,947	\$160,725,750	\$160,182,271	\$543,479
Drugs & Health Aids	\$172,316,480	\$164,365,016	\$7,951,464	\$49,655,206	\$45,730,021	\$3,925,186
Clothing	\$76,966,358	\$49,747,875	\$27,218,483	\$34,810,825	\$24,823,324	\$9,987,500
Home Furnishings	\$52,696,784	\$47,306,621	\$5,390,163	\$24,499,281	\$17,547,494	\$6,951,787
Electronics and Appliances	\$40,243,913	\$12,772,222	\$27,471,691	\$13,199,460	\$2,775,735	\$10,423,725
Building Materials	\$253,401,445	\$251,223,155	\$2,178,291	\$86,171,884	\$68,165,340	\$18,006,544
Miscellaneous Retail	\$117,734,579	\$95,428,832	\$22,305,747	\$36,316,749	\$29,999,389	\$6,317,359
General Merchandise	\$653,765,752	\$633,823,540	\$19,942,212	\$175,173,876	\$170,232,305	\$4,941,571
Auto Parts and Tires	\$61,613,160	\$60,807,711	\$805,449	\$17,682,249	\$16,442,462	\$1,239,787
TOTAL	\$2,622,107,303	\$2,424,399,481	\$197,707,822	\$745,353,919	\$669,940,090	\$75,413,829
HOTEL / LODGING	\$0	\$139,417,359	\$0	\$0	\$44,372,294	\$0
ENTERTAINMENT	\$112,030,619	\$109,091,050	\$2,939,569	\$33,860,843	\$32,995,000	\$865,843
AUTOMOTIVE						
Vehicles	\$685,897,233	\$821,706,935	(\$135,809,702)	\$145,006,767	\$153,933,665	(\$8,926,898)
Fuel	\$343,473,616	\$681,897,973	(\$338,424,357)	\$124,922,510	\$234,913,852	(\$109,991,342)
TOTAL	\$3,763,508,771	\$4,176,512,798	(\$273,586,667)	\$1,049,144,039	\$1,136,154,901	(\$42,638,567)

Sources: Claritas Market Analysis System, Retail Market Power Report, 2026; Arizona Dept of Revenue; Applied Economics.

In contrast, there are only two categories where retail sales exceed local demand in the Kingman market area. These additional sales represent sales to visitors and other non-local consumers. The most significant category is fuel, where sales exceed local demand by 88%, followed by vehicles, where sales exceed local demand by 6%. Given the volume of interstate through traffic in Kingman, this is not surprising. Note that there are no consumer expenditures in the hotel category because all demand is assumed to come from visitors, whose spending is reflected in taxable retail sales (supply) in this table but not the demand category, which includes residents only.

In total, consumer expenditures in the Kingman market area are estimated at \$1.05 billion, compared to retail sales of \$1.14 billion for 2026, with most of the difference between supply and demand coming from fuel and vehicle sales.

3.2 Demand and Sales Adjustments

The next step in evaluating the potential for additional development is to adjust resident consumer expenditures for non-store or on-line purchases. According to the Census Monthly Retail Trade Survey, e-commerce sales accounted for 16.3% of their total retail sales in 2025. These purchases are concentrated in particular categories such as electronics, books, clothing, and home furnishings where 10% to 24% of purchases are not from brick-and-mortar stores. In the Kingman market area, estimated sales from non-store sources total \$56.7 million in 2026, resulting in an adjusted demand figure of \$987.0 million as shown in **Table 4**. This adjusted demand figure represents the amount of current demand that could be met by local establishments.

**TABLE 4: ADJUSTED CONSUMER EXPENDITURES
KINGMAN MARKET AREA**

Merchandise Lines	2026 Demand (Consumer Expenditures)	Share Non- Store Retailers	Non-Store Retailers	2026 Demand (Store Expenditures)
RETAIL SALES (Except Automotive)				
Eating And Drinking	\$147,118,639	0.00%	\$0	\$147,118,639
Food At Home	\$160,725,750	3.51%	\$5,634,400	\$155,091,350
Drugs & Health Aids	\$49,655,206	2.42%	\$1,201,294	\$48,453,913
Clothing	\$34,810,825	18.62%	\$6,480,079	\$28,330,746
Home Furnishings	\$24,499,281	10.73%	\$2,627,783	\$21,871,497
Electronics and Appliances	\$13,199,460	39.44%	\$5,205,528	\$7,993,932
Building Materials	\$86,171,884	7.68%	\$6,618,120	\$79,553,764
Miscellaneous Retail	\$36,316,749	12.60%	\$4,577,520	\$31,739,228
General Merchandise	\$175,173,876	13.55%	\$23,736,691	\$151,437,185
Auto Parts and Tires	\$17,682,249	3.73%	\$658,705	\$17,023,545
TOTAL	\$745,353,919	7.61%	\$56,740,121	\$688,613,798
HOTEL / LODGING	\$0	0.00%	\$0	\$0
ENTERTAINMENT	\$33,860,843	0.00%	\$0	\$33,860,843
AUTOMOTIVE				
Vehicles	\$145,006,767	3.73%	\$5,401,838	\$139,604,929
Fuel	\$124,922,510	0.00%	\$0	\$124,922,510
TOTAL	\$1,049,144,039	5.92%	\$62,141,959	\$987,002,080

Sources: Claritas Market Analysis System, Retail Market Power Report, 2026; Census Quarterly Retail E-Commerce Sales, 2025; Applied Economics.

The next adjustment required is to split supply, or taxable sales, into sales to residents versus sales to visitors, because these components will grow at different rates. Out of total annual sales of \$1.14 billion in the Kingman market area in 2026, 75% (\$848.8 million) are estimated as sales to residents (**Table 5**). The remaining \$365.7 million (25%) represent sales to visitors. Note that this percentage of overall sales to visitors is largely influenced by fuel sales to visitors.

The largest category of retail sales in the Kingman market area is fuel sales, which are not subject to sales tax, but make up 21% of total sales. Based on the amount of fuel sales in excess of what the local market would demand, this analysis assumes that 45% of fuel sales are to visitors and other non-local customers. There is also a surplus of vehicle sales, which are assumed to be 14% to non-residents.

For most other retail categories, excluding restaurants, sales to residents account for 80% to 90% of total sales. Restaurants, which serve both residents and visitors, are assumed to draw 64% of their sales from residents, based on resident demand and estimated visitor spending by type. Entertainment establishments also serve both visitors and residents, although given the nature

of the existing entertainment venues in the market area, it is assumed that 77% of sales are to residents. Hotel and lodging sales are attributed exclusively to visitors.

**TABLE 5: RETAIL SALES TO RESIDENTS AND VISITORS
KINGMAN MARKET AREA**

Merchandise Lines	2026 Supply (Retail Sales)	Share Local	Sales to Residents	Sales to Visitors & Businesses
RETAIL SALES (Except Automotive)				
Eating And Drinking	\$134,041,748	64%	\$86,321,748	\$47,720,000
Food At Home	\$160,182,271	92%	\$146,760,957	\$14,752,460
Drugs & Health Aids	\$45,730,021	90%	\$41,051,318	\$4,678,703
Clothing	\$24,823,324	87%	\$21,610,231	\$3,213,094
Home Furnishings	\$17,547,494	87%	\$15,276,173	\$2,271,321
Electronics and Appliances	\$2,775,735	87%	\$2,416,448	\$359,287
Building Materials	\$68,165,340	87%	\$59,342,121	\$8,823,219
Miscellaneous Retail	\$29,999,389	85%	\$25,410,524	\$4,915,468
General Merchandise	\$170,232,305	87%	\$148,102,106	\$48,786,304
TOTAL	\$653,497,628	84%	\$546,291,625	\$135,519,856
HOTEL / LODGING	\$44,372,294	0%	\$0	\$44,372,294
ENTERTAINMENT	\$32,995,000	77%	\$25,395,632	\$27,700,000
AUTOMOTIVE				
Vehicles	\$153,933,665	86%	\$133,040,212	\$20,893,453
Fuel	\$234,913,852	55%	\$129,202,618	\$135,671,233
Auto Parts and Tires	\$16,442,462	90%	\$14,798,216	\$1,644,246
TOTAL	\$1,136,154,901	75%	\$848,728,303	\$365,801,082

Sources: Claritas Market Analysis System, Retail Market Power Report, 2026; Arizona Dept of Revenue; Applied Economics.

Table 6 brings together adjusted resident demand from Table 4 and sales to residents from Table 5. The purpose is to identify market gaps from residents. In general, about 19% of resident retail spending is “leaking” out of the local market. Within the various retail categories, the gaps are low for items typically purchased close to home, such as groceries (food at home) and drug stores at 5% to 15%. However, the gaps are much higher for electronics and appliances (70%), home furnishings (30%), building materials (25%) and clothing (24%), where there are a limited variety of stores and a limited selection of products in the Kingman market area. For entertainment and restaurants, the gaps range from 25% to 41%.

**TABLE 6: ADJUSTED CURRENT MARKET GAP FROM RESIDENTS
KINGMAN MARKET AREA**

Merchandise Lines	Adjusted Demand	Adjusted Sales	Adjusted Current Gap/(Surplus)	
RETAIL SALES (Except Automotive)				
Eating And Drinking	\$147,118,639	\$86,321,748	\$60,796,892	41%
Food At Home	\$155,091,350	\$146,760,957	\$8,330,393	5%
Drugs & Health Aids	\$48,453,913	\$41,051,318	\$7,402,595	15%
Clothing	\$28,330,746	\$21,610,231	\$6,720,515	24%
Home Furnishings	\$21,871,497	\$15,276,173	\$6,595,324	30%
Electronics and Appliances	\$7,993,932	\$2,498,162	\$5,495,770	69%
Building Materials	\$79,553,764	\$59,342,121	\$20,211,642	25%
Miscellaneous Retail	\$31,739,228	\$25,410,524	\$6,328,705	20%
General Merchandise	\$151,437,185	\$148,102,106	\$3,335,079	2%
Automotive Parts & Tires	\$17,023,545	\$14,798,216	\$2,225,329	13%
TOTAL	\$671,590,253	\$546,373,338	\$127,442,244	19%
HOTEL / LODGING***	\$4,437,229	\$0	\$4,437,229	15%
ENTERTAINMENT	\$33,860,843	\$25,395,632	\$8,465,211	25%
AUTOMOTIVE				
Vehicle Sales	\$139,604,929	\$133,040,212	\$6,564,717	5%
Fuel Sales****	\$124,922,510	\$129,202,618	(\$4,280,108)	-3%
TOTAL	\$866,516,799	\$719,607,398	\$142,629,293	16%

Source: Applied Economics, 2026; US Business Reporter, Retail Statistics, 2025.

3.3 Market Area Opportunities and Growth

To understand the market conditions that will impact future development in the Kingman market area, it is necessary to project supply and demand growth. This analysis provides short-term growth projections from 2026 to 2031 and long-term growth projections from 2031 to 2041. The projections include a baseline growth scenario and an optimistic growth scenario. Note that growth rates are applied to the current market gaps, not to total demand. The increases in market gaps are based on projected population growth and projected increases in visitor/traffic volumes. The baseline scenario relies on the most recent Arizona sub-county projections for Mohave County from the Arizona Office of Economic Opportunity issued in 2022. The optimistic scenario relies on the high series from the county-level projections issued by the Arizona Office of Economic Opportunity in January 2026. Visitor demand is assumed to be 15% greater in the optimistic scenario, which is also based on higher statewide and regional population and employment.

In the baseline growth scenario, the current market gap from residents in the Kingman market area of \$142.6 million is expected to increase by 83% in the short term (2026 to 2031) to \$261.4 million, and then by an additional 25% from 2031 to 2041 to \$326.2 million (**Table 7**). Note that this is the percentage increase in the gap, not the percentage increase in total demand. Also, the future sales growth includes additional demand from residents and visitors.

**TABLE 7: SALES AND DEVELOPMENT POTENTIAL – BASELINE GROWTH
KINGMAN MARKET AREA**

Merchandise Lines	Sales				Total Square Feet **			
	Adjusted Current Gap/(Surplus)	Total Growth: 2026-2031	Total Growth: 2031-2041	Sales Rate*	Current	2026-2031	2031-2036	Current-2036
RETAIL SALES (Except Automotive)								
Eating And Drinking	\$60,796,892	\$17,378,629	\$8,722,843	\$900	75,058	21,455	10,769	107,282
Food At Home	\$8,330,393	\$11,311,312	\$5,028,147	\$770	12,021	16,322	7,256	35,599
Drugs & Health Aids	\$7,402,595	\$3,485,899	\$1,493,923	\$950	8,658	4,077	1,747	14,482
Clothing	\$6,720,515	\$1,999,810	\$982,405	\$560	13,334	3,968	1,949	19,251
Home Furnishings	\$6,595,324	\$1,654,248	\$689,839	\$425	17,243	4,325	1,804	23,371
Electronics and Appliances	\$5,495,770	\$490,230	\$198,401	\$663	9,210	822	332	10,364
Building Materials	\$20,211,642	\$5,953,312	\$2,563,787	\$547	41,056	12,093	5,208	58,356
Miscellaneous Retail	\$6,328,705	\$2,477,782	\$1,183,752	\$400	17,580	6,883	3,288	27,751
General Merchandise	\$3,335,079	\$16,798,166	\$8,465,477	\$380	9,752	49,117	24,753	83,622
Automotive Parts & Tires	\$2,225,329	\$1,246,614	\$524,911	\$330	7,493	4,197	1,767	13,457
TOTAL	\$127,442,244	\$62,796,003	\$29,853,485		211,404	123,259	58,873	393,536
HOTEL / LODGING***	\$4,437,229	\$6,621,207	\$7,430,870	***	193	288	324	805
ENTERTAINMENT	\$8,465,211	\$6,054,428	\$3,958,260	\$125	75,159	53,755	35,144	164,057
AUTOMOTIVE								
Vehicle Sales	\$6,564,717	\$11,395,817	\$5,025,123	\$1,443	NA	NA	NA	NA
Fuel Sales****	(\$4,280,108)	\$31,898,713	\$18,509,566	*****	NA	NA	NA	NA
TOTAL	\$142,629,293	\$118,766,168	\$64,777,303		286,563	177,014	94,017	557,593

Source: Applied Economics, 2026; US Business Reporter, Retail Statistics, 2025.

* Dollars per occupied square foot unless otherwise noted.

** Based on shown sales rates and an occupancy rate of 90% for new development.

*** Rooms based on \$105/room night, 60% Occupancy Rate, Arizona Office of Tourism Lodging Performance by County, Q4 2025.

**** Net acres based on 10,000 gals per day per acre.

The largest increases are in the fuel sales categories; although there is currently a small surplus, fuel sales expected to increase by \$31.9 million by 2031 and by an additional \$18.5 million by 2041. This would translate into demand for 3.6 net acres of additional gas stations. The increase in demand for vehicle sales could support 4.9 net acres of additional auto dealers in the next 15 years.

The gap for all other categories of retail establishments is projected to increase by \$62.8 million over the next five years and by an additional \$29.9 million over the following ten years. This could result in demand for an additional 394,000 square feet of retail stores (excluding fuel sales, vehicle sales, and entertainment) in the Kingman market area over the next 15 years. The specific types of retail with the greatest increase in terms of magnitude are projected to include entertainment, restaurants, general merchandise and building materials. These increases are driven by both local population growth and increased visitor and business demand.

The gap in hotel demand is expected to show a moderate increase of \$6.6 million in the short-term (2026 to 2031) and an additional \$7.4 million from 2031 to 2041 due to increased visitor traffic. This would translate into about 805 additional hotel rooms demanded by 2041. The gap in entertainment is projected to increase by \$6.1 million by 2031 and \$4.0 million by 2041, which translates into about 164,000 square feet of additional entertainment space in the Kingman market area.

The optimistic scenario shows the current market gap in the Kingman market area increasing by 115% in the short-term (2026 to 2031), to \$306.7 million, and then by an additional 50% from 2031 to 2041, to \$459.8 million (**Table 8**).

In the optimistic scenario, the pattern of industries where the increase in the gap is larger is the same as in the baseline scenario, only the magnitude of impacts is greater. For vehicle and fuel sales combined, there is an increase in the gap of \$56.9 million by 2031, and \$50.3 million from 2031 to 2041, creating demand for 7.9 net acres of auto dealers and 5.9 net acres of gas stations in the Kingman market area over the next 15 years.

For non-automotive retail, the gap is projected to increase by \$91.6 million in the short-term and by an additional \$80.0 million in the long-term, resulting in demand for an additional 546,000 square feet in the market area by 2041. The increase in the hotel and lodging categories would generate demand for an estimate 1,075 additional rooms by 2041, and the increase in the entertainment gap could translate into about 236,000 square feet.

**TABLE 8: SALES AND DEVELOPMENT POTENTIAL – OPTIMISTIC GROWTH
KINGMAN MARKET AREA**

Merchandise Lines	Sales				Total Square Feet **			
	Adjusted Current Gap/(Surplus)	Total Growth: 2026-2031	Total Growth: 2031-2041	Sales Rate*	Current	2026-2031	2031-2036	Current-2036
RETAIL SALES (Except Automotive)								
Eating And Drinking	\$60,796,892	\$24,238,935	\$23,558,929	\$900	75,058	29,925	29,085	134,068
Food At Home	\$8,330,393	\$17,492,027	\$14,605,218	\$770	12,021	25,241	21,075	58,337
Drugs & Health Aids	\$7,402,595	\$5,290,478	\$4,238,698	\$950	8,658	6,188	4,958	19,803
Clothing	\$6,720,515	\$3,118,883	\$2,829,860	\$560	13,334	6,188	5,615	25,137
Home Furnishings	\$6,595,324	\$2,468,812	\$1,946,288	\$425	17,243	6,454	5,088	28,785
Electronics and Appliances	\$5,495,770	\$787,949	\$596,996	\$663	9,210	1,321	1,000	11,531
Building Materials	\$20,211,642	\$8,916,148	\$7,195,532	\$547	41,056	18,111	14,616	73,783
Miscellaneous Retail	\$6,328,705	\$3,695,696	\$3,261,500	\$400	17,580	10,266	9,060	36,905
General Merchandise	\$3,335,079	\$23,696,260	\$20,318,126	\$380	9,752	69,287	59,410	138,449
Automotive Parts & Tires	\$2,225,329	\$1,880,625	\$1,489,296	\$330	7,493	6,332	5,014	18,839
TOTAL	\$127,442,244	\$91,585,813	\$80,040,442		211,404	179,313	154,922	545,638
HOTEL / LODGING***	\$4,437,229	\$7,614,389	\$12,673,064	***	193	331	551	1,075
ENTERTAINMENT	\$8,465,211	\$7,941,581	\$10,196,759	\$125	75,159	70,510	90,533	236,202
AUTOMOTIVE								
Vehicle Sales	\$6,564,717	\$16,595,149	\$13,746,750	\$1,443	NA	NA	NA	NA
Fuel Sales****	(\$4,280,108)	\$40,295,294	\$36,510,405	****	NA	NA	NA	NA
TOTAL	\$142,629,293	\$164,032,226	\$153,167,421		286,563	249,823	245,454	781,840

Source: Applied Economics, 2026; US Business Reporter, Retail Statistics, 2025.

* Dollars per occupied square foot unless otherwise noted.

** Based on shown sales rates and an occupancy rate of 90% for new development.

*** Rooms based on \$105/room night, 60% Occupancy Rate, Arizona Office of Tourism Lodging Performance by County, Q4 2025.

**** Net acres based on 10,000 gals per day per acre.

4.0 SOUTH KINGMAN CROSSING POTENTIAL

The sales and development potential of South Kingman Crossing is based on the combination of current retail gaps and projected growth detailed in Section 3.3, as well as sales capture rates. The potential sales capture rates for South Kingman Crossing are different for current leakages than for projected market growth, and vary by merchandise category, as detailed in **Table 9**. Capture rates were developed based on the type and amount of sales potential, the nature of the existing competitive inventory, and the type of development anticipated at South Kingman Crossing.

TABLE 9: SOUTH KINGMAN CROSSING DEVELOPMENT POTENTIAL – SQUARE FEET

Merchandise Lines	Capture Rate		Baseline Scenario				Optimistic Scenario			
	Current Leakage	Growth	Current	2026-2031	2031-2041	Current-2041	Current	2026-2031	2031-2041	Current-2041
RETAIL SALES (Except Automotive)										
Eating And Drinking	50%	60%	37,529	12,873	6,461	56,863	37,529	17,955	17,451	72,935
Food At Home	50%	60%	6,010	9,793	4,353	20,157	6,010	15,145	12,645	33,800
Drugs & Health Aids	50%	60%	4,329	2,446	1,048	7,824	4,329	3,713	2,975	11,016
Clothing	70%	80%	9,334	3,174	1,559	14,068	9,334	4,951	4,492	18,776
Home Furnishings	70%	80%	12,070	3,460	1,443	16,973	12,070	5,164	4,071	21,304
Electronics and Appliances	70%	80%	6,447	657	266	7,370	6,447	1,056	800	8,304
Building Materials	50%	60%	20,528	7,256	3,125	30,908	20,528	10,867	8,770	40,164
Miscellaneous Retail	70%	80%	12,306	5,506	2,631	20,443	12,306	8,213	7,248	27,766
General Merchandise	60%	60%	5,851	29,470	14,852	50,173	5,851	41,572	35,646	83,069
Automotive Parts & Tires	70%	60%	5,244.9	2,518.4	1,060	8,824	5,245	3,799	3,009	12,053
TOTAL			119,649	77,155	36,799	233,602	119,649	112,434	97,106	329,188
HOTEL / LODGING **	70%	70%	135	202	227	564	135	232	386	753
ENTERTAINMENT	70%	80%	52,611	43,004	28,115	123,730	52,611	56,408	72,426	181,445
AUTOMOTIVE										
Vehicle Sales	60%	50%	0.8	1.2	0.5	2.6	0.8	1.8	1.5	4.1
Gasoline Sales****	50%	50%	0.0	1.4	0.8	1.8	0.0	1.7	1.6	3.3
TOTAL			172,260	120,159	64,914	357,332	172,260	168,841	169,532	510,633

Source: Applied Economics, 2026

Note: Based on 0.20 floor-area ratio and an 85% net to gross acre conversion.

** Hotel/motel rooms based on \$105/room night, 60% Occupancy Rate, 600 gross square feet per room.

**** Net acres based on 10,000 gals per day per acre.

With respect to current leakages, South Kingman Crossing capture rates are assumed to be about 50% for merchandise lines that include necessities, categories with smaller current retail leakages, and categories with a broader base of consumer demand. South Kingman Crossing capture rates of 70% were assigned to categories with larger current retail leakages and/or high levels of demand from visitors. The capture rate for merchandise lines with elements of both types is assumed to be 60%.

The South Kingman Crossing capture rates are assumed to increase by 10% in the case of future growth, since the existing base of businesses will be less important to the new consumers and much of the population growth in the Kingman Market Area is likely to be in the area near South Kingman Crossing.

These capture rates are applied to current market opportunities to project the amount of additional acres and square feet that could be supported at South Kingman Crossing. The current level of retail leakages translates into about 172,000 square feet, or about 27.2 acres, of additional retail and entertainment space that could be supported at South Kingman Crossing if all consumer expenditures that are currently made outside the region could be captured locally (Table 10). This includes about 120,000 square feet of retail space, 53,000 square feet of entertainment space and 135 hotel rooms. The largest categories for current opportunities include entertainment, general merchandise, restaurants and building materials.

Under the baseline scenario, growth in demand from residents and visitors could support an additional 120,000 square feet and 202 hotel rooms at South Kingman Crossing by 2031 and an additional 65,000 square feet and 227 hotel rooms by 2041. This translates into 38.7 acres of additional retail, hotel and entertainment development by 2041, including automotive categories (Table 10). Including current supportable space and future growth, the baseline scenario would support 357,000 additional square feet and 564 hotel rooms translating into 66.6 acres of development at South Kingman Crossing by 2041. The largest retail categories in terms of future growth include entertainment, restaurants, general merchandise, and building materials. There is also a significant demand for additional hotel rooms that is driven by increased traveler volume in the market area.

TABLE 10: SOUTH KINGMAN CROSSING DEVELOPMENT POTENTIAL – ACRES

Merchandise Lines	Gross Acres Absorbed Baseline Growth Scenario				Gross Acres Absorbed Optimistic Growth Scenario			
	Current	2026- 2031	2031- 2041	Current- 2041	Current	2026- 2031	2031- 2041	Current- 2041
RETAIL STORES	16.2	10.4	5.0	31.5	16.2	15.2	13.1	44.5
HOTEL / LODGING	3.1	4.6	5.2	12.9	3.1	5.3	8.9	17.3
ENTERTAINMENT	7.1	5.8	3.8	17.7	7.1	7.6	9.8	25.5
AUTOMOTIVE								
Vehicle Sales	0.8	1.2	0.5	2.6	0.8	1.8	1.5	4.1
Gasoline Sales	0.0	1.4	0.8	1.8	0.0	1.7	1.6	3.3
TOTAL	27.2	23.4	15.3	66.6	27.2	31.6	34.8	94.6

Source: Applied Economics, 2026

Under the optimistic scenario, increased demand could support an additional 169,000 square feet and 232 hotel rooms at South Kingman Crossing by 2031, and an additional 170,000 square feet and 386 hotel rooms by 2041. The optimistic scenario incorporates more population growth, consistent with the high series population projections for the region issued by the Arizona Office of Economic Opportunity and 15% higher growth in visitor volumes. Including current supportable space, the level of growth associated with the optimistic scenario could yield 511,000 square feet of additional retail and entertainment space and 753 hotel rooms at South Kingman Crossing by 2041. This translates into 58.8 acres of additional retail, hotel and entertainment development by 2031 and 94.6 total acres by 2041.

This level of future potential at South Kingman Crossing can also be translated into projected city sales and lodging tax revenues. Sales per square foot and average hotel room rates are applied to the projected amount of square footage and hotel rooms to estimate taxable sales. Note that gasoline sales are not subject to sales tax. In addition, food for home consumption and prescription drugs are not taxable, which reduces taxable sales from the Food at Home and Drug and Health Aids categories. The city sales tax rate in Kingman is 2.5% for most retail categories, although an additional 1% tax is charged on restaurant and bars, and an additional 4% on lodging.

The currently supportable square footage could yield an estimated \$2.6 million in annual city sales and lodging tax revenues, based on the projected capture rate of current retail leakages by South Kingman Crossing (**Table 11**). Under the baseline scenario, the annual sales and lodging taxes from South Kingman Crossing could increase to \$4.2 million by 2031 and \$5.2 million by 2041. Under the optimistic scenario, the amount of increased consumer demand that could be captured by South Kingman Crossing could result in \$4.8 million in annual sales and lodging tax revenues to the city by 2031 and \$7.1 million by 2041. In either scenario, these figures represent a sizeable increase in annual city revenues.

**TABLE 11: SOUTH KINGMAN CROSSING DEVELOPMENT POTENTIAL –
ANNUAL SALES TAX REVENUES (2026 DOLLARS)**

Merchandise Lines	City Tax Collections Conservative Growth				City Tax Collections Optimistic Growth			
	Current	2026- 2031	2031- 2041	Current- 2041	Current	2026- 2031	2031- 2041	Current- 2041
RETAIL STORES	\$2,125,120	\$1,019,380	\$493,188	\$3,637,688	\$2,125,120	\$1,466,661	\$1,308,978	\$4,900,759
HOTEL / LODGING **	\$201,894	\$301,265	\$339,151	\$842,310	\$201,894	\$346,455	\$576,624	\$1,124,973
ENTERTAINMENT	\$164,601	\$134,543	\$87,961	\$387,105	\$164,601	\$176,480	\$226,595	\$567,676
AUTOMOTIVE								
Vehicle Sales	\$98,471	\$142,448	\$62,814	\$303,733	\$98,471	\$207,439	\$171,834	\$477,744
Gasoline Sales****	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CITY SALES AND LODGING TAX	\$2,590,086	\$1,597,636	\$983,114	\$5,170,836	\$2,590,086	\$2,197,034	\$2,284,032	\$7,071,152

Source: Applied Economics, 2026