



Dynamic Trends in the Current and Future Retail Environment

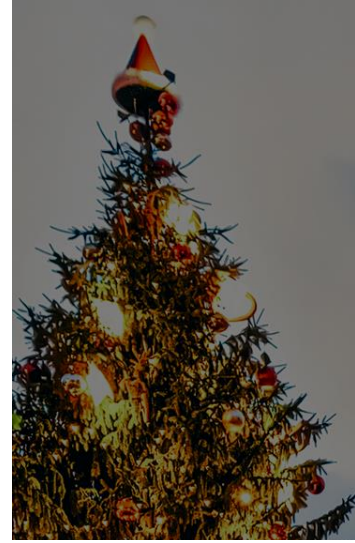
• THE NEWS

Retail Trends

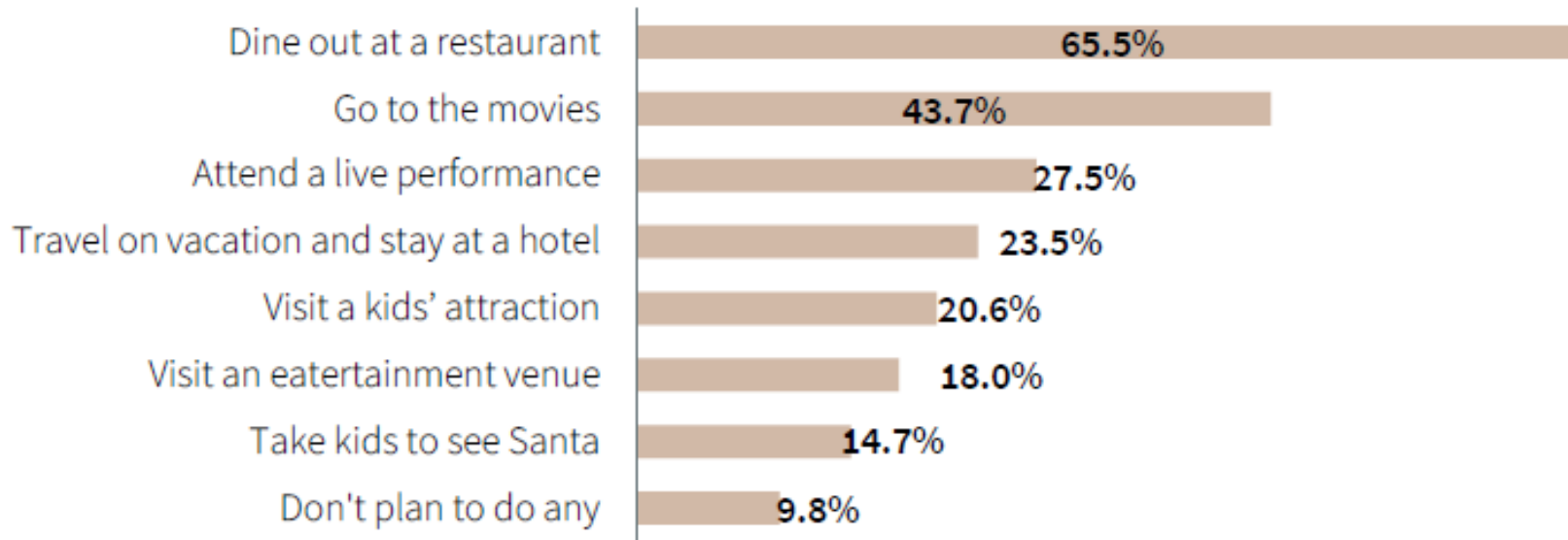
- Customer Experience
- Conscious Customers
- Fitness & Wellness
- Ease of Purchase
- Omnichannel
- Loyalty
- Entertainment- Fun Is In Again



Holiday Sales



Which of the following do you plan to do at least once this holiday season



Source: JLL Holiday Shopping Survey 2023

DS

Consumers' gradual move away from goods spending towards services and experiences is in full effect for the holidays, with shoppers planning to spend a healthy **\$958** per person this holiday season – 22.8% of which will be used for holiday entertainment and experiences.

Planned spending on physical goods – gifts and other holiday merchandise – is down some 13.8% from 2022, decreasing from an average of \$868 per person last year to \$748 per person this year. However, with the addition of the new spending component of experience in this year's survey, consumers' overall holiday budgets exceed 2022.



RETAIL SALES

2023 Holiday Predictions

Holiday sales for 2023 are expected to increase between 3% and 4% over 2022.

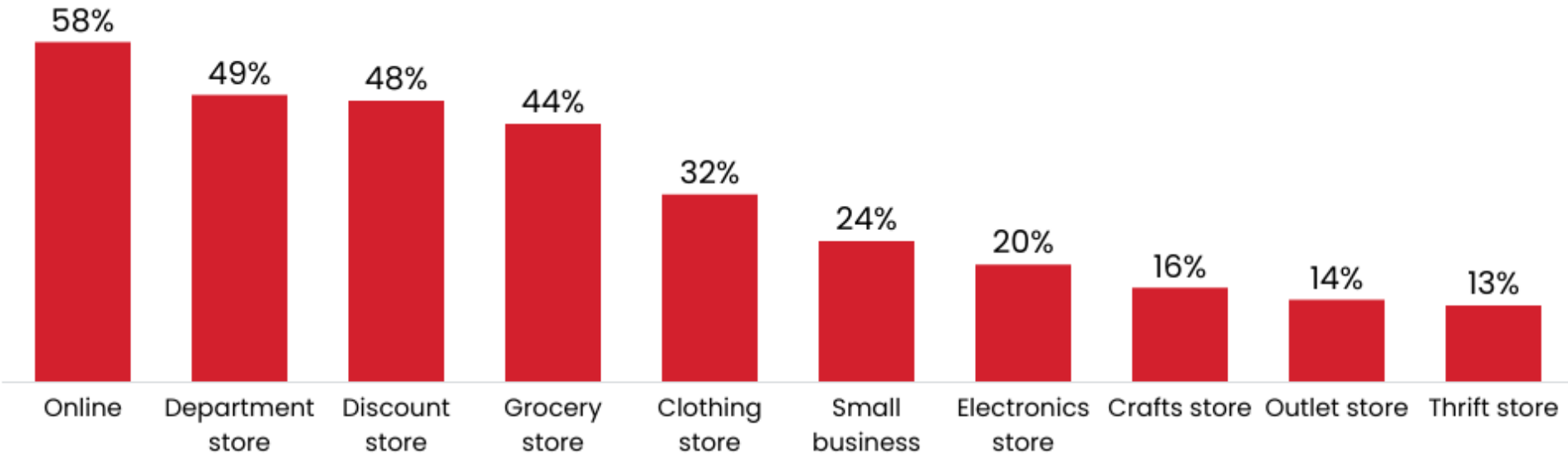


SOURCE: Nation Retail Federation

Holiday Sales



Top 10 2023 holiday shopping destinations



Source: NRF and Prosper Insights & Analytics October 2023 Consumer Holiday Survey



SOURCE: Nation Retail Federation

WHERE WE ARE

U.S. retail economy trends



Inflation

3.7% ↑

While the consumer price index growth has moderated to 3.7% above year-ago levels, the cumulative jump in prices since 2019 paint a clear picture: it takes more money to buy the same things now. This impacts lower-income shoppers significantly more than those earning more money.



Consumer sentiment

63.0 pts ↓

Consumer confidence fell 5.1 points from September to October, thanks to growing consumer concerns over inflation. However, overall sentiment remains comfortably above what it was in September of 2022, when inflationary growth was markedly steeper.



Retail sales

0.7% ↑

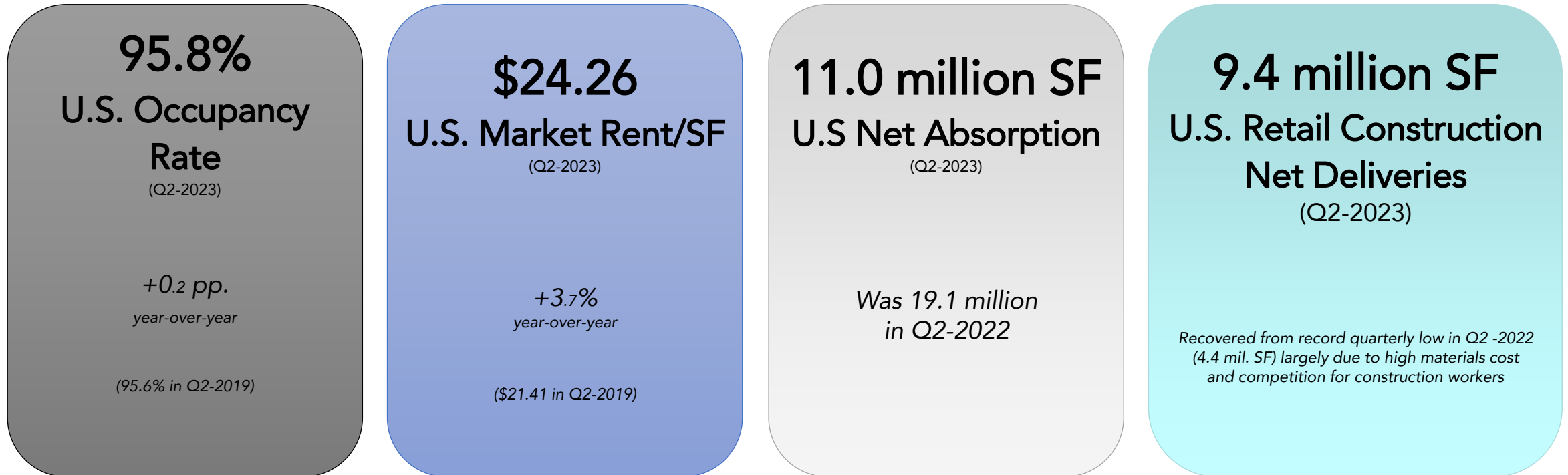
Retail sales grew for the sixth straight month in September, jumping 0.7% over August and 3.8% year-over-year. While most of this growth can be attributed to inflation, categories that showed particular strength included auto dealerships, F&B places and miscellaneous retailers.

Retail fundamentals

Fundamentals	General retail	Malls	Power centers	Neighborhood and community	Strip centers	Total retail
Inventory	6,470,520,261	910,494,494	799,759,285	2,981,669,141	706,491,027	11,973,152,202
Vacancy	2.5%	9.1%	4.3%	6.0%	4.7%	4.2%
Net absorption	8,434,857	(434,694)	235,521	1,478,262	518,412	10,474,337
Net deliveries	5,365,351	194,870	444,984	1,044,393	349,486	7,421,783
Under construction	42,781,436	3,339,962	1,826,431	8,003,646	2,922,429	60,084,408
Market rent	\$23.62	\$32.94	\$26.21	\$23.60	\$22.40	\$24.48

HIGHER OCCUPANCY RATES, INCREASING RENTS

Strong U.S. Marketplaces Industry Fundamentals



Source: CoStar Group, Inc., as of Q2- 2023

BY THE NUMBERS (2022)

United States Marketplaces Industry



114,584

Number of Marketplaces



1.8 million

Marketplace Tenants



31.6 million

Jobs



15.4%

Share of Total Jobs



\$8.4 trillion

Sales



33.1%

Share of GDP



\$476.4 billion

Sales Taxes



\$29.6 billion

Property Taxes

Sources: U.S. Bureau of Labor Statistics; CoStar Group, Inc., U.S. Bureau of Economic Analysis, U.S. Census Bureau, The Sales Tax Clearinghouse, NAIOP, Dodge Data & Analytics, NCREIF, ICSC Research

BY THE NUMBERS (2022)

Illinois Marketplaces Industry



4,403

Number of Marketplaces



73,917

Marketplace Tenants



1.2 million

Jobs



15.2%

Share of Total Jobs



\$352.5 billion

Sales



34.1%

Share of GDP



\$22.0 billion

Sales Taxes



\$1.4 billion

Property Taxes

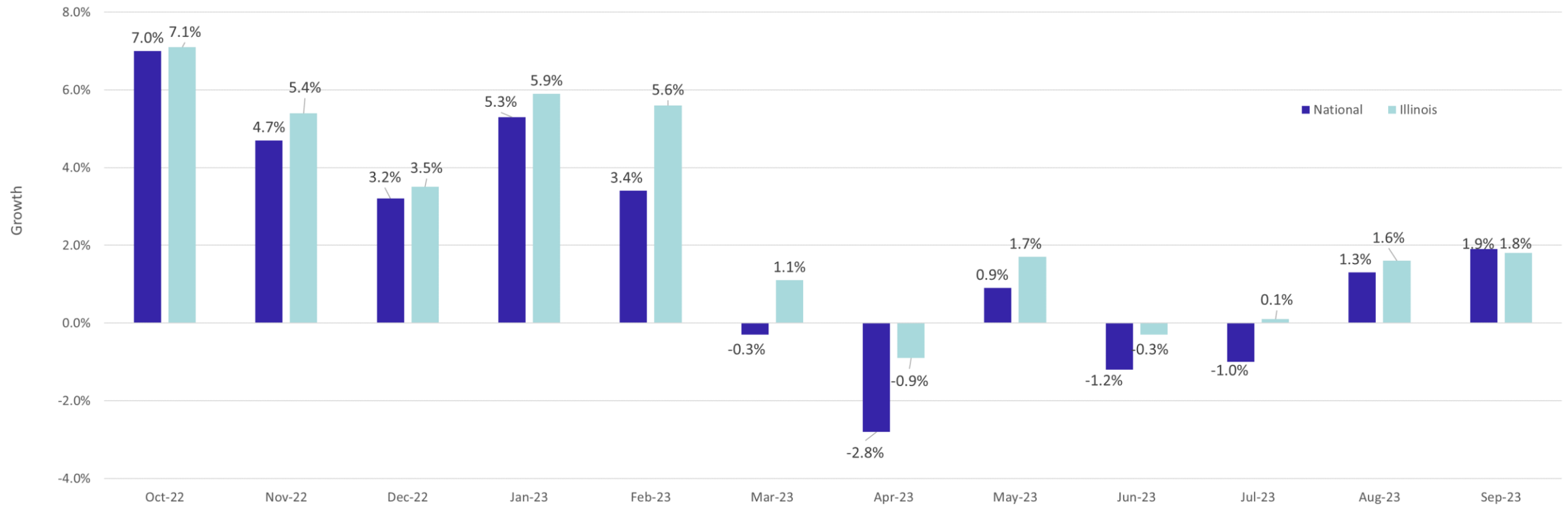
Sources: U.S. Bureau of Labor Statistics; CoStar Group, Inc., U.S. Bureau of Economic Analysis, U.S. Census Bureau, The Sales Tax Clearinghouse, NAIOP, Dodge Data & Analytics, NCREIF, ICSC Research

ILLINOIS

Retail Sales Growth Trends

Retail Sales Growth over the last 12-month of available data

Total Retail Sales Growth October 2022-September 2023



Where are we going?



• RETAIL TRENDS

Quiz

- What is the largest consumer demographic group?
- Generation Z
- Millennials
- Generation X
- Baby Boomers



The Future Consumer & The Modern Employee

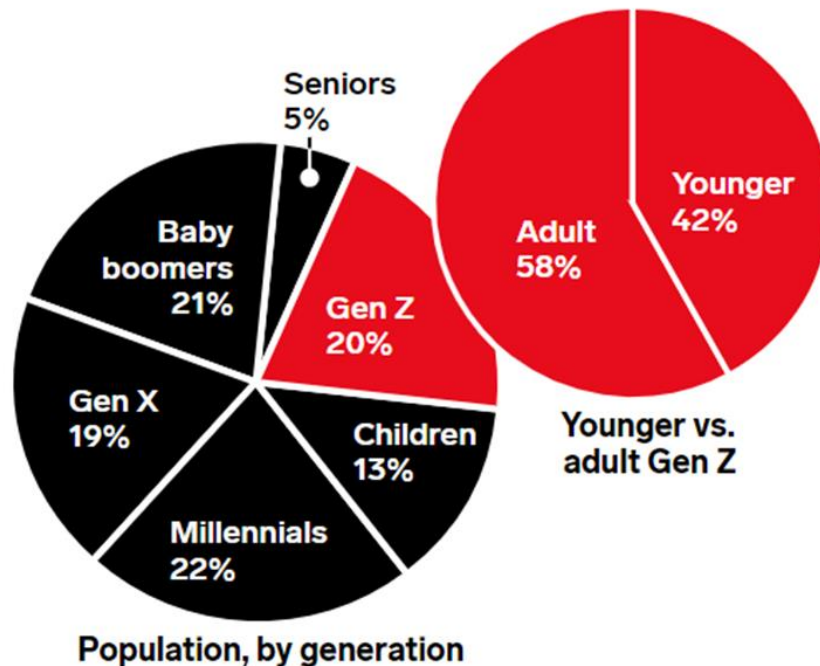


Work at Domestique
\$35k-37k
Full Time

[APPLY NOW](#)

US Gen Z and Total Population, 2023

% of total



Note: ages 0-100; children=born after 2012; Gen Z=1997-2012; younger Gen Z are ages 11-17, adult Gen Z are ages 18-26; millennials=1981-1996; Gen X=1965-1980; baby boomers=1946-1964; seniors=1928-1945; numbers may not add up to 100% due to rounding
Source: US Census Bureau, "US Population Projections: 2017-2060"; Insider Intelligence calculations, January 12, 2023

We're Hiring Full-Time Baristas

- Make \$35-\$37k per year
- Health insurance stipend
- Paid vacation and holidays
- Free coffee at work and Cafe credit
- Yearly \$500 Adventure Stipend

WE'RE LOOKING FOR SELF-MOTIVATED COFFEE PROFESSIONALS WHO WANT TO EXPAND THEIR KNOWLEDGE AND CONTINUE TO BUILD AN INNOVATIVE COFFEE START-UP IN BIRMINGHAM.

Enjoy the ride.

RETAIL IMPACT

Average Wages



Job`	Hourly	Annual
First-line supervisors/managers of retail sales workers	\$22.61	\$47,020
Customer service representatives	\$15.22	\$31,660
Retail salespersons	\$14.81	\$30,800
Stock clerks and order fillers	\$13.79	\$28,690
Cashiers	\$12.38	\$25,740

Source:
Statista

TRENDS

“The Great American Move”

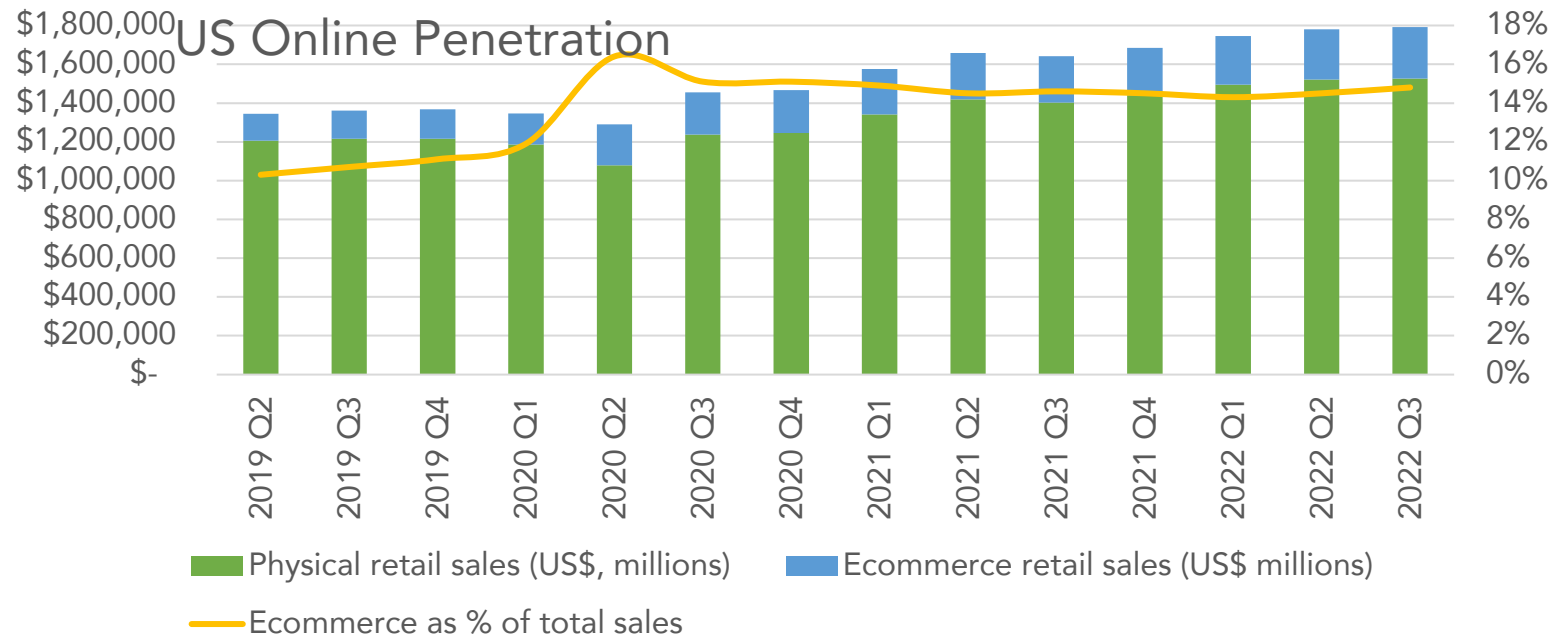
	Share of total population, 2015	Share of net growth, 2015–2019	Share of net growth, 2015–2022	Change 2019–2022
Urban	15%	12%	3%	-675,000
Suburban	65%	82%	87%	3,000,000
Rural	20%	6%	10%	675,000

Source: John Burns Research and Consulting LLC, tabulations of U.S. Census Bureau population estimates, 2022 vintage.

TRENDS

E-Commerce

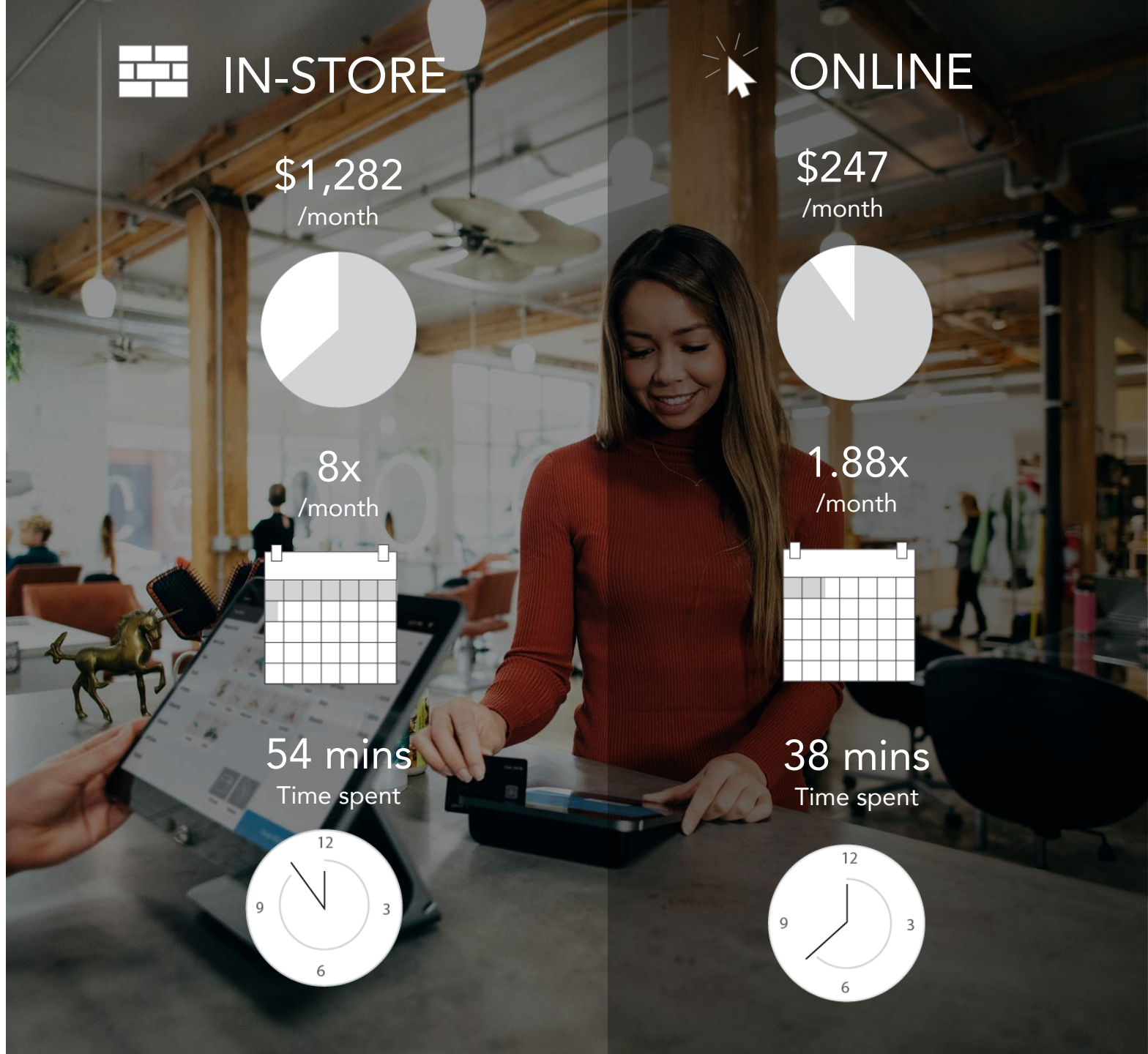
Online sales have increased dramatically with the advent of new technology. However, e-commerce is still a relatively small portion of all retail sales, capturing 16.4% of sales in 2022. More importantly, we need to recognize the trend and be aware of retailer reactions.



Nothing but Growth Ahead for E-Commerce

TRENDS

Consumer Purchasing



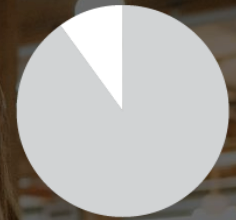
IN-STORE



ONLINE

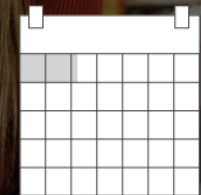
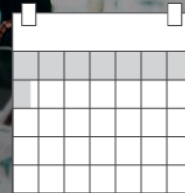
\$1,282
/month

\$247
/month



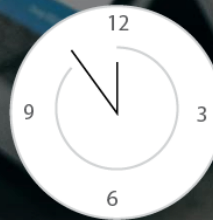
8x
/month

1.88x
/month

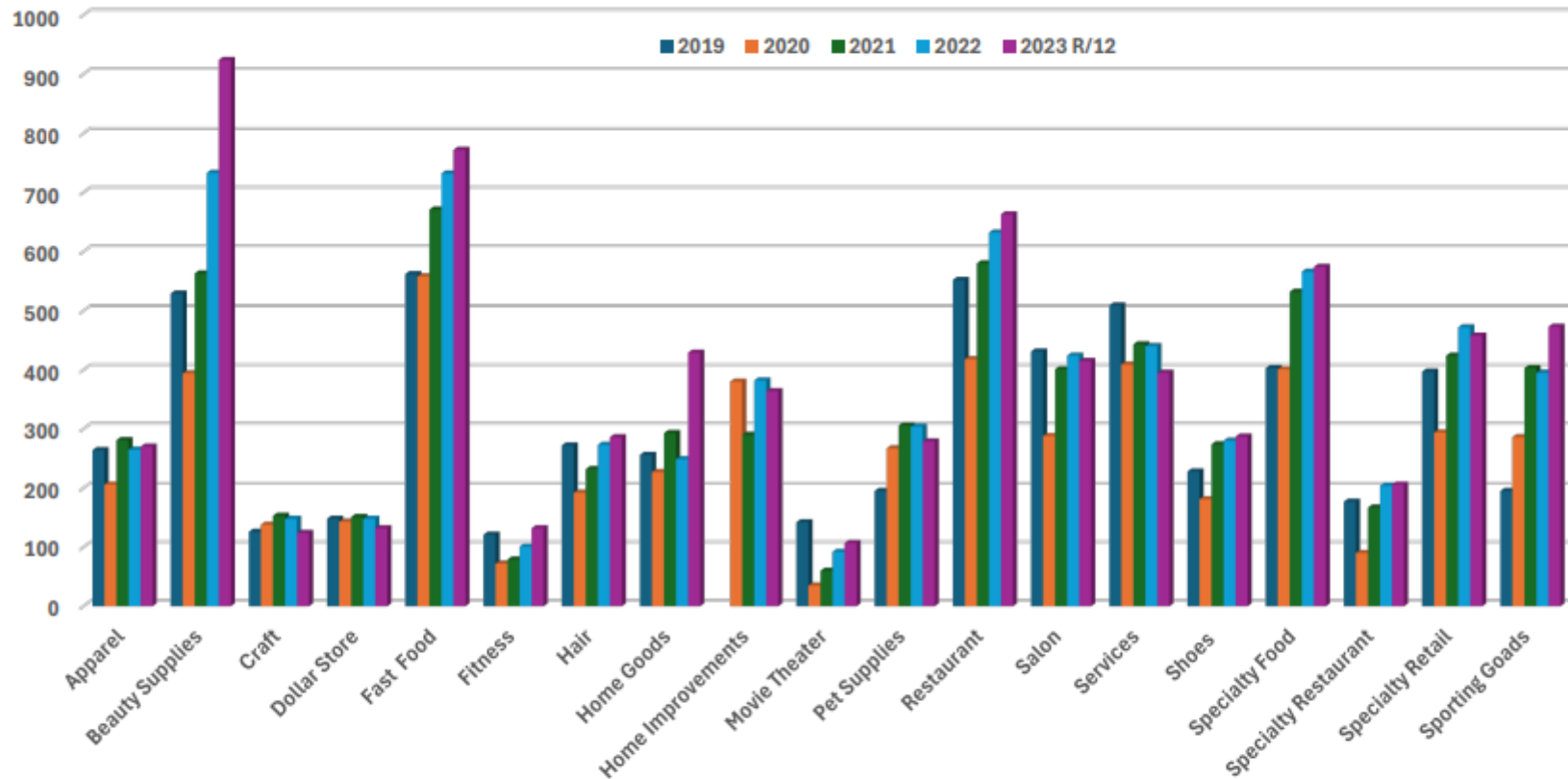


54 mins
Time spent

38 mins
Time spent



Sales PSF for Last Five Years by Category



Category descriptions:

Hair—Retailers that principally cut and/or blow-dry hair.

Salon—Retailers that do massage, eyelashes, waxing and nails.

Specialty Food—Inclusive of juices, ice cream, yogurt and donuts.

Fast Food—Quick serve and takeaway-focused meals.

Restaurants—Principally sit-down dining focused.

Specialty Restaurants—Dining with an integral experience component.

Fitness—Gym, yoga and workout facilities.

Services—A standalone category capturing all other service retailers including cash checking, insurance, dental, copy/print, weight loss, shipping and wireless.

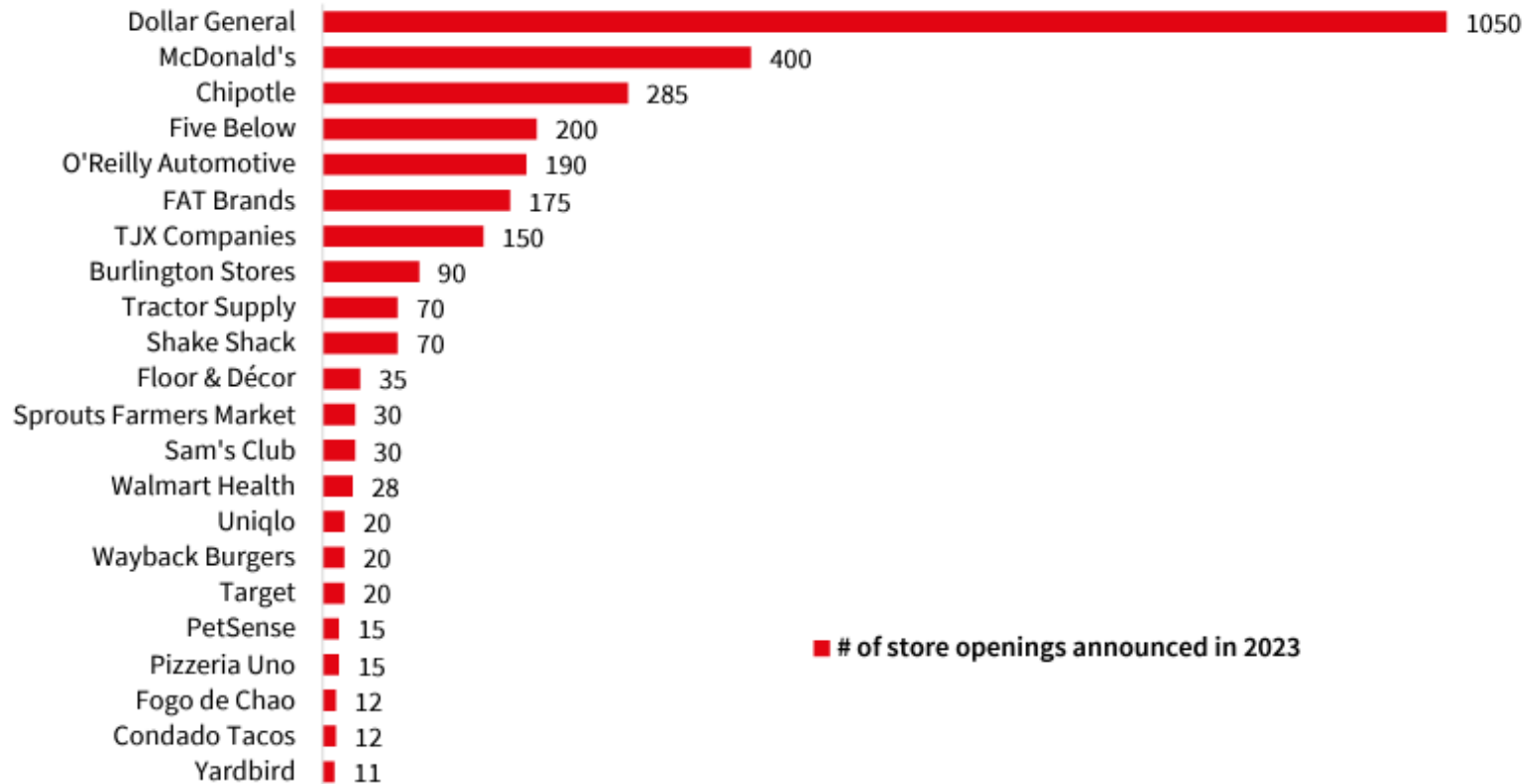
Craft—Retailers focused on arts, crafts and making.

Specialty Retail—Specifically focused on a narrow vertical such as books, parties, backpacking or devices

NATIONAL RETAILER ANNOUNCED

Expansion in 2023

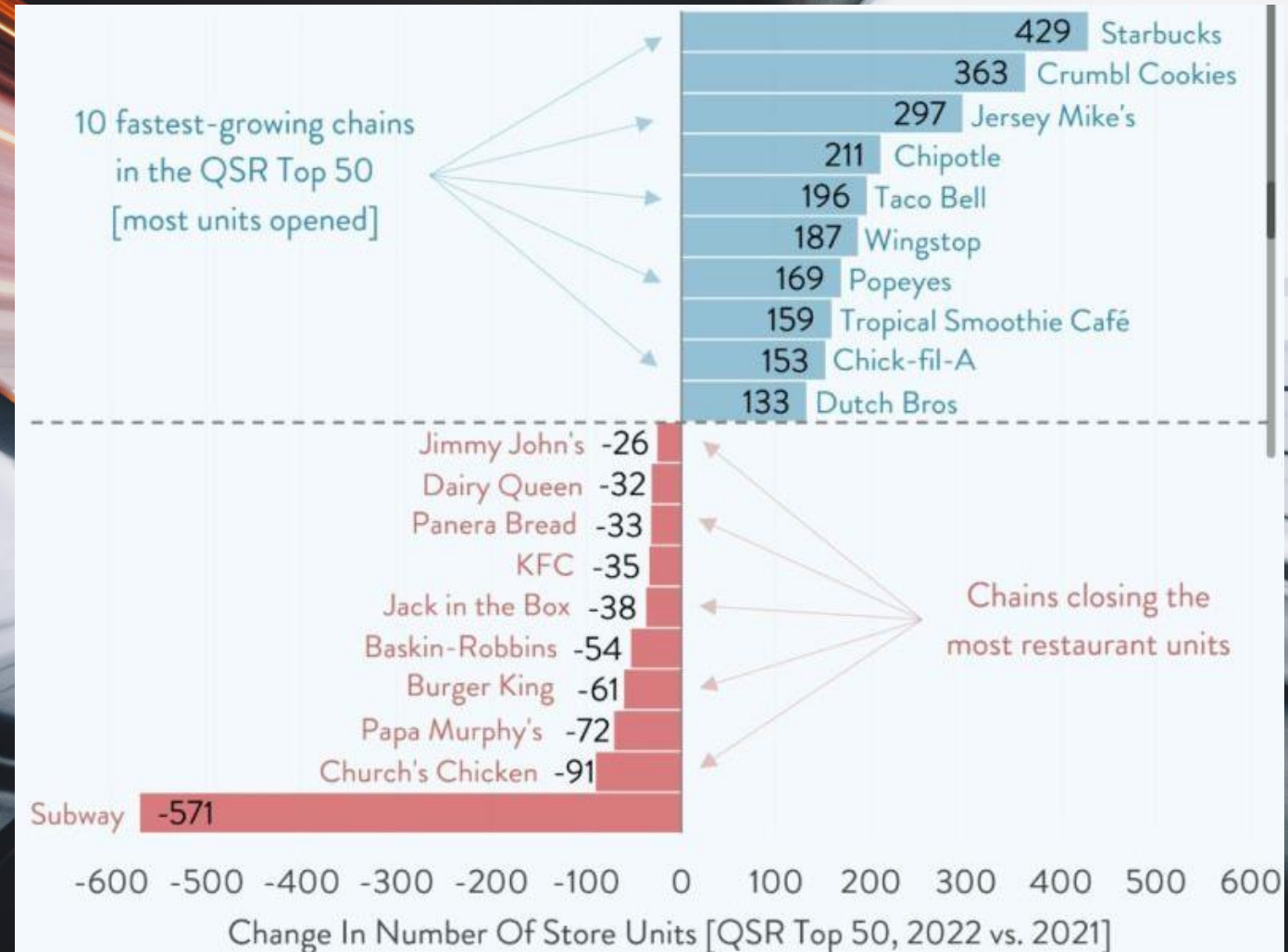
Dollar General and Chipotle among retailers with most announced openings in 2023



Source: PNC CreditIntell, JLL Research

SOURCE: PNC, CreditIntell, JLL Research

The Fast-Food Chains Opening and Closing the Most Stores



Sampling of Average Sales per Unit

(in millions)

source: QSR #metastepro



\$8.100^m



\$2.768^m



\$2.739^m



\$1.600^m



\$1.357^m



\$1.349^m



\$1.210^m

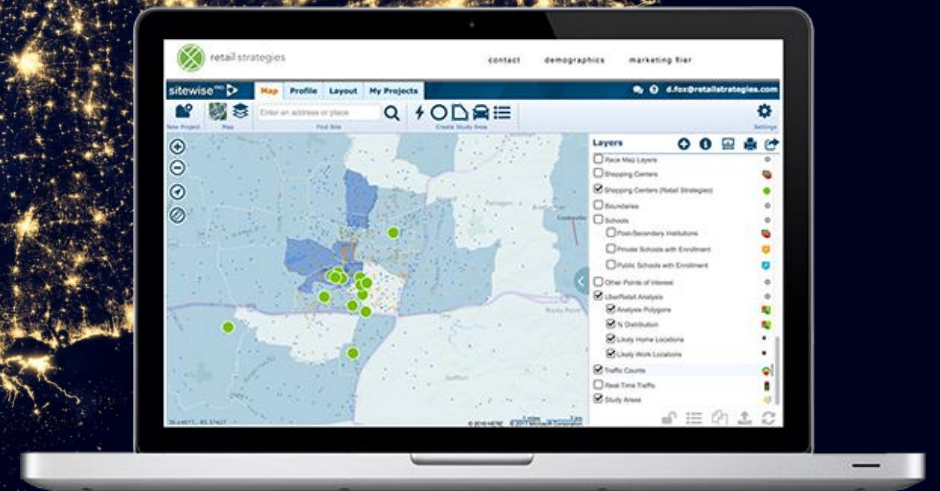


\$0.933^m

DISCOVER

Data & Analytics

- Customized Trade Area
- GAP Analysis
- Peer Analysis
- Prospects & Site Criteria

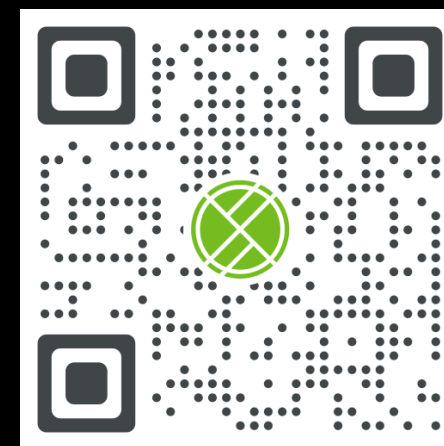


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