

2019 Retail Trends

Retail Bankruptcies

- 2019 saw numerous brands declare bankruptcy/reorganization or store closures

- Shopko
- Charlotte Russe
- Payless Shoes
- Forever 21
- Charming Charlie



SHOPKO®

charming
charlie

charlotte russe®

FOREVER 21

Retail Growth



- 2019 saw the continued growth of value oriented retailers
 - Lidl
 - Aldi
 - Five Below
 - Ollie's Bargain Outlet
 - Ross Dress for Less
 - Costco



New Retail Tenant Mix

- Retailers are creating interactive environments in their stores
 - Nike Joyride Experience in New York
 - Users are fitted with a pair of shoes and participate in an interactive game
- Dining and entertainment are now anchors in retail developments
 - Retailers want to be surrounded by “experience” based users
 - Elevate the experience beyond the simple purchase of goods

Growing B&M Presence

- Online only retailers are establishing B&M locations in large numbers
 - Allbirds
 - Plans for 35 stores by end of next year
 - Casper Mattress
 - Untuckit
 - 51 stores and counting

The Allbirds logo is written in a black, lowercase, cursive script font.The Casper logo features the word "Casper" in a large, blue, sans-serif font. Below it, the tagline "ONE PERFECT MATTRESS" is written in a smaller, blue, all-caps, sans-serif font.The Untuckit logo consists of the word "UNTUCKit" in a blue, sans-serif font, with a red triangle to the right of the "it". Below this, the tagline "SHIRTS DESIGNED TO BE WORN UNTUCKED" is written in a smaller, blue, all-caps, sans-serif font.

Pop Up Shops & Seasonal Stores

- Example project in Texas w/ rotating pop up shops
- Small, short term stores to test new concepts or products
 - More economical to test pilot concepts compared to a traditional store format



Filling Large Vacancies

- Apartments, office spaces, fitness centers and entertainment venues have replaced large vacancies created by retail closures
- E-Sport Arenas are becoming major city attractions similar to traditional sporting arenas
 - Built in new, ground up developments or filling existing vacancies
 - Simon Property Group has invested \$5 million into Allied E-Sports

U.S. Retail Sales

- National retail vacancy declined to 10.1% from 10.2% in the third quarter
- National asking rent increased 0.3% in the third quarter to \$21.45 per sq. ft.
 - Represents an increase of 1.5% year over year
- Retail sales dropped by 0.3% in September
 - First drop in retail sales since February
 - (includes the sales of automobiles, gasoline, home building materials, etc.)
 - Increase in spending on apparel, furniture and home furnishings

Sources:

- <https://www.reis.com/retail-preliminary-trends-q3-2019/>
- <https://www.reuters.com/article/us-usa-economy-retail/weak-u-s-retail-sales-cast-gloom-over-economy-idUSKBN1WV1NG>

National/Regional Trends Impacting ICT

- Wichita has begun to see the national and regional trends that began 2-3 years ago
 - Round-One becoming a large entertainment anchor at Towne East
 - Dave & Busters becoming an entertainment anchor at Greenwich Place
- Towne West evolution
 - Towne West mall has incorporated various office users into the large floorplates created by the retail vacancies



Pop Up Shops in ICT

- Revolutsia has been well received by the market
 - Numerous small start up concepts
 - Allows customers of individual businesses to interact in a common gathering place



Retail in Wichita- Q3 2019

- SW Wichita
 - Approx. 610,000 sq. ft. of existing retail space
 - Approx. **11.3% vacancy** rate
 - Approx. 83k sq. ft. of proposed/under construction space
 - **\$9.68 average asking rent**
- SE Wichita
 - Approx. 1.8 million sq. ft. of existing retail space
 - Approx. **12.7% vacancy** rate
 - Approx. 80k sq. ft. of proposed/under construction space
 - **\$13.39 average asking rent**
- NW Wichita
 - Approx. 4.7 million sq. ft. of existing retail space
 - Approx. **15.9% vacancy** rate
 - Approx. 420k sq. ft. of proposed/under construction space
 - **\$10.88 average asking rent**
- NE Wichita
 - Approx. 4.9 million sq. ft. of existing retail space
 - Approx. **7.4% vacancy** rate
 - Approx. 500k sq. ft. of proposed/under construction space
 - **\$13.20 average asking rent**
- CBD
 - Approx. 1.4 million sq. ft. of existing retail space
 - Approx. **8% vacancy** rate
 - Approx. 50k sq. ft. of proposed/under construction space
 - **\$12.43 average asking rent**