



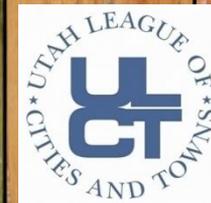
Retail Trends 2016

EXPERIENTIAL RETAILING

Utah League of Cities and Towns Annual Convention
September 14-16, 2016

Kosmont Retail NOW! ®

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Who is Kosmont Companies?

Kosmont Companies is a nationally-recognized real estate & economics advisory firm specializing in public-private transactions for 30 years.

- **Offers a full range of economics & real estate advisory services including:**
 - Market and Feasibility Analyses
 - Economic Development Strategies & Implementation
 - Identification of Funding Sources & Financing Strategies
 - Fiscal Impact & Economic Benefit Studies
 - Retailer/Developer & Business Recruitment through Kosmont Retail NOW!® platform
 - Public-Private Transaction Structuring & Negotiation
- **Winning track record of initiating and implementing projects for municipalities**
 - In-house team includes registered municipal advisors, financial analysts, lawyers, former bond underwriters, former city managers & department heads
 - Extensive network of brokers, investors and market data for real-time information, and retail industry leadership
- **Kosmont is not just a “study” company – we create strategies & make projects a reality**
 - Over \$12 billion in project negotiation and implementation since 1986
 - Completed hundreds of public and private financial transactions blending private investment with public funding sources to create win-win public-private financing structures

Note: If needed, Financial Advisory and Real Estate Brokerage services provided by Kosmont Realty Corporation (SEC / MSRB Registered Municipal Advisor and Licensed Real Estate Brokerage Firm)

Same Program: Just Better Defined

- **P3 (Public-Private Partnership) Retail Launched at ICSC NY Deal Making 2015 (formerly Alliance 1997)**
- **Contact your ICSC state and provincial chairs to get involved**
- **Resources: www.icsc.org/p3retail, www.oppsites/icsc**
- **Deal Making Guide for public sector**
- **Improving the Tenant Mix free online publication**
- **Videos on P3 best practices**
- **P3 Pavilion for P3 Deal Making at National Deal Making Events**

APP STORE

- **Lifestyle**
- Shopping
- Safari
- Utilities
- Photos



Cumulative Effect of the Changing Taste of Retail

1. *Big Box Shrinkage*

- Size matters, but bigger is not necessarily better; most stores smaller by 25% to 75%
- In 2013, Petsmart prototype was 27,000 sf... NOW 6,000 to 12,000 sf
- Target was 125,000 to 175,000 sf... NOW it's whatever fits in the community
- Think "[Small or Smart Box Retail](#)" instead of big box retail

2. *Food and Place are New Anchor Tenants*

- Bumper sticker: "My favorite thing to make for dinner is reservations"?
- [You can't eat or drink over the internet](#)
- For the first time in history, U.S. restaurant sales have surpassed grocery sales

3. *Mixed Use is about the Right Blend*

- It's not just retail-only anymore ... food + entertainment/fitness + medical/office + civic + housing
- Today's "**value**" metric is more about time and trip generation than sales per square foot
- Think "[Community Retail](#)" instead of lifestyle retail

... Millennials Define Consumer Demographics

- Misconception vs. Reality: More spending power than any other generation (\$600B)
- 80M strong, mobile devices are their medium for communication, research, shopping, etc.
- Demand digital experience ... think "[Experiential Retailing](#)"

Who's Making Deals?



Internet sales account for approx. 10% of retail sales



Source: <https://www.internetretailer.com/2016/02/17/us-e-commerce-grows-146-2015>; When factoring out items not normally purchased online such as automobiles and fuel, e-commerce accounted for 10% of retail sales in 2015. Overall, e-commerce accounted for 8% of all retail sales in 2015.

Retail Now 👍

Kosmont Retail NOW![®] is a tool kit for both public and private sectors to attract retail.

It is a comprehensive and proactive retail attraction platform that identifies existing conditions, sets a path, targets tenants & produces results.

Analyze

Strategize

Implement



The Point, El Segundo

THE POINT
Summer
CONCERTS
at Rosecrans & Sepulveda

WEDNESDAYS 6PM-8PM
August-September
FREE LIVE CONCERTS @ THE POINT PLAZA
For a full line-up of bands, visit thepointsb.com