Retail Trends 2016
EXPERIENTIAL RETAILING

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

Kosmont Retail NOW!®
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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)*
What is ICSC P3 Retail?

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
• Lifestyle
• Shopping
• Safari
• Utilities
• Photos
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?

- Ross Dress for Less
- Marshalls
- JO-ANN fabrics and crafts
- Famous Footwear
- Whole Foods Market
- Applebee’s
- Stein’s
- Sprouts Farmers Market
- TSC Tractor Supply Co
- Grocery Outlet
- Tractor Supply Co
- Buffalo Wild Wings Grill & Bar
- LA Fitness
- Starbucks
- Chipotle Mexican Grill
- CVS/Pharmacy
- Panera Bread
- Dollar Tree
- Smart & Final
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.
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.
The Point, El Segundo