



retail strategies



Retail Matters: From Downtown to Big Box

Florida League of Cities Conference



Sarah Beth Stewart

Vice President,
Retail Strategies

Trusted partner

Industry Leaders

- Worked with 800 communities since 2011
- Vast network of retail and restaurant industry professionals
- Only municipal firm with in-house commercial real estate team



Industry Involvement



Extension of City Hall

Our Role

NEEDS:

Every city has the goal to increase tax revenue and job creation, often through new businesses. A combination of these goals increases the quality of life for citizens, spurring on more growth.

CHALLENGES:

Communities have challenges to overcome, such as finding enough time, building a network, the collateral and resources, and the specific experience needed in the retail industry.

NEEDS

Network

Time

Resources

Experience

Tax Revenue

Job Creation

Quality of Life

New Business

GOALS



National vs Local

You need both

Retail Trends

Quiz

What percentage of retail sales are online?



A.

15%

B.

34%

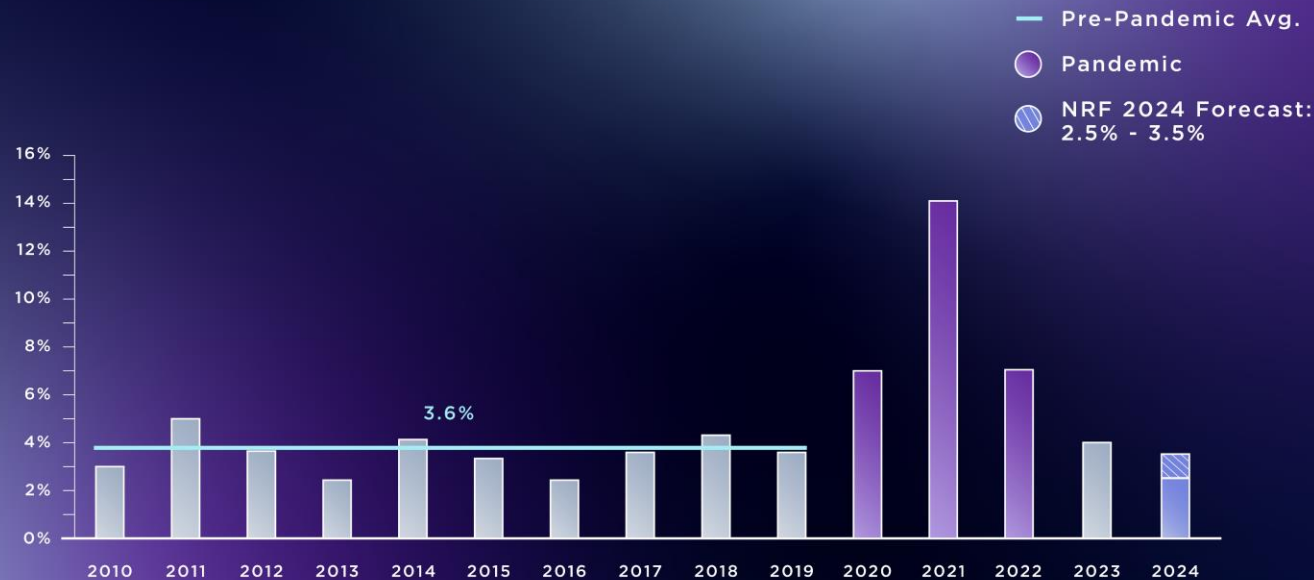
C.

53%



2024 Forecast

Retail Sales Growth

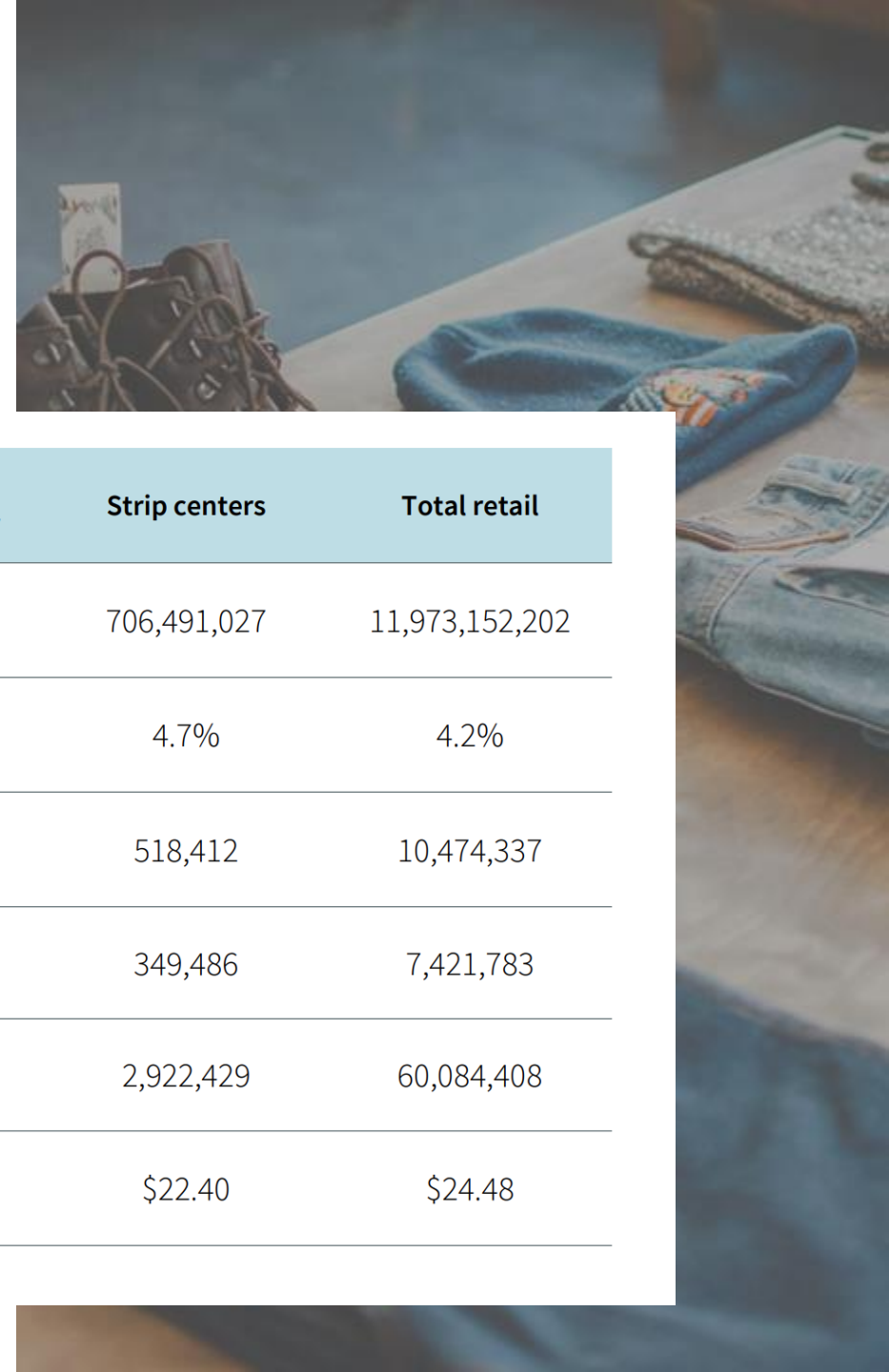


The 2024 sales forecast compares with 3.6% annual sales growth of \$5.1 trillion in 2023. The 2024 forecast is in line with the 10-year pre-pandemic average annual sales growth of 3.6%.

Non-store and online sales, which are included in the total figure, are expected to grow between 7% and 9% year over year to a range of \$1.47 trillion to \$1.50 trillion. That compares with non-store and online sales of \$1.38 trillion in 2023.

Industry Threats

Real Estate Supply & Demand



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

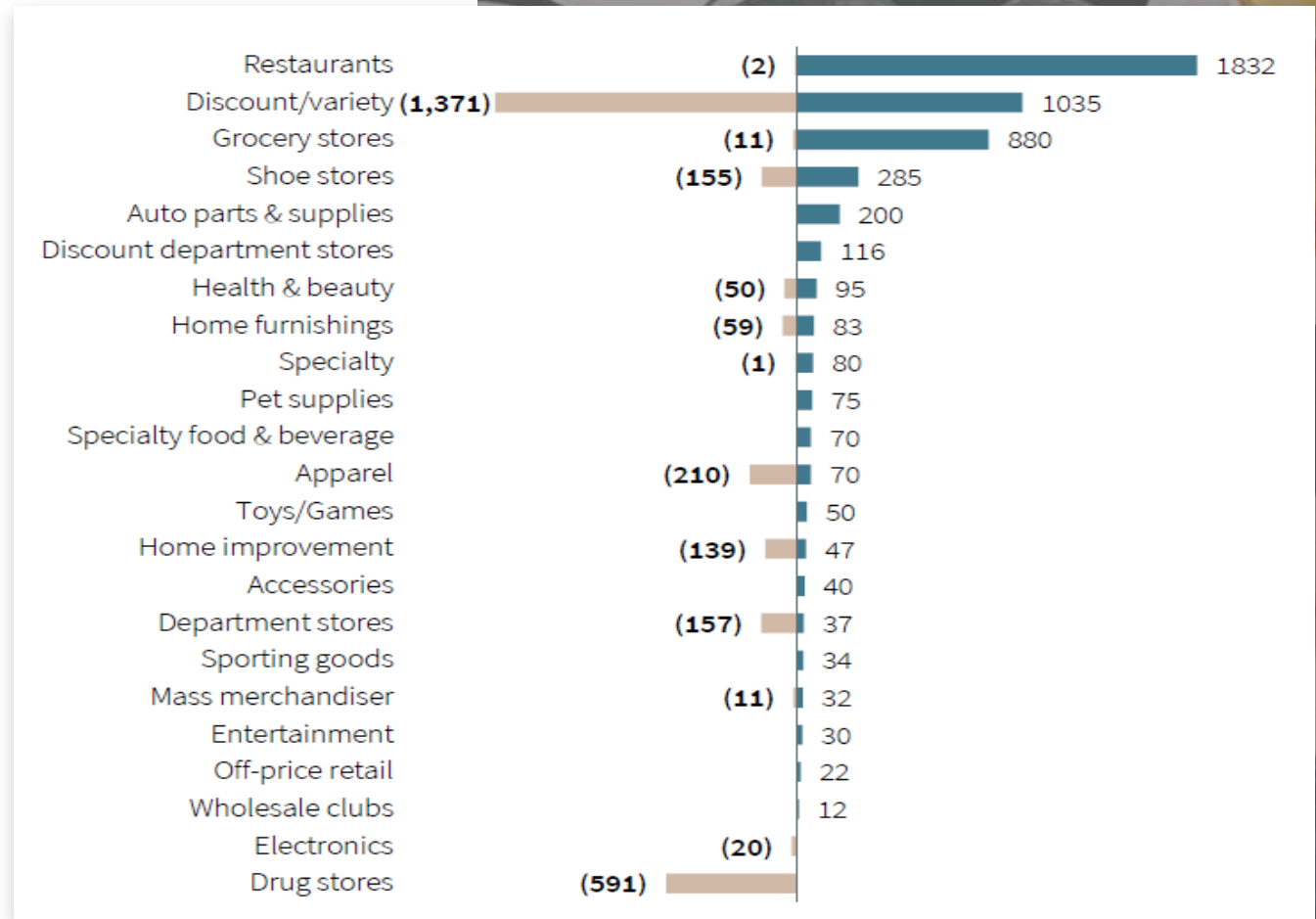
Announced openings nearly double number of closings

Dining spending rose 11.7% in 2023 compared to only a 2.6% gain for groceries. Restaurants have responded by aggressively expanding. In 2023, F&B openings accounted for nearly 20% of all leasing activity.

Announced restaurant openings in 2024 already tally almost 2,000 locations, mostly from QSRs like McDonald's, Chipotle, WingStop and coffee chain Dutch Bros.

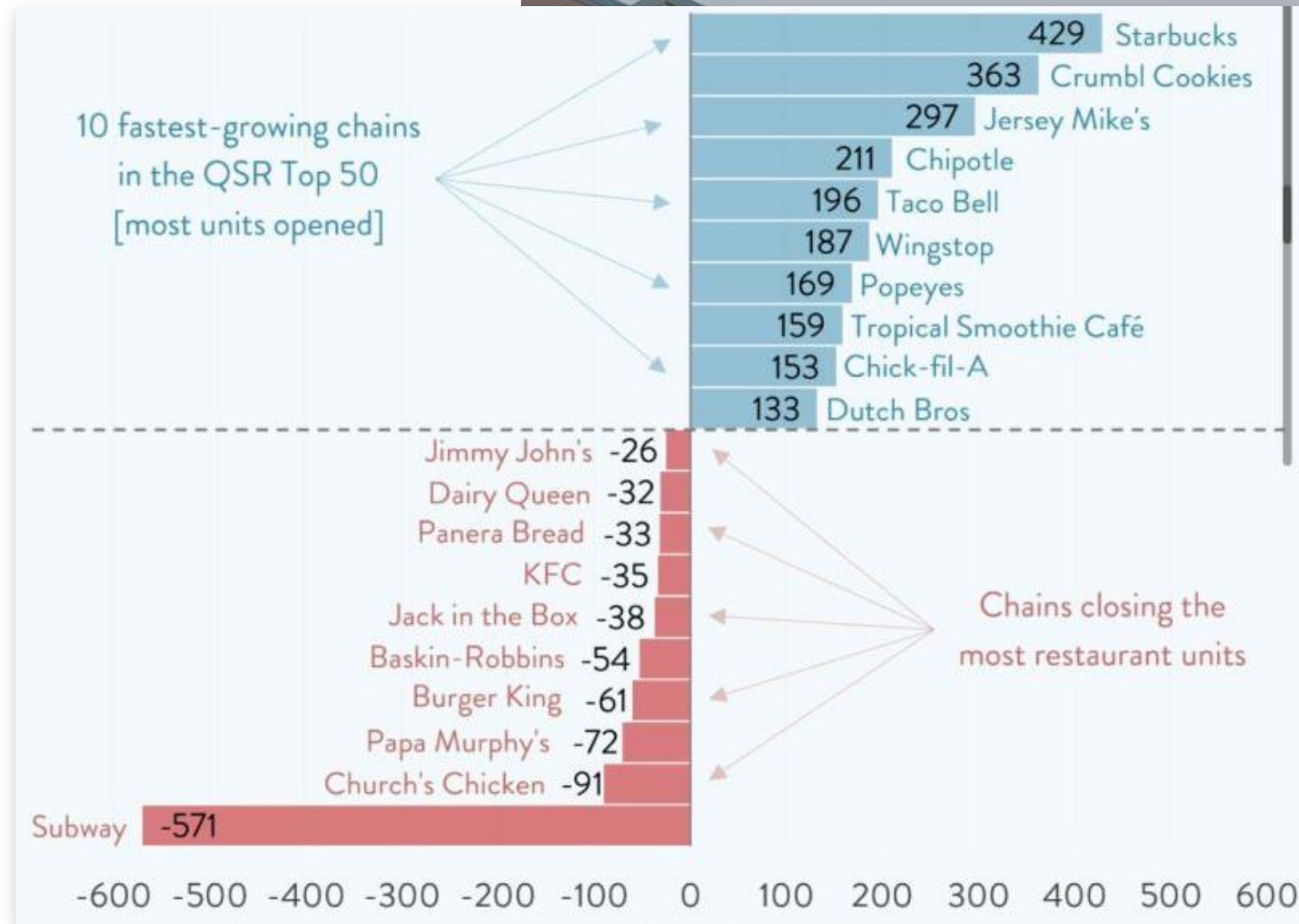
Even with Dollar Tree's recent closure announcements, dollar stores still have high announced openings so far this year with Dollar General's and Five Below's expansion plans.

Other opening highlights include Aldi's plans to open 800 stores by 2028.



The Fast-Food Chains Opening and Closing the Most Stores

19,573



WHO'S GROWING?

Expanding Retailers



WHO'S GROWING?

Expanding Retailers



Retail Trends

Quiz

How many jobs does a QSR (quick service restaurant) typically bring to a community?



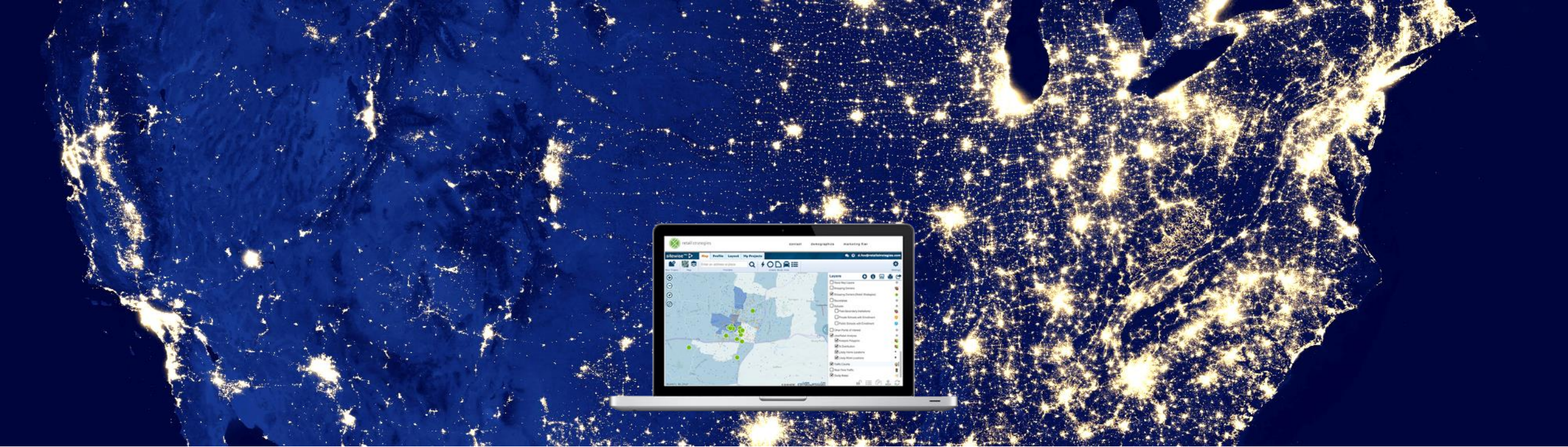
30



retail recruitment ladder



- Retail economic impact adds up quickly.
- Retail attracts the workforce that attracts the primary jobs.
- Retail enhances quality of life that brings your children home.
- Retail adds jobs from entry level to managerial.
- Retail influences executives looking to locate their company in your community.



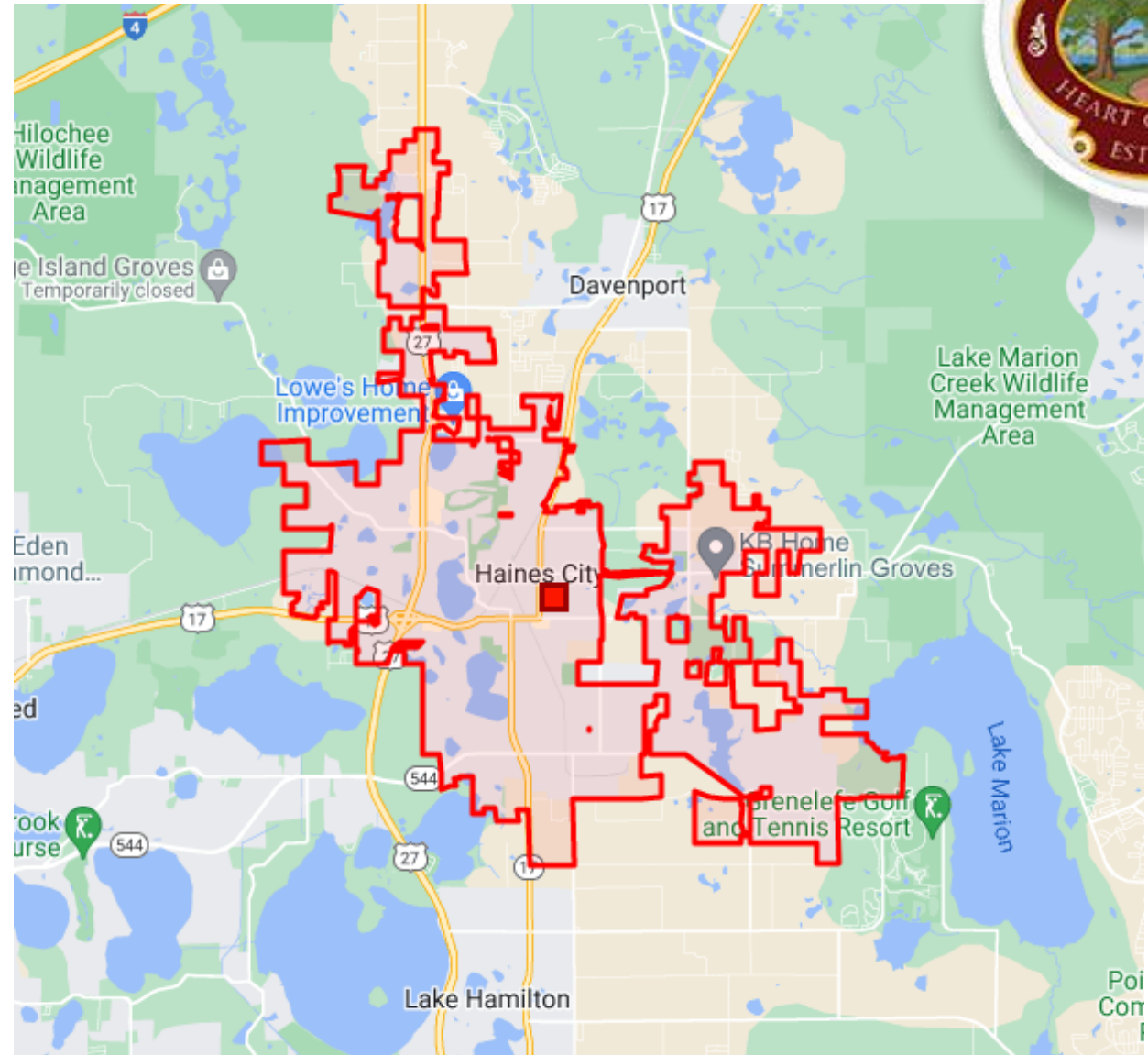
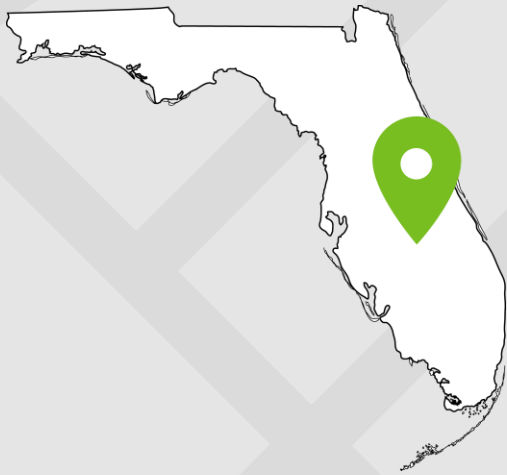
Data & Analytics

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

Data and Analytics

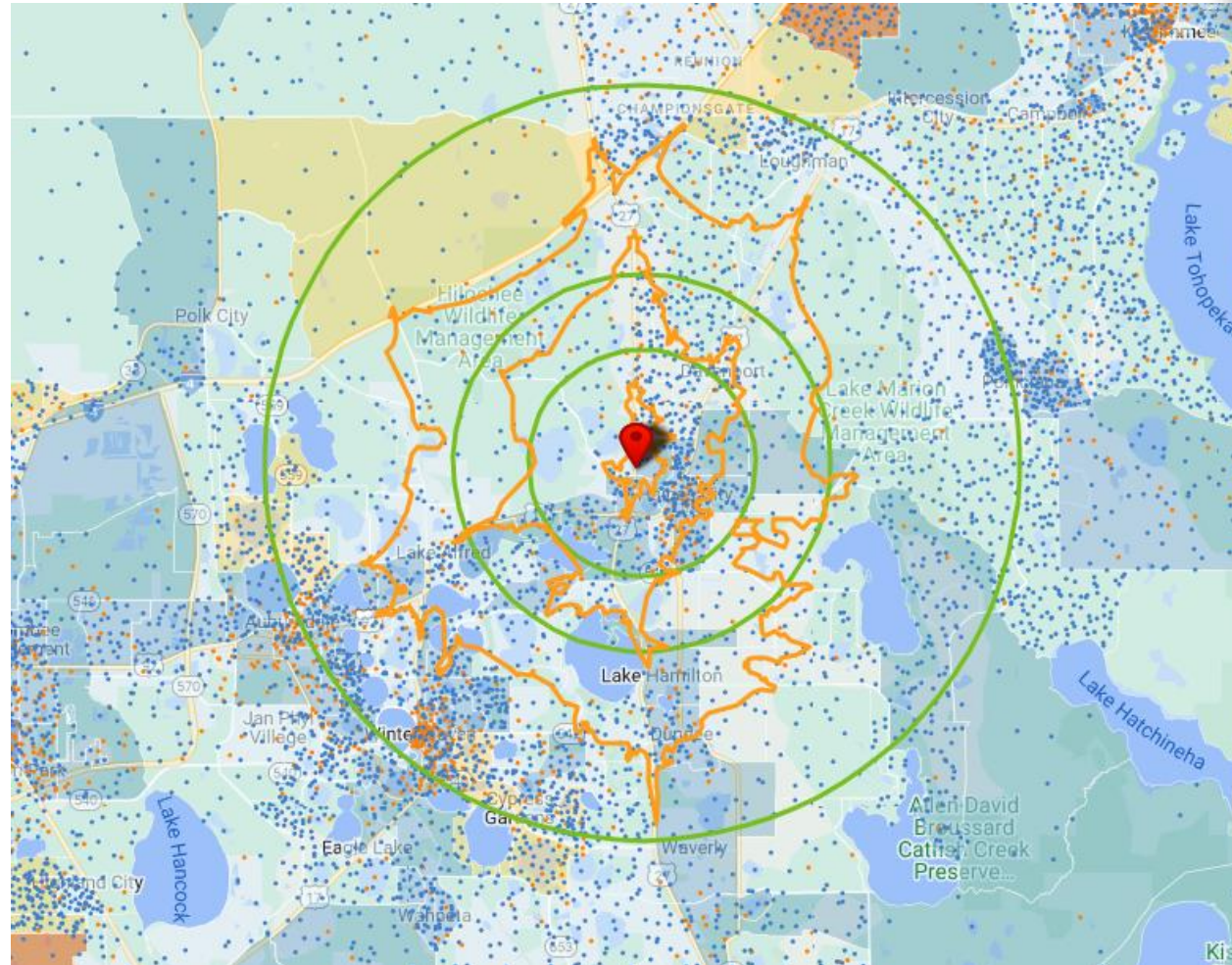
How you see it

Population
33,475



How retailers see you

3-Mile Radius	38,826
5-Mile Radius	64,435
10-Mile Radius	238,568
5-Minute Drive Time	10,151
10-Minute Drive Time	64,206
15-Minute Drive Time	121,966



Residential Population Density

• 1 dot = 100

Daytime Employee Population Density

• 1 dot = 100

Median Household Income

- \$0-\$25,000
- \$25,000-\$50,000
- \$50,000-\$75,000
- \$75,000-\$100,000
- \$100,000-\$150,000
- > \$150,000

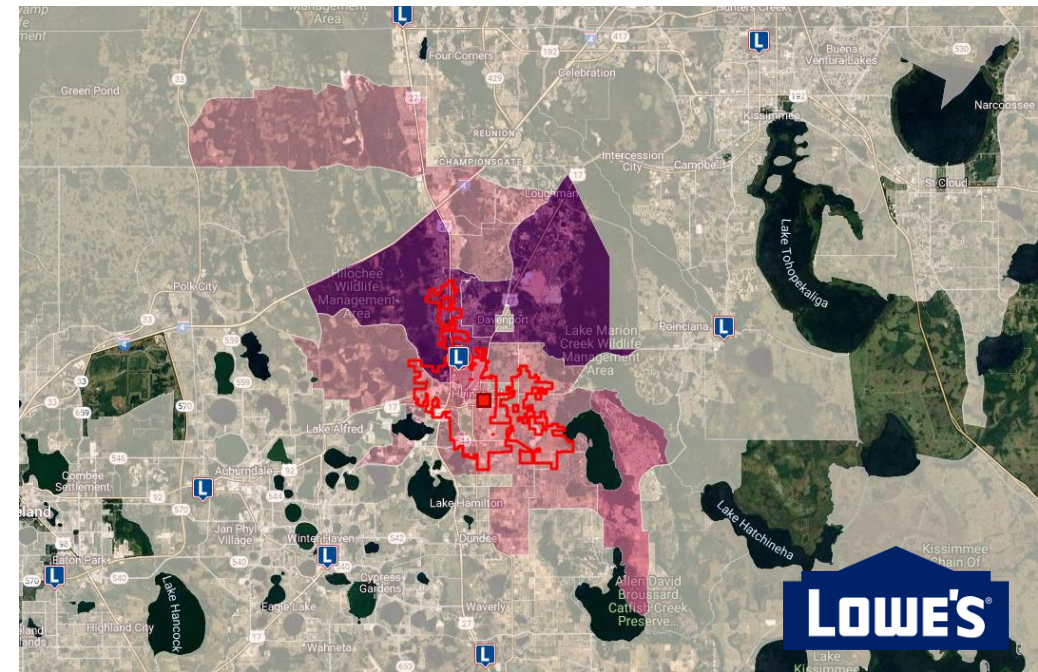
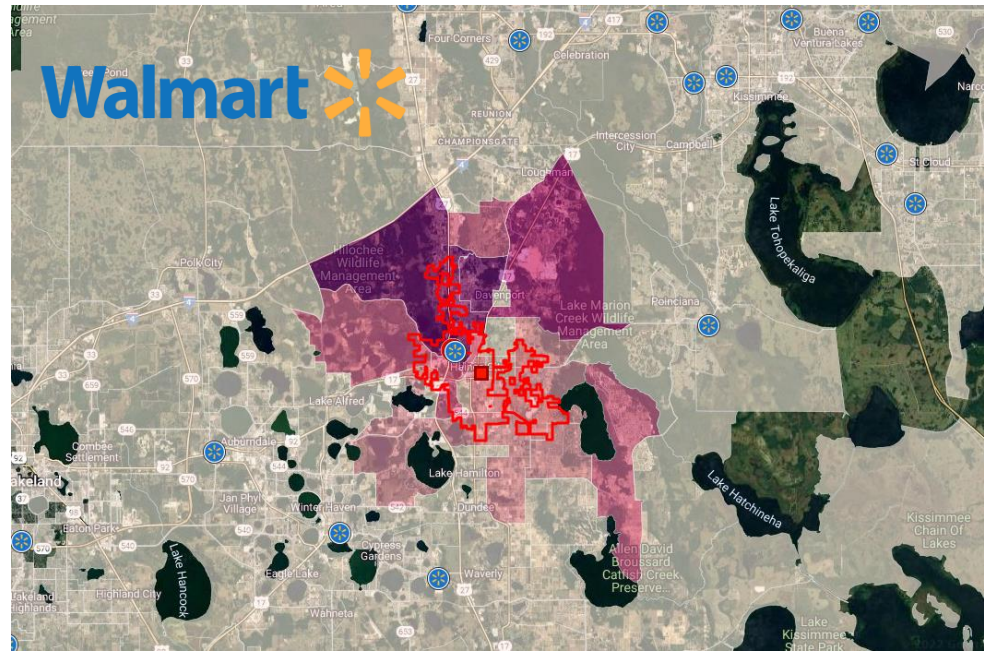
Study Area

- 3.00 mi
- 5.00 mi
- 0-5 min
- 0-10 min

Data and Analytics

Mobile Insights

Retailers all trade differently



Data and Analytics

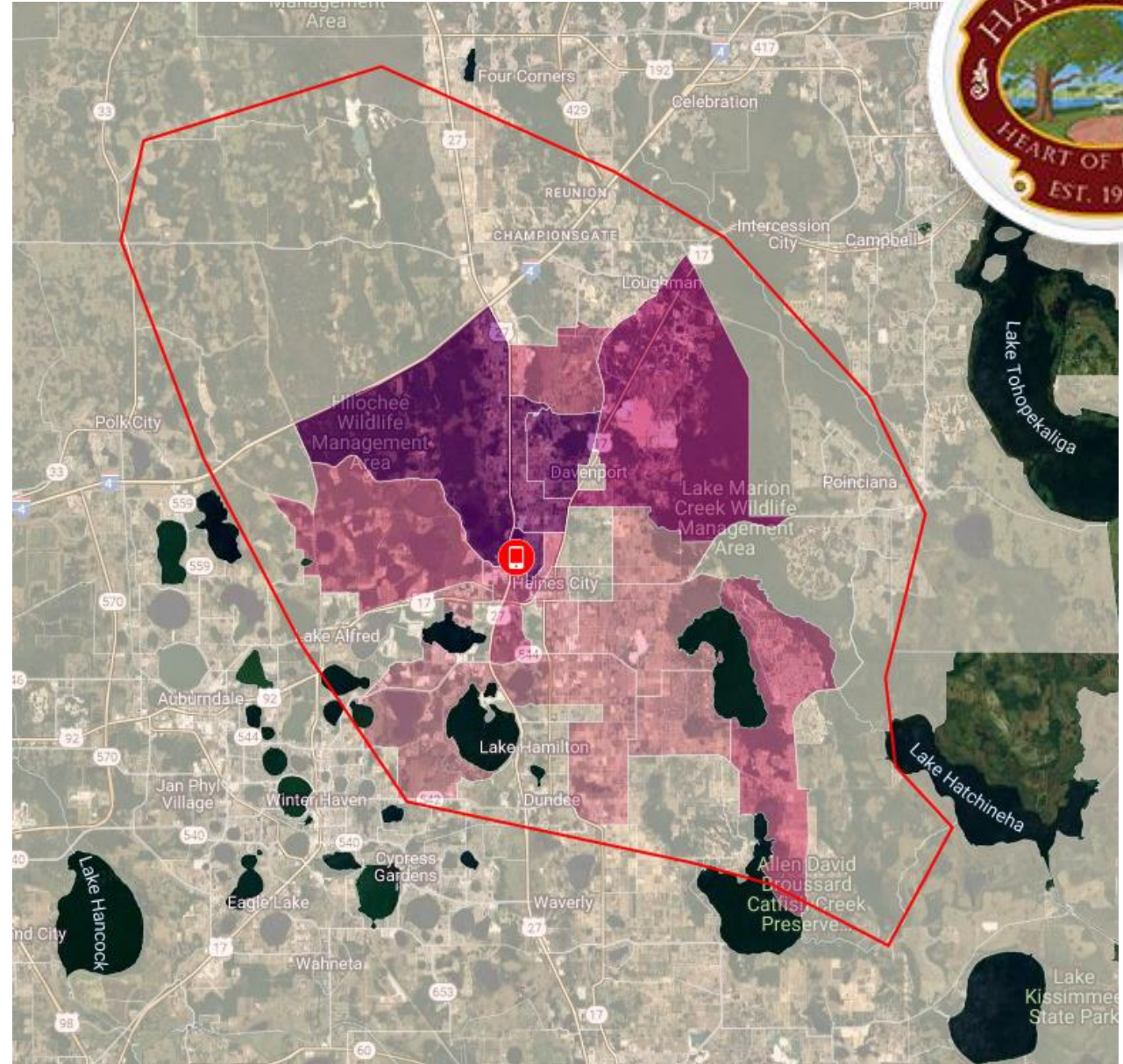
Customized Trade Area

223,520

Consumers

259,517

Consumers by end of 2026



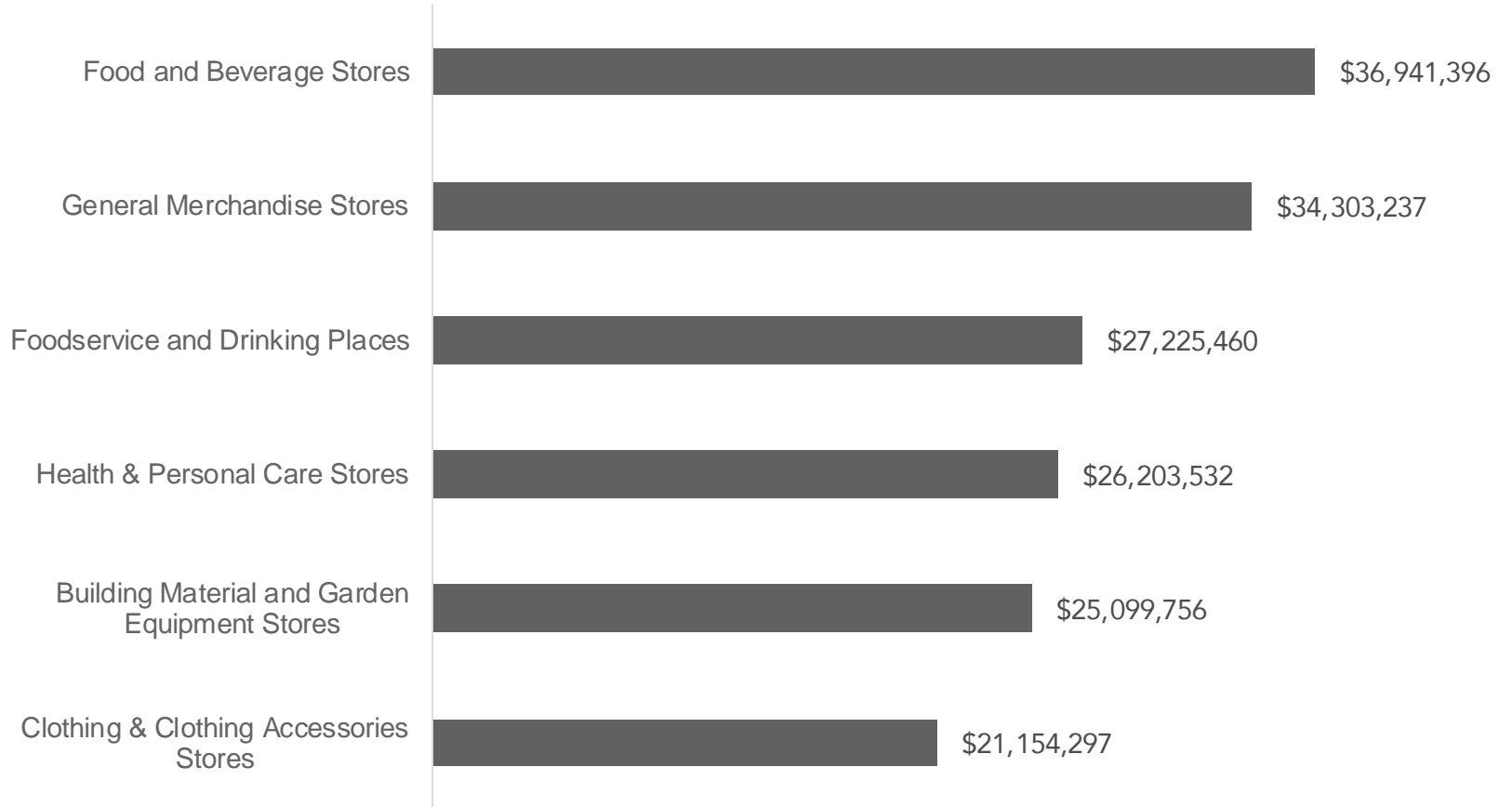
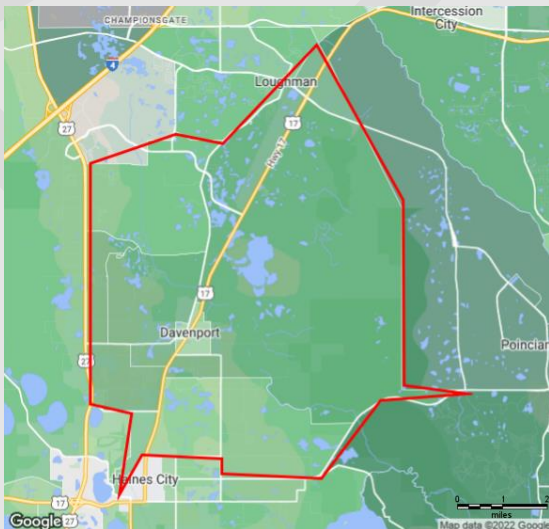
Data and Analytics

GAP Analysis



\$338 Million

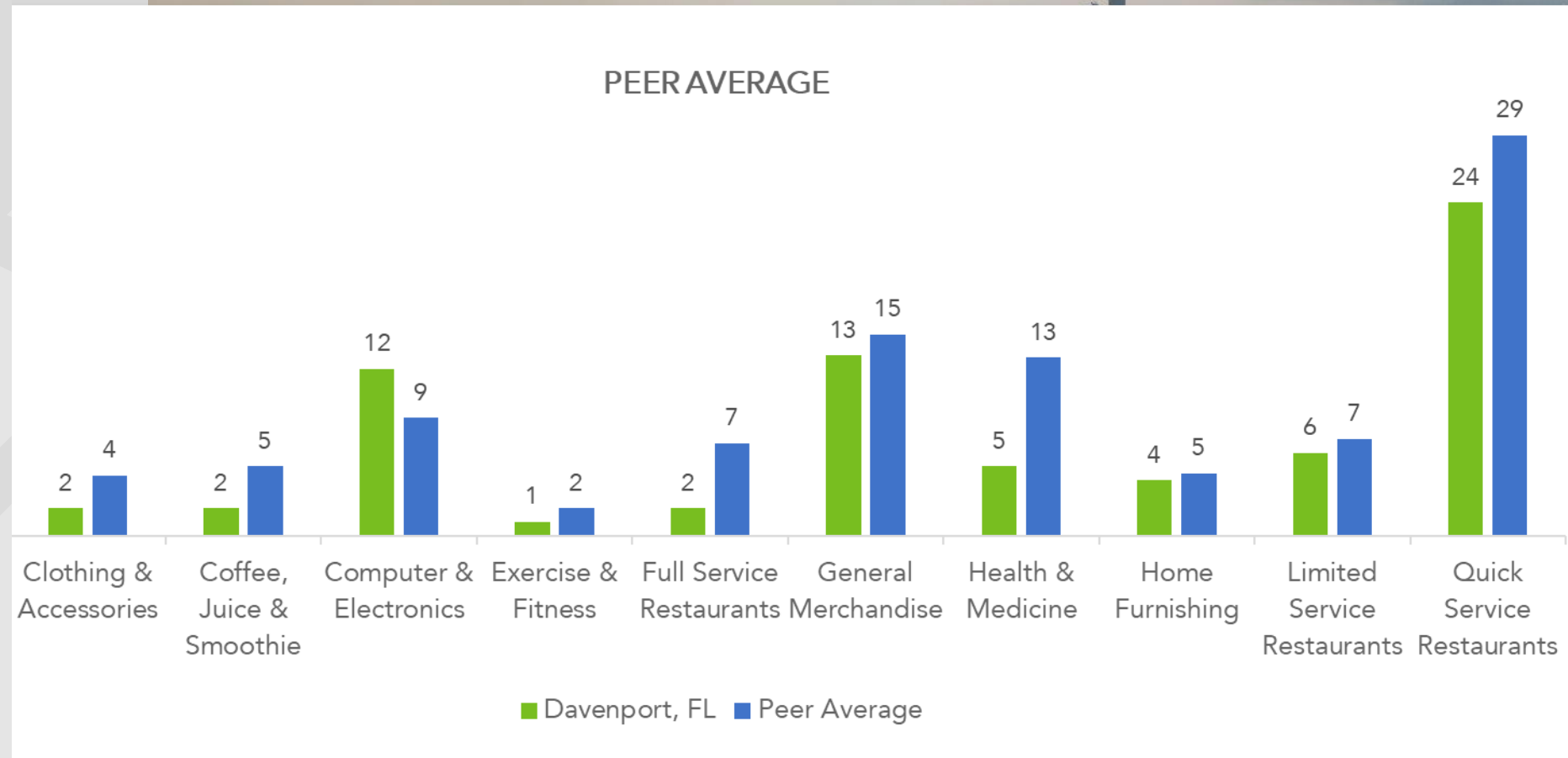
Total Market GAP



Data and Analytics

Peer Analysis

How do you measure up to similar communities?





Capitalizing on National Corridors

Universal Site Metrics // Inventory

Community Preparation

POLL

Do you have an
active property
inventory for your
retail corridor?



Home Run Real Estate

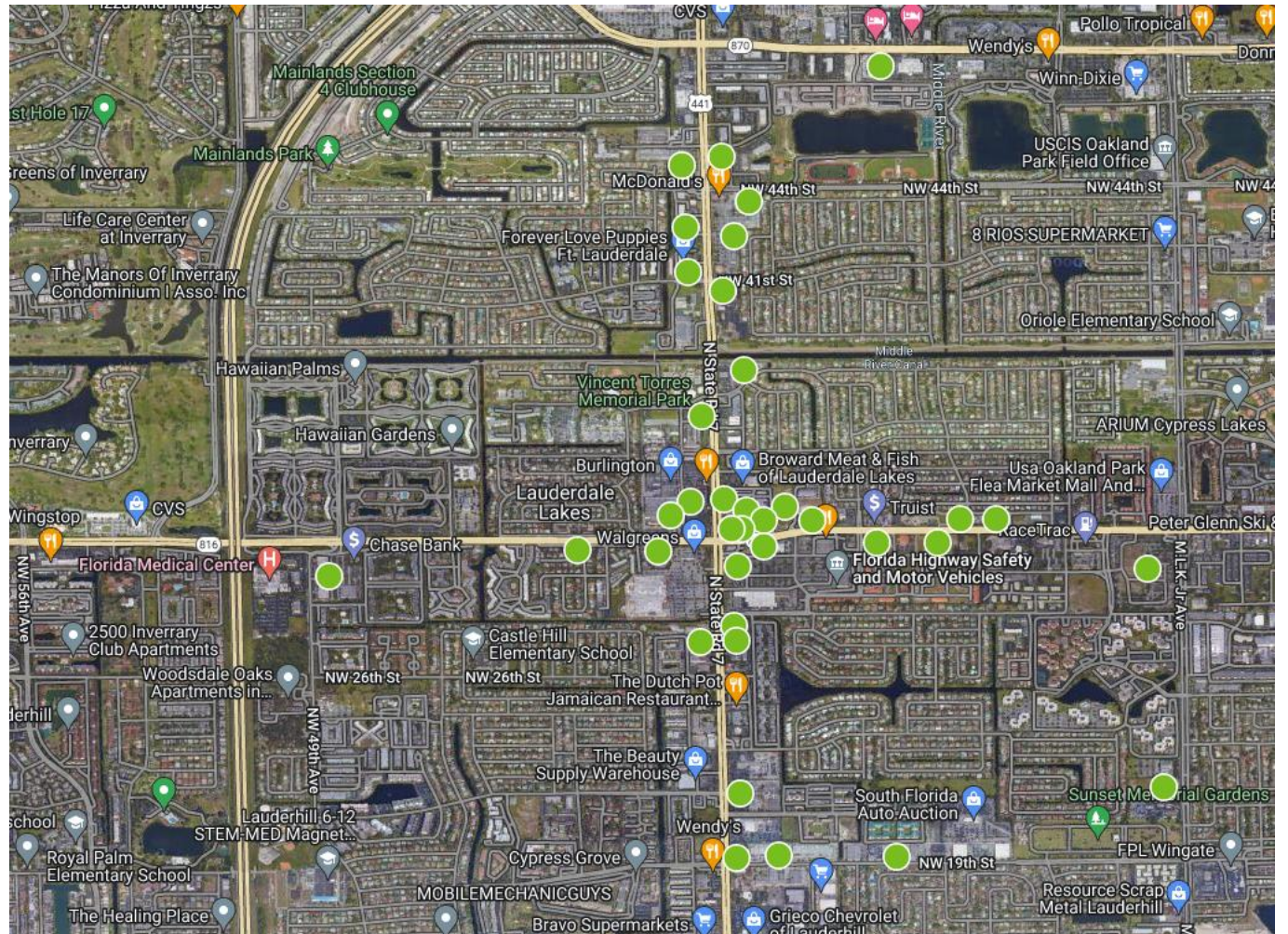
Universal Site Metrics

- Signage/Visibility
- Parking
- Access
- Co-Tenancy
- Traffic



Inventory of Retail & Real Estate

Your community mapped through a custom trade area and retail corridors



Importance of knowing your retail assets





Securing Quality Tenants

Collaboration // Strategies

Prospects & Site Criteria

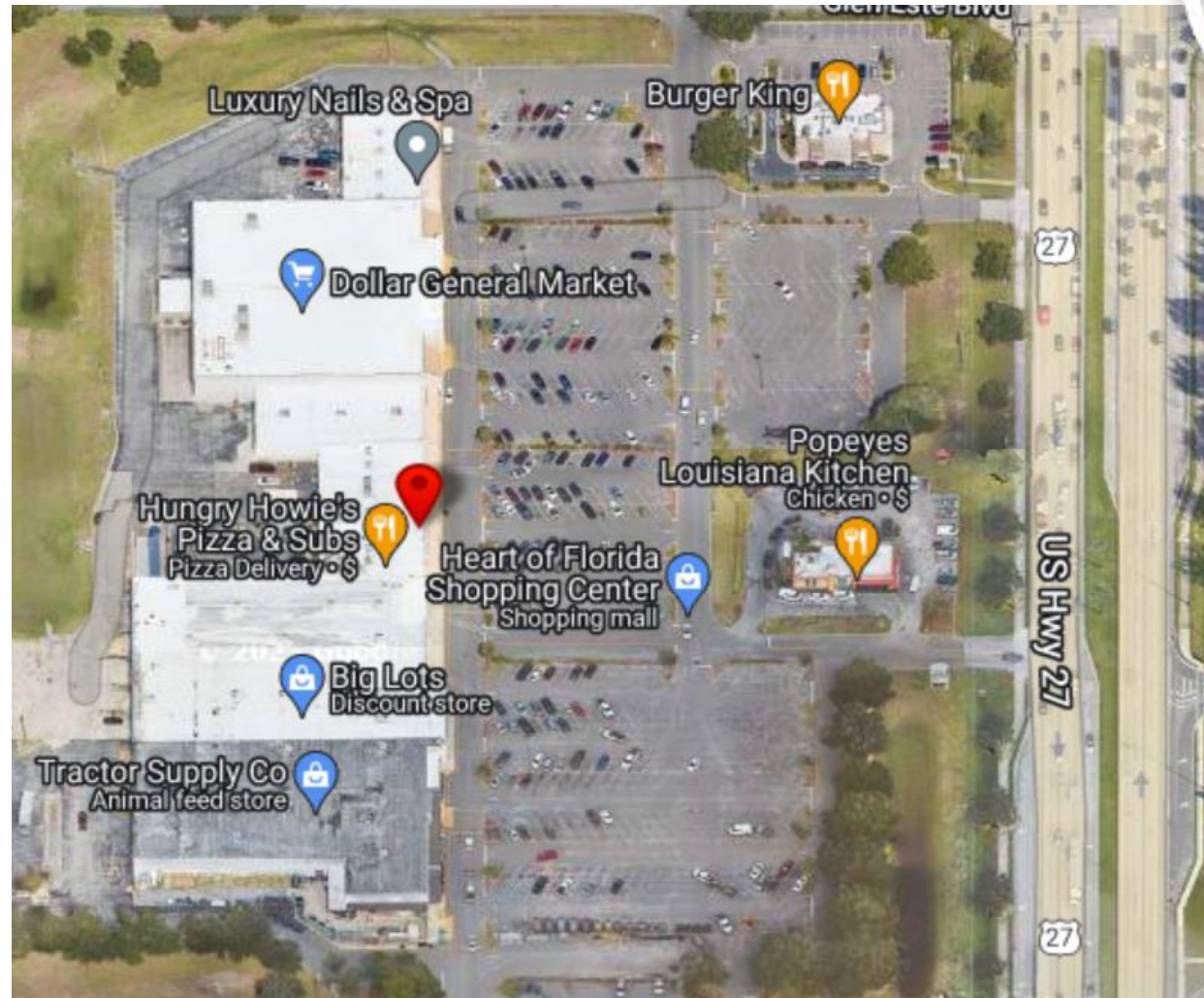


	Food & Beverage
Demographic Radius Ring Requirement:	3
Minimum Population Requirement:	9,000
Household Income Requirement	\$65,000
Traffic Count	20,000 VPD
Number of SF or AC:	1,100 SF
Location Comments:	Standard "Vanilla" shell with improvements. Morning side of roadway, drive-thru window preferred. Free standing, shared pad, or end cap located in mix use "major tenant" community shopping center with national or regional tenant.

Site Evaluation

Italian Fast Casual Brand

- Expanding in Florida
- 1 acre site
- 2500-3600 sqft
- 150,000 in 10 mi radius
- Excellent visibility





Networking



- ICSC
- Retail Live
- Franchise Conferences
- Industry Partnerships
- Peer-to-Peer Learning

Networking



- Be the local expert
- Build relationships
- Be ready to strike when time is right



CONNECT

Market Your Opportunity



retail specialists

Your Retail Real Estate Experts

58,022 SF Grocery Box

500 S. Buffalo Street Warsaw, IN 46580



FOR LEASE

Property Highlights

- 58,022 SF vacant grocery box on 5.44 acres available for lease
- Freestanding former grocery store with small shop space
- 2 docks, fully sprinklered
- 233 parking spaces
- Outparcel opportunities
- Warsaw is home to Zimmer, Biomet & DePuy, known as the "Ortho Capital of the World"



SQ. FT
58,022



TRAFFIC
17,167 VPD



LOCATION
Signalized
Corner

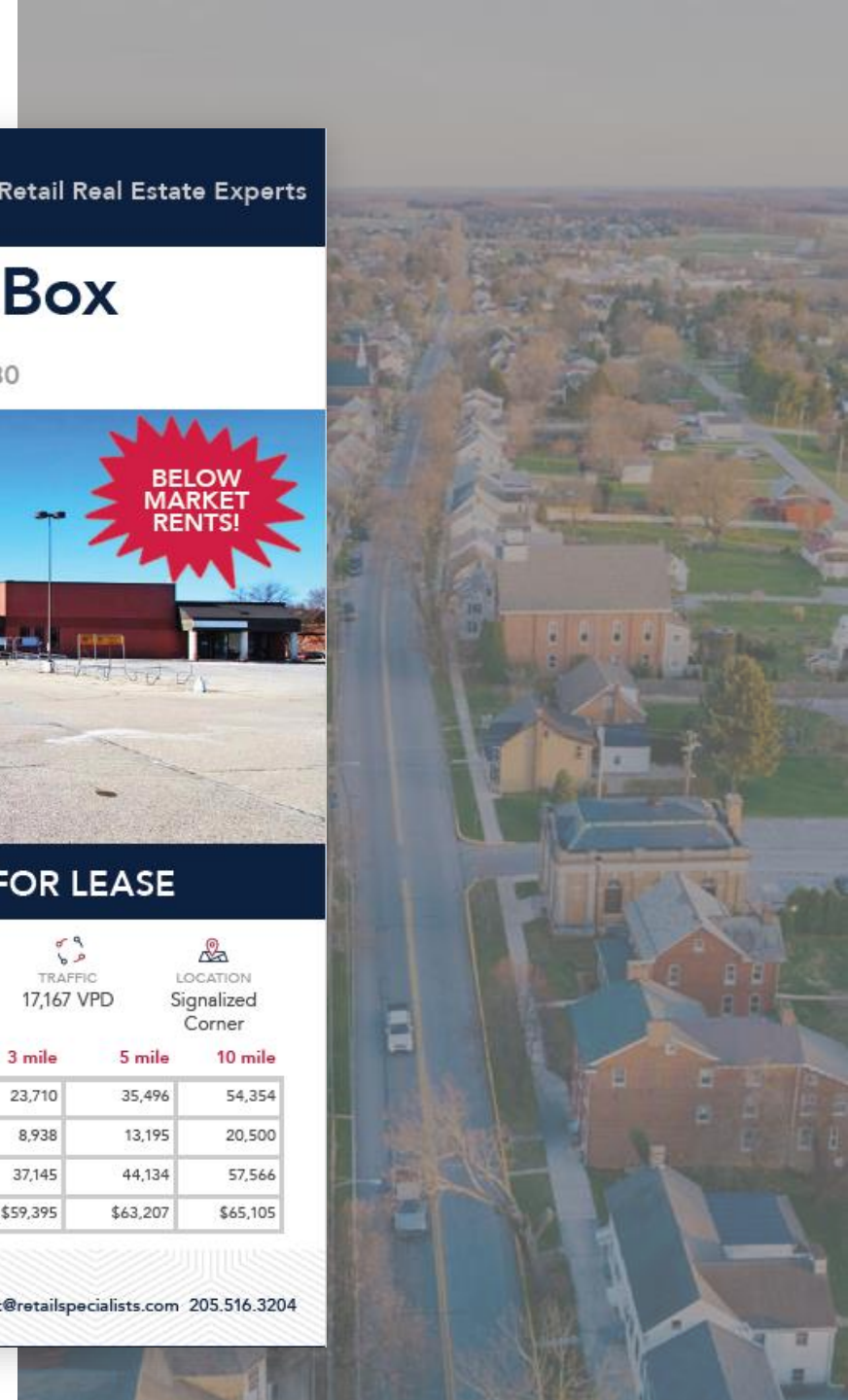
Demographics	3 mile	5 mile	10 mile
Population	23,710	35,496	54,354
Households	8,938	13,195	20,500
Daytime Pop	37,145	44,134	57,566
Med HH Income	\$59,395	\$63,207	\$65,105

IN COOPERATION WITH:



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Lic #: CO10400057

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Placemaking

Rejuvenating Downtown // Creating a Place Unique to Your Community

Community Preparation

POLL

Do you have a list
of vacant
properties of your
downtown?



Identifying Downtown Anchors

Natural Assets

County Courthouse

Parks & Squares

Large Employers

Colleges

Successful Retailers

Breweries

Downtown Residential Buildings

Historic Neighborhoods

Farmers Markets

Post Office



DOWNTOWN PROPERTY

Property Metrics

- Location
- Square Footage
- Co-tenancy/Synergy
- Visibility
- Access/Walkability/Parking
- Property Condition
- X Factor
 - Patio/Recessed Entry
 - Dedicated Parking
 - Multiple Points of Entry
 - Exposed Brick
 - Murals/Historical Relevance
 - Activated Upper Floors



DOWNTOWN PROPERTY

Boutique Space

- Excellent Storefront
- Strong Co-Tenancy with Other Boutiques or Restaurants
- Back of House for Storing Product

Restaurant Space

- Commercial Kitchen/Exhaust Hood
- Above or Below Ground Grease Trap
- Dedicated Dumpster Space (at least 4 yards)
- Outdoor Dining/Walk-Up



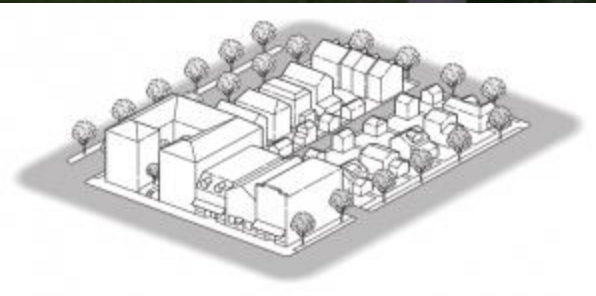
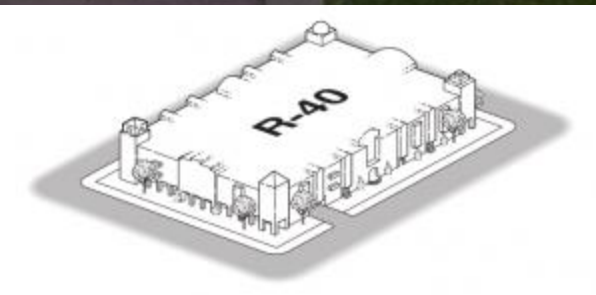
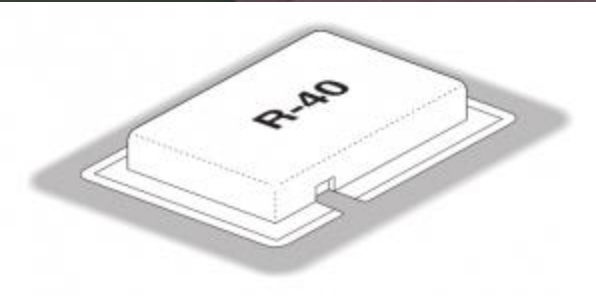
Think like Developer

It's a foreign concept but
successful cities are doing just
that.



THE CITY'S PART

Zoning & Codes



Conventional Zoning

Density use, floor area ratio (FAR), setbacks, parking requirements, maximum building heights specified

Zoning Design Guidelines

Conventional zoning requirements, plus frequency of openings and surface articulation specified

Form-Based Codes

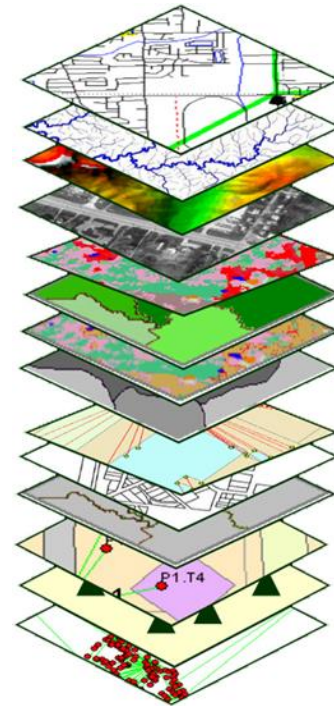
Street and building types (or mix of types), build-to lines, number of floors, and percentage of built site frontage specified



THE CITY'S PART

Overlay Zoning District

Typically included in an Overlay District:



- Zoning Forms
- Open Container Policy
- Outdoor Steeteries & Sidewalk Dining
- Design Standards
- Permitted & Restricted Use
- Parking, Mobility & Circulation Standards
- Landscaping
- Signage

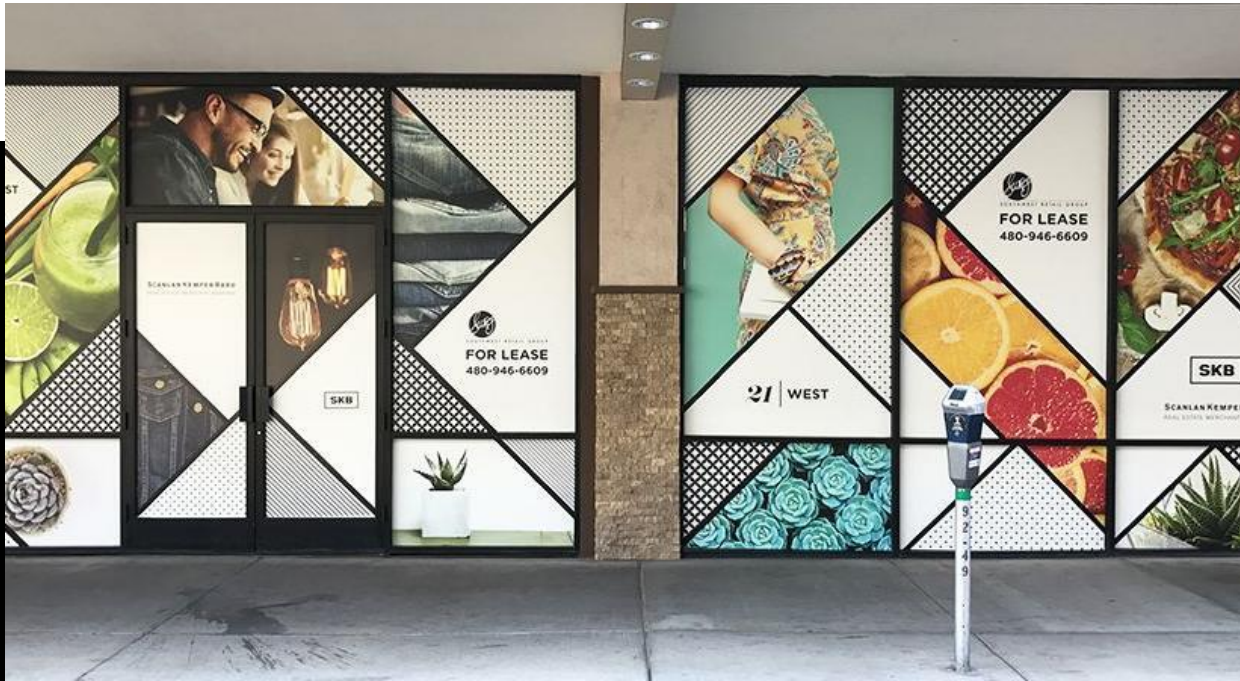
Permitted & Restricted Use

While it can be uncomfortable, enforcing penalties can help encourage a property owner to backfill space instead of sitting vacant and becoming an eyesore.



THE CITY'S PART

Vacant Storefront Displays



THE CITY'S PART

Marketing

There's Opportunity Here!

Together, we are stronger!

In Historic Downtown Vandalia, this is more than just a building for lease. It's an *opportunity* to join our team as we work together to return Downtown to what it once was.

Learn more about this opportunity and others at www.opportunityindowntownvandalia.org



Vandalia, Illinois downtown building

THE CITY'S PART

Backfilling Vacancies

The good news about tough economic times is that they breed ingenuity.

Property owners and City Leaders need to think “inside the box”:

- The vacant storefront
- The empty warehouse
- The small office building abandoned by the busted start-up firm



Subdividing Ground Floor
Storefronts into Smaller
Parcels

Short-term Leases

Pop-Ups and Incubator
Spaces



Rural & Eco-Tourism

Data on Tourists // Strategies

What is Rural Tourism?



Rural Tourism focuses on areas that typically include national parks, forests, or countryside/mountain/or coastal areas.

Rural tourism is seeing increased volume as urban dwellers are looking for respite and quiet, authentic surroundings.



Rural Tourism = Experience



Growth Drivers of Experiential Tourism

- Rise of social media
- Increasing demand for unique, authentic experiences
- Greater awareness of sustainable tourism



Benefits of Experiential Tourism

- Increased customer satisfaction and loyalty
- Unique differentiation from competitors
- Promotion of sustainable destination development



Challenges in Experiential Tourism

- Insufficient infrastructure for unique activities
- Shortage of trained staff for bespoke experiences
- Resistance to change within organizations

Experiential Travel is Booming



After a pause in travel during the COVID-19 pandemic, people are now, more than ever, seeking unique experiences where they can fully immerse themselves in the culture of the area they're visiting. No matter the type of trip or time of year, consumers are searching for these one-of-a-kind travel opportunities.

Interested in Cultural Immersion and Taking Tours

70%

Interested in Traveling For Entertainment Events

43%

Interested in Traveling For Cultural Events

38%



Adventure Travel

“HOT” TRENDING ADVENTURE ACTIVITIES



1. Cycling (electric bikes)



2. Hiking/Trekking/Walking



3. Safaris/wildlife viewing



4. Culinary/Gastronomy



5. Wellness-focused activities



6. Cultural



7. Cycling (mountain/
non-paved surface)



8. Photography (wildlife/nature)



9. Cycling (road/paved surface)



10. Snowshoeing

Q41: What is your organization's perception of adventure travel activity trends, based on consumer demand and bookings in 2021 and going into 2022?

Base: All respondents excluding those left blank (n=152)

Source: 2022 Adventure Tour Operator Snapshot Survey

What is your role in rural tourism management

Roles & responsibilities for tourism management:

- Serve as a connector between partner entities (city, county, downtown, tourism, regional orgs)
- Focus on place management (visitor experience, signage, parking, walking trails, beautification)
- Promote your unique assets (visitors are increasingly finding rural locations in the digital realm.)
- Stick to your authentic brand and unique characteristics.





Rural tourism assessment

Asset Mapping

The goal of asset mapping is to leverage these assets for community development, problem-solving, and planning.

Asset Mapping

Self-Assessment

When working with communities we ask them to complete a self-assessment form to guide the asset-mapping and SWOT Analysis process.

- Demographic Information
- Natural Attractions
- Cultural and Heritage Assets
- Agricultural & Farming Experiences
- Local Festivals & Events
- Outdoor Activities and Adventure
- Unique Experiences
- Local Businesses & Services
- Community Involvement
- Promotion & Marketing
- Infrastructure & Accessibility
- Visitor Experience Enhancement
- Environmental Sustainability
- Partnerships & Collaborations
- Challenges & Opportunities
- Future Goals





Key Takeaways

- Know your consumers
- Think like a developer
- Assess your assets

Complimentary Retail Leakage Analysis

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See us at Booth 122

