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Presented by: Jon Weisiger

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How is the Retail Business Like Farming?



How is the Retail Business Like Farming?



FARMING

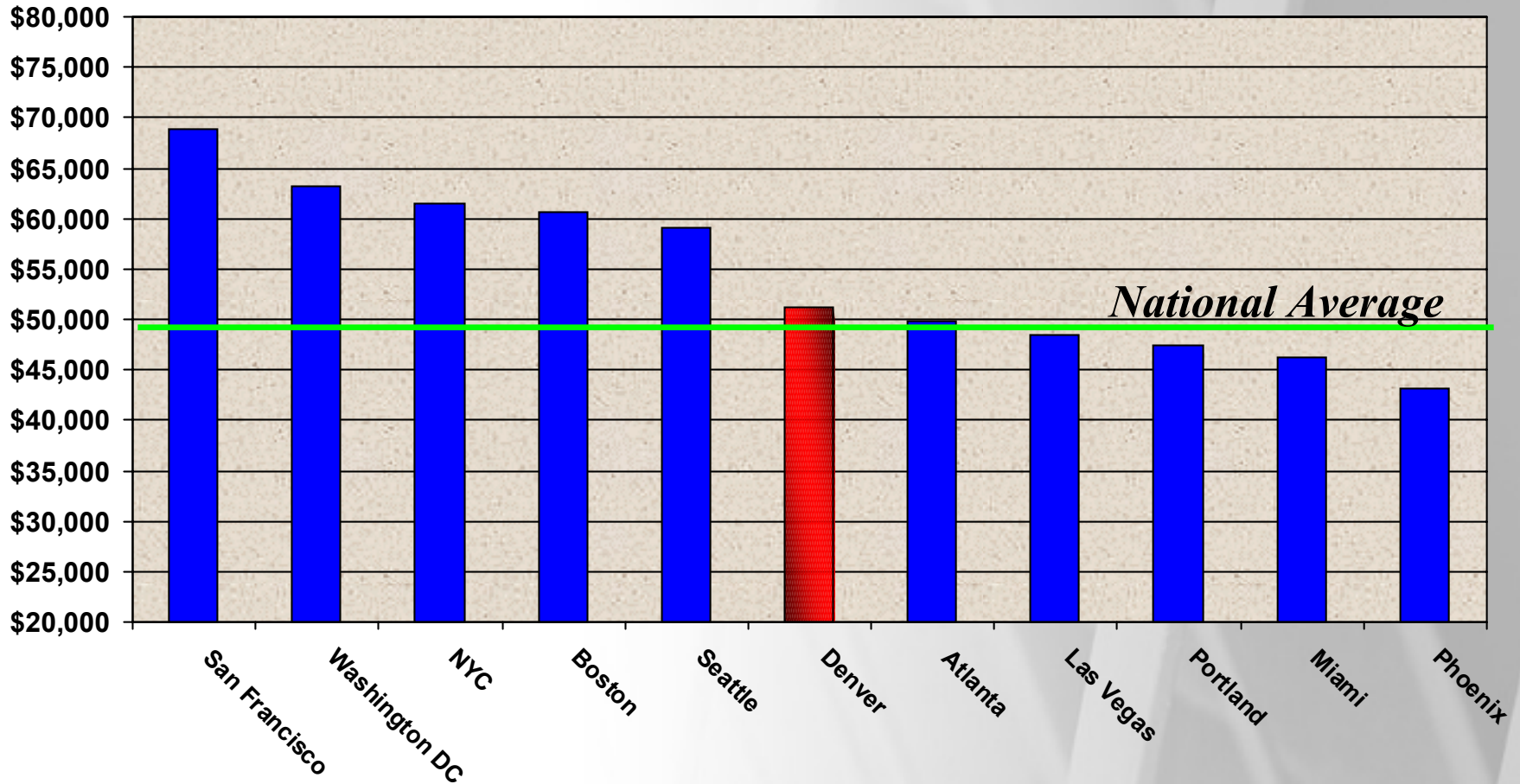
- Seeds
- Good soil
- Fertilizer
- Weeds 
- Rain/Drought
- Harvest
- Ability to reseed



RETAIL REAL ESTATE

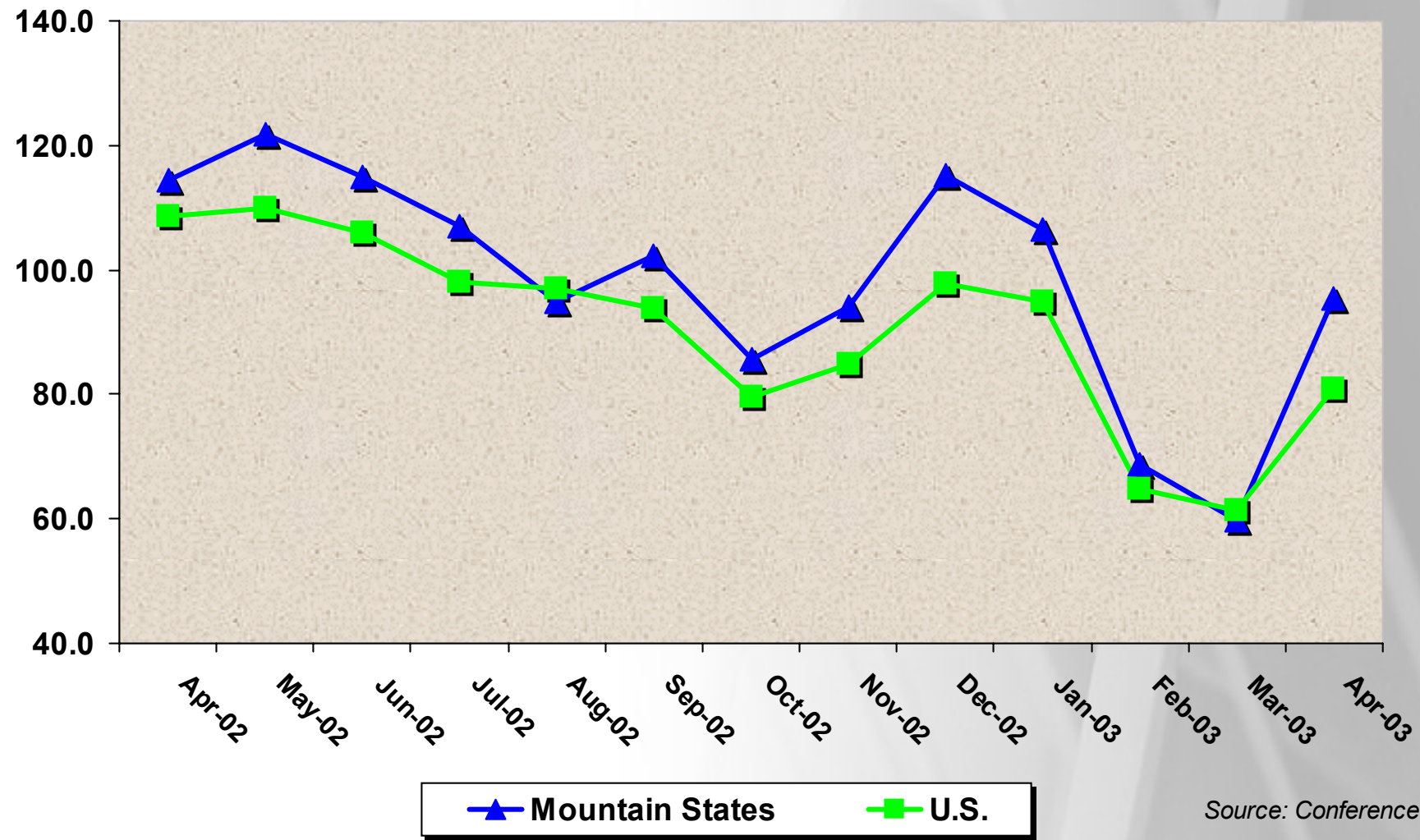
- Retailers with bright ideas 
- Location specifics/demographics
- Retail sales growth; Tenant mix; Consumer confidence
- Competition
- Financing; Savvy landlords 
- \$\$\$
- Dynamic environment; Failure % high; Landlords must be nimble

Effective Buying Income Comparison



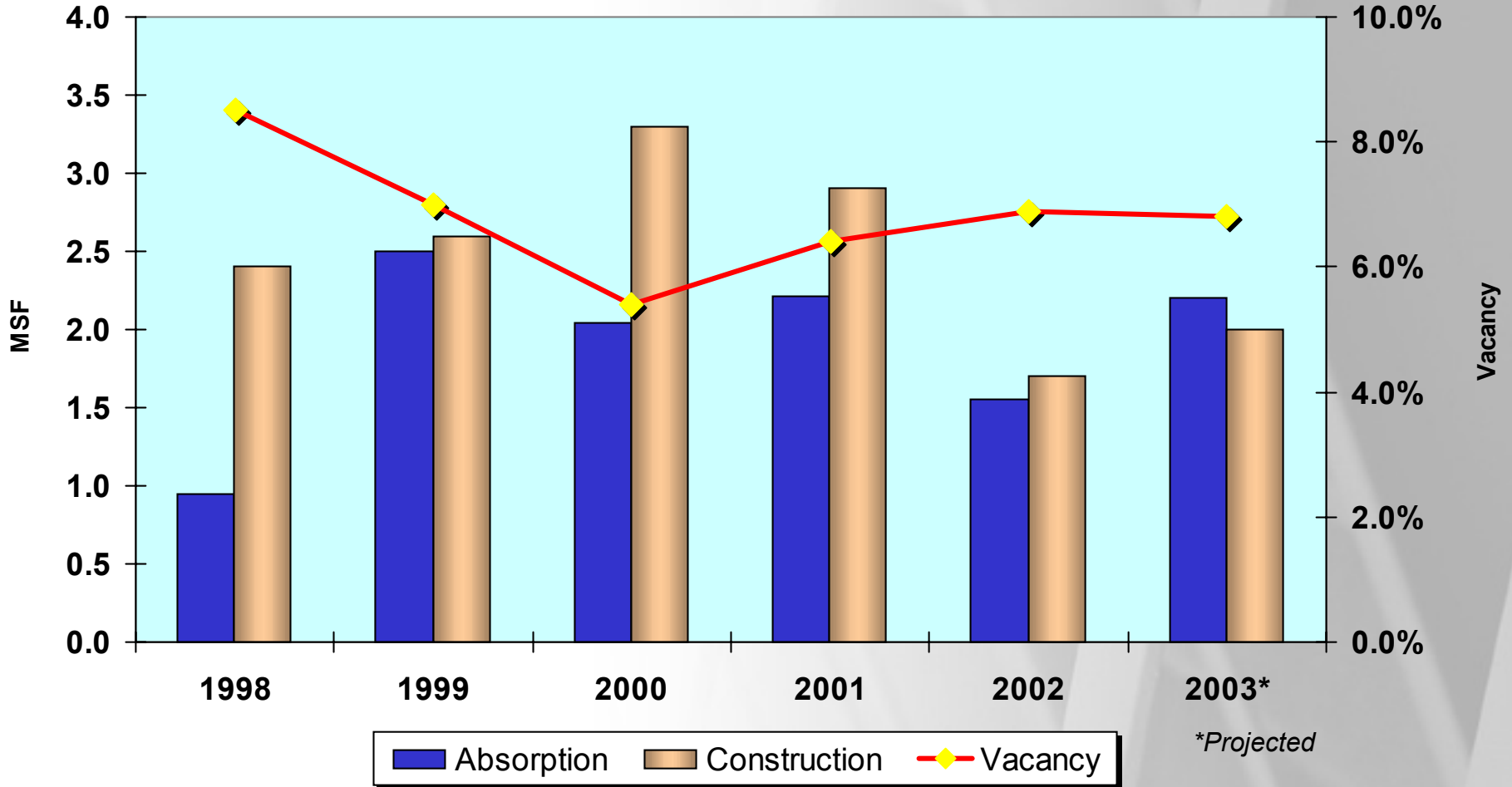
Source: Claritas

Consumer Confidence



Retail Market Supply & Demand Trends

Metro Denver



Source: Trammell Crow Company



Job Growth Vs. Retail Sales

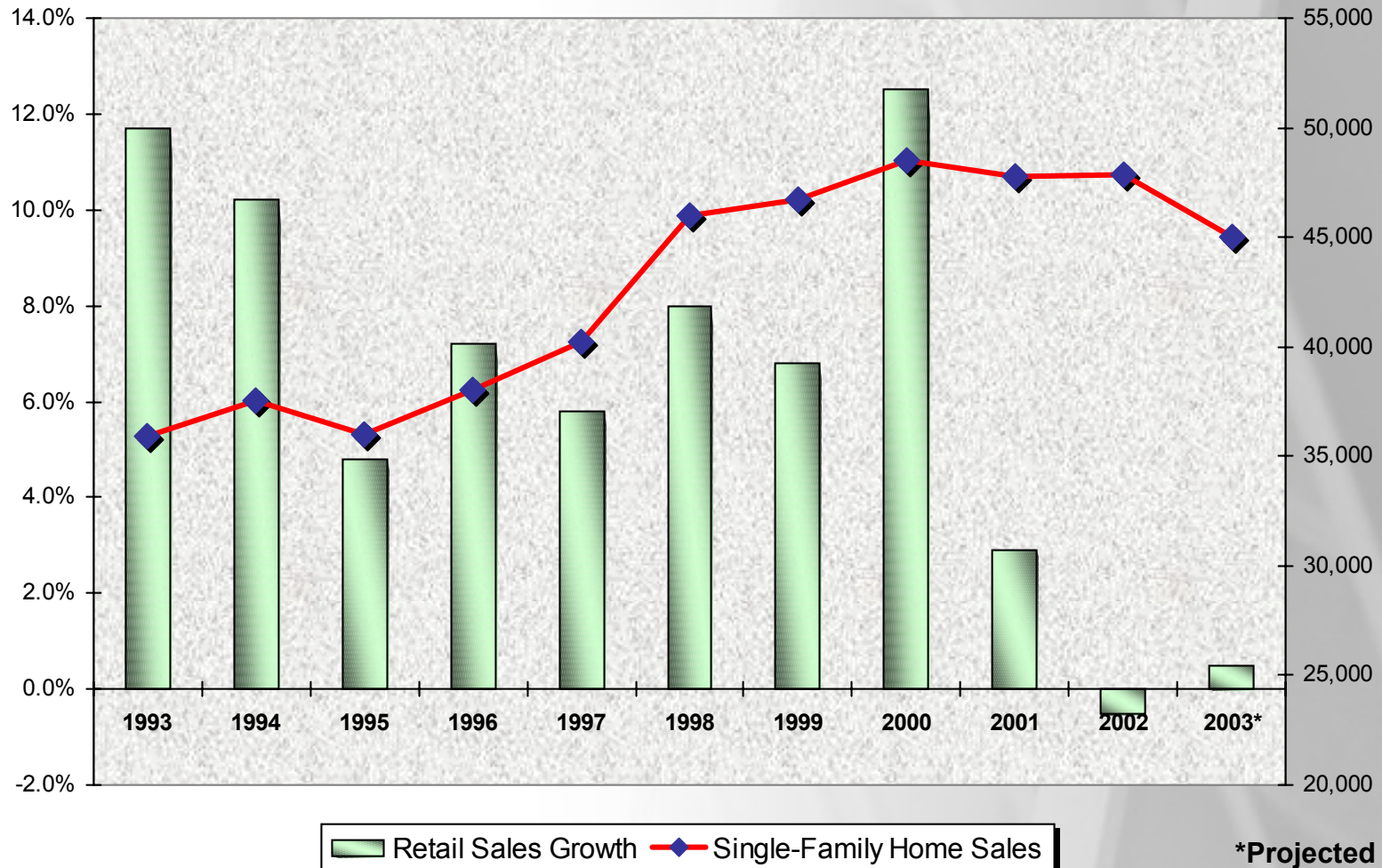
Metro Denver



Sources: CO Dept. of Labor, CO Dept. of Revenue

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Retail Sales Growth & Home Sales Trends Metro Denver

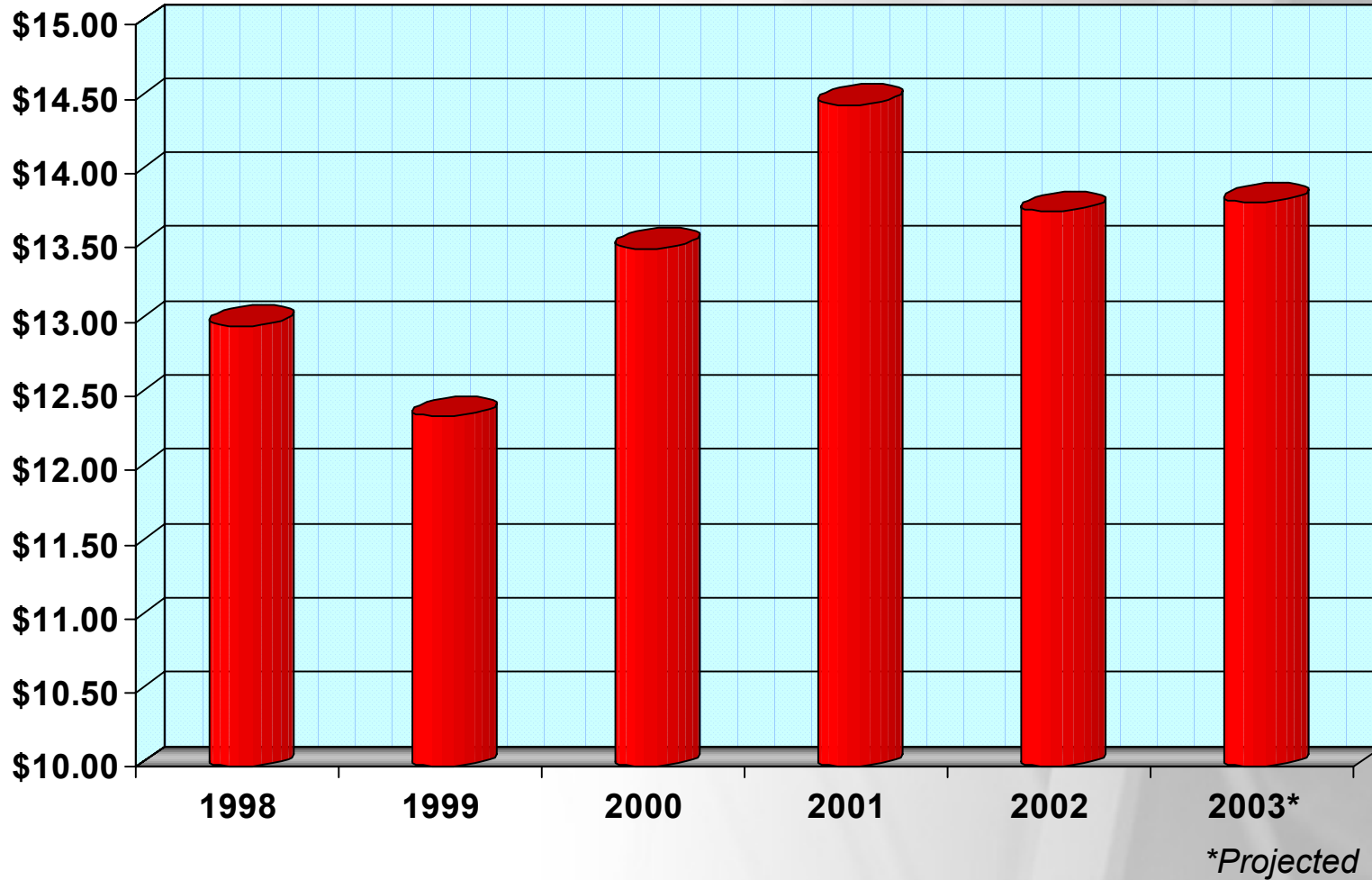


Sources: CO Dept. of Revenue, MetroList

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Retail Rent Trends

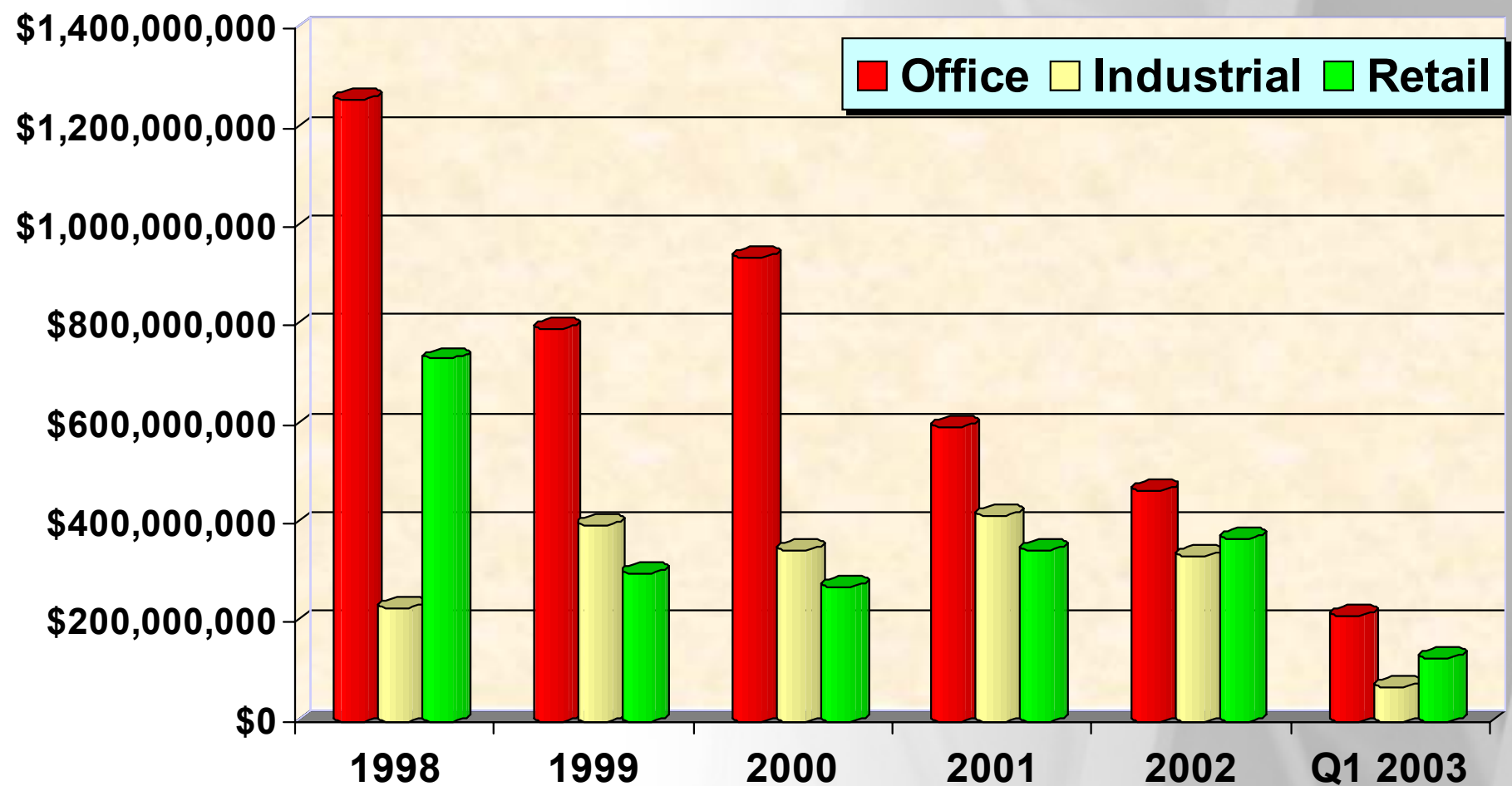
Metro Denver



Source: Trammell Crow Company

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Metro Denver Investment Sales Trends



Sources: CoStar Group, Trammell Crow Company

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What Does This Mean?



- Employment: ↓
- Housing: ↔
- Consumer confidence: Volatile
- Retail sales growth: ↔

But...

- Construction supply corrected quickly
- Vacancy stable
- Rental rates stable

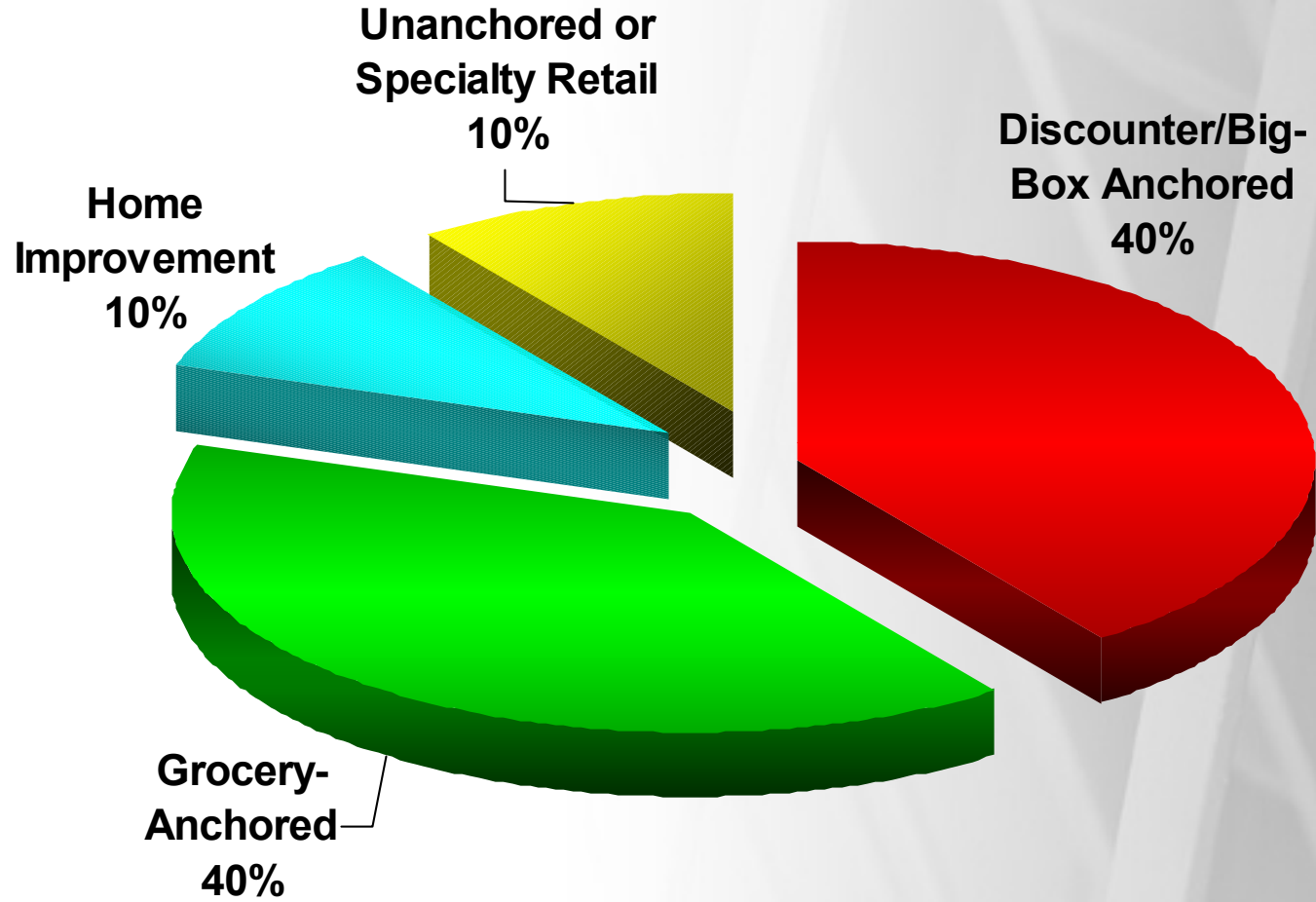
Therefore...

- Retail investment as a % of total investment \$ grows nationally & Denver



Retail Construction Profile

Share of Total SF Projected Over Next 24 Months



Source: Trammell Crow Company



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