

Metro Denver Retail Market

Midyear – 2009

Presented by:

Jon Weisiger

Senior Vice President,
Retail Division

Retail 24/7.



CBRE
CB RICHARD ELLIS

What are the Drivers of Retail?



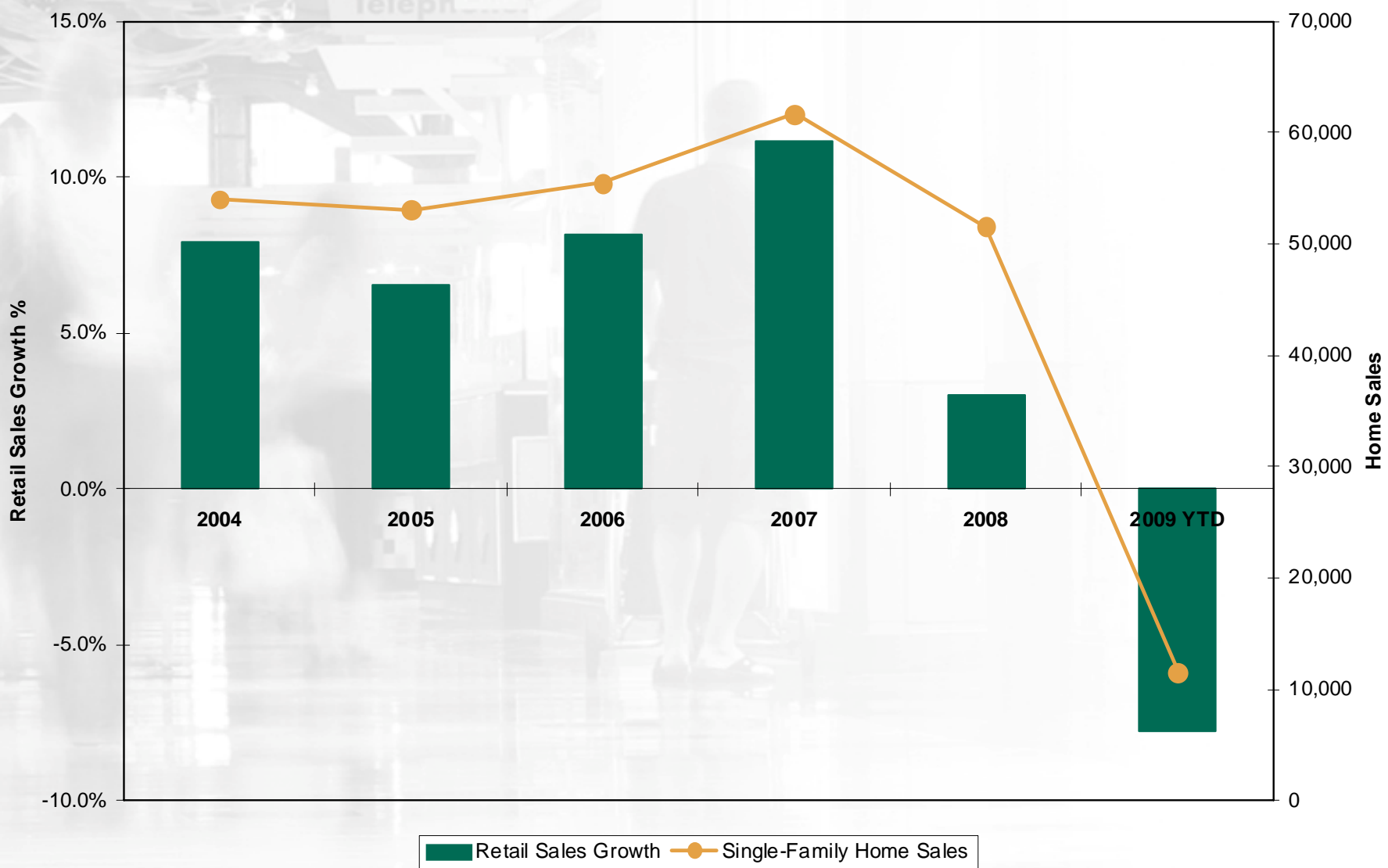
Job Growth Vs. Retail Sales

Metro Denver



Retail Sales Growth & Home Sales Trends

Metro Denver

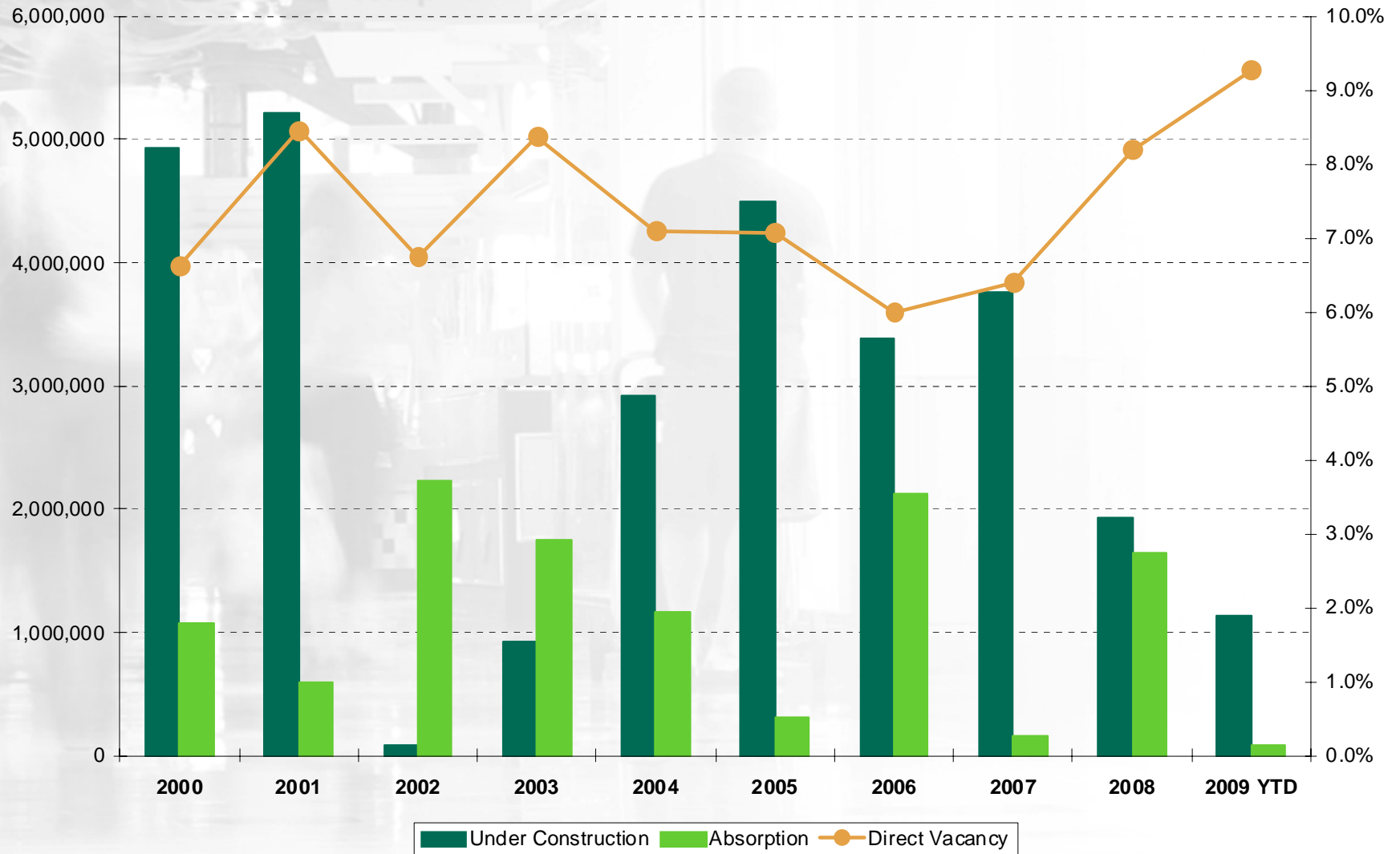


Consumer Confidence



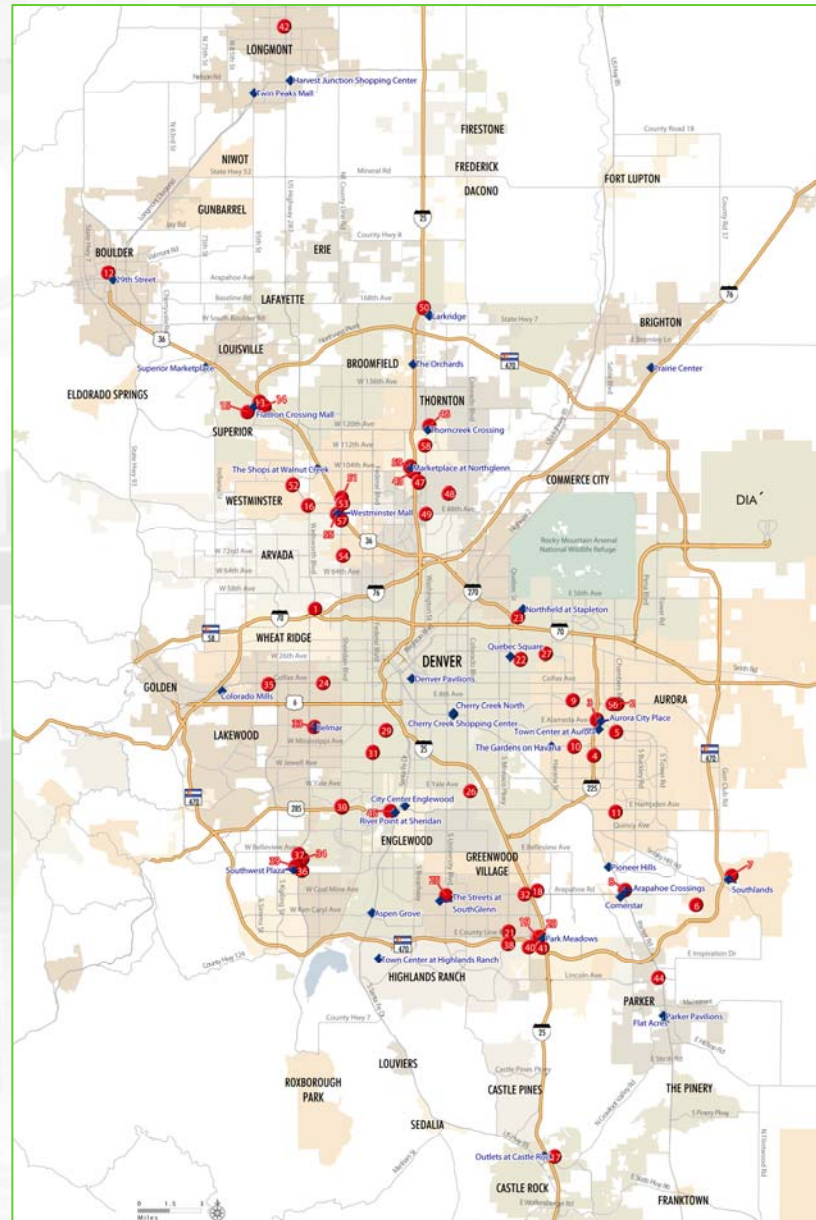
Retail Supply & Demand Trends

Metro Denver



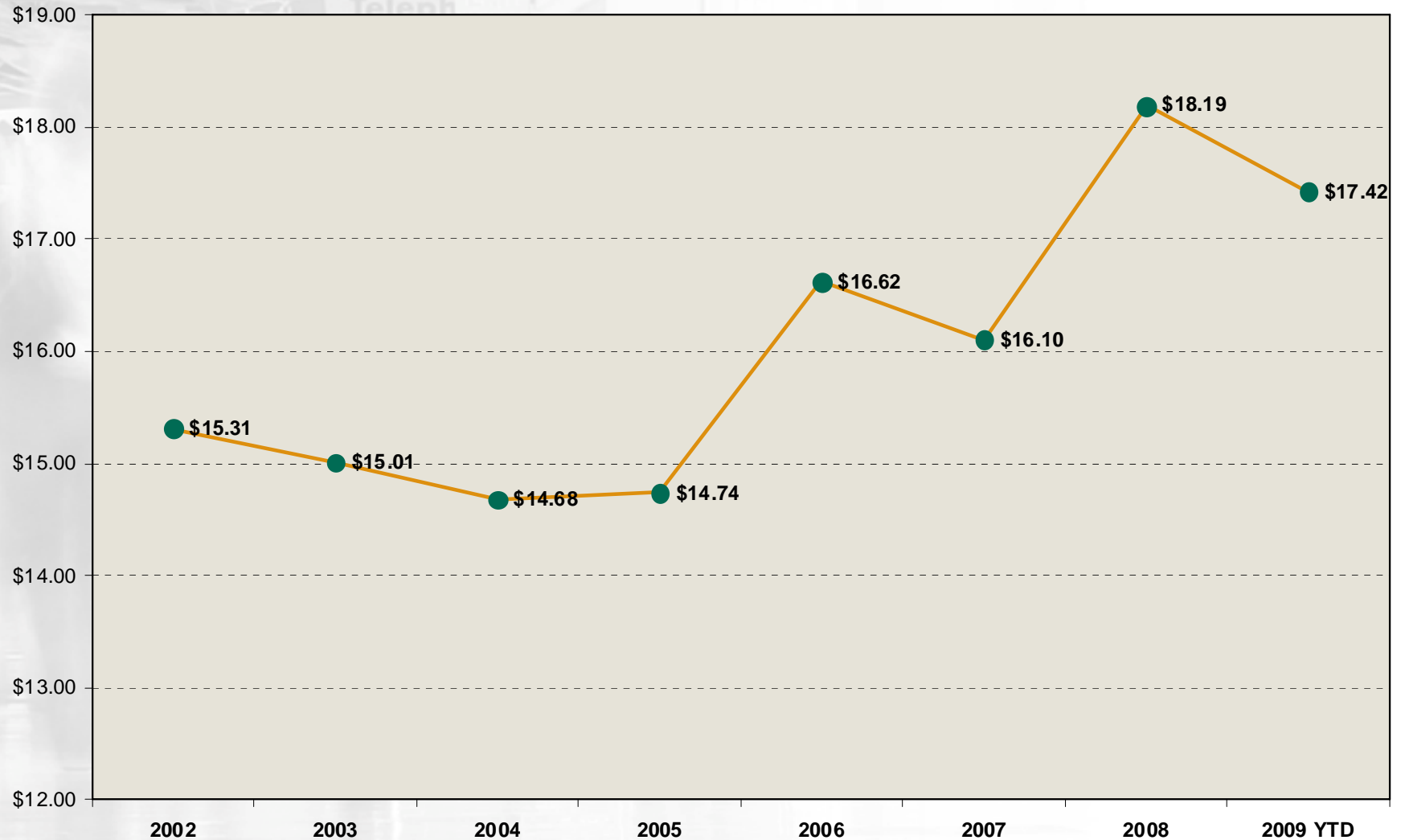
Big Box Vacancy

- 55 big box listings metro wide >20,000 SF

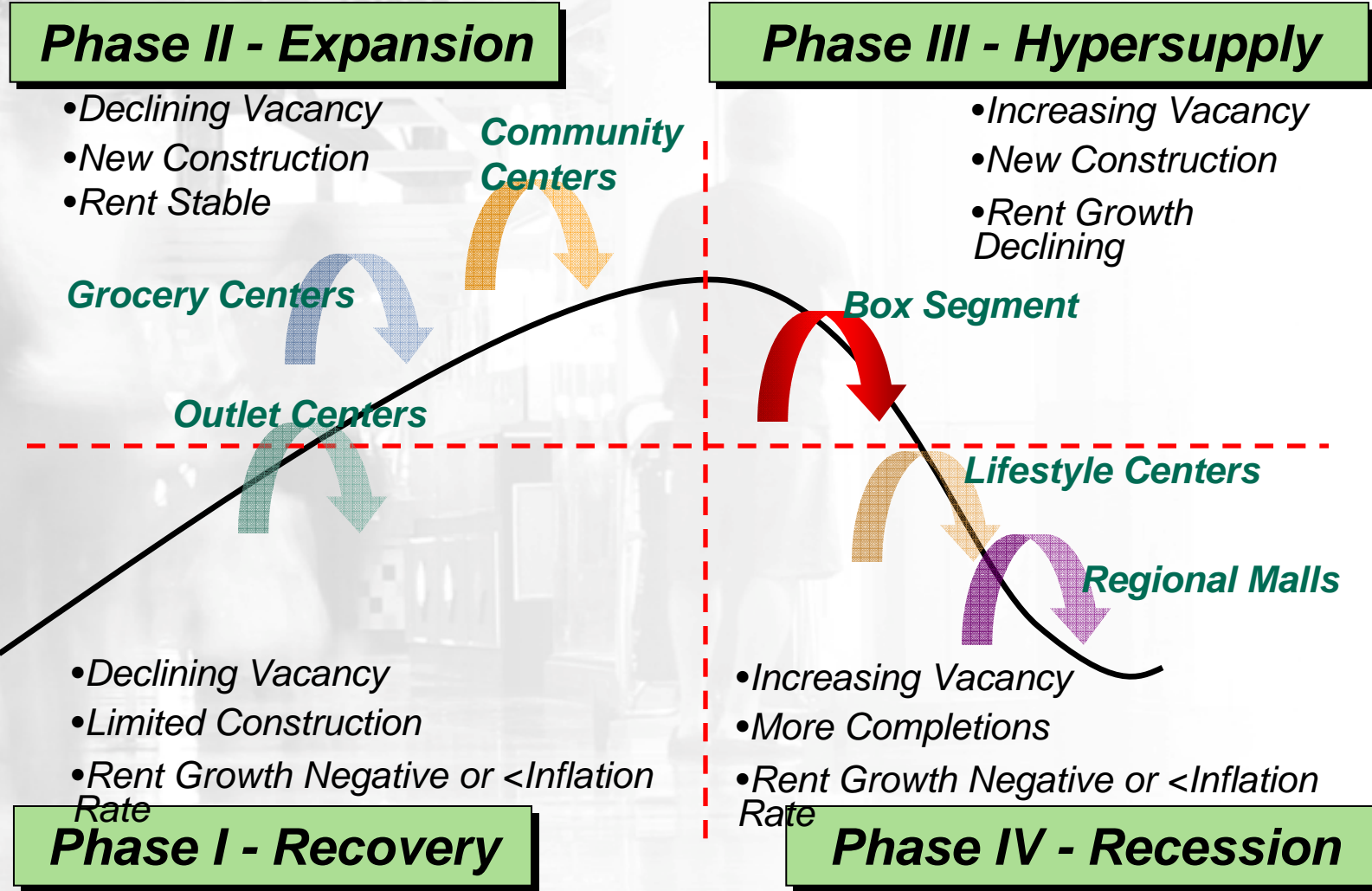


Rent Trends (weighted avg.rate)

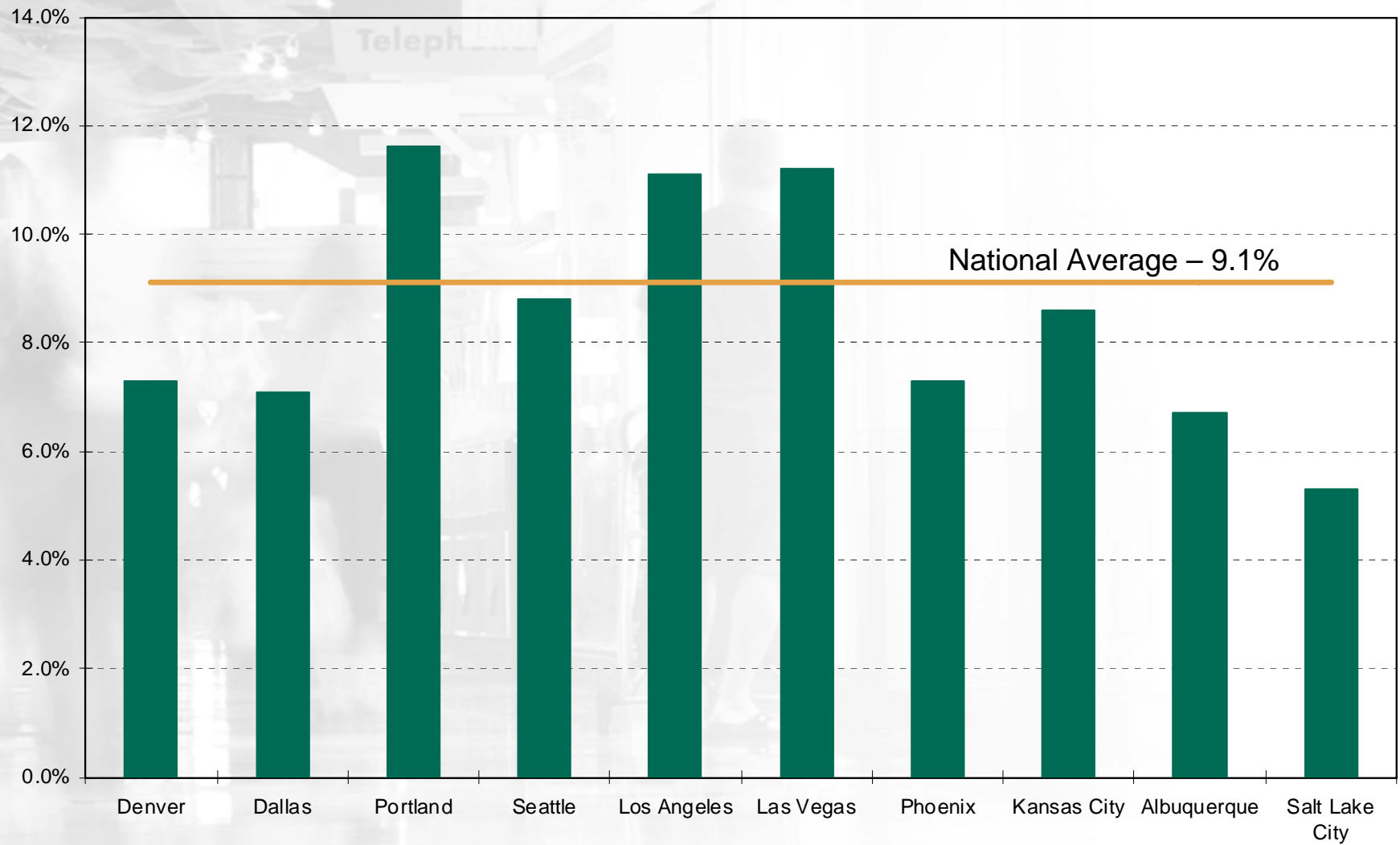
Metro Denver



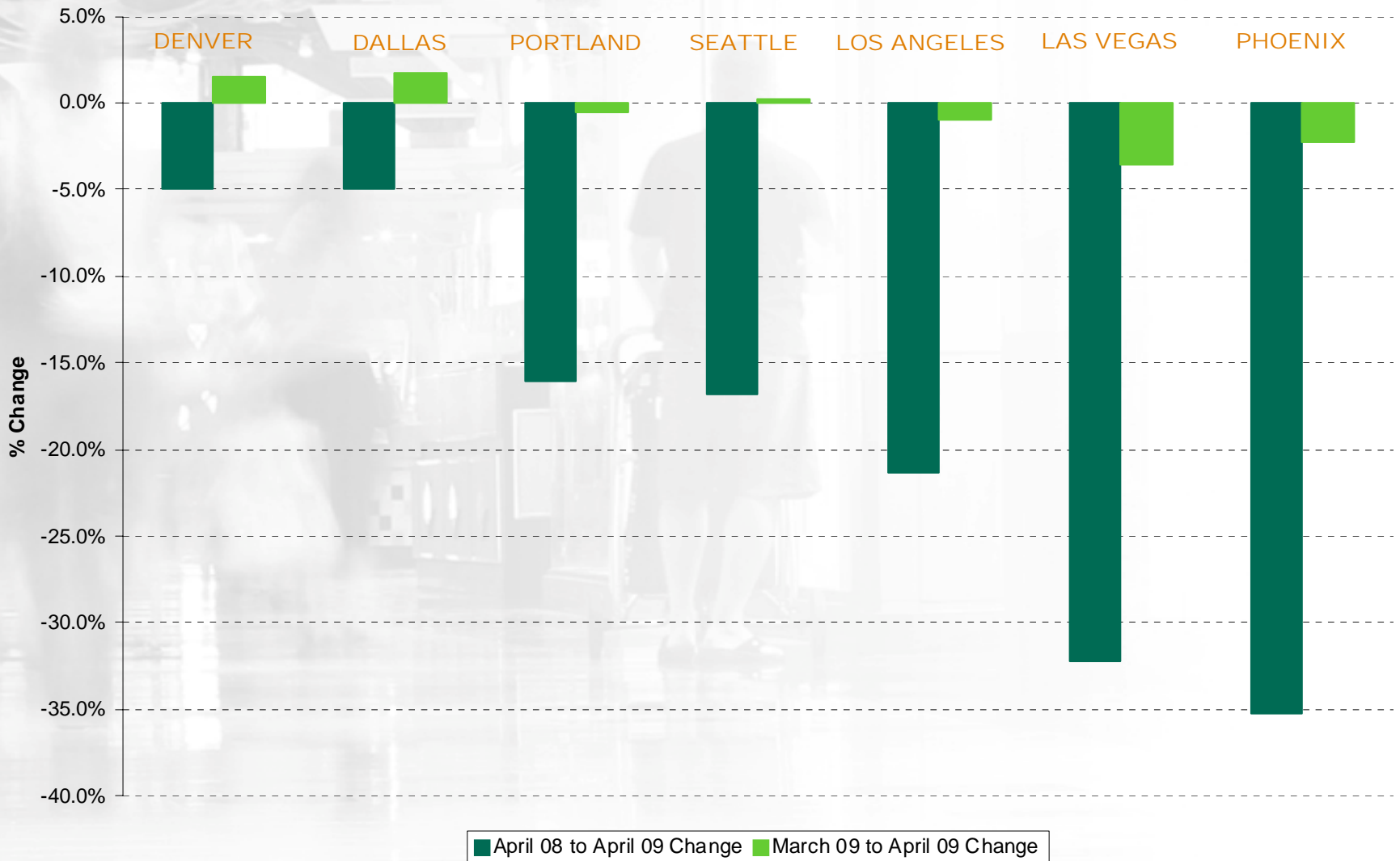
Where is Retail in the Cycle?



Metro Area Unemployment Rates



Home Price Market Comparison



What's Hot & What's Not

Dominating the Market

- **SUPER TARGET**
- **WALMART**
- **COSTCO WHOLESALE**
- **SAM'S CLUB**
- **KING Soopers**
- **SAFEWAY FOOD & DRUG**

Consolidations & Closings

- *Linens n Things*
- *Circuit City*
- *Ritz & Wolf Camera*
- *Office Supply Stores*
- *Chain Casual Dining*
- *Sporting Goods Retailers*
- *Home Accessories*
- *Upscale Apparel*

Rising Stars

- **SUNFLOWER FARMERS MARKET**
Serious Food...Silly Prices
- **SPROUTS FARMERS MARKET**
- **FAMILY DOLLAR** **savers**
good all around
- **Dollar Tree Stores, Inc.**
- **Colorado Athletic Club**
- **24 HOUR FITNESS**
- **LIFETIME FITNESS**
- **MOUNTAINSIDE FITNESS**
- **Qdoba MEXICAN GRILL**
- **smashburger**
- **Panera**
- **Tilted Kilt PUB & EATERY**
- **McCabe's BISTRO & PUB**

Retail Trends

- Luxury retailers will continue to struggle
- Continued growth in discount sector
- Expansion of grocery and specialty grocery
- Box stores on the decline
- Smaller retail boxes
- Store-within-a-store concepts
- Urban (infill) mixed-use projects
- Continued growth of “necessity goods” retailers



Capital Impacts to Retail in 2009

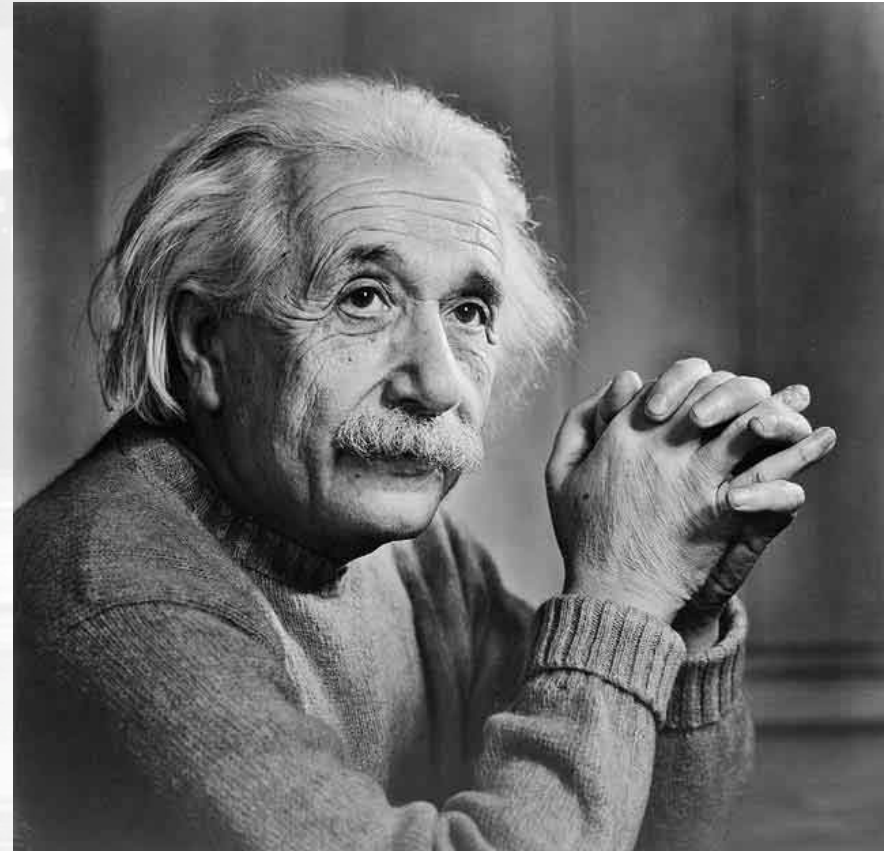
- Capital Market uncertainty
- Wall Street retailers hurting
- Downward pressure on retail rents
- Private equity taking over some retail firms
- Availability of capital for new projects
 - New development
 - Replacement of commercial loans
- More retail product coming to the market soon

Conclusions - Nine Tips for 2009

1. Focus Inward with your tenants – personal touch, Ad's/ promos
2. Early Renewals
3. “Blend” and “Extend” leases
4. Shorter leases: reduce risk raise upside
5. Reduce “op-ex”
6. Just say “Yes” – tenant’s market
7. Increase efficiency to complete deals-make it painless
8. Look for alternative revenue streams :ie media, corp partnerships, ATM’s etc
9. Don’t overreact-keep a steady hand on the wheel!

“We can’t solve problems by using the same kind of thinking we used when we created them.”

— Albert Einstein



Retail 24/7.