

I-4 CORRIDOR CONFERENCE

Retail Update



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Gary is a recognized subject matter expert on retail and commercial properties, a successful real estate developer, investor and group investment sponsor. He guided the growth of his previous brokerage from less than \$15 million in real estate assets to over \$1.5 billion. Gary is recognized as the most accredited commercial real estate practicing professional in the nation.

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Top US Retailers 2023 Sales

	<u>Company</u>	<u>Headquarters</u>	<u>US Sales</u>	<u>US % of Sales</u>	<u>US Stores</u>	<u>Sales per Store</u>
1	Walmart	Bentonville, AR	533,960,000,000	84.1%	5,321	100,349,558
2	Amazon.com	Seattle, WA	250,110,000,000	69.5%	568	15,011,585
3	Costco	Issaquah, WA	175,390,000,000	74.9%	587	298,790,460
4	The Kroger Co.	Cincinnati, OH	149,610,000,000	100.0%	2,855	52,402,802
5	The Home Depot	Atlanta, GA	141,450,000,000	93.8%	2,002	70,654,346
6	CVS Health Corporation	Woonsocket, RI	113,920,000,000	99.6%	9,373	12,154,060
7	Target	Minneapolis, MN	105,840,000,000	100.0%	1,956	54,110,429
8	Walgreens Boots Alliance	Deerfield, IL	105,100,000,000	88.8%	8,601	12,219,509
9	Lowe's Companies	Mooresville, NC	84,040,000,000	100.0%	1,746	48,132,875
10	Albertsons Companies	Boise, ID	77,860,000,000	100.0%	2,268	34,329,806
11	Apple Store / iTunes	Cupertino, CA	69,050,000,000	86.8%	271	40,300,000
12	Royal Ahold Delhaize USA	Carlisle, PA	59,430,000,000	62.0%	2,053	28,947,881
13	Publix Super Markets	Lakeland, FL	57,100,000,000	100.0%	1,665	34,294,294
14	Aldi	Batavia, IL	47,700,000,000	32.9%	2,938	16,235,534
15	TJX Companies	Framingham, MA	41,930,000,000	79.5%	3,550	11,811,268
16	Best Buy	Richfield, MN	40,050,000,000	92.8%	919	43,579,978
17	Dollar General	Goodlettsville, TN	38,690,000,000	100.0%	20,583	1,879,707
18	H.E. Butt Grocery	San Antonio, TX	38,630,000,000	94.1%	352	109,744,318
19	Dollar Tree	Chesapeake, VA	30,170,000,000	98.5%	16,440	1,835,158
20	7-Eleven	Dallas, TX	27,880,000,000	32.4%	12,592	2,214,104

Internet/E-commerce is only 16% of retail sales

Table 1. Estimated Quarterly U.S. Retail Sales: Total and E-commerce¹
(Estimates are based on data from the Monthly Retail Trade Survey and administrative records.)

Quarter	Retail Sales (millions of dollars)		E-commerce as a Percent of Total	Percent Change From Prior Quarter		Percent Change From Same Quarter A Year Ago	
	Total	E-commerce		Total	E-commerce	Total	E-commerce
Adjusted²							
2nd quarter 2024(p)	1,826,928	291,647	16.0	0.5	1.3	2.1	6.7
1st quarter 2024(r)	1,818,701	287,855	15.8	-0.1	1.6	1.5	8.1
4th quarter 2023	1,821,361	283,293	15.6	0.5	1.3	3.1	10.0
3rd quarter 2023	1,811,793	279,739	15.4	1.2	2.3	2.4	9.5
2nd quarter 2023(r)	1,789,656	273,354	15.3	-0.2	2.6	0.8	8.7
Not Adjusted							
2nd quarter 2024(p)	1,854,004	282,289	15.2	8.0	5.3	1.9	6.6
1st quarter 2024(r)	1,717,431	267,976	15.6	-9.3	-17.0	2.7	8.4
4th quarter 2023	1,892,581	322,862	17.1	4.3	20.1	2.8	9.8
3rd quarter 2023	1,815,346	268,745	14.8	-0.3	1.5	2.2	9.6
2nd quarter 2023	1,820,322	264,857	14.6	8.9	7.2	0.6	8.5

(p) Preliminary estimate. (r) Revised estimate.

¹ E-commerce sales are sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.

² Estimates are adjusted for seasonal variation, but not for price changes. Total sales estimates are also adjusted for trading-day differences and moving holidays.

Florida Annual Statistics	2022	2023	US 2023
Marketplaces	10,756	10,768	114,593
Marketplace Tenants	124,587	128,269	1.9 mil.
Occupancy Rate	96.5%	96.7%	95.9%
Jobs	2.3 mil.	2.3 mil.	32.2 mil.
Share of Total Jobs	15.8%	16%	14.9%
Sales	\$572.8 bil.	\$597.3 bil.	\$8.7 tril.
Share of GDP	39.8%	37.8%	31.8%
State Sales Taxes*	\$34.4 bil.	\$35.8 bil.	\$492.6 bil.
Property Taxes	\$2.2 bil.	\$2.3 bil.	\$31.1 bil.
Construction/Redevelopment Spending	\$5.1 bil.	\$4.3 bil.	\$34.1 bil.

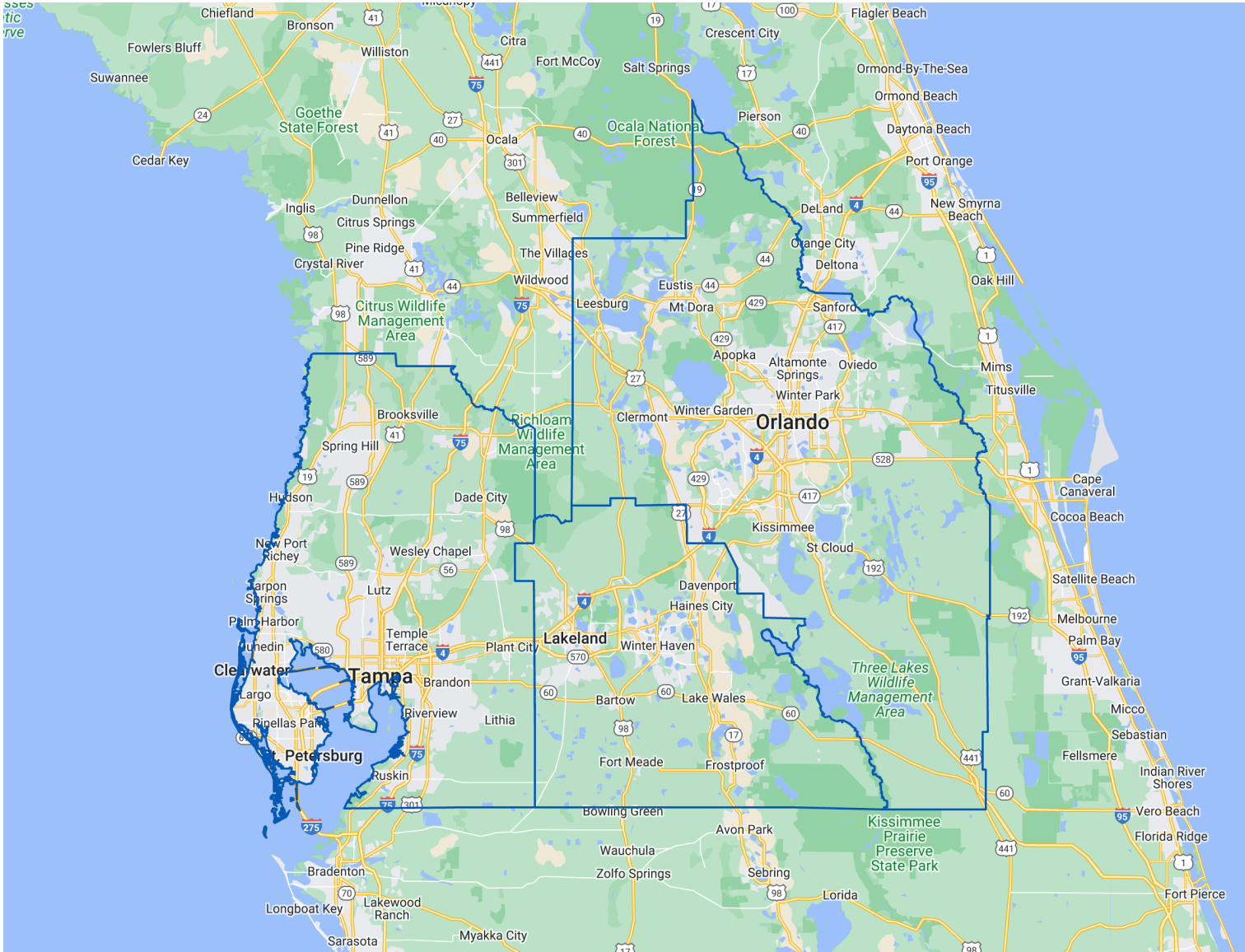
Marketplaces include all retail trade, food services and drinking places as well as portions of personal, professional, entertainment/recreation, health care and other services as classified by the North American Industry Classification System (NAICS).

*Sales tax revenue generated at retail real estate properties, except for states not taxing: Alaska, Delaware, Montana, New Hampshire and Oregon. Local government sales tax revenue not included.

Sources: U.S. Bureau of Labor Statistics; CoStar Group, Inc., U.S. Bureau of Economic Analysis, U.S. Census Bureau, The Sales Tax Clearinghouse, NAIOP, Dodge Data & Analytics, NCREIF, ICSC Research.

Retail Tenants are changing

- Traditional Retail (NAICS 44-45) is now less than half of retail space
- Food/eating and drinking (NAICS 722) is about 20% of retail space (Shopping center and freestanding)
- 30% + ... and growing
 - Professional office
 - Entertainment (gyms, etc.)
 - Healthcare/medical
 - Other (car washes, personal services, churches, etc.)
- 22 SF of shopping center GLA per person
- 56 SF of total retail GLA per person



Tampa - FL USA | \$47.7B Asset Value

Inventory SF	178M ↑
Under Constr SF	420K ↓
12 Mo Net Absorp SF	1.2M
Vacancy Rate	3.0% ↑
Market Asking Rent/SF	\$26.06 ↑
Market Asking Rent Growth	4.7% ↑
Market Sale Price/SF	\$267 ↑
12 Mo Sales Vol	\$1.1B ↓

Orlando - FL USA | \$44.2B Asset Value

Inventory SF	158M ↑
Under Constr SF	1M ↓
12 Mo Net Absorp SF	505K
Vacancy Rate	3.6% ↑
Market Asking Rent/SF	\$29.49 ↑
Market Asking Rent Growth	4.7% ↑
Market Sale Price/SF	\$277 ↑
12 Mo Sales Vol	\$935M ↓

Lakeland - FL USA | \$6.9B Asset Value

Inventory SF	33.9M ↑
Under Constr SF	120K ↓
12 Mo Net Absorp SF	(9.4K)
Vacancy Rate	3.9% ↑
Market Asking Rent/SF	\$19.43 ↑
Market Asking Rent Growth	4.3% ↑
Market Sale Price/SF	\$203 ↑
12 Mo Sales Vol	\$165M ↓

Market Overview

<i>Market</i>	<i>\$</i>	<i>SF</i>	<i>Vacancy</i>	<i>Asking Rent/SF</i>	<i>Rent Growth</i>	<i>Under Constr SF</i>	<i>Absorp SF</i>	<i>Sale Price /SF</i>	<i>Annual sales growth</i>	<i>Asking Cap Rate</i>
Tampa - FL USA	\$47,717,502,195	178,243,012	3.0%	\$26.06	4.7%	419,618	1,172,593	\$267	-31.1%	6.4%
Orlando - FL USA	\$44,224,062,336	158,369,700	3.6%	\$29.49	4.7%	1,003,863	505,137	\$277	-20.9%	6.4%
Lakeland - FL USA	\$6,901,473,685	33,874,324	3.9%	\$19.43	4.3%	119,891	-9,369	\$203	-21.3%	6.6%
National Index	\$3,142,666,324,477	12,134,481,908	4.1%	\$25.36	2.3%	46,956,453	30,984,168	\$250	-15.7%	6.9%

Please keep me in mind (*Gary Ralston* / Gary@SRDcommercial.com / 863-877-2828) for:

- retail commercial properties with highway frontage and traffic counts more than 20,000 cars/day ... "they aren't building any new roads", so there is a finite supply of these properties.
- 10,000 SF to 100,000 SF range
- value-add (vacancy; below market rents; site characteristics deficiencies; needs capital expenditures -- roof, parking lot, etc.)
- Polk, Osceola, Lake, Orange or Hillsborough County