

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
PLANNING DIRECTORS MEETING

CURRENT TRENDS *in the* **RETAIL REAL ESTATE MARKET**

 *WASHINGTON REGION*

PRESENTATION BY DAVID VERSEL
NOVEMBER 20, 2015

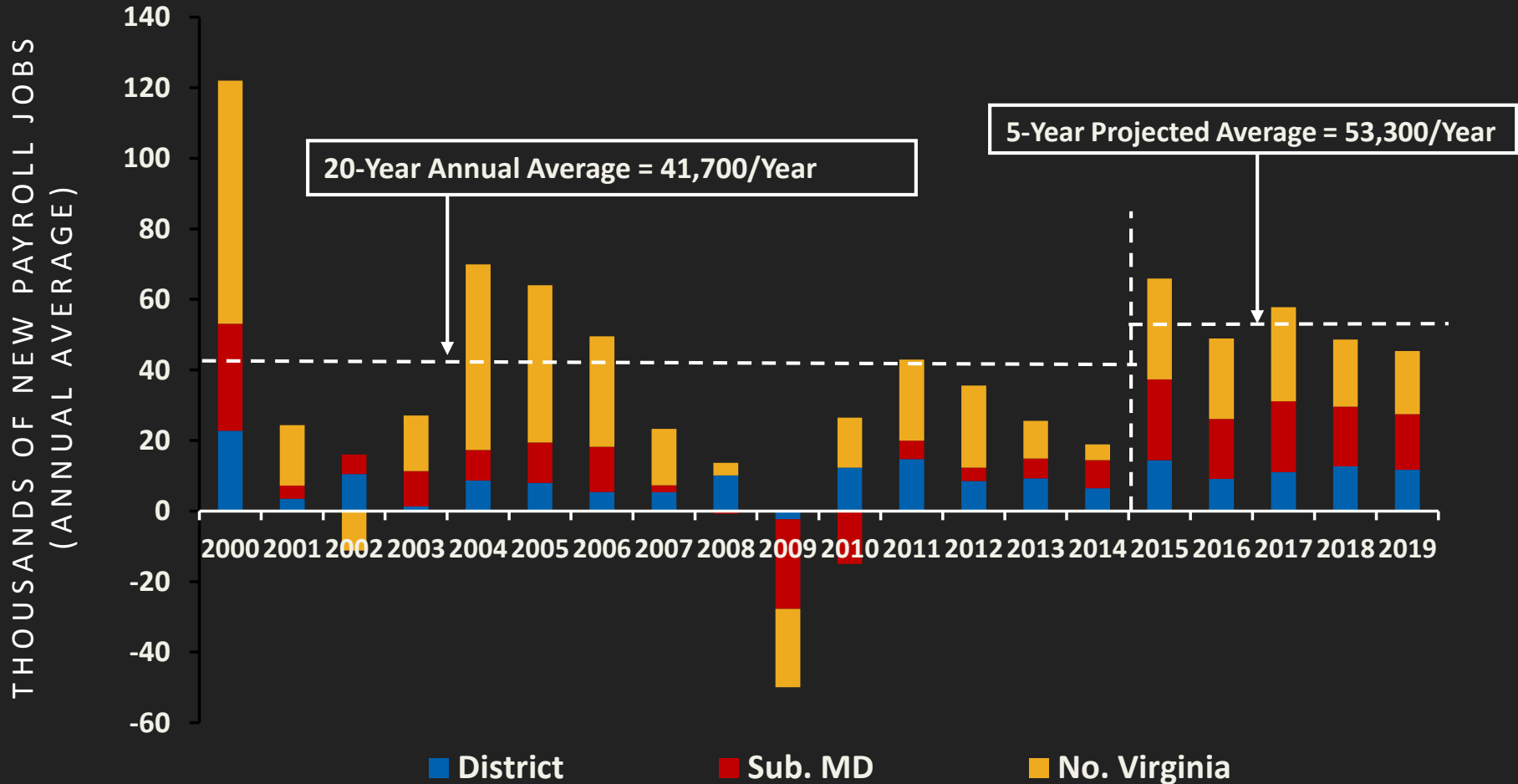
 **DELTA**
ASSOCIATES

PAYROLL JOB GROWTH

Washington Metro Area

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CURRENT TRENDS *in the* RETAIL REAL ESTATE MARKET



Source: Bureau of Labor Statistics, Dr. Stephen Fuller, Delta Associates; November 2015.

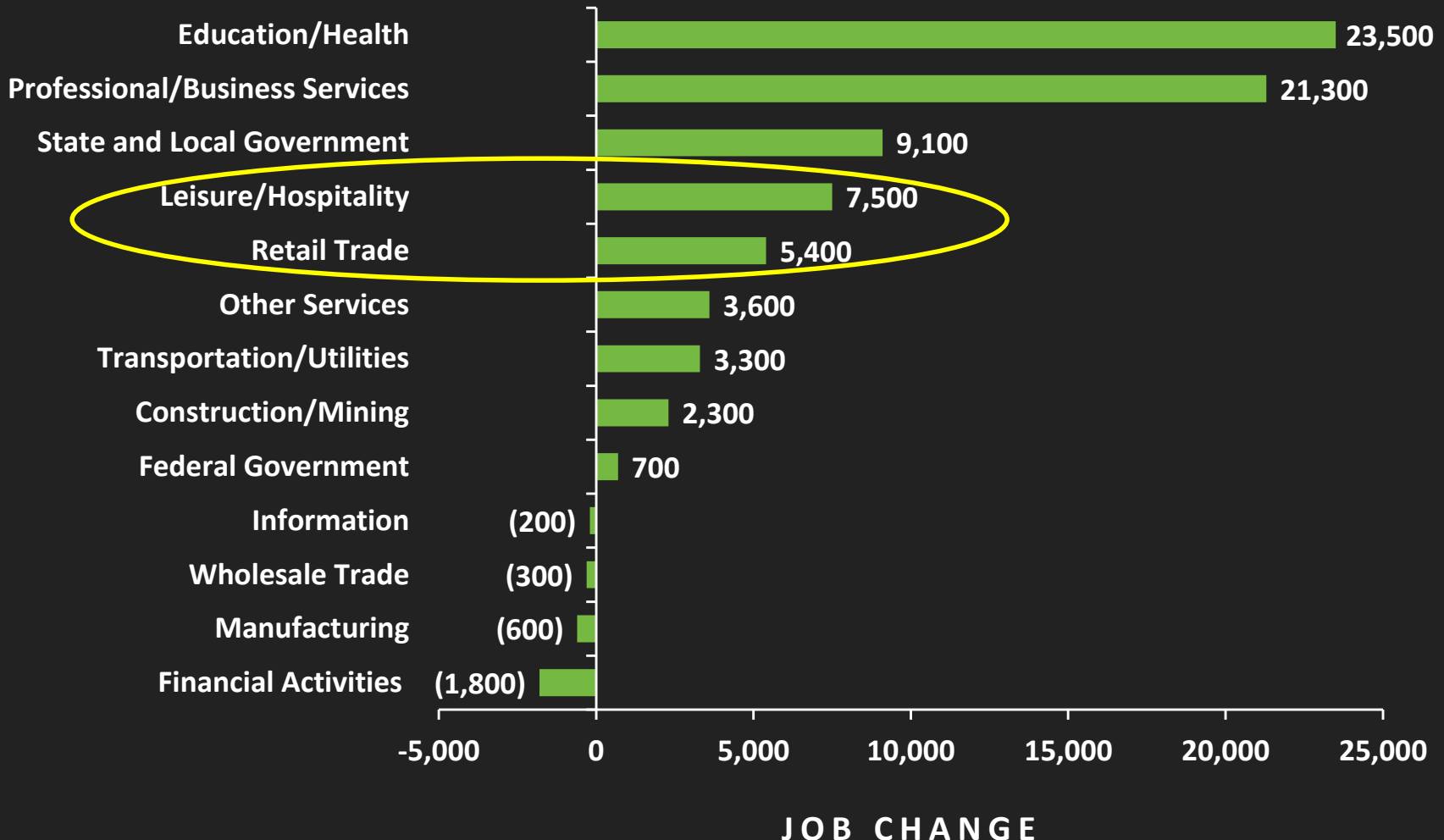


PAYROLL JOB GROWTH

By Sector in Washington Metro Area, 12 Months Ending July 2015

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Source: Bureau of Labor Statistics, Delta Associates; November 2015.

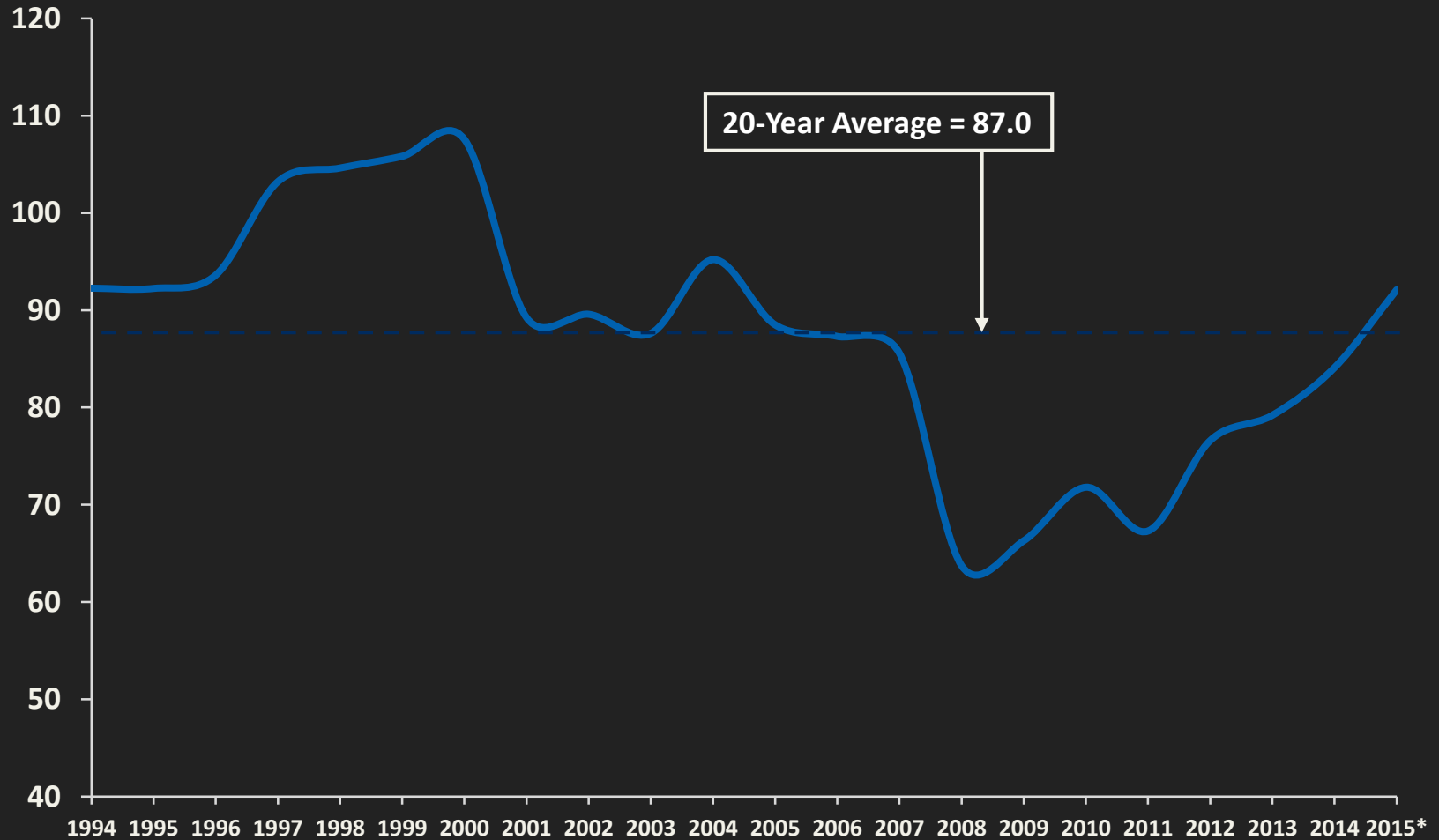


CONSUMER SENTIMENT

United States

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

CURRENT TRENDS *in the* RETAIL REAL ESTATE MARKET



*At October 2015 (Preliminary).

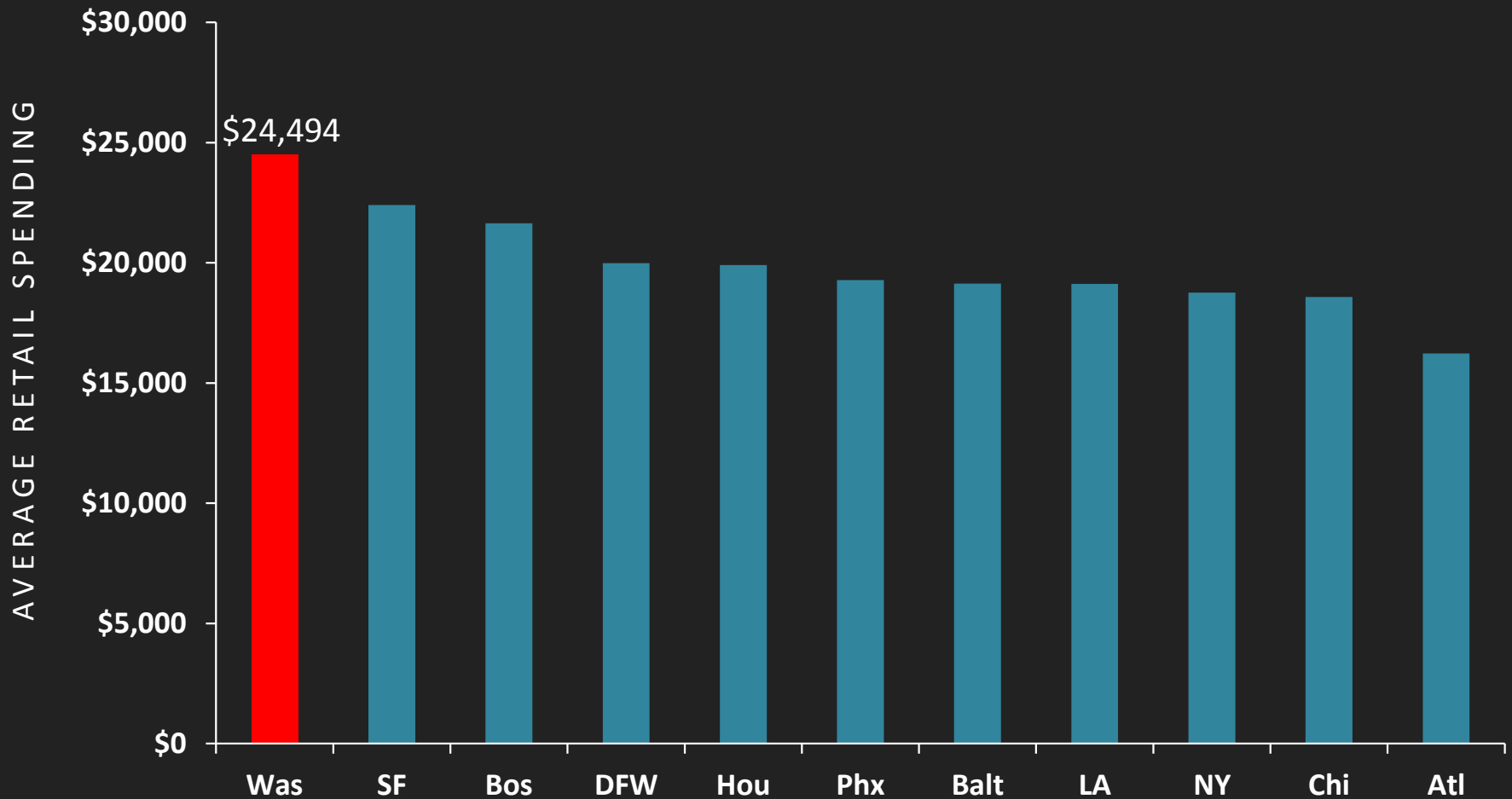
Source: University of Michigan, Delta Associates; November 2015.

AVERAGE RETAIL SPENDING PER HOUSEHOLD

Selected Metro Areas | 2013

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Source: Bureau of Labor Statistics, Delta Associates; November 2015.

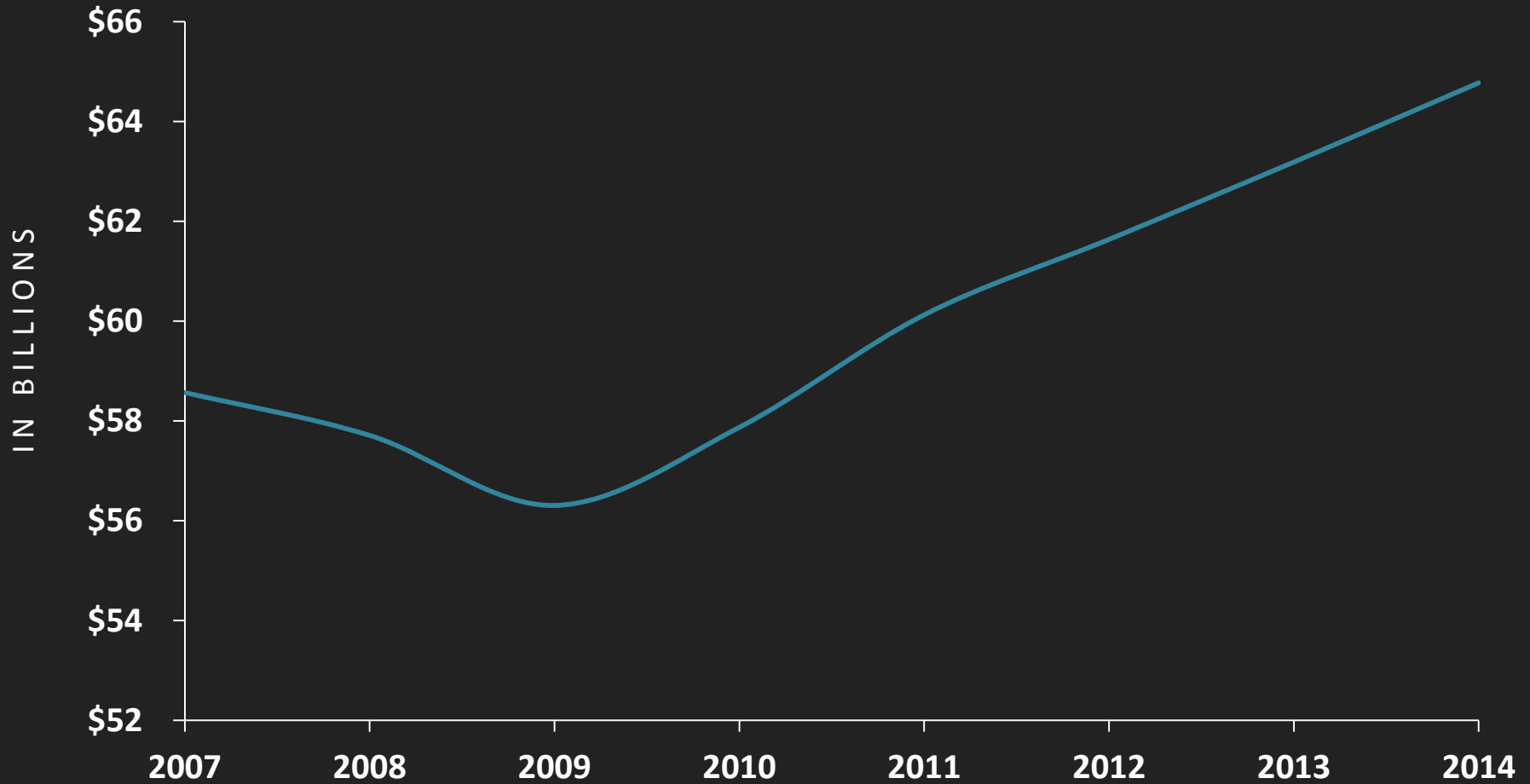


ANNUAL RETAIL SALES

Washington Metro Area | 2007 – 2014

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CURRENT TRENDS *in the* RETAIL REAL ESTATE MARKET



Source: Woods & Poole, Delta Associates; November 2015.

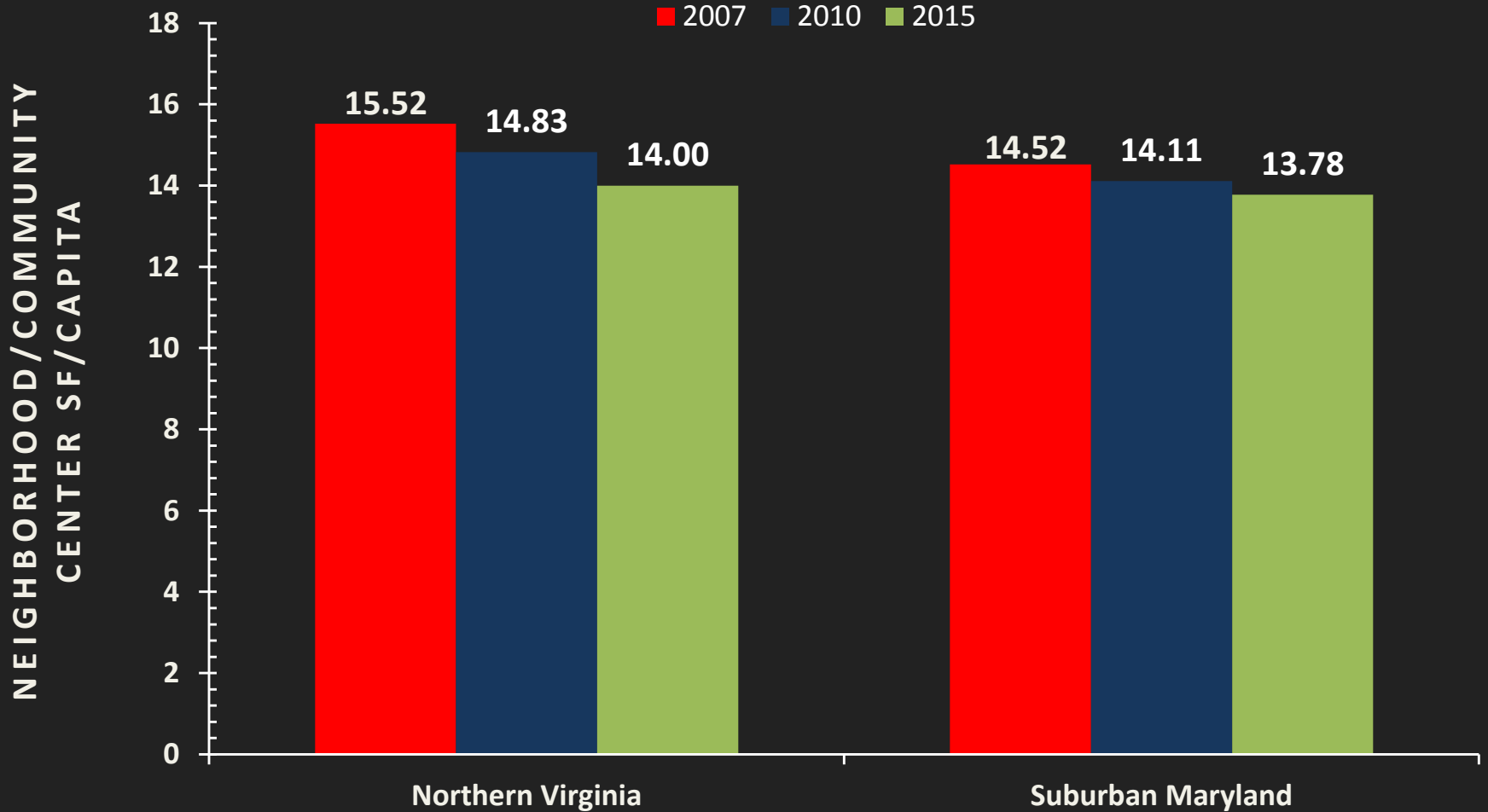


NEIGHBORHOOD/COMMUNITY CENTER RETAIL SQUARE FOOTAGE PER CAPITA

Washington Metro Area | 2007 and Q3 2015

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CURRENT TRENDS *in the* RETAIL REAL ESTATE MARKET



Source: REIS, Census Bureau, Delta Associates; November 2015.

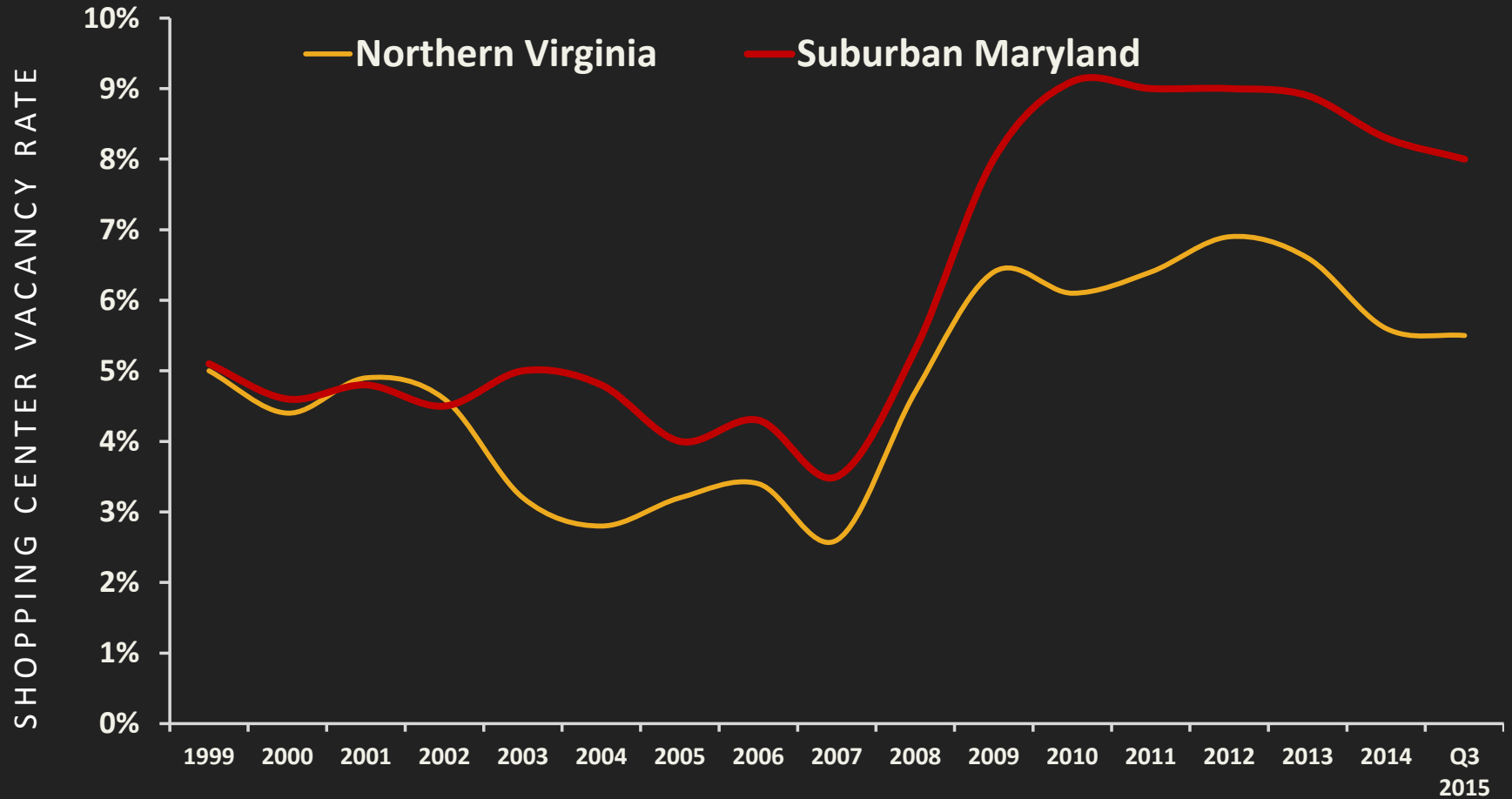


VACANCY RATES

Washington Metro Area Suburbs Neighborhood/Community Centers

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Source: REIS, Delta Associates; November 2015.

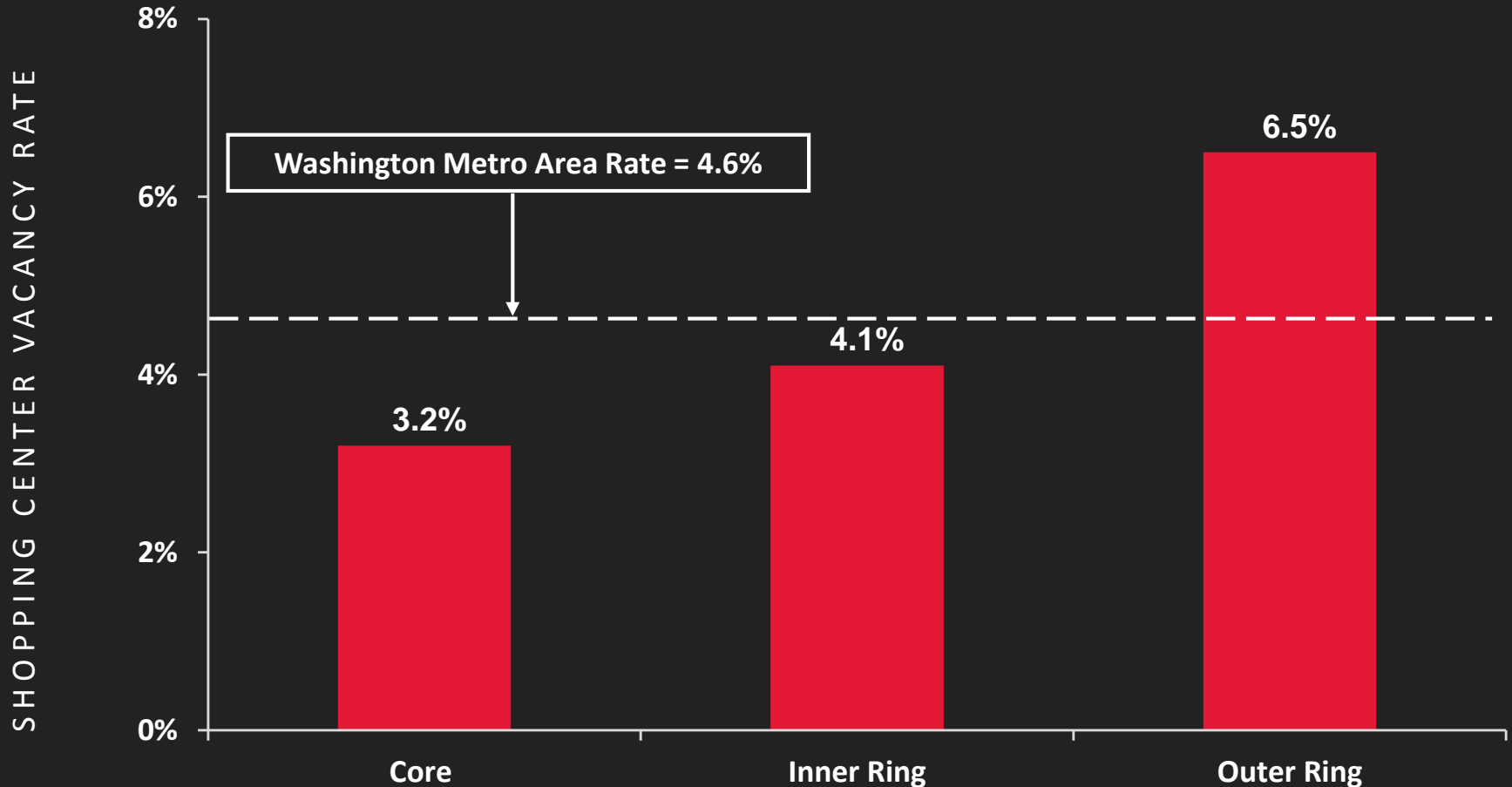


VACANCY RELATIVE TO LOCATION

Washington Metro Area | Grocery-Anchored Shopping Centers

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Source: REIS, Delta Associates; November 2015.

*Core = District, Arlington, and Alexandria.
Inner Ring = Montgomery, Prince George's, and Fairfax.
Outer Ring = Frederick, Loudoun, and Prince William.*

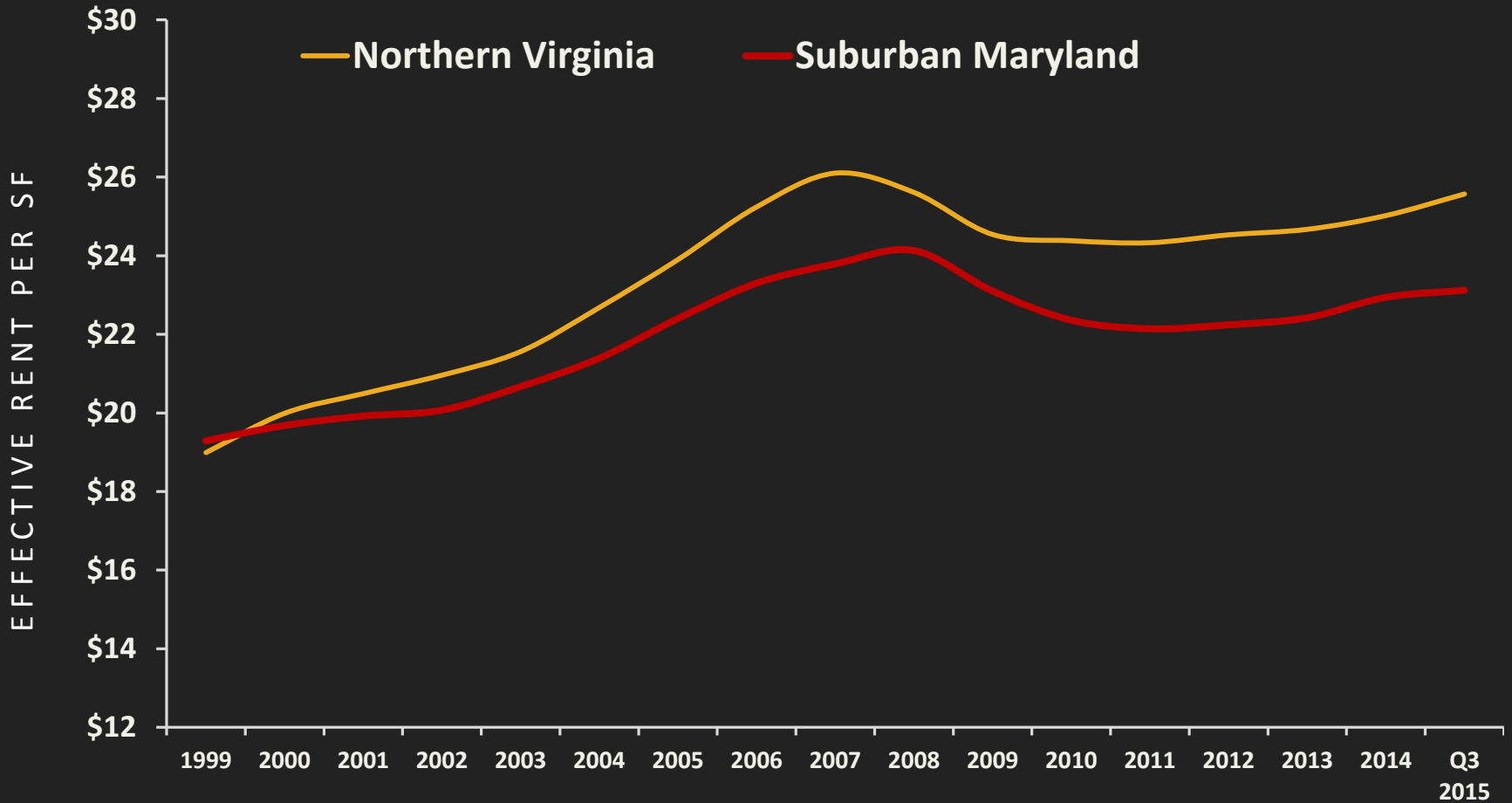


EFFECTIVE RENTS

Washington Metro Area Suburbs | Neighborhood/
Community Centers

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Source: REIS, Delta Associates; November 2015.

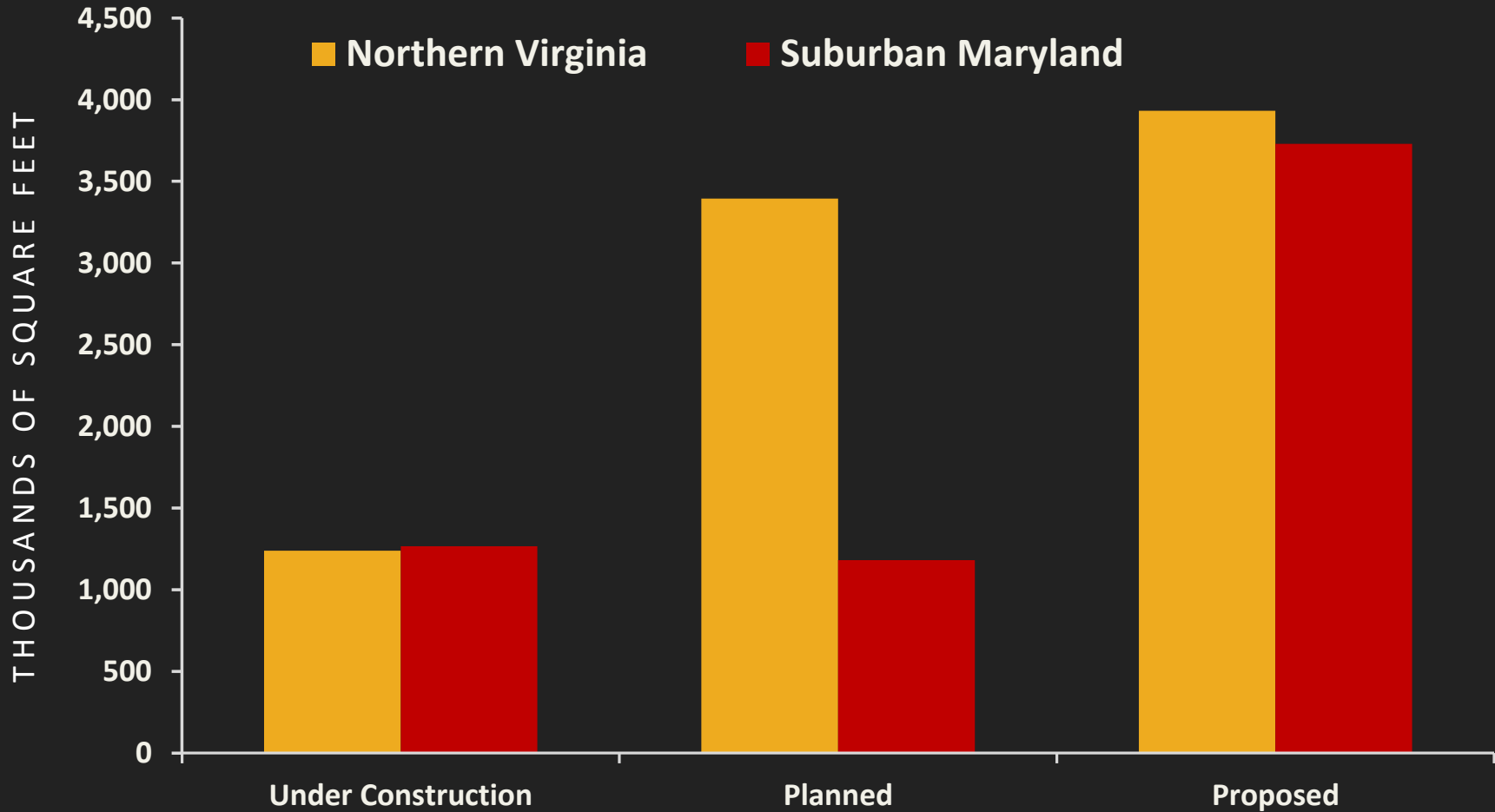


RETAIL PIPELINE

Washington Metro Area Suburbs | All Shopping Center Types
3rd Quarter 2015

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Source: REIS, Delta Associates; November 2015.

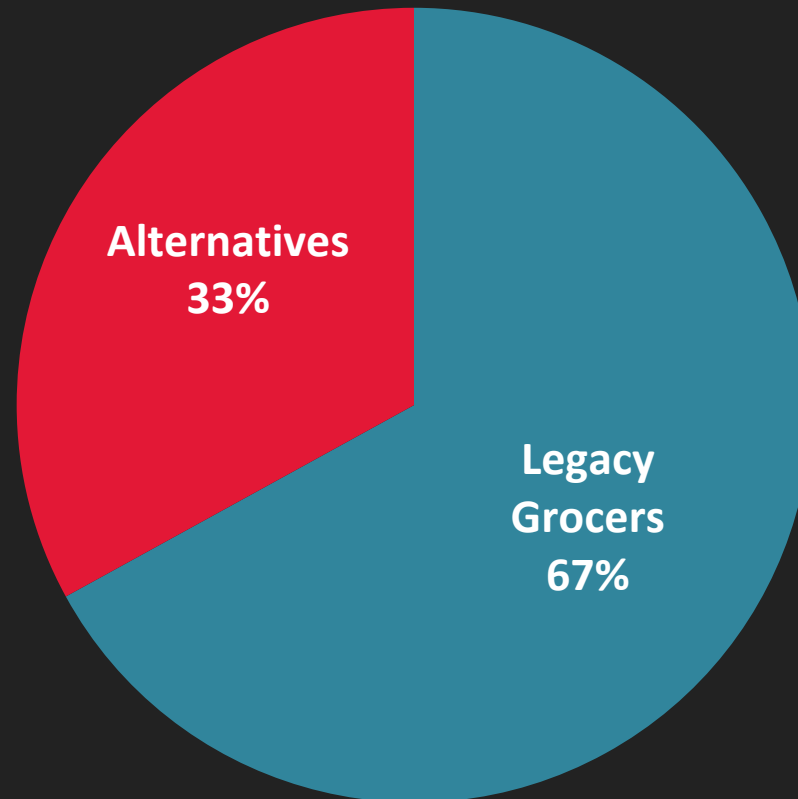


LEGACY GROCERS LOSING MARKET SHARE

Grocery Store Sales | Washington Grocers: 2009

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CURRENT TRENDS *in the* RETAIL REAL ESTATE MARKET



Source: Food World, Delta Associates; November 2015.

Note: Legacy grocers are Giant, Safeway, Shoppers.

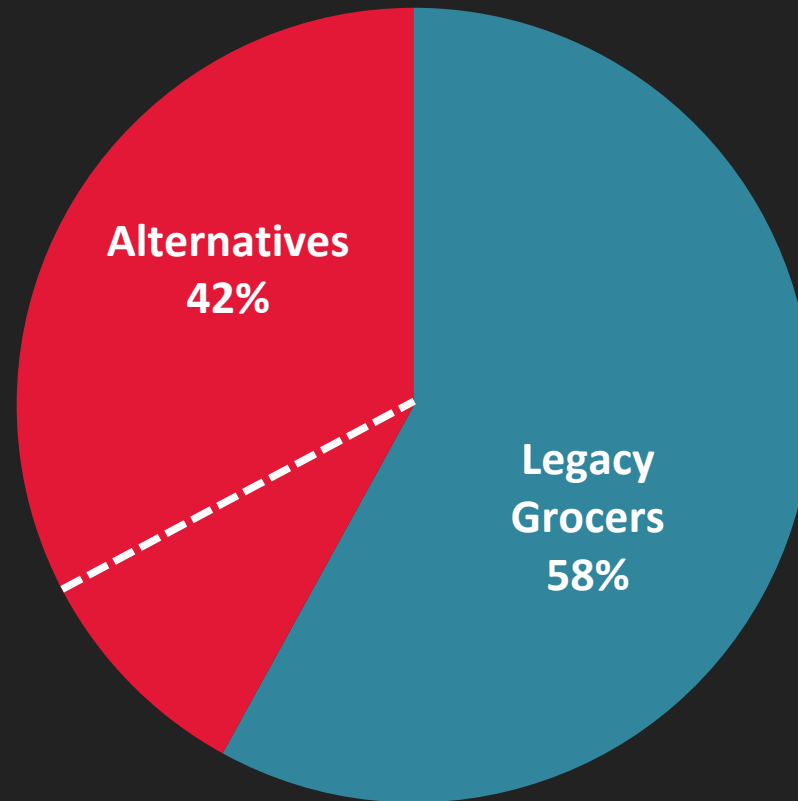


LEGACY GROCERS LOSING MARKET SHARE

Grocery Store Sales | Washington Grocers: 2014

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Source: Food World, Delta Associates; November 2015.

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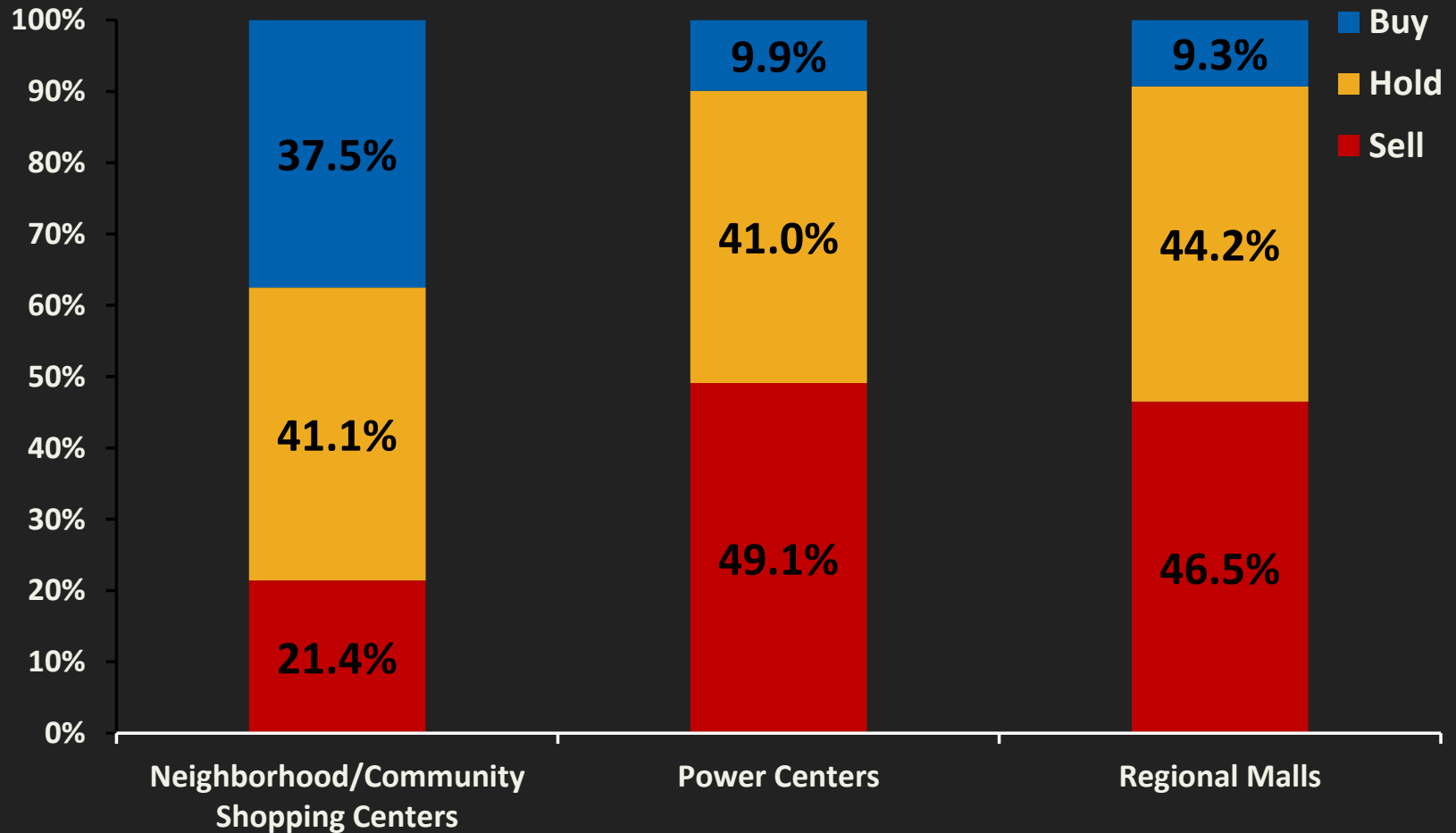


RETAIL INVESTMENT PROSPECT TRENDS

United States 2016

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Source: Urban Land Institute Emerging Trends in Real Estate 2016 survey, Delta Associates; November 2015.

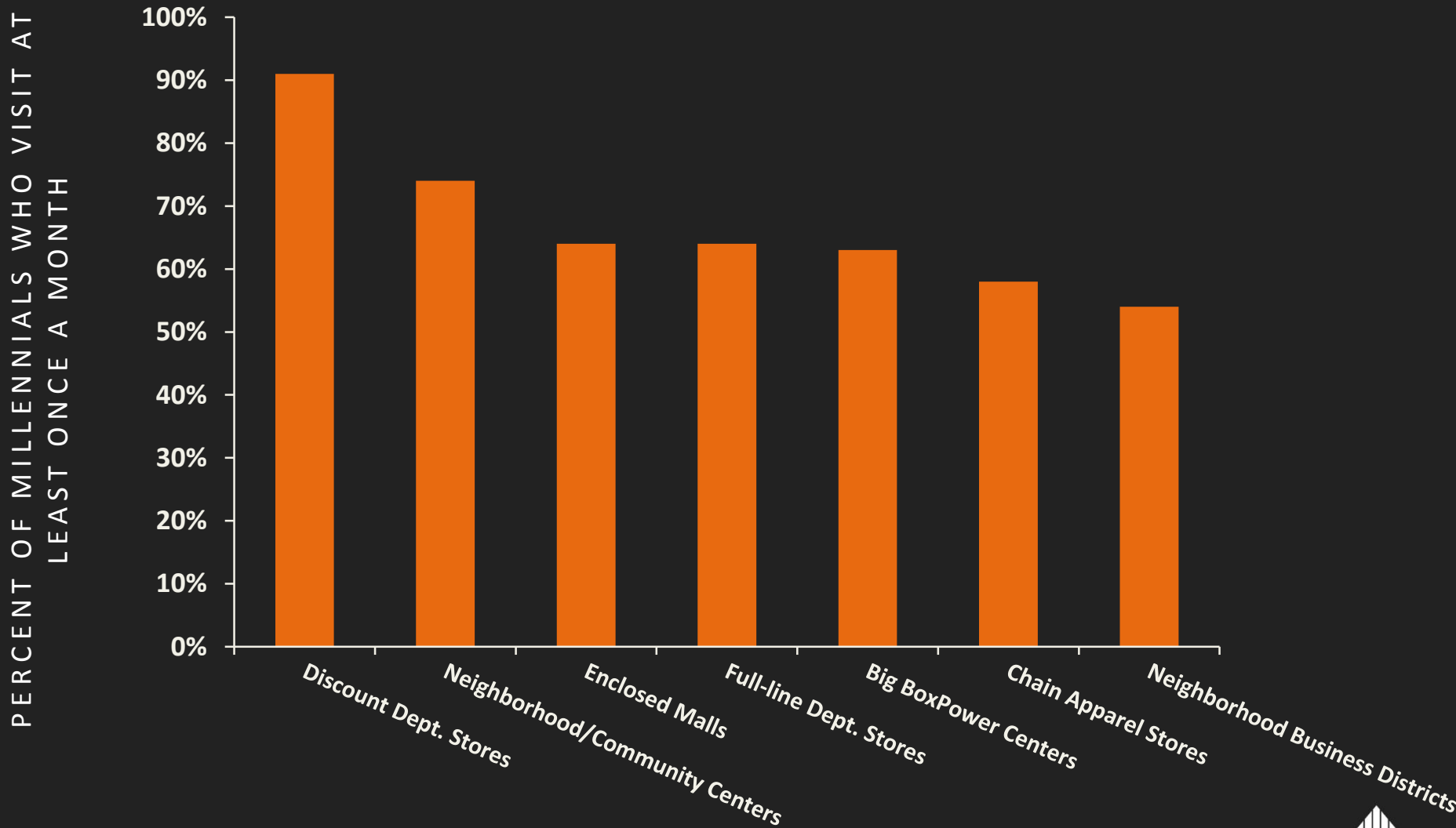


MILLENNIAL PATRONAGE TRENDS

United States | January 2013

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Source: ULI/Lachman Associates Survey, Delta Associates; November 2015.



- Growing regional economy has driven increased employment and spending in retail and restaurant economy...
- ...but changing nature of retail environments has led to continued decline in the amount of retail space per capita
- Retail market indicators are flat, and construction remains slow
- Legacy grocers are rapidly losing market share
- For Millennials, experience is everything
- Successful retail requires the right mix of scale, location, and tenants

The Beacon of Groveton, Alexandria/Route 1



Virginia Square Towers, Rosslyn-Ballston Corridor



The Kingsley, North Old Town Alexandria



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