How is the Retail Business Like Farming?
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**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

Trammell Crow Company
Effective Buying Income Comparison

Source: Claritas

National Average
Consumer Confidence

Source: Conference Board
Retail Market Supply & Demand Trends
Metro Denver

Source: Trammell Crow Company
Retail Sales Growth & Home Sales Trends
Metro Denver

Sources: CO Dept. of Revenue, MetroList
Retail Rent Trends
Metro Denver

Source: Trammell Crow Company
Metro Denver Investment Sales Trends

- **Office**
- **Industrial**
- **Retail**

Sources: CoStar Group, Trammell Crow Company
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

- Grocery-Anchored: 40%
- Home Improvement: 10%
- Unanchored or Specialty Retail: 10%
- Discounter/Big-Box Anchored: 40%

Source: Trammell Crow Company