



retail strategies

Sanford's Retail Strategies



Retail Strategies, LLC



retail strategies

Retail Strategies was launched in 2010, providing real estate consulting services to communities throughout the United States

- Retail Recruitment
- Retail Academy
- Downtown Renewal
- Small Business Support



retail specialists

Retail Specialists is a retail-focused real estate company that was founded in late 2005. Since then, the company has grown to become the regional leader in third-party retail real estate services including:

- Leasing and Brokerage
- Property Management
- Development
- Investment Sales and Acquisitions
- Consulting

Retail Outlook & Trends

- Customer Experience/Experiential Retail
- Omnichannel Integration
- Smaller Footprints, Relocations & Renovations
- Conscious Customers
- Focus on Secondary and Tertiary Markets
- Health and Wellness Retail Growth
- Loyalty
- Robotics

2025

Retail Fundamentals Snapshot

SOURCE: JLL Retail Outlook, Jones LaSalle IP, INC.

1

Net absorption remains negative as closures take effect

Retail net absorption was negative for the second straight quarter, totaling -7.5 million square feet in Q2 2025. This is consistent with expectations of retail space being released back to the market. As retailers had announced roughly 10,000 store closures with a potential gross impact of 140 million square feet.

3

Announced openings in 2025 outpace closings

So far this year, announced openings total 6,565 locations while announced closures total 5,633 stores. However, openings are skewing towards smaller spaces of less than 10,000 square feet, while there is a preponderance of closures between 10,000 and 50,000 square feet.

2

Development economics don't yet add up to new speculative construction

Construction activity remains constrained, with retail space under construction falling to 48.3 million square feet and construction starts dropping by more than 50% quarter over quarter to 4.9 million square feet. Development activity will continue to remain low until the economics of speculative construction change appreciably.

4

H1 2025 investment volume surpasses the prior year

The retail investment landscape in H1 2025 demonstrated resilience, with transaction volumes reaching \$28.5 billion. This figure represents a notable increase of 23% and 17% compared to H1 2024 and H1 2023, respectively. Transaction volume is still well below the most recent peak of H1 2022 by -39%. However, transaction volume is outpacing the

By the numbers

11.9 billion
Existing inventory (s.f.)

48.3 million
Under construction (s.f.)

4.3%
Total vacancy

\$25.40
Market rent (per s.f.)

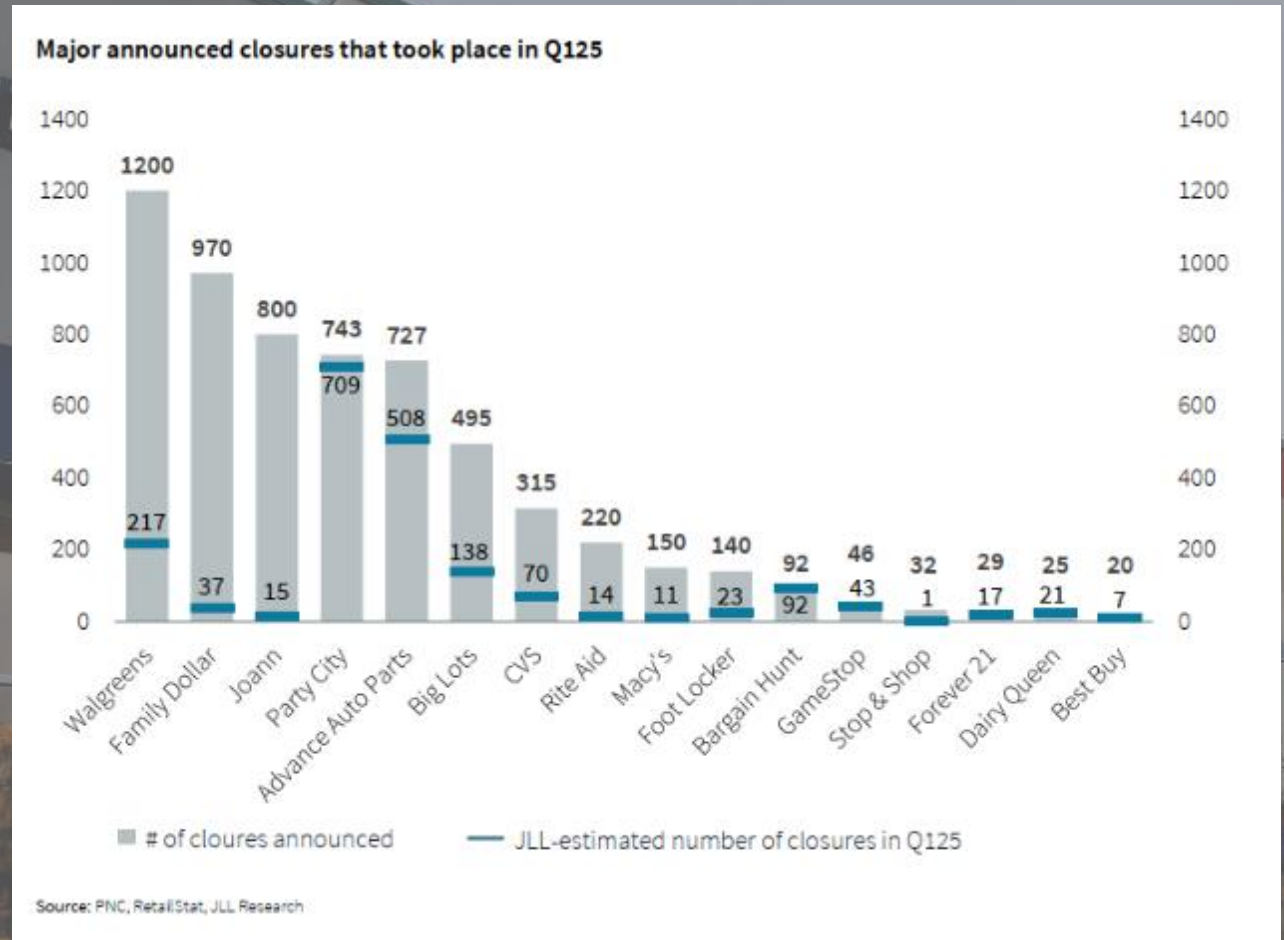
-7.5 million
Q2 2025 net absorption (s.f.)

Openings &
Closures

2025

Q1 2025

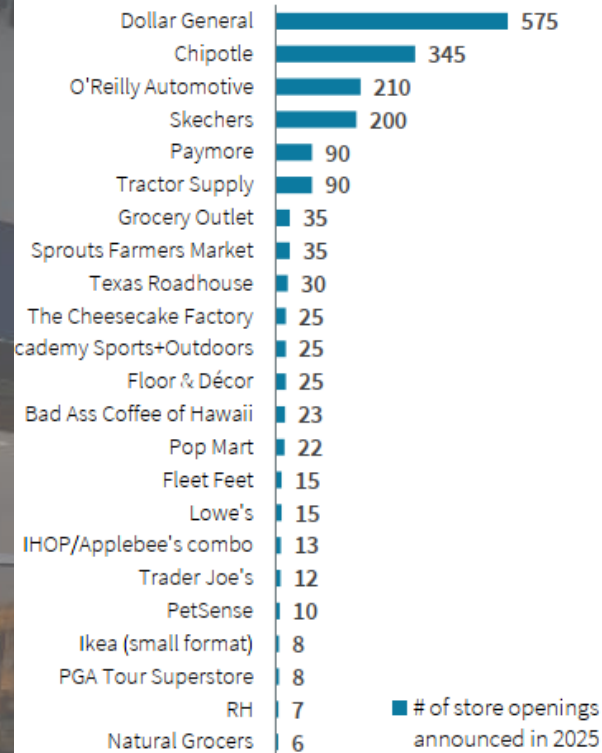
Store Closures



Q1 2025

Store Openings

Announced retailer openings - 2025



Source: PNC CreditIntell, JLL

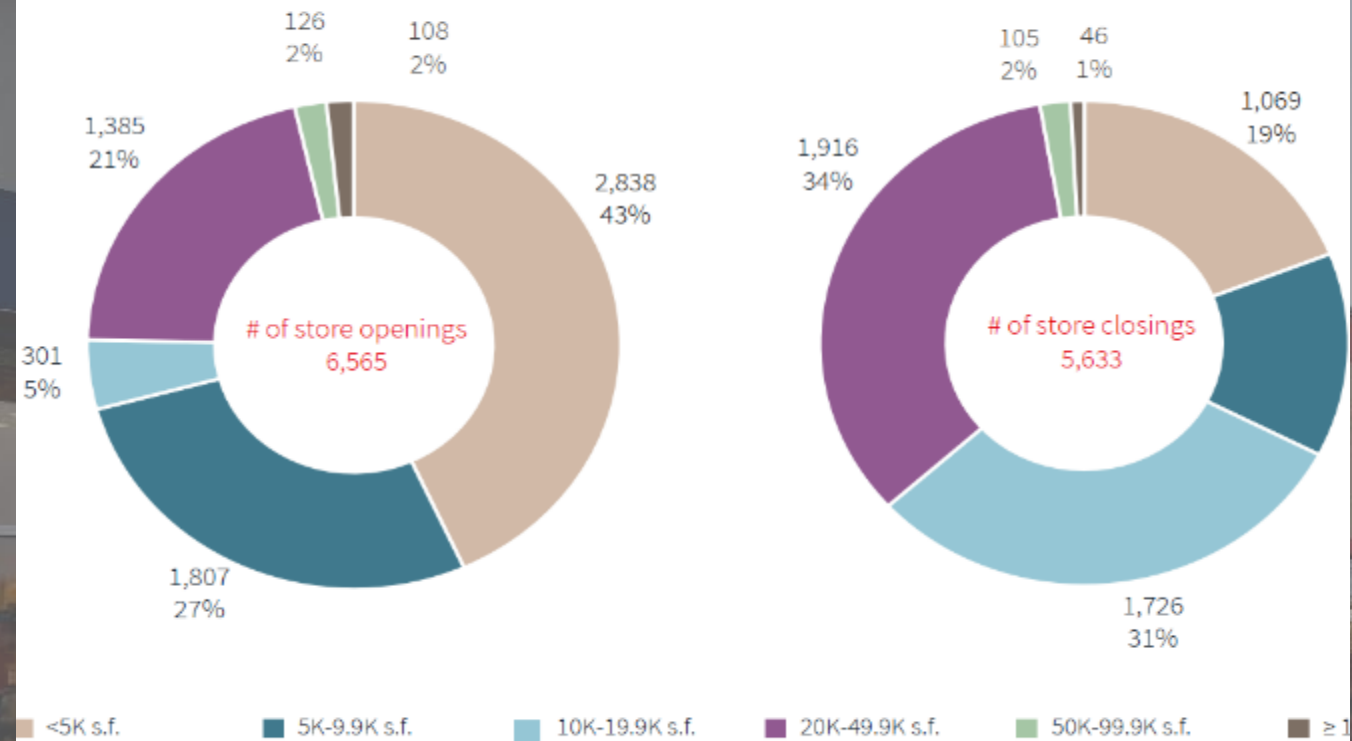
Retailers backfilling vacated spaces

Bed Bath & Beyond	Big Lots
Bob's Discount Furniture	Burlington
Burlington	Aldi
Nordstrom Rack	Crunch Fitness
PGA Tour Superstore	Grocery Outlet
REI	Springs Pickleball
Drug stores	Forever 21
Dollar General	Primark
Dumbo Market	
Dollar Tree	
Boot Barn	Elev8 Fun Indoor Adventure
Barnes & Noble	

2025

Openings and Closings by size

Announced openings and closings by store size in 2025



Source: PNC, RetailStat, JLL Research

Quiz

How many jobs does a QSR (quick service restaurant) typically bring to a community?

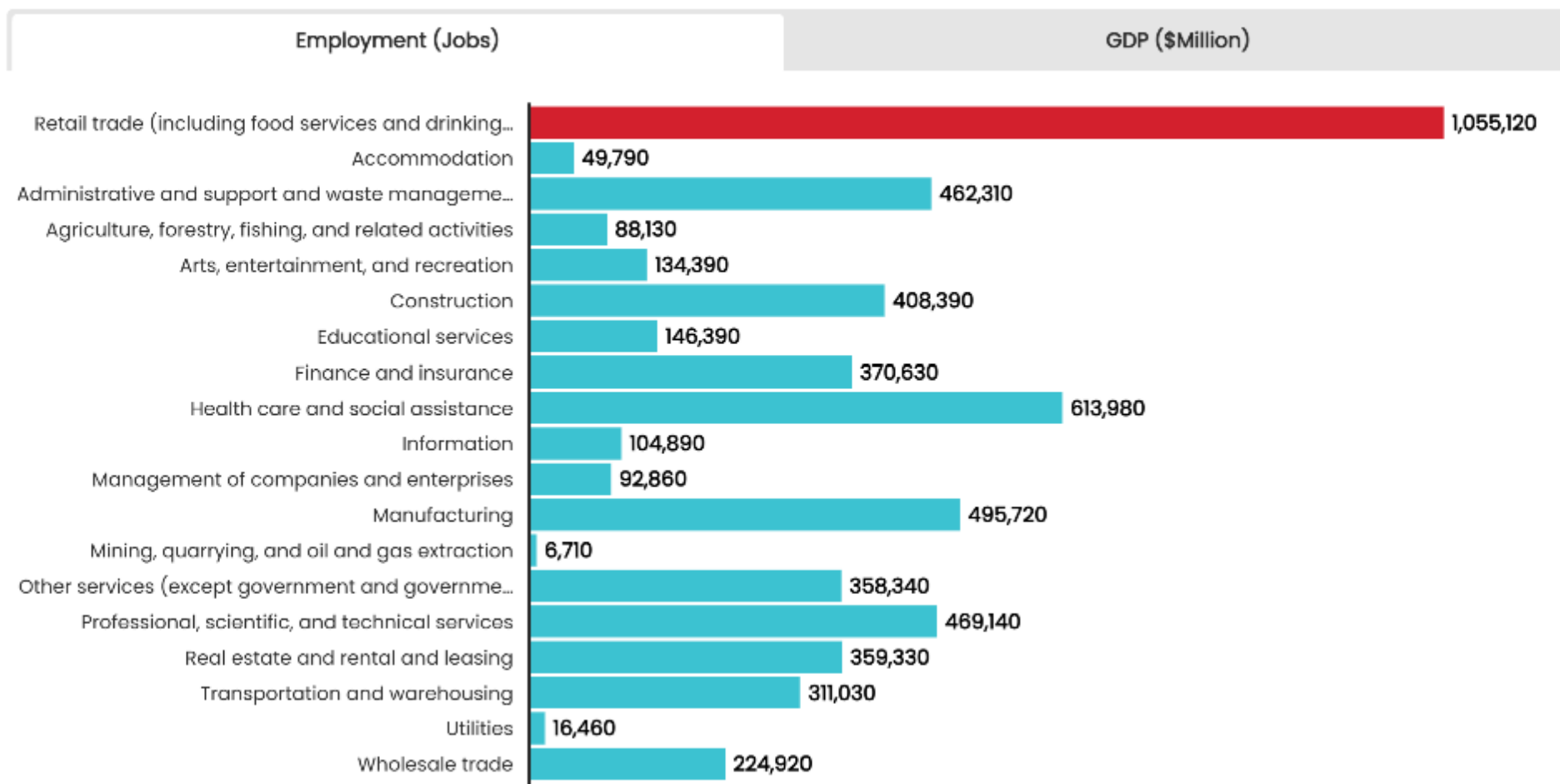
Answer:



30

Retail Impact on North Carolina

DIRECT EMPLOYMENT AND GDP VALUE BY MAJOR INDUSTRY IN NORTH CAROLINA



Retail's Impact in North Carolina

Retail is the nation's largest private-sector employer, driving the U.S. economy and supporting **55 million jobs** in communities across the country. Here's a quick look at retail in your state.

For the full report, "The Economic Contribution of the U.S. Retail Industry," visit nrf.com/retailsimpact.

27%

of jobs in the state
are supported by the
retail industry

BY THE NUMBERS

\$154.1B total impact on GDP

\$39.1B direct labor income

149.8K retail establishments

1.1M direct retail employment

1.8M total jobs supported

\$62.9B direct impact on GDP

Retail Progression creates **Community Growth**

Why Should a Municipality Invest Resources in Retail?

- Retail builds on retail.
- Retail economic impact adds up quickly.
- Retail attracts the workforce that attracts the primary jobs.
- Retail influences executives looking to locate their company in your community.
- Retail enhances the quality of life.
- Quality of life encourages future growth of your community.

Retail Recruitment Ladder



\$40+	300	\$400k
Million	Jobs	1% tax base
\$20+	50	\$200k
Million	Jobs	1% tax base
\$10+	30	\$100k
Million	Jobs	1% tax base
\$5+	22	\$50k
Million	Jobs	1% tax base
\$1+	15	\$10k
Million	Jobs	1% tax base

Retail builds tax base

Retail adds jobs from entry-level to managerial

Retail builds communities

Sampling of

Average Sales per Unit



\$9.4 million



\$5.4 million



\$3.7 million



\$3.6 million



\$2.3 million



\$1.9 million



\$1.9 million



\$1.7 million



\$1.3 million



\$1.2 million

Retail Sales Impact on City Budget



\$5.4 million

	Sales Tax	Collected
\$5.4 million sales	State & Local 7%	\$378,000
North Carolina	4.75%	\$256,500
Lee County	2.25%	\$121,500

Quiz

What percentage of retail sales are online?

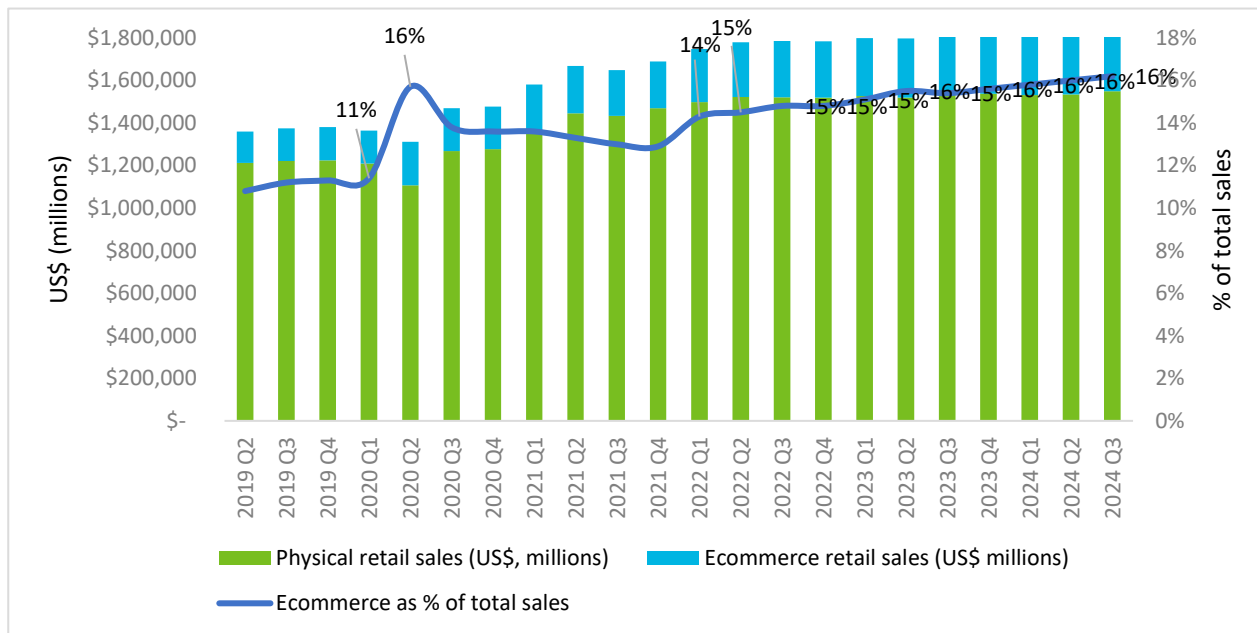
A. 16%

B. 34%

C. 53%



E-Commerce



Nothing but **Growth** Ahead for E-Commerce

Quiz



_____ is the practice of combining a Brick and Mortar and online presence to create a seamless shopping experience.

A. Physical Transformation



B. Omni-Channeling

C. Market Maximization

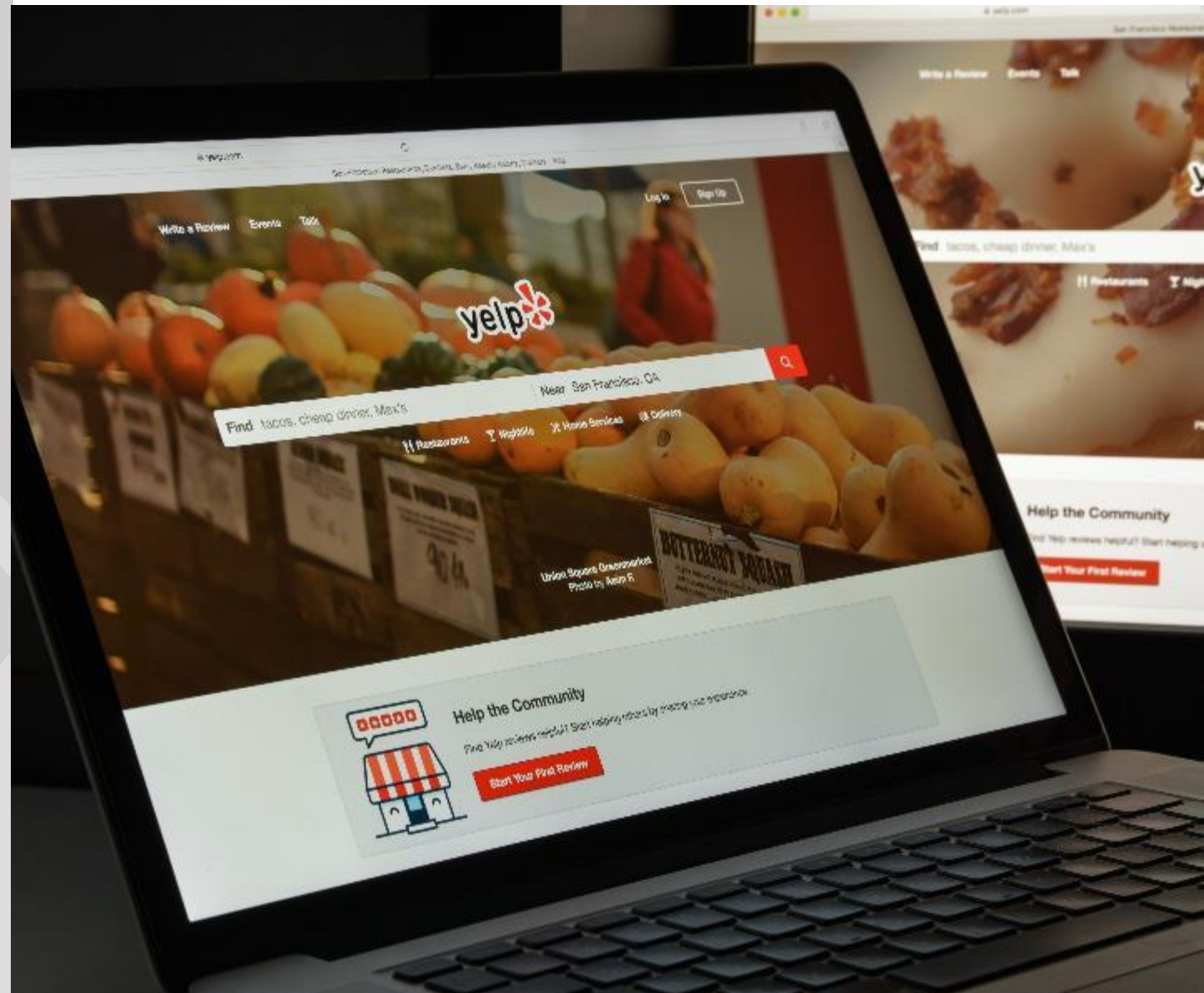
Omnichannel

90%

90% of consumers actively research restaurants online before dining

72%

72% specifically utilize a restaurant's social media



Consumer Purchasing

54%

of consumers prefer to shop in-store

82%

want to 'view-and-touch' before they buy



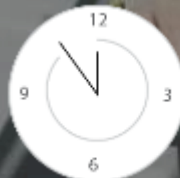
In-store



\$1,282
/month



8x
/month



54 mins
Time spent



Online



\$247
/month



1.88x
/month

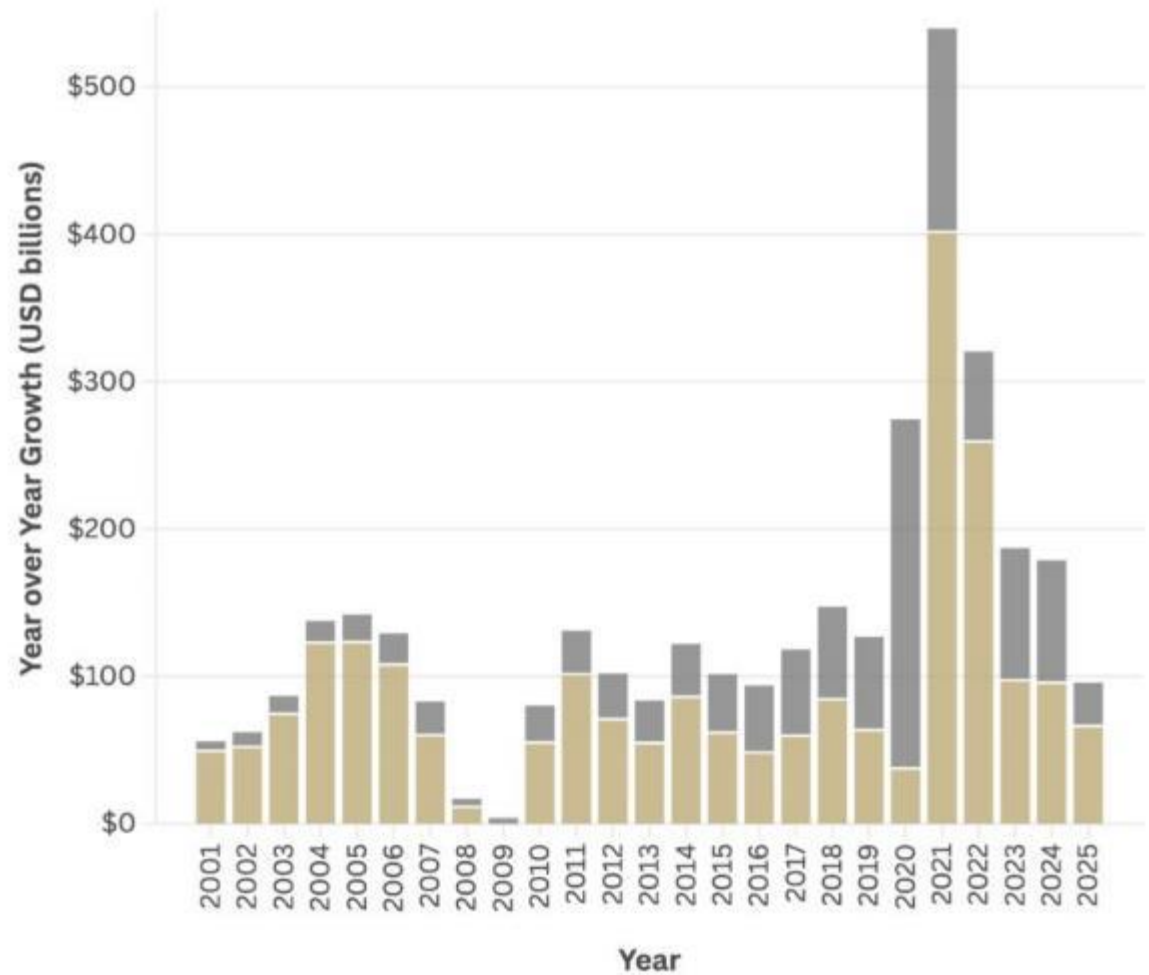


38 mins
Time spent

Retail Store vs. E-Commerce

Core Retail Stores vs E-Commerce Growth

■ Stores ■ E-Com

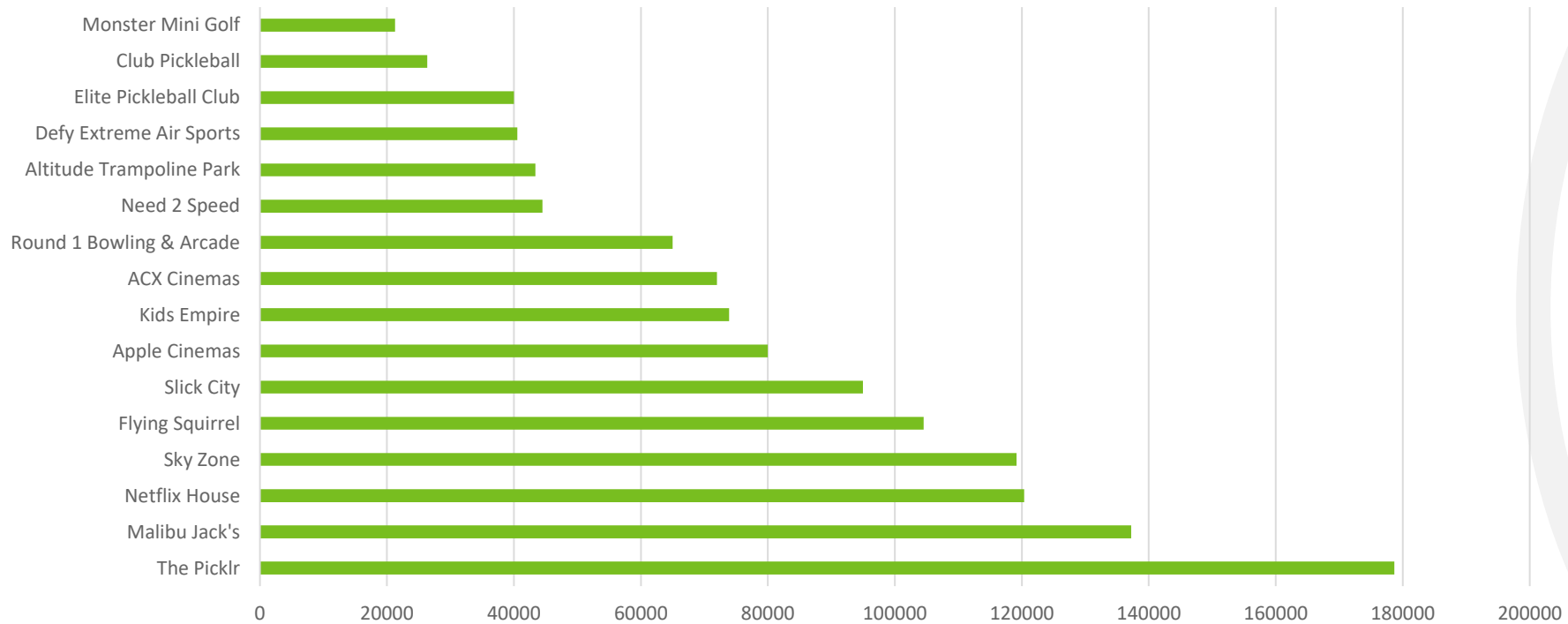


Source: US Census Bureau Retail Indicators Division "Quarterly E-Commerce Report" • Stores are Retail w/o Restaurant, Gas, Auto, E-Commerce
Aggregate incremental annual data. 2025 is Jan-Jun 2025 vs Same period in 2024



Experiential tenants ink new deals

Total New SF Leased in Q224 Total New SF Leased





DISCOVER

Sanford's Retail Market Analysis



Research

Memberships, Subscriptions &
Customized Reports

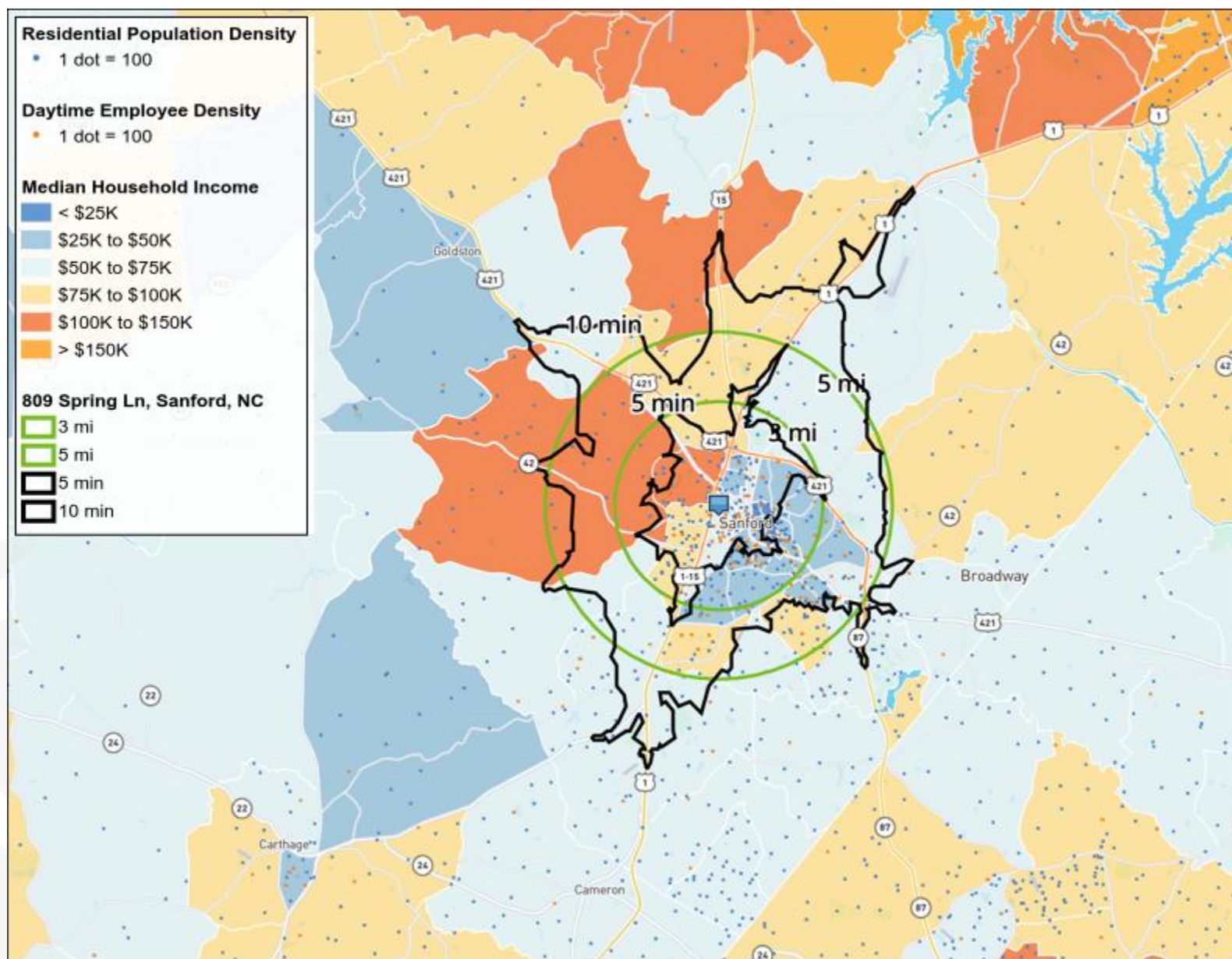


Research Partners &
Geographic Information Systems





Demographics





Demographics

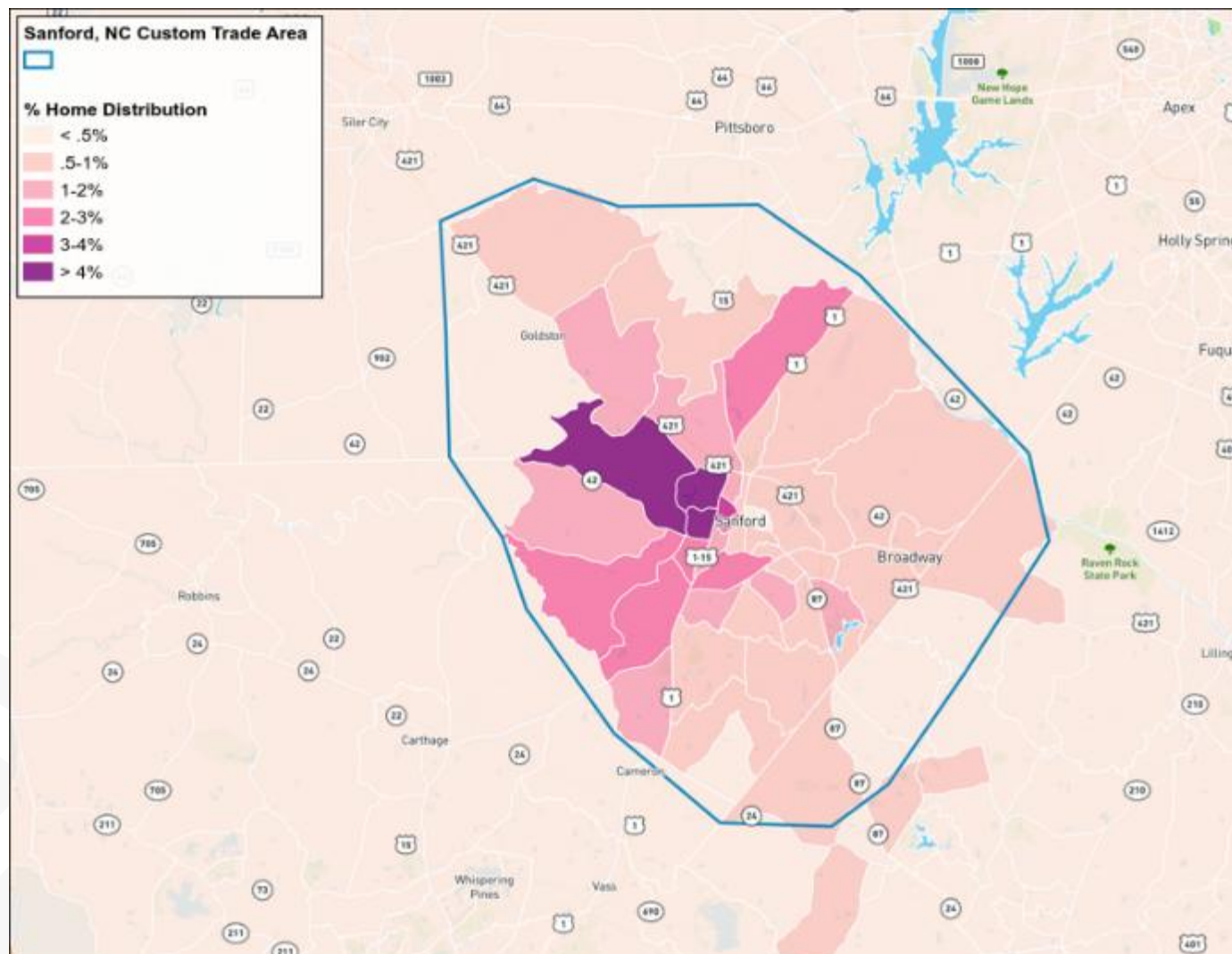
Mile Radius & Drive Time

Category	3-Mile Radius	5-Mile Radius	10-Mile Radius	5-Minute Drive Time	10-Minute Drive Time	15-Minute Drive Time
Current Year Estimated Population	25,160	38,662	66,953	14,809	37,340	58,607
Number of Households	9,653	14,803	26,002	5,843	14,393	22,714
Projected Annual Growth (5 YR)	2.19%	2.23%	2.24%	2.70%	2.27%	2.23%
Median HH Income 2024	\$60,421	\$61,985	\$63,653	\$63,972	\$61,741	\$63,137
Current Year Average Age	39.4	39.5	40.8	39.8	39.6	40.4
Average Home Value	\$291,405	\$295,743	\$300,197	\$299,508	\$300,668	\$300,958
Current Year % Bachelor's Degree	17%	16%	15%	19%	17%	15%
Daytime Population	28,654	48,859	67,062	18,324	47,678	63,946
Labor Force	20,072	30,773	53,902	11,841	29,777	47,016



The location tracked was
Spring Lane Galleria

**For the time period of
March 2024 – March 2026**



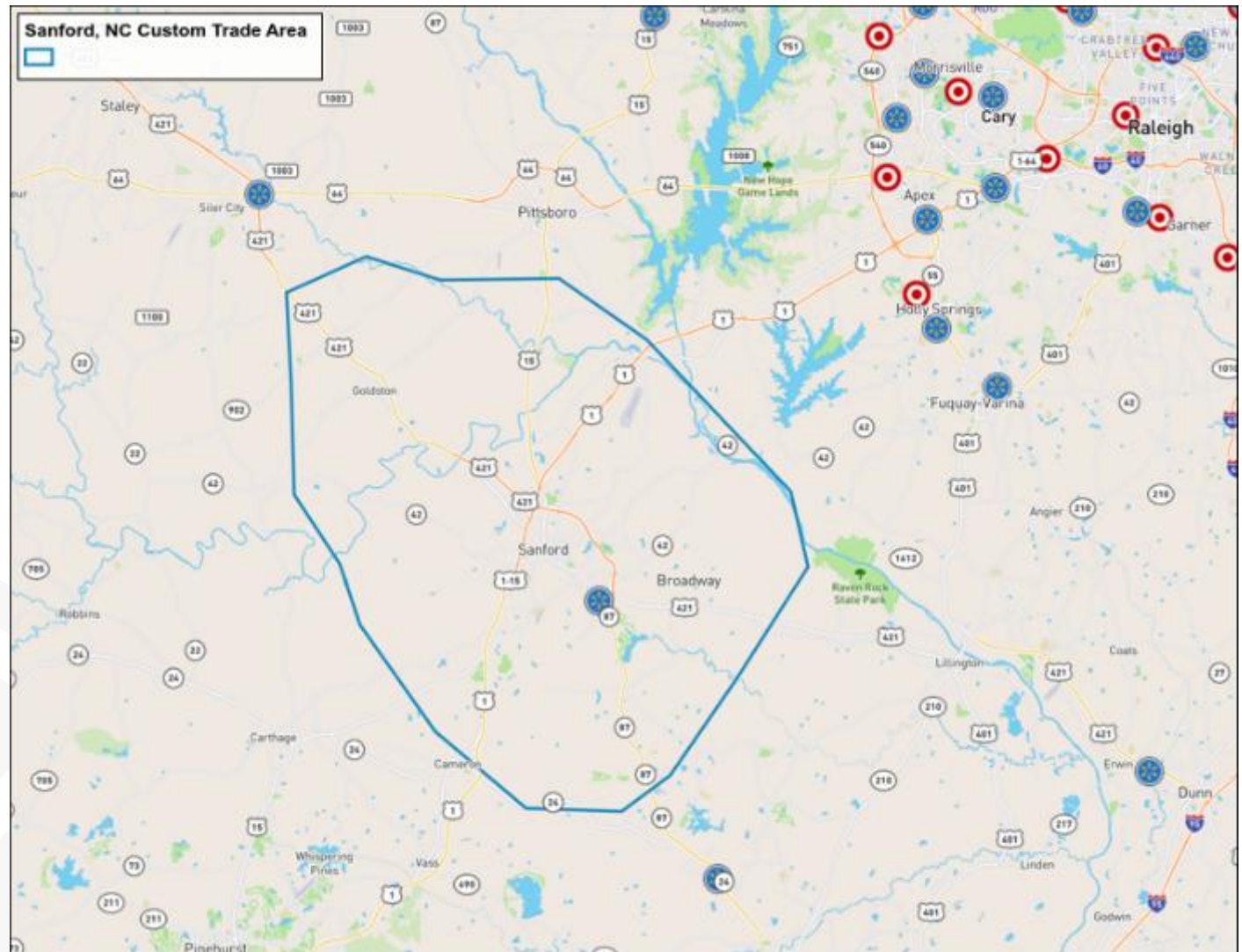


Custom Trade Area

A customized trade area defines a core customer base of consumers highly likely to shop and eat in the market at least once a month.

Your trade area has been created by combining a series of drive times, mobile data analysis, geographic boundaries and proximity to neighboring shopping destinations.

Each retailer will analyze their own trade area based on their existing stores, their competition and site selection criteria.





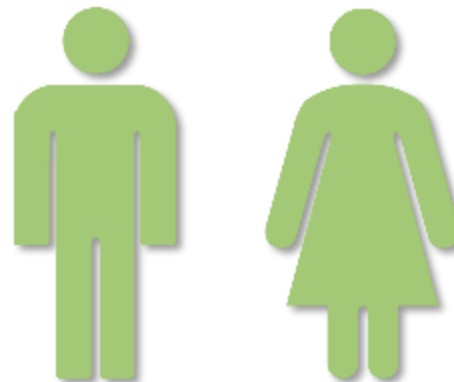
DISCOVER

Custom Trade Area



82,801+

2024 estimated population



40

Avg Male Age

2.2%

Growth Rate

42

Average Female Age



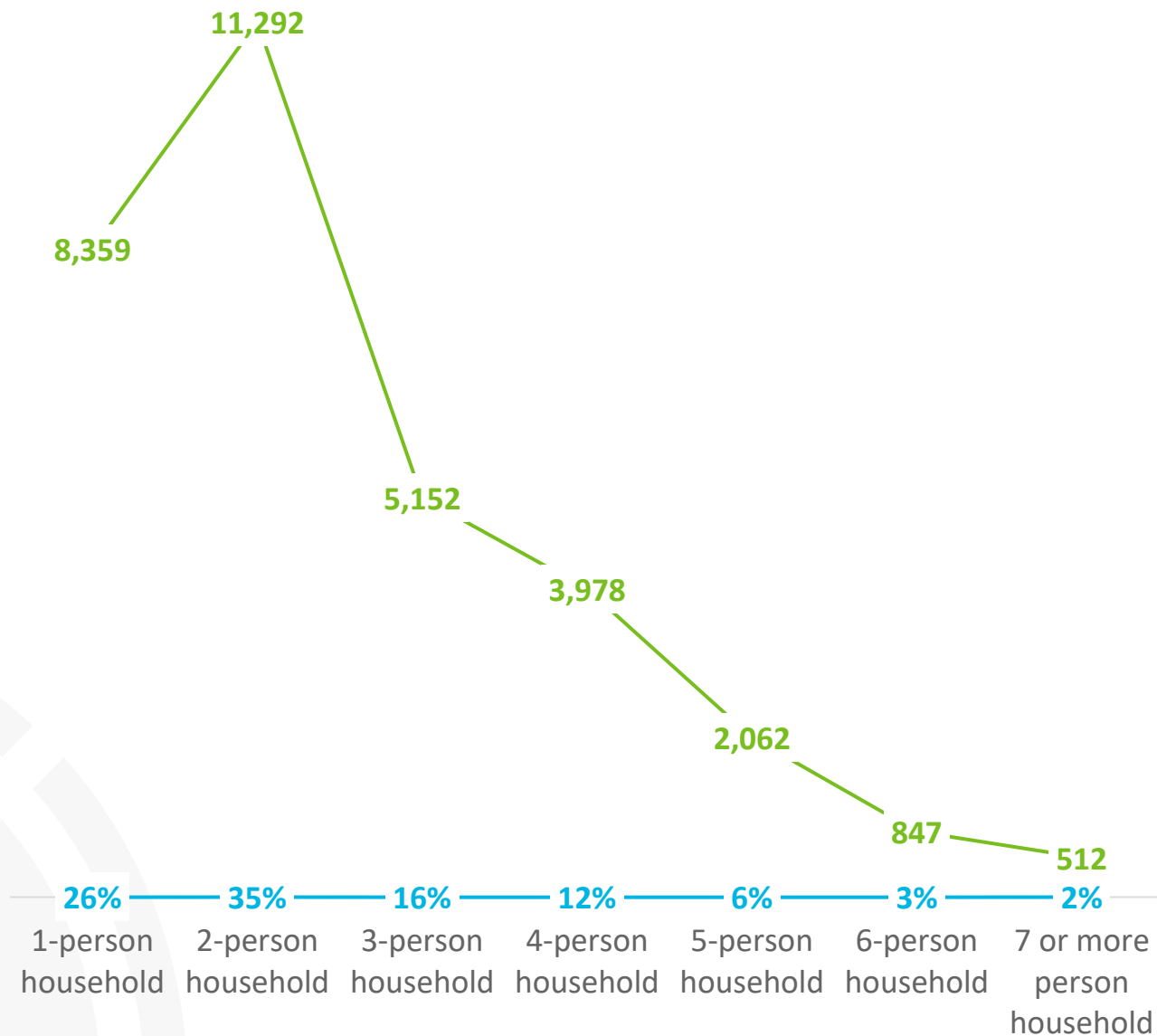
Custom Trade Area

34,916

number of households

\$64,092

median household income



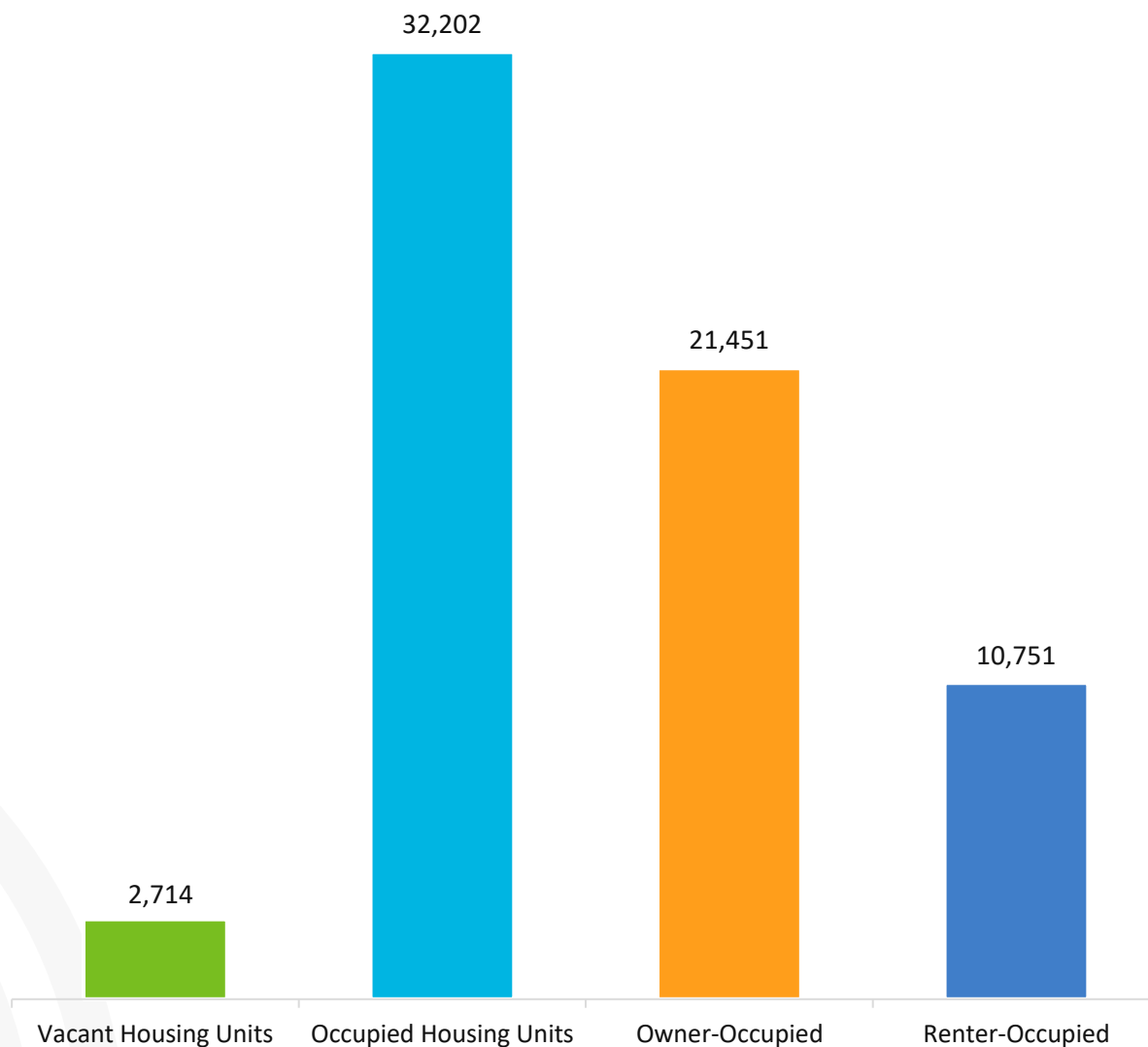


DISCOVER

Custom Trade Area

2024 estimated housing
units by tenure

\$293,957
average housing unit value





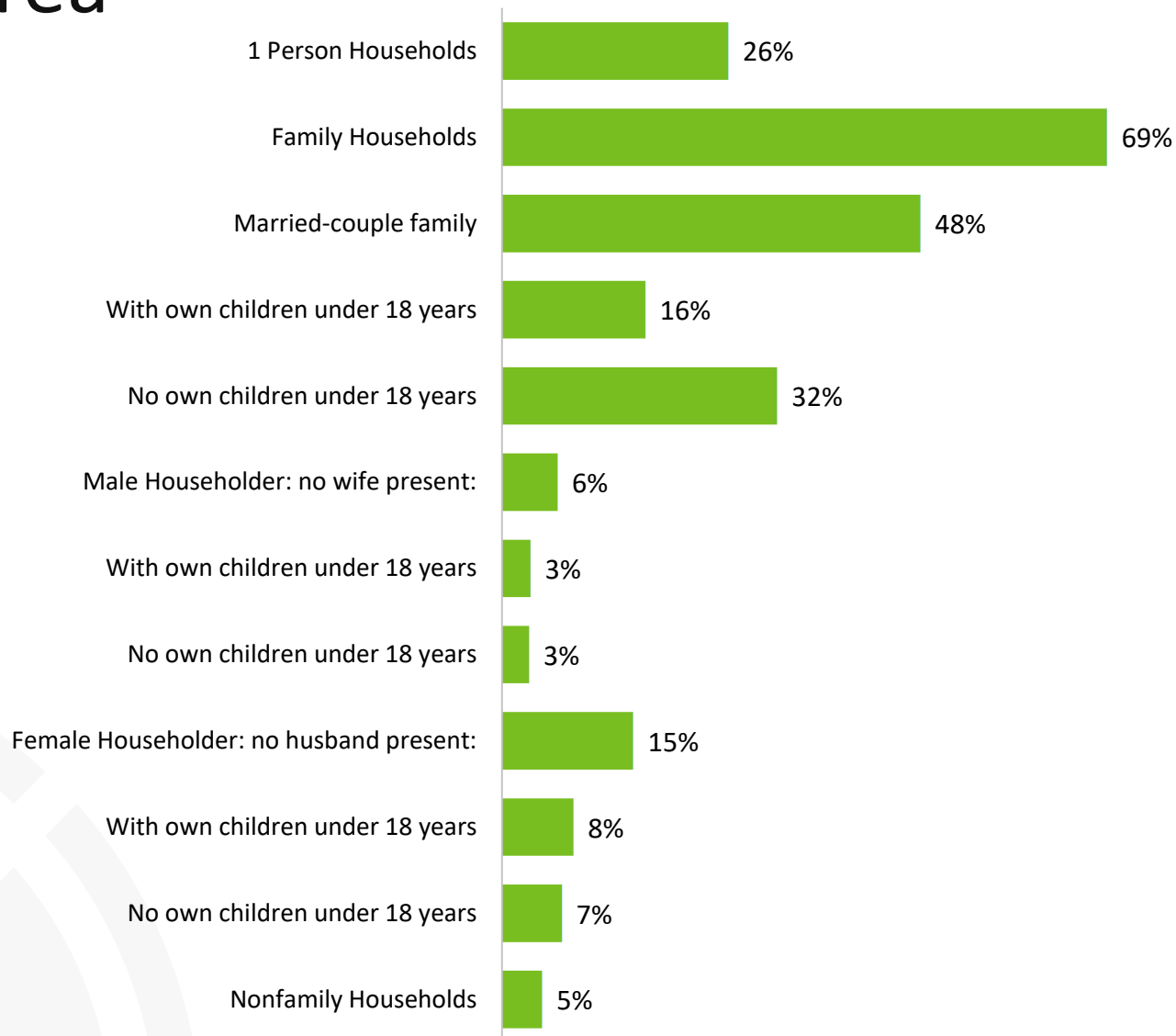
DISCOVER

Custom Trade Area



2.54

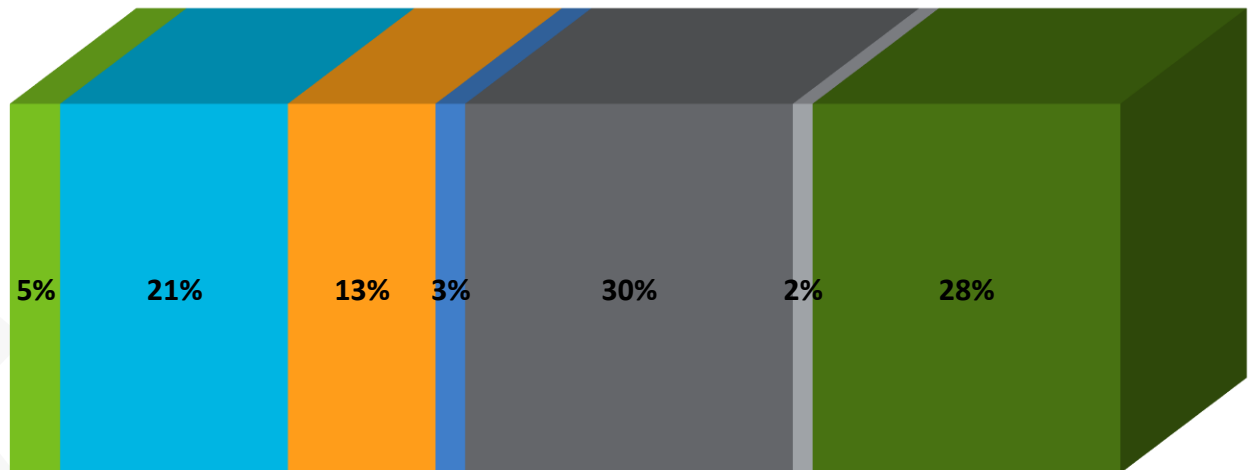
Average people per household



Custom Trade Area

DAYTIME POPULATION

- Children at home
- Work at Home
- Student Populations
- Retired/Disable persons
- Employed
- Unemployed
- Homemakers



74,792
daytime population

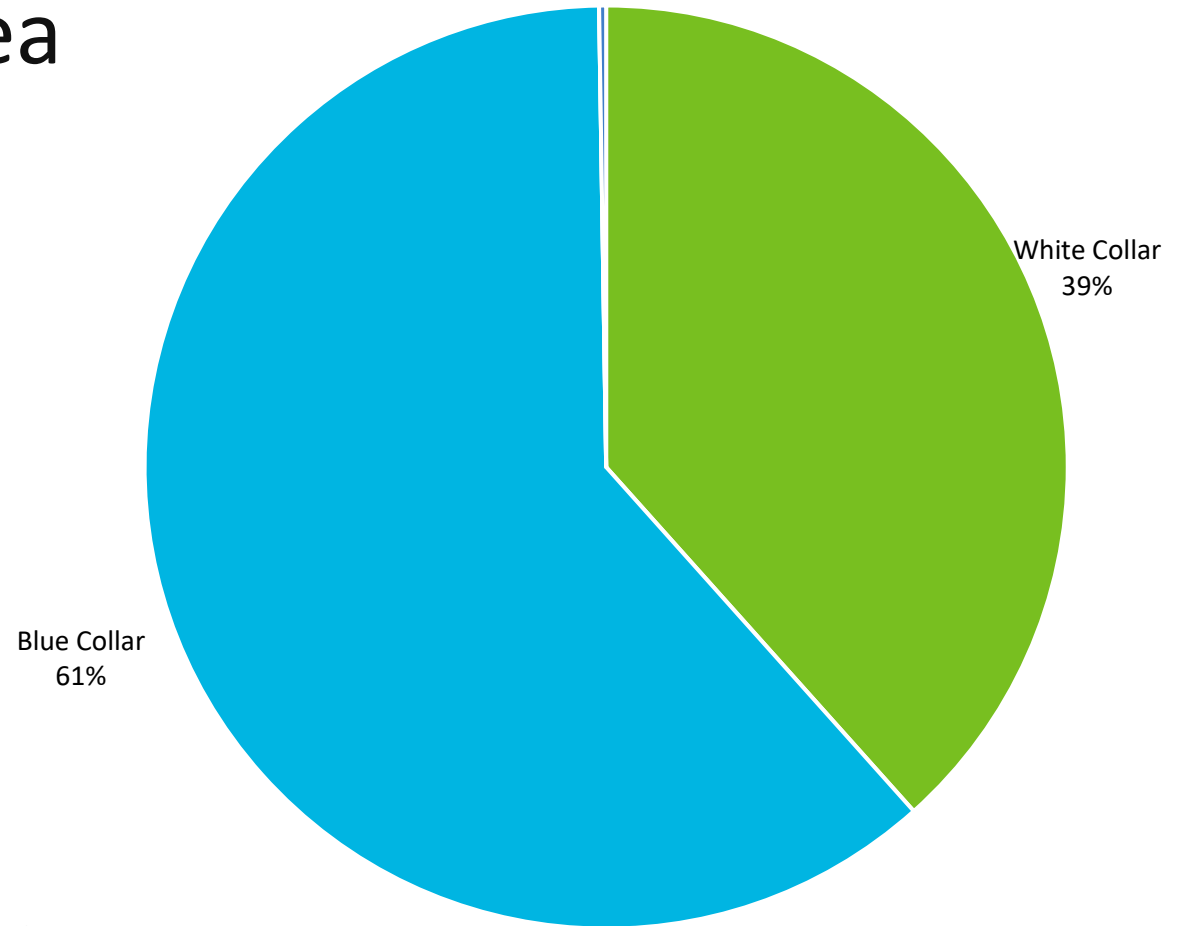


DISCOVER

Custom Trade Area

Current Year Work Population

Age 25+ by Type



\$49,070

average employee salary



DISCOVER

Custom Trade Area

Current Year Estimated Population

Age 25+ by Educational Attainment

DOCTORATE DEGREE

503

PROFESSIONAL SCHOOL
DEGREE

460

MASTER'S DEGREE

2,876

BACHELOR'S DEGREE

8,059

ASSOCIATE DEGREE

7,920

SOME COLLEGE, NO
DEGREE

13,455

HIGH SCHOOL
GRADUATE (OR GED)

15,817

SOME HIGH SCHOOL,
NO DIPLOMA

5,014

LESS THAN 9TH GRADE

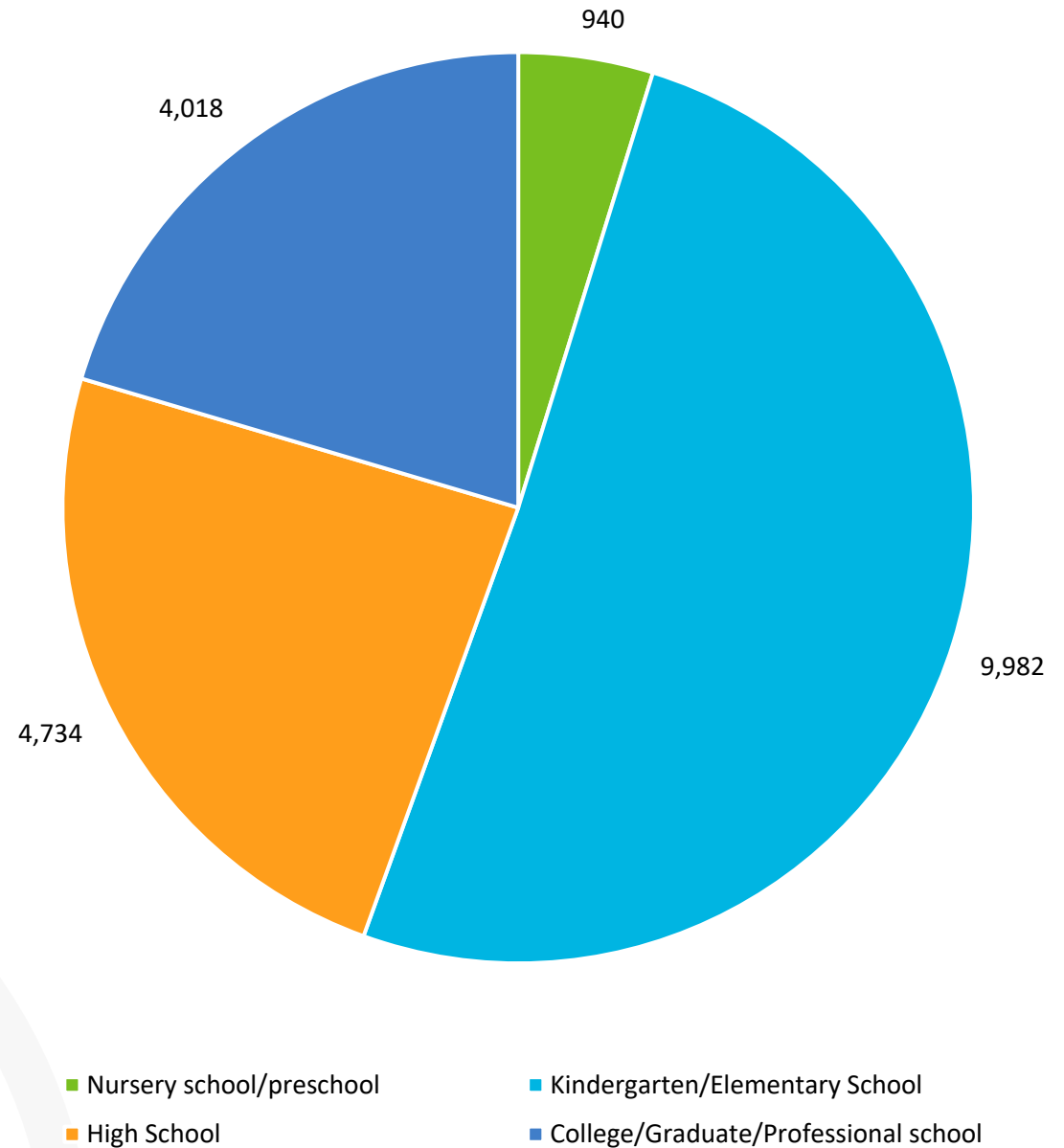
2,988



DISCOVER

Custom Trade Area

Current year estimated
population by enrollment





DISCOVER

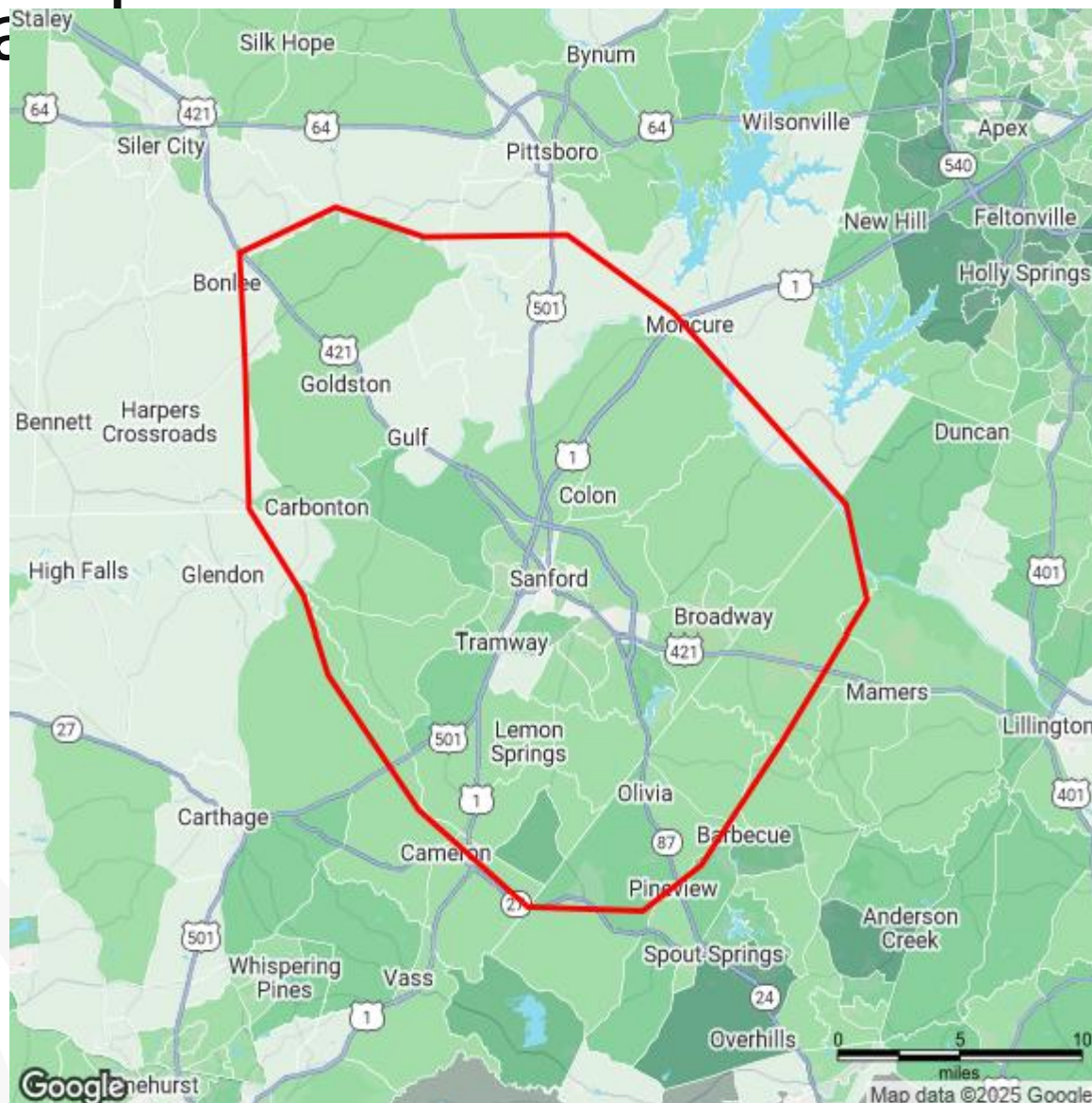
Total Market Demand

Total Consumer Demand

- \$1 to \$5MM
- \$5MM to \$10MM
- \$10MM to \$25MM
- \$25MM to \$50MM
- \$50MM to \$75MM
- \$75MM to \$100MM
- > \$100MM

Study Area

- Sanford, NC CTA Smart Report



Total Market Demand

\$1,714,356,899



DISCOVER

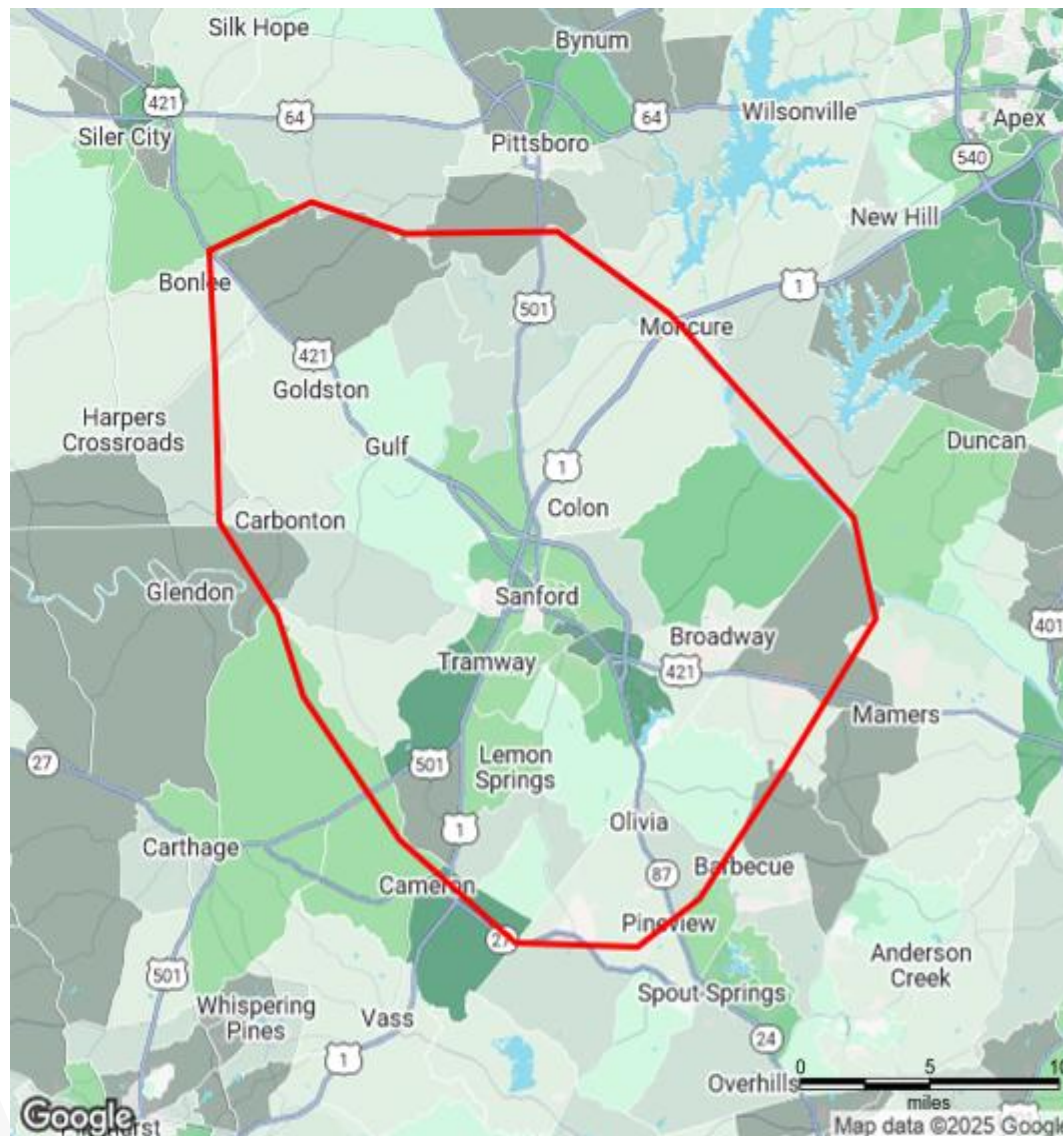
Total Market Supply

Total Market Supply

- \$1 to \$5MM
- \$5MM to \$10MM
- \$10MM to \$25MM
- \$25MM to \$50MM
- \$50MM to \$75MM
- \$75MM to \$100MM
- > \$100MM

Study Area

- Sanford, NC CTA Smart Report



Total Market Supply

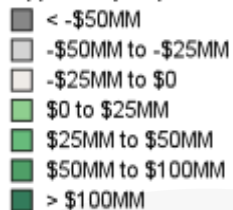
\$1,996,515,245



Opportunity Gap/Leakage

This means more people purchase items outside of the defined trade area than in the defined trade area for their consumer goods and services. Finding the specific categories where they are leaving the market is the key. Dark gray shows block groups of retail synergy capturing those dollars. This is where our focus will be to place new retailers and restaurants.

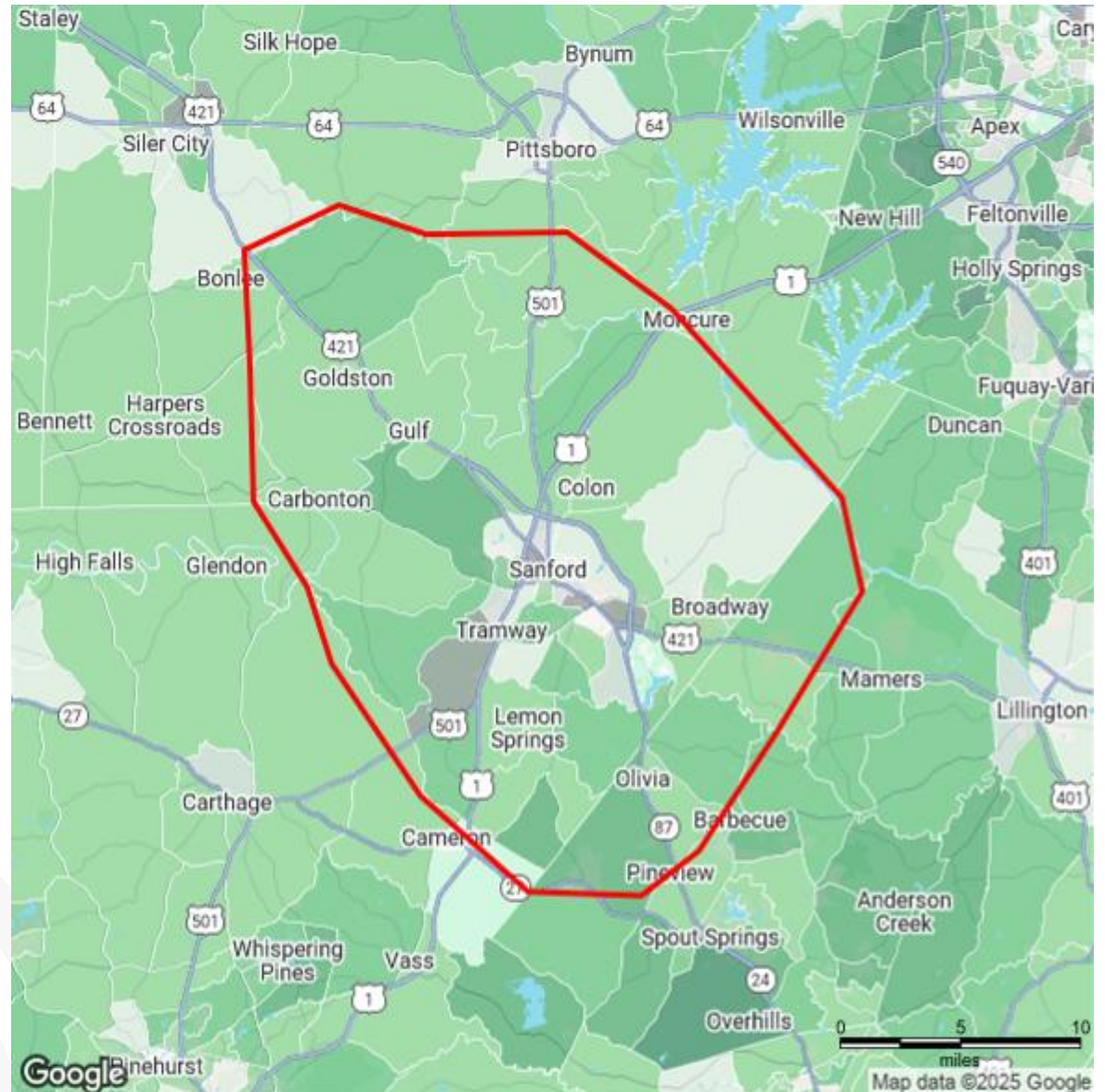
Opportunity Gap



Study Area

 Sanford, NC CTA Smart Report

Total Retail Leakage
\$282,158,346



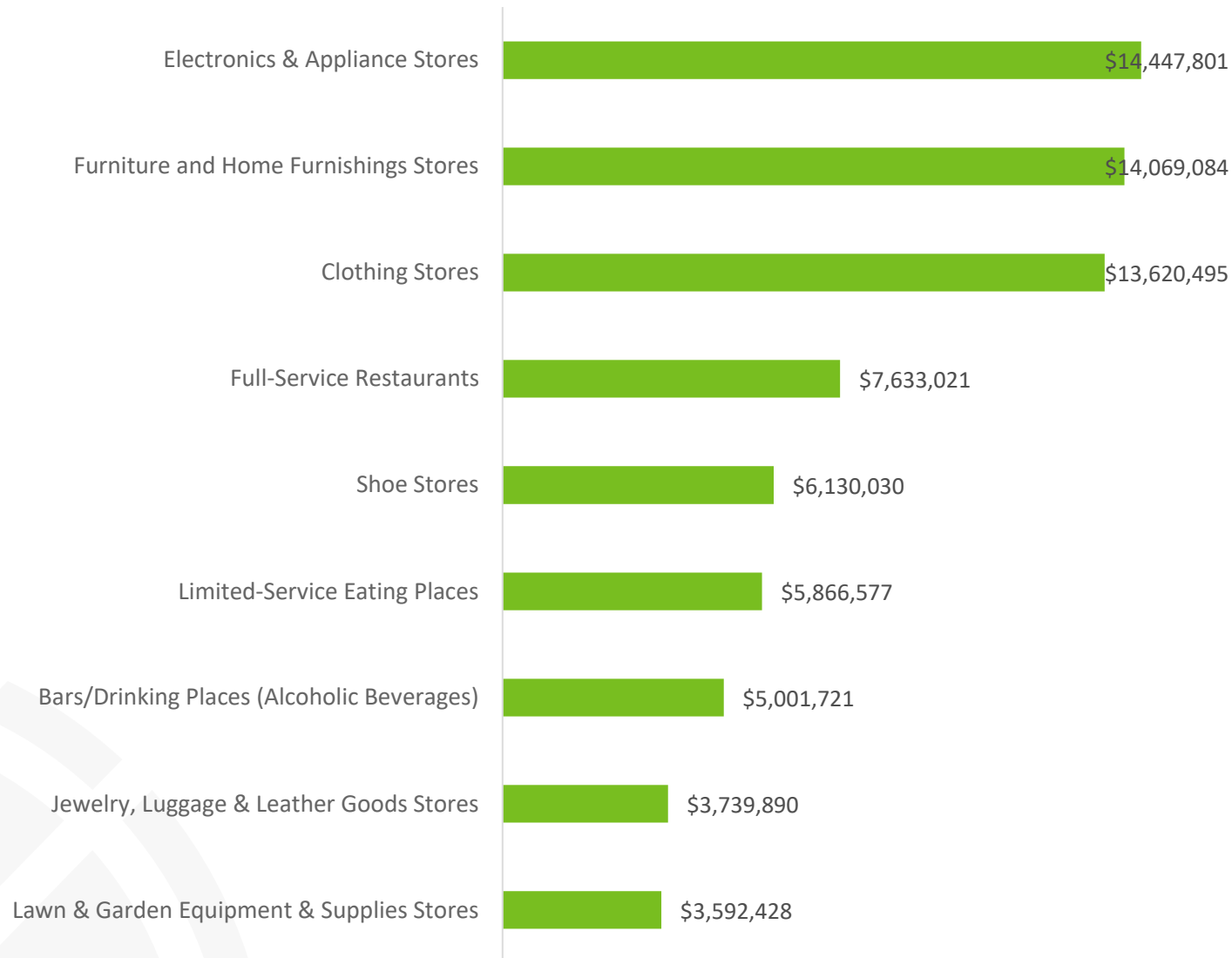


DISCOVER

Leakage Analysis

Custom trade area

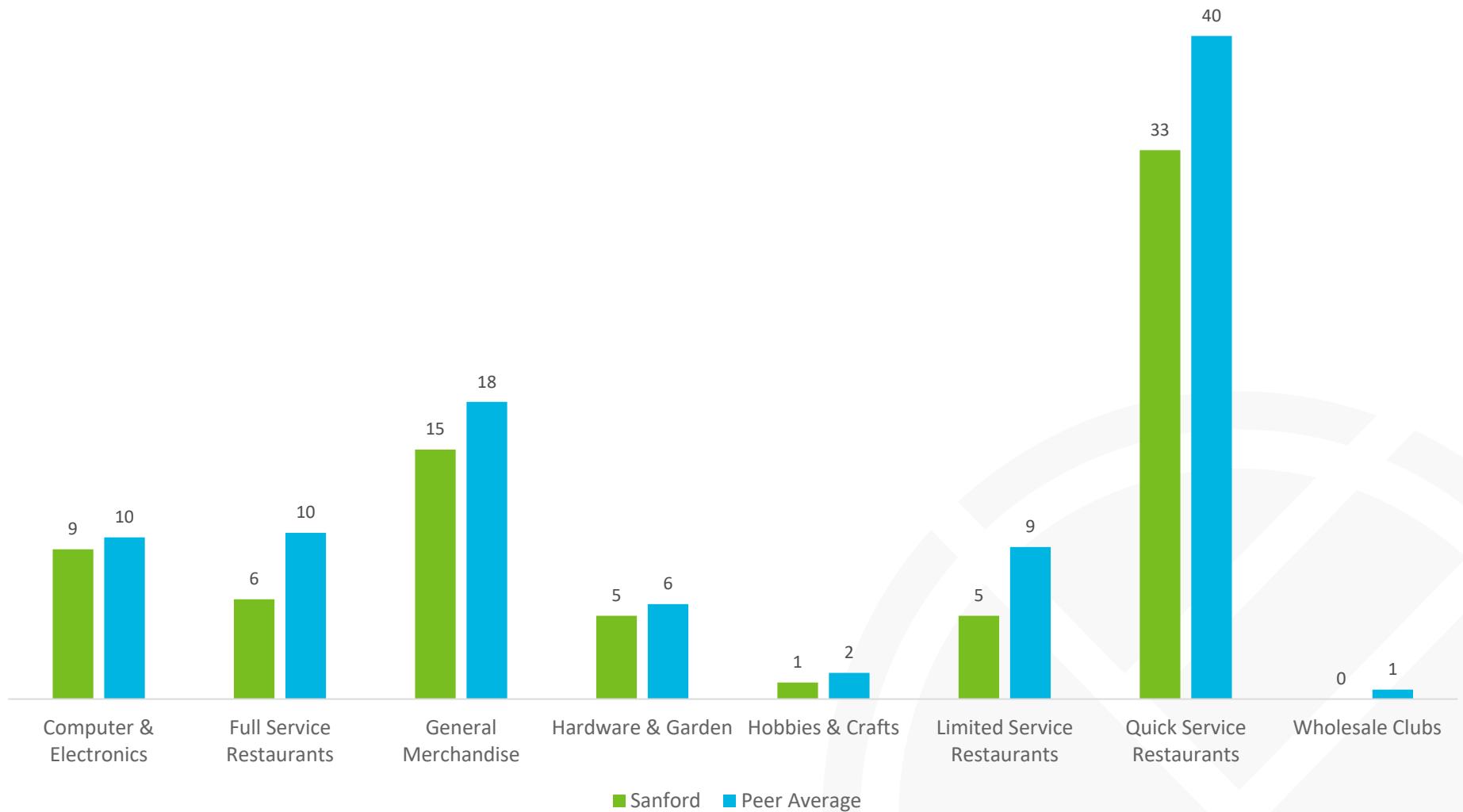
Main Gap Categories
\$74,101,047





Peer Analysis

How you measure up to similar communities?





Real Estate

- Vacancies
- Land for Development
- Redevelopment
- Highest and Best Use

Universal Site Metrics

Signage / Visibility

Parking

Access

Co-Tenancy

Traffic



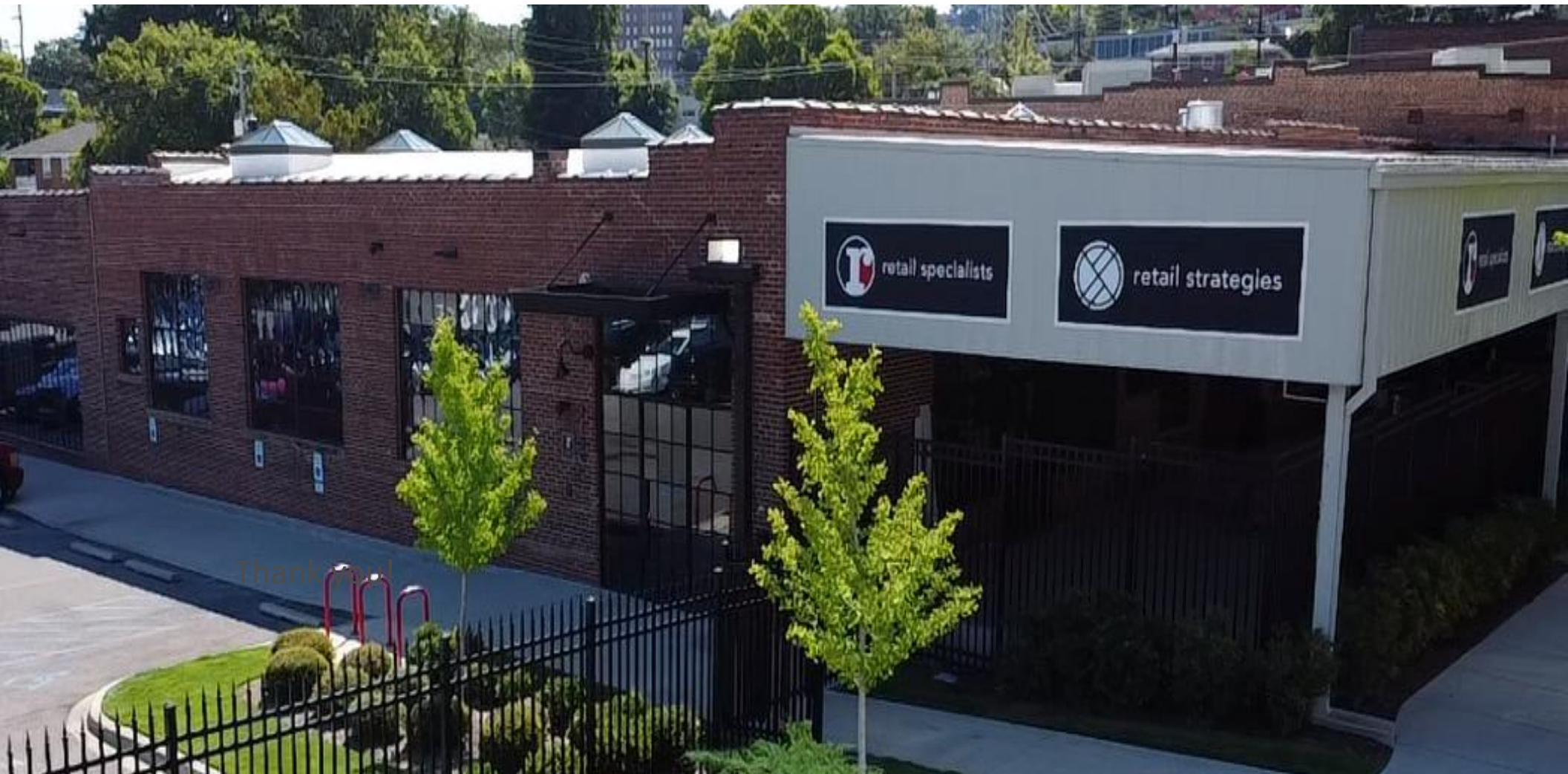


Market Sanford

- Leverage Data
- Validate Demand
- Inventory Properties
- Proactive Outreach to Retailers
- Build Relationships
- Tell Your Story



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