



*Achieve
Ambitions*

Why Retailers Make The Location Decisions They Do

Presented by:

Christine Firstenberg - JLL Retail

+ 1-415-395-4900

Christine.Firstenberg@am.jll.com

One Front St, Suite 1100

San Francisco, CA 94111

Retail Typologies and Definitions

TYPE OF SHOPPING CENTER	CONCEPT	SQUARE FEET (INCLUDING ANCHORS)	TYPICAL ANCHOR(S)	ANCHOR RATIO*	PRIMARY TRADE AREA**
OPEN-AIR CENTERS					
Neighborhood Center	Convenience	30,000–150,000	Supermarket	30–50%	3 miles
Community Center	General merchandise; convenience	100,000–350,000	Discount department store; supermarket; drug; home improvement; large specialty/discount apparel	40–60%	3–6 miles
Lifestyle Center	Upscale national chain specialty stores; dining and entertainment in outdoor setting.	Typically 150,000–500,000, but can be smaller or larger.	Not usually anchored in the traditional sense but may include book store; other large-format specialty retailers; multi-plex cinema; small department store.	0–50%	8–12 miles
Power Center	Category-dominant anchors; few small tenants	250,000–600,000	Category killer; home improvement; discount department store; warehouse club; off-price	75–90%	5–10 miles
Theme/Festival Center	Leisure; tourist-oriented; retail and service	80,000–250,000	Restaurants; entertainment	N/A	N/A
Outlet Center	Manufacturers' outlet stores	50,000–400,000	Manufacturers' outlet stores	N/A	25–75 miles
MALLS					
Regional Center	General merchandise; fashion (mall, typically enclosed)	400,000–800,000	Full-line department store; jr. department store; mass merchant; discount department store; fashion apparel	50–70%	5–15 miles
Superregional Center	Similar to regional center but has more variety and assortment	800,000+	Full-line department store; jr. department store; mass merchant; fashion apparel	50–70%	5–25 miles

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Power Center	Highly dominant anchors; small tenants	200,000–600,000	(e.g. Kilr, Home Improvement, discount department store, warehouse club; off-price	75–90%	5–10 miles
Theme/Festival Center	Leisure; tourist-oriented; retail and service	80,000–250,000	Restaurants; entertainment	N/A	N/A
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RETAIL IS EXPERIENTIAL NOW

Retailers Chose a Location To Make Money



They make money where people shop
It is **NOT** always a science

Retailers Location Criteria

Retailers combine consumer shopping habits with operational efficiencies



Retailer Location Criteria

- Location needs to be at an intersection of 2 main thoroughfares
- Need visibility to traffic and signage (pedestrian or car, whichever is greater)
- Needs to have parking, (ratio of square footage to number of stalls and differing by tenant type):
 - Grocery
 - Dress Store
 - Furniture Store
 - Apple Store
- Needs to be where the retailer's customers are located



How Do You Locate A Retail Customer?



By Using Trade Area Demographics Analytics



JLL Demographic Summary			
Walnut Creek, California, United States		Prepared by Esri	
Rings: 1, 3, 5 mile radii		Latitude: 37.96031 Longitude: -122.06496	
	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	16,511	99,442	207,248
2010 Total Population	16,924	100,733	210,230
2016 Total Population	18,326	106,812	221,212
2021 Total Population	19,736	112,293	232,095
2015-2020 Annual Rate	1.49%	1.01%	0.97%
Total Households	8,976	47,389	90,293
Data for all businesses in area			
Total Businesses:	2,794	7,684	12,722
Total Employees:	33,346	82,907	123,732
Total Residential Population:	18,326	106,812	221,212
Employee/Residential Population Ratio:	1.82:1	0.78:1	0.56:1
Labor Force By Occupation - White Collar	78.7%	79.5%	74.7%
Labor Force By Occupation - Blue Collar	8.1%	8.1%	10.3%
Median Age			
2016 Median Age	39.1	45.3	43.5
Median Household Income			
2016 Median Household Income	\$81,144	\$88,035	\$86,356
2021 Median Household Income	\$89,847	\$100,693	\$98,736
2015-2020 Annual Rate	2.06%	2.72%	2.72%
Average Household Income			
2016 Average Household Income	\$109,771	\$126,335	\$127,868
2021 Average Household Income	\$120,550	\$137,808	\$139,012
2015-2020 Annual Rate	1.89%	1.75%	1.69%
Per Capita Income			
2016 Per Capita Income	\$52,455	\$56,682	\$52,524
2021 Per Capita Income	\$57,393	\$61,547	\$56,822
2015-2020 Annual Rate	1.82%	1.66%	1.59%
2016 Population 25+ by Educational Attainment			
Total	13,771	79,925	159,270
Less than 9th Grade	0.9%	1.2%	3.1%
9th - 12th Grade, No Diploma	2.2%	1.9%	3.0%
High School Graduate	9.7%	10.3%	11.6%
GED/Alternative Credential	0.9%	0.8%	1.3%
Some College, No Degree	19.1%	17.2%	17.7%
Associate Degree	5.6%	6.7%	7.0%
Bachelor's Degree	37.2%	36.0%	33.9%
Graduate/Professional Degree	24.4%	25.0%	22.5%
2016 Population by Sex			
Males	8,950	50,901	107,663
Females	9,376	55,912	113,549
2016 Population by Race/Ethnicity			
Total	18,326	106,811	221,212
White Alone	72.6%	75.2%	71.0%
Black Alone	2.1%	1.9%	2.2%
American Indian Alone	0.3%	0.3%	0.4%
Asian Alone	14.9%	13.8%	13.7%
Pacific Islander Alone	0.2%	0.3%	0.4%
Some Other Race Alone	4.3%	3.0%	6.8%
Two or More Races	5.6%	5.5%	5.6%
Hispanic Origin	13.3%	10.7%	12.8%
Diversity Index	57.7	52.6	62.9

Source:

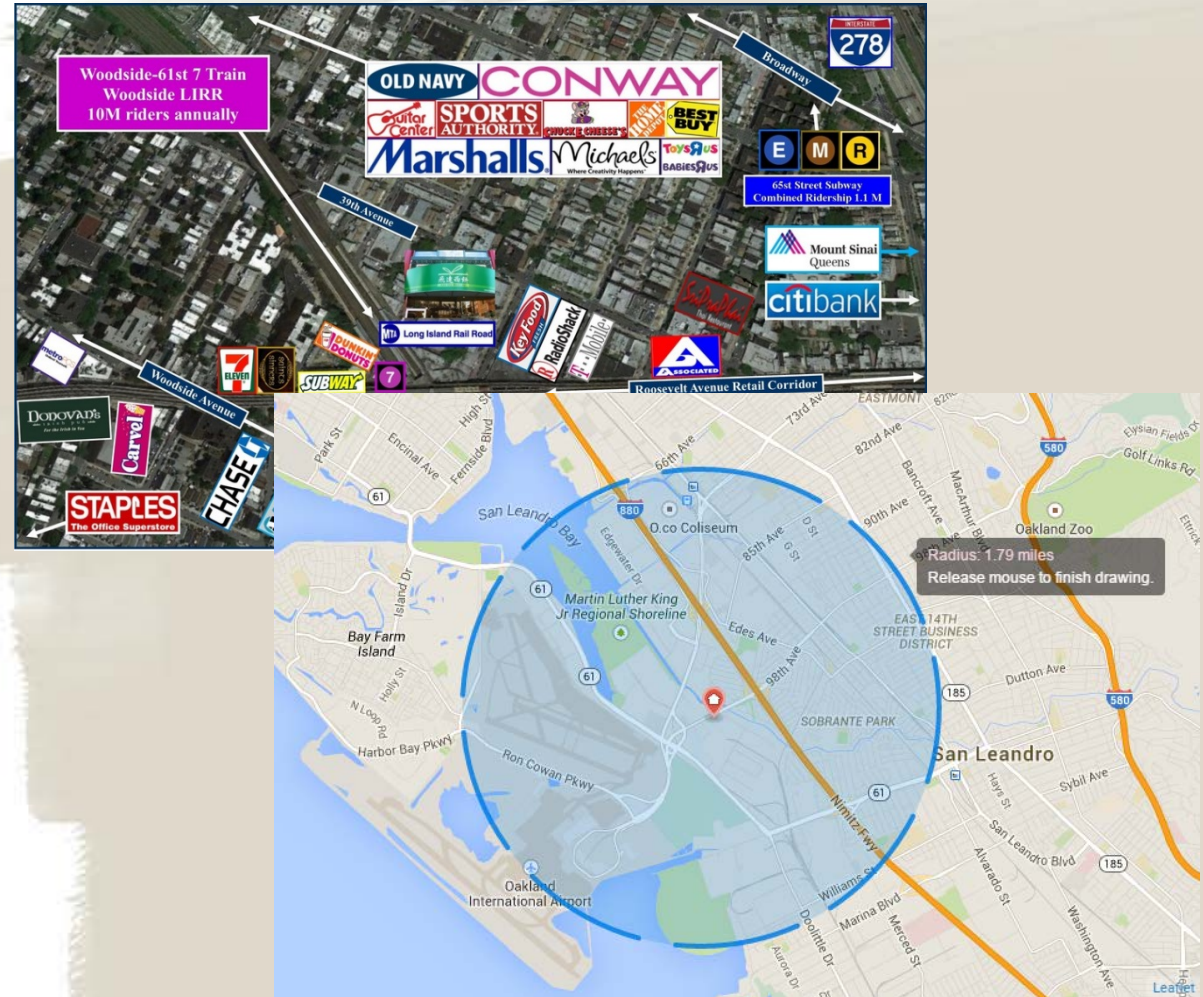
April 27, 2017

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Trade Area Demographic Analytics

- Most retailers do market research in house with brokerage support
- Analysis of demographic information of proposed trade area gives a retailer information they need for sales projections in order to move forward with deal.
- Accurate sales projections and good understanding of trade area demographics are key to locating a profitable store.

Then: Site Analysis



Site Analysis

In addition to trade area demographics a retailer looks at items specific to the proposed site to make certain they will contribute to a good sales volume thus, **a good store location**

Factors That Impact Site Analysis:

*Trade Area Demographics

- Site Plan Layout
- Overall Design of Center
- Ingress + Egress
- Entitlement Issues
- Space Layout
- Deal Structure
- Co-Tenancy
- Distance To Nearest Competitor
- Signage
- Parking
- Visibility To Traffic
- Cost of Rent and NNN
- Distance To Nearest Retailers Store

Site Analysis

Site Plan Layout



Ingress + Egress



Overall Center Design



Site Analysis

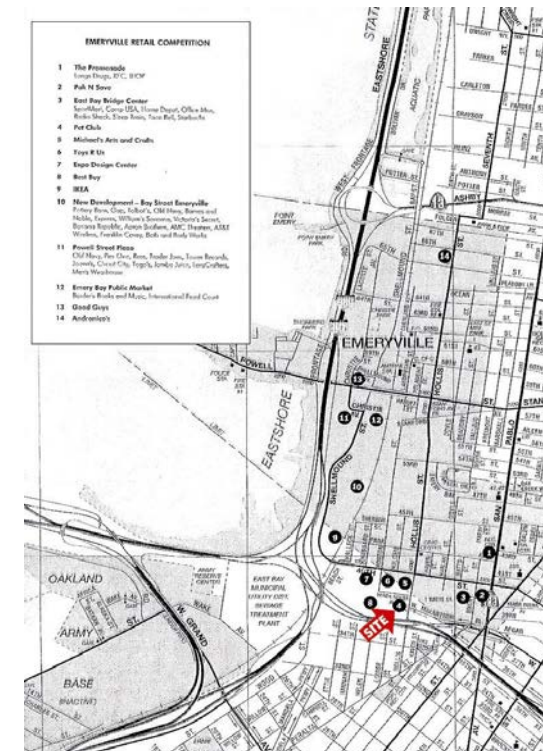
Co-Tenancy

Other tenants in the shopping center make a big difference in the performance of a retailer



Distance To Nearest Competitors

Competitors in the immediate vicinity must be considered for any site



Site Analysis

Entitlement Issues



Deal Structure



Space Layout



Site Analysis

Signage



Parking



Visibility



Overall:
Convenience For Customer

Other Important Retail Rules:



- Retail grows at the intersection of two main thoroughfares – Do not force retail to locate on side streets through zoning, it should be optional
- Retail needs parking! – Unless you have **high** pedestrian counts in front of space
- A shop tenant cannot exist solely on residents in mixed use development – They need additional customers
- Allow for anchor tenant in your zoning – They are needed for the health of the smaller tenants