

# MARKET UPDATE 2018

PRESENTED BY:



**NAIOP**

COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

WISCONSIN CHAPTER

FIFTEENTH ANNIVERSARY

15



# Milwaukee Retail Market



Brian J.

Vanevenhoven, CRX

**NAI** MLG Commercial  
COMMERCIAL REAL ESTATE SERVICES WORLDWIDE

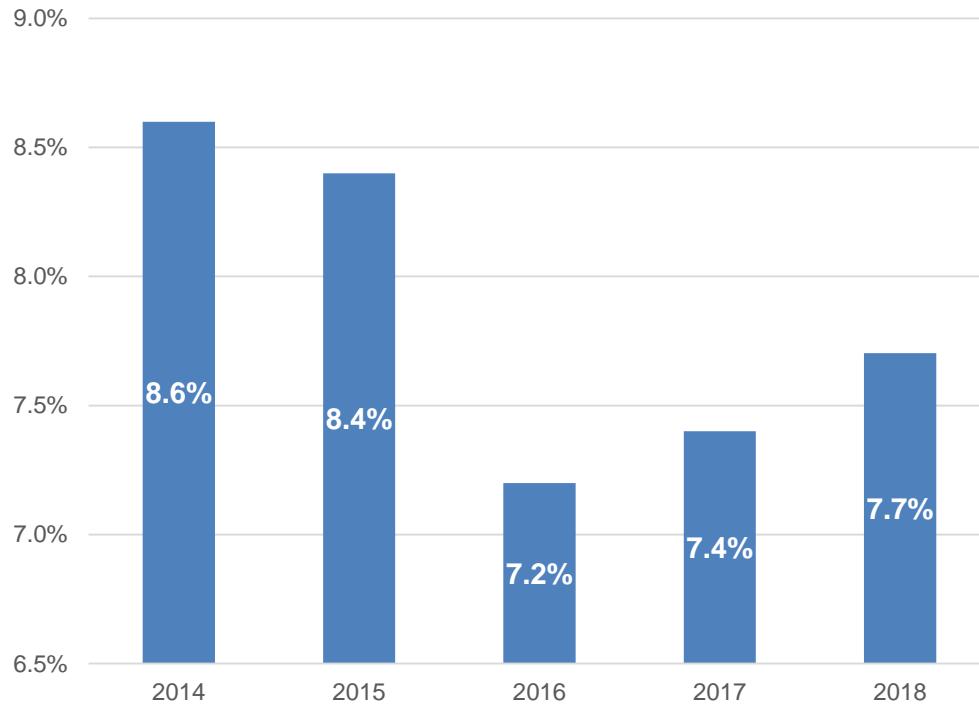


# Milwaukee Retail Market

- Retail Statistics by Submarket
- Retail Investments
- Who is Expanding / Who is Contracting
- The Traditional Mall
- Grocery Future
- Predictions

# Retail Market

Vacancy Trend



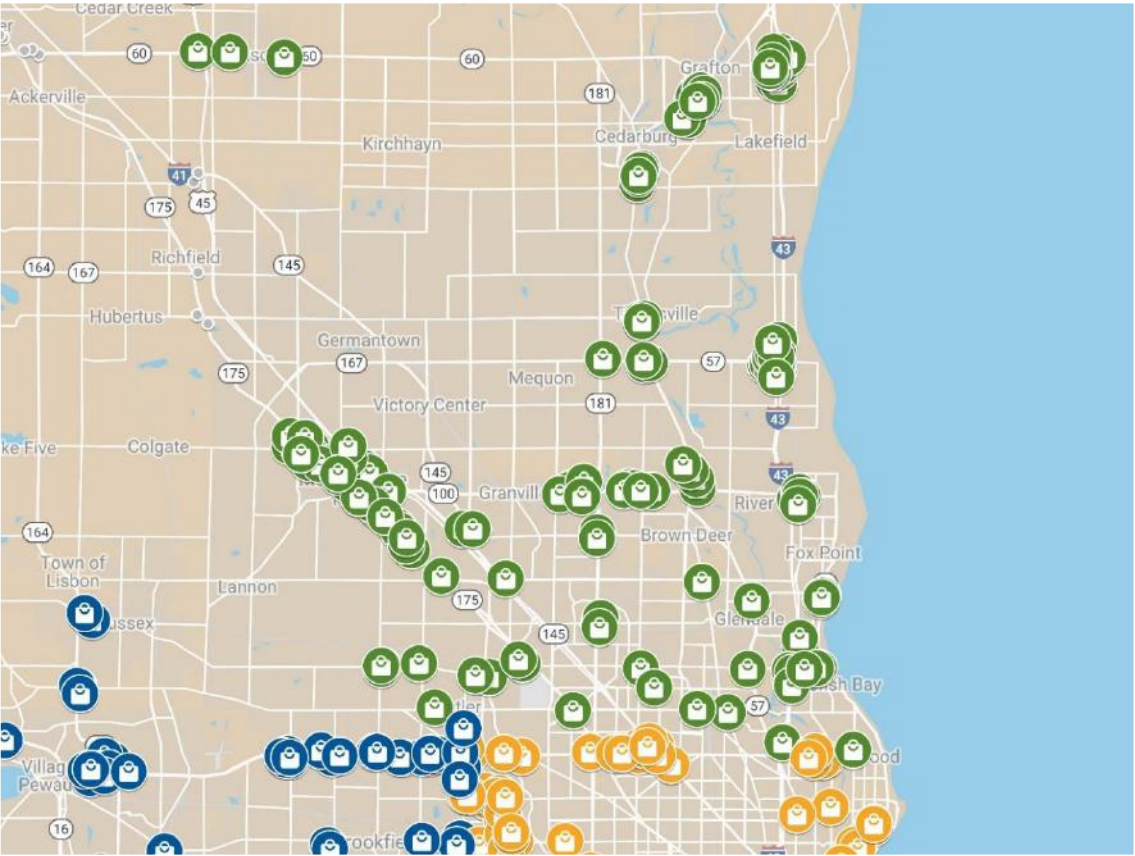
- Total Universe: 41.7 MM SF
- Occupied Space: 38.5 MM SF
- Vacant Space: 3.2 MM SF
- Vacancy Rate: 7.7%



# North Retail Market



Inventory	Available SF	Vacant SF	Rate
9,035,807	827,371	460,480	5.1%

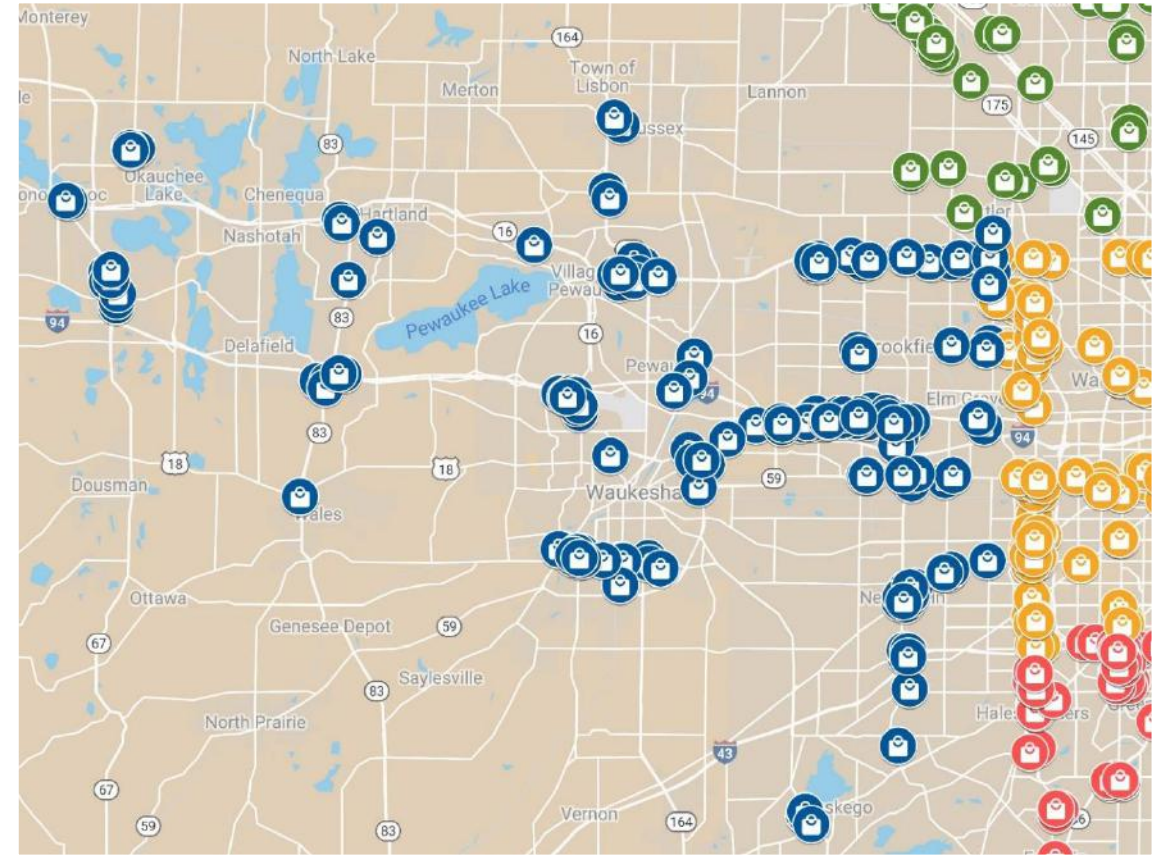




# West Retail Market



Inventory	Available SF	Vacant SF	Rate
12,493,992	1,135,175 <span style="color: green;">▲</span>	756,437 <span style="color: red;">▼</span>	6.1%

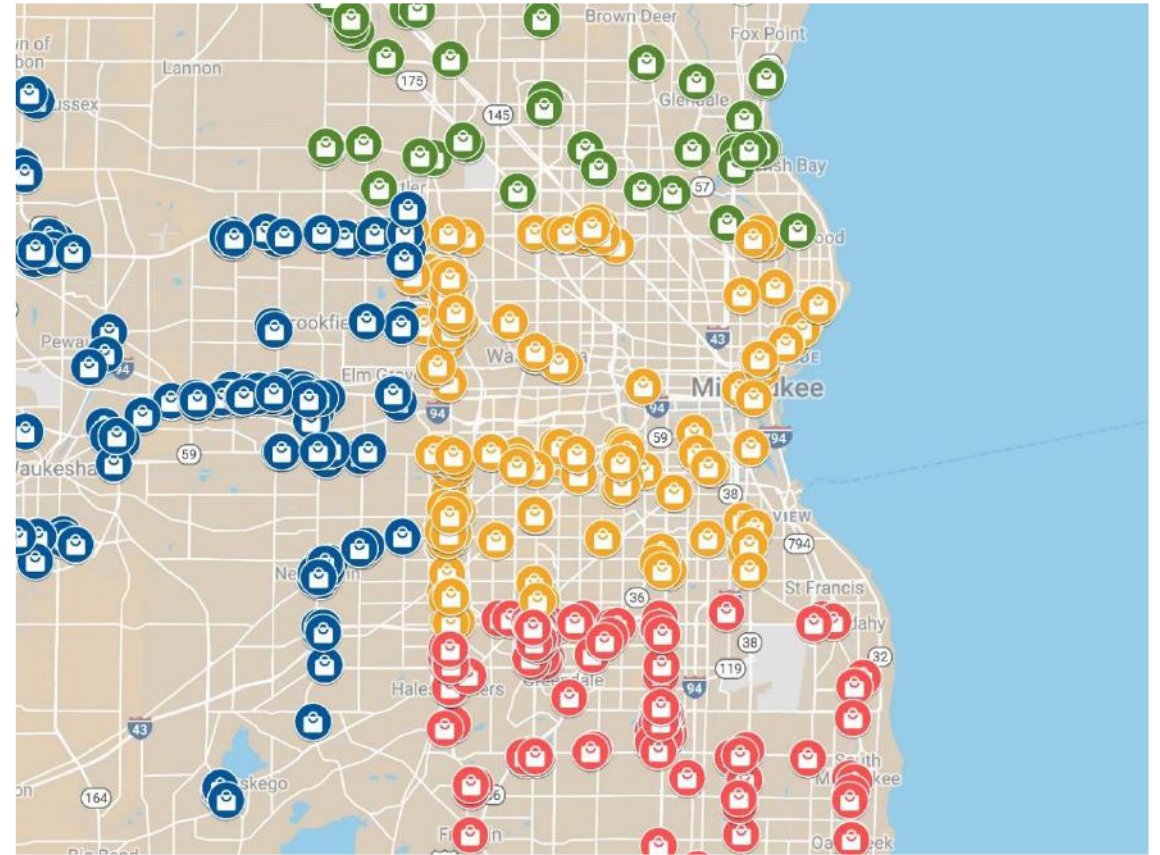




# Central Retail Market



Inventory	Available SF	Vacant SF	Rate
8,124,860	1,028,187	874,891	10.8%

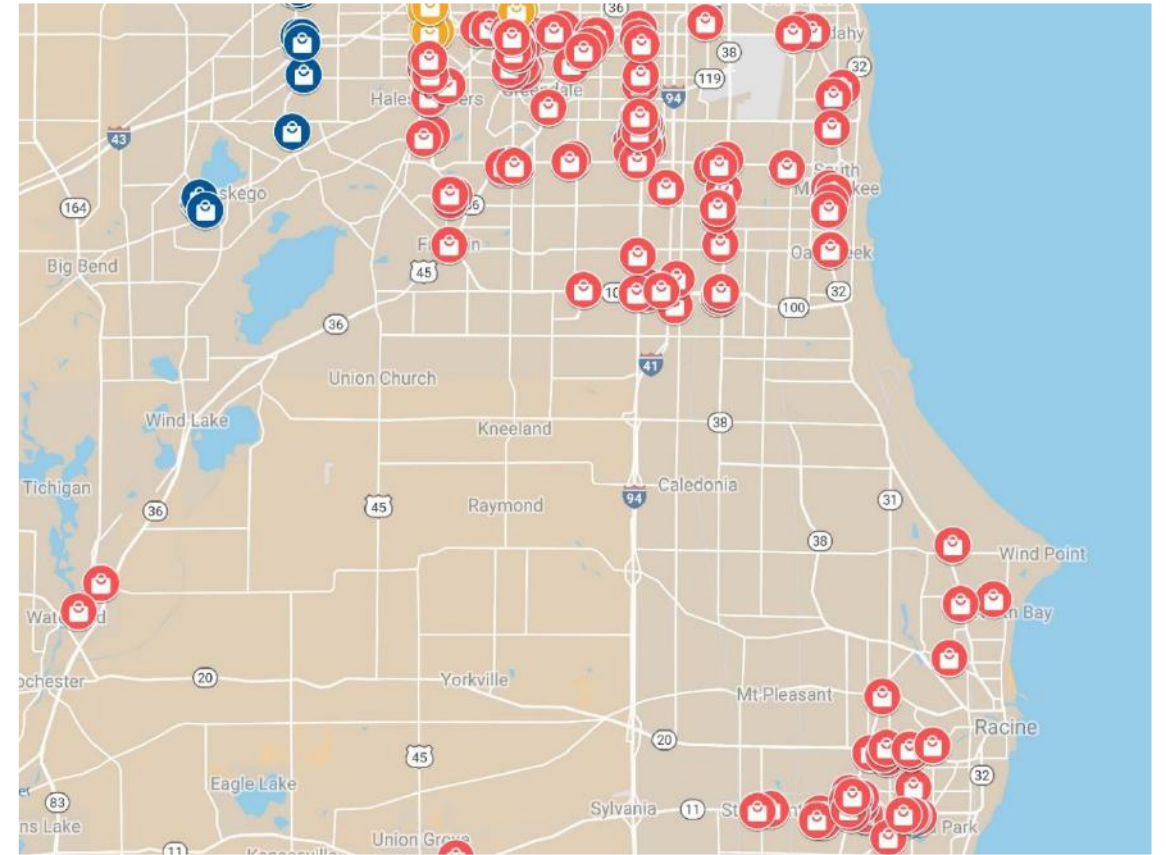




# South Retail Market



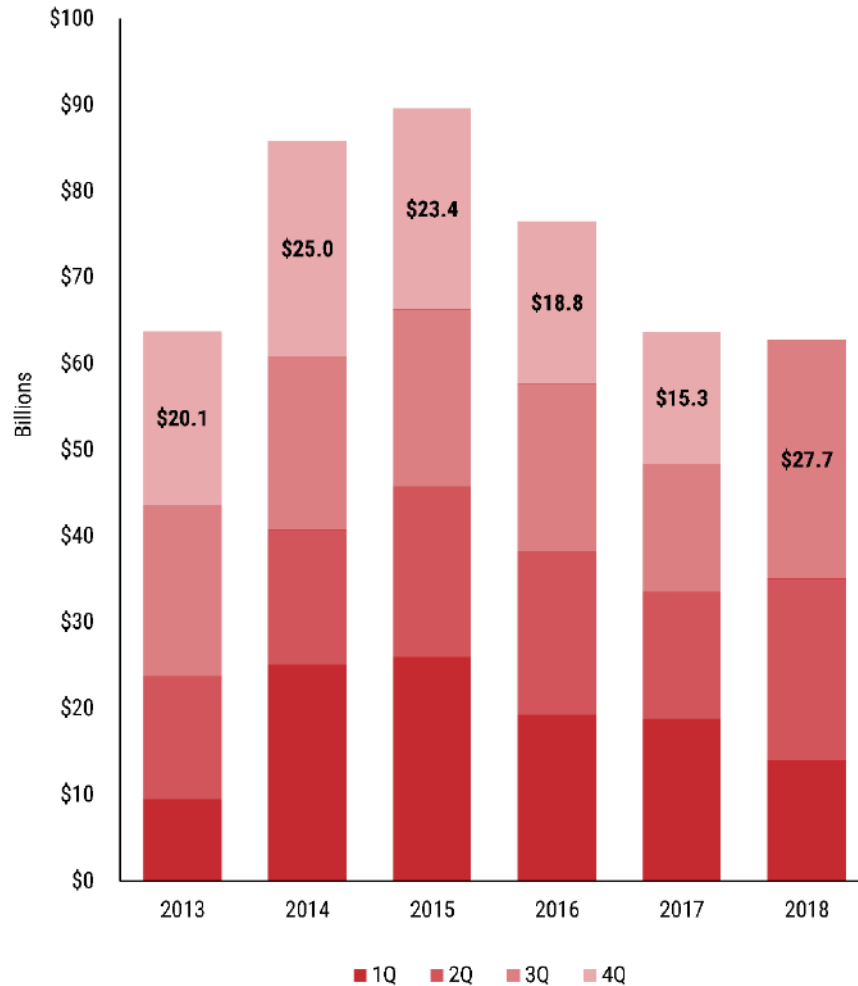
Inventory	Available SF	Vacant SF	Rate
12,081,335	1,452,415 <span style="color: green;">▲</span>	1,122,913 <span style="color: green;">▲</span>	9.3% <span style="color: green;">▲</span>



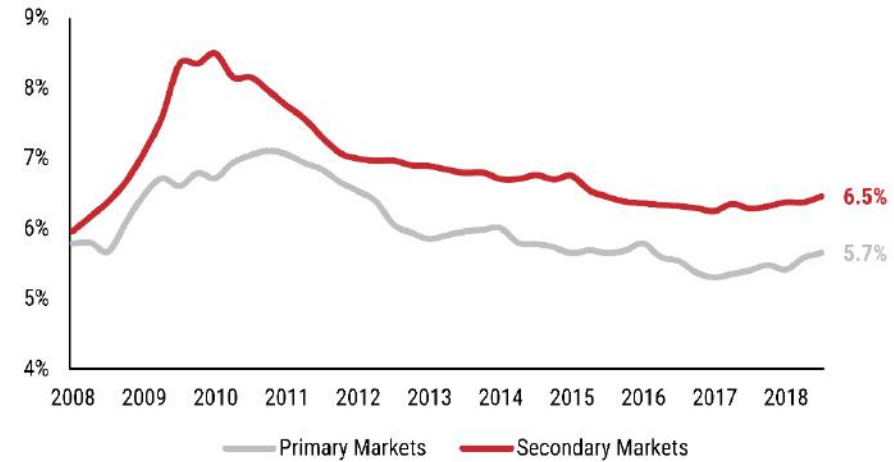


# Retail Investment Market

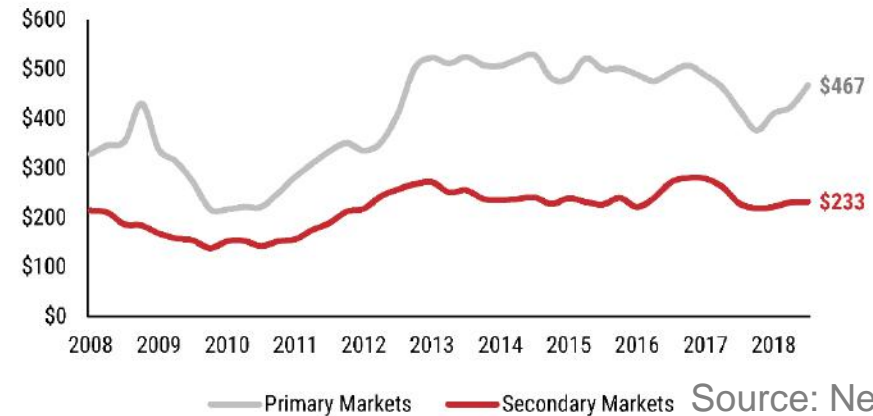
## NATIONAL SALES VOLUME



## CAP RATES



## PRICE PER SQUARE FOOT



Source: Newmark Research



# Retail Investment Market

\$415.5 Million



Northwestern  
Mutual®

20 Grocery-Anchored  
Shopping Centers



PHILLIPS EDISON & COMPANY



# Retail Investment Market

**\$33.5  
Million**



**\$24.3  
Million**



**\$17.9  
Million**





# Retail Investment Market

**\$12  
Million**



**\$9.6  
Million**



**\$5.5  
Million**





# Retail Investment Market





# Milwaukee Big Box Market

Closings

Expanding





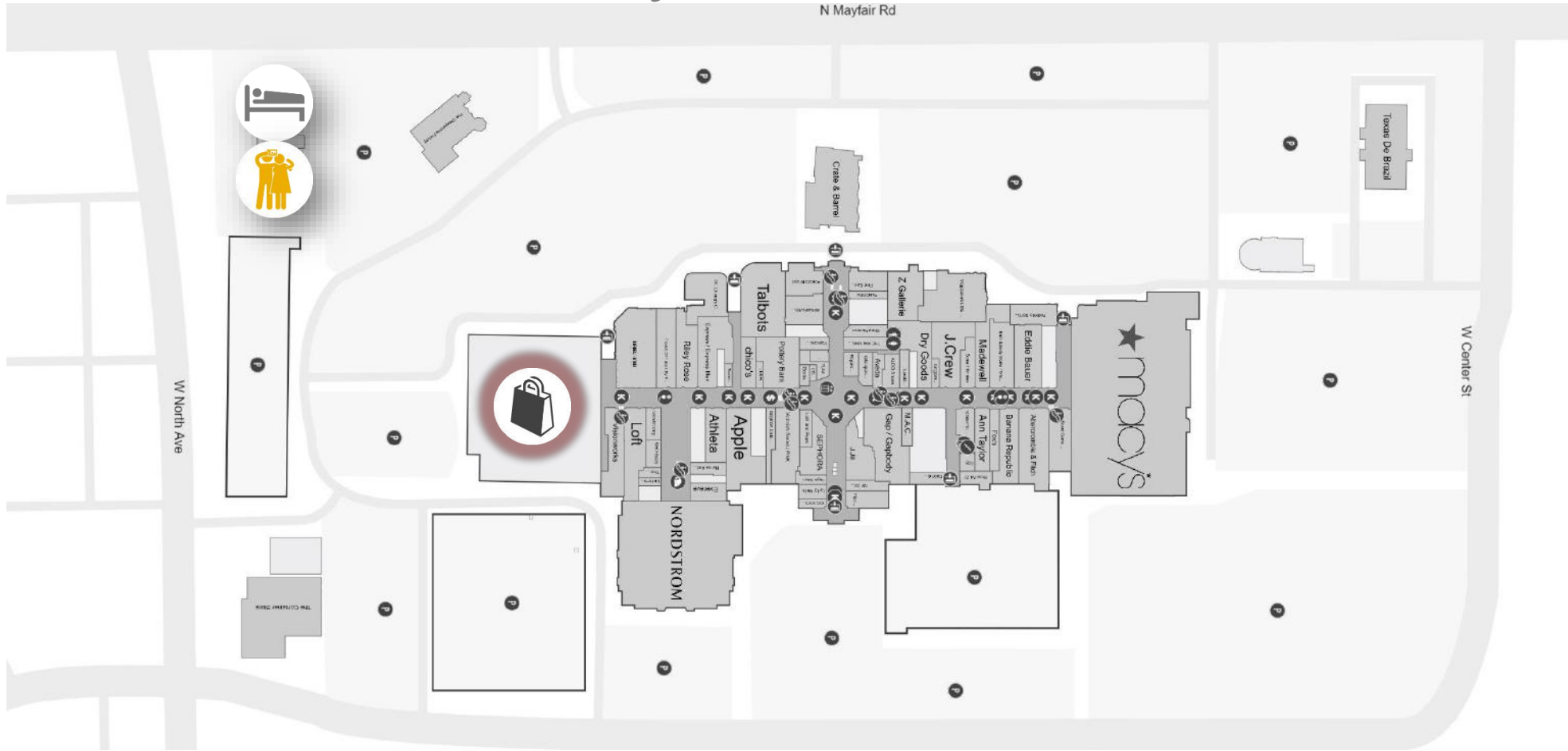
# Regional Malls

## Mayfair Mall



# Regional Malls

## Mayfair Mall





# Regional Malls

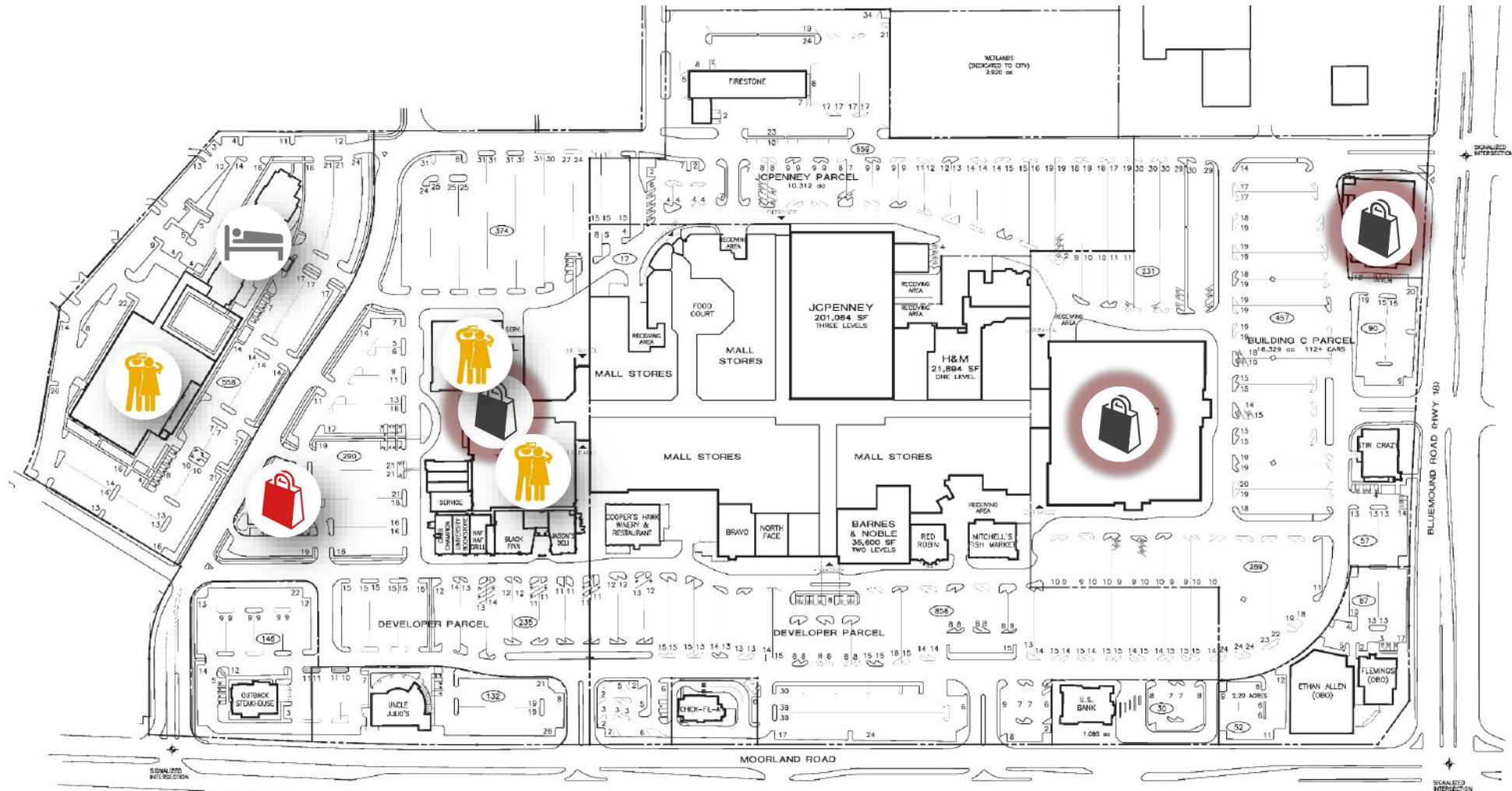
## Brookfield Square





# Regional Malls

## Brookfield Square



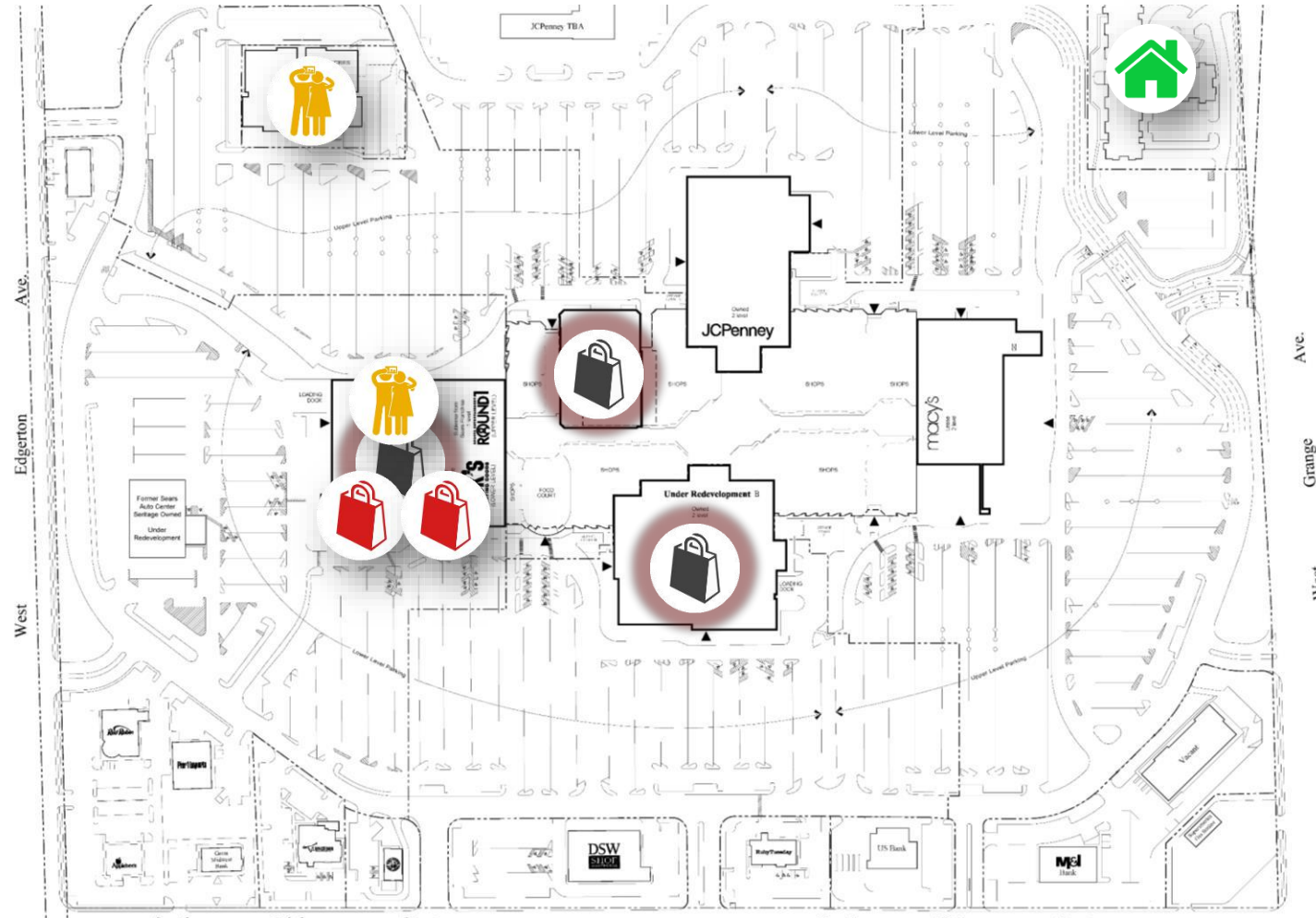


# Regional Malls

## Southridge



# Regional Malls Southridge





# Regional Malls

## Bayshore





# Regional Malls

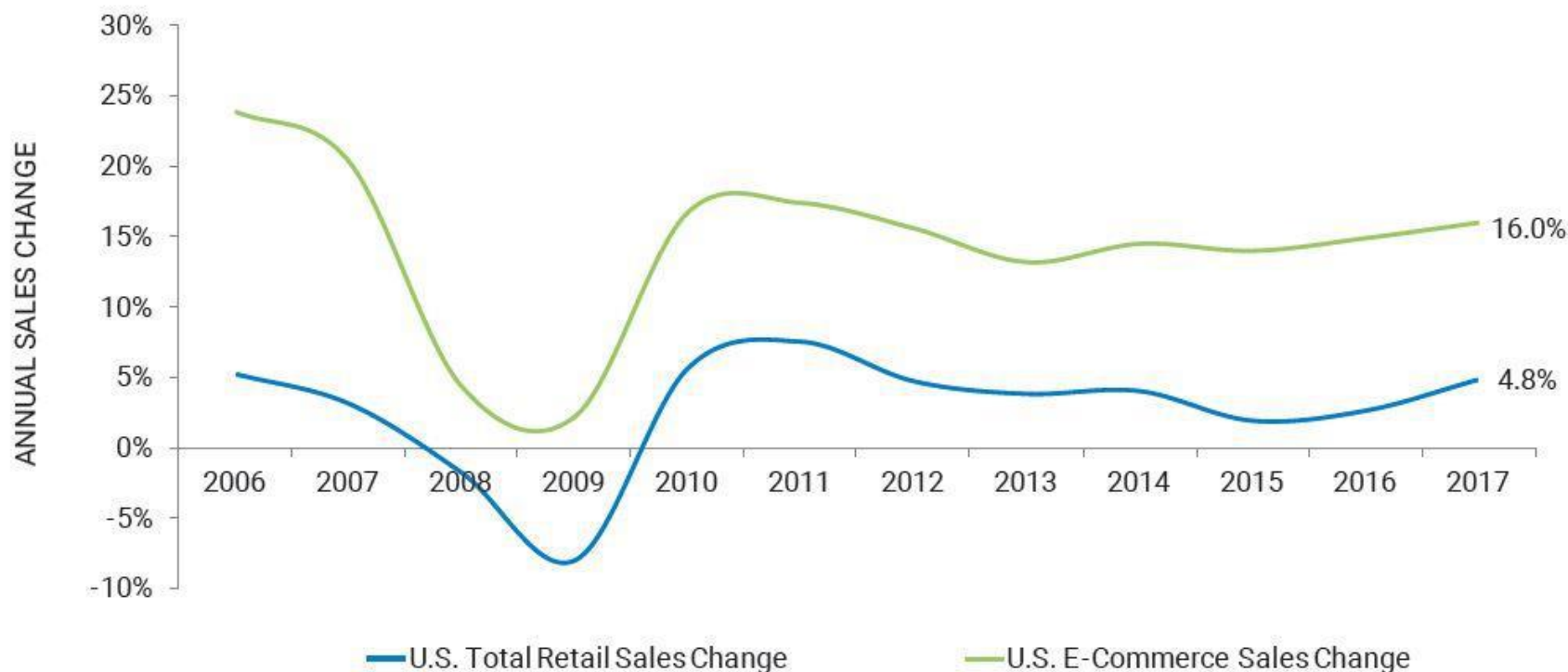
## Bayshore





# Regional Malls

**E-COMMERCE IS GROWING FASTER, BUT BRICK-AND-MORTAR RETAIL STILL DOMINATES**  
**E-COMMERCE SALES GROWTH VS. TOTAL RETAIL SALES GROWTH**  
**UNITED STATES**



Source: U.S. Census Bureau, NKF Research

Source: Newmark Research



# Milwaukee Grocery Market

Closings

Pick'n Save®

Gordy's  
MARKET



Sendik's  
FOOD MARKET

Expanding



Cermak  
FRESH MARKET



# Retail Heavyweights

**Net Worth:**  
**\$125.8 Billion**  
(Nov. 2018)



# Retail Heavyweights

**Total  
Net Worth:  
\$174.9 Billion**  
(May 2018)





# Retail Heavyweights



Annual Sales	\$193 Billion	\$500 Billion
Free Cash Flow	\$5.36 Billion	\$18.29 Billion
Cash	\$24.96 Billion	\$7.89 Billion
2017 Online Grocery Sales	\$2 Billion	\$1.78 Billion

# Milwaukee Retail Market

## 2018 Predictions – Scott Satula

- Limited Grocer Closures **False**
- Food & Beverage: Flat **True**
- Increased Deliveries **False**
- Increased Integration of “Bricks” and “Clicks” **True**



# Milwaukee Retail Market

## 2019 Predictions –

- **Vacancy rates will rise, but only slightly.**
- **Brick and Mortar retail will continue to merge with online retail.**
- **Amazon is far from done and could make another big purchase of another brick and mortar store in 2019.**
- **The traditional mall is changing, but is far from dead.**
- **Online grocery sales will continue to increase, but total sales will be far outpaced in Brick and Mortar stores.**

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