



CARW
COMMERCIAL ASSOCIATION OF REALTORS®

Retail 2020 Pandemic to Post-Pandemic Realities - Strategies and Opportunities From A-Z -

Who Will Survive, Thrive and Disappear When the Fog of Crisis Recedes





Nick Egelanian
Siteworks

PANDEMIC RETAIL

Webinar | Retail 2020

**Pandemic to Post-Pandemic Realities,
Strategies and Opportunities From A-Z**

WHO WILL SURVIVE, THRIVE AND DISAPPEAR WHEN THE FOG OF CRISIS RECEDES



WEBINAR WITH NICK EGELANIAN
FRIDAY, MAY 1ST AT 1 PM

Nick is a leading expert, active speaker and writer on the retail real estate industry. Clients include Starbucks, Stuart Weitzman, Balducci's and more.



MALL
FAILURES



AMAZON/
Whole Foods!!!

RETAIL APOCALYPSE

OUT
EXPAN

DECLI
FOOT TI

WEALT
GAP



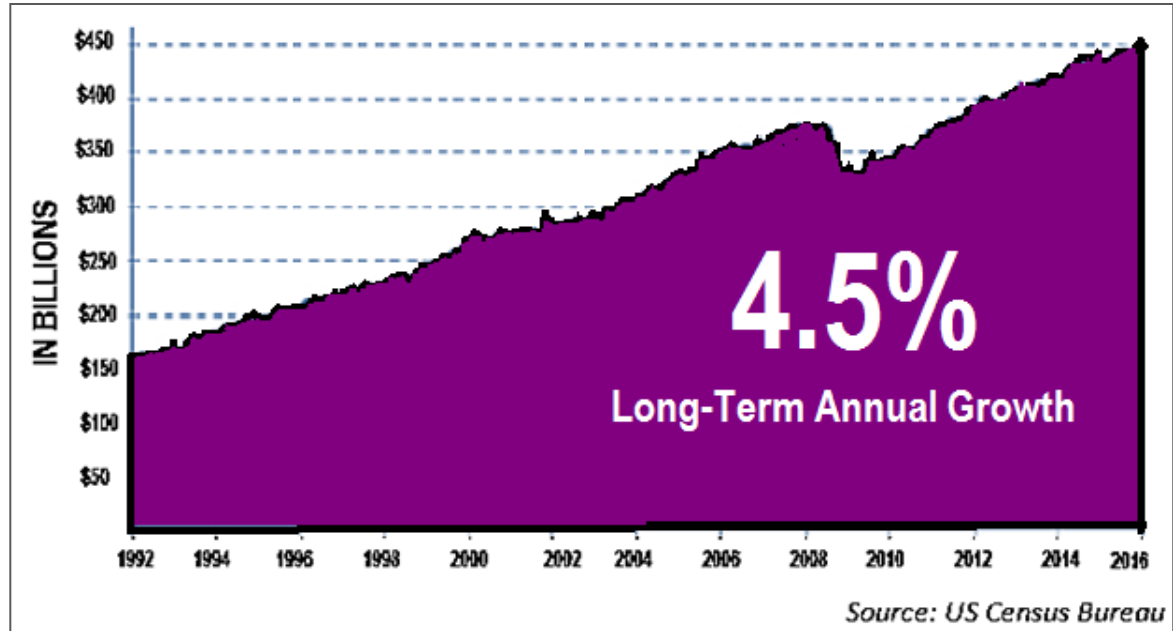
MMERCE

STAURANT
LIFERATION

'RTAINMENT
RETAIL

2019 U.S. Retail Sales

**ANNUAL
U.S. RETAIL
SALES:
\$5.49
TRILLION**



PART ONE: 21ST CENTURY RETAIL RETAIL FRAMEWORK



To The Department Store Era And 3,000 American Regional Malls



Killed By...



JCPenney

Sears

NORDSTROM

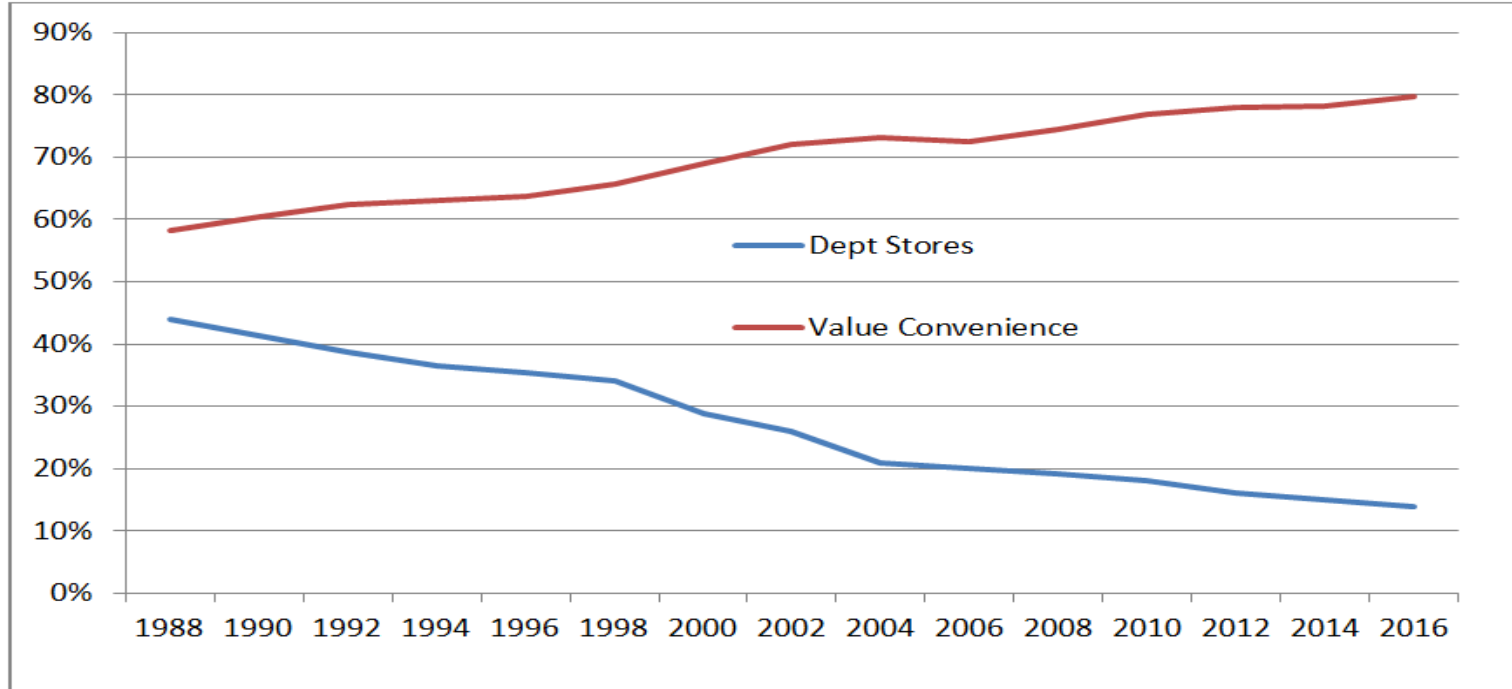
Department Store Deconstruction And “Big Box” Retail



COMMODITY RETAIL

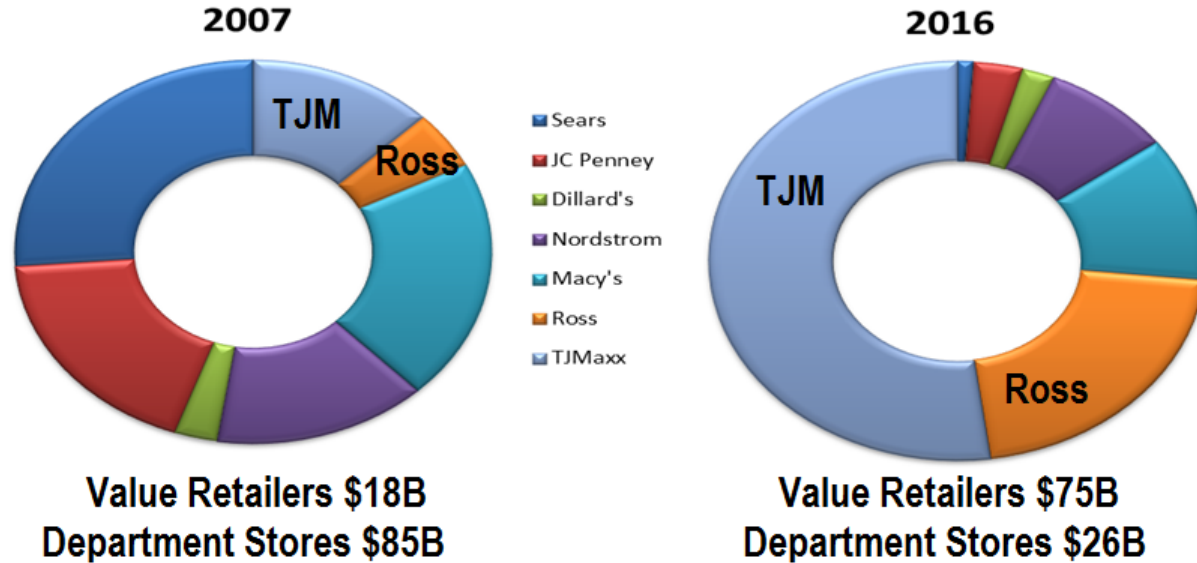


The Resulting Market Share: “Big Box” Retailers Vs. Department Stores



Source: US Census Bureau

Commodity Retailers Vs. Department Store Market Cap (\$B)



21st CENTURY U.S. RETAIL ALIGNMENT



21st Century Retail Alignment

Two SEPARATE Retail Industries

85%

**COMMODITY
RETAIL**

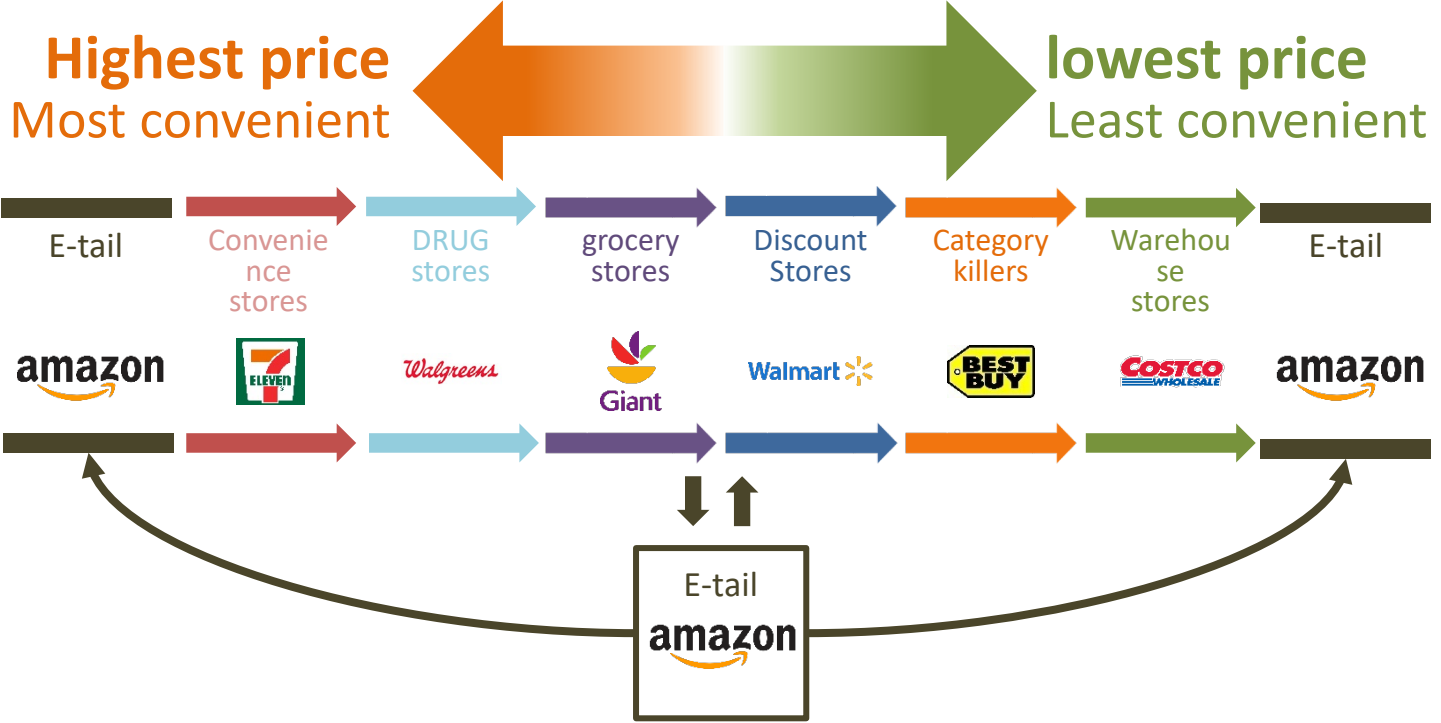
PRIMARY
HH INCOME
AND PURCHASES

**SPECIALTY
RETAIL**

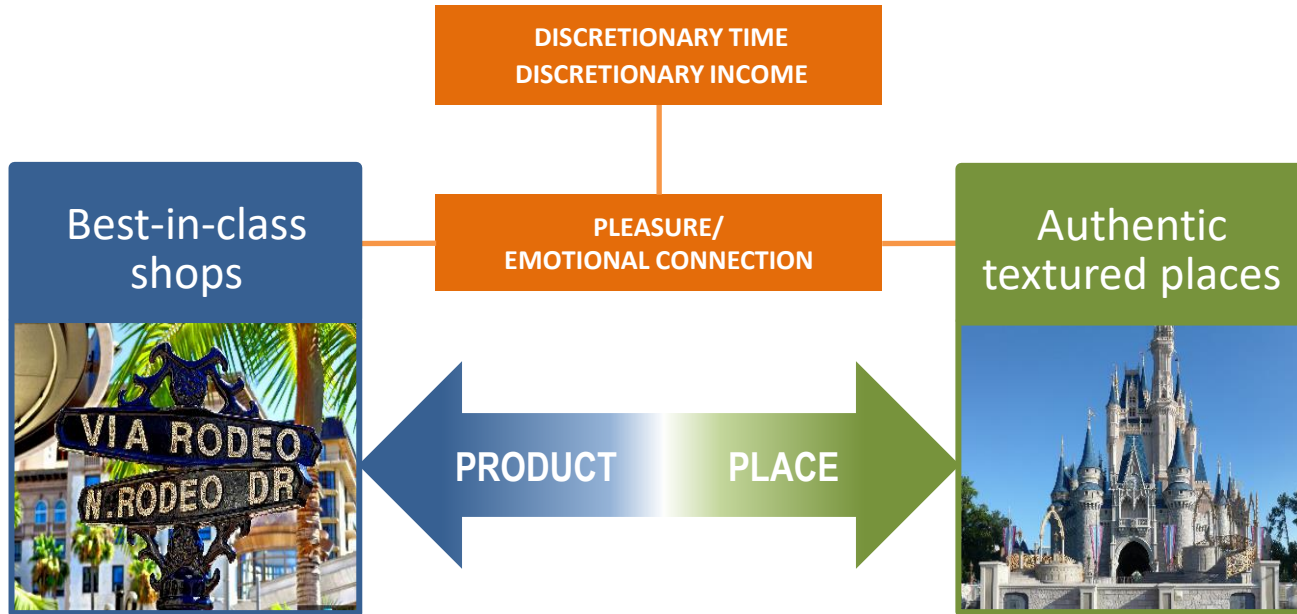
15%

DISCRETIONARY
TIME AND
PURCHASES

COMMODITY RETAIL: PRICE VS. CONVENIENCE EQUATION



SPECIALTY RETAIL: PLEASURE/EMOTIONAL CONNECTION



SPECIALTY RETAIL

TRADITIONAL
MALLS



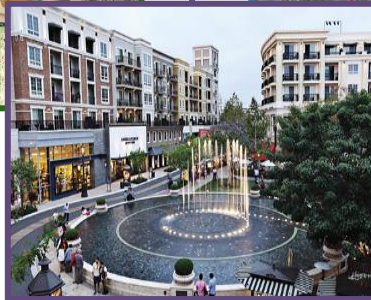
OUTLET
CENTERS



THEMED CENTERS
& ATTRACTIONS



MIXED-USE &
OPEN-AIR
CENTERS



HIGH STREETS



The U.S. Has 24.5 SQ. FT.
Of Retail Space Per Capita



Where Is All That Extra Retail?



Annual U.S. Retail Sales as of January 2019

\$585 Billion	Walmart 
\$145 Billion	
\$87.5 (\$55) Billion	amazon 
\$62.5 Billion	ALL DEPARTMENT STORES
\$15 Billion	

PART TWO: E-COMMERCE & AMAZON



eCommerce Share of U.S. Retail: As of 3rdnd Quarter 2019 – 10.3%

U.S. E-COMMERCE FACTS

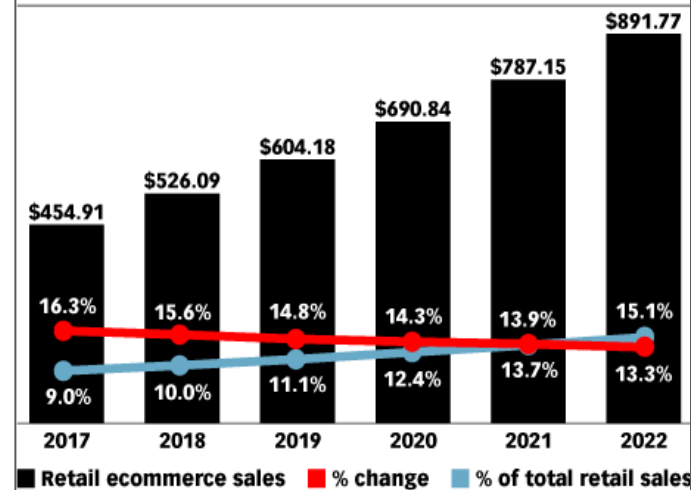
eCommerce Represents **10.5%** Of U.S. Retail Sales As Of Q3 2019.

U.S. eCommerce Sales Are Estimated To Grow By **15.1%** In 2020 To \$585 Billion.

Amazon Accounts For Approximately **WHAT %** of U.S Retail Sales?

US Retail Ecommerce Sales, 2017-2022

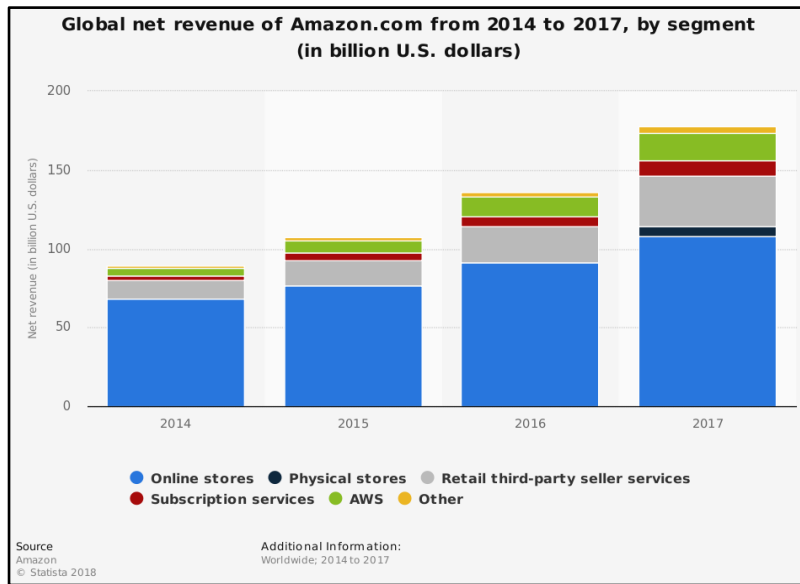
billions, % change and % of total retail sales



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment
Source: eMarketer, Feb 2018

Is E-Commerce Profitable?

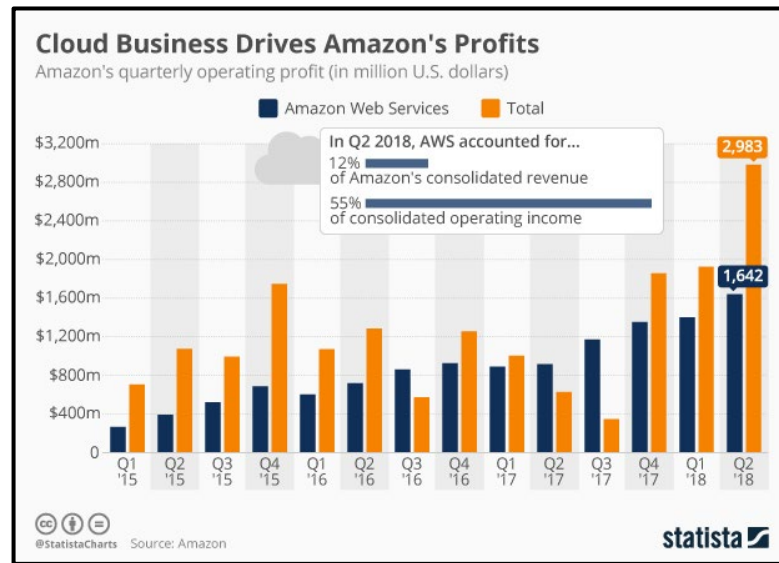
Amazon Retail Sales Vs. Shipping Costs



Estimated 2019
AMAZON
SHIPPING COSTS
\$40 Billion

Is E-Commerce Profitable?

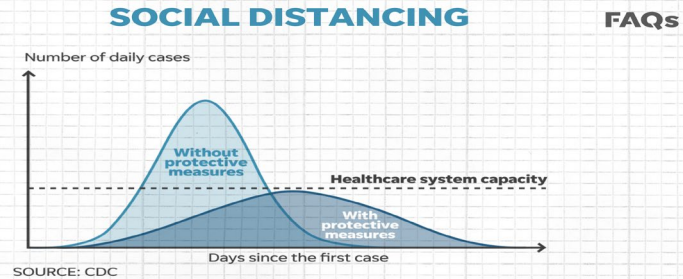
Amazon Retail Sales Vs. Overall Sales & Segment Profit



RETAIL IMPACTS !!

Commodity/Specialty/On-Line

- A. Short-Term
- B. Mid-Term
- C. Long-Term



ON LINE & E-COMMERCE

Amazon April 30 Earnings Report

Amazon's Sales Jump as Coronavirus Prompts Surge in Online Shopping

Sharp increase in orders, though, taxes fulfillment centers; profit misses expectations



Amazon is looking to hire 175,000 more workers for its warehouses and delivery network.
PHOTO: KEVIN MOHATT/REUTERS

By Dana Mattioli

Updated April 30, 2020 5:00 pm ET

[Amazon.com](#) Inc. [AMZN 4.27%](#) ▲ reported soaring quarterly sales as homebound customers flooded it with online shopping orders, capping a string of earnings reports from big tech companies that show how the coronavirus pandemic has fueled demand for their products and services.

The Seattle-based tech giant said Thursday that revenue rose 26% from a year earlier to \$75.5 billion in the three months through March—by far the highest on record for what is usually [Amazon's](#) [AMZN 4.27%](#) ▲ slowest period of the year. The boom in sales came at a cost, though, as profit fell 29% from a year earlier to \$2.5 billion, well short of analysts' average estimate of \$3.26 billion, according to a survey by FactSet. Operating profit for

Worldwide shipping costs were \$10.9 billion in the first quarter, a 49% increase from the year-earlier period. As the pandemic continues, the company will have to figure out how to get much-needed items to customers more profitably.

HOME DELIVERY DEMAND



Introducing FREE 2-hour delivery
from your Whole Foods store

MAJOR COMMODITY RETAIL IMPACTS

- A. Grocery, Drug, General Merchandise and Warehouse Stores**
- B. Other Big Box Retailers**
- C. Restaurants**
- D. Fitness And Related**



MAJOR SPECIALTY RETAIL IMPACTS

- A. Department Stores and Malls**
- B. Theaters**
- C. Restaurants and Clubs**
- D. Entertainment Retail**
- E. Outlet Shopping**



SHORT TERM SURVIVAL STRATEGIES

- A. RETAILERS
- B. LANDLORDS
- C. LENDERS



OTHER RETAIL CONSIDERATIONS

- A. Retail Bankruptcies**
- B. REIT Failures**
- C. CMBS Market**
- D. Brokerage Opportunities**
- E. Systemic Failure**



SAVING THE RETAIL SYSTEM

SYSTEMIC PROTECTION

- A. THE CARE ACT AND PPP
- B. THE FED AND U.S. GOVERNMENT
- C. PAYMNETS HOLIDAY
- D. SYSTEMIC PANDEMIC BUSINES INTERRUPTION
INSURANCE COVERAGE (U.S. GOVT GUARANTEED)

LOOKING BEYOND RETAIL

Non-Retail Considerations

- A. Personal Health
- B. Education Systems
- C. Travel (Airlines, Hotels & Cruise Lines)
- D. Industry Conferences
- E. Sports and Concerts
- F. State and Local Government Finances



Nick A. Egelanian
Founder & President

