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## **CBRE survey finds 70% of U.S. retailers view economy as improving**

May 26, 2010 - Retail

Nearly 70% of U.S. retailers believe that the overall economy is improving, and 92% are planning to increase store openings, according to a new survey released by CB Richard Ellis Group, Inc. (CBRE). The report, Shop Talk - A Retailer's Perspective, also finds that despite an improving economy, nearly all the retail executives surveyed believe that retail rents will either fall or remain flat throughout the rest of 2010.

"Our survey shows that retailers are increasingly more confident about their growth plans for 2010, and even more so for 2011," said Anthony Buono, executive managing director of CBRE Retail Services in the Americas. "Although they remain cautious as to the overall impact of the global economy on the domestic market, most remain optimistic about their prospects for their own businesses, near-term as well as long-term."

The survey also found that while retailers believe the economy is improving, nearly 60% think that it will take another six to eighteen months before their segment of the retail market feels the benefit of the recovery. Among concerns cited by respondents were the state of consumer confidence, potentially higher interest rates and the fragile recovery of the global economy. However, 34% of the respondents thought that business was already improving in their segments including retailers in apparel and accessories, telecommunications, electronics and home improvement.

Other findings in the report include:

- \* 48% of respondents think that rental rates will continue to fall in 2010, and 43% think that rental rates will remain flat. The respondents that expected rental rates to increase were mostly global or regional retailers with space requirements under 25,000 s/f.
- \* 73% of retailers were able to negotiate tenant improvements with their landlords in the past year. Among that segment of survey responders, 65% stated that rent reductions were the most common incentive, followed by limited tenant improvements to space and the right to terminate early.
- \* 92% of respondents were planning to increase the number of new store openings anywhere from 5% to 200%. Of the retailers that had expansion plans, 66% of the requirements were for stores smaller than 10,000 s/f. Only 8% of respondents were planning on reducing the number of locations in 2010.
- \* 75% of respondents felt that government stimulus programs had little or no impact on their business.
- \* Views of Internet sales was mixed, with 53% of respondents reporting increased sales from a year ago and the remainder seeing little or no change in activity. While 70% of respondents are currently using social networks to increase branding and marketing of their products, only 38% felt that these efforts were adding value and 56% felt that it was too early to gauge the impact.

Shop Talk - A Retailer's Perspective surveyed more than 100 retail executives across all business

lines and was fielded between March and April of 2010. More than 60% of the retailers surveyed were either global or national in scope. Respondents included a cross section of participants from various retail categories (including apparel & accessories, discount stores, restaurants, electronics & appliances and home furnishings) located in a wide range of retail property types (including regional centers, community centers and power centers). The report was compiled in conjunction with the CB Richard Ellis Retail Services team and CBRE Research.

For a copy of the report, please visit:  
[http://marketing.cbre.com/Houston/ShopTalk\\_Retail24\\_7/CBRE\\_ShopTalk\\_PRESS.pdf](http://marketing.cbre.com/Houston/ShopTalk_Retail24_7/CBRE_ShopTalk_PRESS.pdf).

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