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ICSC projects moderate gains for U.S. holiday sales

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The International Council of Shopping Centers (ICSC) forecasts that U.S. holiday sales in 2011 will post a moderate gain, though somewhat subdued relative to its prior year's pace. Based on ICSC's metric of industry performance, shopping center sales are expected to increase by 2.2% during November and December 2011 and relative to those same months of the prior year. In 2010, the holiday season posted a 5% gain following two back-to-back declines, which were a result of the severe 2007-09 recession.

More broadly, three common measures of U.S. industry holiday sales - shopping center sales, ICSC's composite of major chains and "GAFO-store" sales - all are expected to increase in 2011 by a slower pace of between 0.3 and 2.8 percentage points, depending on the metric, compared with its 2010 holiday performance.

"Although there are many statistics and surveys that convey the magnitude of holiday sales, the qualitative themes are more important than a 'point estimate' based on any specific metric," said Michael Niemira, ICSC's chief economist and vice president for research.

"The ICSC holiday sales forecast contains at least four messages: (1) No matter which metric of performance is used, ICSC projects 2011 U.S. holiday sales are likely to advance at a slower pace than in 2010 as strong economic headwinds continue to persist; (2) The 2011 holiday season forecast also envisions a pace of sales considerably slower than during the first half of 2011 since retail sales generally advanced at a faster pace in early 2011 than during the 2010 holiday season; (3) Compared with the previous 10-year sales performance, 2011 is likely to be near-to-above average depending on the sales metric; (4) The economic and political risks are expected to be higher during the upcoming season than during 2010. But still, on balance, ICSC's 2011 holiday sales forecast portrays a moderately healthy performance," Niemira added.

Shopping Center Sales are compiled by ICSC based on U.S. Census Bureau statistics and measures sales at stores that are likely to be found at shopping centers. This series includes general merchandise, apparel, furniture, electronic and other store sales (GAFO) plus health and personal care store sales, food and beverage sales, and building materials.

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