NATIONAL & LOCAL REAL ESTATE TRENDS

WHAT DOES THIS MEAN FOR YOUR RETAIL DEVELOPMENT EFFORTS?

Cheyenne Robinson
crobinson@buxtonco.com
817.332.3681
WHO ARE WE?

ABOUT BUXTON

Since 1994
Founded by Retailers. For Retailers. 25 Years of Experience

5,000 Clients, Diverse Industries
Retail, Restaurant, Healthcare, Private Equity, Direct Marketing Organizations, City Government

Millions of Dollars Annually Invested in Data and Technology
• Over 300 Unique Datasets
• In-house data in over 116 Million U.S. Households – up to 6 individuals
• Psychographic, Lifestyle, Behavioral, GPS and Financial Data
• Buxton Analytics Platform – Mobile Capabilities for Field Use
• Safe and Secure Environment – Solutions, Tech & Data Reside in AWS

Buxton Team
• 130 Total Employees
• 25+ Account Management Team Members
• 20+ Software Engineers Internally
• 40+ Predictive Analysts & Database Managers
OVERVIEW

OVERALL STATE OF RETAIL

NATIONAL RETAIL TRENDS

LOCAL MARKET STATISTICS
STATE OF THE CALIFORNIA RETAIL REAL ESTATE MARKET
WHAT'S HAPPENING TO VACANCY RATES?
VACANCY RATES
SOUTH RIVERSIDE COUNTY: 6.1%
WEST END: 7.3%
INLAND EMPIRE: 8.2%
Source: CBRE Research, Q1 2019
WHAT’S HAPPENING TO REAL ESTATE PRICES?
REAL ESTATE PRICES

PRICES ARE RISING

BUT, PRICES ARE SPLIT
A-MALLS VS. B-C PRODUCT
WHY ARE DEVELOPERS HESITANT TO INVEST?
REASONS FOR DEVELOPER HESITATION

CURRENT ECONOMIC CYCLE PHASE

CHANGING CONSUMER SHOPPING BEHAVIOR
NATIONAL RETAIL TRENDS

- MIXED-USE RETAIL
- OMNICHANNEL RETAIL
- RETAILIZATION OF HEALTHCARE
KEY RETAIL TRENDS

MIXED-USE RETAIL DEVELOPMENTS

FORMULA FOR SUCCESS

30% Retail

70% Food, Entertainment, Lifestyle Experiences
KEY RETAIL TRENDS
OMNICHANNEL RETAIL

ONLINE SALES
- Uber: 20%
- DoorDash: 8.5%
KEY RETAIL TRENDS

RETAILIZATION OF HEALTHCARE

3% In-Patient Growth

20% Out-Patient Growth

120% Urgent Care Growth
LOCAL MARKET STATISTICS
## Local Market Statistics

### Demographic Comparison

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Southwest Riverside</th>
<th>CA</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Pop)</td>
<td>523,592</td>
<td>39,489,707</td>
<td>326,573,141</td>
</tr>
<tr>
<td></td>
<td>1.3% of CA Pop</td>
<td>12.1% of US Pop</td>
<td></td>
</tr>
<tr>
<td>Pop Growth (2000 to 2010)</td>
<td>81%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Households (HH)</td>
<td>165,852</td>
<td>13,456,058</td>
<td>123,611,353</td>
</tr>
<tr>
<td></td>
<td>1.2% of CA HHs</td>
<td>11% of US HHs</td>
<td></td>
</tr>
<tr>
<td>HH Growth (2000 to 2010)</td>
<td>72%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Population &lt;19</td>
<td>29%</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>Median Income</td>
<td>$74,669</td>
<td>$68,739</td>
<td>$58,754</td>
</tr>
<tr>
<td>Avg HH Income</td>
<td>$96,493</td>
<td>$102,133</td>
<td>$84,609</td>
</tr>
<tr>
<td>Unemployment</td>
<td>5.1%</td>
<td>5.4%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Home Ownership</td>
<td>69%</td>
<td>54%</td>
<td>64%</td>
</tr>
<tr>
<td>College Degreed</td>
<td>32%</td>
<td>37%</td>
<td>36%</td>
</tr>
</tbody>
</table>
TOURISM IN YOUR DEVELOPMENT STRATEGY
MOBILE INSIGHTS

Understand Who Visitors Are And How To Leverage This Knowledge To Your Benefit

- Identify your visitors
- Understand their lifestyles and purchasing behaviors
- Align local businesses with visitors’ consumer preferences
- Quantify by U.S. market where visitors are coming from
- Target prospective visitors by marketing in your best potential markets at the household level
- Answer other business questions
MOBILE INSIGHTS PREVIEW

VISITOR ORIGINS

South Coast Winery Sample: Visitor Origins Preview

- South Coast Winery Visitor
- CBSA Boundaries (Counties)

<table>
<thead>
<tr>
<th>CBSA</th>
<th>% OF VISITORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>32%</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>23%</td>
</tr>
<tr>
<td>San Diego</td>
<td>19%</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>3%</td>
</tr>
<tr>
<td>Chicago</td>
<td>2%</td>
</tr>
<tr>
<td>Oxnard</td>
<td>1%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>1%</td>
</tr>
<tr>
<td>Houston</td>
<td>1%</td>
</tr>
<tr>
<td>DFW</td>
<td>1%</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>1%</td>
</tr>
<tr>
<td>Washington D.C.</td>
<td>1%</td>
</tr>
<tr>
<td>Other CBSAs (173)</td>
<td>15%</td>
</tr>
</tbody>
</table>

Of 917 CBSAs, visitors traveled from 184 CBSAs
All U.S. households are grouped into 1 of 71 types based on demographics and psychographics. The following profile illustrates the profile of your actual residential households within Southwest Riverside County and South Coast Winery visitor households.
All U.S. households are grouped into types based on demographics and psychographics. The following are the most represented (24%) 4 of 71 visitor types.

**South Coast Winery’s Actual Visitors**

**Silver Sophisticates**
Mature, upscale couples and singles in suburban homes

- Age 66-75
- Empty Nesters
- Experienced Travelers
- Art Connoisseurs
- Email, Direct Mail, Social

**Progressive Potpourri**
Mature couples with comfortable and active lives in middle-class suburbs

- Age 51-65
- Empty Nesters or Kids <18
- Visit Theme Parks
- Active Lives
- Mobile, Direct Mail, Social

**Cosmopolitan Achievers**
Affluent middle-aged and established couples and families enjoying dynamic lifestyles in metro areas

- Age 36-45
- Kids Age 13-18
- Two family properties
- Healthy Lifestyle (Yoga)
- TV, Mobile, Email, Social

**Aging of Aquarius**
Upscale boomer-aged couples living in city and close-in suburbs

- Age 51-65
- Empty Nesters
- Upscale housing
- Gourmet Restaurants
- Social Media, Email, Direct Mail
OVERVIEW

OVERALL STATE OF RETAIL

NATIONAL RETAIL TRENDS

LOCAL MARKET STATISTICS
NATIONAL & LOCAL REAL ESTATE TRENDS

WHAT DOES THIS MEAN FOR YOUR RETAIL DEVELOPMENT EFFORTS?

Cheyenne Robinson
crobinson@buxtonco.com
817.332.3681