

SUPPORTING GREATNESS.
DEVELOPING OPPORTUNITIES.



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GEORGIA RETAIL REPORT

MARCH 2023

Your Guide to Retail Development

Downtown Redevelopment Is Where It's At! One of our most prized possessions in Georgia is the many amazing downtowns! The character and charm that our downtowns possess are immeasurable. As we travel the state, one thing that remains constant as we meet with city leaders is; a commitment to downtown revitalization.

When most people think of retail, things like malls, grocery stores, restaurants, and fast-food chains come to mind.

Make no mistake...all those categories are an important part of a city's retail base; however, we are seeing a stronger focus on downtown investment. If you have heard me or my colleagues speak on retail... you've probably heard "retail follows rooftops." A key element in recruiting retail to a downtown area is residential development. This includes upper-story development, condos, lofts, and downtown hotels.

At ECG, we are here to assist and recruit hotels, breweries, restaurants, and retail shops for communities. Our team can assist your community with retail maps, leakage and void reports, market analyses, conceptual designs, and other technical assistance to further market your communities.





Georgia Retail Impact



1.27M

Jobs Supported by Retail



948.3K

Direct Retail Employment



64.8K

Retail Establishments



\$57.9B

Total GDP Impact



\$101.5B

Direct Impact on GDP



\$26.9B

Direct Labor Income

JobsEQ 2021



Did You Know?



SMALL U.S. BUSINESSES

Generate

\$68

*Of local economic
return for every \$100
spent with them.*

Donate

250%

*More than large
businesses to
community causes.*

Employ

58.9

*Million
People*



*Businesses with fewer than
500 employees account for
99.7% of all U.S. employers.*



*Over \$9.3 billion would be
directly returned to our economy
if every U.S. family spent just \$10
monthly at a local business.*



*108 million shoppers
spent \$12.9 billion on
Small Business Saturday.*



*Local business generates
70% more local economic
activity per square foot
than big-box retail.*

Source: Fundera by Nerdwallet



Georgia Retail Real Estate Summary

Availability

Vacant SF	23.3M	↓
Sublet SF	560K	↑
Available SF	22.6M	↓
Occupancy Rate	96.3%	↑
Availability Rate	3.6%	↓
Percent Leased Rate	97.3%	↑
Available Asking Rent/SF	\$16.94	↑

Sales Past Year

Asking Price Per SF	\$192	↑
Sale to Asking Price Differential	-5.3%	↓
Sales Volume	\$6.3B	↓
Properties Sold	3,587	↓
Months to Sale	10.7	↓
For Sale Listings	1,079	↓
Total for Sale SF	11.5M	↓

Inventory

Existing Buildings	51,918	↑
Under Construction Avg SF	20K	↑
12 Mo Demolished SF	793K	↓
12 Mo Occupancy % at Delivery	88.6%	↑
12 Mo Construction Starts SF	1.8M	↓
12 Mo Delivered SF	2.8M	↓
12 Mo Avg Delivered SF	11.1K	↓

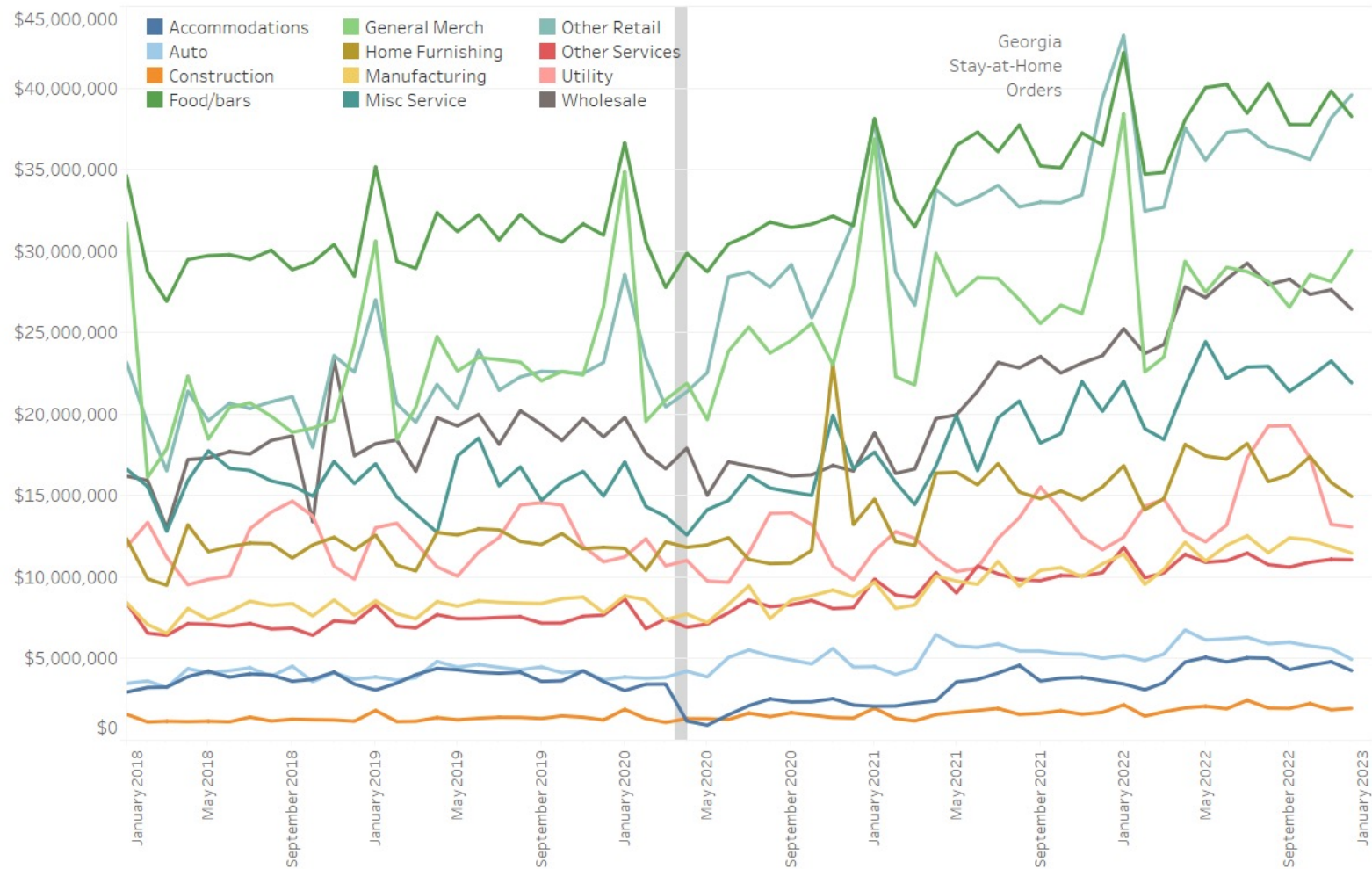
Demand

12 Mo Net Absorption % of Inventory	1.1%	↓
12 Mo Leased SF	9.1M	↓
Months on Market	10.2	↓
Months to Lease	7.3	↓
Months Vacant	7.7	↓
24 Mo Lease Renewal Rate	86.8%	
Population Growth 5 Yrs	5.7%	

CoStar February 2023



Georgia Retail Sales Tax by Commodity





Brick & Mortar Is Still Alive!

ICSC February 2023

More U.S. tenants are opening stores this year than are closing them. U.S. retailers plan 522 store closures and 1,846 store openings for 2023, according to Coresight Research. Here's a snapshot of some of the retailers looking to expand their footprint in Georgia this year:



Aldi is growing its footprint in the Gulf Coast region, which includes Georgia. The discount grocer opened a regional headquarters and distribution center in Loxley, Alabama, related to 13 openings planned in the region through 2023. It's the retailer's 26th U.S. regional hub and the sixth to open in the southern U.S. Aldi operates 30 stores in the Gulf Coast area, 20 of which opened in 2022.



Burlington in November, the off-price retailer said it has plans to open 500 to 600 net new stores over the next five years as part of a long-term goal to reach 2,000. As of the end of the third quarter, Burlington had 893.



Chicken Salad Chick The fast-casual chicken salad restaurant plans to open 35 more restaurants this year. The chain has 220 restaurants in 17 states and is starting to include drive-thrus.



Conn's HomePlus continues to expand in Georgia with a 23,000-square-foot location in Fayetteville, bringing its stores to 168 across 15 states. Conn's also opened in Jacksonville, Florida, in January, marking its 14th location in the state.



Dollar General, which recently opened its 19,000th store, plans to open 1,050 more this year and three distribution centers to support them.



Brick & Mortar Is Still Alive!

ICSC February 2023



Five Below plans to double its sales by tripling its store count to more than 3,500 by the end of 2030. Currently, Five Below has more than 1,200 stores across the country.



Homesense opened in Newport News, Virginia, Sarasota, Florida, in November, Lake Mary, and Port St. Lucie, Florida, last month. The newest retail banner of TJX Cos. operates more than 40 stores in the U.S.



Ross Dress for Less plans to open its first Michigan store in Southgate, just one of the 99 stores it plans for 2023. The company has 2,000 locations and wants to reach 2,900.



Smoothie King plans to open more than 100 locations in 2023, including 800-square-foot, drive-thru-only units. The quick-service chain opened 77 units in 2022.



7-Brew Coffee plans to open more than 90 locations in Georgia over the next five years. The double drive-thru coffee shop will have its first three locations in Thomasville, Macon, and Warner Robins.



PopShelf, which is owned by Dollar General plans to add 300 stores in 2023 and grow to 1,000 locations over the next 3 years. Average stores range from 9,000 to 12,000 square feet.



Retailers Depend On Brick & Mortar

Target – Approximately 95% of digital orders are fulfilled with physical stores

Petco – 16 consecutive quarters of brick-and-mortar comparable store sales growth

Walmart – 75% of physical stores fulfill online orders

Dick's – Physical stores represented 90% of total sales during fiscal 2021



Source: Target, Petco, Walmart, Dick's websites

Most Retail Categories Posted Strong Winter Sales

Retail Sales Per Square Foot Continue to Climb

- Retailers ended 2022 strong, as most categories showed year-over-year sales per square foot (psf) growth. Beauty supplies (\$773), fast food (\$739), supermarkets (\$688), and restaurants (\$663) led all categories in sales psf.
- Movie theatres rebounded, experiencing a 49% increase over 2021. Beauty supplies (38.9%), home improvement (34.5%), and fitness (32.2%) all saw significant growth through December. Specialty retail (29.4%) and sporting goods (20.3%) rounded out the high-performing categories.

ICSC February 2023



Discount/Dollar & Off-price Retailers Announced the Most Store Openings



STORE OPENINGS

As has been the case for some time, opening announcements were concentrated in the discount/dollar and off-price sectors, which have historically done well in good and bad economic times and have been less affected by online competition than other areas of retail.

**DOLLAR
GENERAL®**

Was the leader in store opening announcements. It said in December 2022 it would open about 1,050 new stores in its fiscal year 2023 on a base of more than 18,800 stores, and also set a goal to open 35 stores in Mexico by the end of 2023.

FAMILY DOLLAR

Announced plans to open 400 new stores in its fiscal 2022 on a base of 8,000-plus stores, and Dollar Tree was planning to open 190 stores on a base of 8,000-plus stores.

**five
BELOW®**

Which has expanded its price points above \$5 with its Five Beyond initiative, said early in 2022 it would triple its store count to more than 3,500 by the end of fiscal 2030 and open 925-1,000 stores over the next four years on a base of more than 1,200 stores.

In off-price retail, industry leader TJMaxx announced plans to open 150 new stores in its fiscal 2022 across its concepts on a base of nearly 4,700 total stores.

TJ-maxx®

Burlington announced plans to open more than 115 net new stores on a base of about 840 stores.

Burlington

ROSS
DRESS FOR LESS
dd's
DISCOUNTS®

Ross Stores completed its 2022 store growth plans with the opening of 40 new stores in September-October, which took total openings for the year to 99 and the total store count to 2,019, including 1,696 Ross stores and 323 dd's DISCOUNTS.

On a combined basis and including a few others not mentioned above, discount/dollar and off-price retailers announced plans to open about 3,230 stores, or more than 40% of all announced new stores for 2022.

*NRF Feb. 2023



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