

TRENDS IN RETAIL EXECUTIVE SUMMARY

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The retail industry is constantly changing to meet the demands of the consumers. What works today may not work tomorrow as can be seen by the changing formats over the years. For example, drug stores and grocery store were once the anchor tenants in neighborhood shopping centers. Today, they are free standing with drive thru pharmacies.

Unfortunately, some retailers don't understand the changing dynamics of the market and end up bankrupt creating a glut of surplus property. Service Merchandise, Montgomery Ward and Kmart are familiar names in our part of the world.

Wal-Mart, on the other hand only gets bigger and better as each day goes by. Not only do they understand the changing world we live in; they have a significant influence on inflation with their "everyday low prices". This year, Wal-Mart will begin construction on four new super stores in the Metro area adding over 800,000 sq. ft of new space.

At the other end of the retail spectrum is the new "lifestyle" center concept which caters to the more affluent population. Typically these centers are open – air with a mixture of specialty stores, and restaurants. Town Centre at Cedar Lodge located at Jefferson Hwy. and Corporate Blvd. is a proposed mixed use project which will include a lifestyle center.

If retail building permits and sales tax revenues for the first quarter of this year are any indication of what's to come, 2003 should be a great year.