

The Future of Retail Property

Tough Crowd

Where do retailers get their advice? - A StatsNZ Survey



Existing Staff

48%

Conferences

38%

Industry Organisations

0%

Research Houses

Retail Longevity

Failure Rates



10% in the last year

The Path to Purchase



)	Yesterday	Today	Tomorrow	Beyond
Awareness	Radio Television Print media Bi In-store pr	Social media Ilboards Digital mar omotions Targeted prom		((•)) RFID
Evaluate & select	Trial & error C Media inserts & reviews Samples	On-line comparison Social media Experience st	Omni-channel Social collaboration ores Augmented reality	Digital assistant
Shopping experience	Brick & mortar E- Large format		Strategic Small format o-up store Specialised Integrated channels	3D printing
S Point of sale	Cash register W Card Printed coupon		fer Near field comms Mobile POS Cash-less Integrated POS device	Biometrics
Service & advocacy		Social media lia reviews Ingr entre service Review blogs	Personalised service rated channels Multi-return points	Integrated

Source: Deloitte

Less of this





Source: cbc.ca

Less of this





Source: Wikipedia

More of this





Source: Destination Elite

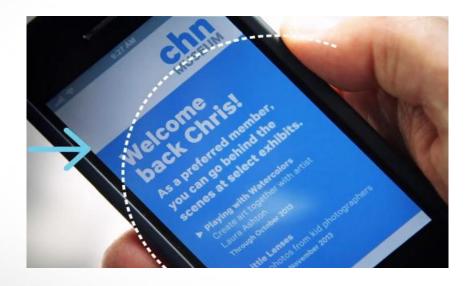
More of this





The personalised touch







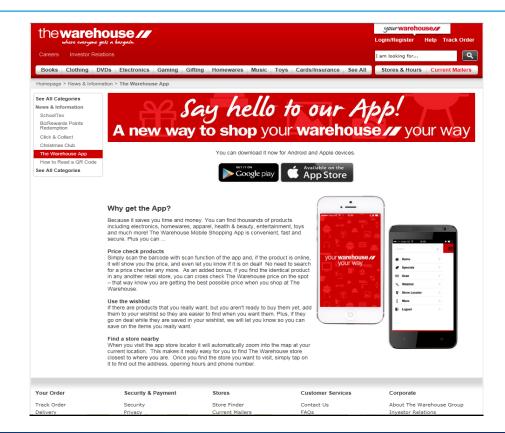
For customers searching for value





And searching for value for money





Source: thewarehouse.co.nz

Not searching for car parks





Source: Wikipedia

The digital natives



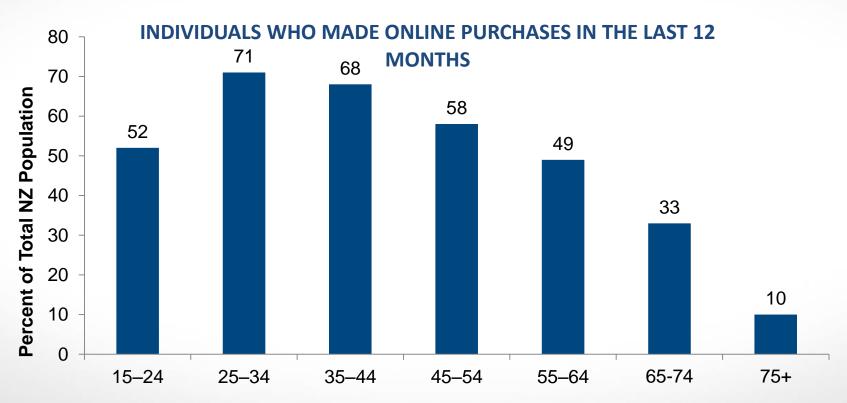


Source: Easyreadernews

Online Shopping

Household Use of ICT





Source: StatsNZ, Colliers International Research

The proliferation of technology







Extends the reach





Source: Anand Chandrasekaran

Age of Smart Appliances







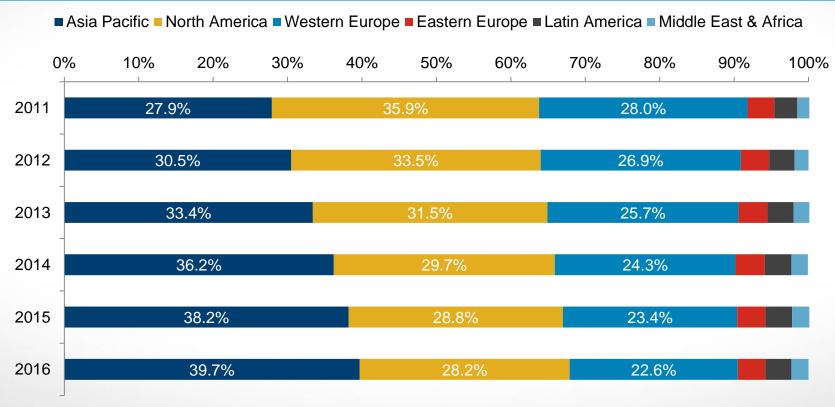




Source: eMarketer, Accenture, Colliers International Research

Asia Pacific will Overtake the World



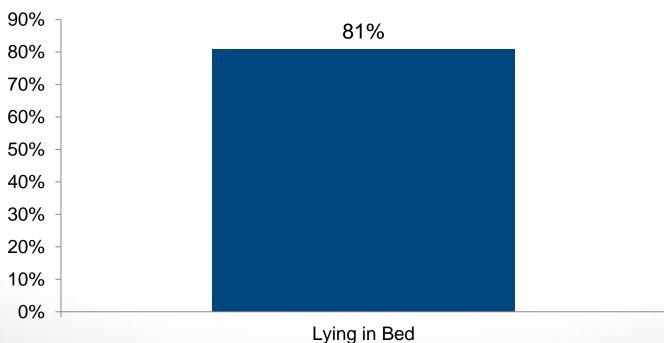


Source: eMarketer, Colliers International Research

Mobile = mobility?



NUMBER OF RESPONDENTS USING MOBILE WHILE...



Keeping online in context



1 in 20 sales in New Zealand are online, or
 19 out of 20 offline.

In the US: 72% showrooming, but 78% webrooming*





Consumers won't go far



Cumulative Share of Auckland Household Spend						
Spend Category (kms)	50%	60%	80%	90%		
Automotive	5	7	14	23		
Core Retail	7	9	16	23		
Food and Liquor	4	5	9	15		
Hospitality	6	9	15	22		
Medical Services	16	19	27	36		
Other Retail	7	9	17	24		
Other Store Types	7	10	18	26		
Personal Services	7	10	19	27		
Recreation	8	10	16	23		
Total	5	7	13	22		

The ins and outs



Shopper Inputs

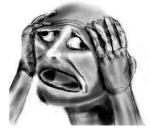
Time



Money



Angst



Retailer Outputs



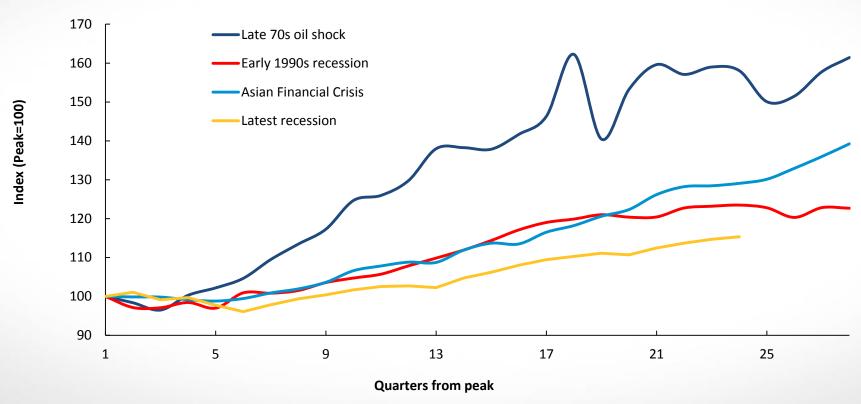


Source: Herb Sorensen, 2009



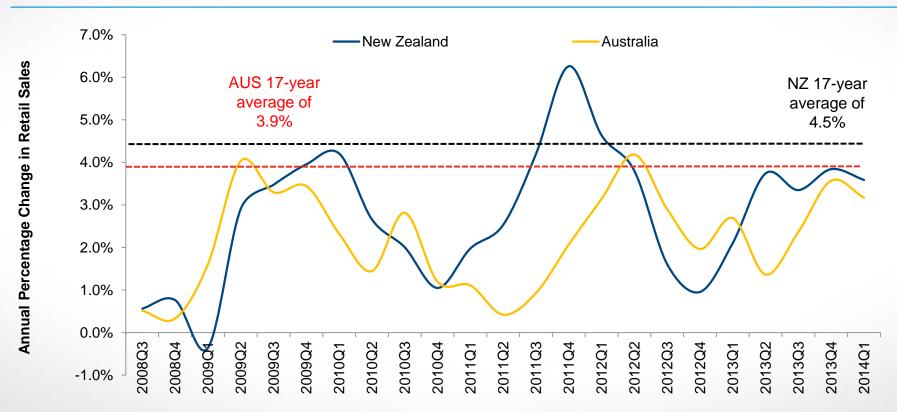
We're in a protracted retail spending recovery





Not just in New Zealand





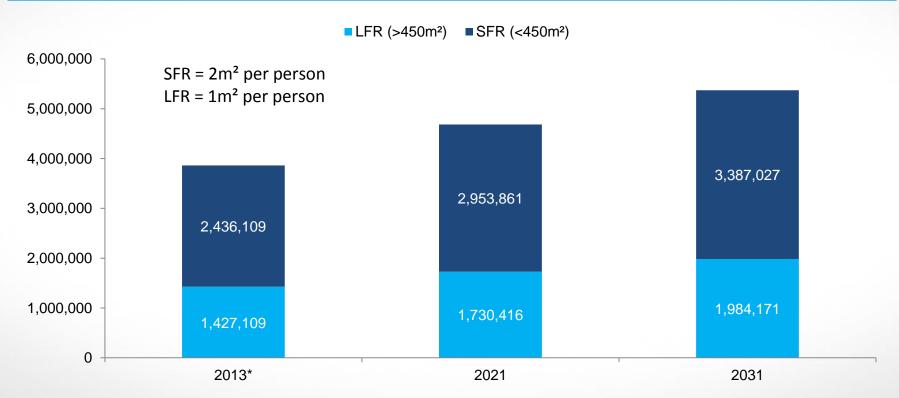
Spending by Category







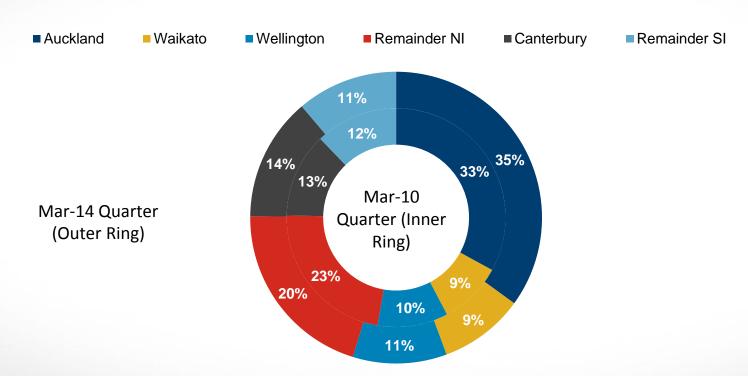




Source: Auckland Council, StatsNZ, Colliers International Research *Usually Resident Population from Census 2013 Area Units

Actual Retail Sales by Region





Tourism





















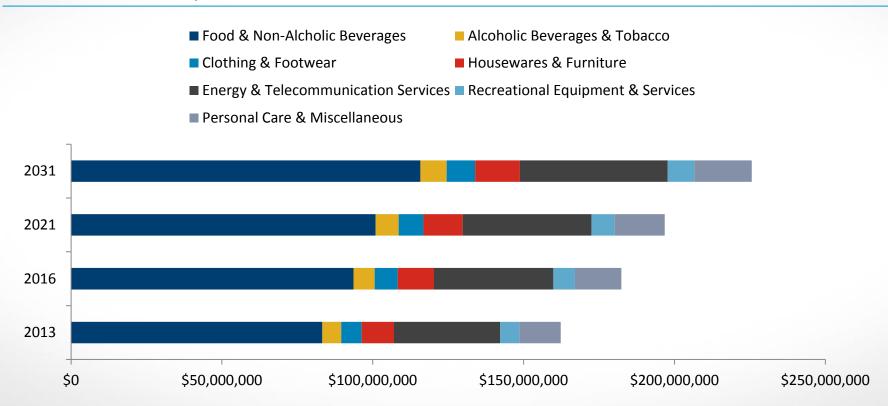




Source: internet search tourists, see colliers for sources

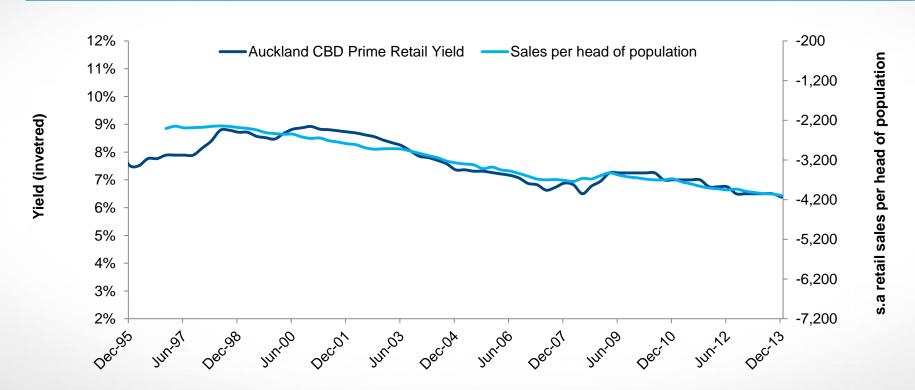
Auckland Household Expenditure Forecasts





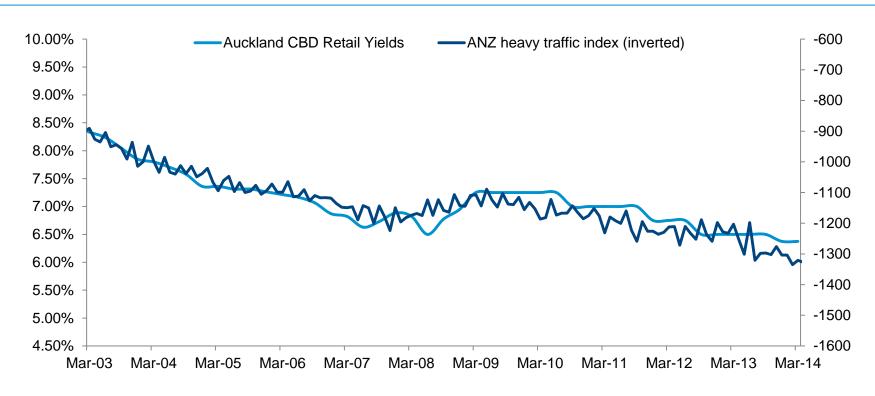
Growth in retail sales is an important metric for retail real estate





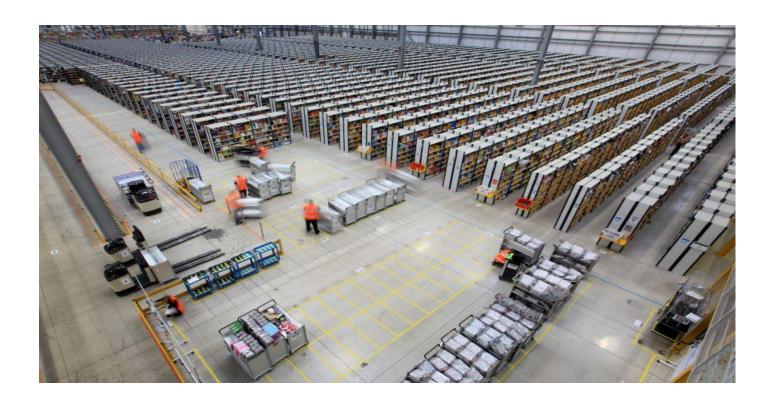
Product distribution shaping the industry





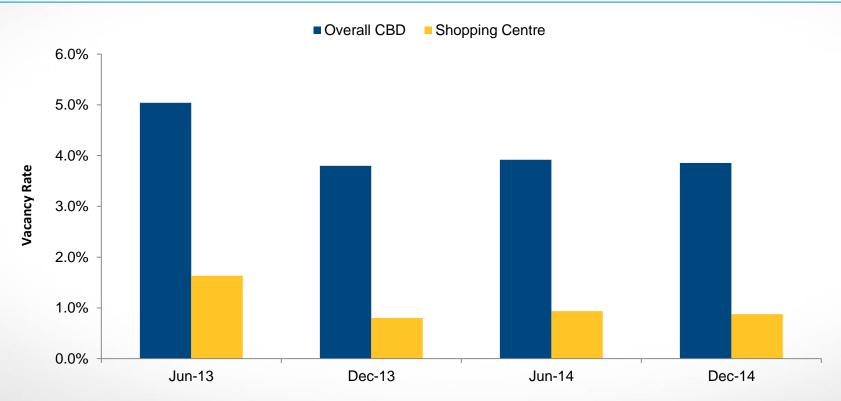
Storage & distribution





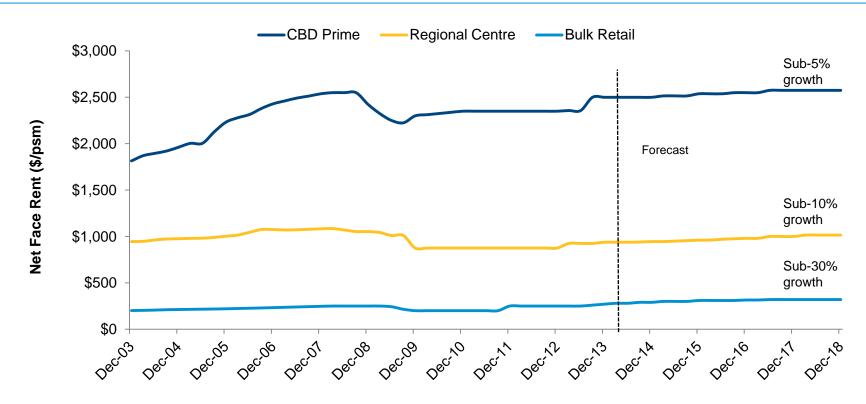
Customer pull





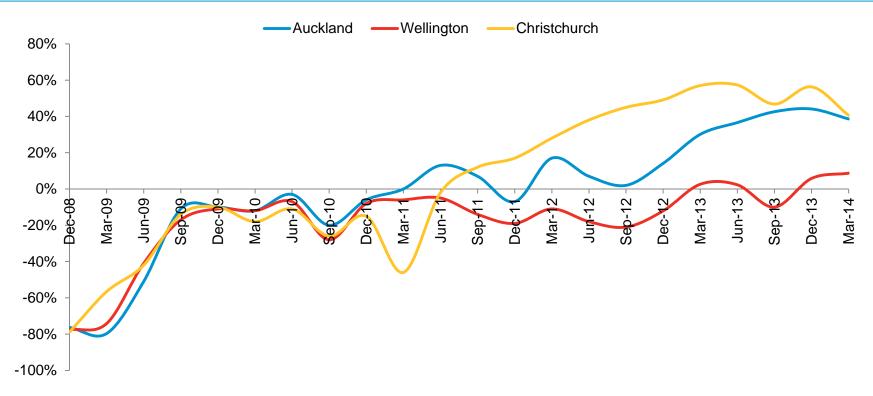
Rental growth on its way





Retail Investor Confidence

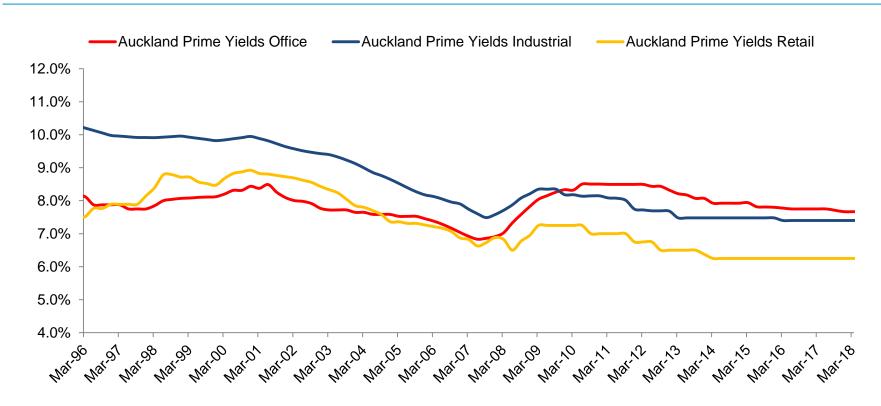




Note: Net Positive

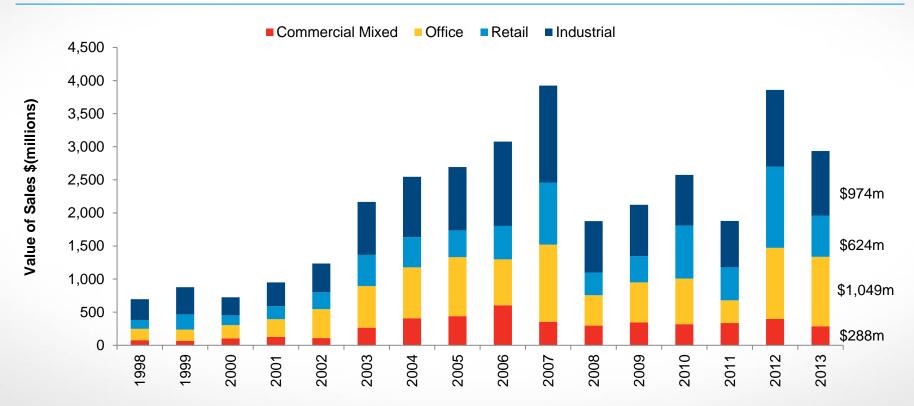
Retail and Industrial at record lows





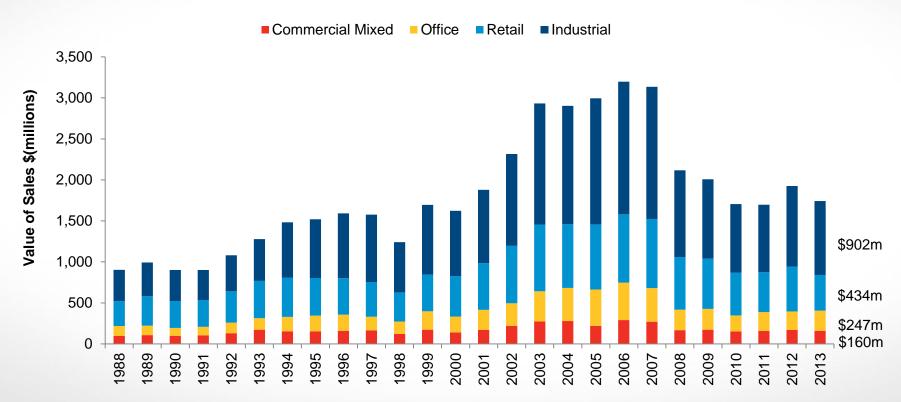
NZ Sales over \$2m





NZ Sales under \$2m





Summary



Structural changes and ever-evolving trends will keep impacting retailers

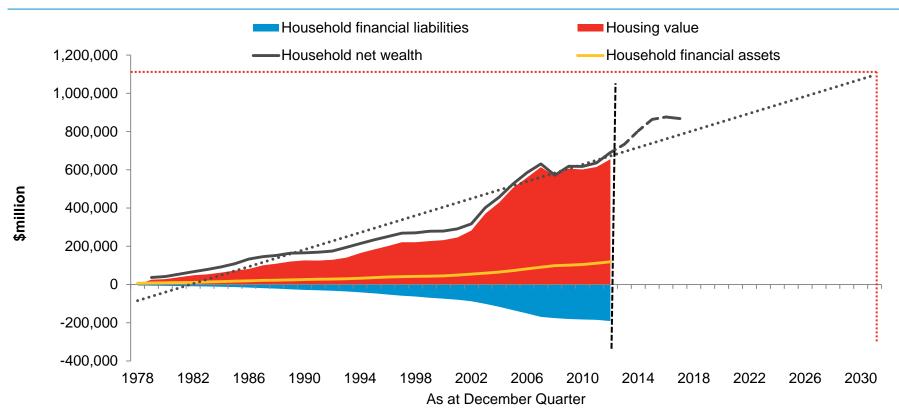
More floor space needed in the future, but some winners and some losers

Investors will morph further into value hunters as yields reach record lows

Is there change on the horizon?

On the horizon – 'household' net wealth

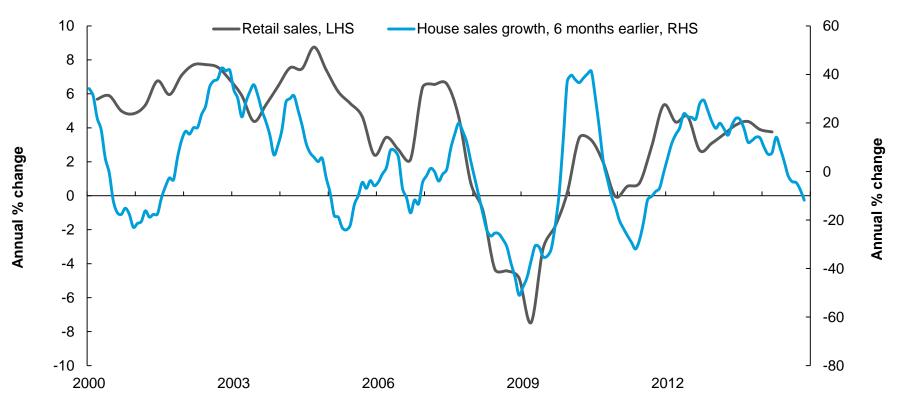




Source: StatsNZ, RBNZ, Westpac, Colliers International Research

Retail's link with housing





Source: StatsNZ, REINZ, NZIER, Colliers International Research



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