



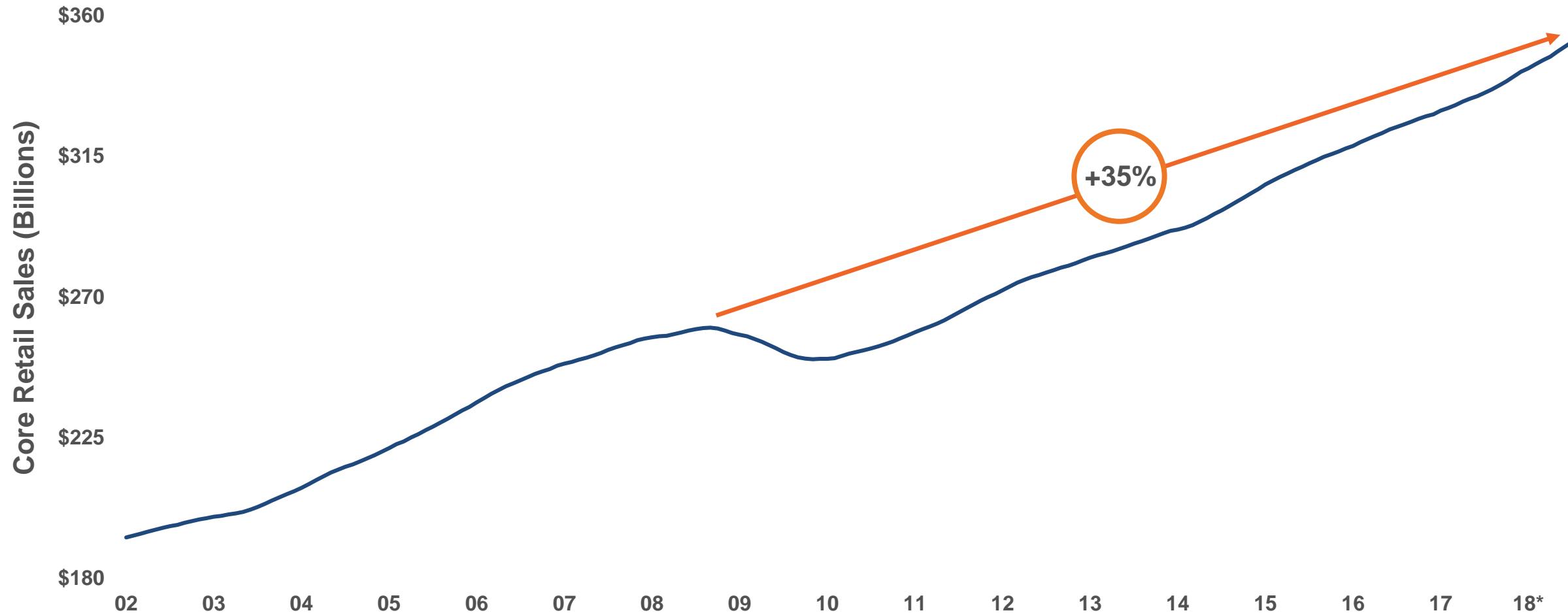
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National Retail Market Trends

2018 NMHC Fall Meeting
September 12-14, 2018

Core Retail Sales at All-Time High

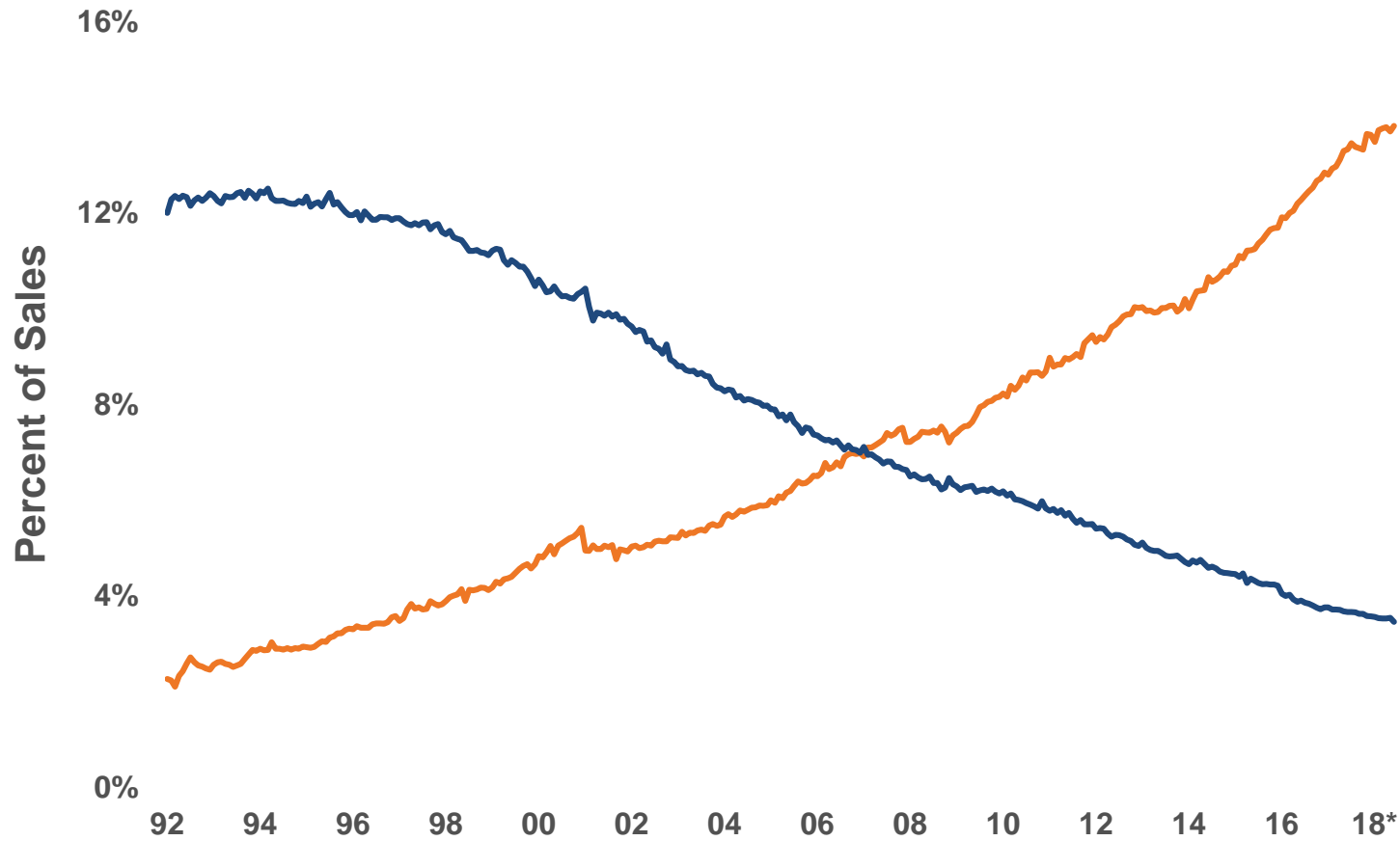


* Through July
Trailing 12-month average
Core retail sales excludes auto and gasoline sales
Sources: Marcus & Millichap Research Services, U.S. Census Bureau

Rise of eCommerce Replaces Department Store Dominance

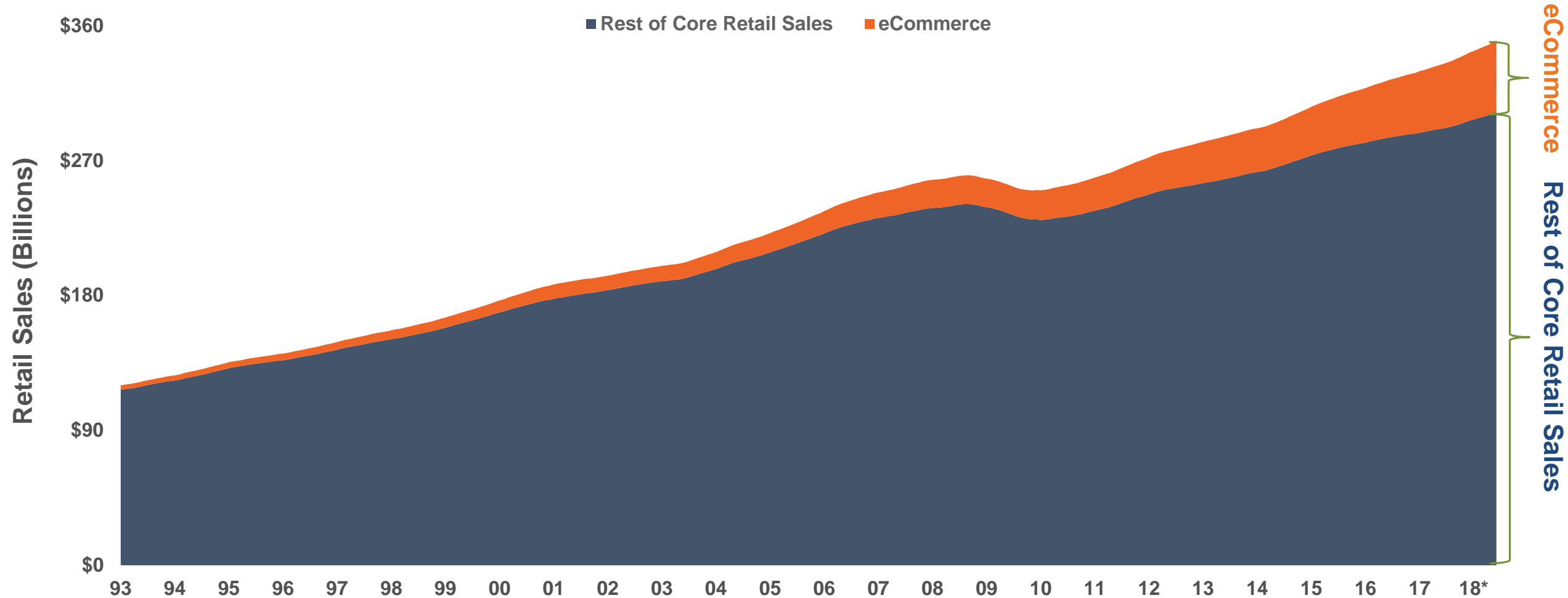
Share of Core Retail Sales

— eCommerce — Department Stores



* Through June
Excludes auto and gasoline sales
Sources: Marcus & Millichap Research Services, U.S. Census Bureau

Online Sales One Piece of the Vast (and Rapidly Changing) Retail Landscape



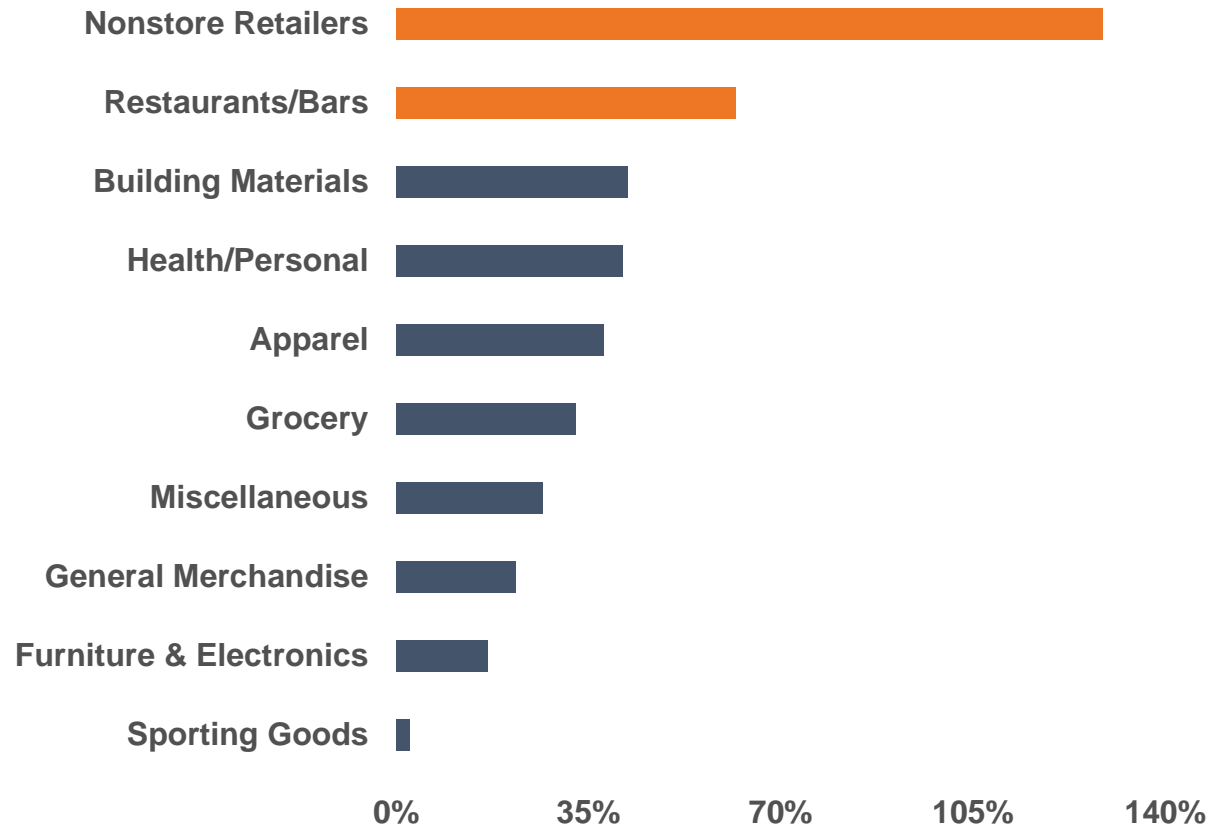
eCommerce
Rest of Core Retail Sales

* Through June
Trailing 12-month average
Excludes auto and gas sales
Sources: Marcus & Millichap Research Services, U.S. Census Bureau

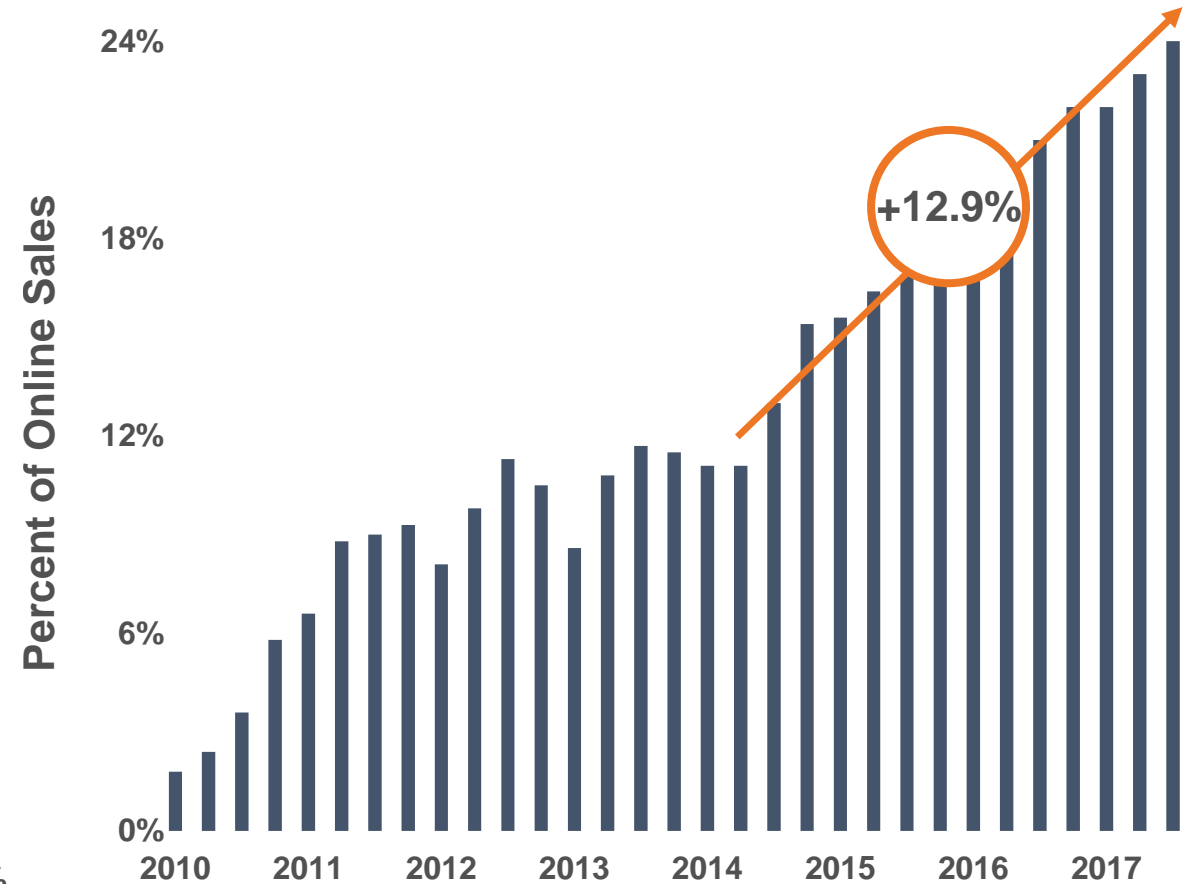


Online Shopping is Fastest Growing Retail Segment; Mobile Commerce Gaining Online Share

Post-Recession Growth
Change from Dec. 2008 to Jul. 2018



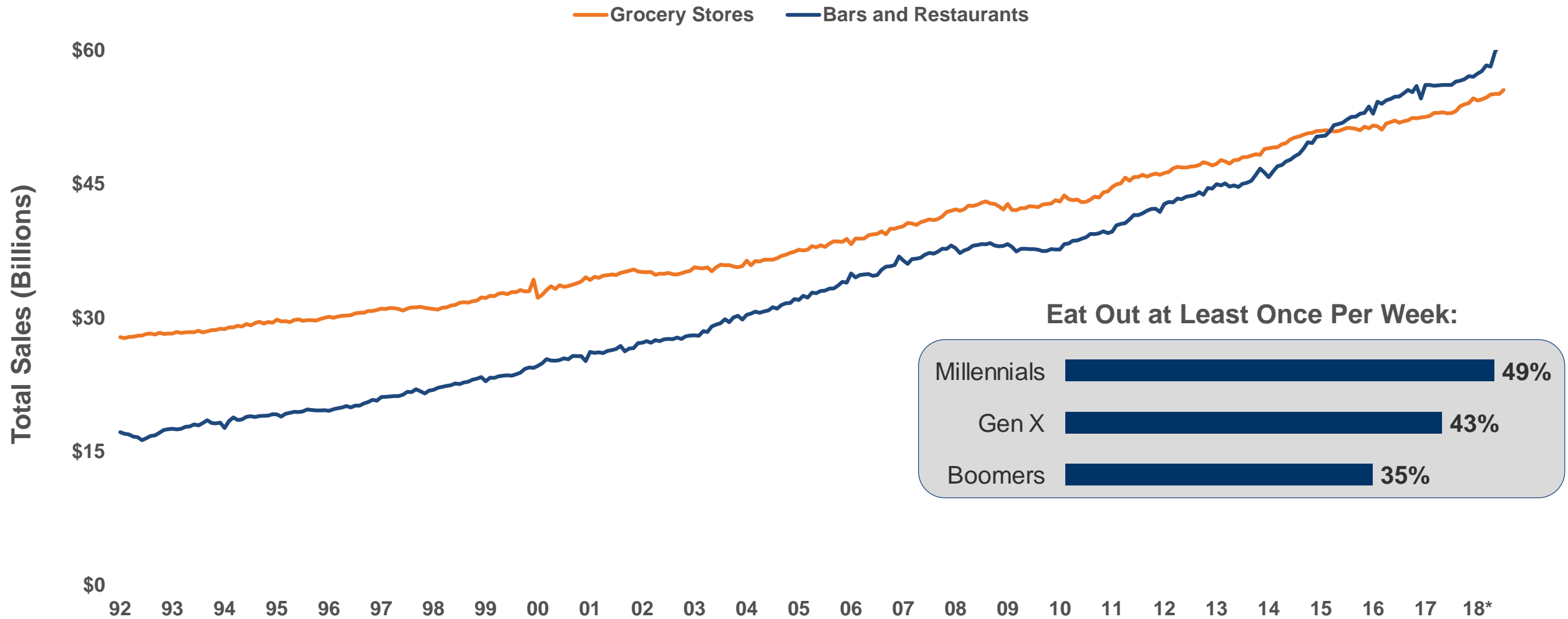
Mobile Commerce Share
of Total Online Sales



Excludes auto and gas sales

Sources: Marcus & Millichap Research Services, U.S. Census Bureau, comScore m-Commerce Measurement

Consumers Spend More on Dining Out Than on Groceries



* Through July
Sources: Marcus & Millichap Research Services, U.S. Census Bureau, "Outlook on the Millennial Consumer 2014" report, The Heartman Group, Pew Research, Morgan Stanley

Graveyard of Retailers Who Failed to Adapt Filling Rapidly



Successful Retailers in the Internet Age



T.J. Maxx

Off-Price
Department
Store



DOLLAR
GENERAL

Discount
Stores



LA | FITNESS

Fitness



COSTCO
WHOLESALE

Warehouse
Club



FIVE
GUYS

Quick-Serve
Restaurant



WARBY
PARKER

Healthcare/
Vision



ULTA
BEAUTY

Health and
Beauty



SPROUTS
FARMERS MARKET

Grocery



UNTUCKit

Fast Fashion



THE
HOME
DEPOT

Home
Improvement

Digital Companies Growing Physical Footprint



100+ stores



270+ stores



(Acquired Whole Foods in June 2017)

570+ stores



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