

What Now?

19TH ANNUAL GENERAL ASSEMBLY
SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS
FEBRUARY 23, 2018

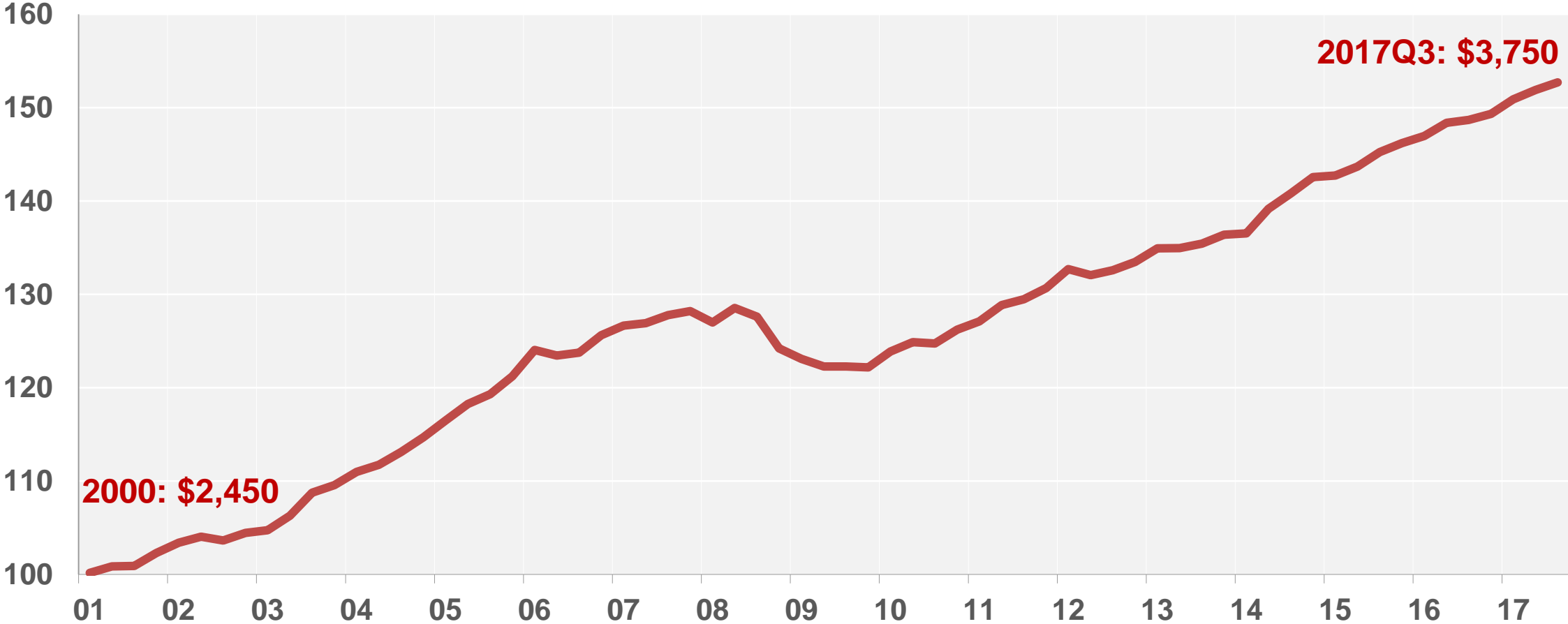
Christine Cooper, Ph.D.
Regional Economist



CoStar™
The knowledge market

Retail Is Not Dead

Growth in Retail Sales (U.S.)
(Real; per capita; Indexed 2000=100)



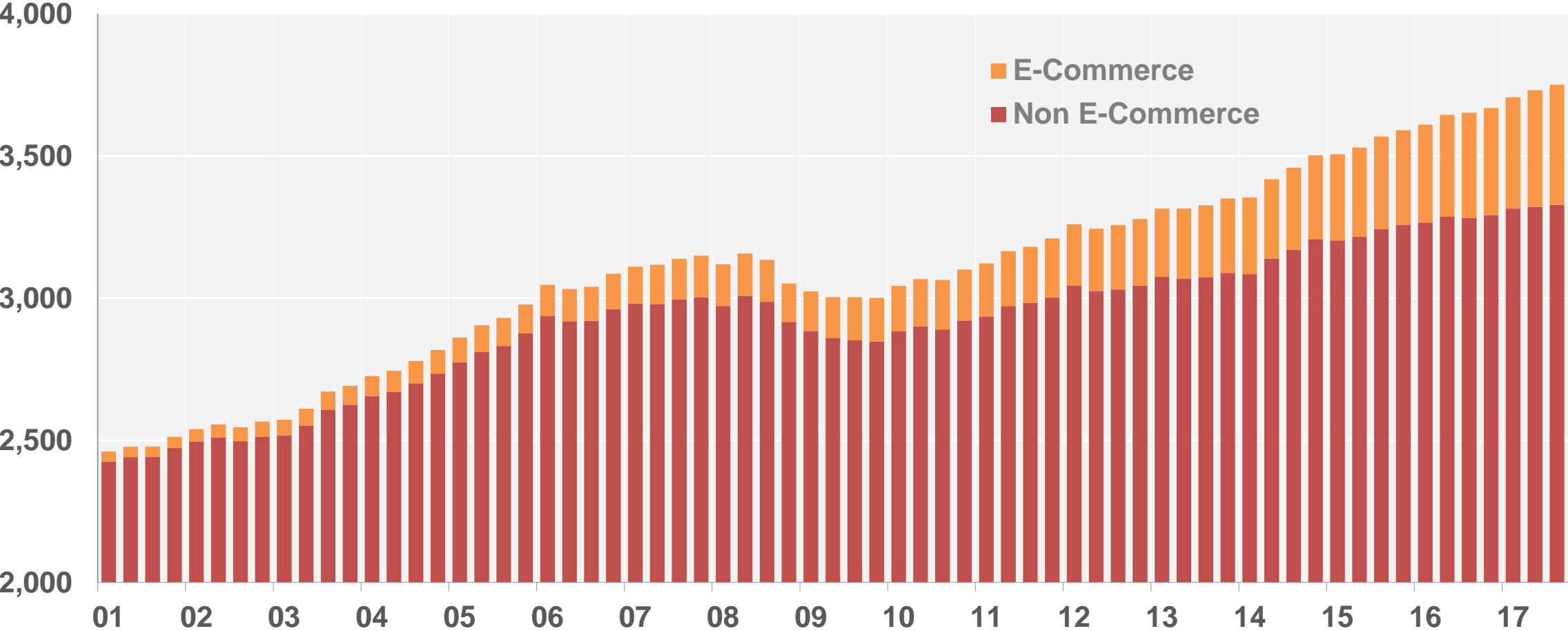
Source: U.S. Census Bureau





But Retail Is Changing

Retail Sales (U.S.)
(Real; per capita)

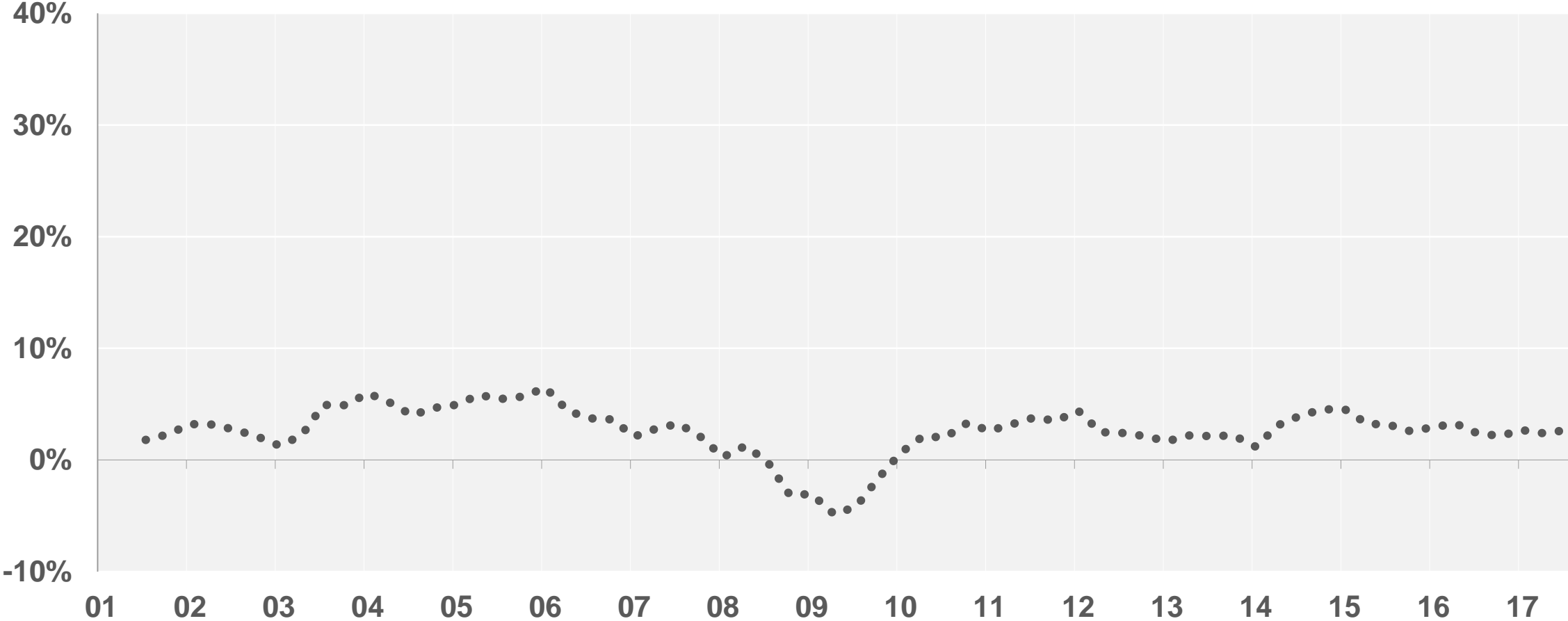


Sources: U.S. Census Bureau; CoStar Group



While Retail Sales Continue to Grow

Annual % Change (U.S.)
(Real; per capita)

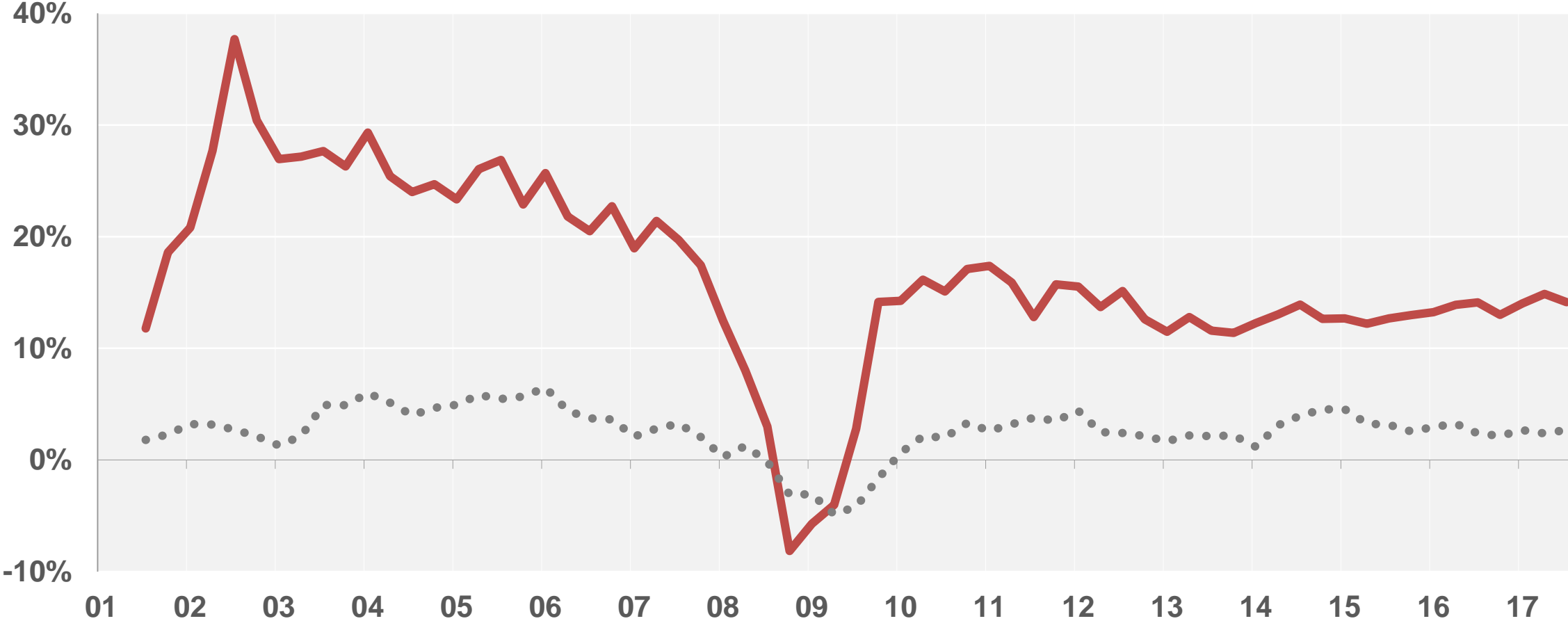


Source: U.S. Census Bureau



E-Commerce Sales Growth Has Been Strong

Annual % Change (U.S.)
(Real; per capita)

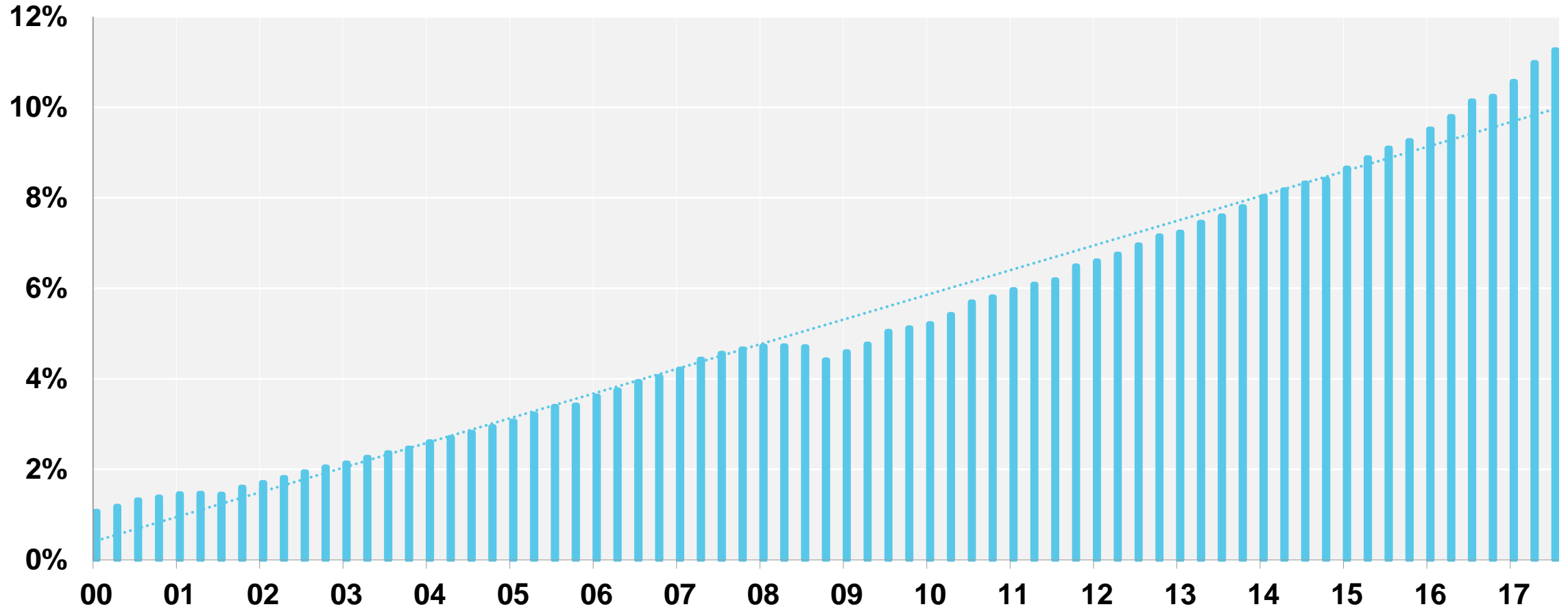


Sources: U.S. Census Bureau; CoStar Group



The Share of Online Retail Has Been Growing

E-Commerce % of Real Retail Sales (U.S.)
(Exc. Auto; Gasoline Stations; Fuel Dealers)



Sources: U.S. Census Bureau; CoStar Group

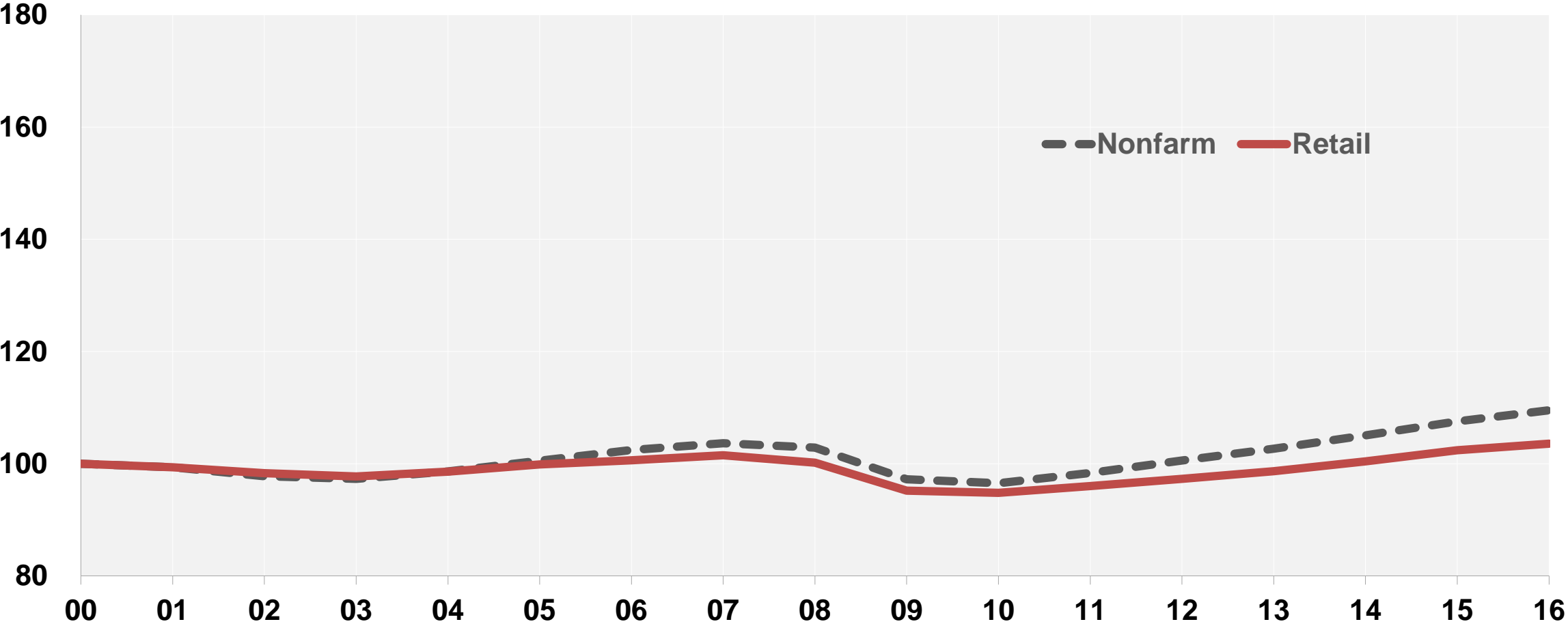


How Has This Evolution Impacted Jobs?



How Has Employment Been Changing?

Growth in Employment (U.S.)
(Indexed 2000=100)

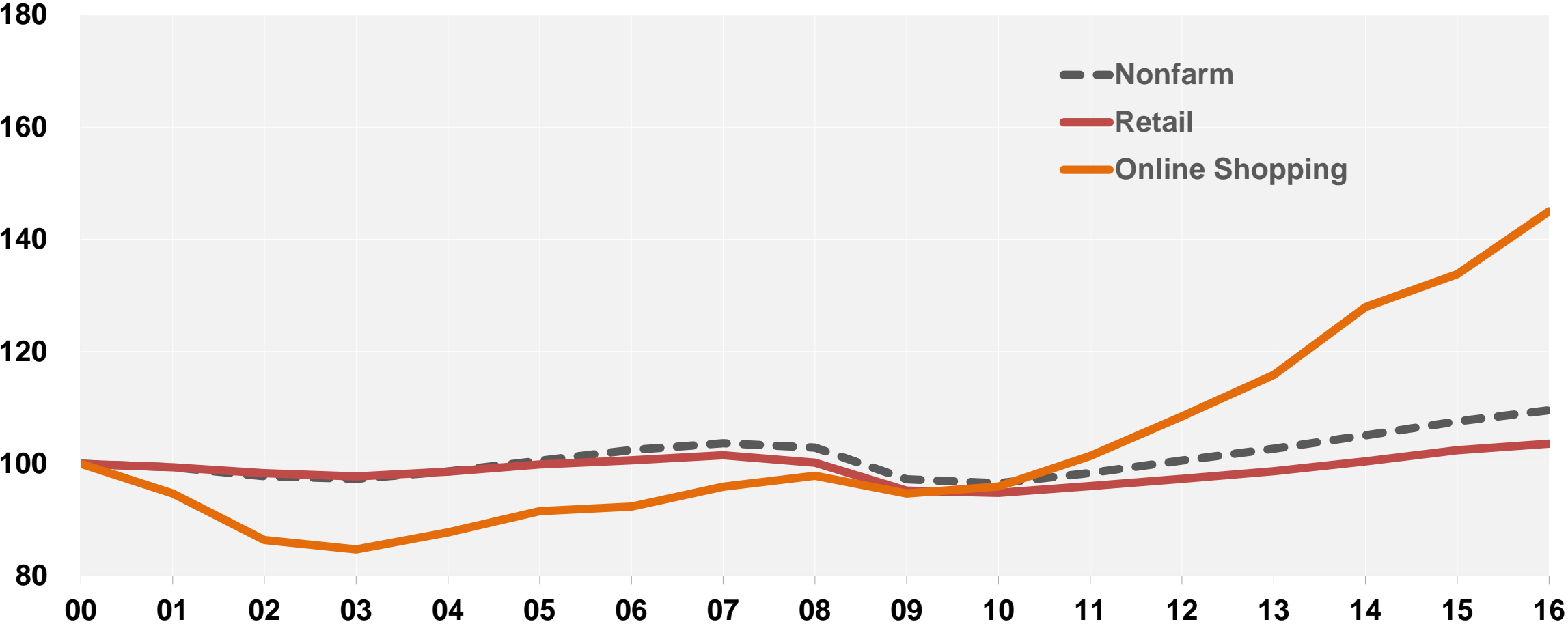


Source: Bureau of Labor Statistics



How Has Employment Been Changing?

Growth in Employment (U.S.)
(Indexed 2000=100)

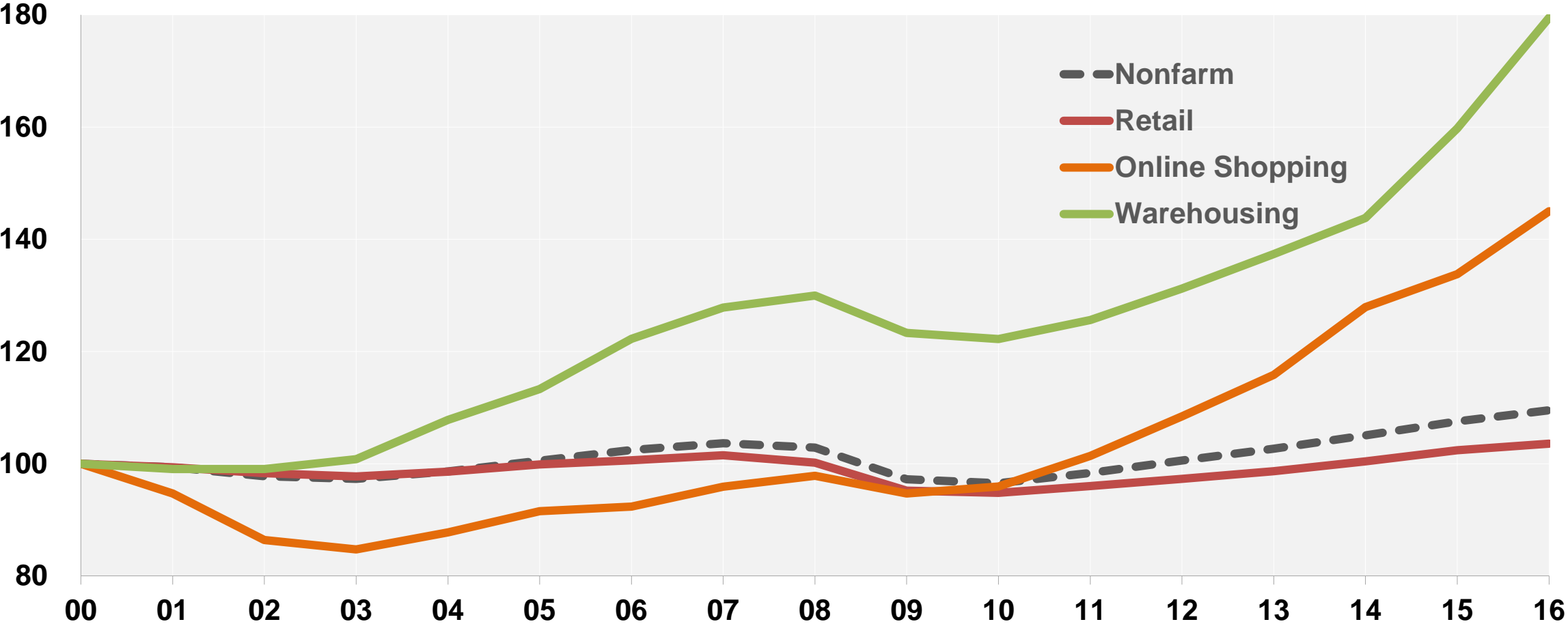


Source: Bureau of Labor Statistics



How Has Employment Been Changing?

Growth in Employment (U.S.)
(Indexed 2000=100)

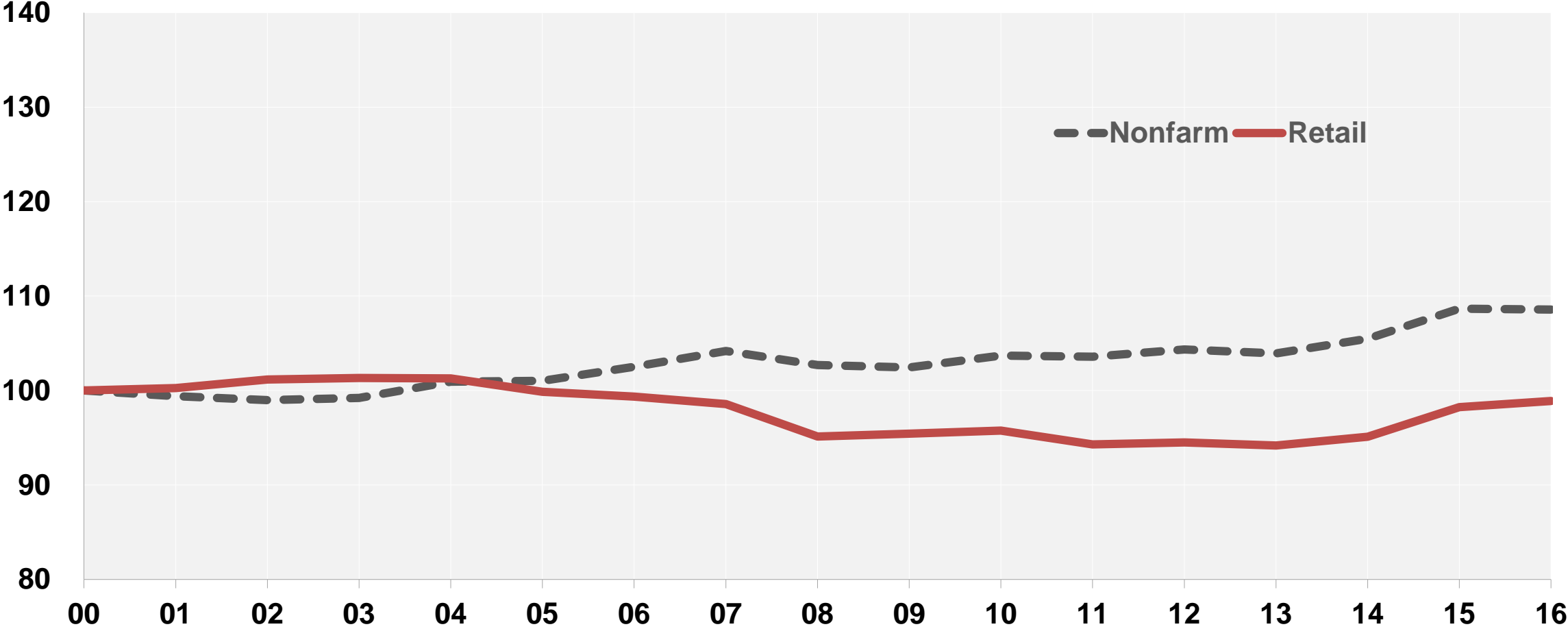


Source: Bureau of Labor Statistics



How About Wages?

Growth in Weekly Wages (U.S.)
(Real; Indexed 2000=100)

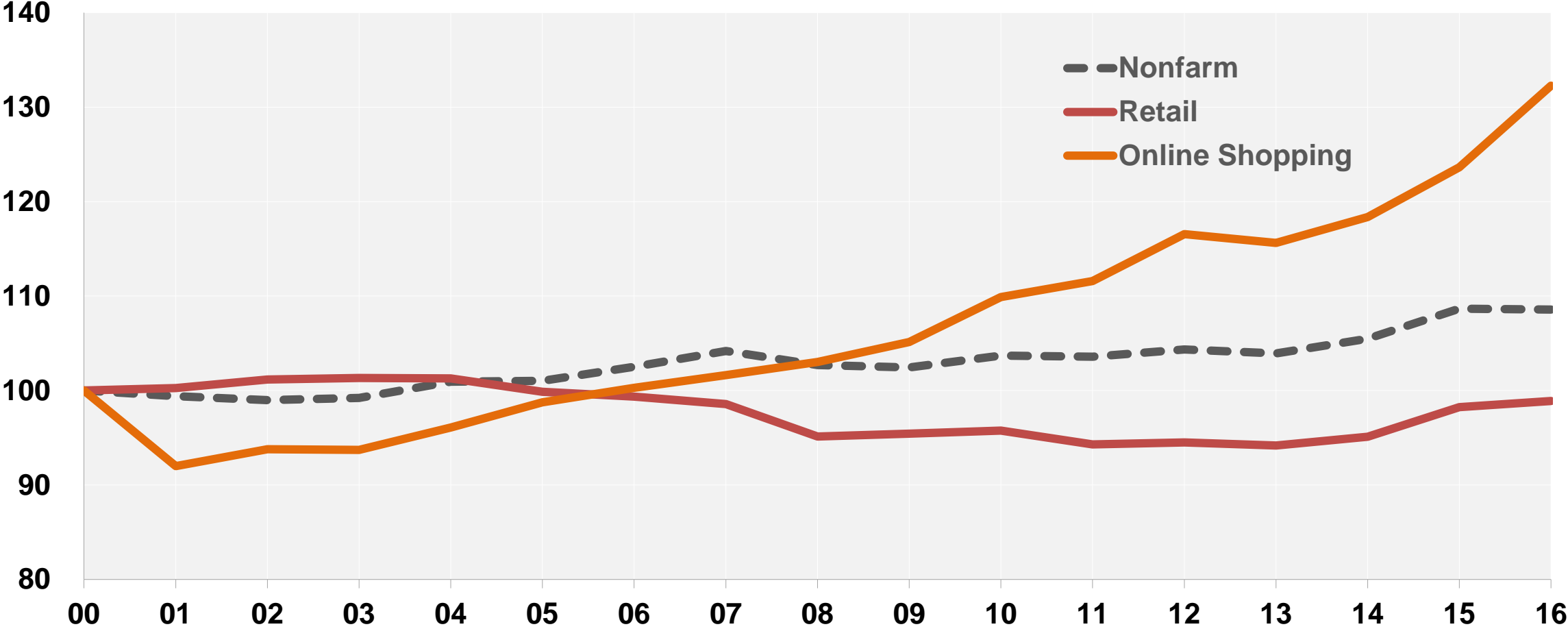


Source: Bureau of Labor Statistics



How About Wages?

Growth in Weekly Wages (U.S.)
(Real; Indexed 2000=100)

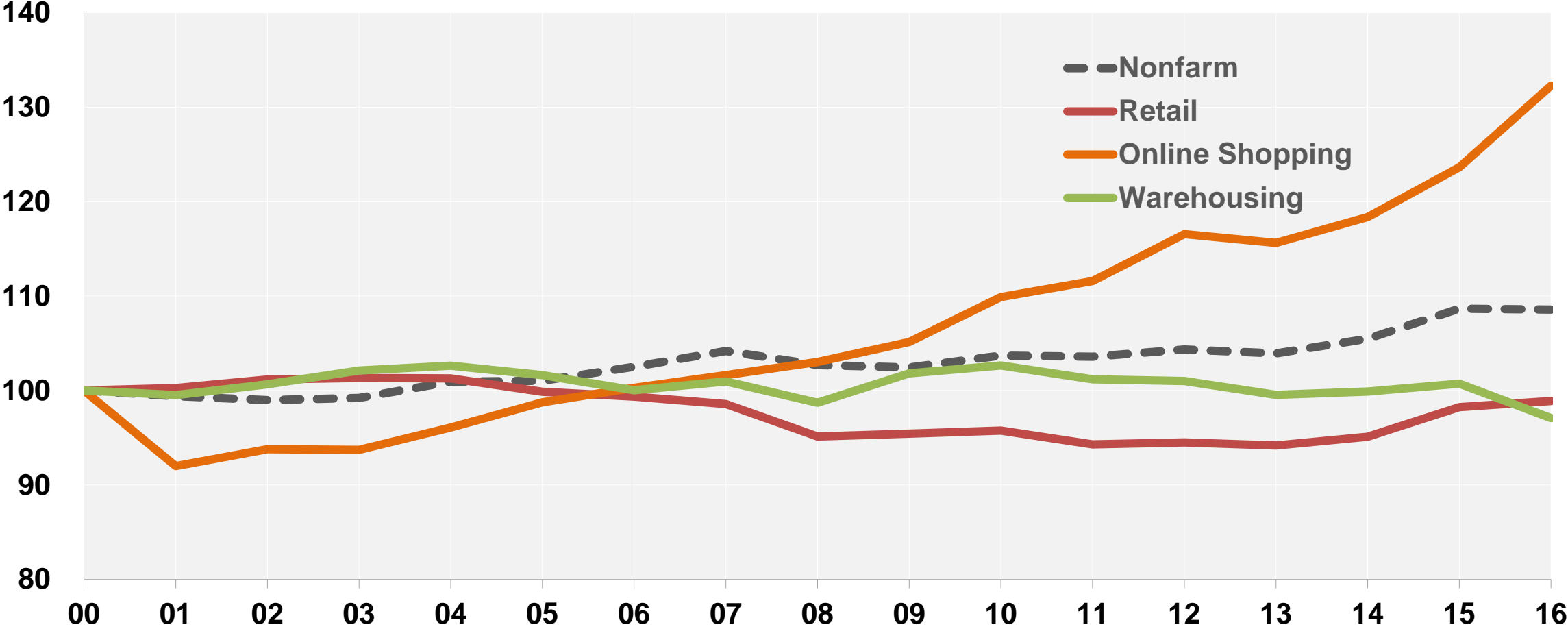


Source: Bureau of Labor Statistics



How About Wages?

Growth in Weekly Wages (U.S.)
(Real; Indexed 2000=100)



Source: Bureau of Labor Statistics

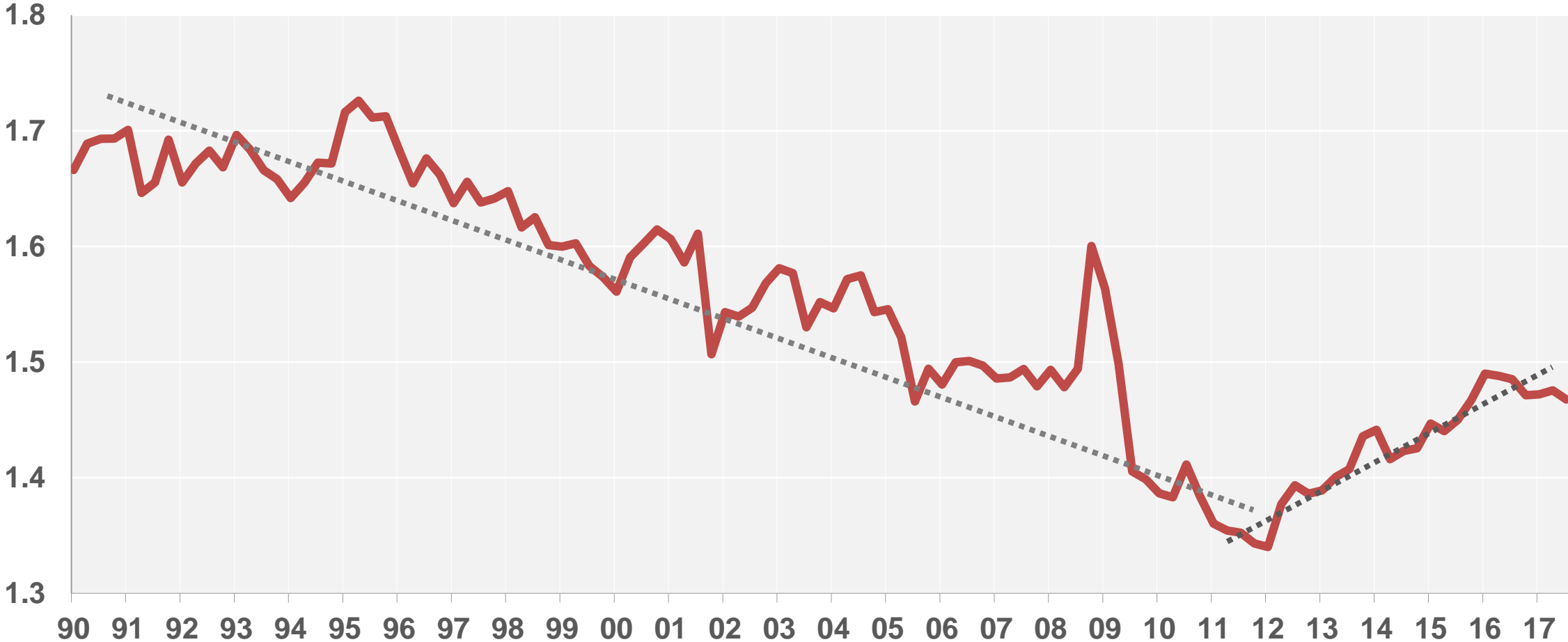


What About Land Use?



Inventories Held Are On the Upswing Again

Retail Inventories to Retail Sales Ratio (U.S.)

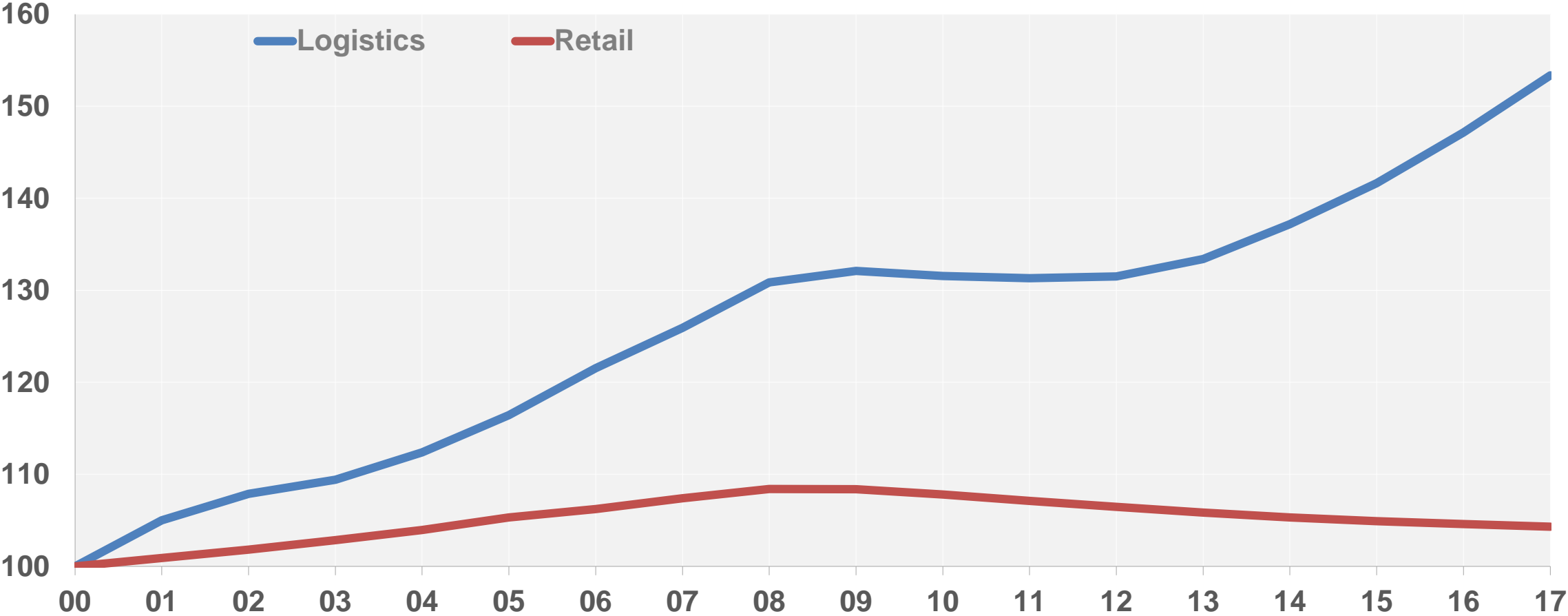


Source: U.S. Census Bureau



Retail Space Languishes, Warehouse Space Grows

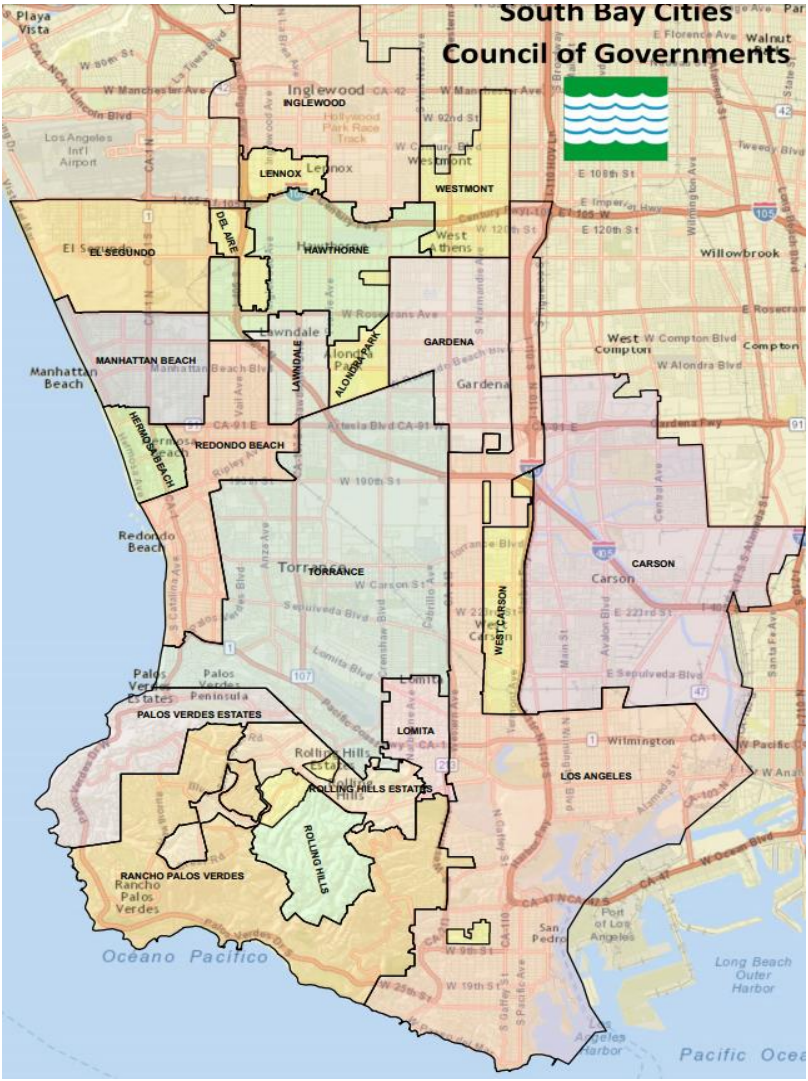
Growth in Square Footage (U.S.)
(Per capita)



Source: CoStar Group



Mapping the South Bay Cities

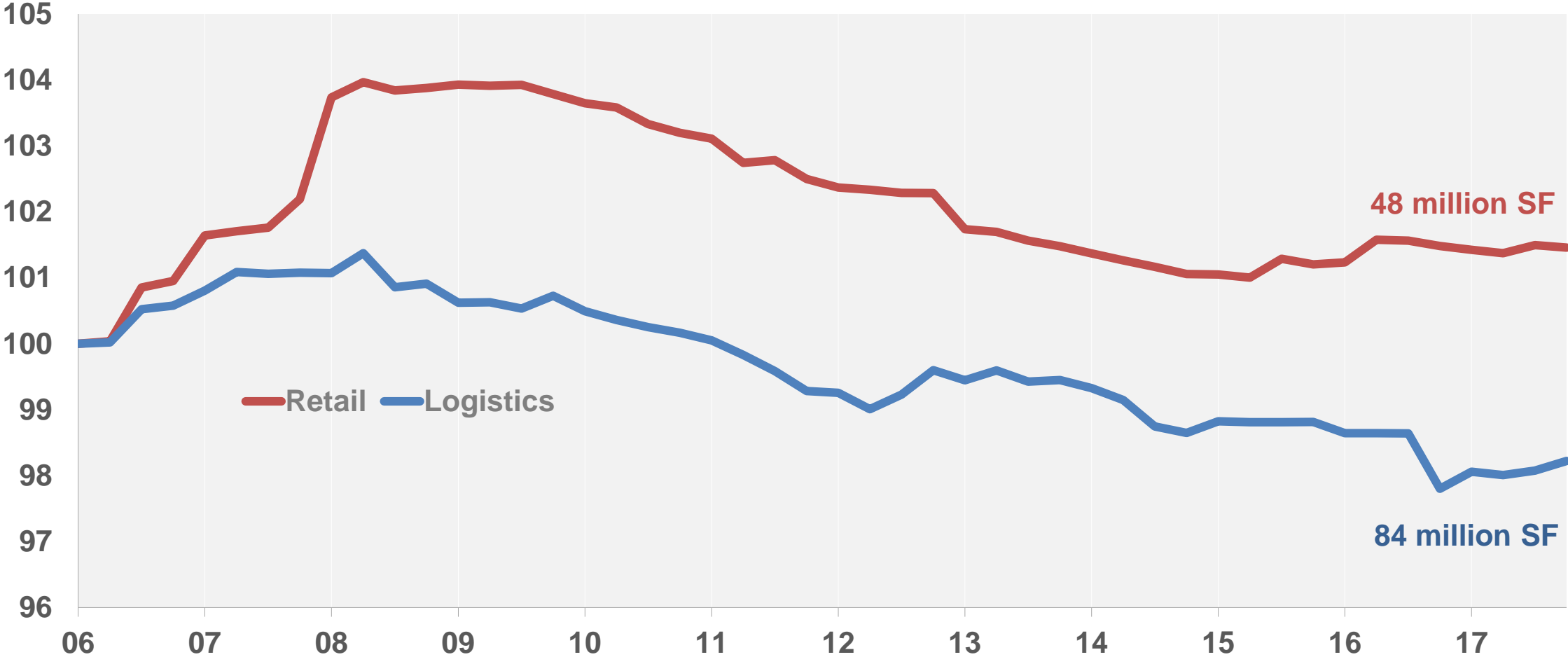


Sources: SBCCOG; CoStar Group



How Does This Look in South Bay Cities?

Growth in Square Footage (SBC)
(Per capita)

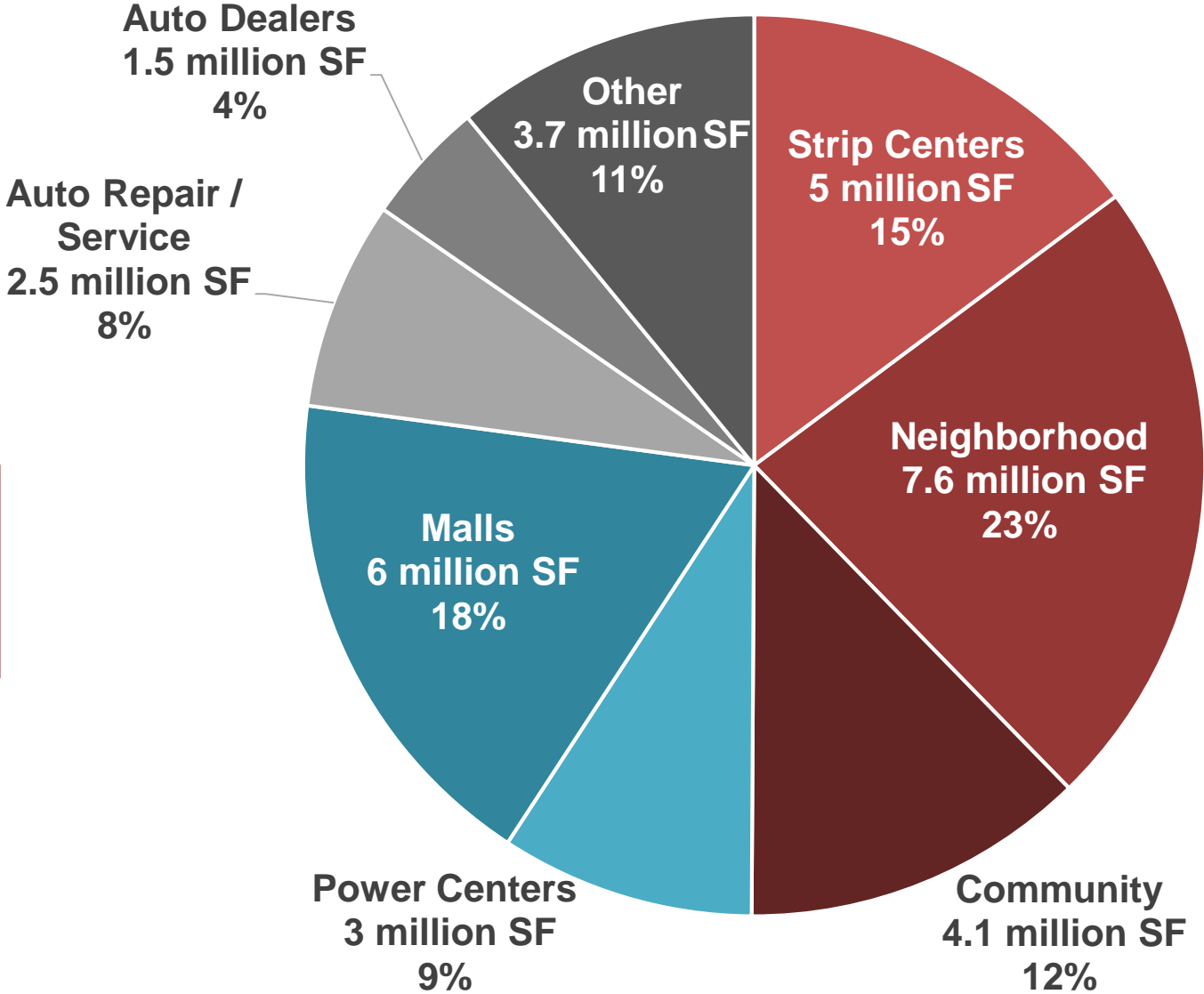


Sources: CA Department of Finance; CoStar Group



Retail Inventory in SBC By Type

As of Feb 15 2018



**Total Retail Inventory SBC:
48.1 million SF**

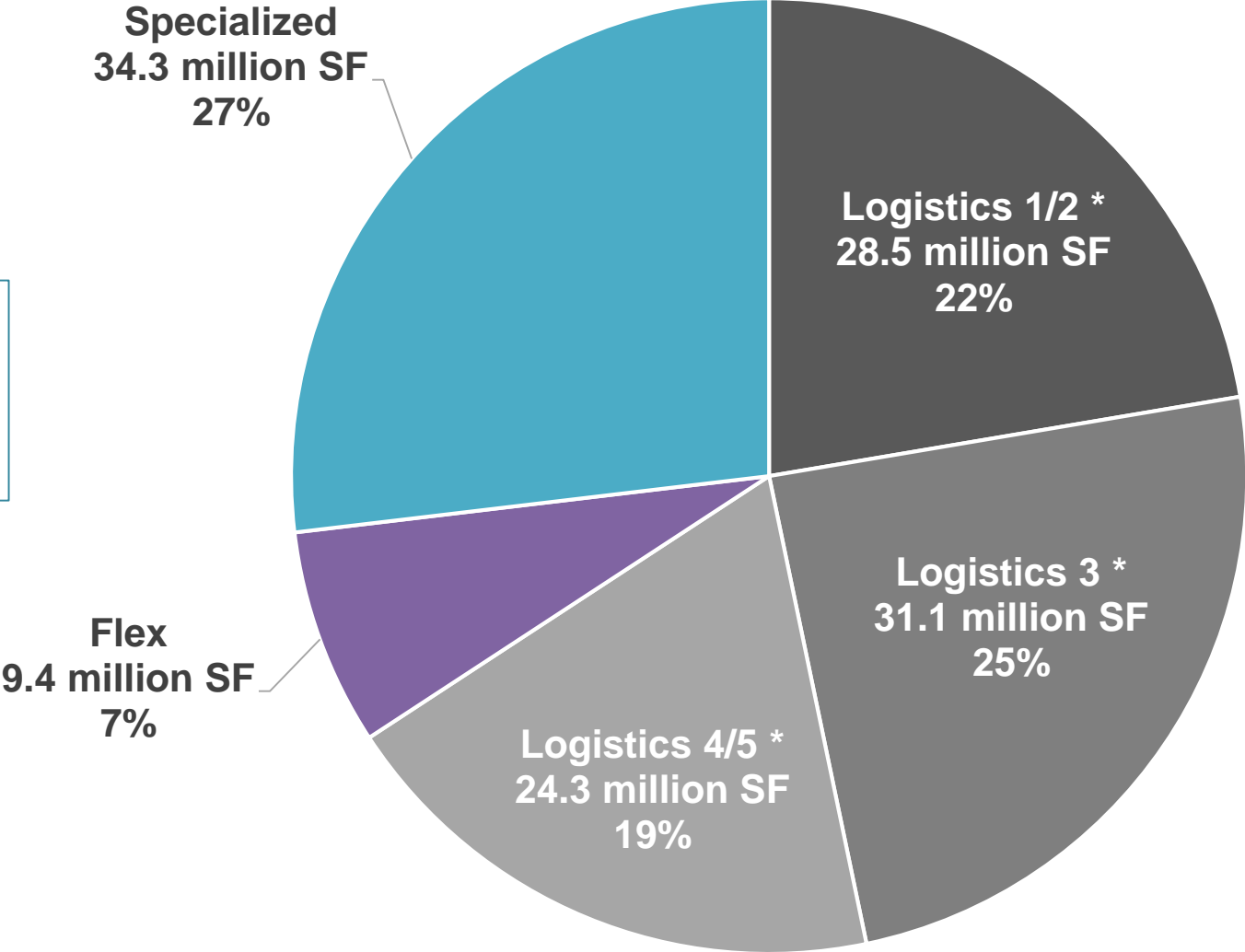
Source: CoStar Group



Industrial Inventory in SBC By Type

As of Feb 15 2018

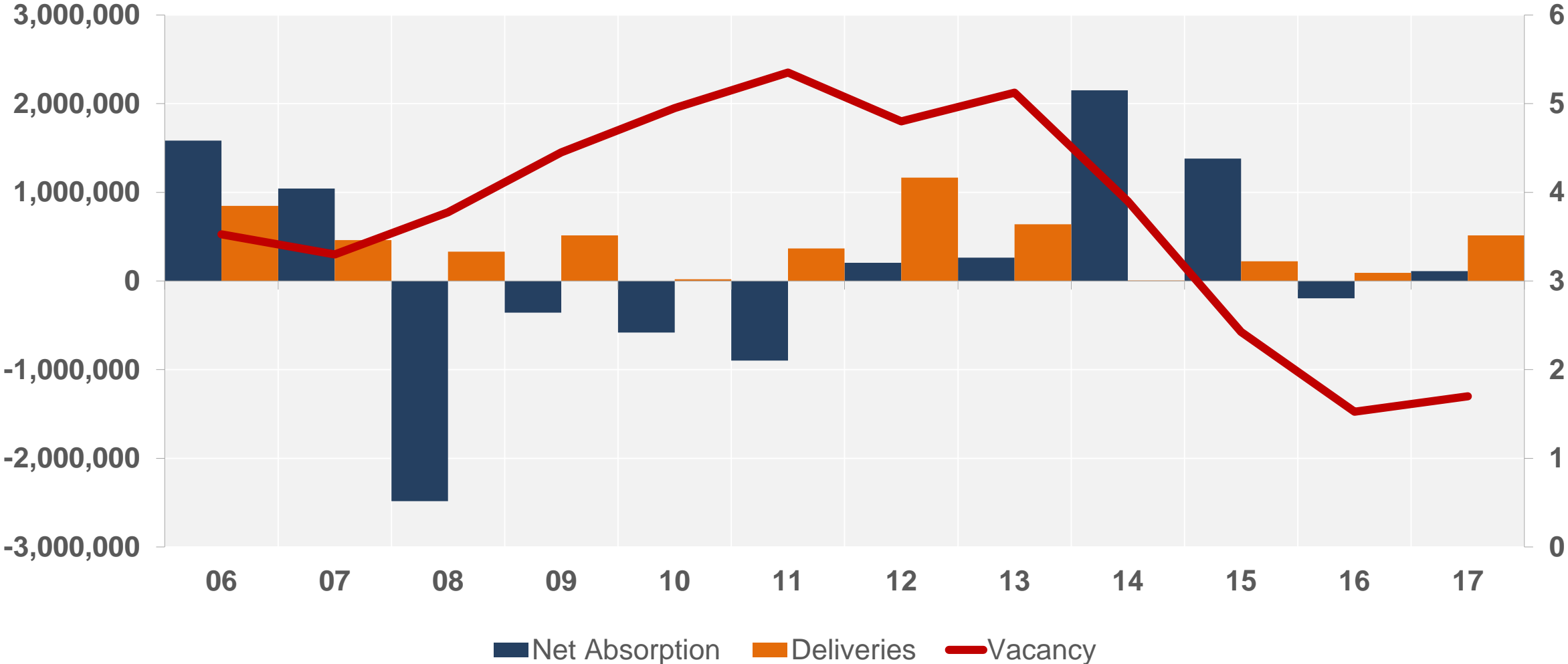
**Total Industrial
Inventory SBC:
127.5 million SF**



Source: CoStar Group



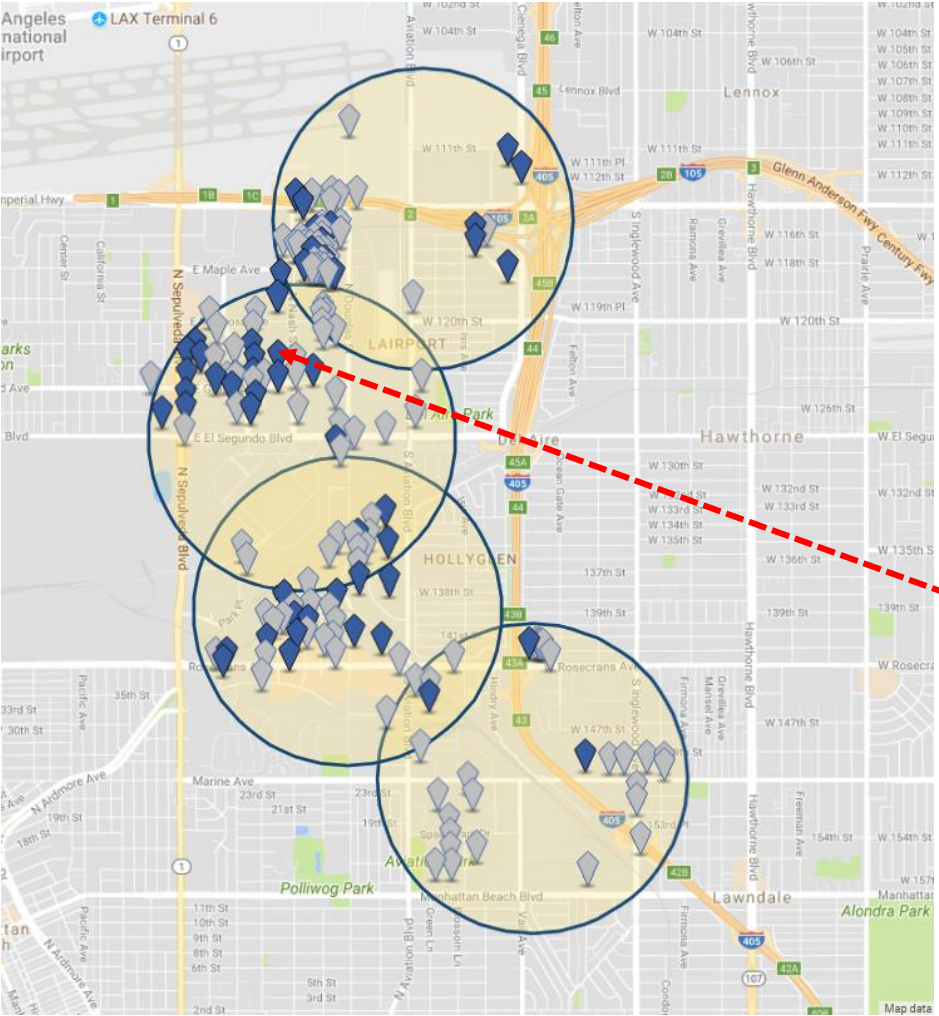
Industrial Market Fundamentals in SBC



Source: CoStar Group



Industrial Inventory Near Transit in SBC



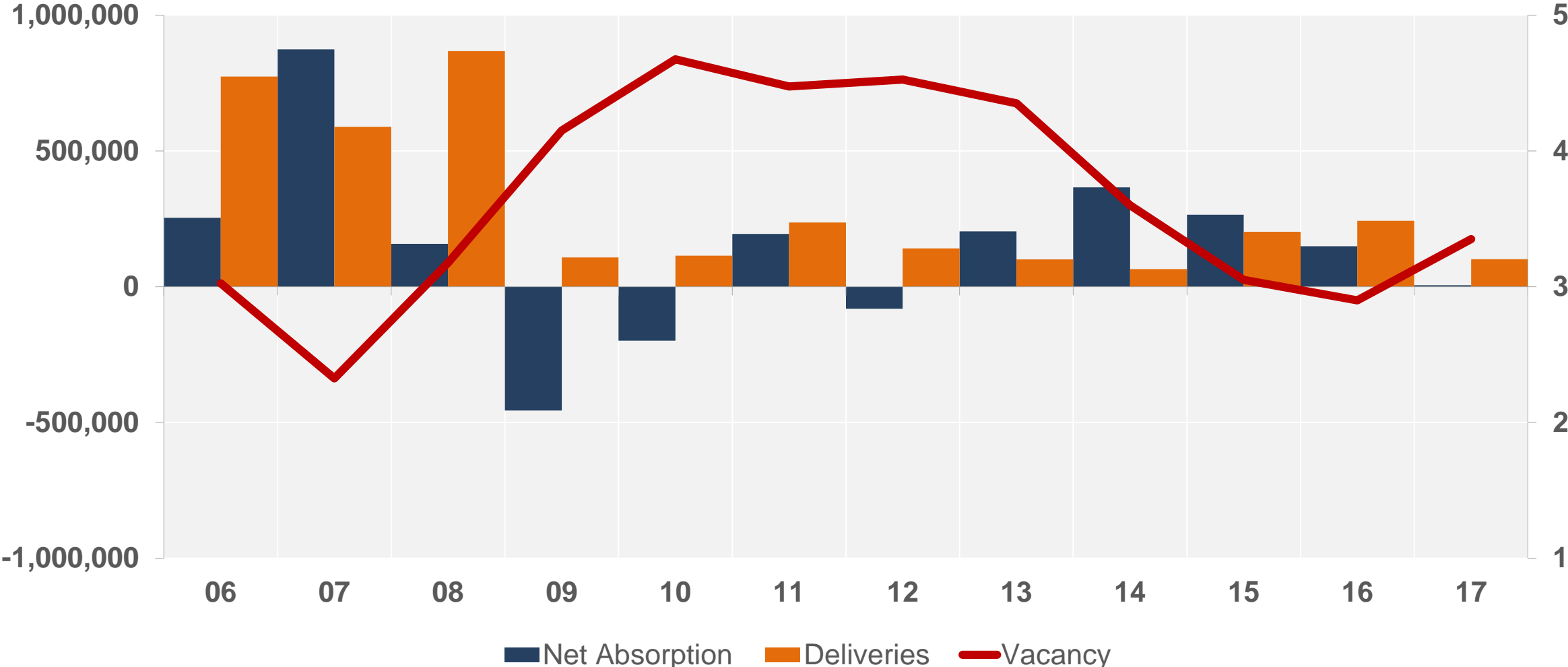
T5@LA (Delivered May 2011)
117,000 SF Industrial Telecom Hotel/Data Hosting



Source: CoStar Group



Retail Market Fundamentals in SBC

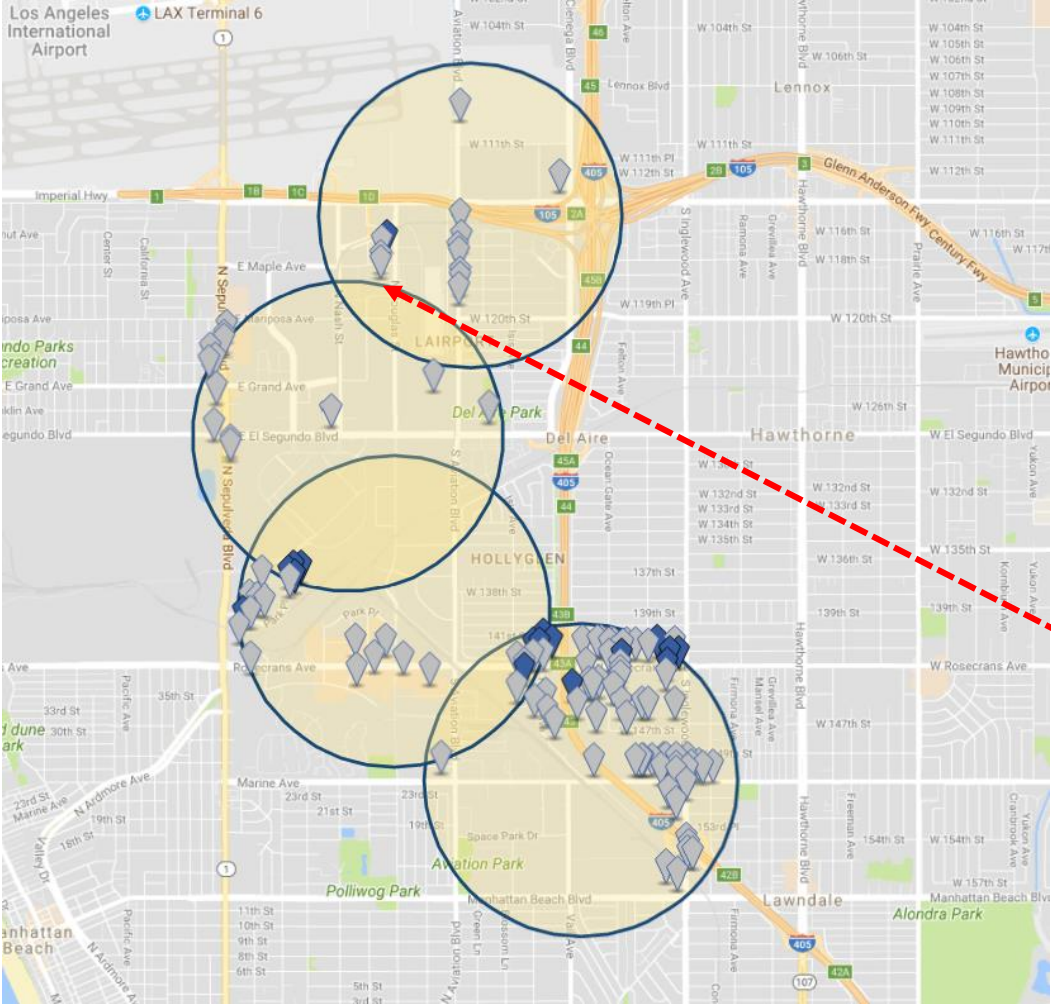


Source: CoStar Group



Retail Inventory Near Transit in SBC

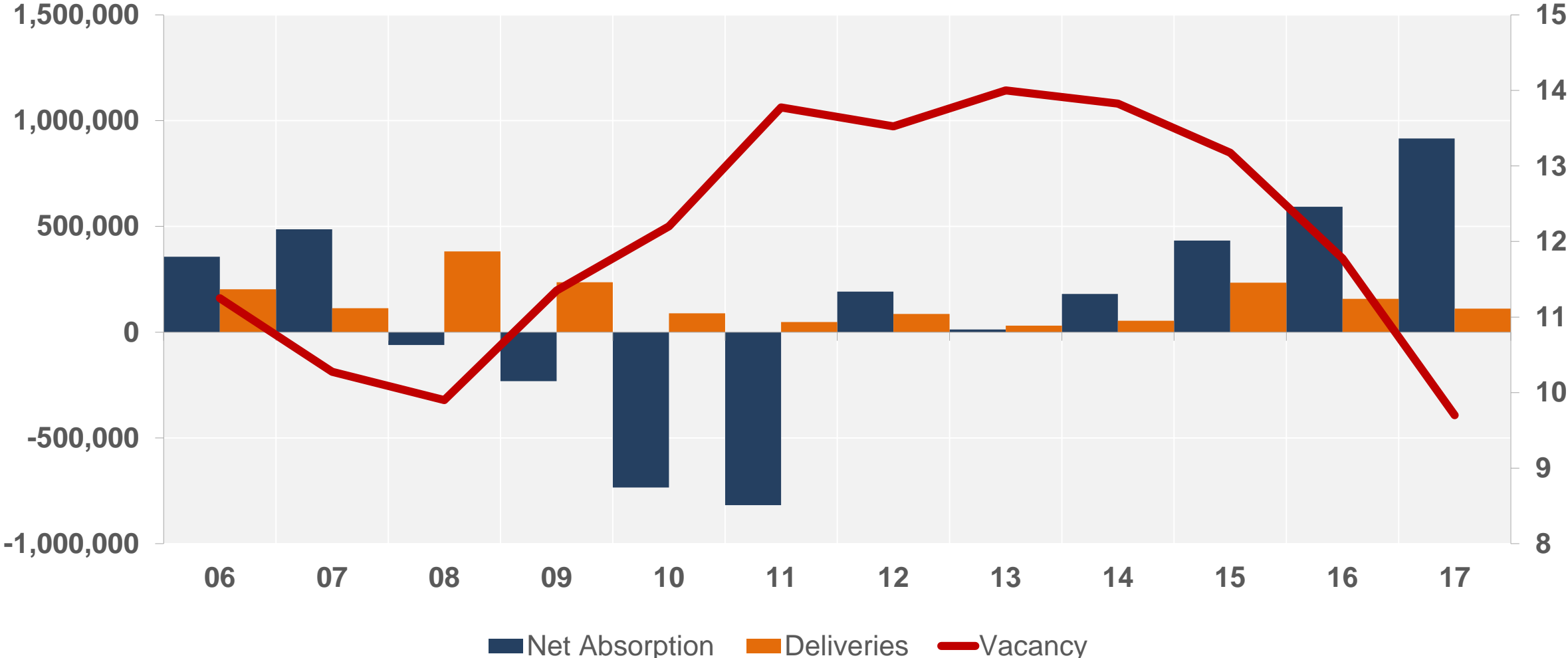
**Elevon at Campus El Segundo (Delivered Aug 2015)
13,500 SF Retail Center integrated with office
buildings, athletic fields, and new Hyatt Place Hotel.**



Source: CoStar Group



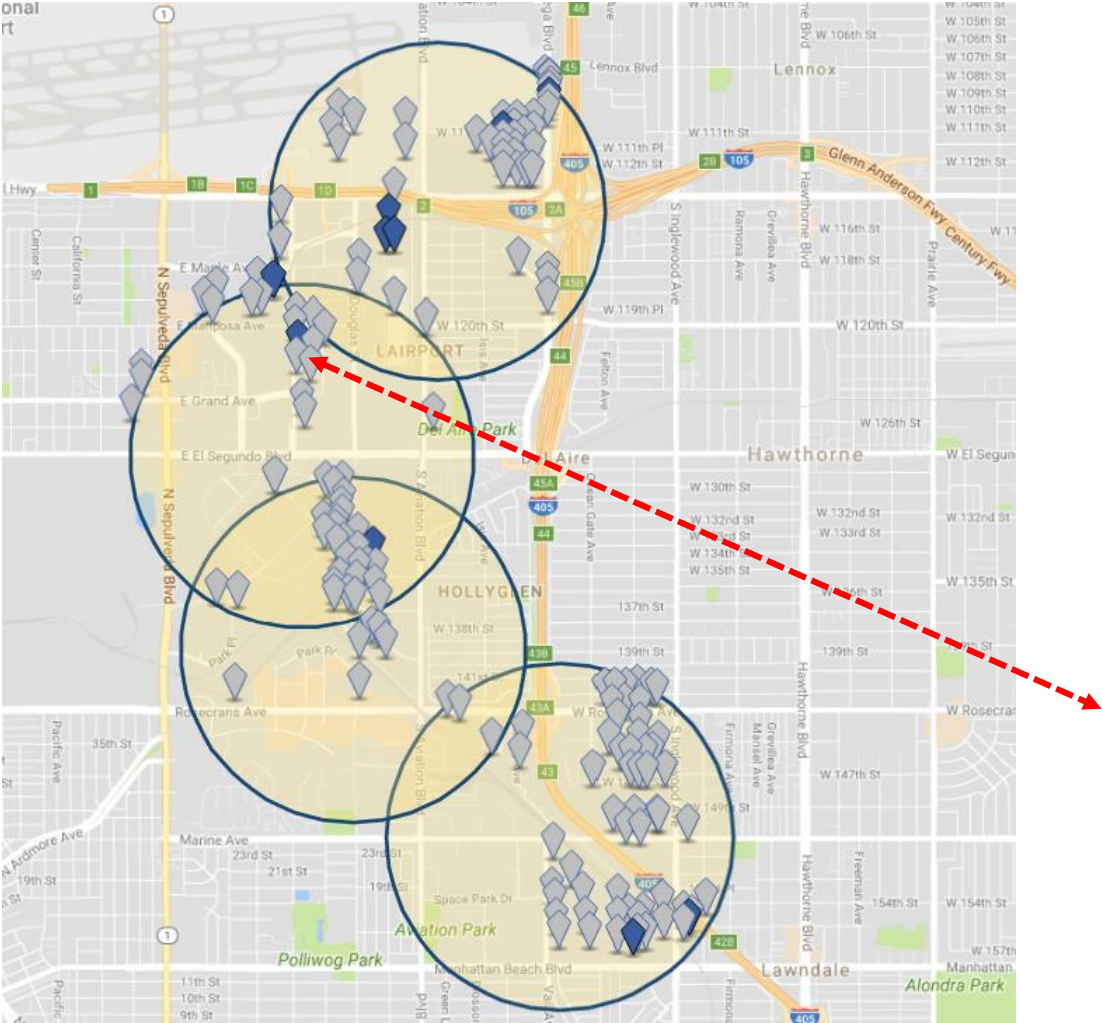
Office Market Fundamentals in SBC



Source: CoStar Group



Office Inventory Near Transit in SBC



E Maple Avenue (Delivered Dec 2017)
11,000 SF – 55% leased, \$56.4/SF asking rent
Tenant: Moose Toys



Source: CoStar Group





Christine Cooper, Ph.D.
ccooper@costar.com
(844) 474-2950



CoStar™
The knowledge market