

AN EXPRESS LANE OF CHANGE

The retail industry continues to undergo disruptive changes due to e-commerce. Some retailers have adapted to this new reality by offering an omni-channel presence and right-sizing their store bases. However, other retailers have been slow to adapt, are struggling to remain relevant, and are experiencing more significant store closures.

EVERYTHING MUST GO

Formerly leading retailers have been liquidated.

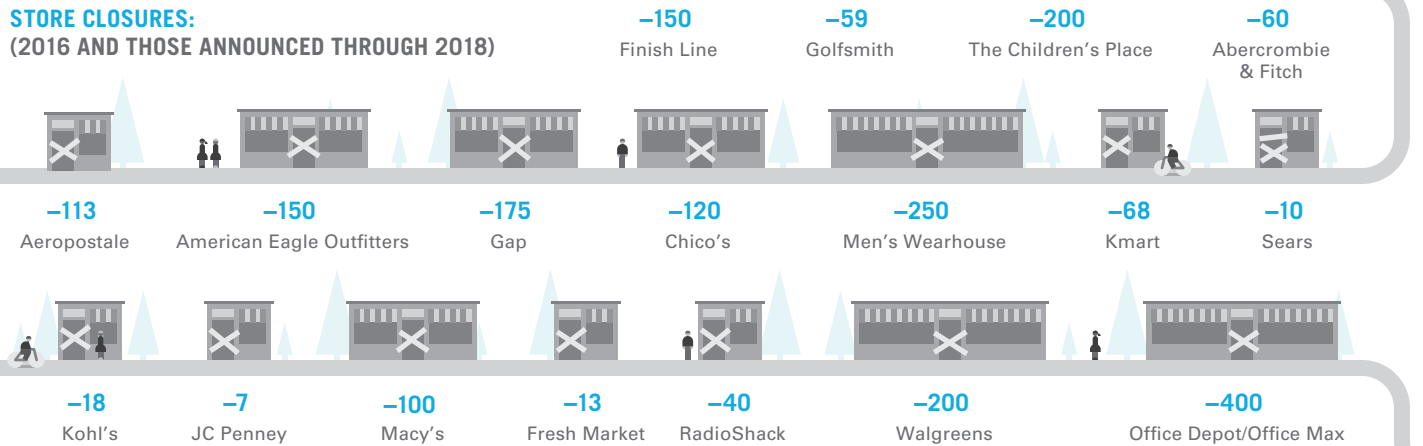
STORES CLOSED IN 2015 AND 2016:



TRYING ON A SMALLER SIZE

Once the cornerstones of vibrant retail destinations, many well-known retailers are shuttering hundreds of locations.

STORE CLOSURES: (2016 AND THOSE ANNOUNCED THROUGH 2018)



THIS SPACE FOR RENT: MALLS CONTINUE TO STRUGGLE

Once the anchor of traditional mall environments, department stores continue to struggle and see shrinking square footage.

▼ 7% DEPARTMENT STORE SQUARE FOOTAGE 2006-2016

Source: The Wall Street Journal



RETAIL TRENDS



▲ **4% RETAIL SALES***
Q1-Q2, 2015 TO Q1-Q2, 2016

NOVEMBER 2016



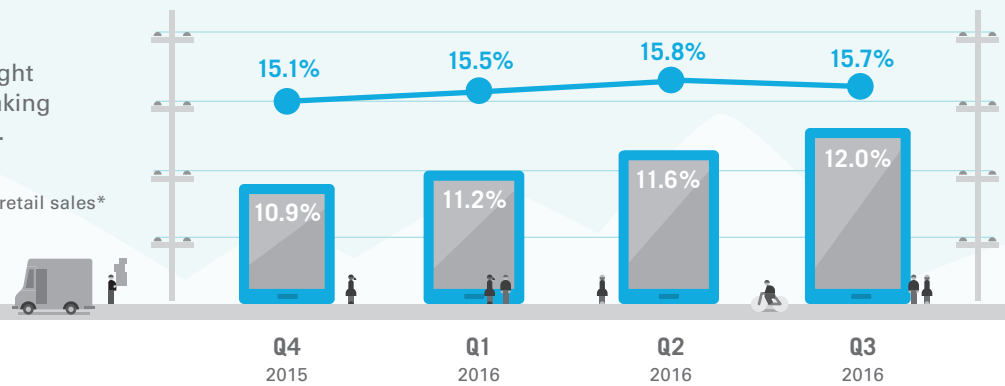
*Excluding gas and auto

E-COMMERCE DELIVERS

E-commerce continues to be a bright spot in the overall retail picture, taking an ever-larger percentage of sales.

- E-commerce growth year-over-year
- E-commerce, as a percentage of total retail sales*

*Excluding gas and auto
Source: U.S. Commerce Department



RINGING IN THE SEASON

Holiday retail sales are expected to rise this year, with e-commerce growth outpacing total growth by at least twofold.

Source: National Retail Federation



ROCK BOTTOM BARGAINS BUILD A FOUNDATION FOR OFF-PRICE

Off-price retailers continue to expand their store base as consumers hunt for deals.

▲ **4% OFF-PRICE DOMESTIC SQUARE FOOTAGE** PROJECTED IN 2016

Source: Moody's

25 OPENED
Ross Stores
Sep/Oct 2016

9 OPENED
dd's Discounts
Sep/Oct 2016
(subsidiary of Ross Stores)

14 OPENED
TJX
Q2 2016

6 OPENED
Nordstrom Rack
Through Q2 2016

ADAPTING TO A NEW REALITY

E-commerce continues to drive sales at many retailers, and the intellectual property associated with retailers embracing omni-channel has gained value. Total retail sales are up compared to last year and have increased every month through September 2016. Holiday sales projections are also positive, despite many well-known retailers liquidating stores. While some department stores and specialty retailers are closing, off-price retailers continue to grow.

TO LEARN MORE, DOWNLOAD GA'S RETAIL MONITOR AT
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