

A photograph of a dark grey sign with white text that reads "Lincoln Center Theater". The sign is mounted on a building facade, and a cityscape is visible in the background under a clear sky.

Lincoln Center Theater

**RETAIL UPDATE: CURRENT EVENTS
IN RETAILING, RETAIL REAL ESTATE, MANHATTAN +
LINCOLN SQUARE**

PRESENTED TO LINCOLN SQUARE BID

MAY 12, 2021

The logo for RIPCO Real Estate, featuring the word "RIPCO" in a large, bold, white sans-serif font, with "REAL ESTATE" in a smaller, white sans-serif font directly below it. The background is a dark grey grid of small dots.

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OPTIMISM SCALE – MAY 2021

FACTOR	VALUE	WEIGHT	RESULT
Virus resurgence	3	10.0%	0.30
% of population being vaccinated is increasing	10	20.0%	2.00
Safety to venture out	8	15.0%	1.20
Stimulus checks will increase spending	7	15.0%	1.05
Positive consumer sentiment	6	10.0%	0.60
Home value has increased	5	7.5%	0.38
Savings Rate has increased for U.S. consumers	4	7.5%	0.30
Public policy & politics	4	3.5%	0.14
Stock market hitting record highs	4	7.5%	0.30
Supply constraints / Inflation	4	4.0%	0.16
	5.5	100.0%	0.64

* March 2021 = 0.56

LINCOLN SQUARE BID |
RETAIL UPDATE
NYC TOPICS

- Overall Market Statistics
- Upper West Side Statistics
- Public Policy Impact
- Restaurant Revitalization Program
- Return to Home
- Return to Work
- Return to Culture
- Return to Tourism



LINCOLN SQUARE BID | RETAIL UPDATE 2020 IN REVIEW

- Manhattan Leading Submarkets Availability:

2019: 21.2%

2020: 26.7%



- Manhattan Upper West Side Availability:

2019: 13.8%

2020: 20.8%



LINCOLN SQUARE BID | RETAIL UPDATE

SHIFT IN SHOPPING CENTER OCCUPANCY

- Since April 2020, the REIT Index has increased 100%
- 2014 – 2020 – Shopping Center Retailer Category Rebalance

↑↑ Non-Retail / Non-Food 19.5% to 26% **+6.5**

↑↑ Food 6.9% to 8.3% **+1.4%**

↓↓ Retail 73.6% to 65.8% **-7.9%**

LINCOLN SQUARE BID | RETAIL UPDATE

TRENDLINES

- ✓ Approximately 140 million people have received at least one vaccine dose
- ✓ Strong consumer spending through 2021 with pent up demand
- ✓ Retail real estate has been dealing with the retail apocalypse since 2016
- ✓ Covid-19 has accelerated the trend line
- ✓ Concerns:
 - Back to the office
 - Domestic travel must begin followed by international
 - Government incentives crowding out business growth
 - Safety and security
- ✓ General market opinion is with the arrival of Fall 2021, we expect to have a clearer indication of sustainable business confidence in Manhattan, which will have a corresponding effect upon recovery of the retail leasing market

LINCOLN SQUARE BID | RETAIL UPDATE

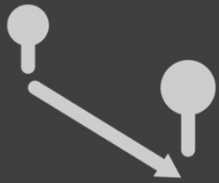
TRENDLINES

- **Current economic environment is being driven by huge increase in federal stimulus**
 - Retail Sales **33%**
 - Job Growth
 - Job Opening
 - Housing Prices
 - GDP **7%**
 - Savings **13%**



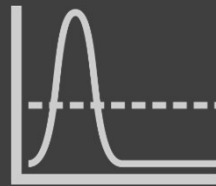
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LINCOLN SQUARE BID | RETAIL UPDATE
2021 THEMES



MIGRATION

- Essential to Optional
- Necessity v. Discretionary shopping
- E-commerce
 - Rose to 25% of sales from 18%, falling back to 22% as of Q1 2021



FLATTENING

of retail bankruptcy + store closing tsunami trend



SHIFT

back to brick + mortar

LINCOLN SQUARE BID | RETAIL UPDATE

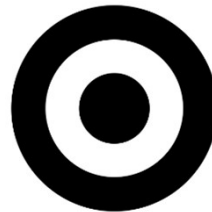
UPPER WEST SIDE RETAIL TRANSACTIONS

Spectrum▶



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WHERE THE CITY EATS



TARGET

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LINCOLN SQUARE BID
RETAIL UPDATE

RETAILER OBSERVATIONS

- Consumer Expectations have changed
- Tenant Expectations have changed
- Structural shift from retail space to warehouse space
- Logistics and fulfillment
- Growth of digitally native brands
- Growth of logistic delivery services

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LINCOLN SQUARE BID | RETAIL UPDATE

RETAILER OBSERVATIONS

- Recovery and expansion of convenience-based food + beverage.
- Federal Restaurant Revitalization Program will be a boom to independent operators
- Retailers seeking flexible lease commitments
- Footprint rationalization throughout retail started in 2016 along with retail repricing
- Major consumer segments: digital natives vs. legacy consumers (45-60) - The Digital Immigrants
- What do consumers want:
 - Food, health + wellness, new concepts + experiences, entertainment, gaming, beauty, home
 - Safety, sustainability, convenience, adaption of technology in shopping

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Please visit us at [ripcony.com](https://www.ripcony.com) for more information

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