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**LOCKEHOUSE**

**Newsletter Archives**

## **Brown's Rants**

**Week Ending February 19th, 2022**

### **No Closure Season This Year Thanks to Sustained Consumer Spending Boom**

Once again, we had a week in which store opening announcements far outpaced closure news. The first quarter of the year—more specifically January and February—has traditionally been the time (in good years and bad) where retailers, after the holiday rush, look to optimize their store fleets. Yet, that simply isn't happening this year outside of a few brands. There are two basic reasons for this.

Before the CoVid-19 crisis, chain store and restaurant closures were already heightened. Remember, this was the era of the “retail apocalypse” headlines. In 2017, we tracked 8,500 major chain closures (chains with at least 50 stores). That number fell in 2018 to 7,300 and then shot up to 11,500 in 2019. But the arrival of the CoVid-19 crisis brought roughly 27,000 closures in 2020.

I had always found the “retail apocalypse” headlines annoying in their lack of nuance; they painted the entire sector with the same broad, bleak brush (as opposed to delineating the fact that the “apocalypse” was only impacting certain retail categories—others were booming). But in 2020, we saw something as close to a real “retail apocalypse” as I hope we will ever see in our lifetimes. In that year, the market contracted at a pace 3X the average of the previous three years combined. But this time, it included those categories that had previously thrived (restaurants, gyms/health clubs, entertainment, experiential, etc.). Only the discounters, dollar stores, and grocers seemed to be spared.

But the pandemic economic downturn ended up being one of the shortest in U.S. history and easily the strangest and most lopsided. Thanks both to the disparate impacts of the pandemic and immense amounts of stimulus, consumers started going on a spending spree before the close of 2020.

That spending spree continued in January 2022, despite the Omicron variant's rampage, worker shortages, and 40 year-high inflation. Ultimately, what happened in 2020 was that retail's nasty bandage was ripped off all at once, only to be followed by an unprecedented surge in consumer spending that has proven to be remarkably sustained and deep.

In the 20 years before the pandemic (2000 through 2019), retail sales growth averaged 3.6% annually. January's numbers put us at 12.7% growth over 2021—but more importantly, at 23.3% above January 2020, before CoVid hit. This stretches across every retail category, including restaurants—which despite Omicron issues are still up 8.6% from pre-Covid January 2020 totals (they were up 27.9% over last year, but that was still before consumers had fully returned to eating out).

How long will this continue? Well, according to the Federal Reserve, Americans are still sitting on about \$5 trillion more in their bank accounts today than before the pandemic. Stock market volatility, inflation, war, and other black swan events are all risks... but for the first time in about 15 years when I look at the risks to retail ahead, I am talking about cyclical economic risks... not structural issues created by the disruption of eCommerce. It's a really nice change.

See you next week.

Garrick

# Top 10

## Stories of the Week

[Ten Retail Brands to Watch in 2022](#)

Chain Store Age 2/18

[The Pandemic's Toll in CA and FL Revisited; Trading Off Saving Lives for Preserving Jobs](#)

Medium 2/18

[Its Still Early to Know if CRE Will Treat the Metaverse as Real](#)

Globe Street 2/18

[Americans Are Emerging From the Pandemic Ready to Splurge on Events and Travel](#)

Wall Street Journal 2/17

[The Surprising Upside to the Big Quit](#)

Medium 2/17

[Monthly Retail Sales From US Commerce Department](#)

Retail Dive 2/16

[Retail Sales Jumped in January](#)

New York Times 2/16

[Kohl's Plans 400 Sephora Shop-in-Shops for 2022](#)

Retail Dive 2/15

[Officials Push Back Against Rapid Grocery Delivery](#)

Grocery Dive 2/15

[Selling Out: What Retailers Need to Know Before Striking a Deal With Private Equity](#)

Retail Dive 2/15

# Economic Headlines

## Stories of the Week

[As Omicron Variant Rises, Lab Studies Point to Signs of Severity](#)

CNN 2/19

[Michigan's First Cannabis Consumption Lounges Will Likely Soon Be Open](#)

Crain's Detroit Business 2/18

[Retailer and Consumer Shift to Open-Air Malls to Continue Past Pandemic](#)

PYMNTS 2/18

[Bust to Boom: The Retail Resurgence](#)

EisnerAmper 2/18

[Gen-Z and Millennials are More Likely to Buy Products Described as...](#)

YPulse 2/16

[The Four Day Work Week is Gaining Ground in Europe; It's Time Americans Give it a Serious Look](#)

Washington Post 2/15

[Only 3% of White Collar Workers Want to Return to the Office Full-Time](#)

Fortune 2/14

[Inflation Hits Low Income Americans Hardest of All](#)

Washington Post 2/13

# Property Trends

## Stories of the Week

[Can a Giant Empty Sears Building Help Solve LA Homelessness](#)

Los Angeles Times 2/19

[Improved Leasing Provides Boost to Milwaukee Retail](#)

Costar 2/18

[Non-Traditional Tenants Could Diversify San Antonio's South Side Retail](#)

San Antonio Business Journal 2/18

[Marshalltown \(IA\) Mall Small Business Owners Rethinking Mall Strategy](#)

We Are Iowa 2/18

[Still Tough Out There for Retail But Costar Sees Hope](#)

REJournals 2/17

[Evanston IL Shopping Center Doubles Occupancy in Two Months](#)

Chicago Business Journal 2/16

[Urban Retail Not Recovering Like Malls & Shopping Centers](#)

The Real Deal 2/15

[NYC Retail—Manhattan High Street—May Never Fully Recover](#)

The Real Deal 2/15



# Retail Headlines

## Stories of the Week

[A Look Inside Amazon's New Fashion Store](#)

CNBC 2/19

[The RealReal Opens 19<sup>th</sup> Store](#)

Sourcing Journal 2/19

[Discover the Galaxy—Samsung's Fifth Experience Store Opens in Texas](#)

Samsung 2/19

[Warby Parker Opens Sixth Ohio Store](#)

Cleveland Business Journal 2/18

[Target Coming to Port Chester's Gateway Shopping Center](#)

Greenwich Free Press 2/18

[Allbirds Opening in Carlsbad, CA](#)

Bakersfield.com 2/18

[PetSmart Planning Vallejo CA Store](#)

What Now SF 2/18

[Sears Hometown Closes Saginaw \(MI\) Mall Store](#)

Mlive.com 2/18

[Williams Sonoma Reopening in San Antonio at New Location](#)

MySA 2/18

[Hobby Lobby Taking Former JC Penney in Montrose CO](#)

Montrose Press 2/18

[QuikTrip Brings Travel Concept to Alabama](#)

Convenience Store News 2/18

[Case Study: Foxtrot—Reimagining the C-Store Experience](#)

Food Institute 2/17

[Kering Flags Possible M&A and US Expansion as Gucci Rides Luxury Boom](#)

Reuters 2/17

[Allbirds Launches ReSale Program for Used Footwear](#)

Retail Dive 2/17

[Nike May Vacate Georgetown Store](#)

Washington Business Journal 2/17

[The Great Luxury Bounceback: How Brands Like Burberry Are Returning to Growth](#)

The Drum 2/16

[Brooks Brothers Permanently Closes, But Other Stores Join Durham's \(NC\) Southpoint Mall](#)

News Observer 2/16

[RH Outlet to Open in Louisville](#)

Louisville Business First 2/16

[Five Below to Open Times Square Flagship](#)

Chain Store Age 2/16

[Hobby Lobby to Open in Clarksburg, WV](#)

WVNews.com 2/16

[Kendra Scott Opens at Disney Springs](#)

West Orlando News 2/16

[Visionworks Expands in Richardson TX](#)

Community Impact 2/16

[Sherwin Williams & Others Opening Stores in Round Rock TX](#)

Community Impact 2/16

[Forte Forte Opens First US Store](#)

WWD 2/15

[RH Proposes New Cleveland Store](#)

Crain's Cleveland Business 2/15

[British Travel Retailer WHSmith Makes US Debut](#)

Chain Store Age 2/15

[DTC Sock Retailer Bombas Exploring IPO](#)

Bloomberg 2/14

# Grocery Headlines

## Stories of the Week

[Amazon's Sprawling Grocery Business Has Become an Expensive Hobby with a Cloudy Future](#)

CNBC 2/18

[Details of Whole Foods New SF Flagship Emerge](#)

Winsight Grocery Business 2/18

[HEB Likely to Anchor New San Antonio Center](#)

MySA 2/18

[Cubs Opens 30<sup>th</sup> Wine & Spirits Store in Maple Grove MN](#)

Winsight Grocery Business 2/18

[Sprouts Opening in Homestead FL](#)

Winsight Grocery Business 2/18

[Fareway Opens Store in Iowa With More on the Way](#)

Winsight Grocery Business 2/18

[Aldi Opens Two More DC Area Stores Next Week](#)

WTOP 2/16

[Sprouts Plans New Miami Location](#)

REBusinessOnline 2/16



# Restaurant News

## Stories of the Week

[Peter Piper Pizza Opening Fast Casual Express Locations](#)

Business Insider 2/19

[Jollibee Opens at American Dream Mall](#)

Asian Journal 2/19

[Coffee Shop Sweetwaters, Now Open in Frisco, Continues to Expand in DFW](#)

Dallas Morning News 2/19

[Inside New Midtown Manhattan Food Hall, The Hugh](#)

4 New York 2/19

[New Food Hall, The Mosaic, Coming to Detroit's Eastern Market](#)

Eater Detroit 2/18

[Shake Shack Coming to Richmond VA](#)

Richmond Biz Sense 2/18

[Bojangles Inks Virginia Franchise Deal](#)

QSRWeb 2/18

[Booze & Burritos; Taco Bell Cantina Opens in KC Area](#)

KansasCity.com 2/18

[Freddy's Expansion Continues in 2022; to Double Footprint in Four Years](#)

Chain Store Age 2/18

[Dog Haus to Expand National Footprint by 50% in 2022](#)

Restaurant News 2/16

[The First Food Hall in Prince George's County Has New Name & Owner](#)

Washington City Paper 2/16

[Plans for a New Food Hall in Charlotte, NC](#)

Fox46.com 2/16

[Taco John's to Continue Growth in 2022](#)

QSRWeb 2/18

[Whataburger to Open First Colorado Restaurant](#)

Denver Gazette 2/17

[Stan's Donuts Opens New Chicago Location](#)

Block Club Chicago 2/17

[Jeremiah's Italian Ice Continues Rapid Growth in the Southeast](#)

Restaurant News 2/16

[Reno Gets New In-n-Out and Chipotle w/Drive Thru](#)

Reno Gazette Journal 2/16

[New Food Hall, The Hall at Ashford Lane, Part of Perimeter Place Revamp](#)

Atlanta 2/15

[Fords Food Hall Now Open in ROAR Building on North Liberty](#)

Winston Salem Journal 2/15

[Food Hall, High Street Place, to Take on Boston Food Scene This March](#)

Suffolk Journal 2/15

[Chipotle Launches Another Drive-Thru in Orlando](#)

Orlando Business Journal 2/15



# **REITs, Landlord & Development**

## *Stories of the Week*

[Empire State Realty Trust Eyes More Multifamily, Retail Diversification](#)

Bisnow 2/18

[Disney to Develop Branded “Storyliving” Communities with Shopping, Dining](#)

Chain Store Age 2/18

[Kimco May Develop South Miami Retail Center to Mixed-Use](#)

South Florida Business Journal 2/18

# eCommerce / Omnichannel / Retail Tech

## Stories of the Week

[Take A Look Inside a Staff-Free Fully Autonomous, Robot Kitchen](#)  
Business Insider 2/19

[Will Timberland's Stores Lure Consumers to the MetaVerse](#)  
Retail Wire 2/18

[White Castle Orders 100 Fast Food Robots](#)  
Robotics and Automation 2/18

[Kroger to Expand Delivery Service to Oklahoma City](#)  
Grocery Dive 2/18

[Should More Retailers Be on Roblox](#)  
Retail Dive 2/17

[Save Mart Adds Robotic Delivery to Another Store \(Pleasanton, CA\)](#)  
Grocery Dive 2/17

[Luxury Retailer Shifts Store Operations to Mobile Platform](#)  
Chain Store Age 2/17

[DoorDash Rolls Out 30 Minute Delivery With Albertson's](#)  
Grocery Dive 2/17

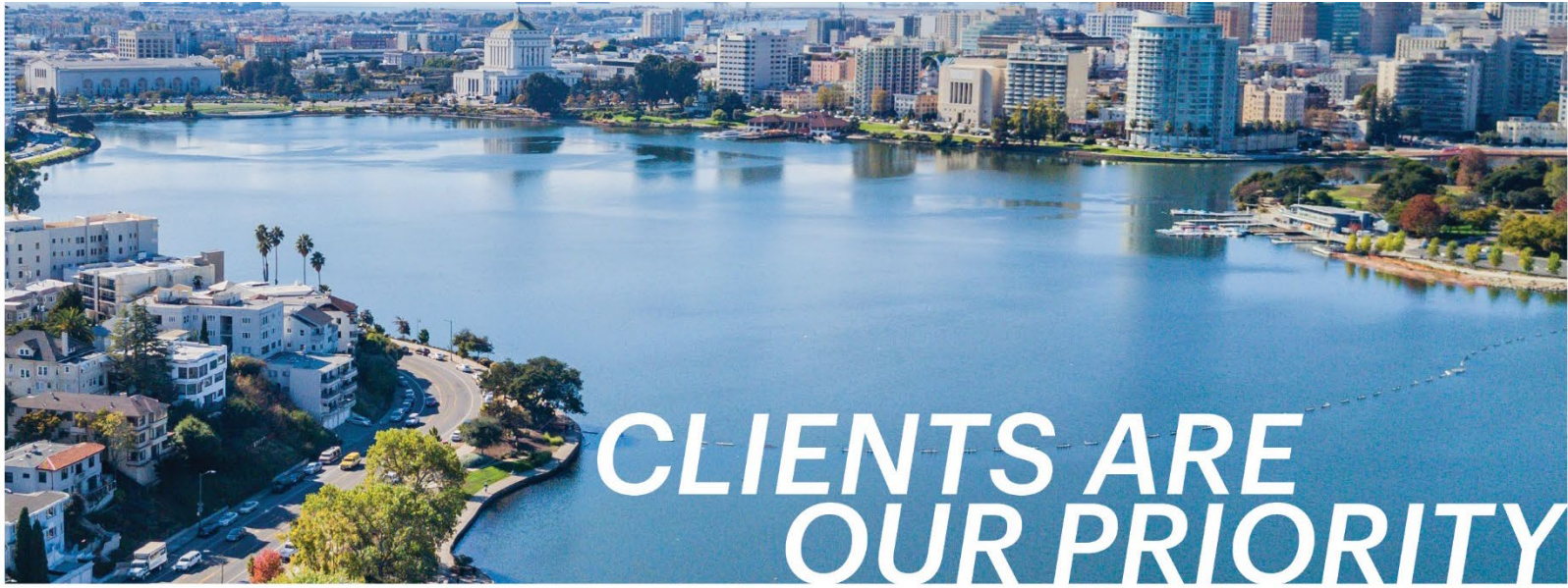
[GrubHub Expands Convenience Channel GrubHub Goods Nationwide](#)  
Retail Dive 2/16

[Jamba Opens Robot Kiosks at Two Colleges](#)  
Chain Store Age 2/16

[Farmstead Arrives in Chicago; Ultrafast Delivery Concept Enters Fifth Market](#)  
Grocery Dive 2/15

[Southern C-Store Retailer Mapco to Add Checkout-Free Shopping](#)  
Chain Store Age 2/15





# CLIENTS ARE OUR PRIORITY



WE ARE LOCKEHOUSE RETAIL GROUP. IT IS OUR MISSION TO DELIVER EXCEPTIONAL VALUE AND SERVICE TO OUR CLIENTS, INVESTORS AND COMMUNITY.



## SERVICES

- ✓ Retail Leasing
- ✓ Mixed-Use Leasing
- ✓ Investment Sales
- ✓ Property Management
- ✓ Consulting
- ✓ Build Out Management
- ✓ Development Services

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