

## EXECUTIVE SUMMARY

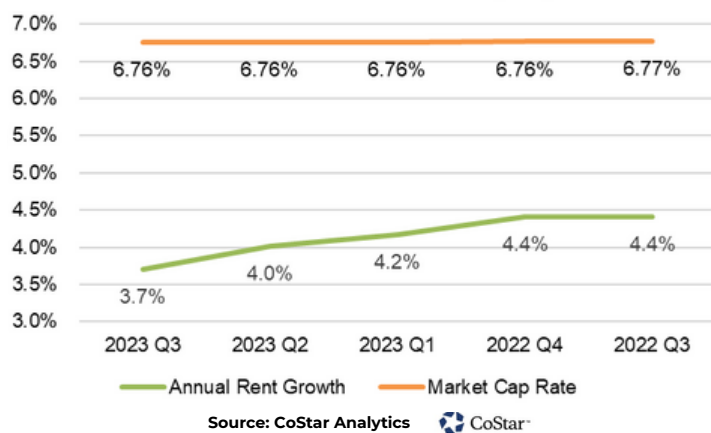
Q4 is the biggest quarter of the year for most retailers in terms of revenue. On average, retailers make 1/3 of their revenue during this quarter alone

**DESPITE HEIGHTENED INTEREST RATES AND EXCESS HOUSEHOLD SAVINGS ON THE DECLINE, A RECENT INFLATION FALL HAS HELPED KEEP CONSUMER SPENDING ELEVATED.**

This holiday season, Black Friday Spending was \$9.8 billion, up 7.5% from last year, and Cyber Monday hit \$12 billion, up 6.1% from the prior year. After the holiday season, we may see a reduction in consumer spending that slows GDP growth enough to lower inflation closer to the Fed's target of 2%.

**ANALYSTS BELIEVE THAT HOLIDAY SPENDING PAST CYBER MONDAY MAY ONLY BE UP 2-3% INSTEAD OF 4-5% FROM THE PRIOR YEAR.**

Retail Real Estate Trends (US)



There continues to be strong demand for retail spaces for retail real estate assets, coupled with a limited new supply under construction.

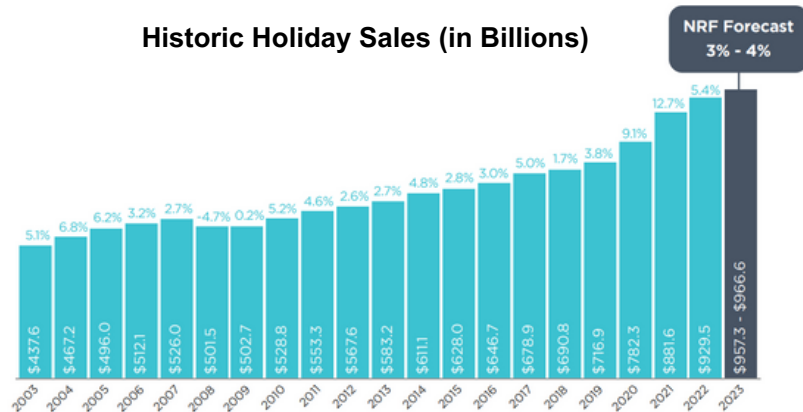
**IN RESPONSE, CAP RATES, RENT GROWTH, AND SALES PRICES ARE LEVELING OFF.**

Slower economic growth in 2024 will put downward pressure on lease rates. Inventories were slashed mainly in 2023, with higher interest rates leading to reduced revenue for retailers, which cooled the red-hot growth in 2022.

**E-COMMERCE, HOWEVER, REMAINS A ROBUST SECTOR, ESPECIALLY EVIDENCED BY THE RECENT THANKSGIVING HOLIDAY SALES, SPECIFICALLY ON BLACK FRIDAY AND CYBER MONDAY,**

which could lead to a renewed demand for warehouse space to meet the demand from consumers to shorten delivery windows for their e-commerce purchases.

Historic Holiday Sales (in Billions)



CALL 3CRE ABOUT YOUR REAL ESTATE WEALTH MANAGEMENT AND INVESTMENT STRATEGIES