

Shopping no longer drives consumers to traditional “brick and mortar” stores. How do real estate developers and retailers bring back the crowds?

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New shopping trends are threatening the sustainability of traditional retailers. To remain competitive in the retail industry, mall owners should be rethinking the very definition of a mall.

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-Kenneth A. Rosen, Partner and Chair
Bankruptcy, Financial Reorganization & Creditors' Rights



2016 Retail Bankruptcies

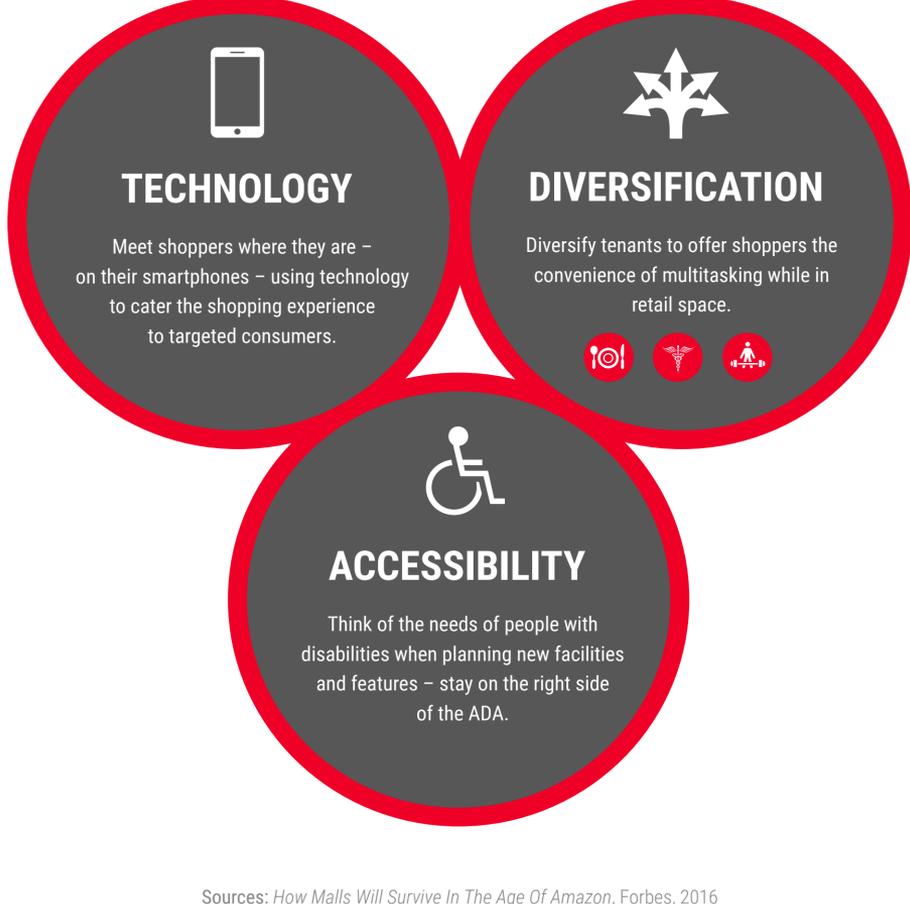
Unable to sustain their businesses in an Amazon world, many retailers have commenced chapter 11 cases.

- Aéropostale, Inc.
- American Apparel (USA), LLC
- Bob's Stores
- DirectBuy Holdings, Inc.
- Hastings Entertainment Inc.
- Joyce Leslie, Inc.
- Sports Authority, Inc.
- United Consumers Club



How can malls survive in the age of Amazon?

Create a shopping experience with a compelling atmosphere.



Sources: *How Malls Will Survive In The Age Of Amazon*, Forbes, 2016
How Retailers Can Steer Clear of ADA Lawsuits, RetailDive, 2017



Anchor stores impact sales throughout the mall.



Success defined as highest sales per square foot and highest estimated annual sales growth.

Source: *Fund Managers Make Big Bet on High-End Malls Via Simon*, Reuters, 2015



Property Vacancies

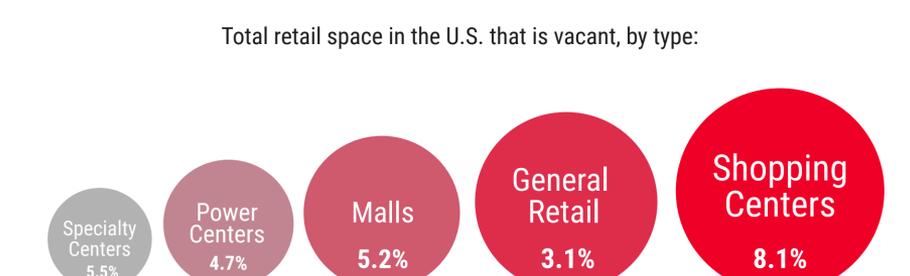
Both U.S. malls and shopping centers offer high potential for developers in vacancies and retail space.

Total retail space in the U.S., by type:



Source: *JLL Retail Outlook, Q3 2016*, pg. 3

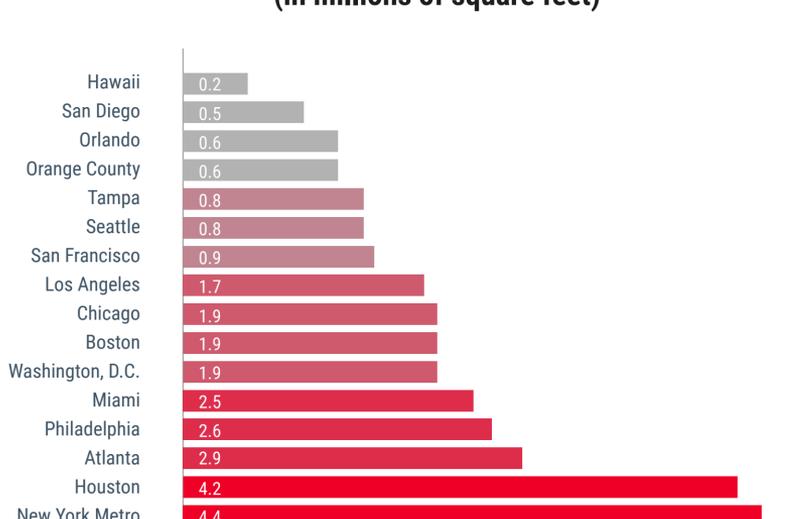
Total retail space in the U.S. that is vacant, by type:



Source: *JLL Retail Outlook, Q3 2016*, pg. 6



Q3 2016 Under Construction (in millions of square feet)



Source: *CoStar, JLL Research*

About Lowenstein Sandler

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