

Chris Bornhoft, CCIM

Bornhoft Commercial

Retail: Spokane

2024 Real Estate Market Forum



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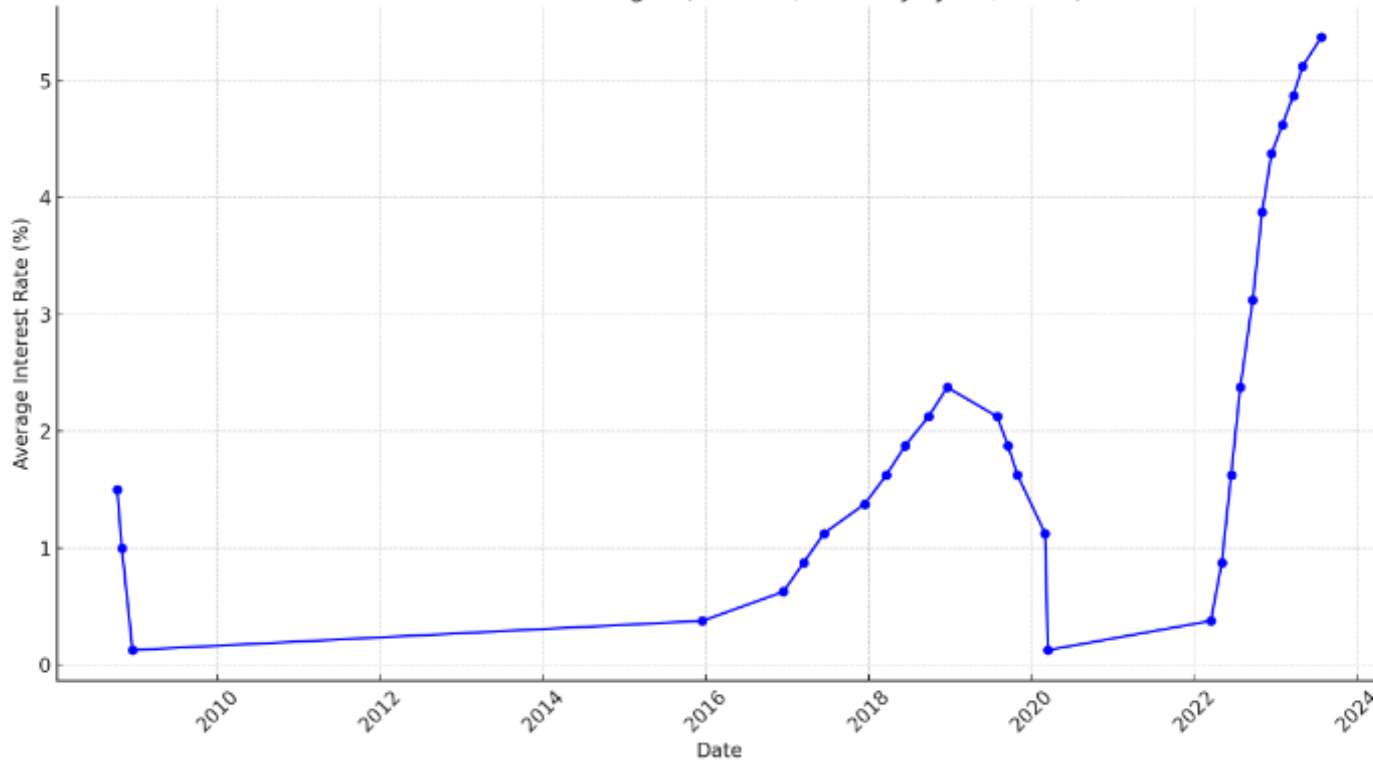
Spokane Loss: Real Estate Giants

- Dick Vandervert
- Harlan Douglass



Biggest Impacts on Retail Real Estate in 2023

Fed Funds Rate Changes (Dec. 16, 2008 - July 26, 2023)



Interest Rates

Building Costs

Zoning Changes

Elections

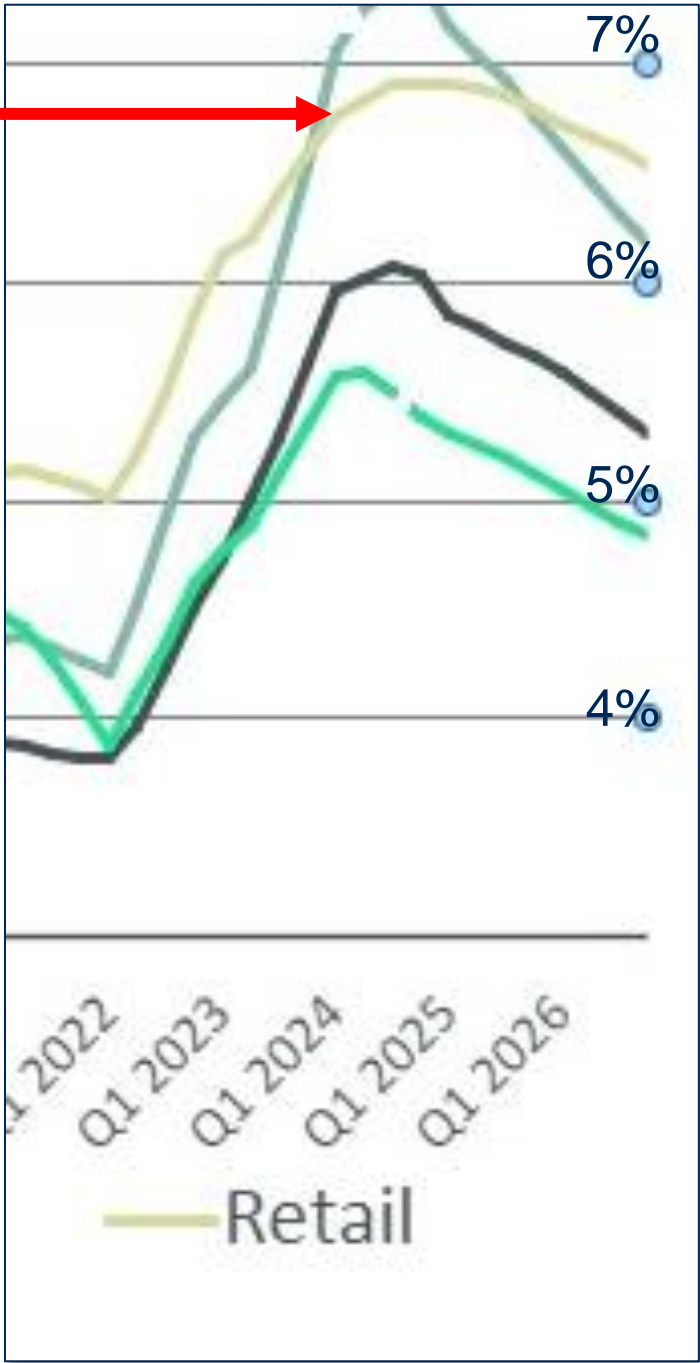
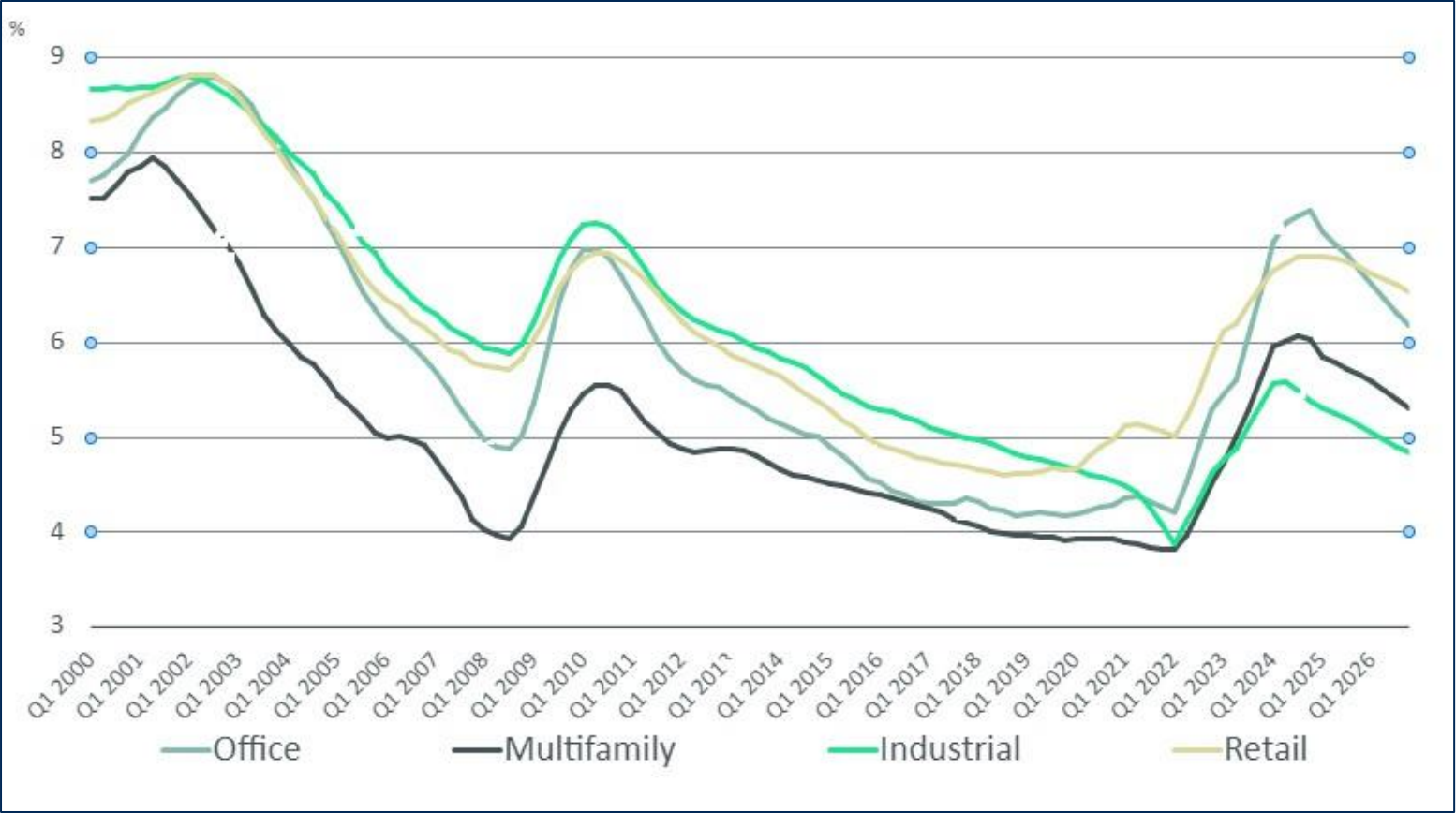
Artificial Intelligence

2023 – A year of change – “Because we were inverted”



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CAP Rates



Historical & forecast cap rates. *Chart courtesy of CBRE*

Rent Prices in Spokane Retail

- Landlords stood their ground
- Construction Costs are up:
LL give \$60-\$70 /SF in TI's
- QSR Deals: getting done at \$50-\$60 /SF
- New Retail Strip Centers:
Deals done at \$35+ /SF
- Big Box Retail: deals up to \$20 /SF

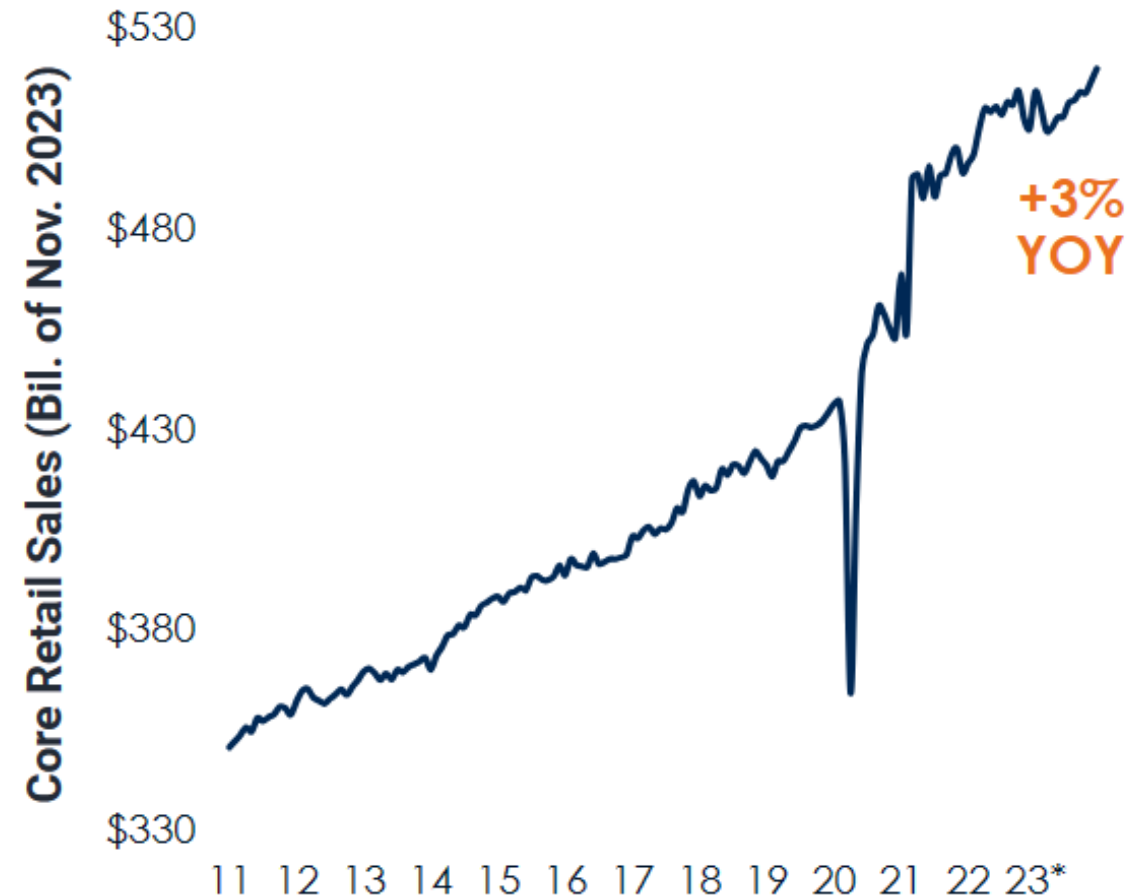


Spend Away

- December inflation-adjusted core retail sales climbed above \$520,000,000,000 for the first time on record
- Online spending also expanded over 6% annually
- Boosting industrial space demand entering 2024
- Since the pandemic, the non-store segment of retail has grown 61.7%,
- Expanding E-commerce from 15% to 21% of core sales

January 22, 2024 by [Marcus & Millichap Research Services](#)

Core Retail Sales Still Rising Entering 2024; Consumers Poised To Continue Spending



Retailers - IN

- Chipotle
- Chick-fil-a
- ICCU
- Starbucks
- Café Rio
- Lego Store
- Killer Burger
- Hotworks
- Ross
- Planet Fitness
- Mister Car Wash
- Goodwill



**Idaho
Central**
CREDIT UNION



Mister
CAR WASH®

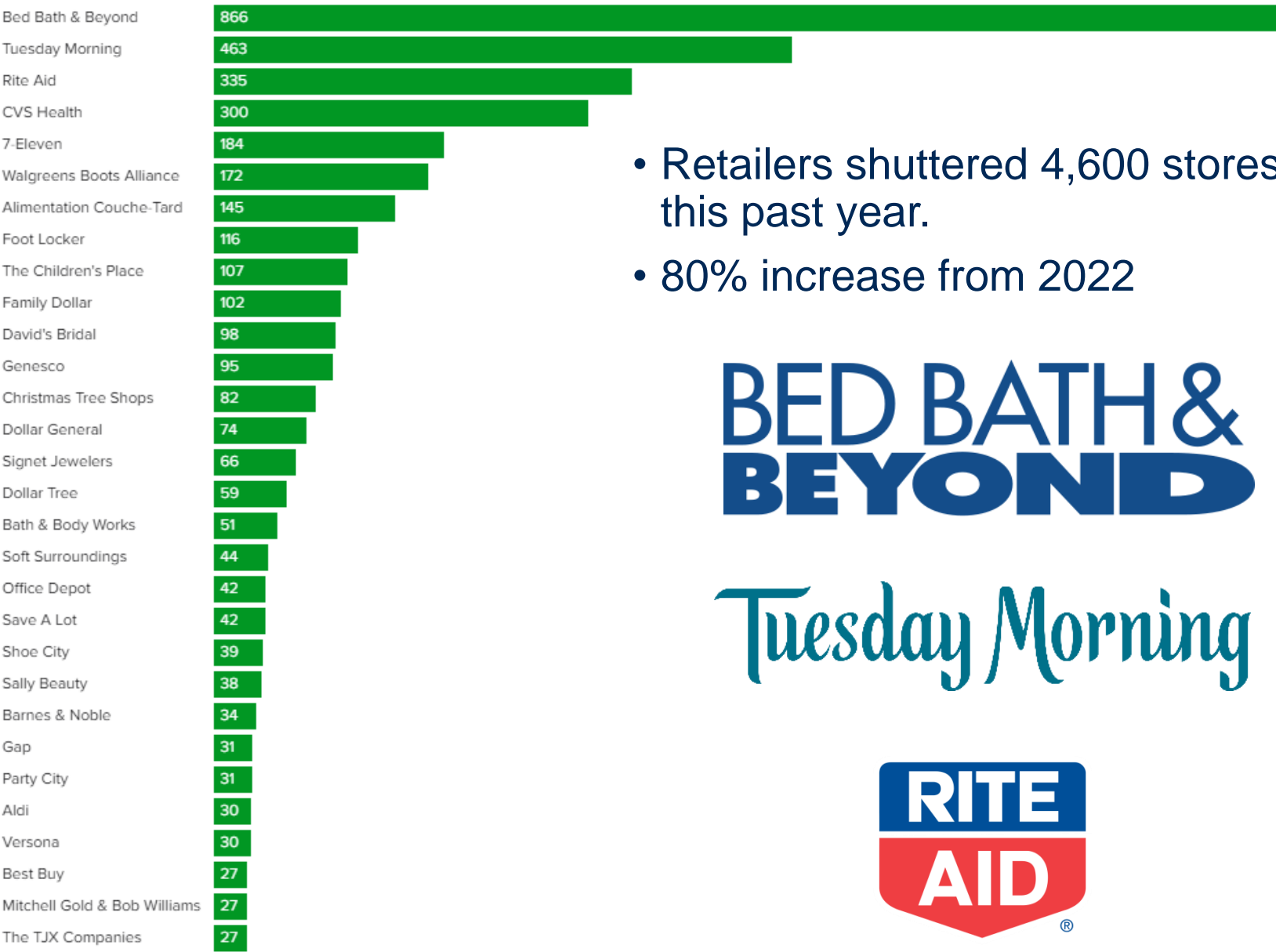


Cafe Rio
MEXICAN GRILL.

Retailers - OUT

A spike in store closures

Retailers shuttered more than 4,600 locations this year — an 80% increase from 2022.



- Retailers shuttered 4,600 stores this past year.
- 80% increase from 2022

BED BATH &
BEYOND

Tuesday Morning



Rumor Mill

- IKEA
- Home Depot
- Whole Foods
- Top Golf



TOPGOLF

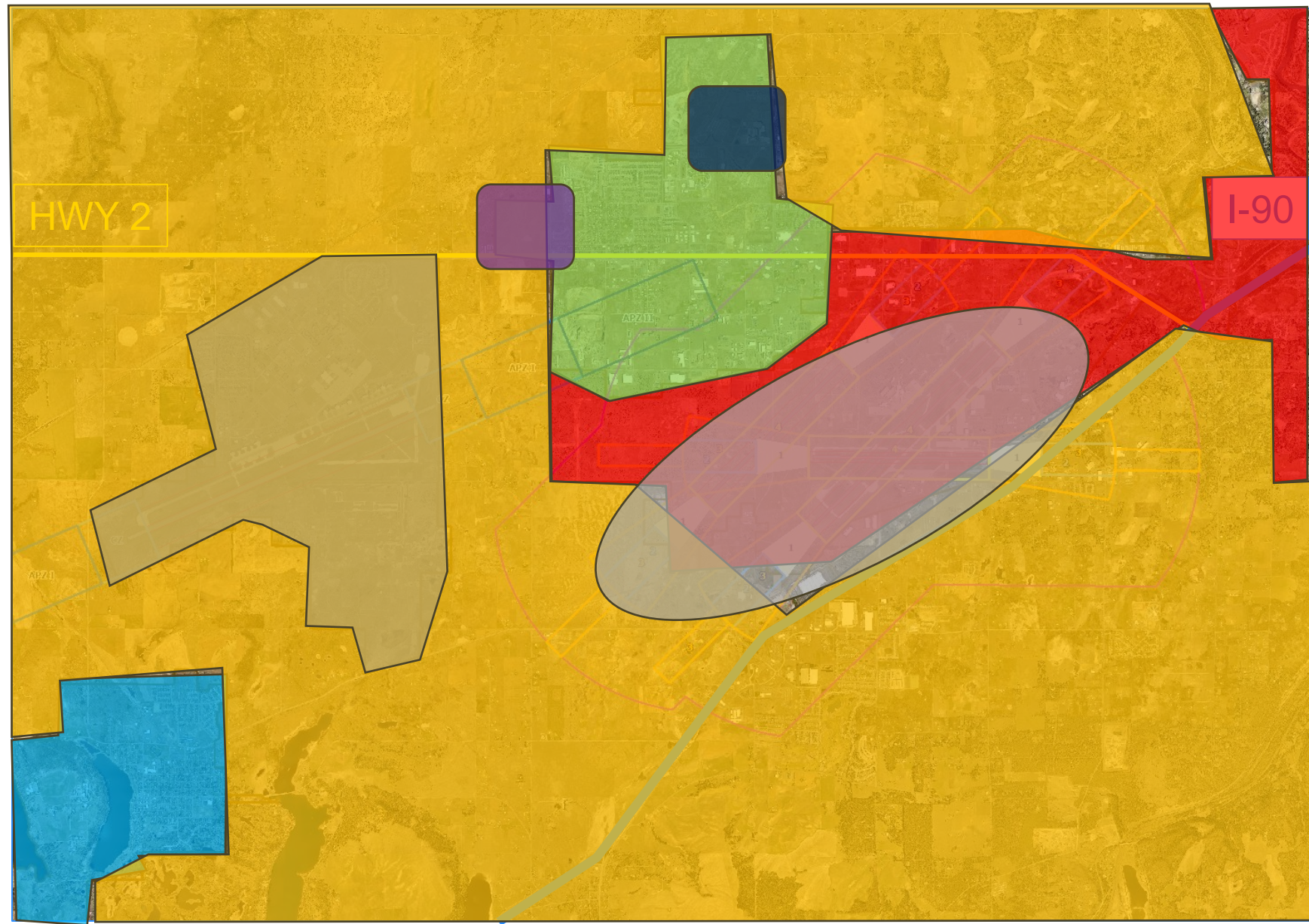
New Developments – North Gate + Mead Works

- \$1 Billion in residential and commercial projects planned.
- Greenstone Neighborhoods
- Possible Hotels
- Shopping centers
- Strip malls
- The developments are influenced by the North Spokane Corridor's progress
- North 40 Outfitters preparing a new retail center
- MultiCare Health System's land purchase



West Plains

- 8 Jurisdictions
 - City of Spokane
 - City of Airway Heights
 - City of Medical Lake
 - Kalispell Tribe
 - Spokane Tribe
 - United States Air Force
 - Spokane International Airport
 - Spokane County
- But Deals Got Done!
 - North 40
 - Chipotle
 - Circle K
 - MOD Pizza
 - Jersey Mike's
 - Yokes
 - Hardware Store
 - Goodwill





Placer.ai

“We aggregate anonymized location data from millions of mobile devices”



OpenAI
ChatGPT 4.0



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Acknowledgement & Thank You!

- Jason Strain – Vandervert Developments
- Taylor Gibbons – SVN
- Holly Chetwood – TOK Commercial
- Reid Erickson – Colliers
- Shelley Bennett – Kiemle Hagood
- Bruce Jolicoeur – Valbridge Property Advisors
- Stephen Pohl – NAI Black
- Mark McLees – NAI Black
- Carl Guenzel – Kiemle Hagood
- Ryan Oberg – Goodale & Barbieri
- Kevin Edwards – Hawkins Edwards
- Chris Pitts - Riverbank
- ChatGPT 4 - chat.openai.com



Thank you!

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