VIEWPOINT U.S. RETAIL

Restaurants:

Now serving retail growth

CBRE


Melina Cordero
Americas Head of Retail Research

Ashley Hill
Senior Research Analyst

Executive Summary

Growth Driver: Post-recession growth in the restaurant category is driven by a fundamental and cross-generational shift in consumer dining habits.

Who's Spending? Millennials dine out more frequently than their older counterparts, but Generation Xers and baby boomers contribute most to restaurant sales. Millennials likely will spend more as they advance in career and spending power.

Hot Categories: Four segments best poised for future expansion are food trucks, food halls, celebrity-chef restaurants and grocers, though landlords must be both vigilant and creative in their lease terms.

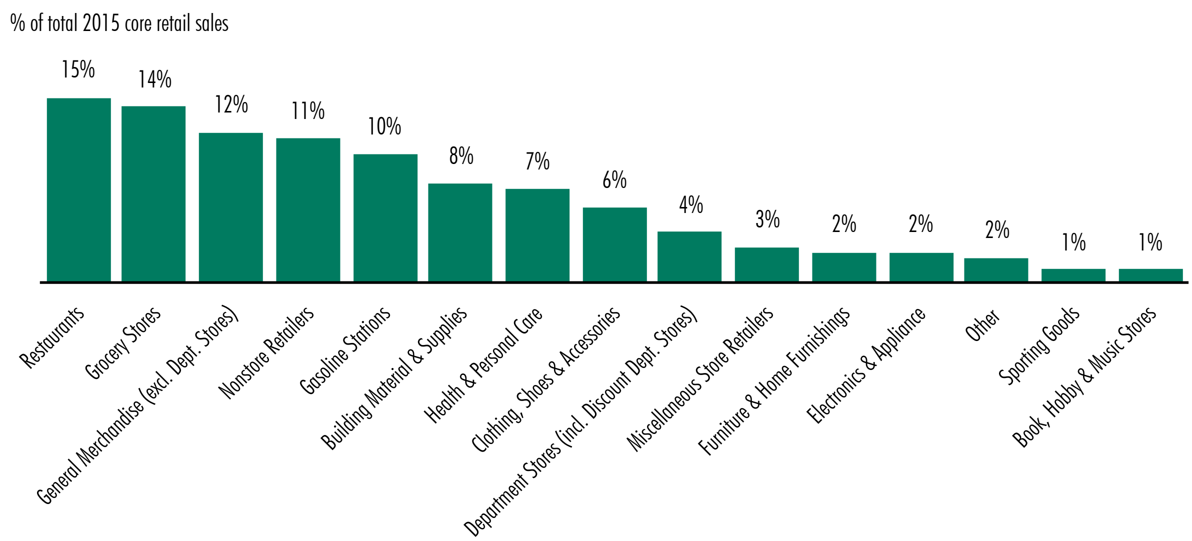
Where is Growth? Secondary urban markets are best positioned for restaurant spending growth, most notably Minneapolis, Denver, Baltimore and Philadelphia.

Landlord Appeal: Restaurants are a key component of "placemaking" and will expand their presence in retail real estate as landlords seek tenants that drive traffic and sales.

INTRODUCTION

Economic recovery and shifting consumer habits have driven significant gains in the restaurant sector. Already a dominant retail category, restaurants accounted for approximately 15% of all retail spending in Q1 2016 (excluding motor vehicles and parts). The sector reached a milestone in 2015 when the U.S. Census Bureau reported that restaurant industry sales surpassed grocer sales for the first time in history. And the gap is expected to increase. This has caught the eye of retail landlords, who want to shift tenant mix from low-growth categories vulnerable to e-commerce towards the traffic drivers of services and experience—a phenomenon CBRE recently explored in its recent U.S. Placemaking report[1]. The result is the proliferation of new and existing restaurants taking up more and more retail real estate, as landlords scramble to attract the best restaurant tenants to their properties—a veritable food and beverage frenzy.

Figure 1: Restaurants are a Dominant Retail Category



Source: U.S. Census Bureau, Q1 2016.
Note: Core Retail Sales excludes motor vehicles and parts dealers.

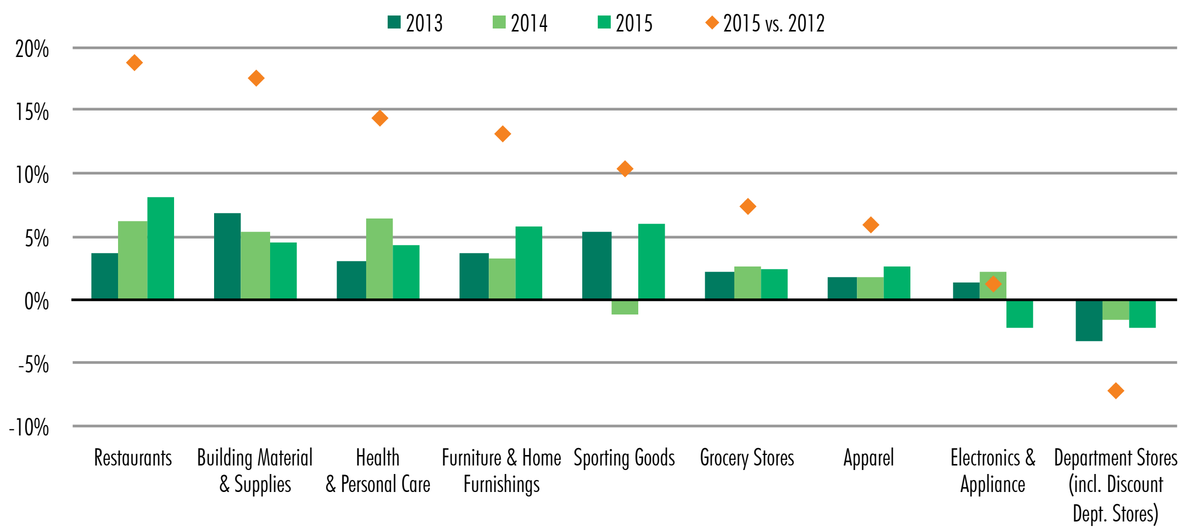
What is driving this restaurant growth, how long will it last, and how can retail landlords benefit today and in the future? This report analyzes the sector's key growth drivers and the retail real estate opportunities that lie ahead for both retailers and owners.

1 "U.S. Placemaking: The Science Behind Placemaking in an Omnichannel World", CBRE Research, May 2016.

SHIFTING CONSUMER HABITS DRIVING STRONG RESTAURANT GROWTH

For the past few years, the restaurant category (classified as "food service and drinking places" by the U.S. Census Bureau) has been a clear outlier from other retail segments. Between 2012 and 2015, the restaurant segment not only grew more than any core retail category, it also showed the clearest and most consistent acceleration—a key indicator of growth potential.

Figure 2: Year-over-Year Retail Sales Growth in Select Categories 2012-2015



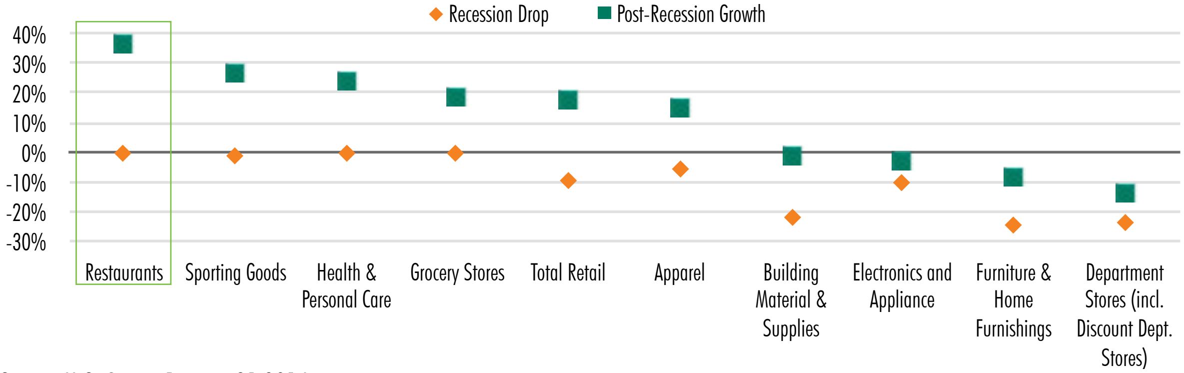
Source: U.S. Census Bureau, Q1 2016.

While economic recovery, job and wage growth, lower fuel costs and reduced household debt have all helped drive consumer spending in recent years, there is mounting evidence that the growth in restaurant sales has more to do with fundamental lifestyle changes than purely cyclical trends. There are three key signs that this is occurring.

First, the restaurant segment has fared better than any other retail category since the 2008 recession. In 2009, while overall retail sales fell by 10%, restaurant sales fell only 1%.

Second, post-recession, the restaurant segment's sales growth far outpaced that of its retail counterparts. In 2015, food and beverage service sales were 37% higher than their pre-recession peak—the greatest jump of any retail category. During the peak recession years when consumer spending was most restrained, growth in the lower-priced limited-service and, in particular, the fast casual dining segments buoyed overall retail performance.

Figure 3: Category Retail Sales: Recession Sensitivity and Rebound by Category

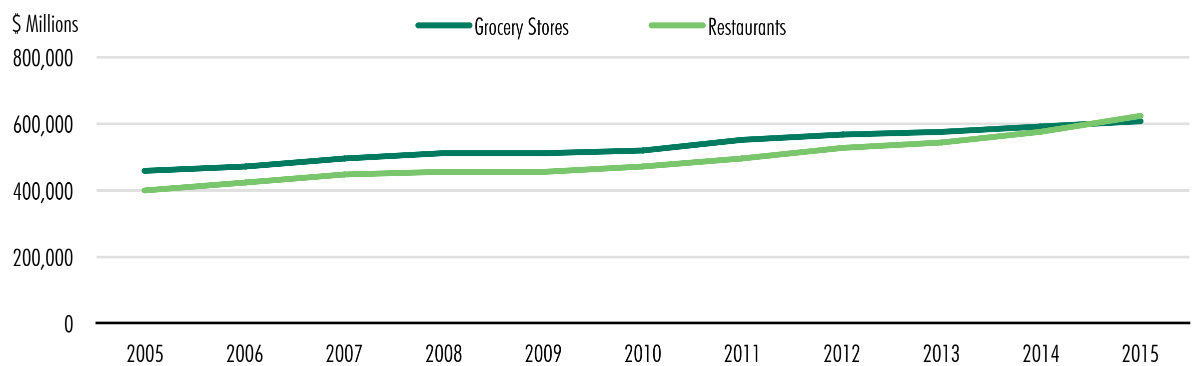


Source: U.S. Census Bureau, Q1 2016.

Note: "Recession Drop" measures 2009 sales against the maximum annual sales reached between 2005 and 2009; "Post-Recession Growth" measures 2015 sales compared to the same maximum.

Third, expenditure data shows that U.S. consumers have started spending more on dining in restaurants than on buying groceries and eating in. Personal consumption expenditure data from 2015 show higher annual growth in spending on meals outside the home (+5%) than on goods (+4%), services (+3%) and food at home (0%).[2]

Figure 4: Restaurant Sales Surpass Grocery Stores for the First Time in History



Source: U.S. Census Bureau, Q1 2016.

These three factors, along with the growth acceleration of the past three years, suggest that spending increases may be more than just a sign of post-recession recovery, but additionally a reflection of fundamental shifts in how and what U.S. consumers spend on food.

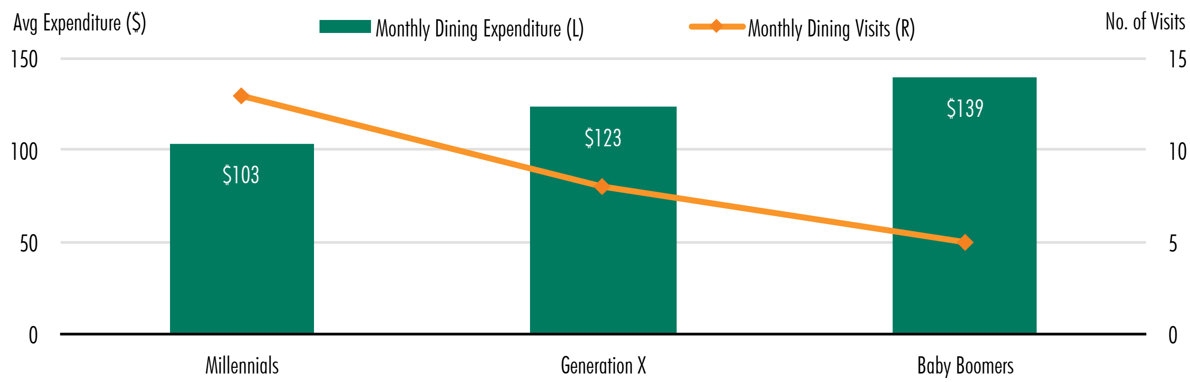
2 Bureau of Economic Analysis, Q1 2016.

MILLENNIALS ARE IMPORTANT DRIVERS, BUT NOT THE PRIMARY SPENDERS

Much of the buzz surrounding restaurant growth and spending habits focuses almost exclusively on millennials, but this approach fails to recognize the substantial contributions of other generations. Understanding the spending patterns of different generations is key to predicting which restaurant formats will succeed where, both today and in the future.

A recent study of consumer spending by TD Bank revealed a critical distinction between the dining habits of different generations. According to the study, while millennials dine out more frequently than both Generation Xers and baby boomers, they spend less. As shown in Figure 5, millennials dine out twice as often as Generation Xers and three times as often as baby boomers, but spend 16% less in restaurants than Generation Xers and 26% less than baby boomers. However, in the case of two important categories—coffee and food-to-go—the study found that millennials made more frequent trips than their older counterparts (11 times per month vs. an average 6) and spent more ($80 monthly vs. an average $67).

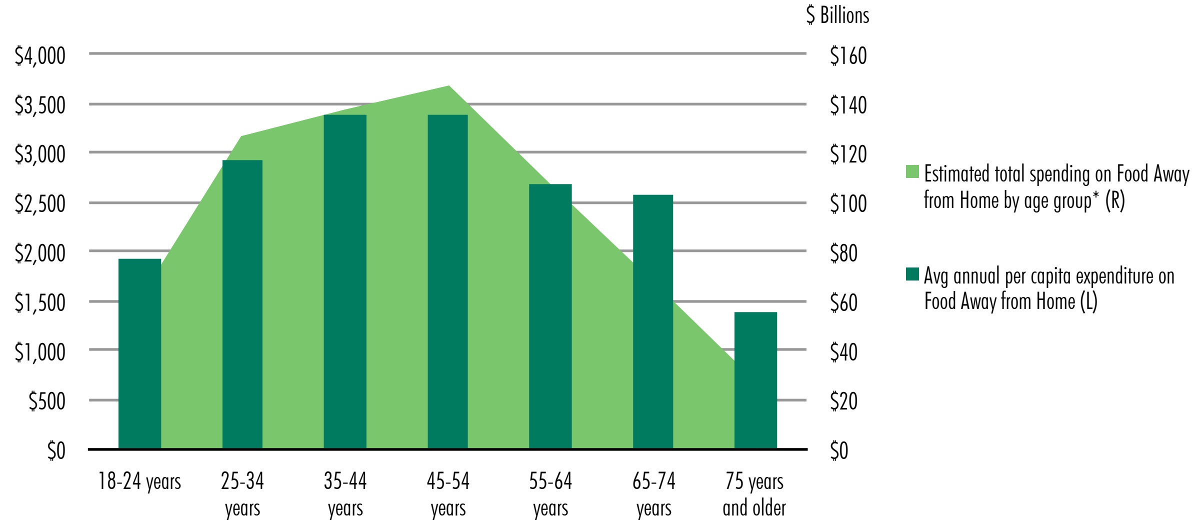
Figure 5: Monthly Dining Out Habits by Generation



Source: TD Bank, 2016.

So who spends more overall? National expenditure data shows that it is, in fact, the older age groups that contribute most to restaurant sales. Americans between the ages of 25-34 spend, on average, $2,921 a year on food outside the home—about 14% less than those between the ages of 35 and 54, who spend the most. When factoring in the total population of each generation, it is 45-to-54 year olds who generate the most restaurant sales overall due to higher disposable incomes than those of younger, early-career millennials and retired or semi-retired baby boomers.

FIGURE 6: CONSUMER RESTAURANT EXPENDITURE BY GENERATION

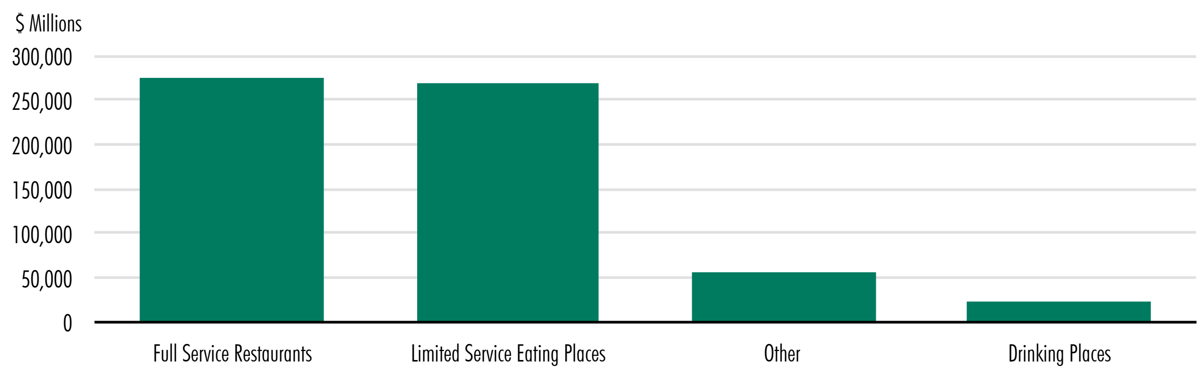


Source: U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2013-2014.
Note: *Calculated by multiplying the average annual expenditure on Food Away from Home x total population of the age group.

FAST CASUAL CONTINUES TO EXPAND, BUT NEW FORMATS ON THE RISE

Total revenues at full-service and limited-service restaurants were nearly equal last year, with full-service commanding 44% of total restaurant sales and limited-service accounting for 43% (the remaining share went to bars and specialty food services like catering). Historically, these shares have remained relatively balanced over the past 10 years, with the exception of a shift in favor of limited- service restaurants during the height of the last recession.

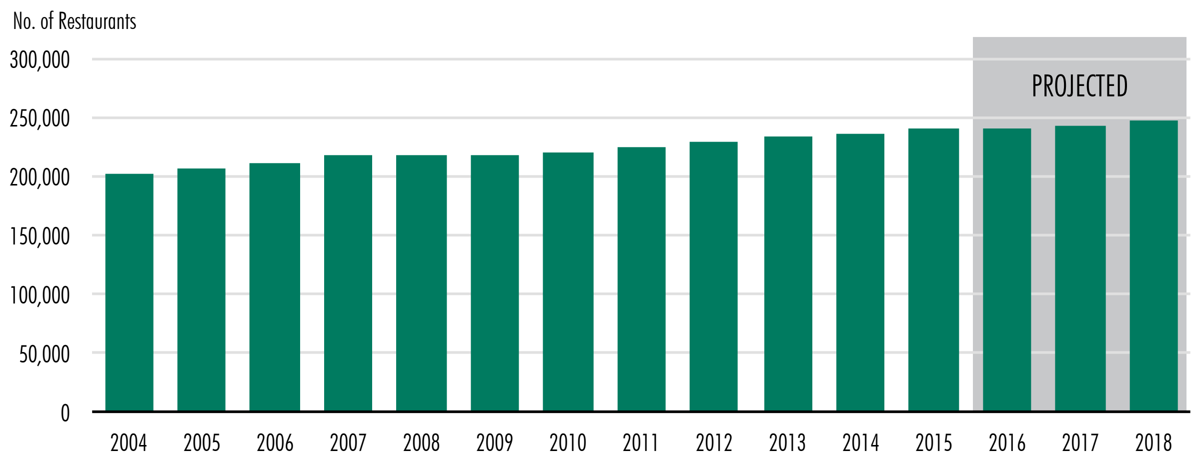
Figure 7: 2015 Sales by Restaurant Category



Source: U.S. Census Bureau, Q1 2016.

Despite the seeming stability of these two major segments, there is much shifting among their subcategories. In the limited-service segment, fast casual is outperforming the quick-service category (primarily comprised of fast-food). A hybrid of quick-service and casual dining restaurants, fast casuals have been one of the fastest growing restaurant categories in recent years. They grew in popularity particularly after the recession, as they offered more choice (often through customization) than fast-food and at lower prices than full-service dining. The food is of a higher quality, with many concepts featuring organic, locally sourced and antibiotic-free offerings. A focus on a more upscale, appealing atmosphere has also gained the category great favor across demographics and income levels. Fast casual chain restaurants grew by 11.4% in 2015,[3] compared to 5.5% for the overall limited-service category, according to data from Technomic, which tracks the revenue of national chain restaurants. U.S. sales reported by 14 national fast-food chains and representing approximately 50% of the fast-food market showed overall revenue growth of only 2%. These differentials are noticeable on the ground, where the number of fast casual restaurants in the U.S. has grown 10% since 2010. Continued growth of nearly 3% is anticipated between 2015 and 2018, with expansion of existing concepts and the entry of new players. They are exerting pressure on fast-food chains, which are trying to compete by adopting healthy and fresh-food options, more upscale branding and restaurant designs, and enhanced customization through apps and build-it-your-way menu options.

Figure 8: Number of U.S. Fast Food and Quick Service Restaurants (Actual and Projected)



Source: IBISWorld, 2016.

3 "Fast-casual boom continues, finds Technomic", March 24, 2016.

FOOD TRUCKS: DISRUPTION OR OPPORTUNITY?

The rapid rise of food trucks across the U.S. has created what the National Restaurant Association estimates will become a $2.7 billion industry by 2017. Driving much of this rise is a growing number of chefs and restauranteurs using this format to enter the industry at a lower cost, many with hopes to eventually move on to brick-and-mortar storefronts. This format appeals to consumers' growing interest in new and unique concepts, fresh foods and often lower prices relative to traditional brick-and-mortar options. Eager to share in the format's growth, many established restaurants are considering using food trucks, similar to the way retailers embraced pop-ups years ago. A recent study by the National Restaurant Association found that 19% of existing fast casual restaurants are likely to supplement their business with food trucks within the next two years.

Although comprising only a small share of overall restaurant sales, food trucks have caused some concern among landlords, who fear the trend might lessen demand for restaurant space. However, landlords would be well advised to consider ways to profit from the food truck trend. Trinity Leeds, a recently built 1 million-sq.-ft. shopping center in the U.K., has eschewed the traditional mall food court in favor of an open space hosting a dozen food trucks that change every few weeks. The "Trinity Kitchen," as the space is called, hosts a combination of permanent and "pop-up" food truck concepts that allow the center to provide a diverse and unique food offer. In the U.S., landlords are taking similar approaches in creating open-air food truck parks, like the Truck Yard in Texas. Also in Dallas, the Trinity Grove project has billed itself as a "restaurant incubator," featuring a rotating array of local chefs and food vendors. Taking a chance on local, independent chefs and restaurant concepts appeals to consumers' desire for "authenticity" and creates opportunities to profit from investment in successful startups.

FOOD HALLS: OPTIONS WITH A SIDE OF EXPERIENCE

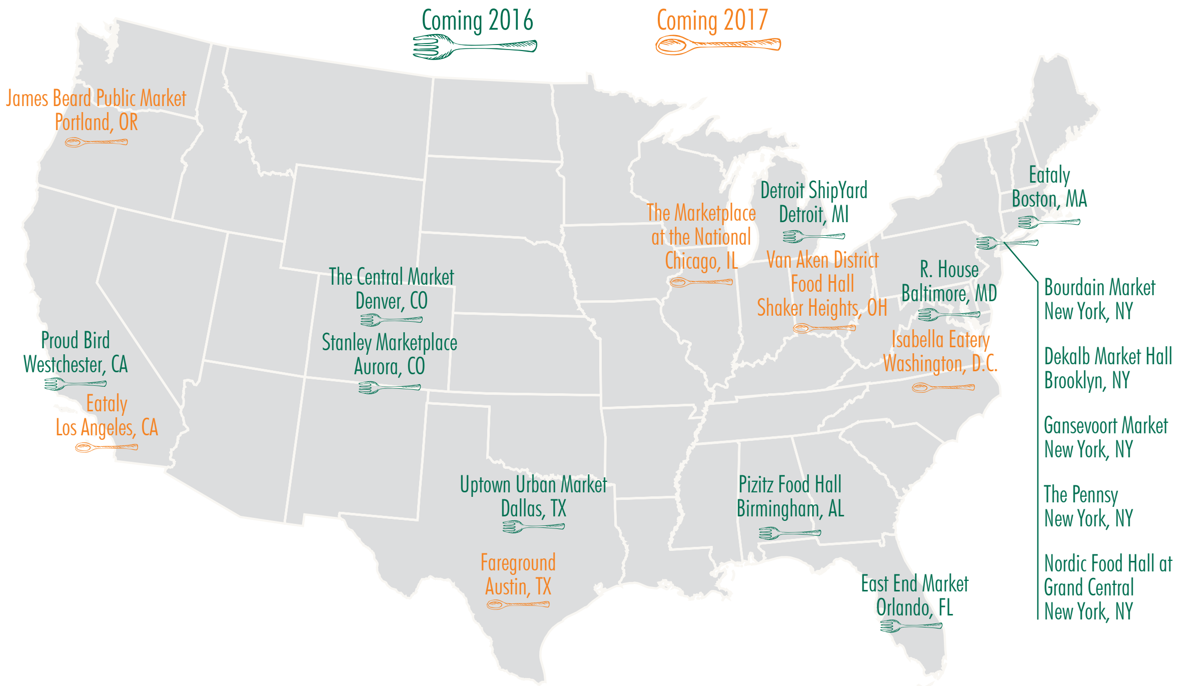
Food and market halls have existed for centuries but have experienced a significant revival in the U.S. over the past two years. The more traditional and popular food halls centered on historic landmarks like Faneuil Hall in Boston or Reading Terminal Market in Philadelphia feature a diverse array of fresh and prepared food vendors. Newer food halls have built on the format, featuring more upscale dining options from grab-and-go to full-service restaurants. New operating models have also emerged: Concepts like Eataly, Le District and Todd English's food hall at the Plaza Hotel in New York have replaced multi-vendor platforms with a centrally owned and managed operation. Similar to food trucks, food halls appeal to consumers' demand for new, fresh and different food concepts. They add a critical element of experience, often housed in large open spaces with busy and eclectic atmospheres reminiscent of the original food and market halls of centuries past.

In the U.S., more than 13 major food halls opened in 2015 alone, with an anticipated 14+ slated for opening this year. Although many recently opened halls are in major urban areas, there is clear activity in secondary urban markets like Detroit and, increasingly, dense suburban markets. While many are locating within distinctive buildings such as vacant warehouses and converted industrial properties, owners and landlords of traditional retail spaces such as malls and strip centers are considering the potential that food halls can bring to their assets. As the traditional mall food court format struggles, food halls are seen as potential replacements. The iconic Prudential Center in downtown Boston chose to replace its traditional food court with a 44,000-sq.-ft. Eataly. The D.C. area's Tysons Corner also plans to replace its food court with the "Isabella Eatery," a 40,000-sq.-ft. space featuring 10 food concepts. The large spaces that many of these food hall concepts can fill raises the question of whether the format could be an option for mall and shopping center owners seeking to replace vacant or struggling big-box and department store units.

In some ways, food halls are well-positioned to capture the nation's evolving consumer base: They provide large and diverse choices in both cuisine and price points that enable access to a wide range of ages and incomes. Second, they represent a fairly adaptable format that enables operators and owners to easily swap tenants and food options to meet evolving consumer tastes. Third, they can fill spaces ranging in size from 5,000 sq. ft. to more than 50,000 sq. ft. and can therefore fit a range of real estate options as spaces become available.

In their existing format, food halls require high foot traffic throughout the day for profitability. This poses some constraints to the segment's growth, limiting it to densely populated and often urban areas. The viability of food halls in less densely populated suburban locations or in shopping centers with low weekday and/or daytime traffic is questionable. For that reason, food hall growth may slow once urban areas are saturated.

Figure 9: Charting Recent and Projected Food Hall Openings 2014-Present



Hall	City	State	Open Date
Society Fair	Alexandria	VA	2015
Ponce City Market	Atlanta	GA	2015
Mercantile and Mash	Charleston	SC	2015
Latinicity	Chicago	IL	2015
The Market Hall	Dallas	TX	2015
The Source	Denver	CO	2015
Public Market	Emeryville	CA	2015
St. Roch Market	New Orleans	LA	2015
UrbanSpace Vanderbilt	New York	NY	2015
City Kitchen at Row	New York	NY	2015
Pine Street Market	Portland	OR	2015
Liberty Public Market	San Diego	CA	2015
The Hall	Seattle	WA	2015
Korg Street Market	Atlanta	GA	2014
Berg'n Brooklyn	Brooklyn	NY	2014
Eden Center	Falls Church	VA	2014
Fulton Street Food Hall	Las Vegas	NV	2014
Stir Market	Los Angeles	CA	2014
Market House	Nashville	TN	2014
Hudson Eats	New York	NY	2014
Grand Central Dining Concourse	New York	NY	2014
Playa Provisions	Playa Del Rey	CA	2014
New World Mall Food Court	Queens	NY	2014
Locale Market	St Petersburg	FL	2014
Jeannine's Gourmet Food Hall	Westlake Village	CA	2014

Sources: The Daily Meal- The 50 Best Food Halls in America, Eater- Most Anticipated Food Halls, MSN-50 Best Food Halls 2016, and Zagat- Must Visit Food Halls.

CHEF-INSPIRED FINE DINING: BETTING ON MILLENNIAL SPENDING GROWTH?

Mostly seen in urban markets, chef-inspired concepts are popping up across the nation. Heather Terhune, Guy Fieri, Anthony Bourdain, José Andrés and Todd English are just a few of these "celebrity chefs" leveraging their fame to roll out full-service restaurants across the country. High-spending Generation Xers and many of the youngest baby boomers are driving much of the growth in this category. Millennials, though preferring lower-priced and faster options today, may shift towards higher priced options in the future. As their careers and salaries advance, so too will the amount they are willing to spend for a restaurant meal. The segment's rise has been so pronounced that it has caught the eye of several foreign chefs looking to profit from the growth. Among them, U.K.-based celebrity chef Jamie Oliver announced plans earlier this year to launch one or more of his six restaurant chains in the U.S.

Formerly concentrated in urban, street-front locations, these restaurant concepts have begun appearing in suburban areas and in alternative retail formats like shopping centers. Mall owners eager to expand their food and beverage offer and provide unique concepts as part of placemaking strategies are courting local and national celebrity chef restaurants as potential tenants. The Isabella eatery opening at Tysons Corner is a partnership with local celebrity chef Mike Isabella. At Hudson Yards, New York City's newest mixed-use project, the retail portion will feature restaurants from multiple celebrity chefs, including José Andrés and Costas Spiliadis.

GROCERANTS: IS GROCERY THE NEW RESTAURANT?

In recent years, major grocers have turned their attention to prepared foods and in-house restaurants as a supplement to typically shelved items like fresh and packaged foods. In many of its newer full-line and 365 concept stores, Whole Foods Market features in-store bars, breweries and restaurants. Kroger Co. also signaled its interest in dining options by investing in specialty grocer Lucky Market, which has a heavy emphasis on prepared foods. Lured by price points comparable to fast casual options, consumers are showing strong interest in the convenience, affordability and quality of grocery-made foods. A recent report[4] by the NPD Group found that sales of prepared foods and meals at grocers have grown 30% over the past eight years to an estimated $10 billion. NPD found that 40% of American consumers purchase prepared food at grocery stores.

4 "A Generational Study: The Evolution of Eating", NPD Group, June 2016.

Why are grocers moving into the restaurant space? For one, prepared foods and meals generate higher profit margins than the traditional low-margin grocery business. Second, offering prepared food sections such as cafes, delis, salad bars and full-service restaurants helps drive traffic to grocers and increases the likelihood of additional purchases in a single trip. Third, prepared food sections can give grocers the critical advantage they need against neighboring food and beverage retailers as competition intensifies—a trend many are calling "grocery wars."

As many grocery chains continue their parallel pursuit of smaller-format storefronts, they present an intriguing food and beverage option for shopping center landlords. Strong traffic drivers and credit tenants, small- and large-format grocers with a well-developed prepared food and/or restaurant offer could be a dependable source of revenue and traffic for a retail property. Investors are also likely to look favorably upon the trend, as grocery stores tend to increase the value of assets and lower cap rates. In 2015, CBRE transaction data revealed the average cap rate for grocery-anchored properties was 114 bps lower than that recorded at non-grocery centers As a result, enclosed and regional mall owners may be the next group to consider supplementing their food and beverage offer with an up-and-coming "grocerant."

LANDLORDS: BALANCING RISK AND OPPORTUNITY IN RESTAURANT GROWTH

OPPORTUNITY:

Restaurants are viewed as strong traffic-drivers that draw frequent and regular customer visits, which create opportunities for the neighboring retail offer. For retail landlords, expanding a restaurant offering is a way to counterbalance the declining sales seen in low-growth soft goods categories and build a tenant mix more resistant to e-commerce penetration. Today, many shopping center owners are pursuing this path and replacing traditional retail spaces with restaurants and redeveloping retail assets to allow for more food and beverage options. Still others are considering whether restaurants could present an alternative use for empty anchor and big-box spaces. In all of these cases, landlords are investing significant capital into restaurant-related projects. But what are the costs and risks posed to landlords expanding their restaurant footprints?

COST AND RISK:

Operational and build-out costs. Converting existing retail space to restaurant use often requires physical and/or structural changes to the space, including kitchen build-outs and additional requirements for utility and ventilation systems. These costs can range from slight to significant, depending on both the scale of the structural change and the contribution of the incoming tenant. Although many tenants may assume the majority of the build-out, landlords must be prepared to contribute significant amounts when seeking to attract highly desired tenants.

Parking. Increased parking demand is another dilemma that landlords face when expanding restaurant offerings. Restaurants, especially those that generate significant customer volumes/counts, tend to require more parking spaces for their customers and can create operational challenges should sufficient parking not exist. At peak dining times, insufficient parking could deter both restaurant and retail customers, and cause potential conflict with existing retail tenants.

Creditworthiness. Many prospective restaurant tenants have weak or no credit in a category notorious for failure, therefore providing little to guarantee success over the typical 10+ year lease. For this reason, landlords must be vigilant in the research process, executing strong and detailed due diligence on new concept tenants in order to limit their exposure to risk. However, landlords seeking to meet consumer demands for new and unique concepts must be prepared to assume a certain degree of risk. For many owners, exposure is limited by hosting a mix of independent and national-chain, good-credit tenants. Others are experimenting with non-traditional lease structures, such as at Trinity Groves, where the property owners are partial investors in the restaurants. A move towards partnership over the traditional tenant-landlord relationship presents opportunities to not only mitigate risk but create new revenue streams.

CITIES LEAD IN RESTAURANT SPENDING, WITH GROWTH STRONGEST IN SECONDARY MARKETS

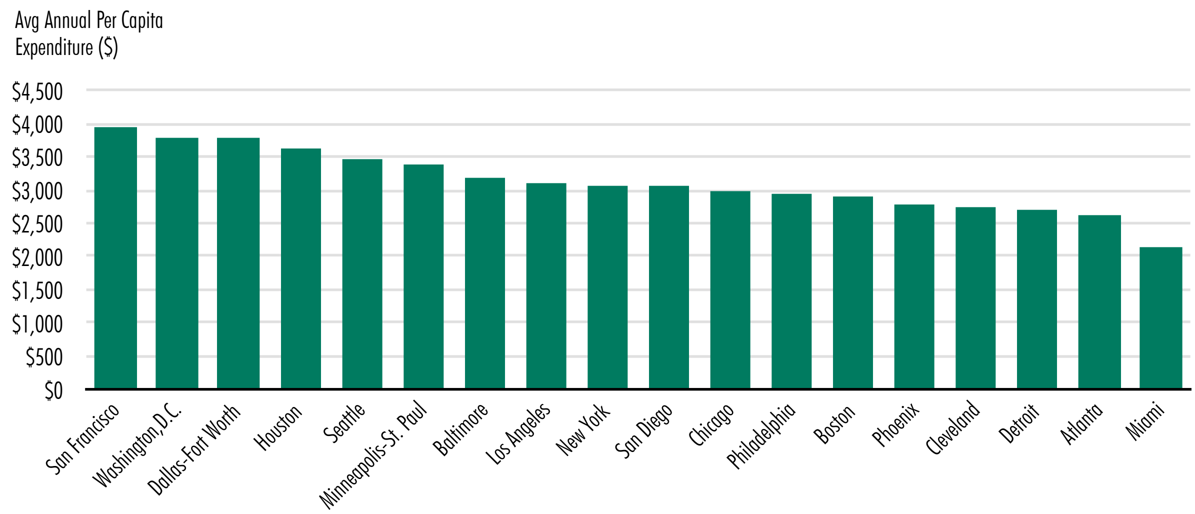
Restaurant sales have historically been highest in primary cities, though much of the recent category expansion has raised the profile of secondary markets. The expansion of new and existing restaurant concepts into secondary urban and suburban markets is one marker of growth. Another is found in analysis of consumer restaurant spending. According to data from the federal government, per capita dining expenditure is highest in San Francisco, followed by Washington, D.C., and Dallas. The majority of the top five cities ranked by expenditure are primary urban markets. These cities attract restaurant tenants willing to pay high rents to access high-income, high-spending populations.

Major opportunities also abound for both restaurants and landlords in high-growth secondary markets, which have recorded pronounced increases in consumer restaurant spending. The majority of the fastest-growing cities for per capita restaurant expenditure are secondary markets, including Minneapolis, Baltimore, Philadelphia and Detroit, according to the U.S. government survey. Other second-tier cities not tracked by the survey, but where job, income and population growth are high, are also experiencing significant restaurant expansion. A recent CBRE report[5] on retail expansion in Denver found that the city's number of quick-service restaurants increased by 67% in 2015 compared to the previous year.

5 "New Food! New Clothes! New Denver Retailers" CBRE MarketFlash, published February 2016.

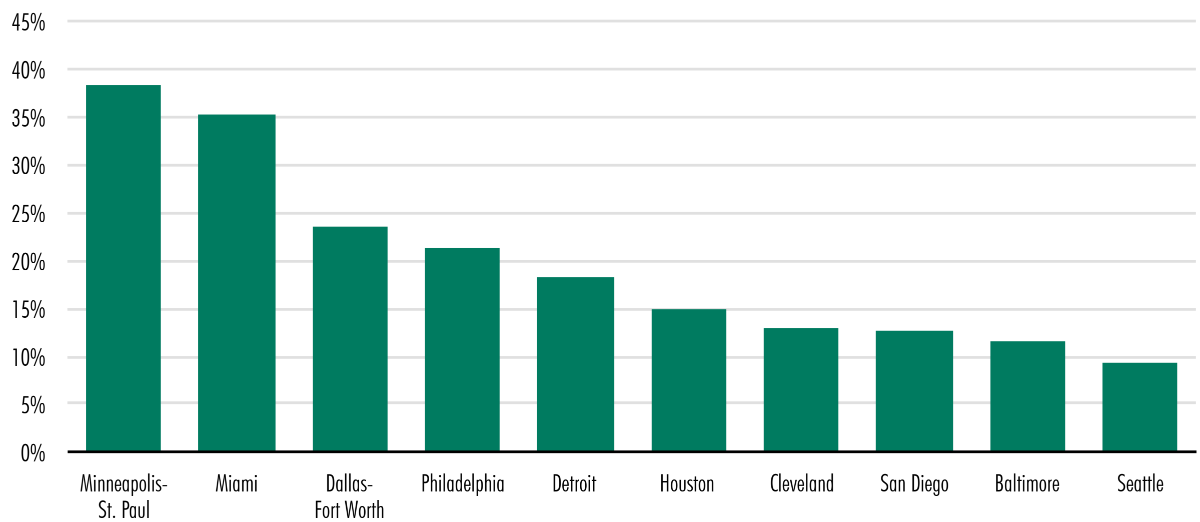
High-growth secondary cities also feature more affordable rent levels and slightly less competition than primary urban cores, making them appealing to both chain and independent food concepts. Many of the food halls set to open over the next two years are located in such cities, including Portland (James Beard Public Market), Austin (Fareground) and suburban Cleveland (Van Aken District Food Hall).

Figure 10: Consumer Restaurant Expenditure by City



Source: U.S. Bureau of Labor and Statistics Consumer Expenditure Survey, 2013-2014.

Figure 11: Top 10 Cities for Restaurant Expenditure Growth (2014 vs. 2011)



Source: U.S. Bureau of Labor and Statistics Consumer Expenditure Survey, 2013-2014.

Note: Restaurant expenditure is measured as the per capita expenditure on meals away from home.

OUTLOOK AND CONCLUSIONS

Although competition between restaurant operators—especially in the limited service categories—will prove fierce in the face of new entrants, the fundamental shifts in consumer demand and rising millennial spending power will drive growth in the category. This anticipated growth, plus resistance to e-commerce and relative resilience during economic recession, makes food and beverage a key traffic driver for retail property owners. As a result, retail real estate will devote an increasing share of space to both limited- and full-service restaurants. For landlords, the key to success in widening restaurant offerings involves curating a unique and diverse offer that caters specifically to the intended customer base, while mitigating the risk of lower-credit and independent tenants through careful selection and openness to innovative lease structures.

Figure 12: Restaurant Segments Overview & Outlook

MENU

RESTAURANT SEGMENTS
OVERVIEW & OUTLOOK

MENU

SPECIALTY
Specialize in non-alcoholic drinks, snack foods and/or small prepared meals. Individual items typically under $10.

TYPICAL SIZE
<2000 sq. ft.

EXAMPLES
Dunkin Donuts, Wetzels Pretzels, chain and independent coffee houses

OUTLOOK
This sector remains in high demand as studies have shown a notable increase in snacking and expenditure on coffee, especially among millennials.

QUICK SERVICE
Dominated by fast-food concepts and characterized by speedy service, convenience and low prices; meals typically under $10.

TYPICAL SIZE
1,500-3,000 sq. ft.

EXAMPLES
Chick-fil-A, Wendy's, Taco Bell, Sonic, KFC

OUTLOOK
The fast-food segment faces formidable competition from fast casual options. To compete, quick service players must innovate with healthier food options, more customization and, in some cases, investment in refurbishing or rebranding existing spaces

FAST CASUAL
A hybrid of quick- and full-service dining; offer convenience comparable to quick service but focus on higher-quality food, customization, and ambience. Meals typically range from $8-$15.

TYPICAL SIZE
1,500-3,000 sq. ft.

EXAMPLES
Chipotle, Shake Shack, Blaze Pizza, Sweet Greens

OUTLOOK
Fast Casual continues to expand as a category, though competition between national players will be fierce due to both expansion from existing players and the aggressive entry of new ones. Focus on offering fresh and/or local foods also represents operational risks, making quality control over sourcing and supply chains more challenging and potentially riskier.

CASUAL DINING
Full-service restaurants that offer a lower price point than fine dining establishments. Traditionally kid- and family-friendly, meals typically range from $10-$20.

TYPICAL SIZE
6,000-8,000 sq. ft.

EXAMPLES
Applebee's, Red Lobster, Red Robin, Olive Garden

OUTLOOK
As fast casual and fine dining continue to expand in all markets, casual dining is projected to suffer most. Although many markets still benefit from its price point and offerings, the sector will feel the pinch as the hourglass economy continues to increase.

POLISHED CASUAL
Full-service restaurants at a quality and price point above casual dining but below fine dining. Meals typically range from $12-$20.

TYPICAL SIZE
6,000-8,000 sq. ft.

EXAMPLES
Yard House, Cheesecake Factory, Brio, Legal Seafood

OUTLOOK
This segment faces better prospects than casual dining as it doesn't compete directly with fast casual. This segment has a wide base of consumers seeking a quality, full-service experience that is more affordable than higher-end fine dining.

FINE DINING
A large category, fine-dining restaurants are known for higher quality food and service than other formats. They can range from high-end, starred independent restaurants to less expensive national chains where entrees typically surpass $20.

TYPICAL SIZE
6,000-8,000 sq. ft.

EXAMPLES
National Chains: Mastro's, Ruth's Chris Steak House, Fleming's, Spago; Independents: Joe's Stone Crab, Tao Asian Bistro, Old Ebbitt Grill

OUTLOOK
As millennials continue to age and advance in careers and salaries, fine dining tenants offer the next great opportunity for growth.

Source: CBRE Research, Q1 2016.

FOR MORE INFORMATION, PLEASE CONTACT:

Spencer G. Levy
Americas Head of Research
+1 617 912 5236
spencer.levy@cbre.com
Follow Spencer on Twitter: *@SpencerGLevy*

Melina Cordero
Americas Head of Retail Research
+1 202 585 5532
melina.cordero@cbre.com
Follow Melina on Twitter: *@MelinaSCordero*

Ashley Hill
Senior Research Analyst
+1 949 809 3745
ashley.hill@cbre.com

David Orkin
Executive Vice President
Restaurant Practice Leader
+1 484 567 2828
david.orkin@cbre.com

Anthony Buono
Chairman, Global Retail Executive Committee Retail Services, Global
+1 619 696 8302
anthony.buono@cbre.com
Follow Anthony on Twitter: *@AB102988*

Todd Caruso
Senior Managing Director
Retail Agency Services, Americas
+1 847 572 1480
todd.caruso@cbre.com
Follow Todd on Twitter: *@ToddCaruso*

Brandon Famous
Senior Managing Director Retail Occupier Advisory & Transaction Sercices, Americas
+1 215 279 9780
brandon.famous@cbre.com

Mickey Ashmore
Chairman
Retail Services
+1 214 252 1125
mickey.ashmore@cbre.com
Follow Mickey on Twitter: *@MickeyUCR*

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at *www.cbre.com/researchgateway*.

Additional U.S. Research from CBRE can be found *here*.