
NEWS RELEASE

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LEVIN SURVEY UNVEILS 2012 AS A POSITIVE YEAR FOR RETAILERS ***Better-than-Expected Black Friday Sales Boost Holiday Season Performance***

NORTH PLAINFIELD, N.J., Feb. 5, 2013 – Continued economic uncertainty, the growing impact of ecommerce on brick-and-mortar stores and the effects of Superstorm Sandy in the northeast may have put a slight damper on holiday sales results. However, 2012 proved to be a positive year for retailers, according to [Levin Management](#)'s post-holiday Retail Sentiment Survey. The North Plainfield, N.J., retail real estate services firm this week reported the results of its annual January poll of store managers within its 90-property, 12.5 million-square-foot shopping center portfolio.

A full 65 percent of respondents indicated that their 2012 total sales were the same or higher than 2011, up from 60 percent in last year's post-holiday survey. The [U.S. Census Bureau's](#) findings mirror this positive trending. Earlier this month, the agency reported \$415.7 billion in domestic retail and food services sales for December, an increase of 4.7 percent over December 2011; total retail sales for 2012 were up 5.2 percent from 2011.

"It appears that 2012 was a better year for retailers in our portfolio and across the board, which is good news," noted Levin Management's Matthew K. Harding, president. "While the growth remains modest, things are headed in the right direction."

Similarly, 65 percent, of Levin Management's survey respondents reported that 2012 holiday sales were the same or better than 2011. In Levin's pre-holiday poll, 69.7 percent projected sales levels similar to or better than 2011. However, the post-holiday number is down from last year's survey, when 73.1 percent reported 2011 holiday sales at the same level or better than 2010. The [National Retail Federation](#) reported that 2012 holiday retail sales (totaling \$579.8 billion) increased 3.0 percent from 2011, coming in below its projected forecast of 4.1 percent.

And while Levin Management's survey results traditionally have reflected a close parallel between sales volume and shopper traffic, the latest shows a disparity. Only 61 percent reported holiday traffic at the same or higher level than 2011 (as compared to 71.2 percent last year).

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BLACK FRIDAY BOOST

Black Friday and Thanksgiving weekend proved to be the highlight of the 2012 holiday shopping season with performance much better than expected. For 27.7 percent of Levin Management's survey respondents, holiday sales peaked during that period. In the 2012 pre-holiday survey, only 15.3 percent expected that result.

A full 80 percent said that their Black Friday/Thanksgiving weekend sales were as good as or better than expected. This sentiment reflects a real shift on a national scale. The International Council of Shopping Centers (ICSC) and Goldman Sachs [Weekly Chain Store Sales Index](#) found, for the week ending Nov. 24, retail sales rose by 3.3 percent. Year-over-year, the Index showed a 4.0 percent improvement.

"It appears that retailers' aggressive marketing efforts to rejuvenate Black Friday as a key holiday sales period are working," Harding said. "However, after this encouraging start, sales seemed to drop off to levels lower than expected. Sluggish economic growth and 'fiscal cliff' worries among many consumers likely played a large role in keeping spending in check."

However, hiring trended down from last year: 26.6 percent of survey respondents added staff for the holidays (compared to 30.6 percent in January 2012), and only 13.3 percent plan to retain holiday employees as permanent staff compared to 54.7 percent last year.

ECOMMERCE IMPACT GAINS TRACTION

In its post-holiday survey, Levin Management asked respondents whether ecommerce impacted their seasonal sales: 32.2 percent replied "yes," 25.5 percent replied "no," and 33.3 percent reported they were "not sure." This is the first time that "yes" responses outweighed "no" in Levin's survey, which is conducted three times per year. In addition, 25.5 percent of responders who replied "yes" indicated the ecommerce impact was negative while just 8.8 percent reported the impact as positive.

When asked if ecommerce will have a larger influence on sales in 2013, 41.1 percent of Levin survey respondents indicated they were unsure while 31.1 percent expect the impact to grow. Only 17.7 percent anticipate status quo.

DESPITE CHALLENGES, OPTIMISM REMAINS STRONG

Superstorm Sandy's devastation of New York and New Jersey – where much of Levin Management's portfolio is based – virtually halted retail in its tracks in late October. Widespread concerns about the storm's impact on the rest of the year came to fruition, according to Levin Management survey respondents. Some 64.4 percent reported a continued negative impact from the storm.

"Brick-and-mortar retailers in our region had a 'perfect storm' of potentially detrimental influences heading into the holiday season: the economy, ecommerce and Superstorm Sandy," Harding said.

Yet, the majority of Levin Management post-holiday survey respondents, 56.6 percent, reported feeling optimistic about 2013. Many, 30.0 percent, remain uncertain about what the coming year will bring. Only 8.8 percent reported feeling pessimistic about near-term performance.

“Like most retailers that participated in our survey, we at Levin Management expect retail to progress in 2013,” Harding said. “The diversity and scope of new leasing activity we saw in 2012 indicates retail has entered a positive trajectory. A high level of renewals across the board, from local retailers to franchises and national chains, reinforces this good news; and in addition, consumer sentiment and confidence will further fuel the sector’s momentum in 2013.”

Having celebrated its 60th year in 2012, Levin Management is one of the nation's leading retail real estate services firms, with a strong focus in the northeastern United States and an owner's approach to the business. Today, the North Plainfield, N.J., company offers a full range of services for a diverse 90-property, 12.5 million-square-foot portfolio. These assets include neighborhood, community, lifestyle and power centers, as well as enclosed malls, downtown stores and mixed-use projects in New Jersey, New York, Pennsylvania, Virginia, and North Carolina. Levin specializes in repositioning, retreating and renovating retail properties – areas that have become particularly vital for today's institutional, fiduciary and individual property owners.

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