

Retailer Update

from Retail Specialists, LLC

May 27, 2022

KOHL'S



Kohl's Announces New Store Strategy for Rural Markets.

Kohl's, the largest department store chain in the U.S., is rolling out a new store program. The plan is to open smaller format stores, primarily 35,000 sf, and are estimated to generate \$5 million per store in average unit sales.

The retailer announced in April '22 the locations of the first five new, smaller stores as part of this new expansion program. Three of their five new stores are located in these "Rural Markets." They will open 100 of these new stores in the next four years.



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Below is a quick overview of the five new locations for 2022.

Name of Center	Type of	Type of Market	City	State	Store Size	Population 10 miles	Median HH Income	Households	Miles to Nearest Store
The Center at Lenox	New	Rural	Lenox	MA	39,047	73,960	\$69,395	33,172	24 M
The Shops at Sherwood	New	Rural	San Angelo	TX		108,610	\$61,045	42,011	105 M
West Ridge Commons	New	Rural	Westover	WV		109,241	\$51,220	45,908	28 M
Bonney Lake Shopping Center.	Former Albertsons	Suburban infill	Bonney Lake	WA	55,000	388,004	\$90,872	138,950	7.1 M
Tacoma Mall	Re-	Suburban infill	Tacoma	WA		673,590	\$76,106	256,973	7.8 M

The new expansion focuses on two types of markets:

1. Infilling large suburban areas where a smaller store helps with high barriers of entry and fills a void in their market coverage.
2. The second type is the rural store / small town located in markets with a trade area of 100,000 people. Good markets but not large enough for a full-sized store.

Kohl's currently has three store size prototypes, each paired to certain sized markets and population densities. →



Site Criteria

80K-90K SF

Large Market (200-250K person trade area) / 7 Acres / 320 Front Feet

55K-65K SF

Mid-Size Market (125-175K person trade area) / 5-6 Acres / 260-300 Front Feet

38K-45K SF

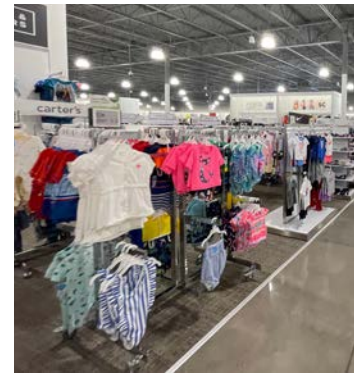
Exurban/Small Town/Dense-Infill Market (75-125K person trade area) 180-220 Front Feet

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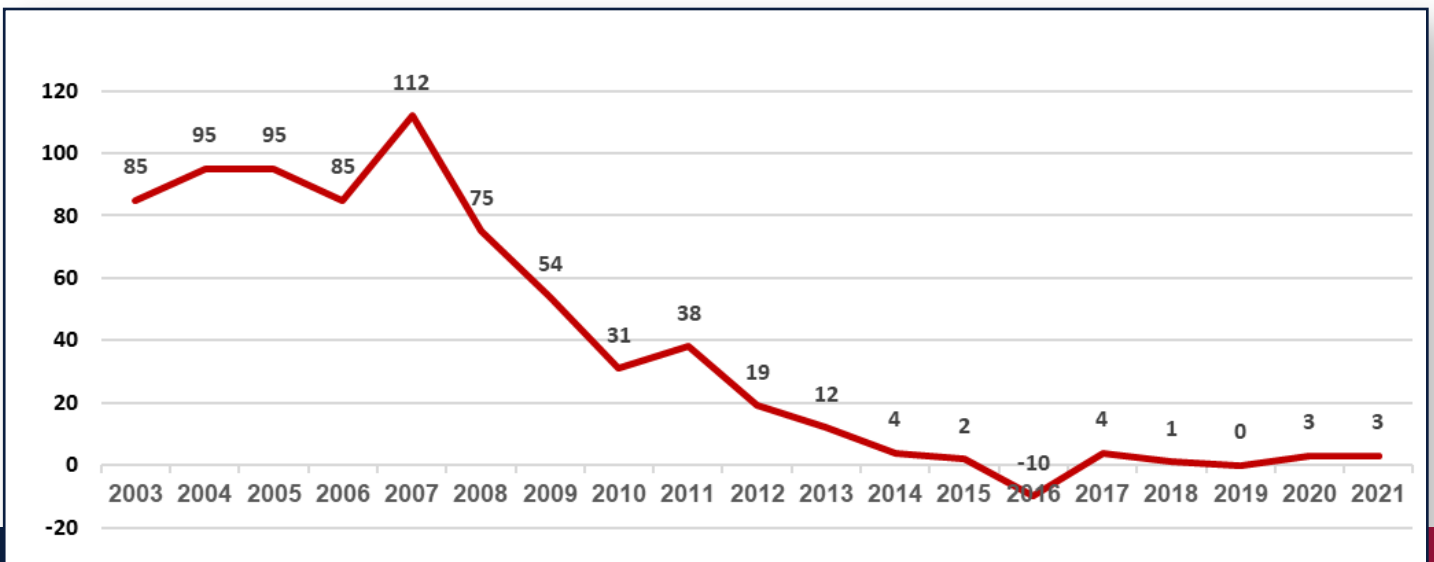
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The announcement of 100 stores opening in four years is significant in that, according to their annual reports, they have only had a net new store count of 11 stores since 2017 and even closed 10 stores in 2016.



KOHL'S STORE OPENINGS and STORE CLOSING per Year



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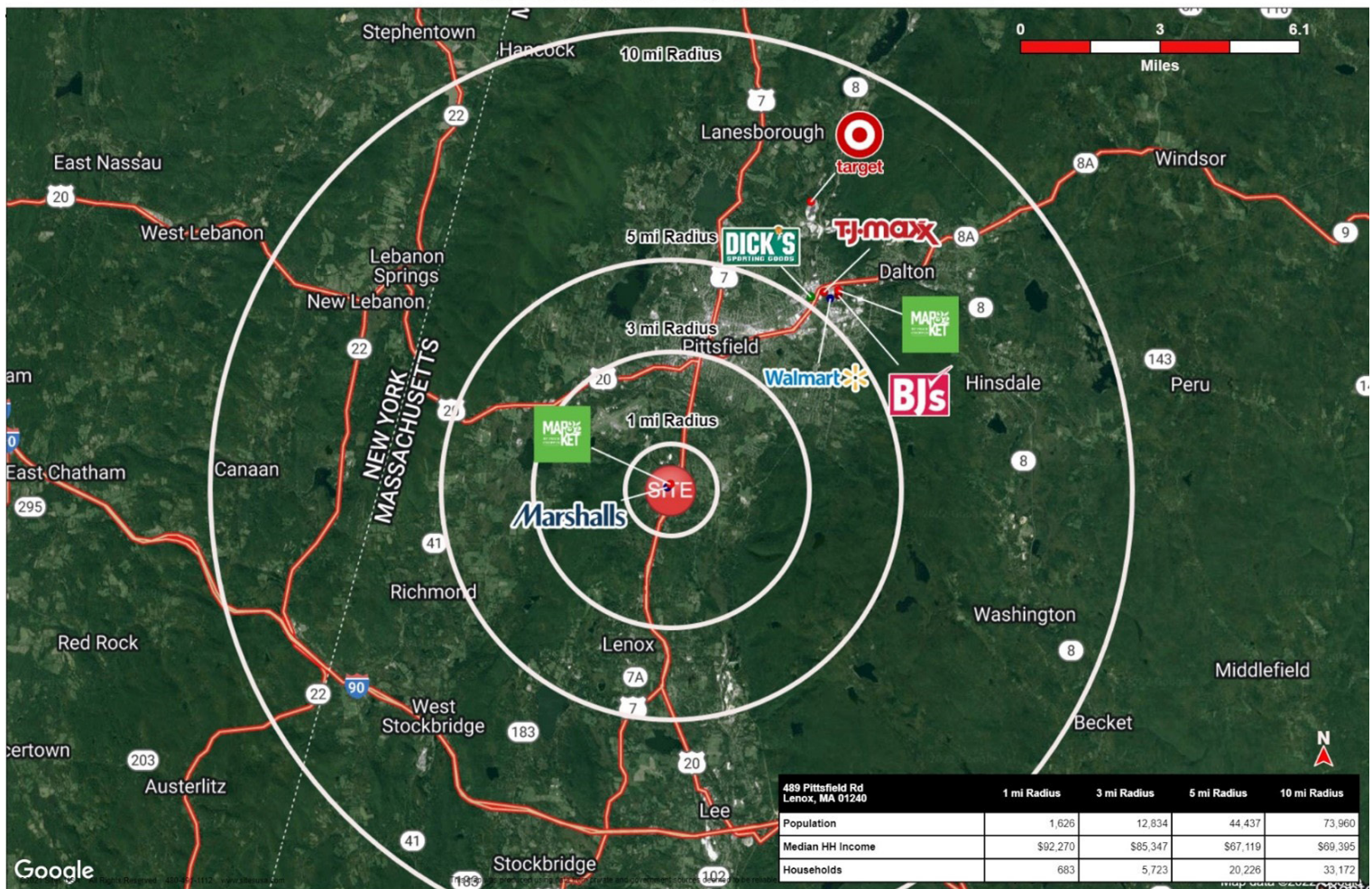
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Kohls New Store

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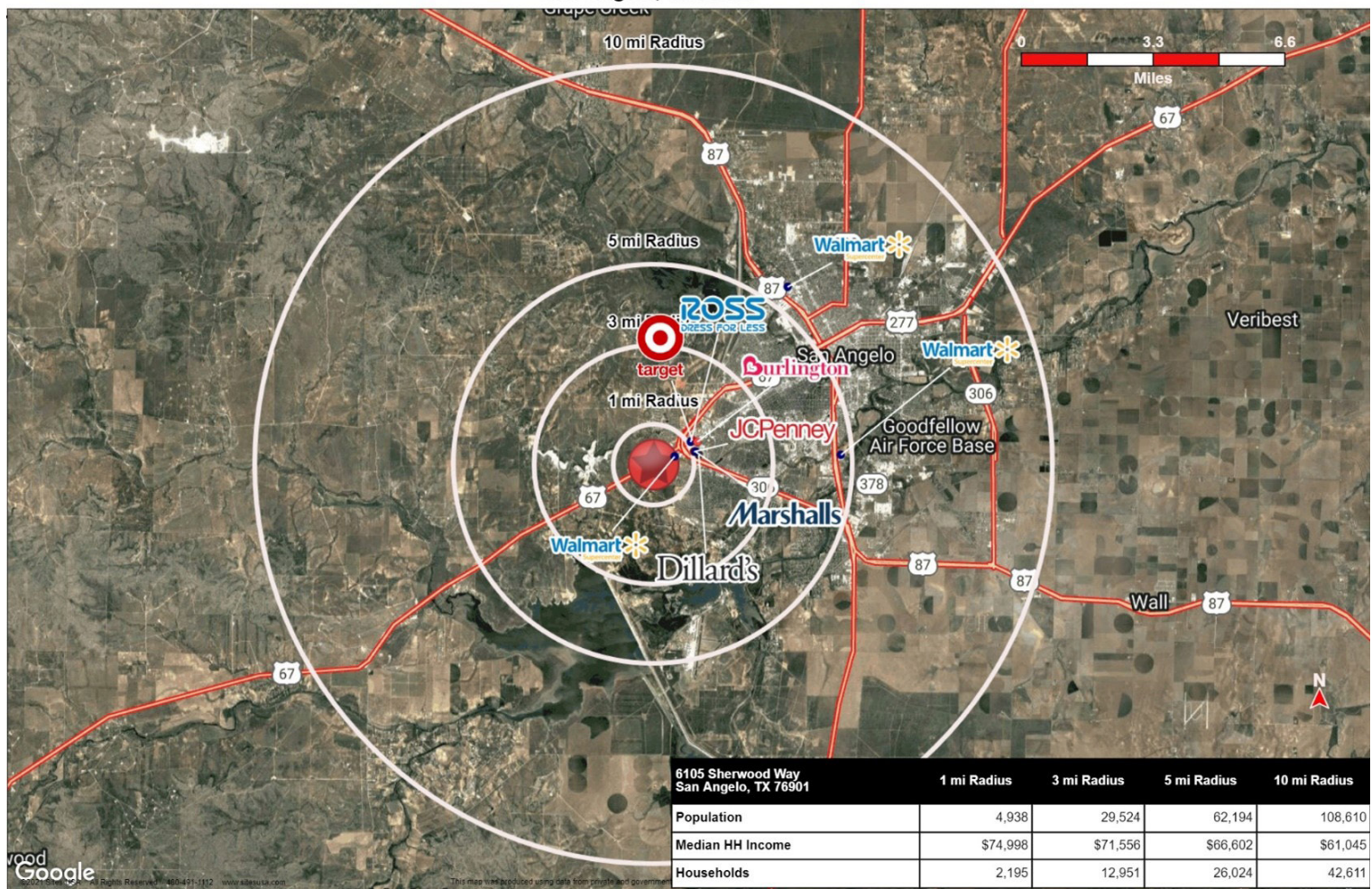
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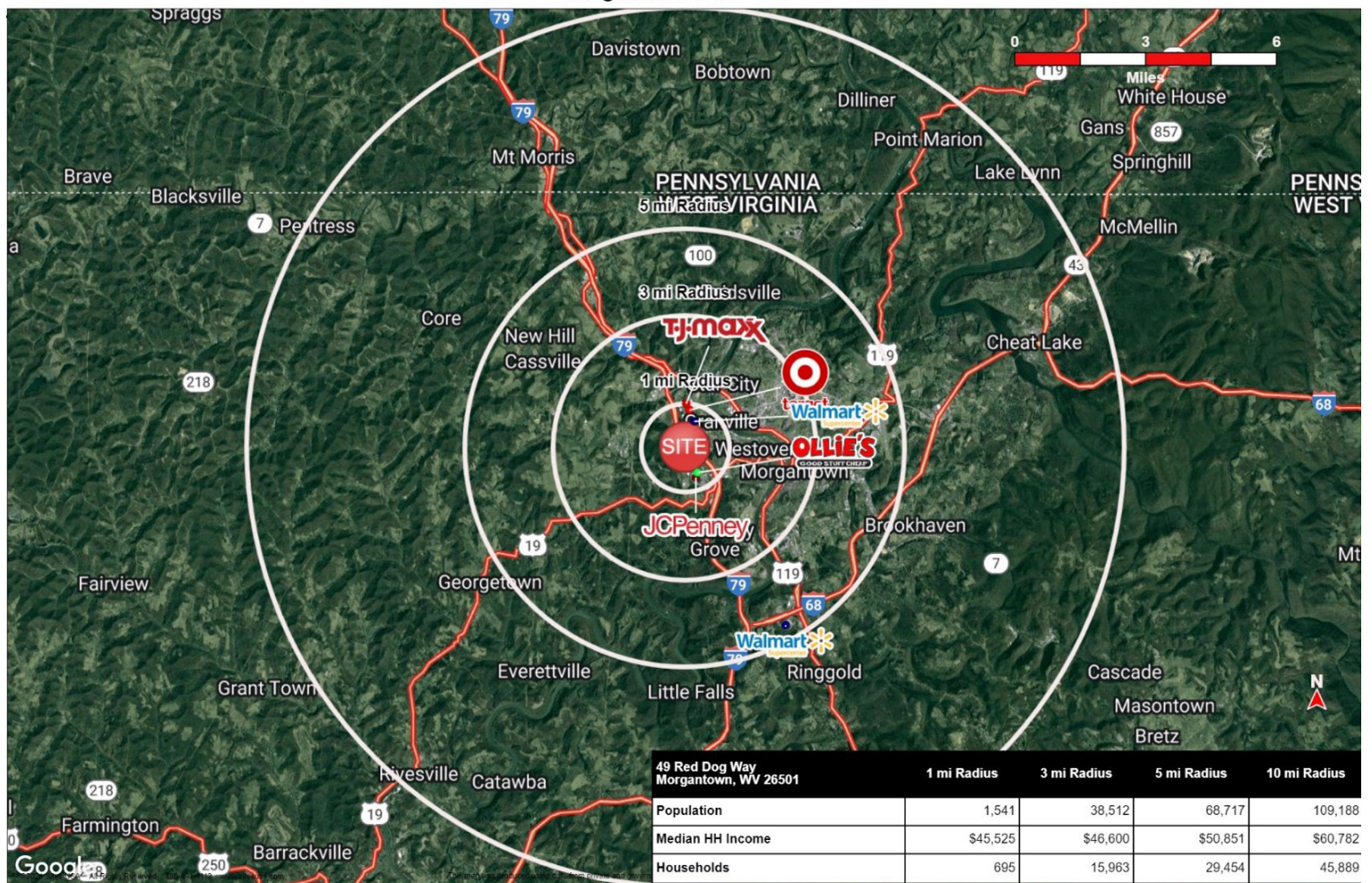
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Kohls New Store Morgantown WV



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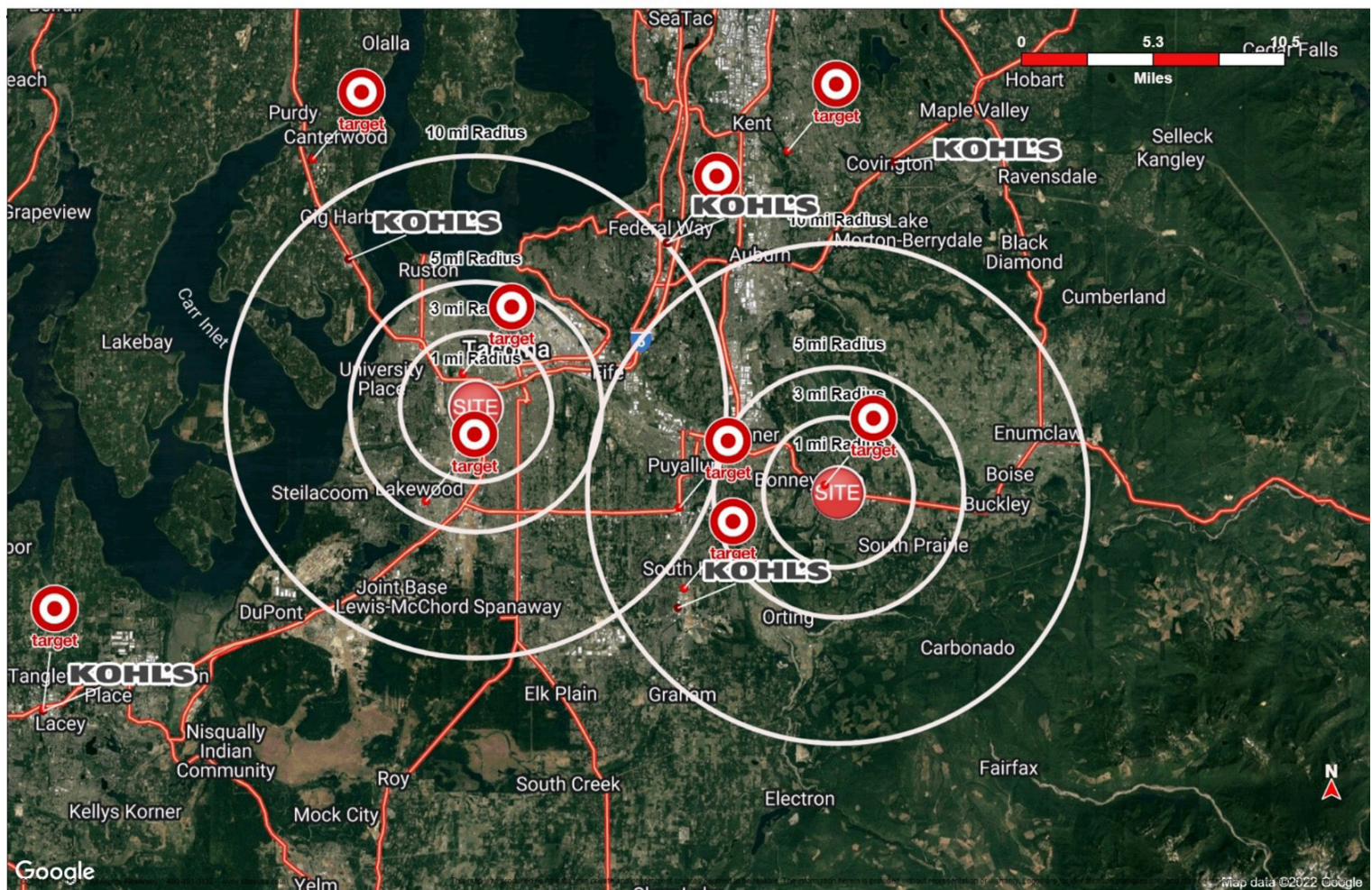
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Kohls New Store Seattle WA



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