# Predicting The Future and Comparing The Past

After all but suspending new store openings in 2020 and then new store construction cycle time being extended due to supply chain challenges in 2021, new retail openings are expected to skyrocket in 4Q22 according to AggData's Retail Openings & Closings proprietary data. These new openings are primarily associated with investment decisions made throughout 2021 when retail was quickly rebounding from the pandemic in part due to the cash flush consumer. Planned retail closings are similarly on the decline, with 652 expected for 4Q22, down 49.7% from 1,295 last year and significantly lower than the 4,608 in 2019.
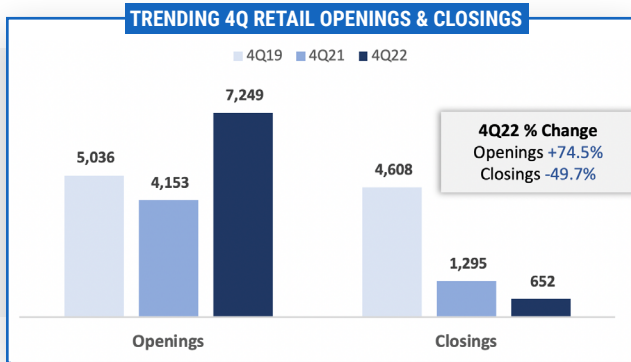
AggData's **Retail Openings & Closings (ROC)** database offers an interactive way to project future retail activity, with the ability to filter by date, state, MSA, and retailer. **Click here** to request detailed information on anything found in this report, or if you would like to learn more.

TRENDING 4Q RETAIL OPENINGS & CLOSINGS

■ 4Q19 ■ 4Q21 ■ 4Q22

Openings: 5,036 / 4,153 / 7,249
Closings: 4,608 / 1,295 / 652

4Q22 % Change
Openings +74.5%
Closings -49.7%

4Q RETAIL ACTIVITY BY INDUSTRY

Though multiple segments are seeing a sharp rebound in new openings, new restaurant activity stands out from the pack with more than 2,500 restaurants to open in Q4. Similar to the broader retail opening narrative, the cadence is primarily due to many restaurant operators pausing openings during the pandemic, a strong restaurant rebound throughout 2021 and 2022 and the cycle time associated with opening a new location. Similarly, gyms & fitness facilities, which are continuing to see a resurgence in consumer demand after shutting down during the pandemic are also quickly opening new locations.

BY INDUSTRY

OPENINGS	4Q22	4Q21	CLOSINGS	4Q22	4Q21
Restaurants	2,675	1,249	Apparel	215	62
Specialty/ Other	533	354	Arts & Crafts	149	104
Auto Parts	435	149	Specialty / Other	64	159
Convenience Stores / Distributors	433	168	Home Improvement / Building Materials	57	8
Gyms / Fitness	420	221	Restaurants	45	294
Miscellaneous Food	401	198	Housewares & Home Furnishings	26	23
Department Stores	393	105	Financial Services	23	228
Apparel	369	369	Grocery	17	55
Grocery	331	190	Departments Stores	13	9
Mass Merchandisers	264	352	Books / Toys / Gaming	5	14

2023 EXPECTATIONS

Given the strain inflation is putting on the consumer which has recently led to steep pullbacks in several discretionary categories, we suspect new store investments will taper down in 2023. Similarly, closings are likely to accelerate as operators are forced to sharpen the pencil on underperforming stores in the wake of a much less willing consumer, especially in the context of the volatile, likely to be recessionary macro environment. An example of this impact, apparel and Arts & Crafts stores, two sectors which experienced a strong rebound in 2021 are now shuttering stores at elevated rates as consumer demand pulls back.

Geographic Breakdown of 4Q Openings and Closings

Click here for an Interactive Heatmap of 4Q Retail Openings and Closings

% of Total Openings & Closings by State
15.6%   0.1%

RETAIL OPENINGS AND CLOSINGS BY STATE

According to AggData's Retail Openings & Closings proprietary data, retail openings are most concentrated in Texas, Florida, and California. This is no surprise, as they are home to some of the largest populations. What is telling is that in each of those states, 4Q22 openings have more than doubled when compared to the same period last year, indicating that retailers have been expanding at a faster pace there. Meanwhile, while Texas, California and New York also experienced the most closings, the number of closings are down by 27%, 56%, and 61%, respectively.

BY MSA

OPENINGS		CLOSINGS	
Dallas-Fort Worth-Arlington, TX	450	New York-Newark-Jersey City, NY-NJ-PA	48
Houston-The Woodlands-Sugar Land, TX	350	Chicago-Naperville-Elgin, IL-IN-WI	25
New York-Newark-Jersey City, NY-NJ-PA	350	Dallas-Fort Worth-Arlington, TX	25
Miami-Fort Lauderdale-West Palm Beach, FL	209	Los Angeles-Long Beach-Anaheim, CA	20
Phoenix-Mesa-Scottsdale, AZ	184	Houston-The Woodlands-Sugar Land, TX	18
Washington-Arlington-Alexandria, DC-VA-MD-WV	183	Detroit-Warren-Dearborn, MI	10
Chicago-Naperville-Elgin, IL-IN-WI	180	Kansas City, MO-KS	10
Los Angeles-Long Beach-Anaheim, CA	167	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	10
Atlanta-Sandy Springs-Roswell, GA	165	St. Louis, MO-IL	10
Austin-Round Rock, TX	143	Cincinnati, OH-KY-IN	9

MSA ANALYSIS

Broken down further by MSA, Dallas and Houston, TX, and New York, NY, top the list of metro areas with the most retail openings. Within these markets, Restaurants, Gyms and Mass Merchandisers, will open the most stores during 4Q. New York, Chicago, Dallas and Los Angeles are seeing the most closings, many of which are Arts & Crafts (majority are Party City), Apparel, and Housewares.

BY STATE

OPENINGS		CLOSINGS	
TX	1381	TX	75
FL	705	CA	50
CA	567	NY	47
NY	315	MO	34
GA	252	IL	30
NC	248	FL	26
OH	246	OH	25
VA	233	NJ	24
AZ	219	WI	24
IL	203	KS	22